

6 JANUARY 2021

THAILAND / HEALTHCARE

BANGKOK DUSIT MEDICAL SERVICES

BDMS TB

BUY

UNCHANGED

TARGET PRICE	THB27.00
CLOSE	THB21.20
UP/DOWNSIDE	+27.4%
PRIOR TP	THB27.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+9.4%

Entering 2021 as fit as a fiddle

กำไรอาจพุ่งสูงเป็นประวัติการณ์ในปี 2022 จากอัตรากำไรที่เพิ่มขึ้น

เราคาดว่ากำไรของ BDMS มีแนวโน้มโตต่อเนื่องแม้ว่าจะมีการแพร่ระบาด COVID-19 เป็นรอบที่ 2 BDMS ประสบความสำเร็จในการลดต้นทุนทำให้อัตรากำไรก่อนหักดอกเบี้ย ภาษี ค่าเสื่อมและค่าตัดจำหน่าย (EBITDA margin) สูงทำสถิติใหม่ใน 3Q20 แม้ว่าผู้ป่วยต่างชาติจะหายไปแทบทั้งหมด จากแนวโน้ม EBITDA margin ขาขึ้น เราคาดว่ากำไรของ BDMS จะสูงเกินระดับก่อน COVID ได้ในปี 2022

คาดการณ์กำไรจากการดำเนินงานจะโต 11% q-q เป็น 2.0 พัน ลบ. ใน 4Q20

เราคาดว่ารายได้ของ BDMS จะลดลง 15% y-y ใน 4Q20 (เทียบกับ -23% y-y ใน 3Q20) แม้ว่าเศรษฐกิจจะอ่อนแอ เราคาดว่ารายได้จากผู้ป่วยชาวไทยจะเกือบทรงตัวใน 4Q20 จากการแพร่ระบาดของไวรัส Respiratory Syncytial Virus (RSV) รายได้ผู้ป่วยต่างชาติมีแนวโน้มดีขึ้นจากตัวเลขผู้ป่วยที่เพิ่มขึ้นภายใต้โครงการสถานกักกันในโรงพยาบาลทางเลือก (Alternative Hospital Quarantine หรือ AHQ) จากการตรวจสอบของเรา ผู้ป่วยต่างชาติรวมภายใต้โครงการ AHQ สำหรับทุกโรงพยาบาลในประเทศไทยใน 4Q20 อยู่ที่ประมาณ 2,000-2,200 ราย เทียบกับเพียงประมาณ 500 รายใน 3Q20 ทำให้เราคาดว่ารายได้ผู้ป่วยต่างชาติจะลดลง 41% y-y ใน 4Q20 (เทียบกับ -55% y-y ใน 3Q20) EBITDA margin ที่น่าประทับใจของบริษัทฯ ที่ได้รับการควบคุมต้นทุนที่ดีขึ้นอาจจะต่อเนื่องไปในปี 4Q20 ที่ 24% (เทียบกับ 21% ใน 4Q19 และ 24% ใน 3Q20) ในภาพรวม กำไรจากการดำเนินงานอาจโต 11% q-q เป็น 2.0 พัน ลบ. แต่ยังคงลดลง 15% y-y เมื่อรวมกับกำไรพิเศษจำนวน 1.1 พัน ลบ. จากการขายหุ้น BH เราคาดว่ากำไรสุทธิของบริษัทฯ ใน 4Q20 จะอยู่ที่ 3.1 พัน ลบ.

ผลกระทบต่ำจากการแพร่ระบาด COVID-19 ในรอบที่ 2

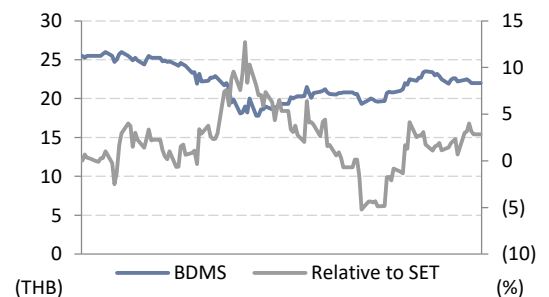
นักลงทุนยังมีความกังวลเกี่ยวกับปัญหาการแพร่ระบาด COVID-19 ในรอบที่ 2 ในประเทศไทย อย่างไรก็ตาม เราเชื่อว่าผลกระทบควรอยู่ในระดับต่ำ เทียบกับการแพร่ระบาดครั้งแรกใน 2Q20 ในไตรมาสดังกล่าวแพทย์สภาได้ประกาศห้ามการผ่าตัดที่ไม่ฉุกเฉินในโรงพยาบาล ในขณะที่ยังไม่มีการประกาศในลักษณะดังกล่าวในขณะนี้ นอกจากนี้ผู้ป่วยชาวไทยยังมีความมั่นใจมากขึ้นเกี่ยวกับการไปโรงพยาบาลเมื่อเทียบกับการแพร่ระบาดครั้งแรก เราเห็นว่าราคาที่ดีต่ำเป็นโอกาสในการสะสมหุ้นก่อนการฟื้นตัวของกำไรของบริษัทฯ ที่เราคาดว่าอยู่ที่ 28% CAGR ในช่วงปี 2020-23

ข้อขายที่ -1.5 SD ต่ำกว่าค่าเฉลี่ย 5 ปี

เราปรับคาดการณ์กำไรจากการดำเนินงานในปี 2020 ของเราเพื่อสะท้อนประมาณการใน 4Q20 แต่คงราคาเป้าหมายของเราที่ 27 บาท (DCF, 8.1% WACC, 3% LTG) BDMS มีการซื้อขายในระดับราคาที่น่าสนใจ โดยคิดเป็นค่า 2021E EV/EBITDA ที่ 18x ซึ่งต่ำกว่าค่าเฉลี่ย 5 ปีย้อนหลังที่ 22x เราเห็นโอกาสที่ราคาหุ้นจะได้ปัจจัยบวกจากการฟื้นตัวของตัวเลขผู้ป่วยต่างชาติหลังการเปิดประเทศใน 3Q21 และ EBITDA margin ที่อยู่ในระดับสูงใน 4Q20

KEY STOCK DATA

YE Dec (THB m)	2019	2020E	2021E	2022E
Revenue	83,774	69,308	79,682	93,695
Net profit	15,517	7,946	8,849	11,934
EPS (THB)	0.98	0.50	0.56	0.75
vs Consensus (%)	-	24.1	4.3	14.7
EBITDA	18,579	15,856	18,452	22,634
Core net profit	10,053	6,832	8,849	11,934
Core EPS (THB)	0.63	0.43	0.56	0.75
Chg. In EPS est. (%)	-	2.7	0.0	0.0
EPS growth (%)	1.8	(32.0)	29.5	34.9
Core P/E (x)	33.5	49.3	38.1	28.2
Dividend yield (%)	2.1	1.4	1.9	1.6
EV/EBITDA (x)	19.3	21.4	18.2	14.5
Price/book (x)	4.0	3.9	3.8	3.5
Net debt/Equity (%)	21.5	(2.2)	(6.6)	(14.5)
ROE (%)	13.0	8.0	10.0	12.9



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(4.1)	8.7	(16.0)
Relative to country (%)	(7.7)	(10.3)	(11.1)
Mkt cap (USD m)	11,252		
3m avg. daily turnover (USD m)	29.5		
Free float (%)	65		
Major shareholder	Prasert Prasatthongsoj (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 6 มกราคม 2021

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. FCFE should accelerate, based on our estimates, and this would provide an upside to its dividend payouts.

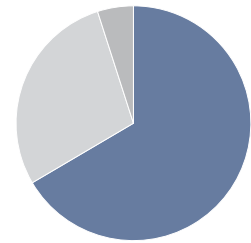
Company profile

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)

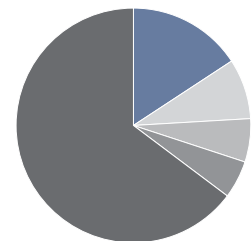
- Thai patient revenue - 66.5 %
- International patient revenue - 28.5 %
- Other revenue - 4.9 %



Source: Bangkok Dusit Medical Services

Major shareholders

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



Source: Bangkok Dusit Medical Services

Catalyst

Key potential 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	(18)	13	14
OPD revenue / patient growth	2	2	3
IPD volume growth	(26)	17	15
IPD revenue / patient growth	9	(2)	3

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in patient volume, we project 2021 earnings to rise by 2%, and vice versa, all else being equal.
- For every 1% increase in EBITDA margin, we project 2021 earnings to rise by 10%, and vice versa, all else being equal.

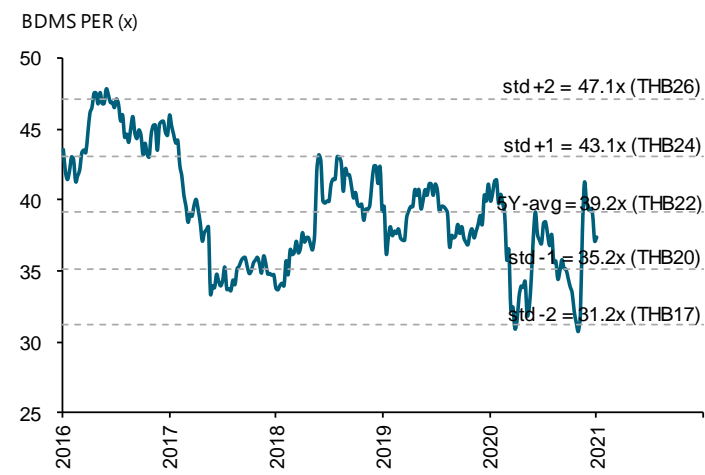
Source: FSSIA estimates

Valuation is attractive in all aspects

First, compared to its historical level, BDMS is trading lower than its 5-year average in all multiples. It is trading at 38x 2021E P/E (vs 39x 5-year average), 3.8x 2021E P/BV (vs 4.8x 5-year average) and 18x 2021E EV/EBITDA (vs 22x 5-year average).

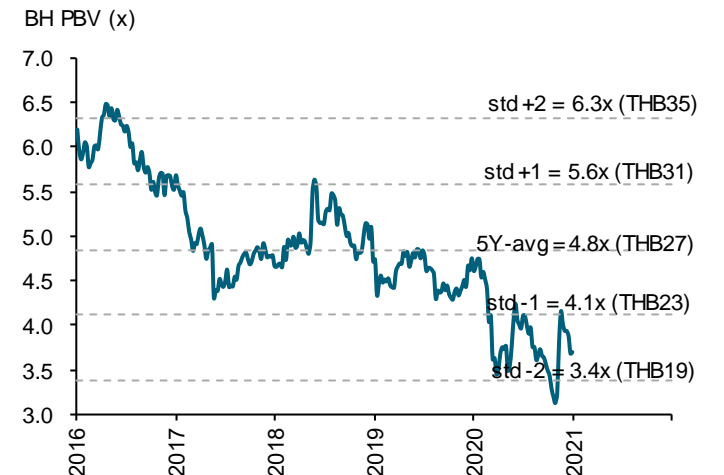
Second, BDMS' share price has underperformed other Thai hospitality stocks (hotel providers and healthcare providers) over the past six months. We see it as a decent catch-up play, considering that 1) its share price is still below its end-2019 level by 18%; 2) it has suffered a limited impact from the COVID-19 outbreak – it had a 30% revenue contribution from international patients in 2019 (15% fly-in international patients); and 3) its EBITDA margin hit a record high in 3Q20 despite the weak international patient revenue.

Exhibit 1: One-year prospective P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 2: One-year prospective P/BV band



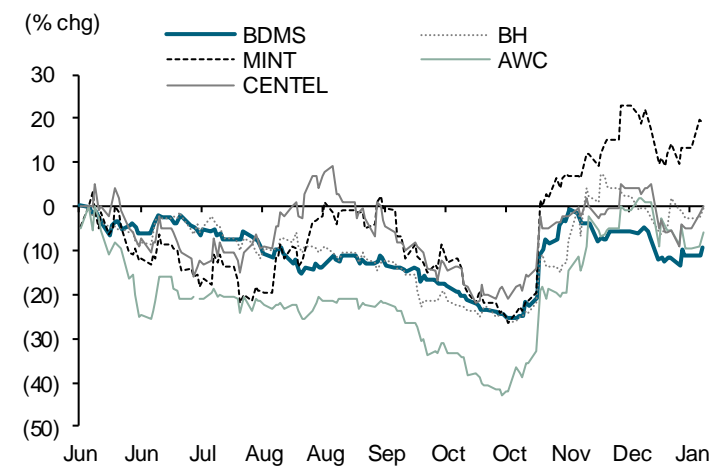
Sources: Bloomberg; FSSIA estimates

Exhibit 3: One-year prospective EV/EBITDA band



Sources: Bloomberg; FSSIA estimates

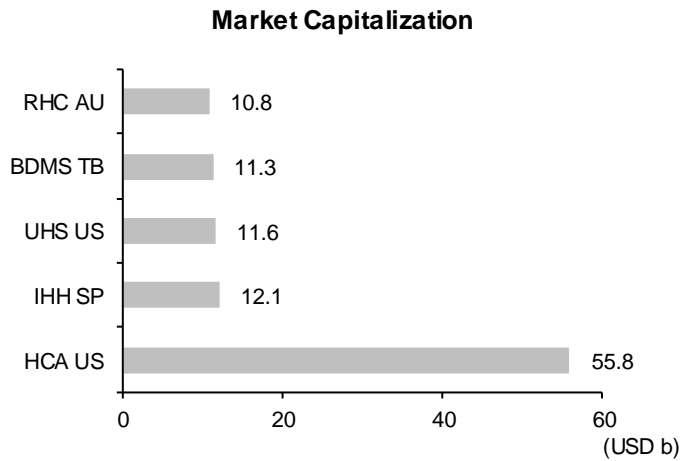
Exhibit 4: Share price performance of hospitality stocks over the past six months



Source: Bloomberg

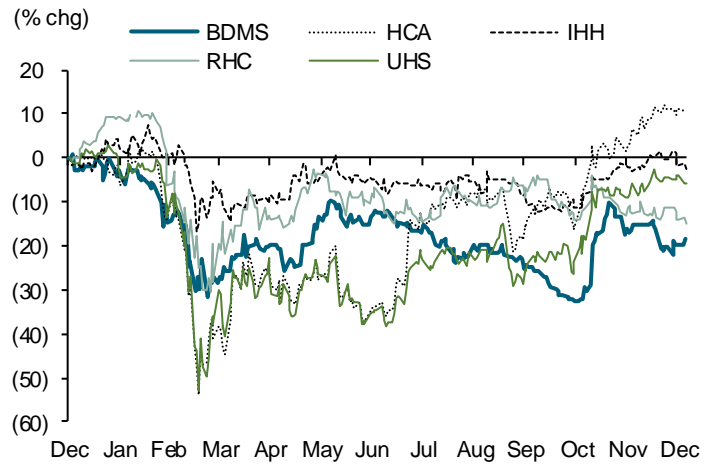
Lastly, we also compared the top five global healthcare providers in terms of market capitalization. BDMS also underperformed those stocks in 2020. In our view, this suggests a limited downside to the stock. BDMS' share price should convert to its historical mean when international patient numbers start to recover, which we expect to occur in 2H21, and we think it deserves to trade at a premium thanks to its improving EBITDA margin.

Exhibit 5: Top five global healthcare providers



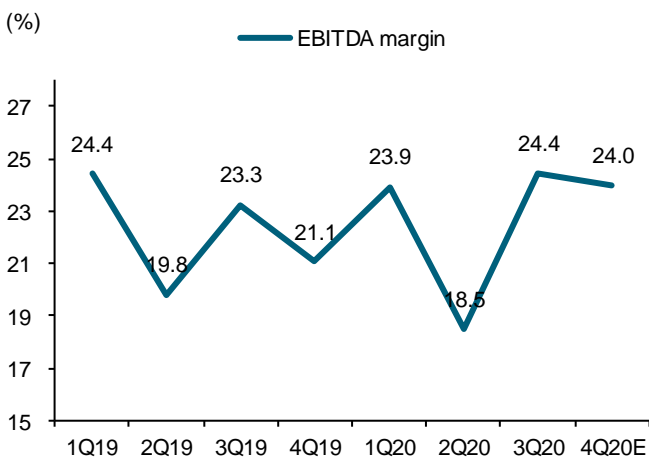
Source: Bloomberg

Exhibit 6: Share price performance over 2020 for top five global healthcare providers



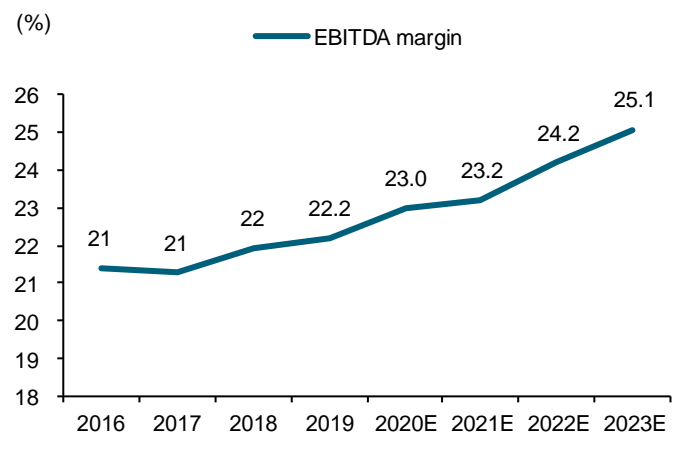
Source: Bloomberg

Exhibit 7: EBITDA margin recovery trend



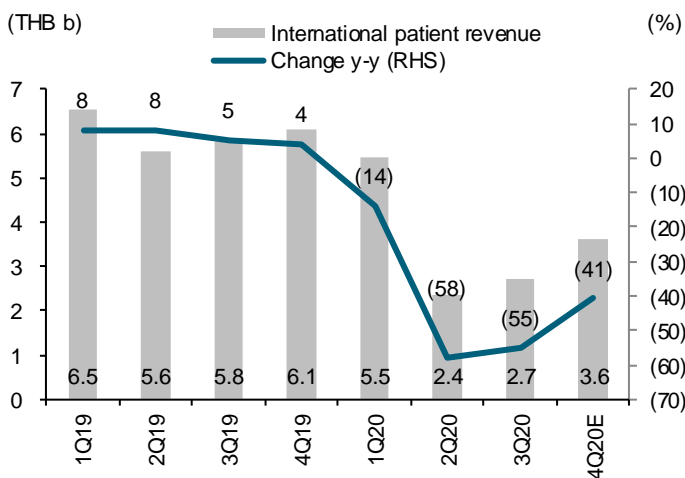
Sources: BDMS; FSSIA estimates

Exhibit 8: EBITDA margin is in an upward trend



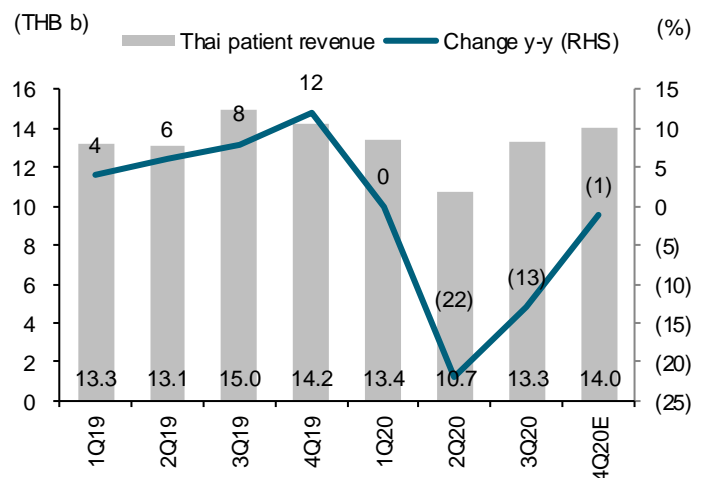
Sources: BDMS; FSSIA estimates

Exhibit 9: International patient revenue



Sources: BDMS; FSSIA estimates

Exhibit 10: Thai patient revenue



Sources: BDMS; FSSIA estimates

Exhibit 11: 4Q20E results preview

	4Q19	1Q20	2Q20	3Q20	4Q20E	-----Change-----		2019	2020E	% chg
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)
Sales	21,479	20,003	13,977	16,976	18,352	8	(15)	83,774	69,308	(17)
COGS (incl. depreciation)	(13,810)	(13,034)	(9,853)	(11,169)	(12,135)	9	(12)	(53,907)	(46,192)	(14)
Gross profit	7,668	6,969	4,124	5,807	6,217	7	(19)	29,867	23,116	(23)
SG&A	(4,641)	(3,773)	(3,131)	(3,272)	(3,506)	7	(24)	(17,040)	(13,682)	(20)
Operating profit¹	3,027	3,196	992	2,534	2,711	7	(10)	12,827	9,434	(26)
Net other income	2	0	5	14	18	31	1,009	11	37	229
Interest income	15	11	12	4	12	177	(20)	110	39	(64)
Interest expense	(206)	(228)	(218)	(215)	(197)	(8)	(4)	(929)	(858)	(8)
Pretax profit	2,837	2,979	791	2,338	2,544	9	(10)	12,019	8,653	(28)
Income tax	(593)	(506)	(226)	(482)	(500)	4	(16)	(2,495)	(1,713)	(31)
Associates	247	218	(37)	66	79	18	(68)	1,022	326	(68)
Minority interest	(119)	(123)	(71)	(122)	(117)	(3)	(1)	(492)	(433)	(12)
Core profit	2,373	2,568	458	1,801	2,006	11	(15)	10,054	6,832	(32)
Extraordinaries, GW & FX	(50)				1,114			5,463	1,114	n/a
Reported net profit	2,323	2,568	458	1,801	3,120	73	34	15,517	7,946	(49)
Outstanding shares (m)	15,892	15,892	15,892	15,892	15,892	0	0	15,892	15,892	0
Core EPS (THB)	0.15	0.16	0.03	0.11	0.13	11	(15)	0.64	0.43	(32)
EPS (THB)	0.15	0.16	0.03	0.11	0.20	73	34	0.99	0.50	(49)
COGS excl. depreciation	12,311	11,441	8,259	9,554	10,517	10	(15)	48,155	39,770	(17)
Depreciation	1,499	1,593	1,595	1,615	1,618	0	8	5,752	6,421	12
EBITDA ²	4,527	4,790	2,587	4,149	4,330	60	(18)	18,579	15,856	(15)
Key ratios	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)	(%)	(ppt)
Gross margin	36	35	30	34	34	(0)	(2)	36	33	(2)
SG&A/Revenue	22	19	22	19	19	(0)	(3)	20	20	(1)
EBITDA margin	21	24	19	24	24	(1)	3	22	23	1
Net profit margin	11	13	3	11	17	6	6	19	11	(7)
Operating stats	(%)	(%)	(%)	(%)	(%)					
OPD revenue growth y-y	7	(2)	(25)	(16)	n/a					
OPD volume growth y-y	5	(4)	(26)	(15)	n/a					
OPD revenue per head growth y-y	2	2	1	(1)	n/a					
IPD revenue growth y-y	11	(6)	(34)	(28)	n/a					
IPD volume growth y-y	11	(10)	(45)	(39)	n/a					
IPD revenue per head growth y-y	1	4	20	18	n/a					
Thai revenue growth y-y	12	0	(22)	(13)	(1)					
International revenue growth y-y	4	(14)	(58)	(55)	(41)					

1) Gross profit calculated by revenue – COGS including depreciation; 2) EBITDA calculated by operating profit + operating income – depreciation

Sources: BDMS; FSSIA estimates

Exhibit 12: Peer comparisons as of 5 Jan 2021

Year to Dec	BBG	Rec	---- Share price ----		Upside	Market	----- PE -----		---- ROE ----		-- EV/EBITDA --	
Company			Current	Target	(down)	Cap	20E	21E	20E	21E	20E	21E
			(Lcl)	(Lcl)	(%)	(USD m)	(x)	(x)	(%)	(%)	(x)	(x)
Thailand												
Bangkok Dusit Med Services	BDMS TB	BUY	21.20	27.00	27.4	11,252	49.3	38.1	8.0	10.0	21.5	18.2
Bumrungrad Hospital Pcl	BH TB	BUY	123.00	150.00	22.0	3,264	80.5	47.7	6.7	11.2	35.9	23.5
Bangkok Chain Hospital	BCH TB	BUY	13.90	20.00	43.9	1,158	28.5	25.4	18.5	18.8	16.8	15.0
Chularat Hospital Pcl	CHG TB	BUY	2.50	3.30	32.0	918	35.8	29.6	20.1	22.6	22.0	18.3
Praram 9 Hospital Pcl	PR9 TB	BUY	9.30	12.00	29.0	244	38.3	26.0	4.7	6.7	15.3	10.4
Thonburi Healthcare Group	THG TB	HOLD	26.00	20.50	(21.2)	733	nm	76.3	(0.1)	3.6	36.2	25.5
Vibhavadi Medical Center	VIBHA TB	HOLD	1.48	1.55	4.7	671	58.3	35.2	4.9	7.6	28.9	22.2
Rajthanee Hospital*	RJH TB	n/a	23.60	n/a	n/a	237	20.5	19.1	25.2	25.1	13.4	12.4
Ekachai Medical Care*	EKH TB	n/a	5.65	n/a	n/a	112	77.4	39.5	5.3	10.1	28.4	17.5
Thailand average						18,590	48.6	37.4	10.4	12.9	24.3	18.1
Regional												
Ramsay Health Care*	RHC AU	n/a	61.78	n/a	n/a	10,776	35.3	30.6	11.9	11.1	14.6	11.4
IHH Healthcare Bhd*	IHH SP	n/a	1.81	n/a	n/a	12,061	87.5	51.5	1.9	4.2	23.4	17.8
Ryman Healthcare*	RYM NZ	n/a	15.50	n/a	n/a	5,525	30.3	30.6	11.2	8.7	29.8	33.5
Apollo Hospitals Enterprise*	APHS IN	n/a	2,509.45	n/a	n/a	4,769	96.8	n/a	9.4	0.6	25.2	34.9
Kpj Healthcare Berhad*	KPJ MK	n/a	1.00	n/a	n/a	1,061	33.2	24.9	6.9	8.8	14.1	12.0
Raffles Medical Group*	RFMD SP	n/a	0.98	n/a	n/a	1,387	42.6	33.8	5.1	6.7	21.3	18.3
Mitra Keluarga Karyasehat*	MIKA IJ	n/a	2,810.00	n/a	n/a	2,878	55.9	47.4	15.1	16.1	35.5	30.9
Aier Eye Hospital*	300015 CH	n/a	69.06	n/a	n/a	44,087	159.1	119.5	21.8	24.3	91.9	70.1
Regional average						82,543	67.6	48.3	10.4	10.0	32.0	28.6
Overall average						101,133	58.1	42.2	10.4	11.5	27.9	23.1

Sources: *Bloomberg; 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	69,308	79,682	93,695
Cost of goods sold	(45,116)	(48,155)	(39,770)	(45,580)	(52,940)
Gross profit	33,173	35,619	29,538	34,102	40,755
Other operating income	-	-	-	-	-
Operating costs	(15,998)	(17,040)	(13,682)	(15,650)	(18,121)
Operating EBITDA	17,175	18,579	15,856	18,452	22,634
Depreciation	(5,386)	(5,752)	(6,421)	(6,698)	(7,187)
Goodwill amortisation	-	-	-	-	-
Operating EBIT	11,788	12,827	9,434	11,754	15,448
Net financing costs	(1,107)	(819)	(819)	(222)	(25)
Associates	1,690	1,022	326	89	98
Recurring non operating income	1,706	1,032	363	130	143
Non recurring items	(727)	5,464	1,114	0	0
Profit before tax	11,660	18,504	10,093	11,662	15,565
Tax	(2,013)	(2,494)	(1,713)	(2,315)	(3,093)
Profit after tax	9,647	16,009	8,379	9,347	12,472
Minority interests	(456)	(492)	(433)	(498)	(538)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	9,191	15,517	7,946	8,849	11,934
Non recurring items & goodwill (net)	727	(5,464)	(1,114)	0	0
Recurring net profit	9,918	10,053	6,832	8,849	11,934
Per share (THB)					
Recurring EPS *	0.62	0.63	0.43	0.56	0.75
Reported EPS	0.59	0.98	0.50	0.56	0.75
DPS	0.36	0.44	0.30	0.41	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	(17.3)	15.0	17.6
Operating EBITDA (%)	11.0	8.2	(14.7)	16.4	22.7
Operating EBIT (%)	14.4	8.8	(26.4)	24.6	31.4
Recurring EPS (%)	23.7	1.8	(32.0)	29.5	34.9
Reported EPS (%)	(11.0)	66.5	(48.8)	11.4	34.9
Operating performance					
Gross margin inc depreciation (%)	35.5	35.7	33.4	34.4	35.8
Gross margin of key business (%)	35.5	35.7	33.4	34.4	35.8
Operating EBITDA margin (%)	21.9	22.2	22.9	23.2	24.2
Operating EBIT margin (%)	15.1	15.3	13.6	14.8	16.5
Net margin (%)	12.7	12.0	9.9	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	69.8	73.3	44.5
Interest cover (X)	12.2	16.9	12.0	53.5	614.8
Inventory days	14.2	13.8	15.4	13.1	13.0
Debtor days	33.8	35.7	47.9	43.9	39.0
Creditor days	40.2	42.4	50.2	42.5	42.2
Operating ROIC (%)	13.7	13.9	10.1	12.7	17.0
ROIC (%)	10.0	9.6	7.4	9.9	13.1
ROE (%)	14.9	13.0	8.0	10.0	12.9
ROA (%)	8.8	8.4	5.9	7.4	10.0
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue By Division (THB m)					
Thai patient revenue	52,000	55,741	48,057	55,433	67,633
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	6,832	8,849	11,934
Depreciation	5,386	5,752	6,421	6,698	7,187
Associates & minorities	-	-	-	-	-
Other non-cash items	117	6,341	1,393	367	490
Change in working capital	851	(718)	(2,581)	1,007	1,590
Cash flow from operations	16,272	21,429	12,066	16,921	21,201
Capex - maintenance	(8,157)	(9,579)	(2,651)	(6,277)	(7,448)
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)	13,525	(6,277)	(7,448)
Dividends paid	(5,594)	(6,941)	(4,768)	(6,483)	(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)	(22,483)	(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)	19,823	(11,839)	4,344
Free cash flow to firm (FCFF)	2,559.81	17,948.13	26,448.49	11,069.68	13,886.33
Free cash flow to equity (FCFE)	1,595.78	1,239.39	24,590.56	(5,355.73)	9,653.18

Per share (THB)

FCFF per share	0.16	1.13	1.66	0.70	0.87
FCFE per share	0.10	0.08	1.55	(0.34)	0.61
Recurring cash flow per share	0.98	1.39	0.92	1.00	1.23

Balance Sheet (THB m) Year Ending Dec	2018	2019	2020E	2021E	2022E
Tangible fixed asset (gross)	120,436	128,953	131,725	138,100	145,595
Less: Accumulated depreciation	(45,623)	(50,159)	(56,581)	(63,279)	(70,465)
Tangible fixed assets (Net)	74,813	78,794	75,145	74,821	75,130
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	25,419	13,580	17,924
A/C receivable	7,545	8,850	9,335	9,813	10,188
Inventories	1,786	1,843	1,522	1,745	2,027
Other current assets	17	36	30	34	40
Current assets	15,198	16,325	36,306	25,172	30,178
Other assets	1,502	1,655	1,689	1,722	1,722
Total assets	133,499	133,662	133,851	122,427	127,742
Common equity	70,320	83,813	86,992	89,358	95,983
Minorities etc.	3,118	3,368	3,801	4,299	4,837
Total Shareholders' equity	73,438	87,182	90,793	93,657	100,820
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	4,947	5,670	6,585
Short term debt	15,182	5,283	5,283	4,283	3,283
Other current liabilities	8,125	7,990	6,610	7,600	8,936
Current liabilities	28,499	19,263	16,840	17,552	18,805
Total liabilities and shareholders' equity	133,499	133,662	133,851	122,427	127,742
Net working capital	(3,969)	(3,251)	(670)	(1,677)	(3,267)
Invested capital	114,332	114,086	96,874	95,577	94,297

* Includes convertibles and preferred stock which is being treated as debt

Per share (THB)

Book value per share	4.49	5.27	5.47	5.62	6.04
Tangible book value per share	3.29	4.09	4.29	4.43	4.85

Financial strength

Net debt/Equity (%)	46.4	21.5	(2.2)	(6.6)	(14.5)
Net debt/total assets (%)	25.5	14.1	(1.5)	(5.1)	(11.5)
Current ratio (x)	0.5	0.8	2.2	1.4	1.6
CF interest cover (x)	2.4	2.5	31.0	(23.1)	381.7

Valuation	2018	2019	2020E	2021E	2022E
Recurring P/E (x) *	34.1	33.5	49.3	38.1	28.2
Recurring P/E @ target price (x) *	43.5	42.7	62.8	48.5	36.0
Reported P/E (x)	36.1	21.7	42.4	38.1	28.2
Dividend yield (%)	1.7	2.1	1.4	1.9	1.6
Price/book (x)	4.7	4.0	3.9	3.8	3.5
Price/tangible book (x)	6.4	5.2	4.9	4.8	4.4
EV/EBITDA (x) **	21.5	19.3	21.4	18.2	14.5
EV/EBITDA @ target price (x) **	26.8	24.3	27.2	23.2	18.5
EV/invested capital (x)	3.2	3.1	3.5	3.5	3.5

* 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	GGP	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	SEAOL	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	AMANA
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	CENDEL
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	SMP	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	AMANAHA	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	SEOIL	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)

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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

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ANALYST(S) CERTIFICATION

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

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Company	Ticker	Price	Rating	Valuation & Risks
Bangkok Dusit Medical Services	BDMS TB	THB 21.20	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 123.00	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 prices and medical bill controls; and 3) higher medical fee discount promotions, leading to a weaker EBITDA margin.
Bangkok Chain Hospital	BCH TB	THB 13.90	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 prices and medical bill controls; and 3) SSO provision expenses following a limited SSO budget.
Chularat Hospital	CHG TB	THB 2.50	BUY	Downside risks to our DCF-based target price include 1) a slowdown in Thai patient volume due to economic concerns; 2) regulatory risks from drug prices and medical bill controls; and 3) SSO provision expenses following limited budgets from the SSO.
Praram 9 Hospital	PR9 TB	THB 9.30	BUY	Downside risks to our DCF-based target price include 1) weak patient volumes following the economic slowdown; 2) regulatory risks from drug price and medical bill controls; and 3) higher-than-expected expenses from its new building.
Thonburi Healthcare Group	THG TB	THB 26.00	HOLD	Downside risks to our DCF-based target price include 1) weak patient volume following the economic slowdown; 2) regulatory risks from drug prices and medical bill controls; and 3) higher-than-expected expenses from new hospitals. Upside risk is big-lot sales of Jin Wellbeing County units.
Vibhavadi Medical Center	VIBHA TB	THB 1.48	HOLD	Downside risks to our DCF-based target price include 1) a slowdown in Thai patient volume due to economic concerns; 2) regulatory risks from drug prices and medical bill controls; and 3) SSO provision expenses following limited budgets from the SSO. Upside risks include 1) a faster-than-expected patient recovery, especially for Chinese patients which are the main international patients of CMR; and 2) a restructuring of the shareholding structure.

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 Finasia Syrus Securities Public Company Limited

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All share prices are as at market close on 05-Jan-2021 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as $(\text{target price}^* - \text{current price}) / \text{current price}$.

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.