



No. RPH-SET 8/20178

May 10, 2018

Subject : Management Discussion and Analysis Quarterly Ending March 31, 2018

To : The President
The Stock Exchange of Thailand

The Board of Directors meeting of Ratchaphruek Hospital Public Company Limited (the Company) No. 2/2018 dated May 10, 2018 approved the Company's Interim Financial Information ending March 31, 2018. The Company would like to clarify the three-month period ended March 31, 2018 earnings results, as follows.

Statement of comprehensive income

Revenue from hospital operations

The Company booked revenue from hospital operations amounting to Baht 95.00 million and Baht 109.16 million for the three-month period ended March 31, 2017 and the three-month period ended March 31, 2018, respectively. The figures represent a period-on-period increase of 14.90% due mainly to an increasing in number of patients and adjustment of prices in this period.

Cost of hospital operations

The cost of hospital operations amounted to Baht 66.70 million and Baht 71.60 million in the three-month period ended March 31, 2017 and the three-month period ended March 31, 2018, respectively. Meanwhile, the cost of hospital operations to revenue ratios stood at 69.91% and 64.85%, respectively. The lower ratio on a period-on-period basis was attributable to the Company having fixed costs effecting the revenue.

Selling expenses

The Company booked selling expenses amounting to Baht 1.76 million and Baht 0.49 million for the three-month period ended March 31, 2017 and the three-month period ended March 31, 2018, respectively. The selling expenses to revenue ratios for those years stood at 1.85% and 0.44%, respectively. In the first quarter of 2017, 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.

Administrative expenses

In the three-month period ended March 31, 2017 and the three-month period ended March 31, 2018, the Company's administrative expenses amounted to Baht 14.96 million and Baht 14.24 million, respectively. The administrative expenses to revenue ratios for those years stood at 15.69% and 12.90%, respectively. The period-on-period decreased in the three-month period ended March 31, 2018. In the first quarter of 2017, 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.

บริษัท โรงพยาบาลราชพฤกษ์ จำกัด (มหาชน) Ratchaphruek Hospital Public Company Limited

150/18 ถนนมิตรภาพ ตำบลในเมือง อำเภอเมือง จังหวัดขอนแก่น 40000

โทร (043) 333-555

โทรสาร (043)236-835

150/18 Mitraparb Rd. Muang Khon Kaen Thailand 40000

Tel. (043) 333-555

Fax. (043)236-835



โรงพยาบาลราชพฤกษ์ Ratchaphruek Hospital

Finance costs

The Company booked finance costs amounting to Baht 0.68 million in the three-month period ended March 31, 2017 and Baht 0.61 million in the three-month period ended March 31, 2018. The period-on-period drop in finance costs in the three-month period ended March 31, 2018 was because of a principle payment.

Net profits

The Company booked net profits of Baht 9.36 million and Baht 19.04 million in the three-month period ended March 31, 2017 and the three-month period ended March 31, 2018, respectively. The result suggests that the Company's three-month period ended March 31, 2018 net profits increased by 103.35% on a period-on-period basis; this increase was related mainly to an increase in revenues.

Statement of financial position

As of December 31, 2017 and March 31, 2018, the Company's total assets amounted to Baht 1,689.34 million and Baht 1,685.41 million, respectively. Major assets were cash and cash equivalents, short-term investments at financial institutions, and property, plant and equipment. As of December 31, 2017 and March 31, 2018, the Company saw cash and cash equivalents to Baht 168.54 million and Baht 178.83 million, respectively. The Company's short-term investments at financial institutions amounting to Baht 350.00 million and Baht 100.00 million, respectively, are due to the payment for construction. Meanwhile, as of December 31, 2017 and March 31, 2018, the Company's property, plant and equipment were valued at Baht 1,108.67 million and Baht 1,329.23 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 400.15 million and Baht 377.18 million, as of December 31, 2017 and March 31, 2018, respectively. The major liability was payables for fixed assets and retention payable. As of December 31, 2017 and March 31, 2018, the payables for fixed assets and retention payable stood at Baht 266.34 million and Baht 272.57 million, respectively.

As of December 31, 2017 and March 31, 2018, the shareholders' equity was valued at Baht 1,289.19 million and Baht 1,308.23 million, respectively. The increase in shareholders' equity was thanks to the booking of operating profit.

Yours sincerely

(Mr. Teerawat Srinakaran)
Chief Executive Officer

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