

KC 027/68

Date: May 09, 2025

Subject: Management discussion and analysis (MD&A) of operating results for the first quarter ended March 31, 2025

To: Board of Directors and Managers

The Stock Exchange of Thailand, MAI

Kumwell Corporation Public Company Limited ("company") would like to submit MD&A of operating results for the first quarter ended March 31, 2025, The details are follows:

1. **Executive Summary.**
2. **Analysis of the Profit and Loss of operating for the first quarter ended March 31, 2025**
3. **Analysis of the Financial Position for the first quarter ended March 31, 2025**

1. Executive Summary

In the first quarter of 2025, the operations of Kumwell Corporation Public Company Limited showed signs of recovery. This improvement was partly driven by interest rate cuts on loans and credit facilities, as well as internal cost control measures, including a reduction in the use of external financing sources. However, several negative economic factors persisted, such as rising product prices and costs, including labor and raw material expenses, due to the government's push for a higher minimum wage. Additionally, there were uncontrollable external factors, such as geopolitical conflicts and increased import tariffs by the United States. These impacts extend beyond trade, affecting global economic structures and debt levels, which may influence the purchasing power of international customers.

Nevertheless, Kumwell Corporation continues to pursue plans to expand its customer base and project portfolio. This year, the company remains focused on online marketing across all platforms to align with evolving modern lifestyles. It also places great emphasis on understanding consumer perspectives from various dimensions to stay aligned with current circumstances. Cost management and expenditure efficiency remain top priorities. The company is also committed to integrating the principles of sustainability (SDGs), particularly in the economic dimension, to deliver innovative products and services that exceed customer expectations—while operating with social and environmental responsibility. To this end, Kumwell continues to invest in research and development of innovative products, with a defined research scope that supports the company's goals. The company also aims to enhance organizational excellence in line with the Thailand Quality Award (TQA) framework. In the social dimension, Kumwell fosters a culture of *Soft Power Engagement* through its "Creating Shared Value: Safety to Society" initiative, which includes lifelong learning and personal development programs for employees. In the environmental dimension, the company recognizes the potential environmental impacts arising from activities throughout its value chain. Therefore, Kumwell has established environmental policies, goals, and action plans, integrating them into its strategies, management plans, and risk management framework. This integrated approach aims to meet stakeholder expectations across the value chain, guiding the company toward its vision of becoming an innovative organization that grows sustainably and resiliently.

2. Analysis of the Profit and Loss of operating for the first quarter ended March 31, 2025

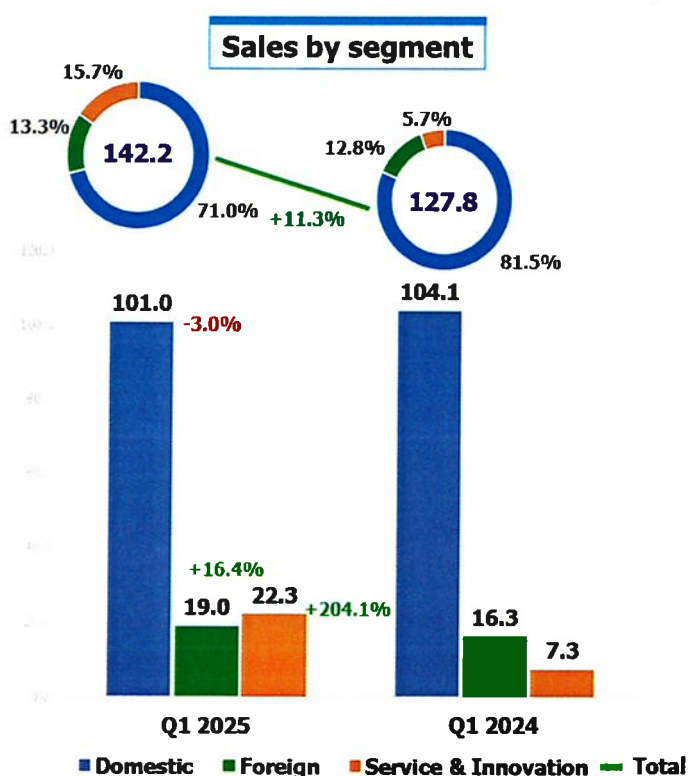
The revenue structure of the company and its subsidiaries in the first quarter of 2025 and 2024 can be classified into product types as shown in the following table.

Statements of Comprehensive Income	Consolidated Financial Statements			
	Q1 2025	Q1 2024	Inc. (Dec)	
			MB.	%
Revenue from sales and services	142.2	127.8	14.5	11.3%
Cost of sales and services	83.9	78.1	5.8	7.5%
Other income	0.6	2.6	-2.0	-75.4%
Gross profit	59.0	52.3	6.7	12.7%
Distributions costs	10.4	11.7	-1.2	-10.6%
Administrative expenses	29.4	26.9	2.5	9.4%
Total Selling and Administrative Expenses	39.9	38.6	1.3	3.4%
EBITDA	26.7	21.3	5.3	25.1%
EBIT	19.1	13.7	5.4	39.0%
Finance costs	2.4	3.1	- 0.7	-22.6%
EBT	16.7	10.6	6.1	57.4%
Income tax expense	3.6	2.0	1.6	77.6%
Net profit	13.1	8.6	4.5	52.6%

Sales by Customer Group

In the first quarter of 2025, total sales amounted to 142.2 million baht, an increase of 14.5 million baht or 11.3% compared to the same period of the previous year. This growth was driven by an expanded customer base. Notably, sales to international customers rose by 2.7 million baht, or 16.4%, due to the company's proactive strategy to penetrate foreign markets. The team collaborated with clients to analyze demand in advance and implemented a systematic delivery planning process, enabling the company to prepare products in advance for large orders and successfully deliver them during Q1 2025, effectively meeting customer needs. Service revenue also increased significantly, rising by 14.9 million baht from 7.3 million baht in the same period last year to 22.3 million baht. This growth aligned with the company's strategy for business development and expansion in the lightning protection system installation sector.

Meanwhile, domestic sales saw a slight decline compared to the same period of the previous year, decreasing from 104.1 million baht to 101.0 million baht. This was primarily due to customers having set sales targets and placed advance orders, with many of the deliveries having been brought forward into the fourth quarter of 2024 to be fulfilled within that year.

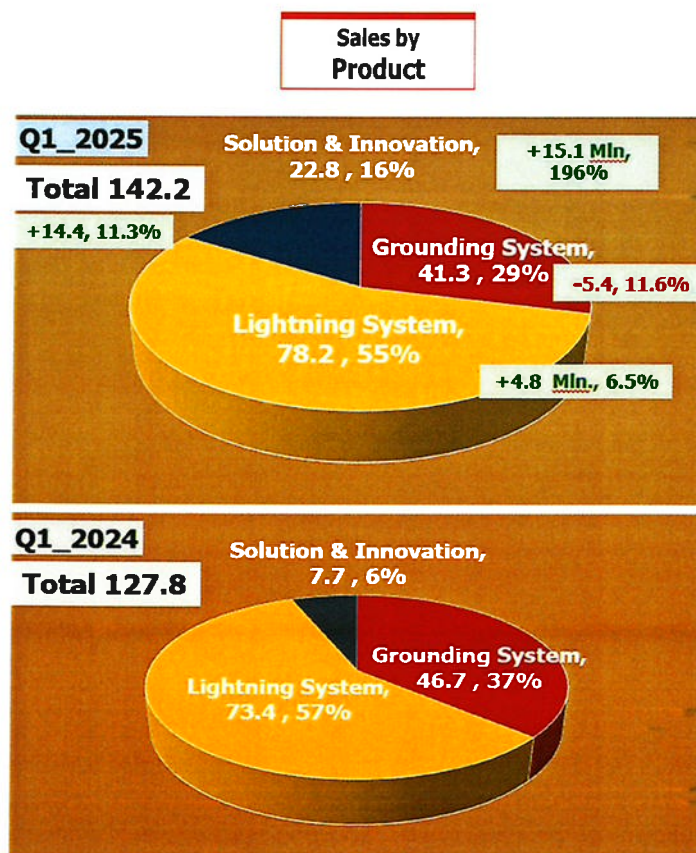


Sales by Product Group

Sales in the grounding system product group decreased by 5.4 million baht, or 11.5%, compared to the same period of the previous year. This decline was mainly due to products in the Powder, One Time, and MOULD categories, as customers had stocked up on these items at the end of 2024, resulting in reduced purchase orders and product call-offs during the first quarter of 2025.

In the first quarter of 2025, sales in the lightning protection system product group totaled 78.2 million baht, an increase of 4.8 million baht or 6.5% compared to the same period last year. This growth was driven by increased demand for lightning protection system upgrades from industrial plants, where the company was engaged to perform inspections and system improvements more frequently.

Revenue from services and innovation increased by 15.0 million baht, rising from 7.7 million baht in the same period last year to 22.8 million baht. This growth was driven by the continuation of projects from 2024, with deliveries and revenue recognition occurring in 2025. The growth in this quarter resulted from the company's active role in supporting customers to complete their projects on schedule through continuous communication planning, loss prevention and reduction, and the efficient acceleration of product delivery in line with project timelines. This proactive approach allowed the company to meet specific project requirements and strengthen strategic relationships with high-potential customer segments.



2. Cost of Goods Sold

Cost of sales and services in the first quarter of 2025 increased by 5.8 million baht, from 78.1 million baht in the same period of the previous year to 83.9 million baht, in line with the growth in sales during the quarter. Another contributing factor was the review and update of the bill of materials (BOM) following improvements to the production process, ensuring it reflects the current operations. As a result, gross profit increased by 12.7% year-over-year, driven by higher sales and product mix, leading to an improvement in gross profit margin from 40.1% to 41.3%.

3. Selling Expenses of distribution

In the first quarter of 2025, the company and its subsidiaries recorded a decrease in selling expenses of 1.2 million baht, or 10.6%, compared to the same period in 2024—declining from 11.7 million baht to 10.4 million baht. This reduction was primarily due to lower travel expenses, both domestic and international, as well as a decrease in product testing and analysis costs.

4. Administrative Expenses

In the first quarter of 2025, the company and its subsidiaries recorded an increase in administrative expenses of 2.5 million baht, rising from 26.9 million baht in the same period last year to 29.4 million baht. The primary reasons for this increase included a 1.2 million baht rise in the allowance for expected credit losses from accounts receivable, a 200,000 baht increase in financial advisory fees, and initiatives to promote ESG (Environmental, Social, and Governance) awareness among employees. As part of these efforts, the company implemented plans to reduce waste and pollution generated from production processes and operations across all departments. Additionally, training sessions were conducted on Carbon Footprint awareness and the Total Quality Management (TQM) framework in alignment with the Thailand Quality Award (TQA), with personnel development training expenses for both programs totaling approximately 800,000 baht.

5. Net Profit

In the first quarter of 2025, the company reported a net profit of 13.1 million baht, an increase of 52.6% compared to 8.6 million baht in the same period last year. This growth was primarily driven by increased sales and effective product management, including efficient planning and control of orders, as well as improvements in the production process to control costs.

3. Analysis of the Financial Position for the first quarter ended March 31, 2025

Consolidated Financial Statement						
Balance Sheet	Q1'2025		2023		Growth	
	MB.	% of TA	MB.	% of TA	MB.	%
Cash and cash equivalents	67.8	7.8%	57.6	6.7%	10.2	17.6%
A/R & Other Receivables	133.5	15.4%	135.3	15.6%	(1.8)	-1.3%
Inventories	193.9	22.3%	192.6	22.3%	1.3	0.7%
Other current financial assets	6.1	0.7%	4.8	0.6%	1.3	27.8%
Total current assets	401.2	46.2%	390.2	45.1%	11.0	2.8%
Other non-current financial assets	10.2	1.2%	10.2	1.2%	0.0	0.4%
Property, plant and equipment	438.4	50.4%	444.8	51.5%	(6.3)	-1.4%
Right-of-use assets	6.3	0.7%	6.7	0.8%	(0.4)	-5.9%
Non-current assets	13.2	1.4%	12.5	2.0%	0.6	5.1%
Total non-current assets	468.1	53.8%	474.1	54.9%	(6.1)	-1.3%
Total assets	869.2	100.0%	864.3	100.0%	4.9	0.6%

Assets

On March 31, 2025, the company and its subsidiaries had total assets amounting to 869.2 million baht, an increase of 4.9 million baht from December 31, 2024, when total assets were 864.3 million baht, representing a 0.6% increase.

Current assets increased by 11.0 million baht or 2.8 percent mainly from the following:

- Cash and cash equivalents increased by 17.6%, which is in line with the higher revenue and improved management of accounts receivable collection efficiency.
- Other current assets increased by 1.3 million baht, or 27.8%, due to prepaid expenses for overseas business trip expenses related to water control systems, as well as the renewal of the Microsoft 365 program for one year and property and building insurance premiums.

Consolidated Financial Statement (Continued)						
Balance Sheet	Q1'2025		2023		Growth	
	MB.	% of TA	MB.	% of TA	MB.	%
Bank overdraft and short-term loans	-	0.0%	20.6	2.4%	(20.6)	-100.0%
A/P & Other Payables	47.0	5.4%	28.7	3.3%	18.3	63.8%
Current portion of long-term loans	39.4	4.5%	39.0	4.5%	0.4	0.9%
Current liabilities	19.0	2.2%	15.2	1.8%	3.8	24.8%
Total current liabilities	105.4	12.1%	103.5	12.0%	1.8	1.8%
Long-term loans from financial institutions	136.4	15.7%	146.5	16.9%	(10.0)	-6.8%
Lease liabilities	5.7	0.7%	6.2	0.7%	(0.4)	-7.1%
Provision for long-term employee benefits	18.4	2.1%	18.0	2.1%	0.4	2.2%
Other non-current liabilities	-	0.0%	-	0.0%	-	0.0%
Total non-current liabilities	160.5	18.5%	170.6	19.7%	(10.1)	-5.9%
Total liabilities	265.9	30.6%	274.1	31.7%	(8.2)	-3.0%
Paid-up share capital	215.0	24.7%	215.0	24.9%	-	0.0%
Premium on ordinary shares	519.7	59.8%	519.7	60.1%	-	0.0%
Deficit of business combination	- 460.9	-53.0%	- 460.9	-53.3%	-	0.0%
Share-based payment reserve	17.7	2.0%	17.7	2.0%	-	0.0%
RE-Legal Reserved	21.5	2.5%	21.5	2.5%	-	0.0%
RE-Unappropriated	290.4	33.4%	277.3	32.1%	13.1	4.7%
Total shareholders' equity	603.3	69.4%	590.2	68.3%	13.1	2.2%
Total Liabilities and shareholder's equity	869.2	100.0%	864.3	100.0%	4.9	0.6%

Liabilities

On March 31, 2025, the company and its subsidiaries had total liabilities amounting to 265.9 million baht, a decrease of 8.2 million baht, or 3.0%, from December 31, 2024. Following:

- Overdrafts and short-term loans decreased by 20.6 million baht, or 100%, as the company did not utilize any short-term credit facilities during this quarter.
- Long-term loans from financial institutions in the first quarter of 2025 decreased by 6.8 million baht compared to the end of 2024, due to the repayment of long-term loans amounting to 9.6 million baht, resulting in a reduction of the principal balance, with no additional borrowing projects.

Shareholders' Equity

As of March 31, 2024, the company and its subsidiaries had total shareholders' equity of 603.3 million Baht, an increase of 13.1 million Baht or 2.2% from December 31, 2024. This increase was primarily due to retained earnings, which grew by 13.1 million Baht or 4.7%. As a result, earnings per share increased from 0.02 Baht per share in 2024 to 0.03 baht per share.



Please be informed accordingly.

Sincerely,

Mr. Boonsak Kiatjaroonlert

Chief Executive Officer

Kumwell Corporation Public Company Limited

