



บริษัท เทคโนโลยีคัล จำกัด (มหาชน)
Techno Medical Public Company Limited

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No. TM02/2561

August 11, 2018

Subject: Management Discussion and Analysis for the six-month period ended June 30, 2018

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 six-month period ended June 30, 2018, with detail as follows

Statement of Comprehensive Income for the three-month period ended June 30, 2018 and 2017

Statement of Comprehensive Income	Six-month	Six-month	Increase
	FY 2018	FY 2017	(Decrease) %
	Million Baht	Million Baht	%
Revenue from Sales – net	301.26	291.08	3.50%
Gain on Exchange Rate	1.31	3.57	-63.26%
Other Income	0.40	0.49	-18.74%
Total Income	302.968	295.141	2.65%
Cost of Sales	172.283	168.19	2.43%
Gross Profit (Exclude Other Income)	128.97	122.89	4.95%
Distribution Costs	57.34	61.65	-7.00%
Administrative Expenses	45.418	39.625	14.62%
Profit before Finance Costs and Income Tax Expenses	27.93	25.67	8.80%
Finance Costs	3.647	4.15	-12.08%
Profit before Income Tax	24.28	21.52	12.82%
Income Tax Expense	4.97	4.521	9.82%
Net Profit	19.32	17.00	13.62%

Revenue from sales - net

Revenue from sales for the six-month period ended June 30, 2018 amounted to Baht 301.26 million, increased by Baht 10.18 million or 3.50% compared to the same period of last year, contributing to increasing orders from Medical Equipment and Instrument category, from Baht 33.69 million in 2017 to Baht 49.56 million in 2018 (+47.1% YoY).

Gain on exchange rate

Gain on exchange rate for the six-month period ended June 30, 2018 amounted to Baht 1.31 million, decreased by Baht 2.26 million or 63.26% compared with the same period of last year, contributing to depreciation of Thai Baht against foreign exchange rate such as US dollar and Euro from May, 2018 onwards. Resulting in realized gain from exchange rate decreased when payments to overseas vendors were made comparing to the same period of prior year.

Cost of goods sold and gross profit margin

Cost of goods sold for the six-month period ended June 30, 2018 amounted to Baht 172.28 million, increased by Baht 4.09 million or 2.43% compared with the same period of last year. The Company has gross profit amounted to Baht 128.97 million which increased by Baht 6.08 million or 4.95% compared with the same period of last year since sales of Disposable Equipment and Supplies used in Blood Bank and Laboratories increased and General Surgical Instrument increased.

Distribution costs

Distribution costs for the six-month period ended June 30, 2018 amounted to Baht 57.34 million, decreased by Baht 4.32 million or 7% compared with the same period of the prior year. Due to the fact that the Company discontinued business unit that could not generate profit as targeted by the Company in Quarter 2/2017. And the Company has focused on the profitable business units instead. Thus, the Company is able to reduce distribution costs.

Administrative expenses

Administrative expenses for the six-month period ended June 30, 2018 amounted to Baht 45.42 million, increased by Baht 5.79 million or 14.62% compared with the same period of the prior year. Because the Company accrued provision for obsolete inventories in 2018 amounting to Baht 4.34 million, increased by Baht 3.99 million compared to the provision for obsolete inventories in 2017.

Finance costs

Finance cost for the six-month period ended June 30, 2018 amounted to Baht 3.65 million, decreased by Baht 0.50 million or 12.08% compared with the same period of the prior year. The Company was able to negotiate interest rates with financial institution that provided financial support to the Company. Thus, interest rates decrease and finance costs also decrease.

Income tax expense

Income tax expense for the six-month period ended June 30, 2018 amounted to Baht 4.97 million, increased by Baht 0.44 million or 9.82% compared with the same period of the prior year, relating to the increase of net profit before income tax expenses increased by Baht 2.76 million or 12.82%.

Net profit and net profit margin

Net profit for the six-month period ended June 30, 2018 amounted to Baht 19.32 million, increased by Baht 2.32 million or 13.62% compared with the same period of the prior year, which net profit Baht 17 million. The main cause is incremental of sales, incremental of gross profit, decremental of distribution cost and finance cost as above mention.

Please be informed accordingly.

Yours sincerely,



Mrs. Soonthree Chanlongbutra,
Chief Executive Officer
Techno Medical Public Company Limited