



No. RPH-SET 14/2018

November 10, 2018

Subject : Management Discussion and Analysis Quarterly Ending September 30, 2018

To : The President
The Stock Exchange of Thailand

The Board of Directors meeting of Ratchaphruek Hospital Public Company Limited (the Company) No. 4/2018 dated November 10, 2018 approved the Company's Interim Financial Information ending September 30, 2018. The Company would like to clarify the nine-month period ended September 30, 2018 earnings results, as follows.

Statement of comprehensive income

Revenue from hospital operations

The Company booked revenue from hospital operations amounted to Baht 307.20 million and Baht 370.32 million for the nine-month period ended September 30, 2017 and the nine-month period ended September 30, 2018, respectively. The figures represent a period-on-period increase of 20.55% due mainly to an activating new hospital building.

For the 3rd quarter, the Company generated the total revenues from hospital operations in amounts of Baht 113.02 million and Baht 153.00 million in the three-month period ended September 30, 2017 and the three-month period ended September 30, 2018, respectively, resulting in an overall growth rate of 35.38%.

Cost of hospital operations

The cost of hospital operations amounted to Baht 210.16 million and Baht 255.57 million in the nine-month period ended September 30, 2017 and the nine-month period ended September 30, 2018, respectively. Meanwhile, the cost of hospital operations to revenue ratios stood at 66.38% and 67.52%, respectively.

For the 3rd quarter, the cost of hospital operations amounted to Baht 75.37 million and Baht 109.09 million in the three-month period ended September 30, 2017 and the three-month period ended September 30, 2018, respectively. Meanwhile, the cost of hospital operations to revenue ratios stood at 63.76% and 70.66%, respectively. The higher ratio on a period-on-period basis was attributable to the Company having some costs in personnel, doctor fee, drugs and medical supplies, depreciation, electricity charge, medical utensils costs, and medical consumable supplies. In this period, the Company has one-time costs in activating new hospital building amounted to Baht 1.86 million.

Other Income

The other income amounted to Baht 9.37 million and Baht 8.16 million in the nine-month period ended September 30, 2017 and the nine-month period ended September 30, 2018, respectively. The figures represent a period-on-period decrease of 12.19% due mainly to an decreasing of interest income.

For the 3rd quarter, the other income amounted to Baht 5.20 million and Baht 1.39 million in the three-month period ended September 30, 2017 and the three-month period ended September 30, 2018, respectively.



Selling expenses

The Company booked selling expenses amounting to Baht 3.18 million and Baht 3.38 million for the nine-month period ended September 30, 2017 and the nine-month period ended September 30, 2018, respectively. The selling expenses to revenue ratios for those years stood at 1.01% and 0.89%, respectively.

For the 3rd quarter, the selling expenses amounted to Baht 0.69 million and Baht 2.18 million in the three-month period ended September 30, 2017 and the three-month period ended September 30, 2018, respectively. Meanwhile, the selling expenses to revenue ratios stood at 0.58% and 1.41%, respectively. In this period, the Company has one-time expenses in activating new hospital building amounted to Baht 0.89 million.

Administrative expenses

In the nine-month period ended September 30, 2017 and the nine-month period ended September 30, 2018, the Company's administrative expenses amounted to Baht 43.94 million and Baht 61.65 million, respectively. The administrative expenses to revenue ratios for those years stood at 13.88% and 16.29%, respectively.

For the 3rd quarter, the administrative expenses amounted to Baht 13.80 million and Baht 31.13 million in the three-month period ended September 30, 2017 and the three-month period ended September 30, 2018, respectively. Meanwhile, the administrative expenses to revenue ratios stood at 11.68% and 20.16%, respectively. The higher ratio on a period-on-period basis was attributable to the Company having some expenses in depreciation, utensils expenses, consumable supplies, and new uniform expenses. In this period, the Company has one-time expenses in activating new hospital building amounted to Baht 5.98 million.

Finance costs

The Company booked finance costs amounting to Baht 2.07 million in the nine-month period ended September 30, 2017 and Baht 2.29 million in the nine-month period ended September 30, 2018. The period-on-period increase in finance costs was because of a loan withdrawal to construction disbursement.

Net profits

The Company booked net profits of Baht 46.16 million and Baht 45.17 million in the nine-month period ended September 30, 2017 and the nine-month period ended September 30, 2018, respectively, the figures represent a period-on-period decrease of 2.15%. The net profit to revenue ratios stood at 14.58% and 11.93%, respectively.

For the 3rd quarter, the net profits were Baht 22.14 million and Baht 8.86 million in the three-month period ended September 30, 2017 and the three-month period ended September 30, 2018, respectively, the figures represent a period-on-period decrease of 59.99%. The net profit to revenue ratios stood at 18.73% and 5.74%, respectively, due mainly to an one-time costs and expenses in activating new hospital building, and the decreasing in other income.

Statement of financial position

As of December 31, 2017 and September 30, 2018, the Company's total assets amounted to Baht 1,689.34 million and Baht 1,781.52 million, respectively. Major assets were short-term investments at financial institutions, and property, plant and equipment. As of December 31, 2017 and September 30, 2018, the Company saw short-term investments at financial institutions amounting to Baht 350.00 million and Baht 80.00 million, respectively, are due to the payment for construction.



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Ratchaphruek Hospital

Meanwhile, as of December 31, 2017 and September 30, 2018, the Company's property, plant and equipment were valued at Baht 1,108.67 million and Baht 1,575.41 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 507.26 million, as of December 31, 2017 and September 30, 2018, respectively. The major liability was payables for fixed assets and retention payable, and loans from financial institutions. As of December 31, 2017 and September 30, 2018, the payables for fixed assets and retention payable stood at Baht 310.53 million and Baht 285.36 million, respectively. As of December 31, 2017 and September 30, 2018, loans from financial institutions stood at Baht 64.00 million and Baht 203.79 million, respectively.

As of December 31, 2017 and September 30, 2018, the shareholders' equity was valued at Baht 1,289.19 million and Baht 1,274.30 million, respectively.

Yours sincerely

(Mr. Teerawat Srinakarin)
Chief Executive Officer