

# RAMKHAMHAENG HOSPITAL

THAILAND / HEALTH CARE SERVICES

# RAM TB

**BUY**  
 UNCHANGED

## 3Q23 results at first glance

### 3Q23 core profit jumped by 49% q-q to THB478m

#### Highlights

- RAM reported a core profit of THB478m in 3Q23 (-23% y-y, +49% q-q). The strong improvement q-q was led by higher share income from associate hospitals and an EBITDA margin improvement from subsidiary hospitals, especially Vibharam.
- Revenue grew by 1% q-q in 3Q23 due to the high season for healthcare. Medical revenue from RAM's flagship grew 3% q-q and exceeded the pre-Covid level by 9%. Subsidiary revenue (mainly from Vibharam) grew by 2% q-q.
- Revenue from sales of medical equipment fell by 6% q-q.
- The EBITDA margin improved from 18% in 2Q23 to 19% in 3Q23. The EBITDA margin of RAM's flagship was relatively flat q-q at 29%. Meanwhile, the EBITDA margin of subsidiaries (mainly VBR) improved to 9% (vs 7% 2Q23).
- Share income jumped to THB275m in 3Q23 from THB111m in 2Q23, mainly driven by larger shares of income from Synphaet (+THB69m q-q), THG (+THB39m) and VIBHA (+THB12m).
- RAM booked dividend income of THB98m (vs THB126m in 2Q23).

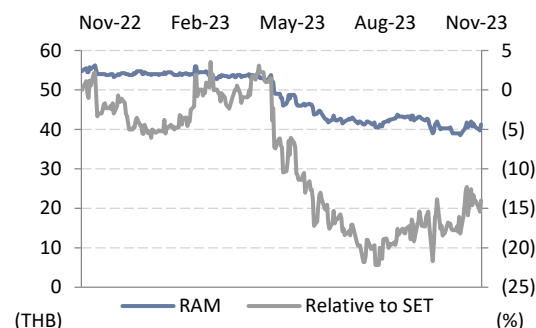
#### Outlook

- We expect organic operations to improve y-y in 4Q23. However, the losses from its new hospital (RAM 2) may drag its margin in 4Q23. RAM is trading at an attractive valuation of 22x 2024E P/E.

TARGET PRICE	THB60.00
CLOSE	THB41.25
UP/DOWNSIDE	+45.5%
TP vs CONSENSUS	+21.8%

#### KEY STOCK DATA

YE Dec (THB m)	2022	2023E	2024E	2025E
Revenue	10,687	10,907	11,613	12,451
Net profit	2,088	1,965	2,289	2,531
EPS (THB)	1.74	1.64	1.91	2.11
vs Consensus (%)	-	14.7	19.7	17.9
EBITDA	2,356	2,368	2,677	2,935
Recurring net profit	2,088	1,965	2,289	2,531
Core EPS (THB)	1.74	1.64	1.91	2.11
EPS growth (%)	(48.4)	(5.9)	16.5	10.6
Core P/E (x)	23.7	25.2	21.6	19.6
Dividend yield (%)	2.7	2.7	2.3	2.6
EV/EBITDA (x)	28.9	28.8	25.1	22.2
Price/book (x)	2.6	2.5	2.4	2.2
Net debt/Equity (%)	35.7	35.5	30.6	21.6
ROE (%)	11.2	10.0	11.2	11.7



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	2.5	0.0	(25.7)
Relative to country (%)	5.1	7.5	(14.4)
Mkt cap (USD m)	1,396		
3m avg. daily turnover (USD m)	0.1		
Free float (%)	24		
Major shareholder	F&S 79 (23%)		
12m high/low (THB)	57.00/37.25		
Issued shares (m)	1,200.00		

Sources: Bloomberg consensus; FSSIA estimates



#### Teerapol Udomvej, CFA

 Fundamental Investment Analyst on Securities; License no. 080523  
 teerapol.udo@fssia.com, +66 2646 9969

**Exhibit 1: RAM - 3Q23 results summary**

FY ending Dec	3Q22	4Q22	1Q23	2Q23	3Q23	----- Change -----		2023E	Chg.
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(y-y %)
Sales	2,679	2,413	2,270	2,472	2,505	1	(6)	10,907	2
COGS (incl depreciation)	(1,927)	(1,906)	(1,728)	(1,825)	(1,824)	(0)	(5)	(8,020)	3
<b>Gross Profit</b>	<b>752</b>	<b>507</b>	<b>542</b>	<b>646</b>	<b>681</b>	<b>5</b>	<b>(9)</b>	<b>2,887</b>	<b>1</b>
SG&A	(394)	(364)	(476)	(444)	(446)	0	13	(1,609)	6
<b>Operating Profit</b>	<b>358</b>	<b>142</b>	<b>66</b>	<b>202</b>	<b>235</b>	<b>16</b>	<b>(34)</b>	<b>1,278</b>	<b>(6)</b>
Dividend income	148	5	57	126	98	(22)	(34)	346	
Net other income	30	33	32	25	25	(0)	(15)	117	5
Interest expenses	(65)	(66)	(72)	(80)	(86)	7	32	(252)	3
<b>Pretax profit</b>	<b>471</b>	<b>114</b>	<b>83</b>	<b>273</b>	<b>272</b>	<b>(0)</b>	<b>(42)</b>	<b>1,490</b>	<b>(5)</b>
Income Tax	(70)	(25)	(27)	(125)	(67)	(47)	(5)	(283)	3
Associates	291	134	201	111	275	149	(5)	871	(13)
Minority interest	(73)	50	10	62	(2)			(112)	(47)
<b>Core profit</b>	<b>618</b>	<b>273</b>	<b>267</b>	<b>320</b>	<b>478</b>	<b>49</b>	<b>(23)</b>	<b>1,965</b>	<b>(6)</b>
Extraordinaries, GW & FX	0	0	0	156	0				
<b>Reported net profit</b>	<b>618</b>	<b>274</b>	<b>267</b>	<b>476</b>	<b>478</b>	<b>0</b>	<b>(23)</b>	<b>1,965</b>	<b>(6)</b>
Outstanding shares (m)	1,200	1,200	1,200	1,200	1,200	0	0	1,201	0
<b>Pre-ex EPS (THB)</b>	<b>0.52</b>	<b>0.23</b>	<b>0.22</b>	<b>0.27</b>	<b>0.40</b>	<b>49</b>	<b>(23)</b>	<b>1.64</b>	<b>(6)</b>
<b>EPS (THB)</b>	<b>0.52</b>	<b>0.23</b>	<b>0.22</b>	<b>0.40</b>	<b>0.40</b>	<b>0</b>	<b>(23)</b>	<b>1.64</b>	<b>(6)</b>
COGS excl. depreciation	(1,659)	(1,664)	(1,419)	(1,574)	(1,572)	(0)	(5)	(6,930)	2
Depreciation	(268)	(242)	(309)	(251)	(252)	0	(6)	(1,090)	9
EBITDA	626	384	375	453	487	8	(22)	2,368	1
<b>Key ratios</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>	<b>(ppt)</b>	<b>(%)</b>	<b>(ppt)</b>
Gross margin	28	21	24	26	27	1	(1)	26	(0)
SG&A/Revenue	15	15	21	18	18	(0)	3	15	1
EBITDA margin	23	16	16	18	19	1	(4)	21	(0)
Net profit margin	23	11	12	19	19	(0)	(4)	18	(2)
<b>Operating stats</b>									
Ramkhamhaeng hospital revenue growth (y-y %)	16	11	(4)	1	(5)				
Ramkhamhaeng EBITDA margin (%)	31	33	33	30	29				
Subsidiary hospital revenue growth (y-y %)	(56)	(45)	(35)	(12)	(10)				
Subsidiary EBITDA margin (%)	18	1	0	7	9				
Share income - Synphaet (THB m)	84	50	44	22	91				
Share income - THG (THB m)	100	64	46	28	67				
Share income - Sukhumvit (THB m)	28	20	15	21	14				
Share income - Chiangmai Ram (THB m)	35	21	50	13	41				
Share income - VIBHA (THB m)	34	(19)	13	19	31				
Share income - RJH (THB m)	0	0	0	0	0				

Sources: RAM; FSSIA estimates

## Financial Statements

### Ramkhamhaeng Hospital

Profit and Loss (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Revenue	12,664	10,687	10,907	11,613	12,451
Cost of goods sold	(7,941)	(7,815)	(8,020)	(8,431)	(8,998)
<b>Gross profit</b>	<b>4,723</b>	<b>2,872</b>	<b>2,887</b>	<b>3,182</b>	<b>3,452</b>
Other operating income	-	-	-	-	-
Operating costs	(1,364)	(1,513)	(1,609)	(1,641)	(1,674)
<b>Operating EBITDA</b>	<b>4,175</b>	<b>2,356</b>	<b>2,368</b>	<b>2,677</b>	<b>2,935</b>
Depreciation	(816)	(998)	(1,090)	(1,136)	(1,157)
Goodwill amortisation	-	-	-	-	-
<b>Operating EBIT</b>	<b>3,359</b>	<b>1,359</b>	<b>1,278</b>	<b>1,540</b>	<b>1,778</b>
Net financing costs	(224)	(234)	(240)	(237)	(223)
Associates	2,259	1,002	871	1,012	1,085
Recurring non-operating income	2,640	1,450	1,322	1,488	1,575
Non-recurring items	122	0	0	0	0
<b>Profit before tax</b>	<b>5,897</b>	<b>2,575</b>	<b>2,360</b>	<b>2,791</b>	<b>3,130</b>
Tax	(506)	(274)	(283)	(356)	(409)
<b>Profit after tax</b>	<b>5,391</b>	<b>2,301</b>	<b>2,077</b>	<b>2,435</b>	<b>2,721</b>
Minority interests	(1,220)	(212)	(112)	(146)	(190)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>4,171</b>	<b>2,088</b>	<b>1,965</b>	<b>2,289</b>	<b>2,531</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>(122)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>4,049</b>	<b>2,088</b>	<b>1,965</b>	<b>2,289</b>	<b>2,531</b>
<b>Per share (THB)</b>					
Recurring EPS *	3.37	1.74	1.64	1.91	2.11
Reported EPS	3.48	1.74	1.64	1.91	2.11
DPS	0.76	1.10	1.10	0.95	1.05
Diluted shares (used to calculate per share data)	1,200	1,200	1,200	1,200	1,200
<b>Growth</b>					
Revenue (%)	61.9	(15.6)	2.1	6.5	7.2
Operating EBITDA (%)	295.8	(43.6)	0.5	13.0	9.7
Operating EBIT (%)	892.2	(59.6)	(5.9)	20.5	15.4
Recurring EPS (%)	540.6	(48.4)	(5.9)	16.5	10.6
Reported EPS (%)	559.9	(49.9)	(5.9)	16.5	10.6
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	37.3	26.9	26.5	27.4	27.7
Gross margin exc. depreciation (%)	43.7	36.2	36.5	37.2	37.0
Operating EBITDA margin (%)	33.0	22.1	21.7	23.0	23.6
Operating EBIT margin (%)	26.5	12.7	11.7	13.3	14.3
Net margin (%)	32.0	19.5	18.0	19.7	20.3
Effective tax rate (%)	14.4	17.4	19.0	20.0	20.0
Dividend payout on recurring profit (%)	22.5	63.2	67.2	50.0	50.0
Interest cover (X)	26.8	12.0	10.8	12.8	15.0
Inventory days	38.7	40.8	40.9	40.2	39.8
Debtor days	54.7	77.7	67.7	63.6	59.3
Creditor days	25.1	30.4	35.9	35.3	34.9
Operating ROIC (%)	23.3	7.7	6.2	7.4	9.0
ROIC (%)	16.8	6.4	5.4	6.2	6.9
ROE (%)	26.5	11.2	10.0	11.2	11.7
ROA (%)	16.6	6.4	5.5	6.3	6.7
* Pre exceptional, pre-goodwill and fully diluted					
<b>Revenue by Division (THB m)</b>					
Cash patient	8,845	7,604	7,659	8,215	8,907
SSO	1,575	1,716	1,836	1,928	2,025
NHSO	649	241	241	241	241
Sales of medical equipment	1,595	1,126	1,171	1,229	1,278

Sources: Ramkhamhaeng Hospital; FSSIA estimates

## Financial Statements

### Ramkhamhaeng Hospital

Cash Flow (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Recurring net profit	4,049	2,088	1,965	2,289	2,531
Depreciation	816	998	1,090	1,136	1,157
Associates & minorities	-	-	-	-	-
Other non-cash items	2,038	609	112	146	190
Change in working capital	(199)	439	(911)	(7)	1,152
<b>Cash flow from operations</b>	<b>6,705</b>	<b>4,134</b>	<b>2,256</b>	<b>3,564</b>	<b>5,029</b>
Capex - maintenance	(1,776)	(4,895)	(654)	(680)	(1,081)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	(4,791)	(1,480)	(395)	(395)	(360)
Other investments (net)	-	-	-	-	-
<b>Cash flow from investing</b>	<b>(6,567)</b>	<b>(6,375)</b>	<b>(1,049)</b>	<b>(1,075)</b>	<b>(1,441)</b>
Dividends paid	(969)	(1,362)	(1,320)	(1,320)	(1,145)
Equity finance	0	0	0	0	0
Debt finance	753	1,318	(600)	(300)	(300)
Other financing cash flows	589	2,527	(76)	(73)	(95)
<b>Cash flow from financing</b>	<b>372</b>	<b>2,483</b>	<b>(1,996)</b>	<b>(1,693)</b>	<b>(1,540)</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
<b>Net other adjustments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Movement in cash</b>	<b>510</b>	<b>242</b>	<b>(789)</b>	<b>796</b>	<b>2,048</b>
Free cash flow to firm (FCFF)	377.20	(1,997.35)	1,458.11	2,730.86	3,822.58
Free cash flow to equity (FCFE)	1,479.50	1,604.43	530.99	2,116.43	3,193.03

Per share (THB)	2021	2022	2023E	2024E	2025E
FCFF per share	0.31	(1.66)	1.22	2.28	3.19
FCFE per share	1.23	1.34	0.44	1.76	2.66
Recurring cash flow per share	5.75	3.08	2.64	2.98	3.23

Balance Sheet (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Tangible fixed assets (gross)	19,197	24,024	24,678	25,358	26,439
Less: Accumulated depreciation	(8,133)	(9,062)	(10,152)	(11,288)	(12,445)
<b>Tangible fixed assets (net)</b>	<b>11,064</b>	<b>14,961</b>	<b>14,526</b>	<b>14,069</b>	<b>13,994</b>
<b>Intangible fixed assets (net)</b>	<b>409</b>	<b>422</b>	<b>422</b>	<b>422</b>	<b>422</b>
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	20,016	21,496	21,891	22,286	22,646
Cash & equivalents	1,126	1,369	580	1,376	3,424
A/C receivable	2,524	2,023	2,023	2,023	2,023
Inventories	756	770	782	824	885
Other current assets	373	373	983	1,051	367
<b>Current assets</b>	<b>4,779</b>	<b>4,534</b>	<b>4,368</b>	<b>5,274</b>	<b>6,699</b>
Other assets	143	202	202	202	202
<b>Total assets</b>	<b>36,411</b>	<b>41,615</b>	<b>41,409</b>	<b>42,254</b>	<b>43,963</b>
Common equity	17,781	19,387	20,032	21,001	22,388
Minorities etc.	6,362	8,592	8,629	8,702	8,797
<b>Total shareholders' equity</b>	<b>24,143</b>	<b>27,980</b>	<b>28,661</b>	<b>29,704</b>	<b>31,185</b>
Long term debt	4,501	5,189	4,889	4,889	4,889
Other long-term liabilities	404	501	501	501	501
<b>Long-term liabilities</b>	<b>4,905</b>	<b>5,690</b>	<b>5,390</b>	<b>5,390</b>	<b>5,390</b>
A/C payable	460	676	687	723	777
Short term debt	5,548	6,178	5,878	5,578	5,278
Other current liabilities	1,356	1,092	792	859	1,333
<b>Current liabilities</b>	<b>7,363</b>	<b>7,945</b>	<b>7,357</b>	<b>7,160</b>	<b>7,388</b>
<b>Total liabilities and shareholders' equity</b>	<b>36,411</b>	<b>41,615</b>	<b>41,409</b>	<b>42,254</b>	<b>43,963</b>
Net working capital	1,838	1,398	2,310	2,317	1,165
Invested capital	33,470	38,480	39,350	39,296	38,429

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

Per share (THB)	2021	2022	2023E	2024E	2025E
Book value per share	14.82	16.16	16.69	17.50	18.66
Tangible book value per share	14.48	15.80	16.34	17.15	18.30

Financial strength	2021	2022	2023E	2024E	2025E
Net debt/equity (%)	37.0	35.7	35.5	30.6	21.6
Net debt/total assets (%)	24.5	24.0	24.6	21.5	15.3
Current ratio (x)	0.6	0.6	0.6	0.7	0.9
CF interest cover (x)	7.6	7.9	3.2	9.9	15.3

Valuation	2021	2022	2023E	2024E	2025E
<b>Recurring P/E (x) *</b>	<b>12.2</b>	<b>23.7</b>	<b>25.2</b>	<b>21.6</b>	<b>19.6</b>
<b>Recurring P/E @ target price (x) *</b>	<b>17.8</b>	<b>34.5</b>	<b>36.6</b>	<b>31.5</b>	<b>28.4</b>
Reported P/E (x)	11.9	23.7	25.2	21.6	19.6
Dividend yield (%)	1.8	2.7	2.7	2.3	2.6
Price/book (x)	2.8	2.6	2.5	2.4	2.2
Price/tangible book (x)	2.8	2.6	2.5	2.4	2.3
EV/EBITDA (x) **	15.5	28.9	28.8	25.1	22.2
EV/EBITDA @ target price (x) **	20.9	38.4	38.3	33.5	29.8
EV/invested capital (x)	1.9	1.8	1.7	1.7	1.7

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

Sources: Ramkhamhaeng Hospital; 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+																		
NEGL	Low	Medium	High	Severe																										
0-10	10-20	20-30	30-40	40+																										
<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="0" style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: right;"><b>AAA</b></td> <td>8.571-10.000</td> <td style="text-align: right;"><b>Leader:</b></td> <td>leading its industry in managing the most significant ESG risks and opportunities</td> </tr> <tr> <td style="text-align: right;"><b>AA</b></td> <td>7.143-8.570</td> <td></td> <td></td> </tr> <tr> <td style="text-align: right;"><b>A</b></td> <td>5.714-7.142</td> <td></td> <td></td> </tr> <tr> <td style="text-align: right;"><b>BBB</b></td> <td>4.286-5.713</td> <td style="text-align: right;"><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 style="text-align: right;"><b>BB</b></td> <td>2.857-4.285</td> <td></td> <td></td> </tr> <tr> <td style="text-align: right;"><b>B</b></td> <td>1.429-2.856</td> <td></td> <td></td> </tr> <tr> <td style="text-align: right;"><b>CCC</b></td> <td>0.000-1.428</td> <td style="text-align: right;"><b>Laggard:</b></td> <td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td> </tr> </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	
<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																											
<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**

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

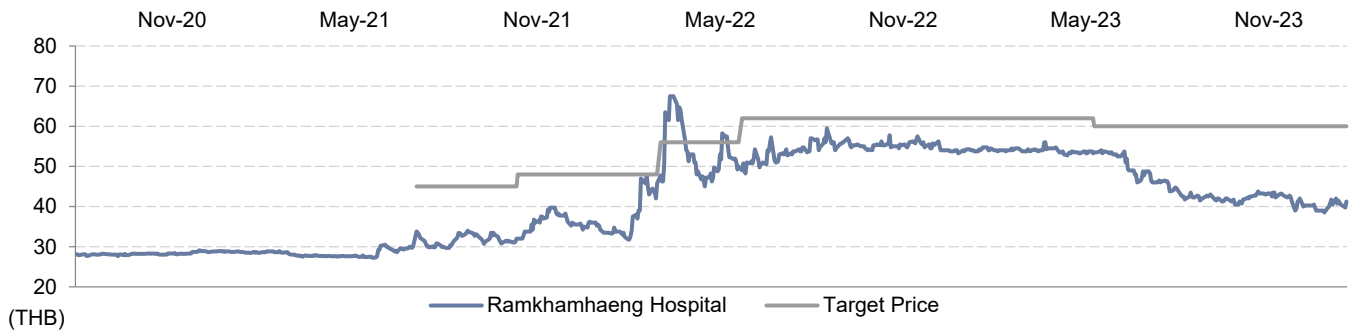
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

This report has been prepared by FSS International Investment Advisory Securities Company Limited (FSSIA). The information herein has been obtained from sources believed to be reliable and accurate; however FSSIA makes no representation as to the accuracy and completeness of such information. Information and opinions expressed herein are subject to change without notice. FSSIA has no intention to solicit investors to buy or sell any security in this report. In addition, FSSIA does not guarantee returns nor price of the securities described in the report nor accept any liability for any loss or damage of any kind arising out of the use of such information or opinions in this report. Investors should study this report carefully in making investment decisions. All rights are reserved.

This report may not be reproduced, distributed or published by any person in any manner for any purpose without permission of FSSIA. Investment in securities has risks. Investors are advised to consider carefully before making investment decisions.

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

**Ramkhamhaeng Hospital (RAM TB)**



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
03-Sep-2021	BUY	45.00	01-Apr-2022	BUY	56.00	11-Apr-2023	BUY	60.00
01-Dec-2021	BUY	48.00	10-Jun-2022	BUY	62.00			

Teerapol Udomvej, CFA started covering this stock from 03-Sep-2021

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Ramkhamhaeng Hospital	RAM TB	THB 41.25	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.

All share prices are as at market close on 15-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.