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August 8, 2024

Subject : Analysis and Explanation of Management for the second quarter and the first half in 2024

To : The President

The Stock Exchange of Thailand

Nonthavej Hospital Public Company Limited

Analysis and Explanation of Management for the second quarter and the first half in 2024

Summary

Nonthavej Hospital Public Company Limited reported Q2/2024 performance the company had net profit of 74.88 million baht compared to Q2/2023, the company had net profit decreased of 16.38 million baht or 17.95%. The Company had total income from hospital business of 586.39 million baht, a decrease of 10.57 million baht or 1.77%. Medical treatment cost was 419.09 million baht, an increase of 3.28 million baht or 0.79%. Sales and Administration Expense was 77.83 million baht, an increase of 3.16 million baht or 4.23 %, Directors 'remuneration was 1.37 million baht, an increase of 0.22 million baht or 18.85% and Income Tax Expenses was 18.51 million baht ,a decrease 3.95 million baht or 17.60% .

Net profit in H1/2024 was 161.99 million baht compared to H1/2023, the company had net profit decreased of 13.01 million baht or 7.44%. The Company had total income from hospital business of 1,196.76 million baht, an increase of 21.97 million baht or 1.87%. Medical treatment cost was 844.61 million baht, an increase of 28.41 million baht or 3.48%. Sales and Administration Expense was 157.01 million baht, an increase of 8.37 million baht or 5.63 %, Directors 'remuneration was 2.69 million baht, an increase of 0.44 million baht or 19.35% and Income Tax Expenses was 40.14 million baht ,a decrease 3.04 million baht or 7.05% .

The details and descriptions of the operation is as follows.

Statements of Comprehensive Income

1.Quarterly Operational Performance

1.1 Income : The Company had total income in Q2/2024 of 586.39 million baht compared with Q2/2023, which was 596.95 million baht, a decrease of 10.57 million baht or 1.77%.

- Income from hospital business in Q2/2024 was 584.54 million baht compared with Q2/2023, which was 595.54 million baht, a decrease of 11 million baht or 1.85% as follow :

- Income from Out patient in Q2/2024 was 340.24 million baht compared with Q2/2023 an increase of 5.93 million baht or 1.77%

- Income from In patient in Q2/2024 was 244.30 million baht compared with Q2/2023 a decrease of 16.93 million baht or 6.48%

- Other incomes in Q2/2024 was 1.85 million baht compared with Q2/2023, which was 1.42 million baht, an increase of 0.44 million baht or 30.69%.

1.2 Medical Treatment Cost : The Company had total medical treatment cost in Q2/2024 of 419.09 million baht compared with Q2/2023, which was 415.81 million baht, an increase of 3.28 million baht or 0.79%.

Proportion of medical treatment cost to medical treatment revenue in Q2/2024 was 71.70% compared with Q2/2023, which was 69.82%. It was obvious that the proportion in Q2/2024 increased from Q2/2023 by 1.88%

1.3 Sales Expense : The Company had a total sales expense in Q2/2024 of 1.35 million baht compared with Q2/2023, which was 1.10 million baht, an increase of 0.25 million baht or 22.30%.

1.4 Administrative Expense : The Company had a total administrative expense in Q2/2024 of 76.49 million baht compared with Q2/2023, which was 73.58 million baht, an increase of 2.91 million baht or 3.96%.

1.5 Director Remuneration The Company had director remuneration in Q2/2024 of 1.37 million baht compared with Q2/2023, which was 1.15 million baht, an increase of 0.22 million baht or 18.85%.

1.6 Income tax expense The Company had income tax expense in Q2/2024 of 18.51 million baht compared with Q2/2023, which was 22.46 million baht, a decrease of 3.95 million baht or 17.60%.

2. First Half Operational Performance

2.1 Income : The Company had total income in H1/2024 of 1,196.76 million baht compared with H1/2023, which was 1,174.79 million baht, an increase of 21.97 million baht or 1.87%.

- Income from hospital business in H1/2024 was 1,185.51 million baht compared with H1/2023, which was 1,164.34 million baht, an increase of 21.17 million baht or 1.82% as follow :

- Income from Out patient in H1/2024 was 686.55 million baht compared with H1/2023 an increase of 33.52 million baht or 5.13%

- Income from In patient in H1/2024 was 498.96 million baht compared with H1/2023 a decrease of 12.35 million baht or 2.41%

- Other incomes in H1/2024 was 11.25 million baht compared with H1/2023, which was 10.45 million baht, an increase of 0.80 million baht or 7.61%.

2.2 Medical Treatment Cost : The Company had total medical treatment cost in H1/2024 of 844.61 million baht compared with H1/2023, which was 816.20 million baht, an increase of 28.41 million baht or 3.48%.

Proportion of medical treatment cost to medical treatment revenue in H1/2024 was 71.24% compared with H1/2023, which was 70.10%. It was obvious that the proportion in H1/2024 increased from H1/2023 by 1.14%

2.3 Sales Expense : The Company had a total sales expense in H1/2024 of 2.72 million baht compared with H1/2023, which was 2.47 million baht, an increase of 0.25 million baht or 10.37%.

2.4 Administrative Expense : The Company had a total administrative expense in H1/2024 of 154.28 million baht compared with H1/2023, which was 146.17 million baht, an increase of 8.11 million baht or 5.55%.

2.5 Director Remuneration The Company had director remuneration in H1/2024 of 2.69 million baht compared with H1/2023, which was 2.25 million baht, an increase of 0.44 million baht or 19.35%.

2.6 Income tax expense The Company had income tax expense in H1/2024 of 40.14 million baht compared with H1/2023, which was 43.18 million baht, a decrease of 3.04 million baht or 7.05%.

Financial Ratios	Q2/2024	Q2/2023	H1/2024	H1/2023
Gross Profit Margin (%)	28.30	30.18	28.76	29.90
Operating Profit Margin (%)	15.98	18.37	17.05	18.74
Net Profit Margin (%)	12.81	15.32	13.66	15.03
EPS (Baht/Shares)	0.47	0.57	1.01	1.09

Statements of Financial Position

1. Capital Structure

The capital structure of the company (in percentage) can be summarized as follows:

Current Assets	43.80%	Current Liabilities	8.55%
Non- Current Assets	56.20%	Non-Current Liabilities	2.92%
		Shareholders' Equity	88.53%
Total Assets	100.00%	Total Liabilities and Shareholders' Equity	100.00%

The Company's capital structure consists of asset : liabilities ratio + The Company's capital of 100: 11.47+88.53, The Company has current liabilities payable at 8.55 percent compared to total Asset of the company. The assets that the Company has ownership, it can be divided into Current asset of 43.80 percent, Non Current asset of 56.20 percent.

2. Assets

Asset Components

Total asset as of June 30, 2024 was 2,893.07 million baht compared to the end of 2023 of 2,997.61 million baht, an increase of 104.54 million baht or 3.49%, which has the following changes;

2.1 Current Assets as of June 30, 2024 was 1,267.11 million baht or 43.80% of total assets compared

with the end of 2023, which was at 1,307.94 million baht, an increase of 40.83 million baht or 3.12%.

2.2 Non-current assets as of June 30, 2024 was 1,625.96 million baht or 56.20% of total assets compared with the end of 2023, which was 1,689.67 million baht, a decrease of 63.71 million baht or 3.77%.

3. Liabilities

Liabilities Components;

Total Liabilities as of June 30, 2024 was 331.89 million baht compared with the end of 2023, which was 363.57 million baht a decrease of 31.68 million baht or 8.71%. There were significant changes as follows;

3.1 Current Liabilities as of June 30, 2024 was 247.53 million baht or 8.55% of total assets compared with the end of 2023, which was 285.69 million baht, a decrease of 38.16 million baht or 13.36%.

3.2 Non-current Liabilities as of June 30, 2024 was 84.37 million baht or 2.92% of total assets compared with the end of 2023, which was 77.89 million baht, an increase of 6.48 million baht or 8.32%.

Financial Ratios	As at June 30, 2024	As at December 31, 2023
Return on Equity (%)	15.04	15.31
Return on Assets (%)	15.96	16.16

Statements of Cash Flows

The Company had cash and cash equivalents as of June 30, 2024 of 765.61 million baht or 26.46% of total assets compared with as of June 30, 2023, which was 839.15 million baht, a decrease of 73.54 million baht or 8.76%. The detail of acquisition and usage of cash and major short term investments as follows;

The Company had net cash flow acquired from business operation as of June 30, 2024 of 211.93 million baht compared with as of June 30, 2023, which was 292 million baht, a decrease of 80.07 million baht or 27.42%.

- Cash flow spent for investment activities in various assets of 114.91 million baht, which caused Investment in plant and Medical equipment .

The company has financial liquidity in each year as follows;

- Liquidity ratio as of June 30, 2024 was 5.12 times increase to compared with the end of 2023, which was 4.58 times.

- Quick ratio as of June 30, 2024 was 3.98 times increase to compared with the end of 2023, which was 3.93 times.

- The company accounts receivable turnover rate as of June 30, 2024 was 12.51 times increase to compared with the end of 2023, which was 11.46 times.

- Average collection period as of June 30, 2024 was 29.17 days decrease to compared with the end of 2023, which was 31.84 days.

- Inventory turnover rate as of June 30, 2024 was 34.75 times increase to compared with the end of 2023, which was 28.70 times.

- Average days to sell product as of June 30, 2024, 2023 was 10.50 days decrease to compared with the end of 2023, which was 12.72 days.

- Payable turnover rate as of June 30, 2024 was 8.13 times increase to compared with the end of 2023, which was 7.51 times.

- Average days to payment period as of June 30, 2024 was 44.92 days decrease to compared with the end of 2023, which was 48.60 days.

Please be informed accordingly.

Yours sincerely ,

A handwritten signature in blue ink that reads "Kamales Santivejkul". The signature is written in a cursive, flowing style.

(Assoc.Prof.Kamales Santivejkul,Ph.D)

Director / Chief Executive Officer