

BANGKOK CHAIN HOSPITAL

THAILAND / HEALTHCARE

BCH TB

BUY

UNCHANGED

TARGET PRICE	THB28.50
CLOSE	THB20.10
UP/DOWNSIDE	+41.8%
PRIOR TP	THB28.50
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+9.9%

Plenty of upsides ahead

- Expect 4Q21 core profit to grow 409% y-y to THB1.4b.
- Four revenue upsides: international patients, non-Covid Thai patients, SSO patients and Covid-related services.
- Maintain BUY; trading at unjustified valuation of 23x 2022E P/E, even though 2022 earnings could exceed pre-Covid by 89%.

4Q21 core profit to drop q-q, but still far above pre-Covid level

Covid-related revenue contributions should decline to 50% in 4Q21 from 71% in 3Q21. We expect non-Covid revenue to improve q-q from pent-up demand. Overall revenue should double y-y with a high EBITDA margin of 46% (vs 29% in 2020), leading core profit to jump 5x y-y to THB1.4b.

Market has overlooked strong international patient recovery

We believe both our revised 2022E core profit of THB2.2b and BBG consensus' THB2.0b have promising upsides from four drivers. First, international patient revenue hit a record high in 3Q21, jumping to cTHB500m from the pre-Covid average of THB233m per quarter, as a well-known doctor specialising in foot diabetic disease moved to work full-time at WMC. Second, we assume SSO revenue will grow by 15% in 2022, though BCH is targeting registered member growth of 24% to 1.1m members. Third, although we assume non-Covid Thai patient revenue will only recover to the pre-Covid level, pent-up demand and a larger customer base should easily drive revenue to exceed the pre-Covid level.

Omicron to provide an earnings upside in 2022

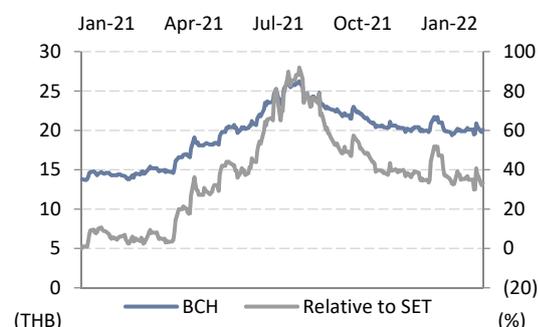
The last upside would come from Covid-related revenue on the back of the Omicron wave. According to the latest operational data as of 10 Jan-22, Covid tests have increased to 5,000 cases/day (vs 2,100 cases/day in 4Q21), while Covid patients have increased to almost 8,000 beds/day (vs 3,400 beds/day in 4Q21). Currently, we forecast Covid-related revenue contributions of THB3.6b or 27% of total revenue in 2022 – conservative compared to BCH's target of cTHB4.8b. With the four potential upsides combined, we estimate a revenue upside of up to THB3.0b, which could translate into an additional profit of THB0.6b-0.8b in 2022.

2021-22E profit revised up; trading at 1.7 SD below average

We revise up our 2021-22E core profit by 3-18% and maintain our 2023E core profit and DCF-TP. We have not yet factored the upsides mentioned above into our revised core profit. BCH trades at 23x 2022E P/E vs its 5-yr avg of 36x. Even excluding Covid-related revenue, an organic core profit of cTHB1.5b implies 33x 2022E P/E. This indicates that the market does not give a premium to Covid-related revenue, which we think is unjustified as some should convert to recurring income going forward.

KEY STOCK DATA

YE Dec (THB m)	2020	2021E	2022E	2023E
Revenue	8,928	19,417	13,374	12,637
Net profit	1,229	5,784	2,166	1,977
EPS (THB)	0.49	2.32	0.87	0.79
vs Consensus (%)	-	9.5	9.6	7.9
EBITDA	2,523	8,810	4,036	3,813
Core net profit	1,229	5,784	2,166	1,977
Core EPS (THB)	0.49	2.32	0.87	0.79
Chg. In EPS est. (%)	-	3.4	17.5	0.0
EPS growth (%)	7.0	370.5	(62.6)	(8.7)
Core P/E (x)	40.8	8.7	23.1	25.4
Dividend yield (%)	1.1	1.1	6.1	2.3
EV/EBITDA (x)	22.7	5.8	12.8	13.3
Price/book (x)	7.3	4.1	4.5	4.2
Net debt/Equity (%)	83.5	1.7	4.8	(5.9)
ROE (%)	18.7	61.0	18.6	17.0



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	1.0	(2.4)	46.7
Relative to country (%)	(2.6)	(4.5)	34.6
Mkt cap (USD m)	1,502		
3m avg. daily turnover (USD m)	15.1		
Free float (%)	44		
Major shareholder	Chalerm Harnphanich (33%)		
12m high/low (THB)	26.75/13.60		
Issued shares (m)	2,493.75		

Sources: Bloomberg consensus; FSSIA estimates


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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 services, including screening services and treatment services for Covid patients.

After Covid-19 subsidies, the World Medical Hospital (WMC) should continue to capture the rising demand of medical tourists. Currently, 50% of WMC's revenue is derived from international patients, especially Middle Eastern patients. The recovery of that patient segment should start in 2022.

BCH opened three new hospitals in 2020-21. We see Covid-19 as the driver for its new hospitals to turn around earlier than expected due to the influx of Covid patients, some of which could convert to regular patients in the future.

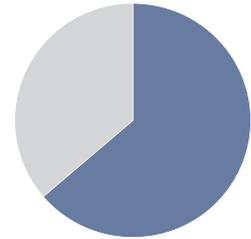
Company profile

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

Principal activities (revenue, 2020)

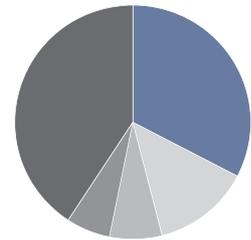
- Cash patient revenue - 63.7 %
- SSO patient revenue - 36.3 %



Source: Bangkok Chain Hospital

Major shareholders

- Chalerm Harnphanich - 32.6 %
- Thai NVDR - 13.4 %
- Somporn Harnphanich - 7.2 %
- Thailand Social Security Office - 6.1 %
- Others - 40.8 %



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
Feb 2022	4Q21 results announcement

Key assumptions

	2021E	2022E	2023E
	(%)	(%)	(%)
SSO volume growth	0	13	1
SSO revenue / patient growth	(3)	1	3
OPD volume growth	104	(36)	(13)
OPD revenue / patient growth	1	3	1
IPD volume growth	340	(50)	(10)
IPD revenue / patient growth	(10)	11	4

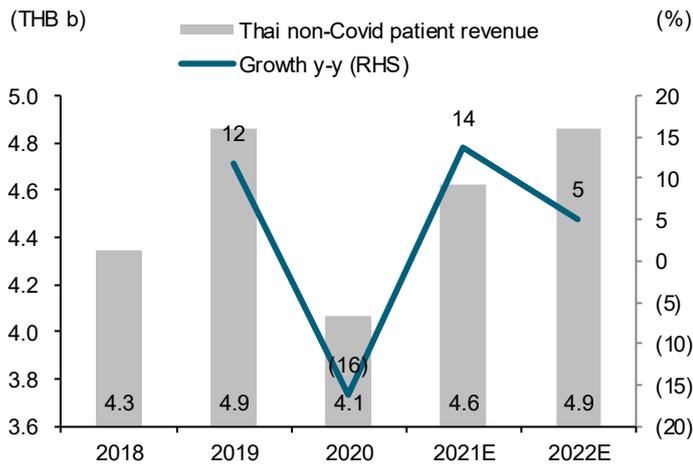
Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in patient volume, we project 2022 earnings would rise by 2%, and vice versa, all else being equal.
- For every 1% increase in EBITDA margin, we project 2022 earnings would rise by 5%, and vice versa, all else being equal.

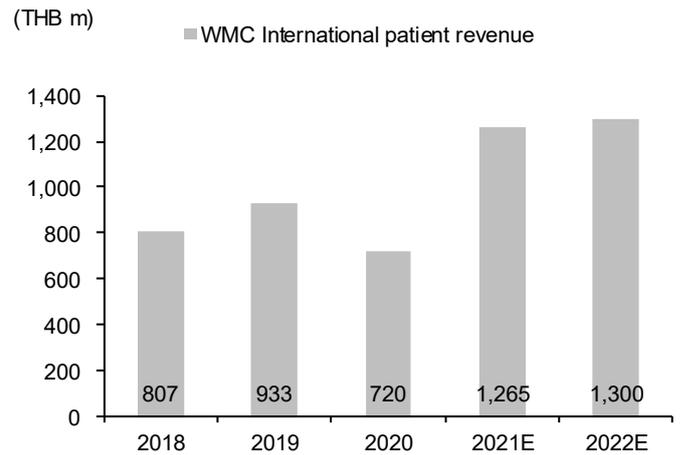
Source: FSSIA estimates

Exhibit 1: Non-Covid Thai patient revenue



Sources: BCH; FSSIA estimates

Exhibit 2: International patient revenue (at WMC only)



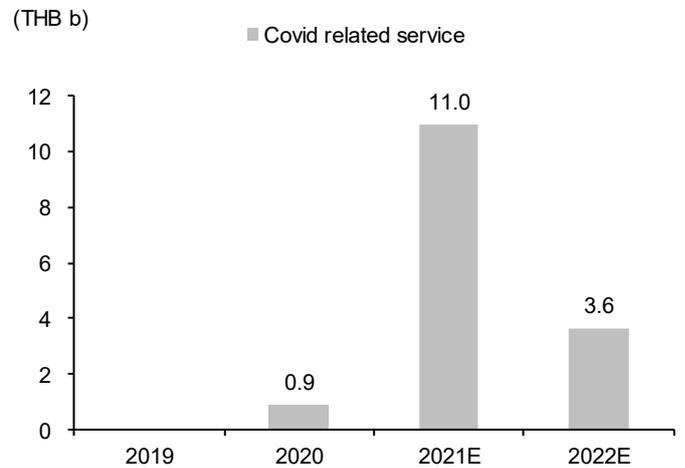
Sources: BCH; FSSIA estimates

Exhibit 3: SSO revenue



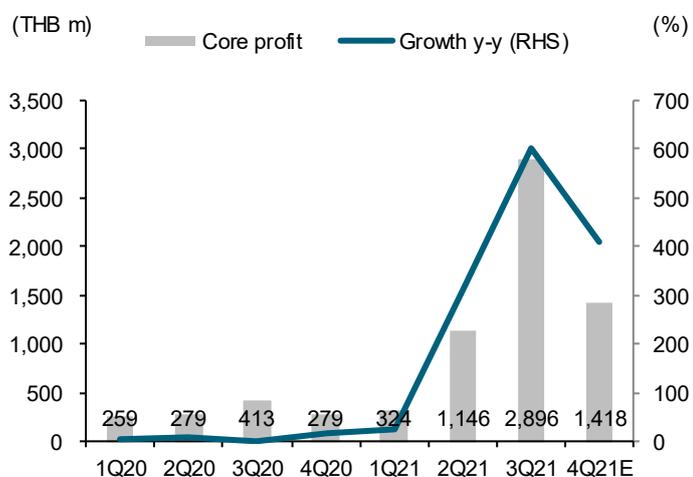
Sources: BCH; FSSIA estimates

Exhibit 4: Covid-related revenue



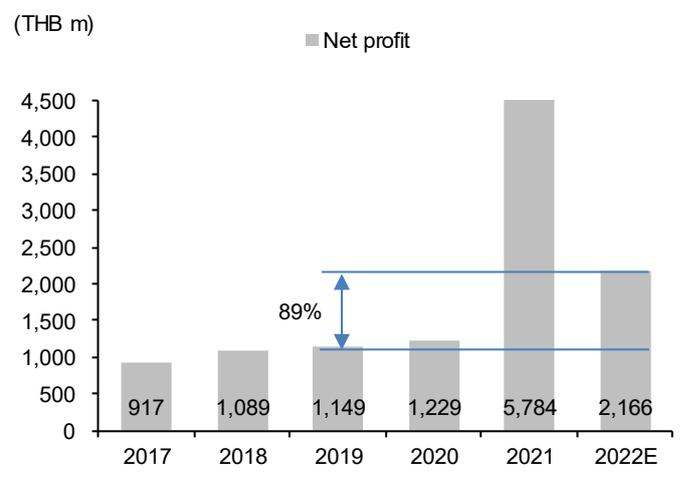
Sources: BCH; FSSIA estimates

Exhibit 5: Earnings – quarterly forecast



Sources: BCH; FSSIA estimates

Exhibit 6: 2022 earnings should exceed pre-Covid level by 89%



Sources: BCH; FSSIA estimates

International patient revenue has doubled amid Covid pandemic

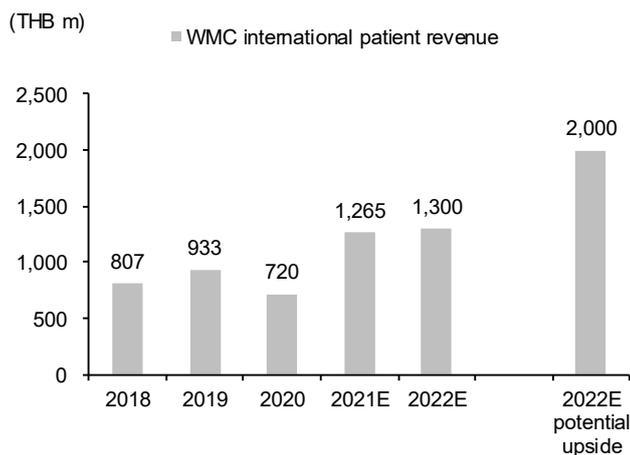
In our opinion, the market has overlooked the pace of recovery of BCH’s international patient revenue, as the market is currently focused on Covid-related revenue. The international patient segment had been growing even before the Covid pandemic, with a 55% CAGR for revenue over 2017-19, and accounted for about 11% of BCH’s 2019 revenue (we have calculated international patient revenue from WMC only and excluded international patient revenue from its other hospitals).

International patient revenue dropped by 23% in 2020 due to the Covid pandemic. However, it has since recovered, with revenue of THB981m in 9M21 being recorded, growing 94% y-y and exceeding the pre-Covid level by 46%. In particular, international patient revenue in 3Q21 jumped to cTHB500m from average revenue of THB233m per quarter during the pre-Covid period.

We believe the main reason is the well-known doctor specialising in foot diabetic disease who moved to work full-time at WMC. Previously, he worked at WMC and THG Bumrungrueng. As a result, many of his patients, mostly from the Middle East, have followed the doctor to WMC.

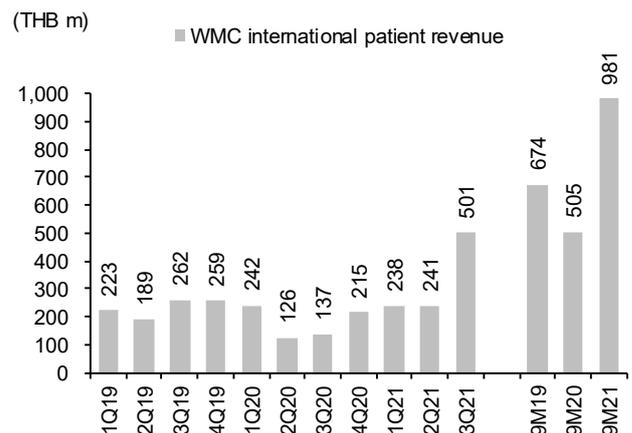
We will have to wait and see for a couple of quarters to determine how the revenue trend manifests. However, based on the strong revenue in 3Q21, we see a potential upside from international patient revenue of up to THB2.0b in 2022 compared to our forecast of THB1.3b.

Exhibit 7: WMC – international patient revenue forecast



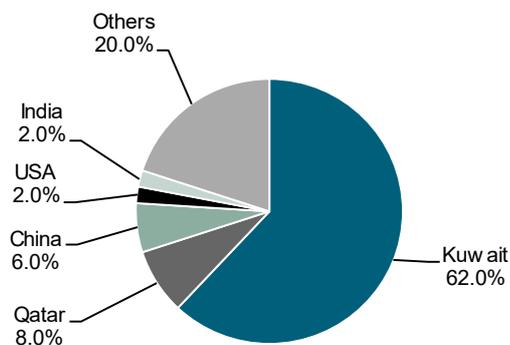
Sources: BCH; FSSIA estimates

Exhibit 8: WMC – international patient revenue, quarterly trend



Sources: BCH; FSSIA estimates

Exhibit 9: Breakdown of WMC’s international patient revenue as of 9M21



Source: BCH

Exhibit 10: World Diabetic Foot Center at WMC



Source: WMC website

Upside from Covid-related revenue

The market is currently very concerned that Covid-related revenue will gradually fade away. The government recently announced a reduction in the reimbursement rate for Covid testing and treatments that hospitals can reimburse from the UCEP-COVID fund (UCEP: Universal Coverage for Emergency Patients) by around c10-30% for each key item, effective Dec-21. The government is also considering revoking the UCEP-COVID fund outright, which means that patients would have to self-pay, use health insurance or use their security rights (SSO or National Health Security Office (NHSO)) for Covid treatments.

We believe the market has already factored in this negative news. We also conservatively assume that 2022 Covid-related revenue only amounts to 27% of total revenue (equivalent to 33% of total Covid-related revenue in 2021).

Exhibit 11: Summary of reduced reimbursement rates for key items from UCEP-COVID fund

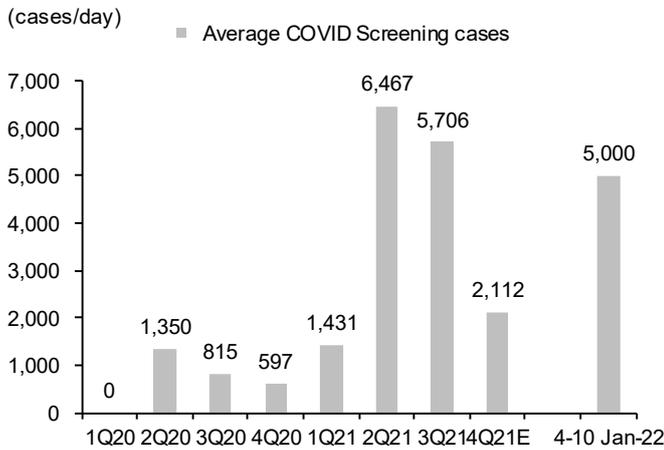
Item	New rate (THB)	Previous rate (THB)	Change (%)
Covid testing			
RT-PCR (3-gene)	1,300	1,500	(13)
RT-PCR (2-gene)	1,500	1,700	(12)
ATK (Chromatography)	300	450	(33)
ATK (Fluorescent Immunoassay)	400	500	(20)
Other Covid testing	400	550	(27)
Personal Protective Equipment (PPE)			
Green patient (per day)	300	300	0
Yellow patient (per PPE)	600	740	(19)
Red patient (per PPE)	600	740	(19)
Covid treatment for green patients			
Room fee (per night / maximum 10 days)	1,000	1,500	(33)
Cleaning fee			
Transportation vehicle and staff (per patient)	1,400	3,700	(62)
Home Isolation and Community Isolation			
Service fee (per day)	1,000	n/a	n/a
Medical supplies for Home Isolation (per patient)	1,100	n/a	n/a
Medical supplies for Community Isolation (per patient)	500	n/a	n/a

Source: NHSO

Omicron wave leads to surging Covid patient numbers

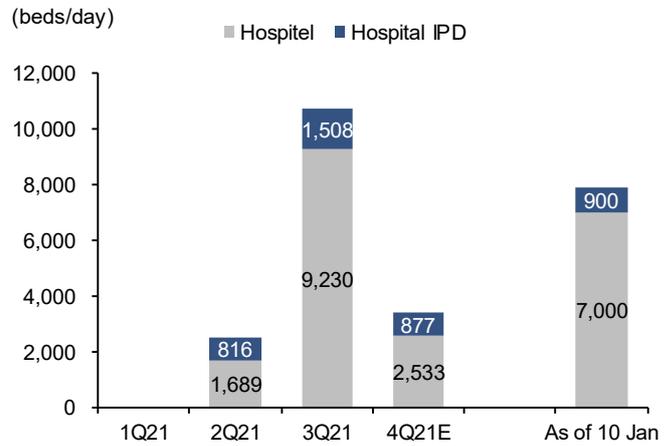
According to the latest operational data as of 10 Jan-22, Covid tests have increased to 5,000 cases/day (vs 2,100 cases/day in 4Q21), while Covid patients have increased to almost 8,000 beds/day (vs 3,400 beds/day in 4Q21). If Omicron is prolonged to February and/or March, we estimate additional Covid-related revenue of up to THB1.1b, leading to higher Covid-related contributions to 33% of total revenue in 2022.

Exhibit 12: Number of Covid screening cases



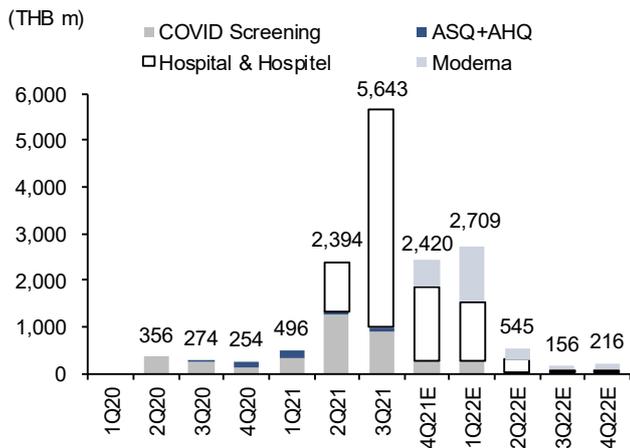
Sources: BCH; FSSIA estimates

Exhibit 13: Number of Covid patients under BCH



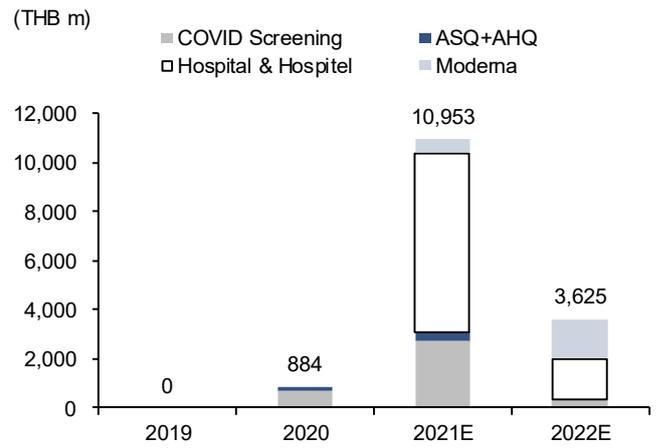
Sources: BCH; FSSIA estimates

Exhibit 14: Covid-related revenue, quarterly



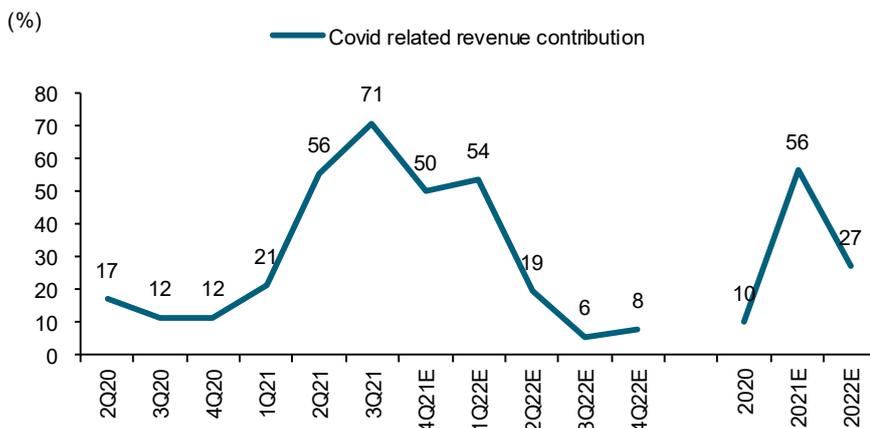
Sources: BCH; FSSIA estimates

Exhibit 15: Covid-related revenue, yearly



Sources: BCH; FSSIA estimates

Exhibit 16: Covid related revenue contributions



Sources: BCH; FSSIA estimates

Sensitivity analysis suggests 2022E earnings upside

We have run a sensitivity analysis on the Covid-related revenue we expect to see in 2022. We believe a revenue upside could come from 1) a prolonged Omicron wave; 2) another new Covid wave later on this year; and 3) revenue from Moderna vaccinations, which we assume 1.4m doses will be booked in 2022 (vs BCH's remaining c1.9m doses of Moderna). Our Covid-related revenue estimate (including Moderna vaccinations) of THB3.6b in 2022 is conservative compared to BCH's target of cTHB4.8b.

Our current assumption implies that Covid-related revenue would account for 27% of total revenue in 2022. As previously mentioned, we think there is high possibility that contributions could increase by up to 40%, leading to a 36% earnings upside.

In addition, if we conservatively peg our 2022E core EPS to a 33x P/E multiple, it implies a target price upside to THB39/shr. Note that a 33x P/E multiple is conservative, as BCH's 5-year historical average is 36x.

Exhibit 17: 2022E core profit sensitivity analysis on Covid-related service revenue

	----- Covid-related service revenue in 2022E -----		Core profit (THB b)	EPS (THB)	EPS upside (%)	TP (pegged at 33x P/E) (THB/shr)
	(THB b)	(% of 2022E total revenue)				
Base case	3.6	27	2.2	0.9	-	29
Case 1	1.3	10	1.7	0.7	(21)	23
Case 2	2.7	20	2.0	0.8	(9)	26
Case 3	4.0	30	2.2	0.9	4	30
Case 4	4.7	35	2.6	1.0	18	34
Case 5	5.3	40	2.9	1.2	36	39

Source: FSSIA estimates

4Q21 results forecast

We expect revenue to jump by 109% y-y in 4Q21, led by Covid-related revenue which should amount to 50% of 4Q21 revenue contributed. However, we estimate that Covid-related revenue should decline from THB5.6b in 3Q21 to THB2.4b in 4Q21. Covid screening services should decline from 525k cases in 3Q21 to 194k cases in 4Q21. Meanwhile, Covid patient numbers should slow down from an average of 10,700 beds/day in 3Q21 to 3,400 beds/day in 4Q21.

Non-Covid cash patient numbers should grow by 24% y-y, led by the pent-up demand of Thai patients and the recovery of international patient numbers following Thailand's reopening border in Nov-21. We estimate that SSO revenue will grow by 8% y-y due to the additional revenue from chronic disease operations, as actual revenue received should exceed the accrued amount.

The EBITDA margin should jump from 27% in 4Q20 to 46% in 4Q21. Overall, we expect core profit to grow 409% y-y to THB1.4b in 4Q21.

Exhibit 18: 4Q21 results forecast

	4Q20	1Q21	2Q21	3Q21	4Q21E	----- Change -----		2020	2021E	% chg
	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)				
Sales	2,308	2,316	4,313	7,959	4,829	(39)	109	8,928	19,417	117
COGS (incl. depreciation)	(1,571)	(1,619)	(2,318)	(3,689)	(2,463)	(33)	57	(5,975)	(10,082)	69
Gross Profit	737	698	1,995	4,271	2,366	(45)	221	2,953	9,335	216
SG&A	(363)	(291)	(401)	(367)	(390)	6	7	(1,213)	(1,434)	18
Operating Profit	374	407	1,594	3,904	1,976	(49)	429	1,741	7,902	354
Net other income	35	68	18	19	23	21	(34)	93	129	38
Interest expense	(35)	(28)	(35)	(40)	(40)	0	15	(132)	(146)	11
Pretax profit	373	447	1,577	3,882	1,959	(50)	425	1,702	7,884	363
Income Tax	(68)	(84)	(312)	(772)	(392)	(49)	479	(313)	(1,577)	404
Associates	1	1	1	0	1	1,076	21	3	2	n/a
Minority interest	(28)	(40)	(121)	(215)	(150)	(30)	437	(163)	(525)	223
Core profit	279	324	1,146	2,896	1,418	(51)	409	1,229	5,784	370
Extraordinaries, GW & FX	0	0	0	0	0					
Reported net profit	279	324	1,146	2,896	1,418	(51)	409	1,229	5,784	370
Outstanding shares (m)	2,494	2,494	2,494	2,494	2,494	0	0	9,975	2,494	(75)
Core EPS (THB)	0.11	0.13	0.46	1.16	0.57	(51)	409	0.5	2.32	370
EPS (THB)	0.11	0.13	0.46	1.16	0.57	(51)	409	0.5	2.32	370
COGS (excl. depreciation)	1,362	1,402	2,113	3,468	2,233	64	169	5,193	9,173	77
Depreciation	210	217	205	220	230	7	7	782	909	16
EBITDA	618	691	1,817	4,143	2,229	128	411	2,616	8,939	242
Key ratios	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)	(%)	(ppt)
Gross margin	32	30	46	54	49	(5)	17	33	48	15
SG&A/Revenue	16	13	9	5	8	3	(8)	14	7	(6)
EBITDA margin	27	30	42	52	46	(6)	19	29	46	17
Net profit margin	12	14	27	36	29	(7)	17	14	30	16
Operating stats	(y-y %)									
Cash-OPD revenue growth	23	45	117	70	n/a					
Cash-OPD volume growth	16	45	131	109	n/a					
Cash-OPD revenue per head growth	6	1	(6)	(19)	n/a					
Cash-IPD revenue growth	(17)	(22)	263	966	n/a					
Cash-IPD volume growth	(22)	(19)	334	1,020	n/a					
Cash-IPD revenue per head growth	6	(4)	(16)	(5)	n/a					
SSO revenue growth	12	1	(4)	(18)	8					
SSO registered member ('000)	881	888	890	894	n/a					
SSO registered member growth	0	0	0	1	n/a					
SSO revenue per head growth	11	1	(4)	(19)	n/a					

Sources: BCH; FSSIA estimates

Exhibit 19: Forecast revisions

	Current			Previous			% Change		
	2021E	2022E	2023E	2021E	2022E	2023E	2021E	2022E	2023E
SSO registered members ('000)	884	1,000	1,010	884	1,000	1,010	0.0	0.0	0.0
SSO revenue per head (THB)	3,554	3,600	3,708	3,554	3,600	3,708	0.0	0.0	0.0
Cash-OPD visit number per day (no.)	6,221	4,000	3,480	6,104	3,521	3,556	1.9	13.6	(2.1)
Cash-OPD revenue per head (THB)	2,979	3,068	3,099	2,979	3,068	3,099	0.0	0.0	0.0
Cash-IPD admission number per day (no.)	392	197	177	388	147	149	1.1	34.1	19.5
Cash-IPD revenue per head (THB)	66,445	73,562	76,504	66,445	73,562	76,504	0.0	0.0	0.0
Revenue (THB m)	19,417	13,374	12,637	19,182	11,492	11,915	1.2	16.4	6.1
EBITDA margin (%)	45.4	30.2	30.2	43.4	30.1	31.1	2.0	0.1	(1.0)
Core profit (THB m)	5,784	2,166	1,977	5,594	1,843	1,977	3.4	17.5	0.0

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

Source: FSSIA estimates

Exhibit 20: 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	25.5	10.2	WACC 8.4%, Risk-free rate 3%, Risk premium 8%
Terminal value	47.3	19.0	Terminal growth 3%
Cash & liquid assets	2.6	1.0	At end-2022E
Investments	0.0	0.0	At end-2022E
Debt	(3.1)	(1.3)	At end-2022E
Minorities	(1.1)	(0.5)	At end-2022E
Residual ordinary equity	71.1	28.5	

Source: FSSIA estimates

Exhibit 21: Historical P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 22: Historical P/BV band



Sources: Bloomberg; 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	19,417	13,374	12,637
Cost of goods sold	(5,373)	(5,193)	(9,173)	(7,816)	(7,385)
Gross profit	3,507	3,735	10,244	5,558	5,252
Other operating income	-	-	-	-	-
Operating costs	(1,228)	(1,213)	(1,434)	(1,523)	(1,439)
Operating EBITDA	2,279	2,523	8,810	4,036	3,813
Depreciation	(665)	(782)	(909)	(1,014)	(1,058)
Goodwill amortisation	-	-	-	-	-
Operating EBIT	1,615	1,741	7,902	3,021	2,755
Net financing costs	(126)	(125)	(139)	(45)	(46)
Associates	2	3	2	3	2
Recurring non-operating income	113	89	123	130	133
Non-recurring items	(14)	0	0	0	0
Profit before tax	1,588	1,705	7,886	3,106	2,843
Tax	(290)	(313)	(1,577)	(621)	(568)
Profit after tax	1,298	1,392	6,309	2,486	2,275
Minority interests	(163)	(163)	(525)	(320)	(298)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	1,135	1,229	5,784	2,166	1,977
Non-recurring items & goodwill (net)	14	0	0	0	0
Recurring net profit	1,149	1,229	5,784	2,166	1,977
Per share (THB)					
Recurring EPS *	0.46	0.49	2.32	0.87	0.79
Reported EPS	0.46	0.49	2.32	0.87	0.79
DPS	0.22	0.23	0.23	1.23	0.46
Diluted shares (used to calculate per share data)	2,494	2,494	2,494	2,494	2,494
Growth					
Revenue (%)	10.0	0.5	117.5	(31.1)	(5.5)
Operating EBITDA (%)	7.4	10.7	249.3	(54.2)	(5.5)
Operating EBIT (%)	4.4	7.8	354.0	(61.8)	(8.8)
Recurring EPS (%)	5.5	7.0	370.5	(62.6)	(8.7)
Reported EPS (%)	4.2	8.3	370.5	(62.6)	(8.7)
Operating performance					
Gross margin inc. depreciation (%)	32.0	33.1	48.1	34.0	33.2
Gross margin of key business (%)	32.0	33.1	48.1	34.0	33.2
Operating EBITDA margin (%)	25.7	28.3	45.4	30.2	30.2
Operating EBIT margin (%)	18.2	19.5	40.7	22.6	21.8
Net margin (%)	12.9	13.8	29.8	16.2	15.6
Effective tax rate (%)	18.1	18.4	20.0	20.0	20.0
Dividend payout on recurring profit (%)	47.7	46.7	9.9	141.6	58.1
Interest cover (X)	13.7	14.6	57.9	70.1	63.3
Inventory days	15.9	16.9	13.7	19.1	18.1
Debtor days	68.4	67.5	21.2	21.0	22.2
Creditor days	48.0	52.7	43.1	59.9	56.7
Operating ROIC (%)	12.5	11.4	47.6	19.0	17.9
ROIC (%)	12.7	11.5	46.3	18.9	17.9
ROE (%)	19.2	18.7	61.0	18.6	17.0
ROA (%)	10.6	9.8	32.6	12.4	13.0
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Cash patient revenue	5,790	5,688	16,274	9,774	8,892
SSO patient revenue	3,090	3,240	3,143	3,600	3,745
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	5,784	2,166	1,977
Depreciation	665	782	909	1,014	1,058
Associates & minorities	-	-	-	-	-
Other non-cash items	187	94	493	320	298
Change in working capital	(211)	(593)	821	37	(23)
Cash flow from operations	1,789	1,512	8,007	3,537	3,310
Capex - maintenance	(1,721)	(2,546)	(1,011)	(669)	(632)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	2	5	0	0	0
Other investments (net)	-	-	-	-	-
Cash flow from investing	(1,719)	(2,541)	(1,011)	(669)	(632)
Dividends paid	(549)	(574)	(574)	(3,066)	(1,148)
Equity finance	0	0	0	0	0
Debt finance	778	1,837	(400)	(3,765)	(800)
Other financing cash flows	(166)	(168)	(278)	(170)	(158)
Cash flow from financing	63	1,096	(1,252)	(7,001)	(2,106)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	133	67	5,745	(4,132)	572
Free cash flow to firm (FCFF)	200.99	(896.48)	7,142.78	2,967.00	2,743.79
Free cash flow to equity (FCFE)	682.04	640.69	6,318.36	(1,066.22)	1,720.06

Per share (THB)	2019	2020	2021E	2022E	2023E
FCFF per share	0.08	(0.36)	2.86	1.19	1.10
FCFE per share	0.27	0.26	2.53	(0.43)	0.69
Recurring cash flow per share	0.80	0.84	2.88	1.40	1.34

Balance Sheet (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Tangible fixed assets (gross)	16,288	18,773	19,815	20,484	21,116
Less: Accumulated depreciation	(5,705)	(6,369)	(7,278)	(8,292)	(9,350)
Tangible fixed assets (net)	10,584	12,404	12,538	12,192	11,766
Intangible fixed assets (net)	451	522	522	522	522
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	37	33	33	33	33
Cash & equivalents	879	946	6,691	2,559	3,131
A/C receivable	1,817	1,487	768	768	768
Inventories	231	250	441	376	355
Other current assets	40	856	1,862	1,283	1,212
Current assets	2,967	3,538	9,762	4,985	5,466
Other assets	77	30	30	30	30
Total assets	14,116	16,527	22,884	17,762	17,817
Common equity	6,248	6,885	12,095	11,195	12,024
Minorities etc.	730	742	989	1,139	1,279
Total shareholders' equity	6,978	7,626	13,084	12,334	13,303
Long term debt	4,759	5,150	5,150	2,150	1,350
Other long-term liabilities	192	207	207	207	207
Long-term liabilities	4,952	5,357	5,357	2,357	1,557
A/C payable	715	784	1,385	1,180	1,115
Short term debt	718	2,165	1,765	1,000	1,000
Other current liabilities	752	595	1,294	891	842
Current liabilities	2,186	3,544	4,444	3,071	2,957
Total liabilities and shareholders' equity	14,116	16,527	22,884	17,762	17,817
Net working capital	621	1,214	393	356	378
Invested capital	11,769	14,203	13,515	13,132	12,729

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

Per share (THB)	2019	2020	2021E	2022E	2023E
Book value per share	2.51	2.76	4.85	4.49	4.82
Tangible book value per share	2.32	2.55	4.64	4.28	4.61

Financial strength	2019	2020	2021E	2022E	2023E
Net debt/equity (%)	65.9	83.5	1.7	4.8	(5.9)
Net debt/total assets (%)	32.6	38.5	1.0	3.3	(4.4)
Current ratio (x)	1.4	1.0	2.2	1.6	1.8
CF interest cover (x)	6.4	6.1	46.6	(22.7)	38.7

Valuation	2019	2020	2021E	2022E	2023E
Recurring P/E (x) *	43.6	40.8	8.7	23.1	25.4
Recurring P/E @ target price (x) *	61.8	57.8	12.3	32.8	35.9
Reported P/E (x)	44.2	40.8	8.7	23.1	25.4
Dividend yield (%)	1.1	1.1	1.1	6.1	2.3
Price/book (x)	8.0	7.3	4.1	4.5	4.2
Price/tangible book (x)	8.6	7.9	4.3	4.7	4.4
EV/EBITDA (x) **	24.3	22.7	5.8	12.8	13.3
EV/EBITDA @ target price (x) **	33.5	31.0	8.2	18.0	18.8
EV/invested capital (x)	4.7	4.0	3.8	3.9	4.0

* 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	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

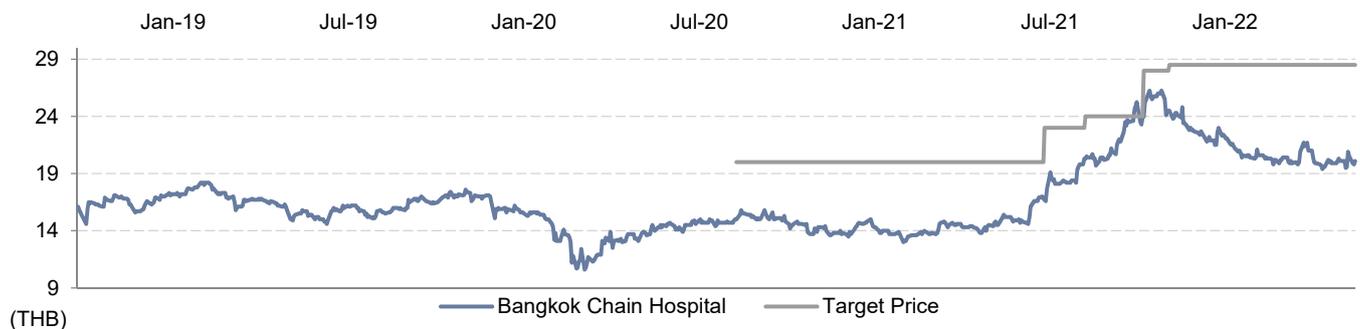
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History of change in investment rating and/or target price

Bangkok Chain Hospital (BCH TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
30-Jul-2020	BUY	20.00	25-May-2021	BUY	24.00	05-Aug-2021	BUY	28.50
20-Apr-2021	BUY	23.00	14-Jul-2021	BUY	28.00			

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 20.10	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

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 12-Jan-2022 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.