

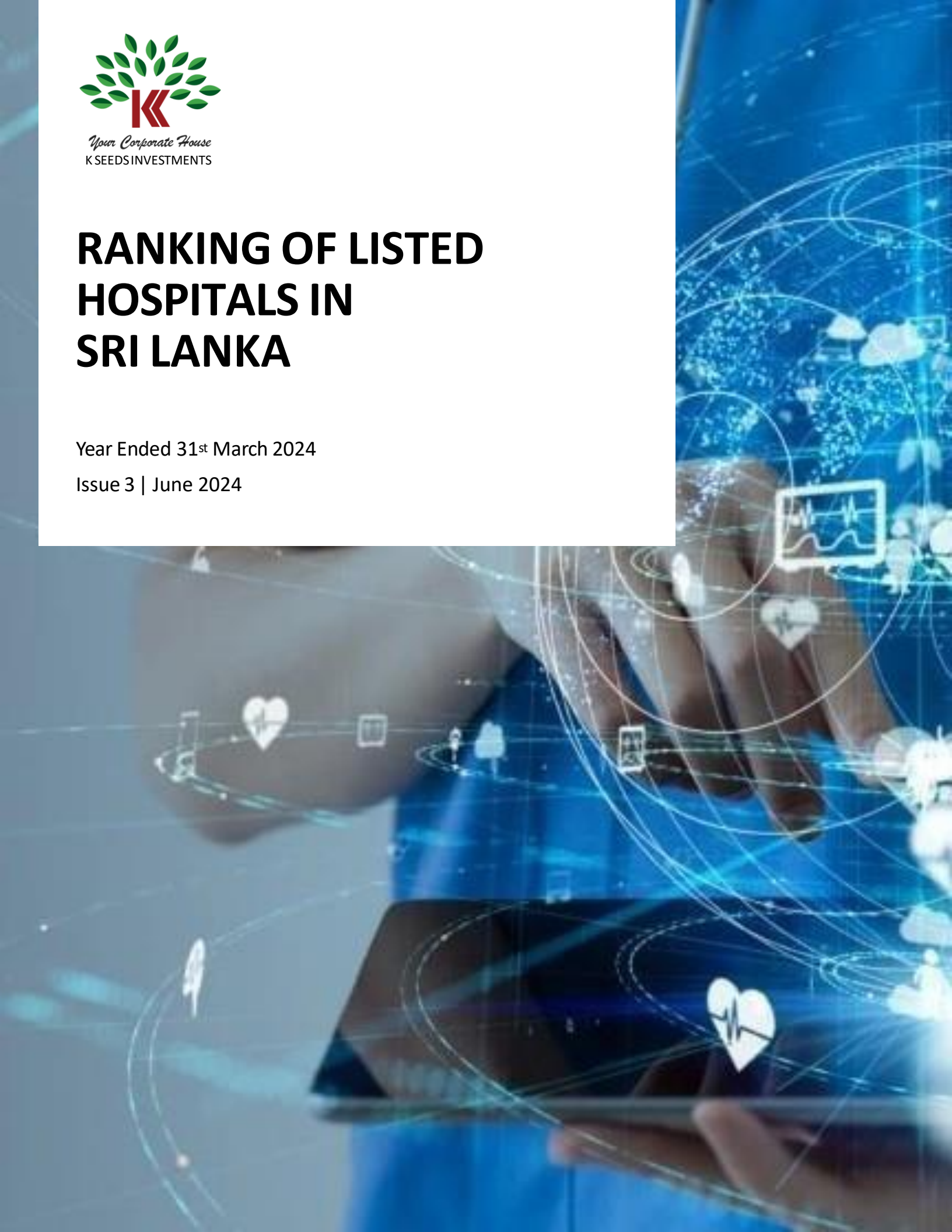


*Your Corporate House*  
KSEEDSINVESTMENTS

# RANKING OF LISTED HOSPITALS IN SRI LANKA

Year Ended 31<sup>st</sup> March 2024

Issue 3 | June 2024



# CONTENTS

Executive summary	2
Basis of Ranking	3
Evaluation of Financial Performance	4
Share Price Details	9

# 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 aging population, and the prevalence of non-communicable diseases are likely to increase demand in the long run. This report provides an overview of the ranking of the hospital sector report, which evaluates and ranks listed hospital companies based on a comprehensive set of financial performance metrics. These metrics, including Net Profit Margin, EBIT Margin, Return on Equity, Return on Assets, Debt to Capital Ratio, Current Ratio, Revenue Growth, and Net Profit Growth, offer valuable insights into the operational efficiency, financial health, and growth prospects of these companies. The analysis highlights key indicators that assess profitability, operational effectiveness, and financial stability within the hospital sector.

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 facilitating 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 <sup>(1)</sup>
2. Asiri Surgical Hospital PLC
3. Ceylon Hospitals (Durdans) PLC
4. The Lanka Hospitals Corporation PLC <sup>(2)</sup>
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	$\frac{\text{Profit to Equity Holders}}{\text{Average Shareholder Equity}}$
▪ Return on Assets	$\frac{\text{Profit after Tax}}{\text{Average Assets}}$
▪ Debt to Capital Ratio	$\frac{\text{Interest Bearing Debt}}{\text{Interest Bearing Debt} + \text{Equity}}$
▪ Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$
▪ Revenue Growth	$\frac{\text{Revenue 2024}}{\text{Revenue 2023}} - 1$
▪ Net Profit Growth	$\frac{\text{Net Profit 2024}}{\text{Net Profit 2023}} - 1$

(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 31<sup>st</sup> December

# EVALUATION OF FINANCIAL PERFORMANCE

## Overall Ranking

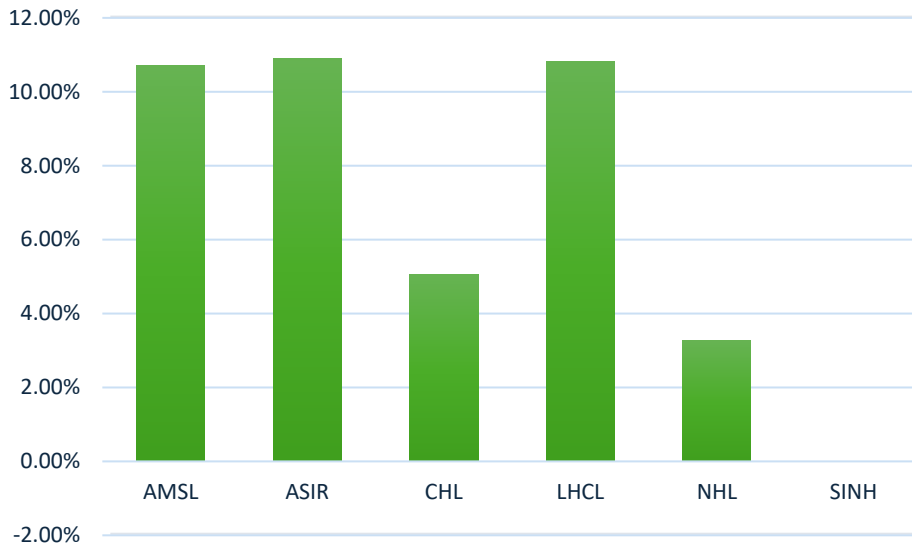
Rank	Company	Code
1	Lanka Hospitals	LHCL
2	Asiri Surgical Hospital	AMSL
2	Asiri Hospital Holdings	ASIR
4	Ceylon Hospitals (Durdans)	CHL
5	Nawaloka Hospitals	NHL
6	Singhe Hospitals	SINH

## Other Information

Company Code	Revenue ('000)	YOY Growth (%)	Profit ('000)	YOY Growth (%)	Assets ('000)	No. of Beds <sup>(1)</sup>
AMSL	6,614,921	17.40	708,405	10.68	13,553,535	155
ASIR	28,566,878	15.26	3,114,520	83.29	50,914,749	800+
CHL	9,152,568	15.78	463,649	(28.85)	15,011,349	260
NHL	10,648,333	14.44	347,971	114.27	18,157,594	400+
LHCL	12,418,608	16.08	1,345,226	(58.57)	16,318,791	367
SINH	1,271,873	18.68	(81,148)	(100.78)	1,350,346	50

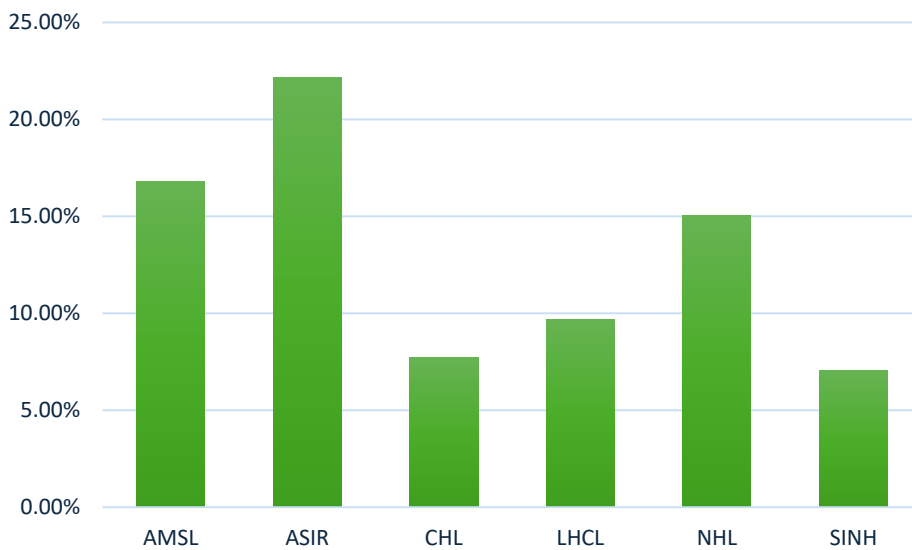
(1) As reported in the annual report/company website

# Net Profit Margin



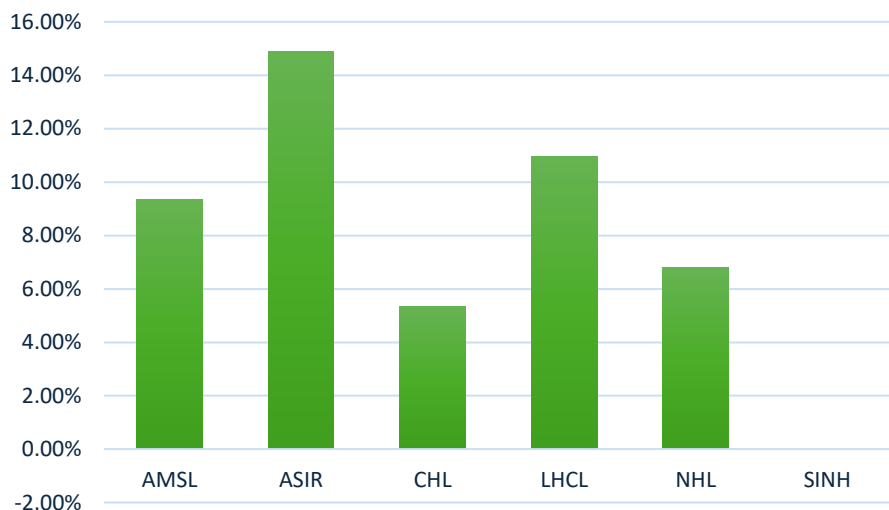
Company Code	2024
AMSL	10.71%
ASIR	10.90%
CHL	5.07%
LHCL	10.83%
NHL	3.27%
SINH	(0.01%)

# EBIT Margin



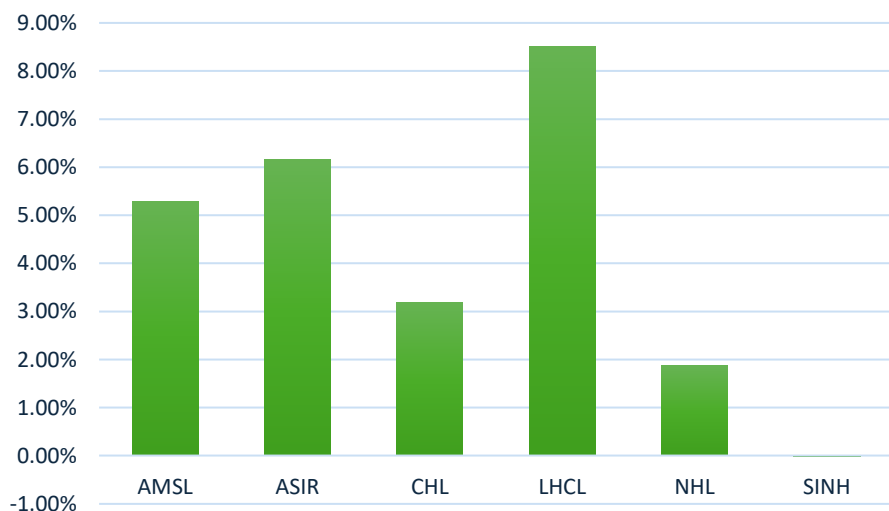
Company Code	2024
AMSL	16.79%
ASIR	22.14%
CHL	7.71%
LHCL	9.69%
NHL	15.04%
SINH	7.04%

## Return on Equity



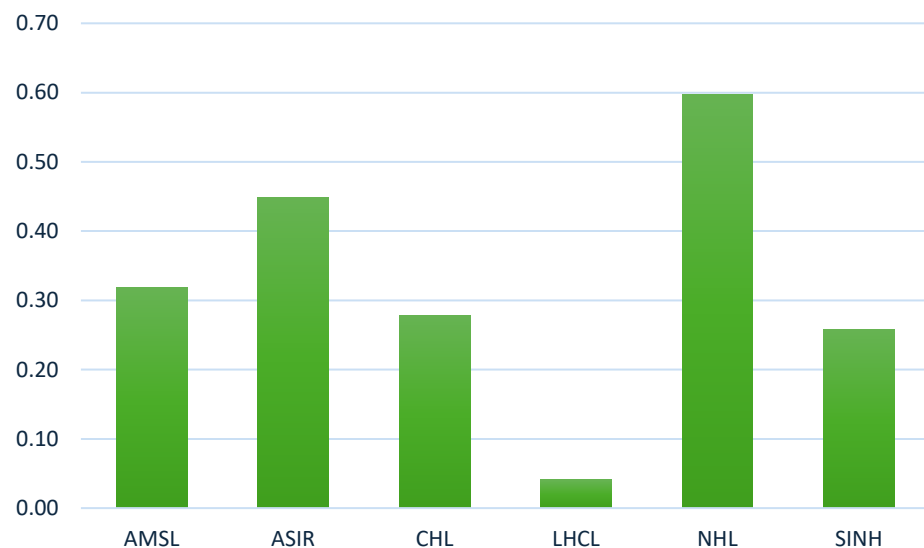
Company Code	2024
AMSL	9.34%
ASIR	14.90%
CHL	5.35%
LHCL	10.95%
NHL	6.83%
SINH	(0.01%)

## Return on Assets



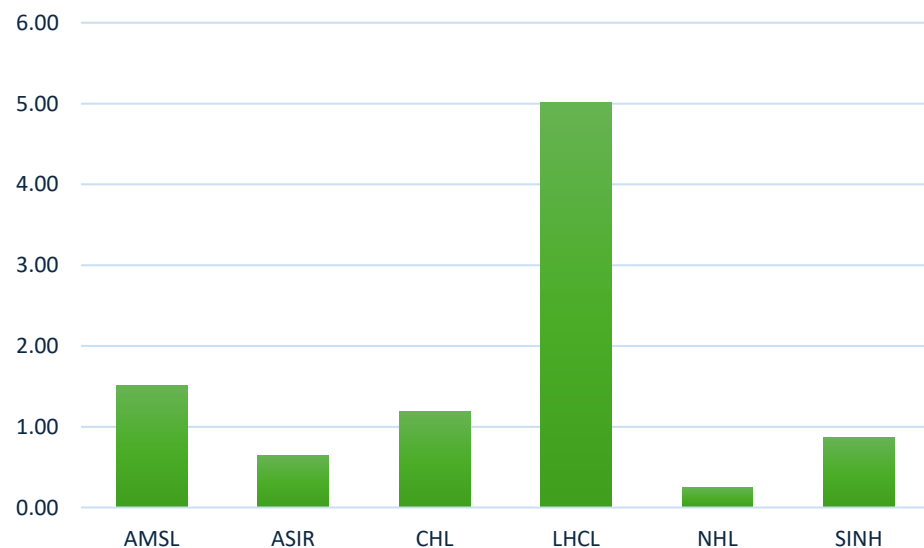
Company Code	2024
AMSL	5.29%
ASIR	6.16%
CHL	3.18%
LHCL	8.50%
NHL	1.87%
SINH	(0.01%)

## Debt to Capital Ratio



Company Code	2024
AMSL	0.32
ASIR	0.45
CHL	0.28
LHCL	0.04
NHL	0.60
SINH	0.26

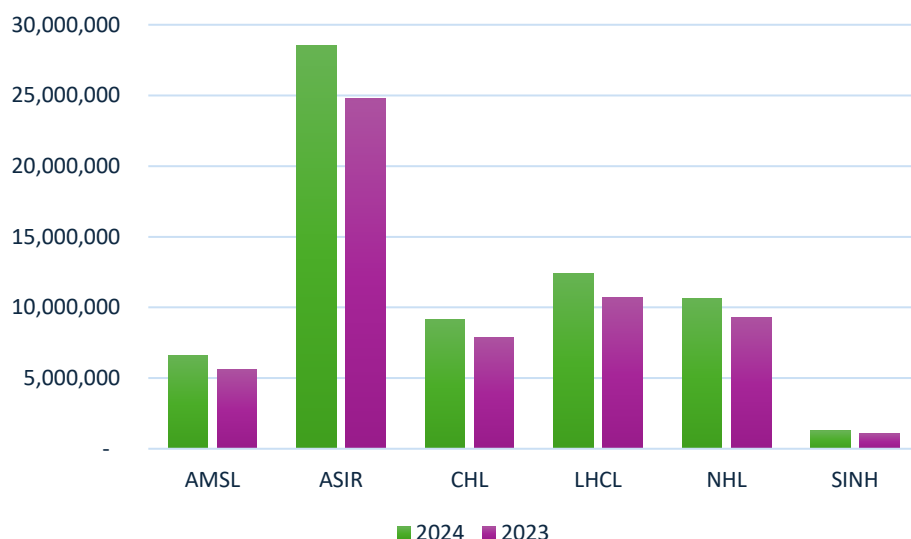
## Current Ratio



Company Code	2024
AMSL	1.50
ASIR	0.65
CHL	1.19
LHCL	5.01
NHL	0.26
SINH	0.87

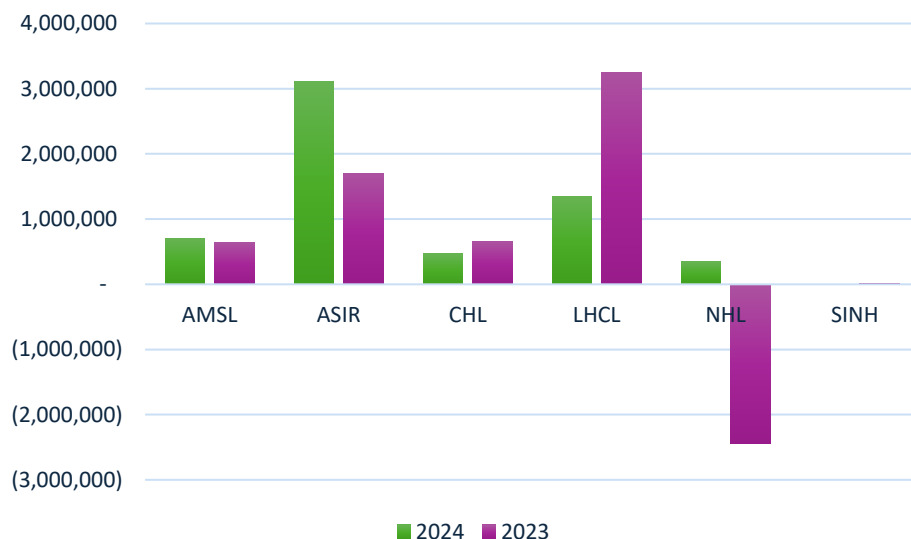


# Revenue Growth



Company Code	2024 000'	2023 000'	%
AMSL	6,614,921	5,634,695	17.40%
ASIR	28,566,878	24,785,716	15.26%
CHL	9,152,568	7,905,210	15.78%
LHCL	12,418,608	10,697,888	16.08%
NHL	10,648,333	9,305,061	14.44%
SINH	1,271,873	1,071,706	18.68%

# Net Profit Growth



Company Code	2024 000'	2023 000'	%
AMSL	708,405	640,029	10.68%
ASIR	3,114,520	1,699,258	83.29%
CHL	463,649	651,669	(28.85%)
LHCL	1,345,226	3,246,856	(58.57%)
NHL	347,971	(2,438,455)	114.27%
SINH	(81)	10,353	(100.78%)

# SHARE PRICE DETAILS

	Highest Market Price For the year ended		Lowest Market Price For the year ended		Market Price as at	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023	31.03.2024	31.03.2023
Nawaloka Hospitals PLC	6.00	7.40	3.70	5.50	4.10	5.70
Asiri Surgical Hospital PLC	14.70	13.60	11.10	12.20	11.60	12.50
Asiri Hospital Holdings PLC	28.60	27.50	20.00	23.40	25.00	24.90
The Lanka Hospitals Corporation PLC <sup>(1)</sup>	138.75	120.00	99.10	85.00	116.00	95.80
Ceylon Hospitals PLC (Voting)	141.75	151.50	110.00	125.50	119.75	132.25
Ceylon Hospitals PLC (Non - Voting)	121.00	122.75	92.20	85.00	101.75	95.40
Singhe Hospitals PLC	2.80	3.00	2.10	2.50	2.30	2.60

(1) Year ending 31<sup>st</sup> 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.

The reports and presentations given are not intended as an offer or solicitation for the purchase or sale of any financial instrument. The recipient of this report must make their own independent decision regarding any securities or financial instruments mentioned herein. Securities or financial instruments mentioned may not be suitable to all investors.

Furthermore, the information contained in this report are confidential and should not be shared publicly. Disclosure, copying and distribution is strictly prohibited.

For further details or clarifications Email us on [info@kseedsinvestments.com](mailto:info@kseedsinvestments.com)

Compiled by:

Dukaraha Arulrajah  
Senior Financial Analyst

Althaf Aman  
Financial Analyst

Surajj Zarook  
Financial Analyst

Gladwin Francis  
Financial Analyst