

## SAFE FERTILITY GROUP

THAILAND / HEALTH CARE SERVICES

## SAFE TB

BUY

UNCHANGED

## 4Q23 results at first glance

## 4Q23 กำไรสุทธิต่ำคาดเล็กน้อย Outlook ยังดีต่อ

## Highlights

- SAFE รายงานกำไรสุทธิ 4Q23 ที่ 53 ลบ. -12.8% q-q, +91.5% y-y จบปี 2023 มีกำไรสุทธิ 202 ลบ. +24.7% y-y แต่ต่ำกว่าที่เราคาด 5% จากรายการที่ไม่เกิดประจำ โดยมีค่าใช้จ่ายเกี่ยวกับการจ้าง Agency เพิ่มมากกว่าคาด
- ขณะที่รายได้รวม 4Q23 ลดลง 1.4% q-q แต่ 29% y-y มาจากจำนวนรอบของการเก็บไข่ 4Q23 อยู่ที่ 300 รอบ ลดลง 315 รอบ ใน 3Q23 แต่เพิ่มขึ้น 264 รอบ จาก 4Q22
- อัตรากำไรขั้นต้นปรับลดลงเล็กน้อยจากต้นทุนค่ายาที่ปรับเพิ่มขึ้น และมีค่าใช้จ่ายในการดำเนินงานปรับเพิ่มขึ้นหลักๆ มาจากงบส่งเสริมการตลาดที่เพิ่มขึ้นและค่าใช้จ่ายเกี่ยวกับการจ้าง Agency เพิ่มขึ้น
- จบปี 2023 มีกำไรสุทธิ 202 ลบ. +24.7% y-y จากรายได้รวมที่เพิ่มขึ้น โดยมีปัจจัยหนุนจากจำนวนรอบการเก็บไข่ 1,256 รอบ เพิ่มขึ้นจาก 1,140 รอบ ในปี 2022 ซึ่งส่วนใหญ่มาจากลูกค้าต่างชาติที่เพิ่มขึ้น ขณะที่ลูกค้าชาวไทยมีการเติบโตที่ชะลอตัว ส่วนรายได้ต่อ Treatment Cycle ยังคงเท่าเดิมที่ 5.3 แสนบาทต่อรอบ นอกจากนี้รายได้จากการตรวจคัดกรองพันธุกรรมตัวอ่อนปรับเพิ่มขึ้นกว่า 44% y-y เนื่องจากตลาดยังคงเป็นที่นิยมมากทั้งการตั้งท้องเองและการทำเด็กหลอดแก้ว เพื่อให้บุตรลดความเสี่ยง

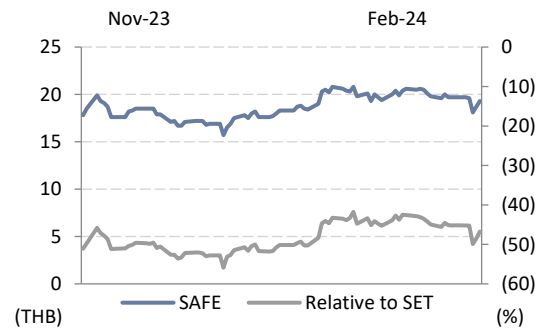
## Outlook

- แนวโน้มรายได้จากการทำ ICSI ยังคงดีต่อเนื่องในเดือน ม.ค. และก.พ. 2024 เรายังคงประมาณการกำไรสุทธิปี 2024 ที่ 281 ลบ +39% y-y จากปัจจัยหนุนดังนี้ 1) เราคาดรายได้จากรักษาการมีบุตรยากด้วยวิธี ICSI เติบโตราว 20% y-y จากลูกค้าต่างชาติจะมีจำนวนและสัดส่วนเพิ่มขึ้นจากการส่งเสริมการตลาดเพิ่มมากขึ้น และคาดหวังลูกค้าจากจีนจะเพิ่มขึ้นเป็น Upside ในปีนี้ ซึ่งจะทำให้จำนวนรอบการเก็บไข่เพิ่มขึ้นจาก 1,256 รอบในปี 2023 เป็น 1,880 รอบ ในปี 2024 2) รายได้ค่าบริการตรวจพันธุกรรมตัวอ่อนและทารกคาดว่าจะเพิ่มขึ้น 30% y-y จากการที่เป็นที่นิยมอย่างต่อเนื่อง อีกทั้งบริษัทมีแผนลงทุนขยายสาขา 2-4 แห่ง และให้บริการด้านห้อง Lab Outsource อีก 3-4 แห่ง และมีแผน M&A คลินิก IVF ทั้งในและต่างประเทศ ในอีก 1-2 ปีข้างหน้า
- คงราคาเป้าหมาย 25 บาท ราคาหุ้นปัจจุบันเทรด 2024E PE เพียง 20.9 เท่า ต่ำกว่าคู่แข่งอย่าง GFC และหุ้นในกลุ่มโรงพยาบาลที่ซื้อขายเฉลี่ยกันที่ 25-30 เท่า ดังนั้นจึงยังแนะนำ "ซื้อ"

TARGET PRICE	THB25.00
CLOSE	THB19.30
UP/DOWNSIDE	+29.5%
PRIOR TP	THB25.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+1.4%

## KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	849	1,194	1,432	1,773
Net profit	202	281	342	422
EPS (THB)	0.66	0.92	1.12	1.39
vs Consensus (%)	-	39.4	24.4	33.7
EBITDA	302	412	527	675
Recurring net profit	202	281	342	422
Core EPS (THB)	0.66	0.92	1.12	1.39
Chg. In EPS est. (%)	nm	(0.2)	1.2	nm
EPS growth (%)	(7.7)	39.3	21.8	23.4
Core P/E (x)	29.1	20.9	17.2	13.9
Dividend yield (%)	5.0	1.4	1.9	2.3
EV/EBITDA (x)	15.5	11.4	9.0	7.0
Price/book (x)	3.5	3.2	2.8	2.6
Net debt/Equity (%)	(71.1)	(63.4)	(54.4)	(49.9)
ROE (%)	14.1	16.0	17.3	19.3



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	0.0	7.8	n/a
Relative to country (%)	(2.0)	9.1	n/a
Mkt cap (USD m)			163
3m avg. daily turnover (USD m)			1.1
Free float (%)			26
Major shareholder	Quangkananurug family (61%)		
12m high/low (THB)	21.30/15.60		
Issued shares (m)	303.95		

Sources: Bloomberg consensus; FSSIA estimates



Songklod Wongchai

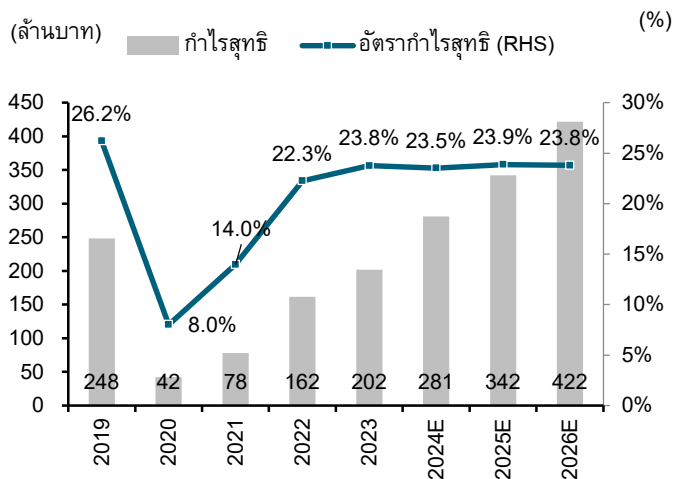
Fundamental Investment Analyst on Securities; License no. 018086  
songklod.won@fssia.com, +66 2646 9970

## Exhibit 1: 4Q23 results summary

Profit & Loss Statement	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	Change	
Year to Dec 31	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)
Revenue	187	187	183	170	188	219	223	219	(1.4)	29.1
Cost of services	82	83	83	81	81	99	99	100	1.8	24.7
Gross profit	105	103	100	89	106	120	124	119	(4.0)	33.1
Operating costs	46	47	50	51	51	58	52	65	25.7	28.3
Operating profit	58	56	50	39	55	62	72	54	(25.2)	39.3
Interest expense	(1)	(1)	(1)	(0)	(1)	(1)	(1)	0	nm	nm
Profit before tax	58	56	49	36	55	63	73	58	(20.4)	60.5
Tax	(12)	(11)	(10)	(8)	(19)	(11)	(12)	(5)	(58.8)	(40.8)
Reported net profit	46.5	44.5	39	28	36	52	61	53	(12.8)	91.5
<b>Key Ratios (%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>	<b>(ppt)</b>
Gross margin	56.0	55.3	54.6	52.6	56.7	54.7	55.7	54.2	(1.5)	1.6
SG&A / Sales	24.8	25.4	27.5	29.8	27.3	26.6	23.2	29.6	6.4	(0.2)
Effective tax rate	(20.4)	(19.9)	20.2	(23.4)	34.6	17.6	16.7	8.6	(8.0)	32.1

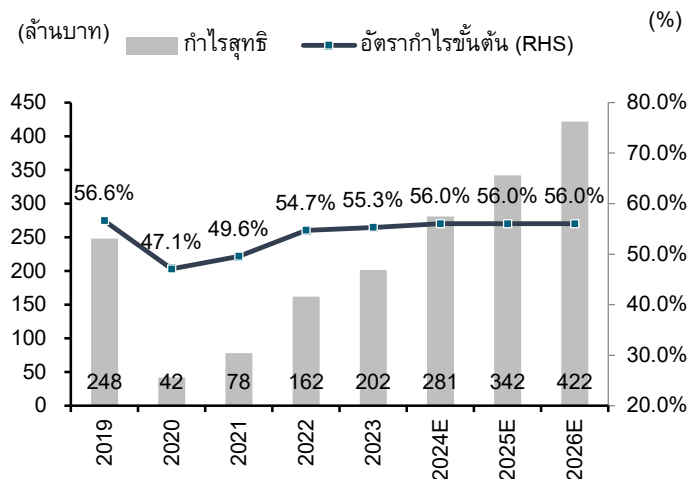
Sources: SAFE; FSSIA estimates

## Exhibit 2: กำไรสุทธิ และอัตรากำไรสุทธิ



Sources: SAFE; FSSIA estimates

## Exhibit 3: กำไรสุทธิและอัตรากำไรขั้นต้น



Sources: SAFE; FSSIA estimates

## Financial Statements

### Safe Fertility Group

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	727	849	1,194	1,432	1,773
Cost of goods sold	(329)	(380)	(525)	(630)	(780)
<b>Gross profit</b>	<b>397</b>	<b>469</b>	<b>668</b>	<b>802</b>	<b>993</b>
Other operating income	0	0	0	0	0
Operating costs	(194)	(226)	(327)	(387)	(479)
<b>Operating EBITDA</b>	<b>268</b>	<b>302</b>	<b>412</b>	<b>527</b>	<b>675</b>
Depreciation	(64)	(59)	(70)	(111)	(161)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>204</b>	<b>243</b>	<b>341</b>	<b>415</b>	<b>514</b>
Net financing costs	(3)	(3)	(4)	(3)	(3)
Associates	0	0	0	0	0
Recurring non-operating income	3	8	9	10	10
Non-recurring items	0	0	0	0	0
<b>Profit before tax</b>	<b>203</b>	<b>248</b>	<b>347</b>	<b>422</b>	<b>521</b>
Tax	(41)	(47)	(66)	(80)	(99)
<b>Profit after tax</b>	<b>162</b>	<b>201</b>	<b>281</b>	<b>342</b>	<b>422</b>
Minority interests	0	1	0	0	0
Preferred dividends	0	0	0	0	0
Other items	0	0	0	0	0
<b>Reported net profit</b>	<b>162</b>	<b>202</b>	<b>281</b>	<b>342</b>	<b>422</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>162</b>	<b>202</b>	<b>281</b>	<b>342</b>	<b>422</b>
<b>Per share (THB)</b>					
Recurring EPS *	0.72	0.66	0.92	1.12	1.39
Reported EPS	0.72	0.66	0.92	1.12	1.39
DPS	0.25	0.97	0.27	0.37	0.45
Diluted shares (used to calculate per share data)	225	304	304	304	304
<b>Growth</b>					
Revenue (%)	29.8	16.8	40.6	20.0	23.8
Operating EBITDA (%)	52.1	12.5	36.3	28.0	28.1
Operating EBIT (%)	104.1	19.2	40.5	21.7	23.8
Recurring EPS (%)	106.7	(7.7)	39.3	21.8	23.4
Reported EPS (%)	106.7	(7.7)	39.3	21.8	23.4
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	54.7	55.3	56.0	56.0	56.0
Gross margin exc. depreciation (%)	63.6	62.2	61.9	63.8	65.1
Operating EBITDA margin (%)	36.9	35.6	34.5	36.8	38.1
Operating EBIT margin (%)	28.0	28.6	28.6	29.0	29.0
Net margin (%)	22.3	23.8	23.5	23.9	23.8
Effective tax rate (%)	20.3	19.0	19.0	19.0	19.0
Dividend payout on recurring profit (%)	34.6	145.8	28.7	32.8	32.4
Interest cover (X)	59.8	73.0	100.1	141.8	174.7
Inventory days	57.0	64.8	52.2	45.8	38.4
Debtor days	8.0	9.4	8.6	9.2	9.0
Creditor days	89.0	86.1	81.3	60.8	36.4
Operating ROIC (%)	42.2	56.6	65.6	54.8	52.1
ROIC (%)	32.8	41.5	45.2	39.2	37.8
ROE (%)	14.1	14.1	16.0	17.3	19.3
ROA (%)	12.1	12.3	14.0	15.4	17.4
* Pre-exceptional, pre-goodwill and fully diluted					
<b>Revenue by Division (THB m)</b>					
Revenue from ICSI treatment	609	667	997	1,196	1,489
Revenue from genetic testing services for embryos and fetuses	118	176	194	233	280
Revenue from dermatology services	-	6	3	3	4

Sources: Safe Fertility Group ; FSSIA estimates

## Financial Statements

### Safe Fertility Group

Cash Flow (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Recurring net profit	162	202	281	342	422
Depreciation	64	59	70	111	161
Associates & minorities	6	(1)	0	0	0
Other non-cash items	6	(2)	9	4	8
Change in working capital	54	4	(80)	(134)	(88)
<b>Cash flow from operations</b>	<b>292</b>	<b>262</b>	<b>281</b>	<b>323</b>	<b>503</b>
Capex - maintenance	(35)	(43)	(133)	(200)	(200)
Capex - new investment	0	0	0	0	0
Net acquisitions & disposals	(14)	(66)	(70)	(54)	(70)
Other investments (net)	0	0	0	0	0
<b>Cash flow from investing</b>	<b>(49)</b>	<b>(109)</b>	<b>(203)</b>	<b>(254)</b>	<b>(270)</b>
Dividends paid	(56)	(294)	(81)	(112)	(137)
Equity finance	3	542	6	0	(97)
Debt finance	(7)	0	(3)	0	0
Other financing cash flows	-	-	-	-	-
<b>Cash flow from financing</b>	<b>(60)</b>	<b>248</b>	<b>(78)</b>	<b>(112)</b>	<b>(234)</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>183</b>	<b>401</b>	<b>0</b>	<b>(43)</b>	<b>0</b>
Free cash flow to firm (FCFF)	246.69	155.81	80.92	72.00	236.53
Free cash flow to equity (FCFE)	236.13	152.83	74.42	69.00	233.53
<b>Per share (THB)</b>					
FCFF per share	0.81	0.51	0.27	0.24	0.78
FCFE per share	0.78	0.50	0.24	0.23	0.77
Recurring cash flow per share	1.06	0.85	1.19	1.50	1.94
<b>Balance Sheet (THB m) Year Ending Dec</b>					
Tangible fixed assets (gross)	150	151	284	484	684
Less: Accumulated depreciation	0	0	(54)	(149)	(293)
<b>Tangible fixed assets (net)</b>	<b>150</b>	<b>151</b>	<b>230</b>	<b>335</b>	<b>391</b>
<b>Intangible fixed assets (net)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Long-term financial assets	0	0	0	0	0
Invest. in associates & subsidiaries	0	0	0	0	0
Cash & equivalents	851	1,251	1,251	1,208	1,208
A/C receivable	20	23	33	39	49
Inventories	49	65	65	65	65
Other current assets	228	232	326	391	484
<b>Current assets</b>	<b>1,148</b>	<b>1,571</b>	<b>1,675</b>	<b>1,704</b>	<b>1,806</b>
Other assets	114	171	241	289	357
<b>Total assets</b>	<b>1,413</b>	<b>1,894</b>	<b>2,146</b>	<b>2,328</b>	<b>2,554</b>
Common equity	1,204	1,654	1,860	2,090	2,278
Minorities etc.	6	4	4	4	4
<b>Total shareholders' equity</b>	<b>1,210</b>	<b>1,658</b>	<b>1,864</b>	<b>2,094</b>	<b>2,282</b>
Long term debt	73	73	70	70	70
Other long-term liabilities	31	38	53	64	79
<b>Long-term liabilities</b>	<b>103</b>	<b>111</b>	<b>123</b>	<b>134</b>	<b>149</b>
A/C payable	66	85	118	55	68
Short term debt	0	0	0	0	0
Other current liabilities	33	40	41	44	54
<b>Current liabilities</b>	<b>99</b>	<b>125</b>	<b>159</b>	<b>100</b>	<b>123</b>
<b>Total liabilities and shareholders' equity</b>	<b>1,413</b>	<b>1,894</b>	<b>2,146</b>	<b>2,328</b>	<b>2,554</b>
Net working capital	198	195	265	396	475
Invested capital	463	518	736	1,020	1,224
* Includes convertibles and preferred stock which is being treated as debt					
<b>Per share (THB)</b>					
Book value per share	5.35	5.44	6.12	6.87	7.49
Tangible book value per share	5.35	5.44	6.12	6.87	7.49
<b>Financial strength</b>					
Net debt/equity (%)	(64.3)	(71.1)	(63.4)	(54.4)	(49.9)
Net debt/total assets (%)	(55.1)	(62.2)	(55.0)	(48.9)	(44.6)
Current ratio (x)	11.6	12.6	10.6	17.1	14.7
CF interest cover (x)	69.3	45.4	22.3	24.0	78.8
<b>Valuation</b>					
<b>Recurring P/E (x) *</b>	<b>26.9</b>	<b>29.1</b>	<b>20.9</b>	<b>17.2</b>	<b>13.9</b>
<b>Recurring P/E @ target price (x) *</b>	<b>34.8</b>	<b>37.7</b>	<b>27.1</b>	<b>22.2</b>	<b>18.0</b>
Reported P/E (x)	26.9	29.1	20.9	17.2	13.9
Dividend yield (%)	1.3	5.0	1.4	1.9	2.3
Price/book (x)	3.6	3.5	3.2	2.8	2.6
Price/tangible book (x)	3.6	3.5	3.2	2.8	2.6
EV/EBITDA (x) **	13.3	15.5	11.4	9.0	7.0
EV/EBITDA @ target price (x) **	18.1	21.3	15.6	12.3	9.6
EV/invested capital (x)	7.7	9.1	6.4	4.6	3.9
* Pre-exceptional, pre-goodwill and fully diluted ** EBITDA includes associate income and recurring non-operating income					

Sources: Safe Fertility Group ; FSSIA estimates

## Disclaimer for ESG scoring

ESG score	Methodology	Rating																												
The Dow Jones Sustainability Indices (DJSI) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.	Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.																												
Sustainability Investment List (THSI) by The Stock Exchange of Thailand (SET)	THSI quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria include: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years.	To be eligible for <b>THSI inclusion</b> , verified data must be scored at a minimum of 50% for each indicator, unless the company is a part of DJSI during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality. <b>SETTHSI Index</b> is extended from the THSI companies whose 1) market capitalization > THB5b (~USD150b); 2) free float >20%; and 3) liquidity >0.5% of paid-up capital for at least 9 out of 12 months. The SETTHSI Index is a market capitalisation-weighted index, cap 5% quarterly weight at maximum, and no cap for number of stocks.																												
<b>CG Score</b> by Thai Institute of Directors Association (Thai IOD)	An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.	Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (60-69), and not rated for scores below 50. Weightings include: 1) the rights; 2) and equitable treatment of shareholders (weight 25% combined); 3) the role of stakeholders (25%); 4) disclosure & transparency (15%); and 5) board responsibilities (35%).																												
<b>AGM level</b> By Thai Investors Association (TIA) with support from the SEC	It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). <i>(The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&amp;A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.)</i>	The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.																												
<b>Thai CAC</b> By Thai Private Sector Collective Action Against Corruption (CAC)	The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. <i>(Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.)</i>	The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.																												
<b>Morningstar Sustainalytics</b>	The Sustainalytics' ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. <i>Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality &amp; peer reviews.</i>	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>NEGL</th> <th>Low</th> <th>Medium</th> <th>High</th> <th>Severe</th> </tr> </thead> <tbody> <tr> <td>0-10</td> <td>10-20</td> <td>20-30</td> <td>30-40</td> <td>40+</td> </tr> </tbody> </table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+																		
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<b>ESG Book</b>	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.	The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.																												
<b>MSCI</b>	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. <table border="1" style="margin-left: auto; margin-right: auto;"> <tbody> <tr> <td><b>AAA</b></td> <td>8.571-10.000</td> <td><b>Leader:</b></td> <td>leading its industry in managing the most significant ESG risks and opportunities</td> </tr> <tr> <td><b>AA</b></td> <td>7.143-8.570</td> <td></td> <td></td> </tr> <tr> <td><b>A</b></td> <td>5.714-7.142</td> <td></td> <td></td> </tr> <tr> <td><b>BBB</b></td> <td>4.286-5.713</td> <td><b>Average:</b></td> <td>a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td> </tr> <tr> <td><b>BB</b></td> <td>2.857-4.285</td> <td></td> <td></td> </tr> <tr> <td><b>B</b></td> <td>1.429-2.856</td> <td></td> <td></td> </tr> <tr> <td><b>CCC</b></td> <td>0.000-1.428</td> <td><b>Laggard:</b></td> <td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td> </tr> </tbody> </table>	<b>AAA</b>	8.571-10.000	<b>Leader:</b>	leading its industry in managing the most significant ESG risks and opportunities	<b>AA</b>	7.143-8.570			<b>A</b>	5.714-7.142			<b>BBB</b>	4.286-5.713	<b>Average:</b>	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	<b>BB</b>	2.857-4.285			<b>B</b>	1.429-2.856			<b>CCC</b>	0.000-1.428	<b>Laggard:</b>	lagging its industry based on its high exposure and failure to manage significant ESG risks	
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<b>Moody's ESG solutions</b>	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.																													
<b>Refinitiv ESG rating</b>	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. <i>(Score ratings are 0 to 25 = poor; &gt;25 to 50 = satisfactory; &gt;50 to 75 = good; and &gt;75 to 100 = excellent.)</i>																													
<b>S&amp;P Global</b>	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.																													
<b>Bloomberg</b>	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.																												
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.																												

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

Source: FSSIA's compilation

## GENERAL DISCLAIMER

### ANALYST(S) CERTIFICATION

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

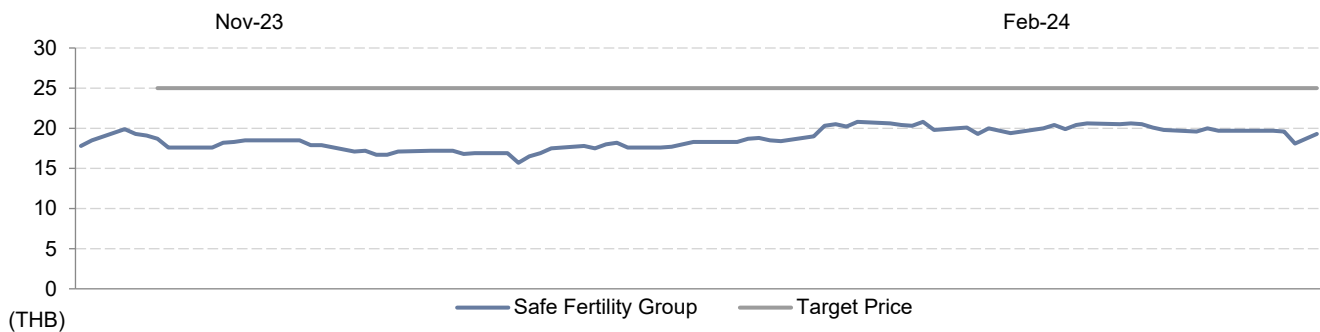
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#### History of change in investment rating and/or target price

##### Safe Fertility Group (SAFE TB)



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

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

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Safe Fertility Group	SAFE TB	THB 19.30	BUY	ความเสี่ยงที่จะมีผลต่อประมาณการของเรา ได้แก่ เกิดเหตุฟ้องร้องหรือ ร้องเรียนหากวิธีการรักษาเกิดความผิดพลาด ลูกค้านำตัวลดลงจาก ผลกระทบของการเดินทาง หรือกรณีเกิดโรคระบาด และต้นทุนค่ายา ปรับตัวสูงขึ้นมากกว่าที่คาด

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.