



No. RPH-SET 11/2017

August 5, 2017

Subject : Management Discussion and Analysis for the 2<sup>nd</sup> Quarter of 2017 Ending June 30, 2017

To : The President  
The Stock Exchange of Thailand

The Board of Directors meeting of Ratchaphruek Hospital Public Company Limited (the Company) No. 4/2017 dated August 5, 2017 approved the Company's Interim Financial Information ending June 30, 2017. The Company would like to clarify the six-month period ended June 31, 2017 earnings results, as follows.

### **Statement of comprehensive income**

#### **Revenue from hospital operations**

The Company booked revenue from hospital operations amounting to Baht 199.98 million and Baht 194.19 million for the six-month period ended June 30, 2016 and the six-month period ended June 30, 2017, respectively. The figures represent a period-on-period decrease of 2.51% due mainly to an unusual high of patients from influenza epidemics in the first quarter of year 2016 and the reduction in patients in this period.

For the 2<sup>nd</sup> quarter of 2016 and 2017, the Company generated the total revenues from hospital operations in amounts of Baht 95.25 million and Baht 99.19 million, respectively, resulting in an overall growth rate of 4.14%.

#### **Cost of hospital operations**

The cost of hospital operations amounted to Baht 135.06 million and Baht 134.79 million in the six-month period ended June 30, 2016 and the six-month period ended June 30, 2017, respectively. Meanwhile, the cost of hospital operations to revenue ratios stood at 66.29% and 67.95%, respectively. The higher ratio on a period-on-period basis was attributable to the Company has some fixed costs that unchanged irrespective of the revenue in the first quarter of 2017.

#### **Selling expenses**

The Company booked selling expenses amounting to Baht 0.83 million and Baht 2.49 million for the six-month period ended June 30, 2016 and the six-month period ended June 30, 2017, respectively. The selling expenses to revenue ratios for those years stood at 0.41% and 1.26%, respectively. The selling expenses to revenue ratio was on the back of the expenses related to preparation for the planned listing to the Stock Exchange of Thailand in the first quarter of 2017 and make a perception for new hospital building.

**บริษัท โรงพยาบาลราชพฤกษ์ จำกัด (มหาชน) Ratchaphruek Hospital Public Company Limited**

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### **Administrative expenses**

In the six-month period ended June 30, 2016 and the six-month period ended June 30, 2017, the Company's administrative expenses amounted to Baht 26.48 million and Baht 30.14 million, respectively. The administrative expenses to revenue ratios for those years stood at 13.00% and 15.19%, respectively. The administrative expenses to revenue ratio was on the back of the expenses related to preparation for the planned listing to the Stock Exchange of Thailand in the first quarter of 2017 and increasing of computer system depreciation.

### **Finance costs**

The Company booked finance costs amounting to Baht 1.47 million in the six-month period ended June 30, 2016 and Baht 1.37 million in the six-month period ended June 30, 2017. The period-on-period drop in finance costs in the six-month period ended June 30, 2017 was because in early 2016 bank cut interest rates.

### **Net profits**

The Company booked net profits of Baht 31.90 million and Baht 24.02 million in the six-month period ended June 30, 2016 and the six-month period ended June 30, 2017, respectively. The result suggests that the Company's six-month period ended June 30, 2017 net profits decreased by 24.70% on a period-on-period basis, the net profit to revenue ratios stood at 15.66% and 12.11%, respectively. This decrease was related to a decrease in revenues and an increase in administrative expenses that related to preparation for the planned listing to the Stock Exchange of Thailand in the first quarter.

For the 2<sup>nd</sup> quarter of 2015 and 2016, the net profits were Baht 14.09 million and Baht 14.66 million, respectively, resulting in an overall growth rate of 4.05%. The net profit to revenue ratios stood at 14.37% and 14.24%, respectively.

### **Statement of financial position**

As of December 31, 2016 and June 30, 2017; the Company's total assets amounted to Baht 721.30 million and Baht 1,508 million, respectively. Major assets were cash and cash equivalents, short-term investments at financial institutions, and property, plant and equipment. As of December 31, 2016 and June 30, 2017, the Company saw cash and cash equivalents to Baht 57.67 million and Baht 288.76 million, respectively. The Company's short-term investments at financial institutions amounting to Baht 110.00 million and Baht 450.00 million, respectively, these increase proceeded from the initial public offering. Meanwhile, as of December 31, 2016 and June 30, 2017, the Company's property, plant and equipment were valued at Baht 499.88 million and Baht 715.23 million. The increase in this value was because the Company realized the progress of the construction in progress for its new hospital project.

The Company saw total liabilities of Baht 206.63 million and Baht 230.42 million, as of December 31, 2016 and June 30, 2017, respectively. The major liability was long-term loans from financial institutions. As of December 31, 2016 and June 30, 2017, the long-term loans from the financial institutions stood at Baht 63.81 million and Baht 63.87 million, respectively.

### **บริษัท โรงพยาบาลราชพฤกษ์ จำกัด (มหาชน) Ratchaphruek Hospital Public Company Limited**



# โรงพยาบาลราชพฤกษ์

*Ratchaphruek Hospital*

As of December 31, 2016 and June 30, 2017, the shareholders' equity was valued at Baht 514.67 million and Baht 1,278.52 million, respectively. The increase in shareholders' equity was thanks to the booking of operating profit and the capital increase program to fund the construction of the new hospital project.

Yours sincerely

(Mr. Teerawat Srinakarin)  
Chief Executive Officer

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