

Bangkok Dusit Medical Services Pcl (BDMS TB) - BUY**Earnings Preview**

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A new high record for 3Q24F earnings

- **Good y-y earnings growth in 3Q24F ...**
- **.... Driven by rising Thai and international patients.**
- **9M24F earnings are likely to be in line with our expectation.**
- **BDMS is still one of our top sector pick BUYs.**

We estimate BDMS to report good earnings in 3Q24. Key y-y earnings drivers are expected due to rising revenue, rising other income and falling interest expense. 9M24F earnings are likely to be in line with our full-year earnings forecast. Meanwhile, strong business momentum is expected to continue in the rest of this year. We maintain BUY on BDMS.

- We estimate BDMS's 3Q24 profit at Bt4.3bn, up 10.2% y-y and 28.6% q-q. Key y-y earnings growth drivers are expected due to rising top line, rising other income and falling interest expense. Meanwhile, the strong q-q earnings growth is expected due to seasonality factors.
- We estimate revenue growth of 7.5% y-y and 10.9% q-q to Bt27.4bn in 3Q24F. Revenue growth is expected to be driven by Thai and international patients. However, we see stronger growth in international patients. The lower revenue growth from Thai patients was due to the high base effect in 3Q23. Thai patient growth is expected to be driven by the outbreaks of flu, RSV, and dengue fever. Rising international patient flows are coming from China, the Middle East and Europe, with revenue growth exceeding 20% y-y in 3Q24. Meanwhile, revenue from CLMV market remained flat y-y.
- We project its operating margin at 15% in 3Q24, down from 15.3% in 3Q23 but up from 11.7% in 2Q24. We expect a y-y fall in margins due to rising costs from its new hospitals. Meanwhile, we foresee a sharp q-q margin rise due to 3Q's high seasonality and economies of scale.
- We see that BDMS's revenue and earnings for 9M24F are likely to be in line with our full-year earnings forecast. We expect BDMS's strong business momentum to continue for the rest of this year, supported by an increase in both Thai and international patients and rising revenue intensity. We estimate the company's EPS growth of 11% p.a. in 2024-25F. We maintain our BUY rating on BDMS with a DCF TP of Bt39.0/share.

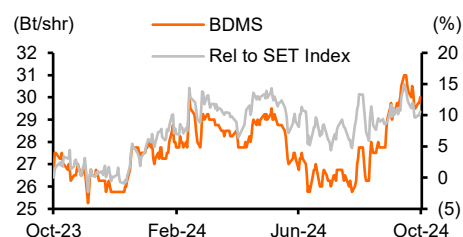
Key Valuations

Y/E Dec (Bt m)	2023A	2024F	2025F	2026F
Revenue	97,077	105,914	115,082	123,126
Net profit	14,375	15,978	17,722	19,254
Norm net profit	14,375	15,978	17,722	19,254
Norm EPS (Bt)	0.9	1.0	1.1	1.2
Norm EPS gr (%)	14.0	11.1	10.9	8.6
Norm PE (x)	33.2	29.8	26.9	24.8
EV/EBITDA (x)	24.2	22.7	20.6	19.0
P/BV (x)	5.0	4.8	4.6	4.4
Div. yield (%)	2.3	2.7	3.0	3.2
ROE (%)	15.5	16.4	17.5	18.2
Net D/E (%)	1.0	(2.5)	(5.3)	(7.2)

Source: Thanachart estimates

Stock Data

Closing price (Bt)	30.0
Target price (Bt)	39.0
Market cap (US\$ m)	14,261.4
Avg daily turnover (US\$ m)	39.2
12M H/L price (Bt)	31.00/25.25

Price Performance

Source: Bloomberg

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