Bumrungrad Hospital Pcl (BH TB) - U.R., Price Bt155.50, TP U.R.

Results Comment

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Strong beat 4Q21 results

- BH reported Bt667m norm profit in 4Q21, up 269% y-y and 124% q-q. This was above ours and the street's earnings forecast due to its stronger-than-expected top line and margin. If including extra loss on sales of all investment in IDoctor of Bt56m, BH's net profit was at Bt612m, up 254% y-y and 107% q-q.
- Strong y-y and q-q earnings growth was driven by 1) rising revenue from Thai and international patients, 2) Moderna vaccine income and 3) improving operating margin.
- Thai patient revenue grew by 19.7% y-y and 16.6% q-q in 4Q21. International patient revenue grew by 50.2% y-y and 57.6% q-q in 4Q21.
- BH's operating profit margin also expanded to 20.1% in 4Q21 from 6.1% in 4Q20 and 9.4% in 3Q21 due to rising top line and cost control.
- Including 4Q21 earnings, BH reported Bt1.2bn net profit in 2021, flat y-y. With the company's stronger-than-expected international patient flows, we will revisit our numbers. We put our recommendation and TP "Under Reviewed" from Hold.
- BH announced a dividend payment of Bt2.05/share. The XD date is on 11 March with payment on 10 May 2022.

Income Statement					(consolidated)
Yr-end Dec (Bt m)	4Q20	1Q21	2Q21	3Q21	4Q21
Revenue	2,916	2,642	2,980	2,900	3,882
Gross profit	**1,036**	**895**	**1,075**	**1,086**	**1,618**
SG&A	858	812	835	813	836
Operating profit	178	83	240	273	782
EBITDA	**519**	**381**	**536**	**567**	**1,112**
Other income	53	57	53	104	55
Other expense	0	0	0	0	0
Interest expense	32	31	31	31	26
Profit before tax	**199**	**109**	**261**	**346**	**811**
Income tax	17	12	38	39	127
Equity & invest. income	(0)	0	(10)	(2)	(0)
Minority interests	(2)	1	(1)	(7)	(17)
Extraordinary items	(8)	(7)	5	(2)	(55)
Net profit	**173**	**91**	**216**	**296**	**612**
Normalized profit	**181**	**98**	**212**	**298**	**667**
EPS (Bt)	0.22	0.11	0.27	0.37	0.77
Normalized EPS (Bt)	0.23	0.12	0.27	0.37	0.84

Income Statement			12M as		
(Bt m)	q-q%	y-y%	% 2021F	2021A	2022F
Revenue	34	33	103	12,404	13,960
Gross profit	**49**	**56**	**107**	**4,673**	**5,549**
SG&A	3	(3)	98	3,296	3,776
Operating profit	186	339	135	1,377	1,773
EBITDA	**96**	**114**	**113**	**2,557**	**3,149**
Other income	(47)	4	110	269	263
Other expense			na	0	0
Interest expense	(17)	(17)	81	120	89
Profit before tax	**134**	**306**	**137**	**1,527**	**1,947**
Income tax	225	638	149	216	312
Equity & invest. income	na	na	124	(12)	(11)
Minority interests	na	na	1,218	(24)	(2)
Extraordinary items	na	na	(730)	(58)	0
Net profit	**107**	**254**	**126**	**1,216**	**1,622**
Normalized profit	**124**	**269**	**133**	**1,274**	**1,622**
EPS (Bt)	107	254	126	1.53	2.04
Normalized EPS (Bt)	124	269	133	1.60	2.04

Balance Sheet					(consolidated)
Yr-end Dec (Bt m)	4Q20	1Q21	2Q21	3Q21	4Q21
Cash & ST investment	8,138	9,124	7,935	7,929	5,936
A/C receivable	2,206	1,606	1,721	1,199	1,461
Inventory	309	267	268	284	328
Other current assets	148	198	179	363	338
Investment	76	76	66	63	1
Fixed assets	11,726	11,703	11,626	11,495	11,532
Other assets	1,619	1,405	1,326	1,296	1,261
Total assets	**24,222**	**24,378**	**23,121**	**22,629**	**20,857**
S-T debt	2,497	2,498	2,499	2,499	0
A/C payable	704	687	776	693	805
Other current liabilities	1,217	1,259	1,297	1,456	1,479
L-T debt	21	22	22	24	23
Other liabilities	946	974	1,000	1,023	931
Minority interest	305	299	303	316	332
Shareholders' equity	**18,532**	**18,639**	**17,223**	**16,617**	**17,286**
Working capital	1,811	1,185	1,213	789	984
Total debt	2,518	2,520	2,521	2,523	23
Net debt	**(5,620)**	**(6,604)**	**(5,414)**	**(5,406)**	**(5,912)**

Financial Ratios					
(%)	4Q20	1Q21	2Q21	3Q21	4Q21
Sales growth	(38.7)	(35.4)	23.0	0.5	33.1
Operating profit growth	(82.7)	(90.6)	na	36.2	339.4
EBITDA growth	(61.1)	(68.0)	84.2	13.0	114.1
Norm profit growth	(79.7)	(87.0)	340.6	38.1	269.4
Norm EPS growth	(81.4)	(87.0)	340.6	38.1	269.4
Gross margin	35.5	33.9	36.1	37.5	41.7
Operating margin	6.1	3.1	8.0	9.4	20.1
EBITDA margin	17.8	14.4	18.0	19.5	28.7
Norm net margin	6.2	3.7	7.1	10.3	17.2
D/E (x)	0.1	0.1	0.1	0.2	0.0
Net D/E (x)	(0.3)	(0.4)	(0.3)	(0.3)	(0.3)
Interest coverage (x)	16.5	12.3	17.1	18.1	42.5
Interest rate	5.0	4.9	5.0	5.0	8.2
Effective tax rate	8.6	10.9	14.7	11.3	15.6
ROA	3.0	1.6	3.6	5.2	12.3
ROE	3.9	2.1	4.7	7.0	15.7

Sources: Company data, Thanachart estimates

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