

BANGKOK DUSIT MEDICAL SERVICES  
THAILAND / HEALTHCARE

## BDMS TB

BUY

UNCHANGED

## กำไร 2Q22 ยังแข็งแกร่ง

- คาดกำไรปกติ 2Q22 จะโต 84% y-y เป็น 2.7 พัน ลบ. สูงเกินระดับก่อน Covid ถึง 46% จากการฟื้นตัวของผู้ป่วยที่บินเข้ามารับการรักษา
- รายได้ผู้ป่วยต่างชาติอาจแตะระดับก่อน Covid ภายในสิ้นปีนี้ ซึ่งเร็วกว่าที่เราคาด
- คงแนะนำซื้อ; หุ้นมีการซื้อขายโดยมีส่วนลดจากค่าเฉลี่ยในอดีต

TARGET PRICE	THB31.00
CLOSE	THB25.00
UP/DOWNSIDE	+24.0%
PRIOR TP	THB31.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+4.9%

## KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Revenue	75,514	84,808	95,490	102,193
Net profit	7,936	10,097	12,544	14,145
EPS (THB)	0.50	0.64	0.79	0.89
vs Consensus (%)	-	0.3	12.7	12.9
EBITDA	17,345	20,107	23,279	25,578
Core net profit	7,736	10,097	12,544	14,145
Core EPS (THB)	0.49	0.64	0.79	0.89
Chg. In EPS est. (%)	-	0.0	0.0	0.0
EPS growth (%)	28.0	30.5	24.2	12.8
Core P/E (x)	51.4	39.3	31.7	28.1
Dividend yield (%)	3.2	1.8	1.5	1.9
EV/EBITDA (x)	23.5	20.0	16.9	15.1
Price/book (x)	4.7	4.6	4.3	4.0
Net debt/Equity (%)	7.1	0.5	(8.1)	(15.1)
ROE (%)	9.0	11.8	13.9	14.6

## กำไร 1Q22 อาจลดลง 22% q-q จากรายได้ Covid ที่ชะลอตัวลง

ใน 2Q22 เราคาดว่ารายได้ผู้ป่วยต่างชาติจะโต 5% q-q จากการฟื้นตัวของผู้ป่วยจากตะวันออกกลางและกลุ่มประเทศ CLMV อย่างไรก็ตามเราก็คาดว่ารายได้ผู้ป่วยไทยที่ไม่ได้เป็น Covid จะลดลงเล็กน้อยที่ 3% q-q เพราะอยู่นอกฤดูรักษาพยาบาลจากวันหยุดยาว ซึ่งหมายความว่ารายได้ผู้ป่วยชาวไทยน่าจะแตะระดับก่อน Covid และรายได้ผู้ป่วยต่างชาติน่าจะคิดเป็น 90% ของระดับก่อน Covid ในขณะที่รายได้ที่เกี่ยวข้องกับ Covid น่าจะลดลงเกือบครึ่ง q-q คิดเป็นสัดส่วนรายได้ 10% (เทียบกับ 17% ใน 1Q22) ตามการชะลอตัวของตัวเลขผู้ติดเชื้อ Covid ตั้งแต่เดือน พ.ค. ในภาพรวมเรคาดว่ากำไรปกติจะลดลง 22% q-q มาอยู่ที่ 2.7 พัน ลบ. อย่างไรก็ตามกำไรที่กำไรดังกล่าวน่าจะสูงเกินกำไรใน 2Q19 อยู่ 43%

## ทำค่าเสนอซื้อและถอนหุ้น SVH ออกจากตลาด

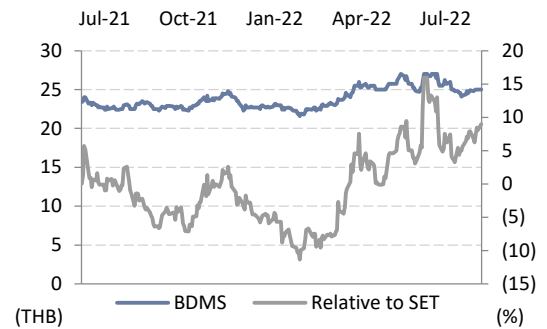
เมื่อไม่นานมานี้ BDMS ได้ประกาศค่าเสนอซื้อเพื่อถอนหุ้นที่เหลืออีก 4.2 ล้านหุ้น (4.2% ของหุ้นทั้งหมด) ของ Samitivej (SVH TB, NR) ที่ราคาเสนอซื้อ 480 บาท/หุ้น ปัจจุบัน BDMS ถือหุ้น 95.8% ใน SVH มูลค่ารวมของค่าเสนอซื้ออยู่ที่ 2.0 พัน ลบ. ราคาเสนอซื้อดังกล่าวคิดเป็น 24x ของค่า P/E จากกำไร 2.0 พัน ลบ. ของ SVH ในปี 2019 และ 32x ของค่า P/E จากกำไร 1.5 พัน ลบ. ในปี 2021 ถ้า BDMS ประสบความสำเร็จในการซื้อหุ้นที่เหลือทั้งหมด กำไรของ BDMS จะเพิ่มประมาณ 80 ลบ. หรือ 0.8% ของประมาณการกำไรปกติปี 2022 ของเรา

## Upside จากความต้องการที่อ่อนแอของผู้ป่วยจากตะวันออกกลางและกลุ่มประเทศ CLMV

เรคาดว่ารายได้จะโต 12% ในปี 2022 (เทียบกับเป้าของผู้บริหารที่ 12-15%) เราเห็น Upside จากรายได้ผู้ป่วยต่างชาติในปี 2022 ซึ่งเรคาดว่าคิดเป็น 81% ของระดับก่อน Covid รายได้ดังกล่าวอาจแตะระดับก่อน Covid เร็วกว่าที่เราคาด (ในปี 2023) จากความต้องการที่อ่อนแอของผู้ป่วยจากตะวันออกกลางและกลุ่มประเทศ CLMV หมายถึงตัวเลขนักท่องเที่ยวเข้าจากตะวันออกกลางฟื้นตัวเป็น 70% ของระดับก่อน Covid ในช่วงเดือน เม.ย. - พ.ค. 2022 เทียบกับตัวเลขนักท่องเที่ยวเข้าซึ่งฟื้นตัวเป็น 14% ในช่วงเดียวกัน

## หุ้นเชิงรับพร้อมการเติบโตของกำไรในระดับสูงในช่วงตลาดผันผวน

ปัจจุบัน BDMS มีการซื้อขายที่ 32x ของค่า 2023E P/E ซึ่งต่ำกว่าค่าเฉลี่ย 5 ปีย้อนหลังที่ 37x ราคาหุ้นมีศักยภาพที่จะทำสถิติสูงสุดใหม่ (สถิติในปัจจุบันอยู่ที่ 28 บาท/หุ้นในปี 2018) ตามกำไรปกติที่อาจทำสถิติสูงสุดใหม่ในปี 2022 เราคิดว่า BDMS เป็นหุ้นที่ปลอดภัยสำหรับนักลงทุนในตลาดที่ผันผวนในปัจจุบัน



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(2.9)	0.0	6.8
Relative to country (%)	2.5	9.1	8.1
Mkt cap (USD m)	11,142		
3m avg. daily turnover (USD m)	42.3		
Free float (%)	66		
Major shareholder	Prasert Prasatthongsoj (13%)		
12m high/low (THB)	27.75/21.50		
Issued shares (m)	15,892.00		

Sources: Bloomberg consensus; FSSIA estimates



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บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 5 กรกฎาคม 2022

### Investment thesis

BDMS has aggressively expanded its hospital network from 10 in 2004 to 53 currently. The company had a high capex level, averaging 17% of revenue over 2013-19. It is at the tail-end of its capex cycle, as it already achieved its target of 50 hospitals.

BDMS plans to focus on its organic growth. We expect its EBITDA margin to improve from 22% in 2020 to 24% in 2023, led by a higher utilisation rate, its Centre of Excellence (CoE) project, and the turnaround of loss-making hospitals.

BDMS has a healthy balance sheet with a 2021 net D/E of only 0.1x. FCFE should accelerate, based on our estimates, and this would provide an upside to its dividend payouts.

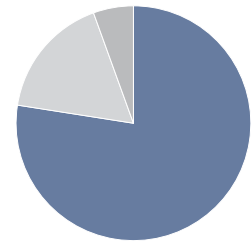
### Company profile

BDMS is Thailand's largest healthcare provider in terms of market capital. It operates 53 hospitals under six brands.

[www.bangkokhospital.com](http://www.bangkokhospital.com)

### Principal activities (revenue, 2021)

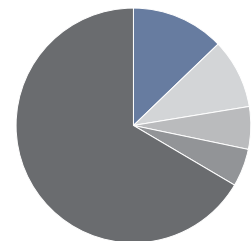
- Thai patient revenue - 77.5 %
- International patient revenue - 17.0 %
- Other revenue - 5.5 %



Source: Bangkok Dusit Medical Services

### Major shareholders

- Prasert Prasatthongsoj - 12.8 %
- Thai NVDR - 9.6 %
- Viriyah Insurance - 5.9 %
- Bangkok Airways - 5.2 %
- Others - 66.5 %



Source: Bangkok Dusit Medical Services

### Catalysts

Key potential growth drivers include 1) higher insurance patient revenue; 2) rising demand from medical tourists; and 3) an improving EBITDA margin led by CoE hospitals.

### Risks to our call

Downside risks to our DCF-based target price include 1) a slowdown in international patients due to economic concerns, political protests or floods; 2) regulatory risks from drug price and medical bill controls; and 3) higher-than-expected capex and opex for CoE projects.

### Event calendar

Date	Event
Aug 2022	2Q22 results announcement

### Key assumptions

	2022E	2023E	2024E
	(%)	(%)	(%)
No. of hospitals (no.)	56	59	60
OPD volume growth	13	5	4
OPD revenue / patient growth	4	3	3
IPD volume growth	28	17	4
IPD revenue / patient growth	(15)	0	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 10%, and vice versa, all else being equal.

Source: FSSIA estimates



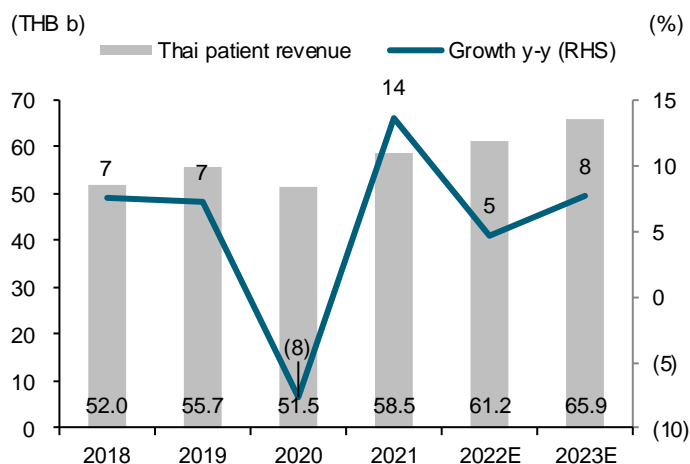
## Exhibit 1: 2Q22 results preview

	2Q21	3Q21	4Q21	1Q22	2Q22E	----- 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	17,397	19,958	21,878	23,159	21,307	(8)	22	75,514	84,808	12
- Hospital revenue	16,443	18,873	20,914	22,165	20,305	(8)	23	71,341	80,510	13
- Other revenue	954	1,084	964	994	1,002	1	5	4,173	4,298	3
COGS (incl depreciation)	(11,762)	(13,125)	(13,525)	(14,451)	(13,700)	(5)	16	(49,462)	(54,406)	10
<b>Gross profit</b>	<b>5,636</b>	<b>6,833</b>	<b>8,353</b>	<b>8,708</b>	<b>7,607</b>	<b>(13)</b>	<b>35</b>	<b>26,052</b>	<b>30,402</b>	<b>17</b>
SG&A	(3,539)	(3,514)	(4,691)	(4,025)	(3,893)	(3)	10	(15,029)	(16,709)	11
<b>Operating profit<sup>1)</sup></b>	<b>2,097</b>	<b>3,319</b>	<b>3,662</b>	<b>4,683</b>	<b>3,713</b>	<b>(21)</b>	<b>77</b>	<b>11,023</b>	<b>13,693</b>	<b>24</b>
Net other income	5	0	(0)	0	1			5	5	10
Interest income	33	13	14	13	13	0	(62)	73	126	73
Interest expense	(188)	(172)	(173)	(158)	(158)	0	(16)	(728)	(504)	(31)
<b>Pretax profit</b>	<b>1,946</b>	<b>3,159</b>	<b>3,503</b>	<b>4,538</b>	<b>3,569</b>	<b>(21)</b>	<b>83</b>	<b>10,373</b>	<b>13,320</b>	<b>28</b>
Income Tax	(383)	(645)	(746)	(903)	(714)	(21)	86	(2,103)	(2,664)	27
Associates	5	3	10	9	9	0	70	21	23	10
Minority interest	(116)	(208)	(131)	(201)	(191)	(5)	64	(554)	(582)	5
<b>Core profit</b>	<b>1,452</b>	<b>2,309</b>	<b>2,636</b>	<b>3,443</b>	<b>2,673</b>	<b>(22)</b>	<b>84</b>	<b>7,736</b>	<b>10,097</b>	<b>31</b>
Extraordinaries, GW & FX		200						200	0	
<b>Reported net profit</b>	<b>1,452</b>	<b>2,509</b>	<b>2,636</b>	<b>3,443</b>	<b>2,673</b>	<b>(22)</b>	<b>84</b>	<b>7,936</b>	<b>10,097</b>	<b>27</b>
Outstanding shares (m)	15,892	15,892	15,892	15,892	15,892	0	0	15,892	15,892	0
<b>Core EPS (THB)</b>	<b>0.09</b>	<b>0.15</b>	<b>0.17</b>	<b>0.22</b>	<b>0.17</b>	<b>(22)</b>	<b>84</b>	<b>0.49</b>	<b>0.64</b>	<b>31</b>
<b>EPS (THB)</b>	<b>0.09</b>	<b>0.16</b>	<b>0.17</b>	<b>0.22</b>	<b>0.17</b>	<b>(22)</b>	<b>84</b>	<b>0.50</b>	<b>0.64</b>	<b>27</b>
COGS excl depreciation	10,180	11,522	11,969	12,961	12,099	(7)	19	43,141	47,992	11
Depreciation	1,581	1,603	1,556	1,490	1,601	7	1	6,321	6,414	1
EBITDA <sup>2)</sup>	3,678	4,921	5,218	6,173	5,314	(14)	44	17,345	20,107	16
<b>Key ratios</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>	<b>(ppt)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>
Gross margin	32	34	38	38	36	(2)	3	34	36	1
SG&A/Revenue	20	18	21	17	18	1	(2)	20	20	(0)
EBITDA margin	21	25	24	27	25	(2)	4	23	24	1
Net profit margin	8	13	12	15	13	(2)	4	11	12	1
<b>Operating stats</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>					
OPD revenue growth y-y	15	(6)	16	16	-					
OPD volume growth y-y	20	(5)	8	32	n/a					
OPD revenue per head growth y-y	(4)	1	11	3	n/a					
IPD revenue growth y-y	35	44	29	29	-					
IPD volume growth y-y	14	(24)	(25)	7	n/a					
IPD revenue per head growth y-y	19	81	72	43	n/a					
Thai revenue growth y-y	24	18	21	38	-					
International revenue growth y-y	27	17	27	72	-					

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

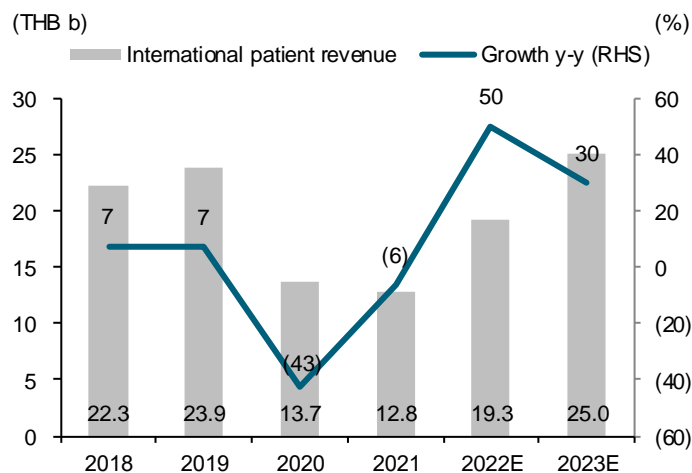
Sources: BDMS; FSSIA estimates

**Exhibit 2: Thai patient revenue, yearly**



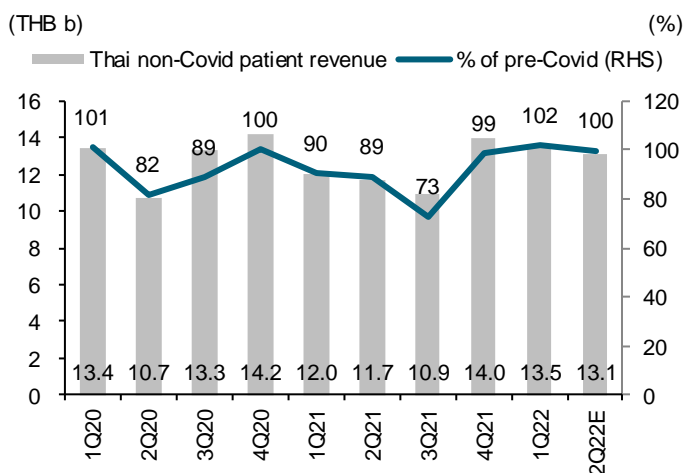
Note: includes Covid-related revenue of THB10.1b in 2021 and THB7.1b in 2022E  
Sources: BDMS; FSSIA estimates

**Exhibit 3: International patient revenue, yearly**



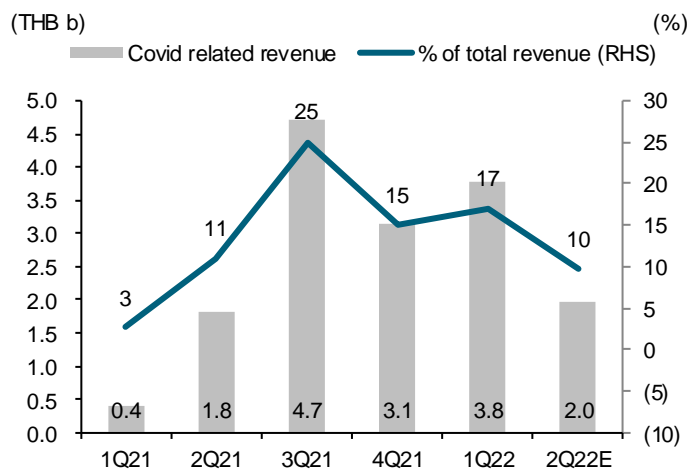
Sources: BDMS; FSSIA estimates

**Exhibit 4: Non-Covid Thai patient revenue, quarterly**



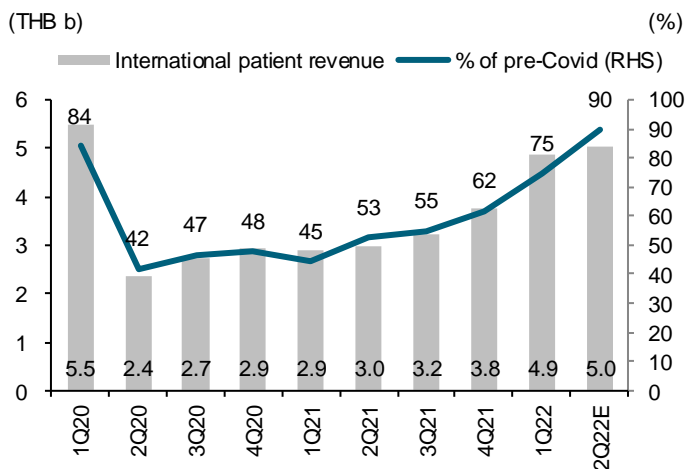
Sources: BDMS; FSSIA estimate

**Exhibit 5: Covid-related revenue, quarterly**



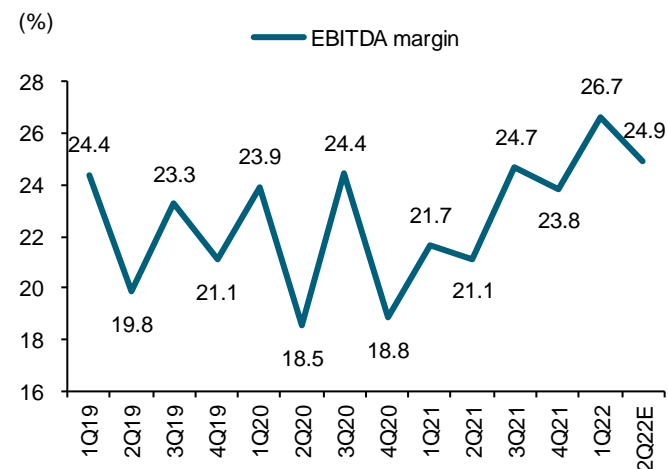
Sources: BDMS; FSSIA estimate

**Exhibit 6: International patient revenue, quarterly**



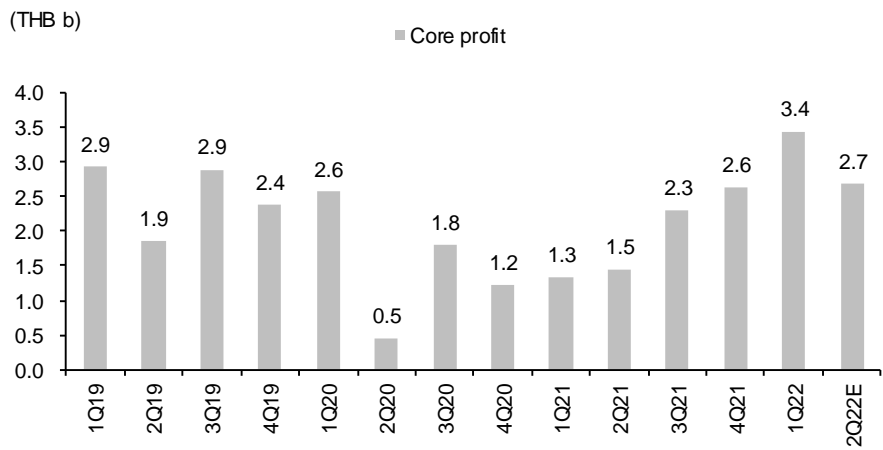
Sources: BDMS; FSSIA estimate

**Exhibit 7: EBITDA margin trend, quarterly**



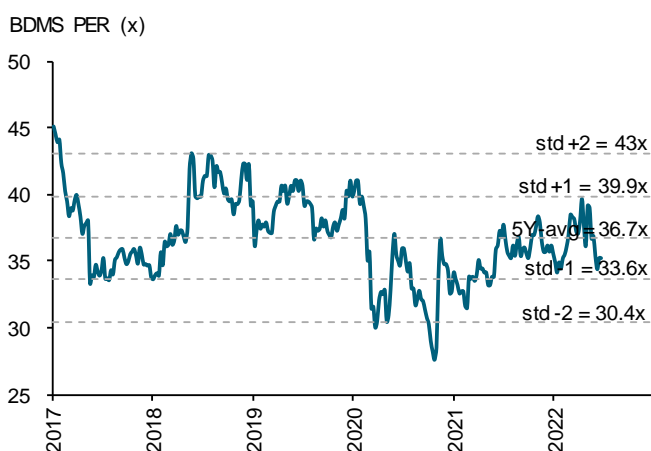
Sources: BDMS; FSSIA estimate

**Exhibit 8: Core profit, quarterly**



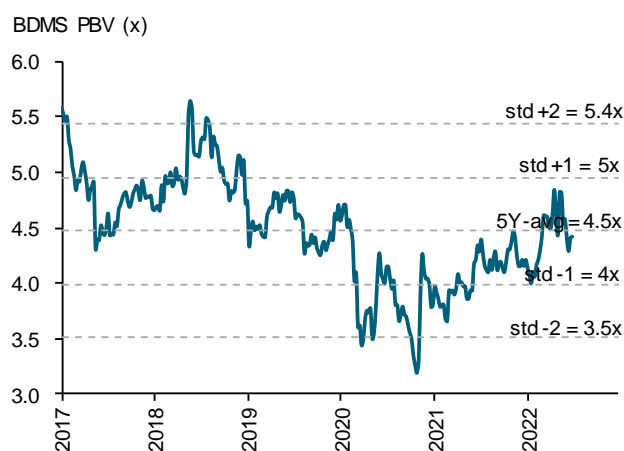
Sources: BDMS; FSSIA estimate

**Exhibit 9: One-year prospective P/E band**



Sources: Bloomberg; FSSIA estimates

**Exhibit 10: One-year prospective P/BV band**



Sources: Bloomberg; FSSIA estimates

**Exhibit 11: Peer comparisons as of 4 Jul-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)
<b>Thailand</b>														
Bangkok Dusit Med Service	BDMS TB	BUY	25.00	31.00	24	11,142	39.3	31.7	11.8	13.9	4.6	4.3	20.0	16.9
Bumrungrad Hospital	BH TB	BUY	181.00	210.00	16	4,035	47.3	34.3	17.4	22.6	8.1	7.4	28.2	21.5
Bangkok Chain Hospital	BCH TB	BUY	19.30	28.50	48	1,350	10.3	24.4	33.7	13.7	3.3	3.4	6.6	12.4
Chularat Hospital	CHG TB	BUY	3.80	4.70	24	1,172	13.8	28.7	37.8	17.7	5.0	5.2	9.3	17.1
Praram 9 Hospital	PR9 TB	BUY	15.90	16.50	4	351	30.5	26.3	9.3	10.2	2.7	2.6	13.6	12.0
Thonburi Healthcare Group	THG TB	REDUCE	61.75	45.00	(27)	1,468	36.7	73.6	15.1	7.4	5.3	5.5	21.1	29.6
Vibhavadi Medical Center	VIBHA TB	BUY	2.42	3.20	32	921	31.4	30.3	8.1	7.3	2.3	2.2	28.3	25.6
Ramkhamhaeng Hospital	RAM TB	BUY	50.50	62.00	23	1,699	27.2	27.1	12.5	11.8	3.3	3.1	23.7	22.8
Rajthanee Hospital	RJH TB	n/a	37.00	n/a	n/a	310	12.3	21.7	48.3	24.7	7.4	5.1	9.2	16.4
Ekachai Medical Care	EKH TB	n/a	7.75	n/a	n/a	135	25.7	25.5	14.3	13.0	5.5	3.2	14.0	13.1
<b>Thailand average</b>						<b>22,583</b>	<b>27.5</b>	<b>32.3</b>	<b>20.8</b>	<b>14.2</b>	<b>4.7</b>	<b>4.2</b>	<b>17.4</b>	<b>18.7</b>
<b>Regional</b>														
Ramsay Health Care	RHC AU	n/a	72.67	n/a	n/a	11,420	52.1	29.6	8.4	13.6	4.1	4.1	13.2	10.7
Ihh Healthcare Bhd	IHH SP	n/a	2.03	n/a	n/a	12,800	34.5	30.1	6.8	7.3	2.3	2.3	15.3	14.3
Ryman Healthcare	RYM NZ	n/a	8.96	n/a	n/a	2,772	19.5	15.8	7.4	8.5	1.3	1.3	19.0	14.5
Apollo Hospitals Enterprise	APHS IN	n/a	3,770	n/a	n/a	6,866	58.7	48.9	18.6	17.5	9.6	9.6	25.0	22.6
Kpj Healthcare Berhad	KPJ MK	n/a	0.81	n/a	n/a	798	28.9	21.3	5.6	7.4	1.6	1.6	11.9	10.7
Raffles Medical Group	RFMD SP	n/a	1.10	n/a	n/a	1,460	28.9	26.8	7.5	7.7	2.1	2.1	14.1	13.4
Mitra Keluarga Karyasehat	MIKA IJ	n/a	2,700	n/a	n/a	2,536	35.8	31.8	18.9	19.2	6.6	6.6	22.7	20.2
Aier Eye Hospital Group	300015 CH	n/a	44.66	n/a	n/a	36,003	80.8	62.2	22.2	24.0	18.0	18.0	46.5	36.4
<b>Regional average</b>						<b>74,655</b>	<b>42.4</b>	<b>33.3</b>	<b>11.9</b>	<b>13.2</b>	<b>5.7</b>	<b>5.7</b>	<b>21.0</b>	<b>17.9</b>
<b>Overall average</b>						<b>97,238</b>	<b>34.1</b>	<b>32.8</b>	<b>16.9</b>	<b>13.7</b>	<b>5.2</b>	<b>4.9</b>	<b>19.0</b>	<b>18.4</b>

Sources: Bloomberg; FSSIA estimates

## Financial Statements

### Bangkok Dusit Medical Services

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Revenue	69,057	75,514	84,808	95,490	102,193
Cost of goods sold	(39,958)	(43,141)	(47,992)	(53,588)	(56,992)
<b>Gross profit</b>	<b>29,099</b>	<b>32,373</b>	<b>36,816</b>	<b>41,901</b>	<b>45,201</b>
Other operating income	-	-	-	-	-
Operating costs	(14,161)	(15,029)	(16,709)	(18,622)	(19,623)
<b>Operating EBITDA</b>	<b>14,938</b>	<b>17,345</b>	<b>20,107</b>	<b>23,279</b>	<b>25,578</b>
Depreciation	(6,413)	(6,321)	(6,414)	(6,637)	(6,966)
Goodwill amortisation	-	-	-	-	-
<b>Operating EBIT</b>	<b>8,525</b>	<b>11,023</b>	<b>13,693</b>	<b>16,642</b>	<b>18,612</b>
Net financing costs	(832)	(655)	(378)	(236)	(132)
Associates	273	21	23	26	28
Recurring non-operating income	278	26	28	31	34
Non-recurring items	1,169	200	0	0	0
<b>Profit before tax</b>	<b>9,141</b>	<b>10,594</b>	<b>13,344</b>	<b>16,438</b>	<b>18,514</b>
Tax	(1,491)	(2,103)	(2,664)	(3,282)	(3,697)
<b>Profit after tax</b>	<b>7,649</b>	<b>8,490</b>	<b>10,679</b>	<b>13,155</b>	<b>14,817</b>
Minority interests	(435)	(554)	(582)	(611)	(672)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>7,214</b>	<b>7,936</b>	<b>10,097</b>	<b>12,544</b>	<b>14,145</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>(1,169)</b>	<b>(200)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>6,045</b>	<b>7,736</b>	<b>10,097</b>	<b>12,544</b>	<b>14,145</b>
<b>Per share (THB)</b>					
Recurring EPS *	0.38	0.49	0.64	0.79	0.89
Reported EPS	0.45	0.50	0.64	0.79	0.89
DPS	0.30	0.80	0.45	0.38	0.47
Diluted shares (used to calculate per share data)	15,892	15,892	15,892	15,892	15,892
<b>Growth</b>					
Revenue (%)	(17.6)	9.3	12.3	12.6	7.0
Operating EBITDA (%)	(19.6)	16.1	15.9	15.8	9.9
Operating EBIT (%)	(33.5)	29.3	24.2	21.5	11.8
Recurring EPS (%)	(39.9)	28.0	30.5	24.2	12.8
Reported EPS (%)	(53.5)	10.0	27.2	24.2	12.8
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	32.9	34.5	35.8	36.9	37.4
Gross margin of key business (%)	32.9	34.5	35.8	36.9	37.4
Operating EBITDA margin (%)	21.6	23.0	23.7	24.4	25.0
Operating EBIT margin (%)	12.3	14.6	16.1	17.4	18.2
Net margin (%)	8.8	10.2	11.9	13.1	13.8
Effective tax rate (%)	19.4	20.3	20.0	20.0	20.0
Dividend payout on recurring profit (%)	78.4	164.7	70.8	48.3	53.2
Interest cover (X)	10.6	16.9	36.3	70.7	141.4
Inventory days	16.9	16.3	16.1	16.1	16.5
Debtor days	42.4	39.4	39.3	34.9	32.6
Creditor days	47.7	40.1	40.4	40.4	41.3
Operating ROIC (%)	8.7	10.6	13.5	16.8	19.0
ROIC (%)	6.5	8.5	10.7	13.3	15.0
ROE (%)	7.0	9.0	11.8	13.9	14.6
ROA (%)	5.3	6.7	8.7	10.4	11.0
* Pre-exceptional, pre-goodwill and fully diluted					
<b>Revenue by Division (THB m)</b>					
Thai patient revenue	51,482	58,500	61,248	65,936	69,910
International patient revenue	13,685	12,841	19,262	25,041	27,545
Other revenue	3,891	4,173	4,298	4,513	4,738

Sources: Bangkok Dusit Medical Services; FSSIA estimates



## Financial Statements

Bangkok Dusit Medical Services

Cash Flow (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Recurring net profit	6,045	7,736	10,097	12,544	14,145
Depreciation	6,413	6,321	6,414	6,637	6,966
Associates & minorities	-	-	-	-	-
Other non-cash items	2,408	931	582	611	672
Change in working capital	(1,614)	(980)	1,711	1,417	881
<b>Cash flow from operations</b>	<b>13,252</b>	<b>14,008</b>	<b>18,804</b>	<b>21,209</b>	<b>22,664</b>
Capex - maintenance	(12,551)	(4,235)	(5,937)	(6,684)	(7,154)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	17,066	8	0	0	0
Other investments (net)	-	-	-	-	-
<b>Cash flow from investing</b>	<b>4,514</b>	<b>(4,227)</b>	<b>(5,937)</b>	<b>(6,684)</b>	<b>(7,154)</b>
Dividends paid	(4,741)	(12,738)	(7,151)	(6,058)	(7,526)
Equity finance	0	0	0	0	0
Debt finance	(137)	(5,416)	(8,000)	(2,000)	(500)
Other financing cash flows	2,455	75	0	0	0
<b>Cash flow from financing</b>	<b>(2,423)</b>	<b>(18,079)</b>	<b>(15,151)</b>	<b>(8,058)</b>	<b>(8,026)</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
<b>Net other adjustments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Movement in cash</b>	<b>15,343</b>	<b>(8,298)</b>	<b>(2,284)</b>	<b>6,466</b>	<b>7,484</b>
Free cash flow to firm (FCFF)	18,637.19	10,509.69	13,371.74	14,858.68	15,802.45
Free cash flow to equity (FCFE)	20,084.21	4,439.73	4,867.54	12,524.48	15,010.74

### Per share (THB)

FCFF per share	1.17	0.66	0.84	0.93	0.99
FCFE per share	1.26	0.28	0.31	0.79	0.94
Recurring cash flow per share	0.94	0.94	1.08	1.25	1.37

Balance Sheet (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Tangible fixed assets (gross)	139,771	142,630	148,566	155,251	162,404
Less: Accumulated depreciation	(54,780)	(59,725)	(66,139)	(72,776)	(79,742)
<b>Tangible fixed assets (net)</b>	<b>84,991</b>	<b>82,905</b>	<b>82,427</b>	<b>82,475</b>	<b>82,662</b>
<b>Intangible fixed assets (net)</b>	<b>18,894</b>	<b>18,828</b>	<b>18,828</b>	<b>18,828</b>	<b>18,828</b>
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	939	931	931	931	931
Cash & equivalents	20,939	12,641	10,357	16,823	24,308
A/C receivable	7,192	9,131	9,131	9,131	9,131
Inventories	1,855	2,005	2,230	2,490	2,649
Other current assets	27	624	163	184	197
<b>Current assets</b>	<b>30,013</b>	<b>24,401</b>	<b>21,882</b>	<b>28,628</b>	<b>36,284</b>
Other assets	1,213	1,389	1,389	1,389	1,389
<b>Total assets</b>	<b>136,050</b>	<b>128,454</b>	<b>125,456</b>	<b>132,250</b>	<b>140,094</b>
Common equity	87,910	83,845	86,791	93,277	99,895
Minorities etc.	3,553	3,920	4,502	5,113	5,785
<b>Total shareholders' equity</b>	<b>91,463</b>	<b>87,765</b>	<b>91,293</b>	<b>98,390</b>	<b>105,680</b>
Long term debt	24,163	18,753	10,753	8,753	8,253
Other long-term liabilities	9,631	9,442	9,442	9,442	9,442
<b>Long-term liabilities</b>	<b>33,794</b>	<b>28,196</b>	<b>20,196</b>	<b>18,196</b>	<b>17,696</b>
A/C payable	4,450	5,035	5,601	6,254	6,651
Short term debt	83	76	76	76	76
Other current liabilities	6,260	7,382	8,291	9,335	9,990
<b>Current liabilities</b>	<b>10,793</b>	<b>12,493</b>	<b>13,968</b>	<b>15,665</b>	<b>16,718</b>
<b>Total liabilities and shareholders' equity</b>	<b>136,050</b>	<b>128,454</b>	<b>125,456</b>	<b>132,250</b>	<b>140,094</b>
Net working capital	(1,637)	(657)	(2,367)	(3,784)	(4,665)
Invested capital	104,401	103,396	101,207	99,838	99,144

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

### Per share (THB)

Book value per share	5.53	5.28	5.46	5.87	6.29
Tangible book value per share	4.34	4.09	4.28	4.68	5.10

### Financial strength

Net debt/equity (%)	3.6	7.1	0.5	(8.1)	(15.1)
Net debt/total assets (%)	2.4	4.8	0.4	(6.0)	(11.4)
Current ratio (x)	2.8	2.0	1.6	1.8	2.2
CF interest cover (x)	25.1	7.8	13.9	54.1	114.8

Valuation	2020	2021	2022E	2023E	2024E
<b>Recurring P/E (x) *</b>	<b>65.7</b>	<b>51.4</b>	<b>39.3</b>	<b>31.7</b>	<b>28.1</b>
<b>Recurring P/E @ target price (x) *</b>	<b>81.5</b>	<b>63.7</b>	<b>48.8</b>	<b>39.3</b>	<b>34.8</b>
Reported P/E (x)	55.1	50.1	39.3	31.7	28.1
Dividend yield (%)	1.2	3.2	1.8	1.5	1.9
Price/book (x)	4.5	4.7	4.6	4.3	4.0
Price/tangible book (x)	5.8	6.1	5.8	5.3	4.9
EV/EBITDA (x) **	27.1	23.5	20.0	16.9	15.1
EV/EBITDA @ target price (x) **	33.4	29.0	24.7	21.0	18.9
EV/invested capital (x)	3.9	3.9	4.0	4.0	3.9

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

Sources: Bangkok Dusit Medical Services; FSSIA estimates

## Corporate Governance report of Thai listed companies 2021

EXCELLENT LEVEL – Score range 90-100										
AAV	BCPG	CPALL	GCAP	K	MSC	PLANET	SAMART	SPI	THRE	TVD
ADVANC	BDMS	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	DRS	SCM	SUSCO	TOA	VIH
AMATAV	BTS	DTAC	HANA	LHFG	NVD	PSL	SDC	SUTHA	TOP	WACOAL
ANAN	BTW	DUSIT	HARN	LIT	NWR	PTG	SEAFCO	SVI	TPBI	WAVE
AOT	BWG	EA	HMPRO	LPN	NYT	PTT	SEAOIL	SYMC	TQM	WHA
AP	CENTEL	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	
BCP	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	MITSIB	PRIME	SCN	SSC	TMI	VRANDA
ALUCON	BJCHI	DHOUSE	HTC	KISS	MK	PRIN	SCP	SSF	TMILL	WGE
AMANAHA	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	NEX	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	UNIQ	
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	TIPIP	WIN	
B52	CCP	F&D	JAK	M-CHAI	PAF	SABUY	STARK	TPLAS	WORK	
BEAUTY	CGD	FMT	JR	MCS	PF	SF	STC	TPOLY	WPH	

**Disclaimer:**

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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

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	SEAOIL	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
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.
Bumrungrad Hospital	BH TB	THB 181.00	BUY	Downside risks to our DCF-based target price include 1) a slowdown in international patients due to economic concerns, political protests or floods; 2) regulatory risks from drug prices and medical bill controls; and 3) higher medical fee discount promotions, leading to a weaker EBITDA margin.
Bangkok Chain Hospital	BCH TB	THB 19.30	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 3.80	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 15.90	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 61.75	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 2.42	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 04-Jul-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.