

No. WPH-SET 009/2026

14 May 2026

Subject : Management Discussion and Analysis for the Quarter 1 of 2026 ending on 31 March 2026

To : Directors and Managers

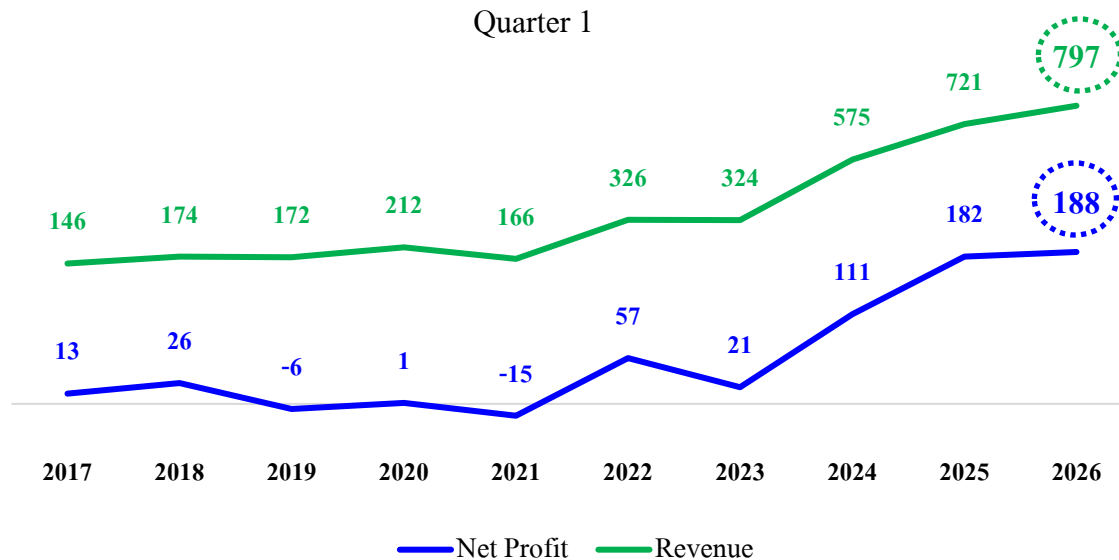
The Stock Exchange of Thailand

According to the resolution of the meeting of the Board of Directors No.2/2026 of WattanaPat Hospital Trang Public Company Limited (“the Company”) held on 14 May 2026, approving the audited consolidated financial statements for the Quarter 1 of 2026 ending 31 March 2026. The Company would like to report factors that affect the financial performance of the Company and its subsidiary for the Quarter 1 of 2026 ending 31 March 2026 as follows;

Summary of Consolidated Financial Statements

<i>Unit : Million Baht</i>	Quarterly				
	1Q26	1Q25	YoY	4Q25	QoQ
Total revenues	800	724	10.4%	643	24.5%
Revenues from medical treatment	797	721	10.5%	640	24.6%
Cost of medical treatment	466	415	12.4%	416	11.9%
Gross Profit	331	307	7.9%	223	48.3%
Gross Profit Margin	41.5%	42.5%		34.9%	
Selling and Administrative expenses	106	86	23.1%	93	14.7%
Profit from operating activities	225	220	2.0%	131	72.1%
Other incomes	3	3	0.9%	3	-3.2%
Financial costs	8	10	-14.7%	10	-14.7%
Profit before tax expenses	219	213	2.7%	124	77.2%
tax expenses	31	31	-0.5%	18	69.6%
Net Profit	188	182	3.3%	105	78.6%
Net Profit Margin	23.5%	25.1%		16.4%	
Net Profit (excluding pre-operating expenses and non-recurring items)	200	182	10.1%	112	78.5%
Adjusted Net Profit Margin (excluding pre-operating expenses and non-recurring items)	25.1%	25.1%		17.5%	
EBITDA	271	263	3.0%	177	53%
% EBITDA	34.0%	36.5%		27.6%	

* Pre-operating expenses for preparing the launch of two new subsidiaries—including personnel expenses (physicians, staff, and executives), staff training and development costs, travel and accommodation expenses, outsourced service fees (such as security and cleaning), as well as one-time expenses—were recorded in Q1/2026, totaling approximately 12 million baht.



Executive Summary of Consolidated Financial Performance

In Q1/2026, the Group achieved continuous and robust growth in both revenue and net profit, despite comparing against a high base from Q1/2025 (which experienced exceptionally high growth in the previous year). This reflects our strong operational performance, as well as the solid growth of the two existing subsidiaries already in operation, driven by

- **Subsidiary 1: Wattanapat Ao Nang Hospital Company Limited** Commenced operations in March 2019 and has consistently delivered strong financial performance. The subsidiary achieved a payback period of 6.5 years and has been distributing dividends to the parent company since 2024 onwards.
- **Subsidiary 2: Wattanapat Samui Hospital Company Limited** Commenced operations in February 2023. It has demonstrated strong operational performance, successfully clearing its accumulated losses and turning them into retained earnings in March 2026, within a period of 3 years.

Thailand's Economic Outlook and Private Hospital Industry 2026

The Thai economy in 2026 is projected to witness a decelerating growth rate, with GDP expansion estimated between 1.5% and 2.0%. The primary headwind facing the nation is the "Global Economic Monsoon," characterized by heightened trade protectionist policies from the United States, which pose a direct risk of contraction for the Thai export sector. Despite these challenges, the tourism industry remains the fundamental driver sustaining economic momentum. International arrivals are anticipated to exceed 35 million, providing a vital tailwind for domestic consumption and service-sector employment. While private investment has begun to gain traction within the technology and clean energy sectors, the broader recovery remains constrained by persistently high household debt and sluggish domestic purchasing power.¹

¹ Source: <https://www.scbeic.com/th/detail/product/industry-outlook-2026>

² Source: <https://www.scbeic.com/th/detail/file/product/9990/he5qn5my5m/In-focus-Industry-Outlook-2026-20251223.pdf>

The private hospital industry in 2026 is projected to see limited expansion amid 'geopolitical volatility.' In particular, the situation between Iran and the U.S. directly impacts patients from the Middle East, which is a core market. This has triggered intense competition to capture patient segments within Asia and the CLMV region to offset the revenue gap. Domestically, the industry continues to face pressure from fragile purchasing power and medical inflation, which has driven up the costs of medical supplies and energy. Nevertheless, the transition into a complete aged society and consumer behavior focused on preventive healthcare remain key supporting factors. Consequently, businesses must adapt by pivoting toward high-value, high-intensity care for complex diseases, coupled with efficient supply chain management and strict operational cost controls. These measures are essential to maintain profit margins and build financial resilience under this year's highly uncertain economic conditions.²

Consolidated Financial Statement

Revenue (million baht)	1Q2026	1Q2025	YoY
Total Revenue	799	724	10.4%
Revenue from medical treatment	796	721	10.5%
Other incomes	3	3	-

Financial Performance - 1Q2026

Revenue (million baht)	1Q2026		1Q2025		Change (YoY)	
Type of Patients	Amount	%	Amount	%	Amount	%
OPD	197	25%	183	25%	15	8.1%
IPD	600	75%	539	75%	61	11.3%
Total	797	100%	721	100%	76	10.5%
Type of Payment						
Cash	241	30%	213	30%	28	13.2%
Credit	556	70%	508	70%	47	9.3%
Nationality						
Thai	346	43%	355	49%	-10	-2.7%
International	451	57%	366	51%	85	23.3%

Revenue from medical treatment

In the first quarter of 2026, the The Company and its subsidiaries' medical service revenue grew by 10.5% YoY. This growth was driven by the expansion of both the parent company and its subsidiaries, primarily underpinned by robust growth in the international patient segment of 23.3%, which showed strong performance across all locations, including Trang, Ao Nang, and Samui.

¹ Source: <https://www.scbeic.com/th/detail/product/industry-outlook-2026>

² Source: <https://www.scbeic.com/th/detail/file/product/9990/he5qn5my5m/In-focus-Industry-Outlook-2026-20251223.pdf>

Meanwhile, overall revenue from the Thai patient segment contracted slightly by 2.7%. This was impacted by a slowdown in Thai patient revenue at WattanaPat Ao Nang Hospital Company Limited (specifically regarding Cardiac Catheterization Laboratory or Cath Lab revenue) and WattanaPat Hospital Trang Public Company Limited. Conversely, WattanaPat Samui Hospital Company Limited continued to achieve strong growth across both Thai and international patient segments.

Medical service revenue by type of treatment showed growth across all segments, with Outpatient (OPD) revenue increasing by 8.1% and Inpatient (IPD) revenue increasing by 11.3%.

Revenue from medical treatments per patient increased, driven by the Company and its subsidiaries enhanced capabilities in treating complex medical conditions, such as major surgeries and critical care. This expansion was particularly prominent at both subsidiaries (Ao Nang and Samui) which has significantly boosted patient confidence and led to a substantial increase in service utilization.

Geopolitical confrontations have directly impacted the supply chain and air transport costs between Europe and Asia. The closure of airspace and the rerouting of flights by major airlines have resulted in longer travel times and higher airfares, driven by rising energy prices and risk insurance premiums. These circumstances have acted as a pressure factor, causing patients from the European and Scandinavian segments to delay their travel for medical services during the initial period.

However, this impact was limited as it was temporary and coincided with the transition into the low season for international revenue, which typically spans the second and third quarters of each year. Notably, Koh Samui enjoys a longer tourist season compared to Ao Nang and Trang. As of the current situation (April 2026), international revenue in Samui continues to demonstrate sustained growth.

Regarding the Thai patient segment, despite a continuous decline in revenue recently, a recovery trend has begun to emerge in Q2/2026. Nevertheless, the company has proactively responded to this challenge by enhancing cost management efficiency to retain the Thai customer base and mitigate the impact of the rising cost of living.

The primary drivers of revenue growth in Q1/2026 were the strong performance across several key departments, including the *Emergency Room (ER), Operating Room (OR), Intensive Care Unit (ICU), Social Security scheme, Cardiac Catheterization Lab (Cath Lab), Neurosurgery, and Gastroenterology*. Furthermore, both the Company and its subsidiaries have elevated their medical capabilities to accommodate the treatment of complex, high-acuity diseases, as well as age-related conditions. This strategic upgrade has significantly bolstered patient confidence, leading to increased service utilization and serving as a vital factor in sharpening the Group's overall competitive.

Cost of medical treatment & Selling and Administrative Expense

Unit: million baht	1Q2026	1Q2026	YoY
Cost of medical treatment	466	415	12.4%
Gross Profit	311	307	7.9%
Gross Profit Margin	42%	43%	-1.0%
Selling and Administrative Expense	106	86	23.1%

Cost of medical treatment

In Q1/2026, healthcare costs increased by 12.4% in tandem with revenue expansion and the growing scale of the Group. As cost growth outpaced revenue growth, the gross profit margin declined slightly by 1%. The increase in costs was primarily driven by doctor fees, personnel expenses, and depreciation from opening new clinics. Additionally, costs were incurred in preparing personnel (including physicians, staff, and executives) to support the upcoming launch of new subsidiaries scheduled to open later in 2026. Conversely, utility expenses continued to decrease steadily, following the implementation of solar cell systems at the parent company in late September 2025. This initiative has successfully reduced monthly electricity costs by more than 10%, establishing a downward trend for future utility expenses.

Selling and Administrative Expenses

In Q1/2026, Selling, General, and Administrative (SG&A) expenses increased by 23.1%. This increase was primarily driven by higher sales promotion expenses in tandem with growing international revenue, alongside marketing and public relations costs to launch new services for specialized medical centers. Additionally, salary expenses rose due to an increased headcount in managerial and executive positions to support centralized management operations. Other contributing factors included travel and accommodation expenses for staff cross-assisting affiliate companies, higher bank fees resulting from increased payment collections, as well as personnel preparation expenses to support the upcoming launch of new subsidiaries scheduled to open later in 2026.

In Q1/2026, the Company and its subsidiaries commenced contributions to the Employee Joint Investment Program (EJIP), with a contribution period spanning from January 1, 2026, to December 31, 2028, totaling 0.95 million baht. This program is designed to boost employee morale, driving sustainable growth in our corporate performance, while effectively retaining talent over the long term (thereby reducing recruitment costs and onboarding training expenses for new personnel).

Additionally, the Company incurred one-time expenses, such as the hosting costs for the Group's New Year party, which was postponed from late 2025 to Q1/2026. This also included cleaning and site preparation expenses for the launch of Koon Wattanapat Hospital, which officially commenced operations in mid-March 2026.

Unit: million baht	1Q2026	1Q2025	YoY
Profit from operating activities	225	220	2.0%
Financial cost	8	10	-14.7%
Tax Exoenses	31	31	-0.5%
Net Profit	188	182	3.3%
Net Profit Margin	23.5%	25.1%	-1.6%

Financing Costs

In the first quarter of 2026, the The Company and its subsidiaries' financial costs decreased by 14.7% YoY. This was primarily driven by the continuous scheduled repayment of long-term loans by the parent company and its subsidiaries (WPH, WPA, and WPS), as well as the phased repayment of short-term loan obligations. These achievements resulted from effective cash cycle management and improved debt collection efficiency from insurance companies and counterparties.

Furthermore, the Company and its subsidiaries benefited from the downward interest rate trend since the beginning of the year, coupled with a strategic restructuring of the financial framework to maximize efficiency and maintain strict financial discipline. These factors led to a reduction in interest expenses and further strengthened the The Company and its subsidiaries financial position. Regarding the long-term loans for the construction of Wattanapat Phuket Hospital (scheduled to open in October 2026), the associated interest expenses can be capitalized as part of the cost of land and buildings while construction remains in progress.

Tax Expense

Income tax expense for Q1/2026 remained at a level close to the same period last year. Although Earnings Before Taxes (EBT) increased, the Group was able to utilize more Board of Investment (BOI) tax privileges, resulting in a decrease in the Effective Tax Rate (ETR) to 14.2% in Q1/2026 from 14.7% in Q1/2025.

Net Profit

In Q1/2026, the Company's net profit increased by 3.3%, with a net profit margin of 23.5%, compared to 25.1% in Q1/2025, representing a slight year-over-year decline.

However, if **net profit is adjusted to exclude** pre-operating expenses for the new subsidiaries and one-time non recurring expenses, **the Company's normalized net profit for Q1/2026 would stand at 200 million baht. This represents a 10% increase year-over-year, maintaining a net profit margin of 25.1%, which is equal to the previous year.**

Statement of Financial Position
Unit: million baht

Statement of Financial Position	31/03/2026	31/12/2025	Change (%)
Total Asset	3,822	3,582	6.7
Total Liabilities	1,595	1,536	3.8
Total Equities	2,227	2,047	8.8

Total Assets

As of March 31, 2026, the Company's total assets amounted to 3,822 million baht, an increase of 6.7%. This growth was primarily driven by land acquisitions and the construction of WattanaPat Phuket Hospital and Koon WattanaPat Hospital. Additionally, the increase was attributed to the renovation of inpatient wards, the establishment of new medical centers, and the procurement of major medical equipment for both the Company and its subsidiaries.

Total Liabilities

As of March 31, 2026, the Company's total liabilities amounted to 1,595 million Baht, an increase of 3.8%. This was primarily due to the drawdown of long-term loans by a subsidiary to fund the construction of WattanaPat Phuket Hospital.

Total Shareholders'Equities

As of March 31, 2026, the Company's total equity stood at 2,227 million baht, an increase of 8.8%. This growth was mainly driven by the net profit generated in Q1/2026 and an increase in paid-up capital of WattanaPat Phuket Hospital Co., Ltd., which is scheduled to open in late 2026.

Key Financial Ratio:

	1Q2026	1Q2025
Gross Profit Margin (GPM)(%)	42	43
Net Profit Margin (NPM) (%)	24	25
EBITDA Margin (%)	34	36
Debt to Equity Ratio (times) (D/E Ratio)	0.7	0.8
Interest Bearing Debt to Equity Ratio (times) (IBD/E)	0.6	0.7
Current Ratio (times)	0.9	1.3
Quick Ratio (times)	0.9	1.1
Cash Cycle (day)	55	61
Accounts Receivable Turnover	7.4	6.7
Average Collection Period (day)	49	55
Inventory Turnover	7.0	7.4
Average Inventory Period (day)	52	49
Accounts Payable Turnover	7.8	8.5
Average Payment Period (day)	47	43
Average Return on Assets (%)	12.0	13.7
Average Return on Shareholder's Equity (%)	17.7	20.8

The Company has received an Environmental, Social, and Governance (ESG) rating from FTSE Russell, with an ESG Score of 3.5 (Rating Date: March 23, 2026). The Company's commitment to transparency is reflected in our 'A' ESG Rating and 5-star (Excellent) Corporate Governance (CG) Report for 2025. Furthermore, we have been a certified member of the Thai Private Sector Collective Action Against Corruption (CAC) since 2024.

Sustainability Performance

The Company is committed to conducting its business responsibly in regard to the environment, society, and good corporate governance (ESG: Environment, Social, Governance). It adheres to the principles of sustainable development while continuously enhancing the quality of healthcare services to deliver long-term benefits to the organization, the community, and society as a whole.

Environment

The Company places great importance on efficient resource utilization, minimizing environmental impact, and creating a livable and eco-friendly workplace. These goals are pursued through key environmental initiatives, including:

1. **"W-Green Resource" Project**

Focused on promoting clean energy, particularly through the implementation of *Solar Rooftop* systems. This initiative helps reduce dependence on fossil fuels and significantly lowers greenhouse gas emissions.

2. **"W-Green Home" Project**

Aimed at creating a pleasant and environmentally friendly atmosphere within the hospital through the following key activities:

- **"Ting to Trash" Waste Separation Initiative:** Encourages waste sorting at the source to reduce overall waste volume and increase recycling rates.
- **Energy Conservation Activities:** Promotes energy-saving practices and enhances implementation efforts to ensure more efficient energy usage through department-level energy management.
- **5S Workplace Organization Activities:** Enhances workplace cleanliness, safety, and operational efficiency through the adoption of 5S principles (Sort, Set in order, Shine, Standardize, Sustain).

Social

The Company focuses on people development, community engagement, and service with compassion through the following key initiatives:

1. **"W-Life" – Specialized Staff Development and Retention Program**

- The organization provides both internal and external training programs, with 82 participants from clinical departments and 28 from non-clinical departments.
- Recruitment & Selection focuses on *finding the right people, in sufficient numbers* to attract and hire talented individuals with a growth mindset and relevant experience to join the organization.

2. “W-Strong” Sustainable Partnership Network

Focused on building strong networks and promoting public health in collaboration with local stakeholders.

Key activities include:

- Establishing community health surveillance networks (e.g., village health volunteers and local police)
- Organizing basic life support (CPR) training units
- Implementing the “**Baworn**” model (Home - Hospital - Temple - School): A community initiative promoting environmental awareness through waste segregation at the source

3. “We Truly Care” Program

Enhancing the patient experience by applying the **AIDET communication framework** (Acknowledge, Introduce, Duration, Explanation, Thank You), ensuring compassionate and personalized care.

- The **WTC – We Truly Care Committee** serves as the key driver for embedding this culture of empathy and service excellence across the organization.

Governance

The Company is committed to developing and elevating healthcare services to meet international standards, with the goal of building trust and confidence among patients and service users. This commitment is driven through the “**W-Trust**” Program, which includes the following key initiatives:

- **W-Trust Pediatric:** Enhancing pediatric care capabilities to provide comprehensive and specialized treatment for children.
- **W-Trust ICU MED:** Upgrading the medical intensive care unit to improve care for critically ill adult patients.
- **W-Trust GI:** Improving the efficiency and effectiveness of diagnosis and treatment for gastrointestinal diseases.
- **Comprehensive Trauma Care:** Providing integrated, multidisciplinary care for trauma patients to ensure the highest level of treatment efficiency and patient outcomes.

The implementation of various initiatives under the ESG framework reflects the Company's commitment to being more than just a provider of quality healthcare services. It demonstrates a deep concern for the environment, society, and transparent governance. Through these efforts, the Company aims to generate a positive impact and achieve sustainable, long-term growth.

Please be informed accordingly

Yours Sincerely,

(Mr.Chane Laosonthorn)

Director