

EKH/CS/2019/027

13 August 2019

Subject: Management Discussion and Analysis for the Second Quarter 2019 results

To Directors and Manager  
The Stock Exchange of Thailand

Ekachai Medical Care Public Company Limited (the “Company”) would like to clarify on the operating results for the second quarter of 2019 at the end of 30th June 2019 as follows.

### Summary

The Company reported Total revenues in 2Q19 of Baht 218.73 million, a 50.31% increase from 2Q18 revenues of baht 145.52 million. Net profit for 2Q19 increased by 72.14% to Baht 38.44 million from Baht 22.33 million in 2Q18, with Net profit margin at 17.57% in 2Q19 improved from 15.34% in 2Q18.

Total revenues for 6M19 increased to Baht 425.09 million, or 47.27% more than Baht 288.65 million in 6M18. Net profit rose 87.50% to Baht 83.14 million from Baht 44.34 million in 6M18, with net profit margin at 19.56% in 6M19 compared to 15.36% in 6M18.

Details of the management discussion and analysis follow:

### Income statements

#### Second Quarterly Operational Performance

The Company reported Revenues from Hospital Operations of Baht 213.42 million, a 50.09% increase year-over-year from Baht 142.19 million in 2Q18. This was mostly due to an increase in revenues from Inpatients, Outpatients and IVF patients.

The Company reported Cost of Hospital Operations (including Depreciation and Amortization) of Baht 120.12 million or 33.40% increase year-over-year from Baht 90.04 million in 2Q18. This represents an increase in Revenues from hospital operations. Administrative expenses (including Depreciation and amortization) were Baht 47.33 million or 70.39% increase year-over-year from Baht 27.78 million in 2Q18. The variance was mostly due to an increase in revenues, depreciation and employee management expenses. Profit to equity holders of the company increased by 72.14% year-over-year to Baht 38.44 million in 2Q19 from Baht 22.33 million in 2Q18.

(Unit : Million Baht)	30 June 2019 (3 month period)	30 June 2018 (3 month period)	Change
Revenues from hospital operations	213.42	142.19	+50.09%
Gross Profit	93.30	52.15	+78.91%
Profit to equity holders of the company	38.44	22.33	+72.14%

### Six Month Period Operational Performance

The Company reported Revenues from hospital operations of Baht 413.43 million, a 46.92% improvement year-over-year from Baht 281.40 million in 6M18. This was mostly due to an increase in revenues from Inpatients, Outpatients and IVF patients.

The Company reported Cost of Hospital Operations including Depreciation and Amortization of Baht 229.71 million or 28.10% increase year-over-year from Baht 179.31 million in 6M18. This represents an increase in Revenues from hospital operations. Administrative expenses (including Depreciation and amortization) were Baht 88.36 million or 59.45% more than Baht 55.41 million in 6M18. The variance was mostly due to an increase in revenues, depreciation and employee management expenses. Profit to equity holders of the company increased by 87.50% year-over-year to Baht 44.34 million from Baht 83.14 million in 6M18.

(Unit : Million Baht)	30 June 2019 (6 month period)	30 June 2018 (6 month period)	Change
Revenues from hospital operations	413.43	281.40	+46.92%
Gross Profit	183.72	102.08	+79.98%
Profit to equity holders of the company	83.14	44.34	+87.50%

### Statements of financial position

As of 30 June 2019, the Company reported Total Current Assets of Baht 386.69 million, a decrease from Baht 458.21 million as of 31 December 2018. The variance is mostly due to a current investment decrease of Baht 165.82 million from Baht 294.11 million as of 31 December 2018.

Total Non-Current assets increased to Baht 651.12 million from Baht 510.09 million as of 31 December 2018. Property, Plant and Equipment increased from Baht 418.42 million as of 31 December 2018 to Baht 557.76 million as the result of the construction of the new Children's center, building renovation and the purchase of medical equipments.

Total Current Liabilities were Baht 176.91 million an increase from Baht 96.84 million as of 31 December 2018, mostly due to an increase in account payables. Non-Current Liabilities were Baht 12.06 million, increase from Baht 9.47 million as of 31 December 2018, mostly due to accounting of long term employee benefits.

Total Shareholders' Equity decreased from Baht 855.08 million as of 31 December 2018 to Baht 839.28 million as a resulted of dividend payout in May 2019 at 0.165 baht per share. Return on equity (ROE) was 9.91% in 6M19 and net debt to equity ratio was 0.22

(Unit : Baht million)	30 June 19	31 DEC 18	Change
Total assets	1,037.81	968.30	+ 7.18%
Total liabilities	188.97	106.31	+ 77.75%
Total shareholder's equity	839.28	855.08	- 1.85%
Net debt to equity	0.22	0.12	-
Return on equity (%)	9.91%	13.60%	-

Please be informed accordingly.

Yours faithfully,  
Ekachai Medical Care PCL.

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