

BUMRUNGRAD HOSPITAL

THAILAND / HEALTHCARE

BH TB

BUY

UNCHANGED

TARGET PRICE	THB210.00
CLOSE	THB179.00
UP/DOWNSIDE	+17.3%
PRIOR TP	THB205.00
CHANGE IN TP	+2.4%
TP vs CONSENSUS	+16.2%

Middle East patients picking up steam

- Expect 2Q22 core profit to jump by more than three-fold y-y to THB0.7b, led by the recovery of Middle East patient revenue.
- Saudi Arabia took the first rank for Thailand's Middle East tourist arrivals in May; should provide an upside to BH in the longer term.
- Maintain BUY while revising up core profit and TP.

Expect international patient revenue recovery to 84% of pre-Covid

We expect international patient revenue to grow by 3% q-q in 2Q22, implying 84% of the pre-Covid level (vs 73% in 1Q22), driven by the pent-up demand from Middle East and CLMV patients. Despite the impact of Ramadan, we still expect a strong recovery in Middle East patient revenue, premised on strong tourist arrivals of 54k in April-May (vs 32k in 1Q22). Meanwhile, we expect Thai patient revenue to decline by 5% q-q due to the low season. However, it would still exceed the pre-Covid level by 15-20%. Overall, we expect core profit to slightly grow by 2% q-q at THB0.74b in 2Q22, accounting for 87% of the core profit in 2Q19.

Up to 7% revenue upside from Saudi Arabian patients

There were strong tourist arrivals from Saudi Arabia numbering 13k in May (vs average 2.5k per month in 2019) thanks to the restoration of diplomatic ties between the Thai and Saudi Arabian governments in the beginning of this year. This could provide a potential upside to BH given that currently revenue from Saudi Arabian patients accounts for 0.3% of BH's revenue (vs 7% UAE and 25% Middle East as of 2019), and Saudi Arabia has more than double the population and GDP than the UAE. Assuming that revenue from Saudi Arabian patients ramps up to a similar level of revenue from UAE patients, it would imply a revenue upside of c7% and a core profit upside of c9-10% to our 2023 forecast.

Expect core profit to exceed pre-Covid level in 2023

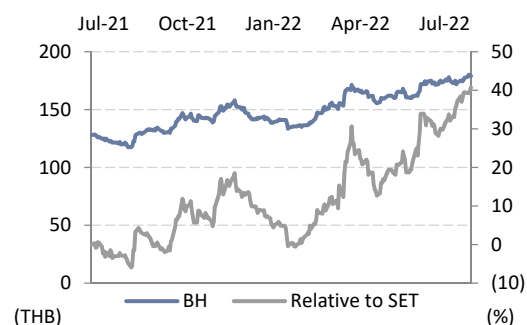
We expect international patient revenue to recover to 85% of the pre-Covid level in 2022 and exceed the pre-Covid level in 2023. As a result, we forecast core profit to jump by 139% to THB3.0b in 2022 (78% of pre-Covid level) and grow by 38% to THB4.2b in 2023 (108% of pre-Covid level). Upsides include the EBITDA margin which we forecast at 28-32% over 2022-23 (vs 34% peak in 2018).

Revising 2022E core profit up by 12%

We revise up our 2022E core profit by 12% to reflect the strong pent-up demand from international patients and lift our DCF-TP to THB210. BH is trading at 34x 2023E P/E, lower than the 5-yr avg of 38x. A short-term catalyst is the high season for Middle East medical tourism in 3Q22, while a long-term upside is BH's potential to attract Saudi Arabian patients.

KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Revenue	12,460	17,118	19,897	21,210
Net profit	1,216	3,045	4,200	4,637
EPS (THB)	1.53	3.83	5.28	5.83
vs Consensus (%)	-	5.9	12.0	9.8
EBITDA	2,613	4,871	6,258	6,875
Core net profit	1,274	3,045	4,200	4,637
Core EPS (THB)	1.60	3.83	5.28	5.83
Chg. In EPS est. (%)	-	11.5	0.0	0.0
EPS growth (%)	6.2	139.0	37.9	10.4
Core P/E (x)	111.8	46.8	33.9	30.7
Dividend yield (%)	1.8	1.8	1.8	1.8
EV/EBITDA (x)	52.4	27.9	21.3	19.0
Price/book (x)	8.2	8.0	7.3	6.6
Net debt/Equity (%)	(33.3)	(39.0)	(48.7)	(56.3)
ROE (%)	7.1	17.4	22.6	22.6



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	2.6	14.4	39.3
Relative to country (%)	8.8	23.6	41.0
Mkt cap (USD m)	4,024		
3m avg. daily turnover (USD m)	25.1		
Free float (%)	64		
Major shareholder	Dr. Satit Vidayakorn (18%)		
12m high/low (THB)	182.00/116.50		
Issued shares (m)	922.70		

Sources: Bloomberg consensus; FSSIA estimates



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Investment thesis

We think BH's operations have already bottomed out. International patient revenue should continue to improve following the reopening of Thailand's borders.

We expect to see an improvement in Bumrungrad Health Network (BHN), which is the new business model that BHN and its partner hospitals have set up to jointly operate Centers of Excellence (CoE) in partnered hospitals. We believe there will be more CoE openings in partnered hospitals.

BH's EBITDA margin should be in an upward trend as the hospital has started to reduce its medical discount rate. Plus, international patients, which normally command a higher EBITDA margin than Thai patients, are beginning to recover in terms of volume.

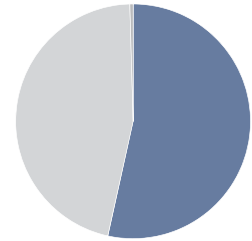
Company profile

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

www.bumrungrad.com

Principal activities (revenue, 2021)

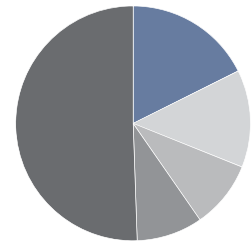
- Thai patient revenue - 53.5 %
- International patient revenue - 46.1 %
- Other revenue - 0.5 %



Source: Bumrungrad Hospital

Major shareholders

- Dr. Satit Viddayakorn - 17.6 %
- Bangkok Insurance - 13.4 %
- Thai NVDR - 9.3 %
- UOB Kay Hian (Hong Kong) - 9.1 %
- Others - 50.6 %



Source: Bumrungrad Hospital

Catalysts

Key growth drivers include 1) the recovery of international patient numbers; 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
Aug 2022	2Q22 results announcement

Key assumptions

	2022E (%)	2023E (%)	2024E (%)
OPD volume growth	29	10	4
OPD revenue / patient growth	3	15	3
IPD volume growth	28	3	3
IPD revenue / patient growth	11	4	3

Source: FSSIA estimates

Earnings sensitivity

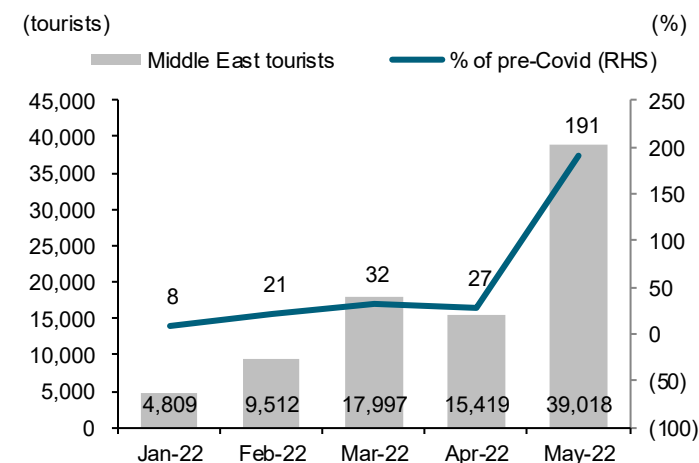
- For every 1% increase in patient volume, we project 2023 earnings to rise by 2%, and vice versa, all else being equal.
- For every 1% increase in EBITDA margin, we project 2023 earnings to rise by 4%, and vice versa, all else being equal.

Source: FSSIA estimates

Potential upside from strong tourist arrivals from Saudi Arabia

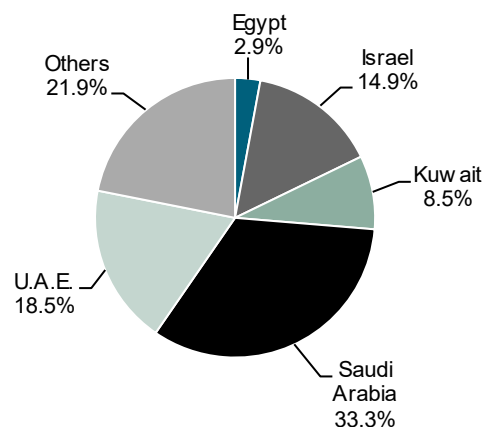
Middle East tourist arrivals are in a strong recovery trend. They grew by 153% m-m to 39k tourists in May and exceeded the pre-Covid level by 91%. The strong growth may be due to the Ramadan period being in April in 2022, while it was in May in 2019. However, the numbers are still strong compared to the average Middle East tourist arrivals of 59k per month in 2019.

Exhibit 1: Middle East tourist arrivals



Sources: Ministry of Tourism & Sports (MOTS)

Exhibit 2: Middle East tourist breakdown as of May-22

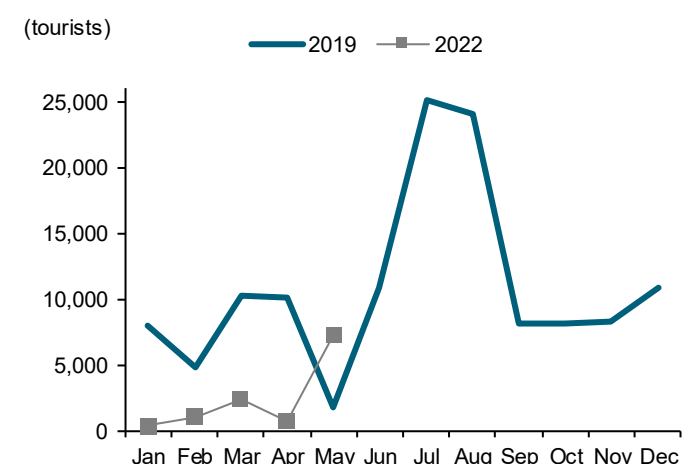


Source: MOTS

One key growth factor was from Saudi Arabian tourists after Saudi Arabia and Thailand agreed to fully restore diplomatic ties since Jan-22. Saudi Arabia tourist arrivals jumped to 13k in May, compared to the average of 2.5k per month in 2019. The momentum should continue as Thailand has exempted Saudi citizens from entry visas for a 30-day stay without any fees since June.

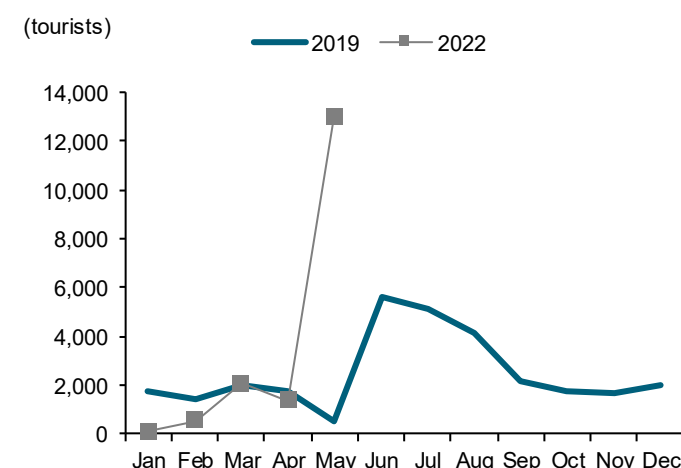
This should provide a promising upside to BH given that revenue contributions from Saudi Arabian patients only accounted for 0.3% in 2021. Revenue contributions from Middle East patients accounted for c25% of BH's revenue as of 2019, with UAE patients making up the major market and contributing 7% of revenue.

Exhibit 3: UAE tourist arrivals 2019 vs 2022



Source: MOTS

Exhibit 4: Saudi Arabia tourist arrivals 2019 vs 2022



Source: MOTS

Saudi Arabia has a c2.8x larger population and c2.3x larger annual GDP than the UAE. The UK, Germany, Canada, and the US are the preferred destinations in terms of medical tourism for Saudi Arabian patients. We believe Thailand has an opportunity to gain more trust and confidence from Saudi Arabian patients based on Thailand's medical tourism reputation with other Middle Eastern countries.

We have run a sensitivity analysis and concluded that – assuming that revenue from Saudi Arabian patients ramps up to a similar level of revenue as that generated by UAE patients – the increased revenue from Saudi Arabian patients would imply a revenue upside of c7% and a core profit upside of 9-10% of our 2023E.

Exhibit 5: Saudi Arabia and UAE comparison

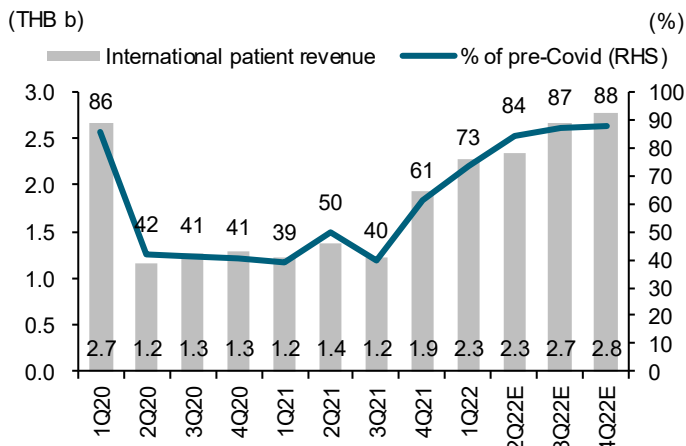
	Unit	Saudi Arabia	UAE
Population	m	35.0	9.3
Annual GDP	USD m	833,541	358,869
GDP per capita	USD	23,807	38,661
Gov. Health expenditure	USD m	25,108	9,254
Gov. Health expenditure	% of budget	10.1	7.9

Source: [countryeconomy](https://countryeconomy.com)

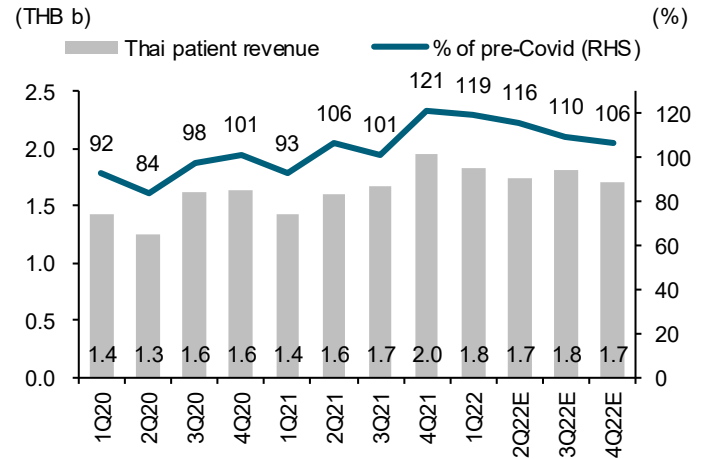
Exhibit 6: 2Q22 results preview

	2Q21 (THB m)	3Q21 (THB m)	4Q21 (THB m)	1Q22 (THB m)	2Q22E (THB m)	Change		2022E (THB m)
						(q-q %)	(y-y %)	
Sales	2,994	2,915	3,896	4,118	4,078	(1)	36	17,118
COGS (incl. depreciation)	(1,905)	(1,814)	(2,264)	(2,394)	(2,382)	(1)	25	(9,658)
Gross profit	1,089	1,101	1,632	1,724	1,696	(2)	56	7,460
SG&A	(835)	(813)	(836)	(865)	(860)	(1)	3	(3,795)
Operating profit	254	288	796	859	837	(3)	230	3,665
Net other income	21	74	25	34	34	0	61	85
Interest income	17	16	15	11	11	2	(34)	50
Interest expense	(31)	(31)	(26)	(2)	(2)	0	(95)	(9)
Pretax profit	261	346	811	903	881	(2)	237	3,791
Income tax	(38)	(39)	(127)	(168)	(132)	(21)	244	(720)
Associates	(10)	(2)	(0)	(0)	(0)	0	(100)	(13)
Minority interest	(1)	(7)	(17)	(10)	(10)	0	771	(13)
Core profit	212	298	667	725	738	2	249	3,045
Extraordinaries, GW & FX	5	(2)	(55)	(0)		(100)	(100)	0
Reported net profit	216	296	612	725	738	2	241	3,045
Outstanding shares (m)	795	795	795	795	795	0	0	795
Core EPS (THB)	0.27	0.37	0.84	0.91	0.93	2	249	3.83
EPS (THB)	0.27	0.37	0.77	0.91	0.93	2	241	3.83
COGS (excl. depreciation)	1,609	1,521	1,972	2,117	2,102	(1)	31	8,452
Depreciation	296	294	292	277	279	1	(6)	1,206
EBITDA	571	655	1,114	1,170	1,150	(2)	101	4,956
Key ratios	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)
Gross margin	36	38	42	42	42	(0)	5	44
SG&A/Revenue	28	28	21	21	21	0	(7)	22
EBITDA margin	19	22	29	28	28	(0)	9	28
Net profit margin	7	10	16	18	18	0	11	18
Operating stats	(y-y %)	(y-y %)	(y-y %)	(y-y %)				
Hospital revenue growth	23	0	33	55				
OPD revenue growth	23	(7)	n/a	n/a				
IPD revenue growth	23	9	n/a	n/a				
International patient revenue growth	19	(4)	50	87				
Thai patient revenue growth	27	4	20	28				

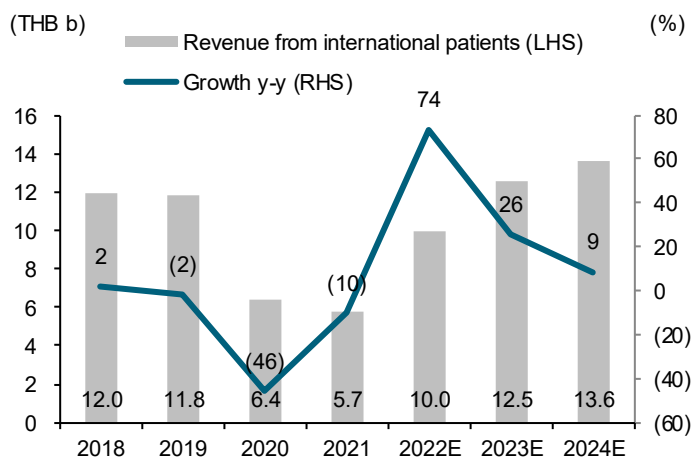
Sources: BH; FSSIA estimates

Exhibit 7: International patient revenue, quarterly

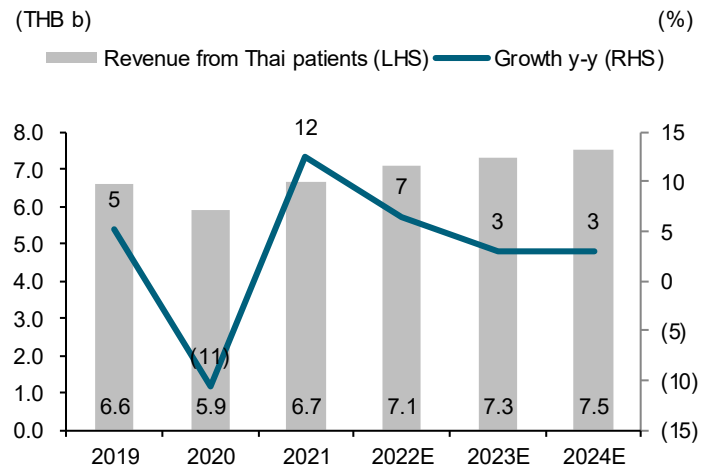
Source: BH

Exhibit 8: Thai patient revenue, quarterly

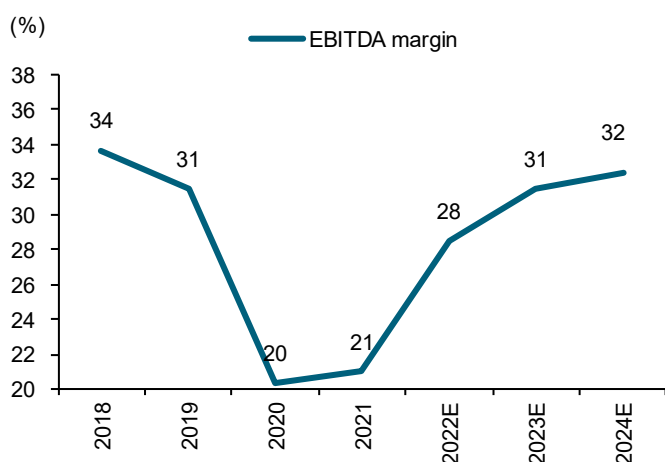
Source: BH

Exhibit 9: International patient revenue, yearly

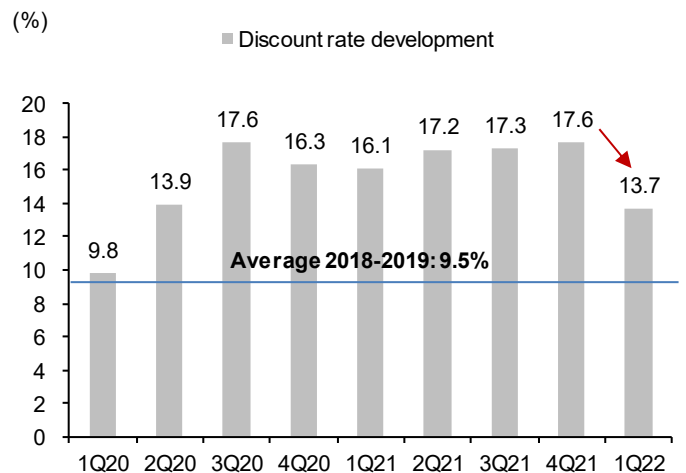
Sources: BH; FSSIA estimates

Exhibit 10: Thai patient revenue, yearly

Sources: BH; FSSIA estimates

Exhibit 11: EBITDA margin improvement trend

Sources: BH; FSSIA estimates

Exhibit 12: Discount rate development

Sources: BH; FSSIA's compilation

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	10.9	8.1	10.2	10.9	0.0	0.0	0.0
IPD patient revenue	9.0	9.6	10.2	7.8	9.6	10.3	14.7	0.6	(0.4)
Thai patient revenue	7.1	7.3	7.5	7.5	7.7	7.8	(5.8)	(4.8)	(3.9)
International patient revenue	10.0	12.5	13.6	8.4	12.1	13.4	18.9	3.5	2.0
Revenue	17.1	19.9	21.2	16.0	19.8	21.2	7.2	0.3	(0.2)
EBITDA margin (%)	28.5	31.5	32.4	28.1	31.6	32.4	0.4	(0.1)	0.0
Core profit	3.05	4.2	4.6	2.7	4.2	4.6	11.5	0.0	0.0

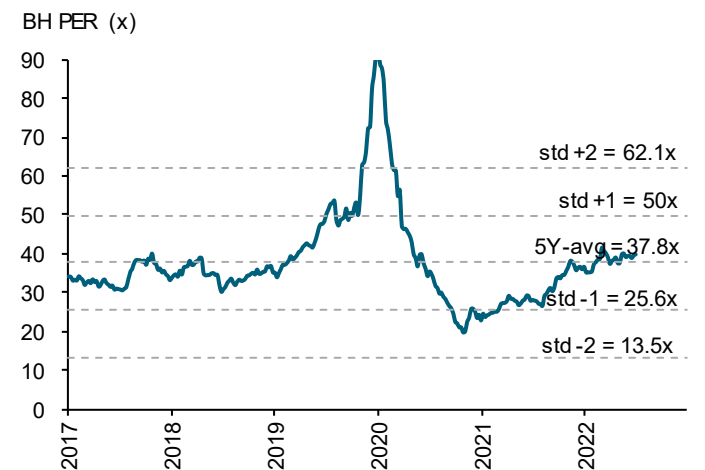
Note: Change of items in percentage terms are represented in ppt change
Source: FSSIA estimates

Exhibit 14: 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)	Comments	
NPV		55.4	60.0	WACC 7.8%, Risk-free rate 3%, Risk premium 8%	
Terminal value		129.1	139.9	Terminal growth 3%	
Cash & liquid assets		9.7	10.5	At end-2023E	
Investments		0.0	0.0	At end-2023E	
Debt		(0.1)	(0.1)	At end-2023E	
Minorities		(0.4)	(0.4)	At end-2023E	
Residual ordinary equity		193.8	210.0		

Source: FSSIA estimates

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



Sources: Bloomberg; FSSIA estimates

Exhibit 16: One-year forward rolling P/BV band



Sources: Bloomberg; FSSIA estimates

Exhibit 17: Peer comparisons as of 30 Jun-22

Company	BBG	Rec	----- Share price -----			Market Cap (USD m)	----- PE -----		---- ROE ----		---- PBV ----		- EV/ EBITDA -	
			Current	Target	Upside		22E	23E	22E	23E	22E	23E	22E	23E
			(LCY)	(LCY)	(%)		(x)	(x)	(%)	(%)	(x)	(x)	(x)	(x)
Thailand														
Bangkok Dusit Med Service	BDMS TB	BUY	25.00	31.00	24	11,235	39.4	31.7	11.8	13.9	4.6	4.3	20.0	16.9
Bumrungrad Hospital	BH TB	BUY	179.00	210.00	17	4,024	46.8	33.9	17.4	22.6	8.0	7.3	27.9	21.3
Bangkok Chain Hospital	BCH TB	BUY	18.70	28.50	52	1,319	10.0	23.6	33.7	13.7	3.2	3.3	6.4	12.0
Chularat Hospital	CHG TB	BUY	3.70	4.70	27	1,151	13.5	28.0	37.8	17.7	4.9	5.1	9.0	16.6
Praram 9 Hospital	PR9 TB	BUY	15.40	16.50	7	342	29.5	25.5	9.3	10.2	2.6	2.5	13.1	11.5
Thonburi Healthcare Group	THG TB	REDUCE	61.50	45.00	(27)	1,474	36.5	73.3	15.1	7.4	5.3	5.5	21.1	29.5
Vibhavadi Medical Center	VIBHA TB	BUY	2.44	3.20	31	937	31.6	30.6	8.1	7.3	2.3	2.2	28.5	25.8
Ramkhamhaeng Hospital	RAM TB	BUY	50.50	62.00	23	1,714	27.2	27.1	12.5	11.8	3.3	3.1	23.7	22.8
Rajthanee Hospital	RJH TB	n/a	36.25	n/a	n/a	309	12.2	21.6	48.3	24.7	7.4	5.1	9.1	16.3
Ekachai Medical Care	EKH TB	n/a	7.75	n/a	n/a	137	25.8	25.7	14.3	13.0	5.6	3.2	14.1	13.2
Thailand average						22,641	27.3	32.1	20.8	14.2	4.7	4.2	17.3	18.6
Regional														
Ramsay Health Care	RHC AU	n/a	73.00	n/a	n/a	11,392	52.4	29.8	8.4	13.6	4.1	4.1	13.2	10.8
Ihh Healthcare Bhd	IHH SP	n/a	2.01	n/a	n/a	12,703	34.2	29.9	6.8	7.3	2.2	2.2	15.2	14.2
Ryman Healthcare	RYM NZ	n/a	8.75	n/a	n/a	2,705	19.1	15.5	7.4	8.5	1.3	1.3	18.8	14.3
Apollo Hospitals Enterprise	APHS IN	n/a	3,684	n/a	n/a	6,707	57.5	47.8	18.6	17.5	9.4	9.4	24.5	22.2
Kpj Healthcare Berhad	KPJ MK	n/a	0.84	n/a	n/a	808	29.3	21.6	5.6	7.4	1.6	1.6	11.9	10.8
Raffles Medical Group	RFMD SP	n/a	1.12	n/a	n/a	1,490	29.5	27.3	7.5	7.7	2.1	2.1	14.4	13.7
Mitra Keluarga Karyasehat	MIKA IJ	n/a	2,750	n/a	n/a	2,564	36.2	32.2	18.7	18.9	6.5	6.5	22.9	20.5
Aier Eye Hospital Group	300015 CH	n/a	43.60	n/a	n/a	35,251	78.8	60.7	22.3	24.1	17.6	17.6	45.5	35.6
Regional average						73,618	42.1	33.1	11.9	13.1	5.6	5.6	20.8	17.8
Overall average						96,259	33.9	32.5	16.9	13.7	5.1	4.8	18.8	18.2

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	17,118	19,897	21,210
Cost of goods sold	(6,457)	(6,551)	(8,452)	(9,625)	(10,120)
Gross profit	5,905	5,909	8,666	10,272	11,090
Other operating income	-	-	-	-	-
Operating costs	(3,394)	(3,296)	(3,795)	(4,013)	(4,215)
Operating EBITDA	2,511	2,613	4,871	6,258	6,875
Depreciation	(1,220)	(1,180)	(1,206)	(1,233)	(1,281)
Goodwill amortisation	-	-	-	-	-
Operating EBIT	1,291	1,434	3,665	5,025	5,594
Net financing costs	0	(51)	41	105	147
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	3,778	5,204	5,816
Tax	(150)	(216)	(720)	(991)	(1,166)
Profit after tax	1,221	1,240	3,058	4,213	4,650
Minority interests	(17)	(24)	(13)	(13)	(13)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	1,204	1,216	3,045	4,200	4,637
Non-recurring items & goodwill (net)	(5)	58	0	0	0
Recurring net profit	1,199	1,274	3,045	4,200	4,637
Per share (THB)					
Recurring EPS *	1.51	1.60	3.83	5.28	5.83
Reported EPS	1.51	1.53	3.83	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	37.4	16.2	6.6
Operating EBITDA (%)	(56.8)	4.1	86.4	28.5	9.9
Operating EBIT (%)	(71.8)	11.1	155.7	37.1	11.3
Recurring EPS (%)	(71.7)	6.2	139.0	37.9	10.4
Reported EPS (%)	(70.6)	1.0	150.5	37.9	10.4
Operating performance					
Gross margin inc. depreciation (%)	37.9	38.0	43.6	45.4	46.2
Gross margin of key business (%)	37.9	38.0	43.6	45.4	46.2
Operating EBITDA margin (%)	20.3	21.0	28.5	31.5	32.4
Operating EBIT margin (%)	10.4	11.5	21.4	25.3	26.4
Net margin (%)	9.7	10.2	17.8	21.1	21.9
Effective tax rate (%)	10.9	14.1	19.0	19.0	20.0
Dividend payout on recurring profit (%)	212.1	199.7	83.6	60.6	54.3
Interest cover (X)	(5,021.5)	30.7	(90.5)	(48.4)	(38.7)
Inventory days	18.1	17.7	16.2	17.1	17.8
Debtor days	73.1	53.7	27.5	18.7	15.8
Creditor days	44.5	42.0	37.3	37.4	38.8
Operating ROIC (%)	8.7	9.7	25.0	36.8	43.4
ROIC (%)	8.3	10.0	24.5	35.8	42.0
ROE (%)	6.2	7.1	17.4	22.6	22.6
ROA (%)	4.8	6.0	14.2	18.2	18.2

* Pre-exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2020	2021	2022E	2023E	2024E
Thai patient revenue	5,924	6,661	7,094	7,307	7,526
International patient revenue	6,392	5,743	9,970	12,537	13,632
Other revenue	47	56	54	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	3,045	4,200	4,637
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	567	480	129
Cash flow from operations	1,877	3,668	4,831	5,926	6,061
Capex - maintenance	(1,073)	(928)	(1,086)	(796)	(848)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	1,320	74	0	0	0
Other investments (net)	-	-	-	-	-
Cash flow from investing	246	(853)	(1,086)	(796)	(848)
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)	1,198	2,584	2,692
Free cash flow to firm (FCFF)	2,251.07	2,934.46	3,753.64	5,138.92	5,221.04
Free cash flow to equity (FCFE)	1,961.78	342.35	3,744.75	5,130.03	5,212.16

Per share (THB)

FCFF per share	2.44	3.18	4.07	5.57	5.66
FCFE per share	2.13	0.37	4.06	5.56	5.65
Recurring cash flow per share	2.57	3.48	5.36	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	27,626	28,475
Less: Accumulated depreciation	(12,337)	(13,425)	(14,631)	(15,864)	(17,146)
Tangible fixed assets (net)	12,525	12,319	12,199	11,762	11,329
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	7,134	9,717	12,409
A/C receivable	2,206	1,461	1,119	920	920
Inventories	309	328	423	481	506
Other current assets	148	338	329	383	408
Current assets	10,801	8,062	9,004	11,501	14,243
Other assets	757	404	404	404	404
Total assets	24,222	20,857	21,679	23,739	26,048
Common equity	18,532	17,286	17,785	19,439	21,556
Minorities etc.	305	332	344	357	370
Total shareholders' equity	18,837	17,618	18,129	19,796	21,925
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	922	1,050	1,104
Short term debt	0	0	0	0	0
Other current liabilities	1,179	1,439	1,633	1,898	2,024
Current liabilities	1,884	2,244	2,555	2,948	3,127
Total liabilities and shareholders' equity	24,222	20,857	21,679	23,739	26,048
Net working capital	779	(117)	(684)	(1,164)	(1,294)
Invested capital	14,200	12,677	11,990	11,073	10,511

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

Per share (THB)

Book value per share	23.29	21.72	22.35	24.43	27.09
Tangible book value per share	23.21	21.63	22.26	24.34	27.00

Financial strength

Net debt/equity (%)	(29.5)	(33.3)	(39.0)	(48.7)	(56.3)
Net debt/total assets (%)	(22.9)	(28.1)	(32.6)	(40.6)	(47.4)
Current ratio (x)	5.7	3.6	3.5	3.9	4.6
CF interest cover (x)	(7,210.9)	7.7	(89.7)	(47.7)	(34.6)

Valuation	2020	2021	2022E	2023E	2024E
Recurring P/E (x) *	118.8	111.8	46.8	33.9	30.7
Recurring P/E @ target price (x) *	139.3	131.2	54.9	39.8	36.0
Reported P/E (x)	118.3	117.2	46.8	33.9	30.7
Dividend yield (%)	1.8	1.8	1.8	1.8	1.8
Price/book (x)	7.7	8.2	8.0	7.3	6.6
Price/tangible book (x)	7.7	8.3	8.0	7.4	6.6
EV/EBITDA (x) **	54.6	52.4	27.9	21.3	19.0
EV/EBITDA @ target price (x) **	64.5	61.8	32.9	25.2	22.6
EV/invested capital (x)	9.7	10.8	11.3	12.0	12.4

* 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 2021

EXCELLENT LEVEL – Score range 90-100										
AAV	BCPG	CPALL	GCAP	K	MSC	PLANET	SAMART	SPI	THRE	TVD
ADVANC	BDM5	CPF	GFPT	KBANK	MST	PLAT	SAMTEL	SPRC	THREL	TVI
AF	BEM	CPI	GGC	KCE	MTC	PORT	SAT	SPVI	TIPCO	TVO
AH	BGC	CPN	GLAND	KKP	MVP	PPS	SC	SSSC	TISCO	TWPC
AIRA	BGRIM	CRC	GLOBAL	KSL	NCL	PR9	SCB	SST	TK	U
AKP	BIZ	CSS	GPI	KTB	NEP	PREB	SCC	STA	TKT	UAC
AKR	BKI	DDD	GPSC	KTC	NER	PRG	SCCC	STEC	TMT	UBIS
ALT	BOL	DELTA	GRAMMY	LALIN	NKI	PRM	SCG	STI	TNDT	UV
AMA	BPP	DEMCO	GULF	LANNA	NOBLE	PROUD	SCGP	SUN	TNITY	VGI
AMATA	BRR	DRT	GUNKUL	LH	NSI	PSH	SCM	SUSCO	TOA	VIH
AMATAV	BTS	DTAC	HANA	LHFG	NVD	PSL	SDC	SUTHA	TOP	WACOAL
ANAN	BTW	DUSIT	HARN	LIT	NWR	PTG	SEAFECO	SVI	TPBI	WAVE
AOT	BWG	EA	HMPRO	LPN	NYT	PTT	SEAOL	SYMC	TQM	WHA
AP	CENEL	EASTW	ICC	MACO	OISHI	PTTEP	SE-ED	SYNTEC	TRC	WHAUP
ARIP	CFRESH	ECF	ICHI	MAJOR	OR	PTTGC	SELIC	TACC	TRU	WICE
ARROW	CHEWA	ECL	III	MAKRO	ORI	PYLON	SENA	TASCO	TRUE	WINNER
ASP	CHO	EE	ILINK	MALEE	OSP	Q-CON	SHR	TCAP	TSC	ZEN
AUCT	CIMBT	EGCO	ILM	MBK	OTO	QH	SIRI	TEAMG	TSR	
AWC	CK	EPG	INTUCH	MC	PAP	QTC	SIS	TFMAMA	TSTE	
AYUD	CKP	ETC	IP	MCOT	PCSGH	RATCH	SITHAI	TGH	TSTH	
BAFS	CM	FPI	IRPC	METCO	PDG	RS	SMK	THANA	TTA	
BANPU	CNT	FPT	ITEL	MFEC	PDJ	S	SMPC	THANI	TTB	
BAY	COM7	FSMART	IVL	MINT	PG	S & J	SNC	THCOM	TTCL	
BBL	COMAN	GBX	JSP	MONO	PHOL	SAAM	SONIC	THG	TTW	
BGP	COTTO	GC	JWD	MOONG	PLANB	SABINA	SPALI	THIP	TU	
VERY GOOD LEVEL – Score range 80-89										
2S	ASIMAR	CHOW	FLOYD	IT	LOXLEY	OCC	RPC	SKY	TCC	TVT
7UP	ASK	CI	FN	ITD	LRH	OGC	RT	SLP	TCMC	TWP
ABICO	ASN	CIG	FNS	J	LST	PATO	RWI	SMIT	TEAM	UEC
ABM	ATP30	CMC	FORTH	JAS	M	PB	S11	SMT	TFG	UMI
ACE	B	COLOR	FSS	JCK	MATCH	PICO	SA	SNP	TFI	UOBKH
ACG	BA	CPL	FTE	JCKH	MBAX	PIMO	SAK	SO	TIGER	UP
ADB	BAM	CPW	FVC	JMART	MEGA	PJW	SALEE	SORKON	TITLE	UPF
AEONTS	BC	CRD	GEL	JMT	META	PL	SAMCO	SPA	TKN	UPOIC
AGE	BCH	CSC	GENCO	KBS	MFC	PM	SANKO	SPC	TKS	UTP
AHC	BEC	CSP	GJS	KCAR	MGT	PMTA	SAPPE	SPCG	TM	VCOM
AIT	BEYOND	CWT	GYT	KEX	MICRO	PPP	SAWAD	SR	TMC	VL
ALL	BFIT	DCC	HEMP	KGI	MILL	PPPM	SCI	SRICHA	TMD	VPO
ALLA	BJC	DCON	HPT	KIAT	MTSIB	PRIME	SCN	SSC	TMI	VRANDA
ALUCON	BJCHI	DHOUSE	HTC	KISS	MK	PRIN	SCP	SSF	TMILL	WGE
AMANAH	BLA	DOD	HYDRO	KOOL	MODERN	PRINC	SE	STANLY	TNL	WIJK
AMARIN	BR	DOHOME	ICN	KTIS	MTI	PSG	SFLEX	STGT	TNP	WP
APCO	BROOK	DV8	IFS	KUMWEL	NBC	PSTC	SFP	STOWER	TOG	XO
APCS	CBG	EASON	IMH	KUN	NCAP	PT	SFT	STPI	TPA	XPG
APURE	CEN	EFORL	IND	KWC	NCH	QLT	SGF	SUC	TPAC	YUASA
AQUA	CGH	ERW	INET	KWM	NETBAY	RBF	SIAM	SWC	TPCS	
ASAP	CHARAN	ESSO	INSET	L&E	CHAX	RCL	SINGER	SYNEX	TPS	
ASEFA	CHAYO	ESTAR	INSURE	LDC	NINE	RICHY	SKE	TAE	TRITN	
ASIA	CHG	ETE	IRC	LEO	NRF	RML	SKN	TAKUNI	TRT	
ASIAN	CHOTI	FE	IRCP	LHK	NTV	ROJNA	SKR	TBSP	TSE	
GOOD LEVEL – Score range 70-79										
A	BGT	CITY	GIFT	JTS	MDX	PK	SGP	SUPER	TQR	YGG
AI	BH	CMAN	GLOCON	JUBILE	MJD	PLE	SICT	SVOA	TTI	ZIGA
AIE	BIG	CMO	GREEN	KASET	MORE	PPM	SIMAT	TC	TYCN	
AJ	BLAND	CMR	GSC	KCM	MUD	PRAKIT	SISB	TCCC	UKEM	
ALPHAX	BM	CPT	GTB	KK	NC	PRAPAT	SK	THMUI	UMS	
AMC	BROCK	CRANE	HTECH	KKC	NDR	PRECHA	SMART	TNH	UNIQU	
APP	BSBM	CSR	HUMAN	KWI	NFC	PTL	SOLAR	TNR	UPA	
AQ	BSM	D	IHL	KYE	NNCL	RJH	SPACK	TOPP	UREKA	
ARIN	BTNC	EKH	IIG	LEE	NOVA	RP	SPG	TPCH	VIBHA	
AS	BYD	EMC	INGRS	LPH	NPK	RPH	SQ	TPIPL	W	
AU	CAZ	EP	INOX	MATI	NUSA	RSP	SSP	TIPIPP	WIN	
B52	CCP	F&D	JAK	M-CHAI	PAF	SABUY	STARK	TPLAS	WORK	
BEAUTY	CGD	FMT	JR	MCS	PF	SF	STC	TPOLY	WPH	

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

Sources: Thai Institute of Directors Association (IOD); FSSIA's compilation; data as of 26 October 2021

Anti-corruption Progress Indicator

CERTIFIED										
2S	BCH	CPALL	GC	K	MFC	PE	QLT	SNP	THCOM	TU
7UP	BCP	CPF	GCAP	KASET	MFEC	PG	QTC	SORKON	THIP	TVD
ADVANC	BCPG	CPI	GEL	KBANK	MILL	PHOL	RATCH	SPACK	THRE	TVI
AF	BE8	CPN	GFPT	KBS	MINT	PK	RML	SPALI	THREL	TVO
AI	BEYOND	CSC	GGC	KCAR	MONO	PL	RWI	SPC	TIDLOR	TWPC
AIE	BGC	DCC	GJS	KCE	MOONG	PLANB	S & J	SPI	TIPCO	U
AIRA	BGRIM	DELTA	GPI	KGI	MSC	PLANET	SAAM	SPRC	TISCO	UBE
AKP	BJCHI	DEMCO	GPSC	KKP	MST	PLAT	SABINA	SRICHA	TKS	UBIS
ALPHAX	BKI	DIMET	GSTEEL	KSL	MTC	PM	SAPPE	SSF	TKT	UEC
AMA	BLA	DRT	GUNKUL	KTB	MTI	PPP	SAT	SSP	TMD	UKEM
AMANAHA	BPP	DTAC	HANA	KTC	NBC	PPPM	SC	SSSC	TMILL	UOBKH
AMATA	BROOK	DUSIT	HARN	KWC	NEP	PPS	SCB	SST	TMT	UPF
AMATAV	BRR	EA	HEMP	KWI	NINE	PR9	SCC	STA	TNITY	UV
AP	BSBM	EASTW	HENG	L&E	NKI	PREB	SCCC	STOWER	TNL	VGI
APCS	BTS	ECL	HMPRO	LANNA	NMG	PRG	SCG	SUSCO	TNP	VIH
AQUA	BWG	EGCO	HTC	LH	NNCL	PRINC	SCN	SVI	TNR	WACOAL
ARROW	CEN	EP	ICC	LHFG	NOBLE	PRM	SEA OIL	SYMC	TOG	WHA
AS	CENTEL	EPG	ICHI	LHK	NOK	PROS	SE-ED	SYNTEC	TOP	WHAUP
ASIAN	CFRESH	ERW	IFEC	LPN	NSI	PSH	SELIC	TAE	TOPP	WICE
ASK	CGH	ESTAR	IFS	LRH	NWR	PSL	SENA	TAKUNI	TPA	WIJK
ASP	CHEWA	ETE	ILINK	M	OCC	PSTC	SGP	TASCO	TPP	XO
AWC	CHOTI	FE	INET	MAKRO	OGC	PT	SINGER	TBSP	TRU	ZEN
AYUD	CHOW	FNS	INSURE	MALEE	ORI	PTG	SIRI	TCAP	TRUE	
B	CIG	FPI	INTUCH	MATCH	PAP	PTT	SITHAI	TCMC	TSC	
BAFS	CIMBT	FPT	IRC	MBAX	PATO	PTTEP	SKR	TFG	TSTE	
BAM	CM	FSMART	IRPC	MBK	PB	PTTGC	SMIT	TFI	TSTH	
BANPU	CMC	FSS	ITEL	MC	PCSGH	PYLON	SMK	TFMAMA	TTA	
BAY	COM7	FTE	IVL	MCOT	PDG	Q-CON	SMPC	TGH	TTB	
BBL	COTTO	GBX	JKN	META	PDJ	QH	SNC	THANI	TTCL	
DECLARED										
AJ	CHG	DDD	ETC	JR	MAJOR	NUSA	RS	SSS	TQM	YUASA
ALT	CPL	DHOUSE	FLOYD	JTS	NCAP	NYT	SAK	STECH	TSI	ZIGA
APCO	CPR	DOHOME	GULF	KEX	NCL	OR	SCGP	STGT	VARO	
B52	CPW	ECF	III	KUMWEL	NOVA	PIMO	SCM	TKN	VCOM	
BEC	CRC	EKH	INOX	LDC	NRF	PLE	SIS	TMI	VIBHA	

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 26 October 2021) are categorised into: 1) companies that have declared their intention to join CAC, and; 2) companies certified by CAC.

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

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Teerapol Udomvej, CFA FSS International Investment Advisory Securities Co., Ltd

The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed herein.

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Company	Ticker	Price	Rating	Valuation & Risks
Bumrungrad Hospital	BH TB	THB 179.00	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 25.00	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 price and medical bill controls; and 3) higher-than-expected capex and opex for CoE projects.
Bangkok Chain Hospital	BCH TB	THB 18.70	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 3.70	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 15.40	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 61.50	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 2.44	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 50.50	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 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 30-Jun-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.