

# MASTER STYLE MASTER TB

## THAILAND / SERVICES

**BUY**  
 UNCHANGED

### ส่วนแบ่งกำไรจะช่วยเหลือหุ้นปี 2024

- คาดการณ์จำนวนชั่วโมงการใช้ห้องผ่าตัดจะขยับขึ้นทำให้อำนาจ 4Q23 เพราะเป็น High season และรับรู้เตียงผ่าตัดใหม่เต็มไตรมาส
- เริ่มรับรู้ส่วนแบ่งกำไรจากการลงทุนใหม่
- คงคำแนะนำซื้อจากแนวโน้มการเติบโตของกำไรสุทธิและฐานะทางการเงินที่ดี

### คาดการณ์กำไร 4Q23 จะขึ้นสู่ระดับสูงสุดโดยได้ปัจจัยหนุนจากชั่วโมงการผ่าตัดที่สูงขึ้น

เราคาดว่ากำไรสุทธิ 4Q23 ของ MASTER จะเพิ่มทำสถิติสูงสุดใหม่ที่ 115 ลบ. (+14.8% q-q, +45.6% y-y) จากการรับรู้เตียงผ่าตัดใหม่เต็มไตรมาส โดยปกติ 4Q เป็นช่วง High season ของธุรกิจ จากข้อมูลล่าสุดตัวเลขลูกค้าเพิ่มต่อเนื่องในเดือน ต.ค. - พ.ย. ก่อนอ่อนตัวลงในเดือน ธ.ค. เนื่องจากเป็นช่วงวันหยุด เราคาดว่าชั่วโมงในการผ่าตัดใน 4Q จะโต 8.3% y-y เป็น 13,632 ชั่วโมง เพราะฉะนั้นเราจึงคาดว่ารายได้รวมใน 4Q23 จะโต 6.2% q-q และ 7.9% y-y ทำสถิติสูงสุดใหม่ที่ 509 ลบ.

### เริ่มรับรู้ส่วนแบ่งกำไรตั้งแต่ 4Q23 เป็นต้นไป

แม้ว่า MASTER จะรับรู้ค่าเสื่อม 8-10 ลบ. จากค่าใช้จ่ายในการปรับปรุงอาคาร แต่คาดว่าจะแบ่งกำไรจาก 2 ธุรกิจใหม่ (Wind Clinic และ Kin Corporation) น่าจะช่วยชดเชยได้ทั้งหมด เนื่องจากจำนวนแพทย์ยังใกล้เคียง 4Q23 ที่ 45 คน เราคาดว่าอัตรากำไรขั้นต้นใน 4Q23 จะทรงตัวในระดับสูงที่ 58.1% ใกล้เคียงกับ 3Q23 แต่สูงกว่า 55.5% ใน 4Q22 จาก Operating leverage ที่สูงขึ้น ถ้ากำไรออกมาตามคาด กำไรสุทธิปี 2023 น่าจะทำสถิติสูงสุดใหม่ต่อเนื่องที่ 367 ลบ. (+22% y-y)

### คาดการณ์กำไรปี 2024 จะเติบโตสูงถึง 46%

เราคงมุมมองเชิงบวกของเราเกี่ยวกับแนวโน้มการเติบโตของ MASTER ในปี 2024 จาก 1) ปัจจัยหนุนภายในคือ การรับรู้เตียงผ่าตัดใหม่เต็มปีและ 2) ปัจจัยหนุนภายนอกคือ การรับรู้ส่วนแบ่งกำไรจาก 10 บริษัทที่ MASTER เข้าลงทุนในสัดส่วน 35-40% เราคาดว่าส่วนแบ่งกำไรปี 2024-25 อยู่ที่ 105 ลบ. และ 112 ลบ. เพิ่มขึ้น 10 ลบ. ในปี 2023 คิดเป็นประมาณ 19.6% และ 18.5% ของกำไรสุทธิปี 2024 ที่ 536 ลบ. (+46% y-y) และปี 2025 ที่ 607 ลบ. (+13% y-y) ตามลำดับ

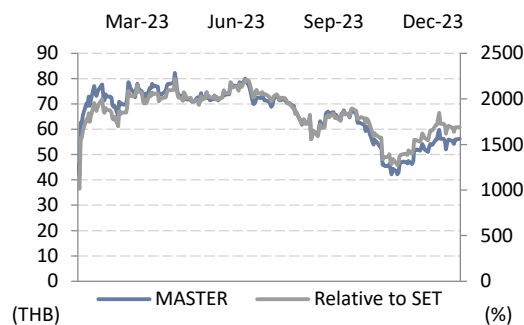
### คงคำแนะนำซื้อจากแนวโน้มการเติบโตและฐานะทางการเงินที่ดี

เราคงคำแนะนำซื้อที่ราคาเป้าหมายปี 2024 ที่ 71 บาท ถึง 2024E P/E ที่ 35x ราคาเป้าหมายของเราได้มาจากธุรกิจปัจจุบันจำนวน 59 บาท/หุ้นและ มาจากการลงทุนใน 10 ตีลจำนวน 12 บาท/หุ้น ฐานะทางการเงินยังแข็งแกร่ง เราคาดว่า Current ratio ในปี 2023-24 จะอยู่ในระดับสูงที่ 9x และ 3.2x และคาด D/E ratio ยังอยู่ในระดับต่ำที่ 0.2x ในขณะที่เดียวกัน ROE น่าจะอยู่ที่ 22.5% ในปี 2023 ลดลงจากปี 2022 จากส่วนผู้ถือหุ้นที่เพิ่มขึ้นหลัง IPO

TARGET PRICE	THB71.00
CLOSE	THB58.00
UP/DOWNSIDE	+22.4%
PRIOR TP	THB71.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	-11.6%

### KEY STOCK DATA

YE Dec (THB m)	2022	2023E	2024E	2025E
Revenue	1,483	1,883	2,216	2,517
Net profit	301	367	536	607
EPS (THB)	1.58	1.39	2.03	2.30
vs Consensus (%)	-	(2.5)	1.8	0.1
EBITDA	422	529	659	750
Recurring net profit	301	367	536	607
Core EPS (THB)	1.58	1.39	2.03	2.30
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	(1.7)	(12.1)	45.8	13.3
Core P/E (x)	36.6	41.7	28.6	25.2
Dividend yield (%)	0.5	1.2	1.7	-
EV/EBITDA (x)	26.6	25.7	22.8	19.6
Price/book (x)	27.3	5.4	4.9	4.5
Net debt/Equity (%)	51.7	(59.1)	(10.1)	(16.9)
ROE (%)	105.5	22.5	17.9	18.5



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	7.4	(6.1)	n/a
Relative to country (%)	4.0	(3.6)	n/a
Mkt cap (USD m)	448		
3m avg. daily turnover (USD m)	2.3		
Free float (%)	0		
Major shareholder	Maschamadol family (68%)		
12m high/low (THB)	83.18/41.50		
Issued shares (m)	264.00		

Sources: Bloomberg consensus; FSSIA estimates


**Sureeporn Teewasuwet**

 Fundamental Investment Analyst on Securities; License no. 040694  
 sureeporn.t@fssia.com, +66 2646 9972

PREPARED BY FSS INTERNATIONAL INVESTMENT ADVISORY SECURITIES CO LTD (FSSIA). ANALYST CERTIFICATION AND IMPORTANT DISCLOSURES CAN BE FOUND AT THE END OF THIS REPORT

บทวิเคราะห์ฉบับนี้แปลมาจากต้นฉบับภาษาอังกฤษ ที่ออกรายงานเมื่อวันที่ 3 มกราคม 2024

Investment thesis

We expect Thailand's cosmetic surgery market to grow by 9.7% CAGR in 2023-30, close to global cosmetic surgery markets. Additionally, the medical tourism trend should support surgery hospitals in Thailand to have a higher revenue mix from international customers, which would, in turn, support future growth.

MASTER has several strengths. It has earned a good reputation and has become well-known over the past ten years. Given the experience of Dr. Raweevat Maschamadol and other renowned doctors, MASTER has gained customer trust, leading to referrals and positive reviews on social media. It has also expanded and invested in other businesses to further its long-term growth.

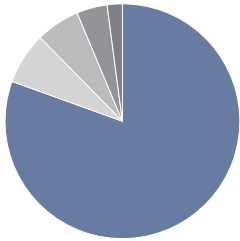
Company profile

MASTER is in the cosmetic surgery hospital business under Masterpiece Hospital. Established in 2012, it has 17 operating beds and offers one-stop cosmetic surgery services. MASTER earns revenue from four services, including surgery, skin, hair treatment, and aftercare, with surgery contributing the highest revenue of 81% of total revenue.

[www.masterpiecehospital.com](http://www.masterpiecehospital.com)

Principal activities (revenue, 2022)

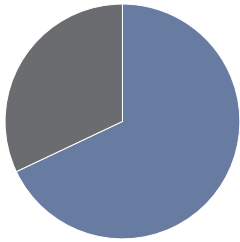
- Surgery - 80.5 %
- Skin - 7.1 %
- Hair treatment - 6.1 %
- Aftercare - 4.2 %
- Others - 2.1 %



Source: Master Style

Major shareholders

- Maschamadol family - 68.0 %
- Others - 32.0 %



Source: Master Style

Catalysts

2024 potential growth drivers include 1) more surgery customers; 2) a higher utilization rate for operating beds, which would drive operating leverage; and 3) the realization of profit and synergies from M&As.

Risks to our call

Downside risks to our P/E-based TP include 1) increased competition, 2) a pandemic that results in a lockdown, 3) lower-than-expected utilization rate of new operating beds, 4) higher-than-expected doctor costs and expenses, and 5) a loss contribution from the acquired units.

Event calendar

Date	Event
February 2024	4Q23 results announcement
March 2024	4Q23 analyst meeting

Key assumptions

	2023E	2024E	2025E
Total OR rooms (no.)	17	17	17
Capacity hours (hours)	64,605	88,330	88,330
Operating hours (hours)	48,147	54,272	58,866
Utilization rate (%)	74.5	61.4	66.6

Source: FSSIA estimates

Earnings sensitivity

- For every 5% increase in revenue, we estimate 2024 net profit to rise by 3.9%, and vice versa, all else being equal.
- For every 0.5% increase in GPM, we estimate 2024 net profit to rise by 2%, and vice versa, all else being equal.
- For every 1% increase in SG&A, we estimate 2024 net profit to fall by 3.5%, and vice versa, all else being equal.

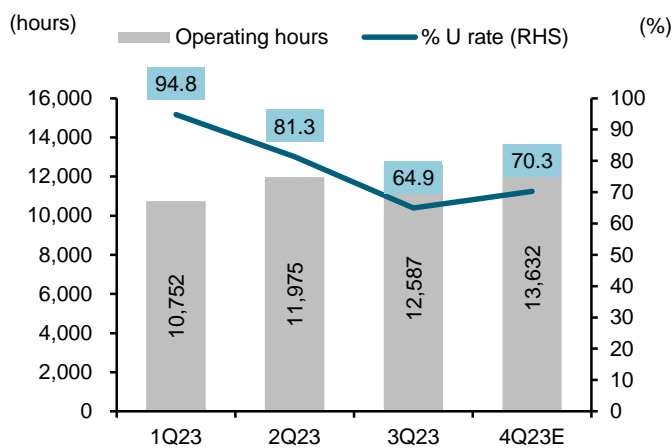
Source: FSSIA estimates

## Exhibit 1: 4Q23 earnings preview

	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23E	----- Change -----	
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)
Total revenue	238	372	401	471	436	459	479	509	6.2	7.9
Costs	102	163	167	210	182	204	200	213	6.4	1.7
Gross profit	136	209	234	262	253	255	279	296	6.0	12.9
SG&A	68	106	128	161	162	158	160	169	5.3	4.7
Operating profit	71	104	108	103	94	106	128	137	6.4	33.0
Profit sharing	0	0	0	0	0	0	0	10	nm	nm
Interest expense	2	2	2	3	3	4	4	4	(0.3)	0.4
Tax expense	14	21	21	21	19	21	25	29	14.0	39.2
Reported net profit	55	82	85	79	72	81	100	115	14.8	45.6
Core profit	55	82	85	79	72	81	100	115	14.8	45.6
<b>Key Ratios (%)</b>									<b>(ppt)</b>	<b>(ppt)</b>
Gross margin	57.3	56.2	58.4	55.5	58.2	55.5	58.2	58.1	(0.1)	2.6
SG&A to sales	28.5	28.5	31.8	34.2	37.2	34.3	33.5	33.2	(0.3)	(1.0)
Operating margin	29.7	28.1	27.0	21.8	21.5	23.1	26.8	26.9	0.1	5.1
Net margin	23.1	22.1	21.2	16.7	16.4	17.7	20.8	22.5	1.7	5.8
Core margin	23.1	22.1	21.2	16.7	16.4	17.7	20.8	22.5	1.7	5.8
<b>Operating Statistics</b>										
<b>Revenue breakdown (THB m)</b>										
Surgery	192	293	320	389	340	364	387	410	6.0	5.6
Skin	15	26	28	38	42	34	33	36	10.0	(4.4)
Hair treatment	15	24	29	21	28	32	31	34	7.7	57.8
Aftercare	12	19	13	18	18	18	17	17	4.0	(1.5)
Other	4	10	11	6	8	11	11	12	0.3	78.8
<b>Revenue proportion (%)</b>										
Surgery	80.6	78.8	79.8	82.4	78.0	79.2	80.8	80.7	(0.1)	(1.8)
Skin	6.2	6.9	6.9	8.0	9.6	7.5	6.8	7.0	0.2	(0.9)
Hair treatment	6.3	6.6	7.3	4.5	6.4	6.9	6.5	6.6	0.1	2.1
Aftercare	5.2	5.1	3.3	3.7	4.1	3.9	3.5	3.4	(0.1)	(0.3)
Other	1.8	2.6	2.7	1.4	1.9	2.4	2.4	2.3	(0.1)	0.9

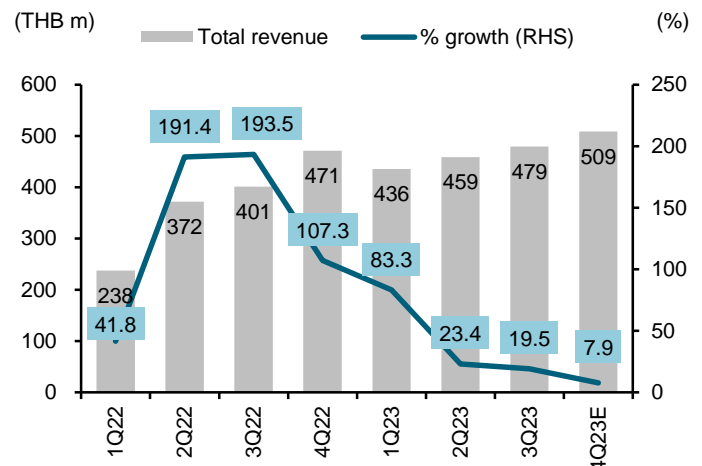
Sources: MASTER; FSSIA estimates

## Exhibit 2: Quarterly operating hours and utilization rate



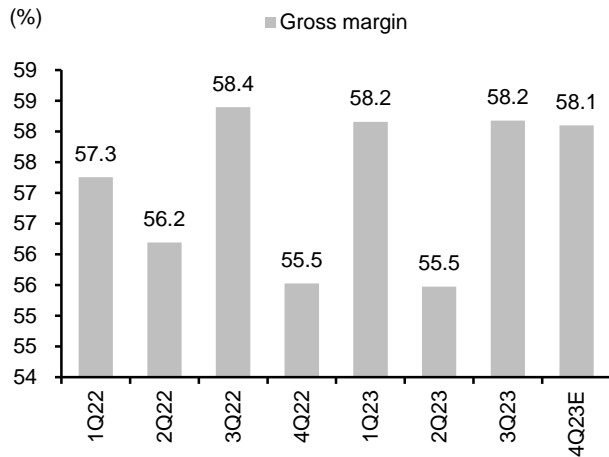
Sources: MASTER, FSSIA estimates

## Exhibit 3: Quarterly total revenue and growth



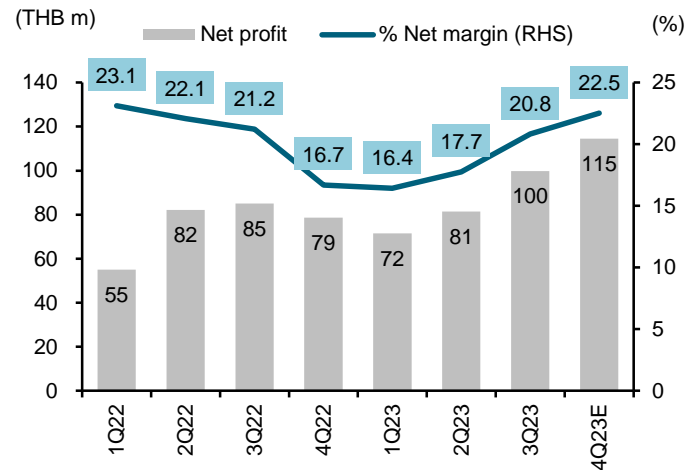
Sources: MASTER, FSSIA estimates

Exhibit 4: Quarterly gross margin



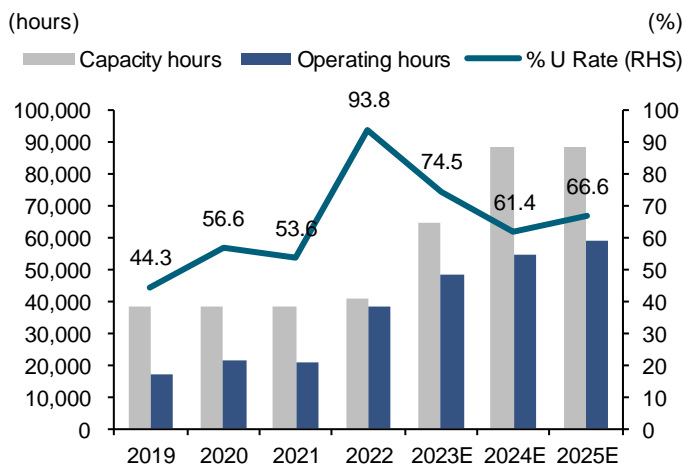
Sources: MASTER, FSSIA estimates

Exhibit 5: Quarterly net profit and net margin



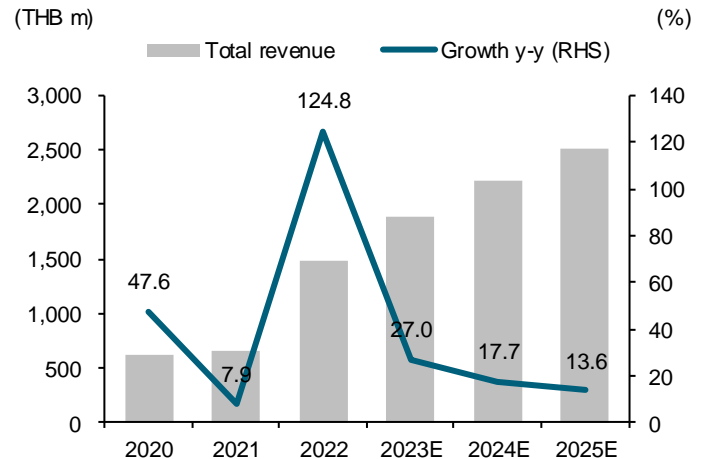
Sources: MASTER, FSSIA estimates

Exhibit 6: Yearly operating hours and utilization rate



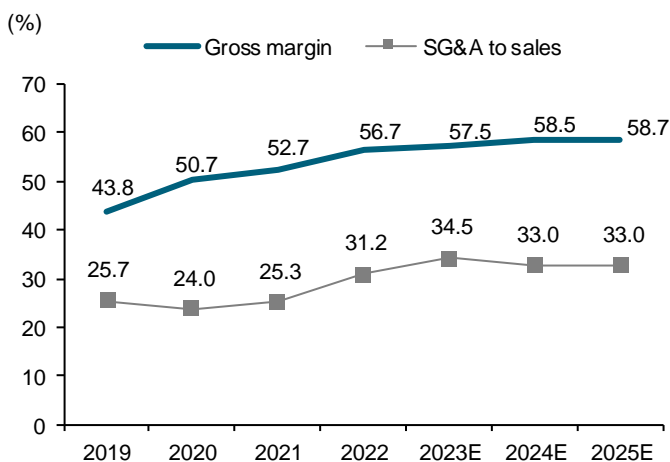
Sources: MASTER, FSSIA estimates

Exhibit 7: Yearly total revenue and growth



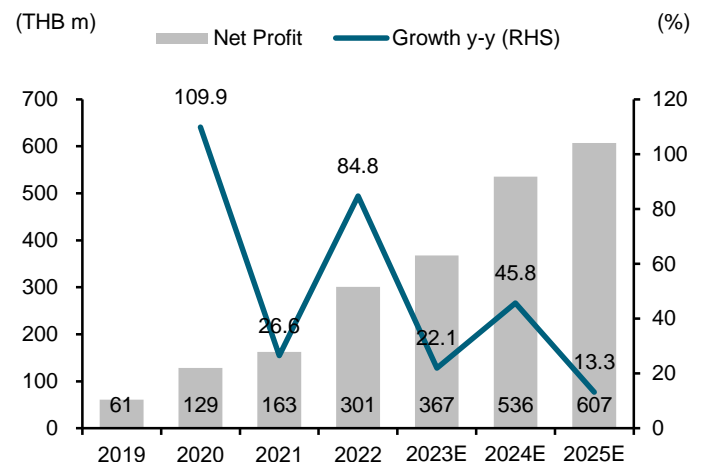
Sources: MASTER, FSSIA estimates

Exhibit 8: Yearly gross margin and SG&amp;A to sales



Sources: MASTER, FSSIA estimates

Exhibit 9: Yearly net profit and growth



Sources: MASTER, FSSIA estimates

## Exhibit 10: Key assumptions for MASTER

	Actual	Forecast				Growth	
	2022	2023E	2024E	2025E	2023E	2024E	2025E
	(THB m)	(THB m)	(THB m)	(THB m)	(%)	(%)	(%)
Total revenue	1,483	1,883	2,216	2,517	27.0	17.7	13.6
Costs	641	800	920	1,040	24.8	14.9	13.0
Gross profit	841	1,083	1,296	1,478	28.7	19.7	14.0
SG&A expense	463	650	731	831	40.3	12.6	13.6
Interest expense	9	14	14	13	53.5	(1.4)	(5.4)
Profit sharing	0	10	105	112	nm	950.0	6.7
Reported net profit	301	367	536	607	22.1	45.8	13.3
Core profit	301	367	536	607	22.1	45.8	13.3
<b>Key ratios (%)</b>							
Total revenue growth	124.8	27.0	17.7	13.6			
Net profit growth	84.8	22.1	45.8	13.3			
Core profit growth	114.9	22.1	45.8	13.3			
Gross margin	56.7	57.5	58.5	58.7	0.7	1.0	0.2
SG&A to sales	31.2	34.5	33.0	33.0	3.3	(1.5)	0.0
Net margin	20.3	19.5	22.7	23.3	(0.8)	3.2	0.6
Core margin	20.3	19.5	22.7	23.3	(0.8)	3.2	0.6
<b>Operating statistics</b>							
Total OR rooms (no.)	7	17	17	17	142.9	0.0	0.0
Capacity hours (hours)	40,880	64,605	88,330	88,330	58.0	36.7	0.0
Operating hours (hours)	38,345	48,147	54,272	58,866	25.6	12.7	8.5
Utilization rate (%)	93.8	74.5	61.4	66.6			
<b>Revenue breakdown (THB m)</b>							
Surgery	1,194	1,501	1,777	2,024	25.8	18.4	13.9
Skin	106	144	171	197	36.8	18.5	15.4
Hair treatment	90	125	148	167	38.6	18.5	13.3
Aftercare	62	70	76	82	12.1	8.2	8.1
Others	31	42	45	47	36.8	5.0	5.0
<b>Revenue proportion (%)</b>							
Surgery	80.5	79.7	80.2	80.4			
Skin	7.1	7.7	7.7	7.8			
Hair treatment	6.1	6.6	6.7	6.6			
Aftercare	4.2	3.7	3.4	3.2			
Others	2.1	2.3	2.0	1.9			

Source: FSSIA estimates

## Financial Statements

### Master Style

Profit and Loss (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Revenue	660	1,483	1,883	2,216	2,517
Cost of goods sold	(312)	(641)	(800)	(920)	(1,040)
<b>Gross profit</b>	<b>348</b>	<b>841</b>	<b>1,083</b>	<b>1,296</b>	<b>1,478</b>
Other operating income	31	8	31	13	13
Operating costs	(167)	(463)	(650)	(731)	(831)
<b>Operating EBITDA</b>	<b>242</b>	<b>422</b>	<b>529</b>	<b>659</b>	<b>750</b>
Depreciation	(31)	(35)	(65)	(80)	(90)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>211</b>	<b>386</b>	<b>464</b>	<b>578</b>	<b>660</b>
Net financing costs	(7)	(9)	(14)	(14)	(13)
Associates	0	0	10	105	112
Recurring non-operating income	0	0	10	105	112
Non-recurring items	0	0	0	0	0
<b>Profit before tax</b>	<b>204</b>	<b>377</b>	<b>460</b>	<b>670</b>	<b>758</b>
Tax	(42)	(76)	(93)	(134)	(152)
<b>Profit after tax</b>	<b>163</b>	<b>301</b>	<b>367</b>	<b>536</b>	<b>607</b>
Minority interests	-	-	-	-	-
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>163</b>	<b>301</b>	<b>367</b>	<b>536</b>	<b>607</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>163</b>	<b>301</b>	<b>367</b>	<b>536</b>	<b>607</b>
<b>Per share (THB)</b>					
Recurring EPS *	1.61	1.58	1.39	2.03	2.30
Reported EPS	1.61	1.58	1.39	2.03	2.30
DPS	0.36	0.30	0.70	1.01	0.00
Diluted shares (used to calculate per share data)	101	190	264	264	264
<b>Growth</b>					
Revenue (%)	7.9	124.8	27.0	17.7	13.6
Operating EBITDA (%)	27.0	73.9	25.6	24.4	13.8
Operating EBIT (%)	26.1	82.7	20.2	24.6	14.0
Recurring EPS (%)	26.6	(1.7)	(12.1)	45.8	13.3
Reported EPS (%)	26.6	(1.7)	(12.1)	45.8	13.3
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	52.7	56.7	57.5	58.5	58.7
Gross margin exc. depreciation (%)	57.4	59.1	61.0	62.1	62.3
Operating EBITDA margin (%)	36.8	28.4	28.1	29.7	29.8
Operating EBIT margin (%)	32.1	26.1	24.6	26.1	26.2
Net margin (%)	24.7	20.3	19.5	24.2	24.1
Effective tax rate (%)	20.4	20.2	20.2	20.0	20.0
Dividend payout on recurring profit (%)	22.1	18.9	50.0	50.0	-
Interest cover (X)	30.6	42.4	33.9	49.5	59.1
Inventory days	30.1	26.8	31.8	30.7	31.0
Debtor days	1.2	0.9	1.0	0.9	0.9
Creditor days	40.9	34.7	34.9	30.7	31.0
Operating ROIC (%)	104.0	115.1	61.3	57.9	66.1
ROIC (%)	93.2	82.1	42.3	27.3	21.7
ROE (%)	77.0	105.5	22.5	17.9	18.5
ROA (%)	30.9	39.9	17.4	15.4	16.0
* Pre-exceptional, pre-goodwill and fully diluted					
<b>Revenue by Division (THB m)</b>					
Surgery	527	1,194	1,501	1,777	2,024
Skin	39	106	144	171	197
Hair treatment	23	90	125	148	167
Aftercare	36	62	70	76	82

Sources: Master Style; FSSIA estimates

## Financial Statements

### Master Style

Cash Flow (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Recurring net profit	163	301	367	536	607
Depreciation	31	35	65	80	90
Associates & minorities	0	0	0	0	0
Other non-cash items	46	0	(10)	(105)	(112)
Change in working capital	(21)	(100)	9	27	25
<b>Cash flow from operations</b>	<b>218</b>	<b>236</b>	<b>432</b>	<b>538</b>	<b>610</b>
Capex - maintenance	-	-	-	-	-
Capex - new investment	(99)	(413)	(626)	(1,646)	(43)
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	-	-	-	-	-
<b>Cash flow from investing</b>	<b>(99)</b>	<b>(413)</b>	<b>(626)</b>	<b>(1,646)</b>	<b>(43)</b>
Dividends paid	(101)	(263)	(184)	(268)	(303)
Equity finance	0	198	2,270	0	0
Debt finance	13	159	(15)	(15)	(15)
Other financing cash flows	(21)	(1)	6	2	2
<b>Cash flow from financing</b>	<b>(109)</b>	<b>93</b>	<b>2,077</b>	<b>(281)</b>	<b>(317)</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>10</b>	<b>(84)</b>	<b>1,883</b>	<b>(1,389)</b>	<b>250</b>
Free cash flow to firm (FCFF)	126.42	(167.40)	(180.57)	(1,094.23)	579.47
Free cash flow to equity (FCFE)	111.42	(19.25)	(203.64)	(1,121.37)	552.92
<b>Per share (THB)</b>					
FCFF per share	0.48	(0.63)	(0.68)	(4.14)	2.19
FCFE per share	0.42	(0.07)	(0.77)	(4.25)	2.09
Recurring cash flow per share	2.37	1.77	1.60	1.94	2.22
Balance Sheet (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Tangible fixed assets (gross)	288	483	722	797	812
Less: Accumulated depreciation	(55)	(59)	(63)	(68)	(74)
<b>Tangible fixed assets (net)</b>	<b>233</b>	<b>424</b>	<b>659</b>	<b>729</b>	<b>738</b>
<b>Intangible fixed assets (net)</b>	<b>8</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>
Long-term financial assets	8	8	8	8	8
Invest. in associates & subsidiaries	0	0	188	1,773	1,812
Cash & equivalents	182	98	1,980	591	841
A/C receivable	3	5	5	6	7
Inventories	26	63	66	76	85
Other current assets	131	166	301	288	277
<b>Current assets</b>	<b>342</b>	<b>331</b>	<b>2,353</b>	<b>961</b>	<b>1,210</b>
Other assets	9	177	188	222	252
<b>Total assets</b>	<b>600</b>	<b>947</b>	<b>3,403</b>	<b>3,699</b>	<b>4,027</b>
Common equity	167	404	2,857	3,125	3,429
Minorities etc.	0	0	0	0	0
<b>Total shareholders' equity</b>	<b>167</b>	<b>404</b>	<b>2,857</b>	<b>3,125</b>	<b>3,429</b>
Long term debt	141	291	276	261	246
Other long-term liabilities	5	3	9	11	13
<b>Long-term liabilities</b>	<b>145</b>	<b>294</b>	<b>286</b>	<b>272</b>	<b>259</b>
A/C payable	98	148	151	175	199
Short term debt	7	15	15	15	15
Other current liabilities	182	86	94	111	126
<b>Current liabilities</b>	<b>288</b>	<b>249</b>	<b>260</b>	<b>301</b>	<b>340</b>
<b>Total liabilities and shareholders' equity</b>	<b>600</b>	<b>947</b>	<b>3,403</b>	<b>3,699</b>	<b>4,027</b>
Net working capital	(121)	0	128	84	45
Invested capital	138	616	1,178	2,821	2,862
* Includes convertibles and preferred stock which is being treated as debt					
<b>Per share (THB)</b>					
Book value per share	1.65	2.12	10.82	11.84	12.99
Tangible book value per share	1.57	2.09	10.80	11.81	12.96
<b>Financial strength</b>					
Net debt/equity (%)	(20.2)	51.7	(59.1)	(10.1)	(16.9)
Net debt/total assets (%)	(5.6)	22.1	(49.6)	(8.5)	(14.4)
Current ratio (x)	1.2	1.3	9.1	3.2	3.6
CF interest cover (x)	31.4	44.1	31.2	39.0	46.7
Valuation	2021	2022	2023E	2024E	2025E
<b>Recurring P/E (x) *</b>	<b>36.0</b>	<b>36.6</b>	<b>41.7</b>	<b>28.6</b>	<b>25.2</b>
<b>Recurring P/E @ target price (x) *</b>	<b>44.0</b>	<b>44.8</b>	<b>51.0</b>	<b>35.0</b>	<b>30.9</b>
Reported P/E (x)	36.0	36.6	41.7	28.6	25.2
Dividend yield (%)	0.6	0.5	1.2	1.7	-
Price/book (x)	35.2	27.3	5.4	4.9	4.5
Price/tangible book (x)	36.9	27.8	5.4	4.9	4.5
EV/EBITDA (x) **	24.0	26.6	25.7	22.8	19.6
EV/EBITDA @ target price (x) **	29.4	32.5	32.2	28.0	24.2
EV/invested capital (x)	42.4	18.2	11.6	5.3	5.1
* Pre-exceptional, pre-goodwill and fully diluted    ** EBITDA includes associate income and recurring non-operating income					

Sources: Master Style; 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.											
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&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.											
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 &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><tr><th>NEGL</th><th>Low</th><th>Medium</th><th>High</th><th>Severe</th></tr><tr><td>0-10</td><td>10-20</td><td>20-30</td><td>30-40</td><td>40+</td></tr></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+										
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.													
	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	Average:	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers										
	BBB	4.286-5.713												
	BB	2.857-4.285												
	B	1.429-2.856	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks										
	CCC	0.000-1.428												
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; &gt;25 to 50 = satisfactory; &gt;50 to 75 = good; and &gt;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

Sureeporn Teewasuwet FSS International Investment Advisory Securities Co., Ltd

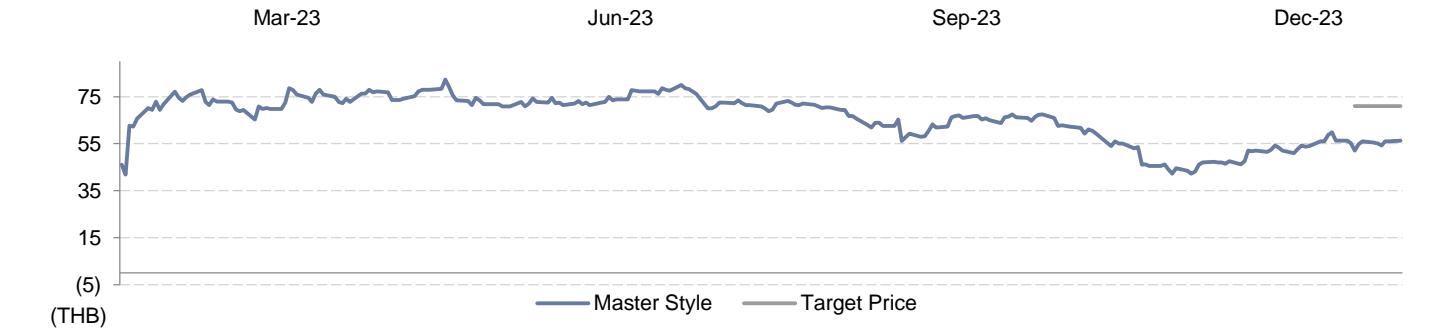
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) 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

Master Style (MASTER TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
12-Dec-2023	BUY	71.00	-	-	-	-	-	-

Sureeporn Teewasuwet started covering this stock from 12-Dec-2023

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Master Style	MASTER TB	THB 58.00	BUY	Downside risks to our P/E-based TP include 1) increased competition, 2) a pandemic that results in a lockdown, 3) lower-than-expected utilization rate of new operating beds, 4) higher-than-expected doctor costs and expenses, and 5) a loss contribution from the acquired units.

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 2-Jan-2024 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.