Bangkok Chain Hospital (BCH TB)

Expect Decent Earnings Growth In 3Q26

Highlights

- BCH is expected to report a decent net profit of Bt360m in 3Q26 (+3.5% yoy, +4.8% qoq), driven by an increase in Thai inpatients and new Middle East referrals.
- The SSO rate increase is lower than management guidance but still in line with our assumption.
- The impact of the flooding is likely to be minimal and we could see KIH Ubon swiftly improve its performance. We remain positive on BCH's outlook in 4Q26 due to the low base last year. Maintain BUY with a target price of Bt13.00.

3Q26 Earnings Preview

Year to 31 Dec (Btm)	3Q25	2Q26	3Q26F	yoy (%)	qoq (%)	9M25	9M26F	yoy (%)
Total revenue	3,034	2,980	3,187	5.1%	6.9%	8,957	9,073	1%
Gross profit	837	856	889	6.2%	3.8%	2,561	2,505	-2%
SG&A	(395)	(406)	(415)	5.1%	2.4%	(1,173)	(1,227)	5%
Operating EBITDA	727	751	774	6.5%	3.1%	2,241	2,171	-3%
Core profit	319	343	360	12.7%	4.8%	1,029	970	-6%
Net profit	347	343	360	3.5%	4.8%	1,057	970	-8%
EPS (Bt)	0.14	0.14	0.14	3.5%	4.8%	0.42	0.39	-8%
(%)	**3Q25**	**2Q26**	**3Q26F**	**yoy (ppt)**	**qoq (ppt)**	**9M25**	**9M26F**	**yoy (ppt)**
Gross margin	27.6%	28.7%	27.9%	0.3	(0.8)	28.6%	27.6%	(1.0)
SG&A to sales	13.0%	13.6%	13.0%	0.0	(0.6)	13.1%	13.5%	0.4
EBITDA margin	24.0%	25.2%	24.3%	0.3	(0.9)	25.0%	23.9%	(1.1)
Net profit margin	11.4%	11.5%	11.3%	(0.2)	(0.2)	11.8%	10.7%	(1.1)

Source: BCH, UOB Kay Hian

Analysis

- **Expect decent net profit growth in 3Q26.** Bangkok Chain Hospital (BCH) is forecast to report a net profit of Bt360m in 3Q26 (+3.5% yoy, +4.8% qoq). The earnings growth yoy could be driven by an increase in Thai inpatients and new Middle Eastern patient referrals. Top-line should be at Bt3.19b (+5.1% yoy, +6.9% qoq), with the strong contributor being Thai patient revenue growth from seasonal outbreaks. Middle Eastern patient revenue is expected to continue to grow yoy and qoq due to new referrals from Qatar and UAE. Foreign patient revenue continues to show growth with main contributors such as Saudi Arabia, Laos, Myanmar and Libya. Myanmar patient revenue once again has shown growth yoy after the renovation at Kasemrad Hospital Maesai, which was completed in Aug 26. We project that gross and EBITDA margins for BCH will expand yoy due to an increase in foreign patient volumes.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	11,725	11,913	12,123	12,787	13,180
EBITDA	2,709	2,881	2,946	3,150	3,293
Operating profit	1,711	1,815	1,936	2,104	2,209
Net profit (rep./act.)	1,282	1,316	1,364	1,486	1,564
Net profit (adj.)	1,217	1,275	1,364	1,486	1,564
EPS (Bt)	0.5	0.5	0.5	0.6	0.6
PE (x)	22.1	21.1	19.8	18.1	17.2
P/B (x)	2.1	2.0	1.9	1.8	1.7
EV/EBITDA (x)	9.9	9.3	9.1	8.5	8.1
Dividend yield (%)	2.6	2.8	2.9	3.2	3.4
Net margin (%)	10.9	11.1	11.2	11.6	11.9
Net debt/(cash) to equity (%)	(3.7)	(6.2)	(8.8)	(13.8)	(16.0)
Interest cover (x)	49.6	58.1	37.9	40.5	42.8
ROE (%)	10.0	10.1	10.1	10.3	10.1
Consensus net profit (Btm)	-	-	1,308	1,397	1,429
UOBKH/Consensus (x)	-	-	1.04	1.06	1.09

Source: Bangkok Chain Hospital, Bloomberg, UOB Kay Hian

Analyst(s)

Benjaphol Suthwanish
+662 090 3361
Benjaphol@uobkh.co.th

Assistant Analyst(s)

Nonpawit Vathanadachakul

BUY (Maintained)

Share Price	Bt10.80
Target Price	Bt13.00
Upside	+20.4%

Stock Data

Sector	Health Care
Bloomberg ticker	BCH TB
Shares issued (m)	2,493.7
Market cap (Btm)	26,932.5
Market cap (US$m)	797.4
3-mth avg daily t'over (US$m)	3.7

Price Performance (%)

52-week high/low				Bt12.10/Bt9.10
1mth	3mth	6mth	1yr	YTD
(5.3)	6.9	10.8	(5.3)	3.8

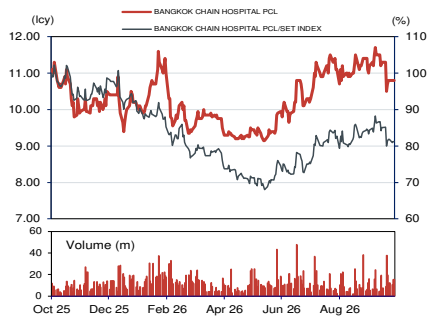
Major Shareholders (%)

Harnphanich family	50.0
Thai NVDR	11.5

Balance Sheet Metrics

FY26 NAV/Share (Bt)	5.57
FY26 Net Debt/ Share (Bt)	0.49

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.

- **Conclusion of SSO reimbursement rate increase.** The SSO has raised the wage ceiling effective from 2026, strengthening the case for an increase in treatment fees. The SSO and the medical board reached an agreement in the latest meeting that the basic capitation will be increased by 3-4% and will be active on 1 Jan 27. This is lower than the guided amount of a 10% hike, based on the increase from four years ago. However, this guideline is still in line with our assumption of a 5% upward adjustment. We still see this treatment fee increase as beneficial to BCH's earnings in 2027.
- **Slight impact from the flood.** There were flash floods in Bangkok and some of the surrounding provinces during late-Sep 26 to mid-Oct 26 due to heavy monsoon rainfall. BCH's hospitals at Ramkhamhang, Prachinburi, and Chachoengsao were disrupted by the flood, which restricted patient access for around two weeks. Therefore, some appointments during the flooding period were deferred. We estimate around Bt23m of revenue impact from the flood, which accounts for only around 0.7% of our 2026 forecast. As a result, revenue growth in Sep 26 should be softer than Jul-Aug 26 at around low single-digit yoy, which is still decent. Hence, there is no significant impact on 3Q26 earnings.
- **New acquisition in Ubon Ratchathani turns profitable.** BCH has recently agreed to acquire a private hospital in Ubon Ratchathani for a total investment of no more than Bt490m. Following rebranding and renovation, the hospital commenced operations under its new identity in Sep 26. BCH has implemented several cost-saving measures at Kasemrad International Hospital Ubon Ratchathani (KIH Ubon), improving operational efficiency and turning the hospital from loss-making to profitable. Strategically located near the borders of Laos and Cambodia, KIH Ubon will serve as an important link in BCH's hospital network. The hospital generates annual revenue of around Bt188m, with all patients being self-paying. Management sees further growth potential through adjustments to treatment prices to align with other Kasemrad hospitals and further cost optimisation to improve net profit margins. We view the acquisition as a positive addition to BCH's portfolio, strengthening its presence in a strategically important border location.

Valuation/Recommendation

- **Maintain BUY with a target price of Bt13.00.** Our valuation is based on 2027 EV/EBITDA of 10.0x, in line with its three-year historical average. We believe that 4Q26 will still be a good quarter for BCH, due to: a) the low earnings base in 4Q25, which was affected by the AdjRW>2 extra item; b) upside from the increase in SSO treatment fees in 2027; and c) the swift improvement in performance of the newly acquired KIH Ubon.

Environment, Social, Governance (ESG) Updates

Environmental

- **Pledge Net Zero by 2050.**
- **Strategy to conserve resources.** To reduce emissions and waste and protect biodiversity across the operations and supply chains.

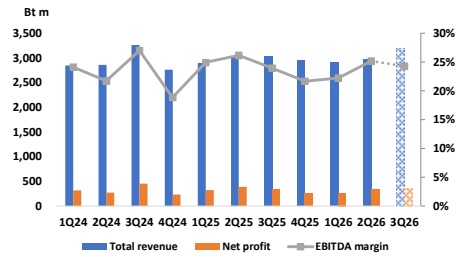
Social

- **Strict occupational health and safety guidelines.** Ensures supplier compliance with safety guidelines.

Governance

- **CEO & senior management KPI.** Also based on non-financial KPI such as internal control compliance, sustainability and human resource management.
- **The guidelines are reviewed annually** to incorporate changes in governance requirements, business operations, and applicable laws.

Quarterly Performance



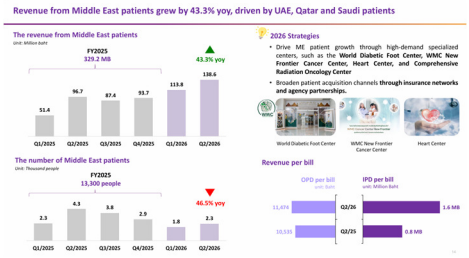
Source: BCH, UOB Kay Hian

No. Of Registered SSO Members



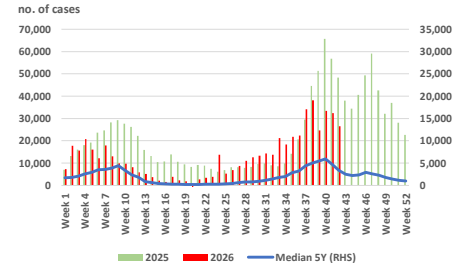
Source: BCH, UOB Kay Hian

Middle Eastern Patient Breakdown



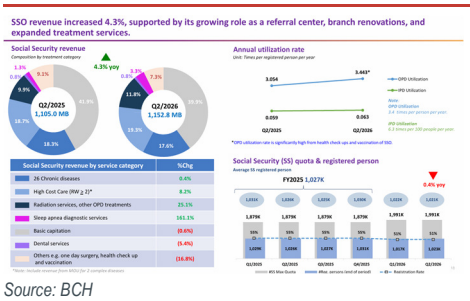
Source: BCH

No. Of Influenza Cases (1 Jan-17 Oct 26)



Source: Department of Disease Control, UOB Kay Hian

SSO Revenue



Source: BCH

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	**11,913**	**12,123**	**12,787**	**13,180**
EBITDA	2,881	2,946	3,150	3,293
Deprec. & amort.	1,067	1,011	1,046	1,084
EBIT	1,815	1,936	2,104	2,209
Total other non-op. income	62	21	21	22
Associate contributions	2	1	1	1
Net interest income/(expense)	(50)	(78)	(78)	(77)
Pre-tax profit	**1,829**	**1,880**	**2,049**	**2,156**
Tax	(403)	(414)	(451)	(474)
Minorities	(109)	(103)	(112)	(118)
Net profit	1,316	1,364	1,486	1,564
Net profit (adj.)	**1,275**	**1,364**	**1,486**	**1,564**

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Fixed assets	12,858	12,839	13,199	13,617
Other LT assets	830	837	851	862
Cash/ST investment	1,694	2,774	3,634	4,080
Other current assets	2,103	2,221	2,340	2,457
Total assets	**17,486**	**18,671**	**20,024**	**21,017**
ST debt	633	132	149	850
Other current liabilities	2,207	1,855	1,956	2,017
LT debt	238	1,421	1,406	690
Other LT liabilities	201	249	262	270
Shareholders' equity	13,186	13,891	15,016	15,836
Minority interest	1,021	1,124	1,235	1,353
Total liabilities & equity	**17,486**	**18,671**	**20,024**	**21,017**

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	**2,740**	**2,007**	**2,627**	**2,708**
Pre-tax profit	1,829	1,880	2,049	2,156
Tax	(403)	(414)	(451)	(474)
Deprec. & amort.	1,067	1,011	1,046	1,084
Working capital changes	285	(365)	(59)	(82)
Non-cash items	(37)	(104)	42	25
Other operating cashflows	2	1	1	1
Investing	**(1,155)**	**(951)**	**(1,407)**	**(1,504)**
Capex (growth)	(1,172)	(992)	(1,406)	(1,502)
Investment	596	599	603	607
Others	(579)	(558)	(604)	(610)
Financing	**(681)**	**(729)**	**(360)**	**(757)**
Dividend payments	(641)	(658)	(682)	(743)
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	327	860	446
Beginning cash & cash equivalent	1,544	2,447	2,774	3,634
Ending cash & cash equivalent	**2,447**	**2,774**	**3,634**	**4,080**

Key Metric

Year to 31 Dec (S$m)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	24.2	24.3	24.6	25.0
Pre-tax margin	15.3	15.5	16.0	16.4
Net margin	11.1	11.2	11.6	11.9
ROA	7.6	7.5	7.7	7.6
ROE	10.1	10.1	10.3	10.1
Growth (% yoy)				
Turnover	1.6	1.8	5.5	3.1
EBITDA	6.4	2.3	6.9	4.5
Pre-tax profit	4.4	2.8	9.0	5.2
Net profit	2.7	3.6	9.0	5.2
Net profit (adj.)	4.8	7.0	9.0	5.2
EPS	4.8	7.0	9.0	5.2
Leverage				
Debt to total capital	5.8	9.4	8.7	8.2
Debt to equity	6.6	11.2	10.4	9.7
Net debt/(cash) to equity	(6.2)	(8.8)	(13.8)	(16.0)
Interest cover (x)	58.1	37.9	40.5	42.8

IMPORTANT NOTICE - DISCLOSURES AND DISCLAIMERS

This report is provided subject to various disclosures and disclaimers (the "Disclosures / Disclaimers") which form an integral part of this report and are available at this link or by scanning the QR code below:

The Disclosures / Disclaimers contain important information, including without limitation, (a) exclusions of liability, (b) confidentiality obligations, (c) restrictions on publication, circulation, reproduction, distribution and use of the report, (d) potential conflicts of interest, and (e) disclosures and requirements specific to recipients in the United States and other applicable jurisdictions.

Specifically, this report is intended for general circulation and informational purposes only and does not take into account the specific investment objectives, financial situation, or particular needs of any individual person. It is not intended to constitute personal investment advice or a recommendation to buy or sell any investment product or security. You should independently evaluate the information and, where necessary, seek advice from a qualified financial adviser regarding the suitability of any investment, taking into account your specific objectives, financial situation and needs, before making any investment decision. Analyst certifications required under applicable regulations, including SEC Regulation AC (where relevant), are included in this report.

Recipients of this report must carefully read, review and understand the full Disclosures / Disclaimers before using or relying on any information in this report. By accessing, receiving or using this report, you acknowledge and confirm that you have read, understood, accepted and agreed to be bound by the Disclosures / Disclaimers (as may be amended or updated from time to time) in full."