

16 February 2023

Subject: Management Discussion and Analysis for Quarter 4 and Annual results ended 31 December 2022

To: Director and Management,
The Stock Exchange of Thailand

Sikarin Public Company Limited (“the Company”) and its subsidiary would like to report operating result for Q4/2022 and the year ended 31 December 2022 that were audited by the auditor. Detail shown as the following:

Management Analysis

The Company and its subsidiaries have a total operating income in the Quarter 4 the Year 2022 (“Q4/2022”) in the total amount of 1,196.37 million Baht, a decrease of 52.55 percent from the amount of 2,521.36 million Baht in Q4/2021 due to the decrease in revenue from the treatment of Covid-19 patients and revenue from Hospitel’s operation. As a result, Net Profit in Q4/2022 in the amount of 150.49 million Baht, decrease by 81.54 percent from 815.01 million Baht in Q4/2021.

For the year 2022, the emergence of COVID-19 has slowly gotten better. The government has announced the cancellation of Hospitel’s operation, and the Minister of Health has announced that Covid-19 to become Endemic. As a result, the Company and its subsidiaries’ revenue and net profit decreased. Overall, the performance for the Company and its subsidiaries have a total operating income of 5,711.25 million Baht, a decrease of 10.44 percent, from the amount of 6,377.34 million in the year 2021. The net profit in the year 2022 is equal to 1,011.70 million Baht, a decrease of 27.49 percent from 1,395.30 million Baht in the year 2021.



Summary of important events

- Quarter 1
 - The epidemic situation of COVID-19, Omicron species leading to the number of infected people in Thailand to increase in the beginning of 2022, the Company and its subsidiaries take this topic very serious in every aspect for the safety of all visitors through a standardized screening system including training to educate the team of medical personnel and staff at all levels.
 - **Sikarin Hospital** upgrading medical capacity by launching "Women's Health Institute" under the concept of "Understanding...all ages of women" consisting of pregnancy care, comprehensive treatment of gynecological diseases and cancer infertility care, Gynecological laparoscopic surgery and sexual health care.
 - **Sikarin Hospital Group together with the Social Security Office** implemented the "Hospital for Insurers" project through 10 leading hotels, as well as a 3,213 bed hospital to create safety for insurers and reduce the spread of COVID-19.
 - **Sikarin Samut Prakan Hospital, in collaboration with the Ministry of Labor Immigration office and the Myanmar government** conducting COVID-19 screening services by ATK method and medical certificate issuing services for foreign workers. The Center for Consideration of Permission to Stay in the Kingdom allowed to work and issuing a certificate of identity (CI)
- Quarter 2
 - **Sikarin Public Company Limited** has been selected for the ESG100 Securities Group Universe 2022, from a selection of 851 listed securities with outstanding environmental, social, and governance (ESG) performance by the ESG Rating Unit of Thaipat Institute.
 - **Sikarin Hospital Group** launches Mobile Hospital under the concept "Sikarin...by your side" for contract company customers or corporate customers to provide health promotion services, including Smart Check Up, Smart Dental, and a full range of medical services.

- Quarter 3

- **Sikarin Hospital Group** cancellation of Hospital in a total of 3,213 beds. Since Ministry of Public Health has announced that the coronavirus disease 2019 or COVID-19 is endemic.
- **Sikarin Hospital Group** launch Sustainability in a 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, 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 and global warming.
- **Sikarin Hospital Group** embarks on Mobile Hospital 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.

- Quarter 4

- **Sikarin Hospital Group** Receiving a plaque of honor as the "Hollow Heart Hospital of the Year 2022" from the Social Security Office Ministry of labor.
- **Sikarin Public Company Limited** by Dr. Atirat Charoonsri, managing director, was invited to participate in the Best CEO Awards and Best Company Performance Awards at the SET AWARDS 2022 organized by the Stock Exchange of Thailand.
- **Sikarin Public Company Limited** donated 1.00 million Baht for the "Sikarin...Giving Children's Hearts" project to the Cardiac Children Foundation under the patronage of Her Royal Highness Princess Galyani Vadhana Krom Luang Narathiwat Ratchanakarin.
- **Sikarin Hospital Group** attended the signing ceremony of a memorandum of agreement for medical services, with Mr. Boonchob Suttamanatwong, Permanent Secretary of Labor, Mr. Boonsong Thapchaiyut, Secretary-General of the Social Security Office and the senior management of the Ministry of Labor to increase the efficiency of insured

people's access to treatment in the social security system, a pilot surgery-procedure for 5 groups of diseases.

Consolidate Financial Statement Operating Performance

For Q4/2022

Revenue from Operation

Unit: million Baht

Revenue from Operation	Q4/2022	Q4/2021	Change	Q3/2022	Change
Revenue from medical treatment	1,180.91	2,508.26	-52.92%	1,392.74	-15.20%
Revenue from sales of food and beverages	7.09	7.99	-11.20%	7.50	-5.47%
Other Revenue	8.37	5.12	63.49%	13.66	-38.73%
Total Revenue from Operation	1,196.37	2,521.37	-52.55%	1,413.90	-15.38%

For Q4/2022, the Company and its subsidiaries have total operating income of 1,196.37 million Baht, a decrease of 52.55 percent from 2,521.37 million Baht in the Q4/2021 as a result of

- Revenue from medical treatment in the amount of 1,180.91 million Baht, a decrease of 1,327.35 million Baht or 52.92 percent from the Q4/2021, mainly due to a decrease from medical treatment of Covid-19's patient and the government announced the cancellation of the Hospital's operation and the Ministry of Health announced for Covid-19 to be Endemic.

Operating Expense

Unit: million Baht

Operating Expense	Q4/2022	Q4/2021	Change	Q3/2022	Change
Cost of medical treatment	851.33	1,077.62	-21.00%	820.53	3.75%
Cost of sales of food and beverages	6.05	5.27	15.00%	5.31	13.93%
Selling and Administrative Expenses	137.19	385.04	-64.37%	184.01	-25.44%
Total Operating Expenses (Including depreciation)	994.57	1,467.93	-32.24%	1,009.85	-1.51%

For Q4/2022, the Company and its subsidiary have total operating expenses including depreciation of 994.57 million Baht, a decrease of 32.24 percent from 1,467.93 million Baht in Q4/2021 due to

- Cost of medical treatment of 851.33 million Baht, a decrease of 226.29 million Baht or 21.00 percent from Q4/2021, mainly due to the decrease in medical treatment revenue. However, the Company and its subsidiaries are able to maintain the cost of medical treatment to the revenue of medical treatment at the ratio of 72.09 percent.
- Selling and Administrative Expenses of 137.19 million Baht, a decrease of 247.85 million Baht or 64.37 percent from Q4/2021 due the decrease in expense related to the Hospitel's operation.

Consolidated Financial Statement Operating Performance

For the year 2022

Revenue from Operation

Unit: million Baht

Revenue from Operation	2022	2021	Change
Revenue from medical treatment	5,643.11	6,319.14	-10.70%
Revenue from sales of food and beverages	28.61	31.73	-9.82%
Other Revenue	39.53	26.48	49.29%
Revenue from Operation	5,711.25	6,377.35	-10.44%

For the year 2022, the Company and its subsidiaries have revenue from medical treatment of 5,643.11 million Baht, a decrease of 676.03 million Baht or 10.70 percent from 6,319.14 million Baht in the year 2021, as a result of a decrease from medical treatment of Covid-19's patient and the government announced the cancellation of the Hospitel's operation, and the Ministry of Health announced for Covid-19 to be Endemic.

Operating Expense

Unit: million Baht

Operating Expense	2022	2021	Change
Cost of medical treatment	3,615.33	3,509.24	3.02%
Cost of sales of food and beverages	21.35	22.49	-5.06%
Selling and Administrative Expense	746.08	1,011.28	-26.22%
Total Operating Expense (Including depreciation)	4,382.76	4,543.01	-3.52%

In the year 2022, the Company and its subsidiaries have total operating expense including depreciation in the amount of 3,615.33 million Baht, an increase of 106.09 million Baht or 3.02 percent from 3,509.24 million Baht in the year 2021, as a result of an increased expense in medical personnel.

Selling and administrative expenses amounted to 746.08 million Baht, a decrease of 265.20 million Baht or 26.22 percent from 1,011.28 million Baht due to the management of overtime costs and the decrease of expenses from Hospitel's operation.

Profitability Analysis

Unit: million Baht

Profitability Analysis	2022	2021	Change
Gross Profit	2,027.78	2,809.90	-27.83%
Gross Profit Margin (percent)	35.93	44.47	
EBITDA	1,784.28	2,285.36	-21.92%
EBITDA margin (percent)	31.24	35.84	
EBIT	1,328.48	1,834.35	-27.58%
EBIT margin (percent)	23.26	28.76	
Net Profit	1,011.70	1,395.30	-27.49%
Net Profit margin (percent)	17.71	21.88	

From the table above, in 2022

- In 2022, the Company and its subsidiaries had a gross profit of 2,027.78 million Baht, a decrease of 782.12 million Baht or 27.83 percent from 2,809.90 million

Baht in 2021, while the gross profit margin was 35.93 percent, a decrease of 8.54 percent from 44.47 percent in 2021.

- In 2022, the Company and its subsidiaries had EBITDA of 1,784.28 million Baht, a decrease of 501.08 million Baht or 21.92 percent from 2,285.36 million Baht in 2021, while in 2022, the EBITDA margin was 31.24 percent, a decrease of 4.60 percent from 35.84 percent in 2021.
- In 2022, the Company and its subsidiary's net profit margin was 17.71 percent, a decrease of 4.17 percent from 21.88 percent in 2021.

Consolidated Financial Position

Unit: million Baht

Consolidated Financial Position	31 December 2022	31 December 2021	Change
Total Assets	8,818.21	8,089.66	9.01%
Total Liabilities	1,919.82	2,503.45	-23.31%
Shareholder Equity of the Company	6,813.32	5,516.83	23.50%
Total Shareholder Equity	6,898.39	5,586.21	23.49%

Consolidated financial statements of the Company and its subsidiaries as of 31 December 2022 had total assets of 8,818.21 million Baht, an increase from 2021 of 728.55 million Baht or 9.01 percent.

The Company and its subsidiaries have current assets as of 31 December 2022 amounted to 2,229.30 million Baht, a decrease of 437.39 million Baht or a decrease of 16.40 percent compared to the end of the year.

The Company and its subsidiaries have non-current assets as of 31 December 2022 amounting to 6,588.91 million Baht, an increase of 1,165.94 million Baht or a 21.50 percent increase compared to the end of the year.

The Company and its subsidiaries have current liabilities as of 31 December 2022 amounted to 1,077.74 million Baht, a decrease of 552.94 million Baht or a decrease of 33.91 percent compared to the end of the year.

The Company and its subsidiaries have non-current liabilities as of 31 December 2022, amounting to 842.08 million Baht, a decrease of 30.69 million Baht, or a 3.52 percent reduction compared to the end of the year.

Consolidated financial statements of the Company and its subsidiaries as of 31 December 2022, had shareholders' equity of 6,898.39 million Baht, an increase of 1,312.18 million Baht or representing an increase of 23.48 percent compared to the end of the year.

Key Financial Ratio

Unit: million Baht

Key Financial Ratio	2022	2021	Change
Liquidity Ratio (times)	2.07	1.64	0.43
Gross profit margin (%)	35.93	44.47	-8.53
Net profit margin (%)	17.71	21.88	-4.17
Net Debt to Equity (times)	0.28	0.45	-0.17
Average ROA (%)	11.47	17.24	-5.77
Average ROE (%)	14.66	24.97	-10.31

Please be informed accordingly,

Sincerely Yours,

(Mr. Suriyan Kojonroj)

Director and Company Secretary