

EKH/CS/2567/009

February 29, 2024

Subject Management Discussion and Analysis for Q4/2023 and Year 2023

To Directors and Manager
 The Stock Exchange of Thailand

Ekachai Medical Care Public Company Limited and its subsidiaries (the “Company”) would like to clarify on the operating results for Q4/2023 and the year ended 31st December 2023 as follows.

Summary

In the fiscal year 2023, the company had a total revenues of THB 1,258.2 million, a decrease of 15.6 percent from THB 1,491.3 million in the fiscal year 2022, (the Company recorded other income, which is an equity gain measured at fair value through earnings. which the company invested in KLINIQ in the amount of 410.7 million baht), and a net profit in year 2023 of THB 297.3 million, a decrease of 46.1 percent from THB 551.3 million in the fiscal year 2022.

In the fiscal year 2023, the company reported total revenues from hospital operation of 1,208.6 million, an increase of 15.3% from 2022. Performance improved due to higher number of both OPD and IPD patients. The company reported net profit from core business in fiscal year 2023 of THB 281.6 million, an increase of 20.4% from 2022.

Operating Results	2023	2022	Change
(Unit : Million Baht)			+ / (-)
Revenues from Hospital Operations	1,208.6	1,048.5	15.3%
Other income	49.6	442.8	(88.8%)
Total Revenue	1,258.2	1,491.3	(15.6%)
Net Profit	297.3	551.3	(46.1%)
Total Revenue (excluding KLINIQ)	1,238.7	1,080.6	14.6%
Net Profit (excluding KLINIQ)	281.6	222.7	20.4%

Operating Results

	2023	2022	Change
(Unit : Million Baht)			+ / (-)
Revenues from Hospital Operations	1,208.6	1,048.5	15.3%
Cost of Hospital Operations	669.2	609.0	9.9%
Gross Profit	539.4	439.5	22.7%
Other income	49.6	442.8	(88.8%)
Administrative Expenses	223.9	197.3	13.5%
Finance Cost	(1.7)	(1.6)	1.9%
Profit (Loss) before Income Tax Expenses	372.8	685.8	(45.6%)
Tax Expenses	(70.6)	(134.9)	(47.7%)
Net Profit (Loss) for the Company	297.3	551.3	(46.1%)

Analysis of Statement of Income

	2023	2022	Change
(Unit : Million Baht)			+ / (-)
Revenues from Hospital Operations	1,208.6	1,048.5	15.3%
Cost of Hospital Operations	669.2	609.0	9.9%
Gross Profit	539.4	439.5	22.7%
Net Profit (Loss) for the Company	297.3	551.3	(46.1%)
Gross Profit Margin (%)	44.6%	41.9%	6.5%
Net Profit (Loss) Margin (%)	23.6%	37.0%	(36.1%)

Revenue

- In the fiscal year 2023, revenues from hospital operations amounted to THB 1,208.6 million, an increase from the year 2022, which amounted to THB 1,048.5 million or an increase of 15.3 percent due to the increase in both the outpatient and the inpatient.

	2023	2022	Change
(Unit : Million Baht)			+ / (-)
Revenue from Inpatient (IPD)	637.5	540.2	18.0%
Revenue from Outpatient (OPD)	571.1	508.3	12.4%
Revenues from Hospital Operations	1,208.6	1,048.5	15.3%
Other Income	49.6	442.8	(88.8%)
Total Revenue	1,258.2	1,491.3	(15.6%)

Gross Profit and Gross Profit Margin

- Gross profit in 2023, it was THB 539.4 million an increase from year 2022, which amounted to THB 439.5 million or an increase of 22.7 percent, in line with the increase in revenue from hospital operations.
- Gross profit margin in year 2023 was at 44.6 percent, an increase from 41.9 percent in 2022.

Net Profit and Net Profit Margin

- The company reported net profit in 2023 at the amount of THB 297.3 million, a decrease from the year 2022, which was THB 551.3 million, or a decrease of 46.1 percent, mainly due to the gain on Fair Value Through Profit equity instruments, which the company invested in KLINIQ in the amount of THB 328.6 million in 2022.
- The company reported net profit from core business in 2023 at THB 281.6 million, 20.4% increase from 2022

Selling, General & Administrative Expense

(Unit : Million Baht)	2023	2022	Change + / (-)
Selling, General & Administrative Expense	223.9	197.3	13.5%
Finance Cost ¹	(1.7)	(1.6)	1.9%
Selling, General & Administrative Expense to total revenue (%)	17.8%	13.2%	34.5%

- Selling, General & Administrative Expense in 2023 was THB 223.9 million, 13.5% increase from the year 2022, which was THB 197.3 million.

Analysis of the Company's financial statement

(Unit : Million Baht)	2023	2022	Change + / (-)
Cash and cash equivalents	768.1	776.1	(1.0%)
Total current assets	1,153.7	931.8	23.8%
Other non-current financial assets	592.1	620.0	(4.5%)
Property, plant and equipment	660.2	656.8	0.5%
Total non-current assets	1,305.2	1,316.7	(0.9%)
Total assets	2,458.8	2,248.5	9.4%
Total current liabilities	209.7	201.2	4.3%
Total non-current liabilities	121.0	114.5	5.8%
Total liabilities	330.8	315.6	4.8%
Total shareholders' equity	2,128.1	1,932.9	10.1%
Total liabilities and shareholders' equity	2,458.8	2,248.5	9.4%

Asset

As of December 31, 2023, the company had total assets of THB 2,458.8 million, or 9.4 percent increase from the year 2022, which was THB 2,248.5 million.

Liabilities

As of December 31, 2023, the Company had total liabilities of THB 330.8 million, an increase from the year 2022, which was THB 315.6 million, or representing an increase of 4.8 percent. The details of the increase are as follows:

- Current liabilities amounted to THB 209.7 million, an increase from 2022 which amount to THB 201.2 million or an increase of 4.3 percent, mainly from trade and other payables.
- Non-current liabilities amounted to THB 121.0 million, an increase from 2022 which amount to THB 114.5 million or an increase of 5.8 percent, mainly from deferred tax liabilities.

Shareholders' equity

As of December 31, 2023, the Company had total shareholders' equity THB 2,128.0 million, an increase from the year 2022, which was THB 1,932.9 million, or an increase of 10.1 percent as a result of operating profits and the exercise of conversion rights under warrants to purchase common shares.

Yours faithfully,

Ekachai Medical Care PCL.

Dr. Amnaj Eur-Areemitr

Director