

No. WH/ACC/24/10/LT425

14 November 2024

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

To Director and Manager  
The Stock Exchange of Thailand

Referring to the submission of the reviewed financial statements for quarter 3/2024 of WIik Public Company Limited (“the Company”), the management would like to clarify the operating results for the three months ended 30 September 2024 as follows;

**Summarized of the Statement of income**

Unit: million Baht	Jul-Sep 2024	Jul-Sep 2023	Changed (%)
Income from pipe sale and installation	300.92	214.99	39.97
Incomes from the water management business	70.01	60.72	15.30
Other income	4.04	2.66	51.88
<b>Total revenues</b>	<b>374.97</b>	<b>278.37</b>	<b>34.70</b>
Cost from sale pipe and installation	270.34	187.35	44.30
Cost from the water management business	49.32	37.67	30.93
Selling and distribution expenses	14.93	12.43	20.11
Administrative expenses	31.02	26.36	17.68
Finance cost	3.03	2.67	13.48
<b>Profit before income tax expenses</b>	<b>6.33</b>	<b>11.89</b>	<b>(46.76)</b>
Income tax expenses	(0.59)	(1.68)	(64.88)
<b>Profit for the year</b>	<b>5.74</b>	<b>10.21</b>	<b>(43.78)</b>
<b>Profit attributable to:</b>			
Equity holders of the Company	6.26	10.18	
Non-controlling interests of the subsidiary	(0.52)	0.03	
	<b>5.74</b>	<b>10.21</b>	

The Company and its subsidiaries' operating results have changed by more than 20% from Q3/2023. In Q3/2024, the net profit was 5.74 million Baht, compared to the net profit of 10.21 million Baht in Q3/2023, a decrease of 4.47 million Baht or 43.78% from the same quarter of the previous year. The important reasons are as follows.

1. In Q3/2024, the Company and its subsidiaries had a gross profit from sales and services of 51.27 million Baht, compared to the gross profit of 50.69 million Baht in Q3/2023, a increase of 0.58 million Baht or 1.14% from the following reasons;

1.1. The sale and installation business

1.1.1. Income from PE pipe sales increased 58.69 million Baht, while the gross profit decreased 2.28 million Baht. It is because the percentage of cost of selling increased by 3.98 % or 9 million Baht while the gross profit increased 6.73 million Baht. This is because of the economic situation and high competition.

1.1.2. Income from sales of PVC and PPR pipes decreased 8.47 million Baht or 28.41%, while the gross profit decreased 3.12 million Baht or 39.32. The portion of gross profit more decreased than the income because the cost of selling PVC and PPR pipes increased by 4.06 % compared to Q3/2023.

1.1.3. Income from pipe installation services increased by 199.22% compared to Q3/2023. As a result, gross profit increased by 8.34 million Baht.

1.2. The water management business

1.2.1. Income from selling water decreased by 1.61%, while the cost of selling water increased by 6.56% compared to Q3/2023. This is because the quality of raw water in Q3/2024 that need higher cost to produce. As a result, gross profit decreased by 2.61 million Baht.

1.2.2. Revenue from turnkey installation services increased 10.07 million Baht, while turnkey installation costs increased by 9.82 million Baht. As a result, gross profit increased by 0.25 million Baht.

2. Other income increased by 1.38 million Baht. Because the company got an electric car from a lucky draw in the party of 20<sup>th</sup> Anniversary of Thunhoon Daily newspaper. The Company recorded it as other income amount of Baht 1.39 million.

3. Sales and distribution expenses in Q3/2024 increased from Q3/2023 by 2.50 million Baht or 20.11%, mostly caused by increase in delivery costs both domestic and export.

4. Administrative expenses in Q3/2024 increased from Q3/2023 by 4.66 million Baht or 17.68%, mostly caused by increase of depreciation expenses and amortization by 1.03 million Baht, and increase of loss on the exchange rate by 1.21 million Baht, employee benefit expenses increased by 1.09 million Baht, and allowance for doubtful debt increased by 0.84 million Baht.

5. Financial expenses in Q3/2024 increased from Q3/2023 by 0.36 million Baht or 13.48%, because the interest rates on loans of the subsidiary increased. Bank interest rates increase following the interest rate policy of the Bank of Thailand.

6. Income tax expenses in Q3/2024 decreased from Q3/2023 by 1.09 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	316.80	268.73	267.80
- Service and installation	74.11	68.74	66.27
Water management business group			
- Sales and service of water supply (Only amount to be recognized in one year)	233.17	209.90	202.80
- Installation of water treatment systems	44.73	43.16	36.12
<b>Total</b>	<b>668.81</b>	<b>590.53</b>	<b>572.99</b>

Please be informed accordingly,

Yours truly,

(Mr. Wiboon Sangwithayanon)

Chief Executive Officer