

PRARAM 9 HOSPITAL

PR9 TB

THAILAND / HEALTHCARE

BUY

UNCHANGED

Healthy for the whole of 2022

- 2Q22 core profit should slightly drop from 1Q22 but still exceed the pre-Covid level by 83%, driven by non-Covid Thai patients.
- 2H22 outlook is promising, with Covid infection cases picking up since June; expect to see more fly-in patients.
- Maintain BUY; revise up earnings and TP.

TARGET PRICE	THB18.00
CLOSE	THB15.80
UP/DOWNSIDE	+13.9%
PRIOR TP	THB16.50
CHANGE IN TP	+9.1%
TP vs CONSENSUS	+9.0%

KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Revenue	2,987	3,799	3,837	4,051
Net profit	249	485	492	552
EPS (THB)	0.32	0.62	0.63	0.70
vs Consensus (%)	-	20.9	10.5	9.0
EBITDA	590	896	916	1,007
Core net profit	249	485	492	552
Core EPS (THB)	0.32	0.62	0.63	0.70
Chg. In EPS est. (%)	-	18.2	3.6	5.2
EPS growth (%)	23.3	94.6	1.5	12.2
Core P/E (x)	49.9	25.6	25.2	22.5
Dividend yield (%)	0.9	2.7	2.8	3.1
EV/EBITDA (x)	19.0	12.1	11.7	10.4
Price/book (x)	2.9	2.7	2.6	2.5
Net debt/Equity (%)	(28.9)	(33.8)	(35.2)	(39.2)
ROE (%)	5.9	10.9	10.4	11.3

2Q22 core profit to jump by almost 10x y-y to THB115m

We expect revenue to grow by 48% y-y in 2Q22. Non-Covid Thai patient revenue should exceed the pre-Covid level by 20-25% thanks to the Lasik Center and pent-up demand for elective surgery cases. Meanwhile, we expect international patient revenue to almost reach the pre-Covid level driven by expat patients, especially Chinese. However, 2Q22 revenue should slightly decline by 3% q-q due to slower Covid-related revenue which we estimate to drop from 24% of total revenue in 1Q22 to 15% in 2Q22. As a result, we expect 2Q22 core profit to drop by 27% q-q to THB115m, but still exceed the pre-Covid level by 83%.

Strong earnings momentum should continue in 3Q22

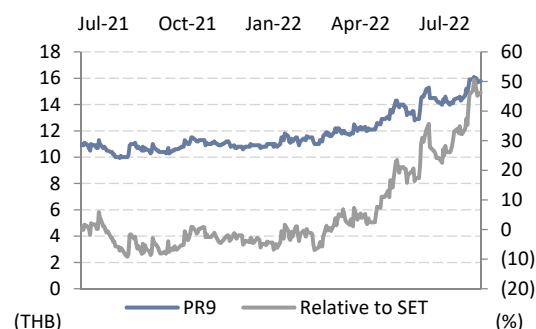
We expect Covid-related revenue to increase in 3Q22 due to surging infection cases via the Omicron subvariants BA.4 and BA.5. Currently, PR9 has allocated c80 beds for Covid patients compared to the peak in 1Q22 at 150 beds. PR9 is also offering OPD services for Covid patients with packages worth cTHB4,000-5,000 per case. As a result, we expect a strong 3Q22, driven by pent-up demand from non-Covid Thai patients, the recovery of fly-in international patients, and Covid-related revenue.

Fly-in international patients to be a key growth driver in 2H22

International patient revenue accounted for 16% of total revenue in 2019. We estimate the contribution to shrink to 10% in 1H22 due to the strong growth of Thai patient revenue. However, it would imply c90-95% of the pre-Covid level, driven mainly by expat patients. Hence, we expect to see more fly-in patients, especially from CLMV, returning in 2H22. This would suggest that international patient revenue could exceed the pre-Covid level in 2H22 and also drive the EBITDA margin, as the billing size would be larger than for Thai patients. PR9 targets international patient revenue contributions to increase to 20% over the next three years.

Revise earnings up; trading at a cheaper valuation than peers

We revise up our 2022-24E earnings by 4-18% to reflect the strong 1H22 core profit, and derive a new DCF-based TP of THB18/shr. PR9 is still trading at an attractive valuation of 25x 2023E P/E, lower than its peers' average of 33x, while offering strong 2022E earnings growth of 95% (vs peers' average of 5%).



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	10.5	22.5	47.7
Relative to country (%)	15.8	31.7	46.9
Mkt cap (USD m)			343
3m avg. daily turnover (USD m)			1.3
Free float (%)			59
Major shareholder	Khunying Potjaman Damapong (37%)		
12m high/low (THB)			16.60/9.80
Issued shares (m)			786.30

Sources: Bloomberg consensus; FSSIA estimates


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Investment thesis

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

The hospital is in a growth phase, with its new building having opened in July 2020. 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.

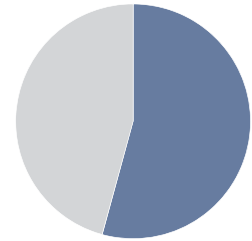
Company profile

PR9 has been operating a private hospital since 1992.

www.praram9.com

Principal activities (revenue, 2021)

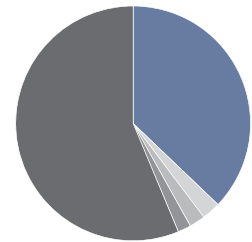
- OPD patient revenue - 54.2 %
- IPD patient revenue - 45.8 %



Source: Praram 9 Hospital

Major shareholders

- Khunying Potjaman Damapong - 37.1 %
- N.C.B. TRUST LIMITED-NORGES BANK 33 - 2.6 %
- Thai NVDR - 2.2 %
- Bualuang Basic Dividend LTF - 1.8 %
- Others - 56.3 %



Source: Praram 9 Hospital

Catalysts

Key potential growth drivers include 1) a higher Thai patient volume from new specialist centres; and 2) rising demand from 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
Aug 2022	2Q22 results announcement

Key assumptions

	2022E	2023E	2024E
	(%)	(%)	(%)
No. of licensed beds (no.)	229	249	270
OPD volume growth	18	0	3
OPD revenue / patient growth	8	1	3
IPD volume growth	19	0	3
IPD revenue / patient growth	7	1	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.

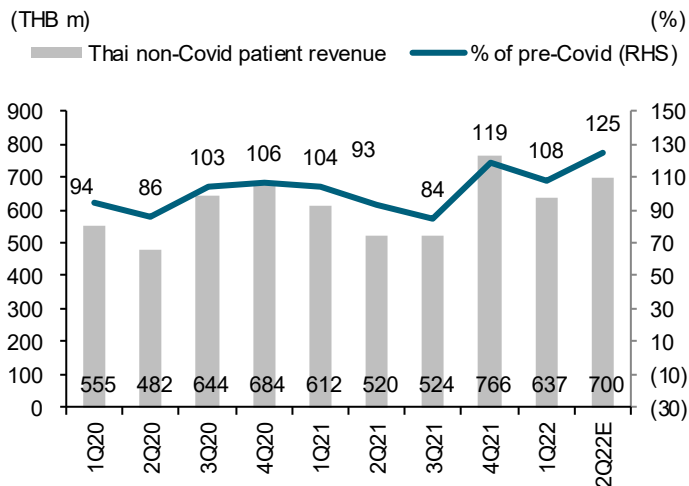
Source: FSSIA estimates

Exhibit 1: 2Q22 results preview

FY ending Dec	2Q21	3Q21	4Q21	1Q22	2Q22E	----- Change -----		6M22E	Change	2022E	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(y-y %)	(THB m)	(y-y %)
Sales	632	751	935	970	937	(3)	48	1,908	47	3,799	27
COGS (incl depreciation)	(500)	(526)	(644)	(627)	(639)	2	28	(1,267)	26	(2,575)	19
Gross profit	132	225	291	343	298	(13)	126	641	115	1,224	50
SG&A	(130)	(134)	(161)	(159)	(165)	4	27	(324)	23	(666)	20
Operating profit	2	91	130	184	133	(28)	6,542	317	772	558	117
Net other income	11	10	12	10	11	10	(2)	21	(4)	48	11
Interest expenses	(0)	(0)	(0)	0	0	(100)	(100)	0	n/a	(0)	n/a
Pretax profit	13	101	142	194	144	(26)	1,003	338	483	606	102
Income Tax	(1)	(18)	(26)	(37)	(29)	(22)	2,152	(66)	756	(121)	137
Core profit	12	83	116	157	115	(27)	878	272	441	485	95
Extraordinaries, GW & FX											
Reported net profit	12	83	116	157	115	(27)	878	272	441	485	95
Outstanding shares (m)	786	786	786	786	786	0	0	786	0	786	0
Pre-ex EPS (THB)	0.01	0.11	0.15	0.20	0.15	(27)	878	0.35	441	0.62	95
EPS (THB)	0.01	0.11	0.15	0.20	0.15	(27)	878	0.35	441	0.62	95
								0			
COGS excl. depreciation	(428)	(453)	(567)	(553)	(566)	2	32	(1,120)	30	(2,280)	21
Depreciation	(72)	(73)	(77)	(74)	(73)	(1)	1	(147)	2	(295)	1
EBITDA	85	174	218	268	217	(19)	154	485	141	901	52
Key ratios	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)	(ppt)	(%)	(ppt)
Gross margin	21	30	31	35	32	(4)	11	34	11	32	5
SG&A/Revenue	21	18	17	16	18	1	(3)	17	(3)	18	(1)
EBITDA margin	13	23	23	27	23	(4)	10	25	10	23	4
Net profit margin	2	11	12	16	12	(4)	10	14	10	13	4
Operating stats	(%)	(%)	(%)	(%)							
OPD revenue growth y-y	29	(10)	32	50							
OPD volume growth y-y	16	(16)	10	26							
OPD revenue per head growth y-y	11	7	19	19							
IPD revenue growth y-y	16	32	21	40							
IPD volume growth y-y	37	75	19	82							
IPD revenue per head growth y-y	(15)	(25)	2	(23)							
Thai patient revenue growth y-y	19	8	26	42							
Inter patient revenue growth y-y	81	13	51	77							

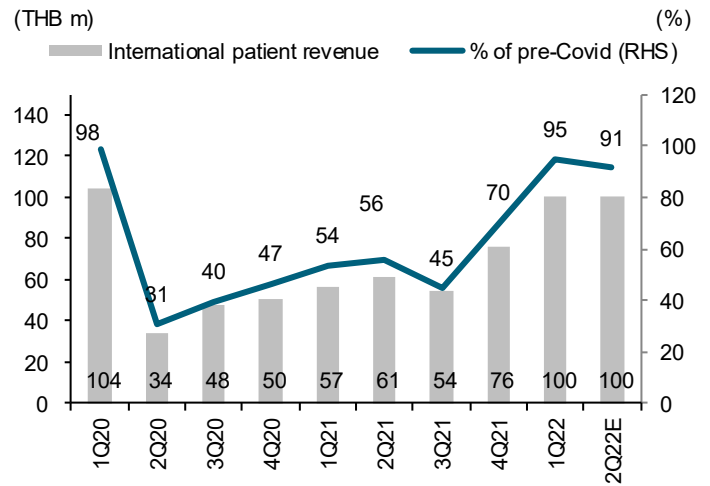
Sources: PR9; FSSIA estimates

Exhibit 2: Thai patient revenue



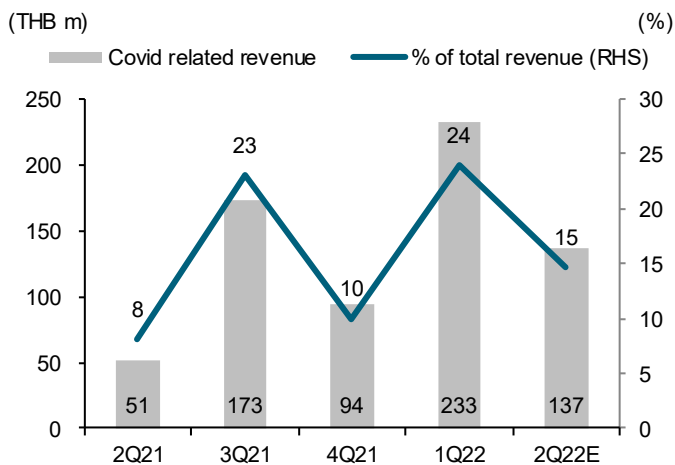
Sources: PR9; FSSIA estimates

Exhibit 3: International patient revenue



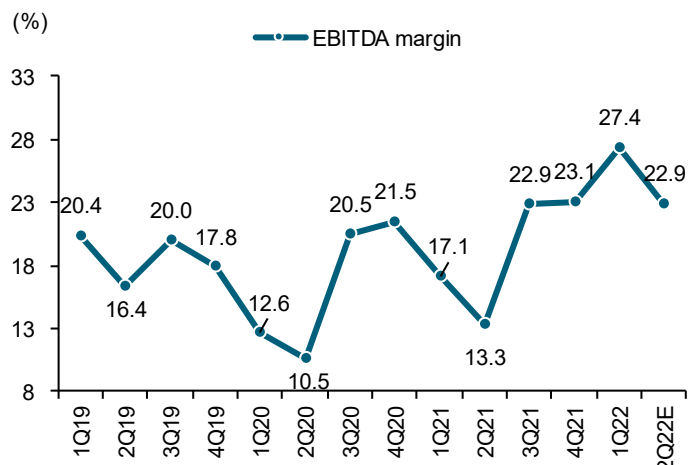
Sources: Name of source

Exhibit 4: Covid-related revenue



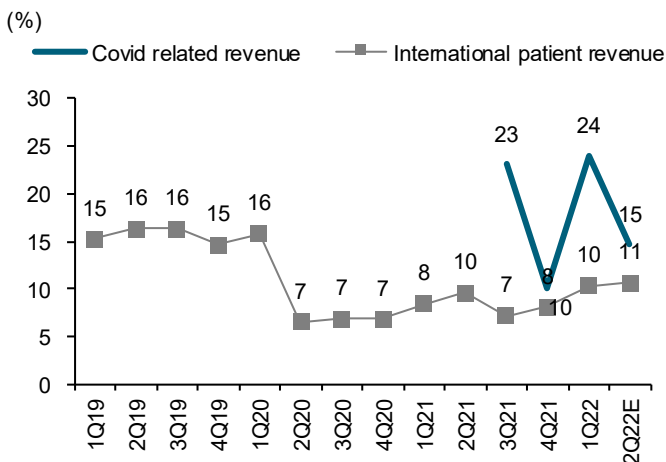
Sources: PR9; FSSIA estimates

Exhibit 5: EBITDA margin



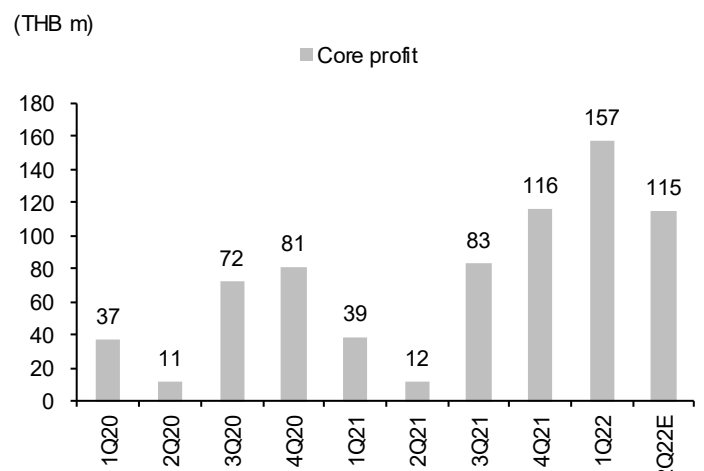
Sources: PR9; FSSIA estimates

Exhibit 6: Covid-related and international patient revenue contributions



Sources: PR9; FSSIA estimates

Exhibit 7: Core profit



Source: Bloomberg

Exhibit 8: Forecast revisions

	Current			Previous			Change		
	2022E (THB m)	2023E (THB m)	2024E (THB m)	2022E (THB m)	2023E (THB m)	2024E (THB m)	2022E (%)	2023E (%)	2024E (%)
Revenue	3,799	3,837	4,051	3,541	3,753	3,981	7.3	2.3	1.8
EBITDA margin (%)	23.6	23.9	24.9	22.9	24.0	24.7	0.7	(0.2)	0.2
Core profit	485	492	552	410	475	525	18.2	3.6	5.2
Key assumptions									
OPD- Visits per day (no.)	1,278	1,278	1,310	1,268	1,303	1,342	0.9	(1.9)	(2.4)
OPD - Revenue per visit (THB)	4,413	4,457	4,590	4,208	4,334	4,465	4.9	2.8	2.8
IPD - Admissions per day (no.)	32	32	33	29	30	31	9.2	6.0	5.5
IPD - Revenue per admission (THB)	148,358	149,842	154,337	148,358	152,809	157,393	0.0	(1.9)	(1.9)

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

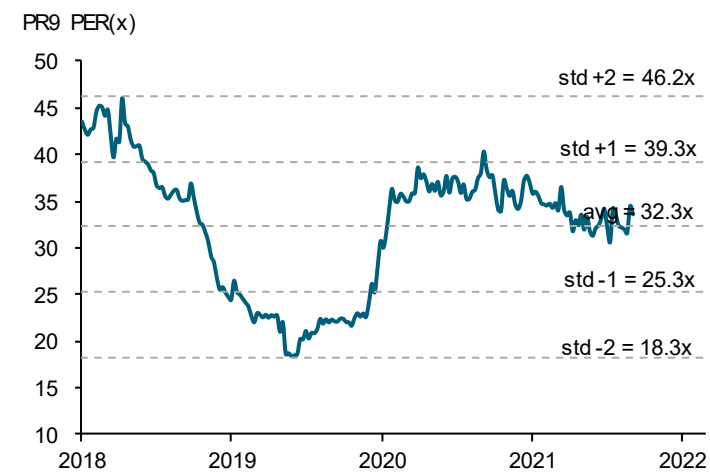
Source: FSSIA estimates

Exhibit 9: DCF valuation

Cost of equity assumptions	(%)	Cost of debt assumptions	(%)
Risk-free rate	3.0	Pre-tax cost of debt	3.5
Market risk premium	8.0	Marginal tax rate	20.0
Stock beta	0.8		
Cost of equity, Ke	9.4	Net cost of debt, Kd	2.8
Weight applied	100.0	Weight applied	0.0
WACC	9.4		
DCF valuation estimate	(THB b)	(THB/share)	Comments
NPV	5.1	6.5	WACC 9.4%, risk-free rate 3%, risk premium 8%
Terminal value	7.3	9.3	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	14.2	18.0	

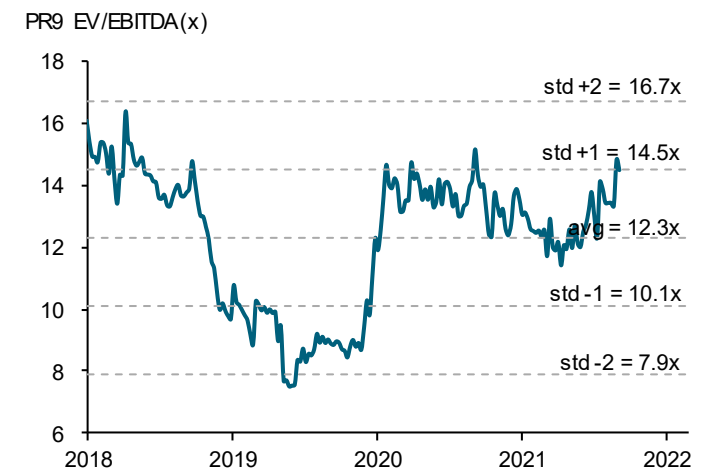
Source: FSSIA estimates

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 11 Jul-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	26.50	31.00	17	11,620	41.7	33.6	11.8	13.9	4.9	4.5	21.2	18.0
Bumrungrad Hospital	BH TB	BUY	188.50	210.00	11	4,134	49.3	35.7	17.4	22.6	8.4	7.7	29.4	22.5
Bangkok Chain Hospital	BCH TB	BUY	19.80	28.50	44	1,362	10.6	25.0	33.7	13.7	3.4	3.5	6.8	12.7
Chularat Hospital	CHG TB	BUY	3.72	4.70	26	1,129	13.6	28.1	37.8	17.7	4.9	5.1	9.1	16.7
Praram 9 Hospital	PR9 TB	BUY	15.80	18.00	14	343	25.6	25.2	10.9	10.4	2.7	2.6	12.1	11.7
Thonburi Healthcare Group	THG TB	REDUCE	60.25	45.00	(25)	1,409	35.8	71.8	15.1	7.4	5.2	5.4	20.7	29.0
Vibhavadi Medical Center	VIBHA TB	BUY	2.46	3.20	30	921	31.9	30.8	8.1	7.3	2.3	2.2	28.7	26.0
Ramkhamhaeng Hospital	RAM TB	BUY	51.50	62.00	20	1,705	27.8	27.6	12.5	11.8	3.3	3.1	24.1	23.2
Rajthanee Hospital	RJH TB	n/a	35.50	n/a	n/a	288	12.2	23.9	43.5	19.9	7.0	5.0	8.7	15.5
Ekachai Medical Care	EKH TB	n/a	7.55	n/a	n/a	131	25.3	25.2	14.3	13.0	5.5	3.1	13.8	13.0
Thailand average						23,043	27.4	32.7	20.5	13.8	4.8	4.2	17.5	18.8
Regional*														
Ramsay Health Care	RHC AU	n/a	70.93	n/a	n/a	10,744	50.0	28.5	8.3	13.3	3.9	3.9	12.8	10.5
Ihh Healthcare Bhd	IHH SP	n/a	2.01	n/a	n/a	12,761	34.6	30.2	6.8	7.3	2.3	2.3	15.3	14.3
Ryman Healthcare	RYM NZ	n/a	8.69	n/a	n/a	2,652	19.0	15.5	7.4	7.6	1.3	1.3	18.7	15.4
Apollo Hospitals Enterprise	APHS IN	n/a	3,933	n/a	n/a	7,300	62.9	52.2	18.6	17.6	10.3	10.3	26.7	24.2
Kpj Healthcare Berhad	KPJ MK	n/a	0.82	n/a	n/a	793	28.9	21.3	5.6	7.4	1.6	1.6	11.9	10.7
Raffles Medical Group	RFMD SP	n/a	1.11	n/a	n/a	1,461	29.2	27.1	7.5	7.7	2.1	2.1	14.2	13.6
Mitra Keluarga Karyasehat	MIKA IJ	n/a	2,800	n/a	n/a	2,573	36.3	32.2	18.9	19.2	6.7	6.7	23.1	20.5
Aier Eye Hospital Group	300015 CH	n/a	32.48	n/a	n/a	33,432	75.2	58.0	22.2	24.0	16.8	16.8	43.4	33.9
Regional average						71,716	42.0	33.1	11.9	13.0	5.6	5.6	20.8	17.9
Overall average						94,759	33.9	32.9	16.7	13.4	5.1	4.8	18.9	18.4

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	3,799	3,837	4,051
Cost of goods sold	(1,677)	(1,879)	(2,280)	(2,295)	(2,402)
Gross profit	925	1,108	1,520	1,543	1,649
Other operating income	38	39	43	46	48
Operating costs	(518)	(557)	(666)	(673)	(690)
Operating EBITDA	444	590	896	916	1,007
Depreciation	(213)	(294)	(295)	(307)	(324)
Goodwill amortisation	-	-	-	-	-
Operating EBIT	231	297	601	609	683
Net financing costs	0	4	5	7	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	606	615	690
Tax	(28)	(51)	(121)	(123)	(138)
Profit after tax	202	249	485	492	552
Minority interests	0	0	0	0	0
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	202	249	485	492	552
Non-recurring items & goodwill (net)	0	0	0	0	0
Recurring net profit	202	249	485	492	552
Per share (THB)					
Recurring EPS *	0.26	0.32	0.62	0.63	0.70
Reported EPS	0.26	0.32	0.62	0.63	0.70
DPS	0.11	0.14	0.43	0.44	0.49
Diluted shares (used to calculate per share data)	786	786	786	786	786
Growth					
Revenue (%)	(8.7)	14.8	27.2	1.0	5.6
Operating EBITDA (%)	(17.8)	33.0	51.9	2.1	10.0
Operating EBIT (%)	(38.5)	28.5	102.7	1.3	12.3
Recurring EPS (%)	(35.3)	23.3	94.6	1.5	12.2
Reported EPS (%)	(29.0)	23.3	94.6	1.5	12.2
Operating performance					
Gross margin inc. depreciation (%)	27.4	27.3	32.2	32.2	32.7
Gross margin of key business (%)	27.4	27.3	32.2	32.2	32.7
Operating EBITDA margin (%)	17.1	19.8	23.6	23.9	24.9
Operating EBIT margin (%)	8.9	9.9	15.8	15.9	16.9
Net margin (%)	7.8	8.3	12.8	12.8	13.6
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)	(118.1)	(93.5)	(97.6)
Inventory days	10.7	10.2	9.9	10.9	10.7
Debtor days	22.1	22.7	22.2	25.6	26.0
Creditor days	98.8	101.4	105.8	115.6	113.4
Operating ROIC (%)	6.9	7.7	15.1	15.1	17.0
ROIC (%)	6.7	7.5	14.8	14.8	16.7
ROE (%)	5.0	5.9	10.9	10.4	11.3
ROA (%)	4.3	5.0	8.9	8.5	9.2
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
OPD patient revenue	1,461	1,620	2,059	2,080	2,196
IPD patient revenue	1,140	1,367	1,740	1,758	1,856

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	485	492	552
Depreciation	213	294	295	307	324
Associates & minorities	-	-	-	-	-
Other non-cash items	98	3	0	0	0
Change in working capital	(34)	27	71	(34)	29
Cash flow from operations	480	574	851	765	905
Capex - maintenance	(806)	(235)	(406)	(308)	(287)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	0	0	0	0	0
Other investments (net)	-	-	-	-	-
Cash flow from investing	(806)	(235)	(406)	(308)	(287)
Dividends paid	(110)	(86)	(110)	(339)	(344)
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)	(339)	(344)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	(437)	250	335	117	273
Free cash flow to firm (FCFF)	(326.28)	338.71	445.55	456.57	617.85
Free cash flow to equity (FCFE)	(326.86)	336.58	445.36	456.38	617.66

Per share (THB)

FCFF per share	(0.41)	0.43	0.57	0.58	0.79
FCFE per share	(0.42)	0.43	0.57	0.58	0.79
Recurring cash flow per share	0.65	0.69	0.99	1.02	1.11

Balance Sheet (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Tangible fixed assets (gross)	5,345	5,565	5,971	6,280	6,567
Less: Accumulated depreciation	(1,812)	(2,090)	(2,386)	(2,693)	(3,016)
Tangible fixed assets (net)	3,533	3,475	3,585	3,587	3,551
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	1,580	1,697	1,970
A/C receivable	159	212	250	289	289
Inventories	49	56	68	69	72
Other current assets	6	90	115	116	122
Current assets	1,208	1,603	2,013	2,170	2,452
Other assets	52	55	55	55	55
Total assets	4,797	5,137	5,657	5,816	6,062
Common equity	4,115	4,278	4,653	4,805	5,013
Minorities etc.	0	0	0	0	0
Total shareholders' equity	4,115	4,278	4,653	4,805	5,013
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	725	729	764
Short term debt	0	0	0	0	0
Other current liabilities	45	66	84	85	90
Current liabilities	492	663	808	814	853
Total liabilities and shareholders' equity	4,797	5,137	5,657	5,816	6,062
Net working capital	(277)	(305)	(375)	(341)	(370)
Invested capital	3,311	3,230	3,269	3,305	3,239

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

Per share (THB)

Book value per share	5.23	5.44	5.92	6.11	6.38
Tangible book value per share	5.23	5.44	5.92	6.11	6.38

Financial strength

Net debt/equity (%)	(24.0)	(28.9)	(33.8)	(35.2)	(39.2)
Net debt/total assets (%)	(20.6)	(24.1)	(27.8)	(29.1)	(32.4)
Current ratio (x)	2.5	2.4	2.5	2.7	2.9
CF interest cover (x)	(694.4)	(89.2)	(86.5)	(69.1)	(87.2)

Valuation	2020	2021	2022E	2023E	2024E
Recurring P/E (x) *	61.5	49.9	25.6	25.2	22.5
Recurring P/E @ target price (x) *	70.0	56.8	29.2	28.8	25.6
Reported P/E (x)	61.5	49.9	25.6	25.2	22.5
Dividend yield (%)	0.7	0.9	2.7	2.8	3.1
Price/book (x)	3.0	2.9	2.7	2.6	2.5
Price/tangible book (x)	3.0	2.9	2.7	2.6	2.5
EV/EBITDA (x) **	25.8	19.0	12.1	11.7	10.4
EV/EBITDA @ target price (x) **	29.7	21.9	14.0	13.6	12.1
EV/invested capital (x)	3.5	3.5	3.3	3.2	3.2

* 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 2021

EXCELLENT LEVEL – Score range 90-100										
AAV	BCPG	CPALL	GCAP	K	MSC	PLANET	SAMART	SPI	THRE	TVD
ADVANC	BDMS	CPF	GFPT	KBANK	MST	PLAT	SAMTEL	SPRC	THREL	TVI
AF	BEM	CPI	GGC	KCE	MTC	PORT	SAT	SPVI	TIPCO	TVO
AH	BGC	CPN	GLAND	KKP	MVP	PPS	SC	SSSC	TISCO	TWPC
AIRA	BGRIM	CRC	GLOBAL	KSL	NCL	PR9	SCB	SST	TK	U
AKP	BIZ	CSS	GPI	KTB	NEP	PREB	SCC	STA	TKT	UAC
AKR	BKI	DDD	GPSC	KTC	NER	PRG	SCCC	STEC	TMT	UBIS
ALT	BOL	DELTA	GRAMMY	LALIN	NKI	PRM	SCG	STI	TNDT	UV
AMA	BPP	DEMCO	GULF	LANNA	NOBLE	PROUD	SCGP	SUN	TNITY	VGI
AMATA	BRR	DRT	GUNKUL	LH	NSI	DRS	SCM	SUSCO	TOA	VIH
AMATAV	BTS	DTAC	HANA	LHFG	NVD	PSL	SDC	SUTHA	TOP	WACOAL
ANAN	BTW	DUSIT	HARN	LIT	NWR	PTG	SEAFECO	SVI	TPBI	WAVE
AOT	BWG	EA	HMPRO	LPN	NYT	PTT	SEAOIL	SYMC	TQM	WHA
AP	CENTEL	EASTW	ICC	MACO	OISHI	PTTEP	SE-ED	SYNTEC	TRC	WHAUP
ARIP	CFRESH	ECF	ICHI	MAJOR	OR	PTTGC	SELIC	TACC	TRU	WICE
ARROW	CHEWA	ECL	III	MAKRO	ORI	PYLON	SENA	TASCO	TRUE	WINNER
ASP	CHO	EE	ILINK	MALEE	OSP	Q-CON	SHR	TCAP	TSC	ZEN
AUCT	CIMBT	EGCO	ILM	MBK	OTO	QH	SIRI	TEAMG	TSR	
AWC	CK	EPG	INTUCH	MC	PAP	QTC	SIS	TFMAMA	TSTE	
AYUD	CKP	ETC	IP	MCOT	PCSGH	RATCH	SITHAI	TGH	TSTH	
BAFS	CM	FPI	IRPC	METCO	PDG	RS	SMK	THANA	TTA	
BANPU	CNT	FPT	ITEL	MFEC	PDJ	S	SMPC	THANI	TTB	
BAY	COM7	FSMART	IVL	MINT	PG	S & J	SNC	THCOM	TTCL	
BBL	COMAN	GBX	JSP	MONO	PHOL	SAAM	SONIC	THG	TTW	
BCP	COTTO	GC	JWD	MOONG	PLANB	SABINA	SPALI	THIP	TU	
VERY GOOD LEVEL – Score range 80-89										
2S	ASIMAR	CHOW	FLOYD	IT	LOXLEY	OCC	RPC	SKY	TCC	TVT
7UP	ASK	CI	FN	ITD	LRH	OGC	RT	SLP	TCMC	TWP
ABICO	ASN	CIG	FNS	J	LST	PATO	RWI	SMIT	TEAM	UEC
ABM	ATP30	CMC	FORTH	JAS	M	PB	S11	SMT	TFG	UMI
ACE	B	COLOR	FSS	JCK	MATCH	PICO	SA	SNP	TFI	UOBKH
ACG	BA	CPL	FTE	JCKH	MBAX	PIMO	SAK	SO	TIGER	UP
ADB	BAM	CPW	FVC	JMART	MEGA	PJW	SALEE	SORKON	TITLE	UPF
AEONTS	BC	CRD	GEL	JMT	META	PL	SAMCO	SPA	TKN	UPOIC
AGE	BCH	CSC	GENCO	KBS	MFC	PM	SANKO	SPC	TKS	UTP
AHC	BEC	CSP	GJS	KCAR	MGT	PMTA	SAPPE	SPCG	TM	VCOM
AIT	BEYOND	CWT	GYT	KEX	MICRO	PPP	SAWAD	SR	TMC	VL
ALL	BFIT	DCC	HEMP	KGI	MILL	PPP	SCI	SRICHA	TMD	VPO
ALLA	BJC	DCON	HPT	KIAT	MITSIB	PRIME	SCN	SSC	TMI	VRANDA
ALUCON	BJCHI	DHOUSE	HTC	KISS	MK	PRIN	SCP	SSF	TMILL	WGE
AMANAH	BLA	DOD	HYDRO	KOOL	MODERN	PRINC	SE	STANLY	TNL	WIK
AMARIN	BR	DOHOME	ICN	KTIS	MTI	PSG	SFLEX	STGT	TNP	WP
APCO	BROOK	DV8	IFS	KUMWEL	NBC	PSTC	SFP	STOWER	TOG	XO
APCS	CBG	EASON	IMH	KUN	NCAP	PT	SFT	STPI	TPA	XPG
APURE	CEN	EFORL	IND	KWC	NCH	QLT	SGF	SUC	TPAC	YUASA
AQUA	CGH	ERW	INET	KWM	NETBAY	RBF	SIAM	SWC	TPCS	
ASAP	CHARAN	ESSO	INSET	L&E	NEX	RCL	SINGER	SYNEX	TPS	
ASEFA	CHAYO	ESTAR	INSURE	LDC	NINE	RICHY	SKE	TAE	TRITN	
ASIA	CHG	ETE	IRC	LEO	NRF	RML	SKN	TAKUNI	TRT	
ASIAN	CHOTI	FE	IRCP	LHK	NTV	ROJNA	SKR	TBSP	TSE	
GOOD LEVEL – Score range 70-79										
A	BGT	CITY	GIFT	JTS	MDX	PK	SGP	SUPER	TQR	YGG
AI	BH	CMAN	GLOCON	JUBILE	MJD	PLE	SICT	SVOA	TTI	ZIGA
AIE	BIG	CMO	GREEN	KASET	MORE	PPM	SIMAT	TC	TYCN	
AJ	BLAND	CMR	GSC	KCM	MUD	PRAKIT	SISB	TCCC	UKEM	
ALPHAX	BM	CPT	GTB	KK	NC	PRAPAT	SK	THMUI	UMS	
AMC	BROCK	CRANE	HTECH	KKC	NDR	PRECHA	SMART	TNH	UNIQ	
APP	BSBM	CSR	HUMAN	KWI	NFC	PTL	SOLAR	TNR	UPA	
AQ	BSM	D	IHL	KYE	NNCL	RJH	SPACK	TOPP	UREKA	
ARIN	BTNC	EKH	IIG	LEE	NOVA	RP	SPG	TPCH	VIBHA	
AS	BYD	EMC	INGRS	LPH	NPK	RPH	SQ	TPIPL	W	
AU	CAZ	EP	INOX	MATI	NUSA	RSP	SSP	TIPIP	WIN	
B52	CCP	F&D	JAK	M-CHAI	PAF	SABUY	STARK	TPLAS	WORK	
BEAUTY	CGD	FMT	JR	MCS	PF	SF	STC	TPOLY	WPH	

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

Sources: Thai Institute of Directors Association (IOD); FSSIA's compilation; data as of 26 October 2021

Anti-corruption Progress Indicator

CERTIFIED										
2S	BCH	CPALL	GC	K	MFC	PE	QLT	SNP	THCOM	TU
7UP	BCP	CPF	GCAP	KASET	MFEC	PG	QTC	SORKON	THIP	TVD
ADVANC	BCPG	CPI	GEL	KBANK	MILL	PHOL	RATCH	SPACK	THRE	TVI
AF	BE8	CPN	GFPT	KBS	MINT	PK	RML	SPALI	THREL	TVO
AI	BEYOND	CSC	GGC	KCAR	MONO	PL	RWI	SPC	TIDLOR	TWPC
AIE	BGC	DCC	GJS	KCE	MOONG	PLANB	S & J	SPI	TIPCO	U
AIRA	BGRIM	DELTA	GPI	KGI	MSC	PLANET	SAAM	SPRC	TISCO	UBE
AKP	BJCHI	DEMCO	GPSC	KKP	MST	PLAT	SABINA	SRICHA	TKS	UBIS
ALPHAX	BKI	DIMET	GSTEEL	KSL	MTC	PM	SAPPE	SSF	TKT	UEC
AMA	BLA	DRT	GUNKUL	KTB	MTI	PPP	SAT	SSP	TMD	UKEM
AMANAHA	BPP	DTAC	HANA	KTC	NBC	PPPM	SC	SSSC	TMILL	UOBKH
AMATA	BROOK	DUSIT	HARN	KWC	NEP	PPS	SCB	SST	TMT	UPF
AMATAV	BRR	EA	HEMP	KWI	NINE	PR9	SCC	STA	TNITY	UV
AP	BSBM	EASTW	HENG	L&E	NKI	PREB	SCCC	STOWER	TNL	VGI
APCS	BTS	ECL	HMPRO	LANNA	NMG	PRG	SCG	SUSCO	TNP	VIH
AQUA	BWG	EGCO	HTC	LH	NNCL	PRINC	SCN	SVI	TNR	WACOAL
ARROW	CEN	EP	ICC	LHFG	NOBLE	PRM	SEAOIL	SYMC	TOG	WHA
AS	CENTEL	EPG	ICHI	LHK	NOK	PROS	SE-ED	SYNTEC	TOP	WHAUP
ASIAN	CFRESH	ERW	IFEC	LPN	NSI	PSH	SELIC	TAE	TOPP	WICE
ASK	CGH	ESTAR	IFS	LRH	NWR	PSL	SENA	TAKUNI	TPA	WIIK
ASP	CHEWA	ETE	ILINK	M	OCC	PSTC	SGP	TASCO	TPP	XO
AWC	CHOTI	FE	INET	MAKRO	OGC	PT	SINGER	TBSP	TRU	ZEN
AYUD	CHOW	FNS	INSURE	MALEE	ORI	PTG	SIRI	TCAP	TRUE	
B	CIG	FPI	INTUCH	MATCH	PAP	PTT	SITHAI	TCMC	TSC	
BAFS	CIMBT	FPT	IRC	MBAX	PATO	PTTEP	SKR	TFG	TSTE	
BAM	CM	FSMART	IRPC	MBK	PB	PTTGC	SMIT	TFI	TSTH	
BANPU	CMC	FSS	ITEL	MC	PCSGH	PYLON	SMK	TFMAMA	TTA	
BAY	COM7	FTE	IVL	MCOT	PDG	Q-CON	SMPC	TGH	TTB	
BBL	COTTO	GBX	JKN	META	PDJ	QH	SNC	THANI	TTCL	
DECLARED										
AJ	CHG	DDD	ETC	JR	MAJOR	NUSA	RS	SSS	TQM	YUASA
ALT	CPL	DHOUSE	FLOYD	JTS	NCAP	NYT	SAK	STECH	TSI	ZIGA
APCO	CPR	DOHOME	GULF	KEX	NCL	OR	SCGP	STGT	VARO	
B52	CPW	ECF	III	KUMWEL	NOVA	PIMO	SCM	TKN	VCOM	
BEC	CRC	EKH	INOX	LDC	NRF	PLE	SIS	TMI	VIBHA	

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:

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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 26 October 2021) are categorised into: 1) companies that have declared their intention to join CAC, and; 2) companies certified by CAC.

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

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

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

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

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Company	Ticker	Price	Rating	Valuation & Risks
Praram 9 Hospital	PR9 TB	THB 15.80	BUY	Downside risks to our DCF-based target price include 1) weak patient volumes following the economic slowdown; 2) regulatory risks from drug price and medical bill controls; and 3) higher-than-expected expenses from its new building.
Bangkok Dusit Medical Services	BDMS TB	THB 26.50	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 price and medical bill controls; and 3) higher-than-expected capex and opex for CoE projects.
Bumrungrad Hospital	BH TB	THB 188.50	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 19.80	BUY	Downside risks to our DCF-based target price include 1) a slowdown in international patients due to economic concerns, political protests or floods; 2) regulatory risks from drug prices and medical bill controls; and 3) SSO provision expenses following a limited SSO budget.
Chularat Hospital	CHG TB	THB 3.72	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 60.25	REDUCE	Upside risks to our DCF-based target price include 1) a new Covid wave from a new variant; and 2) big-lot sales of Jin Wellbeing County units.
Vibhavadi Medical Center	VIBHA TB	THB 2.46	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 51.50	BUY	Downside risks to our DCF-based target price include 1) weak patient volumes following the economic slowdown; 2) regulatory risks from drug price and medical bill controls; and 3) losses from its subsidiary companies.

Source: FSSIA estimates

Additional Disclosures

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

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

All share prices are as at market close on 11-Jul-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.