



No. RJH – SET 7/2022

7 November 2022

Subject : Management's Discussion and Analysis for the 3rd Quarter of 2022

To : The President
The Stock Exchange of Thailand

Rajthanee Hospital Public Company Limited (“the Company”) would like to clarify the operating results of the Company and its subsidiary for the 3rd quarter ended September 30, 2022 which has been audited by the independent auditor as follows:

| Operation : Consolidated Profit & Loss Statement | 3Q | 3Q | % | YTD | YTD | % |
|--|---------------|-----------------|---------------|-----------------|-----------------|------------|
| Unit : THB million | 2022 | 2021 | change | 2022 | 2021 | change |
| Revenue from Non-Social Security | 373.30 | 969.87 | -62% | 2,182.74 | 1,616.64 | 35% |
| Revenue from Social Security | 217.26 | 173.54 | 25% | 636.93 | 591.06 | 8% |
| Revenue from Hospital Operations | 590.57 | 1,143.41 | -48% | 2,819.66 | 2,207.70 | 28% |
| Cost of Hospital Operations | 418.82 | 486.88 | -14% | 1,441.47 | 1,172.12 | 23% |
| Gross Margin | 171.75 | 656.53 | -74% | 1,378.19 | 1,035.57 | 33% |
| <i>% Gross Margin</i> | <i>29.1%</i> | <i>57.4%</i> | <i>-28%</i> | <i>48.9%</i> | <i>46.9%</i> | <i>2%</i> |
| Administrative Expenses | 48.25 | 54.47 | -11% | 146.07 | 136.52 | 7% |
| EBITDA * | 162.82 | 646.31 | -75% | 1,361.72 | 1,008.53 | 35% |
| <i>% EBITDA *</i> | <i>27.6%</i> | <i>56.5%</i> | <i>-29%</i> | <i>48.3%</i> | <i>45.7%</i> | <i>3%</i> |
| Other Income | 7.55 | 6.46 | 17% | 32.55 | 16.92 | 92% |
| Financing Cost | 6.87 | 0.55 | 1148% | 16.42 | 1.26 | 1206% |
| Earnings before Tax | 124.18 | 607.97 | -80% | 1,248.25 | 914.71 | 36% |
| Corporate Tax Expense /(Income) | 23.42 | 121.65 | -81% | 248.61 | 183.08 | 36% |
| Net Profit | 100.76 | 486.32 | -79% | 999.64 | 731.63 | 37% |
| <i>% Net Profit / Total Revenue</i> | <i>16.8%</i> | <i>42.3%</i> | <i>-25.4%</i> | <i>35.0%</i> | <i>32.9%</i> | <i>2%</i> |
| Non-Controlling Interests | 0.16 | 2.04 | -92% | 4.81 | 3.03 | 59% |
| Net Profit Attributable to The Company | 100.61 | 484.28 | -79% | 994.83 | 728.60 | 37% |

* Non-cash items included depreciation and accounting adjustment

Revenue from Hospital Operations

Revenue from hospital operations of the 3rd quarter of 2022 (“3Q22”) was THB 591 million, decreased significantly by 48% from the same quarter of previous year (“yoy”). The non-social security (“non-SW”) revenue decreased by 62% yoy. However, social security (“SW”) revenue increased by 25%..

The decrease of non-SW revenue was from Covid-19 related revenue which plunged from the quarterly peak of THB 743 million in 3Q21 to THB 77 million in 3Q22. The improved Covid-19 situation has caused the government abolish reimbursement to private hospitals for treating Covid-19 patients. On the other hand, the improved situation has brought back patients to



hospitals. OPD revenue was THB 151 million substantially increased by 25% yoy and IPD revenue was THB 146 million surged by 37% yoy. Comparing to the same quarter of the year prior to Covid-19 pandemic (Y2019), OPD and IPD revenue increased by 9% and 7% respectively.

In regard to SW revenue, it increased substantially by 25% yoy. The insured persons increased by 10,700 persons yoy or 1,600 persons QoQ to average 211,400 persons in this quarter. In addition, the resumed operations of SW patients have increased SW revenue related to high-cost care (Adjusted RW) and implant.

Cost of Hospital Operations

Cost of hospital operations in 3Q22 decreased by 14% yoy in term of THB because of cost related to Covid-19 patients i.e. medical & supplies, doctor fee, amortization of field hospital assets etc. However, gross margin decreased from all-time high of 57% of 3Q21 revenue to merely 29% in this quarter as no benefit from Covid-19's economy of scale.

Administrative Expenses

Administrative expenses decreased by 11% yoy owing to expenses associated with field hospitals.

Financing Cost

The financing cost increased to THB 7 million in 3Q22 stemming from the surge of short-term borrowing to funding the extended payment of Covid-19 revenue from Government.

Net Profit

Net profit decreased from all-time high of THB 486 million in 3Q21 to THB 101 million in 3Q22, plunged by 79% yoy. Despite the resume of general hospital revenue well above pre Covid-19 level, it was unable to make up for the massive loss of Covid-19 revenue.

Please be informed accordingly.

Yours sincerely,

(Surin Prasithirun, M.D.)

Managing Director