Bangkok Chain Hospital (BCH TB)

2Q26: Reported Weak Net Profit In Line

Highlights

- BCH reported a weak net profit of Bt343m in 2Q26 (-11.6% yoy, +28.2% qoq), which is in line with our forecast and the consensus.
- The main upside to BCH's earnings will be from the potential SSO treatment price increase, which will be decided during the SSO meeting on 20 Aug 26.
- The 3Q26 outlook should be decent for BCH, mainly driven by Thai patients, whose traffic will be boosted by the epidemic while a late pick-up in Middle East patients remains possible. Maintain BUY with a target price of Bt14.00.

2Q26 Results

Year to 31 Dec (Btm)	2Q25	1Q26	2Q26	yoy (%)	qoq (%)	1H25	1H26	yoy (%)
Total revenue	3,020	2,906	2,980	-1.3%	2.6%	5,923	5,886	-1%
Gross profit	909	760	856	-5.8%	12.7%	1,724	1,616	-6%
Operating EBITDA	790	646	751	-5.0%	16.1%	1,514	1,397	-8%
Core profit	383	268	343	-10.4%	28.2%	709	611	-14%
Net profit	388	268	343	-11.6%	28.2%	710	611	-14%
EPS (Bt)	0.16	0.11	0.14	-11.6%	28.2%	0.28	0.24	-14%
(%)	2Q25	1Q26	2Q26	yoy (ppt)	qoq (ppt)	1H25	1H26	yoy (ppt)
Gross margin	30.1%	26.2%	28.7%	(1.4)	2.6	27.9%	31.6%	3.7
SG&A to sales	13.3%	15.0%	13.5%	0.2	(1.5)	13.6%	13.8%	0.2
EBITDA margin	26.2%	22.2%	25.2%	(1.0)	2.9	24.2%	25.6%	1.4
Net profit margin	12.9%	9.2%	11.5%	(1.3)	2.3	11.1%	13.8%	2.8

Source: BCH, UOB Kay Hian

Analysis

- **Reported weakened net profit in 2Q26 as expected.** Bangkok Chain Hospital (BCH) reported a weak net profit of Bt343m in 2Q26 (-11.6% yoy, +28.2% qoq), which is in line with our and consensus forecasts. The yoy earnings contraction is mainly due to weaker foreign patient revenue and lower extra revenue yoy from the annual review of 26 chronic diseases. Thai patient revenue dropped by 1% yoy and international patient revenue dropped by 8% yoy. The growth in Middle East patient revenue was strong at +40% yoy but was offset by the drop in Cambodian patient revenue by 70-80% yoy. Myanmar patient revenue also dropped by 9% yoy due to a renovation at Kasemrad Hospital Maesai, which should be completed in Aug 26. As a result, the EBITDA margins of BCH fell by 1ppt yoy.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	11,725	11,913	14,452	14,907	16,046
EBITDA	2,709	2,881	3,697	3,907	4,191
Operating profit	1,711	1,815	2,686	2,861	3,107
Net profit (rep./act.)	1,282	1,316	1,999	2,114	2,300
Net profit (adj.)	1,217	1,275	1,999	2,114	2,300
EPS (Bt)	0.5	0.5	0.8	0.8	0.9
PE (x)	23.0	21.9	14.0	13.2	12.1
P/B (x)	2.2	2.1	1.9	1.7	1.6
EV/EBITDA (x)	10.0	9.4	7.3	6.9	6.4
Dividend yield (%)	2.5	2.7	4.1	4.4	4.8
Net margin (%)	10.9	11.1	13.8	14.2	14.3
Net debt/(cash) to equity (%)	(3.7)	(6.2)	(14.1)	(20.3)	(24.8)
Interest cover (x)	49.6	58.1	47.6	50.3	54.4
ROE (%)	10.0	10.1	14.4	13.9	13.9
Consensus net profit (Btm)	-	-	1,341	1,410	1,454
UOBKH/Consensus (x)	-	-	1.49	1.50	1.58

Source: Bangkok Chain Hospital, Bloomberg, UOB Kay Hian

Analyst(s)

Benjaphol Suthwanish

+662 659 8301

Benjaphol@uobkh.co.th

Assistant Analyst(s)

Nonpawit Vathanadachakul

BUY (Maintained)

Share Price	Bt11.20
Target Price	Bt14.00
Upside	+25.0%

Stock Data

Sector	Health Care
Bloomberg ticker	BCH TB
Shares issued (m)	2,493.7
Market cap (Btm)	27,930.0
Market cap (US$m)	845.3
3-mth avg daily t'over (US$m)	3.8

Price Performance (%)

52-week high/low: Bt14.30/Bt9.10

1mth	3mth	6mth	1yr	YTD
3.7	21.7	4.7	(17.6)	7.7

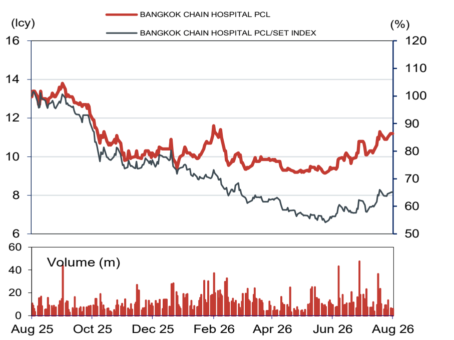
Major Shareholders (%)

Harnphanich family	50.0
Thai NVDR	11.5

Balance Sheet Metrics

FY26 NAV/Share (Bt)	5.83
FY26 Net Debt/ Share (Bt)	0.82

Price Chart



Source: Bloomberg

Company Description

The company operates a group of mid-sized hospitals in Bangkok and suburban areas with middle-income locals and patients registered under the government-sponsored social security scheme as primary customer targets.

- **Middle East patient revenue expected to remain strong in 2Q26.** BCH's Middle East patient revenue surged by around 122% yoy in 1Q26, driven mainly by new referrals from Qatar and higher referrals from the United Arab Emirates (UAE). The Middle East patient revenue continues to be strong, showing growth of around 40% in 2Q26, supported primarily by long-stay patients. A key attraction is BCH's specialised doctor for diabetic wound treatment, who now practices exclusively at BCH, unlike last year.
- **3Q26 outlook to be driven by epidemic.** Unlike other healthcare providers, the key drivers in 3Q26 for BCH are expected to be Thai patients. BCH has recently started to see a strong increase in cases from the epidemic. The yoy drop in Cambodian patient revenue should ease in 3Q26 as the conflict between Thailand and Cambodia started in mid-2Q25. If we see a sharper increase in outbreak cases, this will provide an upside to BCH's earnings. Meanwhile, the Middle East arrivals have been slow in Jul 26; a late pick up in 3Q26 would provide an additional upside to BCH's earnings. Moreover, we could still see an increase in the Social Security Office (SSO) treatment price by late-3Q26.
- **Expect an increase in SSO treatment fees.** The SSO has raised the wage ceiling, effective from 2026. According to management, SSO officials acknowledge that an increase in treatment fees would be reasonable. SSO will hold a meeting on 20 Aug 26 to consider a treatment fee increase, with the approval date expected in late-3Q26 or early-4Q26. The most likely increase will be in the base capitation rate which is expected to see an around 10% increase to offset the rising medical inflation. We should receive more details during the upcoming analyst meeting on 27 Aug 26.
- **Special dividend announced.** BCH previously announced an interim dividend payment of Bt0.15 per share as well as a special dividend of Bt0.20 per share. This translates into an around 3% dividend yield which is considered low. However, it is understandable as BCH could preserve its cash for the recently announced acquisition of a private hospital at Ubon Ratchathani. We should get more details on this acquisition from the upcoming analyst meeting as well.

Valuation/Recommendation

- **Maintain BUY with a target price of Bt14.00,** based on a 2026 EV/EBITDA of 10.0x, in line with its three-year historical average. We still see a decent 3Q26 outlook for BCH, due to: a) the increasing patient numbers from the epidemic, and b) the upside from the probable increase in SSO treatment fees.

Environment, Social, Governance (ESG) Updates

Environmental

- **Pledge Net Zero by 2050.**
- **Strategy to conserve resources.** To reduce emissions and waste and protect biodiversity across the operations and supply chains.

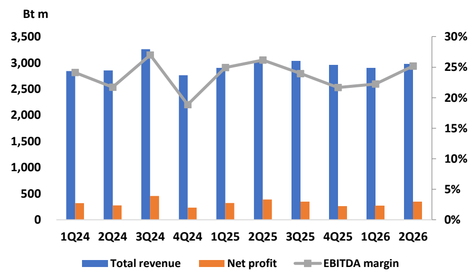
Social

- **Strict occupational health and safety guidelines.** Ensures supplier compliance with the safety guidelines.

Governance

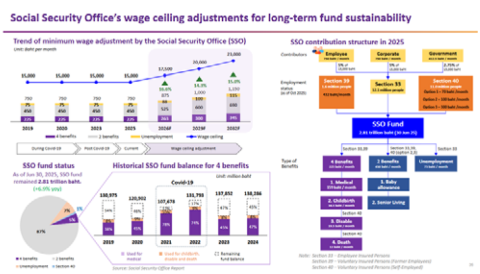
- **CEO & senior management KPI.** Also based on non-financial KPI such as internal control compliance, sustainability and human resource management.
- **The guidelines are reviewed annually** to incorporate changes in governance requirements, business operations, and applicable laws.

Quarterly Performance



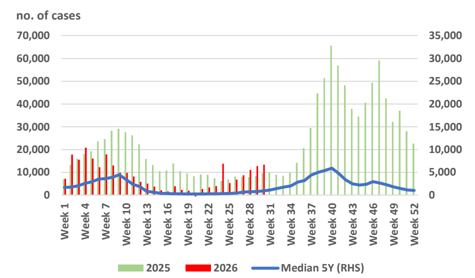
Source: BCH, UOB Kay Hian

SSO Contribution Structure



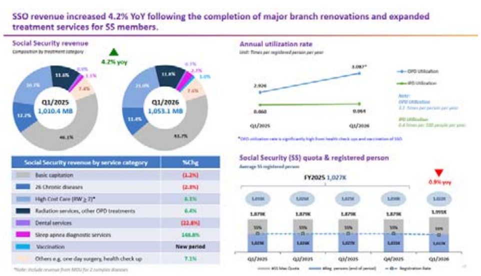
Source: BCH

No. Of Influenza Cases (1 Jan-25 Jul 26)



Source: Department of Disease Control, UOB Kay Hian

SSO Revenue Breakdown



Source: BCH

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	11,913	14,452	14,907	16,046
EBITDA	2,881	3,697	3,907	4,191
Deprec. & amort.	1,067	1,011	1,046	1,084
EBIT	1,815	2,686	2,861	3,107
Total other non-op. income	62	21	21	22
Associate contributions	2	1	1	1
Net interest income/(expense)	(50)	(78)	(78)	(77)
Pre-tax profit	1,829	2,630	2,806	3,054
Tax	(403)	(526)	(533)	(580)
Minorities	(109)	(105)	(159)	(173)
Net profit	1,316	1,999	2,114	2,300
Net profit (adj.)	1,275	1,999	2,114	2,300

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Fixed assets	12,858	12,928	13,288	13,706
Other LT assets	830	895	906	931
Cash/ST investment	1,694	3,601	4,792	5,809
Other current assets	2,103	2,288	2,401	2,541
Total assets	17,486	19,713	21,387	22,987
ST debt	633	132	149	850
Other current liabilities	2,207	2,211	2,281	2,455
LT debt	238	1,421	1,406	690
Other LT liabilities	201	296	306	329
Shareholders' equity	13,186	14,526	15,961	17,204
Minority interest	1,021	1,126	1,285	1,458
Total liabilities & equity	17,486	19,713	21,387	22,987

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	2,740	2,934	3,276	3,592
Pre-tax profit	1,829	2,630	2,806	3,054
Tax	(403)	(526)	(533)	(580)
Deprec. & amort.	1,067	1,011	1,046	1,084
Working capital changes	285	(222)	(72)	(36)
Non-cash items	(37)	41	28	71
Other operating cashflows	2	1	1	1
Investing	(1,155)	(1,051)	(1,408)	(1,504)
Capex (growth)	(1,172)	(1,081)	(1,406)	(1,502)
Investment	596	599	603	607
Others	(579)	(569)	(604)	(609)
Financing	(681)	(729)	(677)	(1,071)
Dividend payments	(641)	(658)	(999)	(1,057)
Proceeds from borrowings	0	682	2	0
Loan repayment	(26)	0	0	(14)
Others/interest paid	(14)	(753)	320	0
Net cash inflow (outflow)	903	1,154	1,191	1,017
Beginning cash & cash equivalent	1,544	2,447	3,601	4,792
Ending cash & cash equivalent	2,447	3,601	4,792	5,809

Key Metric

Year to 31 Dec (S$m)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	24.2	25.6	26.2	26.1
Pre-tax margin	15.3	18.2	18.8	19.0
Net margin	11.1	13.8	14.2	14.3
ROA	7.6	10.7	10.3	10.4
ROE	10.1	14.4	13.9	13.9
Growth (% yoy)				
Turnover	1.6	21.3	3.2	7.6
EBITDA	6.4	28.3	5.7	7.3
Pre-tax profit	4.4	43.8	6.7	8.8
Net profit	2.7	51.8	5.7	8.8
Net profit (adj.)	4.8	56.8	5.7	8.8
EPS	4.8	56.8	5.7	8.8
Leverage				
Debt to total capital	5.8	9.0	8.3	7.6
Debt to equity	6.6	10.7	9.7	9.0
Net debt/(cash) to equity	(6.2)	(14.1)	(20.3)	(24.8)
Interest cover (x)	58.1	47.6	50.3	54.4