

COMPANY UPDATE

Bangkok Chain Hospital (BCH TB)

The Return Of Kuwaits Patients Is Near

We attended BCH's 2Q25 analyst meeting, and the tone was positive. Management updated that the return of Kuwaiti patients is drawing nearer. BCH will not set any additional provisions on the outstanding receivables of Kuwaiti patients as the Kuwaiti officials have indicated a strong commitment to pay off the debt. The outlook in 3Q25 will be challenging, as we had expected, given several headwinds, but the earnings outlook in 4Q25 remains promising. Maintain BUY. Target price: Bt20.00.

WHAT'S NEW

- Positive tone at the meeting.** We attended Bangkok Chain Hospital's (BCH) 2Q25 analyst meeting, and the tone was positive.
- Positive development on the return of Kuwaiti patients.** According to management, BCH is one of the eight hospitals to have received official invitations by the Kuwait government to discuss the possibility of continuing the patient referrals. The Kuwaiti officials will be visiting BCH's World Medical Hospital to observe the facilities in Sep 25. It is yet to be confirmed that the referral will continue to the eight named hospitals, but we see this as a great development and believe that BCH is a strong candidate to be selected given its strong track record of treating Kuwaiti patients. Management is optimistic that Kuwaiti patients will return in 4Q25 at a rate of Bt60m revenue per month. We believe that the positive impact will be realised next year, hence the upwards earnings revision.
- Improvement in the Thai-Cambodia conflict.** From our latest check with BCH, Kasemrad Aranyaprathet Hospital, situated near the Thai-Cambodia border and contributing around 15% of BCH's Cambodian revenue, has been affected the most by the conflict. In 2Q25, revenue from Cambodian patients at this hospital dropped by 30% qoq, while revenue from Thai patients remained stable. The remaining 85% of BCH's Cambodian revenue comes from fly-in patients, which has also shown a slowdown qoq. However, in the last week of Aug 25, BCH saw a substantial return in cross-border patients at Kasemrad Aranyaprathet Hospital, which is a promising sign. As the confrontation has subsided, we believe that the fly-in portion of patients should swiftly return as well.

KEY FINANCIALS

Year to 31 Dec (Btm)	2023	2024	2025F	2026F	2027F
Net turnover	11,729	11,725	12,795	14,452	14,907
EBITDA	2,903	2,709	3,134	3,697	3,907
Operating profit	1,959	1,711	2,156	2,686	2,861
Net profit (rep./act.)	1,406	1,282	1,590	1,999	2,114
Net profit (adj.)	1,406	1,217	1,590	1,999	2,114
EPS (Bt)	0.6	0.5	0.6	0.8	0.8
PE (x)	23.8	27.5	21.0	16.7	15.8
P/B (x)	2.7	2.6	2.4	2.2	2.0
EV/EBITDA (x)	11.5	12.3	10.6	9.0	8.5
Dividend yield (%)	2.6	2.1	2.4	3.0	3.2
Net margin (%)	12.0	10.9	12.4	13.8	14.2
Net debt/cash to equity (%)	(4.8)	(3.7)	(9.3)	(15.8)	(21.5)
Interest cover (x)	30.5	49.6	36.7	47.6	50.3
ROE (%)	11.2	10.0	11.8	13.8	13.4
Consensus net profit (Btm)	-	-	1,553	1,730	1,814
UOBKH/Consensus (x)	-	-	1.02	1.16	1.17

Source: Bangkok Chain Hospital, Bloomberg, UOB Kay Hian

BUY

(Maintained)

Share Price	Bt13.40
Target Price	Bt20.00
Upside	+49.3%
(Previous TP)	Bt17.50)

COMPANY DESCRIPTION

The company operates a group of mid-sized hospitals in Bangkok and suburban areas with middle-income locals and patients registered under the government-sponsored social security scheme as primary customer targets.

STOCK DATA

GICS sector	Health Care
Bloomberg ticker:	BCH TB
Shares issued (m):	2,493.7
Market cap (Btm):	33,416.2
Market cap (US\$m):	1,035.2
3-mth avg daily t'over (US\$m):	2.8

Price Performance (%)

52-week high/low Bt19.20/Bt12.30

1mth	3mth	6mth	1yr	YTD
(0.7)	0.0	(10.1)	(15.7)	(12.4)

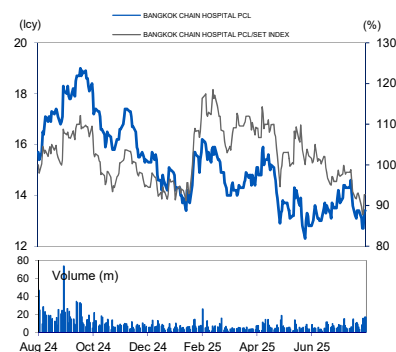
Major Shareholders

	%
Harnphanich family	50.0
Thai NVDR	11.5
Social Security Office	1.9

FY25 NAV/Share (Bt) 5.58

FY25 Net Cash/Share (Bt) 0.52

PRICE CHART



Source: Bloomberg

ANALYST(S)

Benjaphol Suthwanish
+662 659 8301
Benjaphol@uobkayhian.co.th

ASSISTANT ANALYST(S)

Nonpawit Vathanadachakul

STOCK IMPACT

- **No more provision for account receivables for Kuwaiti patients; expect a reversal of provision.** BCH's outstanding receivables from Kuwaiti patients stands at Bt240m, down from the previous estimated Bt1b following partial repayments. BCH has directly spoken with the Ministry of Health of Kuwait and has received reaffirmation that the outstanding receivables will be fully paid. Hence, BCH will not be setting any additional provisions and will reverse the provision of Bt7.2m that they have already set aside. This is another positive development following the direct discussion with the Kuwaiti government.
- **Challenging 3Q25 outlook.** In line with our expectations, management admitted that in 3Q25, it is challenging for BCH to achieve the earnings of last year. The extra revenue from the 26 chronic disease annual review had already been booked in 2Q25 and there are no notable epidemics during this year's rainy season as compared with last year. In addition, the Thai-Cambodian conflict, which started in Jul 25, has also caused a drop in Cambodian patient arrivals. Although this year's AdjRW>2 is Bt12,000 compared with Bt8,000 during the same period last year, we still believe that both top- and bottom lines will drop yoy in 3Q25.

EARNINGS REVISION/RISK

- **Upgrade our 2026-27 net profit forecasts.** We upgrade our 2026-27 net profit forecasts by 10.6% and 10.2% respectively to reflect the expected return of Kuwaiti patients from early-26 onwards.

EARNINGS REVISION

(Bt m)	2026F			2027F		
	New	Previous	Change	New	Previous	Change
Total revenue	14,452	13,732	5.2%	14,907	14,187	5.1%
Operating EBITDA	3,697	3,445	7.3%	3,907	3,647	7.1%
Net profit	1,999	1,807	10.6%	2,114	1,918	10.2%
	Chg (ppt)			Chg (ppt)		
EBITDA margin	25.6%	25.1%	0.49	26.2%	25.7%	0.50
Net profit margin	14.6%	13.9%	0.70	15.2%	14.5%	0.71

Source: BCH, UOB Kay Hian

VALUATION/RECOMMENDATION

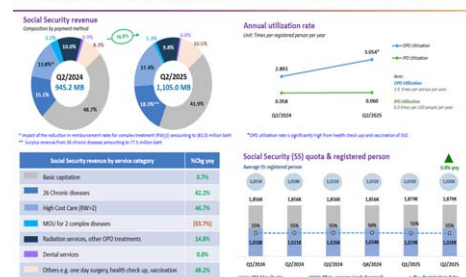
- **Maintain BUY with a target price of Bt20.00,** based on a 2026 EV/EBITDA multiple of 14.0x, based on three-year historical mean. Although BCH is unlikely to report a yoy earnings growth in 3Q25, the outlook in 4Q25 is promising. We are positive on BCH due to: a) its strong earnings outlook for 4Q25, and b) the imminent return of high-margin Kuwaiti patients.

ENVIRONMENTAL, SOCIAL, GOVERNANCE (ESG)

CG Report: 5
SET ESG Rating: AA
• Environmental <ul style="list-style-type: none"> - Operates business with a sense of responsibility towards the environment, striving to alleviate or minimise the adverse impacts, both direct and indirect.
• Social <ul style="list-style-type: none"> - Assessed important social issues for the organisation and stakeholders consisting of personnel development, human resource management, human rights, and access to medical services, community engagement, as well as occupational health and safety.
• Governance <ul style="list-style-type: none"> - Places importance on conducting business with integrity, transparency, and responsibility towards the society and all stakeholders. - Prepared a manual on good corporate governance to create an understanding and use it as a guideline for best practices of employees at all levels.

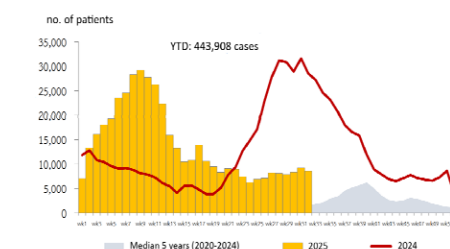
SSO PATIENTS

Social Security revenue hiked by 16.9% yoy, driven by the incremental revenue from 26 chronic diseases.



Source: BCH, UOB Kay Hian

NO. OF INFLUENZA CASES (1 JAN-16 AUG 25)



Source: Department of disease control, UOB Kay Hian

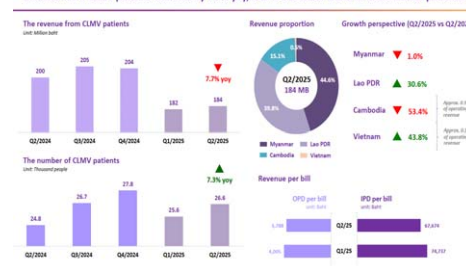
RATE REDUCTION OF COMPLEX TREATMENT

AdjRW>2	Original Rate (Bt)	Reduced to (Bt)
2025	12,000	-
2024	12,000	8,000 (2H24)
2023	12,000	7,200 (Nov, Dec)
2022	12,000	10,000
2021	12,000	Ran out of fund
2020	12,000	Ran out of fund
2019	12,800	7,100 (4Q24)
2018	12,800	8,100

Source: BCH, UOB Kay Hian

CLMV PATIENT BREAKDOWN

Revenue from CLMV patients declined by 7.7% yoy, due to the lower traffic of cross-border patients.



Source: BCH, UOB Kay Hian

PROFIT & LOSS

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Net turnover	11,725	12,795	14,452	14,907
EBITDA	2,709	3,134	3,697	3,907
Deprec. & amort.	998	977	1,011	1,046
EBIT	1,711	2,156	2,686	2,861
Total other non-operating income	96	20	21	21
Associate contributions	(1)	1	1	1
Net interest income/(expense)	(55)	(85)	(78)	(78)
Pre-tax profit	1,752	2,092	2,630	2,806
Tax	(346)	(418)	(526)	(533)
Minorities	(123)	(84)	(105)	(159)
Net profit	1,282	1,590	1,999	2,114
Net profit (adj.)	1,217	1,590	1,999	2,114

BALANCE SHEET

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Fixed assets	12,753	12,623	12,928	13,288
Other LT assets	849	810	843	851
Cash/ST investment	1,382	2,843	3,944	5,120
Other current assets	2,391	2,555	2,714	2,845
Total assets	17,375	18,830	20,429	22,103
ST debt	631	132	132	149
Other current liabilities	2,247	1,958	2,211	2,281
LT debt	266	1,419	1,421	1,406
Other LT liabilities	203	262	296	306
Shareholders' equity	12,955	13,904	15,108	16,542
Minority interest	1,072	1,155	1,260	1,420
Total liabilities & equity	17,375	18,830	20,429	22,103

CASH FLOW

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Operating	2,656	2,035	3,209	3,258
Pre-tax profit	1,752	2,092	2,630	2,806
Tax	(346)	(418)	(526)	(533)
Deprec. & amort.	998	977	1,011	1,046
Associates	1	(1)	(1)	(1)
Working capital changes	244	(354)	(9)	(89)
Non-cash items	9	(100)	104	28
Other operating cashflows	(1)	(161)	1	1
Investing	(1,696)	(748)	(1,316)	(1,405)
Capex (growth)	(1,583)	(847)	(1,316)	(1,406)
Investments	606	546	547	548
Others	(719)	(447)	(546)	(547)
Financing	(1,602)	12	(793)	(677)
Dividend payments	(923)	(641)	(795)	(999)
Proceeds from borrowings	0	654	2	2
Loan repayment	(681)	0	0	0
Others/interest paid	2	0	0	320
Net cash inflow (outflow)	(641)	1,299	1,101	1,176
Beginning cash & cash equivalent	2,185	1,544	2,843	3,944
Ending cash & cash equivalent	1,544	2,843	3,944	5,120

KEY METRICS

Year to 31 Dec (%)	2024	2025F	2026F	2027F
Profitability				
EBITDA margin	23.1	24.5	25.6	26.2
Pre-tax margin	14.9	16.3	18.2	18.8
Net margin	10.9	12.4	13.8	14.2
ROA	7.3	8.8	10.2	9.9
ROE	10.0	11.8	13.8	13.4
Growth				
Turnover	(0.0)	9.1	12.9	3.2
EBITDA	(6.7)	15.7	18.0	5.7
Pre-tax profit	(7.0)	19.4	25.7	6.7
Net profit	(8.8)	24.0	25.7	5.7
Net profit (adj.)	(13.5)	30.7	25.7	5.7
EPS	(13.5)	30.7	25.7	5.7
Leverage				
Debt to total capital	6.0	9.3	8.7	8.0
Debt to equity	6.9	11.2	10.3	9.4
Net debt/(cash) to equity	(3.7)	(9.3)	(15.8)	(21.5)
Interest cover (x)	49.6	36.7	47.6	50.3

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