

EKH/CS/2561/033

12 November 2018

Subject: Management Discussion and Analysis for the third quarter 2018 results

To Directors and Manager
The Stock Exchange of Thailand

Ekachai Medical Care Public Company Limited (the "Company") would like to clarify on the operating results for the three-month period at the end of 30th September 2018 as follows.

Summary

The Company reported Total revenues in 3Q18 of Baht 192.08 million, a 19.90% increase from 3Q17 revenues of baht 160.20 million. Net profit for 3Q18 increased by 24.12% to Baht 45.49 million from Baht 36.65 million in 3Q17, with Net profit margin at 23.68% in 3Q18 improved from 22.88% in 3Q17.

Total revenues for 9M18 increased to Baht 480.74 million, or 19.28% more than Baht 403.05 million in 9M17. Net profit rose 44.73% to Baht 89.83 million from Baht 62.07 million in 9M17, with net profit margin at 18.69% in 9M18 compared to 15.40% in 9M17.

Details of the management discussion and analysis follow:

Income statements

Quarterly Operational Performance

The Company reported Revenues from Hospital Operations of Baht 188.13 million, a 21.29% increase year-over-year from Baht 155.10 million in 3Q17. This was mostly due to an increase in revenues from Inpatients, Outpatients and IVF patients.

The Company reported Cost of Hospital Operations (including Depreciation and Amortization) of Baht 102.59 million for 3Q18, or 14.23% increase year-over-year from Baht 89.82 million in 3Q17. This represents an increase in Revenues from hospital operations. Administrative expenses (including Depreciation and amortization) were Baht 33.12 million for 3Q18, or 33.23% increase year-over-year from Baht 24.86 million in 3Q17. The variance was mostly due to an increase in revenues, depreciation and employee management expenses. EBITDA increased by 23.81% year-over-year to Baht 56.37 million in 3Q18 from Baht 45.53 million in 3Q17.

Nine Months Operational Performance

The Company reported Revenues from hospital operations of Baht 469.53 million, a 20.68% improvement year-over-year from Baht 389.05 million in 9M17. This was mostly due to an increase in revenues from Inpatients, Outpatients and IVF patients.

The Company reported Cost of Hospital Operations including Depreciation and Amortization of Baht 281.91 million in 9M18, or 11.71% increase year-over-year from Baht 252.36 million in 9M17. This represents an increase in Revenues from hospital operations. Administrative expenses (including Depreciation and amortization) were Baht 88.54 million in 9M18, or 20.98% more than Baht 73.19 million in 9M17. The variance was mostly due to an increase in revenues, depreciation and employee management expenses. EBITDA increased by 42.33% year-over-year to Baht 110.30 million in 9M18 from Baht 77.49 million in 9M17.

Statements of financial position

As of 30 September 2018, the Company reported Total Current Assets of Baht 367.30 million, an increase from Baht 347.87 million as of 31 December 2017. The variance is mostly due to a net increase of Baht 112.18 million in Cash and Cash Equivalents as of 30 September 2018 versus Baht 70.16 million as of 31 December 2017. Trade and other Receivables were Baht 62.98 million from Baht 52.59 million.

Total Non-Current Assets increased to Baht 569.10 million as of 30 September 2018 from Baht 552.45 million as of 31 December 2017, mostly due to the increase of Property, Plant and Equipment of Baht 359.32 million as of 30 September 2018 from 316.47 as of 31 December 2017 as a result of building renovation and additional equipment purchase.

Total Current Liabilities were Baht 92.99 million as of 30 September 2018, an increase from Baht 70.83 million as of 31 December 2017, mostly due to account payables.

Non-Current Liabilities were Baht 8.86 million as of 30 September 2018, an increase from Baht 6.34 million as at 31 December 2017, mostly due to accounting of long term employee benefits.

Total Shareholders' Equity grew to Baht 834.54 million as of 30 September 2018 from Baht 823.14 million as of 31 December 2017, resulted mostly from the Company's 9M18 Net profit. Return on equity (ROE) was 10.76% in 9M18, compared to 10.18% as of 31 December 2017. Net debt to equity was 0.12, compared to 0.10 as of 31 December 2017.

(Unit : Baht million)	30 SEP 18	31 DEC 17	Change
Total assets	936.40	900.31	4.01%
Total liabilities	101.85	77.17	31.98%
Total shareholder's equity	834.54	823.14	1.38%
Net debt to equity	0.12	0.10	-
Return on equity (%)	10.76%	10.18%	-

Please be informed accordingly.

Yours faithfully,
Ekachai Medical Care PCL.

(Dr. Amnaj Eur-Areemitr)
Director