

MASTER STYLE MASTER TB
THAILAND / SERVICES

BUY

UNCHANGED

ลงทุนซื้อกิจการต่อเนื่อง

- MASTER ประกาศจ่ายหุ้นปันผลเป็นครั้งที่สองพร้อมประกาศความตั้งใจที่จะขยายไปจดทะเบียนใน SET
- ปรับเพิ่มประมาณการอัตราการเติบโตของกำไรปี 2024 ขึ้น 16% เป็น +49% y-y
- คงคำแนะนำซื้อจากแนวโน้มการเติบโตของกำไรสุทธิที่อยู่ในเกณฑ์ดีและสถานะการเงินที่ดี

TARGET PRICE	THB82.00
CLOSE	THB72.75
UP/DOWNSIDE	+12.7%
PRIOR TP	THB71.00
CHANGE IN TP	+15.5%
TP vs CONSENSUS	+3.2%

KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	1,917	2,326	2,556	2,861
Net profit	416	621	685	763
EPS (THB)	1.58	2.35	2.60	2.89
vs Consensus (%)	-	63.0	30.0	21.3
EBITDA	586	719	800	902
Recurring net profit	416	621	685	763
Core EPS (THB)	1.58	2.35	2.60	2.89
Chg. In EPS est. (%)	nm	16.0	12.9	nm
EPS growth (%)	(2.2)	49.2	10.3	11.3
Core P/E (x)	46.1	30.9	28.0	25.2
Dividend yield (%)	0.4	1.0	-	-
EV/EBITDA (x)	32.2	26.7	23.7	20.7
Price/book (x)	6.4	5.6	5.0	4.5
Net debt/Equity (%)	(11.1)	(0.1)	(5.7)	(12.6)
ROE (%)	24.5	19.4	18.9	18.8

ผลประกอบการปี 2023 อยู่ในระดับที่น่าประทับใจ

MASTER รายงานกำไรสุทธิ 4Q23 ทำสถิติสูงสุดใหม่ที่ 164 ลบ. (+64% q-q, +108% y-y) เราประทับใจกับชั่วโมงทำงานที่ทำสถิติสูงสุดใหม่ที่ 14,316 ชั่วโมง (+13.7% q-q) คิดเป็นอัตราการใช้เตียงที่ 73.8% (เทียบกับ 64.9% ใน 3Q23) อัตรากำไรขั้นต้นกระโดดเพิ่มเป็น 63.6% จาก 58.2% ใน 3Q23 โดยได้ปัจจัยหนุนจาก Operating leverage ที่สูงขึ้นหลังบริษัทฯ เริ่มรับรู้ส่วนแบ่งกำไรจาก 4 บริษัทรวม 5 ลบ. ณ สิ้นปี 2023 MASTER รายงานกำไรสุทธิทำสถิติสูงสุดใหม่ที่ 416 ลบ. (+38% y-y)

เตรียมย้ายไป SET พร้อมประกาศลงทุนเพิ่ม

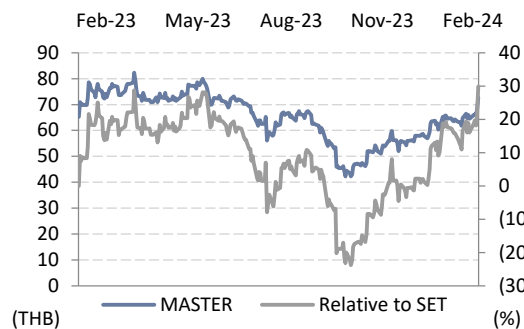
บริษัทฯ ประกาศจ่ายหุ้นปันผลในอัตรา 1:0.142857 ซึ่งจะทำให้จำนวนหุ้นเพิ่ม 301.71 ล้านหุ้น หลังวันขึ้นประกาศ XD ในวันที่ 4 มี.ค. 2024 หลังจากนั้นบริษัทฯ จะเตรียมยื่นคำขอย้ายไปจดทะเบียนใน SET นอกจากนี้ MASTER ยังประกาศลงทุนเพิ่มอีก 4 รายการโดยมีมูลค่ารวม 152 ลบ. ประกอบด้วย 1) หุ้น 20% ใน Aesthelis Code ซึ่งเป็นผู้ผลิตซิลิโคนสำหรับใช้ในทางการแพทย์; 2) หุ้น 35% ใน Me Center Clinic ซึ่งประกอบกิจการคลินิกสุขภาพจิต; 3) หุ้น 40% ใน Aurora Clinic ซึ่งดำเนินกิจการคลินิกเสริมความงาม 2 แห่งและ 4) หุ้น 15% ใน Korawin Holding ซึ่งดำเนินกิจการ Korawin Clinic และ Ronnapet Clinic เราคาดว่า MASTER จะรับรู้ส่วนแบ่งกำไรจาก 4 กิจการดังกล่าวตั้งแต่ 3Q24 เป็นต้นไป

ปรับเพิ่มประมาณการกำไรปี 2024 พร้อมการเติบโตที่น่าทึ่ง

เราคงมุมมองเชิงบวกเกี่ยวกับแนวโน้มการเติบโตของ MASTER ในปี 2024 จากการเติบโตภายในคือการรับรู้เตียงผ่าตัดใหม่เต็มปีและเป้าหมายในการเพิ่มสัดส่วนลูกค้าต่างชาติเป็นประมาณ 30% ของรายได้รวมจาก 26% ใน 4Q23 นอกจากนี้กำไรยังน่าจะได้ปัจจัยหนุนจากภายนอก อาทิเช่น การรับรู้ส่วนแบ่งกำไรจากบริษัท 14 แห่ง เราปรับเพิ่มประมาณการส่วนแบ่งกำไรปี 2024-25 ขึ้น 19-22% เป็น 125 ลบ. และ 137 ลบ. คิดเป็นประมาณ 20% ของประมาณการกำไรสุทธิปี 2024-25 เพราะฉะนั้นเราจึงปรับเพิ่มประมาณการกำไรสุทธิปี 2024-25 ของเราขึ้น 16% และ 13% คิดเป็นอัตราการเติบโตอยู่ที่ 49% y-y และ 10% y-y ตามลำดับ

ราคาเป้าหมายใหม่อยู่ที่ 82 บาทก่อน XD และ 72 บาทหลัง XD

หลังปรับประมาณการกำไร เราปรับเพิ่มราคาเป้าหมายของเราเป็น 82 บาทก่อน XD และ 72 บาทหลัง XD (35x ของค่า 2024E P/E) ราคาเป้าหมายก่อน XD น่าจะมี Upside อยู่ 12.7% ในระยะสั้นเราคาดว่ากำไร 1Q24 จะลดลงจาก Low season ในขณะที่ความเสี่ยงขาลงอยู่ที่ส่วนแบ่งกำไรกำไรที่อาจต่ำกว่าคาด



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	13.7	36.6	5.6
Relative to country (%)	11.4	38.2	25.4
Mkt cap (USD m)	532		
3m avg. daily turnover (USD m)	2.8		
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 27 กุมภาพันธ์ 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.

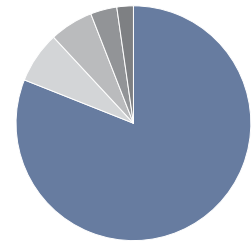
Company profile

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

Principal activities (revenue, 2023)

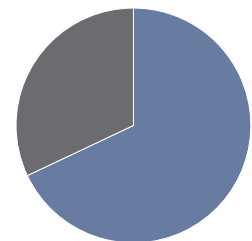
- Surgery - 81.0 %
- Skin - 7.1 %
- Hair treatment - 6.0 %
- Aftercare - 3.6 %
- Others - 2.3 %



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
May 2024	1Q24 results announcement

Key assumptions

	2024E	2025E	2026E
Total OR rooms (no.)	17	17	17
Capacity hours (hours)	80,665	80,665	80,665
Operating hours (hours)	58,079	60,499	64,532
Utilization rate (%)	72.0	75.0	80.0

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: MASTER – 4Q23 earnings results

	4Q22	1Q23	2Q23	3Q23	4Q23	----- Change -----		2022	2023	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)
Sales	471	436	459	479	543	13.2	15.1	1,483	1,917	29.3
Cost of sales	210	182	204	200	198	(1.4)	(5.7)	641	785	22.4
Gross profit	262	253	255	279	345	23.7	31.8	841	1,132	34.5
SG&A	161	162	158	160	154	(4.1)	(4.7)	463	634	37.0
Operating profit	103	94	106	128	197	53.3	91.6	386	525	35.9
Profit sharing	0	0	0	0	5	nm	nm	0	5	nm
Interest expense	3	3	4	4	3	(5.4)	(4.7)	9	14	51.5
Tax expense	21	19	21	25	40	60.0	95.3	76	105	37.3
Reported net profit	79	72	81	100	164	63.8	107.8	301	416	38.4
Core profit	79	72	81	100	164	63.8	107.8	301	416	38.4
Key Ratios (%)						(ppt)	(ppt)			
Gross margin	55.5	58.2	55.5	58.2	63.6	5.4	8.0	56.7	59.1	2.3
SG&A to sales	34.2	37.2	34.3	33.5	28.3	(5.1)	(5.9)	31.2	33.1	1.9
Operating margin	21.8	21.5	23.1	26.8	36.3	9.5	14.5	26.1	27.4	1.3
Net margin	16.7	16.4	17.7	20.8	30.1	9.3	13.4	20.3	21.7	1.4
Core margin	16.7	16.4	17.7	20.8	30.1	9.3	13.4	20.3	21.7	1.4
Operating Statistics										
Revenue breakdown (THB m)										
Surgery	389	340	364	387	462	19.3	18.9	1,194	1,553	30.1
Skin	38	42	34	33	27	(17.4)	(28.2)	106	136	28.4
Hair treatment	21	28	32	31	24	(23.3)	12.3	90	115	27.8
Aftercare	18	18	18	17	17	3.1	(2.3)	62	70	11.9
Other	6	8	11	11	13	9.9	96.0	31	44	40.3

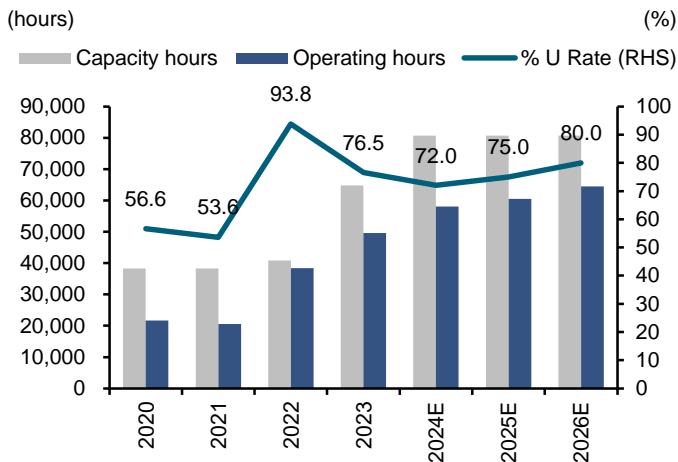
Source: MASTER

Exhibit 2: Changes in key assumptions for MASTER

	----- Forecast -----			----- Previous -----			----- Change -----		
	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(%)	(%)	(%)
Total revenue	2,326	2,556	2,861	2,216	2,517	2,842	5.0	1.5	0.7
Costs	949	1,038	1,159	920	1,040	1,165	3.2	(0.2)	(0.6)
Gross profit	1,377	1,518	1,702	1,296	1,478	1,677	6.2	2.8	1.5
SG&A expense	768	844	944	731	831	938	5.0	1.5	0.7
Interest expense	15	15	15	14	13	12	6.3	11.9	18.1
Profit sharing	125	137	144	105	112	124	19.0	22.3	16.1
Reported net profit	621	685	763	536	607	703	16.0	12.9	8.5
Core profit	621	685	763	536	607	703	16.0	12.9	8.5
Key ratios (%)									
Total revenue growth	21.4	9.9	11.9	15.6	13.6	12.9			
Net profit growth	49.2	10.3	11.3	28.7	13.3	15.9			
Core profit growth	49.2	10.3	11.3	28.7	13.3	15.9			
Gross margin	59.2	59.4	59.5	58.5	58.7	59.0	0.7	0.7	0.5
SG&A to sales	33.0	33.0	33.0	33.0	33.0	33.0	0.0	0.0	0.0
Net margin	26.7	26.8	26.7	24.2	24.1	24.7	2.5	2.7	1.9
Core margin	26.7	26.8	26.7	24.2	24.1	24.7	2.5	2.7	1.9
Profit sharing to net profit	20.1	20.0	18.9	19.6	18.5	17.6	0.5	1.5	1.2
Operating statistics									
Total OR rooms (no.)	17	17	17	17	17	17	0.0	0.0	0.0
Capacity hours (hours)	80,665	80,665	80,665	88,330	88,330	88,330	(8.7)	(8.7)	(8.7)
Operating hours (hours)	58,079	60,499	64,532	54,272	58,866	63,460	7.0	2.8	1.7
Utilization rate (%)	72.0	75.0	80.0	61.4	66.6	71.8	17.2	12.5	11.4

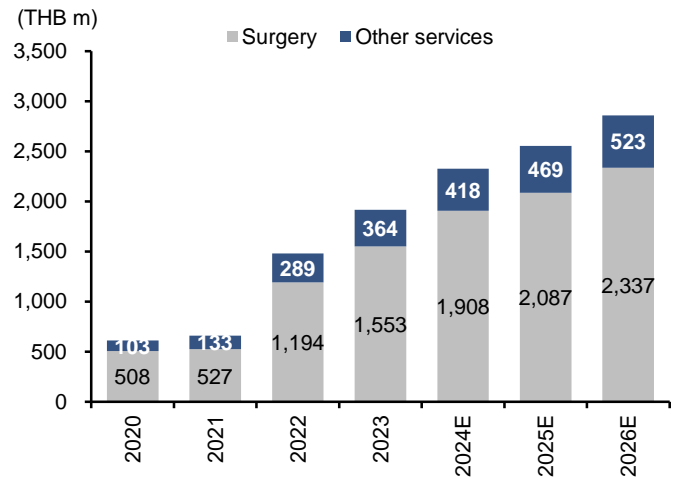
Source: FSSIA estimates

Exhibit 3: Operating hours and utilization rate



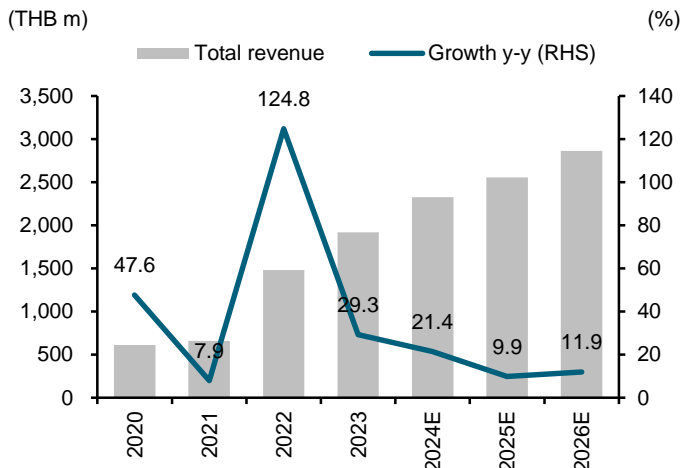
Sources: MASTER; FSSIA estimates

Exhibit 4: Revenue breakdown by service type



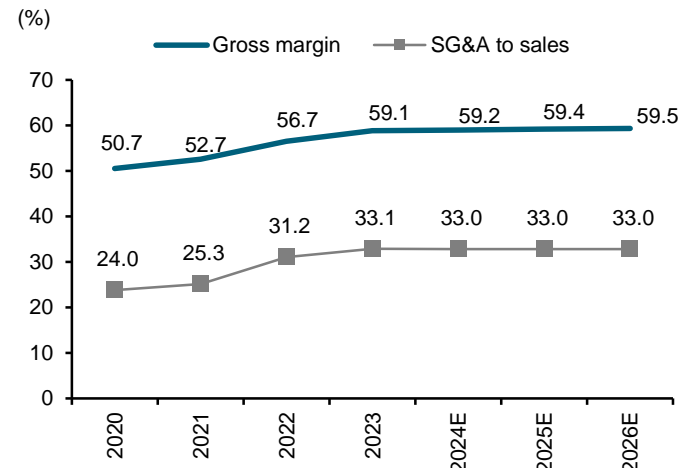
Sources: MASTER; FSSIA estimates

Exhibit 5: Total revenue and growth



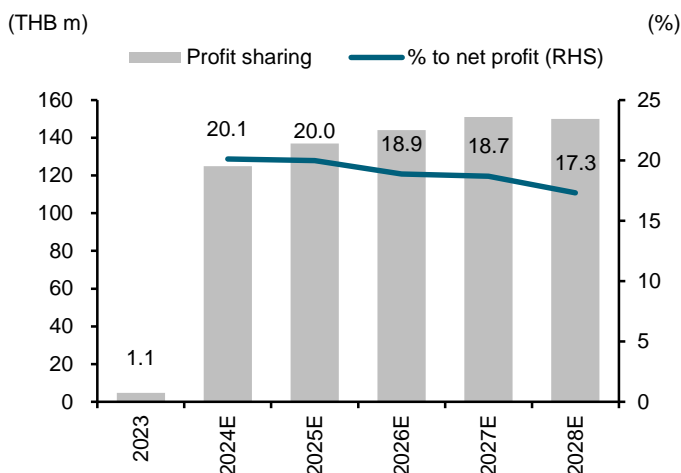
Sources: MASTER; FSSIA estimates

Exhibit 6: Gross margin and SG&A to sales



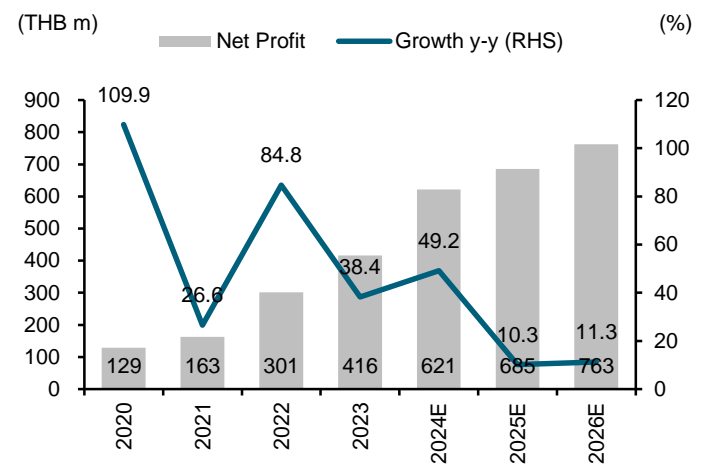
Sources: MASTER; FSSIA estimates

Exhibit 7: Profit sharing and % to net profit



Sources: MASTER; FSSIA estimates

Exhibit 8: Net profit and growth



Sources: MASTER; FSSIA estimates

Financial Statements

Master Style

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	1,483	1,917	2,326	2,556	2,861
Cost of goods sold	(641)	(785)	(949)	(1,038)	(1,159)
Gross profit	841	1,132	1,377	1,518	1,702
Other operating income	8	27	33	33	37
Operating costs	(463)	(634)	(768)	(844)	(944)
Operating EBITDA	422	586	719	800	902
Depreciation	(35)	(62)	(77)	(92)	(107)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	386	525	642	708	795
Net financing costs	(4)	(9)	(9)	(9)	(9)
Associates	0	5	125	137	144
Recurring non-operating income	0	5	125	137	144
Non-recurring items	0	0	0	0	0
Profit before tax	383	521	758	836	930
Tax	(76)	(105)	(136)	(150)	(167)
Profit after tax	306	416	621	685	763
Minority interests	-	-	-	-	-
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	306	416	621	685	763
Non-recurring items & goodwill (net)	0	0	0	0	0
Recurring net profit	306	416	621	685	763
Per share (THB)					
Recurring EPS *	1.61	1.58	2.35	2.60	2.89
Reported EPS	1.61	1.58	2.35	2.60	2.89
DPS	0.30	0.27	0.71	0.00	0.00
Diluted shares (used to calculate per share data)	190	264	264	264	264
Growth					
Revenue (%)	124.8	29.3	21.4	9.9	11.9
Operating EBITDA (%)	73.9	39.1	22.5	11.3	12.8
Operating EBIT (%)	82.7	35.9	22.3	10.3	12.3
Recurring EPS (%)	0.0	(2.2)	49.2	10.3	11.3
Reported EPS (%)	0.0	(2.2)	49.2	10.3	11.3
Operating performance					
Gross margin inc. depreciation (%)	56.7	59.1	59.2	59.4	59.5
Gross margin exc. depreciation (%)	59.1	62.3	62.5	63.0	63.2
Operating EBITDA margin (%)	28.4	30.6	30.9	31.3	31.5
Operating EBIT margin (%)	26.1	27.4	27.6	27.7	27.8
Net margin (%)	20.7	21.7	26.7	26.8	26.7
Effective tax rate (%)	19.9	20.1	18.0	18.0	18.0
Dividend payout on recurring profit (%)	18.6	17.0	30.0	-	-
Interest cover (X)	102.2	62.2	81.8	90.8	101.7
Inventory days	26.8	41.1	42.8	42.0	41.8
Debtor days	0.9	1.1	1.1	1.0	0.9
Creditor days	34.7	64.9	62.6	47.2	47.0
Operating ROIC (%)	115.1	37.7	33.0	43.0	46.8
ROIC (%)	82.1	25.8	20.2	19.2	20.4
ROE (%)	107.4	24.5	19.4	18.9	18.8
ROA (%)	40.0	18.5	16.4	16.3	16.3
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
	2022	2023	2024E	2025E	2026E
Surgery	1,194	1,553	1,908	2,087	2,337
Skin	106	136	161	185	210
Hair treatment	90	115	136	154	175
Aftercare	62	70	75	82	88

Sources: Master Style; FSSIA estimates

Financial Statements

Master Style

Cash Flow (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Recurring net profit	306	416	621	685	763
Depreciation	35	62	77	92	107
Associates & minorities	0	0	0	0	0
Other non-cash items	0	(5)	(125)	(137)	(144)
Change in working capital	(100)	74	(38)	18	9
Cash flow from operations	242	547	534	658	735
Capex - maintenance	-	-	-	-	-
Capex - new investment	(413)	(2,179)	(673)	(171)	(107)
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	-	-	-	-	-
Cash flow from investing	(413)	(2,179)	(673)	(171)	(107)
Dividends paid	(263)	(99)	(189)	(274)	(305)
Equity finance	198	2,270	0	0	0
Debt finance	159	(11)	(2)	(2)	(2)
Other financing cash flows	(1)	2	0	0	1
Cash flow from financing	93	2,161	(190)	(275)	(306)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	(5)	0	0	0	0
Movement in cash	(83)	529	(329)	212	321
Free cash flow to firm (FCFF)	(162.06)	(1,618.40)	(124.30)	501.30	641.77
Free cash flow to equity (FCFE)	(18.91)	(1,641.98)	(140.59)	485.66	626.34

Per share (THB)

FCFF per share	(0.61)	(6.13)	(0.47)	1.90	2.43
FCFE per share	(0.07)	(6.22)	(0.53)	1.84	2.37
Recurring cash flow per share	1.80	1.79	2.17	2.42	2.75

Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Tangible fixed assets (gross)	498	1,242	1,578	1,665	1,740
Less: Accumulated depreciation	(73)	(339)	(366)	(395)	(427)
Tangible fixed assets (net)	424	903	1,211	1,270	1,313
Intangible fixed assets (net)	7	7	7	7	7
Long-term financial assets	8	15	15	15	15
Invest. in associates & subsidiaries	0	362	1,861	2,019	2,060
Cash & equivalents	98	627	298	509	830
A/C receivable	5	7	6	7	8
Inventories	63	101	104	114	127
Other current assets	166	1,136	302	281	315
Current assets	331	1,871	710	911	1,280
Other assets	177	480	233	256	286
Total assets	947	3,637	4,037	4,477	4,961
Common equity	404	2,991	3,424	3,835	4,292
Minorities etc.	0	0	0	0	0
Total shareholders' equity	404	2,991	3,424	3,835	4,292
Long term debt	291	294	292	291	289
Other long-term liabilities	3	5	5	5	6
Long-term liabilities	294	298	297	296	295
A/C payable	148	260	210	230	257
Short term debt	15	2	2	2	2
Other current liabilities	86	86	105	115	114
Current liabilities	249	348	316	347	373
Total liabilities and shareholders' equity	947	3,637	4,037	4,477	4,961
Net working capital	0	898	98	57	78
Invested capital	616	2,664	3,424	3,623	3,758

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

Per share (THB)

Book value per share	2.12	11.33	12.97	14.53	16.26
Tangible book value per share	2.09	11.30	12.94	14.50	16.23

Financial strength

Net debt/equity (%)	51.7	(11.1)	(0.1)	(5.7)	(12.6)
Net debt/total assets (%)	22.1	(9.1)	(0.1)	(4.8)	(10.9)
Current ratio (x)	1.3	5.4	2.2	2.6	3.4
CF interest cover (x)	105.2	64.0	57.8	71.6	80.5

Valuation	2022	2023	2024E	2025E	2026E
Recurring P/E (x) *	45.1	46.1	30.9	28.0	25.2
Recurring P/E @ target price (x) *	50.9	52.0	34.8	31.6	28.4
Reported P/E (x)	45.1	46.1	30.9	28.0	25.2
Dividend yield (%)	0.4	0.4	1.0	-	-
Price/book (x)	34.2	6.4	5.6	5.0	4.5
Price/tangible book (x)	34.8	6.4	5.6	5.0	4.5
EV/EBITDA (x) **	33.3	32.2	26.7	23.7	20.7
EV/EBITDA @ target price (x) **	37.5	36.4	30.1	26.8	23.4
EV/invested capital (x)	22.8	7.1	5.6	5.2	5.0

* 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 THSI inclusion , verified data must be scored at a minimum of 50% for each indicator, unless the company is a part of DJSI during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality. SETTHSI Index is extended from the THSI companies whose 1) market capitalization > THB5b (~USD150b); 2) free float >20%; and 3) liquidity >0.5% of paid-up capital for at least 9 out of 12 months. The SETTHSI Index is a market capitalisation-weighted index, cap 5% quarterly weight at maximum, and no cap for number of stocks.																			
CG Score by Thai Institute of Directors Association (Thai IOD)	An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.	Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (60-69), and not rated for scores below 50. Weightings include: 1) the rights; 2) and equitable treatment of shareholders (weight 25% combined); 3) the role of stakeholders (25%); 4) disclosure & transparency (15%); and 5) board responsibilities (35%).																			
AGM level By Thai Investors Association (TIA) with support from the SEC	It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). <i>(The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.)</i>	The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.																			
Thai CAC By Thai Private Sector Collective Action Against Corruption (CAC)	The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. <i>(Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.)</i>	The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.																			
Morningstar Sustainalytics	The Sustainalytics' ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. 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+									
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. <table border="1" style="margin-left: auto; margin-right: auto;"> <tbody> <tr> <td>AAA</td> <td>8.571-10.000</td> <td rowspan="2">Leader:</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">Average:</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">Laggard:</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	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
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; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.)</i>																				
S&P Global	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.																				
Bloomberg	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.																			
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.																			

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

Source: FSSIA's compilation

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Sureeporn Teewasuwet FSS International Investment Advisory Securities Co., Ltd

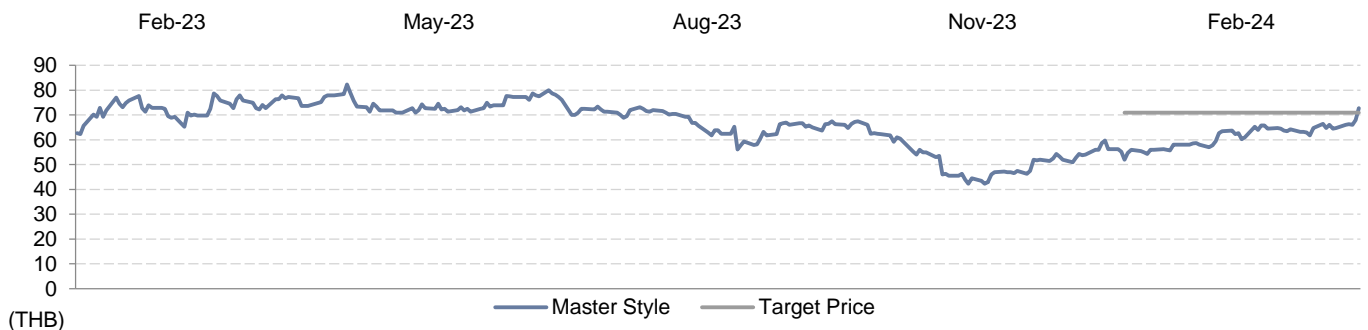
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) 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 72.75	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 23-Feb-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.