

4 July 2023

Subject: Management Discussion and Analysis for the 3-month period ended March 31, 2023
 Stock Exchange of Thailand

Patrangsit Healthcare Group Public Company Limited and subsidiaries (the "Company") would like to inform the Company's performance for the 3-month period ended March 31, 2023, as the following details

Financial Performance

	As of March 31,			
	2022		2023	
	THB million	%	THB million	%
Revenue from hospital operations	541.05	100.00	485.20	100.00
Cost of hospital operations	(353.61)	(65.36)	(359.88)	(74.17)
Gross profit	187.44	34.64	125.32	25.83
Other incomes	2.75	0.51	3.84	0.79
Selling expenses	(8.80)	(1.62)	(2.21)	(0.45)
Administrative expenses	(54.29)	(9.98)	(68.16)	(13.94)
Finance cost	(2.98)	(0.55)	(3.40)	(0.69)
Profit before income tax	124.12	22.82	58.79	11.33
Tax expense	(24.70)	(4.54)	(10.84)	2.22
Profit for the period	99.42	18.28	44.55	9.11

Revenue from hospital operations

For the three months ended March 31, 2022, and 2023, the revenue from hospital operations was THB 541.05 million and THB 485.20 million, respectively decreased by 10.32% due to revenue from COVID-19. The company's revenue from hospital operations 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 the three-month period ending March 31, 2023, revenue from hospital operations were as follows;

Revenue from hospital operations	As of March 31,			
	2022		2023	
	THB million	%	THB million	%
- General customers	164.84	30.47	136.04	28.04
<i>Growth rate (%)</i>	N/A		(17.47)	
- Contract customers	103.50	19.13	116.60	24.03
<i>Growth rate (%)</i>	N/A		12.65	
- Other customers	6.78	1.25	7.18	1.48
<i>Growth rate (%)</i>	N/A		5.90	
Total revenue from general customers	275.12	50.85	259.82	53.55
<i>Growth rate (%)</i>	N/A		(5.56)	
- Social Security programs	165.70	30.63	159.20	32.81
<i>Growth rate (%)</i>	N/A		(3.92)	
- NHSO programs	94.09	17.39	61.11	12.59
<i>Growth rate (%)</i>	N/A		(35.06)	
- Civil servant welfare programs	6.13	1.13	5.07	1.05
<i>Growth rate (%)</i>	N/A		(17.27)	
Total revenue from government welfare programs	265.93	49.15	225.38	46.45
<i>Growth rate (%)</i>	N/A		(15.25)	
Total revenue from hospital operations	541.05	100.00	485.20	100.00
<i>Growth rate (%)</i>	N/A		(10.32)	

Cost of hospital operations

Cost of hospital operations	As of March 31,			
	2022		2023	
	THB million	%	THB million	%
Doctor fee and cost of medical profession	186.20	52.66	195.10	54.21
Cost of medicine and medical instruments	117.48	33.22	108.60	30.18
Cost from operating activities	28.49	8.06	31.06	8.63
Other cost	21.44	6.06	25.12	6.98
Total cost of hospital operations	353.61	100.00	359.88	100.000
<i>% to revenue from hospital operations</i>	65.36		74.17	

For the three-month period ending March 31, 2023, the company's cost of hospital operations was THB 359.88 million increased THB 6.27 MB from the three-month period ending March 31, 2022, or increased 1.78% mainly due to doctor fee and cost of medical profession increased THB 8.90 million according to the company's salary plan.

Selling expenses

For the three-month period ending March 31, 2023, the company's selling expenses were THB 2.21 million decreased THB 6.59 million from the three-month period ending March 31, 2022, since there was no selling expenses for COVID-19 vaccination.

Administrative expenses

For the three-month period ending March 31, 2023, the company's administrative expenses were THB 68.16 million increased THB 13.87 million from the three-month period ending March 31, 2022, due to salaries wages and other employee benefits increased THB 6.41 million and other administrative expenses increased THB 5.02 million.

Net income

For the three-month period ending March 31, 2023, net profit from hospital operations of the company was THB 44.55 MB with net profit margin of 9.11% decreased from the three-month period ending March 31, 2022, mainly due to revenue from Covid-19.

Financial position

(Unit: THB million)	As of March 31, 2023
Total assets	1,645.02
Total liabilities	624.97
Total shareholders' equity	1,020.05

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 three-month period ending March 31, 2023, the company's total assets was THB 1,645.02 million, the main assets consist of

1. Cash and cash equivalents were THB 203.15 million representing 12.35% of total assets.
2. Trade and other current receivables were THB 117.88 million representing 7.17% of total assets.
3. Accrued medical service treatment income was THB 195.18 million representing 11.86% of total assets.
4. Other current financial assets were THB 150.70 million representing 9.16% of total assets.
5. Property, plant, and equipment were THB 805.63 million representing 48.97% 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 three-month period ending March 31, 2023, the company's total liabilities were THB 624.97 million, representing 37.99% of total liabilities and shareholders' equity, the main liabilities consist of

1. Trade and other current payables were THB 222.23 million representing 13.51% of total liabilities and shareholders' equity.
2. Long-term loans from financial institution were THB 247.25 million representing 15.03% of total liabilities and shareholders' equity.

Total Shareholders' equity

As of March 31, 2023, the Company had shareholders' equity of THB 1,020.05 million representing 62.01% 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 684.92 million.

Key financial ratio

(Unit: THB million)	As of March 31, 2023
Debt-to-equity (D/E) (times)	0.61
Return on asset (ROA) (percent)	10.90
Return on equity (ROE) (percent)	17.86
Cash cycle (days)	44.54

Debt to equity ratio (D/E)

As of 31 March 2023, the Company's D/E was 0.61 times which decreased from 31 December 2022, mainly due to an increase in retained earnings and while debt decreased mainly due to long-term loans repayment to financial institution.

Return on asset (ROA)

As of 31 March 2023, the Company's ROA was 10.90 percent which decreased from 31 December 2022, mainly due to decreased in net profit from Covid-19 while average total assets slightly increased.

Return on equity (ROE)

As of 31 March 2023, the Company's ROE was 17.86 percent which decreased from 31 December 2022 mainly due to decreased in net profit from Covid-19.

Cash cycle

Collection period	Days	56.63
Inventory period	Days	11.57
Repayment period	Days	23.66

As of 31 March 2023, the Company's cash cycle was 44.54 days which decreased from 31 December 2022, mainly due to an increase in the repayment period.

Yours sincerely



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(Mr. Chokchawan Yangthaworntrakul)

Chief Financial Officer

Patrangsit Healthcare Group Public Company Limited

