



No. RJH – SET 6/2024

9 August 2024

Subject : Management Discussion and Analysis for the 2nd 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 2nd quarter ended June 30, 2024 which have been audited by the independent auditor as follows:

Statements of Comprehensive Income for the 2nd Quarter Ended June 30, 2024

Operation : Consolidated Profit & Loss Statement								
Unit : THB million	2Q 2024	1Q 2024	% change	2Q 2023	% change	YTD 2024	YTD 2023	% change
Revenue from Non-Social Security	340.30	334.21	2%	290.80	17%	674.51	597.61	13%
Covid-19 Revenue from government	3.47	2.58	35%	(5.10)	-168%	6.06	2.87	111%
Revenue from Social Security	351.46	295.23	19%	258.88	36%	646.69	504.80	28%
Revenue from Hospital Operations	695.24	632.02	10%	544.58	28%	1,327.25	1,105.28	20%
Cost of Hospital Operations	463.62	427.87	8%	388.55	19%	891.49	772.81	15%
Gross Margin	231.61	204.15	13%	156.03	48%	435.76	332.47	31%
% Gross Margin	33.3%	32.3%	1%	28.7%	5%	32.8%	30.1%	3%
% Gross Margin (exclude non-recurring items)	33.0%	32.0%	1%	29.3%	4%	32.5%	30.3%	2%
Administrative Expenses	82.84	55.88	48%	47.53	74%	138.72	95.47	45%
EBITDA	206.36	184.94	12%	145.14	42%	391.30	310.14	26%
% EBITDA	29.7%	29.3%	0%	26.7%	3%	29.5%	28.1%	1%
Other Income	10.99	7.03	56%	14.29	-23%	18.03	24.57	-27%
Financing Cost	12.26	12.03	2%	7.10	73%	24.29	13.98	74%
Earnings before Tax	147.51	143.28	3%	115.69	28%	290.79	247.58	17%
Corporate Tax Expense /(Income)	30.06	29.01	4%	22.38	34%	59.07	48.13	23%
Net Profit	117.45	114.27	3%	93.31	26%	231.71	199.45	16%
% Net Profit / Total Revenue	16.6%	17.9%	-1%	16.7%	0%	17.2%	17.7%	0%
Net Profit excl. non-recurring items	132.15	112.20	18%	97.39	36%	244.35	202.01	21%
% Net Profit excl. non-recurring items / Total Revenue	19.1%	17.8%	1%	17.7%	1%	18.5%	18.2%	0%
Non-Controlling Interests	(1.13)	(1.39)	-19%	(0.41)	176%	(2.52)	(0.66)	280%
Net Profit Attributable to The Company	118.58	115.66	3%	93.72	27%	234.23	200.12	17%
<i>* Non-cash items included depreciation and accounting adjustment</i>								
Earnings per Share	0.40	0.39	0.01	0.31	0.08	0.78	0.67	0.11
Non-Recurring Items : Increase/(Decrease) EBT								
Income adjusted of previous period	3.47	2.58	-	(5.10)	-	6.06	2.87	-
SG&A : Previous yr SW income over-record	(21.85)	-	-	-	-	(21.85)	-	-
Total Non-Recurring Items	(18.38)	2.58	-	(5.10)	-	(15.80)	2.87	-



Operation : Consolidated Profit & Loss Statement		2Q	1Q	%	2Q	%	YTD	YTD	%
Unit : THB million		2024	2024	change	2023	change	2024	2023	change
OPD	THB million	163.43	171.52	-5%	153.22	7%	334.94	308.40	9%
	Visits	79,300	80,900	-2%	75,000	6%	160,300	149,600	7%
	Revenue per visit (THB)	2,060	2,120	-3%	2,040	1%	2,090	2,060	1%
IPD	THB million	176.88	162.69	9%	137.57	29%	339.57	289.21	17%
	Admission Day	7,900	8,400	-6%	7,200	9%	16,300	15,200	7%
	Revenue per Admission Day (THB)	22,400	19,400	15%	19,000	18%	20,900	19,100	9%

Revenue from Hospital Operations

Revenue from hospital operations during the 2nd quarter of 2024 (“2Q2024”) was THB 695.24 million substantially increased by 28% compared to the same quarter last year (yoy) and increased by 10% comparing to previous quarter (qoq).

The ratio of non-social security revenue and social security revenue was 49 : 51 reflecting higher contribution of social security revenue.

Revenue from non-social security was at THB 343.77 million increased considerably by 20% yoy and merely 2% qoq . The growth was mainly driven by IPD revenue which stood at THB 176.88 million, surged by 29% yoy and 9% qoq despite low-season effect. The yoy increase was contributed by both admission days and revenue per admission. 2Q24 admission days increased by 9% to approximately 7,900 days and revenue per admission significantly increased by 18% to THB 22,400. Comparing to previous quarter, admission days declined by 6%. However, increased revenue per admission helped reverse IPD revenue to increase qoq. Overall utilization rate of IPD wards stood at 57% which increased by 5.8% yoy and by nearly 2% qoq. Social security admission remained on the rise.

OPD revenue was at THB 163.43 million increased yoy by 7%. Number of OPD visits increased yoy by 6% to 79,300 visits while average revenue per visit stood at THB 2,060 barely changed comparing to previous year. Comparing to previous quarter, OPD revenue nevertheless declined by both number of visits and revenue per visit. As such, overall OPD revenue declined by 5% . This was probably from low-season effect.

Social security revenue for this quarter recorded new high at THB 351.46 million considerably increased by 36% yoy and 19% qoq. The increase was mainly attributable to more intensive cases which led to growing revenue related to high-cost care (Adjusted RW) and implant. However, the average number of insured persons during 2Q24 was approximately 212,800 persons barely changed by yoy and qoq.

Regarding newly open hospital , Rangsi Raksa Ratchathani hospital, its 2Q24 revenue was THB 3.83 million, increased by 70% qoq. Almost all patients were from Rajthanee group of hospitals. It



is applying to give services for Universal Healthcare patients which will contribute income on consolidated basis.

Other revenues

The Company recorded other revenues at THB 10.99 million decreased by 23% yoy but increased by 56% qoq. This was mostly from the dividend income.

Cost of Hospital Operations

2Q24 cost of hospital operation was THB 463.62 million with 33.3% gross margin of hospital revenue. Gross margin promisingly increased comparing to previous year and previous quarter. This was mainly attributable to higher revenue particularly social security revenue

Administrative Expenses

Administrative expenses for this quarter was THB 82.84 million increased substantially by 74% yoy and 48% qoq. Payment rate of high-cost care (Adjusted RW) of cases discharged during November – December 2023 was revised down by THB 4,800 per score. The impact was THB 21.9 million on administrative expenses. In addition, more staff recruited for new hospitals resulted in an increase of staff cost for THB 4.4 million yoy. Moreover, provision for doubtful debt increased by THB 4.1 million yoy mainly from long-accrued social security revenue.

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

EBITDA (not included other income) was THB 206.36 million surged by 42% yoy and 12% qoq. In term of margin , it stood at 29.7% nearly on par with previous quarter but improved by 3% comparing to previous year. The yoy improved margin was attributable to the promising revenue growth.

Financing Cost

The financing cost was in upward trend from THB 7.10 million during the same quarter last year to THB 12.26 million. 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 118.58 million with net profit margin of 19% , improved in term of both amount and margin.



Statement of Financial Position as of June 30, 2024

Financial Position : Consolidated Balance Sheet	30-Jun	31-Dec	30 Jun 24
Unit : THB million	2024	2023	31 Dec 23
Cash and Temporary Investments	167.67	334.53	(166.86)
Trade Receivables & Accrued Income	513.03	428.79	84.25
Inventory	49.35	51.11	(1.77)
Long-term Investments	508.65	580.52	(71.88)
Property, Plant and Equipment	2,747.28	2,450.34	296.94
Other assets	167.82	174.87	(7.06)
Total Assets	4,153.79	4,020.16	133.63
Trade Payable	239.51	191.11	48.40
Interest-Bearing Debts / Leasing	1,238.77	1,241.16	(2.39)
Corporate Income Tax Payable	39.61	35.16	4.45
Other Liabilities (Employee benefits, asset creditors etc.)	199.89	216.97	(17.08)
Total Liabilities	1,717.78	1,684.41	33.37
Total Shareholders' Equity of the Company	2,147.17	2,045.27	101.90
Non-Controlling Interests	288.84	290.48	(1.64)
Total Shareholders' Equity	2,436.01	2,335.75	100.26

The consolidated total assets as of 30 June 2024 increased by THB 133.63 million from end of Y2023. Fixed asset increased by THB 296.94 million (net of depreciation) mostly from Ratchathani Nongkhae Hospital. Long-accrued social security income has increased amount of trade receivables & accrued income. On the other hand , long-term investment has eroded by THB 71.88 million during the 1st half of this year due to declining year-end mark to market price of RAM shares from THB 35.75 to THB 30.00 per share. The Company's cost price of RAM shares was THB 28.21. In addition, cash decreased by THB 166.86 million to finance development cost of Ratchathani Nongkhae Hospital and for dividend.

Total liabilities as of 30 June 2024 slightly increased by THB 33.37 million from end of Y2023. The increase was from accrued expenses. An implement of new accounting software changed due date of doctor fee payment from at the end of month to mid of next month. Therefore, doctor fee to be accrued for 30 days instead of previously 10 days. In addition, the increase was also from amount payables to contractors of Ratchathani Nongkhae Hospital.

Total shareholder's equity has increased by THB 100.26 million during this 1st half of this year due to increased profit despite dividend paid and loss from mark to market of RAM shares.



Ratio Analysis of Financial Statements ended June 30, 2024

Ratio Analysis : Consolidated Financial Statements	2Q	1Q	2Q	YTD	YTD
Unit : THB million	2024	2024	2023	2024	2023
Returns (%)					
Return on Assets *	11.3%	11.6%	10.8%	11.2%	11.6%
Return on Equity *	19.3%	19.0%	16.3%	19.1%	17.6%
Working Capital Management					
Liquidity Ratio (x)	0.9	1.1	1.1	0.9	1.1
Trade Receivable Period (Days)	67	67	81	70	80
Inventory Period (Days) **	33	40	40	36	40
Trade Payable Period (Days)	60	49	51	61	51
Leverage Ratios (x)					
Interest Coverage	16.8	15.4	20.4	16.1	22.2
Debt Service Coverage	1.7	1.9	1.7	1.6	1.8
Total Debt to Equity	0.7	0.6	0.5	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 2Q24 improved comparing to previous year and previous quarter. Promising performance has enhanced these yields.

Regarding liquidity ratios, trade receivable period improved from 81 days during 2Q23 to 67 days during this quarter. Despite the increased amount of trade receivables, accrued days decreased particularly from insurance companies. Current ratio was 0.9x lower than previous periods due to the aforementioned increase of accrued expenses and decrease of cash.

Despite the improved EBITDA, debt service coverage ratio during 2Q24 deteriorated from previous quarter and on par with the same quarter last year. Debt obligations increased at more accelerated rate than EBITDA growth. In addition, debt to equity ratio was on upward trend. However, both debt service coverage ratio and debt to equity ratio remained at comfortable zone.

Please be informed accordingly.

Yours Sincerely,

(Surin Prasithirun, M.D.)

Managing Director