

MANAGEMENT DISCUSSION AND ANALYSIS

Executive Summary
1Q26 Performance

1Q26	THB mm	% Chg (YoY)
Operating Income	28,554	0%
EBITDA	7,016	(3)%
Net Profit	4,058	(7)%

Remark: YoY means changes compared to 1Q25

1Q26 Performance

Bangkok Dusit Medical Services Public Company Limited (“The Company”) and subsidiaries reported consolidated operating income for the first quarter of 2026 (“1Q26”) of Baht 28,554 million, flat YoY. This was due to flat YoY growth in Thai patient revenues, while international patient revenues grew 1% YoY. **Excluding the impact from the decline in Cambodian and Middle Eastern patient revenues** due to geopolitical conflicts, revenue from hospital operations in 1Q26 would have grown by 3% YoY, while international patient revenues would have increased by 10% YoY.

The Company and its subsidiaries reported EBITDA of Baht 7,016 million, decreased by 3% YoY. Net profit was Baht 4,058 million, decreased by 7% YoY.

Business Overview, Strategy and Industry Update

The Company is the largest private healthcare provider in Thailand. It operates a network of 60 hospitals under six hospital groups: Bangkok Hospital, Samitivej Hospital, BNH Hospital, Phyathai Hospital, Paolo Hospital, and Royal Hospital. Additionally, the Company is involved in supporting medical services, pharmaceutical production, saline solution production, and drug stores.

2026 Strategy: The Company is committed to achieving excellence in healthcare by focusing on medical treatments to achieve optimal outcomes at affordable prices (Value-Based Healthcare), aiming to drive sustainable business growth.

Industry Update and Emerging Risks Management:

The conflicts in the Middle East since March 2026 have led some Middle Eastern patients to postpone medical treatment in Thailand due to travel disruptions. In addition, the rapid rise in global oil prices has increased cost of living and influenced consumer behavior, prompting some Thai patients to defer non-urgent medical procedures, while treatments for necessary conditions still continue.

The Company is closely monitoring developments in the Middle East and remains appropriately prepared, particularly with respect to cost of pharmaceutical and medical supplies. The Company places strong emphasis on ensuring adequate and continuous management of drugs and medical consumables to help support the continuity of services.

Consolidated Financial Summary 1Q26 Comparing to 1Q25 (YoY)

Operating Income			
(THB mm)	1Q26	1Q25	YoY
Hospital operations	27,135	27,054	0%
Sales of goods	1,044	1,029	1%
Other income	375	369	2%
Total Operating Income	28,554	28,453	0%

In 1Q26, total operating income was Baht 28,554 million, an increase of Baht 102 million or flat YoY, primarily due to

- Revenues from hospital operations were Baht 27,135 million, an increase of Baht 80 million or largely flat YoY. Growth in Thai patient revenues was flat YoY while international patient revenues grew slightly by 1% YoY. As a result, the revenue mix between Thai and international patients stood at 69% : 31%, unchanged from 1Q25.

Geopolitical tensions in the Middle East since March 2026 has impacted revenues from both Thai and international patients. In addition, higher oil prices have increased the cost of living, resulting in some Thai patients postponing elective treatments, while necessary medical procedures continued as usual.

For Middle Eastern patients, travel disruptions caused delays in seeking medical treatment in Thailand. However, strong growth in January–February 2026 supported overall Middle Eastern patient revenues to remain broadly stable for the full quarter compared to 1Q25. Notably, tensions currently began to ease with more flight routes resuming, leading to a gradual return of Middle Eastern patients.

Additionally, the Thai-Cambodian border conflict since mid-2025 resulted in a significant

decline in Cambodian patient revenues, down 78% YoY in 1Q26, limiting overall international patient revenue growth to 1% YoY. **Excluding the impact from Cambodian and Middle Eastern patients**, revenue from hospital operations would have increased by approximately 3% YoY, while international patient revenues would have grown by around 10% YoY. This growth was supported by strong demand from Myanmar (+42%), American (+16%), and German (+15%) patients.

Revenues from hospital operations in Bangkok & Vicinity slightly decreased by 1% YoY while revenues from hospital operations outside Bangkok grew by 2% YoY.

In terms of revenue breakdown by type of patients, outpatient revenues rose by 2% YoY, whereas inpatient revenues declined by 1% YoY. The overall occupancy rate decreased to 60% in 1Q26, down from 67% in 1Q25, primarily due to a decline in inpatient volumes amid the domestic economic slowdown.

Revenues from hospital operations in 1Q26	Chg. (YoY)	% of revenues
Revenues growth from hospital operations <i>(Excluding Cambodia & Middle East)</i>	0% 3%	100%
Breakdown by nationality		
Thai	0%	69%
International <i>(Excluding Cambodia & Middle East)</i>	1% 10%	31%
Breakdown by location		
Bangkok & Vicinity	(1)%	52%
Outside Bangkok	2%	48%
Breakdown by type of patients		
Outpatients	2%	49%
Inpatients	(1)%	51%

- Revenues from sales of goods were Baht 1,044 million, slightly increased by 1% YoY due mainly to an increase in sales of A.N.B. Laboratories Co., Ltd and Save Drug Center Co., Ltd.
- Other incomes were Baht 375 million, increased by 2% YoY mainly from higher revenue of Mövenpick BDMS Wellness Resort.

Operating Expenses			
<i>(THB mm)</i>	1Q26	1Q25	YoY
Cost of hospital operations and others	18,159	17,686	3%
Administrative expenses	5,180	5,153	1%
Total Operating Expenses (Including depreciation)	23,338	22,839	2%

In 1Q26, the Company and its subsidiaries reported total operating expenses & depreciation of Baht 23,338 million, an increase of Baht 499 million or 2% YoY. The rise in total operating expenses & depreciation was mainly from higher doctor fees, drug and medical supply expenses as well as an increase in depreciation and amortization expenses resulting from the expansion of network hospitals.

Other Major Items

- **Finance expense** decreased to Baht 73 million in 1Q26 or decreased by 25% YoY from debentures redemption in 2Q25 and declining interest rate.

Profitability Analysis

<i>(THB mm)</i>	1Q26	1Q25	YoY
EBITDA	7,016	7,236	(3)%
EBITDA margin	24.6%	25.4%	
EBIT	5,250	5,642	(7)%
EBIT margin	18.4%	19.8%	
Corporate income tax	1,005	1,081	(7)%
Net profit	4,058	4,346	(7)%
Net profit margin	14.2%	15.3%	
EPS <i>(THB)</i>	0.26	0.27	(7)%
<i>Weighted average number of ordinary shares</i>			
<i>(mm shares)</i>	15,892	15,892	

Remarks

EBITDA = Total operating income – Total operating expenses (Excluding depreciation and amortization)

Profitability margin calculated based on operating income

The Company and its subsidiaries recorded 1Q26 EBITDA of Baht 7,016 million, decreased by 3% YoY resulting in a decrease in EBITDA margin from 25.4% in 1Q25 to 24.6% in 1Q26. Net profit of Baht 4,058 million, decreased by 7% YoY.

1Q26 Comparing with 4Q25 (QoQ)

Consolidated Financial Summary			
<i>(THB mm)</i>	1Q26	4Q25	QoQ
Total operating income	28,554	29,022	(2)%
Total operating expenses			
<i>(Including depreciation)</i>	23,338	24,383	(4)%
EBITDA	7,016	6,447	9%
EBITDA margin	24.6%	22.2%	
EBIT	5,250	4,668	12%
EBIT margin	18.4%	16.1%	
Corporate income tax	1,005	805	25%
Net profit	4,058	3,693	10%
Net profit margin	14.2%	12.7%	
EPS <i>(THB)</i>	0.26	0.23	10%

The Company and its subsidiaries reported total operating income decreasing by 2% QoQ. Thai patient revenues decreased by 5% QoQ while international patient revenues increased 9% QoQ.

Total operating expenses & depreciation decreased by 4% QoQ. As a result, the Company and its subsidiaries reported a 9% QoQ increase in EBITDA from 4Q25, with an EBITDA margin of 24.6% in 1Q26, up from 22.2% in 4Q25. Consequently, net profit rose 10% QoQ from 4Q25.

Summary of Statement of Financial Position

Assets			
<i>(THB mm)</i>	Mar 26	Dec 25	YoY
Cash & cash equivalents	7,377	6,342	16%
Trade & other current receivables	12,698	11,986	6%
Inventories	3,150	2,856	10%
Property, premises & equipment	99,794	99,552	0%
Goodwill	17,539	17,539	0%
Right-of-use assets	9,878	9,928	(1)%
Other assets	10,257	9,758	5%
Total assets	160,692	157,961	2%

As of 31 March 2026, the Company and its subsidiaries reported total assets of Baht 160,692 million, increased by 2% from 31 December 2025 due mainly to an increase in cash & cash equivalents Baht 1,035 million and Trade & other current receivables of Baht 712 million.

The Company carried goodwill of Baht 17,539 million, which remain unchanged from 31 December 2025. Goodwill were mainly from acquisitions. Such goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. However, the Company has considered that this goodwill is not impaired.

Other assets of Baht 10,257 million mainly consisted of (1) intangible assets which mainly were computer software of Baht 2,844 million (2) other non-current financial assets which were investment in equity and debt instruments of Baht 1,854 million, (3) investments in associates of Baht 1,271 million, and (4) other current financial assets which were investment in fixed deposits and mutual funds of Baht 731 million.

Liabilities and Equity			
<i>(THB mm)</i>	Mar 26	Dec 25	YoY
Short-term loans	-	3,500	(100)%
Trade & other current payables	7,420	7,522	(1)%
Accrued expenses	7,765	6,333	23%
Debentures *	3,000	3,000	0%
Long-term loans *	3,000	3,000	0%
Liabilities under lease agreements *	8,022	7,987	0%
Provision for life-long medical care programs	3,153	3,051	3%
Non-current provision for employee benefits	5,534	5,502	1%
Other liabilities	8,497	8,058	5%
Total liabilities	46,390	47,952	(3)%
Equity attributable to equity holder of the Company	110,192	105,894	4%
Non-controlling interests	4,109	4,114	(0)%
Total equity	114,301	110,009	4%

* Including current portion

Total consolidated liabilities as of 31 March 2026 were Baht 46,390 million, decreased 3% from 31 December 2025 due mainly to a decrease in short-term loans from financial institutions of Baht 3,500 million and netted with an increase in accrued expenses of Baht 1,432 million.

Total consolidated shareholders' equity as of 31 March 2026 was Baht 114,301 million, increased by 4% from 31 December 2025.

Liquidity and Capital Management

Cash Flow

(THB mm)	1Q26
Net cash provided by operating activities	6,545
Net cash used in investing activities	(1,912)
Net cash used in financing activities	(3,639)
Exchange differences on translation	42
Net increase in cash and cash equivalents	1,035
Beginning cash and cash equivalents	6,342
Ending cash and cash equivalents	7,377

For the three-month period ended 31 March 2026, the Company and its subsidiaries had a net increase in cash and cash equivalent of Baht 1,035 million from the beginning balance of Baht 6,342 million. As a result, cash and cash equivalents at the end of the period was Baht 7,377 million. Details of cash flow by activities during the period are as follows: -

Net cash flows provided by operating activities were Baht 6,545 million, mainly from profit in 1Q26.

Net cash used in investing activities were Baht 1,912 million comprising mainly from purchase of property, premises and equipment of Baht 1,743 million for hospital network renovation and expansion.

Net cash used in financing activities were Baht 3,639 million due mainly to repayment of short-term loans from financial institutions of Baht 3,500 million.

Ratios Analysis

	1Q26	1Q25
Returns (%)		
Return on Asset	9.9	10.8
Return on Equity	14.5	15.9
Liquidity (x)		
Current ratio	1.2	1.3
Assets & Liabilities Management (Days)		
Cash Cycle	20.9	18.8
Average Inventory Period	15.1	13.3
Average Collection Period	41.7	39.7
Average Payable Period	35.9	34.2
Leverage Ratios (x)		
Interest coverage	80.5	64.7
Total IBD to EBITDA	0.5	0.6
Net IBD to EBITDA	0.2	0.3
Debt service coverage ratio	8.0	11.8
Current portion of IBD to IBD (%)	23.9	14.5
Loan from financial institutions to IBD (%)	21.4	18.9
Debt to Equity Ratio (x)	Mar 26	Dec 25
Total liabilities to equity	0.4	0.4
Total IBD to equity	0.1	0.2
Net IBD to equity	0.1	0.1

Remarks

- Calculated by using last twelve months' performance
- Assets & Liabilities Management based on 360 days
- IBD means interest-bearing debt

ROA and ROE in 1Q26 decreased from 1Q25, driven by declining profits from operations, while the current ratio slightly decreased from 1Q25.

The average inventory period increased from 13.3 days in 1Q25 to 15.1 days in 1Q26. The inventories primarily consisted of medicines and medical supplies. The Company and its subsidiaries have an appropriate inventory management plan with internal control in place. The Company and its subsidiaries perform a physical inventory count at least once a year and record allowance for the expired, slow-moving and deteriorated inventories to reduce its cost to net realizable value.

The average collection period was 41.7 days in 1Q26, slightly increased from 1Q25. The Company and its subsidiaries have credit policies in place and assess credit limit based on customer creditworthiness. The average credit terms for domestic payers are approximately 30-60 days while international payers are approximately 30-90 days. The credit terms are reviewed annually to monitor and control credit risk.

The average payable period increased from 34.2 days in 1Q25 to 35.9 days in 1Q26 due to an increase in trade and other payable.

Cash Cycle slightly increased from 18.8 days in 1Q25 to 20.9 days in 1Q26.

For leverage ratios analysis, interest coverage ratio increased from 64.7x in 1Q25 to 80.5x in 1Q26 primarily due to a decrease in finance expense over the last 12 months. However, the Debt Service Coverage Ratio (DSCR) decreased from 11.8x in 1Q25 to 8.0x in 1Q26 due mainly to an increase in the current portion of interest-bearing debt.

Total interest-bearing debt to EBITDA slightly decreased to 0.5x in 1Q26 while net interest-bearing debt to EBITDA decreased to 0.2x in 1Q26.

For debt-to-equity ratio analysis, total interest-bearing debt to equity was 0.1x as of 31 March 2026, decreased from 0.2x as of 31 December 2025. Also net interest-bearing debt to equity stayed the same at 0.1x as of 31 December 2025 and 31 March 2026.

The Company and its subsidiaries strongly believe that they have sufficient liquidity to repay their debt within the covenants and will continue to be able to successfully adapt as the situation evolves.

Sustainable Development Update

Environmental: The Company continues to advance its “**BDMS Green Healthcare**” initiative.

In addition, the Company has implemented a broad range of energy conservation and sustainability measures. These include maintaining air-conditioning at appropriate energy-efficient temperatures, preserving equipment efficiency through regular maintenance, optimizing the use of air-conditioned areas and lighting systems, and encouraging stair use in place of elevators. The Company also continues to promote the adoption of electric vehicles and virtual meetings.

To further reduce waste and improve resource efficiency, the Company has accelerated paperless operations and supported the transition to reusable medical textiles. These initiatives reflect the Company’s commitment to optimizing resource efficiency while continuing to uphold the highest standards of service quality.

Social: The Company continues to build “**Sustainability DNA**” throughout the organization by embedding sustainability principles into the redefinition of “**BDMS Core Values**” and embedding awareness from the new employee onboarding process. The Company also enhances employees’ digital literacy through foundational AI training, supporting greater operational efficiency.

In addition, the Company continues to contribute to public health and community safety through its “**We Can Be Hero**” initiative, under which Basic Life Support Training was provided to more than 9,200 stakeholders during 1Q26.

Governance: The Company has further strengthened its sustainability governance through the restructuring of its sustainability management framework including the establishment of the **Corporate Governance and Sustainability**

Committee. The Committee is responsible for overseeing sustainability-related governance, including setting strategic directions and policies, monitoring performance, and managing sustainability-related risks.

The Company also continues to promote innovation governance, and organization culture through the BDMS Awards, a key platform for encouraging idea generation, knowledge sharing, and development of innovation capabilities.

In parallel, the Company strengthened supply chain resilience through supplier diversification and alternative sourcing of critical medical supplies, pharmaceuticals, and medical materials. The Company has also optimized inventory management and maintained adequate stock levels for high-demand pharmaceuticals to support continuity of care. In addition, the Company continues to reduce plastic usage and explore alternative packaging materials as part of its commitment to responsible resource management.
