

11 November 2022

**Subject** Management's Discussion and Analysis of Financial Performance and Results of Operations For the three-month and nine-month periods ended 30 September 2022

**To** The President  
The Stock Exchange of Thailand

Praram 9 Hospital Public Company Limited (the "Company") would like to report management's discussion and analysis of financial performance and results of operations for three-month and nine-month periods ended 30 September 2022 as follows:

### Summary

The Thai economy in the third quarter of 2022 continued to recover from the previous quarter. The group of foreign patients admitted to hospitals in Thailand is a factor supporting the recovery of the private hospital business. While the key factor in the existing infrastructure still affects the need for medical care that increases with the number of patients. And higher morbidity rates both from a lifestyle that is at risk of disease, aging society and the spread of various diseases intensified.

Operation a business faces many challenges. Bring risks and opportunities Therefore, businesses must always adapt and develop themselves to survive and grow stably and sustainably. Therefore, the development of the organization towards sustainability is important. Praram 9 Hospital received the Rising Star Sustainability Awards at the SET Awards 2022 stage, the achievement of business commitment to sustainable growth. Under the principles of good corporate governance, transparency, accountability, and considering the environment and social in accordance with the principles of good corporate governance.

In the third quarter of 2022, the Company reported total revenues of Baht 1,074.9 million, increased of 41.5% as compared to the third quarter of 2021, which reported total revenues of Baht 759.5 million and reported profit for the period in the third quarter of 2022 was Baht 147.0 million, an increased of 77.3% as compared to the third quarter of 2021, which reported profit for the period of Baht 82.9 million.

For nine-month period ended 30 September 2022, the Company reported total revenues of Baht 3,034.1 million, increased of 45.9% as compared to the same period of last year, which reported total revenues of Baht 2,080.0 million. The reported profit for the nine-month period ended 30 September 2022 was Baht 428.9 million, increased of 221.8% as compared to the same period of last year, which reported profit of Baht 133.3 million.

**Statement of comprehensive income**
**1. Quarterly Operational results**

Revenues (Million Baht)	Three-month period ended 30 Sep		Change (%)
	2022	2021	
Medical revenues from Out-Patient (OPD)	606.1	346.9	+74.7
Medical revenues from In-Patient (IPD)	457.8	403.7	+13.4
<b>Total Medical revenues</b>	<b>1,063.9</b>	<b>750.6</b>	<b>+41.7</b>
Rental and other income	11.1	8.9	+24.4
<b>Total Revenues</b>	<b>1,074.9</b>	<b>759.5</b>	<b>+41.5</b>

**Medical revenues by Type**

(Million Baht)	Three-month period ended 30 Sep		Change (%)	Proportion	
	2022	2021		2022	2021
<b>Medical revenues by Nationality</b>					
Thai	903.8	696.5	+30.0	84%	93%
International	160.1	54.1	+195.9	16%	7%
<b>Total Medical revenues</b>	<b>1,063.9</b>	<b>750.6</b>	<b>+41.7</b>	<b>100%</b>	<b>100%</b>
<b>Medical revenues by Payment method</b>					
Self-Pay	785.6	462.0	+70.1	74%	62%
Insurance	229.6	176.6	+30.0	21%	23%
Corporate Contract	48.7	112.0	-56.5	5%	15%
<b>Total Medical revenues</b>	<b>1,063.9</b>	<b>750.6</b>	<b>+41.7</b>	<b>100%</b>	<b>100%</b>

In the third quarter of 2022, the Company reported total medical revenues of Baht 1,063.9 million, increased of 41.7% from the third quarter of 2021, which reported medical revenues of Baht 750.6 million.

The out-patient department (OPD) revenues increased 74.7% as compared to the same period last year. This was due mainly to the number of OPD visits and OPD revenues per visit from the recovery of the patients not related to COVID-19.

The in-patient department (IPD) revenues increased 13.4% compared to the same period last year, the Patient day decreased as compared to the same period last year, with requests for extra beds and hospital for COVID-19 patients, while the IPD revenues per patient day have increased substantially. Despite the decrease in the number of patients with COVID-19, the medical complicated and difficult diseases have increased. Increased surgery procedures, including plastic surgery in addition.

For the third quarter of 2022, revenues from Thai patients increased by 30.0% compared to the same period last year. Meanwhile, revenues from international patients increased 195.9% from the same period last year. As a result, partly due to the adjustment to finding more foreign customers who still live in the country and fly-in from abroad, revenues from Myanmar, Chinese and Cambodia customers, respectively.

In term of revenues breakdown by payment method, revenues from insurance since the Company's strategy has been adjusted to focus on increasing the customer base in the insurance group through cooperation with many insurance company alliances. The Corporate contract group decreased of 56.5% due to COVID-19 patients who exercised UCEP (Universal Coverage for Emergency Patients) right to treatment according to the government policy, Which a decreased from the same period last year. But the company continues to focus on increasing the customer base of the contracting company continuously.

Cost of Hospital Operations and Expenses (Million Baht)	Three-month period ended 30 Sep		Change (%)
	2022	2021	
Cost of hospital operations	702.0	526.0	+33.5
As % of medical revenues	66.0	70.1	
Selling and administrative expenses	194.6	133.9	+45.4
As % of total revenues	18.1	17.6	

For the third quarter of 2022, the Company reported the cost of hospital operations (including depreciation and amortization) Baht 702.0 million or equal to 66.0% of total medical revenues, compared to the third quarter of 2021, which amount Baht 526.0 million or equal to 70.1% of total medical revenues. With better cost of hospital operations management from the previous year, including a significant increase in revenues. As result, the proportion of cost of hospital operations to medical revenues was decreased.

For the third quarter of 2022, the Company reported the selling and administrative expenses (including depreciation and amortization) Baht 194.6 million or equal to 18.1% of total revenues. Comparing to the third quarter of 2021, which amount Baht 133.9 million or equal to 17.6% of total revenues. The reduction of those proportion reflected excellent management efficiency although there were some higher expenses including the higher, such as utilities, employee expenses, selling and advertising expenses, but the Company still has a resource optimization.

(Million Baht)	Three-month period ended 30 Sep		Change (%)
	2022	2021	
Operating profit	178.3	99.6	+79.0
Depreciation and amortization	76.0	73.4	+3.5
<b>EBITDA</b>	<b>256.5</b>	<b>173.0</b>	<b>+47.5</b>
<i>EBITDA Margin (%)</i>	23.9	22.9	
Finance income	2.3	1.0	+128.0
Finance cost	(0.1)	(0.1)	+31.6
Income tax expenses	(33.5)	(17.6)	+90.5
<b>Profit for the period</b>	<b>147.0</b>	<b>82.9</b>	<b>+77.3</b>
<i>Net profit margin (%)</i>	13.7	10.9	
Total comprehensive income for the period	147.0	82.9	
Weighted average number of ordinary shares (Share)	786,300,000	786,300,000	
<b>Basic earnings per share (Baht)</b>	<b>0.19</b>	<b>0.11</b>	

For the third quarter of 2022, the Company reported earnings before interest, tax, depreciation and amortization (EBITDA) Baht 256.5 million, the EBITDA margin at 23.9%, increased of 47.5% from the third quarter of 2021 that the Company reported amount Bath 173.9 million, with the EBITDA margin at 22.9%.

For the third quarter of 2022, the Company reported depreciation and amortization of Baht 76.0 million, compared to the third quarter of 2021 of Baht 73.4 million. The higher proportion of depreciation and amortization amount due mainly to some medical equipment related to the new building.

For the third quarter of 2022, the Company reported finance cost of Baht 0.1 million almost the same as the third quarter of 2021. The Company reported income tax expenses for the third quarter of 2022 of Baht 33.5 million, while the third quarter of 2021, the Company reported income tax expenses of Baht 17.6 million

For the third quarter of 2022, the Company reported profit for the period of Baht 147.0 million, representing the Net profit margin for the year of 13.7%. While the Company reported profit for the third quarter of 2021 of Baht 82.9 million, representing the Net profit margin for the period of 10.9%. Basic earnings per share of 0.19 Baht per share and 0.11 Baht per share in the third quarter of 2022 and the third quarter of 2021, respectively.

## 2. Nine-month Operational results

Revenues (Million Baht)	Nine-month period ended 30 Sep		Change (%)
	2022	2021	
Medical revenues from Out-Patient (OPD)	1,703.2	1,052.1	+61.9
Medical revenues from In-Patient (IPD)	1,300.8	999.2	+30.2
<b>Total Medical revenues</b>	<b>3,004.0</b>	<b>2,051.3</b>	<b>+46.4</b>
Rental and other income	30.1	28.7	+4.9
<b>Total revenues</b>	<b>3,034.1</b>	<b>2,080.0</b>	<b>+45.9</b>

### Medical revenues by Type

(Million Baht)	Nine-month period ended 30 Sep		Change (%)	Proportion	
	2022	2021		2022	2021
<b>Medical revenues by Nationality</b>					
Thai	2,613.2	1,879.6	+39.0	87%	92%
International	390.8	171.8	+127.5	13%	8%
<b>Total Medical revenues</b>	<b>3,004.0</b>	<b>2,051.3</b>	<b>+46.4</b>	<b>100%</b>	<b>100%</b>
<b>Medical revenues by Payment method</b>					
Self-Pay	2,162.5	1,402.4	+54.2	72%	68%
Insurance	664.3	457.5	+45.2	22%	22%
Corporate Contract	177.3	191.4	-7.4	6%	10%
<b>Total Medical revenues</b>	<b>3,004.0</b>	<b>2,051.3</b>	<b>+46.4</b>	<b>100%</b>	<b>100%</b>

For the nine-month period ended 30 September 2022, the Company reported total medical revenues of Baht 3,004.0 million, increased of 46.4% from the same period of last year which reported total medical revenues of Baht 2,051.3 million.

The out-patient department (OPD) revenues increased 61.9% as compared to the same period of last year. This was due mainly to the number of OPD visits and OPD revenue per visit from the recovery of the patients not related to COVID-19.

Meanwhile, revenues from the in-patient department (IPD) revenues increased by 30.2% compared to the same period last year. The Patient day and IPD revenues per patient day has increased, with fewer patients COVID-19 but the medical complicated and difficult diseases have increased. Including cosmetic surgery in addition.

For the nine-month period of 2022, the trend of revenues from Thai patients has improved, revenues from Thai patients increased by 39.0% compared to the same period last year. Meanwhile, revenues from international patients also increased by 127.5% compared to the same period last year. From the relaxation of restrictions on entry into the country as a result, the proportion of revenues from international patients to Total Medical revenues for the nine-month period of 2022 increased to 13% from 8% of the same period last year. with revenues from Myanmar, Chinese and Cambodia customers, respectively.

In term of revenues breakdown by payment method, revenues from insurance increased since the Company's strategy has been adjusted to focus on increasing the customer base in the insurance group through cooperation with many insurance

company alliances. The Corporate contract group decreased of 7.4% due to COVID-19 patients who exercised UCEP (Universal Coverage for Emergency Patients) right to treatment according to the government policy. Decreased from the same period last year, but the company continues to focus on increasing the customer base of the contracting company continuously.

<b>Cost of Hospital Operations and Expenses</b> <i>(Million Baht)</i>	<b>Nine-month period ended 30 Sep</b>		<b>Change</b>
	<b>2022</b>	<b>2021</b>	<b>(%)</b>
Cost of Hospital Operations	1,993.2	1,528.2	+30.4
As % of medical revenues	66.4	74.5	
Selling and Administrative Expenses	517.2	396.0	+30.6
As % of total revenues	17.1	19.0	

For the nine-month period in 2022, the Company reported the cost of hospital operations (including depreciation and amortization) Baht 1,993.2 million or equal to 66.4% of total medical revenues, comparing to the nine-month period in 2021, the Company reported which amount Baht 1,528.2 million or equal to 74.5% of total medical revenues. With better cost of hospital operations management from the previous year including a significant increase in revenues. As result, revenues the proportion of cost of hospital operations to medical revenues was decreased.

For the nine-month period in 2022, the Company reported the selling and administrative expenses (including depreciation and amortization) Baht 517.2 million or equal to 17.1% of total revenues. Comparing to the same period of 2021, the Company reported the selling and administrative expenses (including depreciation and amortization) Baht 396.0 million or equal to 19.0% of total revenues. The reduction of those proportion reflected excellent management efficiency although there were some higher expenses such as utilities expenses. However, the company could save many expense items, especially in terms of personnel expenses which were improved by managing working hours and human resource allocations.

<i>(Million Baht)</i>	<b>Nine-month period ended 30 Sep</b>		<b>Change</b>
	<b>2022</b>	<b>2021</b>	<b>(%)</b>
Operating profit	523.7	155.8	+236.2
Depreciation and amortization	225.3	217.0	+3.8
<b>EBITDA</b>	<b>753.5</b>	<b>372.6</b>	<b>+100.6</b>
<i>EBITDA Margin (%)</i>	<i>24.8</i>	<i>18.1</i>	
Finance income	4.9	3.1	+56.0
Finance cost	(0.4)	(0.3)	+8.3
Income tax expenses	(99.3)	(25.3)	+293.0
<b>Profit for the period</b>	<b>428.9</b>	<b>133.3</b>	<b>+221.8</b>
<i>Net profit margin (%)</i>	<i>14.1</i>	<i>6.4</i>	
Total comprehensive income for the period	428.9	133.3	
Weighted average number of ordinary shares (Share)	786,300,000	786,300,000	
<b>Basic earnings per share (Baht)</b>	<b>0.55</b>	<b>0.17</b>	

For the nine-month period of 2022, the Company reported earnings before interest, tax, depreciation and amortization (EBITDA) Baht 753.5 million, the EBITDA margin at 24.8%, an increase of 100.6% from the same period of 2021 that the Company reported earnings before interest, tax, depreciation and amortization (EBITDA) Baht 375.6 million, with the EBITDA margin at 18.1%.

For the nine-month period of 2022, the Company reported depreciation and amortization of Baht 225.3 million, compared to the same period of 2021 of Baht 217.0 million. The higher proportion of depreciation and amortization amount due mainly to medical equipment related to the new building.

For the nine-month period of 2022, the Company reported finance cost of Baht 0.4 million almost the same as the same period of 2021 of Baht 0.3 million and reported income tax expenses for the nine-month period of 2022 of Baht 99.3 million, increased from the same period of 2021 which reported income tax expenses of Baht 25.3 million.

For the nine-month period of 2022, the Company reported profit for the period of Baht 428.9 million, representing the Net profit margin of 14.1%. While the Company reported profit for the nine-month period of 2021 of Baht 133.3 million, representing the Net profit margin of 6.4%. Basic earnings per share of 0.55 Baht per share and 0.17 Baht per share for the nine-month period of 2022 and the nine-month period of 2021, respectively.

### Statement of Financial Position

Statement of Financial Position (Million Baht)	As of 30 Sep 2022	As of 31 Dec 2021	Change (%)
Current assets	1,841.1	1,602.9	+14.9
Non-current assets	3,552.1	3,534.1	+0.5
<b>Total assets</b>	<b>5,393.2</b>	<b>5,136.9</b>	<b>+5.0</b>
Current liabilities	588.8	666.8	-11.7
Non-current liabilities	207.7	192.2	+8.1
Total liabilities	796.5	859.1	-7.3
Total shareholders' equity	4,596.7	4,277.9	+7.5
<b>Total liabilities and shareholders' equity</b>	<b>5,393.2</b>	<b>5,136.9</b>	<b>+5.0</b>

#### 1. Assets

As of 30 September 2022, the Company reported current assets of Baht 1,841.1 million, slightly increase by 14.9% as compared to Baht 1,602.9 million as of 31 December 2021. From cash and cash equivalents increased Baht 368.6 million.

As of 30 September 2022, the Company reported non-current assets of Baht 3,552.1 million, increased by 0.5% as compared to Baht 3,534.1 million as of 31 December 2021. From the depreciation and amortization offset with the purchase of assets.

#### 2. Liabilities

As of 30 September 2022, the Company reported current liabilities of Baht 588.8 million, decreased by 11.7% as compared to Baht 666.8 million as of 31 December 2021. This was due mainly to increase from Moderna vaccine. And recognize revenues from coupon check-up packages purchased in advance at the end of 2021.

As of 30 September 2022, the Company reported non-current liabilities of Baht 207.7 million, increased by 8.1% as compared to Baht 192.2 million as of 31 December 2021.

#### 3. Shareholders' equity

As of 30 September 2022, the Company reported shareholders' equity of Baht 4,596.7 million, increased by 7.5% as compared to Baht 4,277.9 million as of 31 December 2021. This was due mainly to total comprehensive income for the nine-month period ended 30 September of 2022 of Baht 428.9 million net with dividend payment of Baht 110.1 million.

**Cash flow statement**

<b>Cash flow statement</b> <i>(Million Baht)</i>	<b>Nine-month period ended 30 Sep</b>	
	<b>2022</b>	<b>2021</b>
Cash flows from operating activities	682.4	373.2
Cash flows used in investing activities	(199.9)	(284.0)
Cash flows used in financing activities	(113.9)	(89.7)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>368.6</b>	<b>(0.5)</b>

For nine-month period ended 30 September 2022, the Company reported cash flows from operating activities of Baht 682.4 million, increased of Baht 309.1 million as compared to the same period of 2021 of Baht 373.2 million. This was mainly due to the increase in net profit from operating results before depreciation and amortization.

For nine-month period ended 30 September 2022, the Company reported cash flows used in investing activities of Baht 199.9 million, arising from Acquisition of debt instruments net Proceed from sales of equity and debt instruments Baht 199.8 million, Acquisition of fixed assets and Acquisition of intangible assets Baht 104.2 million. Meanwhile, during the same period of 2021, the Company reported cash flows used in investing activities of Baht 284.0 million, arising from Acquisition of debt instruments net Proceed from sales of equity and debt instruments Baht 100.0 million, Acquisition of fixed assets and Acquisition of intangible assets Baht 135.0 million.

For nine-month period ended 30 September 2022, the Company reported cash flows used in financing activities of Baht 113.9 million from the dividend payment and payment of principal portion of lease liabilities, compared to the same period of 2021 which reported cash flows used in financing activities of Baht 89.7 million.

<b>Key Financial Ratio</b>	<b>Nine-month period ended 30 Sep</b>	
	<b>2022</b>	<b>2021</b>
<b>Liquidity Ratio</b>		
Current ratio	3.1	2.3
Average collection period	21.8	24.2
Average days sales of inventory	7.3	8.8
Average account payables days	19.0	20.1
Cash cycle	10.2	12.9
<b>Profitability Ratio</b>		
Gross profit margin	33.6	25.5
Net profit margin	14.1	6.4
Return on average shareholders' equity*	12.4	5.2
Return on average assets*	10.5	4.4
<b>Financial Policy Ratio</b>		
Debt to equity ratio	0.2	0.2
Interest bearing debt to equity ratio	-	-

Remark \* The information from financial statements adjusted to fully annualized numbers by using the numbers in the current quarter plus the previous 3 quarter financial information.

Please be informed accordingly,

Yours sincerely,

**Praram 9 Hospital Public Company Limited**

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Satian Pooprasert, M.D.

Chief Executive Officer