



No. RPH-SET 01/2019

February 23, 2019

Subject : Management Discussion and Analysis for Year Ending December 31, 2018

To : The President  
The Stock Exchange of Thailand

The Board of Directors meeting of Ratchaphruek Hospital Public Company Limited (the Company) No. 1/2019 dated February 23, 2019 approved the Company's Financial Statement ending December 31, 2018. The Company would like to clarify the year ended December 31, 2018 earnings results, as follows.

### **Statement of comprehensive income**

#### **Revenue from hospital operations**

The Company booked revenue from hospital operations amounted to Baht 413.02 million and Baht 532.89 million for the year ended December 31, 2017 and the year ended December 31, 2018, respectively. The figures represent a year-on-year increase of 29.02% due mainly to an activating new hospital building.

#### **Cost of hospital operations**

The cost of hospital operations amounted to Baht 282.81 million and Baht 386.17 million in the year ended December 31, 2017 and the year ended December 31, 2018, respectively. Meanwhile, the cost of hospital operations to revenue ratios stood at 68.47% and 72.47%, respectively.

The higher ratio on a year-on-year basis was attributable to the Company having some costs in depreciation, personnel, drugs and medical supplies, electricity charge, medical utensils costs, and medical consumable supplies. In the year 2018, the Company has one-time costs in activating new hospital building amounted to Baht 4.80 million.

#### **Other Income**

The other income amounted to Baht 11.40 million and Baht 9.68 million in the year ended December 31, 2017 and the year ended December 31, 2018, respectively. The figures represent a year-on-year decrease of 15.07% due mainly to an decreasing of interest income.

#### **Selling expenses**

The Company booked selling expenses amounting to Baht 3.85 million and Baht 4.38 million for the year ended December 31, 2017 and the year ended December 31, 2018, respectively. The selling expenses to revenue ratios for those years stood at 0.93% and 0.82%, respectively. In the year 2018, the Company has one-time expenses in activating new hospital building amounted to Baht 1.03 million.

#### **Administrative expenses**

In the year ended December 31, 2017 and the year ended December 31, 2018, the Company's administrative expenses amounted to Baht 57.43 million and Baht 87.46 million, respectively. The administrative expenses to revenue ratios for those years stood at 13.90% and 16.41%, respectively.



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## Ratchaphruek Hospital

The higher ratio on a year-on-year basis was attributable to the Company having some expenses in depreciation, utensils expenses, and new uniform expenses. In the year 2018, the Company has one-time expenses in activating new hospital building amounted to Baht 10.21 million.

### **Finance costs**

The Company booked finance costs amounting to Baht 2.77 million in the year ended December 31, 2017 and Baht 5.07 million in the year ended December 31, 2018. The year-on-year increase in finance costs was because of a loan withdrawal to construction disbursement.

### **Net profits**

The Company booked net profits of Baht 63.04 million and Baht 48.43 million in the year ended December 31, 2017 and the year ended December 31, 2018, respectively, the figures represent a year-on-year decrease of 23.17%. The net profit to revenue ratios stood at 15.26% and 9.09%, 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 December 31, 2018, the Company's total assets amounted to Baht 1,689.34 million and Baht 1,816.96 million, respectively. Major assets were cash and cash equivalents, and property, plant and equipment. As of December 31, 2017 and December 31, 2018, the cash and cash equivalents amounting to Baht 168.54 million and Baht 69.08 million, respectively, are due to the payment for construction. Meanwhile, as of December 31, 2017 and December 31, 2018, the Company's property, plant and equipment were valued at Baht 1,108.67 million and Baht 1,640.43 million. The increase in this value was because the Company realized the value of the new hospital buildings.

The Company saw total liabilities of Baht 400.15 million and Baht 539.07 million, as of December 31, 2017 and December 31, 2018, respectively. The major liability was payables for fixed assets and retention payable, and loans from financial institutions. As of December 31, 2017 and December 31, 2018, the payables for fixed assets and retention payable stood at Baht 310.53 million and Baht 246.39 million, respectively. As of December 31, 2017 and December 31, 2018, loans from financial institutions stood at Baht 64.00 million and Baht 275.51 million, respectively.

As of December 31, 2017 and December 31, 2018, the shareholders' equity was valued at Baht 1,289.19 million and Baht 1,277.90 million, respectively.

Yours sincerely

(Mr. Teerawat Srinakarin)  
Chief Executive Officer

บริษัท โรงพยาบาลราชพฤกษ์ จำกัด (มหาชน)

Ratchaphruek Hospital Public Company Limited

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