

# Bangkok Chain Hospital

(BCH.BK/BCH TB)\*

## Outperform · Maintained

Price as of 25 Nov 2020	14.40
12M target price (Bt/shr)	22.30
Unchanged/Revised up(down)(%)	Unchanged
Upside/downside (%)	54.9

### Key messages

ในงวด 9M63 กำไรสุทธิของ BCH สูงถึง 951 ล้านบาท (+6.4% YoY) คิดเป็น 79.5% ของประมาณการกำไรปีนี้ของเรา เรายังคงมองบวกกับแนวโน้มผลประกอบการของบริษัทในปี 2563-64F แม้ว่ายังคงได้รับผลกระทบจากการระบาดของ COVID-19 อยู่ก็ตาม เนื่องจาก i) บริษัทมีฐานรายได้จาก SSO ที่แข็งแกร่ง ii) WMC มีแนวโน้มดีขึ้น และ iii) ผลการดำเนินงานของ KH RAM แข็งแกร่ง เรายังคงคำแนะนำซื้อ โดยให้ราคาเป้าหมาย DCF ที่ 22.30 บาท

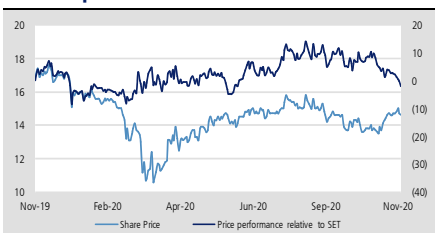
### Trading data

Mkt cap (Btbn/US\$mn)	36/1,184		
Outstanding shares (mn)	2,494		
Foreign ownership (mn)	301		
3M avg. daily trading (mn)	7		
52-week trading range (Bt)	10.6-17.6		
Performance (%)	3M	6M	12M
Absolute	(3.3)	0.7	(14.6)
Relative	(9.4)	(4.5)	(3.0)

### Quarterly EPS

Bt	Q1	Q2	Q3	Q4
2017	0.07	0.07	0.12	0.11
2018	0.09	0.10	0.14	0.11
2019	0.10	0.10	0.16	0.10
2020	0.10	0.11	0.17	

### Share price chart



Source: SET

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## มีแนวโน้มเติบโตต่อเนื่อง

### Event

ประชุมนักวิเคราะห์หลังผลประกอบการงวด 3Q63

### Impact

ประเด็นสำคัญที่น่าสนใจจากการประชุมนักวิเคราะห์งวด 3Q63

หลังจากที่ BCH ประกาศผลประกอบการ 3Q63 โดยกำไรสุทธิทำสถิติสูงสุดใหม่ที่ 413 ล้านบาท (+2.8% YoY, +48.3% QoQ) เรายังคงมองบวกกับแนวโน้มธุรกิจของบริษัท โดยประเด็นสำคัญที่น่าสนใจจากการประชุมนักวิเคราะห์เมื่อวานนี้ ได้แก่

i) ผลประกอบการจะยังคงเติบโตต่อเนื่องใน 4Q63 หลังจากที่ทำกำไรออกมาแข็งแกร่งในงวด 9M63 เนื่องจาก i) กลุ่มผู้ป่วยที่ชำระเงินสด (ทั้ง OPD และ IPD) ยังคงฟื้นตัวขึ้นอย่างต่อเนื่อง ii) รายได้จากกลุ่มประกันสังคม และ iii) ยังคงรับรู้รายได้จากการตรวจเชื้อ COVID-19 อย่างต่อเนื่อง ซึ่งสถานการณ์กำลังคลี่คลายไปทางที่ดีขึ้น เนื่องจากความกังวลเกี่ยวกับโรค COVID-19 ในประเทศไทยลดลง ทำให้ธุรกิจของ BCH ฟื้นตัวขึ้นอย่างต่อเนื่องทุกกลุ่ม โดยในงวด 9M63 กำไรสุทธิของ BCH สูงถึง 951 ล้านบาท (+6.4% YoY) คิดเป็น 79.5% ของประมาณการกำไรปีนี้ของเรา

ii) การตรวจหาเชื้อ COVID-19 ยังคงเป็นบริการที่ทำรายได้ให้ BCH และบริษัทก็ยังคงเข้าร่วมโครงการ ASQ, AHQ และ OQ โดยจำนวนผู้มารับบริการที่เกี่ยวข้องกับโรค COVID-19 อยู่ที่ 117,000 รายใน 2Q63 และอยู่ที่ 80,089 รายใน 3Q63 นอกจากนี้ ผู้บริหารคาดว่า วัคซีนป้องกัน COVID-19 จะเข้ามาในประเทศไทยได้ในช่วงกลางปี 2564 ซึ่งจะส่งผลดีต่อรายได้จากการฉีดวัคซีนและการเพิ่มขึ้นของผู้ป่วยจากต่างประเทศ ทั้งนี้ WMC มีผู้ป่วยจากตะวันออกกลางมากกว่า 10 รายที่เข้ามาเข้ารับการรักษาตัว

เรายังคงมองบวกกับแนวโน้มผลประกอบการของบริษัทในปี 2563-64F แม้ว่ายังคงได้รับผลกระทบจากการระบาดของ COVID-19 อยู่ก็ตาม เนื่องจาก i) บริษัทมีฐานรายได้จาก SSO ที่แข็งแกร่ง ii) WMC มีแนวโน้มดีขึ้น และ iii) ผลการดำเนินงานของ KH RAM แข็งแกร่ง ทั้งนี้ ในปี 2564 บริษัทจะเริ่มเปิดให้บริการโรงพยาบาลใหม่อีกสองแห่ง ได้แก่ i) เกษมราษฎร์ ปรารจินบุรี (ใน 1Q64) และ ii) เกษมราษฎร์ อินเตอร์เนชั่นแนล เวียงจันทน์ (ใน 2Q64) ซึ่งคาดว่าโรงพยาบาลเกษมราษฎร์ ปรารจินบุรีจะถึงจุดคุ้มทุนตั้งแต่เริ่มเปิดบริการ เพราะคาดว่าจะมีผู้ป่วยประกันสังคมเฉลี่ยปีละ 70,000 ราย ในขณะที่จุดคุ้มทุนของโรงพยาบาลแห่งนี้คาดว่าจะอยู่ที่ปีละ 50,000 ราย ทั้งนี้ โรงพยาบาลแห่งนี้ยังติดกับนิคมอุตสาหกรรม 304 โดยตั้งเป้าจะให้บริการแก่ทั้งผู้ป่วยทั่วไปและผู้ป่วยประกันสังคม

### ลงประมาณการกำไรปี FY63-64 เอาไว้เท่าเดิม

เรายังคงประมาณการกำไรสุทธิปี 2563F เอาไว้ที่ 1.19 พันล้านบาท (+5.5% YoY) และปี 2564F ไว้ที่ 1.36 พันล้านบาท (+13.9% YoY)

### Valuation & Action

เรายังคงคำแนะนำซื้อ และให้ราคาเป้าหมาย DCF ที่ 22.30 บาท

### Risks

COVID-19 ระบาด, ปัญหาเสถียรภาพทางการเมืองรอบใหม่ของไทย และเกิดเหตุก่อการร้ายครั้งใหญ่

### Key financials and valuations

	Dec-17A	Dec-18A	Dec-19A	Dec-20F	Dec-21F
Revenue (Bt mn)	7,255	8,073	8,880	9,318	10,249
Gross profit (Bt mn)	2,378	2,679	2,828	2,982	3,382
EBIT (Bt mn)	1,526	1,659	1,715	1,854	2,091
Net profit (Bt mn)	917	1,089	1,135	1,197	1,359
EPS (Bt)	0.37	0.44	0.46	0.48	0.54
DPS (Bt)	0.12	0.12	0.11	0.12	0.14
EPS growth (%)	21.8	18.8	4.2	5.5	13.5
P/E (x)	39.2	33.0	31.6	30.0	26.4
P/B (x)	6.1	5.6	5.1	5.1	4.8
EV/EBITDA (x)	19.1	17.8	17.0	15.9	14.3
Net Debt to Equity (%)	58.0	61.8	65.9	65.8	61.5
Dividend Yield (%)	0.8	0.8	0.8	0.8	0.9
Return on Avg. Equity (%)	15.5	17.0	16.3	16.9	18.3

Source: Company data, KGI Research

**Figure 1: BCH's 3Q20 earnings performance**

Bt mn	3Q20	3Q19	YoY (%)	2Q20	QoQ (%)	9M20	9M19	YoY (%)
Sale revenue	2,359	2,469	(4.5)	2,083	13.3	6,620	6,684	(1.0)
Operating cost	(1,496)	(1,590)	(5.9)	(1,392)	7.5	(4,403)	(4,517)	(2.5)
Gross profit	863	879	(1.9)	691	24.9	2,216	2,168	2.3
SG&A	(276)	(317)	(13.0)	(280)	(1.3)	(849)	(912)	(6.8)
EBIT	606	594	2.1	432	40.5	1,427	1,346	6.0
Net profit	413	402	2.8	279	48.3	951	894	6.4
EPS (Bt)	0.17	0.16	2.8	0.11	48.3	0.38	0.36	6.4
Percent	3Q20	3Q19	YoY (ppts)	2Q20	QoQ (ppts)	9M20	9M19	YoY (ppts)
Gross margin	36.6	35.6	1.0	33.2	3.4	33.5	32.4	1.1
SG&A/Sales	11.7	12.9	(1.1)	13.4	(1.7)	12.8	13.6	(0.8)
Net profit margin	17.5	16.3	1.2	13.4	4.1	14.4	13.4	1.0
<i>Revenue by hospital breakdown</i>								
	3Q20	3Q19	YoY (%)	2Q20	QoQ (%)	9M20	9M19	YoY (%)
Kasemrad (Bt mn)	1,958	1,975	(0.9)	1,681	16.5	5,354	5,420	(1.2)
Karunvej (Bt mn)	165	136	21.6	117	41.3	418	388	7.7
WMC (Bt mn)	236	358	(34.1)	285	(17.1)	848	876	(3.2)
<i>Revenue by patient type</i>								
	3Q20	3Q19	YoY (%)	2Q20	QoQ (%)	9M20	9M19	YoY (%)
OPD (Bt mn)	915	862	6.2	839	9.1	2,410	2,046	17.8
IPD (Bt mn)	530	743	(28.7)	490	8.2	1,753	2,249	(22.0)
SS (Bt mn)	913	864	5.6	753	21.2	2,457	2,390	2.8
<i>Revenue by hospital breakdown</i>								
	3Q20	3Q19	YoY (ppts)	2Q20	QoQ (ppts)	9M20	9M19	YoY (ppts)
Kasemrad (%)	83.0	80.0	3.0	80.7	2.3	80.9	81.1	(0.2)
Karunvej (%)	7.0	5.5	1.5	5.6	1.4	6.3	5.8	0.5
WMC (%)	10.0	14.5	(4.5)	13.7	(3.7)	12.8	13.1	(0.3)
<i>Revenue by patient type</i>								
	3Q20	3Q19	YoY (ppts)	2Q20	QoQ (ppts)	9M20	9M19	YoY (ppts)
OPD (%)	38.8	34.9	3.9	40.3	(1.5)	36.4	30.6	5.8
IPD (%)	22.5	30.1	(7.6)	23.5	(1.1)	26.5	33.6	(7.2)
SS (%)	38.7	35.0	3.7	36.2	2.5	37.1	35.8	1.4

Source: Company data, KGI Research

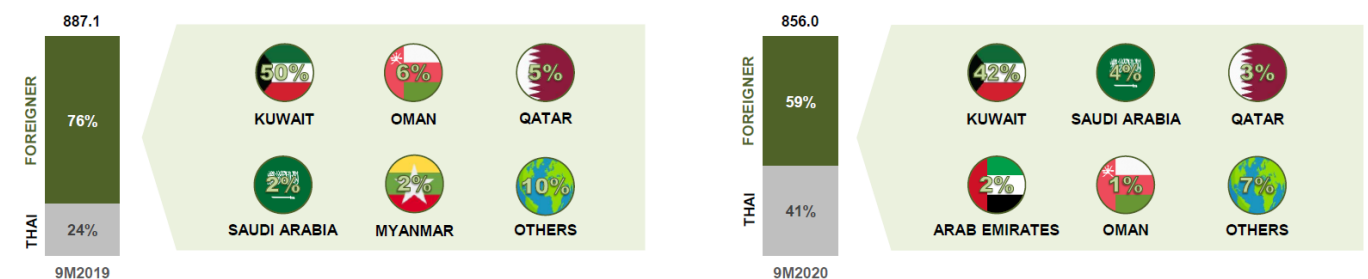
**Figure 2: WMC's revenue per bill**

	2014	2015	2016	2017	2018	2019	9M19	9M20
Thai OPD (Bt)	2,500	2,635	2,720	2,950	2,900	2,950	2,830	3,955
Foreign OPD (Bt)	4,540	6,250	8,180	9,650	8,455	7,680	7,835	8,930
Thai IPD (Bt)	44,330	43,190	45,955	61,130	60,800	53,100	52,480	55,700
Foreign iPD (Bt)	180,980	180,360	218,640	261,300	815,900	1,192,000	1,152,210	1,812,190
IPD Length of stay - Thai (days)	2.2	2.2	2.2	2.2	2.1	2.5	2.5	2.6
IPD Length of stay - Foreign (days)	4.3	3.5	4.6	5.9	15.8	22.2	22.5	29.3
Thai IPD per day (Bt)	20,150	19,632	20,889	27,786	28,952	21,240	20,992	21,423
Foreign IPD per day (Bt)	42,088	51,531	47,530	44,288	51,639	53,694	51,209	61,849

Source: Company data, KGI Research

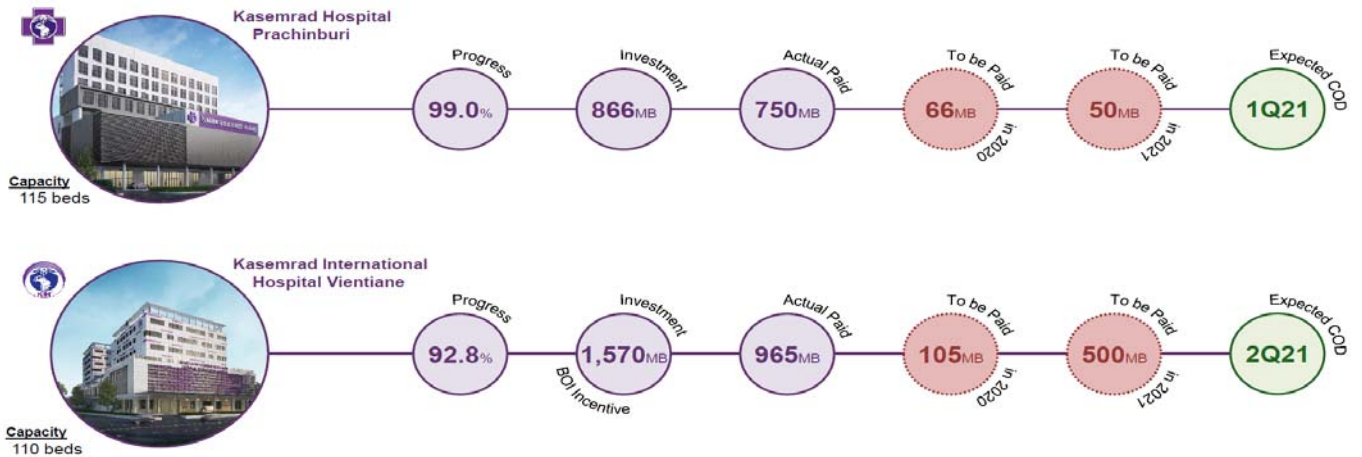
**Figure 3: WMC's revenue mix by patients' nationality**

Unit: Mb.



Source: Company data

Figure 4: Projects in pipeline (as of November 15, 2020)



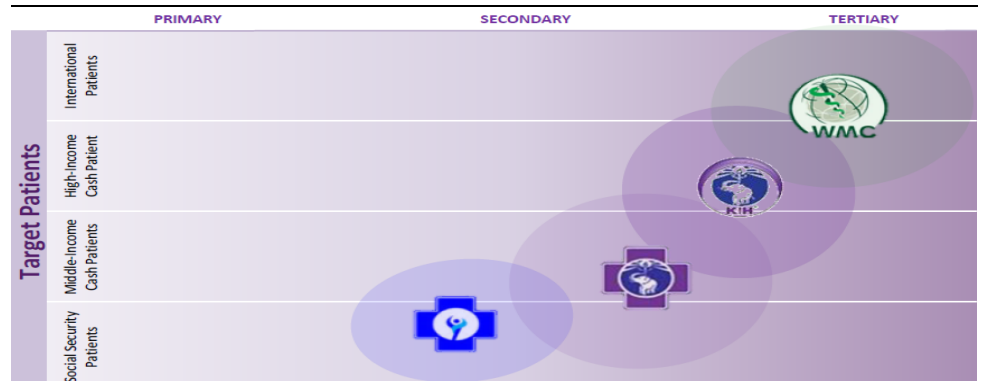
Source: Company data, KGI Research

Figure 5: COVID-19 vaccine's development (as of November 17, 2020)








Source: The Standard Co.

Figure 6: Level of excellence



Source: Company data, KGI Research

**Figure 7: Hospital brands**

	Hospital Brands	#Hospitals	#Beds
	World Medical Hospital ( <b>WMC</b> )	1	150
	Kasemrad International Hospital ( <b>KIH</b> )	2	184
	Kasemrad Hospital ( <b>KH</b> )	8	1,390
	Karunvej Hospital ( <b>KV</b> )	2	305
<b>TOTAL</b>		<b>13</b>	<b>2,029</b>

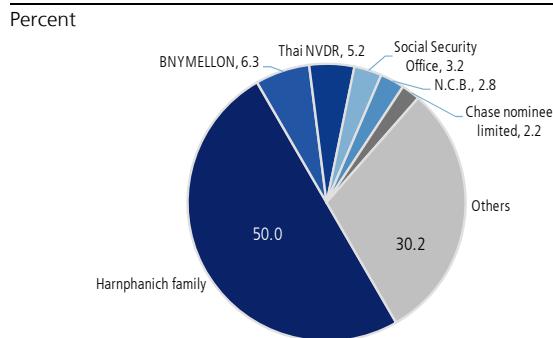
Source: Company data, KGI Research

**Figure 8: Company profile**

Bangkok Chain Hospital (BCH) was established in 1993 with initial capital of Bt150mn. In 2013, the company expanded with three additional hospitals including i) World Medical Hospital (WMH) on Chaengwattana Road, which focuses on the high-end market from both local and international patients with international standards and modern medical equipment, and ii) acquisition of two Navanakorn Hospitals in Pathumthani and Ayudhya. Currently, the company operates 11 hospitals and two poly clinics within the network with 2,328 registered beds. The company serves all types of customers both in Bangkok and upcountry.

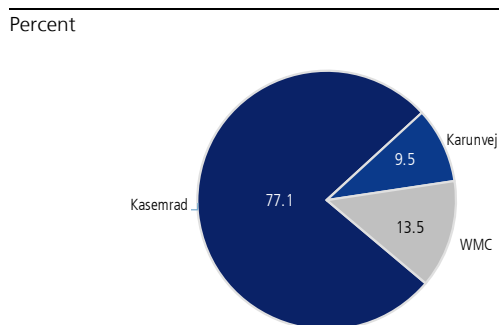
Source: Company data

**Figure 9: Shareholding structure**



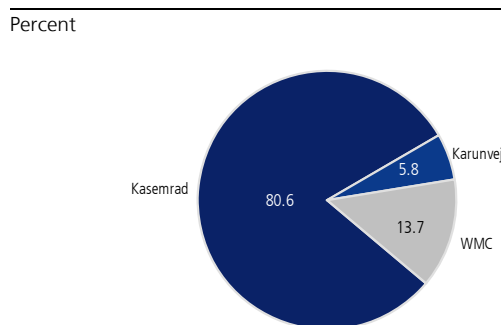
Source: Company data, KGI Research

**Figure 10: Revenue contribution by brand in 2018**



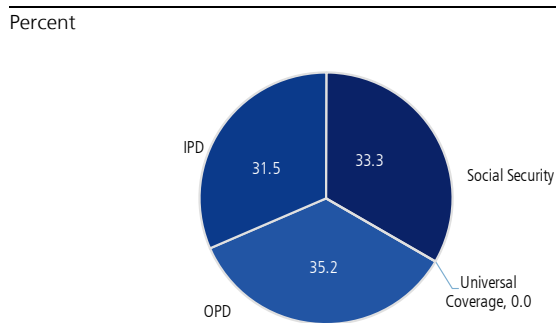
Source: Company data, KGI Research

**Figure 11: Revenue contribution by brand in 2019**



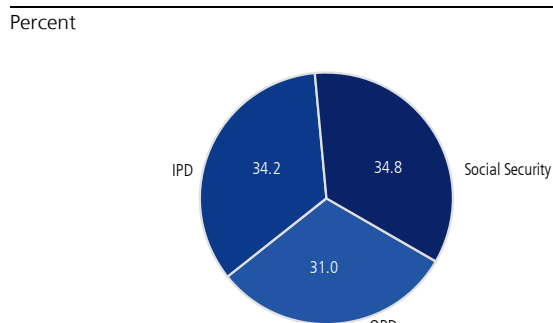
Source: Company data, KGI Research

**Figure 12: Revenue contribution by patient type in 2018**



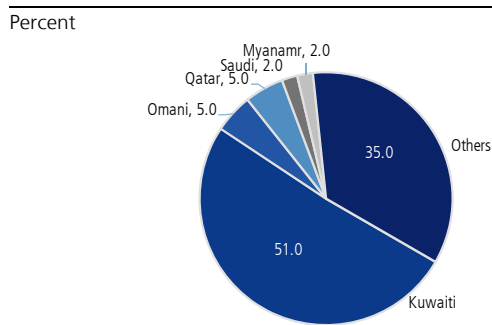
Source: Company data, KGI Research

**Figure 13: Revenue contribution by patient type in 2019**



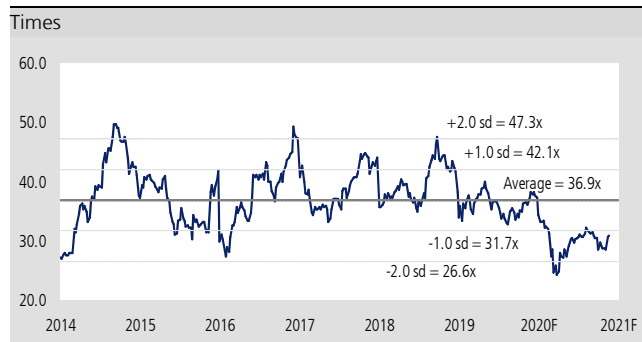
Source: Company data, KGI Research

**Figure 14: WMC's 2019 revenue breakdown by nationality**



Source: Company data, KGI Research

**Figure 15: PE band**



Source: Bloomberg, KGI Research

**Quarterly Income Statement**

	Mar-17A	Jun-17A	Sep-17A	Dec-17A	Mar-18A	Jun-18A	Sep-18A	Dec-18A	Mar-19A	Jun-19A	Sep-19A	Dec-19A	Mar-20A	Jun-20A	Sep-20A
<b>Income Statement (Bt mn)</b>															
Revenue	1,622	1,676	2,004	1,953	1,822	1,918	2,228	2,105	2,078	2,137	2,469	2,196	2,178	2,083	2,359
Cost of Goods Sold	(1,154)	(1,140)	(1,299)	(1,283)	(1,250)	(1,277)	(1,432)	(1,435)	(1,444)	(1,483)	(1,590)	(1,535)	(1,515)	(1,392)	(1,496)
<b>Gross Profit</b>	<b>468</b>	<b>536</b>	<b>704</b>	<b>670</b>	<b>573</b>	<b>641</b>	<b>796</b>	<b>670</b>	<b>635</b>	<b>654</b>	<b>879</b>	<b>661</b>	<b>663</b>	<b>691</b>	<b>863</b>
<b>Operating Expenses</b>	<b>(209)</b>	<b>(271)</b>	<b>(226)</b>	<b>(254)</b>	<b>(255)</b>	<b>(288)</b>	<b>(300)</b>	<b>(289)</b>	<b>(288)</b>	<b>(306)</b>	<b>(317)</b>	<b>(320)</b>	<b>(293)</b>	<b>(280)</b>	<b>(276)</b>
Other incomes	26	27	16	38	22	27	27	35	28	30	32	28	20	21	20
<b>Operating Profit</b>	<b>285</b>	<b>292</b>	<b>495</b>	<b>455</b>	<b>340</b>	<b>380</b>	<b>523</b>	<b>416</b>	<b>374</b>	<b>378</b>	<b>594</b>	<b>369</b>	<b>389</b>	<b>432</b>	<b>606</b>
<b>Non-Operating Income</b>															
Interest Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Non-op Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Non-Operating Expenses</b>															
Interest Expense	(39)	(28)	(34)	(35)	(33)	(30)	(31)	(32)	(32)	(34)	(35)	(29)	(30)	(32)	(35)
Other Non-op Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Investment Income/(Loss)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Pre-tax Profit</b>	<b>246</b>	<b>264</b>	<b>460</b>	<b>420</b>	<b>307</b>	<b>350</b>	<b>492</b>	<b>384</b>	<b>342</b>	<b>343</b>	<b>559</b>	<b>339</b>	<b>359</b>	<b>399</b>	<b>572</b>
Current taxation	(40)	(51)	(95)	(85)	(53)	(62)	(88)	(82)	(59)	(65)	(101)	(62)	(63)	(75)	(107)
Minorities	(41)	(40)	(63)	(57)	(39)	(38)	(47)	(34)	(35)	(36)	(56)	(36)	(37)	(46)	(52)
Extraordinary items	-	(0)	-	0	-	0	-	(0)	-	1	-	(1)	-	1	-
<b>Net Profit</b>	<b>165</b>	<b>172</b>	<b>303</b>	<b>278</b>	<b>215</b>	<b>250</b>	<b>357</b>	<b>268</b>	<b>248</b>	<b>244</b>	<b>402</b>	<b>241</b>	<b>259</b>	<b>279</b>	<b>413</b>
EPS (Bt)	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.1	0.1	0.1	0.2
<b>Margins (%)</b>															
Gross profit margin	28.8	32.0	35.2	34.3	31.4	33.4	35.7	31.8	30.5	30.6	35.6	30.1	30.4	33.2	36.6
Operating margin	17.6	17.4	24.7	23.3	18.7	19.8	23.5	19.8	18.0	17.7	24.1	16.8	17.9	20.7	25.7
Net profit margin	10.2	10.3	15.1	14.2	11.8	13.0	16.0	12.8	11.9	11.4	16.3	11.0	11.9	13.4	17.5
<b>Growth (%)</b>															
Revenue growth	5.2	9.5	14.7	15.4	12.4	14.4	11.2	7.8	14.0	11.4	10.8	4.3	4.8	(2.5)	(4.5)
Operating growth	(3.4)	0.8	27.9	36.7	19.4	30.3	5.7	(8.5)	10.0	(0.5)	13.6	(11.4)	4.0	14.2	2.1
Net profit growth	5.8	10.0	24.4	40.3	30.2	45.3	17.8	(3.4)	15.6	(2.4)	12.8	(10.3)	4.4	14.3	2.8

Source: KGI Research

**Balance Sheet**

As of 31 Dec (Bt mn)	2017	2018	2019	2020F	2021F
<b>Total Assets</b>	<b>12,674</b>	<b>12,627</b>	<b>14,116</b>	<b>14,448</b>	<b>15,129</b>
<b>Current Assets</b>	3,364	2,549	2,967	3,064	3,504
Cash & ST Investments	486	646	792	888	1,122
Inventories	204	238	231	280	303
Accounts Receivable	1,091	1,564	1,853	1,805	1,985
Others	1,583	101	90	92	95
<b>Non-current Assets</b>	9,310	10,079	11,149	11,383	11,624
LT Investments	1,024	1,010	1,006	1,006	1,006
Net fixed Assets	7,887	8,665	9,944	10,170	10,402
Others	400	404	198	208	216
<b>Total Liabilities</b>	<b>6,762</b>	<b>6,230</b>	<b>7,137</b>	<b>7,386</b>	<b>7,704</b>
<b>Current Liabilities</b>	2,276	1,740	2,186	2,372	2,579
Accounts Payable	567	792	852	930	1,008
ST Borrowings	1,150	346	718	765	826
Others	559	602	615	677	745
<b>Long-term Liabilities</b>	4,486	4,489	4,952	5,014	5,125
Long-term Debts	4,344	4,354	4,759	4,855	4,952
Others	142	136	192	159	173
<b>Shareholders' Equity</b>	<b>5,912</b>	<b>6,398</b>	<b>6,978</b>	<b>7,061</b>	<b>7,425</b>
Common Stock	2,494	2,494	2,494	2,494	2,494
Capital Surplus	645	645	645	645	645
Retained Earnings	1,837	2,352	2,935	3,349	3,990
Others	936	908	905	574	297

Source: KGI Research

**Key Ratios**

Year to 31 Dec (Bt mn)	2017	2018	2019	2020F	2021F
<b>Growth (% YoY)</b>					
Sales	11.4	11.3	10.0	4.9	10.0
OP	17.0	8.7	3.4	8.1	12.8
EBITDA	13.5	8.3	6.5	7.3	10.6
NP	21.8	18.8	4.2	5.5	13.5
EPS	21.8	18.8	4.2	5.5	13.5
<b>Profitability (%)</b>					
Gross Margin	32.8	33.2	31.8	32.0	33.0
Operating Margin	21.0	20.5	19.3	19.9	20.4
EBITDA Margin	28.4	27.7	26.8	27.4	27.6
Net Profit Margin	12.6	13.5	12.8	12.8	13.3
ROAA	7.2	8.6	8.0	8.3	9.0
ROAE	15.5	17.0	16.3	16.9	18.3
<b>Stability</b>					
Gross Debt/Equity (%)	92.9	73.5	78.5	79.6	77.8
Net Debt/Equity (%)	58.0	61.8	65.9	65.8	61.5
Interest Coverage (x)	8.0	11.2	13.2	13.1	13.8
Interest & ST Debt Coverage (x)	1.2	3.5	2.0	2.1	2.2
Cash Flow Interest Coverage (x)	13.3	12.9	14.6	14.9	16.0
Cash Flow/Interest & ST Debt (x)	1.4	3.4	2.2	2.2	2.3
Current Ratio (x)	1.5	1.5	1.4	1.3	1.4
Quick Ratio (x)	1.4	1.3	1.3	1.2	1.2
Net Debt (Bt mn)	5,151	4,190	4,877	4,891	4,829
<b>Per Share Data (Bt)</b>					
EPS	0.4	0.4	0.5	0.5	0.5
CFPS	0.2	0.3	0.3	0.4	0.4
BVPS	2.4	2.6	2.8	2.8	3.0
SPS	2.9	3.2	3.6	3.7	4.1
EBITDA/Share	0.8	0.9	1.0	1.0	1.1
DPS	0.1	0.1	0.1	0.1	0.1
<b>Activity</b>					
Asset Turnover (x)	0.6	0.6	0.7	0.7	0.7
Days Receivables	54.9	70.7	76.2	70.7	70.7
Days Inventory	10.3	10.8	9.5	11.0	10.8
Days Payable	42.5	53.6	51.4	53.6	53.6
Cash Cycle	22.7	27.9	34.3	28.1	27.9

Source: KGI Research

**Profit & Loss**

Year to 31 Dec (Bt mn)	2017	2018	2019	2020F	2021F
<b>Sales</b>	<b>7,255</b>	<b>8,073</b>	<b>8,880</b>	<b>9,318</b>	<b>10,249</b>
Cost of Goods Sold	(4,877)	(5,394)	(6,052)	(6,336)	(6,867)
<b>Gross Profit</b>	<b>2,378</b>	<b>2,679</b>	<b>2,828</b>	<b>2,982</b>	<b>3,382</b>
Operating Expenses	(852)	(1,020)	(1,114)	(1,127)	(1,291)
<b>Operating Profit</b>	<b>1,526</b>	<b>1,659</b>	<b>1,715</b>	<b>1,854</b>	<b>2,091</b>
Net Interest	(136)	(126)	(131)	(135)	(139)
Interest Income	0	0	0	0	0
Interest Expense	(136)	(126)	(131)	(135)	(139)
Net Investment Income/(Loss)	0	0	0	0	0
Net other Non-op. Income/(Loss)	108	112	118	130	143
Net Extraordinaries	(202)	(159)	(163)	(179)	(203)
Pretax Income	1,390	1,533	1,584	1,720	1,952
Income Taxes	(271)	(285)	(286)	(344)	(390)
<b>Net Profit</b>	<b>917</b>	<b>1,089</b>	<b>1,135</b>	<b>1,197</b>	<b>1,359</b>
EBITDA	2,064	2,235	2,379	2,552	2,824
<b>EPS (Bt)</b>	<b>0.37</b>	<b>0.44</b>	<b>0.46</b>	<b>0.48</b>	<b>0.54</b>

Source: KGI Research

**Cash Flow**

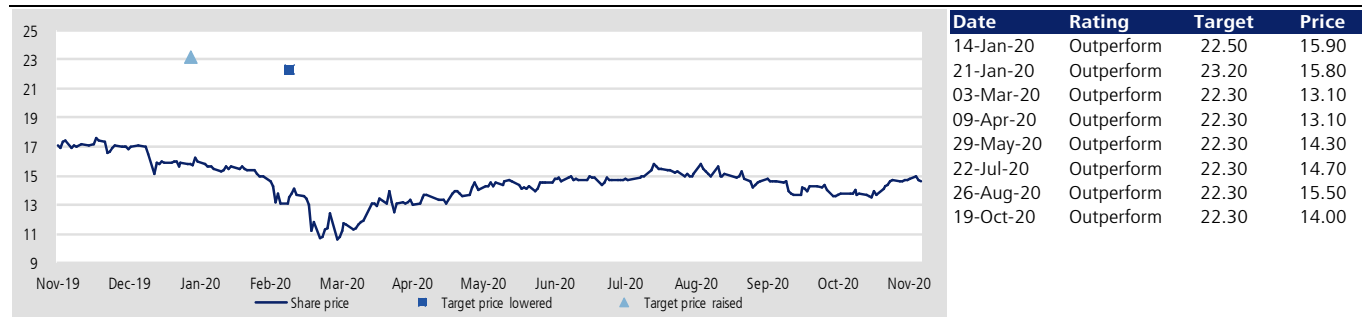
Year to 31 Dec (Bt mn)	2017	2018	2019	2020F	2021F
<b>Operating Cash Flow</b>	1,814	1,618	1,902	2,013	2,225
Net Profit	917	1,089	1,135	1,197	1,359
Depreciation & Amortization	538	576	665	698	733
Change in Working Capital	(1,354)	1,243	(198)	(198)	(198)
Others	1,712	(1,291)	301	316	332
<b>Investment Cash Flow</b>	(2,483)	241	(1,729)	(1,242)	(1,288)
Net CAPEX	(1,090)	(1,232)	(1,741)	(1,794)	(1,848)
Change in LT Investment	(0)	(0)	(0)	(0)	(0)
Change in Other Assets	(1,393)	1,473	12	552	559
<b>Free Cash Flow</b>	(669)	1,859	173	771	937
<b>Financing Cash Flow</b>	642	(1,699)	(27)	(676)	(703)
Change in Share Capital	0	0	0	0	0
Net Change in Debt	(516)	(990)	289	5	15
Change in Other LT Liab.	1,158	(709)	(315)	(681)	(718)
<b>Net Cash Flow</b>	(27)	160	147	95	234

Source: KGI Research

**Rates of Return on Invested Capital**

Year	1 - $\frac{\text{COGS}}{\text{Revenue}}$	+ $\frac{\text{Depreciation}}{\text{Revenue}}$	+ $\frac{\text{Operating Exp.}}{\text{Revenue}}$	= $\frac{\text{Operating Margin}}{\text{Revenue}}$			
2017	67.2%	7.4%	13.2%	12.1%			
2018	66.8%	7.1%	14.0%	12.0%			
2019	68.2%	7.5%	13.9%	10.5%			
2020F	68.0%	7.5%	13.5%	11.0%			
2021F	67.0%	7.2%	14.0%	11.8%			
Year	1/ $\frac{\text{Working Capital}}{\text{Revenue}}$	+ $\frac{\text{Net PPE}}{\text{Revenue}}$	+ $\frac{\text{Other Assets}}{\text{Revenue}}$	= $\frac{\text{Capital Turnover}}{\text{Revenue}}$			
2017	0.17	1.07	1.75	0.34			
2018	0.21	1.06	1.56	0.35			
2019	0.23	1.08	1.59	0.34			
2020F	0.22	1.05	1.55	0.35			
2021F	0.23	0.98	1.48	0.37			
Year	Operating Margin	x	Capital Turnover	x	Cash Tax Rate	=	After-tax Return on Inv. Capital
2017	12.1%		0.3		80.5%		3.3%
2018	12.0%		0.4		81.4%		3.5%
2019	10.5%		0.3		81.9%		3.0%
2020F	11.0%		0.4		80.0%		3.1%
2021F	11.8%		0.4		80.0%		3.5%

Source: KGI Research

**Bangkok Chain Hospital – Recommendation & target price history**


Source: KGI Research



# Corporate Governance Report of Thai Listed Companies



## Companies with Excellent CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
ADVANC	ADVANCED INFO SERVICE	HMPRO	HOME PRODUCT CENTER	QH	QUALITY HOUSES
ANAN	ANANDA DEVELOPMENT	INTUCH	SHIN CORPORATION	RATCH	RATCHABURI ELECTRICITY GENERATING HOLDING
AOT	AIRPORTS OF THAILAND	IRPC	IRPC	ROBINS	ROBINSON DEPARTMENT STORE
AP	ASIAN PROPERTY DEVELOPMENT	IVL	INDORAMA VENTURES	SAMART	SAMART CORPORATION
BANPU	BANPU	KBANK	KASIKORN BANK	SAMTEL	SAMART TELCOMS
BCP	THE BANGCHAK PETROLEUM	KCE	KCE ELECTRONICS	SCB	THE SIAM COMMERCIAL BANK
BTS	BTS GROUP HOLDINGS	KKP	KIATNAKIN BANK	SCC	THE SIAM CEMENT
CK	CH. KARNCHANG	KTB	KRUNG THAI BANK	SCCC	SIAM CITY CEMENT
CPF	CHAROEN POKPHAND FOODS	KTC	KRUNGTHAI CARD	SPALI	SUPALAI
CPN	CENTRAL PATTANA	LPN	L.P.N. DEVELOPMENT	SPRC	STAR PETROLEUM REFINING
DELTA	DELTA ELECTRONICS (THAILAND)	MINT	MINOR INTERNATIONAL	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION
DTAC	TOTAL ACCESS COMMUNICATION	MONO	MONO TECHNOLOGY	SVI	SVI
EASTW	EASTERN WATER RESOURCES DEVELOPMENT AND MANAGE	PLANB	PLAN B MEDIA	TCAP	THANACHART CAPITAL
EGCO	ELECTRICITY GENERATING	PSH	PRUKSA HOLDING	THCOM	THAICOM
GFPT	GFPT	PTT	PTT	TISCO	TISCO FINANCIAL GROUP
GPSC	GLOBAL POWER SYNERGY	PTTEP	PTT EXPLORATION AND PRODUCTION	TMB	TMB BANK
GUNKUL	GUNKUL ENGINEERING	PTTGC	PTT GLOBAL CHEMICAL	TOP	THAI OIL
HANA	HANA MICROELECTRONICS	PYLON	PYLON	TRUE	TRUE CORPORATION



## Companies with Very Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	ERW	THE ERAWAN GROUP	SAWAD	SRISAWAD POWER 1979
AMATA	AMATA CORPORATION	GLOBAL	SIAM GLOBAL HOUSE	SCI	SCI ELECTRIC
BBL	BANGKOK BANK	GLOW	GLOW ENERGY	SCN	SCAN INTER
BCPG	BCPG	LH	LAND AND HOUSES	SEAFCO	SEAFCO
BDMS	BANGKOK DUSIT MEDICAL SERVICES	MAJOR	MAJOR CINEPLEX GROUP	SIRI	SANSIRI
BEM	BANGKOK EXPRESSWAY AND METRO	MAKRO	SIAM MAKRO	SMT	STARS MICROELECTRONICS (THAILAND)
CENTEL	CENTRAL PLAZA HOTEL	MALEE	MALEE SAMPRAN	TASCO	TIPCO ASPHALT
CHG	CHULARAT HOSPITAL	MTLS	MUANGTHAI LEASING	TKN	TAOKAENOI FOOD & MARKETING
CKP	CK POWER	NOK	NOK AIRLINES	TVO	THAI VEGETABLE OIL
DCC	DYNASTY CERAMIC	RS	RS	TWPC	THAI WAH



## Companies with Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
AMA	AMA MARINE	BPP	BANPU POWER	SQ	SAHAKOL EQUIPMENT
BA	BANGKOK AIRWAYS	CBG	CARABAO GROUP	TPCH	TPC POWER HOLDING
BCH	BANGKOK CHAIN HOSPITAL	LPH	LADPRAO GENERAL HOSPITAL		
BH	BUMRUNGRAD HOSPITAL	SAPPE	SAPPE		

## Companies classified Not in the three highest score groups

Stock	Company name	Stock	Company name	Stock	Company name
BGRIM	B. GRIMM POWER	TOA	TOA PAINT (THAILAND)	WHAUP	WHA UTILITIES AND POWER
CPALL	CP ALL	UNIQ	UNIQUE ENGINEERING AND CONSTRUCTION	WORK	WORKPOINT ENTERTAINMENT
THAI	THAI AIRWAYS INTERNATIONAL	WHA	WHA CORPORATION		

Source: www.thai-iod.com

**Disclaimer:** The disclosure of the survey result 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 assessment 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 result may be changed after that date or when there is any change to the relevant information. Nevertheless, KGI Securities (Thailand) Public Company Limited (KGI) does not confirm, verify, or certify the accuracy and completeness of such survey result.

# Anti-corruption Progress Indicator

## Level 5: Extended

Stock	Company name	Stock	Company name	Stock	Company name
CPN	CENTRAL PATTANA	SCC	THE SIAM CEMENT		

## Level 4: Certified

Stock	Company name	Stock	Company name	Stock	Company name
ADVANC	ADVANCED INFO SERVICE	IFEC	INTER FAR EAST ENGINEERING	SVI	SVI
BBL	BANGKOK BANK	KBANK	KASIKORN BANK	TCAP	THANACHART CAPITAL
DCC	DYNASTY CERAMIC	KKP	KIATNAKIN BANK	TISCO	TISCO FINANCIAL GROUP
DRT	DIAMOND ROOFING TILES	KTB	KRUNG THAI BANK	TMB	TMB BANK
EGCO	ELECTRICITY GENERATING	MINT	MINOR INTERNATIONAL		
ERW	THE ERAWAN GROUP	SCB	THE SIAM COMMERCIAL BANK		

## Level 3: Established

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	DTAC	TOTAL ACCESS COMMUNICATION	PACE	PACE DEVELOPMENT CORPORATION
ANAN	ANANDA DEVELOPMENT	GFPT	GFPT	PS	PRUKSA REAL ESTATE
AP	ASIAN PROPERTY DEVELOPMENT	GL	GROUP LEASE	RATCH	RATCHABURI ELECTRICITY GENERATING HOLDING
BA	BANGKOK AIRWAYS	GLOW	GLOW ENERGY	ROBINS	ROBINSON DEPARTMENT STORE
BDMS	BANGKOK DUSIT MEDICAL SERVICES	GPSC	GLOBAL POWER SYNERGY	SAMART	SAMART CORPORATION
BIGC	BIG C SUPERCENTER	HMPRO	HOME PRODUCT CENTER	SPALI	SUPALAI
BJCHI	BJC HEAVY INDUSTRIES	KTC	KRUNGTHAI CARD	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION
CENDEL	CENTRAL PLAZA HOTEL	LPN	L.P.N. DEVELOPMENT	TASCO	TIPCO ASPHALT
CHG	CHULARAT HOSPITAL	MAKRO	SIAM MAKRO	TMT	THAI METAL TRADE
CK	CH. KARNCHANG	MODERN	MODERNFORM GROUP	TPCH	TPC POWER HOLDING
CKP	CK POWER	NOK	NOK AIRLINES	WHA	NOK AIRLINES

## Level 2: Declared

Stock	Company name	Stock	Company name	Stock	Company name
AOT	AIRPORTS OF THAILAND	GUNKUL	GUNKUL ENGINEERING	QH	QUALITY HOUSES
BH	BUMRUNGRAD HOSPITAL	ILINK	INTERLINK COMMUNICATION	TRT	TIRATHAI
GLOBAL	SIAM GLOBAL HOUSE	MTLS	MUANGTHAI LEASING	TVO	THAI VEGETABLE OIL

## Level 1: Committed

Stock	Company name	Stock	Company name	Stock	Company name
CBG	CARABAO GROUP	RS	RS	SAWAD	SRI SAWAD POWER 1979
MAJOR	MAJOR CINEPLEX GROUP				

## No progress

Stock	Company name	Stock	Company name	Stock	Company name
BCH	BANGKOK CHAIN HOSPITAL	CPALL	CP ALL	WORK	WORKPOINT ENTERTAINMENT
BEM	BANGKOK EXPRESSWAY AND METRO	LPH	LADPRAO GENERAL HOSPITAL		

Source: www.cgthailand.org

**Disclaimer:** The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by the relevant institution as disclosed by the Office of the Securities and Exchange Commission, is made in order to comply with the policy and sustainable development plan for the listed companies. The relevant institution 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 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, KGI Securities (Thailand) Public Company Limited (KGI) does not confirm, verify, or certify the accuracy and completeness of the assessment result.

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**KGI's Ratings**

<b>Rating</b>	<b>Definition</b>
Outperform (OP)	The stock's excess return over the next twelve months is ranked in the top 40% of KGI's coverage universe in the related market (e.g. Taiwan)..
Neutral (N)	The stock's excess return over the next twelve months is ranked in the range between the top 40% and the bottom 40% of KGI's coverage universe in the related market (e.g. Taiwan)
Under perform (U)	The stock's excess return over the next twelve months is ranked in the bottom 40% of KGI's coverage universe in the related market (e.g. Taiwan).
Not Rated (NR)	The stock is not rated by KGI.
Restricted (R)	KGI policy and/or applicable law regulations preclude certain types of communications, including an investment recommendation, during the course of KGI's engagement in an investment banking transaction and in certain other circumstances.  <i>Excess return = 12M target price/current price-</i>
Note	When an analyst publishes a new report on a covered stock, we rank the stock's excess return with those of other stocks in KGI's coverage universe in the related market. We will assign a rating based on its ranking. If an analyst does not publish a new report on a covered stock, its rating will not be changed automatically.

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