# Bumrungrad Hospital (BH TB)

## Decent Earnings Expected In 2Q26

**BUY** (Maintained)

| | |
|---|---|
| Share Price | Bt184.00 |
| Target Price | Bt236.00 |
| Upside | +28.3% |

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## Highlights

- BH is expected to report a decent earnings growth of 1.4% yoy, with net profit to come in at Bt1.88b in 2Q26 despite the situation in the Middle East.
- We continue to see air connectivity of Middle East airlines improving strongly especially in Jun 26, which has already exceeded the pre-war level.
- We maintain BH as one of our top picks as we are optimistic on the recovery of Middle Eastern patient arrivals during the peak season in 3Q26. The outlook for BH in 2H26 remains positive. Maintain BUY with a target price of Bt236.00.

## Analysis

**2Q26 Earnings Preview**

| Year to 31 Dec (Btm) | 2Q25 | 1Q26 | 2Q26F | yoy (%) | qoq (%) | 1H25 | 1H26F | yoy (%) |
|---|---|---|---|---|---|---|---|---|
| Total Revenue | 6,024 | 6,224 | 6,163 | 2% | -1% | 12,165 | 12,388 | 2% |
| Gross Profit | 3,160 | 3,203 | 3,221 | 2% | 1% | 6,261 | 6,424 | 3% |
| SG&A | 961 | 1,060 | 965 | 0% | -9% | 2,045 | 2,025 | -1% |
| EBITDA | 2,534 | 2,450 | 2,566 | 1% | 5% | 4,875 | 5,016 | 3% |
| Pre-tax profit | 2,326 | 2,228 | 2,341 | 1% | 5% | 4,472 | 4,570 | 2% |
| Net profit | 1,858 | 1,790 | 1,883 | 1% | 5% | 3,592 | 3,673 | 2% |
| EPS (Bt) | 2.34 | 2.14 | 2.14 | -9% | 0% | 4.52 | 4.27 | -5% |
| (%) | | | | | | | | |
| Gross margin | 52.5% | 51.5% | 52.3% | -0.2 ppt | 0.8 ppt | 51.5% | 51.9% | 0.4 ppt |
| SG&A to sales | 16.0% | 17.0% | 15.7% | -0.3 ppt | -1.4 ppt | 16.8% | 16.3% | -0.5 ppt |
| EBITDA Margin | 42.1% | 39.4% | 41.6% | -0.4 ppt | 2.3 ppt | 40.1% | 40.5% | 0.4 ppt |
| Net profit margin | 30.8% | 28.8% | 30.6% | -0.3 ppt | 1.8 ppt | 29.5% | 29.7% | 0.1 ppt |

*Source: BH, UOB Kay Hian*

- **Decent earnings growth expected in 2Q26.** Bumrungrad Hospital (BH) should report a net profit of Bt1.88b (+1.4% yoy, +5.2% qoq) in 2Q26. We expect 2Q26's top-line to be at Bt6.1b (+2.3% yoy, -1.0% qoq), exhibiting a decent growth despite several pressuring factors. Although Middle Eastern patient traffic remained weak in Apr 26 as flights had not fully resumed, the significantly stronger recovery in flights from May 26 onwards should support a corresponding recovery in Middle Eastern patient traffic. We expect a slight decline in gross margin, in line with the lower proportion of Middle Eastern patients, who are a high-margin patient segment. However, we expect BH to be active in implementing cost-saving measures (ie reducing SG&A expenses) to mitigate the margin decline. Hence, we expect margins to drop slightly yoy in 2Q26.

**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) | 21.1 | 21.8 | 20.9 | 19.4 | 18.1 |
| P/B (x) | 5.5 | 4.9 | 4.9 | 4.7 | 4.1 |
| EV/EBITDA (x) | 13.4 | 13.6 | 12.8 | 12.0 | 11.3 |
| Dividend yield (%) | 2.6 | 5.8 | 2.6 | 2.6 | 2.8 |
| 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) | - | - | 7,615 | 7,817 | 8,264 |
| UOBKH/Consensus (x) | - | - | 1.00 | 1.05 | 1.06 |

*Source: BH, Bloomberg, UOB Kay Hian*

**Stock Data**

| | |
|---|---|
| GICS sector | Health Care |
| Bloomberg ticker: | BH TB |
| Shares issued (m): | 795.0 |
| Market cap (Btm): | 146,287.6 |
| Market cap (US$m): | 4,339.8 |
| 3-mth avg daily t'over (US$m): | 24.4 |

**Price Performance (%)**

52-week high/low: Bt214.00/Bt136.00

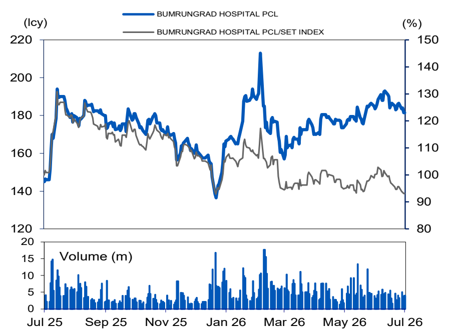
| 1mth | 3mth | 6mth | 1yr | YTD |
|---|---|---|---|---|
| (1.3) | 5.1 | 28.2 | 26.9 | 16.8 |

| 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.

- **Expected strong recovery in Middle Eastern patients.** During the last meeting, management noted positive momentum in the recovery of Middle Eastern patients. Management attributed the strong 21% yoy growth in Middle Eastern revenue in 1Q26 to patients remaining in Thailand after the onset of the conflict, allowing revenue to stay resilient despite the Ramadan period. Management also noted a return in Middle Eastern patients in late-1Q26, with the number being even higher during the ceasefire. Although Middle Eastern patient volume has not reached BH's normal figures, management is happy with the progress. Based on Middle Eastern flight connectivity which improved tremendously in May-Jun 26, we expect BH to see a stronger recovery momentum in Middle Eastern patients in these months. Moreover, we expect to see even stronger patient arrivals during the peak season for Middle Eastern patients in 3Q26.
- **Well positioned to manage cost pressures.** Although the US-Iran conflict has driven up fuel and operating costs, BH expects this to have 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 one 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 reduce 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 opening postponed to 2H27.** BH has revised the target opening of Bumrungrad International Hospital (BIH) Phuket from 1H27 to 2H27 following complex pre-construction EIA permitting requirements. 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-phased 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.

## 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) pent-up demand from Middle Eastern patients that will return in 3Q26, b) the potential return of Kuwait patients, and c) BH having already secured its medicine supply cost for 2026, which should help the company 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.

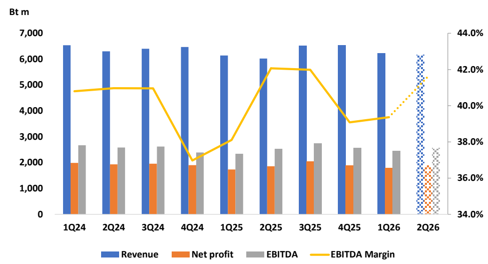
### Social

- **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

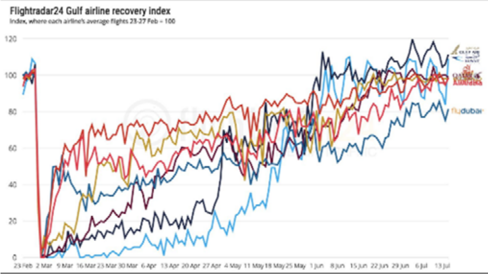
- **Corporate governance.** BH adheres to high standards of corporate governance with transparent reporting, strict regulatory compliance, and clear anti-corruption policies.

### Quarterly Performance



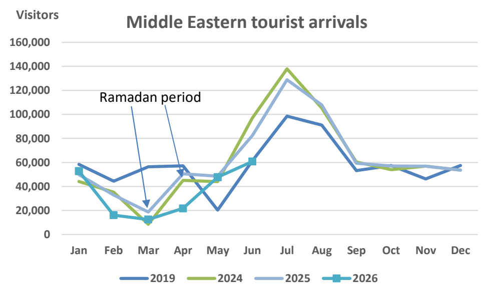

Source: BH, UOB Kay Hian

### Flight Connectivity Recovery



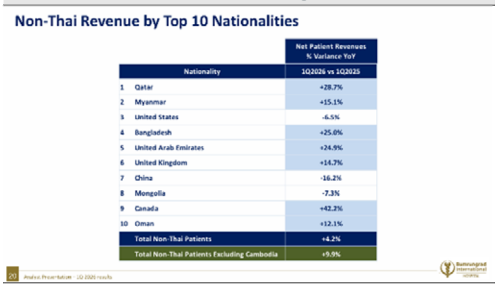

Source: Flightradar24

### Monthly Middle Eastern Tourist Arrivals




Source: Ministry of Tourism and Sports, UOB Kay Hian

### BH's Revenue From Foreign Patients

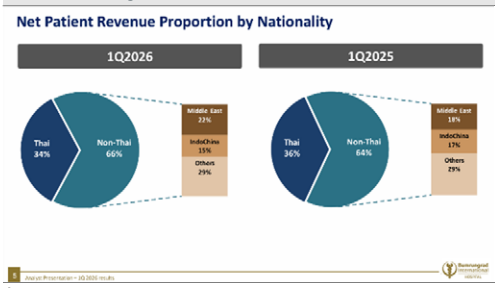


Non-Thai Revenue by Top 10 Nationalities

| | Nationality | Net Patient Revenues % Variance YoY 1Q2026 vs 1Q2025 |
|---|---|---|
| 1 | Qatar | +28.7% |
| 2 | Myanmar | +15.1% |
| 3 | United States | -6.5% |
| 4 | Bangladesh | +25.0% |
| 5 | United Arab Emirates | +24.9% |
| 6 | United Kingdom | +14.7% |
| 7 | China | -16.2% |
| 8 | Mongolia | -7.3% |
| 9 | Canada | +42.2% |
| 10 | Oman | +12.1% |
| | Total Non-Thai Patients | +4.2% |
| | Total Non-Thai Patients Excluding Cambodia | +9.9% |

Source: BH

### BH's Foreign Revenue Contribution




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-operating 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 |
| Working capital changes | (406) | (23) | (165) | (164) |
| Non-cash items | 464 | (806) | 77 | 78 |
| Other operating cashflows | (1,002) | (655) | (498) | (526) |
| Investing | (2,628) | (504) | (930) | (961) |
| Capex (growth) | (2,056) | (440) | (968) | (999) |
| Investment | 2,810 | 2,812 | 2,814 | 2,816 |
| Others | (3,382) | (2,875) | (2,776) | (2,778) |
| Financing | (4,043) | (8,729) | (3,816) | (4,103) |
| Dividend payments | (3,974) | (8,744) | (3,820) | (4,105) |
| Proceeds from borrowings | 0 | 15 | 2 | 2 |
| Loan repayment | (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 equivalent | 5,284 | 6,302 | 4,479 | 8,620 |
| Changes due to forex impact | 0 | 0 | 0 | 0 |
| Ending cash & cash equivalent | 6,302 | 4,479 | 8,620 | 13,019 |

## Key Metrics

| Year to 31 Dec (%) | 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 | | | | |
| 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 |