

BANGKOK CHAIN HOSPITAL
THAILAND / HEALTHCARE

BCH TB

BUY

UNCHANGED

TARGET PRICE	THB28.50
CLOSE	THB18.80
UP/DOWNSIDE	+51.6%
PRIOR TP	THB28.50
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+17.8%

ตลาดมองข้ามการดำเนินงาน organic ที่อยู่ในระดับดี

- ผลสะท้อนเชิงบวกในด้านการดำเนินงานภายในจากที่ประชุมนักวิเคราะห์; ผู้ป่วยเงินสดที่ไม่เกี่ยวกับโรค Covid และการดำเนินงานของโครงการประกันสังคมสูงกว่าระดับก่อน Covid
- คาดกำไรจะลดลง q-q ใน 2Q22 แต่ยังคงโต y-y และเกินระดับก่อน Covid อยู่มาก
- คงแนะนำซื้อที่ราคาเป้าหมายปี 2022 ที่ 28.5 บาท (DCF)

ตลาดมองข้ามการดำเนินงานภายในที่อยู่ในระดับที่ดี

เราเชื่อว่าตลาดมุ่งเป้าไปที่กำไรที่เกี่ยวกับ Covid อย่างเดียว และกำลังมองข้ามการดำเนินงานภายใน (ที่ไม่เกี่ยวกับ Covid) ที่อยู่ในระดับที่ดีของ BCH ใน 1Q22 รายได้จากผู้ป่วยเงินสดชาวไทยที่ไม่เกี่ยวกับโรค Covid สูงกว่าระดับก่อน Covid ถึง 34% นำโดย 3 โรงพยาบาลใหม่และศูนย์เวชศาสตร์ฟื้นฟูใหม่ที่ตั้งอยู่ในโรงพยาบาล 8 แห่ง (คาดว่าจะสร้างรายได้ประมาณ 700 ลบ./ปีหรือ 8% ของรายได้รวมก่อน Covid) นอกจากนี้รายได้จากผู้ป่วยต่างประเทศยังสูงกว่าระดับก่อน Covid ถึง 52% จากผลการดำเนินงานที่ดีของ Diabetic Foot Center ที่ WMC เราคาดว่าแนวโน้มจะดีขึ้นเนื่องจาก BCH ได้เปิด International Diabetic Wound Center ที่ KH RAM ไปเมื่อเร็ว ๆ นี้และคาดว่าศูนย์ดังกล่าวจะสร้างรายได้ 120 ลบ./ปี ปัจจัยดังกล่าวจะช่วยเพิ่มรายได้จากผู้ป่วยต่างชาติได้ประมาณ 12% จากฐานในปี 2021 ท้ายที่สุดตัวเลขสมาชิกประกันสังคมจดทะเบียนยังเพิ่มขึ้น 9% YTD ซึ่งหมายถึงรายได้ประกันสังคมที่ดีในอนาคต

รายได้ที่เกี่ยวข้องกับ Covid จะชะลอใน 2Q22

รายได้ที่เกี่ยวข้องกับ Covid น่าจะชะลอใน 2Q22 BCH ให้บริการผู้ป่วย Covid เฉลี่ยประมาณ 15,800 ราย/วันใน 1Q22 ตัวเลขดังกล่าวยังสูงในเดือน เม.ย. โดยอยู่ที่มากกว่า 20,000 ราย/วัน แต่ลดลงเหลือประมาณ 10,000 ราย/วันในเดือน พ.ค. ด้วยเหตุดังกล่าวเราจึงคาดว่ากำไร 2Q22 จะลดลง q-q แต่จะยังคงโต y-y และสูงกว่าระดับก่อน Covid มากกว่า 4x

กระแสเงินสดในมือจำนวนมากสำหรับโครงการขยายธุรกิจ

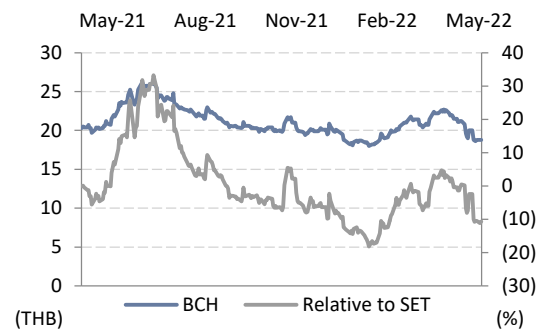
BCH มีเงินสดในมือ 4.2 พัน ลบ. และรายได้ค่าบริการทางการแพทย์จ่ายอีก 4.3 พัน ลบ. ณ สิ้นไตรมาส 1Q22 บริษัทฯ คาดว่าจะใช้กระแสเงินสดดังกล่าวเพื่อจ่ายเป็นเงินปันผลรวม 2.5 พัน ลบ. และจ่ายคืนหุ้นกู้ 1.2 พัน ลบ. ใน 2Q22 ซึ่งจะทำให้ BCH มีกระแสเงินสดเหลือใช้มากถึง 4.8 พัน ลบ. คิดเป็น 1.9 บาท/หุ้น บริษัทฯ น่าจะมีความสามารถทางการเงินมากพอสำหรับโครงการขยายธุรกิจในอนาคต

หุ้นมีการซื้อขายในระดับการประเมินมูลค่าที่ไม่สมเหตุสมผลและมีส่วนลดเป็นจำนวนมาก

BCH มีการซื้อขายในระดับการประเมินมูลค่าที่ต่ำเพียง 10x ของค่า 2022E P/E (28x ของกำไรไม่เกี่ยวกับ Covid) ซึ่งต่ำกว่าค่าเฉลี่ยของกลุ่มฯ ที่ 29x และค่าเฉลี่ยย้อนหลัง 5 ปีที่ 32x นอกจากนี้การปรับตัวของราคาหุ้นตั้งแต่ Covid เริ่มระบาดยังต่ำกว่าเพื่อน (+10% สำหรับ BCH เทียบกับ +52% สำหรับบริษัทอื่นในกลุ่มฯ) เราเห็นว่าการประเมินมูลค่าและการปรับตัวของราคาหุ้นอยู่ในระดับที่ไม่สมเหตุสมผล BCH สมควรจะมีการซื้อขายในระดับการประเมินมูลค่าที่สูงกว่าจากการดำเนินงานภายในที่ดีและความสามารถในการปรับการดำเนินงานโดยใช้ประโยชน์จากการระบาด Covid เราเชื่อว่าตลาดจะหันไปมองการดำเนินงานภายในเมื่อการระบาด Covid ลดลง

KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Revenue	21,405	20,531	12,451	13,414
Net profit	6,846	4,656	1,977	2,272
EPS (THB)	2.75	1.87	0.79	0.91
vs Consensus (%)	-	40.0	1.3	15.9
EBITDA	10,248	7,297	3,888	4,319
Core net profit	6,846	4,656	1,977	2,272
Core EPS (THB)	2.75	1.87	0.79	0.91
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	456.9	(32.0)	(57.5)	14.9
Core P/E (x)	6.8	10.1	23.7	20.6
Dividend yield (%)	1.8	6.4	5.0	2.1
EV/EBITDA (x)	4.9	6.4	12.1	10.5
Price/book (x)	3.6	3.2	3.3	3.0
Net debt/Equity (%)	12.5	(8.6)	(10.1)	(20.6)
ROE (%)	68.9	33.7	13.7	15.2



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(15.3)	(1.1)	(7.4)
Relative to country (%)	(12.8)	2.2	(10.7)
Mkt cap (USD m)	1,374		
3m avg. daily turnover (USD m)	14.4		
Free float (%)	44		
Major shareholder	Chalerm Hamphanich (33%)		
12m high/low (THB)	26.75/17.70		
Issued shares (m)	2,493.75		

Sources: Bloomberg consensus; FSSIA estimates



Teerapol Udomvej, CFA

teerapol.udo@fssia.com

+66 2611 3535

PREPARED BY FSS INTERNATIONAL INVESTMENT ADVISORY SECURITIES CO LTD (FSSIA). ANALYST CERTIFICATION AND IMPORTANT DISCLOSURES CAN BE FOUND AT THE END OF THIS REPORT

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 from 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.

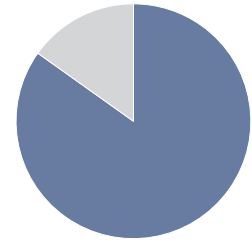
Company profile

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, 2021)

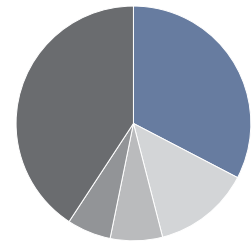
- Cash patient revenue - 84.8 %
- SSO patient revenue - 15.2 %



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 from medical tourists; and 3) an improving EBITDA margin led by new hospitals

Risks to our call

Downside risks to our DCF-based target price include 1) a slowdown in international patients due to economic concerns, political protests or floods; 2) regulatory risks from drug prices and medical bill controls; and 3) SSO provision expenses following a limited SSO budget.

Event calendar

Date	Event
Aug 2022	2Q22 results announcement

Key assumptions

	2022E	2023E	2024E
	(%)	(%)	(%)
SSO volume growth	16	7	3
SSO revenue / patient growth	2	2	2
OPD volume growth	7	(49)	3
OPD revenue / patient growth	(8)	33	3
IPD volume growth	(14)	(63)	4
IPD revenue / patient growth	2	8	8

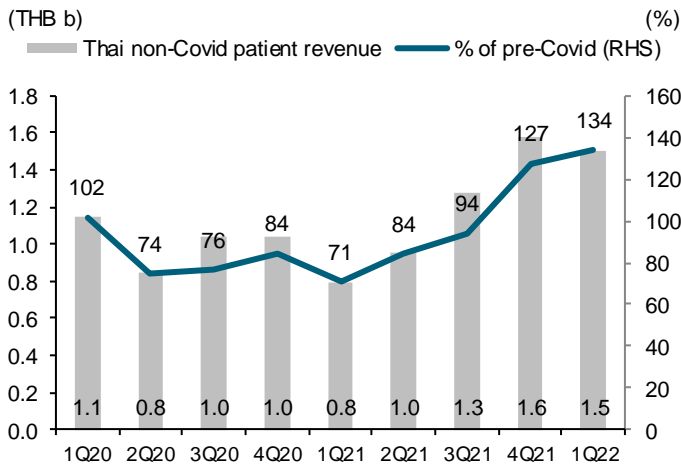
Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in patient volume, we project 2023 earnings would rise by 2%, and vice versa, all else being equal.
- For every 1% increase in EBITDA margin, we project 2023 earnings would rise by 5%, and vice versa, all else being equal.

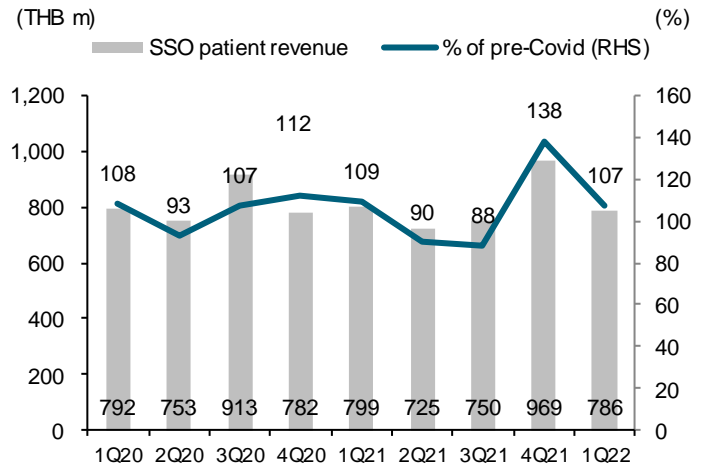
Source: FSSIA estimates

Exhibit 1: Non-Covid Thai general patient revenue



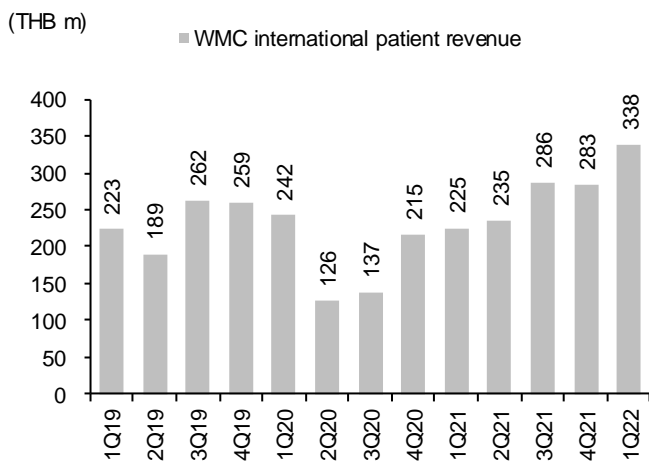
Source: BCH

Exhibit 2: SSO revenue



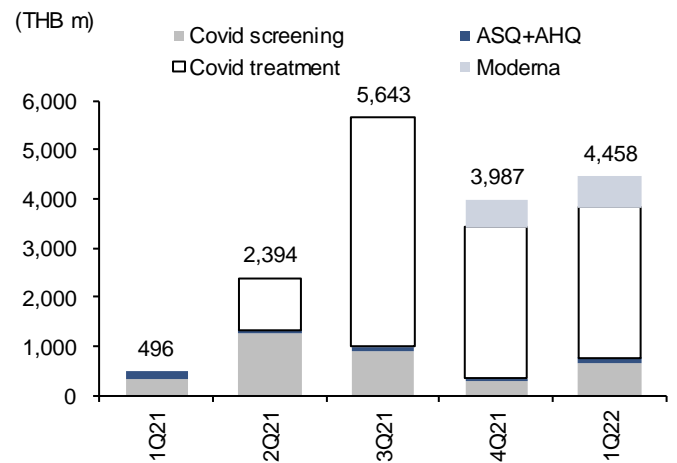
Source: BCH

Exhibit 3: WMC – international patient revenue



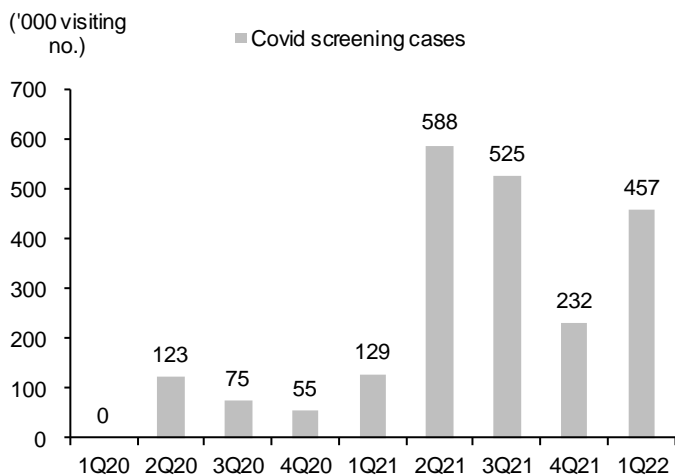
Source: BCH

Exhibit 4: Covid-related revenue



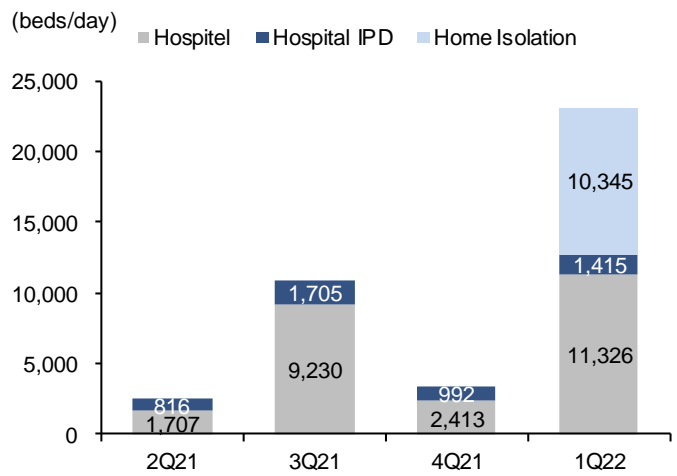
Sources: BCH

Exhibit 5: Number of Covid screening cases



Source: BCH

Exhibit 6: Number of Covid patients under BCH's care



Note: Home isolation started on 4 Mar 2022

Source: BCH

Recap: 1Q22 results review

BCH reported a 1Q22 core profit of THB2.0b (+526% y-y, -18% q-q), in line with our estimate but missing Bloomberg's consensus estimate by 12%. Core profit dropped q-q due to the lower reimbursement rate for Covid-related services.

Revenue jumped 206% y-y and 4% q-q, led by Covid-related services which contributed 60% of total revenue in 1Q22 (vs 59% in 4Q21). Non-Covid cash patient revenue grew by 36% y-y and exceeded the pre-Covid level by 3%. SSO revenue (excluding Covid-related revenue) jumped by 10% y-y due to a larger registered member base (935k in 1Q22 vs 899k in 4Q21).

The EBITDA margin improved to 42% in 1Q22 from 30% in 1Q21, but dropped from 55% in 4Q21 due to the lower reimbursement rate for Covid-related services.

Exhibit 7: 1Q22 results review

	1Q21	2Q21	3Q21	4Q21	1Q22	----- Change -----		2021	2022E	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)
Sales	2,316	4,313	7,959	6,816	7,087	4	206	21,405	20,531	(4)
COGS (incl. depreciation)	(1,619)	(2,318)	(3,689)	(2,935)	(3,890)	33	140	(10,561)	(12,327)	17
Gross Profit	698	1,995	4,271	3,881	3,197	(18)	358	10,844	8,205	(24)
SG&A	(291)	(401)	(367)	(411)	(491)	20	69	(1,469)	(1,889)	29
Operating Profit	407	1,594	3,904	3,470	2,706	(22)	565	9,374	6,316	(33)
Net other income	68	18	19	24	32	33	(53)	129	153	19
Interest expense	(28)	(35)	(40)	(48)	(48)	(1)	74	(151)	(124)	(18)
Pretax profit	447	1,577	3,882	3,445	2,690	(22)	502	9,352	6,345	(32)
Income Tax	(84)	(312)	(772)	(679)	(542)	(20)	546	(1,846)	(1,269)	(31)
Associates	1	1	0	1	1	(3)	(6)	2	0	n/a
Minority interest	(40)	(121)	(215)	(286)	(120)	(58)	201	(661)	(420)	(37)
Core profit	324	1,146	2,896	2,480	2,028	(18)	526	6,846	4,656	(32)
Reported net profit	324	1,146	2,896	2,480	2,028	(18)	526	6,846	4,656	(32)
Outstanding shares (m)	2,494	2,494	2,494	2,494	2,494	0	0	2,494	2,494	0
Core EPS (THB)	0.13	0.46	1.16	0.99	0.81	(18)	526	2.75	1.87	(32)
EPS (THB)	0.13	0.46	1.16	0.99	0.81	(18)	526	2.75	1.87	(32)
COGS (excl. depreciation)	1,402	2,113	3,468	2,703	3,656	35	161	9,687	11,346	17
Depreciation	217	205	220	232	234	1	8	874	981	12
EBITDA	691	1,817	4,143	3,725	2,972	(20)	330	10,377	7,450	(28)
Key ratios	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)	(%)	(ppt)
Gross margin	30	46	54	57	45	(12)	15	51	40	(11)
SG&A/Revenue	13	9	5	6	7	1	(6)	7	9	2
EBITDA margin	30	42	52	55	42	(13)	12	48	36	(12)
Net profit margin	14	27	36	36	29	(8)	15	32	23	(9)
Operating stats	(y-y %)	(y-y %)	(y-y %)	(y-y %)	(y-y %)					
Cash-OPD revenue growth	45	117	70	101	121					
Cash-OPD volume growth	39	176	155	197	220					
Cash-OPD revenue per head growth	4	(21)	(33)	(32)	(31)					
Cash-IPD revenue growth	(22)	263	966	526	514					
Cash-IPD volume growth	(20)	454	1,352	249	490					
Cash-IPD revenue per head growth	(3)	(34)	(27)	79	4					
SSO revenue growth	1	(4)	(18)	24	81					
SSO registered member ('000)	888	890	894	899	936					
SSO registered member growth	0	0	1	2	5					
SSO revenue per head growth	1	(4)	(19)	21	(83)					

Sources: BCH; FSSIA estimates

Exhibit 8: Healthcare sector share price performance

Stocks	Price performance			
	2020	2021	2022 YTD	Since 2020
	(%)	(%)	(%)	(%)
Bangkok Dusit Med Services PCL	(20.0)	10.6	15.2	1.9
Bumrungrad Hospital PCL	(18.4)	17.5	22.3	17.3
Ramkhamhaeng Hospital PCL	(8.2)	42.5	23.9	62.0
Thonburi Healthcare Group PCL	(3.7)	44.7	77.2	146.7
Bangkok Chain Hospital PCL	(20.5)	47.8	(6.5)	9.9
Chularat Hospital PCL	(4.7)	48.8	(3.3)	37.2
Vibhavadi Medical Center PCL	(17.9)	79.6	(1.5)	45.3
Praram 9 Hospital PCL	14.6	22.2	38.2	93.6
Samitivej PCL	(10.7)	0.0	1.0	(9.8)
Sikarin PCL	28.7	100.0	10.0	183.2
Principal Capital PCL	(18.0)	18.5	18.1	14.8
Chiang Mai Ram Medical Business PCL	(12.9)	73.9	(9.8)	36.6
Srivichai Vejvivat PCL	17.7	53.4	(9.8)	62.9
Ekachai Medical Care PCL	(25.6)	46.6	11.8	21.9
Average	(7.1)	43.3	13.4	51.7

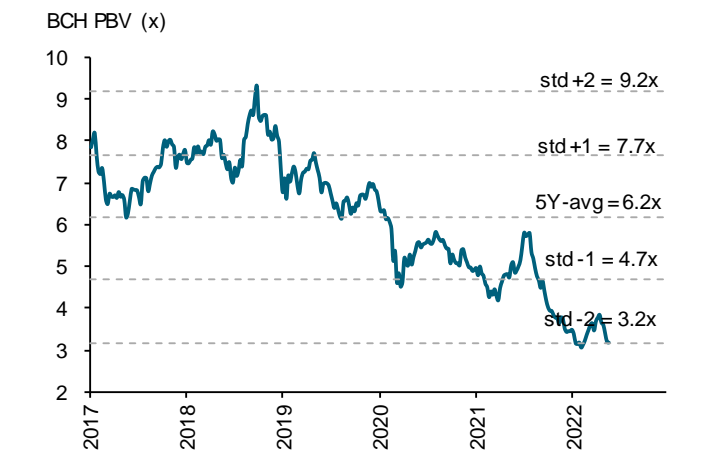
Source: Bloomberg

Exhibit 9: Historical P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 10: Historical P/BV band



Sources: Bloomberg; FSSIA estimates

Exhibit 11: Peer comparisons as of 24 May-22

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	26.50	31.00	17.0	12,339	41.7	33.6	11.8	13.9	4.9	4.5	21.2	18.0
Bumrungrad Hospital	BH TB	BUY	172.50	205.00	18.8	4,018	50.3	32.7	15.7	23.0	7.9	7.2	29.2	20.5
Bangkok Chain Hospital	BCH TB	BUY	18.80	28.50	51.6	1,374	10.1	23.7	33.7	13.7	3.2	3.3	6.4	12.1
Chularat Hospital	CHG TB	BUY	3.54	4.70	32.8	1,141	12.9	26.7	37.8	17.7	4.6	4.8	8.6	15.8
Praram 9 Hospital	PR9 TB	BUY	15.20	16.50	8.6	350	29.1	25.2	9.3	10.2	2.6	2.5	12.9	11.4
Thonburi Healthcare Group	THG TB	REDUCE	66.00	45.00	(31.8)	1,639	39.2	78.6	15.1	7.4	5.7	5.9	22.4	31.3
Vibhavadi Medical Center	VIBHA TB	BUY	2.60	3.20	23.1	1,034	33.7	32.6	8.1	7.3	2.4	2.4	30.1	27.2
Ramkhamhaeng Hospital	RAM TB	BUY	49.25	56.00	13.7	1,732	26.6	26.4	12.5	11.8	3.2	3.0	23.0	22.2
Rajthanee Hospital	RJH TB	n/a	35.25	n/a	n/a	306	14.9	23.9	35.8	20.9	7.0	5.0	9.9	15.4
Ekachai Medical Care	EKH TB	n/a	7.85	n/a	n/a	143	26.2	26.2	13.9	12.5	5.6	3.2	14.2	13.3
Thailand average						24,075	28.5	33.0	19.4	13.8	4.7	4.2	17.8	18.7
Regional														
Ramsay Health Care	RHC AU	n/a	77.76	n/a	n/a	12,599	54.5	31.4	8.7	13.7	4.4	4.4	13.7	11.2
Ihh Healthcare Bhd	IHH SP	n/a	2.01	n/a	n/a	12,867	34.5	30.4	6.8	7.3	2.3	2.3	15.2	14.2
Ryman Healthcare	RYM NZ	n/a	10.14	n/a	n/a	3,279	22.1	17.9	7.4	8.5	1.5	1.5	20.7	15.8
Apollo Hospitals Enterprise	APHS IN	n/a	3,632	n/a	n/a	6,482	54.4	42.5	18.6	18.7	8.9	8.9	23.3	19.8
Kpj Healthcare Berhad	KPJ MK	n/a	0.91	n/a	n/a	900	27.6	20.7	6.6	8.6	1.7	1.7	11.3	10.2
Raffles Medical Group	RFMD SP	n/a	1.14	n/a	n/a	1,526	29.7	27.6	7.5	7.7	2.2	2.2	14.5	13.8
Mitra Keluarga Karyasehat	MIKA IJ	n/a	3,050	n/a	n/a	2,971	n/a	36.8	19.0	19.4	7.6	7.6	25.6	22.9
Aier Eye Hospital Group	300015 CH	n/a	34.10	n/a	n/a	27,709	62.0	n/a	22.0	23.5	13.4	13.4	36.0	28.4
Regional average						68,333	40.7	29.6	12.1	13.4	5.3	5.3	20.0	17.0
Overall average						92,408	33.5	31.6	16.1	13.7	5.0	4.7	18.8	18.0

Sources: Bloomberg; FSSIA estimates

Financial Statements

Bangkok Chain Hospital

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Revenue	8,928	21,405	20,531	12,451	13,414
Cost of goods sold	(5,193)	(9,687)	(11,346)	(7,317)	(7,820)
Gross profit	3,735	11,717	9,186	5,133	5,594
Other operating income	-	-	-	-	-
Operating costs	(1,213)	(1,469)	(1,889)	(1,245)	(1,274)
Operating EBITDA	2,523	10,248	7,297	3,888	4,319
Depreciation	(782)	(874)	(981)	(1,018)	(1,056)
Goodwill amortisation	-	-	-	-	-
Operating EBIT	1,741	9,374	6,316	2,870	3,263
Net financing costs	(125)	(147)	(102)	(64)	(48)
Associates	3	2	0	2	2
Recurring non-operating income	89	127	131	137	143
Non-recurring items	0	0	0	0	0
Profit before tax	1,705	9,354	6,345	2,943	3,359
Tax	(313)	(1,846)	(1,269)	(588)	(671)
Profit after tax	1,392	7,507	5,076	2,355	2,688
Minority interests	(163)	(661)	(420)	(378)	(416)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	1,229	6,846	4,656	1,977	2,272
Non-recurring items & goodwill (net)	0	0	0	0	0
Recurring net profit	1,229	6,846	4,656	1,977	2,272
Per share (THB)					
Recurring EPS *	0.49	2.75	1.87	0.79	0.91
Reported EPS	0.49	2.75	1.87	0.79	0.91
DPS	0.23	0.33	1.20	0.93	0.40
Diluted shares (used to calculate per share data)	2,494	2,494	2,494	2,494	2,494
Growth					
Revenue (%)	0.5	139.8	(4.1)	(39.4)	7.7
Operating EBITDA (%)	10.7	306.3	(28.8)	(46.7)	11.1
Operating EBIT (%)	7.8	438.6	(32.6)	(54.6)	13.7
Recurring EPS (%)	7.0	456.9	(32.0)	(57.5)	14.9
Reported EPS (%)	8.3	456.9	(32.0)	(57.5)	14.9
Operating performance					
Gross margin inc. depreciation (%)	33.1	50.7	40.0	33.1	33.8
Gross margin of key business (%)	33.1	50.7	40.0	33.1	33.8
Operating EBITDA margin (%)	28.3	47.9	35.5	31.2	32.2
Operating EBIT margin (%)	19.5	43.8	30.8	23.1	24.3
Net margin (%)	13.8	32.0	22.7	15.9	16.9
Effective tax rate (%)	18.4	19.7	20.0	20.0	20.0
Dividend payout on recurring profit (%)	46.7	12.0	64.3	117.8	43.5
Interest cover (X)	14.6	64.5	63.5	46.8	71.7
Inventory days	16.9	12.9	15.3	21.0	15.9
Debtor days	67.5	42.9	63.1	104.0	96.5
Creditor days	52.7	40.3	47.4	65.2	49.5
Operating ROIC (%)	11.4	51.4	33.7	16.2	19.0
ROIC (%)	11.5	50.1	33.0	16.3	19.0
ROE (%)	18.7	68.9	33.7	13.7	15.2
ROA (%)	9.8	35.5	20.3	10.5	12.6
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Cash patient revenue	5,688	18,161	16,693	8,261	9,013
SSO patient revenue	3,240	3,244	3,838	4,189	4,401
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	2020	2021	2022E	2023E	2024E
Recurring net profit	1,229	6,846	4,656	1,977	2,272
Depreciation	782	874	981	1,018	1,056
Associates & minorities	-	-	-	-	-
Other non-cash items	94	660	418	378	416
Change in working capital	(593)	(2,204)	1,350	(9)	108
Cash flow from operations	1,512	6,175	7,405	3,363	3,852
Capex - maintenance	(2,546)	(678)	(1,024)	(623)	(671)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	5	(1)	0	0	0
Other investments (net)	-	-	-	-	-
Cash flow from investing	(2,541)	(679)	(1,024)	(623)	(671)
Dividends paid	(574)	(821)	(2,992)	(2,328)	(988)
Equity finance	0	0	0	0	0
Debt finance	1,837	(274)	(3,000)	(800)	(800)
Other financing cash flows	(168)	(90)	(210)	(189)	(208)
Cash flow from financing	1,096	(1,186)	(6,202)	(3,317)	(1,996)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	67	4,310	178	(576)	1,185
Free cash flow to firm (FCFF)	(896.48)	5,647.32	6,504.10	2,828.35	3,249.05
Free cash flow to equity (FCFE)	640.69	5,131.91	3,170.23	1,751.97	2,172.97

Per share (THB)

FCFF per share	(0.36)	2.26	2.61	1.13	1.30
FCFE per share	0.26	2.06	1.27	0.70	0.87
Recurring cash flow per share	0.84	3.36	2.43	1.35	1.50

Balance Sheet (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Tangible fixed assets (gross)	18,773	19,417	20,444	21,066	21,737
Less: Accumulated depreciation	(6,369)	(7,175)	(8,156)	(9,174)	(10,230)
Tangible fixed assets (net)	12,404	12,243	12,288	11,892	11,507
Intangible fixed assets (net)	522	540	540	540	540
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	33	34	34	34	34
Cash & equivalents	946	5,256	5,434	4,858	6,043
A/C receivable	1,487	3,547	3,547	3,547	3,547
Inventories	250	437	511	330	353
Other current assets	856	4,302	1,969	56	60
Current assets	3,538	13,541	11,461	8,790	10,002
Other assets	30	26	26	26	26
Total assets	16,527	26,384	24,349	21,283	22,109
Common equity	6,885	12,980	14,643	14,292	15,575
Minorities etc.	742	1,326	1,536	1,725	1,933
Total shareholders' equity	7,626	14,306	16,179	16,017	17,508
Long term debt	5,150	6,791	3,791	2,991	2,191
Other long-term liabilities	207	170	170	170	170
Long-term liabilities	5,357	6,961	3,961	3,161	2,361
A/C payable	784	1,358	1,590	1,025	1,096
Short term debt	2,165	250	250	250	250
Other current liabilities	595	3,510	2,369	830	894
Current liabilities	3,544	5,117	4,209	2,105	2,240
Total liabilities and shareholders' equity	16,527	26,384	24,349	21,283	22,109
Net working capital	1,214	3,418	2,068	2,077	1,970
Invested capital	14,203	16,260	14,956	14,570	14,077

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

Per share (THB)

Book value per share	2.76	5.20	5.87	5.73	6.25
Tangible book value per share	2.55	4.99	5.66	5.51	6.03

Financial strength

Net debt/equity (%)	83.5	12.5	(8.6)	(10.1)	(20.6)
Net debt/total assets (%)	38.5	6.8	(5.7)	(7.6)	(16.3)
Current ratio (x)	1.0	2.6	2.7	4.2	4.5
CF interest cover (x)	6.1	35.9	32.2	28.3	46.7

Valuation	2020	2021	2022E	2023E	2024E
Recurring P/E (x) *	38.1	6.8	10.1	23.7	20.6
Recurring P/E @ target price (x) *	57.8	10.4	15.3	36.0	31.3
Reported P/E (x)	38.1	6.8	10.1	23.7	20.6
Dividend yield (%)	1.2	1.8	6.4	5.0	2.1
Price/book (x)	6.8	3.6	3.2	3.3	3.0
Price/tangible book (x)	7.4	3.8	3.3	3.4	3.1
EV/EBITDA (x) **	21.4	4.9	6.4	12.1	10.5
EV/EBITDA @ target price (x) **	31.0	7.2	9.8	18.3	16.1
EV/invested capital (x)	3.8	3.1	3.1	3.2	3.2

* 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	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	TSC	TSR	TSTE	TSTH	TTA
TTCL	TTW	TU	TVD	TVI	TVO	TWPC	U	UAC	UBIS	UV
VGI	VIH	WACOAL	WAVE	WHA	WHAUP	WICE	WINNER	TRUE		

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

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

Description

Score Range

Excellent

90-100

Very Good

80-89

Good

70-79

Disclaimer:

The disclosure of the survey results of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information.

The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey results may be changed after that date. FSS International Investment Advisory Company Limited does not confirm nor certify the accuracy of such survey results.

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

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

Anti-corruption Progress Indicator 2020

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

This report has been prepared by FSS International Investment Advisory Company Limited (FSSIA). The information herein has been obtained from sources believed to be reliable and accurate; however FSS makes no representation as to the accuracy and completeness of such information. Information and opinions expressed herein are subject to change without notice. FSS has no intention to solicit investors to buy or sell any security in this report. In addition, FSS does not guarantee returns nor price of the securities described in the report nor accept any liability for any loss or damage of any kind arising out of the use of such information or opinions in this report. Investors should study this report carefully in making investment decisions. All rights are reserved.

This report may not be reproduced, distributed or published by any person in any manner for any purpose without permission of FSSIA. Investment in securities has risks. Investors are advised to consider carefully before making investment decisions.

Company	Ticker	Price	Rating	Valuation & Risks
Bangkok Chain Hospital	BCH TB	THB 18.80	BUY	Downside risks to our DCF-based target price include 1) a slowdown in international patients due to economic concerns, political protests or floods; 2) regulatory risks from drug prices and medical bill controls; and 3) SSO provision expenses following a limited SSO budget.
Bangkok Dusit Medical Services	BDMS TB	THB 26.50	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 172.50	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.
Chularat Hospital	CHG TB	THB 3.54	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 15.20	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 66.00	REDUCE	Upside risks to our DCF-based target price include 1) a new Covid wave from a new variant; and 2) big-lot sales of Jin Wellbeing County units.
Vibhavadi Medical Center	VIBHA TB	THB 2.60	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 49.25	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 24-May-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.