

May 11, 2023

 Subject Management's Discussion and Analysis for the three-month period ended March 31<sup>th</sup>, 2023.

 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 March 31<sup>th</sup>, 2023 as follows;

- **Net profit (loss)**

	Q1 (3M)	Q1 (3M)	Increase (Decrease)	
	2023	2022	Million	Baht
Profit (loss)	27.2	7.9	19.3	+243

The Group's net profit for the first quarter of 2023 was 27.2 million baht, an increase of 19.3 million baht or 243 percent from the same period last year. This was due to an increase in dental service revenue of 69.0 million baht or 62% due to a 10% price increase in dental service fees effectively from January 2023 onwards, and due to growth number of both Thai customers and foreign customers as Thailand returns to normal situation. Thailand has a well-known reputation for medical tourism and the first quarter was a high season, resulting in continuous influx of foreign tourists who came to use dental services with the group companies, resulting in a significant increase in revenue and recorded in higher profit growth of the company.

- **Revenue from sales and services**

	Q1 (3M)	Q1 (3M)	Increase (Decrease)	
	2023	2022	Million Baht	%
Revenue from rendering of service	180.1	111.1	69.0	62%
Revenue from sales of goods	61.6	55.2	6.4	12%
<b>Total revenue</b>	<b>241.7</b>	<b>166.3</b>	<b>75.4</b>	<b>45%</b>

### Dental services segment

In the first quarter of 2023, the income of the dental service business increased for both Thai and foreign customers. The dental services has opened as usual with cleanliness and safety standards to create confidence for users, in the first quarter of 2023, customers had an average of 22,842 visit volume (17,000 times in the first quarter of 2022), and the Group had revenue from Thai customers in the first quarter of 2023 amounted to 73.2 million baht, an increase of 10% from the previous year (Q1 of 2022 amounted to 66.8 million baht) and revenue from foreign customers in the first quarter of 2023 amounted to 107 million baht, an increase of 145% from the previous year. (Q1 of 2022, amounting to 43 million baht), most foreign customers are tourists who come to Thailand for wellness tourism, believing in the standard of service and dental treatment of the group company. Most of them are tourists from Europe, Australia and America.

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 first quarter of 2023 amounted to 41.0 million baht (Q1 of 2022 amounted to 17.5 million baht), with a growth rate of 134 percent, and BIDH accounts for 70% of revenue from foreign customers.

### Distribution of dental supplies and equipment segment

In the first quarter of 2023, the Group had revenue from sales of dental materials and equipment in the amount of 61.6 million baht, an increase of 6.4 million baht or 12% from the first quarter of 2022 in the amount of 55.2 million baht due to the market improvement of the dental industry resulting from the recovering of the COVID situation, and the more open of dental clinics. 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

	Q1 (3M)	Q1 (3M)	Increase (Decrease)	
	2023	2022	Million Baht	%
Cost - Dental services segment	109.6	72.8	33.9	47%
Gross profit margin	39%	34%		
Cost - Distribution of dental supplies and equipment	44.0	40.1	8.3	21%
Gross profit margin	28%	27%		

The dental services segment reported gross margins increased 5% to 39% due to the 10% price adjustment policy and increase in revenues, mainly from high-value international clients. 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 reported gross margin had no significant change from prior year.

- **Expenses**

	Q1 (3M)	Q1 (3M)	Increase (Decrease)	
	2023	2022	Million	Baht
Distribution costs	17.5	14.1	3.4	24%
Administrative expenses	37.1	27.9	9.2	33%
Finance costs	4.3	4.1	0.2	3%

#### **Distribution costs**

Distribution costs increased by 3.4 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 higher commissions paid to sales staff from higher revenues from trading of dental materials and equipment segment.

#### **Administrative expenses**

Administrative expenses increased by 9.2 million baht, an increase of about 5 million baht from staff expenses from increasing the number of employees to support more revenue growth, annual salary increase and a loss from foreign exchange of approximately 1.5 million baht and other expenses of approximately 3 million baht.

#### **Finance cost**

Finance costs had no significant change from last year.

- **Others**

	Q1 (3M)	Q1 (3M)	Increase (Decrease)	
	2023	2022	Million	Baht
Other income	3.2	2.8	0.6	16%
Tax revenue (expenses)	(5.8)	(2.1)	3.7	184%



บริษัท เดนทัล คอร์ปอเรชั่น จำกัด (มหาชน)

DENTAL CORPORATION PUBLIC COMPANY LIMITED

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**Other income**

Other income has no significant changes from prior year.

**Tax revenue (expenses)**

Tax expenses increased from the calculation of corporate income tax according to tax law caused by the company has higher profit.

Sincerely yours,

-Mr. Nattasit Surapanpairoj-

Authorized to sign on behalf of the Company