

Samitivej Public Company Limited
Management Discussion and Analysis
For 2nd Quarter ended 30 June 2022

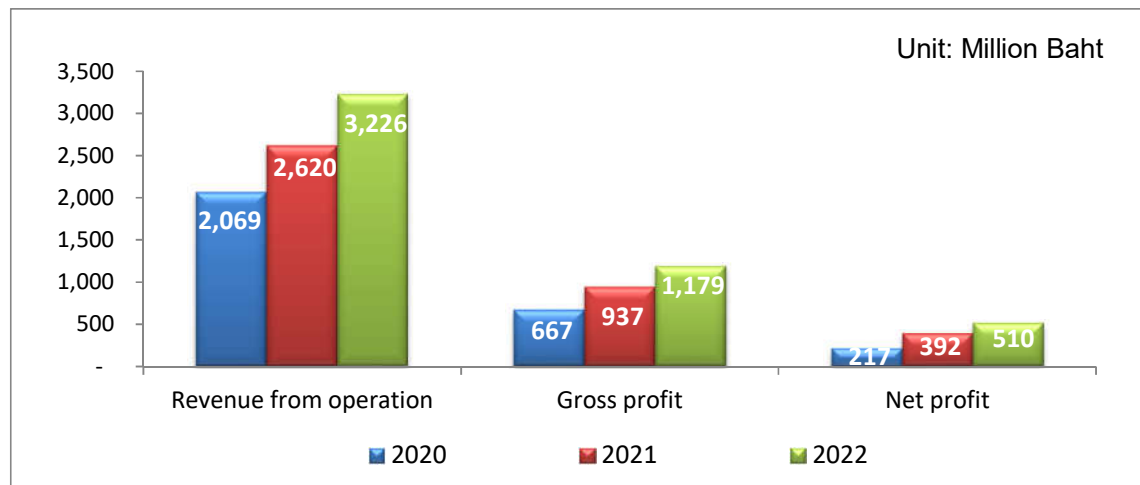
Samitivej Public Company Limited (“The Company”) has submitted the financial statements for the 2nd Quarter ended 30 June 2022 and 2021 which were reviewed by the Company’s Auditor and the Audit Committee. Due to the new variants of COVID-19 (Omicron) have spread rapidly from Q4/2021 to the present, the number of infected patients has increased but have mild symptoms and Thailand’s reopening caused the group of foreign customers has increased from last year made a significant positive impact to revenue.

The consolidated financial statements for the three months of June 30, 2022, presented operating results with a net profit of Baht 510 million and Baht 392 million increase of 30% and 81% respectively, compared to the same period of 2021. The separate financial statements resulted in a net profit were Baht 489 million and Baht 388 million increase of 26% and 17% respectively, compared to the same period of 2021.

The operating results are as follows: -

The Consolidated Financial Statements

The operating result for the three months



- **Revenue**

Q2/2022 Samitivej Sukhumvit and Samitivej Srinakarin customers mainly are Thai. Samitivej Sukhumvit has foreign patients of approximately 43% while Samitivej Srinakarin has foreign patients of approximately 8% mostly Japanese and Arabic patients. The revenue mainly came from medicines, medical supplies, lab services, and doctor's fees.

Revenue from hospital operations for the three months of Q2/2022 was Baht 3,226 million, an increase by Baht 606 million or 23% compared to the same period of 2021 with an increase in revenue for both outpatients and inpatients.

This was due to an increase in the revenue from COVID-19 testing and Home Isolation from the return of Omicron sub-variants the BA.4-BA.5, as well as an increase in revenue from group customers under 15.

- **Expenses**

Total expense for Q2/2022 was Baht 2,616 million, an increase by Baht 470 million or 22% from the same period of 2021 divided into the cost of hospital operations, sales, and services, an increase by Baht 364 million or 22%, and administrative expenses increased by Baht 106 million or 23%, mainly from the cost of medicines. medical supplies, lab fees, doctor's fees, including staff expenses, and administrative expenses in every aspect by increasing in the same direction of the revenue.

- **Income Tax**

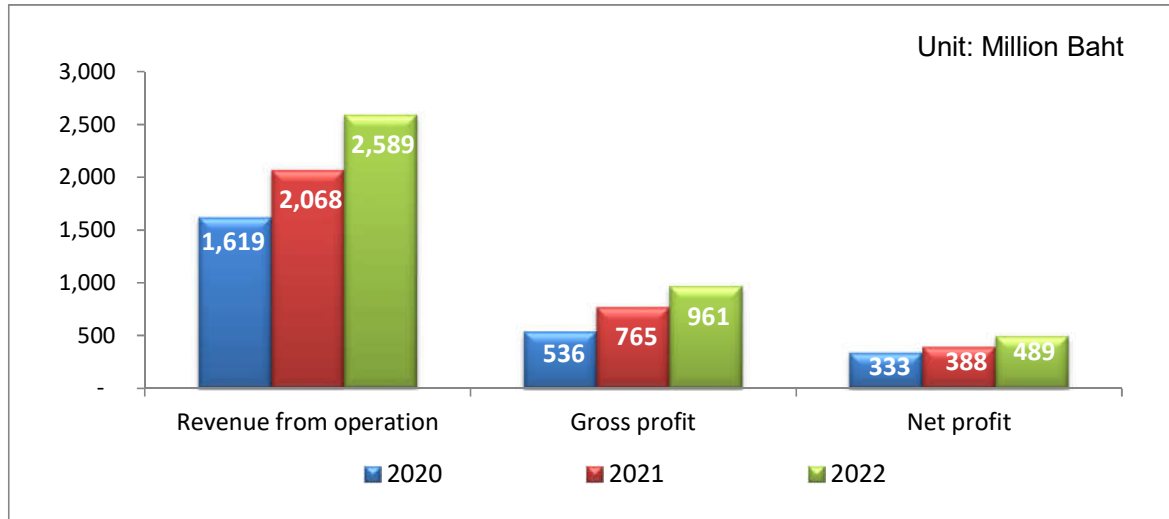
Income Tax for Q2/2022 was Baht 130 million, increased by Baht 31 million or 32%, from the same period of 2021.

- **Net Profit**

Net profit for Q2/2022 was Baht 510 million, an increase by Baht 118 million or 30% from the same period of 2021 due to an increase in revenue from hospital operations.

The Separate Financial Statements

The operating result for three months



- **Revenue**

Revenue from hospital operations for the three months of Q2/2022 was Baht 2,589 million, an increase by Baht 521 million or 25% compared to the same period of 2021. This was due to an increase in the revenue from COVID-19 testing and Home Isolation from the return of Omicron sub-variants the BA.4, and BA.5, as well as an increase in revenue from group customers under 15.

- **Expenses**

Total expense for Q2/2022 was Baht 2,086 million, an increase by Baht 413 million or 25% from the same period of 2021 divided into the cost of hospital operations, sales, and services, an increase by Baht 325 million or 25% and administrative expenses increased by Baht 88 million or 24%, mainly from the cost of medicines, medical supplies, lab fees, doctor's fees, including staff expenses, and administrative expenses in every aspect by increasing in the same direction of the revenue.

- **Income Tax**

Income Tax for Q2/2022 was Baht 106 million, increased by Baht 25 million or 30%, from the same period of 2021.

▪ **Net Profit**

Net profit for Q2/2022 was Baht 489 million, an increase by Baht 101 million or 26% from the same period of 2021 due to an increase in revenue from hospital operations.

Cash Flows

(Unit: Million Baht)

| Consolidated financial statements | <u>30 June</u> <u>2022</u> | <u>30 June</u> <u>2021</u> | <u>Change</u> | <u>%</u> |
|---|---------------------------------------|---------------------------------------|----------------------|-----------------|
| Net cash flows provided by operating activities | 1,622 | 1,258 | 364 | 28.93 |
| Net cash flows provided by (used in) investing activities | (1,164) | 173 | (1,337) | (772.83) |
| Net cash flows used in financing activities | (1,413) | (1,342) | (71) | 5.29 |
| Net increase (decrease) in cash and cash equivalents | (955) | 89 | (1,044) | (1,173.03) |
| Cash and cash equivalents at beginning of the periods | 1,774 | 1,112 | 662 | 59.53 |
| Cash and cash equivalents at end of the periods | 819 | 1,201 | (382) | (31.81) |

For Q2/2022 ended 30 June 2022, the Company and its subsidiaries have a net decrease in cash and cash equivalent in the amount of Baht 955 million, cash equivalents at the beginning of the period by Baht 1,774 million resulting in cash and cash equivalent at the end of the period was Baht 819 million.

Details of cash flow by activities are as follows: -

1. The Company and its subsidiaries have net cash flows from operating activities of Baht 1,622 million resulting from
 - Profit before income tax Baht 1,559 million reconciled with depreciation and amortization expense Baht 334 million, amortization Deferred income – membership Baht 30 million, Profit sharing from investments in an associate Baht 32 million, Long-term employee benefits expenses Baht 21 million and annual leave expenses Baht 4 million.
 - Increased operating assets by Baht 259 million and increased operating liabilities by Baht 221 million.
 - Cash received from interest income Baht 4 million.
 - Paid for corporate income tax Baht 206 million.

2. The Company and its subsidiaries have net cash flows used in investing activities were Baht 1,164 million, resulting from
- Increase in other current financial assets Baht 677 million.
 - Dividend income Baht 32 million.
 - Increase in short-term loan to parent company Baht 345 million.
 - Purchase of medical equipment and other fixed assets Baht 158 million.
 - Cash paid for the purchase of intangible assets Baht 16 million.
3. The Company and its subsidiaries have net cash flows used in financing activities were Baht 1,413 million, resulting from
- Repayments of liabilities under lease agreements Baht 30 million.
 - Paid dividend by Baht 1,350 million.
 - Paid dividend by a subsidiary company to non-controlling interests by Baht 33 million.

Cash and cash equivalents at end of the period of Baht 819 million are Cash and deposit at a financial institution.

Financial Ratio

| Ratios Analysis | <u>30 June</u> <u>2022</u> | <u>30 June</u> <u>2021</u> | <u>Change</u> |
|-------------------------------------|-------------------------------|-------------------------------|---------------|
| Profitability Ratio | | | |
| ▪ Gross Profit Margin | 36.55 | 35.77 | 0.78 |
| ▪ Net Profit Margin | 15.59 | 14.78 | 0.81 |
| ▪ Return on Asset (ROA) | 4.70 | 3.83 | 0.87 |
| ▪ Return on Equity (ROE) | 5.30 | 4.16 | 1.14 |
| Accounts Receivable Turnover | 2.41 | 2.28 | 0.13 |
| Average Collection Period | 37.79 | 39.92 | 2.13 |

Statements of financial position

(Unit: Million Baht)

| Consolidated financial position | <u>30 June</u> <u>2022</u> | <u>31 December</u> <u>2021</u> | <u>Change</u> | <u>%</u> |
|--|-------------------------------|-----------------------------------|---------------|----------|
| Total Assets | 14,217 | 14,109 | 108 | 0.77 |
| Total Liabilities | 3,507 | 3,869 | (362) | (9.36) |
| Equity attributable to owners of the Company | 9,833 | 9,391 | 442 | 4.71 |
| Total shareholders' equity | 10,711 | 10,240 | 471 | 4.60 |

Total assets of the Company and its subsidiaries as at 30 June 2022 were Baht 14,217 million, an increase of Baht 108 million. **Increased from** Trade and other receivables Baht 293 million, Short-term loan to parent company Baht 345 million, Other current financial assets Baht 677 million, and Intangible assets Baht 6 million. **Decreased from** Cash and cash equivalents Baht 955 million, Other current assets Baht 46 million, Property, premises, and equipment Baht 166 million, and Right-of-use assets Baht 46 million.

Total liabilities of the Company and its subsidiaries as at 30 June 2022 were Baht 3,507 million, decreased by Baht 362 million. **Decreased from** Trade and other payables Baht 8 million, Net Lease Liabilities Baht 47 million, Net deferred income – membership Baht 17 million, Other current liabilities Baht 661 million, and Deferred tax liabilities Baht 4 million. **Increased from** Accrued expenses Baht 269 million, Income tax payable Baht 106 million, and Provision for employee benefits Baht 1 million.

Total shareholders' equity of the Company and its subsidiaries as at 30 June 2022 was Baht 10,711 million, an increase of Baht 471 million.

Please kindly be informed accordingly.

Yours sincerely,

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 (Mr.Jirat Jakpitaksat)

Authorized to sign on behalf of the Company