

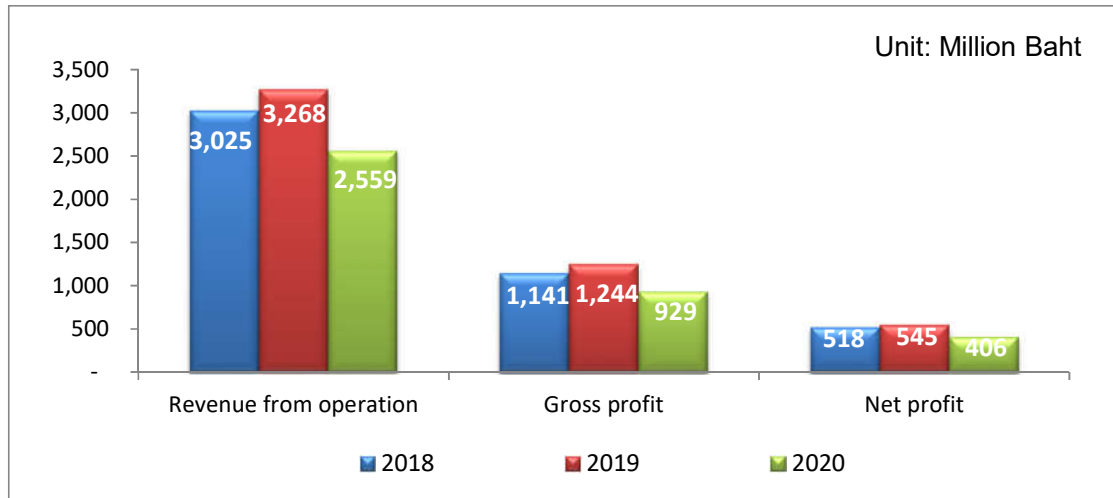
**Samitivej Public Company Limited**  
**Management Discussion and Analysis**  
**For 3<sup>rd</sup>. Quarter ended 30 September 2020**

Samitivej Public Company Limited (“The Company”) has submitted the financial statements for the 3<sup>rd</sup> Quarter ended 30 September 2020 which was reviewed by the Company’s Auditor and the Audit Committee. Due to the impact of the COVID-19 Pandemic including the travel bans in all international countries. The consolidated financial statements for the three-month period of September 30, 2020 and 2019 presented operating result with net profit Baht 406 million and Baht 545 million decreased 26% and increased 5% respectively. The separate financial statements resulted with net profit were Baht 327 million and Baht 432 million decreased 24% and increased 2% respectively, comparing to the same period of 2019. However, performance for Q3/2020 has been improved significantly from Q2/2020 resulting from Thailand lockdown relaxation.

The operating results are as follow: -

**The Consolidated Financial Statements**

The operating result for the three – month period



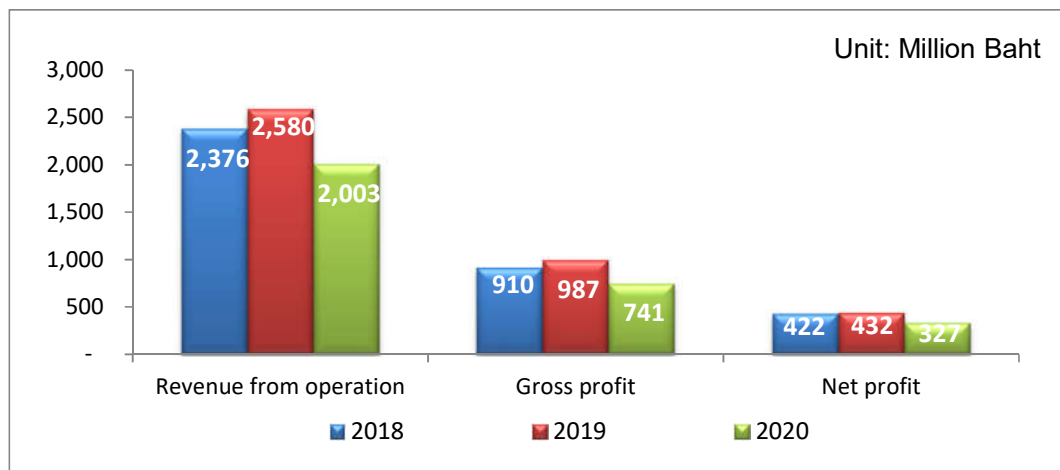
▪ **Revenue**

- Q3/2020 Samitivej Sukhumvit and Samitivej Srinakarin customer mainly are Thai. Samitivej Sukhumvit has foreign patients approximately 38% while Samitivej Srinakarin has foreign patients approximately 6%. The revenue mainly came from medicines, medical supplies, lab services and doctor’s fee.

- Revenue from hospital operations for the three-month period of Q3/2020 was Baht 2,559 million, decreased by Baht 709 million or 22% comparing to the same period of 2019, this was mostly due to a decrease in revenues from foreign patients by 36% resulting from the CORONA VIRUS (COVID-19) pandemic.
- **Expenses**
  - Total expense for Q3/2020 was Baht 2,074 million, decreased by Baht 543 million or 21% from the same period of 2019 which was mostly reduced from cost of hospital operations, sales and services by Baht 394 million or 19% and decreased from administrative expenses Baht 149 million or 25% reduced from cost of medicine and medical supply, lab services, doctor's fee including manpower cost management during COVID-19 pandemic and administrative cost was also decreased in the same direction with incomes.
- **Income Tax**
  - Income Tax for Q3/2020 was Baht 102 million, decreased by Baht 37 million or 27%, from the same period of 2019.
- **Net Profit**
  - Net profit for Q3/2020 was Baht 406 million, decreased by Baht 139 million or 26% from the same period of 2019 due to a decrease of revenue from hospital operations and the number of patients.

### **The Separate Financial Statements**

The operating result for the three – month period



▪ **Revenue**

- Revenue from hospital operations for the three-month period of Q3/2020 was Baht 2,003 million, decreased by Baht 576 million or 22% comparing to the same period of 2019. this was mostly due to a decrease in revenues from foreign patients by 37% resulting from the CORONA VIRUS (COVID-19) pandemic.

▪ **Expenses**

- Total expense for Q3/2020 was Baht 1,624 million, decreased by Baht 461 million or 22% from the same period of 2019 which was mostly reduced from cost of hospital operations, sales and services by Baht 331 million or 21% and decreased from administrative expenses Baht 130 million or 27% reduced from cost of medicine and medical supply, lab services, doctor's fee including manpower cost management during COVID-19 pandemic and administrative cost was also decreased in the same direction with incomes.

▪ **Income Tax**

- Income Tax for Q3/2020 was Baht 79 million, decreased by Baht 29 million or 26%, from the same period of 2019.

▪ **Net Profit**

- Net profit for Q3/2020 was Baht 327 million, decreased by Baht 105 million or 24% from the same period of 2019 due to a decrease of revenue from hospital operations and the number of patients.

**Cash Flows**

(Unit: Million Baht)

<b>Consolidated financial statements</b>	<b>30 September 2020</b>	<b>30 September 2019</b>	<b>Change</b>	<b>%</b>
Net cash flows from operating activities	1,398	1,852	(454)	(24.51)
Net cash flows from (used in) investing activities	(251)	(798)	547	(68.55)
Net cash flows used in financing activities	(1,106)	(934)	(172)	18.42
Net increase (decrease) in cash and cash equivalents	41	120	(79)	(65.83)
Cash and cash equivalents at beginning of the period	947	959	(12)	(1.25)
Cash and cash equivalents at end of the period	988	1,079	(91)	(8.43)

For Q3/2020 ended 30 September 2020, the Company and its subsidiaries have net increased in cash and cash equivalent in the amount of Baht 41 million, cash equivalents at the beginning of the period by Baht 947 million resulting cash and cash equivalent at the end of period was Baht 988 million.

Details of cash flow by activities are as follows: -

1. The Company and its subsidiaries have net cash flows from operating activities of Baht 1,398 million resulting from
  - Profit before income tax Baht 1,456 million reconcile with depreciation and amortization expense Baht 576 million, amortization Deferred income – membership Baht 48 million, Profit sharing from investments in an associate Baht 25 million, Long-term employee benefits expenses Baht 36 million.
  - Decreased in operating assets of Baht 295 million and decreased in operating liabilities of Baht 520 million.
  - Cash received from interest income Baht 7 million.
  - Paid for corporate income tax Baht 392 million.
2. The Company and its subsidiaries have net cash flows provided by investing activities were Baht 251 million, resulting from
  - Decrease in other current financial assets Baht 86 million.
  - Dividend income Baht 16 million.
  - Decrease in short-term loan to parent company Baht 118 million.
  - Cash received from disposal of property, premises and equipment Baht 1 million.
  - Purchase of medical equipment and other fixed assets Baht 453 million.
  - Cash paid for purchase of intangible assets Baht 19 million.
3. The Company and its subsidiaries have net cash flows use in financing activities were Baht 1,106 million, resulting from
  - Cash paid for lease liabilities under finance lease agreements Baht 58 million.
  - Paid dividend by Baht 1,000 million.
  - Paid dividend by a subsidiary company to non-controlling interests by Baht 45 million.

Cash and cash equivalents at end of the period of Baht 988 million are Cash and deposit at financial institution.

### Financial Ratio

Ratios Analysis	<u>30 September 2020</u>	<u>30 September 2019</u>	<u>Change</u>
<b>Profitability Ratio</b>			
▪ Gross Profit Margin	36.29	38.05	(1.76)
▪ Net Profit Margin	15.69	16.48	(0.79)
▪ Return on Asset (ROA)	3.86	5.66	(1.80)
▪ Return on Equity (ROE)	4.35	6.42	(2.07)
<b>Accounts Receivable Turnover</b>	1.87	2.45	(0.58)
<b>Average Collection Period</b>	49.17	37.52	11.65

### Statements of financial position

(Unit: Million Baht)

Consolidated financial position	<u>30 September 2020</u>	<u>31 December 2019</u>	<u>Change</u>	<u>%</u>
Total Assets	13,159	13,530	(371)	(2.74)
Total Liabilities	3,041	3,490	(449)	(12.87)
Equity attributable to owners of the Company	9,372	9,313	59	0.63
Total shareholders' equity	10,118	10,040	78	0.78

**Total assets** of the Company and its subsidiaries as at 30 September 2020 were Baht 13,159 million, decreased by Baht 371 million. **Decreased from** Short-term investments Baht 874 million, Trade and other receivables Baht 313 million, Short-term loan to parent company Baht 118 million, Inventories Baht 19 million, Property, premises and equipment Baht 131 million, Leasehold rights Baht 153 million and Other non-current assets Baht 1 million. **Increased from** Cash and cash equivalents Baht 41 million, Other current financial assets Baht 790 million, Investments in an associate Baht 6 million, Right-of-use assets Baht 394 million and Intangible assets Baht 6 million,



**Total liabilities** of the Company and its subsidiaries as at 30 September 2020 were Baht 3,041 million decreased by Baht 449 million. **Decreased from** Trade and other payables Baht 249 million, Accrued expenses Baht 353 million, Income tax payable Baht 151 million, Other current liabilities Baht 11 million, and Net deferred income – membership Baht 28 million. **Increased from** Lease Liabilities Baht 287 million, Provision for employee benefits Baht 15 million, Deferred tax liabilities Baht 39 million.

**Total shareholders' equity** of the Company and its subsidiaries as at 30 September 2020 were Baht 10,118 million, decreased Baht 78 million.

Please kindly be informed accordingly.

Yours sincerely,

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(Mr.Jirat Jakpitaksat)

Authorized to sign on behalf of the Company