

บริษัท วัฒนาการแพทย์ จำกัด (มหาชน) (บมจ 456)



70/7-8 ถนนสุภกิจจรรยา ตำบลหมากแข้ง อำเภอเมือง จังหวัดอุดรธานี

Telephone (042) 241031-3 , 246181-3

70/7-8 Suphakitjanya Rd. Muang District , Udon Thani, Thailand.

WATTANA KARNAET PUBLIC COMPANY LIMITED

14th August 2023

Wattana Karnpaet Public Company Limited

Management Discussion and Analysis

Executive Summary

Quarter 2/2023 Performance

Wattana Karnpaet Public Company Limited (“Company”) reported the total income in Quarter 2 of 2023 to be Baht 116.527 million, decreased from Baht 125.804 million in Quarter 2 of 2022, or decreased by 7.37%. The decrease in income was mainly due to the decrease in the Covid-19 patients in 2023.

In Quarter 2/2023, the Company has EBITDA of Baht 24.96 million, which decreased from Baht 35.142 million.

From the above mentioned, the Company reported net profit of Baht 11.478 million, the net profit decreased by 45.38% from the same quarter last year.

Quarter 2/2022 Financial Summary

Operating Income

| (Million Baht) | Quarter 2 2023 | Quarter 2 2022 | % Change |
|----------------------------------|-------------------|-------------------|----------|
| Revenue from hospital operations | 114.801 | 124.316 | -7.65 |
| Other Income | 1.726 | 1.488 | 16.00 |
| Total Income | 116.527 | 125.804 | -7.37 |

Cost and Expenses

| (Million Baht) | Quarter 2 2023 | Quarter 2 2022 | % Change |
|-----------------------------|-------------------|-------------------|----------|
| Cost of hospital operations | 87.016 | 78.168 | 11.32 |
| Administrative expenses | 14.315 | 20.982 | 31.78 |
| Finance cost | 0.881 | 0.550 | 60.97 |
| Total cost and expenses | 102.212 | 99.697 | 2.52 |

In Quarter 2/2023, the Company has the total cost and expenses of Baht 102.212 million, increased by 2.52% from last year. This comprises of the costs of hospital operations of Baht 87.016 million, increased by 11.32% from last year.

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The administrative expense in Quarter 2/2023 was Baht 14.315 million, decreased by 31.78% from last year.

In this quarter, the increase in costs was due to the increase in medical staffs due to the expansion of services to cover more specialties and cover the 24 hours service in Pediatrics.

The financial cost in Quarter 2/2023 was Baht 0.881 million, increased by 60.97% from last year.

Profitability Analysis

| (Million Baht) | Quarter 2 2023 | Quarter 2 2022 | % Change |
|-------------------------|-------------------|-------------------|----------|
| EBITDA | 24.956 | 35.142 | -28% |
| EBITDA margin | 21% | 28% | |
| EBIT | 15.196 | 26.654 | -43% |
| EBIT margin | 13% | 21% | |
| Net profit | 11.478 | 21.016 | -45% |
| Net profit margin | 10% | 17% | |
| Basic earning per share | 1.15 | 2.10 | -45% |

From the above mentioned, EBITDA decreased from Baht 35.142 million in Quarter 2/2022 to Baht 24.956 million in Quarter 2/2023, or decreased by 28%. The EBITDA margin also decreased from 28% to 21%.

Balance Sheet and Cash Flow

Balance Sheet

| (Million) | As of 30 June 2023 | As of 31 December 2022 | % Change |
|----------------------------|--------------------|------------------------|----------|
| Total Assets | 567.236 | 608.706 | -6.81 |
| Total Liabilities | 117.262 | 142.453 | -17.68 |
| Total Shareholders' Equity | 449.974 | 466.254 | -3.49 |

In Quarter 2/2023, the total assets of the Company decreased by 6.81%, resulting in the Quarter 2/2023 total assets of Baht 567.236 million. At the same time the total liabilities was decreased by 17.68%, resulting in the total liabilities of Baht 117.262 million. This resulted in the total shareholders' equity in Quarter 2/2023 was Baht 449.974 million, or a 3.49% decrease.

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Cash flows for the six month period ended June 30, 2023

| (Million Baht) | Quarter 2 2023 |
|--|-------------------|
| Net cash provided by operating activities | 35.492 |
| Net cash used in investing activities | -10.406 |
| Net cash used in financing activities | -72.584 |
| Decrease in cash and cash equivalents – net | -47.498 |
| Cash and cash equivalents at the beginning of the period | 75.374 |
| Cash and cash equivalents at end of the period | 27.876 |

In Quarter 2/2023, the Company had net decrease in cash and cash equivalents of Baht 47.498 million, which partly was the dividend payment of Baht 39.808 million. The cash and cash equivalents at the beginning of the period of Baht 75.374 million. And resulted in the cash and cash equivalents at end of the period of Baht 27.876 million.



(Suphawan Tangsubkul , M.D.)
Director