

Bangkok Chain Hospital

(BCH.BK/BCH TB)*



SET ESG Rating of AA

Outperform • Maintained

Price as of 3 Dec 2024	17.10
12M target price (Bt/shr)	21.70
Unchanged/Revised up(down)(%)	Unchanged
Upside/downside (%)	26.9

Key messages

เราประเมินในเบื้องต้นว่า ผลการดำเนินงานของ BCH น่าจะแผ่วลง QoQ ใน 4Q67F ส่วนประเด็นผู้ป่วยฉุกเฉิน เราคาดว่าจะเห็นความคืบหน้าในประเด็นนี้หลังปีใหม่ตามกำหนดการขอราคาของ WMC ที่หนึ่งเดือน ขณะที่ประเด็น RW>2 หลังจากการประชุมรอบที่สอง คณะกรรมการของ SSO ตกลงรับประกันว่าจะจ่ายที่อัตรา 12,000 บาท/RW จากปี 2568 ไป ซึ่งเป็นปัจจัยบวกสำหรับ BCH เพราะจะทำให้รายได้จาก RW>2 ในอนาคตมีความแน่นอนมากขึ้น ซึ่งจะช่วยให้ประมาณการกำไรของเรามี upside อีก 2% อย่างไรก็ตาม ข้อสรุปเรื่องดังกล่าวจะเกิดขึ้นในการประชุมรอบสุดท้ายวันที่ 6 ธันวาคม ทั้งนี้ เราขังลงคำแนะนำซื้อ และประเมินราคาเป้าหมาย DCF ปี 2568 ที่ 21.70 บาท (ใช้ WACC ที่ 7.5% และ TG ที่ 3.0%)

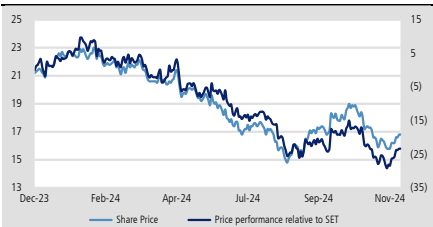
Trading data

Mkt cap (Btbn/US\$bn)	42.6/1,242.3		
Outstanding shares (mn)	2,494		
Foreign ownership (mn)	163		
3M avg. daily trading (mn)	14		
52-week trading range (Bt)	14.8-23.0		
Performance (%)	3M	6M	12M
Absolute	4.3	(10.0)	(20.1)
Relative	(2.1)	(17.8)	(24.0)

Quarterly EPS

Bt	Q1	Q2	Q3	Q4
2021	0.13	0.46	1.16	0.99
2022	0.81	0.46	(0.16)	0.11
2023	0.10	0.11	0.18	0.17
2024	0.13	0.11	0.18	

Share price chart



Source: SET

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คาดว่าจะมีข่าวดีเกี่ยวกับ RW>2 จาก SSO

Event

การประชุมนัดสุดท้ายระหว่างสำนักงานประกันสังคม (SSO) และโรงพยาบาลต่าง ๆ เกี่ยวกับการจ่ายค่ารักษาพยาบาลโรคที่มีค่าใช้จ่ายสูง (RW>2) ในวันที่ 6 ธันวาคม 2567

Impact

อัปเดตแนวโน้มของปัจจัยสำคัญที่น่าสนใจ

หลังจากที่เพิ่งประกาศงบ 3Q67 ออกมา เราประเมินในเบื้องต้นว่า ผลการดำเนินงานของ BCH น่าจะแผ่วลง QoQ ใน 4Q67F โดยแนวโน้มที่สำคัญและน่าสนใจของธุรกิจมีดังนี้

i) **ประเด็นผู้ป่วยฉุกเฉิน** เราคาดว่าจะเห็นความคืบหน้าในประเด็นนี้หลังปีใหม่ เนื่องจากมีการขอรายการค่ารักษาต่างๆ ของ WMC ในช่วงหนึ่งเดือนที่ผ่านมา เราคิดว่าผู้ป่วยฉุกเฉินที่มี intensity สูงจะกลับมาใช้บริการอีกครั้ง แต่อย่างไรก็ตาม ยังไม่สามารถระบุได้แน่ชัดว่ารัฐบาลจะตัดสินใจเรื่องนี้ได้เมื่อไหร่ ซึ่งถ้าหากผู้ป่วยฉุกเฉินกลับมาใช้บริการ จะส่งผลกระทบต่อผลการดำเนินงานของ BCH เพราะจะทำให้ทั้งรายได้, margin และ กำไรในอนาคตดีขึ้นกว่าประมาณการในปัจจุบันของเรา

ii) **SSO จะรับประกันการจ่ายเงินสำหรับกรณี RW>2 จากปี 2568 เป็นต้นไป** โดยในส่วนของ BCH เราคิดว่าประเด็นการจ่ายค่า (RW>2) กดดันผลประโยชน์ของบริษัทมาหลายปีแล้ว เพราะมักจะมีความเสี่ยงที่จะได้รับชำระเงินจาก SSO ที่อัตรา 12,000 บาท/RW ในไตรมาสสุดท้ายของปี ซึ่งสาเหตุสำคัญเป็นเพราะจัดสรรงบประมาณสำหรับ RW>2 ไว้ไม่เพียงพอ โดยในปี 2566 อัตราค่า RW>2 ในช่วงสองเดือนสุดท้ายของปีถูกปรับลดลงมาอยู่ที่ 7,200 บาท/RW ซึ่งทำให้ต้องมีการประชุมร่วมกันระหว่าง SSO และโรงพยาบาลต่าง ๆ ที่ร่วมให้บริการ SSO ทั้งนี้ หลังจากการประชุมรอบที่สอง คณะกรรมการของ SSO ตกลงรับประกันว่าจะจ่ายที่อัตรา 12,000 บาท/RW จากปี 2568 ไป ซึ่งเป็นปัจจัยบวกสำหรับ BCH เพราะจะทำให้รายได้จาก RW>2 ในอนาคตมีความแน่นอนมากขึ้น

iii) **กรมธรรม์ประกันแบบร่วมกันจ่าย** บริษัทประกันจะออกประกันรูปแบบใหม่โดยไม่เพิ่มเบี้ยสำหรับผู้ป่วยใช้สิทธิ์ประกัน เราคิดว่ากรมธรรม์แบบร่วมกันจ่ายจะเข้ากับผู้ป่วยที่มี intensity สูง ซึ่งผู้ป่วยจะต้องการรักษาในส่วนที่เกินกว่าค่าใช้จ่ายตามกรมธรรม์ โดยผู้บริหารของ BCH มองกลาง ๆ กับประเด็นนี้

ลงประมาณการกำไรปี 2567F-2568F เอาไว้เท่าเดิม

เรายังคงประมาณการกำไรสุทธิปี 2567F เอาไว้ที่ 1.48 พันล้านบาท (+5.5% YoY) และปี 2568F ที่ 1.78 พันล้านบาท (+19.6% YoY) ทั้งนี้ การที่ SSO จะจ่ายค่า RW>2 ที่ 12,000 บาท/RW จะทำให้ประมาณการกำไรของเรามี upside อีก 2% ต่อปี

Valuation & Action

เราขังลงคำแนะนำซื้อ และประเมินราคาเป้าหมาย DCF ปี 2568 ที่ 21.70 บาท (ใช้ WACC ที่ 7.5% และ TG ที่ 3.0%)

Risks

การชำระหนี้ของ SSO, ปัญหาเสถียรภาพทางการเมืองไทยรอบใหม่ และ เกิดเหตุก่อการร้ายครั้งใหญ่

Key financials and valuations

	Dec-21A	Dec-22A	Dec-23A	Dec-24F	Dec-25F
Revenue (Bt mn)	21,405	18,827	11,729	12,454	13,326
Gross profit (Bt mn)	10,844	6,055	3,613	3,711	4,131
EBIT (Bt mn)	9,505	4,201	1,979	2,041	2,425
Net profit (Bt mn)	6,846	3,039	1,406	1,484	1,776
EPS (Bt)	2.74	1.22	0.56	0.60	0.71
DPS (Bt)	1.20	0.80	0.35	0.36	0.39
EPS growth (%)	456.9	(55.6)	(53.7)	5.5	19.6
P/E (x)	7.3	14.3	30.9	29.2	24.4
P/B (x)	3.0	3.2	3.2	2.9	2.6
EV/EBITDA (x)	4.4	8.7	14.6	13.8	11.8
Net Debt to Equity (%)	12.5	9.2	Cash	Cash	Cash
Dividend Yield (%)	6.9	4.6	2.0	2.1	2.3
Return on Avg. Equity (%)	47.9	22.5	10.3	9.9	10.7

Source: Company data, KGI Securities Research

Figure 1: BCH's 3Q24 earnings performance

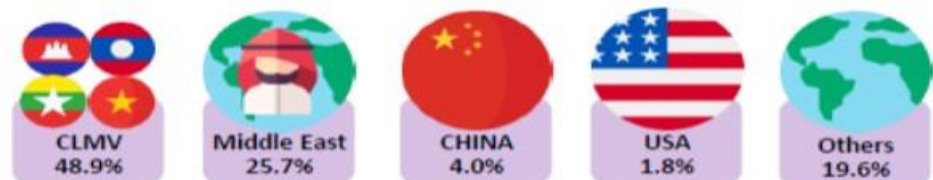
Bt mn	3Q24	3Q23	YoY (%)	2Q24	QoQ (%)	9M24	9M23	YoY (%)
Sale revenue	3,261	3,175	2.7	2,857	14.2	8,962	8,697	3.0
Operating cost	(2,238)	(2,098)	6.7	(2,112)	5.9	(6,394)	(6,022)	6.2
Gross profit	1,023	1,077	(5.0)	744	37.5	2,568	2,675	(4.0)
SG&A	(417)	(470)	(11.3)	(388)	7.4	(1,180)	(1,363)	(13.4)
EBIT	631	633	(0.4)	384	64.0	1,463	1,392	5.1
Net profit	453	441	2.9	277	63.6	1,049	979	7.2
EPS (Bt)	0.18	0.18	2.9	0.11	63.6	0	0	7.2
Percent	3Q24	3Q23	YoY (ppts)	2Q24	QoQ (ppts)	9M24	9M23	YoY (ppts)
Gross margin	31.4	33.9	(2.5)	26.1	5.3	28.7	30.8	(2.1)
SG&A/Sales	12.8	14.8	(2.0)	13.6	(0.8)	13.2	15.7	(2.5)
Net profit margin	13.9	13.9	0.0	9.7	4.2	11.7	11.3	0.5
	3Q24	3Q23	YoY (%)	2Q24	QoQ (%)			
<i>Revenue by hospital breakdown</i>								
Kasemrad (Bt mn)	2,821	2,622	7.6	2,462	14.6			
Karunvej (Bt mn)	119	111	6.8	103	15.4			
WMC (Bt mn)	321	441	(27.3)	291	10.1			
<i>Revenue by patient type</i>								
OPD (Bt mn)	1,214	1,092	11.2	1,083	12.1			
IPD (Bt mn)	949	1,111	(14.6)	834	13.8			
SS and COVID-19 (Bt mn)	1,098	971	13.0	940	16.8			
	3Q24	3Q23	YoY (ppts)	2Q24	QoQ (ppts)			
<i>Revenue by hospital breakdown</i>								
Kasemrad (%)	86.5	82.6	3.9	86.2	0.3			
Karunvej (%)	3.6	3.5	0.1	3.6	0.0			
WMC (%)	9.8	13.9	(4.1)	10.2	(0.4)			
<i>Revenue by patient type</i>								
OPD (%)	37.2	34.4	2.8	37.9	(0.7)			
IPD (%)	29.1	35.0	(5.9)	29.2	(0.1)			
SS and COVID-19 (%)	33.7	30.6	3.1	32.9	0.8			

Source: Company data, KGI Securities Research

Figure 2: Earnings outlook and assumptions

	2023	2024F	2025F
Hospital revenue (Bt mn)	11,729	12,454	13,326
SSO (%)	32.0	33.0	33.0
OPD (%)	34.3	38.0	37.0
IPD (%)	33.7	29.0	30.0
Core profit (Bt mn)	1,406	1,484	1,776
Growth (%)	-53.7	5.5	19.6
Net profit (Bt mn)	1,406	1,484	1,776
Growth (%)	-53.7	5.5	19.6
EPS (Bt)	0.6	0.6	0.7
Growth (%)	-53.7	5.5	19.6
Gross margin (%)	30.8	29.8	31.0

Source: Company data, KGI Securities Research

Figure 3: Revenue from non-Thai patients by nationality in 3Q24


Source: Company data

Figure 4: Social Security quota and registered persons



Source: Company data

Figure 5: Social Security cumulative numbers by hospital brands



Source: Company data

Figure 6: Expansion of new hospitals



Source: Company data

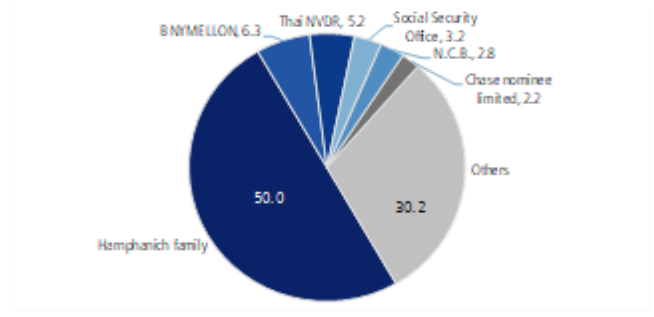
Figure 7: Company profile

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 Navanokorn Hospitals in Pathumthani and Ayudhaya. 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, KGI Securities Research

Figure 8: Shareholding structure

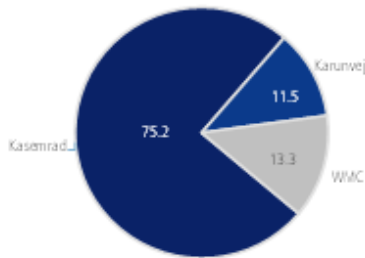
Percent



Source: Company data, KGI Securities Research

Figure 9: Revenue contribution by brand in 2022

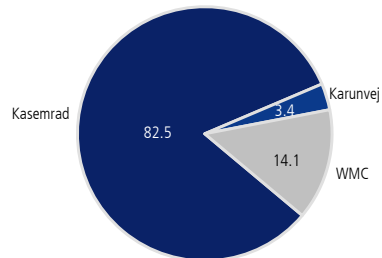
Percent



Source: Company data, KGI Securities Research

Figure 10: Revenue contribution by brand in 2023

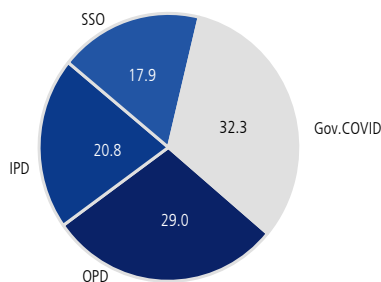
Percent



Source: Company data, KGI Securities Research

Figure 11: Revenue contribution by patient type in 2022

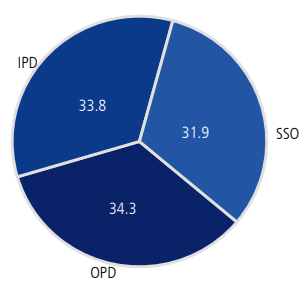
Percent



Source: Company data, KGI Securities Research

Figure 12: Revenue contribution by patient type in 2023

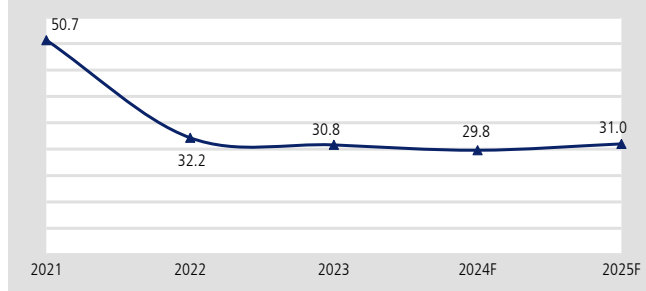
Percent



Source: Company data, KGI Securities Research

Figure 13: Gross margin

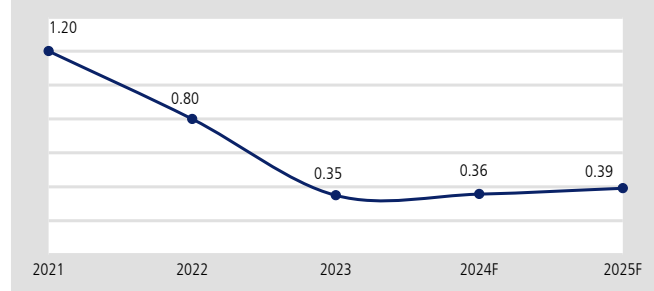
Percent



Source: Company data, KGI Securities Research

Figure 14: Dividend payment

Bt/share



Source: Company data, KGI Securities Research

Quarterly Income Statement

	Mar-21A	Jun-21A	Sep-21A	Dec-21A	Mar-22A	Jun-22A	Sep-22A	Dec-22A	Mar-23A	Jun-23A	Sep-23A	Dec-23A	Mar-24A	Jun-24A	Sep-24A
Income Statement (Bt mn)															
Revenue	2,316	4,313	7,959	6,816	7,087	5,523	3,429	2,788	2,674	2,849	3,175	3,032	2,844	2,857	3,261
Cost of Goods Sold	(1,619)	(2,318)	(3,689)	(2,935)	(3,890)	(3,487)	(3,519)	(1,876)	(1,936)	(1,989)	(2,098)	(2,094)	(2,044)	(2,112)	(2,238)
Gross Profit	698	1,995	4,271	3,881	3,197	2,037	(90)	912	738	860	1,077	938	801	744	1,023
Operating Expenses	(291)	(401)	(367)	(411)	(491)	(524)	(420)	(511)	(398)	(495)	(470)	(392)	(376)	(388)	(417)
Other incomes	68	19	19	24	32	21	27	12	24	31	26	40	23	28	24
Operating Profit	475	1,613	3,923	3,494	2,738	1,534	(484)	413	364	395	633	587	448	384	631
Non-Operating Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Non-op Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-Operating Expenses	(28)	(35)	(40)	(48)	(48)	(39)	(35)	(34)	(28)	(24)	(30)	(13)	(11)	(13)	(15)
Interest Expense	(28)	(35)	(40)	(48)	(48)	(39)	(35)	(34)	(28)	(24)	(30)	(13)	(11)	(13)	(15)
Other Non-op Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Investment Income/(Loss)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pre-tax Profit	448	1,578	3,883	3,446	2,690	1,495	(518)	379	336	371	602	574	437	372	615
Current taxation	(84)	(312)	(772)	(679)	(542)	(319)	74	(101)	(70)	(86)	(135)	(114)	(87)	(70)	(122)
Minorities	(40)	(121)	(215)	(286)	(120)	(32)	41	(8)	(12)	(1)	(27)	(32)	(31)	(25)	(40)
Extraordinary items	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Profit	324	1,146	2,896	2,480	2,028	1,144	(403)	270	254	284	441	427	319	277	453
EPS (Bt)	0.1	0.5	1.2	1.0	0.8	0.5	(0.2)	0.1	0.1	0.1	0.2	0.2	0.1	0.1	0.2
Margins (%)															
Gross profit margin	30.1	46.3	53.7	56.9	45.1	36.9	(2.6)	32.7	27.6	30.2	33.9	30.9	28.1	26.1	31.4
Operating margin	20.5	37.4	49.3	51.3	38.6	27.8	(14.1)	14.8	13.6	13.9	19.9	19.4	15.8	13.5	19.3
Net profit margin	14.0	26.6	36.4	36.4	28.6	20.7	(11.8)	9.7	9.5	10.0	13.9	14.1	11.2	9.7	13.9
Growth (%)															
Revenue growth	6.4	107.1	237.4	195.3	205.9	28.1	(56.9)	(59.1)	(62.3)	(48.4)	(7.4)	8.8	6.4	0.3	2.7
Operating growth	22.0	273.2	546.8	754.5	476.4	(4.9)	(112.3)	(88.2)	(86.7)	(74.2)	(230.9)	42.2	23.2	(2.8)	(0.4)
Net profit growth	24.9	311.3	600.7	791.2	526.5	(0.2)	(113.9)	(89.1)	(87.5)	(75.1)	(209.3)	58.5	25.6	(2.5)	2.9

Source: Company data, KGI Securities Research

Balance Sheet

As of 31 Dec (Bt mn)	2021	2022	2023	2024F	2025F
Total Assets	26,384	19,796	17,731	19,472	21,352
Current Assets	13,541	6,835	4,843	5,431	5,977
Cash & ST Investments	4,520	2,598	2,183	3,174	4,355
Inventories	437	362	306	449	472
Accounts Receivable	7,820	3,814	2,349	1,802	1,144
Others	764	61	6	6	6
Non-current Assets	12,842	12,962	12,888	14,041	15,376
LT Investments	487	485	545	545	545
Net fixed Assets	12,119	12,159	12,057	13,263	14,589
Others	237	319	286	233	242
Total Liabilities	12,078	6,287	4,026	4,483	4,754
Current Liabilities	7,848	3,510	3,505	3,725	3,967
Accounts Payable	1,358	1,300	1,368	1,432	1,506
ST Borrowings	2,980	1,275	1,244	1,310	1,380
Others	3,510	935	894	983	1,081
Long-term Liabilities	4,231	2,776	521	759	787
Long-term Debts	4,060	2,613	334	341	347
Others	170	163	187	418	440
Shareholders' Equity	14,306	13,510	13,704	14,988	16,598
Common Stock	2,494	2,494	2,494	2,494	2,494
Capital Surplus	645	645	645	645	645
Retained Earnings	9,696	9,244	9,399	10,646	11,754
Others	1,471	1,127	1,167	1,204	1,706

Source: KGI Securities Research

Key Ratios

Year to 31 Dec (Bt mn)	2021	2022	2023	2024F	2025F
Growth (% YoY)					
Sales	139.8	(12.0)	(37.7)	6.2	7.0
OP	417.4	(55.8)	(52.9)	3.1	18.8
EBITDA	296.3	(50.4)	(43.3)	3.7	14.3
NP	456.9	(55.6)	(53.7)	5.5	19.6
EPS	456.9	(55.6)	(53.7)	5.5	19.6
Profitability (%)					
Gross Margin	50.7	32.2	30.8	29.8	31.0
Operating Margin	44.4	22.3	16.9	16.4	18.2
EBITDA Margin	48.5	27.4	24.9	24.3	26.0
Net Profit Margin	32.0	16.1	12.0	11.9	13.3
ROAA	25.9	15.4	7.9	7.6	8.3
ROAE	47.9	22.5	10.3	9.9	10.7
Stability					
Gross Debt/Equity (%)	49.2	28.8	11.5	11.0	10.4
Net Debt/Equity (%)	12.5	9.2	Cash	Cash	Cash
Interest Coverage (x)	13.9	62.8	27.0	20.8	20.8
Interest & ST Debt Coverage (x)	3.0	2.9	1.5	1.4	1.6
Cash Flow Interest Coverage (x)	41.4	36.7	43.9	44.0	46.2
Cash Flow/Interest & ST Debt (x)	2.0	4.0	3.1	3.1	3.2
Current Ratio (x)	1.7	1.9	1.4	1.5	1.5
Quick Ratio (x)	1.7	1.8	1.3	1.3	1.4
Net Debt (Bt mn)	2,691	1,453	(418)	(1,106)	(2,188)
Per Share Data (Bt)					
EPS	2.7	1.2	0.6	0.6	0.7
CFPS	1.8	1.0	0.9	1.3	1.7
BVPS	5.7	5.4	5.5	6.0	6.7
SPS	8.6	7.5	4.7	5.0	5.3
EBITDA/Share	4.2	2.1	1.2	1.2	1.4
DPS	1.2	0.8	0.4	0.4	0.4
Activity					
Asset Turnover (x)	1.0	0.8	0.6	0.7	0.7
Days Receivables	133.3	73.9	73.1	52.8	31.3
Days Inventory	7.4	7.0	9.5	13.1	12.9
Days Payable	46.9	37.2	61.5	59.8	59.8
Cash Cycle	93.9	43.8	21.1	6.2	(15.5)

Source: KGI Securities Research

Profit & Loss

Year to 31 Dec (Bt mn)	2021	2022	2023	2024F	2025F
Sales	21,405	18,827	11,729	12,454	13,326
Cost of Goods Sold	(10,561)	(12,772)	(8,116)	(8,743)	(9,195)
Gross Profit	10,844	6,055	3,613	3,711	4,131
Operating Expenses	(1,339)	(1,854)	(1,635)	(1,670)	(1,706)
Operating Profit	9,505	4,201	1,979	2,041	2,425
Net Interest	(151)	(156)	(95)	(98)	(101)
Interest Income	0	0	0	0	0
Interest Expense	(151)	(156)	(95)	(98)	(101)
Net Investment Income/(Loss)	0	0	0	0	0
Net other Non-op. Income/(Loss)	131	92	120	73	93
Net Extraordinaries	(661)	(118)	(73)	(70)	(84)
Pretax Income	9,354	4,046	1,883	1,943	2,324
Income Taxes	(1,846)	(888)	(405)	(389)	(465)
Net Profit	6,846	3,039	1,406	1,484	1,776
EBITDA	10,379	5,151	2,923	3,032	3,466
EPS (Bt)	2.74	1.22	0.56	0.60	0.71

Source: KGI Securities Research

Cash Flow

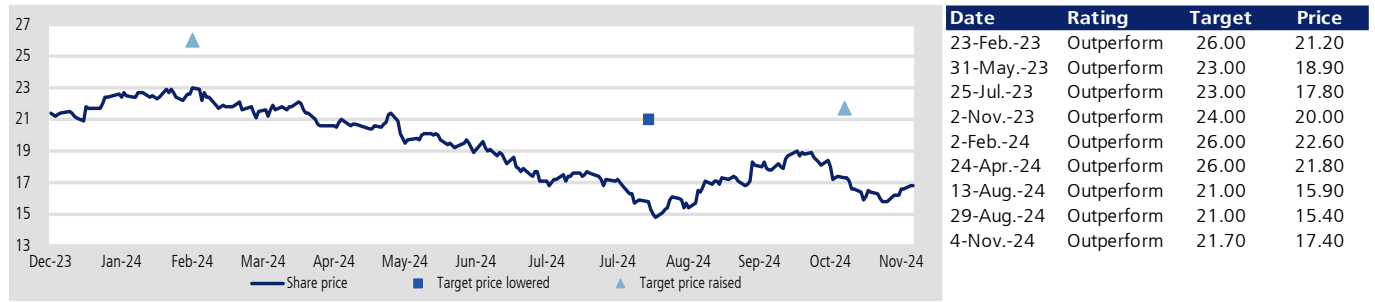
Year to 31 Dec (Bt mn)	2021	2022	2023	2024F	2025F
Operating Cash Flow	6,256	5,715	4,183	4,320	4,673
Net Profit	6,846	3,039	1,406	1,484	1,776
Depreciation & Amortization	874	950	944	991	1,041
Change in Working Capital	(2,938)	2,153	1,603	1,603	1,603
Others	1,475	(427)	230	241	253
Investment Cash Flow	(1,496)	(759)	(919)	(1,053)	(1,085)
Net CAPEX	(1,495)	(1,450)	(1,023)	(1,053)	(1,085)
Change in LT Investment	(0)	(0)	(0)	(0)	(0)
Change in Other Assets	(0)	691	104	0	0
Free Cash Flow	4,761	4,956	3,264	3,266	3,588
Financing Cash Flow	(1,185)	(6,878)	(3,680)	(2,275)	(2,407)
Change in Share Capital	0	0	0	0	0
Net Change in Debt	607	(1,455)	(112)	58	61
Change in Other LT Liab.	(1,792)	(5,422)	(3,568)	(2,333)	(2,468)
Net Cash Flow	3,576	(1,922)	(415)	991	1,181

Source: KGI Securities Research

Rates of Return on Invested Capital

Year	1- $\frac{\text{COGS}}{\text{Revenue}}$	+ $\frac{\text{Depreciation}}{\text{Revenue}}$	+ $\frac{\text{Operating Exp.}}{\text{Revenue}}$	= $\frac{\text{Operating Margin}}{\text{Revenue}}$
2021	49.3%	4.1%	6.9%	39.7%
2022	67.8%	5.0%	10.3%	16.8%
2023	69.2%	8.0%	15.0%	7.8%
2024F	70.2%	8.0%	14.0%	7.8%
2025F	69.0%	7.8%	13.5%	9.7%
Year	1/ $\frac{\text{Working Capital}}{\text{Revenue}}$	+ $\frac{\text{Net PPE}}{\text{Revenue}}$	+ $\frac{\text{Other Assets}}{\text{Revenue}}$	= $\frac{\text{Capital Turnover}}{\text{Revenue}}$
2021	0.53	0.55	1.23	0.43
2022	0.29	0.63	1.05	0.51
2023	0.30	1.00	1.51	0.36
2024F	0.32	1.04	1.56	0.34
2025F	0.34	1.06	1.60	0.33
Year	$\frac{\text{Operating Margin}}{\text{Revenue}}$	x $\frac{\text{Capital Turnover}}{\text{Revenue}}$	x $\frac{\text{Cash Tax Rate}}{\text{Revenue}}$	= $\frac{\text{After-tax Return on Inv. Capital}}{\text{Revenue}}$
2021	39.7%	0.4	80.3%	13.8%
2022	16.8%	0.5	78.0%	6.6%
2023	7.8%	0.4	78.5%	2.2%
2024F	7.8%	0.3	80.0%	2.1%
2025F	9.7%	0.3	80.0%	2.6%

Source: KGI Securities Research

Bangkok Chain Hospital – Recommendation & target price history


Source: KGI Securities Research

Company's ESG details

Environment

- The company targets to reduce electricity expense to total revenue to 1% (from 2% in the past) by implementing an energy savings program, while reducing water expense to total revenue to 0.07% (from 0.14% in the past) through less loss on water leakage and a water saving program.
- The company implements efficient waste management in air pollution, water and waste by using measures to improve waste from the hospitals (i.e. planting trees in hospitals, waste management and water treatment).

Social

- Hospitals in the group have developed staff skills to raise capabilities and provide future sustainability.
- The company has been involved in governmental programs to do social activities for years (i.e. COVID-19 center, blood donation, health check-up).
- The company maintains good relationship with patients (i.e. health package, privilege group, mother class)

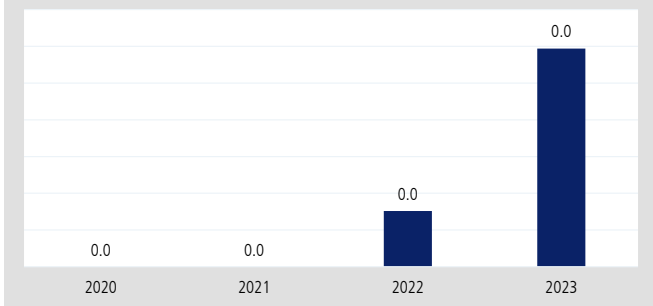
Governance

- The company maintains annual "Excellent" CG scoring from Thai Institute of Directors Association (IOD).
- The company elevates the service standards by expanding hospitals with certified international standards (JCI) and national standards (HA).

Source: Company data, KGI Securities Research

Total GHG emissions

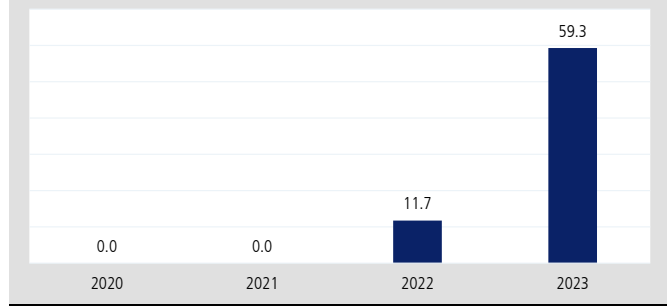
GHG emissions, mn tons of CO₂e



Source: Company data, SETSMART, KGI Securities Research

Total electricity consumption

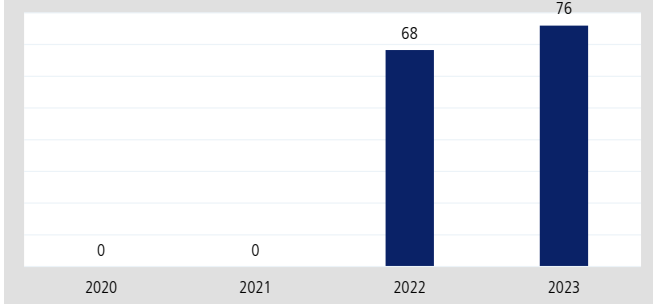
Electricity consumption, GWh



Source: Company data, SETSMART, KGI Securities Research

Total water withdrawal

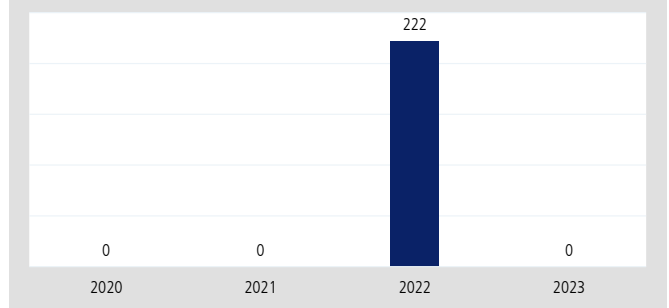
Water withdrawal, m³



Source: Company data, SETSMART, KGI Securities Research

Total waste

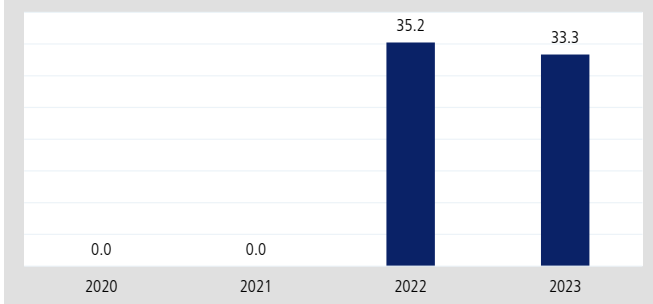
Waste generated, mn tons



Source: Company data, SETSMART, KGI Securities Research

Employee turnover

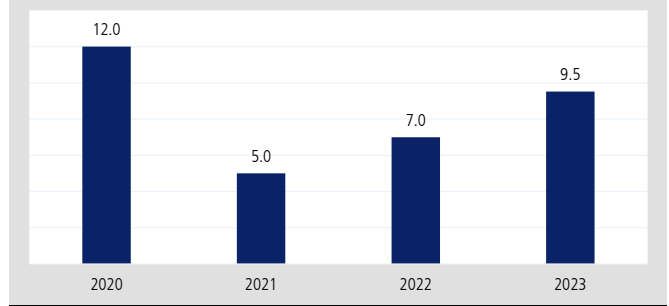
Employee turnover, percent



Source: Company data, SETSMART, KGI Securities Research

Average employee training hours

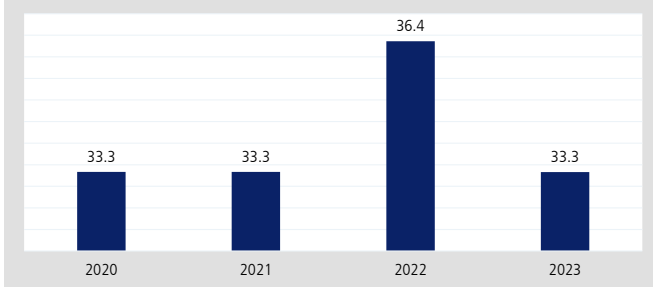
Average employee training hours, hours per person per year



Source: Company data, SETSMART, KGI Securities Research

Proportion of independent directors

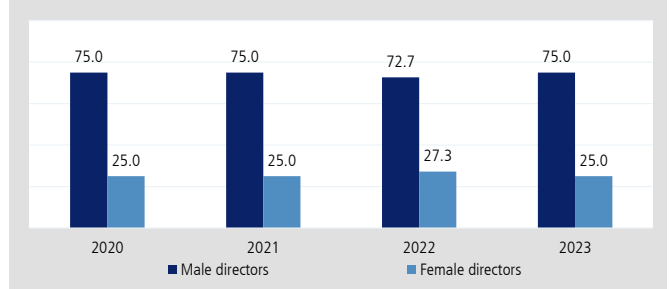
Independent directors, percent



Source: Company data, SETSMART, KGI Securities Research

Gender diversification of directors

Gender diversification, percent



Source: Company data, SETSMART, KGI Securities Research

SET ESG Ratings

Stock	Company name	SET ESG Ratings	Stock	Company name	SET ESG Ratings
ADVANC	ADVANCED INFO SERVICE	AAA	IVL	INDORAMA VENTURES	AA
AMATA	AMATA CORPORATION	AAA	KBANK	KASIKORNBANK	AAA
AOT	AIRPORTS OF THAILAND	A	KKP	KIATNAKIN PHATRA BANK	BBB
AP	AP (THAILAND)	AA	KTB	KRUNG THAI BANK	AAA
BAFS	BANGKOK AVIATION FUEL SERVICES PCL.	AA	KTC	KRUNGTHAI CARD	AAA
BAM	BANGKOK COMMERCIAL ASSET MANAGEMENT	AA	LH	LAND AND HOUSES	A
BANPU	BANPU	AAA	MAJOR	MAJOR CINEPLEX GROUP	AA
BBGI	BBGI	AA	MINT	MINOR INTERNATIONAL	AA
BBL	BANGKOK BANK	AA	MTC	MUANGTHAI CAPITAL	A
BCH	BANGKOK CHAIN HOSPITAL	AA	OR	PTT OIL AND RETAIL BUSINESS	AAA
BCPG	BCPG	AA	ORI	ORIGIN PROPERTY	AA
BDMS	BANGKOK DUSIT MEDICAL SERVICES	AA	OSP	OSOTSPA	AA
BEM	BANGKOK EXPRESSWAY AND METRO	AA	PLANB	PLAN B MEDIA	AA
BGRIM	B. GRIMM POWER	AAA	PSH	PRUKSA HOLDING	BBB
BPP	BANPU POWER	AAA	PTT	PTT	AAA
BTS	BTS GROUP HOLDINGS	AA	PTTEP	PTT EXPLORATION AND PRODUCTION	AAA
CBG	CARABAO GROUP	A	PTTGC	PTT GLOBAL CHEMICAL	AAA
CENDEL	CENTRAL PLAZA HOTEL	A	RATCH	RATCH GROUP	AA
CK	CH. KARNCHANG	A	RBF	R&B FOOD SUPPLY	BBB
CKP	CK POWER	AAA	SAK	SAKSIAM LEASING	A
COM7	COM7	A	SAPPE	SAPPE	BBB
CPALL	CP ALL	AAA	SAWAD	SRISAWAD CORPORATION	BBB
CPAXT	CP AXTRA	AAA	SCB	SCB X	AA
CPF	CHAROEN POKPHAND FOODS	AAA	SCGP	SCG PACKAGING	AAA
CPN	CENTRAL PATTANA	AA	SHR	S HOTELS AND RESORTS	A
CRC	CENTRAL RETAIL CORPORATION	AAA	SMPC	SAHAMITR PRESSURE CONTAINER	AA
EGCO	ELECTRICITY GENERATING	AA	SPALI	SUPALAI	AA
ERW	THE ERAWAN GROUP	A	STECON	STECON GROUP	A
GFPT	GFPT	BBB	SYNEX	SYNNEX (THAILAND)	A
GLOBAL	SIAM GLOBAL HOUSE	AA	TCAP	THANACHART CAPITAL	A
GPSC	GLOBAL POWER SYNERGY	AA	TFG	THAIFOODS GROUP	A
GULF	GULF ENERGY DEVELOPMENT	AA	TISCO	TISCO FINANCIAL GROUP	AAA
HANA	HANA MICROELECTRONICS	AA	TOP	THAI OIL	AAA
HMPRO	HOME PRODUCT CENTER	AA	TTB	TMBTHANACHART BANK	AA
IRPC	IRPC	AA	WHA	WHA CORPORATION	AAA

Source: www.setsustainability.com

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Corporate Governance Report of Thai Listed Companies



Companies with Excellent CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	CPF	CHAROEN POKPHAND FOODS	PLANB	PLAN B MEDIA
ADVANC	ADVANCED INFO SERVICE	CPN	CENTRAL PATTANA	PSH	PRUKSA HOLDING
AEONTS	AEON THANA SINSAP (THAILAND)	CRC	CENTRAL RETAIL CORPORATION	PTT	PTT
AMA	AMA MARINE	DELTA	DELTA ELECTRONICS (THAILAND)	PTTEP	PTT EXPLORATION AND PRODUCTION
AMATA	AMATA CORPORATION	DOHOM	DOHOME	PTTGC	PTT GLOBAL CHEMICAL
AOT	AIRPORTS OF THAILAND	EGCO	ELECTRICITY GENERATING	QH	QUALITY HOUSES
AP	AP (THAILAND)	ERW	THE ERAWAN GROUP	RATCH	RATCH GROUP
BAFS	BANGKOK AVIATION FUEL SERVICES PCL.	GFPT	GFPT	RBF	R&B FOOD SUPPLY
BAM	BANGKOK COMMERCIAL ASSET MANAGEMENT	GLOBAL	SIAM GLOBAL HOUSE	SAK	SAKSIAM LEASING
BANPU	BANPU	GPSC	GLOBAL POWER SYNERGY	SAPPE	SAPPE
BBGI	BBGI	GULF	GULF ENERGY DEVELOPMENT	SCB	SCB X
BBL	BANGKOK BANK	HANA	HANA MICROELECTRONICS	SCGP	SCG PACKAGING
BCH	BANGKOK CHAIN HOSPITAL	HMPRO	HOME PRODUCT CENTER	SHR	S HOTELS AND RESORTS
BCP	BANGCHAK CORPORATION	IRPC	IRPC	SMPC	SAHAMITR PRESSURE CONTAINER
BCPG	BCPG	ITC	I-TAIL CORPORATION	SPALI	SUPALAI
BDMS	BANGKOK DUSIT MEDICAL SERVICES	IVL	INDORAMA VENTURES	SPRC	STAR PETROLEUM REFINING
BEC	BEC WORLD	KBANK	KASIKORN BANK	SUN	SUNSWEEP
BEM	BANGKOK EXPRESSWAY AND METRO	KCE	KCE ELECTRONICS	SVI	SVI
BGRIM	B.GRIMM POWER	KKP	KIATNAKIN PHATRA BANK	SYNEX	SYNNEX (THAILAND)
BH	BUMRUNGRAD HOSPITAL	KTB	KRUNG THAI BANK	TCAP	THANACHART CAPITAL
BPP	BANPU POWER	KTC	KRUNGTHAI CARD	TFG	THAIFOODS GROUP
BTS	BTS GROUP HOLDINGS	LH	LAND AND HOUSES	TIDLOR	NGERN TID LOR
CBG	CARABAO GROUP	LPN	L.P.N. DEVELOPMENT	TISCO	TISCO FINANCIAL GROUP
CENTEL	CENTRAL PLAZA HOTEL	MAJOR	MAJOR CINEPLEX GROUP	TKN	TAOKAENOI FOOD & MARKETING
CK	CH. KARNCHANG	MINT	MINOR INTERNATIONAL	TOP	THAI OIL
CKP	CK POWER	MTC	MUANGTHAI CAPITAL	TRUE	TRUE CORPORATION
COM7	COM7	OR	PTT OIL AND RETAIL BUSINESS	TTB	TMBTHANACHART BANK
CPALL	CP ALL	ORI	ORIGIN PROPERTY	WHA	WHA CORPORATION
CPAXT	CP AXTRA	OSP	OSOTSPA		



Companies with Very Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
BSRC	BANGCHAK SRIRACHA	EKH	EKACHAI MEDICAL CARE	JMART	JAYMART GROUP HOLDINGS
BTG	BETAGRO	HUMAN	HUMANICA	TNP	THANAPIRIYA



Companies with Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
JMT	JMT NETWORK SERVICES	SAWAD	SRI SAWAD CORPORATION	SPA	SIAM WELLNESS GROUP

Companies classified Not in the three highest score groups

Stock	Company name	Stock	Company name	Stock	Company name
AU	AFTER YOU	PTG	PTG ENERGY	TU	THAI UNION GROUP
CHG	CHULARAT HOSPITAL	SAV	SAMART AVIATION SOLUTIONS		
PLT	PILATUS MARINE	SISB	SISB		

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

Certified

Stock	Company name	Stock	Company name	Stock	Company name
ADVANC	ADVANCED INFO SERVICE	DOHOME	DOHOME	PTG	PTG ENERGY
AMA	AMA MARINE	EGCO	ELECTRICITY GENERATING	PTT	PTT
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BBL	BANGKOK BANK	HMPRO	HOME PRODUCT CENTER	SAPPE	SAPPE
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BPP	BANPU POWER	KTB	KRUNGTHAI BANK	SVI	SVI
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CRC	CENTRAL RETAIL CORPORATION	PLANB	PLAN B MEDIA	TU	THAI UNION GROUP
DELTA	DELTA ELECTRONICS (THAILAND)	PSH	PRUKSA HOLDING	WHA	WHA CORPORATION

Declared

Stock	Company name	Stock	Company name	Stock	Company name
CHG	CHULARAT HOSPITAL	ITC	I-TAIL CORPORATION	SAWAD	SRI SAWAD CORPORATION
HUMAN	HUMANICA	JMART	JAYMART GROUP HOLDINGS	SHR	S HOTELS AND RESORTS

Non-participation

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	BSRC	BANGCHAK SRIRACHA	SISB	SISB
AEONTS	AEON THANA SINSAP (THAILAND)	CK	CH. KARNCHANG	SPA	SIAM WELLNESS GROUP
AOT	AIRPORTS OF THAILAND	CKP	CK POWER	STECON	STECON GROUP
AU	AFTER YOU	EKH	EKACHAI MEDICAL CARE	SUN	SUNSWEEET
BDM5	BANGKOK DUSIT MEDICAL SERVICES	JMT	JMT NETWORK SERVICES	SYNEX	SYNNEX (THAILAND)
BEM	BANGKOK EXPRESSWAY AND METRO	PLT	PILATUS MARINE		
BH	BUMRUNGRAD HOSPITAL	SAV	SAMART AVIATION SOLUTIONS		

Source: www.cgthailand.org

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KGI Locations

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	Shenzhen	Room 24D1, 24/F, A Unit, Zhen Ye Building, 2014 Bao'annan Road, Shenzhen, PRC 518008
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Hong Kong		41/F Central Plaza, 18 Harbour Road, Wanchai, Hong Kong Telephone 852.2878.6888 Facsimile 852.2878.6800
Thailand	Bangkok	195 One Bangkok Tower 4 18th - 19th floors Witthayu Road Lumpini, Pathumwan, Bangkok 10330, Thailand Telephone 66.2658.8888 Facsimile 66.2658.8014
Singapore		4 Shenton Way #13-01 SGX Centre 2 Singapore 068807 Telephone 65.6202.1188 Facsimile 65.6534.4826

KGI's Ratings

Rating	Definition
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. Excess return = 12M target price/current price-
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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