

บริษัท วัฒนาการแพทย์ จำกัด (มหาชน) (บมจ 456)



70/7-8 ถนนศุภกิจจรรยา ตำบลหมากแข้ง อำเภอเมือง จังหวัดอุดรธานี

Telephone (042) 241031-3 , 246181-3

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

WATTANA KARNPAET PUBLIC COMPANY LIMITED

13th November 2016

Wattana Karnpaet Public Company Limited

Management Discussion and Analysis

Executive Summary

Quarter 3/2016 Performance

Wattana Karnpaet Public Company Limited (“Company”) reported the total income in Quarter 3 Year 2016 to be Baht 79.277 million, decreased from Quarter 3 Year 2015 Baht 86.674 million or decreased by 8.5 per cent. The income comprises of the hospital’s income of Baht 76.017 million in 2016, decreased from Baht 84.945 million or decreased by 11.7 per cent from last year. And the other income of Baht 3.260 million in 2016, increased from Baht 1.730 million from last year, or increased by 88.5 per cent.

The decrease in income was due to the decrease in the social security income of Baht 17.7 million. However, there was an increase in the inpatient income of Baht 9.08 million and a slight decrease of outpatient income of Baht 0.74 million.

In Quarter 3/2016, the Company has EBITDA of Baht 11.707 million, which decreased by Baht 2.14 million from the same quarter last year, or by 51.2 per cent.

The Company reported net profit of Baht 4.020 million, decreased from Baht 6.588 million, or decreased by 39.0 per cent from the same quarter last year.

Quarter 3/2016 Financial Summary

Operating Income

(Million Baht)	Quarter 3 2016	Quarter 3 2015	% Change
Revenue from hospital operations	76.017	84.945	-11.7%
Other Income	3.260	1.730	88.5%
Total Income	79.277	86.674	-8.5%

Cost and Expenses

(Million Baht)	Quarter 3 2016	Quarter 3 2015	% Change
Cost of hospital operations	54.305	62.497	-13.1%
Administrative expenses	18.711	14.861	25.9%
Total cost and expenses and depreciation	73.016	77.358	-5.6%

บริษัท วัฒนาการแพทย์ จำกัด (มหาชน) (บมจ 456)



70/7-8 ถนนศุภกิจจรรยา ตำบลหมากแข้ง อำเภอเมือง จังหวัดอุดรธานี

Telephone (042) 241031-3 , 246181-3

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

WATTANA KARNPAET PUBLIC COMPANY LIMITED

In Quarter 3/2016, the Company has the cost of hospital operations with depreciation of Baht 73.016 million, decreased by Baht 4.342 million, or 5.6 per cent from last year.

The cost of hospital operations in Quarter 3/2016 was Baht 54.305 million, decreased from Baht 62.497 million of last year, or decreased by 13.1 per cent. The decrease in cost of operations was mainly due to the decrease in the number of patients from the social security scheme.

The administrative expense in Quarter 3 / 2 0 1 6 was Baht 18.711 million, increased from Baht 14.861 million of last year, or increased 25.9 per cent. This is a result of the increase in the personnel for marketing and service activities. The total costs and expenses in Quarter 3/2016 was Baht 73.016 million, decreased from Baht 77.358 million of last year, or 5.6 per cent.

Profitability Analysis

(Million Baht)	Quarter 3 2016	Quarter 3 2015	% Change
EBITDA EBITDA margin	11.707 15%	13.849 16%	-15.47%
EBIT EBIT margin	6.415 8%	9.175 11%	-30.08%
Net profit Net profit margin	4.020 5%	6.588 7%	-39.00%
Basic earning per share	0.40	0.66	-39.00%

From the above mentioned, EBITDA decreased from Baht 13.849 million in Quarter 3/2015 to Baht 11.707 million in Quarter 3/2016, or decreased by 15.5 per cent. The EBITDA margin also decreased from 16 per cent to 15 per cent.

Balance Sheet and Cash Flow

Balance Sheet

(Million)	Quarter 3 2016	Quarter 3 2015	% Change
Total Assets	451.152	467.431	-3.61%
Total Liabilities	131.769	148.555	-12.74%
Total Shareholders' Equity	319.383	318.876	0.16%

บริษัท วัฒนาการแพทย์ จำกัด (มหาชน) (บมจ 456)



70/7-8 ถนนศุภกิจจรรยา ตำบลหมากแข้ง อำเภอเมือง จังหวัดอุดรธานี

Telephone (042) 241031-3 , 246181-3

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

WATTANA KARNPAET PUBLIC COMPANY LIMITED

In Quarter 3/2016, the total assets of the Company decreased by 3.61 per cent, resulting in the Quarter 3/2016 total assets of Baht 451.152 million. At the same time the total liabilities was decreased by 12.74 per cent, resulting in the total liabilities of Baht 131.769 million. This resulted in the total shareholders' equity in Quarter 3/2106 was Baht 319.383 million, or a 0.16 per cent increase.

Cash flows for the nine month period ended September 30, 2016

(Million Baht)	Quarter 3 2016
Net cash provided by operating activities	21.822
Net cash used in investing activities	(13.305)
Net cash used in financing activities	(16.761)
Decrease in cash and cash equivalents – net	(8.243)
Cash and cash equivalents at the beginning of the period	32.283
Cash and cash equivalents at end of the period	24.039

In Quarter 3/2016, the Company had net decrease in cash and cash equivalents of Baht 8.243 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 24.039 million.

.....
(Suphawan Tangsubkul , M.D.)
Director