

No. SMD 08/2022

May 13, 2022

Subject: Management Discussion and Analysis for the three-month period ended March 31, 2022

To: The President  
The Stock Exchange of Thailand

Saintmed Public Company Limited (“company”) would like to submit these Management Discussion and Analysis of the company’s operation for the three-month period ended March 31, 2022 with details as follows:

### 1Q22 Overview Performance

Saintmed Public Company Limited reported consolidated net profit for the first quarter of 2022 (“1Q22”) of THB 136.71 million, an increase of 1,620.77% YoY. The key factors affecting the company's performance are as follows:

- 1) **The COVID-19 outbreak** had a positive impact on increasing demand for products, especially general and respiration medical devices which are necessary for the screening and treatment of COVID-19.
- 2) **The depreciation of the Thai baht against the US dollar** resulted in an increase of the cost of products.

### Income Statement for the three-month period ended March 31, 2022

Income Statement	1Q22		1Q21		Chg. (YoY)	
	THB million	%	THB million	%	THB million	%
<b>Revenue</b>						
Revenue from sales	703.03	99.21%	151.72	97.60%	551.31	363.38%
Revenue from services	5.62	0.79%	3.73	2.40%	1.89	50.70%
<b>Revenue from sales and services</b>	<b>708.65</b>	<b>100.00%</b>	<b>155.45</b>	<b>100.00%</b>	<b>553.20</b>	<b>355.88%</b>
Cost of goods sold and services	(481.99)	68.01%	(92.28)	59.36%	(389.71)	422.33%
<b>Gross Profit</b>	<b>226.67</b>	<b>31.99%</b>	<b>63.17</b>	<b>40.64%</b>	<b>163.49</b>	<b>258.81%</b>
Other Income	3.16	0.45%	0.14	0.09%	3.02	2,158.95%
<b>Earnings before expenses</b>	<b>229.83</b>	<b>32.43%</b>	<b>63.31</b>	<b>40.73%</b>	<b>166.51</b>	<b>263.01%</b>
Selling Expenses	(34.70)	4.90%	(24.12)	15.52%	(10.58)	43.86%
Administrative Expenses	(23.00)	3.25%	(22.87)	14.71%	(0.13)	0.57%
Gain (loss) on exchange rate	0.08	0.01%	(3.69)	2.37%	3.76	(102.12%)
<b>Total Expenses</b>	<b>(57.62)</b>	<b>8.13%</b>	<b>(50.68)</b>	<b>32.60%</b>	<b>(6.95)</b>	<b>13.71%</b>
<b>Earnings before interest and tax</b>	<b>172.20</b>	<b>24.30%</b>	<b>12.63</b>	<b>8.13%</b>	<b>159.57</b>	<b>1,263.04%</b>
Finance Costs	(2.70)	0.38%	(2.78)	1.79%	0.08	(2.78%)
<b>Earnings before tax</b>	<b>169.50</b>	<b>23.92%</b>	<b>9.85</b>	<b>6.34%</b>	<b>159.65</b>	<b>1,620.45%</b>
Tax Expenses	(32.79)	4.63%	(1.91)	1.23%	(30.88)	1,619.14%
<b>Net Profit (Loss)</b>	<b>136.71</b>	<b>19.29%</b>	<b>7.94</b>	<b>5.11%</b>	<b>128.77</b>	<b>1,620.77%</b>

### Revenue from core operation

In 1Q22, the company generated revenue from sales and services of THB 708.65 million, an increase of THB 553.20 million or 355.88% YoY, with the major proportion of revenue coming from private customers, which increased to 75.49% from 30.10% in 1Q21 due to the sale of COVID-19 Antigen Test Kit (ATK) for a large corporate to distribute through convenience stores. The proportion of government customers were 24.51% which mostly come from public hospitals. The government primarily allocated budgets to purchase medical equipment necessary for the treatment of COVID-19. In addition, the company has delivered goods according to the investment budget in the backlog.

#### 1) Revenue from sales

The company's revenue structure was classified into 6 product groups by usage as following table:

Revenue breakdown by product group	1Q22		1Q21		Chg. (YoY)	
	THB million	%	THB million	%	THB million	%
1. Critical care medical devices	61.36	8.73%	67.78	44.67%	(6.42)	(9.48%)
2. Respiration medical devices	103.67	14.75%	47.92	31.58%	55.76	116.36%
3. Cardiology medical devices	16.15	2.30%	19.42	12.80%	(3.26)	(16.81%)
4. General medical devices	514.19	73.14%	5.87	3.87%	508.31	8,655.23%
5. Smart hospital medical devices	7.09	1.01%	10.03	6.61%	(2.94)	(29.28%)
6. Others <sup>1/</sup>	0.57	0.08%	0.70	0.46%	(0.13)	(18.56%)
<b>Total revenue from sales</b>	<b>703.03</b>	<b>100.00%</b>	<b>151.72</b>	<b>100.00%</b>	<b>551.31</b>	<b>363.38%</b>

Remark: <sup>1/</sup> device for use with other medical devices such as batteries and gels, including equipment for COVID-19 prevention such as hand sanitizer gel and masks.

In 1Q22, the company had revenue from sales of THB 703.03 million. An increase of THB 551.31 million or 363.38% YoY was mainly due to sale growth of general medical devices, which were ATK purchasing orders from a large corporate for distribution through convenience stores, followed by respiration medical devices, which are necessary for COVID-19 screening and treatment. In addition, the goods were delivered according to the backlog.

#### 2) Revenue from services

In 1Q22, the company generated revenue from services of THB 5.62 million, increased by THB 1.89 million or 50.70% YoY. This change was mainly driven by an increase of THB 1.36 million or 206.52% YoY from rental medical devices. Moreover, the company had revenue from Sleep Lab of THB 1.74 million, increased by THB 0.24 million or 15.64% YoY due to recovery of patient numbers.

**Cost of goods sold and services**

The cost of goods sold and services in 1Q22 were THB 481.99 million, increased by THB 389.71 million or 422.33% YoY, due to an increase in cost of goods sold, especially cost of products as a result of the depreciation of the Thai baht against the US dollar. In addition, the reserve for stock obsolete was increased due to the reduction in prices of COVID-19 related products. The portion of total cost of goods sold and services to revenue in 1Q22 was 68.01%, increased by 8.65% YoY.

**Gross Profit and Gross Profit Margin**

In 1Q22, the company had a gross profit of THB 226.67 million, an increase of THB 163.49 million or 258.81% YoY, mainly due to sales growth. The gross profit margin in 1Q22 was 31.99%, decreased by 8.65% YoY, due to the sale of ATK through convenience stores of a large corporate, which has low gross margin.

**Selling Expenses**

In 1Q22, the company's selling expenses were THB 34.70 million, increased by THB 10.58 million or 43.86% YoY. This change was mainly from increase in commission and delivery costs as the sales increased. Nevertheless, selling expenses growth rate was less than revenue growth rate. As a result, the portion of total selling expenses to revenue declined from 15.52% in 1Q21 to 4.90% in 1Q22.

**Administrative Expenses**

In 1Q22, the company's administrative expenses were THB 23.00 million, increased by THB 0.13 million or 0.57% YoY. This change was attributable to the increase in salary and benefits for executive employees. In addition, the company had THB 0.40 million of penalties for delayed delivery of goods, which have significantly declined compared to THB 4.16 million of penalties in 1Q21. The administrative expenses growth rate was less than revenue growth rate, therefore, the portion of total administrative expenses to revenue declined from 14.71% in 1Q21 to 3.25% in 1Q22.

**Gain (loss) on foreign exchange rate**

In 1Q22, the company had THB 0.08 million gain on foreign exchange rate, which increased by THB 3.76 million or 102.12% YoY compared to THB 3.69 million loss on foreign exchange rate in 1Q21. However, the foreign exchange rate risk was mitigated by quoting the exchange rate at the time of making the transaction (spot rate) to reduce loan outstanding in foreign currency.

**Finance Costs**

In 1Q22, the company had finance costs of THB 2.70 million, which declined by THB 0.08 million or 2.78% YoY. This change was mainly because of loan repayment, resulting in a decrease in interest on loans from financial institutions.

**Net Profit and Net Profit Margin**

In 1Q22, the company had net profit of THB 136.71 million, increased by THB 128.77 million or 1,620.77% YoY. Net profit margin for 1Q22 was 19.29%, increased by 14.18% YoY. The improved net profit and net profit margin were mainly driven by sales growth while expenses growth at lower rate.

Please be informed accordingly,

Sincerely yours,

*- Viroje Vasusuttikulant -*

(Mr. Viroje Vasusuttikulant)

Chief Executive Officer

Saintmed Public Company Limited