

BANGKOK CHAIN HOSPITAL

THAILAND / HEALTH CARE SERVICES

BCH TB

BUY

UNCHANGED

TARGET PRICE	THB25.50
CLOSE	THB21.00
UP/DOWNSIDE	+21.4%
PRIOR TP	THB26.00
CHANGE IN TP	-1.9%
TP vs CONSENSUS	+9.9%

SSO and China reopening are upsides

- Expect THB0.4b core profit in 4Q22 (vs THB0.4b loss in 3Q22); non-Covid Thai patient and SSO revenue to exceed 2019 levels.
- Expect 2023 core profit to exceed pre-Covid by 56%; upside from SSO payment rate hike and Covid-related revenue.
- Maintain BUY with a lower DCF-TP of THB25.5/shr.

Expect revenue to drop 12% q-q due to lower Covid revenue

Covid-related revenue contributions should drop to c10% in 4Q22 (vs 27% in 3Q22). Thai non-Covid patient revenue should remain strong and exceed the pre-Covid level by 10-15%. SSO patient revenue should exceed pre-Covid by 42%, led by a larger SSO member base (1.0m in 4Q22E vs 877k in 4Q19) and a cTHB40m additional gain from chronic disease treatments. Overall, 4Q22 core profit should turn from a THB0.4b core loss in 3Q22 (from Moderna write-off) to a core profit of THB0.4b.

Upside from SSO's payment rate hike for high-intensity surgery

The SSO recently announced a pilot program for six months (Jan-June 2023) to raise the reimbursement rate for five medical procedures (heart disease, stroke, breast cancer, uterine fibroids, and kidney stones) for ten hospitals, increasing the payment rate by 25% (from THB12,000 to THB15,000/RW). Two of BCH's hospitals (WMC and KH Bangkae) joined the program for heart disease surgery. Management mentioned that if the pilot program works well, the SSO may permanently increase the rate under the SSO scheme. In that case, it would lift core profit by 4-5% per year (assuming heart procedures account for 40% of high-cost care).

2023 upside from Covid revenue related to China's reopening

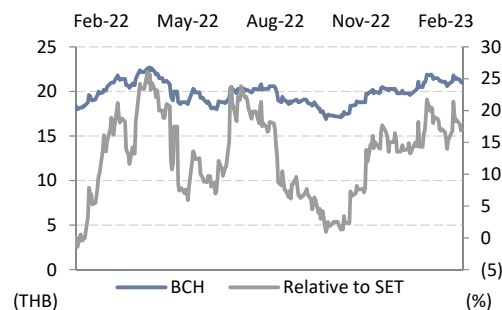
We expect revenue to drop by 33% in 2023 due to the sharp decline in Covid revenue, but still exceed the pre-Covid level by 44%. Currently, we estimate a Covid-related revenue contribution of only 4% of total revenue in 2023 (vs 44% in 2022), while non-Covid revenue should exceed pre-Covid by 33%, led by a larger customer base across segments (SSO, Thai and international). Thus, we forecast a core profit of THB1.8b in 2023 (vs THB1.1b in 2019). Upside to our forecast includes RT-PCR services before flying back for Chinese tourists and the potential to offer mRNA Covid vaccines to Chinese tourists pending government approval.

Revise down core profit; still trading lower than peers

We revise down our 2022-24E core profit by 1-9% to reflect lower Covid-related revenue and higher costs following rising staff costs, and derive a new DCF-TP of THB25.5/shr. BCH is trading at 29x 2023E P/E, lower than peers' average of 32x. Upside includes M&A projects given that BCH has a strong balance sheet.

KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Revenue	21,405	19,013	12,815	14,112
Net profit	6,846	3,172	1,792	2,175
EPS (THB)	2.75	1.27	0.72	0.87
vs Consensus (%)	-	(16.4)	(6.4)	1.4
EBITDA	10,248	5,134	3,524	4,050
Core net profit	6,846	3,172	1,792	2,175
Core EPS (THB)	2.75	1.27	0.72	0.87
Chg. In EPS est. (%)	-	(0.7)	(9.4)	(4.3)
EPS growth (%)	456.9	(53.7)	(43.5)	21.4
Core P/E (x)	7.6	16.5	29.2	24.1
Dividend yield (%)	1.6	6.7	1.6	1.7
EV/EBITDA (x)	5.4	10.6	15.1	12.7
Price/book (x)	4.0	4.1	3.8	3.5
Net debt/Equity (%)	12.5	4.2	(5.8)	(16.9)
ROE (%)	68.9	24.7	13.6	15.3



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(4.1)	11.7	14.1
Relative to country (%)	(3.9)	9.2	15.1
Mkt cap (USD m)			1,562
3m avg. daily turnover (USD m)			7.6
Free float (%)			50
Major shareholder	Chalerm Hamphanich (33%)		
12m high/low (THB)	23.10/16.80		
Issued shares (m)	2,493.75		

Sources: Bloomberg consensus; FSSIA estimates


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Investment thesis

BCH is the leading service provider under the Social Security Office (SSO) scheme with a 5% market share. It will likely be the hospital that benefits the most from Covid-19 services, including screening services and treatment services for Covid patients.

After Covid-19 subsides, the World Medical Hospital (WMC) should continue to capture the rising demand from medical tourists. Currently, 50% of WMC's revenue is derived from international patients, especially Middle Eastern patients. The recovery of that patient segment should start in 2022.

BCH opened three new hospitals in 2020-21. We see Covid-19 as the driver for its new hospitals to turn around earlier than expected due to the influx of Covid patients, some of which could convert to regular patients in the future.

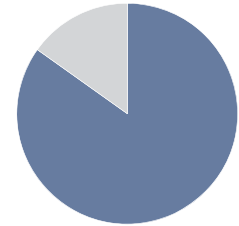
Company profile

The company operates its business as a group, providing healthcare services for both cash patients and patients under the social security scheme.

www.bangkokchainhospital.com

Principal activities (revenue, 2021)

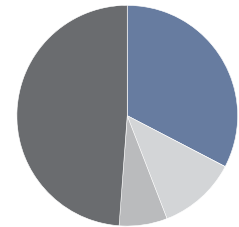
- Cash patient revenue - 84.8 %
- SSO patient revenue - 15.2 %



Source: Bangkok Chain Hospital

Major shareholders

- Chalerm Harnphanich - 32.6 %
- Thai NVDR - 11.5 %
- Somporn Harnphanich - 7.1 %
- Others - 48.8 %



Source: Bangkok Chain Hospital

Catalysts

Key growth drivers include 1) more SSO registered members; 2) rising demand from medical tourists; and 3) an improving EBITDA margin led by new hospitals.

Risks to our call

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

Event calendar

Date	Event
Feb 2023	4Q22 results announcement

Key assumptions

	2022E	2023E	2024E
	(%)	(%)	(%)
SSO volume growth	10	8	3
SSO revenue / patient growth	2	2	2
OPD volume growth	2	(40)	3
OPD revenue / patient growth	(3)	27	3
IPD volume growth	(19)	(61)	4
IPD revenue / patient growth	(4)	15	15

Source: FSSIA estimates

Earnings sensitivity

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

Source: FSSIA estimates

Announced a new greenfield project

BCH recently announced the acquisition of a 25-rai plot of land with a total value of THB350m for a new greenfield hospital under the name Kasemrad Hospital Suvarnabhumi. The new hospital is planned to be larger than BCH’s previous three projects, with a capacity of up to 268 beds (vs c100 beds for previous projects) and capex of THB1.25b. The company expects this project to begin construction in 2024 and it is expected to open in 2026.

The hospital will be located near Bangplee Industrial Estate and Suvarnabhumi Airport. It has the potential to compete with Chularat 3 Inter, which is within a c10km distance and has a similar business model to capture both SSO and international patients. It plans to enter the SSO scheme and could lift the SSO member quota up to 200k in the long term, while the Samut Prakan Province has around 881k people insured under the SSO scheme.

We have not yet factored this hospital into our model pending more information from management. BCH already has two greenfield projects (Cancer Center and Kasemrad Suvarnabhumi) in the pipeline. It plans to increase its portfolio from 15 to 20 hospitals in the next five years.

Exhibit 1: Location of Kasemrad Hospital Suvarnabhumi



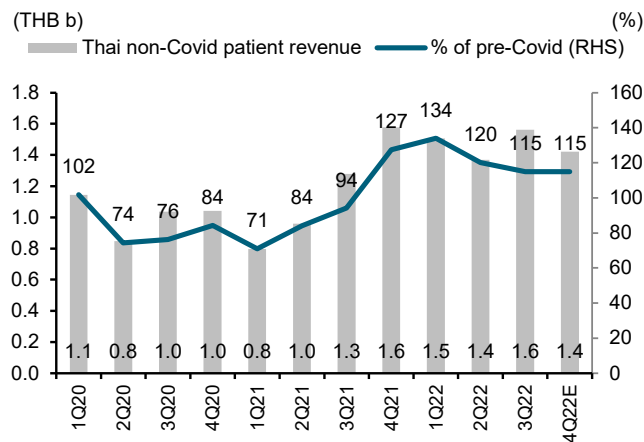
Source: BCH

Exhibit 2: 4Q22 results preview

	4Q21	1Q22	2Q22	3Q22	4Q22E	----- Change -----		2022E	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(y-y %)
Sales	6,816	7,087	5,523	3,429	3,015	(12)	(56)	19,013	(11)
COGS (incl. depreciation)	(2,935)	(3,890)	(3,487)	(3,519)	(2,035)	(42)	(31)	(12,957)	23
Gross profit	3,881	3,197	2,037	(90)	980	(1,185)	(75)	6,056	(44)
SG&A	(411)	(491)	(524)	(420)	(430)	2	5	(1,901)	29
Operating profit	3,470	2,706	1,513	(511)	550	208	(84)	4,155	(56)
Net other income	24	32	21	27	30	11	27	153	19
Interest expense	(48)	(48)	(39)	(35)	(33)	(5)	(31)	(124)	(18)
Pretax profit	3,445	2,690	1,495	(519)	547	205	(84)	4,184	(55)
Income Tax	(679)	(542)	(319)	74	(82)	(211)	(88)	(792)	(57)
Associates	1	1	0	0	1	199	47	0	n/a
Minority interest	(286)	(120)	(32)	41	(63)	(253)	(78)	(220)	(67)
Core profit	2,480	2,028	1,144	(403)	403	200	(84)	3,172	(54)
Extraordinaries, GW & FX	0	0	0	0	0				
Reported net profit	2,480	2,028	1,144	(403)	403	200	(84)	3,172	(54)
Outstanding shares (m)	2,494	2,494	2,494	2,494	2,494	0	0	2,494	0
Core EPS (THB)	0.99	0.81	0.46	(0.16)	0.16	200	(84)	1.27	(54)
EPS (THB)	0.99	0.81	0.46	(0.16)	0.16	200	(84)	1.27	(54)
COGS (excl. depreciation)	2,703	3,656	3,251	3,279	1,790	(45)	(34)	11,978	24
Depreciation	232	234	236	240	245	2	6	979	12
EBITDA	3,725	2,972	1,769	(244)	825	439	(78)	5,287	(49)
Key ratios	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)	(ppt)
Gross margin	57	45	37	(3)	33	35	(24)	32	(19)
SG&A/Revenue	6	7	9	12	14	2	8	10	3
EBITDA margin	55	42	32	(7)	27	34	(27)	28	(21)
Net profit margin	36	29	21	(12)	13	25	(23)	17	(15)
Operating stats	(y-y %)	(y-y %)	(y-y %)	(y-y %)					
Cash-OPD revenue growth	101	121	(32)	(10)					
Cash-OPD volume growth	196	222	(18)	(43)					
Cash-OPD revenue per head growth	(32)	(31)	(17)	57					
Cash-IPD revenue growth	526	514	0	(86)					
Cash-IPD volume growth	231	2,015	177	(68)					
Cash-IPD revenue per head growth	89	(71)	(64)	(55)					
SSO revenue growth	24	81	247	61					
SSO registered member ('000)	899	936	976	994					
SSO registered member growth	2	5	10	11					
SSO revenue per head growth	21	72	217	45					

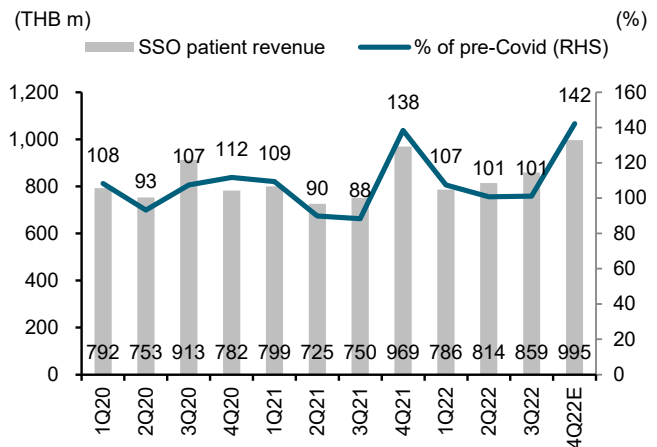
Sources: BCH; FSSIA estimates

Exhibit 3: Thai non-Covid general patient revenue



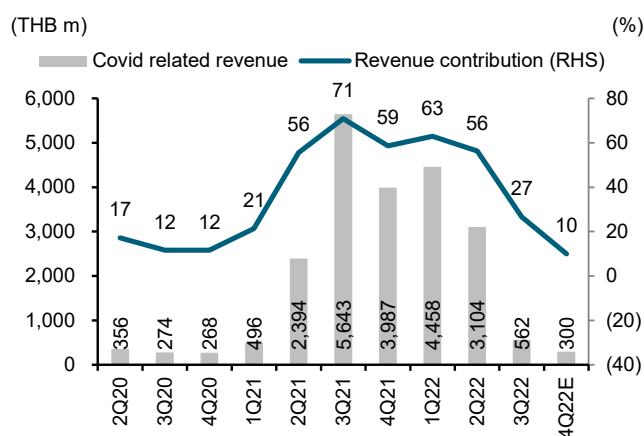
Source: BCH

Exhibit 4: SSO revenue, quarterly



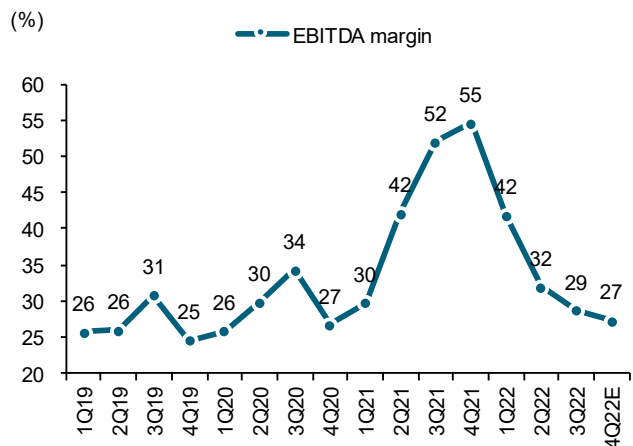
Source: BCH

Exhibit 5: Covid-related revenue, quarterly



Source: BCH

Exhibit 6: EBITDA margin



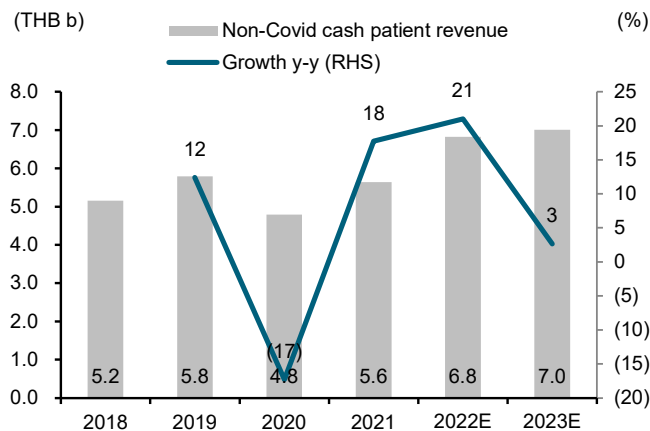
Note: 3Q22 excludes Moderna write-off
Sources: BCH; FSSIA estimates

Exhibit 7: Forecast revisions

	Current			Previous			% Change		
	2022E	2023E	2024E	2022E	2023E	2024E	2022E	2023E	2024E
SSO registered members ('000)	982	1,061	1,093	1,036	1,108	1,142	(5.2)	(4.3)	(4.3)
SSO revenue per head (THB)	3,705	3,779	3,855	3,705	3,779	3,855	0.0	0.0	0.0
Cash-OPD visits per day (no.)	7,500	4,500	4,635	7,500	3,967	4,086	0.0	13.4	13.4
Cash-OPD revenue per head (THB)	2,200	2,800	2,884	2,100	2,800	2,884	4.8	0.0	0.0
Cash-IPD admissions per day (no.)	420	165	171	420	165	171	0.0	0.0	0.0
Cash-IPD revenue per head (THB)	61,000	70,000	80,328	65,000	70,000	75,385	(6.2)	0.0	6.6
Revenue (THB m)	19,013	12,815	14,112	19,551	12,451	13,414	(2.8)	2.9	5.2
EBITDA margin (%)	27.0	27.5	28.7	26.7	30.1	31.0	0.3	(2.6)	(2.3)
Core profit (THB m)	3,172	1,792	2,175	3,196	1,977	2,273	(0.7)	(9.4)	(4.3)

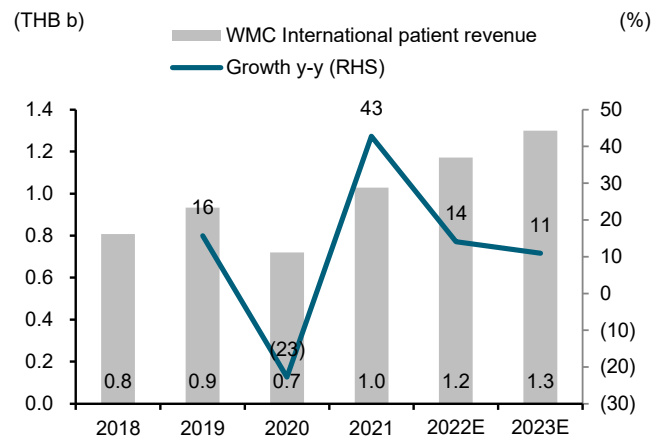
Note: Change of items in percentage terms are represented in ppt change
Source: FSSIA estimates

Exhibit 8: Non-Covid cash patient revenue



Note: Excludes international patient revenue at WMC
Sources: BCH; FSSIA estimates

Exhibit 9: International patient revenue



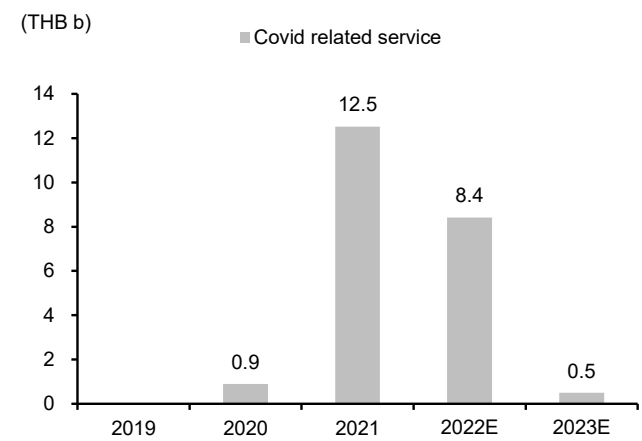
Note: 2018-2021 international patient revenue from WMC only
Sources: BCH; FSSIA estimates

Exhibit 10: SSO revenue, yearly



Sources: BCH; FSSIA estimates

Exhibit 11: Covid-related revenue, yearly



Sources: BCH; FSSIA estimates

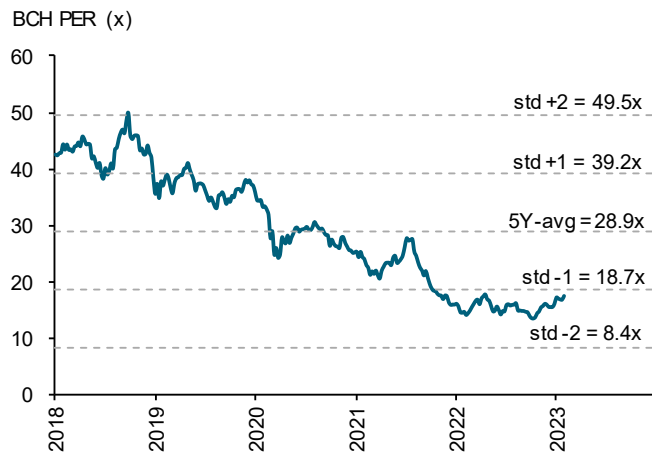
Exhibit 12: DCF-derived TP

Cost of equity assumptions		(%)	Cost of debt assumptions		(%)
Risk-free rate	3.0		Pre-tax cost of debt	4.0	
Market risk premium	8.0		Marginal tax rate	20.0	
Stock beta	1.0				
Cost of equity, Ke	10.6		Net cost of debt, Kd	3.2	
Weight applied	70.0		Weight applied	30.0	
WACC		8.4			

DCF valuation estimate	(THB b)	(THB/share)	Comments
NPV	24.8	9.9	WACC 8.4%, Risk-free rate 3%, Risk premium 8%
Terminal value	40.8	16.3	Terminal growth 3%
Cash & liquid assets	3.5	1.4	At end-2023E
Investments	0.0	0.0	At end-2023E
Debt	(4.0)	(1.6)	At end-2023E
Minorities	(1.4)	(0.6)	At end-2023E
Residual ordinary equity	63.5	25.5	

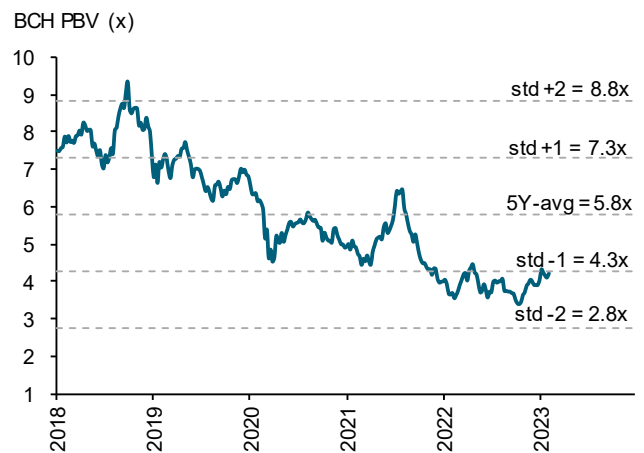
Source: FSSIA estimates

Exhibit 13: Historical P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 14: Historical P/BV band



Sources: Bloomberg; FSSIA estimates

Exhibit 15: Peer comparisons as of 8 Feb-23

Company	BBG	Rec	Share price			Market Cap (USD m)	PE			ROE		PBV		EV/EBITDA	
			Current (LCY)	Target (LCY)	Upside (%)		22E (x)	23E (x)	24E (x)	22E (%)	23E (%)	22E (x)	23E (x)	22E (x)	23E (x)
Thailand															
Bangkok Dusit Med Service	BDMS TB	BUY	29.50	34.50	17	13,987	37.6	34.8	30.7	14.4	14.6	5.3	4.9	20.6	19.1
Bumrungrad Hospital	BH TB	BUY	214.00	255.00	19	5,075	36.9	33.7	31.1	25.2	24.5	8.8	7.8	23.8	21.8
Bangkok Chain Hospital	BCH TB	BUY	21.00	25.50	21	1,562	16.5	29.2	24.1	24.7	13.6	4.1	3.8	10.6	15.1
Chularat Hospital	CHG TB	BUY	3.86	4.40	14	1,267	15.2	32.2	27.7	35.5	16.5	5.2	5.4	10.0	18.9
Praram 9 Hospital	PR9 TB	BUY	20.50	22.00	7	481	28.7	27.7	25.5	12.5	12.1	3.4	3.3	14.7	13.9
Thonburi Healthcare Group	THG TB	REDUCE	68.00	55.00	(19)	1,719	35.7	48.7	42.9	16.9	11.8	5.8	5.7	21.0	24.9
Vibhavadi Medical Center	VIBHA TB	BUY	2.78	3.20	15	1,126	36.0	34.8	31.1	8.1	7.3	2.6	2.5	31.8	28.7
Ramkhamhaeng Hospital	RAM TB	BUY	54.00	62.00	15	1,933	30.9	30.3	26.4	11.8	11.3	3.5	3.3	28.6	24.8
Principal Capital	PRINC TB	BUY	6.20	9.00	45	705	42.6	35.9	26.8	5.5	6.2	2.3	2.2	19.2	17.5
Rajthanee Hospital	RJH TB	n/a	31.00	n/a	n/a	277	8.6	22.1	21.3	50.2	18.5	6.2	4.0	6.9	14.8
Ekachai Medical Care	EKH TB	n/a	9.00	n/a	n/a	181	23.8	25.4	26.7	20.8	14.4	6.4	3.8	12.5	14.3
Thailand average						28,314	28.4	32.3	28.6	20.5	13.7	4.9	4.3	18.1	19.4
Regional															
Ramsay Health Care	RHC AU	n/a	65.77	n/a	n/a	10,365	47.1	36.9	25.2	8.3	10.7	3.6	3.6	13.6	12.6
Ihh Healthcare Bhd	IHH SP	n/a	1.82	n/a	n/a	12,091	35.8	29.2	25.8	6.5	6.8	2.0	2.0	15.4	14.2
Ryman Healthcare	RYM NZ	n/a	6.30	n/a	n/a	2,010	13.9	11.1	10.7	7.4	8.0	1.0	1.0	16.9	13.5
Apollo Hospitals Enterprise	APHS IN	n/a	4,391	n/a	n/a	7,640	68.4	67.3	46.5	18.6	14.9	11.2	11.2	29.0	29.4
Kpj Healthcare Berhad	KPJ MK	n/a	1.00	n/a	n/a	1,004	31.1	25.5	22.1	6.5	7.9	2.0	2.0	12.2	11.2
Raffles Medical Group	RFMD SP	n/a	1.49	n/a	n/a	2,114	25.2	28.0	26.5	11.4	9.6	2.8	2.8	13.5	15.1
Mitra Keluarga Karyasehat	MIKA IJ	n/a	2,950	n/a	n/a	2,768	42.4	36.7	31.6	18.3	19.4	7.5	7.5	27.2	23.5
Aier Eye Hospital Group	300015 CH	n/a	32.02	n/a	n/a	34,164	80.8	61.8	47.9	20.5	22.2	15.4	15.4	44.8	35.7
Regional average						72,157	43.1	37.1	29.5	12.2	12.4	5.7	5.7	21.6	19.4
Overall average						100,471	34.6	34.3	29.0	17.0	13.2	5.2	4.9	19.6	19.4

Sources: Bloomberg; FSSIA estimates

Financial Statements

Bangkok Chain Hospital

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Revenue	8,928	21,405	19,013	12,815	14,112
Cost of goods sold	(5,193)	(9,687)	(11,978)	(7,625)	(8,326)
Gross profit	3,735	11,717	7,035	5,190	5,786
Other operating income	-	-	-	-	-
Operating costs	(1,213)	(1,469)	(1,901)	(1,666)	(1,736)
Operating EBITDA	2,523	10,248	5,134	3,524	4,050
Depreciation	(782)	(874)	(979)	(1,014)	(1,054)
Goodwill amortisation	-	-	-	-	-
Operating EBIT	1,741	9,374	4,155	2,510	2,996
Net financing costs	(125)	(147)	(102)	(77)	(59)
Associates	3	2	0	2	2
Recurring non-operating income	89	127	131	137	143
Non-recurring items	0	0	0	0	0
Profit before tax	1,705	9,354	4,184	2,569	3,081
Tax	(313)	(1,846)	(792)	(513)	(616)
Profit after tax	1,392	7,507	3,392	2,056	2,465
Minority interests	(163)	(661)	(220)	(264)	(290)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	1,229	6,846	3,172	1,792	2,175
Non-recurring items & goodwill (net)	0	0	0	0	0
Recurring net profit	1,229	6,846	3,172	1,792	2,175
Per share (THB)					
Recurring EPS *	0.49	2.75	1.27	0.72	0.87
Reported EPS	0.49	2.75	1.27	0.72	0.87
DPS	0.23	0.33	1.40	0.34	0.36
Diluted shares (used to calculate per share data)	2,494	2,494	2,494	2,494	2,494
Growth					
Revenue (%)	0.5	139.8	(11.2)	(32.6)	10.1
Operating EBITDA (%)	10.7	306.3	(49.9)	(31.4)	14.9
Operating EBIT (%)	7.8	438.6	(55.7)	(39.6)	19.4
Recurring EPS (%)	7.0	456.9	(53.7)	(43.5)	21.4
Reported EPS (%)	8.3	456.9	(53.7)	(43.5)	21.4
Operating performance					
Gross margin inc. depreciation (%)	33.1	50.7	31.9	32.6	33.5
Gross margin of key business (%)	33.1	50.7	31.9	32.6	33.5
Operating EBITDA margin (%)	28.3	47.9	27.0	27.5	28.7
Operating EBIT margin (%)	19.5	43.8	21.9	19.6	21.2
Net margin (%)	13.8	32.0	16.7	14.0	15.4
Effective tax rate (%)	18.4	19.7	18.9	20.0	20.0
Dividend payout on recurring profit (%)	46.7	12.0	110.1	46.8	41.2
Interest cover (X)	14.6	64.5	42.2	34.2	53.6
Inventory days	16.9	12.9	14.9	21.2	15.8
Debtor days	67.5	42.9	68.1	101.0	91.7
Creditor days	52.7	40.3	46.3	65.8	49.0
Operating ROIC (%)	11.4	51.4	22.5	14.3	17.6
ROIC (%)	11.5	50.1	22.3	14.4	17.7
ROE (%)	18.7	68.9	24.7	13.6	15.3
ROA (%)	9.8	35.5	14.3	9.8	11.8
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
	2020	2021	2022E	2023E	2024E
Cash patient revenue	5,688	18,161	15,374	8,806	9,900
SSO patient revenue	3,240	3,244	3,640	4,009	4,212
NHSO patient revenue	0	0	0	0	0

Sources: Bangkok Chain Hospital; FSSIA estimates

Financial Statements

Bangkok Chain Hospital

Cash Flow (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Recurring net profit	1,229	6,846	3,172	1,792	2,175
Depreciation	782	874	979	1,014	1,054
Associates & minorities	-	-	-	-	-
Other non-cash items	94	660	218	264	290
Change in working capital	(593)	(2,204)	1,380	12	147
Cash flow from operations	1,512	6,175	5,749	3,082	3,666
Capex - maintenance	(2,546)	(678)	(948)	(641)	(706)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	5	(1)	0	0	0
Other investments (net)	-	-	-	-	-
Cash flow from investing	(2,541)	(679)	(948)	(641)	(706)
Dividends paid	(574)	(821)	(3,491)	(838)	(896)
Equity finance	0	0	0	0	0
Debt finance	1,837	(274)	(3,000)	(400)	(800)
Other financing cash flows	(168)	(90)	(110)	(132)	(145)
Cash flow from financing	1,096	(1,186)	(6,601)	(1,370)	(1,841)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	67	4,310	(1,801)	1,072	1,120
Free cash flow to firm (FCFF)	(896.48)	5,647.32	4,924.30	2,533.62	3,038.56
Free cash flow to equity (FCFE)	640.69	5,131.91	1,690.44	1,909.44	2,015.58

Per share (THB)

FCFF per share	(0.36)	2.26	1.97	1.02	1.22
FCFE per share	0.26	2.06	0.68	0.77	0.81
Recurring cash flow per share	0.84	3.36	1.75	1.23	1.41

Balance Sheet (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Tangible fixed assets (gross)	18,773	19,417	20,368	21,009	21,714
Less: Accumulated depreciation	(6,369)	(7,175)	(8,153)	(9,168)	(10,221)
Tangible fixed assets (net)	12,404	12,243	12,214	11,841	11,493
Intangible fixed assets (net)	522	540	540	540	540
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	33	34	34	34	34
Cash & equivalents	946	5,256	3,455	4,527	5,647
A/C receivable	1,487	3,547	3,547	3,547	3,547
Inventories	250	437	540	344	375
Other current assets	856	4,302	1,824	58	63
Current assets	3,538	13,541	9,366	8,475	9,632
Other assets	30	26	26	26	26
Total assets	16,527	26,384	22,180	20,916	21,725
Common equity	6,885	12,980	12,660	13,614	14,894
Minorities etc.	742	1,326	1,436	1,568	1,713
Total shareholders' equity	7,626	14,306	14,096	15,182	16,607
Long term debt	5,150	6,791	3,791	3,391	2,591
Other long-term liabilities	207	170	170	170	170
Long-term liabilities	5,357	6,961	3,961	3,561	2,761
A/C payable	784	1,358	1,679	1,069	1,167
Short term debt	2,165	250	250	250	250
Other current liabilities	595	3,510	2,194	854	940
Current liabilities	3,544	5,117	4,122	2,172	2,357
Total liabilities and shareholders' equity	16,527	26,384	22,180	20,916	21,725
Net working capital	1,214	3,418	2,038	2,025	1,878
Invested capital	14,203	16,260	14,852	14,466	13,971

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

Per share (THB)

Book value per share	2.76	5.20	5.08	5.46	5.97
Tangible book value per share	2.55	4.99	4.86	5.24	5.76

Financial strength

Net debt/equity (%)	83.5	12.5	4.2	(5.8)	(16.9)
Net debt/total assets (%)	38.5	6.8	2.6	(4.2)	(12.9)
Current ratio (x)	1.0	2.6	2.3	3.9	4.1
CF interest cover (x)	6.1	35.9	17.7	25.6	35.4

Valuation	2020	2021	2022E	2023E	2024E
Recurring P/E (x) *	42.6	7.6	16.5	29.2	24.1
Recurring P/E @ target price (x) *	51.7	9.3	20.0	35.5	29.2
Reported P/E (x)	42.6	7.6	16.5	29.2	24.1
Dividend yield (%)	1.1	1.6	6.7	1.6	1.7
Price/book (x)	7.6	4.0	4.1	3.8	3.5
Price/tangible book (x)	8.2	4.2	4.3	4.0	3.6
EV/EBITDA (x) **	23.6	5.4	10.6	15.1	12.7
EV/EBITDA @ target price (x) **	28.0	6.5	12.8	18.2	15.4
EV/invested capital (x)	4.2	3.4	3.7	3.7	3.7

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

Sources: Bangkok Chain Hospital; FSSIA estimates

Corporate Governance report of Thai listed companies 2021

EXCELLENT LEVEL – Score range 90-100

AAV	BPCG	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	PSH	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	WIIK
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	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	TPIPP	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
AMANAH	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	SEOIL	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	WIIK
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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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

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Company	Ticker	Price	Rating	Valuation & Risks
Bangkok Chain Hospital	BCH TB	THB 21.00	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.
Bangkok Dusit Medical Services	BDMS TB	THB 29.50	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-than-expected capex and opex for CoE projects.
Bumrungrad Hospital	BH TB	THB 214.00	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.
Chularat Hospital	CHG TB	THB 3.86	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 20.50	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) higher-than-expected expenses from its new building.
Thonburi Healthcare Group	THG TB	THB 68.00	REDUCE	Upside risks to our DCF-based target price include 1) a new Covid wave from a new variant; and 2) big-lot sales of Jin Wellbeing County units.
Vibhavadi Medical Center	VIBHA TB	THB 2.78	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 54.00	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 6.20	BUY	Downside risks to our DCF-based target price include 1) weak patient volumes following the economic slowdown; 2) regulatory risks from drug price and medical bill controls; and 3) 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 Finansia Syrus Securities Public Company Limited

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All share prices are as at market close on 08-Feb-2023 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.