

Company Note

Indonesia

ADD (no change)

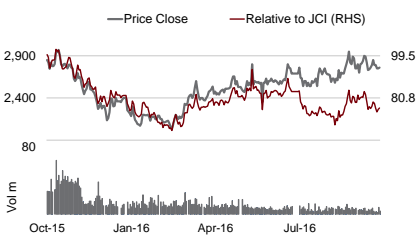
Consensus ratings*: Buy 14 Hold 4 Sell 2

Current price:	Rp2,760
Target price:	Rp3,170
Previous target:	Rp2,950
Up/downside:	14.9%
CIMB / Consensus:	17.3%
Reuters:	MIKA.JK
Bloomberg:	MIKA IJ
Market cap:	US\$3,092m
	Rp40,160,032m
Average daily turnover:	US\$1.16m
	Rp15,271m
Current shares o/s:	14,551m
Free float:	18.0%

*Source: Bloomberg

Key changes in this note

- ▶ FY16F EPS increased by 1.1%.
- ▶ FY17F EPS decreased by 0.3%.
- ▶ FY18F ROE increased by 4.3%.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	-1.4	2.6	-4.7
Relative (%)	-2.1	-6.2	-26.4

Major shareholders	% held
Lion Investment Partners B.V.	49.7
PT Griyainsani Cakrasadaya	32.3

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Mitra Keluarga Karyasehat

Sustaining the healthy momentum

- Following a strong 2Q16, MIKA indicated that the healthy patient volume trend is continuing in 2H16, suggesting the reversing traffic trend from JKN continues.
- Expansion plan of six new hospitals intact, but delay in 4Q16F hospital openings.
- Management unveiled new plans to tap into BPJS patients by opening secondary brand hospitals.
- We raise our FY16F estimates, while slightly lowering our FY17F estimates, and raise our DCF-based target price to Rp3,170.
- Maintain Add due to a strong growth outlook, positive FCF.

Momentum in reversal of patient traffic loss sustained

Following the strong 2Q16 patient volume growth (+7% yoy), MIKA indicated that the healthy trend is continuing thus far in 2H16. This could further indicate the continued reversal of patient traffic loss to the universal healthcare programme (JKN) as 2Q/3Q16 saw less impact from dengue outbreak patients (as was partly the case in 1Q16). While it is still early days, the healthy trend in recent quarters has driven MIKA's management to guide for a more positive expectation of ~9% yoy patient growth in 2017.

Efficiency gains – still more room for improvement

In line with its efficiency target, MIKA's 100bp EBITDA margin expansion in 1H16 demonstrated lower cost for drugs and medical supplies (29% of 1H16 revenue vs. 31% in 1H15). This demonstrates management's drive to push for standardisation in procurement where it also sees further room for improvement in 2017-18, mainly as this should prove to be more effective in new hospitals, in our view.

Focused market growth + tapping into BPJS

MIKA maintains its 2016-19 expansion plan of adding six new hospitals and more than 400 new beds in its existing hospitals. Compared to management's earlier plan, the roll-out of new hospitals in FY16 is experiencing delays with the expected opening of two new hospitals now slated for 4Q17 (4Q16 previously). Management has recently unveiled a new plan to tap into BPJS patients through the expansion of up to new 10 hospitals which will be put under a secondary brand.

Positive 2017 outlook intact

Taking into consideration the healthy 1H16 margin and traffic YTD, we raise our FY16F EPS estimates, though we trim our FY17F estimates to factor in the delayed expansion roll-out. While we have yet to include the potential revenue from the new plan for BPJS hospitals, we estimate that the plan could translate into upside to EPS growth, though only by FY19F.

Strong FCF, improving ROE justifies premium

We maintain Add due to strong earnings growth prospects (FY15-18F CAGR of 21%) and raise our DCF-based TP to Rp3,170 (WACC / LTG assumptions of 10.8% / 6.3% unchanged) as we roll it forward. MIKA trades at 52.5x forward P/E, a 27% premium to regional peers, but with a stronger EPS growth outlook. Its strong FCF translates into room for a higher dividend payout and improving ROE (25% by FY18F, based on our projection), in our view. Key risk is if strong 1H16 patient traffic proves unsustainable.

Financial Summary	Dec-14A	Dec-15A	Dec-16F	Dec-17F	Dec-18F
Revenue (Rpb)	1,946	2,141	2,415	2,763	3,373
Operating EBITDA (Rpb)	669	696	869	1,021	1,324
Net Profit (Rpb)	519	567	673	796	1,004
Core EPS (Rp)	65.47	39.77	46.23	54.73	69.03
Core EPS Growth	24.7%	(39.3%)	16.2%	18.4%	26.1%
FD Core P/E (x)	42.16	69.40	59.70	50.43	39.98
DPS (Rp)	34.00	20.00	24.26	33.53	45.37
Dividend Yield	1.23%	0.72%	0.88%	1.22%	1.64%
EV/EBITDA (x)	30.03	52.92	43.35	36.88	28.42
P/FCFE (x)	62.23	74.98	82.04	67.32	55.78
Net Gearing	(54.9%)	(72.8%)	(70.8%)	(66.5%)	(62.0%)
P/BV (x)	22.34	12.57	11.42	10.50	9.64
ROE	29.3%	23.0%	20.0%	21.7%	25.1%
% Change In Core EPS Estimates			1.14%	(0.33%)	4.27%
CIMB/consensus EPS (x)			1.00	1.01	1.08

SOURCE: COMPANY DATA, CIMB FORECASTS

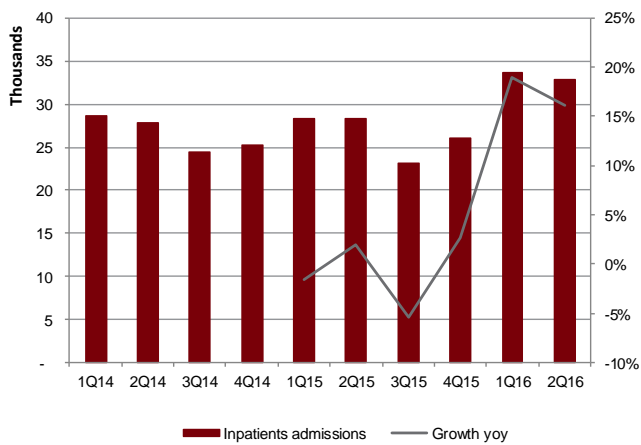
Sustaining the health momentum

POSITIVE HEALTH CHECKS

Patient traffic – momentum of reversal continues ▶

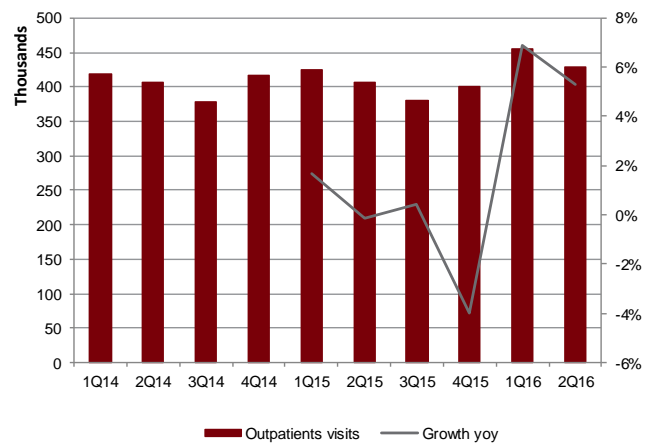
Following the healthy 2Q16 patient volume growth (+7% yoy), MIKA indicated that the patient volume reversal (for both inpatient admission/outpatient) is continuing thus far in 2H16. This further indicates the possibility of reversing patient traffic loss to the universal healthcare programme (JKN), in our view, as 2Q/3Q16 saw less impact from dengue outbreak patients (as was partly the case in 1Q16).

Figure 1: MIKA's inpatient admissions



SOURCES: CIMB, COMPANY REPORTS

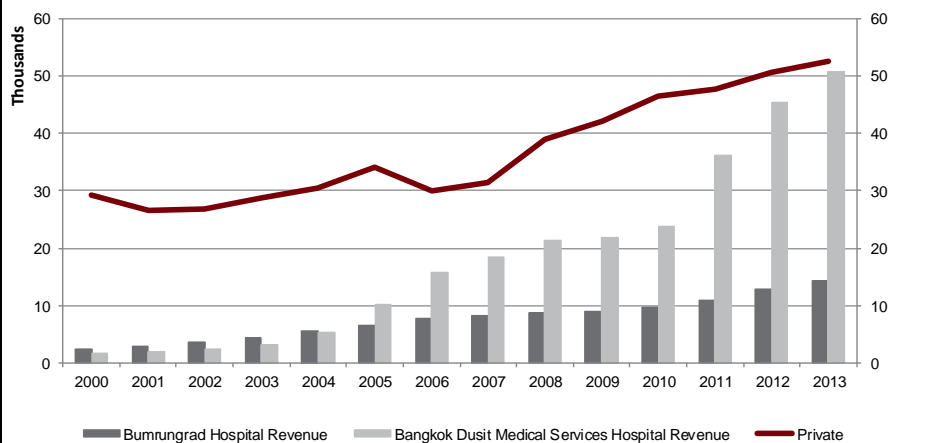
Figure 2: MIKA's outpatient visits



SOURCES: CIMB, COMPANY REPORTS

The reversing trend in patient traffic sets the expectation for Indonesia's private hospital revenue to mirror the experience in Thailand's private hospitals, whose revenue started to see strong growth in the 3-4 years post the 2002 implementation of its own universal healthcare programme. While it is still early days, the strong trend in recent quarters has driven MIKA's management to guide for a more positive expectation of ~9% traffic growth in 2017.

Figure 3: Thailand's trend in private hospital revenue growth vs. private healthcare spending per capita



SOURCES: CIMB, COMPANY REPORTS

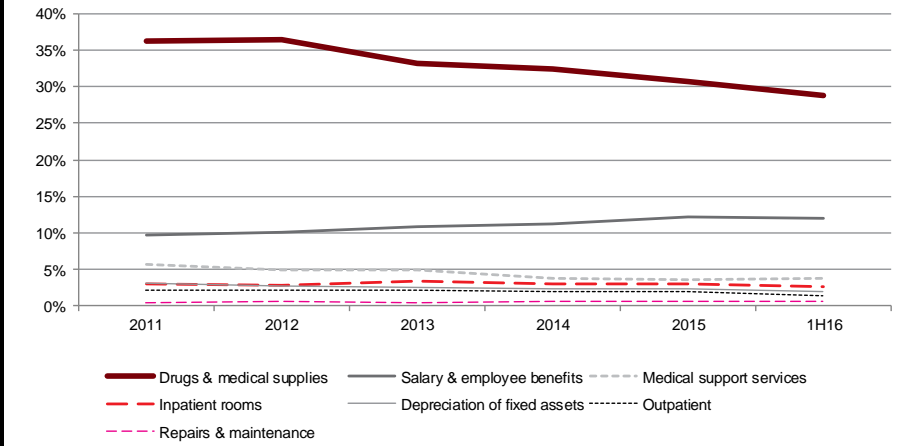
*Data beyond 2013 was unavailable.

Efficiency gains – still more room for improvement ▶

In line with its efficiency target, MIKA’s 100bp EBITDA margin expansion in 1H16 demonstrated lower cost in drugs and medical supplies (29% of revenue in 1H16, down from 31% in 1H15).

We believe this resulted from the drive to push for standardisation in procurement where management sees further room for improvement in 2017-18, mainly as this should prove to be more effective in new hospitals.

Figure 4: MIKA cost (as % of sales) trend



SOURCES: CIMB, COMPANY REPORTS

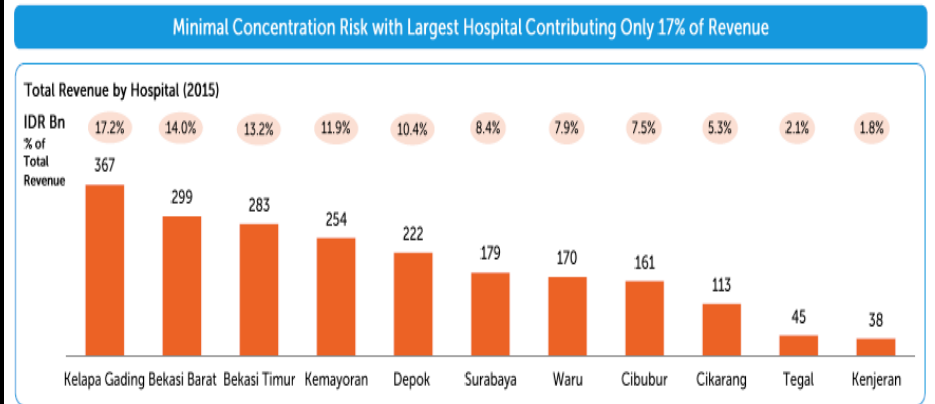
EXPANSION PLANS INTACT

Focused growth + tapping into BPJS ▶

Focused market expansion

MIKA maintains its 2016-19 expansion plan of adding six new hospitals and more than 400 new beds in its existing hospitals. Compared to management’s earlier plan, the rollout of new hospitals in FY16 is experiencing delays due to licensing issues, with the expected opening of two new hospitals (i.e., Bintaro and Gading Serpong – both in the Greater Jakarta area) now slated for 4Q17 (from 4Q16/1H17 previously).

Figure 5: MIKA’s hospital profile by revenue contribution



SOURCES: CIMB, COMPANY REPORTS

Figure 6: MIKA's hospital expansion progress

Hospital	Site Identified	Land Acquired	Construction permits secured	Hospital in construction	Expected openings
Bintaro	✓	✓	✓	✓	4Q17
Gading Serpong	✓	✓	✓	✓	4Q17
Site 3	✓	✓	-	-	2018
Site 4	✓	✓	-	-	2018
Site 5	✓	-	-	-	2019
Site 6	✓	-	-	-	2019

SOURCES: CIMB, COMPANY REPORTS

Tapping into BPJS patients

As at Oct 2016, the government's universal health programme (JKN) has covered 169.4m Indonesians (c.67% national participation). The c.9m additional participation YTD (6% increase from end-Dec 15) indicates that the positive momentum for the adoption rate is intact, in our view.

In FY15, the JKN largely affected MIKA's hospitals in Greater Jakarta (c.80% of revenue) where inpatient admissions/outpatient visits fell c.7%/1% yoy. MIKA's management previously followed a strategy of participating only through its low-occupancy hospital in Tegal, but it recently unveiled a new plan to tap into BPJS patients through the expansion of up to 10 hospitals (including acquisitions) which will be put under a secondary brand.

While we have yet to include the potential revenue from the planned BPJS hospitals, we estimate that the plan could translate into upside to our EPS growth, though only FY19F (based on our conservative assumptions).

EARNINGS OUTLOOK

Taking into consideration the healthy 1H16 margin and traffic YTD, we raise our FY16F EPS estimates, though we slightly lower our FY17F estimates to factor in the delay in the new hospital rollout.

Figure 7: Earnings revision summary

	Previous			Revised			Change		
	FY16F	FY17F	FY18F	FY16F	FY17F	FY18F	FY16F	FY17F	FY18F
Revenue	2,447	2,857	3,398	2,415	2,763	3,373	-1.3%	-3.3%	-0.7%
Operating costs	(1,587)	(1,829)	(2,119)	(1,545)	(1,741)	(2,049)	-2.6%	-4.8%	-3.3%
EBITDA	860	1,028	1,279	869	1,021	1,324	1.1%	-0.7%	3.6%
EBITDA margin (%)	35.1%	36.0%	37.6%	36.0%	37.0%	39.3%	0.9%	1.0%	1.6%
Depn & amort.	(114)	(132)	(157)	(114)	(132)	(157)	0.0%	0.0%	0.0%
EBIT	746	897	1,122	756	890	1,168	1.3%	-0.8%	4.1%
Pretax profit	894	1,074	1,296	904	1,070	1,351	1.1%	-0.3%	4.3%
Tax	(204)	(246)	(298)	(207)	(245)	(311)	1.2%	-0.4%	4.2%
Tax rate (%)	22.9%	22.9%	23.0%	22.9%	22.9%	23.0%	0.0%	0.0%	0.0%
Minority interests	(24)	(29)	(35)	(24)	(29)	(36)	1.1%	-0.3%	4.3%
Net profit	665	799	963	673	796	1,004	1.1%	-0.3%	4.3%
Core net profit	665	799	963	673	796	1,004	1.1%	-0.3%	4.3%

Growth assumptions:

Inpatient admissions	8.2%	10.3%	13.3%	6.7%	8.0%	16.7%	-1.5%	-2.3%	3.4%
Inpatient revenue-per-patient	5.9%	5.9%	5.4%	5.7%	6.0%	6.4%	-0.1%	0.1%	1.0%
Outpatient visit	10.6%	12.9%	14.3%	9.1%	9.6%	15.1%	-1.5%	-3.3%	0.7%
Outpatient revenue-per-patient	4.1%	3.4%	3.3%	4.5%	4.2%	2.9%	0.4%	0.8%	-0.4%
EBIT margin	30.3%	30.6%	33.0%	31.3%	32.2%	34.6%	1.0%	1.6%	1.6%
Core profit margin	26.8%	27.2%	28.3%	27.9%	28.8%	29.8%	1.0%	1.6%	1.4%
Core profit growth	0.18	0.20	0.21	0.19	0.18	0.26	1.5%	-1.7%	5.6%

SOURCES: CIMB, COMPANY REPORTS

As the strong traffic recovery is partly driven by seasonal factors, the key risk is still whether traffic normalises. Additionally, the flattish revenue per patient in 1H16 still indicates downside risk due to JKN competition, in our view, and thus translates into downside risk to our earnings projection.

Robust FCF generation to drive higher dividend and ROE ▶

We project that MIKA could generate free cashflow (in the range of Rp389bn to Rp720bn; US\$30m-55m) in FY16-18F. This is derived from its healthy operating cashflow generation and limited capex needs (Rp370bn-550bn p.a. in FY16-18F). In light of the healthy free cashflow, we expect the company to further increase its dividend payout ratio to 70% in FY16F, 80% in FY17F, and 90% in FY18F (it has raised its dividend payout to 64% for FY15 earnings, up from 56%). We believe this should drive positive momentum to improve ROE further (to 25% by FY18F, based on our projection).

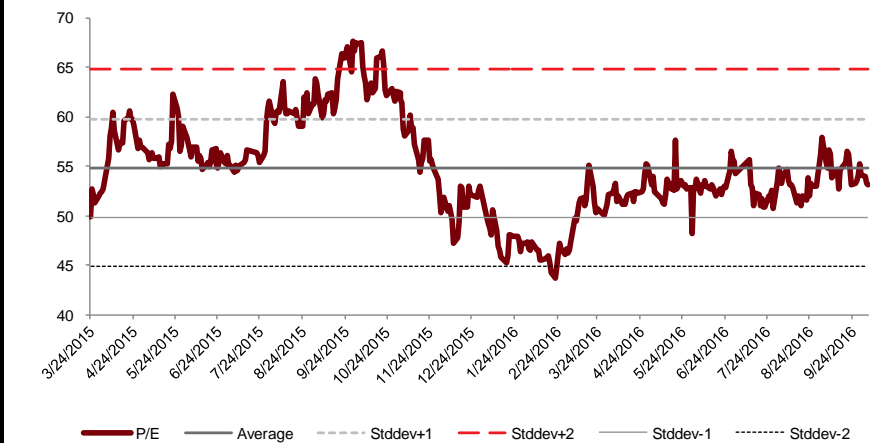
Compared to regional hospital operators, MIKA is valued at about a 27% premium to the regional peers' average valuation. However, relative to regional peers, MIKA has a superior ROE outlook vs. the 15-16% peer average.

VALUATION AND RATING

We maintain an Add rating on MIKA due to strong earnings growth prospects (FY15-18F CAGR of 21%) and raise our DCF-based target price to Rp3,170 (WACC and LTG assumptions of 10.8% and 6.3% are unchanged) as we roll forward our valuation.

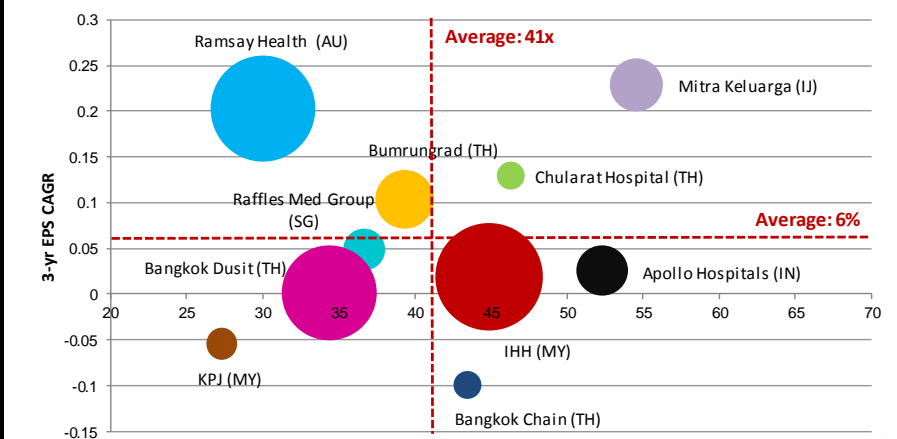
MIKA trades at 52.5x forward P/E, a premium (27%) to its regional peers, but with a stronger EPS growth outlook. We think such a premium reflects its well tested strategy and strong execution track record. Its robust FCF and limited capex needs translate into room for a higher dividend payout and improved ROE, in our view.

Figure 8: MIKA's forward P/E



SOURCES: CIMB, COMPANY REPORTS

Figure 9: MIKA's P/E comparison with regional peers – premium is justified by its superior growth



SOURCES: CIMB, Bloomberg COMPANY REPORTS

Figure 10: MIKA's P/BV comparison with regional peers

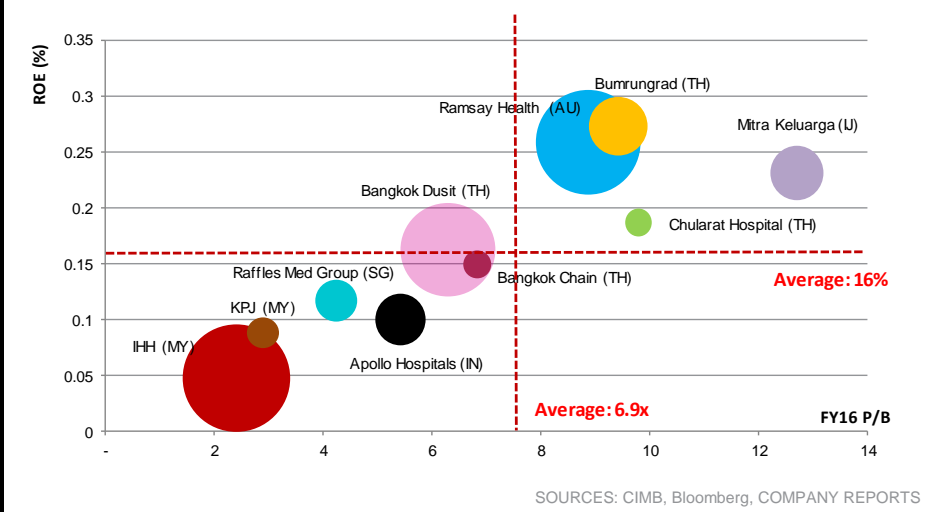


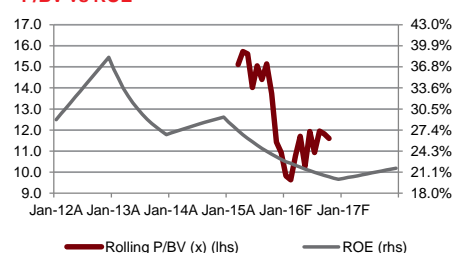
Figure 11: Sector Comparison

Company	Bloomberg Ticker	Recom.	Price (local curr)	Target Price (local curr)	Market Cap (US\$ m)	Core P/E (x)		3-year EPS CAGR (%)	P/BV (x)		Recurring ROE (%)			EV/EBITDA (x)		Dividend Yield (%)	
						CY2016	CY2017		CY2016	CY2017	CY2016	CY2017	CY2018	CY2016	CY2017	CY2016	CY2017
Mitra Keluarga Karyasehat	MIKA IJ	Add	2,790	3,170	3,127	61.0	50.8	20.2%	11.6	10.8	19.8%	22.0%	24.9%	44.4	37.1	0.9%	1.4%
Siloam Hospitals	SILO IJ	NR	10,300	n/a	917	115.1	93.4	31.1%	6.3	5.8	5.5%	6.5%	7.3%	18.8	15.4	0.1%	0.1%
Kalbe Farma	KLBF IJ	Add	1,725	1,900	6,228	33.6	30.3	13.5%	6.8	6.1	21.6%	21.2%	21.0%	21.9	19.8	1.6%	1.8%
Indonesia average						49.3	42.2	17.1%	8.2	7.5	19.6%	20.1%	21.0%	28.5	24.7	1.3%	1.5%
Hovid Bhd	HOV MK	Reduce	0.38	0.38	75	26.1	21.9	11.9%	1.5	1.4	7.8%	9.1%	10.3%	13.3	11.1	2.3%	2.7%
Pharmaniaga Bhd	PHRM MK	Reduce	5.58	5	352	20.3	18.8	3.0%	2.6	2.5	13.1%	13.6%	15.5%	8.4	7.3	3.4%	3.8%
KPJ Healthcare	KPJ MK	Hold	4.23	4.2	1,076	33.3	30.2	9.4%	3.1	3.0	10.2%	11.1%	11.4%	13.4	12.2	1.7%	1.9%
Malaysia average						29.9	27.1	8.0%	2.9	2.8	10.8%	11.6%	12.3%	12.2	11.0	2.2%	2.4%
IHH Healthcare	IHH SP	Add	6.33	7.30	12,665	51.6	41.6	15.6%	2.3	2.2	4.4%	5.3%	5.7%	23.6	20.0	0.4%	0.5%
Q&M Dental Group	QNM SP	Hold	0.75	0.74	435	38.5	34.9	26.0%	6.0	5.5	15.9%	16.4%	15.8%	22.9	22.0	1.3%	1.4%
Raffles Medical Group	RFMD SP	Reduce	1.54	1.41	1,972	36.3	33.0	9.1%	4.2	3.9	11.8%	12.3%	12.7%	26.6	25.0	1.3%	1.3%
Singapore average						49.2	40.2	15.1%	2.6	2.5	5.7%	6.5%	6.9%	23.9	20.7	0.5%	0.6%
Bangkok Chain Hospital	BCH TB	Add	12.3	12.8	885	45.4	38.3	20.8%	6.5	6.0	14.9%	16.4%	17.2%	20.8	18.8	1.1%	1.3%
Bangkok Dusit Med Service	BDMS TB	Hold	21.9	21.8	9,791	38.2	35.4	11.1%	5.8	5.3	15.8%	15.7%	16.2%	25.8	24.3	1.2%	1.3%
Bumrungrad Hospital	BH TB	Reduce	174.5	154	3,670	41.8	40.6	4.3%	8.8	7.8	26.5%	24.1%	22.5%	22.8	21.8	1.4%	1.5%
Chularat Hospital	CHG TB	Reduce	2.64	2.23	838	52.2	44.4	9.3%	9.4	8.7	18.3%	20.3%	20.6%	34.7	29.7	1.4%	1.5%
Thailand average						40.3	37.3	10.0%	6.7	6.1	18.5%	18.0%	18.0%	25.3	23.7	1.2%	1.4%
Apollo Hospitals Enterprise	APHS IN	NR	1,343	1480	2,806	33.2	39.2	13.0%	5.2	4.7	13.5%	14.4%	n/a	21.0	17.5	0.5%	0.6%
Fortis Healthcare	FORH IN	NR	174	n/a	1,218	n/a	67.3	n/a	2.0	2.0	2.8%	5.3%	7.3%	n/a	20.2	n/a	0.1%
India average						23.1	47.7	9.1%	4.2	3.9	10.2%	11.6%	2.2%	14.7	18.3	0.4%	0.5%
Average all countries						43.4	39.9	13.1%	5.4	4.9	13.6%	14.0%	13.5%	24.2	22.1	1.0%	1.1%

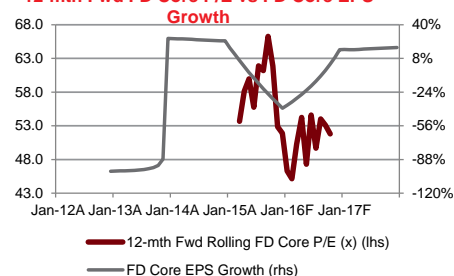
SOURCES: CIMB, COMPANY REPORTS

BY THE NUMBERS

P/BV vs ROE



12-mth Fwd FD Core P/E vs FD Core EPS Growth



Profit & Loss

(Rpb)	Dec-14A	Dec-15A	Dec-16F	Dec-17F	Dec-18F
Total Net Revenues	1,946	2,141	2,415	2,763	3,373
Gross Profit	865	972	1,166	1,345	1,687
Operating EBITDA	669	696	869	1,021	1,324
Depreciation And Amortisation	(80)	(91)	(114)	(132)	(157)
Operating EBIT	589	605	756	890	1,168
Financial Income/(Expense)	80	135	148	180	183
Pretax Income/(Loss) from Assoc.	0	0	0	0	0
Non-Operating Income/(Expense)	0	0	0	0	0
Profit Before Tax (pre-EI)	670	740	904	1,070	1,351
Exceptional Items					
Pre-tax Profit	669	740	904	1,070	1,351
Taxation	(133)	(151)	(207)	(245)	(311)
Exceptional Income - post-tax					
Profit After Tax	536	588	697	825	1,041
Minority Interests	(17)	(22)	(24)	(29)	(36)
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Net Profit	519	567	673	796	1,004
Recurring Net Profit	498	564	673	796	1,004
Fully Diluted Recurring Net Profit	498	564	673	796	1,004

Cash Flow

(Rpb)	Dec-14A	Dec-15A	Dec-16F	Dec-17F	Dec-18F
EBITDA	668.6	696.3	869.4	1,021.3	1,324.5
Cash Flow from Inv. & Assoc.					
Change In Working Capital	57.9	(13.6)	(46.9)	66.2	0.8
(Incr)/Decr in Total Provisions	76.9	39.9	49.0	61.0	70.1
Other Non-Cash (Income)/Expense	(27.3)	(9.4)	0.0	0.0	0.0
Other Operating Cashflow	(214.4)	(5.2)	(105.0)	6.5	(110.9)
Net Interest (Paid)/Received	(14.2)	(10.5)	(11.6)	(13.3)	(16.2)
Tax Paid					
Cashflow From Operations	547.4	697.6	754.9	1,141.8	1,268.3
Capex	(295.1)	(203.8)	(366.7)	(545.2)	(548.3)
Disposals Of FAs/subsidiaries	1.8	1.2			
Acq. Of Subsidiaries/investments	135.5	0.0			
Other Investing Cashflow	(2.4)	27.2	101.3	0.0	0.0
Cash Flow From Investing	(160.2)	(175.4)	(265.3)	(545.2)	(548.3)
Debt Raised/(repaid)	(50.0)	0.0	0.0	0.0	0.0
Proceeds From Issue Of Shares	0.0	1,208.4	0.0	0.0	0.0
Shares Repurchased					
Dividends Paid	(470.0)	(291.0)	(353.1)	(488.0)	(660.2)
Preferred Dividends					
Other Financing Cashflow	(5.5)	3.3	0.0	0.0	0.0
Cash Flow From Financing	(525.6)	920.7	(353.1)	(488.0)	(660.2)
Total Cash Generated	(138.4)	1,442.9	136.5	108.6	59.9
Free Cashflow To Equity	337.2	522.2	489.5	596.5	720.0
Free Cashflow To Firm	401.4	532.7	501.1	609.8	736.2

SOURCE: CIMB RESEARCH, COMPANY DATA

BY THE NUMBERS... cont'd

Balance Sheet

(Rpb)	Dec-14A	Dec-15A	Dec-16F	Dec-17F	Dec-18F
Total Cash And Equivalents	970	2,387	2,524	2,632	2,692
Total Debtors	148	162	191	214	256
Inventories	39	38	40	44	52
Total Other Current Assets	33	33	33	33	33
Total Current Assets	1,190	2,621	2,787	2,923	3,033
Fixed Assets	771	884	1,137	1,551	1,943
Total Investments	0	0	0	0	0
Intangible Assets	2	2	2	2	2
Total Other Non-Current Assets	206	213	111	111	111
Total Non-current Assets	979	1,099	1,251	1,664	2,056
Short-term Debt	0	0	0	0	0
Current Portion of Long-Term Debt					
Total Creditors	90	92	92	98	112
Other Current Liabilities	116	114	97	184	221
Total Current Liabilities	205	206	189	283	333
Total Long-term Debt	0	0	0	0	0
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	0	0	0	0	0
Total Non-current Liabilities	0	0	0	0	0
Total Provisions	195	235	284	345	415
Total Liabilities	400	441	473	628	748
Shareholders' Equity	1,708	3,196	3,515	3,824	4,168
Minority Interests	61	83	50	137	173
Total Equity	1,769	3,279	3,565	3,960	4,341

Key Ratios

	Dec-14A	Dec-15A	Dec-16F	Dec-17F	Dec-18F
Revenue Growth	11.7%	10.0%	12.8%	14.4%	22.1%
Operating EBITDA Growth	19.7%	4.2%	24.9%	17.5%	29.7%
Operating EBITDA Margin	34.4%	32.5%	36.0%	37.0%	39.3%
Net Cash Per Share (Rp)	70.2	164.1	173.4	180.9	185.0
BVPS (Rp)	123.5	219.6	241.6	262.8	286.4
Gross Interest Cover	41.34	57.68	65.22	67.10	72.13
Effective Tax Rate	19.9%	20.5%	22.9%	22.9%	23.0%
Net Dividend Payout Ratio	90.6%	51.3%	52.5%	61.3%	65.7%
Accounts Receivables Days	23.16	22.85	22.78	23.32	22.62
Inventory Days	13.30	12.04	11.46	10.72	10.29
Accounts Payables Days	23.70	20.51	19.53	18.03	17.34
ROIC (%)	74.1%	60.9%	67.1%	67.1%	69.8%
ROCE (%)	35.4%	27.4%	24.9%	26.6%	30.2%
Return On Average Assets	21.2%	15.4%	14.2%	15.0%	17.7%

Key Drivers

	Dec-14A	Dec-15A	Dec-16F	Dec-17F	Dec-18F
No. Of Patient Admissions (m P.a.)	106,281.0	105,927.8	113,045.0	122,101.1	142,523.7
Revenue Per Patient Bed (Rp)	772,559,660.8	758,841,144.7	787,875,588.5	813,117,909.5	914,547,627.6
Occupancy Rate Of Beds (%)	63.4%	57.3%	55.4%	54.0%	57.0%
Average Length Of Stay (days)	3.6	3.5	3.5	3.5	3.5
Beds Opened (units)	167.0	155.0	157.0	215.0	227.0
Bed Turnover A Year (x)	64.4	58.7	57.6	56.1	59.3
% of fgn patients to patient load	N/A	N/A	N/A	N/A	N/A

SOURCE: CIMB RESEARCH, COMPANY DATA

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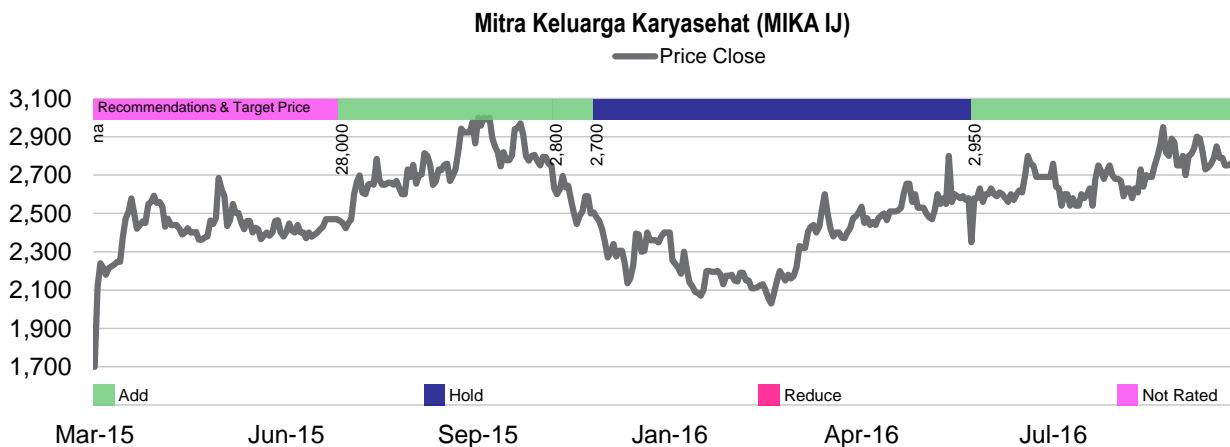
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Spitzer Chart for stock being researched (2 year data)



Corporate Governance Report of Thai Listed Companies (CGR). CG Rating by the Thai Institute of Directors Association (Thai IOD) in 2015, Anti-Corruption Progress Indicator 2015.

AAV – Very Good, 3B, ADVANC – Excellent, 3A, AEONTS – Good, 1, AMATA – Very Good, 2, ANAN – Very Good, 3A, AOT – Very Good, 2, AP – Good, 3A, ASK – Very Good, 3B, ASP – Very Good, 4, BANPU – Very Good, 4, BAY – Very Good, 4, BBL – Very Good, 4, BCH – not available, no progress, BCP – Excellent, 5, BEM – not available, no progress, BDMS – Very Good, 3B, BEAUTY – Good, 2, BEC – Good, 3B, BH – Good, 2, BIGC – Excellent, 3A, BJC – Good, 1, BLA – Very Good, 4, 1, BTS – Excellent, 3A, CBG – Good, 1, CCET – not available, 1, CENTEL – Very Good, 3A, CHG – Good, 3B, CK – Excellent, 3B, COL – Very Good, 3A, CPALL – Good, 3A, CPF – Very Good, 3A, CPN – Excellent, 5, DELTA – Very Good, 3A, DEMCO – Very Good, 3A, DTAC – Excellent, 3A, EA – not available, 3A, ECL – Good, 4, EGCO – Excellent, 4, EPG – not available, 3B, GFPT – Very Good, 3A, GLOBAL – Very Good, 2, GLOW – Good, 3A, GPSC – not available, 3B, GRAMMY – Excellent, 3B, GUNKUL – Very Good, 1, HANA – Excellent, 4, HMPRO – Excellent, 3A, ICHI – Very Good, 3A, INTUCH – Excellent, 4, ITD – Good, 1, IVL – Excellent, 4, JAS – not available, 3A, JASIF – not available, no progress, JUBILE – Good, 3A, KAMART – not available, no progress, KBANK – Excellent, 4, KCE – Excellent, 4, KGI – Good, 4, KKP – Excellent, 4, KSL – Very Good, 2, KTB – Excellent, 4, KTC – Very Good, 3A, LH – Very Good, 3B, LPN – Excellent, 3A, M – Good, 2, MAJOR – Good, 1, MAKRO – Good, 3A, MALEE – not available, 2, MBKET – Good, 2, MC – Very Good, 3A, MCOT – Excellent, 3A, MEGA – Very Good, 2, MINT – Excellent, 3A, MTLN – Good, 2, NYT – Good, no progress, OISHI – Very Good, 3B, PLANB – Good, 3B, PS – Excellent, 3A, PSL – Excellent, 4, PTT – Excellent, 5, PTTEP – Excellent, 4, PTTGC – Excellent, 5, QH – Very Good, 2, RATCH – Excellent, 3A, ROBINS – Excellent, 3A, RS – Very Good, 1, SMART – Excellent, 3B, SAPPE – Good, 3B, SAT – Excellent, 5, SAWAD – Good, 1, SC – Excellent, 3B, SCB – Excellent, 4, SCBLIF – not available, no progress, SCC – Excellent, 5, SCN – Good, 1, SCCC – Good, 3A, SIM – Excellent, 3B, SIRI – Good, 1, SPALI – Excellent, 3A, SPRC – not available, no progress, STA – Very Good, 1, STEC – Very Good, 3B, SVI – Very Good, 3A, TASCOC – Very Good, 3A, TCAP – Very Good, 4, THAI – Very Good, 3A, THANI – Very Good, 5, THCOM – Excellent, 4, THRE – Very Good, 3A, THREL – Very Good, 3A, TICON – Very Good, 3A, TISCO – Excellent, 4, TK – Very Good, 3B, TKN – not available, no progress, TMB – Excellent, 4, TPCH – Good, 3B, TOP – Excellent, 5, TRUE – Very Good, 2, TTW – Very Good, 2, TU – Very Good, 3A, UNIQ – not available, 2, VGI – Excellent, 3A, WHA – Good, 3A, WORK – not available, no progress.

Comprises level 1 to 5 as follows:

Level 1: Committed

Level 2: Declared

Level 3: Established (3A: Established by Declaration of Intent, 3B: Established by Internal Commitment and Policy)

Level 4: Certified

Level 5: Extended.

CIMB Recommendation Framework

Stock Ratings

Definition:

- Add** The stock's total return is expected to exceed 10% over the next 12 months.
- Hold** The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
- Reduce** The stock's total return is expected to fall below 0% or more over the next 12 months.

The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.

Sector Ratings

Definition:

- Overweight** An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
- Neutral** A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
- Underweight** An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

Country Ratings

Definition:

- Overweight** An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
- Neutral** A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
- Underweight** An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.