

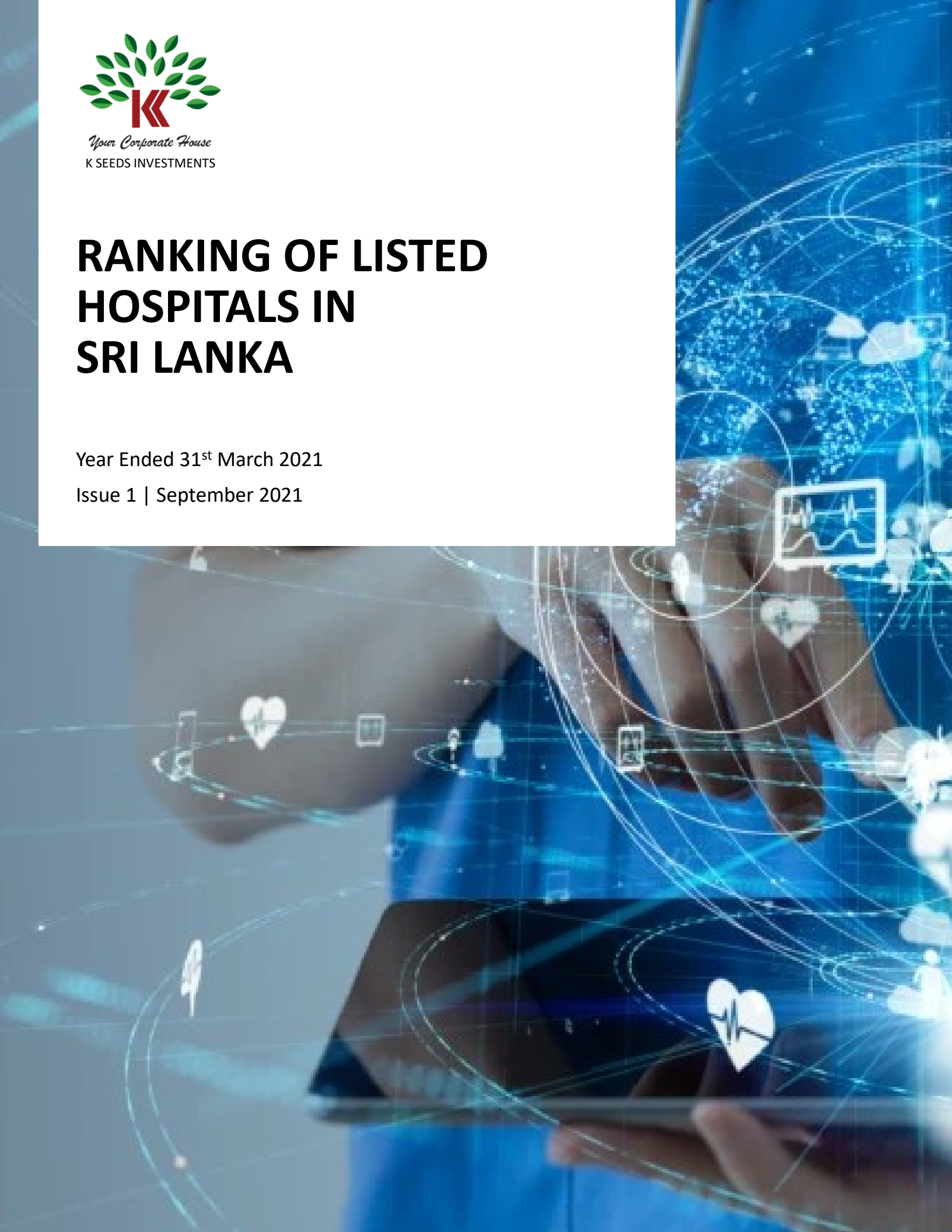


Your Corporate House
K SEEDS INVESTMENTS

RANKING OF LISTED HOSPITALS IN SRI LANKA

Year Ended 31st March 2021

Issue 1 | September 2021



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EXECUTIVE SUMMARY

Sri Lanka's healthcare industry is dominated by the public sector due to the government's policy of providing free universal healthcare. The major portion of the market is being catered by the public hospitals, around 25% of the market is open for the private hospitals to compete between. However, the increasing income levels of the country, the growing ageing population, and the prevalence of non-communicable diseases are likely to increase demand in the long run. During the past two years, the healthcare industry had the overwhelming task of protecting the staff and providing patient care at the same time. The pandemic accelerated the sector's digital transformation of healthcare services through online disease screening, consultation, medical need delivery, and web medical based assistance. Laboratory revenue of the hospitals shows a steep growth with PCR testing and Intermediary Care Centers joining as revenue drivers. However, overheads have also increased driving margins down as extra costs were incurred for safety measures such as PPE kits, sanitization of the hospital, and other safety precautions, combined with the low volumes of patients during the lockdown period.

In addition to a series of quarterly and annual reports being published by K Seeds Investments on the finance and banking sector, from 2021 we begin the 'Ranking of Listed Hospitals in Sri Lanka', to evaluate the financial performance of the listed hospitals to provide useful and timely information to demonstrate their financial strength. The hospitals are ranked based on a number of Key Performance Indicators which are given an equal weighting.

We believe the reader would gain valuable insights by analyzing the summarized financial information we have presented, hence facilitate prudent decision making for investment purposes or other requirements.

BASIS OF RANKING

The report ranks the hospitals according to their financial results released through the year ended financial reports on the Colombo Stock Exchange across 8 key performance indicators (KPIs) – net profit margin, EBIT margin, return on equity, return on assets, debt to equity, current ratio, revenue growth and net profit growth. These 8 KPIs are weighted equally, and an overall ranking is arrived at based on the aggregate score for each category.

The following listed hospitals have been considered for ranking,

1. Asiri Hospital Holdings PLC⁽¹⁾
2. Asiri Surgical Hospital PLC
3. Ceylon Hospitals (Durdans) PLC
4. The Lanka Hospitals Corporation PLC⁽²⁾
5. Nawaloka Hospitals PLC
6. Singhe Hospitals PLC

Ranking has been arrived at based on the following KPIs which are weighted equally when deriving the overall ranking.

▪ Net Profit Margin	$\frac{\text{Net Profit}}{\text{Revenue}}$
▪ EBIT Margin	$\frac{\text{Earnings before Interest and Tax}}{\text{Revenue}}$
▪ Return on Equity	$\frac{\text{Profit to Equity Holders}}{\text{Average Equity}}$
▪ Return on Assets	$\frac{\text{Profit after Tax}}{\text{Average Assets}}$
▪ Debt to Equity Ratio	$\frac{\text{Interest Bearing Debt}}{\text{Interest Bearing Debt} + \text{Equity}}$
▪ Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$
▪ Revenue Growth	$\frac{\text{Revenue 2021}}{\text{Revenue 2020}} - 1$
▪ Net Profit Growth	$\frac{\text{Net Profit 2021}}{\text{Net Profit 2020}} - 1$

(1) The financial statements of ASIR includes its subsidiary hospitals. Due to the unavailability of segregated information the group has been considered as an independent hospital for the ranking purpose.

(2) Year ending 31st December

EVALUATION OF FINANCIAL PERFORMANCE

Overall Ranking

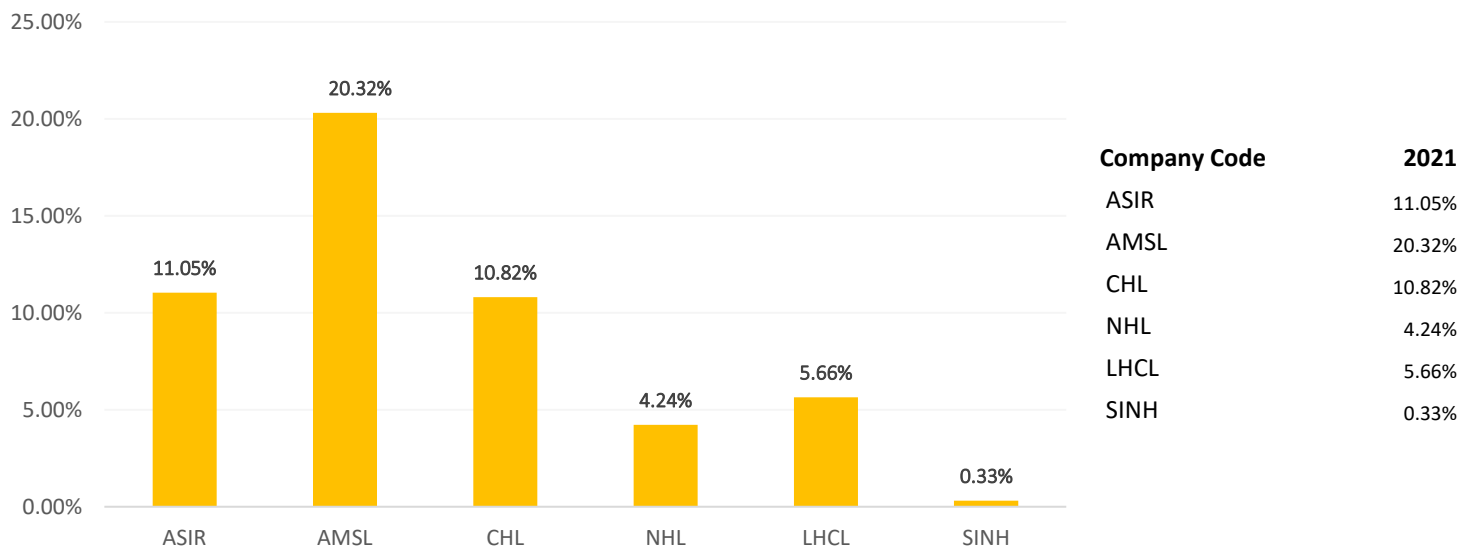
Rank	Company	Code
1	Asiri Surgical Hospital	AMSL
2	Asiri Hospital Holdings	ASIR
3	Ceylon Hospitals (Durdans)	CHL
4	Nawaloka Hospitals	NHL
5	Lanka Hospitals	LHCL
6	Singhe Hospitals	SINH

Other Information

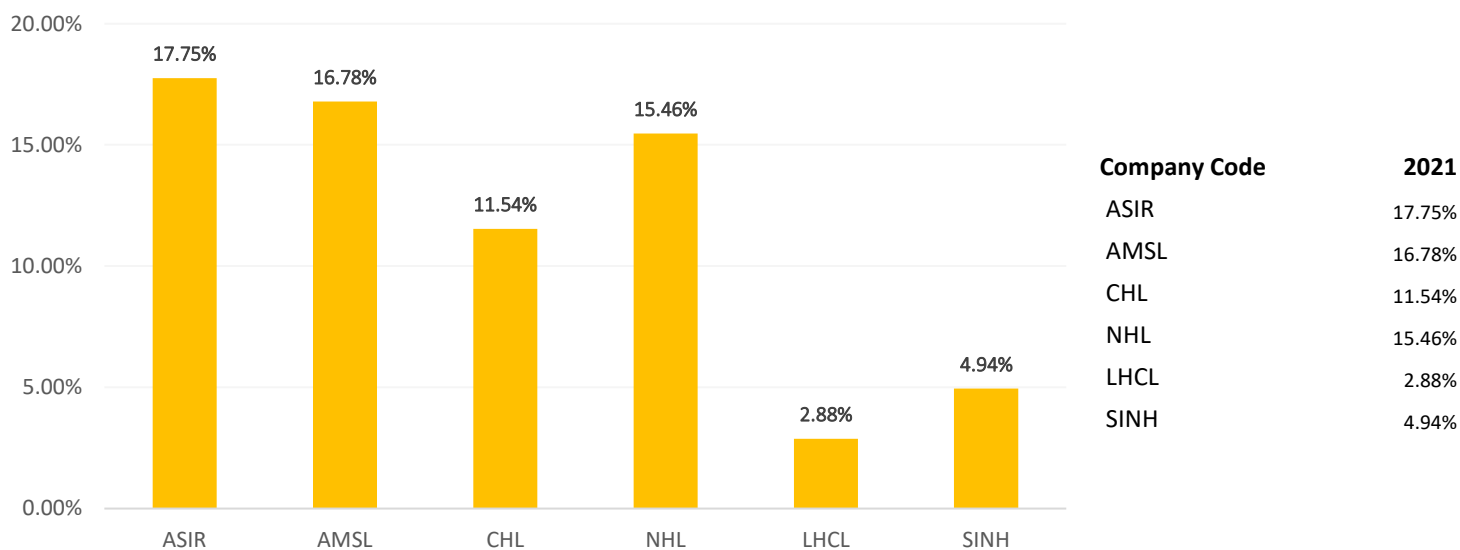
Company Code	Revenue ('000)	YOY Growth (%)	Profit ('000)	YOY Growth (%)	Assets ('000)	⁽¹⁾ No. of Beds
AMSL	4,229,712	15.7	859,667	98.5	8,643,691	150
ASIR	15,784,523	1.8	1,744,618	90.0	32,071,279	800+
CHL	5,545,521	-7.2	600,259	28.5	10,883,477	260
NHL	11,827,739	30.9	501,264	3,036.7	18,713,183	400+
LHCL	6,803,677	-9.9	384,993	-33.7	9,881,925	367
SINH	700,337	4.3	2,299	140.0	952,033	50

(1) As reported in the annual report/company website

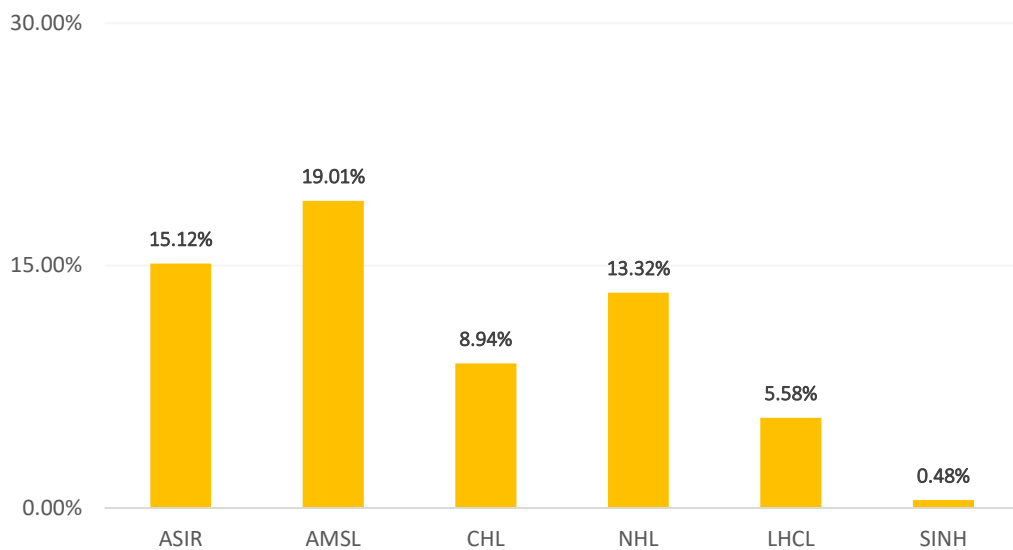
Net Profit Margin



EBIT Margin

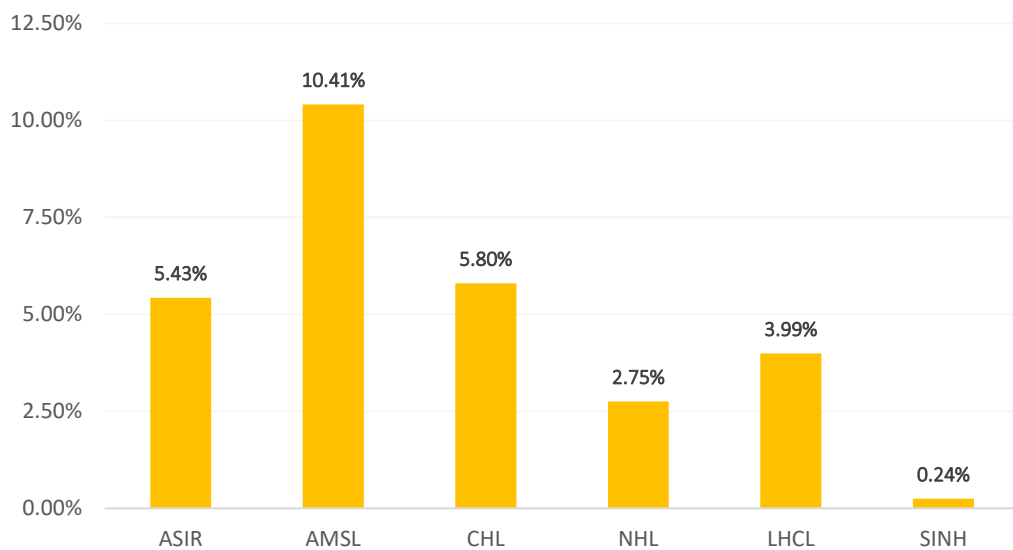


Return on Equity



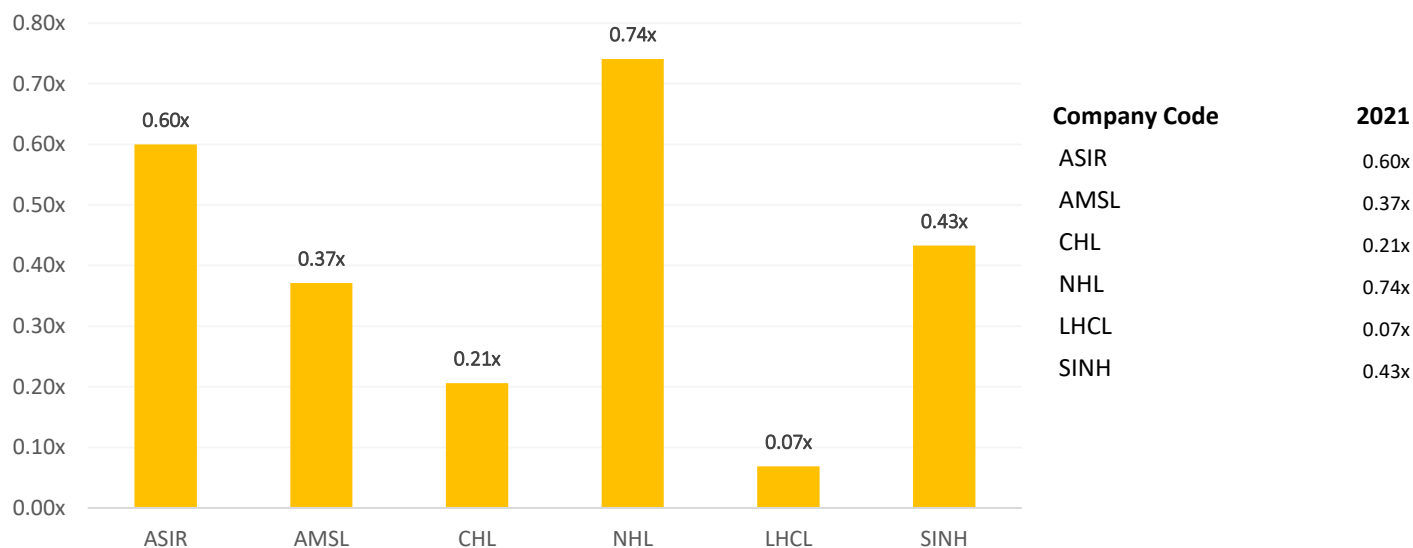
Company Code	2021
ASIR	15.12%
AMSL	19.01%
CHL	8.94%
NHL	13.32%
LHCL	5.58%
SINH	0.48%

Return on Assets

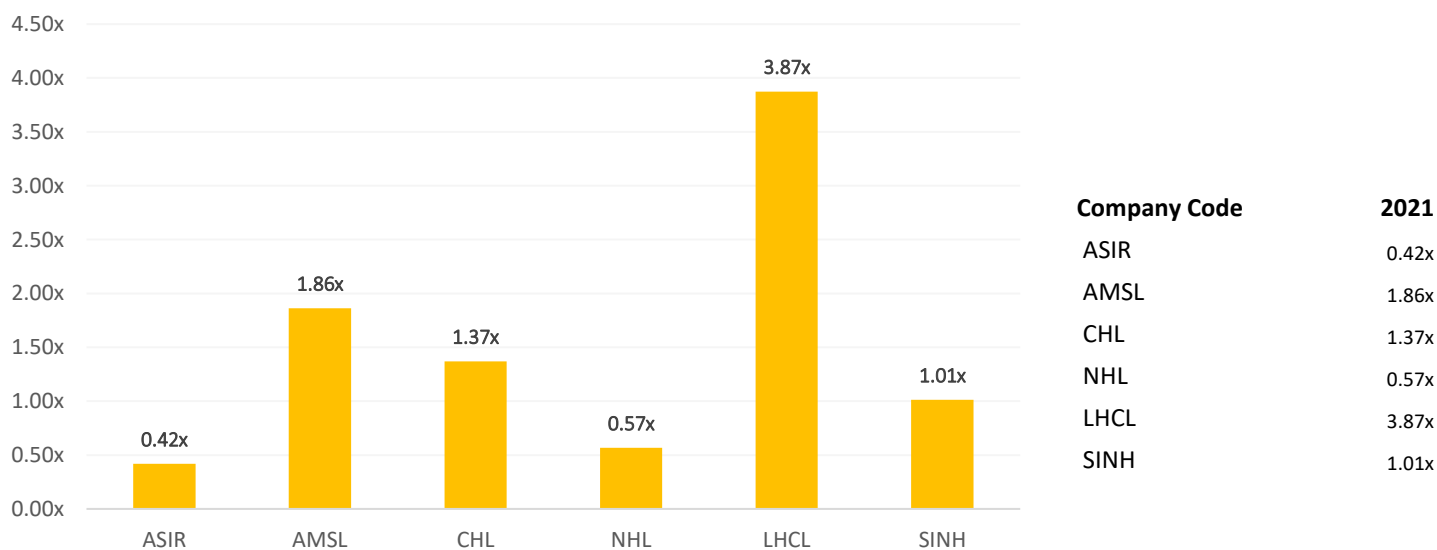


Company Code	2021
ASIR	5.43%
AMSL	10.41%
CHL	5.80%
NHL	2.75%
LHCL	3.99%
SINH	0.24%

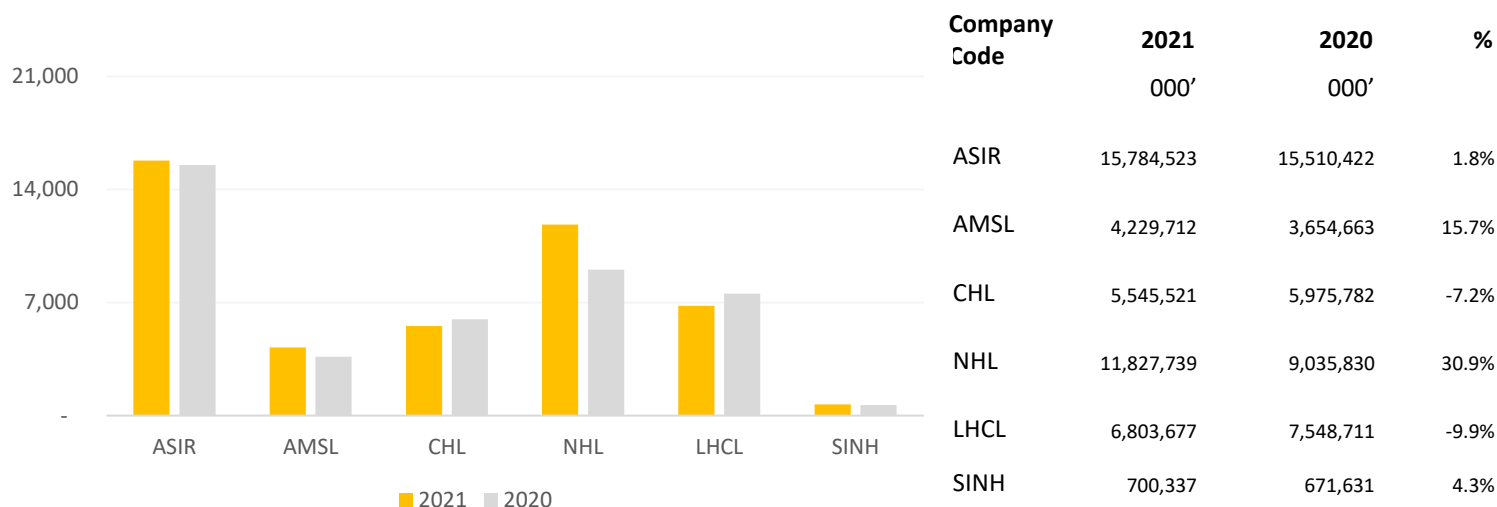
Debt to Equity Ratio



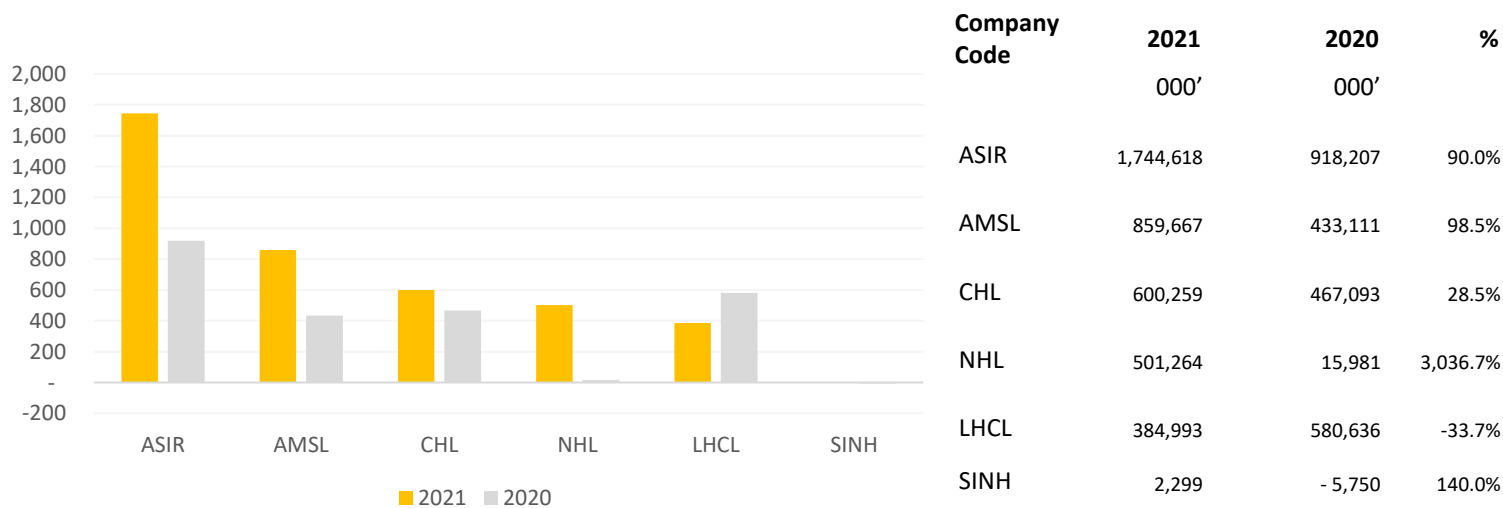
Current Ratio



Revenue Growth



Net Profit Growth



SHARE PRICE DETAILS

	Highest Market Price For the year ended		Lowest Market Price For the year ended		Market Price as at	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020	31.03.2021	31.03.2020
Nawaloka Hospitals PLC	6.30	4.20	4.80	2.90	4.90	2.90
Asiri Surgical Hospital PLC	17.40	10.50	12.90	9.00	13.80	9.00
Asiri Hospital Holdings PLC	33.90	21.50	23.10	16.60	25.50	17.00
The Lanka Hospitals ⁽¹⁾ Corporation PLC	54.90	53.90	27.50	39.10	53.40	40.70
Ceylon Hospitals PLC (Voting)	123.00	87.00	99.00	73.00	101.25	80.00
Ceylon Hospitals PLC (Non - Voting)	114.00	77.00	67.10	65.00	89.10	73.00
Singhe Hospitals PLC	3.90	1.80	1.20	1.40	2.00	1.40

(1) Year ending 31st December

Information collected / analyzed is from sources believed to be reliable and from published financial statements, the CBSL or Government. K Seeds Investments Private Limited however does not warrant its completeness or accuracy. Opinions and estimates given constitute our judgment as of the date of the material and are subject to change without notice.

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