

Bangkok Chain Hospital **BCH**

Bangkok Chain Hospital
Public Company Limited

Bloomberg BCH TB
Reuters BCH.BK



Earnings cut to factor in slow Kuwaiti patients

While we have removed BCH from our top pick list after cutting earnings to factor in the slow Kuwaiti patient growth, we maintain our Outperform, as we expect better earnings in 2H24 on additional facilities, enhanced services and the ramping up of operations at new hospitals. Although share price may be pressured in the near-term due to the earnings downgrade, we believe negatives are already priced in: over the past three months, it has fallen 14% (vs. the SET's -3%), to trade at 27x 2024 PE or below -1SD of its historical average. For the mid- to long-term horizon, we see this as an opportunity to accumulate. Our end-2024 DCF TP is cut to Bt23/share from Bt25/share.

Earnings cut to factor in slow Kuwaiti patients. We revised down our revenue assumptions by 4% in 2024 and 2% in 2025 to factor in the slow return of Kuwaitis and this reduces core earnings by 10% in 2024 and 5% in 2025. Revenue from Kuwaitis sank 49% YoY in 1Q24 and the number of Kuwaiti patients (whose healthcare is covered by the government via a guarantee of payment) continued to drop as they wait for their government to complete a list of qualifying Thai hospitals. As the timing of the government's release of this list is uncertain, we assume revenue from Kuwaitis will be slow through 2024 and return gradually in 2025. We forecast core earnings at Bt1.6bn (+8% YoY) in 2024 and Bt1.9bn (+18% YoY) in 2025. Our revised earnings projection in 2024 is 7% below market consensus.

Preview 2Q24: Slow quarter. We expect core earnings of Bt292mn in 2Q24, down 2% YoY and 11% QoQ. Behind the YoY fall is the reduction in Kuwaitis that will offset the benefit from lower FX loss at *Kasemrad International Hospital Vientiane*; the QoQ drop reflects seasonality. BCH will release results on August 15.

2H24 better. We continue to expect operations and earnings to show clear improvement in 2H24 (up both YoY and HoH) backed by: 1) completion of renovations at its flagship *Kasemrad Bangkae* (Apr-Jun 2024), 2) opening of *Kasemrad Ari Radiation Oncology Center* (3Q24, 51% held by BCH), 3) adding a new mobile dental service (3Q24, 60% held by BCH) in another move to directly capture more demand from patients under SC, universal coverage (UC) and corporate contracts and 4) growing operations at three new hospitals: *Kasemrad International Hospital Aranyaprathet*, *Kasemrad Hospital Prachinburi* and *Kasemrad International Hospital Vientiane*.

Removed from top pick list. Outperform maintained. We remove BCH from our top pick list after cutting earnings to factor in few Kuwaitis and this may pressure share price in the near-term. However, for the mid- to long-term horizon, we see negatives as largely priced in: over the past three months, BCH share price has fallen 14% vs. the SET's -3%, trading at 27x 2024PE, which is below -1SD its historical average. Our end-2024 DCF TP is brought down to Bt23/share from Bt25/share, based on WACC at 7% and LT growth at 3%.

Risks. Change in SC reimbursement, slower patient traffic and cost burden at new facilities. We see ESG risk as patient safety (S): BCH 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)	18,827	11,729	12,299	13,312	13,998
EBITDA	(Btmn)	5,151	2,922	3,178	3,587	3,781
Core profit	(Btmn)	4,033	1,492	1,608	1,902	2,037
Reported profit	(Btmn)	3,039	1,406	1,608	1,902	2,037
Core EPS	(Bt)	1.62	0.60	0.64	0.76	0.82
DPS	(Bt)	0.80	0.35	0.40	0.47	0.51
P/E, core	(x)	10.8	29.2	27.1	22.9	21.4
EPS growth, core	(%)	(41.1)	(63.0)	7.7	18.3	7.1
P/BV, core	(x)	3.5	3.5	3.3	3.1	3.0
ROE	(%)	29.0	11.0	11.5	12.9	13.1
Dividend yield	(%)	4.6	2.0	2.3	2.7	2.9
EV/EBITDA	(x)	8.7	14.7	13.5	11.7	10.9
EBITDA growth	(%)	(50.4)	(43.3)	8.8	12.9	5.4

Source: InnovestX Research

Tactical: OUTPERFORM (3-month)

Stock data	
Last close (Jul 17) (Bt)	17.50
Target price (Bt)	23.00
Mkt cap (Btbn)	43.64
Mkt cap (US\$m)	1,216
Beta	L
Mkt cap (%) SET	0.27
Sector % SET	5.45
Shares issued (mn)	2,494
Par value (Bt)	1.00
12-m high / low (Bt)	23.8 / 16.8
Avg. daily 6m (US\$m)	5.47
Foreign limit / actual (%)	49 / 13
Free float (%)	43.8
Dividend policy (%)	≥ 40

Share performance			
(%)	1M	3M	12M
Absolute	(2.8)	(14.2)	(1.7)
Relative to SET	(4.4)	(11.5)	14.4

Source: SET, InnovestX Research

2023 Sustainability / 2022 ESG Score	
SET ESG Ratings	AA

ESG Bloomberg Rank in the sector	
ESG Score Rank	3/23
Environmental Score Rank	2/23
Social Score Rank	1/23
Governance Score Rank	5/23

ESG comment

BCH has an ESG score that is above sector average. It is clear on its focus on sustainability with committed targets for environmental, social and governance criteria.

Source: Bloomberg Finance L.P.

Analyst

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Value proposition

BCH is a leading presence in Thailand's healthcare arena and the country's largest social security service provider with over 1mn registered persons, accounting for ~7% of total SC insured persons (under Section 33 and Section 39) in Thailand. BCH operates 15 hospitals in a network offering 2,245 registered beds to serve all types of patients, with four hospital groups: World Medical Hospital, Kasemrad International Hospital, Kasemrad Hospital and Karunvej Hospital.

Business outlook

The exceptional high from COVID-19 services in 2021 faded in 2022-2023, pulling BCH's earnings down 41% in 2022 and 63% in 2023. With things back to normal, we expect core earnings growth of 8% to Bt1.6bn in 2024 based on 5% revenue growth and 25.8% EBITDA margin (up from 24.9% in 2023), underwritten by the ramp-up of three new hospitals: *Kasemrad International Hospital Aranyaprathet*, *Kasemrad Hospital Prachinburi* and *Kasemrad International Hospital Vientiane*.

BCH was one private hospital actively involved in providing COVID-19 hospitalizations and we believe its large-scale provision of COVID-19-related services with over 2mn new registered patients during 2020-21 built brand recognition, giving it an opportunity to enlarge its patient base. Over 2023-27, BCH targets to increase licensed beds to ~3,100 beds, a 38% increase from 2022, in areas with potential such as the EEC.

Bullish views	Bearish views
1. Large-scale provision of COVID-19-related services built brand recognition, giving it an opportunity to enlarge patient base.	1. Concern over a reduction in SC reimbursement
2. Strong core earnings growth.	

Key catalysts			
Factor	Event	Impact	Comment
Near-term earnings outlook	2H24F earnings	+YoY, +HoH	BCH's operations and earnings will clearly improve in 2H24 from: 1) completing renovations at its flagship <i>Kasemrad Bangkae</i> (Apr-Jun 2024), 2) opening <i>Kasemrad Ari Radiation Oncology Center</i> (3Q24, 51% held by BCH) which will initially serve patients under social security coverage (SC) now referred to other hospitals and allow it to serve more patients, 3) adding a new mobile dental service (3Q24, 60% held by BCH) in a move to capture more demand from patients under SC, universal coverage (UC) and corporate contracts and 4) growing operations at three new hospitals: <i>Kasemrad International Hospital Aranyaprathet</i> , <i>Kasemrad Hospital Prachinburi</i> and <i>Kasemrad International Hospital Vientiane</i> . These hospitals contributed loss of ~Bt290mn or ~19% of BCH's core profit in 2023.
Factors to watch in 2024	Lower SC actual payment	Negative	According to BCH, the Social Security Office cut payment for high-cost care (RW>2) to private hospitals to Bt10,000/RW from Bt12,000/RW (determined rate) for the services provided in December 2022 due to a 2022 budget shortfall. The difference between actual payment and revenue booked sliced ~Bt10mn from BCH's revenue in 4Q23. For services provided in 2023, BCH has received payment of Bt12,000/RW through October 2023. The market is concerned there may again be a lower actual payment for the services provided in November-December 2023 (now being reviewed) and are also concerned that payments for 2024 will be affected. While we view payment uncertainty as a risk, our assessment suggests limited impact at this point. Assuming a lower actual payment for high-cost care (RW>2) of Bt10,000/RW rather than Bt12,000/RW for one month brings 2024 earnings down 0.4%.

Sensitivity analysis

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

Our view on ESG

BCH has set up a Sustainability, Governance and Risk Management Committee to impose sustainability policies as well as enforce and manage sustainability-related matters in the company. For the environmental issue (E), BCH has set a short-term goal and we expect to see further development as it works towards setting a long-term goal. We see ESG risk as patient safety (S): BCH has adopted a variety of quality assurance systems to provide continuous patient care.

ESG Disclosure Score

Bloomberg ESG Score	48.66 (2022)
Rank in Sector	3/23

	CG Rating	DJSI	SETESG	SET ESG Ratings
BCH	5	No	Yes	AA

Source: Thai Institute of Directors (IOD), SET

Environmental Issue (E)

- BCH has an energy conservation goal to reduce energy consumption by 0.3% within 2024 (baseline year 2022) by cooperating with affiliated hospitals to operate energy-saving projects such as installing more Solar rooftops and replacing inefficient equipment with energy-efficient equipment.
- BCH has a waste reduction goal to reduce waste per patient by 5% within 2024 (baseline year 2022) by cooperating with affiliated hospitals to improve waste management such as encouraging employees to reduce the usage of a single-use package and reduce waste from food.
- BCH has a water conservation goal to reduce water consumption by 0.3% within 2024 (the baseline year 2022) by cooperating with affiliated hospitals to operate water conservation projects such as replacing water taps with automatic water taps in crowded areas.

Social Issue (S)

- BCH puts patient safety first. It has established a policy to control the quality of services that is consistent with both national and international standards, such as Hospital Accreditation (HA) and Joint commission International (JCI). There are also guidelines for continuous and regular improvement.
- In 2023, average employee training hours was 9.5 hours per person, higher than 7.6 hours per person in 2022 and above its goal of at least 6 hours per person.
- The data regarding employee engagement is only from the World Medical Hospital. In 2023, employee engagement score was 70%, reaching its target and better than 68.3% in 2022.
- We see ESG risk as patient safety (S): BCH has adopted a variety of quality assurance systems to provide continuous patient care.

Governance Issue (G)

- BCH's operation guideline considers stakeholders across the value chain, from upstream to downstream. This will help increase opportunities, reduce risks and improve competitive capabilities. Its goal is 100% of business partners acknowledge supplier code of conduct through BCH website within 2024.
- BCH has established anti-corruption policy, anti-corruption handbook and whistleblowing and complaint policy to the Board of Directors, Executive Directors and employees for their acknowledgement and strict adherence.
- As of 31 December 2023, BCH has 12 members of the Board of Director, including 7 Executive Directors and, 5 Non-Executive Director. 4 of Non-Executive Directors are Independent Directors (33.33% of all directors).
- The chairman is not an independent director.
- Major shareholders control -50% of total issued and paid-up shares.

ESG Disclosure Score

	2021	2022
ESG Disclosure Score	31.27	48.66
Environment	20.57	46.18
Emissions Reduction Initiatives	Yes	Yes
Climate Change Policy	Yes	Yes
GHG Scope 1	0.59	1.77
GHG Scope 2 Location-Based	4.91	5.82
Energy Efficiency Policy	Yes	Yes
Total Energy Consumption	9.90	11.74
Waste Reduction Policy	Yes	Yes
Total Waste	—	0.22
Water Policy	Yes	Yes
Total Water Withdrawal	670.18	68.28
Social	18.53	45.13
Human Rights Policy	Yes	Yes
Consumer Data Protection Policy	No	No
Pct Women in Workforce	—	76.30
Lost Time Incident Rate - Employees	0.18	0.36
Number of Employees - CSR	8,597	8,877
Total Hours Spent by Firm - Employee Training	—	54,702
Governance	54.64	54.64
Size of the Board	12	11
Board Meeting Attendance Pct	94	97
Number of Independent Directors	4	4
% Independent directors to total board members	33	36
Board Duration (Years)	—	—

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)	8,880	8,928	21,405	18,827	11,729	12,299	13,312	13,998
Cost of goods sold	(Btmn)	6,052	5,975	10,561	12,772	8,116	8,407	8,977	9,417
Gross profit	(Btmn)	2,828	2,953	10,844	6,055	3,613	3,892	4,335	4,581
SG&A	(Btmn)	1,232	1,213	1,469	1,946	1,755	1,775	1,834	1,891
Other income	(Btmn)	116	93	129	92	119	120	100	100
Interest expense	(Btmn)	131	132	151	156	95	41	10	0
Pre-tax profit	(Btmn)	1,582	1,702	9,352	4,045	1,882	2,196	2,592	2,790
Corporate tax	(Btmn)	286	313	1,846	888	405	467	544	586
Equity a/c profits	(Btmn)	2	3	2	0	1	1	1	1
Minority interests	(Btmn)	(163)	(163)	(661)	(118)	(73)	(123)	(146)	(168)
Core profit	(Btmn)	1,240	1,262	6,846	4,033	1,492	1,608	1,902	2,037
Extra-ordinary items	(Btmn)	(105)	(33)	0	(994)	(86)	0	0	0
Net Profit	(Btmn)	1,135	1,229	6,846	3,039	1,406	1,608	1,902	2,037
EBITDA	(Btmn)	2,387	2,616	10,377	5,151	2,922	3,178	3,587	3,781
Core EPS (Bt)	(Bt)	0.50	0.51	2.75	1.62	0.60	0.64	0.76	0.82
Net EPS (Bt)	(Bt)	0.46	0.49	2.75	1.22	0.56	0.64	0.76	0.82
DPS (Bt)	(Bt)	0.23	0.23	1.20	0.80	0.35	0.40	0.47	0.51

Balance Sheet

FY December 31	Unit	2019	2020	2021	2022	2023	2024F	2025F	2026F
Total current assets	(Btmn)	2,967	3,538	13,541	6,835	4,843	4,374	4,860	5,876
Total fixed assets	(Btmn)	10,584	12,404	11,790	11,829	11,728	11,681	11,516	11,345
Total assets	(Btmn)	14,116	16,527	26,384	19,796	17,731	17,216	17,536	18,381
Total loans	(Btmn)	5,468	7,232	6,956	3,870	1,564	483	0	0
Total current liabilities	(Btmn)	2,186	5,667	7,848	3,510	3,505	2,670	2,235	2,272
Total long-term liabilities	(Btmn)	4,759	2,946	3,979	2,599	324	0	0	0
Total liabilities	(Btmn)	7,137	8,901	12,078	6,287	4,026	2,868	2,433	2,469
Paid-up capital	(Btmn)	2,494	2,494	2,494	2,494	2,494	2,494	2,494	2,494
Total equity	(Btmn)	6,978	7,626	14,306	13,510	13,704	14,348	15,104	15,912
BVPS (Bt)	(Bt)	2.51	2.76	5.20	4.99	5.05	5.29	5.58	5.89

Cash Flow Statement

FY December 31	Unit	2019	2020	2021	2022	2023	2024F	2025F	2026F
Core Profit	(Btmn)	1,240	1,262	6,846	4,033	1,492	1,608	1,902	2,037
Depreciation and amortization	(Btmn)	675	782	874	950	944	941	985	991
Operating cash flow	(Btmn)	1,902	1,863	6,226	5,715	4,183	1,968	2,743	2,909
Investing cash flow	(Btmn)	(1,729)	(2,597)	(1,495)	(759)	(919)	(875)	(800)	(800)
Financing cash flow	(Btmn)	(27)	886	(1,185)	(6,878)	(3,680)	(2,045)	(1,629)	(1,229)
Net cash flow	(Btmn)	147	151	3,545	(1,922)	(415)	(952)	314	880

Key Financial Ratios

FY December 31	Unit	2019	2020	2021	2022	2023	2024F	2025F	2026F
Gross margin	(%)	31.8	33.1	50.7	32.2	30.8	31.6	32.6	32.7
Operating margin	(%)	18.0	19.5	43.8	21.8	15.8	17.2	18.8	19.2
EBITDA margin	(%)	26.9	29.3	48.5	27.4	24.9	25.8	26.9	27.0
EBIT margin	(%)	19.0	20.3	44.1	22.2	16.7	18.0	19.4	19.8
Net profit margin	(%)	12.8	13.8	32.0	16.1	12.0	13.1	14.3	14.6
ROE	(%)	18.5	17.3	62.4	29.0	11.0	11.5	12.9	13.1
ROA	(%)	9.3	8.2	31.9	17.5	8.0	9.2	10.9	11.3
Net D/E	(x)	0.7	0.8	0.2	0.1	(0.0)	(0.1)	(0.1)	(0.2)
Interest coverage	(x)	18.3	19.8	68.6	33.1	30.6	77.7	371.5	N.M.
Debt service coverage	(x)	1.5	0.3	1.7	1.9	1.1	3.2	371.5	N.M.
Payout Ratio	(x)	50.5	46.7	43.7	65.6	62.1	62.1	62.1	62.1

Main Assumptions

FY December 31	Unit	2019	2020	2021	2022	2023	2024F	2025F	2026F
Revenue breakdown									
Cash service	(%)	65.2	63.7	34.9	49.8	68.0	68.2	69.7	70.3
Social security service (SC)	(%)	34.8	36.3	13.6	17.9	32.8	31.8	30.3	29.7
Universal coverage (UC)	(%)	0.0	0.0	51.5	32.3	(0.8)	0.0	0.0	0.0

Financial statement

Profit and Loss Statement

FY December 31	Unit	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24
Total revenue	(Btmn)	5,523	3,429	2,788	2,674	2,849	3,175	3,032	2,844
Cost of goods sold	(Btmn)	3,487	3,519	1,876	1,936	1,989	2,098	2,094	2,044
Gross profit	(Btmn)	2,037	(90)	912	738	860	1,077	938	801
SG&A	(Btmn)	524	420	511	398	495	470	392	376
Other income	(Btmn)	21	27	13	25	28	26	40	23
Interest expense	(Btmn)	39	35	34	28	24	30	13	11
Pre-tax profit	(Btmn)	1,495	(519)	380	337	369	602	574	437
Corporate tax	(Btmn)	319	(74)	101	70	86	135	114	87
Equity a/c profits	(Btmn)	0	0	(1)	(1)	2	0	(0)	0
Minority interests	(Btmn)	(32)	41	(8)	(12)	(1)	(27)	(32)	(31)
Core profit	(Btmn)	1,144	499	362	254	297	456	485	326
Extra-ordinary items	(Btmn)	0	(902)	(92)	0	(13)	(15)	(58)	(7)
Net Profit	(Btmn)	1,144	(403)	270	254	284	441	427	319
EBITDA	(Btmn)	1,769	(244)	654	603	627	869	823	688
Core EPS (Bt)	(Btmn)	0.46	0.20	0.15	0.10	0.12	0.18	0.19	0.13
Net EPS (Bt)	(Bt)	0.46	(0.16)	0.11	0.10	0.11	0.18	0.17	0.13

Balance Sheet (Btmn)

FY December 31	Unit	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24
Total current assets	(Btmn)	12,191	9,593	6,835	5,875	5,099	4,389	4,843	4,055
Total fixed assets	(Btmn)	11,597	11,539	11,829	11,778	11,715	11,764	11,728	11,779
Total assets	(Btmn)	24,842	22,500	19,796	18,803	17,925	17,268	17,731	17,041
Total loans	(Btmn)	5,508	5,979	3,870	2,817	2,750	1,549	1,564	569
Total current liabilities	(Btmn)	7,133	6,368	3,510	3,279	3,315	3,421	3,505	2,472
Total long-term liabilities	(Btmn)	2,804	2,702	2,599	1,540	1,467	390	324	296
Total liabilities	(Btmn)	10,099	9,246	6,287	4,996	4,957	4,001	4,026	2,963
Paid-up capital	(Btmn)	2,494	2,494	2,494	2,494	2,494	2,494	2,494	2,494
Total equity	(Btmn)	14,743	13,253	13,510	13,807	12,968	13,267	13,704	14,078
BVPS (Bt)	(Bt)	5.45	4.89	4.99	5.09	4.80	4.88	5.05	5.19

Cash Flow Statement (Btmn)

FY December 31	Unit	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24
Core Profit	(Btmn)	1,144	499	362	254	297	456	485	326
Depreciation and amortization	(Btmn)	236	240	240	238	234	236	236	240
Operating cash flow	(Btmn)	(836)	1,463	2,985	1,264	784	1,145	990	676
Investing cash flow	(Btmn)	1,959	(101)	(705)	(275)	(176)	(124)	(344)	(312)
Financing cash flow	(Btmn)	(3,677)	(593)	(2,070)	(1,095)	(1,202)	(1,432)	50	(1,028)
Net cash flow	(Btmn)	(2,554)	769	211	(106)	(595)	(411)	696	(664)

Key Financial Ratios

FY December 31	Unit	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24
Gross margin	(%)	36.9	(2.6)	32.7	27.6	30.2	33.9	30.9	28.1
Operating margin	(%)	27.4	(14.9)	14.4	12.7	12.8	19.1	18.0	14.9
EBITDA margin	(%)	32.0	(7.1)	23.4	22.5	22.0	27.4	27.1	24.2
EBIT margin	(%)	27.7	(14.0)	14.8	13.5	13.7	19.8	19.1	15.6
Net profit margin	(%)	20.7	(11.8)	9.7	9.5	10.0	13.9	14.1	11.2
ROE	(%)	53.7	39.4	29.0	6.7	8.0	10.1	11.0	9.4
ROA	(%)	29.3	20.7	17.5	4.3	5.2	6.8	8.0	7.3
Net D/E	(x)	0.3	0.3	0.1	0.0	0.1	0.0	(0.0)	(0.1)
Interest coverage	(x)	45.7	(7.0)	19.1	21.8	25.7	28.6	63.7	61.4
Debt service coverage	(x)	2.5	(0.3)	1.9	1.7	1.8	2.7	2.5	8.7

Key statistics

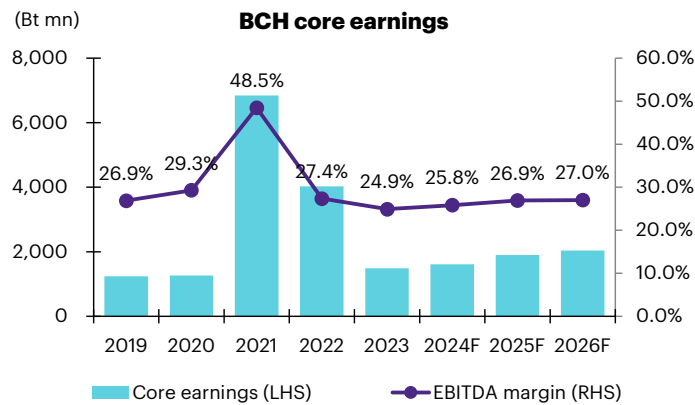
FY December 31	Unit	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24
Revenue breakdown									
Cash service	(%)	38.0	71.6	68.9	66.1	67.5	69.4	68.8	66.1
Social security service (SC)	(%)	14.7	25.1	32.6	33.5	33.1	31.3	33.6	34.3
Universal coverage (UC)	(%)	47.2	3.3	(1.5)	0.4	(0.6)	(0.6)	(2.4)	(0.3)

Figure 1: BCH's 2Q24 earnings preview

(Bt mn)	2Q23	3Q23	4Q23	1Q24	2Q24F	YoY%	QoQ%	1H23	1H24F	YoY%
Revenue	2,849	3,175	3,032	2,844	2,853	0.1	0.3	5,523	5,697	3.2
Gross profit	860	1,077	938	801	754	(12.4)	(5.9)	1,598	1,554	(2.7)
EBITDA	627	869	823	688	634	1.1	(7.9)	1,230	1,322	7.5
Core profit	297	456	485	326	292	(1.9)	(10.6)	551	618	12.1
Net profit	284	441	427	319	292	2.6	(8.6)	538	610	13.4
EPS (Bt/share)	0.11	0.18	0.17	0.13	0.12	N.M.	(8.6)	0.22	0.24	13.4
Financial Ratio										
Gross Margin (%)	30.2	33.9	30.9	28.1	26.4	(3.8)	(1.7)	28.9	27.3	(1.7)
EBITDA margin (%)	22.0	27.4	27.1	24.2	22.2	0.2	(2.0)	22.3	23.2	0.9
Net Profit Margin (%)	10.0	13.9	14.1	11.2	10.2	0.2	(1.0)	9.7	10.7	1.0
Revenue breakdown										
OPD service	966	1,092	1,073	1,020	1,026	6.2	0.6	1,863	2,046	9.9
IPD service	956	1,110	1,013	859	834	(12.8)	(2.9)	1,826	1,693	(7.3)
SC service	942	992	1,018	975	992	5.3	1.8	1,839	1,967	6.9
Revenue write-off	(16)	(19)	(72)	(9)	-	N.M.	N.M.	(6)	(9)	N.M.

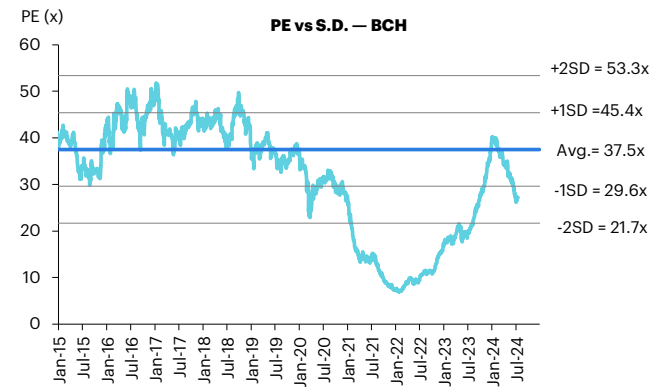
Source: InnovestX Research

Figure 2: BCH earnings forecast



Source: InnovestX Research

Figure 3: BCH PE band



Source: SET and InnovestX Research

*Data for PE band since 2015, excluding exceptional years from COVID-19 services in 2020-22

Figure 4: Valuation summary (price as of Jul 17, 2024)

	Rating	Price (Bt/Sh)	Target (Bt/Sh)	ETR (%)	P/E (x)			EPS growth (%)			P/BV (x)			ROE (%)			Div. Yield (%)			EV/EBITDA (x)		
					23A	24F	25F	23A	24F	25F	23A	24F	25F	23A	24F	25F	23A	24F	25F	23A	24F	25F
BCH	Outperform	17.50	23.0	33.7	29.2	27.1	22.9	(63.0)	7.7	18.3	3.5	3.3	3.1	11	11	13	2.0	2.3	2.7	14.7	13.5	11.7
BDMS	Outperform	26.25	36.0	40.1	29.0	25.8	23.9	14.0	12.6	8.0	4.4	4.2	4.1	15	16	17	2.7	3.0	3.2	17.1	15.6	14.5
BH	Neutral	247.00	270.0	11.3	28.4	25.5	24.3	40.0	11.1	5.1	8.2	7.0	6.1	31	29	27	1.8	2.0	2.1	22.4	17.1	15.8
CHG	Neutral	2.48	3.5	44.3	25.0	22.4	19.0	(60.7)	11.6	17.6	3.6	3.4	3.2	14	15	17	2.8	3.1	3.7	14.4	12.6	11.0
RJH	Neutral	24.40	28.0	19.7	17.4	17.0	16.5	(59.3)	2.4	3.4	3.6	3.5	3.3	18	18	18	4.9	5.0	5.2	11.8	11.4	10.9
Average					25.8	23.6	21.3	(25.8)	9.1	10.5	4.9	4.5	4.1	18	18	18	2.3	2.6	2.9	17.2	14.7	13.2

Source: InnovestX Research

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**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, AUCT, 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, LHF, 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, OISHI¹, ONEE, OR, ORI, OSP, OTO, PAP, PATO, PB, PCSGH, PDG, PDJ, PG, PHOL, PIMO, PIJW, PLANB, PLAT, PLUS, PM, POLY, PORT, PPP, PPS, PR9, PRG, PRINC, PRM, PRTR, PSH, PSL, PT, PTC, PTT, PTTEP, PTTCG, 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, SVI, 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, WIJK, 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, OGC, 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, TITLE, TKC, TMI, TNH, TPA, TPAC, TRITN, UBA, UMI, UMS, UTP, VARO, VPO, W, WARRIX, WORK, WPH, YONG, ZIGA

Corporate Governance Report

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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 (ได้สมรส)**

2S, AAI, ADVANC, AE, 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, BLA, BPP, BRR, BSBM, BTC, 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, KCCAMC, KCE, KGEN, KGI, KKP, KSL, KTB, KTC, L&E, LANNA, LHF, 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, OGC, OR, ORI, PAP, PATO, PB, PCSGH, PDG, PDJ, PG, PHOL, PIMO, PK, PL, PLANB, PLANET, PLAT, PM, PPP, PPM, PPS, PR9, PREB, PRG, PRINC, PRM, PROS, PSH, PSL, PSTC, PT, PTECH, PTG, PTT, PTTEP, PTTCG, 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, SMT, SNC, SNP, SORKON, SPACK, SPALI, SPC, SPI, SPRC, SRICHA, SSF, SSP, SSSC, SST, STA, STGT, STOWER, SUSCO, SVI, SYMC, SYNTEC, TAE, TAKUNI, TASCO, TCAP, TCMC, TFG, TFI, TFMAMA, TGE, TGH, THANI, THCOM, THIP, THRE, THREL, TIDLOR, TIPCO, TISCO, TKS, TKT, TMD, TMILL, TMT, TNITY, TNL, TNP, TNR, TOG, TOP, TOPP, TPA, TPCS, TRT, TRU, TSC, TSI, TSTE, TSTH, TTA, TTB, TTCL, TU, TVDH, TVO, TWPC, UBE, UBIS, UEC, UKEM, UOBKH, UV, VCOM, VGI, VIH, WACOAL, WHA, WHAUP, WICE, WIJK, XO, YUASA, ZEN, ZIGA

Declared (ประกาศเจตนา)

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, PEER, 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, APX, APO, APP, APURE, AQUA, ARIN, ARIP, ARROW, ASAP, ASEFA, ASIA, ASIMAR, ASN, ATP30, AU, AUCT, AURA, B52, BA, BBIK, BC, BCT, BDMS, BEAUTY, BEM, BGT, BH, BIG, BIOTEC, BIS, BIZ, BJC, BJCHI, BKD, BKGI, BKIH, BLC, BLESS, BLISS, BM, BOL, BPS, BR, BRI, BROCK, BSM, BSRC, BTNC, BTW, BUI, BVG, CCET, CCP, CEYE, CFARM, CGD, CH, CHAO, 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, DTICI, 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, KCC, KCG, KCM, KDH, KEX, KIAT, KISS, KJL, KK, KKC, KLINI, KOOL, KTIS, KTMS, KUMWEL, KUN, KWC, KWI, KWM, KYE, LALIN, LDC, LEE, LIT, LOXLEY, LPH, LST, LTS, MAGURO, 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, NEO, NETBAY, NEW, NEWS, NFC, NL, NNCL, NOK, NOVA, NPK, NSL, NTSC, NTV, NUSA, NV, NVD, NYT, OHTL, ONEE, ORN, PACO, PANEL, PCC, PEACE, PERM, PF, PHG, PICO, PIN, PIJW, PLE, PLT, PMTA, POLAR, PORT, POST, PPM, PRAKIT, PRAPAT, PRECHA, PRI, PRIN, PRO, PROUD, PSG, PSP, PTC, PTL, QTCC, 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, SPREME, SPVI, SQ, SR, SRS, SSC, STANLY, STARK, STC, STEC, STECH, STHAI, STI, STP, STPI, STX, SUC, SUN, SUPER, SUTHA, SVR, SVT, SWC, SYNEX, TACC, TAN, TAPAC, TC, TCC, TCJ, TCOAT, TEAM, TEAMG, TEKA, TERA, TFM, TGPRO, TH, THAI, THANA, THE, THG, THMUI, TIGER, TITLE, TK, TKC, TLI, TM, TMC, TMI, TMW, TNDT, TNH, TNPC, TOA, TPBI, TPCH, TPIPL, TPIPP, TPL, TPOLY, TPP, TPS, TQR, TR, TRC, TRITN, TRP, TRUBB, TRV, TSE, TTI, TTT, TTW, TURTLE, TVH, TVT, TWP, TWZ, TYCN, UAC, UBA, UMI, UMS, UNIQU, UP, UPF, UPOIC, UREKA, UTP, UVAN, VARO, VIBHA, VL, VNG, VPO, VRANDA, WARRIX, WAVE, WELL, 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.