

# 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

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12<sup>th</sup> November 2017

Wattana Karnpaet Public Company Limited

### Management Discussion and Analysis

#### Executive Summary

##### Quarter 3/2017 Performance

Wattana Karnpaet Public Company Limited (“Company”) reported the total income in Quarter 3 Year 2017 to be Baht 91.468 million, increased from Quarter 3 Year 2016 Baht 79.277 million or increased by 15.4 per cent. The income comprises of the hospital’s income of Baht 88.747 million in 2017, increased from Baht 76.017 million or increased by 16.7 per cent from last year. And the other income of Baht 2.721 million in 2017, decreased from Baht 3.260 million from last year, or decreased by 16.5 per cent. The increase in income was due to the Influenza outbreak in the area resulting in an increasing number of patients.

In Quarter 3/2017, the Company has EBITDA of Baht 18.365 million, which increased by Baht 6.658 million from the same quarter last year, or by 56.9 per cent.

The Company reported net profit of Baht 9.767 million, increased from Baht 4.020 million, or increased by 143.0 per cent from the same quarter last year, or the net profit of 0.98 Baht per share.

#### Quarter 3/2017 Financial Summary

##### Operating Income

(Million Baht)	Quarter 3 2017	Quarter 3 2016	% Change
Revenue from hospital operations	88.747	76.017	16.7%
Other Income	2.721	3.260	-16.5%
Total Income	91.468	79.277	15.4%

##### Cost and Expenses

In Quarter 3/2017, the Company has the total cost and expenses of Baht 78.653 million, increased from Baht 73.016 million of last year, or 7.7 per cent increase from last year.

The cost of hospital operations in Quarter 3/2017 was Baht 59.826 million, increased from Baht 54.305 million of last year, or increased by 10.2 per cent. The increase in cost of operations was mainly due to the increase in the number of patients.

The administrative expenses in Quarter 3/2017 was Baht 18.828 million, increased from Baht 18.711 million of last year, or increased 0.6 per cent.

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(Million Baht)	Quarter 3 2017	Quarter 3 2016	% Change
Cost of hospital operations	59.826	54.305	10.2%
Administrative expenses	18.828	18.711	0.6%
Total cost and expenses	78.653	73.016	7.7%

### Profitability Analysis

From the above mentioned, EBITDA increased from Baht 11.707 million in Quarter 3/2016 to Baht 18.365 million in Quarter 3/2017, or increased by 56.9 per cent. The EBITDA margin also increased from 15 per cent to 20 per cent.

(Million Baht)	Quarter 3 - 2016	Quarter 3 - 2015	% Change
EBITDA EBITDA margin	18.365 20%	11.707 15%	56.9%
EBIT EBIT margin	12.815 14%	6.415 8%	99.8%
Net profit Net profit margin	9.767 11%	4.020 5%	143.0%
Basic earning per share	0.98	0.40	143.0%

### Balance Sheet and Cash Flow

#### Balance Sheet

In Quarter 3/2017, the total assets of the Company increased by 4.6 per cent, resulting in the Quarter 3/2017 total assets of Baht 475.324 million. At the same time the total liabilities was increased by 15.4 per cent, resulting in the total liabilities of Baht 149.669 million. This resulted in the total shareholders' equity in Quarter 3/2107 was Baht 325.655 million, or a 0.27 per cent increase.

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(Million)	Quarter 3 - 2016	Quarter 3 - 2015	% Change
Total Assets	475.324	454.442	4.6%
Total Liabilities	149.669	129.677	15.4%
Total Shareholders' Equity	325.655	324.765	0.27%

In Quarter 3/2017, the Company had net increase in cash and cash equivalents of Baht 3.815 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 39.514 million.

**Cash flows for the nine month period ended September 30, 2017**

(Million Baht)	Quarter 3 2017
Net cash provided by operating activities	23.872
Net cash used in investing activities	(25.114)
Net cash used in financing activities	5.057
Decrease in cash and cash equivalents – net	3.815
Cash and cash equivalents at the beginning of the period	35.698
Cash and cash equivalents at end of the period	39.514

( Suphawan Tangsubkul , M.D.)  
Director