

Ref.: EFORL IR023/2022

August 15, 2022

Subject: Management Discussion and Analysis Quarter 2 Ending 30 June 2022 (additional)

To President
The Stock Exchange of Thailand

1. Overview financial performance of E for L Aim Public Company Limited (“EFORL” or “the Company”) and its subsidiaries (collectively as “the Companies”) for Q2/2022

Financial performances Comparison is as follows:

THB'000	Q2/2022	Q2/2021	Δ%	Q1/2022	Δ%
Revenues from Sales and Services	391,949	600,493	-35%	341,421	15%
Other income	3,342	410	715%	3,630	-8%
Total Revenues	395,291	600,903	-34%	345,051	15%
Profit / (Loss) before interest and taxation	17,014	99,475	-83%	23,689	-28%
Margin	17%	6%		12%	
Profit / (Loss) for the period	9,462	62,480	-85%	15,264	-38%
Margin	2%	10%		4%	
Portion of the Companies' shareholders	9,462	84,613	-89%	15,264	-38%
Margin	2%	14%		4%	

Financial performance in Q2/2022

Total revenue of EFORL and its subsidiaries in Q2/2022 was Baht 392 million decreased by 35% compared to the previous year mainly causing from late delivery products from suppliers due to lack of raw materials to produce the products and logistic problems. This reflects to the Company to deliver products and services to customers being late from such situations.

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2. Key Highlights for performance for the second quarter 2022 and 2021

THB'000	Q2/2022	Q2/2021	Δ%	H1/2022	H1/2021	Δ%
REVENUES FROM SALES AND SERVICES						
Revenues from sales and services of medical equipment	391,949	599,907	-35%	733,370	1,015,704	-28%
Revenues from sales and beauty treatment services	-	586		-	2,764	
Total revenues from sales and services	391,949	600,493	-35%	733,370	1,018,468	-28%
COSTS OF SALES AND SERVICES						
Costs of sales and services of medical equipment	(270,220)	(379,007)	-29%	(491,565)	(649,252)	-24%
Costs of sales and beauty treatment services	-	(1,281)		-	(2,107)	
Total costs of sales and services	(270,220)	(380,288)	-29%	(491,565)	(651,359)	-25%
Gross profit	121,729	220,205	-45%	241,805	367,109	-34%
Other income	3,342	410	715%	6,972	7,974	-13%
Selling expenses	(66,534)	(73,284)	-9%	(131,355)	(138,231)	-5%
Administrative expenses	(38,760)	(49,596)	-22%	(70,534)	(88,768)	-21%
Loss on (reversal of) impairment of trade accounts receivable and other receivables	(2,763)	1,740	-259%	(6,184)	1,337	-563%
Profit before finance costs and income tax	17,014	99,475	-83%	40,704	149,421	-73%
Finance costs	(7,590)	(15,879)	-52%	(15,596)	(30,863)	-49%
Profit before income tax	9,424	83,596	-89%	25,108	118,558	-79%
Income tax income (expense)	38	(21,116)	-100%	(381)	(32,478)	-99%
Profit for the period	9,462	62,480	-85%	24,727	86,080	-71%
Profit (loss) for the period attributable to						
Equity holder of the Company	9,462	84,613	-89%	24,727	120,425	-79%
Non-controlling interests	-	(22,133)		-	(34,345)	
Key Financial Ratios						
Gross profit margin	31.1%	36.7%	-5.6%	33.0%	36.0%	-3.1%
SG&A as % to sales	26.9%	20.5%	6.4%	27.5%	22.3%	5.2%
Net profit margin	2.4%	10.4%	-8.0%	3.4%	8.5%	-5.1%
Net profit margin (Portion of the Company's shareholders)	2.4%	14.1%	-11.7%	3.4%	11.8%	-8.5%

Revenues from sales and services

Revenues from sales and services of the group of the Company in Q2/2022 were THB 392 million decreased by 35% comparing to same period at the previous year.

Gross margin

Gross margin in Q2/2022 was THB 122 million decreased by 45% comparing to the same period at the previous year. Gross profit margin ratio in Q2/2022 was 31% decreased by 6% comparing to the same period at the previous year.

Selling and Administrative Expenses

Selling and Administrative expenses in Q2/2022 were THB 106 million consisting of selling expenses (THB 67 million) and administration expenses (THB 39 million). Selling expenses and administrative expenses in Q2/2022 decreased by 14% comparing to the same period at the previous year.

Financial costs

Financial costs in Q2/2022 were THB 8 million decreased by 52% compared to the same period at the previous year.

Net income/ Loss

In Q2/2022, the net profit of EFORL and its subsidiaries was THB 9 million or decreased by 85% comparing to the same period at the previous year. Net profit margin ratio was 2.4. Profit for the period attributable to Equity holder of the Company was THB 9 million.

On 20 July 2022, there was a fire exposed in a rental office of the Company. This caused a damages only to some office equipment, and part of assets. However, the Company has an insurance coverage that would cover all losses. The Company is currently coordinating with the valuator to determine the damages for filling claims to the insurance company. The Company does not expect to incur any loss on the claims of damages.

Please be informed accordingly.

Yours sincerely,

Preecha Nuntnarumit

(Mr. Preecha Nuntnarumit)

Chief Executive Officer