

17 NOVEMBER 2021

THAILAND / HEALTHCARE

PRARAM 9 HOSPITAL PR9 TB

BUY

UNCHANGED

TARGET PRICE	THB14.00
CLOSE	THB10.90
UP/DOWNSIDE	+28.4%
PRIOR TP	THB14.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+19.1%

4Q21 as fit as a fiddle

3Q21 earnings grew 15% y-y and 604% q-q

PR9 reported a strong core profit of THB83m in 3Q21 (+15% y-y, +604% q-q), in line with our estimate. Revenue grew 8% y-y. Revenue from Thai patients grew 8% y-y in 3Q21, driven by Covid-related revenue which accounted for c23% of total revenue. Meanwhile, international patient revenue grew 13% y-y, driven by expat patients mainly from Japan and America. Its 3Q21 EBITDA margin improved to a record high of 23% (vs 20% in 3Q20) thanks to the higher hospital utilisation rate of 68%.

Earnings growth to continue in 4Q21 despite fewer Covid cases

At its analyst meeting yesterday, PR9 guided that its revenue growth momentum has remained strong in Oct to Nov, despite the slowdown in Covid-related revenue. Key drivers are 1) pent-up demand for health check-ups; 2) the strong growth of its new Lasik Centre, which accounted for about 7% of total revenue; and 3) the resumption of kidney transplants. Thai OPD volume has returned to pre-Covid levels since Oct. Overall, we expect double-digit revenue growth y-y in 4Q21 (vs 8% y-y in 3Q21). This would lead its earnings to grow both q-q and y-y, potentially hitting a new record high (current record was THB89m in 3Q19).

Promising outlook in 2022 with a new group of customers

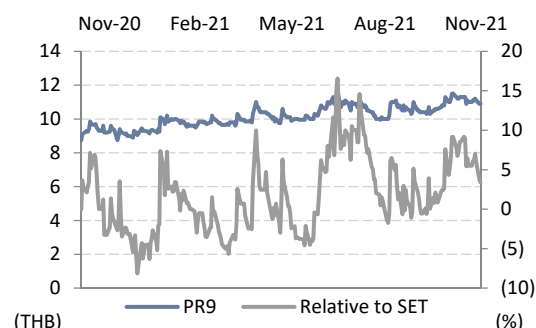
We expect strong earnings growth of 64% in 2022, led by 18% revenue growth and an EBITDA margin improvement to 22% in 2022 from 20% in 2021. Key drivers would be 1) new medical centres, including the Lasik Centre, Advanced Spine Centre, and the Chest and Respiratory Centre; 2) the recovery of fly-in international patients which accounted for c10% in 2019; and 3) a new customer group from the civil servant welfare program, as PR9 will sign a contract with the Comptroller General's Department for government and state-owned enterprise employees to have surgery operations at PR9.

Attractive valuation compared to peers

We revise up our 2021E core profit to reflect the strong 4Q21 outlook and maintain our 2022-23 forecasts and DCF-TP of THB14. PR9 is trading at an attractive 24x 2022E P/E and 11x 2022E EV/EBITDA, lower than its peers' average of 35x and 19x. We think its share price deserves to trade at a premium to its IPO price of THB11.6/shr, as we expect its net profit and EBITDA in 2022 to exceed the 2019 level by 26% and 36%, respectively.

KEY STOCK DATA

YE Dec (THB m)	2020	2021E	2022E	2023E
Revenue	2,601	2,840	3,352	3,747
Net profit	202	219	359	465
EPS (THB)	0.26	0.28	0.46	0.59
vs Consensus (%)	-	4.5	30.3	34.1
EBITDA	444	561	732	876
Core net profit	202	219	359	465
Core EPS (THB)	0.26	0.28	0.46	0.59
Chg. In EPS est. (%)	-	10.6	(0.1)	0.0
EPS growth (%)	(35.3)	8.2	64.1	29.6
Core P/E (x)	42.4	39.2	23.9	18.4
Dividend yield (%)	1.0	1.5	2.9	3.8
EV/EBITDA (x)	18.0	14.1	10.6	8.5
Price/book (x)	2.1	2.0	1.9	1.8
Net debt/Equity (%)	(14.2)	(15.8)	(18.3)	(23.4)
ROE (%)	5.0	5.2	8.2	10.1



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(3.5)	9.0	28.2
Relative to country (%)	(3.9)	1.5	5.4
Mkt cap (USD m)	262		
3m avg. daily turnover (USD m)	0.4		
Free float (%)	59		
Major shareholder	Khunying Potjaman Damapong (37%)		
12m high/low (THB)	11.90/8.50		
Issued shares (m)	786.30		

Sources: Bloomberg consensus; FSSIA estimates



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Investment thesis

PR9 is a standalone hospital that is known as a “value-for-money” hospital. It recently upgraded the hospital to include tertiary care with new specialist centres. One of the top contributors is the Kidney Transplant Institute, which is the only facility to be accredited by Joint Commission International (JCI) outside the US.

The hospital is in a growth phase, with its new building having opened in July 2020. Although the market is concerned about the new building’s drag on its overall operations, we believe this should strengthen PR9 in the long term.

The improving EBITDA margin should lead to its stock re-rating, and its share price should exceed its IPO price of THB11.6 when it becomes apparent that the new building will support its earnings, in our view.

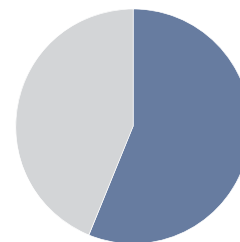
Company profile

PR9 has been operating a private hospital since 1992.

www.praram9.com

Principal activities (revenue, 2020)

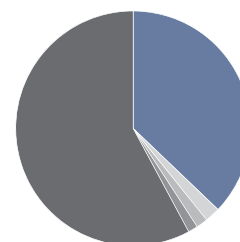
- OPD patient revenue - 56.2 %
- IPD patient revenue - 43.8 %



Source: Praram 9 Hospital

Major shareholders

- Khunying Potjaman Damapong - 37.1 %
- Standard Life Aberdeen PLC - 2.1 %
- Bualuang Basic Dividend LTF - 1.6 %
- Dr. Satian Pooprasert - 1.3 %
- Others - 57.9 %



Source: Praram 9 Hospital

Catalysts

Key potential growth drivers include 1) a higher Thai patient volume from new specialist centres; and 2) rising demand for medical tourists, especially patients from Cambodia, Laos, Myanmar and Vietnam (CLMV), as well as China.

Risks to our call

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.

Event calendar

Date	Event
Feb 2022	4Q21 results announcement

Key assumptions

	2021E	2022E	2023E
	(%)	(%)	(%)
No. of licensed beds (no.)	190	215	249
OPD volume growth	4	16	8
OPD revenue / patient growth	3	5	4
IPD volume growth	10	8	8
IPD revenue / patient growth	2	5	4

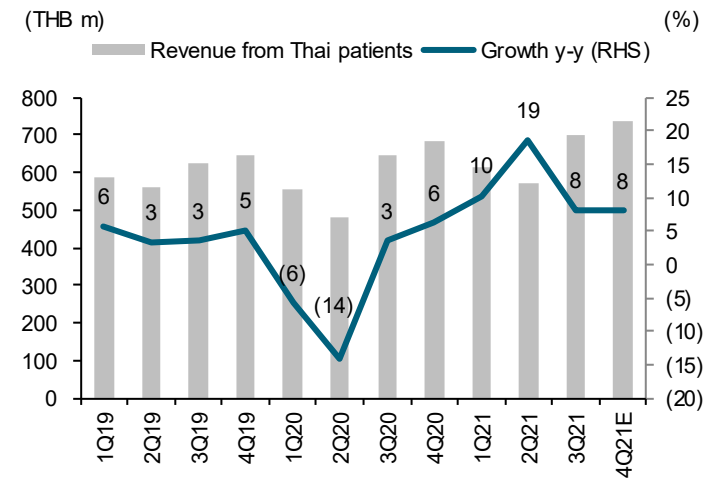
Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in patient volume, we project 2021 earnings to rise by 2%, and vice versa, all else being equal.
- For every 1% increase in EBITDA margin, we project 2021 earnings to rise by 14%, and vice versa, all else being equal.

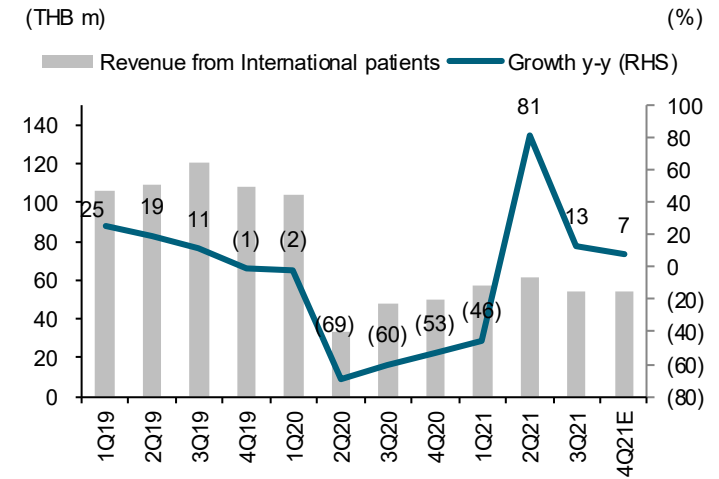
Source: FSSIA estimates

Exhibit 1: Thai patient revenue



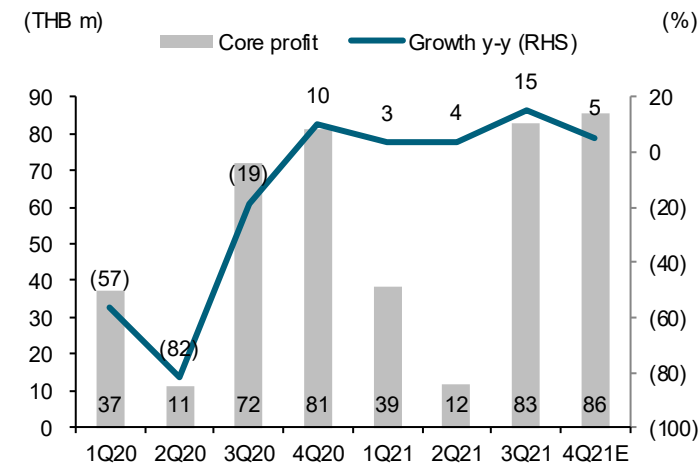
Sources: PR9; FSSIA estimates

Exhibit 2: International patient revenue



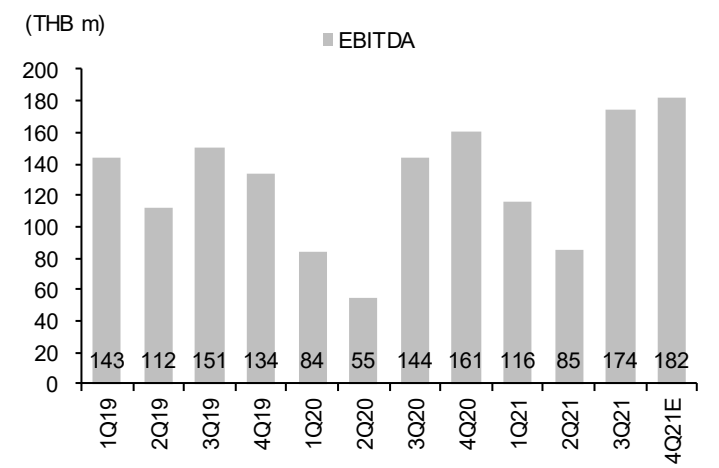
Sources: PR9; FSSIA estimates

Exhibit 3: Core profit, quarterly



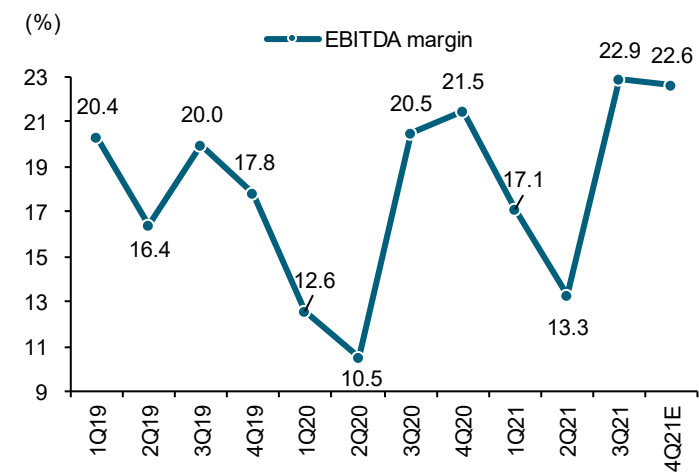
Sources: PR9; FSSIA estimates

Exhibit 4: EBITDA, quarterly



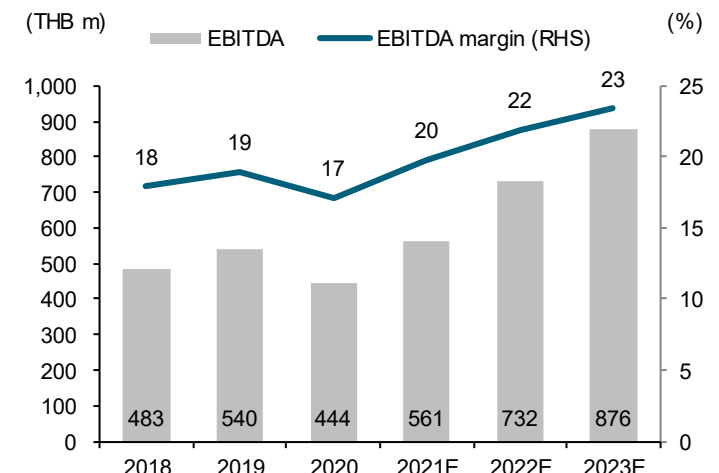
Sources: PR9; FSSIA estimates

Exhibit 5: EBITDA margin, quarterly



Sources: PR9; FSSIA estimates

Exhibit 6: EBITDA margin upward trend over next three years



Sources: PR9; FSSIA estimates

Exhibit 7: 3Q21 results review

FY ending Dec	3Q20	4Q20	1Q21	2Q21	3Q21	----- Change -----		9M20	9M21	Chg.	2021E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)	(THB m)
Sales	692	735	669	632	751	19	8	1,866	2,051	10	2,840
COGS (incl depreciation)	(485)	(520)	(502)	(500)	(526)	5	8	(1,370)	(1,528)	12	(2,073)
Gross profit	207	215	166	132	225	70	9	496	523	5	767
SG&A	(132)	(132)	(132)	(130)	(134)	3	1	(387)	(396)	2	(538)
Operating profit	75	83	34	2	91	4,428	22	110	127	16	229
Net other income	9	12	11	11	10	(11)	8	25	32	26	41
Interest expenses	(0)	(0)	(0)	(0)	(0)	(13)	(31)	(0)	(0)	n/a	(0)
Pretax profit	84	96	45	13	101	670	20	135	159	18	270
Income Tax	(11)	(14)	(6)	(1)	(18)	1,274	54	(14)	(25)	83	(51)
Core profit	72	81	39	12	83	604	15	121	133	10	219
Extraordinaries, GW & FX											
Reported net profit	72	81	39	12	83	604	15	121	133	10	219
Outstanding shares (m)	786	786	786	786	786	0	0	786	786	0	786
Pre-ex EPS (THB)	0.09	0.10	0.05	0.01	0.11	604	15	0.15	0.17	10	0.28
EPS (THB)	0.09	0.10	0.05	0.01	0.11	604	15	0.15	0.17	10	0.28
COGS excl. depreciation	(425)	(455)	(431)	(428)	(453)	6	6	(1,222)	(1,311)	7	(1,782)
Depreciation	(60)	(65)	(71)	(72)	(73)	1	22	(148)	(217)	47	(291)
EBITDA	144	161	116	85	174	104	21	283	376	33	561
Key ratios	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)	(%)	(ppt)	(%)
Gross margin	30	29	25	21	30	9	0	27	26	(1)	27
SG&A/Revenue	19	18	20	21	18	(3)	(1)	21	19	(1)	19
EBITDA margin	20	21	17	13	23	10	2	15	18	3	20
Net profit margin	10	11	6	2	11	9	1	6	6	0	8
Operating stats	(%)	(%)	(%)	(%)	(%)						
OPD revenue growth y-y	(8)	4	(4)	29	(10)						
OPD volume growth y-y	(9)	-	(10)	16	(16)						
OPD revenue per head growth y-y	1	4	6	11	7						
IPD revenue growth y-y	(6)	(7)	9	16	32						
IPD volume growth y-y	(17)	(8)	1	37	75						
IPD revenue per head growth y-y	13	2	8	(15)	(25)						
Thai patient revenue growth y-y	3	6	10	19	8						
Inter patient revenue growth y-y	(60)	(53)	(46)	81	13						

Source: PR9; FSSIA estimates

Exhibit 8: Forecast revisions

	----- Current -----			----- Previous -----			----- Change -----		
	2021E	2022E	2023E	2021E	2022E	2023E	2021E	2022E	2023E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(%)	(%)	(%)
Revenue	2,840	3,352	3,747	2,759	3,360	3,756	3.0	(0.2)	(0.2)
EBITDA margin (%)	19.7	21.8	23.4	19.4	21.8	23.3	0.4	0.1	0.1
Core profit	219	359	465	198	359	465	10.6	(0.1)	0.0
Key assumptions									
OPD- Visiting numbers per day (no.)	1,135	1,316	1,422	1,135	1,316	1,422	0.0	0.0	0.0
OPD - Revenue per visit (THB)	3,768	3,956	4,095	3,768	3,956	4,095	0.0	0.0	0.0
IPD - Admission numbers per day (no.)	39	42	46	37	43	46	6.8	(0.6)	(0.6)
IPD- Revenue per admission (THB)	89,217	93,678	96,956	89,217	93,678	96,956	0.0	0.0	0.0

Note: Change of items in percentage terms are represented in ppt change

Source: FSSIA estimates

Exhibit 9: DCF valuation

Cost of equity assumptions		(%)	Cost of debt assumptions		(%)
Risk-free rate		3.0	Pre-tax cost of debt		3.5
Market risk premium		8.0	Marginal tax rate		20.0
Stock beta		0.8			
Cost of equity, Ke		9.4	Net cost of debt, Kd		2.8
Weight applied		100.0	Weight applied		0.0
WACC		9.4			

DCF valuation estimate	(THB b)	(THB/share)	Comments
NPV	4.1	5.2	WACC 9.4%, risk-free rate 3%, risk premium 8%
Terminal value	6.1	7.7	Terminal growth 3%
Cash & liquid assets	0.8	1.1	At end-2022E
Investments	0.0	0.0	At end-2022E
Debt	(0.0)	(0.0)	At end-2022E
Minorities	0.0	0.0	At end-2022E
Residual ordinary equity	11.0	14.0	

Source: FSSIA estimates

Exhibit 10: Peer comparisons as of 16 Nov 2021

Company	BBG	Rec	Share price			Market Cap (USD m)	PE		ROE		PBV		- EV/ EBITDA -	
			Current (LCY)	Target (LCY)	Upside (%)		21E (x)	22E (x)	21E (%)	22E (%)	21E (x)	22E (x)	21E (x)	22E (x)
Thailand														
Bangkok Dusit Med Service	BDMS TB	BUY	24.80	29.00	16.9	12,052	57.0	39.1	8.1	11.6	4.7	4.4	24.8	19.6
Bumrungrad Hospital	BH TB	BUY	158.00	170.00	7.6	3,839	131.6	53.2	5.4	13.2	7.4	6.7	52.7	28.6
Bangkok Chain Hospital	BCH TB	BUY	20.00	28.50	42.5	1,525	11.8	27.1	48.6	17.8	4.7	4.9	7.9	15.2
Chularat Hospital	CHG TB	BUY	3.68	4.70	27.7	1,238	16.8	28.7	48.6	24.0	6.9	6.9	11.6	18.4
Praram 9 Hospital	PR9 TB	BUY	10.90	14.00	28.4	262	39.2	23.9	5.2	8.2	2.0	1.9	14.1	10.6
Thonburi Healthcare Group	THG TB	HOLD	33.75	27.50	(18.5)	871	99.6	68.8	3.6	5.2	3.6	3.5	28.1	25.4
Vibhavadi Medical Center	VIBHA TB	BUY	2.22	2.80	26.1	922	46.6	37.4	8.6	8.8	3.6	2.7	28.5	24.4
Ramkhamhaeng Hospital	RAM TB	BUY	31.75	45.00	41.7	1,165	22.4	21.8	13.6	13.9	3.1	2.9	15.6	15.5
Rajthanee Hospital	RJH TB	n/a	34.25	n/a	n/a	313	13.9	21.7	45.0	25.8	6.9	5.7	9.5	14.3
Ekachai Medical Care	EKH TB	n/a	7.95	n/a	n/a	145	16.6	26.2	29.4	16.3	5.5	4.7	10.6	14.7
Thailand average						22,332	45.6	34.8	21.6	14.5	4.8	4.4	20.3	18.7
Regional														
Ramsay Health Care	RHC AU	n/a	67.54	n/a	n/a	11,282	32.8	34.7	11.3	10.8	3.8	3.7	12.6	12.6
Ihh Healthcare Bhd	IHH SP	n/a	2.10	n/a	n/a	13,655	43.0	37.5	5.8	6.1	2.5	2.4	17.2	16.1
Ryman Healthcare	RYM NZ	n/a	13.65	n/a	n/a	4,786	29.4	24.1	12.2	8.8	3.0	2.7	33.2	24.5
Apollo Hospitals Enterprise	APHS IN	n/a	5,097	n/a	n/a	10,956	948.8	93.8	2.4	17.2	22.4	19.3	74.1	38.1
Kpj Healthcare Berhad	KPJ MK	n/a	1.13	n/a	n/a	1,157	58.9	26.7	3.9	8.4	2.5	2.2	16.2	12.2
Raffles Medical Group	RFMD SP	n/a	1.38	n/a	n/a	1,900	33.7	33.7	8.4	8.6	3.0	2.8	18.7	17.7
Mitra Keluarga Karyasehat	MIKA IJ	n/a	2,280	n/a	n/a	2,340	30.0	32.7	20.7	18.0	6.9	5.9	19.3	20.5
Aier Eye Hospital Group	300015 CH	n/a	49.43	n/a	n/a	41,841	110.1	83.8	20.2	22.2	31.3	21.9	63.8	50.5
Regional average						87,916	160.8	45.9	10.6	12.5	9.4	7.6	31.9	24.0
Overall average						110,248	96.8	39.7	16.7	13.6	6.9	5.9	25.5	21.1

Sources: Bloomberg; FSSIA estimates

Financial Statements

Praram 9 Hospital

Profit and Loss (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Revenue	2,849	2,601	2,840	3,352	3,747
Cost of goods sold	(1,792)	(1,677)	(1,782)	(2,085)	(2,297)
Gross profit	1,056	925	1,058	1,267	1,449
Other operating income	41	38	41	43	46
Operating costs	(558)	(518)	(538)	(578)	(620)
Operating EBITDA	540	444	561	732	876
Depreciation	(165)	(213)	(291)	(289)	(302)
Goodwill amortisation	-	-	-	-	-
Operating EBIT	375	231	270	443	574
Net financing costs	0	0	0	0	0
Associates	0	0	0	0	0
Recurring non-operating income	0	0	0	0	0
Non-recurring items	(28)	0	0	0	0
Profit before tax	348	230	270	443	574
Tax	(63)	(28)	(51)	(84)	(109)
Profit after tax	284	202	219	359	465
Minority interests	0	0	0	0	0
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	284	202	219	359	465
Non-recurring items & goodwill (net)	28	0	0	0	0
Recurring net profit	312	202	219	359	465
Per share (THB)					
Recurring EPS *	0.40	0.26	0.28	0.46	0.59
Reported EPS	0.36	0.26	0.28	0.46	0.59
DPS	0.14	0.11	0.17	0.32	0.41
Diluted shares (used to calculate per share data)	786	786	786	786	786
Growth					
Revenue (%)	5.5	(8.7)	9.2	18.0	11.8
Operating EBITDA (%)	11.7	(17.8)	26.4	30.5	19.6
Operating EBIT (%)	14.5	(38.5)	17.1	64.0	29.5
Recurring EPS (%)	16.0	(35.3)	8.2	64.1	29.6
Reported EPS (%)	80.9	(29.0)	8.2	64.1	29.6
Operating performance					
Gross margin inc. depreciation (%)	31.3	27.4	27.0	29.2	30.6
Gross margin of key business (%)	31.3	27.4	27.0	29.2	30.6
Operating EBITDA margin (%)	19.0	17.1	19.7	21.8	23.4
Operating EBIT margin (%)	13.2	8.9	9.5	13.2	15.3
Net margin (%)	11.0	7.8	7.7	10.7	12.4
Effective tax rate (%)	16.8	12.3	19.0	19.0	19.0
Dividend payout on recurring profit (%)	35.3	42.8	60.0	70.0	70.0
Interest cover (X)	-	491.0	1,149.9	1,885.8	2,442.9
Inventory days	9.3	10.7	10.4	9.9	10.2
Debtor days	18.9	22.1	20.6	17.8	16.3
Creditor days	88.6	98.8	94.3	90.1	92.7
Operating ROIC (%)	13.6	6.4	5.9	9.6	12.4
ROIC (%)	12.8	6.3	5.9	9.4	12.2
ROE (%)	7.9	5.0	5.2	8.2	10.1
ROA (%)	6.8	4.3	4.5	7.0	8.6
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
OPD patient revenue	1,584	1,461	1,561	1,901	2,125
IPD patient revenue	1,264	1,140	1,280	1,451	1,622

Sources: Praram 9 Hospital; FSSIA estimates

Financial Statements

Praram 9 Hospital

Cash Flow (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Recurring net profit	312	202	219	359	465
Depreciation	165	213	291	289	302
Associates & minorities	-	-	-	-	-
Other non-cash items	21	98	0	0	0
Change in working capital	51	(435)	(11)	(3)	(9)
Cash flow from operations	548	78	498	644	758
Capex - maintenance	(885)	(806)	(327)	(363)	(228)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	0	0	0	0	0
Other investments (net)	-	-	-	-	-
Cash flow from investing	(885)	(806)	(327)	(363)	(228)
Dividends paid	(112)	(110)	(86)	(131)	(251)
Equity finance	0	0	0	0	0
Debt finance	0	8	0	0	0
Other financing cash flows	19	(8)	0	0	0
Cash flow from financing	(92)	(110)	(86)	(131)	(251)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	(429)	(839)	85	151	279
Free cash flow to firm (FCFF)	(336.83)	(727.76)	171.59	281.96	530.35
Free cash flow to equity (FCFE)	(317.56)	(728.33)	171.36	281.73	530.11

Per share (THB)

FCFF per share	(0.43)	(0.93)	0.22	0.36	0.67
FCFE per share	(0.40)	(0.93)	0.22	0.36	0.67
Recurring cash flow per share	0.63	0.65	0.65	0.82	0.97

Balance Sheet (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Tangible fixed assets (gross)	4,559	5,345	5,672	6,034	6,262
Less: Accumulated depreciation	(1,619)	(1,812)	(2,102)	(2,391)	(2,693)
Tangible fixed assets (net)	2,940	3,533	3,569	3,643	3,569
Intangible fixed assets (net)	0	0	0	0	0
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	4	4	4	4	4
Cash & equivalents	1,431	592	677	828	1,107
A/C receivable	156	159	162	165	169
Inventories	49	49	52	61	68
Other current assets	7	408	445	526	587
Current assets	1,643	1,208	1,337	1,580	1,931
Other assets	130	52	52	52	52
Total assets	4,717	4,797	4,961	5,278	5,555
Common equity	4,039	4,115	4,247	4,475	4,688
Minorities etc.	0	0	0	0	0
Total shareholders' equity	4,039	4,115	4,247	4,475	4,688
Long term debt	0	8	8	8	8
Other long-term liabilities	155	182	182	182	182
Long-term liabilities	155	190	190	190	190
A/C payable	461	446	474	555	612
Short term debt	0	0	0	0	0
Other current liabilities	62	45	50	58	65
Current liabilities	523	492	524	613	677
Total liabilities and shareholders' equity	4,717	4,797	4,961	5,278	5,555
Net working capital	(311)	124	136	139	147
Invested capital	2,763	3,713	3,760	3,837	3,772

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

Per share (THB)

Book value per share	5.14	5.23	5.40	5.69	5.96
Tangible book value per share	5.14	5.23	5.40	5.69	5.96

Financial strength

Net debt/equity (%)	(35.4)	(14.2)	(15.8)	(18.3)	(23.4)
Net debt/total assets (%)	(30.3)	(12.2)	(13.5)	(15.5)	(19.8)
Current ratio (x)	3.1	2.5	2.6	2.6	2.9
CF interest cover (x)	-	(1,548.6)	730.4	1,200.1	2,257.4

Valuation	2019	2020	2021E	2022E	2023E
Recurring P/E (x) *	27.5	42.4	39.2	23.9	18.4
Recurring P/E @ target price (x) *	35.3	54.5	50.3	30.7	23.7
Reported P/E (x)	30.1	42.4	39.2	23.9	18.4
Dividend yield (%)	1.3	1.0	1.5	2.9	3.8
Price/book (x)	2.1	2.1	2.0	1.9	1.8
Price/tangible book (x)	2.1	2.1	2.0	1.9	1.8
EV/EBITDA (x) **	13.2	18.0	14.1	10.6	8.5
EV/EBITDA @ target price (x) **	17.7	23.5	18.4	13.9	11.3
EV/invested capital (x)	2.6	2.2	2.1	2.0	2.0

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

Sources: Praram 9 Hospital; FSSIA estimates

Corporate Governance report of Thai listed companies 2020

EXCELLENT LEVEL										
AAV	ADVANC	AF	AIRA	AKP	AKR	ALT	AMA	AMATA	AMATAV	ANAN
AOT	AP	ARIP	ARROW	ASP	BAFS	BANPU	BAY	BCP	BCPG	BDMS
BEC	BEM	BGRIM	BIZ	BKI	BLA	BOL	BPP	BRR	BTS	BWG
CENTEL	CFRESH	CHEWA	CHO	CIMBT	CK	CKP	CM	CNT	COL	COMAN
COTTO	CPALL	CPF	CPI	CPN	CSS	DELTA	DEMCO	DRT	DTAC	DTC
DV8	EA	EASTW	ECF	ECL	EGCO	EPG	ETE	FNS	FPI	FPT
FSMART	GBX	GC	GCAP	GEL	GFPT	GGC	GPSC	GRAMMY	GUNKUL	HANA
HARN	HMPRO	ICC	ICHI	III	ILINK	INTUCH	IRPC	IVL	JKN	JSP
JWD	K	KBANK	KCE	KKP	KSL	KTB	KTC	LANNA	LH	LHFG
LIT	LPN	MAKRO	MALEE	MBK	MBKET	MC	MCOT	METCO	MFEC	MINT
MONO	MOONG	MSC	MTC	NCH	NCL	NEP	NKI	NOBLE	NSI	NVD
NYT	OISHI	ORI	OTO	PAP	PCSGH	PDJ	PG	PHOL	PLANB	PLANET
PLAT	PORT	PPS	PR9	PREB	PRG	PRM	PSH	PSL	PTG	PTT
PTTEP	PTTGC	PYLON	Q-CON	QH	QTC	RATCH	RS	S	S & J	SAAM
SABINA	SAMART	SAMTEL	SAT	SC	SCB	SCC	SCCC	SCG	SCN	SDC
SEAFCO	SEOIL	SE-ED	SELIC	SENA	SIRI	SIS	SITHAI	SMK	SMPC	SNC
SONIC	SORKON	SPALI	SPI	SPRC	SPVI	SSSC	SST	STA	SUSCO	SUTHA
SVI	SYMC	SYNTEC	TACC	TASCO	TCAP	TFMAMA	THANA	THANI	THCOM	THG
THIP	THRE	THREL	TIP	TIPCO	TISCO	TK	TKT	TTB	TMILL	TNDT
TNL	TOA	TOP	TPBI	TQM	TRC	TRC	TSC	TSR	TSTE	TSTH
TTCL	TTW	TU	TVD	TVI	TVO	TWPC	U	UAC	UBIS	UV
VGI	VIH	WACOAL	WAVE	WHA	WHAUP	WICE	WINNER	TRUE		

VERY GOOD LEVEL										
2S	ABM	ACE	ACG	ADB	AEC	AEONTS	AGE	AH	AHC	AIT
ALLA	AMANAHA	AMARIN	APCO	APCS	APURE	AQUA	ASAP	ASEFA	ASIA	ASIAN
ASIMAR	ASK	ASN	ATP30	AUCT	AWC	AYUD	B	BA	BAM	BBL
BFIT	BGC	BJC	BJCHI	BROOK	BTW	CBG	CEN	CGH	CHARAN	CHAYO
CHG	CHOTI	CHOW	CI	CIG	CMC	COLOR	COM7	CPL	CRC	CRD
CSC	CSP	CWT	DCC	DCON	DDD	DOD	DOHOME	EASON	EE	ERW
ESTAR	FE	FLOYD	FN	FORTH	FSS	FTE	FVC	GENCO	GJS	GL
GLAND	GLOBAL	GLOCON	GPI	GULF	GYT	HPT	HTC	ICN	IFS	ILM
IMH	INET	INSURE	IRC	IRCP	IT	ITD	ITEL	J	JAS	JCK
JCKH	JMART	JMT	KBS	KCAR	KGI	KIAT	KOOL	KTIS	KWC	KWM
L&E	LALIN	LDC	LHK	LOXLEY	LPH	LRH	LST	M	MACO	MAJOR
MBAX	MEGA	META	MFC	MGT	MILL	MITSIB	MK	MODERN	MTI	MVP
NETBAY	NEX	NINE	NTV	NWR	OCC	OGC	OSP	PATO	PB	PDG
PDI	PICO	PIMO	PJW	PL	PM	PPP	PRIN	PRINC	PSTC	PT
QLT	RCL	RICHY	RML	RPC	RWI	S11	SALEE	SAMCO	SANKO	SAPPE
SAWAD	SCI	SCP	SE	SEG	SFP	SGF	SHR	SIAM	SINGER	SKE
SKR	SKY	SMIT	SMT	SNP	SPA	SPC	SPCG	SR	SRICHA	SSC
SSF	STANLY	STI	STPI	SUC	SUN	SYNEX	T	TAE	TAKUNI	TBSP
TCC	TCMC	TEAM	TEAMG	TFG	TIGER	TITLE	TKN	TKS	TM	TMC
TMD	TMI	TMT	TNITY	TNP	TNR	TOG	TPA	TPAC	TPCORP	TPOLY
TPS	TRITN	TRT	TRU	TSE	TVT	TWP	UEC	UMI	UOBKH	UP
UPF	UPOIC	UT	UTP	UWC	VL	VNT	VPO	WIJK	WP	XO
YUASA	ZEN	ZIGA	ZMICO							

GOOD LEVEL										
7UP	A	ABICO	AJ	ALL	ALUCON	AMC	APP	ARIN	AS	AU
B52	BC	BCH	BEAUTY	BGT	BH	BIG	BKD	BLAND	BM	BR
BROCK	BSBM	BSM	BTNC	CAZ	CCP	CGD	CITY	CMAN	CMO	CMR
CPT	CPW	CRANE	CSR	D	EKH	EP	ESSO	FMT	GIFT	GREEN
GSC	GTB	HTECH	HUMAN	IHL	INOX	INSET	IP	JTS	JUBILE	KASET
KCM	KKC	KUMWEL	KUN	KWG	KYE	LEE	MATCH	MATI	M-CHAI	MCS
MDX	MJD	MM	MORE	NC	NDR	NER	NFC	NNCL	NPK	NUSA
OCEAN	PAF	PF	PK	PLE	PMTA	POST	PPM	PRAKIT	PRECHA	PRIME
PROUD	PTL	RBF	RCI	RJH	ROJNA	RP	RPH	RSP	SF	SFLEX
SGP	SISB	SKN	SLP	SMART	SOLAR	SPG	SQ	SSP	STARK	STC
SUPER	SVOA	TC	TCCC	THMUI	TIW	TNH	TOPP	TPCH	TIPIP	TPLAS
TTI	TYCN	UKEM	UMS	VCOM	VRANDA	WIN	WORK	WPH		

Description

Score Range

Excellent

90-100

Very Good

80-89

Good

70-79

Disclaimer:

The disclosure of the survey results of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information.

The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey results may be changed after that date. FSS International Investment Advisory Company Limited does not confirm nor certify the accuracy of such survey results.

* CGR scoring should be considered with news regarding wrong doing of the company or director or executive of the company such unfair practice on securities trading, fraud, and corruption SEC imposed a civil sanction against insider trading of director and executive; ** delisted

Source: Thai Institute of Directors Association (IOD); FSSIA's compilation

Anti-corruption Progress Indicator 2020

CERTIFIED										
2S	ADVANC	AI	AIE	AIRA	AKP	AMA	AMANAHA	AP	AQUA	ARROW
ASK	ASP	AYUD	B	BAFS	BANPU	BAY	BBL	BCH	BCP	BCPG
BGC	BGRIM	BJCHI	BKI	BLA	BPP	BROOK	BRR	BSBM	BTS	BWG
CEN	CENTEL	CFRESH	CGH	CHEWA	CHOTI	CHOW	CIG	CIMBT	CM	CMC
COL	COM7	CPALL	CPF	CPI	CPN	CSC	DCC	DELTA	DEMCO	DIMET
DRT	DTAC	DTC	EASTW	ECL	EGCO	FE	FNS	FPI	FPT	FSS
FTE	GBX	GC	GCAP	GEL	GFPT	GGC	GJS	GPSC	GSTEEL	GUNKUL
HANA	HARN	HMPRO	HTC	ICC	ICHI	IFS	INET	INSURE	INTUCH	IRPC
ITEL	IVL	K	KASET	KBANK	KBS	KCAR	KCE	KGI	KKP	KSL
KTB	KTC	KWC	L&E	LANNA	LHFG	LHK	LPN	LRH	M	MAKRO
MALEE	MBAX	MBK	MBKET	MC	MCOT	MFC	MFEC	MINT	MONO	MOONG
MPG	MSC	MTC	MTI	NBC	NEP	NINE	NKI	NMG	NNCL	NSI
NWR	OCC	OCEAN	OGC	ORI	PAP	PATO	PB	PCSGH	PDG	PDI
PDJ	PE	PG	PHOL	PL	PLANB	PLANET	PLAT	PM	PPP	PPPM
PPS	PREB	PRG	PRINC	PRM	PSH	PSL	PSTC	PT	PTG	PTT
PTTEP	PTTGC	PYLON	Q-CON	QH	QLT	QTC	RATCH	RML	RWI	S & J
SABINA	SAT	SC	SCB	SCC	SCCC	SCG	SCN	SEAOIL	SE-ED	SELIC
SENA	SGP	SIRI	SITHAI	SMIT	SMK	SMPC	SNC	SNP	SORKON	SPACK
SPC	SPI	SPRC	SRICHA	SSF	SSSC	SST	STA	SUSCO	SVI	SYNTEC
TAE	TAKUNI	TASCO	TBSP	TCAP	TCMC	TFG	TFI	TFMAMA	THANI	THCOM
THIP	THRE	THREL	TIP	TIPCO	TISCO	TKT	TTB	TMD	TMILL	TMT
TNITY	TNL	TNP	TNR	TOG	TOP	TPA	TPCORP	TPP	TRU	TSC
TSTH	TTCL	TU	TVD	TVI	TVO	TWPC	U	UBIS	UEC	UKEM
UOBKH	UWC	VGI	VIH	VNT	WACOAL	WHA	WHAUP	WICE	WIJK	XO
ZEN	TRUE									

DECLARED										
7UP	ABICO	AF	ALT	AMARIN	AMATA	AMATAV	ANAN	APURE	B52	BKD
BM	BROCK	BUI	CHO	CI	COTTO	DDD	EA	EFORL	EP	ERW
ESTAR	ETE	EVER	FSMART	GPI	ILINK	IRC	J	JKN	JMART	JMT
JSP	JTS	KWG	LDC	MAJOR	META	NCL	NOBLE	NOK	PK	PLE
ROJNA	SAAM	SAPPE	SCI	SE	SHANG	SINGER	SKR	SPALI	SSP	STANLY
SUPER	SYNEX	THAI	TKS	TOPP	TRITN	TTA	UPF	UV	WIN	ZIGA

Level	
Certified	This level indicates practical participation with thoroughly examination in relation to the recommended procedures from the audit committee or the SEC's certified auditor, being a certified member of Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) or already passed examination to ensure independence from external parties.
Declared	This level indicates determination to participate in the Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC)

Disclaimer:

The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by Thaipat Institute, is made in order to comply with the policy and sustainable development plan for the listed companies of the Office of the Securities and Exchange Commission. Thaipat Institute made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of Thaipat Institute that is a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, FSS International Investment Advisory Company Limited does not confirm, verify, or certify the accuracy and completeness of the assessment results.

Note: Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of June 24, 2019) are categorised into: 1) companies that have declared their intention to join CAC, and; 2) companies certified by CAC.

Source: The Securities and Exchange Commission, Thailand; * FSSIA's compilation

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

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

The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed herein.

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Company	Ticker	Price	Rating	Valuation & Risks
Praram 9 Hospital	PR9 TB	THB 10.90	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.
Bangkok Dusit Medical Services	BDMS TB	THB 24.80	BUY	Downside risks to our DCF-based target price include 1) a slowdown in international patients due to economic concerns, political protests or floods; 2) regulatory risks from drug price and medical bill controls; and 3) higher-than-expected capex and opex for CoE projects.
Bumrungrad Hospital	BH TB	THB 158.00	BUY	Downside risks to our DCF-based target price include 1) a slowdown in international patients due to economic concerns, political protests or floods; 2) regulatory risks from drug prices and medical bill controls; and 3) higher medical fee discount promotions, leading to a weaker EBITDA margin.
Bangkok Chain Hospital	BCH TB	THB 20.00	BUY	Downside risks to our DCF-based target price include 1) a slowdown in international patients due to economic concerns, political protests or floods; 2) regulatory risks from drug prices and medical bill controls; and 3) SSO provision expenses following a limited SSO budget.
Chularat Hospital	CHG TB	THB 3.68	BUY	Downside risks to our DCF-based target price include 1) a slowdown in Thai patient volume due to economic concerns; 2) regulatory risks from drug price and medical bill controls; and 3) SSO provision expenses following limited budgets from the SSO.
Thonburi Healthcare Group	THG TB	THB 33.75	HOLD	Downside risks to our DCF-based target price include 1) weak patient volume following the economic slowdown; 2) regulatory risks from drug prices and medical bill controls; and 3) higher-than-expected expenses from new hospitals. Upside risk is big-lot sales of Jin Wellbeing County units.
Vibhavadi Medical Center	VIBHA TB	THB 2.22	BUY	Downside risks to our DCF-based target price include 1) a slowdown in Thai patient volume due to economic concerns; 2) regulatory risks from drug prices and medical bill controls; and 3) SSO provision expenses following limited budgets from the SSO.
Ramkhamhaeng Hospital	RAM TB	THB 31.75	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) losses from its subsidiary companies.

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

FSSIA may incorporate the recommendations and target prices of companies currently covered by FSS Research into equity research reports, denoted by an 'FSS' before the recommendation. FSS Research is part of Finansia Syrus Securities Public Company Limited, which is the parent company of FSSIA.

All share prices are as at market close on 16-Nov-2021 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.