



## RAYONG WIRE INDUSTRIES PUBLIC COMPANY LIMITED

### Management Discussion and Analysis for Quarter 2/2025 as of June 30, 2025

| Unit (Million Baht)                                    | Q2/2025 | Q2/2024 | Percentage Change (%) | 6M/2025 | 6M/2024 | Growth rate (%) |
|--|---------|---------|-----------------------|---------|---------|-----------------|
| Revenue from Sales of Goods                            | 120.68  | 118.22  | 2.08                  | 243.45  | 263.07  | (7.46)          |
| Gain (Loss) from Revaluation of Equity Instrument      | (34.18) | 97.65   | 135.00                | (68.35) | 68.35   | (200.00)        |
| Total Revenue  | 123.30  | 128.23  | (3.85)                | 249.63  | 275.23  | (9.30)          |
| Gross Profit (Loss)                                    | 3.88    | 5.46    | (28.88)               | 10.90   | 16.75   | (34.92)         |
| Operating Profit (Loss) from Sales of Goods            | (14.98) | (3.07)  | 387.23                | (21.91) | (9.43)  | 132.33          |
| Net Profit (Loss)                                      | (49.16) | 94.57   | (151.98)              | (90.27) | 58.92   | (253.19)        |
| Gross Profit Margin (%)                                | 3.22    | 4.62    |                       | 4.48    | 6.37    |                 |
| Operating Profit (Loss) Margin from Sales of Goods (%) | (12.15) | (2.40)  |                       | (8.78)  | (3.43)  |                 |
| Net profit Margin (%)                                  | (39.87) | 73.75   |                       | (36.16) | 21.41   |                 |

The company's operating performances from production and sales.

In the second quarter of 2025, the steel wire industry continued to face several challenges, including volatility in global raw material prices, intense competition from both domestic and international producers, and a slowdown in the construction sector and related industries. These factors resulted in weaker domestic demand for steel wire compared to the same period of the previous year.

Furthermore, changes in labor policies and the continued rise in energy costs have further increased overall production costs in the industry, prompting operators to adapt in order to maintain their competitiveness. As a result, in this quarter the Company recorded a net loss of Baht 14.98 million, an increase of Baht 11.91 million or 387.23% compared to the net loss of Baht 3.07 million in the same quarter of the previous year. The main reasons were higher production costs due to wage adjustments and continued price competition. In addition, in this quarter, revenue from the sale of scrap wire and the reversal of allowance for inventory impairment decreased by a net amount of Baht 12.77 million compared to the second quarter of 2024, which had a significant impact on the Company's overall performance.

The Company recognizes losses from the measurement of financial assets.

As of June 30, 2025, the company recognized a loss from the fair value measurement of investments amounting to Baht 34.18 million. This represents an increase in loss of Baht 131.83 million, or a decrease of 135.00%, compared to the second quarter of 2024, in which a gain from fair value measurement of Baht 97.65 million was recognized.

The changes were caused by the significant decline in the Thai stock market in the second quarter of 2025 due to both domestic and international factors, including global economic uncertainties, the country's persistently high policy interest rates, and pressure from capital outflows. These factors affected the market prices of securities held in the Company's investment portfolio. The weakened market conditions led to a decrease in the fair value of investments compared to the same period last year, which directly impacted the Company's financial performance in this quarter.

The Company recorded a net loss of Baht 49.16 million in the second quarter of 2025, an increase in loss of Baht 143.74 million, or a decrease of 151.98%, compared to a net profit of Baht 94.57 million in the same quarter of the previous year. The main reasons were a combined decrease of Baht 12.77 million from revenue on scrap wire sales and allowance for inventory impairment, as well as a loss of Baht 34.18 million recognized from the fair value measurement of equity instruments in the investment portfolio, resulting from a



weaker stock market compared to the same period last year. These factors had a significant impact on the Company's financial performance in this quarter.

**The Company recorded revenue from sales of goods of** Baht 120.68 million in the second quarter of 2025, an increase of Baht 2.46 million, or 2.08%, compared to revenue from sales of Baht 118.22 million in the same quarter of 2024. The increase was primarily driven by higher sales volume during this quarter compared to the same period last year.

To cope with intense competition in the industry, the Company implemented pricing strategies focused on maintaining market share by adjusting selling prices in line with production costs and market conditions at each period. This was combined with efficient cost management while maintaining product and service quality to create a sustainable competitive advantage.

In addition, the Company has also considered strategies for market diversification and expanding its customer base to potential industrial sectors, as well as closely monitoring market conditions to adjust pricing strategies with flexibility and appropriateness in response to rapidly changing economic circumstances.

**Total revenue** in the second quarter of 2025 amounted to Baht 123.30 million, a decrease of Baht 4.93 million, or 3.85%, compared to total revenue of Baht 128.23 million in the same quarter of 2024.

The decrease in total revenue this quarter was mainly due to a decline in revenue from scrap wire sales compared to the same period last year. Revenue from scrap wire sales is one of the components of the Company's total revenue, and changes in this area have consequently impacted the Company's overall total revenue for the quarter.

**The comparison of total revenue for the 6-month period of 2025 with that of 2024 is as follows:**

In the first six months of 2025, the Company recorded total revenue of Baht 249.63 million, a decrease of Baht 25.60 million, or 9.30%, compared to Baht 275.23 million in the same

period of 2024. The main cause of the revenue decline was a decrease in revenue from scrap wire sales compared to the first six months of 2024, with scrap wire sales being a component of the Company's total revenue. Additionally, the average selling price per unit of products during the first six months of 2025 also declined compared to the same period last year, reflecting current market dynamics characterized by ongoing price pressure and continuous competition.

**Operating results from sales of goods for the first six months of 2025** showed a loss of Baht 21.91 million, an increase in loss of Baht 12.48 million, or 132.33%, compared to a loss of Baht 9.43 million in the same period of 2024.

The increase in the loss was due to the continuously volatile economic conditions, particularly the rising raw material prices and significantly higher production costs, which led to an increase in the total cost of goods. Additionally, intense competition and pressure on selling prices continued to negatively impact the Company's profit margins.

Rapidly changing economic conditions, along with external factors such as political and global economic uncertainties, have directly affected consumer purchasing power and market demand. As a result, the Company's operating performance from sales of goods in the first half of the year was significantly impacted.

**The Company recognized a gain from the revaluation of equity instruments for the first six months of 2025.** The Company recorded a loss of Baht 68.35 million from the revaluation of equity instruments in this quarter, a decrease of Baht 136.71 million, or 200%, compared to a gain of Baht 68.35 million in the same period of 2024. The main reason was the significant decline in the stock market conditions in 2025 compared to 2024.

**The Company reported a consolidated net loss of Baht 90.27 million for the first six months of 2025** was increase of Baht 149.18 million, or 253.19%, compared to the same period of 2024, which had a net profit of Baht 58.92 million. The main causes were a decline in revenue from scrap wire



sales, reversal of inventory allowances, and a decrease in the market value of equity instruments due to current market mechanisms. In addition, intense price competition in the steel products market significantly impacted the Company's profit margins, forcing the Company to reduce selling prices to maintain market share, which affected the overall performance for this period.

#### **Cost of Goods Sold**

The Company's cost of sales in the second quarter of 2025 was Baht 116.80 million, an increase of Baht 4.03 million or 3.58 percent compared to the cost of sales in the second quarter of 2024, which was Baht 112.76 million. The increase in cost of sales was due to higher sales volume in the second quarter of 2025 compared to the same period last year.

The Company has implemented strict cost management measures, focusing on controlling raw material costs through efficient procurement and inventory management, appropriate labor and overhead expense management, as well as continuous cost monitoring and analysis to identify areas for timely improvement and cost reduction. These efforts help enhance the Company's competitiveness and financial stability in the long term.

#### **Distribution costs**

In the second quarter of 2025, the Company's distribution costs amounted to Baht 5.65 million, an increase of Baht 0.28 million or 5.25% compared to the second quarter of 2024, when distribution costs were Baht 5.37 million. The increase in costs was mainly due to higher sales volume, which led to an increase in transportation expenses, a key component of distribution costs. However, the Company has implemented strategies to reduce transportation costs, such as optimizing delivery routes and negotiating prices with logistics providers, in order to effectively control and mitigate the impact of rising costs.

#### **Administrative expenses.**

The Company had administrative expenses of Baht 14.09 million in the second quarter of 2025, an increase of Baht 2.80

million or 24.79% compared to the second quarter of 2024, when administrative expenses were Baht 11.29 million. The increase was mainly due to higher allowance for doubtful accounts in the second quarter of 2025, which is part of the Company's administrative expenses.

To efficiently manage administrative expenses, the company has implemented strict measures for continuous monitoring and assessment of debt quality. This includes improving the debt collection process for greater effectiveness, as well as tightly controlling general expenses to maintain financial stability and reduce the risk of future losses.

#### **Asset**

As of June 30, 2025, the Company had total assets of Baht 1,079.01 million, a decrease of Baht 131.83 million or 10.89% compared to December 31, 2024, when total assets were Baht 1,210.84 million. The decline in total assets during this period was due to economic factors and prudent asset management amid a volatile market environment. Details include a decrease in cash of 50.80 million baht resulting from the repayment of short-term debt to financial institutions to reduce interest expenses; an increase in trade receivables of Baht 13.85 million due to customers requesting deferred payment, with the Company setting conditions requiring customers to specify definite payment dates; and a decrease in inventory of Baht 19.33 million as the Company reduced raw material stock to mitigate risks from future raw material price fluctuations. These actions reflect the Company's adaptation to the uncertain economic conditions in the second quarter of 2025.

#### **Debt**

As of June 30, 2025, the Company had total liabilities of Baht 163.82 million, a decrease of Baht 41.57 million or 20.24% compared to December 31, 2024, when total liabilities were Baht 205.39 million. The reduction in liabilities resulted from the repayment of short-term loans from financial institutions to alleviate interest expenses, which strengthened the Company's financial position. Additionally, the Company has cash and excess liquidity on hand, which is being considered for investment in new projects that will help drive growth and increase future value.



#### Shareholder's equity

As of June 30, 2025, the Company had total shareholders' equity of Baht 915.19 million, a decrease of Baht 90.27 million or 8.98% compared to December 31, 2024, when shareholders' equity stood at Baht 1,005.45 million. The decrease was due to the net loss the Company incurred during the first six months of 2025.

| Key financial ratios              | Q2/2025 | Q2/2024 |
|-----------------------------------|---------|---------|
| Average collection period         | 166     | 145     |
| Average inventory turnover period | 78      | 80      |
| Current ratio (times)             | 20.81   | 12.05   |
| Debt to Equity ratio (D/E)        | 0.18    | 0.20    |

The average collection period of trade receivables in the second quarter of 2025 was 166 days, an increase of 21 days from 145 days in the second quarter of 2024. The main reason for this increase was the competitive pricing environment. The Company implemented a more flexible credit term strategy to retain existing customers and promote relationship-building with new customers in the future.

The average inventory turnover period in the second quarter of 2025 was 78 days, close to 80 days in the second quarter of 2024, which is considered appropriate and consistent with the quality of inventory during that period.

The current ratio as of the second quarter of 2025 was 20.81 times, an increase from 12.05 times as of December 31, 2024. This reflects the Company's strong liquidity and its adequate ability to meet short-term obligations.

The debt-to-equity ratio in the second quarter of 2025 was 0.18 times, down from 0.20 times as of December 31, 2024, and remains low compared to the industry average. This demonstrates the Company's strong financial position, supporting its ability to operate efficiently and sustainably.

Yours sincerely,

- Ms.Laphassarin Kraiwongwanitruong -  
(Ms.Laphassarin Kraiwongwanitruong)  
Managing Director