



No. RPH-SET 01/2020

February 22, 2020

Subject : Management Discussion and Analysis for Year Ending December 31, 2019

To : The President
The Stock Exchange of Thailand

The Board of Directors meeting of Ratchaphruek Hospital Public Company Limited (the Company) No. 1/2020 dated February 22, 2020 approved the Company's Financial Statement ending December 31, 2019. The Company would like to clarify the year ended December 31, 2019 earnings results, as follows.

Statement of comprehensive income

Revenue from hospital operations

The Company booked revenue from hospital operations amounted to Baht 532.89 million and Baht 816.58 million for the year ended December 31, 2018 and the year ended December 31, 2019, respectively. The figures represent a year-on-year increase of 53.24% due mainly to an increasing in number of patients as a result of a new building operation and an adjustment of price.

Cost of hospital operations

The cost of hospital operations amounted to Baht 386.17 million and Baht 571.59 million in the year ended December 31, 2018 and the year ended December 31, 2019, respectively. Meanwhile, the cost of hospital operations to revenue ratios stood at 71.17% and 68.84%, respectively. The lower ratio on a year-on-year basis was attributable to the Company having fixed costs effecting the revenue.

Other Income

The other income amounted to Baht 9.68 million and Baht 13.69 million in the year ended December 31, 2018 and the year ended December 31, 2019, respectively. The figures represent a year-on-year increase of 41.39%.

Distribution costs

The Company booked distribution costs amounting to Baht 4.38 million and Baht 4.73 million for the year ended December 31, 2018 and the year ended December 31, 2019, respectively. The distribution costs to revenue ratios for those years stood at 0.81% and 0.57%, respectively. The lower ratio on a year-on-year basis was on the back of the expenses related to activating new hospital building in the year 2018.

Administrative expenses

In the year ended December 31, 2018 and the year ended December 31, 2019, the Company's administrative expenses amounted to Baht 87.46 million and Baht 123.63 million, respectively. The administrative expenses to revenue ratios for those years stood at 16.12% and 14.89%, respectively. The lower ratio on a year-on-year basis was attributable to the Company having fixed administrative expenses effecting the revenue.



Finance costs

The Company booked finance costs amounting to Baht 5.07 million in the year ended December 31, 2018 and Baht 10.19 million in the year ended December 31, 2019. The year-on-year increase in finance costs was on a loan withdrawal to construction disbursement and purchasing medical equipment.

Net profits

The Company booked net profits of Baht 48.43 million and Baht 96.41 million in the year ended December 31, 2018 and the year ended December 31, 2019, respectively, the figures represent a year-on-year increase of 99.06%. The net profit to revenue ratios stood at 8.93% and 11.61%, respectively, due mainly to an increase in revenues from hospital operations.

Statement of financial position

As of December 31, 2018 and December 31, 2019, the Company's total assets amounted to Baht 1,816.96 million and Baht 1,751.26 million, respectively. Major assets were property, plant and equipment, cash and cash equivalents, and trade receivables. As of December 31, 2018 and December 31, 2019, the Company's property, plant and equipment were valued at Baht 1,640.43 million and Baht 1,603.73 million, the decrease in property, plant and equipment caused by the Company booked depreciation. As of December 31, 2018 and December 31, 2019, the cash and cash equivalents amounting to Baht 69.08 million and Baht 49.21 million, respectively, are due to the payment for principle of loans from financial institutions and dividend. Meanwhile, as of December 31, 2018 and December 31, 2019, the Company saw trade receivables to Baht 33.76 million and Baht 48.94 million, respectively, are due to the increasing of insurance and contract patients.

The Company saw total liabilities of Baht 539.07 million and Baht 433.77 million, as of December 31, 2018 and December 31, 2019, respectively. The major liability was the loans from financial institutions, and trade and other payables. As of December 31, 2018 and December 31, 2019, loans from financial institutions stood at Baht 275.51 million and Baht 267.19 million, respectively, are due to the payment for loan's principle. As of December 31, 2018 and December 31, 2019, the trade and other payables stood at Baht 246.39 million and Baht 128.91 million, respectively, was on a construction and medical equipment disbursement.

As of December 31, 2018 and December 31, 2019, the shareholders' equity was valued at Baht 1,277.90 million and Baht 1,317.48 million, respectively.

Yours sincerely

(Mr. Teerawat Srinakarin)
Chief Executive Officer