

Company Update

Friday, April 25, 2025



I V Global Securities Public Company Limited

Bumrungrad Hospital Plc (BH)

Rating: BUY

Fair price: Bt220.0

Close price: Bt166.0

1Q25 hit by falling revenues

Company Information

Ticker:	BH TB
Sector:	Healthcare
Shares outstanding (m):	794.96
Market capitalization (Btm):	131,964.07
Trading vol/day (Btm):	646.73
Free float (%):	65.29
Beta:	0.49

Major Shareholders

Bangkok Insurance (BKI)	11.18%
Thai NVDR	10.94%

Consensus Bloomberg

2025F EPS (Bt):	9.57
Target price (Bt):	244.67

Price Performance

52 Wk high/low: 284.0 / 160.5

	1M	3M	1Y	YTD
Absolute (%)	-5.4	-10.8	-28.1	-16.8
Relative (%)	-1.8	4.6	-12.4	1.3



Rating	CGR	Thai CAC	ESG MSCI
BH	▲▲▲▲	N/A	A

Analyst

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- BH posted a net profit of Bt1.73bn in 1Q25 (-12.6% YoY and -8.9% QoQ). The earnings came in slightly below our estimate and the Bloomberg consensus forecast of Bt1.78bn. In 1Q25, hospital revenue fell by 6.1% YoY and 5.1% QoQ to Bt6.12bn – slightly below management's previous guidance of -5% YoY. EBITDA declined by 12.6% YoY and 2.6% QoQ to Bt2.34bn. 1Q25 net profit accounted for 22.9% of our full-year estimate. We expect 2Q25F earnings to improve QoQ because of higher international patient volume, particularly from the Middle East.
- For 1Q25, the 6.1% YoY fall in hospital revenues was due to a 9.7% decline in revenues from non-Thai patients due to a full quarter's impact from declining revenues from Kuwait and the full-month impact from the Ramadan season in March (1-31) this year, versus the 1Q24 effect from 11 March to 9 April 2024. Meanwhile, Thai patient revenue increased by 1.2% YoY. As a result, the revenue contribution from non-Thai patients was 63.9%, whereas revenue from Thai patients stood at 36.1% for 1Q25 compared with 66.5% and 33.5%, respectively, in 1Q24.
- Gross margin declined YoY (-140bps) to 50.3%, but improved by 80bps QoQ from 49.5% in 4Q24.
- SG&A expenses rose 6.2% YoY but fell 5.1% QoQ to Bt1.08bn, accounting for 17.7% of revenues during 1Q25. The rise in administrative costs was due to increasing personnel expenses, while selling expenses declined due to declining marketing expenses.
- EBITDA for 1Q25 fell by 12.6% YoY to Bt2.34bn with an EBITDA margin of 37.7% versus 40.7% a year ago and 36.8% in 4Q24.
- Therefore, net margin came in at 27.9% during 1Q25, compared with 30.2% in 1Q24.
- The company remained in a net cash position of Bt13.8bn at the end of March 2025. BH spent Bt395m on the acquisition of fixed assets and computer software during 1Q25.
- Maintain BUY.** We fine-tune our earnings estimates. We expect 2Q25F earnings to improve QoQ, though they may not beat 2Q24's high base. We estimate 2025F earnings to fall by about 3% YoY and rebound by 3% in 2026F. We prefer to maintain our BUY call with a price target of Bt220. The stock currently trades at a P/E multiple of 17.5x our 2025F estimate. Medical tourism and the demand for better healthcare services have directly benefited BH's operating performance. Rising inflation, slowing global economic activity, and a country lockdown pose downside risks to our forecasts.

Investment Summary

FY Dec 31	2022	2023	2024	2025F	2026F	2027F
Hospital rev (Btm)	20,646	25,296	25,634	25,473	26,568	27,636
Change (%)	66.4	22.5	1.3	-0.6	4.3	4.0
Net profit (Btm)	4,938	7,006	7,775	7,544	7,782	8,039
Change (%)	306.2	41.9	11.0	-3.0	3.2	3.3
EPS (Bt)	6.21	8.80	9.77	9.48	9.78	10.10
Change (%)	306.2	41.9	11.0	-3.0	3.2	3.3
P/E (x)	26.7	18.9	17.0	17.5	17.0	16.4
DPS (Bt)	3.50	4.50	5.00	5.00	5.00	5.05
Yield (%)	2.1	2.7	3.0	3.0	3.0	3.0
EV/EBITDA (x)	17.4	12.7	11.7	11.3	10.5	9.7
BVPS (Bt)	24.76	29.91	34.54	39.39	44.43	49.64
P/BV (x)	6.7	5.6	4.8	4.2	3.7	3.3
ROE (%)	25.1	32.2	30.3	25.6	23.3	21.5
ROA (%)	20.4	26.2	25.1	21.8	20.1	18.7
Net D/E ratio (%)	Net cash	Net cash	Net cash	Net cash	Net cash	Net cash

Source: Company and IVG estimates

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Results

(Btm)	1Q25	1Q24	% YoY	4Q24	% QoQ	2024	2023	% YoY
Hospital operations rev	6,120	6,516	-6.1	6,452	-5.1	25,634	25,296	1.3
Cost of hospital operations	(3,040)	(3,146)	-3.4	(3,259)	-6.7	(12,503)	(12,895)	-3.0
Gross profit	3,080	3,370	-8.6	3,193	-3.5	13,131	12,401	5.9
SG&A	(1,084)	(1,020)	6.2	(1,142)	-5.1	(4,171)	(4,180)	-0.2
EBITDA	2,338	2,676	-12.6	2,400	-2.6	10,243	9,597	6.7
Interest expense	(2)	(2)	-4.0	(2)	1.3	(8)	(2)	247.1
Pre-tax profit	2,144	2,469	-13.2	2,188	-2.0	9,436	8,638	9.2
Income tax	(400)	(469)	-14.8	(279)	43.4	(1,604)	(1,583)	1.4
Net profit	1,734	1,985	-12.6	1,903	-8.9	7,775	7,006	11.0
EPS (Bt)	2.18	2.49	-12.6	2.39	-8.9	9.77	8.80	11.0

Source: Company and IVG estimates

Financial ratios

(%)	1Q24	2Q24	3Q24	4Q24	1Q25
Revenue growth YoY	7.7	4.2	-5.0	-0.7	-6.1
Revenue growth QoQ	0.3	-3.6	1.6	1.1	-5.1
Gross margin	51.7	52.1	51.6	49.5	50.3
SG&A as % of revenue	15.7	16.0	15.7	17.7	17.7
EBITDA margin	40.7	40.7	40.4	36.8	37.7
Net margin	30.2	30.5	30.5	29.2	27.9
Core profit growth YoY	25.4	10.5	0.0	10.6	-12.6
Net DE ratio	Net cash	Net cash	Net cash	Net cash	Net cash

Source: Company and IVG estimates

Track record

(Btm)	1Q24	2Q24	3Q24	4Q24	1Q25
Hospital revenues	6,516	6,282	6,384	6,452	6,120
Cost of hospital operations	(3,146)	(3,008)	(3,089)	(3,259)	(3,040)
Gross profit	3370	3274	3294	3193	3,080
SG&A	(1,020)	(1,007)	(1,003)	(1,142)	(1,084)
EBIT	2676	2577	2589	2400	2,338
Interest expense	(2)	(2)	(2)	(2)	(2)
Pre-tax profit	2469	2388	2391	2188	2,144
Income tax	(469)	(432)	(424)	(279)	(400)
Net profit	1985	1932	1955	1903	1,734
EPS (Bt)	2.49	2.43	2.46	2.39	2.18

Source: Company and IVG estimates

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P&L

(Btm)	2021	2022	2023	2024
Hospital revenues	12,404	20,646	25,296	25,634
Cost of hospital operations	(7,731)	(11,099)	(12,895)	(12,503)
Gross profit	4,673	9,546	12,401	13,131
SG&A	(3,296)	(3,798)	(4,180)	(4,171)
EBIT	2,756	7,124	9,597	10,243
Interest expense	(120)	(4)	(2)	(8)
Pre-tax profit	1,456	6,049	8,638	9,436
Income tax	(216)	(1072)	(1583)	(1,604)
Net profit	1,216	4,938	7,006	7,775
EPS (Bt)	1.53	6.21	8.80	9.77

Source: Company and IVG estimates

Financial ratios

(%)	2021	2022	2023	2024
Revenue growth YoY	0.7	66.4	22.5	1.3
Revenue growth QoQ	0.0	0.0	0.0	0.0
Gross margin	37.7	46.2	49.0	51.2
SG&A as % of revenue	26.6	18.4	16.5	16.3
EBITDA margin	22.2	34.5	37.9	39.6
Net margin	10.1	23.6	27.7	30.1
Core profit growth YoY	1.0	306.2	41.9	11.0
Net DE ratio	Net cash	Net cash	Net cash	Net cash

Source: Company and IVG estimates

BH

E: Environmental

Protecting the planet is part of BH's mission to help people find a to better health. Climate change and a devastated environment may affect global health. The company believes that by protecting the environment through its actions, it can play a meaningful role in helping to reduce this effect. BH is committed to doing its part, not only because BH considers this a duty as a leader in the healthcare industry, but because doing so also makes the company a more innovative organization and inspires confidence among its investors, employees, partners, and patients.

S: Social

Throughout BH's history, it has adhered to its heritage and core values of providing excellent patient care while also ensuring social responsibility. Its name, "Bumrungrad", shows a strong corporate culture, which translates to "caring for the people". In realizing its commitment to corporate social responsibility, incorporating related core values into decision-making and daily operations, and participating in various community projects, especially in regard to promoting public health and caring for the underprivileged, BH hopes to achieve sustainable development and fairness in its business operations. BH hopes this will also ensure fair business practices with business partners and shareholders. BH has good corporate governance and adheres to safety standards, as well as environmental and social responsibilities

G: Governance

BH realizes the importance of good corporate governance in managing its business transparently, building confidence among all stakeholders, and competing efficiently domestically and internationally.

Comment

BH indicates a strong commitment to environmental, social, and governance (ESG) practices, as well as clear long-term objectives. Furthermore, the company demonstrates the ability to execute short-term goals effectively.

Source: Company and IVG estimates

I V Global Investment Research – Recommendation Definitions

Sector Recommendations

OVERWEIGHT: The industry, as defined by the analyst's coverage universe, is expected to outperform the relevant primary market index by at least 10% over the next 12 months.

NEUTRAL: The industry, as defined by the analyst's coverage universe, is expected to perform in line with the relevant primary market index over the next 12 months.

UNDERWEIGHT: The industry, as defined by the analyst's coverage universe, is expected to underperform the relevant primary market index by 10% over the next 12 months.

Stock Recommendations

BUY: Expecting positive total returns of 15% or more over the next 12 months.

HOLD: Expecting total returns of not more than -10% to +10% over the next 3 months.

SELL: Expecting negative total returns of 15% or more over the next 12 months

Anti-corruption Progress Indicator Definitions

Level 5 Extended	Extension of the anti-corruption policy to business partners in the supply chain, and disclosure of any current investigations, prosecutions or closed cases
Level 4 Certified	Audit engagement by audit committee or auditors approved by the office of SEC, and receiving certification or assurance by independent external assurance providers (CAC etc.)
Level 3 Established	Carrying out preventive measures, risk assessment, communication and training for all employees, including consistent monitoring and review processes. (3A: Established by Declaration of Intent, 3B: Established by Internal Commitment and Policy)
Level 2 Declared	Public declaration statement to participate in Thailand's private sector Collective Action Coalition Against Corruption (CAC) or equivalent initiatives
Level 1 Committed	Organization's statement or board's resolution to work against corruption and to be in compliance with all relevant laws
Partially progress	Insufficient or not clearly defined policy
No progress	Data not available / no policy

Corporate Governance Report (CGR)

	Excellent
	Very good
	Good

Disclaimers

The disclosure of the survey result of corporate governance, which is surveyed by the Thai Institute of Directors Association ("IOD"), and the Anti-Corruption Progress Indicators, which is assessed by Thaipat Institute, are the disclosure of the survey or assessment result based on the information received from the listed company that was stipulated in the form for Annual Corporate Governance Report of Thai Listed Companies (CGR) and the form for the assessment of Anti-corruption that refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2) or other relevant documents or reports of such listed company (as the case may be). The survey or assessment result is based on the information of the listed company, which is disclosed to the public and can be accessed by all investors and is made in order to comply with the policy of the Office of the Stock Exchange of Thailand.

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