



โรงพยาบาลราชพฤกษ์

Ratchaphruek Hospital

RPH – Group 5 : กล้าขย 35

Business Model

About Ratchaphruek Hospital

 Thailand



✓ A private hospital focuses on enhancing the health of the community in Khon Kaen province with convenient health-care facilities.



36

Patient Examination
Rooms for OPD



198

Beds for IPD

Medical Personnel



25
Full-time
Doctors



215
Part-time
Doctors



189
Nurses

Accreditation



JCI
International



GHA for
COVID-19



Member of
PLANETREE
International

Medical Services

Medical Center

- ✓ Stroke
- ✓ Breast
- ✓ Hearing & Balance

Internal Medicine

- ✓ Diabetes
- ✓ Dermatology
- ✓ Neurology

Surgery

- ✓ General
- ✓ Men Health
- ✓ Urological

Pediatrics

- ✓ Speech Therapy
- ✓ Developmental and Behavioral

Orthopedics

- ✓ For Individuals
- ✓ For Children

Otorhinolaryngology

- ✓ For Individuals
- ✓ For Children

Obstetrics and Gynecology

- ✓ Gynaecological
- ✓ Laparoscopy
- ✓ Maternal-Fetal

Check-up

- ✓ Health Check-up
- ✓ Wellness Center

Dentistry

- ✓ Dental
- ✓ Prosthodontics
- ✓ Orthodontics

Other

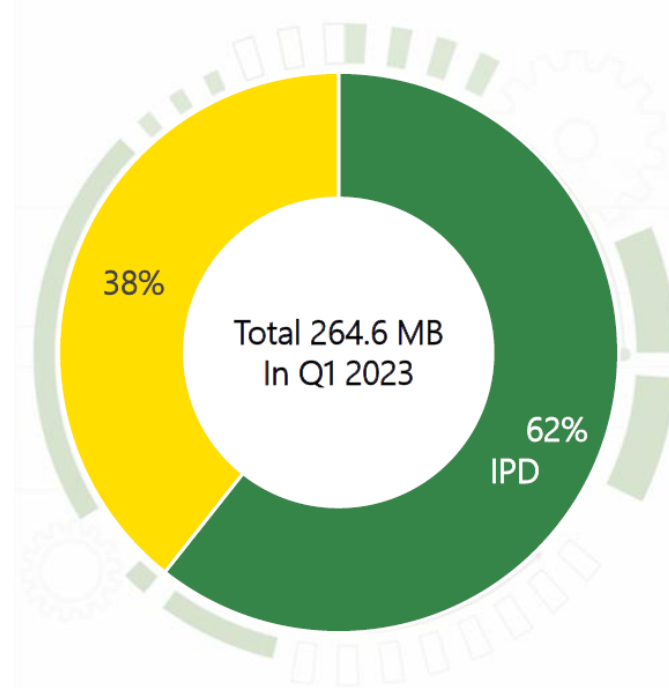
- ✓ Emergency
- ✓ Rehabilitation
- ✓ Diagnostic Radiology



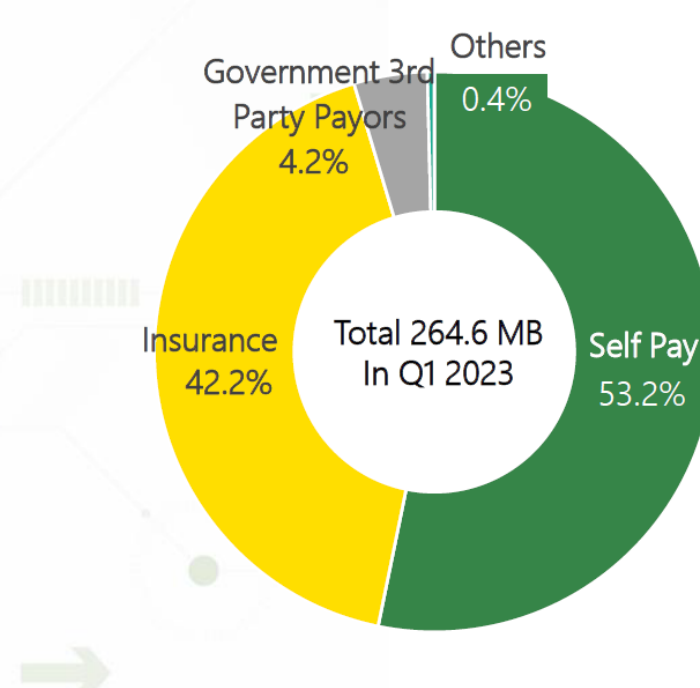
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Ratchaphruek Hospital

Revenue breakdown

Revenue Breakdown by Patient Type



Revenue Breakdown by Payor



Note : Hospital business focuses on generating revenue to exceed fixed cost and depreciation. The rest revenue will be tiny deducted by variable cost and head to bottom line.

On going project

New Hospital - Wellness Project



Total Investment
~500 MB

Allocating an area of 30 rai from 100 rai to construct the new hospital, starting with 100 beds, to serve patients in the social security group, self-paying patients and groups with health insurance but not high paying.



Note :
1. SSO/SP Hospital : Investment = 500m / 100 beds / open Q4/2025

Investment = 200 m
2. Wellness center : Renovate / Open Q1/2024
3. Aesthetic hospital = Renovate Old hospital / open Q4/2024

Renovating Old Hospital



Total Investment
~200 MB

- RPH has Plans to Renovate the Old Hospital to Utilize Existing Assets
- To become a specialized hospital in Beauty/ Aesthetics Consumers

Qualitative Analysis

SWOT Analysis

	Strengths	Weaknesses
Internal	1. Defensive Business	1. recently invested in 3 projects (High investment) , future Depre*
	2. Recurring revenue - (High Income customer)	2. Lowest review score compared with BDMS and KKR in KKN
	3. High Economy of scale	3. Increasing in Selling expense - Heavily invest in Digital maeketing
	4. High supplier & Customer bargaining power	4. Risk of expanding to other territory and Expertise - SSO & Aesthetic*
	5. Large private hospital in area	5. Risk of discounting on P/E from SSO & Aesthetic hospital*
	6. Tertiary Hospital in NE region	6. Aging management team*
	7. Renovating old hospital to aesthetic hospital (Low investment cost)*	
	8. Wellness center for future aging society	
	9. JCI , GHA (6/23) > Medical tourism [Foreign patient < 5%]	
	10. Has room to grow by increasing UR and open new hospital *	
External	Opportunities	Threats
	1. Growth in aesthetic surgery market size*	1. Competition - New Medical hub (Srinakarin Hosp) (Open : 2027)
	2. Future aging society (growing with local patient)*	2. Competition - Among private hospitals in KKN (BDMS and KKR)
	3. Growth 10-20% in 2023 from Rev 2020 (non-covid)*	3. Potential new entrance from other private hospitals to steal market share
	4. RSV - Children disease > Cash / Insurrance	4. Government policy
	5. Retiring Aboard (Ranking : Thailand - Top 10)*	5. Slow growth in industrial estate in KKN
	6. Wealth patient from LAOS/ Cambodia	
	7. Easy to recruit new nurse and doctor	

Qualitative Analysis

Strengths

1. Wellness Center : Aging Society
2. Aesthetic Hospital & SSO hospital
3. Has room to grow

Opportunity

1. Growth 10-20% in 2023 (Non-Covid revenue in 2022)
2. Increase in Plastic surgery market size

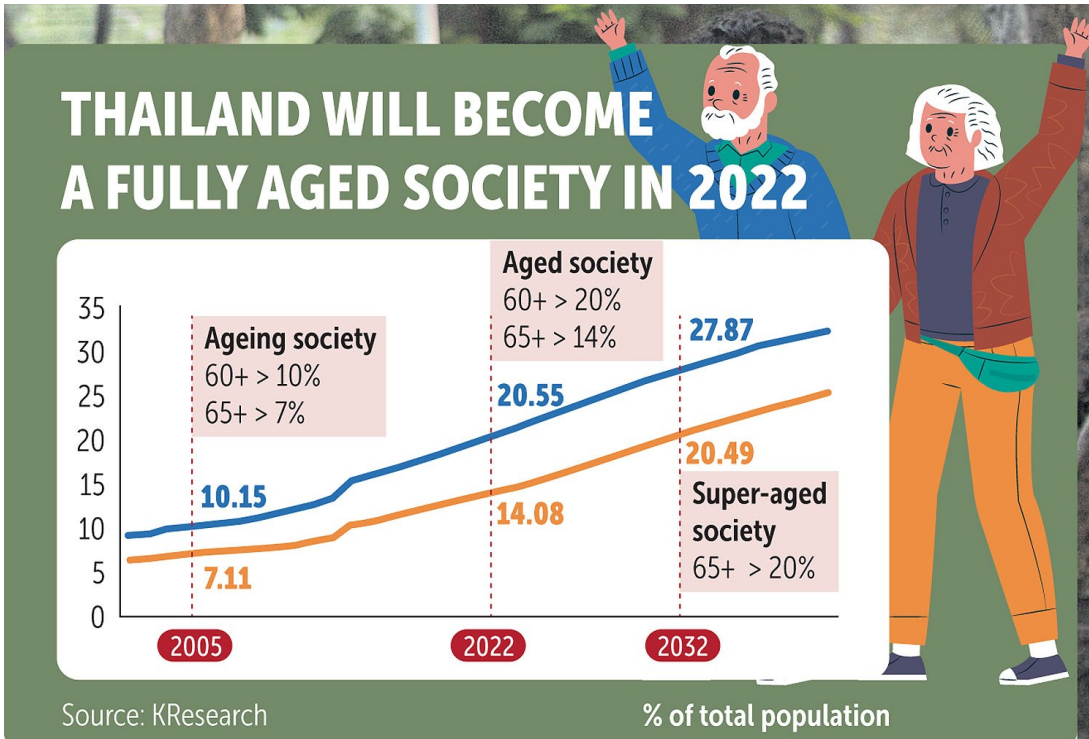
Weakness

1. Future Increasing in Depreciation and Costs
2. Risk of expanding to Aesthetic and SSO hospital
3. Aging Management team

Threats

1. Competition – Existing private hospitals
2. Competition – New Medical hub (Srinakarin Hospital) (Open : 2027)

Strengths : Wellness Center



According to Thailand NSO , 2022

Population age over 60 : 12.7 millions

Central : 3.3 millions (26%) , North : 2.63 millions (20.7%)

Northeast : 4 millions (31.5%)

Population age 50 – 60 : 10 millions

Central : 2.62 millions (26%) , North : 1.85 millions (18.5%)

Northeast : 3.43 millions (34.3%)

Household income

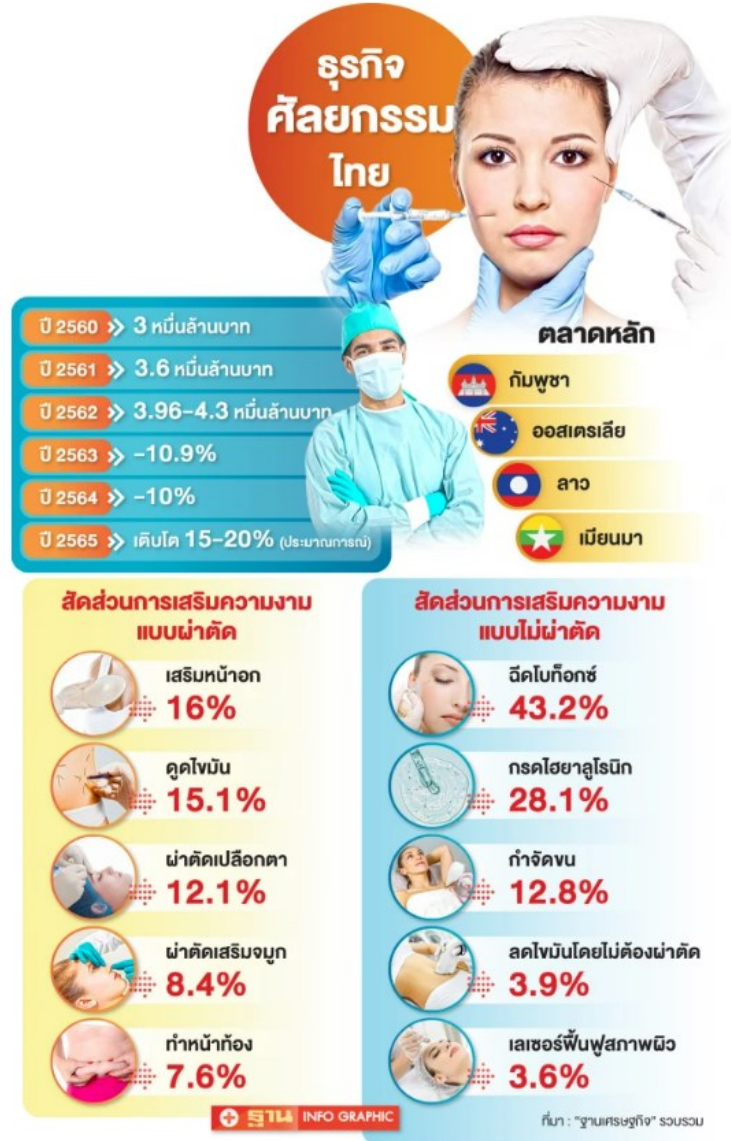
Central : 28,166 baht

North : 22,963 baht

Northeast : 21,587 baht

POSITIVE

Strengths : Aesthetic hospital



RPH will be First Aesthetic hospital in Northeast region

POSITIVE

Strengths : SSO hospital



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Ratchaphruek Hospital

➤ กองทุนประกันสังคม

1. สถานประกอบการ 6,226 แห่ง
2. ผู้ประกันตน 220,643 คน
มาตรา 33 136,961 คน
มาตรา 39 23,356 คน
มาตรา 40 60,326 คน

(ข้อมูล ณ กันยายน 2563)

➤ กองทุนเงินทดแทน

1. นายจ้าง 6,265 ราย
2. ลูกจ้าง 137,193 คน
3. จ่ายเงินทดแทน 4,871,348.29 บาท

(ข้อมูล ณ กรกฎาคม-กันยายน 2563)

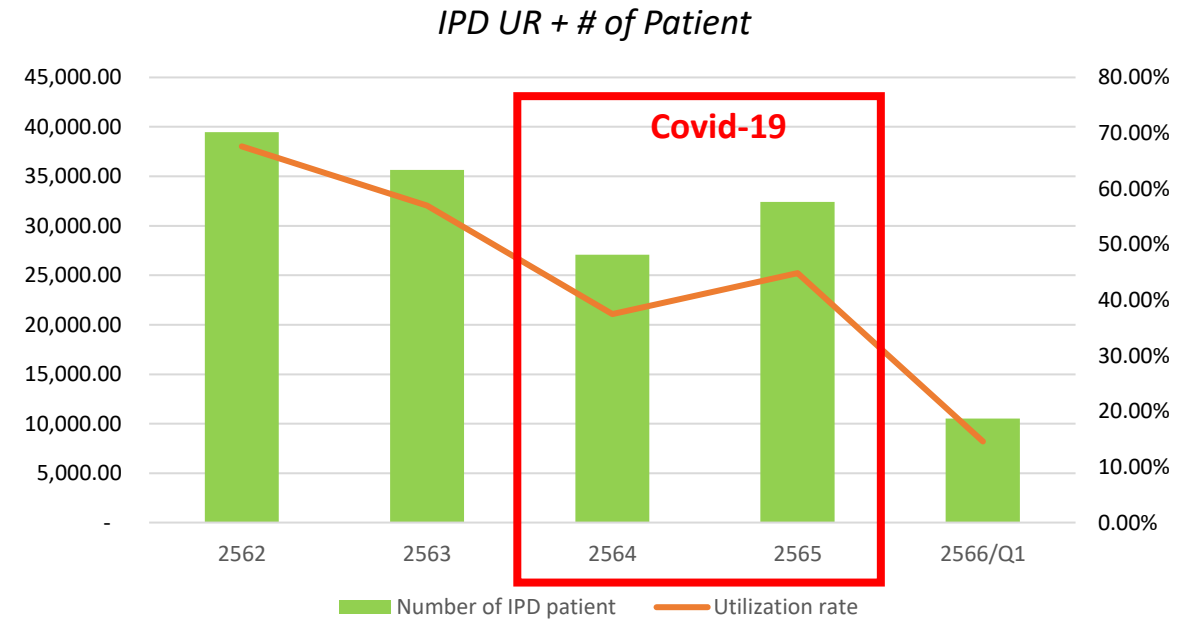
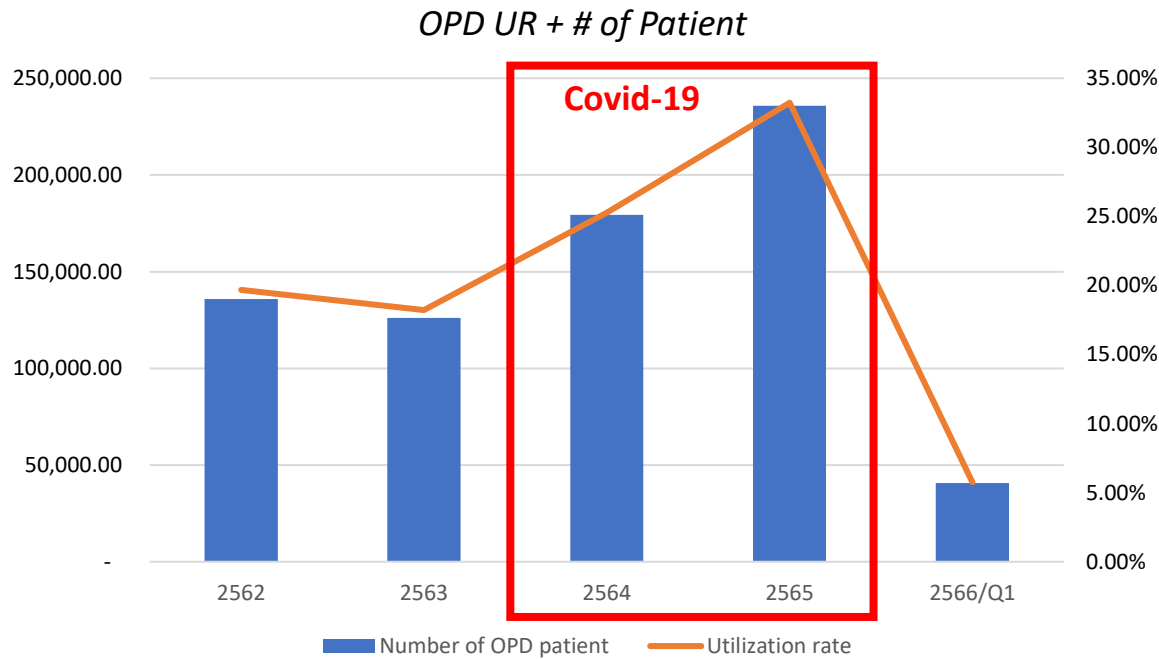
โรงพยาบาลประกันสังคมปี 2566 จังหวัดขอนแก่น

- โรงพยาบาลขอนแก่น
- โรงพยาบาลชุมแพ
- โรงพยาบาลศรีนครินทร์

There is no SSO and Cash private hospital in KKN

POSITIVE

Strengths : Room to Growth



Have plenty room to grow :
 OPD's Utilization rate/2022 = 33.24%
 IPD's Utilization rate/2022 = 44.86%

POSITIVE

Weakness : Aging management team



Dr. Teerawat Srinakarin / CEO & MD

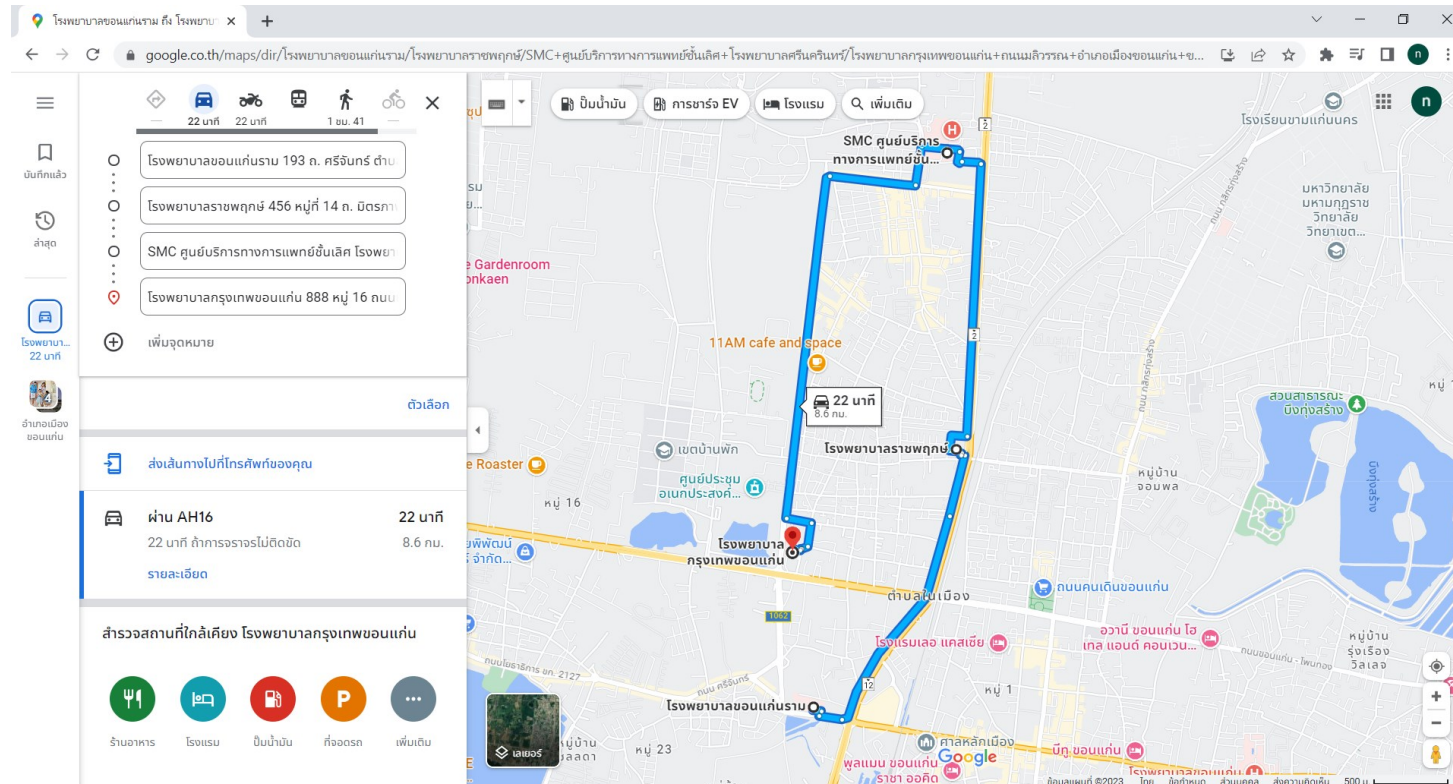
Age : 66-year-old

In position : 30 years

- Unclear new successor
- Aesthetic Hospitals : Require high commercial and digital marketing skills

NEGATIVE

Threats : Competition



โรงพยาบาลราชพฤกษ์

3.9 ★★★★★ (171)

โรงพยาบาลเอกชน

โรงพยาบาลขอนแก่นราม

4.2 ★★★★★ (183)

โรงพยาบาลเอกชน

โรงพยาบาลกรุงเทพขอนแก่น

4.1 ★★★★★ (118)

โรงพยาบาลเอกชน

โรงพยาบาลศรีนครินทร์

4.2 ★★★★★ (392)

โรงพยาบาลมหาวิทยาลัย

RPH to KKR : 4.1 km (10 mins)
RPH to BDMS : 2.5 km (7 mins)
RPH to SMC : 2.4 km (7 mins)

NEGATIVE

Threats : New Medical Hub



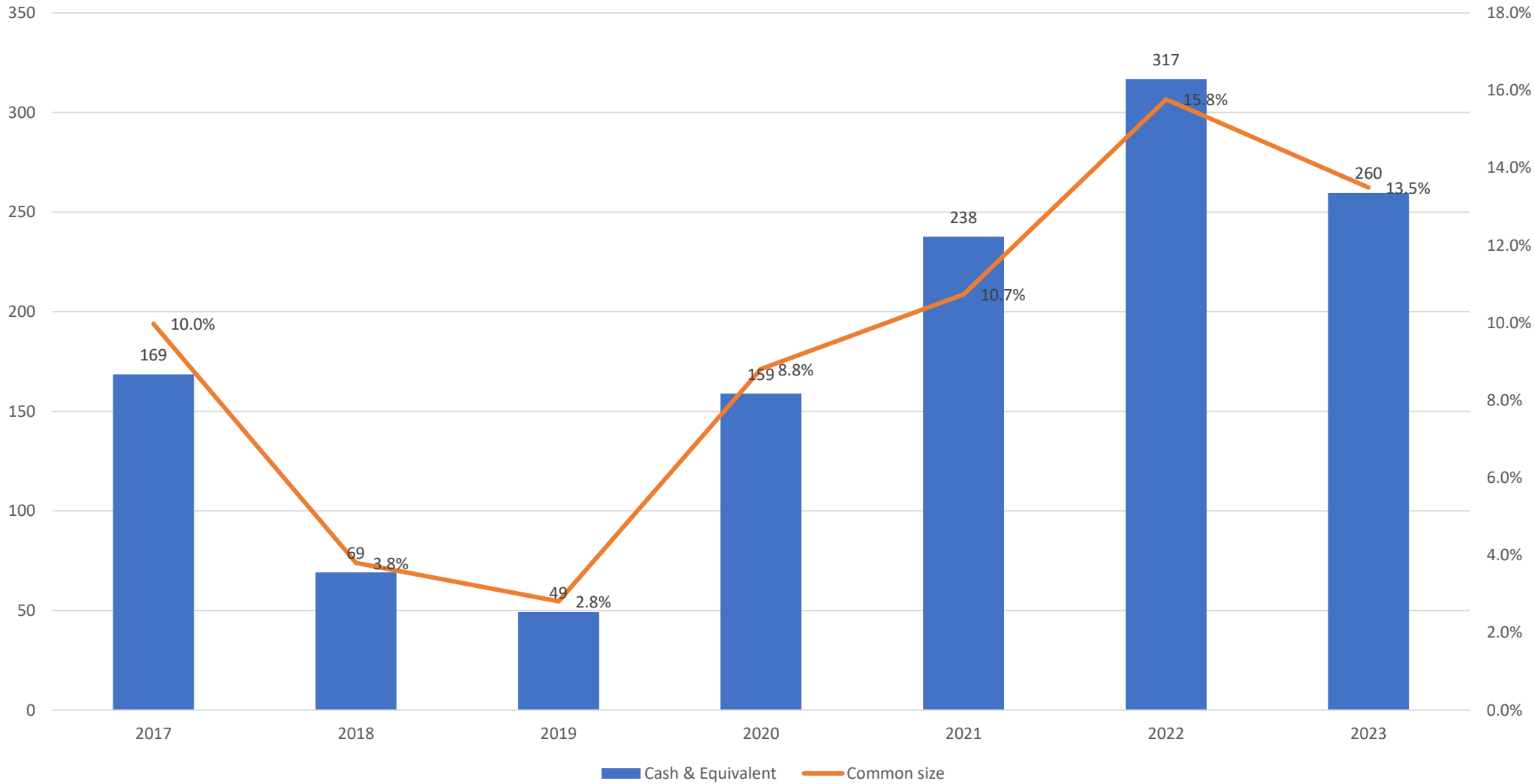
New medical hub :
Capacity : 5,000 beds
Phase 1 : 700 beds – Open in 2027
SMC is premium public hospital (Same model as SiPH)
Customer : B-D grade
2018 : 23 beds

NEGATIVE

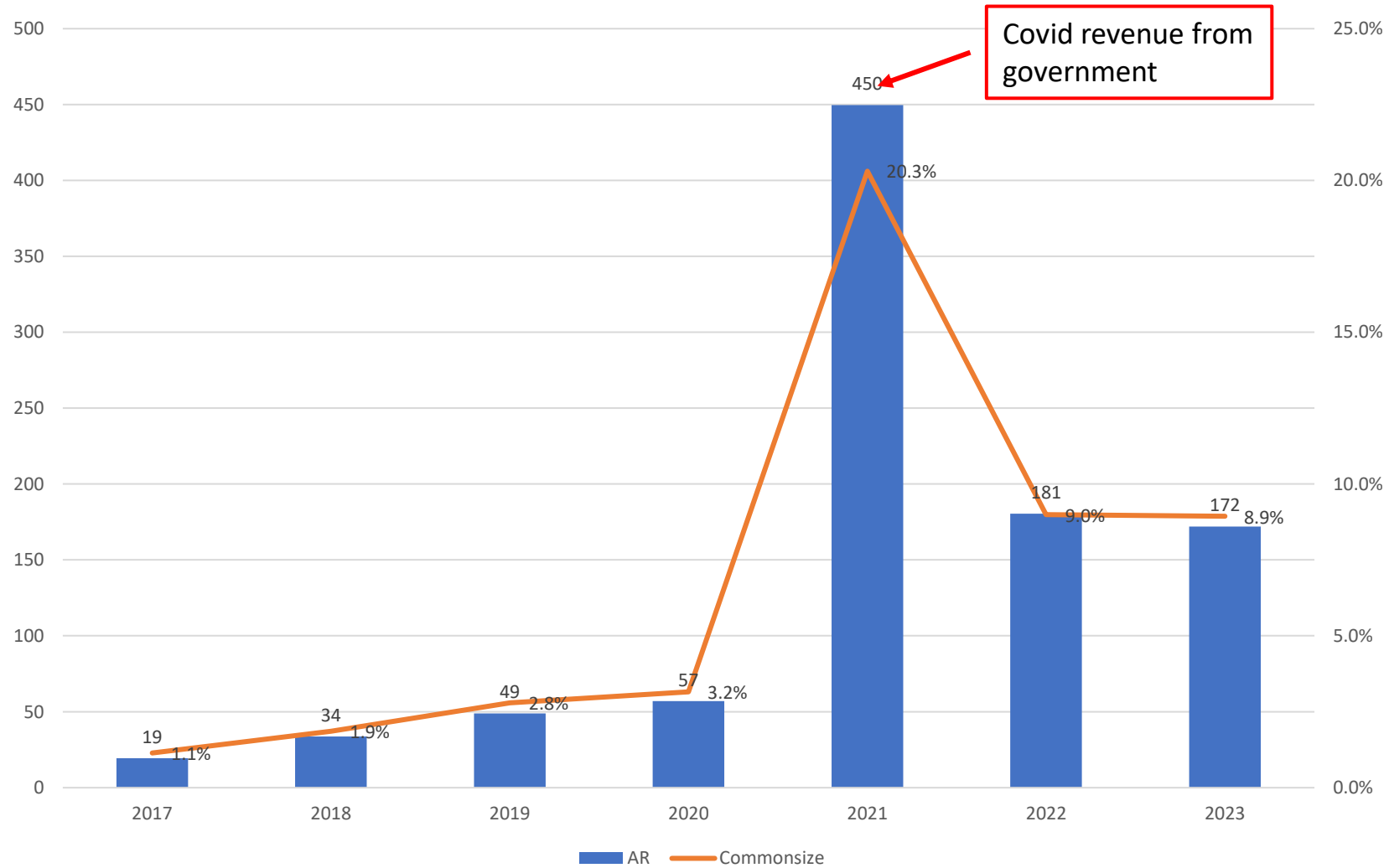
Quantitative Analysis

Balance Sheet

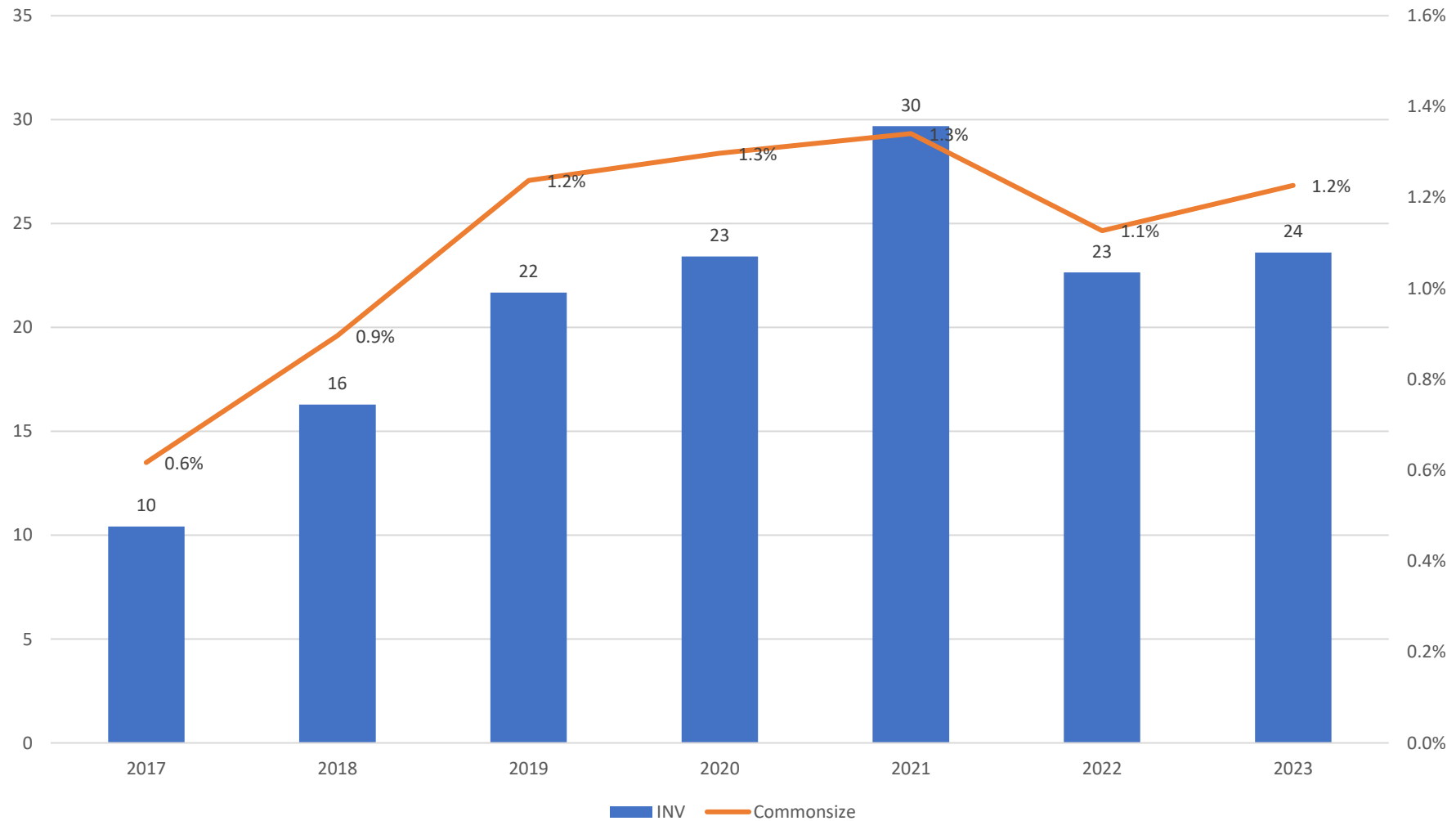
Cash & Equivalent



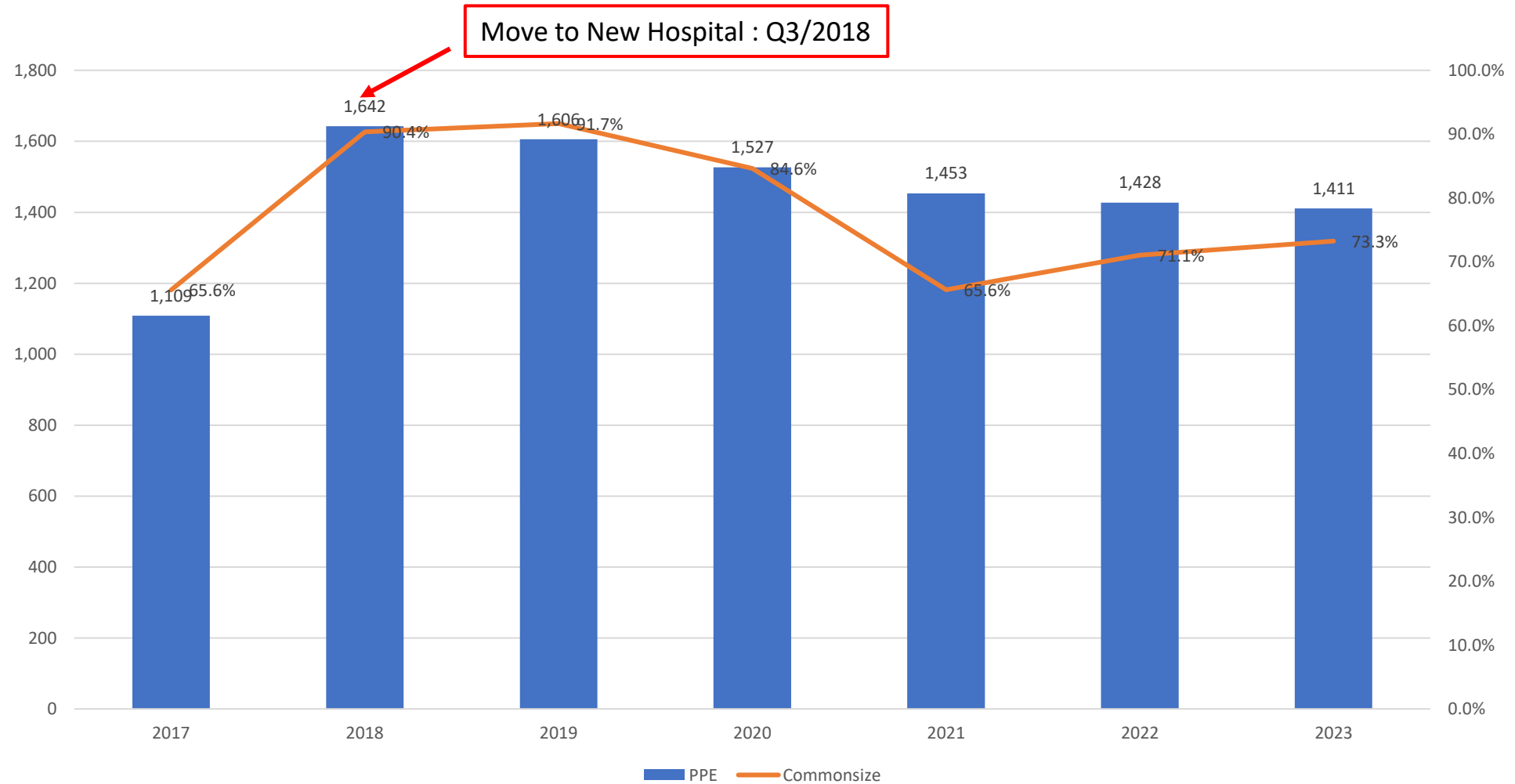
Trade And Other Receivables



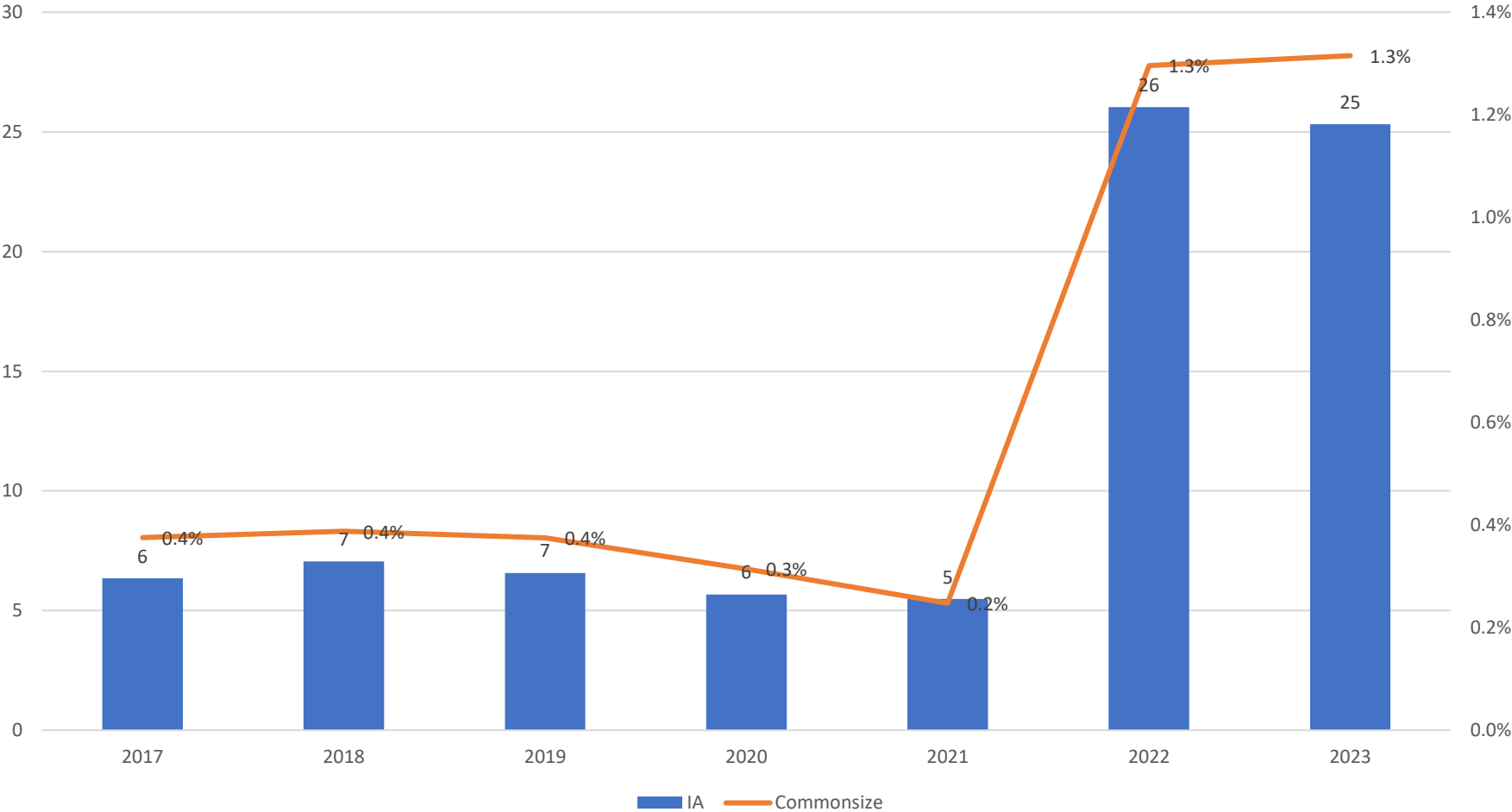
Inventory



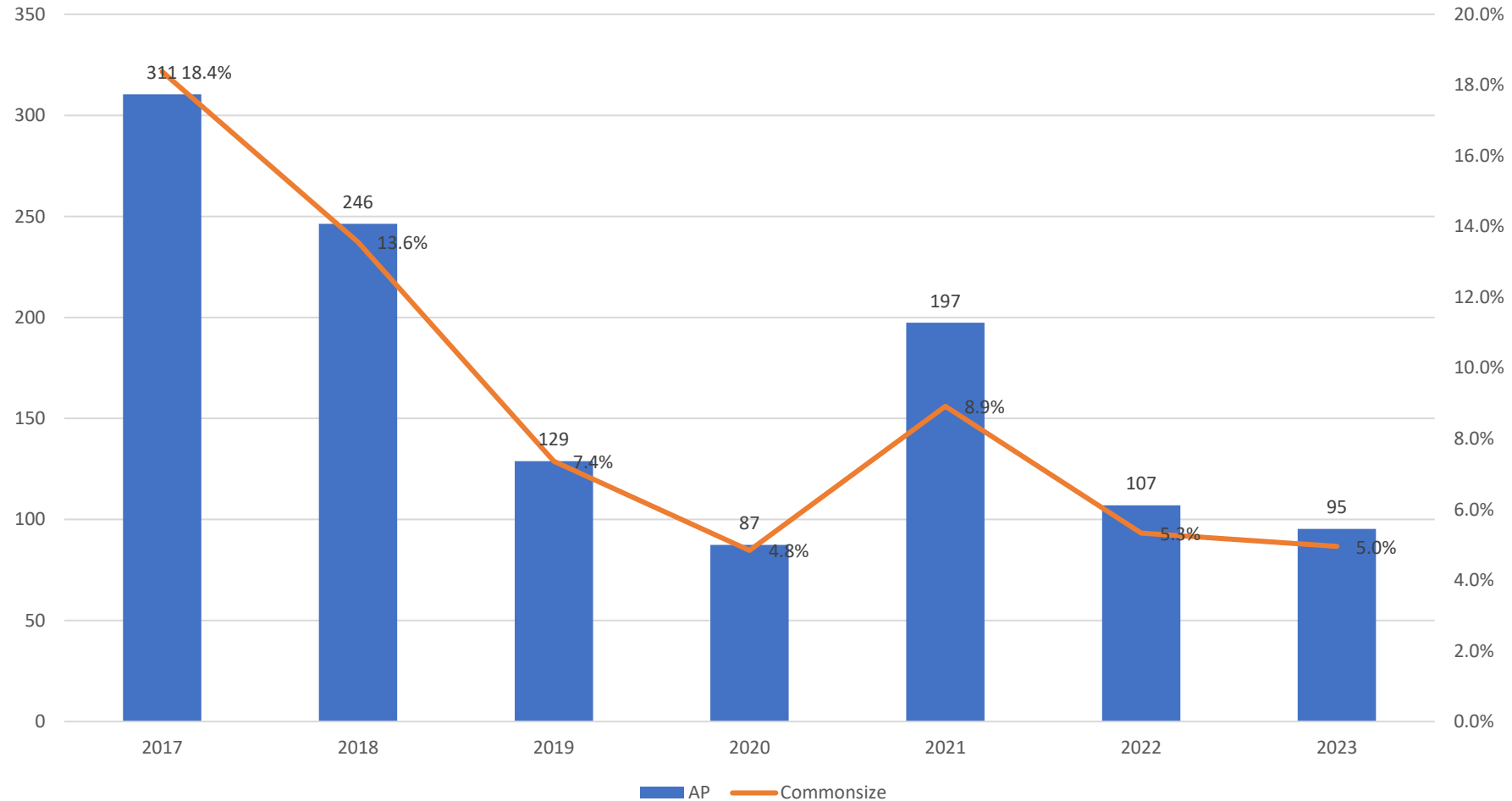
PP&E



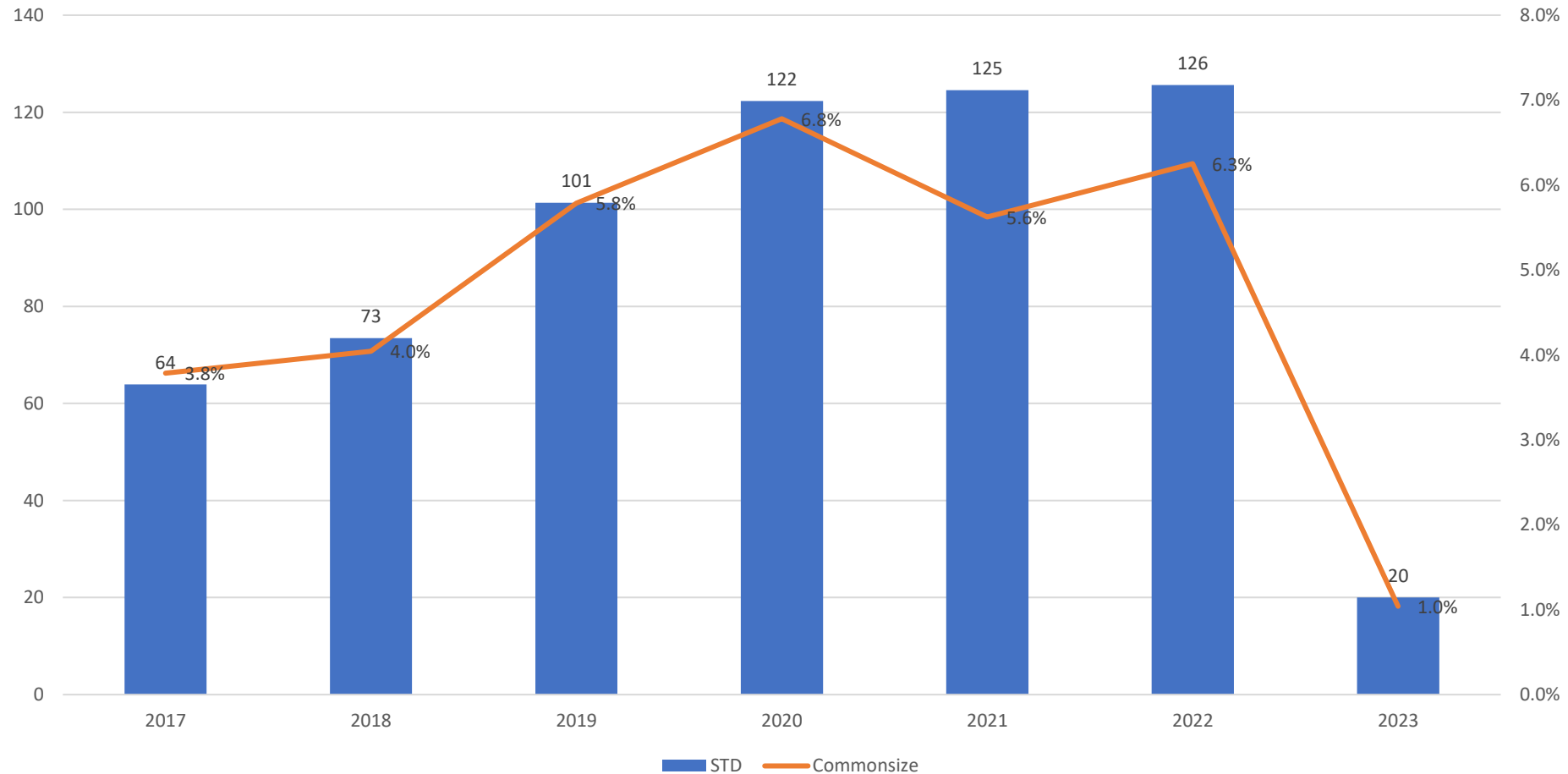
Intangible asset



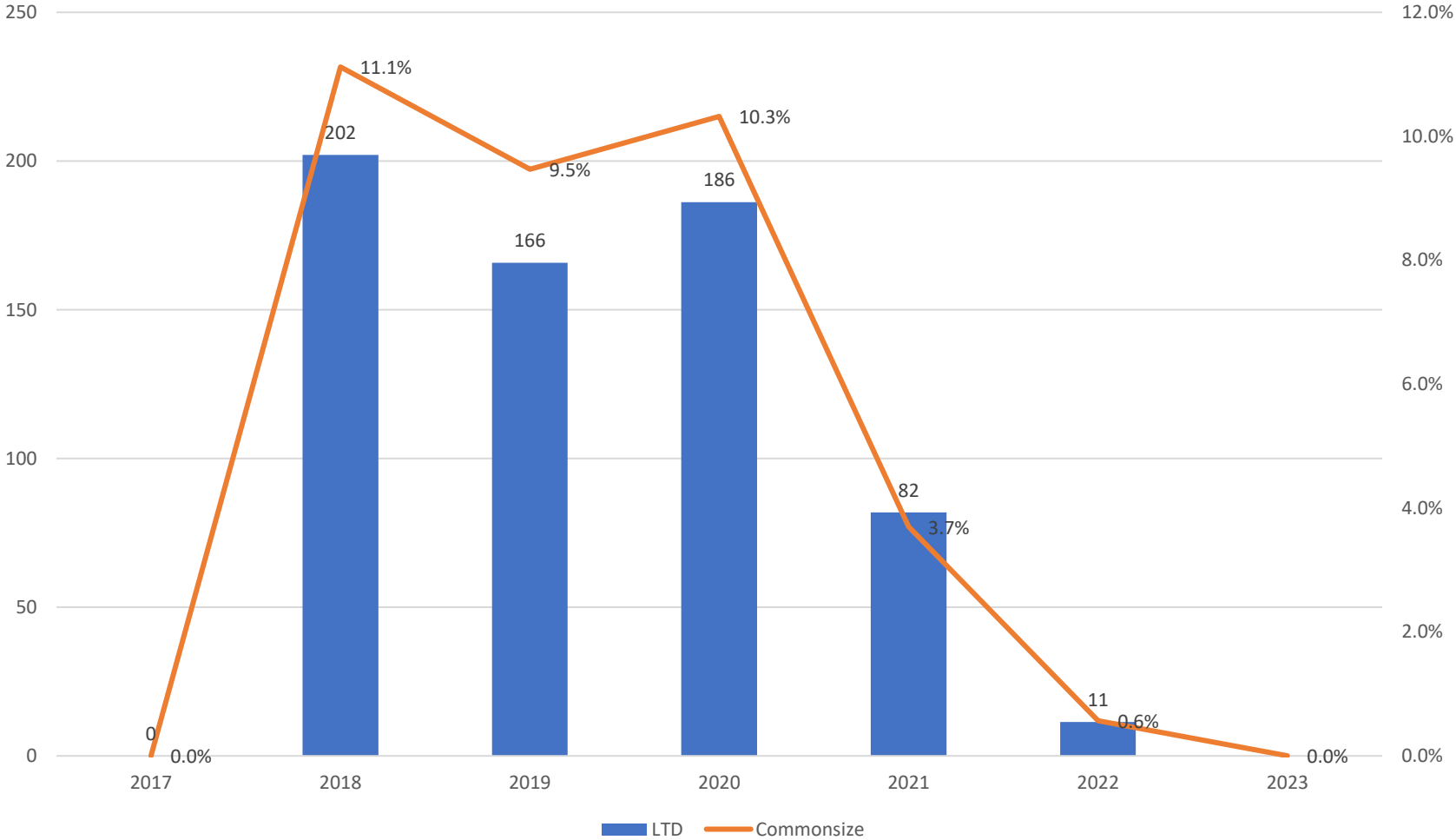
Account Payable - Liability



Short term Debt - Liability

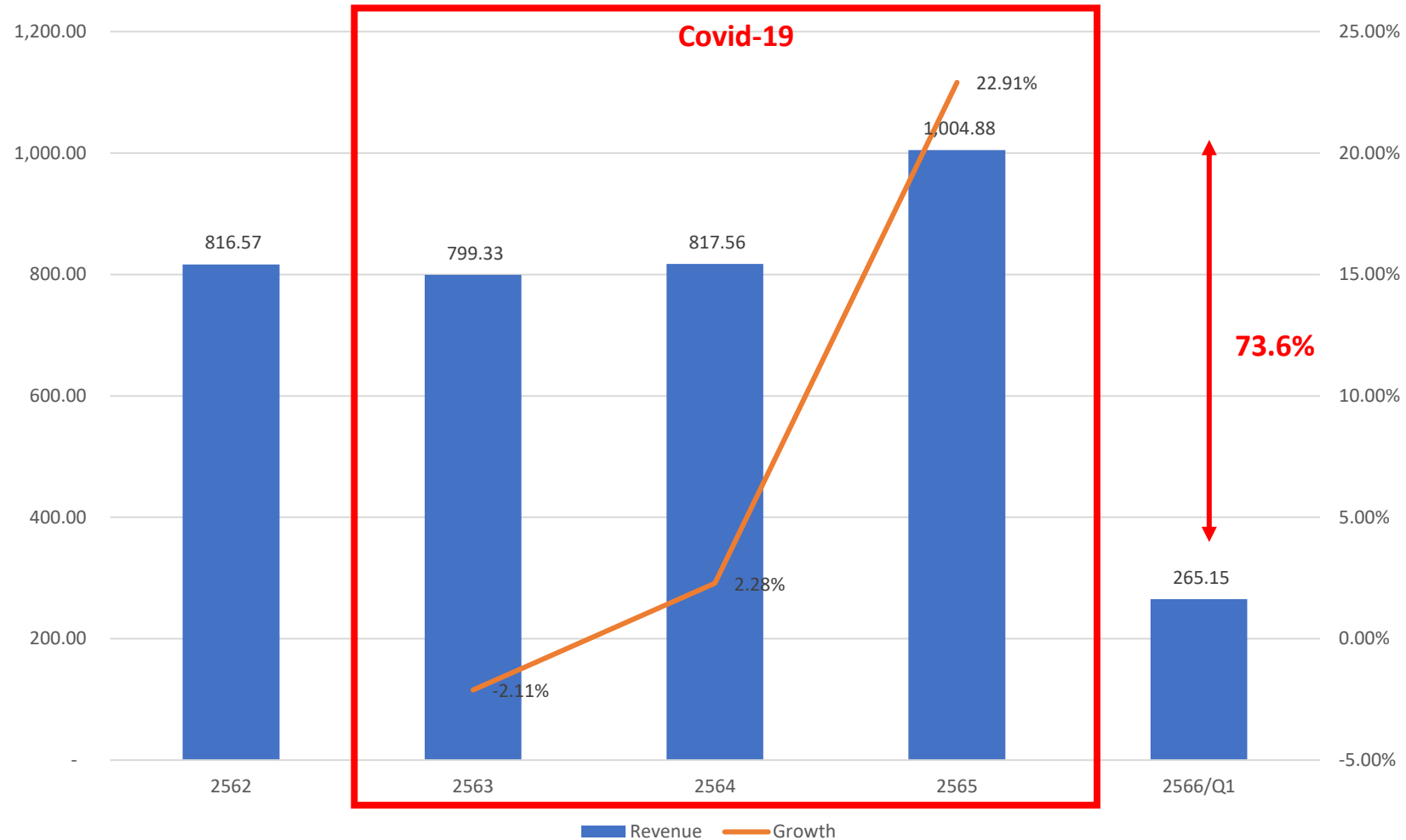


Long term Debt - Liability



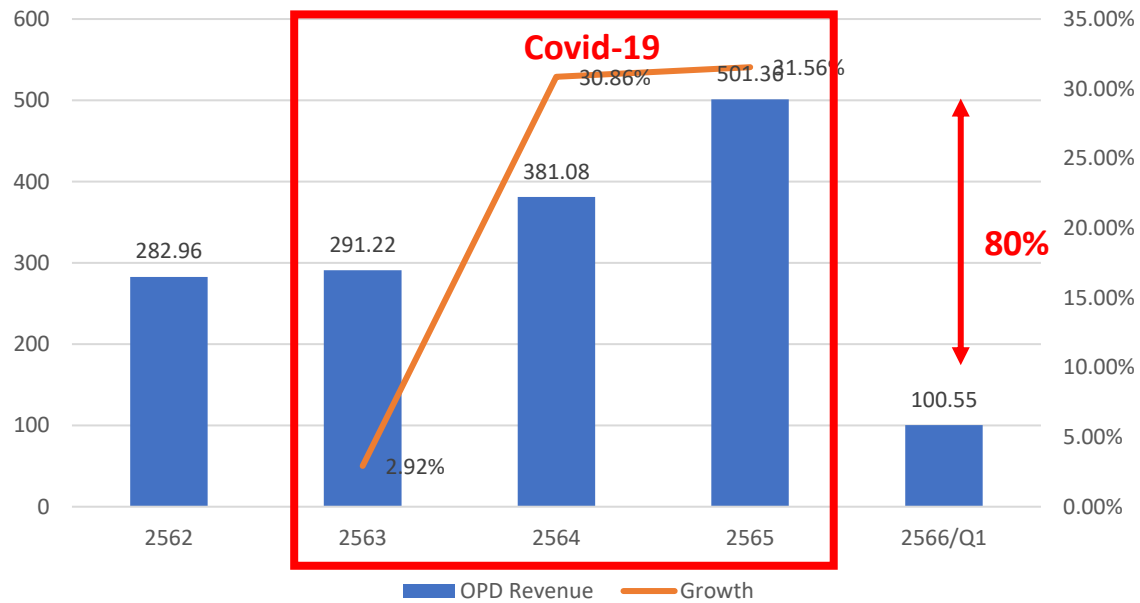
Income Statement

Total Revenue (Non-Covid)

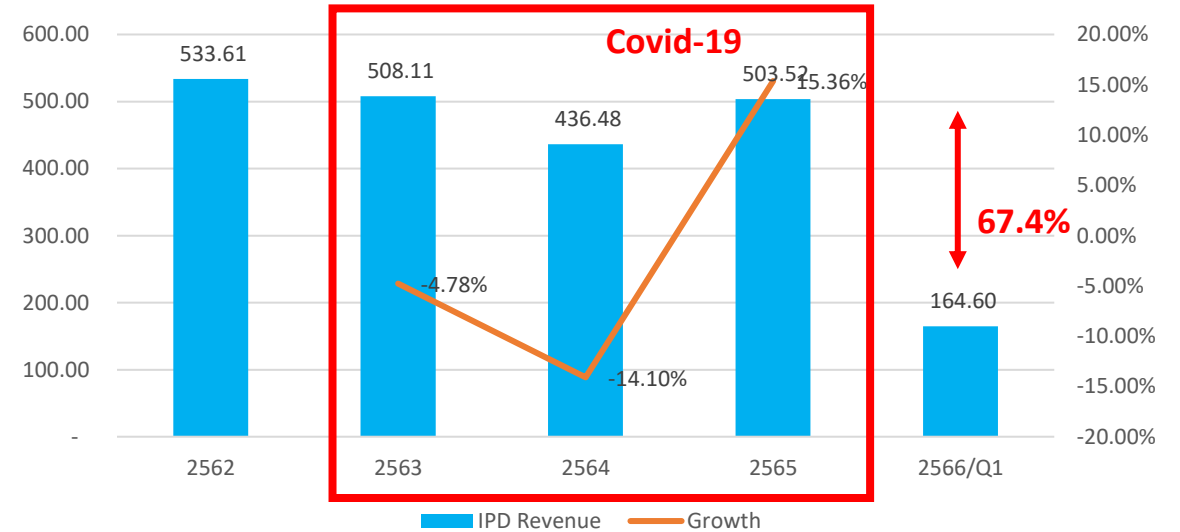


Revenue (Non-Covid)

OPD Revenue (Non-Covid)

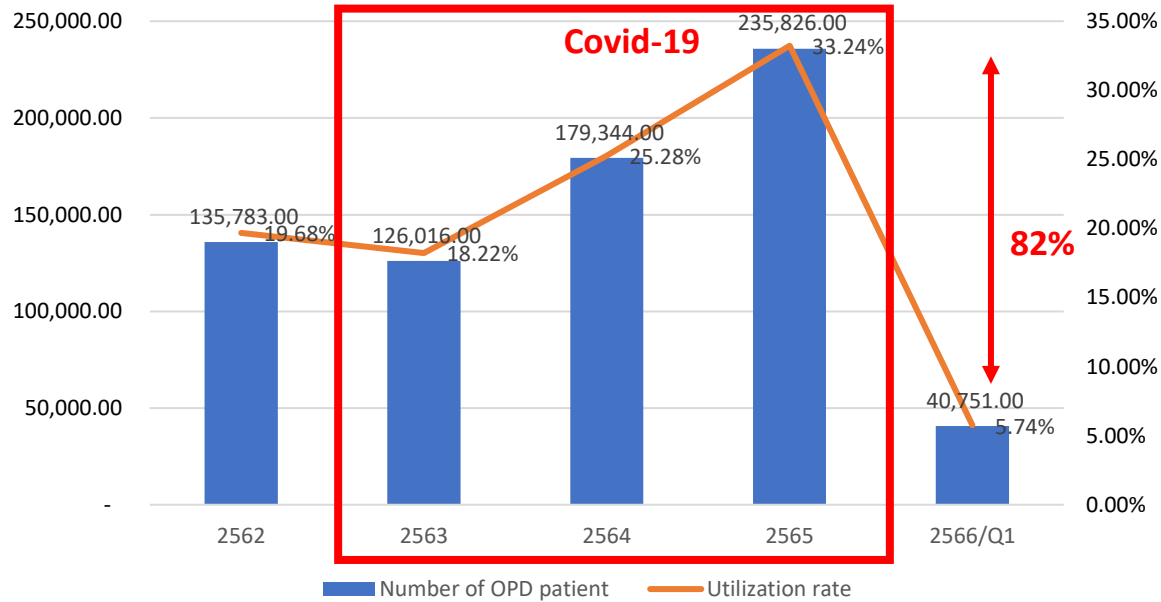


IPD Revenue (Non-Covid)

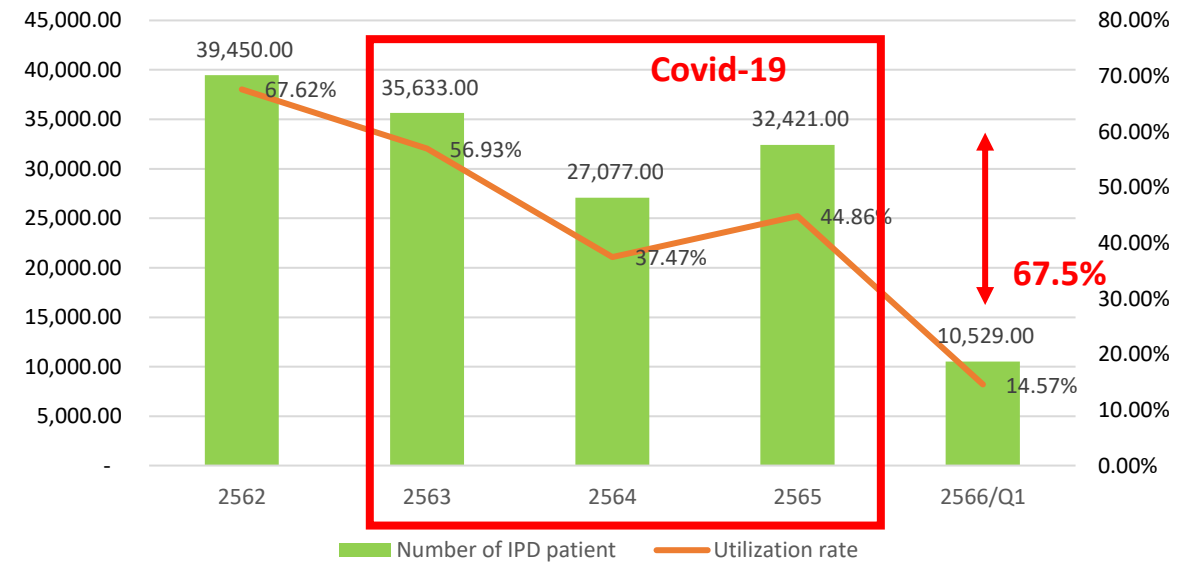


Utilization rate (non-Covid)

OPD UR + # of Patient

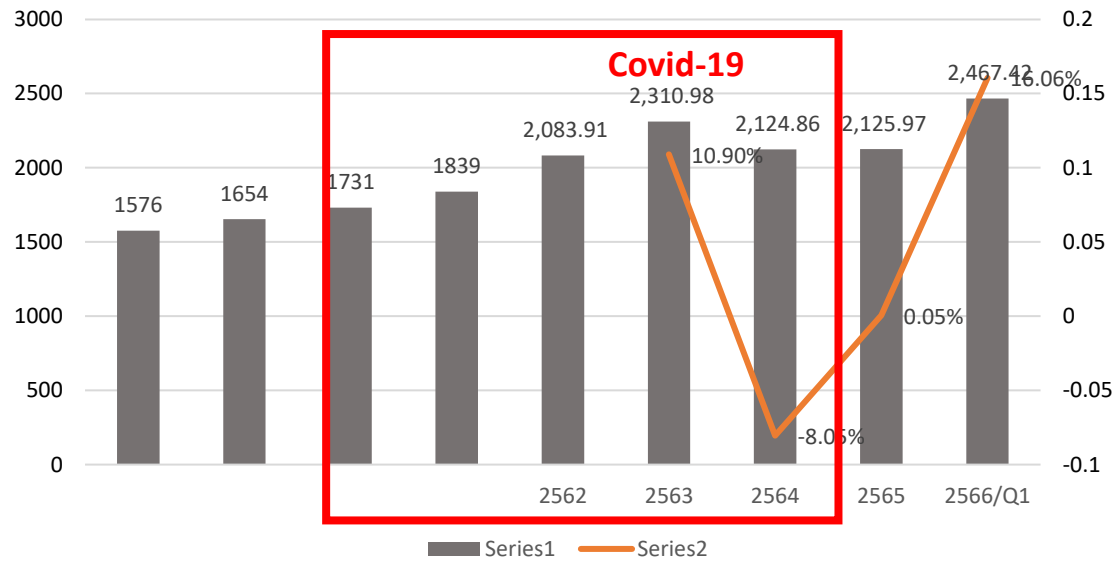


IPD UR + # of Patient

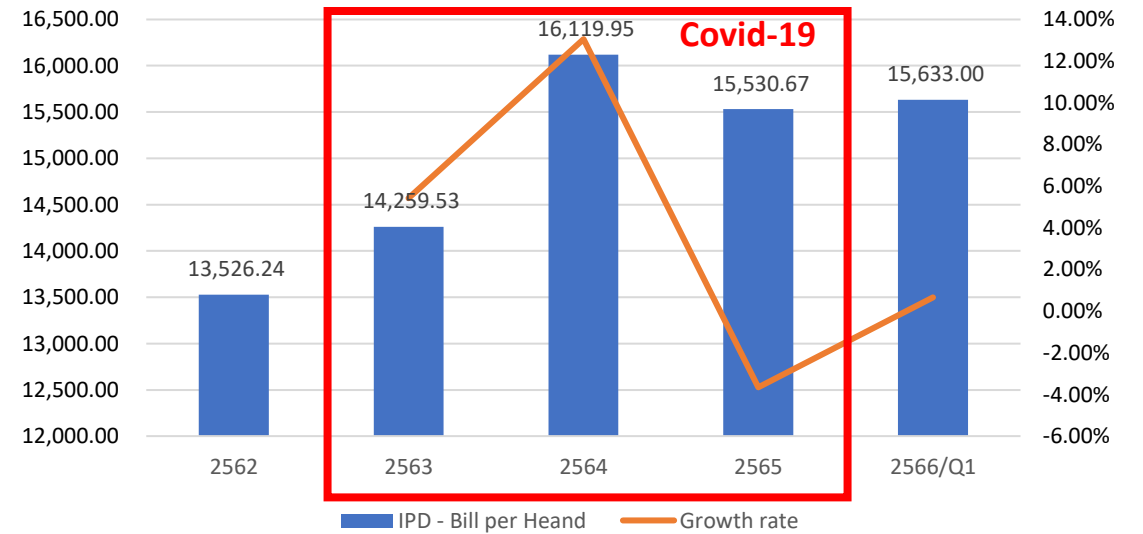


Bill per Head (non-Covid)

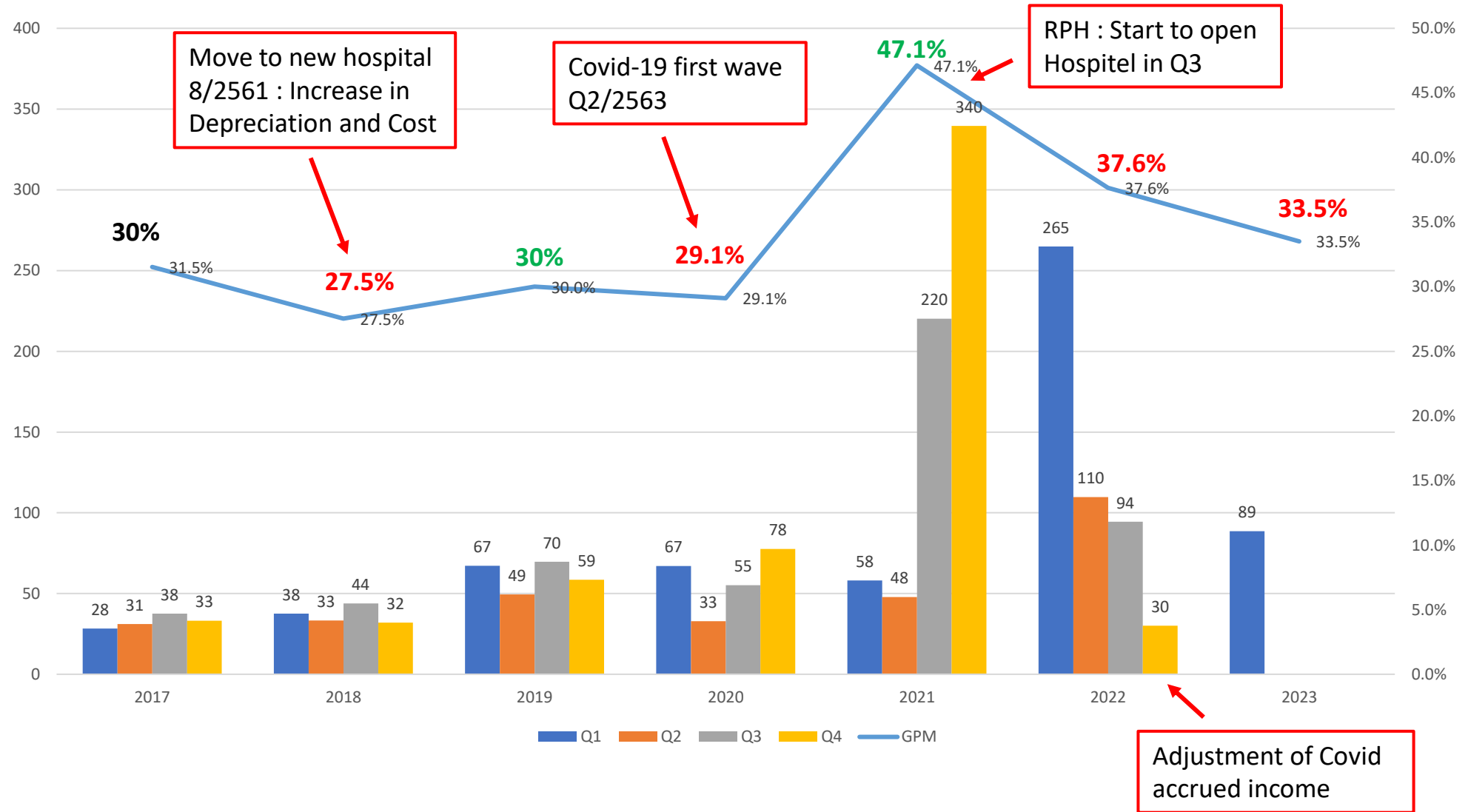
OPD - Bill per Head



IPD - Bill per Head



Gross Profit / %GPM (Inc, Covid)

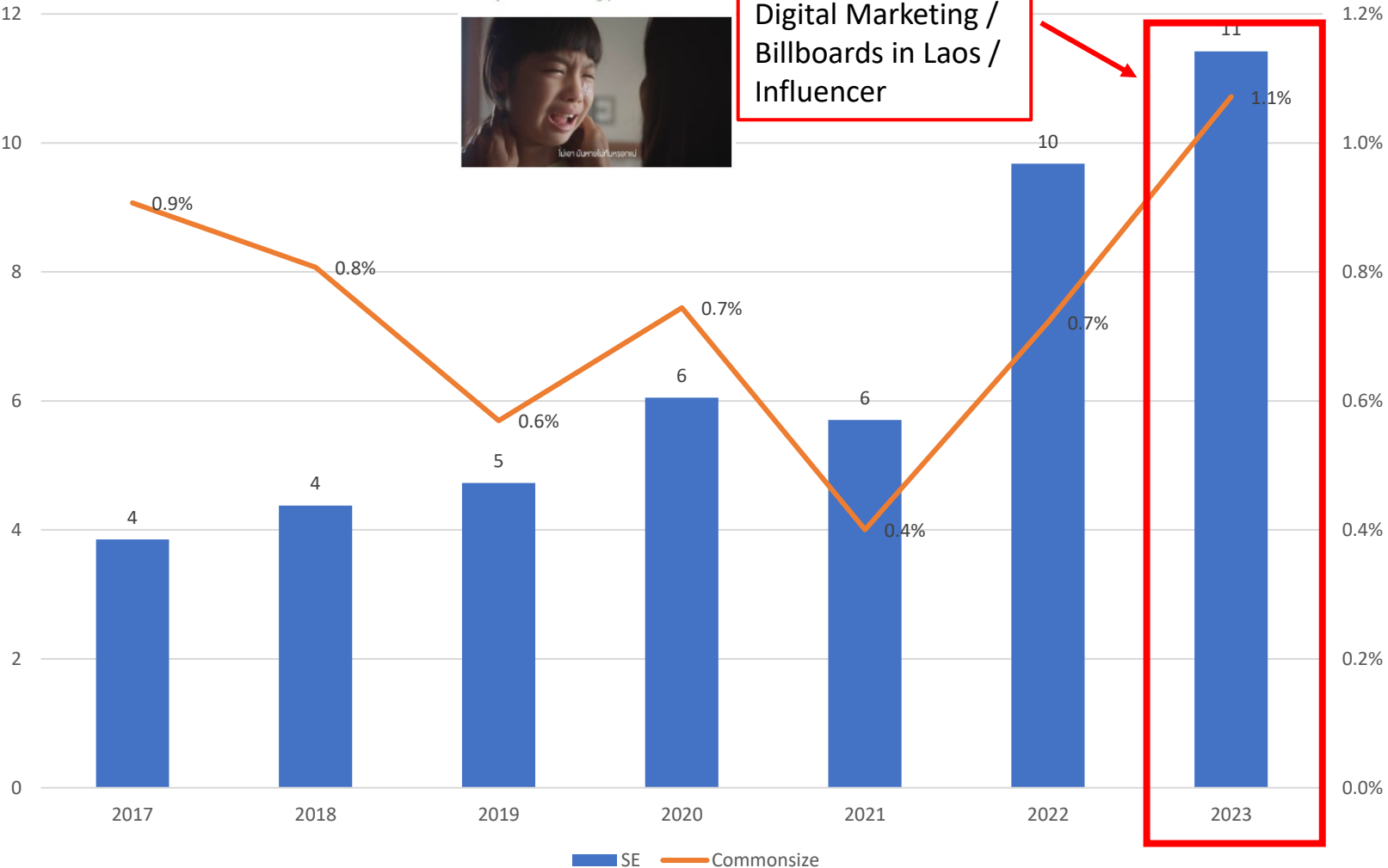


Selling Expense

1. Short Films
- Based on a true story
 - Communicating with the audience to clearer understand the Company's objectives of treating patients



More Aggressive on Digital Marketing / Billboards in Laos / Influencer



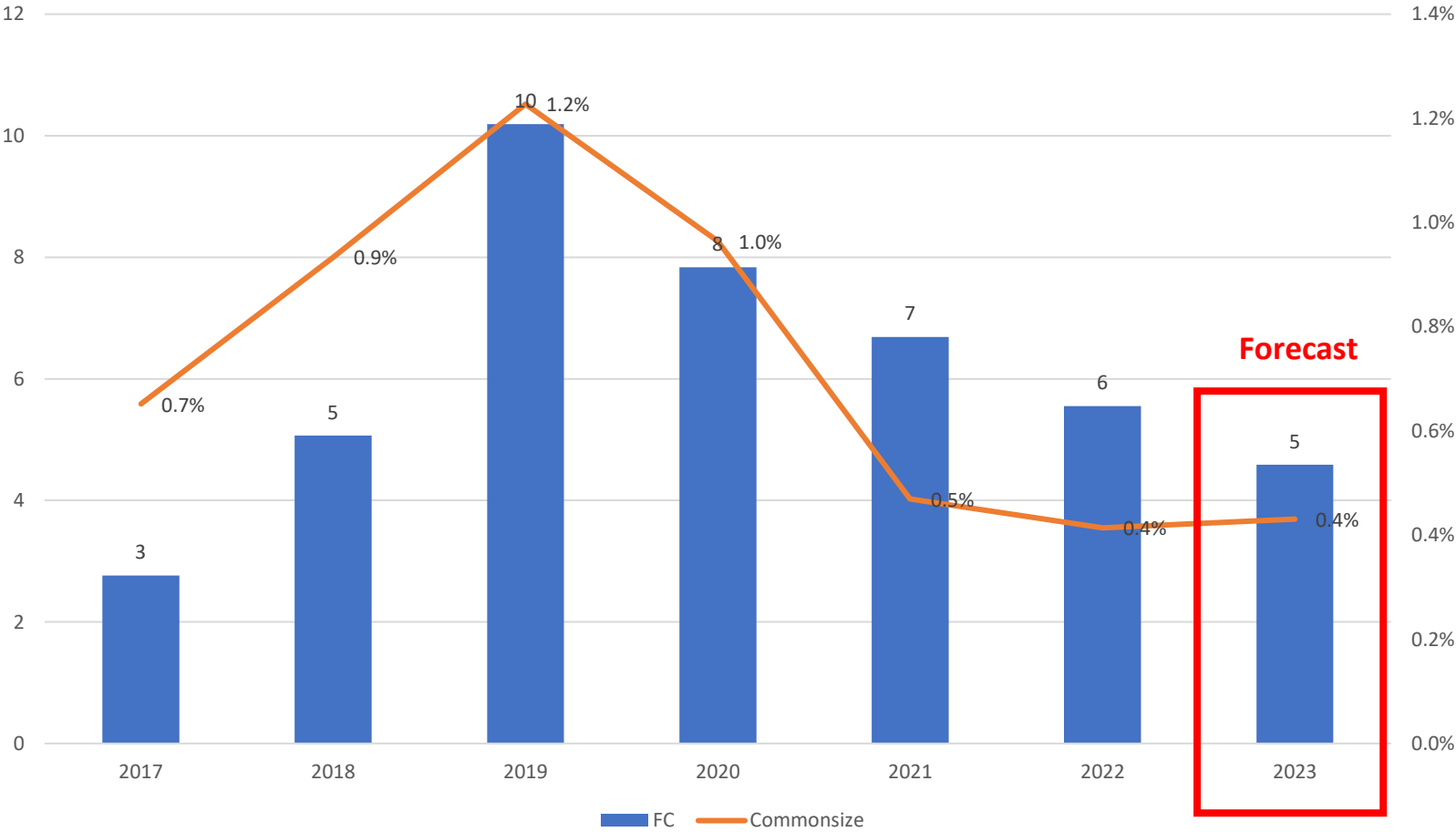
Administration Expense



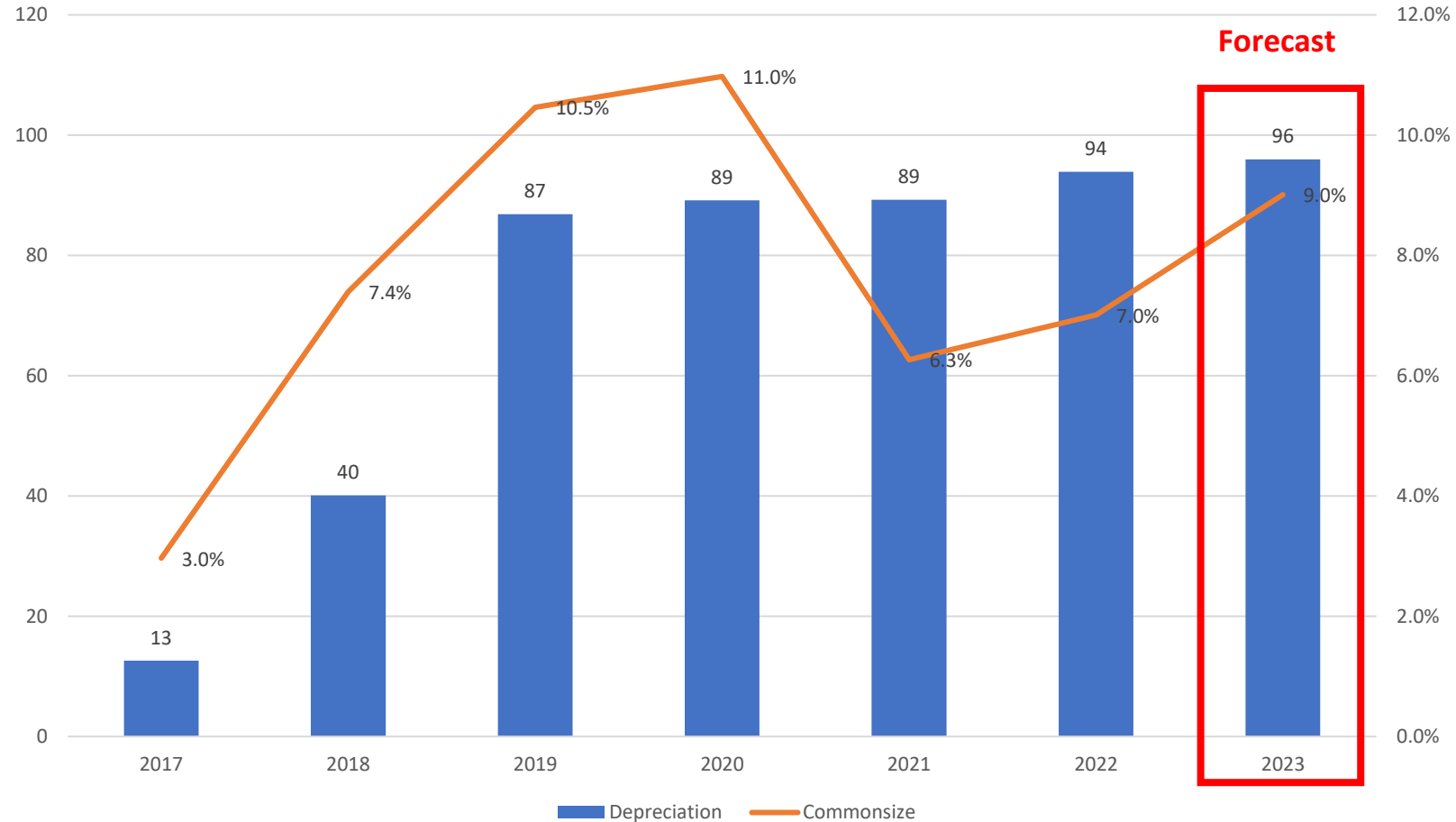
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Ratchaphruek Hospital



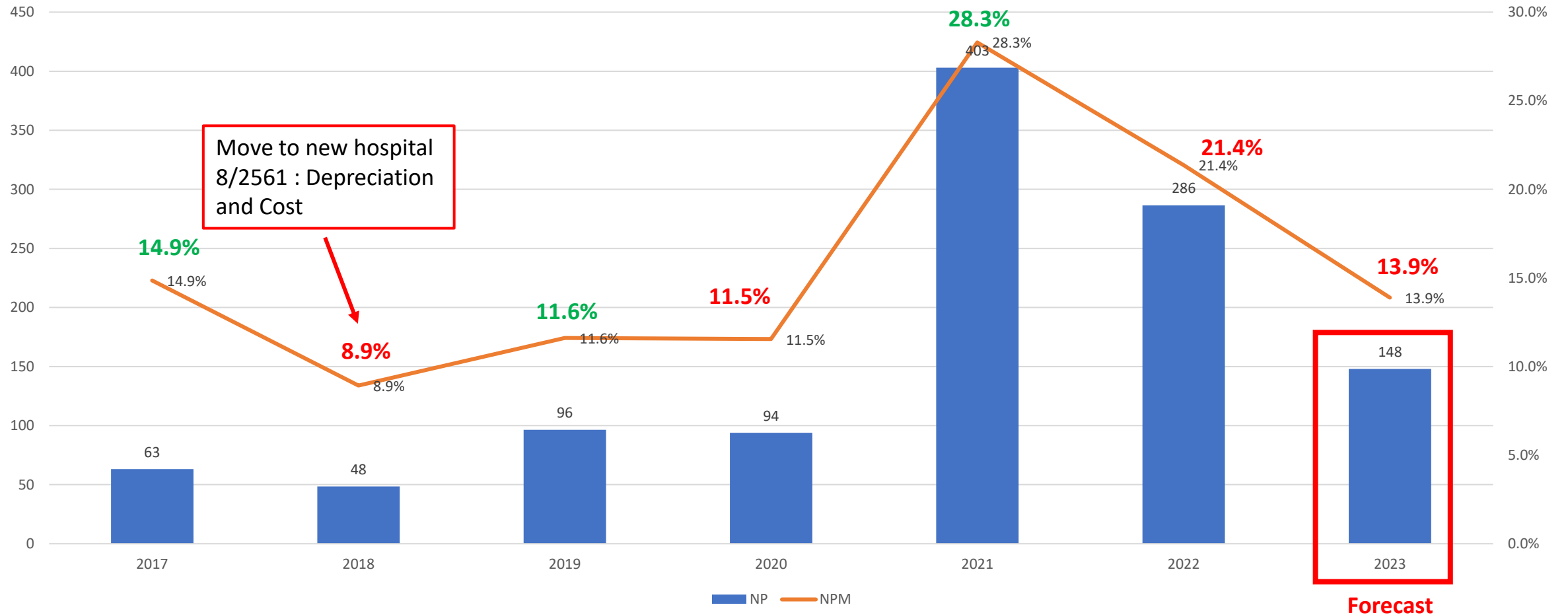
Financial cost



Depreciation

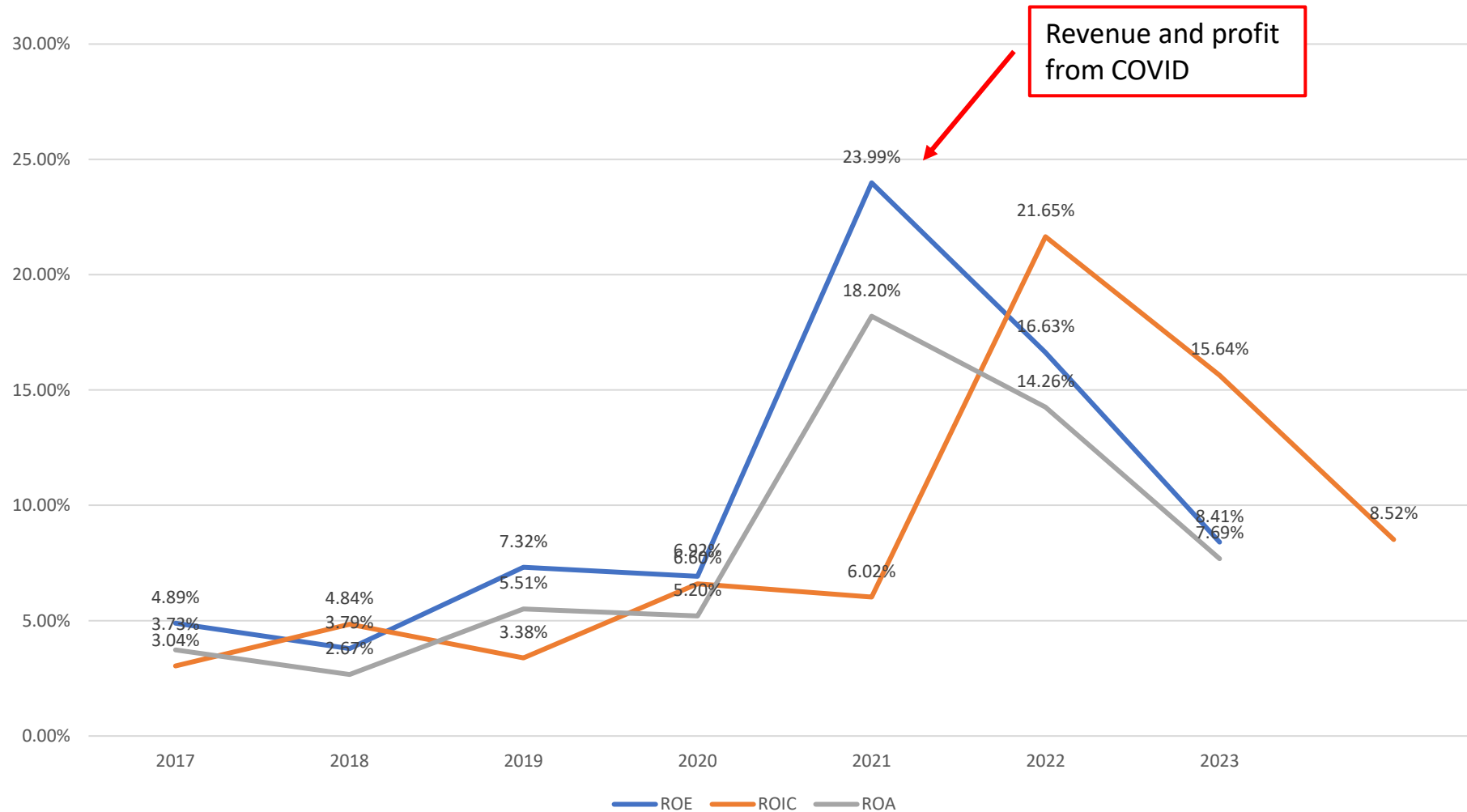


Net Profit

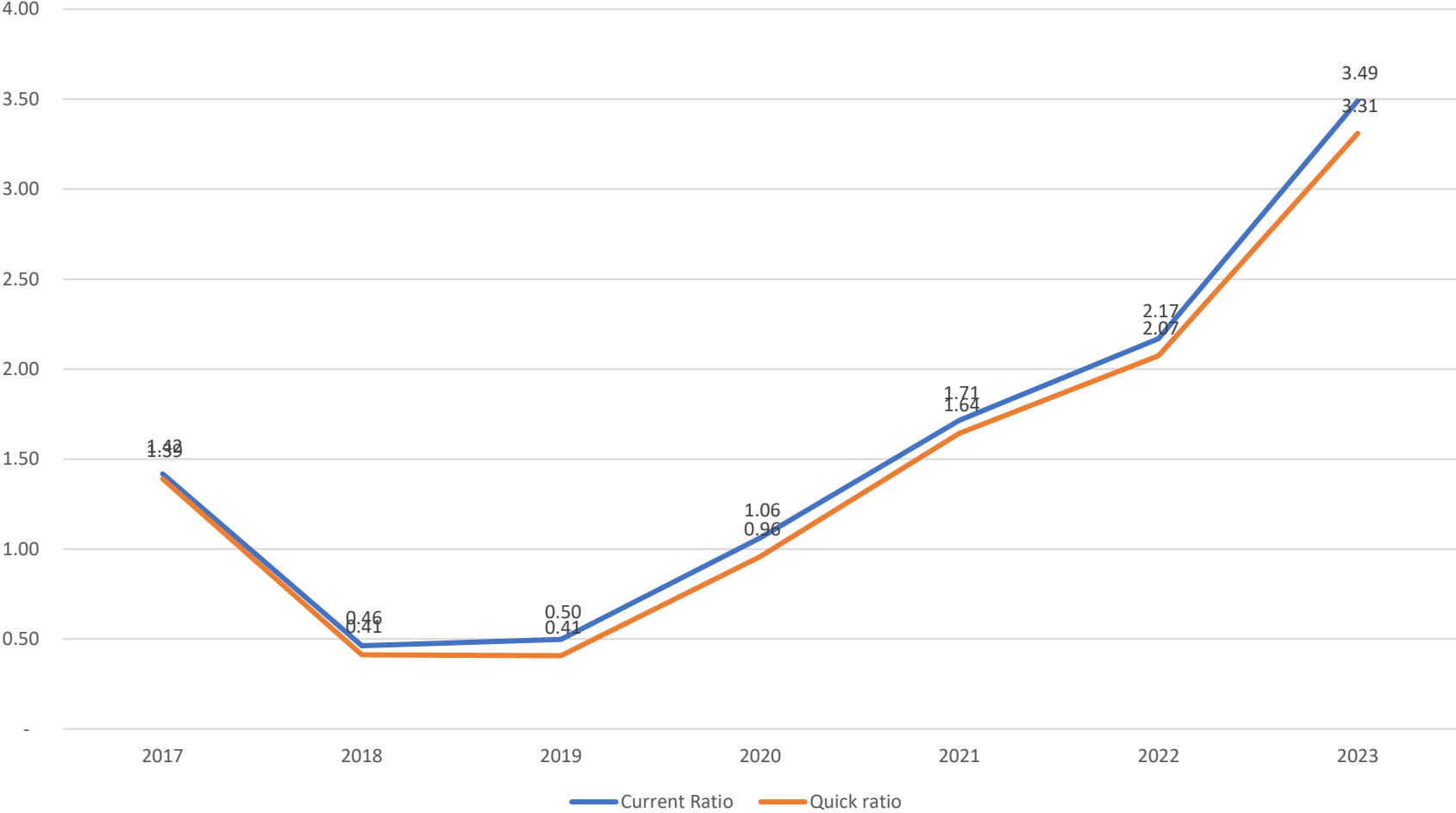


Financial Statement

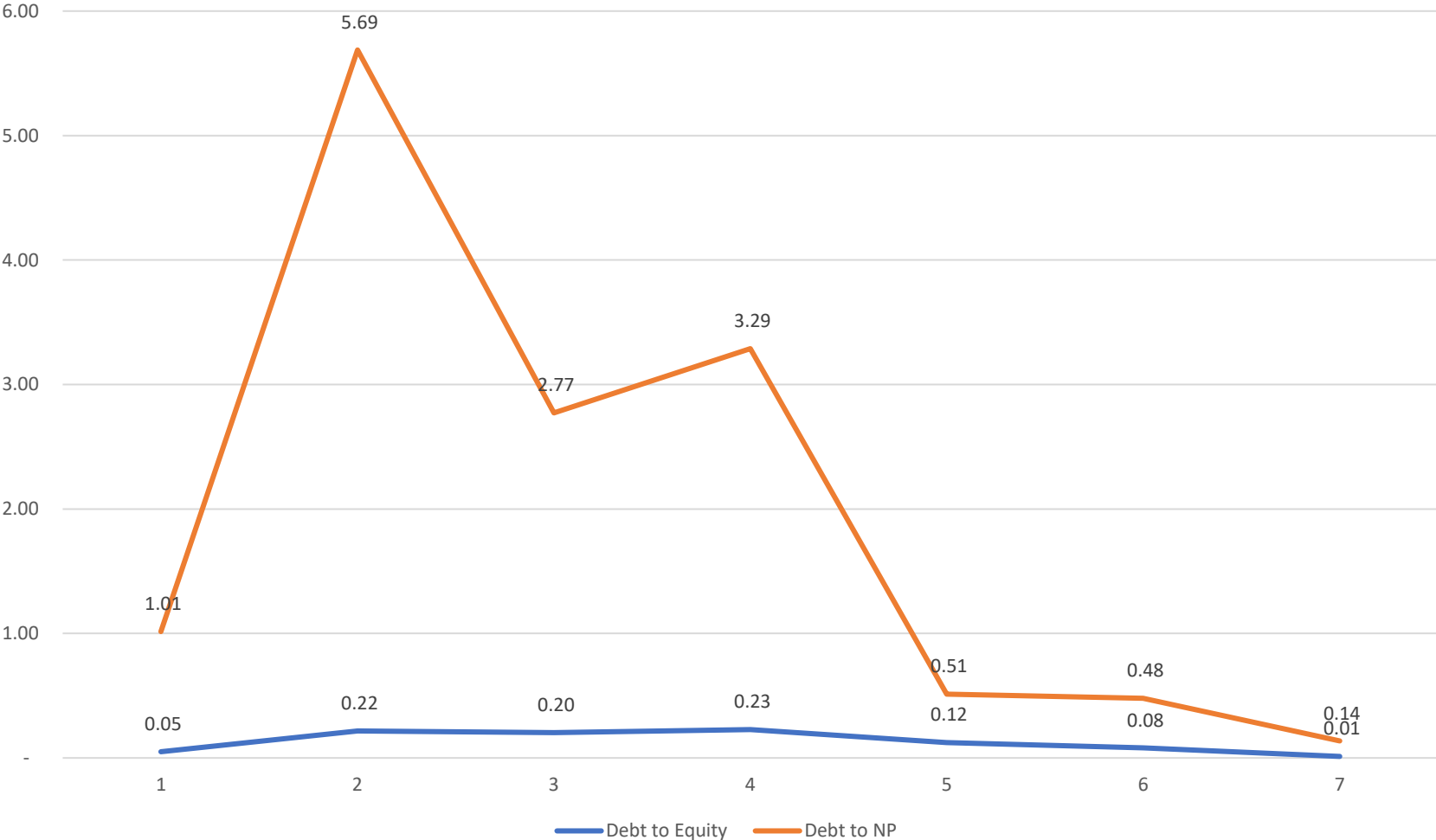
Profitability Ratio



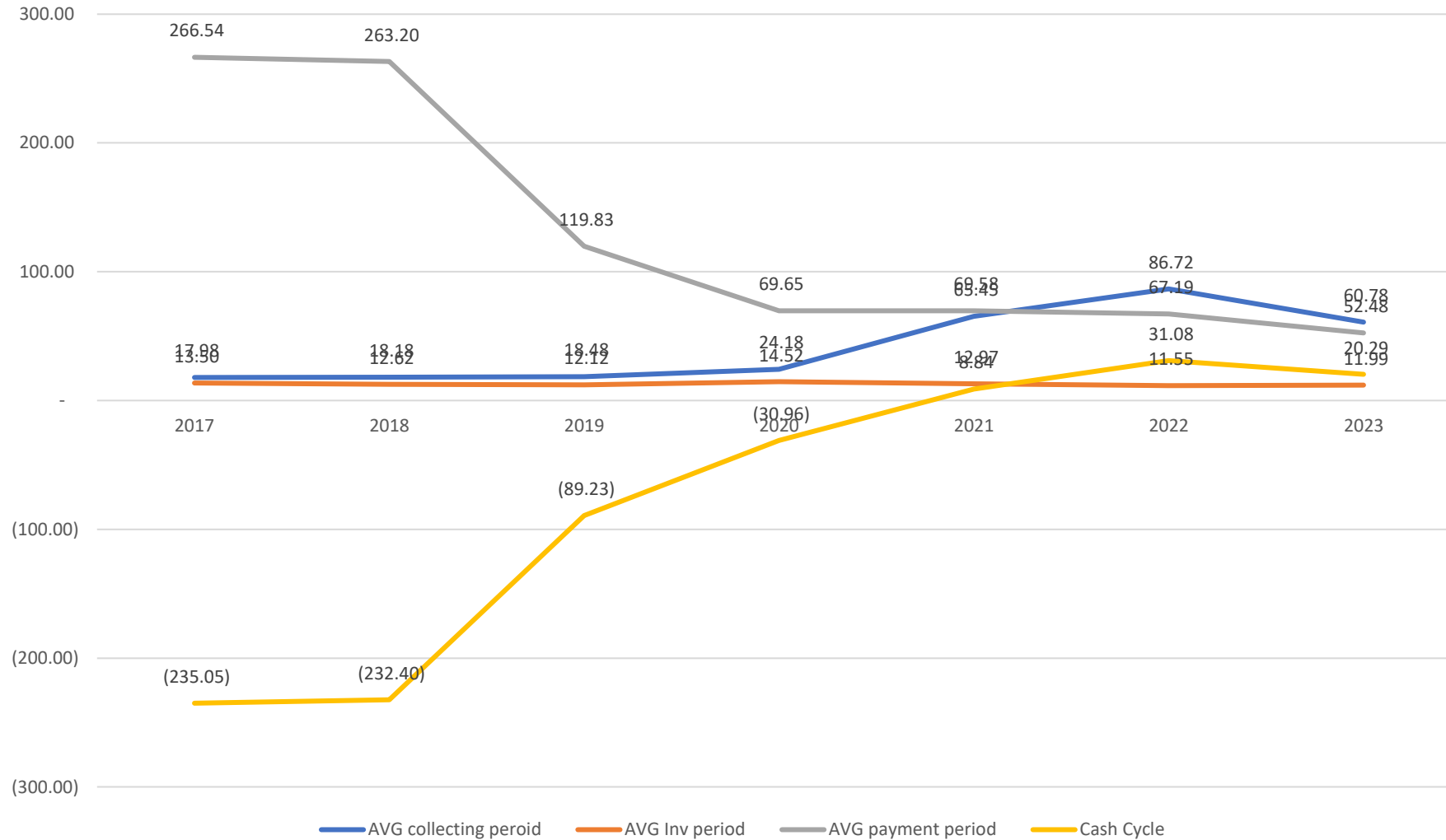
Liquidity Ratio



Leverage Ratio



Efficiency Ratio



Valuation

Valuation

RPH จัดเป็นหุ้น : แข็งแกร่ง

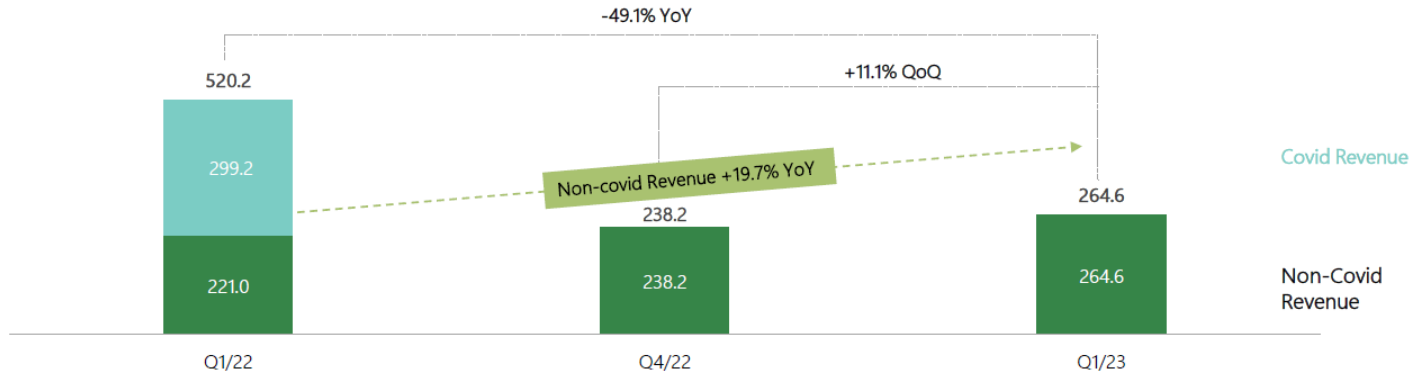
CORE P/E : 28 - 30x

Premium P/E : 28 - 30x

Revenue Forecast

Operating Revenue Breakdown

Unit: Million Baht



ปัจจัยตามฤดูกาล

- รายได้อาจแปรตามฤดูกาล การนำรายได้ Q1 คูณ 4 หรือ H1 คูณ 2 อาจได้ผลคลาดเคลื่อน
- ค่าปลีก Q4 เทศกาล > Q1 > Q2 พอๆ กับ Q3 หน้าฝน
- โรงพยาบาล Q3 หน้าฝน ป่วยน้อย > Q1 > Q4 > Q2
- เครื่องดื่ม Q2 ดีสุด หนักร้อน
- ผ่าอ้อม Q2 แย่สุด อากาศร้อน เด็กฉี่น้อย
- Advertising Q1 แย่สุด Q4 ดีสุด
- แม้ว่าบริษัทส่วนใหญ่ Q4 จะมีรายได้ดีสุด แต่กำไรอาจไม่ดีที่สุด เนื่องจากมีการบันทึกค่าใช้จ่ายต่างๆ ใน Q4

Seasonal in revenue of hospital :
Q1 = 26% , Q2 = 22% , Q3 = 28% , Q4 = 24%

Q1/22 : Revenue growth 19.7% YoY [Great performance from RPH]
But Q1/22 : There was omicron pandemic leading to significant decrease in number of IPD customer

CEO said Q2 revenue expected to be better than every year !!, Expected to grow nearly 20% in this year
Non-Covid
Y22 ; OPD (B/H) = 2,100 , IPD (B/H) = 15,500
Q2/22 : # of IPD = 9,558 , # of OPD = 57,863 ; Revenue = (15,500*9558) + (2,100*57,863) = 148.2 + 121.5 = 269.7m
Therefore, Revenue Q2/2023 = at least 270m

Revenue Forecast

Seasonal in revenue of hospital :
Q1 = 26% , Q2 = 22% , Q3 = 28% , Q4 = 24%

Revenue 2023 Forecasting (Base case)

Seasonal in revenue of hospital :

Q1 = 26% , Q2 = 22% , Q3 = 28% , Q4 = 24%

Except this Q2/2023 because CEO said it higher than every year

Revenue 2023 forecast : R1

Q1 = 265m

Q2 = 270m

Q3 = $(265 * 100 / 26) * 0.28 = 285.5$

Q4 = $(265 * 100 / 26) * 0.24 = 244.5$

*Use Q1 revenue as a base quarter for forecasting Q3 and Q4 seasonal

Total revenue 2023 = 1065m

Revenue 2023 Forecasting (Best case)

Seasonal in revenue of hospital :

Q1 = 26% , Q2 = 22% , Q3 = 28% , Q4 = 24%

Except this Q2/2023 because CEO said it higher than every year

Revenue 2023 forecast : R1

Q1 = 265m

Q2 = 270m

Q3 = $(265 * 100 / 22) * 0.28 = 337$

Q4 = $(265 * 100 / 22) * 0.24 = 289$

*Use Q2 revenue as a base quarter for forecasting Q3 and Q4 seasonal

Total revenue 2023 = 1161m

Revenue growth

B/H	2558	2559	2560	2561	2562	2563	2564	2565	2566 / Q1	%CAGR
OPD	1576	1654	1731	1839	2,083.91	2,310.98	2,124.86	2,125.97	2,467.42	
Growth		4.95%	4.66%	6.24%	13.32%	10.90%	-8.05%	0.05%	16.06%	4.37%
IPD	11396	12591	11337	12267	13,526.24	14,259.53	16,119.95	15,530.67	15,633.00	4.52%
Growth		10.49%	-9.96%	8.20%	10.27%	5.42%	13.05%	-3.66%	0.66%	

Key take away : Bill per head : increase around 4.5% CARG

This indicates that RPH can push the inflation burden to customer (customer bargaining power is low)

Therefore, RPH revenue can grow 4.5% CARG without finding new customer

ปัจจัยตามฤดูกาล

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Seasonal in revenue of hospital :

Q1 = 26% , Q2 = 22% , Q3 = 28% , Q4 = 24%

Revenue growth

Future Revenue growth

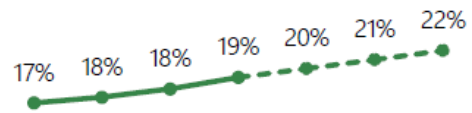
1. Increase in OPD and IPD bill per head = 5% CARG
 2. Thailand GDP growth : 2023-2025 = 3.2% CARG [Ref ; IMF.co.th]
 3. Growing in number of middle-class household : 2023 -2025 = 2% CARG
 4. Lower price (15-20% lower than competitor) penetration + Investment in marketing : growth in revenue = 2% CARG
- Revenue growth rate (2023 – 2025) = around 12% CARG**

Key Driving Factor

(1) Aging Population

% of Aqing population

Unit: %



2019 2020 2021 2022 2023F 2024F 2025F

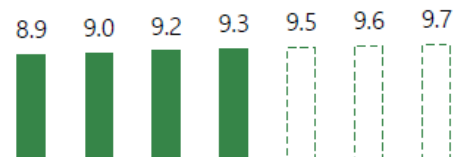
Source: NESDC

Expenditure for elderly healthcare will rise significantly. There would be a larger number of people with circulatory disorders, diabetes, and chronic breathing problems

(2) Growing Middle-Class

No. of Middle-Class Households

Unit: Million Households



2019 2020 2021 2022 2023F 2024F 2025F

Source: Euromonitor

Rising spending power will increase demand for services provided by private hospitals

SELECT AN INDICATOR

IMF Data Mapper ©, April 2023

- Real GDP growth (Annual percent change) 3.4
- Inflation rate, average consumer prices (Annual percent change) ... 2.8



GPM analysis

We choose Y2019 to calculate because it did not get strong impact from Covid-19 pandemic

	Q1/2019	Q2/2019	Q3/2019	Q4/2019	Q1/2020	Q1/2023	
	205	189	219	204	215.53	264.61	Revenue
				-6.80%	-1.45%	20.99%	Growth from Q3/2019 (Peak)
	21.31	21.59	21.95	22.00	21.91	24.00	Depreciation
	137.31	140.02	148.98	145.29	148.49	175.94	COGS
	116.00	118.42	127.03	123.29	126.58	151.94	COGS-Depre
	43.30%	37.50%	41.92%	39.52%	41.27%	42.58%	GPM without depreciation
	32.88%	26.10%	31.88%	28.72%	31.11%	33.51%	GPM
AVG	25.05%	23.20%	26.78%	24.96%			Weight of revenue
40.64%	10.85%	8.70%	11.23%	9.86%			GPM without depreciation * weight
		19.14%			33.24%	22.97%	OPD UR
		54.59%			44.86%	58.16%	IPD UR

Y2019 ; GPM without depreciation average = 40.64% of revenue

Q1/2023 vs Q3/2019 (Peak revenue) ; revenue Q1/2023 increase 21% from Q3/2019 while GPM without depreciation increase from 41.92% to 42.58% (0.66%)
Therefore, This situation might happen because of Economy of scale

Future Revenue

Case : Revenue 2023 = 1065m (Base Case)

Increase in Depreciation
 2024 : Depreciation (wellness): $100/15 = 7\text{m/y}$
 Depreciation (AH) Q4: $100/15 * 4 = 1.4\text{m/y}$
 2024 : Depreciation (wellness + AH): 8.4 m

 2025 : Depreciation (wellness + AH) : 14m
 Depreciation (SSO hospital) Q4: $500/18 * 4 = 7\text{m}$
 2025 : Depreciation = 21m

2019	2020	2021	2022	(Q1/2023 *4)	Forecast 2023	2024	2025	
						12%	12% from 2024	Revenue Growth from Forecast 2023
0.00%	-2.11%			29.62%	30.42%			Revenue Growth from 2019
					0.62%			Revenue Growth from 2023
817	799	1,413	1,326	1,058	1,065	1,193	1,336	Revenue from operation(R1)
572	567	747	827	704	708	789	884	COGS
87	89	89	94	96	96	104	117	Depreciation
	-1.50%			25.38%	0.62%	12.0%	12% from 2024	(COGS - Depreciation) Growth from 2023
485	477	658	733	608	612	685	767	COGS - Depreciation
30.00%	29.11%	47.12%	37.64%	33.51%	33.57%	33.83%	33.82%	GPM
40.64%	40.27%	53.44%	44.72%	42.58%	42.58%	42.58%	42.58%	GPM without Depreciation
65.35%	63.57%	53.39%	50.11%	62.08%	62.08%	62.08%	62.08%	IPD Ratio (IPD / OPD+IPD)
59.36%	59.73%	46.56%	55.28%	57.42%				COGS-Depreciation / R1
19.14%	17.76%	25.28%	33.24%	22.97%	23.07%	24.61%	26.25%	OPD UR
54.59%	35.47%	37.47%	44.86%	58.16%	59%	62%	67%	IPD UR
								Economy of scale : revenue growth 29.6% from 2019 to 2023 (Q1*4) but COGS without depreciation growth just 25.38%

Seasonal in revenue of hospital :
 Q1 = 26% , Q2 = 22% , Q3 = 28%, Q = 24%

Using GPM without depreciation from Q1/2023 to calculate future yearly GPM is the safe choice because revenue Q1 is around 25-26% of whole year revenue.

Future Revenue

Case : Revenue 2023 = 1161m (Best Case)

Increase in Depreciation
 2024 : Depreciation (wellness): $100/15 = 7\text{m/y}$
 Depreciation (AH) Q4: $100/15*4 = 1.4\text{m/y}$
 2024 : Depreciation (wellness + AH): 8.4 m

 2025 : Depreciation (wellness + AH) : 14m
 Depreciation (SSO hospital) Q4: $500/18*4 = 7\text{m}$
 2025 : Depreciation = 21m

2019	2020	2021	2022	(Q1/2023 *4)	Forecast 2023	2024	2025	
						12%	12% from 2024	Revenue Growth from Forecast 2023
0.00%	-2.11%			29.62%	42.18%			Revenue Growth from 2019
					9.69%			Revenue Growth from 2023
817	799	1,413	1,326	1,058	1,161	1,300	1,456	Revenue from operation(R1)
572	567	747	827	704	763	851	953	COGS
87	89	89	94	96	96	104	117	Depreciation
	-1.50%			25.38%	9.69%	12.0%	12% from 2024	(COGS - Depreciation) Growth from 2023
485	477	658	733	608	667	747	836	COGS - Depreciation
30.00%	29.11%	47.12%	37.64%	33.51%	34.31%	34.55%	34.55%	GPM
40.64%	40.27%	53.44%	44.72%	42.58%	42.58%	42.58%	42.58%	GPM without Depreciation
65.35%	63.57%	53.39%	50.11%	62.08%	62.08%	62.08%	62.08%	IPD Ratio (IPD / OPD+IPD)
59.36%	59.73%	46.56%	55.28%	57.42%				COGS-Depreciation / R1
19.14%	17.76%	25.28%	33.24%	22.97%	25.15%	26.82%	28.61%	OPD UR
54.59%	35.47%	37.47%	44.86%	58.16%	64%	68%	73%	IPD UR
								Economy of scale : revenue growth 29.6% from 2019 to 2023 (Q1*4) but COGS without depreciation growth just 25.38%

Future Investment and Loan analysis

Q1/2023 :

Cash and equivalent = 260m

Account Receivable = 172m

Account Payable = 95m

Inventory = 24

Total Debt = 20m

Net = $260+172-95+24-20 = 341m$

Note :

- Working Capital (2020) : $Inventory + AR - AP = 23 + 57 - 87 = -7m$

Assume working capital of RPH in normal situation = -7m

- Available FCF for future investment for 2023 :

Depreciation for 2023 = 89m , Capital expenditure (2022) : 63m

Net – WC + DA – CapEx = $341 + 7 + 89 - 63 = 374m$

Note :

1. SSO/SP Hospital : Investment = 500m / 100 beds / open Q4/2025

Investment 2 +3 = 200 m

2. Wellness center : Renovate / Open Q1/2024

3. Aesthetic hospital = Renovate Old hospital / open Q4/2024

Total investment = 200m + 500m = 700m

Oppday End 2022 ; CEO said invest 200m in 2023 +

Most of investment will be supported by loan

- Wellness center

- Renovate Aesthetic hospital

- Land and design for SSO hospital

End 2023 ;

Net profit = $150-37 (Q1) = 113$

Available FCF for future investment : $374+113-200 = 287m$

End Year 2024 ; Construction of SSO hospital + Aesthetic

Expected investment : SSO hospital = 250m

Profit = $170 + DA - CapEx = 170 + 104 - 63 = 211$

Available FCF for future investment $287-250+211 = 258$

End Year 2025;

Expected investment : SSO hospital = 250m

Profit = $190 + DA - CapEx = 190 + 117 - 63 = 244$

Available FCF for future investment $258 + 244 - 250 = 252$

Assume : Loan : MLR = 7.5% for increasing liquidity

2024 : Interest Expense : $100m * 7.5\% = 7.5M$

2025 : Interest Expense : $100m * 7.5\% = 7.5M$

Valuation

Case : Revenue 2023 = 1065m (Base Case)

Wellness-center: Q1
Aesthetic Hospital : Q4

SSO Hospital : Q4

SE = 1.5%
Increase from
investing in digital and
physical marketing

Forecast	66/2023	67/2024	68/2025
Rev. Growth		12%	12%
Revenue	1065	1192.8	1335.936
Other Rev	8	8	8
GPM	33.57%	33.83%	33.83%
Gross Profit	357.5205	403.52424	451.9471488
Selling Expense	1.5%	1.5%	1.5%
Admin Expense	15.0%	15.0%	15.0%
EBIT	181.7955	206.71224	231.5177088
F/N Cost	4	7.5	7.5
EBT	177.7955	199.21224	224.0177088
%Tax	20%	20%	20%
Tax	35.5591	39.842448	44.80354176
Net Profit	142.2364	159.369792	179.214167
NPM	13.36%	13.36%	13.41%
NP Growth		12.05%	12.45%
Price	6	6	6
EPS	0.260506227	0.291886066	0.328231075
FWD P/E	23.03207899	20.55596584	18.27980485
Fair P/E	30	30	30
MOS	23%	31%	39%
Expected Growth			
Expected Return		29%	21.92%
Fair Price	7.82	8.76	9.85
Upside	30.25%	45.94%	64.12%

Loan : MLR = 7.5% for increasing liquidity
2024 : Interest Expense : 100m * 7.5% = 7.5M
2025 : Interest Expense : 100m * 7.5% = 7.5M

=Rate(1.5,-,6,8.76)

=Rate(2.5,-,6,9.85)

Valuation

Case : Revenue 2023 = 1161m (Best Case)

Forecast	66/2023	67/2024	68/2025
Rev. Growth		12%	12%
Revenue	1161	1300.32	1456.3584
Other Rev	8	8	8
GPM	34.31%	34.55%	34.55%
Gross Profit	398.3391	449.26056	503.1718272
Selling Expense	1.5%	1.5%	1.5%
Admin Expense	15.0%	15.0%	15.0%
EBIT	206.7741	234.70776	262.8726912
F/N Cost	4	7.5	7.5
EBT	202.7741	227.20776	255.3726912
%Tax	20%	20%	20%
Tax	40.55482	45.441552	51.07453824
Net Profit	162.21928	181.766208	204.298153
NPM	13.97%	13.98%	14.03%
NP Growth		12.05%	12.40%
Price	6	6	6
EPS	0.297104908	0.332905143	0.374172441
FWD P/E	20.19488682	18.02315203	16.03538726
Fair P/E	30	30	30
MOS	33%	40%	47%
Expected Growth			
Expected Return		40%	28.47%
Fair Price	8.91	9.99	11.23
Upside	48.55%	66.45%	87.09%

Thank You

Appendix

Bill per Head / Number of Patient / UR

$$\text{Revenue} = (\text{B/H (IPD)} * \text{Number of IPD patient}) + (\text{B/H (OPD)} * \text{Number of OPD patient}) + \text{Other revenue}$$

We can find :
 Revenue IPD/OPD : Financial statement note
 UR and Number : Annual report

รายได้จากผู้ป่วยใน

ผู้ป่วยใน	หน่วย	ปี 2558	ปี 2559	ปี 2560	เติบโตเฉลี่ยต่อปี (CAGR) ร้อยละ
รายได้ - ผู้ป่วยใน (IPD)	ล้านบาท	209.82	234.14	233.36	5.5
จำนวนวันนอนผู้ป่วยใน	เตียง/ปี	18,412	18,596	18,492	0.4
รายได้ผู้ป่วยในเฉลี่ยต่อเตียง	บาท/เตียง/วัน	11,396	12,591	12,620	5.2

	ปี 2563	ปี 2564	ปี 2565
จำนวนห้องตรวจ (เฉลี่ย)	35	36	36
จำนวนวัน	366	365	365
ความสามารถในการรับผู้ป่วยนอกสูงสุด (ครั้ง) **	691,740	709,560	709,560
จำนวนผู้ป่วยนอกรับการรักษารักษาจริง (ครั้ง)	126,016	179,344	235,826
อัตราการให้บริการ (ร้อยละ)	18.22	25.28	33.24
หมายเหตุ ** ความสามารถในการรับผู้ป่วยนอกสูงสุดประมาณ 54 ครั้งต่อห้องต่อวัน			

22. รายได้จากกิจการโรงพยาบาล

	บาท	
	2565	2564
ผู้ป่วยนอก	501,358,699	381,085,859
ผู้ป่วยใน	824,822,289	1,031,478,839
รวม	1,326,180,988	1,412,564,698

รายได้จากผู้ป่วยนอก

ผู้ป่วยนอก	หน่วย	ปี 2558	ปี 2559	ปี 2560	เติบโตเฉลี่ยต่อปี (CAGR) ร้อยละ
รายได้ - ผู้ป่วยนอก (OPD)	ล้านบาท	172.32	175.66	179.66	2.1
จำนวนการให้บริการ - ผู้ป่วยนอก	ครั้ง	109,372	106,228	103,818	(2.6)
รายได้ผู้ป่วยนอกเฉลี่ยต่อครั้ง	บาท/ครั้ง	1,576	1,654	1,731	4.8

กลุ่มผู้ป่วยใน (IPD)	ปี 2563	ปี 2564	ปี 2565
จำนวนเตียงเปิดให้บริการจริง (เฉลี่ย)	171	198	198
จำนวนวัน	366	365	365
ความสามารถในการรับผู้ป่วยในสูงสุด (เตียง)	62,586	72,270	72,270
จำนวนผู้ป่วยในรับการรักษารักษาจริง (เตียง)	35,633	27,077	32,421
อัตราการให้บริการ (ร้อยละ)	56.93	37.46	44.86
		70.00	58.29

What Factor can impact Revenue

$$\text{Revenue} = (\text{B/H (IPD)} * \text{Number of IPD patient}) + (\text{B/H (OPD)} * \text{Number of OPD patient}) + \text{Other revenue}$$

Utilization rate (IPD)

EX. Utilization rate (year)
Number of beds : 198
Operating day : 365
Capacity : $198 * 365 = 72,270$
Actual : 30,000
 $UR = 30,000 / 72,270 = 41.51\%$

EX. Utilization rate (Q1)
Number of beds : 198
Operating day : 90
Capacity : $198 * 90 = 17,820$
Actual : 10,000
 $UR = 10,000 / 17,820 = 56.12\%$

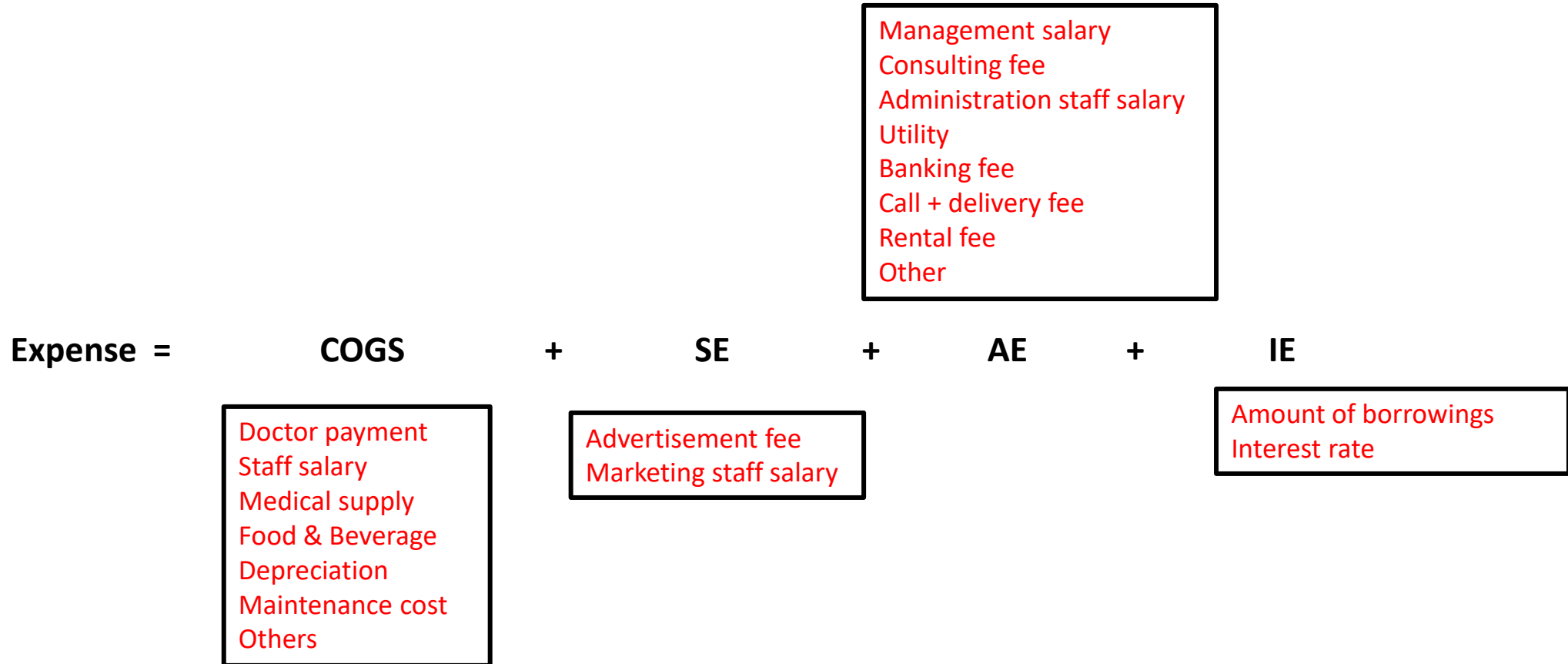
ask IR for Quarter UR can predict Revenue

Utilization rate

EX. Utilization rate (year)
Number of beds : 198
Operating day : 365
Capacity : $198 * 365 = 72,270$
Actual : 30,000
 $UR = 30,000 / 72,270 = 41.51\%$

EX. Utilization rate (Q1)
Number of beds : 198
Operating day : 90
Capacity : $198 * 90 = 17,820$
Actual : 10,000
 $UR = 10,000 / 17,820 = 56.12\%$

What Factor can impact Expense



GPM analysis

Case : Revenue 2023 = 1065m

GPM = 33.57%

Revenue (Q1/2023*4) increases from 2019 around 29.6% (IPD Utilization rate increase from 54.5 to 58.16%) while COGS without depreciation increase from 2019 just only 25.38%. RPH is getting benefit from economy of scale

2019	2020	2021	2022	(Q1/2023 *4)	Forecast 2023	
0	-2.1%			29.6%	30.42%	Revenue Growth from 2019
					0.62%	Revenue Growth from 2023
817	799	1,413	1,326	1,058	1,065	Revenue from operation(R1)
572	567	747	827	704	708	COGS
87	89	89	94	96	96	Depreciation
	-1.50%			25.38%	20.73%	COGS - Depreciation Growth from 2019
485	477	658	733	608	612	COGS - Depreciation
30.00%	29.11%	47.12%	37.64%	33.51%	33.57%	GPM
40.64%	40.27%	53.44%	44.72%	42.58%		GPM without Depreciation
65.35%	63.57%	53.39%	50.11%	62.08%		IPD revenue Ratio (IPD / OPD+IPD)
59.36%	59.73%	46.56%	55.28%	57.42%		COGS-Depreciation / R1
19.14%	17.76%	25.28%	33.24%	22.97%	23.07%	OPD UR
54.59%	35.47%	37.47%	44.86%	55.39%	58.52%	IPD UR

Economy of scale : revenue growth 29.6% from 2019 to 2023 (Q1*4) but COGS without depreciation growth just 25.38%

Leading to increase in GPM,
GPM 2019 = 30% while GPM (Q1/2023*4) = 33.51%

GPM analysis

Case : Revenue 2023 = 1161m

GPM = 34.31%

GPM Forecast								
	2019	2020	2021	2022	(Q1/2023 *4)	Forecast 2023		
	0	-2.1%			29.6%	42.18%	Revenue Growth from 2019	
						9.69%	Revenue Growth from 2023	
	817	799	1,413	1,326	1,058	1,161	Revenue from operation(R1)	
	572	567	747	827	704	763	COGS	
	87	89	89	94	96	96	Depreciation	
		-1.50%			25.38%	9.69%	COGS - Depreciation Growth from 2023	
	485	477	658	733	608	667	COGS - Depreciation	
	30.00%	29.11%	47.12%	37.64%	33.51%	34.31%	GPM	
	40.64%	40.27%	53.44%	44.72%	42.58%		GPM without Depreciation	
	65.35%	63.57%	53.39%	50.11%	62.08%		IPD revenue Ratio (IPD / OPD+IPD)	
	59.36%	59.73%	46.56%	55.28%	57.42%		COGS-Depreciation / R1	
	19.14%	17.76%	25.28%	33.24%	22.97%	25.15%	OPD UR	
	54.59%	35.47%	37.47%	44.86%	58.16%	63.79%	IPD UR	
							Economy of scale : revenue growth 29.6% from 2019 to 2023 (Q1*4) but COGS without depreciation growth just 25.38%	

GPM analysis

GPM = Revenue (1) - COGS

Utilization Rate

In 2017 ;
 Capacity ; OPD check-up room = 12 rooms , IPD beds = 55 beds
 Utilization rate ; OPD = 44% , IPD = 92%
 OPD/IPD revenue ratio: 44% / 56%

			Growth
Revenue	Q1	95.00	0.00%
	Q2	99.19	4.41%
	Q3	113.02	18.96%
	Q4	105.81	11.38%



Observation :
 The revenue that is generated from (OPD/IPD ratio : 44/56) generate less growth in GPM.
You can see at Q3, revenue increases from Q1 19% can increase only GPM about 11.8%

GPM		Growth
Q1	0.30	0.00%
Q2	0.31	5.23%
Q3	0.33	11.79%
Q4	0.31	5.18%



GPM analysis


$$\text{GPM} = \text{Revenue (1)} - \text{COGS}$$

Observation :
The revenue that is mainly generated from (ratio : 35/65) generate more growth.
You can see at Q3, revenue increases from Q2 only 15% can increase GPM about 22.15%


Utilization Rate

In 2019 ;
Capacity ; OPD check-up room = 35 rooms , IPD beds = 160 beds
Utilization rate ; OPD = 19.7% , IPD = 67.62%
OPD/IPD revenue ratio: 34.65% / 65.35%

			Growth
Revenue	Q1	204.56	7.96%
	Q2	189.47	0.00%
	Q3	218.71	15.43%
	Q4	203.84	7.58%



GPM		Growth
Q1	0.33	25.97%
Q2	0.26	0.00%
Q3	0.32	22.15%
Q4	0.29	10.06%



Key take away : If you know the OPD/IPD revenue ratio, you can predict the GPM

Economy of Scale

Assume for study the economy of scale

- Doctor payment = Fix payment (50%) + variable payment (50%)
- Hire staff for 8 hrs/day : Fix payment (50%)
- Depreciation : Fix payment (100%)
- Maintenance cost = Fix payment (50%) + variable (50%)

Assume :

- Doctor payment = 29% of COGS
- Medical supply = 23% of COGS
- Staff salary = 28% of COGS
- Depreciation = 12% of COGS
- Maintenance cost = 2% of COGS
- Other = 6% of COGS

Base case : Revenue 100m , GPM = 30% , COGS = 70m

Fix cost (DP) = $70 * 0.29 * 0.5 = 10.15m$

Fix cost (SS) = $70 * 0.28 * 0.5 = 9.8m$

Fix cost (D) = $70 * 0.12 = 8.4m$

Fix cost (MA) = $70 * 0.02 * 0.5 = 0.7m$

Total Fix cost = 29m

Case 1 : Revenue = $(100 * 2) = 200m$

Variable cost

Medical supply = $(70 * 0.23) * 2 = 32.2m$

Doctor payment = $(70 * 0.29 * 0.5) * 2 = 20.3m$

Staff salary = $(70 * 0.28 * 0.5) * 2 = 19.6m$

Maintenance cost = $(70 * 0.02 * 0.5) * 2 = 1.4m$

Other = $(70 * 0.06) * 2 = 8.4m$

Total VC = 81.9

Total Fix cost = 29m

COGS = 111 = 56% , GPM = 44%

Revenue increase by 100% , GPM increase by 47%

Note : Assume Hospital already has beds for 100% increasing in revenue and does not need to hire new staff and doctor (Just make them work harder in working hour)

Case 2 : Revenue = $(100 * 1.2) = 120m$ (20%)

Variable cost

Medical supply = $(70 * 0.23) * 1.2 = 19.32m$

Doctor payment = $(70 * 0.29 * 0.5) * 1.2 = 12.18m$

Staff salary = $(70 * 0.28 * 0.5) * 1.2 = 11.76m$

Maintenance cost = $(70 * 0.02 * 0.5) * 1.2 = 0.84m$

Other = $(70 * 0.06) * 1.2 = 5.04m$

Total VC = 49.14

Total Fix cost = 29m

COGS = 78.14 = 65% , GPM = 35%

Revenue increase by 20% , GPM increase by 16.7%

Economy of Scale

Case 3 : Revenue = $(100 \times 0.8) = 80\text{m}$ (-20%)

Variable cost

Medical supply = $(70 \times 0.23) \times 0.8 = 12.88\text{m}$

Doctor payment = $(70 \times 0.29 \times 0.5) \times 0.8 = 8.12\text{m}$

Staff salary = $(70 \times 0.28 \times 0.5) \times 0.8 = 7.84\text{m}$

Maintenance cost = $(70 \times 0.02 \times 0.5) \times 0.8 = 0.56\text{m}$

Other = $(70 \times 0.06) \times 0.8 = 3.36\text{m}$

Total VC = 32.76

Total Fix cost = 29m

COGS = 61.76 = 77% , GPM = 23%

Revenue increase by 20% , GPM decrease by 23.33%

Depreciation case

Case 4 : Revenue = 120m (20%), GPM = 35%

Depreciation is gone

Variable cost

Medical supply = $(70 \times 0.23) \times 1.2 = 19.32\text{m}$

Doctor payment = $(70 \times 0.29 \times 0.5) \times 1.2 = 12.18\text{m}$

Staff salary = $(70 \times 0.28 \times 0.5) \times 1.2 = 11.76\text{m}$

Maintenance cost = $(70 \times 0.02 \times 0.5) \times 1.2 = 0.84\text{m}$

Other = $(70 \times 0.06) \times 1.2 = 5.04\text{m}$

Total VC = 49.14

Total Fix cost = 29 – 8.4 = 20.6m

COGS = 69.74 = 58.23% , GPM = 42% !!!!

Without Depreciation GPM increase by 20%