

No. PRINC-69-003

May 14, 2026

Subject: Management Discussion and Analysis of the Consolidated Financial Statements for the First Quarter Ending March 31, 2026

To: President  
The Stock Exchange of Thailand

Principal Capital Public Company Limited and its subsidiaries (“PRINC”) would like to clarify operating results for the first quarter ending March 31, 2026, as follows.

**1. Economic and industry conditions affecting operations, policies, strategies, and business decisions, including business operation results in Q1/2026**

In Q1/2026, the consolidated revenues from healthcare services reached THB 1,542.9 million, a 5.52% increase year-over-year (YoY), whereas EBITDA were THB 125.29 million, a 1.93% decrease YoY. Both results were under expectations, which were mainly caused by the following impacts:

- The Middle East conflict, starting on 28 February 2026, has created widespread volatility **to both global and Thai economies, hence customers’ purchasing power as it triggered a significant rise in oil prices and severe global inflation. These have impacted our business in terms of both revenues and costs.** Due to higher cost of living, patients deferred or skipped medical treatments, leading to a decline in the number of patients, particularly in inpatient admissions. In addition, sharp rise in oil prices and inflation from the Middle East conflict has increased our operating and service costs, resulting in lower profit margins in Q1/2026.
- Thailand-Cambodia border conflict has resulted in a significant decline in the number of patients from Cambodia. However, through accelerated marketing

activities and the establishment of partnerships in Laos to facilitate patient referrals, our hospitals in the northeastern region have benefited from increase in higher number of Laotian patients to compensate for those impacts.

- The impact of insurance companies' co-payment policy has remained limited. PRINC has proactively improved operational processes to comply with the new insurance claim criteria, as well as launched new attractive healthcare service packages to retain our customers.
- Headline inflation was projected to an average of 2.9% for April 2026, mainly due to a significant rise in fuel prices. While the Monetary Policy Committee (MPC) announced to maintain the policy interest rate at 1.0% (following the MPC Meeting No. 2/2026 held in April) in order to ease financial tightening. As a result, interest rates are expected to remain at a low level. The MPC also projects that headline inflation will gradually decline to an average of 1.5% in 2027 after easing of supply-side pressures.

Under those unfavorable circumstances, PRINC still managed to increase our top-line growth through the acquisitions of three hospitals in two provinces. This strategy has enabled us to obtain the existing customer base and generate revenues immediately after the acquisitions. These acquisitions included Thanakarn Hospital ("PKAN") in Kanchanaburi Province acquired in June 2025, and Por Phat 1 Hospital ("PPAT") and Por Phat 2 Hospital ("PKRT") in Nakhon Ratchasima Province, acquired in January 2026. As a result, PRINC currently operates 18 hospitals, with one additional hospital scheduled to commence its operations by June this year.

## **2. Major developments in Q1/2026 & after the reporting period**

PRINC has ongoing plans to drive growth in both revenue generation and medical service advancement through the following activities:

### Q1/2026

- On 16 January 2026, PRINC has acquired an approximately 57% stake, valued at roughly THB 673.7 million, in N.D.S. 34 Company Limited ("NDS34"). NDS34 operates the PPAT and PKRT hospitals in Nakhon Ratchasima Province. This







































acquisition is a strategic partnership with the Sanguantrakul Family, who are the original and current shareholders and executives of the Por Phat Hospital Group. This investment will enhance the group's growth potential and bolster its overall competitive advantage in the Northeastern of Thailand.

- On March 19, 2026, Baanmhor Pongsak Company Limited, operating business involving senior care and nursing home, opened its first branch at Srinagarindra Road, which is located nearby one of PRINC hospitals. Furthermore, the second branch will commence by this May.

In addition, PRINC continues to drive growth through the following initiatives:

- In June, 2026, Principal Healthcare - Kamphaengphet Co., Ltd. ("PKPP") will commence its operations. The construction is currently completed.
- In October 2026, Pitsanuvej Hospital ("PSV") will open additional outpatient service areas in its new building. And in January 2027, PSV plans to launch full-scale cancer treatment services, including radiation therapy, which will enhance its capability and quality of cancer care. Currently, the construction progress of this new building is at 70 percent.
- In October 2026, Pitsanuvej Phichit Hospital ("PPCH") will open additional service areas in its new building, including outpatient services, emergency services, and operating rooms. Currently, the construction progress of this new building is at 61 percent.

In addition, PRINC continues to focus on strategies to enhance medical service capabilities and to conduct its business in line with ESG principles. Our hospitals have received various quality certifications as follows:

	PSUV	PSV	PPRP	PPNP1	PPNP2	PPCH	PUTD	PUTH	PCPN	PSSK	PUBN	PSNK	PLPN1	PLPN2	PMDH	PPAT	PKRT
 <b>Joint Commission International (JCI):</b> การรับรองคุณภาพมาตรฐานพยาบาลในระดับสากล																	
 <b>Healthcare Accreditation (HA):</b> การรับรองคุณภาพจากสถาบันรับรองมาตรฐานพยาบาล	 Level 2		 Level 2	 Level 3	 Level 3	 Level 3	 Level 3	 Level 3	 Level 3	 Level 3	 Level 3	 Level 2	 Level 2	 Level 2		 Level 2	 Level 2
 <b>Himss Analytics Stage 7:</b> มาตรฐานสูงสุดด้านเทคโนโลยีสารสนเทศโรงพยาบาล																	
 <b>Healthcare Asia Awards 2026:</b> รางวัลเชิดชูความสำเร็จของโรงพยาบาลและบริการด้านการแพทย์ในเอเชีย																	
 <b>Green &amp; Clean Hospital Challenge:</b> การรับรองมาตรฐานจากกรีนแอนด์คลีน	 3 Challenge	 2 Challenge		 Excellent	 Excellent	 Excellent	 Excellent	 Excellent	 Standard	 Excellent	 Standard	 Excellent	 Excellent		 Excellent		

Remark:

1. Princ Hospital Suvarnabhumi (“PSUV”)
2. Pitsanuvej Hospital (“PSV”)
3. Ruamphat Phitsanulok Hospital (“PPRP”)
4. Pitsanuvej Phichit Hospital (“PPCH”)
5. Pitsanuvej Uttaradit Hospital (“PUTD”)
6. Princ Hospital Paknampo 1 (“PPNP1”)
7. Princ Hospital Paknampo 2 (“PPNP2”)
8. Princ Hospital Uthai Thani (“PUTH”)
9. Princ Hospital Lamphun (“PLPN1”)
10. Sirivej Lamphun Hospital (“PLPN2”)
11. Virajsilp Hospital (“PCPN”)
12. Princ Hospital Sisaket (“PSSK”)
13. Princ Hospital Ubonratchathani (“PUBN”)
14. Princ Hospital Sakon Nakhon (“PSNK”)
15. Princ Hospital Mukdahan (“PMDH”)
16. Thanakarn Hospital (“PKAN”)
17. Por Phat 1 Hospital (“PPAT”)
18. Por Phat 2 Hospital (“PKRT”)

### 3. Operational Summary

- Comparison the operating performance results for the three months ending 31 March in 2026

Table 1

Consolidated Profit and Loss Unit: Million Baht	1Q2026	1Q2025	YoY	
			Amount	%
Revenues from healthcare services	1,542.9	1,462.2	80.7	5.52
Gross profit (loss)	274.2	290.4	(16.2)	-5.59
*Earnings before interest, taxes, depreciation, and amortization from core operations (EBITDA)	125.3	127.8	(2.5)	-1.93
Profit (loss) before income tax expense	(117.0)	(88.9)	(28.1)	n.m.
<b>Profit (loss) for the year</b>	<b>(127.8)</b>	<b>(112.9)</b>	<b>(14.9)</b>	<b>n.m.</b>

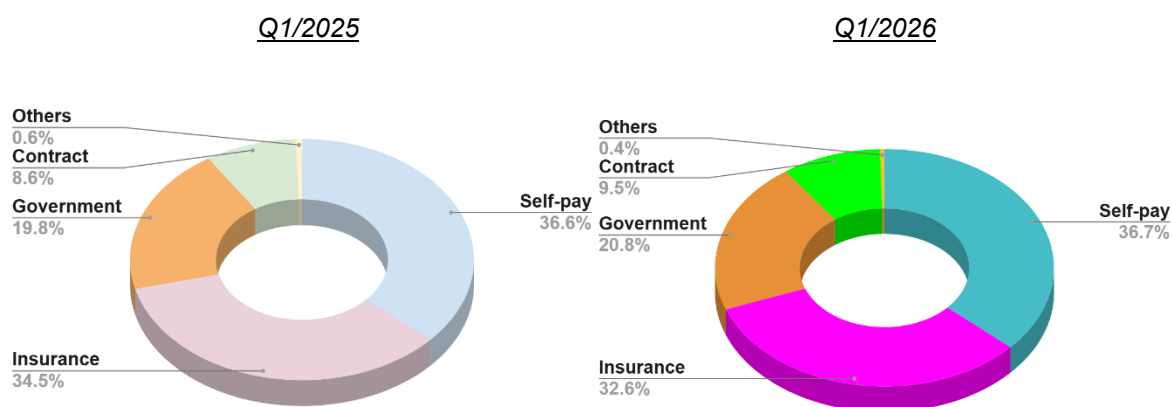
\*Earnings before interest, taxes, depreciation, and amortization (EBITDA): This calculation excluded (1) gain on reversal (loss) on expected credit losses, and (2) share of profit (loss) from associates and joint ventures using equity method.

- Revenues from healthcare services in Q1/2026 was THB 1,542.9 million, an increase by THB 80.7 million or 5.52% increase YoY. This resulted from our business expansions in June 2025 & January 2026 as mentioned earlier.
- An increase in inflation and cost of living impacted on not only healthcare consumption decision making but also higher operating & service costs. This resulted in lower profitability. Gross profit decreased by THB 16.2 million and EBITDA slightly dropped by THB 2.5 million YoY, resulting from increase in our direct costs and selling & administrative expenses. Net loss for this period was a deficit of THB 127.8 million, a reduction of THB 14.9 million YoY.

PRINC is well aware of current economic sensitivities and has implemented various cost management measures alongside accelerated efforts to reduce expenses. Furthermore, PRINC continues to take a proactive marketing approach to gain additional customers.

- Revenue Breakdown by Key Payor Type

The key payor groups can be classified into five types of which four major types are self-pay, insurance, government, and contract. Revenue breakdown is as follows:



Note: Data exclude PPAT & PKRT

### 3. Financial Summary

- Financial Position Highlights

Interest-bearing debts to shareholders' equity for the parent company was increased from 0.48x to 0.61x or by 0.12x YoY. And debt to equity ratio was increased from 0.66x to 0.80x or up 0.14x YoY. This reflected our business expansion activities over the past period were funded mainly by borrowings from financial institutions.

Table 2

Consolidated Balance Sheet Unit: Baht Million, except noted	Mar 31, 2025	Dec 31, 2024	Change	
			Amount	%
Property, plant and equipment, net	10,704.2	9,857.4	846.8	8.59
Assets acquired in business combination - under purchase price allocation	330.6	0.0	330.6	n.m.
<b>Total Assets</b>	<b>16,511.5</b>	<b>15,269.2</b>	<b>1,242.2</b>	<b>8.14</b>
Short-term borrowings from financial institutions	1,389.6	656.3	733.3	111.72
Long-term borrowings from financial institutions	2,802.4	2,637.4	165.0	6.25
Current portion of long-term borrowings - from financial institutions	575.3	492.7	82.6	16.77
Lease liabilities	343.9	333.1	10.8	3.24
Current portion of lease liabilities	101.4	95.4	6.0	6.26
Borrowings from another party	5.4	5.7	(0.3)	-5.26
<b>Interest-Bearing Debts</b>	<b>5,217.9</b>	<b>4,220.6</b>	<b>997.3</b>	<b>23.63</b>
<b>Total Liabilities</b>	<b>6,900.0</b>	<b>5,787.9</b>	<b>1,112.1</b>	<b>19.21</b>
<b>Equity Attributable to the Parent Company</b>	<b>8,613.9</b>	<b>8,727.0</b>	<b>(113.1)</b>	<b>-1.30</b>
Interest-Bearing Debts to Equity* (Unit: Time)	0.61	0.48	0.12	25.25
Debt to Equity* Ratio (Unit: Time)	0.80	0.66	0.14	20.78

\* Refer to: Equity Attributable to the Parent Company

- Financial Ratio Analysis

Table 3

Highlight Financial Ratio	Unit	1Q2026	1Q2025	YoY
<b>Liquidity Ratio</b>				
Current Ratio <sup>1</sup>	Time	<b>0.42</b>	1.03	<b>-0.62</b>
Quick Ratio <sup>1</sup>	Time	<b>0.35</b>	0.88	<b>-0.53</b>
* AR Turnover <sup>2</sup>	Time	<b>10.27</b>	9.98	+0.29
* Average Collection Period <sup>2</sup>	Day	<b>35.54</b>	36.58	<b>-1.03</b>
Inventory Turnover <sup>2</sup>	Time	<b>34.75</b>	35.13	<b>-0.37</b>
Average Sale (Inventory) Period <sup>2</sup>	Day	<b>10.50</b>	10.39	+0.11
* AP Turnover <sup>2</sup>	Time	<b>5.97</b>	6.11	<b>-0.14</b>
* Average Payment Period <sup>2</sup>	Day	<b>61.15</b>	59.73	+1.42
* Cash Cycle <sup>2</sup>	Day	<b>-15.10</b>	-12.76	<b>-2.34</b>
<b>Activity Ratios</b>				
* Total Asset Turnover <sup>2</sup>	Time	<b>0.39</b>	0.35	+0.05
Fixed Asset Turnover <sup>2</sup>	Time	<b>0.56</b>	0.59	<b>-0.03</b>
<b>Leverage Ratios</b>				
Debt /Equity Ratio <sup>1</sup>	Time	<b>0.80</b>	0.56	+0.24
Interest Coverage Ratio <sup>2</sup>	Time	<b>-1.50</b>	-1.21	<b>-0.28</b>
* Debt Service Coverage Ratio <sup>2</sup>	Time	<b>0.34</b>	0.16	+0.17
<b>Profitability Ratios</b>				
Gross Profit Margin <sup>3</sup>	%	<b>17.74</b>	19.83	<b>-2.09</b>
Operating Profit Margin <sup>3</sup>	%	<b>-4.08</b>	-2.71	<b>-1.37</b>
EBITDA Margin <sup>3</sup>	%	<b>7.94</b>	8.63	<b>-0.69</b>
Net Profit Margin <sup>3</sup>	%	<b>-8.10</b>	-7.62	<b>-0.48</b>
* Return on Assets <sup>2</sup>	%	<b>-1.71</b>	-1.79	+0.07
Return on Equity <sup>2</sup>	%	<b>-4.76</b>	3.26	<b>-8.01</b>

Remark: (\*) denotes key financial ratios that performed relatively better than Q1/2025

1: Data as of March 31, 2026 or 2025

2: Data for the 4-quarter period ending March 31, 2026 or 2025 (Trailing-Four-Quarters)

3: Data for the 3-month period ending March 31, 2026 or 2025 (Year-to-Date)

### Analysis of Liquidity Ratios

- (1) A decrease of current ratio from 1.03x to 0.42x, and a decrease of quick ratio from 0.88x to 0.35x reflected lower liquidity. This is mainly due to increase in short-term borrowings to support business expansions and working capitals.
- (2) However, cash cycle days for the trailing-4-quarter period ending March 31, 2026 was improved by 2 days. This improvement was attributable to the more efficient management of receivable collections and longer payment period to suppliers.
- (3) It is expected the Middle East conflicts could lead to shortage of imported medicines and medical supplies. PRINC hospitals have strategically increased the amount of inventory of such items, higher than our normal practice. This led to an increase in inventory turnover days.

### Analysis of Efficiency Ratios

- (1) Total asset turnover increased from 0.35x to 0.39x for the trailing-4-quarter period ending March 31, 2026. The increase was attributable to the divestment in the property business which had comparatively low asset turnover.
- (2) Fixed asset turnover slightly dropped from 0.59x to 0.56x. This was mainly due to active investments and expansions in hospitals and healthcare related businesses, leading to increase in fixed assets subsequently.

### Analysis of Leverage Ratios

- (1) Debt to equity ratio was 0.80x, a 0.24x increase, due to increase in loans from financial institutions to support business expansions as mentioned earlier.
- (2) Interest coverage ratio was 0.15x, a 0.28x decrease, due to lower EBIT.
- (3) Debt service coverage ratio was 0.34x, or a 0.17x increase, representing the improved short-term debt-servicing capacity.

## Analysis of Profitability Ratios

- (1) The improvement of return on assets in Q1/2026 from negative 1.79% to negative 1.71% represented our profitability to generate additional revenues from our investments including new business expansions over the past year.
- (2) Profitability relative to revenues in this quarter was lower than that of the previous year. This was due to unfavorable economic conditions that, although created a slight increase in revenues, generated increase in inflation and increase in operating costs, that led to overall decrease in our margins. Gross profit margin decreased from 19.83% to 17.74%. Operating profit margin decreased from negative 2.71% to negative 4.08% and net profit margin decreased from negative 7.62% to negative 8.10%.

Intense competition and unfavorable economic conditions have urged us to balance growth, profitability and disciplined cost management in order to achieve sustainable performance. We believe that this commitment can lead us through uncertain times.

For your kind acknowledgement.

Yours respectfully,  
– Signature –  
(Mr. Tharin Eampetcharapong)  
Chief Financial Officer