

**Chularat Hospital Pcl (CHG TB) - BUY**

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**Analyst Meeting****Analyst meeting shows slightly negative tone**

- **2025 growth guidance cut to ≤5%.**
- **SSS revenue remains under pressure.**
- **Cash patients are the key driver of 2H25 earnings.**
- **Chularat Mae Sot and 304 continue to improve.**

After attending CHG's analyst meeting, we believe that CHG's revenue from the Social Security Scheme (SSS) remains under pressure due to the slow approval of gastric sleeve surgery cases and declining revenue from the 26 chronic diseases program. However, we expect rising revenue from cash patients, rising revenue from Universal Coverage Scheme (UCS), improving operations at Chularat Mae Sot and Chularat 304, and a low base effect in 4Q24 (due to the absence of revenue reversal from high-cost care services [RW ≥ 2] under SSS in 4Q25) to support a slight improvement in CHG's 2H25 earnings, both y-y and h-h. That said, the negative impact from the 26 chronic diseases program presents some downside risk to our estimates. Additionally, we do not yet see a short-term catalyst for the share price.

- Management has revised its 2025 revenue growth guidance, lowering it from the previous target of 10% to no more than 5%. This aligns with our forecast of 3% y-y revenue growth in 2025.
- In July 2025, revenue from cash patients showed a modest y-y improvement, primarily driven by Thai patients. Revenue from foreign patients remained flat. Rising contributions from Middle Eastern patients - particularly new patients from Qatar - were offset by declining revenue from Cambodian patients.
- SSS revenue from gastric sleeve surgeries has not yet recovered in 3Q25 due to slow approvals from the Social Security Office (SSO). Nevertheless, CHG expects total SSS revenue in 2H25 to be flat y-y. This is supported by the absence of payment shortfalls for cases with a Relative Weight (RW) ≥ 2 and increased income from oncology services (cancer treatment), particularly through the "Cancer Anywhere" program. Management noted that SSO is likely to pay for high-cost care services at Bt12,000 per RW this year.
- The company still has Bt270m in accrued income related to the UCEPCOVID program. However, it views the risk from UCEPCOVID as low, as UCEP continues to make payments. At the same time, CHG has Bt250m in cash received from UCEP that has not yet been recognized as revenue. This Bt250m can serve as a cushion for any unpaid amounts.
- Operational performance at both Chularat Mae Sot and Chularat 304 continues to improve steadily.
- The opening of the new outpatient department (OPD) building at Chularat 11 has been delayed by one quarter and is now expected in 4Q25. The new hospital project in Rayong Province and the two new 100-bed buildings at Chularat 3 remain on schedule for a 2027 launch.

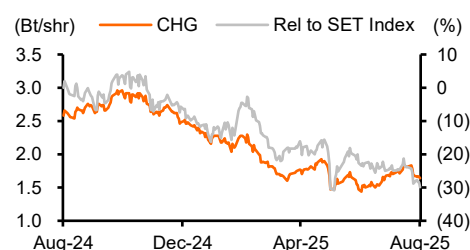
**Key Valuations**

Y/E Dec (Bt m)	2024A	2025F	2026F	2027F
Revenue	8,237	8,480	8,959	9,801
Net profit	965	1,000	1,089	1,125
Norm net profit	965	1,000	1,089	1,125
Norm EPS (Bt)	0.1	0.1	0.1	0.1
Norm EPS gr (%)	(7.7)	3.6	8.9	3.3
Norm PE (x)	18.7	18.0	16.6	16.0
EV/EBITDA (x)	10.8	9.4	9.0	8.7
P/BV (x)	2.3	2.3	2.2	2.1
Div. yield (%)	4.3	4.4	4.8	5.0
ROE (%)	12.7	12.8	13.5	13.5
Net D/E (%)	(14.4)	(11.1)	(7.6)	(7.0)

Source: Thanachart estimates

**Stock Data**

Closing price (Bt)	1.64
Target price (Bt)	2.10
Market cap (US\$ m)	552.6
Avg daily turnover (US\$ m)	1.3
12M H/L price (Bt)	2.96/1.44

**Price Performance**

Source: Bloomberg

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