

Ref.: EFORL IR029/2022

November 10, 2022

**Subject:** Management Discussion and Analysis in the third quarter ending 30 September 2022

**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 Q3/2022

Financial performances Comparison is as follows:

(Unit: Thousand Baht)

Consolidate F/S	Q3/2022	Q3/2021	Δ%	Q2/2022	Δ%	Q1/2022	Δ%
Revenues from sales of medical equipment and services	369,145	636,669	-42%	391,949	-6%	341,421	8%
Other income	1,326	3,401	-61%	3,342	-60%	3,630	-63%
<b>Total revenues</b>	<b>370,471</b>	<b>640,070</b>	<b>-42%</b>	<b>395,291</b>	<b>-6%</b>	<b>345,051</b>	<b>7%</b>
<b>Gross profit</b>	<b>123,528</b>	<b>210,249</b>	<b>-41%</b>	<b>121,729</b>	<b>1%</b>	<b>120,076</b>	<b>3%</b>
Margin	33%	33%		31%		35%	
<b>Profit before finance costs and income tax</b>	<b>16,740</b>	<b>638,285</b>	<b>-97%</b>	<b>17,014</b>	<b>-2%</b>	<b>23,689</b>	<b>-29%</b>
Margin	5%	100%		4%		7%	
<b>Profit before income tax</b>	<b>9,852</b>	<b>628,921</b>	<b>-98%</b>	<b>9,424</b>	<b>5%</b>	<b>15,683</b>	<b>-37%</b>
Margin	3%	99%		2%		5%	
<b>Profit for the period</b>	<b>10,337</b>	<b>657,610</b>	<b>-98%</b>	<b>9,462</b>	<b>9%</b>	<b>15,264</b>	<b>-32%</b>
Margin	3%	103%		2%		4%	
<b>Profit for the period attributable to equity holder of the company</b>	<b>10,337</b>	<b>657,610</b>	<b>-98%</b>	<b>9,462</b>	<b>9%</b>	<b>15,264</b>	<b>-32%</b>
Margin	3%	103%		2%		4%	

*"Excellence for Life"*

เลขประจำตัวผู้เสียภาษี 0107551000142 สำนักงานใหญ่

สำนักงานใหญ่ : 184 ถนนราชวิถี แขวงบางยี่ขัน เขตบางพลัด กรุงเทพฯ 10700 โทร. 0-2883-0871-9, 0-2435-1331-2 โทรสาร 0-2433-8695

Head office : 184 Rajhaviti Rd., Bangyeekhan, Bangplad, Bangkok 10700, Thailand. <http://www.eforl-aim.com> E-mail : [info@eforl-aim.com](mailto:info@eforl-aim.com)

## Financial performance in Q3/2022

Total revenue of EFORL and its subsidiaries in Q3/2022 was THB 370 million decreased by 42% in comparison with the same period at the previous year and decreased by 6% compared to the last quarter. This is due to the chip shortage (raw materials), at suppliers to produce medical device products. The Company; therefore, was unable to deliver products to the hospitals resulting in the decrease of revenue. The Company has already discussed with the suppliers to speed up to produce and deliver the medical devices to the Company. The Company expected that this issue will be resolved in the beginning of 2023.

According to the shortage of raw materials caused revenue to decline, the Company plans to expand new products to build up the revenue of the Company in the future.

### 2. Key Highlights for performance for the third quarter 2022 and 2021

(Unit: Thousand Baht)

Consolidate F/S	Three Months			Nine Months		
	Q3/2022	Q3/2021	Δ%	2022	2021	Δ%
Revenues from sales of medical equipment and services	369,145	636,669	-42%	1,102,515	1,652,373	-33%
Revenues from sales and beauty treatment services	-	-	-	-	2,764	N/A
<b>Total revenues from sales and services</b>	<b>369,145</b>	<b>636,669</b>	<b>-42%</b>	<b>1,102,515</b>	<b>1,655,137</b>	<b>-33%</b>
Costs of sales of medical equipment and services	(245,617)	(426,420)	-42%	(737,182)	(1,075,672)	-31%
Costs of sales and beauty treatment services	-	-	-	-	(2,107)	-100%
<b>Total costs of sales and services</b>	<b>(245,617)</b>	<b>(426,420)</b>	<b>-42%</b>	<b>(737,182)</b>	<b>(1,077,779)</b>	<b>-32%</b>
<b>Gross margin</b>	<b>123,528</b>	<b>210,249</b>	<b>-41%</b>	<b>365,333</b>	<b>577,358</b>	<b>-37%</b>
Other income	2,528	3,401	-26%	9,500	11,375	-16%
Selling expenses	(67,900)	(73,348)	-7%	(199,255)	(211,579)	-6%
Administrative expenses	(39,095)	(51,066)	-23%	(109,629)	(138,497)	-21%
Loss on impairment of trade accounts receivable and other receivables	(2,321)	(3,376)	-31%	(8,505)	(3,376)	152%
Loss on disposal of subsidiaries	-	(6,931)	N/A	-	(6,931)	-100%
Difference from deconsolidation of subsidiaries's financial statements	-	559,356	N/A	-	559,356	-100%
<b>Profit before finance costs and income tax</b>	<b>16,740</b>	<b>638,285</b>	<b>-97%</b>	<b>57,444</b>	<b>787,706</b>	<b>-93%</b>

Consolidate F/S	Three Months			Nine Months		
	Q3/2022	Q3/2021	Δ%	2022	2021	Δ%
Finance costs	(6,888)	(9,364)	-26%	(22,484)	(40,227)	-44%
Profit before income tax	9,852	628,921	-98%	34,960	747,479	-95%
Income tax expense	-	(1,734)	N/A	-	(3,789)	N/A
Reversal income tax expense from tax benefit	485	30,423	-98%	104	-	N/A
Profit for the period	10,337	657,610	-98%	35,064	743,690	-95%
Profit for the period attributable to						
Equity holder of the Company	10,337	657,610	-98%	35,064	778,035	-95%
Non-controlling interests	-	-		-	(34,345)	-100%
<b>Key Financial Ratios</b>						
Gross profit margin	33.5%	33.0%	0.4%	33.1%	34.9%	-1.7%
SG&A as % to sales	29.0%	19.5%	9.4%	28.0%	21.2%	6.9%
Net profit margin	2.8%	103.3%	-100.5%	3.2%	44.9%	-41.8%
Net profit margin (Portion of the Company's shareholders)	2.8%	103.3%	-100.5%	3.2%	47.0%	-43.8%

#### Revenues from sales and services

Revenues from sales and services of the group of the Company in Q3/2022 were THB 369 million decreased by 42% comparing to same period at the previous year due to the above reason.

#### Gross margin

Gross margin in Q3/2022 was THB 124 million decreased by 41% comparing to the same period at the previous year. Gross profit margin ratio in Q3/2022 was 33.5% decreased by 0.4% comparing to the same period at the previous year.

#### Selling and Administrative Expenses

Selling and Administrative expenses in Q3/2022 were THB 107 million consisting of selling expenses (THB 68 million) and administration expenses (THB 39 million). Selling expenses and administrative expenses in Q3/2022 decreased by 14% comparing to the same period at the previous year. SG&A as percentage to total revenues in Q3/2022 of 29% increased by 9% comparing tot the same period at the previous year.

#### Financial costs

Financial costs in Q3/2022 were THB 7 million decreased by 26% compared to the same period at the previous year.

### **Net income**

In Q3/2022, the net profit of EFORL and its subsidiaries was THB 10 million or decreased by 98% comparing to the same period at the previous year. Net profit margin ratio was 2.8. Profit for the period attributable to Equity holder of the Company was THB 10 million.

According to long-term loans from shareholders and other individual of 4 persons and one related party totaling of 5 persons with totaling amount of THB 335 million and the board resolutions dated 12 November 2021, as at 30 September 2022 the outstanding are summarised as follows:

Loan from shareholders and other individual of THB 208 million

Loan from related party of THB 69 million.

The Company would like to update the fire exposed on 20 July 2022 at some space of one office of the Company, renting from others, that the total damage of THB 0.63 million with the insurance cover such damage in full.

Please be informed accordingly.

Yours sincerely,

*Preecha Nuntnarumit*

(Mr. Preecha Nuntnarumit)

Chief Executive Officer