

Bangkok Chain Hospital (BCH TB) - U.R., Price Bt9.20, TP U.R.**Results Comment**

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Weak 1Q26 as expected

- BCH reported a normalized profit of Bt268m in 1Q26, down 18% y-y but up 10% q-q, with weak earnings coming in as expected.
- The weak y-y performance was due to flat revenue and a narrow operating margin. The q-q earnings improvement was driven by the absence of a Bt53m revenue reversal from high-cost care services (RW≥2), which occurred in 4Q25.
- BCH's revenue was flat y-y and declined by 2% q-q to Bt2.9bn in 1Q26, mainly dragged by Thai cash patients. Revenue from cash patients declined by 2% y-y and 6% q-q to Bt1.9bn in 1Q26. Meanwhile, revenue from foreign patients was flat y-y due to fewer Cambodian patients, although Middle East patients grew y-y in 1Q26. Revenue from Thai patients declined by 3% y-y and 10% q-q to Bt1.5bn in 1Q26. Revenue from the Social Security Scheme (SSS) increased by 4% y-y and 7% q-q to Bt1.1bn in 1Q26.
- Operating margin was 12.2% in 1Q26, down from 15.1% in 1Q25 but up from 10.6% in 4Q25. The y-y decline was mainly due to a lower high-margin cash patient revenue mix and higher depreciation and amortization expenses following asset renovations, despite the absence of impairment costs related to KH Bangkai renovations, as previously indicated by the company. The q-q improvement was driven by the absence of a Bt53m revenue reversal from high-cost care services (RW≥2), which occurred in 4Q25.
- We expect BCH's 2Q26F earnings growth to remain under pressure from the Middle East conflict, the Thai-Cambodian border dispute, and the domestic economic slowdown. Given weaker-than-expected revenue and margin, we place our recommendation and TP under review, from Buy with a previous TP of Bt12.0.

Income Statement						Income Statement					
(consolidated)						3M as					
Yr-end Dec (Bt m)	1Q25	2Q25	3Q25	4Q25	1Q26	(Bt m)	q-q%	y-y%	% 2026F	2026F	2027F
Revenue	2,903	3,020	3,034	2,956	2,906	Revenue	(2)	0	24	12,314	13,054
Gross profit	815	909	837	763	760	Gross profit	(0)	(7)	22	3,492	3,745
SG&A	376	402	395	449	406	SG&A	(10)	8	24	1,659	1,746
Operating profit	440	507	442	314	354	Operating profit	13	(19)	19	1,833	1,999
EBITDA	698	767	707	597	623	EBITDA	4	(11)	21	2,936	3,111
Other income	27	29	21	45	23	Other income	(48)	(14)	18	128	133
Other expense	0	0	0	0	0	Other expense			na	0	0
Interest expense	15	14	7	13	10	Interest expense	(20)	(32)	20	52	62
Profit before tax	452	522	455	346	367	Profit before tax	6	(19)	19	1,909	2,071
Income tax	98	118	101	86	83	Income tax	(3)	(16)	20	420	445
Equity & invest. income	1	0	1	0	1	Equity & invest. income	345	59	40	2	2
Minority interests	(26)	(23)	(42)	(18)	(17)	Minority interests	na	na	na	(119)	(132)
Extraordinary items	(7)	7	35	17	0	Extraordinary items			na	0	0
Net profit	321	388	347	259	268	Net profit	3	(17)	19	1,373	1,495
Normalized profit	328	381	312	243	268	Normalized profit	10	(18)	19	1,373	1,495
EPS (Bt)	0.13	0.16	0.14	0.10	0.11	EPS (Bt)	3	(17)	19	0.55	0.60
Normalized EPS (Bt)	0.13	0.15	0.13	0.10	0.11	Normalized EPS (Bt)	10	(18)	19	0.55	0.60

Balance Sheet						Financial Ratios					
(consolidated)						(%)					
Yr-end Dec (Bt m)	1Q25	2Q25	3Q25	4Q25	1Q26		1Q25	2Q25	3Q25	4Q25	1Q26
Cash & ST investment	1,591	1,389	1,484	1,694	1,402	Sales growth	2.1	5.7	(7.0)	7.0	0.1
A/C receivable	1,888	2,079	1,762	1,660	1,828	Operating profit growth	3.4	42.3	(27.2)	45.4	(19.5)
Inventory	315	325	304	322	362	EBITDA growth	4.9	28.3	(17.6)	24.1	(10.7)
Other current assets	106	129	118	121	121	Norm profit growth	2.9	37.7	(31.2)	60.9	(18.4)
Investment	86	83	81	79	86	Norm EPS growth	2.9	37.7	(31.2)	60.9	(18.4)
Fixed assets	12,251	12,267	12,399	12,432	12,598	Gross margin	28.1	30.1	27.6	25.8	26.2
Other assets	1,196	1,179	1,176	1,178	1,179	Operating margin	15.1	16.8	14.6	10.6	12.2
Total assets	17,432	17,451	17,323	17,486	17,576	EBITDA margin	24.0	25.4	23.3	20.2	21.4
S-T debt	452	799	889	621	445	Norm net margin	11.3	12.6	10.3	8.2	9.2
A/C payable	734	728	709	730	743	D/E (x)	0.0	0.1	0.1	0.1	0.0
Other current liabilities	1,400	1,440	1,337	1,490	1,437	Net D/E (x)	(0.1)	(0.0)	(0.0)	(0.1)	(0.1)
L-T debt	251	238	232	223	222	Interest coverage (x)	46.2	53.3	96.3	46.7	60.6
Other liabilities	224	225	214	216	226	Interest rate	7.6	6.6	2.7	5.2	5.4
Minority interest	1,099	1,043	1,011	1,021	1,040	Effective tax rate	21.8	22.5	22.2	24.8	22.6
Shareholders' equity	13,272	12,978	12,931	13,186	13,462	ROA	7.5	8.7	7.2	5.6	6.1
Working capital	1,469	1,676	1,357	1,252	1,446	ROE	10.0	11.6	9.6	7.4	8.0
Total debt	704	1,036	1,121	844	667						
Net debt	(887)	(353)	(363)	(850)	(735)						

Sources: Company data, ttb wealth estimates

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