

Praram 9 Hospital Pcl (PR9 TB) - BUY

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Earnings Preview**Likely strong 2Q25F earnings growth**

- We estimate PR9's 2Q25F earnings of Bt199m, up 43% y-y.
- Key drivers are rising revenue and expanding margin.
- Strong operation is expected to continue in 2H25.
- We see slight upside to our estimates; maintain BUY.

After attending the 2Q25 earnings preview meeting yesterday, we maintain a positive view on PR9. We estimate it will report a profit of Bt199m in 2Q25, up 43% y-y but down 1% q-q. This is likely to exceed our previous expectations due to stronger-than-expected top-line performance and margins. We expect the company's strong operations to continue into 2H25. We maintain a BUY rating on PR9.

- We estimate PR9 will report strong 2Q25 earnings of Bt199m, up 43% y-y but down 1% q-q. The key drivers of y-y earnings growth are rising revenue and expanding margins.
- Revenue is projected to grow 15% y-y and 1% q-q to Bt1.25bn in 2Q25. The main y-y revenue growth driver is strong demand from international patients, primarily from the Middle East (mainly Qatar). Meanwhile, revenue from China and Cambodia is expected to decline y-y due to fewer fly-in Chinese patients and the Thai-Cambodia border dispute. Revenue from Thai patients is expected to grow at a low single-digit rate y-y.
- The operating margin in 2Q25 is expected to rise to 17.9%, up from 13.5% in 2Q24 but slightly down from 18.3% in 1Q25. The y-y margin expansion is driven by a higher revenue mix from high-margin international patients and the effect of operating leverage. The q-q margin decline is attributed to increased marketing expenses and sales promotions.
- Management maintains a positive outlook, expecting operations to improve in 2H25 both y-y and h-h, mainly driven by continued growth in international patient revenue, especially from the Middle East. Besides Qatar, PR9 is also targeting patients from other Middle Eastern countries such as the UAE and Oman.
- PR9's business strategy continues to focus on high-complexity medical treatments such as heart surgery, stroke care, and kidney transplants. Additionally, the hospital plans to add 20 IPD beds in 4Q25 to meet rising demand. Its occupancy rate in 2Q25 remains strong and is higher than the 67% recorded in 1Q25.
- We see some upside to our current forecasts. Maintain BUY.

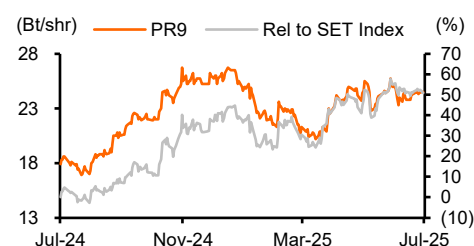
Key Valuations

Y/E Dec (Bt m)	2024A	2025F	2026F	2027F
Revenue	4,635	5,124	5,598	6,016
Net profit	713	827	913	995
Norm net profit	713	827	913	995
Norm EPS (Bt)	0.9	1.1	1.2	1.3
Norm EPS gr (%)	27.8	16.0	10.5	9.0
Norm PE (x)	27.0	23.3	21.1	19.4
EV/EBITDA (x)	16.1	14.0	12.3	11.1
P/BV (x)	3.5	3.2	3.0	2.8
Div. yield (%)	1.6	2.1	2.6	3.1
ROE (%)	13.6	14.5	14.7	14.9
Net D/E (%)	(41.2)	(38.7)	(41.4)	(43.9)

Source: Thanachart estimates

Stock Data

Closing price (Bt)	24.5
Target price (Bt)	30.0
Market cap (US\$ m)	595.0
Avg daily turnover (US\$ m)	2.1
12M H/L price (Bt)	26.75/16.90

Price Performance

Source: Bloomberg

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