

15 August 2023

Subject: Management Discussion and Analysis for the 3-month period ended June 30, 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 June 30, 2023, as the following details

Financial Performance

	As of June 30,			
	2022		2023	
	THB million	%	THB million	%
Revenue from hospital operations	548.16	100.00	487.79	100.00
Cost of hospital operations	-360.41	-65.75	-379.77	-77.85
Gross profit	187.76	34.25	108.03	22.15
Other incomes	3.86	0.70	3.63	0.74
Distribution costs	-1.86	-0.34	-2.25	-0.46
Administrative expenses	-61.10	-11.15	-66.65	-13.66
Finance cost	-3.00	-0.55	-3.51	-0.72
Profit before income tax	125.65	22.92	39.25	8.05
Tax expense	-25.28	-4.61	-7.89	-1.62
Profit for the period	100.38	18.31	31.36	6.43

Revenue from hospital operations

For the three months ended June 30, 2022, and 2023, the revenue from hospital operations was THB 548.16 million, in which revenue from COVID-19 was THB 128.19 million and THB 487.79 million, in which revenue from COVID-19 was THB 9.93 million, respectively. This was decreased by 11.01% due to lower revenue from COVID-19. However, revenue from Non COVID-19 increased by 13.89

The company's revenue from hospital operations was classified by customers type as follows: (1) revenue from general customers which consists of general customers and contract customers and (2) revenue from government welfare programs which consists of Social Security Office programs (SSO), National Health Security Office (NHSO) programs and civil servant welfare programs. For the three-month period ended June 30, 2023, revenue from hospital operations were as follows;

IPD bed utilization rate for the three months ended June 30, 2022, and 2023, was at 79.83% and 80.89% respectively due to growing pediatrics patient from Mother and Child hospital. Additionally, OPD utilization rate for

the three months ended June 30, 2022, and 2023, was at 57.94% and 63.96% respectively. The increase in OPD utilization rate was both from incremental in number of general and social security patient daily visits, as the company increased number of social security registered headcount during the year of 2023.

Revenue from hospital operations	As of June 30,			
	2022		2023	
	THB million	%	THB million	%
- General customers	130.57	23.82	142.14	29.14
<i>Growth rate (%)</i>	N/A		8.86	
- Contract customers	102.26	18.66	117.75	24.14
<i>Growth rate (%)</i>	N/A		15.15	
Total revenue from general customers	232.83	42.47	259.89	53.28
<i>Growth rate (%)</i>	N/A		11.62	
- Social Security programs	253.82	46.30	170.21	34.89
<i>Growth rate (%)</i>	N/A		- 32.94	
- NHSO programs and Civil servant welfare programs	61.51	11.22	57.69	11.83
<i>Growth rate (%)</i>	N/A		- 6.21	
Total revenue from government welfare programs	315.33	57.53	227.9	46.72
<i>Growth rate (%)</i>	N/A		- 27.73	
Total revenue from hospital operations	548.16	100.00	487.79	100.00
<i>Growth rate (%)</i>	N/A		- 11.01	

Cost of hospital operations

Cost of hospital operations	As of June 30,			
	2022		2023	
	THB million	%	THB million	%
Doctor fee and front staffs' cost	193.64	53.73	205.08	54.00
Cost of medicine and medical instruments	115.24	31.97	111.62	29.39
Cost from operating activities	29.02	8.05	34.37	9.05
Other cost	22.51	6.25	28.70	7.56
Total cost of hospital operations	360.41	100.00	379.77	100.00
<i>% to revenue from hospital operations</i>	65.75		77.86	

For the three-month period ended June 30, 2023, the company's cost of hospital operations was THB 379.77 million which's increased by THB 19.36 million from the three-month period ended June 30, 2022, or increased 5.37%. The main reason was from higher doctor fee and front staffs' cost by THB 11.40 million according to company's annual salary increment.

Distribution Costs

For the three-month period ended June 30, 2023, the company's distribution costs was THB 2.25 million which was slightly fluctuated by THB 0.38 million from the three-month period ended June 30, 2022.

Administrative expenses

For the three-month period ended June 30, 2023, the company's administrative expenses were THB 66.65 million which is increased by THB 5.55 million from the three-month period ended June 30, 2022. The main reason was from expenses related to the Company's IPO incurred during the second quarter of year 2023.

Net profit

For the three-month period ended June 30, 2023, net profit the company was THB 31.36 million with net profit margin of 6.43%. This was decreased from the three-month period ended June 30, 2022, which was mainly due to lower revenue from Covid-19.

Financial position

(Unit: THB million)	As of June 30, 2023
Total assets	1,472.28
Total liabilities	800.86
Total shareholders' equity	671.42

Note: Financial positions as of 30 June 2023 doesn't include IPO proceeds of 1,134 THB million

Total Assets

The company's major asset consists of cash and cash equivalents, trade and other current receivables, accrued medical service treatment income and property, plant and equipment. As of June 30, 2023, the company's total assets were THB 1,472.28 million, the major assets consist of;

1. Cash and cash equivalents were THB 183.34 million representing 12.45% of total assets.
2. Trade and other current receivables were THB 119.30 million representing 8.10% of total assets.
3. Accrued medical service treatment income was THB 190.00 million representing 12.84% of total assets.
4. Property, plant, and equipment were THB 807.83 million representing 54.87% of total assets.

Total Liabilities

The company's liabilities consist of trade and other current payables and long-term loans from financial institution. As of June 30, 2023, the company's total liabilities were THB 800.86 million, representing 54.40% of total liabilities and shareholders' equity, the major liabilities consist of;

1. Trade and other current payables were THB 437.41 million representing 29.71% of total liabilities and shareholders' equity.
2. Long-term loan from financial institution were THB 289.55 million representing 19.67% of total liabilities and shareholders' equity.

Total Shareholders' equity

As of June 30, 2023, the Company's shareholders' equity was THB 671.42 million representing 45.60% of total liabilities and shareholders' equity, which shareholders' equity consisting of the issued and paid-up capital of THB 246.00 million, premium on ordinary shares of THB 65.10 million and retained earnings, legal reserve and unappropriated retained earnings of THB 360.32 million.

Key Financial ratio

	As of 30 June 2023
Debt-to-equity (D/E) (times)	1.19
Return on asset (ROA) (percent)	11.49
Return on equity (ROE) (percent)	25.20
Collection period	89.16
Inventory period	11.56
Repayment period	59.86
Cash cycle (days)	40.86

Yours sincerely

Mr. Chokchawan Yangthaworntrakul

Chief Financial Officer

Patrangsit Healthcare Group Public Company Limited