TEERAPORN

21 February 2025

Subject Management Discussion and Analysis for the year ended 31 December 2024

Attention Director and Manager

Stock Exchange of Thailand

Aesthetic Connect Public Company Limited ("the Company") would like to submit Management Discussion and Analysis for the year ended 31 December 2024

Please see further details in the Operating Result Yearly Ending 31 Dec 2024 as attached.

Please be informed accordingly,

Sincerely yours,

(Mrs. Daranee Dhubkaen)

Chief Financial Officer

Aesthetic Connect Public Company Limited No.2 1st,3rd and 4th Floor, Charoen Nakhon Road,

Khlong San Subdistrict, Khlong San district, Bangkok

TEERAPORN

Aesthetic Connect Public Company Limited

Management Discussion and Analysis for the year ended 31 December 2024

Statement of income for the year ended 31 December 2024

unit: Million Baht

	Year ended 31 December		Change	
	2023	2024	Amount	%
Revenue from services	707.83	533.65	(174.18)	(24.61)
Cost of services	319.45	252.44	(67.01)	(20.98)
Gross Profit	388.38	281.21	(107.17)	(27.59)
Other revenues	5.20	21.09	15.89	305.66
Service Expenses	99.08	84.64	(14.44)	(14.57)
Administrative Expenses	49.04	48.03	(1.01)	(2.06)
Financial Costs	1.89	0.40	(1.50)	(79.03)
Profit before income tax	243.55	169.23	(74.32)	(30.52)
Tax Expenses	50.99	29.86	(21.13)	(41.44)
Profit for the period	192.56	139.37	(53.19)	(27.62)

Revenue Structure

	Year ended 31 December				Change	
	2023	%	2024	%	Amount	%
1. Surgical Services	657.79	92.93	487.21	91.30	(170.58)	(25.93)
- Face-Lock Facelift	436.95	61.73	292.98	54.90	(143.97)	(32.95)
- Eye-Lock Eyelid Surgery	133.03	18.79	106.00	19.86	(27.03)	(20.32)
- Rhinoplasty Surgery	38.96	5.50	28.52	5.34	(10.44)	(26.80)
- Other Surgical Procedures	48.85	6.90	59.71	11.19	10.86	22.24
2. Intravenous Anesthesia Services	30.53	4.31	23.52	4.41	(7.01)	(22.96)
3. Non-Surgical Services	19.51	2.76	22.92	4.29	3.41	17.48
Revenue from services	707.83	100.00	533.65	100.00	(174.18)	(24.61)

	Year ended 31 December				Change	
	2023	%	2024	%	Amount	%
1. Surgical Services	657.79	92.25	487.21	87.83	(170.58)	(25.93)
2. Intravenous Anesthesia Services	30.53	4.28	23.52	4.24	(7.01)	(22.96)
3. Non-Surgical Services	19.51	2.74	22.92	4.13	3.41	17.48
Revenue from services	707.83	99.27	533.65	96.20	(174.18)	(24.61)
Other revenues	5.20	0.73	21.09	3.80	15.89	305.66
Total Revenue	713.03	100.00	554.74	100.00	(158.29)	(22.20)

Capacity	2022	2023	Q1_2024	Q2_2024	Q3_2024	Q4_2024	2024
Operation Room	6	6	6	6	6	6	6
Services Hour (1)	14,369	11,913	2,318	2,232	2,349	2,357	9,256
Maximum Services Capacity (2)	21,900	21,900	5,460	5,460	5,520	5,520	21,960
Utilization Rate (3)	65.62%	54.40%	42.45%	40.88%	42.55%	42.70%	42.15%
Revenue (Baht) per hour	59,408	59,416	63,567	54,322	56,092	56,554	57,655

Note :
(1) Case x Estimates Surgery Time
(2) Estimate : Operation x Time 10 hour perday x 365 days
(3) Operating Hours/Max Operating Hours

Revenue from services

Operating results

The company operates in the field of cosmetic facial surgery services under the name 'Teeraporn Clinic'. The medical team consists of specialized experts with extensive experience and wide recognition in the industry. The company offers various services including facelift surgery, eye surgery, rhinoplasty, and skincare.

2024 The company had revenue from services for the year 533.65 million Baht, or decreased by 24.61% respectively. The main income comes from providing surgical procedures in the amount of 487.21 million baht. accounting for 87.83% of total revenue. This revenue was generated from various surgical procedures including Face-Lock (facelift surgery) , Eye-Lock(eye surgery), rhinoplasty surgery, and other surgical procedures.

2024 The company had revenue from Intravenous Anesthesia Services for the year 23.52 million Baht, or decreased from 2023 by 22.96% . Revenue share accounted for 4.24% of total revenue.

2024 The company had revenue from Non-Surgical Services for the year such as Filler, Botox, Hifu, Ultherapy, Lab Check-up and Other Skin Care had 22.92 million Baht. Represent by 4.13% of total revenue. It was found that in 2024 there was a growth rate in Skin Care services of 17.48 percent compared to 2023 due to wanting to expand the customer base in the Skin Care group more than before. It is an opportunity to penetrate the Skin Care market more.

The company's operating results in 2024 will decrease, expected to be due to the economic recession. Including being a service business group that is becoming popular and there are many business competitors with many brands As a result, there is very high competition in this business sector. This gives service users many opportunities and options in using this service.

Cost of services

2024 The company had cost of services for the year of 252.44 million Baht. This represents cost to revenue-service ratio 47.30% and decreased from 2023 by 67.01 million baht or representing decreasd 20.98%. The cost of service includes doctor's fees, commission fees, employee expenses and medical supplies which decreased in the same direction as service income decreased.

Gross Profit

2024 The company had gross profit for the year of 281.21 million baht. Represents percentage ratios 52.70%. There was a decrease in growth rate of 27.59 percent, which corresponds to a decrease in service income of 174.18 million baht, or equivalent to a decrease in income growth rate of 24.61 percent..

Service Expenses

2024 The company's service expenses for the year 84.64 million baht decreased from 2023 of 14.44 million baht representing a percentage decreased of 14.57%. Which decreased in the same direction as income decreased The company tries to control promotional expenses for maximum benefit.

Administrative Expenses

2024 The company had administrative expenses for the year 48.03 million baht decreased from 2023 by 1.01 million baht. Representing the percentage decreased for 2.06%. Which decreased in the same direction as income decreased This is because the company is trying to control administrative expenses to reduce them.

Financial Costs

2024 The company had financial costs 0.40 million baht decreased from 2023 by 1.50 million baht.Represent the percentage decreasing for 79.03%. Since the company repaid the total loan of 118 million baht from the purchase of land

for construction of Teeraporn Hospital in the 4th quarter of 2023, therefore in 2024 the company has remaining financial costs that come from Interest according to the rental contract only.

Net Profit

2024 The company had net profit for the year ended 139.37 million Baht. Representing for 25.12% of the total revenue. The cause of the decrease in net profit came from decreased income.

Summary of Financial information

unit: Million Baht

	As of		Change	
	31 December 2023	31 December 2024	Amount	%
Assets				
Current Assets	1,266.18	1,025.55	(240.64)	(19.00)
Non-Current Assets	529.28	846.24	316.96	59.89
Total Assets	1,795.46	1,871.79	76.33	4.25
Liabilities and Shareholders' Equity				
Current Liabilities	96.79	131.66	34.87	36.02
Non-Current Liabilities	11.81	18.88	7.06	59.79
Shareholders' Equity	1,686.85	1,721.25	34.40	2.04
Total Liabilities and Shareholders' Equity	1,795.46	1,871.79	76.33	4.25

Assets

The company had total assets as of 31 December 2024, of 1,871.79 million Baht, Representing increased from 2023 for 76.33 million baht and the percentage increasing for 4.25% divided into current assets of 1,025.55 million Baht decreasing 240.64 million baht form year 2023. Due to payment for construction of Teeraporn Hospital Resulting in a decrease in cash and bank deposits. Non-Current Assets of 846.24 million Baht increasing 316.96 million Baht from year 2023. This is because there will be more assets under installation in 2024 from the construction of Teeraphon Hospital.

Liabilities and Shareholders' Equity

The company's total liabilities and shareholders' equity as of 31 December 2024 consisted of current liabilities amounting to 131.66 million Baht and non-current liabilities amounting to 18.88 million Baht, resulting in total liabilities of 150.54 million Baht. This represents an increasing of 41.93 million Baht compared to 2023 due to an increase in current liabilities. This occurred from creditors related to hospital construction and other creditors increasing by 33.36 million baht and non-current liabilities increase from the retention for construction Teeraporn Hospital of 10.32 million baht.

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The company's shareholders' equity as of 31 December 2024, amounted to 1,721.25 million Baht, which increased by 34.40 million baht due to part of retained earnings Unappropriated.

Key Financial Ratios

		31 December 2023	31 December 2024
Current Ratio	(Times)	13.08	7.79
Debt to Equity ratio (D/E)	(Times)	0.06	0.09
Gross Profit Margin	(%)	54.87	52.70
Net Profit Margin	(%)	27.01	25.12
Return on Asset (ROA)	(%)	18.89	9.25
Return on Equity (ROE)	(%)	17.13	8.20

Current Ratio

As of 31 December 2024, the company had a current ratio of 7.79 times, which decreased from the previous year due to the company has repaid the construction cost of Teeraporn Hospital. and current liabilities in the area of payables for construction of Teeraporn Hospital As a result, the ratio has decreased compared to 2023, but there is still a good liquidity rate.

Debt to Equity ratio (D/E)

As of 31 December 2024, the company had a D/E ratio of 0.09 times, which increased from the previous year due to the company has remain for the instruction liability including for retaintion of construction Teeraporn Hospital. Resulting in a higher total debt than in 2023.

Gross Profit Margin and Net Profit Margin

As of 31 December 2024, the company's gross profit margin and net profit margin were 52.70% and 25.12% respectively. These figures decreased from the previous year, 2023. Shows that The company's level of profitability has decreased.

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

As of December 31, 2024, the company's return on assets (ROA) and return on equity (ROE) were 9.25% and 8.20%, respectively, indicating that the company has a lower rate of return compared to 2023.