Bumrungrad Hospital Pcl (BH TB) - SELL, Price Bt195, TP Bt156

Results Comment

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Soft 2Q26 earnings growth, in line

- BH reported net profit of Bt1.9bn in 2Q26, up 2% y-y and 6% q-q. This was in line with our expectation but slightly above market expectations.
- The company's y-y earnings growth was mainly driven by rising revenue. The q-q earnings growth was driven by improving gross margin and falling SG&A to sales.
- Top-line grew by 4% y-y and was flat q-q at Bt6.2bn in 2Q26. Foreign patient revenue grew by 7% y-y and 2% q-q to Bt4.1bn, while Thai patient revenue declined by 2% y-y and 2% q-q to Bt2.1bn. Strong foreign patient revenue was driven by higher revenue from Myanmar (+28% y-y), the US (+19% y-y), and the Middle East (+7% y-y).
- Its operating margin was 36.3% in 2Q26, flat y-y but up from 34.2% in 1Q26. The flat y-y margin was due to higher marketing expenses and depreciation costs, while the q-q improvement was driven by a higher revenue mix from high-margin international patients. The revenue mix of international and Thai patients was 66.4:33.6 in 2Q26, compared with 65.7:34.3 in 1Q26.
- 6M26 earnings accounted for 48% of our full-year earnings forecast. Looking into 2H26, we expect its slow earnings growth to continue in 2H26 and next year. We maintain our SELL rating on BH.
- BH announced to pay interim dividend of Bt4.0/share. The XD date is 28 August 2026 and the dividend payment date is 10 September 2026.

Income Statement					(consolidated)
Yr-end Dec (Bt m)	2Q25	3Q25	4Q25	1Q26	2Q26
Revenue	6,005	6,492	6,517	6,204	6,231
Gross profit	**3,141**	**3,431**	**3,331**	**3,182**	**3,243**
SG&A	961	1,056	1,101	1,060	982
Operating profit	2,180	2,375	2,230	2,123	2,261
EBITDA	**2,439**	**2,644**	**2,514**	**2,405**	**2,553**
Other income	148	140	102	107	89
Other expense	0	0	0	0	0
Interest expense	2	1	1	1	1
Profit before tax	**2,326**	**2,514**	**2,330**	**2,229**	**2,349**
Income tax	449	464	424	433	442
Equity & invest. income	(0)	(0)	(0)	(0)	(0)
Minority interests	(22)	(12)	(8)	(10)	(21)
Extraordinary items	3	(3)	(12)	5	3
Net profit	**1,858**	**2,035**	**1,885**	**1,790**	**1,889**
Normalized profit	**1,855**	**2,038**	**1,898**	**1,785**	**1,886**
EPS (Bt)	2.34	2.56	2.37	2.25	2.38
Normalized EPS (Bt)	2.33	2.56	2.39	2.25	2.37

Income Statement			6M as		
(Bt m)	q-q%	y-y%	% 2026F	2026F	2027F
Revenue	0	4	49	25,332	27,272
Gross profit	**2**	**3**	**49**	**13,152**	**14,084**
SG&A	(7)	2	49	4,180	4,806
Operating profit	7	4	49	8,973	9,278
EBITDA	**6**	**5**	**48**	**10,254**	**10,692**
Other income	(17)	(40)	38	520	515
Other expense			na	0	0
Interest expense	(5)	(40)	5	61	102
Profit before tax	**5**	**1**	**49**	**9,432**	**9,692**
Income tax	2	(2)	50	1,754	1,803
Equity & invest. income	na	na	na	(1)	0
Minority interests	na	na	na	(55)	(59)
Extraordinary items	(33)	5	na	0	0
Net profit	**6**	**2**	**48**	**7,621**	**7,830**
Normalized profit	**6**	**2**	**48**	**7,621**	**7,830**
EPS (Bt)	6	2	53	8.81	9.05
Normalized EPS (Bt)	6	2	52	8.81	9.05

Balance Sheet					(consolidated)
Yr-end Dec (Bt m)	2Q25	3Q25	4Q25	1Q26	2Q26
Cash & ST investment	12,389	12,561	13,948	14,340	7,565
A/C receivable	4,050	3,658	4,291	5,252	6,192
Inventory	300	301	371	322	317
Other current assets	247	220	171	195	207
Investment	130	130	129	129	129
Fixed assets	12,892	13,257	13,578	14,452	14,440
Other assets	3,751	3,909	3,969	4,019	4,310
Total assets	**33,759**	**34,036**	**36,459**	**38,710**	**33,160**
S-T debt	0	0	0	0	0
A/C payable	929	1,162	1,030	1,040	885
Other current liabilities	2,807	2,384	3,056	3,445	3,360
L-T debt	23	23	23	24	24
Other liabilities	1,042	1,069	1,180	1,227	1,178
Minority interest	308	313	308	315	335
Shareholders' equity	**28,650**	**29,085**	**30,863**	**32,659**	**27,378**
Working capital	3,421	2,797	3,633	4,534	5,624
Total debt	23	23	23	24	24
Net debt	**(12,365)**	**(12,538)**	**(13,926)**	**(14,317)**	**(7,541)**

Financial Ratios					
(%)	2Q25	3Q25	4Q25	1Q26	2Q26
Sales growth	(4.4)	1.7	1.0	1.4	3.8
Operating profit growth	(3.9)	3.6	8.7	6.3	3.7
EBITDA growth	(3.8)	3.3	8.1	6.8	4.7
Norm profit growth	(4.2)	2.4	0.1	2.9	1.7
Norm EPS growth	(4.2)	2.4	0.1	2.9	1.7
Gross margin	52.3	52.9	51.1	51.3	52.0
Operating margin	36.3	36.6	34.2	34.2	36.3
EBITDA margin	40.6	40.7	38.6	38.8	41.0
Norm net margin	30.9	31.4	29.1	28.8	30.3
D/E (x)	0.0	0.0	0.0	0.0	0.0
Net D/E (x)	(0.4)	(0.4)	(0.4)	(0.4)	(0.3)
Interest coverage (x)	1,096.5	2,978.0	1,687.3	1,697.1	1,899.3
Interest rate	37.3	15.2	26.0	24.5	22.6
Effective tax rate	19.3	18.5	18.2	19.4	18.8
ROA	21.8	24.0	21.5	19.0	21.0
ROE	25.6	28.2	25.3	22.5	25.1

Sources: Company data, ttb wealth estimates

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