

25 MAY 2021

THAILAND / HEALTHCARE

## BANGKOK CHAIN HOSPITAL

## BCH TB

BUY

UNCHANGED

|                 |          |
|-----------------|----------|
| TARGET PRICE    | THB24.00 |
| CLOSE           | THB19.80 |
| UP/DOWNSIDE     | +21.2%   |
| PRIOR TP        | THB23.00 |
| CHANGE IN TP    | +4.3%    |
| TP vs CONSENSUS | +18.7%   |

## ได้ประโยชน์จากการระบาดรอบที่ 3

## กำไรและราคาหุ้นอาจพุ่งสูงเป็นประวัติการณ์

BCH อาจเป็นหนึ่งในหุ้นไทยที่ได้ประโยชน์สูงสุดจากการระบาด Covid ในรอบที่ 3 เราคาดว่ารายได้ที่เกี่ยวข้องกับ Covid จะช่วยผลักดันกำไร 2Q21 ให้แตะระดับสูงเป็นประวัติการณ์เมื่อพิจารณาเป็นรายไตรมาส ซึ่งทำให้ราคาหุ้นอาจแตะจุดสูงสุดเป็นประวัติการณ์หลังเคยขึ้นสูงสุดที่ 21.1 บาทต่อหุ้นในปี 2018

## สัดส่วนรายได้ที่เกี่ยวข้องกับ Covid จะกระโดดเป็น 50% ใน 2Q21

ในที่ประชุมนักวิเคราะห์ BCH ให้ข้อมูลใหม่เกี่ยวกับรายได้ที่เกี่ยวข้องกับ Covid บริการตรวจคัดกรอง Covid ยังไม่ได้ลดลง โดยอยู่ที่ประมาณ 130,000 รายในเดือน เม.ย. และ 177,000 รายในช่วงวันที่ 1-24 พ.ค. โดยได้ปัจจัยผลักดันจากมาตรการตรวจคัดกรองเชิงรุกซึ่ง BCH ได้เข้าร่วมกับรัฐบาล จากตัวเลขดังกล่าวเราคาดว่าบริการตรวจคัดกรองจะเพิ่มถึง 4 เท่าจาก 129,000 รายใน 1Q21 เป็นประมาณ 500,000 รายใน 2Q21 ในแง่ของรายได้จากผู้ป่วยติดเชื้อ Covid BCH ได้จัดสรรไม่เกิน 927 เตียงผู้ป่วยในสำหรับผู้ป่วยวิกฤต ซึ่งเกือบเต็ม 100% ในด้านกิจการโรงแรมกึ่งโรงพยาบาล (Hospital) สำหรับผู้ป่วยติดเชื้อ Covid ที่ไม่วิกฤต บริษัทฯ มีผู้ติดเชื้อเข้าพักประมาณ 1,200 เตียงจากจำนวนทั้งหมด 3,421 เตียง ทำให้เราคาดว่าสัดส่วนรายได้ที่เกี่ยวข้องกับ Covid จะกระโดดจาก 21% ใน 1Q21 เป็นประมาณ 50% ใน 2Q21 ทำให้กำไรอาจพุ่งสูงเป็นประวัติการณ์ที่ 550-600 ลบ. ใน 2Q21 (เทียบกับระดับสูงสุดก่อนหน้าที่ 413 ลบ. ใน 3Q20)

## 2 โรงพยาบาลใหม่จะพลิกฟื้นได้ก่อนคาด

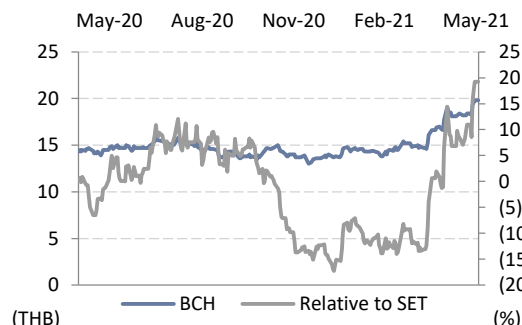
โรงพยาบาลใหม่ 2 แห่งของบริษัทฯ รายงานผลขาดทุนรวมประมาณ 54 ลบ. ใน 1Q21 อย่างไรก็ตามผลการดำเนินงานของทั้ง 2 โรงพยาบาลควรดีขึ้นอย่างมีนัยสำคัญ โดย EBITDA น่าจะพลิกเป็นบวกได้ใน 2Q21 อัตราการครองเตียงของ KIH Aranyaprathet ได้เพิ่มเป็นเกือบ 100% พร้อม EBITDA ที่กำลังพลิกเป็นบวก ในขณะที่ผู้ป่วย Covid ที่ไม่วิกฤตถูกส่งต่อให้ KH Prachinburi เราเชื่อว่า Covid อาจช่วยเร่งการพลิกฟื้นของโรงพยาบาลใหม่ทั้ง 2 แห่งเนื่องจากผู้ป่วย Covid ที่โรงพยาบาลรับไว้จากกลายเป็นฐานผู้ป่วยของโรงพยาบาลได้ในระยะยาว

## ปรับเพิ่มประมาณการกำไรจากการดำเนินงาน หุ้นยังมีการซื้อขายโดยมีส่วนลดเมื่อเทียบกับในอดีต

เราปรับเพิ่มประมาณการกำไรจากการดำเนินงานปี 2021 อีก 18% เพื่อสะท้อนรายได้ที่เกี่ยวข้องกับ Covid ที่อยู่ในระดับสูงใน 2Q21 และปรับเพิ่มราคาเป้าหมายของเราเล็กน้อยเป็น 24.0 บาท (DCF, 8.4% WACC, 3.0% LTG) ปัจจุบัน BCH มีการซื้อขายที่ 31x ของค่า 2022E P/E ซึ่งต่ำกว่าค่าเฉลี่ย 5 ยี่สิบหลังที่ 39x เรามองว่าตลาดยังให้มูลค่า BCH ต่ำเกินไปเนื่องจากกำไรปี 2021 ของบริษัทฯ อาจสูงกว่าระดับก่อน Covid ถึง 31%

## KEY STOCK DATA

| YE Dec (THB m)       | 2020  | 2021E  | 2022E  | 2023E  |
|----------------------|-------|--------|--------|--------|
| Revenue              | 8,928 | 11,338 | 11,138 | 12,166 |
| Net profit           | 1,229 | 1,605  | 1,584  | 1,925  |
| EPS (THB)            | 0.49  | 0.64   | 0.64   | 0.77   |
| vs Consensus (%)     | -     | 12.3   | 7.9    | 16.3   |
| EBITDA               | 2,523 | 3,260  | 3,225  | 3,681  |
| Core net profit      | 1,229 | 1,605  | 1,584  | 1,925  |
| Core EPS (THB)       | 0.49  | 0.64   | 0.64   | 0.77   |
| Chg. In EPS est. (%) | -     | 17.7   | 0.2    | 1.2    |
| EPS growth (%)       | 7.0   | 30.6   | (1.3)  | 21.5   |
| Core P/E (x)         | 40.2  | 30.8   | 31.2   | 25.7   |
| Dividend yield (%)   | 1.2   | 1.2    | 1.7    | 1.7    |
| EV/EBITDA (x)        | 22.4  | 16.8   | 16.6   | 14.2   |
| Price/book (x)       | 7.2   | 6.2    | 5.7    | 5.1    |
| Net debt/Equity (%)  | 83.5  | 52.6   | 35.2   | 16.3   |
| ROE (%)              | 18.7  | 21.7   | 19.1   | 20.9   |



| Share price performance        | 1 Month                   | 3 Month | 12 Month |
|--------------------------------|---------------------------|---------|----------|
| Absolute (%)                   | 11.9                      | 42.4    | 41.4     |
| Relative to country (%)        | 12.0                      | 36.9    | 18.8     |
| Mkt cap (USD m)                | 1,575                     |         |          |
| 3m avg. daily turnover (USD m) | 14.9                      |         |          |
| Free float (%)                 | 44                        |         |          |
| Major shareholder              | Chalerm Harnphanich (33%) |         |          |
| 12m high/low (THB)             | 20.10/12.80               |         |          |
| Issued shares (m)              | 2,493.75                  |         |          |

Sources: Bloomberg consensus; FSSIA estimates



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บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 25 พฤษภาคม 2021

## Investment thesis

BCH is the leading service provider under the Social Security Office (SSO) scheme, with a 5% market share. It will likely be the hospital that benefits the most from Covid-19 screening services, given that all of its hospitals have their own lab tests with a total capacity of 12,000 cases/day.

After Covid-19 subsides, the World Medical Hospital (WMC) should continue to capture the rising demand of medical tourists. Currently, 70% of WMC's revenue is derived from international patients, especially Middle Eastern patients. The recovery of that patient segment should start in 4Q21.

BCH scheduled three new hospitals to open in 2020-21, with two already having opened so far. Although they may drag down BCH's overall performance for two years of operations, we believe they will provide growth in the long term.

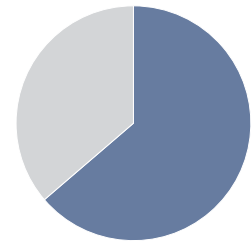
## Company profile

The company operates its business as a group, providing healthcare services for both cash patients and patients under the social security scheme.

[www.bangkokchainhospital.com](http://www.bangkokchainhospital.com)

## Principal activities (revenue, 2020)

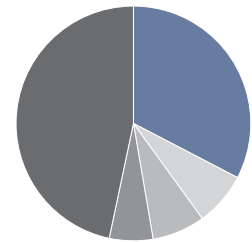
- Cash patient revenue - 63.7 %
- SSO patient revenue - 36.3 %



Source: Bangkok Chain Hospital

## Major shareholders

- Chalerm Harnphanich - 32.6 %
- Thai NVDR - 7.4 %
- Somporn Harnphanich - 7.3 %
- Thailand Social Security Office - 6.0 %
- Others - 46.7 %



Source: Bangkok Chain Hospital

## Catalysts

Key growth drivers include 1) more SSO registered members; 2) rising demand for medical tourists; and 3) an improving EBITDA margin led by new hospitals.

## Risks 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 prices and medical bill controls; and 3) SSO provision expenses following a limited SSO budget.

## Event calendar

| Date     | Event                     |
|----------|---------------------------|
| Aug 2021 | 2Q21 results announcement |

## Key assumptions

|                              | 2021E | 2022E | 2023E |
|------------------------------|-------|-------|-------|
|                              | (%)   | (%)   | (%)   |
| SSO volume growth            | 4     | 5     | 3     |
| SSO revenue / patient growth | 2     | 3     | 3     |
| OPD volume growth            | 22    | (5)   | 6     |
| OPD revenue / patient growth | 1     | 3     | 4     |
| IPD volume growth            | 52    | (4)   | 6     |
| IPD revenue / patient growth | 6     | (6)   | 5     |

Source: FSSIA estimates

## Earnings sensitivity

- For every 1% increase in patient volume, we project 2021 earnings would rise by 2%, and vice versa, all else being equal.
- For every 1% increase in EBITDA margin, we project 2021 earnings would rise by 6%, and vice versa, all else being equal.

Source: FSSIA estimates

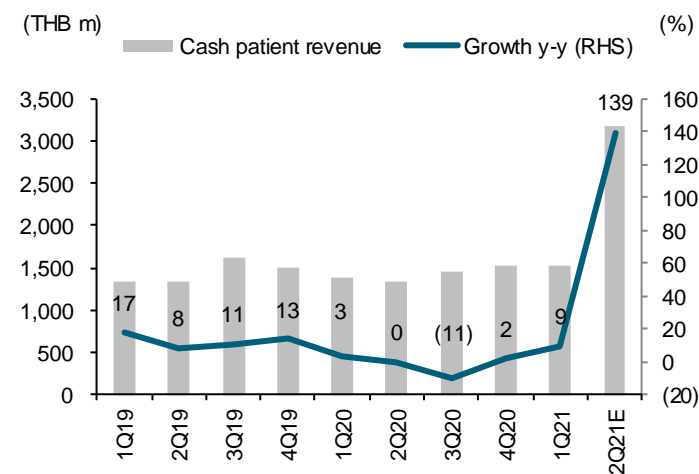


**Exhibit 1: BCH's Covid-related service summary**

| Services                | Details   | Our assumptions in 2Q21  |
|-------------------------|---|--|
| Covid screening service | There were 130k Covid screening cases in April and 177k cases during 1-24 May. The momentum has continued, given that BCH joined with the government for active case-finding. At this rate, BCH expects more than 500k cases in 2Q21 (vs 129k cases in 1Q21).   | We assume 500k cases in 2Q21 with an average billing of THB2,500 per case. Note that the reimbursement rate from the government is THB2,300 per case, while the medical fee for self-pay is THB3,000 per case.   |
| Hospital                | BCH has moved green level (without or mild symptoms) Covid-infected patients to hospitel (hotels that are converted to hospitals). BCH's hospitel capacity is 3,421 beds from 16 hotels. Currently, c1,200 beds are occupied with the peak at 1,700 beds. BCH estimates the billing per bed at THB4,500-4,800/day, which can be reimbursed from the National Health Security Office (NHSO) fund. Management updated that NHSO plans to raise the reimbursement rate for Covid patient treatments by an average of 25% by next week, pending cabinet approval, and it would be effective backdated to April. This would provide an upside to our forecast. | We assume an average 1,100 hospitel beds occupied, with a billing average of THB4,000 per day.   |
| Hospital                | BCH has expanded and allocated more cohort wards from a 140-bed to a 927-bed capacity. So far, utilisation is almost 100%. Most Covid patients in hospital are in the yellow and red levels (moderate to severe symptoms). The average billing per bed is THB7000/day up to THB50,000/day. BCH can reimburse medical fees from insurance. If patients do not have insurance, BCH can reimburse c70% of the total billing from NHSO.   | We assume an average of 600 hospital beds occupied, with a billing average of THB10,000 per day.   |
| Alternative Vaccine     | Moderna is expected to be delivered at the earliest by end-3Q21. The offer price would be fixed for all private hospitals and should be finalised by next week. Based on a survey, BCH sees demand of c2m doses within the group. Aside from Moderna, the government is likely to allow private hospitals to import Sinopharm and Covaxin, subject to approval from the FDA   | We have not yet incorporated alternative vaccine revenue into our forecast. Based on 2m doses, we roughly estimate a revenue upside of THB3.0b or 26% of revenue in 2021, based on a price of THB1,500 per dose. |

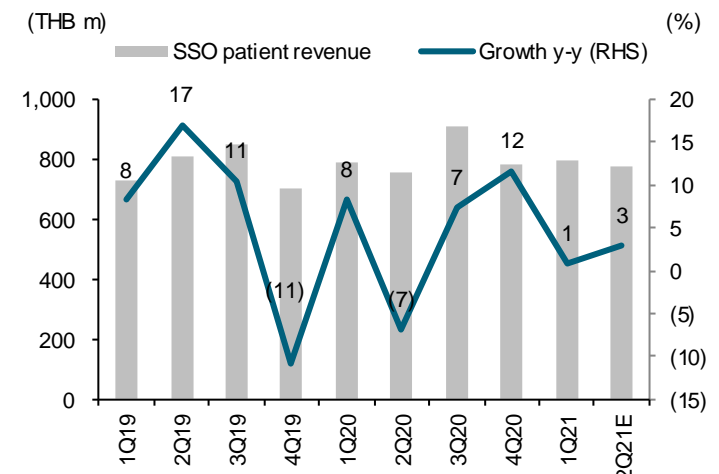
Source: FSSIA's compilation

**Exhibit 2: Cash patient revenue including Covid-related revenue**



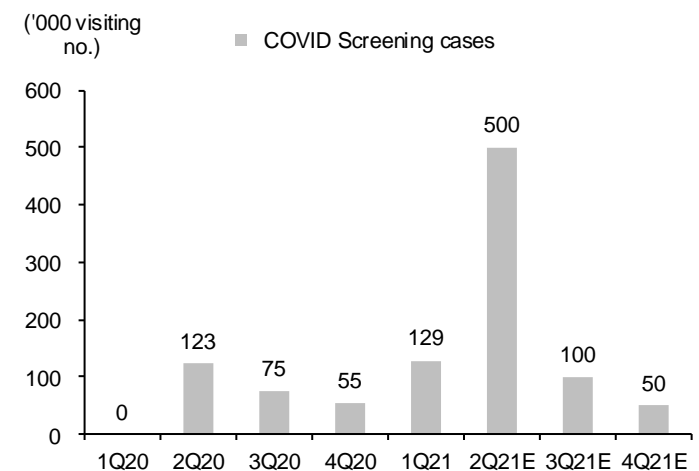
Sources: BCH; FSSIA estimates

**Exhibit 3: SSO revenue**



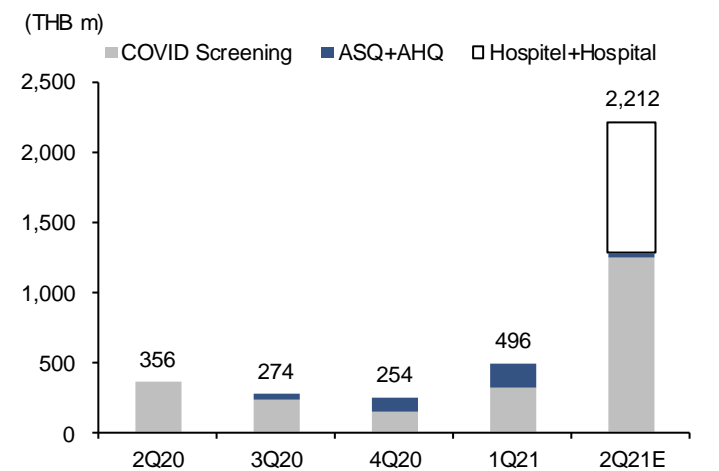
Sources: BCH; FSSIA estimates

**Exhibit 4: Covid screening cases**



Sources: BCH; FSSIA estimates

**Exhibit 5: Covid-related revenue**



Sources: BCH; FSSIA estimates

## Exhibit 6: DCF-derived TP

| Cost of equity assumptions      |  | (%)         | Cost of debt assumptions |   | (%)  |
|---------------------------------|--|-------------|--------------------------|---|------|
| Risk-free rate                  |  | 3.0         | Pre-tax cost of debt     |   | 4.0  |
| Market risk premium             |  | 8.0         | Marginal tax rate        |   | 20.0 |
| Stock beta                      |  | 1.0         |                          |   |      |
| Cost of equity, Ke              |  | 10.6        | Net cost of debt, Kd     |   | 3.2  |
| Weight applied                  |  | 70.0        | Weight applied           |   | 30.0 |
|                                 |  |             |                          |   |      |
| WACC                            |  | 8.4         |                          |   |      |
|                                 |  |             |                          |   |      |
| DCF valuation estimate          |  | (THB b)     | (THB/share)              | Comments                                      |      |
| NPV                             |  | 23.5        | 9.4                      | WACC 8.4%, Risk-free rate 3%, Risk premium 8% |      |
| Terminal value                  |  | 40.6        | 16.3                     | Terminal growth 3%                            |      |
| Cash & liquid assets            |  | 2.8         | 1.1                      | At end-2022E                                  |      |
| Investments                     |  | 0.0         | 0.0                      | At end-2022E                                  |      |
| Debt                            |  | (6.1)       | (2.5)                    | At end-2022E                                  |      |
| Minorities                      |  | (0.9)       | (0.4)                    | At end-2022E                                  |      |
| <b>Residual ordinary equity</b> |  | <b>59.8</b> | <b>24.0</b>              |   |      |

Source: FSSIA estimates

## Exhibit 7: Forecast revisions

|   | Current |        |        | Previous |        |        | % Change |       |       |
|---|---------|--------|--------|----------|--------|--------|----------|-------|-------|
|   | 2021E   | 2022E  | 2023E  | 2021E    | 2022E  | 2023E  | 2021E    | 2022E | 2023E |
| SSO registered members ('000)           | 915     | 957    | 987    | 915      | 957    | 987    | 0.0      | 0.0   | 0.0   |
| SSO revenue per head (THB)              | 3,737   | 3,849  | 3,965  | 3,737    | 3,849  | 3,965  | 0.0      | 0.0   | 0.0   |
| Cash-OPD visit number per day (no.)     | 3,723   | 3,537  | 3,749  | 3,296    | 3,494  | 3,703  | 13.0     | 1.2   | 1.2   |
| Cash-OPD revenue per head (THB)         | 2,979   | 3,068  | 3,191  | 2,979    | 3,068  | 3,191  | 0.0      | 0.0   | 0.0   |
| Cash-IPD admission number per day (no.) | 135     | 130    | 138    | 119      | 127    | 134    | 13.4     | 2.7   | 2.7   |
| Cash-IPD revenue per head (THB)         | 78,257  | 73,562 | 77,240 | 73,827   | 76,042 | 79,084 | 6.0      | (3.3) | (2.3) |
| Revenue (THB m)                         | 11,338  | 11,138 | 12,166 | 10,222   | 11,111 | 12,100 | 10.9     | 0.2   | 0.5   |
| EBITDA margin (%)                       | 28.8    | 29.0   | 30.3   | 28.0     | 28.9   | 30.1   | 0.8      | 0.1   | 0.2   |
| Core Profit (THB m)                     | 1,605   | 1,584  | 1,925  | 1,364    | 1,580  | 1,903  | 17.7     | 0.2   | 1.2   |

Source: FSSIA estimates

## Exhibit 8: Rolling one-year forward P/E band



Sources: Bloomberg; FSSIA estimates

## Exhibit 9: Rolling one-year forward P/BV band



Sources: Bloomberg; FSSIA estimates

## Recap: 1Q21 results review

BCH reported a 1Q21 core profit of THB324m (+25% y-y, +16% q-q), in line with Bloomberg's consensus estimate. Its core profit slightly beat our estimate by 8% due to the higher-than-expected EBITDA margin from Covid-related operations.

1Q21 revenue grew 6% y-y due to a 9% increase in cash patient revenue as a result of its Covid screening services and the revenue from the Alternative State Quarantine (ASQ) program. SSO revenue grew by 1% y-y from a 0.4% y-y increase in SSO registered members. The EBITDA margin improved to 30% in 1Q21 from 27% in 4Q20 and 26% in 1Q20 thanks to better cost control. Depreciation increased by 23% y-y in 1Q21 due to the opening of two new hospitals (KIH Aranyaprathet and KH Prachinburi).

### Exhibit 10: 1Q21 results review

|                                  | 1Q20           | 2Q20           | 3Q20           | 4Q20           | 1Q21           | ----- Change ----- |              | 2021E         |
|----------------------------------|----------------|----------------|----------------|----------------|----------------|--------------------|--------------|---------------|
|                                  | (THB m)        | (THB m)        | (THB m)        | (THB m)        | (THB m)        | (q-q %)            | (y-y %)      | (THB m)       |
| <b>Sales</b>                     | <b>2,178</b>   | <b>2,083</b>   | <b>2,359</b>   | <b>2,308</b>   | <b>2,316</b>   | <b>0</b>           | <b>6</b>     | <b>11,338</b> |
| COGS (incl. depreciation)        | (1,515)        | (1,392)        | (1,496)        | (1,571)        | (1,619)        | 3                  | 7            | (7,532)       |
| <b>Gross Profit</b>              | <b>663</b>     | <b>691</b>     | <b>863</b>     | <b>737</b>     | <b>698</b>     | <b>(5)</b>         | <b>5</b>     | <b>3,806</b>  |
| SG&A                             | (293)          | (280)          | (276)          | (363)          | (291)          | (20)               | (1)          | (1,495)       |
| <b>Operating Profit</b>          | <b>370</b>     | <b>411</b>     | <b>587</b>     | <b>374</b>     | <b>407</b>     | <b>9</b>           | <b>10</b>    | <b>2,311</b>  |
| Net other income                 | 19             | 21             | 19             | 35             | 68             | 94                 | 265          | 97            |
| Interest expense                 | (30)           | (32)           | (35)           | (35)           | (28)           | (21)               | (8)          | (153)         |
| <b>Pretax profit</b>             | <b>358</b>     | <b>399</b>     | <b>571</b>     | <b>373</b>     | <b>447</b>     | <b>20</b>          | <b>25</b>    | <b>2,254</b>  |
| Income Tax                       | (63)           | (75)           | (107)          | (68)           | (84)           | 24                 | 32           | (451)         |
| Associates                       | 1              | 1              | 1              | 1              | 1              | (15)               | (20)         | 2             |
| Minority interest                | (37)           | (46)           | (52)           | (28)           | (40)           | 43                 | 8            | (200)         |
| <b>Core profit</b>               | <b>259</b>     | <b>279</b>     | <b>413</b>     | <b>279</b>     | <b>324</b>     | <b>16</b>          | <b>25</b>    | <b>1,605</b>  |
| Extraordinaries, GW & FX         | 0              | 0              | 0              | 0              | 0              |                    |              |               |
| <b>Reported net profit</b>       | <b>259</b>     | <b>279</b>     | <b>413</b>     | <b>279</b>     | <b>324</b>     | <b>16</b>          | <b>25</b>    | <b>1,605</b>  |
| Outstanding shares (m)           | 2,494          | 2,494          | 2,494          | 2,494          | 2,494          | 0                  | 0            | 2,494         |
| <b>Core EPS (THB)</b>            | <b>0.10</b>    | <b>0.11</b>    | <b>0.17</b>    | <b>0.11</b>    | <b>0.13</b>    | <b>16</b>          | <b>25</b>    | <b>0.64</b>   |
| <b>EPS (THB)</b>                 | <b>0.10</b>    | <b>0.11</b>    | <b>0.17</b>    | <b>0.11</b>    | <b>0.13</b>    | <b>16</b>          | <b>25</b>    | <b>0.64</b>   |
| COGS (excl. depreciation)        | 1,338          | 1,201          | 1,291          | 1,362          | 1,402          | 3                  | 5            | 6,583         |
| Depreciation                     | 177            | 191            | 205            | 210            | 217            | 3                  | 23           | 949           |
| <b>EBITDA</b>                    | <b>565</b>     | <b>622</b>     | <b>811</b>     | <b>618</b>     | <b>691</b>     | <b>12</b>          | <b>22</b>    | <b>3,357</b>  |
| <b>Key ratios</b>                | <b>(%)</b>     | <b>(%)</b>     | <b>(%)</b>     | <b>(%)</b>     | <b>(%)</b>     | <b>(ppt)</b>       | <b>(ppt)</b> | <b>(%)</b>    |
| Gross margin                     | 30             | 33             | 37             | 32             | 30             | (2)                | (0)          | 34            |
| SG&A/Revenue                     | 13             | 13             | 12             | 16             | 13             | (3)                | (1)          | 13            |
| EBITDA margin                    | 26             | 30             | 34             | 27             | 30             | 3                  | 4            | 30            |
| Net profit margin                | 12             | 13             | 18             | 12             | 14             | 2                  | 2            | 14            |
| <b>Operating stats</b>           | <b>(y-y %)</b> | <b>(y-y %)</b> | <b>(y-y %)</b> | <b>(y-y %)</b> | <b>(y-y %)</b> |                    |              |               |
| Cash-OPD revenue growth          | 2              | 30             | 20             | 23             | 45             |                    |              |               |
| Cash-OPD volume growth           | (5)            | 21             | 8              | 16             | 45             |                    |              |               |
| Cash-OPD revenue per head growth | 8              | 8              | 11             | 6              | 1              |                    |              |               |
| Cash-IPD revenue growth          | 4              | (29)           | (38)           | (17)           | (22)           |                    |              |               |
| Cash-IPD volume growth           | (10)           | (39)           | (38)           | (22)           | (20)           |                    |              |               |
| Cash-IPD revenue per head growth | 15             | 17             | 1              | 6              | (2)            |                    |              |               |
| SSO revenue growth               | 8              | (7)            | 7              | 12             | 1              |                    |              |               |
| SSO registered member ('000)     | 885            | 887            | 884            | 881            | 888            |                    |              |               |
| SSO registered member growth     | 5              | 3              | 2              | 0              | 0              |                    |              |               |
| SSO revenue per head growth      | 3              | (10)           | 5              | 11             | 1              |                    |              |               |

Sources: BCH; FSSIA estimates



## Financial Statements

### Bangkok Chain Hospital

| Profit and Loss (THB m) Year Ending Dec           | 2019         | 2020         | 2021E        | 2022E        | 2023E        |
|---|--------------|--------------|--------------|--------------|--------------|
| Revenue   | 8,880        | 8,928        | 11,338       | 11,138       | 12,166       |
| Cost of goods sold                                | (5,373)      | (5,193)      | (6,583)      | (6,456)      | (6,942)      |
| <b>Gross profit</b>                               | <b>3,507</b> | <b>3,735</b> | <b>4,755</b> | <b>4,682</b> | <b>5,224</b> |
| Other operating income                            | -            | -            | -            | -            | -            |
| Operating costs                                   | (1,228)      | (1,213)      | (1,495)      | (1,457)      | (1,543)      |
| <b>Operating EBITDA</b>                           | <b>2,279</b> | <b>2,523</b> | <b>3,260</b> | <b>3,225</b> | <b>3,681</b> |
| Depreciation                                      | (665)        | (782)        | (949)        | (995)        | (1,033)      |
| Goodwill amortisation                             | -            | -            | -            | -            | -            |
| <b>Operating EBIT</b>                             | <b>1,615</b> | <b>1,741</b> | <b>2,311</b> | <b>2,230</b> | <b>2,648</b> |
| Net financing costs                               | (126)        | (125)        | (146)        | (151)        | (127)        |
| Associates  | 2            | 3            | 2            | 2            | 2            |
| Recurring non-operating income                    | 113          | 89           | 91           | 100          | 105          |
| Non-recurring items                               | (14)         | 0            | 0            | 0            | 0            |
| <b>Profit before tax</b>                          | <b>1,588</b> | <b>1,705</b> | <b>2,256</b> | <b>2,179</b> | <b>2,626</b> |
| Tax   | (290)        | (313)        | (451)        | (435)        | (525)        |
| <b>Profit after tax</b>                           | <b>1,298</b> | <b>1,392</b> | <b>1,805</b> | <b>1,744</b> | <b>2,101</b> |
| Minority interests                                | (163)        | (163)        | (200)        | (160)        | (176)        |
| Preferred dividends                               | -            | -            | -            | -            | -            |
| Other items                                       | -            | -            | -            | -            | -            |
| <b>Reported net profit</b>                        | <b>1,135</b> | <b>1,229</b> | <b>1,605</b> | <b>1,584</b> | <b>1,925</b> |
| <b>Non-recurring items &amp; goodwill (net)</b>   | <b>14</b>    | <b>0</b>     | <b>0</b>     | <b>0</b>     | <b>0</b>     |
| <b>Recurring net profit</b>                       | <b>1,149</b> | <b>1,229</b> | <b>1,605</b> | <b>1,584</b> | <b>1,925</b> |
| <b>Per share (THB)</b>                            |              |              |              |              |              |
| Recurring EPS *                                   | 0.46         | 0.49         | 0.64         | 0.64         | 0.77         |
| Reported EPS                                      | 0.46         | 0.49         | 0.64         | 0.64         | 0.77         |
| DPS   | 0.22         | 0.23         | 0.23         | 0.34         | 0.34         |
| Diluted shares (used to calculate per share data) | 2,494        | 2,494        | 2,494        | 2,494        | 2,494        |
| <b>Growth</b>                                     |              |              |              |              |              |
| Revenue (%)                                       | 10.0         | 0.5          | 27.0         | (1.8)        | 9.2          |
| Operating EBITDA (%)                              | 7.4          | 10.7         | 29.2         | (1.1)        | 14.1         |
| Operating EBIT (%)                                | 4.4          | 7.8          | 32.8         | (3.5)        | 18.7         |
| Recurring EPS (%)                                 | 5.5          | 7.0          | 30.6         | (1.3)        | 21.5         |
| Reported EPS (%)                                  | 4.2          | 8.3          | 30.6         | (1.3)        | 21.5         |
| <b>Operating performance</b>                      |              |              |              |              |              |
| Gross margin inc. depreciation (%)                | 32.0         | 33.1         | 33.6         | 33.1         | 34.4         |
| Gross margin of key business (%)                  | 32.0         | 33.1         | 33.6         | 33.1         | 34.4         |
| Operating EBITDA margin (%)                       | 25.7         | 28.3         | 28.8         | 29.0         | 30.3         |
| Operating EBIT margin (%)                         | 18.2         | 19.5         | 20.4         | 20.0         | 21.8         |
| Net margin (%)                                    | 12.9         | 13.8         | 14.2         | 14.2         | 15.8         |
| Effective tax rate (%)                            | 18.1         | 18.4         | 20.0         | 20.0         | 20.0         |
| Dividend payout on recurring profit (%)           | 47.7         | 46.7         | 35.7         | 53.7         | 43.6         |
| Interest cover (X)                                | 13.7         | 14.6         | 16.5         | 15.4         | 21.7         |
| Inventory days                                    | 15.9         | 16.9         | 15.7         | 17.7         | 16.9         |
| Debtor days                                       | 68.4         | 67.5         | 41.1         | 35.0         | 32.0         |
| Creditor days                                     | 48.0         | 52.7         | 49.3         | 55.6         | 53.2         |
| Operating ROIC (%)                                | 12.5         | 11.4         | 13.9         | 14.0         | 17.2         |
| ROIC (%)  | 12.7         | 11.5         | 13.8         | 14.0         | 17.1         |
| ROE (%)   | 19.2         | 18.7         | 21.7         | 19.1         | 20.9         |
| ROA (%)   | 10.6         | 9.8          | 11.3         | 10.6         | 12.3         |
| * Pre-exceptional, pre-goodwill and fully diluted |              |              |              |              |              |
| <b>Revenue by Division (THB m)</b>                |              |              |              |              |              |
| Cash patient revenue                              | 5,790        | 5,688        | 7,918        | 7,453        | 8,253        |
| SSO patient revenue                               | 3,090        | 3,240        | 3,420        | 3,685        | 3,913        |
| NHSO patient revenue                              | 0            | 0            | 0            | 0            | 0            |

Sources: Bangkok Chain Hospital; FSSIA estimates



## Financial Statements

### Bangkok Chain Hospital

| Cash Flow (THB m) Year Ending Dec | 2019           | 2020           | 2021E          | 2022E          | 2023E          |
|-----------------------------------|----------------|----------------|----------------|----------------|----------------|
| Recurring net profit              | 1,149          | 1,229          | 1,605          | 1,584          | 1,925          |
| Depreciation                      | 665            | 782            | 949            | 995            | 1,033          |
| Associates & minorities           | -              | -              | -              | -              | -              |
| Other non-cash items              | 187            | 94             | 168            | 160            | 176            |
| Change in working capital         | (211)          | (593)          | 492            | (7)            | 20             |
| <b>Cash flow from operations</b>  | <b>1,789</b>   | <b>1,512</b>   | <b>3,215</b>   | <b>2,731</b>   | <b>3,154</b>   |
| Capex - maintenance               | (1,721)        | (2,546)        | (768)          | (557)          | (608)          |
| Capex - new investment            | -              | -              | -              | -              | -              |
| Net acquisitions & disposals      | 2              | 5              | 0              | 0              | 0              |
| Other investments (net)           | -              | -              | -              | -              | -              |
| <b>Cash flow from investing</b>   | <b>(1,719)</b> | <b>(2,541)</b> | <b>(768)</b>   | <b>(557)</b>   | <b>(608)</b>   |
| Dividends paid                    | (549)          | (574)          | (574)          | (851)          | (839)          |
| Equity finance                    | 0              | 0              | 0              | 0              | 0              |
| Debt finance                      | 778            | 1,837          | (400)          | (800)          | (800)          |
| Other financing cash flows        | (166)          | (168)          | (106)          | (85)           | (93)           |
| <b>Cash flow from financing</b>   | <b>63</b>      | <b>1,096</b>   | <b>(1,080)</b> | <b>(1,736)</b> | <b>(1,733)</b> |
| Non-recurring cash flows          | -              | -              | -              | -              | -              |
| Other adjustments                 | 0              | 0              | 0              | 0              | 0              |
| <b>Net other adjustments</b>      | <b>0</b>       | <b>0</b>       | <b>0</b>       | <b>0</b>       | <b>0</b>       |
| <b>Movement in cash</b>           | <b>133</b>     | <b>67</b>      | <b>1,367</b>   | <b>439</b>     | <b>813</b>     |
| Free cash flow to firm (FCFF)     | 200.99         | (896.48)       | 2,599.95       | 2,343.76       | 2,694.61       |
| Free cash flow to equity (FCFE)   | 682.04         | 640.69         | 1,940.67       | 1,289.57       | 1,652.74       |

#### Per share (THB)

|                               |      |        |      |      |      |
|-------------------------------|------|--------|------|------|------|
| FCFF per share                | 0.08 | (0.36) | 1.04 | 0.94 | 1.08 |
| FCFE per share                | 0.27 | 0.26   | 0.78 | 0.52 | 0.66 |
| Recurring cash flow per share | 0.80 | 0.84   | 1.09 | 1.10 | 1.26 |

| Balance Sheet (THB m) Year Ending Dec             | 2019          | 2020          | 2021E         | 2022E         | 2023E         |
|---|---------------|---------------|---------------|---------------|---------------|
| Tangible fixed assets (gross)                     | 16,288        | 18,773        | 19,573        | 20,130        | 20,738        |
| Less: Accumulated depreciation                    | (5,705)       | (6,369)       | (7,318)       | (8,313)       | (9,346)       |
| <b>Tangible fixed assets (net)</b>                | <b>10,584</b> | <b>12,404</b> | <b>12,255</b> | <b>11,817</b> | <b>11,392</b> |
| <b>Intangible fixed assets (net)</b>              | <b>451</b>    | <b>522</b>    | <b>522</b>    | <b>522</b>    | <b>522</b>    |
| Long-term financial assets                        | -             | -             | -             | -             | -             |
| Invest. in associates & subsidiaries              | 37            | 33            | 33            | 33            | 33            |
| Cash & equivalents                                | 879           | 946           | 2,313         | 2,752         | 3,565         |
| A/C receivable                                    | 1,817         | 1,487         | 1,067         | 1,067         | 1,067         |
| Inventories                                       | 231           | 250           | 316           | 310           | 334           |
| Other current assets                              | 40            | 856           | 1,087         | 1,068         | 1,167         |
| <b>Current assets</b>                             | <b>2,967</b>  | <b>3,538</b>  | <b>4,784</b>  | <b>5,197</b>  | <b>6,133</b>  |
| Other assets                                      | 77            | 30            | 30            | 30            | 30            |
| <b>Total assets</b>                               | <b>14,116</b> | <b>16,527</b> | <b>17,624</b> | <b>17,599</b> | <b>18,110</b> |
| Common equity                                     | 6,248         | 6,885         | 7,916         | 8,649         | 9,735         |
| Minorities etc.                                   | 730           | 742           | 836           | 911           | 994           |
| <b>Total shareholders' equity</b>                 | <b>6,978</b>  | <b>7,626</b>  | <b>8,752</b>  | <b>9,560</b>  | <b>10,729</b> |
| Long term debt                                    | 4,759         | 5,150         | 5,150         | 4,350         | 3,550         |
| Other long-term liabilities                       | 192           | 207           | 207           | 207           | 207           |
| <b>Long-term liabilities</b>                      | <b>4,952</b>  | <b>5,357</b>  | <b>5,357</b>  | <b>4,557</b>  | <b>3,757</b>  |
| A/C payable                                       | 715           | 784           | 994           | 974           | 1,048         |
| Short term debt                                   | 718           | 2,165         | 1,765         | 1,765         | 1,765         |
| Other current liabilities                         | 752           | 595           | 756           | 742           | 811           |
| <b>Current liabilities</b>                        | <b>2,186</b>  | <b>3,544</b>  | <b>3,515</b>  | <b>3,482</b>  | <b>3,624</b>  |
| <b>Total liabilities and shareholders' equity</b> | <b>14,116</b> | <b>16,527</b> | <b>17,624</b> | <b>17,599</b> | <b>18,110</b> |
| Net working capital                               | 621           | 1,214         | 722           | 729           | 709           |
| Invested capital                                  | 11,769        | 14,203        | 13,561        | 13,131        | 12,686        |

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

#### Per share (THB)

|                               |      |      |      |      |      |
|-------------------------------|------|------|------|------|------|
| Book value per share          | 2.51 | 2.76 | 3.17 | 3.47 | 3.90 |
| Tangible book value per share | 2.32 | 2.55 | 2.97 | 3.26 | 3.69 |

#### Financial strength

|                           |      |      |      |      |      |
|---------------------------|------|------|------|------|------|
| Net debt/equity (%)       | 65.9 | 83.5 | 52.6 | 35.2 | 16.3 |
| Net debt/total assets (%) | 32.6 | 38.5 | 26.1 | 19.1 | 9.7  |
| Current ratio (x)         | 1.4  | 1.0  | 1.4  | 1.5  | 1.7  |
| CF interest cover (x)     | 6.4  | 6.1  | 14.3 | 9.5  | 14.0 |

| Valuation                                 | 2019        | 2020        | 2021E       | 2022E       | 2023E       |
|---|-------------|-------------|-------------|-------------|-------------|
| <b>Recurring P/E (x) *</b>                | <b>43.0</b> | <b>40.2</b> | <b>30.8</b> | <b>31.2</b> | <b>25.7</b> |
| <b>Recurring P/E @ target price (x) *</b> | <b>52.1</b> | <b>48.7</b> | <b>37.3</b> | <b>37.8</b> | <b>31.1</b> |
| Reported P/E (x)                          | 43.5        | 40.2        | 30.8        | 31.2        | 25.7        |
| Dividend yield (%)                        | 1.1         | 1.2         | 1.2         | 1.7         | 1.7         |
| Price/book (x)                            | 7.9         | 7.2         | 6.2         | 5.7         | 5.1         |
| Price/tangible book (x)                   | 8.5         | 7.8         | 6.7         | 6.1         | 5.4         |
| EV/EBITDA (x) **                          | 24.0        | 22.4        | 16.8        | 16.6        | 14.2        |
| EV/EBITDA @ target price (x) **           | 28.6        | 26.5        | 20.0        | 19.9        | 17.0        |
| EV/invested capital (x)                   | 4.6         | 4.0         | 4.0         | 4.1         | 4.1         |

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

Sources: Bangkok Chain Hospital; 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    | ICI   | 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   | PCSGH | PDJ    | PG     | 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          | SEAOIL | 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    | AMANAH | 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

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### History of change in investment rating and/or target price

#### Bangkok Chain Hospital (BCH TB)



| Date        | Rating | Target price | Date        | Rating | Target price | Date        | Rating | Target price |
|-------------|--------|--------------|-------------|--------|--------------|-------------|--------|--------------|
| 30-Jul-2020 | BUY    | 20.00        | 26-Nov-2020 | BUY    | 20.00        | 31-Mar-2021 | BUY    | 20.00        |
| 23-Sep-2020 | BUY    | 20.00        | 28-Jan-2021 | BUY    | 20.00        | 20-Apr-2021 | BUY    | 23.00        |

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 Chain Hospital | BCH TB | THB 19.80 | 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. |

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

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All share prices are as at market close on 24-May-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.