



9 May 2024

Subject Management Discussion and Analysis for the three months ended 31 March 2024

Attention Director and Management

Stock Exchange of Thailand

Aesthetic Connect Public Company Limited (“the Company”) would like to submit the financial statement for the three-month period ended 31 March 2024, 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 Statements as attached.

Please be informed accordingly,

Sincerely yours,

(Mrs. Daranee Dhubkaen)

Chief Financial Officer



**Aesthetic Connect Public Company Limited**

**Management's Discussion and Analysis for the three-month period ended 31 March 2024**

**Statement of income for the three-month period ended 31 March 2024**

unit: Million Baht

	Three-month period ended 31 March		Change	
	2023	2024	Amount	%
Revenue from services	209.34	147.35	(61.99)	(29.61)
Cost of services	90.89	68.46	(22.43)	(24.67)
<b>Gross Profit</b>	<b>118.45</b>	<b>78.89</b>	<b>(39.56)</b>	<b>(33.40)</b>
Other revenues	0.00	6.70	6.70	100.00
Service Expenses	24.24	20.00	(4.24)	(17.49)
Administrative Expenses	12.16	11.18	(0.97)	(8.00)
Financial Costs	1.44	0.17	(1.27)	(88.02)
<b>Profit before income tax</b>	<b>80.61</b>	<b>54.23</b>	<b>(26.38)</b>	<b>(32.73)</b>
Tax Expenses	15.87	10.98	(4.89)	(30.83)
<b>Profit for the period</b>	<b>64.74</b>	<b>43.25</b>	<b>(21.49)</b>	<b>(33.19)</b>

**Revenue Structure**

	Three-month period ended 31 March				Change	
	2023	%	2024	%	Amount	%
<b>1. Surgical Services</b>	<b>194.02</b>	<b>92.68</b>	<b>137.24</b>	<b>93.14</b>	<b>(56.78)</b>	<b>(29.26)</b>
- Face-Lock Facelift	136.14	65.03	82.27	55.83	(53.87)	(39.57)
- Eye-Lock Eyelid Surgery	37.91	18.11	26.56	18.02	(11.36)	(29.96)
- Rhinoplasty Surgery	9.34	4.46	9.37	6.36	0.03	0.31
- Other Surgical Procedures	10.63	5.08	19.05	12.93	8.42	79.22
<b>2. Intravenous Anesthesia Services</b>	<b>8.82</b>	<b>4.21</b>	<b>6.34</b>	<b>4.30</b>	<b>(2.48)</b>	<b>(28.08)</b>
<b>3. Non-Surgical Services</b>	<b>6.50</b>	<b>3.11</b>	<b>3.77</b>	<b>2.56</b>	<b>(2.74)</b>	<b>(42.08)</b>
<b>Revenue from services</b>	<b>209.34</b>	<b>100.00</b>	<b>147.35</b>	<b>100.00</b>	<b>(61.99)</b>	<b>(29.61)</b>



## **Periods for Three Month end of 31 March 2024**

### **Revenue from services**

The company had revenue from services for the three-month period ended 31 March 2024, of 147.35 million Baht, which decreased from the same period in 2023, by an amount of 61.99 million Baht, or a decrease of 29.61 percent. The decrease in revenue was mainly from facelift surgery and eye surgery, which constituted the majority of the business's revenue. This is expected to be due to economic and competitive problems, resulting in a decrease in service revenue.

### **Cost of services**

The company had the cost of services for the three-month period ended 31 March 2024, of 68.46 million Baht, which decreased from the same period in 2023, by an amount of 22.43 million Baht. This represents a decline of 24.67 percent.

The majority of the costs come from doctor fees, constituting 81.33 percent of the total cost of services. The remaining 18.67 percent includes costs related to medications, medical supplies, and consumables. Nurse compensation and medical personnel including other direct costs. The cost of providing services decreased in line with the decrease in service income.

### **Gross Profit**

The company's gross profit for the three-month period ended 31 March 2024, of 78.89 million Baht, which decreased from the same period in 2023, by an amount of 39.56 million Baht. This represents a decline of 33.40 percent from the same period in 2023. This decrease in profit is consistent with the reduction in service revenue.

### **Service Expenses**

The company's service expenses for the three-month period ended 31 March 2024, by an amount of 20.00 million baht, decreased from the same period of 2023 by an amount of 4.24 million baht, representing a percentage 17.49. Most of the costs came from a decrease in commissions, incentives, which corresponds to a decrease in service revenue, and a decrease in promotional advertising costs are reduced due to more efficient cost management.

### **Administrative Expenses**

The company's administrative expenses for the three-month period ended 31 March 2024, of 11.18 million Baht, decreased from the same period of 2023 by an amount of 0.97 million baht, representing a percentage 8.00. Most of the expenses decreased from Expenses for listing an organization on the stock exchange.

## Financial Costs

The company's financial costs for the three-month period ended 31 March 2024, of 0.17 million Baht, reflecting an decline of 1.27 million Baht or a percentage decline of 88.02 from the same period in 2023. Because in October 2023 the loan has been repaid in full, in the first quarter of 2024 the financial costs It comes only from interest expenses incurred from the lease agreement.

## Net Profit

The company had net profit for the three-month period ended 31 March 2024, of 43.25 million Baht, representing percentages 28.08 of the total revenue. This net profit decreased compared to the same period in 2023, which was 21.49 million Baht, or a percentage decrease 33.20 This decrease was primarily due to a reduction in revenue, as mentioned earlier.

## Summary of Financial information

unit: Million Baht

	As of		Change	
	31 December 2023	31 March 2024	Amount	%
<b>Assets</b>				
Current Assets	1,266.18	1,271.87	5.69	0.45
Non-Current Assets	529.28	561.63	32.35	6.11
<b>Total Assets</b>	<b>1,795.46</b>	<b>1,833.50</b>	<b>38.04</b>	<b>2.12</b>
<b>Liabilities and Shareholders' Equity</b>				
Current Liabilities	96.79	92.77	(4.02)	(4.15)
Non-Current Liabilities	11.81	10.63	(1.18)	(10.00)
Shareholders' Equity	1,686.86	1,730.10	43.24	2.56
<b>Total Liabilities and Shareholders' Equity</b>	<b>1,795.46</b>	<b>1,833.50</b>	<b>38.04</b>	<b>2.12</b>

## Assets

The company had total assets as of 31 March 2024, of 1,833.50 million Baht, which increase compared to 2023 by an amount of 38.04 million Baht, representing increase by percentages 2.12 Divided into current assets of 1,271.87 million baht, an increase of 5.69 million baht from 2023 because in 2024 the company had accrued interest from 6-month fixed deposits. Non-current assets of 561.63 million baht increased from 2023 by 32.35 million baht because the company had assets. During the construction of the hospital building, the value increased to 37.02 million baht and there was a net right-of-use asset. And prepaid for construction costs decreased by a total of 4.37 million baht, with the remaining being a decrease from other non-current assets of 0.29 million baht.

### Liabilities and Shareholders' Equity

The company's total liabilities and shareholders' equity as of 31 March 2024, consisted of current liabilities amounting to 92.77 million Baht and non-current liabilities amounting to 10.63 million Baht, resulting in total liabilities of 103.40 million Baht. This represents a decrease of 5.21 million Baht compared to 2023. Because the company has decreased trade and other liabilities, such as accrued doctor fees and accrued expenses, according to the proportion of income decreased.

The company's shareholders' equity as of 31 March 2024, amounted to 1,730.10 million Baht, which increase from 2023 by the amount of 43.24 million baht, Based on the results of the first quarter of 2024.

### Key Financial Ratios

		31 December 2023	31 March 2024
Current Ratio	(Times)	13.08	13.71
Debt to Equity ratio (D/E)	(Times)	0.06	0.06
Gross Profit Margin	(%)	54.87	53.54
Net Profit Margin	(%)	27.01	28.08
Return on Asset (ROA)	(%)	18.89	17.74
Return on Equity (ROE)	(%)	17.13	16.31

### Current Ratio

As of 31 March 2024, the company had a current ratio of 13.71 times, which increased from 2023 due to accrued received interest from 6-month fixed deposits, which is an increase in current assets and current liabilities. As for the doctor's fees and trade payables decreased.

### Debt to Equity ratio (D/E)

As of 31 March 2024, the company had a D/E ratio of 0.06 times, which is equal to 2023 because the proportions of debt and shareholders' equity are similar.

### Gross Profit Margin and Net Profit Margin

As of 31 March 2024, the company has a gross profit margin and net profit margin at 53.54 percent and 28.08 percent, respectively, which is similar to 2023, showing that the company is indicating that the company has maintained its ability to generate profits.

### Return on Asset (ROA) and Return on Equity (ROE)

As of 31 March 2024, the company has a return on assets (ROA) of 17.74 percent and return on equity (ROE) of 16.31 percent. These figures indicate that the company has favorable return rates, reflecting its strong performance.