

No. WH/ACC/23/11/LT336

November 14, 2023

Subject: Management discussion and analysis for the three-month period ended September 30, 2023

To: Director and Manager of the Stock Exchange of Thailand

Referring to the submission of the reviewed financial statements for quarter 3/2023 of WIik Public Company Limited (“the Company”), the management would like to clarify the operating results for the period of three month ended September 30, 2023 as follows;

Summarized of the Statement of income

| Unit : million Baht | Jul-Sep 2023 | Jul-Sep 2022 | Changed (%) |
|---|--------------|--------------|-------------|
| Income from pipe sale and installation | 214.99 | 309.02 | (30.43) |
| Incomes from the water management business | 60.72 | 46.73 | 29.94 |
| Other income | 2.66 | 11.09 | (76.01) |
| Total revenues | 278.37 | 366.84 | (24.12) |
| Cost from sale pipe and installation | 187.35 | 261.43 | (28.34) |
| Cost from the water management business | 37.67 | 32.62 | 15.48 |
| Selling and distribution expenses | 12.43 | 13.78 | (9.80) |
| Administrative expenses | 26.36 | 20.52 | 28.46 |
| Finance cost | 2.67 | 2.25 | 18.67 |
| Profit before income tax expenses | 11.89 | 36.24 | (67.19) |
| Income tax expenses | (1.68) | (5.60) | (70.00) |
| Profit for the period | 10.21 | 30.64 | (66.68) |
| Other comprehensive income for the period | 19.94 | - | - |
| Total comprehensive income for the per iod | 30.15 | 30.64 | (1.60) |
| Profit and Loss for the period attributable to: | | | |
| Equity holders of the Company | 10.18 | 30.60 | |
| Non-controlling interests of the subsidiary | 0.03 | 0.04 | |
| | 10.21 | 30.64 | |

In overview, operating results of the Company and subsidiaries changed. In quarter 3/2023 the net profit was Baht 10.21 million compared to Baht 30.64 million in the quarter 3/2022. The decreased of Baht 20.43 million or 66.68% are form the following reasons;

1. In the quarter 3/2023 The company and its subsidiaries had gross profit from selling and service by Baht 50.69 million, compared to Baht 61.70 million in the quarter 3/2022. The decreased of Baht 11.01 million or 17.84% are form the following reasons;

1.1. The sale and installation business.

1.1.1. Income from sale of PE pipe decreased was 2.77%, and cost from sale of PE pipe decreased 7.35% compared to the quarter 3/2022, resulting in increasing of gross profit by Baht 6.98 million.

1.1.2. Income from sales of PVC and PPR pipes decreased was 50.40% compared to the quarter 3/2022. The gross profit decreased by Baht 5.57 million.

1.1.3. Income from installation decreased 76.69% compared to the quarter 3/2022. Delay in getting new installation projects caused our backlog decreased and decreasing of gross profit by Baht 21.35 million.

1.2. The water management business

1.2.1. Income from sales of water increased was 16.21% compared to the quarter 3/2022, resulting in increasing of gross profit by Baht 7.43 million.

1.2.2. Income from installation of Turnkey increased 145.64% compared to the quarter 3/2022, resulting in increasing of gross profit by Baht 1.50 million.

2. Other income in the quarter 3/2023 decreased from the quarter 3/2022 by Baht 8.43 million. The Major decreasing came from gain on other investments designated at fair value. In quarter 3/2023 the company recognized loss from fair value measurement by Baht 0.29 million, while in the quarter 3/2022 the company recognized from fair value measurement by Baht 8.63 million.

3. Selling and distribution expenses in the quarter 3/2023 decreased from the quarter 3/2022 in the amount of Baht 1.35 million or 9.80%, The Major decreasing came from sales promotion by Baht 1.13 million, and other expenses by Baht 0.22 million.

4. Administrative expenses in the quarter 3/2023 increased from the quarter 3/2022 in the amount of Baht 5.84 million or 28.46% The increase are from, gain from exchange rate and forward contract decreased by Baht 3.00 million, depreciation increased by Baht 0.96 million, allowance for doubtful expenses debts increased by Baht 1.00 million, other expenses increased by Baht 0.88 million, and other expenses increase as normal operation.

5. Financial cost in the quarter 3/2023 increased from the quarter 3/2022 by Baht 0.42 million or 18.67%. This came from the increased of interest rates from financial institutions charged to subsidiaries, The bank interest rate increased in accordance with the policy rate of the Bank of Thailand.

6. Tax expenses in the quarter 3/2023 decreased from the quarter 3/2022 by Baht 3.92 million, from decreased of profit.

7. Other comprehensive income for the period in the quarter 3/2023 increased from the quarter 3/2022 by Baht 19.94 million, This came from surplus on revaluation - Land increased by Baht 24.93 million, and net from deferred tax expenses by Baht 4.99 million.

Yours Truly,

Mr. Wiboon Sangwithayanon
Chief Executive Officer