

EKH/CS/2020/006

27 February 2020

Subject: Management Discussion and Analysis for 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 yearly period at the end of 31st December 2019 as follows.

## Summary

The Company reported Total revenues in 2019 of Thai Baht 911.00 million, a 39.23% increase from 2018 of Thai Baht 654.29. Net profit for 2019 increased by 36.76% to Thai Baht 160.30 million from Thai Baht 117.21 million in 2018, with Net profit margin at 17.60% in 2019 compared to 17.91% in 2018.

Details of the management discussion and analysis as follow:

## Income Statements

### 2019 Operational Performance

The Company reported Revenues from hospital operations of Thai Baht 886.04 million, a 38.85% improvement year-over-year from Baht 638.12 million in 2018. This was mostly due to an increase in revenues from Inpatients and Outpatients.

The Company reported Cost of Hospital Operations including Depreciation and Amortization of Thai Baht 509.33 million in 2019, or 33.28% increase year-over-year from Baht 382.14 million in 2018. This represents an increase in cost from hospital operations, doctor, nurse, medical supplies and depreciation from children center. Administrative expenses (including Depreciation and amortization) were Thai Baht 195.04 million in 2019 or 51.88% more than Thai Baht 128.42 million in 2018. The variance was mostly due to an increase in employee expenses and sales promotion expenses. EBITDA increased by 36.76% year-over-year to Thai Baht 160.30 million in 2019 from Thai Baht 117.21 million in 2018.

## Statements of Financial Position

As of 31 December 2019, the Company reported Total Current Assets of Thai Baht 402.09 million, a decrease from Thai Baht 458.21 million as of 31 December 2018. The variance is due to a net decrease of Thai Baht 294.11 million in Cash and Cash Equivalents as of 31 December 2018 versus Baht 123.95 million as of 31 December 2019.

Total Non-Current Assets increased to Baht 691.37 million as of 31 December 2019 from Baht 510.09 million as of 31 December 2018, mostly due to the increase of Other Long-term Investments of Baht 85.27 million from Baht 80.95 million. And, the increase of Property, Plant and Equipment were Baht 593.62 million as of 31 December 2019 from Baht 418.42 million as of 31 December 2018 as a result of building renovation, new building construction, and additional equipment purchase.

Total Current Liabilities were Baht 127.97 million as of 31 December 2019, an increase from Baht 96.84 million as of 31 December 2018, mostly due to account payables.

Non-Current Liabilities were Baht 11.54 million as of 31 December 2019, an increase from Baht 9.47 million as at 31 December 2018, mostly due to accounting of long term employee benefits.

Total Shareholders' Equity grew to Baht 911.06 million as of 31 December 2019 from Baht 855.08 million as of 31 December 2018. Return on equity (ROE) was 17.42% as of 31 December 2019, compared to 13.62% as of 31 December 2018. Net debt to equity was 0.15%, compared to 0.12% as of 31 December 2018.

(Unit : Baht million)	31 DEC 19	31 DEC 18	Change
Total assets	1093.46	968.30	12.93%
Total liabilities	139.52	106.31	31.24%
Total shareholder's equity	911.06	855.08	6.55%
Net debt to equity (D/E Ratio)	0.15	0.12	-
Return on equity (ROE) (%)	17.42	13.62	-

Please be informed accordingly.

Yours faithfully,  
Ekachai Medical Care PCL.

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