

30 NOVEMBER 2021

THAILAND / HEALTHCARE

THONBURI HEALTHCARE GROUP

HOLD

UNCHANGED

THG TB

TARGET PRICE	THB32.50
CLOSE	THB33.75
UP/DOWNSIDE	-3.7%
PRIOR TP	THB27.50
CHANGE IN TP	+18.2%
TP vs CONSENSUS	+13.6%

Earnings rise to the occasion

Recap: 3Q21 earnings hit a record high

THG booked a strong 3Q21 net profit of THB833m (vs THB84m in 2Q21), beating BBG consensus by 84% due to the higher-than-expected revenue and EBITDA margin from Covid-related services. Revenue grew 103% q-q on Covid-related services (56% of total revenue). Three Jin Wellbeing residential units were transferred. COGS and SG&A increased 84% q-q and 28% q-q, respectively, driving its EBITDA margin up to 33% from 22% in 2Q21. The share of loss in its JV was THB49m (vs THB27m share of loss in 2Q21) due to an FX loss from Ar Yu Hospital in Myanmar.

4Q21 profit to slow down q-q, but still higher than pre-Covid level

THG indicated at its analyst meeting on 29 Nov that it is targeting revenue growth of more than 37% to THB10b in 2021. This implies that 4Q21 revenue should decline q-q but still grow y-y. Key drivers are Moderna vaccinations of around 300k doses which should be booked in 4Q21, the non-Covid patient volume which has almost recovered to the pre-Covid level, and Covid patients at c1,200 beds per day (c1,000 beds under hospitals and c200 beds under hospitals and field hospitals).

Turnaround of new hospitals and new business are key drivers

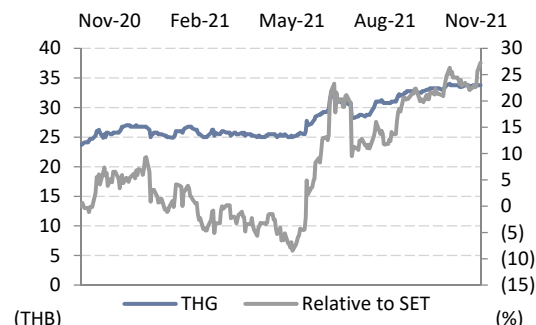
We expect the three new hospitals (Bamrungmuang, Thung Song and Ar Yu), which dragged THG's performance over the past three years, to contribute a profit in 2022. The only business unit that should still drag the group is Jin Wellbeing. The unit transfers have slowed to only 3-4 units per quarter from c300 outstanding units. Thus, interest expenses from the project are still dragging down the overall performance. THG has also launched THG Canabiz, planning to operate a fully integrated hemp business from upstream (planting), midstream (extraction) to downstream (production). The capex for this project is THB100m and THG expects total revenue of THB1.0b for the first three years of operation.

Revised core profit; maintain HOLD due to expensive valuation

We revise up our 2021E core profit by 222% and our 2022-23E core profit by 9-11% to reflect the strong 3Q21 earnings and better outlook, with a new 2022 DCF-based TP of THB32.5. However, we maintain our HOLD rating due to its expensive valuation of 46x 2023E P/E compared to its peers' average of 34x. We recommend waiting until THG succeeds in selling a big lot of Jin Wellbeing units before increasing exposure, as it could reduce the interest expense and improve its P/L.

KEY STOCK DATA

YE Dec (THB m)	2020	2021E	2022E	2023E
Revenue	7,315	9,856	8,952	9,740
Net profit	62	927	454	624
EPS (THB)	0.07	1.09	0.54	0.74
vs Consensus (%)	-	70.8	32.4	54.8
EBITDA	983	2,191	1,572	1,826
Core net profit	(31)	927	454	624
Core EPS (THB)	(0.04)	1.09	0.54	0.74
Chg. In EPS est. (%)	nm	222.1	9.1	11.2
EPS growth (%)	nm	nm	(51.0)	37.5
Core P/E (x)	(918.5)	30.9	63.1	45.9
Dividend yield (%)	0.9	2.3	1.1	1.5
EV/EBITDA (x)	39.3	18.0	25.1	21.5
Price/book (x)	3.6	3.3	3.4	3.3
Net debt/Equity (%)	115.0	114.6	117.1	111.2
ROE (%)	(0.4)	11.3	5.4	7.3



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	0.0	8.9	44.2
Relative to country (%)	2.1	10.3	30.4
Mkt cap (USD m)	845		
3m avg. daily turnover (USD m)	0.8		
Free float (%)	49		
Major shareholder	Ramkhamhaeng Hospital (17%)		
12m high/low (THB)	34.50/22.90		
Issued shares (m)	849.08		

Sources: Bloomberg consensus; FSSIA estimates



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Investment thesis

THG is in an expansion mode, as it opened three hospitals during 2018-19. We expect those three hospitals to turn profitable by 2022, which should improve the overall performance of the group.

Aside from the new hospitals that impacted group earnings, Jin Wellbeing is also a drag on THG, as it missed its presales target, while Covid-19 should slow the demand for condominiums. The project's fixed costs and interest expenses should continue to be a burden on the group.

We like THG's fundamentals, but have a HOLD rating due to the uncertainty over Jin Wellbeing and the turnaround times of its new hospitals.

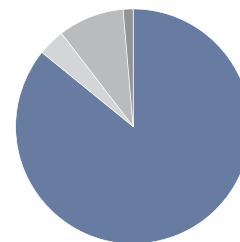
Company profile

The Company operates a medical treatment business under nine hospitals, as well as a healthcare solution provider business.

www.thg.co.th

Principal activities (revenue, 2020)

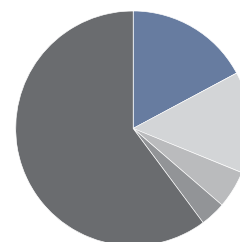
- Revenue from hospital operations - 85.8 %
- Revenue from sale of goods - 3.7 %
- Revenue from other services - 9.1 %
- Revenue from sales of condominium unit - 1.4 %



Source: Thonburi Healthcare Group

Major shareholders

- Ramkhamhaeng Hospital - 17.2 %
- Jaruvan Vanasin - 14.0 %
- Aumnua Aunnanan - 5.2 %
- Asa Meksawan - 3.5 %
- Others - 60.2 %



Source: Thonburi Healthcare Group

Catalysts

Key growth drivers are 1) the turnaround of new hospitals; 2) the rising demand of medical tourism; and 3) big-lot sales for Jin Wellbeing.

Risks to our call

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.

Event calendar

Date	Event
Feb 2022	4Q21 results announcement

Key assumptions

	2021E	2022E	2023E
	(%)	(%)	(%)
OPD volume growth	(3)	4	5
OPD revenue / patient growth	17	(3)	3
IPD volume growth	(1)	4	5
IPD revenue / patient growth	30	(3)	3
Jin transferred (units)	14	30	50

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in patient volume, we project 2021 earnings to rise by 8%, and vice versa, all else being equal.
- For every 1% increase in EBITDA margin, we project 2021 earnings to rise by 57%, and vice versa, all else being equal.

Source: FSSIA estimates

Exhibit 1: 3Q21 results review

	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	1,913	1,882	1,566	1,906	3,861	103	102	5,433	7,333	35	9,856
COGS (incl depreciation)	(1,464)	(1,433)	(1,336)	(1,413)	(2,424)	72	66	(4,314)	(5,173)	20	(7,076)
Gross profit	448	449	230	493	1,437	191	221	1,118	2,160	93	2,779
SG&A	(335)	(349)	(341)	(335)	(430)	28	28	(1,061)	(1,107)	4	(1,453)
Operating profit	113	100	(111)	158	1,006	538	790	57	1,053	1,758	1,326
Net other income	23	26	18	41	20	(50)	(12)	86	79	(9)	117
Interest expense	(76)	(75)	(71)	(72)	(77)	8	1	(206)	(221)	7	(299)
Pretax profit	60	51	(165)	127	949	649	1,492	(63)	911	nm	1,144
Income tax	(39)	(25)	(13)	(29)	(98)	238	152	(68)	(139)	104	(183)
Associates income	7	12	7	7	29	298	350	20	44	n/a	(54)
JV income	15	(10)	(32)	(27)	(49)	78	(434)	12	(109)		
Minority interest	6	3	8	12	(0)	(103)	(106)	36	19	(46)	20
Core profit	48	31	(195)	90	831	829	1,650	(63)	726	nm	927
Extraordinaries, GW & FX	28	(1)	(20)	(5)	2	(130)	(94)	94	(24)	n/a	0
Reported net profit	75	31	(215)	84	833	890	1,008	32	702	2,113	927
Outstanding shares (m)	849	849	849	849	849	0	0	849	849	0	849
Core EPS (THB)	0.09	0.04	(0.25)	0.10	0.98	890	1,008	0.04	0.83	n/a	1.09
								0	0		
COGS excl depreciation	1,246	1,217	1,113	1,185	2,184	84	75	3,704	4,482	21	6,211
Depreciation	218	216	223	228	240	5	10	611	691	13	865
EBITDA	354	342	130	427	1,266	197	258	754	1,823	142	2,308
Key ratios	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)	(%)	(ppt)	(%)
Gross margin	23	24	15	26	37	11	14	21	29	9	28
SG&A/Revenue	18	19	22	18	11	(6)	(6)	20	15	(4)	15
EBITDA margin	19	18	8	22	33	10	14	14	25	11	22
Net profit margin	4	2	(14)	4	22	17	18	1	10	9	9
Operating stats	(y-y %)	(y-y %)	(y-y %)	(y-y %)	(y-y %)						
OPD revenue growth	(6)	(7)	(8)	12	n/a						
OPD visits growth	(14)	(11)	(15)	5	(13)						
OPD revenue per head growth	9	4	1	7	25						
IPD revenue growth	(15)	(8)	(14)	13	n/a						
IPD visits growth	(32)	(20)	(28)	0	(10)						
IPD revenue per head growth	25	15	20	13	18						

Sources: THG; FSSIA estimates

Exhibit 2: Forecast revisions

	----- Current -----			----- Previous -----			----- Change -----		
	2021E	2022E	2023E	2021E	2022E	2023E	2021E	2022E	2023E
	(THB b)	(THB b)	(THB b)	(THB b)	(THB b)	(THB b)	(%)	(%)	(%)
OPD patient revenue	2.8	2.8	3.0	2.8	3.0	3.3	0.2	(7.4)	(7.4)
IPD patient revenue	2.9	3.7	3.7	2.9	3.2	3.5	0.0	13.6	5.0
Jin Wellbeing revenue	0.1	0.3	0.4	0.4	0.4	0.5	(78.3)	(35.0)	(13.3)
Revenue	9.9	9.0	9.7	8.6	9.4	10.3	14.9	(5.2)	(5.3)
EBITDA margin (%)	22.2	17.6	18.7	16.5	16.6	17.0	5.8	1.0	1.8
Core profit	927	454	624	288	416	562	222.1	9.1	11.2

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

Sources: THG; FSSIA estimate

Exhibit 3: THG – DCF-derived TP

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	1.1		
Cost of equity, Ke	11.8	Net cost of debt, Kd	2.8
Weight applied	60.0	Weight applied	40.0
WACC	8.2		

DCF valuation estimate	(THB b)	(THB/share)	Comments
NPV	11.6	13.7	WACC 8.2%, Risk-free rate 3%, Risk premium 8%
Terminal value	24.7	29.1	Terminal growth 3%
Cash & liquid assets	0.4	0.4	At end-2022E
Investments	2.0	2.3	At end-2022E
Debt	(10.7)	(12.6)	At end-2022E
Minorities	(0.4)	(0.5)	At end-2022E
Residual ordinary equity	27.6	32.5	

Source: FSSIA estimates

Exhibit 4: Peers comparison as of 29 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	22.70	29.00	27.8	10,701	52.2	35.7	8.1	11.6	4.3	4.0	22.8	17.9
Bumrungrad Hospital	BH TB	BUY	146.50	170.00	16.0	3,453	122.0	49.3	5.4	13.2	6.8	6.2	48.8	26.4
Bangkok Chain Hospital	BCH TB	BUY	21.70	28.50	31.3	1,605	9.7	29.4	59.5	16.2	4.5	5.0	6.7	16.3
Chularat Hospital	CHG TB	BUY	3.88	4.70	21.1	1,266	14.2	30.3	57.2	22.4	6.6	7.0	9.9	19.1
Praram 9 Hospital	PR9 TB	BUY	10.90	14.00	28.4	254	39.2	23.9	5.2	8.2	2.0	1.9	14.1	10.6
Thonburi Healthcare Group	THG TB	HOLD	33.75	32.50	(3.7)	845	30.9	63.1	11.3	5.4	3.3	3.4	18.0	25.1
Vibhavadi Medical Center	VIBHA TB	BUY	2.26	2.80	23.9	910	47.4	38.1	8.6	8.8	3.7	2.8	28.9	24.8
Ramkhamhaeng Hospital	RAM TB	BUY	31.00	45.00	45.2	1,103	21.8	21.3	13.6	13.9	3.0	2.9	15.3	15.2
Rajthanee Hospital	RJH TB	n/a	34.50	n/a	n/a	306	14.0	21.9	45.0	25.8	6.9	5.7	9.8	14.7
Ekachai Medical Care	EKH TB	n/a	8.35	n/a	n/a	147	16.6	27.2	30.0	16.3	5.7	4.8	10.8	15.6
Thailand average						20,590	36.8	34.0	24.4	14.2	4.7	4.4	18.5	18.6
Regional														
Ramsay Health Care	RHC AU	n/a	66.20	n/a	n/a	10,944	32.6	36.4	11.3	10.2	3.7	3.7	12.6	12.7
Ihh Healthcare Bhd	IHH SP	n/a	2.12	n/a	n/a	13,539	41.3	36.3	5.8	6.3	2.5	2.4	17.2	16.1
Ryman Healthcare	RYM NZ	n/a	12.10	n/a	n/a	4,197	26.5	26.1	12.2	7.7	2.7	2.4	31.4	19.7
Apollo Hospitals Enterprise	APHS IN	n/a	5,728	n/a	n/a	10,963	959.2	93.7	2.4	17.7	22.7	19.5	74.9	37.5
Kpj Healthcare Berhad	KPJ MK	n/a	1.04	n/a	n/a	1,061	65.0	25.4	3.6	8.1	2.3	2.1	15.3	11.9
Raffles Medical Group	RFMD SP	n/a	1.41	n/a	n/a	1,883	33.7	33.7	8.4	8.6	3.0	2.8	18.7	17.7
Mitra Keluarga Karyasehat	MIKA IJ	n/a	2,360	n/a	n/a	2,302	29.5	32.3	20.6	18.1	6.8	5.8	18.9	20.4
Aier Eye Hospital Group	300015 CH	n/a	43.47	n/a	n/a	36,212	97.7	74.0	19.7	21.7	27.1	18.9	57.6	45.5
Regional average						81,101	160.7	44.7	10.5	12.3	8.8	7.2	30.8	22.7
Overall average						101,691	91.9	38.8	18.2	13.3	6.5	5.6	24.0	20.4

Sources: Bloomberg; FSSIA estimates

Financial Statements

Thonburi Healthcare Group

Profit and Loss (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Revenue	8,232	7,315	9,856	8,952	9,740
Cost of goods sold	(5,705)	(4,921)	(6,211)	(5,869)	(6,343)
Gross profit	2,527	2,394	3,644	3,084	3,397
Other operating income	-	-	-	-	-
Operating costs	(1,352)	(1,411)	(1,453)	(1,511)	(1,572)
Operating EBITDA	1,175	983	2,191	1,572	1,826
Depreciation	(613)	(827)	(865)	(889)	(921)
Goodwill amortisation	-	-	-	-	-
Operating EBIT	562	156	1,326	684	905
Net financing costs	(216)	(281)	(299)	(308)	(310)
Associates	(67)	35	(54)	66	58
Recurring non-operating income	71	147	63	188	185
Non-recurring items	141	94	0	0	0
Profit before tax	558	116	1,090	564	780
Tax	(98)	(93)	(183)	(100)	(144)
Profit after tax	460	23	907	464	635
Minority interests	3	40	20	(10)	(11)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	462	62	927	454	624
Non-recurring items & goodwill (net)	(141)	(94)	0	0	0
Recurring net profit	322	(31)	927	454	624
Per share (THB)					
Recurring EPS *	0.38	(0.04)	1.09	0.54	0.74
Reported EPS	0.54	0.07	1.09	0.54	0.74
DPS	0.40	0.30	0.76	0.37	0.51
Diluted shares (used to calculate per share data)	849	849	849	849	849
Growth					
Revenue (%)	16.0	(11.1)	34.7	(9.2)	8.8
Operating EBITDA (%)	19.2	(16.3)	122.9	(28.2)	16.1
Operating EBIT (%)	8.2	(72.2)	748.3	(48.4)	32.3
Recurring EPS (%)	13.8	nm	nm	(51.0)	37.5
Reported EPS (%)	33.0	(86.5)	1,384.2	(51.0)	37.5
Operating performance					
Gross margin inc. depreciation (%)	23.3	21.4	28.2	24.5	25.4
Gross margin of key business (%)	23.3	21.4	28.2	24.5	25.4
Operating EBITDA margin (%)	14.3	13.4	22.2	17.6	18.7
Operating EBIT margin (%)	6.8	2.1	13.5	7.6	9.3
Net margin (%)	3.9	(0.4)	9.4	5.1	6.4
Effective tax rate (%)	20.3	(779.1)	16.0	20.0	20.0
Dividend payout on recurring profit (%)	105.6	(816.4)	70.0	70.0	70.0
Interest cover (X)	2.9	1.1	4.6	2.8	3.5
Inventory days	80.1	101.2	89.7	103.0	96.4
Debtor days	48.7	66.8	59.2	82.5	88.0
Creditor days	117.0	99.9	72.9	83.8	78.4
Operating ROIC (%)	3.3	8.7	6.5	3.1	4.1
ROIC (%)	3.1	14.6	6.0	3.5	4.4
ROE (%)	3.9	(0.4)	11.3	5.4	7.3
ROA (%)	2.6	11.8	5.5	3.3	4.1
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Revenue from hospital operations	6,750	6,279	9,202	8,078	8,717
Revenue from sale of goods	318	271	299	314	329
Revenue from other services	736	665	285	357	390
Revenue from sales of condominium unit	428	99	70	204	304

Sources: Thonburi Healthcare Group; FSSIA estimates

Financial Statements

Thonburi Healthcare Group

Cash Flow (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Recurring net profit	322	(31)	927	454	624
Depreciation	613	827	865	889	921
Associates & minorities	-	-	-	-	-
Other non-cash items	70	(103)	(20)	10	11
Change in working capital	(1,356)	(689)	(1,130)	(138)	(494)
Cash flow from operations	(351)	4	642	1,215	1,063
Capex - maintenance	(1,973)	(1,495)	(1,130)	(565)	(565)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	(182)	513	0	0	0
Other investments (net)	-	-	-	-	-
Cash flow from investing	(2,155)	(982)	(1,130)	(565)	(565)
Dividends paid	(380)	(255)	(255)	(649)	(318)
Equity finance	0	0	0	0	0
Debt finance	2,780	1,096	500	100	0
Other financing cash flows	(41)	(106)	14	(7)	(8)
Cash flow from financing	2,359	735	259	(556)	(326)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	(147)	(243)	(229)	95	172
Free cash flow to firm (FCFF)	(2,289.96)	(697.71)	(189.05)	958.45	807.22
Free cash flow to equity (FCFE)	233.08	11.29	25.58	743.37	490.00

Per share (THB)

FCFF per share	(2.70)	(0.82)	(0.22)	1.13	0.95
FCFE per share	0.27	0.01	0.03	0.88	0.58
Recurring cash flow per share	1.18	0.82	2.09	1.59	1.83

Balance Sheet (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Tangible fixed assets (gross)	16,300	18,416	19,546	20,111	20,676
Less: Accumulated depreciation	(3,817)	(5,240)	(6,105)	(6,994)	(7,915)
Tangible fixed assets (net)	12,482	13,176	13,441	13,118	12,762
Intangible fixed assets (net)	0	0	0	0	0
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	2,495	1,982	1,982	1,982	1,982
Cash & equivalents	739	496	266	361	533
A/C receivable	1,325	1,351	1,844	2,202	2,494
Inventories	1,379	1,350	1,704	1,610	1,740
Other current assets	1,582	1,696	2,285	2,075	2,258
Current assets	5,025	4,892	6,099	6,248	7,025
Other assets	283	229	229	229	229
Total assets	20,285	20,280	21,752	21,578	21,999
Common equity	8,296	7,895	8,567	8,373	8,679
Minorities etc.	486	436	430	433	436
Total shareholders' equity	8,781	8,331	8,997	8,806	9,115
Long term debt	6,272	7,211	7,711	7,811	7,811
Other long-term liabilities	798	726	726	726	726
Long-term liabilities	7,070	7,937	8,437	8,537	8,537
A/C payable	1,598	1,097	1,385	1,309	1,415
Short term debt	2,705	2,862	2,862	2,862	2,862
Other current liabilities	130	52	70	64	70
Current liabilities	4,433	4,012	4,318	4,235	4,346
Total liabilities and shareholders' equity	20,285	20,280	21,752	21,578	21,999
Net working capital	2,558	3,247	4,377	4,514	5,008
Invested capital	17,818	18,635	20,030	19,844	19,982

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

Per share (THB)

Book value per share	9.77	9.30	10.09	9.86	10.22
Tangible book value per share	9.77	9.30	10.09	9.86	10.22

Financial strength

Net debt/equity (%)	93.8	115.0	114.6	117.1	111.2
Net debt/total assets (%)	40.6	47.2	47.4	47.8	46.1
Current ratio (x)	1.1	1.2	1.4	1.5	1.6
CF interest cover (x)	2.1	1.0	1.1	3.4	2.6

Valuation	2019	2020	2021E	2022E	2023E
Recurring P/E (x) *	89.1	(918.5)	30.9	63.1	45.9
Recurring P/E @ target price (x) *	85.8	(884.4)	29.8	60.7	44.2
Reported P/E (x)	62.0	459.0	30.9	63.1	45.9
Dividend yield (%)	1.2	0.9	2.3	1.1	1.5
Price/book (x)	3.5	3.6	3.3	3.4	3.3
Price/tangible book (x)	3.5	3.6	3.3	3.4	3.3
EV/EBITDA (x) **	31.8	39.3	18.0	25.1	21.5
EV/EBITDA @ target price (x) **	30.9	38.3	17.5	24.4	20.9
EV/invested capital (x)	2.1	2.1	2.0	2.0	2.0

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

Sources: Thonburi Healthcare Group; 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	ICI	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	TSC	TSR	TSTE	TSTH	TTA
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
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.
Bangkok Dusit Medical Services	BDMS TB	THB 22.70	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 146.50	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 21.70	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 3.88	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.
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.
Vibhavadi Medical Center	VIBHA TB	THB 2.26	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 31.00	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 Finasia 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 Finasia Syrus Securities Public Company Limited, which is the parent company of FSSIA.

All share prices are as at market close on 29-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.