

14 November 2023

Subject: Management Discussion and Analysis for the 3<sup>rd</sup> quarter ended 30 September 2023

To: Director and Management  
Stock Exchange of Thailand

Master Style Public Company Limited (“the Company”) would like to inform the Company’s performance for the 3<sup>rd</sup> quarter end 30 September 2023, as the following details:

**Statement of Income**

(Unit: THB Million)	For the three-month period ended 30 September		Change increase (decrease)	
	2023	2022	Amount	Percentage
Sales from hospital operations	479.25	401.2	78.05	19.45
Cost of hospital operations	200.44	166.91	33.53	20.09
<b>Gross profit</b>	<b>278.81</b>	<b>234.29</b>	<b>44.52</b>	<b>19.00</b>
Other income	10	1.72	8.28	481.40
Selling expenses	103.28	85.47	17.81	20.84
Administrative expenses	57.11	42.07	15.04	35.75
Finance cost	3.5	2.27	1.23	54.19
<b>Profit before income tax expenses</b>	<b>124.92</b>	<b>106.20</b>	<b>18.72</b>	<b>17.63</b>
Income tax expenses	25.12	21.1	4.02	19.05
<b>Net Profit</b>	<b>99.80</b>	<b>85.10</b>	<b>14.70</b>	<b>17.27</b>

(Unit: THB Million)	For the nine-month period		Change increase	
	ended 30 September		(decrease)	
	2023	2022	Amount	Percentage
Sales from hospital operations	1,374.20	1011.14	363.06	35.91
Cost of hospital operations	587.21	431.57	155.64	36.06
<b>Gross profit</b>	<b>786.99</b>	<b>579.57</b>	<b>207.42</b>	<b>35.79</b>
Other income	17.89	5.27	12.62	239.47
Selling expenses	315.72	201.31	114.41	56.83
Administrative expenses	164.45	100.1	64.35	64.29
Finance income	3.19	0.1	3.09	3,090.00
Finance cost	10.5	5.64	4.86	86.17
<b>Profit before income tax expenses</b>	<b>317.40</b>	<b>277.89</b>	<b>39.51</b>	<b>14.22</b>
Income tax expenses	64.55	55.67	8.88	15.95
<b>Net Profit</b>	<b>252.85</b>	<b>222.22</b>	<b>30.63</b>	<b>13.78</b>

#### Revenue from hospital operations

(Unit: THB Million)	For the three-month period ended 30 September				Change	
	2023		2022		Increase (decrease)	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Surgery income	387.24	80.80	320.12	79.88	67.12	20.97
Skin income	32.59	6.80	27.86	5.91	4.73	16.98
Hair income	31.33	6.54	29.11	3.54	2.22	7.63
Aftercare income	16.62	3.47	13.42	5.42	3.20	23.85
Other hospital operations	11.47	2.39	10.7	5.26	0.77	7.20
<b>Revenue from hospital operations</b>	<b>479.25</b>	<b>100</b>	<b>401.21</b>	<b>100</b>	<b>78.04</b>	<b>19.45</b>

(Unit: THB Million)	For the nine-month period ended 30 September				Change	
	2023		2022		Increase (decrease)	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Surgery income	1,092.00	79.46	805.03	79.62%	286.97	35.65
Skin income	108.64	7.91	68.1	6.73%	40.54	59.53
Hair income	87.97	6.40	68.58	6.78%	19.39	28.27
Aftercare income	52.64	3.83	44.83	4.43%	7.81	17.42
Other hospital operations	32.95	2.40	24.6	2.43%	8.35	33.94
<b>Revenue from hospital operations</b>	<b>1,374.20</b>	<b>100.00</b>	<b>1011.14</b>	<b>100</b>	<b>363.06</b>	<b>35.91</b>

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**For the three-month period ended 30 September 2023****Revenue from hospital operations**

The Company's revenue from hospital operations was THB 479 million increased by THB 78 million or equivalent to a growth of 19.5 percent compared to 2022. Surgery income increased by THB 67 million or equivalent to a growth Y-o-Y of 21 percent. Surgery income increased in every service mostly from nose surgery, liposuction, maxillofacial surgery and men health. Surgery income increase of online and offline marketing, and the increase of doctors, resulting in significantly higher customers compared to 2022.

**Cost of hospital operations and Gross Profit**

The Company's cost of hospital operations was THB 200 million increased by THB 34 million or equivalent to a growth of 20 percent compared to 2022. The increase in the cost of hospital operations corresponds to an increase in doctor fees by THB 13 million, an increase in medical expenses by THB 12 million corresponding with an increase in revenue from hospital operations, and an increase in nurses and medical workers fees by THB 6 million corresponding with higher nurses and medical workers.

The Company's gross profit was THB 279 million increased by THB 45 million or equivalent to a growth of 19 percent compared to 2022 corresponding with an increase in revenue from hospital operations. The Company's gross profit margin was 58 percent in 2023 and 2022.

**Selling expenses**

The Company had selling expenses of THB 103 million increased by THB 18 million or equivalent to a growth of 21 percent compared to 2022. The increase in selling expenses was mainly from the increase in marketing expenses by THB 12 million due to the increase in online and offline marketing, agency costs, and credit card fees. Also, staff costs increased by THB 5 million due to the increase in sales staff's commission and the increase in sales and marketing staff.

**Administrative expenses**

The Company had administrative expenses of THB 57 million increased by THB 15 million or equivalent to a growth of 36 percent compared to 3M2022. The increase in administrative expenses was mainly from the increase in staff costs of THB 7 million due to the increase in administrative staff.

**Net profit**

The Company's net profit was THB 99.8 million increased by THB 14.7 million equivalent to a growth of 17 percent compared to 2022

The Company had a lower net profit margin, decreasing from 21.12 percent in 2022 to 20.4 percent in 2023, mainly from an increase in in staff costs as aforementioned.

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**For the Nine-month period ended 30 September 2023****Revenue from hospital operations**

The Company's revenue from hospital operations was THB 1,374 million increased by THB 363 million or equivalent to a growth of 36 percent compared to 2022. Surgery income increased by THB 287 million or equivalent to a growth Y-o-Y of 36 percent. Surgery income increased in every service mostly from nose surgery, liposuction, maxillofacial surgery, breast surgery, brow lift, and men health. Surgery income increase of online and offline marketing, and the increase of doctors, resulting in significantly higher customers compared to 2022.

**Cost of hospital operations and Gross Profit**

The Company's cost of hospital operations was THB 587 million increased by THB 156 million or equivalent to a growth of 36 percent compared to 2022. The increase in the cost of hospital operations corresponds to an increase in doctor fees by THB 72 million, an increase in medical expenses by THB 60 million corresponding with an increase in revenue from hospital operations, and an increase in nurses and medical workers fees by THB 22 million corresponding with higher nurses and medical workers.

The Company's gross profit was THB 787 million increased by THB 207 million or equivalent to a growth of 36 percent compared to 2022 corresponding with an increase in revenue from hospital operations.

**Selling expenses**

The Company had selling expenses of THB 316 million increased by THB 114 million or equivalent to a growth of 57 percent compared to 2022. The increase in selling expenses was mainly from the increase in marketing expenses by THB 84 million due to the increase in online and offline marketing, advertising on large billboards, agency costs, and credit card fees. Also, staff costs increased by THB 28 million due to the increase in sales staff's commission and the increase in sales and marketing staff.

**Administrative expenses**

The Company had administrative expenses of THB 164 million increased by THB 64 million or equivalent to a growth of 64 percent compared to 2022. The increase in administrative expenses was mainly from the increase in staff costs of THB 34 million due to the increase in administrative staff.

**Net profit**

The Company's net profit was THB 252.8 million increased by THB 30.6 million equivalent to a growth of 14 percent compared to 2022.

The Company had a lower net profit margin, decreasing from 22 percent in 2022 to 18 percent in 2023, mainly from an increase in online and offline marketing, advertising on large billboards as aforementioned.

**Statements of Financial Position**

(Unit: THB Million)	As of September 30,	As of December 31,	Change increase (decrease)	
	2023	2022	Amount	Percentage
Total current assets	2,196.15	330.76	1,865.39	563.97
Total non- current assets	1,228.21	615.84	612.37	99.44
<b>Total assets</b>	<b>3,424.36</b>	<b>946.60</b>	<b>2,477.76</b>	<b>261.75</b>
Total current liabilities	295.78	248.59	47.19	18.98
Total non- current liabilities	298.13	294.26	3.87	1.32
<b>Total liabilities</b>	<b>593.91</b>	<b>542.85</b>	<b>51.06</b>	<b>9.41</b>
Total shareholders' equity	2,830.45	403.75	2,426.70	601.04
<b>Total liabilities and shareholders' equity</b>	<b>3,424.36</b>	<b>946.60</b>	<b>2,477.76</b>	<b>261.75</b>

**Assets**

As of September 30, 2023, the Company had total assets of THB 3,424 million which increased by THB 2,477.8 million or equivalent to 262 percent from December 31, 2022, due to the following reasons:

1. Cash and cash equivalent increased by THB 580 million or increased 520 percent mainly from additional equity from the IPO THB 2,3000 million and operating cash flow of THB 242 million. However, the Company used cash for investment in the equipment for THB 535 million, paid dividend THB 65 million and investment in short-term fixed income of 1,445 million.
2. Other current financial assets increase of THB 1,315 million or increase 903 percent due to the company receiving money from the IPO and having a large amount of cash remaining, therefore investing in short-term debt securities to get more returns than bank deposits.
3. Building and equipment increased by THB 716 million or increased 616 percent due to acquisition during the period THB 574 million and transfer from advance payment for construction to construction in progress THB 165 million.

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**Liabilities**

As of September 30, 2023, the Company had total liabilities of THB 594 million which increased by THB 51 million or equivalent to 9.4 percent from December 31, 2022, due to the following reasons:

1. Trade and other payables increased by THB 87 million or increased 115 percent due to an increase in payable from construction and dividend payable increase by THB 7 million.
2. Income tax payable decreased by THB 23 million due to the Company paid tax payment during the quarter.

**Shareholders' Equity**

As of September 30, 2023, the Company had shareholders' equity of THB 2,830 million which increased by THB 2,427 million or equivalent to 601 percent from December 31, 2022, mainly from additional equity from the IPO which increase share premium THB 2,195.86 million, share capital increase THB 50 million and also an increase of 6M2023's comprehensive income by THB 253 million and the Company paid dividend THB 72 million.

Yours sincerely

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(Mr. Phisut Numsa)

Chief Financial Officer

Master Style Public Company Limited