FUNDAMENTAL SYNOPSIS

BH

Outperform

Golden opportunity

Flash Points

3Q25 net profit is estimated at B2,081m, growing 6.5%yoy and 12.1%qoq. Healthcare service revenue is expected to grow, driven by patients from the Middle East (Qatar, UAE, Saudi Arabia), Myanmar, and Bangladesh, offsetting lower revenue from Chinese and Cambodian patients. Revenue from Thai patients is expected to grow qoq due to seasonal endemic (e.g. flu) but stay flat yoy from a very high base in 2024 (severe epidemic) due to economic slowdown. BH already raised healthcare fees by 4% at the beginning of 2025. Moreover, BH has no Kuwaiti patients under state welfare program (GOP) since mid-2024, so this issue would not affect 3Q25 profit like in 3Q24.

3Q25 gross margin is expected at 52.5%, rising from 51.6% in 3Q24 and 52.3% in 2Q25 due to higher revenue intensity (complex treatment). 3Q25 SG&A/Sales are expected at 15.5%, decreasing from 15.7% in 3Q24 and 16.0% in 2Q25, despite 4% wage hike since July 1 onwards, thanks to efficient cost reduction: medicine procurement in bundles (for bigger discounts), effective personnel management, and efficient marketing (more suitable for target groups). Effective tax rate is expected at 19.2%, rising from 17.7% in 3Q24 due to smaller BOI tax incentives.

Impact Insight

If 3Q25 profit is as expected, 9M25 profit is expected to make up 75% of 2025 forecast.

4Q25 profit is expected to stay flat yoy and fall qoq due to low season. Effective tax rate would increase yoy due to smaller BOI tax incentives, like in 3Q25.

We maintain 2025 profit forecast at B7,582m, dropping 2.5%yoy. Healthcare service revenue is projected at B25,396m, dropping 0.9%yoy.

Execution

2026 fair value is B225 (DCF). BH already plummeted and absorbed negative factors. BH may outperform the SET from now on, so we upgrade to Outperform.

Technical Chart

Price Trend: Sideways Up

Support: 160.50

Resist : 190

Source: ASPS Research

Current Price (B)	172.50
Target Price (B)	225.00
Upside (%)	30.43
Dividend Yield (%)	2.96

Consensus Analysis

EPS (B)	ASPS	IAA Cons	% diff
2025F	9.53	9.32	2%
2026F	9.86	9.58	3%

Source: ASPS Research

Global Peers

Stock	PE		PBV	
	2025F	2026F	2025F	2026F
BUMRUNGRAD HOSPI	18.98	18.24	4.46	3.98
BANGKOK DUSIT MD	19.59	18.35	3.07	2.92
BANGKOK CHAIN HO	20.88	18.99	2.31	2.19
PRARAM 9 HOSPITA	21.73	19.61	3.06	2.81
CHULARAT HOSPITA	17.08	15.92	2.25	2.18
MASTER STYLE PCL	11.76	10.39	1.02	0.97
KLINIQUE	16.41	14.52	3.36	3.26

Source: Bloomberg

Key Financial Forecast

Ending Dec 31	2023	2024	2025F	2026F	2027F
Sales	25,296	25,634	25,396	26,332	27,189
Net Profit	7,006	7,775	7,582	7,846	8,090
Normalized Profit	7,006	7,775	7,582	7,846	8,090
EPS (B)	8.80	9.77	9.53	9.86	10.17
DPS (B)	4.50	5.00	5.04	5.10	5.28
PER (x)	19.6	17.7	18.1	17.5	17.0
Dividend Yield (%)	2.61%	2.90%	2.92%	2.96%	3.06%
BVS (B)	29.91	34.54	39.03	43.81	48.44
PBV (x)	5.77	4.99	4.42	3.94	3.56
EV/EBITDA	13.9	13.1	12.8	12.0	11.3
ROE (%)	29.1%	28.0%	24.1%	22.2%	20.7%

Source: ASPS Research

ESG Assessment

SET ESG Ratings	-
CG Score	Very Good
Anti-corruption Certification	-

Source: SET

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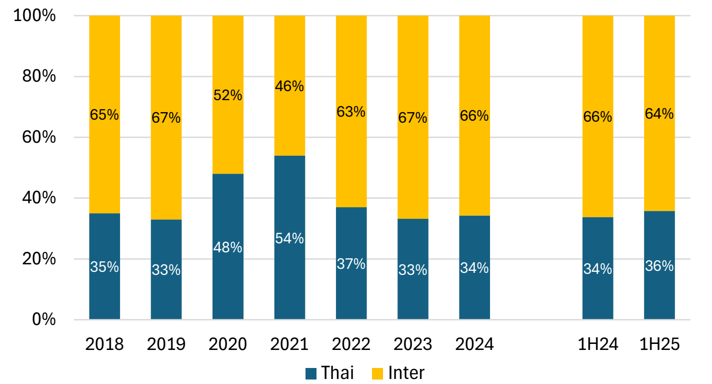
Earnings Results by Quarter

Key Data (Million B)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25F	%QoQ	%YoY	9M24	9M25F	%YoY
Sales	6,516	6,282	6,384	6,452	6,120	6,005	6,652	11%	4%	19,182	18,777	-2%
Gross Profit	3,370	3,274	3,294	3,193	3,080	3,141	3,492	11%	6%	9,938	9,714	-2%
SG&A	1,020	1,007	1,003	1,142	1,084	961	1,031	7%	3%	3,029	3,076	2%
Other Income	50	48	63	67	166	86	98	13%	56%	161	350	117%
Interest Expense	-2	-2	-2	-2	-2	-2	-2	-10%	-6%	-6	-6	-1%
Normalized Profit	1,975	1,937	1,990	1,896	1,736	1,855	2,081	12%	5%	5,901	5,672	-4%
Net Profit	1,985	1,932	1,955	1,903	1,734	1,858	2,081	12%	6%	5,872	5,673	-3%
EPS	2.50	2.43	2.46	2.39	2.18	2.34	2.62	12%	6%	7.39	7.14	-3%
Gross Profit Margin (%)	51.7%	52.1%	51.6%	49.5%	50.3%	52.3%	52.5%			51.8%	51.7%	
SG&A/Sales (%)	15.7%	16.0%	15.7%	17.7%	17.7%	16.0%	15.5%			15.8%	16.4%	
Net Profit Margin (%)	30.5%	30.8%	30.6%	29.5%	28.3%	30.9%	31.3%			30.6%	30.2%	
Normalized Profit Margin (%)	30.3%	30.8%	31.2%	29.4%	28.4%	30.9%	31.3%			30.8%	30.2%	

Source: ASPS Research

Revenue by Patient Nationality



Source: ASPS Research

Key Risk

1) Decreasing number of international patients
2) Risk of medical personnel shortage
3) Competition among private hospitals
4) Epidemic or natural disaster (e.g. flood, earthquake)
5) Change in health insurance policy (e.g. copayment)

Source: ASPS Research

2025-2027 Earnings Forecast

Income Statement (Million B)

Year ended 31 Dec	2024	2025F	2026F	2027F
Sales revenue	25,862	25,622	26,566	27,431
Cost of sales	12,503	12,292	12,692	13,051
Gross profit	13,359	13,331	13,874	14,381
SG&A	4,171	4,228	4,437	4,641
Interest expenses	-8	-8	-8	-8
Other expense	0	0	0	0
Other income	279	289	289	289
Earnings before tax	9,436	9,378	9,713	10,015
Income tax	-1,604	-1,735	-1,797	-1,853
Minority Interest	57	61	70	72
Extraordinary items	0	0	0	0
Net profit	7,775	7,582	7,846	8,090
Normalized profit	7,775	7,582	7,846	8,090
Normalized EPS	9.77	9.53	9.86	10.17
Sales growth	1.1%	-0.9%	3.7%	3.3%
Normalized profit growth	11.0%	-2.5%	3.5%	3.1%
Gross profit margin	51.7%	52.0%	52.2%	52.4%
Normalized profit margin	30.1%	29.6%	29.5%	29.5%

Cash Flow Statement (Million B)

Year ended 31 Dec	2024	2025F	2026F	2027F
Cash flow from operating activities				
Earnings before tax	9,436	9,378	9,713	10,015
Adjustment				
Depreciation and amortization	1,077	1,402	1,510	1,590
Unrealized Fx gain/loss	0	0	0	0
Others	0	0	0	0
Increase/Decrease in operating activities	170	-92	-89	-82
Net cash flow from operating activities	8,671	8,671	9,055	9,389
Cash flow from investing activities				
Increase/Decrease in short-term investment	-4,703	-500	-500	-500
Increase/Decrease in related investment	-118	0	0	0
Increase/Decrease in fixed assets	-1,216	-4,864	-1,631	-1,200
Net cash flow from investing activities	-4,985	-5,074	-1,841	-1,410
Cash flow from financing activities				
Increase/Decrease in loans	-39	0	0	0
Increase/Decrease in capital & shares premium	0	0	0	0
Dividend payments	-4,101	-3,979	-4,011	-4,059
Net cash flow from financing activities	-4,224	-4,017	-4,049	-4,417
Increase/Decrease in net cash	-515	-420	3,166	3,562

Quarterly Income Statement (Million B)

(Million Baht)	3Q24	4Q24	1Q25	2Q25
Sales revenue	6,384	6,452	6,120	6,005
Cost of sales	3,089	3,259	3,040	2,864
Gross profit	3,294	3,193	3,080	3,141
SG&A	1,003	1,142	1,084	961
Interest expenses	-2	-2	-2	-2
Other expense	0	0	0	0
Other income	63	67	21	19
Earnings before tax	2,391	2,189	2,144	2,328
Income tax	424	279	400	449
Minority Interest	12	7	10	22
Extraordinary items	-34	7	-2	3
Net profit	1,955	1,903	1,734	1,858
Normalized profit	1,990	1,896	1,736	1,855
Normalized EPS	2.46	2.39	2.18	2.34
Sales growth (QoQ)	1.6%	1.1%	-5.1%	-1.9%
Gross profit margin (QoQ)	0.6%	-3.1%	-3.5%	2.0%
Normalized profit growth (QoQ)	2.7%	-4.7%	-8.5%	6.9%

Balance Sheet (Million B)

Year ended 31 Dec	2024	2025F	2026F	2027F
Cash and cash equivalent	3,259	2,839	6,005	9,567
Trade receivables	3,982	4,571	4,740	4,894
Inventory	356	508	527	544
Other current assets	151	63	66	68
Net PP&E	12,632	16,094	16,215	15,825
Total assets	32,653	36,873	40,854	44,705
Trade payables	1,149	1,397	1,448	1,495
Other current liabilities	216	203	211	218
Short-term interest-bearing debt	37	37	37	37
Long-term interest-bearing debt	102	102	102	102
Total liabilities	4,852	5,438	5,543	5,640
Paid-up capital	922	922	922	922
Premium on common stocks	450	450	450	450
Retained earnings	26,074	29,647	33,453	37,454
Shareholders' equity	27,488	31,061	34,866	38,548
Minor shareholders' equity	313	374	444	516
Total liabilities and shareholders' equity	32,653	36,873	40,854	44,705

Financial Ratio

Year ended 31 Dec	2024	2025F	2026F	2027F
Current ratio (x)	4.37	3.96	4.73	5.54
Quick ratio (x)	1.89	1.68	2.38	3.13
Receivable turnover (x)	6.44	5.56	5.56	5.56
Inventory turnover (x)	35.13	24.20	24.10	24.00
Payable turnover (x)	22.31	18.18	18.18	18.18
Debt to equity (x)	0.17	0.17	0.16	0.14
Net gearing (x)	net cash	net cash	net cash	net cash
ROAA	25.1%	21.8%	20.2%	18.9%
ROAE	30.0%	25.6%	23.5%	21.8%

Key Assumption

Year ended 31 Dec	2024	2025F	2026F	2027F
Beds available	538	564	564	564
Avg. IPD revenue per bed	95,914	98,312	100,770	103,289
Revenue from IPD	12,818	12,953	13,380	13,715
OPD visits per day	2,818	2,695	2,750	2,805
Avg. revenue per OPD visit	12,427	12,650	12,903	13,161
Revenue from OPD	12,817	12,444	12,952	13,475
Gross margin	51.2%	51.6%	51.8%	52.0%
SG&A/Sale	16.3%	16.7%	16.9%	17.1%
Effective tax rate	17.0%	18.5%	18.5%	18.5%

Source: ASPS Research