Chularat Hospital Pcl (CHG TB) - BUY

Analyst Meeting

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Slightly positive view from AM

- **CHG raises its revenue growth target.**
- **July revenue grew c.5% y-y.**
- **Higher SSS reimbursement rates expected.**
- **Earnings growth momentum to strengthen in 2H26; BUY.**

After attending the analyst meeting last Friday, we have a slightly positive view of the meeting, as CHG targets 5% revenue growth in 2026 and expects stronger revenue growth in 2H26. July revenue grew by mid-single digits y-y. Meanwhile, potential increases in Social Security reimbursement rates could provide further earnings upside. We expect y-y earnings growth momentum to continue in 2H26, driven by improving SSS and UCS operations and BOI tax privileges. BUY.

- CHG targets 2026 revenue growth of 5% and expects 2H26 revenue growth to be stronger than 1H26. This represents an improvement from its earlier guidance at the onset of the war, when CHG expected full-year 2026 revenue to remain at least flat y-y.
- July 2026 revenue grew by mid-single digits y-y, indicating continued improvement in operating momentum. IPD cash patient revenue remained down y-y, but improved q-q, as the y-y decline was still impacted by fewer cash-paying gastric surgery cases and the impact of insurance co-payment. Meanwhile, international patient revenue showed signs of recovery.
- Potential upside from higher Social Security reimbursement rates. CHG expects to reach a conclusion on the adjustment of Social Security reimbursement rates on 24 October 2026. Management expects both the basic capitation rate and reimbursement for high-intensity IPD cases (RW ≥2) to be increased. If approved, the higher reimbursement rates should provide a positive earnings contribution, particularly for hospitals such as CHG, which have relatively high exposure to SSS patients and high-intensity cases.
- Two new buildings, adding a combined 100 beds, remain on track to open at Chularat 3 Hospital in 1H27 and at the new Chularat Rayong Hospital in 2H27.
- We expect CHG's y-y earnings growth to strengthen in 2H26. Key growth drivers are improving operations in both the SSS and UCS segments, as well as BOI tax privileges. Potential increases in SSS reimbursement rates would provide further upside to our forecasts. We maintain BUY on CHG.

Key Valuations

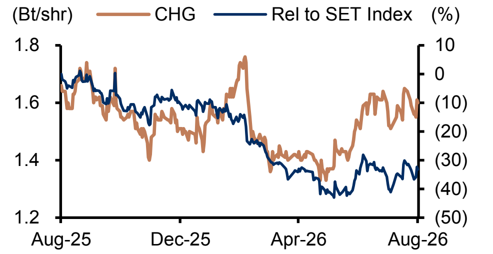
Y/E Dec (Bt m)	2025A	2026F	2027F	2028F
Revenue	8,347	8,753	9,430	10,257
Net profit	929	1,008	1,074	1,128
Norm net profit	929	1,008	1,074	1,128
Norm EPS (Bt)	0.1	0.1	0.1	0.1
Norm EPS gr (%)	(3.7)	8.4	6.5	5.1
Norm PE (x)	18.9	17.5	16.4	15.6
EV/EBITDA (x)	9.6	9.2	8.7	8.3
P/BV (x)	2.3	2.2	2.1	2.1
Div. yield (%)	4.4	4.6	4.9	5.1
ROE (%)	12.0	12.7	13.2	13.4
Net D/E (%)	(16.4)	(13.1)	(10.5)	(9.6)

Source: ttb wealth estimates

Stock Data

Closing price (Bt)	1.6
Target price (Bt)	1.8
Market cap (US$ m)	538.5
Avg daily turnover (US$ m)	1.3
12M H/L price (Bt)	1.76/1.33

Price Performance



Source: Bloomberg

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