

Management's Discussion and Analysis

MD&A

For the First Quarter of 2025

Srivichaivejvivat Public Company Limited

Vichaivej International Hospital Group

EXECUTIVE SUMMARY

Summary of Operating Results Unit: Million Baht	Q1 2025	Q1 2024	Change +/- %YOY
Revenue from Hospital Operations	700.05	665.28	5.23%
Total Revenue	711.10	673.57	5.57%
Gross Profit	189.19	163.37	15.81 %
EBITDA	166.62	135.23	23.22%
Net Profit of the Company	98.85	72.31	36.70%
Gross Profit Margin	27.03%	24.56%	2.47%
EBITDA Margin	23.44%	20.08%	3.36%
Net Profit Margin	13.90%	10.74%	3.16%

Summary of the Company's Operating Performance for the First Quarter of 2025 Compared to the First Quarter of 2024

Operating performance in the first quarter of 2025 showed significant growth across several areas when compared to the same period of the previous year.



Revenue

The Company experienced growth in service revenue, increasing by THB 34.77 million, or 5.23%. This was in line with the increase in the number of patients and higher per-visit expenses of customers, as well as the expansion of service scope. In addition, revenue from mobile medical units, Social Security revenue, and revenue from health check-ups for migrant workers also contributed to the revenue growth.



Profitability

The Company demonstrated significant development in profitability. Gross profit significantly increased by THB 25.82 million, representing a growth of 15.81%. This resulted in an improvement in the gross profit margin from 24.56% in the first quarter of 2024 to 27.03% in the first quarter of 2025.

In terms of EBITDA, the Company achieved a growth of THB 31.39 million, or 23.22%. This growth was a result of more efficient cost and operational management, as well as the conclusion of the construction litigation. In the fourth quarter of 2024, the Company had set aside a provision for related expenses amounting to THB 15.84 million. Excluding the impact of this provision, EBITDA still grew by THB 15.55 million, or 11.50%, reflecting the Company's true operating potential.

As a result of the aforementioned operating performance, the Company's net profit grew by THB 26.54 million, or 36.70%, leading to an improvement in the net profit margin from 10.74% in the first quarter of 2024 to 13.90% in the first quarter of 2025. Excluding the impact of adjustments related to the litigation amounting to THB 15.28 million (net of tax), the Company still achieved a net profit growth of 15.58%, indicating its continued strong profitability.

KEY EVENTS IN THE FIRST QUARTER OF 2025



January 9, 2025: Vichaivej Hospital Group collaborated with MCOT PLC (Mass Communication Organization of Thailand Public Company Limited), a communications expert, to sign a Memorandum of Understanding (MOU) on training and providing knowledge about medical business and services. This collaboration aims to develop personnel capabilities, strengthen the organization, and elevate the standards of the hospital business.

January 13, 2025: Vichaivej Hospital Omnoi received the prestigious Prime Minister Awards: Thailand Cybersecurity Excellence Award 2024 from the National Cyber Security Agency (NCSA). This award underscores its excellence in cybersecurity and the protection of patient data.



Vichaivej Hospital Group announced its intention to participate in the anti-corruption campaign "If Asked for a Bribe... We Report It," organized by the CAC (Thailand's Private Sector Collective Action Coalition Against Corruption) in collaboration with the National Anti-Corruption Commission (NACC). This demonstrates the Group's stance against all forms of corruption and its commitment to fostering transparency in its business operations.

February 4, 2025: Vichaivej Hospital Group won the "e-Claim Awards 2023," affirming its excellence in the automated claims system. This reinforces its commitment to developing service quality and utilizing modern technology to facilitate patients across its four branches.



DISCUSSION AND ANALYSIS OF CONSOLIDATED FINANCIAL STATEMENTS

AS OF MARCH 31, 2025

STATEMENT OF COMPREHENSIVE INCOME

Operating Results of the Company and its Subsidiaries Based on the Consolidated Financial Statements. For the Three-Month Period Ended March 31, 2025

Summary of Operating Results Unit: Million Baht	Q1 2568	Q1 2567	Change +/-(-) %YOY
Revenue from Hospital Operations	700.05	665.28	5.23%
Other Income	11.06	8.29	33.42%
Total Revenue	711.10	673.57	5.57%
Cost of Hospital Operations	510.85	501.91	1.78%
Gross Profit	189.19	163.37	15.81 %
Gross Profit Margin (%)	27.03%	24.56%	2.47%
SG&A	78.29	80.22	(2.41%)
SG&A to Sales (%)	11.00%	11.91%	(0.91%)
Total Expenses	589.14	582.13	1.20%
Operating Profit	121.96	91.44	33.38%
Finance Costs	1.38	2.07	(33.34%)
Income Tax Expenses	21.74	17.06	27.43%
Profit for the Period	98.85	72.31	36.70%
Net Profit Margin (%)	13.90%	10.74%	3.16%

REVENUE

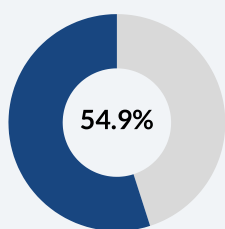
Revenue Breakdown in Q1 2025

The main revenue streams of Vichaivej Hospital Group are categorized into two main types based on customer characteristics: (1) Non-Capitation, which include cash/life insurance patients, mobile health check-up clients, as well as revenue from government contracts of the Vichaivej Heart Center and (2) Capitation, comprising insured persons under the Social Security scheme.

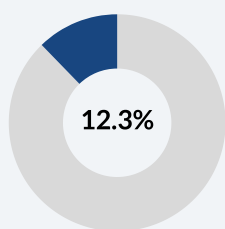


NON-CAPITATION 75%

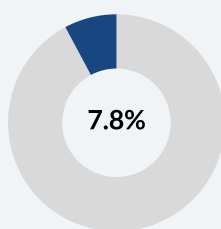
CAPITATION 25%



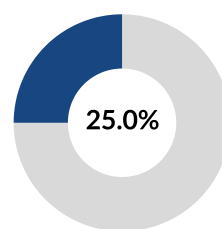
CASH AND
LIFE INSURANCE



VICHAIVEJ
HEART CENTER



MOBILE HEALTH
CHECK-UP



SOCIAL SECURITY SCHEME

Revenue Breakdown Unit: Million Baht	Q1 2568	Q1 2567	Change +/- %YOY
Revenue from General Customers	537.43	515.82	4.19%
Outpatient (OPD) Revenue	247.73	211.27	17.26%
Inpatient (IPD) Revenue	289.70	304.56	(4.88%)
Social Security Scheme Revenue	178.85	156.71	14.13%
Inter-segment Eliminations	(16.23)	(7.25)	123.87%
Revenue from Hospital Operations	700.05	665.28	5.23%
Other Income	11.06	8.29	33.42%
Total Revenue	711.10	673.57	5.57%

Analysis of Revenue from Hospital Operations

Despite the continued challenges in the overall economic conditions and their impact on consumer purchasing power, Vichaivej Hospital Group has maintained the trust of its service users, both existing and new customers, due to its increased capacity to treat complex diseases, expanded service areas, coupled with the quality of its specialist medical teams, and appropriate and competitive service pricing.

From the operating results for the three-month period ended March 31, 2025, compared to the same period of the previous year, the Company's revenue from hospital operations increased by THB 34.77 million, or a growth rate of 5.23%, from THB 665.28 million to THB 700.05 million. The details of the revenue composition are as follows



Revenue from Non-Capitation:

This accounted for the main proportion of service revenue at 75%, or THB 537.43 million, an increase of THB 21.60 million or 4.19% compared to THB 515.82 million in the first quarter of 2024. This growth resulted from the enhanced capacity to treat specialized diseases, particularly the growth in revenue from health check-ups for migrant workers at Vichaiyut Hospital Samutsakhon, and the expansion of mobile health check-up services.

Revenue from Capitation:

This showed significant growth, increasing by THB 22.14 million or 14.13% from THB 156.71 million in the first quarter of 2024 to THB 178.85 million in the first quarter of 2025. The key factors contributing to the significant growth in revenue from the Social Security scheme were the increase in the number of insured persons choosing to use services within the hospital network and the efficiency in treating patients with complex medical conditions.

Although the Company's total revenue showed good growth, revenue from inpatients (IPD) was slightly affected by the following factors

- **Vichaivej Heart Center:** The change in inpatient treatment policies for government agency schemes since mid-2024 resulted in a limitation on the number of patients who could receive treatment. This is evident from the decrease in the number of cardiac catheterization (Cathlab) procedures from 1,005 cases in the first quarter of 2024 to 808 cases in the first quarter of 2025, which affected the center's revenue. However, management has implemented proactive strategies to mitigate this impact by expanding the customer base to general customers (cash and health insurance customers).
- **Akkarabut Fertility Center and Obstetrics Services:** The economic slowdown and the trend of declining average birth rates per family led to a decrease in revenue from fertility-related businesses. However, as the revenue from this segment represents a small proportion of the total revenue of the hospital group, it did not have a significant impact on the overall operating performance. Nevertheless, management has a policy to develop marketing campaigns that emphasize the value and strengths of the services to reach the target audience more effectively.



COSTS AND EXPENSES

- Cost of Hospital Operations**

In the first quarter of 2025, the cost of hospital operations amounted to THB 510.85 million, an increase of THB 8.94 million or 1.78% compared to THB 501.91 million in the first quarter of 2024. This increase in cost was mainly driven by variable costs such as doctors' fees and medication expenses, which rose in line with the growth in service users from both general patients and Social Security patients. However, when compared to the revenue growth of 5.23%, the cost growth rate of 1.78% was lower than the revenue growth, reflecting the Company's efficient cost management.

- Total Selling and Administrative Expenses**

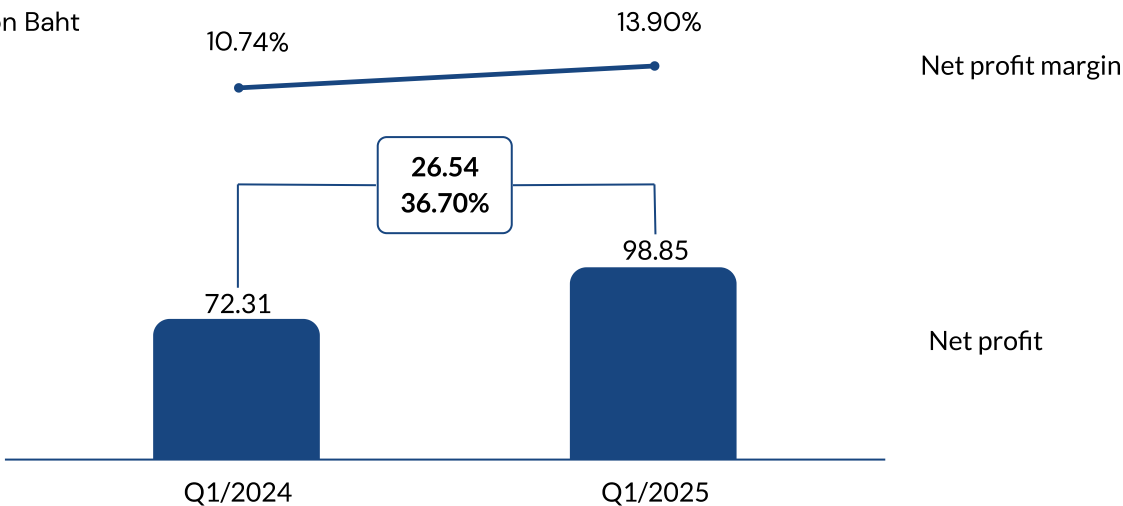
In the first quarter of 2025, the Company's total selling and administrative expenses were THB 78.29 million, a decrease of THB 1.93 million or 2.41% from the same period last year. This was mainly due to the reduction in the provision for the concluded litigation. Nevertheless, the Company continues to prioritize efficient expense management to maintain profitability levels and generate consistently good returns.

- Total Finance Costs**

The Company and its subsidiaries are committed to efficient financial cost management. In the first quarter of 2025, finance costs amounted to THB 1.38 million, a decrease of THB 0.69 million or 33.34% from the same period last year. This reflects strong financial discipline. The Company has continued to maintain growth, which reflects its business potential, adaptability, and commitment to generating good returns.

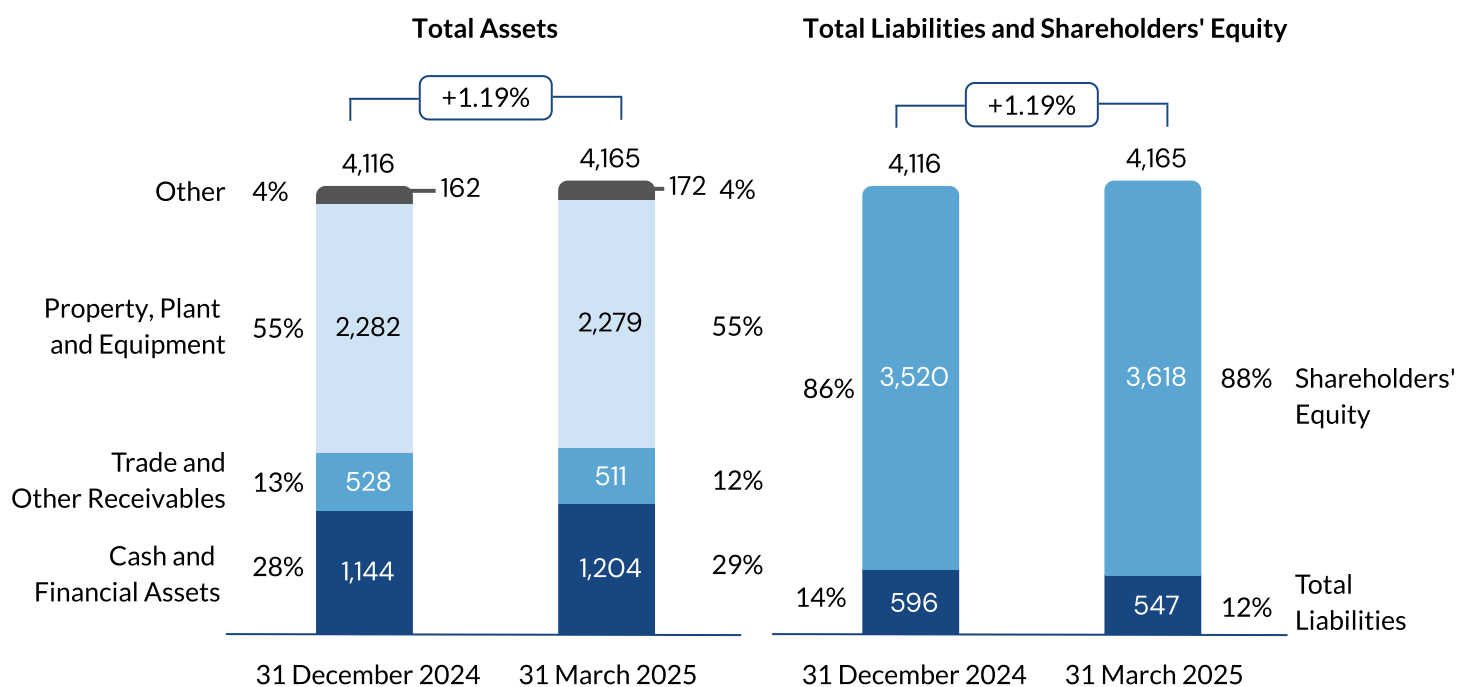
NET PROFIT AND NET PROFIT MARGIN

Unit: Million Baht



In the first quarter of 2025, the Company's net profit increased by 36.70% compared to the same period last year. The main reasons for this were the 5.57% increase in total revenue, coupled with efficient cost and expense management. Furthermore, the conclusion of litigation and the reduction of provisions for damages in 2024 resulted in an increase in net profit of THB 15.28 million (net of tax). However, excluding this item, net profit still grew by 15.58%, reflecting strong operating performance from revenue and cost control.

STATEMENT OF FINANCIAL POSITION



The consolidated financial statements of the Company and its subsidiaries as of March 31, 2025, reflect a strong and stable financial position.

- **Total Assets:** Increased by 1.19% to THB 4,165.19 million, primarily driven by an increase in cash and other current financial assets, which further strengthens the Company's financial liquidity.
- **Total Liabilities:** Decreased significantly by 8.20% to THB 547.46 million, reflecting outstanding financial management efficiency. Notably, the Company has no borrowings from financial institutions.
- **Total Shareholders' Equity:** Grew by 2.77% to THB 3,617.73 million, resulting from continued net profit growth, demonstrating operational efficiency and a solid capital structure.

In summary, the consolidated financial statements as of March 31, 2025, reflect a stable financial position, growth potential, and efficient financial management, which are crucial foundations for building confidence and supporting the Company's sustainable long-term growth.



STATEMENT OF CASH FLOWS

Statement of Cash Flows Unit: Million Baht	March 31, 2025	March 31, 2024
Net Cash from Operating Activities	126.06	177.21
Net Cash Used in Investing Activities	(289.00)	(56.57)
Net Cash Used in Financing Activities	(3.70)	(41.95)
Net Increase (Decrease) in Cash and Cash Equivalents	(166.64)	78.69
Cash and Cash Equivalents at the Beginning of the Period	1,041.91	822.37
Cash and Cash Equivalents at the End of the Period	875.27	901.06

The consolidated statement of cash flows of the Company and its subsidiaries as of March 31, 2025, reflects a financial position with a net decrease in cash and cash equivalents of THB 166.64 million, resulting in an ending cash balance of THB 875.27 million. The decrease in net cash resulted from the following three main activities:

- **Operating Activities:** The Company generated net cash of THB 126.06 million, primarily from profit from operations, reflecting the efficiency of the core business and its ability to generate revenue.
- **Investing Activities:** The Company used net cash of THB 289.00 million for investments in financial institutions, building and facility improvements, and the purchase of replacement assets.
- **Financing Activities:** The Company used net cash of THB 3.70 million for the repayment of lease liabilities, with no additional borrowings from financial institutions.

In summary, the consolidated statement of cash flows demonstrates effective working capital management, strategic investments for the future, and strong financial discipline. The Company has maintained a solid cash position to support business expansion and create long-term shareholder value. This excludes deposits with financial institutions included in other current financial assets amounting to THB 328.42 million, bringing the Company's total ending cash balance to THB 1,203.69 million.



SUSTAINABILITY PERFORMANCE

E: ENVIRONMENT

Vichaivej Hospital Group reinforces its commitment to conducting business responsibly towards the environment. In the first quarter of 2025, it implemented various activities to promote sustainable resource management across all its branches, including

- **Waste Separation Project:** Launched campaigns and encouraged internal personnel and external individuals at the Nongkhaem and Samutsakhon branches to correctly separate different types of waste to reduce waste volume and increase recycling efficiency.
- **Environmental Flea Market:** Organized an event at the Nongkhaem branch to promote the reduction of plastic use and energy consumption in daily life.
- **Creating Value from Fabric Scraps:** The Omnoi branch initiated a project to repurpose leftover fabric scraps from operating rooms into cloth bags, generating income and developing vocational skills for youth from Baan Pranee, while also helping to reduce medical waste.
- **Donation of Can Tabs:** The hospital group, through its Omnoi branch, jointly donated aluminum can tabs and staple wire, totaling 25 kilograms, to the International Mobility Impaired Association to be processed into assistive devices for people with disabilities.



S: SOCIAL

In the first quarter of 2025, Vichaivej Hospital Group undertook a variety of social activities, totaling 44 events and reaching 4,873 stakeholders across different groups. These activities focused on promoting the health and well-being of the surrounding communities, as well as caring for personnel and business partners, as follows

- **Health Education Activities:** A total of 19 activities were held, with 3,353 participants, demonstrating a commitment to promoting health knowledge and basic self-care among the public.
- **Community and Social Health Check-up Activities:** A total of 19 activities were held, with 1,370 participants, reflecting the importance placed on access to healthcare services and proactive health management in the community. This included eye health check-up activities and knowledge sharing about eye diseases for interested individuals by the Elite Vision Center at Vichaivej Hospital Yak Fai Chai.



2025
Q1

S: SOCIAL (cont.)

- **National Children's Day Activities:** The Company organized bicycle donation activities to promote opportunities for children in several organizations, such as Omnoi City Municipality and Wat Omnoi Mittrakhururatrangsarn School.
- **Employee Activities:** A total of 5 activities were held, with 140 participants, demonstrating care for the development and promotion of the quality of life of personnel within the organization.
- **Business Partner Activities:** One activity was held, with 10 participants, indicating the establishment of good relationships and socially responsible collaboration with business partners.

G: GOVERNANCE

In the first quarter of 2025, the Company placed significant emphasis on strengthening good corporate governance, with the following key developments

- **Anti-Corruption:** The Company clearly declared its intention to combat all forms of corruption and joined as one of the 50 pioneering organizations in the "If Asked for a Bribe... We Report It" project, initiated by the National Anti-Corruption Commission (NACC) to promote whistleblowing on corruption. This reflects a commitment to conducting business with transparency and ethics.
- **Risk Management:** The Company organized a project titled "Proactive Risk Management for Sustainable Healthcare Businesses," with participants ranging from the Board of Directors to department heads. This initiative aimed to enhance understanding and skills in proactive risk management, which is a crucial foundation for sustainable business.
- **New Core Values Announcement:** The Company announced its new core value, "HEART," comprising five key values to serve as a framework for driving the organization towards sustainability. The Chief Executive Officer (CEO) disseminated this to all levels of employees.

These advancements demonstrate the Company's commitment to developing and elevating corporate governance across all dimensions to build confidence among all stakeholders and ensure the organization's sustainable growth.



Stay Connected with Us

Connect with us closely via VIH Investor Connect. Add Line: VIH Investor Connect to receive the latest and fastest updates on company news, including the full MD&A report and opportunities to participate in various investor relations activities.

Scan the QR Code and start receiving information now!

VIH Investor Connect



Investor Relations Contact

Srivichaivejvivat Public Company Limited
74/5 Moo 4, Petchkasem Road, Omnoi Subdistrict,
Krathumbaen District,
Samut Sakhon Province

Email: IR@vichaivej.com

Telephone: 02 - 4417899