EQUITY RESEARCH - COMPANY REPORT

FINANSIA
FSS INTERNATIONAL INVESTMENT ADVISORY

24 NOVEMBER 2020

THAILAND / HEALTHCARE

BANGKOK DUSIT MEDICAL SERVICES BDMS TB

BUY

UNCHANGED

TARGET PRICE	THB27.00
CLOSE	THB23.00
UP/DOWNSIDE	+17.4%
PRIOR TP	THB28.00
CHANGE IN TP	-3.6%
TP vs CONSENSUS	+10.7%

ขายการลงทุนใน BH

ขายหุ้น 22.7% ใน BH รวม 18.6พัน ลบ.

BDMS ประกาศว่าบริษัทฯ จะขายการลงทุนทั้งหมดใน Bumrungrad Hospital (BH TB, HOLD, TP THB124) รวม 180.7ล้านหุ้นหรือ 22.7% ของจำนวนหุ้นทั้งหมดของ BH ที่ราคา 103 บาทต่อหุ้น การขายดังกล่าวมีมูลค่ารวม 18.6พัน ลบ. โดยจะแบ่งเป็น 2 รายการ รายการแรกซึ่งคิดเป็นเงิน 9.3พัน ลบ. จะสำเร็จเสร็จสิ้นในวันที่ 26 พ.ย. และรายการที่สองซึ่งคิดเป็นเงิน 9.3พัน ลบ. จะสำเร็จเสร็จสิ้นในเดือน ธ.ค. 2020

ขาย BH ทิ้งจากการแข่งขันที่กำลังเพิ่มขึ้นในกรุงเทพ

BDMS ให้เหตุผลในการขายไว้ว่าปัจจุบันบริษัทฯ มีโรงพยาบาลในเครือแล้วถึง 49 แห่ง บริษัทฯ ถือหุ้นใน BH เพื่อการลงทุนตั้งแต่ปี 2012 จากการขายดังกล่าว BDMS จะได้ผลตอบแทน 11% จากการลงทุน นอกจากนี้ ผู้ซื้อได้ขอซื้อหุ้นทั้งหมดในราคาที่เหมาะสมในท่ามกลางสถานการณ์ COVID-19 และการแข่งขันที่รุนแรงในกรุงเทพหลังการเปิด MedPark Hospital ในเดือน ต.ค.

บันทึกกำไรพิเศษและจะใช้เงินจากการขายเพื่อชำระหนี้

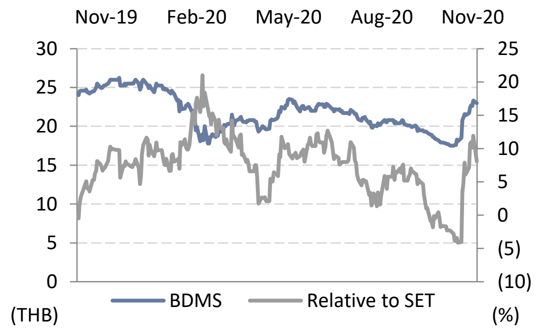
BDMS จะบันทึกกำไรพิเศษจากการขายการลงทุนจำนวน 2.4พัน ลบ. (สุทธิ 1.1พัน ลบ. หลังหักภาษี) เนื่องจากต้นทุนตามวิธีส่วนได้เสีย (equity cost) ในหุ้น BH อยู่ที่ 89.3 บาทต่อหุ้น และมีต้นทุนในตอนแรกอยู่ที่ 68.3 บาทต่อหุ้น หลังการขาย ส่วนแบ่งรายได้ของ BH จะหายไปจากงบกำไรขาดทุนของ BDMS ในปี 2020-2021E ส่วนแบ่งรายได้ของ BH คิดเป็น 5-7% ของกำไรจากการดำเนินงานของ BDMS บริษัทฯ วางแผนนำเงินที่ได้จากการขายมาชำระหนี้ โดยอาจลดค่าใช้จ่ายดอกเบี้ยได้สูงที่สุดที่ 484 ลบ. (ประมาณ 5% ของกำไรจากการดำเนินงานของ BDMS ในปี 2021E) ตัวเลขดังกล่าวคิดจากต้นทุนการเงินที่ 2.6% และสมมติให้บริษัทฯ ใช้เงินที่ได้จากการขายทั้งหมดเพื่อชำระหนี้ อย่างไรก็ดีเราคาดว่าบริษัทฯ จะใช้เงินที่ได้จากการขายประมาณ 15พัน ลบ. เพื่อวัตถุประสงค์ดังกล่าว

คงคำแนะนำซื้อหลังปรับลดคาดการณ์กำไรจากการดำเนินงานเพื่อสะท้อนส่วนแบ่งรายได้ที่ลดลง

ในทางการเงิน เรามองว่าการขายดังกล่าวเป็นลบเล็กน้อยสำหรับ BDMS เนื่องจากค่าใช้จ่ายดอกเบี้ยที่ลดลงไม่มากพอที่จะชดเชยส่วนแบ่งรายได้ของ BH ที่หายไปในระยะยาว อย่างไรก็ดีในแง่กลยุทธ์การขายดังกล่าวเป็นทางเลือกที่ดีเนื่องจากราคาขายที่สมเหตุสมผลหลังบริษัทฯ ไม่ประสบความสำเร็จในการครอบงำกิจการ BH ผ่านการทำคำเสนอซื้อใน 2Q20 เราปรับลดประมาณการกำไรจากการดำเนินงานของเราในปี 2021-2022 ลง 4.1-4.5% เพื่อสะท้อนการขายดังกล่าว และปรับราคาเป้าหมายของเราเป็น 27 บาท (DCF, 8.1% WACC, 3% LTG) ท้ายที่สุด เราคงคำแนะนำซื้อ เนื่องจาก EBITDA margin ของ BDMS อยู่ในแนวโน้มขาขึ้นโดยพุ่งสูงเป็นประวัติการณ์ใน 3Q20 ในขณะที่เราคาดว่ารายได้มีแนวโน้มฟื้นตัวในอัตราที่สูงขึ้นใน 4Q20

KEY STOCK DATA

YE Dec (THB m)	2019	2020E	2021E	2022E
Revenue	83,774	68,887	79,848	93,892
Net profit	15,517	7,766	8,850	11,934
EPS (THB)	0.98	0.49	0.56	0.75
vs Consensus (%)	-	22.5	3.3	14.7
EBITDA	18,579	15,553	18,427	22,607
Core net profit	10,053	6,652	8,850	11,934
Core EPS (THB)	0.63	0.42	0.56	0.75
Chg. In EPS est. (%)	-	(0.5)	(4.5)	(4.1)
EPS growth (%)	1.8	(33.8)	33.0	34.9
Core P/E (x)	36.4	55.0	41.3	30.6
Dividend yield (%)	1.9	1.3	1.7	1.5
EV/EBITDA (x)	20.9	23.6	19.7	15.7
Price/book (x)	4.4	4.2	4.1	3.8
Net debt/Equity (%)	21.5	(2.0)	(6.5)	(14.4)
ROE (%)	13.0	7.8	10.1	12.9



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	28.5	14.4	(5.0)
Relative to country (%)	9.8	4.7	6.9

Mkt cap (USD m)	12,067
3m avg. daily turnover (USD m)	22.3
Free float (%)	65
Major shareholder	Prasert Prasatthongosoj (16%)
12m high/low (THB)	26.50/15.60
Issued shares (m)	15,892.00

Sources: Bloomberg consensus; FSSIA estimates

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บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 24 พฤศจิกายน 2020

Investment thesis

BDMS has aggressively expanded its hospital network from 10 in 2004 to 49 currently. The company had a high capex level, averaging 17% of revenue over 2013-19. It is at the tail-end of its capex cycle, as it is close to its target of 50 hospitals.

BDMS plans to focus on its organic growth. We expect its EBITDA margin to improve from 22% in 2019 to 25% in 2023, led by a higher utilisation rate, its Centre of Excellence (CoE) project, and the turnaround of loss-making hospitals.

BDMS has a healthy balance sheet with a 2020E D/E of only 0.3x. FCFF should accelerate, based on our estimates, and this would provide an upside to dividend payouts.

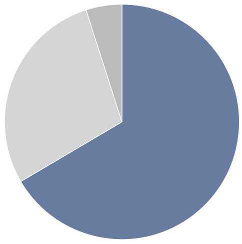
Company profile

BDMS is Thailand's largest healthcare provider in terms of market capital. It operates 49 hospitals under six brands.

www.bangkokhospital.com

Principal activities (revenue, 2019)

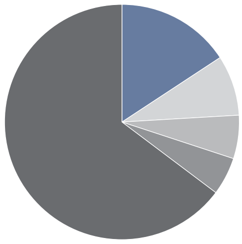
- Thai patient revenue - 66.5 %
- International patient revenue - 28.5 %
- Other revenue - 4.9 %



Source: Bangkok Dusit Medical Services

Major shareholders

- Prasert Prasatthongosoj - 15.8 %
- Thai NVDR - 8.3 %
- Viriyah insurance - 6.0 %
- Bangkok Airways - 5.2 %
- Others - 64.8 %



Source: Bangkok Dusit Medical Services

Catalyst

Key growth drivers include 1) higher insurance patient revenue; 2) rising demand for medical tourists; and 3) an improving EBITDA margin led by CoE hospitals.

Risk to our call

Downside risks to our DCF-based target price include 1) a slowdown in international patients due to economic concerns, political protests or floods; 2) regulatory risks from drug price and medical bill controls; and 3) higher-than-expected capex and opex for CoE projects.

Event calendar

Date	Event
Feb 2021	4Q20/2020 results announcement

Key assumptions

	2020E	2021E	2022E
	(%)	(%)	(%)
No. of hospitals (no.)	49	49	49
OPD volume growth	(20)	19	12
OPD revenue / patient growth	2	3	3
IPD volume growth	(23)	22	12
IPD revenue / patient growth	2	3	3

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in patient volume, we project 2020 earnings to rise by 2%, and vice versa, all else being equal.
- For every 1% increase in EBITDA margin, we project 2020 earnings to rise by 10%, and vice versa, all else being equal.

Source: FSSIA estimates

Exhibit 1: Change of key assumptions

	-------------------- 2020E --------------------			-------------------- 2021E --------------------			-------------------- 2022E --------------------		
	Old	New	*Change*	Old	New	*Change*	Old	New	*Change*
	(THB b)	(THB b)	*(%)*	(THB b)	(THB b)	*(%)*	(THB b)	(THB b)	*(%)*
OPD volume (visit per day)	24,579	24,579	-	28,020	28,020	-	31,943	31,943	-
OPD revenue / patient (THB)	3,412	3,412	-	3,481	3,481	-	3,585	3,585	-
IPD volume growth (admission per day)	1,150	1,150	-	1,357	1,357	-	1,560	1,560	-
IPD revenue / patient growth (THB)	81,897	81,897	-	80,259	80,259	-	82,667	82,667	-
Revenue	68.9	68.9	-	79.8	79.8	-	93.9	93.9	-
EBITDA margin (%)	22.6	22.6	-	23.1	23.1	-	24.1	24.1	-
Interest expense	0.9	0.8	*(10.7)*	0.8	0.4	*(45.4)*	0.7	0.1	*(81.2)*
Share income	0.4	0.3	*(26.7)*	0.9	0.1	*(89.7)*	1.1	0.1	*(90.9)*
Core profit	6.7	6.7	*(0.5)*	9.3	8.9	*(4.5)*	12.4	11.9	*(4.1)*

* Note: Change of items in percentage terms are represented in ppt change
Source: FSSIA estimates

Exhibit 2: DCF valuation

Cost of equity assumptions	(%)		Cost of debt assumptions	(%)
Risk-free rate	3.0		Pre-tax cost of debt	3.5
Market risk premium	8.0		Marginal tax rate	20.0
Stock beta	0.8			
Cost of equity, Ke	9.4		Net cost of debt, Kd	2.8
Weight applied	80.0		Weight applied	20.0
WACC	8.1			
DCF valuation estimate	**(THB b)**	**(THB/share)**	**Comments**	
NPV	139.3	8.8	WACC 8.1%, Risk-free rate 3%, Risk premium 8%	
Terminal value	285.7	18.0	Terminal growth 3%	
Cash & liquid assets	13.5	0.8	At end-2021E	
Investments	1.8	0.1	At end-2021E	
Debt	(7.4)	(0.5)	At end-2021E	
Minorities	(4.2)	(0.3)	At end-2021E	
Residual ordinary equity	**428.7**	**27.0**		

Source: FSSIA estimates

Financial Statements

Bangkok Dusit Medical Services

Profit and Loss (THB m) Year Ending Dec	2018	2019	2020E	2021E	2022E
Revenue	78,288	83,774	68,887	79,848	93,892
Cost of goods sold	(45,116)	(48,155)	(39,736)	(45,819)	(53,220)
Gross profit	**33,173**	**35,619**	**29,152**	**34,030**	**40,672**
Other operating income	-	-	-	-	-
Operating costs	(15,998)	(17,040)	(13,599)	(15,603)	(18,066)
Operating EBITDA	**17,175**	**18,579**	**15,553**	**18,427**	**22,607**
Depreciation	(5,386)	(5,752)	(6,421)	(6,697)	(7,187)
Goodwill amortisation	-	-	-	-	-
Operating EBIT	**11,788**	**12,827**	**9,132**	**11,729**	**15,420**
Net financing costs	(1,107)	(819)	(740)	(224)	(26)
Associates	1,690	1,022	306	89	98
Recurring non operating income	1,706	1,032	329	115	126
Non recurring items	(727)	5,464	1,114	0	0
Profit before tax	**11,660**	**18,504**	**9,835**	**11,620**	**15,520**
Tax	(2,013)	(2,494)	(1,666)	(2,306)	(3,084)
Profit after tax	**9,647**	**16,009**	**8,169**	**9,314**	**12,436**
Minority interests	(456)	(492)	(403)	(464)	(501)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	**9,191**	**15,517**	**7,766**	**8,850**	**11,934**
Non recurring items & goodwill (net)	**727**	**(5,464)**	**(1,114)**	**0**	**0**
Recurring net profit	**9,918**	**10,053**	**6,652**	**8,850**	**11,934**
Per share (THB)					
Recurring EPS *	0.62	0.63	0.42	0.56	0.75
Reported EPS	0.59	0.98	0.49	0.56	0.75
DPS	0.36	0.44	0.30	0.40	0.33
Diluted shares (used to calculate per share data)	15,966	15,892	15,892	15,892	15,892
Growth					
Revenue (%)	7.6	7.0	(17.8)	15.9	17.6
Operating EBITDA (%)	11.0	8.2	(16.3)	18.5	22.7
Operating EBIT (%)	14.4	8.8	(28.8)	28.4	31.5
Recurring EPS (%)	23.7	1.8	(33.8)	33.0	34.9
Reported EPS (%)	(11.0)	66.5	(50.0)	14.0	34.9
Operating performance					
Gross margin inc depreciation (%)	35.5	35.7	33.0	34.2	35.7
Gross margin of key business (%)	35.5	35.7	33.0	34.2	35.7
Operating EBITDA margin (%)	21.9	22.2	22.6	23.1	24.1
Operating EBIT margin (%)	15.1	15.3	13.3	14.7	16.4
Net margin (%)	12.7	12.0	9.7	11.1	12.7
Effective tax rate (%)	18.8	20.8	19.8	20.0	20.0
Dividend payout on recurring profit (%)	57.5	69.0	71.7	72.0	44.5
Interest cover (X)	12.2	16.9	12.8	52.9	595.3
Inventory days	14.2	13.8	15.5	13.0	13.0
Debtor days	33.8	35.7	48.2	43.8	38.9
Creditor days	40.2	42.4	50.2	42.4	42.2
Operating ROIC (%)	13.7	13.9	9.8	12.7	17.0
ROIC (%)	10.0	9.6	7.2	9.8	13.1
ROE (%)	14.9	13.0	7.8	10.1	12.9
ROA (%)	8.8	8.4	5.7	7.4	10.0

* Pre-exceptional, pre-goodwill and fully diluted

Revenue By Division (THB m)	2018	2019	2020E	2021E	2022E
Thai patient revenue	52,000	55,741	47,636	55,600	67,830
International patient revenue	22,286	23,889	17,439	20,055	21,659
Other revenue	4,002	4,144	3,812	4,193	4,403

Sources: Bangkok Dusit Medical Services; FSSIA estimates

Financial Statements

Bangkok Dusit Medical Services

Cash Flow (THB m) Year Ending Dec	2018	2019	2020E	2021E	2022E
Recurring net profit	9,918	10,053	6,652	8,850	11,934
Depreciation	5,386	5,752	6,421	6,697	7,187
Associates & minorities	-	-	-	-	-
Other non-cash items	117	6,341	1,373	333	454
Change in working capital	851	(718)	(2,621)	1,086	1,595
Cash flow from operations	**16,272**	**21,429**	**11,825**	**16,966**	**21,170**
Capex - maintenance	(8,157)	(9,579)	(2,645)	(6,290)	(7,464)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	(6,721)	5,170	16,176	0	0
Other investments (net)	-	-	-	-	-
Cash flow from investing	**(14,877)**	**(4,409)**	**13,531**	**(6,290)**	**(7,464)**
Dividends paid	(5,594)	(6,941)	(4,768)	(6,375)	(5,310)
Equity finance	4,186	5,447	0	0	0
Debt finance	619	(15,534)	(1,000)	(16,000)	(4,099)
Other financing cash flows	(418)	(246)	0	0	0
Cash flow from Financing	**(1,207)**	**(17,274)**	**(5,768)**	**(22,375)**	**(9,409)**
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	**0**	**0**	**0**	**0**	**0**
Movement in cash	**187**	**(254)**	**19,589**	**(11,700)**	**4,297**
Free cash flow to firm (FCFF)	2,559.81	17,948.13	26,141.15	11,100.62	13,840.18
Free cash flow to equity (FCFE)	1,595.78	1,239.39	24,356.45	(5,324.79)	9,607.04
Per share (THB)					
FCFF per share	0.16	1.13	1.64	0.70	0.87
FCFE per share	0.10	0.08	1.53	(0.34)	0.60
Recurring cash flow per share	0.98	1.39	0.91	1.00	1.23

Balance Sheet (THB m) Year Ending Dec	2018	2019	2020E	2021E	2022E
Tangible fixed asset (gross)	120,436	128,953	131,708	138,096	145,608
Less: Accumulated depreciation	(45,623)	(50,159)	(56,580)	(63,277)	(70,464)
Tangible fixed assets (Net)	**74,813**	**78,794**	**75,128**	**74,819**	**75,143**
Intangible fixed assets (Net)	**18,812**	**18,883**	**18,883**	**18,883**	**18,883**
Long-term financial assets	-	-	-	-	-
Invest. In associates & subsidiaries	23,174	18,004	1,828	1,828	1,828
Cash & equivalents	5,850	5,596	25,185	13,485	17,782
A/C receivable	7,545	8,850	9,332	9,811	10,187
Inventories	1,786	1,843	1,521	1,754	2,037
Other current assets	17	36	29	34	40
Current assets	**15,198**	**16,325**	**36,068**	**25,085**	**30,047**
Other assets	1,502	1,655	1,689	1,722	1,722
Total assets	**133,499**	**133,662**	**133,596**	**122,337**	**127,624**
Common equity	70,320	83,813	86,811	89,287	95,911
Minorities etc.	3,118	3,368	3,772	4,236	4,737
Total Shareholders' equity	**73,438**	**87,182**	**90,583**	**93,522**	**100,648**
Long term debt	24,734	19,099	18,099	3,099	0
Other long-term liabilities	6,828	8,118	8,118	8,118	8,118
Long-term liabilities	**31,562**	**27,217**	**26,217**	**11,217**	**8,118**
A/C payable	5,192	5,990	4,943	5,700	6,620
Short term debt	15,182	5,283	5,283	4,283	3,283
Other current liabilities	8,125	7,990	6,570	7,616	8,955
Current liabilities	**28,499**	**19,263**	**16,796**	**17,598**	**18,858**
Total liabilities and shareholders' equity	**133,499**	**133,662**	**133,596**	**122,337**	**127,624**
Net working capital	(3,969)	(3,251)	(630)	(1,716)	(3,311)
Invested capital	114,332	114,086	96,898	95,537	94,266
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	4.49	5.27	5.46	5.62	6.04
Tangible book value per share	3.29	4.09	4.27	4.43	4.85
Financial strength					
Net debt/Equity (%)	46.4	21.5	(2.0)	(6.5)	(14.4)
Net debt/total assets (%)	25.5	14.1	(1.3)	(5.0)	(11.4)
Current ratio (x)	0.5	0.8	2.1	1.4	1.6
CF interest cover (x)	2.4	2.5	33.9	(22.8)	368.9

Valuation	2018	2019	2020E	2021E	2022E
Recurring P/E (x) *	**37.0**	**36.4**	**55.0**	**41.3**	**30.6**
Recurring P/E @ target price (x) *	**43.5**	**42.7**	**64.5**	**48.5**	**36.0**
Reported P/E (x)	39.2	23.6	47.1	41.3	30.6
Dividend yield (%)	1.6	1.9	1.3	1.7	1.5
Price/book (x)	5.1	4.4	4.2	4.1	3.8
Price/tangible book (x)	7.0	5.6	5.4	5.2	4.7
EV/EBITDA (x) **	23.1	20.9	23.6	19.7	15.7
EV/EBITDA @ target price (x) **	26.8	24.3	27.7	23.2	18.5
EV/invested capital (x)	3.5	3.4	3.8	3.8	3.8

* Pre-exceptional & pre-goodwill are fully diluted ** EBITDA includes associate income and recurring non operating income

Sources: Bangkok Dusit Medical Services; FSSIA estimates

Corporate Governance report of Thai listed companies 2019

EXCELLENT LEVEL

AAV	ADVANC	AIRA	AKP	AKR	AMA	AMATA	AMATAV	ANAN	AOT	AP
ARROW	BAFS	BANPU	BAY	BCP	BCPG	BOL	BRR	BTS	BTW	BWG
CFRESH	CHEWA	CHO	CK	CKP	CM	CNT	COL	COMAN	CPALL	CPF
CPI	CPN	CSS	DELTA	DEMCO	DRT	DTAC	DTC	EA	EASTW	ECF
EGCO	GBX	GC	GCAP	GEL	GFPT	GGC	GOLD	GPSC	GRAMMY	GUNKUL
HANA	HARN	HMPRO	ICC	ICHI	III	ILINK	INTUCH	IRPC	IVL	JKN
JSP	K	KBANK	KCE	KKP	KSL	KTB	KTC	KTIS	LH	LHFG
LIT	LPN	MAKRO	MALEE	MBK	MBKET	MC	MCOT	MFEC	MINT	MONO*
MTC	NCH	NCL	NKI	NSI	NVD	NYT	OISHI	OTO	PAP	PCSGH
PDJ	PG	PHOL	PJW	PLANB	PLANET	PORT	PPS	PR9	PREB	PRG
PRM	PSH	PSL	PTG	PTT	PTTEP	PTTGC	PYLON	Q-CON	QH	QTC
RATCH	ROBINS**	RS	S	S & J	SABINA	SAMART	SAMTEL	SAT	SC	SCB
SCC	SCCC	SCN	SDC	SEAFCO	SEAOIL	SE-ED	SELIC	SENA	SIS	SITHAI
SNC	SORKON	SPALI	SPI	SPRC	SSSC	STA	STEC	SVI	SYNTEC	TASCO
TCAP	THAI	THANA	THANI	THCOM	THIP	THREL	TIP	TISCO	TK	TKT
TMB	TMILL	TNDT	TOA	TOP	TRC	TRU	TRUE	TSC	TSR	TSTH
TTA	TTCL	TTW	TU	TVD	TVO	U	UAC	UV	VGI	VIH
WACOAL	WAVE	WHA	WHAUP	WICE	WINNER					

VERY GOOD LEVEL

2S	ABM	ADB	AF	AGE	AH	AHC	AIT	ALLA	ALT	AMANAH
AMARIN	APCO	APCS	AQUA	ARIP	ASAP	ASIA	ASIAN	ASIMAR	ASK	ASN
ASP	ATP30	AUCT	AYUD	B	BA	BBL	BDMS	BEC	BEM	BFIT
BGC	BGRIM	BIZ	BJC	BJCHI	BLA	BPP	BROOK	CBG	CEN	CENTEL
CGH	CHG	CHOTI	CHOW	CI	CIMBT	CNS	COLOR	COM7	COTTO	CRD
CSC	CSP	DCC	DCON	DDD	DOD	EASON	ECL	EE	EPG	ERW
ESTAR	ETE	FLOYD	FN	FNS	FORTH	FPI	FPT	FSMART	FSS	FVC
GENCO	GJS	GL	GLOBAL	GLOW**	GULF	HPT	HTC	HYDRO	ICN	IFS
INET	INSURE	IRC	IRCP	IT	ITD***	ITEL	J	JAS*	JCK	JCKH
JMART	JMT	JWD	KBS	KCAR	KGI	KIAT	KOOL	KWC	KWM	L&E
LALIN	LANNA	LDC	LHK	LOXLEY	LRH	LST	M	MACO	MAJOR	MBAX
MEGA	METCO	MFC	MK	MODERN	MOONG	MPG	MSC	MTI	NEP	NETBAY
NEX	NINE	NOBLE	NOK	NTV	NWR	OCC	OGC	ORI	OSP	PATO
PB	PDG	PDI	PL	PLAT	PM	PPP	PRECHA	PRIN	PRINC	PSTC
PT	QLT	RCL	RICHY	RML	RWI	S11	SAAM	SALEE	SAMCO	SANKO
SAPPE	SAWAD	SCG	SCI	SCP	SE	SFP	SIAM	SINGER	SIRI	SKE
SKR	SKY	SMIT	SMK	SMPC	SMT	SNP	SONIC	SPA	SPC	SPCG
SPVI	SR	SRICHA	SSC	SSF	SST	STANLY	STPI	SUC	SUN	SUSCO
SUTHA	SWC	SYMC	SYNEX	T	TACC	TAE	TAKUNI	TBSP	TCC	TCMC
TEAM	TEAMG	TFG	TFMAMA	THG	THRE	TIPCO	TITLE	TIW	TKN	TKS
TM	TMC	TMD	TMI	TMT	TNITY	TNL	TNP	TNR	TOG	TPA
TPAC	TPBI	TPCORP	TPOLY	TRITN	TRT	TSE	TSTE	TVI	TVT	TWP
TWPC	UBIS	UEC	UMI	UOBKH	UP	UPF	UPOIC	UT	UWC	VNT
WIIK	XO	YUASA	ZEN	ZMICO						

GOOD LEVEL

A	ABICO	ACAP***	AEC	AEONTS	AJ	ALUCON	AMC	APURE	AS	ASEFA
AU	B52	BCH	BEAUTY	BGT	BH	BIG	BLAND	BM	BR	BROCK
BSBM	BSM	BTNC	CCET	CCP	CGD	CHARAN	CHAYO	CITY	CMAN	CMC
CMO	CMR	CPL	CPT	CSR	CTW	CWT	D	DIMET	EKH	EMC
EPCO	ESSO	FE	FTE	GIFT	GLAND	GLOCON	GPI	GREEN	GTB	GYT
HTECH	HUMAN	IHL	INGRS	INOX	JTS	JUBILE	KASET	KCM	KKC	KWG
KYE	LEE	LPH	MATCH	MATI	M-CHAI	MCS	MDX	META	MGT	MJD
MM	MVP	NC	NDR	NER	NNCL	NPK	NUSA	OCEAN	PAF	PF
PICO	PIMO	PK	PLE	PMTA	POST	PPM	PROUD	PTL	RCI	RJH
ROJNA	RPC	RPH	SF	SGF	SGP	SKN	SLP	SMART	SOLAR	SPG
SQ	SSP	STI	SUPER	SVOA	TCCC	THE	THMUI	TIC	TIGER	TNH
TOPP	TPCH	TPIPP	TPLAS	TQM	TTI	TYCN	UTP	VCOM	VIBHA	VPO
WIN	WORK	WP	WPH	ZIGA						

Score Range	Number of Logo	Description
90-100		Excellent
80-89		Very Good
70-79		Good
60-69		Satisfactory
50-59		Pass
Less than 50	No logo given	-

Disclaimer:
The disclosure of the survey results of the Thai Institute of Directors Association ('IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information.
The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey results may be changed after that date. FSS International Investment Advisory Company Limited does not confirm nor certify the accuracy of such survey results.
* CGR scoring should be considered with news regarding wrong doing of the company or director or executive of the company such unfair practice on securities trading, fraud, and corruption SEC imposed a civil sanction against insider trading of director and executive; ** delisted

Source: Thai Institute of Directors Association (IOD); FSSIA's compilation

Anti-corruption Progress Indicator

CERTIFIED										
ADVANC	AIE	AKP	AMANAH	AP	APCS	AQUA	ARROW	ASK	ASP	AYUD
BAFS	BANPU	BAY	BBL	BCH	BCP	BCPG	BGRIM	BJCHI	BKI	BLA
BROOK	BRR	BSBM	BTS	BWG	CEN	CENTEL	CFRESH	CGH	CHEWA	CIG
CIMBT	CM	COM7	CPALL	CPF	CPI	CPN	CSC	DCC	DEMCO	DIMET
DRT	DTAC	DTC	EASTW	ECL	EGCO	FE	FNS	FSS	GBX	GC
GCAP	GEL	GFPT	GGC	GJS	GOLD	GPSC	GSTEEL	GUNKUL	HANA	HARN
HMPRO	HTC	ICC	IFS	INET	INSURE	INTUCH	IRPC	IVL	K	KASET
KBANK	KBS	KCAR	KCE	KGI	KKP	KSL	KTB	KTC	KWC	L&E
LANNA	LHK	LPN	LRH	M	MAKRO	MALEE	MBAX	MBK	MBKET	MC
MCOT	MFC	MINT	MONO	MOONG	MSC	MTI	NBC	NINE	NKI	NMG
NNCL	NSI	OCC	OCEAN	OGC	PAP	PATO	PB	PCSGH	PDG	PDI
PDJ	PE	PG	PHOL	PL	PLANB	PLANET	PLAT	PM	PPP	PPS
PREB	PRG	PRINC	PSH	PSTC	PT	PTG	PTT	PTTEP	PTTGC	PYLON
Q-CON	QH	QLT	QTC	RATCH	RML	S & J	SABINA	SAT	SC	SCB
SCC	SCCC	SCG	SCN	SE-ED	SELIC	SENA	SGP	SIRI	SIS	SITHAI
SMIT	SMK	SMPC	SNC	SNP	SORKON	SPACK	SPC	SPI	SPRC	SRICHA
SSF	SSI	SSSC	SST	STA	SUSCO	SVI	SYNTEC	TASCO	TCAP	TFG
TFI	TFMAMA	THANI	THCOM	THIP	THRE	THREL	TIP	TIPCO	TISCO	TKT
TMB	TMD	TMILL	TMT	TNITY	TNL	TNP	TNR	TOG	TOP	TPA
TPCORP	TRU	TRUE	TSC	TSTH	TTCL	TU	TVD	TVI	TWPC	U
UBIS	UEC	UKEM	UOBKH	VGI	VIH	VNT	WACOAL	WHA	WICE	WIIK

DECLARED										
2S	ABICO	AF	AI	AIRA	ALT	AMA	AMARIN	AMATA	ANAN	B
BM	BPP	BUI	CHG	CHO	CHOTI	CHOW	CI	CMC	COL	DDD
DELTA	EFORL	EPCO	ESTAR	ETE	FPI	FTE	ICHI	INOX	IRC	ITEL
JAS	JSP	JTS	KWG	LDC	LIT	META	MFEC	MPG	NEP	NOK
NWR	ORI	PRM	PSL	ROJNA	RWI	SAAM	SAPPE	SCI	SEAOIL	SHANG
SKR	SPALI	STANLY	SYNEX	TAE	TAKUNI	TMC	TOPP	TPP	TRITN	TVO
UV	UWC	WHAUP	XO	YUASA	ZEN					

Level	
Certified	This level indicates practical participation with thoroughly examination in relation to the recommended procedures from the audit committee or the SEC's certified auditor, being a certified member of Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) or already passed examination to ensure independence from external parties.
Declared	This level indicates determination to participate in the Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC)

Disclaimer:
The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by Thaipat Institute, is made in order to comply with the policy and sustainable development plan for the listed companies of th e Office of the Securities and Exchange Commission. Thaipat Institute made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company . The assessment result is therefore made from the perspective of Thaipat Institute that is a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, FSS International Investment Advisory Company Limited does not confirm, verify, or certify the accuracy and completeness of the assessment results.

Note: Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of June 24, 2019) are categorised into: 1) companies that have declared their intention to join CAC, and; 2) companies certified by CAC.

Source: The Securities and Exchange Commission, Thailand; * FSSIA's compilation

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Teerapol Udomvej, CFA FSS International Investment Advisory Securities Co., Ltd

The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed herein.

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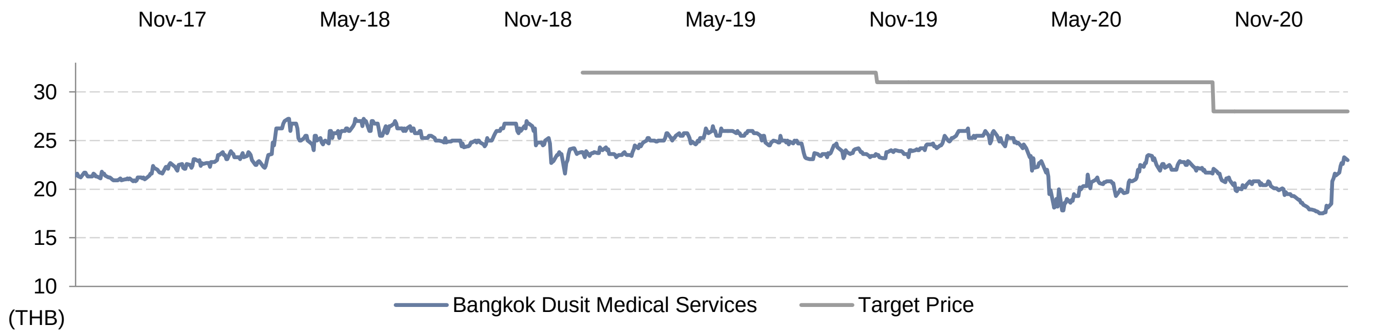
 Investment in securities has risks. Investors are advised to consider carefully before making investment decisions.

History of change in investment rating and/or target price

Bangkok Dusit Medical Services (BDMS TB)



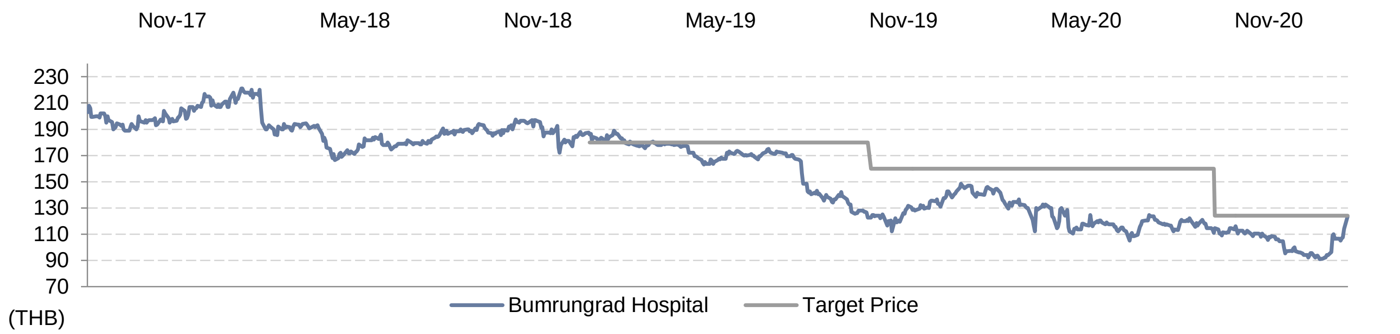
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
05-Feb-2019	BUY	32.00	02-Apr-2020	BUY	31.00	-	-	-
16-Oct-2019	BUY	31.00	30-Jul-2020	BUY	28.00			

Teerapol Udomvej, CFA Started covering this stock from 30-Jul-2020

Price and TP are in local currency

Source: FSSIA estimates

Bumrungrad Hospital (BH TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
05-Feb-2019	HOLD	180.00	02-Apr-2020	BUY	160.00	-	-	-
07-Oct-2019	BUY	160.00	30-Jul-2020	HOLD	124.00			

Teerapol Udomvej, CFA Started covering this stock from 30-Jul-2020

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Bangkok Dusit Medical Services	BDMS TB	THB 23.00	BUY	Downside risks to our DCF-based target price include 1) a slowdown in international patients due to economic concerns, political protests or floods; 2) regulatory risks from drug price and medical bill controls; and 3) higher-than-expected capex and opex for CoE projects.
Bumrungrad Hospital	BH TB	THB 123.50	HOLD	Downside risks to our DCF-based target price include 1) a slowdown in international patients due to economic concerns, political protests or floods; 2) regulatory risks from drug prices and medical bill controls; and 3) higher medical fee discount promotions, leading to a weaker EBITDA margin. Upside risk is the earlier-than-expected recovery of international patient numbers.

Source: FSSIA estimates

Additional Disclosures

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finansia Syrus Securities Public Company Limited

FSSIA may incorporate the recommendations and target prices of companies currently covered by FSS Research into equity research reports, denoted by an 'FSS' before the recommendation. FSS Research is part of Finansia Syrus Securities Public Company Limited, which is the parent company of FSSIA.

All share prices are as at market close on 23-Nov-2020 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as (target price* - current price) / current price.

BUY (B). The upside is 10% or more.
HOLD (H). The upside or downside is less than 10%.
REDUCE (R). The downside is 10% or more.
Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

Industry Recommendations

Overweight. The analyst expects the fundamental conditions of the sector to be positive over the next 12 months.
Neutral. The analyst expects the fundamental conditions of the sector to be maintained over the next 12 months.
Underweight. The analyst expects the fundamental conditions of the sector to be negative over the next 12 months.

Country (Strategy) Recommendations

Overweight (O). Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Neutral (N). Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Underweight (U). Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.