

Management Discussion and Analysis

1Q2025

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Executive Summary and Business Outlook 2025

Operating Results Summary for 1Q2025

In 1Q2025, Nakhonthon Hospital Public Company Limited (“the Company”) recorded 99,836 outpatient visits and 3,973 inpatient admissions. Outpatient volume declined by 2%, while inpatient volume decreased by 3% compared to the same period of the previous year. This was attributable to the economic slowdown, stricter inpatient admission approval criteria from insurance companies, and concerns among service recipients regarding the Co-Payment Policy, all of which contributed to a reduction in both outpatient and inpatient volumes during the quarter.

The Company’s total revenue declined by 0.4% year-on-year (“YoY”) to THB 500.5 million. Nonetheless, revenue from hospital operations amounted to THB 494.4 million, representing a slight increase of 0.1%. Revenue from outpatients rose by 2% to THB 309.3 million, primarily driven by an increase in average revenue per outpatient visit, despite a decline in patient volume. In contrast, inpatient revenue decreased by 2% to THB 185.1 million, attributable to a reduction in the number of admissions, bed occupancy rate, and number of inpatient days. However, average revenue per inpatient visit showed an upward trend during the quarter.

Total expenses for the quarter amounted to THB 428.3 million, reflecting a 1% increase compared to the same period last year. The cost of hospital operations was THB 346.8 million, a 1% decrease YoY, driven by more efficient cost management. Selling and services expenses were THB 9.7 million, while administrative expenses rose to THB 71.7 million, representing increases of 1% and 14%, respectively. Consequently, earnings before interest and tax (EBIT) amounted to THB 72.3 million, a decline of 8% from the prior year. Net profit for the quarter was THB 56.1 million, representing a YoY decrease of 10%.

The Company’s Hospital Expansion Plan for 2025

In 2025, the Company plans to expand Nakhonthon Hospital 2 by 151 beds, targeting insured patients under SSO in Bangkok’s District 7 and general patients. Of these, 102 beds are expected to be operational this year, with the remaining 49 beds in 2026. The Company is also upgrading the existing hospital and adding 95 beds, including VIP rooms, to meet rising healthcare demand.

Key growth drivers in 2025 include an aging population, rising lifestyle-related diseases, and greater demand for specialized and complex care. The Company’s 28-year track record, strong reputation, and prime location on Rama 2 Road further reinforce the company’s competitive advantage in serving high-income patients and medical tourists.

Significant Events and Developments 1Q2025

Significant Events / Developments	Description
 <p>4 February 2025 and 12 March 2025</p> <p>Received the International Standard Accreditation Certificate from AACI, a leading institution based in the United States.</p>	<p>Nakhonthon Hospital has been awarded international quality accreditation by the American Accreditation Commission International (AACI) and received a prestigious plaque recognizing the outstanding performance in sustainable development, innovation, and excellent accreditation scores from the AACI quality assessment. Associate Professor Yandhet Thongsima, President of Nakhonthon Hospital Public Company Limited, and Dr. Wisan Saipetch, Chief Executive Officer, led the Board of Directors and the Executive Committee in receiving the award from Dr. Somporn Kumphong, Chief Executive Officer of AACI Asia-Pacific.</p>
 <p>18 March 2025</p> <p>Awarded Healthcare Accreditation (HA) certification for the fifth time.</p>	<p>Nakhonthon Hospital has been awarded Healthcare Accreditation (HA) for the fifth time. Dr. Siremon Thongsima, Director of Medical Affairs, accepted the HA Re-Accreditation certificate on behalf of the hospital from Mr. Dej-is Khaothong, Deputy Minister of Public Health, at the 25th HA National Forum. The event was organized by the Hospital Accreditation Institute (Public Organization) and held at the Impact Forum in Muang Thong Thani.</p>

Key Operating Statistics

Nakhonthon Hospital Public Company Limited	1Q2025	1Q2024	Change
Number of outpatient visits (times)	99,836	102,197	-2%
Number of inpatient admissions (times)	3,973	4,100	-3%
Number of available beds	150	150	-
Bed occupancy rate (%)	67.2%	73.2%	-6%
Number of inpatient days (per year/per period)	9,078	9,989	-9%
Average revenue per outpatient visit (THB per visit)	3,098.3	2,981.0	4%
Average revenue per inpatient visit (THB per visit)	20,392.0	18,949.3	8%

Summary of Changes in Key Operational Statistics

In 1Q2025, the Company recorded 99,836 outpatient visits, a 2% decrease, and 3,973 inpatient admissions, a 3% decrease, compared to the same period last year. The primary factors contributing to this decline were the economic slowdown, stricter approval criteria for inpatient care from insurance companies, and patient concerns regarding the Co-Payment Policy. As a result, the number of patients seeking services decreased. The bed occupancy rate for the quarter stood at 67.2%, down from 73.2% in the same period last year, while the number of inpatient days was 9,078, a 9% decrease from the previous year, reflecting the reduced number of inpatient visits. At the end of the quarter, the Company had 150 beds available, unchanged from the same period last year.

Financial Summary 1Q2025

The financial performance of Nakhonthon Hospital Public Company Limited for the three-month period ended 31 March 2025 and 2024 is as follows:

Statement of Comprehensive Income

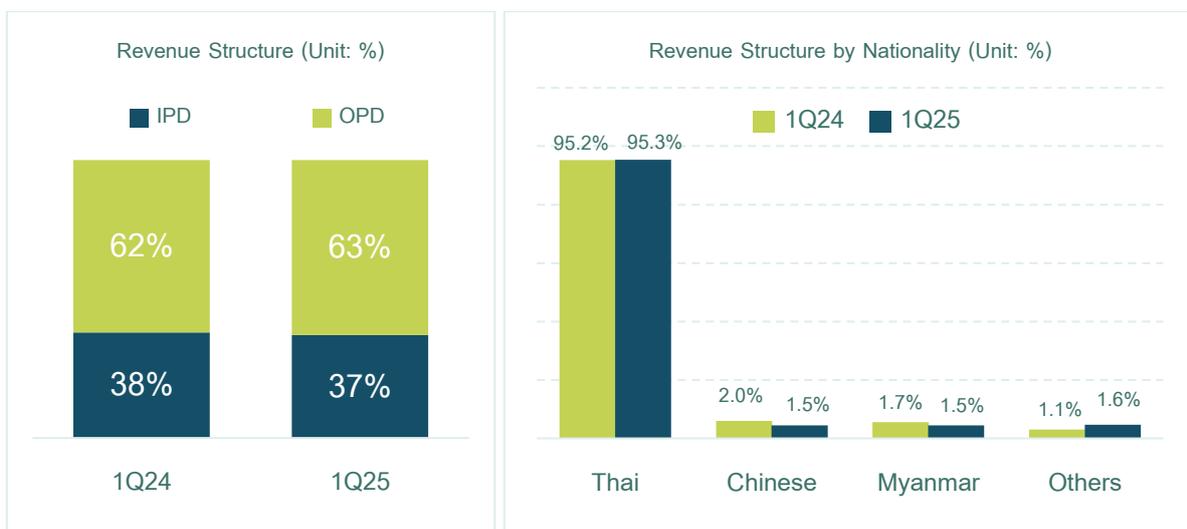
Nakhonthon Hospital Public Company Limited Unit: THB million	Consolidated for the three-month period ended 31 March		Change
	2025	2024	
Total revenue	500.5	502.4	-0.4%
Revenue from hospital operations	494.4	493.9	0.1%
<i>Revenue from outpatients (OPD)</i>	309.3	304.6	2%
<i>Revenue from inpatients (IPD)</i>	185.1	189.3	-2%
Other income	6.1	8.5	-28%
Total expenses	428.2	423.6	1%
Cost of hospital operations	346.8	351.1	-1%
Selling and service expenses	9.7	9.6	1%
Administrative expenses	71.7	62.9	14%
Earnings before interest and taxes (EBIT)	72.3	78.8	-8%
Profit for the period	56.1	62.1	-10%

Revenue

In 1Q2025, the Company achieved **total revenue** of THB 500.5 million, representing a 0.4% decrease compared to the same period last year.

- **Revenue from hospital operations** was THB 494.4 million, up 0.1% YoY, driven by patients shifting to outpatient services due to the economic slowdown, stricter inpatient admission criteria, and concerns over the Co-Payment Policy, all of which reduced overall patient volume.
- **Revenue from outpatients (OPD)** was THB 309.3 million, representing a 2% increase compared to the same period last year. This growth was driven by a 4% rise in the average revenue per outpatient visit, which reached THB 3,098.3, despite a decrease in the number of outpatient visits. Consequently, the proportion of revenue from outpatient increased to 63%, up from 62% in the same period last year.
- **Revenue from inpatients (IPD)** was THB 185.1 million, representing a 2% decrease compared to the same period last year. The average revenue per inpatient visit in 1Q2025 was THB 20,392.0, reflecting a 10% increase from the previous year, driven by complex and high-cost procedures such as heart surgery. However, the number of inpatient days and the number of inpatient visits decreased.
- **Other income** was THB 6.1 million, a decrease of 28% compared to the same period last year, primarily due to the absence of gains recognized by the fair value measurement of available-for-sale securities in this quarter.

Revenue Breakdown of Hospital Operations by Category

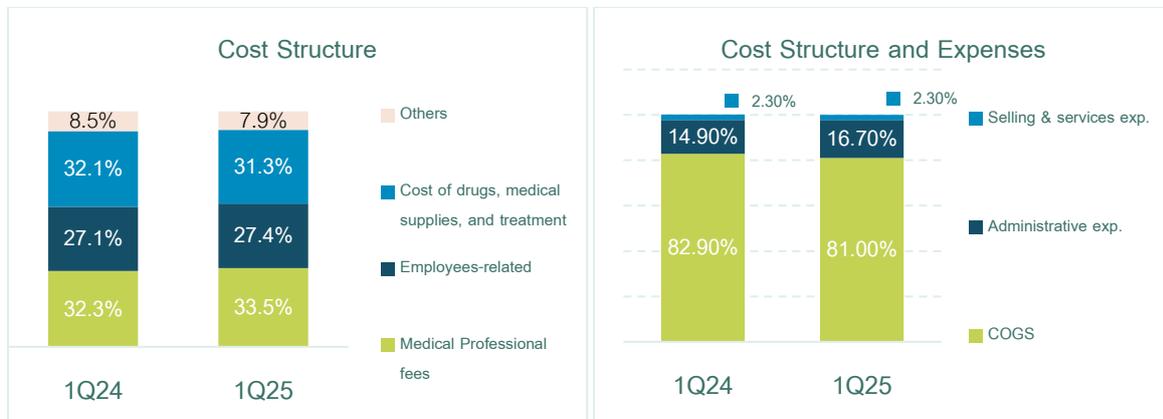


Cost and Expenses

In 1Q2025, the company's **total expenses** amounted to THB 428.3 million, reflecting a 1% increase compared to the same period last year.

- **Cost of hospital operations** was THB 346.8 million, representing a 1% decrease compared to the same period last year. This reduction was driven by effective cost management and control, alongside the optimal management of asset lifespans, which resulted in a decrease in depreciation expenses.
- **Selling and service expenses** were THB 9.7 million, reflecting a 1% increase compared to the same period last year.
- **Administrative expenses** were THB 71.7 million, reflecting a 14% increase compared to the same period last year. This increase was mainly driven by a higher allowance for doubtful debts related to overdue government receivables, increased maintenance costs for computer software systems, and depreciation expenses related to office improvements.

Cost Breakdown of Hospital Operations by Category



Net Profit

In 1Q2025, the Company reported **earnings before interest and tax (EBIT)** of THB 72.3 million, reflecting an 8% decrease compared to the same period last year, resulting in an operating profit margin of 14%. **Net profit** at the end of the quarter was THB 56.1 million, a 10% decrease from the same period last year, corresponding to a net profit margin of 11%.

Statement of Financial Position

Nakhonthon Hospital Public Company Limited Unit: THB million	Consolidated		Change
	As of 31 March 2025	As of 31 December 2024	
Total assets	2,525.7	2,620.9	-4%
Total current assets	1,069.7	1,257.2	-15%
Total non-current assets	1,456.0	1,363.7	7%
Total liabilities	542.0	693.3	-22%
Total current liabilities	378.3	535.6	-29%
Total non-current liabilities	163.7	157.7	4%
Total shareholders' equity	1,983.7	1,927.6	3%

Assets

As of 31 March 2025, the Company reported **total assets** of THB 2,525.7 million, a decrease by 4% from the end of 2024.

- **Current assets** totaled THB 1,069.7 million, down 15% from end-2024, mainly due to loan repayments and higher medical equipment spending.
- **Non-current assets** totaled THB 1,456.0 million, up 7% from end-2024, mainly due to construction of Nakhonthon Hospital 2, the Nakhonthon Long Life Center, system upgrades, and new medical equipment purchases.

Liabilities

As of 31 March 2025, the Company reported **total liabilities** of THB 542.0 million, representing a 22 % decrease compared to the end of 2024.

- **Current liabilities** were THB 378.3 million, down 29% from end-2024, mainly due to loan repayments and settlement of medical equipment and construction-related projects.
- **Non-current liabilities** totaled THB 163.7 million, a 4% increase from the end of 2024. The rise was mainly attributable to the recognition of employee benefit obligations, performance guarantees

related to the Nakornthon Hospital 2 and the Nakornthon Long Life Center, as well as financial lease liabilities.

Shareholders' equity

As of 31 March 2025, the Company had THB 1,983.7 million **total shareholders' equity**, marking a 3% increase from the end of 2024, driven by the net profit for the quarter.

Statement of Cash Flows

Nakhonthon Hospital Public Company Limited Unit: THB million	Consolidated for the three-month period ended 31 March	
	2025	2024
Net cash generated from (used in) operating activities	115.6	116.3
Net cash generated from (used in) investing activities	(149.1)	89.5
Net cash generated from (used in) financing activities	(150.0)	0.0
Net increase (decrease) in cash and cash equivalents	(183.5)	205.8
Cash and cash equivalents at the beginning of the period	1,094.9	198.3
Cash and cash equivalents at the end of the period	911.4	404.1

In 1Q2025, the company generated a **net cash inflow from operating activities** of THB 115.6 million. **Net cash used in investing activities** amounted to THB 149.1 million, primarily due to the purchase of medical equipment and the improvement and construction of buildings. Additionally, **net cash used in financing activities** totaled THB 150.0 million, mainly arising from the repayment of short-term loans of THB 50 million and long-term loans from financial institutions amounting to THB 100 million. As a result, the Company's **net decrease in cash and cash equivalents** by THB 183.5 million, closing the quarter at THB 911.4 million in cash and cash equivalents balance.

Key Financial Ratio

Nakhonthon Hospital Public Company Limited	1Q2025	1Q2024
Current ratio (times)	2.8	1.2
Gross profit margin (%)	29.9	28.9
Net profit margin (%)	11.2	12.4
Return on assets (%)	12.5	17.5
Return on equity (%)	14.3	21.5
Debt-to-equity ratio (times)	0.3	0.8

Remarks:

- (1) Current Ratio = Current Assets / Current Liabilities
- (2) Gross Profit Margin = (Revenue from Hospital Operations - Cost of Hospital Operations) / Revenue from Hospital Operations
- (3) Net Profit Margin = Net Profit / Total Revenue
- (4) Return on Assets = Operating Profit / Average Total Assets
- (5) Return on Equity = Net Profit / Average Total Shareholders' Equity
- (6) Debt-to-Equity = Total Liabilities / Total Shareholders' Equity

Sustainability Initiatives 1Q2025

Environmental



- 11 January 2025
- 8 February 2025
- 8 March 2025

38th Mobile E-Waste Collection Campaign

Every second Saturday of the month, Nakhonthon Hospital organizes the 37th, 38th, and 39th Mobile E-Waste Collection Campaigns, led by Mrs. Sompen Thongsima, Investment, Social, Environmental, and Governance (ESG) Advisor, and Chairman of the Mobile E-Waste Collection Campaign at Nakhonthon Hospital, in collaboration with the N15 Technology team. The initiative focuses on collecting non-recyclable waste and converting it into alternative fuel for cement kilns, reducing the amount of waste sent to landfills. In 1Q2025, a total of 37,100 kilograms of e-waste was collected.

Social



27 February 2025

“Free Haircut” Event

Nakhonthon Hospital, in collaboration with Nirunrat Beauty School, organized a “Free Haircut” event as part of the Company’s ongoing Corporate Social Responsibility (CSR) efforts to give back to the community. The Nirunrat Beauty School provided a team of professional hairdressers who offered their services free of charge at the hospital. Residents, as well as hospital staff, continuously visited throughout the day to enjoy the service. This free haircut initiative is held bi-monthly, with the next event scheduled for April 2025.

Governance



12 March 2025

Received an honorary award in recognition of outstanding performance, sustainable development, innovation, and excellence in AACI accreditation.

Nakhonthon Hospital was honored with a prestigious award for the Company’s outstanding achievements in sustainable development, innovation, and exceptional certification scores in the AACI (American Accreditation Commission International) quality assessment. The award was presented by Dr. Somporn Kumphong, Chief Executive Officer of AACI Asia-Pacific, with Associate Professor Yandhet Thongsima, President of Nakhonthon Hospital Public Company Limited, and Dr. Wisan Saipetch, Chief Executive Officer, leading the team of company directors and executives to accept the accolade.



Investor Relations Contact

Nakhonthon Hospital Public Company Limited

Mr. Simathong Thongsima (Assistant Chief Executive Officer and Investor Relations)

Email: simathong_t@nakornthon.com

Tel: +66-2450-9999 ext. 5115