

15 May 2026

Subject: Management Discussion and Analysis for the three- month periods ended 31 March 2025

To: Director and Management Stock Exchange of Thailand

Master Style Public Company Limited (“the Company”) would like to inform the company’s performance for the three month periods ended 31 March 2026, as the following details:

Performance Overview

In Q1 2026, the Company continued to face challenges from the macroeconomic environment and price-based competition in the aesthetic surgery and beauty enhancement industry. Nevertheless, the Company began to see signs of operational recovery, driven by adjustments to its marketing strategy, more effective cost management, and a recovery in performance from joint ventures. As a result, net profit grew year-on-year despite continued softness in core business revenue.

For the three-month period ended 31 March 2026, the Company recorded total revenue of THB 440.26 million, a decrease from THB 477.84 million in the same period of the previous year, or a decline of 7.8%. The decrease was mainly attributable to a slowdown in surgical revenue, reflecting economic conditions and continued elevated price-based competition. However, with a more effective marketing strategy, disciplined cost management, and a recovery in share of profit from joint ventures, the Company reported net profit of THB 61.03 million for the period, an increase from THB 55.76 million, or a growth of 9.44% year-on-year.

Industry Conditions: Aesthetic Surgery and Beauty Enhancement

In Q1 2026, the aesthetic surgery and beauty enhancement industry continued to face pressure from softer domestic purchasing power, alongside persistent and intense price-based competition, particularly in core procedures such as rhinoplasty, brow lift, face/neck lift, and liposuction.

At the same time, online marketing competition remained elevated following the enforcement of advertising regulations for healthcare facilities, requiring industry players to adjust their marketing communication models and improve advertising spend efficiency. Despite continued high marketing costs, the Company has begun to refine its marketing strategy more effectively, as reflected in the decline of selling expenses from THB 110.92 million to THB 101.94 million.

The Company continues to see growth opportunities from international patients, medical tourism, and Men's Health services. The Company is focused on expanding its international customer base, particularly from Indonesia, China, and the expatriate segment, which continue to demonstrate sustained demand for aesthetic surgery and beauty services in Thailand. The Company maintains its focus on increasing the proportion of revenue from higher-margin services, expanding the international customer base, and managing expenses efficiently in order to sustain profitability under continued elevated competitive pressure

Statement of Income

(Unit: THB Million)	For the three-month period ended 31 March		Change increase (decrease)	
	2026	2025	Amount	Percentage
Sales from hospital operations	436.35	474.33	(37.98)	(8.01)
Cost of hospital operations	211.25	215.76	(4.51)	(2.09)
Gross profit	225.10	258.57	(33.47)	(12.94)
Other income	3.91	3.51	0.40	11.40
Selling expenses	101.94	110.91	(8.97)	(8.09)
Administrative expenses	68.00	83.88	(15.88)	(18.93)
Operating profit	59.07	67.29	(8.22)	(12.22)
Share of profit from investments in joint ventures	18.16	7.54	10.62	140.85
Finance income	0.90	0.88	0.02	7.21
Finance cost	(6.22)	(7.80)	(1.58)	(20.26)
Profit before income tax expenses	71.91	67.91	0.84	1.24
Income tax expenses	(10.88)	(12.14)	(1.26)	10.38
Net Profit	61.03	55.77	(0.42)	(0.75)
Earnings per share	0.20	0.18	0.02	11.11

Revenue from hospital operations

(Unit: THB Million)	For the three-month period ended 31 March				Change	
	2025		2024		Increase (decrease)	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Surgery income	348.61	79.89	378.75	79.88	(30.14)	(7.96)
Skin income	20.42	4.68	30.21	5.91	(9.79)	(32.41)
Hair income	34.12	7.82	39.97	3.54	(5.85)	(14.63)
Aftercare income	23.47	5.38	17.46	5.42	6.01	34.44
Other hospital operations	9.73	2.23	7.64	5.26	2.09	27.41
Revenue from hospital operations	436.35	100.00	474.03	100.00	(37.68)	(7.95)

Hospital Operations Revenue

For the three-month period ended 31 March 2026, the Company recorded hospital operations revenue of THB 436.35 million, a decrease of THB 37.98 million or 8.01% from the same period of the previous year. The key drivers were as follows:

- Surgical revenue decreased by THB 30.14 million (-7.96%), from THB 378.75 million to THB 348.61 million, primarily pressured by lower revenue from eye surgery and Men's Health. However, brow lift revenue increased significantly in both case volume and average revenue per bill, while breast surgery revenue rose on the back of higher case volumes.
- Skin care revenue decreased by THB 9.79 million (-32.41%), from THB 30.21 million to THB 20.42 million, due to intensified price-based competition in Filler, Botox, and laser services.
- Hair transplantation and hair care revenue decreased by THB 5.85 million (-14.64%), from THB 39.97 million to THB 34.12 million.
- Aftercare revenue increased by THB 6.01 million (+34.42%), from THB 17.46 million to THB 23.47 million, reflecting continued repeat usage from the existing customer base.

Cost of Hospital Operations and Gross Profit

For the three-month period ended 31 March 2026, the Company's cost of hospital operations amounted to THB 211.25 million, a decrease of THB 4.51 million or 2.09% from the same period of the previous year. Physicians' remuneration (Doctor Fee) decreased by THB 13.00 million, in line with the lower revenue base, while medicine and medical supplies expenses increased by THB 5.43 million, varying with the higher total case volume across the Company's services, particularly in breast surgery and Men's Health.

As a result, the Company recorded gross profit of THB 225.10 million, a decrease of THB 33.47 million or 12.94%. Gross profit margin stood at 51.59%, down from 54.52% in the same period of the previous year, reflecting pricing pressure from intense competition.

Selling Expenses

For the three-month period ended 31 March 2026, the Company's selling expenses amounted to THB 101.94 million, a decrease of THB 8.97 million or 8.09% from the same period of the previous year. The ratio to revenue stood at 23.37%, broadly stable compared with 23.38%. The key drivers were as follows:

- Commissions, sales staff expenses, and agency fees decreased by THB 12.00 million, resulting from the restructuring of sales staff costs to improve efficiency and lower agency fees.
- Event booth and printed media expenses decreased by THB 2.00 million, as the Company reduced investments in offline media.
- Facebook and Google advertising expenses increased by THB 5.00 million, reflecting a strategic shift toward online marketing.

Administrative Expenses

For the three-month period ended 31 March 2026, the Company's administrative expenses amounted to THB 68.00 million, a decrease of THB 15.88 million or 18.93% from the same period of the previous year. The ratio to revenue decreased from 17.69% to 15.59%, reflecting effective cost control. The key drivers were as follows:

- Employee-related expenses decreased by THB 9.00 million, resulting from more efficient personnel management.
- Consulting fees decreased by THB 2.00 million, as the Company did not incur PPA-related expenses during this period.
- Other administrative expenses such as New Year event costs, travel expenses, and repairs and maintenance decreased by approximately THB 3.00 million, due to more efficient management.

Finance Costs

For the three-month period ended 31 March 2026, finance costs amounted to THB 6.22 million, a decrease of THB 1.58 million or 20.26%, as the Company has been making scheduled repayments of long-term borrowings from financial institutions.

Share of Profit from Investments in Joint Ventures

For the three-month period ended 31 March 2026, the Company recognized share of profit from investments in joint ventures of THB 18.16 million, an increase of THB 10.62 million or 140.85% from the same period of the previous year. This was a key factor supporting net profit growth despite the decline in core revenue.

The principal driver was the recovery at Korawin Holding (Thailand) Co., Ltd., which turned around from a loss of THB 2.16 million in the prior year to a profit of THB 12.40 million in the current period — a clear recovery and the main driver of the overall share of profit from joint ventures. In addition, the operating performance of Korawin Hospital (KRM) has continued to improve and has now reached break-even.

Net Profit

For the three-month period ended 31 March 2026, the Company reported net profit of THB 61.03 million, an increase of THB 5.26 million or 9.44% from THB 55.76 million in the same period of the previous year. Although hospital operations revenue declined by 8.01%, the combination of (1) an 18.93% reduction in administrative expenses, (2) a 20.26% reduction in finance costs, and (3) a 140.85% recovery in share of profit from joint ventures, resulted in higher net profit overall.

Net profit margin improved to 13.99%, up from 11.75% in the same period of the previous year. Basic earnings per share were THB 0.20, an increase from THB 0.18.

Statement of Financial Position

(Unit: THB Million)	As of March 31,	As of December 31,	Change increase (decrease)	
	2026	2025	Amount	Percentage
Total current assets	331.75	367.34	(35.59)	(9.69)
Total non- current assets	3,994.77	3,918.79	75.98	1.94
Total assets	4,326.52	4,286.13	40.39	0.94
Total current liabilities	423.95	415.58	8.37	2.01
Total non- current liabilities	390.27	419.27	(29.00)	(6.92)
Total liabilities	814.22	834.85	(20.63)	(2.47)
Total shareholders' equity	3,512.30	3,451.28	61.02	1.77
Total liabilities and shareholders' equity	4,326.52	4,286.13	40.39	0.94

Assets

As of 31 March 2026, the Company's total assets amounted to THB 4,326.52 million, an increase of THB 40.39 million or 0.94% compared with 31 December 2025. The key drivers were as follows:

Current assets decreased by a net amount of THB 35.59 million (-9.69%), with the following key factors:

- Cash and cash equivalents decreased by THB 7.19 million, from THB 110.48 million to THB 103.29 million, in line with net cash outflows during the quarter, which included significant investments in construction and equipment of THB 114.55 million.
- Inventories decreased by THB 21.52 million, from THB 133.18 million to THB 111.66 million, due to more effective management of medicines and medical supplies inventory.

Non-current assets increased by THB 75.97 million (+1.94%), with the following key factors:

- Property, plant and equipment increased by THB 86.82 million, from construction additions of THB 117.59 million, partially offset by depreciation expense of THB 36.09 million.
- Investments in joint ventures remained broadly stable at THB 2,221.48 million, with recognition of share of profit of THB 18.16 million offset by dividends received from joint ventures of THB 18.00 million.

Liabilities

As of 31 March 2026, the Company's total liabilities amounted to THB 814.22 million, a decrease of THB 20.63 million or 2.47% from year-end 2025. The key drivers were as follows:

- Long-term borrowings (including current portion) decreased by THB 28.68 million from scheduled repayments. The outstanding balance was THB 206.95 million, consisting of a current portion of THB 115.02 million and long-term portion of THB 91.94 million.
- Unearned service revenue increased by THB 4.69 million, from THB 101.97 million to THB 106.66 million, reflecting a healthy booking pipeline.
- Corporate income tax payable increased by THB 11.58 million in line with higher profit before tax and the inter-period tax settlement schedule.
- Trade and other current payables decreased by THB 8.28 million from normal repayment cycles.

Shareholders' Equity

As of 31 March 2026, the Company's shareholders' equity amounted to THB 3,512.30 million, an increase of THB 61.02 million or 1.77%, from net profit for the period of THB 61.03 million.

In this regard, the Annual General Meeting of Shareholders for the year 2026, held on 23 April 2026, approved a dividend payment from 2025 net profit at the rate of THB 0.40 per share, totaling THB 120.68 million, with payment scheduled by 12 May 2026 (event subsequent to the date of the financial statements).

Cash flow

(Unit: THB Million)	For the period ended 31 March		Change increase (decrease)	
	2026	2025	Amount	Percentage
Net cash flows from operating activities	114.53	77.67	36.86	47.46
Net cash flows from (used in) investing activities	(86.19)	28.05	(114.24)	407.27
Net cash flows from (used in) financing activities	(35.54)	(36.73)	1.19	(3.24)
Net increase in cash and cash equivalents	(7.20)	68.99	(76.19)	(110.44)

Net Cash Provided by Operating Activities

For the three-month period ended 31 March 2026, net cash provided by operating activities amounted to THB 114.53 million, a significant increase of THB 36.86 million or 47.46% from the same period of the previous year. The key drivers were a decrease in inventories of THB 21.27 million, a decrease in trade receivables of THB 5.00 million, and an increase in unearned revenue of THB 4.69 million, reflecting improved working capital management.

Net Cash Used in Investing Activities

For the three-month period ended 31 March 2026, the Company used net cash in investing activities of THB 86.19 million, compared with net cash provided of THB 28.05 million in the same period of the previous year. The key driver was investment in construction of buildings and the purchase of medical equipment of THB 114.55 million, which forms part of Capex under the Company's capacity expansion plan. This was partially offset by dividends received from joint ventures of THB 18.00 million and proceeds from disposal of investments in debt instruments of THB 10.02 million.

Net Cash Used in Financing Activities

For the three-month period ended 31 March 2026, the Company used net cash in financing activities of THB 35.54 million, broadly in line with THB 36.73 million in the same period of the previous year. This comprised repayments of long-term borrowings of THB 28.68 million and interest payments of THB 6.25 million.

Financial Ratios

Financial Ratios	Unit	As of	As of
		March 31,2026	December 31,2025
Current ratio	Times	0.78	0.88
Debt to equity ratio (D/E)	Times	0.23	0.24
Return on asset (ROA)	Percent	4.60	4.50
Return on equity (ROE)	Percent	5.69	5.70

Current Ratio stood at 0.78 times, down from 0.88 times as of year-end 2025. Although the current ratio is below 1.0 times, the majority of liabilities represent obligations that do not require immediate cash outflows, such as unearned service revenue, while the Company continues to generate strong operating cash flows.

Debt-to-Equity Ratio (D/E) remained at a low level of 0.23 times, reflecting a strong financial structure. Net profit margin improved to 13.99% from 11.75% in the same period of the previous year, indicating a significant improvement in cost management efficiency.

Return on Assets (ROA): stood at 4.60%, a slight improvement from 4.50% as of year-end 2025, reflecting more efficient use of total assets to generate profit, particularly from the recognition of share of profit from investments.

Return on Equity (ROE): stood at 5.69%, broadly in line with 5.70% as of year-end 2025 (annualized), demonstrating consistent returns to shareholders.

Yours sincerely

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 (Mr. Phisut Numsa)

Chief Financial Officer

Master Style Public Company Limited