

Sor Kor 0889 / 2020

13 August 12, 2020

Subject: Management Discussion and Analysis Quarter 2 ending June 30, 2020

To: Director and Manager,
The Stock Exchange of Thailand

Sikarin Public Company Limited and its subsidiary have reported the financial statements for Q2/2020 ended June 30, 2020 that were audited by the auditor. Sikarin would like to inform the operating results for Q2/2020 ended June 30, 2020 compare with Q2/2019 detail shown as the following:

Administrator's Analysis

The company and its subsidiary have total medical services revenue for Q2/2020 ended June 30, 2020 was 867.30 million Baht compared with Q2/2019 was 870.93 million Baht, or 0.42%. The cause of a Corona Virus Disease or COVID-19 since January 2020 which clearly intensely effected all industries. But because of the good management in asset that made the net profit in Q2/2020 was 83.80 Million Baht, increased 204.66% from 27.51 Million Baht in Q2/2019. Tax expenses in Q2/2020 has decreased 24.59 Million Baht which a company had right to abate tax income from write-off asset which is all end of cases.

For the first half of 2020, a company have total revenue of 1,842.25 Million Baht. Increasing by 4.57% from 1,761.77 million baht compare with the first half of 2019. Net profit in the first half of 2020 was 156.41 million baht, increased 56.77% from 99.77 million baht in the first half of 2019.

Events Summary

- Sikarin Public Company Limited and its subsidiary are well concerned and preventing of COVID-19 circumstance in any mean necessary for patient's safety. Providing a strict and standard screening point also educated all staff level in the hospital and launched the defensive measure to prevent COVID-19.
- Sikarin Hat Yai Hospital join as a corporate hospital with Social Security Office. Providing a medical service for social security patient in quota of 75,000 person.

Financial Statement

Q2/2020

Revenue

Unit: Million Baht

Revenue	Q2 2020	Q2 2019	Increase/Decrease
Medical Revenue	850.20	853.13	-0.34%
Food and Beverage Revenue	7.74	9.95	-22.20%
Other income	9.36	7.84	19.36%
Total Revenue	867.30	870.93	-0.42%

In quarter 2/2020, Sikarin Public Company Limited and its subsidiary have total revenue of 867.30 million baht. Decreased 0.42% from 870.93 million baht in Q2/2019.

Cause of:

- Medical Revenue was 850.20 million baht decreased 2.93 million baht or 0.34% from Q2/2019. Cause of a decreasing amount in both general patient and mobile checkup. Including the lockdown measures in Thailand

by the government policy. Medical revenue of Sikarin which compensate the general patient was social security patient with the quota amount of 350,000 persons of all 3 hospitals.

Operating Expenses

Units: Million Baht

Operating Expenses	Q2 2020	Q2 2019	Increase/Decrease
Medical Expenses	610.90	631.86	-3.32%
Food and Beverage Expenses	4.78	6.15	-22.38%
Sell and Management Expenses	166.20	182.57	-8.97%
Operating Expenses (Depreciation Included)	781.87	820.58	-4.72%

In quarter 2/2020, Sikarin Public Company Limited and its subsidiary have total depreciation expenses 781.87 million baht. Decreased 4.72% from 820.58 million baht in Q2/2019. Cause of:

- Medical Expenses of 610.90 million baht decreased by 20.95 million baht or 3.32% from Q2/2019. The main reason was from doctor's fee management, staff payroll that make ratio asset and medical revenue was 71.85% decreased 2.21% from 74.06 million baht in Q2/2019.

- Sale and management expenses was 166.20 million baht decreased 16.37 million baht or 8.97% from Q2/2019. The main reason was staff over time payment.

Profit Capability Analysis

Units: Million Baht

	Q2 2020	Q2 2019	Increase/Decrease
Gross Profit	239.30	221.28	8.15%
Gross Margin (%)	27.59	25.41	
EBITDA	184.09	134.07	37.00%
EBITDA Margin (%)	21.23	15.43	
Net Profit Margin (%)	9.66	3.16	

From table above, EBITDA increased 50.02 million baht from 134.07 million baht in the same quarter of 2019 to 184.09 million baht in Q2/2020 or increased 37.00% while EBITDA Margin increased 15.43% in 2019 to 21.23% in Q2/2020.

Consolidated Financial Position

Units: Million Baht

	Q2 2020	Q2 2019	Increase/Decrease
Total Assets	6,048.86	5,853.22	3.34%
Total Liabilities	2,153.85	1,967.15	9.49%
Equity of the Company	3,846.75	3,837.77	0.23%
Total Equity	3,895.01	3,886.67	0.23%

Consolidated financial statements of the company and its subsidiary as of June 30, 2020 has total asset 6,048.86 million baht increased 195.64 million baht or 3.34% from 2019.

The company and its subsidiary as of June 30, 2020 has current assets 882.56 million baht decreased 19.53 million baht or 2.16% compared with the year end.

The company and its subsidiary as of June 30, 2020 has non-current assets 5,166.30 million baht increased 215.17 million baht or 4.35% compared with the year end.

The company and its subsidiary as of June 30, 2020 has current liability 1,059.15 million baht increased 108.52 million baht or 11.42% compared with the year end.

The company and its subsidiary as of June 30, 2020 have non-current liability 1,094.70 million baht increased 78.18 million baht or 7.69% compared with the year end.

The company and its subsidiary have shareholder's equity increased from 3,886.07 million baht in 2019 to 3,895.00 million baht or increase 8.94 million baht or 0.23% in 2020.

Please notify the shareholders and investors as deemed necessary.

Sincerely Yours,

(Mr.Suriyan Kojonroj)

Director and Company Secretary