



บริษัท เทคโนโลยีเมดิคัล จำกัด (มหาชน)  
*Techno Medical Public Company Limited*

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No. TM04/2560

November 11, 2017

Subject: Management Discussion and Analysis for the nine-month period ended September 30, 2017

To: The President  
The Stock Exchange of Thailand

Techno Medical Public Company Limited (“The Company”) would like to submit this Management Discussion and Analysis for the nine-month period ended September 30, 2017, with detail as follows

Statement of Comprehensive Income for the nine-month period ended September 30, 2017 and 2016

Statement of Comprehensive Income	Nine-month	Nine-month	Increase (Decrease)	
	FY 2017	FY 2016	Million Baht	%
	Million Baht	Million Baht	Million Baht	%
Revenue from Sales – net	443.63	408.67	34.96	8.55%
Gain on Exchange Rate	4.14	1.57	2.57	163.69%
Other Income	0.81	0.42	0.39	92.86%
<b>Total Income</b>	<b>448.58</b>	<b>410.66</b>	<b>37.92</b>	<b>9.23%</b>
Cost of Sales	262.68	240.81	21.87	9.08%
<b>Gross Profit (Exclude Other Income)</b>	<b>180.95</b>	<b>167.86</b>	<b>13.09</b>	<b>7.80%</b>
Distribution Costs	97.18	83.12	14.06	16.92%
Administrative Expenses	61.63	54.19	7.44	13.73%
<b>Profit before Finance Costs and Income Tax Expenses</b>	<b>27.09</b>	<b>32.54</b>	<b>(5.45)</b>	<b>-16.75%</b>
Finance Costs	6.17	8.14	(1.97)	-24.20%
<b>Profit before Income Tax</b>	<b>20.92</b>	<b>24.40</b>	<b>(3.48)</b>	<b>-14.26%</b>
Income Tax Expense	4.77	1.72	3.05	177.33%
<b>Net Profit</b>	<b>16.15</b>	<b>22.68</b>	<b>(6.53)</b>	<b>-28.79%</b>

**Revenue from sales - net**

Sales Revenue for the nine-month period ended September 30, 2017 amounted to Baht 443.63 million, increased by Baht 34.96 million or 8.55% compared with the same period of last year, contributing to continued increasing sale for the group of disposable equipment & supply and the group of medical equipment & instrument following the need of the market.

**Gain on exchange rate**

Gain on exchange rate for the nine-month period ended September 30, 2017 amounted to Baht 4.14 million, increased by Baht 2.57 million or 163.69% compared with the same period of last year, contributing to the depreciation of foreign currency. The Company has gain on foreign exchange from payment to overseas trade account payable.

**Cost of goods sold and gross profit margin**

Cost of goods sold for the nine-month period ended September 30, 2017 amounted to Baht 262.68 million, increased by Baht 21.87 million or 9.08% compared with the same period of last year, relatively to the sales increase. Increasing rate of Cost of goods sold is a bit higher than increasing rate of sales. The Company has gross profit amounted to Baht 180.95 million which increased by Baht 13.09 million or 7.80% compared with the same period of last year. Gross profit margin decreased by 0.28%. Considering the competitive price in the market, the company needs to adjust the price to keep market share in the group of the medical equipment and instrument for heart surgery.

**Distribution Costs**

Distribution cost for the nine-month period ended September 30, 2017 amounted to Baht 97.18 million, increased by Baht 14.06 million or 16.92% compared with the same period of the last year, contributing to the salary adjustment and increase of number of staff, resulting in the increase of work- related expenses and training expenses.

**Administrative expense**

Administrative expense for the nine-month period ended September 30, 2017 amounted to Baht 61.63 million, increased by Baht 7.44 million or 13.73% compared with the same period of the last year, contributing to the donation of Baht 4.03 million to build a useful training center for Chulabhorn International Medical College, Thammasat University. The training center will help educate cardiac and thoracic cardiovascular medical staff and more research & development, The training expense for the board and management, public relation expense and medical & seminar conferences expense to present product to customer increased by Baht 4.86 million.

**Income tax expense**

Income tax expense for the nine-month period ended September 30, 2017 amounted to Baht 4.77 million, increased by Baht 3.05 million or 177.33% compared with the same period of the last year, contributing to the initial public offering expense by Baht 16 million in the last year which used as company income tax expense.

**Net profit and net profit margin**

Net profit for the nine-month period ended September 30, 2017 amounted to Baht 16.15 million, decreased by Baht 6.53 million or 28.79% compared with the same period of the last year, which net profit is Baht 22.68 million, resulting from the increase in cost of sales and distribution costs as mentions above.

Please be informed accordingly.

Yours sincerely,



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Techno Medical Public Company Limited

Supamong Chanlongbutra M.D.

President

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