

## Management Discussion and Analysis

Quarter 1 Ending 31 Mar 2024



15 May 2024

Subject: Management Discussion and Analysis for the 3-month period ended March 31, 2024

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 for the 3-month period March 31, 2024, as the following details:

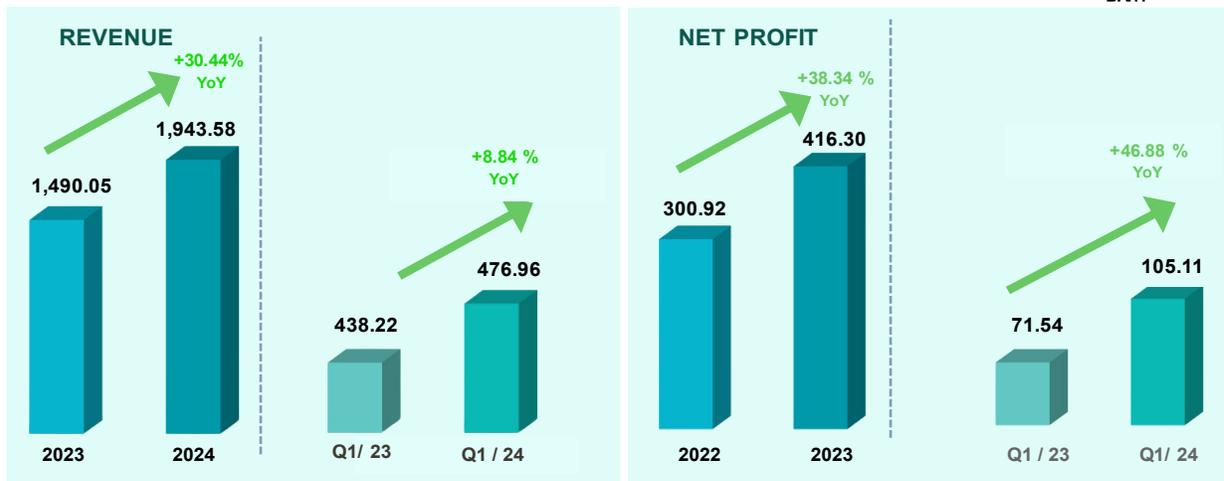
**Statement of Income**

**Revenue & Net Profit**



Q1/ 2024

UNIT : MILLION  
BAHT



(Unit: THB Million)	For the three-month period ended 31 March		Change increase (decrease)	
	2024	2023	Amount	Percentage
Sales from hospital operations	468.07	435.79	32.28	7.41
Cost of hospital operations	194.17	182.34	11.83	6.49
<b>Gross profit</b>	<b>273.90</b>	<b>253.45</b>	<b>20.45</b>	<b>8.07</b>
Other income	8.89	2.43	6.46	265.84
Selling expenses	83.22	105.49	-22.27	(21.11)
Administrative expenses	77.1	56.78	20.32	35.79
<b>Operating profit</b>	<b>122.47</b>	<b>93.61</b>	<b>28.86</b>	<b>30.83</b>
Share of profit from investments in associates	10.01	-	10.01	100.00
Finance income	0.6	0.01	0.59	5,900.00
Finance cost	3.39	3.49	-0.1	(2.87)
<b>Profit before income tax expenses</b>	<b>129.69</b>	<b>90.13</b>	<b>39.56</b>	<b>43.89</b>
Income tax expenses	23.49	18.58	4.91	26.43
<b>Net Profit</b>	<b>106.20</b>	<b>71.55</b>	<b>34.65</b>	<b>48.43</b>
Other comprehensive income	-	-	-	-
<b>Total comprehensive income</b>	<b>106.20</b>	<b>71.55</b>	<b>34.65</b>	<b>48.43</b>

### Revenue from hospital operations

(Unit: THB Million)	For the three-month period ended 31 March				Change	
	2024		2023		Increase (decrease)	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Surgery income	375.30	80.18	354	79.88	21.30	6.02
Skin income	26.6	5.68	28.8	5.91	(2.20)	(7.64)
Hair income	27.2	5.81	24.8	3.54	2.40	9.68
Aftercare income	28.5	6.09	17.9	5.42	10.60	59.22
Other hospital operations	10.5	2.24	10.3	5.26	0.20	1.94
<b>Revenue from hospital operations</b>	<b>468.10</b>	<b>100</b>	<b>435.8</b>	<b>100</b>	<b>32.30</b>	<b>7.41</b>

**Revenue from hospital operations**

For the three-month period ended 31 March 2024, the Company's revenue from hospital operations was THB 486.1 million increased by THB 32 million or equivalent to a growth Y-o-Y of 7.4 percent. Surgery income increased by THB 21 million or equivalent to a growth Y-o-Y of 6 percent, mainly from increasing in brow lift surgery, nose surgery and men health. Surgery income increase of online and offline marketing, and the increase of doctors, resulting in significantly higher customers compared to 2023

**Cost of hospital operations and Gross Profit**

For the three-month period ended 31 March 2024, the Company's cost of hospital operations was THB 194 million increased by THB 11.8 million or equivalent to a growth Y-o-Y of 6.5 percent. The increase in the cost of hospital operations corresponds to 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 5 million corresponding with higher nurses and medical workers an increase in depreciation THB 2 million from operation room and medical tools and equipment however the Company efficient control decrease in doctor fees by THB 8 million,

For the three-month period ended 31 March 2024, the Company's gross profit was THB 273.90 million increased by THB 20.5 million or equivalent to a growth Y-o-Y of 8 percent corresponding with an increase in revenue from hospital operations. The Company's gross profit margin increased from 58.16 percent in 2023 to 58.52 percent in 2024.

**Other income**

Other income increased by THB 6 million or equivalent to a growth Y-o-Y of 265 from 2023 due to the increase in income from current financial assets THB 5.5 million.

**Selling expenses**

For the three-month period ended 31 March 2024, the Company had selling expenses of THB 83 million decreased by THB 22 million or equivalent to decrease Y-o-Y of 21 percent. The decrease in selling expenses was mainly from the decrease in marketing expenses by THB 24 million due to the decrease in online and offline marketing, advertising on large billboards.

**Administrative expenses**

For the three-month period ended 31 March 2024, the Company had administrative expenses of THB 77 million increased by THB 20 million or equivalent to a growth Y-o-Y of 35.7 percent. The increase in administrative expenses was mainly from the increase in staff costs of THB 6.5 million due to the increase in salary and bonus and increase in depreciation from buildings and equipment THB 8 million Additionally Also, the Company increase in expenses related to advisors in investment in associated companies THB 4 million.

## Net profit

For the three-month period ended 31 March 2024, the Company's net profit was THB 106 million increased by THB 34.6 million or equivalent to a growth Y-o-Y of 48 percent. The Company had a higher net profit margin, increasing from 16.33 percent in 2023 to 22.27 percent in 2024, due to continually efficient control of medical inventories as mentioned and increase in share of profit from investments in associates and efficient control in selling expenses.

## Statements of Financial Position

(Unit: THB Million)	As of March 31,	As of December 31,	Change increase (decrease)	
	2024	2023	Amount	Percentage
Total current assets	1,651.10	1,870.93	(219.83)	(11.75)
Total non- current assets	2,094.87	1,766.30	328.57	18.60
<b>Total assets</b>	<b>3,745.97</b>	<b>3,637.23</b>	<b>108.74</b>	<b>2.99</b>
Total current liabilities	349.99	347.78	2.21	0.64
Total non- current liabilities	298.56	298.27	0.29	0.10
<b>Total liabilities</b>	<b>648.55</b>	<b>646.05</b>	<b>2.50</b>	<b>0.39</b>
Total shareholders' equity	3,097.42	2,991.18	106.24	3.55
<b>Total liabilities and shareholders' equity</b>	<b>3,745.97</b>	<b>3,637.23</b>	<b>108.74</b>	<b>2.99</b>

## Assets

As of March 31, 2024, the Company had total assets of THB 3,745.97 million which increased by THB 108 million or equivalent to 2.99 percent from December 31, 2023, due to the following reasons:

1. Cash and cash equivalent increased by THB 68 million or increased 10 percent mainly from additional equity from operating cash flow of THB 67 million. However, the Company used cash for investment in the equipment for THB 132 million, and paid investment in associates THB 67 million however the Company sell investment in short-term fixed income of 275 million and loans to other party THB 70 million.

2. Other current financial assets decrease of THB 269 million or decrease 24 percent due to selling short-term debt instruments to raise money to invest in associated companies.
3. Investment in associates increase THB 140 million or increase 38.8 percent due to the Company invest in TYP Medical Co.,Ltd. THB 73 million and Twinkle Star Co.,Ltd. THB 57 million.
4. Building and equipment increased by THB 120 million or increased 7.95 percent due to acquisition during the period THB 48 million and transfer from advance payment for construction to construction in progress THB 43 million and depreciation during period THB 25 million.

### Liabilities

As of March 31, 2024, the Company had total liabilities of THB 648.55 million which increased by THB 2.50 million or equivalent to 0.39 percent from December 31, 2023, due to the following reasons:

1. Trade and other payables decreased by THB 93 million due to an decrease in payable from construction THB 62 million and decrease in other payable THB 31 million.
2. Share subscription payables in associated increase THB 63.6 million due to not paid to associated.
3. Income tax payable increased by THB 23.3 million because income tax expenses during the period.

### Shareholders' Equity

As of March 31, 2024, the Company had shareholders' equity of THB 3,097 million which increased by THB 106.2 million or equivalent to 3.55 percent compared to December 31, 2023, due to increase of comprehensive income for the year by THB 106 million.

### Cash flow

(Unit: THB Million)	As of March 31,		Change increase	
	2024	2023	Amount	Percentage
Net cash flows from operating activities	66.84	77.13	(10.29)	(13.34)
Net cash flows from (used in) investing activities	5.50	(1,260.20)	1,265.70	100.44
Net cash flows from (used in) financing activities	(3.60)	2,229.10	(2,232.70)	(100.16)
<b>Net increase in cash and cash equivalents</b>	<b>68.74</b>	<b>1,046.03</b>	<b>(977.29)</b>	<b>(93.43)</b>

### Net cash flows from operating activities

Net cash flows from operating activities decrease Y-o-Y THB 10 million due to during the period the Company paid to trade and other receivables more the prior year.

### Net cash flows from (used in) investing activities

Net cash flows from (used in) investing activities increase due during period the Company sell short-term debt instruments to purchase investments in associated companies and paid more construction costs, resulting in more cash from investing While last year the company invested cash in short-term debt instruments.

### Net cash flows from (used in) financing activities

Net cash flows from (used in) financing activities decrease by THB 2,232.7 million because in 2023 the company issued IPO shares, resulting in cash from issuing new shares of 2,300 million baht.

### Key Financial Ratios

Financial Ratios	Unit	As of March 31,2024	As of 31-Dec-23
Current ratio	Times	4.72	5.38
Debt to equity ratio (D/E)	Times	0.21	0.22
Return on asset (ROA)	Percent	15.33	14.71
Return on equity (ROE)	Percent	15.33	17.88

### Current ratio

As of March 31, 2024, the Company had a current ratio of 4.72 times which decreased from FY2023 due to the Company sell short-term debt instruments to purchase investments in associated companies THB 140 million and invest in buildings and equipment increase THB 48 million.

**Debt to equity ratio (D/E)**

As of March 31, 2024, the Company had a D/E of 0.21 times which slightly decreased from December 31, 2023.

**Return on asset (ROA)**

As of March 31, 2024, the Company's ROA was 15.33 percent which increased from FY2023 of 214.7 percent. The main reason was net profit for the period increased compared to the same period of the previous year, while the average asset was slightly increased compared to FY2023.

**Return on equity (ROE)**

As of March 31, 2024, the Company's ROE was 18.54 percent which increased from FY2023, at 17.88 percent. The main reason was net profit for the period increased compared to the same period of the previous year, while the average shareholders' equity was slightly increased compared to FY2023.

Yours sincerely

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(Mr. Phisut Numsa)

Chief Financial Officer

Master Style Public Company Limited