

**Bangkok Dusit Medical Services Pcl (BDMS TB) - BUY****Analyst Meeting**

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**Slightly negative tone from analyst meeting**

- **Management targets revenue growth of 4-6% in 2025.**
- **EBITDA margin is expected to maintain at 24%+.**
- **QTD. revenue growth was around 4% y-y.**
- **We maintain BUY rating on BDMS.**

We attended BDMS's analyst meeting yesterday, where the tone was slightly negative. Management expects slower revenue growth for the rest of the year due to global economic uncertainty but remains focused on cost control, aiming to keep EBITDA margin above 24%. Longer term, BDMS anticipates fewer patients from the Middle East as healthcare improves there but is diversifying its international patient base to offset this. As guidance aligns with our expectations, we maintain our earnings forecast and reiterate our BUY rating.

- Management has set a full-year 2025 revenue growth target of 4-6%, down from the earlier 7-8% target for 1H25. However, international patient revenue is still expected to grow over 10% this year, outpacing growth from Thai patients.
- Revenue growth in April 2025 was around single digits, while May 2025's growth increased to approximately 6%, close to the 1Q25 rate.
- The EBITDA margin target of above 24% is unchanged. The company continues to focus on cost control. Importantly, this does not affect its capital expenditure plans, which remain at around 8-10% of annual revenue.
- Management remains focused on diversifying its customer base, mainly targeting international patients, anticipating a future decline in Middle Eastern patient flows as those countries become more medically self-sufficient.
- The BDMS Silver Wellness project remains on track to open in 2029 and is currently undergoing the EIA (Environmental Impact Assessment) process. Meanwhile, two new greenfield hospitals - Phyathai Bowin and Bangkok Chiangmai - are still scheduled to open by the end of this year.
- BDMS also hosted a site visit to its new Samitivej International Children's Hospital at Samitivej Srinakarin. The facility features 103 IPD beds and 12 ICU beds. Management expects it will take two years to reach EBITDA breakeven. However, we observed strong demand, with the hospital operating near full capacity on the day of our visit. Approximately 30-40% of pediatric patient revenue at this hospital comes from international patients, mainly from the Middle East, Bangladesh, Indonesia, and Myanmar.
- Given that the company's guidance remains aligned with our assumptions, we maintain our forecast of 6% annual revenue growth for 2025-2027F and EPS growth of 5/6/7% over those years, respectively. We reiterate our BUY rating on BDMS with a DCF-based TP of Bt32.0/share.

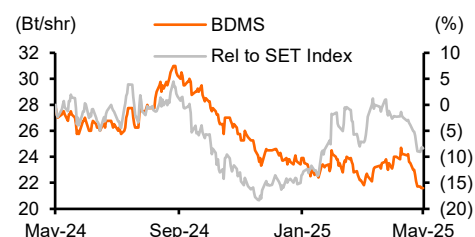
**Key Valuations**

Y/E Dec (Bt m)	2024A	2025F	2026F	2027F
Revenue	103,675	109,728	115,853	122,488
Net profit	15,987	16,826	17,828	19,023
Norm net profit	15,987	16,826	17,828	19,023
Norm EPS (Bt)	1.0	1.1	1.1	1.2
Norm EPS gr (%)	11.3	5.2	6.0	6.7
Norm PE (x)	21.5	20.4	19.3	18.0
EV/EBITDA (x)	16.5	15.7	14.7	13.7
P/BV (x)	3.4	3.3	3.1	3.0
Div. yield (%)	3.5	3.7	3.9	4.2
ROE (%)	16.4	16.4	16.7	17.0
Net D/E (%)	1.7	1.1	1.6	0.6

Source: Thanachart estimates

**Stock Data**

Closing price (Bt)	21.6
Target price (Bt)	32.0
Market cap (US\$ m)	10,475
Avg daily turnover (US\$ m)	31.5
12M H/L price (Bt)	31.0/21.6

**Price Performance**

Source: Bloomberg

**Ex 1: Samitivej International Children's Hospital**

Source: Company data

**Ex 2: Area On The First Floor**

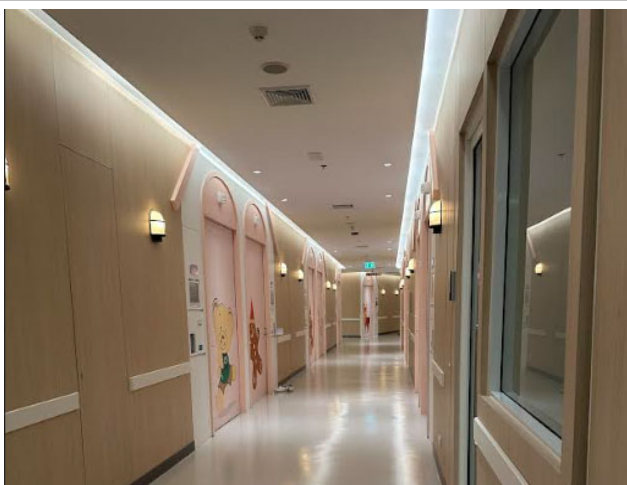
Source: Company data

**Ex 3: Children's Ambulance**

Source: Company data

**Ex 4: Well Child Center**

Source: Company data

**Ex 5: Inpatient Ward**

Source: Company data

**Ex 6: Inpatient Room**

Source: Company data

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