

Bumrungrad Hospital (BH TB)

Expect Weaker Net Profit yoy In 1Q26

Highlights

- BH is expected to report a -5% yoy weakened earnings of Bt1.65b in 1Q26, caused by the conflict in the Middle East.
- We have revised down our 2026 earnings forecast by 9% to reflect the negative impact from the conflict that could drag on until mid-year.
- We remain positive on BH in the high season in 3Q26 onwards due to expected pent-up demand from the Middle East patients. Maintain BUY with a target price of Bt196.00 (previously Bt214.00).

Analysis

1Q26 Earnings Preview

| Year to 31 Dec (Btm) | 1Q25 | 4Q25 | 1Q26F | yoy (%) | qoq (%) |
|----------------------|-------|-------|-------|----------|----------|
| Total Revenue | 6,141 | 6,537 | 5,926 | -3% | -9% |
| Gross Profit | 3,101 | 3,351 | 2,904 | -6% | -13% |
| SG&A | 1,084 | 1,101 | 1,058 | -2% | -4% |
| EBITDA | 2,340 | 2,555 | 2,263 | -3% | -11% |
| Pre-tax profit | 2,146 | 2,330 | 2,053 | -4% | -12% |
| Net profit | 1,734 | 1,885 | 1,653 | -5% | -12% |
| EPS (Bt) | 2.18 | 2.37 | 2.14 | -2% | -10% |
| (%) | | | | | |
| Gross margin | 50.5% | 51.3% | 49.0% | -1.5 ppt | -2.3 ppt |
| SG&A to sales | 17.6% | 16.8% | 17.8% | 0.2 ppt | 1.0 ppt |
| EBITDA Margin | 38.1% | 39.1% | 38.2% | 0.1 ppt | -0.9 ppt |
| Net profit margin | 28.2% | 28.8% | 27.9% | -0.3 ppt | -0.9 ppt |

Source: BH, UOB Kay Hian

- Expect an earnings contraction in 1Q26.** Bumrungrad Hospital (BH) should report a net profit of Bt1.65b (-4.6% yoy, -12.3% qoq) in 1Q26. We expect the earnings contraction to be mainly due to the war in the Middle East which erupted in early-Mar 26. Although the impact should be mitigated in the Ramadan period from late-Feb to late-Mar 26, in combination with the persisting conflict with Cambodia, we expect the top-line in 1Q26 to drop to Bt5.9b (-3.5% yoy, -9.4% qoq). We also expect a drop in gross margin, corresponding to the decline in Middle East patients, who are high margin patients. However, we expect BH to be active with their cost saving measures to offset the margin decline by reducing SG&A expenses. As a result, we expect BH's margins to be flat yoy.

Key Financials

| Year to 31 Dec (Btm) | 2024 | 2025 | 2026F | 2027F | 2028F |
|-------------------------------|---------|---------|---------|---------|---------|
| Net turnover | 25,718 | 25,215 | 25,731 | 28,838 | 30,758 |
| EBITDA | 10,265 | 10,164 | 9,760 | 11,132 | 11,857 |
| Operating profit | 9,188 | 9,096 | 8,575 | 9,941 | 10,659 |
| Net profit (rep./act.) | 7,775 | 7,512 | 7,089 | 8,210 | 8,801 |
| Net profit (adj.) | 7,793 | 7,523 | 7,089 | 8,210 | 8,801 |
| EPS (Bt) | 9.0 | 8.7 | 8.2 | 9.5 | 10.1 |
| PE (x) | 19.3 | 20.0 | 21.2 | 18.3 | 17.1 |
| P/B (x) | 5.0 | 4.5 | 4.7 | 4.4 | 3.9 |
| EV/EBITDA (x) | 12.3 | 12.4 | 12.9 | 11.3 | 10.6 |
| Dividend yield (%) | 2.9 | 6.3 | 2.6 | 2.7 | 2.9 |
| Net margin (%) | 30.2 | 29.8 | 27.6 | 28.5 | 28.6 |
| Net debt/(cash) to equity (%) | (43.6) | (44.8) | (41.6) | (50.2) | (56.9) |
| Interest cover (x) | 1,231.6 | 1,533.5 | 1,802.5 | 2,021.1 | 2,116.2 |
| ROE (%) | 30.3 | 25.7 | 23.6 | 26.0 | 24.3 |
| Consensus net profit (Btm) | - | - | 7,678 | 7,827 | 8,284 |
| UOBKH/Consensus (x) | - | - | 0.92 | 1.05 | 1.06 |

Source: BH, Bloomberg, UOB Kay Hian

BUY (Maintained)

| | |
|--------------|----------|
| Share Price | Bt173.00 |
| Target Price | Bt196.00 |
| Upside | +13.3% |
| Previous TP | Bt214.00 |

Analyst(s)

Benjaphol Suthwanish

+662 659 8301

benjaphol@uobkayhian.co.th

Assistant Analyst(s)

Nonpawit Vathanadachakul

Stock Data

| | |
|---------------------------------|-------------|
| GICS sector | Health Care |
| Bloomberg ticker: | BH TB |
| Shares issued (m): | 795.0 |
| Market cap (Btm): | 137,940.5 |
| Market cap (US\$m): | 4,298.7 |
| 3-mth avg daily t'over (US\$m): | 36.4 |

Price Performance (%)

52-week high/low Bt214.00/Bt130.00

| 1mth | 3mth | 6mth | 1yr | YTD |
|------|------|------|-----|------|
| 0.9 | 11.2 | 0.3 | 2.1 | 10.2 |

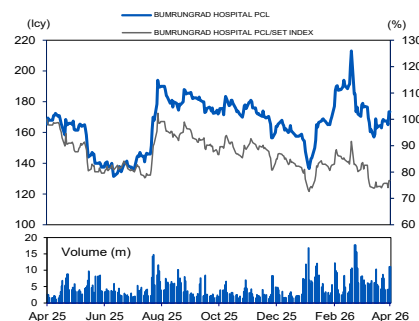
Major Shareholders

| Shareholder | % |
|--------------------|------|
| Harnphanich family | 50.0 |
| Thai NVDR | 11.5 |

Balance Sheet Metrics

| Metric | % |
|---------------------------|-------|
| FY26 NAV/Share (Bt) | 36.74 |
| FY26 Net Debt/ Share (Bt) | 15.29 |

Price Chart



Source: Bloomberg

Company Description

Bumrungrad Hospital provides healthcare services. The company offers behavioural health, diabetes management, digestive disease treatment, hyperbaric oxygen therapy, joint replacement, rehabilitation, travel medicine, and refractive surgery services. Bumrungrad Hospital serves patients in Thailand.

- Tension in the Middle East is detrimental to BH.** Following the conflict between Iran and the US which sparked up in early-Mar 26, several air infrastructures have been damaged, and some flight routes are blocked. Hence, the Middle East patients could not travel to Thailand as easily as before. Despite Mar 26 being the Ramadan period, when the revenue from the Middle East patients is the lowest in the year, the impact to BH's earnings in 1Q26 could be significant. BH's management has expressed concern over this issue, and we could see the conflict potentially drag on to mid-year, resulting in our 2026 earnings downwards revision of 9%. We see the conflict in the Middle East as a major issue for BH as the Middle East patients contribute a massive portion of around 22-24% to BH's top-line.
- BIH opening postponed to 2H27.** BH has delayed the launch of Bumrungrad International Hospital (BIH) Phuket from the initial 1H27 target to 2H27, citing complexities in securing the Environmental Impact Assessment (EIA) permit prior to construction. We view that the delay would ease earnings pressure in 2026, as most costs will ramp up from 1Q27. Construction is currently in its early stages. Upon completion, operations will be rolled out in phases, starting with Phase 1 (years 1-5) with 120 beds in 2H27, followed by Phase 2 (years 6-10) adding 92 beds. The hospital will focus on premium primary and secondary care, referring more complex cases to its Bangkok campus.

Earnings Revision/Risk

- We revise down our 2026 net profit forecasts.** We revise our 2026 net profit forecasts down by 9.0% reflect the impact from the war in the Middle East.

Earnings Revision

| (Btm) | 2026F | | |
|-------------------|--------|----------|------------------|
| | New | Previous | Change |
| Total revenue | 25,731 | 27,468 | -6.3% |
| Operating EBITDA | 9,760 | 10,613 | -8.0% |
| Net profit | 7,089 | 7,789 | -9.0% |
| | | | Chg (ppt) |
| EBITDA margin | 37.9% | 38.6% | -0.71 |
| Net profit margin | 27.6% | 28.4% | -0.81 |

Source: BH, UOB Kay Hian

Valuation/Recommendation

- Maintain BUY with a target price of Bt196.00.** Our valuation is based on 2026 EV/EBITDA multiple of 15.0x, which is 1 SD below the five-year average (excluding COVID-19 years). We remain positive on BH, supported by: a) pent-up demand from Middle Eastern patients to return in 3Q25, b) the potential return of Kuwait patients, and c) the delay of BIH construction to relieve the earnings pressure in 2026.

Environment, Social, Governance (ESG) Updates

Environmental

- Energy efficiency.** BH has invested in eco-friendly infrastructure to reduce the hospital's carbon footprint and energy consumption.
- Waste management.** BH emphasises the safe disposal of medical waste and has protocols in place to minimise the environmental impact of hazardous materials.

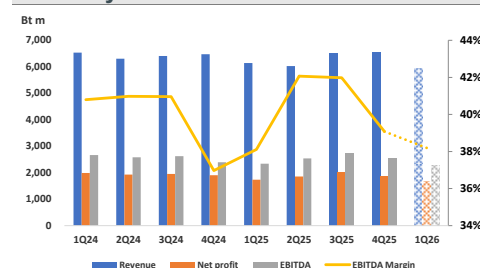
Social

- Healthcare access.** BH provides high-quality healthcare services to both local and international patients. It also engages in charitable work, providing free medical services to underprivileged communities.

Governance

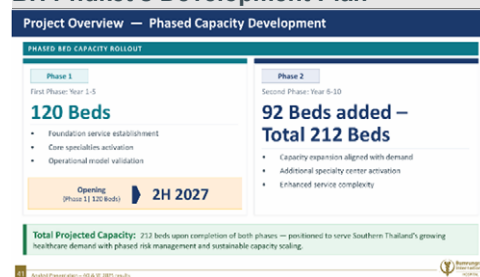
- Corporate governance.** BH adheres to high standards of corporate governance with transparent reporting, strict regulatory compliance, and clear anti-corruption policies.

Quarterly Performance



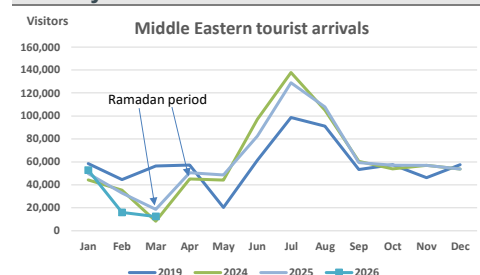
Source: BH, UOB Kay Hian

BH Phuket's Development Plan



Source: BH

Monthly Middle Eastern Tourist Arrivals



Source: Ministry of Tourism and Sports, UOB Kay Hian

BH'S Revenue From Foreign Patients

| Nationality | Net Patient Revenues % Variance YTD | |
|---------------------------------|-------------------------------------|----------------|
| | 4Q2025 vs 4Q2024 | YTD25 vs YTD24 |
| 1 Qatar | +19.8% | -1.1% |
| 2 Myanmar | +15.5% | +19.5% |
| 3 United States | +15.7% | +14.0% |
| 4 Bangladesh | +1.7% | +5.0% |
| 5 United Arab Emirates | +29.4% | +1.2% |
| 6 China | -15.6% | -14.4% |
| 7 Cambodia | -79.2% | -47.2% |
| 8 United Kingdom | -14.2% | +0.3% |
| 9 Mongolia | -12.1% | -11.3% |
| 10 Oman | +3.5% | -17.0% |
| Total Non-Thai Patients* | +5.0% | -2.6% |

* Excluding Cambodia revenue, Non-Thai patient revenue increased by 15.5% in 4Q2025 and by 1.0% for Y2025.

Source: BH

Profit & Loss

| Year to 31 Dec (Btm) | 2025 | 2026F | 2027F | 2028F |
|----------------------------------|--------------|--------------|---------------|---------------|
| Net turnover | 25,215 | 25,731 | 28,838 | 30,758 |
| EBITDA | 10,164 | 9,760 | 11,132 | 11,857 |
| Deprec. & amort. | 1,068 | 1,184 | 1,191 | 1,199 |
| EBIT | 9,096 | 8,575 | 9,941 | 10,659 |
| Total other non-operating income | 212 | 159 | 165 | 171 |
| Associate contributions | (1) | 2 | 2 | 2 |
| Net interest income/(expense) | (7) | (5) | (6) | (6) |
| Pre-tax profit | 9,301 | 8,731 | 10,102 | 10,827 |
| Tax | (1,737) | (1,571) | (1,818) | (1,949) |
| Minorities | (52) | (70) | (74) | (77) |
| Net profit | 7,512 | 7,089 | 8,210 | 8,801 |
| Net profit (adj.) | 7,523 | 7,089 | 8,210 | 8,801 |

Cash Flow

| Year to 31 Dec (Btm) | 2025 | 2026F | 2027F | 2028F |
|--|----------------|----------------|----------------|----------------|
| Operating | 7,689 | 6,929 | 8,815 | 9,462 |
| Pre-tax profit | 9,301 | 8,731 | 10,102 | 10,827 |
| Tax | (1,737) | (1,571) | (1,818) | (1,949) |
| Deprec. & amort. | 1,068 | 1,184 | 1,191 | 1,199 |
| Working capital changes | (406) | 99 | (287) | (164) |
| Non-cash items | 464 | (856) | 127 | 78 |
| Other operating cashflows | (1,002) | (655) | (498) | (526) |
| Investing | (2,628) | (529) | (904) | (961) |
| Capex (growth) | (2,056) | (440) | (968) | (999) |
| Investment | 2,810 | 2,812 | 2,814 | 2,816 |
| Others | (3,382) | (2,901) | (2,751) | (2,778) |
| Financing | (4,043) | (8,729) | (3,540) | (4,103) |
| Dividend payments | (3,974) | (8,744) | (3,544) | (4,105) |
| Proceeds from borrowings | 0 | 15 | 2 | 2 |
| Loan repayment | (33) | 0 | 0 | 0 |
| Others/interest paid | (36) | 0 | 2 | 0 |
| Net cash inflow (outflow) | 1,018 | (2,329) | 4,371 | 4,399 |
| Beginning cash & cash equivalent | 5,284 | 6,302 | 3,973 | 8,344 |
| Changes due to forex impact | 0 | 0 | 0 | 0 |
| Ending cash & cash equivalent | 6,302 | 3,973 | 8,344 | 12,743 |

Balance Sheet

| Year to 31 Dec (Btm) | 2025 | 2026F | 2027F | 2028F |
|---------------------------------------|---------------|---------------|---------------|---------------|
| Fixed assets | 14,376 | 13,632 | 13,409 | 13,209 |
| Other LT assets | 3,301 | 3,301 | 3,362 | 3,400 |
| Cash/ST investment | 13,948 | 12,276 | 17,145 | 22,073 |
| Other current assets | 4,833 | 5,079 | 5,667 | 6,018 |
| Total assets | 36,459 | 34,288 | 39,583 | 44,700 |
| ST debt | 23 | 35 | 36 | 37 |
| Other current liabilities | 4,063 | 3,551 | 3,980 | 4,245 |
| LT debt | 84 | 86 | 88 | 90 |
| Other LT liabilities | 1,118 | 1,029 | 1,154 | 1,230 |
| Shareholders' equity | 30,863 | 29,208 | 33,874 | 38,569 |
| Minority interest | 308 | 378 | 452 | 529 |
| Total liabilities & equity | 36,459 | 34,288 | 39,583 | 44,700 |

Key Metrics

| Year to 31 Dec (%) | 2025 | 2026F | 2027F | 2028F |
|---------------------------|---------|---------|---------|---------|
| Profitability | | | | |
| EBITDA margin | 40.3 | 37.9 | 38.6 | 38.6 |
| Pre-tax margin | 36.9 | 33.9 | 35.0 | 35.2 |
| Net margin | 29.8 | 27.6 | 28.5 | 28.6 |
| ROA | 21.7 | 20.0 | 22.2 | 20.9 |
| ROE | 25.7 | 23.6 | 26.0 | 24.3 |
| Growth | | | | |
| Turnover | (2.0) | 2.0 | 12.1 | 6.7 |
| EBITDA | (1.0) | (4.0) | 14.1 | 6.5 |
| Pre-tax profit | (1.4) | (6.1) | 15.7 | 7.2 |
| Net profit | (3.4) | (5.6) | 15.8 | 7.2 |
| Net profit (adj.) | (3.5) | (5.8) | 15.8 | 7.2 |
| EPS | (3.5) | (5.8) | 15.8 | 7.2 |
| Leverage | | | | |
| Debt to total capital | 0.3 | 0.4 | 0.4 | 0.3 |
| Debt to equity | 0.3 | 0.4 | 0.4 | 0.3 |
| Net debt/(cash) to equity | (44.8) | (41.6) | (50.2) | (56.9) |
| Interest cover (x) | 1,533.5 | 1,802.5 | 2,021.1 | 2,116.2 |

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 the following link: <https://research-api.uobkayhian.com/assets/disclaimer/df64a6ea-7980-447c-ae9e-fd19b93257dc> 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."