

Bangkok Chain Hospital Pcl (BCH TB) – U.R.

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Earnings Preview**Weak 1Q26F preview, big miss**

- We estimate BCH's 1Q26F norm. profit down 25% y-y.
- This is due to weak revenue and higher expenses.
- Due to weaker revenue and unexpected impairment cost ...
- ... we place our rating "Under Reviewed".

We expect BCH to report weak y-y earnings in 1Q26, likely much weaker than our previous expectations, due to lower-than-expected Thai cash patient revenue and higher impairment costs from hospital renovations. Given its weaker-than-expected revenue and unexpected impairment costs, we place our recommendation under review (from BUY), although we expect earnings momentum to improve in 2Q26F.

- We estimate BCH will report a normalized profit of Bt245m in 1Q26, down 25% y-y and up 1% q-q. The weak y-y performance is expected to be driven by softer revenue and a narrow operating margin.
- BCH's revenue is projected to decline 1% y-y and 3% q-q to Bt2.9bn in 1Q26, mainly dragged by Thai cash patients. Revenue from cash patients is expected to decline at a low single-digit rate. Meanwhile, revenue from foreign patients is expected to be flat y-y due to fewer Cambodian patients, although Middle East patients continue to grow y-y in 1Q26. Revenue from the Social Security Scheme (SSS) is expected to increase at a low single-digit rate.
- Operating margin is estimated at 11.7% in 1Q26, down from 15.1% in 1Q25 but up from 10.6% in 4Q25. The y-y decline is mainly due to weaker revenue, higher depreciation and amortization following asset renovations, and impairment costs related to KH Bangkae renovations. The q-q improvement is driven by the absence of revenue reversals from high-cost care services (RW≥2) of Bt53m, which occurred in 4Q25.
- Looking ahead to 2Q26F, we expect earnings momentum to improve, supported by lower impairment costs related to asset renovations, which should help margins. However, the company indicated that it may need to book additional impairment next year at a higher level due to the renovation of KH Rattanatibeth. Given weaker-than-expected revenue and higher-than-expected impairment costs, we place our recommendation and TP "under review" from Buy.

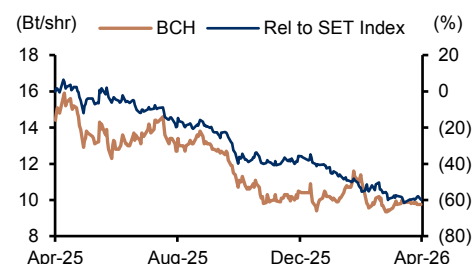
Key Valuations

Y/E Dec (Bt m)	2025A	2026F	2027F	2028F
Revenue	11,913	12,314	13,054	14,685
Net profit	1,316	1,373	1,495	1,509
Norm net profit	1,264	1,373	1,495	1,509
Norm EPS (Bt)	0.5	0.6	0.6	0.6
Norm EPS gr (%)	5.3	8.6	8.9	0.9
Norm PE (x)	19.2	17.7	16.3	16.1
EV/EBITDA (x)	8.5	8.1	7.6	7.2
P/BV (x)	1.8	1.8	1.7	1.7
Div. yield (%)	4.6	4.2	4.6	4.7
ROE (%)	9.7	10.3	10.9	10.7
Net D/E (%)	(6.0)	(3.8)	(5.0)	(5.3)

Source: ttb wealth estimates

Stock Data

Closing price (Bt)	9.75
Target price (Bt)	U.R.
Market cap (US\$ m)	751.9
Avg daily turnover (US\$ m)	4.0
12M H/L price (Bt)	15.90/9.35

Price Performance

Source: Bloomberg

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