

**Bumrungrad Hospital Pcl (BH TB) - BUY, Price Bt233, TP Bt233****Results Comment**

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**Strong 3Q22, beat expectation**

- BH reported net profit of Bt1.5bn in 3Q22, up 407% y-y and 29% q-q. This was higher than ours and the market's expectation due to stronger-than-expected revenue and lower-than-expected costs.
- The company's strong y-y and q-q earnings growth was mainly supported by rising non-COVID international patients and expanding margin.
- Top line grew 96% y-y and 16% q-q to Bt5.7bn in 3Q22. Revenue from foreign patients grew by 213% y-y and 25% q-q due to the country's reopening. Thai patient revenue grew by 10% y-y and flat q-q in 3Q22. Portion of foreign patient revenue and Thai patient revenue was 67.4:32.6 in 3Q22 vs. 42.1:57.9 in 3Q21.
- Its operating margin also expanded to 30.7% in 3Q22 from 9.4% in 3Q21 and 28.1% in 2Q22 due to economies of scale and cost control.
- 9M22 earnings accounted for 82% of our full-year earnings forecast. We expect to see strong y-y earnings growth in 4Q22F, driven by rising revenue from international patients after Thailand's reopening. We see an upside to our numbers.

Income Statement						Income Statement					
(consolidated)						9M as					
Yr-end Dec (Bt m)	3Q21	4Q21	1Q22	2Q22	3Q22	(Bt m)	q-q%	y-y%	% 2022F	2022F	2023F
Revenue	2,900	3,882	4,102	4,903	5,673	Revenue	16	96	78	18,777	20,729
<b>Gross profit</b>	<b>1,086</b>	<b>1,618</b>	<b>1,708</b>	<b>2,263</b>	<b>2,743</b>	<b>Gross profit</b>	<b>21</b>	<b>153</b>	<b>80</b>	<b>8,434</b>	<b>9,465</b>
SG&A	813	836	865	887	999	SG&A	13	23	79	3,505	3,766
Operating profit	273	782	843	1,376	1,744	Operating profit	27	538	80	4,929	5,699
<b>EBITDA</b>	<b>567</b>	<b>1,112</b>	<b>1,120</b>	<b>1,655</b>	<b>2,023</b>	<b>EBITDA</b>	<b>22</b>	<b>257</b>	<b>78</b>	<b>6,131</b>	<b>6,963</b>
Other income	104	55	62	55	76	Other income	38	(27)	85	228	267
Other expense	0	0	0	0	0	Other expense				0	0
Interest expense	31	26	2	1	1	Interest expense	(14)	(98)	109	3	2
<b>Profit before tax</b>	<b>346</b>	<b>811</b>	<b>903</b>	<b>1,430</b>	<b>1,819</b>	<b>Profit before tax</b>	<b>27</b>	<b>426</b>	<b>81</b>	<b>5,153</b>	<b>5,964</b>
Income tax	39	127	168	254	316	Income tax	25	710	77	953	1,133
Equity & invest. income	(2)	(0)	(0)	(0)	(0)	Equity & invest. income	na	na		0	5
Minority interests	(7)	(17)	(10)	(16)	(3)	Minority interests	na	na	na	(59)	(65)
Extraordinary items	(2)	(55)	(0)	5	2	Extraordinary items	(67)	na		0	0
<b>Net profit</b>	<b>296</b>	<b>612</b>	<b>725</b>	<b>1,166</b>	<b>1,501</b>	<b>Net profit</b>	<b>29</b>	<b>407</b>	<b>82</b>	<b>4,141</b>	<b>4,770</b>
<b>Normalized profit</b>	<b>298</b>	<b>667</b>	<b>725</b>	<b>1,161</b>	<b>1,500</b>	<b>Normalized profit</b>	<b>29</b>	<b>404</b>	<b>82</b>	<b>4,141</b>	<b>4,770</b>
EPS (Bt)	0.37	0.77	0.91	1.47	1.89	EPS (Bt)	29	407	82	5.21	6.00
Normalized EPS (Bt)	0.37	0.84	0.91	1.46	1.89	Normalized EPS (Bt)	29	404	82	5.21	6.00

  

Balance Sheet						Financial Ratios					
(consolidated)						9M as					
Yr-end Dec (Bt m)	3Q21	4Q21	1Q22	2Q22	3Q22	(%)	3Q21	4Q21	1Q22	2Q22	3Q22
Cash & ST investment	7,929	5,936	6,718	6,326	6,663	Sales grow th	0.5	33.1	55.2	64.5	95.6
A/C receivable	1,199	1,461	1,761	2,091	2,224	Operating profit grow th	36.2	339.4	921.2	474.0	538.2
Inventory	284	328	299	285	307	EBITDA grow th	13.0	114.1	194.0	208.8	256.8
Other current assets	363	338	331	297	233	Norm profit grow th	38.1	269.4	640.0	448.3	403.9
Investment	63	1	1	2	2	Norm EPS grow th	38.1	269.4	639.7	448.1	403.7
Fixed assets	11,495	11,532	11,478	11,532	11,752	Gross margin	37.5	41.7	41.6	46.2	48.4
Other assets	1,296	1,261	1,241	1,226	1,180	Operating margin	9.4	20.1	20.5	28.1	30.7
<b>Total assets</b>	<b>22,629</b>	<b>20,857</b>	<b>21,829</b>	<b>21,760</b>	<b>22,360</b>	EBITDA margin	19.5	28.7	27.3	33.7	35.7
S-T debt	2,499	0	0	0	0	Norm net margin	10.3	17.2	17.7	23.7	26.4
A/C payable	693	805	884	963	990	D/E (x)	0.1	0.0	0.0	0.0	0.0
Other current liabilities	1,456	1,479	1,663	1,946	1,935	Net D/E (x)	(0.3)	(0.3)	(0.4)	(0.4)	(0.4)
L-T debt	24	23	23	25	26	Interest coverage (x)	18.1	42.5	715.4	2,180.1	3,092.5
Other liabilities	1,023	931	957	988	1,006	Interest rate	5.0	8.2	27.0	12.7	10.3
Minority interest	316	332	318	334	326	Effective tax rate	11.3	15.6	18.5	17.7	17.4
<b>Shareholders' equity</b>	<b>16,617</b>	<b>17,286</b>	<b>17,983</b>	<b>17,505</b>	<b>18,076</b>	ROA	5.2	12.3	13.6	21.3	27.2
Working capital	789	984	1,176	1,414	1,540	ROE	7.0	15.7	16.5	26.2	33.7
Total debt	2,523	23	23	25	26						
<b>Net debt</b>	<b>(5,406)</b>	<b>(5,912)</b>	<b>(6,694)</b>	<b>(6,302)</b>	<b>(6,636)</b>						

Sources: Company data, Thanachart estimates

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