

Section 3

Financial position and performance

Financial position and performance

13. FINANCIAL POSITION AND PERFORMANCE

Summary of Financial Information

BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES COMPARED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER

Unit: Thousand Baht

	2020	%	2019	%	2018	%
ASSETS						
Current assets						
Cash and cash equivalents	1,229,424	5.08	2,080,581	7.95	2,522,747	10.20
Short-term investments	-	-	6,409,686	24.48	6,477,819	26.17
Other current financial assets	6,908,693	28.52	-	-	-	-
Trade and other receivables	2,205,539	9.11	2,747,662	10.49	2,560,672	10.35
Inventories	309,199	1.28	330,321	1.26	391,809	1.58
Prepaid expenses	107,328	0.44	116,865	0.45	109,234	0.44
Other current assets	40,724	0.17	51,326	0.20	32,497	0.13
Total current assets	10,800,907	44.59	11,736,441	44.83	12,094,778	48.87
Non-current assets						
Restricted bank deposits	-	-	6,004	0.02	6,004	0.02
Investments in associates	75,726	0.31	78,102	0.30	219,841	0.89
Other non-current financial assets	356,250	1.47	-	-	-	-
Other long-term investments	-	-	1,317,556	5.03	1,700	0.01
Property, plant and equipment	11,725,733	48.41	11,860,083	45.30	11,256,013	45.48
Right-of-use assets	83,862	0.35	-	-	-	-
Intangible assets	715,028	2.95	771,569	2.95	789,315	3.19
Goodwill	63,817	0.26	66,773	0.26	74,320	0.30
Deferred tax assets	338,661	1.40	326,857	1.25	289,745	1.17
Other non-current assets	61,682	0.25	17,647	0.06	17,093	0.07
Total non-current assets	13,420,759	55.41	14,444,591	55.17	12,654,031	51.13
TOTAL ASSETS	24,221,666	100.00	26,181,032	100.00	24,748,809	100.00

BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
COMPARED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER

Unit: Thousand Baht

	2020	%	2019	%	2018	%
LIABILITIES AND SHAREHOLDERS' EQUITY						
Current liabilities						
Trade and other payables	704,156	2.91	870,349	3.32	964,663	3.90
Current portion of long-term loan and interest payable to a related party	-	-	-	-	168,182	0.68
Accrued physicians' fees	519,738	2.15	720,775	2.75	739,346	2.99
Current portion of liabilities under finance lease agreements	37,141	0.15	-	-	-	-
Current portion of long-term debenture	2,497,289	10.31	-	-	-	-
Accrued expenses	548,332	2.26	568,833	2.17	518,982	2.10
Income tax payable	13,094	0.05	413,227	1.58	407,472	1.65
Other current liabilities	98,279	0.41	65,868	0.26	79,490	0.32
Total current liabilities	4,418,029	18.24	2,639,052	10.08	2,878,135	11.63
Non-current liabilities						
Long-term loans from and interest payable to an unrelated party	20,834	0.09	18,426	0.07	19,702	0.08
Long-term debentures – net of current portion	-	-	2,494,615	9.53	2,492,081	10.07
Liabilities under finance lease agreements - net of current portion	52,968	0.22	-	-	-	-
Deferred tax liability	4,275	0.02	4,270	0.02	47,817	0.19
Provision for long-term employee benefits	888,949	3.67	759,537	2.90	566,649	2.29
Total non-current liabilities	967,026	3.99	3,276,848	12.52	3,126,249	12.63
Total liabilities	5,385,055	22.23	5,915,900	22.60	6,004,384	24.26

BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
COMPARED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER

Unit: Thousand Baht

	2020	%	2019	%	2018	%
Shareholders' equity						
Share capital						
Registered						
921,521,820 ordinary shares of Baht 1 each (2019: 921,491,820 ordinary shares of Baht 1 each, 2018: 921,401,820 ordinary shares of Baht 1 each)	921,522		921,492		921,402	
1,180,865 preference shares of Baht 1 each (2019: 1,210,865 preference shares of Baht 1 each, 2018: 1,300,865 preference shares of Baht 1 each)	1,181		1,211		1,301	
Issued and paid-up						
794,585,642 ordinary shares of Baht 1 each (2019: 728,841,357 ordinary shares of Baht 1 each, 2018: 728,751,357 ordinary shares of Baht 1 each)	794,586	3.28	728,841	2.78	728,751	2.95
1,180,865 preference shares of Baht 1 each (2019: 1,210,865 preference shares of Baht 1 each, 2018: 1,300,865 preference shares of Baht 1 each)	1,181	0.00	1,211	0.00	1,301	0.01
Premium on ordinary shares	449,854	1.86	285,568	1.09	285,568	1.15
Convertible bonds treated as equity securities	320,000	1.32	550,000	2.10	550,000	2.22
Retained earnings						
Appropriated - statutory reserve	92,275	0.38	92,275	0.35	92,275	0.37
Unappropriated	17,143,532	70.78	18,560,051	70.90	16,789,304	67.84
Other components of shareholders' equity	(269,893)	(1.11)	(244,579)	(0.93)	7,415	0.03
Equity attributable to owners of the Company	18,531,535	76.51	19,973,367	76.29	18,454,614	74.57
Non-controlling interests of the subsidiary	305,076	1.26	291,765	1.11	289,811	1.17
Total shareholders' equity	18,836,611	77.77	20,265,132	77.40	18,744,425	75.74
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	24,221,666	100.00	26,181,032	100.00	24,748,809	100.00

BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
INCOME STATEMENTS
FOR THE YEARS ENDED 31 DECEMBER

Unit: Thousand Baht

	2020	%	2019	%	2018	%
Revenues						
Revenues from hospital operations	12,315,493	98.96	18,409,147	99.19	18,264,201	99.18
Rental income	46,607	0.37	65,165	0.35	61,761	0.34
Exchange gains	4,696	0.04	-	-	-	-
Other income	77,835	0.63	84,893	0.46	89,670	0.49
Total revenues	12,444,631	100.00	18,599,205	100.00	18,415,632	100.00
Expenses						
Cost of hospital operations	7,677,335	61.69	10,285,083	55.42	10,045,965	54.55
Selling expenses	328,043	2.64	486,898	2.62	386,074	2.10
Administrative expenses	3,066,212	24.64	3,264,285	17.59	2,902,220	15.76
Loss on investment in the associate	-	-	6,005	0.03	-	-
Exchange losses	-	-	12,434	0.07	5,182	0.03
Total expenses	11,071,590	88.97	14,054,705	75.73	13,339,440	72.44
Profit before share of profit from investments in associates, finance income, finance cost and income tax expenses	1,373,041	11.03	4,504,499	24.27	5,076,192	27.56
Share of profit (loss) from investments in associates	(2,377)	(0.02)	(3,049)	(0.02)	(4)	(0.00)
Profit before finance income, finance cost and income tax expenses	1,370,664	11.01	4,501,450	24.25	5,076,188	27.56
Finance income	127,891	1.03	159,067	0.86	125,396	0.68
Profit before finance cost and corporate income tax	1,498,555	12.04	4,660,517	25.11	5,201,584	28.25
Finance cost	(127,619)	(1.03)	(127,013)	(0.68)	(165,155)	(0.90)
Profit before income tax expenses	1,370,936	11.02	4,533,504	24.43	5,036,429	27.35
Income tax expenses	(149,681)	(1.20)	(773,191)	(4.17)	(880,205)	(4.78)
Profit for the year	1,221,255	9.81	3,760,313	20.26	4,156,224	22.57
Profit attributable to:						
Equity holders of the Company	1,204,138	9.68	3,747,729	20.19	4,151,885	22.55
Non-controlling interests of the subsidiary	17,117	0.14	12,584	0.07	4,339	0.02
	1,221,255	9.81	3,760,314	20.26	4,156,224	22.57

... Translation ...

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEARS ENDED 31 DECEMBER

(Unit: Baht)

Consolidated financial statements													
Equity attributable to owners of the Company													
	Other components of shareholders' equity												
	Other comprehensive income												
	Exchange differences												
	Issued and paid-up share capital		Premium on ordinary shares	Convertible bonds treated as equity securities	Retained earnings		Unappropriated	Fair value reserve	Other surplus of an associated company	Total other components of shareholders' equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
	Ordinary shares	Preference shares			Appropriated								
Balance as at 1 January 2019	728,751,357	1,300,865	285,568,300	550,000,000	92,275,000	16,789,303,287	(201,364,635)	-	208,779,271	7,414,636	18,454,613,445	289,811,128	18,744,424,573
Profit for the year	-	-	-	-	-	3,747,729,295	(43,214,815)	-	-	-	3,747,729,295	12,584,256	3,760,313,551
Other comprehensive income for the year	-	-	-	-	-	82,606	(43,214,815)	-	-	(43,214,815)	(43,132,209)	(10,630,813)	(53,783,022)
Total comprehensive income for the year	-	-	-	-	-	3,747,811,901	(43,214,815)	-	-	(43,214,815)	3,704,597,086	1,953,443	3,706,550,529
Conversion of preference shares to ordinary shares (Note 2)	90,000	(90,000)	-	-	-	-	-	-	-	-	-	-	-
Transfer of other surplus of an associated company to retained earnings (Note 15.1)	-	-	-	-	-	208,779,271	-	-	(208,779,271)	(208,779,271)	-	-	-
Dividend paid (Note 34)	-	-	-	-	-	(2,153,343,716)	-	-	-	-	(2,153,343,716)	-	(2,153,343,716)
Interest paid for convertible bonds treated as equity securities (Note 26)	-	-	-	-	-	(32,500,000)	-	-	-	-	(32,500,000)	-	(32,500,000)
Balance as at 31 December 2019	728,841,357	1,210,865	285,568,300	550,000,000	92,275,000	18,580,050,743	(244,579,450)	-	-	(244,579,450)	19,973,366,815	291,764,571	20,265,131,386
Balance as at 1 January 2020	728,841,357	1,210,865	285,568,300	550,000,000	92,275,000	18,580,050,743	(244,579,450)	-	-	(244,579,450)	19,973,366,815	291,764,571	20,265,131,386
Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards (Note 4)	-	-	-	-	-	(3,718,834)	-	(2,800,000)	-	(2,800,000)	(6,518,834)	-	(6,518,834)
Balance as at 1 January 2020 - as restated	728,841,357	1,210,865	285,568,300	550,000,000	92,275,000	18,556,331,909	(244,579,450)	(2,800,000)	-	(247,379,450)	19,966,847,981	291,764,571	20,258,612,552
Profit for the year	-	-	-	-	-	1,204,137,572	(21,044,097)	-	-	-	1,204,137,572	17,116,709	1,221,254,281
Other comprehensive income for the year	-	-	-	-	-	(40,002,770)	(21,044,097)	(1,469,173)	-	(22,513,270)	(82,516,040)	(3,804,980)	(86,321,020)
Total comprehensive income for the year	-	-	-	-	-	1,164,134,802	(21,044,097)	(1,469,173)	-	(22,513,270)	1,141,821,532	13,311,729	1,154,933,261
Conversion of convertible bonds to ordinary shares (Note 2)	85,714,285	-	164,285,715	(230,000,000)	-	-	-	-	-	-	-	-	-
Conversion of preference shares to ordinary shares (Note 2)	30,000	(30,000)	-	-	-	-	-	-	-	-	-	-	-
Dividend paid (Note 34)	-	-	-	-	-	(2,546,287,661)	-	-	-	-	(2,546,287,661)	-	(2,546,287,661)
Interest paid for convertible bonds treated as equity securities (Note 26)	-	-	-	-	-	(30,647,397)	-	-	-	-	(30,647,397)	-	(30,647,397)
Balance as at 31 December 2020	794,585,642	1,180,865	449,854,015	320,000,000	92,275,000	17,143,531,653	(265,623,547)	(4,269,173)	-	(269,892,720)	18,531,534,455	305,076,300	18,836,610,755

BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
CASH FLOW STATEMENTS
FOR THE YEARS ENDED 31 DECEMBER

Unit: Thousand Baht

	2020	2019	2018
Cash flows from operating activities			
Profit before tax	1,370,936	4,533,504	5,036,430
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities: -			
Depreciation and amortisation	1,220,102	1,223,297	1,179,529
Bad debts and allowance for doubtful accounts	-	67,179	78,031
Loss from impairment of financial assets (reversal)	11,680	-	-
Reduction of inventory to net realizable value (reversal)	1,345	(935)	1,783
Gain on sales and write-off of equipment	2,624	(1,775)	(672)
Differences from termination of lease	(59)	-	-
Provision for long-term employee benefits	117,971	260,109	96,697
Share of profit from investments in associates	2,377	3,049	4
Loss on investments in the associate	-	6,005	-
Interest income	(127,891)	(159,067)	(125,396)
Amortisation of debenture issuing costs to interest expense	2,674	2,534	3,839
Interest expense	124,945	124,479	161,316
Profit from operating activities before changes in operating assets and liabilities	2,726,704	6,058,379	6,431,561
Operating assets (increase) decrease			
Trade and other receivables	525,333	(254,168)	(841,702)
Inventories	19,777	63,836	(85,696)
Prepaid expenses	9,537	(7,631)	1,829
Other current assets	(1,742)	1,073	15,079
Other non-current assets	(44,035)	(554)	8,372
Operating liabilities increase (decrease)			
Trade and other payables	(179,498)	(65,104)	23,330
Accrued physicians' fee	(201,036)	(18,571)	113,019
Accrued expenses	(23,895)	49,849	14,017
Other current liabilities	32,411	(13,622)	3,515
Provision for long-term employee benefits	(38,661)	(66,760)	(45,461)
Cash flows from operating activities	2,824,895	5,746,727	5,637,863
Cash paid for Income tax expense	(565,113)	(849,381)	(903,934)
Net cash flows from operating activities	2,260,526	4,897,346	4,733,929

BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
CASH FLOW STATEMENTS
FOR THE YEARS ENDED 31 DECEMBER

Unit: Thousand Baht

	2020	2019	2018
Cash flows from investing activities			
Decrease in restricted bank deposits	6,004	-	-
(Increase) Decrease in fixed deposit at banks	(132,352)	658,600	(679,930)
Cash paid for investments in held-to-maturity debt securities	-	(3,312,502)	-
Cash received from investments in held-to-maturity debt securities	-	1,406,179	-
Cash paid for investments in debt securities	(26,186)	-	-
Cash received from investments in debt securities	619,368	-	-
Cash paid for investments in associate	-	(79,816)	-
Cash received from return of investment in the associate	-	212,408	-
Cash paid for acquisition and payment of account payable - construction and purchase of property, plant and equipment	(888,366)	(1,754,778)	(508,242)
Cash paid for acquisition and payment of account payable - purchase of computer software	(104,350)	(130,413)	(385,193)
Proceeds from sales of equipment	7,316	6,204	2,852
Interest income	154,709	139,613	139,920
Net cash flows used in investing activities	(363,857)	(2,854,505)	(1,430,593)
Cash flows from financing activities			
Cash receipt from loan from unrelated parties	2,562	-	-
Repayment of loan from related party	-	(168,296)	-
Repayment of lease liabilities	(39,521)	-	-
Repayment of long-term debenture	-	-	(1,000,000)
Interest paid for long-term debentures	(124,590)	(124,250)	(170,150)
Interest paid for convertible bonds treated as equity securities	(31,467)	(32,500)	(32,500)
Dividend paid	(2,543,963)	(2,150,898)	(2,042,690)
Net cash flows used in financing activities	(2,736,979)	(2,475,944)	(3,245,340)
(Decrease) increase in translation adjustment	(10,847)	(9,063)	318
Net (decrease) increase in cash and cash equivalents	(851,157)	(442,166)	58,314
Cash and cash equivalents at beginning of year	2,080,581	2,522,747	2,464,433
Cash and cash equivalents at end of year	1,229,424	2,080,581	2,522,747

**BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FINANCIAL RATIO SUMMARY**

<i>Consolidated</i>	2020	2019	2018
<u>Liquidity Ratios</u>			
Liquidity ratio (times)	2.4	4.4	4.2
Quick ratio (times)	0.8	1.8	1.8
Cash ratio (times)	0.6	1.8	1.5
Accounts Receivables Turnover (times)	4.6	6.4	7.6
Average Collection Period (days)	78.8	56.6	47.4
Inventory Turnover (times)	21.8	26.4	26.5
Sales Period (days)	16.5	13.6	13.6
Accounts Payable Turnover (times)	11.0	12.5	12.0
Payment Period (days)	32.7	28.7	29.9
Cash Cycle (days)	62.5	41.5	31.0
<u>Profitability Ratios</u>			
Gross Margin (%)	43.3	48.2	49.2
EBITDA Margin (%)	20.8	30.9	34.0
Operation Margin (%)	11.0	24.4	27.6
Cash to operating profit (%)	164.6	108.3	93.2
EBT Margin (%)	11.0	24.2	27.2
Net Profit Margin (%)	9.7	20.2	22.5
Return on equity (%)	6.2	19.2	23.4
<u>Efficiency Ratio</u>			
Return on assets (%)	4.8	14.7	17.2
Return on fixed assets (%)	20.6	43.0	46.3
Asset turnover (times)	0.5	0.7	0.8
<u>Financial Policy Ratio</u>			
Total Liabilities to Equity (times)	0.3	0.3	0.3
Debt to Equity (times)	0.1	0.1	0.1
Net Debt to Equity (times)	0.1	0.0	0.0
Interest Coverage Ratio (times)	19.7	45.1	35.9
Debt service coverage ratio (CASH BASIS) (times)	17.2	38.5	27.2

**BUMRUNGRAD HOSPITAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FINANCIAL RATIO SUMMARY**

<i>Consolidated</i>	2020	2019	2018
<u>Baht per share</u>			
Par Value	1.0	1.0	1.0
Book Value Per Share	23.7	27.8	25.7
Book Value Per Share - Fully Diluted	21.7	23.4	21.6
Earnings Per Share	1.5	5.1	5.7
Earnings Per Share - Fully Diluted	1.4	4.3	4.8
Dividend per share	3.2	3.2	2.9
<u>Growth ratios</u>			
Sales from hospital operations (%)	(33.1)	0.8	1.4
Cost of goods sold (%)	(26.8)	2.9	(1.7)
Administrative expenses (%)	(12.4)	13.4	6.9
EBITDA (%)	(54.8)	(8.3)	3.7
Operating profit (%)	(69.6)	(11.0)	5.1
Net profit (%)	(67.9)	(9.7)	5.3
Total assets (%)	(7.5)	5.8	5.4

14. **Management Discussion and Analysis**

Total revenues for 2020 decreased to Baht 12,445 million, or 32.9% less than Baht 18,559 million in 2019. Net profit for 2020 decreased by 67.9% to Baht 1,204 million from Baht 3,748 million in 2019, with Net profit margin at 9.7% in 2020 compared to 20.2% in 2019.

Details of the management discussion and analysis follow:

14.1 **Income Statement**

The Company reported Revenues from hospital operations of Baht 12,315 million, a 33.1% decrease year-over-year from Baht 18,409 million in 2019. This was mostly due to a decrease in revenues from Thai patients and non-Thai patients by 1.8% and 48.4%, respectively. As a result, the revenue contribution from Thai patients was 48.1%, whereas revenue from non-Thai patients was 51.9% for 2020 compared with 32.8% and 67.2%, respectively, for 2019.

Operating Expenses and EBITDA Unit: Million Baht	2020	2019	Change
Cost of hospital operations	7,677	10,285	25.4%
Selling expenses	328	487	32.6%
Administrative expenses	3,066	3,264	6.1%
EBITDA	2,593	5,734	-54.8%
EBITDA Margin	20.8%	30.9%	

The Company reported Cost of hospital operations (including Depreciation and amortization) of Baht 7,677 million in 2020, resulting in a 25.4% decrease year-over-year from Baht 10,285 million in 2019. The variance was mostly due to Baht 1,332 million decrease in physicians' fees; Baht 624 million less supply costs; and Baht 456 million decrease in personnel cost, mostly associated with workforce management after the COVID-19 outbreak and the prior year one-time adjustment of Thai severance in 2019. These variances were in line with the decrease in Revenues from hospital operations. This contributed to the percentage of cost to Revenues from hospital operations of 62.3% in 2020 compared with 55.9% in 2019.

Selling expenses (including Depreciation and amortization) were Baht 328 million in 2020, or 32.6% decrease year-over-year from Baht 487 million in 2019. The variance was mostly due to Baht 162 million decrease in marketing expenses.

Administrative expenses (including Depreciation and amortization) were Baht 3,066 million in 2020, or 6.1% decrease year-over-year from Baht 3,264 million in 2019. The variance was mostly due to Baht 130 million less in personnel cost, mostly associated with workforce management after the COVID-19 outbreak and the prior year one-time adjustment of Thai severance in 2019; Baht 33 million decrease in property taxes as the government announced a 90% property tax reduction in June 2020; and Baht 19 million decrease in rental expenses, as a result of TFRS 16 leases effective 1 January 2020.

EBITDA decreased by 54.8% year-over-year to Baht 2,593 million in 2020 from Baht 5,734 million in 2019, with an EBITDA margin of 20.8% in 2020 compared to 30.9% in 2019.

Depreciation and amortization were Baht 1,220 million in 2020 compared to Baht 1,223 million in 2019.

Corporate income tax was Baht 150 million in 2020 compared to Baht 773 million in 2019. The variance was mostly due to the decrease in taxable operating profit.

Basic EPS was Baht 1.54 in 2020, compared to Baht 5.14 in 2019, while 2020 Diluted EPS was Baht 1.39, compared to Baht 4.32 in 2019.

Income statements Unit: Million Baht	2020	2019	Change
Revenues from Hospital Operations	12,315	18,409	-33.1%
Total Revenues	12,445	18,559	-32.9%
EBITDA	2,593	5,734	-54.8%
Net Profit	1,204	3,748	-67.9%
<i>EBITDA Margin</i>	20.8%	30.9%	
<i>Net Profit Margin</i>	9.7%	20.2%	

EPS Unit: Baht	2020	2019	Change
EPS – Basic	1.54	5.14	-70.0%
EPS – Fully Diluted	1.39	4.32	-67.9%

14.2 Statement of Financial Position

As at 31 December 2020, the Company reported Total current assets of Baht 10,801 million, a decrease from Baht 11,736 million as at 31 December 2019. The variance was mostly due to a net decrease of Baht 352 million in Cash and cash equivalents; Short-term investments; and Other current financial assets, mainly from Baht 2,544 million dividend payment, offset with Baht 2,261 million increase in net cash flow from operating activities. Trade receivables were Baht 2,190 million as at 31 December 2020 versus Baht 2,731 million as at 31 December 2019. The collection period was 78.8 days as at 31 December 2020 compared to 56.6 days as at 31 December 2019, mostly due to revenues and the collection periods associated with certain Middle East accounts. The collection period remains under the overall credit term policy of 30-90 days.

Total non-current assets decreased to Baht 13,421 million as at 31 December 2020 from Baht 14,445 million as at 31 December 2019, mostly due to Baht 961 million net reclassification of Other non-current financial assets and Other long-term investments into Other current financial assets.

Total current liabilities were Baht 4,418 million as at 31 December 2020, an increase from Baht 2,639 million as at 31 December 2019. The variance was primarily from Baht 2,497 million Current portion of long-term debenture due in December 2021, offset with Baht 400 million less Corporate income tax payable and Baht 201 million less Accrued physicians' fee.

Non-current liabilities were Baht 967 million as at 31 December 2020, a decrease from Baht 3,277 million as at 31 December 2019. The variance was mostly due to Baht 2,497 decrease in Long-term debentures reclassified as Current Liabilities, offset with Baht 129 million additional Provision for long-term employee benefits.

The Company's Interest coverage ratio was 19.7x in 2020 compared to 45.1x in 2019, due to the decrease in EBITDA.

Total shareholders' equity was Baht 18,837 million as at 31 December 2020, compared to Baht 20,265 million as at 31 December 2019. This variance was mostly from Baht 2,546 million dividend payment, offset with the Company's 2020 Net profit of Baht 1,204 million. Average return on assets (ROA) was 4.8% in 2020, compared to 14.7% in 2019. Average return on equity (ROE) was 6.2% in 2020, compared to 19.2% in 2019.

Unit: Million Baht	31-Dec-20	31-Dec-19	Change
Total Assets	24,222	26,181	-7.5%
Total Liabilities	5,385	5,916	-9.0%
Total Shareholders' Equity	18,837	20,265	-7.0%
	2020	2019	
Interest Coverage Ratio (x)	19.7*	45.1*	

* After adding back the 2020 and 2019 capitalized interest expenses related to the campus expansion.

	2020	2019	
Average Collection Period (days)	78.8	56.6	
Average Inventory Period (days)	16.5	13.6	
Average Payables Period (days)	32.7	28.7	
Net Debt to Equity (x)	0.1	0.0	
Net Debt to EBITDA (x)	0.5	0.1	
Average Return on Assets (%)	4.8%	14.7%	
Average Return on Equity (%)	6.2%	19.2%	

14.3 Liquidity

The Company's Net cash flows from operating activities in 2020 were Baht 2,261 million, compared to Baht 4,897 million in 2019. This decrease was mainly due to Baht 3,331 million less income from operating activities before changes in operating assets and liabilities, offset with Baht 780 million decrease in Trade and other receivables and Baht 284 million less Cash paid for corporate income tax. Net cash flows used in investment activities were Baht 364 million in 2020, compared to Baht 2,855 million in 2019. This variance was mainly due to Baht 1,709 million net decrease in investments in fixed deposit, debt securities, and held-to-maturity debt securities, and Baht 892 million decrease in acquisition of PP&E and computer software. The Company reported Net cash flows used in financing activities of Baht 2,737 million in 2020, compared to Baht 2,476 million in 2019. This variance was mostly due to Baht 393 million increase in dividend payment. As a result of the above, Cash and cash equivalents was Baht 1,229 million as at 31 December 2020, compared to Baht 2,081 million as at 31 December 2019.

The Company's Liquidity ratio as at 31 December 2020 was 2.4x compared to 4.4x as at 31 December 2019, while the Quick ratio was 0.8x as at 31 December 2020 compared to 1.8x as at 31 December 2019. The decrease was due to the reclassification of Long-term debentures of Baht 2,497 million, due in December 2021, as Current liabilities.

Unit: Million Baht	2020	2019
Cash Flow from Operating Activities	2,261	4,897
Cash Flow used in Investing Activities	(364)	(2,855)
Cash Flow used in Financing Activities	(2,737)	(2,476)
Net increase (decrease) in cash and cash equivalents	(851)	(442)
Cash and cash Equivalents at end of year	1,229	2,081
	31-Dec-20	31-Dec-19
Liquidity Ratio (x)	2.4	4.4
Quick Ratio (x)	0.8	1.8

14.4 Other Matter

14.4.1) On September 30, 2020, TRIS Rating affirmed the Company rating and the rating on BH's senior unsecured debentures at "A+", with a "stable" outlook. The ratings reflect the Company's leading position in the premium private healthcare service market in Thailand and its well-recognized brand among local and international patients. The ratings also take into consideration its strong balance sheet with minimal financial leverage and ample liquidity position.

14.4.2) Due to TFRS 9 Financial Instruments effective 1 January 2020, interest income is reclassified as financial income and is not presented under Total revenues. As a result, Net profit margin of 2019 previously presented was slightly changed as shown in the table below.

Net profit margin	2019
Previously presented	20.0
After adoption of TFRS 9	20.2

14.5 Contractual Obligations

	As at 31 December 2020						(Unit: Million Baht)
	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	Effective interest rate
	Within 1 year	1-5 years	Over 5 years				(% per annum)
Long-term debentures	2,497	-	-	-	-	2,497	4.97
Long-term loan and interest payables to unrelated parties	-	20	-	-	1	21	0.21-1.38
	2,497	20	-	-	1	2,518	

Under the terms and conditions of the debentures, the Company has to comply with certain restrictions and maintain certain financial ratios which include:

- maintenance of a net debt to equity ratio not exceeding 1.75:1
- maintenance of a net debt to EBITDA ratio not exceeding 3.25:1

15. Effect of COVID-19

Effect of COVID-19	
1. Operation	<input checked="" type="checkbox"/> Effected <input type="checkbox"/> Non-effected
<input checked="" type="checkbox"/> Demand for goods & services <input type="checkbox"/> Changes to previous announced plan, projects or targets <input type="checkbox"/> Pandemic outbreak among employees <input type="checkbox"/> Supply Chain <input type="checkbox"/> Halting of operations <input checked="" type="checkbox"/> Operation constraints <input type="checkbox"/> Others	
<p>Note: - Demand for services decreased because of the airport-lockdown measure to prevent the outbreak of COVID-19. It effected the foreign customers' abilities to travel to Thailand. The Company dealt with the effect by providing the service of Alternative Hospital Quarantine: AHQ, Alternative State Quarantine: ASQ with allied hotels for foreign customers or Thai customers whom return from abroad, and relieve flights for accepting patients with cooperation with Ministry of Foreign Affairs and Ministry of Public Health.</p> <p>- Operation constraint caused by the curfew under Emergency Decree. It effected some of the Company's employees, whom had on-shift or off-shift during the curfew. The Company dealt with the effect by obtaining the permission under Emergency Decree and all applicable laws.</p> <p>- The Company's care and services was assured by being the first hospital in the world to receive GHA-COVID-19 Certificate of Conformance for Medical Tourism.</p> <p>- No infection and spread of COVID-19 occurs in the hospital up until the present.</p>	
2. Financial	<input type="checkbox"/> Effected <input checked="" type="checkbox"/> Non-effected
<input type="checkbox"/> Ability to fulfil obligations <input type="checkbox"/> Liquidity <input type="checkbox"/> Debt covenants <input type="checkbox"/> Others <input type="checkbox"/> Ability to pay dividend	
Note: Non-effected	
3. Balance sheet and performance	<input type="checkbox"/> Effected <input checked="" type="checkbox"/> Non-effected
<input type="checkbox"/> Impairments of assets <input type="checkbox"/> Changes in accounting estimates previous disclosed <input type="checkbox"/> Acquisition or disposal of assets that <input type="checkbox"/> Changes to capex as previous planned Otherwise not have occurred <input type="checkbox"/> Others	
Note: Non-effected	
4. Contractual Obligations	<input type="checkbox"/> Effected <input checked="" type="checkbox"/> Non-effected
<input type="checkbox"/> Threats to contractual rights, ability to fulfil obligation <input type="checkbox"/> Temporary relief, force majeure clauses <input type="checkbox"/> Changes to material contractual terms or termination of obligations <input type="checkbox"/> Others	
Note: Non-effected	

5. Threats to viability		<input checked="" type="checkbox"/> Effected	<input type="checkbox"/> Non-effected
<input type="checkbox"/> Ability to operate as a going concern		<input type="checkbox"/> Effects on related companies	
<input checked="" type="checkbox"/> Changes to business plan for managing near-term costs		<input type="checkbox"/> Others	
<p>Note: The Company's normal practice was resilient by 2 – 3 months and ongoing after the outbreak. Furthermore, the Company increased several sale promotions for several targets, adjusted the service team for new markets, including developed new services such as telemedicine service, Bumrungrad at Home, "60 Seconds" Clinic, and Bumrungrad Application on mobile in response to the new normal after COVID-19. In addition, the Company decreased hospital operations' costs without compromising on Bumrungrad Safety Standard, and decreased selling and administrative expenses in proportional to the income. Details are provided in 14. Management Discussion and Analysis.</p>			
6. Others (If any)			
Note: None			