



October 24, 2023

Subject Management Discussion and Analysis for year-end as of 31 December 2022

 To Director and Manager
 Stock Exchange of Thailand

Window Asia Public Company Limited would like to clarify the operating results for the year-end December 31, 2022 as follows:

Profit and Loss	2021		2022		Change	
	Amount	%	Amount	%	Amount	%
Revenue from sales	810.46	100.0	897.15	100.0	86.69	10.7
Cost of goods sold	(563.09)	69.5	(657.48)	73.3	(94.39)	16.8
Gross profits	247.37	30.5	239.67	26.7	(7.70)	(3.1)
Other revenue	25.05	3.1	16.20	1.8	(8.85)	(35.3)
Profit before expenses	272.42	33.6	255.87	28.5	(16.55)	(6.1)
Selling expenses	(104.87)	12.9	(110.26)	12.3	(5.39)	5.1
Administrative expenses	(48.92)	6.0	(49.30)	5.5	(0.38)	0.8
Other profit (loss)	14.32	1.8	6.96	0.8	(7.36)	(51.4)
Financial expenses	(9.50)	1.2	(10.83)	1.2	(1.33)	14.0
Share of losses from investment in JV	-	-	(9.00)	1.0	(9.00)	(100.0)
Total expense	(148.97)	18.4	(172.43)	19.2	(23.46)	15.7
Profit before income tax	123.45	15.2	83.44	9.3	(40.01)	(32.4)
Income tax	(24.18)	3.0	(8.92)	1.0	15.25	(63.1)
Net profits	99.28	12.2	74.52	8.3	(24.76)	(24.9)

Management Discussion and Analysis of financial position and performance

For the fiscal years ending on December 31, 2021 and 2022, the total revenue of the company amounted to THB 835.51 million and THB 913.35 million, respectively. These revenues include sales revenue and other income. In 2021 and 2022, the sales revenue of the company was THB 810.46 million and THB 897.15 million, respectively. The significant factor contributing to the revenue growth was the expansion of the company's distribution channels, leading to a continuous increase in the sales volume of doors and windows products. Other income of the company in these years amounted to THB 25.05 million and THB 16.20 million, respectively. A substantial portion of this income came from the sale of leftover aluminum and uPVC scraps generated during the production process. The continuous increase in sales income resulted in the company achieving gross profits of THB 247.37 million and THB 239.67 million, with net profits of THB 99.28 million, and THB 74.52 million, respectively.



In 2022, due to the increase in global aluminum raw material prices, the profit margin decreased slightly. The gross profit margin in 2022 was 26.7%. Additionally, the company recognized its share of losses from investments in Keha Sukpracha Public Company Limited, a joint venture, which contributed to a decrease in the net profit margin to 8.2%.

Revenue from sales

In 2022, sales revenue increased by THB 86.69 million, which is a growth rate of 10.7% compared to 2021. This increase was attributed to the new successful SKUs, DIY aluminum and UPVC window with embedded iron wrought. The company was able to expand its product into modern construction material stores.

Other revenue

In 2022, revenue from selling aluminum and UPVC scraps amounted to THB 12.76 million, a decrease of THB 9.34 million. This decrease in revenue was due to the increased sales of aluminum doors and windows, resulting from improved production efficiency and adjustments in the raw material cutting process, reducing aluminum waste in the production line.

Gross profits

The company's gross profit for the fiscal year 2022 decreased by THB 7.70 million, a 3.1% decrease compared to the previous year, with a gross profit margin of 26.7%, down from 30.5% in 2021. This decline was due to increased raw material prices for aluminum and UPVC, as well as increased depreciation expenses resulting from utilities system enhancement in the factory.

Selling expenses

In 2022, selling expenses increased by THB 5.39 million, which is a 5.1% increase compared to the previous year. This increase was mainly due to increased advertising expenses for the company's branding efforts and the hiring of more sales staff during the year.

Administrative expenses

In 2022, administrative expenses for the fiscal year increased by THB 0.38 million, an 0.8% increase compared to the previous year, remaining at the same level as the preceding year.

Net profits

For the fiscal year 2022, the company had a net profit for the period that decreased by THB 24.76 million, a 24.9% decrease compared to the previous year. Although revenue from sales was increased, the impact from the increased cost of the main raw materials used in the production such as aluminum and UPVC products was stronger according to global market prices. Moreover, the Company had recognized a loss from investments in the Sukhprachajum Bank amounting to 9.00 million baht.



Balance sheet	December 31, 2021		December 31, 2022		Change	
	Amount	%	Amount	%	Amount	%
Total assets	961.82	100.0	1,061.49	100.0	99.7	10.4
Total liabilities	580.82	60.4	564.07	53.1	(16.8)	(2.9)
Total equity	381	39.6	497.42	46.9	116.4	30.6

As of December 31, 2021 and 2022, the total assets of the company were THB 961.82 million and THB 1,061.49 million, respectively. The increase was primarily due to land acquisitions for factory expansion and the construction of new facilities, as well as an increase in raw materials for inventory to support business expansion. Total liabilities, on the other hand, were THB 580.82 million and THB 564.07 million for the same periods. In 2022, the decrease was due to the repayment of short-term borrowings from financial institutions. Total equity was THB 381.00 million and THB 497.42 million for the respective years. This increase was attributed to the company's continuous profitability and capital increases in 2022 to support business expansion.

Please be informed accordingly,

Yours sincerely,



(Miss Patinun Tantivasin)

Chief Financial Officer

Window Asia Public Company Limited