

## Praram 9 Hospital (PR9 TB) - BUY, Price Bt11.20, TP Bt13.10

## Results Comment

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## Good 4Q21, above expectation

- PR9 reported Bt116m net profit in 4Q21, up 43% y-y and 40% q-q. This was above ours and the street's earnings forecast due to its stronger-than-expected top line and margin.
- Y-Y earnings growth was driven by rising revenue from non-COVID cash patients, rising revenue from related COVID-19 services and Moderna vaccine income.
- Q-Q earnings growth was due to rising revenue from non-COVID cash patients and Moderna vaccine income, despite the peak of related COVID-19 services in 3Q21.
- PR9's revenue grew by 27% y-y and 25% q-q to Bt935m in 4Q21. Key drivers were increasing price and revenue intensity due to more complexity medication treatment.
- PR9's operating profit margin also expanded to 13.9% in 4Q21 from 13.1% in 4Q20 and 12.1% in 3Q21 due to rising top line and cost control.
- Including 4Q21 earnings, PR9 reported Bt249m net profit in 2021, up 23% y-y. We expect its earnings growth momentum to continue in 2022, driven by rising revenue from non-COVID Thai and international cash patients. We maintain our BUY rating on PR9.
- PR9 announced its dividend payment of Bt0.14/share. The XD date is 5 May and payment date is on 19 May 2022.

Income Statement						Income Statement					
(consolidated)						12M as					
Yr-end Dec (Bt m)	4Q20	1Q21	2Q21	3Q21	4Q21	(Bt m)	q-q%	y-y%	% 2021F	2021A	2022F
Revenue	735	669	632	751	935	Revenue	25	27	104	2,987	3,089
<b>Gross profit</b>	<b>215</b>	<b>166</b>	<b>132</b>	<b>225</b>	<b>291</b>	<b>Gross profit</b>	<b>30</b>	<b>35</b>	<b>105</b>	<b>815</b>	<b>862</b>
SG&A	132	132	130	134	161	SG&A	20	22	104	557	578
Operating profit	83	34	2	91	130	Operating profit	44	56	107	257	284
<b>EBITDA</b>	<b>148</b>	<b>106</b>	<b>74</b>	<b>164</b>	<b>207</b>	<b>EBITDA</b>	<b>26</b>	<b>40</b>	<b>103</b>	<b>257</b>	<b>580</b>
Other income	12	11	11	10	12	Other income	17	(6)	100	43	52
Other expense	0	0	0	0	0	Other expense			na	0	0
Interest expense	0	0	0	0	0	Interest expense	46	(4)	32	0	2
<b>Profit before tax</b>	<b>96</b>	<b>45</b>	<b>13</b>	<b>101</b>	<b>142</b>	<b>Profit before tax</b>	<b>41</b>	<b>48</b>	<b>107</b>	<b>300</b>	<b>334</b>
Income tax	14	6	1	18	26	Income tax	47	79	101	51	57
Equity & invest. income	0	0	0	0	0	Equity & invest. income			na	0	0
Minority interests	0	0	0	0	0	Minority interests			na	0	0
Extraordinary items	0	0	0	0	0	Extraordinary items			na	0	0
<b>Net profit</b>	<b>81</b>	<b>39</b>	<b>12</b>	<b>83</b>	<b>116</b>	<b>Net profit</b>	<b>40</b>	<b>43</b>	<b>108</b>	<b>249</b>	<b>277</b>
<b>Normalized profit</b>	<b>81</b>	<b>39</b>	<b>12</b>	<b>83</b>	<b>116</b>	<b>Normalized profit</b>	<b>40</b>	<b>43</b>	<b>108</b>	<b>249</b>	<b>277</b>
EPS (Bt)	0.10	0.05	0.01	0.11	0.15	EPS (Bt)	40	43	108	0.32	0.35
Normalized EPS (Bt)	0.10	0.05	0.01	0.11	0.15	Normalized EPS (Bt)	40	43	108	0.32	0.35
Balance Sheet						Financial Ratios					
(consolidated)						12M as					
Yr-end Dec (Bt m)	4Q20	1Q21	2Q21	3Q21	4Q21	(%)	4Q20	1Q21	2Q21	3Q21	4Q21
Cash & ST investment	994	1,082	1,015	1,145	1,244	Sales grow th	(0.6)	1.5	22.6	8.4	27.3
A/C receivable	159	129	132	197	212	Operating profit grow th	6.2	3.2	5.6	21.6	56.3
Inventory	49	47	50	54	56	EBITDA grow th	23.6	37.6	60.5	21.9	39.5
Other current assets	6	6	8	91	90	Norm profit grow th	9.8	3.2	3.7	14.9	42.8
Investment	0	0	0	0	0	Norm EPS grow th	9.8	3.2	3.7	14.9	42.8
Fixed assets	3,417	3,390	3,355	3,355	3,369	Gross margin	29.3	24.9	20.9	29.9	31.2
Other assets	171	167	166	164	166	Operating margin	11.3	5.1	0.3	12.1	13.9
<b>Total assets</b>	<b>4,797</b>	<b>4,821</b>	<b>4,726</b>	<b>5,005</b>	<b>5,137</b>	EBITDA margin	20.2	15.8	11.8	21.9	22.1
S-T debt	0	0	0	0	0	Norm net margin	11.0	5.8	1.9	11.1	12.4
A/C payable	446	433	430	611	597	D/E (x)	-	-	-	-	-
Other current liabilities	50	48	26	38	70	Net D/E (x)	(0.2)	(0.3)	(0.2)	(0.3)	(0.3)
L-T debt	0	0	0	0	0	Interest coverage (x)	995.5	845.3	658.0	1,674.4	1,444.3
Other liabilities	185	186	190	194	192	Interest rate	na	na	na	na	na
Minority interest	0	0	0	0	0	Effective tax rate	15.1	14.3	9.8	17.5	18.2
<b>Shareholders' equity</b>	<b>4,115</b>	<b>4,154</b>	<b>4,079</b>	<b>4,162</b>	<b>4,278</b>	ROA	6.8	3.2	1.0	6.8	9.1
Working capital	(238)	(257)	(248)	(360)	(329)	ROE	8.0	3.7	1.1	8.1	11.0
Total debt	0	0	0	0	0						
<b>Net debt</b>	<b>(994)</b>	<b>(1,082)</b>	<b>(1,015)</b>	<b>(1,145)</b>	<b>(1,244)</b>						

Sources: Company data, Thanachart estimates

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