

Dental Corporation Pcl.

July 3, 2025

D

Boost from dental trading while dental service weaker

Investment fundamentals

Year end Dec 31	2023A	2024A	2025E	2026E
Company Financials				
Revenue (Btmn)	927	954	949	975
Core profit (Btmn)	71	50	46	48
Net profit (Btmn)	71	50	46	48
Net EPS (Bt)	0.21	0.15	0.13	0.14
DPS (Bt)	0.12	0.09	0.08	0.08
BVPS (Bt)	1.71	1.75	1.96	2.02
Net profit growth (%)	24%	-29%	-9%	5%
ROA (%)	6.6%	3.8%	3.3%	3.5%
ROE (%)	12.2%	8.4%	6.8%	7.0%
Net D/E (x)	0.52	0.35	0.15	0.12
Valuation				
P/E (x)	19.60	20.48	15.36	14.64
P/BV (x)	2.39	1.72	1.05	1.02
EV/EBITDA (x)	13.10	13.98	9.96	9.39
Dividend yield (%)	2.9%	3.0%	3.6%	4.1%

Analyst

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NEUTRAL

Maintain Rating

Valuation: PER

Target Price/Upside:

Bt1.88/-8.74%

Maintain Target Price

Price (Jul 2, 2025)

Bt2.06

Sector: Services	No. of shares on issue:	342mn
Market Cap: Bt705mn	CG Scoring (IOD-Y2023):	N/A
30-day avg turnover: Bt.27mn	Anti-Corruption Indicator:	N/A

Investment Topics

- **2Q25 preview.** D is scheduled to post its 2Q25 financial statement on Aug. 8. We expect it will report a net profit of Bt20mn, up 25.3% YoY and 21.9% QoQ on higher sales of the dental trading business from backlog recognition of a project with Chulalongkorn University for an amount of Bt40mn with an expected net profit margin of 10%. We expect D to declare a 1H25 DPS of Bt0.04, implying a dividend payout ratio of 38% and a 3.6% annualized dividend yield. Our 1H25 net profit estimate represents 77.6% of our 2025 net profit projection.
- **Operating stats.** We expect 2Q25 sales to come in at Bt263mn, up 9.2% YoY and 6.9% QoQ on higher sales from the dental trading business. We expect total patients of 20k, down 4.5% YoY and 5.8% QoQ on a drop in Thai patients owing to competition and weaker spending amid economic headwinds. We project 2Q25 GPM at 34.1% vs. 35.7% in 1Q25 due to a reduced margin on the dental service business.
- **Outlook.** On the positive note, a huge revenue boost from the dental trading business in 2Q25 should limit the downside risk to our earnings forecasts as we expect 1H25 earnings to account for 77.6% of our full-year forecast and for 75% of management's lower-bound earnings guidance. However, following our latest talk with management, we expect 2H25 revenue from the dental trading business to normalize at around Bt70-80mn per quarter, while pressure from lower sales from the dental services business is likely to persist.

Valuation and Recommendation

- **Neutral.** We maintain our Neutral call on D with an unchanged mid-2026 target price of Bt1.88. For now, we maintain our conservative forecasts despite some earnings upside, owing to the cloudy business outlook in 2H25.

	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2025E	% YoY	% QoQ	1H24	1H25E	% YoY	2025E	% YTD
Service	180	156	167	156	169	164	163	158	171	158	-3.9%	-7.8%	333	329	-1.5%	649	50.6%
Sale	62	86	64	56	58	76	83	84	75	105	38.5%	40.4%	134	180	34.4%	300	59.9%
Revenue	242	242	231	212	227	241	245	241	246	263	9.2%	6.9%	468	508	8.6%	949	53.6%
Service	110	95	103	151	103	103	101	100	105	99	-4.0%	-6.0%	205	203	-0.9%	406	50.1%
Sale	44	66	48	56	42	55	67	72	53	75	36.0%	40.4%	97	128	31.3%	234	54.5%
COGS	153	161	152	147	145	157	168	172	158	173	10.0%	9.6%	302	331	9.5%	640	51.8%
Service	71	61	64	5	67	62	62	58	66	59	-3.9%	-10.6%	128	125	-2.4%	243	51.5%
Sale	18	20	16	0	16	21	16	12	22	30	45.0%	40.3%	37	52	42.5%	66	79.0%
Gross profit	89	81	79	65	82	83	77	69	88	90	7.6%	2.1%	166	177	7.0%	309	57.3%
SG&A	55	59	54	56	57	61	61	67	66	63	2.7%	-4.3%	118	128	8.4%	250	51.4%
Operating profit	34	22	25	9	25	22	16	2	22	27	21.2%	21.2%	47	49	3.3%	60	81.8%
Other income	3	5	2	7	3	2	2	9	2	2	14.9%	0.0%	4	4	-16.8%	14	24.8%
EBIT	37	28	28	16	28	24	19	11	24	29	20.8%	19.6%	52	52	1.7%	74	70.8%
D&A exp	9	10	10	10	10	10	10	10	10	10	-3.3%	0.0%	21	20	-2.5%	42	47.7%
EBITDA	47	37	38	26	38	34	29	21	34	39	13.5%	13.8%	72	72	0.5%	116	62.5%
Interest exp	4	5	5	5	4	4	4	4	4	4	0.0%	1.7%	8	8	-4.1%	17	48.7%
EBT	33	23	23	11	24	20	14	7	20	24	25.1%	23.2%	43	44	2.8%	57	77.3%
Tax charge	6	5	5	3	5	4	4	1	4	5	24.7%	28.9%	9	9	-3.3%	11	75.7%
Minority interest	0	0	0	0	0	0	0	0	0	0	35.4%	0.0%	0	0	33.2%	0	n.a.
Net profit	27	18	18	8	19	16	10	6	16	20	25.3%	21.9%	34	36	4.4%	46	77.6%
Extra items	0	0	0	0	0	0	0	0	0	0	n.a.	n.a.	0	0	n.a.	0	n.a.
Core profit	27	18	18	8	19	16	10	6	16	20	25.3%	21.9%	34	36	4.4%	46	77.6%
FD core EPS (Bt)	0.08	0.05	0.05	0.02	0.05	0.05	0.03	0.02	0.05	0.06	25.3%	21.9%	0.10	0.10	4.4%	0.13	77.6%
FD DPS (Bt)	0.00	0.06	0.00	0.06	0.00	0.04	0.00	0.04	0.00	0.04	-11.1%	n.a.	0.04	0.04	-11.1%	0.08	53.2%
Key financial ratios (%)																	
GPM	36.7%	33.5%	34.4%	30.6%	36.3%	34.6%	31.5%	28.5%	35.7%	34.1%			35.4%	34.9%		32.6%	
GPM (Service)	39.2%	39.3%	38.1%	3.2%	39.5%	37.5%	38.1%	36.5%	38.7%	37.5%			38.5%	38.1%		37.5%	
GPM (Sale)	28.6%	23.1%	24.6%	0.4%	26.9%	27.7%	18.8%	13.7%	29.0%	29.0%			27.4%	29.0%		22.0%	
SG&A to sales	22.6%	24.3%	23.3%	26.3%	25.2%	25.4%	24.9%	27.7%	26.7%	23.9%			25.3%	25.3%		26.3%	
OPM	14.1%	9.2%	11.0%	4.3%	11.1%	9.2%	6.6%	0.8%	9.0%	10.2%			10.1%	9.6%		6.3%	
CPM	11.3%	7.3%	7.7%	4.0%	8.1%	6.5%	4.1%	2.6%	6.5%	7.5%			7.3%	7.0%		4.8%	

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Fig 1 Key 2Q25 drivers

	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25E	% YoY	% QoQ	1H24	1H25E	% YoY	2025E	% YTD
Performance drivers																	
Revenue from service (Btmn)	180	156	167	156	169	164	163	158	171	158	-3.9%	-7.8%	333	329	-1.5%	649	50.6%
Rev from Thai patients	73	66	75	62	64	67	62	58	55	53	-21.1%	-3.5%	131	108	-18.0%	217	49.5%
Rev from Foreign patients	107	90	92	94	105	97	101	99	116	105	7.9%	-9.7%	202	221	9.3%	432	51.2%
No of patients	22,842	21,239	21,722	21,159	22,290	21,034	20,489	21,335	21,338	20,095	-4.5%	-5.8%	43,324	41,433	-4.4%	82,492	50.2%
Thai patients	13,311	12,729	13,642	12,767	12,664	12,106	11,730	11,932	11,270	10,895	-10.0%	-3.3%	24,770	22,165	-10.5%	45,042	49.2%
Foreign patients	9,531	8,510	8,080	8,392	9,626	8,928	8,759	9,403	10,068	9,200	3.0%	-8.6%	18,554	19,268	3.8%	37,450	51.4%
Average spending (Bt)	7,889	7,340	7,691	7,398	7,596	7,803	7,957	7,352	8,010	7,846	0.5%	-2.0%	7,700	7,928	3.0%	7,867	100.8%
Revenue from trading (Btmn)	62	86	64	56	58	76	83	84	75	105	38.5%	40.4%	134	180	34.4%	300	59.9%
Key financial ratios (%)																	
GPM (Service)	39.2%	39.3%	38.1%	3.2%	39.5%	37.5%	38.1%	36.5%	38.7%	37.5%			38.5%	38.1%		37.5%	
GPM (Sale)	28.6%	23.1%	24.6%	0.4%	26.9%	27.7%	18.8%	13.7%	29.0%	29.0%			27.4%	29.0%		22.0%	
GPM	36.7%	33.5%	34.4%	30.6%	36.3%	34.6%	31.5%	28.5%	35.7%	34.1%			35.4%	34.9%		32.6%	

Source: Company, KS Research

Fig 2 D's 2025 operating guidance vs. our projections

Release date		16-Jun-25					
Core service revenue		0-5%					
Net profit margin (%)		5%					
		2024	2025E	D	2025E	% variance	
Btmn		Actual	Low	High	KS	Low	High
Core revenue		954	954	1002	949	0.6%	5.6%
% YoY		2.9%	0.0%	5.0%	-0.6%		
Net profit		50	48	50	46	4.0%	9.1%
Net profit margin (%)		5.3%	5.0%	5.0%	4.8%		

Source: Company, KS Research

Fig 3 PER-based valuation

Period	mid-2026	
	PER (-1SD)	Intrinsic PER
Assigned PER (x)	16.0	11.3
mid-2026 net profit (Btmn)	47	47
PER value	753	533
No. of shares (m)	342	342
Bt per share	2.20	1.56
Simple average		1.88

Source: Company, KS Research

ESG : DENTAL CORPORATION PUBLIC COMPANY LIMITED (D)

SET's ESG rating (BBB to AAA)	CAC Anti-Corruption Certification	Moody's ESG Solutions (Score : 0-100)	MSCI (CCC to AAA)	Refinitiv (Score : 0-100)	S&P Global (Score : 0-100)
-	-	-	-	-	-

การดำเนินการของบริษัทฯ ในส่วนที่มีผลช่วยลดความเสี่ยงของ ESG
Environment

The company operate in accordance with relevant environmental laws and regulations and adhere to local and international environmental standards. Objectives of the energy management plan includes reduce overall energy consumption within the organization, and lower energy costs to enhance competitiveness.

Social

A company's social and human rights policies and practices are important in building a good image and complying with international standards, as well as promoting human rights in the organization and in the communities in which the company operates. It also helps reduce legal risks and reputational damage from human rights violations. The company supports diverse employment and creates an environment where everyone has equal access to opportunities, without discrimination on the grounds of gender, age, race, or disability

Governance

The Company realizes the importance of good corporate governance in accordance with the principles set by the Stock Exchange of Thailand (SET). All directors, executives and employees comply with the principles of good corporate governance. In addition, the Board of Directors has established a policy on corporate governance covering the following matters: The company's information, both financial and non-financial, is disclosed sufficiently, reliably and timely so that shareholders and stakeholders of the company receive information equally. There is a public relations unit and an investor relations unit responsible for providing information to investors and the general public.

การดำเนินการด้าน ESG ดังกล่าวนี้อมีส่วนเสริมศักยภาพการแข่งขัน การเพิ่มรายได้หรือลดค่าใช้จ่ายให้บริษัทฯหรือไม่ อย่างไร

N/A

Note : ** ผู้ใช้ SET ESG Ratings ควรตรวจสอบข้อมูลในประเด็นด้านสิ่งแวดล้อม สังคม หรือบรรษัทภิบาลของบริษัทเป็นการเพิ่มเติม
Source: Company, SETSmart, SETTrade, KS Research

D : Year-end Dec 31

Income Statement (Btmn)						Cashflow (Btmn)					
	2023A	2024A	2025E	2026E	2027E		2023A	2024A	2025E	2026E	2027E
Revenue	927	954	949	975	1,000	Net profit	71	50	46	48	51
Cost of sales and services	-613	-643	-640	-655	-669	Depreciation & amortization	39	41	42	43	44
Gross Profit	314	312	309	321	331	Change in working capital	11	-9	-5	-11	-11
SG&A	-223	-246	-250	-258	-267	Others	27	22	57	23	21
Other income	0	0	0	0	0	CF from operation activities	148	104	140	103	105
EBIT	109	81	74	77	79	Capital expenditure	-19	-8	-39	-40	-42
EBITDA	130	106	102	105	108	Investment in subs and affiliates	0	0	0	0	1
Interest expense	-18	-17	-17	-17	-15	Others	-1	1	0	0	-1
Equity earnings	0	0	0	0	0	CF from investing activities	-20	-7	-39	-40	-42
EBT	90	64	57	60	64	Cash dividend	-23	-36	-26	-29	-31
Income tax	-19	-14	-11	-12	-13	Net proceeds from debt	-94	-54	4	-46	-104
NPAT	71	50	46	48	51	Capital raising	0	0	0	0	0
Minority Interest	0	0	0	0	0	Others	-21	-15	0	0	0
Core Profit	71	50	46	48	51	CF from financing activities	-138	-105	-22	-74	-135
Extraordinary items	0	0	0	0	0	Net change in cash	-9	-8	79	-11	-72
FX gain (loss)	0	0	0	0	0	Key Statistics & Ratios					
Reported net profit	71	50	46	48	51	Per share (Bt)					
Balance Sheet (Btmn)						Reported EPS	0.21	0.15	0.13	0.14	0.15
Cash & equivalents	49	41	119	108	36	Core EPS	0.21	0.15	0.13	0.14	0.15
ST investments	0	0	0	0	0	DPS	0.12	0.09	0.08	0.08	0.09
Accounts receivable	80	125	126	133	139	BV	1.71	1.75	1.96	2.02	2.08
Inventories	177	197	198	204	211	EV	4.96	4.34	2.96	2.88	3.09
Other current assets	0	0	0	0	0	Free Cash Flow	0.38	0.28	0.29	0.18	0.19
Total current assets	305	362	443	445	386	Valuation analysis					
Investment in subs & others	0	0	0	0	0	Reported P/E (x)	19.60	20.48	15.36	14.64	13.76
Fixed assets-net	611	813	796	778	760	Core P/E (x)	19.60	20.48	15.36	14.64	13.76
Other assets	158	155	155	155	155	P/BV (x)	2.39	1.72	1.05	1.02	0.99
Total assets	1,075	1,330	1,394	1,378	1,301	EV/EBITDA (x)	13.10	13.98	9.96	9.39	9.75
Short-term debt	145	158	158	159	160	Price/Cash flow (x)	10.81	10.81	7.01	11.15	11.13
Accounts payable	85	144	142	144	145	Dividend yield (%)	2.9%	3.0%	3.6%	4.1%	4.4%
Total current liabilities	230	302	300	303	305	Profitability ratios					
Long-term debt	206	155	91	52	49	Gross margin (%)	33.9%	32.7%	32.6%	32.9%	33.1%
Other liabilities	54	95	152	152	55	EBITDA margin (%)	14.0%	11.1%	10.7%	10.8%	10.8%
Total liabilities	490	551	543	507	410	EBIT margin (%)	11.7%	8.5%	7.8%	7.9%	7.9%
Paid-up capital	171	171	171	171	171	Net profit margin (%)	7.7%	5.3%	4.8%	4.9%	5.1%
Share premium	385	385	385	385	385	ROA (%)	6.6%	3.8%	3.3%	3.5%	3.9%
Retained earnings	29	44	117	136	156	ROE (%)	12.2%	8.4%	6.8%	7.0%	7.2%
Minority interests	0	179	179	179	179	Liquidity ratios					
Total shareholders' equity	585	778	851	870	891	Current ratio (x)	1.33	1.20	1.48	1.47	1.27
Total equity & liabilities	1,075	1,330	1,394	1,378	1,301	Quick ratio (x)	0.56	0.55	0.82	0.79	0.57
Key Assumptions						Leverage Ratios					
Dental Service Business						Liabilities/Equity ratio (x)	0.84	0.71	0.64	0.58	0.46
Patient	86,962	85,148	82,492	84,066	86,450	Net debt/EBITDA (x)	2.33	2.56	1.28	0.98	1.60
-Thai	52,449	48,432	45,042	45,492	45,947	Net debt/equity (x)	0.52	0.35	0.15	0.12	0.19
-International	34,513	36,716	37,450	38,574	40,503	Int. coverage ratio (x)	5.94	4.83	4.45	4.64	5.19
Growth						Growth					
Spending per head	7,581	7,684	7,867	8,032	8,098	Revenue (%)	13.8%	2.9%	-0.6%	2.8%	2.6%
-Thai	5,278	5,189	4,826	4,874	4,874	EBITDA (%)	21.9%	-18.1%	-4.1%	3.3%	3.0%
-International	11,083	10,976	11,526	11,757	11,757	Reported net profit (%)	23.9%	-29.2%	-9.0%	4.9%	6.4%
Trading Business						Reported EPS (%)	9.3%	-29.2%	-9.0%	4.9%	6.4%
Revenue Growth (%)	-0.7%	11.9%	0.0%	0.0%	0.0%	Core profit (%)	38.3%	-29.2%	-9.0%	4.9%	6.4%
						Core EPS (%)	22.1%	-29.2%	-9.0%	4.9%	6.4%

Source: Company, KS estimates

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Investment Ratings

Outperform: Expected total return of 10% or more within a 12-month period

Neutral: Expected total return between -10% and 10% within a 12-month period

Underperform: Expected total return of -10% or worse within a 12-month period

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KS may be the issuer of structured notes on these securities.

KS acts as market maker and issuer of Derivative Warrants ("DWs") on the underlying stocks listed below. Investors should carefully read the details of the DWs in the prospectus before making any investment decisions.

DWs Underlying: AAV, ADVANC, AMATA, AOT, AP, AWC, BAM, BANPU, BBL, BCH, BCP, BDMS, BEM, BGRIM, BH, BLA, BTS, CBG, CENTEL, CHG, CK, COM7, CPALL, CPF, CPN, CRC, DELTA, DOHOME, EA, EGCO, ESSO, FORTH, GLOBAL, GPSC, GULF, GUNKUL, HANA, HMPRO, INTUCH, IRPC, IVL, JMART, JMT, KCE, KEX, KKP, KTB, KTC, LH, MEGA, MINT, MTC, OR, OSP, PLANB, PSL, PTG, PTT, PTTEP, PTTGC, RATCH, RCL, SAWAD, SCB, SCC, SCGP, SET50, SINGER, SIRI, SJWD, SPALI, SPRC, STA, STGT, TCAP, THG, TIDLOR, TIPH, TISCO, TOP, TQM, TRUE, TTB, TU, VGI, WHA.