

3 MARCH 2021

THAILAND / HEALTHCARE

BANGKOK DUSIT MEDICAL SERVICES

BDMS TB

BUY

UNCHANGED

TARGET PRICE	THB27.00
CLOSE	THB20.90
UP/DOWNSIDE	+29.2%
PRIOR TP	THB27.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+7.7%

การฟื้นตัวในระดับสูงของโรงพยาบาล Big-cap

ปีแห่งการฟื้นตัวสำหรับทั้งผู้ป่วยชาวไทยและต่างชาติ

เราคาดว่ากำไรของ BDMS จะโตในระดับสูงในปี 2021 จากรายได้ผู้ป่วยชาวไทย ที่ได้ฟื้นตัวสู่ระดับก่อน COVID ไปเรียบร้อยแล้ว และจากผู้ป่วยต่างชาติ ซึ่งเราคาดว่าจะเห็นการความต้องการที่อันไวหลังการเปิดพรมแดน นอกจากนี้ BDMS ยังได้ริเริ่มลดต้นทุนในปี 2020 ซึ่งควรช่วยให้ความสามารถในการทำกำไรดีขึ้นในอนาคต

EBITDA margin จะดีขึ้นต่อเนื่อง

ในปีประชุมนักวิเคราะห์ในวันนี้ ผู้บริหารได้ให้รายละเอียดที่มากยิ่งขึ้นสำหรับผลประกอบการ 4Q20 ของบริษัท ซึ่งมี EBITDA margin ลดลงเหลือ 19% จาก 24% ใน 3Q20 ตัวเลขที่ลดลงดังกล่าวเกิดจากเงินโบนัสจำนวน 850 ลบ. ที่จ่ายให้แก่พนักงาน เมื่อหักรายการดังกล่าวออก EBITDA margin ของบริษัท จะอยู่ที่ 24% เราเห็นว่าคำอธิบายดังกล่าวควรช่วยลดความกังวลของตลาดอันเกี่ยวกับการฟื้นตัวของ EBITDA margin ของ BDMS และทำให้เราคาดว่า EBITDA margin จะดีขึ้นต่อเนื่องจาก 21.6% ในปี 2020 เป็น 24.2% ในปี 2023

คาดการณ์กำไรจากการดำเนินงานจะโตได้ถึง 27% CAGR ในช่วง 3 ปีข้างหน้า

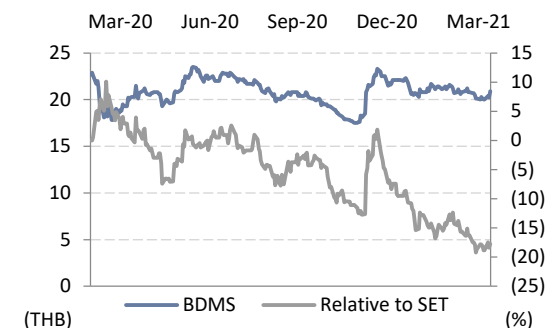
เราคาดว่ารายได้ของ BDMS จะโต 7% ในปี 2021 พร้อมรายได้จากผู้ป่วยชาวไทยที่จะโต 7% y-y ด้วยเช่นกัน ในขณะที่เราคาดว่ารายได้จากผู้ป่วยต่างชาติจะลดลง 11% y-y อย่างไรก็ตาม เราเห็นว่าตัวเลขที่ลดลงดังกล่าวน่าจะเกิดจากฐานที่สูงใน 1Q21 เป็นหลัก เราคาดว่ารายได้จากผู้ป่วยต่างชาติจะกระโดดขึ้น 23% y-y ในช่วง 2H21 ตามการเปิดพรมแดนของไทย ซึ่งอาจเกิดขึ้นใน 3Q21 สมมติฐานของเราอยู่ในระดับต่ำ เมื่อพิจารณาจากข้อเท็จจริงที่ว่าประมาณการรายได้จากผู้ป่วยต่างชาติในปี 2021 ของเราคิดเป็นเพียง 54% ของตัวเลขในปี 2019 ทำให้เราคาดว่ากำไรจากการดำเนินงานของ BDMS จะก้าวกระโดดถึง 18% ในปี 2021 และโตถึง 27% CAGR ในช่วงปี 2020-23

หุ้นมีปัจจัยบวกหลายประการ ในขณะที่มีการซื้อขายด้วยการประเมินมูลค่าที่อยู่ในระดับต่ำ

เราปรับลดประมาณการกำไรจากการดำเนินงานในปี 2021 ลง 20% เพื่อสะท้อนการเปิดพรมแดนที่ช้ากว่าคาดและผลกระทบจากการระบาด COVID รอบที่สอง อย่างไรก็ตาม เราปรับเพิ่มประมาณการปี 2023 ขึ้น 2% เนื่องจากเราเห็นสัญญาณการฟื้นตัวของ EBITDA margin ทำให้ราคาเป้าหมายของเรายังเท่าเดิมที่ 27 บาท (8.1% WACC, 3% LTG) BDMS มีการซื้อขายด้วยระดับการประเมินมูลค่าที่ต่ำเพียง 15x ของค่า 2022E EV/EBITDA ซึ่งต่ำกว่าค่าเฉลี่ยย้อนหลัง 5 ปีที่ 22x ในขณะที่มีปัจจัยบวกต่อราคาหุ้นประกอบด้วย 1) การฉีกตัวขึ้นในประเทศไทย; 2) การเป็นพันธมิตรกับ Ping An Health Insurance เพื่อเพิ่มรายได้จากผู้ป่วยชาวจีน; และ 3) โครงการลงทุนใหม่เนื่องจาก BDMS มีฐานะทางการเงินที่มั่นคงโดยมีสัดส่วนหนี้สินต่อทุนสุทธิที่เพียง 0.1x ณ สิ้นไตรมาส 4Q20 และมีเงินสดในมือสูงถึง 19.7 พัน ลบ.

KEY STOCK DATA

YE Dec (THB m)	2020	2021E	2022E	2023E
Revenue	69,057	73,649	87,973	96,719
Net profit	7,214	7,106	10,561	12,288
EPS (THB)	0.45	0.45	0.66	0.77
vs Consensus (%)	-	(13.3)	4.3	13.2
EBITDA	14,938	16,520	20,965	23,436
Core net profit	6,045	7,106	10,561	12,288
Core EPS (THB)	0.38	0.45	0.66	0.77
Chg. In EPS est. (%)	nm	(19.7)	(11.5)	nm
EPS growth (%)	(39.9)	17.5	48.6	16.4
Core P/E (x)	54.9	46.7	31.4	27.0
Dividend yield (%)	1.4	3.3	1.3	1.9
EV/EBITDA (x)	22.8	20.7	15.9	14.0
Price/book (x)	3.8	4.0	3.7	3.5
Net debt/Equity (%)	5.0	6.7	(3.0)	(10.1)
ROE (%)	7.0	8.3	12.1	13.2



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	0.5	(3.7)	(7.9)
Relative to country (%)	(3.5)	(10.2)	(18.0)
Mkt cap (USD m)	10,964		
3m avg. daily turnover (USD m)	24.9		
Free float (%)	65		
Major shareholder	Prasert Prasatthongsoj (16%)		
12m high/low (THB)	23.70/15.60		
Issued shares (m)	15,892.00		

Sources: Bloomberg consensus; FSSIA estimates



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บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 3 มีนาคม 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 24% 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 2020 net D/E of only 0.1x. FCFE should accelerate, based on our estimates, and this would provide an upside to its dividend payouts.

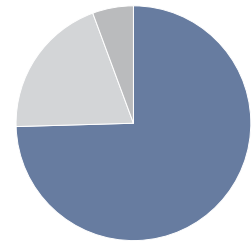
Company profile

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, 2020)

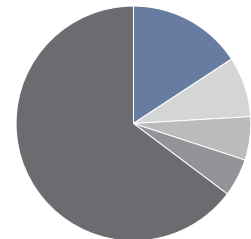
- Thai patient revenue - 74.5 %
- International patient revenue - 19.8 %
- Other revenue - 5.6 %



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
May 2021	1Q21 results announcement

Key assumptions

	2021E	2022E	2023E
	(%)	(%)	(%)
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

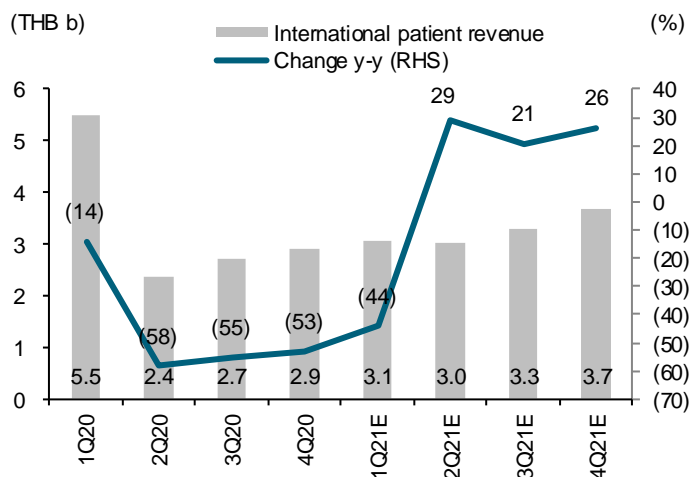
Source: FSSIA estimates

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.

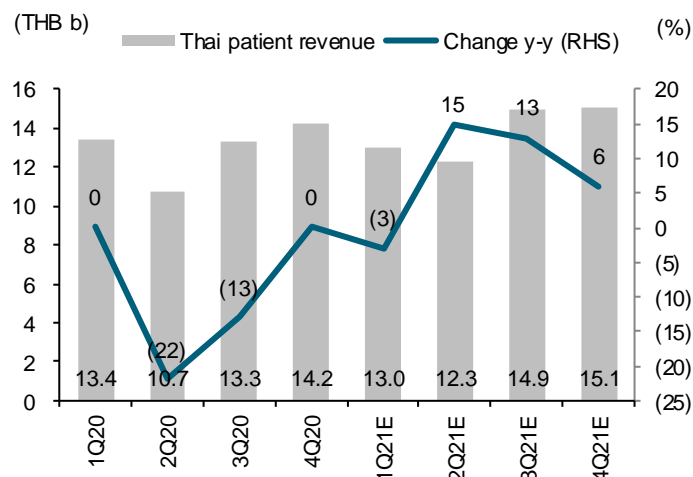
Source: FSSIA estimates

Exhibit 1: International patient revenue



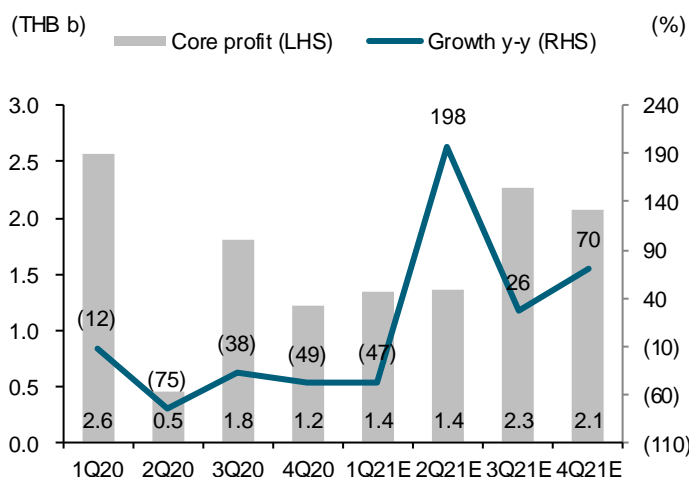
Sources: BDMS; FSSIA estimates

Exhibit 2: Thai patient revenue



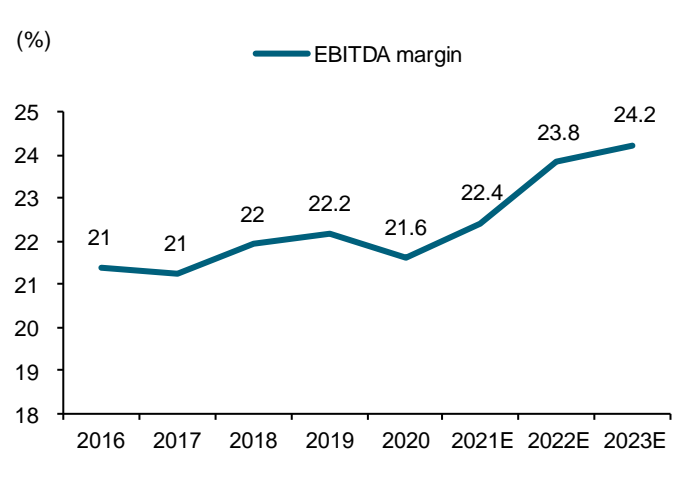
Sources: BDMS; FSSIA estimates

Exhibit 3: Core profit growth momentum



Sources: BDMS; FSSIA estimates

Exhibit 4: EBITDA margin upward trend



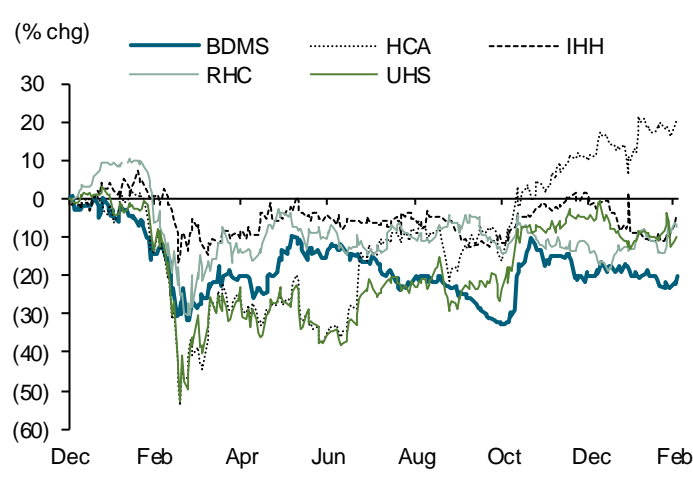
Sources: BDMS; FSSIA estimates

Exhibit 5: One-year prospective EV/EBITDA band



Sources: Bloomberg; FSSIA estimates

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



Source: Bloomberg

4Q20 results recap

BDMS reported a surprisingly negative core profit of THB1.2b for 4Q20 (-49% y-y, -32% q-q), missing Bloomberg's consensus estimate by 234% and our estimate by 39%, mainly due to the weaker-than-expected EBITDA margin at 19% (vs our estimate of 24%). Including a gain on investment in Bumrungrad Hospital (BH TB, BUY, TP THB150) of THB1.2b (net of tax), net profit grew by 3% y-y to THB2.4b.

Revenue fell 16% y-y due to a 53%y-y decrease in revenue from international patients, dragged down by poor patient revenue from the Middle East, Myanmar and Australia. Meanwhile, revenue from Thai patients was flat y-y, thanks to the improving trend in Nov-Dec 2020.

The EBITDA margin dropped to 19% in 4Q20 compared to 21% in 4Q19 and 24% in 3Q20. The q-q drop was mainly due to the special funds paid to clinical and non-clinical personnel for morale and encouragement worth THB850m. Excluding this item, the EBITDA margin would be 24%, in line with our estimate. Depreciation increased by 7% y-y due to the impact from implementing TFRS16. Share of profits fell by 90% y-y due to the absence of income contributions from BH.

Exhibit 7: 4Q20 results review

	4Q19	1Q20	2Q20	3Q20	4Q20	-----Change-----		2019	2020	% 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	18,101	7	(16)	83,774	69,057	(18)
- Hospital revenue	20,308	18,882	13,080	16,071	17,134	7	(16)	79,630	65,166	(18)
- Other revenue	1,171	1,121	897	905	967	7	(17)	4,144	3,891	(6)
COGS (incl. depreciation)	(13,810)	(13,034)	(9,853)	(11,169)	(12,315)	10	(11)	(53,907)	(46,371)	(14)
Gross profit	7,668	6,969	4,124	5,807	5,787	(0)	(25)	29,867	22,686	(24)
SG&A	(4,641)	(3,773)	(3,131)	(3,272)	(3,985)	22	(14)	(17,040)	(14,161)	(17)
Operating profit¹	3,027	3,196	992	2,534	1,802	(29)	(40)	12,827	8,525	(34)
Net other income	2	0	5	14	(13)	(195)	(910)	11	5	(52)
Interest income	15	11	12	4	12	176	(21)	110	39	(64)
Interest expense	(206)	(228)	(218)	(215)	(210)	(2)	2	(929)	(871)	(6)
Pretax profit	2,837	2,979	791	2,338	1,590	(32)	(44)	12,019	7,699	(36)
Income tax	(593)	(506)	(226)	(482)	(278)	(42)	(53)	(2,495)	(1,491)	(40)
Associates	247	218	(37)	66	26	(61)	(90)	1,022	273	(73)
Minority interest	(119)	(123)	(71)	(122)	(120)	(2)	1	(492)	(435)	(12)
Core profit	2,373	2,568	458	1,801	1,219	(32)	(49)	10,053	6,045	(40)
Extraordinaries, GW & FX	(50)				1,169			5,463	1,169	n/a
Reported net profit	2,323	2,568	458	1,801	2,388	33	3	15,517	7,214	(54)
Outstanding shares (m)	15,892	15,892	15,892	15,892	15,893	0	0	15,892	15,893	0
Core EPS (THB)	0.15	0.16	0.03	0.11	0.08	(32)	(49)	0.63	0.38	(40)
EPS (THB)	0.15	0.16	0.03	0.11	0.15	33	3	0.98	0.45	(54)
COGS excl. depreciation	12,311	11,441	8,259	9,554	10,705	12	(13)	48,155	39,958	(17)
Depreciation	1,499	1,593	1,595	1,615	1,610	(0)	7	5,752	6,413	11
EBITDA ²	4,527	4,790	2,587	4,149	3,412	60	(18)	18,579	14,938	(20)
Key ratios	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)	(%)	(ppt)
Gross margin	36	35	30	34	32	(2)	(4)	36	33	(3)
SG&A/Revenue	22	19	22	19	22	3	0	20	21	0
EBITDA margin	21	23.9	18.5	24.4	18.8	(6)	(2)	22	22	(1)
Net profit margin	11	13	3	11	13	3	2	19	10	(8)
Operating stats	(%)	(%)	(%)	(%)	(%)					
OPD revenue growth y-y	7	(2)	(25)	(16)	(12)					
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)	(18)					
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)	0					
International revenue growth y-y	4	(14)	(58)	(55)	(53)					

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

Sources: BDMS; FSSIA estimates

Exhibit 8: Forecast revisions

	----- Current -----			----- Previous -----			----- Change -----		
	2021E	2022E	2023E	2021E	2022E	2023E	2021E	2022E	2023E
	(THB b)	(THB b)	(THB b)	(THB b)	(THB b)	(THB b)	(%)	(%)	(%)
OPD volume (visits per day)	27,785	32,230	34,486	27,944	31,857	34,486	(0.6)	1.2	0.0
OPD revenue / patient (THB)	3,232	3,328	3,428	3,481	3,585	3,428	(7.2)	(7.2)	0.0
IPD volume growth (admissions per day)	1,251	1,463	1,566	1,354	1,557	1,566	(7.6)	(6.0)	0.0
IPD revenue / patient growth (THB)	79,666	82,056	84,517	80,259	82,667	84,517	(0.7)	(0.7)	0.0
Revenue	73.6	88.0	96.7	79.7	93.7	96.7	(7.6)	(6.1)	0.0
EBITDA margin (%)	22.4	23.8	24.2	23.2	24.0	24.1	(0.7)	(0.2)	0.1
Core profit	7.1	10.6	12.3	8.8	11.9	12.0	(19.7)	(11.5)	2.4

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

Source: FSSIA estimates

Financial Statements

Bangkok Dusit Medical Services

Profit and Loss (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Revenue	83,774	69,057	73,649	87,973	96,719
Cost of goods sold	(48,155)	(39,958)	(42,321)	(49,672)	(54,417)
Gross profit	35,619	29,099	31,328	38,301	42,302
Other operating income	-	-	-	-	-
Operating costs	(17,040)	(14,161)	(14,808)	(17,336)	(18,866)
Operating EBITDA	18,579	14,938	16,520	20,965	23,436
Depreciation	(5,752)	(6,413)	(6,662)	(6,873)	(7,106)
Goodwill amortisation	-	-	-	-	-
Operating EBIT	12,827	8,525	9,858	14,092	16,330
Net financing costs	(819)	(832)	(635)	(569)	(443)
Associates	1,022	273	98	107	118
Recurring non operating income	1,032	278	104	114	125
Non recurring items	5,464	1,169	0	0	0
Profit before tax	18,504	9,141	9,327	13,637	16,012
Tax	(2,494)	(1,491)	(1,754)	(2,571)	(3,179)
Profit after tax	16,009	7,649	7,573	11,066	12,834
Minority interests	(492)	(435)	(468)	(505)	(545)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	15,517	7,214	7,106	10,561	12,288
Non recurring items & goodwill (net)	(5,464)	(1,169)	0	0	0
Recurring net profit	10,053	6,045	7,106	10,561	12,288
Per share (THB)					
Recurring EPS *	0.63	0.38	0.45	0.66	0.77
Reported EPS	0.98	0.45	0.45	0.66	0.77
DPS	0.44	0.30	0.70	0.27	0.40
Diluted shares (used to calculate per share data)	15,892	15,892	15,892	15,892	15,892
Growth					
Revenue (%)	7.0	(17.6)	6.6	19.4	9.9
Operating EBITDA (%)	8.2	(19.6)	10.6	26.9	11.8
Operating EBIT (%)	8.8	(33.5)	15.6	42.9	15.9
Recurring EPS (%)	1.8	(39.9)	17.5	48.6	16.4
Reported EPS (%)	66.5	(53.5)	(1.5)	48.6	16.4
Operating performance					
Gross margin inc depreciation (%)	35.7	32.9	33.5	35.7	36.4
Gross margin of key business (%)	35.7	32.9	33.5	35.7	36.4
Operating EBITDA margin (%)	22.2	21.6	22.4	23.8	24.2
Operating EBIT margin (%)	15.3	12.3	13.4	16.0	16.9
Net margin (%)	12.0	8.8	9.6	12.0	12.7
Effective tax rate (%)	20.8	19.4	19.0	19.0	20.0
Dividend payout on recurring profit (%)	69.0	78.4	156.6	40.4	51.6
Interest cover (X)	16.9	10.6	15.7	25.0	37.1
Inventory days	13.8	16.9	16.5	15.7	16.2
Debtor days	35.7	42.4	36.7	32.4	30.9
Creditor days	42.4	47.7	39.5	37.6	38.9
Operating ROIC (%)	13.9	8.6	9.6	14.0	16.3
ROIC (%)	9.6	6.5	7.7	11.2	13.0
ROE (%)	13.0	7.0	8.3	12.1	13.2
ROA (%)	8.4	5.3	6.0	8.5	9.3
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue By Division (THB m)					
Thai patient revenue	55,741	51,482	53,592	66,442	73,941
International patient revenue	23,889	13,685	15,738	16,997	18,017
Other revenue	4,144	3,891	4,319	4,535	4,761

Sources: Bangkok Dusit Medical Services; FSSIA estimates

Financial Statements

Bangkok Dusit Medical Services

Cash Flow (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Recurring net profit	10,053	6,045	7,106	10,561	12,288
Depreciation	5,752	6,413	6,662	6,873	7,106
Associates & minorities	-	-	-	-	-
Other non-cash items	6,341	2,408	443	505	545
Change in working capital	(718)	(2,887)	41	1,155	550
Cash flow from operations	21,429	11,979	14,253	19,094	20,489
Capex - maintenance	(9,579)	(12,551)	(4,419)	(6,158)	(6,770)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	5,170	17,066	0	0	0
Other investments (net)	-	-	-	-	-
Cash flow from investing	(4,409)	4,514	(4,419)	(6,158)	(6,770)
Dividends paid	(6,941)	(4,741)	(11,124)	(4,263)	(6,337)
Equity finance	5,447	0	0	0	0
Debt finance	(15,534)	(137)	(500)	(3,000)	(2,000)
Other financing cash flows	(246)	2,455	0	0	0
Cash flow from Financing	(17,274)	(2,423)	(11,624)	(7,263)	(8,337)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	(254)	14,070	(1,790)	5,672	5,382
Free cash flow to firm (FCFF)	17,948.13	17,364.27	10,625.84	13,647.77	14,350.17
Free cash flow to equity (FCFE)	1,239.39	18,811.29	9,333.98	9,935.91	11,718.31

Per share (THB)

FCFF per share	1.13	1.09	0.67	0.86	0.90
FCFE per share	0.08	1.18	0.59	0.63	0.74
Recurring cash flow per share	1.39	0.94	0.89	1.13	1.25

Balance Sheet (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Tangible fixed asset (gross)	128,953	139,771	144,190	150,348	157,119
Less: Accumulated depreciation	(50,159)	(54,780)	(61,443)	(68,316)	(75,421)
Tangible fixed assets (Net)	78,794	84,991	82,748	82,033	81,697
Intangible fixed assets (Net)	18,883	18,894	18,894	18,894	18,894
Long-term financial assets	-	-	-	-	-
Invest. In associates & subsidiaries	18,004	939	939	939	939
Cash & equivalents	5,596	19,666	17,876	23,548	28,930
A/C receivable	8,850	7,192	7,634	7,986	8,372
Inventories	1,843	1,855	1,965	2,306	2,526
Other current assets	36	1,299	1,386	1,655	1,820
Current assets	16,325	30,013	28,860	35,496	41,649
Other assets	1,655	1,213	1,237	1,237	1,237
Total assets	133,662	136,050	132,679	138,599	144,417
Common equity	83,813	87,910	83,892	90,189	96,141
Minorities etc.	3,368	3,553	4,020	4,525	5,070
Total Shareholders' equity	87,182	91,463	87,912	94,714	101,211
Long term debt	19,099	24,163	23,663	20,663	18,663
Other long-term liabilities	8,118	9,631	9,631	9,631	9,631
Long-term liabilities	27,217	33,794	33,294	30,294	28,294
A/C payable	5,990	4,450	4,713	5,532	6,060
Short term debt	5,283	83	83	83	83
Other current liabilities	7,990	6,260	6,677	7,975	8,768
Current liabilities	19,263	10,793	11,472	13,590	14,911
Total liabilities and shareholders' equity	133,662	136,050	132,679	138,599	144,417
Net working capital	(3,251)	(364)	(405)	(1,560)	(2,109)
Invested capital	114,086	105,673	103,413	101,543	100,658

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

Per share (THB)

Book value per share	5.27	5.53	5.28	5.68	6.05
Tangible book value per share	4.09	4.34	4.09	4.49	4.86

Financial strength

Net debt/Equity (%)	21.5	5.0	6.7	(3.0)	(10.1)
Net debt/total assets (%)	14.1	3.4	4.4	(2.0)	(7.1)
Current ratio (x)	0.8	2.8	2.5	2.6	2.8
CF interest cover (x)	2.5	23.6	15.7	18.5	27.4

Valuation	2019	2020	2021E	2022E	2023E
Recurring P/E (x) *	33.0	54.9	46.7	31.4	27.0
Recurring P/E @ target price (x) *	42.7	71.0	60.4	40.6	34.9
Reported P/E (x)	21.4	46.0	46.7	31.4	27.0
Dividend yield (%)	2.1	1.4	3.3	1.3	1.9
Price/book (x)	4.0	3.8	4.0	3.7	3.5
Price/tangible book (x)	5.1	4.8	5.1	4.7	4.3
EV/EBITDA (x) **	19.1	22.8	20.7	15.9	14.0
EV/EBITDA @ target price (x) **	24.3	29.3	26.6	20.5	18.1
EV/invested capital (x)	3.1	3.2	3.3	3.3	3.2

* 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 2020

EXCELLENT LEVEL										
AAV	ADVANC	AF	AIRA	AKP	AKR	ALT	AMA	AMATA	AMATAV	ANAN
AOT	AP	ARIP	ARROW	ASP	BAFS	BANPU	BAY	BCP	BCPG	BDMS
BEC	BEM	BGRIM	BIZ	BKI	BLA	BOL	BPP	BRR	BTS	BWG
CENTEL	CFRESH	CHEWA	CHO	CIMBT	CK	CKP	CM	CNT	COL	COMAN
COTTO	CPALL	CPF	CPI	CPN	CSS	DELTA	DEMCO	DRT	DTAC	DTC
DV8	EA	EASTW	ECF	ECL	EGCO	EPG	ETE	FNS	FPI	FPT
FSMART	GBX	GC	GCAP	GEL	GFPT	GGC	GPSC	GRAMMY	GUNKUL	HANA
HARN	HMPRO	ICC	ICHI	III	ILINK	INTUCH	IRPC	IVL	JKN	JSP
JWD	K	KBANK	KCE	KKP	KSL	KTB	KTC	LANNA	LH	LHFG
LIT	LPN	MAKRO	MALEE	MBK	MBKET	MC	MCOT	METCO	MFEC	MINT
MONO	MOONG	MSC	MTC	NCH	NCL	NEP	NKI	NOBLE	NSI	NVD
NYT	OISHI	ORI	OTO	PAP	PAP	PCSGH	PDJ	PHOL	PLANB	PLANET
PLAT	PORT	PPS	PR9	PREB	PRG	PRM	PSH	PSL	PTG	PTT
PTTEP	PTTGC	PYLON	Q-CON	QH	QTC	RATCH	RS	S	S & J	SAAM
SABINA	SAMART	SAMTEL	SAT	SC	SCB	SCC	SCCC	SCG	SCN	SDC
SEAFCO	SEOIL	SE-ED	SELIC	SENA	SIRI	SIS	SITHAI	SMK	SMPC	SNC
SONIC	SORKON	SPALI	SPI	SPRC	SPVI	SSSC	SST	STA	SUSCO	SUTHA
SVI	SYMC	SYNTEC	TACC	TASCO	TCAP	TFMAMA	THANA	THANI	THCOM	THG
THIP	THRE	THREL	TIP	TIPCO	TISCO	TK	TKT	TMB	TMILL	TNDT
TNL	TOA	TOP	TPBI	TQM	TRC	TSC	TSR	TSTE	TSTH	TTA
TTCL	TTW	TU	TVD	TVI	TVO	TWPC	U	UAC	UBIS	UV
VGI	VIH	WACOAL	WAVE	WHA	WHAUP	WICE	WINNER	TRUE		

VERY GOOD LEVEL										
2S	ABM	ACE	ACG	ADB	AEC	AEONTS	AGE	AH	AHC	AIT
ALLA	AMANAHA	AMARIN	APCO	APCS	APURE	AQUA	ASAP	ASEFA	ASIA	ASIAN
ASIMAR	ASK	ASN	ATP30	AUCT	AWC	AYUD	B	BA	BAM	BBL
BFIT	BGC	BJC	BJCHI	BROOK	BTW	CBG	CEN	CGH	CHARAN	CHAYO
CHG	CHOTI	CHOW	CI	CIG	CMC	COLOR	COM7	CPL	CRC	CRD
CSC	CSP	CWT	DCC	DCON	DDD	DOD	DOHOME	EASON	EE	ERW
ESTAR	FE	FLOYD	FN	FORTH	FSS	FTE	FVC	GENCO	GJS	GL
GLAND	GLOBAL	GLOCON	GPI	GULF	GYT	HPT	HTC	ICN	IFS	ILM
IMH	INET	INSURE	IRC	IRCP	IT	ITD	ITEL	J	JAS	JCK
JCKH	JMART	JMT	KBS	KCAR	KGI	KIAT	KOOL	KTIS	KWC	KWM
L&E	LALIN	LDC	LHK	LOXLEY	LPH	LRH	LST	M	MACO	MAJOR
MBAX	MEGA	META	MFC	MGT	MILL	MITSIB	MK	MODERN	MTI	MVP
NETBAY	NEX	NINE	NTV	NWR	OCC	OGC	OSP	PATO	PB	PDG
PDI	PICO	PIMO	PJW	PL	PM	PPP	PRIN	PRINC	PSTC	PT
QLT	RCL	RICHY	RML	RPC	RWI	S11	SALEE	SAMCO	SANKO	SAPPE
SAWAD	SCI	SCP	SE	SEG	SFP	SGF	SHR	SIAM	SINGER	SKE
SKR	SKY	SMIT	SMT	SNP	SPA	SPC	SPCG	SR	SRICHA	SSC
SSF	STANLY	STI	STPI	SUC	SUN	SYNEX	T	TAE	TAKUNI	TBSP
TCC	TCMC	TEAM	TEAMG	TFG	TIGER	TITLE	TKN	TKS	TM	TMC
TMD	TMI	TMT	TNITY	TNP	TNR	TOG	TPA	TPAC	TPCORP	TPOLY
TPS	TRITN	TRT	TRU	TSE	TVT	TWP	UEC	UMI	UOBKH	UP
UPF	UPOIC	UT	UTP	UWC	VL	VNT	VPO	WIJK	WP	XO
YUASA	ZEN	ZIGA	ZMICO							

GOOD LEVEL										
7UP	A	ABICO	AJ	ALL	ALUCON	AMC	APP	ARIN	AS	AU
B52	BC	BCH	BEAUTY	BGT	BH	BIG	BKD	BLAND	BM	BR
BROCK	BSBM	BSM	BTNC	CAZ	CCP	CGD	CITY	CMAN	CMO	CMR
CPT	CPW	CRANE	CSR	D	EKH	EP	ESSO	FMT	GIFT	GREEN
GSC	GTB	HTECH	HUMAN	IHL	INOX	INSET	IP	JTS	JUBILE	KASET
KCM	KKC	KUMWEL	KUN	KWG	KYE	LEE	MATCH	MATI	M-CHAI	MCS
MDX	MJD	MM	MORE	NC	NDR	NER	NFC	NNCL	NPK	NUSA
OCEAN	PAF	PF	PK	PLE	PMTA	POST	PPM	PRAKIT	PRECHA	PRIME
PROUD	PTL	RBF	RCI	RJH	ROJNA	RP	RPH	RSP	SF	SFLEX
SGP	SISB	SKN	SLP	SMART	SOLAR	SPG	SQ	SSP	STARK	STC
SUPER	SVOA	TC	TCCC	THMUI	TIW	TNH	TOPP	TPCH	TIPIP	TPLAS
TTI	TYCN	UKEM	UMS	VCOM	VRANDA	WIN	WORK	WPH		

Description

Score Range

Excellent

90-100

Very Good

80-89

Good

70-79

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 2020

CERTIFIED										
2S	ADVANC	AI	AIE	AIRA	AKP	AMA	AMANAHA	AP	AQUA	ARROW
ASK	ASP	AYUD	B	BAFS	BANPU	BAY	BBL	BCH	BCP	BCPG
BGC	BGRIM	BJCHI	BKI	BLA	BPP	BROOK	BRR	BSBM	BTS	BWG
CEN	CENTEL	CFRESH	CGH	CHEWA	CHOTI	CHOW	CIG	CIMBT	CM	CMC
COL	COM7	CPALL	CPF	CPI	CPN	CSC	DCC	DELTA	DEMCO	DIMET
DRT	DTAC	DTC	EASTW	ECL	EGCO	FE	FNS	FPI	FPT	FSS
FTE	GBX	GC	GCAP	GEL	GFPT	GGC	GJS	GPSC	GSTEEL	GUNKUL
HANA	HARN	HMPRO	HTC	ICC	ICHI	IFS	INET	INSURE	INTUCH	IRPC
ITEL	IVL	K	KASET	KBANK	KBS	KCAR	KCE	KGI	KKP	KSL
KTB	KTC	KWC	L&E	LANNA	LHFG	LHK	LPN	LRH	M	MAKRO
MALEE	MBAX	MBK	MBKET	MC	MCOT	MFC	MFEC	MINT	MONO	MOONG
MPG	MSC	MTC	MTI	NBC	NEP	NINE	NKI	NMG	NNCL	NSI
NWR	OCC	OCEAN	OGC	ORI	PAP	PATO	PB	PCSGH	PDG	PDI
PDJ	PE	PG	PHOL	PL	PLANB	PLANET	PLAT	PM	PPP	PPPM
PPS	PREB	PRG	PRINC	PRM	PSH	PSL	PSTC	PT	PTG	PTT
PTTEP	PTTGC	PYLON	Q-CON	QH	QLT	QTC	RATCH	RML	RWI	S & J
SABINA	SAT	SC	SCB	SCC	SCCC	SCG	SCN	SEAOIL	SE-ED	SELIC
SENA	SGP	SIRI	SITHAI	SMIT	SMK	SMPC	SNC	SNP	SORKON	SPACK
SPC	SPI	SPRC	SRICHA	SSF	SSSC	SST	STA	SUSCO	SVI	SYNTEC
TAE	TAKUNI	TASCO	TBSP	TCAP	TCMC	TFG	TFI	TFMAMA	THANI	THCOM
THIP	THRE	THREL	TIP	TIPCO	TISCO	TKT	TMB	TMD	TMILL	TMT
TNITY	TNL	TNP	TNR	TOG	TOP	TPA	TPCORP	TPP	TRU	TSC
TSTH	TTCL	TU	TVD	TVI	TVO	TWPC	U	UBIS	UEC	UKEM
UOBKH	UWC	VGI	VIH	VNT	WACOAL	WHA	WHAUP	WICE	WIJK	XO
ZEN	TRUE									

DECLARED										
7UP	ABICO	AF	ALT	AMARIN	AMATA	AMATAV	ANAN	APURE	B52	BKD
BM	BROCK	BUI	CHO	CI	COTTO	DDD	EA	EFORL	EP	ERW
ESTAR	ETE	EVER	FSMART	GPI	ILINK	IRC	J	JKN	JMART	JMT
JSP	JTS	KWG	LDC	MAJOR	META	NCL	NOBLE	NOK	PK	PLE
ROJNA	SAAM	SAPPE	SCI	SE	SHANG	SINGER	SKR	SPALI	SSP	STANLY
SUPER	SYNEX	THAI	TKS	TOPP	TRITN	TTA	UPF	UV	WIN	ZIGA

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 the 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

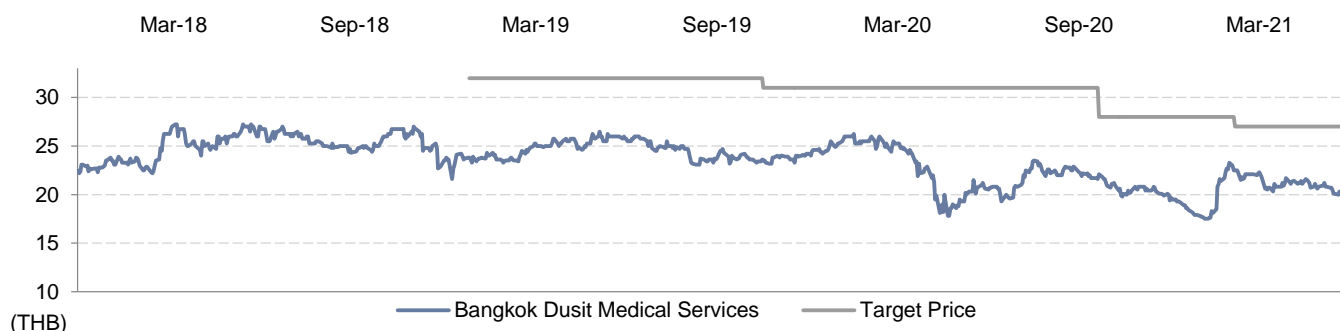
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

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History of change in investment rating and/or target price

Bangkok Dusit Medical Services (BDMS TB)



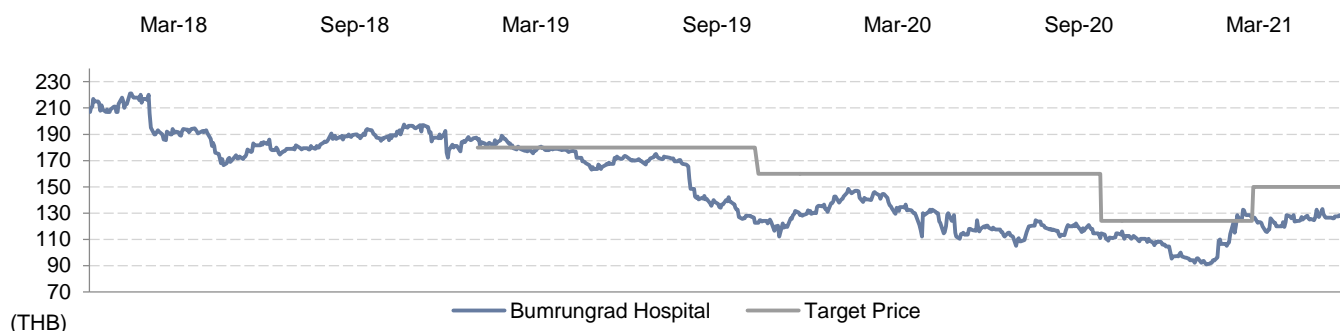
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
05-Feb-2019	BUY	32.00	30-Jul-2020	BUY	28.00	24-Nov-2020	BUY	27.00
16-Oct-2019	BUY	31.00	29-Sep-2020	BUY	28.00			
02-Apr-2020	BUY	31.00	17-Nov-2020	BUY	28.00			

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	09-Dec-2020	BUY	150.00
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 20.90	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 price and medical bill controls; and 3) higher-than-expected capex and opex for CoE projects.
Bumrungrad Hospital	BH TB	THB 132.00	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.

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 03-Mar-2021 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.