

No. WPH – SET 006/2020

13 May 2020

Subject : Management Discussion and Analysis for Quarter 1 of 2020 ending on 31 March 2020.
To : Directors and Manager
The Stock Exchange of Thailand

According to the resolution of the meeting of the Board of Directors No.3/2020 of WattanaPAT Hospital Trang Public Company Limited (“the Company”) held on 13 May 2020, approving the audited consolidated financial statements for Quarter 1 of 2020 ending on 31 March 2020. The Company would like to report factors that affect the financial performance of the Company and its subsidiary for Quarter 1 of 2020 ending on 31 March 2020 as follows;

Statements of Comprehensive Income

Revenue from medical treatment

The Company generated the revenue from medical treatment for the 1st quarter of Year 2019 and 2020 were in amounts of Baht 172.23 million and Baht 212.13 million, respectively, which increased by Baht 39.90 million or in the proportion of 23.2%. These changes were stemmed from both WattanaPAT Hospital Trang Public Company Limited and its subsidiary. The revenue from Out-patients department was inclined by 25.0%, at the same direction, In-patients department was increased by 22.3%. The number of both in-patient and out-patient were increased by 9.3%. Revenue from out-patient and in-patient were increased by 8.4% and 17.2%.

Cost of medical treatments

The Cost of medical treatments for the 1st quarter of Year 2019 and 2020 were in amounts of Baht 138.12 millions and Baht 167.51 million, respectively, which increased by 21.3%. The proportion of cost of medical treatments compared to total revenue from medical treatment in the 1st quarter of Year 2020 equaled to 79.0%, and in the 1st quarter of Year 2019 equaled to 80.2%. A decrease of nearly 1.2% in the cost of medical treatments was derived from cost incurred from cost of goods sold, doctor fee, depreciation and infrastructure expense.

Selling Expenses

The selling expenses for the 1st quarter of Year 2019 and 2020 were in amounts of Baht 5.34 million and Baht 5.96 million, increasing by 11.5%. The proportion of selling expenses incurred compared to total revenues for the 1st quarter of Year 2019 and 2020 were 3.1% and 2.8% , respectively.

Administrative Expenses

The selling expenses for the 1st quarter of Year 2019 and 2020 were in amounts of Baht 40.23 million and 34.61 million, increasing by 14.0%. The proportion of administrative expenses incurred compared to total revenues for the 1st quarter of Year 2019 equaled to 16.3% and in the 1st quarter of Year 2020 equaled to 23.4%. This assumed that the Company could handle more effectively at controlling employee's remuneration, traveling expenses, and infrastructure expenses.

Financing Costs

The financing costs of financial institutions for the 1st quarter of Year 2019 and 2020 were in amounts of 0.36 million and 2.67 million respectively, increasing by 636.7%. The proportion of financing costs incurred compared to the 1st quarter of 2019 and 2020 of 2019 were 0.2% and 1.2% respectively. The main reasons were interest expenses from financial institutions which occur from intercompany transactions.

Tax Expense

For the 1st quarter of Year 2019 and 2020, tax expenses were in amounts of Baht 4.59 million and Baht 2.04 million respectively, increasing by 144.4%. The most of transaction causing from revenue from medical treatments which was generated by the Company.

Net Profits

There was net loss in the 1st quarter of Year 2019 in amount of Baht 6.27 million, while there was net profit in the 1st quarter of Year 2020 in amount of Baht 1.22 million, which was increased by Baht 7.48 million or 119.4%. The proportion of net loss and profit incurred compared to the total revenue for the 1st quarter of Year 2019 and 2020 accounted for 3.6% and 0.6%, respectively. The increasing in net profit were stemmed from cost of medical treatments, and selling and administrative expenses as aforementioned.

Please be informed accordingly.

Yours Sincerely,

(Mr.Chane Laosonthorn)

Director