

Sor Kor 1452/2022

10 November 2022

Subject: Management Discussion and Analysis Quarter 3 Year 2022

To: Director and Manager,

The Stock Exchange of Thailand

Sikarin Public Company Limited and its subsidiary (the “Company”) have reported the financial statements for Q3/2022 and ended 30 September 2022 that were audited by the auditor. The Company would like to report the following details:

Management Analysis

The Company and its subsidiaries have a total operating income in Quarter 3 Year 2022 (“Q3/2022”) in the amount of 1,413.91 million Baht, a decrease of 14.82 percent from 1,659.90 million Baht in Q3/2021. The main reason is due to the cancellation of the Hospital and cancellation of Proactive checkups due to the Ministry of Public Health has announced that the coronavirus disease 2019 or COVID-19 is endemic. As a result, net profit in the Q3/2022 in the amount of 307.77 million Baht, a decrease of 9.25 percent from 339.15 million Baht in the Q3/2021.

Operating results during the nine months of 2022, the Company and its subsidiaries has total operating income of 4,514.88 million Baht, an increase of 17.09 percent from 3,855.98 million Baht during nine months of 2021, mainly due to an increase in the number of general



customers and social security customers by entering into difficult diseases that are complicated by surgery and the operation of a Mobile Hospital. Under the main mission is to promote health according to the Healthy Thailand policy of the Social Security Office, Ministry of Labor which has been well received by the insurers under Section 33, including the introduction of Sikarin Hospital Group undertaking all government projects related to health issues such as health check-up services to issue a medical certificate for a foreign worker's health check at the Center for Permission to Stay in the Kingdom allowed to work and issuing a certificate of identity (CI).

Summary of Important Events

- **Sikarin Hospital Group** cancellation of Hospital in total of 4,000 beds. Since Ministry of Public Health has announced that the coronavirus disease 2019 or COVID-19 is endemic.
- **Sikarin Hospital Group** launch Sustainability in service project together with the management team, staff and medical personnel in Sikarin Hospital group. Contribute to the environment pilot through activities to reduce energy consumption through various measures, water management activities for maximum benefits, waste and waste management to help reduce pollution including the selection of materials and equipment within the hospital that are environmentally friendly to reduce the impact of climate change (Climate Change) and global warming (Global Warming)
- **Sikarin Hospital Group** started Mobile Hospital under the main mission is promote health according to the Healthy Thailand policy of the Social Security Office, Ministry of Labor which has been well received by the insurers under section 33.
- **Sikarin Samut Prakan Hospital in collaboration with the Department of Employment Ministry of Labor** provide health check-up services in order to issue a medical certificate for a foreign worker's health check at the Center for Permission to Stay in the Kingdom allowed to work and issuing a certificate of identity (CI).

Consolidated Financial Statement Operating Performance

For Q3/2022

Revenue from Operation

Unit: million Baht

Revenue from Operation	Q3/2022	Q3/2021	Change	Q3/2020	Change	Q2/2022	Change
Revenue from medical treatment	1,392.74	1,644.10	-15.28%	1,003.60	38.77%	1,332.64	4.51%
Revenue from sales of food and beverages	7.50	8.97	-16.39%	8.52	-11.97%	7.04	6.53%
Other Revenue	13.66	6.83	100.00%	7.76	76.03%	9.02	51.44%
Total Revenue from Operation	1,413.90	1,659.90	-14.82%	1,019.88	38.63%	1,348.70	4.84%

For Q3/2022, the Company and its subsidiaries have total operating revenue of 1,413.90 million Baht, a decrease of 14.82 percent from 1,659.90 million Baht in Q3/2021 as a result of

- Revenue from medical treatment in the amount of 1,392.74 million Baht, a decrease of 251.36 million Baht or 15.28 percent from Q3/2021. The main reason is due to the cancellation of Hospital and cancellation of proactive check up since the Ministry of Public Health has announced that the coronavirus disease 2019 or COVID-19 is endemic. However, when compare to Q3/2020 (before Covid-19's treatment) found that revenue from medical treatment increases in the amount of 389.14 million Baht or 38.77 percent due to the reason that treatment among patients that requested complicated treatment have a stable growth.

Operating Expense

Unit : million Baht

Operating Expense	Q3/2022	Q3/2021	Change	Q3/2020	Change	Q2/2022	Change
Cost of medical treatment	820.53	960.75	-14.59%	697.86	17.58%	880.80	-6.84%
Cost of sales of food and beverage	5.31	6.84	-22.37%	5.47	-2.93%	5.20	2.11%
Selling and Administrative expense	184.01	246.79	-25.44%	169.66	8.46%	233.88	-21.32%
Total operating expense (including depreciation)	1,009.85	1,214.38	-16.84%	872.99	15.68%	1,119.88	-9.83%

In the Q3/2022, the Company and its subsidiaries have total operating expenses including depreciation of 1,009.85 million Baht, a decrease of 16.84 percent from 1,214.38 million Baht in the Q3/2021 as a result of

- Cost of medical treatment in the amount of 820.53 million Baht, a decrease of 140.22 million Baht or 14.59 percent from the Q3/2021 due to the cancellation of patient treatment through the hospital. It was found that the ratio of hospital costs to revenue from hospital operations was 58.91 percent, an increase of 0.47 percent from 58.44 percent in Q3/2021.
- Selling and administrative expenses amounted to 184.01 million Baht, a decrease of 62.78 million Baht or 25.44 percent from the Q3/2021 due to personnel cost management and project execution Sustainability in service consists of activities to reduce energy consumption through various measures, water management activities for maximum benefit.

Profitability Analysis

Unit : million Baht

Profitability Analysis	Q3/2022	Q3/2021	Change	Q1-3/2022	Q1-3/2021	Change
Gross profit	404.05	445.51	-9.31%	1,126.68	780.89	44.28%
Gross profit margin (percent)	28.58	26.84		24.95	20.25	
EBITDA	530.21	558.76	-5.11%	1,494.82	1,113.77	34.21%
EBITDA margin (percent)	37.50	33.66		33.11	28.88	
Net Profit	307.77	339.15	-9.25%	861.22	580.28	48.41
Net profit margin (percent)	21.77	20.43		19.08	15.05	

From the table above,

- In Q3/2022, the Company and its subsidiaries had gross profit of 404.05 million Baht, a decrease of 41.46 million Baht or 9.31 percent from 445.51 million Baht in Q3/2021 while the gross profit margin in Q3/2022, equal to 28.58 percent, an increase of 1.74 percent from 26.84 percent in Q3/2021.
- As for the operating results during the nine months of 2022, gross profit was 1,126.68 million Baht, an increase of 345.79 million Baht or 44.28 percent from 780.89 million Baht during the nine months of 2021 while the gross profit margin in the nine month of 2022 was 24.95 percent, an increase of 4.70 percent from 20.25 percent in the nine months of 2021.
- In Q3/2022, the Company and its subsidiaries had EBITDA of 530.21 million Baht, a decrease of 28.55 million Baht or 5.11 percent from 558.76 million Baht

in Q3/2021, while in Q3/2022, EBITDA margin was 37.50 percent, an increase of 3.84 percent from 33.66 percent in 3Q/2021.

- For the nine s period of 2022, EBITDA was 1,494.82 million Baht, an increase of 381.05 million Baht or 34.21 percent from 1,113.77 million Baht in the nine months period of 2021, while the nine month period of 2022 was EBITDA margin 33.11 percent, an increase of 4.23 percent from 28.88 percent in the nine months of 2021.
- In Q3/2022, the Company and its subsidiaries have a net profit margin (Part of the parent company) 21.77 percent, an increase of 1.34 percent from 20.43 percent in the Q3/2021.
- As for the operating results during the nine months of 2022, there was a net profit margin. (Part of the parent company) 19.08 percent, an increase of 4.03 percent from 15.05 percent in the nine months of 2021.

Consolidated Financial Position

Unit : million Baht

Consolidated Financial Position	30 Sept 2022	31 Dec 2021	Change
Total Assets	7,969.12	8,089.66	-1.49%
Total Liability	1,922.38	2,503.45	-23.21%
Shareholders Equity of the Company	5,966.49	5,516.83	8.15%
Total Shareholder Equity	6,046.74	5,586.21	8.24%

Consolidated financial statements of the Company and its subsidiaries as of 30 September 2022, had total assets of 7,969.12 million Baht, a decrease of 120.54 million Baht from 2021, or a decrease of 1.49 percent.

- The Company and its subsidiaries have current assets as of 30 September 2022 amounted to 2,366.51 million Baht, a decrease of 300.18 million Baht or a decrease of 11.26 percent compared to the end of the year.
- The Company and its subsidiaries have non-current assets as of 30 September 2022 amounted to 5,602.61 million Baht, an increase of 179.64 million Baht or a 3.31 percent increase compared to the end of the year.

Consolidated financial statements of the Company and its subsidiaries as of 30 September 2022, had total liabilities of 1,922.38 million Baht, a decrease from the year 2021 of 581.07 million Baht or equivalent to a decrease of 23.21 percent.

- The Company and its subsidiaries have current liabilities as of 30 September 2022 amounted to 1,206.42 million Baht, a decrease of 442.26 million Baht or a 26.02 percent reduction compared to the end of the year.
- The Company and its subsidiaries have non-current liabilities as of 30 September 2022 amounted to 715.96 million Baht, a decrease of 156.81 million Baht or a 17.97 percent reduction compared to the end of the year.

Consolidated financial statements of the Company and subsidiaries have Shareholder's equity of the parent company as of 30 September 2022 amounted to 5,966.49 million Baht, an increase of 449.66 million Baht or an increase of 8.15 percent compared to the end of the year.

Consolidated financial statements of the Company and subsidiaries have the Company's shareholders' equity as of 30 September 2022 amounted to 6,046.74 million Baht, an increase of 460.53 million Baht or an increase of 8.24 percent compared to the end of the year.

Please be informed accordingly,

Sincerely Yours,

(Mr. Suriyan Kojonroj)

Director and Company Secretary