

บริษัท เจเนซิส เฟอริลิตี เซ็นเตอร์ จำกัด (มหาชน)

เลขที่ 924/2 ถนนพระราม 3 แขวงบางโพงพาง เขตยานนาวา กรุงเทพฯ 10120

โทร 6697-484-5335, 662-1086413-14

ID : 0107565000697 www.genesisfertilitycenter.co.th



Genesis Fertility Center Public Company Limited

บริษัท เจเนซิส เฟอริลิตี เซ็นเตอร์ จำกัด (มหาชน)

No. GFC-004/2023

13 November 2023

Subject Management Discussion and Analysis for the nine months ended 30 September 2023

Attention Director and Management
Stock Exchange of Thailand

Genesis Fertility Center Public Company Limited (collectively called “ the Company”) would like to submit to financial statement for the six months ended 30 September 2023, which has been reviewed by Certified Public Account, to the Stock Exchange of Thailand.

Please see further details in the Management’s discussion and Analysis of the Financial Statement as attached.

Please be informed accordingly,

Best regards,

Genesis Fertility Center Public Company Limited

- Signed -

(Mr.Amorn Trairatassawa)

Chief Financial Officer / Company Secretary

Company Secretary

Tel.0-2108-6413 TO 202

E-MAIL : SECRETARY@GENESISFERTILITYCENTER.CO.TH

Genesis Fertility Center Public Company Limited

Management Discussion and Analysis for the nine months ended 30 September 2023

Statement of income for the nine months ended 30 September, 2023

(Unit: THB Million)	Nine months 2022		Nine months 2023		Change Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
Revenue from Services	198.38	100.00	254.42	100.00	56.04	28.25
Cost of Services	106.28	53.57	131.50	51.69	25.22	23.72
Gross Profit	92.10	46.43	122.92	48.31	30.82	33.46
Other Income	0.16	0.08	0.47	0.19	0.32	198.19
Service Expenses	8.66	4.37	16.46	6.47	7.80	90.06
Administrative Expenses	23.38	11.78	33.55	13.19	10.17	43.51
Profit from operating activities	60.22	30.36	73.38	28.84	13.16	21.86
Financial Costs	1.50	0.75	8.31	3.27	6.81	455.00
Profit before income tax expense	58.72	29.61	65.07	25.58	6.35	10.81
Tax Expense	10.26	5.17	10.15	3.99	(0.11)	(1.10)
Profit for the period	48.46	24.44	54.92	21.59	6.46	13.34

Revenue Structure

Revenue (Unit : THB Million)	Nine month period 2022		Nine month period 2023		Change Increase / (Decrease)	
	Amount	%	Amount	%	Amount	%
	Revenue from Intracytoplasmic Sperm Injection ICSI ⁽¹⁾	139.63	70.33	177.72	69.72	38.09
Revenue from Next Generation Sequencing (NGS)	33.84	17.05	46.63	18.29	12.78	37.77
Revenue from reliminary examination before counselling or treatment ⁽²⁾	19.17	9.66	20.88	8.19	1.71	8.91
Revenue from Oocyte Freezing Service	4.93	2.48	8.51	3.34	3.58	72.55
Revenue from Intra-Uterine Insemination (IUI)	0.81	0.41	0.70	0.27	(0.11)	(14.71)
Revenue from services	198.38	99.92	254.42	99.81	56.04	28.25
Other income	0.16	0.08	0.47	0.19	0.32	198.19
Total Revenue	198.54	100.00	254.89	100.00	56.36	28.38

Remark: ⁽¹⁾ Revenue from ICSI service and other services, including Testicular Sperm Extraction (TESE), Eggs/Sperm/Embryo Freezing, Endometrial Receptivity Analysis (ERA TEST), and Blastocyst culture (Closed system) through Geri plus.

⁽²⁾ Revenue from preliminary examination before counseling or treatment includes consultation fee, laboratory examination fee, and Ultrasound and Endoscopy fee. ⁽³⁾ Other revenue includes interest revenue.



Revenue from services

In the nine months ended 30 September 2023, the Company's Revenue from services was THB 254.42 million, increasing by THB 56.04 million or equivalent to a growth of 28.25 percent compared to nine months period in 2022. This was mainly due to an increase in the number of customers compared to the same period in the previous year. This was the result of continuous marketing and promotional activities. Therefore, marketing public relations still had better efficiency.

Cost of services

In the nine months ended 30 September 2023, the Company's cost of services was THB 131.50 million, rising by THB 25.22 million or equivalent to a growth of 23.72 percent compared to the same period in the previous year. This was primarily due to the cost of medicines and medical supplies of 12.50 million baht and medical professional fees which increased by 5.88 million baht, corresponding to the increase in the number of infertile people who come to receive treatment services with the Company. In addition, the number of doctors, nurses and embryologists increased to 33 persons and 26 persons, respectively (from 30 persons and 23 persons during the same period in the previous year) to support the expansion of the business.

Gross profit and Gross profit margin

In the nine months ended 30 September 2023, the Company's gross profit was THB 122.92 million or equivalent to 48.31 percent of Revenue from services and increased by THB 30.82 million, representing a growth rate of 33.46 percent compared to the same period in the previous year. This was in line with the increase in service income of the Companies, especially, Revenue from Intracytoplasmic Sperm Injection (ICSI), Revenue from Next Generation Sequencing (NGS) and Revenue from Oocyte Freezing Service which increased by THB 38.09 million, THB 12.78 million and THB 3.58 million, respectively. This was a result of a rise in the number of infertile people coming to receive treatment services from the Company. Meanwhile, the gross profit margin increased to 48.31 percent, resulting from the Company's increase in Revenue from Oocyte Freezing service and the higher growth rate of an increase of Revenue from services than an increase of cost of service compared to the same period in the previous year.

Selling expenses

In the nine months ended 30 September 2023, the Company's selling expenses was THB 16.46 million or equivalent to 6.47 percent of Revenue from services, an increase of THB 7.80 million or equivalent to a growth of 90.06 percent compared to the same period in the previous year. There are 3 main reasons: 1) Increase in employee expenses of sales and marketing division by THB 2.70 million compared to the same period in the previous year for expanding business operation. 2) Increase in advertising and promotion expenses by THB 3.50 million from the Company's marketing and promotion activities, such as advertising media to prepare for Initial Public Offering (IPO) etc. and 3) Increase in credit card fees by THB 1.68 million due to the Company's responsible for credit card fee on behalf of customers who pay via credit card.

Administrative expenses

In nine month ended 30 September 2023, the Company's administrative expenses were equal to THB 33.55 million, or equivalent to 13.19 percent of Revenue from services, an increase of THB 10.17 million or equivalent to a growth of 43.51 percent compared to the same period in the previous year. There are 5 main reasons: 1) Increase in management and employee expenses by THB 3.00 million due to a rise in number of employees compared to the same period in the previous year 2) Increase in depreciation by THB 1.55 million due to the Company having entered into an additional office building rental agreement with unrelated parties to support business expansion 3) Increase in office expenses by 1.61 million 4) Increase in other administrative expenses by 2.11 million due to activities expense for investors who interested to subscribe ordinary share issued by the company. 5) Increase in utilities expenses by 1.22 million due to cost of electricity.

Financial costs

In nine month ended 30 September 2023, the Company's financial cost was THB 8.31 million, increasing by THB 6.81 million or equivalent to a growth of 455 percent compared to the same period in the previous year, mainly due to interest expenses from long-term loan from financial institution to purchase land and building for Suvarnabhumi-Rama 9 branch project.

Net profit

In nine month ended 30 September 2023, the Company's net profit was THB 54.92 million or equivalent to 21.59 percent of Revenue from services, increasing by THB 6.46 million or equivalent to growth of 13.34 percent compared to the same period in the previous year, mainly due to an increase in gross profit. This was in line with the increase in number of customers compared to the same period of 2022. However, net profit margin decreased from the same period in 2022, primarily because of increase in service expenses and administrative expenses from 3 main reasons: 1) Increase in employee expenses from sales and marketing division 2) Increase in advertising and marketing promotion expenses 3) Increase in employee expenses from management division. Moreover, the Company's also has increased in financial cost due to from long-term loan from financial institution for Suvarnabhumi-Rama 9 branch project.

Summary of Financial information

Financial area	As at		As at		Change	
	31 December 2022		30 September 2023		Increase (Decrease)	
	THB (Million)	%	THB (Million)	%	THB (Million)	%
Current Assets	104.05	25.51	488.65	61.90	384.60	450.57
Non-Current Assets	303.82	74.49	300.81	38.10	(3.01)	(0.99)
Total Assets	407.87	100.00	789.46	100.00	381.59	93.56
Current Liabilities	87.11	21.36	84.98	10.76	(2.14)	(2.45)
Non-Current Liabilities	166.39	40.79	132.39	16.77	(33.99)	(20.43)
Total Liabilities	253.50	62.15	217.37	27.53	(36.13)	(14.25)
Shareholder's Equity	154.37	37.85	572.09	72.47	417.71	270.59

As at 31 December 2022 and as at 30 September 2023, the Company's had total assets equal to THB 407.87 million and THB 789.46 million, respectively, increasing from the end of 2022 by THB 381.59 million or 93.56 percent, mainly due to an increase in cash and cash equivalents of THB 384.25 million from cash received from initial public offering.

As at 31 December 2022 and as at 30 September 2023, the Company's had total liabilities equal to THB 253.50 million and THB 217.37 million, respectively, decreasing from the end of 2022 by THB 36.13 million or 14.25 percent due to the decrease in long-term loan from financial institutions and lease liabilities from repayment of loan from financial institution and lease liabilities.

As at 31 December 2022 and as at 30 September 2023, the Company's had shareholder's equity equal to THB 154.37 million and THB 572.09 million, respectively, increasing from the end of 2022 by THB 417.71 million or 270.59 percent due to increase in paid-up capital and increase in share premium on ordinary shares.

Furthermore, Board of Directors Meeting No. 4/2023 held on July 19, 2023, had approved the interim dividend payment from unappropriated retained earnings prior to the Initial Public Offering (IPO) of newly issued shares. The amount of the interim dividend was 20.00 million baht (dividend payment date is scheduled for July 31, 2023).



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Current ratio

As at 30 September 2023, the Company's current ratio was 5.75 times, increasing from the end of 2022 at 1.19 times due to increase in cash and cash equivalent from cash received from initial public offering.

Debt to equity ratio

As at 30 September 2023, the Company's debt to equity ratio was 0.38 times, increasing from the end of 2022 at 1.64 times due to increase in shareholders' equity effected from paid-up capital and increase in share premium on ordinary shares and increase in net profit for the period.