

4 July 2023

Subject: Management Discussion and Analysis for the year ended December 31, 2022  
 Stock Exchange of Thailand

Patrangsit Healthcare Group Public Company Limited and subsidiaries (the "Company") would like to inform the Company's performance for the year ended December 31, 2022, as the following details:

### Financial Performance

รายการ	As of December 31,			
	2021		2022	
	THB million	%	THB million	%
Revenue from hospital operations	1,971.02	100.00	2,039.80	100.00
Cost of hospital operations	(1,340.88)	(68.03)	(1,431.82)	(70.19)
<b>Gross profit</b>	<b>630.14</b>	<b>31.97</b>	<b>607.98</b>	<b>29.81</b>
Other incomes	14.04	0.71	13.51	0.66
Selling expenses	(28.08)	(1.41)	(14.29)	(0.70)
Administrative expenses	(203.09)	(10.23)	(227.37)	(11.07)
Finance cost	(12.30)	(0.62)	(11.95)	(0.58)
<b>Profit before income tax</b>	<b>400.71</b>	<b>20.19</b>	<b>367.88</b>	<b>17.92</b>
Tax expense	(83.23)	(4.19)	(74.78)	(3.64)
<b>Profit for the period</b>	<b>317.48</b>	<b>15.99</b>	<b>293.10</b>	<b>14.27</b>

### **Revenue from hospital operations**

For the year ended December 31, 2021 - 2022, the revenue from hospital operation was THB 1,971.02 million and THB 2,039.80 million respectively with growth rate of 3.49%. The company's revenue from hospital operation were classified according to the type of customers as follows: (1) revenue from general customers which consists of general customers, contract customers and other customers and (2) revenue from government welfare programs which consists of Social Security programs, National Health Security Office (NHSO) programs and civil servant welfare programs. In 2021 – 2022 revenue from hospital operation were as follows.

Revenue from hospital operations	As of December 31,			
	2021		2022	
	THB million	%	THB million	%
- General customers	635.28	32.23	591.95	29.02
<i>Growth rate (%)</i>		48.82		(6.82)
- Contract customers	356.02	18.06	430.74	20.12
<i>Growth rate (%)</i>		11.84		20.99
- Other customers	21.42	1.09	27.98	1.37
<i>Growth rate (%)</i>		43.55		30.63
<b>Total revenue from general customers</b>	<b>1,012.72</b>	<b>51.38</b>	<b>1,050.67</b>	<b>51.51</b>
<i>Growth rate (%)</i>		31.10		3.75
- Social Security programs	565.33	28.68	711.52	34.88
<i>Growth rate (%)</i>		3.01		25.86
- NHSO programs	344.73	17.49	257.11	12.60
<i>Growth rate (%)</i>		73.78		(25.42)
- Civil servant welfare programs	48.24	2.45	20.50	1.01
<i>Growth rate (%)</i>		130.17		(57.51)
<b>Total revenue from government welfare programs</b>	<b>958.30</b>	<b>48.62</b>	<b>989.13</b>	<b>48.49</b>
<i>Growth rate (%)</i>		43.57		3.22
<b>Total revenue from hospital operations</b>	<b>1,971.02</b>	<b>100.00</b>	<b>2,039.80</b>	<b>100.00</b>
<i>Growth rate (%)</i>		27.93		3.49

**Cost of hospital operations**

Cost of hospital operations	As of December 31,			
	2021		2022	
	THB million	%	THB million	%
Doctor fee and cost of medical profession	691.17	51.54	770.28	53.80
Cost of medicine and medical instruments	386.01	28.79	453.66	31.68
Cost from operating activities	109.67	8.18	117.14	8.18
Other cost	154.03	11.49	90.74	6.34
<b>Total cost of hospital operations</b>	<b>1,340.88</b>	<b>100.00</b>	<b>1,431.82</b>	<b>100.00</b>
<i>% to revenue from hospital operations</i>		68.03		70.19

For the year ended December 31, 2022, the company's cost of hospital operations was THB 1,431.82 million increased THB 90.94 MB from the year ended 2021 or increased 6.78% mainly due to cost of medicine and medical instruments and doctor fee and cost of medical profession increased THB 79.11 million and THB 67.65 million, respectively while other cost decreased THB 63.29 million since there was no cost from service from Covid-19.

### **Selling expenses**

For the year ended December 31, 2022, the company's selling expenses were THB 14.29 million decreased THB 13.79 million the year ended 2021. Mainly due to other selling expenses decreased THB 17.36 million which were Covid-19 vaccination and state quarantine expenses.

### **Administrative expenses**

For the year ended December 31, 2022, the company's administrative expenses were THB 227.37 million increased THB 24.28 million from the year ended 2021 or 11.96%, due to salaries wages and other employee benefits increased THB 18.25 million.

### **Net income**

For the year ended December 31, 2022, net profit from hospital operations of the company was THB 293.10 MB with net profit margin of 14.27%.

### **Financial position**

(Unit: THB million)	งวดปีสิ้นสุดวันที่ 31 ธันวาคม	
	2564	2565
Total assets	1,477.43	1,624.07
Total liabilities	705.17	648.57
Total shareholders' equity	772.26	975.50

### **Total Assets**

The company's main asset consists of cash and cash equivalents, trade and other current receivables, accrued medical service treatment income, other current financial assets and property, plant and equipment as of the year ended December 31, 2022, the company's total assets was THB 1,624.07 million, the main assets consist of

1. Cash and cash equivalents were THB 183.95 million representing 11.33% of total assets.
2. Trade and other current receivables were THB 111.75 million representing 6.88% of total assets.
3. Accrued medical service treatment income was THB 224.51 million representing 13.82% of total assets.
4. Other current financial assets were THB 150.21 million representing 9.25% of total assets.
5. Property, plant, and equipment were THB 799.66 million representing 49.24% of total assets.

### Total Liabilities

The company's liabilities consist of trade and other current payables and long-term loans from financial institutions as of the year ended period December 31, 2022, the company's total liabilities were THB 648.57 million, representing 39.93% of total liabilities and shareholders' equity, the main liabilities consist of

1. Trade and other current payables were THB 247.31 million representing 15.23% of total liabilities and shareholders' equity.
2. Long-term loan from financial institution were THB 261.35 million representing 16.09% of total liabilities and shareholders' equity.

### Total Shareholders' equity

As of December 31, 2022, the Company had shareholders' equity of THB 975.05 million representing 60.07% of total liabilities and shareholders' equity, which shareholders' equity consisting of the issued and paid-up capital THB 246.00 million and retained earnings, both legal reserve and unappropriated retained earnings THB 640.37 million.

### Key financial ratio

(Unit: THB million)	As of March 31, 2023
Debt-to-equity (D/E) (times)	0.66
Return on asset (ROA) (percent)	18.90
Return on equity (ROE) (percent)	33.54
Cash cycle (days)	45.27

#### Debt to equity ratio (D/E)

As of 31 December 2022, the Company's D/E was 0.66 times which decreased from 31 December 2021, mainly due to an increase in retained earnings and while debt decreased mainly due to short-term and long-term loans repayment to financial institution.

#### Return on asset (ROA)

As of 31 December 2022, the Company's ROA was 10.90 percent which decreased from 31 December 2021, mainly due to decreased in net profit from Covid-19 while average total assets slightly increased.

#### Return on equity (ROE)

As of 31 December 2022, the Company's ROE was 17.86 percent which decreased from 31 December 2021 mainly due to decreased in net profit from Covid-19.

**Cash cycle**

Collection period	Days	56.25
Inventory period	Days	10.75
Repayment period	Days	21.73

As of 31 December 2022, the Company's cash cycle was 45.27 days which increased from 31 December 2021, mainly due to an increase in the collection period.

Yours sincerely

*Chokchawan*

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(Mr. Chokchawan Yangthaworntrakul)

Chief Financial Officer

Patrangsit Healthcare Group Public Company Limited

