25 JULY 2022

FINANSIA
FSS INTERNATIONAL INVESTMENT ADVISORY

EQUITY RESEARCH - COMPANY REPORT

BANGKOK CHAIN HOSPITAL BCH TB

THAILAND / HEALTHCARE

BUY
UNCHANGED

TARGET PRICE	THB28.50
CLOSE	THB20.10
UP/DOWNSIDE	+41.8%
PRIOR TP	THB28.50
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+18.8%

Promising organic growth post Covid

- Expect 2Q22 earnings to drop by 41% q-q to THB1.2b due to the slowdown of Covid revenue, but still exceed 2Q19's level by 360%.
- Potential upside from pent-up demand from international patients, especially Middle East, and possible rate hike for SSO scheme.
- Cheap valuation; 2023E profit to exceed pre-Covid level by 72%.

Expect 2Q22 organic revenue to exceed pre-Covid by 16%

We expect Covid-related revenue to drop from THB4.5b in 1Q22 to THB2.7b (accounting for c52% of 2Q22E total revenue) due to fewer Covid infection cases. Covid testing volume should drop by c50% q-q, and Covid patients in hospitals and 'hospitels' should drop by c60% q-q to c5,000 beds/day. We estimate these would be replaced by c10,000 home isolation cases/day. On a positive note, organic revenue should exceed the pre-Covid level by 17% via more SSO members (985k in 2Q22 vs 892k in 2Q21) and strong pent-up demand from non-Covid patients. We estimate total revenue in 2Q22 to drop 27% q-q and core profit to drop 41% q-q to THB1.2b, but still exceed 2Q19's level by 360%.

International patient revenue to exceed pre-Covid by up to 70%

The recovery of international patient revenue has been impressive and better than peers, with revenue estimated at THB0.6b in 1H22, exceeding pre-Covid by c40%. The momentum should be stronger in 3Q22, driven by Middle East patients following the peak season after Ramadan. In addition, BCH launched its International Diabetic Wound Center at KH RAM in May to capture more Middle East patients, and expects revenue of THB20m/month. Overall, we estimate international patient revenue of THB1.3b-1.5b in 2022-23, significantly jumping from THB0.9b in 2019 – a key organic growth driver for BCH when Covid revenue subsides.

Earnings upside from SSO's potential payment rate hike

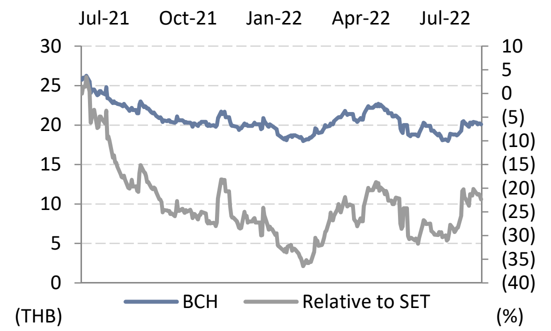
We see a potential upside from SSO revenue, as there is a possibility that the SSO may raise the payment rate in 2H22 or 1H23. The last increase (average of 5%) was in Jan-20 and the SSO normally adjusts the rate every 2-3 years. We estimate that a 5% increase in payment rate would lead to a c8-9% upside to our 2023E core profit, all else being equal.

Trading at a cheaper valuation than peers and historical level

BCH trades at an attractive valuation of 25x 2023E P/E. If we exclude its cTHB6.0b (THB2.4/shr) cash on hand and accrued medical income, the valuation would be 23x 2023E P/E, lower than its peers' average of 34x and its own five-year average of 31x, while it offers 2023 earnings which we estimate to exceed the pre-Covid level by 72%.

KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Revenue	21,405	20,531	12,451	13,414
Net profit	6,846	4,656	1,977	2,272
EPS (THB)	2.75	1.87	0.79	0.91
vs Consensus (%)	-	15.0	(2.9)	15.3
EBITDA	10,248	7,297	3,888	4,319
Core net profit	6,846	4,656	1,977	2,272
Core EPS (THB)	2.75	1.87	0.79	0.91
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	456.9	(32.0)	(57.5)	14.9
Core P/E (x)	7.3	10.8	25.4	22.1
Dividend yield (%)	1.6	6.0	4.6	2.0
EV/EBITDA (x)	5.2	6.9	12.9	11.2
Price/book (x)	3.9	3.4	3.5	3.2
Net debt/Equity (%)	12.5	(8.6)	(10.1)	(20.6)
ROE (%)	68.9	33.7	13.7	15.2



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	11.7	(11.1)	(21.2)
Relative to country (%)	12.8	(4.0)	(21.6)

Mkt cap (USD m)	1,369
3m avg. daily turnover (USD m)	9.9
Free float (%)	44
Major shareholder	Chalerm Harnphanich (33%)
12m high/low (THB)	26.75/17.70
Issued shares (m)	2,493.75

Sources: Bloomberg consensus; FSSIA estimates

Teerapol Udomvej, CFA
teerapol.udo@fssia.com
+66 2611 3535

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.

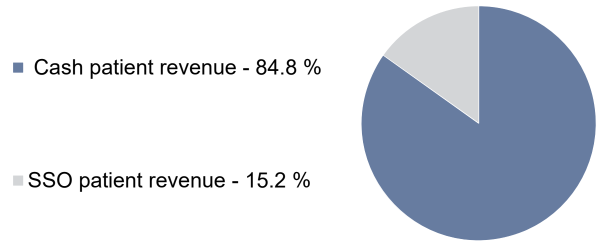
BCH opened three new hospitals in 2020-21. We see Covid-19 as the driver for its new hospitals to turn around earlier than expected due to the influx of Covid patients, some of which could convert to regular patients in the future.

Company profile

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

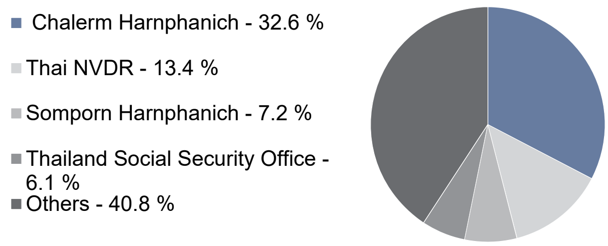
www.bangkokchainhospital.com

Principal activities (revenue, 2021)



Source: Bangkok Chain Hospital

Major shareholders



Source: Bangkok Chain Hospital

Catalysts

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

Risks to our call

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

Event calendar

Date	Event
Aug 2022	2Q22 results announcement

Key assumptions

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

Source: FSSIA estimates

Earnings sensitivity

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

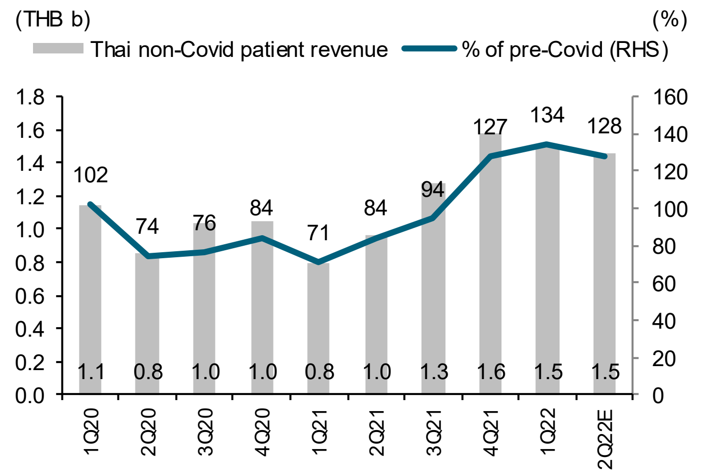
Source: FSSIA estimates

Exhibit 1: 2Q22 results preview

	2Q21	3Q21	4Q21	1Q22	2Q22E	------ *Change* ------		1H21	1H22E	*Chg.*	2022E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	*(q-q %)*	*(y-y %)*	(THB m)	(THB m)	*(y-y %)*	(THB m)
Sales	**4,313**	**7,959**	**6,816**	**7,087**	**5,162**	***(27)***	***20***	**6,630**	**12,249**	***85***	**20,531**
COGS (incl. depreciation)	(2,318)	(3,689)	(2,935)	(3,890)	(3,097)	*(20)*	*34*	(3,937)	(6,987)	*77*	(12,327)
Gross profit	**1,995**	**4,271**	**3,881**	**3,197**	**2,065**	***(35)***	***4***	**2,692**	**5,262**	***95***	**8,205**
SG&A	(401)	(367)	(411)	(491)	(430)	*(12)*	*7*	(691)	(921)	*33*	(1,889)
Operating profit	**1,594**	**3,904**	**3,470**	**2,706**	**1,635**	***(40)***	***3***	**2,001**	**4,341**	***117***	**6,316**
Net other income	18	19	24	32	30	*(5)*	*64*	86	62	*(28)*	153
Interest expense	(35)	(40)	(48)	(48)	(46)	*(5)*	*30*	(63)	(94)	*49*	(124)
Pretax profit	**1,577**	**3,882**	**3,445**	**2,690**	**1,619**	***(40)***	***3***	**2,024**	**4,309**	***113***	**6,345**
Income Tax	(312)	(772)	(679)	(542)	(324)	*(40)*	*4*	(395)	(866)	*119*	(1,269)
Associates	1	0	1	1	1	*52*	*51*	1	2	*n/a*	0
Minority interest	(121)	(215)	(286)	(120)	(100)	*(17)*	*(17)*	(161)	(220)	*37*	(420)
Core profit	**1,146**	**2,896**	**2,480**	**2,028**	**1,196**	***(41)***	***4***	**1,469**	**3,225**	***119***	**4,656**
Extraordinaries, GW & FX	0	0	0	0	0						
Reported net profit	**1,146**	**2,896**	**2,480**	**2,028**	**1,196**	***(41)***	***4***	**1,469**	**3,225**	***119***	**4,656**
Outstanding shares (m)	2,494	2,494	2,494	2,494	2,494	*0*	*0*	2,494	2,494	*0*	2,494
Core EPS (THB)	**0.46**	**1.16**	**0.99**	**0.81**	**0.48**	***(41)***	***4***	**0.59**	**1.29**	***119***	**1.87**
EPS (THB)	**0.46**	**1.16**	**0.99**	**0.81**	**0.48**	***(41)***	***4***	**0.59**	**1.29**	***119***	**1.87**
COGS (excl. depreciation)	2,113	3,468	2,703	3,656	2,859	*(22)*	*35*	3,516	6,515	*85*	11,346
Depreciation	205	220	232	234	239	*2*	*16*	422	472	*12*	981
EBITDA	**1,817**	**4,143**	**3,725**	**2,972**	**1,903**	***(36)***	***5***	**2,508**	**4,875**	***94***	**7,450**
Key ratios	**(%)**	**(%)**	**(%)**	**(%)**	**(%)**	***(ppt)***	***(ppt)***	**(%)**	**(%)**	***(ppt)***	**(%)**
Gross margin	46	54	57	45	40	*(5)*	*(6)*	41	43	*2*	40
SG&A/Revenue	9	5	6	7	8	*1*	*(1)*	10	8	*(3)*	9
EBITDA margin	42	52	55	42	37	*(5)*	*(5)*	38	40	*2*	36
Net profit margin	27	36	36	29	23	*(5)*	*(3)*	22	26	*4*	23
Operating stats	**(y-y %)**	**(y-y %)**	**(y-y %)**	**(y-y %)**	**(y-y %)**						
Cash-OPD revenue growth	117	70	101	121	n/a						
Cash-OPD volume growth	170	157	199	213	n/a						
Cash-OPD revenue per head growth	(20)	(34)	(33)	(29)	n/a						
Cash-IPD revenue growth	263	966	526	514	n/a						
Cash-IPD volume growth	453	1,352	247	2,035	n/a						
Cash-IPD revenue per head growth	(34)	(27)	80	(71)	n/a						
SSO revenue growth	(4)	(18)	24	81	11						
SSO registered member ('000)	890	894	899	936	n/a						
SSO registered member growth	0	1	2	5	n/a						
SSO revenue per head growth	(4)	(19)	21	72	n/a						

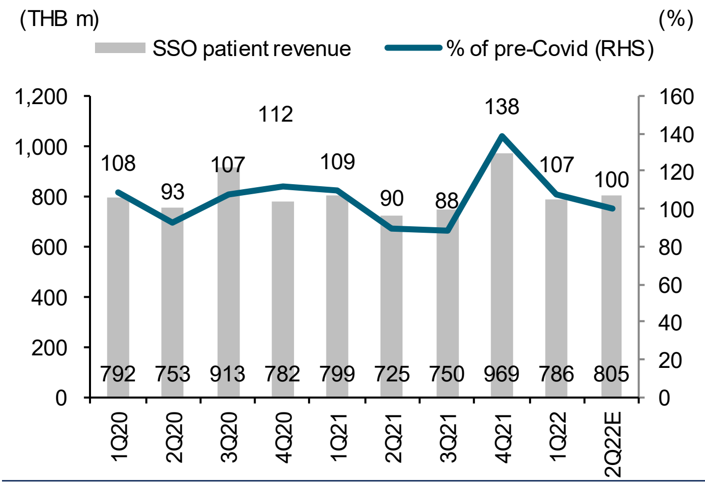
Sources: BCH; FSSIA estimates

Exhibit 2: Non-Covid Thai general patient revenue



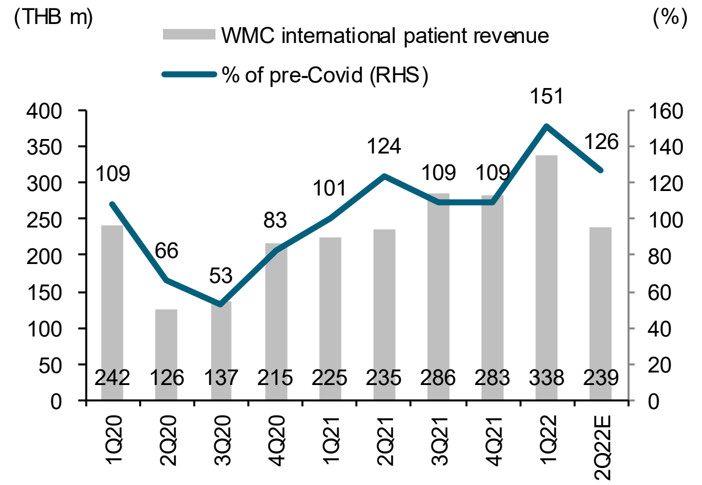
Source: BCH

Exhibit 3: SSO revenue



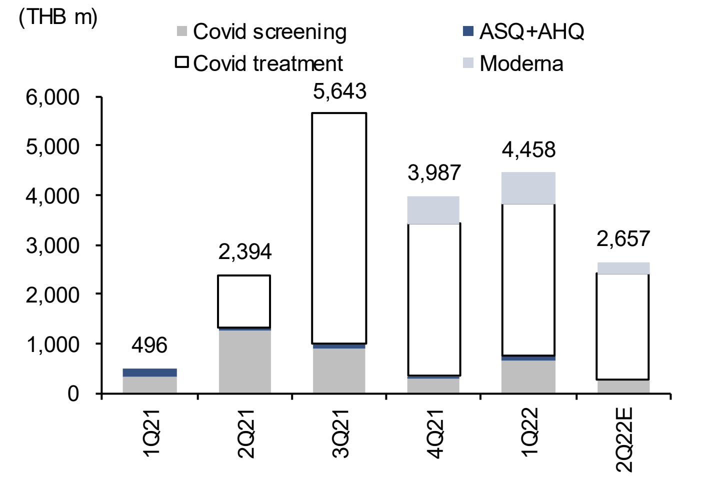
Source: BCH

Exhibit 4: WMC – international patient revenue



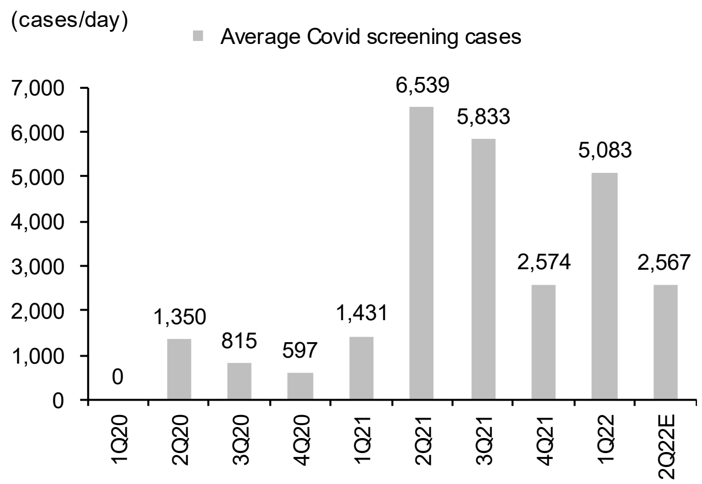
Source: BCH

Exhibit 5: Covid-related revenue



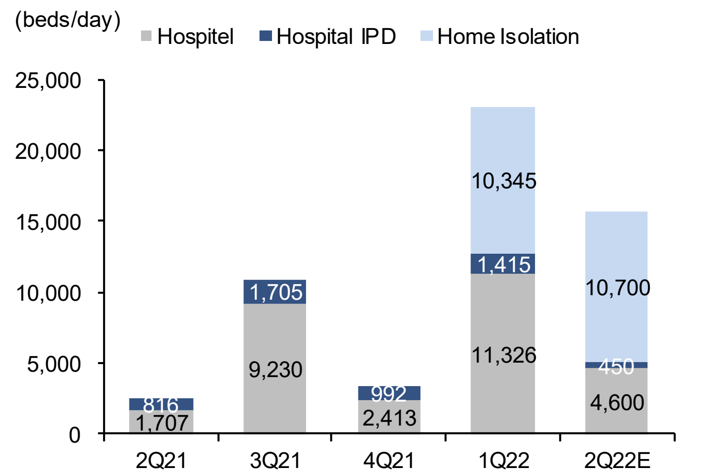
Sources: BCH; FSSIA estimates

Exhibit 6: Number of Covid screening cases



Source: BCH

Exhibit 7: Number of Covid patients under BCH's care



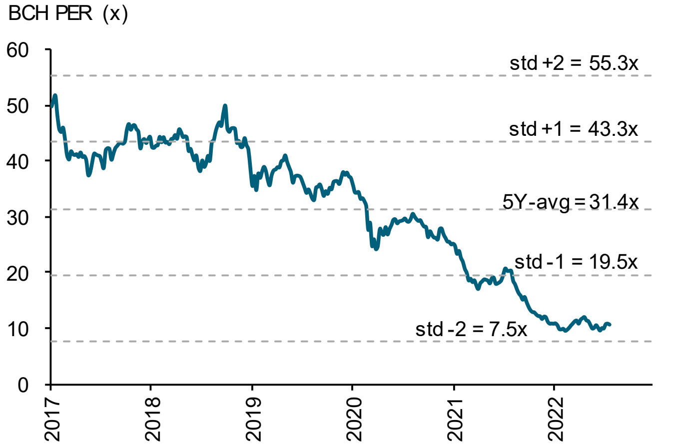
Note: Home isolation started on 4 Mar 2022
Source: BCH

Exhibit 8: Healthcare sector share price performance and 2023E core profit compared to 2019 level

Stocks	Price performance				Net profit		
	2020	2021	2022 YTD	Since 2020	2019	2023E	*diff*
	(%)	(%)	(%)	(%)	(THB m)	(THB m)	*(%)*
Bangkok Dusit Med Services PCL	(20.0)	10.6	17.4	3.8	10,053	12,544	*25*
Bumrungrad Hospital PCL	(18.4)	17.5	26.6	21.4	3,883	4,200	*8*
Ramkhamhaeng Hospital PCL	(8.2)	42.5	32.7	73.5	1,474	2,240	*52*
Thonburi Healthcare Group PCL	(3.7)	44.7	72.5	140.2	322	713	*122*
Bangkok Chain Hospital PCL	**(20.5)**	**47.8**	**0.0**	**17.5**	**1,149**	**1,977**	***72***
Chularat Hospital PCL	(4.7)	48.8	2.2	45.0	719	1,456	*103*
Vibhavadi Medical Center PCL	(17.9)	79.6	(8.3)	35.2	853	1,165	*37*
Praram 9 Hospital PCL	14.6	22.2	50.0	110.2	312	492	*58*
Sikarin PCL	28.7	100.0	(6.9)	139.6	242.3	n/a	-
Principal Capital PCL	(18.0)	18.5	39.2	35.2	(347.1)	n/a	-
Chiang Mai Ram Medical Business PCL	(12.9)	73.9	(9.2)	37.6	157.8	n/a	-
Srivichai Vejvivat PCL	17.7	53.4	0.9	82.3	200.4	n/a	-
Ekachai Medical Care PCL	(25.6)	46.6	9.7	19.6	160.5	220.5	*37*
Average	**(6.83)**	**46.61**	**17.44**	**58.55**			***57***

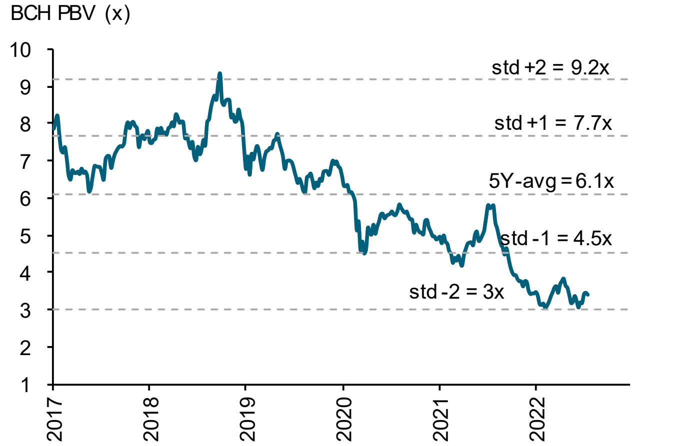
Source: Bloomberg

Exhibit 9: Historical P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 10: Historical P/BV band



Sources: Bloomberg; FSSIA estimates

Exhibit 11: Peer comparisons as of 22 Jul-22

Company	BBG	Rec	Share price			Market	PE		ROE		PBV		EV/ EBITDA	
			Current	Target	*Upside*	Cap	22E	23E	22E	23E	22E	23E	22E	23E
			(LCY)	(LCY)	*(%)*	(USD m)	(x)	(x)	(%)	(%)	(x)	(x)	(x)	(x)
Thailand														
Bangkok Dusit Med Service	BDMS TB	BUY	27.00	31.00	*15*	11,722	42.5	34.2	11.8	13.9	4.9	4.6	21.6	18.3
Bumrungrad Hospital	BH TB	BUY	178.50	210.00	*18*	3,876	46.6	33.8	17.4	22.6	8.0	7.3	27.8	21.2
Bangkok Chain Hospital	BCH TB	BUY	20.10	28.50	*42*	1,369	10.8	25.4	33.7	13.7	3.4	3.5	6.9	12.9
Chularat Hospital	CHG TB	BUY	3.74	4.70	*26*	1,124	13.6	28.3	37.8	17.7	4.9	5.1	9.1	16.8
Praram 9 Hospital	PR9 TB	BUY	16.50	18.00	*9*	354	26.8	26.4	10.9	10.4	2.8	2.7	12.7	12.3
Thonburi Healthcare Group	THG TB	REDUCE	64.25	45.00	*(30)*	1,487	38.2	76.5	15.1	7.4	5.6	5.7	21.9	30.6
Vibhavadi Medical Center	VIBHA TB	BUY	2.42	3.20	*32*	897	31.4	30.3	8.1	7.3	2.3	2.2	28.3	25.6
Ramkhamhaeng Hospital	RAM TB	BUY	52.75	62.00	*18*	1,729	28.4	28.3	12.5	11.8	3.4	3.2	24.5	23.6
Rajthanee Hospital	RJH TB	n/a	39.50	n/a	*n/a*	322	12.7	26.5	46.6	20.0	7.9	5.3	9.0	17.1
Ekachai Medical Care	EKH TB	n/a	7.70	n/a	*n/a*	130	25.3	25.2	14.3	13.0	5.5	3.1	13.9	13.1
Thailand average						**23,012**	**27.6**	**33.5**	**20.8**	**13.8**	**4.9**	**4.3**	**17.6**	**19.2**
Regional														
Ramsay Health Care	RHC AU	n/a	71.18	n/a	*n/a*	11,243	51.2	29.2	8.2	12.9	4.0	4.0	13.0	10.6
Ihh Healthcare Bhd	IHH SP	n/a	2.02	n/a	*n/a*	12,816	34.8	30.4	6.8	7.4	2.3	2.3	15.4	14.4
Ryman Healthcare	RYM NZ	n/a	9.00	n/a	*n/a*	2,791	19.5	16.2	7.4	7.6	1.3	1.3	19.1	15.9
Apollo Hospitals Enterprise	APHS IN	n/a	4,125	n/a	*n/a*	7,435	64.2	54.1	18.6	17.5	10.5	10.5	27.2	24.7
Kpj Healthcare Berhad	KPJ MK	n/a	0.85	n/a	*n/a*	829	30.4	22.4	5.6	7.4	1.7	1.7	12.2	11.0
Raffles Medical Group	RFMD SP	n/a	1.12	n/a	*n/a*	1,508	29.7	27.6	7.5	7.7	2.2	2.2	14.5	13.8
Mitra Keluarga Karyasehat	MIKA IJ	n/a	2,700	n/a	*n/a*	2,591	36.4	32.4	18.8	19.0	6.6	6.6	23.2	20.6
Aier Eye Hospital Group	300015 CH	n/a	33.20	n/a	*n/a*	34,540	74.6	56.2	22.4	24.2	17.3	17.3	44.7	34.9
Regional average						**73,753**	**42.6**	**33.6**	**11.9**	**13.0**	**5.7**	**5.7**	**21.2**	**18.2**
Overall average						**96,765**	**34.3**	**33.5**	**16.9**	**13.4**	**5.3**	**4.9**	**19.2**	**18.7**

Sources: Bloomberg; FSSIA estimates

Financial Statements

Bangkok Chain Hospital

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Revenue	8,928	21,405	20,531	12,451	13,414
Cost of goods sold	(5,193)	(9,687)	(11,346)	(7,317)	(7,820)
Gross profit	**3,735**	**11,717**	**9,186**	**5,133**	**5,594**
Other operating income	-	-	-	-	-
Operating costs	(1,213)	(1,469)	(1,889)	(1,245)	(1,274)
Operating EBITDA	**2,523**	**10,248**	**7,297**	**3,888**	**4,319**
Depreciation	(782)	(874)	(981)	(1,018)	(1,056)
Goodwill amortisation	-	-	-	-	-
Operating EBIT	**1,741**	**9,374**	**6,316**	**2,870**	**3,263**
Net financing costs	(125)	(147)	(102)	(64)	(48)
Associates	3	2	0	2	2
Recurring non-operating income	89	127	131	137	143
Non-recurring items	0	0	0	0	0
Profit before tax	**1,705**	**9,354**	**6,345**	**2,943**	**3,359**
Tax	(313)	(1,846)	(1,269)	(588)	(671)
Profit after tax	**1,392**	**7,507**	**5,076**	**2,355**	**2,688**
Minority interests	(163)	(661)	(420)	(378)	(416)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	**1,229**	**6,846**	**4,656**	**1,977**	**2,272**
Non-recurring items & goodwill (net)	**0**	**0**	**0**	**0**	**0**
Recurring net profit	**1,229**	**6,846**	**4,656**	**1,977**	**2,272**
Per share (THB)					
Recurring EPS *	0.49	2.75	1.87	0.79	0.91
Reported EPS	0.49	2.75	1.87	0.79	0.91
DPS	0.23	0.33	1.20	0.93	0.40
Diluted shares (used to calculate per share data)	2,494	2,494	2,494	2,494	2,494
Growth					
Revenue (%)	0.5	139.8	(4.1)	(39.4)	7.7
Operating EBITDA (%)	10.7	306.3	(28.8)	(46.7)	11.1
Operating EBIT (%)	7.8	438.6	(32.6)	(54.6)	13.7
Recurring EPS (%)	7.0	456.9	(32.0)	(57.5)	14.9
Reported EPS (%)	8.3	456.9	(32.0)	(57.5)	14.9
Operating performance					
Gross margin inc. depreciation (%)	33.1	50.7	40.0	33.1	33.8
Gross margin of key business (%)	33.1	50.7	40.0	33.1	33.8
Operating EBITDA margin (%)	28.3	47.9	35.5	31.2	32.2
Operating EBIT margin (%)	19.5	43.8	30.8	23.1	24.3
Net margin (%)	13.8	32.0	22.7	15.9	16.9
Effective tax rate (%)	18.4	19.7	20.0	20.0	20.0
Dividend payout on recurring profit (%)	46.7	12.0	64.3	117.8	43.5
Interest cover (X)	14.6	64.5	63.5	46.8	71.7
Inventory days	16.9	12.9	15.3	21.0	15.9
Debtor days	67.5	42.9	63.1	104.0	96.5
Creditor days	52.7	40.3	47.4	65.2	49.5
Operating ROIC (%)	11.4	51.4	33.7	16.2	19.0
ROIC (%)	11.5	50.1	33.0	16.3	19.0
ROE (%)	18.7	68.9	33.7	13.7	15.2
ROA (%)	9.8	35.5	20.3	10.5	12.6

* Pre-exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2020	2021	2022E	2023E	2024E
Cash patient revenue	5,688	18,161	16,693	8,261	9,013
SSO patient revenue	3,240	3,244	3,838	4,189	4,401
NHSO patient revenue	0	0	0	0	0

Sources: Bangkok Chain Hospital; FSSIA estimates

Financial Statements

Bangkok Chain Hospital

Cash Flow (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Recurring net profit	1,229	6,846	4,656	1,977	2,272
Depreciation	782	874	981	1,018	1,056
Associates & minorities	-	-	-	-	-
Other non-cash items	94	660	418	378	416
Change in working capital	(593)	(2,204)	1,350	(9)	108
Cash flow from operations	**1,512**	**6,175**	**7,405**	**3,363**	**3,852**
Capex - maintenance	(2,546)	(678)	(1,024)	(623)	(671)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	5	(1)	0	0	0
Other investments (net)	-	-	-	-	-
Cash flow from investing	**(2,541)**	**(679)**	**(1,024)**	**(623)**	**(671)**
Dividends paid	(574)	(821)	(2,992)	(2,328)	(988)
Equity finance	0	0	0	0	0
Debt finance	1,837	(274)	(3,000)	(800)	(800)
Other financing cash flows	(168)	(90)	(210)	(189)	(208)
Cash flow from financing	**1,096**	**(1,186)**	**(6,202)**	**(3,317)**	**(1,996)**
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	**0**	**0**	**0**	**0**	**0**
Movement in cash	**67**	**4,310**	**178**	**(576)**	**1,185**
Free cash flow to firm (FCFF)	(896.48)	5,647.32	6,504.10	2,828.35	3,249.05
Free cash flow to equity (FCFE)	640.69	5,131.91	3,170.23	1,751.97	2,172.97
Per share (THB)					
FCFF per share	(0.36)	2.26	2.61	1.13	1.30
FCFE per share	0.26	2.06	1.27	0.70	0.87
Recurring cash flow per share	0.84	3.36	2.43	1.35	1.50

Balance Sheet (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Tangible fixed assets (gross)	18,773	19,417	20,444	21,066	21,737
Less: Accumulated depreciation	(6,369)	(7,175)	(8,156)	(9,174)	(10,230)
Tangible fixed assets (net)	**12,404**	**12,243**	**12,288**	**11,892**	**11,507**
Intangible fixed assets (net)	**522**	**540**	**540**	**540**	**540**
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	33	34	34	34	34
Cash & equivalents	946	5,256	5,434	4,858	6,043
A/C receivable	1,487	3,547	3,547	3,547	3,547
Inventories	250	437	511	330	353
Other current assets	856	4,302	1,969	56	60
Current assets	**3,538**	**13,541**	**11,461**	**8,790**	**10,002**
Other assets	30	26	26	26	26
Total assets	**16,527**	**26,384**	**24,349**	**21,283**	**22,109**
Common equity	6,885	12,980	14,643	14,292	15,575
Minorities etc.	742	1,326	1,536	1,725	1,933
Total shareholders' equity	**7,626**	**14,306**	**16,179**	**16,017**	**17,508**
Long term debt	5,150	6,791	3,791	2,991	2,191
Other long-term liabilities	207	170	170	170	170
Long-term liabilities	**5,357**	**6,961**	**3,961**	**3,161**	**2,361**
A/C payable	784	1,358	1,590	1,025	1,096
Short term debt	2,165	250	250	250	250
Other current liabilities	595	3,510	2,369	830	894
Current liabilities	**3,544**	**5,117**	**4,209**	**2,105**	**2,240**
Total liabilities and shareholders' equity	**16,527**	**26,384**	**24,349**	**21,283**	**22,109**
Net working capital	1,214	3,418	2,068	2,077	1,970
Invested capital	14,203	16,260	14,956	14,570	14,077
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	2.76	5.20	5.87	5.73	6.25
Tangible book value per share	2.55	4.99	5.66	5.51	6.03
Financial strength					
Net debt/equity (%)	83.5	12.5	(8.6)	(10.1)	(20.6)
Net debt/total assets (%)	38.5	6.8	(5.7)	(7.6)	(16.3)
Current ratio (x)	1.0	2.6	2.7	4.2	4.5
CF interest cover (x)	6.1	35.9	32.2	28.3	46.7

Valuation	2020	2021	2022E	2023E	2024E
Recurring P/E (x) *	**40.8**	**7.3**	**10.8**	**25.4**	**22.1**
Recurring P/E @ target price (x) *	**57.8**	**10.4**	**15.3**	**36.0**	**31.3**
Reported P/E (x)	40.8	7.3	10.8	25.4	22.1
Dividend yield (%)	1.1	1.6	6.0	4.6	2.0
Price/book (x)	7.3	3.9	3.4	3.5	3.2
Price/tangible book (x)	7.9	4.0	3.6	3.6	3.3
EV/EBITDA (x) **	22.7	5.2	6.9	12.9	11.2
EV/EBITDA @ target price (x) **	31.0	7.2	9.8	18.3	16.1
EV/invested capital (x)	4.0	3.3	3.4	3.4	3.4

* 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	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	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	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	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	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	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)

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 th e 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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 Investment in securities has risks. Investors are advised to consider carefully before making investment decisions.

Company	Ticker	Price	Rating	Valuation & Risks
Bangkok Chain Hospital	BCH TB	THB 20.10	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 27.00	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 178.50	BUY	Downside risks to our DCF-based target price include 1) a slowdown in international patients due to economic concerns, political protests or floods; 2) regulatory risks from drug prices and medical bill controls; and 3) higher medical fee discount promotions, leading to a weaker EBITDA margin.
Chularat Hospital	CHG TB	THB 3.74	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 16.50	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 64.25	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 52.75	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.

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 22-Jul-2022 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as (target price* - current price) / 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.