



บริษัท วัฒนาการแพทย์ จำกัด (มหาชน)
โรงพยาบาลนอร์ท อีสเทอร์น-วัฒนา จ.อุดรธานี

70/7-8 ถนนสุภกิจจรรยา ตำบลหมากแข้ง อำเภอเมือง จังหวัดอุดรธานี 41000

โทร. (042) 241031-3 , 246181-3 โทรสาร (042) 241956 Email : admin@wattanahospital.net

Date 28 February 2024

WATTANA KARNAET PUBLIC COMPANY LIMITED

Management Discussion and Analysis

Executive Summary

Year 2023 Performance

Wattana Karnpaet Public Company Limited (“Company”) reported the total revenue in 2023 to be Baht 482.412 million, decreased from Baht 523.434 million in 2022, or decreased by 7.84 per cent. The revenue from hospital operations was Baht 473.519 million in 2023, decreased from Baht 516.589 million, or 8.34 per cent from last year. Other income was Baht 8.894 million in 2023, increased from Baht 6.846 million of last year, or increased by 29.92 per cent. The decrease in the total revenue was resulted from the decreasing in Covid-19 patients since the Covid-19 had become Endemic.

In 2023, the Company has EBITDA of Baht 115.587 million, which decreased from Baht 161.494 million in last year, or 28.43 per cent.

The Company reported net profit of Baht 56.187 million, decreased from Baht 100.054 million, or 43.84 per cent from last year. Or basic earning per share of 5.62 Baht.

Major events in 2023

1. The Covid-19 had become Endemic. However, the hospital has been setup zoning for patients with Acute Respiratory Infection (ARI) symptoms separated from other patients.
2. Provide 24 hours medical specialists.
3. New Mother and Child Department with separate zoning between sick children patients and well baby clinics and pregnant women.
4. New ward for senior patients and post operation patients.
5. Provide new services in surgical department using laparoscopes and new technology such as Spine surgery using Endoscope and treatment for Benign Prostatic Hyperplasia using Water Vapor Therapy.

1. Financial Summary 2023 and Profitability

Operating Income

(Million Baht)	2023	2022	%Change
Revenue from hospital operations	473.519	516.589	-8.34%
Other Income	8.894	6.846	29.92%
Total Income	482.412	523.434	-7.84%

In 2023, the Company had the total income of Baht 482.412 million, decreased from Baht 523.434 million of last year, or 7.84 per cent decrease from last year. And the hospital operations income decreased by Baht 43.070 million. This was mainly from the decrease in the treatment of Covid-19 patients which was decreased in numbers since there was no outbreak in the past year.

Cost and Expenses

(Million Baht)	2023	2022	%Change
Cost of hospital operations	349.451	331.853	5.30%
Administrative expenses	56.776	61.735	-8.03%
Distribution costs	1.996	1.507	32.50%
Total cost and expenses and depreciation	408.223	395.095	3.32%

In 2023, the Company had the cost of hospital operations and administrative expenses of Baht 408.223 million, increased from Baht 395.095 million of last year, or 3.32 per cent from last year.



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This comprises of cost of hospital operations of Bath 349.451 million, which increased from Baht 331.853 million of last year, or 5.30 per cent. The increase in cost of hospital operations was due to the increasing services of medical specialist to cover 24 hours and increasing numbers of medical personnel to treat patients with more complex diseases.

The Administrative expenses in 2023 was Bath 56.776 million, decreased from Baht 61.735 million of last year, or 8.03 per cent. The expense was decreased due to the more effective cost control in place.

Profitability Analysis

(Million Baht)	2023	2022	%Change
EBITDA	115.587	162.724	-28.43%
EBITDA margin	24%	31%	
EBIT	74.189	128.339	-42.19%
EBIT margin	15%	25%	
Net profit	56.187	100.054	-43.84%
Net profit margin	12%	19%	
Basic earning per share	5.62	10.01	-43.84%

From the above mentioned, EBITDA in 2023 was Baht 115.587 million, decreased from Baht 161.494 million in 2022, or decreased by 28.43 per cent. The EBITDA margin was 24 per cent.

Balance Sheet and Cash Flow

Balance Sheet

(Million Baht)	31 Dec 2023	31 Dec 2022	% Change
Total Assets	616.829	608.706	1.33%
Total Liabilities	134.384	142.453	-5.66%
Total Shareholders' Equity	482.445	466.254	3.47%

In 2023, the Total Assets of the Company as of 31 December 2023 was Baht 616.829 million, increased from Baht 608.706 million of last year, or increased by 1.33 per cent. This comprises of current assets of Baht 185.555 million, decreased from Baht 193.338 million in 2022, or 4.03 per cent. And non-current assets of Baht 431.274million, increased from Baht 415.368 million of last year, or 3.83 per cent.

The Total Liabilities as of 31 December 2023 was Baht 134.384 million, decreased from Baht 142.453 million in 2022, or 5.66 per cent.

The Shareholders' Equity as of 31 December 2023 was Baht 482.445 million, increased from Baht 466.254 million of last year, or increased by 3.47 per cent.

Cash Flows

(Million Baht)	2023
Net cash provided by operating activities	104.098
Net cash used in investing activities	(55.004)
Net cash used in financing activities	(76.394)
Net decrease in cash and cash equivalents	(27.300)
Cash and cash equivalents as at the beginning of the year	75.374
Cash and cash equivalents as at the end of the year	48.074

As of 31 December 2023, the Company had net decrease in cash and cash equivalent of Baht 27.300 million, with the cash and cash equivalents as of 31 December 2023 was Baht 48.074 million.



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The net cash provided by operating activities was Baht 104.098 million. The net cash used in investing activities was Baht 55.004. The net cash used in financing activities was Baht 76.394 million, which mainly was paying the dividend.

2.Assets utilization

	2023	2022
Accounts receivable turnover	8.15	10.79
Number of days of receivables (days)	45	34
Inventory turnover	8.32	6.58
Number of days of inventory (days)	44	55

In 2023, the accounts receivable turnover was 8.15 decreased from 10.79 of last year. And the number of days of receivables increased from 34 to 45 days in 2023, which indicates the slightly lower efficiency in the accounts receivable management system.

In 2023, the number of days of inventory was increased by 44 days, similar to that of last year. This was result of an effective stock inventory management system.

3.Liquidity and sufficiency of funding

	2023	2022
Current ratio	1.91	2.26
Quick ratio	1.80	1.88
Cash ratio	1.51	1.24
Interest coverage	21.67	41.65

From the liquidity side, the current ratio of the company was 1.91 which sufficient for an ordinary business operations. In 2023, the company's Quick ratio and Cash ratio was 1.80 and 1.51 respectively, and the Interest coverage was 21.67, which indicates that the level of liquidity and sufficiency of funding is high.

4.Debt payment

	2023	2022
Interest Coverage	21.67	41.65
Debt Service Coverage – Cash Basis	0.84	1.64
Debt to equity ratio	0.28	0.31

The company has an ability to service debt. The interest coverage was 21.67 in 2023, decreased from that of last year, but still high enough and sufficient for the operations. The debt service coverage -cash basis was 0.84 in 2023.

In 2023, the debt to equity ratio was 0.28, which was the decreased from last year as a result of continuously loan repayment as scheduled.



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