Bumrungrad Hospital Pcl (BH TB) - SELL

Analyst Meeting

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Slightly positive tone from analyst meeting

- **BH targets 3Q26 revenue growth of ±3%.**
- **Revenue growth to be driven by intensity, not volume.**
- **No progress in Kuwait and Saudi Arabia.**
- **Maintain SELL.**

After attending BH's analyst meeting, we saw a slightly positive tone, with 3Q26 revenue targeted to grow ±3%, driven by international patients. We still expect revenue growth to be driven by higher revenue intensity rather than volume growth. We see slight upside to revenue but some downside risk to margins, and thus maintain our earnings forecasts. The current share price already reflects the positive news and dividend payment; we maintain SELL.

- BH targets 3Q26 revenue growth of ±3%, driven by rising international patient volumes from the Middle East, Myanmar, Bangladesh, and other countries.
- BH sees opportunities to attract patients from Kuwait, Saudi Arabia, and Iraq in the future. However, the timeframe remains unclear as to when the governments of these countries will send government-sponsored patients to Thailand for medical treatment.
- Key drivers of international patient revenue growth in 2Q26 were higher revenue intensity and a longer length of stay, while international patient volume declined 5.9% y-y. Thai patient volume also declined 6.5% in 2Q26.
- BH offered higher discounts to patients in 2Q26 at 13%, compared with the normal level of 11.5–12%, due to its "Health Fare" marketing campaign, which ran from 1 April to 30 June 2026.
- For its new hospital in Phuket, construction remains on track, with a soft launch expected in 3Q27.
- BH announced a dividend of Bt4/share for 1H26, implying a dividend payout ratio of 86%. Management has not confirmed the dividend payout for 2H26.
- We see slight upside to our top-line growth forecast, but some downside risk to margins. We therefore maintain our earnings forecasts. We believe the current share price already reflects the positive news and dividend payment. We maintain SELL.

Key Valuations

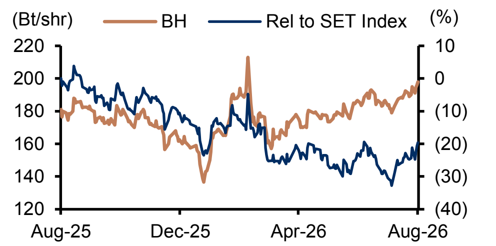
Y/E Dec (Bt m)	2025A	2026F	2027F	2028F
Revenue	25,134	25,332	27,272	29,535
Net profit	7,512	7,621	7,830	8,139
Norm net profit	7,526	7,621	7,830	8,139
Norm EPS (Bt)	8.7	8.8	9.0	9.4
Norm EPS gr (%)	(3.5)	1.3	2.7	3.8
Norm PE (x)	22.7	22.5	21.9	21.1
EV/EBITDA (x)	16.0	15.8	15.0	14.3
P/BV (x)	5.5	5.5	5.1	4.8
Div. yield (%)	5.1	3.3	3.4	3.6
ROE (%)	25.8	24.5	24.1	23.5
Net D/E (%)	(44.7)	(30.2)	(33.1)	(36.8)

Source: ttb wealth estimates

Stock Data

Closing price (Bt)	198.0
Target price (Bt)	156.0
Market cap (US$ m)	4,793
Avg daily turnover (US$ m)	29.4
12M H/L price (Bt)	213.0/136.5

Price Performance



Source: Bloomberg

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