



บริษัท เทคโนเมดิคัล จำกัด (มหาชน)

Techno Medical Public Company Limited

29 ซอยลาดพร้าว 92 แขวงพลับพลา เขตวังทองหลาง กรุงเทพฯ 10310 โทร. +662-933-6112, +662-933-6119 โทรสาร : +662-933-9763
29 Soi Ladprao 92, Phlabphla, Wangthonglang, Bangkok 10310 Tel. +662-933-6112, +662-933-6119 Fax : +662-933-9763

No. TM01/2019

February 23, 2019

Subject: Management Discussion and Analysis for the year ended December 31, 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 year ended December 31, 2018, with detail as follows

Statement of Comprehensive Income for the year ended December 31, 2018 and 2017

Statement of Comprehensive Income	FY 2018	FY 2017	Increase (Decrease)
	Million Baht	Million Baht	%
Revenue from Sales – net	643.85	628.48	2.45%
Gain on Exchange Rate	3.64	5.25	-30.67%
Other Income	0.79	0.85	-7.06%
Total Income	648.28	634.58	2.16%
Cost of Sales	373.17	372.64	0.14%
Gross Profit (Exclude Other Income)	270.68	255.84	5.80%
Distribution Costs	117.90	129.10	-8.68%
Administrative Expenses	89.36	80.68	10.76%
Profit before Finance Costs and Income Tax Expenses	67.85	52.16	30.08%
Finance Costs	7.21	8.05	-10.43%
Profit before Income Tax	60.64	44.11	37.47%
Income Tax Expense	12.34	8.74	41.19%
Net Profit	48.30	35.37	36.56%

Revenue from sales - net

Revenue from sales for the year ended December 31, 2018 amounted to Baht 643.85 million, increased by Baht 15.37 million or 2.45% compared to the same period of last year, contributing to increasing sales from Disposable Equipment and Supplies category, from Baht 528.23 million in 2017 to Baht 544.22 million in 2018 (+3.0% YoY) due to the fact that the Company has sales from new products which was launched in 2018. However, sales of Medical Equipment and Instrument slightly decreased from Baht 100.25 million in 2017 to Baht 99.63 million in 2018 (-0.61% YoY).

Gain on exchange rate

Gain on exchange rate for the year ended December 31, 2018 amounted to Baht 3.64 million, decreased by Baht 1.61 million or 30.67% compared with the same period of last year, contributing to depreciation of Thai Baht against foreign exchange rate such as US dollar and Euro especially in 2nd and 3rd Quarter of 2018. 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 year ended December 31, 2018 amounted to Baht 373.17 million, increased by Baht 0.53 million or 0.14% compared with the same period of last year, relatively to the sales increase. The Company has gross profit amounted to Baht 270.68 million which increased by Baht 14.84 million or 5.80% compared with the same period of last year since the Company is able to increase more gross profit margin on sales of Disposable Equipment and Supplies used in Blood Bank and Laboratories, General Surgical Instrument and Cardiovascular Surgical Instrument.

Distribution costs

Distribution costs for the year ended December 31, 2018 amounted to Baht 117.90 million, decreased by Baht 11.20 million or 8.68% compared with the same period of the prior year. There was an extraordinary item that the Company donated to Chulabhorn International Medical College, Thammasart University for construction of learning center in 2017. Furthermore, the Company is able to control cost of sample in 2018 more than in 2017. Thus, the overall of distribution costs decreased compared to the same period of prior year.

Administrative expenses

Administrative expenses for the year ended December 31, 2018 amounted to Baht 89.36 million, increased by Baht 8.68 million or 10.76% compared with the same period of the prior year. Because the Company accrued provision for obsolete inventories and allowance for doubtful accounts with overdue over 1 year.

Finance costs

Finance cost for the year ended December 31, 2018 amounted to Baht 7.21 million, decreased by Baht 0.84 million or 10.43% 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 year ended December 31, 2018 amounted to Baht 12.34 million, increased by Baht 3.60 million or 41.19% compared with the same period of the prior year, relating to the increase of net profit before income tax expenses increased by Baht 16.53 million or 37.47%.

Net profit and net profit margin

Net profit for the year ended December 31, 2018 amounted to Baht 48.30 million, increased by Baht 12.93 million or 36.56% compared with the same period of the prior year, which net profit Baht 35.37 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