



No. RPH-SET 9/2019

August 3, 2019

Subject : Management Discussion and Analysis Quarterly Ending June 30, 2019

To : The President
The Stock Exchange of Thailand

The Board of Directors meeting of Ratchaphruek Hospital Public Company Limited (the Company) No. 3/2019 dated August 3, 2019 approved the Company's Interim Financial Information ending June 30, 2019. The Company would like to clarify the six-month period ended June 30, 2019 earnings results, as follows.

Statement of comprehensive income

Revenue from hospital operations

The Company booked revenue from hospital operations amounting to Baht 217.32 million and Baht 394.03 million for the six-month period ended June 30, 2018 and the six-month period ended June 30, 2019, respectively. The figures represent a period-on-period increase of 81.31% due mainly to an increasing in number of patients as a result of a new building operation and an adjustment of price.

For three months of the 2nd quarter of 2018 and 2019, the Company generated the total revenues from hospital operations in amounts of Baht 108.16 million and Baht 189.47 million, respectively, resulting in an overall growth rate of 75.17%.

Cost of hospital operations

The cost of hospital operations amounted to Baht 146.47 million and Baht 277.32 million in the six-month period ended June 30, 2018 and the six-month period ended June 30, 2019, respectively. Meanwhile, the cost of hospital operations to revenue ratios stood at 65.36% and 68.97%, respectively.

The higher ratio on a period-on-period basis was attributable to the Company having some costs in depreciation, utility expenses, and the Company recognized the additional past-employment benefit liabilities in the statement of financial position and the past service costs from the plan amendment as expenses in the amount of Baht 3.29 million.

Distribution costs

The Company booked distribution costs amounting to Baht 1.20 million and Baht 1.87 million for the six-month period ended June 30, 2018 and the six-month period ended June 30, 2019, respectively. The distribution costs to revenue ratios for those years stood at 0.53% and 0.46%, respectively.

The Company recognized the additional past-employment benefit liabilities in the statement of financial position and the past service costs from the plan amendment as expenses in the amount of Baht 0.02 million.

Administrative expenses

In the six-month period ended June 30, 2018 and the six-month period ended June 30, 2019, the Company's administrative expenses amounted to Baht 30.52 million and Baht 58.71 million, respectively. The administrative expenses to revenue ratios for those years stood at 13.62% and 14.60%, respectively.



The higher ratio on a period-on-period basis was attributable to the Company having some expenses in depreciation, utility expenses, cleaning expenses, and the Company recognized the additional past-employment benefit liabilities in the statement of financial position and the past service costs from the plan amendment as expenses in the amount of Baht 1.31 million.

Finance costs

The Company booked finance costs amounting to Baht 1.02 million in the six-month period ended June 30, 2018 and Baht 5.34 million in the six-month period ended June 30, 2019.

The period-on-period increase in finance costs was because of a loan withdrawal to construction disbursement and purchasing medical equipment.

Net profits

The Company booked net profits of Baht 36.31 million and Baht 47.24 million in the six-month period ended June 30, 2018 and the six-month period ended June 30, 2019, respectively. The result suggests that the Company's six-month period ended June 30, 2019 net profits increased by 30.08% on a period-on-period basis; this increase was related mainly to an increase in revenues.

The net profit to revenue ratios stood at 16.20% and 11.75% in the six-month period ended June 30, 2018 and the six-month period ended June 30, 2019, respectively. The period-on-period decrease in net profit to revenue ratio was because of increasing in depreciation to revenue ratio that stood at 2.60% and 10.53% in the six-month period ended June 30, 2018 and the six-month period ended June 30, 2019, respectively. And the Company recognized the additional past-employment benefit liabilities in the statement of financial position and the past service costs from the plan amendment as expenses in the amount of Baht 4.62 million.

Statement of financial position

As of December 31, 2018 and June 30, 2019, the Company's total assets amounted to Baht 1,816.96 million and Baht 1,774.84 million, respectively. Major assets were cash and cash equivalents and short-term investments at financial institutions, and property, plant and equipment. As of December 31, 2018 and June 30, 2019, the Company saw cash and cash equivalents and short-term investments at financial institutions to Baht 99.08 million and Baht 47.97 million, respectively, are due to the payment for long-term loans from financial institutions, construction (phase 2), and dividend. Meanwhile, as of December 31, 2018 and June 30, 2019, the Company's property, plant and equipment were valued at Baht 1,640.43 million and Baht 1,630.21 million.

The Company saw total liabilities of Baht 539.07 million and Baht 465.65 million, as of December 31, 2018 and June 30, 2019, respectively. The major liability was long-term loans from financial institutions, and payables for fixed assets and retention payable. As of December 31, 2018 and June 30, 2019, the long-term loans from financial institutions stood at Baht 275.51 million and Baht 289.37 million, respectively. Meanwhile, the payables for fixed assets and retention payable stood at Baht 126.63 million and Baht 78.79 million, respectively.

As of December 31, 2018 and June 30, 2019, the shareholders' equity was valued at Baht 1,277.90 million and Baht 1,309.19 million, respectively. The increase in shareholders' equity was thanks to the booking of operating profit.

Yours sincerely

(Mr. Teerawat Srinakarin)
Chief Executive Officer