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Subject : Analysis and Explanation of Management for 1st quarter in 2024

To : The President

The Stock Exchange of Thailand

Nonthavej Hospital Public Company Limited

Analysis and Explanation of Management for 1st quarter in 2024

Summary

Nonthavej Hospital Public Company Limited reported Q1/2024 performance the company had net profit of 87.12 million baht compared to Q1/2023, the company had net profit increased of 3.37 million baht or 4.03% . The Company had total income from hospital business of 610.37 million baht, an increase of 32.53 million baht or 5.63%. Medical treatment cost was 425.52 million baht, an increase of 25.13 million baht or 6.28%. Sales and Administration Expense was 79.17 million baht, an increase of 5.21 million baht or 7.04 % , Directors' remuneration was 1.31 million baht ,an increase of 0.22 million baht or 19.88 % and Income Tax Expenses was 21.63 million baht ,an increase 0.91 million baht or 4.39% . The details and descriptions of the operation is as follows.

Performance

1.Performance

1.1 Income : The Company had total income in Q1/2024 of 610.37 million baht compared with Q1/2023, which was 577.84 million baht, an increase of 32.54 million baht or 5.63%.

- Income from hospital business in Q1/2024 was 600.98 million baht compared with Q1/2023, which was 568.80 million baht, an increase of 32.18 million baht or 5.66% as follow :

- Income from Out patient in Q1/2024 was 346.31 million baht compared with Q1/2023 an increase of 27.59 million baht or 8.66%

- Income from In patient in Q1/2024 was 254.66 million baht compared with Q1/2023 an increase of 4.58 million baht or 1.83%

- Other incomes in Q1/2024 was 13.37 million baht compared with Q1/2023, which was 11.20 million baht, an increase of 2.17 million baht or 19.34%.

1.2 Medical Treatment Cost : The Company had total medical treatment cost in Q1/2024 of 425.52 million baht compared with Q1/2023, which was 400.39 million baht, an increase of 25.13 million baht or 6.28%.

Proportion of medical treatment cost to medical treatment revenue in Q1/2024 was 70.81% compared with Q1/2023, which was 70.39%. It was obvious that the proportion in Q1/2024 increased from Q1/2023 by 0.42%

1.3 Sales Expense : The Company had a total sales expense in Q1/2024 of 1.37 million baht compared with Q1/2023, which was 1.36 million baht, an increase of 0.01 million baht or 0.74%.

1.4 Administrative Expense : The Company had a total administrative expense in Q1/2024 of 77.80 million baht compared with Q1/2023, which was 72.60 million baht, an increase of 5.20 million baht or 7.16%.

1.5 Director Remuneration The Company had director remuneration in Q1/2024 of 1.32 million baht compared with Q1/2023, which was 1.10 million baht, an increase of 0.22 million baht or 19.88%.

1.6 Income tax expense The Company had income tax expense in Q1/2024 of 21.63 million baht compared with Q1/2023, which was 20.72 million baht, an increase of 0.91 million baht or 4.39%.

2. Profitability

| | Q1/2024 | Q1/2023 |
|----------------------------|---------|---------|
| Gross Profit Margin (%) | 29.19 | 29.61 |
| Operating Profit Margin(%) | 18.09 | 18.37 |
| Net Profit Margin(%) | 14.50 | 14.72 |
| EPS (Baht/Shares) | 0.54 | 0.52 |

Based on the above, it is obvious that in Q1/2024, the Company had net profit of 14.50% compared with Q1/2023, which was at 14.72%, a decrease of 0.22%.

Statements of Financial Position

1. Capital Structure

The capital structure of the company (in percentage) can be summarized as follows:

| | | | |
|---------------------|----------------|---|----------------|
| Current Assets | 46.97% | Current Liabilities | 16.10% |
| Non Current Assets | 53.03% | Non Current Liabilities | 2.65% |
| | | Shareholders' Equity | 81.25% |
| Total Assets | 100.00% | Total Liabilities and Shareholders' Equity | 100.00% |

The Company's capital structure consists of asset : liabilities ratio + The Company's capital of 100: 18.75+81.25, The Company has current liabilities payable at 16.10 percent compared to total Asset of the company. The assets that the Company has ownership, it can be divided into Current asset of 46.97 percent, Non Current asset of 53.03 percent.

2. Assets

Asset Components

Total asset as of March 31, 2024 was 3,060.40 million baht compared to the end of 2023 of 2,997.61 million baht, an increase of 62.79 million baht or 2.09%, which has the following changes;

2.1 Current Assets as of March 31, 2024 was 1,437.36 million baht or 46.97% of total assets compared with the end of 2023, which was at 1,307.94 million baht, as increase of 129.42 million baht or 9.89%, which has the following details;

2.1.1 Cash and cash equivalents as of March 31, 2024 was 965.40 million baht or 31.54% of total assets

2.1.2 Net accounts receivable as of March 31, 2024 was 192.43 million baht or 6.29% of total assets compared with the end of 2023, which was 218.34 million baht, an decrease of 25.91million baht or 11.87%.

2.1.3 Inventory as of March 31, 2024 was 50.94 million baht or 1.66% of total assets compared with the end of 2023 of 57.04 million baht, an decrease of 6.10 million baht or 10.70%. This consists of medicine and pharmaceutical products and medical supplies.

2.1.4 Other current assets as of March 31, 2024 was 27.62 million baht or 0.90% of total assets compared with the end of 2023, which was 29.37 million baht, a decrease of 1.75 million baht or 5.95% .

2.2 Non-current assets as of March 31, 2024 was 1,623.03 million baht or 53.03% of total assets compared with the end of 2023, which was 1,689.67 million baht, an decrease of 66.64 million baht or 3.94%, which has the following details;

2.2.1 Other non-current financial assets as of March 31, 2024 was 348.80 million baht or 11.40% of total assets compared with the end of 2023, which was 410.23 million baht, an decrease of 61.43 million baht or 14.97%,

2.2.2 Land, building, and equipment as of March 31, 2024 was 1,228.87 million baht or 40.15% of total assets compared with the end of 2023, which was 1,233.64 million baht, an decrease of 4.77 million baht or 0.39%.

2.2.3 Intangible assets as of March 31, 2024 was 20.36 million baht or 0.67% of total assets compared with the end of 2023, which was 21.68 million baht, a decrease of 1.32 million baht or 6.10%

2.2.4 Deferred tax asset as of March 31, 2024 was 17.94 million baht or 0.59% of total assets compared with the end of 2023, which was 17.10 million baht, an increase of 0.84 million baht or 4.93%.

2.2.5 Other non-current assets as of March 31, 2024 was 7.07 million baht or 0.23% of total assets compared with the end of 2022, which was 7.03 million baht, a decrease of 0.04 million baht or 0.54%.

3. Liabilities

Liabilities Components;

Total Liabilities as of March 31, 2024 was 573.99 million baht compared with the end of 2023, which was 363.57 million baht a increase of 210.42 million baht or 57.87%. There were significant changes as follows;

3.1 Current Liabilities as of March 31, 2024 was 492.85 million baht or 16.10% of total assets compared with the end of 2023, which was 285.69 million baht, an increase of 207.16 million baht or 72.51%, which has the following details;

3.1.1 Accounts payable and other payables as of March 31, 2024 was 180.40 million baht or 7.09% of total assets compared with the end of 2023, which was 212.58 million baht, a decrease of 32.18 million baht or 15.14%.

3.1.2 Asset payable as of March 31, 2024 was 12.82 million baht or 0.42% of total assets compared with the end of 2023, which was 21.50 million baht, a decrease of 8.68 million baht or 40.41%.

3.1.3 Payable corporate income tax as of March 31, 2024 was 57.31 million baht or 1.87% of total assets compared with the end of 2023, which was 41.02 million baht, a increase of 16.29 million baht or 39.70%.

3.1.4 Other current liabilities as of March 31, 2024 was 8.72 million baht or 0.29% of total assets compared with the end of 2023, which was 10.58 million baht, a decrease of 1.86 million baht or 17.52%.

3.2 Non-current Liabilities as of March 31, 2024 was 81.14 million baht or 2.65% of total assets compared with the end of 2023, which was 77.89 million baht, an increase of 3.25 million baht or 4.17%, which are provision for long-term employee benefits , Which is employee compensation when leaving employment to be entitled to compensation not less than the last 400 days of wages (Note 13 to the financial statements)

| | As at March 31, 2024 | As at December 31, 2023 |
|----------------------|----------------------|-------------------------|
| Return on Equity (%) | 16.23 | 15.31 |
| Return on Assets (%) | 16.52 | 16.16 |

Statements of Cash Flows

The Company had cash and cash equivalents as of March 31, 2024 of 965.40 million baht or 31.54% of total assets compared with the end of 2023, which was 1,116.67 million baht, a decrease of 151.27 million baht or 7.01%. The detail of acquisition and usage of cash and major short term investments as follows;

The Company had net cash flow acquired from business operation as of March 31, 2024 of 129.32 million baht compared with the end of 2023, which was 155.61 million baht, a decrease of 26.29 million baht or 16.89%.

- Cash flow spent for investment activities in various assets of 66.11 million baht, whice caused Investment in plant and Medical equipment .

The company has financial liquidity in each year as follows;

- Liquidity ratio as of March 31, 2024 was 2.79 times decrease to compared with the end of 2023, which was 4.58 times.

- Quick ratio as of March 31, 2024 was 2.35 times decrease to compared with the end of 2023, which was 3.93 times.

- The company accounts receivable turnover rate as of March 31, 2024 was 13.59 times increased to compared with the end of 2023, which was 11.46 times.

- Average collection period as of March 31, 2024 was 26.86 days decrease to compared with the end of 2023, which was 31.84 days.

- Inventory turnover rate as of March 31, 2024 was 33.05 times increased to compared with the end of 2023, which was 28.70 times.

- Average days to sell product as of March 31, 2024, 2023 was 11.04 days decreased to compared with the end of 2023, which was 12.72 days.

- Payable turnover rate as of March 31, 2024 was 9.10 times increased to compared with the end of 2023, which was 7.51 times.

- Average days to payment period as of March 31, 2024 was 40.12 days decreased to compared with the end of 2023, which was 48.60 days.

Please be informed accordingly.

Yours sincerely ,



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Director / Chief Executive Officer