

8 May 2024

Subject Management Discussion and Analysis for the 3-month period ended on 31 March 2024

To Director and Manager  
Stock Exchange of Thailand

Window Asia Public Company Limited (“the Company”) Board of Directors Meeting No.2/2024 held on 8 May 2024 passed a resolution to certify the financial statement and the performance for 3-month period ended 31 March 2024 which was reviewed by the auditor.

The Company's would like to clarify the operating results for the 3-month period ended 31 March 2024 as follows:

**Performance analysis**

Revenue type	3-month 2023		3-month 2024		Change	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>Revenue from sales</b>						
- Modern Trade	188.19	75.71	170.55	71.08	(17.64)	(9.37)
- Traditional Trade	26.61	10.71	35.20	14.67	8.59	32.28
- Window Asia Shops	22.35	8.99	17.60	7.34	(4.75)	(21.25)
- Other	8.87	3.57	14.11	5.88	5.24	59.08
<b>Other Income</b>	2.56	1.03	2.47	1.03	(0.09)	(3.52)
<b>Total Revenue</b>	<b>248.58</b>	<b>100.00</b>	<b>239.93</b>	<b>100.00</b>	<b>(8.65)</b>	<b>(3.48)</b>

**Revenue from sales**

From the table above, revenue from sales still mainly comes from sales to modern trade, which are the Company's primary customer group. The revenue from modern trade for the 3-month period ended 31 March 2023 and 2024 were THB 188.19 million and 170.55 million, respectively. These figures represent of 75.71% and 71.08% of total revenue, respectively.



For the 3-month period ended 31 March 2024, the Company had revenue from modern trade by THB 170.55 million, a decrease by THB 17.64 million or 9.37% compared to the same period of the previous year. This decrease was due to economic recession. Revenue from traditional trade had THB 35.20 million, an increase by 8.59 million or 32.28% compared to the same period of the previous year. This result was the company has new major customer in 2024. Revenue from window asia shop had THB 17.60 million, a decrease by THB 4.74 million or 21.22% compared to the same period of the previous year. This decrease was due to economic recession.

### Other Income

Most other income comes from the sale of aluminum and UPVC scraps, which are residual materials from the production process of aluminum and UPVC doors and windows. For the 3-month period ended 31 March 2023 and 2024, the company had other income were THB 2.56 million and 2.47 million, respectively. These figures represent other income of 1.03% and 1.03% of sales revenue, respectively. However, this decrease was still on par with the other income in the same period of the previous year.

### Cost of sales

Cost structure and gross profit	3-month 2023		3-month 2024		Change	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from sales	246.02	100.00	237.46	100.00	(8.56)	(3.48)
Cost of sales	(179.64)	73.02	(161.95)	68.20	(17.69)	9.85
<b>Gross profit</b>	<b>66.38</b>	<b>26.98</b>	<b>75.51</b>	<b>31.80</b>	<b>9.13</b>	<b>13.75</b>

### Cost of sales

The Company's cost of sales includes the cost of raw materials, direct labor, manufacturing overheads, and miscellaneous expenses. For the 3-month period ended 31 March 2023 and 2024, the company had cost of sales were THB 179.64 million and 161.95 million, respectively. These figures represent cost of sales of 73.02% and 68.20% of revenue from sales, respectively.

For the 3-month period ended 31 March 2024, cost of sales had a decrease by THB 17.69 million or a decrease in a rate of 9.85% compared to the same period of the previous year. This decrease was due to more efficient management cost of production and in line with the revenue from sales.



### Share of losses from investments in associated and impairment losses on investments in associated

For the 3-month period ended 31 March 2024, the Company's share of losses was Baht 3.32 million. There was no additional share of losses because the company had already set up a full allowance for impairment of investment in associated company. The company has monitored the performance for associate company and currently have no plan to increase investment in associate company.

### Gross Profit

As a result of the Company recognizing revenue from sales and the cost of sales as previously described, for the 3-month period ended 31 March 2023 and 2024, the company had gross profit were THB 66.38 million and 75.51 million, respectively. These figures represent gross profit margins of 26.98% and 31.80% of revenue from sales, respectively

For the 3-month period ended 31 March 2024, the Company had gross profit of THB 75.51 million, an increase by THB 9.13 million or an increase in a rate of 13.75% compared to the same period of the previous year. This increase was due to a reduction in the cost of sales due to more efficient management cost of production.

SG&A and Other expense	3-month 2023		3-month 2024		Change	
	Million Baht	%	Million Baht	%	Million Baht	%
Selling expenses	34.04	61.23	29.86	62.97	(4.18)	(12.28)
Administrative Expenses	13.98	25.15	16.18	34.12	2.20	15.74
Other income-net	(0.41)	(0.74)	(0.33)	(0.70)	(0.08)	(19.51)
Finance costs	3.14	5.65	1.71	3.61	(1.43)	(45.54)
Share of loss from investments in associate	4.84	8.71	-	-	(4.84)	(100)
<b>Total</b>	<b>55.59</b>	<b>100.00</b>	<b>47.42</b>	<b>100.00</b>	<b>(8.17)</b>	<b>(14.70)</b>

### Selling expenses

The Company's selling expenses mainly consist of commissions and sales employee salaries. Other components of selling expenses include promotional expenses across various sales channels, costs for product display points in both modern trade and traditional trade, etc. Selling Expenses for the 3-month period ended 31 March 2023 and 2024 were THB 34.04 million and 29.86 million, respectively.



For the 3-month period ended 31 March 2024, the Company had Selling expenses of THB 29.86 million, a decrease by THB 4.18 million or a decrease in a rate of 12.28% compared to the same period of the previous year. This decrease was due to the costs of advertising expenses.

### **Administrative Expenses**

The Company's administrative expenses mainly consist of employee's expenses, depreciation, auditing fees, consultancy fees, and other administrative expenses. Administrative Expenses for the 3-month period ended 31 March 2023 and 2024 were THB 13.98 million and 16.18 million, respectively.

For the 3-month period ended 31 March 2024, the Company had administrative expenses of THB 16.18 million, an increase by THB 2.20 million or an increase in a rate of 15.74% compared to the same period of the previous year. This increase was due to the fee charged after entering Stock Exchange of Thailand (SET), depreciation expenses and sustainability consultant fee.

### **Finance Cost**

The Company's finance costs primarily consist of interest on loans from financial institutions and lease liabilities. Finance cost for the 3-month period ended 31 March 2023 and 2024 were THB 3.14 million and 1.71 million, respectively.

For the 3-month period ended 31 March 2024, the Company had finance cost of THB 1.71 million, a decrease by THB 1.43 million or a decrease in a rate of 45.54% compared to the same period of the previous year. This was a result of repaying trust receipt and loans from financial institutions.

### **Net Profit**

From the details mentioned above, the net profits for the 3-month period ended 31 March 2023 and 2024 were THB 10.68 million and 24.52 million, respectively.

The Company's net profit for the 3-month period ended 31 March 2024 was THB 24.52 million, an increase by THB 13.83 million or an increase in a rate of 129.59% compared to the same period of the previous year. This increase in net profit is a result of decretion cost of sales and selling expenses, combined with there was no additional share of losses from investment in associate during the period.



### Financial Analysis

Balance sheet	December 31, 2023		March 31, 2024		Change	
	Million Baht	%	Million Baht	%	Million Baht	%
Total Assets	1,196.11	100.00	1,173.27	100.00	(22.84)	(1.91)
Total Liabilities	331.14	27.68	283.78	24.19	(47.36)	(14.30)
Total equity	864.97	72.32	889.49	75.81	24.52	2.83

As of March 31, 2024, the Company's total assets amounted to THB 1,173.27 million, a decrease of THB 22.84 million compared to the year ended 2023. The main reasons are cash and cash equivalents which repay short-term loans from financial institutions and paying operational expenses for the company. The decrease in inventory due to more efficient management inventory and decrease in land, building and equipment is a result of depreciation expenses.

Regarding the total liabilities of the Company, it amounted to THB 283.78 million, a decrease of THB 47.36 million. The Company repaying short-term and long-term loans from financial institutions. For the shareholders' equity, it amounted to THB 889.49 million, which was an increase of THB 24.52 million due to the Company's net profit for the 3-month period ended 31 March 2024 was THB 24.52 million.

Yours sincerely,

-Patinun Tuntivasin-

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(Miss Patinun Tuntivasin)

Chief Financial Officer

Window Asia Public Company Limited