

Praram 9 Hospital Pcl (PR9 TB) - BUY

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Earnings Preview**Flat y-y earnings in 1Q26F; miss**

- We estimate PR9 to report flat y-y earnings in 1Q26.
- Due to slow revenue growth and higher costs.
- Int'l patient revenue to grow stronger than Thai patients.
- We see downside risk to our earnings forecast.

We estimate PR9 will report flat y-y earnings in 1Q26, likely below our previous expectations due to slightly slower-than-expected revenue and higher-than-expected costs. Although we expect earnings growth momentum to improve in the coming quarters, supported by rising revenue, lower extra expenses and more efficient cost control, we see downside risk to our forecasts. We maintain our BUY rating on PR9.

- We estimate PR9 will report a profit of Bt200m in 1Q26, flat y-y but down 8% q-q. The flat y-y earnings reflect slow revenue growth and rising expenses, while the q-q decline is due to seasonality, as 1Q is typically a low season with lower patient volumes and reduced activity.
- PR9's revenue is expected to grow 5% y-y but decline 7% q-q to Bt1.3bn in 1Q26. The y-y growth is mainly driven by higher foreign patient volumes, particularly from the Middle East and Myanmar, while Thai patient revenue is expected to grow at a low single-digit rate.
- We estimate PR9's operating margin will decline to 17.2% in 1Q26, from 18.3% in 1Q25 and 17.6% in 4Q25. The y-y decline is due to higher fixed costs, including new medical equipment, IPD ward renovations, rising staff costs, and additional expenses (one-off) of Bt5m from increased inventory of small medical supplies amid the Middle East conflict.
- We expect earnings growth momentum to improve in the coming quarters, supported by revenue growth, the absence of extra expenses, and better cost control. However, PR9 is taking a wait-and-see approach on new medical equipment investment and IPD capacity expansion amid geopolitical uncertainties. In addition, the company plans to reduce marketing outsourcing, utilize more in-house staff, and tighten event marketing expenses. Due to likely weaker-than-expected 1Q26F results, we see downside risk to our forecasts.

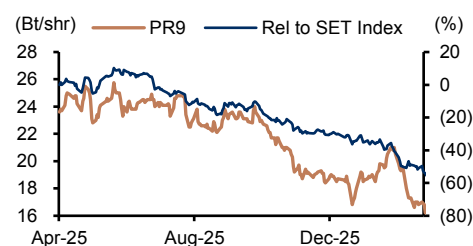
Key Valuations

Y/E Dec (Bt m)	2025A	2026F	2027F	2028F
Revenue	5,277	5,660	6,116	6,517
Net profit	823	888	983	1,061
Norm net profit	823	888	983	1,061
Norm EPS (Bt)	1.0	1.1	1.3	1.3
Norm EPS gr (%)	15.4	7.9	10.7	7.9
Norm PE (x)	15.8	14.6	13.2	12.2
EV/EBITDA (x)	8.5	7.8	6.8	6.1
P/BV (x)	2.2	2.0	1.9	1.8
Div. yield (%)	3.0	3.4	4.2	4.9
ROE (%)	14.5	14.5	14.9	15.0
Net D/E (%)	(45.7)	(44.1)	(46.4)	(49.6)

Source: ttb wealth estimates

Stock Data

Closing price (Bt)	16.5
Target price (Bt)	24.0
Market cap (US\$ m)	399.5
Avg daily turnover (US\$ m)	1.5
12M H/L price (Bt)	25.75/16.0

Price Performance

Source: Bloomberg

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