

EKH/CS/2019/006

25 February 2019

Subject: Management Discussion and Analysis for 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 yearly period at the end of 31st December 2018 as follows.

Summary

The Company reported Total revenues in 2018 of Baht 654.29 million, a 20.95% increase from 2017. Net profit for 2018 increased by 39.82% to Baht 117.21 million from Baht 83.83 million in 2017, with Net profit margin at 17.91% in 2018 compared to 15.50% in 2017.

Details of the management discussion and analysis follow:

Income statements

2018 Operational Performance

The Company reported Revenues from hospital operations of Baht 638.12 million, a 22.02% improvement year-over-year from Baht 522.98 million in 2017. This was mostly due to an increase in revenues from Inpatients, Outpatients and opening of IVF Center.

The Company reported Cost of Hospital Operations including Depreciation and Amortization of Baht 382.14 million in 2018, or 12.72% increase year-over-year from Baht 339.01 million in 2017. This represents an increase in Revenues from hospital operations. Administrative expenses (including Depreciation and amortization) were Baht 128.42 million in 2018 or 28.57% more than Baht 99.88 million in 2017. The variance was mostly due to an increase in employee expenses and sales promotion expenses. EBITDA increased by 40.78% year-over-year to Baht 143.72 million in 2018 from Baht 102.09 million in 2017.

Statements of financial position

As of 31 December 2018, the Company reported Total Current Assets of Baht 458.21 million, an increase from Baht 347.86 million as of 31 December 2017. The variance is due to a net increase of Baht 76.29 million in Cash and Cash Equivalents as of 31 December 2018 versus Baht 70.16 million as of 31 December 2017. Short-term investments increased to Baht 294.11 million from Baht 211.85 million. Trade and other Receivables were Baht 69.27 million from Baht 52.59 million. And, Inventories were Baht 16.44 million as of 31 December 2018, an increase from Baht 12.06 million as of 31 December 2017.

Total Non-Current Assets decreased to Baht 510.09 million as of 31 December 2018 from Baht 552.45 million as of 31 December 2017, mostly due to the decrease of Other Long-term Investments of Baht 80.95 million from Baht 227.17 million. And, the increase of Property, Plant and Equipment were Baht 409.36 million as of 31 December 2018 from Baht 316.47 million as of 31 December 2017 as a result of building renovation, new building construction, and additional equipment purchase.

Total Current Liabilities were Baht 96.84 million as of 31 December 2018, an increase from Baht 70.83 million as of 31 December 2017, mostly due to account payables.

Non-Current Liabilities were Baht 9.47 million as of 31 December 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 855.08 million as of 31 December 2018 from Baht 810.88 million as of 31 December 2017. Return on equity (ROE) was 13.60% as of 31 December 2018, 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)	31 DEC 18	31 DEC 17	Change
Total assets	968.30	900.31	7.55%
Total liabilities	106.31	77.17	37.76%
Total shareholder's equity	855.08	810.88	5.45%
Net debt to equity (D/E Ratio)	0.12	0.10	-
Return on equity (ROE) (%)	13.60%	10.18%	-

Please be informed accordingly.

Yours faithfully,
Ekachai Medical Care PCL.

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