

Subject Management discussion and analysis quarter 3 ended 30 September 2021

To The President,

The Stock exchange of Thailand

Winnery Medical public company limited and its subsidiary (“The Company”) would like to announce the Management discussion and analysis of the financial performance for the quarter 3 ended 30 September 2021.

Overview the Company’s financial performance

3rd quarter 2021, the company has total revenues in amount of 145.20 million Baht, increase 0.7 million Baht or 0.49%, and the profit of the period is 27.02 million Baht, increase 10.43 million Baht or 62.88% from the 3rd quarter 2021. The main factors that affect to company’s financial performance are as follow.

1. COVID-19 outbreak situation that increased the severity along 3rd quarter 2021, affect to revenue from blood safety product due to decrease quantity of blood donation and the non-urgent surgery was postponed. Moreover, the number of health checkup was decreased from the 3rd quarter 2020, without the outbreak of COVID-19.
2. Depreciation of Thai Baht currency, that affect to the increasing of total costs.
3. Cervical cancer screening test project from the National Health Security Office (NHSO), benefit to the quantity of Women healthcare’s product sold.
4. Cash dividend from Pro-lab, that the company invested in.

Income statement	3rd Quarter 2021		3rd Quarter 2020		Increase (Decrease)		9M/2021		9M/2020		Increase (Decrease)	
	(Million Baht)	% to total sale	(Million Baht)	% to total sale	(Million Baht)	% Change	(Million Baht)	% to total sale	(Million Baht)	% to total sale	(Million Baht)	% Change
Revenue from sales and services	133.69	92.08%	135.28	93.62%	(1.59)	(1.17%)	347.92	91.43%	359.68	92.18%	(11.76)	(3.27%)
Rental income	11.51	7.92%	9.22	6.38%	2.29	24.85%	32.59	8.57%	30.51	7.82%	2.09	6.84%
Total revenues	145.20	100.00%	144.49	100.00%	0.70	0.49%	380.52	100.00%	390.19	100.00%	(9.67)	(2.48%)
Cost of sales and services	73.35	50.52%	72.36	50.08%	0.98	1.36%	187.99	49.40%	192.11	49.24%	(4.12)	(2.14%)
Cost of rental	6.18	4.26%	5.23	3.62%	0.95	18.14%	17.79	4.67%	16.40	4.20%	1.38	8.44%
Total costs	79.53	54.77%	77.60	53.70%	1.93	2.49%	205.78	54.08%	208.51	53.44%	(2.73)	(1.31%)
Gross profit	65.67	45.23%	66.90	46.30%	(1.23)	(1.84%)	174.74	45.92%	181.68	46.56%	(6.94)	(3.82%)
Other income	11.87	8.18%	0.16	0.11%	11.72	7407.10%	14.28	3.75%	0.28	0.07%	14.00	4988.08%
Distribution costs	22.70	15.63%	18.27	12.65%	4.42	24.21%	63.95	16.81%	62.55	16.03%	1.40	2.24%
Administrative expense	24.65	16.98%	24.62	17.04%	0.04	0.15%	75.56	19.86%	71.85	18.41%	3.71	5.17%
Profit (Loss) before financial cost and income tax expense	30.19	20.79%	24.17	16.72%	6.03	24.94%	49.50	13.01%	47.55	12.19%	1.95	4.09%
Financial cost	0.67	0.46%	2.69	1.86%	(2.02)	(75.20%)	4.27	1.12%	6.10	1.56%	(1.83)	(30.05%)
Profit (Loss) before income tax expense	29.52	20.33%	21.47	14.86%	8.05	37.49	45.23	11.89%	41.45	10.62%	3.78	9.12%
Income tax expense	2.50	1.72%	4.88	3.38%	(2.38)	(48.79%)	3.74	0.98%	8.52	2.18%	(4.78)	(56.09%)
Profit for the period	27.02	18.61%	16.59	11.48%	10.43	62.88%	41.49	10.90%	32.94	8.44%	8.56	25.98%

Total revenues

The company has the total revenues for the 3rd quarter 2021 in amount of 145.20 million Baht, increase 0.7 million Baht or 0.49% from the same period of previous year. The causes of change in company revenue are from the increasing of the Women Healthcare product's revenue, increase 4.99 million Baht from selling of HPV test kit to the National Health Security Office's Cervical cancer screening test project with an increase of selling cell-immunotherapy product and an increase of blood banking product, that increase 0.92 million Baht and 3.06 million Baht respectively. The increasing of revenue from women healthcare product, cell-immunotherapy product and blood banking product that compensated to the decreasing of revenue of the blood safety product and the consumer product, that decrease 6.81 million Baht and decrease 1.38 million Baht respectively.

For the first 9 months of 2021, total revenue is 380.52 million Baht, decrease 9.67 million Baht or 2.48% from the same period of last year.

Revenue by product category (Million Baht)	3rd Quarter 2021		3rd Quarter 2020		Increase (Decrease)		9M/2021		9M/2020		Increase (Decrease)	
	(Million Baht)	%	(Million Baht)	%	(Million Baht)	%	(Million Baht)	%	(Million Baht)	%	(Million Baht)	% change
Revenue from medical product	142.56	98.18%	140.48	97.22%	2.08	1.48%	366.91	96.42%	376.29	96.44%	(9.38)	(2.49%)
Women healthcare	49.57	34.14%	44.58	30.85%	4.99	11.19%	126.71	33.30%	105.50	27.04%	21.21	20.11%
Blood banking	45.20	31.13%	42.14	29.16%	3.06	7.26%	117.97	31.00%	126.17	32.33%	(8.2)	(6.50%)
Blood safety	40.37	27.80%	47.18	32.65%	(6.81)	(14.43%)	108.72	28.57%	123.60	31.68%	(14.88)	(12.04%)
Cell-Immunotherapy	7.42	5.11%	6.58	4.55%	0.84	12.83%	13.51	3.55%	21.02	5.39%	(7.50)	(35.71%)
Revenue from non-medical product												
Consumer product	2.64	1.82%	4.02	2.78%	-1.38	(34.33%)	13.61	3.58%	13.91	3.56%	(0.30)	(2.17%)
Total revenue	145.20	100.00%	144.50	100.00%	0.70	0.49%	380.52	100.00%	390.20	100.00%	(9.67)	(2.48%)

Gross Profit

In the 3rd quarter 2021, the company's gross profit is 65.67 million Baht, decrease 1.23 million Baht or 1.84%, the decreasing of gross profit that effected from the increasing of total costs, increase 1.93 million Baht or 2.49%. The increasing of total costs is caused by the depreciation of exchange rate Thai Baht when compared with the 3rd quarter 2020. The Gross profit margin for 3rd quarter 2021 is 45.23%, slightly decrease from 46.30% of 3rd quarter 2020.

For the first 9 months of 2021, Gross profit is 174.74 million Baht, decrease 6.94 million Baht or 3.82% of the same period of previous year and the gross profit margin of this period is equal 45.92%.

Other income

In the 3rd quarter 2021, The company has other income 11.87 million Baht increase from the same quarter of last year 11.72 million Baht. And for the first 9 months period of 2021, the company has other income 14.28 million Baht increase from the same period of previous year 14.00 million Baht. The increasing of other income is from cash dividend from Pro-lab, that the company has invested in 12.55%.

Distribution cost and administrative expense

For the 3rd quarter 2021, the company has Distribution costs and administrative expense in amount of 47.35 million Baht, increase 10.40% from the same quarter of previous year. The distribution costs increase from the increasing of sales commission expense for sales teams and the administrative expense is slightly increased 0.04 million Baht. The profit before financial cost and income tax expense for this quarter is 30.19 million Baht, increase 6.03 million Baht or 24.94% from the same quarter of previous year.

For the first 9 months of 2021, the profit before financial cost and income tax expense for this period is 49.50 million Baht, increase 1.95 million Baht or 4.09% from the same period of previous year.

Financial cost and Income tax expense

The financial cost for 3rd quarter 2021 is 0.67 million Baht, decrease from the same quarter of previous year 2.02 million Baht, the decreasing of financial cost is due to the satisfy an obligation debt of financial institutes in the 2nd quarter of this year after IPO. For the income tax expense in 3rd quarter 2021 is 2.50 million Baht, decrease 2.38 million Baht, the decreasing of the expense is due to tax deduction from the calculating for depreciation of the company's investment asset.

Profit for the period

For the 3rd quarter 2021, the company's profit for the period is 27.02 million Baht, increase 10.43 million Baht or 62.88% from the same quarter of previous year and the earning per share is 0.08 Baht per share. For the first 9 months period of 2021, the company has profit for the period 41.49 million Baht, increase 8.56 million Baht or 25.95% from the same period of previous year, the earning per share for the first 9-months period is 0.13 Baht per share.

Financial position statement	As of 30 September 2021		As of 31 December 2020		Increase (Decrease)	
	(Million Baht)	% Total	(Million Baht)	% Total	(Million Baht)	% change
Asset						
Current asset	421.99	58.01%	256.02	52.03%	165.96	64.82%
Non-current asset	305.47	41.99%	236.08	47.97%	69.39	29.39%
Total asset	727.46	100.00%	492.10	100.00%	235.35	47.83%
Liabilities and Shareholder's equity						
Current liabilities	124.28	17.08%	236.94	48.15%	(112.67)	(47.55%)
Non-current liabilities	54.90	7.55%	66.37	13.49%	(11.47)	(17.28%)
Total liabilities	179.18	24.63%	303.31	61.64%	(124.13)	(40.93%)
Total shareholder's equity	548.28	75.37%	188.79	38.36%	359.49	190.41%
Total Liabilities and Shareholder's equity	727.46	100.00%	492.10	100.00%	235.35	47.83%

Overview of company's financial position

Total asset

At the end of 3rd quarter 2021, the company has total asset in amount of 727.46 million Baht, increase from the end of December 2020 in amount of 235.35 million Baht or 47.83%. The proportion of asset are current asset 58.01% and non-current asset 41.99% respectively.

Current asset

At the end of 3rd quarter 2021, the company has current asset in amount of 421.99 million Baht, increase 165.96 million Baht or 64.82%. The most of change in current asset is the change of Cash and cash equivalents that increased 129.07 million Baht.

Non-current asset

At the end of 3rd quarter 2021, the non-current asset is increased in amount of 69.39 million Baht or 29.39% from the end of December 2020. The most of change in non-current asset is the change of land, building and equipment that increased 59.32 million Baht from company's business expansion, building new services laboratory.

Liabilities and shareholder's equity

At the end of 3rd quarter 2021, the company has current liabilities in amount of 124.28 million Baht, decrease 112.67 million Baht, and the non-current liabilities is 54.90 million Baht, decrease 11.47 million Baht from the end of December 2020. Total liabilities are decreased from 303.31 million Baht at the end of December 2020 to 179.18 million Baht at the end of 3rd quarter 2021, decrease 124.13 million Baht or 40.93%, the decreasing of total liabilities is due to the financial institutes loan repaying.

For the shareholder's equity at the end of 3rd quarter 2021, the company has a total shareholder's equity in amount of 524.28 million Baht, increase from the end of December 2020 in amount of 359.49 million Baht. The Debt-to-Equity ratio at the end of 3rd quarter 2021 is 0.33 time, decrease from the end of December 2020 that was 1.61 time.

Please be informed our management discussion

Sincerely,



Nanthiya Darakananda

Chief Executive Officer

Winnery Medical Public Company Limited