

November 9, 2023

 Subject Management's Discussion and Analysis for the three-month period ended September 30<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 September 30<sup>th</sup>, 2023 as follows;

- **Net profit (loss)**

	Q3 (3M)	Q3 (3M)	Increase (Decrease)	
	2023	2022	Million	%
Profit (loss)	17.7	16.7	1.0	7

The Group's net profit for the third quarter of 2023 was 17.7 million baht, an increase of 1.0 million baht or 7 percent from the same period last year. This was due to an increase in dental service revenue of 26.3 million baht or 16% due to a 10% price increase in dental service fees effectively from January 2023 onwards, and due to growth number of foreign customers as Thailand returns to normal situation. Thailand has a well-known reputation for medical tourism, 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**

	Q3 (3M)	Q3 (3M)	Increase (Decrease)	
	2023	2021	Million Baht	%
Revenue from rendering of service	167.0	143.8	23.2	16%
Revenue from sales of goods	63.8	67.8	-4.0	-6%
<b>Total revenue</b>	<b>230.8</b>	<b>211.6</b>	<b>19.2</b>	<b>9%</b>

### Dental services segment

In the third quarter of 2023, 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 2023, customers had 21,722 visit volume, an increase of 6 % from last year (20,400 times in the Q3 of 2022).

The Group had revenue from Thai customers in the third quarter of 2023 amounted to 75.3 million baht, an decrease of 2% from the previous year (Q3 of 2022 amounted to 76.5 million baht and revenue from foreign customers in the third quarter of 2023 amounted to 91.7 million baht, an increase of 37% from the previous year (Q3 of 2022, amounting to 66.9 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 third quarter of 2023 amounted to 37.9 million baht with a growth rate of 34 percent from last year (Q3 of 2022 amounted to 27.7 million baht, and only in the third quarter of the year 2023, BIDH accounts for 63% of revenue from foreign customers.

### Distribution of dental supplies and equipment segment

In the third quarter of 2023, the Group's revenue from sales of dental materials and equipment amounted to 63.8 million baht, decreased of 4 million baht or 6% from previous year because the temporary drop in power of purchase from dental clinics across the country. 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)	
	2023	2022	Million Baht	%
Cost - Dental services segment	103.4	88.6	14.8	17%
Gross profit margin	38%	38%		
Cost - Distribution of dental supplies and equipment	48.1	53.5	-5.4	-10%
Gross profit margin	25%	21%		

The dental services segment's gross margins had no significant change from last year.

The distribution of dental supplies and equipment segment reported gross profit margin of 25% which increased by 4% from previous year because last year the company had a promotion for stock clearance, resulting in drop of gross profit margin to 21%.

- **Expenses**

	Q3 (3M)	Q3 (3M)	Increase (Decrease)	
	2023	2022	Million	Baht
Distribution costs	18.5	17.9	0.6	3%
Administrative expenses	35.4	31.7	3.7	12%
Finance costs	4.9	3.7	1.2	32%

#### **Distribution costs**

Distribution costs had no significant change from last year.

#### **Administrative expenses**

Administrative expenses increased by 3.7 million or 12% from the previous year from staff expenses from increasing the number of employees to support more revenue growth, annual salary increase and rental expenses at department store adjusts by 5%.

#### **Finance cost**

Finance costs increased by 1.2 million due to the increase in interest payment on trust receipts, which was mainly from the importation of goods for sale of the business of buying and selling dental materials and equipment and caused by an increase in borrowing interest rates of 0.5 percent from an increase in policy interest rates.

- **Others**

	Q3 (3M)	Q3 (3M)	Increase (Decrease)	
	2023	2022	Million	Baht
Other income	2.5	3.5	(1.0)	(29%)
Tax revenue (expenses)	(5.3)	(3.1)	(2.2)	(70%)



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

Head Office 157, 2<sup>nd</sup> Floor, Ratchadaphisek Rd., Din Daeng, Din Daeng, Bangkok 10400 Tel. (66) 2 245 7197-98

เลขทะเบียนบริษัท 0107559000281 Company Registration No. 0107559000281

### **Other income**

Other income decreased by Baht 1.0 million or 29%, were from last year's special item, an incentive for the relocation of the dental clinic in department store.

### **Tax revenue (expenses)**

In 2023, the group increase in tax expenses which in line with increase in profit.

Sincerely yours,

-Mr. Nattasit Surapanpairoj-

Authorized to sign on behalf of the Company