

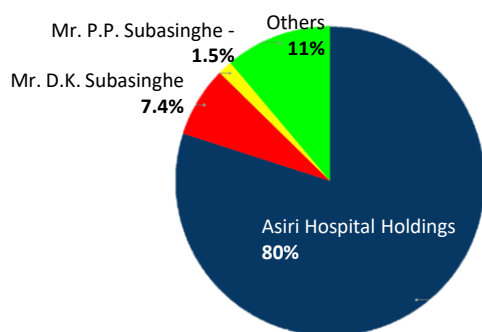
# ASIRI SURGICAL HOSPITAL

AMSL: LKR15.00

RECOMMENDATION : HOLD  
FAIR VALUE : 16.94

RESULTS RELEASED : 16/9/2021  
REPORT PUBLISHED : 17/9/2021

## COMPANY SHAREHOLDERS

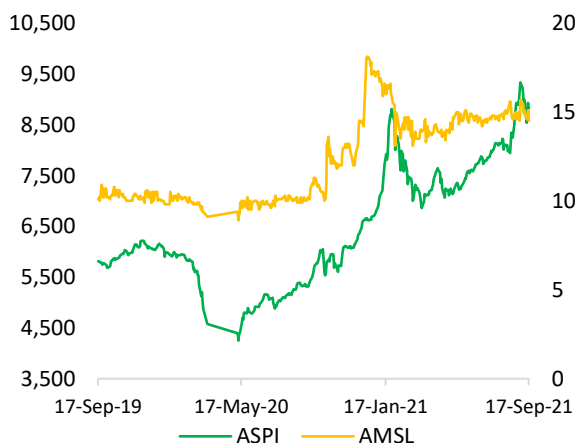


## COMPANY DATA

Price	Rs. 15.00
Date of Price	16 September 2021
Market Cap (Rs. Mn)	7,927
Fiscal Year End	31 March
GICS Industry Group	Healthcare

16 <sup>th</sup> Sep 2021	PER	PBV	DY %
AMSL	7.39	1.65	4.00
ASPI	10.73	1.24	3.02

## PRICE PERFORMANCE



## COMPANY PROFILE

Asiri Surgical Hospital PLC (AMSL) renowned for its continuous focus on technology and process improvement, initiated operations in 2000. The hospital leads the field in specialised surgical care, a vital component of Asiri Health's proposition in Sri Lanka. Having commenced a fully fledged heart centre in 2009, the hospital now is the leading cardiac centre in the country. The speciality and uniqueness of the hospital in the specified fields of radiology and nuclear medicine, has been recognised worldwide with its research papers being presented at several medical congresses in the past.

Financial Year	FY18	FY19	FY20	FY21
Revenue (LKR Mn)	3,275	3,475	3,655	4,230
Growth %	13.6%	6.1%	5.2%	15.7%
EBIT (LKR Mn)	698	535	523	710
Growth %	159.86%	-23.35%	-2.24%	35.76%
Net Profit (LKR Mn)	547	367	433	860
Growth %	108.0%	-32.9%	18.2%	98.5%

## FINANCIAL PERFORMANCE

AMSL reported a net profit of Rs. 212 Mn in 1Q22 (542% YoY) and the FY21 reported the highest profit over the last 5 years. According to the revenue breakdown provided by the company it is understood that the revenue growth mainly accounted due to the increase in pre care activities in the hospital (especially the increase in lab activities caused by the COVID-19 pandemic; 1500+ PCR tests per day). Further, the hospitals specialization in high end surgeries and being the market leader in the wellness business accounts for the revenue contribution. Analysing the financial performance ratios in the industry for independent hospitals it is evident that AMSL ranks No. 01 in ROA, ROE and NP Margin.

## NON-FINANCIAL PERFORMANCE



Beds  
155



Consultants  
480



ICUs  
30



Theatres  
10



PCR  
Tests/day  
1500+

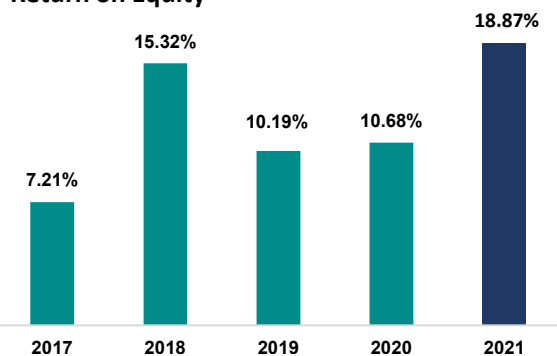
## INVESTMENTS

With the ground floor of the hospital being dedicated for the development of the COVID isolation unit, the planned ETU renovation project was deferred. The new ETU which has a larger capacity, including additional short stay beds, would be re organized at a more accessible location, closer to the main road access of the hospital. During the pandemic AMSL setup several dedicated COVID ICUs, the largest of which was the 8 bedded ICU at AMSL. It's investments in the online patient triage system has also facilitated the smooth operations of the patients monitoring and coordination aspect of the hospital.

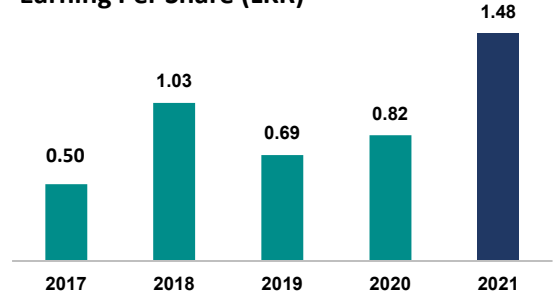
## TRADING SNAPSHOT

Share Price ( 16 September 2021)	15.00
TTM EPS	2.03
NVPS	9.09
Market Cap (LKR Mn)	7,927
P/E (x)	7.39
P/B (x)	1.65
Outstanding equity shares (Mn)	528
Share prices for the previous quarter	
Highest price (LKR)	16.00
Lowest price (LKR)	12.70
Last traded price (LKR)	14.10

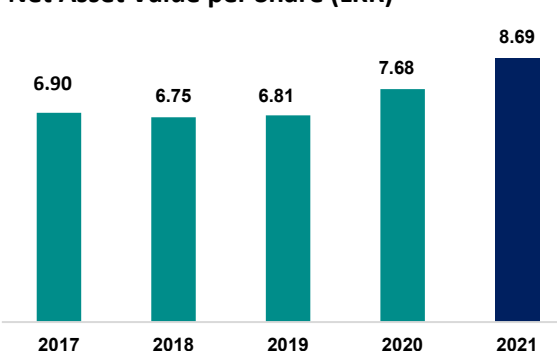
## Return on Equity



## Earning Per Share (LKR)



## Net Asset Value per Share (LKR)



## EARNINGS FORECAST

(R.s in Mn)

Y/E 31 <sup>st</sup> Mar	FY20	FY21	FY22	FY23E	FY24E
Revenue	3,655	4,230	4,985	5,679	6,452
YoY %	5.2%	15.7%	17.9%	13.9%	13.6%
Gross Profit	1,389	1,568	2,094	2,385	2,710
EBIT	523	710	1,252	1,507	1,793
Net Profit	433	860	1,078	1,262	1,496
EPS	0.82	1.63	2.04	2.39	2.83
<b>Ratios</b>					
GPM%	38%	37%	42%	42%	42%
EBIT%	14%	17%	17%	25%	27%
NPM%	11%	20%	20%	22%	22%

## OUTLOOK

AMSL is expected to have a stabilised growth prospect even post pandemic with many postponed surgeries and other medical related activities resuming.

## KEY CHALLENGES AND RISKS

The foreign exchange crisis in the country affects the healthcare industry as a whole. In specific the sourcing of inputs to the hospital and the medical tourism business. AMSL tackles the former by the bargaining power they have in negotiating for the group as whole, however acquisition of equipment's has stressed their financials in the current environment. Considering the medical tourism segment, it was understood that the industry is currently witnessing a shift towards cheaper markets like India – which provides a higher price difference due to economies of scale. The escalating rupee depreciation has affected the purchasing power of the common man and has diverted many into the free public healthcare service in the country which is being provided at almost similar standards to the private sector. The group also witnesses the challenges in the retention of staff due to the opportunities in migration and choice between other day shift industries are on the rise.

## INDUSTRY PERFORMANCE ANALYSIS

KEY INDICATORS (2021)	DURDANS	NAWALOKA	LANKA	ASIRI HOLDINGS
GPM%	63.00%	46.86%	42.06%	43.02%
EBIT %	11.54%	12.71%	2.88%	17.75%
NPM%	10.82%	4.24%	5.66%	11.05%

## EQUITY RESEARCH

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