



บริษัท วัฒนาการแพทย์ จำกัด (มหาชน)
โรงพยาบาลนอร์ท อีสเทอร์น-วัฒนา จ.อุดรธานี

70/7-8 ถนนสุขกิจจรรยา ตำบลหมากแข้ง อำเภอเมือง จังหวัดอุดรธานี 41000

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Date 27 February 2023

WATTANA KARNAET PUBLIC COMPANY LIMITED

Management Discussion and Analysis

Executive Summary

Year 2022 Performance

Wattana Karnpaet Public Company Limited (“Company”) reported the total revenue in 2022 to be Baht 523.434 million, increased from Baht 333.226 million in 2021, or increased by 57.08 per cent. The revenue from hospital operations was Baht 516.589 million in 2022, increased from Baht 327.650 million, or 57.66 per cent from last year. Other income was Baht 6.846 million in 2022, increased from Baht 5.576 million of last year, or increased by 22.78 per cent. The increase in the total revenue was resulted from the treatment and screening, and vaccination of Covid-19 patients mainly. Other seasonal endemic also resulted in increasing number of patients throughout the year.

In 2022, the Company has EBITDA of Baht 162.725 million, which increased from Baht 45.956 million in last year, or 254.09 per cent.

The Company reported net profit of Baht 100.54 million, increased from Baht 8.752 million, or 1,043.21 per cent from last year. Or basic earning per share of 10.01 Baht.

Major events in 2022

1. The Covid-19 outbreak resulted in the high number of Covid-19 patients
2. Open Covid Lab Screening Center and extended the service to networking with local hotels and organizations to access the Covid-19 screening services before travelling overseas
3. Providing the Covid-19 vaccination services
4. Providing the hospitalization for Covid-19 patients. Arrange for total separation of Covid-19 wards.

1. Financial Summary 2022 and Profitability

Operating Income

(Million Baht)	2022	2021	%Change
Revenue from hospital operations	516.589	327.650	57.66%
Other Income	6.846	5.576	22.78%
Total Income	523.434	333.226	57.08%

In 2022, the Company had the total income of Baht 523.434 million, increased from Baht 333.226 million of last year, or 57.08 per cent increase from last year. And the hospital operations income increased by Baht 188.938 million. This was mainly from the increase in the treatment, screening, and vaccination of Covid-19 patients which was high throughout the year.

Cost and Expenses

(Million Baht)	2022	2021	%Change
Cost of hospital operations	331.853	256.971	29.14%
Administrative expenses	63.242	62.390	1.37%
Total cost and expenses and depreciation	395.095	319.360	23.79%

In 2022, the Company had the cost of hospital operations and administrative expenses of Baht 395.325 million, increased from Baht 319.360 million of last year, or 23.79 per cent from last year.



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This comprises of cost of hospital operations of Bath 331.853 million, which increased from Baht 256.971 million of last year, or 29.14 per cent. The increase in cost of hospital operations was due to the increasing number of patients.

The Administrative expenses in 2022 was Bath 63.242 million, increased from Baht 62.390 million of last year, or 1.37 per cent. The expense was increased only slightly from last year.

Profitability Analysis

(Million Baht)	2022	2021	%Change
EBITDA	162.724	45.956	254.09%
EBITDA margin	31%	14%	
EBIT	128.339	13.866	825.59%
EBIT margin	25%	4%	
Net profit	100.054	8.752	1,043.21%
Net profit margin	19%	3%	
Basic earning per share	10.01	0.88	1,043.21%

From the above mentioned, EBITDA in 2022 was Baht 162.724 million, increased from Baht 45.956 million in 2021, or increased by 254.09 per cent. The EBITDA margin was 31 per cent.

Balance Sheet and Cash Flow

Balance Sheet

(Million Baht)	31 Dec 2022	31 Dec 2021	% Change
Total Assets	608.706	524.951	15.95%
Total Liabilities	142.453	156.281	-8.85%
Total Shareholders' Equity	466.254	368.670	26.47%

In 2022, the Total Assets of the Company as of 31 December 2022 was Baht 608.706 million, increased from Baht 524.951 million of last year, or increased by 15.95 per cent. This comprises of current assets of Baht 193.338 million, increased from Baht 132.761 million in 2021, or 45.63 per cent. And non-current assets of Baht 415.368 million, increased from Baht 392.190 million of last year, or 5.91 per cent.

The Total Liabilities as of 31 December 2022 was Baht 142.453 million, decreased from Baht 156.281 million in 2021, or 8.85 per cent.

The Shareholders' Equity as of 31 December 2022 was Baht 466.254 million, increased from Baht 368.670 million of last year, or increased by 26.47 per cent.

Cash Flows

(Million Baht)	2022
Net cash provided by operating activities	132.218
Net cash used in investing activities	(28.953)
Net cash used in financing activities	(46.987)
Net increase in cash and cash equivalents	56.278
Cash and cash equivalents as at the beginning of the year	19.096
Cash and cash equivalents as at the end of the year	75.374

As of 31 December 2022, the Company had net increase in cash and cash equivalent of Baht 56.278 million, with the cash and cash equivalents as of 31 December 2022 was Baht 75.374 million.



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The net cash provided by operating activities was Baht 132.218 million. The net cash used in investing activities was Baht 28.953. The net cash used in financing activities was Baht 46.987 million, which mainly was paying back loans from financial institution.

2.Assets utilization

	2022	2021
Accounts receivable turnover	10.79	8.13
Number of days of receivables (days)	34	45
Inventory turnover	6.58	7.14
Number of days of inventory (days)	55	50

In 2022, the accounts receivable turnover was 10.79 increased from 8.13 of last year. And the number of days of receivables decreased from 45 to 34 days in 2022, which indicates the improved efficiency in the accounts receivable management system.

In 2022, the number of days of inventory was increased by 55 days, similar to that of last year. This was result of an effective stock inventory management system.

3.Liquidity and sufficiency of funding

	2022	2021
Current ratio	2.26	1.19
Quick ratio	1.88	1.07
Cash ratio	1.24	0.76
Interest coverage	41.65	3.94

From the liquidity side, the current ratio of the company was 2.26 which sufficient for an ordinary business operations. In 2022, the company's Quick ratio and Cash ratio was 1.88 and 1.24 respectively, and the Interest coverage was 41.65, which indicates that the level of liquidity and sufficiency of funding is high.

4.Debt payment

	2022	2021
Interest Coverage	41.65	3.94
Debt Service Coverage – Cash Basis	1.64	1.14
Debt to equity ratio	0.31	0.42

The company has an ability to service debt. The interest coverage was 41.65 in 2022, increased from that of last year. This was because of the higher earning in 2022. The debt service coverage -cash basis was 1.64 in 2022.

In 2022, the debt to equity ratio was 0.31, which was the decreased from last year as a result of continuously loan repayment as scheduled.



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