



No. RPH-SET 9/2020

August 8, 2020

Subject : Management Discussion and Analysis Quarterly Ending June 30, 2020

To : The President
The Stock Exchange of Thailand

The Board of Directors meeting of Ratchaphruek Hospital Public Company Limited (the Company) No. 4/2020 dated August 8, 2020 approved the Company's Interim Financial Information ending June 30, 2020. The Company would like to clarify the six-month period ended June 30, 2020 earnings results, as follows.

Statement of comprehensive income

Revenue from hospital operations

The Company booked revenue from hospital operations amounting to Baht 394.03 million and Baht 377.78 million for the six-month period ended June 30, 2019 and the six-month period ended June 30, 2020, respectively. The figures represent a period-on-period decrease of 4.12% due mainly to the Corona Viruses (COVID-19) outbreak.

For three months of the 2nd quarter of 2019 and 2020, the Company generated the total revenues from hospital operations in amounts of Baht 189.47 million and Baht 162.25 million, respectively, the figures represent a period-on-period decrease of 14.37%.

Cost of hospital operations

The cost of hospital operations amounted to Baht 277.32 million and Baht 277.87 million in the six-month period ended June 30, 2019 and the six-month period ended June 30, 2020, respectively. Meanwhile, the cost of hospital operations to revenue ratios stood at 68.97% and 72.06%, respectively. The higher ratio on a period-on-period basis was attributable to the Company has some fixed costs that unchanged irrespective of the revenue.

Distribution costs

The Company booked distribution costs amounting to Baht 1.87 million and Baht 2.82 million for the six-month period ended June 30, 2019 and the six-month period ended June 30, 2020, respectively. The distribution costs to revenue ratios for those years stood at 0.46% and 0.73% , respectively.

Administrative expenses

In the six-month period ended June 30, 2019 and the six-month period ended June 30, 2020, the Company's administrative expenses amounted to Baht 58.71 million and Baht 59.26 million, respectively. The administrative expenses to revenue ratios for those years stood at 14.60% and 15.37%, respectively. The higher ratio on a period-on-period basis was attributable to the Company has some fixed expenses that unchanged irrespective of the revenue.

Finance costs

The Company booked finance costs amounting to Baht 5.34 million in the six-month period ended June 30, 2019 and Baht 4.06 million in the six-month period ended June 30, 2020. The period-



on-period decrease in finance costs was because of a principle repayment and a reducing loan interest rates.

Net profits

The Company booked net profits of Baht 47.24 million and Baht 33.43 million in the six-month period ended June 30, 2019 and the six-month period ended June 30, 2020, respectively. The result suggests that the Company's six-month period ended June 30, 2019 net profits decreased by 29.23% on a period-on-period basis. The net profit to revenue ratios stood at 11.75% and 8.67% in the six-month period ended June 30, 2019 and the six-month period ended June 30, 2020; this decrease was related mainly to a decrease in revenues.

Statement of financial position

As of December 31, 2019 and June 30, 2020, the Company's total assets amounted to Baht 1,751.26 million and Baht 1,768.25 million, respectively. Major assets were cash and cash equivalents, and property, plant and equipment. As of December 31, 2019 and June 30, 2020, the Company saw cash and cash equivalents to Baht 49.21 million and Baht 100.01 million, respectively, are due to the withdrawal for long-term loans from financial institutions, and a 6-month grace period for non-payment of loans from financial institutions to manage liquidity in the outbreak of Corona Viruses. Meanwhile, as of December 31, 2019 and June 30, 2020, the Company's property, plant and equipment were valued at Baht 1,603.73 million and Baht 1,567.55 million, respectively, the decrease thanks to the booking of depreciation.

The Company saw total liabilities of Baht 433.77 million and Baht 455.56 million, as of December 31, 2019 and June 30, 2020, respectively. The major liability was long-term loans from financial institutions, and trade and other payables. As of December 31, 2019 and June 30, 2020, the long-term loans from financial institutions stood at Baht 288.86 million and Baht 301.79 million, respectively. Meanwhile, the trade and other payables stood at Baht 128.91 million and Baht 78.55 million, respectively.

As of December 31, 2019 and June 30, 2020, the shareholders' equity was valued at Baht 1,317.48 million and Baht 1,312.69 million, respectively. The increase in shareholders' equity was thanks to the booking of operating profit.

Yours sincerely

(Mr. Teerawat Srinakarin)
Chief Executive Officer