

Ladprao General Hospital (LPH TB) - BUY, Price Bt5.5, TP Bt6.6

Results Comment

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Strong 1Q22, beat expectation

- LPH reported Bt152m net profit in 1Q22, up 275% y-y and 198% q-q. This was above our earnings forecast due to its stronger-than-expected revenue from hospital business resulting from COVID-19 services.
- The company's strong earnings growth was mainly driven by rising revenue from COVID-19 services, Moderna vaccine income and rising revenue from health check-up. Top line grew by 50% y-y and 13% q-q to Bt712m in 1Q22.
- Its operating margin also expanded to 24.4% in 1Q22 from 9.6% in 1Q21 and 9.6% in 4Q21 due to strong revenue growth and operating leverage benefits.
- 3M22 earnings accounted for 65% of our full-year earnings forecast. We expect its strong y-y earnings growth to continue in 2Q22F due to rising income from Moderna vaccine sales, remaining high Covid-19 cases and improving non-COVID cash and Social Security Scheme patients. We maintain BUY on LPH.

Income Statement						Income Statement					
(consolidated)						3M as					
Yr-end Dec (Bt m)	1Q21	2Q21	3Q21	4Q21	1Q22	(Bt m)	q-q%	y-y%	% 2022F	2022F	2023F
Revenue	476	529	868	628	712	Revenue	13	50	33	2,175	2,130
Gross profit	119	170	431	171	262	Gross profit	53	120	44	590	556
SG&A	73	67	82	111	88	SG&A	(21)	20	29	305	321
Operating profit	46	103	349	60	174	Operating profit	190	281	61	285	235
EBITDA	81	148	378	99	211	EBITDA	113	162	48	440	395
Other income	4	3	12	8	5	Other income	(38)	22	29	17	19
Other expense						Other expense			na		
Interest expense	3	4	4	4	3	Interest expense	(29)	(12)	21	14	16
Profit before tax	46	102	357	64	176	Profit before tax	176	280	61	288	239
Income tax	4	17	65	12	26	Income tax	125	592	53	49	41
Equity & invest. income						Equity & invest. income			na		
Minority interests	(2)	(1)	(3)	(1)	1	Minority interests	na	na	(22)	(7)	(6)
Extraordinary items						Extraordinary items			na		
Net profit	40	85	289	51	152	Net profit	198	275	65	233	192
Normalized profit	40	85	289	51	152	Normalized profit	198	275	65	233	192
EPS (Bt)	0.05	0.11	0.38	0.07	0.21	EPS (Bt)	198	291	65	0.32	0.27
Normalized EPS (Bt)	0.05	0.11	0.38	0.07	0.21	Normalized EPS (Bt)	198	291	65	0.32	0.27

Balance Sheet						Financial Ratios					
(consolidated)						3M as					
Yr-end Dec (Bt m)	1Q21	2Q21	3Q21	4Q21	1Q22	(%)	1Q21	2Q21	3Q21	4Q21	1Q22
Cash & ST investment	159	95	111	147	202	Sales grow th	12.7	35.8	80.4	23.5	49.7
A/C receivable	190	195	344	299	280	Operating profit grow th	(0.4)	na	513.8	5.4	281.3
Inventory	29	29	40	45	36	EBITDA grow th	8.3	344.2	303.7	6.8	161.6
Other current assets	135	197	548	377	400	Norm profit grow th	(5.7)	na	462.8	(5.6)	275.1
Investment						Norm EPS grow th	(5.7)	na	462.8	(1.7)	290.7
Fixed assets	1,471	1,499	1,500	1,494	1,503	Gross margin	25.0	32.2	49.7	27.3	36.8
Other assets	256	250	258	235	236	Operating margin	9.6	19.5	40.2	9.6	24.4
Total assets	2,238	2,265	2,801	2,597	2,657	EBITDA margin	17.0	28.1	43.5	15.7	29.6
S-T debt	66	72	269	131	74	Norm net margin	8.5	16.0	33.2	8.1	21.3
A/C payable	210	228	305	275	245	D/E (x)	0.1	0.1	0.2	0.1	0.1
Other current liabilities	83	82	134	136	153	Net D/E (x)	0.0	0.1	0.2	0.1	(0.0)
L-T debt	143	130	117	104	86	Interest coverage (x)	23.8	41.0	90.3	23.7	71.0
Other liabilities	249	253	257	243	242	Interest rate	6.2	7.1	5.7	5.4	6.0
Minority interest	4	5	8	9	8	Effective tax rate	8.1	16.4	18.3	18.1	14.8
Shareholders' equity	1,483	1,496	1,712	1,698	1,849	ROA	7.2	15.1	45.6	7.5	23.1
Working capital	9	(3)	79	69	71	ROE	11.0	22.8	72.0	11.9	34.2
Total debt	209	202	386	235	159						
Net debt	50	107	275	88	(43)						

Sources: Company data, Thanachart estimates

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