

PRARAM 9 HOSPITAL PR9 TB
THAILAND / HEALTHCARE

BUY

UNCHANGED

สัญญาณทั้งหมดชี้ไปยังกำไรสูงสุดเป็นประวัติการณ์ใน 1Q22

TARGET PRICE	THB16.50
CLOSE	THB13.60
UP/DOWNSIDE	+21.3%
PRIOR TP	THB15.00
CHANGE IN TP	+10.0%
TP vs CONSENSUS	+17.7%

- คาดกำไรปกติ 1Q22 ทำสถิติสูงสุดใหม่
- กำไรปกติหน้าจะกระโดดเพิ่ม 65% เป็น 410 ลบ. ในปี 2022 สูงกว่ากำไรก่อน Covid ถึง 31%
- คณะผู้บริหารปรับการประเมินมูลค่าไปในปี 2023 และปรับราคาเป้าหมายขึ้นเป็น 16.5 บาท/หุ้น (DCF)

คาดกำไรปกติ 1Q22 จะโต 290% y-y, 30% q-q เป็น 150 ลบ.

เรคาดว่ารายได้ของ PR9 ใน 1Q22 จะโต 47% y-y และ 5% q-q สัดส่วนรายได้ที่เกี่ยวข้องกับ Covid น่าจะเพิ่มจาก 4% ใน 4Q21 เป็น 16% ใน 1Q22 จากผู้ติดเชื้อ Covid ที่เพิ่มสูงขึ้น ตัวเลขผู้ป่วยใหม่เพิ่มจาก 117 เตียง/วันใน 4Q21 เป็นประมาณ 200 เตียง/วันใน 1Q22 โดยประมาณครึ่งหนึ่งเป็นผู้ป่วย Covid นอกจากนี้ PR9 ยังจะบันทึกรายได้จากวัคซีน Moderna รวมประมาณ 50 ลบ. ใน 1Q22 ในขณะที่เรคาดว่าตัวเลขผู้ป่วยชาวไทยที่ไม่ได้เป็น Covid จะกระโดดเพิ่ม 23% y-y และผู้ป่วยต่างชาติจะกระโดดเพิ่ม 33% y-y โดยรวมเรคาดว่า EBITDA margin จะปรับตัวขึ้นเป็น 26% ใน 1Q22 จาก 23% ใน 4Q21 ปัจจัยดังกล่าวจะช่วยให้กำไรปกติทำสถิติสูงสุดใหม่ที่ 150 ลบ. (+290% y-y, +30% q-q) ใน 1Q22 แม้ว่าเราจะหักกำไรจาก Covid เรายังคาดว่า PR9 จะบันทึกกำไรปกติในระดับประมาณ 110 ลบ.

กำไรมีแนวโน้มโตต่อเนื่องใน 2Q22

เรคาดว่า PR9 จะรายงานกำไรปกติโต y-y ใน 2Q22 จากฐานกำไรที่ต่ำเพียง 12 ลบ. ใน 2Q21 เรคาดว่ารายได้ที่เกี่ยวข้องกับ Covid จะมีต่อเนื่องใน 2Q22 โดยมีความเป็นไปได้มากกว่าตัวเลขผู้ติดเชื้อ Covid จะเพิ่มสูงหลังเทศกาลสงกรานต์ อย่างไรก็ตามกำไรจากผู้ป่วยที่ไม่ได้เป็น Covid น่าจะลดลงเล็กน้อย q-q เนื่องจากโดยปกติ 2Q ไม่ใช่ฤดูกาลสำหรับกลุ่มการแพทย์ของไทย

ปรับเพิ่มประมาณการกำไรปกติปี 2022 ขึ้น 11%

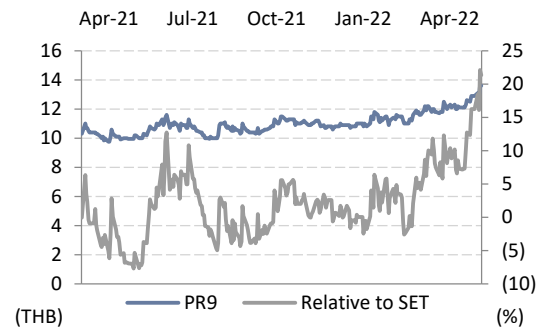
จากกำไร 1Q22 ที่คาดว่าจะออกมาดี เราปรับเพิ่มประมาณการอัตราการเติบโตของรายได้ปี 2022 เป็น 19% ซึ่งสูงกว่าเป้าของผู้บริหารที่ 15% และปรับเพิ่มประมาณการกำไรสุทธิปี 2022 อีก 11% เป็น 410 ลบ. คิดเป็นอัตราการเติบโตของกำไรปกติที่ 65% y-y ในปี 2022 โดยมีปัจจัยหนุนการเติบโตสำคัญประกอบด้วย: 1) ศูนย์การแพทย์ใหม่เช่น ศูนย์เลสิก ศูนย์ตรวจอก และทางเดินหายใจ และศูนย์ดูแลและผ่าตัดผู้ป่วยไทรอยด์; 2) EBITDA margin ที่ดีขึ้นหลังอัตราการติดเชื้อผู้ป่วยในอยู่ในระดับสูง; และ 3) รายได้ที่เกี่ยวข้องกับ Covid ซึ่งเรคาดว่าจะคิดเป็น 8% ของรายได้รวม

ราคาหุ้นอยู่ในระดับที่น่าสนใจพร้อมโอกาสสำหรับ Upside

เราปรับการประเมินมูลค่าไปในปี 2023 และได้ราคาเป้าหมายใหม่ที่ 16.5 บาท (DCF) แม้ว่าราคาหุ้นจะปรับขึ้นถึง 21% ในช่วง 3 เดือนที่ผ่านมา PR9 ยังมีการซื้อขายในระดับการประเมินมูลค่าที่น่าสนใจที่ 26x ของค่า 2022E P/E และ 23x ของค่า 2023E P/E ซึ่งต่ำกว่าค่าเฉลี่ยของกลุ่มที่ 36x และ 39x ตามลำดับ นอกจากนี้ PR9 ยังอาจมี Upside ประกอบด้วยการฟื้นตัวของรายได้จากผู้ป่วยต่างชาติ ซึ่งเรคาดว่าจะคิดเป็น 9% ของรายได้รวมในปี 2022 (เทียบกับ 16% ในปี 2019) และกลุ่มลูกค้าใหม่จากโครงการสวัสดิการสำหรับข้าราชการ

KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Revenue	2,987	3,541	3,753	3,981
Net profit	249	410	475	525
EPS (THB)	0.32	0.52	0.60	0.67
vs Consensus (%)	-	21.2	22.4	16.7
EBITDA	590	811	902	980
Core net profit	249	410	475	525
Core EPS (THB)	0.32	0.52	0.60	0.67
Chg. In EPS est. (%)	-	10.7	0.0	(0.1)
EPS growth (%)	23.3	64.6	15.8	10.5
Core P/E (x)	42.9	26.1	22.5	20.4
Dividend yield (%)	1.0	2.7	3.1	3.4
EV/EBITDA (x)	16.0	11.3	10.0	8.9
Price/book (x)	2.5	2.3	2.2	2.2
Net debt/Equity (%)	(28.9)	(32.8)	(35.6)	(39.0)
ROE (%)	5.9	9.3	10.2	10.8



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	13.3	21.4	37.4
Relative to country (%)	12.5	18.7	27.4
Mkt cap (USD m)			316
3m avg. daily turnover (USD m)			0.8
Free float (%)			59
Major shareholder	Khunying Potjaman Damapong (37%)		
12m high/low (THB)	13.90/9.50		
Issued shares (m)	786.30		

Sources: Bloomberg consensus; FSSIA estimates



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บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 22 เมษายน 2022

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. The new building enables PR9 to capture new customer groups from its new specialist centres and gives it a higher IPD capacity.

The improving EBITDA margin and ROE should lead to its stock valuation re-rating, in our view.

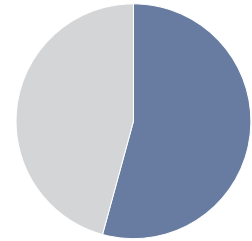
Company profile

PR9 has been operating a private hospital since 1992.

www.praram9.com

Principal activities (revenue, 2021)

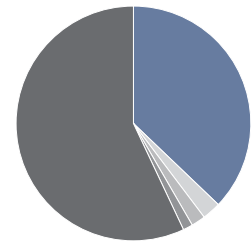
- OPD patient revenue - 54.2 %
- IPD patient revenue - 45.8 %



Source: Praram 9 Hospital

Major shareholders

- Khunying Potjaman Damapong - 37.1 %
- N.C.B.TRUST LIMITED-NORGES BANK 33 - 2.6 %
- Bualuang Basic Dividend LTF - 1.9 %
- Dr. Satian Pooprasert - 1.3 %
- Others - 57.0 %



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
May 2022	1Q22 result announcement

Key assumptions

	2022E	2023E	2024E
	(%)	(%)	(%)
No. of licensed beds (no.)	229	249	270
OPD volume growth	17	3	3
OPD revenue / patient growth	3	3	3
IPD volume growth	9	3	3
IPD revenue / patient growth	7	3	3

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in patient volume, we project 2022 earnings to rise by 2%, and vice versa, all else being equal.
- For every 1% increase in EBITDA margin, we project 2022 earnings to rise by 7%, and vice versa, all else being equal.

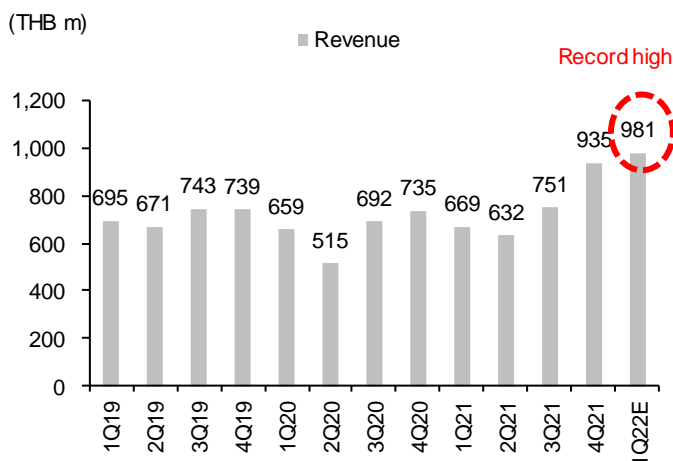
Source: FSSIA estimates

Exhibit 1: 1Q22E results preview

FY ending Dec	1Q21	2Q21	3Q21	4Q21	1Q22E	----- Change -----		2021	2022E	Chg.
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)
Sales	669	632	751	935	981	5	47	2,987	3,541	19
COGS (incl. depreciation)	(502)	(500)	(526)	(644)	(664)	3	32	(2,172)	(2,492)	15
Gross profit	166	132	225	291	317	9	90	815	1,049	29
SG&A	(132)	(130)	(134)	(161)	(140)	(13)	6	(557)	(584)	5
Operating profit	34	2	91	130	177	36	415	257	465	81
Net other income	11	11	10	12	11	(5)	3	43	48	11
Interest expenses	(0)	(0)	(0)	(0)	0	(100)	(100)	(0)	(0)	n/a
Pretax profit	45	13	101	142	188	33	318	300	513	71
Income Tax	(6)	(1)	(18)	(26)	(38)	45	486	(51)	(103)	101
Core profit	39	12	83	116	150	30	290	249	410	65
Extraordinaries, GW & FX										
Reported net profit	39	12	83	116	150	30	290	249	410	65
Outstanding shares (m)	786	786	786	786	786	0	0	786	786	0
Pre-ex EPS (THB)	0.05	0.01	0.11	0.15	0.19	30	290	0.32	0.52	65
EPS (THB)	0.05	0.01	0.11	0.15	0.19	30	290	0.32	0.52	65
COGS excl. depreciation	(431)	(428)	(453)	(567)	(590)	4	37	(1,879)	(2,188)	16
Depreciation	(71)	(72)	(73)	(77)	(74)	(3)	4	(294)	(304)	3
EBITDA	116	85	174	218	262	20	125	594	816	37
Key ratios	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)	(%)	(ppt)
Gross margin	25	21	30	31	32	1	7	27	30	2
SG&A/Revenue	20	21	18	17	14	(3)	(5)	19	17	(2)
EBITDA margin	17	13	23	23	26	3	9	20	23	3
Net profit margin	6	2	11	12	15	3	10	8	12	3
Operating stats	(%)	(%)	(%)	(%)	(%)					
OPD revenue growth y-y	(4)	29	(10)	32	-					
OPD volume growth y-y	(10)	16	(16)	10	-					
OPD revenue per head growth y-y	6	11	7	19	-					
IPD revenue growth y-y	9	16	32	21	-					
IPD volume growth y-y	1	37	75	19	-					
IPD revenue per head growth y-y	8	(15)	(25)	2	-					
Thai patient revenue growth y-y	10	19	8	26	48					
Inter patient revenue growth y-y	(46)	81	13	51	34					

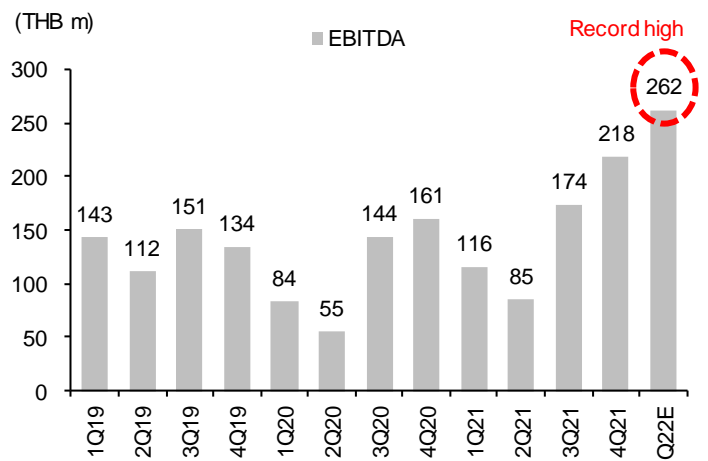
Sources: PR9; FSSIA estimates

Exhibit 2: Expect revenue to hit a record high in 1Q22



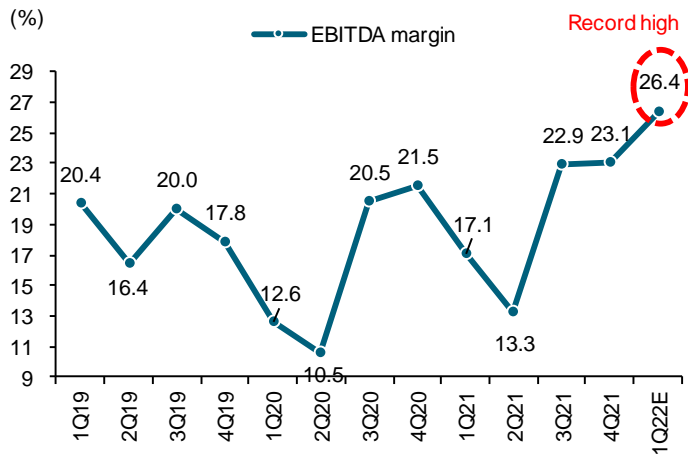
Sources: PR9; FSSIA estimates

Exhibit 3: Expect EBITDA to hit a record high in 1Q22



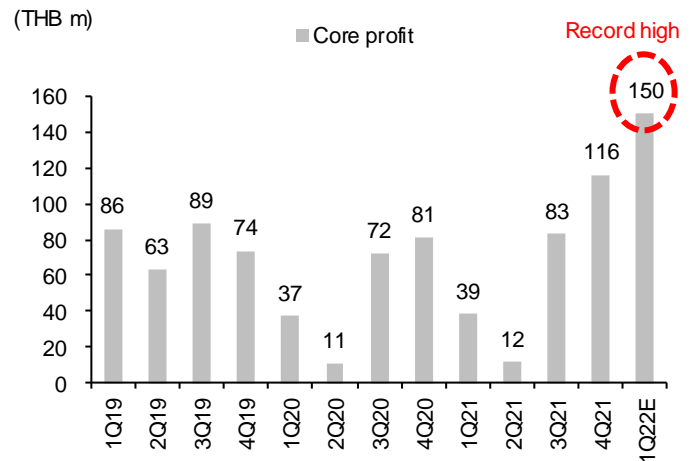
Sources: PR9; FSSIA estimates

Exhibit 4: Expect EBITDA margin to hit a record high in 1Q22



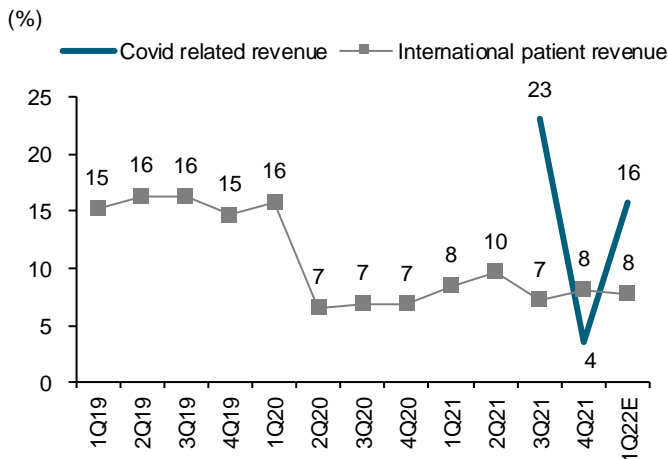
Sources: PR9; FSSIA estimates

Exhibit 5: Expect core profit to hit a record high in 1Q22



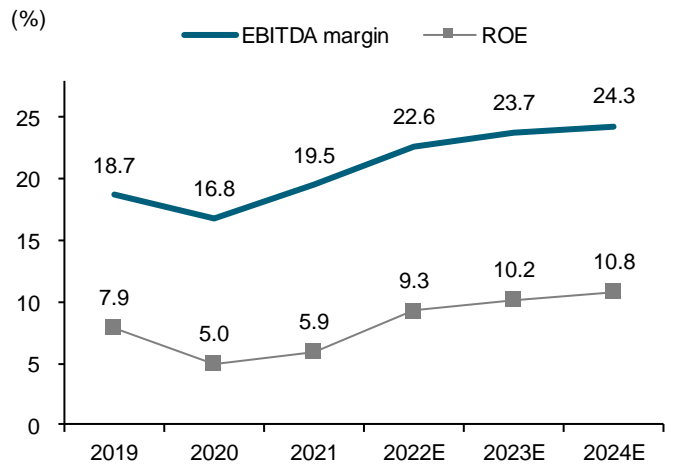
Sources: PR9; FSSIA estimates

Exhibit 6: Covid-related and international patient revenue contributions



Sources: PR9; FSSIA estimates

Exhibit 7: EBITDA margin and ROE trending upward



Source: Bloomberg

Exhibit 8: Forecast revisions

	Current			Previous			Change		
	2022E	2023E	2024E	2022E	2023E	2024E	2022E	2023E	2024E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(%)	(%)	(%)
Revenue	3,541	3,753	3,981	3,387	3,752	3,980	4.6	0.0	0.0
EBITDA margin (%)	22.9	24.0	0.0	22.5	24.0	0.0	0.4	0.0	0.0
Core profit	410	475	525	370	475	525	10.7	(0.0)	(0.0)
Key assumptions									
OPD - Visits per day (no.)	1,268	1,303	1,342	1,224	1,285	1,324	3.5	1.4	1.4
OPD - Revenue per visit (THB)	4,208	4,334	4,465	4,208	4,356	4,486	0.0	(0.5)	(0.5)
IPD - Admissions per day (no.)	29	30	31	28	30	31	5.8	1.9	1.9
IPD - Revenue per admission (THB)	148,358	152,809	157,393	148,358	157,260	161,978	0.0	(2.8)	(2.8)

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

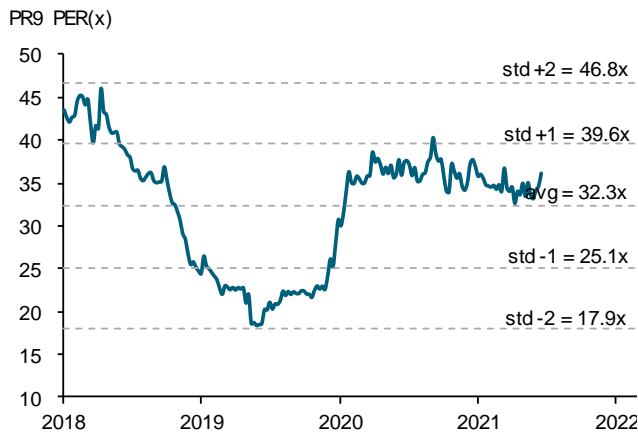
Source: FSSIA estimates

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)
NPV	4.6	5.8	WACC 9.4%, risk-free rate 3%, risk premium 8%
Terminal value	6.7	8.5	Terminal growth 3%
Cash & liquid assets	1.7	2.2	At end-2023E
Investments	0.0	0.0	At end-2023E
Debt	(0.0)	(0.0)	At end-2023E
Minorities	0.0	0.0	At end-2023E
Residual ordinary equity	13.0	16.5	

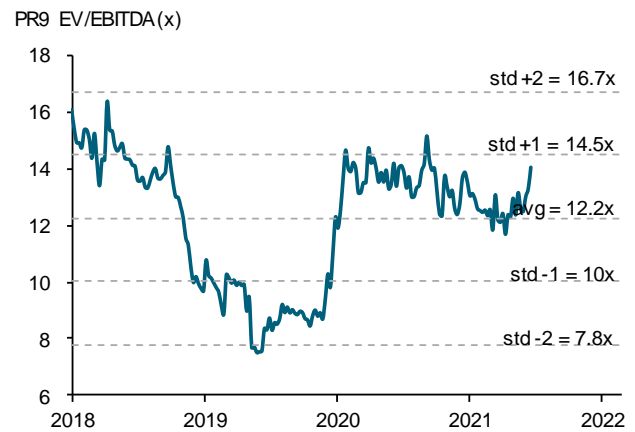
Source: FSSIA estimates

Exhibit 10: Historical P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 11: Historical EV/EBITDA band



Sources: Bloomberg; FSSIA estimates

Exhibit 12: Peer comparisons as of 21 Apr-22

Company	BBG	Rec	Share price			Market Cap (USD m)	PE		ROE		PBV		EV/EBITDA	
			Current (LCY)	Target (LCY)	Upside (%)		22E (x)	23E (x)	22E (%)	23E (%)	22E (x)	23E (x)	22E (x)	23E (x)
Thailand														
Bangkok Dusit Med Service	BDMS TB	BUY	26.75	31.00	15.9	12,551	42.1	33.9	11.8	13.9	4.9	4.6	21.4	18.1
Bumrungrad Hospital	BH TB	BUY	165.50	190.00	14.8	3,884	48.2	31.4	15.7	23.0	7.5	6.9	28.0	19.6
Bangkok Chain Hospital	BCH TB	BUY	22.40	28.50	27.2	1,649	15.3	28.2	27.4	14.4	4.1	4.1	9.5	14.5
Chularat Hospital	CHG TB	BUY	4.02	4.70	16.9	1,306	20.8	30.4	28.2	19.2	5.9	5.8	13.6	18.3
Praram 9 Hospital	PR9 TB	BUY	13.60	16.50	21.3	316	26.1	22.5	9.3	10.2	2.3	2.2	11.3	10.0
Thonburi Healthcare Group	THG TB	HOLD	98.75	32.50	(67.1)	2,471	93.0	134.3	9.8	6.7	9.0	9.0	41.6	47.6
Vibhavadi Medical Center	VIBHA TB	BUY	2.64	3.20	21.2	1,058	34.2	33.1	8.1	7.3	2.5	2.4	30.4	27.5
Ramkhamhaeng Hospital	RAM TB	BUY	64.00	56.00	(12.5)	2,267	34.5	34.3	12.5	11.8	4.2	3.9	28.7	27.6
Rajthanee Hospital	RJH TB	n/a	33.25	n/a	n/a	293	17.7	22.8	29.0	22.5	6.7	5.1	11.8	14.8
Ekachai Medical Care	EKH TB	n/a	8.45	n/a	n/a	149	28.0	27.8	16.0	14.4	5.8	4.2	16.1	15.3
Thailand average						25,561	35.8	39.4	16.7	14.3	5.2	4.8	21.2	21.2
Regional														
Ramsay Health Care	RHC AU	n/a	82.99	n/a	n/a	14,097	48.0	31.4	9.9	14.2	4.7	4.7	13.6	11.6
Ihh Healthcare Bhd	IHH SP	n/a	2.06	n/a	n/a	13,355	34.7	30.5	6.8	7.3	2.3	2.3	15.5	14.3
Ryman Healthcare	RYM NZ	n/a	8.95	n/a	n/a	3,054	19.8	14.6	7.5	8.9	1.4	1.4	19.5	16.6
Apollo Hospitals Enterprise	APHS IN	n/a	4,885	n/a	n/a	9,203	75.5	59.0	18.8	19.3	12.7	12.7	32.0	27.3
Kpj Healthcare Berhad	KPJ MK	n/a	0.96	n/a	n/a	968	29.1	21.8	6.6	8.6	1.8	1.8	11.7	10.5
Raffles Medical Group	RFMD SP	n/a	1.18	n/a	n/a	1,579	30.5	28.3	7.5	7.7	2.2	2.2	14.9	14.2
Mitra Keluarga Karyasehat	MIKA IJ	n/a	2,700	n/a	n/a	2,668	36.0	32.4	18.2	18.4	6.3	6.3	22.7	20.3
Aier Eye Hospital Group	300015 CH	n/a	32.36	n/a	n/a	27,342	57.4	45.2	22.0	23.5	12.1	12.1	34.5	27.3
Regional average						72,266	41.4	32.9	12.2	13.5	5.4	5.4	20.6	17.8
Overall average						97,828	38.4	36.8	14.7	14.0	5.4	5.1	20.9	19.7

Sources: *Bloomberg; FSSIA estimates

Financial Statements

Praram 9 Hospital

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Revenue	2,601	2,987	3,541	3,753	3,981
Cost of goods sold	(1,677)	(1,879)	(2,188)	(2,311)	(2,440)
Gross profit	925	1,108	1,353	1,442	1,542
Other operating income	38	39	43	46	48
Operating costs	(518)	(557)	(584)	(585)	(609)
Operating EBITDA	444	590	811	902	980
Depreciation	(213)	(294)	(304)	(315)	(331)
Goodwill amortisation	-	-	-	-	-
Operating EBIT	231	297	508	587	649
Net financing costs	0	4	5	6	7
Associates	0	0	0	0	0
Recurring non-operating income	0	0	0	0	0
Non-recurring items	0	0	0	0	0
Profit before tax	230	300	513	594	656
Tax	(28)	(51)	(103)	(119)	(131)
Profit after tax	202	249	410	475	525
Minority interests	0	0	0	0	0
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	202	249	410	475	525
Non-recurring items & goodwill (net)	0	0	0	0	0
Recurring net profit	202	249	410	475	525
Per share (THB)					
Recurring EPS *	0.26	0.32	0.52	0.60	0.67
Reported EPS	0.26	0.32	0.52	0.60	0.67
DPS	0.11	0.14	0.37	0.42	0.47
Diluted shares (used to calculate per share data)	786	786	786	786	786
Growth					
Revenue (%)	(8.7)	14.8	18.6	6.0	6.1
Operating EBITDA (%)	(17.8)	33.0	37.4	11.2	8.7
Operating EBIT (%)	(38.5)	28.5	71.2	15.7	10.5
Recurring EPS (%)	(35.3)	23.3	64.6	15.8	10.5
Reported EPS (%)	(29.0)	23.3	64.6	15.8	10.5
Operating performance					
Gross margin inc. depreciation (%)	27.4	27.3	29.6	30.0	30.4
Gross margin of key business (%)	27.4	27.3	29.6	30.0	30.4
Operating EBITDA margin (%)	17.1	19.8	22.9	24.0	24.6
Operating EBIT margin (%)	8.9	9.9	14.3	15.7	16.3
Net margin (%)	7.8	8.3	11.6	12.7	13.2
Effective tax rate (%)	12.3	17.0	20.0	20.0	20.0
Dividend payout on recurring profit (%)	42.8	44.2	70.0	70.0	70.0
Interest cover (X)	491.0	(79.4)	(99.8)	(94.7)	(92.3)
Inventory days	10.7	10.2	10.1	10.6	10.6
Debtor days	22.1	22.7	23.7	25.9	28.0
Creditor days	98.8	101.4	107.8	112.9	112.9
Operating ROIC (%)	6.9	7.7	12.7	14.7	16.3
ROIC (%)	6.7	7.5	12.5	14.4	16.0
ROE (%)	5.0	5.9	9.3	10.2	10.8
ROA (%)	4.3	5.0	7.6	8.3	8.8
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
OPD patient revenue	1,461	1,620	1,947	2,062	2,187
IPD patient revenue	1,140	1,367	1,594	1,691	1,794

Sources: Praram 9 Hospital; FSSIA estimates

Financial Statements

Praram 9 Hospital

Cash Flow (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Recurring net profit	202	249	410	475	525
Depreciation	213	294	304	315	331
Associates & minorities	-	-	-	-	-
Other non-cash items	98	3	0	0	0
Change in working capital	(34)	27	49	(4)	(5)
Cash flow from operations	480	574	763	786	852
Capex - maintenance	(806)	(235)	(390)	(303)	(283)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	0	0	0	0	0
Other investments (net)	-	-	-	-	-
Cash flow from investing	(806)	(235)	(390)	(303)	(283)
Dividends paid	(110)	(86)	(110)	(287)	(332)
Equity finance	0	0	0	0	0
Debt finance	8	(2)	0	0	0
Other financing cash flows	(8)	0	0	0	0
Cash flow from financing	(110)	(88)	(110)	(287)	(332)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	(437)	250	263	195	237
Free cash flow to firm (FCFF)	(326.28)	338.71	372.87	482.51	569.29
Free cash flow to equity (FCFE)	(326.86)	336.58	372.68	482.32	569.11

Per share (THB)

FCFF per share	(0.41)	0.43	0.47	0.61	0.72
FCFE per share	(0.42)	0.43	0.47	0.61	0.72
Recurring cash flow per share	0.65	0.69	0.91	1.00	1.09

Balance Sheet (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Tangible fixed assets (gross)	5,345	5,565	5,956	6,259	6,542
Less: Accumulated depreciation	(1,812)	(2,090)	(2,394)	(2,709)	(3,040)
Tangible fixed assets (net)	3,533	3,475	3,562	3,550	3,501
Intangible fixed assets (net)	0	0	0	0	0
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	4	4	4	4	4
Cash & equivalents	994	1,244	1,507	1,702	1,939
A/C receivable	159	212	248	285	325
Inventories	49	56	65	69	73
Other current assets	6	90	107	113	120
Current assets	1,208	1,603	1,927	2,170	2,457
Other assets	52	55	55	55	55
Total assets	4,797	5,137	5,548	5,779	6,017
Common equity	4,115	4,278	4,578	4,766	4,958
Minorities etc.	0	0	0	0	0
Total shareholders' equity	4,115	4,278	4,578	4,766	4,958
Long term debt	8	6	6	6	6
Other long-term liabilities	182	190	190	190	190
Long-term liabilities	190	196	196	196	196
A/C payable	446	597	696	734	775
Short term debt	0	0	0	0	0
Other current liabilities	45	66	78	83	88
Current liabilities	492	663	774	817	863
Total liabilities and shareholders' equity	4,797	5,137	5,548	5,779	6,017
Net working capital	(277)	(305)	(354)	(350)	(345)
Invested capital	3,311	3,230	3,267	3,259	3,215

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

Per share (THB)

Book value per share	5.23	5.44	5.82	6.06	6.31
Tangible book value per share	5.23	5.44	5.82	6.06	6.31

Financial strength

Net debt/equity (%)	(24.0)	(28.9)	(32.8)	(35.6)	(39.0)
Net debt/total assets (%)	(20.6)	(24.1)	(27.1)	(29.3)	(32.1)
Current ratio (x)	2.5	2.4	2.5	2.7	2.8
CF interest cover (x)	(694.4)	(89.2)	(72.2)	(76.8)	(80.0)

Valuation	2020	2021	2022E	2023E	2024E
Recurring P/E (x) *	52.9	42.9	26.1	22.5	20.4
Recurring P/E @ target price (x) *	64.2	52.1	31.6	27.3	24.7
Reported P/E (x)	52.9	42.9	26.1	22.5	20.4
Dividend yield (%)	0.8	1.0	2.7	3.1	3.4
Price/book (x)	2.6	2.5	2.3	2.2	2.2
Price/tangible book (x)	2.6	2.5	2.3	2.2	2.2
EV/EBITDA (x) **	21.9	16.0	11.3	10.0	8.9
EV/EBITDA @ target price (x) **	27.0	19.9	14.1	12.5	11.3
EV/invested capital (x)	2.9	2.9	2.8	2.8	2.7

* 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	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	PAP	PCSGH	PDJ	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:

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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)

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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

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ANALYST(S) CERTIFICATION

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

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Company	Ticker	Price	Rating	Valuation & Risks
Praram 9 Hospital	PR9 TB	THB 13.60	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 26.75	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 165.50	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 22.40	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 4.02	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 98.75	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 2.64	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 64.00	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 Finansia Syrus Securities Public Company Limited

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All share prices are as at market close on 21-Apr-2022 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.