Praram 9 Hospital (PR9 TB)

Robust And Healthy Earnings Expected In 2Q26

BUY (Maintained)	
Share Price	Bt18.00
Target Price	Bt24.60
Upside	+36.7%

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Highlights

- PR9 is expected to report a net profit of Bt190m in 2Q26 (+4.3% yoy, +2.9% qoq), supported by the swift return of Middle Eastern patients.
- Foreign patient revenue is expected to show a robust mid-to-high single-digit yoy growth while Thai patient revenue should see a more subtle yoy growth.
- We maintain PR9 as one of our top picks for its strong upside in 2H26, supported by improving Middle Eastern patient numbers and the increase in treatment price in 3Q26. Maintain BUY with a target price of Bt24.60.

Analysis

2Q26 Earnings Preview

Year to 31 Dec (Btm)	2Q25	1Q26	2Q26F	yoy (%)	qoq (%)	1H25	1H26F	yoy (%)
Total revenue	1,277	1,284	1,315	3.0%	2.5%	2,516	2,599	3.3%
Gross profit	465	453	482	3.6%	6.4%	919	934	1.6%
SG&A	(268)	(249)	(272)	1.5%	9.6%	(496)	(521)	5.1%
Operating EBITDA	293	307	318	8.7%	3.7%	608	625	2.9%
Core profit	182	185	190	4.3%	2.9%	382	374	-2.1%
Net profit	182	185	190	4.3%	2.9%	382	374	-2.1%
EPS (Bt)	0.23	0.23	0.24	4.3%	2.9%	0.49	0.48	-2.1%
(%)	2Q25	1Q26	2Q26F	yoy (ppt)	qoq (ppt)	1H25	1H26F	yoy (ppt)
Gross margin	36.4%	35.3%	36.6%	0.2	1.4	36.5%	37.1%	0.6
SG&A to sales	21.0%	18.9%	20.7%	(0.3)	1.8	-19.7%	-20.7%	(1.0)
EBITDA margin	22.9%	23.9%	24.2%	1.3	0.3	24.1%	24.8%	0.7
Net profit margin	14.3%	14.4%	14.4%	0.2	0.1	15.2%	14.4%	(0.8)

Source: PR9, UOB Kay Hian

- **Expect earnings to grow strongly yoy and qoq in 2Q26.** Praram 9 Hospital (PR9) is expected to report a strong net profit of Bt190m in 2Q26 (+4.3% yoy, +2.9% qoq). Top-line should come in at Bt1.32b (+3.0% yoy, +2.5% qoq), with the main contributor expected to be foreign patients. The key drivers are the swift return of Middle Eastern patients and strong growth of Myanmar patient revenue, which should drive foreign patient revenue in 2Q26 up by mid-to-high single digit syoy. Meanwhile, we expect the growth of Thai patient revenue to be more subtle in 2Q26. PR9 is actively reducing its SG&A expenses; hence, we expect SG&A to sales to drop yoy. Moreover, with PR9 having already stocked up its medical supplies until Jun 26 and realising the expenses in 1Q26, we expect both gross and EBITDA margins to expand significantly yoy and qoq.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	4,635	5,277	5,574	6,021	6,516
EBITDA	1,114	1,276	1,399	1,544	1,710
Operating profit	808	963	1,067	1,198	1,345
Net profit (rep./act.)	713	823	880	987	1,107
Net profit (adj.)	713	823	880	987	1,107
EPS (Bt)	0.9	1.0	1.1	1.3	1.4
PE (x)	19.9	17.2	16.1	14.3	12.8
P/B (x)	2.6	2.4	2.2	2.0	1.9
EV/EBITDA (x)	11.9	10.4	9.5	8.6	7.8
Dividend yield (%)	2.2	2.8	3.1	3.5	3.9
Net margin (%)	15.4	15.6	15.8	16.4	17.0
Net debt/(cash) to equity (%)	(7.2)	(11.0)	(13.9)	(19.3)	(23.6)
Interest cover (x)	2,265.9	1,669.8	3,123.8	3,379.7	3,669.4
ROE (%)	13.6	14.5	14.4	14.8	15.2
Consensus net profit (Btm)	-	-	846	928	994
UOBKH/Consensus (x)	-	-	1.04	1.06	1.11

Source: PR9, Bloomberg, UOB Kay Hian

Stock Data

GICS sector	Health Care
Bloomberg ticker:	PR9 TB
Shares issued (m):	786.3
Market cap (Btm):	14,153.4
Market cap (US$m):	419.0
3-mth avg daily t'over (US$m):	1.6

Price Performance (%)

52-week high/low				Bt25.25/Bt15.70
1mth	3mth	6mth	1yr	YTD
5.9	7.1	(4.8)	(25.9)	(3.7)

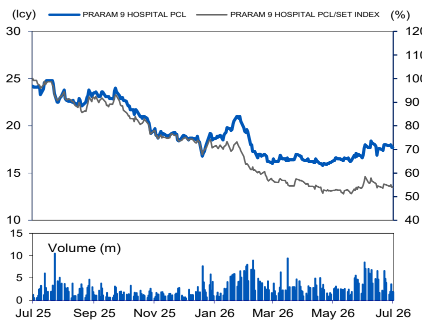
Major Shareholders

	%
Prasarttong-osoth family	15.0
Thai NVDR	9.0

Balance Sheet Metrics

FY26 NAV/Share (Bt)	8.07
FY26 Net Debt/ Share (Bt)	1.12

Price Chart



Source: Bloomberg

Company Description

Praram 9 Hospital provides medical services that include check-ups, diagnoses, skincare, rehabilitation, X-rays, and surgeries, as well as treatment of joint diseases, kidneys, high blood pressure, cancer, diabetes, neurology, vertigo, and headaches. The hospital serves patients mostly from Thailand.

- **Swift return of Middle Eastern patients.** The conflict in the Middle East in early-Mar 26 and the temporary closure of the Strait of Hormuz disrupted patient travel to Thailand. Despite this, PR9's Middle Eastern patient revenue grew a solid 10% yoy in 1Q26, supported by patients who remained in Thailand and were unable to return home. Revenue softened in Apr 26 as new patient arrivals were disrupted, but recovered strongly in May 26 following the ceasefire, with patient volumes returning to normal by Jun 26. The recovery was further supported by the rapid resumption of Middle Eastern airline operations. In Jul 26 thus far, Middle Eastern patient volume is even stronger than that in Jun 26. This provide a strong lead-in to the peak Middle Eastern patient season in 3Q26.
- **Opportunity from Kuwait arises in the budget-premium segment.** PR9 is positioned as a budget-premium healthcare provider, offering complex tertiary care comparable to BH and BDMS at 20-30% lower prices. As Middle Eastern governments tighten Guarantee of Payment (GOP) budgets and prioritise cost-effective healthcare providers, we believe PR9 is well placed to secure additional referral volumes. Kuwait represents the most promising opportunity following reforms to its referral system aimed at improving cost efficiency. So far, Kuwait has remained in contact with PR9 and has resumed consultations on selected patient cases, while the referrals are still on halt. This is a promising sign that Kuwait referrals should resume soon.
- **Strong competitiveness by offering specialty products.** PR9 is well recognised for its expertise in diabetic wound care and kidney transplantation, particularly among Middle Eastern patients. In 2Q26, the number of kidney transplant cases improved yoy and qoq, which signals the excellence of PR9. The hospital also continues to strengthen its capabilities in complex care through investments in advanced technologies, including the Da Vinci robotic surgical system introduced in 1Q26, which enables minimally invasive procedures across multiple specialties, including cancer surgery and hysterectomy.

Valuation/Recommendation

- **Maintain BUY with a target price of Bt24.60.** Our valuation for PR9 is based on 2027 EV/EBITDA multiple of 12.0x (around the historical five-year mean multiple). We maintain PR9 as one of our top picks, with our optimism on a stronger 2H26 earnings outlook. We see strong upside from 3Q26 onwards, supported by several catalysts: a) momentum in Middle Eastern patient arrivals continues to build in Jul 26, with Kuwait poised to resume referrals, and b) PR9 is also keen to increase treatment prices to mitigate cost pressure in 3Q26.

Environment, Social, Governance (ESG) Updates

Environmental

- **Energy efficiency and resource management.** PR9 continues to improve energy efficiency through the use of energy-saving equipment.
- **Waste management.** Follows strict medical waste disposal standards and promotes efficient use of water and other resources.

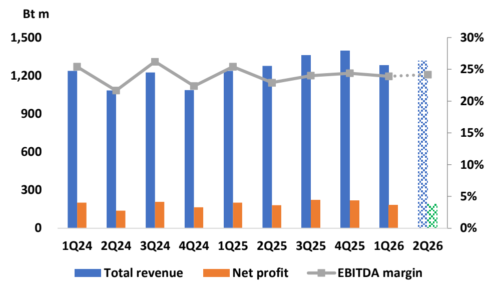
Social

- **Quality healthcare.** Focuses on specialized tertiary care and continues investing in advanced medical technologies to enhance patient outcomes.
- **People and community.** Provides continuous staff training and supports community health screening and education programs.

Governance

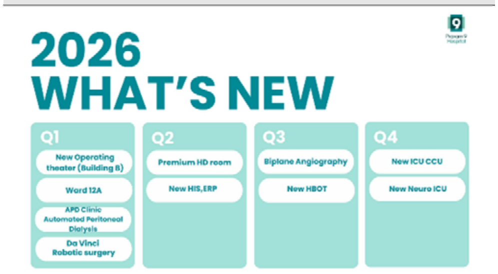
- **Corporate governance.** Maintains an independent board structure with dedicated committees overseeing governance, audit, and risk management.
- **Risk and compliance.** Implements enterprise risk management, anti-corruption policies, and transparent corporate disclosure practices.

Quarterly Performance



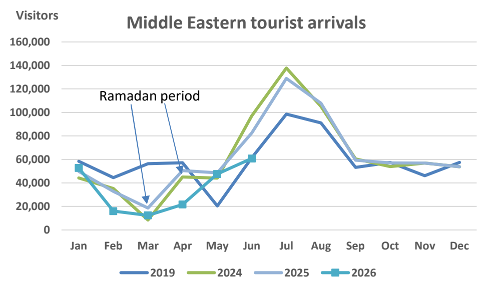
Source: PR9, UOB Kay Hian

2026 EXPANSION PIPELINE



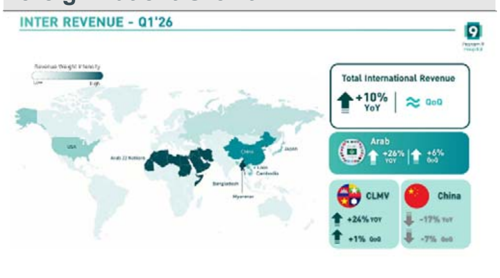
Source: PR9

Middle East Arrivals



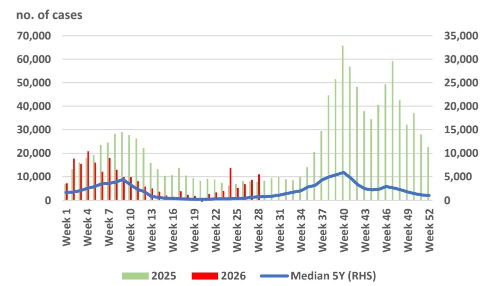
Source: Ministry of Tourism and Sports, UOB Kay Hian

Foreign Patient Growth



Source: PR9

No. Of Influenza Cases (1 Jan-11 Jul 26)



Source: Department of Disease Control, UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	5,277	5,574	6,021	6,516
EBITDA	1,276	1,399	1,544	1,710
Deprec. & amort.	313	333	346	365
EBIT	963	1,067	1,198	1,345
Total other non-operating income	51	21	21	22
Associate contributions	0	0	0	0
Net interest income/(expense)	(1)	(0)	(0)	(0)
Pre-tax profit	1,013	1,087	1,218	1,367
Tax	(191)	(206)	(232)	(260)
Minorities	0	0	0	0
Net profit	823	880	987	1,107
Net profit (adj.)	823	880	987	1,107

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Fixed assets	3,475	3,626	3,668	3,716
Other LT assets	190	200	213	226
Cash/ST investment	661	888	1,352	1,794
Other current assets	2,702	2,839	3,036	3,252
Total assets	7,027	7,553	8,268	8,988
ST debt	7	5	6	6
Other current liabilities	873	923	997	1,078
LT debt	9	4	4	4
Other LT liabilities	262	277	299	324
Shareholders' equity	5,876	6,344	6,963	7,577
Minority interest	0	0	0	0
Total liabilities & equity	7,027	7,553	8,268	8,988

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	816	1,088	1,211	1,337
Pre-tax profit	1,013	1,087	1,218	1,367
Tax	(191)	(206)	(232)	(260)
Deprec. & amort.	313	333	346	365
Working capital changes	(179)	20	38	43
Non-cash items	(140)	(107)	(161)	(178)
Other operating cashflows	0	(37)	0	0
Investing	(176)	(479)	(378)	(402)
Capex (growth)	(500)	(484)	(388)	(413)
Investment	104	109	114	120
Others	220	(104)	(105)	(109)
Financing	(340)	(418)	(368)	(493)
Dividend payments	(351)	(411)	(440)	(493)
Proceeds from borrowings	11	0	0	0
Loan repayment	0	(7)	0	0
Others/interest paid	0	0	72	0
Net cash inflow (outflow)	300	191	464	442
Beginning cash & cash equivalent	397	697	888	1,352
Ending cash & cash equivalent	697	888	1,352	1,794

Key Metrics

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	24.2	25.1	25.6	26.2
Pre-tax margin	19.2	19.5	20.2	21.0
Net margin	15.6	15.8	16.4	17.0
ROA	12.3	12.1	12.5	12.8
ROE	14.5	14.4	14.8	15.2
Growth				
Turnover	13.8	5.6	8.0	8.2
EBITDA	14.5	9.7	10.4	10.7
Pre-tax profit	17.5	7.3	12.1	12.2
Net profit	15.4	7.0	12.1	12.2
Net profit (adj.)	15.4	7.0	12.1	12.2
EPS	15.4	7.0	12.1	12.2
Leverage				
Debt to total capital	0.3	0.1	0.1	0.1
Debt to equity	0.3	0.1	0.1	0.1
Net debt/(cash) to equity	(11.0)	(13.9)	(19.3)	(23.6)
Interest cover (x)	1,669.8	3,123.8	3,379.7	3,669.4