Sector Weighting **Neutral** (From: Overweight)

Thailand Healthcare Sector

Mediocre outlook

Sector Valuation			TP	Norm EPS growth		– Norm PE –		– P/BV –		– EV/EBITDA –		– Div yield –	
	BBG			2025F	2026F	2025F	2026F	2025F	2026F	2025F	2026F	2025F	2026F
Company	code	Rec.	(Bt)	(%)	(%)	(x)	(x)	(x)	(x)	(x)	(x)	(%)	(%)
Bangkok Chain Hospital	BCH TB	HOLD	11.00	9.5	11.1	19.2	17.3	1.9	1.9	8.7	8.2	4.0	4.3
Bangkok Dusit Medical	BDMS TB	BUY	26.00	4.0	6.1	18.5	17.5	3.0	2.8	13.7	12.9	4.0	4.3
Bumrungrad Hospital	BH TB	SELL	136.00	(2.2)	2.5	17.5	17.1	4.3	3.9	12.3	11.8	3.1	3.2
Chularat Hospital	CHG TB	BUY	1.90	(0.6)	10.3	17.4	15.8	2.1	2.0	9.2	8.6	4.6	5.1
Praram 9 Hospital	PR9 TB	BUY	26.00	15.0	11.8	17.7	15.8	2.4	2.2	10.1	8.7	2.8	3.5
Thonburi Healthcare Group	THG TB	SELL	7.20	na	107.6	113.6	54.7	1.2	1.2	8.6	11.2	0.4	1.0

Source: Thanachart estimates, Based on 8 January 2026 closing prices

We downgrade the Thai healthcare sector to NEUTRAL given a mediocre earnings outlook, rising policy uncertainty, and medium-term pressure from capacity expansion. PR9 remains our top sector pick.

SIRIPORN ARUNOTHAI
662 – 779 9113
siriporn.aru@thanachartsec.co.th

Mediocre growth and lack of catalysts

We downgrade the healthcare sector to NEUTRAL (from Overweight). ***First,*** the sector's EPS growth outlook is mediocre at around 6% p.a. in 2026-28F, reflecting slow patient flow growth and rising costs. ***Second,*** expansions amid the weak economy and rising competition will likely pressure margins and profit in 2026-27F. ***Third,*** we see continued policy risks to managed care schemes and cash patient services. ***Lastly,*** we view the sector's 2026F PE of 17.6x as fair, reflecting high resilience and strong corporate fundamentals. The elevated 30-40x multiples in the past were driven by stronger earnings growth and lower policy risks as additional supportive factors. PR9 remains our top sector pick.

Moderate cash patient growth

Despite the resilience of healthcare demand through business cycles, the weak economy is still affecting both Thai and foreign patient flows to private hospitals. Uncertainty in international markets has also increased due to government policy changes and intensifying competition. We estimate Thai and foreign patient growth at 2-5% and 3-4%, respectively, in 2025-28F, underpinned by favorable demographics and ongoing capacity expansion.

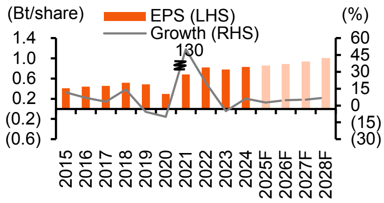
Medium-term pressure from expansions

Despite the weak economy, many expansions are planned for 2026-27. BDMS, BH, BCH, CHG, and THG are increasing capacity through both existing hospitals and greenfield projects to meet long-term demand from the ageing population and foreign patients. We project registered beds across our coverage to grow by 2.4/9.6% in 2026-27F vs. 1.4/3.5% in 2024-25F. We estimate that the new capacity will impact sector earnings by 2/5% in 2026-27F.

Policy uncertainties

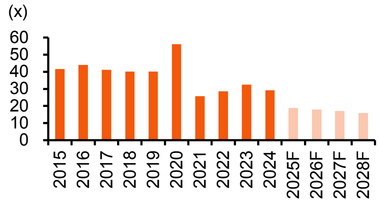
Private hospitals in Thailand face rising regulatory and policy risks. These include uncertainty over reimbursement rates under the Social Security Scheme (SSS), the ongoing implementation and potential expansion of insurance co-payment requirements, as well as policies allowing patients to purchase prescribed drugs outside hospitals, which could be pursued more aggressively by the new government. In addition, competition is intensifying from the expansion of high-end public hospitals, potentially pressuring patient volumes and pricing power for private operators.

Slow EPS Growth



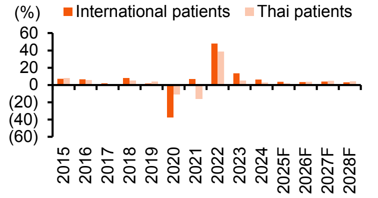
Sources: Company data, Thanachart estimates

Already De-Rated Sector PE



Sources: Company data, Thanachart estimates

Moderate Cash Patient Growth



Sources: Company data, Thanachart estimates

Mediocre growth and a lack of catalysts

Reasons for our downgrade …

We downgrade the healthcare sector to **NEUTRAL** from Overweight, reflecting a less compelling risk-reward profile over the medium term.

1) Modest EPS growth

First, we expect EPS growth to remain modest at around 6% p.a. in 2026-28F, constrained by slow patient volume growth across both the cash and managed-care segments, alongside structurally rising cost pressures from new capacity expansions in 2026-27.

2) Ongoing capacity expansions in 2026-27F

Second, ongoing capacity expansions by private operators, coming at a time of a weak macroeconomic backdrop and intensifying competition, are likely to pressure utilization rates, operating leverage, and margins, especially in 2026-27F.

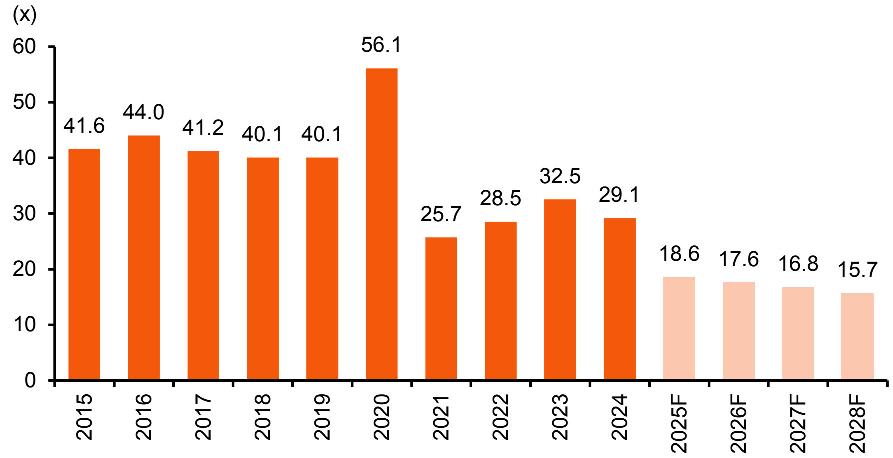
3) Policy and regulatory risks

Third, we continue to see policy and regulatory risks related to both managed care schemes and cash patient services, which may weigh on revenue visibility and profitability across the sector.

4) Trading at fair value

Lastly, we view the sector's 2026F PE of 17.6x as fair, adequately reflecting the sector's high resilience, defensive earnings profile, and strong corporate fundamentals, but offering limited upside from current levels. The elevated 30-40x valuation multiples in the past were supported by stronger earnings growth at double-digit rates, more favorable demand conditions, and lower policy risk, none of which are present today.

Ex 1: Healthcare Sector's PE Is Already De-rated To Trade At Fair Value



Sources: Company data, Bloomberg, Thanachart estimates

Moderate earnings growth

We trim our earnings estimates

Across the six hospitals under our coverage, we trim our sector earnings estimates by 1-2% for 2025-28F, mainly to reflect weaker-than-expected patient flows. In addition to our earnings cuts, we revise up our beta assumptions for BCH, CHG, and PR9 to reflect higher sector and stock volatility, while revising down our beta assumption for THG, reflecting its improving ESG profile following RAM's entry as a new major shareholder. Details of our earnings revisions, new target prices (TPs), and ratings for each stock are shown in Exhibits 2 and 3.

Ex 2: Earnings Revisions

Stocks	Normalized Earnings (Bt m)											
	New				Old				Change (%)			
	2025F	2026F	2027F	2028F	2025F	2026F	2027F	2028F	2025F	2026F	2027F	2028F
BCH	1,337	1,485	1,490	1,699	1,425	1,566	1,632	1,771	(6.2)	(5.2)	(8.8)	(4.1)
BDMS	16,622	17,631	18,888	20,242	16,622	17,631	18,888	20,242	0.0	0.0	0.0	0.0
BH	7,627	7,817	7,850	8,196	7,627	7,870	7,978	8,428	0.0	(0.7)	(1.6)	(2.8)
CHG	960	1,059	1,149	1,259	965	1,057	1,080	1,257	(0.5)	0.2	6.4	0.2
PR9	820	916	994	1,071	826	915	993	1,071	(0.7)	0.1	0.0	0.0
THG	103	298	341	399	221	535	596	641	(53.5)	(44.4)	(42.8)	(37.8)
Sector	**27,467**	**29,205**	**30,711**	**32,865**	**27,686**	**29,574**	**31,168**	**33,410**	**(0.8)**	**(1.2)**	**(1.5)**	**(1.6)**

Source: Thanachart estimates

Ex 3: Recommendation and TP Changes

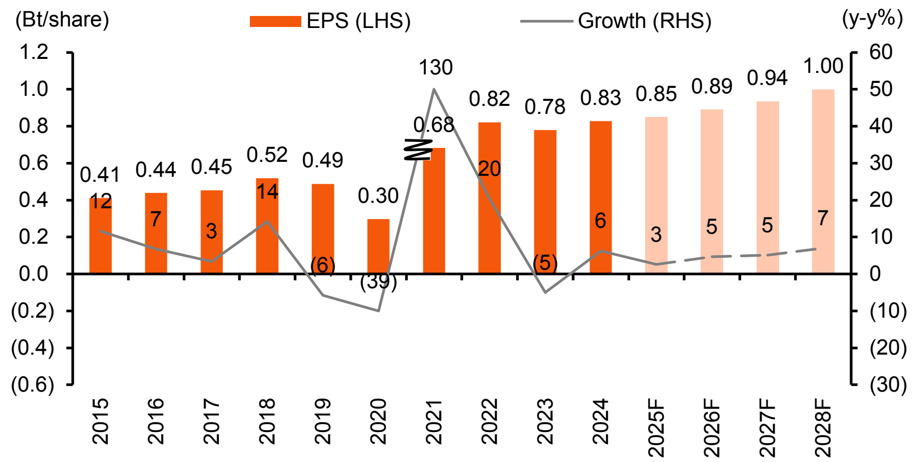
Stocks	Recommendation		TP (Bt/share)		Changes in key assumptions
	New	Old	New	Old	
BCH	HOLD	BUY	11.0	19.0	▪ We revise down cash patient revenue, increase losses from the new Rayong hospital due to its early opening, and raise our beta assumption amid higher sector and stock volatility.
BDMS	BUY	BUY	26.0	26.0	▪ No change, as this was already reflected in our previous report.
BH	SELL	HOLD	136.0	187.0	▪ We revise down foreign patient flows and average billing per foreign patient.
CHG	BUY	BUY	1.9	2.0	▪ We fine-tune our earnings estimates and raise our beta assumption amid higher sector and stock volatility. We upgrade our 2027F earnings to reflect the delay in the opening of the new Chularat Rayong International Hospital.
PR9	BUY	BUY	26.0	31.0	▪ We fine-tune our earnings and raise our beta assumption amid higher sector and stock volatility.
THG	SELL	SELL	7.2	5.8	▪ We revise down its core hospital business but lower its beta to reflect improving ESG following RAM's entry as the new major shareholder.

Source: Thanachart estimates

EPS growth of 6% p.a. in 2026-28F

After our earnings cuts, we estimate the sector's EPS growth at 5/5/7% in 2026-28F after 3% growth in 2025F. We anticipate slow EPS growth due to the sluggish growth of Thai and foreign cash patient flows and rising costs from new capacity expansions.

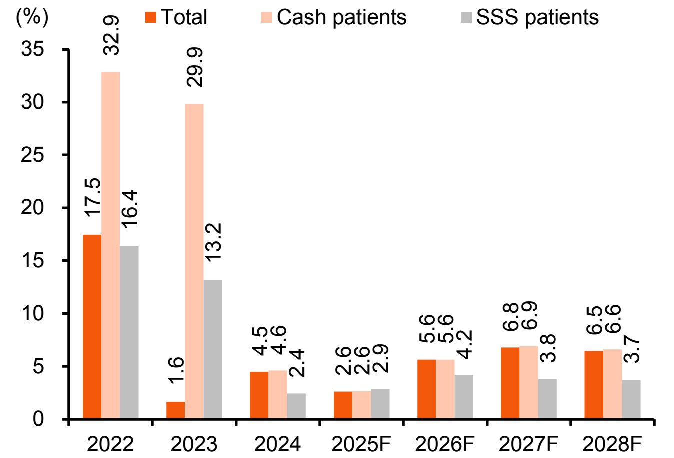
Ex 4: Continued Slow EPS Growth In 2026-28F



Sources: Company data, Thanachart estimates

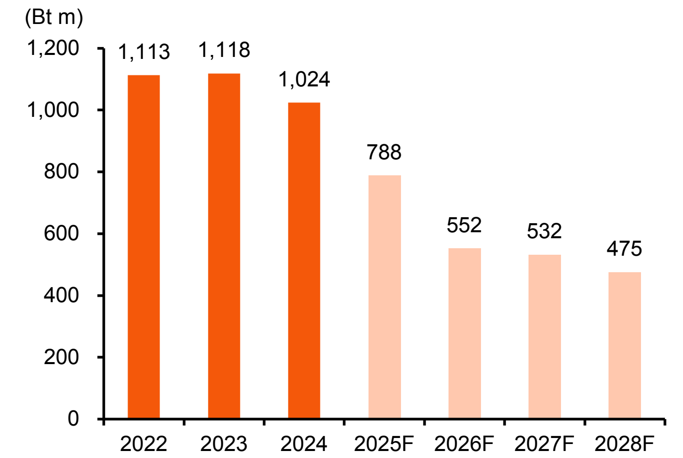
Key earnings drivers include rising revenue from cash and SSS patients, declining interest expenses due to debt repayment, primarily at THG following its capital increase, and the falling interest rate trend.

Ex 5: Rising Revenue



Sources: Company data, Thanachart estimates

Ex 6: Falling Interest Expenses

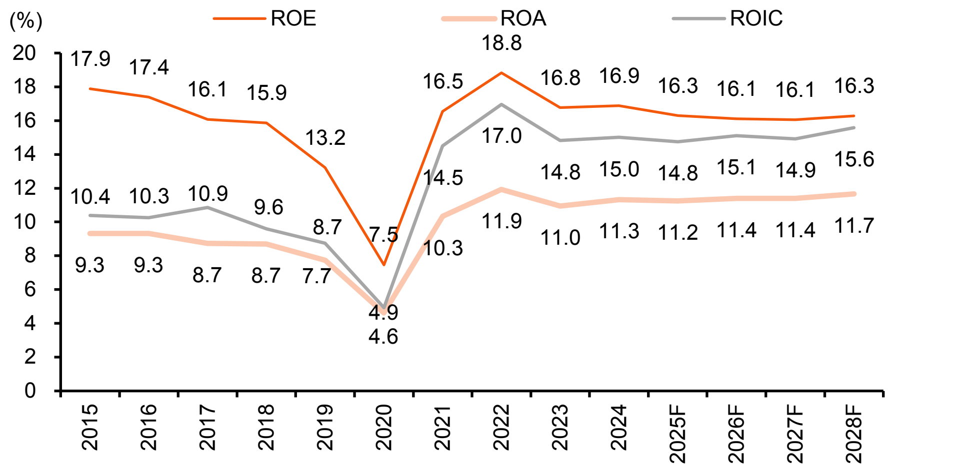


Sources: Company data, Thanachart estimates

Strong fundamentals, in our view

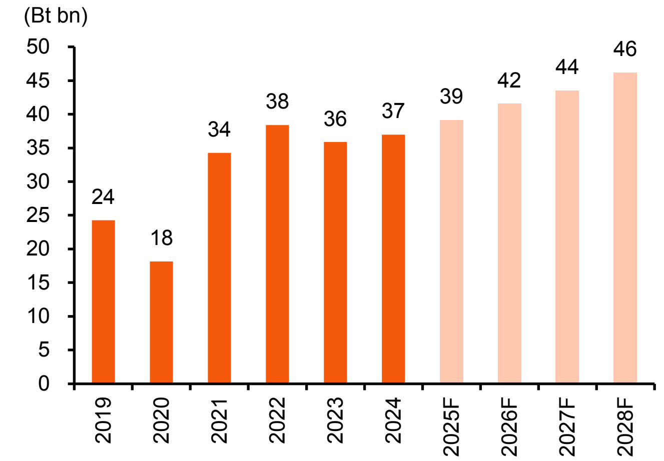
However, we believe the healthcare sector still has robust fundamentals, despite having slow EPS growth. We estimate the sector's ROA, ROE, and ROIC to remain strong in 2026-28F. Meanwhile, we expect the sector's sustainable cash inflow streams to improve its financial position relative to past years.

Ex 7: Strong Profitability



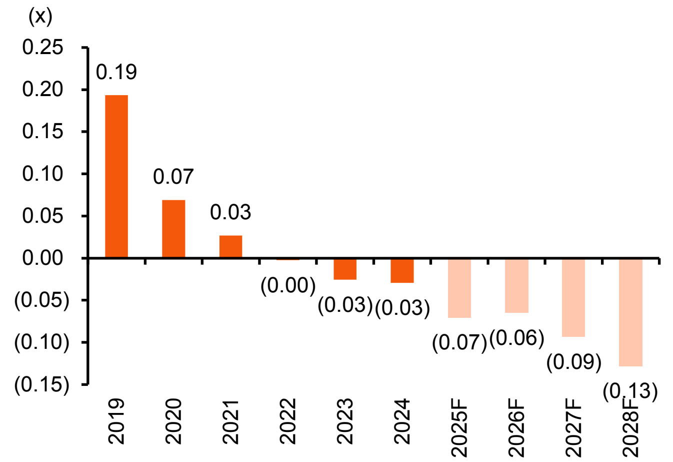
Sources: Company data, Thanachart estimates

Ex 8: Sustainable EBITDA – Exclude ROU



Sources: Company data, Thanachart estimates

Ex 9: Healthier Financial Status With Negative Net D/E



Sources: Company data, Thanachart estimates

PR9 remains our top sector pick

Our recommendations and arguments

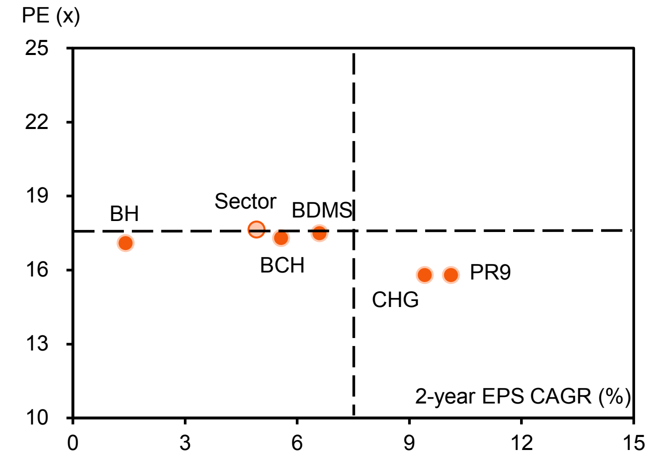
Despite our more cautious view on the healthcare sector, we keep PR9 as our top sector pick. BDMS and CHG remain as BUYs. We downgrade our rating on BH to SELL from Hold and that on BCH to HOLD from Buy, while maintaining our SELL recommendation on THG. Arguments to support our recommendations are as follows:

Ex 10: Valuation Comparison

Company	Rec.	Current price (Bt)	Target price (Bt)	Norm EPS grw 2025F (%)	2026F (%)	— Norm PE — 2025F (x)	2026F (x)	— P/BV — 2025F (x)	2026F (x)	— Div yield — 2025F (%)	2026F (%)
BCH TB	HOLD	10.30	11.00	9.5	11.1	19.2	17.3	1.9	1.9	4.0	4.3
BDMS TB	BUY	19.40	26.00	4.0	6.1	18.5	17.5	3.0	2.8	4.0	4.3
BH TB	SELL	154.50	136.00	(2.2)	2.5	17.5	17.1	4.3	3.9	3.1	3.2
CHG TB	BUY	1.52	1.90	(0.6)	10.3	17.4	15.8	2.1	2.0	4.6	5.1
PR9 TB	BUY	18.40	26.00	15.0	11.8	17.7	15.8	2.4	2.2	2.8	3.5
THG TB	SELL	9.10	7.20	(175.4)	107.6	113.6	54.7	1.2	1.2	0.4	1.0

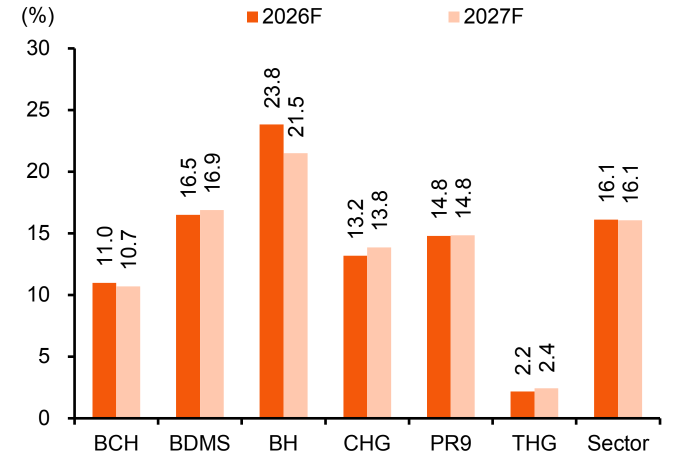
Sources: Company data, Thanachart estimates

Ex 11: 2026F PE Vs. Two-Year EPS CAGR In 2026-27F



Sources: Bloomberg, Thanachart estimates

Ex 12: ROE Comparison



Source: Thanachart estimates

PR9 remains our top pick

First, PR9 remains our top sector pick as it offers the strongest earnings growth visibility in the sector, with EPS growth of 12/9% in 2026-27F and attractive risk-adjusted upside. The company remains in an asset-utilization upcycle following its 2021 capacity expansion, supported by rising bed utilization, improving operating leverage, and a clear upward margin trajectory. Growth is increasingly driven by a diversifying foreign patient mix, particularly from the Middle East and emerging markets, which enhances revenue intensity while reducing reliance on domestic demand. At the same time, PR9 benefits from disciplined cost control, limited near-term capex risk, and the scalability of its existing facilities, allowing earnings and ROE to continue trending higher even amid a more challenging sector.

BDMS remains a BUY

Second, BDMS is still a BUY, supported by its resilient earnings profile, strong market position, and attractive total return outlook. Despite the challenging macro environment, we expect BDMS to deliver stable EPS growth of around 6-7% p.a. in 2026-27F, complemented by high dividend yields of 4-5%, resulting in an appealing risk-adjusted return. The company benefits from its extensive hospital network and highly diversified patient base across Thai and international segments, which helps mitigate risks from economic weakness, policy uncertainty, and volatility in foreign patient flows. In addition, BDMS's strong balance sheet and operating cash flow provide ample capacity to fund expansion without materially pressuring margins, while we expect ROE to continue trending up. With most negative factors already priced in, we believe BDMS offers a defensive yet rewarding investment within the healthcare sector.

CHG is still a BUY

Third, CHG remains a BUY, as we expect earnings growth to resume after several years of decline. CHG looks well positioned for an earnings turnaround, with our EPS growth projections at around 10% p.a. in 2026-28F, driven by improving operations at existing hospitals, a recovery in its SSS business after reaching a trough, and narrowing losses from new hospitals. Meanwhile, the impact from new capacity additions appears manageable, as most projects are expansions of existing campuses rather than large greenfield developments. At the same time, CHG's PE of 15.8x in 2026F looks relatively undemanding compared with peers. This combination of recovering earnings, controlled expansion risk, and attractive valuation underpins our positive view on the stock.

BCH is downgraded to HOLD

Fourth, BCH is downgraded to HOLD from Buy as its earnings growth outlook has weakened and we now see its valuation as fair. We expect EPS growth to moderate to around 5-6% p.a. in 2026-27F, pressured by loss contributions from two new hospitals in Samutprakan and Rayong provinces during their early years of operation, alongside rising operating costs from other capacity expansions. In addition, BCH faces uncertainty in foreign patient flows, particularly from the Middle East and CLMV markets, amid tighter government healthcare budgets, intensifying competition, and geopolitical factors. With these headwinds and limited near-term catalysts, we believe BCH's current valuation appropriately reflects its growth prospects, leading us to downgrade the stock to HOLD.

BH is reduced to SELL

Fifth, BH's rating is reduced to SELL from Hold due to its muted earnings growth outlook and a less attractive risk-reward profile. We estimate EPS growth of only 2% p.a. in 2026-28F, constrained by loss contributions from new capacity, particularly the new Phuket campus and additional buildings at its Bangkok site during their early years of operation. At the same time, BH faces rising uncertainty in foreign patient flows, especially from the Middle East, amid tighter government healthcare budgets and intensifying competition from both domestic and regional peers. Taken together, these factors leave BH at a full valuation that we view as unjustified, given its weak growth outlook and elevated execution risks.

THG remains a SELL

Lastly, THG is maintained as SELL due to its unattractive valuation relative to fundamentals and execution risks. While we expect earnings to recover from lower interest expenses following debt repayment and the entry of a new major shareholder, we believe the pace of operational turnaround remains uncertain and gradual. THG continues to face pressure from rising operating costs associated with ongoing capacity expansions, which are likely to weigh on margins in the early years of operation. Moreover, potential synergies with its new shareholder are still at an early stage and lack clear visibility. At around 54.7x 2026F PE, we view THG's valuation as expensive and already pricing in much of the anticipated turnaround, leaving limited upside and an unfavorable risk-reward profile, which supports our continued SELL stance.

Moderate cash patient growth

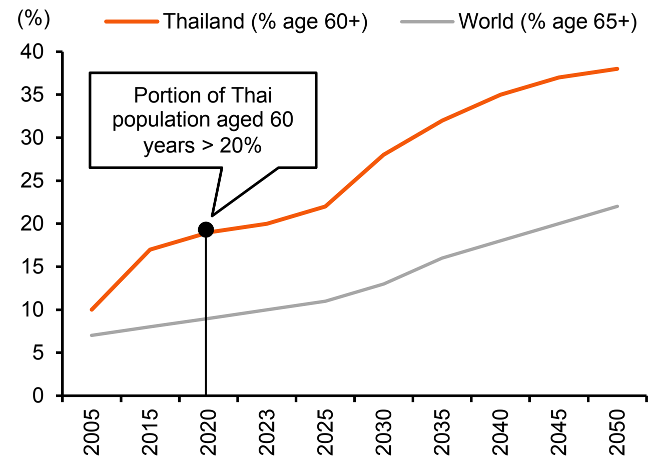
Ageing society underpins long-term healthcare demand

The transition into an ageing society, both in Thailand and globally, continues to underpin a structural increase in healthcare demand. Ageing populations are associated with a higher prevalence of chronic, complex, and high-acuity diseases, which typically require more frequent, specialized, and long-term medical treatment. This structural trend supports a steadily rising underlying demand for healthcare services from both Thai and foreign patients over the long term.

Thailand has a competitive healthcare cost structure

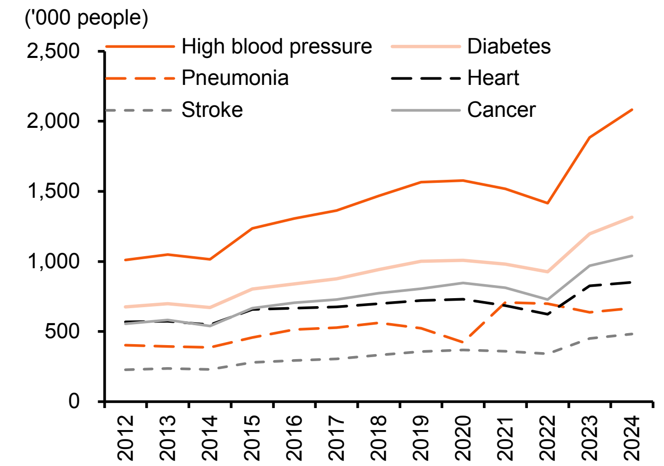
We believe Thailand remains well positioned to capture this demand, supported by its competitive healthcare cost structure relative to major international markets. Medical treatment costs in Thailand are materially lower than those in developed countries across a broad range of services. For example, an MRI scan in Thailand costs around US$200–650, compared with US$1,000-3,000 in the US and US$800-1,500 in Singapore, while major procedures such as knee replacement and coronary bypass surgery are typically 50–70% cheaper than in developed markets. This cost advantage continues to underpin Thailand's attractiveness as a destination for cross-border medical treatment, particularly for complex and high-value procedures.

Ex 13: Ageing Society Mega Trend



Source: National Statistical Office of Thailand

Ex 14: Leading Causes Of Admission In Thailand



Source: NESDB

Ex 15: Healthcare Cost Comparison

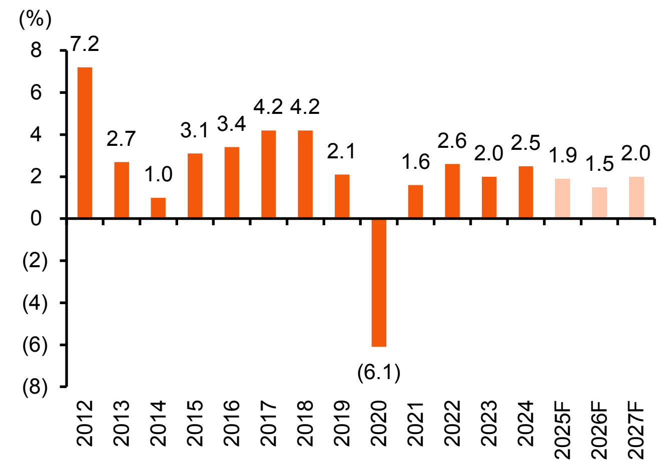
Medical Service / Condition	Medical Costs (US$)			
	Thailand	United States	United Kingdom	Singapore
Specialist visit	10-70	100-300	60-250	50-150
MRI scan	200-650	1,000-3,000	400-1,000	800-1,500
CT scan	150-300	500-2,000	300-800	600-1,200
Appendectomy	2,000-4,000	15,000-35,000	6,000-10,000	8,000-15,000
Knee replacement	10,000-15,000	30,000-50,000	15,000-20,000	25,000-40,000
Coronary bypass	20,000-35,000	70,000-200,000	25,000-45,000	35,000-60,000
Dialysis (per session)	120-250	500-1,000	300-500	350-600
Normal delivery	2,000-4,000	10,000-15,000	5,000-8,000	6,000-10,000
Hospital stay (per night)	150-700	1,000-3,000	400-800	600-1,200

Source: Thanachart compilation

Near- to medium-term patient growth remains moderate

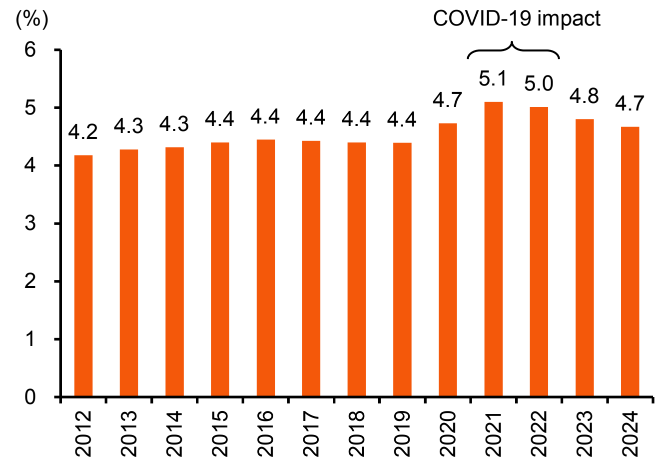
However, we expect near- to medium-term patient growth to remain moderate rather than accelerate sharply, reflecting macroeconomic and competitive constraints. Domestically, Thailand's economic growth has slowed, while household expenses have continued to rise, leading to more cautious consumer spending behavior and a larger share of private healthcare expenditure relative to total household outlays. This dynamic suggests greater price sensitivity among Thai patients, especially for non-urgent treatments, which may cap volume growth despite structurally rising healthcare needs.

Ex 16: Thailand's GDP Growth



Sources: NESDB, Thanachart estimates

Ex 17: % Private Healthcare Of Household Expenditure



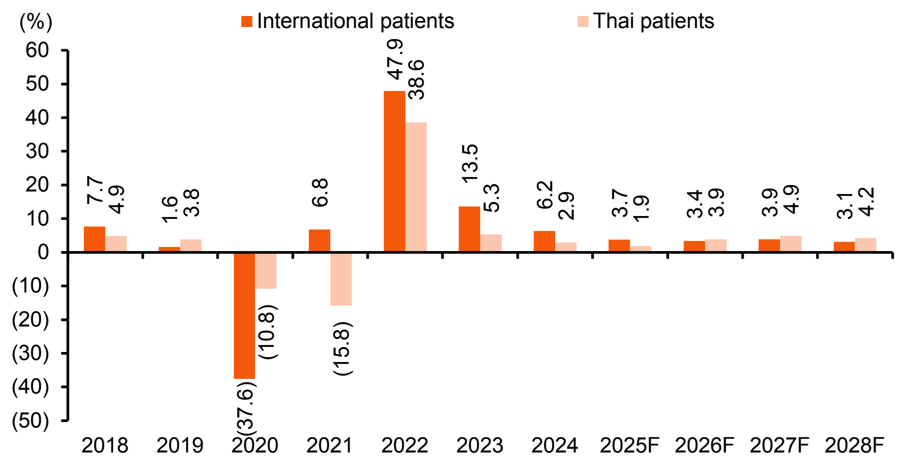
Source: NESDB

Competition for international patients has also intensified

Competition for international patients has also intensified, as private hospitals in Thailand – such as MedPark Hospital (non-listed), PR9, and other private hospitals – have increasingly focused on serving both domestic patients and inbound medical travelers. These developments have expanded patient choice and intensified competition for international patients who historically concentrated at leading private hospital groups such as BH and BDMS. In addition, hospitals in Thailand are facing growing regional competition for foreign patient flows from alternative medical tourism destinations, particularly Malaysia and India, where medical costs are generally slightly lower than in Thailand. However, Thailand continues to differentiate itself through a combination of internationally accredited hospitals, strong physician reputation, high service quality, and comprehensive care offerings. These strengths support its continued appeal, particularly for higher-complexity and higher-acuity medical cases.

On the international policy front, uncertainty has increased in several key source markets. Governments, particularly in the Middle East, have expressed growing concern over rising overseas medical expenses and are actively encouraging greater utilization of domestic healthcare services. These policy shifts, together with a more uncertain global economic environment, may temper the pace of growth in foreign patient inflows despite Thailand's structural advantages.

Ex 18: Thai And International Patient Growth



Sources: Company data, Thanachart estimates

Taking these factors together, we expect patient volume growth to be largely organic. We estimate Thai patient growth at 2-5% p.a. and foreign patient growth at 3-4% p.a. over 2025-28F.

Medium-term pressure from expansions

Aggressive expansion is likely to weigh on margins and earnings

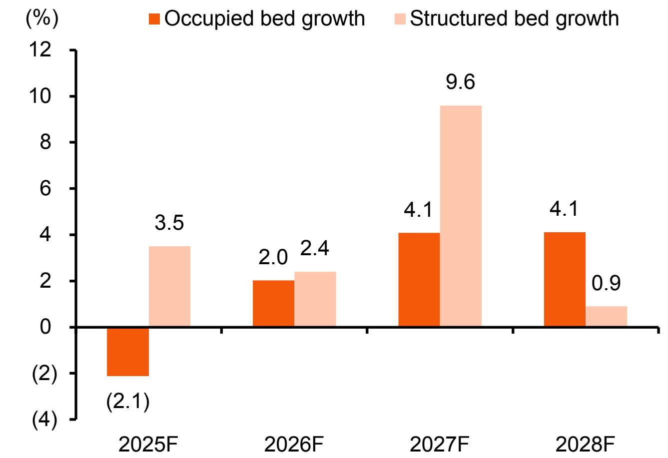
We remain cautious on the impact of new investments by the six hospitals under our coverage, as aggressive capacity expansion is likely to weigh on margins and earnings in the near to medium term. Despite the weak macroeconomic environment, a meaningful wave of expansion is still planned for 2026-27, with BDMS, BH, BCH, CHG, and THG all adding capacity through expansions at existing hospitals and greenfield projects. These investments are intended to capture long-term demand from an ageing population and structurally rising foreign patient flows.

Across our coverage, we project registered bed capacity to grow by 2.4% and 9.6% in 2026-27F, accelerating from 1.4% and 3.5% in 2024-25F. While these expansions strengthen long-term positioning, we expect near-term dilution from ramping up new capacity, including higher depreciation, higher staffing costs, and suboptimal utilization in the early years. As a result, we estimate that new capacity will reduce sector earnings by approximately 2% in 2026F and 5% in 2027F.

Importantly, we expect supply growth to outpace demand growth over 2025-27F. We estimate occupied beds will decline by 2.1% in 2025, then recover to +2.0% in 2026 and +4.1% in 2027, compared with registered bed growth of +3.5%, +2.4%, and +9.6%, respectively, over the same period. This imbalance suggests continued pressure on utilization rates and operating leverage in the near term, limiting margin expansion despite structurally supportive demand trends.

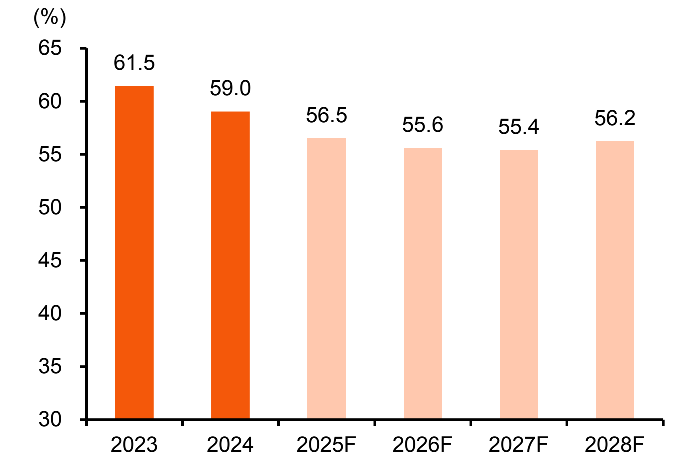
We expect the situation to improve beyond this phase, with occupied bed growth projected to outpace registered bed growth from 2028F onwards as demand catches up with the expanded capacity base. Until then, however, elevated supply growth relative to demand is likely to remain a key negative to earnings growth and a margin recovery across the sector.

Ex 19: Growth Of Demand VS. Supply



Sources: Company data, Thanachart estimates

Ex 20: Falling Utilization Rate



Sources: Company data, Thanachart estimates

Ex 21: New Capacity Expansion Plans In 2025-28

Company	Project name	Active beds	Additional IPD bed capacity					
		(As of 2023)	2024	2025F	2026F	2027F	2028F	Total
BCH	Kasemrad Ari Cancer Rangsi Raksa Center		/					**-**
	Kasemrad Maesai				18			**18**
	(New OPD and IPD building)							
	Kasemrad Ramkhamhaeng					120		**120**
	(New OPD and IPD building with parking lots of 700 cars)							
	Kasemrad Hospital Suvarnabhumi					270		**270**
	Kasemrad Hospital Rayong					268		**268**
	Subtotal	**2,254**	**-**	**-**	**18**	**658**	**-**	**676**
	Capacity growth		**0%**	**0%**	**1%**	**29%**	**0%**	**30%**
BDMS	Phuket Cancer Center		/					**-**
	Phyathai Sriracha 2		113					**113**
	(SSS building)							
	Samitivej International Children			103				**103**
	(New OPD and IPD building)							
	Bangkok Chiangmai			90				**90**
	(New IPD building)							
	Phyathai Bowin			220				**220**
	Bangkok Kho Yai			71				**71**
	Bangkok Hua Hin				52			**52**
	(New IPD building)							
	Bangkok Surat				60			**60**
	(New IPD building)							**-**
	Phyathai 1					160		**160**
	(New IPD building)							
	New Rehabilitation @ BHQ					/		**-**
	(New OPD building)							
	Subtotal	**8,727**	**113**	**484**	**112**	**160**	**-**	**869**
	Capacity growth		**1%**	**5%**	**1%**	**2%**	**0%**	**10%**
BH	New VitalLife Building in Phuket		/					**-**
	Room renovation + ICU		53	10				**63**
	Bumrungrad Oncology Institute					/		**-**
	Soi 1 Project - IPD building					59		**59**
	Other Clinic and Service building					/		**-**
	BIH Phuket Hospital and Staff Residency					212		**212**
	Subtotal	**483**	**53**	**10**	**-**	**271**	**-**	**334**
	Capacity growth		**11%**	**2%**	**0%**	**50%**	**0%**	**69%**
CHG	Chularat Ruampaet Chachoengsao				120			**120**
	(New IPD wards)							
	Chularat 11 Hospital				/			**-**
	(New OPD building)							
	Chularat Rayong International Hospital					200		**200**
	Chularat 3 Hospital		27			100		**127**
	(Two IPD buildings and one carpark building)							
	Subtotal	**911**	**27**	**-**	**120**	**300**	**-**	**447**
	Capacity growth		**3%**	**0%**	**13%**	**28%**	**0%**	**49%**

Sources: Company data, Thanachart estimates

Ex 21: New Capacity Expansion Plans In 2025-28 (Con't)

Company	Project name	Active beds (As of 2023)	Additional IPD bed capacity 2024	2025F	2026F	2027F	2028F	Total
PR9	Nurse dormitory					/		**-**
	New IPD ward				20			**20**
	Subtotal	**204**	**-**	**-**	**20**	**-**	**-**	**20**
	Capacity growth		**0%**	**0%**	**10%**	**0%**	**0%**	**10%**
THG	Thonburi Hospital (New OPD building)			/				**-**
	Thonburi Tang Hospital (Radiology Center)			/				**-**
	Thonburi Thawiwatthana (New OPD and IPD building)				49			**49**
	Thonburi Trang Hospital (Thonburi Lanta Medical Center)				23			**23**
	Rajyindee Hospital (New OPD and IPD building)					24		**24**
	Thonburi Hospital (New IPD building)						150	**150**
	Subtotal	**1,158**	**-**	**-**	**72**	**24**	**150**	**246**
	Capacity growth		**0%**	**0%**	**6%**	**2%**	**12%**	**21%**
Total		**13,737**	**193**	**494**	**342**	**1,413**	**150**	**2,592**
Capacity growth			**1%**	**4%**	**2%**	**10%**	**1%**	**19%**

Sources: Company data, Thanachart estimates

Beyond capacity expansions by listed hospitals, new non-listed operators plan to enter Thailand's private healthcare segment over 2027–28. We view these new entrants as a potential competitive threat to existing operators. However, in our view, newly established hospitals are likely to require at least three years to refine their target patient mix and service offerings before achieving profitability.

Ex 22: Potential New Players In Thailand's Healthcare Market

Projects	Location	# beds	Opening date
RSU International Hospital	Phetchaburi Road, Bangkok	280	2027
CP Group [1/]	Rajdamri Road, Bangkok	391	n.a.

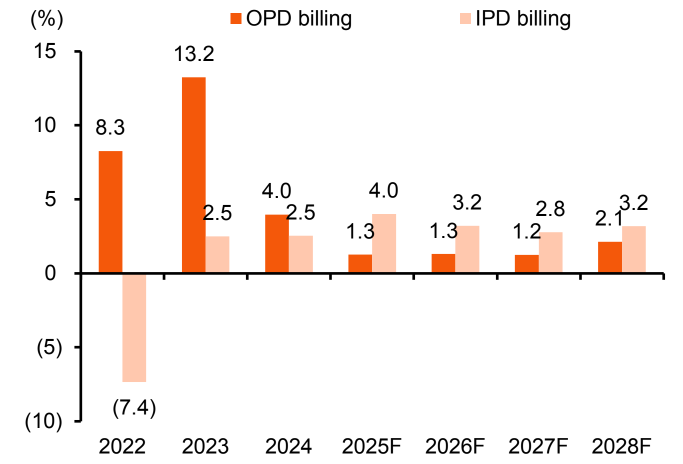
Source: Thanachart compilation

Note: 1/ Cooperating with Chulalongkorn Hospital

Amid the economic slowdown, intensifying competition, and rising supply, we expect Thai hospitals to continue offering aggressive sales promotions and deeper discounts to Thai and expatriate cash patients over the next few years. Under this environment, a key factor supporting average billing growth will likely be higher revenue intensity.

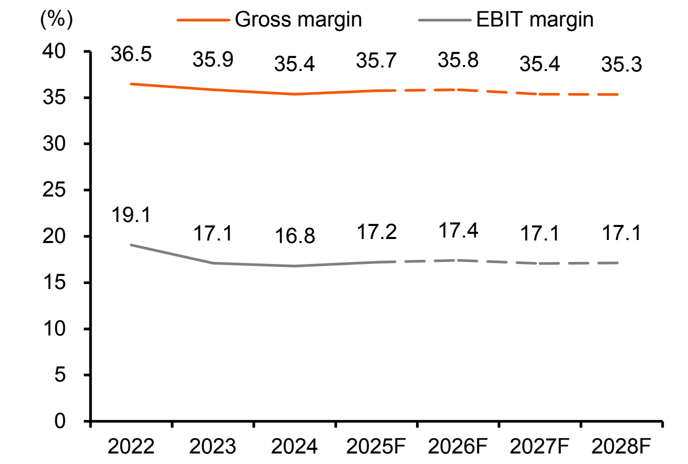
However, given lower asset utilization and more aggressive sales promotions, we expect the sector's gross margin and operating margin to remain under pressure.

Ex 23: Average Billing Size Growth



Sources: Company data, Thanachart estimates

Ex 24: Sector's Margin



Sources: Company data, Thanachart estimates

Policy uncertainties

Key uncertainty factors

Private hospitals in Thailand face rising regulatory and policy-related risks, which could weigh on both revenue growth and profitability. Key uncertainties include reimbursement rates under the SSS, where revisions to payment structures or rate adjustments could affect revenue and margins for hospitals with significant SSS exposure. In addition, the ongoing implementation and potential expansion of insurance co-payment requirements may increase patients' out-of-pocket expenses, leading to more cautious healthcare consumption and a shift toward cost-sensitive treatment choices.

Policy measures that allow patients to purchase prescribed drugs outside hospital settings also pose a risk to private hospital revenue streams, particularly for hospitals that rely more heavily on pharmacy income. If pursued more aggressively by the new government, such measures could weaken hospitals' pricing power for medications and reduce revenue, further pressuring margins.

At the same time, competitive dynamics are intensifying. The expansion of high-end public hospitals and the rollout of premium services within public healthcare facilities are narrowing the service gap between public and private providers. These developments could divert patient volumes – especially for price-sensitive cases – away from private hospitals, while also limiting their ability to pass on cost increases. Taken together, regulatory uncertainties and rising competition from the public sector represent meaningful challenges for Thailand's private hospital operators in the medium term, even as underlying healthcare demand remains structurally supported.

Risk of payment shortfalls

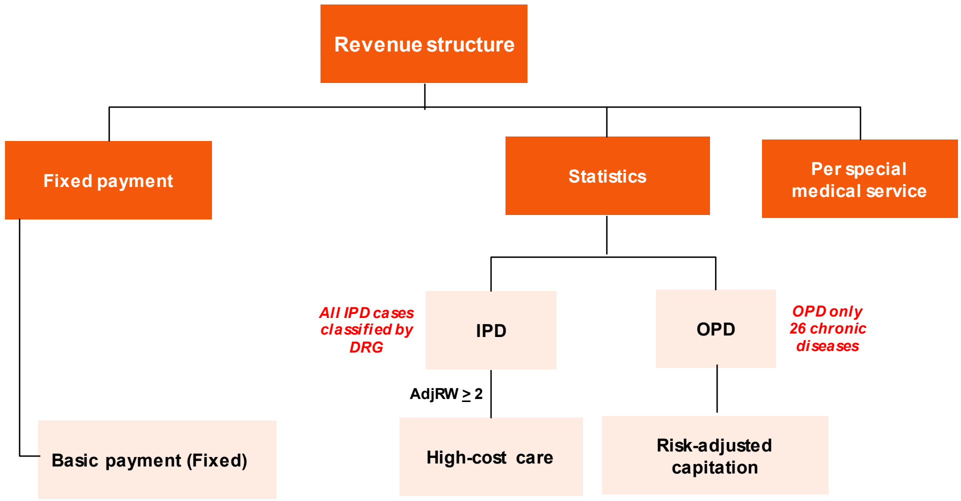
Risk from SSO's insufficient budget

A key issue affecting SSS services over 2022-24 was the Social Security Office's (SSO) insufficient budget to reimburse hospitals for high-cost care services (adjusted RW ≥ 2). As a result, hospitals participating in the SSS were required to reverse previously recognized revenue, which had a negative impact on earnings and operational performance.

Following appeals from private hospitals requesting the SSO to guarantee reimbursement for high-cost care services in 2025, the SSO agreed to provide a reimbursement guarantee of Bt12,000 per RW for such cases in that year. However, for 2026, the SSO has not yet announced whether this reimbursement guarantee will be maintained.

Meanwhile, the other two key payment components – basic capitation and risk-adjusted capitation for 26 chronic diseases – have not been revised for two and a half years and five years, respectively, and there is no indication that these rates will be increased in 2026, despite medical treatment costs continuing to rise annually.

Ex 25: Payment Categories Under SSS



Payment categories	2022	2023	2024	2025	2026-28F
1. Basic capitation (Bt/head/year)	1,640	1,752 [1/]	1,808	1,808	1,808
2. High-cost care (Bt/adjusted RW)	11,833	11,200	10,000	12,000	12,000
(IPD case with adj. RW ≥ 2)					
3. Risk-adjusted capitation (Bt/head/year)	453	453	453	453	453
(26 chronic diseases for OPD cases)					

Source: Thanachart compilation

Note: [1/] SSO increased the basic capitation rate from Bt1,640/head/year to B1,808 in May 2023

Late last year, the cabinet approved a ministerial regulation to raise the Social Security wage ceiling under Section 33 from Bt15,000 per month, effective 1 January 2026. The ceiling is to be increased in stages to Bt17,500 in 2026-2028, Bt20,000 in 2029-2031, and Bt23,000 from 2032 onward, while the contribution rate is to remain unchanged at 5%. This adjustment is expected to result in higher Social Security benefits, including sick leave compensation, death benefits, and old-age pensions.

Higher contributions don't imply better SSS reimbursement certainty

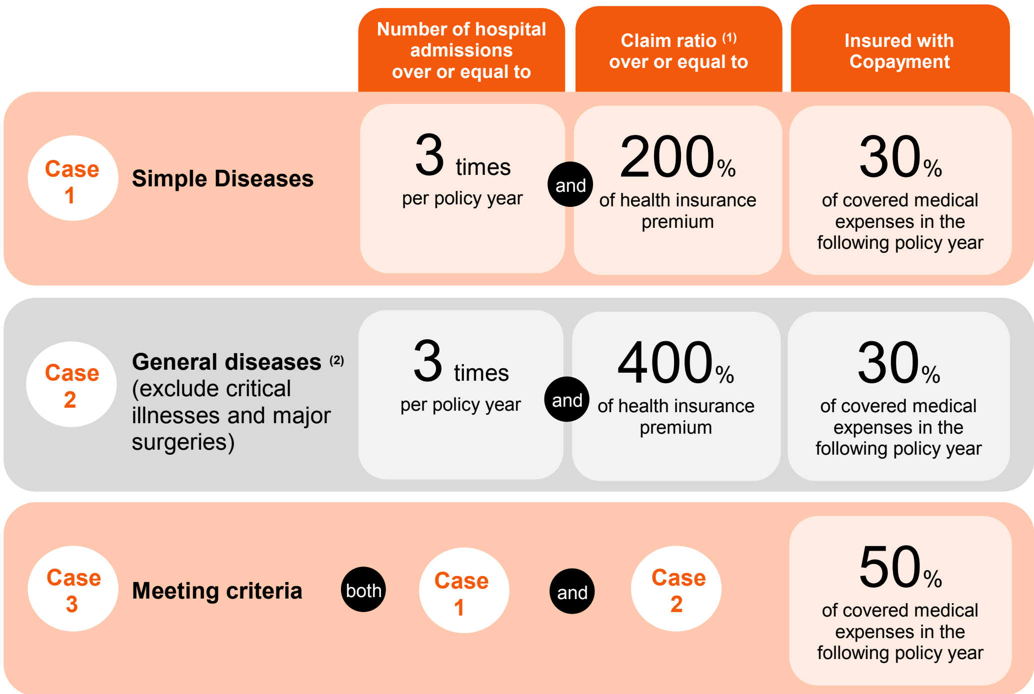
However, the primary objective of the higher contributions is to strengthen the SSO's long-term financial sustainability, particularly by ensuring adequate funding for future retirement obligations. Therefore, the increase in contributions should not be interpreted as a direct improvement in the certainty of reimbursement for healthcare services under the SSS. In our view, higher contributions do not preclude the risk of future cost-containment measures or reimbursement rate reductions, especially amid rising healthcare costs and ongoing budgetary pressures.

Risk from co-payment scheme

Co-payment applies at inception or renewal

The co-payment health insurance policy, which took effect on 20 March 2025, requires policyholders to bear a portion of medical expenses rather than have insurers fully reimburse treatment costs. The policy is designed to control rising healthcare costs, reduce unnecessary utilization, and support the long-term sustainability of Thailand's health insurance system. A co-payment can be applied either from the start of coverage to lower insurance premiums, or as a condition at policy renewal if policyholders meet certain claim thresholds, such as frequent claims for non-complex diseases or very high claim ratios. The co-payment rate is generally around 30% and capped at 50% in total. Importantly, the policy applies only to individual health insurance, excludes OPD services, and does not apply to critical illnesses or major surgeries.

Ex 26: Co-payment Conditions

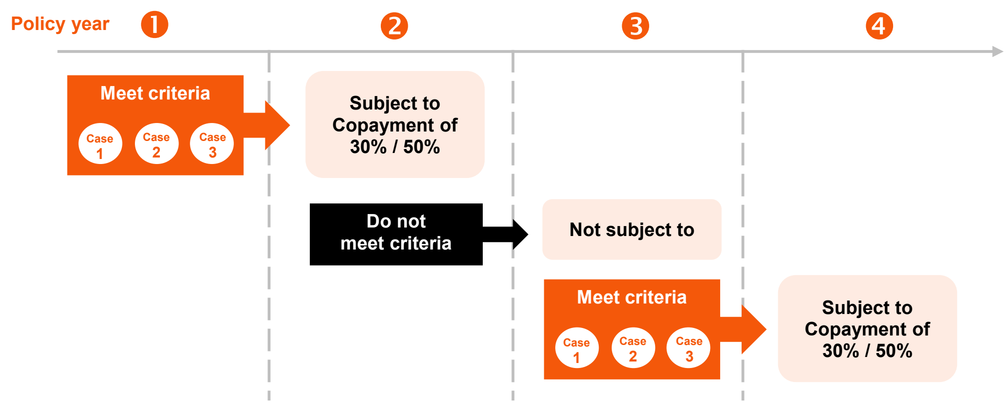


Source: FWD

Note: 1) Claim ratio under that rider

2) Include accidents and Simple Diseases with other complications, which will be considered general illnesses.

Ex 27: Co-payment Will Be Reviewed Every Policy Year

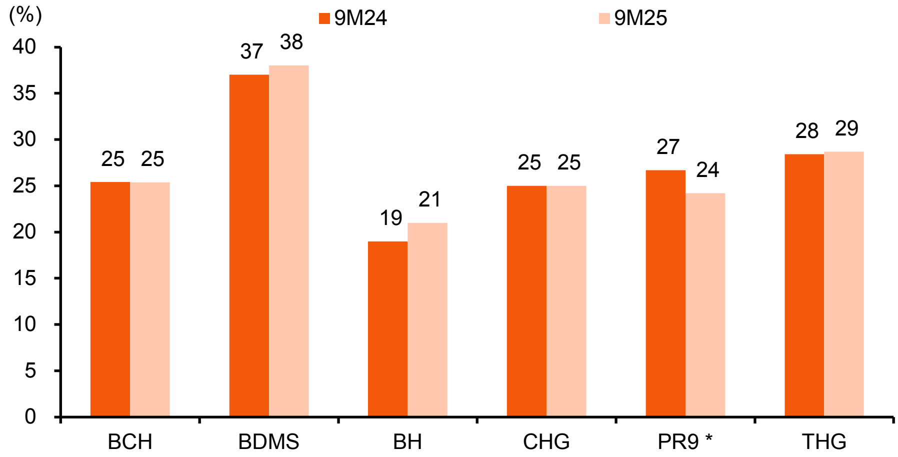


Source: FWD

Near-term pressure from co-payment adoption

From an industry perspective, the increasing adoption of co-payment represents a short-term challenge for Thailand's private hospital sector, particularly for non-complex treatments, as patients become more cost-sensitive and may defer or avoid care at private facilities. Hospitals with higher exposure to insured Thai patients are likely to be more affected. However, the overall impact on sector earnings should remain manageable, given the low penetration of individual health insurance, which accounts for only around 6% of total policyholders, implying a limited revenue impact of roughly 2-4%. Over the medium to long term, co-payments may stabilize the healthcare ecosystem by lowering premiums, broadening insurance access, and reducing moral hazard.

Ex 28: Hospitals' Revenue Contribution From Insurance-Paying Payors



Source: Company data

Note: * The sharp decline in PR9's revenue contribution from insurance-paying payors resulted from a significant increase in contract revenue, along with rising patient flows from the Middle East.

Risk from drugs being dispensed outside hospitals

Giving patients the option to buy medicines from FDA-certified pharmacies

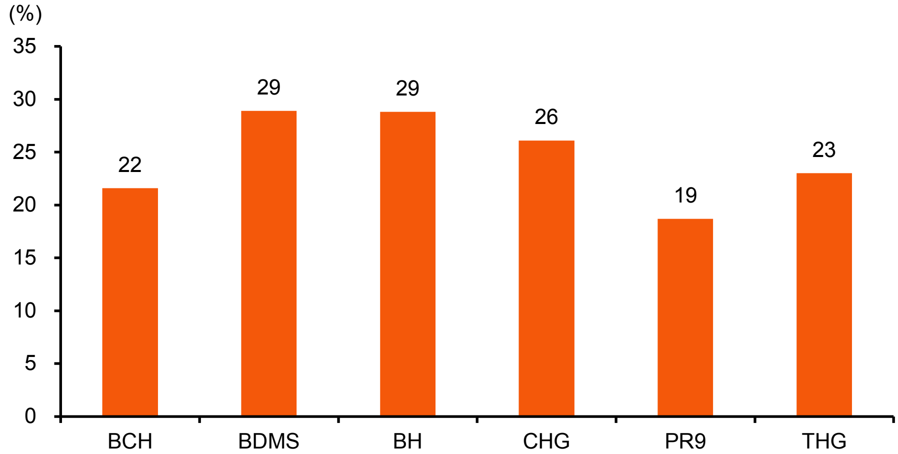
In 4Q25, Commerce Minister Suphajee Suthumpun launched a measure aimed at reducing household living costs by allowing patients receiving treatment at private hospitals to purchase prescribed medicines from registered external pharmacies. Under the scheme, participating hospitals are required to issue clear and complete prescriptions, giving patients the option to buy medicines either from the hospital or from the Food and Drug Administration (FDA)-certified pharmacies. The policy is intended to address high drug prices in private hospitals, ease financial pressure on patients, and enhance consumer choices, while maintaining safety standards through regulatory oversight and pharmacist supervision. Certain medicines, particularly those for chronic or complex conditions, will continue to be dispensed by hospitals to ensure appropriate clinical monitoring.

In our view, this measure does not represent a fundamentally new development, as private hospitals already disclose drug prices and medical service fees and generally allow outpatients to purchase medications from external pharmacies. Pricing for chronic-care medicines has also been relatively stable, given their essential nature, suggesting that hospitals should be able to comply with the policy without significant operational disruption.

Additional cost-containment measures pose a structural risk

However, renewed government emphasis on this measure, combined with a slowing economic environment, could encourage a greater shift of outpatient drug purchases away from hospitals. Moreover, following the formation of a new government after the February election, there is a risk that additional cost-containment measures could be introduced and enforced more aggressively. From a sector perspective, this creates a structural risk to private hospitals' revenue mix and pricing power, as pharmacy sales typically carry higher margins than core medical services, potentially leading to margin pressure for hospitals that rely more on in-house pharmacy income if adoption becomes more widespread.

Ex 29: % Drug Costs In Hospital Business' Cost Of Goods Sold In 2024



Source: Company data

Risk of intensifying competition from public hospitals

More premium clinics or premium hospitals in healthcare market

In recent years, we have seen public hospitals increasingly expand premium clinics or premium hospital services to cater to cash-paying patients, such as Somdet Phra Thep Rat Medical Centre Ramathibodi Hospital, Vachira Phuket Hospital, Nawatboribarn Premium Care Clinic (Chulalongkorn Hospital), Rajavithi Hospital Premium Clinic, Siriraj Piyamaharajkarun Hospital (SiPH), Ramathibodi Sri Ayutthaya Medical Center, among others.

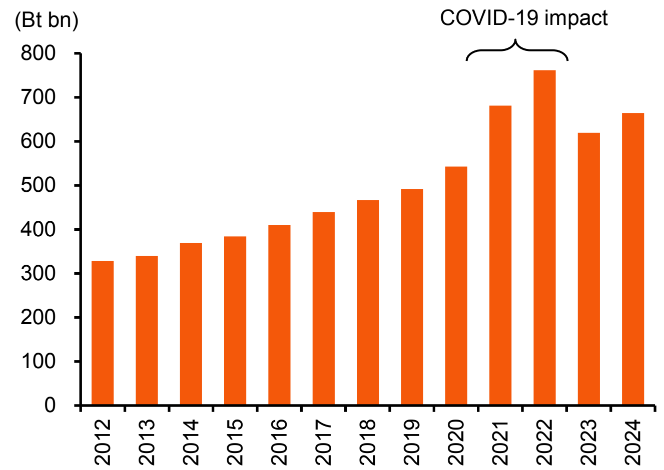
This has primarily been to generate additional revenue, reduce congestion in the standard public healthcare system, and improve overall service efficiency without increasing the fiscal burden on the government. These premium services cater to patients who are willing to pay for faster access, greater convenience, and enhanced comfort, allowing public hospitals to cross-subsidize core services, such as the universal coverage scheme and SSS. They also help retain and motivate experienced physicians by providing legitimate income-enhancement opportunities within the public system, reducing talent leakage to private hospitals. In addition, premium clinics enable public hospitals to respond to growing demand from middle- and upper-income patients.

Data from the Ministry of Public Health show that the average inpatient treatment cost across all hospitals in the industry increased by around 6% per year over the past decade (2014-2023). Meanwhile, the average inpatient treatment cost at private hospitals rose faster, at approximately 8% per year over the same period.

The continuously increasing healthcare costs result from high prices for medications and medical technologies, as well as rising doctors' fees and medical staff salaries. In addition, many private hospitals have strategies to increase profitability that inevitably align with market mechanisms. They emphasize their strengths in speed, expertise, and higher healthcare standards, which, in turn, lead to higher overall costs for hospitals and healthcare facilities.

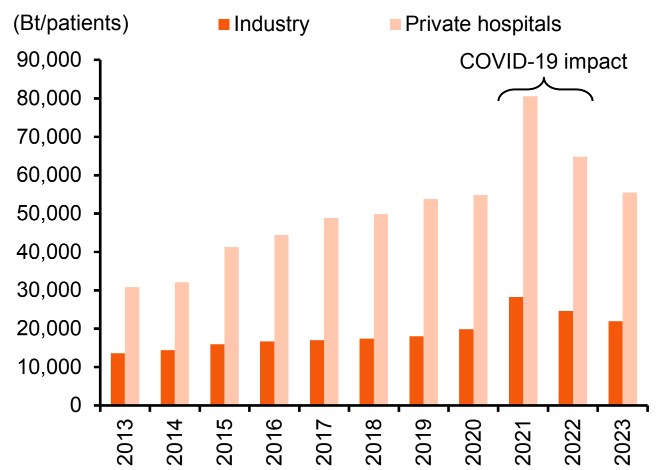
These rising healthcare costs represent a significant barrier to access to private hospitals for many Thai patients. As a result, premium public hospitals and premium clinics have emerged as an important alternative, particularly during periods of economic slowdown. Premium public hospitals and clinics typically offer treatment at lower prices than high-end private hospitals, while delivering comparable, or in some cases superior, medical service quality. This is largely because public hospitals often operate alongside medical schools, giving them access to highly skilled and specialized medical professionals, as well as advanced medical technology and equipment. Consequently, competition from high-end public hospitals has intensified, which could exert pressure on both patient volumes and pricing power at private hospitals.

Ex 30: Rising Public Healthcare Expenditure



Source: NESDB

Ex 31: Average Treatment Cost For Inpatients



Source: Ministry Of Public Health

Risks

The key downside risks to our NEUTRAL sector call would be the following:

1) If the number of Thai and foreign patients is above or below our current expectations.

2) If the ability to increase prices for cash patients is high or lower than our expectation.

3) If the reimbursement rate for the high-cost care services under the SS or UC schemes increases or falls, this would pose an upside or downside risk to our earnings forecasts.

4) If there is lower or higher competition from existing private healthcare operators and newcomers to the healthcare market in Thailand.

Ex 32: Sector Valuation Comparison

		BCH	BDMS	BH	CHG	PR9	THG	Sector
Rating		**HOLD**	**BUY**	**SELL**	**BUY**	**BUY**	**SELL**	**Neutral**
Target price	**Thanachart**	**11.00**	**26.00**	**136.00**	**1.90**	**26.00**	**7.20**	
	Consensus	13.93	27.57	209.86	2.08	26.91	na	
Consensus rec.	Buy	18	26	20	15	14	0	
	Hold	2	5	7	1	0	0	
	Sell	1	0	0	0	0	1	
Market cap. (US$ m)		**815**	**9,783**	**3,897**	**531**	**459**	**517**	
Sales (Bt m)	2024A	11,725	103,675	25,634	8,237	4,635	9,479	**163,386**
	2025F	11,984	107,759	25,237	8,218	5,273	9,182	**167,653**
	2026F	12,617	114,048	25,905	8,642	5,817	10,080	**177,109**
	2027F	14,217	121,018	27,348	9,290	6,195	11,078	**189,146**
Norm profits (Bt m)	2024A	1,221	15,987	7,797	965	713	(110)	**26,573**
	2025F	1,337	16,622	7,627	960	820	103	**27,467**
	2026F	1,485	17,631	7,817	1,059	916	298	**29,205**
	2027F	1,490	18,888	7,850	1,149	994	341	**30,711**
Sales growth (%)	2024A	(0.0)	6.8	1.3	6.6	10.3	(8.0)	**4.5**
	2025F	2.2	3.9	(1.6)	(0.2)	13.8	(3.1)	**2.6**
	2026F	5.3	5.8	2.6	5.2	10.3	9.8	**5.6**
	2027F	12.7	6.1	5.6	7.5	6.5	9.9	**6.8**
Norm profit growth (%)	2024A	(13.2)	11.3	11.7	(7.7)	27.8	na	**6.3**
	2025F	9.5	4.0	(2.2)	(0.6)	15.0	na	**3.4**
	2026F	11.1	6.1	2.5	10.3	11.8	189.8	**6.3**
	2027F	0.3	7.1	0.4	8.5	8.5	14.6	**5.2**
Gross margin (%)	2024A	27.3	34.3	51.2	26.3	34.3	22.2	**35.4**
	2025F	28.3	34.5	51.9	28.4	36.7	22.4	**35.7**
	2026F	29.0	34.6	52.1	29.0	37.0	21.9	**35.8**
	2027F	27.0	34.7	50.1	28.8	37.2	21.7	**35.4**
SG&A/Sales (%)	2024A	13.6	20.1	16.3	13.7	18.1	19.1	**18.6**
	2025F	13.1	19.8	16.8	13.8	19.8	18.6	**18.5**
	2026F	12.9	19.7	16.7	13.6	19.6	18.5	**18.4**
	2027F	12.8	19.6	16.8	13.4	19.5	18.1	**18.3**
Net margin (%)	2024A	11.5	15.9	30.6	12.1	15.4	(3.1)	**16.3**
	2025F	12.2	15.9	30.4	12.3	15.5	(0.5)	**16.4**
	2026F	13.0	15.9	30.4	12.8	15.7	1.2	**16.5**
	2027F	11.7	16.0	28.9	12.8	16.0	1.5	**16.2**
ROE (%)	2024A	9.6	16.4	30.4	12.7	13.6	na	**16.9**
	2025F	10.2	16.3	26.1	12.3	14.4	1.0	**16.3**
	2026F	11.0	16.5	23.8	13.2	14.8	2.2	**16.1**
	2027F	10.7	16.9	21.5	13.8	14.8	2.4	**16.1**
Norm PE (x)	2024A	21.0	19.3	17.1	17.3	20.3	na	**29.1**
	2025F	19.2	18.5	17.5	17.4	17.7	113.6	**18.6**
	2026F	17.3	17.5	17.1	15.8	15.8	54.7	**17.6**
	2027F	17.2	16.3	17.0	14.6	14.6	47.8	**16.8**
Dividend yield (%)	2024A	3.9	3.9	3.0	4.6	2.2	0.0	**2.3**
	2025F	4.0	4.0	3.1	4.6	2.8	0.4	**3.7**
	2026F	4.3	4.3	3.2	5.1	3.5	1.0	**3.9**
	2027F	4.3	4.6	3.2	5.5	4.1	1.3	**4.1**
Net D/E (x)	2024A	(0.0)	0.0	(0.4)	(0.1)	(0.4)	1.1	**(0.0)**
	2025F	(0.0)	0.0	(0.4)	(0.1)	(0.4)	0.1	**(0.1)**
	2026F	(0.0)	0.0	(0.3)	(0.1)	(0.4)	0.1	**(0.1)**
	2027F	(0.1)	0.0	(0.4)	(0.1)	(0.4)	0.0	**(0.1)**

Source: Thanachart estimates

Valuation Comparison

Ex 33: Valuation Comparison With Regional Peers

Name	BBG code	Country	EPS growth 25F (%)	EPS growth 26F (%)	PE 25F (x)	PE 26F (x)	P/BV 25F (x)	P/BV 26F (x)	EV/EBITDA 25F (x)	EV/EBITDA 26F (x)	Div yield 25F (%)	Div yield 26F (%)
Ramsay Healthcare	RHC AU	Australia	na	5.9	28.3	26.7	1.7	1.6	9.4	9.0	2.3	2.4
Guangzhou Pharmaceutical	874 HK	Hong Kong	13.5	8.6	9.5	8.7	0.8	0.7	10.3	9.8	4.4	4.8
Lijun Int'l Pharmaceutical	2005 HK	Hong Kong	(41.9)	21.6	14.7	12.1	1.2	1.2	13.6	11.5	3.6	4.2
Apollo Hospitals Enterprise	APHS IN	India	(0.9)	31.5	73.9	56.2	13.1	10.8	36.6	30.1	0.2	0.3
Fortis Healthcare India	FORH IN	India	6.7	34.7	83.7	62.2	8.3	6.9	45.5	33.8	0.1	0.1
KPJ Healthcare	KPJ MK	Malaysia	(6.3)	13.2	35.3	31.2	4.3	4.1	15.4	14.5	1.6	1.7
IHH Healthcare Bhd	IHH MK	Malaysia	(27.1)	12.3	38.8	34.6	2.4	2.3	16.0	14.4	1.2	1.3
Ryman	RYM NZ	New Zealand	na	na	14.3	54.6	0.5	0.7	16.6	37.6	0.0	0.0
Raffles Medical Group	RFMD SP	Singapore	10.4	8.1	27.6	25.5	1.8	1.8	12.4	11.6	2.8	2.6
Bangkok Chain Hospital *	BCH TB	Thailand	9.5	11.1	19.2	17.3	1.9	1.9	8.7	8.2	4.0	4.3
Bangkok Dusit Medical *	BDMS TB	Thailand	4.0	6.1	18.5	17.5	3.0	2.8	13.7	12.9	4.0	4.3
Bumrungrad Hospital *	BH TB	Thailand	(2.2)	2.5	17.5	17.1	4.3	3.9	12.3	11.8	3.1	3.2
Chularat Hospital *	CHG TB	Thailand	(0.6)	10.3	17.4	15.8	2.1	2.0	9.2	8.6	4.6	5.1
Praram 9 Hospital *	PR9 TB	Thailand	15.0	11.8	17.7	15.8	2.4	2.2	10.1	8.7	2.8	3.5
Thonburi Healthcare Group*	THG TB	Thailand	na	107.6	113.6	54.7	1.2	1.2	8.6	11.2	0.4	1.0
Average			**(1.7)**	**20.4**	**35.3**	**30.0**	**3.3**	**2.9**	**15.9**	**15.6**	**2.3**	**2.6**

Source: Bloomberg

Note: * Thanachart estimates, using Thanachart normalized EPS

Based on 8 January 2026 closing prices

STOCK PERFORMANCE

	Absolute (%)				Rel SET (%)			
	1M	3M	12M	YTD	1M	3M	12M	YTD
SET INDEX	**(0.6)**	**(3.9)**	**(9.7)**	**(0.5)**	—	—	—	—
Healthcare	**1.1**	**(6.1)**	**(23.2)**	**0.0**	**1.7**	**(2.2)**	**(13.5)**	**0.5**
BCH TB	4.0	(18.9)	(33.1)	(1.0)	4.7	(15.0)	(23.5)	(0.5)
BDMS TB	2.6	(3.0)	(19.2)	0.5	3.3	0.9	(9.5)	1.0
BH TB	(3.4)	(10.2)	(20.8)	(1.9)	(2.8)	(6.2)	(11.1)	(1.4)
CHG TB	(1.3)	(3.2)	(36.1)	1.3	(0.7)	0.7	(26.5)	1.8
PR9 TB	(2.1)	(20.3)	(28.5)	(1.6)	(1.5)	(16.4)	(18.9)	(1.1)
THG TB	7.7	28.2	(25.9)	6.4	8.3	32.1	(16.2)	6.9

Source: Bloomberg

SECTOR - SWOT ANALYSIS

S — Strength

- Value-for-money destination for healthcare services.
- Strong franchise value of listed hospitals.
- High-technology medical equipment and doctors' knowledge.
- Strong service quality and networks.
- Strong financials with net cash positions.

W — Weakness

- Higher land prices and construction costs.
- Limited doctor supply.

O — Opportunity

- The change in Thailand's and global demographic trend toward having more elderly people.
- Opportunities in the provinces.
- Global economic slowdown causing a demand shift to Thailand.
- The COVID-19 pandemic.

T — Threat

- Rising competition for medical tourism services.
- Slow economy in Thailand.
- Natural disasters.
- The COVID-19 impact.

REGIONAL COMPARISON

	EPS growth		PE		P/BV		EV/EBITDA		Div. Yield	
Name	25F (%)	26F (%)	25F (x)	26F (x)	25F (x)	26F (x)	25F (x)	26F (x)	25F (%)	26F (%)
Australia	na	5.9	28.3	26.7	1.7	1.6	9.4	9.0	2.3	2.4
Hong Kong	(14.2)	15.1	12.1	10.4	1.0	0.9	11.9	10.7	4.0	4.5
India	2.9	33.1	78.8	59.2	10.7	8.9	41.0	32.0	0.2	0.2
Malaysia	(16.7)	12.7	37.0	32.9	3.3	3.2	15.7	14.5	1.4	1.5
New Zealand	na	na	14.3	54.6	0.5	0.7	16.6	37.6	0.0	0.0
Singapore	10.4	8.1	27.6	25.5	1.8	1.8	12.4	11.6	2.8	2.6
Thailand	5.1	24.9	34.0	23.0	2.5	2.3	10.4	10.3	3.2	3.6
Average	**(2.5)**	**16.6**	**33.1**	**33.2**	**3.1**	**2.8**	**16.8**	**17.9**	**2.0**	**2.1**
BCH TB *	9.5	11.1	19.2	17.3	1.9	1.9	8.7	8.2	4.0	4.3
BDMS TB *	4.0	6.1	18.5	17.5	3.0	2.8	13.7	12.9	4.0	4.3
BH TB *	(2.2)	2.5	17.5	17.1	4.3	3.9	12.3	11.8	3.1	3.2
CHG TB *	(0.6)	10.3	17.4	15.8	2.1	2.0	9.2	8.6	4.6	5.1
PR9 TB *	15.0	11.8	17.7	15.8	2.4	2.2	10.1	8.7	2.8	3.5
THG TB *	na	107.6	113.6	54.7	1.2	1.2	8.6	11.2	0.4	1.0
Average	**5.1**	**24.9**	**34.0**	**23.0**	**2.5**	**2.3**	**10.4**	**10.3**	**3.2**	**3.6**

Sources: Bloomberg Consensus
Note: * Thanachart estimate – using normalized EPS

Small Cap Research

Thanachart Securities

HOLD (From: BUY)

Change in Recommendation

TP: Bt 11.00 (From: Bt 19.00)

Upside : 6.8%

9 JANUARY 2026

Bangkok Chain Hospital (BCH TB)

New drag coming soon

SIRIPORN ARUNOTHAI

662-779-9119

siriporn.aru@thanachartsec.co.th

We downgrade our call on BCH to HOLD due to weak earnings growth, with a 5.7% EPS CAGR over 2026-27F, driven by losses from its two new hospitals in Samutprakan and Rayong and rising costs from other expansions. At 17.3x PE in 2026F, BCH looks fairly priced.

Weak growth outlook; downgrading to HOLD

This report is part of our Healthcare Sector report – ***Mediocre outlook,*** dated 9 January 2026. We downgrade our rating on BCH to HOLD from Buy. ***First,*** we see rising uncertainty in BCH's foreign patient flows from the Middle East and CLMV markets due to government cost-control policies, intensifying competition, and the Thai–Cambodian border dispute. ***Second,*** we also expect earnings headwinds from the loss contribution of two new hospitals in 2027F. ***Third***, with 5.7% p.a. EPS growth in 2026-27F, we see BCH as fairly priced for a hospital stock, trading at 17.3x 2026F PE. In this report, we cut our earnings estimates by 4-9% in 2025-28F to reflect weak cash patient revenue and the early opening of the Rayong hospital. We also raise our beta assumption to 0.77 (from 0.55) and lower our DCF-based 12-month TP (2026F base year) to Bt11.0 (from Bt19.0).

Earnings pressure from new capacity

We project BCH's EPS growth at 11/0% in 2026-27F. BCH plans to open the 270-bed Kasemrad Hospital (KH) Suvarnabhumi in Samutprakan and the 268-bed KH Rayong in 2027. In addition, the company intends to open a new 18-bed building at KH Maesai in 2026 and a 120-bed building at KH Ramkhamhaeng in 2027. We expect operating expenses to rise with these expansions, while the new Samutprakan and Rayong hospitals are likely to incur losses in their early years of operation.

Uncertain foreign patient outlook

In 9M25, BCH's revenue from Thai and foreign patients declined by 1% and 10% y-y, respectively. Thai patient revenue was pressured by the economic slowdown and the delayed impact of seasonal illnesses, which shifted from 3Q to 4Q. Meanwhile, the decline in foreign patient revenue was driven by fewer patients from the Middle East and Cambodia. Foreign patients accounted for 13% of total revenue in 9M25, down from 17% in 2023. Key concerns include tighter healthcare funding for overseas treatments – especially amid weak oil prices – and intensifying competition from other hospitals that are actively expanding foreign patient volumes.

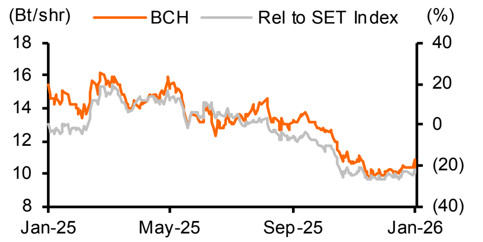
Lower earnings risk from SSS

The Social Security Office (SSO) has not announced any guarantee on reimbursement rates for high-cost care services (RW ≥ 2) for 2026. However, following cabinet approval to raise the wage ceiling for SSO contributions under Section 33, effective from 1 January 2026, we believe higher contribution inflows will strengthen the SSO's financial position and lower payment risks.

COMPANY VALUATION

Y/E Dec (Bt m)	2024A	2025F	2026F	2027F
Sales	11,725	11,984	12,617	14,217
Net profit	1,282	1,372	1,485	1,490
Consensus NP	—	1,430	1,557	1,641
Diff frm cons (%)	—	*(4.1)*	*(4.6)*	*(9.2)*
Norm profit	1,221	1,337	1,485	1,490
Prev. Norm profit	—	1,425	1,566	1,632
Chg frm prev (%)	—	*(6.2)*	*(5.2)*	*(8.8)*
Norm EPS (Bt)	0.5	0.5	0.6	0.6
Norm EPS grw (%)	(13.2)	9.5	11.1	0.3
Norm PE (x)	21.0	19.2	17.3	17.2
EV/EBITDA (x)	9.7	8.7	8.2	7.7
P/BV (x)	2.0	1.9	1.9	1.8
Div yield (%)	3.9	4.0	4.3	4.3
ROE (%)	9.6	10.2	11.0	10.7
Net D/E (%)	(3.6)	(4.2)	(2.6)	(7.8)

PRICE PERFORMANCE



COMPANY INFORMATION

Price *as of* 8-Jan-26 (Bt)	10.30
Market Cap (US$ m)	815.0
Listed Shares (m shares)	2,493.7
Free Float (%)	50.0
Avg Daily Turnover (US$ m)	3.3
12M Price H/L (Bt)	16.20/9.80
Sector	Health Care
Major Shareholder	Harnphanich Family 50%

Sources: Bloomberg, Company data, Thanachart estimates

ESG Summary Report P25

Ex 1: Changes In Our Key Assumptions And Earnings Revisions

	2023	2024	2025F	2026F	2027F	2028F
# of OPD cash patients (People)						
- New	1,097,360	1,069,145	1,038,682	1,083,101	1,346,441	1,466,174
- Old			1,063,357	1,104,651	1,215,745	1,365,091
- Change (%)			*(2.3)*	*(2.0)*	*10.8*	*7.4*
# of IPD cash patients (People)						
- New	48,726	46,087	41,453	42,825	49,361	52,629
- Old			45,065	46,339	48,998	54,094
- Change (%)			*(8.0)*	*(7.6)*	*0.7*	*(2.7)*
Revenue from cash patients (Bt m)						
- New	7,977	7,930	7,770	8,255	9,724	10,625
- Old			8,327	8,800	9,530	10,443
- Change (%)			*(6.7)*	*(6.2)*	*2.0*	*1.7*
Loss from new hospitals (Bt m)						
- New	(293)	(196)	(194)	(140)	(281)	(152)
- Old			(161)	(108)	(66)	(65)
- Change (%)			*n.a.*	*n.a.*	*n.a.*	*n.a.*
Gross profit margin (%)						
- New	30.8	27.3	28.3	29.0	27.0	27.6
- Old			28.4	28.9	28.5	28.2
- Change (ppt)			*(0.1)*	*0.0*	*(1.4)*	*(0.6)*
Normalized profit (Bt m)						
- New	1,406	1,221	1,337	1,485	1,490	1,699
- Old			1,425	1,566	1,632	1,771
- Change (%)			*(6.2)*	*(5.2)*	*(8.8)*	*(4.1)*

Sources: Company data, Thanachart estimates

Ex 2: 12-month DCF-based TP Calculation Using A Base Year Of 2026F

(Bt m)	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F	2036F	Terminal Value
EBITDA excl. depre from right of use	3,088	3,183	3,454	3,719	3,980	4,240	4,502	4,770	5,050	5,339	5,681	3,088	—
Free cash flow	800	1,964	2,212	2,425	2,635	2,842	3,046	3,254	3,471	3,694	2,016	800	29,557
PV of free cash flow	798	1,655	1,710	1,721	1,716	1,698	1,670	1,638	1,603	1,566	784	798	11,498
Risk-free rate (%)	2.5												
Market risk premium (%)	8.0												
Beta	0.8												
WACC (%)	9.0												
Terminal growth (%)	2.0												
Enterprise value	**28,058**												
Net debt (end-2025F)	(613)												
Minority interest	1,204												
Equity value	27,467												
# of shares (m)	2,494												
Equity value/share (Bt)	**11.0**												

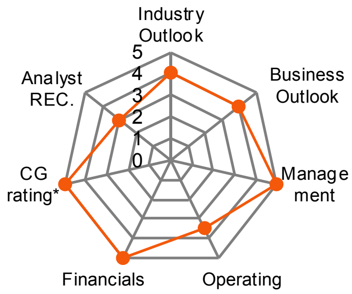
Sources: Company data, Thanachart estimates

COMPANY DESCRIPTION

Bangkok Chain Hospital Pcl (BCH) runs 16 hospitals located in Bangkok and upcountry, with a total number of licensed beds of 2,323 at the end of 3Q25. Its patient portfolio is divided into 1) cash or self-pay (including Civil Servants) and 2) patients under the Social Security Scheme. The company held an IPO and was listed on the Stock Exchange of Thailand (SET) in early 2004.

Source: Thanachart

COMPANY RATING



Rating Scale	
Excellent	5
Good	4
Fair	3
Weak	2
Very Weak	1
None	0

Source: Thanachart; * CG Rating

THANACHART'S SWOT ANALYSIS

S — Strength

- Management has substantial experience in the hospital business, particularly in the mid-tier and managed-care markets.
- Revenue is diversified.

W — Weakness

- BCH has long been recognized as the largest managed-care private hospital, which could be a barrier to expanding into new client segments.

O — Opportunity

- Limited public healthcare supply in Thailand.
- Capacity expansion to support rising healthcare demand in the future.
- Ageing society mega-trend.
- Rising patient flows from neighbouring countries.
- COVID-19 pandemic.

T — Threat

- Growing importance of franchise names and big players such as BDMS, which have entered the mid-market segment.
- Slow economy.
- Regulatory risk.
- Covid-19 pandemic.

CONSENSUS COMPARISON

	Consensus	Thanachart	Diff
Target price (Bt)	13.93	11.00	-21%
Net profit 25F (Bt m)	1,430	1,372	-4%
Net profit 26F (Bt m)	1,557	1,485	-5%
Consensus REC	**BUY: 18**	**HOLD: 2**	**SELL: 1**

HOW ARE WE DIFFERENT FROM THE STREET?

- Our earnings and TP are below the Street's, which we attribute to us having a more conservative view on international patient flows.

Sources: Bloomberg consensus, Thanachart estimates

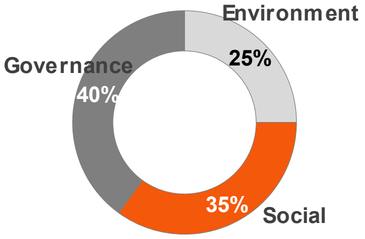
RISKS TO OUR INVESTMENT CASE

- The key downside or upside risk to our call would be if BCH's strategy of boosting revenue from the cash-patient business were to turn out worse or better than our current expectation.
- A secondary downside or upside risk would be if BCH's registered patients under the SSS were to come in below or above our current assumptions.
- If BCH's new hospitals turn around slower or faster than our current expectation, this would present another downside or upside risk to our call.
- If there is more or less competition from existing private-healthcare operators and/or newcomers to the healthcare market in Thailand, this would represent a fourth downside or upside risk.

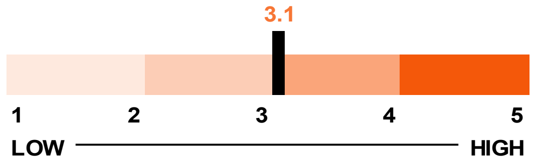
Source: Thanachart

ESG & Sustainability Report

ESG Weighting



Thanachart ESG Rating



	SET ESG Index	SET ESG (BBB-AAA)	DJSI Index	MSCI (CCC-AAA)	ESG Book (0-100)	Refinitiv (0-100)	S&P Global (0-100)	Moody's (0-100)	CG Rating (0-5)
BCH	YES	AA	-	BBB	-	60.44	35.00	-	5.0

Sources: SETTRADE, SET ESG Index, SET ESG Rating, The Dow Jones Industrial Average (DJSI), MSCI ESG Research LLC, ESG Book, Refinitiv ESG Information, S&P Global Market Intelligence, Moody's ESG Solutions, Thai IOD (CG rating)
Note: Please see third party on “terms of use” toward the back of this report.

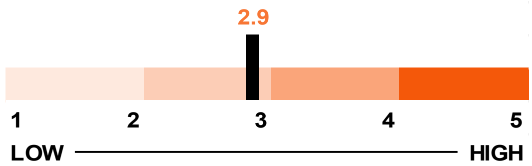
ESG Summary

- BCH is one of the five largest hospital chains in Thailand. Given its business model, the company generates relatively low greenhouse gas emissions. Our ESG score for BCH is decent at 3.1, which is in line with the sector average. The company scores highest in the social dimension.
- BCH can be viewed as a defensive ESG play rather than an ESG leader. Its healthcare business aligns well with the Social theme, and governance risks are relatively low, but modest environmental ambition and weaker execution in IT and staff development limit ESG scoring. Overall, BCH offers ESG stability rather than strong ESG-driven upside compared with peers.
- Although BCH’s Social score is higher than its Environmental and Governance scores, we see some key concerning areas, including the company’s labor-intensive business model, weak IT-related investments, and staff development.
- The company has no major governance controversies, complies with regulatory standards, and has key board committees in place, providing a stable and low-risk governance foundation. In our view, this supports business continuity and investor confidence, even though governance practices remain more compliance-driven than best-in-class.
- An ESG-related concern for BCH is the uncertainty surrounding the Social Security Scheme’s reimbursement rates and the risk of payment shortfalls. We believe this business risk could put pressure on BCH’s ESG score and share price.

Sector: Services | Healthcare

BCH's Environmental score of 2.9 is moderate and in line with peers, reflecting adequate compliance and disclosure. BCH has made progress through solar rooftop installations and conservation initiatives, but modest energy and water targets. Waste management is relatively strong.

Thanachart Environment (E) Rating

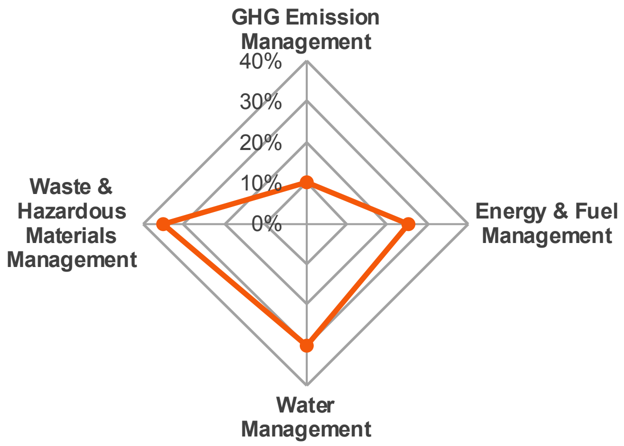


ENVIRONMENT	Our Comments

- **GHG Emission Management**
- **Energy & Fuel Management**
- **Water Management**
- **Waste & Hazardous Materials Management**

- BCH's Environmental (E) score is 2.9, broadly in line with the peer average. This reflects the company's established environmental policies and disclosures, but not an outstanding position compared to peers. In our view, BCH's E profile is adequate and compliant, but still leaves room for improvement if the company aims to be viewed as a stronger ESG name.
- BCH targets a 0.3% reduction in electricity consumption by 2027 from a 2024 baseline and continues to implement energy conservation measures annually. Key actions include installing solar cells on hospital and car park rooftops at four hospitals (Aranyaprathet, Prachinburi, Saraburi, and Chiang Rai), with solar systems currently being installed at five additional hospitals. We view the expansion of solar rooftops positively as it shows tangible execution, although the reduction target remains modest compared with ESG leaders.
- The company aims to reduce water usage by 0.3% by 2027, supported by water-saving campaigns, efficient equipment installation, and wastewater monitoring. BCH acknowledges climate-related water risks and has put in place basic conservation practices across its hospital network. From our perspective, water management is well controlled operationally, but the low reduction target limits the potential upside to BCH's environmental score.
- BCH has set a clearer target to reduce waste by 5% by 2027, focusing on systematic waste segregation, recycling, and compliance with healthcare waste standards. These actions are supported by ongoing staff engagement and circular economic measures. We see waste management as one of BCH's relatively stronger environmental areas, with more concrete actions and clearer improvement potential than energy and water.
- BCH continues its policy to reduce plastic bag usage by campaigning for patients to switch to cloth bags, aiming to lower carbon dioxide emissions and raise environmental awareness. These measures complement the broader waste reduction strategy. While positive from a behavioral and reputational standpoint, we believe clearer metrics on plastic reduction would help strengthen the credibility and measurable impact of these efforts.

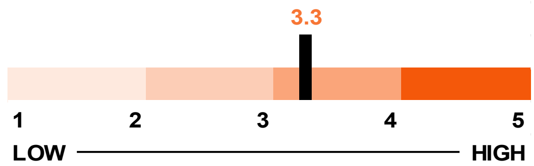
SCALE WEIGHTING



Sources: Thanachart, Company data

We assign BCH a decent Social score of 3.3, though it is below the sector average of 3.6, reflecting solid patient safety standards and acceptable labor practices, but weaker performance in IT implementation, staff training, and brand positioning compared with higher-end peers.

Thanachart Social (S) Rating



SOCIAL

- **Human Rights & Community Relations**
- **Access & Affordability**
- **Customer Welfare**
- **Data Security & Customer Privacy**
- **Product Quality & Safety**
- **Fair Product Marketing & Labelling**
- **Operational Risk Management**
- **Health, Safety & Well-being**
- **Recruitment, Development & Retention**

SCALE WEIGHTING

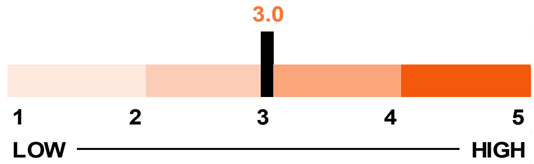
Our Comments

- BCH's Social (S) score is 3.3, below the sector average of 3.6, despite being one of Thailand's five largest hospital chains with 16 hospitals. We observe that BCH places less emphasis on brand promotion, lags peers in IT system implementation, and offers fewer staff training programs than higher-end hospitals. In our view, this limits BCH's ability to leverage its scale fully and weakens its relative Social positioning versus peers.
- BCH is committed to delivering high-quality healthcare services and maintaining strong patient safety standards. The group has received accreditations from the Institute for Hospital Quality Improvement, Hospital Accreditation (HA) and Joint Commission International (JCI), and targets a customer satisfaction rate of at least 80% by 2025. We view these certifications positively, as they support service credibility, although BCH's quality framework appears more focused on compliance than differentiation. We still see room for improvement.
- BCH aims to maintain smooth hospital operations through standard procedures and basic IT support systems. However, we observe that BCH lags behind some peers in adopting advanced hospital IT systems and digital solutions. In our view, improving operational efficiency through stronger IT implementation would help enhance service quality, reduce staff workload, and support a better patient experience over the long term.
- BCH actively monitors occupational health and safety through regular surveys and continuous review of statistics on serious injuries and illnesses. Preventive communication is used to reduce workplace accidents, with a stated target of zero work-related injuries. We see this as a necessary and positive practice, although more detailed disclosure on safety performance trends would enhance transparency and credibility.
- BCH aims to provide fair working conditions, pay, and social protection to support workforce stability. While it meets acceptable labor standards, we see room to improve structured training and career development to better attract and retain skilled staff amid industry-wide labor shortages.

Sources: Thanachart, Company data

We assign BCH a decent Governance score of 3.0, above the sector average of 2.8, supported by the absence of major governance issues and the presence of key board committees. However, limited board independence keeps governance more compliance-driven than best-in-class, in our view.

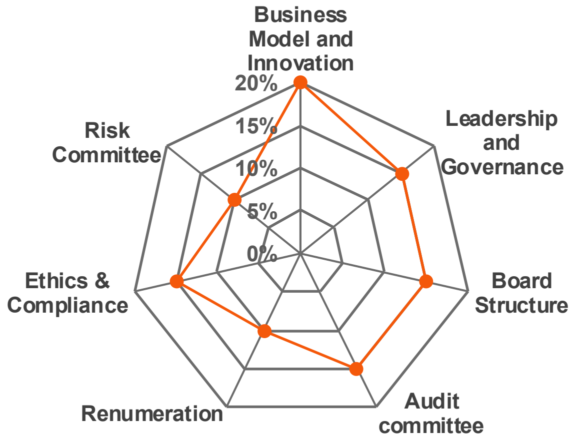
Thanachart Governance (G) Rating



GOVERNANCE & SUSTAINABILITY

- **Business Model and Innovation**
- **Leadership and Governance**
- **Board Structure**
- **Audit committee**
- **Renumeration**
- **Ethics & Compliance**
- **Risk Committee**

SCALE WEIGHTING



Our Comments

- BCH's Governance (G) score is 3.0, above the sector average of 2.8, mainly because the company has no significant corporate governance controversies. BCH follows basic governance standards and regulatory requirements. In our view, BCH's governance framework is sound and stable, supporting business continuity, although it remains more compliant than best-in-class.
- We view BCH as the largest private hospital operator serving the Social Security Scheme (SSS), with a primary focus on the mid-tier market. However, BCH has been expanding into the high-end segment by opening the World Medical Center and upgrading several hospitals under the Kasemrad brand to the Kasemrad International brand to better serve high-income and international patients. In addition, the company has expanded its footprint in Laos to capture rising healthcare demand in the CLMV market. We believe this strategy will strengthen BCH's business model over the long term.
- BCH aims to continuously improve service efficiency and medical service quality by investing in skilled medical personnel, modern equipment, and specialized centers to deliver integrated healthcare services. These actions reflect management's focus on operational effectiveness and service standards. We see strong execution at the operational level supports governance credibility.
- In our view, BCH does not have an ideal board structure. The board chairman represents major shareholders (the Harnpanich family), which limits board independence. Of the 12 directors, only four are independent, below the ideal ratio of two-thirds, and three directors are female. While this structure is acceptable, we believe higher board independence would improve governance balance, oversight quality, and investor confidence over the long term.
- BCH has established key governance committees, including an audit committee, a remuneration committee, and a risk management committee. These committees support internal controls, financial transparency, and risk oversight. We view this structure positively, as it provides a basic but effective governance framework, although stronger disclosure on committee actions and outcomes would further enhance transparency.

Sources: Thanachart, Company data

Slow revenue growth in 2025F due to falling cash patient revenue

Planning to add two new hospitals in 2027

INCOME STATEMENT

FY ending Dec (Bt m)	2023A	2024A	2025F	2026F	2027F
Sales	11,729	11,725	11,984	12,617	14,217
Cost of sales	8,116	8,527	8,591	8,964	10,375
Gross profit	**3,613**	**3,199**	**3,393**	**3,654**	**3,842**
% gross margin	30.8%	27.3%	28.3%	29.0%	27.0%
Selling & administration expenses	1,755	1,595	1,566	1,630	1,825
Operating profit	**1,859**	**1,604**	**1,826**	**2,023**	**2,017**
% operating margin	15.8%	13.7%	15.2%	16.0%	14.2%
Depreciation & amortization	944	998	1,052	1,064	1,166
EBITDA	**2,802**	**2,602**	**2,878**	**3,088**	**3,183**
% EBITDA margin	23.9%	22.2%	24.0%	24.5%	22.4%
Non-operating income	119	121	102	103	108
Non-operating expenses	0	0	0	0	0
Interest expense	(95)	(55)	(44)	(30)	(43)
Pre-tax profit	**1,882**	**1,670**	**1,884**	**2,096**	**2,082**
Income tax	405	326	417	451	416
After-tax profit	**1,478**	**1,344**	**1,467**	**1,645**	**1,666**
% net margin	12.6%	11.5%	12.2%	13.0%	11.7%
Shares in affiliates' Earnings	1	(1)	2	2	2
Minority interests	(73)	(123)	(132)	(162)	(178)
Extraordinary items	0	62	35	0	0
NET PROFIT	**1,406**	**1,282**	**1,372**	**1,485**	**1,490**
Normalized profit	**1,406**	**1,221**	**1,337**	**1,485**	**1,490**
EPS (Bt)	0.6	0.5	0.5	0.6	0.6
Normalized EPS (Bt)	0.6	0.5	0.5	0.6	0.6

BALANCE SHEET

FY ending Dec (Bt m)	2023A	2024A	2025F	2026F	2027F
ASSETS:					
Current assets:	4,843	3,773	3,729	3,849	4,870
Cash & cash equivalent	2,185	1,382	1,400	1,400	2,100
Account receivables	2,239	1,967	1,904	2,005	2,259
Inventories	306	331	330	344	398
Others	113	93	95	100	113
Investments & loans	27	89	89	89	89
Net fixed assets	11,728	12,317	12,487	13,283	12,837
Other assets	1,133	1,197	1,223	1,288	1,451
Total assets	**17,731**	**17,375**	**17,528**	**18,508**	**19,246**
LIABILITIES:					
Current liabilities:	3,505	2,878	2,591	2,927	3,115
Account payables	778	798	730	761	881
Bank overdraft & ST loans	81	573	512	652	576
Current LT debt	1,159	52	69	88	78
Others current liabilities	1,487	1,456	1,281	1,425	1,581
Total LT debt	**324**	**253**	**207**	**263**	**233**
Others LT liabilities	197	216	213	224	253
Total liabilities	**4,026**	**3,348**	**3,010**	**3,414**	**3,601**
Minority interest	1,110	1,072	1,204	1,366	1,544
Preferreds shares	0	0	0	0	0
Paid-up capital	2,494	2,494	2,494	2,494	2,494
Share premium	645	645	645	645	645
Warrants	0	0	0	0	0
Surplus	(192)	(191)	(191)	(191)	(191)
Retained earnings	**9,648**	**10,008**	**10,366**	**10,780**	**11,154**
Shareholders' equity	12,594	12,955	13,314	13,728	14,102
Liabilities & equity	**17,731**	**17,375**	**17,528**	**18,508**	**19,246**

Sources: Company data, Thanachart estimates

Strong cash inflow stream

CASH FLOW STATEMENT

FY ending Dec (Bt m)	2023A	2024A	2025F	2026F	2027F
Earnings before tax	1,882	1,670	1,884	2,096	2,082
Tax paid	(304)	(363)	(490)	(408)	(426)
Depreciation & amortization	944	998	1,052	1,064	1,166
Chg In w orking capital	1,552	267	(4)	(83)	(188)
Chg In other CA & CL / minorities	(116)	(137)	(103)	89	154
Cash flow from operations	**3,959**	**2,435**	**2,339**	**2,758**	**2,788**
Capex	(842)	(1,587)	(1,222)	(1,860)	(720)
Right of use	0	0	0	0	0
ST loans & investments	0	0	0	0	0
LT loans & investments	4	(61)	0	0	0
Adj for asset revaluation	0	0	0	0	0
Chg In other assets & liabilities	(11)	17	5	(43)	(135)
Cash flow from investments	**(850)**	**(1,631)**	**(1,217)**	**(1,903)**	**(855)**
Debt financing	(2,306)	(686)	(91)	216	(117)
Capital increase	0	0	0	0	0
Dividends paid	(1,247)	(923)	(1,013)	(1,071)	(1,115)
Warrants & other surplus	(10)	2	0	0	0
Cash flow from financing	**(3,563)**	**(1,607)**	**(1,104)**	**(855)**	**(1,233)**
Free cash flow	**3,116**	**848**	**1,117**	**898**	**2,068**

Trading at fair value, in our view

VALUATION

FY ending Dec	2023A	2024A	2025F	2026F	2027F
Normalized PE (x)	18.3	21.0	19.2	17.3	17.2
Normalized PE - at target price (x)	19.5	22.5	20.5	18.5	18.4
PE (x)	18.3	20.0	18.7	17.3	17.2
PE - at target price (x)	19.5	21.4	20.0	18.5	18.4
EV/EBITDA (x)	8.9	9.7	8.7	8.2	7.7
EV/EBITDA - at target price (x)	9.6	10.3	9.3	8.8	8.2
P/BV (x)	2.0	2.0	1.9	1.9	1.8
P/BV - at target price (x)	2.2	2.1	2.1	2.0	1.9
P/CFO (x)	6.5	10.5	11.0	9.3	9.2
Price/sales (x)	2.2	2.2	2.1	2.0	1.8
Dividend yield (%)	3.4	3.9	4.0	4.3	4.3
FCF Yield (%)	12.1	3.3	4.3	3.5	8.0
(Bt)					
Normalized EPS	0.6	0.5	0.5	0.6	0.6
EPS	0.6	0.5	0.5	0.6	0.6
DPS	0.4	0.4	0.4	0.4	0.4
BV/share	5.1	5.2	5.3	5.5	5.7
CFO/share	1.6	1.0	0.9	1.1	1.1
FCF/share	1.2	0.3	0.4	0.4	0.8

Sources: Company data, Thanachart estimates

Losses from new hospitals set to hurt earnings

FINANCIAL RATIOS

FY ending Dec	2023A	2024A	2025F	2026F	2027F
Growth Rate					
Sales (%)	(37.7)	(0.0)	2.2	5.3	12.7
Net profit (%)	(53.7)	(8.8)	7.0	8.3	0.3
EPS (%)	(53.7)	(8.8)	7.0	8.3	0.3
Normalized profit (%)	(64.3)	(13.2)	9.5	11.1	0.3
Normalized EPS (%)	(64.3)	(13.2)	9.5	11.1	0.3
Dividend payout ratio (%)	62.1	77.8	75.0	75.0	75.0
Operating performance					
Gross margin (%)	30.8	27.3	28.3	29.0	27.0
Operating margin (%)	15.8	13.7	15.2	16.0	14.2
EBITDA margin (%)	23.9	22.2	24.0	24.5	22.4
Net margin (%)	12.6	11.5	12.2	13.0	11.7
D/E (incl. minor) (x)	0.1	0.1	0.1	0.1	0.1
Net D/E (incl. minor) (x)	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)
Interest coverage - EBIT (x)	19.5	29.4	41.3	67.0	47.4
Interest coverage - EBITDA (x)	29.4	47.7	65.1	102.2	74.9
ROA - using norm profit (%)	7.5	7.0	7.7	8.2	7.9
ROE - using norm profit (%)	11.2	9.6	10.2	11.0	10.7
DuPont					
ROE - using after tax profit (%)	11.8	10.5	11.2	12.2	12.0
- asset turnover (x)	0.6	0.7	0.7	0.7	0.8
- operating margin (%)	16.9	14.7	16.1	16.8	14.9
- leverage (x)	1.5	1.4	1.3	1.3	1.4
- interest burden (%)	95.2	96.8	97.7	98.6	98.0
- tax burden (%)	78.5	80.5	77.9	78.5	80.0
WACC (%)	9.0	9.0	9.0	9.0	9.0
ROIC (%)	10.7	10.8	11.4	12.5	12.1
NOPAT (Bt m)	1,459	1,291	1,422	1,588	1,614
invested capital (Bt m)	11,972	12,451	12,701	13,331	12,888

Sources: Company data, Thanachart estimates

Bangkok Dusit Medical (BDMS TB)

Consistent return

SIRIPORN ARUNOTHAI
662-779-9119
siriporn.aru@thanachartsec.co.th

We expect BDMS to offer a total return of 10.4% in 2026F from 6.1% EPS growth and a 4.3% dividend yield. With a stable business growth outlook, solid cash flow, and a rising ROE, we assume its de-rating has ended.

Thanachart Securities

Solid fundamentals, healthy return; BUY

This report is part of our Healthcare Sector report – ***Mediocre outlook,*** dated 9 January 2026. We maintain our BUY call on BDMS. ***First***, we believe BDMS remains a high-quality stock with a stable growth business outlook, strong market position, and a diversified customer base. ***Second***, we expect BDMS to deliver a total return of 10-12% p.a. in 2026-27F, driven by EPS growth of 6.1/7.1% and dividend yields of 4.3/4.6%. ***Third***, we believe most of the bad news is already priced in, including sluggish tourism, weaker foreign patient flows, and a soft domestic economy that is limiting hospital admissions. ***Lastly***, BDMS is still seeing ROE trend up to 17.3% in 2028F from 16.3% in 2025F.

Sustainable earnings growth

Amid the weak domestic economy and global uncertainty, we still project BDMS to deliver 7% EPS growth p.a. in 2026-28F from an already high earnings base. Key drivers include 6% p.a. revenue growth supported by both Thai and international patients. We see the company's strategy shifting toward insurance-pay patients, which helps sustain Thai patient revenue amid Thailand's economic slowdown. Meanwhile, its well-diversified international patient mix helps mitigate risks from changes in foreign government policies and cross-border disputes. We also project EBIT margin to rise to 15.3% in 2028F from 14.3% in 2024, driven by operating leverage and higher revenue intensity.

Strong network and customer base

BDMS is Thailand's largest hospital chain. Its large network and diversified customer base support resilient growth amid the economic slowdown and uncertainty over international patients. It has 58 hospitals in 20 provinces and one wellness project in Bangkok. It has 21 hospitals in Bangkok and 37 hospitals in 19 tourist provinces and major cities. Its customer base is also well diversified. In 9M25, 76% of revenue came from high-end services and 24% from mid-end services. Insurance-pay patients accounted for 38% of total revenue. Some 72% of revenue in 9M25 came from Thai patients and 28% from foreign ones.

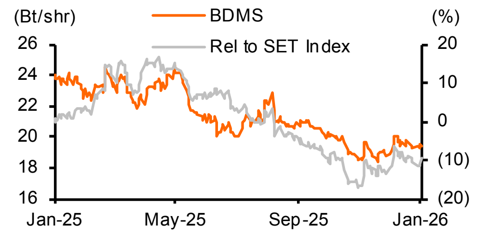
Low risk from capacity expansion

Despite the challenging economic environment, healthcare demand continues to grow, supported by Thailand's aging population and its position as a global medical tourism hub. BDMS plans to increase its registered bed capacity from 8,800 in 2024 to 9,600 by 2027, or 3% p.a. growth. With EBITDA of Bt25bn p.a. from 2025-28F, BDMS looks well-positioned to fund its Bt61bn capex plan for 2025-29. We also do not expect any significant impact on its EBIT margin and bottom line.

COMPANY VALUATION

Y/E Dec (Bt m)	2024A	2025F	2026F	2027F
Sales	103,675	107,759	114,048	121,018
Net profit	15,987	16,622	17,631	18,888
Consensus NP	—	16,399	17,357	18,325
Diff frm cons (%)	—	*1.4*	*1.6*	*3.1*
Norm profit	15,987	16,622	17,631	18,888
Prev. Norm profit	—	16,622	17,631	18,888
Chg frm prev (%)	—	*0.0*	*0.0*	*0.0*
Norm EPS (Bt)	1.0	1.0	1.1	1.2
Norm EPS grw (%)	11.3	4.0	6.1	7.1
Norm PE (x)	19.3	18.5	17.5	16.3
EV/EBITDA (x)	14.8	13.7	12.9	12.1
P/BV (x)	3.1	3.0	2.8	2.7
Div yield (%)	3.9	4.0	4.3	4.6
ROE (%)	16.4	16.3	16.5	16.9
Net D/E (%)	1.7	1.5	1.8	0.8

PRICE PERFORMANCE



COMPANY INFORMATION

Price *as of* 8-Jan-26 (Bt)	19.40
Market Cap (US$ m)	9,782.8
Listed Shares (m shares)	15,892.0
Free Float (%)	83.6
Avg Daily Turnover (US$ m)	36.7
12M Price H/L (Bt)	24.70/18.40
Sector	Health Care
Major Shareholder	Prasartthongosot Family 14.98%

Sources: Bloomberg, Company data, Thanachart estimates

ESG Summary Report P35

Ex 1: 12-month DCF-based TP Calculation Using A Base Year Of 2026F

(Bt m)	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F	2036F	Terminal Value
EBITDA excl. depre from right of use	23,610	25,138	26,767	28,074	30,179	32,369	34,564	36,905	39,405	42,076	45,023	—
Free cash flow	13,130	15,486	16,873	18,490	18,032	28,117	30,401	32,833	35,425	38,189	35,731	590,018
PV of free cash flow	13,094	13,236	13,328	13,502	12,172	17,545	17,533	17,504	17,458	17,398	15,044	248,424

Risk-free rate (%)	2.5
Market risk premium (%)	8.0
Beta	0.7
WACC (%)	8.2
Terminal growth (%)	2.0
Enterprise value -	416,239
add investments	
Net debt (end-2025F)	1,605
Minority interest	4,441
Equity value	410,192
# of shares (m)	15,892
Equity value/share (Bt)	**26.00**

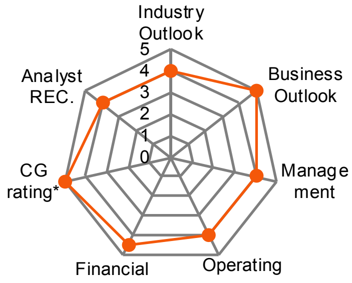
Sources: Company data, Thanachart estimates

COMPANY DESCRIPTION

Bangkok Dusit Medical Services Pcl (BDMS) was founded in 1969 and opened its first private hospital, Bangkok Hospital, in 1972. It is now Thailand's largest private hospital operator by patient service revenue and market capitalization. Its main focus is Bangkok and various high-growth markets nationwide.

Source: Thanachart

COMPANY RATING



Rating Scale	
Excellent	**5**
Good	**4**
Fair	**3**
Weak	**2**
Very Weak	**1**
None	**0**

Source: Thanachart; * CG Rating

THANACHART'S SWOT ANALYSIS

S — Strength

- As BDMS runs 58 hospitals nationwide (including Phyathai and Paolo groups) and two in Cambodia, its revenue is diversified against any particular risk in one location.
- A strong balance sheet enhances BDMS's expansion and acquisition ability.

W — Weakness

- Since depreciation expenses make up about 6% of its 2024 revenues, BDMS's earnings are sensitive to changes in revenue and economic conditions.

O — Opportunity

- Rising incomes make it more affordable for people to pay for better-quality healthcare services at private hospitals.
- More complex medical treatments due to the aging trend.
- Thailand is a value-for-money destination for medical tourism.
- Disease outbreaks.

T — Threat

- Aggressive pricing policies of direct regional rivals such as hospitals in Singapore, Malaysia and India.
- Slowdown in the economy.
- Political and regulatory risks.
- Natural disasters and disease outbreaks.

CONSENSUS COMPARISON

	Consensus	Thanachart	Diff
Target price (Bt)	27.57	26.00	-6%
Net profit 25F (Bt m)	16,399	16,622	1%
Net profit 26F (Bt m)	17,357	17,631	2%
Consensus REC	**BUY: 26**	**HOLD: 5**	**SELL: 0**

HOW ARE WE DIFFERENT FROM THE STREET?

- Our earnings forecasts are slightly higher than the Street's, but our TP is somewhat lower, likely due to us having a more conservative view on international market uncertainty in the future.

Sources: Bloomberg consensus, Thanachart estimates

RISKS TO OUR INVESTMENT CASE

- BDMS's new hospitals may turn profitable more slowly than we currently expect if there is more intense competition from existing private healthcare operators or if there were to be newcomers to the healthcare market in Thailand. This is the key downside risk to our call.
- If the number of Thai and international patient flows were to be lower than our current expectations.
- If BDMS Wellness Clinic and BDMS Silver Wellness & Residence turn profitable slower than we currently anticipate.
- If the Adjusted Relative Weight (RW) under the Social Security Scheme drops, there could be downside risk to our earnings forecasts.

Source: Thanachart

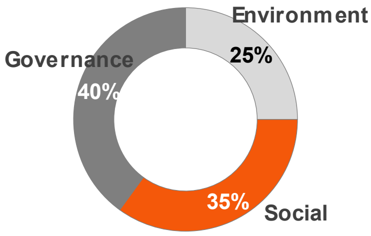
BDMS

Bangkok Dusit Medical Services Pcl.

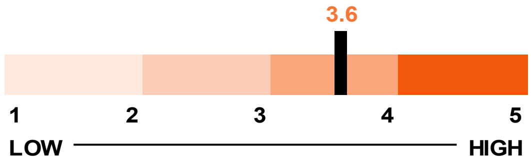
Sector: Services | Healthcare

ESG & Sustainability Report

ESG Weighting



Thanachart ESG Rating



	SET ESG Index	SET ESG (BBB-AAA)	DJSI Index	MSCI (CCC-AAA)	ESG Book (0-100)	Refinitiv (0-100)	S&P Global (0-100)	Moody's (0-100)	CG Rating (0-5)
BDMS	YES	AAA	YES	AA	-	53.66	82.0	34.0	5.0

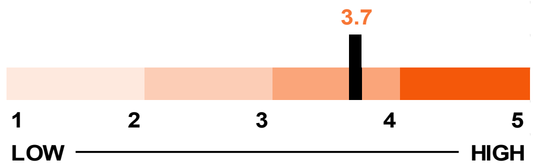
Sources: SETTRADE, SET ESG Index, SET ESG Rating, The Dow Jones Industrial Average (DJSI), MSCI ESG Research LLC, ESG Book, Refinitiv ESG Information, S&P Global Market Intelligence, Moody's ESG Solutions, Thai IOD (CG rating)
Note: Please see third party on “terms of use” toward the back of this report.

ESG Summary

- BDMS is the biggest hospital chain in Thailand, with a portfolio of 58 hospitals. We assign a strong ESG score of 3.6 to BDMS, placing it in the top 15 of our stock coverage universe and above the healthcare sector average of 3.1. We assign the highest score for Social, followed by Environment and Governance.
- BDMS has the highest ESG score in the healthcare sector. In our view, it is a strong ESG play, with a business model that is well aligned with ESG themes. We believe its clear targets and solid execution should enable BDMS to achieve net-zero emissions in a timely manner, in line with international standards and ahead of peers.
- BDMS's ESG profile is driven by a strong Social pillar, reflected in its extensive healthcare network, high patient safety and quality standards, and robust human rights practices. These strengths are embedded in its core business, supporting long-term competitiveness and resilience in the healthcare sector.
- What we like least is the Governance pillar, which remains the weakest aspect of BDMS's ESG profile. Limited board independence, low board diversity, and lingering concerns from past governance issues continue to weigh on governance quality, despite having established committees and a clear separation of roles.
- A recent investor concern for BDMS relates to continued share sales by the founder, Prasert Prasarttong-Osoth, even though the amounts sold are not significant. In our view, halting these sales or providing more transparent disclosure of the use of proceeds would help ease market concerns, potentially improve the company's governance perception and ESG rating, and support stronger share price performance.

We assign a high Environmental score of 3.7 to BDMS, supported by clear net-zero targets, renewable energy adoption, and third-party–verified emissions disclosures. However, rising Scope 3 emissions and resource use from business expansion remain key challenges to monitor.

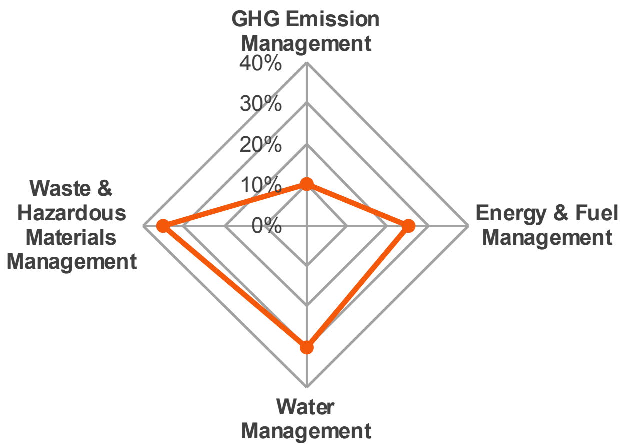
Thanachart Environment (E) Rating



ENVIRONMENT	Our Comments

- **GHG Emission Management**
- **Energy & Fuel Management**
- **Water Management**
- **Waste & Hazardous Materials Management**

SCALE WEIGHTING

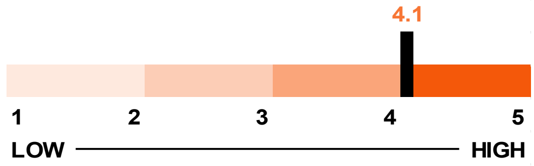


- We rate an Environmental (E) score for BDMS at a high level of 3.7, above its peers' average of 2.9, due to it having a clear plan for managing environmental issues. BDMS also has a clear target to achieve net-zero emissions by 2050. Emissions are measured across Scopes 1-3, with third-party verification.
- BDMS aims to cut Scope 1 and 2 greenhouse gas emissions by at least 30% by 2030 from a 2022 base, supported by its BDMS Green Healthcare framework, wider use of renewable energy, and externally verified emissions disclosures. We view the clear targets and strong transparency as positives versus peers, although the sharp rise in Scope 3 emissions from business expansion remains a key risk to monitor.
- BDMS targets a 15% increase in electricity consumption from renewable energy by 2030 from the 2022 base year. The firm has installed solar rooftop systems at 34 locations, with a total capacity of nearly 12.8MW. These projects help reduce electricity costs and cut greenhouse gas emissions. BDMS also enforces energy management practices across its hospital network and has received external recognition such as the MEA Energy Award. We like BDMS's proactive investment in renewable energy, as it delivers both cost savings and emissions reduction. This is a practical and scalable approach for hospitals, although renewable energy still accounts for a small portion of total electricity use.
- BDMS targets a 10% reduction in water withdrawal by 2030 from the 2022 base, supported by water risk assessments, wastewater treatment, and recycling measures such as reusing treated water for gardening. We view this focus positively, although total water withdrawal continues to rise with business growth, posing execution risk to the absolute reduction target.
- BDMS targets a 30% increase in non-hazardous waste recovery by 2030 and promotes a Zero Waste to Landfill vision, applying 5Rs (Reduce, Reuse, Recycle, Repair, Reject) principles. While the policy framework is strong, recent performance has weakened, with higher total waste and landfill disposal and lower recycling ratios, leaving outcomes behind ambition.

Sources: Thanachart, Company data

We assign the highest score to BDMS for the Social aspect at 4.1, supported by its extensive healthcare network, strong patient safety standards, and effective workforce and community engagement, which underpin high patient trust and long-term competitiveness.

Thanachart Social (S) Rating



SOCIAL

- **Human Rights & Community Relations**
- **Access & Affordability**
- **Customer Welfare**
- **Data Security & Customer Privacy**
- **Product Quality & Safety**
- **Fair Product Marketing & Labelling**
- **Operational Risk Management**
- **Health, Safety & Well-being**
- **Recruitment, Development & Retention**

SCALE WEIGHTING

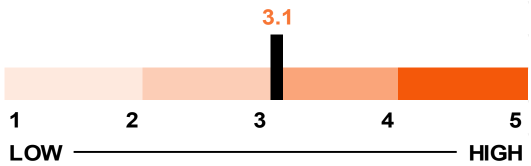
Our Comments

- We assign the highest Social (S) score of 4.1 to BDMS compared to its peers. This is due to BDMS's strong service network, with 58 campuses in Thailand and two in Cambodia, covering a well-diversified range of market segments. It also offers five digital healthcare platforms for customers to access.
- BDMS emphasizes product quality and patient safety through high operational standards and continuous staff training, with all hospitals accredited by JCI and/or HA/Advanced HA. This focus is reflected in strong patient trust, with 92.4% of patients continuing treatment with BDMS in 2023. We view this as a key social strength, reinforcing BDMS's reputation for clinical quality, patient safety, and long-term competitiveness in the healthcare sector.
- BDMS enforces a zero-tolerance approach to human rights, aligned with international standards and supported by due diligence across operations and supply chains. With no major violations reported, we view this as a strength that reduces legal and reputational risks.
- BDMS targets 4,500 healthcare access programs by 2030, delivering community health programs, preventive screenings, and large-scale BLS training across its network. We view this as a well-executed social contribution aligned with its core business and supportive of long-term trust.
- BDMS maintains consistently high patient satisfaction (90%+), supported by a structured CRM framework, regular feedback monitoring, and clear complaint and data privacy policies. We view this as a robust customer management system that supports service resilience amid rising competition and cost sensitivity.
- BDMS aims to minimize workplace accidents through strict safety standards and regular monitoring. With injury cases remaining low, we view its safety performance as solid and well managed.
- BDMS focuses on employee engagement and diversity, equality, and inclusion (DEI), targeting 85% participation by 2030 and supporting nearly 37,000 staff with welfare, training, and safety programs. Declining turnover and higher training investment are positives, although ongoing healthcare labor shortages require continued focus on employee well-being.

Sources: Thanachart, Company data

We assign a weaker Governance assessment to BDMS because limited board independence and legacy governance issues continue to weigh on its Governance score of 3.1, despite clear role separation, established board committees, and a strong, innovation-driven business model.

Thanachart Governance (G) Rating



GOVERNANCE & SUSTAINABILITY

- **Business Model and Innovation**
- **Leadership and Governance**
- **Board Structure**
- **Audit committee**
- **Renumeration**
- **Ethics & Compliance**
- **Risk Committee**

SCALE WEIGHTING

Our Comments

- We view Governance (G) as the weakest pillar in BDMS's ESG profile, reflecting shortcomings in board independence and lingering corporate governance concerns. BDMS has a governance score of 3.1, which is lower than its environmental and social scores. While we believe BDMS's aggressive expansion strategy supports medium- to long-term business sustainability, governance remains a relative weakness. This is partly due to insufficient board independence and a prior corporate governance issue related to stock price manipulation at Bangkok Airways in 2019, which continues to weigh on overall governance perception.
- We assign a high score to BDMS's business model and innovation because the company operates a resilient and scalable healthcare platform with a well-diversified hospital network that covers all market segments and offers a broad range of services. BDMS continuously enhances its value proposition through innovation in medical services, digital health solutions, and process improvements, supported by a strong culture of innovation and global collaboration. In addition, the BDMS Smart Healthcare framework, together with partnerships with startups and international partners, helps improve operational efficiency, patient experience, and long-term competitiveness. In our view, these strengths support sustainable earnings growth and reinforce BDMS's competitive positioning over the medium to long term.
- We assign a moderate score for BDMS's board structure. The board clearly separates policy-setting and oversight roles from day-to-day management. However, in our view, the board structure is not ideal from a governance best-practice perspective. While BDMS has an independent chairman, only six out of 15 directors are independent, which is below the commonly preferred two-thirds ratio. Board diversity is also limited, with two female directors, indicating scope for improvement in independence and diversity.
- BDMS has all key board sub-committees – Audit, Nomination and Remuneration, and Risk Management – with clear mandates and regular oversight of financial, compliance, and risk matters. We view this as a governance strength, although stronger overall board independence would further enhance their effectiveness.

Sources: Thanachart, Company data

Thai and international patients drive revenue in 2025-27F

INCOME STATEMENT

FY ending Dec (Bt m)	2023A	2024A	2025F	2026F	2027F
Sales	97,077	103,675	107,759	114,048	121,018
Cost of sales	63,412	68,071	70,636	74,587	79,025
Gross profit	**33,665**	**35,604**	**37,123**	**39,461**	**41,993**
% gross margin	34.7%	34.3%	34.5%	34.6%	34.7%
Selling & administration expenses	19,806	20,828	21,379	22,513	23,768
Operating profit	**13,859**	**14,776**	**15,744**	**16,947**	**18,225**
% operating margin	14.3%	14.3%	14.6%	14.9%	15.1%
Depreciation & amortization	5,848	6,132	6,846	7,129	7,370
EBITDA	**19,707**	**20,908**	**22,590**	**24,077**	**25,595**
% EBITDA margin	20.3%	20.2%	21.0%	21.1%	21.2%
Non-operating income	5,250	5,913	5,585	5,900	6,253
Non-operating expenses	0	0	0	0	0
Interest expense	(547)	(433)	(351)	(341)	(315)
Pre-tax profit	**18,563**	**20,255**	**20,977**	**22,507**	**24,163**
Income tax	3,772	3,792	3,893	4,389	4,760
After-tax profit	**14,791**	**16,463**	**17,084**	**18,118**	**19,403**
% net margin	15.2%	15.9%	15.9%	15.9%	16.0%
Shares in affiliates' Earnings	89	76	89	96	104
Minority interests	(523)	(552)	(551)	(583)	(619)
Extraordinary items	0	0	0	0	0
NET PROFIT	**14,358**	**15,987**	**16,622**	**17,631**	**18,888**
Normalized profit	**14,358**	**15,987**	**16,622**	**17,631**	**18,888**
EPS (Bt)	0.9	1.0	1.0	1.1	1.2
Normalized EPS (Bt)	0.9	1.0	1.0	1.1	1.2

More new projects look set to enter its portfolio in 2025-27

BALANCE SHEET

FY ending Dec (Bt m)	2023A	2024A	2025F	2026F	2027F
ASSETS:					
Current assets:	23,545	23,659	22,959	23,806	24,746
Cash & cash equivalent	9,467	8,690	8,317	8,317	8,317
Account receivables	11,558	12,246	11,809	12,498	13,262
Inventories	2,420	2,603	2,709	2,861	3,031
Others	101	120	124	129	136
Investments & loans	2,108	2,464	2,464	2,464	2,464
Net fixed assets	87,025	93,849	100,068	105,998	110,877
Other assets	31,113	31,542	32,409	33,107	33,835
Total assets	**143,792**	**151,514**	**157,900**	**165,375**	**171,922**
LIABILITIES:					
Current liabilities:	18,433	22,014	21,701	22,767	23,319
Account payables	6,901	8,113	6,773	7,152	7,578
Bank overdraft & ST loans	0	2,500	2,481	2,605	2,310
Current LT debt	2,500	2,000	1,860	1,954	1,732
Others current liabilities	9,032	9,400	10,587	11,056	11,698
Total LT debt	**7,999**	**5,999**	**5,581**	**5,861**	**5,197**
Others LT liabilities	18,269	19,575	21,711	22,470	23,317
Total liabilities	**44,701**	**47,588**	**48,993**	**51,099**	**51,834**
Minority interest	3,649	3,890	4,441	5,024	5,643
Preferreds shares	0	0	0	0	0
Paid-up capital	1,589	1,589	1,589	1,589	1,589
Share premium	30,166	30,166	30,166	30,166	30,166
Warrants	0	0	0	0	0
Surplus	11,512	11,803	11,803	11,803	11,803
Retained earnings	**52,175**	**56,479**	**60,908**	**65,694**	**70,887**
Shareholders' equity	95,442	100,037	104,466	109,252	114,445
Liabilities & equity	**143,792**	**151,514**	**157,900**	**165,375**	**171,922**

Sources: Company data, Thanachart estimates

Sustainable cash inflow stream

CASH FLOW STATEMENT

FY ending Dec (Bt m)	2023A	2024A	2025F	2026F	2027F
Earnings before tax	18,563	20,255	20,977	22,507	24,163
Tax paid	(3,640)	(3,951)	(3,697)	(4,367)	(4,620)
Depreciation & amortization	5,848	6,132	6,846	7,129	7,370
Chg In w orking capital	(557)	340	(1,009)	(462)	(509)
Chg In other CA & CL / minorities	(582)	270	1,076	538	599
Cash flow from operations	**19,632**	**23,046**	**24,193**	**25,345**	**27,004**
Capex	(10,610)	(12,513)	(12,592)	(12,592)	(11,792)
Right of use	(1,012)	(364)	(500)	(500)	(500)
ST loans & investments	(12)	3	0	0	0
LT loans & investments	(127)	(356)	0	0	0
Adj for asset revaluation	1,338	291	0	0	0
Chg In other assets & liabilities	951	799	1,296	94	162
Cash flow from investments	**(9,472)**	**(12,141)**	**(11,796)**	**(12,998)**	**(12,130)**
Debt financing	(5,531)	1	(577)	497	(1,180)
Capital increase	0	0	0	0	0
Dividends paid	(10,343)	(11,119)	(12,193)	(12,845)	(13,695)
Warrants & other surplus	210	(564)	0	0	0
Cash flow from financing	**(15,664)**	**(11,682)**	**(12,770)**	**(12,348)**	**(14,874)**
Free cash flow	**9,022**	**10,533**	**11,601**	**12,754**	**15,213**

Inexpensive valuation, in our view

VALUATION

FY ending Dec	2023A	2024A	2025F	2026F	2027F
Normalized PE (x)	21.5	19.3	18.5	17.5	16.3
Normalized PE - at target price (x)	28.8	25.8	24.9	23.4	21.9
PE (x)	21.5	19.3	18.5	17.5	16.3
PE - at target price (x)	28.8	25.8	24.9	23.4	21.9
EV/EBITDA (x)	15.7	14.8	13.7	12.9	12.1
EV/EBITDA - at target price (x)	21.0	19.8	18.4	17.2	16.2
P/BV (x)	3.2	3.1	3.0	2.8	2.7
P/BV - at target price (x)	4.3	4.1	4.0	3.8	3.6
P/CFO (x)	15.7	13.4	12.7	12.2	11.4
Price/sales (x)	3.2	3.0	2.9	2.7	2.5
Dividend yield (%)	3.6	3.9	4.0	4.3	4.6
FCF Yield (%)	2.9	3.4	3.8	4.1	4.9
(Bt)					
Normalized EPS	0.9	1.0	1.0	1.1	1.2
EPS	0.9	1.0	1.0	1.1	1.2
DPS	0.7	0.8	0.8	0.8	0.9
BV/share	6.0	6.3	6.6	6.9	7.2
CFO/share	1.2	1.5	1.5	1.6	1.7
FCF/share	0.6	0.7	0.7	0.8	1.0

Sources: Company data, Thanachart estimates

Sustainable EPS growth in 2025-27F

FINANCIAL RATIOS

FY ending Dec	2023A	2024A	2025F	2026F	2027F
Growth Rate					
Sales (%)	9.6	6.8	3.9	5.8	6.1
Net profit (%)	13.9	11.3	4.0	6.1	7.1
EPS (%)	13.9	11.3	4.0	6.1	7.1
Normalized profit (%)	13.9	11.3	4.0	6.1	7.1
Normalized EPS (%)	13.9	11.3	4.0	6.1	7.1
Dividend payout ratio (%)	77.5	74.6	75.0	75.0	75.0
Operating performance					
Gross margin (%)	34.7	34.3	34.5	34.6	34.7
Operating margin (%)	14.3	14.3	14.6	14.9	15.1
EBITDA margin (%)	20.3	20.2	21.0	21.1	21.2
Net margin (%)	15.2	15.9	15.9	15.9	16.0
D/E (incl. minor) (x)	0.1	0.1	0.1	0.1	0.1
Net D/E (incl. minor) (x)	0.0	0.0	0.0	0.0	0.0
Interest coverage - EBIT (x)	25.4	34.1	44.8	49.7	57.9
Interest coverage - EBITDA (x)	36.1	48.2	64.3	70.6	81.3
ROA - using norm profit (%)	10.1	10.8	10.7	10.9	11.2
ROE - using norm profit (%)	15.5	16.4	16.3	16.5	16.9
DuPont					
ROE - using after tax profit (%)	16.0	16.8	16.7	17.0	17.3
- asset turnover (x)	0.7	0.7	0.7	0.7	0.7
- operating margin (%)	19.7	20.0	19.8	20.0	20.2
- leverage (x)	1.5	1.5	1.5	1.5	1.5
- interest burden (%)	97.1	97.9	98.4	98.5	98.7
- tax burden (%)	79.7	81.3	81.4	80.5	80.3
WACC (%)	8.2	8.2	8.2	8.2	8.2
ROIC (%)	12.1	12.4	12.6	12.9	13.1
NOPAT (Bt m)	11,043	12,010	12,822	13,643	14,635
invested capital (Bt m)	96,474	101,846	106,071	111,354	115,368

Sources: Company data, Thanachart estimates

SELL (From: HOLD)

Change in Recommendation

TP: Bt 136.00 (From: Bt 187.00)

Downside : 12.0%

9 JANUARY 2026

Bumrungrad Hospital Pcl (BH TB)

Muted growth outlook

SIRIPORN ARUNOTHAI

662-779-9119

siriporn.aru@thanachartsec.co.th

We downgrade BH to SELL due to its flat EPS growth outlook of 2.4% p.a. over 2026-28F, dragged by the new Phuket campus's loss in its early years of operation and uncertainty over its Middle East patient flows. Trading at 17.1x PE in 2026F, we view BH as expensive.

Thanachart Securities

Expensive in our view; downgrading to SELL

This report is part of our Healthcare Sector report – ***Mediocre outlook,*** dated 9 January 2026. We downgrade BH to SELL from Hold. ***First***, we estimate weak EPS growth of only 2.4% p.a. over 2026-28F, dragged by loss contributions in the early years from its new 212-bed Phuket campus (opening in 1H27) and three new buildings (opening in 2027) at its Bangkok campus. ***Second,*** there is growing uncertainty about Middle Eastern patient flows due to the region's government cost-control policies and intensifying competition. Middle East patients accounted for 23% of total revenue in 9M25. ***Third***, BH looks expensive to us, trading at 17.1x 2026F PE against its weak EPS growth. Due to the higher risk to foreign patient flows, we trim our earnings by 1-3% in 2026-28F and by 8% p.a. afterward. Factoring in the in-the-money convertible bond, our DCF-based 12-month TP (2026F base year) falls to Bt136 from Bt187.

Higher risk for foreign patients

BH's foreign patient revenue has become increasingly volatile over the past two years, particularly for patients from the Middle East. Foreign patients accounted for 65% of total revenue in 9M25, and Middle Eastern patients accounted for 23%. Foreign patient revenue fell y-y during 3Q24-2Q25 and recovered 3.5% y-y in the latest quarter in 3Q25, driven by rising revenue intensity. Concerns are governments' funding, particularly during periods of weak oil prices, and rising competition from Praram 9 Hospital (PR9 TB, Bt18.40, BUY), MedPark Hospital, and others, which target their foreign patient flows more.

Pressure from new capacity

BH's new hospital in Phuket is scheduled to open in 1H27. The company also plans to open three new buildings in 2027: a 59-bed building and another building (for other healthcare services and clinics) on Soi 1, and the BI Annex building (Oncology Center), adjacent to its main campus. We expect rising expenses for the three new buildings and losses for the new Phuket campus in its early years of operation.

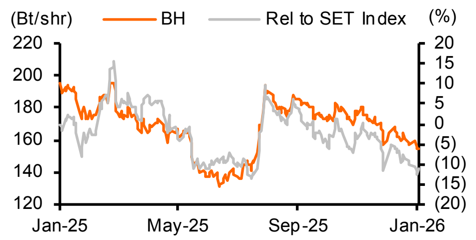
Most profitable but falling ROE trend

Although BH remains the most profitable firm in the Thai healthcare sector, with a projected 2026F ROE of 23.8% vs. the peer average of 14.4%, we expect its ROE to continue to decline. This will likely be driven by rising expenses from capacity expansion and losses from the new Phuket hospital in its early years of operation. We also expect the new hospital to generate lower margins than the existing campus due to its lower intensity. As a result, we estimate BH's ROE to decline to 20.4% by 2028F.

COMPANY VALUATION

Y/E Dec (Bt m)	2024A	2025F	2026F	2027F
Sales	25,634	25,237	25,905	27,348
Net profit	7,775	7,625	7,817	7,850
Consensus NP	—	7,538	7,755	7,917
Diff frm cons (%)	—	*1.2*	*0.8*	*(0.8)*
Norm profit	7,797	7,627	7,817	7,850
Prev. Norm profit	—	7,627	7,870	7,978
Chg frm prev (%)	—	*0.0*	*(0.7)*	*(1.6)*
Norm EPS (Bt)	9.0	8.8	9.0	9.1
Norm EPS grw (%)	11.7	(2.2)	2.5	0.3
Norm PE (x)	17.1	17.5	17.1	17.0
EV/EBITDA (x)	12.1	12.3	11.8	11.4
P/BV (x)	4.9	4.3	3.9	3.5
Div yield (%)	3.0	3.1	3.2	3.2
ROE (%)	30.4	26.1	23.8	21.5
Net D/E (%)	(43.5)	(38.4)	(34.1)	(40.3)

PRICE PERFORMANCE



COMPANY INFORMATION

Price *as of* 8-Jan-26 (Bt)	154.50
Market Cap (US$ m)	3,897.3
Listed Shares (m shares)	795.0
Free Float (%)	72.0
Avg Daily Turnover (US$ m)	21.3
12M Price H/L (Bt)	195.50/131.50
Sector	Health Care
Major Shareholder	Sophonpanich family ~35%

Sources: Bloomberg, Company data, Thanachart estimates

ESG Summary Report P45

Ex 1: Changes In Our Key Assumptions And Earnings Revisions

	2023	2024	2025F	2026F	2027F	2028F
Total revenue (Bt m)						
- New	25,296	25,634	25,237	25,905	27,348	28,582
- Old			25,237	26,073	27,785	29,361
- Change (%)			—	*(0.6)*	*(1.6)*	*(2.7)*
Average gross margin (%)						
- New	49.0	51.2	51.9	52.1	50.1	49.7
- Old			51.9	52.1	50.1	49.7
- Change (ppt)			—	—	*(0.0)*	*(0.0)*
SG&A to sales (%)						
- New	16.5	16.3	16.8	16.7	16.8	16.5
- Old			16.8	16.7	16.8	16.5
- Change (ppt)			-	-	*0.0*	*0.0*
Normalized profit (Bt m)						
- New	6,978	7,797	7,627	7,817	7,850	8,196
- Old			7,627	7,870	7,978	8,428
- Change (%)			—	*(0.7)*	*(1.6)*	*(2.8)*

Sources: Company data, Thanachart estimates

Ex 2: 12-month DCF-based TP Calculation, Using A Base Year Of 2026F

(Bt m)	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F	2036F	Terminal Value
EBITDA excl. depre from right of use	10,286	10,342	10,800	11,245	11,718	12,201	12,699	13,190	13,648	14,136	14,699	—
Free cash flow	3,871	7,615	8,674	9,058	9,445	9,845	10,249	10,648	11,022	11,416	8,482	122,194
PV of free cash flow	3,861	6,402	6,684	6,398	6,116	5,844	5,576	5,311	5,040	4,786	3,259	46,951

Risk-free rate (%)	2.5
Market risk premium (%)	8.0
Beta	0.8
WACC (%)	9.1
Terminal growth (%)	2.0
Enterprise value - add investments	106,228
Net debt (end-2025F)	(12,041)
Minority interest	368
Equity value	117,902
# of shares (m) *	867
Equity value/share (Bt)	**136.0**

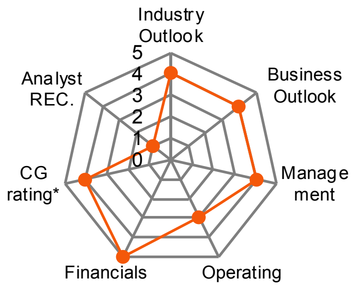
Sources: Company data, Thanachart estimates
Note: * We factor in its in-the-money convertible debenture in our model

COMPANY DESCRIPTION

Bumrungrad Hospital Pcl (BH) operates a private business in Bangkok with a full capacity of 546 beds and more than 5,500 outpatients daily. It is one of the leading healthcare providers in Thailand and Southeast Asia, offering a complete range of healthcare services. BH is expanding and upgrading its flagship Bangkok facilities to cater to the increasing demand for private health care.

Source: Thanachart

COMPANY RATING



Rating Scale	
Excellent	**5**
Good	**4**
Fair	**3**
Weak	**2**
Very Weak	**1**
None	**0**

Source: Thanachart; * CG Rating

THANACHART'S SWOT ANALYSIS

S — Strength

- Strong brand with a good international reputation.
- High-quality and complex medical treatments with good service, in our view.
- Patient base comprises the high-affordability group, which is less price sensitive.

W — Weakness

- Client base is not well diversified.

O — Opportunity

- Rising incomes should boost people's affordability in paying for better-quality healthcare services.
- An aging population will require more complex medical treatments.
- The ASEAN Economic Community's launch.

T — Threat

- Rising competition from regional peers such as Singapore, Malaysia, and India.
- Policy and regulatory risks.
- COVID-19 outbreak risks.

CONSENSUS COMPARISON

	Consensus	Thanachart	Diff
Target price (Bt)	209.86	136.00	-35%
Net profit 25F (Bt m)	7,538	7,625	1%
Net profit 26F (Bt m)	7,755	7,817	1%
Consensus REC	**BUY: 20**	**HOLD: 7**	**SELL: 0**

HOW ARE WE DIFFERENT FROM THE STREET?

- Our DCF-based TP is well below the Street's, likely reflecting our more conservative view on BH's capacity expansion and its new hospital in Phuket scheduled to open in 2027. We also assume bondholders will convert the convertible debentures in 2027F, as they are in the money.

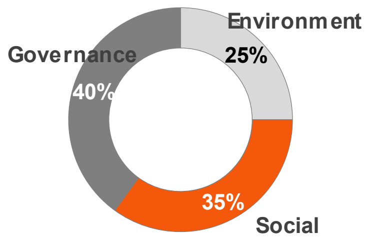
Sources: Bloomberg consensus, Thanachart estimates

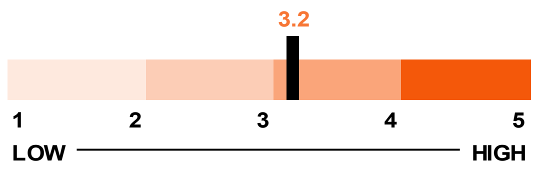
RISKS TO OUR INVESTMENT CASE

- If the number of Thai and international patients were to come in above our current expectations, this would represent the key upside risk to our call.
- If BH's billing size and margins were to be higher than our current assumptions, this would represent a secondary upside risk.
- If there is less competition from existing private healthcare operators and/or newcomers to the Thai healthcare market, this would represent a upside risk to our earnings.

Source: Thanachart

ESG & Sustainability Report





	SET ESG Index	SET ESG (BBB-AAA)	DJSI Index	MSCI (CCC-AAA)	ESG Book (0-100)	Refinitiv (0-100)	S&P Global (0-100)	Moody's (0-100)	CG Rating (0-5)
BH	YES	-	-	A	-	60.82	31.00	29.0	5.0

Sources: SETTRADE, SET ESG Index, SET ESG Rating, The Dow Jones Industrial Average (DJSI), MSCI ESG Research LLC, ESG Book, Refinitiv ESG Information, S&P Global Market Intelligence, Moody's ESG Solutions, Thai IOD (CG rating)
Note: Please see third party on “terms of use” toward the back of this report.

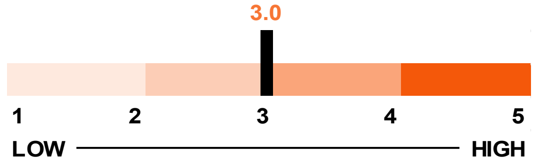
ESG Summary

- BH is a one-campus, high-end hospital in the center of Bangkok. The company’s business nature doesn’t produce much greenhouse gas. Our ESG score for BH is 3.2, which is decent and slightly above the sector average of 3.1. We assign the highest score for Social, followed by Environment and Governance.
- BH is a decent ESG stock within a Social-driven ESG strategy. It may not score the highest across all ESG pillars, but compared with many stocks, BH offers credible, monetizable ESG strengths that directly support long-term earnings, brand power, and downside protection. For ESG portfolios that value quality, resilience, and real social outcomes, we believe BH remains an attractive choice.
- BH’s patient-centric model and high operational standards are key competitive advantages. High trust, data protection, and satisfaction, alongside strong labor practices, training, safety, and DEIB, are embedded in daily operations and directly reinforce pricing power and long-term competitiveness.
- Environmental performance remains BH’s primary ESG weakness. Despite a clear long-term climate strategy, near-term outcomes are mixed, with higher waste intensity, low recycling rates, and weaker water efficiency, indicating execution gaps and scope for improvement.
- Weak areas under the Governance and Sustainability angle are a weak board structure and its high reliance on international patients (65% of 9M25 revenue). Uncertainty around Middle Eastern cost-control policies and intensifying competition may pressure patient flows, highlighting risks across the Social and Governance pillars.

Sector: Services | Healthcare

We assign BH a decent Environment score of 3.0, slightly above peers, supported by a clear long-term climate strategy and improving energy efficiency, but constrained by weak water and waste management outcomes.

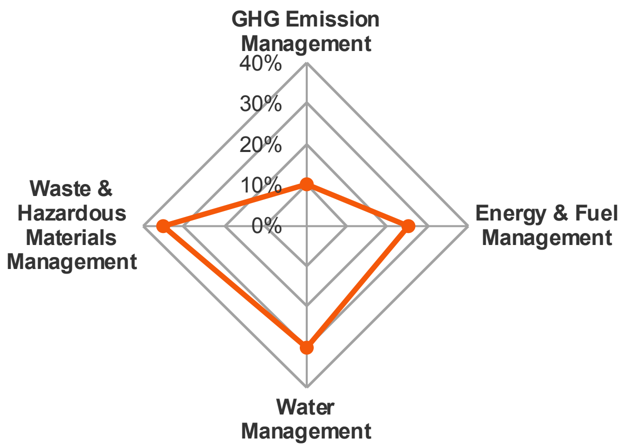
Thanachart Environment (E) Rating



ENVIRONMENT

- **GHG Emission Management**
- **Energy & Fuel Management**
- **Water Management**
- **Waste & Hazardous Materials Management**

SCALE WEIGHTING



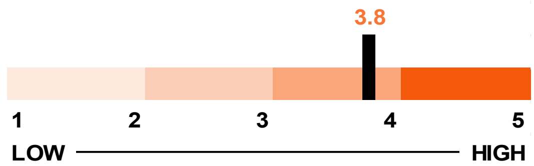
Our Comments

- We assign BH an Environment (E) score of 3.0, which is slightly above its peer average of 2.9.
- BH has a clear climate framework with a long-term net-zero GHG target by 2065, aligned with Thailand's goals. It discloses externally verified Scope 1–3 emissions under TGO standards and has implemented digitalization and employee engagement initiatives. In 2024, GHG emissions intensity per revenue fell 0.1% from the 2023 base, while absolute emissions rose with higher activity. We view the strategy as directionally sound, but near-term progress is modest, and clearer interim targets would strengthen credibility.
- BH targets a reduction in energy consumption per revenue of over 5% by 2027 versus the 2023 base. Actions include energy-saving campaigns, efficiency upgrades, and its first rooftop solar installation under a PPA, currently offsetting around 2% of electricity use in one building. In 2024, energy consumption per revenue fell 1.2%. We view this positively, though renewable usage remains limited relative to BH's scale.
- BH aims to reduce water consumption per revenue by more than 5% by 2027 and has implemented water efficiency measures such as pressure reduction, HVAC system redesign, and regular monitoring of water infrastructure. The hospital operates its own wastewater treatment plants, with 100% of wastewater treated and monitored to meet regulatory standards. Despite these controls, water consumption per revenue increased by 4.2% in 2024, mainly due to higher service intensity and patient volumes. In our view, BH demonstrates strong compliance and risk management in wastewater treatment, but improving water-use efficiency remains a challenge as operational activity continues to grow.
- BH targets a reduction in waste generated per revenue of over 5% by 2027 and follows JCI-aligned segregation and disposal standards. However, in 2024, waste per revenue rose 16.2% and the recycling rate fell to around 5% of total waste. We view waste management as BH's weakest environmental area, with outcomes lagging despite strong compliance standards.

Sources: Thanachart, Company data

We assign BH a good Social score of 3.8, slightly above peers, supported by its strong brand, high service quality, and patient trust. The score is reinforced by robust labor practices, employee development, and high engagement, supporting long-term resilience.

Thanachart Social (S) Rating



SOCIAL

- **Human Rights & Community Relations**
- **Access & Affordability**
- **Customer Welfare**
- **Data Security & Customer Privacy**
- **Product Quality & Safety**
- **Fair Product Marketing & Labelling**
- **Operational Risk Management**
- **Health, Safety & Well-being**
- **Recruitment, Development & Retention**

SCALE WEIGHTING

Our Comments

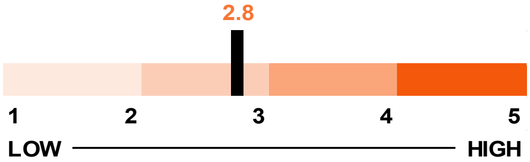
- We assign BH a Social (S) score of 3.8, which is slightly above its peer average of 3.6, despite it being a single hospital. This high score reflects BH's strong brand recognition in both the Thai and international markets. BH ranks among the top three private hospitals in Thailand, known for its exceptional service quality and high standards. The hospital employs modern technology to treat complex and critical conditions, offering patient-centric care. It has also received multiple quality accreditations, including Hospital Accreditation (HA), Joint Commission International (JCI), Global Healthcare Accreditation (GHA), and certification from the College of American Pathologists (CAP).
- BH targets high patient satisfaction and strong protection of patient data and consumer rights. The hospital applies strict data privacy rules, responsible marketing practices, and regularly collects and reviews patient feedback. In 2024, patient satisfaction scores exceeded the company's target. We believe BH's strong focus on patient trust, safety, and service quality is a key social strength that supports the "Bumrungrad" brand and its position as a leading international healthcare provider.
- BH sets clear goals for fair, non-discriminatory employment and complies with labor and human rights standards, with no major violations reported. We view these well-embedded practices as supporting workforce stability and reducing social and operational risks.
- The company also targets equal employment opportunities and employee engagement rates above 65%, while supporting diversity across gender, age, and abilities. BH applies DEIB principles throughout the employee lifecycle and encourages employee participation through internal committees and feedback channels. In our opinion, this inclusive culture helps improve employee morale and retention, supporting long-term operational resilience.
- BH aims to maintain zero lost-time injuries, keep employee turnover below 12%, and provide at least 40 training hours per employee each year. In 2024, the company exceeded its training target, recorded zero lost-time injuries, and maintained a relatively low turnover rate. We see this as a positive sign of BH's strong focus on employee skills, safety, and engagement, which are essential for a labor-intensive healthcare business.

Sources: Thanachart, Company data

Sector: Services | Healthcare

We assign BH a moderate Governance score of 2.8, in line with the sector average, supported by strong ethics and compliance, but with a weak board structure. We also assign a high score to BH's business model and innovation, reflecting its premium care focus and advanced medical capabilities.

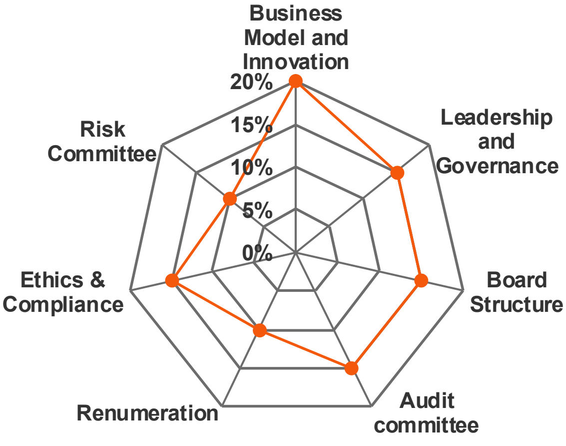
Thanachart Governance (G) Rating



GOVERNANCE & SUSTAINABILITY

- **Business Model and Innovation**
- **Leadership and Governance**
- **Board Structure**
- **Audit committee**
- **Renumeration**
- **Ethics & Compliance**
- **Risk Committee**

SCALE WEIGHTING



Our Comments

- Although the company does not have an ideal board structure and does not have a risk committee, we assign it a moderate Governance (G) score of 2.8, in line with the sector average, because BH does not have any corporate governance issues.
- We assign a high score for business model and innovation. BH operates a premium, tertiary-care hospital business model focused on complex and high-value medical treatments for both Thai and international patients. This model is reinforced by strong investments in innovation and advanced medical technology. These capabilities enhance clinical depth, support premium pricing, and differentiate BH from peers. In our view, effective board oversight of innovation and technology investment further strengthens BH's strategic positioning and reinforces its premium brand, while supporting long-term competitiveness, provided that capital allocation remains disciplined.
- We assign a relatively low score to BH's board structure. The chairman is not independent, and only five of 12 directors are independent, below the two-thirds best-practice level, although there are four female directors. In our view, limited board independence remains a governance weakness, and a higher proportion of independent directors would strengthen oversight and investor confidence.
- BH has established key board committees, including an audit committee and a remuneration committee, to support financial oversight and executive compensation governance. However, the company does not have a dedicated risk management committee at the board level, with risk oversight handled through existing structures. We thus give a low score for the company's board committee. In our opinion, while current arrangements meet basic governance requirements, the absence of a standalone risk committee is a gap, particularly given the complexity and regulatory intensity of the healthcare business.
- BH targets high standards of ethics, transparency, and compliance, with zero tolerance for misconduct and a clear code of conduct. We view its compliance discipline and transparent reporting as strengths that reduce regulatory and reputational risks.

Sources: Thanachart, Company data

Slow growth in Thai and international cash patients in 2026-27F

New capacity due to enter in 2027

INCOME STATEMENT

FY ending Dec (Bt m)	2023A	2024A	2025F	2026F	2027F
Sales	25,296	25,634	25,237	25,905	27,348
Cost of sales	12,895	12,503	12,149	12,406	13,648
Gross profit	**12,401**	**13,131**	**13,088**	**13,499**	**13,700**
% gross margin	49.0%	51.2%	51.9%	52.1%	50.1%
Selling & administration expenses	4,180	4,171	4,247	4,334	4,590
Operating profit	**8,221**	**8,960**	**8,841**	**9,165**	**9,110**
% operating margin	32.5%	35.0%	35.0%	35.4%	33.3%
Depreciation & amortization	1,097	1,113	1,065	1,134	1,244
EBITDA	**9,318**	**10,073**	**9,906**	**10,299**	**10,354**
% EBITDA margin	36.8%	39.3%	39.3%	39.8%	37.9%
Non-operating income	392	508	575	560	600
Non-operating expenses	0	0	0	0	0
Interest expense	(2)	(8)	(6)	(5)	(5)
Pre-tax profit	**8,610**	**9,459**	**9,409**	**9,720**	**9,705**
Income tax	1,583	1,604	1,726	1,847	1,795
After-tax profit	**7,028**	**7,855**	**7,683**	**7,873**	**7,909**
% net margin	27.8%	30.6%	30.4%	30.4%	28.9%
Shares in affiliates' Earnings	(1)	(0)	(1)	0	0
Minority interests	(49)	(57)	(55)	(56)	(60)
Extraordinary items	28	(23)	(2)	0	0
NET PROFIT	**7,006**	**7,775**	**7,625**	**7,817**	**7,850**
Normalized profit	**6,978**	**7,797**	**7,627**	**7,817**	**7,850**
EPS (Bt)	8.1	9.0	8.8	9.0	9.1
Normalized EPS (Bt)	8.1	9.0	8.8	9.0	9.1

BALANCE SHEET

FY ending Dec (Bt m)	2023A	2024A	2025F	2026F	2027F
ASSETS:					
Current assets:	15,685	16,732	16,830	16,844	20,913
Cash & cash equivalent	10,745	12,113	12,060	11,950	15,730
Account receivables	4,408	3,982	4,149	4,258	4,496
Inventories	362	356	346	353	389
Others	169	280	276	283	299
Investments & loans	13	130	130	130	130
Net fixed assets	12,302	12,632	13,581	17,402	17,429
Other assets	1,212	3,159	5,179	5,262	5,351
Total assets	**29,212**	**32,653**	**35,720**	**39,639**	**43,822**
LIABILITIES:					
Current liabilities:	4,184	3,827	3,348	3,629	3,843
Account payables	1,078	1,149	1,165	1,190	1,309
Bank overdraft & ST loans	0	0	0	0	0
Current LT debt	0	0	0	0	0
Others current liabilities	3,106	2,678	2,183	2,439	2,534
Total LT debt	**24**	**24**	**19**	**16**	**22**
Others LT liabilities	906	1,001	956	970	1,012
Total liabilities	**5,114**	**4,852**	**4,323**	**4,615**	**4,878**
Minority interest	297	313	368	425	484
Preferreds shares	1	1	1	1	1
Paid-up capital	795	795	795	795	867
Share premium	450	450	450	450	698
Warrants	0	0	0	0	0
Surplus	67	75	75	75	75
Retained earnings	**22,489**	**26,167**	**29,708**	**33,278**	**36,819**
Shareholders' equity	23,801	27,488	31,029	34,599	38,460
Liabilities & equity	**29,212**	**32,653**	**35,720**	**39,639**	**43,822**

Sources: Company data, Thanachart estimates

Strong cash inflow stream

CASH FLOW STATEMENT

FY ending Dec (Bt m)	2023A	2024A	2025F	2026F	2027F
Earnings before tax	8,610	9,459	9,409	9,720	9,705
Tax paid	(1,396)	(1,882)	(1,592)	(1,902)	(1,723)
Depreciation & amortization	1,097	1,113	1,065	1,134	1,244
Chg In w orking capital	(1,793)	503	(140)	(93)	(153)
Chg In other CA & CL / minorities	527	(302)	(626)	305	7
Cash flow from operations	**7,045**	**8,891**	**8,117**	**9,164**	**9,079**
Capex	(1,644)	(1,407)	(2,000)	(4,942)	(1,259)
Right of use	(53)	(79)	0	0	0
ST loans & investments	0	0	0	0	0
LT loans & investments	(12)	(117)	0	0	0
Adj for asset revaluation	0	0	0	0	0
Chg In other assets & liabilities	17	(1,810)	(2,079)	(82)	(58)
Cash flow from investments	**(1,692)**	**(3,412)**	**(4,079)**	**(5,024)**	**(1,317)**
Debt financing	28	(23)	(8)	(3)	7
Capital increase	0	0	0	0	320
Dividends paid	(2,938)	(4,101)	(4,084)	(4,247)	(4,308)
Warrants & other surplus	28	13	0	0	0
Cash flow from financing	**(2,883)**	**(4,111)**	**(4,092)**	**(4,249)**	**(3,982)**
Free cash flow	**5,400**	**7,484**	**6,117**	**4,222**	**7,820**

Expensive valuation, in our view

VALUATION

FY ending Dec	2023A	2024A	2025F	2026F	2027F
Normalized PE (x)	19.1	17.1	17.5	17.1	17.0
Normalized PE - at target price (x)	16.9	15.1	15.4	15.0	15.0
PE (x)	19.1	17.2	17.5	17.1	17.0
PE - at target price (x)	16.8	15.1	15.4	15.0	15.0
EV/EBITDA (x)	13.2	12.1	12.3	11.8	11.4
EV/EBITDA - at target price (x)	11.5	10.5	10.7	10.3	9.8
P/BV (x)	5.6	4.9	4.3	3.9	3.5
P/BV - at target price (x)	4.9	4.3	3.8	3.4	3.1
P/CFO (x)	19.0	15.0	16.5	14.6	14.7
Price/sales (x)	4.9	4.8	4.9	4.7	4.5
Dividend yield (%)	2.7	3.0	3.1	3.2	3.2
FCF Yield (%)	4.0	5.6	4.6	3.2	5.8
(Bt)					
Normalized EPS	8.1	9.0	8.8	9.0	9.1
EPS	8.1	9.0	8.8	9.0	9.1
DPS	4.1	4.6	4.9	5.0	5.0
BV/share	27.5	31.8	35.9	40.0	44.4
CFO/share	8.1	10.3	9.4	10.6	10.5
FCF/share	6.2	8.7	7.1	4.9	9.0

Sources: Company data, Thanachart estimates

Muted earnings growth in 2025-27F

FINANCIAL RATIOS

FY ending Dec	2023A	2024A	2025F	2026F	2027F
Growth Rate					
Sales (%)	22.5	1.3	(1.6)	2.6	5.6
Net profit (%)	41.9	11.0	(1.9)	2.5	0.4
EPS (%)	41.9	11.0	(1.9)	2.5	0.3
Normalized profit (%)	41.2	11.7	(2.2)	2.5	0.4
Normalized EPS (%)	41.2	11.7	(2.2)	2.5	0.3
Dividend payout ratio (%)	51.1	51.1	55.0	55.0	55.0
Operating performance					
Gross margin (%)	49.0	51.2	51.9	52.1	50.1
Operating margin (%)	32.5	35.0	35.0	35.4	33.3
EBITDA margin (%)	36.8	39.3	39.3	39.8	37.9
Net margin (%)	27.8	30.6	30.4	30.4	28.9
D/E (incl. minor) (x)	0.0	0.0	0.0	0.0	0.0
Net D/E (incl. minor) (x)	(0.4)	(0.4)	(0.4)	(0.3)	(0.4)
Interest coverage - EBIT (x)	na	na	na	na	na
Interest coverage - EBITDA (x)	na	na	na	na	na
ROA - using norm profit (%)	26.1	25.2	22.3	20.7	18.8
ROE - using norm profit (%)	32.1	30.4	26.1	23.8	21.5
DuPont					
ROE - using after tax profit (%)	32.3	30.6	26.3	24.0	21.7
- asset turnover (x)	0.9	0.8	0.7	0.7	0.7
- operating margin (%)	34.0	36.9	37.3	37.5	35.5
- leverage (x)	1.2	1.2	1.2	1.1	1.1
- interest burden (%)	100.0	99.9	99.9	99.9	100.0
- tax burden (%)	81.6	83.0	81.7	81.0	81.5
WACC (%)	9.1	9.1	9.1	9.1	9.1
ROIC (%)	58.6	56.9	46.9	39.1	32.8
NOPAT (Bt m)	6,710	7,441	7,219	7,424	7,424
invested capital (Bt m)	13,080	15,399	18,987	22,665	22,753

Sources: Company data, Thanachart estimates

BUY (Unchanged)

Change in Numbers

TP: Bt 1.90 (From: Bt 2.00)

Upside : 25.0%

9 JANUARY 2026

Small Cap Research

Chularat Hospital Pcl (CHG TB)

Earnings turnaround

We are a BUYer of CHG for its earnings turnaround of 9.5% p.a. over 2026-28F, following four consecutive years of decline from last year's trough. We see turnaround factors both from existing operations and lower losses from its new hospitals.

SIRIPORN ARUNOTHAI
662-779-9119
siriporn.aru@thanachartsec.co.th

Thanachart Securities

A turnaround story; BUY

This report is part of our Healthcare Sector report – ***Mediocre outlook,*** dated 9 January 2026. We maintain our BUY call on CHG, expecting earnings growth to resume at 10/9/10% in 2026-28F after four years of decline. Drivers include improving operations at existing hospitals, the weak Social Security Scheme (SSS) as the business reached its trough in 2025F, and its new Tak hospital. At 15.8x 2026F PE vs. 9.4% EPS growth p.a. in 2026-27F, we view CHG as inexpensive. We fine-tune our 2025-26F earnings estimates by -0.5%/+0.2% and raise our 2027F earnings by 6.4% due to a delay in the opening its new hospital in Rayong, which we now expect in late 2027 rather than early 2027. Our DCF-based 12-month TP (2026F base year) falls to Bt1.9 from Bt2.0 due to our higher beta assumption of 0.94.

Earnings growth resumption

We estimate CHG's earnings growth to resume at 10/9/10% in 2026-28, following -34/-62/-8/-1% in 2022-25, driven by revenue declines in 2022-23 and the negative impact from the SSS due to payment shortfalls and stricter rules on gastric sleeve surgery (GSS) in 2024-25. Earnings drivers for 2026-28F are 1) growing revenue from cash and SSS of 6/10/12% and 4/3/2% in 2026-28F, 2) operating margin improving from 14.6% in 2025 to 15.4/15.5/15.0% in 2026-28F, and 3) loss contribution from the new Chularat Mae Sot Hospital falling from Bt80m in 2024 to Bt44/13m in 2025-26F and a turn to a Bt8/22m profit in 2027-28F.

Improving SSS business

CHG experienced SSS payment shortfalls in 2023 and the SSO's stricter GSS rules in 2024, which resulted in falling GSS revenue. Historically, GSS in the SSS has generated c.3.5% of annual revenue. We believe the worst is over and forecast a new base below 1%. We expect GSS cases to increase in 2026 vs. 2025, though below historical levels. As for SSS in general, while reimbursement rates for high-cost care (RW≥2) remain uncertain in 2026, the higher Section 33 wage ceiling effective 1 January 2026 should reduce payment risk and support future rate hikes.

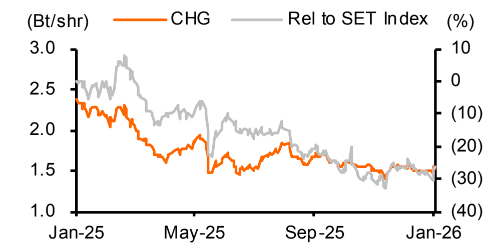
Less impact from new capacity

CHG opened Chularat Mae Sot Hospital in 2Q23, and its losses have since been declining. There are four new projects in the pipeline, but we do not expect three of them to contribute significant losses, as they are expansions of existing campuses: a five-floor OPD at Chularat 11 (1Q26), a 120-bed expansion at Chularat RPC (1Q26), and two new buildings with 100 beds and one car park building at Chularat 3 (2027). However, the 200-bed Chularat Rayong International Hospital (scheduled to open in late 2027) will likely incur losses in its early years of operation.

COMPANY VALUATION

Y/E Dec (Bt m)	2024A	2025F	2026F	2027F
Sales	8,237	8,218	8,642	9,290
Net profit	965	960	1,059	1,149
Consensus NP	—	1,006	1,116	1,199
Diff frm cons (%)	—	*(4.6)*	*(5.1)*	*(4.2)*
Norm profit	965	960	1,059	1,149
Prev. Norm profit	—	965	1,057	1,080
Chg frm prev (%)	—	*(0.5)*	*0.2*	*6.4*
Norm EPS (Bt)	0.1	0.1	0.1	0.1
Norm EPS grw (%)	(7.7)	(0.6)	10.3	8.5
Norm PE (x)	17.3	17.4	15.8	14.6
EV/EBITDA (x)	9.9	9.2	8.6	8.1
P/BV (x)	2.2	2.1	2.0	2.0
Div yield (%)	4.6	4.6	5.1	5.5
ROE (%)	12.7	12.3	13.2	13.8
Net D/E (%)	(14.4)	(11.4)	(7.9)	(7.3)

PRICE PERFORMANCE



COMPANY INFORMATION

Price *as of* 8-Jan-26 (Bt)	1.52
Market Cap (US$ m)	530.5
Listed Shares (m shares)	11,000.0
Free Float (%)	42.9
Avg Daily Turnover (US$ m)	0.7
12M Price H/L (Bt)	2.38/1.40
Sector	Health Care
Major Shareholder	Plussind Family 24.97%

Sources: Bloomberg, Company data, Thanachart estimates

ESG Summary Report P56

Ex 1: Changes In Our Key Assumptions And Earnings Revisions

	2023	2024	2025F	2026F	2027F	2028F
# of OPD patients (People)						
- New	1,136,700	1,173,433	1,211,588	1,251,201	1,306,852	1,413,465
- Old			1,207,216	1,241,331	1,326,928	1,408,604
- Change (%)			*0.4*	*0.8*	*(1.5)*	*0.3*
# of IPD patients (People)						
- New	91,461	94,572	94,809	97,045	106,062	116,335
- Old			96,466	98,734	108,876	118,323
- Change (%)			*(1.7)*	*(1.7)*	*(2.6)*	*(1.7)*
Revenue from cash patients (Bt m)						
- New	5,025	5,402	5,527	5,842	6,398	7,144
- Old			5,471	5,771	6,422	7,076
- Change (%)			*1.0*	*1.2*	*(0.4)*	*1.0*
Revenue from UC patients (Bt m)						
- New	244	343	366	384	404	424
- Old			399	419	440	462
- Change (%)			*(8.3)*	*(8.3)*	*(8.3)*	*(8.3)*
Revenue from SSS patients (Bt m)						
- New	2,461	2,491	2,325	2,415	2,488	2,550
- Old			2,407	2,512	2,600	2,663
- Change (%)			*(3.4)*	*(3.9)*	*(4.3)*	*(4.2)*
Gross profit (%)						
- New	27.2	26.3	28.4	29.0	28.8	28.2
- Old			28.6	29.0	27.6	28.3
- Change (ppt)			*(0.1)*	*(0.0)*	*1.2*	*(0.0)*
SG&A to sales (%)						
- New	13.0	13.7	13.8	13.6	13.4	13.2
- Old			13.9	13.7	13.5	13.3
- Change (ppt)			*(0.1)*	*(0.1)*	*(0.2)*	*(0.1)*
Normalized profit (Bt m)						
- New	1,046	965	960	1,059	1,149	1,259
- Old			965	1,057	1,080	1,257
- Change (%)			*(0.5)*	*0.2*	*6.4*	*0.2*

Sources: Company data, Thanachart estimates

Ex 2: 12-month DCF-based TP Calculation, Using A Base Year Of 2026F

(Bt m)	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F	2036F	Terminal Value
EBITDA excl. depre from right of use	1,843	1,976	2,092	2,269	2,435	2,600	2,760	2,925	3,101	3,282	3,480	—
Free cash flow	561	846	1,128	1,482	1,619	1,750	1,875	2,002	2,143	2,283	2,235	29,382
PV of free cash flow	560	702	853	1,021	1,016	1,001	977	950	927	899	802	10,543

Risk-free rate (%)	2.5
Market risk premium (%)	8.0
Beta	0.9
WACC (%)	9.8
Terminal growth (%)	2.0
Enterprise value	**20,251**
Net debt (end-2025F)	(956)
Minority interest	448
Equity value	20,758
# of shares (m)	11,000
Equity value / share (Bt)	**1.90**

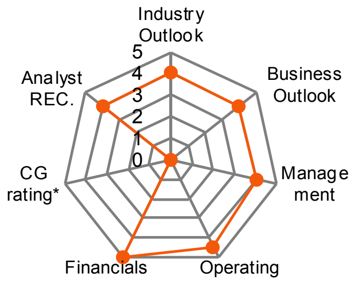
Sources: Company data, Thanachart estimates

COMPANY DESCRIPTION

Chularat Hospital Pcl (CHG) is a private hospital chain established in 1986 in the eastern region of Thailand, particularly in Samut Prakan and Chachoengsao provinces. The company operates 10 main hospitals and five clinics, providing medical treatment to cash and Social Security (SS) patients. Chularat Group offers expertise in hand and microsurgery, NICU, heart surgery, and stroke treatment.

Source: Thanachart

COMPANY RATING



Rating Scale	
Excellent	5
Good	4
Fair	3
Weak	2
Very Weak	1
None	0

Source: Thanachart; * No CG Rating

THANACHART'S SWOT ANALYSIS

S — Strength

- One of the big hospital chains in Thailand with significant experience and a reputable managed-care scheme brand.
- Hospitals in CHG's portfolio are in prime locations (communities, factories, and industrial estates).
- Owns a nursing assistant school that supplies professional nursing assistants for the group.

W — Weakness

- Limited patient-base diversification as CHG still mainly focuses on the low- to mid-tier and managed-care markets.

O — Opportunity

- Limited public healthcare supply in Thailand.
- Capacity expansion to support rising healthcare demand in the future.
- Ageing society mega-trend.
- Rising patient flows from neighbouring countries.
- Increasing COVID-19 infections.

T — Threat

- Growing importance of franchise names and big players such as Bangkok Dusit Medical Services (BDMS TB, Bt19.40, BUY), which have entered the mid-market segment.
- Regulatory risk.
- Increasing COVID-19 infections

CONSENSUS COMPARISON

	Consensus	Thanachart	Diff
Target price (Bt)	2.08	1.90	-9%
Net profit 25F (Bt m)	1,006	960	-5%
Net profit 26F (Bt m)	1,116	1,059	-5%
Consensus REC	**BUY: 15**	**HOLD: 1**	**SELL: 0**

HOW ARE WE DIFFERENT FROM THE STREET?

- Our earnings and TP are slightly below the Street's, likely attributable to us having a more conservative view on CHG's ability to increase prices and expand margins.

Sources: Bloomberg consensus, Thanachart estimates

RISKS TO OUR INVESTMENT CASE

- If CHG's strategy of boosting revenue from the cash-patient business turns out to be worse than we expect, this would present the key downside risk to our earnings forecasts.
- If the Adjusted Relative Weight (RW) under the SSS or Universal Coverage schemes falls, this would pose a secondary downside risk to our earnings forecasts.
- Given CHG's capacity expansion plans over the next few years, its new buildings may turn profitable more slowly than we currently expect, representing a third downside risk.
- If there is more competition from existing private healthcare operators and/or newcomers to the healthcare market in Thailand, this would represent a fourth downside risk.

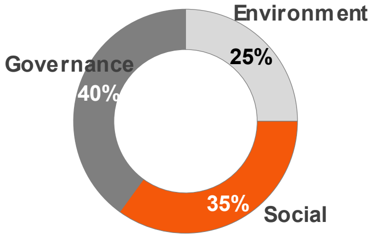
Source: Thanachart

CHG

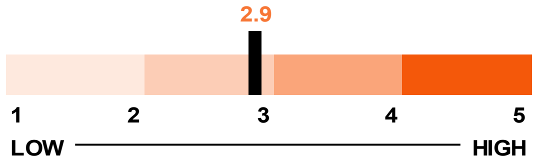
Chularat Hospital Public Co. Ltd.

Sector: Services | Healthcare

ESG Weighting



Thanachart ESG Rating



	SET ESG Index	SET ESG (BBB-AAA)	DJSI Index	MSCI (CCC-AAA)	ESG Book (0-100)	Refinitiv (0-100)	S&P Global (0-100)	Moody's (0-100)	CG Rating (0-5)
CHG	YES	-	-	BBB	-	67.89	36.00	-	5.0

Sources: SETTRADE, SET ESG Index, SET ESG Rating, The Dow Jones Industrial Average (DJSI), MSCI ESG Research LLC, ESG Book, Refinitiv ESG Information, S&P Global Market Intelligence, Moody's ESG Solutions, Thai IOD (CG rating)
Note: Please see third party on “terms of use” toward the back of this report.

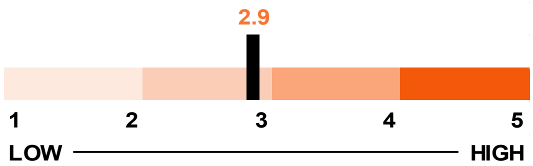
ESG Summary

- CHG is the sixth-largest hospital chain in Thailand. The company’s operations generate minimal greenhouse gas emissions. Our ESG score for CHG is moderate at 2.9, below the sector average of 3.1, due to a lower focus on ESG implementation than peers and corporate governance issues related to insider trading by a former CEO.
- CHG can be considered a defensive ESG play rather than an ESG leader. Its healthcare business supports social value through accessibility and affordability, but past governance issues and a compliance-driven approach limit its scoring in our view.
- We like CHG’s strong Social contribution, particularly its accessibility and affordability. The company plays an important role in providing healthcare services to middle- to lower-income patients and communities near industrial areas, supporting social inclusion and access to essential medical care.
- We are less positive on Governance. Past governance issues, limited board independence, and a compliance-driven governance framework continue to weigh on investor confidence and cap ESG credibility. In addition, weaker IT adoption and structured staff development limit Social differentiation compared with higher-end peers.
- An ESG-related concern for CHG is the uncertainty surrounding the Social Security Scheme’s reimbursement rates and the risk of payment shortfalls. We believe this business risk could put pressure on CHG’s ESG score.

Sector: Services | Healthcare

We assign CHG an Environmental score of 2.9, in line with peers, reflecting adequate policies and disclosure, with waste management as a relative strength, though conservative energy and water targets limit differentiation.

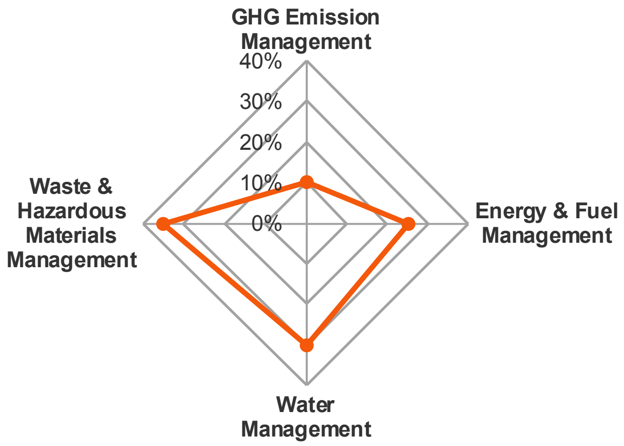
Thanachart Environment (E) Rating



ENVIRONMENT

- **GHG Emission Management**
- **Energy & Fuel Management**
- **Water Management**
- **Waste & Hazardous Materials Management**

SCALE WEIGHTING



Our Comments

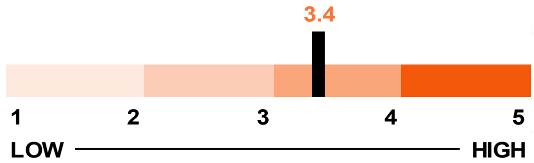
- CHG's Environmental (E) score is 2.9, in line with its peer average of 2.9. This reflects the company's established environmental policies, basic targets, and consistent disclosure. In our view, CHG's ecological management is compliant and well-structured, but it does not yet stand out among peers in terms of ambition or leadership.
- CHG targets controlling electricity intensity so that it does not exceed 100kWh per inpatient bed. Key actions include replacing fluorescent lights with LED bulbs and promoting energy-saving practices across hospitals. We view these actions positively as they support cost control and operational efficiency, although the focus remains on intensity control rather than absolute energy reduction.
- CHG aims to reduce water consumption and keep water intensity below 1 cubic meter per inpatient bed. The company has a sewage system and treats wastewater to improve water quality before discharge. In our view, water management is operationally sound and well controlled, but targets are relatively conservative, limiting upside to the environmental score.
- Waste management is one of CHG's stronger environmental areas. The company targets reducing waste generation and keeping waste intensity below 10.5 kg per inpatient bed, supported by waste segregation, recycling, and zero-waste policies. We view this positively, as waste targets are clearer and actions are more systematic compared with energy and water.
- CHG aims to become a "Green Hospital" with a zero-waste and recycling policy. Actions include a tree-planting campaign within hospital areas, reducing plastic bags and Styrofoam boxes, and encouraging double-sided paper use. These measures help raise environmental awareness and support a green culture, although clearer quantitative outcomes would strengthen credibility.

Sources: Thanachart, Company data

Sector: Services | Healthcare

We assign CHG a Social score of 3.4, slightly below the sector average, reflecting strong healthcare accessibility and acceptable patient safety standards, but weaker IT adoption and staff development. In our view, CHG's Social profile is compliant, with limited differentiation from peers.

Thanachart Social (S) Rating



SOCIAL

- **Human Rights & Community Relations**
- **Access & Affordability**
- **Customer Welfare**
- **Data Security & Customer Privacy**
- **Product Quality & Safety**
- **Fair Product Marketing & Labelling**
- **Operational Risk Management**
- **Health, Safety & Well-being**
- **Recruitment, Development & Retention**

SCALE WEIGHTING

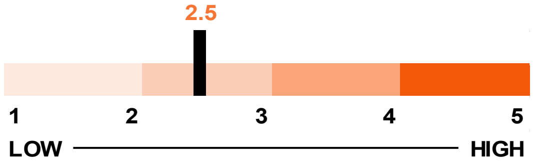
Our Comments

- CHG's Social (S) score is 3.4, slightly below the sector average of 3.6. This reflects acceptable patient safety standards and labor practices, but weaker execution in brand promotion, IT system implementation, and staff training compared with higher-end peers. In our view, CHG's Social profile is adequate and compliant, but it does not fully leverage its scale or differentiate itself from peers.
- We assign a high score to CHG's accessibility and affordability. CHG plays an important role in providing accessible healthcare services to a broad patient base, particularly middle- to lower-income groups and communities near industrial areas in eastern Bangkok and eastern Thailand. This supports social inclusion and access to essential medical services.
- CHG focuses on service quality, speed, and patient safety, with a target customer satisfaction rate of more than 90%. The hospital group has received quality certifications from Hospital Accreditation (HA) and Joint Commission International (JCI). We view these certifications positively, as they support service credibility and patient trust, although CHG's approach appears more compliance-driven than service-led differentiation.
- CHG emphasizes human rights through its "iCare" core value, supporting equal treatment, patient safety, and respect for dignity. We view the framework as appropriate, though disclosures remain more policy-focused than outcome-based.
- CHG provides fair pay, benefits, a safe working environment, and targets a work-related accident rate below 10%, supporting workforce stability. However, limited structured training and slower IT adoption may constrain long-term human capital development.
- CHG also engages in community health activities to support local well-being, which helps its social license to operate, though clearer targets and measurable impact indicators would strengthen ESG credibility.
- CHG has data privacy policies to protect patient information and maintain trust. However, limited disclosure on cybersecurity readiness suggests a need for clearer targets and stronger communication as digital healthcare expands.

Sources: Thanachart, Company data

We assign CHG a Governance score of 2.5, reflecting past governance concerns and limited board independence, despite basic governance and risk management structures. We believe stronger oversight and clearer accountability are needed to rebuild investor confidence.

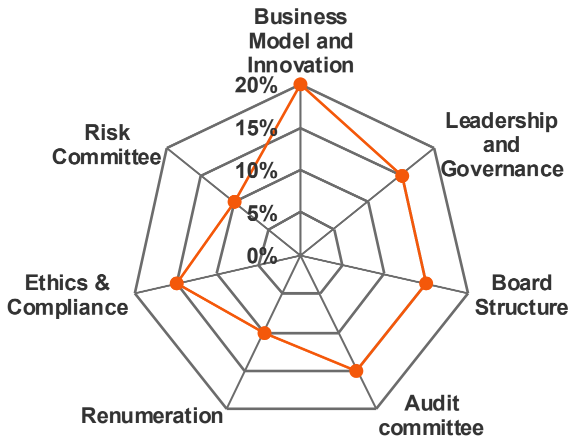
Thanachart Governance (G) Rating



GOVERNANCE & SUSTAINABILITY

- **Business Model and Innovation**
- **Leadership and Governance**
- **Board Structure**
- **Audit committee**
- **Renumeration**
- **Ethics & Compliance**
- **Risk Committee**

SCALE WEIGHTING



Our Comments

- We assign a low Governance (G) score of 2.5 to CHG due to past governance concerns, despite having basic governance structures in place. In our view, governance remains the weakest ESG pillar for CHG and continues to weigh on its overall ESG credibility.
- CHG is one of the large hospital chains in Thailand under the "Chularat" brand and a major provider under the Social Security Scheme (SSS). CHG has developed competitive strategies to support long-term business sustainability. The company is upgrading service quality and moving toward higher-complexity medical treatments to meet rising demand for more advanced care, particularly among Social Security and general patients. In our view, this strategy supports sustainable long-term growth, although stronger governance oversight and clearer accountability will be important to ensure effective execution.
- A key governance concern is that Dr. Kumpol Plussind, a former CEO, was penalized by the SEC for using insider information to buy CHG shares. This incident has had a negative impact on investor trust and governance perception. While CHG has since strengthened internal controls and compliance practices, in our view, the legacy issue continues to cap its governance score and requires ongoing effort to rebuild confidence.
- In our view, CHG does not have an ideal board structure. The board chairman represents major shareholders (the Plussind family), which limits board independence. Of the 12 directors, only four are independent, below the ideal two-thirds ratio, and only two directors are female. While the structure meets minimum regulatory requirements, we believe stronger board independence and diversity would improve oversight quality and long-term investor confidence.
- CHG has established guidelines and working groups covering anti-corruption, risk assessment, and compliance with its code of conduct and applicable laws. The company also has a dedicated risk management committee to oversee organizational risks. We view these actions positively, as they support transparent and controlled operations, although clearer disclosure on outcomes and effectiveness would further strengthen governance credibility.

Sources: Thanachart, Company data

Earnings recovery in 2026-27F

INCOME STATEMENT

FY ending Dec (Bt m)	2023A	2024A	2025F	2026F	2027F
Sales	7,730	8,237	8,218	8,642	9,290
Cost of sales	5,631	6,068	5,881	6,134	6,610
Gross profit	**2,100**	**2,169**	**2,337**	**2,508**	**2,680**
% gross margin	27.2%	26.3%	28.4%	29.0%	28.8%
Selling & administration expenses	1,003	1,127	1,134	1,174	1,242
Operating profit	**1,097**	**1,042**	**1,203**	**1,334**	**1,438**
% operating margin	14.2%	12.7%	14.6%	15.4%	15.5%
Depreciation & amortization	458	523	517	521	549
EBITDA	**1,555**	**1,565**	**1,720**	**1,855**	**1,987**
% EBITDA margin	20.1%	19.0%	20.9%	21.5%	21.4%
Non-operating income	293	258	82	65	65
Non-operating expenses	0	0	0	0	0
Interest expense	(24)	(35)	(28)	(20)	(22)
Pre-tax profit	**1,366**	**1,265**	**1,257**	**1,380**	**1,482**
Income tax	279	267	249	273	293
After-tax profit	**1,087**	**998**	**1,009**	**1,107**	**1,188**
% net margin	14.1%	12.1%	12.3%	12.8%	12.8%
Shares in affiliates' Earnings	(19)	(20)	(11)	(8)	(5)
Minority interests	(21)	(13)	(38)	(40)	(35)
Extraordinary items	0	0	0	0	0
NET PROFIT	**1,046**	**965**	**960**	**1,059**	**1,149**
Normalized profit	**1,046**	**965**	**960**	**1,059**	**1,149**
EPS (Bt)	0.1	0.1	0.1	0.1	0.1
Normalized EPS (Bt)	0.1	0.1	0.1	0.1	0.1

More new capacity expansion planned in 2026-27F

BALANCE SHEET

FY ending Dec (Bt m)	2023A	2024A	2025F	2026F	2027F
ASSETS:					
Current assets:	4,046	4,095	3,870	3,483	3,661
Cash & cash equivalent	1,524	1,812	1,620	1,120	1,120
Account receivables	2,158	1,948	1,891	1,989	2,138
Inventories	336	300	322	336	362
Others	27	36	36	38	41
Investments & loans	122	102	102	102	102
Net fixed assets	5,701	5,772	6,270	6,761	7,023
Other assets	395	417	407	413	431
Total assets	**10,264**	**10,387**	**10,648**	**10,760**	**11,218**
LIABILITIES:					
Current liabilities:	1,485	1,468	1,509	1,502	1,620
Account payables	894	869	886	924	996
Bank overdraft & ST loans	45	50	66	43	47
Current LT debt	82	81	90	58	64
Others current liabilities	464	468	467	476	513
Total LT debt	**556**	**512**	**508**	**331**	**360**
Others LT liabilities	293	276	272	276	287
Total liabilities	**2,333**	**2,256**	**2,289**	**2,109**	**2,267**
Minority interest	406	410	448	488	523
Preferreds shares	0	0	0	0	0
Paid-up capital	1,100	1,100	1,100	1,100	1,100
Share premium	1,146	1,146	1,146	1,146	1,146
Warrants	0	0	0	0	0
Surplus	0	0	0	0	0
Retained earnings	**5,278**	**5,474**	**5,664**	**5,916**	**6,181**
Shareholders' equity	7,525	7,720	7,911	8,162	8,428
Liabilities & equity	**10,264**	**10,387**	**10,648**	**10,760**	**11,218**

Sources: Company data, Thanachart estimates

Strong cash inflow stream

CASH FLOW STATEMENT

FY ending Dec (Bt m)	2023A	2024A	2025F	2026F	2027F
Earnings before tax	1,366	1,265	1,257	1,380	1,482
Tax paid	(325)	(291)	(234)	(277)	(283)
Depreciation & amortization	458	523	517	521	549
Chg In working capital	581	222	51	(73)	(104)
Chg In other CA & CL / minorities	48	(10)	(32)	(4)	18
Cash flow from operations	**2,127**	**1,710**	**1,559**	**1,547**	**1,662**
Capex	(1,392)	(569)	(1,000)	(1,000)	(800)
Right of use	(15)	(20)	(5)	(1)	(1)
ST loans & investments	0	0	0	0	0
LT loans & investments	19	20	0	0	0
Adj for asset revaluation	0	0	0	0	0
Chg In other assets & liabilities	(55)	(45)	2	(8)	(16)
Cash flow from investments	**(1,443)**	**(613)**	**(1,003)**	**(1,009)**	**(817)**
Debt financing	(116)	(40)	21	(231)	38
Capital increase	0	0	0	0	0
Dividends paid	(1,045)	(770)	(769)	(807)	(883)
Warrants & other surplus	0	0	0	0	0
Cash flow from financing	**(1,161)**	**(810)**	**(747)**	**(1,039)**	**(845)**
Free cash flow	**735**	**1,141**	**559**	**547**	**862**

Inexpensive valuation, in our view

VALUATION

FY ending Dec	2023A	2024A	2025F	2026F	2027F
Normalized PE (x)	16.0	17.3	17.4	15.8	14.6
Normalized PE - at target price (x)	20.0	21.7	21.8	19.7	18.2
PE (x)	16.0	17.3	17.4	15.8	14.6
PE - at target price (x)	20.0	21.7	21.8	19.7	18.2
EV/EBITDA (x)	10.2	9.9	9.2	8.6	8.1
EV/EBITDA - at target price (x)	12.9	12.6	11.6	10.9	10.2
P/BV (x)	2.2	2.2	2.1	2.0	2.0
P/BV - at target price (x)	2.8	2.7	2.6	2.6	2.5
P/CFO (x)	7.9	9.8	10.7	10.8	10.1
Price/sales (x)	2.2	2.0	2.0	1.9	1.8
Dividend yield (%)	4.6	4.6	4.6	5.1	5.5
FCF Yield (%)	4.4	6.8	3.3	3.3	5.2
(Bt)					
Normalized EPS	0.1	0.1	0.1	0.1	0.1
EPS	0.1	0.1	0.1	0.1	0.1
DPS	0.1	0.1	0.1	0.1	0.1
BV/share	0.7	0.7	0.7	0.7	0.8
CFO/share	0.2	0.2	0.1	0.1	0.2
FCF/share	0.1	0.1	0.1	0.0	0.1

Sources: Company data, Thanachart estimates

2026-27F revenue growth driven by cash and SSS patients

FINANCIAL RATIOS

FY ending Dec	2023A	2024A	2025F	2026F	2027F
Growth Rate					
Sales (%)	(23.5)	6.6	(0.2)	5.2	7.5
Net profit (%)	(62.4)	(7.7)	(0.6)	10.3	8.5
EPS (%)	(62.4)	(7.7)	(0.6)	10.3	8.5
Normalized profit (%)	(62.4)	(7.7)	(0.6)	10.3	8.5
Normalized EPS (%)	(62.4)	(7.7)	(0.6)	10.3	8.5
Dividend payout ratio (%)	73.6	79.8	80.0	80.0	80.0
Operating performance					
Gross margin (%)	27.2	26.3	28.4	29.0	28.8
Operating margin (%)	14.2	12.7	14.6	15.4	15.5
EBITDA margin (%)	20.1	19.0	20.9	21.5	21.4
Net margin (%)	14.1	12.1	12.3	12.8	12.8
D/E (incl. minor) (x)	0.1	0.1	0.1	0.1	0.1
Net D/E (incl. minor) (x)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Interest coverage - EBIT (x)	45.7	30.2	43.2	67.1	66.1
Interest coverage - EBITDA (x)	64.8	45.4	61.8	93.3	91.3
ROA - using norm profit (%)	10.2	9.3	9.1	9.9	10.5
ROE - using norm profit (%)	13.9	12.7	12.3	13.2	13.8
DuPont					
ROE - using after tax profit (%)	14.4	13.1	12.9	13.8	14.3
- asset turnover (x)	0.8	0.8	0.8	0.8	0.8
- operating margin (%)	18.0	15.8	15.6	16.2	16.2
- leverage (x)	1.4	1.4	1.3	1.3	1.3
- interest burden (%)	98.3	97.3	97.8	98.6	98.6
- tax burden (%)	79.6	78.9	80.2	80.2	80.2
WACC (%)	9.8	9.8	9.8	9.8	9.8
ROIC (%)	13.8	12.3	14.7	15.4	15.4
NOPAT (Bt m)	873	822	965	1,070	1,154
invested capital (Bt m)	6,683	6,551	6,955	7,475	7,778

Sources: Company data, Thanachart estimates

BUY (Unchanged)

Change in Numbers

TP: Bt 26.00 (From: Bt 31.00)

Upside : 41.3%

9 JANUARY 2026

Small Cap Research

Praram 9 Hospital Pcl. (PR9 TB)

Strongest growth outlook

SIRIPORN ARUNOTHAI
662-779-9119
siriporn.aru@thanachartsec.co.th

PR9 remains our top sector pick, as we believe it has the strongest earnings growth outlook. It is still in a rising asset-utilization cycle that began in 2021, which has been attracting more foreign patients, expanding excellence centers, and showing a rising margin trend.

Thanachart Securities

Still in a utilization cycle; BUY

This report is part of our Healthcare Sector report – ***Mediocre outlook,*** dated 9 January 2026. PR9 remains our top sector pick as we believe it has the strongest earnings growth outlook. It is still in an asset-utilization cycle that began in 2021, when 23% capacity was added with the opening of Building B. PR9's fundamentals have since improved. ***First,*** its foreign patient revenue mix is rising, from 16% in 2019 to 27% in 2025F and 31% in 2027F. ***Second,*** over the past five years, seven new excellence centers and expanded capacity have lifted revenue and margins. ***Third,*** the above reasons and the positive effect of operating leverage. We estimate 15/12/9/8% EPS growth in 2025-28F and ROE to rise from 7.2% in 2019 to 14.4% in 2025F and 14.9% in 2028F. Due to rising sector and stock volatility, our beta assumption increases to 0.72 from 0.55, reducing our DCF-based 12-month TP (2026F base year) to Bt26.0 (from Bt31.0).

Strong foreign patient flows

PR9 has been active in the Middle East since mid-2024. Its foreign patient revenue rose from 14% in 2023 to 26.5% in 9M25. This will likely remain a key driver of PR9's revenue and earnings over the next few years, with the mix rising to 31% in 2028F. The main contributors are Qatari government-sponsored patients, self-pay patients from the Middle East (Saudi Arabia, the UAE, and Oman), patients from Myanmar and Laos, and new markets like Bangladesh and Kenya. We estimate that foreign patient revenue will grow 78/25/10/7% during 2025-28F.

Margin is still on a rising trend

Despite rising marketing expenses from its expansion into new markets, EBIT margin continues to trend upward. Margin rose from 14.5/16.2% in 2023-24 to 16.9% in 2025F, and we estimate 18.0% in 2028F. This has been driven by rising utilization, a higher mix of high-intensity foreign revenue, and a shift toward higher-margin centers of excellence. In 2021, the new Building B added 23% (204 beds) to PR9's capacity. Total utilization reached 68% in 9M25, with the capacity to scale up to 300 beds within existing buildings. PR9 plans to add 20 beds in early 2026 without significant investment. We expect utilization to reach 72% by 2028F.

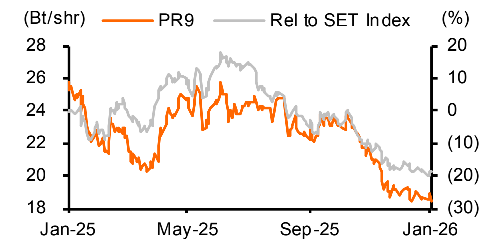
Likely soft 4Q25F

Revenue grew 10-11% y-y in October-November 2025, with foreign patients outperforming Thai patients. However, unlike in 4Q24, PR9 does not benefit from BOI tax privileges in 4Q25. We thus estimate 4Q25F earnings growth to moderate at 4% y-y, with a 3.8% q-q decline. No provisioning is required for Qatar's payment-term extension following its classification as a major healthcare provider.

COMPANY VALUATION

Y/E Dec (Bt m)	2024A	2025F	2026F	2027F
Sales	4,635	5,273	5,817	6,195
Net profit	713	820	916	994
Consensus NP	—	828	931	1,010
Diff frm cons (%)	—	*(1.0)*	*(1.6)*	*(1.6)*
Norm profit	713	820	916	994
Prev. Norm profit	—	826	915	993
Chg frm prev (%)	—	*(0.7)*	*0.1*	*0.0*
Norm EPS (Bt)	0.9	1.0	1.2	1.3
Norm EPS grw (%)	27.8	15.0	11.8	8.5
Norm PE (x)	20.3	17.7	15.8	14.6
EV/EBITDA (x)	11.5	10.1	8.7	7.9
P/BV (x)	2.7	2.4	2.2	2.1
Div yield (%)	2.2	2.8	3.5	4.1
ROE (%)	13.6	14.4	14.8	14.8
Net D/E (%)	(41.2)	(38.8)	(41.6)	(43.9)

PRICE PERFORMANCE



COMPANY INFORMATION

Price *as of* 8-Jan-26 (Bt)	18.40
Market Cap (US$ m)	459.1
Listed Shares (m shares)	786.3
Free Float (%)	58.7
Avg Daily Turnover (US$ m)	1.3
12M Price H/L (Bt)	25.75/18.40
Sector	Health Care
Major Shareholder	Damapong family 37.27%

Sources: Bloomberg, Company data, Thanachart estimates

ESG Summary Report ……………...…………..…. P66

Ex 1: Changes In Our Key Assumptions And Earnings Revisions

	2023	2024	2025F	2026F	2027F	2028F
# OPD patients (people)						
- New	547,000	568,000	590,720	608,442	620,610	633,023
- Old			585,040	599,666	611,659	623,893
- Change (%)			*1.0*	*1.5*	*1.5*	*1.5*
# IPD patients (Beds/year)						
- New	44,530	44,895	51,180	55,275	56,933	58,641
- Old			51,629	54,211	55,837	57,512
- Change (%)			*(0.9)*	*2.0*	*2.0*	*2.0*
Revenue from cash patients (Bt m)						
- New	4,202	4,635	5,273	5,816	6,194	6,599
- Old			5,271	5,726	6,098	6,495
- Change (%)			*0.0*	*1.6*	*1.6*	*1.6*
Gross margin (%)						
- New	32.9	34.3	36.7	37.0	37.2	37.3
- Old			36.6	36.9	37.1	37.3
- Change (ppt.)			*0.0*	*0.0*	*0.0*	*0.0*
SG&A to sales (%)						
- New	18.4	18.1	19.8	19.6	19.5	19.3
- Old			19.6	19.4	19.3	19.1
- Change (ppt.)			*0.2*	*0.2*	*0.2*	*0.2*
Normalized profit (Bt m)						
- New	558	713	820	916	994	1,071
- Old			826	915	993	1,071
- Change (%)			*(0.7)*	*0.1*	*0.0*	—

Sources: Company data, Thanachart estimates

Ex 2: 12-month DCF-based TP Calculation Using A Base Year Of 2026F

(Bt m)	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F	2036F	Terminal value
EBITDA excl. depre from right of use	1,348	1,450	1,551	1,639	1,731	1,827	1,928	2,033	2,144	2,261	2,387	—
Free cash flow	741	825	1,008	1,082	1,161	1,243	1,329	1,419	1,514	1,612	1,520	23,822
PV of free cash flow	739	701	789	781	772	762	750	738	726	713	619	9,699

Risk-free rate (%)	2.5
Market risk premium (%)	8.0
Beta	0.7
WACC (%)	8.5
Terminal growth (%)	2.0
Enterprise value - add investments	17,789
Net debt (end 2025F)	(2,305)
Minority interest	0
Equity value	20,094
# of shares (m)	786
Equity value / share (Bt)	**26.0**

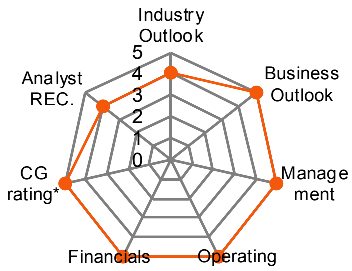
Sources: Company data, Thanachart estimates

COMPANY DESCRIPTION

Praram 9 Hospital Pcl (PR9) was established in 1992 on Rama IX Road, a new business district in Bangkok. As of the end of 3Q25, PR9 had 204 active IPD beds. The hospital offers a comprehensive range of tertiary care services, including health promotion, preventive healthcare, diagnosis, treatment, and rehabilitation. Medical services encompass both general care and the treatment of complex diseases.

Source: Thanachart

COMPANY RATING



Rating Scale	
Excellent	**5**
Good	**4**
Fair	**3**
Weak	**2**
Very Weak	**1**
None	**0**

Source: Thanachart; * CG Rating

THANACHART'S SWOT ANALYSIS

S — Strength

- Strong "Praram 9 Hospital" brand in Bangkok.
- The hospital's executives have strong relationships with doctors and professors from top medical schools.
- PR9 is in a prime location on Rama IX Road, another key business district in Bangkok.
- PR9 is very well-known for kidney transplants and cardiovascular treatment.

W — Weakness

- Mainly focuses on mid- to high-tier cash patients.

O — Opportunity

- Limited public healthcare supply in Thailand.
- New building should help to unlock its capacity constraints.
- Rising patient flows from neighbouring countries.
- Aging society megatrend.
- COVID-19 outbreaks.

T — Threat

- New rivals in the market.
- Regulatory risk.
- COVID-19 outbreaks.

CONSENSUS COMPARISON

	Consensus	Thanachart	Diff
Target price (Bt)	26.91	26.00	-3%
Net profit 25F (Bt m)	828	820	-1%
Net profit 26F (Bt m)	931	916	-2%
Consensus REC	**BUY: 14**	**HOLD: 0**	**SELL: 0**

HOW ARE WE DIFFERENT FROM THE STREET?

- Our earnings forecasts and TP are below the Street's, which we attribute to us having a more conservative view on the company's margins.

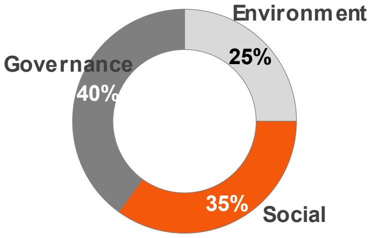
Sources: Bloomberg consensus, Thanachart estimates

RISKS TO OUR INVESTMENT CASE

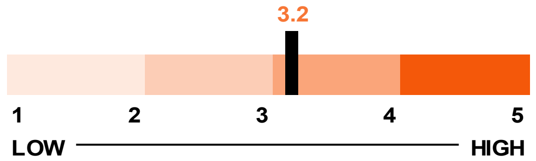
- If patient numbers are lower than we currently anticipate, this would be the key downside risk to our earnings forecasts.
- If PR9 raises its billing sizes less than we presently expect, our gross margin and profit forecasts would be subject to downside risk.
- If PR9's ability to control costs turns out to be weaker than we currently expect, this would represent a secondary downside risk to our numbers.
- If there is more competition from existing private healthcare operators and/or newcomers to the healthcare market in Thailand, this would represent a fourth downside risk.

Source: Thanachart

ESG Weighting



Thanachart ESG Rating



	SET ESG Index	SET ESG (BBB-AAA)	DJSI Index	MSCI (CCC-AAA)	ESG Book (0-100)	Refinitiv (0-100)	S&P Global (0-100)	Moody's (0-100)	CG Rating (0-5)
PR9	YES	AAA	-	-	-	65.97	-	-	5.0

Sources: SETTRADE, SET ESG Index, SET ESG Rating, The Dow Jones Industrial Average (DJSI), MSCI ESG Research LLC, ESG Book, Refinitiv ESG Information, S&P Global Market Intelligence, Moody's ESG Solutions, Thai IOD (CG rating)
Note: Please see third party on "terms of use" toward the back of this report.

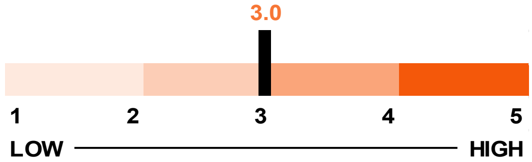
ESG Summary

- PR9 is a mid-to-high-end single-campus private hospital with a capacity of 204 beds. Given its business nature, the company doesn't generate significant amounts of greenhouse gas emissions. Our ESG score for PR9 is decent at 3.2, which is slightly above the sector average of 3.1. We assign the highest score to Social, followed by Environment and Government.
- PR9 has a decent ESG score, but it is not a strong ESG play in our view. It is operating its business as usual and lacks a clear business direction aligned with the ESG theme.
- PR9's key ESG strength is its Social pillar, supported by high service quality, patient safety, and clear targets for employee welfare and patient satisfaction. We view these strengths as well embedded in its core business, supporting brand trust and long-term resilience.
- We view PR9's main ESG weakness as its board structure under the Governance pillar, particularly its limited board independence and diversity. The non-independent chairman and below-best-practice proportion of independent directors may constrain the effectiveness of long-term strategic oversight. In addition, environmental targets, while transparent and directionally sound, remain relatively modest, limiting near-term ESG upside vs. larger peers.
- A key issue to monitor for PR9 is its effort to expand revenue from international patients. If PR9 can successfully penetrate and grow international patient revenue from a more diversified customer base, this should enhance ESG performance under the Business Model Sustainability dimension.

Sector: Services | Healthcare

We assign PR9 an Environment score of 3.0, slightly above peers, reflecting clear climate commitments and sound operational environmental management. However, modest reduction targets and limited near-term emissions cuts cap its environmental upside.

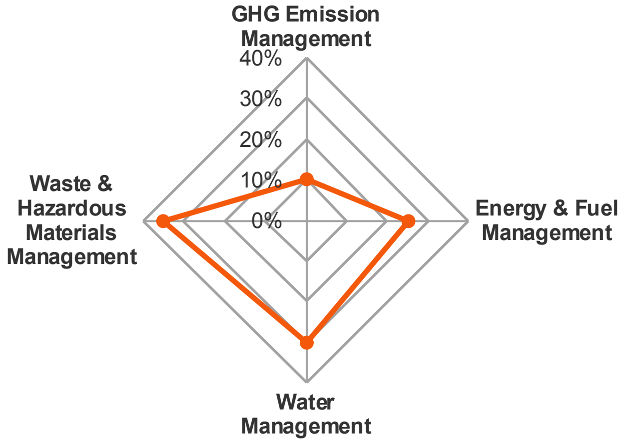
Thanachart Environment (E) Rating



ENVIRONMENT	Our Comments

- **GHG Emission Management**
- **Energy & Fuel Management**
- **Water Management**
- **Waste & Hazardous Materials Management**

SCALE WEIGHTING

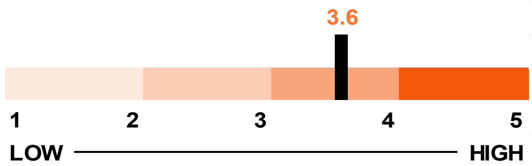


- We assign PR9 an Environment (E) score of 3.0, which is slightly above its peer average of 2.9.
- PR9 targets carbon neutrality by 2050 and net-zero GHG emissions by 2065, with interim Scope 1-3 targets. It discloses externally verified GHG data under TGO standards and follows TCFD. While absolute emissions rose in 2024, emissions intensity declined; we view the strategy as transparent but in need of stronger near-term reductions.
- PR9 targets a 0.5% reduction in purchased electricity by 2028 compared with the 2022 base year. The hospital focuses on improving energy efficiency, using solar rooftop power, and optimizing major systems such as air conditioning and wastewater treatment. These actions helped reduce electricity costs in 2024, even though total electricity use increased due to higher activity. We see energy management as practical and cost-efficient, but the reduction target appears relatively modest given ongoing capacity expansion.
- PR9 aims to reduce water consumption by 0.5% by 2028 vs. 2022. Key efforts include adjusting restroom flushing systems and reusing treated wastewater for gardening, which helped lower water intensity and increase recycled water usage. Overall, water management is effective at the operational level, but the long-term reduction target remains conservative.
- PR9 targets a 2% reduction in total waste generation by 2028 compared with 2022 and emphasizes reuse and recycling. The hospital improves waste segregation and converts certain plastic medical waste into reusable products through external partnerships. In our view, waste management shows good progress toward circular economy practices, although waste volumes still fluctuate year to year, indicating room for further control.
- PR9 places strong emphasis on air quality management, especially PM2.5, by improving ventilation systems and installing HEPA filters in critical areas. These measures also support infection control and patient safety. The hospital reported no environmental law violations during 2022–24. We believe air pollution management is a clear strength and well aligned with healthcare operations.

Sources: Thanachart, Company data

We assign PR9 a Social score of 3.6, which is in line with its peer average. Although PR9 is a single hospital, its Social score remains relatively high due to its strong brand and high service quality and standards.

Thanachart Social (S) Rating



SOCIAL

- Human Rights & Community Relations
- Access & Affordability
- Customer Welfare
- Data Security & Customer Privacy
- Product Quality & Safety
- Fair Product Marketing & Labelling
- Operational Risk Management
- Health, Safety & Well-being
- Recruitment, Development & Retention

SCALE WEIGHTING

Our Comments

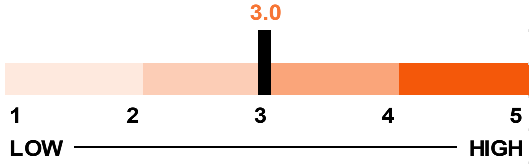
- We assign PR9 a Social (S) score of 3.6, which is in line with its peer average. Although PR9 is a single hospital, its S score remains relatively high due to its strong brand and high service quality and standards. PR9 utilizes modern technology to treat complex and critical diseases, providing patient-centric services. It has received quality certifications, including ISO 9001, ISO 9002, Hospital Accreditation (HA), and Joint Commission International (JCI) accreditation.
- PR9 aims to strengthen employee welfare through clear targets, including at least 20 training hours per employee per year, a zero-accident rate, zero occupational morbidity, an employee engagement rate of no less than 80%, and a staff turnover rate below 10%. The hospital supports these goals through regular training, workplace safety programs, health checks, and engagement surveys. In our view, these targets are clear and relevant for a labor-intensive healthcare business and help PR9 retain skilled staff while reducing operational and reputational risks.
- PR9 focuses on continuous human capital development to support service quality and long-term growth. Training programs cover clinical skills, language skills for international patients, digital tools, and the use of AI in healthcare operations, with a minimum of 20 training hours per employee each year. We see talent development as well aligned with PR9's strategy to enhance service quality and operational efficiency, supporting sustainable competitiveness.
- PR9's key social objective is to deliver safe, high-quality healthcare services and maintain patient trust. The hospital targets OPD and IPD patient satisfaction of at least 95%, supported by strict patient safety standards, infection control measures, and continuous service quality monitoring. We believe patient satisfaction targets are ambitious yet achievable and reflect PR9's strong focus on service quality, which is critical for brand strength and repeat patient volumes.
- PR9 targets a 20% increase in community and social activities by 2025 vs. the 2020 base, through health promotion, knowledge sharing, and outreach programs. We view this as supportive of PR9's social license and stakeholder relations, though not a direct earnings driver.

Sources: Thanachart, Company data

Sector: Services | Healthcare

We assign PR9 a Governance score of 3.0, above the sector average of 2.8, reflecting the absence of major governance issues and adequate oversight. While its business model complexity lags behind that of larger peers, PR9's strategy to move toward higher-intensity care and digital transformation should support stronger long-term sustainability.

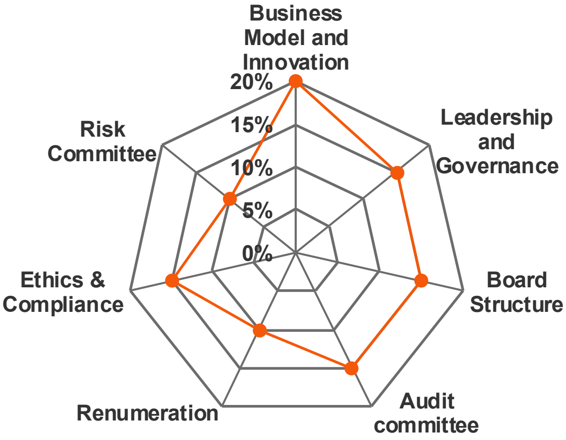
Thanachart Governance (G) Rating



GOVERNANCE & SUSTAINABILITY

- **Business Model and Innovation**
- **Leadership and Governance**
- **Board Structure**
- **Audit committee**
- **Renumeration**
- **Ethics & Compliance**
- **Risk Committee**

SCALE WEIGHTING



Our Comments

- We assign a Governance (G) score of 3.0 to PR9, which is above the sector average of 2.8, reflecting the absence of major corporate governance issues. PR9 has clear governance policies and no major controversies. We view its governance as generally sound, supporting credibility and investor confidence, though board structure can be improved.
- We assign a lower score to PR9's business model and innovation compared with Bumrungrad Hospital (BH) and Bangkok Dusit Medical Services (BDMS), due to its lower complexity of medical treatments. However, we see room for improvement as PR9's business strategy is shifting toward higher-complexity medical services. With additional capacity from the new Building B, PR9 plans to add more centers of excellence to expand high-complexity treatments and capture the ageing society megatrend. We believe this strategy will strengthen PR9's long-term growth trajectory. In addition, management's focus on digital transformation and the adoption of modern medical and information technology supports efficiency, service quality, and scalability, which are important for sustaining margins and long-term growth.
- We assign a low score to PR9's board structure, as the board chairman is not independent and board independence remains below best-practice standards, with only four of the 10 directors classified as independent, compared with the ideal two-thirds ratio. In addition, board diversity is limited, with only two female directors.
- PR9 has established key governance bodies, including an audit committee, a remuneration committee, and a risk working group, to support internal controls, executive compensation oversight, and risk management. These committees help ensure transparency, financial discipline, and proactive risk identification. We believe the committee structure is appropriate for PR9's size and complexity, providing a solid foundation for effective oversight.
- PR9 aims to manage operational, financial, and compliance risks in a structured manner. The company uses risk assessment processes and internal control systems to monitor key risks and support business continuity. From our perspective, risk management practices appear adequate and well-integrated into operations, helping to limit downside risks in a highly regulated healthcare sector.

Sources: Thanachart, Company data

Strong revenue growth is driven by international patients

No new significant investments planned in 2025-27

INCOME STATEMENT

FY ending Dec (Bt m)	2023A	2024A	2025F	2026F	2027F
Sales	4,202	4,635	5,273	5,817	6,195
Cost of sales	2,820	3,045	3,340	3,667	3,893
Gross profit	**1,382**	**1,590**	**1,933**	**2,150**	**2,302**
% gross margin	32.9%	34.3%	36.7%	37.0%	37.2%
Selling & administration expenses	774	837	1,044	1,140	1,205
Operating profit	**608**	**753**	**889**	**1,010**	**1,097**
% operating margin	14.5%	16.2%	16.9%	17.4%	17.7%
Depreciation & amortization	299	306	317	338	352
EBITDA	**907**	**1,059**	**1,206**	**1,348**	**1,450**
% EBITDA margin	21.6%	22.8%	22.9%	23.2%	23.4%
Non-operating income	81	110	125	126	138
Non-operating expenses	0	0	0	0	0
Interest expense	(1)	(0)	(1)	(1)	(1)
Pre-tax profit	**689**	**862**	**1,013**	**1,135**	**1,234**
Income tax	131	149	193	219	241
After-tax profit	**558**	**713**	**820**	**916**	**994**
% net margin	13.3%	15.4%	15.5%	15.7%	16.0%
Shares in affiliates' Earnings	0	0	0	0	0
Minority interests	0	0	0	0	0
Extraordinary items	0	0	0	0	0
NET PROFIT	**558**	**713**	**820**	**916**	**994**
Normalized profit	**558**	**713**	**820**	**916**	**994**
EPS (Bt)	0.7	0.9	1.0	1.2	1.3
Normalized EPS (Bt)	0.7	0.9	1.0	1.2	1.3

BALANCE SHEET

FY ending Dec (Bt m)	2023A	2024A	2025F	2026F	2027F
ASSETS:					
Current assets:	2,251	2,658	2,819	3,250	3,653
Cash & cash equivalent	1,901	2,243	2,306	2,685	3,051
Account receivables	290	343	433	478	509
Inventories	48	57	62	68	73
Others	12	15	17	19	20
Investments & loans	0	0	0	0	0
Net fixed assets	3,243	3,194	3,577	3,739	3,887
Other assets	415	548	557	566	576
Total assets	**5,910**	**6,399**	**6,953**	**7,555**	**8,115**
LIABILITIES:					
Current liabilities:	632	758	776	849	902
Account payables	522	647	641	703	747
Bank overdraft & ST loans	0	0	1	1	1
Current LT debt	0	0	0	0	0
Others current liabilities	110	111	135	144	154
Total LT debt	**0**	**0**	**0**	**0**	**0**
Others LT liabilities	198	203	233	257	273
Total liabilities	**830**	**961**	**1,009**	**1,106**	**1,175**
Minority interest	0	0	0	0	0
Preferreds shares	0	0	0	0	0
Paid-up capital	786	786	786	786	786
Share premium	1,934	1,934	1,934	1,934	1,934
Warrants	0	0	0	0	0
Surplus	0	0	0	0	0
Retained earnings	**2,359**	**2,718**	**3,223**	**3,729**	**4,219**
Shareholders' equity	5,080	5,439	5,944	6,450	6,940
Liabilities & equity	**5,910**	**6,399**	**6,953**	**7,555**	**8,115**

Sources: Company data, Thanachart estimates

Strong cash inflow stream

CASH FLOW STATEMENT

FY ending Dec (Bt m)	2023A	2024A	2025F	2026F	2027F
Earnings before tax	689	862	1,013	1,135	1,234
Tax paid	(128)	(166)	(174)	(220)	(233)
Depreciation & amortization	299	306	317	338	352
Chg In working capital	(22)	64	(103)	12	8
Chg In other CA & CL / minorities	(2)	14	2	9	0
Cash flow from operations	**836**	**1,080**	**1,056**	**1,274**	**1,363**
Capex	(324)	(257)	(700)	(500)	(500)
Right of use	(0)	5	0	0	0
ST loans & investments	0	0	0	0	0
LT loans & investments	0	0	0	0	0
Adj for asset revaluation	0	0	0	0	0
Chg In other assets & liabilities	(113)	(133)	21	14	7
Cash flow from investments	**(438)**	**(385)**	**(679)**	**(486)**	**(493)**
Debt financing	0	0	1	0	0
Capital increase	0	0	0	0	0
Dividends paid	(234)	(351)	(315)	(410)	(504)
Warrants & other surplus	21	(3)	0	0	0
Cash flow from financing	**(214)**	**(354)**	**(314)**	**(409)**	**(504)**
Free cash flow	**511**	**823**	**356**	**774**	**863**

Inexpensive valuation, in our view

VALUATION

FY ending Dec	2023A	2024A	2025F	2026F	2027F
Normalized PE (x)	25.9	20.3	17.7	15.8	14.6
Normalized PE - at target price (x)	36.6	28.7	24.9	22.3	20.6
PE (x)	25.9	20.3	17.7	15.8	14.6
PE - at target price (x)	36.6	28.7	24.9	22.3	20.6
EV/EBITDA (x)	13.9	11.5	10.1	8.7	7.9
EV/EBITDA - at target price (x)	20.4	17.2	15.0	13.2	12.0
P/BV (x)	2.8	2.7	2.4	2.2	2.1
P/BV - at target price (x)	4.0	3.8	3.4	3.2	2.9
P/CFO (x)	17.3	13.4	13.7	11.4	10.6
Price/sales (x)	3.4	3.1	2.7	2.5	2.3
Dividend yield (%)	1.6	2.2	2.8	3.5	4.1
FCF Yield (%)	3.5	5.7	2.5	5.3	6.0
(Bt)					
Normalized EPS	0.7	0.9	1.0	1.2	1.3
EPS	0.7	0.9	1.0	1.2	1.3
DPS	0.3	0.4	0.5	0.6	0.8
BV/share	6.5	6.9	7.6	8.2	8.8
CFO/share	1.1	1.4	1.3	1.6	1.7
FCF/share	0.7	1.0	0.5	1.0	1.1

Sources: Company data, Thanachart estimates

Strong earnings growth, driven by rising revenue and expanding margins

FINANCIAL RATIOS

FY ending Dec	2023A	2024A	2025F	2026F	2027F
Growth Rate					
Sales (%)	2.3	10.3	13.8	10.3	6.5
Net profit (%)	(1.7)	27.8	15.0	11.8	8.5
EPS (%)	(29.1)	27.8	15.0	11.8	8.5
Normalized profit (%)	(1.7)	27.8	15.0	11.8	8.5
Normalized EPS (%)	(1.7)	27.8	15.0	11.8	8.5
Dividend payout ratio (%)	42.3	44.1	50.0	55.0	60.0
Operating performance					
Gross margin (%)	32.9	34.3	36.7	37.0	37.2
Operating margin (%)	14.5	16.2	16.9	17.4	17.7
EBITDA margin (%)	21.6	22.8	22.9	23.2	23.4
Net margin (%)	13.3	15.4	15.5	15.7	16.0
D/E (incl. minor) (x)	0.0	0.0	0.0	0.0	0.0
Net D/E (incl. minor) (x)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)
Interest coverage - EBIT (x)	na	na	na	na	na
Interest coverage - EBITDA (x)	na	na	na	na	na
ROA - using norm profit (%)	9.7	11.6	12.3	12.6	12.7
ROE - using norm profit (%)	11.4	13.6	14.4	14.8	14.8
DuPont					
ROE - using after tax profit (%)	11.4	13.6	14.4	14.8	14.8
- asset turnover (x)	0.7	0.8	0.8	0.8	0.8
- operating margin (%)	16.4	18.6	19.2	19.5	19.9
- leverage (x)	1.2	1.2	1.2	1.2	1.2
- interest burden (%)	99.9	99.9	99.9	99.9	99.9
- tax burden (%)	81.0	82.7	80.9	80.7	80.5
WACC (%)	8.5	8.5	8.5	8.5	8.5
ROIC (%)	16.3	19.6	22.5	22.4	23.5
NOPAT (Bt m)	493	622	719	815	883
invested capital (Bt m)	3,178	3,196	3,638	3,766	3,890

Sources: Company data, Thanachart estimates

SELL (Unchanged) | **TP: Bt 7.20** (From: Bt 5.80)

Change in Numbers | **Downside : 20.9%** | **9 JANUARY 2026**

Small Cap Research

Thonburi Healthcare Group (THG TB)

Rich valuation

SIRIPORN ARUNOTHAI
662-779-9119
siriporn.aru@thanachartsec.co.th

Thanachart Securities

We maintain our SELL call on THG as we see its valuation as expensive. That is despite an earnings turnaround outlook due to falling interest expenses after debt repayment, rising capacity, and potential operational synergies with its new shareholder, RAM.

More earnings cuts; maintaining SELL

This report is part of our Healthcare Sector report – ***Mediocre outlook,*** dated 9 January 2026. We maintain our SELL rating on THG. ***First,*** THG's hospital turnaround has been slower than we anticipated, leading us to cut our earnings estimates by 38-54% in 2025-28F. However, with the rollover of our base year to 2026F and a much lower beta assumption (0.93 vs. 1.5) due to lower stock volatility following Ramkhamhaeng Hospital (RAM TB, non-rated) becoming the major shareholder, our DCF-based 12-month TP rises to Bt7.20 (from Bt5.80). ***Second,*** we view THG as expensive, trading at 54.7x 2026F PE, which we believe reflects an earnings turnaround driven by falling interest expenses.

Falling interest expenses

THG increased capital via a rights offering and private placement, raising Bt6.3bn in 3Q25. In the process, RAM's stake rose to 49.99% from 24.59%. Over 95% of the proceeds went to debt repayment. We estimate its earnings to turn around from a Bt110m loss in 2024 to a Bt103m profit in 2025F with further growth of 108/15/17% in 2026-28F. The strong turnaround in 2026F is driven by lower interest expense from debt repayment. We expect the growth in 2027-28F to be driven by improving operations at existing hospitals and rising equity income, mainly from 40%-owned Aryu International Hospital in Myanmar.

In a period of adjustment

RAM is the second-largest hospital chain in Thailand. THG expects more synergies and operational improvement with RAM becoming the major shareholder. Both parties are currently assessing potential areas of collaboration, including shared resources, procurement synergies, knowledge sharing, and internal patient referrals. We believe the realization of these potential benefits remains uncertain and is likely to be gradual.

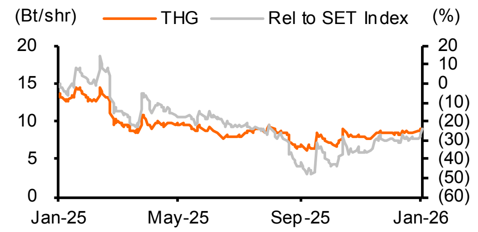
New investment line-up

After opening a new OPD building at Thonburi Hospital and a new Radiology Center at Thonburi Trang in 2025, THG plans to open a new 49-bed building at Thonburi Thawiwatthana and the Thonburi Lanta Medical Center at Thonburi Trang in 2026, followed by a new 24-bed building at Thonburi Rajyindee Hospital in 2027 and a new 150-bed building at Thonburi Hospital in 2028. We estimate THG's capex at Bt0.8/1.0/1.0/0.6bn in 2025-28F. We expect these capacity expansions at existing hospitals to lead to higher operating costs in the early years of operation.

COMPANY VALUATION

Y/E Dec (Bt m)	2024A	2025F	2026F	2027F
Sales	9,479	9,182	10,080	11,078
Net profit	(1,765)	145	298	341
Consensus NP	—	na	na	na
Diff frm cons (%)	—	*na*	*na*	*na*
Norm profit	(110)	103	298	341
Prev. Norm profit	—	221	535	596
Chg frm prev (%)	—	*(53.5)*	*(44.4)*	*(42.8)*
Norm EPS (Bt)	(0.1)	0.1	0.2	0.2
Norm EPS grw (%)	na	na	107.6	14.6
Norm PE (x)	na	113.6	54.7	47.8
EV/EBITDA (x)	12.7	8.6	11.2	10.5
P/BV (x)	1.3	1.2	1.2	1.2
Div yield (%)	0.0	0.4	1.0	1.3
ROE (%)	na	1.0	2.2	2.4
Net D/E (%)	112.3	9.4	6.7	3.4

PRICE PERFORMANCE



COMPANY INFORMATION

Price *as of* 8-Jan-26 (Bt)	9.10
Market Cap (US$ m)	516.6
Listed Shares (m shares)	1,789.2
Free Float (%)	54.9
Avg Daily Turnover (US$ m)	1.0
12M Price H/L (Bt)	12.99/6.25
Sector	Health Care
Major Shareholder	RAM 24.59%

Sources: Bloomberg, Company data, Thanachart estimates

ESG Summary Report ……………..…………..… P76

Ex 1: Changes In Our Key Assumptions And Earnings Revisions

	2023	2024	2025F	2026F	2027F	2028F
# of OPD patients (people/year)						
- New	1,154,495	1,120,733	1,167,210	1,416,073	1,597,279	1,720,353
- Old			1,236,430	1,431,429	1,612,943	1,783,207
- Change (%)			*(5.6)*	*(1.1)*	*(1.0)*	*(3.5)*
# of IPD patients (beds/year)						
- New	200,203	181,861	162,766	168,492	174,735	187,418
- Old			170,346	174,953	181,325	194,206
- Change (%)			*(4.4)*	*(3.7)*	*(3.6)*	*(3.5)*
Revenue from hospital business (Bt m)						
- New	9,198	8,350	8,170	8,890	9,747	10,711
- Old			8,464	9,273	10,161	11,299
- Change (%)			*(3.5)*	*(4.1)*	*(4.1)*	*(5.2)*
Gross margin (%)						
- New	28.2	22.2	22.4	21.9	21.7	21.7
- Old			23.9	24.0	23.9	23.1
- Change (ppt)			*(1.5)*	*(2.1)*	*(2.2)*	*(1.4)*
Normalized profit (Bt m)						
- New	662	(110)	103	298	341	399
- Old			221	535	596	641
- Change (%)			*(53.5)*	*(44.4)*	*(42.8)*	*(37.8)*

Sources: Company data, Thanachart estimates

Ex 2: 12-month DCF-based TP Calculation Using A Base Year Of 2026F

(Bt m)	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F	2036F	Terminal value
EBITDA excl. depre from right of use	1,385	1,452	1,555	1,659	1,750	1,885	2,024	2,125	2,256	2,396	2,571	—
Free cash flow	716	821	1,423	1,493	1,606	1,750	1,630	1,737	1,875	2,023	810	11,524
PV of free cash flow	714	689	1,094	1,051	1,036	1,034	882	861	851	842	308	4,390

Risk-free rate (%)	2.5
Market risk premium (%)	8.0
Beta	0.9
WACC (%)	9.2
Terminal growth (%)	2.0
Enterprise value - add investments *	15,399
Net debt (end 2025F)	1,387
Minority interest	1,084
Equity value	12,928
# of shares (m)	1,789.2
Equity value / share (Bt)	**7.2**

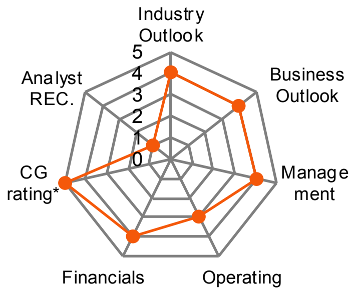
Sources: Company data, Thanachart estimates
Note: * Including the Bt1.6bn value of its investments

COMPANY DESCRIPTION

Thonburi Healthcare Group Pcl (THG) was established on 13 August 1976 by the Vanasin family, the company's major shareholder. THG is engaged in three businesses: 1) a hospital business (private hospitals, hospital management services, and step-down care services), 2) a healthcare solutions provider business (medical services for elderly people, chronic illness patients at patients' homes, and selling dental products, devices, and equipment), and 3) other related businesses such as modular software expertise.

Source: Thanachart

COMPANY RATING



Rating Scale	
Excellent	5
Good	4
Fair	3
Weak	2
Very Weak	1
None	0

Source: Thanachart; * CG Rating

THANACHART'S SWOT ANALYSIS

S — Strength

- Very strong "Thonburi" brand in Thailand for 50 years.
- Owners and company executives have strong relationships with doctors and professors from the medical school at Mahidol University and Siriraj Hospital.
- Provides fully integrated healthcare services.

W — Weakness

- Limited patient-base diversification as THG still mainly focuses on cash patients in the mid- to high-tier markets.

O — Opportunity

- Rising healthcare demand in Thailand
- Poor healthcare infrastructure in the CLMV market, while healthcare demand is rising amid changes in demographic trends.
- Rising patient flows from neighbouring countries.
- COVID-19 pandemic.

T — Threat

- Competition from other private hospitals, public hospitals' specialist clinics, and Siriraj Piyamaharajkarun Hospital (SiPH).
- Regulatory and political risks.
- COVID-19 outbreak.

CONSENSUS COMPARISON

	Consensus	Thanachart	Diff
Target price (Bt)	n.a.	7.20	n.a.
Net profit 25F (Bt m)	n.a.	103	n.a.
Net profit 26F (Bt m)	n.a.	298	n.a.
Consensus REC	**BUY: N.A.**	**HOLD: N.A.**	**SELL: N.A.**

HOW ARE WE DIFFERENT FROM THE STREET?

- N.A.

Sources: Bloomberg consensus, Thanachart estimates

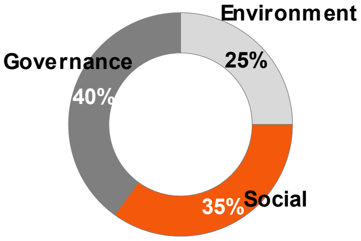
RISKS TO OUR INVESTMENT CASE

- If the number of cash patients at THG's hospitals in Thailand or revenue from existing and new hospitals or management of excellence centers is stronger than our expectations, this would present an upside risk to our earnings estimates.
- If synergy benefits with the new partner are stronger and materialize faster than our expectations, this would represent an upside risk.
- If equity-income contributions from its affiliated hospitals in Thailand and Myanmar were to exceed our expectations, this would lead to upside risk to our earnings forecasts.
- If unit sales for the senior homecare project are higher than our current expectation, this would lead to lower liquidity risk for the company.

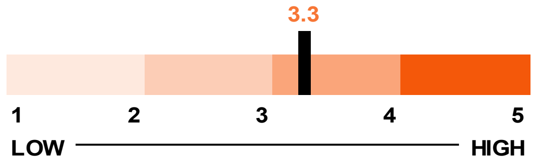
Source: Thanachart

ESG & Sustainability Report

ESG Weighting



Thanachart ESG Rating



	SET ESG Index	SET ESG (BBB-AAA)	DJSI Index	MSCI (CCC-AAA)	ESG Book (0-100)	Refinitiv (0-100)	S&P Global (0-100)	Moody's (0-100)	CG Rating (0-5)
THG	-	-	-	-	-	55.7	19.00	-	3.0

Sources: SETTRADE, SET ESG Index, SET ESG Rating, The Dow Jones Industrial Average (DJSI), MSCI ESG Research LLC, ESG Book, Refinitiv ESG Information, S&P Global Market Intelligence, Moody's ESG Solutions, Thai IOD (CG rating)
Note: Please see third party on “terms of use” toward the back of this report.

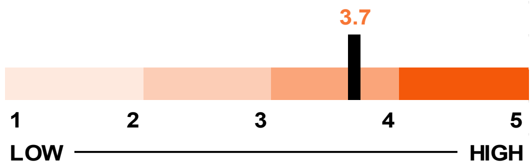
ESG Summary

- THG is among Thailand’s top five hospital chains, with a registered bed capacity of 1,158 in 2024. It operates seven hospitals and manages two health-service residential projects. We assign THG a decent ESG score of 3.3. The score was adjusted up from 3.2, the level prior to the capital increase in 3Q25, when Ramkhamhaeng Hospital (RAM) became the dominant shareholder with a 49.99% stake (from 24.59%).
- THG is not an ESG leader compared with the broader market, as Governance remains weak. However, its Environmental and Social performance is stronger than the market average, positioning THG as an ESG improvement or transition play rather than a core ESG holding.
- THG stands out on Social and Environment pillars, supported by strong healthcare quality standards, patient safety, and employee engagement, alongside a clear climate strategy with net-zero targets, verified emissions data, and solid execution, particularly in waste reduction. These strengths are well embedded in THG’s core hospital operations and support long-term patient trust, brand strength, and business sustainability.
- THG’s main weakness is Governance, reflecting past issues, weak board independence, and concentrated ownership. Stronger board oversight and independence are needed to reduce long-term governance and reputational risks.
- A key issue to monitor for THG is the increasing role of RAM as its major shareholder. If RAM can improve THG’s operational performance more than investors currently expect, this could enhance THG’s ESG performance under the Business Model Sustainability dimension and potentially support a re-rating of THG’s share price over the medium to long term.

Sector: Services | Healthcare

THG has a good Environment score of 3.7, well above its peer average of 2.9, supported by a clear net-zero emissions target by 2050, verified Scope 1-3 GHG disclosures, and measurable medium-term reduction goals. Execution has been solid, especially in waste reduction, although continued discipline will likely be needed as the business expands.

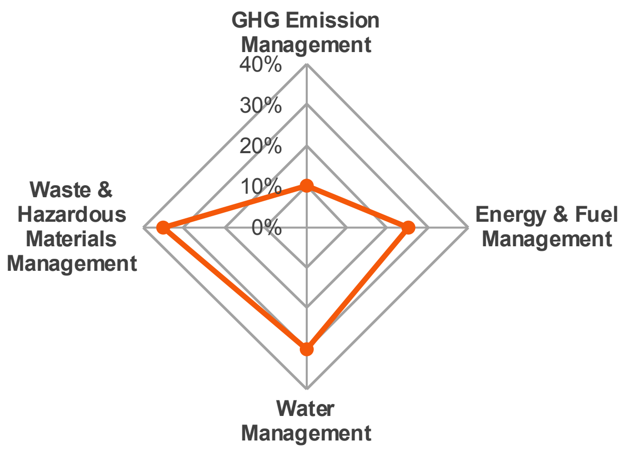
Thanachart Environment (E) Rating



ENVIRONMENT	Our Comments

- **GHG Emission Management**
- **Energy & Fuel Management**
- **Water Management**
- **Waste & Hazardous Materials Management**

SCALE WEIGHTING

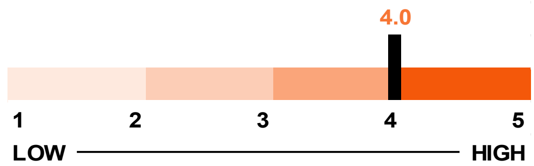


- THG has a relatively high Environment (E) score of 3.7, well above the peer average of 2.9, reflecting its clear environmental strategy and long-term commitment to achieve net-zero greenhouse gas emissions by 2050. In the medium term, the company targets a 20% reduction in GHG emissions intensity per person by 2029, using 2024 as the baseline. In 2024, GHG emissions per unit (per person) already declined by 4%, despite higher operational activity. In our view, THG's climate roadmap appears credible and well-defined, with measurable interim targets that support its long-term net-zero ambition, although execution discipline will remain key as the business expands.
- THG discloses greenhouse gas emissions across Scope 1-3 and has its GHG data externally verified, enhancing credibility and transparency. This supports the company's long-term net-zero by 2050 target and its medium-term emissions-intensity reduction goals. Robust data quality and third-party verification are key strengths of THG's environmental profile and help differentiate it from peers with weaker disclosure practices, in our view.
- THG aims to reduce electricity consumption from fossil fuels by 10% by 2029 compared with the 2024 baseline. In 2024, the company achieved a 0.37% reduction in electricity consumption, indicating early progress toward this goal. Key actions include energy-efficiency measures across hospital operations and tighter monitoring of electricity use. From our perspective, while the initial reduction is modest, the presence of a clear medium-term target and consistent tracking suggests a structured approach to energy management, which should gradually improve performance over time.
- THG has a water management policy and targets a 5% reduction in water usage by 2029 from a 2024 base. While total water use rose in 2024 with expansion, efficiency is tracked via intensity metrics; we view the approach as appropriate, though the target is modest vs. best-in-class peers.
- THG targets a 20% reduction in non-hazardous waste to landfill by 2029 from a 2024 base. In 2024, non-hazardous waste fell 12.6%, already achieving over half of the target, which we view as strong execution.

Sources: Thanachart, Company data

THG has a strong Social profile, with an S score of 4.0 (vs. peers' 3.6), supported by strong care quality, patient safety, human rights practices, and employee engagement, which together sustain patient trust and long-term brand strength.

Thanachart Social (S) Rating



SOCIAL

- **Human Rights & Community Relations**
- **Access & Affordability**
- **Customer Welfare**
- **Data Security & Customer Privacy**
- **Product Quality & Safety**
- **Fair Product Marketing & Labelling**
- **Operational Risk Management**
- **Health, Safety & Well-being**
- **Recruitment, Development & Retention**

SCALE WEIGHTING

Our Comments

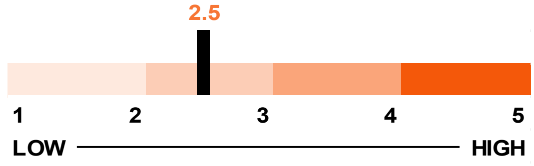
- We assign THG a high Social (S) score of 4.0, above the sector average of 3.6, reflecting the strength of its "Thonburi" brand and extensive hospital network. The company focuses on high-complexity medical treatments while maintaining strong service quality and cost efficiency, offering good value for money to patients. THG complies with multiple internationally recognized quality standards, including HA, JCI, AACI, and SSCC, which underpin clinical safety and service consistency. The company targets customer satisfaction of above 90% by 2029. In our view, THG's strong quality credentials and focus on complex care are well embedded in its core business and support long-term patient trust and brand sustainability.
- THG places strong emphasis on patient safety and the protection of personal and medical data through internal policies and compliance with relevant healthcare and data protection regulations. The company has reported no material incidents related to patient safety or data breaches in recent years. In our view, this is a fundamental strength, as effective patient safety and data privacy management help protect THG's reputation, maintain patient trust, and reduce regulatory and litigation risks.
- THG has a clear human rights and equality policy with zero tolerance for discrimination and explicit guidelines for fair employee treatment. We view this formalized framework as reducing social and reputational risks and aligning with healthcare industry expectations.
- THG emphasizes employee well-being, training, and safety, targeting employee satisfaction above 80% by 2029. With comprehensive OHS measures, low accident rates, and no fatal incidents, we view this focus as supportive of service quality, staff retention, and long-term competitiveness.
- THG engages in community and social activities related to healthcare access, health promotion, and public well-being, particularly in areas where its hospitals operate. These activities help strengthen relationships with local communities and stakeholders. In our view, community engagement enhances THG's social license to operate and reinforces the long-term value of the "Thonburi" brand beyond purely commercial objectives.

Sources: Thanachart, Company data

Sector: Services | Healthcare

THG has a low Governance score of 2.5, reflecting past governance concerns and weak board independence that have weighed on investor confidence. However, the increased influence of RAM is a positive factor that could support stronger business sustainability.

Thanachart Governance (G) Rating



GOVERNANCE & SUSTAINABILITY

- **Business Model and Innovation**
- **Leadership and Governance**
- **Board Structure**
- **Audit committee**
- **Renumeration**
- **Ethics & Compliance**
- **Risk Committee**

SCALE WEIGHTING

Our Comments

- We assign THG its lowest score for Governance (G) of 2.5, revised up from 2.2, reflecting elevated governance concerns related to its founder and a former major shareholder, the Vanasin family, in connection with a fraud-related issue. While this matter does not directly affect day-to-day hospital operations, it has negatively impacted THG's reputation. In our view, this weighs on investor confidence and valuation, particularly for a service-oriented healthcare business that relies heavily on trust and credibility. However, we view the increased control of RAM – with THG's stake rising from 24.59% to 49.99% in 3Q25 – as a positive development for THG.
- THG is a top-five hospital chain in Thailand. We expect the presence of RAM as a major shareholder to support THG's long-term growth sustainability. RAM is the second-largest private hospital chain in Thailand by number of registered beds, providing scale, operational expertise, and strong brand recognition. In our view, this partnership strengthens THG's business sustainability through scale advantages, operational synergies, and a more resilient hospital network.
- We assign a low score for THG's board structure. The company's board structure is weak in our assessment, as the chairman is not independent, and only four of the 14 directors are independent, well below the ideal independence ratio of two-thirds. The board includes four female directors, which supports some level of gender diversity but does not fully offset concerns around independence and balance of power. In our view, limited board independence reduces the effectiveness of checks and balances, especially given the company's concentrated shareholding structure, and remains a key governance weakness.
- THG has internal control and risk management processes covering operational, financial, and compliance risks across its network. While these provide basic support, we believe stronger board independence and oversight are needed to ensure their effectiveness.
- THG complies with Thailand's PDPA and has engaged external consultants for staff training and compliance planning. While this strengthens data controls, it is a baseline requirement and does not fully offset broader governance concerns at the board and ownership level.

Sources: Thanachart, Company data

We foresee weak revenue across all businesses in 2025F

INCOME STATEMENT

FY ending Dec (Bt m)	2023A	2024A	2025F	2026F	2027F
Sales	10,300	9,479	9,182	10,080	11,078
Cost of sales	7,392	7,371	7,123	7,870	8,673
Gross profit	**2,908**	**2,108**	**2,059**	**2,211**	**2,405**
% gross margin	28.2%	22.2%	22.4%	21.9%	21.7%
Selling & administration expenses	1,850	1,810	1,704	1,861	2,009
Operating profit	**1,057**	**298**	**355**	**349**	**396**
% operating margin	10.3%	3.1%	3.9%	3.5%	3.6%
Depreciation & amortization	1,138	1,174	1,170	1,187	1,205
EBITDA	**2,195**	**1,472**	**1,524**	**1,536**	**1,602**
% EBITDA margin	21.3%	15.5%	16.6%	15.2%	14.5%
Non-operating income	144	133	110	111	116
Non-operating expenses	(15)	(11)	0	0	0
Interest expense	(449)	(493)	(357)	(155)	(147)
Pre-tax profit	**737**	**(72)**	**107**	**305**	**365**
Income tax	191	222	149	183	201
After-tax profit	**545**	**(294)**	**(42)**	**122**	**164**
% net margin	5.3%	-3.1%	-0.5%	1.2%	1.5%
Shares in affiliates' Earnings	214	176	201	246	262
Minority interests	(97)	8	(56)	(70)	(85)
Extraordinary items	(367)	(1,654)	42	0	0
NET PROFIT	**295**	**(1,765)**	**145**	**298**	**341**
Normalized profit	**662**	**(110)**	**103**	**298**	**341**
EPS (Bt)	0.3	(1.7)	0.1	0.2	0.2
Normalized EPS (Bt)	0.6	(0.1)	0.1	0.2	0.2

More new projects are planned to be added in 2025-27

BALANCE SHEET

FY ending Dec (Bt m)	2023A	2024A	2025F	2026F	2027F
ASSETS:					
Current assets:	4,873	3,786	3,929	4,406	4,369
Cash & cash equivalent	940	460	1,000	1,500	1,500
Account receivables	1,855	1,420	1,082	1,188	1,305
Inventories	1,867	1,664	1,600	1,466	1,307
Others	211	243	247	252	257
Investments & loans	1,643	1,769	1,769	1,769	1,769
Net fixed assets	12,789	12,495	12,416	12,470	12,504
Other assets	3,984	2,836	2,771	2,708	2,648
Total assets	**23,289**	**20,886**	**20,885**	**21,354**	**21,291**
LIABILITIES:					
Current liabilities:	9,699	8,315	2,865	3,086	3,022
Account payables	1,630	1,749	1,483	1,639	1,806
Bank overdraft & ST loans	4,664	4,005	0	0	0
Current LT debt	3,155	2,365	1,194	1,248	1,010
Others current liabilities	250	195	189	199	206
Total LT debt	**2,091**	**3,365**	**1,194**	**1,248**	**1,010**
Others LT liabilities	983	945	2,085	2,053	2,030
Total liabilities	**12,773**	**12,626**	**6,144**	**6,387**	**6,063**
Minority interest	1,067	1,028	1,084	1,084	1,169
Preferreds shares	0	0	0	0	0
Paid-up capital	847	847	1,789	1,789	1,789
Share premium	6,896	6,896	12,234	12,234	12,234
Warrants	0	0	0	0	0
Surplus	(848)	(1,100)	(1,100)	(1,100)	(1,100)
Retained earnings	**2,553**	**590**	**735**	**960**	**1,137**
Shareholders' equity	9,448	7,233	13,657	13,883	14,060
Liabilities & equity	**23,289**	**20,886**	**20,885**	**21,354**	**21,291**

Sources: Company data, Thanachart estimates

Improving cash flow from operations after capital increase

CASH FLOW STATEMENT

FY ending Dec (Bt m)	2023A	2024A	2025F	2026F	2027F
Earnings before tax	737	(72)	107	305	365
Tax paid	(307)	(218)	(156)	(174)	(195)
Depreciation & amortization	1,138	1,174	1,170	1,187	1,205
Chg In w orking capital	545	759	135	184	209
Chg In other CA & CL / minorities	320	54	196	172	258
Cash flow from operations	**2,432**	**1,696**	**1,452**	**1,673**	**1,843**
Capex	(1,148)	(633)	(848)	(1,000)	(1,000)
Right of use	(90)	178	(50)	(50)	(50)
ST loans & investments	0	0	0	0	0
LT loans & investments	86	(127)	0	0	0
Adj for asset revaluation	(261)	(252)	0	0	0
Chg In other assets & liabilities	(732)	(966)	1,059	(160)	(153)
Cash flow from investments	**(2,145)**	**(1,800)**	**161**	**(1,210)**	**(1,203)**
Debt financing	(1,169)	(178)	(7,352)	109	(476)
Capital increase	0	0	6,280	0	0
Dividends paid	(760)	(381)	0	(72)	(164)
Warrants & other surplus	(5)	183	0	0	0
Cash flow from financing	**(1,934)**	**(376)**	**(1,073)**	**37**	**(640)**
Free cash flow	**1,284**	**1,063**	**604**	**673**	**843**

Expensive valuation, in our view

VALUATION

FY ending Dec	2023A	2024A	2025F	2026F	2027F
Normalized PE (x)	14.2	na	113.6	54.7	47.8
Normalized PE - at target price (x)	11.3	na	89.9	43.3	37.8
PE (x)	31.9	na	80.6	54.7	47.8
PE - at target price (x)	25.3	na	63.8	43.3	37.8
EV/EBITDA (x)	8.4	12.7	8.6	11.2	10.5
EV/EBITDA - at target price (x)	7.5	11.4	7.0	9.0	8.4
P/BV (x)	1.0	1.3	1.2	1.2	1.2
P/BV - at target price (x)	0.8	1.0	0.9	0.9	0.9
P/CFO (x)	3.9	5.6	8.0	9.7	8.8
Price/sales (x)	1.6	1.7	1.8	1.6	1.5
Dividend yield (%)	4.0	0.0	0.4	1.0	1.3
FCF Yield (%)	13.6	11.3	5.2	4.1	5.2
(Bt)					
Normalized EPS	0.6	(0.1)	0.1	0.2	0.2
EPS	0.3	(1.7)	0.1	0.2	0.2
DPS	0.4	0.0	0.0	0.1	0.1
BV/share	9.1	7.0	7.6	7.8	7.9
CFO/share	2.3	1.6	1.1	0.9	1.0
FCF/share	1.2	1.0	0.5	0.4	0.5

Sources: Company data, Thanachart estimates

Improving financial status after capital increase

FINANCIAL RATIOS

FY ending Dec	2023A	2024A	2025F	2026F	2027F
Growth Rate					
Sales (%)	(11.1)	(8.0)	(3.1)	9.8	9.9
Net profit (%)	(81.6)	na	na	105.7	14.6
EPS (%)	(81.6)	na	na	47.3	14.6
Normalized profit (%)	(55.8)	na	na	189.8	14.6
Normalized EPS (%)	(55.8)	na	na	107.6	14.6
Dividend payout ratio (%)	129.1	0.0	50.0	55.0	60.0
Operating performance					
Gross margin (%)	28.2	22.2	22.4	21.9	21.7
Operating margin (%)	10.3	3.1	3.9	3.5	3.6
EBITDA margin (%)	21.3	15.5	16.6	15.2	14.5
Net margin (%)	5.3	(3.1)	(0.5)	1.2	1.5
D/E (incl. minor) (x)	0.9	1.2	0.2	0.2	0.1
Net D/E (incl. minor) (x)	0.9	1.1	0.1	0.1	0.0
Interest coverage - EBIT (x)	2.4	0.6	1.0	2.3	2.7
Interest coverage - EBITDA (x)	4.9	3.0	4.3	9.9	10.9
ROA - using norm profit (%)	2.7	na	0.5	1.4	1.6
ROE - using norm profit (%)	6.7	na	1.0	2.2	2.4
DuPont					
ROE - using after tax profit (%)	5.6	na	na	0.9	1.2
- asset turnover (x)	0.4	0.4	0.4	0.5	0.5
- operating margin (%)	11.5	na	5.1	4.6	4.6
- leverage (x)	2.5	2.6	2.0	1.5	1.5
- interest burden (%)	62.1	(17.2)	23.1	66.3	71.2
- tax burden (%)	74.0	na	na	40.0	45.0
WACC (%)	9.2	9.2	9.2	9.2	9.2
ROIC (%)	4.2	1.6	(0.8)	0.9	1.2
NOPAT (Bt m)	783	298	(138)	140	178
invested capital (Bt m)	18,418	16,509	15,045	14,879	14,580

Sources: Company data, Thanachart estimates

ESG Information - Third Party Terms

www.Settrade.com
SETTRADE: You acknowledge that the use of data, information or service displayed and/or contained in this website may require third party's data, content or software which is subject to the terms of third party provider. By accessing and/or using of such certain data, you acknowledge and agree to comply with and be bound by the applicable third party terms specified below.

ESG Scores by Third Party data from www.SETTRADE.com
1. MSCI (CCC- AAA)
2. ESG Book (0-100)
3. Refinitiv (0-100)
4. S&P Global (0-100)
5. Moody's ESG Solutions (0-100)
6. SET ESG Rating (BBB-AAA)

SETESG Index (SETESG)
The SETESG Index reflects the price movement of stock of companies that have sustainable business practices which consider environmental, social and governance (ESG) aspect.

SET Index, SET50 Index, SET100 Index and all indices calculated by the Stock Exchange of Thailand ("SET") (collectively called "SET Index Series") are the registered trademarks/service marks solely owned by, and proprietary to SET. Any unauthorized use of SET Index Series is strictly prohibited. All information provided is for information purposes only and no warranty is made as to its fitness for purpose, satisfactory quality or otherwise. Every effort has been made to ensure that all information given is accurate, but no responsibility or liability (including in negligence) can be accepted by SET for errors or omissions or for any losses arising from the use of this information.

SET ESG Index (SET ESG)
Currently, long-term investment guidelines abroad are beginning to focus on investing in companies that have sustainable business practices. which considers environmental, social and governance factors (Environmental, Social and Governance or ESG) of the company in making investment decisions along with analyzing the company's financial data.

Stock Exchange Has prepared the results of evaluating sustainable stocks which are stocks of listed companies (SETESG Rating) as an alternative for investors who want to invest in stocks of listed companies that are outstanding in ESG, including to support listed companies with operations. sustainable business Taking into account all stakeholders in both social and environmental aspects. There is a management process to create sustainability for the organization, such as risk management. Supply chain management and innovation development. Therefore, the SETESG index was created to be an index that reflects the price movement of a group of securities. of companies with sustainable business operations that meet the required size and liquidity criteria

ESG Book's Disclaimer
Arabesque S-Ray GmbH, also trading as "ESG Book", is a limited liability company (Gesellschaft mit beschränkter Haftung) incorporated in Frankfurt am Main and organised under the laws of Germany with registered number HRB 113087 in the commercial register of the local court with its seat and business address at Zeppelinallee 15, 60325 Frankfurt am Main, Germany (hereinafter "ESG Book"). ESG Book, with its UK branch and local subsidiaries, is a provider of sustainability data and advisory services and operates the sustainability data platform ESG Book. ESG Book does not offer any regulated financial services nor products. This document is provided on a confidential basis by ESG Book and is for information purposes only; accordingly, it is not a solicitation or an offer to buy any security or instrument or to participate in any trading activities nor should it be construed as a recommendation or advice on the merits of investing in any financial product. THIRD PARTY INFORMATION. Certain information contained in this document has been obtained from sources outside ESG Book. While such information is believed to be reliable for the purposes used herein, no representations are made as to the accuracy or completeness thereof and neither ESG Book nor its affiliates take any responsibility for such information. To the extent this document contains any links to third party websites, such links are provided as a convenience and for informational purposes only; they do not constitute an endorsement or an approval by ESG Book of any of the products, services or opinions of the corporations or organization or individual operating such third party websites. ESG Book bears no responsibility for the accuracy, legality or content of the external site or for that of subsequent links. RELIANCE – ESG Book makes no representation or warranty, express or implied, as to the accuracy or completeness of the information contained herein, and accepts no liability for any loss, of whatever kind, howsoever arising, in relation thereto, and nothing contained herein should be relied upon. CONFIDENTIALITY. This document contains highly confidential information regarding ESG Book's strategy and organization. Your acceptance of this document constitutes your agreement to keep confidential all the information contained in this document, as well as any information derived by you from the information contained in this document and not disclose any such information to any other person. This document may not be copied, reproduced, in any way used or disclosed or transmitted, in whole or in part, to any other person.

MSCI ESG Research LLC
"Certain information @2021 MSCI ESG Research LLC. Reproduced by permission"
"Although [User ENTITY NAME's] information providers, including without limitation, MSCI ESG Research LLC and its affiliates (the "ESG Parties"), obtain information (the "Information") from sources they consider reliable, none of the ESG Parties warrants or guarantees the originality, accuracy and/or completeness, of any data herein and expressly disclaim all express or implied warranties, including those of merchantability and fitness for a particular purpose. The Information may only be used for your internal use, may not be reproduced or redisseminated in any form and may not be used as a basis for, or a component of, any financial instruments or products or indices. Further, non of the Information can in and of itself be used to determine which securities to buy or sell or when to buy or sell them. None of the ESG Parties shall have any liability for any errors or omissions in connection with any data herein, or any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages."

Score range	Description
CCC - B	**LAGGARD:** A company lagging its industry based on its high exposure and failure to manage significant ESG risks
BB - BBB - A	**AVERAGE :** A company with a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers
AA - AAA	**LEADER:** A company leading its industry in managing the most significant ESG risks and opportunities

The Dow Jones Sustainability Indices (DJSI)
The Dow Jones Sustainability Indices (DJSI) are a family of best-in-class benchmarks for investors who have recognized that sustainable business practices are critical to generating long-term shareholder value and who wish to reflect their sustainability convictions in their investment portfolios. The family was launched in 1999 as the first global sustainability benchmark and tracks the stock performance of the world's leading companies in terms of economic, environmental and social criteria. Created jointly by S&P Dow Jones Indices and SAM, the DJSI combine the experience of an established index provider with the expertise of a specialist in Sustainable Investing to select the most sustainable companies from across 61 industries. The indices serve as benchmarks for investors who integrate sustainability considerations into their portfolios, and provide an effective engagement platform for investors who wish to encourage companies to improve their corporate sustainability practices.

S&P Global Market Intelligence
Copyright © 2021, S&P Global Market Intelligence (and its affiliates as applicable). Reproduction of any information, opinions, views, data or material, including ratings ("Content") in any form is prohibited except with the prior written permission of the relevant party. Such party, its affiliates and suppliers ("Content Providers") do not guarantee the accuracy, adequacy, completeness, timeliness or availability of any Content and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such Content. In no event shall Content Providers be liable for any damages, costs, expenses, legal fees, or losses (including lost income or lost profit and opportunity costs) in connection with any use of the Content. A reference to a particular investment or security, a rating or any observation concerning an investment that is part of the Content is not a recommendation to buy, sell or hold such investment or security, does not address the suitability of an investment or security and should not be relied on as investment advice. Credit ratings are statements of opinions and are not statements of fact.
ESG risk combines the concepts of management and exposure to arrive at an absolute assessment of ESG risk. We identify five categories of ESG risk severity that could impact a company's enterprise value

Moody's ESG Solutions
© 2022 Moody's Corporation, Moody's Investors Service, Inc., Moody's Analytics, Inc. and/or their licensors and affiliates (collectively, "MOODY'S"). All rights reserved.
CREDIT RATINGS ISSUED BY MOODY'S CREDIT RATINGS AFFILIATES ARE THEIR CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES, AND MATERIALS, PRODUCTS, SERVICES AND INFORMATION PUBLISHED BY MOODY'S (COLLECTIVELY, "PUBLICATIONS") MAY INCLUDE SUCH CURRENT OPINIONS. MOODY'S DEFINES CREDIT RISK AS THE RISK THAT AN ENTITY MAY NOT MEET ITS CONTRACTUAL FINANCIAL OBLIGATIONS AS THEY COME DUE AND ANY ESTIMATED FINANCIAL LOSS IN THE EVENT OF DEFAULT OR IMPAIRMENT. SEE APPLICABLE MOODY'S RATING SYMBOLS AND DEFINITIONS PUBLICATION FOR INFORMATION ON THE TYPES OF CONTRACTUAL FINANCIAL OBLIGATIONS ADDRESSED BY MOODY'S CREDIT RATINGS. CREDIT RATINGS DO NOT ADDRESS ANY OTHER RISK, INCLUDING BUT NOT LIMITED TO: LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. CREDIT RATINGS, NON-CREDIT ASSESSMENTS ("ASSESSMENTS"), AND OTHER OPINIONS INCLUDED IN MOODY'S PUBLICATIONS ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. MOODY'S PUBLICATIONS MAY ALSO INCLUDE QUANTITATIVE MODEL-BASED ESTIMATES OF CREDIT RISK AND RELATED OPINIONS OR COMMENTARY PUBLISHED BY MOODY'S ANALYTICS, INC. AND/OR ITS AFFILIATES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS DO NOT CONSTITUTE OR PROVIDE INVESTMENT OR FINANCIAL ADVICE, AND MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS ARE NOT AND DO NOT PROVIDE RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS DO NOT COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. MOODY'S ISSUES ITS CREDIT RATINGS,

ASSESSMENTS AND OTHER OPINIONS AND PUBLISHES ITS PUBLICATIONS WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL, WITH DUE CARE, MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE.
MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS, AND PUBLICATIONS ARE NOT INTENDED FOR USE BY RETAIL INVESTORS AND IT WOULD BE RECKLESS AND INAPPROPRIATE FOR RETAIL INVESTORS TO USE MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS OR PUBLICATIONS WHEN MAKING AN INVESTMENT DECISION. IF IN DOUBT YOU SHOULD CONTACT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER.

ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY LAW, INCLUDING BUT NOT LIMITED TO, COPYRIGHT LAW, AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT.
MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS ARE NOT INTENDED FOR USE BY ANY PERSON AS A BENCHMARK AS THAT TERM IS DEFINED FOR REGULATORY PURPOSES AND MUST NOT BE USED IN ANY WAY THAT COULD RESULT IN THEM BEING CONSIDERED A BENCHMARK.
All information contained herein is obtained by MOODY'S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, all information contained herein is provided "AS IS" without warranty of any kind. MOODY'S adopts all necessary measures so that the information it uses in assigning a credit rating is of sufficient quality and from sources MOODY'S considers to be reliable including, when appropriate, independent third-party sources. However, MOODY'S is not an auditor and cannot in every instance independently verify or validate information received in the rating process or in preparing its Publications.
To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability to any person or entity for any indirect, special, consequential, or incidental losses or damages whatsoever arising from or in connection with the information contained herein or the use of or inability to use any such information, even if MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers is advised in advance of the possibility of such losses or damages, including but not limited to: (a) any loss of present or prospective profits or (b) any loss or damage arising where the relevant financial instrument is not the subject of a particular credit rating assigned by MOODY'S.
To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability for any direct or compensatory losses or damages caused to any person or entity, including but not limited to by any negligence (but excluding fraud, willful misconduct or any other type of liability that, for the avoidance of doubt, by law cannot be excluded) on the part of, or any contingency within or beyond the control of, MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers, arising from or in connection with the information contained herein or the use of or inability to use any such information.
NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY CREDIT RATING, ASSESSMENT, OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER.
Moody's Investors Service, Inc., a wholly-owned credit rating agency subsidiary of Moody's Corporation ("MCO"), hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by Moody's Investors Service, Inc. have, prior to assignment of any credit rating, agreed to pay to Moody's Investors Service, Inc. for credit ratings opinions and services rendered by it fees ranging from $1,000 to approximately $5,000,000. MCO and Moody's Investors Service also maintain policies and procedures to address the independence of Moody's Investors Service credit ratings and credit rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold credit ratings from Moody's Investors Service and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually at www.moodys.com under the heading "Investor Relations — Corporate Governance — Director and Shareholder Affiliation Policy."
Additional terms for Australia only: Any publication into Australia of this document is pursuant to the Australian Financial Services License of MOODY'S affiliate, Moody's Investors Service Pty Limited ABN 61 003 399 657AFSL 336969 and/or Moody's Analytics Australia Pty Ltd ABN 94 105 136 972 AFSL 383569 (as applicable). This document is intended to be provided only to "wholesale clients" within the meaning of section 761G of the Corporations Act 2001. By continuing to access this document from within Australia, you represent to MOODY'S that you are, or are accessing the document as a representative of, a "wholesale client" and that neither you nor the entity you represent will directly or indirectly disseminate this document or its contents to "retail clients" within the meaning of section 761G of the Corporations Act 2001. MOODY'S credit rating is an opinion as to the creditworthiness of a debt obligation of the issuer, not on the equity securities of the issuer or any form of security that is available to retail investors.
Additional terms for Japan only: Moody's Japan K.K. ("MJKK") is a wholly-owned credit rating agency subsidiary of Moody's Group Japan G.K., which is wholly-owned by Moody's Overseas Holdings Inc., a wholly-owned subsidiary of MCO. Moody's SF Japan K.K. ("MSFJ") is a wholly-owned credit rating agency subsidiary of MJKK. MSFJ is not a Nationally Recognized Statistical Rating Organization ("NRSRO"). Therefore, credit ratings assigned by MSFJ are Non-NRSRO Credit Ratings. Non-NRSRO Credit Ratings are assigned by an entity that is not a NRSRO and, consequently, the rated obligation will not qualify for certain types of treatment under U.S. laws. MJKK and MSFJ are credit rating agencies registered with the Japan Financial Services Agency and their registration numbers are FSA Commissioner (Ratings) No. 2 and 3 respectively.
Additional terms for Hong Kong only: Any Second Party Opinion or other opinion that falls within the definition of "advising on securities" under the Hong Kong Securities and Futures Ordinance ("SFO") is issued by Vigeo Eiris Hong Kong Limited, a company licensed by the Hong Kong Securities and Futures Commission to carry out the regulated activity of advising on securities in Hong Kong. This Second Party Opinion or other opinion that falls within the definition of "advising on securities" under the SFO is intended for distribution only to "professional investors" as defined in the SFO and the Hong Kong Securities and Futures (Professional Investors) Rules. This Second Party Opinion or other opinion must not be distributed to or used by persons who are not professional investors.
MJKK or MSFJ (as applicable) hereby disclose that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by MJKK or MSFJ (as applicable) have, prior to assignment of any credit rating, agreed to pay to MJKK or MSFJ (as applicable) for credit ratings opinions and services rendered by it fees ranging from JPY125,000 to approximately JPY550,000,000.
MJKK and MSFJ also maintain policies and procedures to address Japanese regulatory requirements.

Refinitiv ESG
These Terms of Use govern your access or use of the ESG information and materials on the Refinitiv website and any AI powered voice assistance software ("Refinitiv ESG Information").

The Refinitiv ESG Information is for general informational and non-commercial purposes only. Reproduction, redistribution or any other form of copying or transmission of the Refinitiv ESG Information is prohibited without Refinitiv's prior written consent.
All warranties, conditions and other terms implied by statute or common law including, without limitation, warranties or other terms as to suitability, merchantability, satisfactory quality and fitness for a particular purpose, are excluded to the maximum extent permitted by applicable laws. The Refinitiv ESG Information is provided "as is" and Refinitiv makes no express or implied warranties, representations or guarantees concerning the accuracy, completeness or currency of the information in this service or the underlying Third Party Sources (as defined below). You assume sole responsibility and entire risk as to the suitability and results obtained from your use of the Refinitiv ESG Information.
The Refinitiv ESG Information does not amount to financial, legal or other professional advice, nor does it constitute: (a) an offer to purchase shares in the funds referred to; or (b) a recommendation relating to the sale and purchase of instruments; or (c) a recommendation to take any particular legal, compliance and/or risk management decision. Investors should remember that past performance is not a guarantee of future results.
The Refinitiv ESG Information will not be used to construct or calculate and index or a benchmark, used to create any derivative works or used for commercial purposes. Refinitiv's disclaimer in respect of Benchmark Regulations applies to the Refinitiv ESG Information.
No responsibility or liability is accepted by Refinitiv its affiliates, officers, employees or agents (whether for negligence or otherwise) in respect of the Refinitiv ESG Information, or for any inaccuracies, omissions, mistakes, delays or errors in the computation and compilation of the Refinitiv ESG Information (and Refinitiv shall not be obliged to advise any person of any error therein). For the avoidance of doubt, in no event will Refinitiv have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) relating to any use of the Refinitiv ESG Information.
You agree to indemnify, defend and hold harmless Refinitiv from and against any claims, losses, damages, liabilities, costs and expenses, including, without limitation, reasonable legal and experts' fees and costs, as incurred, arising in any manner out of your use of, or inability to use, any Information contained on the Refinitiv web site or obtained via any AI powered voice assistance software.
You represent to us that you are lawfully able to enter into these Terms of Use. If you are accepting these Terms of Use for and on behalf of an entity such as the company you work for, you represent to us that you have legal authority to bind that entity.
By accepting these Terms of Use you are also expressly agreeing to the following Refinitiv's website Terms of Use.
Refinitiv ESG scores are derived from third party publicly available sources ("Third Party Sources") and are formulated on the basis of Refinitiv own transparent and objectively applied methodology. Refinitiv's ESG Information methodology can be accessed here.

Score range	Description	
0 to 25	First Quartile	Scores within this range indicates poor relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly.
> 25 to 50	Second Quartile	Scores within this range indicates satisfactory relative ESG performance and moderate degree of transparency in reporting material ESG data publicly.
> 50 to 75	Third Quartile	Scores within this range indicates good relative ESG performance and above average degree of transparency in reporting material ESG data publicly.
> 75 to 100	Fourth Quartile	Score within this range indicates excellent relative ESG performance and high degree of transparency in reporting material ESG data publicly.

CG Report : by Thai Institute of Directors Association (Thai IOD), Established in December 1999, the Thai IOD is a membership organization that strives to promote professionalism in directorship. The Thai IOD offers directors certification and professional development courses, provides a variety of seminars, forums and networking events, and conducts research on board governance issues and practices. Membership comprises board members from companies ranging from large publicly listed companies to small private firms.

90-100	△△△△△	Excellent
80-89	△△△△	Very Good
70-79	△△△	Good
60-69		Satisfactory
50-59	△△	Pass
Below	△	N/A

General Disclaimers And Disclosures:

This report is prepared and issued by Thanachart Securities Public Company Limited (TNS) which is owned 99.97% by TMBThanachart Bank Public Company Limited (TTB) as a resource only for clients of TNS, TMBThanachart Bank Public Company Limited (TTB) and its group companies.

This report is prepared by analysts who are employed by the research department of TNS. While the information is from sources believed to be reliable, neither the information nor the forecasts shall be taken as a representation or warranty for which TNS or TTB or its group companies or any of their employees incur any responsibility. This report is provided to you for informational purposes only and it is not, and is not to be construed as, an offer or an invitation to make an offer to sell or buy any securities. Neither TNS, TTB nor its group companies accept any liability whatsoever for any direct or consequential loss arising from any use of this report or its contents.

The information and opinions contained herein have been compiled or arrived at from sources believed reliable. However, TNS, TTB and its group companies make no representation or warranty, express or implied, as to their accuracy or completeness. Expressions of opinion herein are subject to change without notice. The use of any information, forecasts and opinions contained in this report shall be at the sole discretion and risk of the user.

TNS, TTB and its group companies perform and seek to perform business with companies covered in this report. TNS, TTB, its group companies, their employees and directors may have positions and financial interest in securities mentioned in this report. TNS, TTB or its group companies may from time to time perform investment banking or other services for, or solicit investment banking or other business from, any entity mentioned in this report. Therefore, investors should be aware of conflict of interest that may affect the objectivity of this report.

Disclosure of Interest of Thanachart Securities

Investment Banking Relationship

Within the preceding 12 months, Thanachart Securities has lead-managed public offerings and/or secondary offerings (excluding straight bonds) of the securities of the following companies:

Note: Thanachart Securities Public Company Limited (TNS) acts as an underwriter of “Debentures of Charoen Pokphand Food Public Co. Ltd.(CPF) No. 1/2026 (B.E. 2569) tranche 1-3”, therefore investors need to be aware that there could be conflicts of interest in this research.

Recommendation Structure:

Recommendations are based on absolute upside or downside, which is the difference between the target price and the current market price. If the upside is 10% or more, the recommendation is BUY. If the downside is 10% or more, the recommendation is SELL. For stocks where the upside or downside is less than 10%, the recommendation is HOLD. Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a temporary mismatch between upside/downside for a stock based on the market price and the formal recommendation.

For sectors, an "Overweight" sector weighting is used when we have BUYs on majority of the stocks under our coverage by market cap. "Underweight" is used when we have SELLs on majority of the stocks we cover by market cap. "Neutral" is used when there are relatively equal weightings of BUYs and SELLs.

Thanachart Securities Pcl.

Research Team
18 Floor, MBK Tower
444 Phayathai Road, Pathumwan Road, Bangkok 10330
Tel: 662 - 779-9119
Email: thanachart.res@thanachartsec.co.th

Pimpaka Nichgaroon, CFA
Head of Research, Strategy
pimpaka.nic@thanachartsec.co.th

Nuttapop Prasitsuksant
Telecom, Utilities
nuttapop.pra@thanachartsec.co.th

Rata Limsuthiwanpoom
Auto, Industrial Estate, Media, Prop. Fund
rata.lim@thanachartsec.co.th

Siriporn Arunothai
Small Cap, Healthcare, Hotel
siriporn.aru@thanachartsec.co.th

Sittichet Rungrassameephat
Analyst, Retail Market Strategy
sittichet.run@thanachartsec.co.th

Adisak Phupiphathirungul, CFA
Retail Market Strategy
adisak.phu@thanachartsec.co.th

Pattadol Bunnak
Electronics, Food & Beverage, Shipping
pattadol.bun@thanachartsec.co.th

Rawisara Suwanumphai
Bank, Finance
rawisara.suw@thanachartsec.co.th

Yupapan Polpornprasert
Energy, Petrochemical
yupapan.pol@thanachartsec.co.th

Thaloengsak Kucharoenpaisan
Analyst, Retail Market Strategy
thaloengsak.kuc@thanachartsec.co.th

Pattarawan Wangmingmat
Senior Technical Analyst
pattarawan.wan@thanachartsec.co.th

Phannarai Tiyapittayarut
Property, Retail
phannarai.von@thanachartsec.co.th

Saksid Phadthananarak
Construction, Transportation
saksid.pha@thanachartsec.co.th

Witchanan Tambamroong
Technical Analyst
witchanan.tam@thanachartsec.co.th

Nariporn Klangpremchitt, CISA
Analyst, Retail Market Strategy
nariporn.kla@thanachartsec.co.th