



- Translation -

Unit: Million Baht	Q3/2021	Q3/2020	Q2/2021	9M/2021	9M/2020
Sale Revenue	183.17	156.18	215.90	617.59	418.00
Total Income	189.49	170.33	249.35	747.54	473.14
Gross Profit	24.84	10.04	45.95	108.77	29.02
Profit From Sales Products	15.45	7.36	30.54	69.52	1.37
Profit (Loss) Equity Measurement	(40.85)	(11.93)	32.24	121.21	34.82
Net Profit (Loss)	(17.28)	(2.77)	56.23	166.16	29.44
Gross Profit Ratio (%)	13.56	6.43	21.28	17.61	6.94
Profit from Sales Ratio (%)	8.43	4.71	14.14	11.25	0.33
Net Profit Ratio (%)	-	-	22.55	22.22	6.22

The company had profit from production and sales of goods in the quarter 3/2021 amounted to 15.45 million baht, an increase of 8.09 million baht or 109.91% compared to the quarter 3/2020, which had a profit amounted to 7.36 million baht.

The company had a loss on valuation of its financial assets in the quarter 3/2021 amounted to 40.85 million baht, an increase of 28.92 million baht or 242.41% compared to the quarter 3/2020, which has a loss from that said item as a result of unrealized losses. It's just a change in the fair value of investments and the stock price according to accounting standards

If valuation of the overall revenue performance for 9-month period of the year 2021, the company has total revenue of 747.54 million baht, an increase of 274.40 million baht or 57.99% compared to the 9-month period of the year 2020, which has total revenue of 473.14 million baht.

The company has a profit from sales of products for 9-month of the year 2021 amounted to 69.52 million baht, an increase of 68.15 million baht or 4,974.45% compared to the 9-month period of the year 2020, which has a profit from sales of products only 1.37 million baht.

For the equity valuation gains for 9-month of the year 2021, the company has a profit of 121.21 million baht, an increase of 86.39 or 248.10% compared to the 9-month period of the year 2020, which amounted to 34.82 million baht.

The net profit of the first 9-month of the year 2021 is 166.16 million baht, an increase of 136.72 million baht or 464.40% compared to the 9-month period of the year 2020, which has net profit of 29.44 million baht.

Revenue

The company has revenue from sales of products for the quarter 3/2021 amounted to 183.17 million baht, an increase of 26.99 million baht or 17.28% compared to the same of the previous year 2020, which has a revenue from products sales of 156.18 million baht. However, compared to the quarter 2/2020, which has revenue from the sale of products amounted to 215.90 million baht, it be seen in the quarter 3/2021 the revenue has decreased 32.73 million baht, due to customers affected by outbreak of COVID-19. Thus, the productions are temporarily suspended according to government measures. As a result, the company delayed the delivery of the products.

Cost of Goods Sold

The company has a cost of goods sold in the quarter 3/2021 amounted to 158.32 million baht, an increase of 12.18 million baht or 8.34% from the same period of the year 2020, which has a cost of goods sold of 146.13 million baht, due to higher of raw material prices. Therefore, the company has been management and control of raw materials are appropriate and concise in a situation where the world steel market price has continued to rise.

Selling Expenses

In the quarter 3/2021, the company has selling expenses of 4.83 million baht, decreased by 1.03 million baht or 17.71% compared to the quarter 3/2020, which amounted to 5.87 million baht, due to lower of sales volume. Therefore, the cost of transporting goods for distribution are decreased. In spite of the situation of rising oil prices. Thus, the company still cannot manage and control the freight cost to be within a well defined framework.

Administrative Expenses

The company has administrative expenses in the quarter 3/2021 of 7.48 million baht, decreased of 1.13 million baht compared to the quarter 3/2020 amounted to 8.61 million baht or decreased by 13.19%, due to in the quarter 3/2021 has been a reduction in the working area of the Rama 3 office. However, causing the rent to be reduced with improvement allocate personnel structure appropriate to the operation. As a result, the personnel expense are reduced.



The Rayong Wire Industries Public Company Limited
Management's Discussion and Analysis of the Quarter 3/2021 end on September 30, 2021.

Assets

As of September 30, 2021, the company has total assets of 1,446.69 million baht, an increase of 318.49 million baht or 28.23% compared to December 31, 2020, which has total assets of 1,128.20 million baht, due to sale revenue are increased. As a result, trade accounts receivable increased of 45.85 million baht. Inventories increase of 183.43 million baht and other current financial assets which is investment in equity that are measured at fair value are increase of 131.38 million baht. In addition, the limit for purchasing raw materials from financial institutions also increased to prepare to support higher sales volume. Therefore, that made the guarantee for the purchase of raw materials increase of 54 million baht.

Liabilities

As of September 30, 2021, the company has total liabilities of 451.74 million baht, an increase of 96.72 million baht or 27.25% compared to December 31, 2020, which has total liabilities of 355.01 million baht. Due to short-term liabilities loans from financial institutions to buy more raw materials are increase of 119.78 million baht, and the deferred tax liabilities are increase of 24.57 million baht, causing by profits from the measurement of financial assets.

Shareholders' Equity

As of September 30, 2021, the company has total shareholders' equity amounted to 994.95 million baht, an increase of 221.76 million baht or 28.68% compared to December 31, 2020, which has shareholders' equity of 773.18 million baht. Due to the company has comprehension profit from the performance of the 9-month period of 166.16 million baht. Disposal of treasury common shares in amounted of 34.54 million baht. The profit from the sale of treasury common shares of 19.42 million baht, an increase from the exercise of warrants in the amount of 0.54 million baht with a surplus of 1.09 million baht.

Keys Financial Ratios

	9M/2021	Q3/2021	Q2/2021	Q1/2021
Receivables Turnover	84	110	95	80
Inventory Turnover	108	147	95	61
Liquidity Ratios	-	3.50	3.86	5.25
Debt to Equity Ratio	-	0.45	0.44	0.38
Return on Assets	11.49%	-	-	-
Return on Equity	16.70%	-	-	-

Receivables Turnover per Income in the quarter 3/2021, increase to 110 days, due to the sales department has expanded the customer base which using the credit term as one of the marketing strategy.

Inventory Turnover per Income in the quarter 3/2021, increase to 147 days. The mainly reason, the company had high inventories during the end of the quarter 3/2021, due to the company has purchased raw materials in advance, in order to prepare for production and delivery in time according to the customer's pre-order in the quarter 4/2021, which causing the stock of raw materials has increased in volume.

Liquidity Ratios in the quarter 3/2021 at 3.50 due to the company has a short-term loan from the financial institute are increased, in order to purchase raw material advance to support sales volume in the quarter 4/2021.

Debt to Equity Ratio in the quarter 3/2021 is 0.45 times, slightly increase but still at a level close to the quarter 2/2021. As a result of current liabilities in the short-term loan to purchase more raw materials. Therefore, the profit in the shareholders' equity has also increased, demonstrates the potential for debt management to generate profits.

Return on Assets and Return on Equity Ratio of the 9-month period of the year 2021 as 11.49% and 16.70%, which respectively from the ratio. It show that, the company makes good use of its assets and shareholders' equity to generate income and profit.