

Ref No. CPO-10 / 2024

13 May 2024

Subject Management Discussion and Analysis for the first Quarter ended March 31, 2024

To The President
The Stock Exchange of Thailand

Winnergy Medical Public Company Limited and its subsidiary (the "Company") would like to inform the Company's operating results for the period ended March 31, 2024 are detailed below.

Income Statement of the 1st Quarter of 2024 compared to the 1st Quarter of 2023

Statement of Comprehensive Income	Q1/2024		Q1/2023		Increase (Decrease)	
	(Million Baht)	Proportion	(Million Baht)	Proportion	(Million Baht)	% Change
Revenue from Sales and Services	127.53	90.76%	126.54	91.07%	0.99	0.78%
Rental Income	12.98	9.24%	12.41	8.93%	0.57	4.62%
Total Revenues	140.51	100.00%	138.95	100.00%	1.56	1.13%
Cost of Sales and Services	(73.49)	(57.62%)	(71.33)	(56.36%)	(2.16)	3.03%
Cost of Rental	(7.42)	(5.13%)	(6.93)	(5.89%)	(0.48)	6.94%
Total Costs	(80.90)	(57.58%)	(78.26)	(56.32%)	(2.64)	3.38%
Gross Profit	59.61	42.42%	60.89	43.82%	(1.28)	(2.11%)
Other Income	1.41	1.01%	0.34	0.25%	1.07	314.96%
Distribution Costs	(21.90)	(15.58%)	(24.93)	(17.94%)	3.04	(12.18%)
Administrative Expense	(32.24)	(22.95%)	(27.38)	(19.71%)	(4.86)	17.76%
Profit (Loss) before Financial Cost and Tax	6.88	4.90%	8.92	6.42%	(2.04)	(22.83%)
Financial Cost	(3.24)	(2.30%)	(1.85)	(1.33%)	(1.39)	74.99%
Profit before Income Tax Expense	3.65	2.60%	7.07	5.09%	(3.42)	(48.42%)
Income Tax Expense	(0.60)	(0.42%)	(0.90)	(0.65%)	0.31	(34.01%)
Profit for the Period	3.05	2.17%	6.17	4.44%	(3.12)	(50.54%)

Revenue

In the first quarter of 2024, the company had total operating revenue of 140.51 million baht, an increase of 1.56 million baht or 1.13% compared to the same period last year. Revenue from sales and services amounted to 127.53 million baht, with the medical products group accounting for 95.68% of the revenue and the Consumer group 4.32%. Detailed revenue breakdown by product group is provided in the table.

Table demonstrating the revenue structure by product groupings.

Revenues Structure (Million Baht)	Q1/2024		Q1/2023		Increase (Decrease)	
	(Million Baht)	Proportion	(Million Baht)	Proportion	(Million Baht)	% Change
Revenues from medical products	134.44	95.68%	134.74	96.97%	(0.30)	(0.22%)
Blood Transfusion Medicine (BTM) product group	68.14	48.50%	74.46	53.59%	(6.32)	(8.48%)
Sexual and Reproductive Care (SRC) product group	39.33	27.99%	55.53	39.97%	(16.21)	(29.18%)
Cell & Molecular Technology (CMT) product group	11.47	8.16%	4.24	3.05%	7.23	170.36%
Winmed Clinic and Laboratory (WCL) product group	15.50	11.03%	0.50	0.36%	15.00	2,985.27%
Consumer product group	6.07	4.32%	4.21	3.03%	1.86	44.11%
Operating Revenues	140.51	100.00%	138.95	100.00%	1.56	1.12%

In the first quarter of 2024, the company had a revenue increase of 1.56 million baht compared to the same period in the previous year. This growth was primarily attributed to the performance of the Cell and Molecular Technology product group and Winmed Clinic and Laboratory group, which registered higher earnings. Conversely, the revenue streams from the Blood Transfusion Medicine product group and the Sexual and Reproductive Care product group had revenue declines. Nonetheless, the company has strategically expanded its mobile blood and platelet donation operations by adding two new units, bringing the total to nine units operating nationwide in partnership with premier hospitals. Furthermore, a Memorandum of Understanding (MOU) was signed with the Provincial Administrative Organization to initiate a cervical cancer self-screening campaign, which commenced in late 2023 and is anticipated to contribute to sustained revenue growth as part of the company's expansion strategy.

The Consumer group, which includes mosquito traps and other insect control devices, is marketed under the subsidiary A New Day Co., Ltd. This segment saw revenue increase of 1.86 million baht or 44.11%, spurred by the heightened incidence of dengue fever as reported by the Disease Control Department earlier in the year. This increase in disease incidence led to higher patient and mortality rates. In response, the company revamped its marketing strategy to enhance visibility and drive sales through robust online and social media engagements. The promotional content highlighted the energy efficiency, operational safety, and chemical-free technology used in the products, which notably contributed to the increased revenue figures.

Costs and Gross Profit Margin

The company has increase sales costs compared to the same period of the previous year. For the first quarters of 2024 and 2023, the total costs were 80.90 million baht and 78.06 million baht, respectively or the total cost to operating income was 57.58% and 56.18% of the total operating revenue for each respective period. Consequently, the gross profits for these quarters were 59.61 million baht and 60.89 million baht, indicating a marginal decline with gross profit margins of 42.42% and 43.82%, respectively. The decrease in the gross profit margin is primarily attributed to the varying profit margins across different product groups.

Distribution costs and administrative expenses

The company's distribution costs, and administrative expenses totaled 54.14 million baht for the quarter, marking a modest increase of 1.82 million baht, or 3.49%, from the same period in the previous year. This increase was primarily attributed to higher depreciation costs for medical equipment, consistent with the company's investment plans, and expenses related to the development of various systems aimed at enhancing data accuracy and addressing the evolving demands of the current era.

Financial costs and income tax expenses

The company's financial costs totaled 3.24 million baht, which represents an increase of 1.39 million baht or 74.99% from the previous year. This rise was primarily due to the utilization of credit facilities for purchasing goods internationally and an increase in interest rates compared to the previous year.

Net profit for the period

The company had a net profit were 3.05 million baht from operations in the first quarter of 2024 or 2.17% of total revenue, a 3.12 million baht decrease from the same period last year or 50.54%. The decline in net profit is attributed to changes in revenue, cost of sales, distribution costs, and administrative expenses as previously discussed.

As of March 31, 2024, the company has earnings of 0.008 baht per share.

Overview of the Company's financial position

Financial position statement	31 March 2024		31 December 2023		Increase (Decrease)	
	(Million Baht) ¹	Proportion	(Million Baht) ¹	Proportion	(Million Baht)	% Change
Asset						
Current Asset	502.71	52.12%	518.87	53.06%	(16.16)	(3.11%)
Non-Current Asset	461.91	47.88%	459.00	46.94%	2.90	0.63%
Total Asset	964.62	100.00%	977.88	100.00%	(13.26)	(1.36%)
Liabilities and Shareholder's Equity						
Current Liabilities	263.34	27.30%	276.20	28.24%	(12.86)	(4.66%)
Non-Current Liabilities	94.22	9.77%	97.67	9.99%	(3.45)	(3.53%)
Total Liabilities	357.56	37.07%	373.86	38.23%	(16.31)	(4.36%)
Total Shareholder's Equity	607.07	62.93%	604.02	61.77%	3.05	0.50%
Total Liabilities and Shareholder's Equity	964.62	100.00%	977.88	100.00%	(13.26)	(1.36%)

Assets

As of Mach 31, 2024, the Company had total assets of 964.62 million baht, an decrease of 13.26 million baht or 1.36% from December 31, 2023, with the following details:

Current Assets

As of March 31, 2024, the company's total current assets of 502.71 million baht, a decrease of 16.16 million baht or 3.11% from December 31, 2023. This change primarily resulted from a reduction in cash and cash equivalents, improved turnover of trade receivables and other current receivables, and better inventory management to meet customer demands.

Non-Current Assets

As of March 31, 2024, the Company's non-current assets increased by 2.9 million baht or equivalent to 0.63% from December 31, 2023, with the main change coming from an increase in property, plant, and equipment items, which resulted from investments in medical equipment and laboratory buildings according to the company's business expansion plan.

Liabilities and Equity Ratio

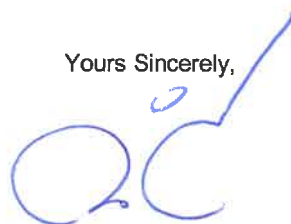
As of March 31, 2024, the company's total liabilities of 357.56 million baht, a decrease of 16.31 million baht or 4.36% from December 31, 2023. The increase in current liabilities was due to higher overdrafts and short-term loans from financial institutions, amounting to an additional 23 million baht.

For shareholders' equity, as of March 31, 2024, the company's had shareholders' equity amounting to 607.07 million baht, an increase of 3.05 million baht or 0.50% from December 31, 2023, primarily due to the rise in net profit.

In this regard, the Company's debt-to equity ratio as of March 31, 2024, was 0.59, a decrease from 0.62 as of December 31, 2023, reflecting a reduction in total liabilities.

Please be informed accordingly.

Yours Sincerely,



(Mr. Nanthiya Darakananda)

Chief Executive Officer

Winnergy Medical Public Company Limited