

BUMRUNGRAD HOSPITAL BH TB

THAILAND / HEALTHCARE

BUY

UNCHANGED

แนวโน้มดีในช่วง 2H22

- ผลประกอบการ 2Q22 อยู่ในเกณฑ์ดีจากรายได้ผู้ป่วยต่างชาติที่อยู่ในระดับสูง; โมเมนตัมดังกล่าวน่าจะเกิดต่อเนื่องใน 3Q22 จากผู้ป่วยตะวันออกกลาง
- ผลกระทบจำกัดจากเงินเฟ้อ; EBITDA margin ใน 2Q22 เกือบแตะระดับสูงสุดในปี 2018
- คงแนะนำซื้อ; ปรับเพิ่มประมาณการกำไรปกติและราคาเป้าหมาย

TARGET PRICE	THB235.00
CLOSE	THB194.50
UP/DOWNSIDE	+20.8%
PRIOR TP	THB210.00
CHANGE IN TP	+11.9%
TP vs CONSENSUS	+17.7%

KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Revenue	12,460	19,161	20,427	21,777
Net profit	1,216	4,174	4,654	5,058
EPS (THB)	1.53	5.25	5.85	6.36
vs Consensus (%)	-	25.2	13.1	11.3
EBITDA	2,613	6,280	6,817	7,398
Core net profit	1,274	4,174	4,654	5,058
Core EPS (THB)	1.60	5.25	5.85	6.36
Chg. In EPS est. (%)	-	37.1	10.8	9.1
EPS growth (%)	6.2	227.6	11.5	8.7
Core P/E (x)	121.5	37.1	33.3	30.6
Dividend yield (%)	1.6	1.6	1.6	1.8
EV/EBITDA (x)	57.1	23.4	21.1	19.1
Price/book (x)	9.0	8.2	7.4	6.6
Net debt/Equity (%)	(33.3)	(43.8)	(52.9)	(59.8)
ROE (%)	7.1	23.1	23.3	22.8

ผลประกอบการ 2Q22 สูงกว่าประมาณการอย่างมีนัยสำคัญ

BH รายงานกำไรปกติ 2Q22 อยู่ในเกณฑ์ดีโดยอยู่ที่ 1.2 พัน ลบ. (+448% y-y, +60% q-q) กำไรดังกล่าวสูงกว่าที่ตลาดและราคาต่ออย่างมีนัยสำคัญถึง 57-64% ส่วนมากมาจากรายได้ผู้ป่วยต่างชาติที่ดีกว่าคาด ใน 2Q22 รายได้เพิ่ม 20% q-q ในขณะที่รายได้ผู้ป่วยต่างชาติโต 34% q-q และสูงกว่าระดับในปี 2Q19 อยู่ 10% นอกจากนี้รายได้ผู้ป่วยชาวไทยยังโต 1% q-q และสูงกว่าระดับในปี 2Q19 ถึง 23%

รายได้ที่ดีจากผู้ป่วยต่างชาติในไทยและการฟื้นตัวของผู้ป่วยที่บินเข้ามารับการรักษา

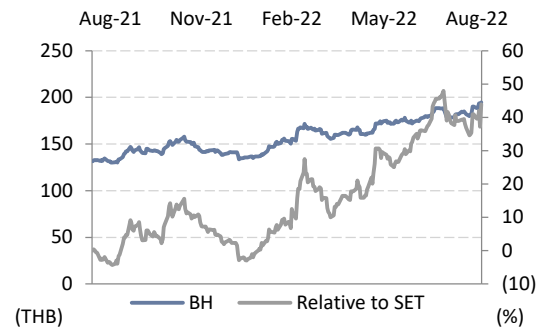
ใน 2Q22 รายได้ผู้ป่วยต่างชาติโตดี (+48% q-q หรือ 0.8 พัน ลบ.) จากตลาดพม่า (+156 ลบ. q-q), กัมพูชา (+135 ลบ.), UAE (+89 ลบ.), การ์ต้า (+82 ลบ.) และจีน (+39 ลบ.) ประเทศที่ให้รายได้ผู้ป่วยต่างชาติสูงสุด 5 อันดับแรกประกอบด้วยพม่า คูเวต การ์ต้า กัมพูชา และบังกลาเทศ รายได้จากผู้ป่วยต่างชาติที่ทำงานในไทย (expat) สูงกว่าระดับก่อนโควิดถึง 41% ในขณะที่รายได้ผู้ป่วยอินโดจีนสูงกว่าระดับก่อนโควิดอยู่ 16% รายได้ผู้ป่วยตะวันออกกลางยังไม่แตะระดับก่อนโควิด โดยคิดเป็นประมาณ 96% ของระดับดังกล่าว ตัวเลขผู้ป่วยในจากตะวันออกกลางอยู่ที่ประมาณ 140-145 เตียง ลดลงเล็กน้อยจากประมาณ 150 เตียงในปี 2019 เราคาดว่าตัวเลขดังกล่าวจะสูงกว่าระดับก่อนโควิดใน 3Q22 ซึ่งเป็นฤดูกาลท่องเที่ยวสำหรับผู้ป่วยตะวันออกกลางที่บินเข้ามารับการรักษา

EBITDA margin ในช่วง 2H22 มีโอกาสสูงกว่าสถิติสูงสุด

BH คาดว่า EBITDA margin ที่อยู่ในระดับสูงที่ 34% ใน 2Q22 จะอยู่ต่อเนื่องและมีโอกาสที่สูงกว่าสถิติสูงสุดที่ 35.0-35.5% ในปี 2018 จากปริมาณผู้ป่วยที่เพิ่มขึ้น, รายได้ที่มาจากการรักษาโรคที่มีความสลับซับซ้อนที่เพิ่มขึ้น, และการควบคุมต้นทุนที่ดีขึ้น เงินเฟ้อน่าจะจะมีผลกระทบต่อ BH เนื่องจากบริษัท สามารถส่งผ่านต้นทุนดังกล่าวให้แก่ผู้ป่วย BH ได้ ปรับเพิ่มค่าธรรมเนียมการรักษาพยาบาลโดยรวม ค่ายา และค่าเวชภัณฑ์โดยเฉลี่ย 4% และปรับอัตราส่วนลดเหลือ 13% ใน 2Q22 จาก 17% ในปี 2021

ปรับเพิ่มประมาณการกำไร

เราปรับประมาณการกำไรปกติปี 2022-24 ขึ้น 9-37% เพื่อสะท้อนผลประกอบการที่ดีใน 2Q22 และแนวโน้มที่ดีของบริษัท ซึ่งทำให้ได้ราคาเป้าหมายใหม่สำหรับปี 2023 ที่ 235 บาท (DCF) BH มีการซื้อขายที่ 33x ของค่า 2023E P/E ซึ่งต่ำกว่าค่าเฉลี่ย 5 ปีที่ 36x ในขณะที่ปัจจัยบวกที่อาจเกิดขึ้นในระยะสั้นน่าจะอยู่ที่กำไรที่ทำได้สูงสุดใหม่ใน 3Q22 ซึ่งน่าจะช่วยผลักดันราคาหุ้นของ BH ให้ทำสถิติสูงสุดที่ระหว่าง 230 บาทในปี 2017 และ 260 บาทในปี 2015



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	7.8	12.4	50.8
Relative to country (%)	2.9	12.2	44.0
Mkt cap (USD m)	4,323		
3m avg. daily turnover (USD m)	27.0		
Free float (%)	64		
Major shareholder	Dr. Satit Viddayakorn (18%)		
12m high/low (THB)	197.00/127.50		
Issued shares (m)	922.70		

Sources: Bloomberg consensus; FSSIA estimates



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บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 22 สิงหาคม 2022

Investment thesis

We think BH’s operations are in an upward trend. 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.

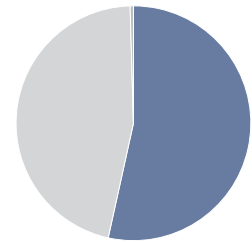
Company profile

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

www.bumrungrad.com

Principal activities (revenue, 2021)

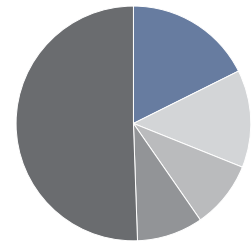
- Thai patient revenue - 53.5 %
- International patient revenue - 46.1 %
- Other revenue - 0.5 %



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
Nov 2022	3Q22 results announcement

Key assumptions

	2022E	2023E	2024E
	(%)	(%)	(%)
OPD volume growth	29	4	4
OPD revenue / patient growth	27	3	3
IPD volume growth	28	3	3
IPD revenue / patient growth	13	3	3

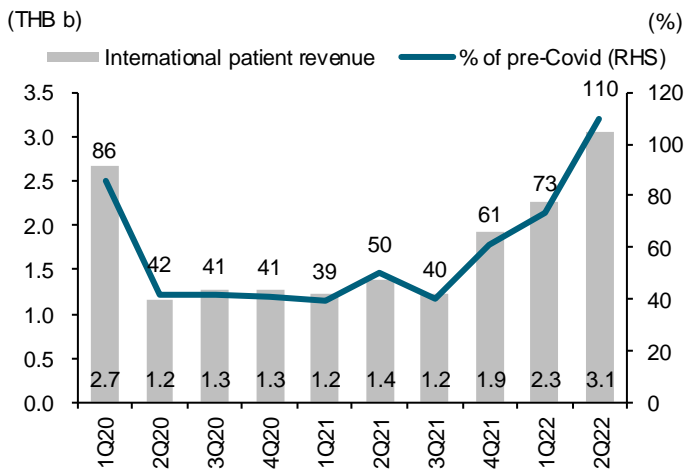
Source: FSSIA estimates

Earnings sensitivity

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

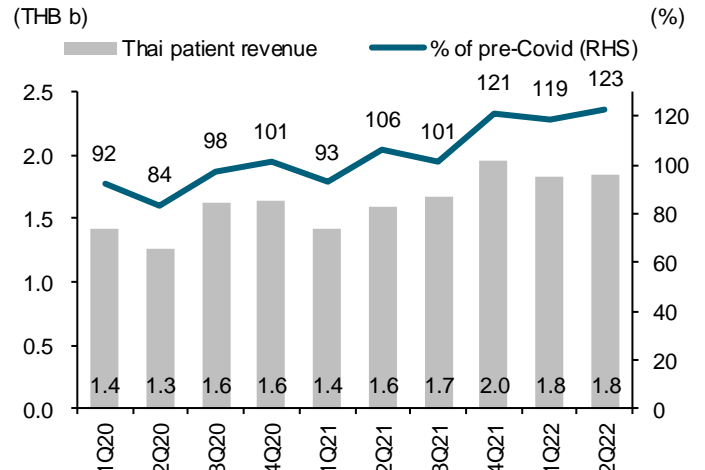
Source: FSSIA estimates

Exhibit 1: International patient revenue, quarterly



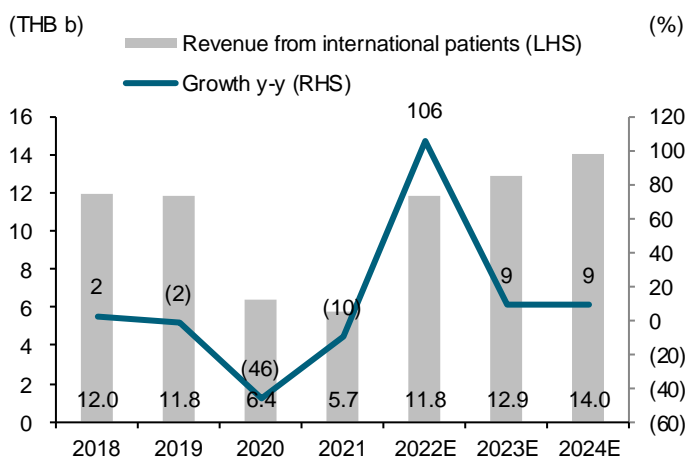
Source: BH

Exhibit 2: Thai patient revenue, quarterly



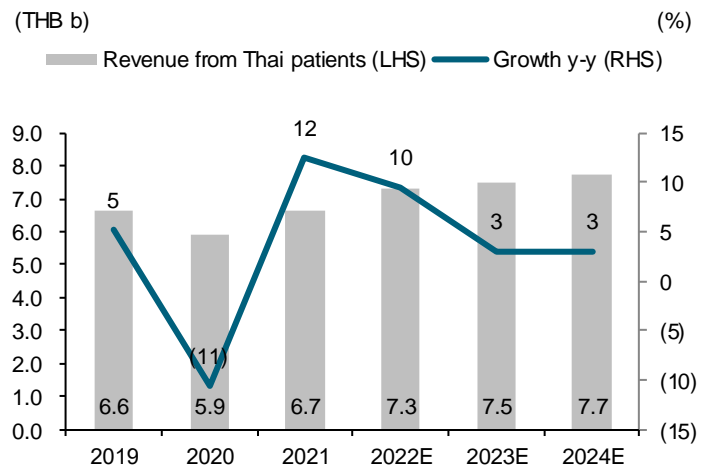
Source: BH

Exhibit 3: International patient revenue, yearly



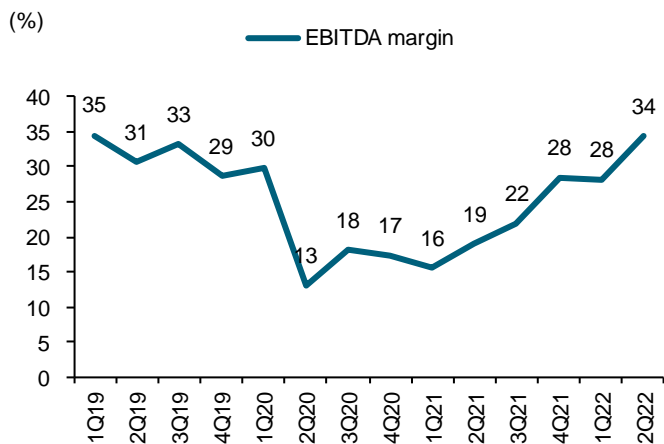
Sources: BH; FSSIA estimates

Exhibit 4: Thai patient revenue, yearly



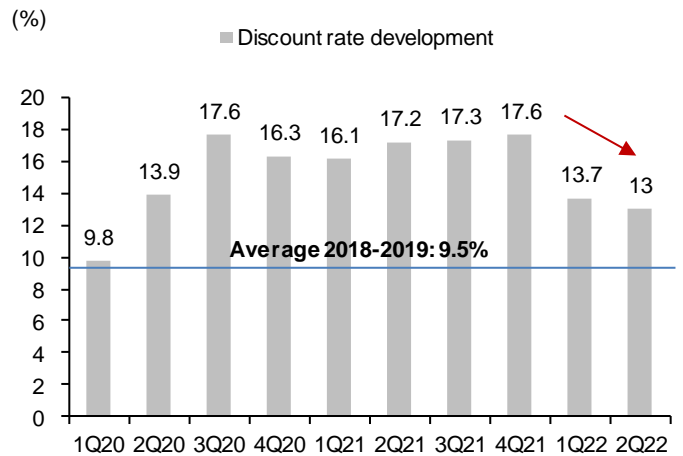
Sources: BH; FSSIA estimates

Exhibit 5: EBITDA margin improvement trend



Sources: BH; FSSIA estimates

Exhibit 6: Discount rate development



Sources: BH; FSSIA's compilation

Exhibit 7: 2Q22 results review

	2Q21	3Q21	4Q21	1Q22	2Q22	----- Change -----		1H21	1H22	Change	2022E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)	(THB m)
Sales	2,994	2,915	3,896	4,118	4,922	20	64	5,649	9,040	60	19,161
COGS (incl. depreciation)	(1,905)	(1,814)	(2,264)	(2,394)	(2,640)	10	39	(3,653)	(5,033)	38	(10,609)
Gross profit	1,089	1,101	1,632	1,724	2,282	32	110	1,996	4,006	101	8,552
SG&A	(835)	(813)	(836)	(865)	(887)	3	6	(1,647)	(1,752)	6	(3,478)
Operating profit	254	288	796	859	1,395	62	450	350	2,254	545	5,074
Net other income	21	74	25	34	27	(21)	28	45	62	38	115
Interest income	17	16	15	11	9	(19)	(48)	38	20	(47)	50
Interest expense	(31)	(31)	(26)	(2)	(1)	(52)	(98)	(62)	(2)	(96)	(9)
Pretax profit	261	346	811	903	1,430	58	447	370	2,334	530	5,230
Income Tax	(38)	(39)	(127)	(168)	(254)	51	561	(50)	(421)	738	(994)
Associates	(10)	(2)	(0)	(0)	(0)	1,050	(100)	(10)	(0)	n/a	(50)
Minority interest	(1)	(7)	(17)	(10)	(16)	58	1,274	(0)	(27)	n/a	(13)
Core profit	212	298	667	725	1,161	60	448	310	1,886	509	4,174
Extraordinaries, GW & FX	5	(2)	(55)	(0)	5	nm	13	(2)	5	n/a	0
Reported net profit	216	296	612	725	1,166	61	439	308	1,891	515	4,174
Outstanding shares (m)	795	795	795	795	795	0	0	1,589	1,590	0	795
Core EPS (THB)	0.27	0.37	0.84	0.91	1.46	60	448	0.39	2.37	509	5.25
EPS (THB)	0.27	0.37	0.77	0.91	1.47	61	438	0.39	2.38	515	5.25
COGS (excl. depreciation)	1,609	1,521	1,972	2,117	2,361	12	47	3,059	4,478	46	9,403
Depreciation	296	294	292	277	278	1	(6)	594	555	(7)	1,206
EBITDA	571	655	1,114	1,170	1,701	45	198	989	2,871	190	6,395
Key ratios	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)	(%)	(ppt)	(%)
Gross margin	36	38	42	42	46	4	10	35	44	9	45
SG&A/Revenue	28	28	21	21	18	(3)	(10)	29	19	(10)	18
EBITDA margin	19	22	28	28	34	6	15	17	32	14	33
Net profit margin	7	10	16	18	24	6	16	5	21	15	22
Operating stats	(y-y %)	(y-y %)	(y-y %)	(y-y %)	(y-y %)						
Hospital revenue growth	23	0	33	55	65						
OPD revenue growth	23	(7)	n/a	n/a	n/a						
IPD revenue growth	23	9	n/a	n/a	n/a						
International patient revenue growth	19	(4)	50	87	121						
Thai patient revenue growth	27	4	20	28	16						

Sources: BH: FSSIA estimates

Exhibit 8: Changes in key assumptions

	----- Current -----			----- Previous -----			----- Change -----		
	2022E	2023E	2024E	2022E	2023E	2024E	2022E	2023E	2024E
	(THB b)	(THB b)	(THB b)	(THB b)	(THB b)	(THB b)	(%)	(%)	(%)
OPD patient revenue	10.0	10.7	11.4	8.1	10.2	10.9	23.3	4.4	4.4
IPD patient revenue	9.2	9.7	10.3	9.0	9.6	10.2	1.8	0.8	0.8
Thai patient revenue	7.3	7.5	7.7	7.1	7.3	7.5	2.8	2.8	2.8
International patient revenue	11.8	12.9	14.0	10.0	12.5	13.6	18.5	2.6	2.6
Revenue	19.2	20.4	21.8	17.1	19.9	21.2	11.9	2.7	2.7
EBITDA margin (%)	32.8	33.4	34.0	28.5	31.5	32.4	4.3	1.9	1.6
Core profit	4.2	4.7	5.1	3.0	4.2	4.6	37.1	10.8	9.1

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

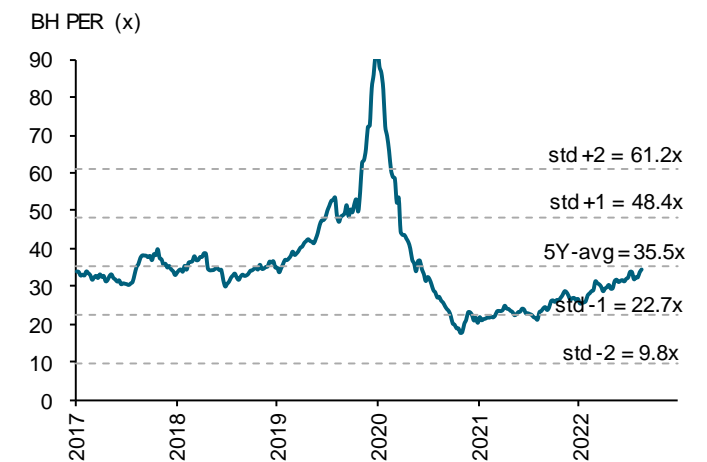
Source: FSSIA estimates

Exhibit 9: 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	59.9	64.9	WACC 7.8%, Risk-free rate 3%, Risk premium 8%
Terminal value	146.0	158.2	Terminal growth 3%
Cash & liquid assets	11.4	12.3	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	216.9	235.0	

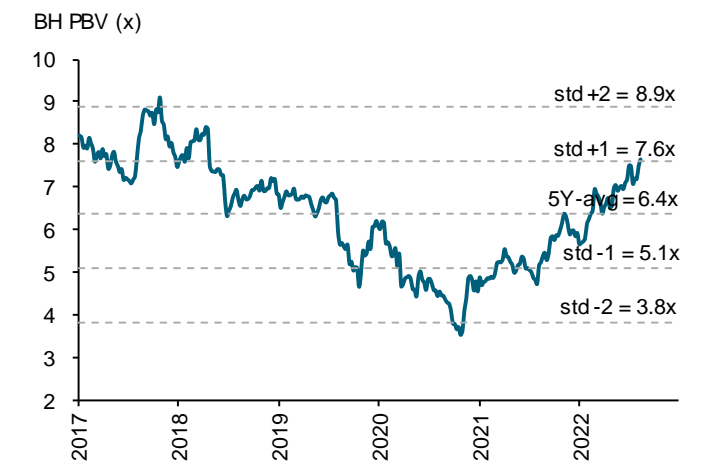
Source: FSSIA estimates

Exhibit 10: One-year forward rolling P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 11: One-year forward rolling P/BV band



Sources: Bloomberg; FSSIA estimates

Exhibit 12: Peer comparisons as of 19 Aug-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	27.25	31.00	14	12,109	42.9	34.5	11.8	13.9	5.0	4.6	21.8	18.5
Bumrungrad Hospital	BH TB	BUY	194.50	235.00	21	4,323	37.1	33.3	23.1	23.3	8.2	7.4	23.4	21.1
Bangkok Chain Hospital	BCH TB	BUY	19.00	28.50	50	1,325	10.2	24.0	33.7	13.7	3.2	3.3	6.5	12.2
Chularat Hospital	CHG TB	BUY	3.70	4.70	27	1,138	13.5	28.0	37.8	17.7	4.9	5.1	9.0	16.6
Praram 9 Hospital	PR9 TB	BUY	16.90	18.00	7	372	27.4	27.0	10.9	10.4	2.9	2.8	13.1	12.7
Thonburi Healthcare Group	THG TB	REDUCE	67.75	45.00	(34)	1,605	40.2	80.7	15.1	7.4	5.9	6.0	22.9	32.1
Vibhavadi Medical Center	VIBHA TB	BUY	2.48	3.20	29	941	32.2	31.1	8.1	7.3	2.3	2.2	28.9	26.1
Ramkhamhaeng Hospital	RAM TB	BUY	54.75	62.00	13	1,837	29.5	29.3	12.5	11.8	3.6	3.3	25.3	24.4
Principal Capital	PRINC TB	BUY	7.40	10.00	35	788	32.8	30.0	8.4	8.5	2.6	2.5	17.3	16.5
Rajthanee Hospital	RJH TB	n/a	41.75	n/a	n/a	320	11.2	25.6	52.6	20.4	7.7	5.2	9.4	18.3
Ekachai Medical Care	EKH TB	n/a	7.55	n/a	n/a	141	25.0	24.8	15.1	14.1	5.4	3.3	14.5	13.6
Thailand average						24,900	27.4	33.5	20.8	13.5	4.7	4.2	17.5	19.3
Regional														
Ramsay Health Care	RHC AU	n/a	73.40	n/a	n/a	11,399	53.8	29.9	8.1	12.9	4.1	4.1	13.2	10.8
Ihh Healthcare Bhd	IHH SP	n/a	2.02	n/a	n/a	12,533	33.9	29.5	6.9	7.3	2.2	2.2	15.1	14.1
Ryman Healthcare	RYM NZ	n/a	9.47	n/a	n/a	2,947	20.8	17.3	7.4	7.6	1.4	1.4	19.9	15.4
Apollo Hospitals Enterprise	APHS IN	n/a	4,135	n/a	n/a	7,439	64.4	58.2	18.6	16.6	10.5	10.5	27.3	26.5
Kpj Healthcare Berhad	KPJ MK	n/a	0.88	n/a	n/a	845	31.1	22.9	5.6	7.4	1.7	1.7	12.3	11.1
Raffles Medical Group	RFMD SP	n/a	1.34	n/a	n/a	1,784	25.8	26.8	9.8	9.0	2.5	2.5	13.7	14.2
Mitra Keluarga Karyasehat	MIKA IJ	n/a	2,600	n/a	n/a	2,477	34.1	30.6	19.2	19.4	6.3	6.3	22.0	19.7
Aier Eye Hospital Group	300015 CH	n/a	28.37	n/a	n/a	29,318	61.4	46.1	22.4	24.2	14.4	14.4	38.2	29.9

Regional average						68,743	40.7	32.7	12.2	13.1	5.4	5.4	20.2	17.7
Overall average						93,643	33.0	33.1	17.2	13.3	5.0	4.7	18.6	18.6

Sources: Bloomberg; FSSIA estimates

Financial Statements

Bumrungrad Hospital

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Revenue	12,362	12,460	19,161	20,427	21,777
Cost of goods sold	(6,457)	(6,551)	(9,403)	(9,984)	(10,556)
Gross profit	5,905	5,909	9,758	10,443	11,220
Other operating income	-	-	-	-	-
Operating costs	(3,394)	(3,296)	(3,478)	(3,626)	(3,822)
Operating EBITDA	2,511	2,613	6,280	6,817	7,398
Depreciation	(1,220)	(1,180)	(1,206)	(1,234)	(1,283)
Goodwill amortisation	-	-	-	-	-
Operating EBIT	1,291	1,434	5,074	5,584	6,115
Net financing costs	0	(51)	41	127	173
Associates	(2)	(12)	(50)	(53)	(55)
Recurring non-operating income	75	132	65	63	64
Non-recurring items	5	(58)	0	0	0
Profit before tax	1,371	1,456	5,180	5,774	6,352
Tax	(150)	(216)	(994)	(1,107)	(1,281)
Profit after tax	1,221	1,240	4,187	4,667	5,071
Minority interests	(17)	(24)	(13)	(13)	(13)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	1,204	1,216	4,174	4,654	5,058
Non-recurring items & goodwill (net)	(5)	58	0	0	0
Recurring net profit	1,199	1,274	4,174	4,654	5,058
Per share (THB)					
Recurring EPS *	1.51	1.60	5.25	5.85	6.36
Reported EPS	1.51	1.53	5.25	5.85	6.36
DPS	3.20	3.20	3.20	3.20	3.51
Diluted shares (used to calculate per share data)	796	796	796	796	796
Growth					
Revenue (%)	(33.1)	0.8	53.8	6.6	6.6
Operating EBITDA (%)	(56.8)	4.1	140.3	8.6	8.5
Operating EBIT (%)	(71.8)	11.1	253.9	10.0	9.5
Recurring EPS (%)	(71.7)	6.2	227.6	11.5	8.7
Reported EPS (%)	(70.6)	1.0	243.4	11.5	8.7
Operating performance					
Gross margin inc. depreciation (%)	37.9	38.0	44.6	45.1	45.6
Gross margin of key business (%)	37.9	38.0	44.6	45.1	45.6
Operating EBITDA margin (%)	20.3	21.0	32.8	33.4	34.0
Operating EBIT margin (%)	10.4	11.5	26.5	27.3	28.1
Net margin (%)	9.7	10.2	21.8	22.8	23.2
Effective tax rate (%)	10.9	14.1	19.0	19.0	20.0
Dividend payout on recurring profit (%)	212.1	199.7	61.0	54.7	55.2
Interest cover (X)	(5,021.5)	30.7	(124.5)	(44.3)	(35.7)
Inventory days	18.1	17.7	15.5	17.7	17.8
Debtor days	73.1	53.7	24.2	17.4	14.6
Creditor days	44.5	42.0	35.5	38.6	38.7
Operating ROIC (%)	8.7	9.7	35.0	41.5	47.8
ROIC (%)	8.3	10.0	34.1	40.3	46.1
ROE (%)	6.2	7.1	23.1	23.3	22.8
ROA (%)	4.8	6.0	18.9	18.8	18.5
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Thai patient revenue	5,924	6,661	7,294	7,513	7,738
International patient revenue	6,392	5,743	11,814	12,861	13,987
Other revenue	47	56	53	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	4,174	4,654	5,058
Depreciation	1,220	1,180	1,206	1,234	1,283
Associates & minorities	-	-	-	-	-
Other non-cash items	(370)	318	13	13	13
Change in working capital	(172)	897	820	335	137
Cash flow from operations	1,877	3,668	6,212	6,235	6,491
Capex - maintenance	(1,073)	(928)	(1,086)	(817)	(871)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	1,320	74	0	0	0
Other investments (net)	-	-	-	-	-
Cash flow from investing	246	(853)	(1,086)	(817)	(871)
Dividends paid	(2,544)	(2,545)	(2,546)	(2,546)	(2,793)
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)	(2,793)
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)	2,580	2,872	2,827
Free cash flow to firm (FCFF)	2,251.07	2,934.46	5,135.23	5,427.13	5,628.39
Free cash flow to equity (FCFE)	1,961.78	342.35	5,126.34	5,418.24	5,619.51

Per share (THB)

FCFF per share	2.44	3.18	5.57	5.88	6.10
FCFE per share	2.13	0.37	5.56	5.87	6.09
Recurring cash flow per share	2.57	3.48	6.78	7.41	7.98

Balance Sheet (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Tangible fixed assets (gross)	24,861	25,744	26,830	27,647	28,518
Less: Accumulated depreciation	(12,337)	(13,425)	(14,631)	(15,865)	(17,148)
Tangible fixed assets (net)	12,525	12,319	12,199	11,782	11,370
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	8,515	11,387	14,214
A/C receivable	2,206	1,461	1,078	874	874
Inventories	309	328	470	499	528
Other current assets	148	338	368	393	419
Current assets	10,801	8,062	10,432	13,153	16,034
Other assets	757	404	404	404	404
Total assets	24,222	20,857	23,107	25,411	27,881
Common equity	18,532	17,286	18,914	21,021	23,287
Minorities etc.	305	332	344	357	370
Total shareholders' equity	18,837	17,618	19,258	21,378	23,657
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	1,025	1,089	1,151
Short term debt	0	0	0	0	0
Other current liabilities	1,179	1,439	1,828	1,949	2,078
Current liabilities	1,884	2,244	2,854	3,038	3,229
Total liabilities and shareholders' equity	24,222	20,857	23,107	25,411	27,881
Net working capital	779	(117)	(937)	(1,272)	(1,409)
Invested capital	14,200	12,677	11,738	10,986	10,438

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

Per share (THB)

Book value per share	23.29	21.72	23.77	26.42	29.26
Tangible book value per share	23.21	21.63	23.68	26.33	29.17

Financial strength

Net debt/equity (%)	(29.5)	(33.3)	(43.8)	(52.9)	(59.8)
Net debt/total assets (%)	(22.9)	(28.1)	(36.5)	(44.5)	(50.7)
Current ratio (x)	5.7	3.6	3.7	4.3	5.0
CF interest cover (x)	(7,210.9)	7.7	(123.2)	(41.5)	(31.4)

Valuation	2020	2021	2022E	2023E	2024E
Recurring P/E (x) *	129.0	121.5	37.1	33.3	30.6
Recurring P/E @ target price (x) *	155.9	146.8	44.8	40.2	37.0
Reported P/E (x)	128.5	127.3	37.1	33.3	30.6
Dividend yield (%)	1.6	1.6	1.6	1.6	1.8
Price/book (x)	8.4	9.0	8.2	7.4	6.6
Price/tangible book (x)	8.4	9.0	8.2	7.4	6.7
EV/EBITDA (x) **	59.6	57.1	23.4	21.1	19.1
EV/EBITDA @ target price (x) **	72.4	69.4	28.5	25.8	23.4
EV/invested capital (x)	10.5	11.8	12.5	13.1	13.5

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

Sources: Bumrungrad Hospital; FSSIA estimates

Corporate Governance report of Thai listed companies 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
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	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	

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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)

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

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

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Company	Ticker	Price	Rating	Valuation & Risks
Bumrungrad Hospital	BH TB	THB 194.50	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.
Bangkok Dusit Medical Services	BDMS TB	THB 27.25	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 19.00	BUY	Downside risks to our DCF-based target price include 1) a slowdown in international patients due to economic concerns, political protests or floods; 2) regulatory risks from drug prices and medical bill controls; and 3) SSO provision expenses following a limited SSO budget.
Chularat Hospital	CHG TB	THB 3.70	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 16.90	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 67.75	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 2.48	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 54.75	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.
Principal Capital	PRINC TB	THB 7.40	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) losses from new hospitals.

Source: FSSIA estimates

Additional Disclosures

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finasia Syrus Securities Public Company Limited

FSSIA may incorporate the recommendations and target prices of companies currently covered by FSS Research into equity research reports, denoted by an 'FSS' before the recommendation. FSS Research is part of Finasia Syrus Securities Public Company Limited, which is the parent company of FSSIA.

All share prices are as at market close on 19-Aug-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.