

BUY (From: HOLD)
Change in Recommendation

TP: Bt 12.00 (From: Bt 11.00)
Upside : 22.4%

Bangkok Chain Hospital Pcl. (BCH TB)

Metrics beat peers

We upgrade our call on BCH to BUY as the stock now offers above-sector-average EPS growth of 9% p.a. in 2026-27F and a below-sector-average PE-to-growth ratio of 2.1x in 2026F. We also raise our TP to Bt12 (from Bt11) to reflect two new project expansions.



SIRIPORN ARUNOTHAI

662-779-9119
siriporn.aru@ttbwealth.co.th

Offering good metrics; upgrading to BUY

We upgrade our rating on BCH to BUY (from Hold). **First**, despite our earnings cuts of 8/0/11% in 2026-28F to reflect a two-month impact from the Middle East war, we still estimate 9% p.a. EPS growth in 2026-27F, which compares to the sector average of only 4% p.a. **Second**, BCH's PE-to-growth (PEG) ratio of 2.1x is also lower than the sector average of 6.6x in 2026F. **Third**, we revise up our DCF-based 12-month TP (using a 2026F base year) to Bt12.0 (from Bt11.0) to reflect two newly announced expansions: a new 250-bed IPD facility at KH Rattanakibeth Hospital and the 150-200-bed greenfield World Medical Center (WMC) Pattaya Hospital, both scheduled to open in 2029.

Growth drivers

We project 9% p.a. EPS growth in 2026-27F and 1% in 2028F, due to expected start-up losses from two new hospitals, i.e., KH Rayong, to be opened in 4Q27, and KH Suvarnabhumi, to be opened in 1Q28. The growth drivers in 2026-27F are 1) 3/6% revenue growth driven by rising revenue from both cash and Social Security Scheme (SSS) patients, 2) EBIT margin expansion to 14.9/15.3% (from 14.3% in 2025) from economies of scale and no revenue reversals from high-cost care (RW ≥ 2) and 3) narrowing losses from hospitals opened during 2020-21.

Low exposure to Middle Eastern patients

BCH's foreign patient revenue stood at 12.7% of total revenue in 2025. CLMV patients accounted for 5.8% of total revenue, Middle Eastern 2.8%, Chinese 1.0%, and others 3.2%. In March 2026, BCH still had Middle Eastern patients flying in for treatment despite Ramadan and the ongoing war. However, we conservatively assume a complete absence of Middle Eastern patients for two months. We also assume that revenue from Cambodian patients will nearly disappear due to cross-border tensions. As a result, we project international patient revenue to grow by only 3% in 2026F, before normalizing to 10/9% growth in 2027-28F. Note that BCH's revenue mix is around 65:35 cash to SSS patients.

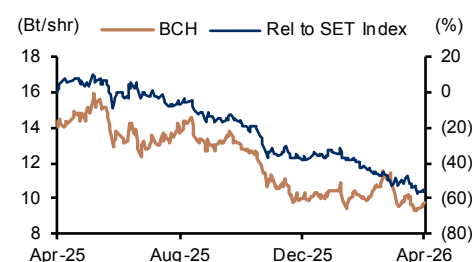
Lower earnings risk from SSS

The Social Security Office (SSO) has committed to maintaining the reimbursement rate for high-cost care services (RW ≥ 2) at Bt12,000/RW for 2026. Following cabinet approval to raise the wage ceiling for Section 33 contributions, effective 1 January 2026, we believe higher contribution inflows will strengthen the SSO's financial position and reduce payment risks. Meanwhile, the Private Hospital Association plans to seek increases in reimbursement rates across all three components – basic capitation, high-cost care services, and the 26 chronic diseases scheme – as these rates have not been adjusted for three to five years.

COMPANY VALUATION

Y/E Dec (Bt m)	2025A	2026F	2027F	2028F
Sales	11,913	12,314	13,054	14,685
Net profit	1,316	1,373	1,495	1,509
Consensus NP	—	1,454	1,516	1,584
Diff frm cons (%)	—	(5.6)	(1.4)	(4.7)
Norm profit	1,264	1,373	1,495	1,509
Prev. Norm profit	—	1,485	1,490	1,699
Chg frm prev (%)	—	(7.5)	0.4	(11.2)
Norm EPS (Bt)	0.5	0.6	0.6	0.6
Norm EPS grw (%)	5.3	8.6	8.9	0.9
Norm PE (x)	19.3	17.8	16.3	16.2
EV/EBITDA (x)	8.5	8.1	7.6	7.3
P/BV (x)	1.9	1.8	1.8	1.7
Div yield (%)	4.6	4.2	4.6	4.6
ROE (%)	9.7	10.3	10.9	10.7
Net D/E (%)	(6.0)	(3.8)	(5.0)	(5.3)

PRICE PERFORMANCE



COMPANY INFORMATION

Price as of 1-Apr-26 (Bt)	9.80
Market Cap (US\$ m)	750.3
Listed Shares (m shares)	2,493.7
Free Float (%)	50.0
Avg. Daily Turnover (US\$ m)	3.8
12M Price H/L (Bt)	15.90/9.35
Sector	Health Care
Major Shareholder	Harnphanich Family 50%

Sources: Bloomberg, Company data, ttb wealth estimates

ESG Summary Report P9

Offering good metrics; upgrading to BUY

Upgrading BCH to BUY

We upgrade our rating on Bangkok Chain Hospital Pcl (BCH TB) to BUY from Hold due to the following reasons:

First, we see an attractive risk-reward profile, supported by solid earnings growth and valuation upside. Although we cut our earnings estimates by 8/0/11% for 2026-28F, BCH still offers a compelling growth outlook, in our view. We project EPS to grow by 9% p.a. over 2026–27F, which is more than double the sector average of 4% p.a., underpinned by continued patient volume growth and operational improvements.

Second, valuation remains another key support. BCH is currently trading at a 2026F PEG ratio of 2.1x, significantly below the sector average of 6.6x, suggesting that its EPS growth is not fully priced in.

Third, we revise up our DCF-based 12-month TP (2026F base year) to Bt12.0/share from Bt11.0, incorporating two newly announced expansion projects: 1) a new 250-bed building at KH Rattanatibeth Hospital, and 2) the 150-200-bed greenfield World Medical Center (WMC) Pattaya. These are scheduled to open in early 2029 and late 2029, respectively. The projects reinforce BCH's long-term growth pipeline, expand capacity in high-potential locations, and should serve as key earnings drivers beyond the medium term.

Ex 1: Changes In Our Key Assumptions And Earnings Revisions

	2024	2025	2026F	2027F	2028F
# of OPD cash patients					
- New	1,069,146	1,024,717	1,028,856	1,099,617	1,361,428
- Old			1,083,101	1,346,441	1,466,174
- Change (%)			(5.0)	(18.3)	(7.1)
# of IPD cash patients					
- New	45,587	40,302	40,049	42,245	48,805
- Old			42,825	49,361	52,629
- Change (%)			(6.5)	(14.4)	(7.3)
Revenue from cash patients (Bt m)					
- New	7,930	7,764	7,977	8,608	10,105
- Old			8,255	9,724	10,625
- Change (%)			(3.4)	(11.5)	(4.9)
Losses from new hospitals (Bt m)					
- New	(206)	(224)	(212)	(176)	(273)
- Old			(140)	(281)	(152)
- Change (%)			n.a.	n.a.	n.a.
Gross profit margin (%)					
- New	27.3	27.9	28.4	28.7	27.1
- Old			29.0	27.0	27.6
- Change (ppt)			(0.6)	1.7	(0.5)
Normalized profit (Bt m)					
- New	1,200	1,264	1,373	1,495	1,509
- Old			1,485	1,490	1,699
- Change (%)			(7.5)	0.4	(11.2)

Sources: Company data, ttb wealth estimates

Earnings revisions

Note that in this report, we cut our earnings estimates by 8/0/11% for 2026–28F to reflect weaker-than-expected operations, a two-month impact from the Middle East war, and delays to two new hospitals: the 270-bed Kasemrad Hospital (KH) Rayong and the 270-bed KH Samut Prakarn. KH Rayong’s opening has been postponed from early 2027 to 4Q27, while KH Samut Prakarn’s opening has been put off from early 2027 to 1Q28 due to construction issues. As a result, we expect the number of OPD and IPD patients in 2027F to decline more significantly than in 2026F and 2028F. In contrast, we project losses from new hospitals to narrow, while we foresee average gross margin improving in 2027F.

Growth drivers

Growth drivers in 2026-27F

We estimate EPS growth of 9% p.a. over 2026–27F, followed by slower 1% growth in 2028F, primarily due to expected start-up losses from two new hospitals – KH Rayong, scheduled to open in 4Q27, and KH Suvarnabhumi – due to open in 1Q28. Growth in 2026–27F will likely be driven by three key factors:

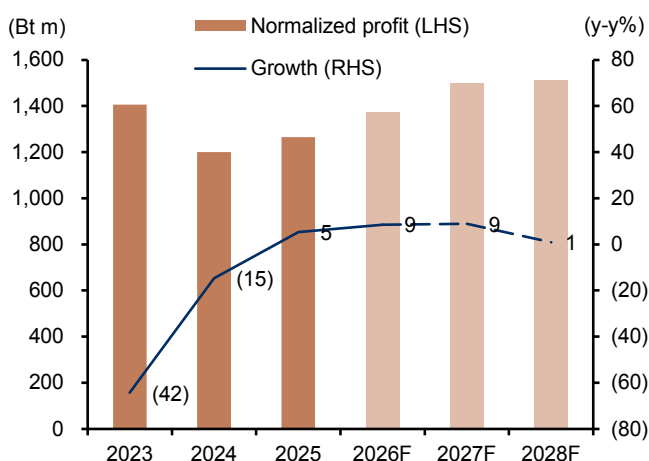
First, we project total revenue growth of 3/6%, supported by increasing contributions from both cash patients and Social Security Scheme (SSS) patients.

Second, we expect EBIT margin expansion to 14.9/15.3% (from 14.3% in 2025), underpinned by economies of scale as patient volumes rise, as well as the absence of revenue reversals related to high-cost care ($RW \geq 2$), which previously weighed on profitability.

Third, we project losses from hospitals, including Kasemrad International Hospital Aranyaprathet, Kasemrad Hospital Prachinburi, and Kasemrad International Hospital Vientiane, opened during 2020-21, to narrow further. We estimate losses from these three new hospitals will decline from Bt224m in 2025 to Bt212/Bt151/Bt83m in 2026-28F.

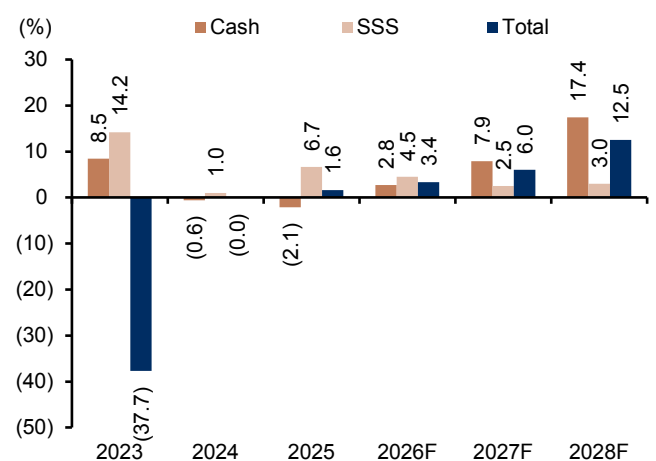
However, in 2028F, we expect earnings growth to moderate to 1% as initial operating losses from the newly opened KH Rayong and KH Suvarnabhumi hospitals begin to weigh on overall profitability during their ramp-up phase.

Ex 2: Earnings And Growth

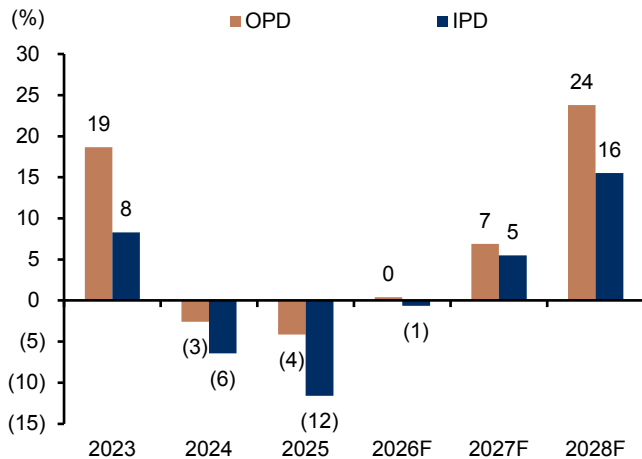


Sources: Company data, ttb wealth estimates

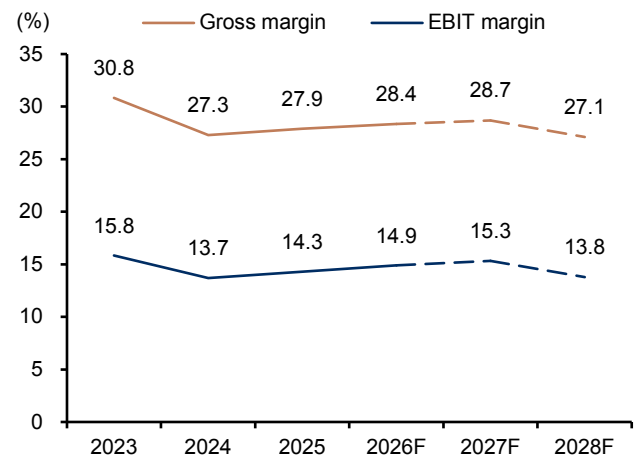
Ex 3: Revenue Growth



Sources: Company data, ttb wealth estimates

Ex 4: OPD And IPD Cash Patient Growth

Sources: Company data, ttb wealth estimates

Ex 5: Gross Margin And EBIT Margin

Sources: Company data, ttb wealth estimates

Ex 6: New Projects In The Pipeline

Project	# beds	Opening date
KH Ramkhamhaeng's new building	120	4Q27
KH Rayong	270	4Q27
KH Samut Prakarn	270	1Q28
KH Rattanaibeth's new building	250	Early 2029
WCM Pattaya	150-200	Late 2029

Source: Company data

Low exposure to Middle East patients

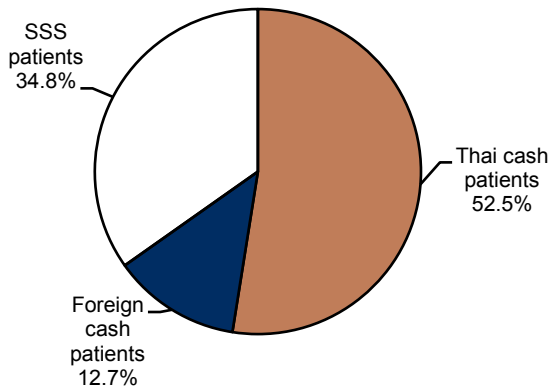
BCH's foreign patient revenue made up 12.7% of total revenue in 2025

BCH's foreign patient revenue accounted for 12.7% of total revenue in 2025. Of this, CLMV patients accounted for 5.8%, followed by those from the Middle East at 2.8%, China at 1.0%, and other markets at 3.2%. Despite seasonal and geopolitical headwinds, BCH continued to receive Middle Eastern patients in March 2026, even during Ramadan and amid the ongoing war in the region.

However, to reflect downside risks more prudently, we assume a complete absence of Middle Eastern patients for two months. In addition, we factor in a near-total loss of revenue from Cambodian patients, driven by cross-border tensions. These conservative assumptions lead us to project international patient revenue growth of only 3% in 2026F.

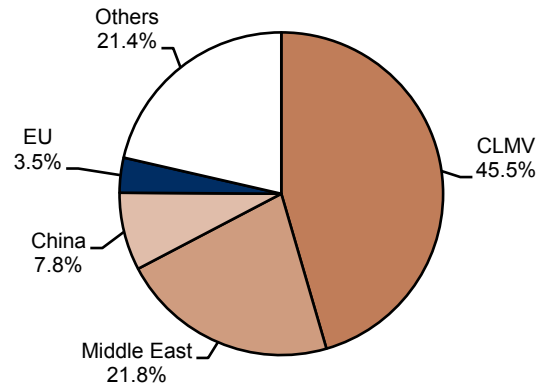
Looking ahead, we expect growth to normalize to 10% and 9% in 2027-28F, supported by a gradual recovery in patient flows and easing geopolitical pressures. It is also important to note that BCH's revenue base remains relatively resilient, with a diversified payer mix of approximately 65:35 between cash-paying and Social Security Scheme (SSS) patients, which helps cushion the impact from volatility in international patient segments.

Ex 7: BCH's Revenue Breakdown In 2025



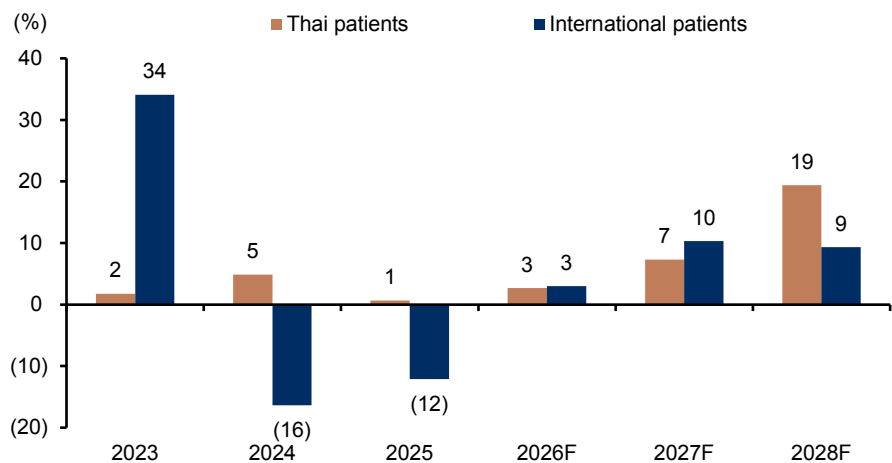
Source: Company data

Ex 8: BCH's Foreign Patient Revenue Breakdown In 2025



Source: Company data

Ex 9: Revenue Growth From Thai And International Patients



Sources: Company data, ttb wealth estimates

Lower earnings risk from SSS

SSO is maintaining the reimbursement rate for high-cost care services

The Social Security Office (SSO) has committed to maintaining the reimbursement rate for high-cost care services (RW ≥ 2) at Bt12,000 per RW for 2026, providing continued visibility on a key earnings component for hospitals with meaningful exposure to SSS patients. This stability is particularly important given the historically volatile reimbursement environment for high-acuity cases.

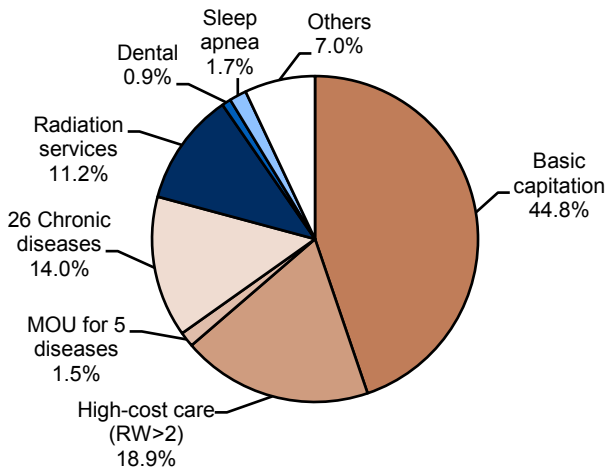
In addition, following cabinet approval to raise the wage ceiling for Section 33 contributions from Bt15,000 to Bt17,500, effective 1 January 2026, the maximum contribution per head will increase from Bt750 to Bt875. The higher inflow of contributions to the Social Security Fund (SSF) should strengthen SSO's financial position. This should help alleviate concerns about funding adequacy and reduce the risk of delayed or reduced payments to participating hospitals, thereby improving overall cash-flow visibility for operators.

Note that contributions to the SSF are allocated across three main sub-funds: the Sickness Fund (30% of total contributions), the Unemployment Fund (10%), and the Old-age Pension Fund (60%). As such, an increase in total contributions will directly lead to a higher allocation to the Sickness Fund, which is particularly relevant for healthcare service payments.

Meanwhile, the Private Hospital Association plans to push for increases in reimbursement rates across all three key components-basic capitation, high-cost care services, and the 26 chronic diseases scheme. These rates have remained unchanged for the past three to five years, despite rising medical costs, including higher expenses for drugs, medical supplies, and personnel.

If successful, such adjustments would provide meaningful upside to hospital revenue and earnings, particularly for operators with a high SSS patient mix, such as BCH, by better aligning reimbursement rates with current cost structures and supporting longer-term profitability. BCH’s revenue contribution from the SSS was 35% in 2025. We estimate that every 5% increase in reimbursement rates across the three components would provide nearly 10% upside to our earnings forecasts.

Ex 10: BCH’s SSS Revenue Breakdown In 2025



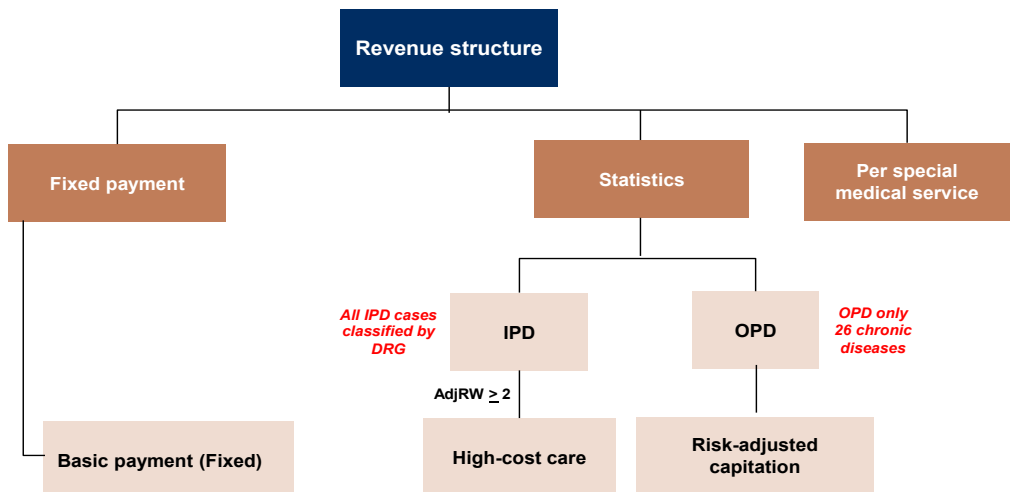
Source: Company data

Ex 11: Step-By-Step Contribution Increase

Years	Salary cap (Bt/month)	Max. contribution (Bt/month)
2026–2028	17,500	875
2029–2031	20,000	1,000
From 2032 onwards	23,000	1,150

Source: SSO

Ex 12: 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) (IPD case with adj. RW ≥ 2)	11,833	11,200	10,000	12,000	12,000
3. Risk-adjusted capitation (Bt/head/year) (26 chronic diseases for OPD cases)	453	453	453	453	453

Source: ttb wealth compilation

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

Ex 13: 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	2037F	Terminal Value
EBITDA	2,936	3,111	3,248	3,496	3,690	3,987	4,279	4,571	4,873	5,185	5,513	5,884	2,936	—
Free cash flow	1,091	1,217	1,280	2,216	2,347	2,628	2,863	3,095	3,332	3,575	3,831	2,426	1,091	36,820
PV of free cash flow	1,088	1,029	996	1,586	1,545	1,592	1,594	1,585	1,569	1,549	1,526	889	1,088	13,494
Risk-free rate (%)	2.5													
Market risk premium (%)	8.0													
Beta	0.8													
WACC (%)	8.7													
Terminal growth (%)	2.0													
Enterprise value	30,044													
Net debt (end-2025)	(850)													
Minority interest	1,021													
Equity value	29,873													
# of shares (m)	2,494													
Equity value/share (Bt)	12.0													

Sources: Company data, ttb wealth estimates

Valuation Comparison

Ex 14: Valuation Comparison With Regional Peers

Name	BBG code	Market	EPS growth		PE		P/BV		EV/EBITDA		Div yield	
			26F (%)	27F (%)	26F (x)	27F (x)	26F (x)	27F (x)	26F (x)	27F (x)	26F (%)	27F (%)
Ramsay Healthcare	RHC AU	Australia	na	21.8	29.1	23.9	1.8	1.7	9.4	8.8	2.2	2.6
Guangzhou Pharmaceutical	874 HK	Hong Kong	9.7	6.8	8.4	7.9	0.7	0.6	7.8	7.6	5.3	5.5
Lijun Int'l Pharmaceutical	2005 HK	Hong Kong	48.3	23.9	10.6	8.6	1.0	0.9	7.5	7.9	4.5	5.8
Apollo Hospitals Enterprise	APHS IN	India	31.8	25.8	55.1	43.8	10.7	8.9	29.7	24.5	0.3	0.3
Fortis Healthcare India	FORH IN	India	38.7	33.8	56.0	41.8	6.0	5.3	29.8	24.3	0.1	0.2
KPJ Healthcare	KPJ MK	Malaysia	11.1	9.7	37.4	34.1	5.2	4.8	16.9	15.7	1.4	1.6
IHH Healthcare Bhd	IHH MK	Malaysia	7.1	14.9	35.1	30.6	2.5	2.3	15.4	14.0	1.3	1.4
Ryman	RYM NZ	New Zealand	na	86.5	39.8	21.3	0.5	0.5	25.6	15.6	0.0	0.3
Raffles Medical Group	RFMD SP	Singapore	5.0	5.0	25.3	24.0	1.7	1.7	11.7	11.1	3.0	3.0
Bangkok Chain Hospital *	BCH TB	Thailand	8.6	8.9	17.8	16.3	1.8	1.8	8.1	7.6	4.2	4.6
Bangkok Dusit Medical *	BDMS TB	Thailand	11.2	7.1	17.2	16.1	2.8	2.7	12.7	11.9	4.4	4.7
Bumrungrad Hospital *	BH TB	Thailand	2.6	3.8	18.8	18.1	4.6	4.3	13.6	12.7	4.0	4.1
Chularat Hospital *	CHG TB	Thailand	13.9	8.5	15.1	13.9	2.0	1.9	8.2	7.7	5.3	5.8
Praram 9 Hospital *	PR9 TB	Thailand	7.9	10.7	15.0	13.5	2.1	1.9	8.0	7.0	3.3	4.1
Thonburi Healthcare Group*	THG TB	Thailand	150.0	14.6	54.4	47.5	1.2	1.2	11.2	10.4	1.0	1.3
Average			26.6	18.8	29.0	24.1	3.0	2.7	14.4	12.5	2.7	3.0

Source: Bloomberg

Note: * ttb wealth estimates, using ttb wealth normalized EPS

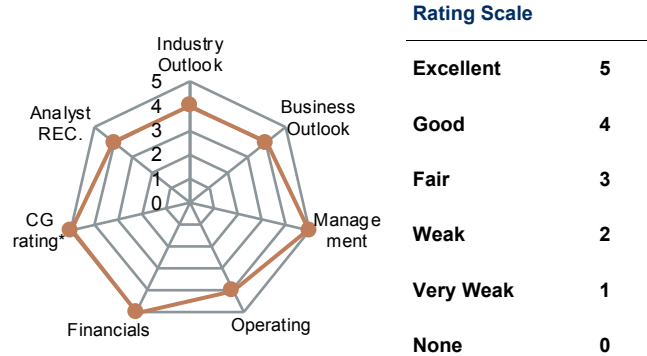
Based on 1 April 2026 closing prices

COMPANY DESCRIPTION

Bangkok Chain Hospital Pcl (BCH) operates 16 hospitals in Bangkok and upcountry, with a total of 2,323 licensed beds as of 4Q25. 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: ttb wealth

COMPANY RATING



Source: ttb wealth; *CG Rating

TTB WEALTH'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.

O — Opportunity

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

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.

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	ttb wealth	Diff
Target price (Bt)	12.62	12.00	-5%
Net profit 26F (Bt m)	1,454	1,373	-6%
Net profit 27F (Bt m)	1,516	1,495	-1%
Consensus REC	BUY: 18	HOLD: 2	SELL: 1

HOW ARE WE DIFFERENT FROM THE STREET?

- Our earnings and TP are below the Street's numbers, which we attribute to us having a more conservative view on the rising number of Thai and international patients.

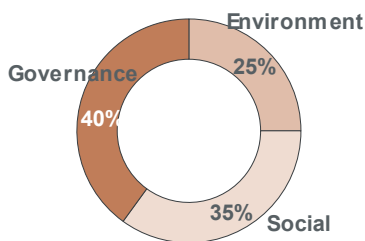
Sources: Bloomberg consensus, ttb wealth estimates

RISKS TO OUR INVESTMENT CASE

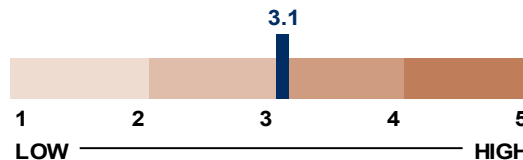
- The key downside risk to our call would be if BCH's strategy of boosting revenue from the cash-patient business were to turn out worse than our current expectation.
- A secondary downside risk would be if BCH's registered patients under the SSS were to come in below our current assumptions.
- If BCH's new hospitals turn around slower than our current expectation, this would present another downside risk to our call.
- 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: ttb wealth

ESG Weighting



ESG Rating



	SET ESG Index	SET ESG (BBB-AAA)	DJSI Index	ttb wealth ESG Rating (1.0-5.0)	MSCI (CCC-AAA)	ESG Book (0-100)	CG Rating (0-5)
BCH	YES	AA	-	3.08	0	-	5.0

Sources: SETTRADE, SET ESG Index, SET ESG Rating, The Dow Jones Industrial Average (DJSI) MSCI ESG Research LLC, ESG Book, Thai IOD (CG rating)

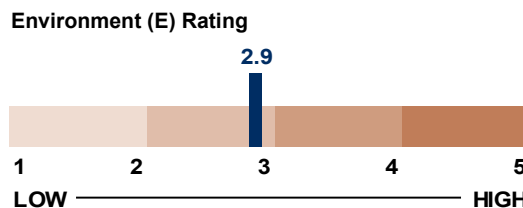
Note: Please see third party on "terms of use" toward the back of this report.



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.

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.

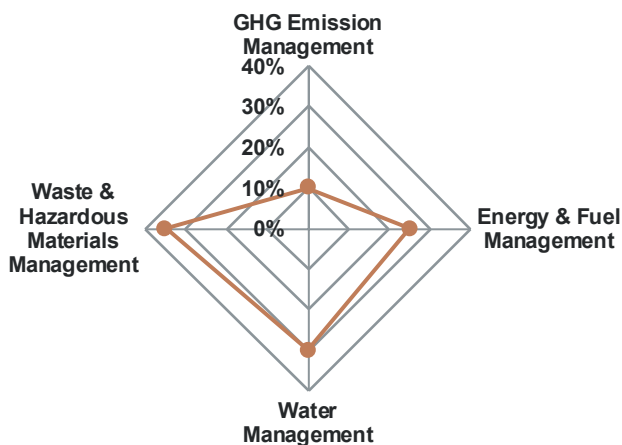


ENVIRONMENT **Our Comments**

- 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.

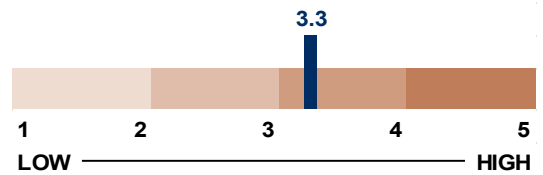
SCALE WEIGHTING



Sources: ttb wealth, 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.

Social (S) Rating



SOCIAL

Our Comments

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

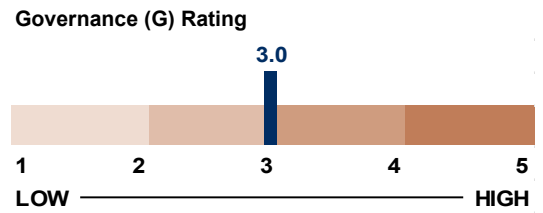
- BCH's Social (S) score is 3.3, below the sector average of 3.6, despite being one of Thailand's five largest hospital chains with 16 hospitals. We observe that BCH places less emphasis on brand promotion, lags peers in IT system implementation, and offers fewer staff training programs than higher-end 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 targeted 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.

SCALE WEIGHTING



Sources: ttb wealth, 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.

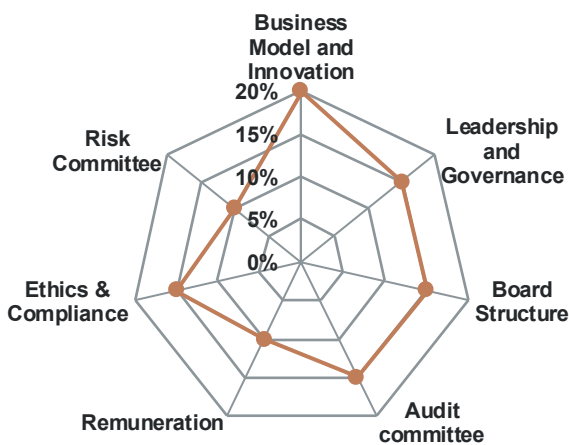


GOVERNANCE & SUSTAINABILITY **Our Comments**

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

- 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.

SCALE WEIGHTING



Sources: ttb wealth, Company data

INCOME STATEMENT

Revenue growth in 2026-28F is driven by cash and SSS patients

FY ending Dec (Bt m)	2024A	2025A	2026F	2027F	2028F
Sales	11,725	11,913	12,314	13,054	14,685
Cost of sales	8,527	8,589	8,822	9,309	10,704
Gross profit	3,199	3,324	3,492	3,745	3,980
% gross margin	27.3%	27.9%	28.4%	28.7%	27.1%
Selling & administration expenses	1,595	1,621	1,659	1,746	1,956
Operating profit	1,604	1,702	1,833	1,999	2,024
% operating margin	13.7%	14.3%	14.9%	15.3%	13.8%
Depreciation & amortization	998	1,067	1,103	1,112	1,224
EBITDA	2,602	2,769	2,936	3,111	3,248
% EBITDA margin	22.2%	23.2%	23.8%	23.8%	22.1%
Non-operating income	121	122	128	133	137
Non-operating expenses	0	0	0	0	0
Interest expense	(55)	(50)	(52)	(62)	(70)
Pre-tax profit	1,670	1,775	1,909	2,071	2,091
Income tax	346	403	420	445	439
After-tax profit	1,324	1,372	1,489	1,625	1,652
% net margin	11.3%	11.5%	12.1%	12.5%	11.2%
Shares in affiliates' Earnings	(1)	2	2	2	2
Minority interests	(123)	(109)	(119)	(132)	(145)
Extraordinary items	82	52	0	0	0
NET PROFIT	1,282	1,316	1,373	1,495	1,509
Normalized profit	1,200	1,264	1,373	1,495	1,509
EPS (Bt)	0.5	0.5	0.6	0.6	0.6
Normalized EPS (Bt)	0.5	0.5	0.6	0.6	0.6

BALANCE SHEET

More new hospitals in portfolio in 2027-28

FY ending Dec (Bt m)	2024A	2025A	2026F	2027F	2028F
ASSETS:					
Current assets:	3,773	3,798	4,285	4,414	4,712
Cash & cash equivalent	1,382	1,694	2,100	2,100	2,100
Account receivables	1,967	1,660	1,721	1,824	2,052
Inventories	331	322	338	357	411
Others	93	121	126	133	150
Investments & loans	89	79	79	79	79
Net fixed assets	12,317	12,432	12,829	13,218	13,494
Other assets	1,197	1,178	1,217	1,290	1,451
Total assets	17,375	17,486	18,409	19,000	19,736
LIABILITIES:					
Current liabilities:	2,878	2,840	3,169	3,249	3,449
Account payables	798	730	749	791	909
Bank overdraft & ST loans	573	604	1,004	871	822
Current LT debt	52	16	135	117	111
Others current liabilities	1,456	1,490	1,281	1,470	1,607
Total LT debt	253	223	405	352	332
Others LT liabilities	216	216	213	225	254
Total liabilities	3,348	3,279	3,787	3,826	4,034
Minority interest	1,072	1,021	1,140	1,272	1,416
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	(191)	(204)	(204)	(204)	(204)
Retained earnings	10,008	10,252	10,549	10,968	11,351
Shareholders' equity	12,955	13,186	13,483	13,903	14,285
Liabilities & equity	17,375	17,486	18,409	19,000	19,736

Sources: Company data, ttb wealth estimates

CASH FLOW STATEMENT*Strong cash inflow stream*

FY ending Dec (Bt m)	2024A	2025A	2026F	2027F	2028F
Earnings before tax	1,670	1,775	1,909	2,071	2,091
Tax paid	(383)	(415)	(480)	(408)	(447)
Depreciation & amortization	998	1,067	1,103	1,112	1,224
Chg In working capital	267	248	(57)	(81)	(163)
Chg In other CA & CL / minorities	(137)	(141)	(164)	131	130
Cash flow from operations	2,415	2,534	2,311	2,825	2,835
Capex	(1,587)	(1,182)	(1,500)	(1,500)	(1,500)
Right of use	0	0	0	0	0
ST loans & investments	0	0	0	0	0
LT loans & investments	(61)	10	0	0	0
Adj for asset revaluation	0	0	0	0	0
Chg In other assets & liabilities	37	71	(30)	(45)	(133)
Cash flow from investments	(1,611)	(1,101)	(1,530)	(1,545)	(1,633)
Debt financing	(686)	(34)	701	(205)	(75)
Capital increase	0	0	0	0	0
Dividends paid	(923)	(1,072)	(1,076)	(1,076)	(1,127)
Warrants & other surplus	2	(14)	0	0	0
Cash flow from financing	(1,607)	(1,120)	(375)	(1,280)	(1,202)
Free cash flow	804	1,432	781	1,280	1,202

VALUATION*Inexpensive valuation, in our view*

FY ending Dec	2024A	2025A	2026F	2027F	2028F
Normalized PE (x)	20.4	19.3	17.8	16.3	16.2
Normalized PE - at target price (x)	24.9	23.7	21.8	20.0	19.8
PE (x)	19.1	18.6	17.8	16.3	16.2
PE - at target price (x)	23.3	22.7	21.8	20.0	19.8
EV/EBITDA (x)	9.2	8.5	8.1	7.6	7.3
EV/EBITDA - at target price (x)	11.3	10.5	10.0	9.4	9.0
P/BV (x)	1.9	1.9	1.8	1.8	1.7
P/BV - at target price (x)	2.3	2.3	2.2	2.2	2.1
P/CFO (x)	10.1	9.6	10.6	8.7	8.6
Price/sales (x)	2.1	2.1	2.0	1.9	1.7
Dividend yield (%)	4.1	4.6	4.2	4.6	4.6
FCF Yield (%)	3.3	5.9	3.2	5.2	4.9
(Bt)					
Normalized EPS	0.5	0.5	0.6	0.6	0.6
EPS	0.5	0.5	0.6	0.6	0.6
DPS	0.4	0.5	0.4	0.4	0.5
BV/share	5.2	5.3	5.4	5.6	5.7
CFO/share	1.0	1.0	0.9	1.1	1.1
FCF/share	0.3	0.6	0.3	0.5	0.5

Sources: Company data, ttb wealth estimates

FINANCIAL RATIOS

FY ending Dec	2024A	2025A	2026F	2027F	2028F
Growth Rate					
Sales (%)	(0.0)	1.6	3.4	6.0	12.5
Net profit (%)	(8.8)	2.7	4.3	8.9	0.9
EPS (%)	(8.8)	2.7	4.3	8.9	0.9
Normalized profit (%)	(14.7)	5.3	8.6	8.9	0.9
Normalized EPS (%)	(14.7)	5.3	8.6	8.9	0.9
Dividend payout ratio (%)	77.8	85.2	75.0	75.0	75.0
Operating performance					
Gross margin (%)	27.3	27.9	28.4	28.7	27.1
Operating margin (%)	13.7	14.3	14.9	15.3	13.8
EBITDA margin (%)	22.2	23.2	23.8	23.8	22.1
Net margin (%)	11.3	11.5	12.1	12.5	11.2
D/E (incl. minor) (x)	0.1	0.1	0.1	0.1	0.1
Net D/E (incl. minor) (x)	(0.0)	(0.1)	(0.0)	(0.1)	(0.1)
Interest coverage - EBIT (x)	29.4	34.3	35.4	32.3	29.0
Interest coverage - EBITDA (x)	47.7	55.8	56.6	50.3	46.5
ROA - using norm profit (%)	6.8	7.3	7.6	8.0	7.8
ROE - using norm profit (%)	9.4	9.7	10.3	10.9	10.7
DuPont					
ROE - using after tax profit (%)	10.4	10.5	11.2	11.9	11.7
- asset turnover (x)	0.7	0.7	0.7	0.7	0.8
- operating margin (%)	14.7	15.3	15.9	16.3	14.7
- leverage (x)	1.4	1.3	1.3	1.4	1.4
- interest burden (%)	96.8	97.3	97.4	97.1	96.8
- tax burden (%)	79.3	77.3	78.0	78.5	79.0
WACC (%)	8.7	8.7	8.7	8.7	8.7
ROIC (%)	10.6	10.6	11.6	12.1	12.2
NOPAT (Bt m)	1,271	1,316	1,430	1,570	1,599
invested capital (Bt m)	12,451	12,335	12,927	13,143	13,450

Sources: Company data, ttb wealth 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. 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 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 disseminated in any form and may not be used as a basis for, or a component of, any financial instruments or products or indices. Further, none 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.

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 ttb wealth securities public company limited (ttbwealth) which is owned 99.97% by TMBThanachart Bank Public Company Limited (TTB) as a resource only for clients of ttbwealth, TMBThanachart Bank Public Company Limited (TTB) and its group companies. Copyright © ttb wealth securities public company limited. All rights reserved. The report may not be reproduced in whole or in part or delivered to other persons without our written consent.

This report is prepared by analysts who are employed by the research department of ttbwealth. 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 ttbwealth 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 ttbwealth, 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, ttbwealth, 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.

ttbwealth, TTB and its group companies perform and seek to perform business with companies covered in this report. ttbwealth, TTB, its group companies, their employees and directors may have positions and financial interest in securities mentioned in this report. ttbwealth, 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 ttb wealth securities public company limited**Investment Banking Relationship**

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

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.

ttb wealth securities public company limited.

Research Team

18 Floor, MBK Tower

444 Phayathai Road, Pathumwan Road, Bangkok 10330

Tel: 662 - 779-9119

Email: research@ttbwealth.co.th

Pimpaka Nichgaroon, CFA

Head of Research, Strategy
pimpaka.nic@ttbwealth.co.th

Nuttapop Prasitsuksant

Telecom, Utilities
nuttapop.pra@ttbwealth.co.th

Rawisara Suwanumphai

Bank, Finance
rawisara.suw@ttbwealth.co.th

Yupapan Polpornprasert

Energy, Petrochemical
yupapan.pol@ttbwealth.co.th

Sittichet Rungrassameephat

Analyst, Retail Market Strategy
sittichet.run@ttbwealth.co.th

Adisak Phupiphathirungul, CFA

Retail Market Strategy
adisak.phu@ttbwealth.co.th

Pattadol Bunnak

Electronics, Food & Beverage, Retail
pattadol.bun@ttbwealth.co.th

Saksid Phadthananarak

Construction, Transportation
saksid.pha@ttbwealth.co.th

Chod Reankittiwat, CFA

Assistant Analyst
chod.rea@ttbwealth.co.th

Thaloengsak Kucharoenpaisan

Analyst, Retail Market Strategy
thaloengsak.kuc@ttbwealth.co.th

Pattarawan Wangmingmat

Senior Technical Analyst
pattarawan.wan@ttbwealth.co.th

Rata Limsuthiwanoom

Auto, Industrial Estate, Media, Prop. Fund
rata.lim@ttbwealth.co.th

Siriporn Arunothai

Small Cap, Healthcare, Hotel
siriporn.aru@ttbwealth.co.th

Nariporn Klangpremchitt, CISA

Analyst, Retail Market Strategy
nariporn.kla@ttbwealth.co.th

Witchanan Tambamroong

Technical Analyst
witchanan.tam@ttbwealth.co.th