



No. RJH – SET 11/2024

11 November 2024

Subject : Management Discussion and Analysis Consolidated Financial Statements : 3rd
Quarter ending 30 Sep 2024

To : The President
The Stock Exchange of Thailand

Key Developments

- Rangsi Raksa Ratchathani hospital , a specialty radiation hospital, has started operation in Jan 2024. Currently, 75% of patients were from the Company's group of hospitals. However, National Health Security Office have recently approved the hospital to be its contractor. It is expected to give services under Cancer Anywhere program by Nov 2024 which will help boost income from other parties than within the group.
- Ratchathani Nongkhae Hospital, a 134-beds hospital located in Nongkhae district, Saraburi province, has started operation since 1 Oct 2024. Total project cost approximately THB 890 million with annual depreciation expenses of THB 45 million.
- Board of Directors approved on 11 Oct. 2024 of the share repurchase program for financial management purposes. The share repurchase limit is THB 420 million not exceeding 18 million shares or equal to 6% of the total paid-up capital.

Statements of consolidated profit and loss for the 3rd Quarter ended September 30, 2024

Revenue from Hospital Operations

Revenue from hospital operations during the 3rd quarter of 2024 (“3Q24”) was THB 793.80 million substantially increased by 14% comparing to previous quarter (qoq) and 28% comparing to the same quarter last year (yoy).

The ratio of non-social security revenue and social security revenue was 48 : 52 reflecting higher contribution of social security revenue.

Revenue from non-social security was at THB 384.77 million increased by 14% qoq and 12% yoy . The growth was driven by both OPD and IPD revenue.

OPD revenue was THB 186.10 million increased qoq by 14% and 10% yoy. Number of OPD visits stood at 86,200 visits growing by approximately 8% for both qoq and yoy. Average revenue per visit increased by 5% qoq and 2% yoy to THB 2,160.



IPD revenue increased by 12% for qoq and yoy to THB 198.41 million. The qoq increase was contributed by admission days which increased by 21% to 9,600 days leading to longer LOS from 2.6 days to 2.75 days. However, revenue per admission lower by 7% to THB 20,700 mainly due to higher proportion of non-operation admit cases. On the contrary, yoy increase of IPD revenue was driven by revenue per admission which increased substantially by 43% whereas admissions days declined by 22%.

Overall utilization rate of IPD wards stood at 65% which increased by 8% qoq but lower by 8% yoy. Social security admission remained on the rise.

Operation : Consolidated Profit & Loss Statement									
Unit : THB million		3Q	2Q	%	3Q	%	YTD	YTD	%
		2024	2024	change	2023	change	2024	2023	change
Revenue from Non-Social Security		384.51	340.30	13%	346.83	11%	1,059.02	944.44	12%
Covid-19 Revenue from government		0.26	3.47	-92%	4.51	-94%	6.32	7.38	-14%
Revenue from Social Security		409.03	351.46	16%	268.24	52%	1,055.72	773.05	37%
Revenue from Hospital Operations		793.80	695.24	14%	619.59	28%	2,121.06	1,724.87	23%
Cost of Hospital Operations		487.42	463.62	5%	420.46	16%	1,378.91	1,193.27	16%
Gross Margin		306.38	231.61	32%	199.13	54%	742.15	531.60	40%
% Gross Margin		38.6%	33.3%	5%	32.1%	6%	35.0%	30.8%	4%
% Gross Margin (exclude non-recurring items)		37.7%	33.0%	5%	31.6%	6%	34.5%	31.2%	3%
Administrative Expenses		90.11	82.84	9%	53.29	69%	228.83	148.76	54%
EBITDA		253.50	206.36	23%	182.52	39%	644.80	492.66	31%
% EBITDA		31.9%	29.7%	2%	29.5%	2%	30.4%	28.6%	2%
Other Income		8.78	10.99	-20%	11.70	-25%	26.81	36.27	-26%
Financing Cost		13.92	12.26	14%	8.30	68%	38.20	22.29	71%
Earnings before Tax		211.14	147.51	43%	149.24	41%	501.93	396.82	26%
Corporate Tax Expense /(Income)		(1.28)	30.06	-104%	29.73	-104%	57.80	77.86	-26%
Net Profit		212.41	117.45	81%	119.51	78%	444.13	318.96	39%
% Net Profit / Total Revenue		26.5%	16.6%	10%	18.9%	8%	20.7%	18.1%	3%
Net Profit excl. non-recurring items		203.39	132.15	54%	115.90	75%	447.74	326.98	37%
% Net Profit excl. non-recurring items / Total Revenue		26.0%	19.1%	7%	18.8%	7%	21.3%	18.8%	2%
Non-Controlling Interests		(1.26)	(1.13)	12%	(1.01)	24%	(3.78)	(1.68)	125%
Net Profit Attributable to The Company		213.68	118.58	80%	120.52	77%	447.91	320.64	40%
<i>* Non-cash items included depreciation and accounting adjustment</i>									
Earnings per Share		0.71	0.40	0.32	0.40	0.31	1.50	1.07	0.43
Non-Recurring Items : Increase/(Decrease) EBT									
Adjustment of previous-period income		11.34	3.47	-	4.51	-	17.40	7.38	-
SG&A : Previous yr SW income over-recorded		(0.05)	(21.85)	-	-	-	(21.91)	-	-
Total Non-Recurring Items		11.29	(18.38)	-	4.51	-	(4.51)	7.38	-

Operation : Consolidated Profit & Loss Statement									
Unit : THB million		3Q	2Q	%	3Q	%	YTD	YTD	%
		2024	2024	change	2023	change	2024	2023	change
OPD	THB million	186.10	163.81	14%	169.36	10%	521.43	477.76	9%
	Visits	86,200	79,600	8%	80,000	8%	246,800	229,500	8%
	Revenue per visit (THB)	2,160	2,060	5%	2,120	2%	2,110	2,080	2%
IPD	THB million	198.41	176.50	12%	177.48	12%	537.60	466.68	15%
	Admission Day	9,600	7,900	21%	12,200	-22%	25,800	27,400	-6%
	Revenue per Admission Day (THB)	20,700	22,400	-7%	14,500	43%	20,800	17,000	22%

Social security revenue for this quarter recorded new high at THB 409.03 million considerably increased by 16% qoq and 52% yoy. The increase was mainly attributable to more intensive cases



which led to growing revenue related to high-cost care (Adjusted RW) and implant. In addition, there was an upward adjustment of previous year's chronic disease income in this quarter for the amount of THB 11 million.

Average number of insured persons during 3Q24 was approximately 213,800 persons increased by over 1,000 insurers qoq and 2,500 insurers yoy.

Other revenues

The Company recorded other revenues at THB 8.78 million decreased by 20% qoq and 25% yoy. This was mostly from the decline of supporting fund from medical & supply vendors.

Cost of Hospital Operations

3Q24 cost of hospital operation was THB 487.42 million with 39% gross margin of hospital revenue. Usually, the gross margin was in the range of 32%-33%. This outstanding gross margin was mainly attributable to higher revenue particularly social security revenue while cost was under control yielding economy of scale. Fixed cost such as staff cost, doctor guarantee, depreciation declined in term of percentage to hospital revenue.

Administrative Expenses

Administrative expenses for this quarter was THB 90.11 million increased substantially by 9% qoq and 69% yoy. The sharp yoy increase was due to medical equipment donated to public hospitals.

According to Announcement of the Board of Investment (BOI) No.1 / 2567 "Investment Promotion Measures for Community and Society Development", the entity who support public hospitals in form of medical tools and equipment, construction or renovation of examination rooms, and patient wards, etc. (so called investment) will be eligible for 3-year corporate income tax exemption for the amount not exceeding 200 percent of the investment excluding the cost of land and working capital. The Company submitted plan to invest (supporting medical equipment to public hospitals) THB 64 million of which BOI has approved tax exemption for the amount of THB 128 mil for 3-year period since 9 Jul 2024.

During this quarter, the Company has delivered medical equipment to public hospitals for the amount of THB 26.66 million which was recorded as administrative expense. Meanwhile, related tax exemption of THB 49.83 million (2 times of THB 26.66 million excluding VAT) was utilized as corporate tax for the period of 10 Jul – 30 Sep 2024 for the amount of 39.56 million.

Despite the aforementioned donation expense in this quarter, qoq administrative expenses increase at moderate rate. This was because there was extra expense from over-recorded SW income in previous quarter. Payment rate of high-cost care (Adjusted RW). Scores of cases discharged during November – December 2023 were revised down by THB 4,800 per score. The impact was THB 21.9 million on 2Q24 administrative expenses.



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

EBITDA (not included other income) was THB 253.57 million surged by 23% qoq and 39% yoy. In term of margin , it stood at 32% expanded by 2% margin from previous periods. The improved margin was attributable to the promising revenue growth.

Financing Cost

The financing cost was in upward trend from THB 8.30 million during the same quarter last year to THB 13.92 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 213.75 million with net profit margin of 27% , improved in term of both amount and margin. This was mainly attributable to promising increase of revenue as well as BOI tax exemption.

Statement of Financial Position as of September 30, 2024

Financial Position : Consolidated Balance Sheet	30-Sep	31-Dec	30 Sep 24
Unit : THB million	2024	2023	31 Dec 23
Cash and Temporary Investments	177.36	334.53	(157.16)
Trade Receivables & Accrued Income	555.42	428.79	126.64
Inventory	55.88	51.11	4.76
Long-term Investments	442.40	580.52	(138.13)
Property, Plant and Equipment	2,909.89	2,450.34	459.55
Other assets	198.28	174.87	23.41
Total Assets	4,339.22	4,020.16	319.06
Trade Payable	267.15	191.11	76.04
Interest-Bearing Debts / Leasing	1,357.45	1,241.16	116.29
Corporate Income Tax Payable	-	35.16	(35.16)
Other Liabilities (Employee benefits, asset creditors etc.)	194.14	216.97	(22.83)
Total Liabilities	1,818.74	1,684.41	134.34
Total Shareholders' Equity of the Company	2,217.88	2,045.27	172.61
Non-Controlling Interests	302.60	290.48	12.11
Total Shareholders' Equity	2,520.48	2,335.75	184.73

The consolidated total assets as of 30 September 2024 increased by THB 319.06 million from end of Y2023. Fixed asset increased by THB 459.55 million (net of depreciation) mostly from Ratchathani Nongkhae Hospital. Trade receivables & accrued income increased by THB 126.64 million mostly



from Social Security Office. Social Security Office account approximately for 70% of total accounts receivable. On the other hand , long-term investment has eroded by THB 138.13 million from end of Y2023 due to declining market price of RAM shares from THB 35.75 to THB 24.70 per share which was below the Company's cost price of THB 28.21. In addition, cash decreased by THB 157.16 million to finance development cost of Ratchathani Nongkhae Hospital and for dividend.

Total liabilities as of 30 September 2024 increased by THB 134.34 million from end of Y2023. Most of the increase was loans from financial institutions which increased by THB 116.29 million. Long-term loans increased in line with the development of Ratchathani Nongkhae Hospital while short-term loans decreased. In addition, 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 longer from 10 days to 30 days. Amount payables to contractors of Ratchathani Nongkhae Hospital also increased.

Total shareholder's equity has increased by THB 184.73 million from end of Y2023 due to increased profit despite dividend paid and loss from mark to market of RAM shares.



Ratio Analysis of Financial Statements ended September 30, 2024

Ratio Analysis :					
Consolidated Financial Statements					
	3Q	2Q	3Q	YTD	YTD
Unit : THB million	2024	2024	2023	2024	2023
Returns (%)					
Return on Assets *	19.6%	11.3%	12.5%	13.6%	11.1%
Return on Equity *	33.7%	19.3%	20.6%	23.5%	18.4%
Working Capital Management					
Liquidity Ratio (x)	1.1	0.9	1.0	1.1	1.0
Trade Receivable Period (Days)	64	67	70	72	74
Inventory Period (Days) **	35	33	37	39	40
Trade Payable Period (Days)	58	60	57	62	60
Leverage Ratios (x)					
Interest Coverage	18.2	16.8	22.0	16.9	22.1
Debt Service Coverage	2.3	1.7	1.5	1.9	1.4
Total Debt to Equity	0.7	0.7	0.7	0.7	0.7

* 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 3Q24 improved comparing to previous year and previous quarter. Promising performance has enhanced these yields.

Regarding liquidity ratios, trade receivable period improved from 67-70 days during 2Q24 and 3Q23 to 64 days during this quarter. Despite the increased amount of trade receivables, accrued days decreased particularly from insurance companies. Current ratio improved to 1.1x. Despite the aforementioned increase of accrued expenses and decrease of cash, short-term loans from financial institutions declined which helped boost the liquidity.

Debt service coverage ratio during 3Q24 improved due to growth of EBITDA and decline of short-term loans. Debt to equity ratio was 0.7x on par with previous quarters.

Please be informed accordingly.

Yours Sincerely,

(Surin Prasithirun, M.D.)

Managing Director