

Summary of the Operational Results for 3Q23

Economic and Industrial Conditions¹

During 3Q23, the Thai economy continued its recovery path. This recovery was attributed to increased private consumption and private sector investment. Additionally, the revival of the tourism sector contributed positively, as indicated by the growing number of tourists from various countries. However, Chinese tourists had not fully recovered in line with the Chinese economic situation. Furthermore, consumer confidence in Thailand saw an improvement, especially following the clearer direction of the government formation. Despite concerns regarding the cost of living, the global economic uncertainties, and the drought situation, consumer confidence has increased.

In the Thai hospital industry in 2023, there was a slowdown in growth compared to the previous year due to the easing of the COVID-19 pandemic situation. The number of COVID-19 cases significantly decreased, and the general population received vaccination. It is expected that the revenue of most hospitals will gradually return to their pre-COVID-19 levels. Revenue from general patient groups is expected to grow as more patients return for services, while hospitals serving international patients are showing positive trends due to the recovery of the tourism sector. For the third quarter, which is traditionally considered the high season, there were more patients than in other quarters due to the rainy season, which creates conditions conducive to certain diseases such as influenza, dengue fever, RSV, hand-foot-and-mouth disease, and others.

Summary of the operating results

In 3Q23, Ratchaphruek Hospital PLC. ("RPH") saw revenue growth despite the decreasing number of COVID-19 patients. Number of general patients, who are main contributors, increased compared to the previous year and the previous quarter. The increase included OPD visits and IPD occupancy rate. Also, 3Q23 profit grew when compared to previous year and previous quarter with a better profitability as seen in the rate of profit growth that was higher than revenue growth. The cost of hospital operations was effectively controlled. The advertising and marketing effort increased from last year, aligning with the strategy to enhance brand recognition.

Outlook of full year 2023 performance and future plans

It is expected that the overall performance for 2023 will continue to grow in the general patient group, as they return to normal hospital visits while the number of COVID-19 patients is expected to decrease. Kaen Pa Nga Company Limited, a subsidiary of RPH plans to open a specialized aesthetic hospital to expand its service base to a more diverse range of patients, expecting to launch and operate from 2025 onwards.

Key developments in 3Q23

1. On 5 August 2023, the Board of Director meeting approved the interim dividend payment from the operating results for the period from 1 January 2023 to 30 June 2023 at a rate of THB 0.11 per share, totaling THB 60.01 million.
2. On 21 August 2023, Kaen Pa Nga Company Limited, a subsidiary of RPH, was established with initial registered capital of THB 5,000,000. Its objective was for operating an aesthetic hospital. RPH holds shares of 99.9998 per cent.

¹ Source: Press Release on the Economic and Monetary Conditions from the Bank of Thailand

Financial Performance

Following the establishment of a subsidiary, Kaen Pa Nga Company Limited (“Kaen Pa Nga”), on 21 August 2023, we are now required to prepare consolidated financial statements starting from the third quarter of 2023 (3Q23). However, as Kaen Pa Nga is newly formed and did not engage in significant transactions during 3Q23, there is little difference between the consolidated and the separate financial statements for this period. With the aim of enhancing clarity and simplifying performance data comparisons within this document, we will present the data for 3Q23 (three-month period) and 9M23 (nine-month period) based on the consolidated financial statements. In contrast, performance data for earlier quarters, 2Q23, 3Q22, and 9M22, will be based on separate financial statements. An explanation of the minor discrepancies between the consolidated and separate financial statements for 3Q23 can be found in the document’s appendix.

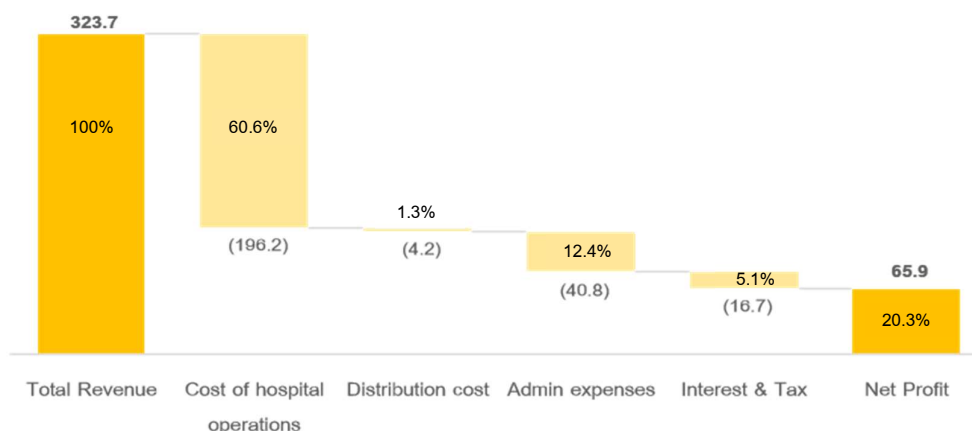
Statement of comprehensive income

Results of the three-month period

<i>(unit: million baht)</i>	3Q23	2Q23	3Q22	% change QoQ	% change YoY
Revenues from hospital	321.42	284.86	283.43	12.8%	13.4%
Cost of hospital operations	196.16	186.85	188.98	5.0%	3.8%
Gross profit	125.26	98.01	94.45	27.8%	32.6%
Other income	2.30	6.16	3.07	(62.7%)	(25.1%)
Distribution costs	4.19	6.27	1.35	(33.2%)	210.4%
Administrative expenses	40.81	41.32	25.05	(1.2%)	62.9%
Finance cost	0.37	0.37	1.39	(0.0%)	(73.4%)
Profit before income tax	82.19	56.22	69.72	46.2%	17.9%
Tax expense	16.30	11.33	13.85	43.9%	17.7%
Profit for the period	65.89	44.89	55.87	46.8%	18.0%

Summary of 3Q23 performance

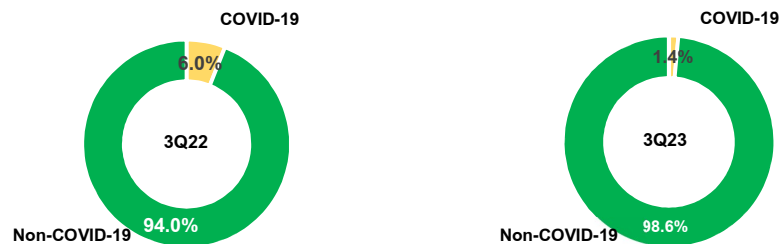
Unit: million baht



Analysis of 3Q23 compared to 2Q23 and 3Q22
Revenues

<i>(unit: million baht)</i>	3Q23	2Q23	3Q22	% change QoQ	% change YoY
Revenues from hospital	321.42	284.86	283.43	12.8%	13.4%
Other income	2.30	6.16	3.07	(62.7%)	(25.1%)
Total revenue	323.72	291.02	286.50	11.2%	13.0%

Revenues from hospital operations, by type of patients

Revenues from hospital operations, by group of diseases


In 3Q23, RPH had total revenues of THB 323.72 million, increasing by 13.0% YoY. It was mainly due to the increasing number of non-COVID-19 patients while COVID-19 patients decreased significantly as the pandemic subsided. When compared to 2Q23, the revenues from hospitals also increased by 12.8% because the third quarter is generally a period marked by outbreaks of diseases such as RSV and the flu. This results in a higher inpatient department (IPD) occupancy rate, a pattern consistent with seasonal trends. Consequently, hospital operations saw a revenue surge, particularly in inpatient services.

Costs and expenses

<i>(unit: million baht)</i>	3Q23	2Q23	3Q22	% change QoQ	% change YoY
Cost of hospital operations	196.16	186.85	188.98	4.98%	3.80%
Distribution costs	4.19	6.27	1.35	(33.17%)	210.37%
Administrative expenses	40.81	41.32	25.05	(1.23%)	62.91%
Finance cost	0.37	0.37	1.39	0.00%	(73.38%)
Tax expense	16.30	11.33	13.85	43.87%	17.69%
Total Costs and expenses	257.83	246.14	230.62	4.75%	11.80%

Cost of hospital operations

In 3Q23, the cost of hospital operations was THB 196.16 million, increasing by 3.80% YoY. It was mainly from the cost of medicines and medical supplies increased as a number of non-COVID-19 patients was higher than last year. Also, the staff cost increased from last year, in line with the increasing staff compensation and number of personnel, but it had a similar level to the previous quarter of this year. When compared cost of hospital operations with the revenue from hospital operations, it was 60.6%, decreasing from 66.0% last year due to the revenue increase.

Distribution costs and administrative expenses

In 3Q23, the distribution cost and administrative expenses increased from last year to THB 45.00 million. It was mainly because of higher distribution costs from more advertising and marketing activities, aligning with this year's strategy to enhance brand awareness to support the future expansion. Moreover, in 3Q22, there was an adjustment to recover the losses related to the provision for COVID-19 vaccines, which was a one-time item. As a result, the administrative expenses in 3Q22 were lower than usual, and lower than 3Q23.

Finance cost

In 3Q23, the finance cost was THB 0.37 million, decreasing by 73.38% YoY due to a repayment of long-term loan.

Profits

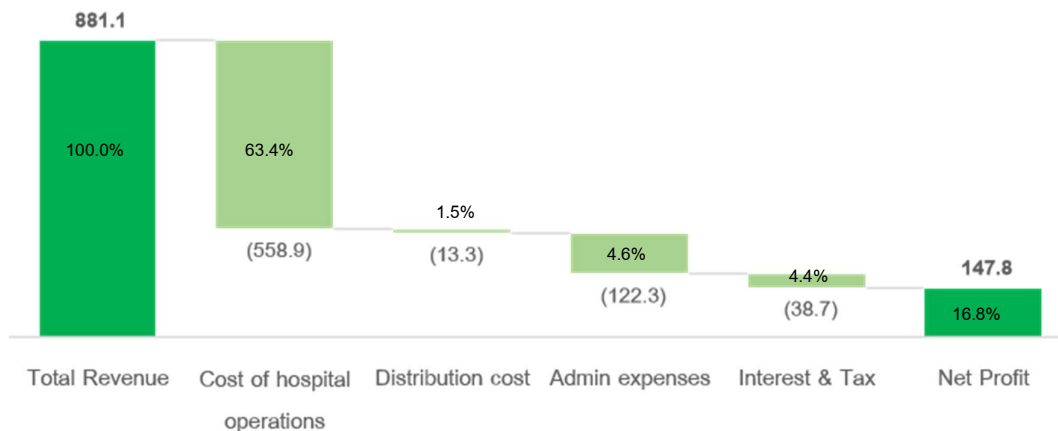
<i>(unit: million baht)</i>	3Q23	2Q23	3Q22	% change QoQ	% change YoY
EBITDA	104.62	80.61	94.90	29.8%	10.3%
EBITDA margin (%)	32.32%	27.70%	33.12%		
EBIT	82.55	56.59	71.12	45.9%	16.1%
EBIT margin (%)	25.50%	19.65%	24.82%		
Net profit	65.89	44.89	55.87	46.8%	18.0%
Net profit margin (%)	20.35%	15.42%	19.50%		
Earnings per share (baht)	0.12	0.08	0.10		

Nat profit

Net profit for the period was THB 65.89 million, increasing by 18.0% YoY. This increase was due to a downtrend of COVID-19 patients in 3Q22, resulting in a lower base compared to the first half of 2022. Additionally, the net profit increased by 46.8% QoQ, in line with seasonality, despite an increase in costs and expenses compared to the previous year, although at a lower rate.

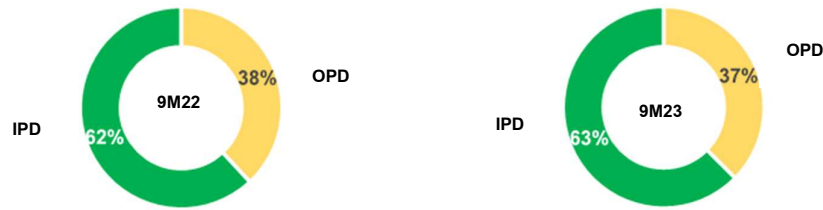
Results of the nine-month period

<i>(unit: million baht)</i>	9M23	9M22	% change
Revenue from hospital	870.88	1,088.03	(20.0%)
Cost of hospital operations	558.94	618.91	(9.7%)
Gross profit	311.94	469.12	(33.5%)
Other income	10.19	7.53	35.3%
Distribution costs	13.31	3.73	256.8%
Administrative expenses	122.33	100.85	21.3%
Finance cost	1.89	4.18	(54.8%)
Profit before income tax	184.60	367.88	(49.8%)
Tax expense	36.83	73.47	(49.9%)
Profit for the period	147.77	294.41	(49.8%)

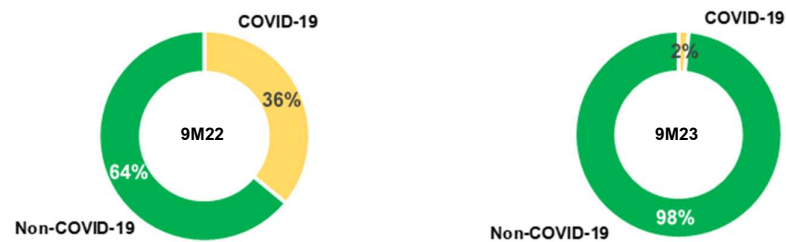
Summary of 9M23 performance
Unit: million baht

Analysis of 9M23 compared to 9M22
Revenues

<i>(unit: million baht)</i>	9M23	9M22	% change
Revenues from hospital	870.88	1,088.03	(20.0%)
Other income	10.19	7.53	35.3%
Total revenues	881.07	1,095.56	(19.6%)

Revenues from hospital operations, by type of patients



Revenues from hospital operations, by group of diseases



In the first 9 months of 2023, the total revenues were THB 881.07 million, decreasing by 19.6% YoY. It was due to the high base in 2022 with revenues from COVID-19 treatments in Cohort Ward, Hospital in many locations and Home isolation. In 2023, COVID-19 pandemic subsided, resulting in a lower number of COVID-19 patients. Although revenues from non-COVID-19 patients increased by 27.90% YoY, it was lower than the change of revenues from COVID-19 patients.

Costs and expenses

(unit: million baht)	9M23	9M22	% change
Cost of hospital operations	558.94	618.91	(9.7%)
Distribution cost	13.31	3.73	256.8%
Admin expenses	122.33	100.85	21.3%
Finance cost	1.89	4.18	(54.8%)
Tax expenses	36.83	73.47	(49.9%)
Total cost and expenses	733.30	801.14	(8.5%)

Cost of hospital operations

In 9M23, the cost of hospital operations was THB 558.94 million, decreasing by 9.7% YoY. It was mainly from the decreasing cost of medicines and medical supplies, because a number of COVID-19 patients was lower than last year although non-COVID-19 patients increased. When compared cost of hospital operations with the revenue from hospital operations, it increased from 56.5% last year to 63.4% because the cost of non-COVID-19 treatments were higher than cost for COVID-19 treatments. The increase was also from staff-related cost due to the growing workforce, as well as increased maintenance and utility expenses from 2022.

Distribution costs and administrative expenses

In 9M23, the distribution cost and administrative expenses were THB 135.64 million, increasing by 29.7% YoY. It was mainly because of higher distribution costs from more advertising and marketing activities, aligning with this year's strategy to enhance brand awareness to support future expansion. Moreover, the YoY increase of the administrative expenses was due to the exceptionally low administrative expenses in 3Q22 which had a one-time adjustment to recover the losses related to the provision for COVID-19 vaccines. Therefore, the distribution cost and administrative expenses in proportion to the total revenues increased from 9.5% to 15.4% in this period.

Finance cost

The finance cost was THB 1.89 million, decreasing by 54.8% YoY due to the repayment of long-term loan.

Profits

<i>(unit: million baht)</i>	9M23	9M22	% change
EBITDA	256.57	441.82	(41.93%)
EBITDA margin (%)	29.12%	40.33%	
EBIT	186.49	372.07	(49.88%)
EBIT margin (%)	21.17%	33.96%	
Net profit	147.77	294.41	(49.81%)
Net profit margin (%)	16.77%	26.87%	
Earnings per share (baht)	0.27	0.54	

Net profits

In 9M23, the net profit was THB 147.77 million, which decreased by 49.81%, primarily due to a reduction in revenues from COVID-19 treatments as the pandemic subsided. This decline in demand led to a loss of economies of scale, adversely affecting profitability.

Statement of financial position

<i>(Unit: million baht)</i>	30 Sep 23	31 Dec 22	% change
Current assets	492.97	519.95	(5.2%)
Property, plant and equipment	1,373.86	1,427.54	(3.8%)
Other non-current assets	57.20	61.20	(6.5%)
Total assets	1,924.03	2,008.69	(4.2%)
Current liabilities	159.50	239.75	(33.5%)
Non-current liabilities	35.74	46.07	(22.4%)
Total liabilities	195.24	285.82	(31.7%)
Total shareholders' equity	1,728.79	1,722.86	0.3%

Analysis of financial position as of 30 September 2023 compared to 31 December 2022
Total assets

As of 30 September 2023, total assets were THB 1,924.03 million, decreasing by 4.2% due to payments from trade and other receivables as normal business. Property, plant and equipment decreased due to the recognition of normal depreciation.

Total liabilities

As of 30 September 2023, total liabilities were THB 195.24 million, decreasing by 31.7% due to the repayment of long-term loan from financial institutions for the total amount in 1Q23, and the payment to trade and other payables as normal business.

Total shareholders' equity

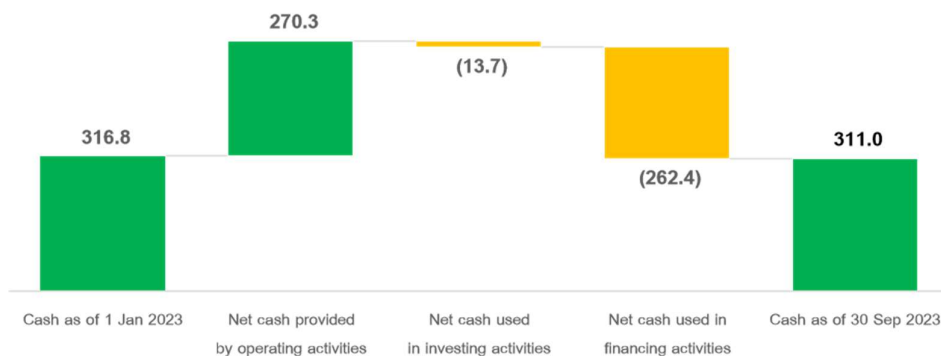
As of 30 September 2023, shareholders' equity was THB 1,728.79 million, slightly increasing by 0.3% from an increase of retained earnings.

Statement of cash flows

<i>(Unit: million baht)</i>	30 Sep 2023	30 Sep 2022
Net cash provided by operating activities	270.29	306.70
Net cash used in investing activities	(13.70)	(71.14)
Net cash used in financing activities	(262.41)	(294.09)
Net decrease in cash and cash equivalents	(5.83)	(58.53)

Statement of cash flows

Unit: million baht



Cash and cash equivalents at beginning of the period as of 1 January 2023 was THB 316.79 million. Cash generated from operations was THB 295.72 million, interest received was THB 1.32 million, and income tax paid was THB 26.75 million. **Net cash provided by operating activities** was THB 270.29 million. In the nine-month period, **net cash used in investing activities** was THB 13.70 million. It was mainly the cash payment to purchases of buildings and equipment of THB 10.84 million. In 2023, the cash used in investing activities was lower than in 2022 because there was an

investment in high-value medical equipment in 2022, while there was no additional high-value investment in 2023. **Net cash used in financing activities** was THB 262.41 million. It was mainly from the repayment of loans from financial institutions of THB 116.98 million, and the dividend payment of THB 141.45 million. This resulted in the company having a net cash at the end of the period, as of 30 September 2023, of THB 310.96 million, decreasing by THB 5.83 million from the beginning of 2023.

Key financial ratios

	9M23	9M22
Current ratio (times)	3.09	2.05
Accounts receivable turnover (times)	4.34	4.86
Average collection period (days)	84.13	75.15
Debt to equity (times)	0.11	0.21
Return on assets (ROA) %	10.13	32.23
Return on equity (ROE) %	8.09	32.65

Note: All ratios will be calculated on an annual basis using the formula provided by the Stock Exchange as calculated and displayed on the Stock Exchange website.

Sustainability Performance

Ratchaphruek Hospital is a leading hospital in the province of Khonkaen. It has a reputation for meeting international hospital standards and excels in providing a remarkable patient-centered environment for both physical and mental recovery. With advanced medical technology and accessible pricing, the hospital places a strong emphasis on warm and compassionate care from all caregivers, based on the principle of providing care that is "Warm as home, care by expertise, remedy by heart." The hospital has continuously built a strong reputation and trust and serves as a foundation for sustainable growth up to the present day. Most recently, on October 31, 2023, Ratchaphruek Hospital received a 5-star rating, or 'Excellent CG Scoring', in the annual corporate governance evaluation for the year 2023 from the Thai Institute of Directors (Thai IOD).

The hospital focuses on conducting operations that foster sustainable development, covering three key dimensions: Environmental, Social, and Corporate Governance (ESG). This approach aims to build trust among stakeholders and enables the company to pursue long-term business success. You can view the full policy and code of conduct at <https://rph.co.th/investor-relations/esg/>

Environmental Dimension (E):

- Installing a Bio-Filter system to prevent the spread of airborne diseases within the hospital premises.
- Installing odor control systems like Wet Scrubbers and Deionizer to prevent unpleasant odors from hospital waste from spreading into the surrounding area.
- Reducing the use of air conditioning by designing the hospital building to be in harmony with wind direction and sunlight and installing energy-efficient cooling systems.

Social Dimension (S):

- Ensuring fair employment practices, respecting human rights, and complying with labor laws.
- Creating a positive working environment within the hospital, focusing on employee well-being and workplace safety.
- Supporting business partners in taking social responsibility by having them sign agreements to follow business ethics.

Governance Dimension (G):

The company places a strong emphasis on adhering to the principles of good corporate governance. We prioritize the timely and accurate disclosure of information, ensuring transparency in our operations. There is also an audit of Report of Conflicts of Interest of Directors and Executives as per the Securities and Exchange Act. As for risk management, the audit committee reviews the risk management operations, including risk management plans at the departmental and organizational levels, to ensure that they align with the company's risk control guidelines and strategies defined by management. Furthermore, a supervisory system is in place to monitor and adapt to external factors that impact the company, ensuring the continuity and sustainability of business operations.

Sincerely yours,

(Teerawat Srinakarin, M.D.)
Chief Executive Officer

Appendix

Details of the difference between Consolidated Financial Statements and Separate Financial Statements for 3Q23 (three-month period) and 9 months of the year 2023

Financial Position Statement as of 30 September 2023

<i>(unit: baht)</i>	consolidated financial statement	Separate financial statement	Difference
Assets			
Cash and cash equivalents	310,957,188	305,936,188	5,021,000
Trade and other receivables	157,849,127	157,877,757	(28,630)
Investment in subsidiary	-	4,999,990	(4,999,990)
Other assets	1,455,224,514	1,455,221,488	3,026
Total assets	1,924,030,829	1,924,035,423	(4,594)
Liabilities			
Trade and other payables	116,508,644	116,501,134	7,510
Other liabilities	78,728,729	78,728,729	-
Total liabilities	195,237,373	195,229,863	7,510
Shareholders' equity	1,728,793,456	1,728,805,560	(12,104)

Statement of comprehensive income for the three-month period ended 30 September 2023

<i>(unit: baht)</i>	consolidated financial statement	Separate financial statement	Difference
Total revenues	323,719,395	323,719,395	-
Cost of hospital operations	196,160,142	196,160,142	-
Distribution costs and administrative expenses	45,006,568	44,991,438	15,130
Finance costs	367,762	367,762	-
Profit before income tax	82,184,923	82,200,053	(15,130)
Tax expense	16,297,829	16,300,855	(3,026)
Profit for the period	65,887,094	65,899,198	(12,104)

Statement of comprehensive income for the nine-month period ended 30 September 2023

<i>(unit: baht)</i>	consolidated financial statement	Separate financial statement	Difference
Total revenues	881,076,879	881,076,879	-
Cost of hospital operations	558,943,409	558,943,409	-
Distribution costs and administrative expenses	135,648,593	135,633,463	15,130
Finance costs	1,885,785	1,885,785	-
Profit before income tax	184,599,092	184,614,222	(15,130)
Tax expense	36,829,294	36,832,320	(3,026)
Profit for the period	147,769,798	147,781,902	(12,104)

Statement of cash flows for the nine-month period ended 30 September 2023

<i>(unit: baht)</i>	consolidated financial statement	Separate financial statement	Difference
Net cash provided by operating activities	270,287,224	270,266,214	21,010
Net cash used in investing activities	(13,704,210)	(18,704,200)	4,999,999
Net cash used in financing activities	(262,411,489)	(262,411,489)	-
Net decrease in cash and cash equivalents	(5,828,475)	(10,849,475)	5,021,000
Cash and cash equivalents at beginning of the period	316,785,663	316,785,663	-
Cash and cash equivalents at end of the period	310,957,188	305,936,188	5,021,000