

## SAFE FERTILITY GROUP

THAILAND / HEALTH CARE SERVICES

## SAFE TB

BUY

UNCHANGED

TARGET PRICE

THB25.00

CLOSE

THB17.60

UP/DOWNSIDE

+42.0%

## 3Q23 results at first glance

## กำไรสุทธิ 3Q23 ดีกว่าคาดเล็กน้อย

## Highlights

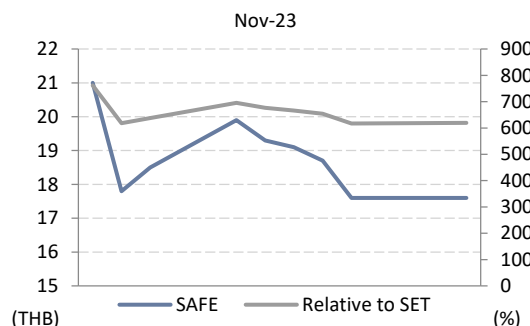
- SAFE รายงานกำไรสุทธิ 3Q23 ที่ 60 ลบ. เพิ่มขึ้น 17.3% q-q และ 54.7% y-y ดีใกล้เคียงคาดไว้ 59 ลบ. โดยมีรายได้รวมเพิ่มขึ้น 1.8% q-q และ 21.7% y-y ส่วนใหญ่มาจากรายได้จากการให้บริการตรวจพันธุกรรมของตัวอ่อนและทารกในครรภ์ เพราะเป็นบริการที่ได้รับความนิยมเพิ่มมากขึ้น เนื่องจากช่วยเพิ่มโอกาสในการตั้งครรภ์และความสมบูรณ์ของบุตร และรายได้จากการทำ ICSI ดีขึ้นจากการเพิ่มขึ้นของ treatment Cycle ของลูกค้าชาวต่างชาติที่เพิ่มขึ้นตามคาด
- อัตรากำไรขั้นต้นทำได้ดีขึ้นมาอยู่ที่ 55.7% เทียบกับ 54.7% ใน 2Q23 และ 54.6% ใน 3Q22 สอดคล้องกับการเพิ่มขึ้นของรายได้ทุกประเภทของบริการที่เพิ่มขึ้น ส่วนค่าใช้จ่ายในการขายและบริหารลดลง 11.2% q-q จากค่าใช้จ่ายการนำหุ้นเข้าจดทะเบียนในตลาดหุ้นลดลง แต่เพิ่มขึ้น 2.7% y-y ส่วนใหญ่มาจากค่าใช้จ่ายในการส่งเสริมการตลาดที่เพิ่มขึ้นและพนักงานเพิ่มขึ้น

## Outlook

- รวม 9M23 มีกำไรสุทธิ 148 ล้านบาท +13.7% y-y และคิดเป็น 70% ของประมาณการทั้งปี 2023 แนวโน้ม 4Q23 ยังเชื่อว่าจะดีต่อ จากความคาดหวังว่าช่วงท้ายปีนี้จะมีการ Pend up demand จากลูกค้าที่ต้องการมีบุตรที่คลอดในปีหน้าซึ่งเป็นปีมังกร และลูกค้าต่างชาติมาใช้บริการมากขึ้นตามจำนวนนักท่องเที่ยวที่เพิ่มขึ้น
- แนวโน้มปี 2024-25 จะเติบโตดีจากการขยายสาขาและฐานลูกค้าเพิ่ม ประกอบกับความต้องการการรักษาการมีบุตรยากมีเพิ่มขึ้นจากแนวโน้มอัตราการเจริญพันธุ์ที่ลดลงจากวิถีชีวิตที่ทำให้การตั้งครรภ์ล่าช้า และไทยเป็นจุดหมายของ Fertility Tourism ทั้งนี้ยังไม่รวม Upside ที่จะมาจากดีล M&A ในอนาคต
- คงประมาณการปี 2023-25 เท่าเดิม และราคาเป้าหมายปี 2024 ที่ 25 บาท อิง PE 27 เท่า ใกล้เคียงกับค่าเฉลี่ยของหุ้นกลุ่มการแพทย์ ราคาหุ้นปัจจุบันเทรด PE ปี 2024 เพียง 19 เท่า ต่ำกว่าค่าเฉลี่ยของกลุ่มการแพทย์ ดังนั้นจึงยังแนะนำ "ซื้อ"

## KEY STOCK DATA

YE Dec (THB m)	2022	2023E	2024E	2025E
Revenue	727	905	1,223	1,467
Net profit	162	212	281	338
EPS (THB)	0.72	0.70	0.92	1.11
vs Consensus (%)	-	-	-	-
EBITDA	268	360	528	677
Recurring net profit	162	212	281	338
Core EPS (THB)	0.72	0.70	0.92	1.11
EPS growth (%)	113.2	(2.9)	32.3	20.3
Core P/E (x)	24.4	25.2	19.0	15.8
Dividend yield (%)	1.4	1.2	1.6	2.1
EV/EBITDA (x)	11.9	12.4	8.7	6.8
Price/book (x)	3.3	2.9	2.6	2.3
Net debt/Equity (%)	(64.3)	(47.5)	(35.8)	(31.9)
ROE (%)	14.1	13.9	14.4	15.6



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	n/a	n/a	n/a
Relative to country (%)	n/a	n/a	n/a
Mkt cap (USD m)	148		
3m avg. daily turnover (USD m)	n/a		
Free float (%)	26		
Major shareholder	Quangkananurug family (61%)		
12m high/low (THB)	20.30/15.80		
Issued shares (m)	303.95		

Sources: Bloomberg consensus; FSSIA estimates



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songklod.won@fssia.com, +66 2646 9970หมายเหตุ : บริษัทหลักทรัพย์ ฟินันเซีย ไซรัส จำกัด (มหาชน) เป็นผู้จัดทำหมาย และ  
รับประกันการจำหน่ายหุ้นสามัญของบริษัท เซฟ เฟอริลตี้ กรุ๊ป จำกัด (มหาชน) ที่เสนอ  
ขายต่อประชาชนเป็นครั้งแรก (IPO)

## Exhibit 1: SAFE - 3Q23 results summary

Year to Dec 31	3Q22	1Q23	2Q23	3Q23	Change		9M23		
	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(y-y %)	(%23E)
Revenue	183	188	219	223	1.8	21.7	629	13.0	70
Cost of services	83	81	99	99	(0.3)	18.9	279	12.3	69
<b>Gross profit</b>	<b>100</b>	<b>106</b>	<b>120</b>	<b>124</b>	<b>3.5</b>	<b>23.9</b>	<b>350</b>	<b>13.7</b>	<b>70</b>
Operating costs	50	51	58	52	(11.2)	2.7	161	11.9	68
Operating profit	50	55	62	72	17.4	45.6	189	15.2	70
Other income	0	1	3	1	(33.3)	305.9	5	285.3	134
Interest expense	(1)	(1)	(1)	(1)	0.0	(14.1)	(2)	(3.9)	67
<b>Profit before tax</b>	<b>49</b>	<b>55</b>	<b>63</b>	<b>73</b>	<b>15.9</b>	<b>48.0</b>	<b>190</b>	<b>16.7</b>	<b>72</b>
Tax	(10)	(19)	(11)	(12)	16.2	21.9	(42)	28.3	80
<b>Reported net profit</b>	<b>39.1</b>	<b>35.9</b>	<b>51.6</b>	<b>60.5</b>	<b>17.3</b>	<b>54.7</b>	<b>148</b>	<b>13.7</b>	<b>70</b>
EPS (THB)	0.17	0.16	0.21	0.22	4.8	29	0.59	2.2	85
<b>Key Ratios (%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>	<b>(ppt)</b>	<b>(%)</b>	<b>(ppt)</b>	
Gross margin	54.6	56.7	54.7	55.7	0.1	1.0	55.6	0.3	
SG&A / Sales	27.5	27.3	26.6	23.2	(3.4)	(4.3)	25.6	(0.3)	
Effective tax rate	20.2	34.6	17.6	16.7	(1.0)	(3.6)	22.2	2.0	

Sources: SAFE; FSSIA estimates

## Financial Statements

### Safe Fertility Group

Profit and Loss (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Revenue	560	727	905	1,223	1,467
Cost of goods sold	(282)	(329)	(403)	(538)	(646)
<b>Gross profit</b>	<b>277</b>	<b>397</b>	<b>502</b>	<b>685</b>	<b>822</b>
Other operating income	0	0	0	0	0
Operating costs	(178)	(194)	(237)	(330)	(396)
<b>Operating EBITDA</b>	<b>176</b>	<b>268</b>	<b>360</b>	<b>528</b>	<b>677</b>
Depreciation	(77)	(64)	(95)	(173)	(251)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>100</b>	<b>204</b>	<b>265</b>	<b>355</b>	<b>426</b>
Net financing costs	(4)	(3)	(4)	(4)	(3)
Associates	0	0	0	0	0
Recurring non-operating income	0	0	0	0	0
Non-recurring items	0	0	0	0	0
<b>Profit before tax</b>	<b>96</b>	<b>200</b>	<b>261</b>	<b>351</b>	<b>423</b>
Tax	(20)	(41)	(53)	(71)	(86)
<b>Profit after tax</b>	<b>76</b>	<b>159</b>	<b>208</b>	<b>280</b>	<b>337</b>
Minority interests	0	0	0	0	0
Preferred dividends	0	0	0	0	0
Other items	0	3	4	1	1
<b>Reported net profit</b>	<b>76</b>	<b>162</b>	<b>212</b>	<b>281</b>	<b>338</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>76</b>	<b>162</b>	<b>212</b>	<b>281</b>	<b>338</b>
<b>Per share (THB)</b>					
Recurring EPS *	0.34	0.72	0.70	0.92	1.11
Reported EPS	0.34	0.72	0.70	0.92	1.11
DPS	0.29	0.25	0.21	0.28	0.37
Diluted shares (used to calculate per share data)	225	225	304	304	304
<b>Growth</b>					
Revenue (%)	6.5	29.8	24.5	35.2	20.0
Operating EBITDA (%)	28.8	52.1	34.4	46.5	28.2
Operating EBIT (%)	90.4	104.1	30.1	33.8	20.0
Recurring EPS (%)	100.7	113.2	(2.9)	32.3	20.3
Reported EPS (%)	100.7	113.2	(2.9)	32.3	20.3
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	49.6	54.7	55.5	56.0	56.0
Gross margin exc. depreciation (%)	63.2	63.6	66.0	70.2	73.1
Operating EBITDA margin (%)	31.5	36.9	39.8	43.2	46.1
Operating EBIT margin (%)	17.8	28.0	29.3	29.0	29.0
Net margin (%)	13.6	22.3	23.5	23.0	23.0
Effective tax rate (%)	20.6	20.3	20.0	20.0	20.0
Dividend payout on recurring profit (%)	86.8	34.6	30.5	30.2	33.7
Interest cover (X)	28.4	59.0	72.5	101.3	141.8
Inventory days	54.4	57.0	57.8	48.7	45.1
Debtor days	8.7	8.0	54.1	87.0	91.7
Creditor days	103.0	89.0	65.6	51.6	53.5
Operating ROIC (%)	17.7	42.2	34.7	27.6	26.5
ROIC (%)	13.8	32.4	28.7	23.7	22.7
ROE (%)	7.0	14.1	13.9	14.4	15.6
ROA (%)	6.1	12.2	12.5	13.2	14.3
* Pre-exceptional, pre-goodwill and fully diluted					
<b>Revenue by Division (THB m)</b>					
Revenue from ICSI treatment	474	609	755	1,021	1,225
Revenue from genetic testing services for embryos and fetuses	86	118	147	199	239
Revenue from dermatology services	-	-	2	3	3

Sources: Safe Fertility Group ; FSSIA estimates

## Financial Statements

### Safe Fertility Group

Cash Flow (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Recurring net profit	76	162	212	281	338
Depreciation	77	64	95	173	251
Associates & minorities	0	6	0	0	0
Other non-cash items	8	6	3	8	5
Change in working capital	6	54	(306)	(173)	(147)
<b>Cash flow from operations</b>	<b>167</b>	<b>292</b>	<b>4</b>	<b>290</b>	<b>448</b>
Capex - maintenance	(18)	(35)	(300)	(300)	(300)
Capex - new investment	0	0	0	0	0
Net acquisitions & disposals	2	(14)	(38)	(54)	(45)
Other investments (net)	0	0	0	0	0
<b>Cash flow from investing</b>	<b>(16)</b>	<b>(49)</b>	<b>(338)</b>	<b>(354)</b>	<b>(345)</b>
Dividends paid	(66)	(56)	(65)	(85)	(114)
Equity finance	0	3	504	0	0
Debt finance	(12)	(7)	(13)	(10)	(5)
Other financing cash flows	-	-	-	-	-
<b>Cash flow from financing</b>	<b>(78)</b>	<b>(60)</b>	<b>427</b>	<b>(94)</b>	<b>(118)</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	2	0	0	3	4
<b>Net other adjustments</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>4</b>
<b>Movement in cash</b>	<b>76</b>	<b>183</b>	<b>93</b>	<b>(155)</b>	<b>(12)</b>
Free cash flow to firm (FCFF)	154.65	246.99	(329.57)	(60.58)	105.33
Free cash flow to equity (FCFE)	141.71	236.42	(345.77)	(70.67)	101.44

#### Per share (THB)

FCFF per share	0.51	0.81	(1.08)	(0.20)	0.35
FCFE per share	0.47	0.78	(1.14)	(0.23)	0.33
Recurring cash flow per share	0.71	1.06	1.02	1.52	1.96

Balance Sheet (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Tangible fixed assets (gross)	163	150	450	750	1,050
Less: Accumulated depreciation	0	0	(78)	(234)	(468)
<b>Tangible fixed assets (net)</b>	<b>163</b>	<b>150</b>	<b>372</b>	<b>516</b>	<b>582</b>
<b>Intangible fixed assets (net)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Long-term financial assets	0	0	0	0	0
Invest. in associates & subsidiaries	0	0	0	0	0
Cash & equivalents	668	851	944	789	777
A/C receivable	11	20	248	335	402
Inventories	34	49	49	49	49
Other current assets	303	228	284	384	461
<b>Current assets</b>	<b>1,017</b>	<b>1,148</b>	<b>1,525</b>	<b>1,557</b>	<b>1,689</b>
Other assets	117	114	142	192	231
<b>Total assets</b>	<b>1,297</b>	<b>1,413</b>	<b>2,039</b>	<b>2,265</b>	<b>2,501</b>
Common equity	1,096	1,204	1,855	2,055	2,284
Minorities etc.	0	6	6	6	6
<b>Total shareholders' equity</b>	<b>1,096</b>	<b>1,210</b>	<b>1,861</b>	<b>2,061</b>	<b>2,290</b>
Long term debt	80	73	60	50	45
Other long-term liabilities	31	31	38	52	62
<b>Long-term liabilities</b>	<b>110</b>	<b>103</b>	<b>98</b>	<b>102</b>	<b>107</b>
A/C payable	63	66	44	59	57
Short term debt	0	0	0	0	0
Other current liabilities	27	33	35	43	48
<b>Current liabilities</b>	<b>90</b>	<b>99</b>	<b>79</b>	<b>102</b>	<b>104</b>
<b>Total liabilities and shareholders' equity</b>	<b>1,297</b>	<b>1,413</b>	<b>2,039</b>	<b>2,265</b>	<b>2,502</b>
Net working capital	258	198	502	666	808
Invested capital	539	463	1,016	1,375	1,621

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

#### Per share (THB)

Book value per share	4.87	5.35	6.10	6.76	7.52
Tangible book value per share	4.87	5.35	6.10	6.76	7.52

#### Financial strength

Net debt/equity (%)	(53.7)	(64.3)	(47.5)	(35.8)	(31.9)
Net debt/total assets (%)	(45.4)	(55.1)	(43.3)	(32.6)	(29.2)
Current ratio (x)	11.3	11.6	19.2	15.3	16.2
CF interest cover (x)	41.3	69.4	(93.6)	(19.2)	34.8

Valuation	2021	2022	2023E	2024E	2025E
<b>Recurring P/E (x) *</b>	<b>52.1</b>	<b>24.4</b>	<b>25.2</b>	<b>19.0</b>	<b>15.8</b>
<b>Recurring P/E @ target price (x) *</b>	<b>74.0</b>	<b>34.7</b>	<b>35.8</b>	<b>27.0</b>	<b>22.5</b>
Reported P/E (x)	52.1	24.4	25.2	19.0	15.8
Dividend yield (%)	1.7	1.4	1.2	1.6	2.1
Price/book (x)	3.6	3.3	2.9	2.6	2.3
Price/tangible book (x)	3.6	3.3	2.9	2.6	2.3
EV/EBITDA (x) **	19.1	11.9	12.4	8.7	6.8
EV/EBITDA @ target price (x) **	28.6	18.1	18.6	13.0	10.2
EV/invested capital (x)	6.3	6.9	4.4	3.4	2.9

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

Sources: Safe Fertility Group ; FSSIA estimates

## 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 <b>THSI inclusion</b> , 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. <b>SETTHSI Index</b> 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.																												
<b>CG Score</b> 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%).																												
<b>AGM level</b> 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&amp;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.																												
<b>Thai CAC</b> 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.																												
<b>Morningstar Sustainalytics</b>	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 &amp; 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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<b>ESG Book</b>	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.																												
<b>MSCI</b>	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><b>AAA</b></td> <td>8.571-10.000</td> <td><b>Leader:</b></td> <td>leading its industry in managing the most significant ESG risks and opportunities</td> </tr> <tr> <td><b>AA</b></td> <td>7.143-8.570</td> <td></td> <td></td> </tr> <tr> <td><b>A</b></td> <td>5.714-7.142</td> <td></td> <td></td> </tr> <tr> <td><b>BBB</b></td> <td>4.286-5.713</td> <td><b>Average:</b></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><b>BB</b></td> <td>2.857-4.285</td> <td></td> <td></td> </tr> <tr> <td><b>B</b></td> <td>1.429-2.856</td> <td></td> <td></td> </tr> <tr> <td><b>CCC</b></td> <td>0.000-1.428</td> <td><b>Laggard:</b></td> <td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td> </tr> </tbody> </table>	<b>AAA</b>	8.571-10.000	<b>Leader:</b>	leading its industry in managing the most significant ESG risks and opportunities	<b>AA</b>	7.143-8.570			<b>A</b>	5.714-7.142			<b>BBB</b>	4.286-5.713	<b>Average:</b>	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	<b>BB</b>	2.857-4.285			<b>B</b>	1.429-2.856			<b>CCC</b>	0.000-1.428	<b>Laggard:</b>	lagging its industry based on its high exposure and failure to manage significant ESG risks	
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<b>Moody's ESG solutions</b>	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.																													
<b>Refinitiv ESG rating</b>	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; &gt;25 to 50 = satisfactory; &gt;50 to 75 = good; and &gt;75 to 100 = excellent.)</i>																													
<b>S&amp;P Global</b>	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.																													
<b>Bloomberg</b>	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

#### Songklod Wongchai FSS International Investment Advisory Securities Co., Ltd

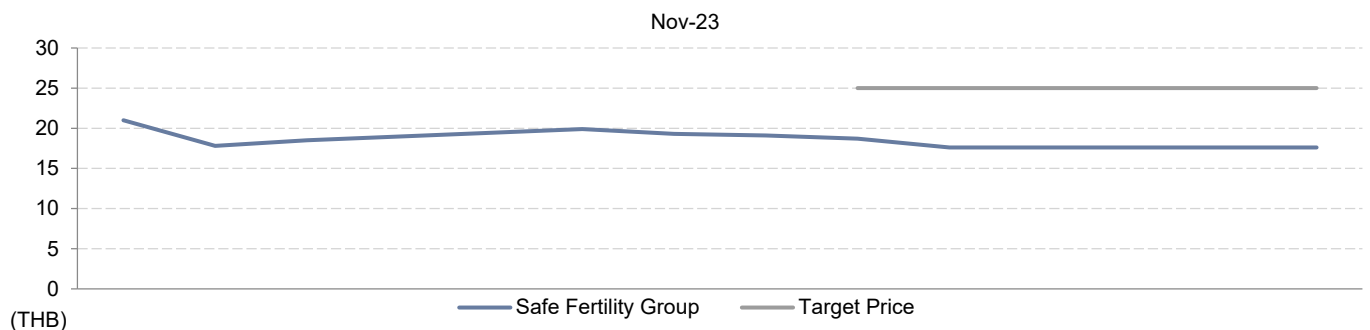
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#### History of change in investment rating and/or target price

#### Safe Fertility Group (SAFE TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
08-Nov-2023	BUY	25.00	-	-	-	-	-	-

Songklod Wongchai started covering this stock from 08-Nov-2023

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Safe Fertility Group	SAFE TB	THB 17.60	BUY	ความเสี่ยงที่จะมีผลต่อประมาณการของเรา ได้แก่ เกิดเหตุฟ้องร้องหรือร้องเรียนหากวิธีการรักษาเกิดความผิดพลาด ลูกค้าต่างชาติลดลงจากผลกระทบของการเดินทาง หรือกรณีเกิดโรคระบาด และต้นทุนค่ายาปรับตัวสูงขึ้นมากกว่าที่คาด

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.