

BUMRUNGRAD HOSPITAL BH TB
THAILAND / HEALTHCARE

BUY

UNCHANGED

ฟื้นตัวในปี 2022

- การฟื้นตัวของกำไรที่ต่อเนื่องใน 4Q21 น่าจะเกิดต่อเนื่องใน 1Q22 โดยเฉพาะอย่างยิ่งในแง่ของผู้ป่วยต่างชาติหลังการกลับมาของมาตรการ Test & Go ในเดือน ก.พ. 22
- EBITDA margin ปรับตัวดีขึ้นจากการประหยัดต้นทุนที่ดีขึ้นและการฟื้นตัวของผู้ป่วยที่ไม่ได้เป็น Covid
- คงแนะนำซื้อหลังปรับราคาเป้าหมายขึ้นเป็น 190 บาท (DCF)

TARGET PRICE	THB190.00
CLOSE	THB167.00
UP/DOWNSIDE	+13.8%
PRIOR TP	THB170.00
CHANGE IN TP	+11.8%
TP vs CONSENSUS	+20.0%

KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Revenue	12,460	15,969	19,841	21,249
Net profit	1,216	2,731	4,199	4,636
EPS (THB)	1.53	3.43	5.28	5.83
vs Consensus (%)	-	10.8	19.7	27.6
EBITDA	2,613	4,483	6,264	6,879
Core net profit	1,274	2,731	4,199	4,636
Core EPS (THB)	1.60	3.43	5.28	5.83
Chg. In EPS est. (%)	nm	15.6	3.3	nm
EPS growth (%)	6.2	114.4	53.8	10.4
Core P/E (x)	104.3	48.7	31.6	28.7
Dividend yield (%)	1.9	1.9	1.9	1.9
EV/EBITDA (x)	48.7	28.2	19.8	17.6
Price/book (x)	7.7	7.6	6.9	6.3
Net debt/Equity (%)	(33.3)	(37.1)	(47.7)	(55.5)
ROE (%)	7.1	15.7	23.0	23.0

รายได้จากผู้ป่วยต่างชาติฟื้นตัวต่อเนื่อง

จากการเข้าประชุมนักวิเคราะห์เมื่อวันที่ 2 มี.ค. เราคาดว่ากำไรที่ปรับขึ้นใน 4Q21 ซึ่งฟื้นตัวเป็น 75% ของระดับก่อน Covid จะต่อเนื่องไป 1Q22 รายได้จากผู้ป่วยต่างชาติมีแนวโน้มที่ดีเนื่องจาก BH รับผู้ป่วยต่างชาติเป็นผู้ป่วยใน 119 รายในเดือน ม.ค. 22 เทียบกับ 217 รายใน 4Q21 ทั้งนี้รายได้จากผู้ป่วยต่างชาติฟื้นตัวเป็น 61% ของระดับก่อน Covid ใน 4Q21 (เทียบกับ 40-50% ใน 2Q-3Q21) หลังการกลับมาเปิดประเทศในเดือน พ.ย. 21 หากไม่นับรวมผู้ป่วยต่างชาติที่ทำงานอยู่ในประเทศ ผู้ป่วยต่างชาติที่บินเข้ามารับการรักษาฟื้นตัวเป็น 47% ของระดับก่อน Covid ใน 4Q21 โดยตลาดสำคัญซึ่งประกอบด้วยตะวันออกกลางฟื้นตัวเป็น 45%, อินเดียเป็น 50% และพม่าเป็น 52% เราคาดว่ารายได้จากผู้ป่วยต่างชาติจะโตอีก 46% และแตะ 71% ของระดับก่อน Covid ในปี 2022 ก่อนสูงเกินระดับดังกล่าวในปี 2023

รายได้จากผู้ป่วยชาวไทยสูงเกินระดับในปี 2019 ไปแล้ว

รายได้จากผู้ป่วยชาวไทยใน 4Q21 สูงกว่าระดับก่อน Covid อยู่ 21% ซึ่งชี้ให้เห็นว่า BH ได้ส่วนแบ่งตลาดในประเทศเพิ่มขึ้นในช่วง 2 ปีที่ผ่านมาจากกลยุทธ์การเติบโต เช่น รายได้เพิ่มจากลูกค้า The1 card, รายได้จากผู้ป่วยส่งต่อจากโรงพยาบาลพันธมิตรและ Digital Package จากร้านค้าออนไลน์ เราคาดว่าแนวโน้มดังกล่าวจะเกิดขึ้นต่อเนื่องพร้อมรายได้จากผู้ป่วยชาวไทยที่คาดว่าจะโต 13% ในปี 2022 ซึ่งสูงกว่าปี 2019 อยู่ 14%

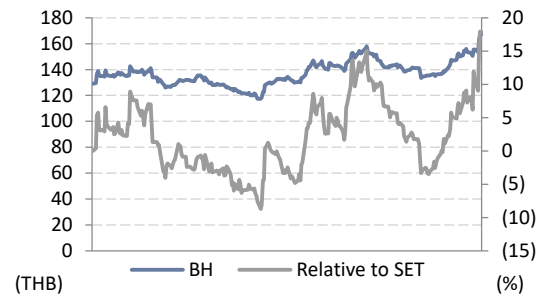
คาด EBITDA margin จะฟื้นตัวสู่ระดับก่อน Covid ในปีนี้

จากการฟื้นตัวของรายได้ในระดับสูงและประสิทธิภาพในการประหยัดต้นทุน BH บันทึก EBITDA margin ที่สูงที่สุดนับตั้งแต่การแพร่ระบาด Covid ที่ 29% ใน 4Q21 (เทียบกับ 32% ในปี 2019) อัตรากำไรน่าจะปรับตัวดีขึ้นต่อเนื่องตามการฟื้นตัวของปริมาณผู้ป่วยในปี 2022 นอกจากนี้ผู้บริหารยังกล่าวด้วยว่าบริษัท วางแผนปรับอัตราส่วนลดสำหรับค่าบริการทางการแพทย์ลงจาก 16-18% ในปี 2021 (เทียบกับ 9.5% ในช่วงปี 2018-19) เนื่องจากความต้องการทางการแพทย์มีแนวโน้มกลับสู่ระดับปกติ นอกจากนี้บริษัท ยังวางแผนปรับราคาเพิ่มอีก 3% ในปี 2022 (เทียบกับ 1% ในปี 2021 และ 4-5% โดยเฉลี่ย) เพื่อชดเชยต้นทุนที่สูงขึ้นด้วย ซึ่งทำให้เราคาดว่า EBITDA margin จะกลับสู่ระดับ 32% ในปี 2022

ปรับเพิ่มประมาณการกำไรที่ปรับขึ้นและราคาเป้าหมาย

เราปรับเพิ่มประมาณการกำไรที่ปรับขึ้นปี 2022-24 ขึ้น 3-16% เพื่อสะท้อนแนวโน้มที่ดีขึ้นและได้ราคาเป้าหมายใหม่ที่ 190 บาท/หุ้น (DCF) เราคาดว่า BH จะมีอัตราการเติบโตของกำไรที่ปรับขึ้น 54% (CAGR) ในช่วงปี 2021-24 ในขณะที่หุ้นมีการซื้อขายในระดับที่นำสนใจที่ 32x ของค่า 2023E P/E ซึ่งต่ำกว่าค่าเฉลี่ย 5 ปีที่ 38x

Mar-21 Jun-21 Sep-21 Dec-21 Mar-22



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	13.2	18.0	26.5
Relative to country (%)	11.4	10.5	15.1
Mkt cap (USD m)	4,076		
3m avg. daily turnover (USD m)	8.6		
Free float (%)	45		
Major shareholder	Mr. Satit Viddayakorn (18%)		
12m high/low (THB)	168.00/116.50		
Issued shares (m)	922.70		

Sources: Bloomberg consensus; FSSIA estimates



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บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 4 มีนาคม 2022

Investment thesis

We think BH’s operations have already passed their bottom. International patient revenue should continue to improve following the reopening of Thailand’s border.

We expect to see an improvement in Bumrungrad Health Network (BHN), which is the new business model that BHN and its partner hospitals set up to jointly operate Centers of Excellence (CoE) in partnered hospitals. We believe there will be more CoE opening in partnered hospitals, especially hospitals under Principal Capital (PRINC TB, not rated), after Dr. Satit Viddayakorn, CEO and major shareholder of PRINC, acquired 23% of BH’s shares in November 2020.

BH’s efficient cost saving during the Covid pandemic should result in a higher EBITDA margin when revenue starts to recover.

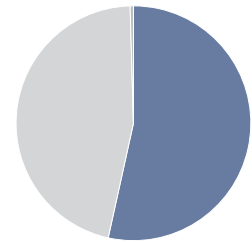
Company profile

BH is a leading private hospital (580 licensed beds) in the premium segment.

www.bumrungrad.com

Principal activities (revenue, 2021)

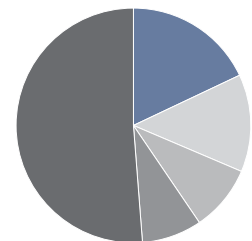
- Thai patient revenue - 53.5 %
- International patient revenue - 46.1 %
- Other revenue - 0.5 %



Source: Bumrungrad Hospital

Major shareholders

- Mr. Satit Viddayakorn - 18.0 %
- Bangkok Insurance - 13.4 %
- UOB Kay Hian (Hong Kong) - 9.1 %
- Bangkok Bank - 8.3 %
- Others - 51.2 %



Source: Bumrungrad Hospital

Catalysts

Key growth drivers include 1) the recovery of international patient volumes; 2) its new business model, ‘Bumrungrad Health Network’, which should enable BH to capture the middle-class patient segment; and 3) its vital life business (Wellness) which has a high margin compared to traditional healthcare.

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) higher medical fee discount promotions, leading to a weaker EBITDA margin.

Event calendar

Date	Event
May 2022	1Q22 results announcement

Key assumptions

	2022E	2023E	2024E
	(%)	(%)	(%)
OPD volume growth	32	10	4
OPD revenue / patient growth	3	15	3
IPD volume growth	16	11	4
IPD revenue / patient growth	14	10	3

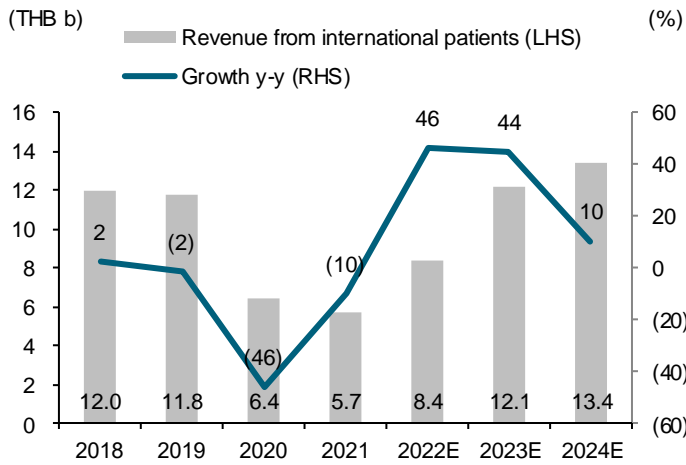
Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in patient volume, we project 2023 earnings to rise by 2%, and vice versa, all else being equal.
- For every 1% increase in EBITDA margin, we project 2023 earnings to rise by 4%, and vice versa, all else being equal.

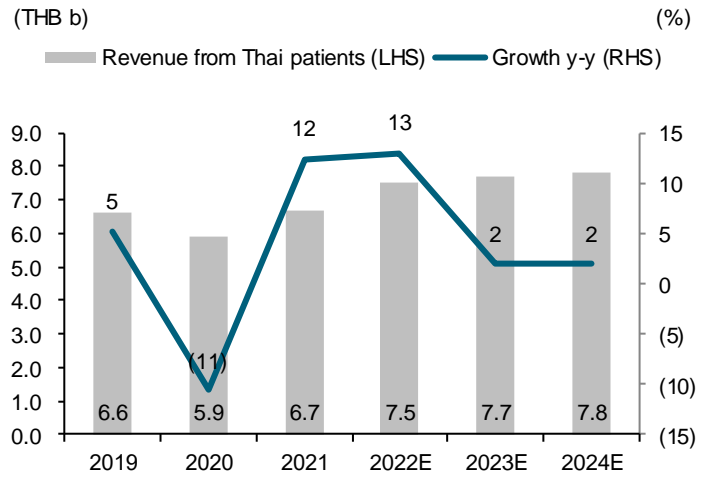
Source: FSSIA estimates

Exhibit 1: International patient revenue



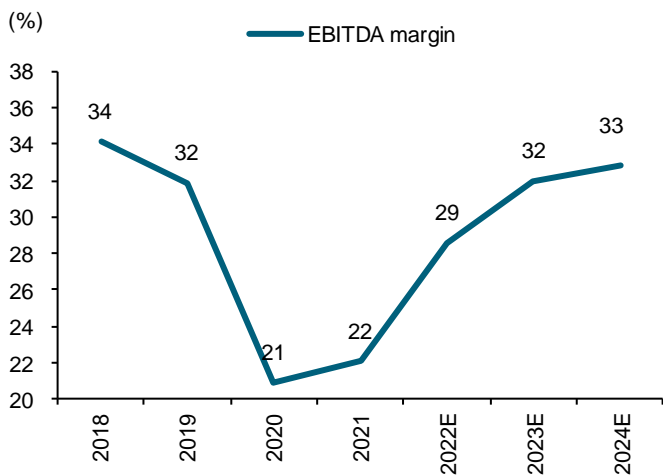
Sources: BH; FSSIA estimates

Exhibit 2: Thai patient revenue



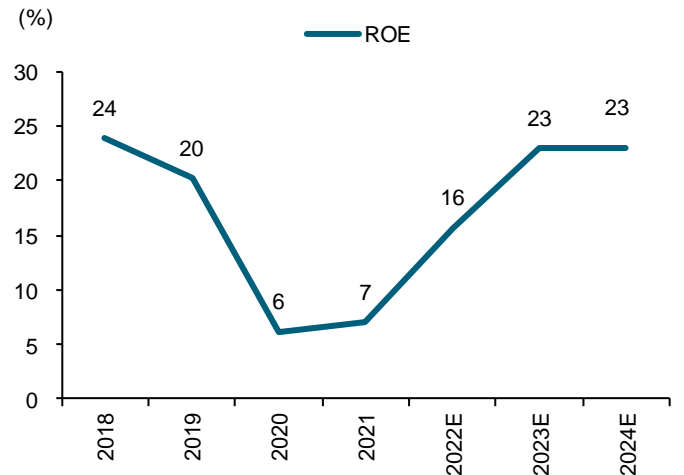
Sources: BH; FSSIA estimates

Exhibit 3: EBITDA margin improvement trend



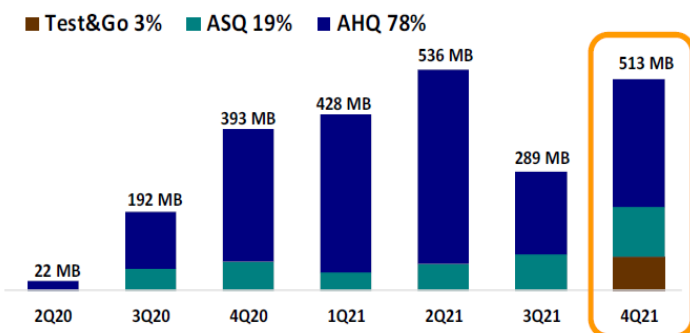
Sources: BH; FSSIA estimates

Exhibit 4: ROE improvement trend



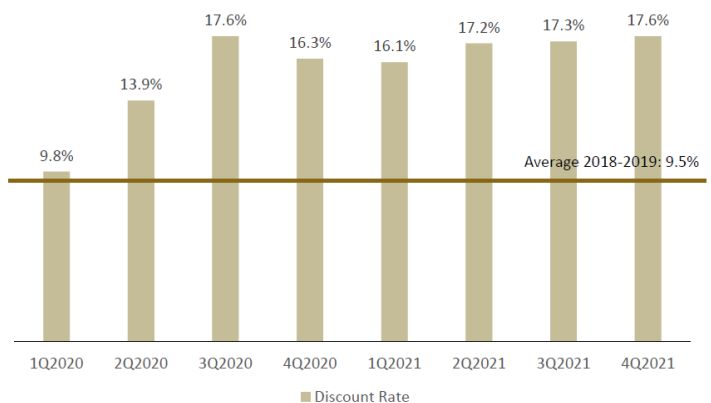
Sources: BH; FSSIA estimates

Exhibit 5: International patient revenue from Test & Go, ASH and AHQ in an upward trend



Source: BH

Exhibit 6: Discount rate development



Source: BH

4Q21 results review

BH reported a core profit of THB667m (+269% y-y, +124% q-q) in 4Q21, beating our estimate of THB346m due to better-than-expected revenue and an EBITDA margin of 29% (vs our estimate of 23%). BH's 4Q21 core profit hit a record high since the beginning of the Covid pandemic and accounted for 75% of its 4Q19 core profit. Including a THB56m loss on the sale of its investment in IDoctor, net profit was THB612m in 4Q21.

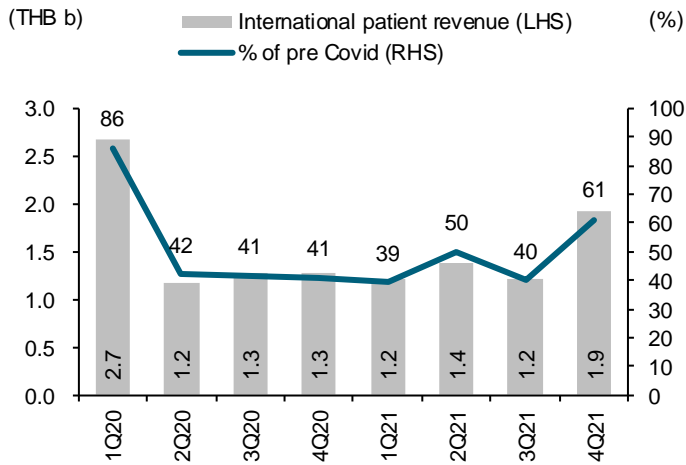
4Q21 revenue grew 34% q-q. Thai patient revenue grew 17% q-q and exceeded the pre-Covid level by 21%. International patient revenue surged by 58% q-q and recovered to 61% of the pre-Covid level (vs 40% in 3Q21). As a result, the revenue contribution from Thai patients was 50% and international patients was 50%. The EBITDA margin jumped to 29% in 4Q21 from 22% in 3Q21 thanks to the strong revenue growth.

Exhibit 7: 4Q21 results review

	4Q20	1Q21	2Q21	3Q21	4Q21	---- Change ----		2020	2021	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)
Sales	2,928	2,655	2,994	2,915	3,896	34	33	12,362	12,460	1
COGS (incl. depreciation)	(1,880)	(1,748)	(1,905)	(1,814)	(2,264)	25	20	(7,677)	(7,731)	1
Gross Profit	1,049	908	1,089	1,101	1,632	48	56	4,685	4,729	1
SG&A	(858)	(812)	(835)	(813)	(836)	3	(3)	(3,394)	(3,296)	(3)
Operating Profit	190	96	254	288	796	177	318	1,291	1,434	11
Net other income	19	23	21	74	25	(66)	36	78	144	85
Interest income	22	21	17	16	15	(6)	(32)	128	69	(46)
Interest expense	(32)	(31)	(31)	(31)	(26)	(17)	(17)	(128)	(120)	(6)
Pretax profit	199	109	261	346	811	134	306	1,369	1,527	12
Income Tax	(17)	(12)	(38)	(39)	(127)	225	638	(150)	(216)	44
Associates	(0)	0	(10)	(2)	(0)	(100)	(97)	(2)	(12)	n/a
Minority interest	(2)	1	(1)	(7)	(17)	145	983	(17)	(24)	n/a
Core profit	181	98	212	298	667	124	269	1,199	1,274	6
Extraordinaries, GW & FX	(8)	(7)	5	(2)	(55)	3,343	625	5	(58)	n/a
Reported net profit	173	91	216	296	612	107	254	1,204	1,216	1
Outstanding shares (m)	795	795	795	795	795	0	0	3,178	3,178	0
Core EPS (THB)	0.23	0.12	0.27	0.37	0.84	124	269	1.51	1.60	6
EPS (THB)	0.22	0.11	0.27	0.37	0.77	107	254	1.51	1.53	1
COGS (excl. depreciation)	1,577	1,449	1,609	1,521	1,972	30	25	6,457	6,551	1
Depreciation	303	298	296	294	292	(0)	(4)	1,220	1,180	(3)
EBITDA	512	417	571	655	1,114	70	118	2,588	2,758	7
Key ratios	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)	(%)	(ppt)
Gross margin	36	34	36	38	42	4	6	38	38	0
SG&A/Revenue	29	31	28	28	21	(6)	(8)	27	26	(1)
EBITDA margin	17	16	19	22	29	6	11	21	22	1
Net profit margin	6	3	7	10	16	6	10	10	10	0
Operating stats	(y-y %)	(y-y %)	(y-y %)	(y-y %)	(y-y %)					
Hospital revenue growth	(39)	(35)	23	0	33					
OPD revenue growth	(42)	(34)	23	(7)	na					
IPD revenue growth	(35)	(37)	23	9	na					
International patient revenue growth	(60)	(54)	19	(4)	50					
Thai patient revenue growth	4	1	27	4	20					

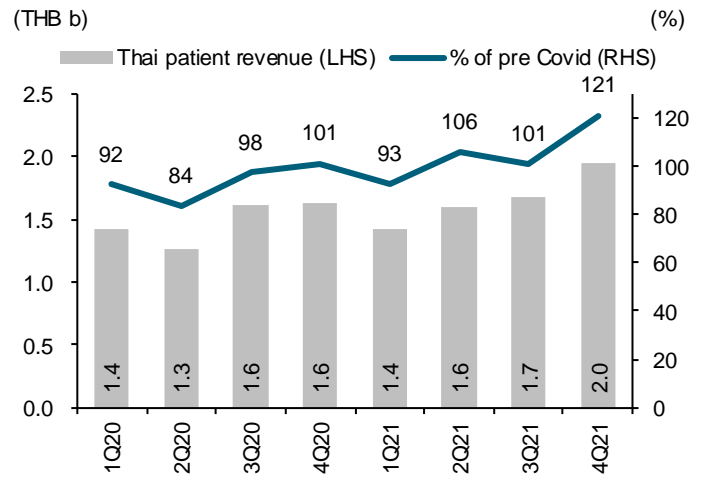
Sources: BH; FSSIA estimate

Exhibit 8: International patient revenue, quarterly



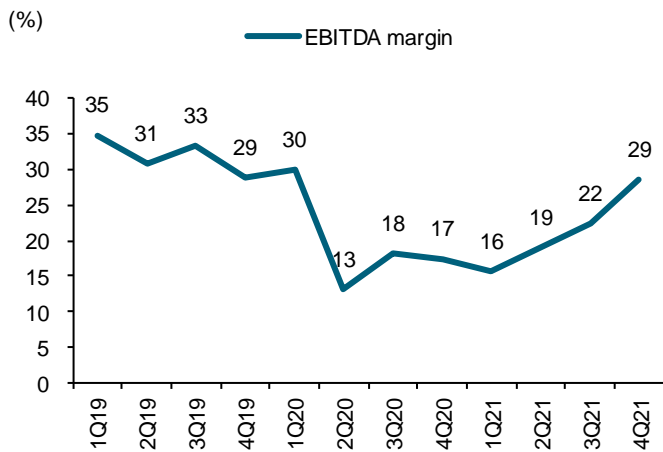
Source: BH

Exhibit 9: Thai patient revenue, quarterly



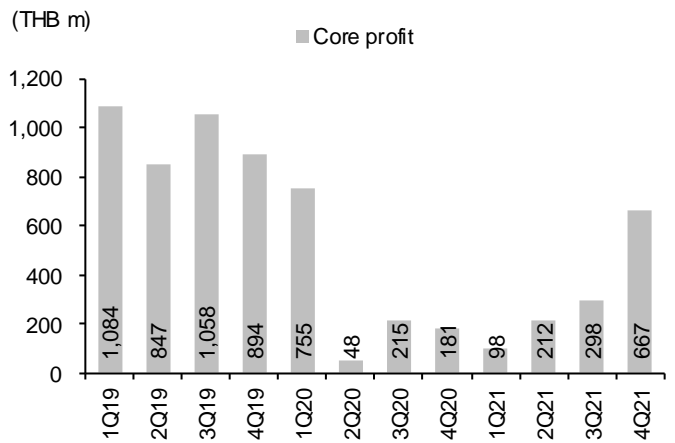
Source: BH

Exhibit 10: EBITDA margin, quarterly



Source: BH

Exhibit 11: Core profit, quarterly



Source: BH

Exhibit 12: DCF valuation

Cost of equity assumptions		Cost of debt assumptions	
	(%)		(%)
Risk-free rate	3.0	Pre-tax cost of debt	3.5
Market risk premium	8.0	Marginal tax rate	20.0
Stock beta	0.7		
Cost of equity, Ke	8.6	Net cost of debt, Kd	2.8
Weight applied	87.0	Weight applied	13.0
WACC	7.8		
DCF valuation estimate		(THB b)	(THB/share)
NPV	50.2	54.4	WACC 7.8%, Risk-free rate 3%, Risk premium 8%
Terminal value	118.8	128.8	Terminal growth 3%
Cash & liquid assets	6.7	7.2	At end-2022E
Investments	0.0	0.0	At end-2022E
Debt	(0.1)	(0.1)	At end-2022E
Minorities	(0.3)	(0.4)	At end-2022E
Residual ordinary equity	175.3	190.0	

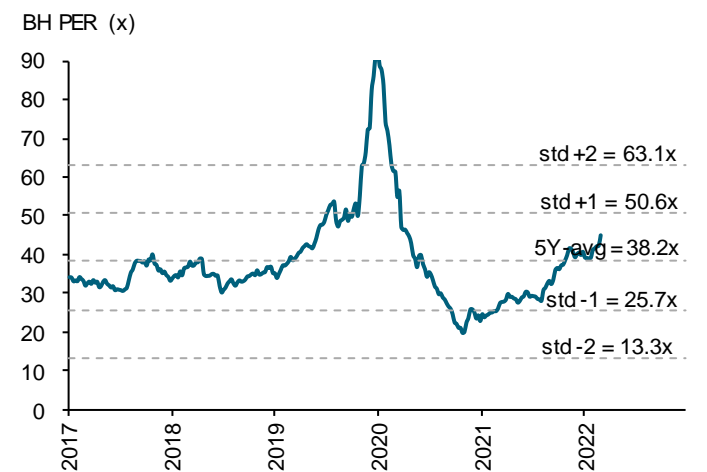
Source: FSSIA estimates

Exhibit 13: Changes in key assumptions

	Current			Previous			Change		
	2022E (THB b)	2023E (THB b)	2024E (THB b)	2022E (THB b)	2023E (THB b)	2024E (THB b)	2022E (%)	2023E (%)	2024E (%)
OPD patient revenue	8.1	10.2	11.0	7.6	10.1	10.8	6.2	1.7	1.7
IPD patient revenue	7.8	9.5	10.2	7.3	9.1	9.8	7.2	4.4	4.4
Thai patient revenue	7.5	7.7	7.8	7.0	7.2	7.3	7.7	6.7	6.7
International patient revenue	8.4	12.1	13.4	7.9	12.0	13.2	5.8	0.7	0.9
Revenue	16.0	19.8	21.2	15.0	19.3	20.6	6.8	3.0	3.0
EBITDA margin (%)	28.1	31.6	32.4	28.1	31.2	31.8	(0.1)	0.4	0.6
Core profit	2.7	4.2	4.6	2.4	4.1	4.3	15.6	3.3	7.8

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

Exhibit 14: One-year forward rolling P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 15: One-year forward rolling P/BV band



Sources: Bloomberg; FSSIA estimates

Exhibit 16: Peer comparisons as of 3 Mar 2022

Company	BBG	Rec	Share price			Market Cap (USD m)	PE		ROE		PBV		EV/EBITDA	
			Current (LCY)	Target (LCY)	Upside (%)		22E (x)	23E (x)	22E (%)	23E (%)	22E (x)	23E (x)	22E (x)	23E (x)
Thailand														
Bangkok Dusit Med Service	BDMS TB	BUY	24.60	29.00	17.9	12,009	38.7	31.2	11.8	13.9	4.5	4.2	19.7	16.7
Bumrungrad Hospital	BH TB	BUY	167.00	190.00	13.8	4,076	48.7	31.6	15.7	23.0	7.6	6.9	28.2	19.8
Bangkok Chain Hospital	BCH TB	BUY	20.00	28.50	42.5	1,532	23.0	25.2	18.6	17.0	4.5	4.1	12.8	13.2
Chularat Hospital	CHG TB	BUY	3.62	4.70	29.8	1,223	24.3	27.3	24.0	21.4	6.1	5.7	15.5	16.7
Praram 9 Hospital	PR9 TB	BUY	12.20	15.00	23.0	295	25.9	20.2	8.4	10.2	2.1	2.0	10.7	8.8
Thonburi Healthcare Group	THG TB	HOLD	52.50	32.50	(38.1)	1,367	98.1	71.4	5.4	7.3	5.3	5.1	35.2	30.2
Vibhavadi Medical Center	VIBHA TB	BUY	2.34	3.20	36.8	976	33.9	29.3	9.4	9.2	2.8	2.7	25.4	22.8
Ramkhamhaeng Hospital	RAM TB	BUY	33.50	48.00	43.3	1,235	22.0	19.8	13.5	14.5	2.9	2.8	15.4	13.8
Rajthanee Hospital	RJH TB	n/a	32.50	n/a	n/a	299	9.9	21.0	56.4	24.3	6.5	5.1	7.5	14.1
Ekachai Medical Care	EKH TB	n/a	7.85	n/a	n/a	144	14.4	27.1	33.5	15.0	5.4	4.6	9.5	15.5
Thailand average						23,155	33.9	30.4	19.7	15.6	4.8	4.3	18.0	17.1
Regional														
Ramsay Health Care	RHC AU	n/a	62.77	n/a	n/a	10,576	30.6	35.4	11.3	10.1	3.5	3.5	11.5	11.6
Ihh Healthcare Bhd	IHH SP	n/a	2.11	n/a	n/a	13,794	38.1	35.8	6.4	6.7	2.5	2.4	16.6	15.5
Ryman Healthcare	RYM NZ	n/a	9.83	n/a	n/a	3,297	20.8	21.4	12.2	7.4	2.1	1.9	26.6	22.4
Apollo Hospitals Enterprise	APHS IN	n/a	4,918	n/a	n/a	9,308	823.6	75.6	2.4	18.9	19.5	16.8	64.7	32.0
Kpj Healthcare Berhad	KPJ MK	n/a	1.00	n/a	n/a	1,033	76.5	30.2	2.8	6.6	2.2	2.0	15.4	12.2
Raffles Medical Group	RFMD SP	n/a	1.15	n/a	n/a	1,577	28.0	29.5	8.4	7.5	2.5	2.3	15.1	14.7
Mitra Keluarga Karyasehat	MIKA IJ	n/a	2,170	n/a	n/a	2,151	27.2	30.4	21.2	18.2	6.4	5.6	17.2	18.9
Aier Eye Hospital Group	300015 CH	n/a	35.21	n/a	n/a	30,100	81.8	61.5	20.1	22.0	22.3	15.5	46.5	36.9
Regional average						71,835	140.9	40.0	10.6	12.2	7.6	6.2	26.7	20.5
Overall average						94,990	81.4	34.7	15.6	14.1	6.0	5.2	21.9	18.6

Sources: Bloomberg; FSSIA estimates

Financial Statements

Bumrungrad Hospital

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Revenue	12,362	12,460	15,969	19,841	21,249
Cost of goods sold	(6,457)	(6,551)	(7,901)	(9,519)	(10,088)
Gross profit	5,905	5,909	8,068	10,322	11,161
Other operating income	-	-	-	-	-
Operating costs	(3,394)	(3,296)	(3,585)	(4,058)	(4,282)
Operating EBITDA	2,511	2,613	4,483	6,264	6,879
Depreciation	(1,220)	(1,180)	(1,206)	(1,233)	(1,281)
Goodwill amortisation	-	-	-	-	-
Operating EBIT	1,291	1,434	3,277	5,032	5,598
Net financing costs	0	(51)	41	98	141
Associates	(2)	(12)	(13)	(14)	(14)
Recurring non-operating income	75	132	72	74	76
Non-recurring items	5	(58)	0	0	0
Profit before tax	1,371	1,456	3,390	5,203	5,815
Tax	(150)	(216)	(647)	(991)	(1,166)
Profit after tax	1,221	1,240	2,744	4,212	4,649
Minority interests	(17)	(24)	(13)	(13)	(13)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	1,204	1,216	2,731	4,199	4,636
Non-recurring items & goodwill (net)	(5)	58	0	0	0
Recurring net profit	1,199	1,274	2,731	4,199	4,636
Per share (THB)					
Recurring EPS *	1.51	1.60	3.43	5.28	5.83
Reported EPS	1.51	1.53	3.43	5.28	5.83
DPS	3.20	3.20	3.20	3.20	3.17
Diluted shares (used to calculate per share data)	796	796	796	796	796
Growth					
Revenue (%)	(33.1)	0.8	28.2	24.2	7.1
Operating EBITDA (%)	(56.8)	4.1	71.5	39.7	9.8
Operating EBIT (%)	(71.8)	11.1	128.6	53.5	11.3
Recurring EPS (%)	(71.7)	6.2	114.4	53.8	10.4
Reported EPS (%)	(70.6)	1.0	124.7	53.8	10.4
Operating performance					
Gross margin inc. depreciation (%)	37.9	38.0	43.0	45.8	46.5
Gross margin of key business (%)	37.9	38.0	43.0	45.8	46.5
Operating EBITDA margin (%)	20.3	21.0	28.1	31.6	32.4
Operating EBIT margin (%)	10.4	11.5	20.5	25.4	26.3
Net margin (%)	9.7	10.2	17.1	21.2	21.8
Effective tax rate (%)	10.9	14.1	19.0	19.0	20.0
Dividend payout on recurring profit (%)	212.1	199.7	93.2	60.6	54.3
Interest cover (X)	(5,021.5)	30.7	(81.1)	(52.1)	(40.2)
Inventory days	18.1	17.7	16.7	16.7	17.7
Debtor days	73.1	53.7	29.7	19.2	16.2
Creditor days	44.5	42.0	38.5	36.4	38.7
Operating ROIC (%)	8.7	9.7	22.3	36.6	43.3
ROIC (%)	8.3	10.0	21.9	35.6	42.0
ROE (%)	6.2	7.1	15.7	23.0	23.0
ROA (%)	4.8	6.0	12.9	18.5	18.5
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Thai patient revenue	5,924	6,661	7,527	7,678	7,831
International patient revenue	6,392	5,743	8,387	12,110	13,365
Other revenue	47	56	55	53	52

Sources: Bumrungrad Hospital; FSSIA estimates

Financial Statements

Bumrungrad Hospital

Cash Flow (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Recurring net profit	1,199	1,274	2,731	4,199	4,636
Depreciation	1,220	1,180	1,206	1,233	1,281
Associates & minorities	-	-	-	-	-
Other non-cash items	(370)	318	13	13	13
Change in working capital	(172)	897	424	589	141
Cash flow from operations	1,877	3,668	4,374	6,034	6,071
Capex - maintenance	(1,073)	(928)	(1,086)	(794)	(850)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	1,320	74	0	0	0
Other investments (net)	-	-	-	-	-
Cash flow from investing	246	(853)	(1,086)	(794)	(850)
Dividends paid	(2,544)	(2,545)	(2,546)	(2,546)	(2,520)
Equity finance	230	0	0	0	0
Debt finance	93	(2,516)	0	0	0
Other financing cash flows	(254)	44	0	0	0
Cash flow from financing	(2,476)	(5,017)	(2,546)	(2,546)	(2,520)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	(352)	(2,203)	741	2,694	2,701
Free cash flow to firm (FCFF)	2,251.07	2,934.46	3,296.54	5,249.07	5,229.88
Free cash flow to equity (FCFE)	1,961.78	342.35	3,287.65	5,240.18	5,220.99

Per share (THB)

FCFF per share	2.44	3.18	3.57	5.69	5.67
FCFE per share	2.13	0.37	3.56	5.68	5.66
Recurring cash flow per share	2.57	3.48	4.96	6.84	7.45

Balance Sheet (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Tangible fixed assets (gross)	24,861	25,744	26,830	27,624	28,474
Less: Accumulated depreciation	(12,337)	(13,425)	(14,631)	(15,864)	(17,146)
Tangible fixed assets (net)	12,525	12,319	12,199	11,760	11,328
Intangible fixed assets (net)	64	71	71	71	71
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	76	1	1	1	1
Cash & equivalents	8,138	5,936	6,677	9,371	12,072
A/C receivable	2,206	1,461	1,142	943	943
Inventories	309	328	395	476	504
Other current assets	148	338	307	382	409
Current assets	10,801	8,062	8,521	11,171	13,928
Other assets	757	404	404	404	404
Total assets	24,222	20,857	21,195	23,407	25,732
Common equity	18,532	17,286	17,471	19,124	21,240
Minorities etc.	305	332	344	357	370
Total shareholders' equity	18,837	17,618	17,815	19,481	21,610
Long term debt	2,587	71	71	71	71
Other long-term liabilities	914	924	924	924	924
Long-term liabilities	3,501	995	995	995	995
A/C payable	704	805	862	1,038	1,100
Short term debt	0	0	0	0	0
Other current liabilities	1,179	1,439	1,524	1,893	2,027
Current liabilities	1,884	2,244	2,385	2,931	3,127
Total liabilities and shareholders' equity	24,222	20,857	21,195	23,407	25,732
Net working capital	779	(117)	(541)	(1,130)	(1,271)
Invested capital	14,200	12,677	12,134	11,105	10,533

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

Per share (THB)

Book value per share	23.29	21.72	21.95	24.03	26.69
Tangible book value per share	23.21	21.63	21.87	23.94	26.60

Financial strength

Net debt/equity (%)	(29.5)	(33.3)	(37.1)	(47.7)	(55.5)
Net debt/total assets (%)	(22.9)	(28.1)	(31.2)	(39.7)	(46.6)
Current ratio (x)	5.7	3.6	3.6	3.8	4.5
CF interest cover (x)	(7,210.9)	7.7	(78.6)	(52.5)	(36.0)

Valuation	2020	2021	2022E	2023E	2024E
Recurring P/E (x) *	110.8	104.3	48.7	31.6	28.7
Recurring P/E @ target price (x) *	126.1	118.7	55.4	36.0	32.6
Reported P/E (x)	110.4	109.3	48.7	31.6	28.7
Dividend yield (%)	1.9	1.9	1.9	1.9	1.9
Price/book (x)	7.2	7.7	7.6	6.9	6.3
Price/tangible book (x)	7.2	7.7	7.6	7.0	6.3
EV/EBITDA (x) **	50.8	48.7	28.2	19.8	17.6
EV/EBITDA @ target price (x) **	58.1	55.7	32.3	22.7	20.3
EV/invested capital (x)	9.0	10.0	10.4	11.2	11.5

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

Sources: Bumrungrad 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

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* CGR scoring should be considered with news regarding wrong doing of the company or director or executive of the company such unfair practice on securities trading, fraud, and corruption SEC imposed a civil sanction against insider trading of director and executive; ** delisted

Source: Thai Institute of Directors Association (IOD); FSSIA's compilation

Anti-corruption Progress Indicator 2020

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

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Note: Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of June 24, 2019) are categorised into: 1) companies that have declared their intention to join CAC, and; 2) companies certified by CAC.

Source: The Securities and Exchange Commission, Thailand; * FSSIA's compilation

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Company	Ticker	Price	Rating	Valuation & Risks
Bumrungrad Hospital	BH TB	THB 167.00	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 Dusit Medical Services	BDMS TB	THB 24.60	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.
Bangkok Chain Hospital	BCH TB	THB 20.00	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) SSO provision expenses following a limited SSO budget.
Chularat Hospital	CHG TB	THB 3.62	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 12.20	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 52.50	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 2.34	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 33.50	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 Finasia 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 Finasia Syrus Securities Public Company Limited, which is the parent company of FSSIA.

All share prices are as at market close on 03-Mar-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.