

1 DECEMBER 2021

THAILAND / HEALTHCARE

RAMKHAMHAENG HOSPITAL

RAM TB

BUY

UNCHANGED

| | |
|-----------------|----------|
| TARGET PRICE | THB48.00 |
| CLOSE | THB31.25 |
| UP/DOWNSIDE | +53.6% |
| PRIOR TP | THB45.00 |
| CHANGE IN TP | +6.7% |
| TP vs CONSENSUS | +66.1% |

เพชรที่รอการค้นพบ

กำไร 3Q21 และระดับสูงสุดเป็นประวัติการณ์และสูงกว่าคาด

RAM รายงานกำไรจากการดำเนินงานสูงเป็นประวัติการณ์ถึง 1.5 พัน ลบ. ใน 3Q21 (+1,273% y-y, +193% q-q) สูงกว่าที่เราคาด 156% จากรายได้ที่สูงเกินคาดจาก Vibharam (VBR, not listed) รายได้จากการขายเครื่องมือแพทย์และส่วนแบ่งรายได้จากบริษัทร่วมจากผลประกอบการที่ดีของ Synphaet THG VIBHA และ RJH

ผลการประชุมนักวิเคราะห์ครั้งแรกเป็นบวก

RAM จัดประชุมนักวิเคราะห์เป็นครั้งแรกเมื่อวันที่ 30 พ.ย. ผู้บริหารคาดการณ์ถึงการเติบโตที่ดีจากภายใน แม้ว่าตัวเลขผู้ป่วย Covid จะชะลอตัว เนื่องจากผู้ป่วยที่ไม่ได้เป็น Covid ได้ค่อย ๆ พื้นตัวขึ้น ในขณะที่กลุ่ม VBR ได้ปรับกลยุทธ์ไปมุ่งเน้นผู้ป่วยที่ไม่ได้เป็น Covid พร้อมกับพยายามเพิ่มจำนวนผู้ประกันตนจดทะเบียนภายใต้ระบบประกันสังคมให้มากขึ้นจากลูกค้าใหม่ที่เข้ามาใช้บริการที่เกี่ยวข้องกับ Covid ในช่วงปีที่ผ่านมา รายได้จากเครื่องมือแพทย์ยังทรงตัวอยู่ในระดับสูงเมื่อเทียบกับระดับก่อน Covid จากความต้องการที่อยู่ในระดับสูงของทั้งบริการที่เกี่ยวข้องกับ Covid และการรักษาพยาบาลทั่วไป ซึ่งทำให้เราคาดว่ากำไรจากการดำเนินงานใน 4Q21 จะเพิ่มมากกว่าเท่าตัว y-y เป็นประมาณ 500 ลบ. แต่ลดลง q-q จากตัวเลขผู้ป่วย Covid ที่ลดลง

การพลิกฟื้นของการดำเนินงานของโรงพยาบาลพันธมิตรจะช่วยผลักดันกำไร

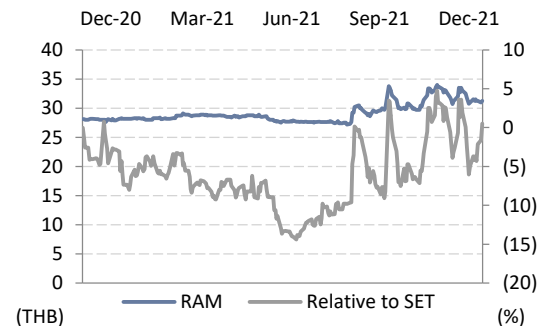
เราคาดการณ์ถึงกำไรที่ 1.8 พัน ลบ. ในปี 2022 ซึ่งสูงกว่าปี 2019 ถึง 25% นอกจากการเติบโตที่ดีจากภายในที่ได้กล่าวไว้แล้ว RAM น่าจะได้ประโยชน์อย่างต่อเนื่องจากรายได้ที่เกี่ยวข้องกับ Covid ซึ่งน่าจะกลายเป็นรายได้ประจำต่อไปในอนาคต นอกจากนี้ RAM น่าจะเริ่มบันทึกกำไรจากการฉีดวัคซีน Moderna ตั้งแต่ 4Q21 ถึง 1H22 VBR และบริษัทร่วมสำคัญบางแห่งประกอบด้วย THG และ VIBHA ได้พลิกฟื้นโรงพยาบาลที่ขาดทุนในอดีต และเราเชื่อว่าโรงพยาบาลดังกล่าวจะไม่กลับไปผลขาดทุนอีกจากฐานลูกค้าที่ใหญ่ขึ้น

ปรับประมาณการกำไรขึ้น; คาดตลาดจะออกรายงานเพิ่มขึ้น

เราปรับเพิ่มประมาณการกำไรจากการดำเนินงานปี 2021 ขึ้น 65% และปี 2022-23 ขึ้น 4-6% เพื่อสะท้อนผลประกอบการที่ดีใน 3Q21 และแนวโน้มที่ดีของโรงพยาบาลพันธมิตร ซึ่งทำให้เราได้ราคาเป้าหมายใหม่ที่ 48 บาท (DCF) หลังหักส่วนลดสภาพคล่อง 10% ปัจจุบัน RAM มีการซื้อขายในระดับการประเมินมูลค่าที่ไม่สมเหตุสมผลโดยอยู่ที่ 21x ของค่า 2022E P/E ซึ่งต่ำกว่าค่าเฉลี่ยของกลุ่มที่ 34x ปัจจุบันอยู่ในระยะสั้นจะอยู่ที่รายงานเพิ่มเติมจากนักวิเคราะห์รายอื่น เนื่องจาก RAM เป็นหุ้นที่มีการรายงานผลการวิเคราะห์ที่ต่ำกว่าที่ควร โดยมีนักวิเคราะห์เพียง 2 รายที่ทำการศึกษา นอกจากนี้การเสนอขายหุ้นเป็นการเฉพาะเจาะจงที่กำลังจะมาถึงเป็นจำนวน 5% ของหุ้นที่เหลืออยู่ นอกจากนี้จะเสริมสร้างฐานะการเงินให้ดีขึ้นเพื่อสนับสนุน 4 โครงการใหม่ จะยังช่วยปรับปรุงสภาพคล่อง (Free Float) ให้เพิ่มขึ้นจาก 20% ในปัจจุบันอีกด้วย

KEY STOCK DATA

| YE Dec (THB m) | 2020 | 2021E | 2022E | 2023E |
|----------------------|--------|--------|--------|--------|
| Revenue | 7,822 | 12,182 | 9,788 | 10,273 |
| Net profit | 632 | 2,970 | 1,828 | 2,031 |
| EPS (THB) | 0.53 | 2.48 | 1.52 | 1.69 |
| vs Consensus (%) | - | 55.5 | 42.7 | 85.7 |
| EBITDA | 1,404 | 5,495 | 3,438 | 3,744 |
| Core net profit | 632 | 2,806 | 1,828 | 2,031 |
| Core EPS (THB) | 0.53 | 2.34 | 1.52 | 1.69 |
| Chg. In EPS est. (%) | - | 64.7 | 4.5 | 5.7 |
| EPS growth (%) | (57.1) | 344.0 | (34.9) | 11.1 |
| Core P/E (x) | 59.3 | 13.4 | 20.5 | 18.5 |
| Dividend yield (%) | 2.3 | 4.5 | 3.4 | 3.8 |
| EV/EBITDA (x) | 36.5 | 9.2 | 14.6 | 13.1 |
| Price/book (x) | 2.9 | 2.8 | 2.7 | 2.6 |
| Net debt/Equity (%) | 48.5 | 40.3 | 36.6 | 28.9 |
| ROE (%) | 5.0 | 21.3 | 13.5 | 14.5 |



| Share price performance | 1 Month | 3 Month | 12 Month |
|--------------------------------|--------------|---------|----------|
| Absolute (%) | (4.1) | 4.2 | 11.6 |
| Relative to country (%) | (0.8) | 8.8 | 0.2 |
| Mkt cap (USD m) | 1,113 | | |
| 3m avg. daily turnover (USD m) | 1.0 | | |
| Free float (%) | 20 | | |
| Major shareholder | F&S 79 (23%) | | |
| 12m high/low (THB) | 34.60/27.10 | | |
| Issued shares (m) | 1,200.00 | | |

Sources: Bloomberg consensus; FSSIA estimates



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บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 1 ธันวาคม 2021

Investment thesis

RAM currently operates 17 hospitals with a capacity of more than 2,400 beds. We think the stock is undervalued due to its complicated structure and lack of trading liquidity. RAM recently split its par and plans to increase its free float through private placement under general mandate for 5% of existing shares.

RAM has diversified its portfolio both geographically and through its revenue mix. RAM has several hospital brands to capture patients from the middle-income to high-income segments.

RAM is in an expansion mode. Its organic growth should be driven by VBR, which is in a harvesting period after investing in greenfield hospitals. RAM also has four projects in the pipeline which should lift its capacity by almost 30% (based on RAM's stake) by 2024.

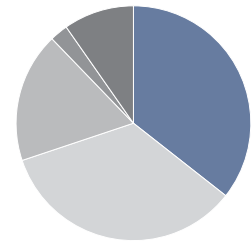
Company profile

RAM is a private hospital which opened in 1988. Currently, RAM operates 17 hospitals with a capacity of more than 2,000 beds. It is the second largest private hospital operator in Thailand in terms of registered beds.

www.ram-hosp.co.th

Principal activities (revenue, 2020)

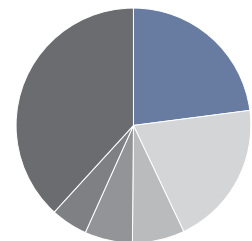
- Cash patient - OPD - 35.6 %
- Cash patient - IPD - 34.3 %
- SSO - 17.9 %
- NHSO - 2.5 %
- Sales of medical equipment - 9.7 %



Source: Ramkhamhaeng Hospital

Major shareholders

- F&S 79 - 23.0 %
- Cypress Consolidated Healthcare - 20.0 %
- Chiangmai Ram Hospital - 7.2 %
- Synphaet - 6.6 %
- Vibhavadi Hospital PCL - 5.1 %



Source: Ramkhamhaeng Hospital

Catalysts

Key growth drivers include 1) an improving EBITDA margin led by new hospitals and a larger share of profits and dividend income from its subsidiaries; 2) more Social Security Office (SSO) registered members via the VBR group; and 3) benefitting from the economies of scale due to its large network.

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) losses from its subsidiary companies.

Event calendar

| Date | Event |
|----------|---------------------------|
| Feb 2022 | 4Q21 results announcement |

Key assumptions

| | 2021E | 2022E | 2023E |
|--------------------------------------|-------|-------|-------|
| Ramkhamhaeng revenue growth (y-y %) | 13 | 0 | 5 |
| Ramkhamhaeng EBITDA margin (%) | 32 | 29 | 30 |
| Subsidiary revenue growth (y-y %) | 75 | (23) | 5 |
| Subsidiary EBITDA margin (%) | 32 | 25 | 27 |
| Share income - Synphaet (THB m) | 540 | 190 | 201 |
| Share income - Sukhumvit (THB m) | 120 | 70 | 74 |
| Share income - Chiangmai Ram (THB m) | 66 | 75 | 80 |
| Share income - VIBHA (THB m) | 180 | 90 | 111 |

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in patient volume, we project 2022 earnings to rise by 3%, and vice versa, all else being equal.
- For every 1% increase in EBITDA margin, we project 2022 earnings to rise by 5%, and vice versa, all else being equal.

Source: FSSIA estimates

Recap: 3Q21 results review

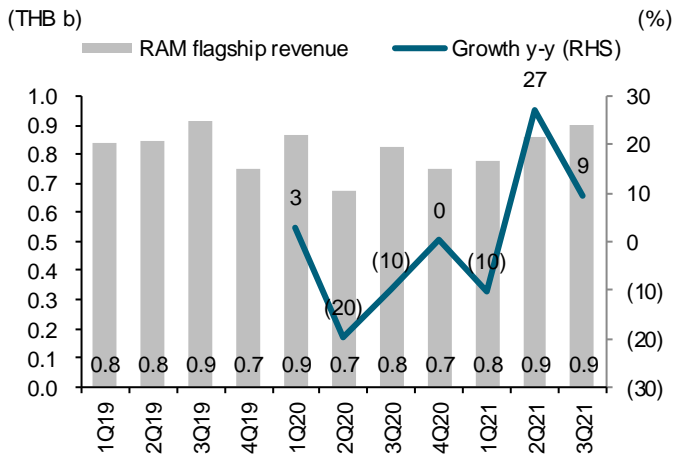
RAM reported a record high core profit of THB1.5b in 3Q21 (+1,273% y-y, +193% q-q), beating our estimate by 156% due to the higher-than-expected 1) revenue from VBR; 2) revenue from medical equipment sales; and 3) the share of income from its associates. Including a THB173m gain on a reclassification of investment, 3Q21 net profit was THB1.6b. Revenue jumped 85% q-q due to a 5% q-q revenue increase for RAM flagship, a 130% q-q increase for VBR, and a 158% q-q increase for revenues from sales of medical equipment. Strong revenue growth was driven by Covid-related revenue which contributed around 20% for RAM flagship and 70% for VBR. RAM flagship's EBITDA margin improved to 33% in 3Q21 from 30% in 2Q21, while the EBITDA margin of its subsidiaries improved to 51% from 20% in 2Q21. Share of income surged to THB718m in 3Q21 (vs THB177m in 2Q21) thanks to the strong performance of Synphaet, THG, VIBHA and RJH.

Exhibit 1: 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 | 1,763 | 2,167 | 2,194 | 2,550 | 4,710 | 85 | 167 | 5,656 | 9,454 | 67 | 12,182 |
| COGS (incl depreciation) | (1,502) | (1,602) | (1,718) | (1,826) | (2,570) | 41 | 71 | (4,622) | (6,114) | 32 | (7,969) |
| Gross profit | 262 | 565 | 476 | 724 | 2,140 | 195 | 718 | 1,034 | 3,340 | 223 | 4,212 |
| SG&A | (284) | (311) | (341) | (359) | (329) | (8) | 16 | (948) | (1,029) | 9 | (1,429) |
| Operating profit | (23) | 253 | 135 | 365 | 1,811 | 396 | (8,048) | 85 | 2,311 | 2,606 | 2,783 |
| Dividend income | 22 | 5 | 79 | 126 | 58 | (54) | 169 | 224 | 263 | | 275 |
| Net other income | 56 | 28 | 23 | 31 | 21 | (33) | (63) | 113 | 74 | (34) | 129 |
| Interest expenses | (56) | (55) | (56) | (60) | (61) | 2 | 8 | (156) | (177) | 13 | (242) |
| Pretax profit | (2) | 232 | 181 | 462 | 1,829 | 296 | nm | 266 | 2,471 | 829 | 2,946 |
| Income Tax | (43) | (40) | (26) | (41) | (299) | 621 | 596 | (108) | (366) | 239 | (501) |
| Associates | 41 | 73 | 141 | 177 | 718 | 305 | 1,652 | 46 | 1,036 | 2,140 | 1,311 |
| Minority interest | 111 | (26) | 44 | (93) | (766) | 726 | (787) | 189 | (815) | (532) | (950) |
| Core profit | 108 | 239 | 339 | 505 | 1,481 | 193 | 1,273 | 393 | 2,325 | 491 | 2,806 |
| Extraordinaries, GW & FX | 0 | 0 | 0 | 0 | 164 | | | 0 | 164 | | 164 |
| Reported net profit | 108 | 239 | 339 | 505 | 1,646 | 226 | 1,425 | 393 | 2,489 | 533 | 2,970 |
| Outstanding shares (m) | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 0 | 0 | 1,200 | 1,200 | 0 | 1,200 |
| Pre-ex EPS (THB) | 0.09 | 0.20 | 0.28 | 0.42 | 1.23 | 193 | 1,273 | 1.3 | 1.9 | 52 | 2.34 |
| EPS (THB) | 0.09 | 0.20 | 0.28 | 0.42 | 1.37 | 226 | 1,425 | 1.3 | 2.1 | 62 | 2.48 |
| COGS excl. depreciation | (1,322) | (1,398) | (1,443) | (1,547) | (2,318) | 50 | 75 | (4,109) | (5,308) | 29 | (6,844) |
| Depreciation | (180) | (204) | (275) | (279) | (253) | (9) | 40 | (513) | (807) | 57 | (1,126) |
| EBITDA | 178 | 436 | 455 | 741 | 2,081 | 181 | 1,067 | 779 | 3,278 | 321 | 4,071 |
| Key ratios | (%) | (%) | (%) | (%) | (%) | (ppt) | (ppt) | (%) | (%) | (ppt) | (%) |
| Gross margin | 15 | 26 | 22 | 28 | 45 | 17 | 31 | 18 | 35 | 17 | 35 |
| SG&A/Revenue | 16 | 14 | 16 | 14 | 7 | (7) | (9) | 17 | 11 | (6) | 12 |
| EBITDA margin | 10 | 20 | 21 | 29 | 44 | 15 | 34 | 13 | 34 | 21 | 33 |
| Net profit margin | 6 | 11 | 15 | 20 | 35 | 15 | 29 | 7 | 26 | 19 | 24 |
| Operating stats | (y-y %) | (y-y %) | (y-y %) | (y-y %) | (y-y %) | | | | | | |
| Ramkhamhaeng hospital revenue growth | (10) | 0 | (10) | 27 | 9 | | | | | | |
| Ramkhamhaeng EBITDA margin (%) | 28 | 30 | 30 | 30 | 33 | | | | | | |
| Subsidiary hospital revenue growth | | | 5 | 41 | 244 | | | | | | |
| Subsidiary EBITDA margin (%) | (11) | (3) | 10 | 20 | 51 | | | | | | |
| Share income - Synphaet (THB m) | 13 | 13 | 68 | 61 | 288 | | | | | | |
| Share income - THG (THB m) | | | | 19 | 174 | | | | | | |
| Share income - Sukhumvit (THB m) | 24 | 24 | 15 | 39 | 43 | | | | | | |
| Share income - Chiangmai Ram (THB m) | 1 | (7) | 37 | 4 | 15 | | | | | | |
| Share income - VIBHA (THB m) | 9 | 18 | 17 | 35 | 79 | | | | | | |
| Share income - RJH (THB m) | 14 | 17 | 13 | 16 | 58 | | | | | | |

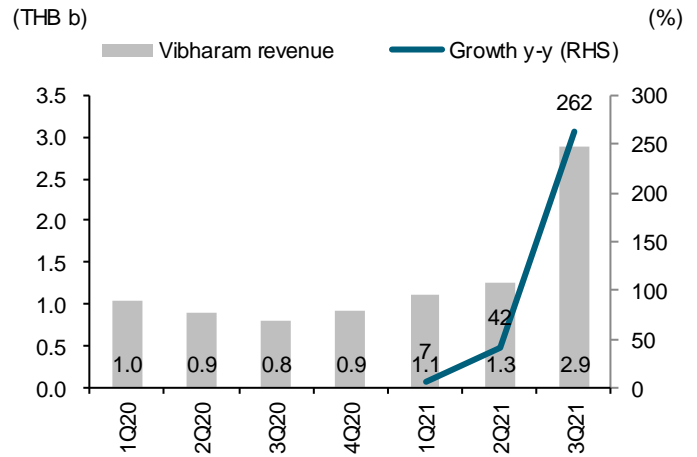
Sources: RAM; FSSIA estimates

Exhibit 2: RAM flagship revenue



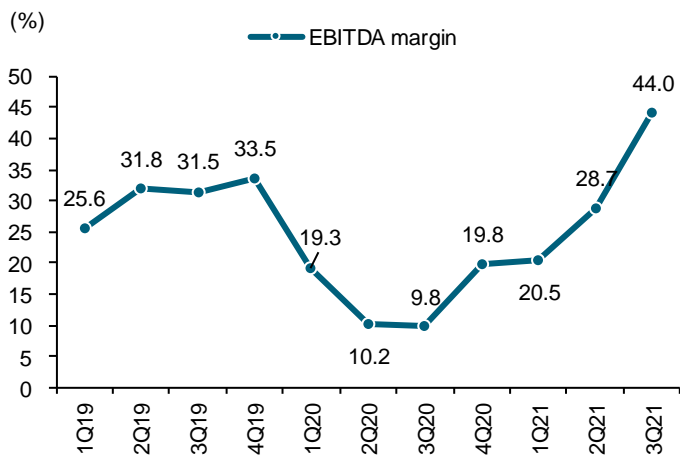
Sources: RAM; FSSIA estimates

Exhibit 3: VBR revenue



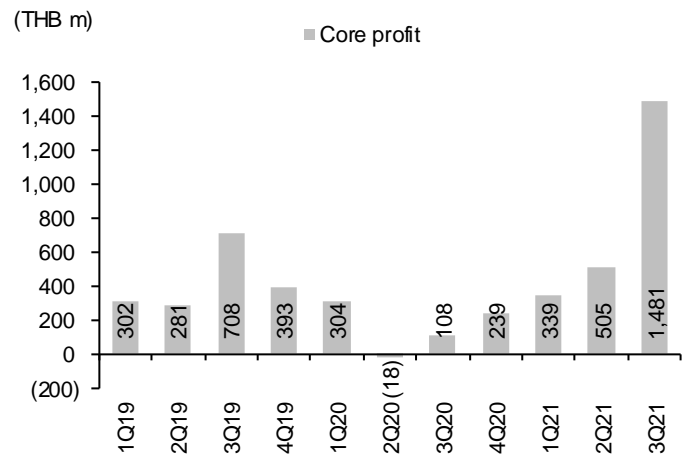
Sources: RAM; FSSIA estimates

Exhibit 4: EBITDA margin



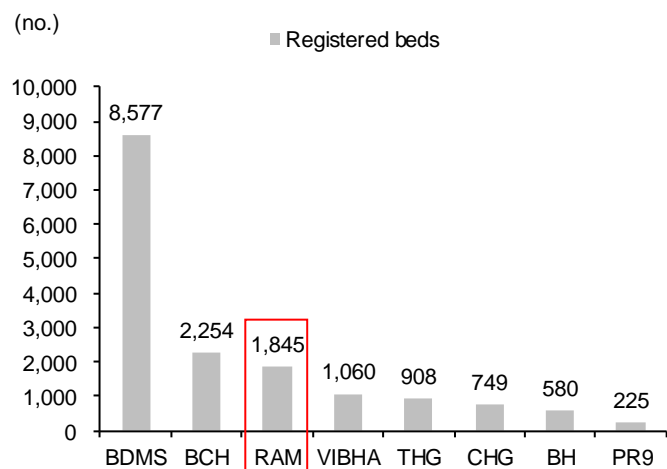
Sources: RAM; FSSIA estimates

Exhibit 5: Core profit



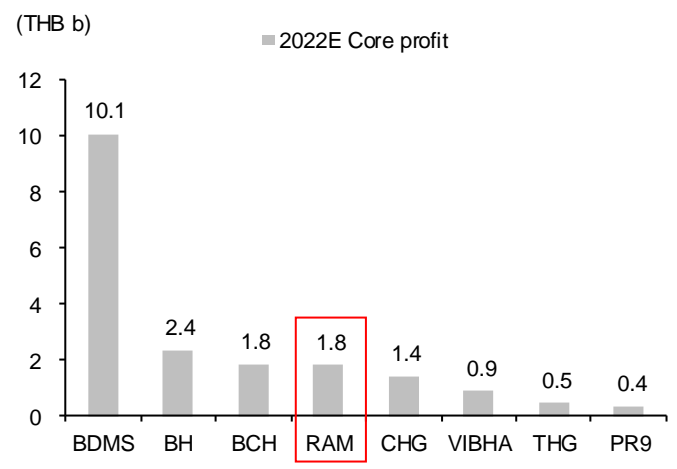
Sources: RAM; FSSIA estimates

Exhibit 6: Comparison of number of registered beds



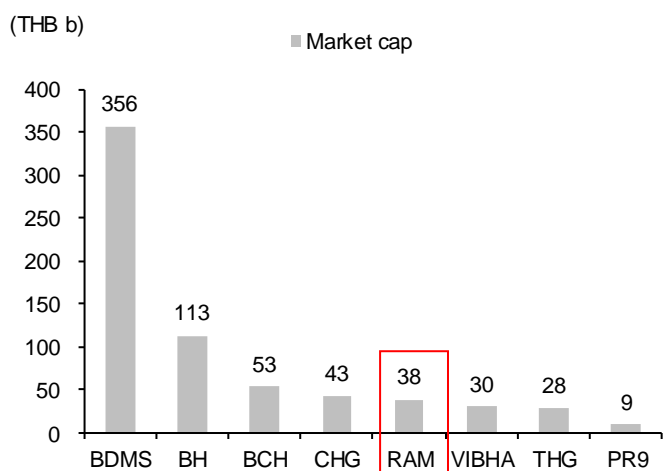
Note: Registered beds for RAM, VIBHA and THG based on equity beds
Source: FSSIA estimates

Exhibit 7: Comparison of 2022E core profit



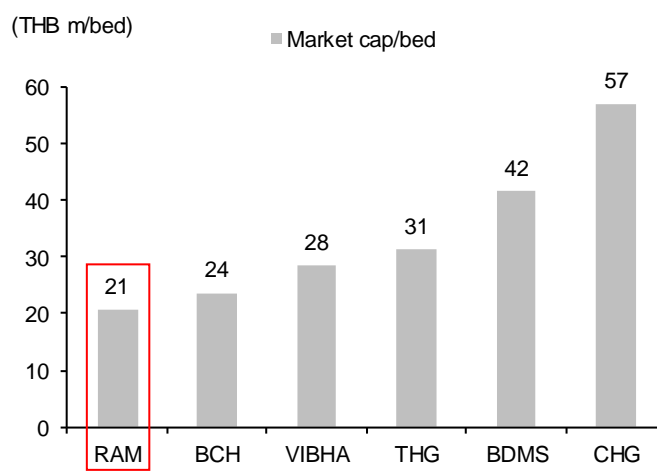
Source: FSSIA estimates

Exhibit 8: Comparison of market capital



Source: FSSIA estimates

Exhibit 9: Market capital per bed



Note: Excluding SVH TB which is owned by BDMS
Source: FSSIA estimates

Exhibit 10: Forecast revisions

| | Current | | | Previous | | | Change | | |
|---|------------------|------------------|------------------|------------------|------------------|------------------|--------------|--------------|--------------|
| | 2021E (THB b) | 2022E (THB b) | 2023E (THB b) | 2021E (THB b) | 2022E (THB b) | 2023E (THB b) | 2021E (%) | 2022E (%) | 2023E (%) |
| Revenue | 12,182 | 9,788 | 10,273 | 9,789 | 9,513 | 9,993 | 24 | 3 | 3 |
| EBITDA margin (%) | 45.1 | 35.1 | 36.4 | 34.2 | 34.6 | 35.5 | 11 | 0 | 1 |
| Core profit | 2,806 | 1,828 | 2,031 | 1,704 | 1,750 | 1,921 | 65 | 4 | 6 |
| Key assumptions | | | | | | | | | |
| RAM's flagship hospital revenue | 3,517 | 3,517 | 3,693 | 3,517 | 3,517 | 3,693 | 0 | 0 | 0 |
| Revenue from sales of medical equipment | 1,747 | 911 | 938 | 1,139 | 911 | 939 | 53 | (0) | (0) |
| Subsidiary hospital revenue | 6,918 | 5,360 | 5,642 | 5,133 | 5,085 | 5,361 | 35 | 5 | 5 |
| Share income | 1,311 | 587 | 637 | 623 | 579 | 600 | 111 | 1 | 6 |

Note: Change of items in percentage terms are represented in ppt change
Sources: RAM; FSSIA estimate

Exhibit 11: DCF-derived TP

| Cost of equity assumptions | (%) | | Cost of debt assumptions | (%) |
|----------------------------|---------|-------------|---|------|
| Risk-free rate | 3.0 | | Pre-tax cost of debt | 4.0 |
| Market risk premium | 8.0 | | Marginal tax rate | 20.0 |
| Stock beta | 0.9 | | | |
| Cost of equity, Ke | 10.2 | | Net cost of debt, Kd | 2.8 |
| Weight applied | 70.0 | | Weight applied | 30.0 |
| | | | | |
| WACC | 8.0 | | | |
| | | | | |
| DCF valuation estimate | (THB b) | (THB/share) | Comments | |
| NPV | 25.6 | 21.3 | WACC 8.0%, Risk-free rate 3%, Risk premium 8% | |
| Terminal value | 50.9 | 42.4 | Terminal growth 3% | |
| Cash & liquid assets | 1.5 | 1.2 | At end-2022E | |
| Investments | 0.0 | 0.0 | At end-2022E | |
| Debt | (8.5) | (7.1) | At end-2022E | |
| Minorities | (5.5) | (4.6) | At end-2022E | |
| Residual ordinary equity | 63.9 | 53.3 | | |
| Final TP | | 48.0 | Applied 10% liquidity discount | |

Source: FSSIA estimates

Exhibit 12: Peers comparison as of 30 Nov 2021

| Company | BBG | Rec | Share price | | | Market Cap | 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 | 22.30 | 29.00 | 30.0 | 10,521 | 51.3 | 35.1 | 8.1 | 11.6 | 4.2 | 4.0 | 22.4 | 17.6 |
| Bumrungrad Hospital | BH TB | BUY | 144.00 | 170.00 | 18.1 | 3,397 | 120.0 | 48.5 | 5.4 | 13.2 | 6.7 | 6.1 | 47.9 | 26.0 |
| Bangkok Chain Hospital | BCH TB | BUY | 21.40 | 28.50 | 33.2 | 1,584 | 9.5 | 29.0 | 59.5 | 16.2 | 4.5 | 4.9 | 6.6 | 16.0 |
| Chularat Hospital | CHG TB | BUY | 3.88 | 4.70 | 21.1 | 1,267 | 14.2 | 30.3 | 57.2 | 22.4 | 6.6 | 7.0 | 9.9 | 19.1 |
| Praram 9 Hospital | PR9 TB | BUY | 10.70 | 14.00 | 30.8 | 250 | 38.5 | 23.5 | 5.2 | 8.2 | 2.0 | 1.9 | 13.8 | 10.4 |
| Thonburi Healthcare Group | THG TB | HOLD | 34.00 | 32.50 | (4.4) | 852 | 31.2 | 63.5 | 11.3 | 5.4 | 3.4 | 3.4 | 18.1 | 25.2 |
| Vibhavadi Medical Center | VIBHA TB | BUY | 2.18 | 2.80 | 28.4 | 879 | 45.8 | 36.8 | 8.6 | 8.8 | 3.5 | 2.7 | 28.1 | 24.1 |
| Ramkhamhaeng Hospital | RAM TB | BUY | 31.25 | 48.00 | 53.6 | 1,113 | 13.4 | 20.5 | 21.3 | 13.5 | 2.8 | 2.7 | 9.2 | 14.6 |
| Rajthanee Hospital | RJH TB | n/a | 34.00 | n/a | n/a | 304 | 13.9 | 21.7 | 45.0 | 25.8 | 6.9 | 5.7 | 9.7 | 14.6 |
| Ekachai Medical Care | EKH TB | n/a | 8.20 | n/a | n/a | 147 | 16.6 | 27.2 | 30.0 | 16.3 | 5.7 | 4.8 | 10.7 | 15.4 |
| Thailand average | | | | | | 20,313 | 35.4 | 33.6 | 25.2 | 14.1 | 4.6 | 4.3 | 17.6 | 18.3 |
| Regional | | | | | | | | | | | | | | |
| Ramsay Health Care | RHC AU | n/a | 66.82 | n/a | n/a | 10,961 | 32.5 | 36.3 | 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 | 13,672 | 38.7 | 35.7 | 6.3 | 6.5 | 2.5 | 2.4 | 16.8 | 15.8 |
| Ryman Healthcare | RYM NZ | n/a | 12.25 | n/a | n/a | 4,199 | 26.3 | 26.0 | 12.2 | 7.7 | 2.7 | 2.4 | 31.3 | 19.6 |
| Apollo Hospitals Enterprise | APHS IN | n/a | 5,688 | n/a | n/a | 10,752 | 937.3 | 90.6 | 2.4 | 17.9 | 22.2 | 19.1 | 73.2 | 36.4 |
| Kpj Healthcare Berhad | KPJ MK | n/a | 1.03 | n/a | n/a | 1,060 | 64.4 | 25.1 | 3.2 | 7.7 | 2.3 | 2.1 | 15.5 | 11.8 |
| Raffles Medical Group | RFMD SP | n/a | 1.36 | n/a | n/a | 1,852 | 32.9 | 32.9 | 8.4 | 8.6 | 2.9 | 2.7 | 18.3 | 17.3 |
| Mitra Keluarga Karyasehat | MIKA IJ | n/a | 2,380 | n/a | n/a | 2,343 | 30.0 | 32.8 | 20.6 | 18.0 | 6.9 | 5.9 | 19.3 | 20.8 |
| Aier Eye Hospital Group | 300015 CH | n/a | 42.68 | n/a | n/a | 35,650 | 95.8 | 72.6 | 19.7 | 21.7 | 26.6 | 18.5 | 56.5 | 44.6 |
| Regional average | | | | | | 80,489 | 157.2 | 44.0 | 10.5 | 12.3 | 8.7 | 7.1 | 30.4 | 22.4 |
| Overall average | | | | | | 100,802 | 89.6 | 38.2 | 18.7 | 13.3 | 6.4 | 5.6 | 23.3 | 20.1 |

Sources: Bloomberg; FSSIA estimates

Financial Statements

Ramkhamhaeng Hospital

| Profit and Loss (THB m) Year Ending Dec | 2019 | 2020 | 2021E | 2022E | 2023E |
|---|--------------|--------------|--------------|--------------|--------------|
| Revenue | 4,448 | 7,822 | 12,182 | 9,788 | 10,273 |
| Cost of goods sold | (2,893) | (5,508) | (6,844) | (5,875) | (6,092) |
| Gross profit | 1,554 | 2,315 | 5,338 | 3,913 | 4,182 |
| Other operating income | 609 | 349 | 1,586 | 848 | 911 |
| Operating costs | (496) | (1,260) | (1,429) | (1,323) | (1,349) |
| Operating EBITDA | 1,668 | 1,404 | 5,495 | 3,438 | 3,744 |
| Depreciation | (188) | (716) | (1,126) | (1,159) | (1,204) |
| Goodwill amortisation | - | - | - | - | - |
| Operating EBIT | 1,480 | 687 | 4,369 | 2,279 | 2,539 |
| Net financing costs | (32) | (181) | (223) | (173) | (155) |
| Associates | - | - | - | - | - |
| Recurring non-operating income | 105 | 111 | 111 | 120 | 123 |
| Non-recurring items | (38) | 0 | 164 | 0 | 0 |
| Profit before tax | 1,514 | 617 | 4,421 | 2,226 | 2,508 |
| Tax | (200) | (148) | (501) | (287) | (355) |
| Profit after tax | 1,315 | 469 | 3,920 | 1,939 | 2,153 |
| Minority interests | 121 | 163 | (950) | (111) | (122) |
| Preferred dividends | - | - | - | - | - |
| Other items | - | - | - | - | - |
| Reported net profit | 1,436 | 632 | 2,970 | 1,828 | 2,031 |
| Non-recurring items & goodwill (net) | 38 | 0 | (164) | 0 | 0 |
| Recurring net profit | 1,474 | 632 | 2,806 | 1,828 | 2,031 |
| Per share (THB) | | | | | |
| Recurring EPS * | 1.23 | 0.53 | 2.34 | 1.52 | 1.69 |
| Reported EPS | 1.20 | 0.53 | 2.48 | 1.52 | 1.69 |
| DPS | 0.72 | 0.72 | 1.40 | 1.07 | 1.18 |
| Diluted shares (used to calculate per share data) | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 |
| Growth | | | | | |
| Revenue (%) | 8.2 | 75.9 | 55.7 | (19.6) | 5.0 |
| Operating EBITDA (%) | (1.3) | (15.8) | 291.4 | (37.4) | 8.9 |
| Operating EBIT (%) | (1.8) | (53.6) | 535.7 | (47.8) | 11.4 |
| Recurring EPS (%) | 90.6 | (57.1) | 344.0 | (34.9) | 11.1 |
| Reported EPS (%) | (22.9) | (56.0) | 369.9 | (38.5) | 11.1 |
| Operating performance | | | | | |
| Gross margin inc. depreciation (%) | 30.7 | 20.4 | 34.6 | 28.1 | 29.0 |
| Gross margin of key business (%) | 30.7 | 20.4 | 34.6 | 28.1 | 29.0 |
| Operating EBITDA margin (%) | 37.5 | 17.9 | 45.1 | 35.1 | 36.4 |
| Operating EBIT margin (%) | 33.3 | 8.8 | 35.9 | 23.3 | 24.7 |
| Net margin (%) | 33.1 | 8.1 | 23.0 | 18.7 | 19.8 |
| Effective tax rate (%) | 16.4 | 29.7 | 17.0 | 17.5 | 19.0 |
| Dividend payout on recurring profit (%) | 58.6 | 136.7 | 60.0 | 70.0 | 70.0 |
| Interest cover (X) | 49.1 | 4.4 | 20.1 | 13.8 | 17.2 |
| Inventory days | 75.0 | 45.6 | 45.1 | 54.1 | 49.1 |
| Debtor days | 37.9 | 43.1 | 43.6 | 64.8 | 67.0 |
| Creditor days | 35.0 | 27.0 | 31.0 | 37.2 | 33.7 |
| Operating ROIC (%) | 45.4 | 6.6 | 30.7 | 16.2 | 18.4 |
| ROIC (%) | 8.7 | 2.5 | 13.5 | 7.2 | 8.0 |
| ROE (%) | 12.0 | 5.0 | 21.3 | 13.5 | 14.5 |
| ROA (%) | 8.2 | 2.5 | 13.1 | 6.8 | 7.6 |
| * Pre-exceptional, pre-goodwill and fully diluted | | | | | |
| Revenue by Division (THB m) | | | | | |
| Cash patient - OPD | 1,681 | 2,784 | 3,582 | 3,479 | 3,670 |
| Cash patient - IPD | 1,951 | 2,681 | 3,353 | 3,279 | 3,455 |
| SSO | 0 | 1,402 | 1,542 | 1,619 | 1,700 |
| NHSO | 0 | 196 | 1,958 | 500 | 510 |

Sources: Ramkhamhaeng Hospital; FSSIA estimates

Financial Statements

Ramkhamhaeng Hospital

| Cash Flow (THB m) Year Ending Dec | 2019 | 2020 | 2021E | 2022E | 2023E |
|-----------------------------------|----------------|-----------------|----------------|----------------|----------------|
| Recurring net profit | 1,474 | 632 | 2,806 | 1,828 | 2,031 |
| Depreciation | 188 | 716 | 1,126 | 1,159 | 1,204 |
| Associates & minorities | - | - | - | - | - |
| Other non-cash items | (71) | 697 | 1,114 | 111 | 122 |
| Change in working capital | (385) | (663) | (495) | (115) | (120) |
| Cash flow from operations | 1,205 | 1,383 | 4,551 | 2,983 | 3,237 |
| Capex - maintenance | (42) | (8,952) | (731) | (587) | (616) |
| Capex - new investment | - | - | - | - | - |
| Net acquisitions & disposals | (3,088) | (1,327) | 0 | 0 | 0 |
| Other investments (net) | - | - | - | - | - |
| Cash flow from investing | (3,130) | (10,279) | (731) | (587) | (616) |
| Dividends paid | (1,073) | (810) | (864) | (1,684) | (1,279) |
| Equity finance | 0 | 0 | 0 | 0 | 0 |
| Debt finance | 3,113 | 5,063 | 0 | (800) | (1,100) |
| Other financing cash flows | 8 | 4,247 | (1,941) | (78) | (85) |
| Cash flow from financing | 2,047 | 8,500 | (2,805) | (2,561) | (2,465) |
| Non-recurring cash flows | - | - | - | - | - |
| Other adjustments | 0 | 0 | 0 | 0 | 0 |
| Net other adjustments | 0 | 0 | 0 | 0 | 0 |
| Movement in cash | 123 | (396) | 1,015 | (166) | 155 |
| Free cash flow to firm (FCFF) | (1,878.47) | (8,685.48) | 4,061.64 | 2,617.74 | 2,818.98 |
| Free cash flow to equity (FCFE) | 1,195.94 | 413.45 | 1,878.92 | 1,517.66 | 1,434.88 |

Per share (THB)

| | | | | | |
|-------------------------------|--------|--------|------|------|------|
| FCFF per share | (1.57) | (7.24) | 3.38 | 2.18 | 2.35 |
| FCFE per share | 1.00 | 0.34 | 1.57 | 1.26 | 1.20 |
| Recurring cash flow per share | 1.33 | 1.70 | 4.20 | 2.58 | 2.80 |

| Balance Sheet (THB m) Year Ending Dec | 2019 | 2020 | 2021E | 2022E | 2023E |
|---|---------------|---------------|---------------|---------------|---------------|
| Tangible fixed assets (gross) | 5,527 | 18,063 | 18,794 | 19,381 | 19,997 |
| Less: Accumulated depreciation | (3,658) | (7,958) | (9,084) | (10,242) | (11,446) |
| Tangible fixed assets (net) | 1,869 | 10,105 | 9,710 | 9,139 | 8,551 |
| Intangible fixed assets (net) | 17 | 409 | 409 | 409 | 409 |
| Long-term financial assets | - | - | - | - | - |
| Invest. in associates & subsidiaries | 13,897 | 15,224 | 15,224 | 15,224 | 15,224 |
| Cash & equivalents | 1,012 | 616 | 1,631 | 1,465 | 1,620 |
| A/C receivable | 573 | 1,274 | 1,639 | 1,835 | 1,938 |
| Inventories | 623 | 754 | 937 | 804 | 834 |
| Other current assets | 401 | 708 | 1,103 | 886 | 930 |
| Current assets | 2,609 | 3,352 | 5,310 | 4,990 | 5,322 |
| Other assets | 120 | 188 | 188 | 188 | 188 |
| Total assets | 18,512 | 29,278 | 30,841 | 29,950 | 29,695 |
| Common equity | 12,637 | 12,804 | 13,507 | 13,651 | 14,402 |
| Minorities etc. | 556 | 5,103 | 5,514 | 5,547 | 5,584 |
| Total shareholders' equity | 13,194 | 17,906 | 19,021 | 19,199 | 19,987 |
| Long term debt | 0 | 3,137 | 3,137 | 2,837 | 2,537 |
| Other long-term liabilities | 466 | 980 | 980 | 980 | 980 |
| Long-term liabilities | 466 | 4,117 | 4,117 | 3,817 | 3,517 |
| A/C payable | 297 | 518 | 644 | 553 | 573 |
| Short term debt | 4,233 | 6,158 | 6,158 | 5,658 | 4,858 |
| Other current liabilities | 323 | 578 | 901 | 724 | 760 |
| Current liabilities | 4,853 | 7,255 | 7,703 | 6,935 | 6,191 |
| Total liabilities and shareholders' equity | 18,512 | 29,278 | 30,841 | 29,950 | 29,695 |
| Net working capital | 976 | 1,639 | 2,134 | 2,249 | 2,369 |
| Invested capital | 16,879 | 27,565 | 27,666 | 27,209 | 26,741 |

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

Per share (THB)

| | | | | | |
|-------------------------------|-------|-------|-------|-------|-------|
| Book value per share | 10.53 | 10.67 | 11.26 | 11.38 | 12.00 |
| Tangible book value per share | 10.52 | 10.33 | 10.92 | 11.04 | 11.66 |

Financial strength

| | | | | | |
|---------------------------|------|------|------|------|------|
| Net debt/equity (%) | 24.4 | 48.5 | 40.3 | 36.6 | 28.9 |
| Net debt/total assets (%) | 17.4 | 29.6 | 24.9 | 23.5 | 19.4 |
| Current ratio (x) | 0.5 | 0.5 | 0.7 | 0.7 | 0.9 |
| CF interest cover (x) | 38.1 | 3.3 | 9.4 | 9.7 | 10.3 |

| Valuation | 2019 | 2020 | 2021E | 2022E | 2023E |
|---|-------------|-------------|-------------|-------------|-------------|
| Recurring P/E (x) * | 25.4 | 59.3 | 13.4 | 20.5 | 18.5 |
| Recurring P/E @ target price (x) * | 39.1 | 91.1 | 20.5 | 31.5 | 28.4 |
| Reported P/E (x) | 26.1 | 59.3 | 12.6 | 20.5 | 18.5 |
| Dividend yield (%) | 2.3 | 2.3 | 4.5 | 3.4 | 3.8 |
| Price/book (x) | 3.0 | 2.9 | 2.8 | 2.7 | 2.6 |
| Price/tangible book (x) | 3.0 | 3.0 | 2.9 | 2.8 | 2.7 |
| EV/EBITDA (x) ** | 24.7 | 36.5 | 9.2 | 14.6 | 13.1 |
| EV/EBITDA @ target price (x) ** | 36.8 | 50.9 | 12.9 | 20.4 | 18.4 |
| EV/invested capital (x) | 2.4 | 1.9 | 1.8 | 1.8 | 1.8 |

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

Sources: Ramkhamhaeng 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 | 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

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| Company | Ticker | Price | Rating | Valuation & Risks |
|--------------------------------|----------|------------|--------|--|
| Ramkhamhaeng Hospital | RAM TB | THB 31.25 | 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. |
| Bumrungrad Hospital | BH TB | THB 144.00 | 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 21.40 | 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 10.70 | 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. |
| Thonburi Healthcare Group | THG TB | THB 34.00 | 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 2.18 | 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. |
| Bangkok Dusit Medical Services | BDMS TB | THB 22.30 | 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. |

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 30-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.