

# Bangkok Dusit Medical Services (BDMS TB)

Remains The Best Of The Bunch

## Highlights

- We attended BDMS' analyst meeting to review its 4Q25 earnings, and the tone during the meeting was neutral.
- The impact from the Middle East tension on BDMS' earnings should be minimal if things are resolved quickly.
- Despite several pressuring factors, BDMS remains our top pick, as Middle East patient contributions are smaller relative to its peers. Maintain BUY with a target price of Bt32.00.

## Analysis

- **Neutral tone from analyst meeting.** We attended Bangkok Dusit Medical Services' (BDMS) analyst meeting to review its 4Q25 earnings, and the tone during the meeting was neutral.
- **2026 guidance.** BDMS has provided an updated growth guidance for 2026 and aims to achieve revenue growth of 2-4% yoy. The growth can be broken down into: a) the growth from foreign patient revenue of 5-7% yoy, and b) a 1-3% yoy growth in Thai patient revenue. Similar to last year, Myanmar (+31% yoy) and the US (+19% yoy) are expected to be the main contributors for foreign patients' revenue. This growth projection assumes that the Middle East tensions will quickly resolve. In case the tension persists, management will revisit the guidance in the 1Q26 meeting. BDMS remains concerned about the growth in Thai patients due to the persistent sluggish economy. BDMS will prioritise cost-saving in this sluggish top-line growth environment via bundle procurement and an in-house brand supply usage. It targets to maintain EBITDA margins at 24% by implementing several brand synergies. Set to commence operations this year are: a) 52 beds at Bangkok Hua Hin, a new hospital; and b) 60 new beds at Bangkok Surat. BDMS will expand less beds going forward as they will shift towards increasing the bed utilisation instead.
- **Minimal impact from Middle East tensions if things are resolved quickly.** Management stated that it expects Middle East tensions to resolve quickly. If that is the case, we expect minimal impact on BDMS' earnings as this period coincides with Ramadan, during which the Middle Eastern patients usually refrain from overseas travel.

## Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	107,867	111,507	119,990	127,183	132,979
EBITDA	26,646	27,076	30,537	32,345	33,885
Operating profit	20,514	20,228	23,637	25,079	26,246
Net profit (rep./act.)	15,987	15,848	18,593	19,834	20,763
Net profit (adj.)	15,987	15,848	18,593	19,834	20,763
EPS (Bt)	1.0	1.0	1.2	1.2	1.3
PE (x)	20.6	20.8	17.7	16.6	15.8
P/B (x)	3.3	3.1	3.0	2.8	2.7
EV/EBITDA (x)	12.7	12.5	11.1	10.5	10.0
Dividend yield (%)	3.6	4.8	4.2	4.5	4.7
Net margin (%)	14.8	14.2	15.5	15.6	15.6
Net debt/(cash) to equity (%)	9.7	9.7	5.1	3.8	2.6
Interest cover (x)	61.5	75.9	270.6	n.a.	n.a.
ROE (%)	16.4	15.4	17.2	17.5	17.6
Consensus net profit (Btm)	-	-	17,221	18,232	19,554
UOBKH/Consensus (x)	-	-	1.08	1.09	1.06

Source: BDMS, Bloomberg, UOB Kay Hian

**BUY** (Maintained)

Share Price	Bt20.70
Target Price	Bt32.00
Upside	+54.6%

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## Stock Data

GICS sector	Health Care
Bloomberg ticker:	BDMS TB
Shares issued (m):	15,892.0
Market cap (Btm):	328,964.4
Market cap (US\$m):	10,412.2
3-mth avg daily t'over (US\$m):	45.1

## Price Performance (%)

52-week high/low **Bt24.90/Bt17.40**

1mth	3mth	6mth	1yr	YTD
3.0	8.9	0.0	(14.5)	7.3

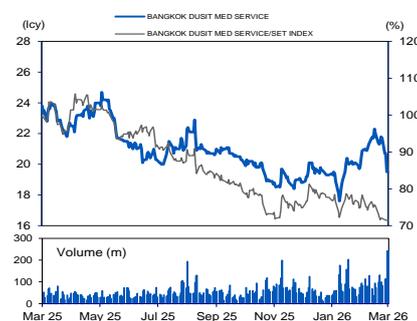
## Major Shareholders

Shareholder	%
Prasartong-osothe family	15.0
Thai NVDR	9.0

## Balance Sheet Metrics

Metric	%
FY26 NAV/Share (Bt)	6.96
FY26 Net Debt/ Share (Bt)	0.35

## Price Chart



Source: Bloomberg

## Company Description

A group of leading private hospitals with a nationwide network offering world-class medical treatment to both local and international patients with new greenfield projects, M&A and digitalisation of healthcare services as key long-term growth drivers.

- BDMS will be one of the least affected in case the tension persists.** Compared with its peers, BDMS has a relatively small portion in Middle East patient revenue (~4% of top-line). In the worst case where the tension persists and assuming no Middle East revenue until the end of 2026, we estimate the maximum impact to be around 8% to 2026 earnings. Other healthcare peers like BH (24% of top-line) and PR9 (10% of top-line) will be more heavily affected.
- Challenging outlook in 1Q26.** Based on the Jan 26 figures, the revenue growth of 2% is considered soft. The pressure from the conflict with Cambodia persists, which has dampened the growth of foreign patient revenue down to 2% yoy. Meanwhile, Thai patient revenue remained flat yoy in Jan 26. Hence, we expect the outlook in 1Q26 to be challenging given that the number of outbreak cases in Feb 26 have normalised from the high base in 2025.
- The impact of copayment insurance is likely to materialise with a lag.** BDMS noted that recent moves by major insurers to phase out lump-sum policies were expected, given long-standing discussions. The company views this as an opportunity to enhance patient awareness and drive higher insurance penetration in Thailand. The effects of copayment should become clearer over the next two years. BDMS expects lump-sum policies to remain available but at significantly higher premiums, while copayment plans should be at least 20-25% cheaper (assuming a 20% copay).

## Valuation/Recommendation

- Maintain BUY with a target price of Bt32.00.** Our valuation is based on a five-year average EV/EBITDA multiple of 18.0x (excluding COVID-19 years). Despite several pressuring factors, BDMS remains our top pick, as Middle East patient revenue contribution for BDMS is smaller relative to its peers.

## Environment, Social, Governance (ESG) Updates

### Environmental

- Energy efficiency and waste management** by using energy-saving equipment and renewable energy sources.
- Goal of Net Zero emissions by 2050** under its BDMS Green Healthcare initiative.

### Social

- High-quality and accessible healthcare services.**
- Strong community engagement** with active participation in health education and disaster relief efforts.

### Governance

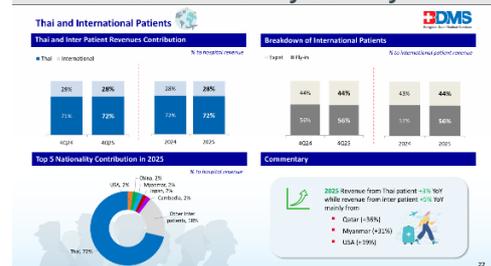
- BDMS has a robust sustainability governance structure.** The Corporate Sustainability Development Committee (CSD) oversees sustainability strategy, reporting, risk management, stakeholder engagement, etc.
- Promote culture of compliance and ethics** through established codes of conduct and anti-corruption policies.

## Expansion Pipeline



Source: BDMS

## Revenue Contribution By Country



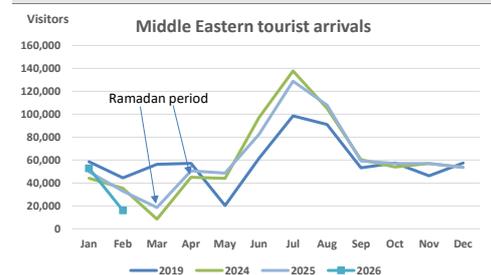
Source: BDMS

## Revenue By Payor Type



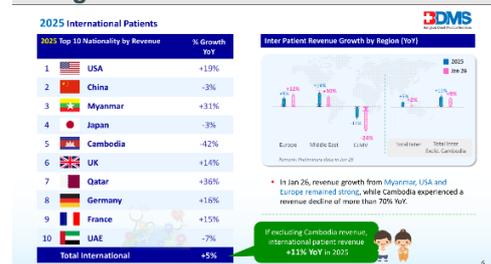
Source: BDMS

## Middle East Arrivals



Source: Ministry of Tourism and Sports, UOB Kay Hian

## Foreign Patient Growth



Source: BDMS

### Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
<b>Net turnover</b>	<b>111,507</b>	<b>119,990</b>	<b>127,183</b>	<b>132,979</b>
EBITDA	27,076	30,537	32,345	33,885
Deprec. & amort.	6,848	6,901	7,266	7,639
EBIT	20,228	23,637	25,079	26,246
Total other non-operating income	113	184	188	192
Associate contributions	78	119	131	144
Net interest income/(expense)	(357)	(113)	0	0
<b>Pre-tax profit</b>	<b>20,063</b>	<b>23,827</b>	<b>25,398</b>	<b>26,581</b>
Tax	(3,694)	(4,646)	(4,953)	(5,183)
Minorities	(520)	(587)	(611)	(635)
Net profit	15,848	18,593	19,834	20,763
<b>Net profit (adj.)</b>	<b>15,848</b>	<b>18,593</b>	<b>19,834</b>	<b>20,763</b>

### Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
<b>Operating</b>	<b>22,104</b>	<b>26,282</b>	<b>27,874</b>	<b>29,168</b>
Pre-tax profit	20,063	23,827	25,398	26,581
Tax	(3,694)	(4,646)	(4,953)	(5,183)
Deprec. & amort.	6,848	6,901	7,266	7,639
Working capital changes	(1,490)	687	(432)	(348)
Non-cash items	136	1,153	594	479
Other operating cashflows	319	(1,520)	131	144
<b>Investing</b>	<b>(12,165)</b>	<b>(9,311)</b>	<b>(11,792)</b>	<b>(12,329)</b>
Capex (growth)	(12,771)	(7,775)	(12,254)	(12,647)
Investment	3,743	3,928	4,128	4,344
Others	(3,137)	(5,464)	(3,666)	(4,026)
<b>Financing</b>	<b>(10,626)</b>	<b>(22,354)</b>	<b>(14,783)</b>	<b>(15,478)</b>
Dividend payments	(11,919)	(13,945)	(14,876)	(15,572)
Proceeds from borrowings	0	0	93	94
Loan repayment	(871)	(8,409)	0	0
Others/interest paid	2,163	0	0	0
Net cash inflow (outflow)	(687)	(5,382)	1,299	1,360
Beginning cash & cash equivalent	9,557	8,870	3,487	4,786
<b>Ending cash &amp; cash equivalent</b>	<b>8,870</b>	<b>3,487</b>	<b>4,786</b>	<b>6,146</b>

### Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Fixed assets	129,783	130,658	135,646	140,654
Other LT assets	5,069	4,888	5,146	5,408
Cash/ST investment	7,231	3,487	4,786	6,146
Other current assets	15,878	14,447	15,313	16,011
<b>Total assets</b>	<b>157,961</b>	<b>153,480</b>	<b>160,890</b>	<b>168,219</b>
ST debt	6,879	1,394	1,410	1,426
Other current liabilities	16,750	17,159	18,187	19,016
LT debt	10,608	7,684	7,761	7,839
Other LT liabilities	13,716	11,999	12,718	13,298
Shareholders' equity	105,894	110,543	115,501	120,692
Minority interest	4,114	4,702	5,313	5,948
<b>Total liabilities &amp; equity</b>	<b>157,961</b>	<b>153,480</b>	<b>160,890</b>	<b>168,219</b>

### Key Metrics

Year to 31 Dec (%)	2025	2026F	2027F	2028F
<b>Profitability</b>				
EBITDA margin	24.3	25.4	25.4	25.5
Pre-tax margin	18.0	19.9	20.0	20.0
Net margin	14.2	15.5	15.6	15.6
ROA	10.2	11.9	12.6	12.6
ROE	15.4	17.2	17.5	17.6
<b>Growth</b>				
Turnover	3.4	7.6	6.0	4.6
EBITDA	1.6	12.8	5.9	4.8
Pre-tax profit	(1.3)	18.8	6.6	4.7
Net profit	(0.9)	17.3	6.7	4.7
Net profit (adj.)	(0.9)	17.3	6.7	4.7
EPS	(0.9)	17.3	6.7	4.7
<b>Leverage</b>				
Debt to total capital	13.7	7.3	7.1	6.8
Debt to equity	16.5	8.2	7.9	7.7
Net debt/(cash) to equity	9.7	5.1	3.8	2.6
Interest cover (x)	75.9	270.6	n.a.	n.a.

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