



บริษัท วัฒนาการแพทย์ จำกัด (มหาชน)
โรงพยาบาลนอร์ท อีสเทอร์น-วัฒนา จ.อุดรธานี

70/7-8 ถนนสุขกิจจรรยา ตำบลหมากแข้ง อำเภอเมือง จังหวัดอุดรธานี 41000

โทร. (042) 241031-3 , 246181-3 โทรสาร (042) 241956 Email : admin@wattanahospital.net

Date 27 February 2022

WATTANA KARNAET PUBLIC COMPANY LIMITED

Management Discussion and Analysis

Executive Summary

Year 2021 Performance

Wattana Karnpaet Public Company Limited (“Company”) reported the total revenue in 2021 to be Baht 333.226 million, increased from Baht 312.644 million in 2020, or increased by 6.58 per cent. The revenue from hospital operations was Baht 327.650 million in 2021, increased from Baht 305.910 million, or 7.11 per cent from last year. Other income was Baht 5.576 million in 2021, decreased from Baht 6.734 million of last year, or decreased by 17.21 per cent. The increase in the total revenue was resulted from the vaccination of Covid-19 vaccines and the hospitalization of covid-19 patients during end of the year.

In 2021, the Company has EBITDA of Baht 45.088 million, which increased from Baht 38.955 million in last year, or 15.75 per cent.

The Company reported net profit of Baht 8.752 million, increased from Baht 1.636 million, or 435.11 per cent from last year. Or basic earning per share of 0.88 Baht.

Major events in 2021

1. Covid-19 crisis led to the decrease in number of patients, especially foreign patients who still cannot travel into Thailand conveniently
2. Adjusted the services to New Normal situation, for examples introduction of Telemedicine services and Home delivery for health care services
3. Open Alternative Hospital Quarantine service to serve foreign patients to hospitalized during quarantine at the hospital
4. Provide Covid Lab Test service
5. Towards the end of the year, providing the Covid-19 vaccination services
6. Towards the end of the year, providing the hospitalization for Covid-19 patients

1. Financial Summary 2021 and Profitability

Operating Income

(Million Baht)	2021	2020	%Change
Revenue from hospital operations	327.650	305.910	7.11%
Other Income	5.576	6.734	-17.21%
Total Income	333.226	312.644	6.58%

In 2021, the Company had the total income of Baht 333.226 million, increased from Baht 312.644 million of last year, or a 6.58 per cent increase from last year. And the hospital operations income increased by Baht 21.741 million. This was mainly from the increase in the Covid-19 vaccination service which took place during the last quarter of the 2021.

Cost and Expenses

(Million Baht)	2021	2020	%Change
Cost of hospital operations	256.971	239.813	7.15%
Administrative expenses	62.390	67.135	-7.07%
Total cost and expenses and depreciation	319.360	306.948	4.04%

In 2021, the Company had the cost of hospital operations and administrative expenses of Baht 319.360 million, increased from Baht 306.948 million of last year, or 4.04 per cent from last year.



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This comprises of cost of hospital operations of Bath 256.971 million, which increased from Baht 239.813 million of last year, or 7.15 per cent. The increase in cost of hospital operations was due to the costs of Covid-19 vaccination services and the Personal Protection Equipment (PPE) used for servicing Covid-19 patients.

The Administrative expenses in 2021 was Bath 62.390 million, decreased from Baht 67.135 million of last year, or 7.07 per cent. The decreased in expense was from the strictly cost control to response to the decrease in company income due to the Covid-19 crisis.

Profitability Analysis

(Million Baht)	2021	2020	%Change
EBITDA	45.088	38.955	15.75%
EBITDA margin	14%	12%	
EBIT	13.866	5.696	143.42%
EBIT margin	4%	2%	
Net profit	8.752	1.636	435.11%
Net profit margin	2.63%	0.52%	
Basic earning per share	0.88	0.16	435.11%

From the above mentioned, EBITDA in 2021 was Baht 45.088 million, increased from Baht 38.955 million in 2020, or increased by 15.75 per cent. The EBITDA margin was 14 per cent.

Balance Sheet and Cash Flow

Balance Sheet

(Million Baht)	31 Dec 2021	31 Dec 2020	% Change
Total Assets	524.951	533.899	-1.68%
Total Liabilities	156.281	173.894	-10.13%
Total Shareholders' Equity	368.670	360.005	2.43%

In 2021, the Total Assets of the Company as of 31 December 2021 was Baht 524.951 million, decreased from Baht 533.899 million of last year, or decreased by 1.68 per cent. This comprises of current assets of Baht 132.761 million, increased from Baht 111.029 million in 2020, or 19.57 per cent. And non-current assets of Baht 392.190 million, decreased from Baht 422.870 million of last year, or 7.26 per cent.

The Total Liabilities as of 31 December 2021 was Baht 156.281 million, decreased from Baht 173.894 million in 2020, or 10.13 per cent.

The Shareholders' Equity as of 31 December 2021 was Baht 368.670 million, increased from Baht 360.005 million of last year, or increased by 2.43 per cent.

Cash Flows

(Million Baht)	2021
Net cash provided by operating activities	36.616
Net cash used in investing activities	(0.540)
Net cash used in financing activities	(33.251)
Net increase in cash and cash equivalents	2.825
Cash and cash equivalents as at the beginning of the year	16.270
Cash and cash equivalents as at the end of the year	19.096

As of 31 December 2021, the Company had net increase in cash and cash equivalent of Baht 2.825 million, with the cash and cash equivalents as of 31 December 2021 was Baht 19.096 million.



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The net cash provided by operating activities was Baht 36.616 million. The net cash used in investing activities was Baht 0.540. The net cash used in financing activities was Baht 33.251 million, which mainly was paying back loans from financial institution.

2.Assets utilization

	2021	2020
Accounts receivable turnover	8.13	6.47
Number of days of receivables (days)	44.91	56.44
Inventory turnover	7.14	4.34
Number of days of inventory (days)	50.45	82.95

In 2021, the accounts receivable turnover increased to 8.13, of which the number of days of receivables also dropped to 45 days. This indicates more effectiveness in the account receivable follow up system in place.

In 2021, the number of days of inventory was increased by 50 days, lower than that of last year. This was result of an improved management of stock inventory system.

3.Liquidity and sufficiency of funding

	2021	2020
Current ratio	1.19	1.09
Quick ratio	1.07	1.01
Cash ratio	0.76	0.95
Interest coverage	3.94	1.46

From the liquidity side, the current ratio of the company was 1.19 which sufficient for an ordinary business operations. In 2021, the company's Quick ratio and Cash ratio was 1.07 and 0.76 respectively, and the Interest coverage was 3.94, which is adequate.

4.Debt payment

	2021	2020
Interest coverage	3.94	1.46
Debt service coverage (Cash Basis)	1.14	1.14
Debt to equity ratio	0.42	0.48

The company has an ability to service debt. The interest coverage was 3.94 in 2021, increased from that of last year. This was because the profit in the year was higher. The debt service coverage (cash basis) in 2021 was 1.14, same as last year.

In 2021, the debt to equity ratio was 0.42, which was the decreased from last year as a result of loan repayment as scheduled.



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