UOBKayHian

Company – Update | Thailand

Friday, 21 August 2026

Bumrungrad Hospital (BH TB)

Strong Growth Outlook In 3Q26 With New Market Opportunity

Highlights

- The tone of the analyst meeting was positive, as management stated that it is seeing continuous Middle East patient arrivals to BH in Jul-Aug 26.
- BH sees new market opportunity in Iraq, having its GOP agreement signed by the Iraqi government and ready to penetrate the market once the embassies are reestablished.
- We are optimistic about BH and it remains one of our top picks as its outlook for 3Q26 remains robust. Maintain BUY with a target price of Bt236.00.

Analysis

- **Strong positive tone from the analyst meeting.** We attended Bumrungrad Hospital's (BH) analyst meeting to review its 2Q26 results and the tone was positive.
- **Robust earnings outlook in 3Q26.** Management guided for around 3% yoy growth in 3Q26 top-line, as it is seeing a positive momentum in the return of Middle Eastern patients. However, we consider this conservative given that 2Q26 has already shown 4% yoy top-line growth despite the pressure from the Middle East war. We expect this guideline to be made based on a potential reignition of conflict in the Middle East. If there is no further escalation in the Middle East, we expect the growth of revenue to be stronger than guided. Management stated that it sees the strong momentum from Middle East patient arrivals continuing into Jul-Aug 26 which is a very promising sign for a robust 3Q26 earnings. Hence, we remain optimistic about BH's outlook going forward.
- **New market opportunity from Iraq.** Management stated that BH now sees a new opportunity from the Iraq market and are currently waiting for the embassies to reestablish their connection for the first time in 20 years. In late-Jun 26, Iraq received approval to construct its embassy in Thailand once again. Depending on how fast the relationship is reestablished, BH can penetrate the Iraq market right away as it has already signed the guarantee of payment (GOP) agreement with the Iraqi government. The most sought-after treatments among the Iraqi are expected to be similar to other Middle Eastern countries, which have high demand for spine and orthopaedic surgeries, cardiovascular surgeries, oncologic treatments, and other neuroscience treatments.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	25,718	25,215	26,942	28,838	30,758
EBITDA	10,265	10,164	10,433	11,132	11,857
Operating profit	9,188	9,096	9,248	9,941	10,659
Net profit (rep./act.)	7,775	7,512	7,641	8,210	8,801
Net profit (adj.)	7,793	7,523	7,641	8,210	8,801
EPS (Bt)	9.0	8.7	8.8	9.5	10.1
PE (x)	21.8	22.6	22.3	20.7	19.3
P/B (x)	5.7	5.0	5.2	5.0	4.4
EV/EBITDA (x)	14.0	14.1	13.8	12.9	12.1
Dividend yield (%)	2.6	5.6	2.5	2.4	2.6
Net margin (%)	30.2	29.8	28.4	28.5	28.6
Net debt/(cash) to equity (%)	(43.6)	(44.8)	(42.5)	(50.7)	(57.2)
Interest cover (x)	1,231.6	1,533.5	1,926.8	2,021.1	2,116.2
ROE (%)	30.3	25.7	25.2	25.7	24.1
Consensus net profit (Btm)	-	-	7,626	7,828	8,276
UOBKH/Consensus (x)	-	-	1.00	1.05	1.06

Source: Bumrungrad Hospital, Bloomberg, UOB Kay Hian

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BUY (Maintained)

Share Price	Bt198.00
Target Price	Bt236.00
Upside	+19.2%

Stock Data

Sector	Health Care
Bloomberg ticker	BH TB
Shares issued (m)	795.0
Market cap (Btm)	155,827.2
Market cap (US$m)	4,733.9
3-mth avg daily t'over (US$m)	26.1

Price Performance (%)

52-week high/low				Bt214.00/Bt136.00
1mth	3mth	6mth	1yr	YTD
5.1	10.7	4.3	9.5	24.4

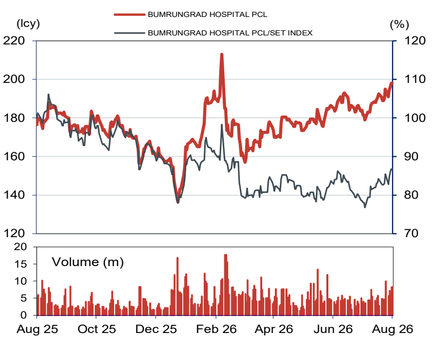
Major Shareholders (%)

Harnphanich family	50.0
Thai NVDR	11.5

Balance Sheet Metrics

FY26 NAV/Share (Bt)	37.44
FY26 Net Debt/ Share (Bt)	15.93

Price Chart



Source: Bloomberg

Company Description

Bumrungrad Hospital provides healthcare services. The company offers behavioural health, diabetes management, digestive disease treatment, hyperbaric oxygen therapy, joint replacement, rehabilitation, travel medicine, and refractive surgery services. Bumrungrad Hospital serves patients in Thailand.

- **Bangladesh patients are returning.** In 2Q26, revenue from Bangladesh patients dropped by 4.4% yoy, which is a hiccup from the revenue growth of 25% yoy in 1Q26. This was mainly caused by the visa regulation change which caused a slowdown in traffic of arrivals. However, management stated that Bangladesh patients have returned in late-2Q26 as the visa issue has been resolved. Hence, we should see strong Bangladesh revenue growth once again in 3Q26. This is a result of BH's effort in establishing connections in Bangladesh. Previously, BH mainly established their referral offices across Bangladesh's Tier 2 and 3 cities. Now that BH is seeing strong growth potential in Bangladesh, it aims to start operating a new clinic by the end of this year. This new clinic will be similar to the one in Myanmar, and will be used to expand some of their services locally. Most of the doctors stationed at the clinic will be Bangladeshis as mandated by law – Thai doctors are not allowed to permanently stay in Bangladesh and work full time. Thai doctors will compose of part-time specialists that will visit the clinic from time to time.
- **Well positioned to manage cost pressures.** Although the US-Iran conflict has driven up fuel and operating costs, BH expects only a limited impact on its operations. Management sees no risk of drug shortages, as the hospital has secured around three months of drug inventory and already procured a full year's worth of medical supplies at locked-in prices since the beginning of 2026. BH also plans to continue placing forward orders for medical supplies and consumables to further mitigate exposure to future cost volatility. As a result, we believe BH is well positioned to preserve its industry-leading margin profile throughout the year.
- **BIH Phuket opening is still on track.** BH has stated that its construction progress on Bumrungrad International Hospital (BIH) Phuket is still on track with its opening plan in 3Q27. From an earnings perspective, this delay helps alleviate financial pressure in 2026, shifting the primary cost ramp-up to 1Q27. With early-stage construction underway, the facility will execute a two-phase rollout, starting with 120 beds in 2H27 before adding 92 beds in Phase 2. The Phuket unit will handle premium primary and secondary care, routing complex medical cases back to its main Bangkok hub. So far, BH has seen a strong demand from doctors applying for positions at BIH Phuket, so there should be no shortage of physicians.

Valuation/Recommendation

- **Maintain BUY with a target price of Bt236.00.** Our valuation is based on 2026 EV/EBITDA multiple of 18.0x, which is around the five-year mean of its historical multiples. BH remains as one of our top picks, due to: a) continuous strong flow Middle East patients in Jul-Aug 26, b) potential new markets like Iraq, and c) BH having already secured its medicine supply cost for 2026, which should help BH maintain its high margins.

Environment, Social, Governance (ESG) Updates

Environmental

- **Energy efficiency.** BH has invested in eco-friendly infrastructure to reduce the hospital's carbon footprint and energy consumption.
- **Waste management.** BH emphasises the safe disposal of medical waste and has protocols in place to minimise the environmental impact of hazardous materials.

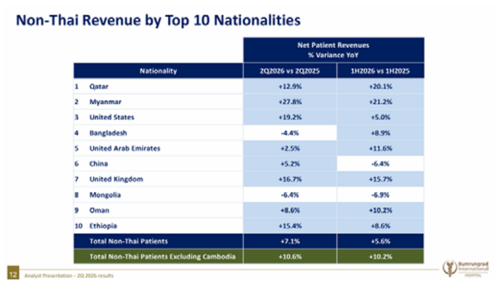
Social

- **Healthcare access.** BH provides high-quality healthcare services to both local and international patients. It also engages in charitable work, providing free medical services to underprivileged communities.

Governance

- **Corporate governance.** BH adheres to high standards of corporate governance with transparent reporting, strict regulatory compliance, and clear anti-corruption policies.

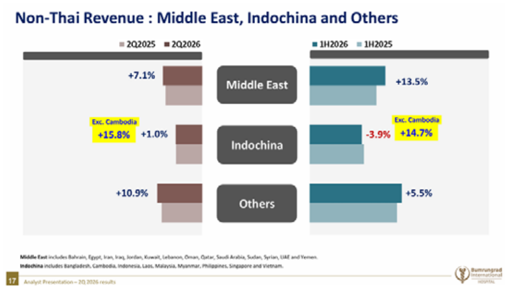
Foreign Patient Revenue Growth


Non-Thai Revenue by Top 10 Nationalities

	Nationality	Net Patient Revenues % Variance YoY 2Q2026 vs 2Q2025	1H2026 vs 1H2025
1	Qatar	+12.9%	+20.1%
2	Myanmar	+27.8%	+21.2%
3	United States	+19.2%	+5.0%
4	Bangladesh	-4.4%	+8.9%
5	United Arab Emirates	+2.5%	+11.6%
6	China	+5.2%	-6.4%
7	United Kingdom	+16.7%	+15.7%
8	Mongolia	-6.4%	-6.9%
9	Oman	+8.6%	+10.2%
10	Ethiopia	+15.4%	+8.6%
	Total Non-Thai Patients	+7.1%	+5.6%
	Total Non-Thai Patients Excluding Cambodia	+10.6%	+10.2%

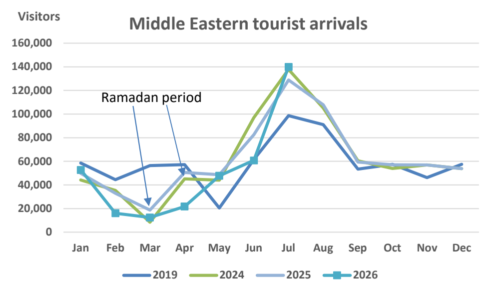
Source: BH

2026 Expansion Pipeline



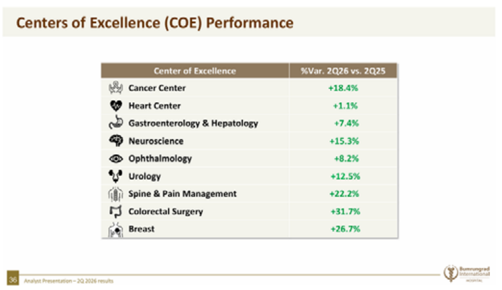
Source: BH

Middle East Arrivals



Source: Ministry of Tourism and Sports, UOB Kay Hian

COE Performance


Centers of Excellence (COE) Performance

Center of Excellence	%Var. 2Q26 vs. 2Q25
Cancer Center	+18.4%
Heart Center	+1.1%
Gastroenterology & Hepatology	+7.4%
Neuroscience	+15.3%
Ophthalmology	+8.2%
Urology	+12.5%
Spine & Pain Management	+22.2%
Colorectal Surgery	+31.7%
Breast	+26.7%

Source: BH

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	25,215	26,942	28,838	30,758
EBITDA	10,164	10,433	11,132	11,857
Deprec. & amort.	1,068	1,184	1,191	1,199
EBIT	9,096	9,248	9,941	10,659
Total other non-op. income	212	159	165	171
Associate contributions	(1)	2	2	2
Net interest income/(expense)	(7)	(5)	(6)	(6)
Pre-tax profit	9,301	9,403	10,102	10,827
Tax	(1,737)	(1,693)	(1,818)	(1,949)
Minorities	(52)	(70)	(74)	(77)
Net profit	7,512	7,641	8,210	8,801
Net profit (adj.)	7,523	7,641	8,210	8,801

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Fixed assets	14,376	13,632	13,409	13,209
Other LT assets	3,301	3,324	3,362	3,400
Cash/ST investment	13,948	12,782	17,421	22,349
Other current assets	4,833	5,318	5,667	6,018
Total assets	36,459	35,055	39,859	44,976
ST debt	23	35	36	37
Other current liabilities	4,063	3,718	3,980	4,245
LT debt	84	86	88	90
Other LT liabilities	1,118	1,078	1,154	1,230
Shareholders' equity	30,863	29,760	34,150	38,845
Minority interest	308	378	452	529
Total liabilities & equity	36,459	35,055	39,859	44,976

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	7,689	7,409	8,887	9,462
Pre-tax profit	9,301	9,403	10,102	10,827
Tax	(1,737)	(1,693)	(1,818)	(1,949)
Deprec. & amort.	1,068	1,184	1,191	1,199
Associates	(406)	(23)	(165)	(164)
Working capital changes	464	(806)	77	78
Non-cash items	(1,002)	(655)	(498)	(526)
Other operating cashflows	(2,628)	(504)	(930)	(961)
Investing	(2,056)	(440)	(968)	(999)
Capex (growth)	2,810	2,812	2,814	2,816
Investment	(3,382)	(2,875)	(2,776)	(2,778)
Others	(4,043)	(8,729)	(3,816)	(4,103)
Financing	(3,974)	(8,744)	(3,820)	(4,105)
Dividend payments	0	15	2	2
Proceeds from borrowings	(33)	0	0	0
Others/interest paid	(36)	0	2	0
Net cash inflow (outflow)	1,018	(1,823)	4,141	4,399
Beginning cash & cash equiv.	5,284	6,302	4,479	8,620
Ending cash & cash equiv.	6,302	4,479	8,620	13,019

Key Metric

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	40.3	38.7	38.6	38.6
Pre-tax margin	36.9	34.9	35.0	35.2
Net margin	29.8	28.4	28.5	28.6
ROA	21.7	21.4	21.9	20.7
ROE	25.7	25.2	25.7	24.1
Growth (% yoy)				
Turnover	(2.0)	6.8	7.0	6.7
EBITDA	(1.0)	2.6	6.7	6.5
Pre-tax profit	(1.4)	1.1	7.4	7.2
Net profit	(3.4)	1.7	7.5	7.2
Net profit (adj.)	(3.5)	1.6	7.5	7.2
EPS	(3.5)	1.6	7.5	7.2
Leverage				
Debt to total capital	0.3	0.4	0.4	0.3
Debt to equity	0.3	0.4	0.4	0.3
Net debt/(cash) to equity	(44.8)	(42.5)	(50.7)	(57.2)
Interest cover (x)	1,533.5	1,926.8	2,021.1	2,116.2