

BUMRUNGRAD HOSPITAL

THAILAND / HEALTH CARE SERVICES

BH TB

FSSIA ESG rating



BUY

UNCHANGED

Key takeaways from analyst meeting

TARGET PRICE	THB300.00
CLOSE	THB227.00
UP/DOWNSIDE	+32.2%
TP vs CONSENSUS	+5.2%

3Q23 highlights

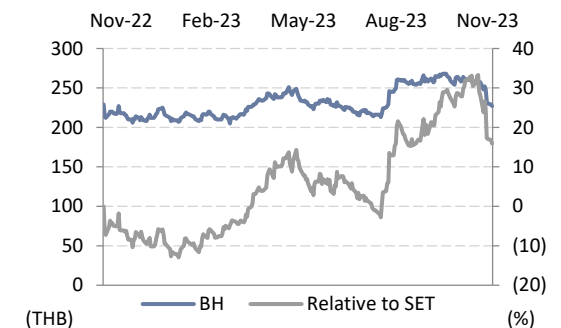
- Overall tone is neutral.
- Management provided more details on growth in terms of 3Q23 vs 3Q22. International patient revenue grew by 16% y-y, driven mainly by patients from the Middle East (+31% y-y). However, revenue from Indochina fell by 4% y-y due to the slowdown in Myanmar patient volume. Meanwhile, Thai and expat patient revenue remained strong and grew by 20% y-y and 27% y-y, respectively.
- The top three revenue contributors in terms of international patient revenue in 3Q23 were Qatar (+85% y-y), Myanmar (-9% y-y), and Kuwait (-38% y-y). Note that Chinese patients ranked 10th with revenue growth of 21% y-y.
- Myanmar patient revenue dropped y-y due to political unrest, while the decrease in Kuwait patient revenue was due to the rotation of patients to Europe and the US.
- BH booked accrued staff bonus expenses in this quarter. Excluding this item, the EBITDA margin would have risen to 40.5% from 38.9%.
- Management targets 4Q23 revenue growth in the low double-digits y-y; a slower growth rate compared to 9M23 due to seasonal effect.
- BH estimates that its capacity will increase to 526 beds in 4Q23 from the average of 493 beds in 3Q23. In addition, BH plans to add 12 ICU beds in 2024.
- For its expansion projects, BH plans to open BI Hospital Annex and relocate its Women and Children Center there in 2024. In addition, the second Soi 1 project building with 59 IPD beds is scheduled to open in mid-2025, with the third building for The Oncology Institute opening later on. Lastly, The Phuket project with THB3.8b capex and 150-250 IPD beds is scheduled to open in late 2025.
- VitalLife was one of the key growth drivers in 9M23. Its revenue contribution was 4% in 9M23 with revenue growth of 35% y-y. Compared to BH's overall performance, it had a better EBITDA margin of 43% and a net profit margin of 34%.

Recommendation

- BH's share price has plunged by 9% since its 3Q23 results announcement amid concerns over slow earnings growth in 4Q23 from the low season. We see this as an opportunity to accumulate the stock as it trades at 26x 2024E P/E (vs 5-yr avg of 32x). BH has the potential to capture new growth from Saudi Arabian patients which contributed 1% of total revenue in 9M23, while the company targets revenue from Saudi Arabian patients to jump 2.7x in 2024.

KEY STOCK DATA

YE Dec (THB m)	2022	2023E	2024E	2025E
Revenue	20,721	25,629	26,662	28,282
Net profit	4,938	6,822	7,066	7,552
EPS (THB)	6.21	8.57	8.88	9.49
vs Consensus (%)	-	1.8	(1.3)	(0.8)
EBITDA	7,127	9,527	9,909	10,562
Recurring net profit	4,941	6,762	7,066	7,552
Core EPS (THB)	6.21	8.50	8.88	9.49
EPS growth (%)	287.9	36.8	4.5	6.9
Core P/E (x)	36.6	26.7	25.6	23.9
Dividend yield (%)	1.4	1.5	2.2	2.3
EV/EBITDA (x)	24.2	17.6	16.7	15.3
Price/book (x)	9.2	7.6	6.8	6.0
Net debt/Equity (%)	(41.1)	(54.3)	(58.6)	(62.7)
ROE (%)	26.7	31.1	28.0	26.6



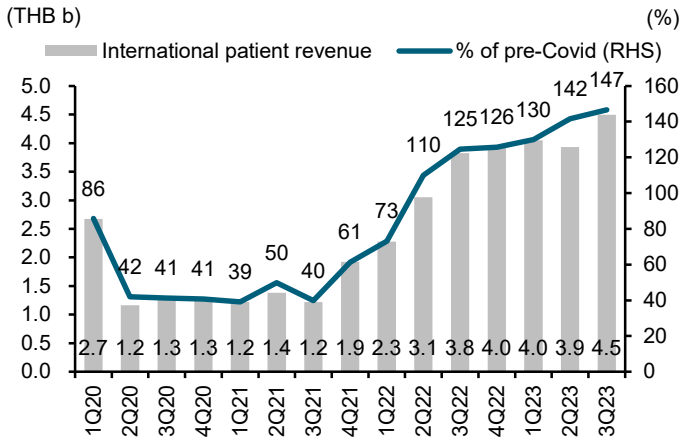
Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(14.0)	(7.3)	(0.9)
Relative to country (%)	(10.0)	2.6	16.1
Mkt cap (USD m)	5,002		
3m avg. daily turnover (USD m)	18.9		
Free float (%)	65		
Major shareholder	Thai NVDR (16%)		
12m high/low (THB)	272.00/203.00		
Issued shares (m)	922.70		

Sources: Bloomberg consensus; FSSIA estimates


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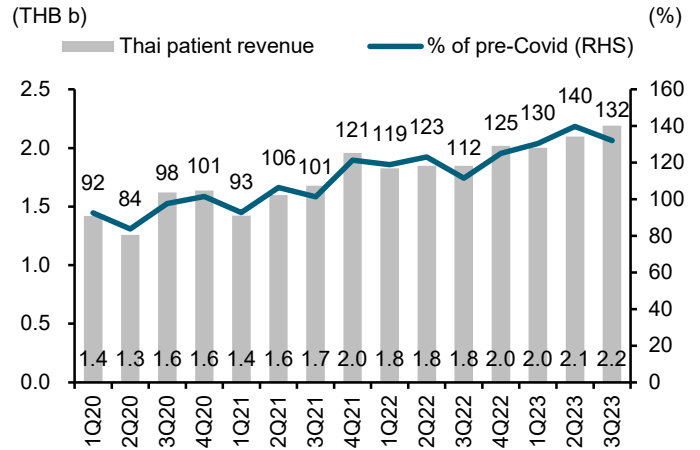
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Exhibit 1: International patient revenue, quarterly



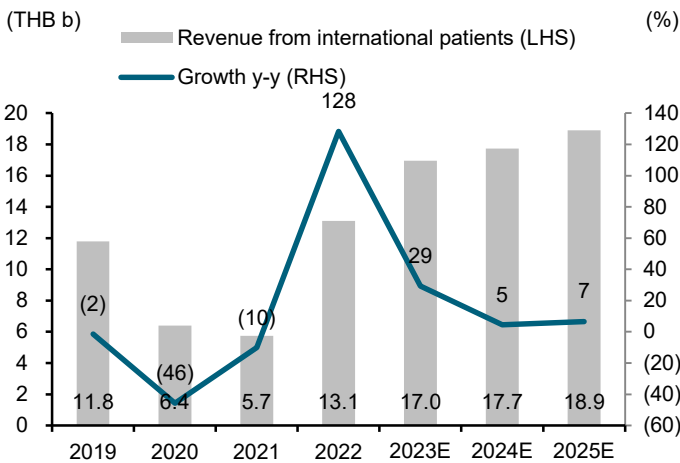
Source: BH

Exhibit 2: Thai patient revenue, quarterly



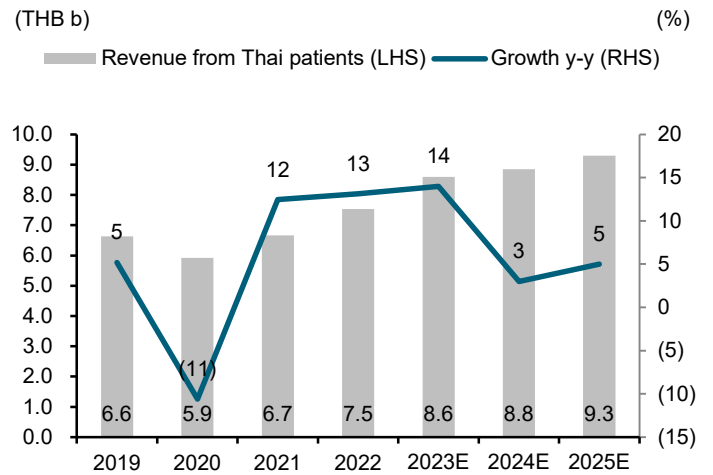
Source: BH

Exhibit 3: International patient revenue, yearly



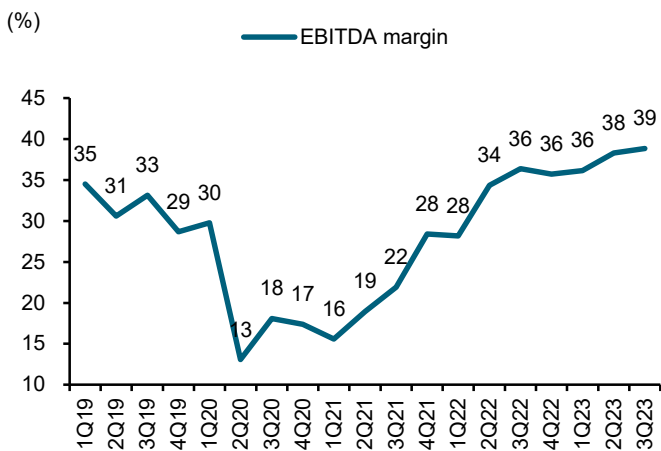
Sources: BH; FSSIA estimates

Exhibit 4: Thai patient revenue, yearly



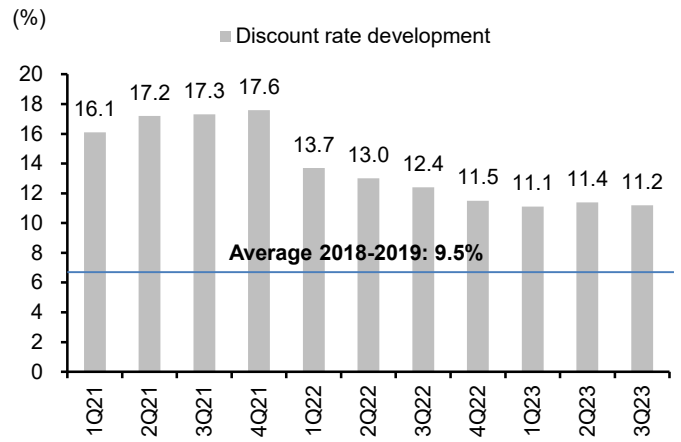
Sources: BH; FSSIA estimates

Exhibit 5: EBITDA margin, quarterly



Source: BH

Exhibit 6: Discount rate has converted to pre-Covid level



Sources: BH; FSSIA estimates

Financial Statements

Bumrungrad Hospital

Profit and Loss (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Revenue	12,460	20,721	25,629	26,662	28,282
Cost of goods sold	(7,731)	(11,099)	(13,056)	(13,614)	(14,400)
Gross profit	4,729	9,621	12,573	13,048	13,882
Other operating income	144	187	187	193	198
Operating costs	(3,296)	(3,798)	(4,390)	(4,567)	(4,845)
Operating EBITDA	2,758	7,127	9,527	9,909	10,562
Depreciation	(1,180)	(1,117)	(1,157)	(1,236)	(1,327)
Goodwill amortisation	-	-	-	-	-
Operating EBIT	1,578	6,010	8,370	8,673	9,235
Net financing costs	(51)	42	131	208	254
Associates	(12)	(1)	(1)	(1)	(1)
Recurring non-operating income	(12)	(1)	(1)	(1)	(1)
Non-recurring items	(58)	(3)	60	0	0
Profit before tax	1,456	6,049	8,560	8,881	9,488
Tax	(216)	(1,072)	(1,700)	(1,776)	(1,898)
Profit after tax	1,240	4,977	6,860	7,105	7,591
Minority interests	(24)	(39)	(39)	(39)	(39)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	1,216	4,938	6,822	7,066	7,552
Non-recurring items & goodwill (net)	58	3	(60)	0	0
Recurring net profit	1,274	4,941	6,762	7,066	7,552
Per share (THB)					
Recurring EPS *	1.60	6.21	8.50	8.88	9.49
Reported EPS	1.53	6.21	8.57	8.88	9.49
DPS	3.20	3.20	3.50	5.10	5.33
Diluted shares (used to calculate per share data)	796	796	796	796	796
Growth					
Revenue (%)	0.8	66.3	23.7	4.0	6.1
Operating EBITDA (%)	6.5	158.5	33.7	4.0	6.6
Operating EBIT (%)	15.3	281.0	39.3	3.6	6.5
Recurring EPS (%)	6.2	287.9	36.8	4.5	6.9
Reported EPS (%)	1.0	306.2	38.1	3.6	6.9
Operating performance					
Gross margin inc. depreciation (%)	38.0	46.4	49.1	48.9	49.1
Gross margin exc. depreciation (%)	47.4	51.8	53.6	53.6	53.8
Operating EBITDA margin (%)	22.1	34.4	37.2	37.2	37.3
Operating EBIT margin (%)	12.7	29.0	32.7	32.5	32.7
Net margin (%)	10.2	23.8	26.4	26.5	26.7
Effective tax rate (%)	14.1	17.7	20.0	20.0	20.0
Dividend payout on recurring profit (%)	199.7	51.5	41.2	57.4	56.1
Interest cover (X)	30.7	(141.7)	(64.1)	(41.6)	(36.4)
Inventory days	17.7	11.9	11.0	11.7	11.6
Debtor days	53.7	36.3	36.0	32.9	31.0
Creditor days	42.0	34.6	36.5	38.9	38.6
Operating ROIC (%)	10.6	40.6	56.9	60.4	63.3
ROIC (%)	10.0	39.1	54.9	58.2	61.1
ROE (%)	7.1	26.7	31.1	28.0	26.6
ROA (%)	6.0	21.9	25.1	22.6	21.7
* Pre exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Thai patient revenue	6,661	7,536	8,591	8,848	9,291
International patient revenue	5,743	13,110	16,960	17,735	18,911
Other revenue	56	75	78	79	80

Sources: Bumrungrad Hospital; FSSIA estimates

Financial Statements

Bumrungrad Hospital

Cash Flow (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Recurring net profit	1,274	4,941	6,762	7,066	7,552
Depreciation	1,180	1,117	1,157	1,236	1,327
Associates & minorities	-	-	-	-	-
Other non-cash items	318	26	99	39	39
Change in working capital	897	131	911	144	221
Cash flow from operations	3,668	6,216	8,928	8,484	9,138
Capex - maintenance	(928)	(1,170)	(1,281)	(1,600)	(1,697)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	74	0	0	0	0
Other investments (net)	-	-	-	-	-
Cash flow from investing	(853)	(1,170)	(1,281)	(1,600)	(1,697)
Dividends paid	(2,545)	(2,543)	(2,785)	(4,057)	(4,240)
Equity finance	0	0	0	0	0
Debt finance	(2,516)	(8)	0	0	0
Other financing cash flows	44	(155)	0	0	0
Cash flow from financing	(5,017)	(2,705)	(2,785)	(4,057)	(4,240)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	(2,203)	2,341	4,861	2,828	3,201
Free cash flow to firm (FCFF)	2,934.46	5,049.59	7,648.39	6,886.53	7,443.06
Free cash flow to equity (FCFE)	342.35	4,882.92	7,646.49	6,884.63	7,441.17

Per share (THB)

FCFF per share	3.18	5.47	8.29	7.46	8.07
FCFE per share	0.37	5.29	8.29	7.46	8.06
Recurring cash flow per share	3.48	7.65	10.07	10.48	11.21

Balance Sheet (THB m) Year Ending Dec

	2021	2022	2023E	2024E	2025E
Tangible fixed assets (gross)	25,744	26,652	27,933	29,533	31,230
Less: Accumulated depreciation	(13,425)	(14,236)	(15,393)	(16,630)	(17,956)
Tangible fixed assets (net)	12,319	12,416	12,540	12,904	13,274
Intangible fixed assets (net)	71	61	61	61	61
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	1	1	1	1	1
Cash & equivalents	5,936	8,276	13,137	15,965	19,167
A/C receivable	1,461	2,658	2,402	2,402	2,402
Inventories	328	326	388	404	427
Other current assets	338	159	196	204	217
Current assets	8,062	11,419	16,124	18,975	22,212
Other assets	404	362	362	362	362
Total assets	20,857	24,259	29,088	32,303	35,910
Common equity	17,286	19,705	23,742	26,751	30,063
Minorities etc.	332	300	338	377	415
Total shareholders' equity	17,618	20,005	24,080	27,128	30,479
Long term debt	71	63	63	63	63
Other long-term liabilities	924	799	799	799	799
Long-term liabilities	995	862	862	862	862
A/C payable	805	1,085	1,293	1,346	1,421
Short term debt	0	0	0	0	0
Other current liabilities	1,439	2,306	2,853	2,968	3,148
Current liabilities	2,244	3,391	4,146	4,313	4,569
Total liabilities and shareholders' equity	20,857	24,259	29,088	32,303	35,910
Net working capital	(117)	(249)	(1,160)	(1,303)	(1,524)
Invested capital	12,677	12,591	11,805	12,025	12,174

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

Per share (THB)

Book value per share	21.72	24.76	29.84	33.62	37.78
Tangible book value per share	21.63	24.69	29.76	33.54	37.70

Financial strength

Net debt/equity (%)	(33.3)	(41.1)	(54.3)	(58.6)	(62.7)
Net debt/total assets (%)	(28.1)	(33.9)	(44.9)	(49.2)	(53.2)
Current ratio (x)	3.6	3.4	3.9	4.4	4.9
CF interest cover (x)	7.7	(114.1)	(57.6)	(32.1)	(28.3)

Valuation	2021	2022	2023E	2024E	2025E
Recurring P/E (x) *	141.8	36.6	26.7	25.6	23.9
Recurring P/E @ target price (x) *	187.4	48.3	35.3	33.8	31.6
Reported P/E (x)	148.6	36.6	26.5	25.6	23.9
Dividend yield (%)	1.4	1.4	1.5	2.2	2.3
Price/book (x)	10.4	9.2	7.6	6.8	6.0
Price/tangible book (x)	10.5	9.2	7.6	6.8	6.0
EV/EBITDA (x) **	63.5	24.2	17.6	16.7	15.3
EV/EBITDA @ target price (x) **	84.6	32.4	23.7	22.5	20.8
EV/invested capital (x)	13.8	13.7	14.2	13.7	13.3

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

Sources: Bumrungrad Hospital; FSSIA estimates

Bumrungrad Hospital PCL (BH TB)

FSSIA ESG rating

51.21 /100
Exhibit 7: FSSIA ESG score implication

Rating	Score	Implication
★★★★★	>79-100	Leading its industry peers in managing the most significant ESG risks which not only better cost efficiency but also lead to higher profitability.
★★★★☆	>59-79	A mixed track record of managing the most significant ESG risks and opportunities relative to industry peers.
★★★☆☆	>39-59	Relevant ESG materiality matrix has been constructively addressed, well-managed and incorporated into day-to-day operations, in which targets and achievements are evaluated annually.
★★☆☆☆	>19-39	Relevant ESG materiality matrix has been identified with key management in charge for progress to be followed up on and to provide intensive disclosure. Most targets are conventional and achievable.
★☆☆☆☆	1-19	The company has adopted the United Nations Sustainable Development Goals (UN SDGs), established sustainability management guidelines and fully complies with regulations or ESG suggested guidance from related organizations such as the SET and SEC.

Sources: FSSIA estimates

Exhibit 8: ESG – peer comparison

	FSSIA ESG score	Domestic ratings						Global ratings					Bloomberg		
		DJSI	SET THSI	THSI	CG score	AGM level	Thai CAC	Morningstar ESG risk	ESG Book	MSCI	Moody's	Refinitiv	S&P Global	ESG score	Disclosure score
SET100	69.20	5.34	4.40	4.40	4.76	4.65	3.84	Medium	51.76	BBB	20.87	58.72	63.91	3.72	28.17
Coverage	67.12	5.11	4.15	4.17	4.83	4.71	3.53	Medium	52.04	BB	16.97	56.85	62.09	3.40	31.94
BCH	39.71	--	--	--	4.00	5.00	Certified	High	48.21	--	--	27.19	18.00	3.52	47.60
BDMS	74.00	Y	Y	Y	5.00	4.00	--	Medium	61.06	AA	34.00	59.83	72.00	3.45	58.92
BH	51.21	--	--	--	4.00	4.00	--	Medium	64.29	A	29.00	59.03	27.00	5.08	47.79
CHG	38.25	--	--	--	4.00	5.00	--	High	55.35	--	--	59.57	21.00	2.34	50.24
PR9	54.08	--	Y	Y	5.00	5.00	Certified	High	71.12	--	--	62.39	--	2.43	37.90
PRINC	18.00	--	--	--	4.00	4.00	Certified	--	--	--	--	--	--	--	--
RAM	11.75	--	--	--	3.00	--	--	High	--	--	--	--	--	--	--
THG	18.75	--	--	--	5.00	5.00	--	High	--	--	--	--	--	--	--
VIBHA	20.88	--	--	--	4.00	3.00	Declared	High	--	--	--	--	17.00	--	--

Sources: SETTRADE.com; FSSIA's compilation
Exhibit 9: ESG score by Bloomberg

FY ending Dec 31	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
ESG financial materiality scores - ESG score	0.85	1.30	1.60	1.49	1.73	3.35	3.58	5.08
BESG environmental pillar score	0.00	1.75	1.75	1.75	1.75	3.21	3.73	3.73
BESG social pillar score	0.18	0.18	0.38	0.38	0.85	3.19	3.25	6.43
BESG governance pillar score	3.25	3.57	4.35	3.81	3.55	3.73	4.07	3.97
ESG disclosure score	31.24	32.94	35.78	35.78	36.40	47.68	47.79	47.79
Environmental disclosure score	0.42	5.53	8.91	8.91	9.76	35.43	35.76	35.76
Social disclosure score	12.03	12.03	17.17	17.17	18.20	26.39	26.39	26.39
Governance disclosure score	81.10	81.10	81.10	81.10	81.10	81.10	81.10	81.10
Environmental								
Emissions reduction initiatives	No	No	No	No	No	Yes	Yes	Yes
Climate change policy	No	No	No	No	No	Yes	Yes	Yes
Climate change opportunities discussed	No	No	No	No	No	No	No	No
Risks of climate change discussed	No	No	No	No	No	No	Yes	Yes
GHG scope 1	--	--	--	--	--	--	--	--
GHG scope 2 location-based	--	--	--	--	--	--	--	--
GHG Scope 3	--	--	--	--	--	--	--	--
Carbon per unit of production	--	--	--	--	--	--	--	--
Biodiversity policy	No	No	No	No	No	No	No	No
Energy efficiency policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Total energy consumption	--	0	0	0	0	0	0	0
Renewable energy use	--	--	--	--	--	--	--	--
Electricity used	--	--	--	--	--	--	--	--
Fuel used - natural gas	--	--	--	--	--	--	--	--

Sources: Bloomberg; FSSIA's compilation

Exhibit 10: ESG score by Bloomberg (cont.)

FY ending Dec 31	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Fuel used - crude oil/diesel	No	No	No	No	No	No	No	No
Waste reduction policy	No	No	No	No	No	Yes	Yes	Yes
Hazardous waste	—	—	—	—	—	—	—	—
Total waste	—	—	—	—	—	—	—	—
Waste recycled	—	—	—	—	—	—	—	—
Waste sent to landfills	—	—	—	—	—	—	—	—
Environmental supply chain management	No	No	No	No	No	Yes	Yes	Yes
Water policy	No	No	No	No	Yes	Yes	Yes	Yes
Water consumption	—	—	—	—	—	—	—	—
Social								
Human rights policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Policy against child labor	No	No	No	No	Yes	Yes	Yes	Yes
Quality assurance and recall policy	No	No	No	No	No	Yes	Yes	Yes
Consumer data protection policy	No	No	No	No	No	Yes	Yes	Yes
Equal opportunity policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Gender pay gap breakout	No	No	No	No	No	No	No	No
Pct women in workforce	—	—	—	—	—	—	—	—
Pct disabled in workforce	—	—	—	—	—	—	—	—
Business ethics policy	No	No	No	No	No	Yes	Yes	Yes
Anti-bribery ethics policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Health and safety policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Lost time incident rate - employees	—	—	—	—	—	—	—	—
Total recordable incident rate - employees	—	—	—	—	—	—	—	—
Training policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Fair remuneration policy	No	No	No	No	No	No	No	No
Number of employees – CSR	—	—	3,984	3,980	4,088	3,782	3,455	4,219
Employee turnover pct	—	—	—	—	—	7	7	8
Total hours spent by firm - employee training	—	—	247,805	268,252	283,707	207,353	195,380	234,480
Social supply chain management	No	No	No	No	No	Yes	Yes	Yes
Governance								
Board size	11	11	11	11	10	10	11	11
No. of independent directors (ID)	4	4	4	4	4	4	5	5
No. of women on board	3	3	3	3	3	3	3	3
No. of non-executive directors on board	8	8	9	9	9	9	10	10
Company conducts board evaluations	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
No. of board meetings for the year	5	4	6	4	4	7	4	4
Board meeting attendance pct	91	93	97	87	88	87	95	98
Board duration (years)	3	3	3	3	3	3	3	3
Director share ownership guidelines	No	No	No	No	No	No	No	No
Age of the youngest director	42	43	49	50	51	52	27	28
Age of the oldest director	75	75	78	79	79	80	78	79
No. of executives / company managers	7	6	6	6	4	4	4	5
No. of female executives	1	2	2	3	3	3	3	3
Executive share ownership guidelines	No	No	No	No	No	No	No	No
Size of audit committee	3	3	3	3	3	3	4	4
No. of ID on audit committee	3	3	3	3	3	3	4	4
Audit committee meetings	4	4	4	5	5	4	4	4
Audit meeting attendance %	100	92	92	87	100	100	87	100
Size of compensation committee	3	3	3	3	3	3	3	3
No. of ID on compensation committee	1	1	1	1	1	1	1	1
No. of compensation committee meetings	1	1	5	3	2	2	3	3
Compensation meeting attendance %	100	100	100	100	100	83	100	100
Size of nomination committee	3	3	3	3	3	3	3	3
No. of nomination committee meetings	1	1	5	3	2	2	3	3
Nomination meeting attendance %	100	100	100	100	100	83	100	100
Sustainability governance								
Verification type	No	No	No	No	No	No	No	No

Sources: Bloomberg; FSSIA's compilation

Disclaimer for ESG scoring

ESG score	Methodology	Rating																											
The Dow Jones Sustainability Indices (DJSI) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.	Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.																											
Sustainability Investment List (THSI) by The Stock Exchange of Thailand (SET)	THSI quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria include: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years.	To be eligible for THSI inclusion , verified data must be scored at a minimum of 50% for each indicator, unless the company is a part of DJSI during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality. SETTHSI Index is extended from the THSI companies whose 1) market capitalization > THB5b (~USD150b); 2) free float >20%; and 3) liquidity >0.5% of paid-up capital for at least 9 out of 12 months. The SETTHSI Index is a market capitalisation-weighted index, cap 5% quarterly weight at maximum, and no cap for number of stocks.																											
CG Score by Thai Institute of Directors Association (Thai IOD)	An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.	Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (60-69), and not rated for scores below 50. Weightings include: 1) the rights; 2) and equitable treatment of shareholders (weight 25% combined); 3) the role of stakeholders (25%); 4) disclosure & transparency (15%); and 5) board responsibilities (35%).																											
AGM level By Thai Investors Association (TIA) with support from the SEC	It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). <i>(The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.)</i>	The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.																											
Thai CAC By Thai Private Sector Collective Action Against Corruption (CAC)	The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. <i>(Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.)</i>	The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.																											
Morningstar Sustainalytics	The Sustainalytics' ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. <i>Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality & peer reviews.</i>	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>NEGL</th> <th>Low</th> <th>Medium</th> <th>High</th> <th>Severe</th> </tr> </thead> <tbody> <tr> <td>0-10</td> <td>10-20</td> <td>20-30</td> <td>30-40</td> <td>40+</td> </tr> </tbody> </table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+																	
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ESG Book	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.	The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.																											
MSCI	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. <table border="1" style="margin-left: auto; margin-right: auto;"> <tbody> <tr> <td>AAA</td> <td>8.571-10.000</td> <td>Leader:</td> <td>leading its industry in managing the most significant ESG risks and opportunities</td> </tr> <tr> <td>AA</td> <td>7.143-8.570</td> <td></td> <td></td> </tr> <tr> <td>A</td> <td>5.714-7.142</td> <td></td> <td></td> </tr> <tr> <td>BBB</td> <td>4.286-5.713</td> <td>Average:</td> <td>a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td> </tr> <tr> <td>BB</td> <td>2.857-4.285</td> <td></td> <td></td> </tr> <tr> <td>B</td> <td>1.429-2.856</td> <td></td> <td></td> </tr> <tr> <td>CCC</td> <td>0.000-1.428</td> <td>Laggard:</td> <td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td> </tr> </tbody> </table>	AAA	8.571-10.000	Leader:	leading its industry in managing the most significant ESG risks and opportunities	AA	7.143-8.570			A	5.714-7.142			BBB	4.286-5.713	Average:	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	BB	2.857-4.285			B	1.429-2.856			CCC	0.000-1.428	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks
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Moody's ESG solutions	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.																												
Refinitiv ESG rating	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. <i>(Score ratings are 0 to 25 = poor; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.)</i>																												
S&P Global	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.																												
Bloomberg	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.																											
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.																											

Rating regarding the sustainable development of Thai listed companies, both on the SET and MAI, are publicly available on the website of the Securities and Exchange Commission of Thailand (SEC). Currently, ratings available are 1) "CG Score"; 2) "AGM Level"; 3) "Thai CAC"; and 4) "THSI". The ratings are updated on an annual basis. FSSIA does not confirm nor certify the accuracy of such ratings.

Source: FSSIA's compilation

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

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

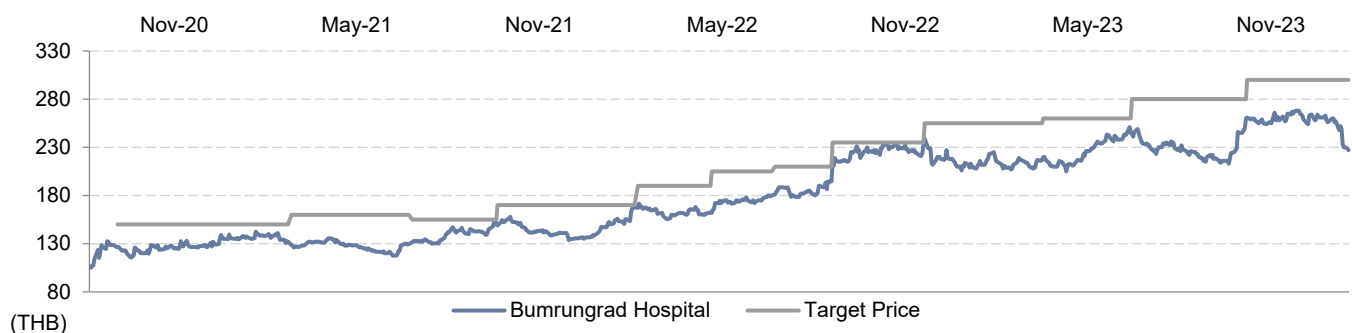
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

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History of change in investment rating and/or target price

Bumrungrad Hospital (BH TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
09-Dec-2020	BUY	150.00	04-Mar-2022	BUY	190.00	10-Nov-2022	BUY	255.00
07-May-2021	BUY	160.00	09-May-2022	BUY	205.00	21-Feb-2023	BUY	260.00
20-Aug-2021	BUY	155.00	01-Jul-2022	BUY	210.00	09-May-2023	BUY	280.00
04-Nov-2021	BUY	170.00	22-Aug-2022	BUY	235.00	17-Aug-2023	BUY	300.00

Teerapol Udomvej, CFA started covering this stock from 30-Jul-2020

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Bumrungrad Hospital	BH TB	THB 227.00	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.

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.

All share prices are as at market close on 14-Nov-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.