



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

No. D-IR 002/2023

February 27, 2023

Subject Management's Discussion and Analysis for the year ended December 31st, 2022

To The President
The Stock Exchange of Thailand

According to the resolution of the meeting of the Board of Directors No.1/2023 of Dental Corporation Public Company Limited (“the Company”) held on February 27th, 2023, approving the consolidated financial statements for the year ended December 31st, 2022. The Company and its subsidiaries (“the Group”) would like to report factors that affect the financial performance as follows;

Financial Performance for the year 2022

	Year	Year	Increase (Decrease)	
	2022	2021	Million Baht	%
Net profit (loss)	57.5	(24.2)	81.7	337

The Group's net profit for the year of 2022 amounted to 57.5 million baht, an increase of 81.7 million baht or 337% increase from the last year. This was due to an increase in dental services revenue of 243.5 million baht or 81%, 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 cancelation 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**

	Year	Year	Increase (Decrease)	
	2022	2021	Million Baht	%
Revenue from rendering of service	544.5	301.0	243.5	81
Revenue from sales of goods	270.1	228.0	42.1	18
Total revenue	814.6	529.0	285.6	54



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Dental services segment

In the year 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 year of 2022, customers had 79,258 visit volume, an increase of 49% from last year (53,345 times in the year of 2021).

The Group had revenue from Thai customers in year of 2022 amounted to 287.8 million baht, an increase of 34% from the previous year (the year of 2021 amounted to 214.1 million baht) and revenue from foreign customers in the year of 2022 amounted to 253.9 million baht, an increase of 190% from the previous year. (the year of 2021, amounting to 87.6 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 year of 2022 amounted to 100.7 million baht with a growth rate of 83 percent from last year (the year of 2021 amounted to 54.5 million baht).

Distribution of dental supplies and equipment segment

In 2022, the Group had revenue from sales of dental materials and equipment in the amount of 270.1 million baht, an increase of 18% from the previous year (in 2021, the amount of 228 million baht). The increasing were from the project work in the year in the amount of 26.5 million baht, with the delivery of a 3D virtual dental skill training machine to the Dental Institute in the amount of 17 million baht and to the dentistry faculty, Chulalongkorn University in the amount of 9.5 million baht, and from higher sales from the Dental Academic (TDA) events which organized 2 times in 2022, and the sales increase per month.

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**

	Year	Year	Increase (Decrease)	
	2022	2021	Million Baht	%
Cost - Dental services segment	339.1	206.6	132.5	64
Gross profit margin	38	32		6
Cost - Distribution of dental supplies and equipment segment	208.8	185.4	23.4	12
Gross profit margin	23	18		5

The dental services segment reported gross margins increased 6% 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 sales of dental materials and equipment segment saw a gross margin increase of 5% to 23% as in 2022 the company received projects from the government sector as mentioned in the revenue section. which such government work has a gross profit margin higher than normal sales Causing the overall picture in 2022, the gross profit increased from the previous year.

- **Expenses**

	Year	Year	Increase (Decrease)	
	2022	2021	Million Baht	%
Distribution costs	67.4	46.0	21.4	46
Administrative expenses	130.2	106.1	24.1	23
Finance costs	15.2	15.8	(0.6)	(4)

Distribution costs

Distribution costs increased by 21.4 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 commission expenses which in line with its sales from selling personnel, the distribution of dental supplies and equipment segment.

Administrative expenses

Administrative expenses increased by 24.1 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 0.6 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.

- **Others**

	Year	Year	Increase (Decrease)	
	2022	2021	Million	Baht
Other income	14.7	5.9	8.8	150%
Tax revenue (expenses)	(11.1)	1.3	(12.4)	(925%)

Other income

Other income increased in the amount of 8.8 million baht, resulting from relocation incentive of the clinic in Paragon Shopping Center in the amount of 5 million baht and the rental income from BIDH Hospital from the Dental Implant Association in the amount of 1 million baht and the rental income from Other agencies that use the company's area and rent for use of space of the Group's assets

Tax revenue (expenses)

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

Summary of consolidated statements of financial position

	As at	As at	Increase (Decrease)	
	December 31, 2022	December 31, 2021	Million Baht	%
Total assets	1,132.5	1,108.3	24.2	2
Total liabilities	595.2	656.9	(61.7)	(9)
Total Shareholders' equity	537.3	451.4	85.8	19

- **Total Assets**

As of December 31, 2022, total assets were 1,132.5 million baht, an increase of 24.2 million baht or 2%, which was an increase in cash and cash equivalents of 21.2 million baht due to cash flow from operations, and an increase in trade and other receivables in the amount of 7 million baht; an increase in inventories in the amount of 17 million baht due to purchase orders to support future sales; and was caused by a decrease in the use of assets in the amount of 26.1 million baht from the repayment of the rent within the year.

- **Total Liabilities**

As of December 31, 2022, total liabilities decreased in the amount of 595.2 million baht, a decrease of 61.7 million baht or 9% due to a decrease in long-term loans from banks in the amount of 94 million baht from repayment the principal and an increase in short-term loans from financial institutions in the amount of 23.3 million baht due to a trust receipt agreement to import more products for distribution, and was caused by an increase in account payable of 11.8 million baht from the purchase of dental materials at the end of the year

- **Total Shareholders' equity**

As of December 31, 2022, total shareholders' equity was 537.3 million baht, an increase of 85.8 million baht or 19% due to an increase in the capital account of 46.5 million baht from the receipt of money from the conversion of D-W1 and resulted from the net profit of the Group in the amount of 57.5 million baht and was from the interim dividend payment in the year in the amount of 18.1 million baht.

Please be informed accordingly.

Sincerely yours,

-Mr. Nattasit Surapanpairoj-
Chief Financial Officer