

THONBURI HEALTHCARE GROUP

THAILAND / HEALTH CARE SERVICES

THG TB

REDUCE

UNCHANGED

TARGET PRICE	THB55.00
CLOSE	THB69.75
UP/DOWNSIDE	-21.1%
PRIOR TP	THB55.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+22.8%

Getting off the ground

- Positive feedback from analyst meeting; expect 2023 top line to grow by 10% from non-Covid patient revenue and TRPH.
- Expects to complete 2-3 M&A deals per year with capex of THB1.0b-1.5b and maintain D/E below 1.5-1.6x.
- Maintain REDUCE due to expensive valuation.

Expect TRPH to contribute up to 5% of 2023 revenue

We attended THG's analyst meeting on 10 Mar and have a positive outlook as a result. Management expects top-line growth of 10% in 2023, despite the absence of Covid-related revenue (22% of total revenue in 2022). A key growth driver should be Trang Vejkit Hospital (TRPH), of which THG recently acquired a 55% share in Dec. TRPH recorded revenue of cTHB400m with an NPM of 10% in 2022. THG expects TRPH's revenue to jump to THB500m-600m with an improving NPM in 2023 via knowledge sharing from THG group to improve operations. In addition, existing hospital revenue should grow by 10-15% in 2023.

Ar Yu to post strong profit; maintain THG Bamrungmuang revenue

For THG Bamrungmuang, management aims to maintain revenue of THB2.0b in 2022. More fly-in international patients and non-Covid Thai patients should offset lower Covid-related revenue (50-60% of total revenue in 2022). Ar Yu Hospital (THG holds a 40% share) should be another growth driver this year as it has become the hospital leader in Myanmar. It recorded a core profit of THB173m in 2022, but also booked an FX loss of THB111m due to the MMK's depreciation against the USD. THG recently replaced USD loans with MMK loans to mitigate this issue.

M&A could lift top-line growth by up to 15% in 2023

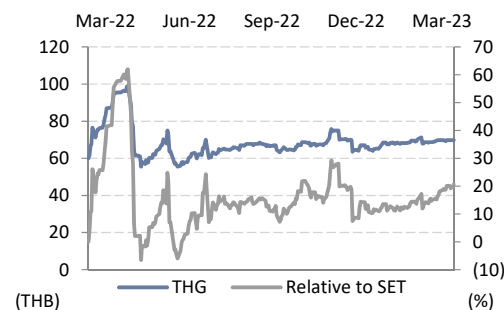
Aside from organic growth, THG aims to have 2-3 M&A deals per year with capex of THB1.0b-1.5b per year. THG has THB2.6b cash on hand, EBITDA of THB2.5b-3.0b per year, and 1.2x D/E, which management aims to keep below 1.6x. This suggests ample room to achieve their M&A target. If THG completes some M&A in 2023, its revenue has the potential to grow by up to 10-15%.

Expect 2023 core profit to exceed pre-Covid by almost four-fold

We maintain our 2023-24 earnings forecast and TP. We conservatively estimate 2023 revenue to grow 7% (vs management's guidance of 10%) and core profit to drop 21% to THB1.2b on the absence of Covid-related revenue (but exceed the pre-Covid level by 3.7x). THG's fundamentals have significantly improved. However, we have a REDUCE call as THG trades at an expensive valuation of 50x 2023E P/E (vs peers' avg of 31x).

KEY STOCK DATA

YE Dec (THB m)	2022	2023E	2024E	2025E
Revenue	11,540	12,317	13,141	13,939
Net profit	1,602	1,186	1,347	1,501
EPS (THB)	1.89	1.40	1.59	1.77
vs Consensus (%)	-	(18.1)	43.6	45.9
EBITDA	2,746	2,521	2,819	3,102
Core net profit	1,497	1,186	1,347	1,501
Core EPS (THB)	1.77	1.40	1.59	1.77
Chg. In EPS est. (%)	nm	0.2	0.2	nm
EPS growth (%)	20.3	(20.8)	13.6	11.4
Core P/E (x)	39.5	49.8	43.9	39.4
Dividend yield (%)	1.3	1.4	1.6	1.8
EV/EBITDA (x)	25.1	27.2	24.3	22.0
Price/book (x)	5.8	5.6	5.3	5.1
Net debt/Equity (%)	78.7	72.2	67.9	63.3
ROE (%)	15.5	11.4	12.4	13.2



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	1.5	4.1	13.4
Relative to country (%)	5.6	5.6	16.8
Mkt cap (USD m)	1,688		
3m avg. daily turnover (USD m)	4.2		
Free float (%)	42		
Major shareholder	Ramkhamhaeng Hospital (22%)		
12m high/low (THB)	99.50/53.50		
Issued shares (m)	847.47		

Sources: Bloomberg consensus; FSSIA estimates


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Investment thesis

THG is in an expansion mode, as it opened three hospitals during 2018-19. The three hospitals have recently turned profitable and improved the overall performance of the group.

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

We like THG's fundamentals, but have a REDUCE rating due to the expensive valuation and uncertainty over Jin Wellbeing.

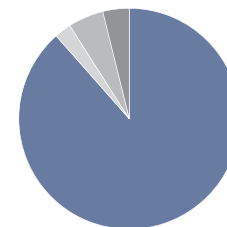
Company profile

The company operates a medical treatment business under nine hospitals and is also a healthcare solutions provider.

www.thg.co.th

Principal activities (revenue, 2022)

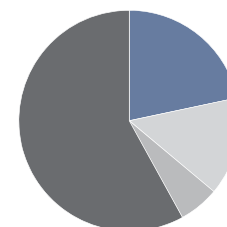
- Revenue from hospital operations - 88.5 %
- Revenue from sale of goods - 2.5 %
- Revenue from other services - 5.2 %
- Revenue from sales of condominium unit - 3.8 %



Source: Thonburi Healthcare Group

Major shareholders

- Ramkhamhaeng Hospital - 21.7 %
- Jaruwat Vanasin - 14.4 %
- Rajthanee Land Development - 5.9 %
- Others - 58.0 %



Source: Thonburi Healthcare Group

Catalysts

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

Risks to our call

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.

Event calendar

Date	Event
May 2023	1Q23 results announcement

Key assumptions

	2023E	2024E	2025
	(%)	(%)	(%)
OPD volume growth	4	3	2
OPD revenue / patient growth	4	4	3
IPD volume growth	4	3	3
IPD revenue / patient growth	4	4	3
Jin transferred (units)	72	50	50

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in patient volume, we project 2023 earnings to rise by 5%, and vice versa, all else being equal.
- For every 1% increase in EBITDA margin, we project 2023 earnings to rise by 11%, and vice versa, all else being equal.

Source: FSSIA estimates

Recap: 4Q22 results review

THG reported a 4Q22 core profit of THB219m (-65% y-y, -41% q-q), in line with Bloomberg's consensus estimate. Core profit dropped q-q due to lower Covid-related service revenue. Overall revenue dropped by 19% q-q in 4Q22.

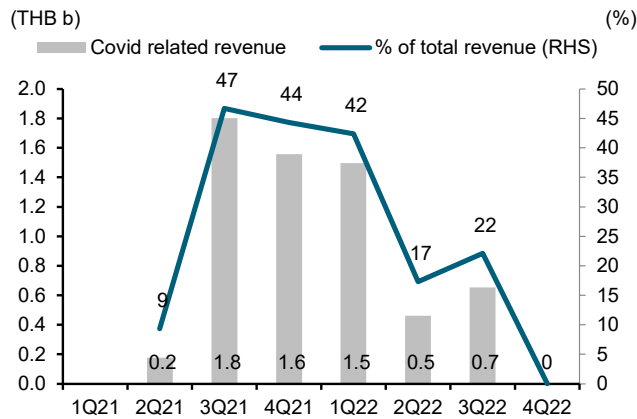
Hospital revenue in 4Q22 dropped by 23% q-q due to lower Covid-related revenue and the seasonal effect. Revenue from sales of Jin Wellbeing units decreased by 16% q-q as 24 residential units were transferred (vs 29 units in 3Q22). COGS decreased by 16% q-q, while SG&A decreased by 5% q-q in the quarter. As a result, the EBITDA margin dropped from 27% in 3Q22 to 23% in 4Q22. Share profits from Ar Yu Hospital amounted to THB20m in 4Q22 (vs the THB12m share of loss in 3Q22) thanks to strong operations and an FX gain.

Exhibit 1: 4Q22 results review

	4Q21	1Q22	2Q22	3Q22	4Q22	Change		2022
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)
Sales	3,514	3,530	2,674	2,954	2,382	(19)	(32)	11,540
COGS (incl depreciation)	(2,233)	(2,339)	(1,880)	(2,080)	(1,755)	(16)	(21)	(8,054)
Gross profit	1,282	1,191	793	875	627	(28)	(51)	3,486
SG&A	(436)	(445)	(403)	(460)	(437)	(5)	0	(1,745)
Operating profit	845	746	390	415	190	(54)	(78)	1,740
Net other income	49	23	67	130	94	(28)	93	314
Interest expense	(78)	(75)	(73)	(74)	(83)	12	6	(305)
Pretax profit	816	694	384	471	200	(57)	(75)	1,750
Income Tax	(238)	(154)	(65)	(107)	(3)	(97)	(99)	(329)
Associates income	51	32	36	35	23	(35)	(56)	151
JV income	44	(26)	42	(12)	20	(274)	(54)	
Minority interest	(39)	(25)	(14)	(15)	(21)	45	(45)	(75)
Core profit	635	522	384	372	219	(41)	(65)	1,497
Extraordinaries, GW & FX	0	5	14	67	19			105
Reported net profit	635	527	398	438	238	(46)	(62)	1,602
Outstanding shares (m)	849	849	849	849	847	(0)	(0)	849
Core EPS (THB)	0.75	0.62	0.47	0.52	0.28	(46)	(62)	1.89
COGS (excl depreciation)	1,980	2,094	1,629	1,823	1,502	(18)	(24)	7,048
Depreciation	253	246	251	256	253	(1)	0	1,006
EBITDA	1,147	1,015	708	801	536	(33)	(53)	3,060
Key ratios	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)
Gross margin	36	34	30	30	26	(3)	(10)	30
SG&A/Revenue	12	13	15	16	18	3	6	15
EBITDA margin	33	29	26	27	23	(5)	(10)	28
Net profit margin	18	15	15	15	10	(5)	(8)	14
Operating stats	(y-y %)	(y-y %)	(y-y %)	(y-y %)				
OPD revenue growth	17	9	16	19				
OPD visits growth	3	11	17	26				
OPD revenue per head growth	14	(2)	(1)	(6)				
IPD revenue growth	(2)	41	19	16				
IPD visits growth	(4)	60	53	41				
IPD revenue per head growth	2	(11)	(22)	(18)				

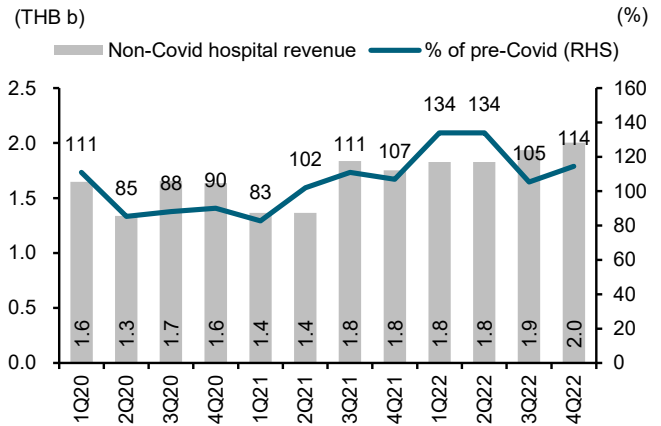
Sources: THG; FSSIA estimates

Exhibit 2: Covid-related revenue, quarterly



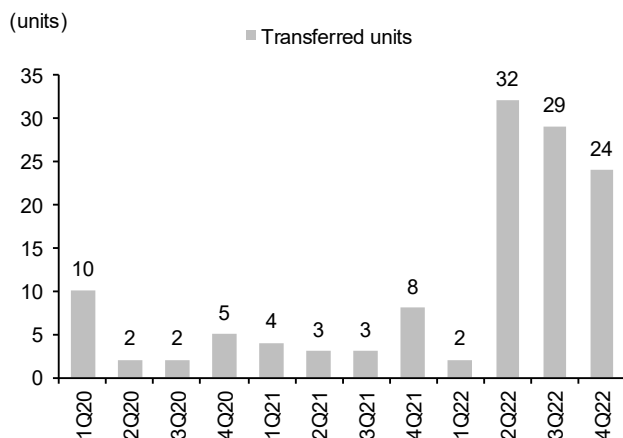
Note: Includes Moderna vaccinations
Source: THG

Exhibit 3: Non-Covid hospital revenue, quarterly



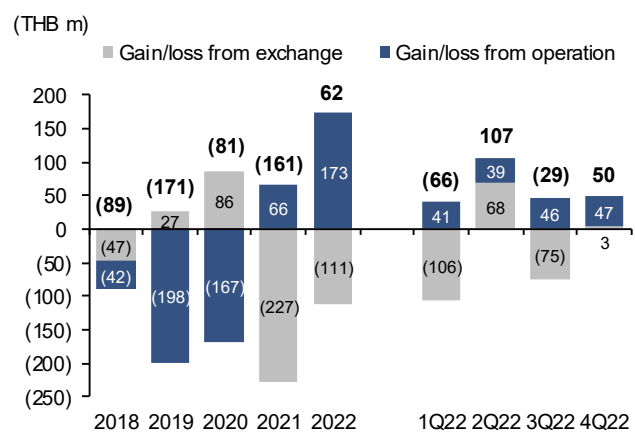
Source: THG

Exhibit 4: Jin Wellbeing units transferred, quarterly



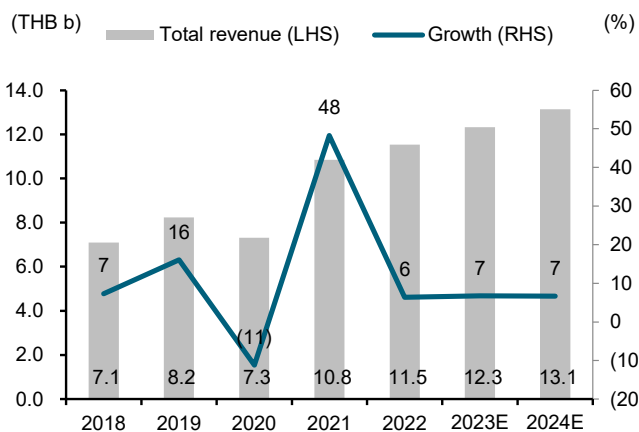
Source: THG

Exhibit 5: Ar Yu International Hospital profit and loss



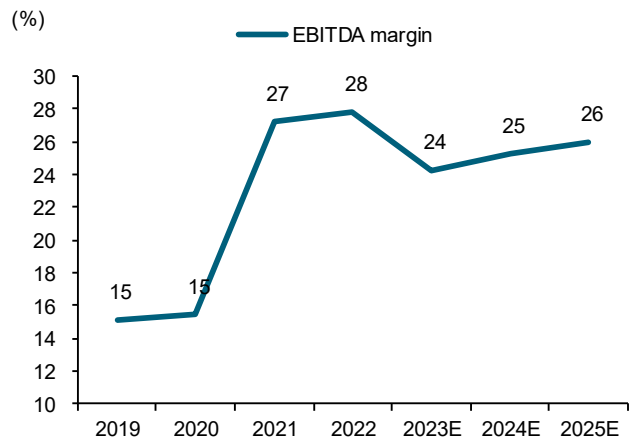
Source: THG

Exhibit 6: Total revenue, yearly



Sources: THG; FSSIA estimates

Exhibit 7: EBITDA margin should exceed pre-Covid level



Note: EBITDA including share income
Sources: THG; FSSIA estimates

Exhibit 8: Forecast revisions

	Current			Previous		Change	
	2023E (THB b)	2024E (THB b)	2025E (THB b)	2023E (THB b)	2024E (THB b)	2023E (%)	2024E (%)
OPD patient revenue	3.7	3.9	4.1	3.5	3.7	4.0	6.0
IPD patient revenue	3.9	4.2	4.5	3.9	4.0	0.0	4.0
Jin Wellbeing revenue	0.5	0.4	0.4	0.4	0.4	23.1	(5.8)
Revenue	12.3	13.1	13.9	11.7	12.4	5.4	6.1
EBITDA margin (%)	20.5	21.5	22.3	23.0	23.6	(2.6)	(2.1)
Core profit	1.19	1.35	1.50	1.19	1.35	0.0	0.0

Note: Change of items in percentage terms are represented in ppt change
Sources: THG; FSSIA estimates

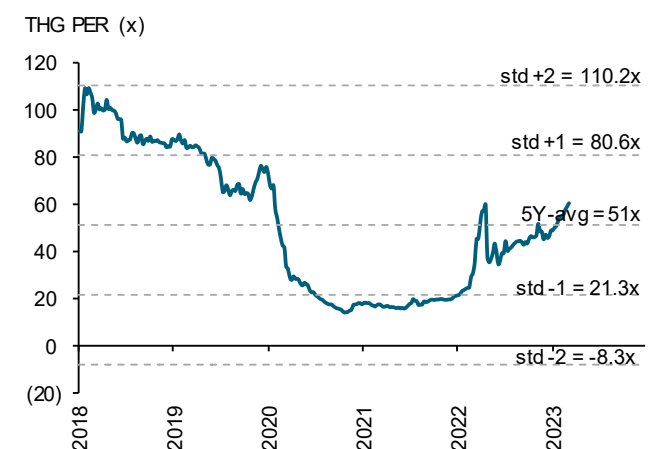
Exhibit 9: THG – DCF-derived TP

Cost of equity assumptions	(%)	Cost of debt assumptions	(%)
Risk-free rate	3.0	Pre-tax cost of debt	3.5
Market risk premium	8.0	Marginal tax rate	20.0
Stock beta	1.1		
Cost of equity, Ke	11.8	Net cost of debt, Kd	2.8
Weight applied	60.0	Weight applied	40.0
WACC	8.2		

DCF valuation estimate	(THB b)	(THB/share)	Comments
NPV	17.2	20.3	WACC 8.2%, Risk-free rate 3%, Risk premium 8%
Terminal value	36.0	42.5	Terminal growth 3%
Cash & liquid assets	3.0	3.5	At end-2023E
Investments	2.8	3.3	At end-2023E
Debt	(11.4)	(13.4)	At end-2023E
Minorities	(1.0)	(1.2)	At end-2023E
Residual ordinary equity	46.6	55.0	

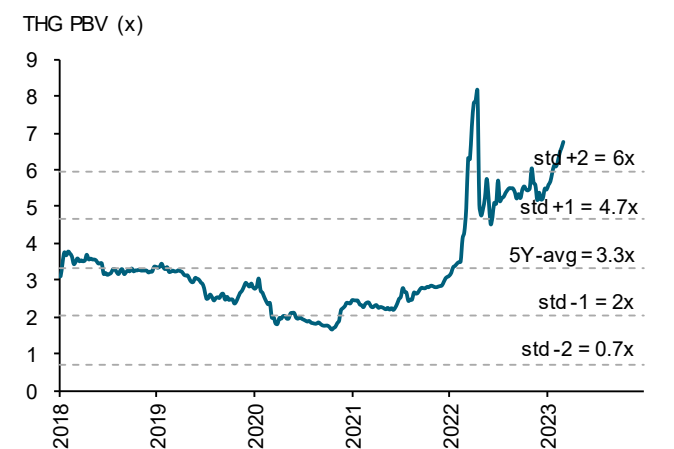
Source: FSSIA estimates

Exhibit 10: Historical P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 11: Historical P/BV band



Sources: Bloomberg; FSSIA estimates

Exhibit 12: Peer comparisons as of 10 Mar-23

Company	BBG	Rec	Share price			Market Cap (USD m)	PE		ROE		PBV		EV/ EBITDA	
			Current (LCY)	Target (LCY)	Upside (%)		23E (x)	24E (x)	23E (%)	24E (%)	23E (x)	24E (x)	23E (x)	24E (x)
Thailand														
Bangkok Dusit Med Service	BDMS TB	BUY	28.00	34.50	23.2	12,707	33.0	29.1	14.5	15.4	4.7	4.3	18.5	16.5
Bumrungrad Hospital	BH TB	BUY	215.00	260.00	20.9	4,880	31.9	29.3	25.6	24.8	7.7	6.9	20.5	18.6
Bangkok Chain Hospital	BCH TB	BUY	20.00	25.50	27.5	1,424	27.8	22.9	13.6	15.3	3.7	3.3	14.3	12.0
Chularat Hospital	CHG TB	BUY	3.78	4.40	16.4	1,187	31.6	27.1	16.5	18.8	5.3	4.9	18.5	15.9
Praram 9 Hospital	PR9 TB	BUY	20.10	22.00	9.5	451	27.1	25.0	12.1	12.6	3.2	3.1	13.6	12.4
Thonburi Healthcare Group	THG TB	REDUCE	69.75	55.00	(21.1)	1,688	49.8	43.9	11.4	12.4	5.6	5.3	27.2	24.3
Vibhavadi Medical Center	VIBHA TB	BUY	2.66	3.20	20.3	1,039	33.3	29.8	7.3	7.9	2.4	2.3	27.7	24.9
Ramkhamhaeng Hospital	RAM TB	BUY	54.75	62.00	13.2	1,876	30.7	26.8	11.3	12.2	3.4	3.2	25.1	22.7
Rajthanee Hospital	RJH TB	n/a	29.00	n/a	n/a	249	20.5	19.7	18.5	19.6	5.8	3.9	13.9	13.5
Ekachai Medical Care	EKH TB	n/a	8.25	n/a	n/a	160	24.3	22.9	12.3	12.0	5.9	2.8	12.9	11.8
Thailand average						25,663	31.0	27.7	14.3	15.1	4.8	4.0	19.2	17.3
Regional														
Ramsay Health Care	RHC AU	n/a	67.40	n/a	n/a	10,231	37.0	27.4	10.4	12.3	3.7	3.6	12.9	11.6
Ihh Healthcare Bhd	IHH SP	n/a	1.76	n/a	n/a	11,733	31.4	27.9	6.4	6.8	2.3	1.9	14.0	13.2
Ryman Healthcare	RYM NZ	n/a	5.28	n/a	n/a	2,002	10.4	11.6	7.0	7.1	1.2	0.7	13.2	13.4
Apollo Hospitals Enterprise	APHS IN	n/a	4,317	n/a	n/a	7,590	73.0	50.2	13.9	17.7	17.1	9.7	30.5	24.0
Kpj Healthcare Berhad	KPJ MK	n/a	1.13	n/a	n/a	1,081	23.1	20.6	9.2	10.0	2.5	2.1	11.1	10.5
Raffles Medical Group	RFMD SP	n/a	1.34	n/a	n/a	1,867	20.8	20.1	11.7	11.5	2.9	2.4	11.8	11.5
Mitra Keluarga Karyasehat	MIKA IJ	n/a	3,000	n/a	n/a	2,780	37.2	32.0	19.3	20.2	8.8	6.9	24.2	20.9
Aier Eye Hospital Group	300015 CH	n/a	30.48	n/a	n/a	32,066	58.7	45.4	22.2	23.7	25.3	12.2	33.9	26.9
Regional average						69,351	36.5	29.4	12.5	13.7	8.0	4.9	18.9	16.5
Overall average						95,014	33.4	28.4	13.5	14.5	6.2	4.4	19.1	16.9

Sources: Bloomberg; FSSIA estimates

Financial Statements

Thonburi Healthcare Group

Profit and Loss (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Revenue	10,847	11,540	12,317	13,141	13,939
Cost of goods sold	(6,462)	(7,048)	(7,933)	(8,403)	(8,852)
Gross profit	4,385	4,491	4,384	4,738	5,088
Other operating income	-	-	-	-	-
Operating costs	(1,571)	(1,745)	(1,863)	(1,919)	(1,986)
Operating EBITDA	2,814	2,746	2,521	2,819	3,102
Depreciation	(944)	(1,006)	(1,092)	(1,207)	(1,304)
Goodwill amortisation	-	-	-	-	-
Operating EBIT	1,870	1,740	1,429	1,612	1,798
Net financing costs	(299)	(305)	(341)	(341)	(341)
Associates	31	151	145	162	172
Recurring non-operating income	139	465	471	502	525
Non-recurring items	90	105	0	0	0
Profit before tax	1,801	2,005	1,558	1,772	1,982
Tax	(444)	(329)	(283)	(322)	(362)
Profit after tax	1,357	1,676	1,276	1,450	1,620
Minority interests	(19)	(75)	(90)	(103)	(119)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	1,337	1,602	1,186	1,347	1,501
Non-recurring items & goodwill (net)	(90)	(105)	0	0	0
Recurring net profit	1,247	1,497	1,186	1,347	1,501
Per share (THB)					
Recurring EPS *	1.47	1.77	1.40	1.59	1.77
Reported EPS	1.58	1.89	1.40	1.59	1.77
DPS	0.90	0.90	0.98	1.11	1.24
Diluted shares (used to calculate per share data)	849	847	847	847	847
Growth					
Revenue (%)	48.3	6.4	6.7	6.7	6.1
Operating EBITDA (%)	186.3	(2.4)	(8.2)	11.8	10.0
Operating EBIT (%)	1,096.3	(6.9)	(17.9)	12.8	11.5
Recurring EPS (%)	nm	20.3	(20.8)	13.6	11.4
Reported EPS (%)	2,042.4	20.0	(26.0)	13.6	11.4
Operating performance					
Gross margin inc. depreciation (%)	31.7	30.2	26.7	26.9	27.1
Gross margin of key business (%)	31.7	30.2	26.7	26.9	27.1
Operating EBITDA margin (%)	25.9	23.8	20.5	21.5	22.3
Operating EBIT margin (%)	17.2	15.1	11.6	12.3	12.9
Net margin (%)	11.5	13.0	9.6	10.3	10.8
Effective tax rate (%)	26.4	18.8	20.0	20.0	20.0
Dividend payout on recurring profit (%)	61.3	51.0	70.0	70.0	70.0
Interest cover (X)	6.7	7.2	5.6	6.2	6.8
Inventory days	78.1	64.7	53.0	54.6	54.7
Debtor days	76.3	85.9	48.3	28.2	26.6
Creditor days	110.4	111.6	73.3	75.4	75.6
Operating ROIC (%)	8.3	8.3	6.5	7.2	7.8
ROIC (%)	7.8	9.0	7.3	8.1	8.7
ROE (%)	14.6	15.5	11.4	12.4	13.2
ROA (%)	6.7	7.4	6.1	6.6	7.1
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Revenue from hospital operations	10,023	10,211	10,995	11,876	12,629
Revenue from sale of goods	301	284	316	332	349
Revenue from other services	425	601	592	629	658
Revenue from sales of condominium unit	98	444	414	304	304

Sources: Thonburi Healthcare Group; FSSIA estimates

Financial Statements

Thonburi Healthcare Group

Cash Flow (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Recurring net profit	1,247	1,497	1,186	1,347	1,501
Depreciation	944	1,006	1,092	1,207	1,304
Associates & minorities	-	-	-	-	-
Other non-cash items	217	214	90	103	119
Change in working capital	780	(211)	1,227	(33)	(32)
Cash flow from operations	3,188	2,506	3,595	2,625	2,891
Capex - maintenance	(1,821)	(1,951)	(2,316)	(1,590)	(1,688)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	(590)	(243)	0	0	0
Other investments (net)	-	-	-	-	-
Cash flow from investing	(2,411)	(2,194)	(2,316)	(1,590)	(1,688)
Dividends paid	(252)	(758)	(763)	(830)	(943)
Equity finance	6	27	(35)	0	0
Debt finance	301	1,002	0	0	0
Other financing cash flows	154	520	(63)	(72)	(83)
Cash flow from financing	210	792	(860)	(902)	(1,026)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	987	1,104	418	133	177
Free cash flow to firm (FCFF)	1,076.11	616.83	1,619.72	1,376.27	1,544.62
Free cash flow to equity (FCFE)	1,232.57	1,834.70	1,215.54	962.66	1,120.17

Per share (THB)

FCFF per share	1.27	0.73	1.91	1.62	1.82
FCFE per share	1.45	2.16	1.43	1.14	1.32
Recurring cash flow per share	2.84	3.21	2.79	3.14	3.45

Balance Sheet (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Tangible fixed assets (gross)	20,176	22,487	24,804	26,394	28,081
Less: Accumulated depreciation	(6,106)	(7,455)	(8,548)	(9,755)	(11,059)
Tangible fixed assets (net)	14,069	15,032	16,256	16,639	17,023
Intangible fixed assets (net)	0	0	0	0	0
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	2,572	2,815	2,815	2,815	2,815
Cash & equivalents	1,482	2,586	3,004	3,137	3,314
A/C receivable	3,183	2,246	1,014	1,014	1,014
Inventories	1,416	1,084	1,220	1,292	1,361
Other current assets	937	1,092	1,166	1,244	1,319
Current assets	7,018	7,008	6,404	6,687	7,009
Other assets	139	225	225	225	225
Total assets	23,799	25,081	25,701	26,366	27,072
Common equity	9,147	10,178	10,567	11,084	11,642
Minorities etc.	471	998	1,025	1,056	1,091
Total shareholders' equity	9,618	11,176	11,592	12,139	12,733
Long term debt	6,399	6,852	6,852	6,852	6,852
Other long-term liabilities	737	784	784	784	784
Long-term liabilities	7,136	7,635	7,635	7,635	7,635
A/C payable	2,813	1,498	1,686	1,786	1,882
Short term debt	3,976	4,525	4,525	4,525	4,525
Other current liabilities	257	246	262	280	297
Current liabilities	7,045	6,269	6,474	6,591	6,704
Total liabilities and shareholders' equity	23,799	25,081	25,701	26,366	27,072
Net working capital	2,467	2,678	1,451	1,484	1,516
Invested capital	19,247	20,751	20,748	21,163	21,580

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

Per share (THB)

Book value per share	10.77	12.01	12.47	13.08	13.74
Tangible book value per share	10.77	12.01	12.47	13.08	13.74

Financial strength

Net debt/equity (%)	92.5	78.7	72.2	67.9	63.3
Net debt/total assets (%)	37.4	35.1	32.6	31.3	29.8
Current ratio (x)	1.0	1.1	1.0	1.0	1.0
CF interest cover (x)	5.1	7.0	4.6	3.8	4.3

Valuation	2021	2022	2023E	2024E	2025E
Recurring P/E (x) *	47.5	39.5	49.8	43.9	39.4
Recurring P/E @ target price (x) *	37.4	31.1	39.3	34.6	31.1
Reported P/E (x)	44.3	36.9	49.8	43.9	39.4
Dividend yield (%)	1.3	1.3	1.4	1.6	1.8
Price/book (x)	6.5	5.8	5.6	5.3	5.1
Price/tangible book (x)	6.5	5.8	5.6	5.3	5.1
EV/EBITDA (x) **	24.4	25.1	27.2	24.3	22.0
EV/EBITDA @ target price (x) **	19.9	20.5	22.2	19.8	18.0
EV/invested capital (x)	3.6	3.3	3.3	3.2	3.2

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

Sources: Thonburi Healthcare Group; FSSIA estimates

Corporate Governance report of Thai listed companies 2022

EXCELLENT LEVEL – Score range 90-100											
AAV	BAM	CIMBT	ECL	HENG	LALIN	NEP	PRG	SCC	SPRC	THRE	TTW
ADVANC	BANPU	CK	EE	HMPRO	LANNA	NER	PRM	SCCC	SPVI	THREL	TU
AF	BAY	CKP	EGCO	ICC	LHFG	NKI	PSH	SCG	SSC	TIPCO	TVDH
AH	BBIK	CM	EPG	ICHI	LIT	NOBLE	PSL	SCGP	SSSC	TISCO	TVI
AIRA	BBL	CNT	ETC	III	LOXLEY	NSI	PTG	SCM	SST	TK	TVO
AJ	BCP	COLOR	ETE	ILINK	LPN	NVD	PTA	SCN	STA	TKN	TPWC
AKP	BCPG	COM7	FN	ILM	LRH	NYT	PTTEP	SDC	STEC	TKS	UAC
AKR	BDMS	COMAN	FNS	IND	LST	OISHI	PTTGC	SEAFCO	STGT	TKT	UBIS
ALLA	BEM	COTTO	FPI	INTUCH	MACO	OR	PYLON	SEAOIL	STI	TMILL	UPOIC
ALT	BEYOND	CPALL	FPT	IP	MAJOR	ORI	Q-CON	SE-ED	SUN	TMT	UV
AMA	BGC	CPF	FSMART	IRC	MAKRO	OSP	QH	SELIC	SUSCO	TNDT	VCOM
AMARIN	BGRIM	CPI	FVC	IRPC	MALEE	OTO	QTC	SENA	SUTHA	TNITY	VGI
AMATA	BIZ	CPN	GC	ITEL	MBK	PAP	RABBIT	SENAJ	SVI	TOA	VIH
AMATAV	BKI	CRC	GEL	IVL	MC	PCSGH	RATCH	SGF	SYMC	TOP	WACOAL
ANAN	BOL	CSS	GFPT	JTS	MCOT	PDG	RBF	SHR	SYNTEC	TPBI	WAVE
AOT	BPP	DDD	GGC	JWD	METCO	PDJ	RS	SICT	TACC	TQM	WHA
AP	BRR	DELTA	GLAND	K	MFEC	PG	S	SIRI	TASCO	TRC	WHAUP
APURE	BTS	DEMCO	GLOBAL	KBANK	MINT	PHOL	S&J	SIS	TCAP	TRUE	WICE
ARIP	BTW	DOHOME	GPI	KCE	MONO	PLANB	SAAM	SITHAI	TEAMG	TSC	WINNER
ASP	BWG	DRT	GPSC	KEX	MOONG	PLANET	SABINA	SMPC	TFMAMA	TSR	XPG
ASW	CENTEL	DTAC	GRAMMY	KGI	MSC	PLAT	SAMART	SNC	THANA	TSTE	ZEN
AUCT	CFRESH	DUSIT	GULF	KKP	MST	PORT	SAMTEL	SONIC	THANI	TSTH	
AWC	CGH	EA	GUNKUL	KSL	MTC	PPS	SAT	SORKON	THCOM	TTA	
AYUD	CHEWA	EASTW	HANA	KTB	MVP	PR9	SC	SPALI	THG	TTB	
BAFS	CHO	ECF	HARN	KTC	NCL	PREB	SCB	SPI	THIP	TTCL	

VERY GOOD LEVEL – Score range 80-89											
2S	ASIMAR	CHOTI	ESSO	INSURE	LH	NRF	PROEN	SCI	SR	TMC	UMI
7UP	ASK	CHOW	ESTAR	IRCP	LHK	NTV	PROS	SCP	SRICHA	TMD	UOBKH
ABM	ASN	CI	FE	IT	M	NUSA	PROUD	SE	SSF	TMI	UP
ACE	ATP30	CIG	FLOYD	ITD	MATCH	NWR	PSG	SECURE	SSP	TNL	UPF
ACG	B	CITY	FORTH	J	MBAX	OCC	PSTC	SFLEX	STANLY	TNP	UTP
ADB	BA	CIVIL	FSS	JAS	MEGA	OGC	PT	SFP	STC	TNR	VIBHA
ADD	BC	CMC	FTE	JCK	META	ONEE	PTC	SFT	STPI	TOG	VL
AEONTS	BCH	CPL	GBX	JCKH	MFC	PACO	QLT	SGP	SUC	TPA	VPO
AGE	BE8	CPW	GCAP	JMT	MGT	PATO	RCL	SIAM	SVOA	TPAC	VRANDA
AHC	BEC	CRANE	GENCO	JR	MICRO	PB	RICHY	SINGER	SVT	TPCS	WGE
AIE	BH	CRD	GJS	KBS	MILL	PICO	RJH	SKE	SWC	TIPL	WIHK
AIT	BIG	CSC	GTB	KCAR	MTSIB	PIMO	ROJNA	SKN	SYNEX	TIPIP	WIN
ALUCON	BJC	CSP	GYT	KGEN	MK	PIN	RPC	SKR	TAE	TPLAS	WINMED
AMANAH	BJCHI	CV	HEMP	KIAT	MODERN	PJW	RT	SKY	TAKUNI	TPS	WORK
AMR	BLA	CWT	HPT	KISS	MTI	PL	RWI	SLP	TCC	TQR	WP
APCO	BR	DCC	HTC	KK	NATION	PLE	S11	SMART	TCCM	TRITN	XO
APCS	BRI	DHOUSE	HUMAN	KOOL	NCAP	PM	SA	SMD	TFG	TRT	YUASA
AQUA	BROOK	DITTO	HYDRO	KTIS	NCH	PMTA	SABUY	SMIT	TFI	TRU	ZIGA
ARIN	BSM	DMT	ICN	KUMWEL	NDR	PPP	SAK	SMT	TFM	TRV	
ARROW	BYD	DOD	IFS	KUN	NETBAY	PPPM	SALEE	SNNP	TGH	TSE	
AS	CBG	DPAINT	IIG	KWC	NEX	PRAPAT	SAMCO	SNP	TIDLOR	TVT	
ASAP	CEN	DV8	IMH	KWM	NINE	PRECHA	SANKO	SO	TIGER	TWP	
ASEFA	CHARAN	EASON	INET	L&E	NNCL	PRIME	SAPPE	SPA	TIPH	UBE	
ASIA	CHAYO	EFORL	INGRS	LDC	NOVA	PRIN	SAWAD	SPC	TITLE	UEC	
ASIAN	CHG	ERW	INSET	LEO	NPK	PRINC	SCAP	SPCG	TM	UKEM	

GOOD LEVEL – Score range 70-79											
A	BEAUTY	CMAN	EMC	HL	KWI	MORE	PF	RSP	SUPER	TOPP	VARO
A5	BGT	CMO	EP	HTECH	KYE	MPIC	PK	SIMAT	TC	TPCH	W
AI	BLAND	CMR	EVER	IHL	LEE	MUD	PPM	SISB	TCCC	TPOLY	WFX
ALL	BM	CPANEL	F&D	INOX	LPH	NC	PRAKIT	SK	TCJ	TRUBB	WPH
ALPHAX	BROCK	CPT	FMT	JAK	MATI	NEWS	PTECH	SOLAR	TEAM	TTI	YGG
AMC	BSBM	CSR	GIFT	JMART	M-CHAI	NFC	PTL	SPACK	THE	TYCN	
APP	BTNC	CTW	GLOCON	JSP	MCS	NSL	RAM	SPG	THMUI	UMS	
AQ	CAZ	D	GLORY	JUBILE	MDX	NV	ROCK	SQ	TKC	UNIQ	
AU	CCP	DCON	GREEN	KASET	MENA	PAF	RP	STARK	TNH	UPA	
B52	CGD	EKH	GSC	KCM	MJD	PEACE	RPH	STECH	TNPC	UREKA	

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

DECLARED

AH	CHG	DHOUSE	EVER	J	KUMWEL	NRF	RS	SUPER	TQM	VIBHA
ALT	CI	DOHOME	FLOYD	JMART	LDC	NUSA	SAK	SVT	TRT	W
APCO	CPR	ECF	GLOBAL	JMT	MEGA	OR	SIS	TKN	TSI	WIN
ASW	CPW	EKH	ILM	JTS	NCAP	PIMO	SSS	TMD	VARO	
B52	DDD	ETC	INOX	KEX	NOVA	PLE	STECH	TMI	VCOM	

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
Thonburi Healthcare Group	THG TB	THB 69.75	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.
Bangkok Dusit Medical Services	BDMS TB	THB 28.00	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.
Bumrungrad Hospital	BH TB	THB 215.00	BUY	Downside risks to our DCF-based target price include 1) a slowdown in international patients due to economic concerns, political protests or floods; 2) regulatory risks from drug prices and medical bill controls; and 3) higher medical fee discount promotions, leading to a weaker EBITDA margin.
Bangkok Chain Hospital	BCH TB	THB 20.00	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) SSO provision expenses following a limited SSO budget.
Chularat Hospital	CHG TB	THB 3.78	BUY	Downside risks to our DCF-based target price include 1) a slowdown in Thai patient volume due to economic concerns; 2) regulatory risks from drug price and medical bill controls; and 3) SSO provision expenses following limited budgets from the SSO.
Praram 9 Hospital	PR9 TB	THB 20.10	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) higher-than-expected expenses from its new building.
Vibhavadi Medical Center	VIBHA TB	THB 2.68	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 54.75	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 10-Mar-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.