

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

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**Earnings Preview****Weak 3Q25F earnings growth**

- We estimate -2% y-y earnings growth in 3Q25.
- This is slightly below our previous expectation.
- This is due to a flat top line and declining margin.
- Y-Y earnings momentum is expected to improve in 4Q25F.

We estimate that BDMS will report y-y earnings decline of 2% in 3Q25, slightly below our previous expectation. The main drag on earnings growth is flat revenue and a lower margin, due to a high base effect in July-August 2024. However, the company has experienced improving business momentum since September 2025, and this trend has continued into October. We therefore expect BDMS's earnings momentum to improve in 4Q25. We maintain our BUY rating on BDMS.

- We estimate that BDMS will report a profit of Bt4.2bn in 3Q25, down 2% y-y but up 19% q-q. The key factors weighing on y-y earnings growth are a flat top line and a declining EBIT margin. Meanwhile, the strong q-q earnings growth is attributed to seasonally high patient volumes in the third quarter.
- Revenue is expected to grow only 1% y-y and 6.5% q-q to Bt27.4bn in 3Q25. The flat y-y revenue growth is mainly due to the high base effect in July-August 2024, when there was a seasonal disease outbreak during that period. In contrast, the outbreaks of influenza and RSV this year occurred in September. As a result, total revenue in July and August declined by 2% y-y, but revenue in September 2025 rebounded with 7% y-y growth. This helped lift total revenue in 3Q25 to a 1% y-y increase. Meanwhile, strong q-q revenue growth is due to seasonality.
- We estimate revenue from Thai patients to grow by 2.5% y-y and 10.1% q-q to Bt20.5bn in 3Q25. Revenue from international patients is expected to decline by 3.0% y-y and 2.5% q-q to Bt6.9bn. The decline is mainly due to a cross-border dispute between Thailand and Cambodia, which has resulted in a decrease in the number of patients from Cambodia. Note that BDMS's revenue from Cambodian patients accounts for c. 3% of total revenue. Of this, around 10% comes from hospitals near the border (e.g., Chanthaburi and Trat), 70% from fly-in patients, and 20% from BDMS's two hospitals located in Cambodia.
- EBIT margin is estimated at 14.3% in 3Q25, down from 15.3% in 3Q24 but up from 11.8% in 2Q25. The y-y decline is attributed to higher costs related to the opening of the new 200-bed Phyathai Bowin hospital in July 2025. Meanwhile, the q-q improvement reflects economies of scale from higher revenue.
- We expect BDMS's y-y earnings growth to resume in 4Q25, supported by an increasing number of Thai patients and higher revenue intensity. While we see some downside risk to our estimates, we maintain our BUY rating on BDMS, as the stock has already de-rated to trade at 17.9x PE for 2026F. At the current price, BDMS offers a dividend yield of approximately 4% for 2025–26F.

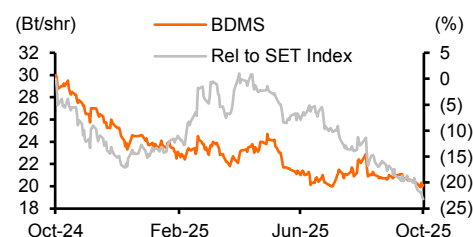
**Key Valuations**

Y/E Dec (Bt m)	2024A	2025F	2026F	2027F
Revenue	103,675	108,955	115,398	122,375
Net profit	15,987	16,827	17,837	19,070
Norm net profit	15,987	16,827	17,837	19,070
Norm EPS (Bt)	1.0	1.1	1.1	1.2
Norm EPS gr (%)	11.3	5.3	6.0	6.9
Norm PE (x)	20.0	19.0	17.9	16.8
EV/EBITDA (x)	15.4	14.5	13.5	12.6
P/BV (x)	3.2	3.1	2.9	2.8
Div. yield (%)	3.7	4.0	4.2	4.5
ROE (%)	16.4	16.4	16.7	17.0
Net D/E (%)	1.7	1.8	2.3	1.3

Source: Thanachart estimates

**Stock Data**

Closing price (Bt)	20.1
Target price (Bt)	32.0
Market cap (US\$ m)	9,803.3
Avg daily turnover (US\$ m)	30.2
12M H/L price (Bt)	30.0/19.9

**Price Performance**

Source: Bloomberg

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