

BUMRUNGRAD HOSPITAL

THAILAND / HEALTH CARE SERVICES

BH TB

BUY

 UNCHANGED

1Q24 results at first glance

TARGET PRICE	THB305.00
CLOSE	THB231.00
UP/DOWNSIDE	+32.0%
TP vs CONSENSUS	+7.5%

BH reported a positive surprise in 1Q24 with core profit growth of 25% y-y to THB2.0b, hitting a record high and beating estimates

Highlights

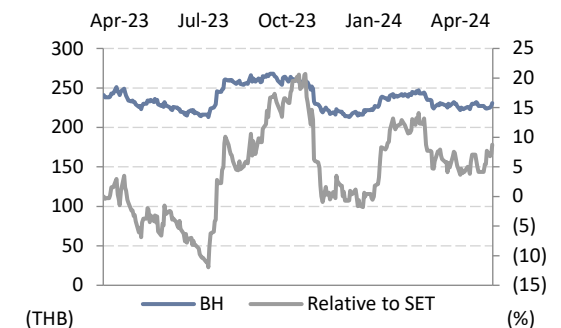
- BH reported a positive surprise, with a core profit of THB2.0b (+25% y-y, +16% q-q) in 1Q24, beating estimates due mainly to a record high EBITDA margin of 41% (vs its previous record high of 39% in 3Q23).
- Revenue grew 8% y-y in line with our estimate and management guidance. International patient revenue increased by 7% y-y and exceeded its pre-Covid level by 40%. Thai patient revenue surged 9% and exceeded its pre-Covid level by 42%.
- As a result, revenue contributions from Thai and international patients were 33.5% and 66.5% (vs 33% and 67% pre-Covid), respectively.
- COGS was flat y-y thanks to better cost control. SG&A increased only 1% y-y thanks to 1% y-y lower admin expenses following decreased software support and maintenance expenses. Depreciation also declined by 3% y-y. Thus, EBITDA margin improved to 41% (vs 36% in 1Q23).

Recommendation and valuation

- We see an upside to our forecast, given that 1Q24 core profit already accounted for 27% of our 2024E. Also, we assume an EBITDA margin of only 38% in 2024 (vs 41% in 1Q24).
- We expect 2Q24 core profit to drop q-q due to a low season, but it should have strong growth y-y, premised on a lesser impact from Ramadan in 2Q24 compared to 2Q23 (Ramadan was from 10 Mar to 9 Apr in 2024 vs 22 Mar to 21 Apr in 2023).
- BH is trading at an attractive valuation of 25x 2024E P/E (vs 5-yr avg of 30x).

KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	25,376	27,172	28,543	29,983
Net profit	7,006	7,397	7,850	8,352
EPS (THB)	8.80	9.30	9.87	10.50
vs Consensus (%)	-	1.6	1.4	1.3
EBITDA	9,509	10,313	10,917	11,585
Recurring net profit	6,918	7,397	7,850	8,352
Core EPS (THB)	8.69	9.30	9.87	10.50
EPS growth (%)	40.0	6.9	6.1	6.4
Core P/E (x)	26.6	24.8	23.4	22.0
Dividend yield (%)	1.6	1.9	2.4	2.6
EV/EBITDA (x)	18.2	16.5	15.3	14.1
Price/book (x)	7.7	6.7	5.9	5.3
Net debt/Equity (%)	(44.2)	(51.1)	(55.7)	(60.4)
ROE (%)	31.8	28.8	26.8	25.4



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	1.8	(3.8)	(2.1)
Relative to country (%)	3.3	(2.3)	12.0
Mkt cap (USD m)	4,961		
3m avg. daily turnover (USD m)	15.0		
Free float (%)	65		
Major shareholder	Thai NVDR (16%)		
12m high/low (THB)	272.00/210.00		
Issued shares (m)	922.70		

Sources: Bloomberg consensus; FSSIA estimates


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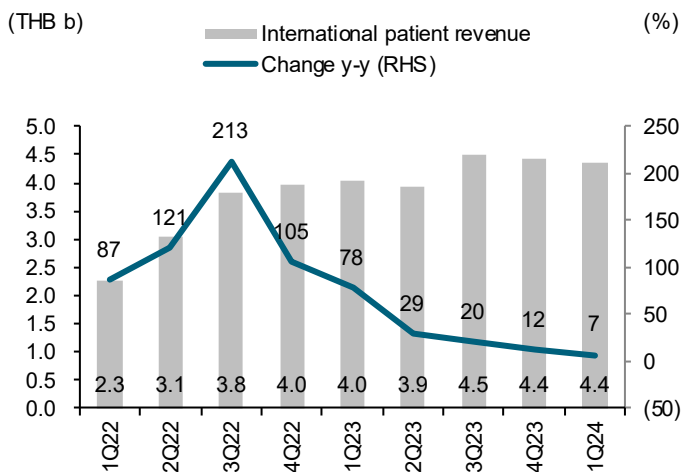
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Exhibit 1: BH – 1Q24 results review

	1Q23	2Q23	3Q23	4Q23	1Q24	----- Change -----		2024	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(y-y %)
Sales	6,069	6,049	6,741	6,516	6,537	0	8	27,172	7
COGS (incl. depreciation)	(3,150)	(3,041)	(3,371)	(3,332)	(3,146)	(6)	(0)	(13,684)	6
Gross profit	2,920	3,008	3,370	3,184	3,391	6	16	13,489	8
SG&A	(1,013)	(986)	(1,040)	(1,140)	(1,020)	(11)	1	(4,449)	6
Operating profit	1,906	2,021	2,330	2,044	2,371	16	24	9,040	9
Net other income	21	32	28	29	29	0	37	114	3
Interest income	25	30	38	49	61	26	148	161	14
Interest expense	(0)	(0)	(0)	(1)	(2)	90	334	(3)	14
Pretax profit	1,952	2,083	2,395	2,121	2,459	16	26	9,312	9
Income Tax	(355)	(382)	(438)	(408)	(469)	15	32	(1,862)	18
Share gain/loss from JV				(0)	(0)				
Share gain/loss from associates	(0)	(1)	(0)	(0)	(0)	(93)	(77)	(1)	5
Minority interest	(10)	(18)	(9)	(11)	(15)	32	43	(52)	6
Core profit	1,586	1,682	1,948	1,702	1,975	16	25	7,397	7
Extraordinaries, GW & FX	(3)	66	6	19	10			0	
Reported net profit	1,583	1,748	1,954	1,721	1,985	15	25	7,397	6
Outstanding shares (m)	795	795	795	795	795	0	0	795	0
Core EPS (THB)	2.00	2.12	2.45	2.14	2.48	16	25	9.31	7
EPS (THB)	1.99	2.20	2.46	2.16	2.50	15	25	9.31	6
COGS (excl. depreciation)	2,875	2,766	3,099	3,058	2,879	(6)	0	12,524	6
Depreciation	275	275	272	274	267	(3)	(3)	1,159	6
EBITDA	2,202	2,329	2,630	2,348	2,667	14	21	10,313	8
Key ratios	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)	(ppt)
Gross margin	48	50	50	49	52	3	4	50	0
SG&A/Revenue	17	16	15	17	16	(2)	(1)	16	(0)
EBITDA margin	36	38	39	36	41	5	4	38	0
Net profit margin	26	29	29	26	30	4	4	27	(0)
Operating stats	(y-y %)	(y-y %)	(y-y %)	(y-y %)	(y-y %)				
Hospital revenue growth	47	23	18	9	8				
OPD revenue growth	42	n/a	n/a	n/a	n/a				
IPD revenue growth	54	n/a	n/a	n/a	n/a				
International patient revenue growth	78	29	20	12	7				
Thai patient revenue growth	10	14	18	3	9				

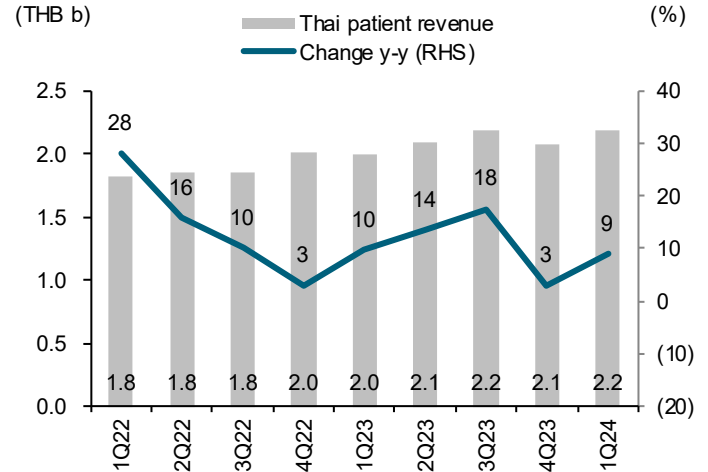
Source: BH

Exhibit 2: International patient revenue



Source: BH

Exhibit 3: Thai patient revenue



Source: BH

Financial Statements

Bumrungrad Hospital

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	20,721	25,376	27,172	28,543	29,983
Cost of goods sold	(11,099)	(12,895)	(13,684)	(14,347)	(15,002)
Gross profit	9,621	12,481	13,489	14,196	14,981
Other operating income	187	111	114	118	121
Operating costs	(3,798)	(4,180)	(4,449)	(4,645)	(4,849)
Operating EBITDA	7,127	9,509	10,313	10,917	11,585
Depreciation	(1,117)	(1,097)	(1,159)	(1,247)	(1,332)
Goodwill amortisation	-	-	-	-	-
Operating EBIT	6,010	8,412	9,154	9,669	10,253
Net financing costs	42	139	158	213	261
Associates	(1)	(1)	(1)	(1)	(1)
Recurring non-operating income	(1)	(1)	(1)	(1)	(1)
Non-recurring items	(3)	88	0	0	0
Profit before tax	6,049	8,638	9,311	9,881	10,513
Tax	(1,072)	(1,583)	(1,862)	(1,976)	(2,103)
Profit after tax	4,977	7,055	7,449	7,905	8,410
Minority interests	(39)	(49)	(52)	(55)	(58)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	4,938	7,006	7,397	7,850	8,352
Non-recurring items & goodwill (net)	3	(88)	0	0	0
Recurring net profit	4,941	6,918	7,397	7,850	8,352
Per share (THB)					
Recurring EPS *	6.21	8.69	9.30	9.87	10.50
Reported EPS	6.21	8.80	9.30	9.87	10.50
DPS	3.20	3.69	4.50	5.58	5.92
Diluted shares (used to calculate per share data)	796	796	796	796	796
Growth					
Revenue (%)	66.3	22.5	7.1	5.0	5.0
Operating EBITDA (%)	158.5	33.4	8.5	5.9	6.1
Operating EBIT (%)	281.0	40.0	8.8	5.6	6.0
Recurring EPS (%)	287.9	40.0	6.9	6.1	6.4
Reported EPS (%)	306.2	41.9	5.6	6.1	6.4
Operating performance					
Gross margin inc. depreciation (%)	46.4	49.2	49.6	49.7	50.0
Gross margin exc. depreciation (%)	51.8	53.5	53.9	54.1	54.4
Operating EBITDA margin (%)	34.4	37.5	38.0	38.2	38.6
Operating EBIT margin (%)	29.0	33.1	33.7	33.9	34.2
Net margin (%)	23.8	27.3	27.2	27.5	27.9
Effective tax rate (%)	17.7	18.5	20.0	20.0	20.0
Dividend payout on recurring profit (%)	51.5	42.5	48.4	56.5	56.4
Interest cover (X)	(141.7)	(60.7)	(57.8)	(45.4)	(39.3)
Inventory days	11.9	10.6	10.9	11.0	11.0
Debtor days	36.3	50.8	59.2	56.4	53.7
Creditor days	34.6	33.5	32.4	32.6	32.7
Operating ROIC (%)	40.6	52.9	52.8	54.8	57.7
ROIC (%)	39.1	51.0	50.8	52.8	55.5
ROE (%)	26.7	31.8	28.8	26.8	25.4
ROA (%)	21.9	25.6	23.4	22.0	21.0
* Pre exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Thai patient revenue	7,536	8,348	8,682	9,029	9,300
International patient revenue	13,110	16,948	18,410	19,434	20,603
Other revenue	75	80	80	80	80

Sources: Bumrungrad Hospital; FSSIA estimates

Financial Statements

Bumrungrad Hospital

Cash Flow (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Recurring net profit	4,941	6,918	7,397	7,850	8,352
Depreciation	1,117	1,097	1,159	1,247	1,332
Associates & minorities	-	-	-	-	-
Other non-cash items	26	(16)	52	55	58
Change in working capital	131	(1,021)	251	193	200
Cash flow from operations	6,216	6,978	8,859	9,345	9,943
Capex - maintenance	(1,170)	(1,617)	(1,630)	(1,713)	(1,499)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	0	(12)	0	0	0
Other investments (net)	-	-	-	-	-
Cash flow from investing	(1,170)	(1,629)	(1,630)	(1,713)	(1,499)
Dividends paid	(2,543)	(2,938)	(3,581)	(4,438)	(4,710)
Equity finance	0	0	0	0	0
Debt finance	(8)	28	0	0	0
Other financing cash flows	(155)	31	0	0	0
Cash flow from financing	(2,705)	(2,880)	(3,581)	(4,438)	(4,710)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	2,341	2,469	3,648	3,194	3,733
Free cash flow to firm (FCFF)	5,049.59	5,351.60	7,231.30	7,635.17	8,446.26
Free cash flow to equity (FCFE)	4,882.92	5,407.78	7,228.57	7,632.44	8,443.53

Per share (THB)

FCFF per share	5.47	5.80	7.84	8.27	9.15
FCFE per share	5.29	5.86	7.83	8.27	9.15
Recurring cash flow per share	7.65	10.05	10.82	11.50	12.24

Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Tangible fixed assets (gross)	26,652	27,899	29,530	31,242	32,741
Less: Accumulated depreciation	(14,236)	(14,921)	(16,080)	(17,328)	(18,660)
Tangible fixed assets (net)	12,416	12,978	13,449	13,915	14,082
Intangible fixed assets (net)	61	61	61	61	61
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	1	13	13	13	13
Cash & equivalents	8,276	10,745	14,393	17,587	21,321
A/C receivable	2,658	4,408	4,408	4,408	4,408
Inventories	326	362	385	402	420
Other current assets	159	169	181	190	199
Current assets	11,419	15,685	19,367	22,588	26,348
Other assets	362	475	475	475	475
Total assets	24,259	29,212	33,365	37,051	40,979
Common equity	19,705	23,801	27,618	31,029	34,671
Minorities etc.	300	297	348	403	461
Total shareholders' equity	20,005	24,098	27,966	31,432	35,132
Long term debt	63	91	91	91	91
Other long-term liabilities	799	856	856	856	856
Long-term liabilities	862	947	947	947	947
A/C payable	1,085	1,078	1,145	1,197	1,250
Short term debt	0	0	0	0	0
Other current liabilities	2,306	3,089	3,308	3,474	3,650
Current liabilities	3,391	4,167	4,452	4,672	4,899
Total liabilities and shareholders' equity	24,259	29,212	33,365	37,051	40,979
Net working capital	(249)	772	521	329	128
Invested capital	12,591	14,299	14,520	14,792	14,759

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

Per share (THB)

Book value per share	24.76	29.91	34.71	38.99	43.57
Tangible book value per share	24.69	29.83	34.63	38.92	43.49

Financial strength

Net debt/equity (%)	(41.1)	(44.2)	(51.1)	(55.7)	(60.4)
Net debt/total assets (%)	(33.9)	(36.5)	(42.9)	(47.2)	(51.8)
Current ratio (x)	3.4	3.8	4.3	4.8	5.4
CF interest cover (x)	(114.1)	(38.0)	(44.6)	(34.8)	(31.3)

Valuation	2022	2023	2024E	2025E	2026E
Recurring P/E (x) *	37.2	26.6	24.8	23.4	22.0
Recurring P/E @ target price (x) *	49.1	35.1	32.8	30.9	29.1
Reported P/E (x)	37.2	26.2	24.8	23.4	22.0
Dividend yield (%)	1.4	1.6	1.9	2.4	2.6
Price/book (x)	9.3	7.7	6.7	5.9	5.3
Price/tangible book (x)	9.4	7.7	6.7	5.9	5.3
EV/EBITDA (x) **	24.7	18.2	16.5	15.3	14.1
EV/EBITDA @ target price (x) **	32.9	24.4	22.2	20.7	19.2
EV/invested capital (x)	14.0	12.1	11.7	11.3	11.0

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

Sources: Bumrungrad Hospital; FSSIA estimates

Bumrungrad Hospital PCL (BH TB)

FSSIA ESG rating

★ ★ ★

Exhibit 4: FSSIA ESG score implication

51.21 /100

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	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.
★★	>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 5: ESG – peer comparison

	FSSIA ESG score	Domestic ratings						Global ratings						Bloomberg	
		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; FSSIA's compilation

Exhibit 6: ESG score by Bloomberg

FY ending Dec 31	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
ESG financial materiality scores - ESG score	0.85	1.30	1.60	1.49	1.73	3.35	3.58	5.08
BESG environmental pillar score	0.00	1.75	1.75	1.75	1.75	3.21	3.73	3.73
BESG social pillar score	0.18	0.18	0.38	0.38	0.85	3.19	3.25	6.43
BESG governance pillar score	3.25	3.57	4.35	3.81	3.55	3.73	4.07	3.97
ESG disclosure score	31.24	32.94	35.78	35.78	36.40	47.68	47.79	47.79
Environmental disclosure score	0.42	5.53	8.91	8.91	9.76	35.43	35.76	35.76
Social disclosure score	12.03	12.03	17.17	17.17	18.20	26.39	26.39	26.39
Governance disclosure score	81.10	81.10	81.10	81.10	81.10	81.10	81.10	81.10
Environmental								
Emissions reduction initiatives	No	No	No	No	No	Yes	Yes	Yes
Climate change policy	No	No	No	No	No	Yes	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	Yes	Yes
GHG scope 1	--	--	--	--	--	--	--	--
GHG scope 2 location-based	--	--	--	--	--	--	--	--
GHG Scope 3	--	--	--	--	--	--	--	--
Carbon per unit of production	--	--	--	--	--	--	--	--
Biodiversity policy	No	No	No	No	No	No	No	No
Energy efficiency policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Total energy consumption	--	0	0	0	0	0	0	0
Renewable energy use	--	--	--	--	--	--	--	--
Electricity used	--	--	--	--	--	--	--	--
Fuel used - natural gas	--	--	--	--	--	--	--	--

Sources: Bloomberg; FSSIA's compilation

Exhibit 7: 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	No	Yes	Yes	Yes
Hazardous waste	—	—	—	—	—	—	—	—
Total waste	—	—	—	—	—	—	—	—
Waste recycled	—	—	—	—	—	—	—	—
Waste sent to landfills	—	—	—	—	—	—	—	—
Environmental supply chain management	No	No	No	No	No	Yes	Yes	Yes
Water policy	No	No	No	No	Yes	Yes	Yes	Yes
Water consumption	—	—	—	—	—	—	—	—
Social								
Human rights policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Policy against child labor	No	No	No	No	Yes	Yes	Yes	Yes
Quality assurance and recall policy	No	No	No	No	No	Yes	Yes	Yes
Consumer data protection policy	No	No	No	No	No	Yes	Yes	Yes
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	—	—	—	—	—	—	—	—
Pct disabled in workforce	—	—	—	—	—	—	—	—
Business ethics policy	No	No	No	No	No	Yes	Yes	Yes
Anti-bribery ethics policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Health and safety policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Lost time incident rate - employees	—	—	—	—	—	—	—	—
Total recordable incident rate - employees	—	—	—	—	—	—	—	—
Training policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Fair remuneration policy	No	No	No	No	No	No	No	No
Number of employees – CSR	—	—	3,984	3,980	4,088	3,782	3,455	4,219
Employee turnover pct	—	—	—	—	—	7	7	8
Total hours spent by firm - employee training	—	—	247,805	268,252	283,707	207,353	195,380	234,480
Social supply chain management	No	No	No	No	No	Yes	Yes	Yes
Governance								
Board size	11	11	11	11	10	10	11	11
No. of independent directors (ID)	4	4	4	4	4	4	5	5
No. of women on board	3	3	3	3	3	3	3	3
No. of non-executive directors on board	8	8	9	9	9	9	10	10
Company conducts board evaluations	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
No. of board meetings for the year	5	4	6	4	4	7	4	4
Board meeting attendance pct	91	93	97	87	88	87	95	98
Board duration (years)	3	3	3	3	3	3	3	3
Director share ownership guidelines	No	No	No	No	No	No	No	No
Age of the youngest director	42	43	49	50	51	52	27	28
Age of the oldest director	75	75	78	79	79	80	78	79
No. of executives / company managers	7	6	6	6	4	4	4	5
No. of female executives	1	2	2	3	3	3	3	3
Executive share ownership guidelines	No	No	No	No	No	No	No	No
Size of audit committee	3	3	3	3	3	3	4	4
No. of ID on audit committee	3	3	3	3	3	3	4	4
Audit committee meetings	4	4	4	5	5	4	4	4
Audit meeting attendance %	100	92	92	87	100	100	87	100
Size of compensation committee	3	3	3	3	3	3	3	3
No. of ID on compensation committee	1	1	1	1	1	1	1	1
No. of compensation committee meetings	1	1	5	3	2	2	3	3
Compensation meeting attendance %	100	100	100	100	100	83	100	100
Size of nomination committee	3	3	3	3	3	3	3	3
No. of nomination committee meetings	1	1	5	3	2	2	3	3
Nomination meeting attendance %	100	100	100	100	100	83	100	100
Sustainability governance								
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 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. <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 & 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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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="0" style="margin-left: 20px;"> <tr> <td>AAA</td> <td>8.571-10.000</td> <td>Leader:</td> <td>leading its industry in managing the most significant ESG risks and opportunities</td> </tr> <tr> <td>AA</td> <td>7.143-8.570</td> <td></td> <td></td> </tr> <tr> <td>A</td> <td>5.714-7.142</td> <td></td> <td></td> </tr> <tr> <td>BBB</td> <td>4.286-5.713</td> <td>Average:</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>BB</td> <td>2.857-4.285</td> <td></td> <td></td> </tr> <tr> <td>B</td> <td>1.429-2.856</td> <td></td> <td></td> </tr> <tr> <td>CCC</td> <td>0.000-1.428</td> <td>Laggard:</td> <td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td> </tr> </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			BBB	4.286-5.713	Average:	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	BB	2.857-4.285			B	1.429-2.856			CCC	0.000-1.428	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks
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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. <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

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

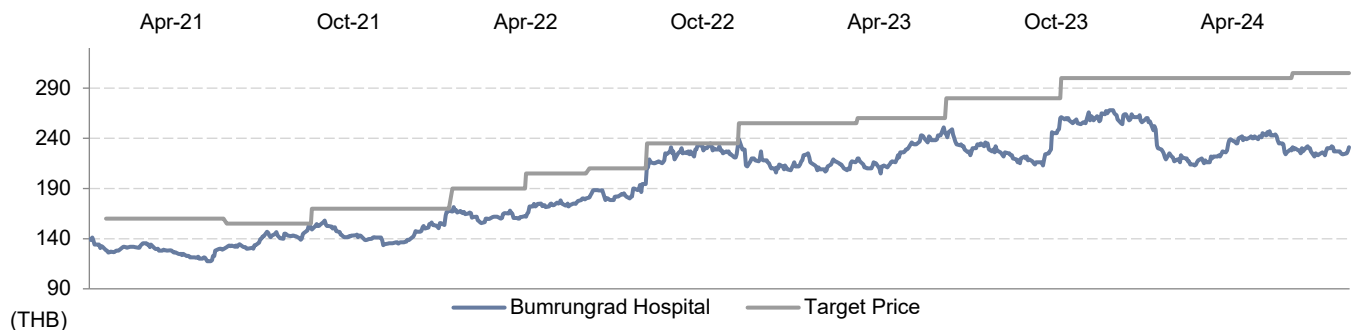
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

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History of change in investment rating and/or target price

Bumrungrad Hospital (BH TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
07-May-2021	BUY	160.00	09-May-2022	BUY	205.00	21-Feb-2023	BUY	260.00
20-Aug-2021	BUY	155.00	01-Jul-2022	BUY	210.00	09-May-2023	BUY	280.00
04-Nov-2021	BUY	170.00	22-Aug-2022	BUY	235.00	17-Aug-2023	BUY	300.00
04-Mar-2022	BUY	190.00	10-Nov-2022	BUY	255.00	05-Mar-2024	BUY	305.00

Teerapol Udomvej, CFA started covering this stock from 30-Jul-2020

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Bumrungrad Hospital	BH TB	THB 231.00	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.

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 Finasia Syrus Securities Public Company Limited.

All share prices are as at market close on 24-Apr-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.