



บริษัท เดนทัล คอร์ปอเรชั่น จำกัด (มหาชน)

DENTAL CORPORATION PUBLIC COMPANY LIMITED

สำนักงานใหญ่ 157 ชั้น 2 ถนนรัชดาภิเษก แขวงดินแดง เขตดินแดง กรุงเทพมหานคร 10400 โทร.(66) 2 245 7197-98

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เลขทะเบียนบริษัท 0107559000281 Company Registration No. 0107559000281

November 10, 2022

Subject Management's Discussion and Analysis for the three-month period ended September 30th, 2022.

To The President
The Stock Exchange of Thailand

The Company and its subsidiaries ("the Group") would like to report factors that affect the financial performance for the consolidated financial statements for the three-month period ended September 30th, 2022 as follows;

● **Net profit (loss)**

	Q3 (3M)	Q3 (3M)	Increase (Decrease)	
	2022	2021	Million	Baht
Profit (loss)	16.7	(-4.1)	20.8	+502

The Group's net profit for the third quarter of 2022 amounted to 16.7 million baht, an increase of 20.8 million baht or 502% increase from the same period last year. This was due to an increase in dental services revenue of 86.9 million baht or 153%, with revenue growth from both Thai and foreign customers. This was caused by post-covid situation in Thailand which had return to normal. There are more foreign tourists traveling since July 2022 due to the cancellation of Thailand Pass, and more Thai customers who relieve their concerns since most of the country's population has received at least 2 doses of vaccination, both foreign tourist and Thai customers have come back to use dental services of the group of companies.

● **Revenue from sales and services**

	Q3 (3M)	Q3 (3M)	Increase (Decrease)	
	2022	2021	Million Baht	%
Revenue from rendering of service	143.8	56.9	86.9	153%
Revenue from sales of goods	67.8	66.7	1.1	1%
Total revenue	211.6	123.6	88.0	71%

Dental services segment

In the third quarter of 2022, the income of the dental service business increased for both Thai and foreign customers. The dental services have opened as usual with cleanliness and safety standards to create confidence for users, in the third quarter of 2022, customers had 20,400 visit volume, an increase of 106 % from last year (9,885 times in the Q3 of 2021), and an increase of 7% from last quarter (19,000 times in the Q2 of 2022)

The Group had revenue from Thai customers in the third quarter of 2022 amounted to 76.5 million baht, an increase of 82% from the previous year (Q3 of 2021 amounted to 42 million baht), an increase of 7% from the previous quarter (Q2 of 2022 amounted to 71.5 million baht) and revenue from foreign customers in the third quarter of 2022 amounted to 66.9 million baht, an increase of 340% from the previous year. (Q3 of 2021, amounting to 15.2 million baht), an increase of 17% from the previous quarter (Q2 of 2022, amounting to 56.8 million baht). Most foreign customers are tourists who return to Thailand, due to the cancellation of Thailand pass and the supporting tourist measure from government, so they came to use dental services of the group companies.

In addition, the opening of the Bangkok International Dental Hospital (BIDH) focuses on high-income Thai customers, foreign executives living in Thailand (Expat), and tourists (Tourist) who are customers with high purchasing power. They generated income for the Group in the third quarter of 2022 amounted to 27.7 million baht with a growth rate of 156 percent from last year (Q3 of 2021 amounted to 10.8 million baht), and with a growth rate of 10 percent from last quarter (Q2 of 2022 amounted to 25 million baht), and only in the third quarter of the year 2022, BIDH accounts for 52% of revenue from foreign customers.

Distribution of dental supplies and equipment segment

In the third quarter of 2022, the Group's revenue from sales of dental materials and equipment amounted to 67.8 million baht, unchanged from the year 2021. Dental Vision Company Limited (a subsidiary) sells materials and dental equipment such as milling heads, implants, dental chairs, x-ray machines to dental laboratories and dental clinic including bids for projects from Faculty of Dentistry of both public and private universities

Cost of sales and rendering of services

	Q3 (3M)	Q3 (3M)	Increase (Decrease)	
	2022	2021	Million Baht	%
Cost - Dental services segment	88.6	39.0	49.6	127%
Gross profit margin	38%	31%		
Cost - Distribution of dental supplies and equipment	53.9	52.1	1.8	3%
Gross profit margin	21%	22%		

The dental services segment reported gross margins increased 7% to 38%, because in the year 2021, the covid-19 situation caused the significant decrease in revenue due to the limitation of travelling, but in the year 2022, there is increase in revenues, mainly from high-value international clients has returned to Thailand. The gross profit margin is improved from such situation. The company has fixed costs such as rent, depreciation of assets and right to use assets. and staff costs.

The distribution of dental supplies and equipment segment had no significant change in gross profit margin from last year.

- **Expenses**

	Q3 (3M)	Q3 (3M)	Increase (Decrease)	
	2022	2021	Million	Baht
Distribution costs	17.9	9.6	8.3	86%
Administrative expenses	31.7	23.4	8.3	35%
Finance costs	3.7	3.9	(0.2)	(5%)

Distribution costs

Distribution costs increased by 8.3 million baht, an increase from online advertising costs through Google, Facebook because the company had an online marketing strategy with a focus on visibility and target audience, and an increase of number of selling personnel and expenses of selling promotion of the group

Administrative expenses

Administrative expenses increased by 8.3 million because employee expenses and rental expenses have already adjusted to normal conditions in 2022. Despite in 2021, the company has received a discount on rent and service fee, and the company has a policy to cut costs to cope with the situation of COVID-19.

Finance cost

Finance costs decreased by 0.2 million due to the decrease of principal of the loan, in 2022 the company had cash flow from operations remaining, so some of the principal was repaid. As a result, the interest expense of the company is reduced.



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- **Others**

	Q3 (3M)	Q3 (3M)	Increase (Decrease)	
	2022	2021	Million	Baht
Other income	3.5	0.7	2.7	373%
Tax revenue (expenses)	(3.1)	(0.4)	(2.7)	502%

Other income

Other income increased by Baht 2.7 million, were from the rental income from implant association and other department who used the group assets.

Tax revenue (expenses)

In 2022, the group had increase in tax expenses which in line with increase in profit.

Sincerely yours,

-Mr. Nattasit Surapanpairoj-

Authorized to sign on behalf of the Company