

14 MAY 2024

EQUITY RESEARCH – RESULTS FLASH

# PRARAM 9 HOSPITAL PR9 TB

THAILAND / HEALTH CARE SERVICES

**BUY**  
UNCHANGED

## 1Q24 results at first glance

**PR9's core profit jumped by 46% y-y to THB159m, beating our estimate by 12%**

TARGET PRICE	THB24.00
CLOSE	THB18.80
UP/DOWNSIDE	+27.7%
TP vs CONSENSUS	+9.2%

### Highlights

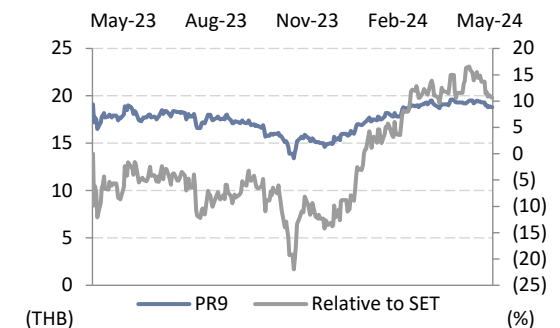
- PR9 reported a strong core profit of THB159m for 1Q24 (+46% y-y, -15% q-q), beating our estimate by 12% due to a higher-than-expected EBITDA margin.
- Revenue grew 12% y-y in 1Q24. Thai patient revenue grew by 10% y-y, while international patient revenue jumped by 25% y-y, led by higher patient revenue from CLMV, China and the Middle East.
- The revenue contribution from Thai patients made up a 85% proportion, and international patient revenue made up 15%.
- SG&A was flat y-y thanks to better cost control. COGS increased by 9% y-y following the revenue increase. As a result, the EBITDA margin jumped to 25% (vs 21% in 1Q23).
- 1Q24 core profit accounted for 24% of our 2024 core profit forecast of THB656m.

### Outlook

- We expect the strong earnings growth momentum to continue in 2Q24 due to the low base last year. In addition, PR9 has started serving Middle East patients. Thus, we expect strong international patient revenue growth post Ramadan period.

### KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	4,202	4,633	4,915	5,214
Net profit	558	656	720	789
EPS (THB)	0.71	0.83	0.92	1.00
vs Consensus (%)	-	4.1	3.0	1.8
EBITDA	958	1,107	1,201	1,304
Recurring net profit	558	656	720	789
Core EPS (THB)	0.71	0.83	0.92	1.00
EPS growth (%)	(1.7)	17.5	9.8	9.7
Core P/E (x)	26.5	22.5	20.5	18.7
Dividend yield (%)	1.6	2.2	2.4	2.7
EV/EBITDA (x)	13.5	11.2	10.0	8.9
Price/book (x)	2.9	2.7	2.5	2.3
Net debt/Equity (%)	(37.3)	(42.7)	(46.8)	(50.7)
ROE (%)	11.4	12.4	12.6	12.9



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(2.6)	5.6	(6.0)
Relative to country (%)	(0.9)	7.1	6.9
Mkt cap (USD m)	402		
3m avg. daily turnover (USD m)	1.0		
Free float (%)	59		
Major shareholder	Khunying Potjaman Damapong (37%)		
12m high/low (THB)	19.90/13.10		
Issued shares (m)	786.30		

Sources: Bloomberg consensus; FSSIA estimates



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## Exhibit 1: PR9 – 1Q24 results summary

FY ending Dec	1Q23	2Q23	3Q23	4Q23	1Q24	----- Change -----		2023	2024E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)
Sales	957	1,005	1,066	1,175	1,071	(9)	12	4,202	4,633
COGS (incl depreciation)	(657)	(688)	(714)	(761)	(715)	(6)	9	(2,820)	(3,068)
<b>Gross profit</b>	<b>300</b>	<b>316</b>	<b>351</b>	<b>414</b>	<b>356</b>	<b>(14)</b>	<b>19</b>	<b>1,382</b>	<b>1,565</b>
SG&A	(182)	(185)	(198)	(209)	(182)	(13)	(0)	(774)	(820)
<b>Operating profit</b>	<b>118</b>	<b>132</b>	<b>154</b>	<b>205</b>	<b>175</b>	<b>(15)</b>	<b>48</b>	<b>608</b>	<b>745</b>
Net other income	16	17	19	28	22	(21)	39	81	75
Interest expenses	(0)	(0)	(0)	(0)	(0)	(2)	(2)	(1)	0
<b>Pretax profit</b>	<b>134</b>	<b>149</b>	<b>173</b>	<b>233</b>	<b>197</b>	<b>(16)</b>	<b>47</b>	<b>689</b>	<b>820</b>
Income Tax	(25)	(28)	(33)	(45)	(38)	(16)	51	(131)	(164)
<b>Core profit</b>	<b>109</b>	<b>121</b>	<b>140</b>	<b>188</b>	<b>159</b>	<b>(15)</b>	<b>46</b>	<b>558</b>	<b>656</b>
Extraordinaries, GW & FX									
<b>Reported net profit</b>	<b>109</b>	<b>121</b>	<b>140</b>	<b>188</b>	<b>159</b>	<b>(15)</b>	<b>46</b>	<b>558</b>	<b>656</b>
Outstanding shares (m)	786	786	786	786	786	0	0	786	786
<b>Pre-ex EPS (THB)</b>	<b>0.14</b>	<b>0.15</b>	<b>0.18</b>	<b>0.24</b>	<b>0.20</b>	<b>(15)</b>	<b>46</b>	<b>0.71</b>	<b>0.83</b>
<b>EPS (THB)</b>	<b>0.14</b>	<b>0.15</b>	<b>0.18</b>	<b>0.24</b>	<b>0.20</b>	<b>(15)</b>	<b>46</b>	<b>0.71</b>	<b>0.83</b>
COGS excl. depreciation	(584)	(614)	(638)	(686)	(640)	(7)	10	(2,521)	(2,756)
Depreciation	(73)	(75)	(76)	(75)	(75)	(1)	2	(299)	(312)
EBITDA	207	224	249	308	271	(12)	31	988	1,131
<b>Key ratios</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>	<b>(ppt)</b>	<b>(%)</b>	<b>(%)</b>
Gross margin	31	31	33	35	33	(2)	2	33	34
SG&A/Revenue	19	18	19	18	17	(1)	(2)	18	18
EBITDA margin	21	22	23	26	25	(1)	4	23	24
Net profit margin	11	12	13	16	15	(1)	3	13	14
<b>Operating stats</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>				
OPD revenue growth y-y	6	5	4	3	13				
OPD volume growth y-y	8	4	5	4	-				
OPD revenue per head growth y-y	(2)	1	(0)	(1)	-				
IPD revenue growth y-y	(11)	1	(5)	12	11				
IPD volume growth y-y	(35)	(10)	(11)	13	-				
IPD revenue per head growth y-y	38	13	6	(1)	-				
Thai patient revenue growth y-y	(5)	4	1	6	10				
Inter patient revenue growth y-y	29	1	(5)	9	25				

Sources: PR9; FSSIA estimates

## Financial Statements

### Praram 9 Hospital

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	4,107	4,202	4,633	4,915	5,214
Cost of goods sold	(2,724)	(2,820)	(3,068)	(3,241)	(3,424)
<b>Gross profit</b>	<b>1,384</b>	<b>1,382</b>	<b>1,565</b>	<b>1,674</b>	<b>1,790</b>
Other operating income	43	51	50	50	52
Operating costs	(735)	(774)	(820)	(855)	(891)
<b>Operating EBITDA</b>	<b>991</b>	<b>958</b>	<b>1,107</b>	<b>1,201</b>	<b>1,304</b>
Depreciation	(299)	(299)	(312)	(332)	(353)
Goodwill amortisation	-	-	-	-	-
<b>Operating EBIT</b>	<b>692</b>	<b>659</b>	<b>795</b>	<b>869</b>	<b>951</b>
Net financing costs	8	30	25	31	36
Associates	0	0	0	0	0
Recurring non-operating income	0	0	0	0	0
Non-recurring items	0	0	0	0	0
<b>Profit before tax</b>	<b>700</b>	<b>689</b>	<b>820</b>	<b>900</b>	<b>987</b>
Tax	(132)	(131)	(164)	(180)	(197)
<b>Profit after tax</b>	<b>568</b>	<b>558</b>	<b>656</b>	<b>720</b>	<b>789</b>
Minority interests	0	0	0	0	0
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>568</b>	<b>558</b>	<b>656</b>	<b>720</b>	<b>789</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>568</b>	<b>558</b>	<b>656</b>	<b>720</b>	<b>789</b>
<b>Per share (THB)</b>					
Recurring EPS *	0.72	0.71	0.83	0.92	1.00
Reported EPS	0.72	0.71	0.83	0.92	1.00
DPS	0.29	0.30	0.42	0.46	0.50
Diluted shares (used to calculate per share data)	786	786	786	786	786
<b>Growth</b>					
Revenue (%)	37.5	2.3	10.3	6.1	6.1
Operating EBITDA (%)	67.9	(3.4)	15.5	8.5	8.6
Operating EBIT (%)	133.3	(4.7)	20.6	9.4	9.4
Recurring EPS (%)	127.8	(1.7)	17.5	9.8	9.7
Reported EPS (%)	127.8	(1.7)	17.5	9.8	9.7
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	33.7	32.9	33.8	34.1	34.3
Gross margin exc. depreciation (%)	41.0	40.0	40.5	40.8	41.1
Operating EBITDA margin (%)	24.1	22.8	23.9	24.4	25.0
Operating EBIT margin (%)	16.8	15.7	17.2	17.7	18.2
Net margin (%)	13.8	13.3	14.2	14.6	15.1
Effective tax rate (%)	18.9	19.0	20.0	20.0	20.0
Dividend payout on recurring profit (%)	40.2	42.3	50.0	50.0	50.0
Interest cover (X)	(84.0)	(22.3)	(32.2)	(28.4)	(26.4)
Inventory days	8.1	7.2	6.7	6.8	6.8
Debtor days	20.2	23.1	22.9	21.5	20.3
Creditor days	82.5	73.9	72.3	73.5	73.5
Operating ROIC (%)	18.1	17.6	20.9	23.0	25.3
ROIC (%)	17.4	16.1	18.9	20.8	22.9
ROE (%)	12.6	11.4	12.4	12.6	12.9
ROA (%)	10.5	9.3	10.3	10.5	10.8
* Pre exceptional, pre-goodwill and fully diluted					
<b>Revenue by Division (THB m)</b>					
OPD patient revenue	2,383	2,491	2,746	2,913	3,091
IPD patient revenue	1,725	1,711	1,887	2,002	2,124

Sources: Praram 9 Hospital; FSSIA estimates

## Financial Statements

### Praram 9 Hospital

Cash Flow (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Recurring net profit	568	558	656	720	789
Depreciation	299	299	312	332	353
Associates & minorities	-	-	-	-	-
Other non-cash items	10	10	0	0	0
Change in working capital	(5)	(23)	54	35	37
<b>Cash flow from operations</b>	<b>871</b>	<b>844</b>	<b>1,021</b>	<b>1,087</b>	<b>1,179</b>
Capex - maintenance	(140)	(326)	(330)	(350)	(371)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	(150)	(100)	0	0	0
Other investments (net)	-	-	-	-	-
<b>Cash flow from investing</b>	<b>(290)</b>	<b>(426)</b>	<b>(330)</b>	<b>(350)</b>	<b>(371)</b>
Dividends paid	(110)	(234)	(236)	(328)	(360)
Equity finance	0	0	0	0	0
Debt finance	2	1	0	0	0
Other financing cash flows	0	0	0	0	0
<b>Cash flow from financing</b>	<b>(108)</b>	<b>(233)</b>	<b>(236)</b>	<b>(328)</b>	<b>(360)</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
<b>Net other adjustments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Movement in cash</b>	<b>473</b>	<b>184</b>	<b>456</b>	<b>409</b>	<b>448</b>
Free cash flow to firm (FCFF)	581.44	418.17	691.50	736.80	808.12
Free cash flow to equity (FCFE)	582.47	418.73	691.50	736.80	808.12

#### Per share (THB)

FCFF per share	0.74	0.53	0.88	0.94	1.03
FCFE per share	0.74	0.53	0.88	0.94	1.03
Recurring cash flow per share	1.11	1.10	1.23	1.34	1.45

Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Tangible fixed assets (gross)	5,638	5,898	6,228	6,578	6,949
Less: Accumulated depreciation	(2,322)	(2,556)	(2,867)	(3,199)	(3,552)
<b>Tangible fixed assets (net)</b>	<b>3,315</b>	<b>3,343</b>	<b>3,361</b>	<b>3,379</b>	<b>3,397</b>
<b>Intangible fixed assets (net)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	154	254	254	254	254
Cash & equivalents	1,717	1,901	2,357	2,766	3,214
A/C receivable	243	290	290	290	290
Inventories	51	48	53	56	59
Other current assets	12	12	13	14	15
<b>Current assets</b>	<b>2,023</b>	<b>2,251</b>	<b>2,713</b>	<b>3,125</b>	<b>3,578</b>
Other assets	65	62	62	62	62
<b>Total assets</b>	<b>5,558</b>	<b>5,910</b>	<b>6,389</b>	<b>6,820</b>	<b>7,290</b>
Common equity	4,735	5,080	5,499	5,892	6,321
Minorities etc.	0	0	0	0	0
<b>Total shareholders' equity</b>	<b>4,735</b>	<b>5,080</b>	<b>5,499</b>	<b>5,892</b>	<b>6,321</b>
Long term debt	8	9	9	9	9
Other long-term liabilities	209	195	195	195	195
<b>Long-term liabilities</b>	<b>217</b>	<b>204</b>	<b>204</b>	<b>204</b>	<b>204</b>
A/C payable	499	522	570	602	635
Short term debt	0	0	0	0	0
Other current liabilities	106	105	115	122	130
<b>Current liabilities</b>	<b>606</b>	<b>626</b>	<b>686</b>	<b>724</b>	<b>765</b>
<b>Total liabilities and shareholders' equity</b>	<b>5,558</b>	<b>5,910</b>	<b>6,389</b>	<b>6,820</b>	<b>7,290</b>
Net working capital	(299)	(276)	(330)	(365)	(402)
Invested capital	3,235	3,382	3,347	3,330	3,311

\* Includes convertibles and preferred stock which is being treated as debt

#### Per share (THB)

Book value per share	6.02	6.46	6.99	7.49	8.04
Tangible book value per share	6.02	6.46	6.99	7.49	8.04

#### Financial strength

Net debt/equity (%)	(36.1)	(37.3)	(42.7)	(46.8)	(50.7)
Net debt/total assets (%)	(30.8)	(32.0)	(36.8)	(40.4)	(44.0)
Current ratio (x)	3.3	3.6	4.0	4.3	4.7
CF interest cover (x)	(69.7)	(13.2)	(27.0)	(23.0)	(21.5)

Valuation	2022	2023	2024E	2025E	2026E
<b>Recurring P/E (x) *</b>	<b>26.0</b>	<b>26.5</b>	<b>22.5</b>	<b>20.5</b>	<b>18.7</b>
<b>Recurring P/E @ target price (x) *</b>	<b>33.2</b>	<b>33.8</b>	<b>28.8</b>	<b>26.2</b>	<b>23.9</b>
Reported P/E (x)	26.0	26.5	22.5	20.5	18.7
Dividend yield (%)	1.5	1.6	2.2	2.4	2.7
Price/book (x)	3.1	2.9	2.7	2.5	2.3
Price/tangible book (x)	3.1	2.9	2.7	2.5	2.3
EV/EBITDA (x) **	13.2	13.5	11.2	10.0	8.9
EV/EBITDA @ target price (x) **	17.3	17.7	14.9	13.4	12.0
EV/invested capital (x)	4.0	3.8	3.7	3.6	3.5

\* Pre-exceptional, pre-goodwill and fully diluted \*\* EBITDA includes associate income and recurring non-operating income

Sources: Praram 9 Hospital; FSSIA estimates

# Praram 9 Hospital PCL (PR9 TB)

## FSSIA ESG rating



**54.08 /100**

### Exhibit 2: FSSIA ESG score implication

Rating	Score	Implication
★★★★★	>79-100	Leading its industry peers in managing the most significant ESG risks which not only better cost efficiency but also lead to higher profitability.
★★★★☆	>59-79	A mixed track record of managing the most significant ESG risks and opportunities relative to industry peers.
★★★☆☆	>39-59	<b>Relevant ESG materiality matrix has been constructively addressed, well-managed and incorporated into day-to-day operations, in which targets and achievements are evaluated annually.</b>
★★☆☆☆	>19-39	Relevant ESG materiality matrix has been identified with key management in charge for progress to be followed up on and to provide intensive disclosure. Most targets are conventional and achievable.
★☆☆☆☆	1-19	The company has adopted the United Nations Sustainable Development Goals (UN SDGs), established sustainability management guidelines and fully complies with regulations or ESG suggested guidance from related organizations such as the SET and SEC.

Sources: FSSIA estimates

### Exhibit 3: ESG – peer comparison

	FSSIA ESG score	Domestic ratings						Global ratings						Bloomberg	
		DJSI	SET THSI	THSI	CG score	AGM level	Thai CAC	Morningstar ESG risk	ESG Book	MSCI	Moody's	Refinitiv	S&P Global	ESG score	Disclosure score
SET100	69.20	5.34	4.40	4.40	4.76	4.65	3.84	Medium	51.76	BBB	20.87	58.72	63.91	3.72	28.17
Coverage	67.12	5.11	4.15	4.17	4.83	4.71	3.53	Medium	52.04	BB	16.97	56.85	62.09	3.40	31.94
BCH	39.71	--	--	--	4.00	5.00	Certified	High	48.21	--	--	27.19	18.00	3.52	47.60
BDMS	74.00	Y	Y	Y	5.00	4.00	--	Medium	61.06	AA	34.00	59.83	72.00	3.45	58.92
BH	51.21	--	--	--	4.00	4.00	--	Medium	64.29	A	29.00	59.03	27.00	5.08	47.79
CHG	38.25	--	--	--	4.00	5.00	--	High	55.35	--	--	59.57	21.00	2.34	50.24
PR9	54.08	--	Y	Y	5.00	5.00	Certified	High	71.12	--	--	62.39	--	2.43	37.90
PRINC	18.00	--	--	--	4.00	4.00	Certified	--	--	--	--	--	--	--	--
RAM	11.75	--	--	--	3.00	--	--	High	--	--	--	--	--	--	--
THG	18.75	--	--	--	5.00	5.00	--	High	--	--	--	--	--	--	--
VIBHA	20.88	--	--	--	4.00	3.00	Declared	High	--	--	--	--	17.00	--	--

Sources: [SETTRADE.com](https://www.settrade.com); FSSIA's compilation

### Exhibit 4: ESG score by Bloomberg

FY ending Dec 31	FY 2020	FY 2021	FY 2022
<b>ESG financial materiality scores - ESG score</b>	<b>—</b>	<b>2.33</b>	<b>2.43</b>
BESG environmental pillar score	—	2.56	2.18
BESG social pillar score	—	1.36	1.52
BESG governance pillar score	—	4.13	4.46
<b>ESG disclosure score</b>	<b>—</b>	<b>37.90</b>	<b>37.90</b>
Environmental disclosure score	—	11.78	11.78
Social disclosure score	—	20.68	20.68
Governance disclosure score	—	81.10	81.10
<b>Environmental</b>			
Emissions reduction initiatives	No	Yes	Yes
Climate change policy	No	Yes	Yes
Climate change opportunities discussed	No	No	No
Risks of climate change discussed	No	No	No
GHG scope 1	—	0	0
GHG scope 2 location-based	—	4	6
GHG Scope 3	—	0	5
Carbon per unit of production	—	—	—
Biodiversity policy	No	No	No
Energy efficiency policy	No	Yes	Yes
Total energy consumption	—	7	13
Renewable energy use	—	—	—
Electricity used	—	—	—
Fuel used - natural gas	—	—	—

Sources: Bloomberg; FSSIA's compilation

**Exhibit 5: ESG score by Bloomberg (cont.)**

<b>FY ending Dec 31</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>
Fuel used - crude oil/diesel	No	No	No
Waste reduction policy	No	Yes	Yes
Hazardous waste	—	—	—
Total waste	—	—	—
Waste recycled	—	—	—
Waste sent to landfills	—	—	—
Environmental supply chain management	No	No	No
Water policy	No	Yes	Yes
Water consumption	—	60	151
<b>Social</b>			
Human rights policy	Yes	Yes	Yes
Policy against child labor	No	Yes	Yes
Quality assurance and recall policy	No	Yes	Yes
Consumer data protection policy	No	Yes	Yes
Equal opportunity policy	Yes	Yes	Yes
Gender pay gap breakout	No	No	No
Pct women in workforce	—	—	—
Pct disabled in workforce	—	—	—
Business ethics policy	No	Yes	Yes
Anti-bribery ethics policy	Yes	Yes	Yes
Health and safety policy	No	Yes	Yes
Lost time incident rate - employees	—	—	—
Total recordable incident rate - employees	—	1	0
Training policy	Yes	Yes	Yes
Fair remuneration policy	No	No	No
Number of employees – CSR	2,083	1,987	2,011
Employee turnover pct	—	11	13
Total hours spent by firm - employee training	14,566	13,462	66,852
Social supply chain management	No	No	No
<b>Governance</b>			
<b>Board size</b>	<b>10</b>	<b>10</b>	<b>9</b>
<b>No. of independent directors (ID)</b>	<b>4</b>	<b>7</b>	<b>6</b>
No. of women on board	2	2	2
No. of non-executive directors on board	7	7	6
Company conducts board evaluations	Yes	Yes	Yes
No. of board meetings for the year	7	7	7
Board meeting attendance pct	97	100	89
Board duration (years)	3	3	3
Director share ownership guidelines	No	No	No
Age of the youngest director	56	56	57
Age of the oldest director	72	73	74
<b>No. of executives / company managers</b>	<b>7</b>	<b>5</b>	<b>5</b>
No. of female executives	2	0	0
Executive share ownership guidelines	No	No	No
<b>Size of audit committee</b>	<b>3</b>	<b>3</b>	<b>3</b>
No. of ID on audit committee	3	3	3
Audit committee meetings	4	4	4
Audit meeting attendance %	100	100	100
<b>Size of compensation committee</b>	<b>3</b>	<b>3</b>	<b>3</b>
No. of ID on compensation committee	3	2	3
No. of compensation committee meetings	2	2	2
Compensation meeting attendance %	83	100	100
<b>Size of nomination committee</b>	<b>3</b>	<b>3</b>	<b>3</b>
No. of nomination committee meetings	2	2	2
Nomination meeting attendance %	83	100	100
<b>Sustainability governance</b>			
Verification type	No	No	No

Sources: Bloomberg; FSSIA's compilation

## Disclaimer for ESG scoring

ESG score	Methodology	Rating																											
The Dow Jones Sustainability Indices (DJSI) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.	Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.																											
Sustainability Investment List (THSI) by The Stock Exchange of Thailand (SET)	THSI quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria include: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years.	To be eligible for <b>THSI inclusion</b> , verified data must be scored at a minimum of 50% for each indicator, unless the company is a part of DJSI during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality. <b>SETTHSI Index</b> is extended from the THSI companies whose 1) market capitalization > THB5b (~USD150b); 2) free float >20%; and 3) liquidity >0.5% of paid-up capital for at least 9 out of 12 months. The SETTHSI Index is a market capitalisation-weighted index, cap 5% quarterly weight at maximum, and no cap for number of stocks.																											
<b>CG Score</b> by Thai Institute of Directors Association (Thai IOD)	An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.	Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (60-69), and not rated for scores below 50. Weightings include: 1) the rights; 2) and equitable treatment of shareholders (weight 25% combined); 3) the role of stakeholders (25%); 4) disclosure & transparency (15%); and 5) board responsibilities (35%).																											
<b>AGM level</b> By Thai Investors Association (TIA) with support from the SEC	It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). <i>(The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&amp;A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.)</i>	The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.																											
<b>Thai CAC</b> By Thai Private Sector Collective Action Against Corruption (CAC)	The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. <i>(Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.)</i>	The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.																											
<b>Morningstar Sustainalytics</b>	The Sustainalytics' ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. <i>Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality &amp; peer reviews.</i>	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>NEGL</th> <th>Low</th> <th>Medium</th> <th>High</th> <th>Severe</th> </tr> </thead> <tbody> <tr> <td>0-10</td> <td>10-20</td> <td>20-30</td> <td>30-40</td> <td>40+</td> </tr> </tbody> </table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+																	
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<b>ESG Book</b>	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.	The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.																											
<b>MSCI</b>	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. <table border="1" style="margin-left: auto; margin-right: auto;"> <tbody> <tr> <td><b>AAA</b></td> <td>8.571-10.000</td> <td><b>Leader:</b></td> <td>leading its industry in managing the most significant ESG risks and opportunities</td> </tr> <tr> <td><b>AA</b></td> <td>7.143-8.570</td> <td></td> <td></td> </tr> <tr> <td><b>A</b></td> <td>5.714-7.142</td> <td></td> <td></td> </tr> <tr> <td><b>BBB</b></td> <td>4.286-5.713</td> <td><b>Average:</b></td> <td>a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td> </tr> <tr> <td><b>BB</b></td> <td>2.857-4.285</td> <td></td> <td></td> </tr> <tr> <td><b>B</b></td> <td>1.429-2.856</td> <td></td> <td></td> </tr> <tr> <td><b>CCC</b></td> <td>0.000-1.428</td> <td><b>Laggard:</b></td> <td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td> </tr> </tbody> </table>	<b>AAA</b>	8.571-10.000	<b>Leader:</b>	leading its industry in managing the most significant ESG risks and opportunities	<b>AA</b>	7.143-8.570			<b>A</b>	5.714-7.142			<b>BBB</b>	4.286-5.713	<b>Average:</b>	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	<b>BB</b>	2.857-4.285			<b>B</b>	1.429-2.856			<b>CCC</b>	0.000-1.428	<b>Laggard:</b>	lagging its industry based on its high exposure and failure to manage significant ESG risks
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<b>Moody's ESG solutions</b>	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.																												
<b>Refinitiv ESG rating</b>	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. <i>(Score ratings are 0 to 25 = poor; &gt;25 to 50 = satisfactory; &gt;50 to 75 = good; and &gt;75 to 100 = excellent.)</i>																												
<b>S&amp;P Global</b>	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.																												
<b>Bloomberg</b>	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.																											
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.																											

**Rating** regarding the sustainable development of Thai listed companies, both on the SET and MAI, are publicly available on the website of the Securities and Exchange Commission of Thailand (SEC). Currently, ratings available are 1) "**CG Score**"; 2) "**AGM Level**"; 3) "**Thai CAC**"; and 4) **THSI**. The ratings are updated on an annual basis. FSSIA does not confirm nor certify the accuracy of such ratings.

Source: FSSIA's compilation

## GENERAL DISCLAIMER

### ANALYST(S) CERTIFICATION

Teerapol Udomvej, CFA FSS International Investment Advisory Securities Co., Ltd

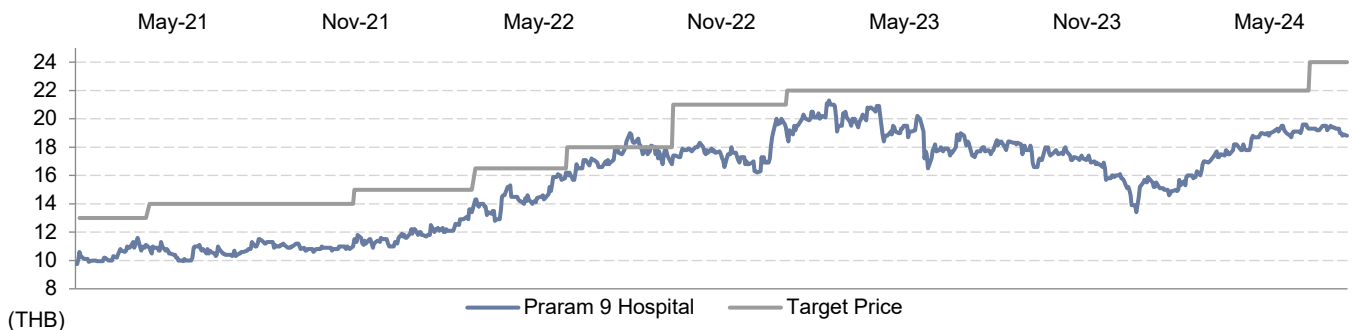
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### History of change in investment rating and/or target price

#### Praram 9 Hospital (PR9 TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
19-May-2021	BUY	13.00	22-Apr-2022	BUY	16.50	17-Jan-2023	BUY	22.00
16-Jul-2021	BUY	14.00	12-Jul-2022	BUY	18.00	10-Apr-2024	BUY	24.00
10-Jan-2022	BUY	15.00	11-Oct-2022	BUY	21.00			

Teerapol Udomvej, CFA started covering this stock from 30-Jul-2020

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Praram 9 Hospital	PR9 TB	THB 18.80	BUY	Downside risks to our DCF-based target price include 1) weak patient volumes following the economic slowdown; 2) regulatory risks from drug price and medical bill controls; and 3) higher-than-expected expenses from its new building.

Source: FSSIA estimates

### Additional Disclosures

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finansia Syrus Securities Public Company Limited.

All share prices are as at market close on 13-May-2024 unless otherwise stated.



## RECOMMENDATION STRUCTURE

### Stock ratings

Stock ratings are based on absolute upside or downside, which we define as  $(\text{target price}^* - \text{current price}) / \text{current price}$ .

**BUY (B).** The upside is 10% or more.

**HOLD (H).** The upside or downside is less than 10%.

**REDUCE (R).** The downside is 10% or more.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

\* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

### Industry Recommendations

**Overweight.** The analyst expects the fundamental conditions of the sector to be positive over the next 12 months.

**Neutral.** The analyst expects the fundamental conditions of the sector to be maintained over the next 12 months.

**Underweight.** The analyst expects the fundamental conditions of the sector to be negative over the next 12 months.

### Country (Strategy) Recommendations

**Overweight (O).** Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

**Neutral (N).** Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

**Underweight (U).** Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.