



No. RJH – SET 5/2024

13 May 2024

Subject : Management Discussion and Analysis for the 1st Quarter of 2024

To : The President
The Stock Exchange of Thailand

Rajthanee Hospital Public Company Limited (“the Company”) would like to clarify the operating results of the Company and its subsidiaries for the 1st quarter ended March 31, 2024 which have been audited by the independent auditor as follows:

Statements of Comprehensive Income for the 1st Quarter Ended March 31, 2024

Operation : Consolidated Profit & Loss Statement					
Unit : THB million	1Q 2024	4Q 2023	% change	1Q 2023	% change
Revenue from Non-Social Security	334.21	349.25	-4%	306.81	9%
Covid-19 Revenue (from government and vaccines)	2.58	0.67	287%	7.97	-68%
Revenue from Social Security	295.23	273.05	8%	245.92	20%
Revenue from Hospital Operations	632.02	622.97	1%	560.70	13%
Cost of Hospital Operations	427.87	424.43	1%	384.27	11%
Gross Margin	204.15	198.54	3%	176.43	16%
% Gross Margin	32.3%	31.9%	0%	31.5%	1%
% Gross Margin (exclude non-recurring items)	32.0%	30.7%	1%	30.5%	2%
Administrative Expenses	55.88	73.67	-24%	47.93	17%
EBITDA	184.94	164.97	12%	165.00	12%
% EBITDA	29.3%	26.5%	3%	29.4%	0%
Other Income	7.03	8.50	-17%	10.27	-32%
Financing Cost	12.03	11.26	7%	6.88	75%
Earnings before Tax	143.28	122.12	17%	131.89	9%
Corporate Tax Expense /(Income)	29.01	25.38	14%	25.75	13%
Net Profit	114.27	96.74	18%	106.14	8%
% Net Profit / Total Revenue	17.9%	15.3%	3%	18.6%	-1%
Net Profit excl. non-recurring items	112.20	89.89	25%	99.77	12%
% Net Profit excl. non-recurring items / Total Revenue	17.8%	14.7%	3%	18.1%	0%
Non-Controlling Interests	(1.39)	(2.30)	-39%	(0.26)	445%
Net Profit Attributable to The Company	115.66	99.03	17%	106.40	9%
* Non-cash items included depreciation and accounting adjustment					
Earnings per Share	0.39	0.33	0.06	0.36	0.03



Operation : Consolidated Profit & Loss Statement						
		1Q	4Q	%	1Q	%
Unit : THB million		2024	2023	change	2023	change
Non-Recurring Items : Increase/(Decrease) EBT						
Income adjusted of previous period		2.58	10.13	-	7.97	
SG&A : Previous yr SW income over-record		-	(1.57)	-	-	
Total Non-Recurring Items		2.58	8.56	-	7.97	
OPD	THB million	171.52	182.38	-6%	155.18	11%
	Visits	80,900	80,400	1%	74,500	9%
	Revenue per visit (THB)	2,120	2,270	-7%	2,080	2%
IPD	THB million	162.69	166.87	-3%	151.63	7%
	Admission Day	8,400	9,600	-13%	7,900	6%
	Revenue per Admission Day (THB)	19,400	17,400	12%	19,100	2%

Revenue from Hospital Operations

Revenue from hospital operations during the 1st quarter of 2024 (“1Q2024”) was THB 632.02 million substantially increased by 13% compared to the same quarter last year (yoy) and increased merely 1% comparing to previous quarter (qoq).

The ratio of non-social security revenue and social security revenue was at 53:47.

Revenue from non-social security was at THB 336.79 million increased by 7% yoy but declined by 4% qoq. The yoy increase was driven by both OPD & IPD revenue. OPD revenue was at THB 171.52 million, an increase of 11% yoy. Number of OPD visits increased by 9% to 80,900 visits while average revenue per visit stood over THB 2,100 increased by 2% yoy. Comparing to previous quarter, OPD revenue nevertheless declined by 6% despite number of visits increased. This was due to the decrease of revenue per head by 7%.

IPD revenue was at THB 162.69 million, an increase of 7% yoy. The increase was driven by both admission days and revenue per admission. Admission days increased by 6% to approximately 8,400 days and revenue per admission marginally increased by 2% to THB 19,400. Comparing to the previous quarter, admission days plunged by 13% qoq. However, the 12% increase of revenue per admission helped support IPD revenue during this quarter to decline by only 3%. Overall utilization rate of IPD wards slightly increased by 1% yoy to 55% but declined by nearly 9% qoq. Both non-social security and social security admission decreased qoq.

Social security revenue for this quarter stood at THB 295.23 million considerably increased by 20% yoy and 8% qoq. The increase was mainly driven by more intensive cases which led to growing revenue related to high-cost care (Adjusted RW) and implant. Moreover, higher rate of fixed capitation and 5 specific surgeries helped boost social security revenue yoy. However, the average number of insured person were 212,400 persons barely changed by yoy and qoq.



It is noted that Rangsi Raksa Ratchathani hospital has started operation since Jan 2024 with revenue of THB 2.25 million. Rangsi Raksa Ratchathani hospital currently treat only patients refer from other hospitals which mostly were RJH's social security patients. Once the contract with Universal Healthcare Office is signed, it can treat patients under Universal Healthcare.

Other revenues

The Company recorded other revenues at THB 7.03 million decreased by 32% yoy and 17% qoq. This was mostly from the decrease of dividend income.

Cost of Hospital Operations

1Q24 cost of hospital operation was THB 427.87 million with 32.3% gross margin of hospital revenue , barely changed comparing to previous quarter but improved 1% comparing to previous year. The yoy improved gross margin was mainly due to the aforementioned higher SW payment rate.

Administrative Expenses

Administrative expenses for this quarter was THB 55.88 million increased by 17% yoy but decreased substantially by 24% qoq. The yoy increase stemmed from staff cost particularly bonus provision while the qoq decrease was due to lower provision for doubtful debts which plunged from THB 13.24 million to THB 2.89 million.

Earnings before interest, taxes and depreciation (“EBITDA”)

EBITDA (not included other income) was THB 184.94 million increased by 12% yoy and qoq. In term of margin , it stood at 29.3% on par with previous year but improved by 3% comparing to previous quarter. The improved margin was attributable to the promising revenue together with the decrease of administrative expenses.

Financing Cost

The financing cost was in the upward trend from THB 6.88 million during 1Q23 to THB 11.26 million during 4Q23 and 12.03 million during 1Q24. This was due to more borrowings to finance new projects ie Ratchathani Nongkhae Hospital , Rangsi Raksa Ratchathani Hospital as well as land cost of Bowin Hospital and Rajthanee Romklao Hospital.



Net Profit

Net profit for this quarter was THB 114.27 million with net profit margin of 17.9% Net profit amount improved comparing to both yoy and qoq However, margin deteriorated by 1% yoy because of higher administrative expenses and interest expenses.

Statement of Financial Position as of March 31, 2024

Financial Position :	31-Mar	31-Dec	31-Mar	31 Mar 24	31 Mar 24
Consolidated Balance Sheet				-	-
Unit : THB million	2024	2023	2023	31 Dec 23	31 Mar 23
Cash and Temporary Investments	225.56	334.53	125.81	(108.97)	99.75
Trade Receivables & Accrued Income	464.60	428.79	553.03	35.82	(88.43)
Inventory	49.53	51.11	48.80	(1.59)	0.73
Long-term Investments	514.90	580.52	757.61	(65.63)	(242.71)
Property, Plant and Equipment	2,527.10	2,450.34	1,905.46	76.77	621.64
Other assets	162.26	174.87	263.53	(12.61)	(101.26)
Total Assets	3,943.95	4,020.16	3,654.23	(76.21)	289.73
Trade Payable	190.39	191.11	177.55	(0.71)	12.85
Interest-Bearing Debts / Leasing	1,132.36	1,241.16	791.80	(108.81)	340.55
Corporate Income Tax Payable	54.28	35.16	30.89	19.12	23.39
Other Liabilities	167.60	216.97	200.07	(49.38)	(32.47)
Total Liabilities	1,544.63	1,684.41	1,200.31	(139.77)	344.33
Total Shareholders' Equity of the Company	2,108.44	2,045.27	2,344.24	63.17	(235.80)
Non-Controlling Interests	290.88	290.48	109.68	0.39	181.20
Total Shareholders' Equity	2,399.32	2,335.75	2,453.92	63.57	(54.60)

The consolidated total assets as of 31 March 2024 decreased by THB 76.21 million from end of Y2023. Cash decreased by THB 108.97 million to finance development cost of Ratchathani Nongkhae Hospital. Fixed asset increased by THB 76.77 million (net of depreciation) mostly from Ratchathani Nongkhae Hospital. For long-term investment, it has eroded by THB 65.63 million during this quarter due to declining year-end mark to market price of RAM shares from THB 35.75 to THB 30.50 per share. The Company's cost price of RAM shares was THB 28.21.

Total liabilities as of 31 March 2024 decreased by THB 139.77 million from end of Y2023. Short-term debts were paid down following the receipt of Covid-19 related accounts receivable.

Total shareholder's equity has increased by THB 63.57 million from the end of Y2023 due to increased profit.



Ratio Analysis of Financial Statements ended March 31, 2024

Ratio Analysis :			
Consolidated Financial Statements	1Q	4Q	1Q
Unit : THB million	2024	2023	2023
Returns (%)			
Return on Assets *	11.6%	9.6%	11.6%
Return on Equity *	19.0%	16.6%	17.3%
Working Capital Management			
Liquidity Ratio (x)	1.1	0.9	1.1
Trade Receivable Period (Days)	67	63	89
Inventory Period (Days) **	40	43	44
Trade Payable Period (Days)	49	50	54
Leverage Ratios (x)			
Interest Coverage	15.4	14.7	24.0
Debt Service Coverage	1.9	1.0	1.5
Total Debt to Equity	0.6	0.7	0.5

* calculated by using earnings of current quarter to be estimated for annual earnings

** based on only cost of medicine & medical supplies

Return on assets and return on equity of 1Q24 improved comparing to previous quarter due to the promising performance.

Regarding liquidity ratios, trade receivable period and inventory period were on par with previous quarter. 1Q23 trade receivable period was unusually long as Covid-19 receivables were extended. Current ratio was above 1x following the repayment of short-term borrowings.

Overall debt service ratio during 1Q24 has improved qoq because of higher EBITDA and lower short-term debt outstanding. Ratio of short-term to long-term borrowings changed from 47:53 to 31:69. Debt to Equity ratio slightly decreased qoq to 0.6x due to lower liabilities particularly borrowings from banks.

Please be informed accordingly.

Yours Sincerely,

(Surin Prasithirun, M.D.)

Managing Director