

No. WPH – SET 009/2024

14 May 2024

Subject : Management Discussion and Analysis for the Quarter 1 of 2024 ending on 31 March 2024.

To : Directors and Manager

The Stock Exchange of Thailand

According to the resolution of the meeting of the Board of Directors No.2/2024 of WattanaPAT Hospital Trang Public Company Limited (“the Company”) held on 14 May 2024, approving the audited consolidated financial statements for the Quarter 1 of 2024 ending on 31 March 2024. The Company would like to report factors that affect the financial performance of the Company and its subsidiary for the Quarter 1 of 2024 ending on 31 March 2024.as follows;

Summary of Consolidated Financial Statements

	1Q24	1Q23	Movemen % YoY
<i>Unit : Million Baht</i>			
Total revenues	577.4	327.1	76.5%
Revenues from medical treatment	575.1	324.3	77.3%
Cost of medical treatment	357.4	233.9	52.8%
Gross Profit	217.7	90.4	140.8%
Gross Profit Margin	37.8%	27.9%	10.0%
Selling and Administrative expenses	70.3	54.1	30.0%
Profit from operating activities	147.4	36.3	305.6%
Other incomes	2.4	2.8	(15.8%)
Financial costs	12.4	6.8	81.7%
Profit before tax expenses	137.4	32.3	325.0%
tax expenses	26.1	11.6	125.6%
Net Profit	111.3	20.8	436.3%
Net Profit Margin	19.3%	6.3%	12.9%
EBITDA	185.6	63.2	193.6%
% EBITDA	32.3%	19.5%	12.8%

Statements of Comprehensive Income

Revenue from medical treatment

The Company generated the revenue from medical treatment for the 1st quarter of Year 2024 and 2023 were in amounts of Baht 575.1 million and Baht 324.3 million, respectively, which increased by Baht 250.8 million or 77.3%. The Company invested in new technological innovation and medical device, specialized medical center such as Hyperbaric Oxygen Therapy and Cardiac Catheterization Lab or Cath Lab. Moreover, the tourism sector has been facing continuous growth. It plays a vital role in the revenue from medical treatment generated from international patients.

By the way, revenue from Out-patients and In-Patients department were 54.8% and 87.1% respectively. IPD revenue was mainly increased from international patients. The proportion of Out-patients department and In-Patients department were 27% and 73% respectively.

The revenue generated from Thai patient was increased by 28.7% while the revenue from foreigner was increased by 201.1%. On the other hand, the proportion of international patient compared to total revenue from medical treatments in the first quarter of Year 2024 and Year 2023 equalled to 48% and 28% respectively, increasing by 20%.

Cost of medical treatments

The cost of medical treatments for the 1st quarter of Year 2024 and 2023 were in amounts of Baht 357.4 millions and Baht 233.9 million, respectively, which increased by 52.8%. By the way, cost of medical treatments compared to total revenue from medical treatment for the 1st quarter of Year 2024 and 2023 equalled to 62.2% and 72.1% respectively. This variance was mostly due to the the proportion of variable costs, doctor's fee, cost of medicine and medical supplies. The Company focused on cost management policy which resulted in Economy of Scale.

Selling Expenses

The selling expenses for the 1st quarter of Year 2024 and 2023 were in amounts of Baht 18.4 million and 8.4 million which mainly caused by the promotional costs from the new products and services, specialized medical center and positively related to total revenue from medical treatment generated from international patients. By the way, the proportion of selling expenses incurred compared to total revenues for the 1st quarter of Year 2024 and 2023 were 3.2% and 2.6%, respectively.

Administrative Expenses

The administrative expenses for the 1st quarter of Year 2024 and 2023 were in amounts of Baht 51.8 million and 45.7 million, increasing by 13.5%. By the way, the proportion of administrative expenses incurred compared to total revenues for the 1st quarter of Year 2024 and 2023 were 9.0% and 14.1%, respectively. This stemmed from an increase in employee compensation, the increased number of employees to support the Company's expansion. By the way, the Company focused on the cost management policy continuously.

Financing Costs

The financing costs from financial institutions for the 1st quarter of Year 2024 and 2023 were in amounts of 12.4 million and 6.8 million respectively, increasing by 81.7%. The proportion of financing costs incurred compared to the 1st quarter of Year 2024 and 2023 were 2.1% and 2.1% respectively. This caused by interest expenses from financial institution utilizing for the construction financing. During the 1st quarter of Year 2024 the receipt of payment for accrued medical treatment revenue was significantly increased, therefore, the prepayment of long term loan was applied. Finally, it can affect the reduction of financing cost.

Tax Expense (Revenue)

For the 1st quarter of Year 2024 and 2023, tax expense was in amounts of Baht 26.1 million and 11.6 million respectively, increasing by Baht 90.5 million or 436.3% in consistent with the incremental net profit.

Net Profit

For the 1st quarter of Year 2024 and 2023, the net profit were in amounts of Baht 111.3 million and Baht 20.8 million, respectively or decreased for Baht 90.5 million or 436.3%. The proportion of net profit incurred compared to the total revenue for the 1st quarter of Year 2024 and 2023 were 19.4% and 6.4% respectively.

Please be informed accordingly.

Yours Sincerely,

(Mr.Chane Laosonthorn)

Director