No: RPH-SET 011/2026

8 August 2026

Ratchaphruek Hospital Public Company Limited and its subsidiaries ("the Company" or "RPH") hereby submit a Management Discussion and Analysis for the second quarter of 2026, ending on June 30, 2026, with the following details:

Industry Outlook and Summary of the Operational Results for 2Q26

Economic and Industrial Conditions

Thailand's economy in 2026[1] is expected to grow at a low rate and continues to face uncertainty from both domestic and external factors. GDP growth in 2026 is projected to be 1.6-2.3%, reflecting a gradual economic recovery amid pressures from a slowing global economy, risks from conflicts in the Middle East and energy prices, limited recovery in domestic purchasing power, and continued high household debt. Meanwhile, the Northeastern economy continues to contract due to pressure from declining private consumption, overall living costs continue to rise, and fragile purchasing power, resulting in more cautious consumer spending. The tourism sector has also contracted due to high travel costs. These conditions are expected to pressure the private hospital business in the region in the short term.

The private hospital industry in 2026[2] is expected to grow modestly amid the economic slowdown. Demand for healthcare services among Thai patients remains pressured by purchasing power and more cautious healthcare spending decisions, particularly for non-urgent services that can be postponed. However, the industry continues to receive support from demand for essential medical services, treatment of complex diseases, chronic diseases, elderly care and aging-related diseases, and specialized services, which remain necessary for patients over the long term. At the same time, operators continue to face pressure from a highly competitive market and operating costs that require close management, including costs of drugs, medical supplies, medical personnel, and utilities. Therefore, maintaining service standards, managing costs, and developing services that respond to the needs of local patients remain important factors in the competitiveness of the business.

Summary of the operating results and growth outlook

The Company operated amid a fragile economic environment and limited recovery in purchasing power. The Company focused on retaining the existing patient base, managing costs prudently, and maintaining consistent medical service standards, particularly the management of drug, medical supply, physician fee, personnel, and utility costs, which remain factors requiring close monitoring. The Company continues to focus on providing quality, safe, and cost-effective medical services, together with developing a warm and attentive treatment experience centered on patients.

[1] *Source: Data from the Bank of Thailand (BOT), SCB EIC, Krungsri Research, and the Northeastern Economic Report for May 2026*

[2] *Source: Data from Krungsri Research dated 19 June 2026, InnovestX Research, and the Healthcare Industry Update dated 10 June 2026*

In terms of growth outlook, the Company focused on developing services that respond to the needs of local patients, particularly screening and specialized services. This is consistent with the hospital's capabilities, supported by a team of specialist physicians and treatment standards trusted by local patients. Therefore, the hospital business is subject to seasonal changes in demand, causing the number of patients in some groups to fluctuate in the short term. However, the Company views this as part of normal business operations and continues to focus on long-term management by maintaining service quality and the existing patient base, as well as developing specialized services to support future healthcare needs.

In addition, the Company's subsidiary, Kaen Pa Nga Company Limited, is constructing a cosmetic surgery hospital and is currently preparing the services and building brand awareness. The Company aims to position the services based on medical standards, safety, and reliability as part of the future development of specialized services. The Company will proceed with the project prudently in line with market conditions, service readiness, and the maintenance of the Company's standards over the long term.

Summary of the operating results for 2Q26

In 1H26 the Company's operating results decreased compared to the same period last year. The Company's total revenue was THB 541.87 million, decreasing by 4.76% compared to the same period last year, in line with the decrease in revenues from hospital operations. This was mainly due to a decline in both outpatient (OPD) and inpatient (IPD) volumes, particularly inpatient (IPD) volume and the bed occupancy rate. However, revenue per visit increased, partially offsetting the impact of the lower patient volume. The cost of hospital operations was THB 374.44 million, decreasing slightly by 0.11% compared to the same period last year, in line with drug and medical supply costs that varied with the lower revenue. Meanwhile, distribution costs and administrative expenses increased compared to the same period last year. As a result, the Company reported net profit of THB 55.64 million, decreasing by 30.41% compared to the same period last year.

Key development in 2Q26 to present

1. 13 July 2026, the Company completed the second share repurchase program for financial management purposes (Treasury Stock), which began on 15 January 2026, with a budget not exceeding THB 100 million and a repurchase amount not exceeding 20.45 million shares, representing not more than 3.75% of total issued shares. The Company repurchased a total of 8,500 shares at THB 4.94 per share, totaling THB 41,990, or approximately 0.0016% of total shares issued. The number of shares repurchased was below the amount permitted under the program because the Company considered the share price, liquidity, and the Company's capital management to be key factors.
2. 25 July 2026, Rajapruk-Kaen Pa Nga Plastic Surgery Hospital project had progress of 64.21%, compared with planned progress of 65.44%, or 1.23 percentage points below plan. Structural and main building systems had progressed significantly, while architectural and interior works remained in progress. In the next phase, the Company will focus on progressing architectural and interior works, together with the connection and testing of building systems and the assessment of the readiness of key areas, particularly the operating room and inpatient areas. The Company will continue to closely monitor the contractor's performance and construction progress to ensure that the project remains on schedule and meets the required standards.

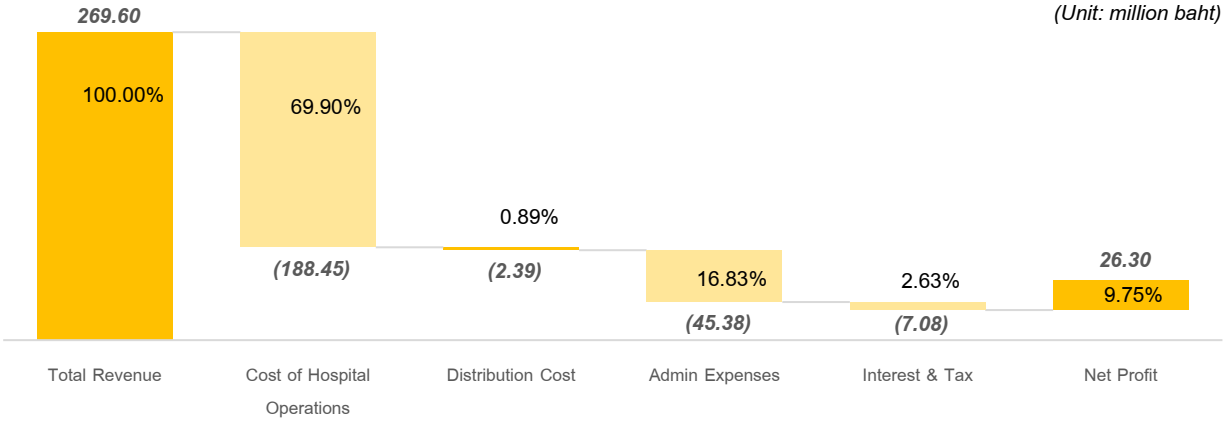
Financial Performance

Statement of comprehensive income

Results of the three-month period

(Unit: million baht)	2Q26	1Q26	2Q25	% change QoQ	% change YoY
Revenues from hospital	**264.75**	**268.50**	**275.55**	(1.40%)	(3.92%)
Cost of hospital operations	188.45	185.99	189.32	1.32%	(0.46%)
Gross profit	**76.30**	**82.51**	**86.23**	(7.53%)	(11.52%)
Other income	4.85	3.77	5.31	28.65%	(8.66%)
Distribution costs	2.39	2.52	2.20	(5.16%)	8.64%
Administrative expenses	45.38	45.65	43.44	(0.59%)	4.47%
Operating Profit	**33.38**	**38.11**	**45.90**	(12.41%)	(27.28%)
Finance cost	0.10	0.10	0.13	0.00%	(23.08%)
Profit before income tax	**33.28**	**38.01**	**45.77**	(12.44%)	(27.29%)
Tax expense	6.98	8.67	9.35	(19.49%)	(25.35%)
Profit for the period	**26.30**	**29.34**	**36.42**	(10.36%)	(27.79%)

Summary of 2Q26 performance

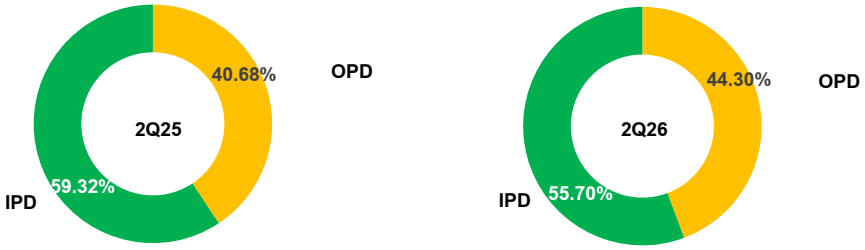


Analysis of 2Q26 compared to 1Q26 and 2Q25

Revenues

(Unit: million baht)	2Q26	1Q26	2Q25	% change QoQ	% change YoY
Revenues from hospital	264.75	268.50	275.55	(1.40%)	(3.92%)
Other income	4.85	3.77	5.31	28.65%	(8.66%)
Total revenue	**269.60**	**272.27**	**280.86**	(0.98%)	(4.01%)

Revenues from hospital operations, by type of patients



In 2Q26, the Company reported total revenue of THB 269.60 million, decreasing by 0.98% compared to the previous quarter and decreasing by 4.01% compared to the same period last year. The main revenue remained from revenue from hospital operations, which generated revenue of THB 264.75 million, decreasing by 1.40% compared to the previous quarter and decreasing by 3.92% compared to the same period last year.

The decrease in revenue compared to the previous quarter and the same period last year was due to lower inpatient (IPD) volume and a lower inpatient (IPD) bed occupancy rate. However, revenue per visit for inpatient (IPD) patients increased, partially offsetting the impact of the lower patient volume.

In summary, total revenue for the quarter decreased slightly from the previous quarter and decreased compared to the same period last year. The main reason is due to the decrease in inpatient (IPD) volume and the inpatient (IPD) bed occupancy rate, as seasonal illnesses, such as influenza, were less prevalent than last year. However, revenue per visit for inpatient (IPD) increased due to the treatment of more complex diseases, partially offsetting the impact of the lower patient volume.

Costs and expenses

(Unit: million baht)	2Q26	1Q26	2Q25	% change QoQ	% change YoY
Cost of hospital operations	188.45	185.99	189.32	1.32%	(0.46%)
Distribution costs	2.39	2.52	2.20	(5.16%)	8.64%
Administrative expenses	45.38	45.65	43.44	(0.59%)	4.47%
Finance cost	0.10	0.10	0.13	0.00%	(23.08%)
Tax expense	6.98	8.67	9.35	(19.49%)	(25.35%)
Total Costs and expenses	**243.30**	**242.93**	**244.44**	0.15%	(0.47%)

Cost of hospital operations

In 2Q26, the Company's cost of hospital operations was THB 188.45 million, increasing by 1.32% compared to the previous quarter but decreasing slightly compared to the same period last year. The increase compared to the previous quarter was mainly due to higher drug and medical supply costs, which were affected by the Middle East conflict which impacted on specific cost items, as well as higher physician fees. Compared to the same period last year, the cost of hospital operations decreased slightly in line with the decrease in revenues from hospital operations. However, fixed costs, such as medical personnel costs and depreciation, do not vary directly with revenue.

The ratio of cost of hospital operations to revenues from hospital operations for the quarter was 71.18%, increasing from 69.27% in the previous quarter and increasing from 68.71% in the same quarter last year. This reflected the impact of the decrease in revenues from hospital operations, while certain fixed costs did not decrease accordingly.

Distribution costs and administrative expenses

In 2Q26, the Company's distribution costs and administrative expenses totaled THB 47.77 million, decreasing by 0.83% compared to the previous quarter but increasing by 4.67% compared to the same period last year.

The ratio of distribution costs and administrative expenses to total revenue for the quarter was 17.72%, increasing slightly from 17.69% in the previous quarter and increasing from 16.25% in the same period last year. The main reason is due to the increase in other administrative expenses, such as amortization of assets and building tax. Meanwhile, distribution costs and administrative expenses that are fixed costs remained at similar levels.

Finance cost

In 2Q26, the Company's finance cost was THB 0.10 million, remaining close to the previous quarter and decreasing from THB 0.13 million in the same period last year.

Profit

(Unit: million baht)	2Q26	1Q26	2Q25	% change QoQ	% change YoY
EBITDA	55.12	57.85	65.51	(4.72%)	(15.86%)
EBITDA margin (%)	20.45%	21.25%	23.33%		
EBIT	33.38	38.11	45.90	(12.41%)	(27.28%)
EBIT margin (%)	12.38%	14.00%	16.34%		
Net profit	26.30	29.34	36.42	(10.36%)	(27.79%)
Net profit margin (%)	9.75%	10.78%	12.97%		
Earnings per share (baht)	0.05	0.06	0.07	(16.67%)	(28.57%)

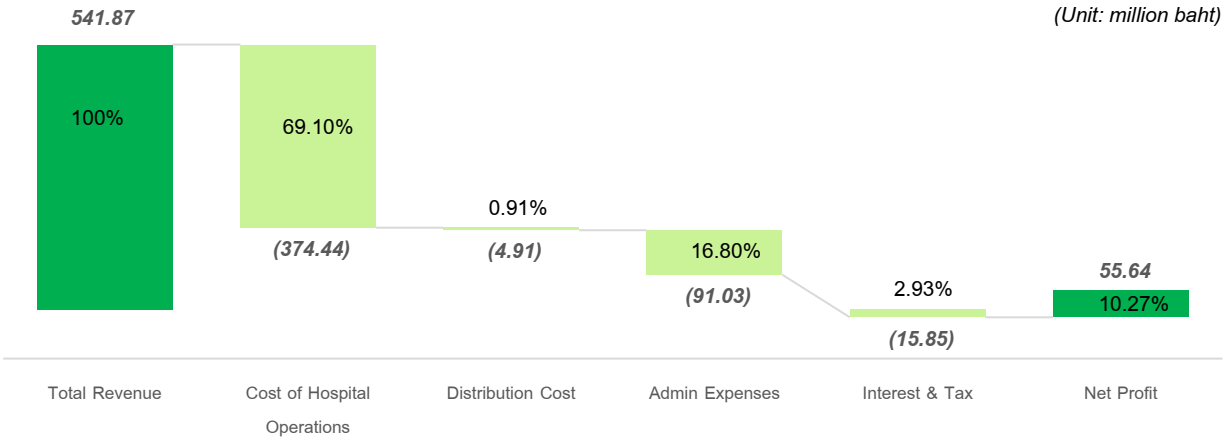
Net Profit

In 2Q26, the Company reported net profit of THB 26.30 million, decreasing by 10.36% compared to the previous quarter due to the decrease in revenues from hospital operations resulting from lower inpatient (IPD) volume and a lower inpatient (IPD) bed occupancy rate. Compared to the same period last year, the Company's net profit decreased by 27.79%, mainly due to the decrease in revenues from hospital operations in line with the lower inpatient (IPD) volume, despite the increase in revenue per visit for inpatient (IPD) patients. Meanwhile, distribution costs and administrative expenses remained at similar levels.

Results of the six-month period

(unit: million baht)	1H26	1H25	% change
Revenues from hospital	**533.25**	**559.36**	(4.67%)
Cost of hospital operations	374.44	374.84	(0.11%)
Gross profit	**158.81**	**184.52**	(13.93%)
Other income	8.62	9.58	(10.02%)
Distribution costs	4.91	4.34	13.13%
Administrative expenses	91.03	86.83	4.84%
Operating Profit	**71.49**	**102.93**	(30.55%)
Finance cost	0.20	0.28	(28.57%)
Profit before income tax	**71.29**	**102.65**	(30.55%)
Tax expense	15.65	22.70	(31.06%)
Profit for the period	**55.64**	**79.95**	(30.41%)

Summary of 1H26 performance

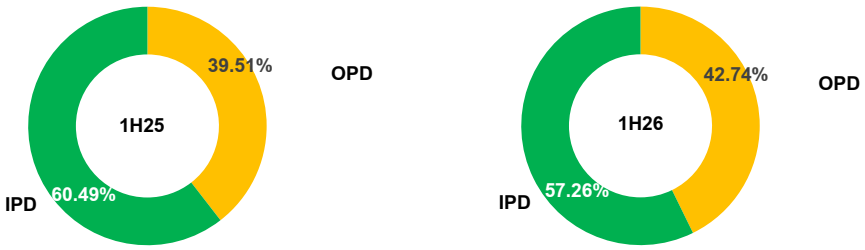


Analysis of 1H26 compared to 1H25

Revenue

(unit: million baht)	1H26	1H25	% change
Revenues from hospital	533.25	559.36	(4.67%)
Other income	8.62	9.58	(10.02%)
Total revenue	**541.87**	**568.94**	(4.76%)

Revenues from hospital operations, by type of patients



In 1H26, the Company's total revenue was THB 541.87 million, decreasing by 4.76% compared to the same period last year. The main reason was the decrease in revenues from hospital operations in line with lower outpatient (OPD) and inpatient (IPD) volumes, particularly lower inpatient (IPD) volume and a lower bed occupancy rate, as seasonal illnesses, such as influenza, were less prevalent than last year. However, revenue per visit increased, particularly for inpatient (IPD), due to the treatment of more complex diseases, partially offsetting the impact of the lower patient volume.

Costs and expenses

(unit: million baht)	1H26	1H25	% change
Cost of hospital operations	374.44	374.84	(0.11%)
Distribution costs	4.91	4.34	13.13%
Administrative expenses	91.03	86.83	4.84%
Finance cost	0.20	0.28	(28.57%)
Tax expense	15.65	22.70	(31.06%)
Total Costs and expenses	**486.23**	**488.99**	(0.56%)

Cost of hospital operations

In 1H26, the Company's cost of hospital operations was THB 374.44 million, decreasing slightly by 0.11% compared to the same period last year, in line with the decrease in revenues from hospital operations. A portion of drug and medical supply costs decreased in line with the volume of services provided. However, fixed costs, such as medical personnel costs and depreciation, did not decrease in line with revenue.

The ratio of cost of hospital operations to revenues from hospital operations for 1H26 was 70.22%, increasing from the same period last year. This reflected the impact of revenues from hospital operations decreasing at a greater rate than the decrease in the cost of hospital operations, while certain fixed costs remained at similar levels.

Distribution costs and administrative expenses

In 1H26, the Company's distribution costs and administrative expenses totaled THB 95.94 million, increasing by 5.23% compared with the same period last year, mainly due to higher administrative expenses resulting from expected credit losses. The ratio of distribution costs and administrative expenses to total revenue was 17.71%,

increasing from the same period last year in line with the decrease in total revenue. While certain administrative expenses increased, other fixed distribution costs and administrative expenses remained relatively stable.

Finance Cost

In 1H26, the finance cost was THB 0.20 million, decreasing from THB 0.28 million in the same period last year.

Profits

(unit: million baht)	1H26	1H25	% change
EBITDA	112.97	142.19	(20.55%)
EBITDA margin (%)	20.85%	24.99%	
EBIT	71.49	102.93	(30.55%)
EBIT margin (%)	13.19%	18.09%	
Net profit	55.64	79.95	(30.41%)
Net profit margin (%)	10.27%	14.05%	
Earnings per share (baht)	0.10	0.15	(33.33%)

Net profit

In 1H26, the Company reported net profit of THB 55.64 million, decreasing by 30.41% compared to the same period last year. The main reason was the decrease in revenues from hospital operations in line with lower inpatient (IPD) volume and a lower bed occupancy rate, despite the increase in revenue per visit, particularly for inpatient (IPD). Meanwhile, certain service costs and selling and administrative expenses remained at similar levels, while certain administrative expenses increased due to expected credit losses.

Statement of financial position

(Unit: million baht)	30 Jun 26	31 Dec 25	% change
Current assets	455.96	514.20	(11.33%)
Property, plant and equipment	1,454.86	1,313.28	10.78%
Other non-current assets	73.25	81.02	(9.59%)
Total assets	**1,984.07**	**1,908.50**	3.96%
Current liabilities	191.58	141.74	35.16%
Non-current liabilities	116.79	51.33	127.53%
Total liabilities	**308.37**	**193.07**	59.72%
Total shareholders' equity	**1,675.70**	**1,715.43**	(2.32%)

Analysis of financial position as of 30 June 2026 and 31 December 2025

Total assets

As of 30 June 2026, the Company had total assets of THB 1,984.07 million, increasing by 3.96% from the end of 2025. The main factor was the increase in property, plant and equipment, while current assets decreased due to collections from trade and other current receivables.

Property, plant and equipment amounted to THB 1,454.86 million, increasing by 10.78% due to the increase in buildings under construction of the subsidiary. However, the Company continued to recognize depreciation of property, plant and equipment in the normal course of business. Other non-current assets decreased by 9.59% due to the decrease in advance payments for property, plant and equipment of the subsidiary.

Total liabilities

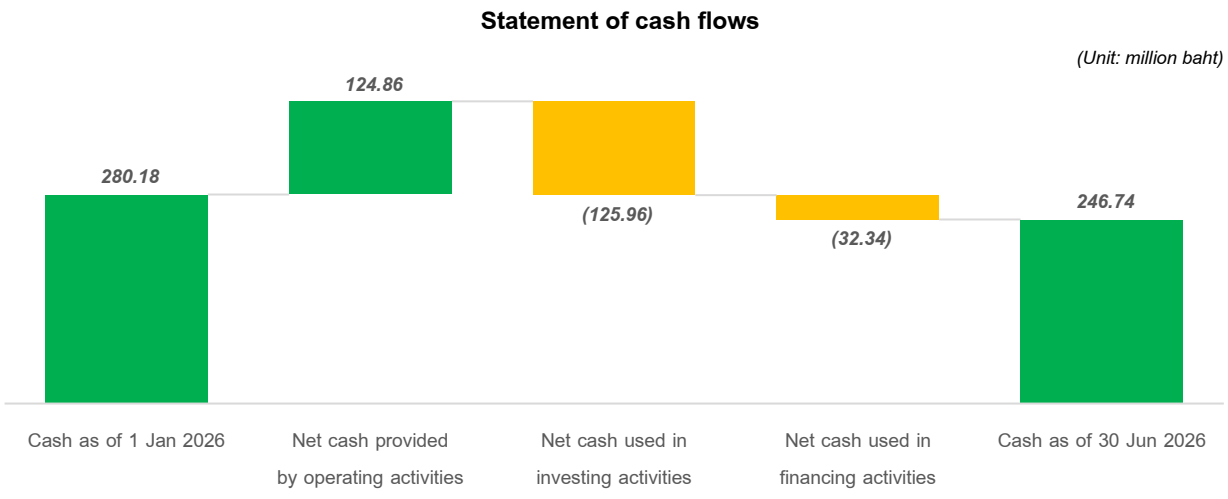
As of 30 June 2026, the Company had total liabilities of THB 308.37 million, increasing by 59.72% from the end of 2025. This resulted from current liabilities increasing by 35.16% due to higher construction payables of the subsidiary. Corporate income tax was paid in May 2026, resulting in a decrease in accrued corporate income tax. Meanwhile, non-current liabilities increased by 127.53% due to subsidiary drew down loans from financial institutions.

Total shareholders' equity

As of 30 June 2026, the Company had shareholders' equity of THB 1,675.70 million, decreasing by 2.32% from the end of 2025, when it amounted to THB 1,715.43 million.

Statement of cash flows

(Unit: million baht)	30 Jun 2026	30 Jun 2025
Net cash provided by operating activities	124.86	122.88
Net cash used in investing activities	(125.96)	(9.81)
Net cash used in financing activities	(32.34)	(175.72)
Net decrease in cash and cash equivalents	(33.44)	(62.65)



As of 1 January 2026, the Company had beginning cash and cash equivalents of THB 280.18 million. For 1H26, the Company generated cash from operating activities of THB 152.22 million, with payments for corporate income tax of THB 25.82 million and payment for employee benefit obligations of THB 1.53 million, resulting in **net cash provided by operating activities of THB 124.86 million**. For investing activities, **the Company had net cash used in investing activities of THB 125.96 million**, mainly for payments for buildings under construction of the subsidiary. **The Company had net cash used in financing activities of THB 32.34 million**, mainly for dividend payments. However, the subsidiary received long-term loans from financial institutions. As a result, the Company had ending cash and cash equivalents as of 30 June 2026 of THB 246.74 million, decreasing by THB 33.44 million from the beginning of the year.

Key financial ratios

	2Q26	2Q25
Current ratio (times)	2.38	3.68
Accounts receivable turnover (times)	13.17	12.07
Average collection period (days)	27.71	30.24
Debt to equity (times)	0.18	0.11
Return on assets (ROA) %	10.43%	12.15%
Return on equity (ROE) %	9.45%	10.51%

Note: All ratios are calculated using the formula provided by the Stock Exchange of Thailand

Sustainability Performance

Ratchaphruek Hospital is a leading hospital in Khon Kaen Province, with a commitment to continuously developing international standards of medical treatment, providing comprehensive care for patients in both physical and mental aspects under an environment conducive to recovery, with modern medical technology and accessible pricing. The hospital places importance on delivering services with warmth and sincerity under the concept, “Warm as Home, Care by Expertise, Remedy by Heart,” which is a key foundation of trust and sustainable growth. Most recently, on 28 October 2025, Ratchaphruek Hospital received a 4-star rating, or “Very Good CG Scoring,” in the 2025 Corporate Governance assessment from the Thai Institute of Directors Association (Thai IOD). In addition, the hospital continues to operate in accordance with sustainable development principles across three key dimensions: Environmental, Social, and Governance (ESG), to create value for stakeholders and strengthen long-term stability. Further details on the Company’s sustainability policies and practices are available at https://investor.rph.co.th/en/sustainability/home

ESG Progress and Corporate Sustainability

In 2Q26, the Company continued sustainability initiatives, focusing on cost and resource management, improving operating efficiency, and developing healthcare personnel. Key details are as follows:

Environmental Dimension (E)

Energy and Utility Management

The Company’s total electricity consumption was 1.29 million kilowatt-hours, increasing by 0.85% compared to the same period last year, while electricity expenses were THB 5.09 million, decreasing by 2.74% due to a lower electricity tariff per unit. The increase in electricity consumption was partly due to a malfunction of the Chiller Plant Management System (CPMS). However, the Company improved the CPMS in June 2026, reducing electricity consumption by 53,600 kilowatt-hours and electricity expenses by approximately THB 0.20 million compared to the same period last year.

The Company’s water consumption was 23,978 cubic meters, increasing by 9.00%, while water expenses were THB 0.75 million, increasing by 8.94%, due to maintenance of the cooling tower system, landscaping, and cleaning of water reservoirs within the hospital. When electricity and water expenses combined, the Company’s total utility expenses were THB 5.84 million, decrease of THB 0.08 million or 1.38%. Therefore, the Company continues to control resource consumption and develop area-based measurement systems for long-term cost management.

Waste Management

The Company generated total waste approximately 42,367 kilograms, decreasing by 3.39% compared to the same period last year. Infectious waste, hazardous waste, food waste, and chemotherapy waste decreased by 21.6%, 52.6%, 14.7%, and 39.7%, respectively. Meanwhile, general waste increased by 12.04% due to renovation of inpatient areas, food consumption in work areas, and seasonal fruit waste. The Company is therefore improving source segregation of waste and arranging more appropriate collection points for food waste.

Social Dimension (S)

Healthcare Personnel Development

The Company welcomed lecturers and students from the Practical Nursing Assistant Certificate Program of Boromarajonani College of Nursing, Khon Kaen, for a visit and study tour at Ratchaphruek Hospital. Attended lecture on patient care, service standards, and patient safety. This activity formed part of the transfer of knowledge and experience from actual operations and the promotion of cooperation with educational institutions to support the future development of healthcare personnel.

Promoting Access to Medicines and Reducing Patients' Financial Burden

The Company reduced the prices of 202 medicines, focusing on medicines for chronic diseases and medicines requiring continuous use. The initiative aimed to reduce patients' financial burden and support continuity of treatment in accordance with medicine quality and safety standards, with supervision by physicians, pharmacists, and medical personnel.

The price reductions may affect medicine margins. The Company will monitor the number of patients benefiting from the initiative, medicine utilization, the number of patients' financial burden reduced, and the impact on the Company's revenue and margins to evaluate the operating results.

Emergency Preparedness and Community Safety

The Company participated in a full-scale emergency response exercise involving a hostage situation in the Airside area, together with Khon Kaen Airport, government agencies, and security authorities. The Company served as part of the medical network supporting the response to the crisis. The exercise covered testing personnel readiness, inter-agency coordination, the reception and transfer of injured persons, and emergency communications. This formed part of business continuity management and support for public safety in the area.

Governance Dimension (G)

The Company place a strong emphasis on adhering to the principles of good corporate governance. The Company prioritizes the timely and accurate disclosure of information, ensuring transparency in our operations. There is also an audit of Report of Conflicts of Interest of Directors and Executives as per the Securities and Exchange Act. As for risk management, the audit committee reviews the risk management operations, including risk management plans at the departmental and organizational levels, to ensure that they align with the Company's risk control guidelines and strategies defined by management. Furthermore, a supervisory system is in place to monitor and adapt to external factors that impact the Company, ensuring the continuity and sustainability of business operations.

Sincerely yours,

(Teerawat Srinakarin, M.D.)
Chief Executive Officer