



No. PRINC-68-017

November 12, 2025

Subject: Management Discussion and Analysis of the Consolidated Financial Statements for the Third Quarter and for the Nine Months Ending September 30, 2025

To: President  
The Stock Exchange of Thailand

Principal Capital Public Company Limited and its subsidiaries (“PRINC”) would like to clarify operating results for the third quarter and for the nine months ending September 30, 2025, compared with the same period of 2024.

### Operation Results and Major Developments in Q3/2025

In Q3/2025, PRINC’s consolidated revenues were THB 1,591.5 million, a 1.58% decrease year-over-year, whereas in the first nine months of 2025, the consolidated revenues were THB 4,457.7 million, a 3.59% increase year-over-year. During the first nine months of 2025, PRINC implemented various changes to its cost structures and cost reduction programs in order to cope with financial slowdown, and maintain competitiveness. Along with focus on efficiency management, PRINC still continues our operations through four strategic pillars including; **1. business growth, 2. quality & efficiency of network, 3. medical service advancement, and 4. ESG development.** The highlight activities from July 1, 2025 to the date of this report are as follows.

#### **Business Growth**

On August 22, 2025, Pitsanuvej Hospital (“PSV”) has opened new premium facilities which are “Threelux Wards” and ICU private rooms. These premium inpatient facilities integrated the following aspects: (1) luxury, (2) convenience, and (3) international standards of medical care, and were designed in accordance with JCI standards to ensure the highest level of safety for inpatients.

On August 25, 2025, a new subsidiary, Baanmhor Pongsak Company Limited, (“BMPS”) was registered to operate business involving senior care and nursing home. BMPS is scheduled to commence its operations in Q1/2026, with facilities in Bangkok

and vicinities. Moreover, it plans to further expand to other provinces to serve growing trend of elderly population in Thailand. This expansion can benefit from leveraging PRINC's business network for acquiring targeted customer groups in areas where PRINC hospitals reside.

On September 29, 2025, Principal Healthcare - Kamphaengphet Co., Ltd. ("PKPP") held groundbreaking ceremony. Construction progress reached 40%, and it is expected to be completed by April 2026.

### **Quality & Efficiency of Network**

On September 1, 2025, PRINC IR (PRINC Incident Report) system, developed by Hospital Management Services Co., Ltd ("HMS"), was officially launched. This system can generate comprehensive incident reports which can be used to enhance safety and service quality standards across the hospital network through analysis of risks in medical services.

On October 1, 2025, PRINC Refer system was officially launched in PRINC network. This system was developed by HMS to enhance the patient referral system and to improve the efficiency of PRINC medical network.

### **Medical Service Advancement**

On August 1, 2025, Princ Hospital Suvarnabhumi ("PSUV") and PSV were awarded "Standard Stroke Center Certification (SSCC)" from the Neurological Institute of Thailand, Department of Medical Services, Ministry of Public Health.

On October 8, 2025, Virajsilp Hospital ("PCPN") started a Hyperbaric Oxygen Therapy ("HBOT") service. HBOT is a medical treatment allowing patients to get high level of pure medical oxygen inside a high-pressure chamber. HBOT therapy can effectively promote physical, brain, and wound recovery. PCPN is the first hospital in Chumphon Province to offer this service.

### **ESG Development**

On July 21, 2025, Princ Hospital Paknampo ("PPNP") was granted the CSR Award 2025 from the Ministry of Social Development and Human Security.

On September 1, 2025, PCPN was granted the Thailand Labor Management Excellent Award 2025 for the second year. PCPN was the only hospital receiving this award in 2025.



On September 1, 2025, Principal Capital Plc. received the certificate of ESG DNA from SET to honor organizations that promote the cultivation of sustainable business principles among employees at all levels.

On September 17, 2025, Princ Hospital Uthai Thani (“PUTH”) received Excellent certificate of GREEN & CLEAN Hospital Challenge from the Department of Health.

On September 22, 2025, five of PRINC hospitals were granted the Human Right Awards 2025 from the Department of Rights and Liberties Protection, Ministry of Justice to recognize and honor organizations with outstanding performance in respecting human rights. Details are (1) PSV, PPNP, and PSUV, for the large-scale business organization category (outstanding achievement); (2) Princ Hospital Sisaket (“PSSK”) for the medium-scale business organization category (outstanding achievement); and (3) PUTH for the small-scale business organization category (good achievement).

#### Economic and industry conditions affecting operations, policies, strategies, and business decisions

The Monetary Policy Committee (“MPC”) announced the results of the MPC meeting on October 8, 2025 that impacts from the U.S. reciprocal tariffs on Thailand export sector caused Thai economy in the 2<sup>nd</sup> half of 2025 and in 2026 to decelerate. The downside risk could also be expected in tourism industry and domestic consumption.

The headline inflation was lower than the previous projection. It is expected that the headline inflation in 2025 and 2026 gradually decline to 0.0% and 0.5%, respectively. The decrease in inflation has primarily been driven by lower price on supply-side factors, particularly that of global crude oil. Meanwhile, credit growth was also projected to shrink due to higher credit risk.

MPC assessed that monetary policy should accommodate economic recovery. As the impact of the previous policy rate reduction has continued to filter through the economy, most committee members placed importance on timing and effectiveness of monetary policy, and therefore voted to maintain the policy rate at 1.5%.

Under these current uncertainties, PRINC continues to evaluate and mitigate various types of risks both from internal and external, in order to take proactive measures for all downside circumstances.

PRINC is continuously focusing on growth and expansions, with key strategies as follows:

1. Expanding hospital business to enhance our competitive networks that provide medical treatments and serve unmet demand in selected areas/provinces.



2. Investing in healthcare related businesses by selective strategies such as mergers & acquisitions or greenfield to upscale our hospital business and to incorporate advanced scopes of medical services.
3. Expanding to new market segments such as international customers.
4. Enhancing our capabilities of performing sophisticated healthcare services with more specialized treatments, advancing to higher level of care.
5. Focusing on improving of work processes to enhance efficiency and foster stable and sustainable growth.

Comparison the operating performance results for the three months ending 30 September in 2025 and 2024

Table 1

Consolidated Profit and Loss Unit: Million Baht	For the three months		Change (YoY)	
	2025	2024	Amount	%
Revenues from healthcare services	1,591.5	1,617.1	(25.5)	-1.58
Revenues from sales and services	2.3	1.6	0.6	39.91
Costs of healthcare services	1,254.4	1,217.4	37.0	3.04
Costs of sales and services	1.5	1.2	0.3	29.18
<b>Gross profit (loss)</b>	<b>337.9</b>	<b>400.1</b>	<b>(62.2)</b>	<b>-15.55</b>
Other income	15.9	18.9	(3.0)	-15.78
Selling and administrative expenses	373.9	339.7	34.2	10.06
Other expenses	4.1	5.9	(1.8)	-30.01
Gain on reversal (loss) on expected credit losses	0.0	5.2	(5.2)	-99.77
Share of profit (loss) from an associate and joint ventures using equity method	(2.2)	(2.3)	0.1	n.m.
Finance costs	42.6	43.8	(1.2)	-2.70
<b>Profit (loss) before income tax expense</b>	<b>(69.0)</b>	<b>32.5</b>	<b>(101.5)</b>	<b>-312.46</b>
Income tax (expense) income	(14.6)	(24.3)	9.6	n.m.
<b>Profit (Loss) for the period from continuing operations</b>	<b>(83.7)</b>	<b>8.2</b>	<b>(91.9)</b>	<b>1,120.32</b>
Profit from discontinued operations:				
*Profit for the period from discontinued operations	-	38.9	(38.9)	-100.00
Gain on disposal of discontinued operations	-	700.8	(700.8)	-100.00
<b>Profit (loss) for the year</b>	<b>(83.7)</b>	<b>748.0</b>	<b>(831.6)</b>	<b>-111.18</b>
<b>**Earnings before interest, taxes, depreciation, and amortization from core operations (EBITDA)</b>	-	-	-	n.m.
Profit (loss) attributable non-controlling interests	(8.1)	6.7	(14.8)	-222.05
<b>Profit (loss) attributable to owner of the parent</b>	<b>(75.5)</b>	<b>741.3</b>	<b>(816.8)</b>	<b>-110.19</b>

Remarks

\*Profit for the period from discontinued operations: Property business's net value of revenues and expenses were reclassified into this item.

\*\*Earnings before interest, taxes, depreciation, and amortization (EBITDA): This calculation excluded (1) gain on reversal (loss) on expected credit losses, and (2) share of profit (loss) from an associate and joint ventures using equity method.

1. Revenues from healthcare services was THB 1,591.5 million, a decrease by THB 25.5 million or 1.58% dropped. Due to continued economic uncertainties, consumers have become more cost conscious on medical care, resulting in lower overall health expenditures. Meanwhile, unrest situation next to Cambodia border has led to lower-than-expected number of foreign patients. In addition, delay of seasonal outbreak caused the decline of patients in this quarter.
2. Gross profit equaled THB 337.9 million, a decrease by THB 62.2 million, which resulted mainly from a decrease in revenues, and an increase in doctor costs and other direct costs.
3. Net loss for the period from continuing operations equaled a deficit of THB 83.7 million, a THB 91.9 million decrease. This caused by a decline in revenues, and an increase in direct costs as well as selling and administrative expenses.

Comparison the operating performance results for the nine months ending 30 September in 2025 and 2024

Table 2

Consolidated Profit and Loss Unit: Million Baht	For the nine months		Change (YoY)	
	2025	2024	Amount	%
Revenues from healthcare services	4,457.7	4,303.1	154.6	3.59
Revenues from sales and services	7.9	2.9	5.0	175.04
Costs of healthcare services	3,612.7	3,393.2	219.5	6.47
Costs of sales and services	6.5	2.5	4.0	160.88
<b>Gross profit (loss)</b>	<b>846.5</b>	<b>910.4</b>	<b>(63.9)</b>	<b>-7.02</b>
Other income	51.4	62.3	(10.9)	-17.49
Selling and Administrative expenses	1,060.5	1,020.7	39.8	3.90
Other expenses	17.9	22.0	(4.1)	-18.66
Gain on reversal (loss) on expected credit losses	3.4	17.9	(14.5)	-81.17
Share of profit (loss) from an associate and joint ventures using equity method	(22.0)	(14.3)	(7.7)	n.m.
Finance costs	124.6	168.0	(43.4)	-25.82
<b>Profit (loss) before income tax expense</b>	<b>(323.7)</b>	<b>(234.4)</b>	<b>(89.3)</b>	<b>n.m.</b>
Income tax (expense) income	(39.6)	(32.7)	(6.9)	n.m.
<b>Profit (Loss) for the period from continuing operations</b>	<b>(363.3)</b>	<b>(267.1)</b>	<b>(96.2)</b>	<b>n.m.</b>
Profit from discontinued operations:				
*Profit for the period from discontinued operations	-	123.8	(123.8)	-100.00
Gain on disposal of discontinued operations	-	700.8	(700.8)	-100.00
<b>Profit (loss) for the year</b>	<b>(363.3)</b>	<b>557.5</b>	<b>(920.8)</b>	<b>-165.17</b>
<b>**Earnings before interest, taxes, depreciation, and amortization from core operations (EBITDA)</b>	<b>333.4</b>	<b>424.8</b>	<b>(91.4)</b>	<b>-21.52</b>
Profit (loss) attributable non-controlling interests	(39.6)	(5.7)	(33.9)	n.m.
<b>Profit (loss) attributable to owner of the parent</b>	<b>(323.8)</b>	<b>563.2</b>	<b>(887.0)</b>	<b>-157.48</b>

Remarks

\*Profit for the period from discontinued operations: Property business's net value of revenues and expenses were reclassified into this item.

\*\*Earnings before interest, taxes, depreciation, and amortization (EBITDA): This calculation excluded (1) gain on reversal (loss) on expected credit losses, and (2) share of profit (loss) from an associate and joint ventures using equity method.

1. Revenues from healthcare services was THB 4,457.7 million, an increase by THB 154.6 million or 3.59%. Despite moderate growth, this growth is lower than expected. Due to continued economic uncertainties, consumers have become more cost conscious on medical care, resulting in lower overall health expenditures. Meanwhile, unrest situation next to Cambodia border has led to lower-than-expected number of foreign patients. In addition, delay of seasonal outbreak caused the decline of patients in the third quarter.
2. Gross profit equaled THB 846.5 million, a decrease by THB 63.9 million, which resulted mainly from a decrease in revenues, and an increase in doctor costs and other direct costs.
3. Net loss for the period from continuing operations equaled a deficit of THB 363.3 million, a decline by THB 96.2 million. This caused by a decline in revenues, and an increase in direct costs as well as selling and administrative expenses

### Revenue Breakdown by Key Payor Type

The key payor groups can be classified into five types of which four major types are selfpay, insurance, government, and contract. Revenue breakdown are as follows:

Table 3

Payor	2025/Q3	2024/Q3	2025/9M	2024/9M
Selfpay	36.15%	35.91%	37.13%	36.69%
Insurance	36.86%	38.36%	35.90%	36.60%
Government	19.96%	18.71%	20.01%	19.80%
Contract	6.23%	5.77%	6.20%	5.69%
Others	0.80%	1.24%	0.77%	1.22%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

## Financial Positions

Table 4

Consolidated Balance Sheet Unit: Baht Million, except noted	Sep 30, 2025	Dec 31, 2024	Change (YoY)	
			Amount	%
Total Assets	15,013.7	15,024.6	-10.9	-0.07
Interest-Bearing Debts	3,967.8	3,673.1	294.7	8.02
Total Liabilities	5,467.6	5,146.2	321.4	6.24
Equity Attributable to the Parent Company	8,785.0	9,146.8	-361.8	-3.96
Interest-Bearing Debts to Shareholder's Equity of the Parent Company (Unit: Time)	0.45	0.40	0.05	12.47
Debt to Equity Ratio (Unit: Time)	0.62	0.56	0.06	10.62

Total assets as of September 30, 2025 were THB 15,013.7 million, a slight decrease of THB 10.9 million or 0.07% from the end of 2024. This change was mainly from a decrease of short-term investment & deposits.

As of September 30, 2025, interest-bearing debts were THB 3,967.8 million, an increase of THB 294.7 million or 8.02% from the end of 2024, while total liabilities as of September 30, 2025 were THB 5,467.6 million, an increase by THB 321.4 million or 6.24% from the end of 2024. This was primarily from increase in long-term loans from financial institutions to support business expansions.

Therefore, interest-bearing debts to shareholders' equity of the parent company was 0.45x or 12.47% increase. And debt to equity ratio was 0.62x, a 10.62% increase from December 31, 2024.

## Financial Ratio Analysis

Table 5

Highlight Financial Ratio	Unit	Ending Sep 30, 2025	Ending Sep 30, 2024	Increase (Decrease)
<b>Liquidity Ratio</b>				
Current Ratio <sup>1</sup>	Time	0.63	1.54	-0.91
Quick Ratio <sup>1</sup>	Time	0.52	0.94	-0.41
<b>Activity Ratios</b>				
* Total Asset Turnover <sup>2</sup>	Time	0.38	0.34	+0.04
Fixed Asset Turnover <sup>2</sup>	Time	0.58	0.60	-0.02
* Account Receivable Turnover <sup>2</sup>	Time	8.57	8.46	+0.11
* Average Collection Period <sup>2</sup>	Day	43	43	-0.56
* Inventory Turnover <sup>2</sup>	Time	36.53	34.06	+2.47
* Average Sale (Inventory) Period <sup>2</sup>	Day	10.0	11	-0.72
Account Payable Turnover <sup>2</sup>	Time	5.62	5.34	+0.27
Average Payment Period <sup>2</sup>	Day	65	68	-3.30
Cash Cycle <sup>2</sup>	Day	-12	-14	+2.02
<b>Leverage Ratios</b>				
Debt /Equity Ratio <sup>1</sup>	Time	0.62	0.58	+0.04
Interest Coverage Ratio <sup>2</sup>	Time	-1.60	0.04	-1.20
<b>Profitability Ratios</b>				
Gross Profit Margin <sup>3</sup>	%	18.96	21.14	-2.19
EBITDA Margin <sup>3</sup>	%	7.38	9.72	-2.34
Net Profit Margin <sup>3</sup>	%	-8.04	12.76	-20.81
Return on Assets <sup>2</sup>	%	-2.65	-1.39	-1.26
Return on Equity <sup>2</sup>	%	-5.91	3.87	-9.78

Remark: (\*) denotes key financial ratios that performed better in 2025/9M

1: Data as of Sep 30, 2025 or 2024

2: Data for the 4-quarter period ending Sep 30, 2025 or 2024

3: Data for the 9-month period ending Sep 30, 2025 or 2024

### Analysis of Liquidity Ratios

At the end of September 30, 2025, current ratio was 0.63x, a decrease from 1.54x. Quick ratio also decreased from 0.94x to 0.52x. This was attributable to business expansion as current assets were converted to non-current assets subsequently.

### **Analysis of Activity Ratios**

1. Total asset turnover increased from 0.34x to 0.38x for the trailing-4-quarter period ending September 30, 2025. The increase was attributable to the divestment in the property business which had comparatively low asset turnover.
2. Fixed asset turnover slightly dropped from 0.60x to 0.58x. This is mainly due to active investments and expansions in hospitals and related healthcare businesses. Fixed assets were increased subsequently.
3. Cash cycle day for trailing-4-quarter period ending September 30, 2025 slightly changed from negative 14 to negative 12. The negative impact of faster payment to suppliers superseded the better management of receivable collection and inventory day on hand.

### **Analysis of Leverage Ratio**

Interest coverage ratio decreased from negative 0.40x to negative 1.60x for trailing-4-quarter period ending September 30, 2025. It is mainly due to a decrease in EBIT (earnings before interest and taxes) resulting from lower of revenues and higher cost of medical services, although finance cost could be managed to reduce for THB 43.5 million or 25.82%, comparing from the previous period.

### **Analysis of Profitability Ratios**

1. Due to a decrease in revenues and a higher cost of medical services, gross profit margin and EBITDA margin were dropped by 2.19%, 2.34% accordingly. While net profit margin was declined by 20.81%, such a decline is mainly from the fact that in 2024/Q3, there was a huge gain on property divestment.
2. Return on assets decreased from negative 1.39% to negative 2.65% for trailing-4-quarter period ending September 30, 2025 due to a decrease in EBIT.
3. Return on equity for trailing-4-quarter period ending September 30, 2025 declined from 3.87% to negative 5.91% due to decrease in net profits. Such a decline is mainly from the fact that in 2024/Q3, there was a huge gain on property divestment.



Over the past 9 years, we have successfully executed our strategic expansion. Nevertheless, current economic situation has signaled us to balance growth, profitability with disciplined cost management. We believe that this commitment can lead us through uncertain time.

For your kind acknowledgement.

Yours respectfully,

– Signature –

(Mr. Tharin Eampetcharapong)

Chief Financial Officer