

PRARAM 9 HOSPITAL

THAILAND / HEALTHCARE

PR9 TB

BUY

UNCHANGED

TARGET PRICE	THB22.00
CLOSE	THB19.60
UP/DOWNSIDE	+12.2%
PRIOR TP	THB21.00
CHANGE IN TP	+4.8%
TP vs CONSENSUS	+19.4%

China reopening is icing on the cake

- Expect 4Q22 earnings to grow 14% y-y to THB133m led by higher non-Covid Thai and expat patient revenue.
- International patient revenue contribution should recover to 15% from 8%-13% in 2021-22 with upside from Chinese patients.
- Maintain BUY with a higher DCF-based TP of THB22.0/shr.

4Q22 core profit to exceed pre-Covid by 80%

We expect revenue to grow by 16% y-y in 4Q22. International patient revenue should grow by 97% y-y and exceed pre-Covid by 39% led by a recovery in expat and fly-in patients, especially Chinese and CLMV patients. Non-Covid Thai patient revenue should also grow by 8% y-y and exceed pre-Covid by 31% due to higher patient volume. On the negative side, we estimate SG&A to increase 4% q-q due to higher staff expenses. Overall, we estimate EBITDA margin will slightly decline to 22% (vs 23% in 4Q21), leading to core profit growth of 14% y-y to THB133m – higher than the pre-Covid level by 80%. However, it should drop from THB147m in 3Q22 mainly due to higher staff expenses.

Benefit from China's reopening

We believe PR9 stands to gain from China's reopening, given its 5%-7% revenue contribution from Chinese patients in 2019, mainly for IVF treatments. In 2022, its revenue contribution remained at 6%-7%, mainly from Chinese expat patients. Thus, we estimate the recovery of fly-in Chinese patients should result in a 9%-10% revenue contribution in 2023. PR9 plans to offer mRNA vaccines and RT-PCR tests to Chinese patients, which we think increases the scope of the upside for our forecasts.

International patient revenue a key driver in 2023

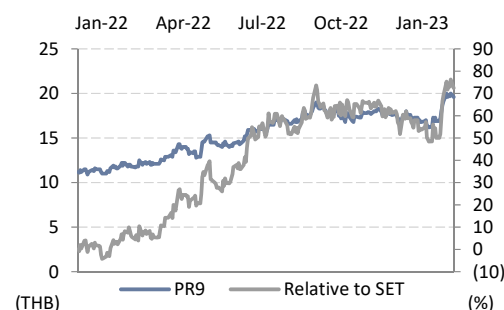
We expect revenue to grow by 8% to THB4.4b in 2023. International patient revenue should jump by 20% driven by a recovery in fly-in patients and its International Center, which is scheduled to open in 3Q23 to provide one-stop service to international patients. We think this should increase the revenue contribution of international patient to 15% in 2023 (vs 16% in 2019), and overall core profit should grow by 4% in 2023.

Revise up earnings; cheaper valuation than peers

We revise our 2022-24E core profit up by 3%-4% to reflect PR9's strong business outlook and derive a new DCF-based TP of THB22.0/shr. PR9 trades at 27x 2023E P/E (vs its peers' average of 32x). Re-rating catalyst is the higher international patient revenue contribution which management targets to reach 20%-30% in the long term (vs 30% for BDMS and 64% for BH).

KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Revenue	2,987	4,090	4,414	4,637
Net profit	249	561	582	632
EPS (THB)	0.32	0.71	0.74	0.80
vs Consensus (%)	-	3.8	(1.3)	0.3
EBITDA	590	983	1,030	1,110
Core net profit	249	561	582	632
Core EPS (THB)	0.32	0.71	0.74	0.80
Chg. In EPS est. (%)	-	3.9	2.9	2.9
EPS growth (%)	23.3	125.1	3.8	8.5
Core P/E (x)	61.9	27.5	26.5	24.4
Dividend yield (%)	0.7	2.5	2.6	2.9
EV/EBITDA (x)	24.0	14.0	13.2	12.0
Price/book (x)	3.6	3.3	3.1	3.0
Net debt/Equity (%)	(28.9)	(35.3)	(37.3)	(40.7)
ROE (%)	5.9	12.5	12.1	12.6



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	16.7	12.6	66.1
Relative to country (%)	12.1	4.3	64.9
Mkt cap (USD m)	467		
3m avg. daily turnover (USD m)	1.2		
Free float (%)	59		
Major shareholder	Khunying Potjaman Damapong (37%)		
12m high/low (THB)	20.20/10.80		
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 its services 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 Jul-20. 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 a stock valuation re-rating, in our view.

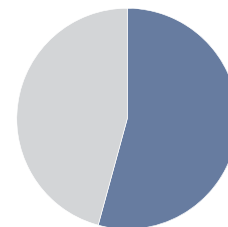
Company profile

PR9 has been operating a private hospital since 1992.

www.praram9.com

Principal activities (revenue, 2021)

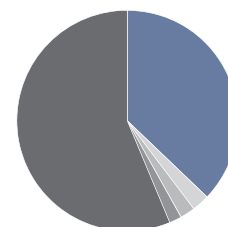
- OPD patient revenue - 54.2 %
- IPD patient revenue - 45.8 %



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
Feb 2023	4Q22 results announcement

Key assumptions

	2022E	2023E	2024E
	(%)	(%)	(%)
No. of beds (no.)	229	249	270
OPD volume growth	27	3	3
OPD revenue / patient growth	11	3	2
IPD volume growth	30	7	3
IPD revenue / patient growth	2	3	2

Source: FSSIA estimates

Earnings sensitivity

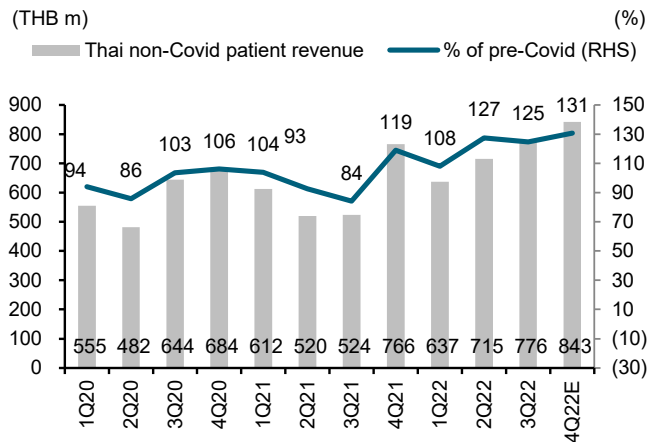
- For every 1% increase in patient volume, we project 2023 earnings to rise by 2%, and vice versa, all else being equal.
- For every 1% increase in EBITDA margin, we project 2023 earnings to rise by 6%, and vice versa, all else being equal.

Source: FSSIA estimates

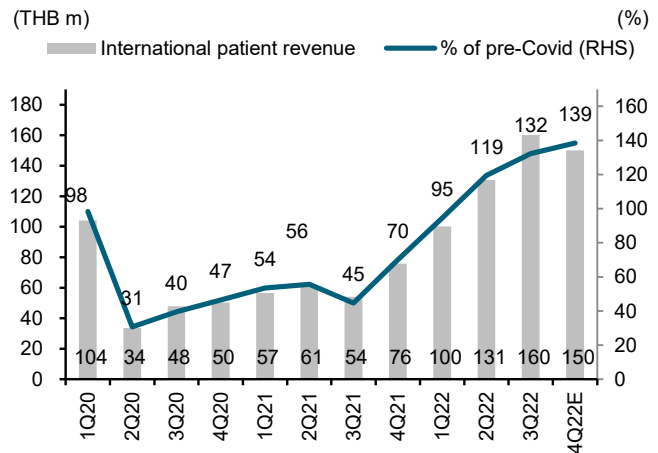
Exhibit 1: 4Q22 results preview

FY ending Dec	4Q21	1Q22	2Q22	3Q22	4Q22E	----- Change -----		2022E	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(y-y %)
Sales	935	970	970	1,064	1,083	2	16	4,090	37
COGS (incl depreciation)	(644)	(627)	(664)	(702)	(725)	3	13	(2,723)	25
Gross Profit	291	343	306	362	357	(1)	23	1,367	68
SG&A	(161)	(159)	(164)	(195)	(202)	4	26	(722)	30
Operating Profit	130	184	142	167	155	(7)	19	645	151
Net other income	12	10	12	13	11	(18)	(5)	48	11
Interest expenses	(0)	(0)	(0)	(0)	0	(100)	(100)	(0)	n/a
Pretax profit	142	194	154	181	166	(8)	17	692	131
Income Tax	(26)	(37)	(29)	(33)	(33)	(1)	28	(132)	157
Core profit	116	157	125	147	133	(10)	14	561	125
Extraordinaries, GW & FX									
Reported net profit	116	157	125	147	133	(10)	14	561	125
Outstanding shares (m)	786	786	786	786	786	0	0	786	0
Pre-ex EPS (THB)	0.15	0.20	0.16	0.19	0.17	(10)	14	0.71	125
EPS (THB)	0.15	0.20	0.16	0.19	0.17	(10)	14	0.71	125
COGS excl. depreciation	(567)	(553)	(588)	(626)	(649)	4	14	(2,427)	29
Depreciation	(77)	(74)	(75)	(76)	(76)	0	(1)	(296)	1
EBITDA	218	268	229	257	242	(6)	11	988	66
Key ratios	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)	(ppt)
Gross margin	31	35	32	34.0	33.0	(1)	2	33	6
SG&A/Revenue	17	16	17	18	19	0	1	18	(1)
EBITDA margin	23	27	23	24	22	(2)	(1)	24	4
Net profit margin	12	16	13	14	12	(2)	(0)	14	5
Operating stats	(%)	(%)	(%)	(%)	(%)				
OPD revenue growth y-y	32	50	61	75	n/a				
OPD volume growth y-y	10	26	43	48	n/a				
OPD revenue per head growth y-y	19	19	13	18	n/a				
IPD revenue growth y-y	21	40	44	13	n/a				
IPD volume growth y-y	19	82	39	(11)	n/a				
IPD revenue per head growth y-y	2	(23)	4	28	n/a				
Thai patient revenue growth y-y	26	42	47	30	n/a				
Inter patient revenue growth y-y	51	77	114	196	n/a				

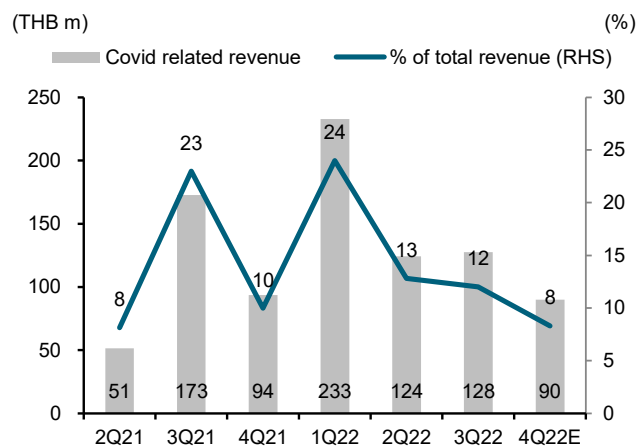
Sources: PR9; FSSIA estimates

Exhibit 2: Non-Covid Thai patient revenue

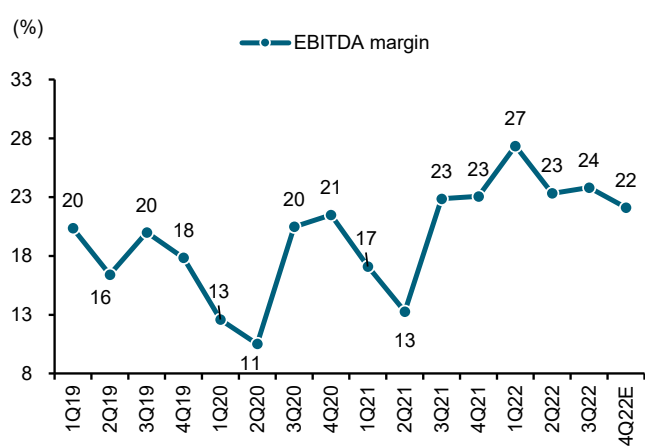
Sources: PR9; FSSIA estimates

Exhibit 3: International patient revenue

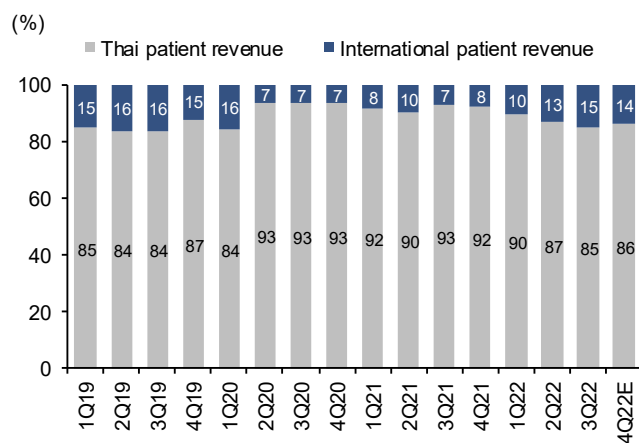
Sources: PR9; FSSIA estimates

Exhibit 4: Covid-related revenue

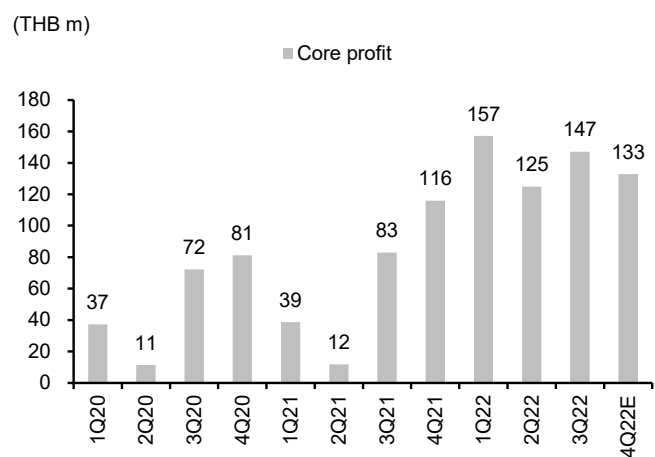
Sources: PR9; FSSIA estimates

Exhibit 5: EBITDA margin

Sources: PR9; FSSIA estimates

Exhibit 6: Thai and international patient revenue contributions

Sources: PR9; FSSIA estimates

Exhibit 7: Core profit

Sources: PR9; FSSIA estimates

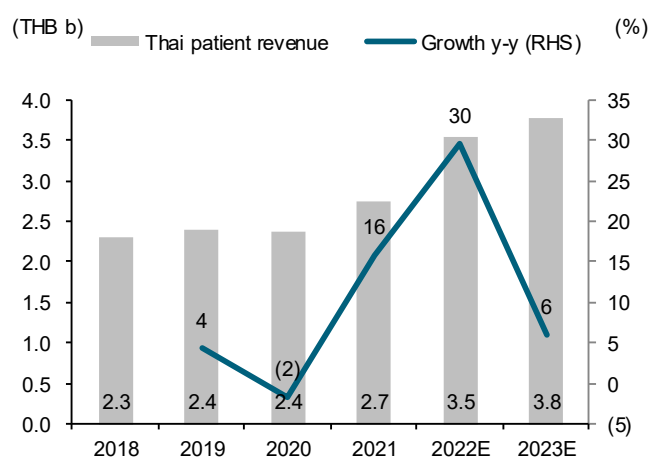
Exhibit 8: Forecast revisions

	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	4,090	4,414	4,637	4,005	4,117	4,325	2.1	7.2	7.2
EBITDA margin (%)	24.0	23.3	23.9	24.1	24.5	25.1	(0.1)	(1.2)	(1.2)
Core profit	561	582	632	540	566	614	3.9	2.9	2.9
Key assumptions									
OPD- Visits per day (no.)	1,376	1,417	1,460	1,333	1,333	1,373	3.3	6.3	6.3
OPD - Revenue per visit (THB)	4,535	4,671	4,765	4,535	4,580	4,672	0.0	2.0	2.0
IPD - Admissions per day (no.)	35	38	39	33	35	36	5.7	7.7	7.7
IPD - Revenue per admission (THB)	141,426	145,669	148,582	148,358	148,358	151,326	(4.7)	(1.8)	(1.8)

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

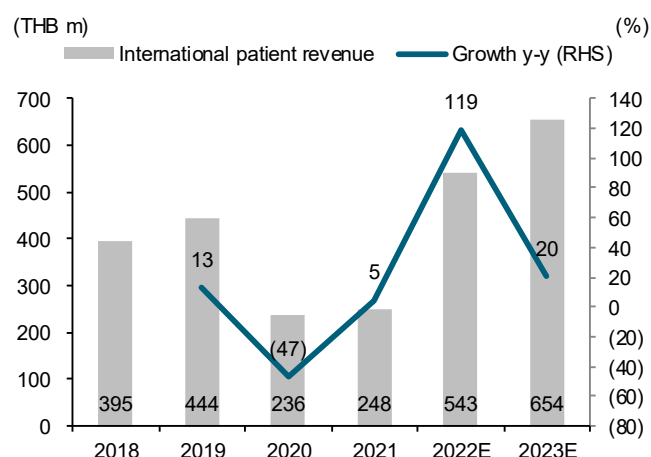
Source: FSSIA estimates

Exhibit 9: Thai patient revenue



Sources: PR9; FSSIA estimates

Exhibit 10: International patient revenue



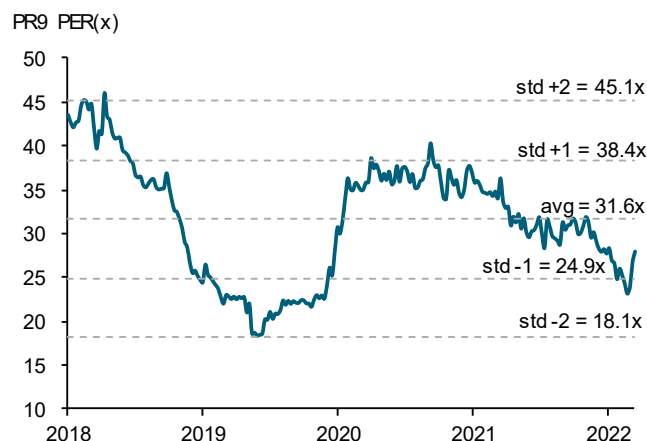
Sources: PR9; FSSIA estimates

Exhibit 11: 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		9.3	Net cost of debt, Kd		2.8
Weight applied		100.0	Weight applied		0.0
WACC		9.3			
DCF valuation estimate		(THB b)	(THB/share)	Comments	
NPV		5.8	7.4	WACC 9.3%, risk-free rate 3%, risk premium 8%	
Terminal value		9.6	12.3	Terminal growth 3%	
Cash & liquid assets		1.8	2.3	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		17.3	22.0		

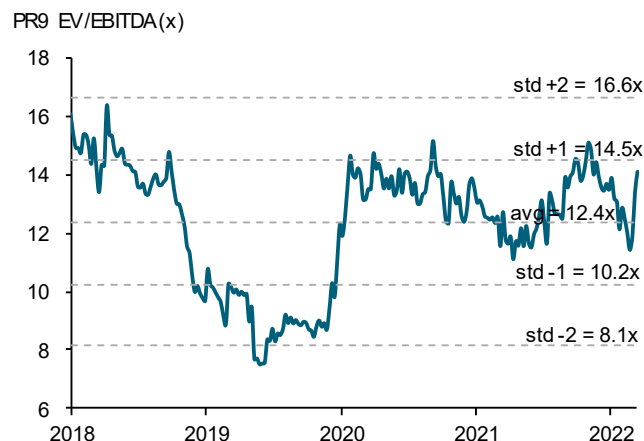
Source: FSSIA estimates

Exhibit 12: Historical P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 13: Historical EV/EBITDA band



Sources: Bloomberg; FSSIA estimates

Exhibit 14: Peer comparisons as of 16 Jan-23

Company	BBG	Rec	Share price			Market Cap	PE			ROE		PBV		EV/EBITDA	
			Current	Target	Upside		22E	23E	24E	22E	23E	22E	23E	22E	23E
			(LCY)	(LCY)	(%)	(USD m)	(x)	(x)	(x)	(%)	(%)	(x)	(x)	(x)	(x)
Thailand															
Bangkok Dusit Med Service	BDMS TB	BUY	30.00	34.50	15	14,451	38.2	35.4	31.2	14.4	14.6	5.3	5.0	21.0	19.4
Bumrungrad Hospital	BH TB	BUY	213.00	255.00	20	5,132	36.7	33.6	30.9	25.2	24.5	8.8	7.8	23.7	21.7
Bangkok Chain Hospital	BCH TB	BUY	21.50	26.00	21	1,625	16.8	27.1	23.6	24.9	14.9	4.2	3.9	10.7	14.4
Chularat Hospital	CHG TB	BUY	3.80	4.70	24	1,267	13.8	28.7	25.2	37.9	17.7	5.0	5.2	9.3	16.9
Praram 9 Hospital	PR9 TB	BUY	19.60	22.00	12	467	27.5	26.5	24.4	12.5	12.1	3.3	3.1	14.0	13.2
Thonburi Healthcare Group	THG TB	REDUCE	67.75	55.00	(19)	1,740	35.6	48.5	42.7	16.9	11.8	5.8	5.7	20.9	24.8
Vibhavadi Medical Center	VIBHA TB	BUY	2.72	3.20	18	1,119	35.3	34.1	30.5	8.1	7.3	2.5	2.5	31.2	28.2
Ramkhamhaeng Hospital	RAM TB	BUY	54.00	62.00	15	1,964	30.9	30.3	26.4	11.8	11.3	3.5	3.3	28.6	24.8
Principal Capital	PRINC TB	BUY	6.10	9.00	48	704	41.9	35.3	26.4	5.5	6.2	2.2	2.1	18.9	17.3
Rajthanee Hospital	RJH TB	n/a	31.00	n/a	n/a	283	8.6	22.1	20.7	50.3	18.6	6.3	4.0	6.8	14.9
Ekachai Medical Care	EKH TB	n/a	9.00	n/a	n/a	182	23.7	25.3	26.6	20.8	14.4	6.4	3.8	12.4	14.2
Thailand average						28,936	28.1	31.5	28.0	20.7	13.9	4.8	4.2	17.9	19.1
Regional															
Ramsay Health Care	RHC AU	n/a	67.23	n/a	n/a	10,699	48.5	37.4	25.6	8.3	11.3	3.8	3.8	13.8	12.7
Ihh Healthcare Bhd	IHH SP	n/a	1.81	n/a	n/a	12,047	35.2	29.5	26.3	6.5	6.7	2.0	2.0	15.3	14.3
Ryman Healthcare	RYM NZ	n/a	5.56	n/a	n/a	1,792	12.1	9.8	9.2	7.4	8.0	0.8	0.8	15.8	12.7
Apollo Hospitals Enterprise	APHS IN	n/a	4,295	n/a	n/a	7,554	66.9	63.5	44.7	18.6	16.1	10.9	10.9	28.4	28.4
Kpj Healthcare Berhad	KPJ MK	n/a	0.99	n/a	n/a	998	31.1	25.5	22.1	6.5	7.9	2.0	2.0	12.2	11.2
Raffles Medical Group	RFMD SP	n/a	1.37	n/a	n/a	1,934	23.8	26.0	24.2	11.0	9.6	2.6	2.6	12.6	13.7
Mitra Keluarga Karyasehat	MIKA IJ	n/a	2,930	n/a	n/a	2,846	42.8	37.1	32.2	18.4	19.5	7.8	7.8	27.6	24.1
Aier Eye Hospital Group	300015 CH	n/a	33.58	n/a	n/a	36,079	85.1	65.3	50.6	20.4	22.2	16.2	16.2	47.1	37.6
Regional average						73,950	43.2	36.8	29.4	12.1	12.7	5.8	5.8	21.6	19.3
Overall average						102,885	34.4	33.7	28.6	17.1	13.4	5.2	4.9	19.5	19.2

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	4,090	4,414	4,637
Cost of goods sold	(1,677)	(1,879)	(2,427)	(2,626)	(2,745)
Gross profit	925	1,108	1,663	1,788	1,892
Other operating income	38	39	43	46	48
Operating costs	(518)	(557)	(722)	(803)	(830)
Operating EBITDA	444	590	983	1,030	1,110
Depreciation	(213)	(294)	(296)	(309)	(328)
Goodwill amortisation	-	-	-	-	-
Operating EBIT	231	297	688	721	782
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	692	728	790
Tax	(28)	(51)	(132)	(146)	(158)
Profit after tax	202	249	561	582	632
Minority interests	0	0	0	0	0
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	202	249	561	582	632
Non-recurring items & goodwill (net)	0	0	0	0	0
Recurring net profit	202	249	561	582	632
Per share (THB)					
Recurring EPS *	0.26	0.32	0.71	0.74	0.80
Reported EPS	0.26	0.32	0.71	0.74	0.80
DPS	0.11	0.14	0.50	0.52	0.56
Diluted shares (used to calculate per share data)	786	786	786	786	786
Growth					
Revenue (%)	(8.7)	14.8	36.9	7.9	5.1
Operating EBITDA (%)	(17.8)	33.0	66.6	4.7	7.8
Operating EBIT (%)	(38.5)	28.5	131.9	4.9	8.5
Recurring EPS (%)	(35.3)	23.3	125.1	3.8	8.5
Reported EPS (%)	(29.0)	23.3	125.1	3.8	8.5
Operating performance					
Gross margin inc. depreciation (%)	27.4	27.3	33.4	33.5	33.7
Gross margin of key business (%)	27.4	27.3	33.4	33.5	33.7
Operating EBITDA margin (%)	17.1	19.8	24.0	23.3	23.9
Operating EBIT margin (%)	8.9	9.9	16.8	16.3	16.9
Net margin (%)	7.8	8.3	13.7	13.2	13.6
Effective tax rate (%)	12.3	17.0	19.0	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)	(141.7)	(107.9)	(106.0)
Inventory days	10.7	10.2	9.7	10.5	10.7
Debtor days	22.1	22.7	20.8	22.8	23.4
Creditor days	98.8	101.4	102.9	111.6	113.5
Operating ROIC (%)	6.9	7.7	17.5	18.0	19.6
ROIC (%)	6.7	7.5	17.2	17.7	19.2
ROE (%)	5.0	5.9	12.5	12.1	12.6
ROA (%)	4.3	5.0	10.2	9.7	10.1
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
OPD patient revenue	1,461	1,620	2,278	2,416	2,539
IPD patient revenue	1,140	1,367	1,812	1,997	2,098

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	561	582	632
Depreciation	213	294	296	309	328
Associates & minorities	-	-	-	-	-
Other non-cash items	98	3	0	0	0
Change in working capital	(34)	27	108	10	32
Cash flow from operations	480	574	965	902	992
Capex - maintenance	(806)	(235)	(423)	(343)	(328)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	0	0	0	0	0
Other investments (net)	-	-	-	-	-
Cash flow from investing	(806)	(235)	(423)	(343)	(328)
Dividends paid	(110)	(86)	(110)	(393)	(408)
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)	(393)	(408)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	(437)	250	432	166	256
Free cash flow to firm (FCFF)	(326.28)	338.71	542.07	559.00	663.68
Free cash flow to equity (FCFE)	(326.86)	336.58	541.65	558.58	663.26

Per share (THB)

FCFF per share	(0.41)	0.43	0.69	0.71	0.84
FCFE per share	(0.42)	0.43	0.69	0.71	0.84
Recurring cash flow per share	0.65	0.69	1.09	1.13	1.22

Balance Sheet (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Tangible fixed assets (gross)	5,345	5,565	5,989	6,332	6,660
Less: Accumulated depreciation	(1,812)	(2,090)	(2,386)	(2,695)	(3,023)
Tangible fixed assets (net)	3,533	3,475	3,602	3,636	3,637
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	1,676	1,842	2,098
A/C receivable	159	212	253	297	297
Inventories	49	56	73	78	82
Other current assets	6	90	123	133	140
Current assets	1,208	1,603	2,125	2,351	2,617
Other assets	52	55	55	55	55
Total assets	4,797	5,137	5,787	6,046	6,313
Common equity	4,115	4,278	4,729	4,918	5,142
Minorities etc.	0	0	0	0	0
Total shareholders' equity	4,115	4,278	4,729	4,918	5,142
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	771	835	872
Short term debt	0	0	0	0	0
Other current liabilities	45	66	90	98	102
Current liabilities	492	663	862	932	975
Total liabilities and shareholders' equity	4,797	5,137	5,787	6,046	6,313
Net working capital	(277)	(305)	(413)	(423)	(456)
Invested capital	3,311	3,230	3,249	3,272	3,241

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

Per share (THB)

Book value per share	5.23	5.44	6.01	6.25	6.54
Tangible book value per share	5.23	5.44	6.01	6.25	6.54

Financial strength

Net debt/equity (%)	(24.0)	(28.9)	(35.3)	(37.3)	(40.7)
Net debt/total assets (%)	(20.6)	(24.1)	(28.9)	(30.4)	(33.1)
Current ratio (x)	2.5	2.4	2.5	2.5	2.7
CF interest cover (x)	(694.4)	(89.2)	(110.7)	(82.6)	(88.8)

Valuation	2020	2021	2022E	2023E	2024E
Recurring P/E (x) *	76.3	61.9	27.5	26.5	24.4
Recurring P/E @ target price (x) *	85.6	69.4	30.8	29.7	27.4
Reported P/E (x)	76.3	61.9	27.5	26.5	24.4
Dividend yield (%)	0.6	0.7	2.5	2.6	2.9
Price/book (x)	3.7	3.6	3.3	3.1	3.0
Price/tangible book (x)	3.7	3.6	3.3	3.1	3.0
EV/EBITDA (x) **	32.5	24.0	14.0	13.2	12.0
EV/EBITDA @ target price (x) **	36.8	27.2	15.9	15.0	13.7
EV/invested capital (x)	4.4	4.4	4.2	4.1	4.1

* 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	PSH	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	SEAOL	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	PPPM	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	WIJK
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	TIPL	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
AMANA	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	SEAOL	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:

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 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 19.60	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 30.00	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-than-expected capex and opex for CoE projects.
Bangkok Chain Hospital	BCH TB	THB 21.50	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) SSO provision expenses following a limited SSO budget.
Bumrungrad Hospital	BH TB	THB 213.00	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.
Chularat Hospital	CHG TB	THB 3.80	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 67.75	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 2.72	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 prices and medical bill controls; and 3) SSO provision expenses following limited budgets from the SSO.
Ramkhamhaeng Hospital	RAM TB	THB 54.00	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.
Principal Capital	PRINC TB	THB 6.10	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 new hospitals.

Source: FSSIA estimates

Additional Disclosures

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

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

All share prices are as at market close on 16-Jan-2023 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.