

No. WH/ACC/24/05/LT158

9 August 2024

Subject: Management Discussion and Analysis for the three months ended 30 June 2024

To Director and Manager  
The Stock Exchange of Thailand

Referring to the submission of the reviewed financial statements for quarter 2/2024 of WIik Public Company Limited (“the Company”), the management would like to clarify the operating results for the three months ended 30 June 2024 as follows;

**Summarized of the Statement of income**

Unit: million Baht	Apr-Jun 2024	Apr-Jun 2023	Changed (%)
Income from pipe sale and installation	243.50	304.59	(20.06)
Incomes from the water management business	72.44	85.63	(15.40)
Other income	3.20	8.29	(61.40)
<b>Total revenues</b>	<b>319.14</b>	<b>398.51</b>	<b>(19.92)</b>
Cost from sale pipe and installation	219.29	275.31	(20.35)
Cost from the water management business	48.24	62.69	(23.05)
Selling and distribution expenses	12.05	13.51	(10.81)
Administrative expenses	27.78	25.76	7.84
Finance cost	2.56	2.70	(5.19)
<b>Profit before income tax expenses</b>	<b>9.22</b>	<b>18.54</b>	<b>(50.27)</b>
Income tax expenses	(1.31)	(2.55)	(48.63)
<b>Profit for the year</b>	<b>7.91</b>	<b>15.99</b>	<b>(50.53)</b>
<b>Profit attributable to:</b>			
Equity holders of the Company	7.84	15.84	
Non-controlling interests of the subsidiary	0.07	0.15	
	<b>7.91</b>	<b>15.99</b>	

The Company and its subsidiaries' operating results have changed by more than 20% from Q2/2023. In Q2/2024, the net profit was 7.91 million Baht, compared to the net profit of 15.99 million Baht in Q2/2023, a decrease of 8.08 million Baht or 50.53% from the same quarter of the previous year. The important reasons are as follows.

1. In Q2/2024, the Company and its subsidiaries had a gross profit from sales and services of 48.41 million Baht, compared to the gross profit of 52.22 million Baht in Q2/2023, a decrease of 3.81 million Baht or 7.30% from the following reasons;

1.1. The sale and installation business

1.1.1. Income from PE pipe sales decreased by 41.82% compared to Q2/2023, while the cost of selling PE pipes decreased by 40.33% compared to Q2/2023. This is because of the economic situation and high competition. As a result, gross profit decreased by 13.17 million Baht.

1.1.2. Income from sales of PVC and PPR pipes increased by 1.49% compared to Q2/2023, while the cost of selling PVC and PPR pipes increased by 0.22% compared to Q2/2023. This is because competition was more intensive. As a result, gross profit decreased by 0.41 million Baht.

1.1.3. Income from pipe installation services increased by 389.27% compared to Q2/2023. As a result, gross profit increased by 8.51 million Baht.

1.2. The water management business

1.2.1. Income from selling water increased by 15.24% compared to Q2/2023. As a result, gross profit increased by 3.22 million Baht.

1.2.2. Revenue from turnkey installation services decreased by 51.32%, while turnkey installation costs decreased by 53.45% compared to Q2/2023. As a result, gross profit decreased by 1.97 million Baht.

2. Other income in Q2/2024 decreased by 5.09 million Baht from Q2/2023. In Q2/2023, the company had special incomes from the forfeit applied to subcontractors which breached the contract in the amount of 2.02 million Baht, and from the compensation for cancellation of purchase orders in the amount of 3.5 million Baht.

3. Sales and distribution expenses in Q2/2024 decreased from Q2/2023 by 1.46 million Baht or 10.81%, mostly caused by decrease of the employee expenses by 1.20 million Baht and the other expenses increased by 0.26 million Baht.

4. Administrative expenses in Q2/2024 increased from Q2/2023 by 2.02 million Baht or 7.84%, mostly caused by increase of depreciation expenses and amortization by 0.89 million Baht, and increase of loss on the exchange rate by 0.66 million Baht, the consulting fees increased by 0.91 million Baht, and other expenses decreased by 0.44 million Baht.

5. Financial expenses in Q2/2024 decreased from Q2/2023 by 0.14 million Baht or 5.19%, because the subsidiary has repaid loans from financial institutions, resulting in lower principal compared to Q2/2023.

6. Income tax expenses in Q2/2024 decreased from Q2/2023 by 1.24 million Baht, from profit decreased.

#### Backlog

(Unit : Million Baht)	30 June 2024	30 June 2023	31 December 2023
Sales and installation of the pipeline business group			
- Sales	378.86	286.45	267.80
- Service and installation	123.72	36.37	66.27
Water management business group			
- Sales and service of water supply (Only amount to be recognized in one year)	230.76	190.91	202.80
- Installation of water treatment systems	18.65	51.81	36.12
<b>Total</b>	<b>751.99</b>	<b>565.54</b>	<b>572.99</b>

Please be informed accordingly,

Yours truly,

(Mr. Wiboon Sangwithayanon)

Chief Executive Officer