

BANGKOK CHAIN HOSPITAL  
THAILAND / HEALTH CARE SERVICES

## BCH TB

BUY

UNCHANGED

## การเติบโตในปี 2024 มีความชัดเจนสูง

- คาดกำไรปกติ 4Q23 จะกระโดดเพิ่ม 54% y-y เป็น 416 ลบ. จากรายการพิเศษที่ลดลง อย่างไรก็ตามกำไรน่าจะลดลง 6% q-q จากปัจจัยด้านฤดูกาล
- คาดกำไรปกติปี 2024 จะกระโดดเพิ่ม 33% เป็น 1.9 พัน ลบ. โดยได้ปัจจัยผลักดันจากโควต้าสำนักงานประกันสังคม (SSO) ที่เพิ่มขึ้นของโรงพยาบาลหลักและการพลิกฟื้นของโรงพยาบาลใหม่
- คงคำแนะนำซื้อหลังปรับราคาเป้าหมายขึ้นเป็น 26.0 บาท (DCF)

TARGET PRICE	THB26.00
CLOSE	THB22.20
UP/DOWNSIDE	+17.1%
PRIOR TP	THB24.50
CHANGE IN TP	+6.1%
TP vs CONSENSUS	+9.7%

## KEY STOCK DATA

YE Dec (THB m)	2022	2023E	2024E	2025E
Revenue	18,827	11,847	12,970	14,027
Net profit	3,039	1,395	1,861	2,104
EPS (THB)	1.22	0.56	0.75	0.84
vs Consensus (%)	-	(2.8)	6.5	4.7
EBITDA	5,059	2,820	3,437	3,787
Recurring net profit	3,039	1,395	1,861	2,104
Core EPS (THB)	1.22	0.56	0.75	0.84
Chg. In EPS est. (%)	-	2.8	9.6	4.6
EPS growth (%)	(55.6)	(54.1)	33.4	13.1
Core P/E (x)	18.2	39.7	29.8	26.3
Dividend yield (%)	6.3	2.3	1.4	1.8
EV/EBITDA (x)	11.4	19.8	15.8	14.0
Price/book (x)	4.4	4.4	4.0	3.7
Net debt/Equity (%)	9.2	(5.3)	(13.9)	(21.1)
ROE (%)	23.9	11.1	14.2	14.8

## รายได้ 4Q23 น่าจะสูงกว่าระดับก่อนโควิด 43%

เราคาดว่ารายได้ 4Q23 จะโต 13% y-y โดยรายได้จากผู้ป่วยเงินสดน่าจะปรับขึ้น 10-13% y-y จากปริมาณผู้ป่วยชาวไทยที่อยู่ในเกณฑ์ดี ในขณะที่รายได้จาก SSO น่าจะโต 10-13% y-y จากรายได้ต่อหัวที่เพิ่มขึ้นและกำไรเพิ่มเติมจาก SSO จากการรักษาโรคเรื้อรังรวม 30-40 ลบ. (เทียบกับ 34 ลบ. ใน 4Q22) ในภาพรวมเราคาดว่ากำไรปกติ 4Q23 จะกระโดดเพิ่ม 54% y-y เป็น 416 ลบ. จากรายการพิเศษที่น้อยลง (เทียบกับค่าใช้จ่ายสำรอง 115 ลบ. และผลขาดทุนจากอัตราแลกเปลี่ยน 60 ลบ. ใน 4Q22) อย่างไรก็ตามกำไรน่าจะลดลง 6% q-q ส่วนมากจากปริมาณผู้ป่วยในที่ลดลงในช่วง Low season

## ได้โควต้า SSO เพิ่มอีก 314,000 รายในปี 2024

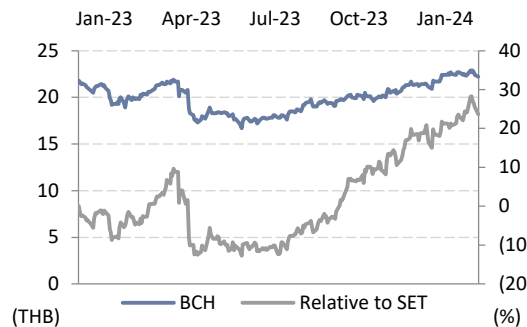
เมื่อไม่นานมานี้ BCH ได้รับโควต้า SSO เพิ่มอีก 314,000 คนในปี 2024 ซึ่งทำให้ตัวเลขโควต้ารวมเพิ่มจาก 1.54 ล้านเป็น 1.86 ล้าน เราคาดว่าตัวเลขสมาชิกลงทะเบียนน่าจะกระโดดเพิ่ม 8% จากค่าเฉลี่ยที่ 1.01 ล้านในปี 2023 เป็น 1.09 ล้านในปี 2024 เนื่องจาก KH Prachachuen และ KH Bangkae ซึ่งปกติมีความต้องการสูงได้รับโควต้ารวมเพิ่มอีกประมาณ 180,000 ราย เราคาดว่าปัจจัยดังกล่าวจะช่วยเพิ่มรายได้ประมาณ 300 ลบ. (จากสมมติฐานรายได้ต่อหัวที่ 3,800 บาท) และเพิ่มกำไรปกติได้ประมาณ 80-90 ลบ. ในปี 2024

## ปัจจัยหนุนการเติบโตของกำไรหลายประการในปี 2024

เราคาดว่ากำไรปกติจะกระโดดเพิ่ม 33% เป็น 1.9 พัน ลบ. ในปี 2024 เนื่องจากไม่มีผลขาดทุนจากอัตราแลกเปลี่ยนจาก KIH Vientiane (ประมาณ 130 ลบ. ในปี 2023) ค่าใช้จ่ายสำรองหรือมีการกลับรายการรายได้ที่เกี่ยวข้องกับการรักษาโควิดลดลง (80-90 ลบ. ในปี 2023) ผลขาดทุนจากโรงพยาบาล 3 ใหม่แห่งลดลง (ขาดทุน 120-130 ลบ. ในปี 2023E เทียบกับผลขาดทุน 60 ลบ. ในปี 2024E) กำไรเพิ่ม 80-90 ลบ. จากตัวเลขสมาชิก SSO ลงทะเบียนที่เพิ่มขึ้นและกำไรที่โตจากการดำเนินงานปกติ 10-15% จากรายได้ผู้ป่วยต่างชาติที่สูงขึ้น

## ปรับเพิ่มประมาณการกำไรปกติ

เราปรับเพิ่มประมาณการกำไรปกติปี 2023-25 ขึ้น 3-10% เพื่อสะท้อนแนวโน้มที่ดีและได้ราคาเป้าหมายใหม่อยู่ที่ 26 บาท (DCF) BCH มีการซื้อขายในระดับการประเมินมูลค่าที่น่าสนใจที่ 30x ของค่า 2024E P/E แม้ว่าจะปรับกำไรขึ้นแล้ว เรายังเห็นว่ากำไรปกติปี 2024 อาจมี Upside จากตัวเลขสมาชิก SSO ลงทะเบียนที่สูงเกินคาดและปริมาณผู้ป่วยต่างชาติประกอบกับการพลิกฟื้นของ 3 โรงพยาบาลใหม่ที่เร็วขึ้นโดยเฉพาะอย่างยิ่ง KIH Vientiane และ KIH Aranyaprathet



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(0.9)	12.1	6.2
Relative to country (%)	2.0	13.1	29.8
Mkt cap (USD m)	1,557		
3m avg. daily turnover (USD m)	6.2		
Free float (%)	50		
Major shareholder	Chalerm Hamphanich (33%)		
12m high/low (THB)	23.30/16.60		
Issued shares (m)	2,493.75		

Sources: Bloomberg consensus; FSSIA estimates



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### Investment thesis

BCH is a leading service provider under the Social Security Office (SSO) scheme with a 7% market share. BCH has received a large SSO quota of 314k in 2024. This should lead to more registered members numbering around 80-100k for BCH in 2024.

In 2020-21, BCH opened three new hospitals, which continue to contribute a loss. However, their operations are improving, and all three hospitals should turn profitable by 2025-26, leading to better EBITDA and an improved NPM.

Revenue from international patients has already exceeded the pre-Covid level, driven by Middle Eastern and CLMV patients. BCH targets a higher revenue contribution from international patients, expecting it to rise from 17% in 2023 to 20% in 2024. This should improve its overall margin due to the higher billing size compared to Thai patients.

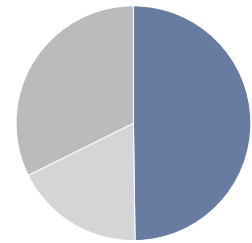
### Company profile

The company operates its business as a group, providing healthcare services for both cash patients and patients under the social security scheme.

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

### Principal activities (revenue, 2022)

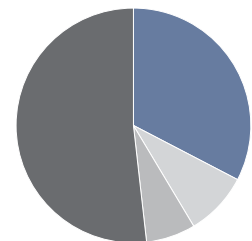
- Cash patient revenue - 49.8 %
- SSO patient revenue - 17.9 %
- NHSO patient revenue - 32.3 %



Source: Bangkok Chain Hospital

### Major shareholders

- Chalerm Harnphanich - 32.6 %
- Thai NVDR - 8.8 %
- Somporn Harnphanich - 6.8 %
- Others - 51.8 %



Source: Bangkok Chain Hospital

### Catalysts

Key potential growth drivers include 1) more SSO-registered members; 2) rising demand from medical tourists; and 3) an improving EBITDA margin led by new hospitals.

### Risks to our call

Downside risks to our DCF-based target price include 1) a slowdown in international patients due to economic concerns, political protests or floods; 2) regulatory risks from drug prices and medical bill controls; and 3) SSO provision expenses following a limited SSO budget.

### Event calendar

Date	Event
Feb 2024	4Q23 results announcement

### Key assumptions

	2023E	2024E	2025E
	(%)	(%)	(%)
SSO volume growth	3	8	7
SSO revenue / patient growth	11	4	3
OPD volume growth	(44)	4	4
OPD revenue / patient growth	31	4	3
IPD volume growth	6	4	4
IPD revenue / patient growth	(3)	4	3

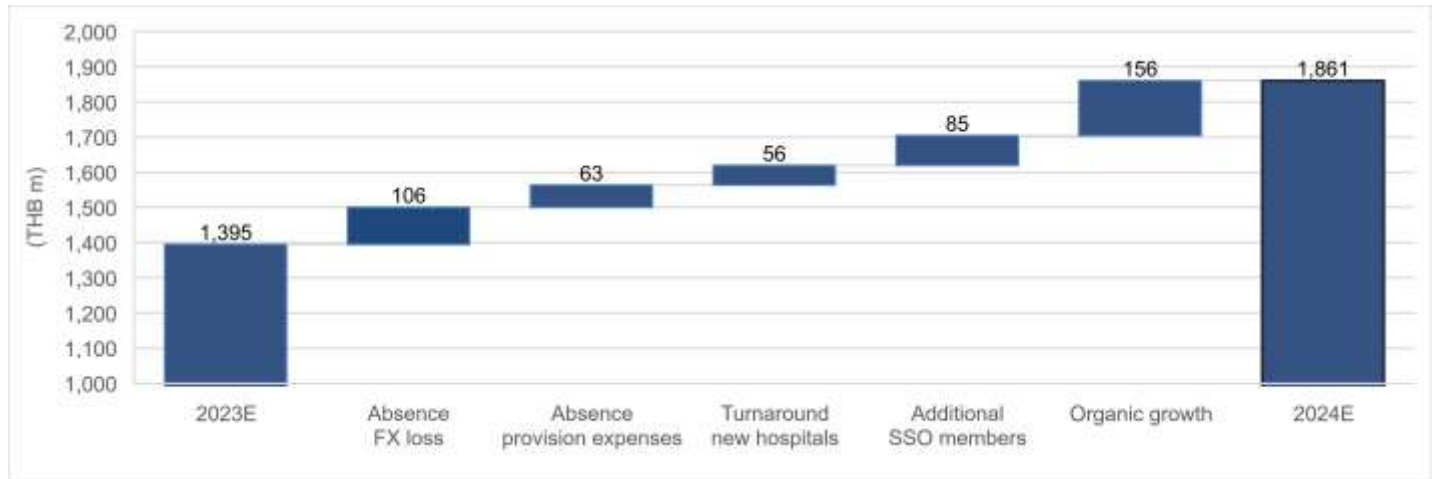
Source: FSSIA estimates

### Earnings sensitivity

- For every 1% increase in patient volume, we project 2024 earnings would rise by 2%, and vice versa, all else being equal.
- For every 1% increase in EBITDA margin, we project 2024 earnings would rise by 5%, and vice versa, all else being equal.

Source: FSSIA estimates

**Exhibit 1: 2024E core profit growth breakdown**



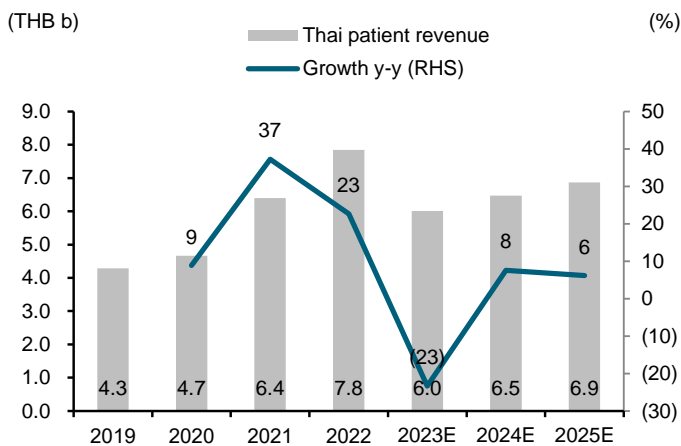
Note: Applied 20% tax for each item  
 Source: FSSIA estimates

**Exhibit 2: 2024E key earnings growth assumptions**

Key growth items	Assumptions
Absence of FX loss	BCH booked a THB130m FX loss from KIH Vientiane following the LAK's depreciation against the THB in 9M23. We believe the FX loss will significantly reduce in 2024 as it has repaid the THB term loan.
Absence of provision expenses	BCH booked provision expenses and a revenue reversal related to Covid treatments totaling THB80m-90m in 2023. We expect a smaller provision expense in 2024.
Turnaround of new hospitals	Expect three new hospital losses to narrow from THB120m-130m in 2023 to THB60m in 2024.
Additional SSO members	Expect registered members to increase by 80k in 2024 with average revenue per head of THB3,800 and an EBITDA margin of 35-40% for additional SSO revenue.
Organic growth	Expect core profit growth of 10-15%, driven by higher revenue intensity from international patients.

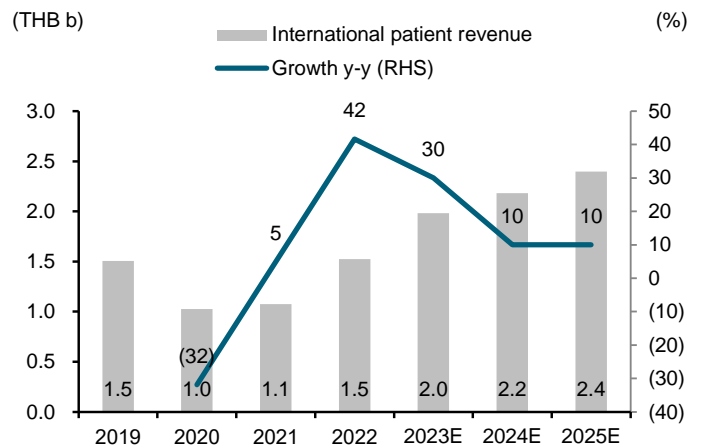
Source: FSSIA estimates

**Exhibit 3: Thai general patient revenue**



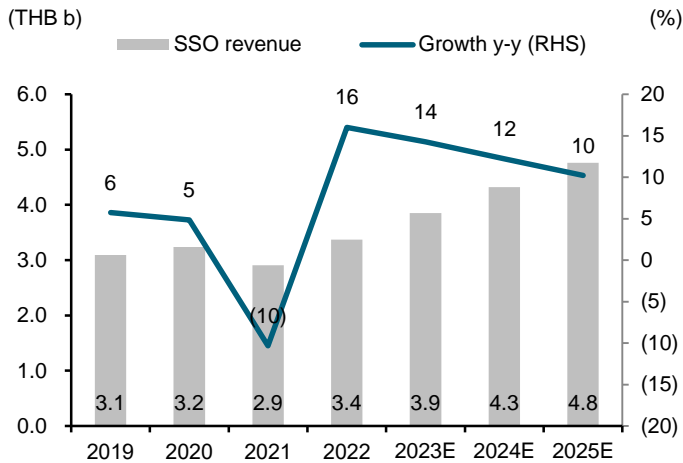
Sources: BCH; FSSIA estimates

**Exhibit 4: International patient revenue**



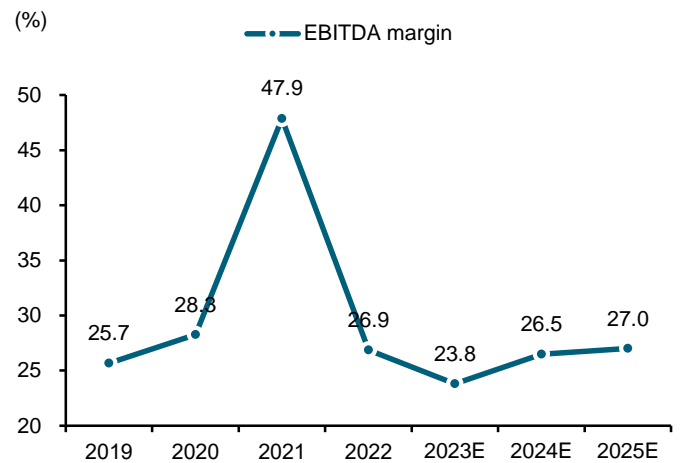
Sources: BCH; FSSIA estimates

Exhibit 5: SSO revenue, yearly



Sources: BCH; FSSIA estimate

Exhibit 6: EBITDA margin



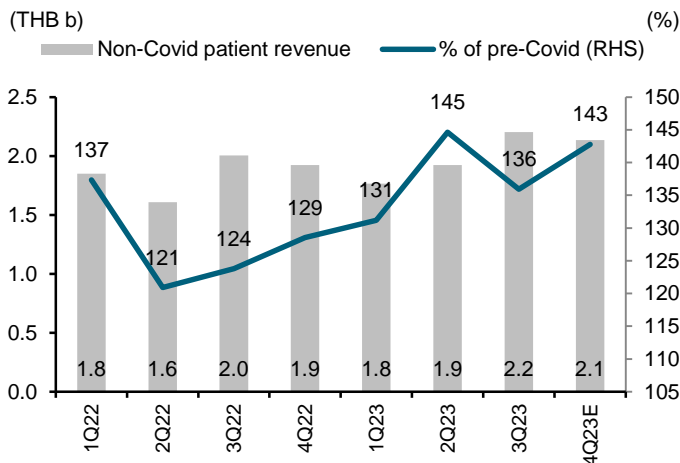
Sources: BCH; FSSIA estimate

Exhibit 7: 4Q23 results preview

	4Q22	1Q23	2Q23	3Q23	4Q23E	Change		2023E	Chg.
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(y-y %)
<b>Sales</b>	<b>2,788</b>	<b>2,674</b>	<b>2,849</b>	<b>3,175</b>	<b>3,149</b>	<b>(1)</b>	<b>13</b>	<b>11,847</b>	<b>(37)</b>
COGS (incl. depreciation)	(1,876)	(1,936)	(1,989)	(2,098)	(2,129)	1	13	(8,154)	(36)
<b>Gross profit</b>	<b>912</b>	<b>738</b>	<b>860</b>	<b>1,077</b>	<b>1,020</b>	<b>(5)</b>	<b>12</b>	<b>3,692</b>	<b>(39)</b>
SG&A	(511)	(398)	(495)	(470)	(462)	(2)	(9)	(1,824)	(6)
<b>Operating profit</b>	<b>401</b>	<b>340</b>	<b>365</b>	<b>607</b>	<b>558</b>	<b>(8)</b>	<b>39</b>	<b>1,868</b>	<b>(55)</b>
Net other income	13	25	28	26	26	0	102	102	11
Interest expense	(34)	(28)	(24)	(30)	(29)	(5)	(15)	(113)	(27)
<b>Pretax profit</b>	<b>380</b>	<b>337</b>	<b>369</b>	<b>602</b>	<b>555</b>	<b>(8)</b>	<b>46</b>	<b>1,857</b>	<b>(54)</b>
Income Tax	(101)	(70)	(86)	(135)	(111)	(18)	10	(390)	(56)
Associates	(1)	(1)	2	0	0			2	n/a
Minority interest	(8)	(12)	(1)	(27)	(28)	3	269	(74)	(38)
<b>Core profit</b>	<b>270</b>	<b>254</b>	<b>284</b>	<b>441</b>	<b>416</b>	<b>(6)</b>	<b>54</b>	<b>1,395</b>	<b>(54)</b>
Extraordinaries, GW & FX	0	0	0	0	0				
<b>Reported net profit</b>	<b>270</b>	<b>254</b>	<b>284</b>	<b>441</b>	<b>416</b>	<b>(6)</b>	<b>54</b>	<b>1,395</b>	<b>(54)</b>
Outstanding shares (m)	2,494	2,494	2,494	2,494	2,494	0	0	2,494	0
<b>Core EPS (THB)</b>	<b>0.11</b>	<b>0.10</b>	<b>0.11</b>	<b>0.18</b>	<b>0.17</b>	<b>(6)</b>	<b>54</b>	<b>0.56</b>	<b>(54)</b>
<b>EPS (THB)</b>	<b>0.11</b>	<b>0.10</b>	<b>0.11</b>	<b>0.18</b>	<b>0.17</b>	<b>(6)</b>	<b>54</b>	<b>0.56</b>	<b>(54)</b>
COGS (excl. depreciation)	1,636	1,698	1,755	1,861	1,887	1	15	7,203	(39)
Depreciation	240	238	234	237	241	1	(2)	951	0
<b>EBITDA</b>	<b>654</b>	<b>603</b>	<b>627</b>	<b>869</b>	<b>825</b>	<b>39</b>	<b>457</b>	<b>2,921</b>	<b>(43)</b>
<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	33	28	30	34	32	(2)	(0)	31	(1)
SG&A/Revenue	18	15	17	15	15	(0)	(4)	15	5
EBITDA margin	23	23	22	27	26	(1)	3	24	(4)
Net profit margin	10	9	10	14	13	(1)	4	12	(4)
<b>Operating stats</b>	<b>(y-y %)</b>	<b>(y-y %)</b>	<b>(y-y %)</b>	<b>(y-y %)</b>	<b>(y-y %)</b>				
Cash-OPD revenue growth	(38)	(51)	(21)	(22)					
Cash-OPD volume growth	(63)	(74)	(47)	(23)					
Cash-OPD revenue per head growth	50	66	49	1					
Cash-IPD revenue growth	(9)	(20)	13	4					
Cash-IPD volume growth	(71)	(77)	(56)	51					
Cash-IPD revenue per head growth	(26)	7	25	(10)					
SSO revenue growth	7	14	16	15					
SSO registered member ('000)	1,012	1,013	1,012	1,011					
SSO registered member growth	13	8	4	2					
SSO revenue per head growth	(13)	(43)	(64)	(19)					

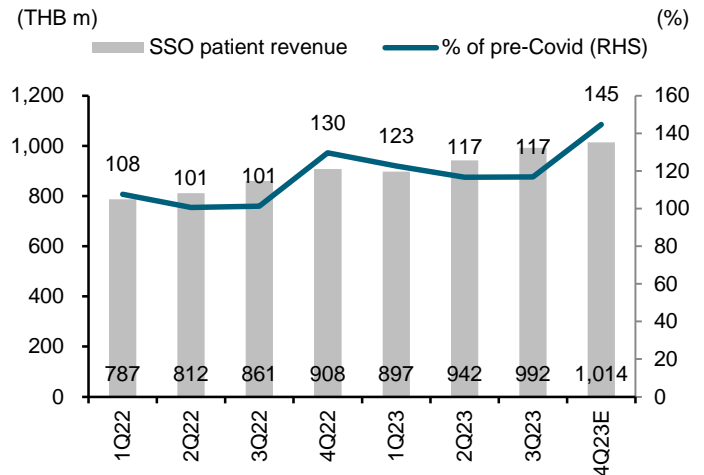
Sources: BCH; FSSIA estimates

**Exhibit 8: Non-Covid general patient revenue**



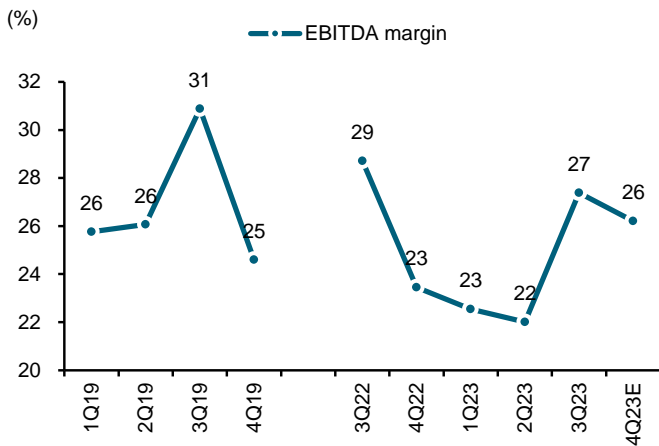
Source: BCH; FSSIA estimates

**Exhibit 9: SSO revenue, quarterly**



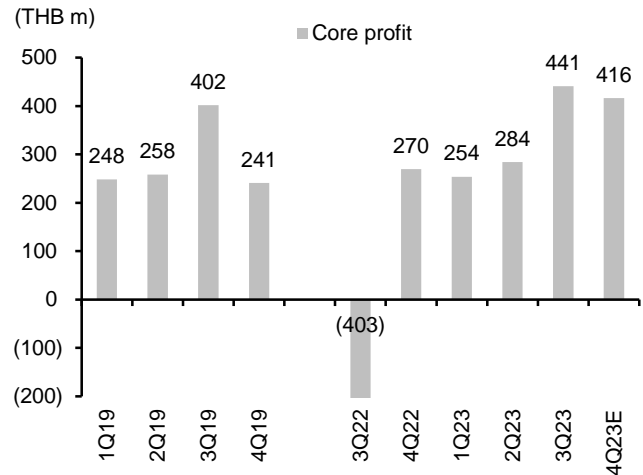
Source: BCH; FSSIA estimates

**Exhibit 10: EBITDA margin**



Note: 3Q22 excludes Moderna write-off  
Sources: BCH; FSSIA estimates

**Exhibit 11: Core profit**



Sources: BCH; FSSIA estimates

**Exhibit 12: Forecast revisions**

	Current			Previous			% Change		
	2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E
SSO registered members ('000)	1,012	1,092	1,169	1,038	1,069	1,101	(2.5)	2.2	6.2
SSO revenue per head (THB)	3,805	3,957	4,076	3,615	3,796	3,986	5.2	4.2	2.3
Cash-OPD visits per day (no.)	3,024	3,145	3,271	3,468	3,642	3,824	(12.8)	(13.6)	(14.5)
Cash-OPD revenue per head (THB)	3,588	3,732	3,844	3,561	3,739	3,926	0.8	(0.2)	(2.1)
Cash-IPD admissions per day (no.)	137	142	148	142	149	156	(3.6)	(4.5)	(5.4)
Cash-IPD revenue per head (THB)	80,804	84,036	86,557	88,677	93,111	95,904	(8.9)	(9.7)	(9.7)
Revenue (THB m)	11,847	12,970	14,027	12,851	14,089	15,342	(7.8)	(7.9)	(8.6)
EBITDA margin (%)	23.8	26.5	27.0	23.0	24.3	25.3	0.8	2.2	1.7
Core profit (THB m)	1,395	1,861	2,104	1,357	1,697	2,011	2.8	9.6	4.6

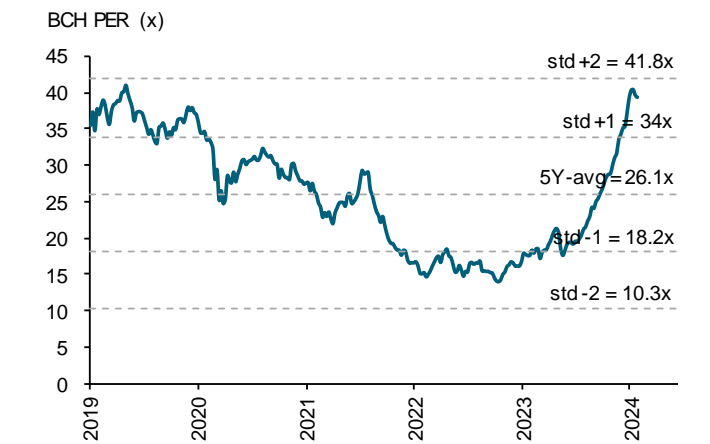
Note: Change of items in percentage terms are represented in ppt change  
Source: FSSIA estimates

## Exhibit 13: DCF-derived TP

Cost of equity assumptions		Cost of debt assumptions	
	(%)		(%)
Risk-free rate	3.0	Pre-tax cost of debt	4.0
Market risk premium	8.0	Marginal tax rate	20.0
Stock beta	1.0		
Cost of equity, Ke	10.6	Net cost of debt, Kd	3.2
Weight applied	70.0	Weight applied	30.0
WACC	8.4		
DCF valuation estimate	(THB b)	(THB/share)	Comments
NPV	23.0	9.2	WACC 8.4%, Risk-free rate 3%, Risk premium 8%
Terminal value	40.8	16.4	Terminal growth 3%
Cash & liquid assets	5.1	2.1	At end-2023E
Investments	0.0	0.0	At end-2023E
Debt	(3.1)	(1.2)	At end-2023E
Minorities	(1.1)	(0.5)	At end-2023E
<b>Residual ordinary equity</b>	<b>64.8</b>	<b>26.0</b>	

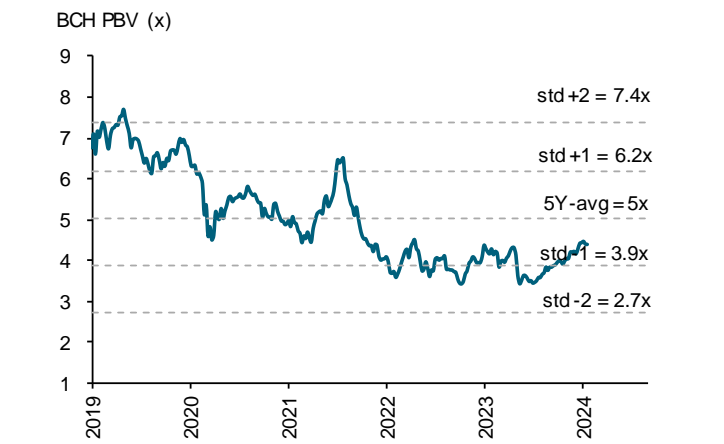
Source: FSSIA estimates

## Exhibit 14: Historical P/E band



Sources: Bloomberg; FSSIA estimates

## Exhibit 15: Historical P/BV band



Sources: Bloomberg; FSSIA estimates

## Exhibit 16: Peer comparisons as of 29 Jan 2024

Company	BBG	Rec	Share price			Market Cap (USD m)	PE		ROE		PBV		EV/EBITDA	
			Current (LCY)	Target (LCY)	Upside (%)		23E (x)	24E (x)	23E (%)	24E (%)	23E (x)	24E (x)	23E (x)	24E (x)
<b>Thailand</b>														
Bangkok Dusit Med Service	BDMS TB	BUY	27.25	35.00	28.4	12,176	30.6	27.6	15.2	15.7	4.5	4.2	17.9	16.2
Bumrungrad Hospital	BH TB	BUY	241.00	300.00	24.5	5,386	28.4	27.1	31.1	28.0	8.1	7.2	18.8	17.8
Bangkok Chain Hospital	BCH TB	BUY	22.20	26.00	17.1	1,557	39.7	29.8	11.1	14.2	4.4	4.0	19.8	15.8
Chularat Hospital	CHG TB	BUY	3.18	3.90	22.6	983	32.9	26.9	14.2	16.8	4.7	4.3	18.2	15.2
Praram 9 Hospital	PR9 TB	BUY	17.40	22.00	26.4	385	25.3	22.7	11.0	11.6	2.7	2.5	12.2	10.7
Thonburi Healthcare Group	THG TB	HOLD	48.00	55.00	14.6	1,144	42.5	33.7	9.3	11.4	3.9	3.7	19.8	17.2
Ramkhamhaeng Hospital	RAM TB	BUY	32.25	50.00	55.0	1,088	25.3	21.1	7.8	9.2	2.0	1.9	31.3	26.0
Rajthanee Hospital	RJH TB	n/a	26.50	n/a	n/a	224	18.9	18.7	18.0	17.4	5.3	3.3	13.0	12.5
Ekachai Medical Care	EKH TB	n/a	7.55	n/a	n/a	151	19.9	19.2	13.9	12.7	5.5	2.5	11.1	10.3
<b>Thailand average</b>						<b>23,093</b>	<b>29.3</b>	<b>25.2</b>	<b>14.6</b>	<b>15.2</b>	<b>4.6</b>	<b>3.7</b>	<b>18.0</b>	<b>15.7</b>
<b>Regional</b>														
Ramsay Health Care	RHC AU	n/a	50.11	n/a	n/a	7,589	33.8	36.9	8.6	7.4	2.8	2.7	11.6	10.9
Ihh Healthcare Bhd	IHH SP	n/a	1.75	n/a	n/a	11,488	35.7	31.8	6.1	6.4	2.3	2.0	14.3	13.7
Ryman Healthcare	RYM NZ	n/a	5.78	n/a	n/a	2,432	11.5	13.1	7.5	7.5	1.3	0.8	13.7	13.4
Apollo Hospitals Enterprise	APHS IN	n/a	6,169	n/a	n/a	10,978	108.6	92.6	13.8	14.8	25.1	14.2	44.6	39.0
Kpj Healthcare Berhad	KPJ MK	n/a	1.60	n/a	n/a	1,476	29.6	26.2	10.1	10.7	3.6	3.0	13.1	12.4
Raffles Medical Group	RFMD SP	n/a	1.01	n/a	n/a	1,398	21.0	22.4	8.7	8.1	2.2	1.8	10.6	11.0
Mitra Keluarga Karyasehat	MIKA IJ	n/a	2,590	n/a	n/a	2,331	37.9	32.8	16.8	17.9	7.6	6.3	23.8	20.6
Aier Eye Hospital Group	300015 CH	n/a	13.48	n/a	n/a	17,510	35.5	28.1	18.4	19.8	14.4	6.2	20.8	16.8
<b>Regional average</b>						<b>55,203</b>	<b>39.2</b>	<b>35.5</b>	<b>11.2</b>	<b>11.6</b>	<b>7.4</b>	<b>4.6</b>	<b>19.1</b>	<b>17.2</b>
<b>Overall average</b>						<b>78,296</b>	<b>34.0</b>	<b>30.0</b>	<b>13.0</b>	<b>13.5</b>	<b>5.9</b>	<b>4.2</b>	<b>18.5</b>	<b>16.4</b>

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Sources: Bloomberg; FSSIA estimates

## Financial Statements

Bangkok Chain Hospital

Profit and Loss (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Revenue	21,405	18,827	11,847	12,970	14,027
Cost of goods sold	(10,561)	(12,772)	(8,154)	(8,729)	(9,369)
<b>Gross profit</b>	<b>10,844</b>	<b>6,055</b>	<b>3,692</b>	<b>4,240</b>	<b>4,657</b>
Other operating income	-	-	-	-	-
Operating costs	(1,469)	(1,946)	(1,824)	(1,803)	(1,922)
<b>Operating EBITDA</b>	<b>10,248</b>	<b>5,059</b>	<b>2,820</b>	<b>3,437</b>	<b>3,787</b>
Depreciation	(874)	(950)	(951)	(999)	(1,052)
Goodwill amortisation	-	-	-	-	-
<b>Operating EBIT</b>	<b>9,374</b>	<b>4,109</b>	<b>1,868</b>	<b>2,438</b>	<b>2,736</b>
Net financing costs	(147)	(148)	(109)	(97)	(85)
Associates	2	0	2	2	2
Recurring non-operating income	127	84	100	104	109
Non-recurring items	0	0	0	0	0
<b>Profit before tax</b>	<b>9,354</b>	<b>4,046</b>	<b>1,859</b>	<b>2,444</b>	<b>2,760</b>
Tax	(1,846)	(888)	(390)	(488)	(552)
<b>Profit after tax</b>	<b>7,507</b>	<b>3,157</b>	<b>1,469</b>	<b>1,955</b>	<b>2,208</b>
Minority interests	(661)	(118)	(74)	(95)	(104)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>6,846</b>	<b>3,039</b>	<b>1,395</b>	<b>1,861</b>	<b>2,104</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>6,846</b>	<b>3,039</b>	<b>1,395</b>	<b>1,861</b>	<b>2,104</b>
<b>Per share (THB)</b>					
Recurring EPS *	2.75	1.22	0.56	0.75	0.84
Reported EPS	2.75	1.22	0.56	0.75	0.84
DPS	0.33	1.40	0.50	0.31	0.41
Diluted shares (used to calculate per share data)	2,494	2,494	2,494	2,494	2,494
<b>Growth</b>					
Revenue (%)	139.8	(12.0)	(37.1)	9.5	8.1
Operating EBITDA (%)	306.3	(50.6)	(44.3)	21.9	10.2
Operating EBIT (%)	438.6	(56.2)	(54.5)	30.5	12.2
Recurring EPS (%)	456.9	(55.6)	(54.1)	33.4	13.1
Reported EPS (%)	456.9	(55.6)	(54.1)	33.4	13.1
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	50.7	32.2	31.2	32.7	33.2
Gross margin exc. depreciation (%)	54.7	37.2	39.2	40.4	40.7
Operating EBITDA margin (%)	47.9	26.9	23.8	26.5	27.0
Operating EBIT margin (%)	43.8	21.8	15.8	18.8	19.5
Net margin (%)	32.0	16.1	11.8	14.3	15.0
Effective tax rate (%)	19.7	22.0	21.0	20.0	20.0
Dividend payout on recurring profit (%)	12.0	114.9	89.4	41.2	48.6
Interest cover (X)	64.5	28.4	18.0	26.1	33.6
Inventory days	12.9	12.3	14.7	10.8	10.8
Debtor days	42.9	49.3	47.4	43.3	40.0
Creditor days	40.3	41.0	53.0	38.8	38.7
Operating ROIC (%)	51.4	21.4	11.1	15.8	18.0
ROIC (%)	50.1	21.0	11.1	15.6	17.7
ROE (%)	68.9	23.9	11.1	14.2	14.8
ROA (%)	35.5	14.2	8.0	10.4	11.1
* Pre-exceptional, pre-goodwill and fully diluted					
<b>Revenue by Division (THB m)</b>					
Cash patient revenue	7,476	9,372	7,995	8,648	9,263
SSO patient revenue	2,905	3,371	3,851	4,322	4,763
NHSO patient revenue	11,023	6,084	0	0	0

Sources: Bangkok Chain Hospital; FSSIA estimates



## Financial Statements

### Bangkok Chain Hospital

Cash Flow (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Recurring net profit	6,846	3,039	1,395	1,861	2,104
Depreciation	874	950	951	999	1,052
Associates & minorities	-	-	-	-	-
Other non-cash items	660	24	71	95	104
Change in working capital	(2,204)	1,459	1,668	106	107
<b>Cash flow from operations</b>	<b>6,175</b>	<b>5,471</b>	<b>4,085</b>	<b>3,061</b>	<b>3,367</b>
Capex - maintenance	(678)	(984)	(826)	(908)	(982)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	(1)	2	0	0	0
Other investments (net)	-	-	-	-	-
<b>Cash flow from investing</b>	<b>(679)</b>	<b>(982)</b>	<b>(826)</b>	<b>(908)</b>	<b>(982)</b>
Dividends paid	(821)	(3,491)	(1,247)	(767)	(1,023)
Equity finance	0	0	0	0	0
Debt finance	(274)	(3,153)	0	(800)	0
Other financing cash flows	(90)	(462)	(41)	(52)	(57)
<b>Cash flow from financing</b>	<b>(1,186)</b>	<b>(7,106)</b>	<b>(1,288)</b>	<b>(1,619)</b>	<b>(1,081)</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>4,310</b>	<b>(2,616)</b>	<b>1,971</b>	<b>534</b>	<b>1,304</b>
Free cash flow to firm (FCFF)	5,647.32	4,645.31	3,372.25	2,257.53	2,477.56
Free cash flow to equity (FCFE)	5,131.91	875.07	3,218.28	1,300.78	2,327.60

#### Per share (THB)

FCFF per share	2.26	1.86	1.35	0.91	0.99
FCFE per share	2.06	0.35	1.29	0.52	0.93
Recurring cash flow per share	3.36	1.61	0.97	1.18	1.31

Balance Sheet (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Tangible fixed assets (gross)	19,417	20,274	21,103	22,011	22,993
Less: Accumulated depreciation	(7,175)	(7,992)	(8,943)	(9,943)	(10,994)
<b>Tangible fixed assets (net)</b>	<b>12,243</b>	<b>12,282</b>	<b>12,160</b>	<b>12,069</b>	<b>11,999</b>
<b>Intangible fixed assets (net)</b>	<b>540</b>	<b>425</b>	<b>425</b>	<b>425</b>	<b>425</b>
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	34	32	32	32	32
Cash & equivalents	5,256	2,640	4,611	5,145	6,449
A/C receivable	3,547	1,539	1,539	1,539	1,539
Inventories	437	362	220	236	254
Other current assets	4,302	2,294	114	125	135
<b>Current assets</b>	<b>13,541</b>	<b>6,835</b>	<b>6,485</b>	<b>7,045</b>	<b>8,377</b>
Other assets	26	223	223	223	223
<b>Total assets</b>	<b>26,384</b>	<b>19,796</b>	<b>19,324</b>	<b>19,793</b>	<b>21,056</b>
Common equity	12,980	12,445	12,593	13,686	14,767
Minorities etc.	1,326	1,065	1,098	1,141	1,188
<b>Total shareholders' equity</b>	<b>14,306</b>	<b>13,510</b>	<b>13,691</b>	<b>14,827</b>	<b>15,955</b>
Long term debt	6,791	3,888	3,888	3,088	3,088
Other long-term liabilities	170	163	163	163	163
<b>Long-term liabilities</b>	<b>6,961</b>	<b>4,051</b>	<b>4,051</b>	<b>3,251</b>	<b>3,251</b>
A/C payable	1,358	1,300	792	850	915
Short term debt	250	0	0	0	0
Other current liabilities	3,510	935	789	864	935
<b>Current liabilities</b>	<b>5,117</b>	<b>2,235</b>	<b>1,582</b>	<b>1,714</b>	<b>1,849</b>
<b>Total liabilities and shareholders' equity</b>	<b>26,384</b>	<b>19,796</b>	<b>19,324</b>	<b>19,793</b>	<b>21,056</b>
Net working capital	3,418	1,959	291	186	79
Invested capital	16,260	14,921	13,131	12,934	12,757

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

#### Per share (THB)

Book value per share	5.20	4.99	5.05	5.49	5.92
Tangible book value per share	4.99	4.82	4.88	5.32	5.75

#### Financial strength

Net debt/equity (%)	12.5	9.2	(5.3)	(13.9)	(21.1)
Net debt/total assets (%)	6.8	6.3	(3.7)	(10.4)	(16.0)
Current ratio (x)	2.6	3.1	4.1	4.1	4.5
CF interest cover (x)	35.9	6.9	30.5	14.3	28.5

Valuation	2021	2022	2023E	2024E	2025E
<b>Recurring P/E (x) *</b>	<b>8.1</b>	<b>18.2</b>	<b>39.7</b>	<b>29.8</b>	<b>26.3</b>
<b>Recurring P/E @ target price (x) *</b>	<b>9.5</b>	<b>21.3</b>	<b>46.5</b>	<b>34.8</b>	<b>30.8</b>
Reported P/E (x)	8.1	18.2	39.7	29.8	26.3
Dividend yield (%)	1.5	6.3	2.3	1.4	1.8
Price/book (x)	4.3	4.4	4.4	4.0	3.7
Price/tangible book (x)	4.5	4.6	4.5	4.2	3.9
EV/EBITDA (x) **	5.7	11.4	19.8	15.8	14.0
EV/EBITDA @ target price (x) **	6.6	13.3	23.1	18.6	16.5
EV/invested capital (x)	3.6	3.9	4.2	4.2	4.2

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

Sources: Bangkok Chain Hospital; FSSIA estimates

# Bangkok Chain Hospital PCL (BCH TB)

**FSSIA ESG rating**

**39.71 /100**
**Exhibit 17: 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	<b>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.</b>
★★	>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 18: ESG – peer comparison**

	FSSIA	Domestic ratings						Global ratings						Bloomberg	
	ESG score	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](http://SETTRADE.com); FSSIA's compilation
**Exhibit 19: ESG score by Bloomberg**

FY ending Dec 31	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
<b>ESG financial materiality scores - ESG score</b>	<b>0.56</b>	<b>0.71</b>	<b>0.75</b>	<b>0.72</b>	<b>0.80</b>	<b>0.85</b>	<b>2.36</b>	<b>3.52</b>
BESG environmental pillar score	0.00	0.00	0.00	0.00	0.38	0.38	2.96	4.63
BESG social pillar score	0.00	0.22	0.22	0.22	0.22	0.22	1.70	3.47
BESG governance pillar score	2.35	2.41	2.62	2.50	2.41	2.63	3.19	2.91
<b>ESG disclosure score</b>	<b>18.06</b>	<b>19.81</b>	<b>19.81</b>	<b>19.81</b>	<b>20.08</b>	<b>20.08</b>	<b>31.27</b>	<b>47.60</b>
Environmental disclosure score	0.00	0.42	0.42	0.42	1.24	1.24	20.57	46.18
Social disclosure score	3.17	10.52	10.52	10.52	10.52	10.52	18.53	41.96
Governance disclosure score	50.87	48.37	48.37	48.37	48.37	48.37	54.64	54.64
<b>Environmental</b>								
Emissions reduction initiatives	No	No	No	No	Yes	Yes	Yes	Yes
Climate change policy	No	No	No	No	No	No	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	No	No
GHG scope 1	--	--	--	--	--	--	1	2
GHG scope 2 location-based	--	--	--	--	--	--	5	6
GHG Scope 3	--	--	--	--	--	--	--	--
Carbon per unit of production	--	--	--	--	--	--	--	--
Biodiversity policy	No	No	No	No	No	No	No	No
Energy efficiency policy	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Total energy consumption	--	--	--	--	--	--	10	12
Renewable energy use	--	--	--	--	--	--	--	--
Electricity used	--	--	--	--	--	--	10	12
Fuel used - natural gas	--	--	--	--	--	--	--	--

Sources: Bloomberg; FSSIA's compilation

**Exhibit 20: 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	Yes	Yes	Yes	Yes
Hazardous waste	—	—	—	—	—	—	—	0
Total waste	—	—	—	—	—	—	—	0
Waste recycled	—	—	—	—	—	—	—	0
Waste sent to landfills	—	—	—	—	—	—	—	0
Environmental supply chain management	No	No	No	No	No	No	No	Yes
Water policy	No	No	No	No	No	No	Yes	Yes
Water consumption	—	—	—	—	—	—	—	—
<b>Social</b>								
Human rights policy	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Policy against child labor	No	No	No	No	No	No	No	Yes
Quality assurance and recall policy	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Consumer data protection policy	No	No	No	No	No	No	No	No
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	—	—	—	—	—	—	—	76
Pct disabled in workforce	—	—	—	—	—	—	—	1
Business ethics policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Anti-bribery ethics policy	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Health and safety policy	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Lost time incident rate - employees	—	—	—	—	—	—	0	0
Total recordable incident rate - employees	—	—	—	—	—	—	0	1
Training policy	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Fair remuneration policy	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Number of employees – CSR	—	—	—	—	—	—	8,597	8,877
Employee turnover pct	—	—	—	—	—	—	—	43
Total hours spent by firm - employee training	—	—	—	—	—	—	—	54,702
Social supply chain management	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<b>Governance</b>								
<b>Board size</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>11</b>
<b>No. of independent directors (ID)</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>
No. of women on board	3	3	3	4	4	3	3	3
No. of non-executive directors on board	5	5	5	5	5	5	5	5
Company conducts board evaluations	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
No. of board meetings for the year	6	5	6	5	5	6	6	6
Board meeting attendance pct	93	94	90	96	100	99	94	97
Board duration (years)	—	—	—	—	—	—	—	—
Director share ownership guidelines	No	No	No	No	No	No	No	No
Age of the youngest director	28	29	30	29	30	31	32	33
Age of the oldest director	72	73	74	75	76	77	78	79
<b>No. of executives / company managers</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>7</b>	<b>7</b>	<b>6</b>
No. of female executives	1	—	—	—	—	—	—	—
Executive share ownership guidelines	No	No	No	No	No	No	No	No
<b>Size of audit committee</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
No. of ID on audit committee	3	3	3	3	3	3	3	3
Audit committee meetings	4	4	5	5	5	5	5	5
Audit meeting attendance %	100	92	100	93	100	100	93	100
<b>Size of compensation committee</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
No. of ID on compensation committee	—	—	—	—	—	—	—	—
No. of compensation committee meetings	—	—	—	—	—	—	—	—
Compensation meeting attendance %	—	—	—	—	—	—	—	—
<b>Size of nomination committee</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
No. of nomination committee meetings	—	—	—	—	—	—	—	—
Nomination meeting attendance %	—	—	—	—	—	—	—	—
<b>Sustainability governance</b>								
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 <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%). (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.)	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. (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.)	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. 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.	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"> <tbody> <tr> <td>AAA</td> <td>8.571-10.000</td> <td rowspan="2"><b>Leader:</b></td> <td rowspan="2">leading its industry in managing the most significant ESG risks and opportunities</td> </tr> <tr> <td>AA</td> <td>7.143-8.570</td> </tr> <tr> <td>A</td> <td>5.714-7.142</td> <td rowspan="3"><b>Average:</b></td> <td rowspan="3">a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td> </tr> <tr> <td>BBB</td> <td>4.286-5.713</td> </tr> <tr> <td>BB</td> <td>2.857-4.285</td> </tr> <tr> <td>B</td> <td>1.429-2.856</td> <td rowspan="2"><b>Laggard:</b></td> <td rowspan="2">lagging its industry based on its high exposure and failure to manage significant ESG risks</td> </tr> <tr> <td>CCC</td> <td>0.000-1.428</td> </tr> </tbody> </table>	AAA	8.571-10.000	<b>Leader:</b>	leading its industry in managing the most significant ESG risks and opportunities	AA	7.143-8.570	A	5.714-7.142	<b>Average:</b>	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	<b>Laggard:</b>	lagging its industry based on its high exposure and failure to manage significant ESG risks	CCC	0.000-1.428	
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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. (Score ratings are 0 to 25 = poor; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.)																					
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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Company	Ticker	Price	Rating	Valuation & Risks
Bangkok Chain Hospital	BCH TB	THB 22.20	BUY	Downside risks to our DCF-based target price include 1) a slowdown in international patients due to economic concerns, political protests or floods; 2) regulatory risks from drug prices and medical bill controls; and 3) SSO provision expenses following a limited SSO budget.
Bangkok Dusit Medical Services	BDMS TB	THB 27.25	BUY	Downside risks to our DCF-based target price include 1) a slowdown in international patients due to economic concerns, political protests or floods; 2) regulatory risks from drug prices and medical bill controls; and 3) higher-than-expected capex and opex for CoE projects.
Bumrungrad Hospital	BH TB	THB 241.00	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.
Chularat Hospital	CHG TB	THB 3.18	BUY	Downside risks to our DCF-based target price include 1) a slowdown in Thai patient volume due to economic concerns; 2) regulatory risks from drug price and medical bill controls; and 3) SSO provision expenses following limited budgets from the SSO.
Praram 9 Hospital	PR9 TB	THB 17.40	BUY	Downside risks to our DCF-based target price include 1) weak patient volumes following the economic slowdown; 2) regulatory risks from drug price and medical bill controls; and 3) higher-than-expected expenses from its new building.
Thonburi Healthcare Group	THG TB	THB 48.00	HOLD	Upside risks to our DCF-based target price include 1) a new Covid wave from a new variant; and 2) big-lot sales of Jin Wellbeing County units. Downside risks include 1) regulatory risks from drug prices and medical bill controls; and 2) a slowdown in international patients due to economic concerns.
Ramkhamhaeng Hospital	RAM TB	THB 32.25	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 29-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.