

บริษัท วัฒนาการแพทย์ จำกัด (มหาชน) (บมจ 456)



70/7-8 ถนนสุขกิจจรรยา ตำบลหมากแข้ง อำเภอเมือง จังหวัดอุดรธานี

Telephone (042) 241031-3 , 246181-3

70/7-8 Suphakitjanya Rd. Muang District , Udon Thani, Thailand.

WATTANA KARNAET PUBLIC COMPANY LIMITED

14th August 2016

Wattana Karnpaet Public Company Limited

Management Discussion and Analysis

Executive Summary

Quarter 2/2016 Performance

Wattana Karnpaet Public Company Limited (“Company”) reported the total income in 2016 to be Baht 71.296 million, decreased by 8.03% from that of 2015. The decrease in the hospital’s income was from the portion of social security income that was discontinued this year of Baht 11.723 million because the hospital exited from the social security scheme.

In Quarter 2/2016, the Company has EBITDA of Baht 4.454 million, which increased 21.4%.

From the above mentioned, the Company reported net loss of Baht 0.972 million, less loss of 50.1% from the same quarter last year.

Quarter 2/2016 Financial Summary

Operating Income

(Million Baht)	Quarter 2 2016	Quarter 2 2015	% Change
Revenue from hospital operations	68.895	75.428	-8.66%
Other Income	2.400	2.094	14.62%
Total Income	71.296	77.523	-8.03%

Cost and Expenses

(Million Baht)	Quarter 2 2016	Quarter 2 2015	% Change
Cost of hospital operations	55.439	62.678	-11.55%
Administrative expenses	15.923	15.578	2.22%
Total cost and expenses and depreciation	71.363	78.256	-8.81%

In Quarter 2/2016, the Company has the cost of hospital operations with depreciation of Baht 71.323 million, decreased by Baht 6.893 million, or 8.81% from last year. This comprises of the costs of operations of Baht 55.439 million, decreased by Baht 7.239 million, or 11.55% from last year. The decrease in costs was due to the decrease of social security patients since the hospital exited the social security scheme this year.

The administrative expense in Quarter 2/2016 was Baht 15.923 million, slightly increased from last year, or increased 2.22%. This increase was due to the increase in depreciation expenses.

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Profitability Analysis

(Million Baht)	Quarter 2 2016	Quarter 2 2015	% Change
EBITDA EBITDA margin	4.454 6%	3.668 5%	21.4%
EBIT EBIT margin	-0.416 -1%	-0.751 -1%	44.6%
Net profit Net profit margin	-0.972 -1%	-1.945 -3%	50.1%
Basic earning per share	-0.10	-0.19	50.1%

From the above mentioned, EBITDA increased from Baht 3.668 million in Quarter 2/2015 to Baht 4.454 million in Quarter 2/2016, or increased 21.4%. The EBITDA margin also increased from 5% to 6%.

Balance Sheet and Cash Flow

Balance Sheet

(Million)	Quarter 2 2016	Quarter 2 2015	% Change
Total Assets	457.060	467.431	-2.22%
Total Liabilities	141.697	148.555	-4.62%
Total Shareholders' Equity	315.363	318.876	-1.10%

In Quarter 2/2016, the total assets of the Company decreased by 2.22%, resulting in the Quarter 2/2016 total assets of Baht 457.060 million. At the same time the total liabilities was decreased by 4.62%, resulting in the total liabilities of Baht 141.697 million. This resulted in the total shareholders' equity in Quarter 2/2106 was Baht 315.363 million, or a 1.10% decrease.

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Cash flows for the six month period ended June 30, 2016

(Million Baht)	Quarter 2 2016
Net cash provided by operating activities	11.821
Net cash used in investing activities	(6.651)
Net cash used in financing activities	(11.402)
Decrease in cash and cash equivalents – net	(6.233)
Cash and cash equivalents at the beginning of the period	32.283
Cash and cash equivalents at end of the period	26.050

In Quarter 2/2016, the Company had net decrease in cash and cash equivalents of Baht 6.233 million, with the cash and cash equivalents at the beginning of the period of Baht 32.283 million. This is resulted in the cash and cash equivalents at end of the period of Baht 26.050 million.

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(Suphawan Tangsubkul , M.D.)
Director