Bangkok Dusit Medical (BDMS TB) - HOLD, Price Bt19.6, TP Bt21.0

Results Comment

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Weak 2Q26, slight earnings miss

- BDMS reported weak 2Q26 earnings of Bt3.2bn, down 7% y-y and 20% q-q, slightly below our and the market's expectations due to a weaker-than-expected top line and margin.
- The earnings decline was due to a soft top line and margin pressure. Note that BDMS booked Bt90m of flood insurance compensation in 2Q26.
- Total revenue increased by 1% y-y but declined by 4% q-q to Bt25.9bn in 2Q26, mainly due to a 2% y-y decline in revenue from international patients, particularly from Cambodia (-67% y-y) and the Middle East (-24% y-y). Revenue from Thai patients grew by 2% y-y. Excluding revenue from Cambodia and Middle East patients, revenue from international patients grew by 10% y-y, driven by strong growth from Myanmar (+42% y-y), the US (+23% y-y), and Australia (+17% y-y).
- Amid the soft top line growth and rising costs from new capacity expansions, EBIT margin declined to 10.1% in 2Q26, compared to 11.8% in 2Q25 and 14.0% in 1Q26.
- 6M26 earnings accounted for 45% of our full-year earnings forecast. While we see slight downside risk to our earnings forecasts, we expect 2H26 earnings momentum to improve both y-y and h-h. Given slow earnings growth in 2026–27F, the stock's P/E of 19.1x/18.1x in 2026–27F appears fairly valued. We maintain our HOLD rating.

Income Statement					(consolidated)
Yr-end Dec (Bt m)	**2Q25**	**3Q25**	**4Q25**	**1Q26**	**2Q26**
Revenue	25,682	27,356	27,398	27,135	25,917
Gross profit	**8,347**	**9,564**	**8,950**	**8,976**	**8,090**
SG&A	5,323	5,372	5,935	5,180	5,484
Operating profit	3,023	4,192	3,014	3,797	2,607
EBITDA	**4,579**	**5,823**	**4,704**	**5,482**	**4,342**
Other income	1,513	1,287	1,657	1,444	1,643
Other expense	0	0	0	0	0
Interest expense	96	79	84	73	82
Profit before tax	**4,440**	**5,400**	**4,587**	**5,167**	**4,168**
Income tax	836	973	805	1,005	829
Equity & invest. income	13	27	19	24	31
Minority interests	(128)	(135)	(109)	(129)	(121)
Extraordinary items	0	0	0	0	0
Net profit	**3,490**	**4,319**	**3,693**	**4,058**	**3,248**
Normalized profit	**3,490**	**4,319**	**3,693**	**4,058**	**3,248**
EPS (Bt)	0.22	0.27	0.23	0.26	0.20
Normalized EPS (Bt)	0.22	0.27	0.23	0.26	0.20

Income Statement			6M as		
(Bt m)	**q-q%**	**y-y%**	**% 2026F**	**2026F**	**2027F**
Revenue	(4)	1	48	109,611	115,402
Gross profit	**(10)**	**(3)**	**46**	**36,703**	**38,816**
SG&A	6	3	49	21,802	22,780
Operating profit	(31)	(14)	43	14,902	16,035
EBITDA	**(21)**	**(5)**	**46**	**21,504**	**22,874**
Other income	14	9	49	6,247	6,338
Other expense			na	0	0
Interest expense	11	(15)	44	350	364
Profit before tax	**(19)**	**(6)**	**45**	**20,799**	**22,010**
Income tax	(18)	(1)	45	4,035	4,358
Equity & invest. income	26	128	69	80	82
Minority interests	na	na	na	(530)	(558)
Extraordinary items			na	0	0
Net profit	**(20)**	**(7)**	**45**	**16,314**	**17,176**
Normalized profit	**(20)**	**(7)**	**45**	**16,314**	**17,176**
EPS (Bt)	(20)	(7)	45	1.03	1.08
Normalized EPS (Bt)	(20)	(7)	45	1.03	1.08

Balance Sheet					(consolidated)
Yr-end Dec (Bt m)	**2Q25**	**3Q25**	**4Q25**	**1Q26**	**2Q26**
Cash & ST investment	6,712	7,027	7,231	8,108	4,695
A/C receivable	11,480	11,534	11,986	12,698	12,523
Inventory	2,921	3,042	3,422	3,880	3,918
Other current assets	559	529	470	587	595
Investment	1,093	1,120	1,289	1,271	1,301
Fixed assets	95,039	95,808	99,552	99,794	99,997
Other assets	33,761	33,835	34,012	34,354	34,573
Total assets	**151,567**	**152,894**	**157,961**	**160,692**	**157,602**
S-T debt	5,500	7,750	6,500	3,000	8,000
A/C payable	6,728	7,045	7,522	7,420	6,106
Other current liabilities	11,062	10,838	9,607	11,418	11,495
L-T debt	3,000	3,000	3,000	3,000	3,000
Other liabilities	19,901	20,084	21,324	21,552	21,724
Minority interest	3,828	3,965	4,114	4,109	4,028
Shareholders' equity	**101,549**	**100,213**	**105,894**	**110,192**	**103,248**
Working capital	7,674	7,532	7,886	9,158	10,334
Total debt	8,500	10,750	9,500	6,000	11,000
Net debt	**1,787**	**3,723**	**2,269**	**(2,108)**	**6,305**

Financial Ratios					
(%)	**2Q25**	**3Q25**	**4Q25**	**1Q26**	**2Q26**
Sales growth	4.0	1.0	3.9	0.2	0.9
Operating profit growth	4.8	1.3	(21.8)	(10.4)	(13.8)
EBITDA growth	7.2	4.4	(12.1)	(4.8)	(5.2)
Norm profit growth	4.6	1.7	(14.8)	(6.6)	(6.9)
Norm EPS growth	4.6	1.7	(14.8)	(6.6)	(6.9)
Gross margin	32.5	35.0	32.7	33.1	31.2
Operating margin	11.8	15.3	11.0	14.0	10.1
EBITDA margin	17.8	21.3	17.2	20.2	16.8
Norm net margin	13.6	15.8	13.5	15.0	12.5
D/E (x)	0.1	0.1	0.1	0.1	0.1
Net D/E (x)	0.0	0.0	0.0	(0.0)	0.1
Interest coverage (x)	47.5	73.4	56.2	74.8	53.2
Interest rate	4.7	3.3	3.3	3.8	3.8
Effective tax rate	18.8	18.0	17.5	19.4	19.9
ROA	9.1	11.3	9.5	10.2	8.2
ROE	13.5	17.1	14.3	15.0	12.2

Sources: Company data, ttb wealth estimates

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