

May 13, 2022

Subject: Management's Discussion and Analysis of the consolidated financial statements for the first quarter ("1Q22") and three-month period ended 31 March 2022

To: Directors and Managers  
The Stock Exchange of Thailand

### **Operating Result Overview**

2022 is another year for Thailand confronting the COVID-19 pandemic, which has impacted and disrupted every aspects of our lives, with the surge of Omicron variant at the beginning of the year, resulting in a large number of people coming for the screening services, both RT-PCR and ATK, including COVID-19 medical treatments in hospitals, specialized field hospital and Hospitels. In addition, Chularat Hospital Public Company Limited ("the Company") has joined the government to take care of the COVID-19 patients with mild symptoms (Green Group) in Home Isolation.

For this year, the government continues to drive the COVID-19 vaccination to build herd immunity among the people in the country, whereas the Company has continued to fully support the government efforts in providing COVID-19 vaccination both in hospitals and outside its premise (Offsite). As a result, the Company's operating result for 1Q2022 continues to grow.

### **Management's discussion and analysis of financial statement for 1Q22 ended 31 March 2022**

Chularat Hospital Public Company Limited ("the Company") reported the operating performance for the 1Q22 as follows:

Statement of comprehensive income	1Q22	1Q21	Increase (Decrease)	Change (%)
Unit : Million Baht				
Revenues from hospital operations	3,571.4	1,414.8	2,156.6	152%
Other revenues	66.9	57.2	9.7	17%
<b>Total revenues</b>	<b>3,638.3</b>	<b>1,472.0</b>	<b>2,166.3</b>	<b>147%</b>
Cost of hospital operations	1,702.1	994.6	707.5	71%
Administrative expenses	204.6	159.7	44.9	28%
<b>Net profit of the Company</b>	<b>1,356.4</b>	<b>251.8</b>	<b>1,104.6</b>	<b>439%</b>
<i>Earnings per share (Baht/share)</i>	<i>0.1233</i>	<i>0.0229</i>		
<i>Gross Profit Margin (%)</i>	<i>52.34%</i>	<i>29.7%</i>		
<i>Net Profit Margin (%)</i>	<i>37%</i>	<i>17%</i>		

The Company's net profit was Baht 1,356.4 million for 1Q22, increasing by Baht 1,104.6 million, or 439% compared to 1Q21. Overview of operating results was discussed as below.

#### Revenues from hospital operations

In 1Q22, the Company has revenues from hospital operations of Baht 3,571.4 million, increasing by Baht 2,156.6 million, or 152% YoY.

**Revenue from general patients** in 1Q22 increased by 79% YoY. The revenue from outpatients (OPD) increased by Baht 407.3 million and inpatients (IPD) increased by Baht 252 million mainly from the COVID-19 related services and alternative vaccination service, including a return of non COVID-19 patients (both local and International patients) .

**Revenue from Social Security scheme** in 1Q22 increased by 4% YoY driven by the increased number of the registered member.

**Revenue from other governmental scheme** in 1Q22 increased by 1,174% YoY. This is due to a significant increased revenue from the COVID-19 related services - Screening service, medical treatment in hospitals, specialized field hospital, hospitelts and Home Isolation.

**Other revenue** in 1Q22 increased by Baht 9.7 million from management services providing to government hospitals.

Unit: Million Baht	1Q22	1Q21	Increase (Decrease)	Change (%)
<b>Revenue from general patients</b>	<b>1,494.5</b>	<b>835.1</b>	<b>659.4</b>	<b>79%</b>
Revenue from outpatients (OPD)	882.2	474.9	407.3	86%
Revenue from inpatients (IPD)	612.3	360.2	252.1	70%
<b>Revenue from government welfare programs</b>	<b>2,076.9</b>	<b>579.7</b>	<b>1,497.2</b>	<b>258%</b>
Social security schemes	471.6	453.7	17.9	4%
Other governmental schemes	1,605.3	126.0	1,479.3	1,174%
<b>Total revenue from hospital operations</b>	<b>3,571.4</b>	<b>1,414.8</b>	<b>2,156.6</b>	<b>152%</b>

### Operation costs

In 1Q22, the Company's gross profit margin increased from 29.70% to 52.34%, resulting in net profit margin increased from 17% to 37% YoY. Expenses in hospital operations increased in line with an increased revenue. The Company continues to have an effective cost management and cost control measures while maintaining the standard and quality of medical treatment services.

The Company's net profit 1Q22 was Baht 1,356.4 million, increasing by Baht 1,104.6 million, or 439% YoY, in accordance with the increasing operating results and aforementioned reasons.

Statement of financial position	31 March	31 December	Increase	Change
Unit : Million Baht	2022	2021	(Decrease)	(%)
Total assets	12,347	10,550	1,797	17%
Total liabilities	3,118	2,709	409	15%
Shareholders' equity	9,229	7,841	1,388	18%
Debt to equity ratio (x)	0.34	0.35		

As of March 31, 2022, the Company has **total assets** of Baht 12,347 million, increased by Baht 1,797 million from December 31, 2021, primarily due to

- Cash and cash equivalent increased by Baht 1,073 million from the Company's operation, as reported in the cash flow statement.
- Trade and other receivables increased by Baht 80 million; accrued medical treatment income increased by Baht 615 million from the increased revenue and the payment schedule.
- Other current assets decreased by Baht 209 million from the receipt of alternative vaccine.

**Total liabilities** amounting to Baht 3,118 million as of March 31, 2022, increasing by Baht 409 million from December 31, 2021, as described below.

- Short-term loans from financial institutions decreased by Baht 13 million.
- Trade and other payables increased by Baht 104 million.
- Income Tax Payable increased by Baht 313 million from the Company's operating profit.
- Long-term loans from financial institutions decreased by Baht 46 million.

**Total shareholders' equity** amounting to Baht 9,229 million as of March 31, 2022, increasing by Baht 1,388 million from December 31, 2021 is in line with the net profit and dividend policy of the Company.

**Debt to equity ratio** (DE Ratio) is 0.34, which reflects the ability to loan from financial institution for business expansion and in line with the Company's strategy.

<b>Cash flow statement</b>			
<b>Unit : Million Baht</b>	<b>1Q22</b>	<b>1Q21</b>	<b>Change</b>
Net cash from operating activities	1,438.2	428.9	1,009.3
Net cash used in investing activities	(308.7)	(79.8)	(228.9)
Net cash used in financing activities	(56.1)	(250.3)	194.2
<b>Net increase in cash and cash equivalents</b>	<b>1,073.5</b>	<b>98.8</b>	<b>974.7</b>
Cash and cash equivalents at beginning of period	2,789.7	547.5	2,242.2
<b>Cash and cash equivalents at end of period</b>	<b>3,863.1</b>	<b>646.3</b>	<b>3,216.8</b>

In 1Q22, the Company's Net cash from operating activities amounting to Baht 1,438.2 million, increased by Baht 1,009.3 million YoY, in accordance with the Company's operating profit. Net cash used in investing activities increased by Baht 228.9 million from the construction expenses according to the expansion plan and note receivables. Net cash used in financing activities amounting to Baht 56.1 million YoY, mainly due to the repayment of short-term and long-term loans.

Please be informed accordingly.

Yours faithfully,

(Mr.Kumpol Plussind)  
Chief Executive Officer