Praram 9 Hospital (PR9 TB)

Strong Outlook Supporting 4Q26 As The Peak Quarter

Highlights

- We attended PR9's analyst meeting to review its 3Q26 results and the tone was positive.
- Management remains confident that 4Q26 will be a new record-high quarter, supported by improving foreign patient arrivals and health checkup season for Thai patients.
- We remain optimistic with PR9's growth prospect from the increasing foreign patient arrivals and the capacity expansion in 1Q27. PR9 remains one of our top picks. Maintain BUY with a target price of Bt24.60.

Analysis

- **Positive tone from the analyst meeting.** We attended Praram 9 Hospital's (PR9) analyst meeting to review its 3Q26 results and the tone was positive.
- **A rebounding performance in Oct 26.** Regarding Oct 26 performance, management stated that it is seeing positive momentum from all segments of patients, showing clear improvement from Sep 26. Foreign patient revenue has once again shown growth yoy, while Thai patients are swarming in for the health checkup season. We observed strong revenue growth from insurance payers continuing into 3Q26 at +13.1% yoy, and the strong growth momentum persisted into Oct 26. All of these are positive leading indicators for a robust outlook in 4Q26.
- **Remaining confident in strong 4Q26 outlook.** Management remains confident that 4Q26 will be the strongest quarter for PR9 in this year despite the record-high earnings in 3Q26. Management expects Middle East patient revenue to show high double-digit yoy growth in 4Q26, as PR9 is seeing an improving momentum in the return of Middle East patients. The inflow of Myanmar patients remains very strong and provides stable growth in foreign patient revenue for PR9. Moreover, PR9 is also seeing high demand in health checkups from Thai patients which could convert into more inpatient cases if the checkups reveal more diseases that require further treatments. The pent-up demand from floods in late-Sep 26 should also provide strong support for 4Q26 earnings. Meanwhile, expenses in 4Q26 are being strictly monitored and some costs such as marketing costs are being cut. Therefore, we expect to see yoy growth and another set of record-high earnings in 4Q26.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	4,635	5,277	5,574	6,021	6,516
EBITDA	1,114	1,276	1,399	1,544	1,710
Operating profit	808	963	1,067	1,198	1,345
Net profit (rep./act.)	713	823	880	987	1,107
Net profit (adj.)	713	823	880	987	1,107
EPS (Bt)	0.9	1.0	1.1	1.3	1.4
PE (x)	20.5	17.8	16.6	14.8	13.2
P/B (x)	2.7	2.5	2.3	2.1	1.9
EV/EBITDA (x)	12.3	10.8	9.8	8.9	8.0
Dividend yield (%)	2.2	2.7	3.0	3.4	3.8
Net margin (%)	15.4	15.6	15.8	16.4	17.0
Net debt/(cash) to equity (%)	(7.2)	(11.0)	(13.9)	(19.3)	(23.6)
Interest cover (x)	2,265.9	1,669.8	3,123.8	3,379.7	3,669.4
ROE (%)	13.6	14.5	14.4	14.8	15.2
Consensus net profit (Btm)	-	-	862	944	1,051
UOBKH/Consensus (x)	-	-	1.02	1.05	1.05

Source: Praram 9 Hospital, Bloomberg, UOB Kay Hian

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BUY (Maintained)

Share Price	Bt18.60
Target Price	Bt24.60
Upside	+32.3%

Stock Data

Sector	Health Care
Bloomberg ticker	PR9 TB
Shares issued (m)	786.3
Market cap (Btm)	14,625.2
Market cap (US$m)	431.6
3-mth avg daily t'over (US$m)	1.3

Price Performance (%)

52-week high/low				Bt21.30/Bt15.70
1mth	3mth	6mth	1yr	YTD
(1.1)	3.9	16.3	(11.4)	(0.5)

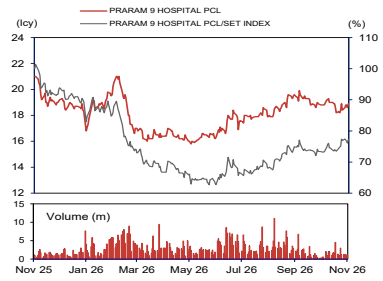
Major Shareholders (%)

Damapong Family	37.3
Thai NVDR	3.3

Balance Sheet Metrics

FY26 NAV/Share (Bt)	8.07
FY26 Net Debt/ Share (Bt)	1.12

Price Chart



Source: Bloomberg

Company Description

Praram 9 Hospital provides medical services that include check-ups, diagnoses, skincare, rehabilitation, X-rays, and surgeries, as well as treatment of joint diseases, kidneys, high blood pressure, cancer, diabetes, neurology, vertigo, and headaches. The hospital serves patients mostly from Thailand.

- **Actively engaging with foreign entities.** PR9 is keeping in touch with several foreign entities that would provide it with opportunities to receive more foreign patient referrals. PR9 has just welcomed the Qatari Ministry of Health to its campus to visit and assess patient satisfaction. The result has been positive, and the patients are very happy with the treatment and services at PR9. PR9 has also signed an MOU with Garuda Airline to raise awareness of Indonesian patients and management expects that this would attract more Indonesian patients to come for treatment from 1Q27 onwards. PR9 has just also signed an agreement with International SOS, a company assisting patient referrals, which will enhance PR9's foreign patient revenue growth.
- **Capacity expansion in 1Q27.** There are currently two buildings at PR9's main campus that are under renovation and refurbishment to add 28 beds to the Intensive Care Unit (ICU) wards. The new ICU wards are planned to be opened in early-1Q27 with the expectation of stronger foreign patient arrivals qoq. This will align with PR9's strategy in being aggressive with health checkups of Thai patients with the possibility to convert those checkup cases into inpatient cases once diseases are discovered. Moreover, the invested facilities such as the Hyperbaric Oxygen Therapy Center and the Da Vinci Robotic surgery machine will enhance the capability of treating complex diseases and hence increase revenue.
- **Actively expanding into new markets for specialty care services.** PR9 has built a strong reputation for its expertise in diabetic wound care and kidney transplantation, particularly among Middle Eastern patients. However, kidney transplant cases softened slightly in 3Q26 due to increasing competition from provincial public hospitals. In response, PR9 is shifting its focus towards actively expanding into foreign markets, including Bangladesh, Mongolia, and Kazakhstan. Meanwhile, PR9 continues to enhance its complex care capabilities through investments in advanced medical technology, including the Da Vinci robotic surgical system launched in 1Q26, which enables minimally invasive procedures across various specialties, such as cancer surgery and hysterectomy.

Valuation/Recommendation

- **Maintain BUY with a target price of Bt24.60.** Our valuation for PR9 is based on 2027 EV/EBITDA multiple of 12.0x (around the historical five-year mean multiple). PR9 remains one of our top picks, and we are positive on its 4Q26 earnings outlook. This is based on several supporting factors such as: a) the improving momentum of Middle Eastern patient arrivals in Oct 26, b) the health checkup season in 4Q26, and c) the capacity expansion in 1Q27 that would increase the revenue intensity of PR9.

Environment, Social, Governance (ESG) Updates

Environmental

- **Energy efficiency and resource management.** PR9 continues to improve energy efficiency through the use of energy-saving equipment.
- **Waste management.** Follows strict medical waste disposal standards and promotes efficient use of water and other resources.

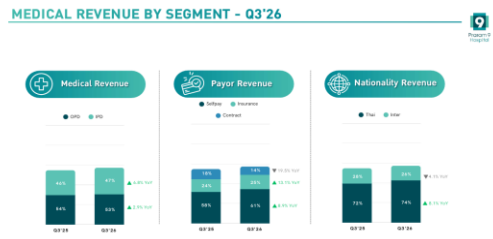
Social

- **Quality healthcare.** Focuses on specialized tertiary care and continues investing in advanced medical technologies to enhance patient outcomes.
- **People and community.** Provides continuous staff training and supports community health screening and education programs.

Governance

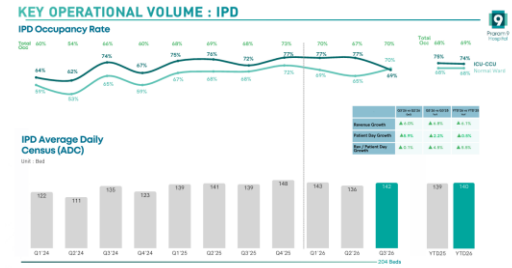
- **Corporate governance.** Maintains an independent board structure with dedicated committees overseeing governance, audit, and risk management.
- **Risk and compliance.** Implements enterprise risk management, anti-corruption policies, and transparent corporate disclosure practices.

Revenue Growth By Patient Segment



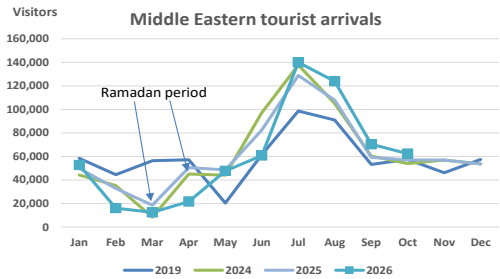
Source: PR9

Key Metrics of IPD Operation



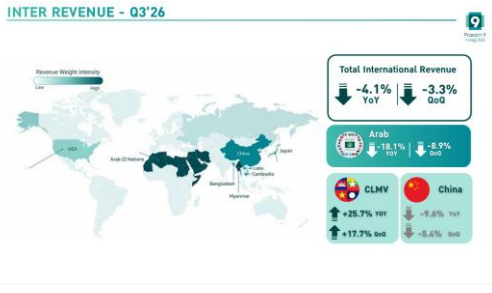
Source: PR9

Middle East Arrivals



Source: Ministry of Tourism and Sports, UOB Kay Hian

Foreign Patient Revenue Growth



Source: PR9

Foreign Patient Revenue Growth



Source: PR9

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	5,277	5,574	6,021	6,516
EBITDA	1,276	1,399	1,544	1,710
Deprec. & amort.	313	333	346	365
EBIT	963	1,067	1,198	1,345
Total other non-op. income	51	21	21	22
Associate contributions	0	0	0	0
Net interest income/(expense)	(1)	(0)	(0)	(0)
Pre-tax profit	**1,013**	**1,087**	**1,218**	**1,367**
Tax	(191)	(206)	(232)	(260)
Minorities	0	0	0	0
Net profit	823	880	987	1,107
Net profit (adj.)	**823**	**880**	**987**	**1,107**

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Fixed assets	3,475	3,626	3,668	3,716
Other LT assets	190	200	213	226
Cash/ST investment	661	888	1,352	1,794
Other current assets	2,702	2,839	3,036	3,252
Total assets	**7,027**	**7,553**	**8,268**	**8,988**
ST debt	7	5	6	6
Other current liabilities	873	923	997	1,078
LT debt	9	4	4	4
Other LT liabilities	262	277	299	324
Shareholders' equity	5,876	6,344	6,963	7,577
Minority interest	0	0	0	0
Total liabilities & equity	**7,027**	**7,553**	**8,268**	**8,988**

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	**816**	**1,088**	**1,211**	**1,337**
Pre-tax profit	1,013	1,087	1,218	1,367
Tax	(191)	(206)	(232)	(260)
Deprec. & amort.	313	333	346	365
Associates	(179)	20	38	43
Working capital changes	(140)	(107)	(161)	(178)
Non-cash items	0	(37)	0	0
Other operating cashflows	(176)	(479)	(378)	(402)
Investing	**(500)**	**(484)**	**(388)**	**(413)**
Capex (growth)	104	109	114	120
Investment	220	(104)	(105)	(109)
Others	(340)	(418)	(368)	(493)
Financing	**(351)**	**(411)**	**(440)**	**(493)**
Dividend payments	11	0	0	0
Proceeds from borrowings	0	(7)	0	0
Others/interest paid	0	0	72	0
Net cash inflow (outflow)	300	191	464	442
Beginning cash & cash equiv.	397	697	888	1,352
Ending cash & cash equiv.	**697**	**888**	**1,352**	**1,794**

Key Metric

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	24.2	25.1	25.6	26.2
Pre-tax margin	19.2	19.5	20.2	21.0
Net margin	15.6	15.8	16.4	17.0
ROA	12.3	12.1	12.5	12.8
ROE	14.5	14.4	14.8	15.2
Growth (% yoy)				
Turnover	13.8	5.6	8.0	8.2
EBITDA	14.5	9.7	10.4	10.7
Pre-tax profit	17.5	7.3	12.1	12.2
Net profit	15.4	7.0	12.1	12.2
Net profit (adj.)	15.4	7.0	12.1	12.2
EPS	15.4	7.0	12.1	12.2
Leverage				
Debt to total capital	0.3	0.1	0.1	0.1
Debt to equity	0.3	0.1	0.1	0.1
Net debt/(cash) to equity	(11.0)	(13.9)	(19.3)	(23.6)
Interest cover (x)	1,669.8	3,123.8	3,379.7	3,669.4

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