

BUY (Unchanged)**TP: Bt 23.80** (From: Bt 21.00)

Change in Numbers

Upside : 23.3%

Praram 9 Hospital Pcl (PR9 TB)

Best cash-segment choice

We reiterate our **BUY** call on PR9 as our top healthcare stock choice in the cash segment, given its highest EPS growth of 11/9% in 2027-28F and lowest PE at 16.5x in 2027F. With some new services and a lower Iran war impact, we expect earnings growth to resume next year.

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Best metrics in the cash segment; reiterating BUY

We maintain our **BUY** call on PR9 with a DCF-based 12-month TP of Bt23.8 (from Bt21.0) after rolling our valuation over to a 2027F base year. **First**, PR9 offers the best valuation metrics among peers with high cash-segment exposure. It has the strongest EPS growth in 2027-28F at 11.1/9.1% vs. Bumrungrad International (BH TB, Bt196.5, **SELL**) at 4.1/3.7% and Bangkok Dusit Medical Services (BDMS TB, Bt19.8, **HOLD**) at 5.3/6.5%, yet it trades at a lower 2027F PE of 16.5x, vs. 21.1x for BH and 18.3x for BDMS. **Second**, PR9 has no major new hospital investments, unlike BH's Phuket campus and BDMS's WellEra mixed-use project. **Third**, PR9 has long-term upside from rising treatment intensity, as it remains underpenetrated in complex services vs. BH and BDMS. **Lastly**, amid sluggish economic growth, we believe PR9 offers a value-for-money upper-tier segment proposition with a better growth outlook.

Growth drivers

Our estimate of weak earnings growth of 0.4% in 2026F is due to the Iran war's impact, a lack of patients from Cambodia, a weak domestic economy, the full-year co-payment insurance impact reducing patient flows for simple and general diseases, rising depreciation costs, a weak operating leverage effect, and the end of BOI tax benefits. While Cambodia and the co-payment insurance issues have already set a new lower base, we project 11.1/9.1% EPS growth for 2027-28F. Key drivers are a lower Iran war impact, a domestic economy recovery, increasing complex services, and operating leverage. We project revenue growth of 7.9/6.5% in 2027-28F vs. 13.8/3.7% in 2025-26F. We also expect the foreign patient mix to rise to 29% in 2028F from 26.6% in 2026F, and estimate EBIT margin to widen to 17.9% in 2028F from 16.8% in 2026F.

No change to long-term direction

PR9 continues to position itself in the upper-middle tier, with a "value-for-money" proposition. In the process, it has continued to increase and upgrade its service complexity to narrow the gap with top-tier peers like BH and BDMS, while pricing its services 15-20% below them. New or expanding services in 2026-27F include a new operating theater, automated peritoneal dialysis, Da Vinci robotic surgery, a premium HD room, a biplane angiography system, a new HBOT, a new ICU/CCU, a new neuro ICU, and a new ward and nurse dormitory.

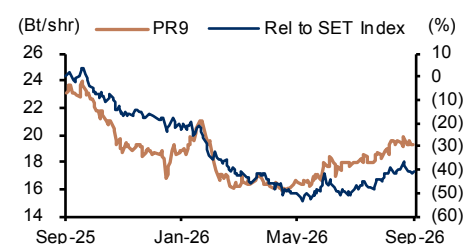
Likely soft 3Q26F earnings not a surprise

We estimate PR9's 3Q26F earnings to check in at Bt228m, up 2% y-y and 24% q-q. The weak y-y growth will likely reflect the absence of Bt13m in BOI tax benefits in 3Q25. We estimate pre-tax profit growth, however, at 8% y-y and 24% q-q. Revenue looks set to rise 5% y-y and 10% q-q to Bt1.4bn, driven mainly by Thai patients.

COMPANY VALUATION

Y/E Dec (Bt m)	2025A	2026F	2027F	2028F
Sales	5,277	5,473	5,907	6,292
Net profit	823	826	918	1,001
Consensus NP	—	855	943	1,024
Diff frm cons (%)	—	(3.4)	(2.7)	(2.2)
Norm profit	823	826	918	1,001
Prev. Norm profit	—	826	917	986
Chg frm prev (%)	—	(0.0)	0.0	1.6
Norm EPS (Bt)	1.05	1.05	1.17	1.27
Norm EPS grw (%)	15.4	0.4	11.1	9.1
Norm PE (x)	18.4	18.4	16.5	15.2
EV/EBITDA (x)	10.3	9.9	8.7	7.8
P/BV (x)	2.6	2.4	2.2	2.1
Div yield (%)	2.6	2.7	3.3	4.0
ROE (%)	14.5	13.6	14.1	14.3
Net D/E (%)	(45.7)	(44.5)	(45.8)	(49.0)

PRICE PERFORMANCE



COMPANY INFORMATION

Price as of 28-Sep-26 (Bt)	19.30
Market Cap (US\$ m)	451.5
Listed Shares (m shares)	786.3
Free Float (%)	58.5
Avg. Daily Turnover (US\$ m)	1.7
12M Price H/L (Bt)	24.00/15.80
Sector	Health Care
Major Shareholder	Damapong family 37.27%

Sources: Bloomberg, Company data, ttb wealth estimates

Best metrics in the cash segment

We maintain our BUY call on PR9

We maintain our BUY rating on Praram 9 Hospital Pcl (PR9) with a DCF-based 12-month TP of Bt23.8/share (from Bt21.0), after rolling our valuation over to a 2027F base year. Key reasons supporting our BUY recommendation are as follows:

Ex 1: 12-month DCF-based TP Calculation Using A Base Year Of 2027F

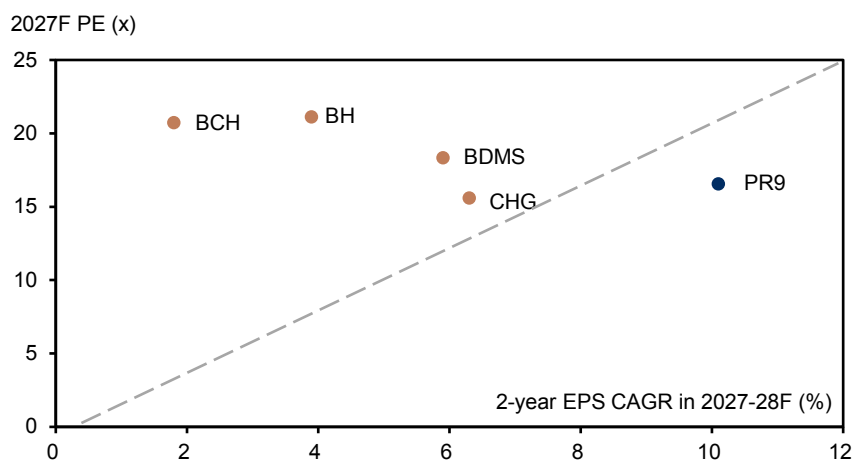
(Bt m)		2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F	2036F	2037F	Terminal value
EBITDA		1,385	1,492	1,575	1,654	1,736	1,822	1,912	2,005	2,103	2,205	2,323	1,385	—
Free cash flow		711	954	1,022	1,090	1,159	1,230	1,304	1,381	1,461	1,545	1,042	711	18,002
PV of free cash flow		709	819	814	804	792	779	766	751	737	722	451	709	7,793
Risk-free rate (%)	2.5													
Market risk premium (%)	8.0													
Beta	0.6													
WACC (%)	7.9													
Terminal growth (%)	2.0													
Enterprise value - add investments	15,937													
Net debt (2026F)	(2,801)													
Minority interest	0													
Equity value	18,739													
# of shares (m)	786													
Target price/share (Bt)	23.8													

Sources: Company data, ttb wealth estimates

1) *Attractive valuation, in our view*

First, PR9 offers the strongest EPS growth outlook among cash-based hospital peers at 11.1/9.1% in 2027-28F, compared with 4.1/3.7% for Bumrungrad International Pcl (BH TB, Bt197.5, SELL) and 5.3/6.5% for Bangkok Dusit Medical Services Pcl (BDMS TB, Bt20.2, HOLD). Despite its stronger EPS growth outlook, PR9 trades at only a 16.5x 2027F PE multiple, below BH at 21.1x and BDMS at 18.3x. We don't believe this valuation gap fully reflects PR9's stronger earnings growth and improving earnings profile.

Ex 2: Valuation Comparison



Sources: Bloomberg, ttb wealth estimates

2) Lower investment risk

Second, PR9 has no major new hospital investments in the pipeline, unlike BH's Phuket campus, scheduled to open in 2H27, and BDMS's WellEra mixed-use project, targeted to open in late 2029. This gives PR9 a more favorable risk profile, as it can focus on improving utilization and expanding service intensity within its existing platform without the near-term burden of large capex, start-up costs, and depreciation from new projects.

3) Structural upside from rising treatment intensity

Third, PR9 still has significant room to increase its exposure to highly complex and high-intensity services compared with BH and BDMS. Its continued investment in medical capabilities, equipment and specialized services should support a gradual shift toward higher-value treatments and improve revenue intensity over time.

4) Resilient positioning amid a weak economy

Lastly, PR9's upper-tier but "value-for-money" positioning should help it capture patients who remain price-conscious amid slower economic growth. We see this positioning, together with its growing complex-care capabilities, supporting a relatively resilient long-term growth outlook.

Growth drivers

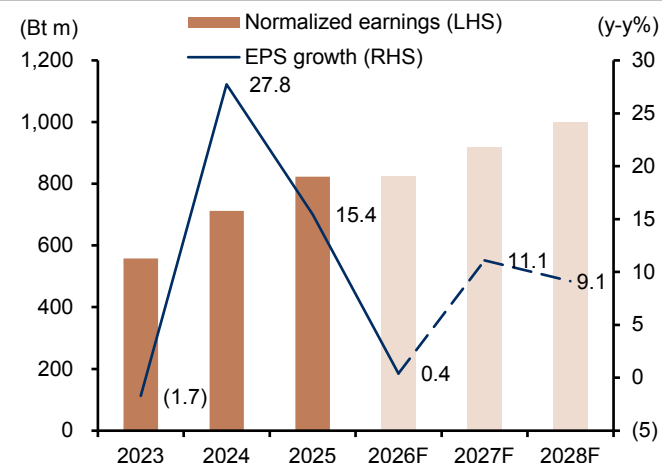
Flat earnings growth in 2026F

We estimate PR9's earnings growth at only 0.4% in 2026F, reflecting several near-term headwinds. These include the impact of the Iran war on foreign patient flows, the absence of patient inflows from Cambodia due to the ongoing border dispute, a weak domestic economy, and the full-year impact of insurance co-payment policies, which have reduced demand for simple and general-disease treatments. Earnings are also pressured by higher depreciation expenses from recent investments to upgrade service quality and expand its ability to treat more complex diseases, limited operating leverage amid soft patient volumes, and the expiry of Board of Investment (BOI) tax benefits.

Earnings growth to recover in 2027-28F, driven by ...

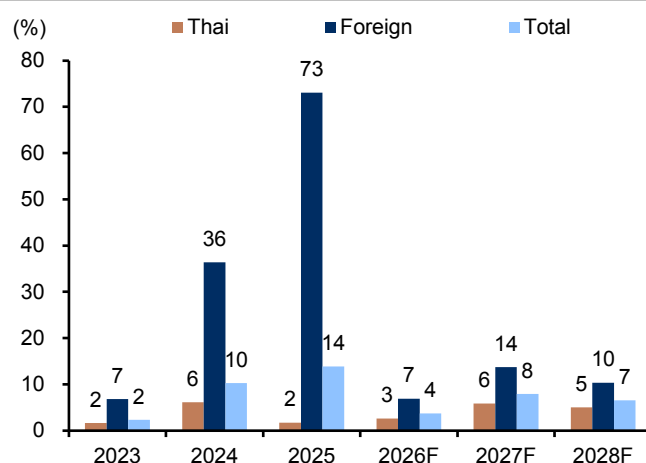
We believe the Cambodia patient flow and insurance co-payment issues have led to a lower earnings base for the business. As these headwinds become less incremental, we expect earnings growth to recover to 11.1/9.1% in 2027-28F. The recovery should be supported by a lower drag from the Iran war, an improving domestic economy, and a gradual shift in the service mix toward more complex and higher-intensity treatments. As patient volumes recover and the company makes better use of its expanded capacity, operating leverage should also become more visible, supporting margin expansion.

Ex 3: Normalized Earnings And Growth



Sources: Company data, ttb wealth estimates

Ex 4: Revenue And Growth



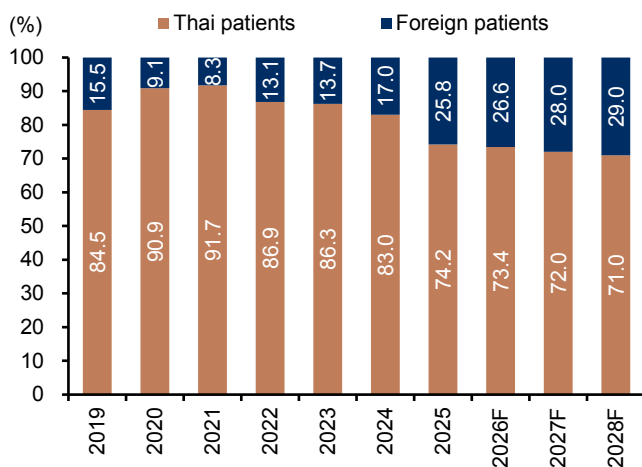
Sources: Company data, ttb wealth estimates

... revenue growth and
expanding margin

We estimate revenue growth to accelerate to 7.9/6.5% in 2027-28F from 13.8/3.7% in 2025-26F. Future growth should be driven more by an improving service mix and higher-value treatments rather than patient volume alone. The increasing contribution from complex services should support both revenue growth and profitability. We expect foreign patient revenue to remain an important growth driver, with the foreign patient mix rising to 29.0% of revenue in 2028F from 26.6% in 2026F.

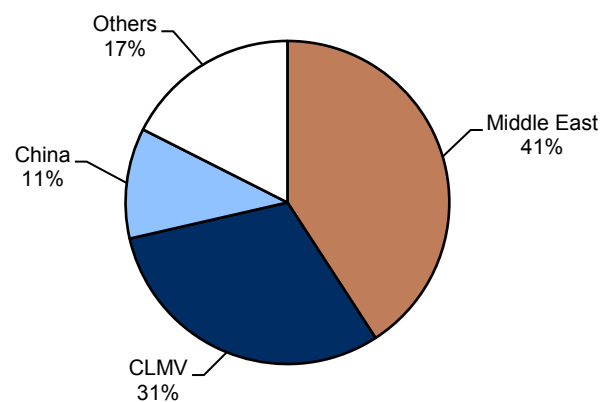
Among overseas markets, we view the Middle East, particularly Qatar, and Myanmar as key near-term growth drivers. Meanwhile, Indonesia, Australia, and Bangladesh represent attractive expansion opportunities that could further diversify PR9's international patient base over the medium term. Meanwhile, we expect Thai patient revenue to continue growing, although at a slower pace than international patient revenue.

Ex 5: Revenue Mix



Sources: Company data, ttb wealth estimates

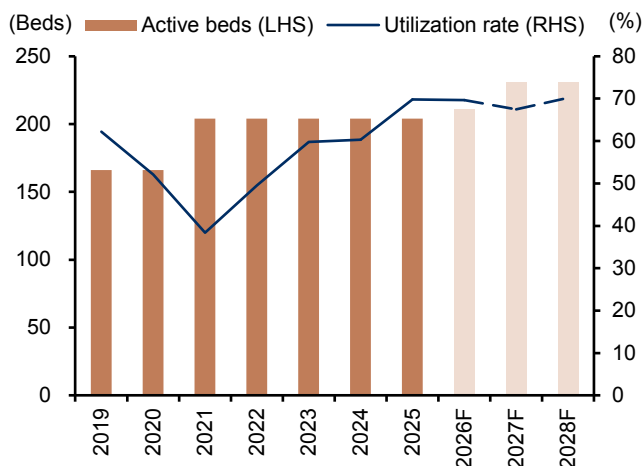
Ex 6: International Patient Revenue Breakdown In 1H26



Source: Company data

Alongside a revenue recovery, we expect profitability to improve as operating leverage kicks in. We estimate EBIT margin to rise from 16.8% in 2026F to 17.9% in 2028F, reflecting better capacity utilization, a richer service mix, and the normalization of recent investment-related costs.

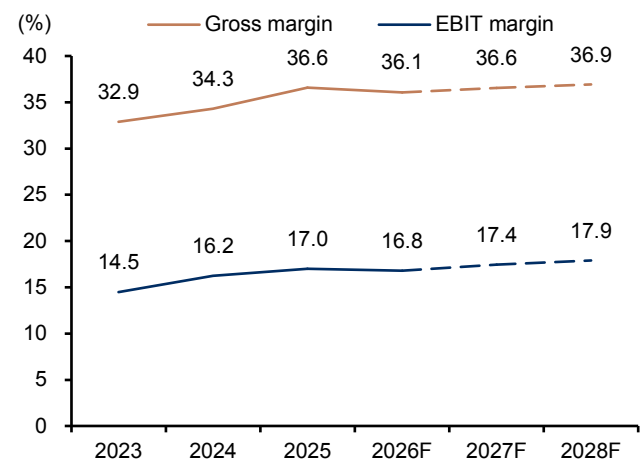
Ex 7: Bed Utilization



Sources: Company data, ttb wealth estimates

Note: PR9 can expand its active bed capacity to 300 beds, which is the maximum capacity of Buildings A and B.

Ex 8: Gross And EBITDA Margins



Sources: Company data, ttb wealth estimates

No change to long-term direction

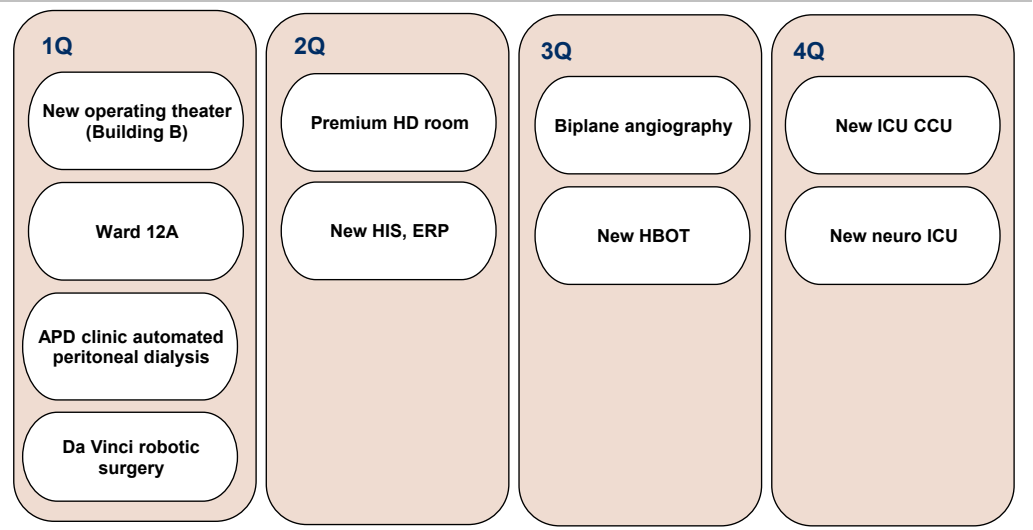
PR9 continues to position itself in the upper-middle-tier hospital segment, offering a value-for-money proposition with prices around 15-20% below top-tier peers such as BH and BDMS. At the same time, PR9 has continued to invest in upgrading its capabilities and expanding its high-complexity services, gradually narrowing the service gap with top-tier peers. This should allow PR9 to capture more high-intensity and higher-value treatments while maintaining its competitive pricing advantage.

Investment plans for 2026-27

The company plans to add 20 new IPD rooms (Ward 12A) and seven neuro ICU rooms to support rising demand for specialized care and enhance treatment capacity. However, because it also plans to renovate IPD Ward 14A (20 beds), total IPD room capacity should remain unchanged this year, while total ICU and CCU capacity should increase to 31 rooms from 24. The company also intends to expand its premium hemodialysis (HD) services and launch an automated peritoneal dialysis (APD) clinic to capture growing patient demand and improve patient convenience.

On the technology side, PR9 plans to continue upgrading its medical infrastructure through investments in advanced equipment, including the Da Vinci robotic surgery system, a new biplane angiography platform, and a larger hyperbaric oxygen therapy (HBOT) unit. These investments aim to strengthen clinical capabilities, support more complex procedures, and improve treatment outcomes, thereby reinforcing PR9's positioning in premium healthcare services.

Ex 9: Investing In High-Technology Medical Equipment



Source: Company data

The company also plans to construct a new nurse dormitory to support workforce retention and accommodate future operational needs. Construction of the nurse dormitory already commenced in August 2026, with completion targeted for late 2027 or early 2028.

We believe PR9’s EBITDA can absorb its new investment

We estimate PR9’s capex at Bt650/550m in 2026-27F vs. Bt453m in 2025, which we believe remains manageable relative to our projections for EBITDA of Bt1.3/1.4bn over the same period. In our view, the investment plan should enhance treatment capabilities, support growth in higher-margin complex cases and foreign patients, while maintaining a healthy financial profile with a net cash position.

Ex 10: Premium HD Room Upgrade



Source: Company data

Ex 11: New Biplane Angiography System



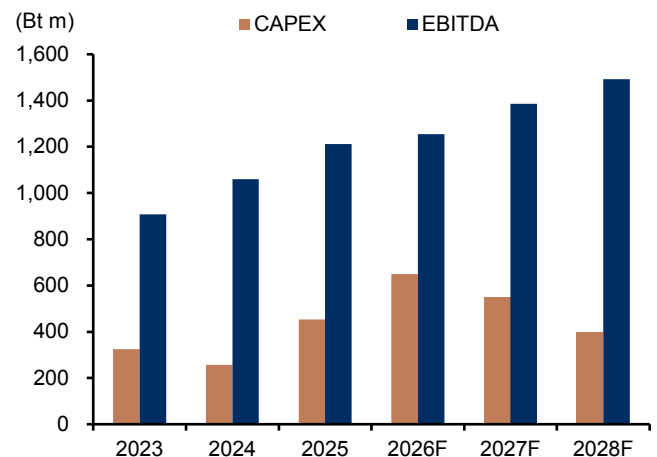
Source: Company data

Ex 12: New Hyperbaric Oxygen Therapy Center



Source: Company data

Ex 13: EBITDA And Capex



Sources: Company data, ttb wealth estimates

Likely soft 3Q26F earnings not a surprise

We project PR9's 3Q26F earnings to grow 2% y-y and 24% q-q

We estimate PR9's 3Q26F earnings to grow 2% y-y and 24% q-q to Bt228m. The modest y-y growth mainly reflects the absence of Bt13m in BOI tax benefits recognized in 3Q25, which creates a high tax base. Excluding the tax impact, pre-tax profit looks set to grow a stronger 8% y-y and 24% q-q to Bt283m, reflecting underlying operational improvement.

We expect revenue to increase 5% y-y and 10% q-q to Bt1.4bn, driven mainly by Thai patients, while international patients should contribute less amid slower growth. We estimate foreign patient revenue to grow 3% y-y and 4% q-q in 3Q26, down from 10% y-y growth in 1H26, mainly because of a higher base of complex-disease patients in 3Q25. Meanwhile, we project Thai patient revenue to grow 6% y-y and 12% q-q, supported by a low base and seasonal illnesses.

Despite relatively moderate revenue growth, operating leverage should support further margin expansion, with EBIT margin expected to rise to 17.8% from 16.7% in 3Q25 and 15.4% in 2Q26. The improvement should be supported by better utilization of existing capacity and the absence of the Bt10m employee benefit provision recorded in 3Q25.

Ex 14: 3Q26F Earnings Preview

Income Statement						(consolidated)	
Yr-end Dec (Bt m)	3Q25	4Q25	1Q26	2Q26	3Q26F	q-q%	y-y%
Revenue	1,364	1,397	1,284	1,311	1,439	10	5
Gross profit	498	513	453	468	527	13	6
SG&A	270	267	249	266	270	2	0
Operating profit	228	246	204	201	256	27	12
EBITDA	307	328	288	291	346	19	13
Other income	33	24	28	27	27	1	(18)
Profit before tax	261	269	231	228	283	24	8
Income tax	37	52	47	43	55	27	47
Net profit	223	217	185	184	228	24	2
Normalized profit	223	217	185	184	228	24	2

Sources: Company data, ttb wealth estimates

Valuation Comparison

Ex 15: Valuation Comparison With Regional Peers

Name	BBG code	Country	EPS growth		— PE —		— P/BV —		EV/EBITDA		— Div yield —	
			26F (%)	27F (%)	26F (x)	27F (x)	26F (x)	27F (x)	26F (x)	27F (x)	26F (%)	27F (%)
Ramsay Healthcare	RHC AU	Australia	(0.7)	31.6	41.1	31.2	2.5	2.5	10.6	9.8	1.5	2.0
Guangzhou Pharmaceutical	874 HK	Hong Kong	(17.2)	6.1	8.6	8.1	0.5	0.5	6.4	6.1	5.6	5.8
Lijun Int'l Pharmaceutical	2005 HK	Hong Kong	26.5	15.8	13.8	11.9	1.1	1.0	9.6	11.2	3.9	4.7
Apollo Hospitals Enterprise	APHS IN	India	(1.8)	28.7	66.8	51.9	13.0	10.8	36.1	29.2	0.2	0.2
Fortis Healthcare India	FORH IN	India	2.1	21.7	59.2	48.7	6.4	5.7	31.6	26.7	0.1	0.2
KPJ Healthcare	KPJ MK	Malaysia	8.7	12.1	28.7	25.6	3.9	3.6	13.4	12.4	1.8	2.0
IHH Healthcare Bhd	IHH MK	Malaysia	6.7	16.1	31.5	27.2	2.2	2.1	14.1	12.7	1.4	1.6
Ryman	RYM NZ	New Zealand	na	222.7	86.8	26.9	0.5	0.5	20.0	17.6	0.0	0.0
Raffles Medical Group	RFMD SP	Singapore	(13.4)	12.1	25.3	22.6	1.5	1.4	10.3	10.0	3.6	3.6
Bangkok Chain Hospital *	BCH TB	Thailand	1.2	7.0	22.2	20.8	2.2	2.2	10.4	9.9	5.8	3.6
Bangkok Dusit Medical *	BDMS TB	Thailand	2.9	5.3	19.3	18.3	2.9	2.8	14.8	13.9	3.9	4.1
Bumrungrad Hospital *	BH TB	Thailand	2.6	4.1	22.0	21.1	5.5	5.1	15.7	14.8	3.6	3.8
Chularat Hospital *	CHG TB	Thailand	5.5	7.0	17.5	16.4	2.1	2.1	9.3	8.8	4.7	4.9
Praram 9 Hospital *	PR9 TB	Thailand	0.4	11.1	18.4	16.5	2.4	2.2	9.9	8.7	2.7	3.3
Thonburi Healthcare Group*	THG TB	Thailand	153.6	13.4	41.5	36.6	0.9	0.9	9.6	9.1	1.2	1.6
Average			12.7	27.7	33.5	25.6	3.2	2.9	14.8	13.4	2.7	2.8

Source: Bloomberg

Note: * ttb wealth estimates, using ttb wealth normalized EPS

Based on 28 September 2026 closing prices

COMPANY DESCRIPTION

Praram 9 Hospital Pcl (PR9) was established in 1992 on Rama IX Road, a new business district in Bangkok. As of the end of 2Q26, PR9 had 204 active IPD beds. The hospital offers a comprehensive range of tertiary care services, including health promotion, preventive healthcare, diagnosis, treatment, and rehabilitation. Medical services encompass both general care and the treatment of complex diseases.

Source: ttb wealth

TTB WEALTH'S SWOT ANALYSIS

S — Strength

- Strong "Praram 9 Hospital" brand in Bangkok.
- The hospital's executives have strong relationships with doctors and professors from top medical schools.
- PR9 is in a prime location on Rama IX Road, another key business district in Bangkok.
- PR9 is very well-known for kidney transplants and cardiovascular treatment.

O — Opportunity

- Limited public healthcare supply in Thailand.
- New building should help to unlock its capacity constraints.
- Rising patient flows from neighboring countries.
- Aging society megatrend.
- COVID-19 outbreaks.

CONSENSUS COMPARISON

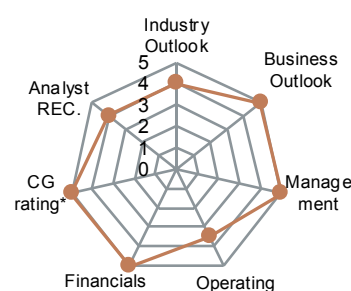
	Consensus	ttb wealth	Diff
Target price (Bt)	22.71	23.80	5%
Net profit 26F (Bt m)	855	826	-3%
Net profit 27F (Bt m)	943	918	-3%
Consensus REC	BUY: 20	HOLD: 0	SELL: 0

HOW ARE WE DIFFERENT FROM THE STREET?

- Our earnings forecasts are below the Bloomberg consensus, likely reflecting our more conservative view on margin expansion. However, our TP is slightly above the Street, mainly because we have rolled our DCF valuation base year to next year.

Sources: Bloomberg consensus, ttb wealth estimates

COMPANY RATING



Source: ttb wealth; *CG Rating

Rating Scale

Excellent	5
Good	4
Fair	3
Weak	2
Very Weak	1
None	0

W — Weakness

- Mainly focuses on mid- to high-tier cash patients.

T — Threat

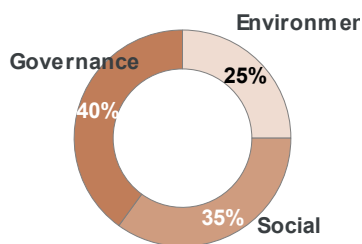
- New rivals in the market.
- Regulatory risk.
- COVID-19 outbreaks.

RISKS TO OUR INVESTMENT CASE

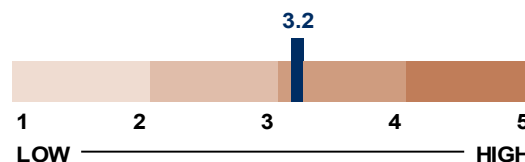
- If patient numbers are lower than we currently anticipate, this would be the key downside risk to our earnings forecasts.
- If PR9 raises its billing sizes by less than we presently expect, our gross margin and profit forecasts would be subject to downside risk.
- If PR9's ability to control costs turns out to be weaker than we currently expect, this would represent a secondary downside risk to our numbers.
- If there is more competition from existing private healthcare operators and/or newcomers to the healthcare market in Thailand, this would represent another downside risk.

Source: ttb wealth

ESG Weighting



ESG Rating



	SET ESG Index	SET ESG (BBB-AAA)	DJSI Index	ttb wealth ESG Rating (1.0-5.0)	MSCI (CCC-AAA)	ESG Book (0-100)	CG Rating (0-5)
PR9	YES	AAA	-	3.19	0	-	5.0

Sources: SETTRADE, SET ESG Index, SET ESG Rating, The Dow Jones Industrial Average (DJSI)

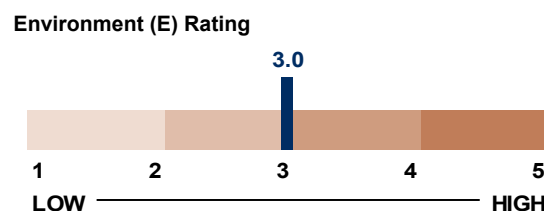
MSCI ESG Research LLC, ESG Book, Thai IOD (CG rating)

Note: Please see third party on "terms of use" toward the back of this report.



ESG Summary

- PR9 is a mid-to-high-end single-campus private hospital with a capacity of 204 beds. Given its business nature, the company doesn't generate significant amounts of greenhouse gas emissions. Our ESG score for PR9 is decent at 3.2, which is slightly above the sector average of 3.1. We assign the highest score to Social, followed by Environment and Governance
- PR9 has a decent ESG score, but it is not a strong ESG play in our view. It is operating its business as usual and lacks a clear business direction aligned with the ESG theme.
- PR9's key ESG strength is its Social pillar, supported by high service quality, patient safety, and clear targets for employee welfare and patient satisfaction. We view these strengths as well embedded in its core business, supporting brand trust and long-term resilience.
- We view PR9's main ESG weakness as its board structure under the Governance pillar, particularly its limited board independence and diversity. The non-independent chairman and below-best-practice proportion of independent directors may constrain effective long-term strategic oversight. In addition, environmental targets, while transparent and directionally sound, remain relatively modest, limiting near-term ESG upside vs. larger peers.
- A key issue to monitor for PR9 is its effort to expand revenue from international patients. If PR9 can successfully penetrate and grow international patient revenue from a more diversified customer base, this should enhance ESG performance under the Business Model Sustainability dimension.

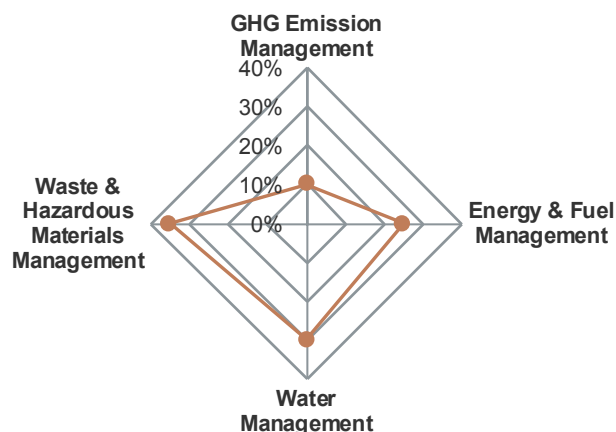


Our Comments

- **Energy & Fuel Management**
- **GHG Emission Management**
- **Waste & Hazardous Materials Management**
- **Water Management**

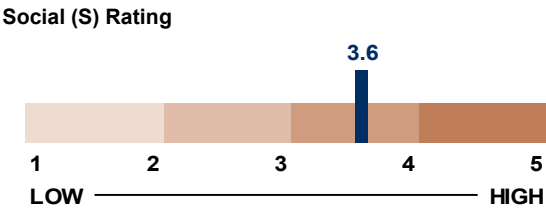
- We assign PR9 an Environment (E) score of 3.0, which is in line with the sector average.
- PR9 targets carbon neutrality by 2050 and net-zero GHG emissions by 2065, with interim Scope 1-3 targets. It discloses externally verified GHG data under TGO standards and follows TCFD. While absolute emissions rose in 2024, emissions intensity declined; we view the strategy as transparent but needing stronger near-term reductions.
- PR9 targets a 0.5% reduction in purchased electricity by 2027 compared with the 2022 base year. The hospital focuses on improving energy efficiency, using solar rooftop power, and optimizing major systems such as air conditioning and wastewater treatment. These actions helped reduce electricity costs in 2024, even though total electricity use increased due to higher activity. We see energy management as practical and cost-efficient, but the reduction target appears relatively modest given ongoing capacity expansion.
- PR9 aims to reduce water consumption by 0.5% by 2027 vs. 2022. Key efforts include adjusting restroom flushing systems and reusing treated wastewater for gardening, which helped lower water intensity and increase recycled water usage. Overall, water management is effective at the operational level, but the long-term reduction target remains conservative.
- PR9 targets a 2% reduction in total waste generation by 2027 compared with 2022 and emphasizes reuse and recycling. The hospital is improving waste segregation and converting certain plastic medical waste into reusable products through external partnerships. In our view, waste management shows good progress toward circular economy practices, although waste volumes still fluctuate year to year, suggesting room for further control.
- PR9 places a strong emphasis on air quality management, especially PM2.5, by improving ventilation systems and installing HEPA filters in critical areas. These measures also support infection control and patient safety. The hospital reported no environmental law violations during 2023-25. We believe air pollution management is a clear strength and well aligned with healthcare operations.

SCALE WEIGHTING



ttb wealth research

We assign PR9 a Social score of 3.6, which is in line with its peer average. Although PR9 is a single hospital, its Social score remains relatively high due to its strong brand and high service quality and standards.



SOCIAL

Our Comments

- Access & Affordability
- Customer Welfare
- Data Security & Customer Privacy
- Fair Product Marketing & Labeling
- Health, Safety & Well-being
- Human Rights & Community Relations
- Operational Risk Management
- Product Quality & Safety
- Recruitment, Development & Retention

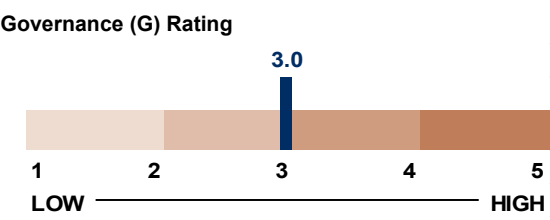
SCALE WEIGHTING



- We assign PR9 a Social (S) score of 3.6, which is in line with its peer average. Although PR9 is a single hospital, its S score remains relatively high due to its strong brand and high service quality and standards. PR9 utilizes modern technology to treat complex and critical diseases, providing patient-centric services. It has received quality certifications, including ISO 9001, ISO 9002, Hospital Accreditation (HA), and Joint Commission International (JCI) accreditation.
- PR9 aims to strengthen employee welfare through clear targets, including at least 30 training hours per employee per year, an employee engagement rate of no less than 80%, and a staff turnover rate below 10% in 2028. The hospital supports these goals through regular training, workplace safety programs, health checks, and engagement surveys. In our view, these targets are clear and relevant for a labor-intensive healthcare business and help PR9 retain skilled staff while reducing operational and reputational risks.
- PR9 focuses on continuous human capital development to support service quality and long-term growth. Training programs cover clinical skills, language skills for international patients, digital tools, and the use of AI in healthcare operations, with a minimum of 30 training hours per employee each year. We see talent development as well aligned with PR9’s strategy to enhance service quality and operational efficiency, supporting sustainable competitiveness.
- PR9’s core social objective is to deliver safe, high-quality healthcare while maintaining patient trust. The hospital targets patient satisfaction rates of at least 95% for both OPD and IPD, supported by stringent patient safety standards, infection control, and continuous service quality monitoring. In 2025, OPD satisfaction reached 93.6%, slightly below target, while IPD satisfaction was 96.6%, exceeding expectations. Overall, we view these targets as ambitious yet achievable, and reflective of PR9’s strong commitment to service quality – an important driver of brand strength and repeat patient volumes.
- PR9 targets to increase its community and social activities from 17 in 2020 to 21 in 2028, through health promotion, knowledge sharing, and outreach programs. We view this as supportive of PR9’s social license and stakeholder relations, though not a direct earnings driver.

Sources: ttb wealth, Company data

We assign PR9 a Governance score of 3.0, above the sector average of 2.8, reflecting the absence of major governance issues and adequate oversight. While its business model complexity lags behind that of larger peers, PR9’s strategy to move toward higher-intensity care and digital transformation should support stronger long-term sustainability.



GOVERNANCE & SUSTAINABILITY

Our Comments

- Audit committee
- Board Structure
- Business Model and Innovation
- Ethics & Compliance
- Leadership and Governance
- Remuneration
- Risk Committee

SCALE WEIGHTING



Sources: ttb wealth, Company data

- We assign a Governance (G) score of 3.0 to PR9, which is above the sector average of 2.8, reflecting the absence of major corporate governance issues. PR9 has clear governance policies and no major controversies. We view its governance as generally sound, supporting credibility and investor confidence, though board structure can be improved.
- We assign a lower score to PR9’s business model and innovation compared with Bumrungrad Hospital (BH TB, Bt196.5, SELL) and Bangkok Dusit Medical Services (BDMS TB, Bt19.8, HOLD), due to its lower complexity of medical treatments. However, we see room for improvement as PR9’s business strategy is shifting toward higher-complexity medical services. With additional capacity from the new Building B, PR9 plans to add more centers of excellence to expand high-complexity treatments and capture the ageing society megatrend. We believe this strategy will strengthen PR9’s long-term growth trajectory. In addition, management’s focus on digital transformation and the adoption of modern medical and information technology supports efficiency, service quality, and scalability, which are important for sustaining margins and long-term growth.
- We assign a low score to PR9’s board structure, as the board chairman is not independent and board independence remains below best-practice standards, with only four of the 10 directors classified as independent, compared with the ideal two-thirds ratio. In addition, board diversity is limited, with only one female director.
- PR9 has established key governance bodies, including an audit committee, a remuneration committee, and a risk working group, to support internal controls, executive compensation oversight, and risk management. These committees help ensure transparency, financial discipline, and proactive risk identification. We believe the committee structure is appropriate for PR9’s size and complexity, providing a solid foundation for effective oversight.
- PR9 aims to manage operational, financial, and compliance risks in a structured manner. The company uses risk assessment processes and internal control systems to monitor key risks and support business continuity. From our perspective, risk management practices appear adequate and well-integrated into operations, helping to limit downside risks in the highly regulated healthcare sector.

INCOME STATEMENT

FY ending Dec (Bt m)	2024A	2025A	2026F	2027F	2028F
Sales	4,635	5,277	5,473	5,907	6,292
Cost of sales	3,045	3,346	3,499	3,747	3,970
Gross profit	1,590	1,930	1,973	2,159	2,322
% gross margin	34.3%	36.6%	36.1%	36.6%	36.9%
Selling & administration expenses	837	1,032	1,055	1,129	1,197
Operating profit	753	898	919	1,030	1,126
% operating margin	16.2%	17.0%	16.8%	17.4%	17.9%
Depreciation & amortization	306	313	336	355	366
EBITDA	1,059	1,211	1,255	1,385	1,492
% EBITDA margin	22.8%	23.0%	22.9%	23.5%	23.7%
Non-operating income	110	116	109	114	125
Non-operating expenses	0	0	0	0	0
Interest expense	(0)	(1)	(2)	(2)	(2)
Pre-tax profit	862	1,013	1,027	1,143	1,248
Income tax	149	191	201	225	247
After-tax profit	713	823	826	918	1,001
% net margin	15.4%	15.6%	15.1%	15.5%	15.9%
Shares in affiliates' Earnings	0	0	0	0	0
Minority interests	0	0	0	0	0
Extraordinary items	0	0	0	0	0
NET PROFIT	713	823	826	918	1,001
Normalized profit	713	823	826	918	1,001
EPS (Bt)	0.91	1.05	1.05	1.17	1.27
Normalized EPS (Bt)	0.91	1.05	1.05	1.17	1.27

BALANCE SHEET

FY ending Dec (Bt m)	2024A	2025A	2026F	2027F	2028F
ASSETS:					
Current assets:	2,658	3,363	3,522	3,874	4,354
Cash & cash equivalent	2,243	2,682	2,805	3,100	3,530
Account receivables	343	595	630	680	724
Inventories	57	65	67	72	76
Others	15	20	21	22	24
Investments & loans	0	0	0	0	0
Net fixed assets	3,194	3,334	3,648	3,843	3,877
Other assets	548	331	298	302	306
Total assets	6,399	7,027	7,469	8,019	8,537
LIABILITIES:					
Current liabilities:	758	880	927	1,000	1,052
Account payables	647	729	767	821	870
Bank overdraft & ST loans	0	0	4	4	2
Current LT debt	0	0	0	0	0
Others current liabilities	111	152	157	174	180
Total LT debt	0	0	0	0	0
Others LT liabilities	203	272	243	262	279
Total liabilities	961	1,152	1,171	1,262	1,331
Minority interest	0	0	0	0	0
Preferreds shares	0	0	0	0	0
Paid-up capital	786	786	786	786	786
Share premium	1,934	1,934	1,934	1,934	1,934
Warrants	0	0	0	0	0
Surplus	0	0	0	0	0
Retained earnings	2,718	3,155	3,578	4,036	4,485
Shareholders' equity	5,439	5,876	6,298	6,757	7,206
Liabilities & equity	6,399	7,027	7,469	8,019	8,537

Sources: Company data, ttb wealth estimates

*Falling margins in 2026F
due to revenue and cost
mismatches*

*Investing in high-tech
medical equipment*

CASH FLOW STATEMENT*Strong cash inflow streams*

FY ending Dec (Bt m)	2024A	2025A	2026F	2027F	2028F
Earnings before tax	862	1,013	1,027	1,143	1,248
Tax paid	(166)	(174)	(204)	(217)	(244)
Depreciation & amortization	306	313	336	355	366
Chg In working capital	64	(179)	2	(0)	0
Chg In other CA & CL / minorities	14	19	7	8	1
Cash flow from operations	1,080	993	1,168	1,288	1,372
Capex	(257)	(453)	(650)	(550)	(400)
Right of use	5	(10)	0	0	0
ST loans & investments	0	0	0	0	0
LT loans & investments	0	0	0	0	0
Adj for asset revaluation	0	0	0	0	0
Chg In other assets & liabilities	(133)	296	4	15	13
Cash flow from investments	(385)	(168)	(646)	(535)	(387)
Debt financing	0	0	4	1	(2)
Capital increase	0	0	0	0	0
Dividends paid	(351)	(351)	(403)	(459)	(553)
Warrants & other surplus	(3)	(34)	0	0	0
Cash flow from financing	(354)	(386)	(399)	(458)	(555)
Free cash flow	695	825	522	753	985

VALUATION*Inexpensive valuation, in our view*

FY ending Dec	2024A	2025A	2026F	2027F	2028F
Normalized PE (x)	21.3	18.4	18.4	16.5	15.2
Normalized PE - at target price (x)	26.3	22.7	22.7	20.4	18.7
PE (x)	21.3	18.4	18.4	16.5	15.2
PE - at target price (x)	26.3	22.7	22.7	20.4	18.7
EV/EBITDA (x)	12.2	10.3	9.9	8.7	7.8
EV/EBITDA - at target price (x)	15.6	13.2	12.7	11.3	10.2
P/BV (x)	2.8	2.6	2.4	2.2	2.1
P/BV - at target price (x)	3.4	3.2	3.0	2.8	2.6
P/CFO (x)	14.0	15.3	13.0	11.8	11.1
Price/sales (x)	3.3	2.9	2.8	2.6	2.4
Dividend yield (%)	2.1	2.6	2.7	3.3	4.0
FCF Yield (%)	4.6	5.4	3.4	5.0	6.5
(Bt)					
Normalized EPS	0.91	1.05	1.05	1.17	1.27
EPS	0.91	1.05	1.05	1.17	1.27
DPS	0.40	0.50	0.53	0.64	0.76
BV/share	6.92	7.47	8.01	8.59	9.16
CFO/share	1.37	1.26	1.49	1.64	1.74
FCF/share	0.88	1.05	0.66	0.96	1.25

Sources: Company data, ttb wealth estimates

FINANCIAL RATIOS

FY ending Dec	2024A	2025A	2026F	2027F	2028F
Growth Rate					
Sales (%)	10.3	13.8	3.7	7.9	6.5
Net profit (%)	27.8	15.4	0.4	11.1	9.1
EPS (%)	(9.4)	15.4	0.4	11.1	9.1
Normalized profit (%)	27.8	15.4	0.4	11.1	9.1
Normalized EPS (%)	27.8	15.4	0.4	11.1	9.1
Dividend payout ratio (%)	44.1	47.8	50.0	55.0	60.0
Operating performance					
Gross margin (%)	34.3	36.6	36.1	36.6	36.9
Operating margin (%)	16.2	17.0	16.8	17.4	17.9
EBITDA margin (%)	22.8	23.0	22.9	23.5	23.7
Net margin (%)	15.4	15.6	15.1	15.5	15.9
D/E (incl. minor) (x)	0.0	0.0	0.0	0.0	0.0
Net D/E (incl. minor) (x)	(0.4)	(0.5)	(0.4)	(0.5)	(0.5)
Interest coverage - EBIT (x)	na	na	na	na	na
Interest coverage - EBITDA (x)	na	na	na	na	na
ROA - using norm profit (%)	11.6	12.3	11.4	11.8	12.1
ROE - using norm profit (%)	13.6	14.5	13.6	14.1	14.3
DuPont					
ROE - using after tax profit (%)	13.6	14.5	13.6	14.1	14.3
- asset turnover (x)	0.8	0.8	0.8	0.8	0.8
- operating margin (%)	18.6	19.2	18.8	19.4	19.9
- leverage (x)	1.2	1.2	1.2	1.2	1.2
- interest burden (%)	99.9	99.9	99.9	99.8	99.8
- tax burden (%)	82.7	81.2	80.5	80.3	80.2
WACC (%)	7.9	7.9	7.9	7.9	7.9
ROIC (%)	19.6	22.8	23.2	23.7	24.7
NOPAT (Bt m)	622	729	739	827	903
invested capital (Bt m)	3,196	3,193	3,497	3,661	3,678

Sources: Company data, ttb wealth estimates

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Stock Exchange Has prepared the results of evaluating sustainable stocks which are stocks of listed companies (SETESG Rating) as an alternative for investors who want to invest in tracks of listed companies that are outstanding in ESG, including to support listed companies with operations. sustainable business Taking into account all stakeholders in both social and environmental aspects. There is a management process to create sustainability for the organization, such as risk management. Supply chain management and innovation development. Therefore, the SETESG index was created to be an index that reflects the price movement of a group of securities. of companies with sustainable business operations that meet the required size and liquidity criteria

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90-100	▲▲▲▲▲	Excellent
80-89	▲▲▲▲	Very Good
70-79	▲▲▲	Good
60-69	▲▲	Satisfactory
50-59	▲	Pass
Below		N/A

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For sectors, an “Overweight” sector weighting is used when we have BUYs on majority of the stocks under our coverage by market cap. “Underweight” is used when we have SELLs on majority of the stocks we cover by market cap. “Neutral” is used when there are relatively equal weightings of BUYs and SELLs.

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