Bangkok Dusit Medical Services (BDMS TB)

Gaining Stronger Momentum Into 4Q26

Highlights

- The tone at the meeting was positive, as management updated us on the decent performance in Oct 26, supported by growth from all segments.
- We are seeing growth momentum becoming stronger as we go into 4Q26, supported by long-haul patient demand.
- We remain optimistic with BDMS' earnings outlook in 4Q26 as the revenue intensity continues to increase and the health checkup season would support Thai patient revenue growth. Maintain BUY with a target price of Bt27.00.

Analysis

- **Positive tone from the analyst meeting.** We attended Bangkok Dusit Medical Services' (BDMS) analyst meeting to review its 3Q26 results and the tone was positive.
- **Gaining growth momentum in 4Q26.** Oct 26 performance was decent and showed 3% yoy growth in revenue. Thai patient revenue grew by 4% yoy, while foreign patients' revenue grew 3% yoy. The key driver is the increase in severe inpatient cases, increasing patient referrals, and positive international patient momentum. For foreign patient revenue, the strongest contributor is the US patients, who have shown a massive growth of 35% in revenue. The second-best contributor is Europe patients which saw revenue growth of 18% yoy. We can clearly see that the long-haul patients are returning in accordance with the high travel season in Thailand. Revenue from Middle East patients is still soft yoy, but is offset by strong growth of other patient source market including the strengthening growth in Myanmar patient revenue. We expect the high base from Cambodia patient revenue to normalise further in 4Q26 as well. If we exclude Cambodia and Middle East patient revenue, foreign patient revenue in Oct 26 would have shown strong growth of 9% yoy.
- Meanwhile, performance in the first half of Nov 26 is gaining momentum, with total revenue increasing by 5% yoy, which is very promising. Management expects revenue growth to be driven by both Thai and foreign patients as well as insurance payors. The key driver to Thai patient revenue is expected to be the health checkup season in 4Q26. Furthermore, we continue to see strong number of influenza cases which is a good indicator of outpatient increase and possibly inpatient admissions.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	107,867	111,507	113,983	120,516	127,573
EBITDA	26,646	27,076	27,734	29,547	31,495
Operating profit	20,514	20,228	20,833	22,281	23,856
Net profit (rep./act.)	15,987	15,848	16,337	17,582	18,839
Net profit (adj.)	15,987	15,848	16,337	17,582	18,839
EPS (Bt)	1.0	1.0	1.0	1.1	1.2
PE (x)	20.8	21.0	20.4	18.9	17.7
P/B (x)	3.3	3.1	3.0	2.9	2.8
EV/EBITDA (x)	12.9	12.7	12.4	11.7	10.9
Dividend yield (%)	3.6	4.8	3.7	4.0	4.2
Net margin (%)	14.8	14.2	14.3	14.6	14.8
Net debt/(cash) to equity (%)	9.7	9.7	6.2	5.5	4.5
Interest cover (x)	61.5	75.9	245.8	n.a.	n.a.
ROE (%)	16.4	15.4	15.1	15.7	16.1
Consensus net profit (Btm)	-	-	16,240	17,176	18,000
UOBKH/Consensus (x)	-	-	1.01	1.02	1.05

Source: Bangkok Dusit Medical Services, Bloomberg, UOB Kay Hian

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BUY (Maintained)

Share Price	Bt20.95
Target Price	Bt27.00
Upside	+28.9%

Stock Data

Sector	Health Care
Bloomberg ticker	BDMS TB
Shares issued (m)	15,892.0
Market cap (Btm)	332,937.4
Market cap (US$m)	9,844.4
3-mth avg daily t'over (US$m)	44.6

Price Performance (%)

52-week high/low				Bt22.40/Bt17.40
1mth	3mth	6mth	1yr	YTD
9.7	7.4	14.5	6.9	8.5

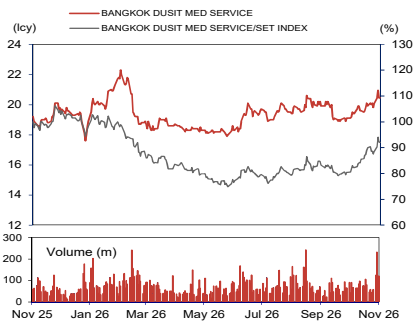
Major Shareholders (%)

Prasarttong-osoth family	15.0
Thai NVDR	9.0

Balance Sheet Metrics

FY26 NAV/Share (Bt)	6.92
FY26 Net Debt/ Share (Bt)	0.43

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' innovation and investments.** BDMS has recently increased its stakes in some of its holdings such as the Genepeutic Bio (GNPT) and Cariva. GNPT is a Thai biotech company specialising in Cell & Gene Therapy which targets to manufacture a Chimeric Antigen Receptor T-Cell (CAR-T cell). A CAR-T cell therapy is an advanced genetic treatment that genetically modifies a patient's own immune cells (T cells) to recognise and attack the bad cells. Currently the CAR-T is being utilised for curing some blood-related diseases, but BDMS aims to develop CAR-T cells to cure cancers. This could potentially be a key growth driver for BDMS in the future. Meanwhile, Cariva develops Speech-to-Text and AI-Driven Analysis. BDMS has already implemented several AI-assisted innovations to its operations to improve its efficiency and reduce the workload of its personnel. Most of the AI innovations will be used as a tool and the final validation will still be from doctors or specialists.
- **Middle Eastern patient recovery continues.** Middle Eastern patient revenue continued to drop by 23% yoy in Oct 26 following the outbreak of the conflict, which disrupted patient travel. Revenue is still recovering in Nov 26, with the expectation of a stronger recovery momentum in Dec 26, during a long Middle Eastern holiday. Meanwhile, total foreign patient revenue remained positive in Oct 26, supported by strong demand from other markets such as the US, Europe and Myanmar. The 4Q26 outlook remains constructive, supported by the high travel season in Thailand and high flight connectivity. BDMS also confirmed that patient inflows from the region have remained uninterrupted.
- **Targets flattish yoy margins in 4Q26.** Earnings in 1Q26 were pressured by higher logistics, drug and medical supply, and plastic costs. A similar trend continued in 2Q26, as revenue growth lagged rising costs. BDMS reported an EBITDA margin of 24.0% in 9M26, slightly below 9M25. Management expects to maintain flattish yoy EBITDA margins in 4Q26, delivering 24.0% EBITDA margins for full-year 2026. We view this target as achievable, with accelerating revenue growth expected to drive economies of scale and support margin improvement from 4Q26. Ongoing promotions and packages, alongside strong Thai patient revenue growth in Jul-Aug 26, provide further support.

Valuation/Recommendation

- **Maintain BUY with a target price of Bt27.00.** Our valuation is based on a five-year average EV/EBITDA multiple of 16.0x. We expect to see strong growth from both Thai and foreign patient revenue in 4Q26 with momentum getting stronger. We remain optimistic on BDMS due to: a) the resilient demand of foreign patients starting to gain momentum, b) continuous increase in revenue intensity, and c) number of cases from the epidemic which continues to be high in 4Q26.

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.

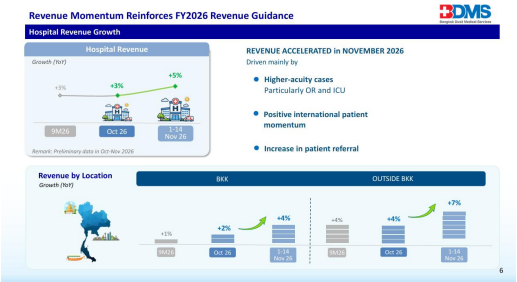
Social

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

Governance

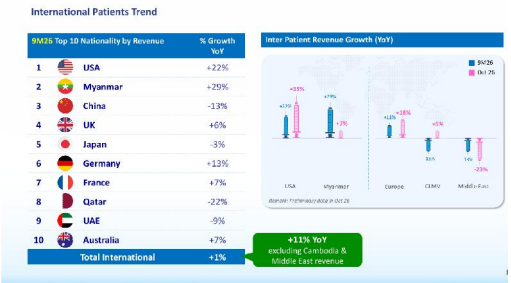
- **BDMS has a robust sustainability governance structure.** The Corporate Sustainability Development Committee oversees sustainability strategy, reporting, risk management, stakeholder engagement, etc.

Growth Momentum In Oct-Nov 26



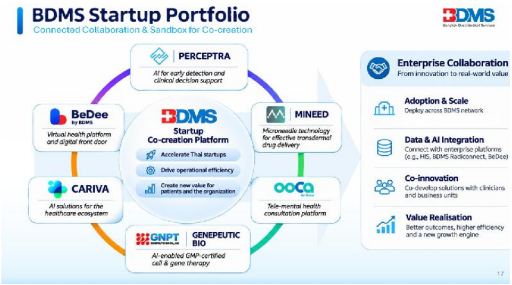
Source: BDMS

Foreign Patient Revenue Growth



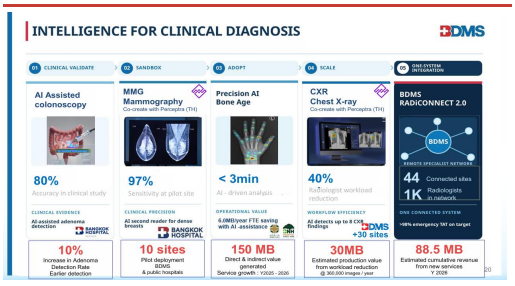
Source: BDMS

Startup Investments



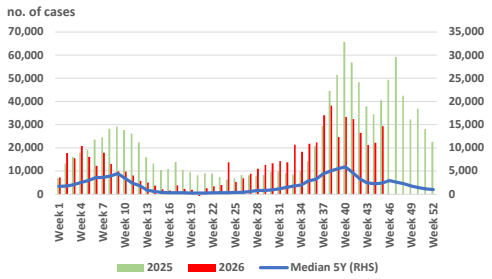
Source: BDMS

Implementation Of AI Initiatives



Source: BDMS

No. Of Influenza Cases (1 Jan-7 Nov 26)



Source: Department of Disease Control, UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	111,507	113,983	120,516	127,573
EBITDA	27,076	27,734	29,547	31,495
Deprec. & amort.	6,848	6,901	7,266	7,639
EBIT	20,228	20,833	22,281	23,856
Total other non-op. income	113	184	188	192
Associate contributions	78	119	131	144
Net interest income/(expense)	(357)	(113)	0	0
Pre-tax profit	**20,063**	**21,024**	**22,600**	**24,192**
Tax	(3,694)	(4,100)	(4,407)	(4,717)
Minorities	(520)	(587)	(611)	(635)
Net profit	15,848	16,337	17,582	18,839
Net profit (adj.)	**15,848**	**16,337**	**17,582**	**18,839**

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	4,840	5,092	5,364
Cash/ST investment	7,231	2,235	2,895	3,919
Other current assets	15,878	13,724	14,510	15,360
Total assets	**157,961**	**151,457**	**158,143**	**165,297**
ST debt	6,879	1,394	1,410	1,426
Other current liabilities	16,750	16,300	17,234	18,243
LT debt	10,608	7,684	7,761	7,839
Other LT liabilities	13,716	11,398	12,052	12,757
Shareholders' equity	105,894	109,978	114,374	119,084
Minority interest	4,114	4,702	5,313	5,948
Total liabilities & equity	**157,961**	**151,457**	**158,143**	**165,297**

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	**22,104**	**23,890**	**25,606**	**27,273**
Pre-tax profit	20,063	21,024	22,600	24,192
Tax	(3,694)	(4,100)	(4,407)	(4,717)
Deprec. & amort.	6,848	6,901	7,266	7,639
Associates	(1,490)	1,047	(392)	(423)
Working capital changes	136	657	540	583
Non-cash items	319	(1,520)	131	144
Other operating cashflows	(12,165)	(9,864)	(11,853)	(12,213)
Investing	**(12,771)**	**(7,775)**	**(12,254)**	**(12,647)**
Capex (growth)	3,743	3,928	4,128	4,344
Investment	(3,137)	(6,016)	(3,727)	(3,910)
Others	(10,626)	(20,661)	(13,094)	(14,035)
Financing	**(11,919)**	**(12,252)**	**(13,186)**	**(14,129)**
Dividend payments	0	0	93	94
Proceeds from borrowings	(871)	(8,409)	0	0
Others/interest paid	2,163	0	0	0
Net cash inflow (outflow)	(687)	(6,635)	660	1,024
Beginning cash & cash equiv.	9,557	8,870	2,235	2,895
Ending cash & cash equiv.	**8,870**	**2,235**	**2,895**	**3,919**

Key Metric

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	24.3	24.3	24.5	24.7
Pre-tax margin	18.0	18.4	18.8	19.0
Net margin	14.2	14.3	14.6	14.8
ROA	10.2	10.6	11.4	11.6
ROE	15.4	15.1	15.7	16.1
Growth (% yoy)				
Turnover	3.4	2.2	5.7	5.9
EBITDA	1.6	2.4	6.5	6.6
Pre-tax profit	(1.3)	4.8	7.5	7.0
Net profit	(0.9)	3.1	7.6	7.2
Net profit (adj.)	(0.9)	3.1	7.6	7.2
EPS	(0.9)	3.1	7.6	7.2
Leverage				
Debt to total capital	13.7	7.3	7.1	6.9
Debt to equity	16.5	8.3	8.0	7.8
Net debt/(cash) to equity	9.7	6.2	5.5	4.5
Interest cover (x)	75.9	245.8	n.a.	n.a.

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