

Ref.: EFORL IR011/2023

May 12, 2023

Subject: Management Discussion and Analysis for the first quarter ended 31 March 2023

To President
The Stock Exchange of Thailand

1. An overview of the financial performance of E for L Aim Public Company Limited ('EFORL' or 'the Company') and its subsidiaries (collectively referred to as 'the Companies') for Q1/2023.

The comparison of financial performances is as follows:

Baht'0000	Consolidated F/S			Separate F/S		
	Q1/2023	Q1/2022	Δ%	Q1/2023	Q1/2022	Δ%
Revenues from Sales and Services	287,030	341,421	-16%	259,980	308,715	-16%
Other income	1,189	3,630	-67%	1,620	2,671	-39%
Total Revenues	288,219	345,051	-16%	261,600	311,386	-16%
Gross profit	93,550	120,076	-22%	82,727	109,108	-24%
Margin	33%	35%		32%	35%	
Profit (Loss) before finance costs and income tax	(14,026)	23,689	-159%	(15,340)	21,687	-171%
Margin	-5%	7%		-6%	7%	
Profit (Loss) for the period	(20,780)	15,264	-236%	(21,708)	14,200	-253%
Margin	-7%	4%		-8%	5%	
Profit (Loss) for the year attributable to Equity holder of the Company	(20,780)	15,264	-236%	(21,708)	14,200	-253%
Margin	-7%	4%		-8%	5%	

Financial performance in Q1/2023

Total Revenues for the first quarter of 2023 was Baht 288 million, which decreased by 16% compared to the same period last year. This was mainly due to a shortage of key raw materials necessary to produce medical devices, resulting in the company's inability to deliver products to customers.

"Excellence for Life"

During the COVID-19 pandemic, manufacturers worldwide accelerated the production of medical devices, which led to a shortage of key raw materials, especially chips, that are key components in the production of medical devices. This impact has continued until now, resulting in suppliers' inability to deliver products to meet the Company's customers' orders.

The Company is currently negotiating with its partners to source new product lines to increase the revenue in the future.

2. Key Highlights for performance for the first quarter 2023 and 2022

Baht'000	Consolidated F/S			Separate F/S		
	Q1/2023	Q1/2022	Δ%	Q1/2023	Q1/2022	Δ%
Revenues from sales and services	287,030	341,421	-16%	259,980	308,715	-16%
Costs of sales and services	(193,480)	(221,345)	-13%	(177,253)	(199,607)	-11%
Gross profit	93,550	120,076	-22%	82,727	109,108	-24%
Other income	1,189	3,630	-67%	1,620	2,671	-39%
Selling expenses	(66,067)	(64,821)	2%	(60,301)	(58,312)	3%
Administrative expenses	(40,468)	(31,774)	27%	(37,156)	(28,358)	31%
Loss on impairment of trade accounts receivable and other receivables	(2,230)	(3,422)	-35%	(2,230)	(3,422)	-35%
Profit (Loss) before finance costs and income tax	(14,026)	23,689	-159%	(15,340)	21,687	-171%
Finance costs	(6,884)	(8,006)	-14%	(6,526)	(7,740)	-16%
Profit (Loss) before income tax	(20,910)	15,683	-233%	(21,866)	13,947	-257%
Income tax expense	130	(419)	-131%	158	253	-38%
Profit (Loss) for the period	(20,780)	15,264	-236%	(21,708)	14,200	-253%
Other Comprehensive Income	-	-		-	-	
Total Comprehensive Income for the period	(20,780)	15,264	-236%	(21,708)	14,200	-253%
Profit (loss) for the period attributable to						
Equity holder of the Company	(20,780)	15,264	-236%	(21,708)	14,200	-253%
Non - controlling interests	-	-		-	-	
	(20,780)	15,264	-236%	(21,708)	14,200	-253%
Total Comprehensive Income for the period attributable to						
Equity holder of the Company	(20,780)	15,264	-236%	(21,708)	14,200	-253%
Non - controlling interests	-	-		-	-	
	(20,780)	15,264	-236%	(21,708)	14,200	-253%
Basic earnings (Losses) per share						
Profit (Loss) (Baht per share)	(0.0052)	0.0004	-1,461%	(0.0054)	0.0004	-1,629%
Weighted average number of common shares (shares)	3,997,864,980	39,978,649,453	-90%	3,997,864,980	39,978,649,453	-90%

Baht'000	Consolidated F/S			Separate F/S		
	Q1/2023	Q1/2022	Δ%	Q1/2023	Q1/2022	Δ%
Key Financial Ratios						
Gross Profit Margin	32.59%	35.17%	-2.58%	31.82%	35.34%	-3.52%
SG&A as % to Sales	37.12%	28.29%	8.82%	37.49%	28.07%	9.41%
Net Profit Margin	-7.24%	4.47%	-11.71%	-8.35%	4.60%	-12.95%
Net Profit Margin (Portion of the Company's shareholders)	-7.24%	4.47%	-11.71%	-8.35%	4.60%	-12.95%

Revenues from sales and services

In Q1/2023, revenue from sales and services was Baht 287 million, which decreased by 16% compared to the same period last year. This was mainly due to the reasons mentioned above.

Gross profit

The gross profit in Q1/2023 was Baht 94 million, which decreased by 22% compared to the same period last year, and the gross profit margin ratio in Q1/2023 was 32.59%, which decreased by 2.58% compared to the same period last year.

Selling and Administrative Expenses

Selling and administrative expenses in Q1/2023 amounted to Baht 106 million, consisting of selling expenses of Baht 66 million and administrative expenses of Baht 40 million. These expenses increased by 10% compared to the same period last year, mainly due to the Company recognised legal expenses and unrealised losses on the exchange rate in the administrative expenses for this period.

Financial costs

Financial costs in Q1/2023 were Baht 7 million, which decreased by 14% compared to the same period last year. This decrease was due to payments made as scheduled.

Net income/ Loss

The consolidated financial statements for Q1/2023 reported a net loss of Baht 21 million, which resulted from a decrease in revenue and an increase in expenses as a result of the aforementioned factors.

Please be informed accordingly.

Yours sincerely,

Preecha Nuntnarumit

(Mr. Preecha Nuntnarumit)

Chief Executive Officer