Bangkok Chain Hospital (BCH TB)

Upside Awaits After The War

BUY (Maintained)

Share Price	Bt9.75
Target Price	Bt14.00
Upside	+43.6%

Analyst(s)
Benjaphol Suthwanish
+662 659 8301
Benjaphol@uobkayhian.co.th

Assistant Analyst(s)
Nonpawit Vathanadachakul

Highlights

- We attended BCH's analyst meeting to review its 4Q25 earnings, and the tone was neutral.
- We received news of a positive development regarding the Kuwait patients that they referrals are planned for resumption soon, indicating good progress.
- We remain positive on BCH as the 1Q26 outlook will not be impacted by the war and upside awaits after the war. Maintain BUY with a target price of Bt14.00.

Analysis

- **Neutral tone at analyst meeting.** We attended Bangkok Chain Hospital's (BCH) analyst meeting to review its 4Q25 earnings, and the tone was neutral.
- **Update on Middle East tension.** Management noted that the war in the Middle East should have no meaningful impact on BCH's earnings in 1Q26. Due to the Ramadan in Mar 26, most of BCH's Middle Eastern cases in 1Q26 were treated in Jan and Feb 26 at the World Medical Hospital (WMC). As a result, WMC's revenue in Jan and Feb 26 grew 90% and 80% respectively, mainly from new referrals from Qatar and the increased referrals from United Arab Emirates. Hence, management is confident that BCH should see an earnings growth in 1Q26, mainly driven by the Middle Eastern patients. However, the outlook from Apr 26 onwards should be closely monitored based on the development of the war.
- **2026 guidance.** If the conflict is resolved quickly, BCH targets a mid-single-digit yoy growth in its top-line. The key contributors are expected to be the three new specialised centres at Kasemrad International Hospital Vientiane (KIHV), launching this year and the growing patient base at Kasemrad Ari Radiation Center. In addition, Kasemrad Pathumthani continues to perform well after its rebranding and should be another growth driver. Kasemrad Bangkae will reopen in Mar 26 after completing its renovation. The new building at Kasemrad Maesai will also be opened for operations in 2Q26.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	11,725	11,913	14,452	14,907	16,046
EBITDA	2,709	2,881	3,697	3,907	4,191
Operating profit	1,711	1,815	2,686	2,861	3,107
Net profit (rep./act.)	1,282	1,316	1,999	2,114	2,300
Net profit (adj.)	1,217	1,275	1,999	2,114	2,300
EPS (Bt)	0.5	0.5	0.8	0.8	0.9
PE (x)	20.0	19.1	12.2	11.5	10.6
P/B (x)	1.9	1.8	1.7	1.5	1.4
EV/EBITDA (x)	8.6	8.1	6.3	6.0	5.6
Dividend yield (%)	2.9	3.1	4.7	5.0	5.5
Net margin (%)	10.9	11.1	13.8	14.2	14.3
Net debt/(cash) to equity (%)	(3.7)	(6.2)	(14.1)	(20.3)	(24.8)
Interest cover (x)	49.6	58.1	47.6	50.3	54.4
ROE (%)	10.0	10.1	14.4	13.9	13.9
Consensus net profit (Btm)	-	-	1,489	1,570	1,694
UOBKH/Consensus (x)	-	-	1.34	1.35	1.36

Source: BCH, Bloomberg, UOB Kay Hian

Stock Data

GICS sector	Health Care
Bloomberg ticker:	BCH TB
Shares issued (m):	2,493.7
Market cap (Btm):	24,314.0
Market cap (US$m):	764.9
3-mth avg daily t'over (US$m):	5.0

Price Performance (%)

52-week high/low: Bt16.10/Bt9.20

1mth	3mth	6mth	1yr	YTD
(3.5)	(3.5)	(25.6)	(36.3)	(6.3)

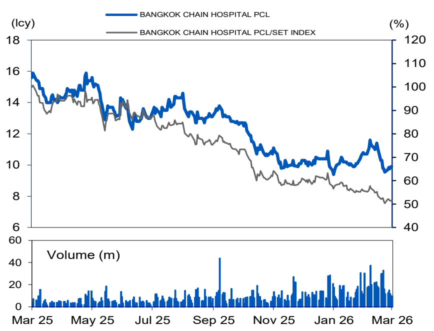
Major Shareholders

	%
Harnphanich family	50.0
Thai NVDR	11.5

Balance Sheet Metrics

	%
FY26 NAV/Share (Bt)	5.83
FY26 Net Debt/ Share (Bt)	0.82

Price Chart



Source: Bloomberg

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.

- **Kuwaiti patient referrals to resume after the war.** Management indicated that the Kuwait government have already accepted BCH as a destination of referral once they resume sending out their patients. Prior to the war in the Middle East, Kuwait targeted to resume patient referrals to BCH in Apr 26, once the Ramadan ends. However, the war disrupted its timeline and the development remains to be monitored. We are more optimistic on Kuwait following this positive development and once the war ends, we expect the Kuwaiti patients that we have accounted into our forecast to return.
- **Increase in SSO treatment fees.** The Social Security Office (SSO) has implemented a higher wage ceiling starting in 2026. According to the latest update from management, SSO officials agreed that the increase of the treatment fee is reasonable. However, this will need to be monitored after Songkran, once the Minister of Labour is appointed. We expect to see more development from mid-year onwards. Management is pushing for an increase in the base capitation rate of at least 10% to offset the rising medical inflation.
- **Cambodian recovery at KIHV remains slow.** Our channel checks suggest that referrals in Jan 26 remained low at fewer than 10 patients (vs a normal level of 20-25 per month). Management suspects that Cambodia is facing an internal issue which hampers treatment demand. Cambodian revenue typically accounts for around 2% of BCH's top-line. KIHV continues to deliver a solid performance and is expected to be the key growth driver this year from the opening of the Aesthetic Center, Comprehensive Breast Cancer Center, and the Kidney Transplant Center.

Valuation/Recommendation

- **Maintain BUY with a target price of Bt14.00,** based on a 2026 EV/EBITDA of 10.0x, in line with its three-year historical average. We remain positive on BCH, supported by: a) 1Q26 being unaffected by the war, b) upside from the probable increase in SSO treatment fees, and c) the positive development on the return of Kuwaiti patients.

Environment, Social, Governance (ESG) Updates

Environmental

- **Operates business with a sense of responsibility** towards the environment, striving to alleviate or minimise the adverse impacts, both direct and indirect.

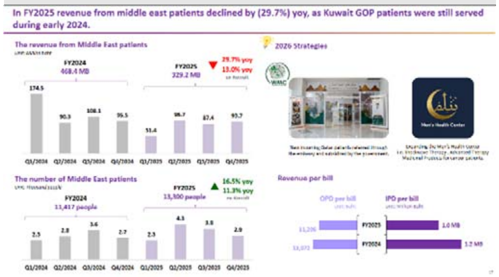
Social

- **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

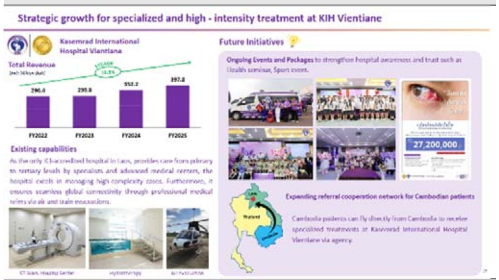
- **Places importance on conducting business** with integrity, transparency, and responsibility towards the society and all stakeholders.
- **Prepared a manual on good corporate governance** to create an understanding and use it as a guideline for best practices of employees at all levels.

Middle East Patient Breakdown



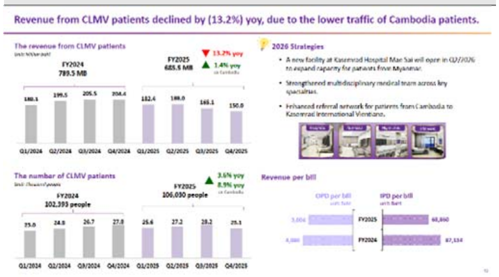
Source: BCH

Kasemrad Vientiane



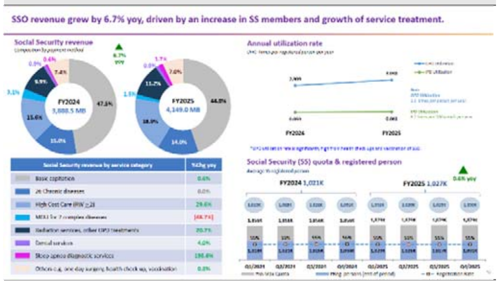
Source: BCH

CLMV Patient Breakdown



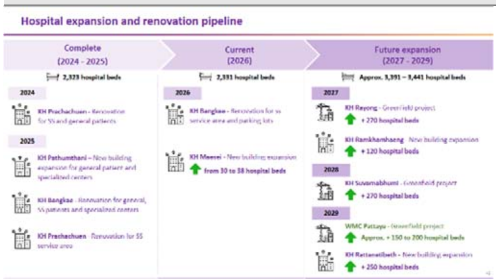
Source: BCH

SSO Revenue Breakdown



Source: BCH

Expansion Pipeline



Source: BCH

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	11,913	14,452	14,907	16,046
EBITDA	2,881	3,697	3,907	4,191
Deprec. & amort.	1,067	1,011	1,046	1,084
EBIT	1,815	2,686	2,861	3,107
Total other non-operating income	62	21	21	22
Associate contributions	2	1	1	1
Net interest income/(expense)	(50)	(78)	(78)	(77)
Pre-tax profit	1,829	2,630	2,806	3,054
Tax	(403)	(526)	(533)	(580)
Minorities	(109)	(105)	(159)	(173)
Net profit	1,316	1,999	2,114	2,300
Net profit (adj.)	1,275	1,999	2,114	2,300

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Fixed assets	12,858	12,928	13,288	13,706
Other LT assets	830	895	906	931
Cash/ST investment	1,694	3,601	4,792	5,809
Other current assets	2,103	2,288	2,401	2,541
Total assets	17,486	19,713	21,387	22,987
ST debt	633	132	149	850
Other current liabilities	2,207	2,211	2,281	2,455
LT debt	238	1,421	1,406	690
Other LT liabilities	201	296	306	329
Shareholders' equity	13,186	14,526	15,961	17,204
Minority interest	1,021	1,126	1,285	1,458
Total liabilities & equity	17,486	19,713	21,387	22,987

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	2,740	2,934	3,276	3,592
Pre-tax profit	1,829	2,630	2,806	3,054
Tax	(403)	(526)	(533)	(580)
Deprec. & amort.	1,067	1,011	1,046	1,084
Working capital changes	285	(222)	(72)	(36)
Non-cash items	(37)	41	28	71
Other operating cashflows	2	1	1	1
Investing	(1,155)	(1,051)	(1,408)	(1,504)
Capex (growth)	(1,172)	(1,081)	(1,406)	(1,502)
Investment	596	599	603	607
Others	(579)	(569)	(604)	(609)
Financing	(681)	(729)	(677)	(1,071)
Dividend payments	(641)	(658)	(999)	(1,057)
Proceeds from borrowings	0	682	2	0
Loan repayment	(26)	0	0	(14)
Others/interest paid	(14)	(753)	320	0
Net cash inflow (outflow)	903	1,154	1,191	1,017
Beginning cash & cash equivalent	1,544	2,447	3,601	4,792
Ending cash & cash equivalent	2,447	3,601	4,792	5,809

Key Metrics

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	24.2	25.6	26.2	26.1
Pre-tax margin	15.3	18.2	18.8	19.0
Net margin	11.1	13.8	14.2	14.3
ROA	7.6	10.7	10.3	10.4
ROE	10.1	14.4	13.9	13.9
Growth				
Turnover	1.6	21.3	3.2	7.6
EBITDA	6.4	28.3	5.7	7.3
Pre-tax profit	4.4	43.8	6.7	8.8
Net profit	2.7	51.8	5.7	8.8
Net profit (adj.)	4.8	56.8	5.7	8.8
EPS	4.8	56.8	5.7	8.8
Leverage				
Debt to total capital	5.8	9.0	8.3	7.6
Debt to equity	6.6	10.7	9.7	9.0
Net debt/(cash) to equity	(6.2)	(14.1)	(20.3)	(24.8)
Interest cover (x)	58.1	47.6	50.3	54.4