



Subject : Management Discussion and Analysis for Quarterly Ending September 30, 2022

To : The President  
The Stock Exchange of Thailand

According to The Board of Directors of Ratchaphruek Hospital Public Company Limited (“the company”) meeting No. 4/2022 dated November 5, 2022 the meeting approved the Company’s Interim Financial Information ended September 30, 2022. The Company would like to clarify the nine-month ended September 30, 2022 operating results, as follows.

### Executive Summary

#### Performance of 3Q2022 & 9M2022

Unit : Million Baht	9M2022	9M2021	% Change
Revenues from hospitel operations	1,088.03	813.89	33.7%
EBITDA	440.51	295.20	49.2%
Net profit	294.41	178.24	65.2%

Unit : Million Baht	3Q2022	2Q2022	3Q2021	% Change	
				QoQ	YoY
Revenues from hospitel operations	283.43	284.45	424.69	(0.4%)	(33.3%)
EBITDA	93.61	96.24	205.90	(2.7%)	(54.5%)
Net profit	55.87	57.17	145.24	(2.3%)	(61.5%)

Remark: QoQ means change comparing to 2Q2022

YoY means changes comparing to 3Q2021

In 3Q2022 the situation of the epidemic of COVID-19 was unfolding and in July 2022, the Medical department announced the situation of the epidemic of COVID-19 return to Post-Pandemic. However, patients’ admission number of respiratory disease (RSV: Respiratory Syncytial Virus) and Hand Foot and Mouth Disease were increased. The company is well-equipped, prepared and medical services covering treatment various of diseases.

For the nine-month period ended September 30, 2022 (“9M2022”), the revenue from hospital operations amounted to THB 1,088.03 million, increase of 33.7% from 9M2021. Caused by 1Q2022 to 2Q2022 the Company receiving cases of Covid-19 infection patients. However, in 3Q2022, the situation of the epidemic of COVID-19 was unfolding and resulted in a return of non Covid-19 patients and patients’ admission number of RSV and Hand Foot and Mouth Disease were increased from 2Q2022. Therefore, the occupancy rate was increased. In addition, the strictly implemented measures of cost control corresponding with the economic

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Ratchaphruek Hospital Public Company Limited

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Ratchaphruek Hospital

The nine-month period ended September 30, 2022 (“9M2022”), the Company reported EBITDA of THB 440.51 million, increased of 49.2% from 9M2021

**Analysis of 9M2022 Performance**

Unit : Million Baht	9M2022	9M2021	% Change
Revenues from hospitel operations	1,088.03	813.89	33.7%
Other income	7.53	8.11	(7.1%)
<b>Total revenue</b>	<b>1,095.56</b>	<b>822.00</b>	

Unit : Million Baht	3Q2022	2Q2022	3Q2021	% Change	
				QoQ	YoY
Revenues from hospitel operations	283.43	284.45	424.69	(0.4%)	(33.3%)
Other income	3.07	2.32	2.56	32.1%	19.7%
<b>Total revenue</b>	<b>286.50</b>	<b>286.77</b>	<b>427.25</b>		

**Revenue from hospital operations**

For the nine-month period ended September 30, 2022 (“9M2022”), the revenue from hospital operations amounted to THB 1,088.03 million, increase of 33.7% from 9M2021. Caused by receiving cases of Covid-19 infection patients, opening cohort wards, opening several of Hospitel treatments and opening of Home Isolation treatments. In addition, the Company has provided COVID-19 vaccination and COVID-19 screening test.

However, in 3Q2022, the revenue from hospital operations decrease of 33.3% YoY and decrease of 0.4% QoQ Caused by 3Q2022 the situation of the epidemic of COVID-19 was unfolding and resulted in a return of non Covid-19 patients. Nevertheless, in 3Q2021, Thailand was hit by new wave of Covid-19 driven by highly transmissible.

Unit : Million Baht	9M2022	9M2021	% Change
Cost of hospitel operations	618.91	487.82	26.9%
Distributions costs	3.73	4.27	(12.6%)
Administrative expenses	100.85	101.68	(0.8%)
Finance cost	4.19	5.23	(19.9%)
Tax expense	73.47	44.76	64.2%
<b>Total expense</b>	<b>801.15</b>	<b>643.76</b>	



Unit : Million Baht	3Q2022	2Q2022	3Q2021	% Change	
				QoQ	YoY
Cost of hospitel operations	188.98	174.66	204.58	8.2%	(7.6%)
Distributions costs	1.35	1.20	1.51	12.1%	(10.6%)
Administrative expenses	25.05	37.95	37.67	(34.0%)	(33.5%)
Finance cost	1.40	1.43	1.63	(2.2%)	(14.0%)
Tax expense	13.85	14.36	36.62	(3.5%)	(62.2%)
<b>Total expense</b>	<b>230.63</b>	<b>229.60</b>	<b>282.01</b>		

#### Cost of hospital operations

For the nine-month period ended September 30, 2022 (“9M2022”), the cost of hospital operations amounted to THB 618.91 million, decrease of 26.9% from 9M2021. The cost of hospital operations to revenue ratios for 9M2022 and 9M2021 at 56.5% and 59.4%, respectively. The lower in ratio on a period-on-period basis was attributed to the effectively managed and the strictly implemented measures of cost control corresponding with the economic consequences from Covid-19 pandemic situation. The revenue from Covid-19 cases generate more margin than normal cases.

#### Administrative expenses

For the nine-month period ended September 30, 2022 (“9M2022”), the company’s administrative expenses amounted to THB 100.85 million, decrease slightly of 0.8% from 9M2021. The administrative expenses to revenue ratios for 9M2022 and 9M2021 at 9.2% and 12.4%, respectively. The lower in ratio on a period-on-period basis was attributed to the effectively managed and the strictly implemented measures of cost control corresponding with the economic consequences from Covid-19 pandemic situation caused the significant lower in administration expenses.

#### Financial costs

For the nine-month period ended September 30, 2022 (“9M2022”), the financial costs amounted to THB 4.19 million, decrease of 19.9% from 9M2021 because of a principal repayment of long-term loan from financial institutions.



**Profitability Analysis**

Unit : Million baht	9M2022	9M2021	% Change
EBITDA	440.51	295.22	49.2%
EBITDA Margin(%)	40.2%	35.9%	
EBIT	372.07	228.23	63.0%
EBIT Margin(%)	34.0%	27.8%	
Net profit	294.41	178.24	65.2%
Net profit margin(%)	26.9%	21.7%	
EPS (Baht)	0.54	0.33	

Unit : Million baht	3Q2022	2Q2022	3Q2021	% Change	
				QoQ	YoY
EBITDA	93.61	96.24	205.90	(2.7%)	(54.5%)
EBITDA Margin(%)	32.7%	33.6%	48.2%		
EBIT	71.12	72.96	183.49	(2.5%)	(61.2%)
EBIT Margin(%)	24.8%	25.4%	42.9%		
Net profit	55.87	57.17	145.24	(2.3%)	(61.5%)
Net profit margin(%)	19.5%	19.9%	34.0%		
EPS (Baht)	0.10	0.10	0.27		

**Net profits**

For the nine-month period ended September 30, 2022 (“9M2022”), the net profits amounted to THB 294.41 million, increase of 65.2% from 9M2021 Caused by receiving cases of Covid-19 infection patients, opening cohort wards, opening several of Hospital treatments and opening of Home Isolation treatments. In addition, the Company has provided COVID-19 vaccination and COVID-19 screening test. In addition, patients' admission number of RSV and Hand Foot and Mouth Disease were increased from 2Q2022



**Financial ratios**

	9M2022	6M2022	9M2021
Current ratio (x)	2.05	2.04	1.71
Return on Asset (%)	13.7%	38.8%	25.4%
Debt service coverage ratio DSCR (x)	0.68	0.97	0.62

  

	30 September 2022	30 June 2022	31 December 2021
Total liabilities to equity (x)	0.21	0.25	0.32

**Analysis of 3Q2022 Financial Position**

Unit : Million baht	30 September 2022	31 December 2021	% Change
Cash and cash equivalents	179.18	237.71	(24.6%)
Trade and other receivables	353.38	449.65	(21.4%)
Inventories	49.92	29.68	68.2%
Restricted deposits at financial institution	1.94	1.94	(0.1%)
Investment property	12.00	12.00	0.0%
Property, plant and equipment	1,446.51	1,453.44	(0.5%)
Right-of-use assets	9.17	10.14	(9.6%)
Intangible asset	22.87	5.48	317.2%
Deferred tax assets	9.91	10.74	(7.7%)
Other non-current assets	1.11	3.74	(70.3%)
<b>Total assets</b>	<b>2,085.99</b>	<b>2,214.52</b>	<b>(5.8%)</b>

Total assets as of September 30, 2022 were THB 2,085.99 million, decrease of 5.8% from December 31,2021 due mainly to a decrease in cash and cash equivalents, and trade and other receivables.

In addition, the Company's property, plant and equipment as of September 30, 2022 values are THB 1,446.51 million, decrease slightly of 0.5% from December 31,2021 due to the depreciation on a regular basis.

However, the company has Inventories as of September 30, 2022 was THB 49.92 million, increase of 68.2% from December 31,2021 due to the company received Covid-19 vaccine and the Company's intangible asset as of September 30, 2022 values are THB 22.87 million, increase of 317.2% from December 31,2021 due to the investment on Hospital Information System (HIS).



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Unit : Million baht	30 September 2022	31 December 2021	% Change
Short-term borrowings from financial institution	20.00	20.00	0.0%
Trade and other payables	134.02	197.45	(32.1%)
Current portion of long-term borrowings	105.17	104.57	0.6%
Accrued income tax	11.53	91.20	(87.4%)
Other current liabilities	13.27	5.02	164.6%
Long-term borrowings from financial institutions	37.71	81.87	(53.9%)
Employee benefit obligations	31.89	29.06	9.7%
Other non-current liabilities	3.83	5.51	(30.5%)
<b>Total Liabilities</b>	<b>357.42</b>	<b>534.67</b>	<b>(33.2%)</b>
Total Shareholders' Equity	1,728.57	1,679.85	2.9%
<b>Total liabilities and shareholders' equity</b>	<b>2,085.99</b>	<b>2,214.52</b>	<b>(5.8%)</b>

Total liabilities as of September 30, 2022 were THB 357.42 million, decrease of 33.2% from December 31, 2021 due mainly to a decrease in Accrued income tax, long-term loan from financial institutions, and account payables and other payables.

As of September 30, 2022, the shareholders' equities values are THB 1,728.57 million, increase of 2.9% from December 31, 2021.

Yours sincerely,

(Mr. Teerawat Srinakarin)  
Chief Executive Officer