



Management Discussion and Analysis

Financial Performance for the Period Ended 31 March 2026

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Overview of the Private Hospital and Healthcare Industry for Quarter 1/2026

In the first quarter of 2026, the private hospital industry faced challenges from the economic slowdown and rising operating costs. These issues were partly caused by conflicts in the Middle East, which affected the supply chains of many upstream products. In addition, changes in the health insurance system toward a co-payment model led consumers to spend more carefully. Many people postponed treatment for minor illnesses and increasingly chose to use social security or government healthcare benefits to better manage their personal expenses. However, the industry continued to receive strong support from the aging population and the growing number of patients with non-communicable diseases (NCDs), which require continuous and more complex treatment. At the same time, the increasing popularity of preventive healthcare also contributed to industry growth. These structural factors are expected to continue driving long-term demand for medical services overall.

Thonburi Healthcare Group Public Company Limited (“the Company”) continues to focus on expanding its advanced medical services and increasing awareness of its Centers of Excellence on an ongoing basis. At the same time, the Company aims to improve cost management and operational efficiency within the organization. In addition, the Company continues to invest in modern medical technologies to strengthen its competitive capabilities and reinforce its position as a sustainable healthcare leader in Thailand.

Summary of the Company’s Operating Performance for Q1/2025

In the first quarter of 2026, the Company reported total operating revenue of THB 2,153.1 million, representing a decrease of (3.5%) YoY. The main factor was a (1.4%) decline in revenue from the hospital business group, mainly due to external factors, including the Thailand–Cambodia dispute and conflicts in the Middle East. These situations led to a decrease in the number of international patients visiting Thonburi Bamrungmuang Hospital. However, the Company was still able to maintain its domestic market share. Revenue from outpatient services (OPD) remained stable, while revenue from inpatient services (IPD) declined for non-complex diseases due to the co-payment policy introduced by insurance companies. At the same time, the hospitals within the group continued to gain trust in treating more complex and severe diseases, as reflected by the continuously increasing case-mix ratio.

Revenue from other operating activities decreased by (20.0%). The main reason was the expiration of a heart center service agreement with a public hospital at the end of the first quarter of 2025, which is currently awaiting the result of a new bidding process. In addition, although Jin Wellbeing County continued to receive room reservations, there was no transfer of ownership during this period. As a result, no revenue from this project was recognized in this quarter.

The Company reported EBITDA of THB 396.3 million, a decrease of (14.3%), while net profit was THB 26.9 million, representing an increase of 105.8% YoY. However, after adjusting for special items of THB 40.7 million recorded in the first quarter of 2025 to reflect normal operating performance, adjusted EBITDA decreased by only (6.1%), while adjusted net profit increased by 237.8%. (Adjusted net profit for the first quarter of 2025 showed a net loss of THB (19.5) million.) This reflects the Company’s effective internal management and the strength of its profit structure despite volatile market conditions.

Significant Events and Developments of the Company in Q1/2026

Period	Significant Events and Developments
February 2026	Ubonrak Thonburi Hospital officially launched its Cancer and Wellness Center on February 14, 2026. The center is a five-story building developed under the “Side by Side” concept, provides an integrated care system from prevention, risk assessment, screening, personalized health planning treatment, and long-term follow-up care. The building brings together key services in one location, including a wellness clinic, check-up center, specialized cancer clinic, chemotherapy, and radiation therapy. This approach helps improve continuity of care within the community. It marks a step toward “Smart & Seamless Care,” aiming to provide advanced healthcare services that are truly accessible, close to home, and reassuring from the very first step.
March 2026	Thonburi Thawiwattana Hospital celebrated 33rd anniversary with the official opening of “Building 3” on March 26, 2026, under the concept of “Advanced Care: A Step Beyond” The new building was developed to support the growing number of patients while highlighting the hospital’s expertise in orthopedic surgery through the use of the VELYS™ Robot-Assisted Solution for knee replacement procedures. This advanced technology strengthens the hospital’s capability in treating complex diseases and helps address healthcare challenges in a fully aging society.



Analysis of Consolidated Operating Performance

Table 1: Consolidated Performance

Profit and Loss Statement (Unit : THB Million)	Consolidated Financial Statement		
	Quarter 1	Quarter 1	Change
	2025	2026	(%)
Revenue from Hospital Operations	1,976.7	1,949.0	(1.4%)
Revenue from Other Operations	255.0	204.1	(20.0%)
Total Operating Revenue	2,231.7	2,153.1	(3.5%)
Cost of Hospital Operations	(1,516.3)	(1,518.6)	+ 0.2%
Cost of Other Operations	(216.3)	(193.4)	(10.6%)
Total Cost of Goods and Services	(1,732.6)	(1,712.0)	(1.2%)
Gross Profit from Hospital Operations	460.4	430.4	(6.5%)
Gross Profit from Other Operations	38.6	10.7	(72.3%)
Gross Profit from Operations	499.0	441.1	(11.6%)
Selling and Administrative Expenses	(418.5)	(389.7)	(6.9%)
Other Income / Expense (Net)	25.2	13.3	(47.1%)
Share of Profit from Investment	38.8	42.6	+ 9.6%
Net Gain/(Loss) - others	38.8	4.5	(88.4%)
Expected Credit Losses	(2.1)	(1.8)	(12.1%)
Finance Cost	(107.8)	(45.9)	(57.4%)
Profit before Income Taxes	73.4	64.0	(12.7%)
Income Taxes	(47.3)	(31.7)	(33.0%)
Net Profit for the Period	26.0	32.3	+ 24.2%
Non-Controlling Interest	13.0	6.7	(48.7%)
Net Profit for the Period - Parent	13.1	25.7	+ 96.6%

Special Items

- In 1Q2025, Gain on sale of non-operating land of Thonburi Hospital amounting to THB 40.67 million before income tax (THB 32.55 million after income tax).

Revenue from Operations

The Company reported operating revenue of THB 2,153.1 million in the first quarter of 2026, representing a decrease of (3.5%) compared to the same period last year.

Cost of Hospital Operations (Unit : THB Million)	Quarter 1 2025	Quarter 1 2026	Change (%)
Revenue from Hospital Operations	1976.7	1948.9	(1.4%)
▪ Inpatient Revenue – Net	55%	54%	(4.9%)
▪ Outpatient Revenue – Net	44%	45%	0.5 %
Revenue from Sales of Goods	40.7	45.1	+ 10.6%
Revenue from Other Services	207.7	159.0	(23.4%)
Revenue from Condominium Sales	6.6	0	(100%)

Revenue from Hospital Operations In the Q1/2026, it amounted to THB 1,948.9 million, representing a decrease of (1.4%), consisting of: **Inpatient Revenue** decreased by (4.9%) YoY. The decline was mainly due to a lower number of patients, especially among international patients and self-paying customers, amid the economic slowdown and travel limitations affecting some patients. As a result, many patients postponed non-urgent treatments. However, patients with necessary medical needs continued to seek treatment and maintained confidence in the quality of the hospitals within the group. The main hospitals continued to show strong growth through marketing strategies and the treatment of complex diseases. Meanwhile, Thonburi Bamrungmuang Hospital adjusted its strategy to focus more on Thai patients and strengthened cooperation with emergency ambulance networks, helping to partially offset the decline in international patients. Meanwhile, **Outpatient Revenue** increased by 0.5% YoY. in the first quarter of 2026, supported by the continuous implementation of marketing strategies.

Revenue from Other Operations In Q1/2026, it amounted to THB 204.3 million, representing a decrease of (19.9%). The main reason was the decline from the management of a heart center at a public hospital, following the expiration of the service contract at the end of the quarter 1/2025. Meanwhile, Jin Wellbeing County recorded room reservations and expects property transfers to take place in the quarter 2/2026. However, no revenue from the project was recognized during this quarter. On the other hand, revenue from Sales of Goods increased by 10.6%, mainly driven by higher sales from subsidiaries.

Cost of Sales and Services

Cost of Hospital Operations (Unit : THB Million)	Quarter 1 2025	Quarter 1 2026	Change (%)
Cost of Hospital Operations	(1,516.3)	(1,518.6)	+ 0.2 %
% To Revenue from Hospital Operations	76.7 %	77.9 %	
Cost of Other Operations	(216.3)	(193.3)	(10.6 %)
% To Revenue from Other Operations	84.9 %	94.7 %	
SG&A expense	(418.5)	(389.7)	(6.9 %)
% To Total Revenue	18.8 %	18.1%	

The Company reported costs of sales and services of THB 1,710.8 million in the first quarter of 2026, representing a decrease of (1.3%). The main factor was a (10.6%) decrease in costs from other operating activities, mainly due to the expiration of the contract for managing a heart center at a public hospital and the absence of condominium unit transfers during this quarter. Meanwhile, hospital operating costs remained similar to the same period last year despite lower hospital revenue, as fixed costs and medical personnel expenses could not be adjusted immediately in response to economic conditions and macroeconomic factors. This was necessary to maintain competitiveness and service quality for patients. Selling and administrative expenses decreased by (6.9%) compared to the same period last year, supported by effective cost control measures that the Company has continuously implemented since 2025.

Share of Profit from Associates and Joint Ventures

The Company reported a share of profit from associates and joint ventures of THB 42.6 million in the first quarter of 2026, representing an increase of 9.6%. The growth was mainly driven by the strong performance of ArYu International Hospital in the Republic of the Union of Myanmar, supported by a continuous increase in the number of patients, higher average outpatient spending per visit, and higher average inpatient spending per day. However, the performance of Ubonrak Thonburi Hospital and Sirivej Hospital Chanthaburi weakened compared to the previous year, mainly due to the Thailand–Cambodia dispute, which affected the number of Cambodian patients.

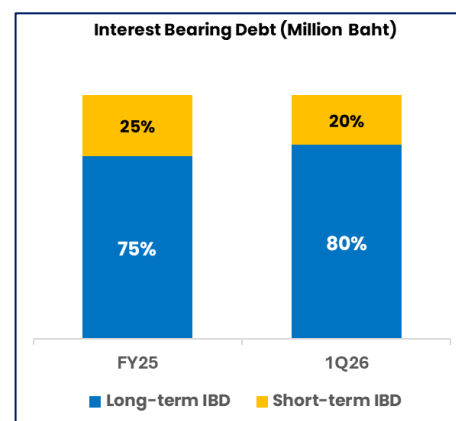
Net Profit / (Net Loss)

In the first quarter of 2026, the Company reported a net profit of THB 25.7 million, representing an increase of 96.7% YoY. Although operating revenue declined due to external factors, the Company demonstrated more effective cost and expense management. In addition, the financial restructuring implemented in September 2025 significantly reduced financing costs.

Analysis of Financial Position

Table 2: Comparison of the Company’s Financial Position

Financial Position (Unit : THB Million)	Consolidated Financial Statement		
	Y2025	Q1/2026	Change
Current Assets	3,223.8	2,769.4	(14.1%)
Non-current Assets	17,226.4	17,736.9	+ 3.0%
Total Assets	20,450.2	20,506.2	+ 0.3%
Current Liabilities	2,421.6	2,357.1	(6.8%)
Non-current Liabilities	3,496.2	3,653.0	+ 4.5%
Total Liabilities	5,917.8	5,910.1	(0.1%)
Total Shareholder Equity	14,532.4	14,596.2	+ 0.4%



Assets As of March 31, 2026, total assets amounted to THB 20,506.2 million, an increase of THB 56.0 million, or 0.3%, compared to the end of 2025. The increase was mainly driven by higher cash and cash equivalents, financial assets measured at fair value through profit or loss, and investments in associates and joint ventures. This increase was partially offset by higher accumulated depreciation and amortization related to property, plant and equipment, right-of-use assets, and intangible assets. In addition, the Company reclassified its inventory categories by transferring condominium units for sale under the Jin Wellbeing County project to non-current inventories.

Liabilities As of March 31, 2026, the Company’s total liabilities amounted to THB 5,911.3 million, a decrease of THB (7.7) million, or (0.1%) YoY. The decrease was mainly due to additional repayments of bank loans, partially offset by new bank borrowings by subsidiaries.

Shareholders’ equity As of March 31, 2026, shareholders’ equity amounted to THB 14,595.0 million, an increase of THB 63.7 million, or 0.4% YoY. The increase was mainly driven by the Company’s net profit of THB 26.7 million in the first quarter of 2026, along with a THB 30.2 million increase in other components of shareholders’ equity from the translation of the financial statements of ArYu International Hospital.

Table 3: Key Financial Ratios for Measuring Liquidity and Capital Structure of the Company

Key Financial Ratio	Consolidated Financial Statement		
	Q1/2025	Y2025	Q1/2026
1. Current Ratio (times)	0.36	1.33	1.23
2. Gross Profit Margin (%)	22.36 %	22.64 %	20.54 %
3. EBITDA Margin (%)	19.81 %	20.12 %	17.90 %
4. Normalized EBITDA Margin (%)	18.07 %	20.00 %	17.90 %
5. Net Profit Margin (%)	0.58 %	1.04 %	1.25 %
6. Normalized Net Profit Margin (%)	- 0.87 %	0.92 %	1.25 %
7. Return on Asset (%)	- 4.68 %	3.40 %	3.07 %
8. Normalized Return on Asset (%)	2.58 %	3.37 %	3.21 %
9. Return on Shareholder Equity (%)	- 20.77 %	0.93 %	1.06 %
10. Normalized Return on Shareholder Equity (%)	- 2.14 %	0.82 %	1.25 %
11. Debt to Shareholder Equity (times)	1.51	0.41	0.40
12. Interest Bearing Debt to Shareholder Equity (times)	1.21	0.26	0.26
13. Normalized Debt Service Coverage Ratio (times)	0.57	1.45	1.78
14. Normalized Interest Coverage Ratio (times)	5.77	2.04	2.06
15. Averaged Inventory Period (Days)	50	49	50
16. Average Collection Period (Days)	61	51	49
17. Average Payment Period (Days)	78	82	79
18. Cash Conversion Cycle (Days)	33	19	21

Note: Ratios number 7–10 and 13–18 is calculated based on the trailing twelve months (TTM) income statement data.

Analysis of Cash flow statement

Table 4: Comparison of the Company’s Cash Flow Statement

Cash Flow Statement (Unit : THB Million)	Consolidated Financial Statement		
	Q1/2025	Q1/2026	Change
Net cash generated from/(used in) operating activities	351.9	208.0	(143.9)
Net cash generated from/(used in) investing activities	(182.4)	(118.8)	+ 63.6
Net cash generated from/(used in) financing activities	(68.5)	(45.2)	+ 23.3
Net increase (decrease) in cash and cash equivalents	100.9	44.0	(56.9)
Cash and cash equivalents at the beginning of period	459.7	1,006.7	+ 547.0
Unrealized exchange gain (loss) in cash and cash equivalents	0.3	1.5	+ 1.2
Cash and cash equivalents at the end of period	560.9	1,052.2	+ 491.3

- **Net cash generated from operating activities** amounted to THB 208.0 million, a decrease of THB 143.9 million YoY. The main reason was changes in working capital, particularly trade and other receivables. In the first quarter of 2025, the Company collected a significant amount of outstanding payments from government agencies related to Thonburi Bamrungmuang Hospital and Thonburi Sermrath Co., Ltd. Currently, debt collection from the Company’s receivables has returned to normal credit terms and policies.
- **Net cash used in investing activities** amounted to THB (118.8) million, mainly due to investments in the renovation and expansion of the new patient building at Thonburi Thawiwattana Hospital and Thonburi Lanta Medical Center.
- **Net cash used in financing activities** amounted to THB (45.2) million, mainly due to repayments of long-term loans from financial institutions and lease liability payments.

Business Outlook 2026

In 2026, the private hospital industry continues to face challenges from economic conditions and geopolitical factors, which have affected both consumers’ purchasing power and business operating costs. Therefore, the Company focuses on effective cost management together with supply chain risk management, especially for medicines and medical supplies, to ensure continuous service operations. The Company maintains sufficient inventories of medicines and medical supplies for approximately three months and has entered into advance purchase agreements. These measures help reduce risks from supply disruptions and cost fluctuations to a certain extent.

For the second quarter of 2026, the Company expects its operating performance to improve slightly. The Company will continue to focus on cost control and operational efficiency management. At the same time, the beginning of the rainy season in early May and the reopening of schools may support demand for medical services among certain patient groups.



In the third and fourth quarters of 2026, which are considered the high season for the business, the Company expects to continue its marketing activities and expand its patient base. The Company will focus particularly on proactive marketing for complex disease treatments in nearby areas, including the southern region of Thailand. At the same time, the Company aims to benefit from the seasonal increase in demand for medical services and the spread of illnesses during the rainy season and early winter period. These factors are expected to support revenue growth and the appropriate expansion of the patient base.

In addition, the Company continues to strengthen its business capabilities through collaboration and resource sharing with the Ramkhamhaeng Hospital Group in all aspects. This includes joint procurement, the development of patient referral systems, the exchange of medical knowledge, and the shared use of medical equipment and technology. The Company also plans to expand its hospital network to cover key regions across the country in order to enhance competitiveness and support sustainable long-term growth. At the same time, the Company remains committed to prudent financial management and strengthening its internal control systems under the vision: “Enhancing quality of life while standing side by side as a trusted healthcare provider for everyone.”

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