

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 2017

Wattana Karnpaet Public Company Limited

Management Discussion and Analysis

Executive Summary

Quarter 2/2017 Performance

Wattana Karnpaet Public Company Limited (“Company”) reported the total income in 2017 to be Baht 72.600 million, increased by 1.83% from that of 2016. The increase in the hospital’s income was from the increase in the in-patient income of 6.80%, whereas the out-patient income remains mainly unchanged.

In Quarter 2/2017, the Company has EBITDA of Baht 6.449 million, which increased 44.8%.

From the above mentioned, the Company reported net profit of Baht 0.239 million, increased by 124.6% from the same quarter last year.

Quarter 2/2017 Financial Summary

Operating Income

(Million Baht)	Quarter 2 2017	Quarter 2 2016	% Change
Revenue from hospital operations	70.207	68.895	1.90%
Other Income	2.392	2.400	-0.33%
Total Income	72.600	71.296	1.83%

Cost and Expenses

(Million Baht)	Quarter 2 2017	Quarter 2 2016	% Change
Cost of hospital operations	54.370	55.439	-1.93%
Administrative expenses	17.195	15.923	7.99%
Total cost and expenses and depreciation	71.565	71.363	0.28%

In Quarter 2/2017, the Company has the cost of hospital operations with depreciation of Baht 71.565 million, increased slightly from last year, or around 0.28%. This comprises of the costs of operations of Baht 54.370 million, decreased 1.93% from last year.

The administrative expense in Quarter 2/2017 was Baht 17.195 million, increased by 7.99% from last year. This increase was due to the increase in personnel expenses.

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Profitability Analysis

(Million Baht)	Quarter 2 2017	Quarter 2 2016	% Change
EBITDA EBITDA margin	6.449 9%	4.454 6%	44.8%
EBIT EBIT margin	1.049 1%	-0.416 -1%	352.2%
Net profit Net profit margin	0.239 0.33%	-0.972 -1%	124.6%
Basic earning per share	0.02	-0.10	124.6%

From the above mentioned, EBITDA increased from Baht 4.454 million in Quarter 2/2016 to Baht 6.449 million in Quarter 2/2017, or increased 44.8%. The EBITDA margin also increased from 6% to 9%.

Balance Sheet and Cash Flow

Balance Sheet

(Million)	Quarter 2 2017	Quarter 2 2016	% Change
Total Assets	450.445	454.442	-0.88%
Total Liabilities	134.557	129.677	3.76%
Total Shareholders' Equity	315.888	324.765	-2.73%

In Quarter 2/2017, the total assets of the Company decreased by 0.88%, resulting in the Quarter 2/2017 total assets of Baht 450.445 million. At the same time the total liabilities was increased by 3.76%, resulting in the total liabilities of Baht 134.557 million. This resulted in the total shareholders' equity in Quarter 2/2017 was Baht 315.888 million, or a 2.73% decrease.

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Cash flows for the six month period ended June 30, 2017

(Million Baht)	Quarter 2 2017
Net cash provided by operating activities	1.065
Net cash used in investing activities	(8.865)
Net cash used in financing activities	(2.156)
Decrease in cash and cash equivalents – net	(9.957)
Cash and cash equivalents at the beginning of the period	35.698
Cash and cash equivalents at end of the period	25.742

In Quarter 2/2017, the Company had net decrease in cash and cash equivalents of Baht 9.957 million, with the cash and cash equivalents at the beginning of the period of Baht 35.698 million. This is resulted in the cash and cash equivalents at end of the period of Baht 25.742 million.

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(Suphawan Tangsubkul , M.D.)
Director