Bumrungrad Hospital (BH TB)

Positive On 4Q26 Earnings Outlook

Highlights

- The meeting tone was positive, as management updated that it is seeing a continuous flow of Middle East patients coming to BH.
- Despite the flattish top-line guidance in 4Q26, we still expect BH to show yoy earnings growth driven by cost savings measures and tax benefits.
- We remain optimistic on BH and maintain it as one of our top picks as the Middle East patient inflow remains strong and the earnings outlook is positive in 4Q26. Maintain BUY with a target price of Bt240.00.

Analysis

- **Positive tone from the analyst meeting.** We attended Bumrungrad Hospital's (BH) analyst meeting to review its 3Q26 results and the tone was positive.
- **We still expect earnings growth in 4Q26 despite the flattish revenue guidance.** Management guided for yoy flattish growth in 4Q26 top-line, as the long-staying Qatar patients have returned to their country in 3Q26. This group of Qatar patients has stayed since 3Q25 and could not return to their country, but after the Qatar embassy escorted their return, BH's Qatar revenue dropped by 11.2% yoy in 3Q26. This has caused a high base effect for 4Q26 onwards. We see this as a typical normalisation of revenue rather than a systematic change in the demand of Qatar patients. If there is no further escalation in the Middle East situation, we still expect BH to show yoy earnings growth. The key drivers will be the strict cost saving measures and tax benefit from The Board of Investment of Thailand (BOI) of around Bt29m from the robotic pharmacy project in 4Q26. Hence, we remain positive on BH's earnings outlook.
- **Strong inflow of Middle East patients continues.** Despite the return of the long-staying Qatar patients, the momentum of Middle East patient arrivals continues to be positive. In terms of volume, in 3Q26, BH saw a 32% qoq hike in Middle East inpatient admissions and a 67.7% qoq surge in Middle East outpatient visits. Even the volume of Qatar patients is also up qoq in 3Q26 from new visits and referrals. There are no conflicts with the embassy and BH still views Qatar as a growth market. BH still targets Middle East revenue to show yoy growth in 2027. In fact, the number of Middle East arrivals in Oct 26 continues to show yoy growth, which is a positive indicator for the healthcare industry. We also expect this strong inflow of Middle East arrivals to continue throughout 4Q26.

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)	21.5	22.3	21.9	20.4	19.0
P/B (x)	5.6	5.0	5.2	4.9	4.3
EV/EBITDA (x)	13.8	13.9	13.5	12.7	11.9
Dividend yield (%)	2.6	5.7	2.5	2.5	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)	-	-	7,779	8,037	8,397
UOBKH/Consensus (x)	-	-	0.98	1.02	1.05

Source: Bumrungrad Hospital, Bloomberg, UOB Kay Hian

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BUY (Maintained)

Share Price	Bt193.00
Target Price	Bt240.00
Upside	+24.4%

Stock Data

Sector	Health Care
Bloomberg ticker	BH TB
Shares issued (m)	795.0
Market cap (Btm)	153,442.3
Market cap (US$m)	4,517.0
3-mth avg daily t'over (US$m)	21.7

Price Performance (%)

52-week high/low				Bt214.00/Bt136.00
1mth	3mth	6mth	1yr	YTD
1.6	(0.8)	8.7	9.7	22.5

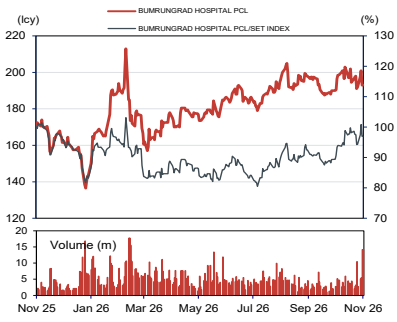
Major Shareholders (%)

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.

- **BIH Phuket opening still on track.** BH has updated that its construction progress of Bumrungrad International Hospital (BIH) Phuket is still on track with their opening plan in Sep 27. From an earnings perspective, this 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. So far, BH has seen a strong demand from doctors applying for positions at BIH Phuket, hence there should be no shortages of physicians. BH expects BIH Phuket to contribute 5% of its top-line in 2027.
- **Bangladesh patient recovery and expansion.** Revenue from Bangladeshi patients declined 5.5% yoy in 3Q26, a temporary setback due to a riot which lasted around two weeks. After the riot ended, management saw Bangladeshi revenue turn positive yoy once again. This recovery reflects BH's continued efforts to expand its presence in Bangladesh. Previously, BH focused on establishing referral offices across Tier 2 and 3 cities to strengthen its market reach. Given the market's strong growth potential, BH plans for the new diagnostic centre in Dhaka to start operations in 2027, following a model similar to its Myanmar clinic, to provide selected medical services locally. In compliance with local regulations, the clinic will be primarily staffed by Bangladeshi doctors, as Thai doctors cannot reside permanently and work full-time in the country. Instead, Thai specialists will provide medical services through periodic visits.
- **Emerging market opportunity in Iraq.** Management highlighted Iraq as a potential new market, with both countries awaiting the restoration of diplomatic relations for the first time in 20 years. In late-Jun 26, the Iraqi cabinet approved plans to reopen its embassy in Thailand. Subject to the pace of diplomatic normalisation, BH could enter the Iraqi market relatively quickly, having already signed a guarantee of payment (GOP) agreement with the Iraqi government. Iraqi patients are expected to have similar treatment preferences to other Middle Eastern patients, with strong demand for spine and orthopaedic surgeries, cardiovascular procedures, oncology, and neuroscience-related treatments.

Valuation/Recommendation

- **Maintain BUY with a target price of Bt240.00.** Our valuation is based on 2027 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 of Middle East patients which should continue into 4Q26, b) the potential of new markets like Iraq, and c) the strong cost discipline and strong margins track record.

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 aim to minimise the environmental impact of hazardous materials.

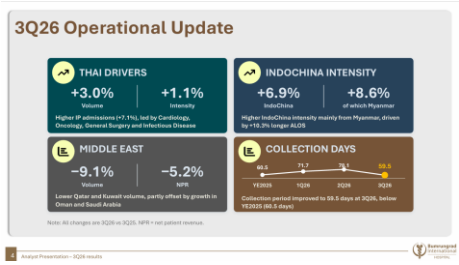
Social

- **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

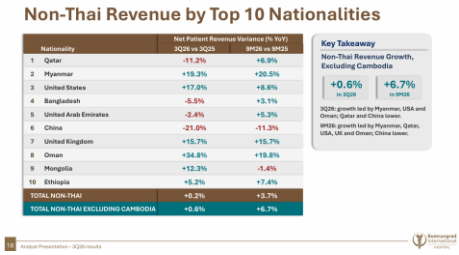
- **Corporate governance.** BH adheres to high standards of corporate governance with transparent reporting, strict regulatory compliance, and clear anti-corruption policies.

Key Drivers In 3Q26 Performance



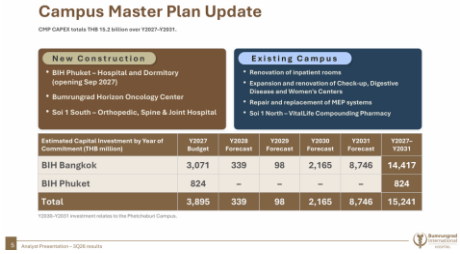
Source: BH

Foreign Patient Revenue Growth



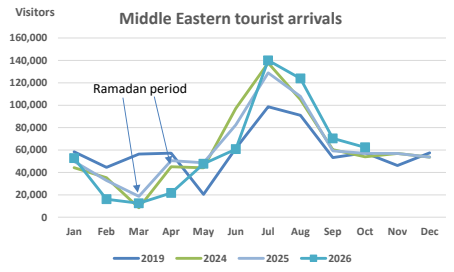
Source: BH

Expansion Plan



Source: BH

Middle East Arrivals



Source: Ministry of Tourism and Sports, UOB Kay Hian

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

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