

EKH/CS/2022/049

11 November 2022

Subject: Management Discussion and Analysis for the third quarter ending 30 September 2022

To Directors and Manager
The Stock Exchange of Thailand

Ekachai Medical Care Public Company Limited (the "Company") would like to clarify on the operating results for the third quarter ending 30 September 2022 as follows.

Summary

Consolidated Financial Statements

Ekachai Medical Care Public Company Limited and its subsidiaries reported total revenues in 3Q22 of THB 269.59 million, a 28.14 percent decrease from 3Q21 revenues of THB 412.76 million. Profit attributable to equity holders of the company of THB 76.04 million compared to the same period of the previous year, which had profit attributable to equity holders of the company amounting to THB 155.81 million or decrease of 51.20 percent.

For 9M22, the Company's total revenue was THB 821.37 million, a 6.26 percent decrease compared to the same period of the previous year, which was THB 876.26 million. Profit attributable to equity holder of the Company of THB 199.24 million a decrease of 21.95 percent compared to the same period of the previous year which was THB 255.26 million and net profit margin for 9M22 was 24.26 percent, a decrease from 29.13 percent compared to the same period of last year.

Separate Financial Statements

Ekachai Medical Care Public Company Limited reported total revenue for the 3Q22 of THB 277.14 million, a decrease of 31.53 percent compared to the same period of the previous year which was THB 404.79 million. A decrease in revenue in 3Q22 is mainly caused by the situation of Covid-19 starting to unfold in a better direction as a result, the proportion of hospitalizations has decreased and had a profit attributable to the shareholders of the Company of THB 79.00 million, compared to the same period of the previous year which amounted to THB 158.04 million or decreased 50.01%.

For 9M22, the Company had total revenue of THB 764.15 million, a decrease of 10.01 percent compared to the same period of the previous year, which was THB 849.19 million, with a profit attributable to the shareholders of the Company of 202.96 million baht, a decrease. 22.69 percent compared to the same period of the previous year which was THB 262.53 million and net profit margin for 9M22 had 26.56 percent decreased from 30.92 percent compared to the same period last year.

The details of the explanation and analysis of the financial position and operating results are as follows.

Income Statements

3Q22 Operational Performance

The Company and its subsidiaries Revenue from hospital Operations was THB 280.51 million, a 31.74 percent decrease from THB 410.92 million compared to the same period of the previous year.. The reason for the decrease was due to the year 2021, the epidemic situation of COVID-19 causing a large number of people receiving services for both inpatients and outpatients. For 3Q22, the situation of COVID-19 began to unravel, most of the service recipients were general patients.

Cost of Hospital Operations (including Depreciation and Amortization) of THB 155.76 million, a decrease of 7.93 percent. from THB 169.17 million compared to the same period of the previous year, most of them were the result to the decrease in medicines and medical supplies, doctor and nurse fees, overtime and effective overall cost control.

Administrative expenses (including depreciation and amortization) amounted to THB 47.82 million, a decrease of 4.82 percent compared to the same period of the previous year which was THB 50.24 million. This is mainly due to an decrease in employee expenses and other expenses.

Profit attributable to equity holders of the company was THB 76.04 million, a decrease of 51.20 percent from the same period of the previous year which profit THB 155.81 million.

(Unit : Million Baht)	Consolidated Financial Statements			Separate Financial Statements		
	3Q22	3Q21	Change	3Q22	3Q21	Change
Revenues from Hospital Operations	280.51	410.92	-31.74%	261.38	403.05	-35.15%
Cost of Hospital Operations	155.76	169.17	-7.93%	142.17	162.05	-12.27%
Administrative Expenses	47.82	50.24	-4.82%	38.29	45.71	-16.23%
Gross Profit	124.75	241.75	-48.40%	119.21	241.00	-50.54%
Profit to Equity Holders of the Company	76.04	155.81	-51.20%	79.00	158.04	-50.01%

9M22 Operational Performance

9M22, the Company and its subsidiaries had Revenues from Hospital Operations of THB 797.70 million, a 8.19 percent decrease from THB 868.85 million compared to the same period of the previous year, the main factor was a result of the decline in COVID-19 cases, however, the general public began to return to normal.

Cost of Hospital Operations (Including depreciation and amortization) THB 447.24 million, an increase of 0.41 percent compared to the same period of the previous year which was THB 445.43 million.

Administrative expenses (Including depreciation and amortization) amounted to THB 127.96 million, an increase of 10.25 percent compared to the same period of the previous year which was THB 116.06 million. This is mainly due to an increase in depreciation, employee expenses and other expenses.

Profit attributable to equity holders of the Company was THB 199.24 million, a decrease of 21.95 percent from the same period of the previous year which was THB 255.26 million.

(Unit : Million Baht)	Consolidated Financial Statements			Separate Financial Statements		
	9M22	9M21	Change	9M22	9M21	Change
Revenues from Hospital Operations	797.70	868.85	-8.19%	741.10	842.12	-12.00%
Cost of Hospital Operations	447.24	445.43	0.41%	406.71	420.84	-3.36%
Administrative Expenses	127.96	116.06	10.25%	107.07	101.45	5.54%
Gross Profit	350.46	423.42	-17.23%	334.39	421.28	-20.63%
Profit to Equity Holders of the Company	199.24	255.26	-21.95%	202.96	262.53	-22.69%

Statements of financial position

As of 30 September 2022, the Company had Current Assets of THB 802.43 million, an increase from THB 447.31 million as of 31 December 2021. Most of them were the result to increase in cash and cash equivalents.

Non-current assets increased to THB 903.29 million, compared to December 31, 2021, which was THB 884.94 baht, mainly from an increase from the list of buildings and equipment of the subsidiary.

Current liabilities of THB 153.56 million, a decrease from as of December 31, 2021, which is THB 183.57 million, mainly due to a decrease of deferred revenues, trade payables and other payables, accrued income tax and there were non-current liabilities of THB 39.95 million, a decrease from December 31, 2021, which was THB 43.78 million.

Current liabilities of THB 153.56 million, a decrease from as of December 31, 2021, which was THB 183.57 million, mainly due to a decrease in trade payables and other payables and decrease from Deferred revenues because the people who have reserved the moderna vaccine gradually receive the service. And had non-current liabilities of THB 39.95 million, a decrease from as of December 31, 2021, which was THB 45.36 million.

The shareholders' equity increased to THB 1,512.21 million from THB 1,013.32 million as of December 31, 2021 as a result of the capital increase by issuing ordinary shares for private placement and retained earnings. The Company's debt to equity ratio was 0.13 times.

(Unit : Million Baht)	Consolidated Financial Statements			Separate Financial Statements		
	30 SEP 22	31 DEC 21	Change	30 SEP 22	31 DEC 21	Change
Total assets	1,705.72	1,332.24	35.22%	1,661.60	1,278.95	37.91%
Total liabilities	193.50	228.92	-21.52%	143.71	174.02	-25.68%
Total shareholder's equity	1,512.22	1,103.32	49.00%	1,517.89	1,104.93	50.07%
Debt to equity (times)	0.13	0.21		0.09	0.16	

Please be informed accordingly.

Yours faithfully,
Ekachai Medical Care PCL.

(Dr. Amnaj Eur-Areemitr)
Director