



บริษัท เดนทัล คอร์ปอเรชั่น จำกัด (มหาชน)

DENTAL CORPORATION PUBLIC COMPANY LIMITED

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เลขทะเบียนบริษัท 0107559000281 Company Registration No. 0107559000281

May 12, 2020

Subject Management's Discussion and Analysis for the 3-month period ended March 31, 2020

To Director and Manager
The Stock Exchange of Thailand

According to the resolution of the meeting of the Board of Directors No.3/2020 of Dental Corporation Public Company Limited ("the Company") held on May 12, 2020, approving the consolidated financial statements for the 3-month period ended March 31, 2020. The Company and its subsidiaries ("the Group") would like to report factors that affect the financial performance as follows;

Unit : Thousand Baht

CONSOLIDATED STATEMENTS OF INCOME	For the 3-month periods ended March 31,			
	2020	2019	Changed	
	Amount	Amount	Amount	%
Revenue from sales and services	152,316	196,696	(44,380)	(22.56%)
Cost of sales and services	(108,116)	(141,812)	33,696	(23.76%)
Gross profit	44,200	54,885	(10,685)	(19.47%)
Other income	1,494	2,535	(1,041)	(41.07%)
Profit before expenses	45,694	57,420	(11,726)	(20.42%)
Distribution costs	(18,373)	(17,402)	(971)	5.58%
Administrative expenses	(35,071)	(32,932)	(2,139)	6.50%
Finance costs	(5,393)	(2,495)	(2,898)	116.15%
Total expenses	(58,837)	(52,829)	(6,008)	11.37%
Profit (loss) before income tax	(13,143)	4,591	(17,734)	(386.28%)
Income tax (expenses)	1,386	(756)	2,142	(283.33%)
Net Profit (loss) for the periods	(11,757)	3,835	(15,592)	(406.57%)
Other comprehensive income for the periods, net of tax	-	-	-	0.00%
Total comprehensive income (expense) for the periods	(11,757)	3,835	(15,592)	(406.57%)

Remarks

- Dental service segment
Branches operated in the 1st quarter of 2019 were 15 branches and Bangkok International Dental Center (BIDC) under the Group.
Branches operated in the 1st quarter of 2020 were 13 branches, Bangkok International Dental Center (BIDC) and Bangkok International Dental Hospital (BIDH) has been operated on July 1, 2019 onwards.
- The segment of trading sales of dental equipment and supplies has been operated on August 1, 2018 onwards.

Revenue from sales and services

Revenue from sales and services decreased approximately by Baht 44.38 million or 22.56% for the period ended March 31, 2020. The change in revenues was generated from each segment as follows;

Unit: Million Baht

	Increased (Decreased)	
	For the period	%
Sales of dental equipment and supplies segment	(31.20)	(37.91%)
Dental services segment	(13.18)	(11.52%)
Total decreased revenues	(44.38)	(22.56%)

Sales of dental equipment and supplies segment decreased approximately by Baht 31.20 million or 37.91% which mainly came from the postponement of the government procurement and decrease in sales of alloy which consists of gold (Au) and Palladium (Pd) to dental lab due to the higher market price of alloy price according to gold (Au) and Palladium (Pd) price, causing the delay of purchasing order of dental lab.

	Average Price US\$ per Oz		
	Quarter 1/2020	Quarter 1/2019	% Price increased
Gold (Au)	1,583.23	1,304.24	21.39%
Palladium (Pd)	2,291.41	1,435.06	59.67%

Source: <https://www.kitco.com>

Revenues from dental services segment dropped by Baht 13.18 million or 11.52% because three branches were closed since last year and the 1st quarter of 2020 and resulted from the appreciation of Thai currency especially, against Australia dollar (AUD). Moreover, the effect of the spread of the Covid-19 virus causing delay visiting of foreign patients since the beginning of March 2020 including the government declaring a state of emergency in March 2020 resulting in the number of visit volumes decreased as below table;

	Weighted average middle rate from		% Depreciation (Appreciation)
	Bank of Thailand		
	Q1/2020	Q1/2019	
THB/USD	31.2859	31.6112	(3.91%)
THB/EUR	34.4861	35.9008	(8.90%)
THB/AUD	20.5774	22.4999	(10.66%)

	Number of visit volumes			
	Q1/2020	Q1/2019	Decreased	% Decreased
Thai patients	10,433	12,223	(1,790)	(14.6%)
Foreign patients	4,740	5,680	(940)	(16.5%)
	15,173	17,903	(2,730)	(15.2%)

Cost of sales and services

Cost of sales and services decreased approximately by Baht 33.70 million or 23.76% for the 3-month period ended March 31, 2020, which were in line with decrease in revenue. Decrease in costs of sales and services for the 3-month period ended March 31, 2020 mainly came from sales of dental equipment and supplies segment in amounting to Baht 26.26 million, while costs of services decreased by Baht 7.43 million.

Other income

Other income decreased approximately by Baht 1.04 million or 41.07% for the 3-month period ended March 31, 2020, because a subsidiary had loss on exchange rate from sales of dental equipment and supplies segment in the 1st quarter of 2020.

Finance costs

Finance costs increased approximately by Baht 2.89 million or 116.15% for the 3-month period ended March 31, 2020, due to the 1st quarter of prior year, interest expenses from long-term loan from financial institution were capitalized as assets under hospital construction in amounting to Baht 1.72 million while these interest expenses were recorded as finance cost in this period. Moreover, finance costs increased from bank overdraft, trust receipt and promissory notes which these short-term loans increased from the same period of prior year by Baht 10.42 million.

Net profit (loss)

For the 3-month period ended March 31, 2020, the Company had net loss amounting to Baht 11.76 million because decrease in revenues from trading and dental services segments as mentioned above.

Summary of Consolidated Statements of Financial Position

Unit: Thousand Baht

	As at	As at	Changed	
	March 31, 2020	December 31, 2019	Amount	%
Total assets	1,152,732	1,076,295	76,437	7.10%
Total liabilities	678,578	687,252	(8,674)	(1.26%)
Total Shareholders' equity	474,154	389,043	85,111	21.88%

Total Assets

As at March 31, 2020, the total assets were about Baht 1,152.73 million which increased by Baht 76.44 million or 7.10% from December 31, 2019. The main increase came from assets right of use which has been applied for Thai Financial Reporting Standard (TFRS16): Lease.

Total Liabilities

As at March 31, 2020, the total liabilities decreased by Baht 8.67 million or 1.26% from December 31, 2019. The main decrease came from account payables, trust receipts, promissory notes and long-term loans from financial institution by Baht 72.15 million. In addition, increase in lease liabilities from rental contracts which have been applied in according to TFRS16 as mentioned above in amounting to Baht 59.64 million. Also, increase in income tax payable and other liabilities by Baht 3.84 million.

Total shareholders' equity

As of March 31, 2020, total shareholders' equity was Baht 474.15 million which increased by Baht 85.11 million or 21.88% from December 31, 2019. The main increase came from increase in capital of Baht 100.00 million in January 2020. However, decrease in loss from operation amount of Baht 11.76 million and the adjustments of TFRS16 Lease in the amount of Baht 2.81 million.

Please be informed accordingly.

Sincerely yours,



(Mr. Prateep Vanichkawgul)

Authorized to sign on behalf of the Company