



โรงพยาบาลราชพฤกษ์
Ratchaphruek Hospital



Analyst Presentation

YE/2022

RATCHAPHRUEK HOSPITAL PUBLIC COMPANY LIMITED

โรงพยาบาล ราชพฤกษ์

มาตรฐานสากล (JCI)



โรงพยาบาลราชพฤกษ์
Ratchaphruek Hospital



โรงพยาบาลราชพฤกษ์
Ratchaphruek Hospital







Q4/2022 Highlights



Recovering of Non-Covid Revenue

- Revenue from non-covid patients continuously increased during 2022.
- This indicates although revenue from covid patients decreased, the Company is still able to generate revenue consistently.



Operating new projects as planned

- In 2023, there are 2 projects that the Company is considering to invest in, a new hospital, as well as renovating old hospital.
- The projects are in the process of feasibility study, corresponding to the plans.
- Wellness center



Received a Silver Award

- The Company received a Social Public Project – Healthcare Silver Award
- CREDAWARD
Architectural aesthetics, environment protection, user experience and economic .



Signing MOU to Open a New Service

- In Q1/2023, Ratchaphruek Hospital, Medeez Group PCL., and government and private agencies signs memorandum of understanding (MOU) to open the service of the cell harvesting center for stem cell storage to support Khon Kaen province to become a medical hub.

AGENDA



COMPANY OVERVIEW

Explains the Business Nature of the Ratchapruuek Hospital and Revenue Contribution

Strategic Direction & Strategy

Illustrates the growth direction of the Ratchapruuek Hospital and Activities that will help RPH Achieve the Target

Financial Performance

Displays Ratchapruuek Hospital Financial Performance of the Latest Quarter

Industry Update and Outlook

Identify Market Opportunities and Ratchapruuek Hospital Activities in the Upcoming Quarter and Year

RPH AT A GLANCE

546MB REGISTERED CAPITAL

Entered stock exchange of Thailand in 2017 with registered capital of 546 MB

198 BEDS

RPH has a total of 198 beds and 36 examination room to ensure comprehensive service to patients

INTERNATIONAL CERTIFIED

- ❖ Certified by the Joint Commission International to confirm international hospital quality standards.
- ❖ To receive Global Healthcare Accreditation COVID-19 Guidelines for Medical Travel Programs (GHA's COVID-19)



Healing Environment Hospital



Awards



Social Public Project – Healthcare Silver Award:



CREDAWARD
Architectural aesthetics, environment protection, user experience and economic

CENTER OF SPECIALTY

Breast Center, Hemodialysis Center, Auditory and Otoneuro Center, Stroke Center, Hepatobiliary & Pancrease, Maternal & Child Center, Minimal Invasive surgery Center, Truma Center, Wellness center.

PLANING TO GET CERTIFICATION

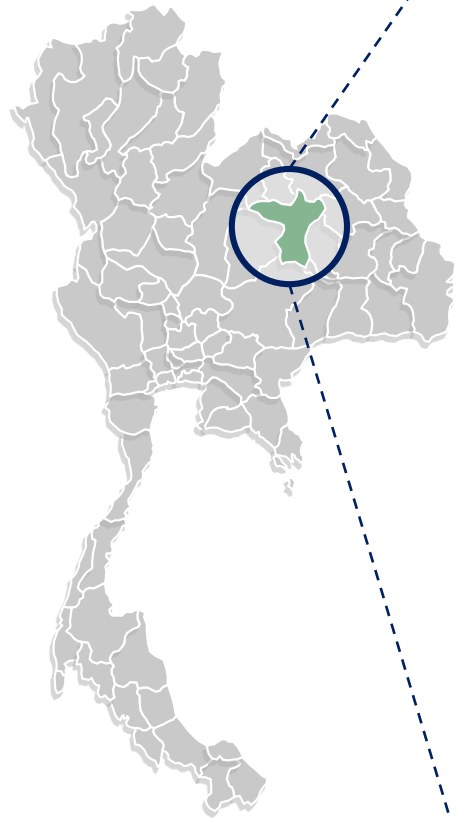
- ❖ Global Healthcare Accreditation - (GHA)
- ❖ Planetree International
- ❖ Spiritual Healthcare Appreciation - (SHA)

LOCATED IN STRATGIC AREA

Located in Khon Kaen - Economic Center, Education Center and Medical Hub of Indochina

COMPANY OVERVIEW

About Ratchaphruek Hospital



✓ A private hospital focuses on enhancing the health of the community in Khon Kaen province with convenient health-care facilities.



36

Patient Examination Rooms for OPD



198

Beds for IPD

Medical Personnel



25
Full-time
Doctors



215
Part-time
Doctors



189
Nurses

Accreditation



JCI
International



GHA for
COVID-19



Member of
PLANETREE
International

Medical Services

Medical Center

- ✓ Stroke
- ✓ Breast
- ✓ Hearing & Balance

Internal Medicine

- ✓ Diabetes
- ✓ Dermatology
- ✓ Neurology

Surgery

- ✓ General
- ✓ Men Health
- ✓ Urological

Pediatrics

- ✓ Speech Therapy
- ✓ Developmental and Behavioral

Orthopedics

- ✓ For Individuals
- ✓ For Children

Otorhinolaryngology

- ✓ For Individuals
- ✓ For Children

Obstetrics and Gynecology

- ✓ Gynaecological Laparoscopy
- ✓ Maternal-Fetal

Check-up

- ✓ Health Check-up
- ✓ Wellness Center

Dentistry

- ✓ Dental
- ✓ Prosthodontics
- ✓ Orthodontics

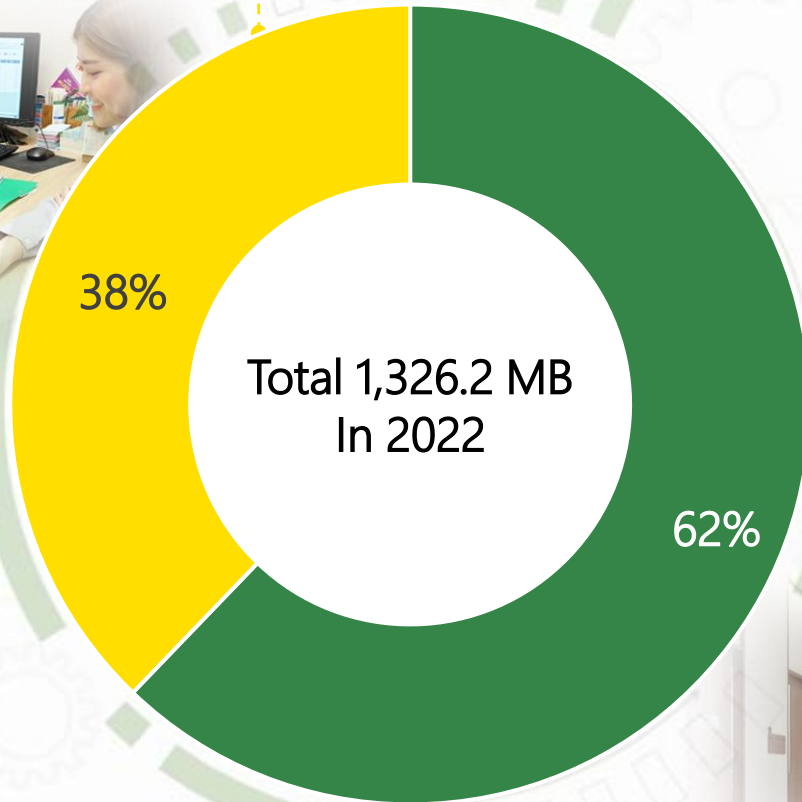
Other

- ✓ Emergency
- ✓ Rehabilitation
- ✓ Diagnostic Radiology

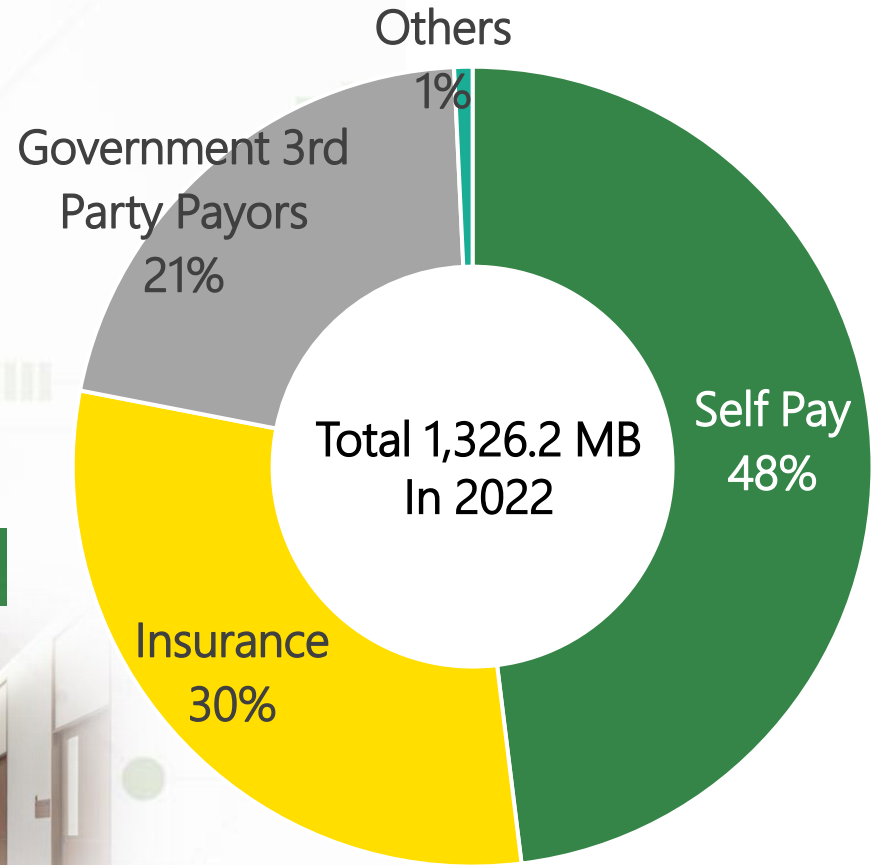
COMPANY OVERVIEW – REVENUE BREAKDOWN

Revenue Breakdown by Patient Type

OPD



Revenue Breakdown by Payor



AGENDA



Company Overview

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RPH STRATEGY

1



Strengthen Branding and Positioning

- Heart-Warming Medical Experience
- Expand Portfolio of Expert and Specialized Doctors
- Marketing and Promoting Activities to Raise Awareness and Build Trust

2



Center of Specialty and Services to Maximize Utilization

- Introduce Wellness Services
- Add Additional Centers of Specialty to Expand Capabilities

3



Expanding Patient Base

- Increase Health Insurance Patient Segment
- Expand Hospital to Capture SSO Customer Base and Seek Opportunities to Capture Ageing Population
- Renovate Old Hospital to Capture Beauty Consumers

4



Seeking for New Opportunities for Expansion

- Explore New Locations for Growth

RPH STRATEGIC DIRECTION

2023



A Differentiated Heart-Warming Medical Service Provider

- Ensuring a unique/heart-warming medical experience
- Leading center of specialty with highly qualified doctors
- Expand Patients to upper medium segment

2024



Top of Mind Hospital and Center of Specialty

- Strengthen Brand and Clear Positioning
- Top-tier service offerings
- Explore health insurance to expand customer base
- Diversified Center of Specialty

2025

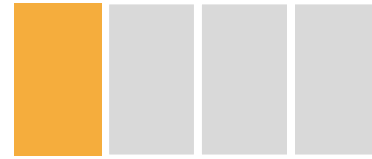


Leading Regional Medical Service Provider

- Well-rounded medical service provider in Northeastern region
- Capturing SSO segment
- Leading well-being and health center



1 Strengthen Branding and Positioning



Marketing Activities

✓ RPH builds brand awareness among the people in Khon Kaen and surrounding areas by releasing new marketing campaigns through 3 main channels:

1. Short Films

- Based on a true story
- Communicating with the audience to clearer understand the Company's objectives of treating patients



2. Billboard and LED

- Distributing at crowded points such as Central Khon Kaen and Mittraphab and Sichan Road.
- Planning to release in Laos



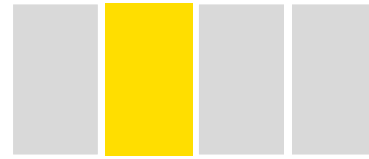
3. Influencer Groups and Social Media

- Selecting both Thai and Laos influencers
- Using contents based on target customer such as Happy mommy diary for mother and child group



Expect to generate the engagement approximately 20 Million People

2 Center of Specialty and Services to Maximize Utilization



Center of Specialty

✓ 5 Centers of Specialty that will be the protagonist with experienced doctors to provide services that meet needs of patients

1. Breast Center



2. Stroke Center



3. Hearing and Balance Audiology Center



4. Maternal and Child Center



5. Trauma Center



3 Expanding Patient Base

New Hospital - Wellness Project



Total Investment
~500 MB

Allocating an area of 30 rai from 100 rai to construct the new hospital, starting with 100 beds, to serve patients in the social security group, self-paying patients and groups with health insurance but not high paying.

Hospital of 100 Beds

Additional Capacity of 200 Beds

Timeline Update:

2022

- Market research was complete
- The design team identified the concept to be the guidance in construction

2023

- The feasibility study is in the process. The results is expected to be clearer within Q1/2022
- Board of Directors will decide on the clarity of the project within 2023

2023-2025

- Construction and operation

Renovating Old Hospital



Total Investment
~200 MB

- RPH has Plans to Renovate the Old Hospital to Utilize Existing Assets
- To become a specialized hospital in Beauty/ Aesthetics Consumers

Timeline Update:

2022

- The design team identified the concept to be the guidance in construction

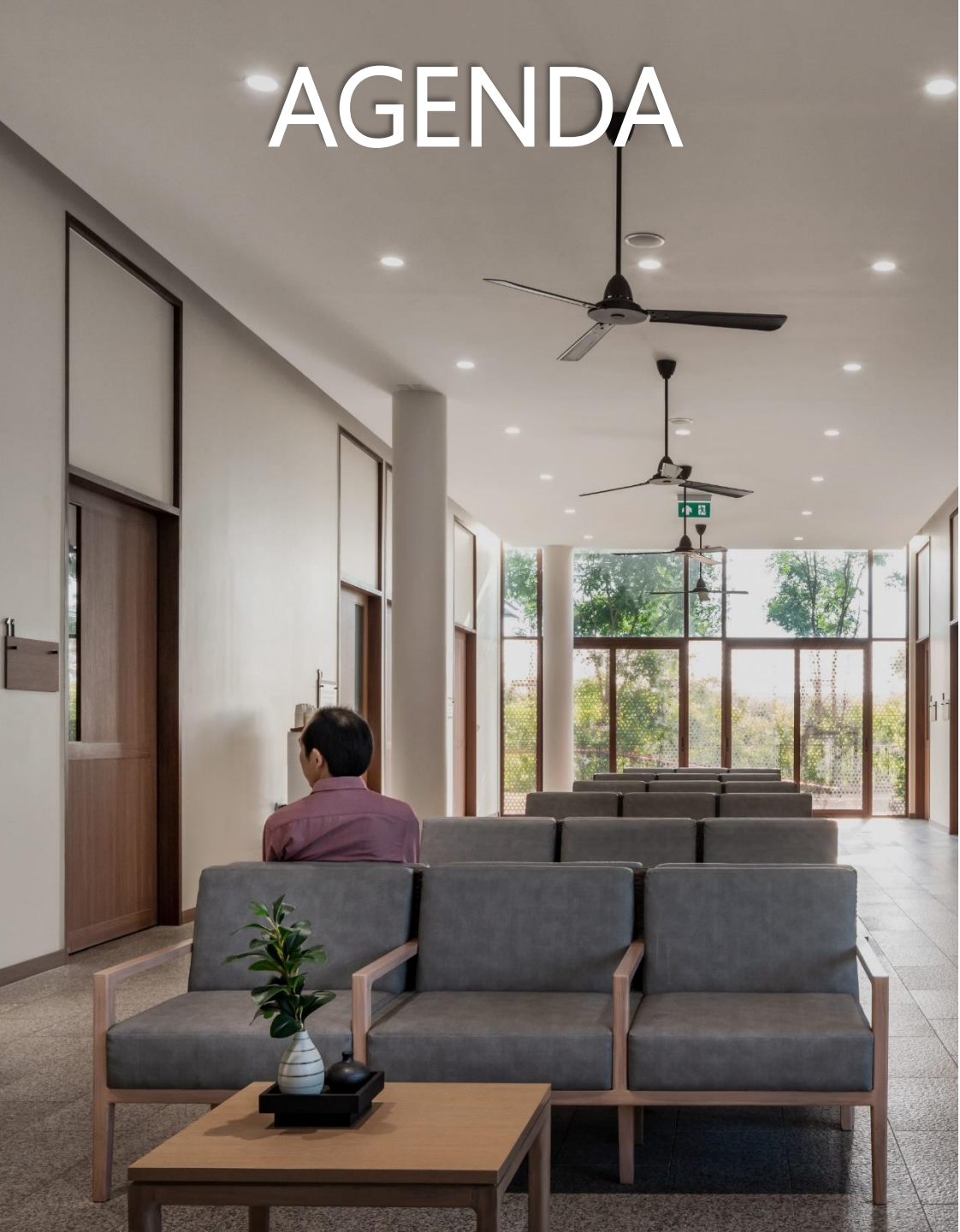
2023

- Start renovating

2023

- Open for operation

AGENDA



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FINANCIAL PERFORMANCE

Displays Ratchapruek Hospital Financial Performance of the Latest Quarter

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YE2022 Financial Highlights

Operating Revenue

1,326.2 MB

-6.1%

YoY

Dividend Yield

5.74 %

+0.98%

YoY

Non-covid
Revenue

1,004.8 MB

+22.9%

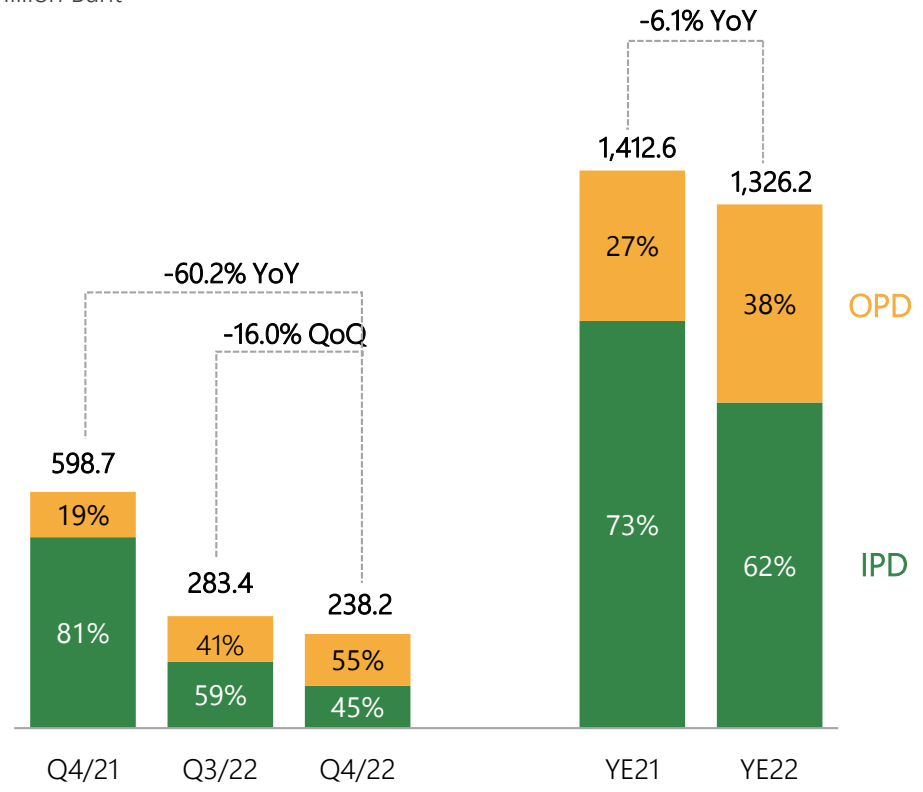
YoY



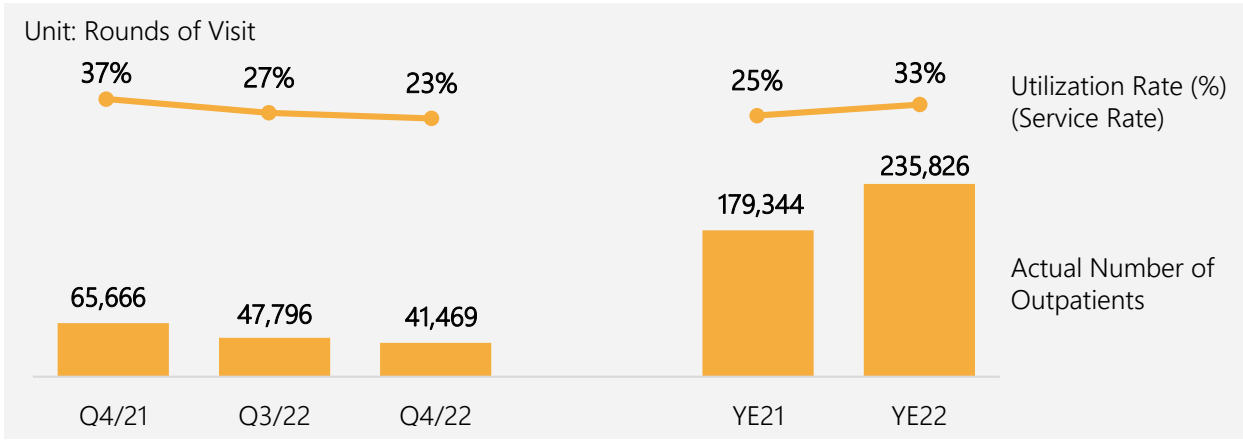
Operating Revenue Breakdown

Operating Revenue Breakdown by Type of Patient

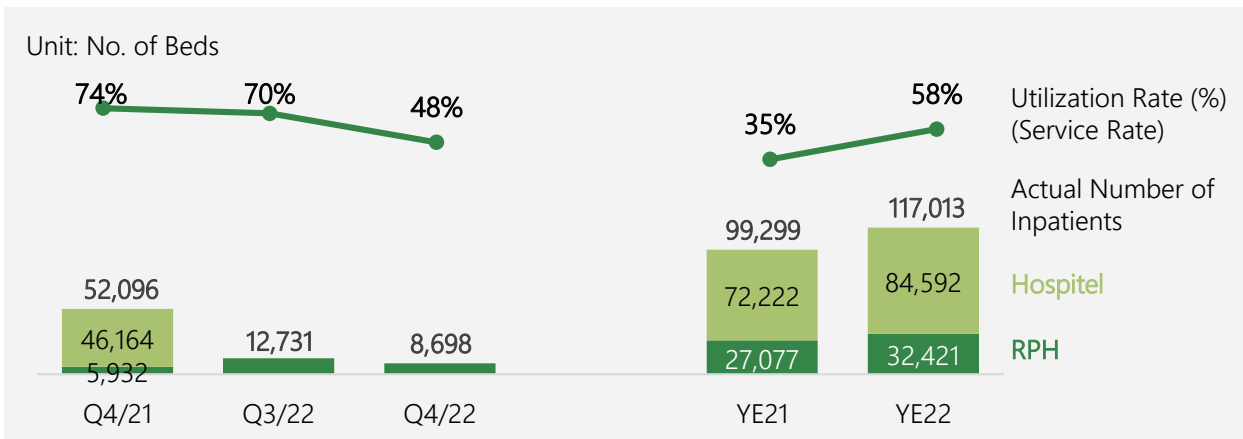
Unit: Million Baht



OPD Drivers



IPD Drivers



YoY : Q4/2022 vs Q4/2021

Operating revenue was Baht 238.2 million, decreased by Baht 360.5 million or 60.2% mainly due to the relaxing Covid-19 situation, resulting in a decrease in the number of patients from Covid-19 infection and adjusted revenue related to Covid-19 as the government changed reimbursement to hospitals for treating Covid-19 patients and applies retrospectively.

QoQ: Q4/2022 vs Q3/2022

Operating revenue was Baht 238.2 million, decreased by Baht 45.2 million or 16.0% mainly due to the relaxing Covid-19 situation, resulting in a decrease in the number of patients from Covid-19 infection and adjusted revenue related to Covid-19 as the government changed reimbursement to hospitals for treating Covid-19 patients and applies retrospectively.

YoY: YE2022 vs YE2021

Operating revenue was Baht 1,326.2 million, decreased by Baht 86.4 million or 6.1% mainly due to the relaxing Covid-19 situation. In July 2022, the Medical department announced the situation of the epidemic COVID-19 return to Post-Pandemic as well as adjusted revenue related to Covid-19 as the government changed reimbursement to hospitals for treating Covid-19 patients.

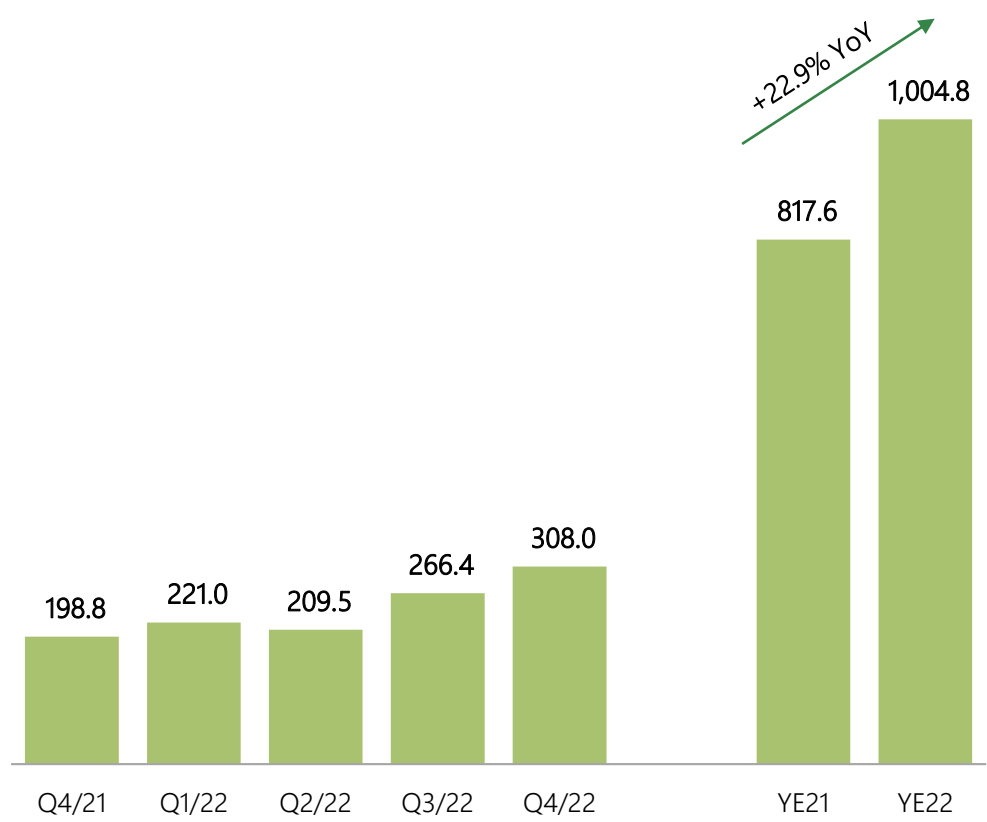


Operating Revenue Breakdown

Non-covid revenues start recovering from Q2/21, corresponding to the higher number of non-covid patients

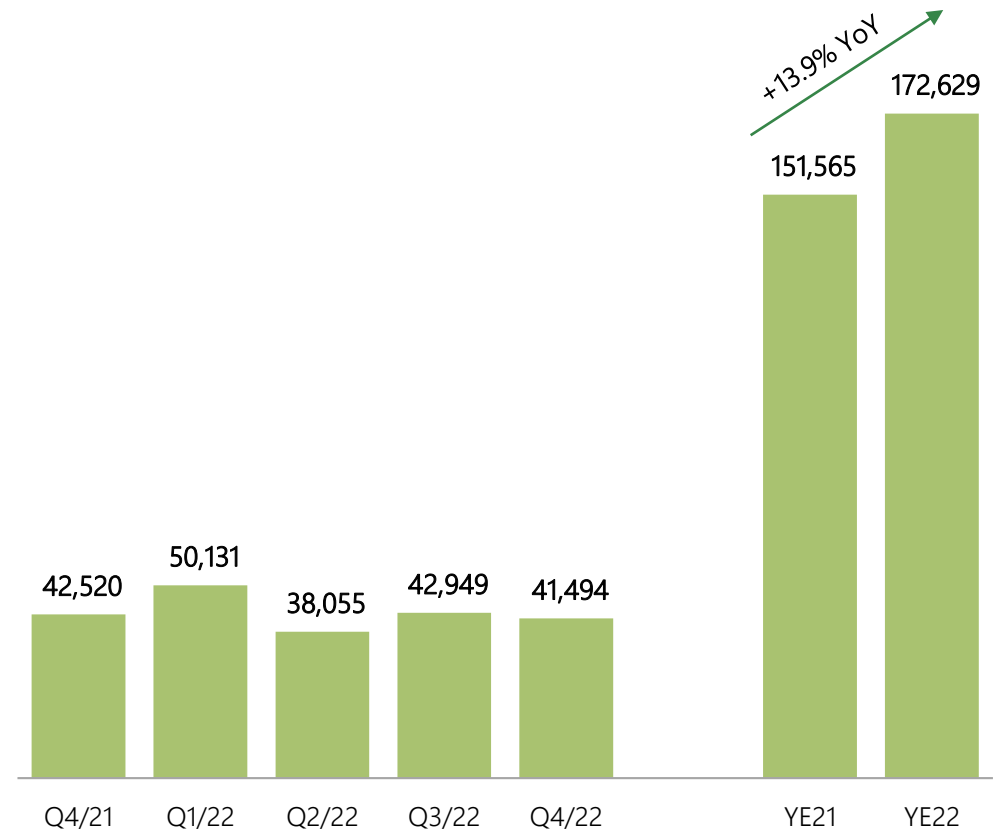
Non-covid Revenue

Unit: Million Baht



The Number of Non-covid Patients

Unit: Number of People



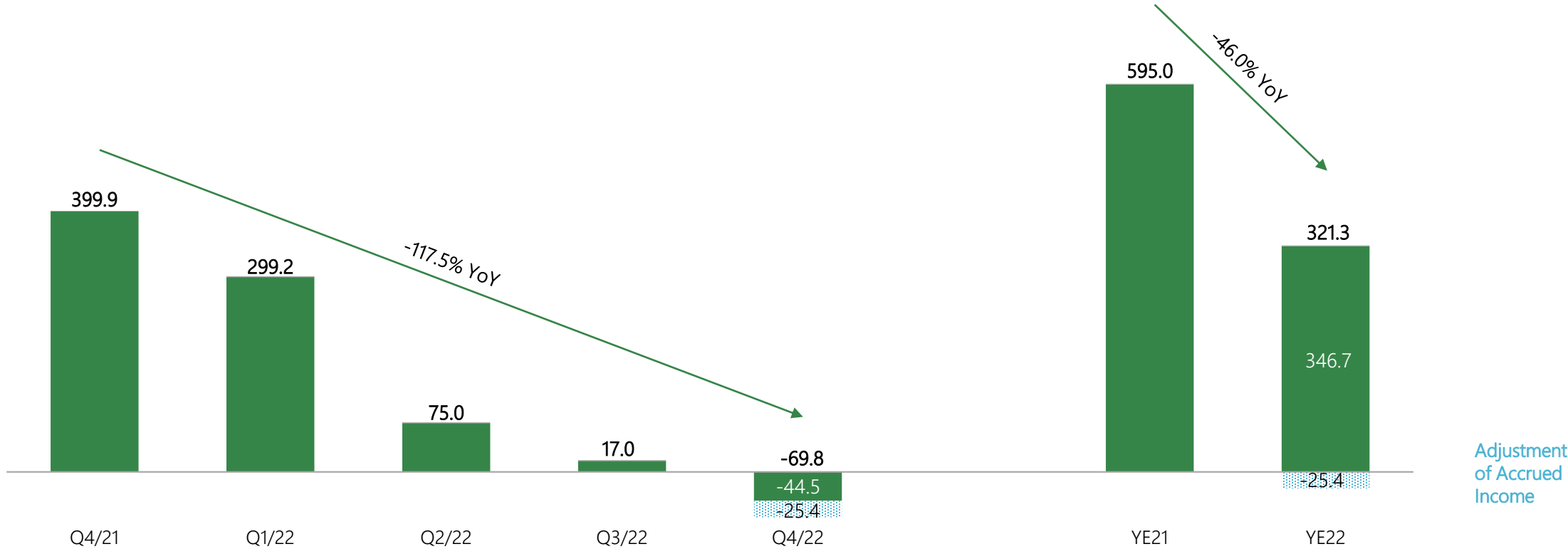


Operating Revenue Breakdown

Covid revenues decreased due to lower average income per capita and adjustment of government policy, corresponding to the easing of Covid-19 situation

Covid Revenue

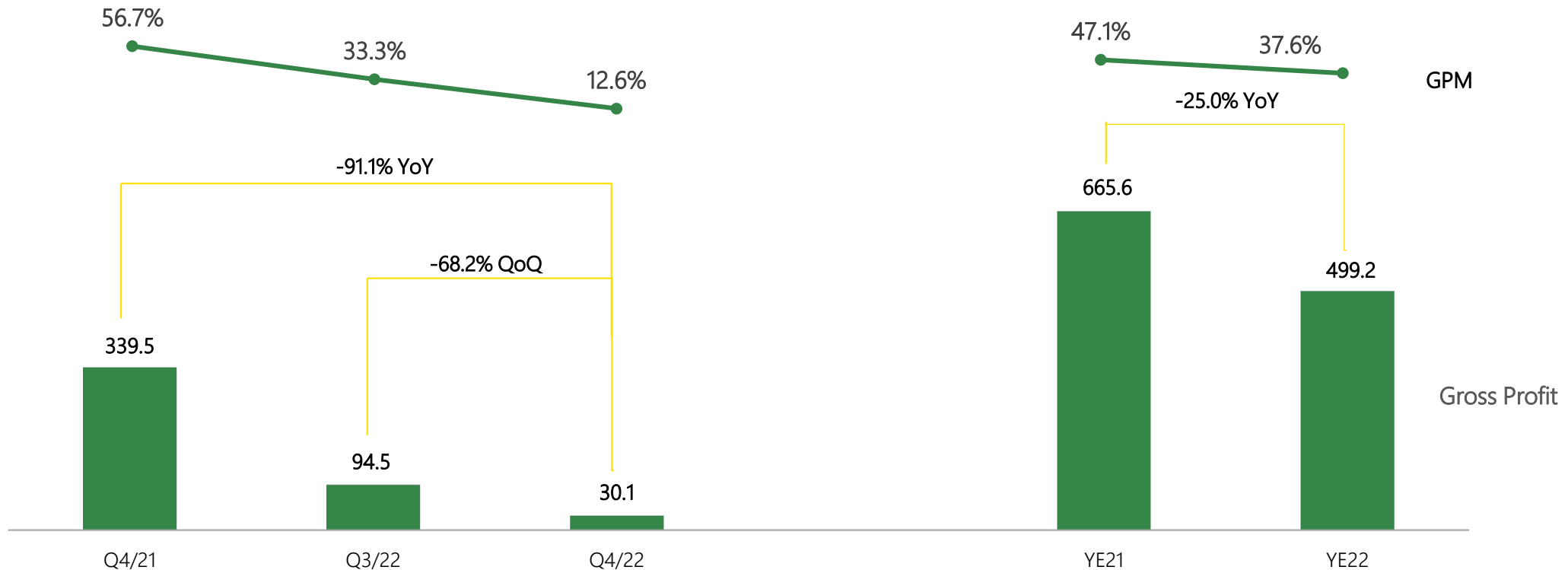
Unit: Million Baht



In Q4/2022, the company has adjusted revenue related to Covid-19 in the amount of THB 25.36 million as the government changed reimbursement to hospitals for treating Covid-19 patients and applies retrospectively.

Gross Profit and Gross Profit Margin (GPM)

Unit: Million Baht, %



YoY : Q4/2022 vs Q4/2021

Gross profit was Baht 30.1 million, decreased by Baht 309.5 million or 91.1% mainly due to:

- Decreased in revenue caused by the lower Covid-19 infection patients and adjusted revenue related to Covid-19 as the government policy
- Recognized advance payment for vaccine, employee expenses, and utility expense

QoQ: Q4/2022 vs Q3/2022

Gross profit was Baht 30.1 million, decreased by Baht 64.4 million or 68.2% mainly due to:

- Adjusted revenue related to Covid-19 as the government policy
- Recognized advance payment for vaccine, employee expenses, utility expense, and depreciation of Hospital Information System

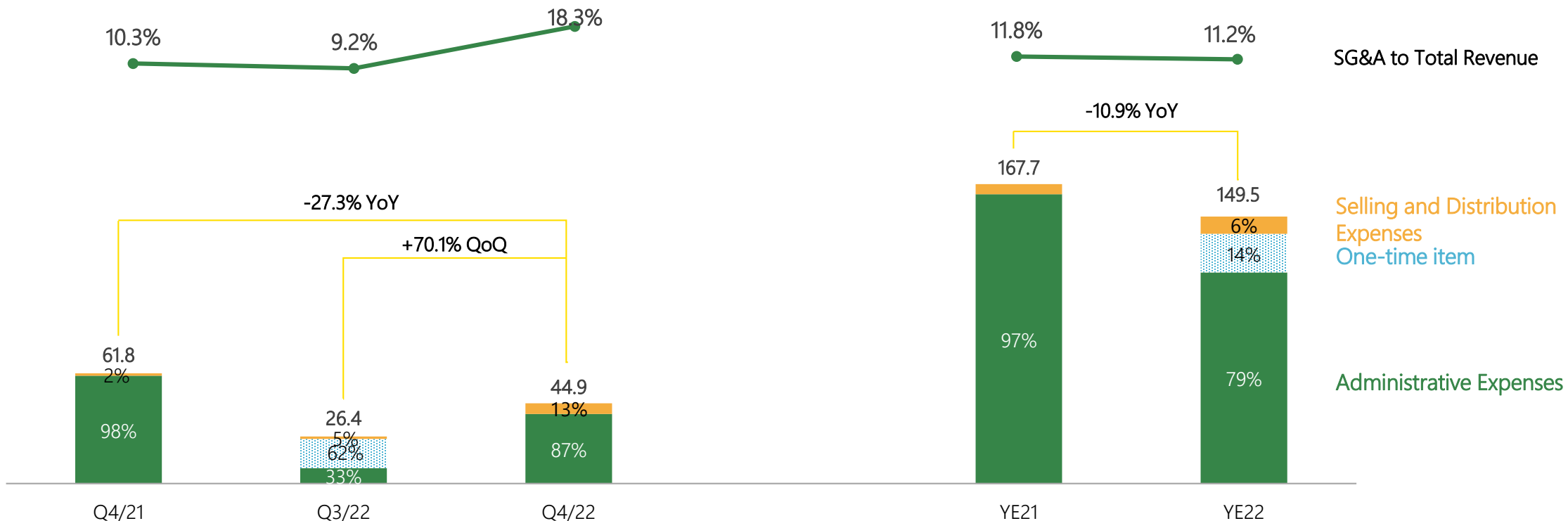
YoY: YE2022 vs YE2021

Gross profit was Baht 499.2 million, decreased by Baht 166.4 million or 25.0% mainly due to:

- Decreased in revenue caused by the lower Covid-19 infection patients and adjusted revenue related to Covid-19 as the government policy
- Recognized advance payment for vaccine, employee expenses, utility expense, and depreciation of Hospital Information System

SG&A and SG&A to Total Revenue

Unit: Million Baht, %



YoY : Q4/2022 vs Q4/2021

- **SG&A** was Baht 44.9 million, decreased by Baht 16.9 million or 27.3%, mainly due the Company's ability to manage costs effectively
- **SG&A to Total Revenue** was 18.3%, increased from 10.3% in Q4/2021, mainly due to decrease revenue from covid patients

QoQ: Q4/2022 vs Q3/2022

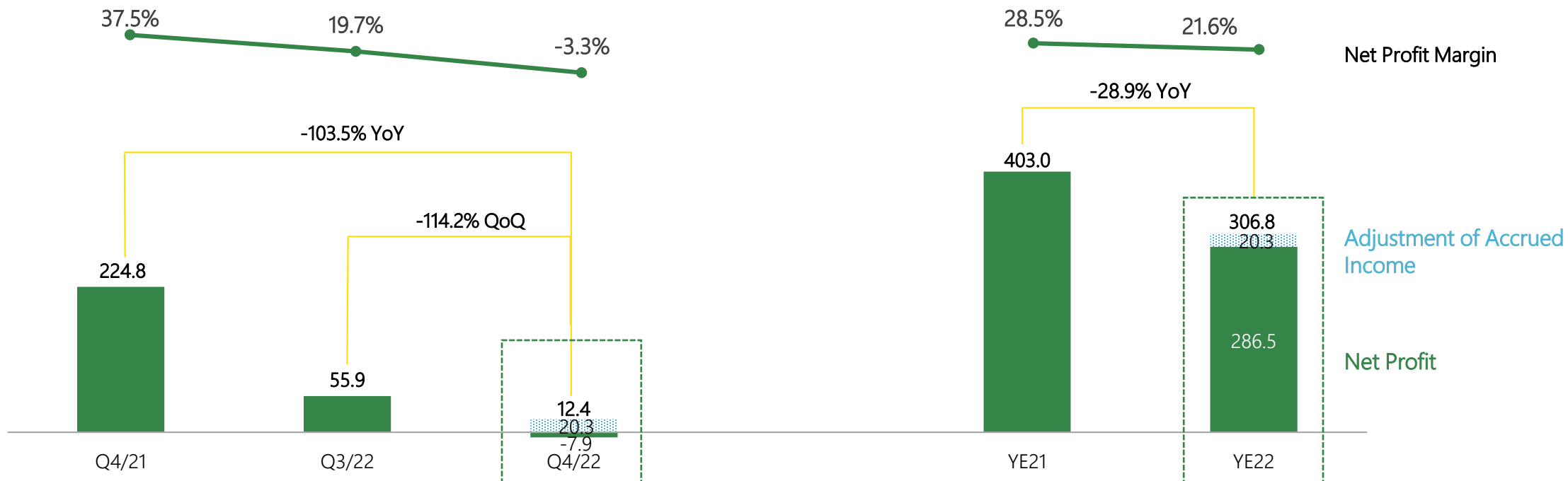
- **SG&A** was Baht 44.9 million, increased by Baht 18.5 million or 70.1% from Q3/2022 mainly due to an increase in employee compensation and welfare
- **SG&A to Total Revenue** was 18.3%, increased from 9.2% in Q3/2022, mainly due to decrease revenue from covid patients

YoY: YE2022 vs YE2021

- **SG&A** was Baht 149.5 million, decreased by Baht 18.2 million or 10.9% from 2021 mainly due to reclassifying of administrative expenses for the Covid-19 vaccine as an allowance for obsolete goods and the Company's ability to manage costs effectively
- **SG&A to Total Revenue** was 11.2%, decreased from 11.8% in 2021, mainly due to reclassified of administrative expenses and the Company's ability to manage costs effectively

Net Profit and Net Profit Margin

Unit: Million Baht, %



YoY : Q4/2022 vs Q4/2021

- **Net Loss** was Baht -7.9 million, decreased by Baht 232.7 million or 103.5%, mainly due to decreased in revenue caused by the lower Covid-19 infection patients and adjusted revenue related to Covid-19 as the government policy. However, the non-covid patients returned to normal state before the Covid-19 situation.
- **Net Loss Margin** was -3.3% in Q4/2022, decreased from 19.7% in Q4/2021, due to decrease revenue from covid patients and adjusted revenue related to Covid-19 as the government policy.

QoQ: Q4/2022 vs Q3/2022

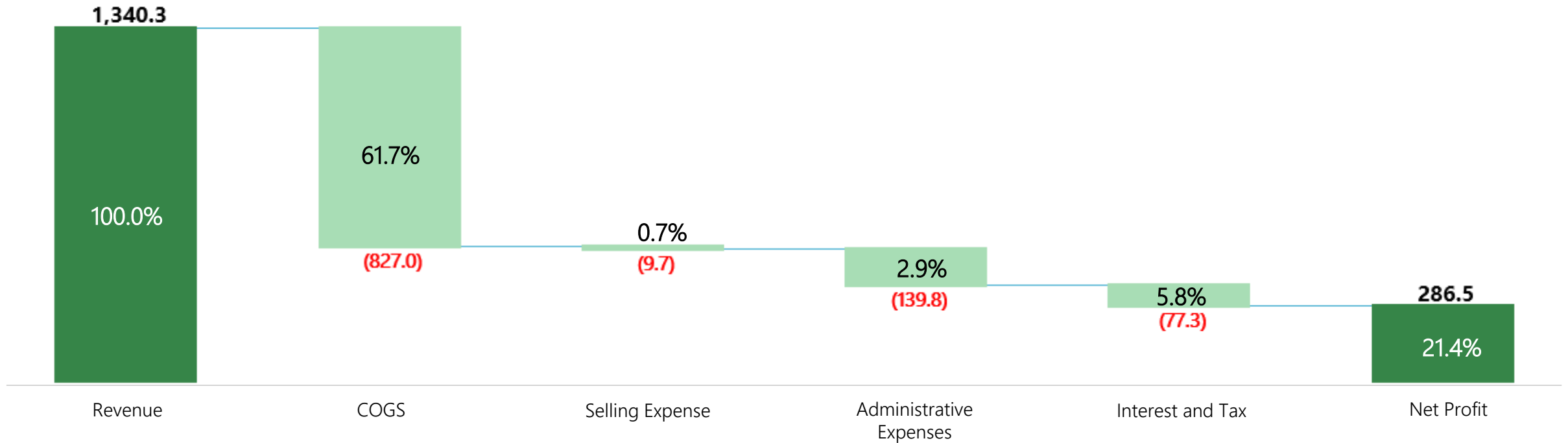
- **Net Loss** was Baht -7.9 million, decreased by Baht 63.8 million or 114.2%, mainly due to decreased in revenue caused by the lower Covid-19 infection patients and adjusted revenue related to Covid-19 as the government policy.
- **Net Loss Margin** was -3.3% in Q4/2022, decreased from 19.7% in Q4/2021, due to decrease revenue from covid patients and adjusted revenue related to Covid-19 as the government policy.

YoY: YE2022 vs YE2021

- **Net Profit** was Baht 286.5 million, decreased by Baht 116.5 million or 28.9%, mainly due to decreased in revenue caused by the lower Covid-19 infection patients and adjusted revenue related to Covid-19 as the government policy. However, the non-covid patients returned to normal state before the Covid-19 situation.
- **Net Profit Margin** was 21.6% in 2022, decreased from 28.5% in 2021 due to decrease revenue from covid patients and adjusted revenue related to Covid-19 as the government policy.

Profit and Loss Statement in YE 2022

Unit: Million Baht, %



YE 2022 Analysis

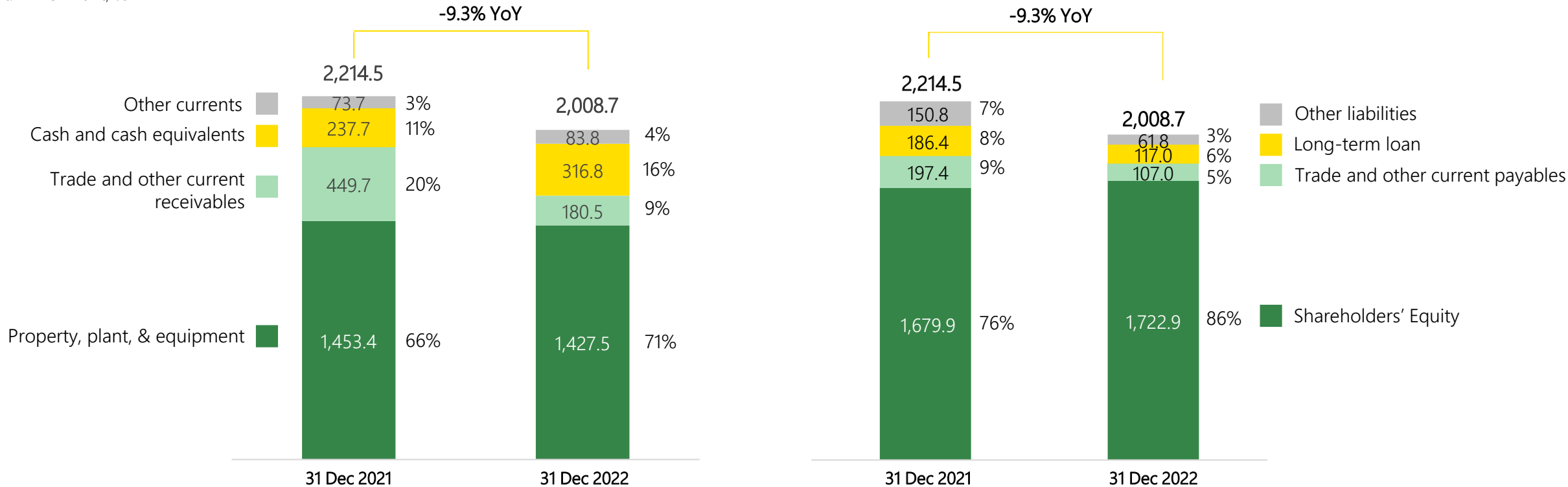
- The company has a total revenue of Baht 1,340.3 million and a total cost structure of 65.3% of total revenue, with cost of goods sold accounting for 61.7% of total revenue, other costs accounting for 3.6% and interest and tax accounting for 5.8%. The company's cost structure demonstrates its ability to manage costs efficiently. As a result, the company generates a net profit of Baht 286.5 million, or 21.4% of total revenue.



Statement of Financial Position

Statement of Financial Position

Unit: Million Baht, %



Total Assets

As of 31 Dec 2022, the total assets were Baht 2,008.7 million, decreased by Baht 205.8 million from 31 Dec 2021, mainly due to:

- **Trade and other current receivables** decreased due to receiving payment for medical expenses from customers
- **Cash and cash equivalents** increased due to increased payments of Covid-19 customer

Total Liabilities

As of 31 Dec 2022, the total liabilities were Baht 285.8 million, decreased by Baht 248.8 million from 31 Dec 2021, mainly due to:

- **Trade and other current payables** decreased due to repayment as scheduled
- **Long-term loan** decreased due to the repayment of loans to financial institutions

Total Shareholders' Equity

As of 31 Dec 2022, the total shareholders' equity were Baht 1,722.9 million, increased by Baht 43.0 million from 31 Dec 2021, mainly due to:

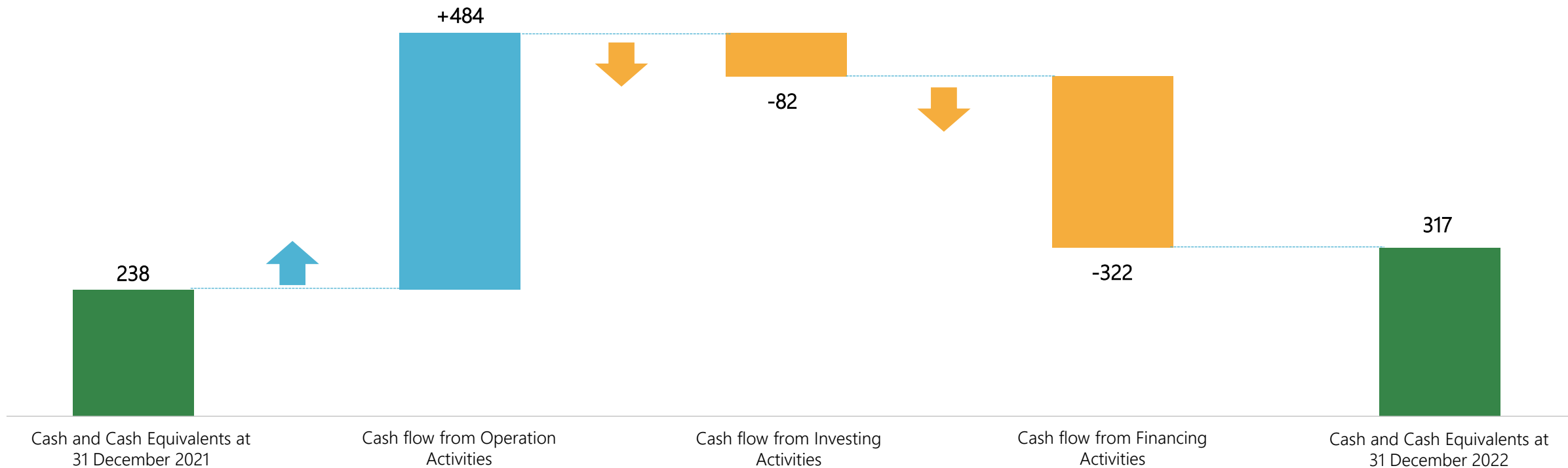
- The recognition of net profit



12 Months Cash flow Statement

12 Months Cash flow Statement

Unit: Million Baht



Cash Flow from Operating Activities

As of Dec 31, 2022, cash flow from operating activities was Baht 484 million, increased from the beginning balance, mainly due to:

- Recognition of operating profit
- Received payment from debtor

Cash Flow from Investing Activities

As of Dec 31, 2022, cash flow from investing activities was Baht 82 million, decreased from the beginning balance, mainly due to:

- Purchase of medical equipment and Hospital Information System (HIS)

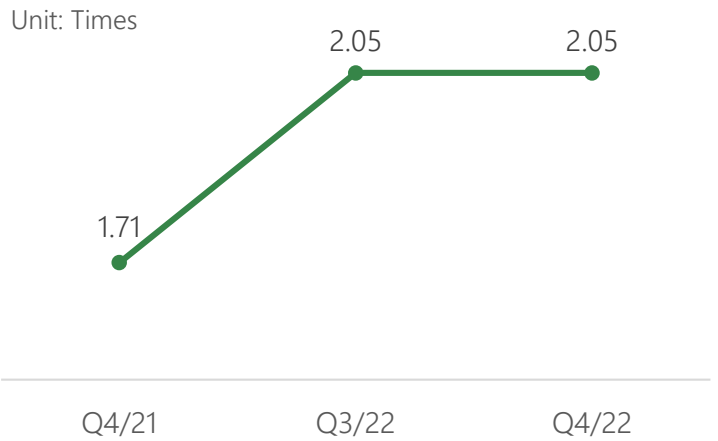
Cash Flow from Financing Activities

As of Dec 31, 2022, cash flow from financing activities was Baht 322 million, decreased from the beginning balance, mainly due to:

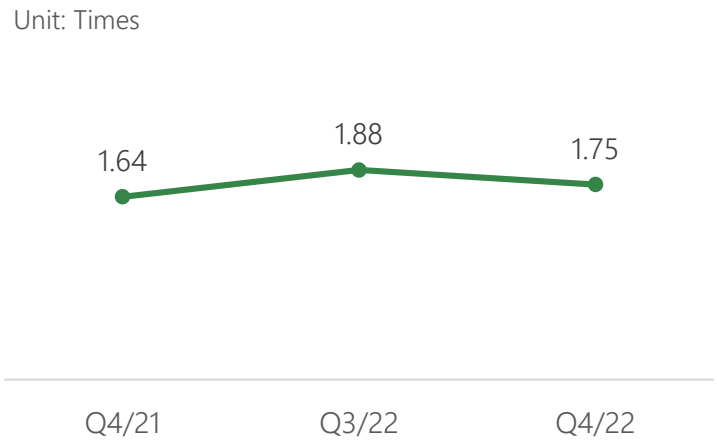
- Repayment of debts to account payables and repayment of long-term loans to financial institutions.
- Dividend Payment

Key Financial Ratios

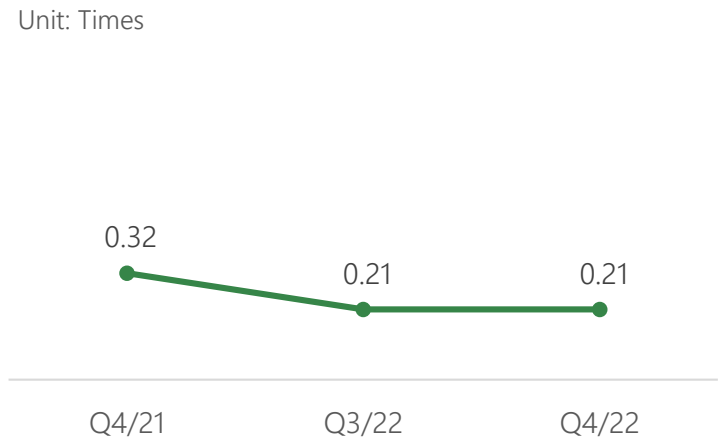
Current Ratio



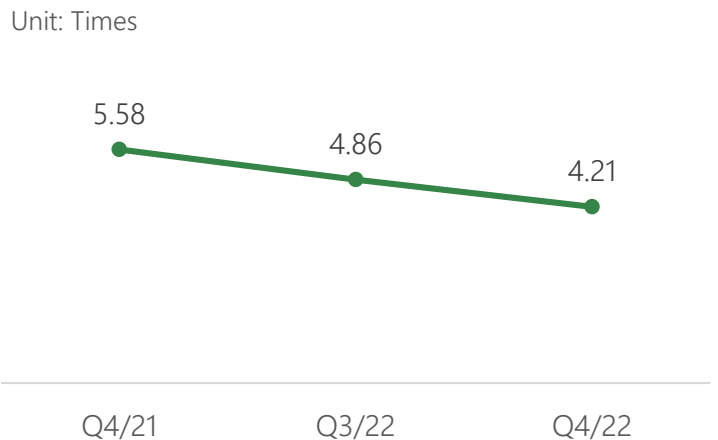
Quick Ratio



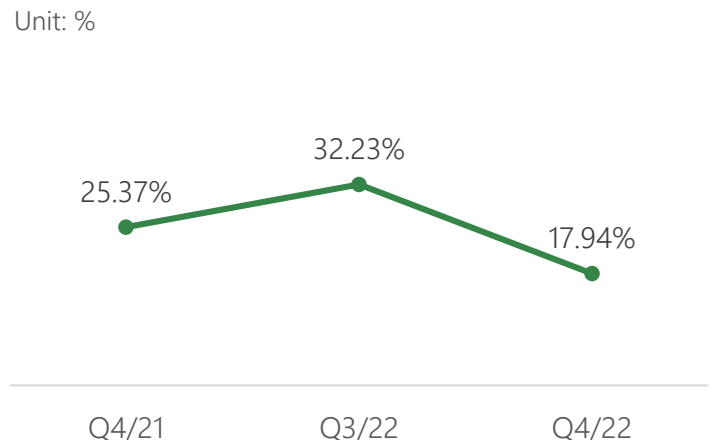
D/E Ratio



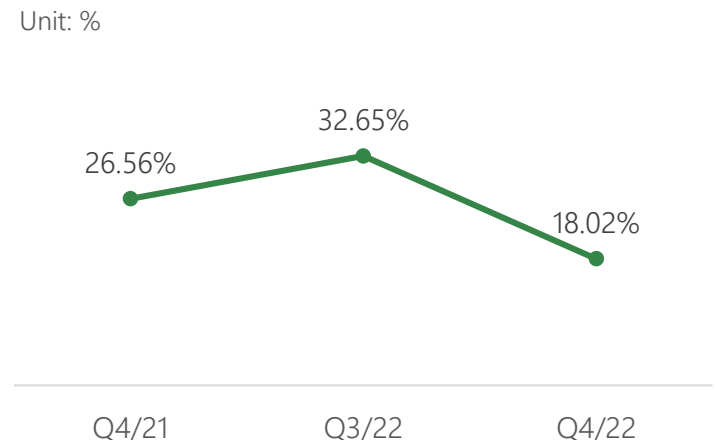
AR Turnover Ratio



ROA*

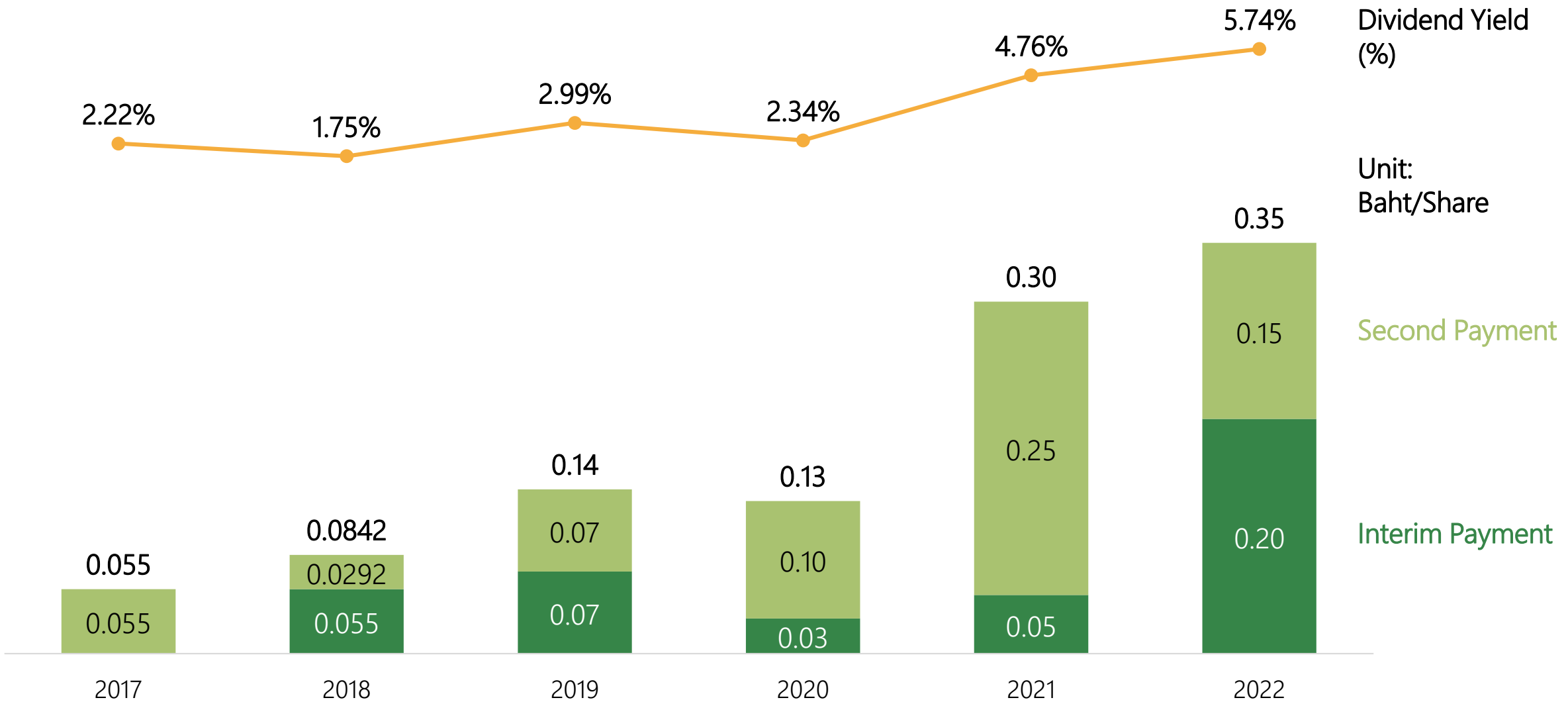


ROE*



*Remark: ROA = Trailing-12-month Net profit/ Total average assets
ROE = Trailing-12-month Net profit/ Total average shareholder's equity

Dividend Payment



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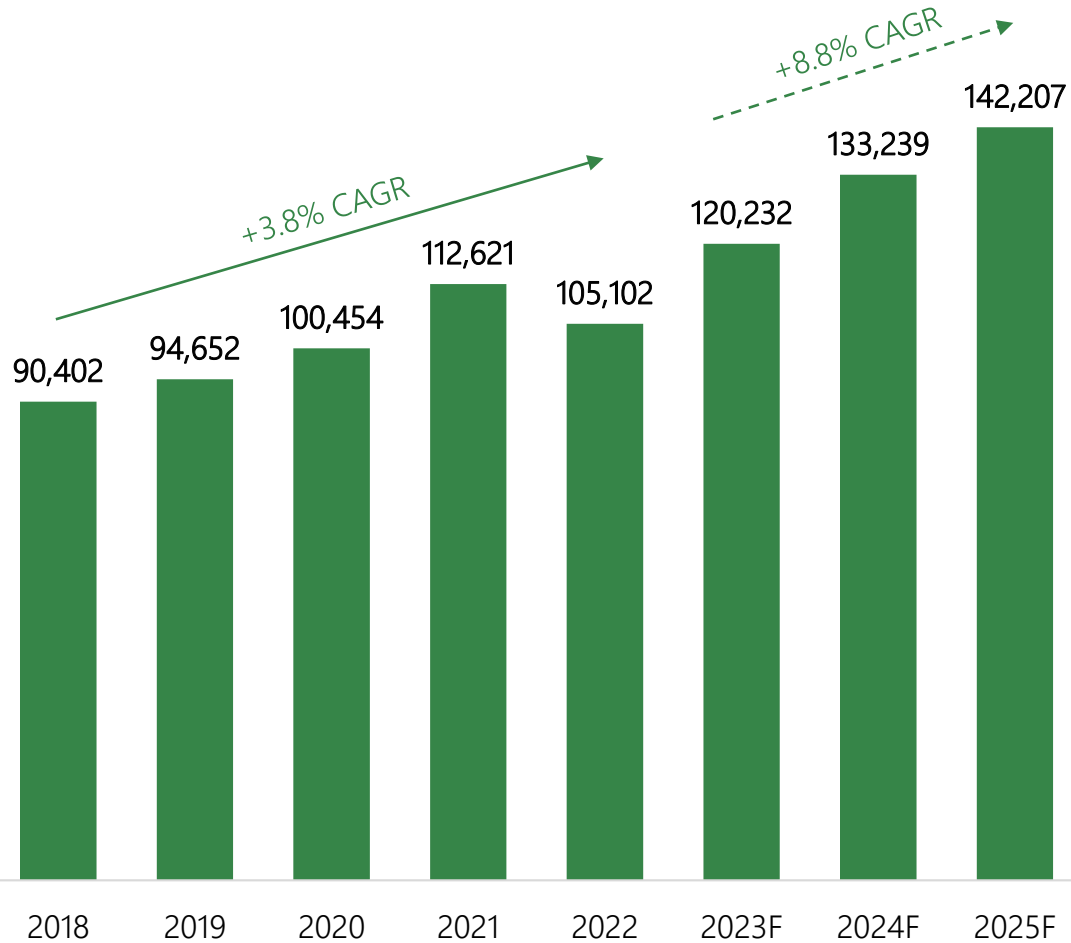
INDUSTRY UPDATE AND OUTLOOK

Identify Market Opportunities and Ratchapruek Hospital Activities in the Upcoming Quarter and Year

Thailand Medical Industry Outlook

Thailand Consumer Expenditure on Hospital Services

Unit: Million Baht



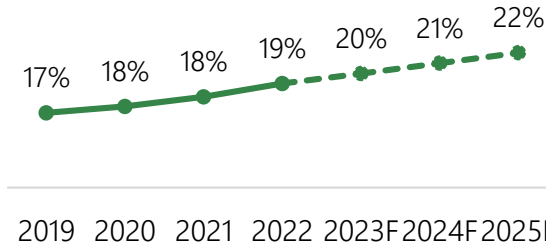
Source: Historical and Forecasted data from Euromonitor

Key Driving Factor

(1) Aging Population

% of Aging population

Unit: %



2019 2020 2021 2022 2023F 2024F 2025F

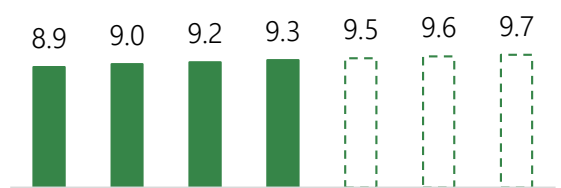
Source: NESDC

Expenditure for elderly healthcare will rise significantly. There would be a larger number of people with circulatory disorders, diabetes, and chronic breathing problems

(2) Growing Middle-Class

No. of Middle-Class Households

Unit: Million Households



2019 2020 2021 2022 2023F 2024F 2025F

Source: Euromonitor

Rising spending power will increase demand for services provided by private hospitals

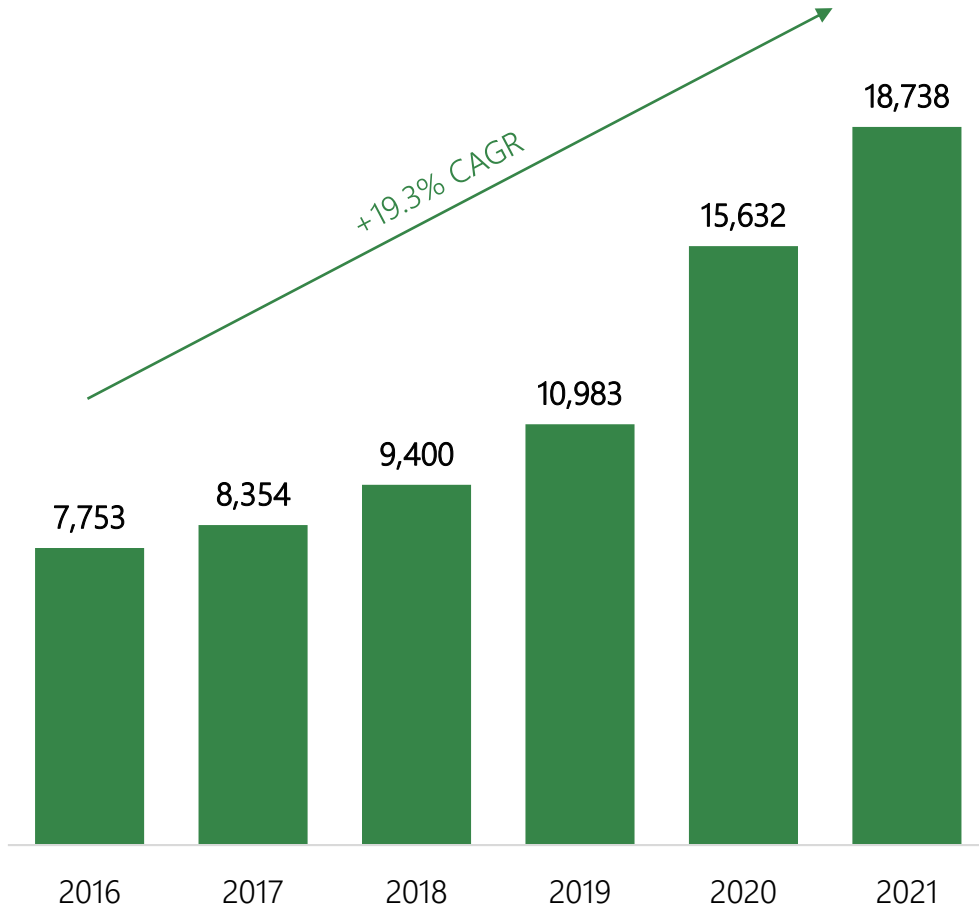
Future Trends



Overview of Health Insurance Business in Thailand

Health Insurance Premiums

Unit: Million Baht

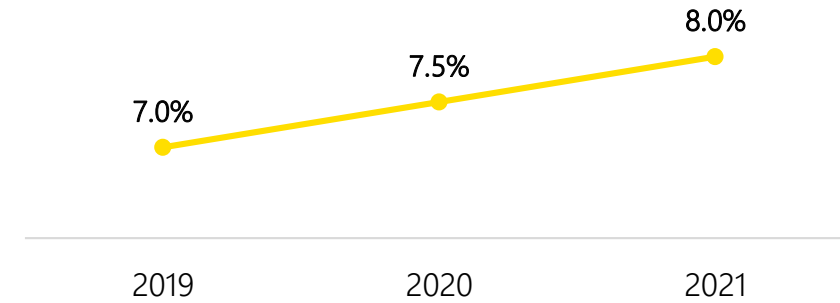


Source: OIC

Key Driving Factors

(1) Rising Medical Costs in Thailand (Medical Inflation)

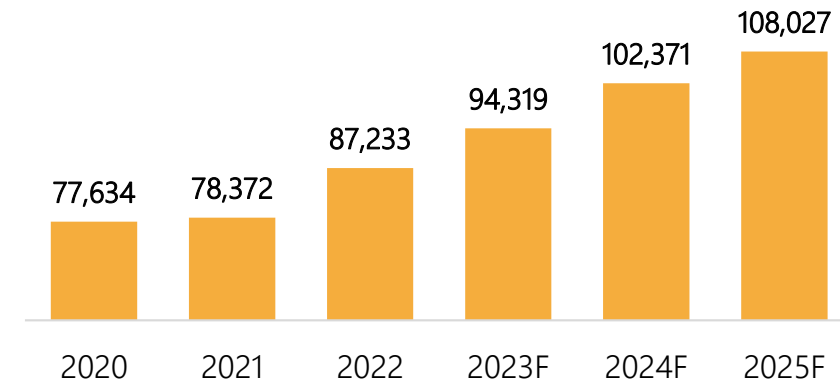
Unit: %



Source: Willis Tower Watson

(2) Consumer Expenditure on Insurance

Unit: Million Baht



Source: Euromonitor

Key Takeaways



Trend of medical expenses have continuously increased in the past mainly due to advances in technology and new forms of treatment continually becoming available



For the above reason, people are likely to buy more insurance in order to cover higher medical costs

RPH 2023 Outlook: Focus on Expansion

RPH aims to grow 10-20%* in 2023

Expand Services



- Preparing wellness in existing facilities
- Introducing new clinics in existing facilities: Diabetes and Endocrine Center, Cancer Center, Trauma Center
- Seeking for opportunities to open new hospitals in other provinces

Increase Utilization of Existing Hospital and old Hospital



- Boost marketing activities to enhance utilization of beds and OPD patients
- Leverage old hospital to become a specialty hospital

Seeking to Expand Patient Base



- Expand to capture health insurance
- Boost marketing campaigns in Laos for medical travel
- Cooperate with private and public agencies for a new project to capture wellness customers

Studying New Hospital



- Finish feasibility study by Q1/2023
- BOD decide on the clarity of project by 2023



โรงพยาบาลราชพฤกษ์
Ratchaphruek Hospital



THANK YOU

IR Contact
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+66-043 333555 ext. 1401

HISTORY AND KEY MILESTONES

'The Healing Environmental Hospital'

1992



- ✓ Established Ratchaphruek Hospital at Mittraphap Road, Mueang District, Khon Kaen

2016



- ✓ Signed a new hospital construction contract, total value of 791.8 million baht.
- ✓ Converted into a public company.
- ✓ Paid-up capital amount of 382.22 million baht.

2018



- ✓ Opened to operate the current hospital on August 8, 2018.
- ✓ 35 Patient Examination Rooms and 117 patient beds.

2020



- ✓ Received a certification of global healthcare accreditation COVID-19 Guidelines for Medical Travel programs (GHA's COVID-19), the 2nd hospital in Thailand.
- ✓ Registered number of 198 patient beds.

2022



- ✓ Opened 2 specialist centers:
- ✓ Memorandum of cooperation for the Social Employment Promotion Project for disabled persons.
- ✓ Received the 1st renewal of JCI standards
- ✓ Received silver award in "Caring Services"

2008



- ✓ Received a certificate, Hospital Accreditation, from the healthcare accreditation institute.

2017



- ✓ First day of trading in SET, February 27, 2017
- ✓ Full Paid-up capital amount of 546 million baht

SET

2019



- ✓ Received a certification of international quality standards, Joint Commission International.
- ✓ Registered number of 171 patient beds

2021



- ✓ Signed a MOU, GHA for business, with 2 agencies including GHA, the Khon kaen chamber of commerce.
- ✓ Opened Cohort Ward.
- ✓ Opened the first hospital in the northeastern region.
- ✓ Received the outstanding medical expense management award.