

20 OCTOBER 2021

THAILAND / HEALTHCARE

BANGKOK DUSIT MEDICAL SERVICES

BDMS TB

BUY

UNCHANGED

TARGET PRICE	THB29.00
CLOSE	THB23.20
UP/DOWNSIDE	+25.0%
PRIOR TP	THB29.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+9.6%

Should pass 3Q with flying colours

3Q21 should mark the best results during the Covid pandemic

We expect BDMS' 3Q21 core profit to be the best quarterly result since the Covid pandemic started, due to Covid-related services. Although Covid-related services should slow down in 4Q21, BDMS should maintain its recovery momentum in 4Q from Thai non-Covid patients and international patients under the Alternative Hospital Quarantine (AHQ) scheme which resumed in October.

Expect 3Q21 core profit to grow by 18% y-y, 46% q-q to THB2.1b

We expect 3Q21 revenue to grow by 21% y-y, driven mainly by Covid-related revenue, accounting for c20% of the revenue contributed in 3Q21 (vs 10% contribution in 2Q21). The capacity to serve Covid patients increased to 8,600 beds in 3Q21 (5,600 hospital beds and 3,000 cohort ward beds) with an estimated utilisation rate of 80%, up from 1,300 beds in 2Q21. Thai non-Covid patients should grow by 10% q-q due to increased patient confidence in seeking treatments in hospitals. International patient revenue should be flat q-q, as the government has asked hospitals to slow international patient admissions under AHQ. BDMS will book an incentive for staff and a one-off expense for opening a field hospital in 3Q21. Hence, we expect its EBITDA margin to drop from 24% in 3Q20 to 22% in 3Q21, but improve compared to 21% in 2Q21.

Expect earnings to return to pre-Covid level in 2022

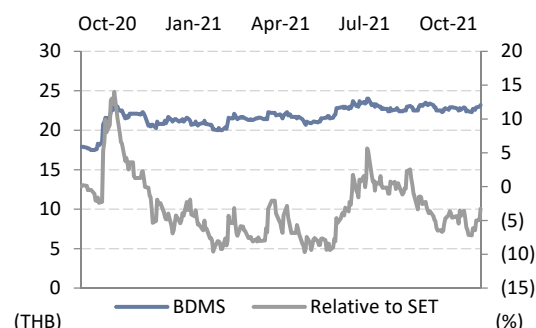
We estimate Thai non-Covid patient revenue in 2021 to remain below the pre-Covid level by 15% and expect the growth to resume in 2022, as vaccinated patients should have more confidence to visit hospitals. We estimate Thai non-Covid patient revenue to grow by 21% in 2022, surpassing the pre-Covid level by 3%. In addition, we expect international patient revenue to be below the pre-Covid level by 50% in 2022 and recover to c90% of the pre-Covid level in 2022, led by the pent-up demand of Middle East and CLMV patients. Overall, we expect core profit to grow by 46% and return to the pre-Covid level in 2022.

Trading at a discount to 5-year average and pre-Covid level

BDMS is trading at 36x 2022E P/E, below its 5-yr avg of 38x. Its share price has the potential to exceed the pre-Covid level of THB25-26/shr, as we expect its earnings to surpass the pre-Covid level by 2023, premised on an improving EBITDA margin following cost-saving measures since the start of the pandemic and a new S-curve for Chinese patients.

KEY STOCK DATA

YE Dec (THB m)	2020	2021E	2022E	2023E
Revenue	69,057	70,805	85,739	97,068
Net profit	7,214	6,910	10,094	12,543
EPS (THB)	0.45	0.43	0.64	0.79
vs Consensus (%)	-	(2.1)	16.8	21.5
EBITDA	14,938	15,953	20,347	23,715
Core net profit	6,045	6,910	10,094	12,543
Core EPS (THB)	0.38	0.43	0.64	0.79
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	(39.9)	14.3	46.1	24.3
Core P/E (x)	61.0	53.4	36.5	29.4
Dividend yield (%)	1.3	3.0	1.1	1.6
EV/EBITDA (x)	25.2	23.7	18.2	15.3
Price/book (x)	4.2	4.4	4.1	3.8
Net debt/Equity (%)	5.0	6.8	(3.0)	(11.1)
ROE (%)	7.0	8.1	11.6	13.5



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	1.8	0.9	27.5
Relative to country (%)	1.5	(3.7)	(5.5)
Mkt cap (USD m)	11,064		
3m avg. daily turnover (USD m)	18.6		
Free float (%)	65		
Major shareholder	Prasert Prasatthongsoj (15%)		
12m high/low (THB)	24.60/17.30		
Issued shares (m)	15,892.00		

Sources: Bloomberg consensus; FSSIA estimates



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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 2020 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.

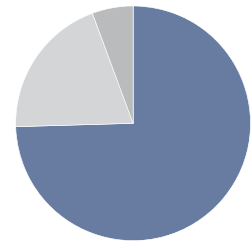
Company profile

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)

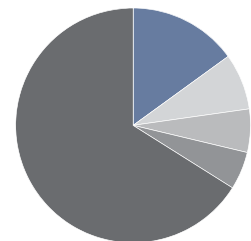
- Thai patient revenue - 74.5 %
- International patient revenue - 19.8 %
- Other revenue - 5.6 %



Source: Bangkok Dusit Medical Services

Major shareholders

- Prasert Prasatthongsoj - 15.0 %
- Thai NVDR - 7.8 %
- Viriyah insurance - 6.0 %
- Bangkok Airways - 5.2 %
- Others - 66.1 %



Source: Bangkok Dusit Medical Services

Catalysts

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.

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 price and medical bill controls; and 3) higher-than-expected capex and opex for CoE projects.

Event calendar

Date	Event
Nov 2021	3Q21 results announcement

Key assumptions

	2021E	2022E	2023E
	(%)	(%)	(%)
No. of hospitals (no.)	49	49	50
OPD volume growth	4	17	8
OPD revenue / patient growth	0	3	3
IPD volume growth	5	23	13
IPD revenue / patient growth	(5)	0	3

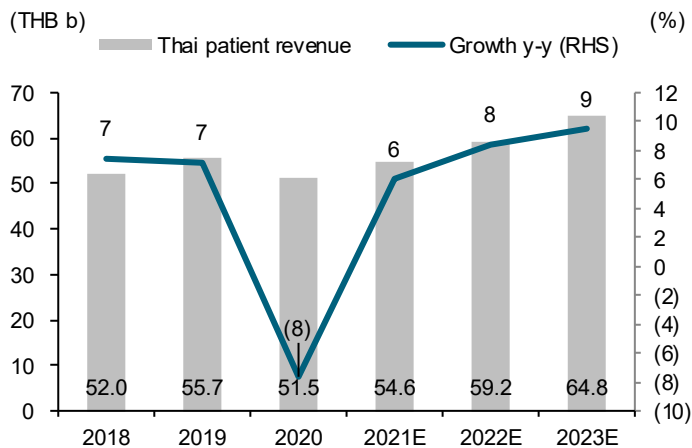
Source: FSSIA estimates

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.

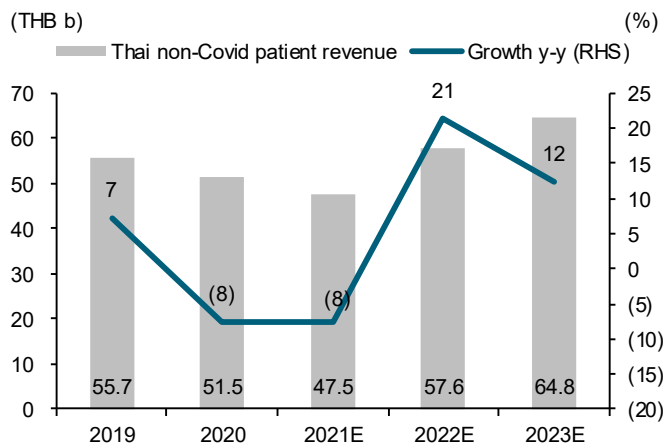
Source: FSSIA estimates

Exhibit 1: Thai patient revenue (including revenue from Covid patients)



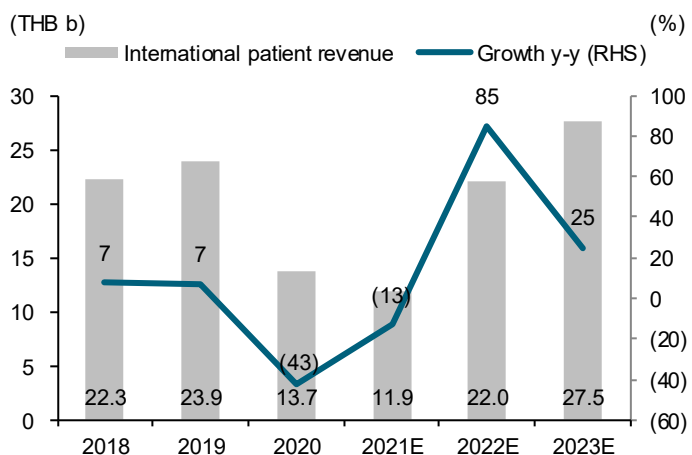
Sources: BDMS; FSSIA estimates

Exhibit 2: Thai non-Covid patient revenue



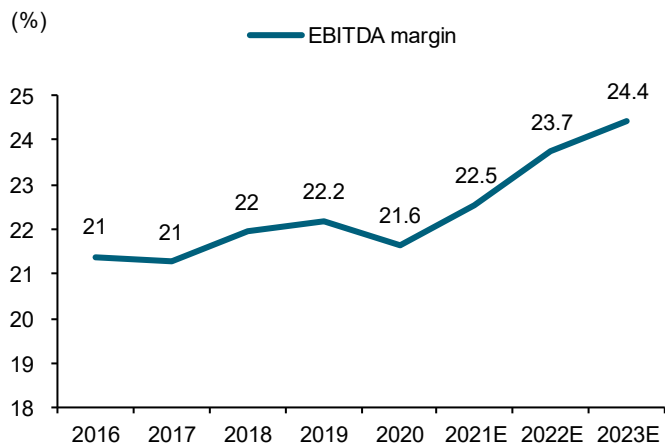
Sources: BDMS; FSSIA estimates

Exhibit 3: International patient revenue



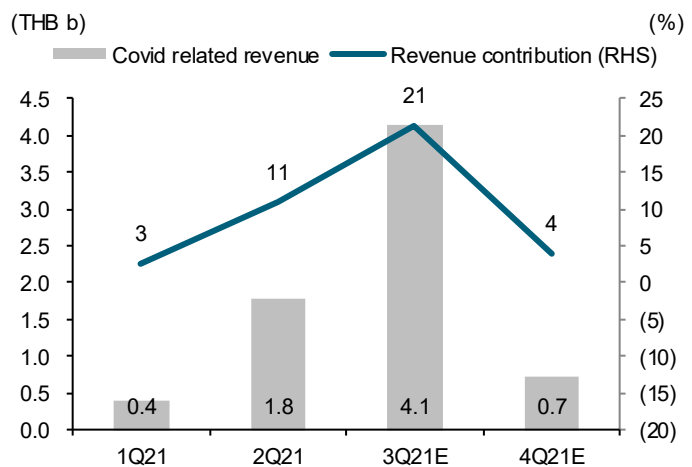
Sources: BDMS; FSSIA estimates

Exhibit 4: EBITDA margin should improve in next three years



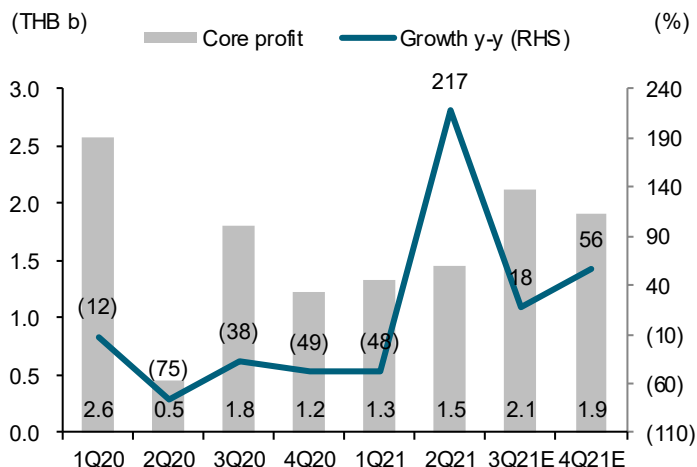
Sources: BDMS; FSSIA estimates

Exhibit 5: Covid-related revenue



Sources: BDMS; FSSIA estimates

Exhibit 6: Core profit, quarterly



Sources: BDMS; FSSIA estimates

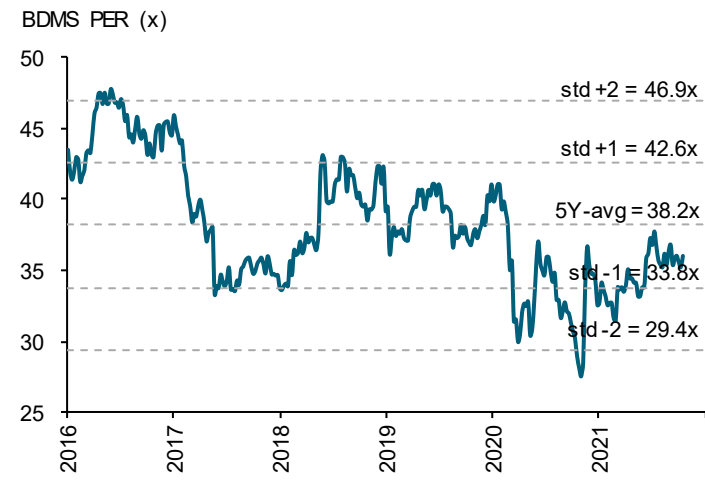
Exhibit 7: 3Q21E results preview

	3Q20	4Q20	1Q21	2Q21	3Q21E	----- Change -----		9M20	9M21E	Change	2021E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)	(THB m)
Sales	16,976	18,101	16,281	17,397	20,472	18	21	50,956	54,150	6	70,805
- Hospital revenue	16,071	17,134	15,311	16,443	19,424	18	21	48,033	51,178	7	66,487
- Other revenue	905	967	970	954	1,049	10	16	2,923	2,973	2	4,319
COGS (incl depreciation)	(11,169)	(12,315)	(11,051)	(11,762)	(13,757)	17	23	(34,057)	(36,569)	7	(47,133)
Gross profit	5,807	5,787	5,230	5,636	6,715	19	16	16,899	17,581	4	23,672
SG&A	(3,272)	(3,985)	(3,284)	(3,539)	(3,796)	7	16	(10,176)	(10,619)	4	(14,165)
Operating profit¹⁾	2,534	1,802	1,946	2,097	2,919	39	15	6,723	6,962	4	9,507
Net other income	14	(13)	0	5	5	9	(64)	19	10	(49)	6
Interest income	4	12	13	33	33	0	680	28	79	186	157
Interest expense	(215)	(210)	(195)	(188)	(180)	(4)	(16)	(661)	(563)	(15)	(792)
Pretax profit	2,338	1,590	1,765	1,946	2,777	43	19	6,108	6,487	6	8,878
Income Tax	(482)	(278)	(330)	(383)	(528)	38	9	(1,214)	(1,240)	2	(1,554)
Associates	66	26	3	5	5	0	(92)	247	13	(95)	53
Minority interest	(122)	(120)	(99)	(116)	(134)	15	10	(315)	(349)	11	(468)
Core profit	1,801	1,219	1,339	1,452	2,120	46	18	4,827	4,911	2	6,910
Extraordinaries, GW & FX		1,169									0
Reported net profit	1,801	2,388	1,339	1,452	2,120	46	18	4,827	4,911	2	6,910
Outstanding shares (m)	15,892	15,892	15,892	15,892	15,892	0	0	15,892	15,892	0	15,892
Core EPS (THB)	0.11	0.08	0.08	0.09	0.13	46	18	0.30	0.31	2	0.43
EPS (THB)	0.11	0.15	0.08	0.09	0.13	46	18	0.30	0.31	2	0.43
COGS excl. depreciation	9,554	10,705	9,470	10,180	12,160	19	27	29,254	31,810	9	40,687
Depreciation	1,615	1,610	1,581	1,581	1,597	1	(1)	4,803	4,759	(1)	6,446
EBITDA ²⁾	4,149	3,412	3,527	3,678	4,516	23	9	11,526	11,721	2	15,953
Key ratios	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)	(%)	(ppt)	(%)
Gross margin	34	32	32	32	32.8	0	(1)	33	32	(1)	33
SG&A/Revenue	19	22	20	20	19	(2)	(1)	20	20	(0)	20
EBITDA margin	24	19	22	21	22	1	(2)	23	22	(1)	23
Net profit margin	11	13	8	8	10	2	(0)	9	9	(0)	10
Operating stats	(%)	(%)	(%)	(%)							
OPD revenue growth y-y	(16)	(16)	(15)	15							
OPD volume growth y-y	(15)	(11)	(12)	20							
OPD revenue per head growth y-y	(1)	(6)	(4)	(4)							
IPD revenue growth y-y	(28)	(16)	(22)	35							
IPD volume growth y-y	(39)	(25)	(32)	16							
IPD revenue per head growth y-y	18	13	15	17							
Thai revenue growth y-y	(13)	0	(7)	24							
International revenue growth y-y	(55)	(53)	(49)	27							

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

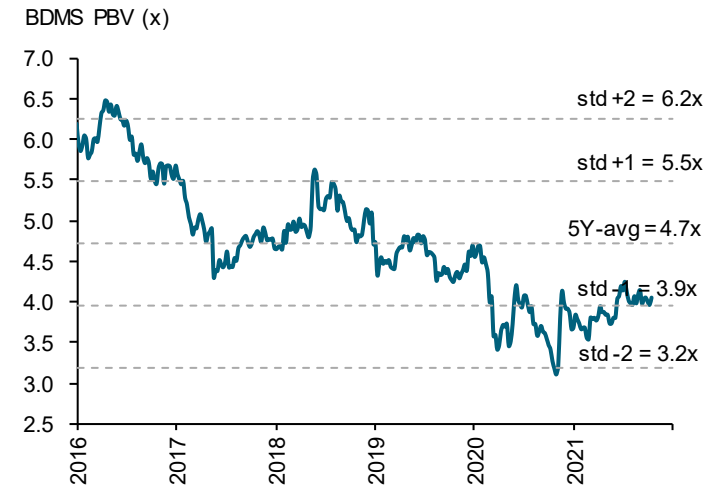
Sources: BDMS; FSSIA estimates

Exhibit 8: One-year prospective P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 9: One-year prospective P/BV band



Sources: Bloomberg; FSSIA estimates

Exhibit 10: Peer comparisons as of 19 Oct 2021

Company	BBG	Rec	Share price			Market Cap (USD m)	PE		ROE		PBV		- EV/ EBITDA -	
			Current (LCY)	Target (LCY)	Upside (%)		21E (x)	22E (x)	21E (%)	22E (%)	21E (x)	22E (x)	21E (x)	22E (x)
Thailand														
Bangkok Dusit Med Service	BDMS TB	BUY	23.20	29.00	25.0	11,064	53.4	36.5	8.1	11.6	4.4	4.1	23.7	18.2
Bumrungrad Hospital	BH TB	BUY	143.00	155.00	8.4	3,410	119.1	48.2	5.4	13.2	6.7	6.1	46.6	25.8
Bangkok Chain Hospital	BCH TB	BUY	20.40	28.50	39.7	1,527	12.0	27.6	48.6	17.8	4.8	5.0	8.1	15.5
Chularat Hospital	CHG TB	BUY	3.74	4.70	25.7	1,235	23.9	32.5	37.3	23.8	7.9	7.6	16.0	20.5
Praram 9 Hospital	PR9 TB	BUY	11.00	14.00	27.3	260	43.7	24.1	4.7	8.3	2.0	1.9	14.9	10.7
Thonburi Healthcare Group	THG TB	HOLD	33.25	27.50	(17.3)	842	98.1	67.8	3.6	5.2	3.6	3.5	27.8	25.1
Vibhavadi Medical Center	VIBHA TB	BUY	2.22	2.80	26.1	904	46.6	37.4	8.6	8.8	3.6	2.7	28.5	24.4
Ramkhamhaeng Hospital	RAM TB	BUY	168.00	225.00	33.9	1,210	23.7	23.0	13.6	13.9	3.3	3.1	16.3	16.2
Rajthanee Hospital	RJH TB	n/a	33.00	n/a	n/a	291	15.4	20.7	39.2	27.0	6.6	5.7	10.6	13.4
Ekachai Medical Care	EKH TB	n/a	7.95	n/a	n/a	143	19.2	25.8	25.4	18.9	5.5	4.9	12.0	14.5
Thailand average						20,884	45.5	34.4	19.5	14.8	4.8	4.5	20.4	18.4
Regional														
Ramsay Health Care	RHC AU	n/a	66.75	n/a	n/a	11,410	32.5	29.8	11.3	12.1	3.7	3.7	12.6	11.8
Ihh Healthcare Bhd	IHH SP	n/a	2.17	n/a	n/a	14,182	44.5	38.9	5.7	6.1	2.5	2.5	17.7	16.6
Ryman Healthcare	RYM NZ	n/a	14.70	n/a	n/a	5,264	31.6	25.5	12.2	9.0	3.2	2.9	35.1	25.9
Apollo Hospitals Enterprise	APHS IN	n/a	4,301	n/a	n/a	8,217	720.3	74.1	2.4	15.8	17.0	14.7	56.6	30.6
Kpj Healthcare Berhad	KPJ MK	n/a	1.12	n/a	n/a	1,155	58.9	26.7	4.1	8.7	2.5	2.2	16.2	12.2
Raffles Medical Group	RFMD SP	n/a	1.55	n/a	n/a	2,155	37.8	36.9	8.4	8.7	3.3	3.1	21.0	19.8
Mitra Keluarga Karyasehat	MIKA IJ	n/a	2,250	n/a	n/a	2,274	28.9	30.4	20.9	18.1	6.6	5.6	18.0	19.2
Aier Eye Hospital Group	300015 CH	n/a	47.18	n/a	n/a	39,952	102.6	78.0	20.6	22.5	29.9	20.6	60.2	47.8
Regional average						84,609	132.1	42.5	10.7	12.6	8.6	6.9	29.7	23.0
Overall average						105,493	84.0	38.0	15.6	13.9	6.5	5.6	24.5	20.5

Sources: *Bloomberg; 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	70,805	85,739	97,068
Cost of goods sold	(48,155)	(39,958)	(40,687)	(48,582)	(54,516)
Gross profit	35,619	29,099	30,119	37,157	42,552
Other operating income	-	-	-	-	-
Operating costs	(17,040)	(14,161)	(14,165)	(16,810)	(18,837)
Operating EBITDA	18,579	14,938	15,953	20,347	23,715
Depreciation	(5,752)	(6,413)	(6,446)	(6,771)	(6,998)
Goodwill amortisation	-	-	-	-	-
Operating EBIT	12,827	8,525	9,507	13,576	16,716
Net financing costs	(819)	(832)	(635)	(570)	(443)
Associates	1,022	273	53	59	64
Recurring non-operating income	1,032	278	59	65	72
Non-recurring items	5,464	1,169	0	0	0
Profit before tax	18,504	9,141	8,932	13,072	16,345
Tax	(2,494)	(1,491)	(1,554)	(2,472)	(3,256)
Profit after tax	16,009	7,649	7,378	10,599	13,089
Minority interests	(492)	(435)	(468)	(505)	(545)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	15,517	7,214	6,910	10,094	12,543
Non-recurring items & goodwill (net)	(5,464)	(1,169)	0	0	0
Recurring net profit	10,053	6,045	6,910	10,094	12,543
Per share (THB)					
Recurring EPS *	0.63	0.38	0.43	0.64	0.79
Reported EPS	0.98	0.45	0.43	0.64	0.79
DPS	0.44	0.30	0.70	0.26	0.38
Diluted shares (used to calculate per share data)	15,892	15,892	15,892	15,892	15,892
Growth					
Revenue (%)	7.0	(17.6)	2.5	21.1	13.2
Operating EBITDA (%)	8.2	(19.6)	6.8	27.5	16.6
Operating EBIT (%)	8.8	(33.5)	11.5	42.8	23.1
Recurring EPS (%)	1.8	(39.9)	14.3	46.1	24.3
Reported EPS (%)	66.5	(53.5)	(4.2)	46.1	24.3
Operating performance					
Gross margin inc. depreciation (%)	35.7	32.9	33.4	35.4	36.6
Gross margin of key business (%)	35.7	32.9	33.4	35.4	36.6
Operating EBITDA margin (%)	22.2	21.6	22.5	23.7	24.4
Operating EBIT margin (%)	15.3	12.3	13.4	15.8	17.2
Net margin (%)	12.0	8.8	9.8	11.8	12.9
Effective tax rate (%)	20.8	19.4	17.5	19.0	20.0
Dividend payout on recurring profit (%)	69.0	78.4	161.0	41.1	48.3
Interest cover (X)	16.9	10.6	15.1	23.9	37.9
Inventory days	13.8	16.9	16.8	15.6	16.0
Debtor days	35.7	42.4	37.1	30.6	27.0
Creditor days	42.4	47.7	40.3	37.3	38.4
Operating ROIC (%)	13.9	8.6	9.4	13.6	16.9
ROIC (%)	9.6	6.5	7.6	10.8	13.4
ROE (%)	13.0	7.0	8.1	11.6	13.5
ROA (%)	8.4	5.3	5.9	8.2	9.5
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Thai patient revenue	55,741	51,482	54,581	59,178	64,774
International patient revenue	23,889	13,685	11,906	22,026	27,532
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	6,910	10,094	12,543
Depreciation	5,752	6,413	6,446	6,771	6,998
Associates & minorities	-	-	-	-	-
Other non-cash items	6,341	2,408	443	505	545
Change in working capital	(718)	(2,887)	173	1,586	1,199
Cash flow from operations	21,429	11,979	13,973	18,955	21,286
Capex - maintenance	(9,579)	(12,551)	(4,248)	(6,002)	(6,795)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	5,170	17,066	0	0	0
Other investments (net)	-	-	-	-	-
Cash flow from investing	(4,409)	4,514	(4,248)	(6,002)	(6,795)
Dividends paid	(6,941)	(4,741)	(11,124)	(4,146)	(6,056)
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)	(7,146)	(8,056)
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	(1,900)	5,807	6,435
Free cash flow to firm (FCFF)	17,948.13	17,364.27	10,516.37	13,665.39	15,123.39
Free cash flow to equity (FCFE)	1,239.39	18,811.29	9,224.52	9,953.53	12,491.53

Per share (THB)

FCFF per share	1.13	1.09	0.66	0.86	0.95
FCFE per share	0.08	1.18	0.58	0.63	0.79
Recurring cash flow per share	1.39	0.94	0.87	1.09	1.26

Balance Sheet (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Tangible fixed assets (gross)	128,953	139,771	144,020	150,021	156,816
Less: Accumulated depreciation	(50,159)	(54,780)	(61,226)	(67,997)	(74,995)
Tangible fixed assets (net)	78,794	84,991	82,793	82,025	81,821
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	17,766	23,574	30,009
A/C receivable	8,850	7,192	7,192	7,192	7,192
Inventories	1,843	1,855	1,889	2,256	2,531
Other current assets	36	1,299	1,332	1,613	1,827
Current assets	16,325	30,013	28,180	34,634	41,558
Other assets	1,655	1,213	1,237	1,237	1,237
Total assets	133,662	136,050	132,043	137,729	144,450
Common equity	83,813	87,910	83,696	89,644	96,131
Minorities etc.	3,368	3,553	4,020	4,525	5,070
Total shareholders' equity	87,182	91,463	87,716	94,169	101,201
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	4,531	5,410	6,071
Short term debt	5,283	83	83	83	83
Other current liabilities	7,990	6,260	6,419	7,773	8,800
Current liabilities	19,263	10,793	11,033	13,266	14,954
Total liabilities and shareholders' equity	133,662	136,050	132,043	137,729	144,450
Net working capital	(3,251)	(364)	(537)	(2,122)	(3,322)
Invested capital	114,086	105,673	103,327	100,973	99,570

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

Per share (THB)

Book value per share	5.27	5.53	5.27	5.64	6.05
Tangible book value per share	4.09	4.34	4.08	4.45	4.86

Financial strength

Net debt/equity (%)	21.5	5.0	6.8	(3.0)	(11.1)
Net debt/total assets (%)	14.1	3.4	4.5	(2.1)	(7.8)
Current ratio (x)	0.8	2.8	2.6	2.6	2.8
CF interest cover (x)	2.5	23.6	15.5	18.5	29.2

Valuation	2019	2020	2021E	2022E	2023E
Recurring P/E (x) *	36.7	61.0	53.4	36.5	29.4
Recurring P/E @ target price (x) *	45.8	76.2	66.7	45.7	36.7
Reported P/E (x)	23.8	51.1	53.4	36.5	29.4
Dividend yield (%)	1.9	1.3	3.0	1.1	1.6
Price/book (x)	4.4	4.2	4.4	4.1	3.8
Price/tangible book (x)	5.7	5.3	5.7	5.2	4.8
EV/EBITDA (x) **	21.0	25.2	23.7	18.2	15.3
EV/EBITDA @ target price (x) **	26.0	31.4	29.5	22.7	19.2
EV/invested capital (x)	3.4	3.6	3.7	3.7	3.6

* Pre-exceptional, pre-goodwill and 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	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	PAP	PCSGH	PDJ	PG	PHOL	PLANB
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	TTB	TMILL	TNDT
TNL	TOA	TOP	TPBI	TQM	TRC	TRC	TSC	TSR	TSTE	TSTH
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	TTB	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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Company	Ticker	Price	Rating	Valuation & Risks
Bangkok Dusit Medical Services	BDMS TB	THB 23.20	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 143.00	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 20.40	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 3.74	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 price and medical bill controls; and 3) SSO provision expenses following limited budgets from the SSO.
Praram 9 Hospital	PR9 TB	THB 11.00	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 33.25	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 2.22	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.
Ramkhamhaeng Hospital	RAM TB	THB 168.00	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) losses from its subsidiary companies.

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 19-Oct-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.