



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 002/2024

February 29, 2024

Subject Management's Discussion and Analysis for the year ended December 31st, 2023

To The President
The Stock Exchange of Thailand

According to the resolution of the meeting of the Board of Directors No.1/2024 of Dental Corporation Public Company Limited (“the Company”) held on February 29th, 2024, approving the consolidated financial statements for the year ended December 31st, 2023. The Company and its subsidiaries (“the Group”) would like to report factors that affect the financial performance as follows;

Financial Performance for the year 2023

	Year	Year	Increase (Decrease)	
	2023	2022	Million Baht	%
Net profit (loss)	71.3	57.5	13.8	24

The Group's net profit for the year of 2023 amounted to 71.3 million baht, an increase of 13.8 million baht or 24% increase from the last year. This was due to an increase in dental service revenue of 114.7 million baht or 21% 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**

	Year	Year	Increase (Decrease)	
	2023	2022	Million Baht	%
Revenue from rendering of service	659.2	544.5	114.7	21
Revenue from sales of goods	268.1	270.1	(2.0)	(1)
Total revenue	927.3	814.6	112.7	14



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Dental services segment

In the year of 2023, the income of the dental service business increased for foreign customers. The dental services have opened as usual with cleanliness and safety standards to create confidence for users, in the year of 2023, customers had 86,962 visit volume, an increase of 10% from last year (79,258 times in the year of 2022).

The Group had revenue from Thai customers in year of 2023 amounted to 276.8 million baht, a decrease of 4% from the previous year (the year of 2022 amounted to 287.8 million baht). The reason is that in the 4th quarter of 2023, revenue from Thai customers decreased to 10 million baht from 62.3 million baht (4th quarter 2022 was 72.9) as a result of a temporary decrease in purchasing power in the country, and so many affiliated dental centers are closed during the new year holiday.

Revenue from foreign customers in the year of 2023 amounted to 382.5 million baht, an increase of 50% from the previous year (the year of 2022, amounting to 253.9 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 year of 2023 amounted to 143.8 million baht with a growth rate of 43 percent from last year (the year of 2022 amounted to 100.7 million baht).

Distribution of dental supplies and equipment segment

In 2023, the Group had revenue from sales of dental materials and equipment in the amount of 268.1 million baht, a decrease of 1% from the previous year (in 2022, the amount of 270.1 million baht). There was no significant change in sales from the previous year.

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)	
	2023	2022	Million Baht	%
Cost - Dental services segment	407.4	339.1	68.3	20
Gross profit margin	38	38		-
Cost - Distribution of dental supplies and equipment segment	205.6	208.8	(3.2)	(1)
Gross profit margin	23	23		-

The dental services segment reported gross had no significant change from last year. The company has variable cost which are doctor fees and supplies expenses and, 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 had no significant change from last year.

- **Expenses**

	Year	Year	Increase (Decrease)	
	2023	2022	Million Baht	%
Distribution costs	79.8	67.4	12.4	18
Administrative expenses	143.5	130.2	13.3	10
Finance costs	18.3	15.2	3.1	20

Distribution costs

Distribution costs increased by 12.4 million baht, an increase from the dental business of approximately 8 million baht from online advertising costs through Google and Facebook, as the company focused on marketing through online media, focusing on visibility and target groups. And from the trading business approximately 4 million baht from the increase in sales staff in the trading business, and expenses for holding various events, such as the 2023 annual dentist conference and booths at various academic events. This is to make the product well known among dentists.



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Administrative expenses

Administrative expenses increased by 13.3 million or 10% from the previous year from staff expenses from increasing the number of employees to support more revenue growth, annual salary increase, other admin costs and rental expenses at department store adjusts by 5%.

Finance cost

Finance costs increased by 3.1 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**

	Year	Year	Increase (Decrease)	
	2023	2022	Million	Baht
Other income	17.6	14.7	2.9	19%
Tax revenue (expenses)	(19.2)	(11.1)	(8.1)	(72%)

Other income

Other income increased by 2.9 million baht, resulting from income from the trading business's dental implant course in the amount of 4 million baht, where the company organized training seminars for dentists for an entrance fee. and to promote dental implant products under the brands SIC, PI imported by the company itself.

Tax revenue (expenses)

In 2023, the group 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, 2023	December 31, 2022	Million Baht	%
Total assets	1,074.7	1,132.5	(57.8)	(5)
Total liabilities	489.8	595.2	(105.4)	(18)
Total Shareholders' equity	584.9	537.3	47.6	9

- **Total Assets**

As of December 31, 2023, total assets were 1,074.7 million baht, a decrease of 57.8 million baht or 5%, which was a decrease in cash and cash equivalents of 9 million baht, and an decrease in trade and other receivables in the amount of 43 million baht from trading business due to the better of debt management; an increase in inventories in the amount of 16 million baht due to purchase orders to support future sales; and was caused by a decrease in the depreciation and right of use of assets in the amount of 13 million baht; and was caused by a decrease from deferred tax assets of 9 million baht from recording tax expenses within the year.

- **Total Liabilities**

As of December 31, 2023, total liabilities decreased in the amount of 489.8 million baht, a decrease of 105.4 million baht or 18% due to a decrease in long-term loans from banks in the amount of 90 million baht from repayment the principal. It also was caused by a decrease in accounts payable of 19 million baht from the less of outstanding payables than last year.

- **Total Shareholders' equity**

As of December 31, 2023, total shareholders' equity was 584.9 million baht, an increase of 47.6 million baht or 9% due to an increase in the capital account of 20 million baht from the allocation of stock dividend and resulted from the net profit of the Group in the amount of 71.3 million baht and was from the dividend payment in form of stock and cash during the year in the amount of 42.9 million baht.

Please be informed accordingly.

Sincerely yours,

-Mr. Nattasit Surapanpairoj-
Chief Financial Officer