

4Q23 beat, solid outlook, good valuation

BDMS reported a core profit of Bt4.0bn, up 27% YoY and 2% QoQ, reaching a record high and breaking out of the usual pattern of a seasonal drop QoQ. It beat INVX by 10% and the market by 8% on high revenue and EBITDA margin. We believe this beat will put BDMS on the radar and expect price to continue to outperform the market in view of its resilient earnings and undemanding valuation. We keep our 3-month tactical call of Outperform with end-2024 DCF TP of Bt35/share. BDMS is one of our top picks in the Healthcare Service sector.

Catalyst#1: 4Q23 beat with a record-high core profit. BDMS reported a core profit of Bt4.0bn, up 27% YoY and 2% QoQ to a record high and breaking out of the seasonal pattern of a QoQ drop. It beat INVX by 10% and the market by 8% on solid revenue (+12% YoY, flat QoQ) and EBITDA margin (25.1%, up from 23.8% in 4Q22 and 24.9% in 3Q23). Within revenue, the highlight was stronger growth in international patient services (+17% YoY, +7% QoQ, 28% of 4Q23 revenue) from key markets Qatar, China and France. In 2023, core profit was Bt14.3bn, up 14% YoY. It announced a dividend on 2H23 of Bt0.35/share, 1.2% yield. XD is March 6, 2024 with payment April 22, 2024.

Catalyst#2: Healthy earnings and financial status. We revise up our 2024-26 core earnings forecast by 2% each year to factor in the beat. In 2024, we estimate core earnings growth of 8% to Bt15bn, underwritten by 6% revenue growth and a wider EBITDA margin (24.9% from 24.4% in 2023). We believe the strong earnings momentum with YoY and QoQ growth will continue in 1Q24. BDMS is financially healthy with low interest-bearing debt to equity at 0.11x as of December 31, 2023.

Catalyst#3: Undemanding valuation. Over the past three months, share price has increased 8%, beating the SET's drop of 1%. Despite this, we see the current valuation as undemanding as it is trading at 29x 2024PE, below historical average of -2SD (since 2015, excluding the COVID-19 years of 2020-21).

Action & recommendation. We expect this beat to put BDMS on the investor radar and expect it to continue to outperform the market, underwritten by its resilient earnings and undemanding valuation. We maintain our 3-month tactical call of Outperform with end-2024 DCF TP of Bt35/share (WACC at 7.1% and long-term growth at 3%).

Key risks: We are keeping an eye on the global economic slowdown and geopolitical risk that may cause clients to delay elective medical care and make it inconvenient for international patients to come to Thailand for treatment. We see ESG risk as patient safety (S): BDMS has adopted a variety of quality assurance systems to provide continuous patient care.

Forecasts and valuation

Year to 31 Dec	Unit	2022	2023	2024F	2025F	2026F
Revenue	(Btmn)	88,535	97,077	102,618	108,625	113,544
EBITDA	(Btmn)	23,021	24,957	26,961	28,584	29,964
Core profit	(Btmn)	12,606	14,375	15,582	16,827	17,868
Reported profit	(Btmn)	12,606	14,375	15,582	16,827	17,868
Core EPS	(Bt)	0.79	0.90	0.98	1.06	1.12
DPS	(Bt)	0.60	0.70	0.76	0.82	0.87
P/E, core	(x)	35.9	31.5	29.1	26.9	25.3
EPS growth, core	(%)	63.0	14.0	8.4	8.0	6.2
P/BV, core	(x)	5.0	4.8	4.7	4.5	4.3
ROE	(%)	13.9	14.9	15.6	16.4	16.7
Dividend yield	(%)	2.1	2.5	2.7	2.9	3.1
EV/EBITDA	(x)	19.9	18.2	16.6	15.5	14.6
EBITDA growth	(%)	30.6	8.4	8.0	6.0	4.8

Source: InnovestX Research

Tactical: OUTPERFORM (3-month)

Stock data

Last close (Feb 21) (Bt)	28.50
Target price (Bt)	35.00
Mkt cap (Btbn)	452.92
Mkt cap (US\$m)	12,643

Beta	L
Mkt cap (%) SET	2.63
Sector % SET	5.55
Shares issued (mn)	15,892
Par value (Bt)	0.10
12-m high / low (Bt)	28.8 / 26.8
Avg. daily 6m (US\$m)	32.31
Foreign limit / actual (%)	30 / 26
Free float (%)	69.8
Dividend policy (%)	≥ 50

Share performance

(%)	1M	3M	12M
Absolute	3.6	7.5	(5.0)
Relative to SET	1.9	9.1	13.1

Source: SET, InnovestX Research

2023 Sustainability/2022 ESG Score

SET ESG Ratings	AA
-----------------	----

ESG Bloomberg Rank in the sector

ESG Score Rank	1/22
Environmental Score Rank	1/22
Social Score Rank	2/22
Governance Score Rank	2/22

ESG comment

BDMS has the highest ESG score in the sector and it is clear on its focus on sustainability with committed targets for environment, social, and governance criteria
Source: Bloomberg Finance L.P.

Analyst

Raweenuch Piyakriengkai

Fundamental Investment

Analyst on Securities

(66-2) 949-1002

raweenuch.piyakriengkai@scb.co.th

Value proposition

BDMS is Thailand's largest private hospital operator (57 hospitals with over 8,500 beds) and is one of the top five private hospital operators in the world by market capitalization. BDMS is placing itself to get in on rising demand for quality healthcare and to provide the entire spectrum of healthcare service, from preventive (wellness business) to curative and rehabilitative.

Business outlook

In 2024, we estimate BDMS core earnings at Bt15bn, growing 8%, based on 6% revenue growth and a wider EBITDA margin (24.9% from 24.4% in 2023) from growing international patient services, rising revenue from Centers of Excellence (providing a high EBITDA margin) and better asset utilization through enlarging the private insurance segment and increasing patients covered by the social security scheme.

Private hospitals are focusing on the EEC area (Chonburi, Rayong and Chachoengsao), where demand for healthcare is increasing in tandem with economic activities. BDMS has the strongest presence in EEC with 10 hospitals and is expanding. In Chonburi, it plans to add more beds at *Bangkok Hospital Pattaya* and *Jomtien Hospital* (from 400 to ~600 beds). It plans to open a new hospital, *Phayathai Bowin Hospital*, in 2025. This will be a 220-bed greenfield hospital, initially opening with 59 beds. In Rayong, it plans to bring beds up to ~600 from 374.

Besides the bed expansion, BDMS has actively expanded into non-hospital businesses including digital health services, setting up the Genomic Center and investing in *BDMS Silver Wellness & Residence*, a mixed-use project (clinic, hotel and residential) for the wellness business. Although the non-hospital businesses are still small at 4-5% of revenue, BDMS sees opportunity for growth via broadening its scope of services and expects revenue from non-hospital businesses to reach 20% of revenue in the future.

Bullish views	Bearish views
1. Sound fundamentals, providing the entire spectrum of healthcare, from preventive (wellness business) to curative and rehabilitative. 2. Strong financial health	1. Concern about competition.

Key catalysts

Factor	Event	Impact	Comment
Near-term earnings outlook	1Q24F earnings momentum	+YoY and +QoQ	We expect core profit to grow YoY in 1Q24, fuelled largely by revenue growth and grow QoQ on seasonality.
Factors to be aware of in 2024	Potential growth in EEC	Positive	We are positive toward the health demand in EEC and because of the area's low bed supply, do not expect a significant impact from intense competition. BDMS has the strongest presence in EEC with 10 hospitals and is expanding.
Factors to be aware of in 2024	Global economic slowdown and geopolitical risk	Negative	Revenue from international patient services has recovered to above pre-COVID-19 level, accounting for 27% of 9M23's revenue. We are keeping an eye on the global economic slowdown and geopolitical risk that may cause delays in elective medical care and make it inconvenient for international patients to seek treatment abroad.

Sensitivity analysis

Factor	Earnings impact	TP impact
1ppt change in hospital revenue	2-3%	Bt0.7/share (2%)

Our view on ESG

BDMS is clear on its focus on sustainability with committed targets for environment, social, and governance criteria through material process and procedure, setting out a strategy and guidelines for all stakeholders and reviewing risks covering current and future healthcare business.

ESG Disclosure Score

Bloomberg ESG Score	58.92 (2022)
Rank in Sector	1/22

CG Rating	DJSI	SETESG	SET ESG Ratings	
BDMS	5	Yes	Yes	AA

Source: Thai Institute of Directors (IOD), SET

Environmental Issue (E)

- BDMS intends to accomplish net zero emissions in 2050. BDMS has adopted circular economy principles on energy and resources management. In addition, BDMS plans to improve energy efficiency and ensure that the least impact by business activities on the environment in the design process, management, clean energy and high-efficiency equipment and technology.
- BDMS has set direction and sustainability goals in 2050 to increase the recycling of non-hazardous waste to 50% while promoting plastic container recycling and the use of biodegradable containers.
- BDMS targets reducing water consumption per baht revenue vs. 2022, its base year. It is determined to improve water management throughout the supply chain by constantly developing the process, technology, innovation and fundamental structure.

Social Issue (S)

- BDMS enforces policies regarding staff health, safety and biohazard post-exposure management to ensure the work readiness of employees and contractors in the hospitals.
- BDMS organizes training and development for clinical and non-clinical employees, including newly-recruited, contracted and part-time employees.
- BDMS assigns related departments to collaborate in building community engagement through data surveys and understanding the community's expectations. In 2022, it put out 804 initiatives on preventive healthcare and health literacy for communities in Thailand.
- We see ESG risk for healthcare service sector as patient safety and BDMS has adopted a variety of quality assurance systems to provide continuous patient care.

Governance Issue (G)

- BDMS Board of Directors establishes the corporate governance policy for executives, committees and employees as operational guidelines.
- BDMS appointed a standardization and compliance committee to ensure all subsidiary hospitals operate in line with quality policies, patient safety plan and corporate strategy.
- BDMS has a patient experience management working team to systematically manage customer relations. The satisfaction survey rates in 2022 increased or presented at 92% vs target of 86%, putting its score in the 95th percentile compared with 4,442 hospitals in the USA as reported by HCAHPS Score.
- As of December 31, 2022, there were 17 directors in total, consisting of 8 executive directors (47.06% of all directors), 2 non-executive directors (11.76% percent of all directors) and 7 independent directors (41.18% percent of all directors). We view the structure is appropriate as independent directors are not less than one-third of the Board of Director and
- The chairman is an independent director.
- Major shareholders control ~20% of total issued and paid-up shares.

ESG Disclosure Score

	2021	2022
ESG Disclosure Score	58.34	58.92
Environment	54.27	56.00
Emissions Reduction Initiatives	No	No
Climate Change Policy	Yes	Yes
GHG Scope 1 ('000 metric tonnes)	8.67	33.69
GHG Scope 2 Location-Based ('000 metric tonnes)	95.94	208.85
Energy Efficiency Policy	Yes	Yes
Total Energy Consumption ('000 metric tonnes)	194.45	497.08
Waste Reduction Policy	Yes	Yes
Total Waste ('000 metric tonnes)	9.05	13.23
Water Policy	Yes	Yes
Total Water Withdrawal ('000 cubic meters)	249.84	435.79
Social	37.06	37.06
Human Rights Policy	Yes	Yes
Consumer Data Protection Policy	Yes	Yes
Pct Women in Workforce (%)	82.63	82.75
Last Time Incident Rate - Employees (per 100 employees)	0.00	0.98
Number of Employees - CSR (persons)	36,880	40,495
Total Hours Spent by Firm - Employee Training (hours)	437,209	1,417,320
Governance	83.59	83.59
Size of the Board (persons)	18	17
Board Meeting Attendance Pct (%)	97	100
Number of Independent Directors (persons)	7	7
% Independent directors to total board members	39	41
Board Duration (Years)	3	3

Source: Bloomberg Finance L.P.

Disclaimer

Bloomberg ESG Disclosure Scores rate companies on their level of disclosure of ESG data. Bloomberg offers four disclosure scores, for overall ESG, as well as Environmental, Social, and Governance. To review the fully transparent methodology, calculate disclosure scores for any company, and compare a company's scores vs its peers, see ESG Disclosure Score Model in Bloomberg.

Financial statement Profit and Loss Statement

FY December 31	Unit	2019	2020	2021	2022	2023	2024F	2025F	2026F
Total revenue	(Btmn)	79,630	65,166	71,541	88,535	97,077	102,618	108,625	113,544
Cost of goods sold	(Btmn)	54,277	46,371	49,462	58,329	63,412	68,312	72,449	75,472
Gross profit	(Btmn)	25,354	18,795	22,079	30,205	33,665	34,307	36,176	38,073
SG&A	(Btmn)	17,447	14,161	15,029	17,655	19,806	19,330	20,126	20,943
Other income	(Btmn)	11,882	5,187	4,050	4,521	5,250	5,644	5,974	6,245
Interest expense	(Btmn)	929	871	728	632	547	512	312	312
Pre-tax profit	(Btmn)	18,860	8,950	10,373	16,440	18,563	20,108	21,712	23,063
Corporate tax	(Btmn)	3,873	2,751	2,103	3,227	3,755	4,062	4,386	4,659
Equity a/c profits	(Btmn)	1,022	273	21	42	89	94	99	103
Minority interests	(Btmn)	(492)	(435)	(554)	(648)	(522)	(559)	(598)	(640)
Core profit	(Btmn)	9,560	6,037	7,736	12,606	14,375	15,582	16,827	17,868
Extra-ordinary items	(Btmn)	5,957	1,177	200	0	0	0	0	0
Net Profit	(Btmn)	15,517	7,214	7,936	12,606	14,375	15,582	16,827	17,868
EBITDA	(Btmn)	18,032	14,982	17,622	23,021	24,957	26,961	28,584	29,964
Core EPS (Bt)	(Btmn)	0.61	0.38	0.49	0.79	0.90	0.98	1.06	1.12
Net EPS (Bt)	(Bt)	0.99	0.46	0.50	0.79	0.90	0.98	1.06	1.12
DPS (Bt)	(Bt)	0.55	0.55	0.45	0.60	0.70	0.76	0.82	0.87

Balance Sheet

FY December 31	Unit	2019	2020	2021	2022	2023	2024F	2025F	2026F
Total current assets	(Btmn)	16,325	30,013	24,401	27,799	23,545	23,569	28,806	34,065
Total fixed assets	(Btmn)	78,440	81,313	79,689	81,860	87,025	80,705	80,254	79,919
Total assets	(Btmn)	133,662	136,050	128,454	141,543	143,596	135,315	139,679	144,183
Total loans	(Btmn)	24,316	20,701	15,672	15,998	10,499	4,000	4,000	4,000
Total current liabilities	(Btmn)	19,263	11,220	15,862	20,616	18,433	13,879	14,315	14,652
Total long-term liabilities	(Btmn)	24,099	20,594	15,596	15,498	9,499	4,000	4,000	4,000
Total liabilities	(Btmn)	46,480	44,588	40,689	47,830	44,723	34,595	35,031	35,368
Paid-up capital	(Btmn)	1,589	1,589	1,589	1,589	1,589	1,589	1,589	1,589
Total equity	(Btmn)	87,182	91,463	87,765	93,713	98,872	100,721	104,648	108,815
BVPS (Bt)	(Bt)	5.33	5.59	5.28	5.66	5.99	6.08	6.32	6.58

Cash Flow Statement

FY December 31	Unit	2019	2020	2021	2022	2023	2024F	2025F	2026F
Core Profit	(Btmn)	9,560	6,037	7,736	12,606	14,375	15,582	16,827	17,868
Depreciation and amortization	(Btmn)	5,752	6,413	6,321	5,950	5,848	6,341	6,559	6,589
Operating cash flow	(Btmn)	14,546	11,681	14,561	20,266	20,778	20,942	22,679	23,906
Investing cash flow	(Btmn)	2,818	12,385	(4,763)	(5,901)	(7,754)	(5,056)	(5,356)	(5,602)
Financing cash flow	(Btmn)	(17,701)	(9,096)	(18,531)	(12,631)	(17,897)	(16,937)	(12,900)	(13,702)
Net cash flow	(Btmn)	(337)	14,970	(8,733)	1,734	(4,873)	(1,051)	4,423	4,602

Key Financial Ratios

FY December 31	Unit	2019	2020	2021	2022	2023	2024F	2025F	2026F
Gross margin	(%)	31.8	28.8	30.9	34.1	34.7	33.4	33.3	33.5
Operating margin	(%)	9.9	7.1	9.9	14.2	14.3	14.6	14.8	15.1
EBITDA margin	(%)	21.5	21.7	23.3	24.7	24.4	24.9	24.9	25.0
EBIT margin	(%)	24.9	16.9	15.8	19.3	19.7	20.1	20.3	20.6
Net profit margin	(%)	19.5	11.1	11.1	14.2	14.8	15.2	15.5	15.7
ROE	(%)	11.9	6.8	8.6	13.9	14.9	15.6	16.4	16.7
ROA	(%)	7.2	4.5	5.8	9.3	10.1	11.2	12.2	12.6
Net D/E	(x)	0.3	(0.0)	0.1	0.1	0.0	(0.1)	(0.1)	(0.1)
Interest coverage	(x)	19.4	17.2	24.2	36.4	45.7	52.7	91.6	96.0
Debt service coverage	(x)	2.9	15.3	4.5	3.8	8.2	52.7	91.6	96.0
Payout Ratio	(%)	55.8	120.0	90.1	75.6	77.4	77.4	77.4	77.4

Main Assumptions

FY December 31	Unit	2019	2020	2021	2022	2023	2024F	2025F	2026F
Revenue by nationality									
International	(%)	30.0	21.0	18.0	24.0	27.4	30.2	31.9	32.7
Thai	(%)	70.0	79.0	82.0	76.0	72.6	69.8	68.1	67.3

Financial statement

Profit and Loss Statement

FY December 31	Unit	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
Total revenue	(Btmn)	22,165	20,976	22,825	22,568	23,084	23,141	25,473	25,379
Cost of goods sold	(Btmn)	14,451	14,147	14,979	14,752	15,122	15,432	16,469	16,389
Gross profit	(Btmn)	7,714	6,829	7,846	7,816	7,962	7,709	9,003	8,990
SG&A	(Btmn)	4,025	4,200	4,496	4,933	4,633	4,876	5,106	5,191
Other income	(Btmn)	1,007	1,030	1,179	1,306	1,267	1,285	1,282	1,417
Interest expense	(Btmn)	158	151	154	169	164	134	122	126
Pre-tax profit	(Btmn)	4,538	3,508	4,374	4,020	4,432	3,983	5,057	5,091
Corporate tax	(Btmn)	903	695	824	806	880	812	1,025	1,038
Equity a/c profits	(Btmn)	9	7	16	10	34	13	21	22
Minority interests	(Btmn)	(201)	(155)	(181)	(111)	(116)	(120)	(163)	(123)
Core profit	(Btmn)	3,443	2,664	3,386	3,113	3,470	3,063	3,890	3,952
Extra-ordinary items	(Btmn)	0	0	0	0	0	0	0	0
Net Profit	(Btmn)	3,443	2,664	3,386	3,113	3,470	3,063	3,890	3,952
EBITDA	(Btmn)	6,186	5,144	6,018	5,673	6,025	5,563	6,649	6,720
Core EPS (Bt)	(Btmn)	0.22	0.17	0.21	0.20	0.22	0.19	0.24	0.25
Net EPS (Bt)	(Bt)	0.22	0.17	0.21	0.20	0.22	0.19	0.24	0.25

Balance Sheet

FY December 31	Unit	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
Total current assets	(Btmn)	27,176	30,255	27,074	27,799	30,419	23,705	23,295	23,545
Total fixed assets	(Btmn)	79,506	79,190	79,490	81,860	82,002	82,695	83,919	87,025
Total assets	(Btmn)	131,098	133,780	133,875	141,543	144,509	138,662	139,893	143,596
Total loans	(Btmn)	13,096	16,097	15,997	15,998	14,498	10,498	12,498	10,499
Total current liabilities	(Btmn)	18,887	22,801	22,966	20,616	21,941	18,477	20,732	18,433
Total long-term liabilities	(Btmn)	13,096	13,097	13,497	15,498	11,498	9,498	9,498	9,499
Total liabilities	(Btmn)	39,802	42,817	43,586	47,830	47,928	43,610	46,278	44,723
Paid-up capital	(Btmn)	1,589	1,589	1,589	1,589	1,589	1,589	1,589	1,589
Total equity	(Btmn)	91,296	90,962	90,289	93,713	96,581	95,051	93,614	98,872
BVPS (Bt)	(Bt)	5.49	5.47	5.41	5.66	5.88	5.78	5.67	5.99

Cash Flow Statement

FY December 31	Unit	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
Core Profit	(Btmn)	3,443	2,664	3,386	3,113	3,470	3,063	3,890	3,952
Depreciation and amortization	(Btmn)	1,490	1,486	1,490	1,484	1,429	1,446	1,470	1,503
Operating cash flow	(Btmn)	5,147	4,382	3,660	7,077	6,005	5,476	5,346	3,951
Investing cash flow	(Btmn)	(2,145)	(1,256)	(1,966)	(535)	(508)	(1,857)	(3,134)	(2,255)
Financing cash flow	(Btmn)	(2,636)	(547)	(4,980)	(4,468)	(1,679)	(9,662)	(4,440)	(2,116)
Net cash flow	(Btmn)	366	2,579	(3,285)	2,075	3,817	(6,043)	(2,227)	(421)

Key Financial Ratios

FY December 31	Unit	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
Gross margin	(%)	34.8	32.6	34.4	34.6	34.5	33.3	35.3	35.4
Operating margin	(%)	16.6	12.5	14.7	12.8	14.4	12.2	15.3	15.0
EBITDA margin	(%)	26.7	23.4	25.1	23.8	24.7	22.8	24.9	25.1
EBIT margin	(%)	21.2	17.4	19.8	18.6	19.9	17.8	20.3	20.6
Net profit margin	(%)	15.5	12.7	14.8	13.8	15.0	13.2	15.3	15.6
ROE	(%)	15.0	13.8	14.5	13.9	14.8	14.0	15.1	14.9
ROA	(%)	10.3	9.5	9.6	9.3	10.1	9.6	10.2	10.1
Net D/E	(x)	(0.0)	(0.0)	0.0	0.0	(0.0)	(0.0)	0.0	0.0
Interest coverage	(x)	39.1	34.0	39.1	33.6	36.7	41.5	54.4	53.2
Debt service coverage	(x)	4.7	2.2	3.0	3.7	3.9	7.3	5.3	8.9

Main Assumptions

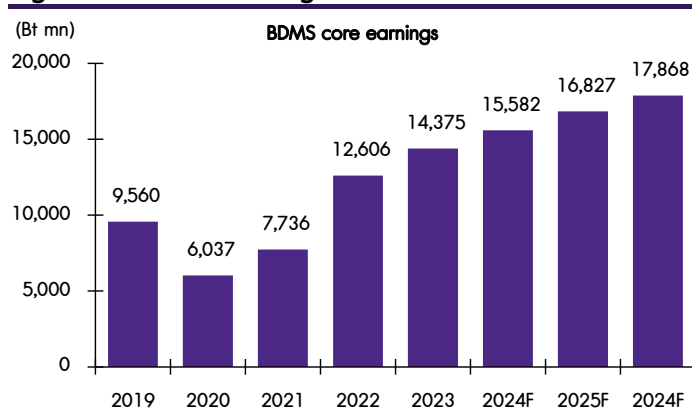
FY December 31	Unit	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
Revenue by nationality									
International	(%)	22.0	24.0	24.0	27.0	29.5	26.0	26.0	28.0
Thai	(%)	78.0	76.0	76.0	73.0	70.5	74.0	74.0	72.0

Figure 1: BDMS' earnings review: 4Q23 core profit hit a record high

(Bt mn)	4Q22	1Q23	2Q23	3Q23	4Q23	YoY%	QoQ%	2022	2023	YoY%
Revenue	22,568	23,084	23,141	25,473	25,379	12.5	(0.4)	88,535	97,077	9.6
Gross profit	7,816	7,962	7,709	9,003	8,990	15.0	(0.1)	30,205	33,665	11.5
EBITDA	5,673	6,025	5,563	6,649	6,720	18.5	1.1	23,021	24,957	8.4
Core profit	3,113	3,470	3,063	3,890	3,952	26.9	1.6	12,606	14,375	14.0
Net profit	3,113	3,470	3,063	3,890	3,952	26.9	1.6	12,606	14,375	14.0
EPS (Bt/share)	0.20	0.22	0.19	0.24	0.25	26.9	1.6	0.79	0.90	14.0
Balance Sheet										
Total Assets	141,543	144,509	138,662	139,893	143,596	1.5	2.6	141,543	143,596	1.5
Total Liabilities	47,830	47,928	43,610	46,278	44,723	(6.5)	(3.4)	47,830	44,723	(6.5)
Total Equity	93,713	96,581	95,051	93,614	98,872	5.5	5.6	93,713	98,872	5.5
BVPS (Bt/share)	5.66	5.88	5.78	5.67	5.99	6.0	5.7	5.66	5.99	6.0
Financial Ratio										
Gross Margin (%)	34.6	34.5	33.3	35.3	35.4	0.8	0.1	34.1	34.7	0.6
EBITDA margin (%)	23.8	24.7	22.8	24.9	25.1	1.3	0.2	24.7	24.4	(0.3)
Net Profit Margin (%)	13.8	15.0	13.2	15.3	15.6	1.8	0.3	14.2	14.8	0.6
ROA (%)	9.2	10.1	9.0	11.4	11.1			9.3	10.1	
ROE (%)	13.7	14.8	13.2	16.9	16.4			13.9	14.9	
D/E (x)	0.17	0.15	0.11	0.13	0.11			0.17	0.11	
(Bt mn)	4Q22	1Q23	2Q23	3Q23	4Q23	% YoY	% QoQ	2022	2023	YoY%
Revenue by services										
Non-COVID-19 services	22,117	23,084	23,141	25,473	25,379	14.8	(0.4)	79,744	97,077	21.7
COVID-19 services	451	-	-	-	-	N.M.	N.M.	8,791	-	N.M.
Total revenue	22,568	23,084	23,141	25,473	25,379	12.5	(0.4)	88,535	97,077	9.6
Revenue by nationality										
Thai	16,475	16,274	17,124	18,850	18,273	10.9	(3.1)	67,053	70,521	5.2
International patients	6,093	6,810	6,017	6,623	7,106	16.6	7.3	21,482	26,556	23.6
Total revenue	22,568	23,084	23,141	25,473	25,379	12.5	(0.4)	88,535	97,077	9.6

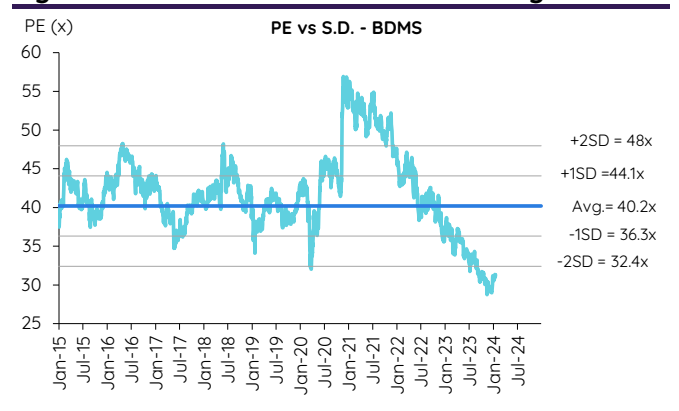
Source: Company data and InnovestX Research

Figure 2: BDMS' earnings forecast.



Source: Company data and InnovestX Research

Figure 3: BDMS valuation is undemanding.



Source: SET and InnovestX Research

PE band since 2015, excluding 2020-21 which is an exceptional COVID-19 period

Figure 4: Valuation summary (price as of Feb 21, 2024)

	Rating	Price (Bt/Sh)	Target (Bt/Sh)	ETR (%)	P/E (x)			EPS growth (%)			P/BV (x)			ROE (%)			Div. Yield (%)			EV/EBITDA (x)		
					22A	23F	24F	22A	23F	24F	22A	23F	24F	22A	23F	24F	22A	23F	24F	22A	23F	24F
BCH	Outperform	22.00	24.0	10.4	13.5	37.1	31.4	(40.8)	(63.5)	18.2	4.4	4.2	3.9	29	11	12	3.6	1.3	1.6	10.9	18.6	16.1
BDMS	Outperform	28.50	35.0	25.3	35.9	31.5	29.1	63.0	14.0	8.4	5.0	4.8	4.7	14	15	16	2.1	2.5	2.7	19.9	18.2	16.6
BH	Neutral	242.00	258.0	8.7	38.9	28.6	27.1	302.9	36.3	5.3	9.8	8.1	7.2	26	31	28	1.4	2.1	2.2	25.8	19.0	17.9
CHG	Neutral	2.96	3.8	30.7	11.7	29.6	26.2	(33.9)	(60.4)	13.0	4.3	4.7	4.4	35	15	17	5.4	2.4	2.7	7.9	16.8	15.3
RJH	Neutral	26.25	28.0	10.5	7.7	18.7	18.3	1.7	(59.0)	2.0	3.4	3.2	3.1	48	18	17	9.5	3.8	3.9	5.9	11.9	11.3
Average					21.6	29.1	26.4	58.6	(26.5)	9.4	5.9	5.4	5.1	26	18	18	3.1	2.1	2.3	16.1	18.2	16.5

Source: InnovestX Research

Disclaimer

The information in this report has been obtained from sources believed to be reliable. However, its accuracy or completeness is not guaranteed. Any opinions expressed herein reflect our judgment at this date and are subject to change without notice. This report is for information only. It is not to be construed as an offer, or solicitation of an offer to sell or buy any securities. We accept no liability for any loss arising from the use of this document. We or our associates may have an interest in the companies mentioned therein.

InnovestX Securities Company Limited (“INVX”) is wholly owned by SCB X Public Company Limited (“SCBX”) and The Siam Commercial Bank Public Company Limited (“SCB”) is majority-owned by SCBX. Any information related to SCB is for sector comparison purpose.

This document is prepared by InnovestX Securities Company Limited (“INVX”) which is wholly owned by SCB X Public Company Limited (“SCBX”). The Siam Commercial Bank Public Company Limited, which is majority-owned by SCBX, acts as financial advisor of the LH Hotel Leasehold Real Estate Investment Trust. Any opinions, news, research, analyses, prices, statements, forecasts, projections and/or other information contained in this document (the “Information”) is provided as general information purposes only and shall not be construed as individualized recommendation of an offer to buy or sell or the solicitation of an offer to buy or sell any securities. INVX and/or its directors, officers and employees shall not be liable for any direct, indirect, incidental, special or consequential loss or damage, resulting from the use of or reliance on the Information, including without limitation to, damages for loss of profits. The investors shall use the Information in association with other information and opinion, including their own judgment in making investment decision. The Information is obtained from sources believed to be reliable, and INVX cannot guarantee the accuracy, completeness and/or correctness of the Information.

INVX reserves the right to modify the Information from time to time without notice and in its sole discretion. This document is delivered to intended recipient(s) only and is not permitted to reproduce, retransmit, disseminate, sell, distribute, republish, circulate or commercially exploit the Information in any manner without the prior written consent of INVX.

Futures and Options trading carry a high level of risk with the potential for substantial losses, and are not suitable for all persons. Before deciding to trade Futures and Options, you should carefully consider your financial position, investment objectives, level of experience, and risk appetite if Futures and Options trading are appropriate. The possibility exists that you could sustain a loss of some or all of your initial investment. You should be aware of all the risks associated with Futures and Options trading, and you are advised to rely on your own judgment while making investment decision and/or should seek advice from professional investment advisor if you have any doubts.

This document is delivered to intended recipient(s) only and is not permitted to reproduce, retransmit, disseminate, sell, distribute, republish, circulate or commercially exploit the Information in any manner without the prior written consent of INVX.

© Copyright 2022 InnovestX Securities Co., Ltd. All right reserved.

CG Rating 2023 Companies with CG Rating

Companies with Excellent CG Scoring

7UP, AAV, ABM, ACE, ACG, ADB, ADD, ADVANC, AEONTS, AF, AGE, AH, AHC, AIRA, AIT, AJ, AKP, AKR, ALLA, ALT, AMA, AMARIN, AMATA, AMATAV, ANAN, AOT, AP, APCO, APCS, ARIP, ARROW, ASEFA, ASK, ASP, ASW, ATP30, AUCTION, AWC, AYUD, B, BA, BAFS, BAM, BANPU, BAY, BBGI, BBIK, BBL, BC, BCH, BCP, BCPG, BDMS, BEC, BEM, BEYOND, BGC, BGRIM, BH, BIZ, BJC, BJCHI, BKI, BLA, BOL, BPP, BRI, BROOK, BRR, BTS, BTW, BWG, BYD, CBG, CENTEL, CFRESH, CHASE, CHEWA, CHG, CHOW, CIMBT, CIVIL, CK, CKP, CM, CNT, COLOR, COM7, COTTO, CPALL, CPAXT, CPF, CPI, CPL, CPN, CPW, CRC, CRD, CSC, CSS, CV, DCC, DDD, DELTA, DEMCO, DMT, DOHOME, DRT, DUSIT, EA, EASTW, ECF, ECL, EE, EGCO, EPG, ERW, ETC, ETE, FE, FLOYD, FN, FPI, FPT, FSX, FVC, GBX, GC, GCAP, GENCO, GFPT, GGC, GLAND, GLOBAL, GPSC, GRAMMY, GULF, GUNKUL, HANA, HARN, HENG, HMPRO, HPT, HTC, ICC, ICHI, ICN, III, ILINK, ILM, IMH, IND, INET, INTUCH, IP, IRC, IRPC, ITC, ITEL, IVL, JAS, JTS, KBANK, KCC, KCE, KEX, KKP, KSL, KTB, KTC, KTMS, KUMWEL, KUN, LALIN, LANNA, LH, LHFG, LIT, LOXLEY, LPN, LRH, LST, M, MAJOR, MALEE, MATCH, MBK, MC, M-CHAI, MCOT, MEGA, MFC, MFEC, MILL, MINT, MONO, MOONG, MSC, MST, MTC, MTI, NC, NCH, NCL, NDR, NER, NKI, NOBLE, NRF, NTV, NVD, NWR, NYT, OCC, OISHI, ONEE, OR, ORI, OSP, OTO, PAP, PATO, PB, PCSGH, PDG, PDJ, PG, PHOL, PIMO, PJW, PLANB, PLAT, PLUS, PM, POLY, PORT, PPP, PPS, PR9, PRG, PRINC, PRM, PRTR, PSH, PSL, PT, PTC, PTT, PTTEP, PTTGC, Q-CON, QH, QTC, RATCH, RBF, RPH, RS, RT, S, S&J, SA, SABINA, SAK, SAMART, SAMTEL, SAPPE, SAT, SBNEXT, SC, SCB, SCC, SCCC, SCG, SCGP, SCM, SDC, SEAFCO, SEAOL, SECURE, SELIC, SENA, SENX, SFP2, SFT, SGC, SGF, SGP, SHR, SICT, SIRI, SIS, SITHAI, SJWD, SKR, SM, SMP, SMT, SNC, SNNP, SNP, SO, SPALI, SPC, SPCG, SPI, SPRC, SR, SSC, SSF, SSSC, STA, STC, STEC, STGT, STI, SUC, SUN, SUSCO, SUTHA, SVR, SVT, SYMC, SYNEX, SYNTEC, TACC, TAE, TCAP, TCMC, TEAMG, TEGH, TFG, TFMAMA, TGE, TGH, THANA, THANI, THCOM, THIP, THRE, THREL, TIDLOR, TIPH, TISCO, TK, TKN, TKS, TKT, TLI, TM, TMC, TMD, TMT, TNDT, TNITY, TNL, TNR, TOA, TOG, TOP, TPBI, TPCS, TPIPL, TPIPP, TPS, TQM, TQR, TRT, TRUE, TRV, TSC, TSTE, TSTH, TTA, TTB, TTCL, TTW, TURTLE, TVDH, TVH, TVO, TVT, TWPC, UAC, UBE, UBIS, UKEM, UP, UPF, UPOIC, UV, VCOM, VGI, VIBHA, VIH, VL, WACOAL, WGE, WHA, WHAUP, WICE, WINMED, WINNER, XPG, YUASA, ZEN

Companies with Very Good CG Scoring

2S, A5, AAI, AIE, ALUCON, AMR, APURE, ARIN, AS, ASIA, ASIAN, ASIMAR, ASN, AURA, BR, BSBM, BTG, CEN, CGH, CH, CHIC, CI, CIG, CMC, COMAN, CSP, DOD, DPAINT, DV8, EFORL, EKH, ESSO, ESTAR, EVER, FORTH, FSMART, FTI, GEL, GPI, HEALTH, HUMAN, IFS, INSET, IT, J, JCKH, JDF, JKN, JMART, JUBILE, K, KCAR, KGI, KIAT, KISS, KK, KTIS, KWC, KWM, LDC, LEO, LHK, MACO, METCO, MICRO, MK, MVP, NCAP, NOVA, NTSC, PACO, PIN, PQS, PREB, PRI, PRIME, PROEN, PROS, PROUD, PSTC, PTECH, PYLON, RCL, SALEE, SANKO, SCI, SCN, SE, SE-ED, SFLEX, SINGER, SKN, SONIC, SORKON, SPVI, SSP, SST, STANLY, STP, SUPER, SVOA, SWC, TCC, TEKA, TFM, TMILL, TNP, TPLAS, TPOLY, TRC, TRU, TRUBB, TSE, VRANDA, WAVE, WFX, WIIK, WIN, WP, XO

Companies with Good CG Scoring

24CS, AMANAH, AMARC, AMC, APP, ASAP, BCT, BE8, BIG, BIOTEC, BLESS, BSM, BVG, CAZ, CCET, CHARAN, CHAYO, CHOTI, CITY, CMAN, CMR, CRANE, CWT, DHOUSE, DTCENT, EASON, FNS, FTE, GIFT, GJS, GTB, GTV, GYT, HL, HTECH, HYDRO, IIG, INGRS, INSURE, IRCP, ITD, ITNS, JCK, JMT, JR, JSP, KBS, KGEN, KJL, L&E, LEE, MASTER, MBAX, MEB, MENA, META, MGT, MITSIB, MJD, MOSHI, MUD, NATION, NNCL, NPK, NSL, NV, OGF, PAF, PCC, PEACE, PICO, PK, PL, PLANET, PLE, PMTA, PPM, PRAKIT, PRAPAT, PRECHA, PRIN, PSG, RABBIT, READY, RJH, RSP, RWI, S11, SAAM, SAF, SAMCO, SAWAD, SCAP, SCP, SIAM, SKE, SKY, SMART, SMD, SMIT, SOLAR, SPA, STECH, STPI, SVR, TC, TCCC³, TEAM, TFI, TIGER, TITL, TCC, TMI, TNH, TPA, TPAC, TRITN, UBA, UMI, UMS, UTP, VARO, VPO, W, WARRIX, WORK, WPH, YONG, ZIGA

Corporate Governance Report

The material contained in this publication is for general information only and is not intended as advice on any of the matters discussed herein. Readers and others should perform their own independent analysis as to the accuracy or completeness or legality of such information. The Thai Institute of Directors, its officers, the authors and editor make no representation or warranty as to the accuracy, completeness or legality of any of the information contained herein. By accepting this document, each recipient agrees that the Thai Institute of Directors Association, its officers, the authors and editor shall not have any liability for any information contained in, or for any omission from, this publication.

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. InnovestX Securities Company Limited does not conform nor certify the accuracy of such survey result.

To recognize well performers, the list of companies attaining "Good", "Very Good" and "Excellent" levels of recognition (Not including listed companies qualified in the "no announcement of the results" clause from 1 January 2022 to 31 October 2023) is publicized.

¹OISHI was voluntarily delisted from the Stock Exchange of Thailand, effectively on September 6, 2023

²SFP was voluntarily delisted from the Stock Exchange of Thailand, effectively on July 19, 2023

³TCCC was voluntarily delisted from the Stock Exchange of Thailand effectively on August 25, 2023

Anti-corruption Progress Indicator

Certified (ได้ผ่านการรับรอง)

2S, 7UP, AAI, ADVANC, AF, AH, AI, AIE, AIRA, AJ, AKP, AMA, AMANAH, AMATA, AMATAV, AP, APCS, AS, ASIAN, ASK, ASP, AWC, AYUD, B, BAFS, BAM, BANPU, BAY, BBGI, BBL, BCH, BCP, BCPG, BE8, BEC, BEYOND, BGC, BGRIM, BKI, BLA, BPP, BROOK, BRR, BSBM, BTS, BWG, CEN, CENTEL, CFRESH, CGH, CHEWA, CHOTI, CHOW, CIG, CIMBT, CM, CMC, COM7, CPALL, CPAXT, CPF, CPI, CPL, CPN, CPW, CRC, CSC, DCC, DELTA, DEMCO, DIMET, DOHOME, DRT, DUSIT, EA, EASTW, ECF, EGCO, EP, EPG, ERW, ESTAR, ETC, ETE, FNS, FPI, FPT, FSMART, FTE, GBX, GC, GCAP, GEL, GFPT, GGC, GJS, GPI, GPSC, GSTEEL, GULF, GUNKUL, HANA, HARN, HENG, HMPRO, HTC, ICC, ICHI, IFS, III, ILINK, ILM, INET, INOX, INSURE, INTUCH, IRPC, ITEL, IVL, JAS, JKN, JR, JTS, KASET, KBANK, KBS, KCAR, KCC, KCE, KGEN, KGI, KKP, KSL, KTB, KTC, L&E, LANNA, LHFG, LHK, LPN, LRH, M, MAJOR, MALEE, MATCH, MBAX, MBK, MC, MCOT, META, MFC, MFEC, MILL, MINT, MONO, MOONG, MSC, MST, MTC, MTI, NATION, NCAP, NEP, NKI, NOBLE, NRF, NWR, OCC, OG, OR, ORI, PAP, PATO, PB, PCSGH, PDG, PDJ, PG, PHOL, PIMO, PK, PL, PLANB, PLANET, PLAT, PM, PPP, PPPM, PPS, PR9, PREB, PRG, PRINC, PRM, PROS, PSH, PSL, PSTC, PT, PTECH, PTT, PTT, PTTEP, PTTGC, PYLON, Q-CON, QH, QLT, QTC, RABBIT, RATCH, RML, RS, RWI, S&J, SAAM, SABINA, SAK, SAPPE, SAT, SC, SCC, SCCC, SCG, SCGP, SCM, SCN, SEAOL, SE-ED, SELIC, SENA, SGC, SGP, SIRI, SITHAI, SKR, SMIT, SMK, SMP, SNC, SNP, SORKON, SPACK, SPALI, SPC, SPI, SPRC, SRICHA, SSF, SSP, SSSC, SST, STA, STGT, STOWER, SUSCO, SVI, SYMC, SYNTEC, TAE, TAKUNI, TASC, TCAP, TCMC, TRF, TFI, TFMAMA, TGE, TGH, THANI, THCOM, THIP, THRE, THREL, TIDLOR, TIPCO, TISCO, TKS, TKT, TMD, TMILL, TMT, TNITY, TNL, TNP, TOG, TOP, TOPP, TPAC, TPC, TSC, TSI, TSTE, TSTH, TTA, TTB, TTCL, TU, TVCS, TVO, TVDH, TVO, TVPCH, UAC, UBE, UBIS, UEC, UKEM, UOBKH, UV, VCOM, VGI, VIH, WACOAL, WHA, WHAUP, WICE, WIIK, XO, YUASA, ZEN, ZIGA

Declared (ได้ผ่านการอนุมัติ)

ACE, ADB, ALT, AMC, ASW, BLAND, BTG, BYD, CAZ, CBG, CV, DEXON, DMT, EKH, FSX, GLOBAL, GREEN, ICN, IHL, ITC, J, JMART, JMT, LEO, LH, MENA, MITSIB, MODERN, NER, NEX, OSP, OTO, PLUS, POLY, PQS, PRIME, PROEN, PRTR, RBF, RT, SA, SANKO, SCB, SENX, SFLEX, SIS, SKE, SM, SVOA, TBN, TEGH, TIPH, TKN, TPAC, TPLAS, TQM, TRUE, W, WPH, XPG

N/A

24CS, 3K-BAT, A, A5, AAV, ABM, ACAP, ACC, ACG, ADD, ADVICE, AEONTS, AFC, AGE, AHC, AIT, AJA, AKR, AKS, ALL, ALLA, ALPHAX, ALUCON, AMARC, AMARIN, AMR, ANAN, ANI, AOT, APCO, APEX, APP, APURE, AQUA, ARIN, ARIP, ARROW, ASAP, ASEFA, ASIA, ASIMAR, ASN, ATP30, AU, AUCTION, AURA, B52, BA, BBIK, BC, BCT, BDMS, BEAUTY, BEM, BGT, BH, BIG, BIOTEC, BIS, BIZ, BJC, BJCHI, BKD, BLC, BLESS, BLISS, BM, BOL, BR, BRI, BROCK, BSM, BSRC, BTNC, BTW, BUI, BVG, CCET, CCP, CEYE, CGD, CH, CHARAN, CHASE, CHAYO, CHG, CHIC, CHO, CI, CITY, CIVIL, CK, CKP, CMAN, CMO, CMR, CNT, COCOCO, COLOR, COMAN, CPANEL, CPH, CPR, CPT, CRANE, CRD, CREDIT, CSP, CSR, CSS, CTW, CWT, D, DCON, DDD, DHOUSE, DITTO, DOD, DPAINT, DTCENT, DTCI, DV8, EASON, ECL, EE, EFORL, EMC, ETL, EURO, EVER, F&D, FANCY, FE, FLOYD, FMT, FN, FORTH, FTI, FVC, GABLE, GENCO, GFC, GIFT, GL, GLAND, GLOCON, GLORY, GRAMMY, GRAND, GSC, GTB, GTV, GYT, HEALTH, HFT, HL, HPT, HTECH, HUMAN, HYDRO, I2, IFEC, IIG, IMH, IND, INGRS, INSET, IP, IRC, IRCP, IT, ITD, ITNS, ITTHI, JAK, JCK, JCKH, JCT, JDF, JPARK, JSP, JUBILE, K, KAMART, KC, KCG, KCM, KDH, KEX, KIAT, KISS, KJL, KK, KKC, KLINIQ, KOOL, KTIS, KTMS, KUMWEL, KUN, KWC, KWI, KWM, KYE, LALIN, LDC, LEE, LIT, LOXLEY, LPH, LST, MANRIN, MASTER, MATI, MCA, M-CHAI, MCS, MDX, MEB, MEGA, METCO, MGC, MGI, MGT, MICRO, MIDA, MJD, MK, ML, MORE, MOSHI, MTW, MUD, MVP, NAM, NAT, NC, NCH, NCL, NDR, NETBAY, NEW, NEWS, NFC, NL, NNCL, NOK, NOVA, NPK, NSL, NTSC, NTV, NUSA, NV, NVD, NYT, OHTL, ONEE, ORN, PACE, PACO, PAF, PANEL, PCC, PEACE, PERM, PF, PHG, PICO, PIN, PJW, PLE, PLT, PMTA, POLAR, POMPUI, PORT, POST, PPM, PRAKIT, PRAPAT, PRECHA, PRI, PRIN, PRO, PROUD, PSG, PSP, PTC, PTL, RAM, RCL, READY, RICHY, RJH, ROCK, ROCTEC, ROH, ROJNA, RP, RPC, RPH, RSP, S, S11, SABUY, SAF, SAFARI, SAFE, SALEE, SAM, SAMART, SAMCO, SAMTEL, SAUCE, SAV, SAWAD, SAWANG, SBNEXT, SCAP, SCGD, SCI, SCL, SCP, SDC, SE, SEAFCO, SECURE, SFT, SGF, SHANG, SHR, SIAM, SICT, SIMAT, SINGER, SINO, SISB, SJWD, SK, SKN, SKY, SLM, SLP, SMART, SMD, SMT, SNNP, SO, SOLAR, SONIC, SPA, SPCG, SPG, SPVI, SQ, SR, SRS, SSC, SSS, STANLY, STARK, STC, STEC, STECH, STHAI, STI, STP, STPI, SUC, SUN, SUPER, SUTHA, SVR, SWC, SYNEX, TACC, TAN, TAPAC, TC, TCC, TCJ, TCOAT, TEAM, TEAMG, TEKA, TFM, TGPRO, TH, THAI, THANA, THE, THG, THMUI, TIGER, TITL, TK, TKC, TLI, TM, TMC, TMI, TMW, TNDT, TNH, TNPC, TOA, TPBI, TPCH, TPIPL, TPIPP, TPL, TPOLY, TPP, TPS, TQR, TR, TRC, TRAIT, TRP, TRUBB, TRV, TSE, TTI, TTT, TTW, TURTLE, TVH, TVT, TWP, TWZ, TYCN, UAC, UBA, UMI, UMS, UNQI, UP, UPF, UPOIC, UREKA, UTP, UVAN, VARO, VIBHA, VL, VNG, VPO, VRANDA, WARRIX, WAVE, WFX, WGE, WIN, WINDOW, WINMED, WINNER, WORK, WORLD, WP, YGG, YONG, ZAA

Explanations

Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of November 1, 2023) are categorised into: companies that have declared their intention to join CAC, and companies certified by CAC.