

EKH/CS/2023/033

May 11, 2023

Subject Management Discussion and Analysis for Q1/2023

To Directors and Manager
 The Stock Exchange of Thailand

Ekachai Medical Care Public Company Limited and its subsidiaries (the “Company”) would like to clarify on the operating results for Q1/2023 as follows.

Summary

The Company had a total revenues of THB 300.17 million in Q1/2023 or representing an increase 8.03 percent from THB 277.87 million in Q1/2022 due to an increase in other income or gain arising on Fair Value Through Profit or Loss (FVTPL) equity instruments, which the company invested in The Klinique Medical Clinic PCL (“KLINIQ”), resulting in a net profit in Q1/2023 in the amount of THB 78.34 million, an increase 5.22 percent from THB 74.45 million in Q1/2022.

The Company had the operating results for Q1/2023 can be summarized as follows:

Operating Results

(Unit : Million Baht)	Q1/2023	Q1/2022	Change + / (-)
Revenues from Hospital Operations	261.03	275.53	-5.26%
Cost of Hospital Operations	150.38	146.92	2.36%
Gross Profit	110.65	128.61	-13.96%
Other income	39.14	2.35	1565.53%
Administrative Expenses	51.97	38.63	34.53%
Profit (Loss) before Income Tax Expenses	99.04	92.24	7.37%
Tax Expenses	-19.81	-18.28	-8.37%
Net Profit (Loss) for the Company	78.34	74.45	5.22%

Analysis of Statement of Income

(Unit : Million Baht)	Q1/2023	Q1/2022	Change + / (-)
Revenues from Hospital Operations	261.03	275.53	-5.26%
Cost of Hospital Operations	150.38	146.92	2.36%
Gross Profit	110.65	128.61	-13.96%
Net Profit (Loss) for the Company	78.34	74.45	5.22%
Gross Profit Margin (%)	42.39%	46.68%	-9.19%
Net Profit (Loss) Margin ¹ (%)	26.10%	26.79%	-2.59%

Revenue

- In Q1/2023, revenue from hospital operations was THB 261.03 million, a decrease from the Q1/2022, which amounted to THB 275.53 million, or a decrease of 5.26 percent, mainly due to the situation of COVID-19 that resolved in a better as a result, the proportion of receiving medical treatment decreased. By dividing income according to patient type into 2 types as follows :

(Unit : Million Baht)	Q1/2023	Q1/2022	Change + / (-)
Revenue from Inpatient (IPD)	137.16	142.39	-3.67%
Revenue from Outpatient (OPD)	123.87	133.13	-6.96%
Revenues from Hospital Operations	261.03	275.52	-5.26%
Other Income	39.14	2.35	1565.53%
Total Revenue	300.17	277.87	8.03%

- Revenue from Inpatient (IPD) in the Q1/2023 was THB 137.16 million, a decrease from the Q1/2022 , which was THB 142.39 million, or decrease 3.67 percent due to the decrease in COVID patients who are hospitalized.
- Revenue from Outpatient (OPD) in the Q1/2023 amount to THB 123.87 million, decrease from the Q1/2022, which was THB 133.13 million or representing a decrease 6.96 percent due to the decrease in the number of people receiving COVID treatment services.

Gross Profit and Gross Profit Margin

- Gross profit in Q1/2023 was THB 110.65 million, a decrease from the Q1/2022, which was THB 128.61 million, or a decrease of 13.96 percent, in line with the decrease in revenue from hospital operations.
- Gross profit margin in the Q1/2023 at 42.39 percent, decrease from 46.68 percent in the Q1/2022.

Net Profit and Net Profit Margin

- The company had a net profit in the Q1/2023 in the amount of THB 78.34 million, increase from Q1/2022 in the amount of THB 74.45 million or representing an increase of 5.22 percent, mainly due to the company had a gain arising on Fair Value Through Profit or Loss (FVTPL) equity instruments, which the company invested in KLINIQ in the amount of THB 28.80 million
- Net profit margin in the Q1/2023 at 26.10 percent, a decrease from the Q1/2022, which had 26.79 percent.

Administrative Expenses

(Unit : Million Baht)	Q1/2023	Q1/2022	Change +/(-)
Administrative Expenses	51.97	38.63	34.53%
Administrative expenses to total revenue (%)	17.31	13.90	24.54%

- Administrative expenses in the Q1/2023 amounted to THB 51.97 million, an increase from the Q1/2022, which amount to THB 38.63 million, or representing an increase of 34.53 percent, mainly due to an increase in salary and employee compensation and marketing expenses.
- Administrative expenses to total revenue in Q1/2023 was 17.31 percent, an increase from Q1/2022 which was 13.90 percent due to other income from investment in KLINIQ.

Analysis of the Company's financial statement

(Unit : Million Baht)	Q1/23	2022	Change +/(-)
Cash and cash equivalents	734.09	776.10	-5.41%
Other current financial assets	55.16	19.01	190.16%
Total current assets	930.48	931.82	-0.14%
Other non-current financial assets	686.00	620.00	10.65%
Property, plant and equipment	663.11	656.81	0.96%
Total non-current assets	1,385.85	1,316.68	5.25%
Total assets	2,316.33	2,248.50	3.02%
Total current liabilities	182.78	201.15	-9.13%
Total non-current liabilities	121.41	114.45	6.08%
Total liabilities	304.19	315.60	-3.62%
Total shareholders' equity	2,012.13	1,932.90	4.10%
Total liabilities and shareholders' equity	2,316.32	2,248.50	3.02%

Asset

As of March 31, 2023, the company had total assets THB 2,316.33 million, an increase from the year 2022, which was THB 2,248.50 million, or representing an increase of 3.02 percent. The details of the increase are as follows:

- Cash and cash equivalents in the amount of THB 734.09 million, a decrease from the year 2022, which was in the amount of THB 776.10 million or decrease 5.41 percent.
- Other current financial assets amounted to THB 55.16 million, an increase from year 2022 which had THB 19.01 million, representing an increase of 190.16 percent and Other non-current financial assets amounted to THB 686 million increase from year 2022 which had THB 620.00 million, representing an increase of 10.65 percent, increase from financial assets in the category of equity instruments measured at fair value through profit and loss.
- Property, plant and equipment amounted to THB 663.11 million, an increase from year 2022 which amount to THB 656.81 million, or an increase of 0.96 percent.

Liabilities

As of March 31, 2023, the Company had total liabilities of THB 304.19 million, a decrease from the year 2022, which was THB 315.60 million, or representing a decrease 3.62 percent. The details of the decrease are as follows:

- Current liabilities amount to THB 182.78 million, decrease from 2022 which amount to THB 201.15 million or decrease of 9.13 percent, mainly from trade and other payables.
- Non-current liabilities amount to THB 121.41 million, an increase from year 2022 which amount to THB 114.45 million, or an increase of 3.62 percent, mainly from deferred tax liabilities.

Shareholders' equity

As of March 31, 2023, the Company had total shareholders' equity THB 2,012.13 million, an increase from the year 2022, which was THB 1,932.90 million, or an increase of 4.10 percent as a result of an increase in operating profit.

Yours faithfully,

Ekachai Medical Care PCL.

Dr. Amnaj Eur-Areemitr

Director