

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

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**Earnings Preview****Strong y-y earnings growth in 4Q25F**

- We estimate CHG to report 179% y-y EPS growth in 4Q25.
- Driven by an increase in cash patients and a low base.
- Good business momentum is likely to continue this year.
- We maintain a BUY recommendation.

We estimate CHG to report strong earnings growth of 179% y-y in 4Q25, broadly in line with our previous expectations. The strong performance is likely driven by an improvement in cash patients and a low base effect in 4Q24, which was impacted by a shortfall in Social Security Scheme (SSS) revenue. We expect business momentum to continue this year and maintain a BUY recommendation.

- We estimate CHG to report Bt255m net profit in 4Q25F, up 179% y-y but down 6% q-q. The y-y earnings growth is expected to be driven by rising cash patients and a low base effect from SSS revenue in 4Q24.
- Total revenue is expected to grow by 11% y-y but decline by 1% q-q to Bt2.1bn in 4Q25F. We expect y-y revenue growth across all patient segments (cash, SSS, and Universal Coverage Scheme [UCS]). Growth in cash patient revenue should be supported by improving operations at existing hospitals and contributions from the new Chularat Mae Sot Hospital. Meanwhile, SSS revenue is expected to increase y-y due to the low base effect in 4Q24, which was affected by an SSS payment shortfall of Bt106m.
- Gross margin is estimated to expand from 21.9% in 4Q24 to 29.5% in 4Q25, driven by a higher contribution from cash patients and the absence of an SSS payment shortfall. EBIT margin is also expected to improve significantly, rising from 6.2% in 4Q24 to 15.0% in 4Q25.
- Note that CHG is currently in discussions with its auditor regarding a change in the methodology for recognizing risk-adjusted capitation revenue. The proposed change is to shorten the historical average used in the calculation from five years to two years. If the two-year average is adopted, CHG would be required to record an additional provision of approximately Bt30m in 4Q25. This potential impact has not yet been incorporated into our 4Q25 earnings forecast. If this adjustment is included in our 4Q25 earnings estimate, CHG's net profit would decline to Bt231m, still up 152% y-y but 9% below our previous forecast. However, this adjustment would help reduce earnings risk in 2026F.
- Including 4Q25F earnings, we estimate CHG to report Bt960m net profit for 2025F, down 1% y-y. Looking ahead to 2026F, we expect CHG's earnings to resume growth of 10% y-y, driven by improving operations at both existing and new hospitals. We maintain a BUY recommendation.

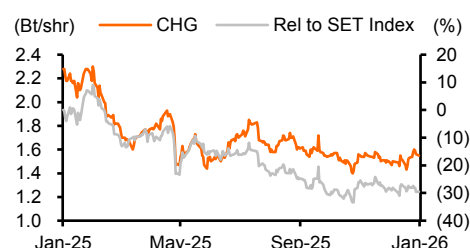
**Key Valuations**

Y/E Dec (Bt m)	2024A	2025F	2026F	2027F
Revenue	8,237	8,218	8,642	9,290
Net profit	965	960	1,059	1,149
Norm net profit	965	960	1,059	1,149
Norm EPS (Bt)	0.1	0.1	0.1	0.1
Norm EPS gr (%)	(7.7)	(0.6)	10.3	8.5
Norm PE (x)	17.7	17.8	16.1	14.8
EV/EBITDA (x)	10.1	9.4	8.8	8.3
P/BV (x)	2.2	2.2	2.1	2.0
Div. yield (%)	4.5	4.5	5.0	5.4
ROE (%)	12.7	12.3	13.2	13.8
Net D/E (%)	(14.4)	(11.4)	(7.9)	(7.3)

Source: Thanachart estimates

**Stock Data**

Closing price (Bt)	1.55
Target price (Bt)	1.90
Market cap (US\$ m)	548.6
Avg daily turnover (US\$ m)	0.7
12M H/L price (Bt)	2.30/1.40

**Price Performance**

Source: Bloomberg

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