Bangkok Dusit Medical Services

13 August 2026 **Bangkok Dusit Medical Services Public Company Limited**

MANAGEMENT DISCUSSION AND ANALYSIS

Executive Summary
2Q26 & 6M26 Performance

	2Q26		6M26	
	THB mm	% Chg (YoY)	THB mm	% Chg (YoY)
Operating Income	27,514	1%	56,068	1%
EBITDA	6,058	(1)%	13,074	(2)%
Net Profit	3,248	(7)%	7,306	(7)%

Remark: YoY means changes compared to 2Q25 and 6M25

2Q26 Performance

Bangkok Dusit Medical Services Public Company Limited ("The Company") and subsidiaries reported consolidated operating income for the second quarter of 2026 ("2Q26") of Baht 27,514 million, slightly increased by 1% YoY. The growth was driven by a 2% YoY increase in revenue from Thai patients, while revenue from international patient decreased by 2% YoY, primarily due to lower revenue from Cambodian and Middle Eastern patients affected by regional conflicts. **Excluding the impact from the decline in Cambodian and Middle Eastern patient revenues**, revenue from hospital operations in 2Q26 would have grown by 4% YoY, while revenue from international patient would have increased by 10% YoY.

The Company and its subsidiaries reported EBITDA of Baht 6,058 million, slightly decreased by 1% YoY. Net profit was Baht 3,248 million, decreased by 7% YoY.

6M26 Performance

For six-month period ended 30 June 2026 ("6M26"), the consolidated operating income were Baht 56,068 million, increased by 1% YoY. The growth was attributable to a 1% YoY increase in revenue from Thai patients, while revenue from international patients remained flat YoY.

The Company and its subsidiaries reported EBITDA of Baht 13,074 million, decreased by 2% YoY. Net profit was Baht 7,306 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. In addition, the Company is involved in supporting medical services, pharmaceutical production, saline solution production, and drug stores.

<u>2026 Strategy</u>: The Company is committed to achieving excellence in healthcare through a value-based healthcare approach, focusing on delivering optimal clinical outcomes at affordable costs while driving sustainable long-term growth.

<u>Industry Update:</u> The conflict in the Middle East since March 2026 has led some Middle Eastern patients to postpone travel to Thailand for medical treatment. At the same time, rising oil prices have affected consumer spending power, leading some Thai patients to defer non-urgent procedures, while demand for treatments related to necessary

conditions has remained resilient. Since beginning of 2Q26, the Company has observed signs of recovery in revenue from both Thai and Middle Eastern patients.

The Company continues to closely monitor developments in the Middle East and has taken proactive measures to ensure business continuity, particularly with respect to pharmaceutical and medical supply costs. Emphasis is placed on maintaining adequate inventory levels of medicines and medical supplies to support uninterrupted operations and patient care.

Emerging Risk Management: Key emerging risks include rapid advancements in technology and artificial intelligence (AI), as well as evolving cybersecurity threats, which may impact operating costs and future business operations. The Company continuously monitors these developments and strengthens its risk management framework, information security systems, and governance policies relating to the appropriate use of technology and AI. These efforts are aimed at enhancing business resilience and supporting sustainable long-term growth.

Major Development in 2Q26

1. Expansion of the Hospital Network
   - **Bangkok Hospital Maptaphut** (Rayong Province), a small general hospital with 2 beds, commenced operations in May 2026. The hospital was established to enhance healthcare accessibility and expand the Company's presence in the Map Ta Phut industrial area and surrounding communities. It provides 24-hour medical services, with a particular focus on emergency medicine, serving both outpatients and inpatients with uncomplicated medical conditions.
   - **Bangkok Hospital Surat** (Surat Thani Province) expanded its capacity by 44 beds in June 2026, bringing total bed capacity to 151 beds. The expansion was undertaken to accommodate growing healthcare demand in Southern Thailand and was complemented by the enhancements of specialized medical services, including the Heart Center, Brain Center, and Skin & Aesthetic Center.
   - **Bangkok Hospital Hua Hin** (Prachuap Khiri Khan Province) opened a new 50-bed building in July 2026 to accommodate increasing demand from both Thai and international patients. As a result, its total bed capacity increased to 114 beds. The new facility includes a Heart Center, Internal Medicine Center, Gastroenterology Center, Skin Center, and Health Check-up Center.

2. Restructuring of the Hospital Network
   On 1 July 2026, the Company discontinued operations at **Tepakorn Hospital** (Nakhon Pathom Province), a small general hospital with 30 licensed beds, due to its proximity to Bangkok Hospital Sanamchan (Nakhon Pathom Province), which has greater capacity and stronger capabilities to serve patients more efficiently. This action forms part of Company's ongoing hospital network optimization strategy aimed at enhancing resource utilization and improving service efficiency. The restructuring does not have any material impact on the Company's operating results.

3. Launch of the "WellEra" Project
   In 2Q26, the Company officially launched WellEra, *formerly known as BDMS Silver Wellness & Residence,* a mixed-use development project under the concept of "The DNA of World Well-Living." The project aims to create a fully integrated wellness ecosystem that promotes holistic health, well-being, and quality of life.

The development comprises 4 key components:

1) **Wellness Residence** – Health-focused luxury residences developed in partnership with **Capella**, a globally renowned luxury hospitality brand recognized for its world-class service standards.
2) **BDMS Wellness Clinic** – A preventive healthcare and longevity-focused wellness clinic.
3) **Urban Wellness Retreat** – A dedicated wellness retreat for holistic and well-being.
4) **Lifestyle Retail** – Curated retail and service offerings that support a wellness-oriented lifestyle.

Located in Bangkok's prime Lumpini district, WellEra spans approximately 170,000 square meters of gross floor area, with a total project investment of Baht 29 billion. Construction is currently underway and is expected to be completed in 2030. The project supports the Company's wellness strategy, expands its integrated healthcare ecosystem, supports sustainable growth and enhances long-term value creation.

Consolidated Financial Summary 2Q26 Comparing to 2Q25 (YoY)

Operating Income			
(THB mm)	**2Q26**	**2Q25**	**YoY**
Hospital operations	25,917	25,682	1%
Sales of goods	1,006	1,045	(4)%
Other income	591	406	45%
Total Operating Income	**27,514**	**27,134**	**1%**

In 2Q26, total operating income was Baht 27,514 million, an increase of Baht 380 million or 1% YoY, primarily due to

- Revenues from hospital operations were Baht 25,917 million, an increase of Baht 235 million or 1% YoY. Revenue from Thai patients increased by 2% YoY, while revenue from international patients decreased by 2% YoY. As a result, the revenue mix between Thai and international patients changed from 72%:28% in 2Q25 to 73%:27% in 2Q26.

The decline in revenue from international patient in 2Q26 was mainly attributable to the Thai-Cambodian border conflict since mid-2025 and the unrest in the Middle East since March 2026. These developments adversely affected international patient volumes, resulting in a 67% YoY decline in revenue from Cambodian patients and a 24% YoY decline in revenue from Middle Eastern patients compared with 2Q25. Nevertheless, **revenue from international patient, excluding Cambodian and Middle Eastern patients,** continued to grow strongly, increasing 10% YoY, supported by robust growth from Myanmar (+42%), American (+23%), and Australian (+17%) patients.

Revenues from hospital operations in 2Q26	**Chg. (YoY)**	**% of revenues**
Revenues growth from hospital operations	1%	100%
Excluding Cambodia & Middle East	*4%*	
Breakdown by nationality		
Thai	2%	73%
International	(2)%	27%
Excluding Cambodia & Middle East	*10%*	
Breakdown by location		
Bangkok & Vicinity	Flat	54%
Outside Bangkok	3%	46%
Breakdown by type of patients		
Outpatients	3%	51%
Inpatients	(1)%	49%

Revenues from hospital operations in Bangkok & vicinity remained flat YoY while revenues from hospital operations outside Bangkok increased by 3% YoY.

Outpatient revenues increased by 3% YoY, while inpatient revenues slightly declined by 1% YoY in 2Q26. The overall occupancy rate declined to 55% in 2Q26 from 61% in 2Q25, reflecting lower inpatient volumes from both Thai patients amid a softer economic environment and international patients, particularly those from Cambodia and the Middle East.

- Revenues from sales of goods were Baht 1,006 million, decreased by 4% YoY due mainly to an decrease in sales of Medicpharma Co., Ltd.
- Other incomes were Baht 591 million, increased by 45% YoY, mainly from the recognition of Baht 90 million for flood insurance compensation related to operations in Hat Yai as well as an increase in rental income, and higher revenue of Mövenpick BDMS Wellness Resort .

Operating Expenses			
(THB mm)	**2Q26**	**2Q25**	**YoY**
Cost of hospital operations and others	17,826	17,335	3%
Administrative expenses	5,484	5,323	3%
Total Operating Expenses (Including depreciation)	**23,310**	**22,659**	**3%**

In 2Q26, the Company and its subsidiaries reported total operating expenses & depreciation of Baht 23,310 million, an increase of Baht 651 million or 3% YoY, 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 expenses** decreased to Baht 82 million in 2Q26 or decreased by 15% YoY from repayment of maturing debentures and declining interest rate.

Profitability Analysis			
(THB mm)	**2Q26**	**2Q25**	**%Chg**
EBITDA	6,058	6,134	(1)%
EBITDA margin	22.0%	22.6%	
EBIT	4,263	4,516	(6)%
EBIT margin	15.5%	16.6%	
Corporate income tax	829	836	(1)%
Net profit	3,248	3,490	(7)%
Net profit margin	11.8%	12.9%	
EPS *(THB)*	0.20	0.22	(7)%
Weighted average number of ordinary shares (mm shares)	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 2Q26 EBITDA of Baht 6,058 million, decreased by 1% YoY, resulting in a decrease in EBITDA margin from 22.6% in 2Q25 to 22.0% in 2Q26.

Net profit of Baht 3,248 million, decreased by 7% YoY, and the net profit margin of 11.8% in 2Q26.

2Q26 Comparing with 1Q26 (QoQ)

Consolidated Financial Summary			
(THB mm)	**2Q26**	**1Q26**	**QoQ**
Total operating income	27,514	28,554	(4)%
Total operating expenses *(Including depreciation)*	23,310	23,338	0%
EBITDA	6,058	7,016	(14)%
EBITDA margin	22.0%	24.6%	
EBIT	4,263	5,250	(19)%
EBIT margin	15.5%	18.4%	
Corporate income tax	829	1,005	(18)%
Net profit	3,248	4,058	(20)%
Net profit margin	11.8%	14.2%	
EPS *(THB)*	0.20	0.26	(20)%

The Company and its subsidiaries reported total operating income decreased by 4% QoQ, due to seasonal factors. Revenue from Thai patient increased by 2% QoQ, while revenue from international patient decreased by 18% QoQ, in line with the typical seasonality of the hospital business, during which demand for healthcare services tends to soften. The decline was further impacted by the unrest in the Middle East.

The Company and its subsidiaries reported a 14% QoQ decrease in EBITDA from 1Q26, resulting in a decline in EBITDA margin to 22.0% in 2Q26. Similarly, net profit decreased by 20% QoQ.

6M26 Consolidated Financial Summary

Operating Income			
(THB mm)	**6M26**	**6M25**	**%Chg**
Revenues from hospital operations	53,052	52,736	1%
Revenue from sales of goods	2,050	2,075	(1)%
Other income	966	775	25%
Total Operating Income	**56,068**	**55,586**	**1%**

In 6M26, total operating income was Baht 56,068 million, an increase of Baht 482 million or 1% YoY, primarily due to

- Revenues from hospital operations were Baht 53,052 million, an increase of Baht 315 million or 1% YoY. Revenue from Thai patients increased by 1% YoY, while revenue from international patients remained flat YoY. As a result, the revenue mix between Thai and international patients remained unchanged at 71%:29% in both 6M25 and 6M26.

  The decline in revenue from international patients in 6M26 was mainly due to the Thai-Cambodian border conflict and the unrest in the Middle East, resulting in a 73% YoY decline in revenue from Cambodian patients and a 13% YoY decline from Middle Eastern patients compared with 6M25. Nevertheless, **revenue from international patients, excluding Cambodian and Middle Eastern patients,** continued to grow strongly, increasing by 10% YoY, supported by robust growth from Myanmar (+38%), Americans (+19%), and Germany (+13%) patients.

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

  Outpatient revenues increased by 2% YoY, while inpatient revenues slightly declined by 1% YoY. The overall occupancy rate declined to 57% in 6M26 from 64% in 6M25, reflecting lower inpatient volumes from both Thai patients and international patients.

Revenues from hospital operations in 6M26	Chg. (YoY)	% of revenues
Revenues growth from hospital operations	1%	100%
Excluding Cambodia & Middle East	*3%*	
Breakdown by nationality		
Thai	1%	71%
International	Flat	29%
Excluding Cambodia & Middle East	*10%*	
Breakdown by location		
Bangkok & Vicinity	(1)%	53%
Outside Bangkok	2%	47%
Breakdown by type of patients		
Outpatients	2%	50%
Inpatients	(1)%	50%

- Revenues from sales of goods were Baht 2,050 million, slightly decreased by 1% YoY due to a decrease in sales of Medicpharma Co., Ltd.

- Other income was Baht 966 million, increased by 25% YoY due mainly to an increase in rental income and higher revenue of Mövenpick BDMS Wellness Resort as well as the recognition of

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Baht 90 million for flood insurance compensation related to operations in Hat Yai.

Operating Expenses			
(THB mm)	**6M26**	**6M25**	**%Chg**
Cost of hospital operations and others	35,985	35,021	3%
Administrative expenses	10,663	10,476	2%
Total Operating Expenses (Including depreciation)	**46,648**	**45,497**	**3%**

In 6M26, the Company and its subsidiaries reported total operating expenses & depreciation of Baht 46,648 million, an increase of Baht 1,151 million or 3% YoY, 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 expenses** decreased to Baht 155 million in 6M26 or decreased by 20% YoY from debentures redemption and declining interest rate.

Profitability Analysis			
(THB mm)	**6M26**	**6M25**	**%Chg**
EBITDA	13,074	13,370	(2)%
EBITDA margin	23.3%	24.1%	
EBIT	9,513	10,158	(6)%
EBIT margin	17.0%	18.3%	
Corporate income tax	1,833	1,916	(4)%
Net profit	7,306	7,836	(7)%
Net profit margin	13.0%	14.1%	
EPS (THB)	0.46	0.49	
Weighted average number of ordinary shares (mm shares)	*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 EBITDA of Baht 13,074 million in 6M26, decreased by 2% YoY resulting in an increase in EBITDA margin from 24.1% in 6M25 to 23.3% in 6M26.

Net profit in 6M26 was Baht 7,306 million, decreased by 7% YoY. Net profit margin slightly increased to 13.0% in 6M26 with EPS of Baht 0.46 per share.

Assets			
(THB mm)	**Jun 26**	**Dec 25**	**%Chg**
Cash & cash equivalents	3,911	6,342	(38)%
Trade & other receivables	12,523	11,986	4%
Inventories	3,026	2,856	6%
Property, premises & equipment	99,997	99,552	0%
Goodwill	17,539	17,539	0%
Right-of-use assets	8,471	9,928	(15)%
Other assets	12,136	9,758	24%
Total assets	**157,602**	**157,961**	**(0)%**

As of 30 June 2026, the Company and its subsidiaries reported **total assets** of Baht 157,602 million, relatively unchanged from 31 December 2025.

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

Other assets of Baht 12,136 million mainly consisted of (1) intangible assets which mainly were computer software of Baht 2,888 million (2) investment properties of Baht 2,112 million (3) other current financial assets which were investment in fixed deposits and mutual funds of Baht 1,996 million and (4) investment in associates of Baht 1,301 million.

Liabilities and Equity			
(THB mm)	**Jun 26**	**Dec 25**	**%Chg**
Short-term loans	8,000	3,500	129%
Trade & Other payables	6,106	7,522	(19)%
Accrued expenses	8,656	6,333	37%
Debentures *	-	3,000	(100)%
Long-term loans *	3,000	3,000	0%
Liabilities under lease agreements *	8,081	7,987	1%
Provision for life-long medical care programs	3,257	3,051	7%
Non-current provision for employee benefits	5,589	5,502	2%
Other liabilities	7,636	8,058	(5)%
Total liabilities	**50,326**	**47,952**	**5%**
Equity attributable to equity holder of the Company	103,248	105,894	(2)%
Non-controlling interests	4,028	4,114	(2)%
Total equity	**107,276**	**110,009**	**(2)%**

** Including current portion*

Total consolidated liabilities as of 30 June 2026 were Baht 50,326 million, increased by 5% from 31 December 2025. The increase was mainly to an increase in short-term loans from financial institutions of 4,500 million and an increase in accrued expenses of Baht 2,323 million, netted with a decrease in debentures of Baht 3,000 million and decrease in trade & other payables of Baht 1,415 million.

Total consolidated shareholders' equity as of 30 June 2026 was Baht 107,276 million, a slightly decreased of 2% from 31 December 2025.

Liquidity and Capital Management

Cash Flow	
(THB mm)	**6M26**
Net cash from operating activities	11,046
Net cash used in investing activities	(4,111)
Net cash used in financing activities	(9,411)
Exchange differences on translation	45
Net decrease in cash and cash equivalents	(2,430)
Beginning cash and cash equivalents	6,342
Ending cash and cash equivalents	3,911

For the six-month period ended 30 June 2026, the Company and its subsidiaries reported a net decrease in cash and cash equivalent of Baht 2,430 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 3,911 million. Details of cash flow by activities during the period are as follows: -

Net cash flow provided by operating activities was Baht 11,046 million, mainly from profit during 6M26.

Net cash used in investing activities was Baht 4,111 million comprising mainly from purchase of property, premises and equipment of Baht 3,692 million for hospital network renovation and expansion.

Net cash used in financing activities was Baht 9,411 million due mainly to dividend payments of Baht 10,328 million and debentures redemptions of Baht 3,000 million, netted with an increase in short-term loans from financial institutions of Baht 4,500 million.

Ratios Analysis

Returns (%)	6M26	6M25
Return on Asset	9.9	11.1
Return on Equity	15.0	16.5
Liquidity (x)		
Current ratio	0.8	0.9
Assets & Liabilities Management (Days)		
Cash Cycle	23.7	18.7
Average Inventory Period	15.0	13.5
Average Collection Period	41.1	39.2
Average Payable Period	32.4	33.9
Leverage Ratios (x)		
Interest coverage	84.0	67.9
Total IBD to EBITDA	0.7	0.6
Net IBD to EBITDA	0.6	0.4
Debt service coverage ratio	3.2	4.7
Current portion of IBD to IBD (%)	43.8	35.7
Loan from financial institutions to IBD (%)	57.6	33.5
Debt to Equity Ratio (x)	**Jun 26**	**Dec 25**
Total liabilities to equity	0.5	0.4
Total IBD to equity	0.2	0.2
Net IBD to equity	0.1	0.1

Remarks
- Calculated by using last twelve months' performance
- Assets & Liabilities Management based on 365 days
- IBD means interest bearing debt

ROA and ROE in 6M26 decreased compared to 6M25, mainly due to lower profit from operations. Meanwhile, the current ratio slightly decreased from 6M25.

The average inventory period increased from 13.5 days in 6M25 to 15.0 days in 6M26. The inventories primarily comprised medicines and medical supplies. The Company and its subsidiaries maintain appropriate inventory management practices and internal controls. The Company and its subsidiaries perform physical inventory count at least once a year and record allowance for the expired, slow-moving and deteriorated inventories to reduce its carrying value to net realizable value.

The average collection period increased from 39.2 days in 6M25 to 41.1 days in 6M26. The Company and its subsidiaries maintain credit policies and assess credit limit based on customers' creditworthiness. The average credit term for domestic payers is approximately 30-60 days while that for international payers is approximately 30-90 days. The credit terms are reviewed annually to monitor and manage credit risk.

The average payable period decreased from 33.9 days in 6M25 to 32.4 days in 6M26.

As a result, the cash cycle increased from 18.7 days in 6M25 to 23.7 days in 6M26, mainly due to an increase in the average inventory period and the average collection period.

For leverage ratios analysis, the interest coverage ratio increased from 67.9x in 6M25 to 84.0x in 6M26 mainly from lower finance expenses over the last twelve-month. Meanwhile, the debt service coverage ratio (DSCR) decreased from 4.7x in 6M25 to 3.2x in 6M26 due to higher current portion of interest bearing debt.

Total interest bearing debt to EBITDA slightly increased from 0.6x in 6M25 to 0.7x in 6M26, while net interest bearing debt to EBITDA increased from 0.4x in 6M25 to 0.6x in 6M26 due to increase in short-term loans from financial institutions.

For debt-to-equity ratio analysis, total interest bearing debt to equity remained unchanged at 0.2x, while net interest bearing debt to equity remained unchanged at 0.1x as of both 31 December 2025 and 30 June 2026.

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

Sustainable Development Update

Environmental: In 6M26, the Company reported total greenhouse gas (GHG) emissions (Scope 1 and Scope 2) of 88,159 tCO_2e, representing a 6.5% decrease from the same period of the previous year. This reduction was driven by effective energy management strategies and increase adoption of renewable energy, which accounted for 8.3% of total energy consumption. This was primarily supported by the expansion of rooftop solar installations across the Company's network hospitals and subsidiaries. helping reduce reliance on fossil fuels while enhancing long-term energy cost efficiency.

Social: The Company continued to strengthen its commitment to inclusive healthcare by enhancing employees' capabilities in providing equitable and diversity-inclusive patient care. Through the LGBTQ+ Cultural Competency Training program, physicians, dentists, and employees across the network received training aimed at improving service quality and fostering an open, respectful, and non-discriminatory workplace. In addition, the Company conducted 351 Cardiopulmonary Resuscitation (CPR) training sessions for 23,510 participants, including members of the public, local communities, government agencies, private organizations, educational institutions, and emergency response volunteers. These initiatives helped expand community health and safety networks and achieved a high participant satisfaction rate of 97%.

Furthermore, the Company's research initiatives delivered significant value to the medical field and patient safety, with three research projects published in international academic journals. These covered a study on factors affecting telomere length to support Precision Medicine, an analysis of diagnostic errors in clinical laboratory testing processes to enhance patient safety, and a study on lung cancer screening using low-dose computed tomography (LDCT) to increase early-stage disease detection. These findings reflect the Company's capability in generating medical knowledge for the benefit of society.

Governance: As part of its commitment to good corporate governance and sustainable supply chain management, the Company promoted awareness of international standards, Thai labor laws, and the BDMS Supplier Code of Conduct among 170 key suppliers, representing 100% of all key suppliers. These efforts aimed to strengthen the adoption of responsible business practices, enhance supply chain governance, and mitigate labor and human rights risks throughout the value chain in a responsible and sustainable manner.

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