

**BANGKOK CHAIN HOSPITAL**  
THAILAND / HEALTH CARE SERVICES**BCH TB****BUY**

UNCHANGED

**Short-term headwinds, long-term growth**

- คาดกำไรปกติ 2Q24 จะโต 15% y-y เป็น 326 ลบ. โดยได้ปัจจัยหนุนจากรายได้ผู้ป่วยชาวไทยและรายได้ประกันสังคมที่อยู่ในเกณฑ์ดี
- กำไร 2H24 อาจได้รับผลกระทบจากรายได้ผู้ป่วยชาวต่างชาติที่หายไปและการกลับรายได้ประกันสังคมสำหรับการรักษาที่มีต้นทุนสูง แต่ยังคงมีกำไรเติบโตที่ดีในปี 2024
- คงคำแนะนำซื้อหลังปรับลดราคาเป้าหมายเป็น 22.0 บาท (DCF)

TARGET PRICE	THB22.00
CLOSE	THB17.20
UP/DOWNSIDE	+27.9%
PRIOR TP	THB25.00
CHANGE IN TP	-12.0%
TP vs CONSENSUS	-7.0%

**KEY STOCK DATA**

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	11,729	12,393	13,659	15,055
Net profit	1,406	1,605	1,875	2,171
EPS (THB)	0.56	0.64	0.75	0.87
vs Consensus (%)	-	(7.5)	(7.7)	(2.6)
EBITDA	2,802	3,073	3,469	3,899
Recurring net profit	1,406	1,605	1,875	2,171
Core EPS (THB)	0.56	0.64	0.75	0.87
Chg. In EPS est. (%)	-	(8.6)	(7.5)	(6.9)
EPS growth (%)	(53.7)	14.1	16.8	15.8
Core P/E (x)	30.5	26.7	22.9	19.8
Dividend yield (%)	2.9	2.0	2.1	2.4
EV/EBITDA (x)	15.5	13.8	11.9	10.3
Price/book (x)	3.4	3.2	3.0	2.8
Net debt/Equity (%)	(4.4)	(10.7)	(17.5)	(23.9)
ROE (%)	11.2	12.4	13.6	14.6

**คาดการณ์รายได้ผู้ป่วยนอกและประกันสังคมจะโตดี y-y ใน 2Q24**

เราคาดว่ารายได้ 2Q24 จะโต 3% y-y รายได้ผู้ป่วยเงินสดน่าจะค่อนข้างทรงตัว y-y รายได้ผู้ป่วยนอกน่าจะเพิ่มขึ้น 8-10% y-y แต่น่าจะหักล้างกับรายได้ผู้ป่วยในที่ลดลงโดยมีปัจจัยกดดันจากรายได้ผู้ป่วยชาวต่างชาติ (5-6% ของรายได้รวมในปี 2023) ที่ชะลอตัวหลังรัฐบาลคูเวตมีนโยบายตัดการรับประกันการจ่ายเงิน (GOP) สำหรับชาวคูเวตที่มารับการรักษาในต่างประเทศ รายได้ประกันสังคมน่าจะโต 7-9% y-y จากอัตราการจ่ายต่อหัวที่สูงขึ้นและจำนวนสมาชิกประกันสังคมลงทะเบียนที่สูงขึ้น (1.03 ล้านใน 2Q24E เทียบกับ 1.01 ล้านใน 2Q23) เราคาดว่า EBITDA margin จะปรับตัวดีขึ้นเป็น 24% (เทียบกับ 22% ใน 2Q23) ซึ่งจะทำให้กำไรปกติ 2Q24 โต 15% y-y เป็น 326 ลบ.

**ปัญหาบทที่ไม่เพียงพอของสำนักงานประกันสังคมอาจได้รับการแก้ไขในเร็ว ๆ นี้**

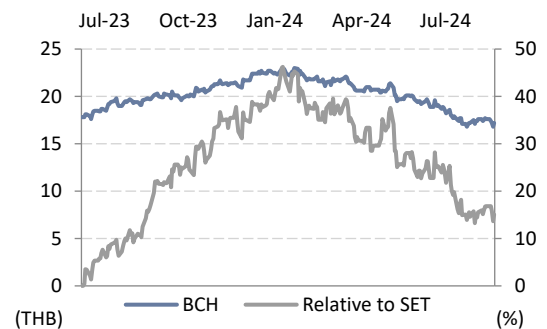
มีความเป็นไปได้สูงว่าสำนักงานประกันสังคมอาจมีงบประมาณไม่พอจ่ายการรักษาที่มีต้นทุนสูง (RW>2) ใน 2 งวดสุดท้ายในปี 2023 (พ.ย. 23 ถึง ธ.ค. 23) จากสมมติฐานของเราที่คาดว่าอัตราการจ่ายจะลดลงจาก 12,000 บาท/RW เป็น 7,500 บาท/RW เราคาดว่า BCH อาจต้องกลับรายได้ไม่เกิน 50-60 ลบ. ในช่วง 2H24 เทียบกับการกลับรายได้ 10 ลบ. ใน 4Q23 สำหรับการรักษาในช่วงเดือน ธ.ค. 22 ทั้งนี้สำนักงานประกันสังคมอยู่ระหว่างพิจารณาเพิ่มงบประมาณสำหรับการรักษาที่มีต้นทุนสูงซึ่งไม่ได้ปรับมาตั้งแต่ปี 2020 (ขึ้นครั้งสุดท้าย 17% จาก 640 บาทเป็น 746 บาท/หัวในเดือน ม.ค. 20)

**ปรับลดประมาณการ คาดกำไรปกติปี 2024 จะโต 14% เป็น 1.6 พัน ลบ.**

เราปรับลดประมาณการกำไรปกติปี 2024-26 ลง 7-9% เพื่อสะท้อนงบประมาณการรักษาที่มีต้นทุนสูงของสำนักงานประกันสังคมที่ไม่เพียงพอและผู้ป่วยชาวต่างชาติที่มีการรับประกันการจ่ายเงินที่หายไปซึ่งน่าจะยาวจนถึงสิ้นปีนี้ BCH น่าจะยังรายงานกำไรปกติปี 2024 โตที่ 14% โดยได้ปัจจัยหนุนจากรายได้ผู้ป่วยชาวไทยและผลขาดทุนที่ลดลงของโรงพยาบาลใหม่ทั้ง 3 แห่ง

**ราคาหุ้นสะท้อนข่าวลบทั้งหมดไปแล้ว**

เราได้ราคาเป้าหมายใหม่ที่ 22.0 บาท (DCF) BCH มีการซื้อขายที่ 27x 2024E P/E (เท่ากับค่าเฉลี่ย 5 ปีย้อนหลัง) ราคาหุ้นได้ปรับตัวลดลงแรงถึง 20% ในช่วง 3 เดือนที่ผ่านมา เราเชื่อว่าราคาที่ลดลงดังกล่าวได้สะท้อนข่าวร้ายทั้งหมดไปแล้ว หุ่นมีปัจจัยบวกอยู่คือการกลับมาของรายได้ผู้ป่วยชาวต่างชาติและงบประมาณที่สูงขึ้นสำหรับการรักษาที่มีต้นทุนสูงของสำนักงานประกันสังคม แม้ว่าเราจะไม่รู้กำหนดเวลาในตอนนี้ เราเชื่อว่ายังคุ้มค่าที่จะพิจารณาเก็บสะสม BCH



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(2.8)	(19.6)	(3.4)
Relative to country (%)	(1.9)	(16.4)	12.7
Mkt cap (USD m)	1,189		
3m avg. daily turnover (USD m)	4.5		
Free float (%)	44		
Major shareholder	Chalerm Hamphanich (33%)		
12m high/low (THB)	23.80/16.70		
Issued shares (m)	2,493.75		

Sources: Bloomberg consensus; FSSIA estimates

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บทวิเคราะห์ฉบับนี้แปลมาจากต้นฉบับภาษาอังกฤษ ที่ออกรายงานเมื่อวันที่ 30 กรกฎาคม 2024

### Investment thesis

BCH is a leading service provider under the Social Security Office (SSO) scheme, with a 7% market share. In 2024, BCH received a large SSO quota of 314k. This should lead to more registered members numbering around 40-80k for BCH this year.

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

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

### Company profile

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

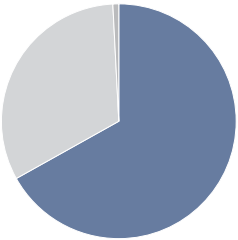
[www.bangkokchainhospital.com](http://www.bangkokchainhospital.com)

### Principal activities (revenue, 2023)

Cash patient revenue - 68.0 %

SSO patient revenue - 32.8 %

NHSO patient revenue - (0.8) %



Source: Bangkok Chain Hospital

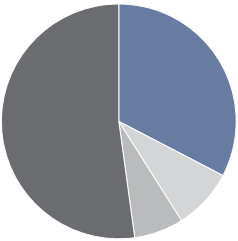
### Major shareholders

Chalerm Harnphanich - 32.6 %

Thai NVDR - 8.4 %

Somporn Harnphanich - 6.8 %

Others - 52.2 %



Source: Bangkok Chain Hospital

### Catalysts

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

### Risks to our call

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

### Event calendar

Date	Event
Aug 2024	2Q24 results announcement

### Key assumptions

	2024E	2025E	2026E
	(%)	(%)	(%)
SSO volume growth	2	8	8
SSO revenue / patient growth	0	3	3
OPD volume growth	7	7	7
OPD revenue / patient growth	5	3	3
IPD volume growth	4	4	4
IPD revenue / patient growth	(4)	5	5

Source: FSSIA estimates

### Earnings sensitivity

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

Source: FSSIA estimates

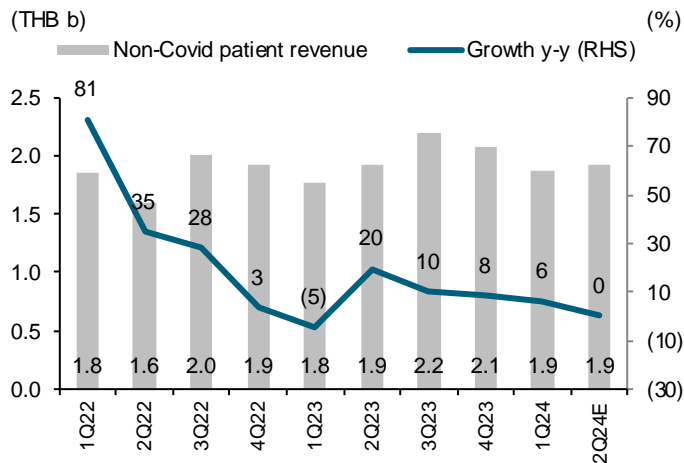
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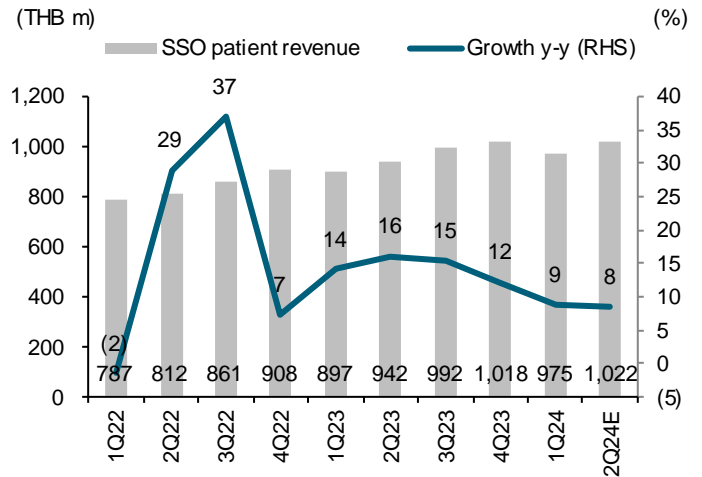
## Exhibit 1: BCH – 2Q24 results preview

	2Q23	3Q23	4Q23	1Q24	2Q24E	----- Change -----		2023	2024E	Chg.
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)
<b>Sales</b>	<b>2,849</b>	<b>3,175</b>	<b>3,032</b>	<b>2,844</b>	<b>2,935</b>	<b>3</b>	<b>3</b>	<b>11,729</b>	<b>12,393</b>	<b>6</b>
COGS (incl. depreciation)	(1,989)	(2,098)	(2,094)	(2,044)	(2,110)	3	6	(8,116)	(8,628)	6
<b>Gross profit</b>	<b>860</b>	<b>1,077</b>	<b>938</b>	<b>801</b>	<b>825</b>	<b>3</b>	<b>(4)</b>	<b>3,613</b>	<b>3,765</b>	<b>4</b>
SG&A	(495)	(470)	(392)	(376)	(387)	3	(22)	(1,755)	(1,673)	(5)
<b>Operating profit</b>	<b>365</b>	<b>607</b>	<b>547</b>	<b>425</b>	<b>438</b>	<b>3</b>	<b>20</b>	<b>1,859</b>	<b>2,092</b>	<b>13</b>
Net other income	28	26	40	23	23	0	(19)	119	120	1
Interest expense	(24)	(30)	(13)	(11)	(11)	0	(54)	(95)	(53)	(45)
<b>Pretax profit</b>	<b>369</b>	<b>602</b>	<b>574</b>	<b>437</b>	<b>449</b>	<b>3</b>	<b>22</b>	<b>1,882</b>	<b>2,159</b>	<b>15</b>
Income Tax	(86)	(135)	(114)	(87)	(90)	3	4	(405)	(432)	7
Associates	2	0	(0)	0	0			1	1	n/a
Minority interest	(1)	(27)	(32)	(31)	(34)	10	nm	(73)	(123)	70
<b>Core profit</b>	<b>284</b>	<b>441</b>	<b>427</b>	<b>319</b>	<b>326</b>	<b>2</b>	<b>15</b>	<b>1,406</b>	<b>1,605</b>	<b>14</b>
Extraordinaries, GW & FX	0	0	0	0	0					
<b>Reported net profit</b>	<b>284</b>	<b>441</b>	<b>427</b>	<b>319</b>	<b>326</b>	<b>2</b>	<b>15</b>	<b>1,406</b>	<b>1,605</b>	<b>14</b>
Outstanding shares (m)	2,494	2,494	2,494	2,494	2,494	0	0	2,494	2,494	0
<b>Core EPS (THB)</b>	<b>0.11</b>	<b>0.18</b>	<b>0.17</b>	<b>0.13</b>	<b>0.13</b>	<b>2</b>	<b>15</b>	<b>0.56</b>	<b>0.64</b>	<b>14</b>
<b>EPS (THB)</b>	<b>0.11</b>	<b>0.18</b>	<b>0.17</b>	<b>0.13</b>	<b>0.13</b>	<b>2</b>	<b>15</b>	<b>0.56</b>	<b>0.64</b>	<b>14</b>
COGS (excl. depreciation)	1,755	1,861	1,858	1,803	1,867	4	6	7,172	7,646	7
Depreciation	234	237	236	240	243	1	4	944	982	4
<b>EBITDA</b>	<b>627</b>	<b>869</b>	<b>823</b>	<b>688</b>	<b>703</b>	<b>2</b>	<b>12</b>	<b>2,922</b>	<b>3,193</b>	<b>9</b>
<b>Key ratios</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>	<b>(ppt)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>
Gross margin	30	34	31	28	28	(0)	(2)	31	30	(0)
SG&A/Revenue	17	15	13	13	13	(0)	(4)	15	14	(1)
EBITDA margin	22.0	27.4	27.1	24.2	24.0	(0)	2	24	25	1
Net profit margin	10	14	14	11	11	(0)	1	12	13	1
<b>Operating stats</b>	<b>(y-y %)</b>	<b>(y-y %)</b>	<b>(y-y %)</b>	<b>(y-y %)</b>						
Cash-OPD revenue growth	(21)	(22)	8	14						
Cash-OPD volume growth	(47)	(23)	10	10						
Cash-OPD revenue per head growth	49	1	0	3						
Cash-IPD revenue growth	13	4	9	(1)						
Cash-IPD volume growth	(56)	51	23	5						
Cash-IPD revenue per head growth	25	(10)	(5)	(6)						
SSO revenue growth	16	15	12	9						
SSO registered member ('000)	1,012	1,011	1,014	1,015						
SSO registered member growth	4	2	0	0						
SSO revenue per head growth	(64)	(19)	7	8						

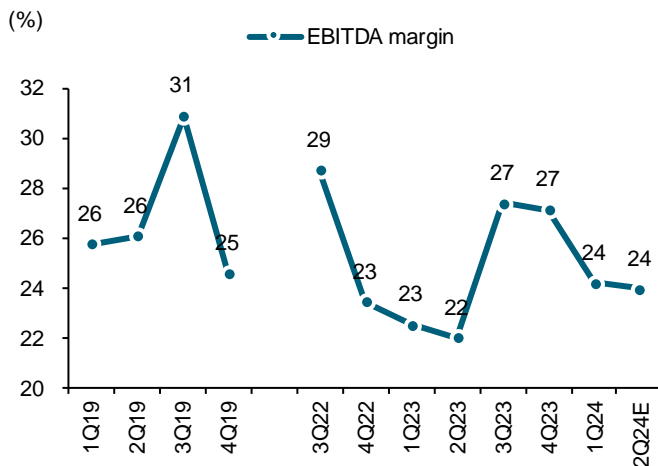
Sources: BCH; FSSIA estimates

**Exhibit 2: Non-Covid general patient revenue**

Sources: BCH; FSSIA estimates

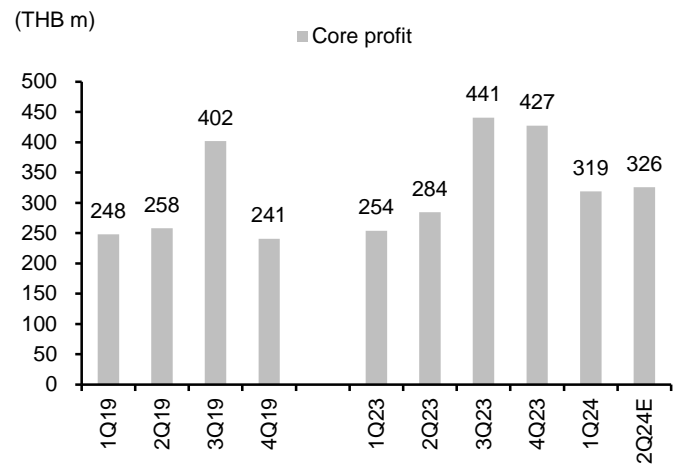
**Exhibit 3: SSO revenue, quarterly**

Sources: BCH; FSSIA estimates

**Exhibit 4: EBITDA margin**

Note: 3Q22 excludes Moderna write-off

Sources: BCH; FSSIA estimates

**Exhibit 5: Core profit**

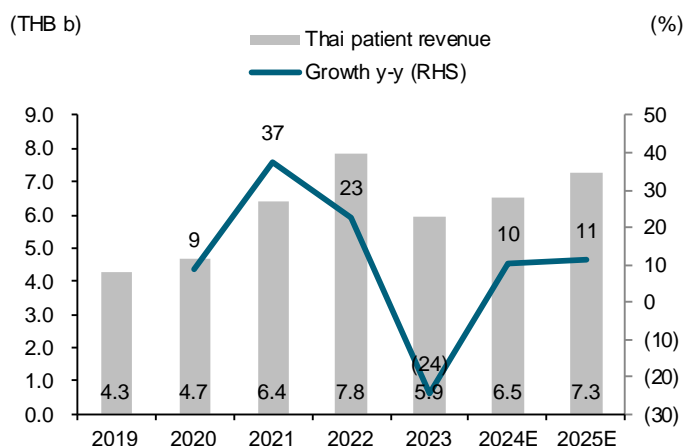
Sources: BCH; FSSIA estimates

**Exhibit 6: Forecast revisions**

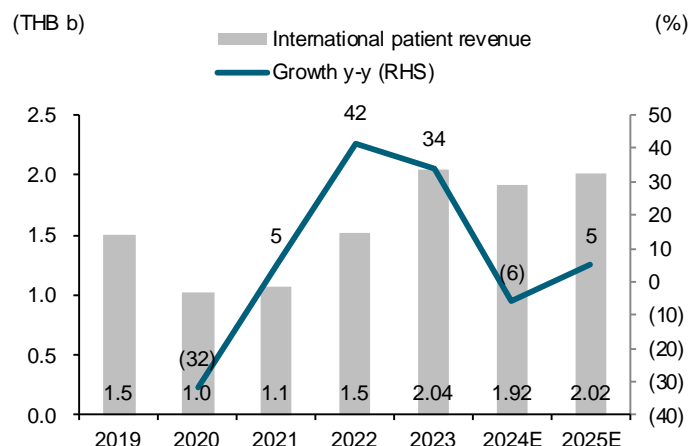
	Current			Previous			% Change		
	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E
SSO registered members ('000)	1,033	1,115	1,204	1,038	1,121	1,210	(0.5)	(0.5)	(0.5)
SSO revenue per head (THB)	3,802	3,916	4,034	3,992	4,112	4,236	(4.8)	(4.8)	(4.8)
Cash-OPD visits per day (no.)	3,223	3,449	3,691	3,133	3,258	3,389	2.9	5.9	8.9
Cash-OPD revenue per head (THB)	3,845	3,961	4,080	3,845	3,961	4,080	0.0	0.0	0.0
Cash-IPD admissions per day (no.)	136	142	147	136	142	147	0.0	0.0	0.0
Cash-IPD revenue per head (THB)	79,295	83,260	87,423	82,599	86,729	91,066	(4.0)	(4.0)	(4.0)
Revenue (THB m)	12,393	13,659	15,055	12,647	13,803	15,069	(2.0)	(1.0)	(0.1)
EBITDA margin (%)	24.8	25.4	25.9	25.8	26.5	27.2	(1.0)	(1.1)	(1.3)
Core profit (THB m)	1,605	1,875	2,171	1,756	2,027	2,333	(8.6)	(7.5)	(6.9)

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

Source: FSSIA estimates

**Exhibit 7: Thai general patient revenue**

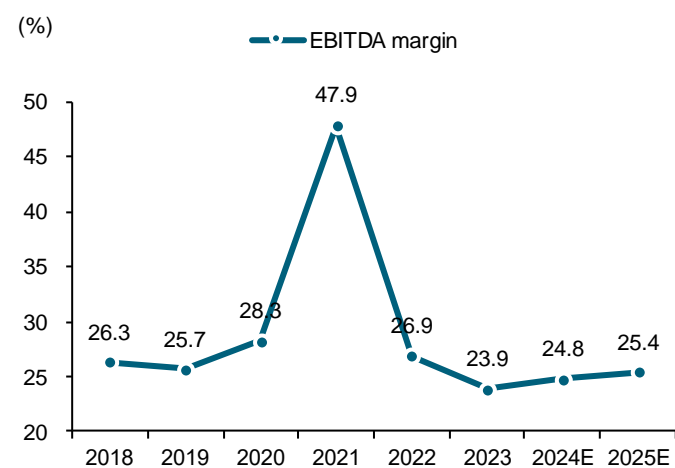
Sources: BCH; FSSIA estimates

**Exhibit 8: International patient revenue**

Sources: BCH; FSSIA estimates

**Exhibit 9: SSO revenue, yearly**

Sources: BCH; FSSIA estimates

**Exhibit 10: EBITDA margin**

Sources: BCH; FSSIA estimates

**Exhibit 11: DCF-derived TP**

Cost of equity assumptions		(%)	Cost of debt assumptions		(%)
Risk-free rate		3.0	Pre-tax cost of debt		4.0
Market risk premium		8.0	Marginal tax rate		20.0
Stock beta		1.0			
Cost of equity, Ke		10.6	Net cost of debt, Kd		3.2
Weight applied		70.0	Weight applied		30.0
WACC		8.4			

DCF valuation estimate	(THB b)	(THB/share)	Comments
NPV	20.1	8.1	WACC 8.4%, Risk-free rate 3%, Risk premium 8%
Terminal value	34.3	13.8	Terminal growth 3%
Cash & liquid assets	2.9	1.2	At end-2024E
Investments	0.0	0.0	At end-2024E
Debt	(1.4)	(0.6)	At end-2024E
Minorities	(1.2)	(0.5)	At end-2024E
<b>Residual ordinary equity</b>	<b>54.8</b>	<b>22.0</b>	

Source: FSSIA estimates

Exhibit 12: Historical P/E band

BCH PER (x)



Sources: Bloomberg; FSSIA estimates

Exhibit 13: Historical P/BV band

BCH PBV (x)



Sources: Bloomberg; FSSIA estimates

Exhibit 14: Peer comparisons as of 26 July 2024

Company	BBG	Rec	Share price			Market Cap	PE		ROE		PBV		EV/EBITDA	
			Current	Target	Upside		24E	25E	24E	25E	24E	25E	24E	25E
			(LCY)	(LCY)	(%)	(USD m)	(x)	(x)	(%)	(%)	(x)	(x)	(x)	(x)
<b>Thailand</b>														
Bangkok Dusit Med Service	BDMS TB	BUY	26.50	35.00	32.1	11,679	25.7	23.5	16.8	17.3	4.2	3.9	15.6	14.2
Bumrungrad Hospital	BH TB	BUY	245.00	310.00	26.5	5,401	25.0	23.6	30.1	27.7	7.0	6.2	16.8	15.6
Bangkok Chain Hospital	BCH TB	BUY	17.20	22.00	27.9	1,189	26.7	22.9	12.4	13.6	3.2	3.0	13.8	11.9
Chularat Hospital	CHG TB	BUY	2.46	3.60	46.3	750	22.5	19.5	15.5	16.7	3.4	3.1	12.8	11.2
Patransit Healthcare Group	PHG TB	BUY	16.70	21.00	25.7	139	16.5	15.0	14.9	15.3	2.4	2.2	9.0	7.9
Praram 9 Hospital	PR9 TB	BUY	18.10	24.00	32.6	395	21.7	19.8	12.4	12.6	2.6	2.4	10.7	9.6
Thonburi Healthcare Group	THG TB	HOLD	26.50	40.00	50.9	623	44.9	28.0	4.9	7.6	2.2	2.1	16.0	13.2
Ramkhamhaeng Hospital	RAM TB	BUY	29.50	44.00	49.2	982	21.1	17.9	8.9	10.0	1.8	1.7	25.2	20.1
Rajthanee Hospital	RJH TB	n/a	23.80	n/a	n/a	195	16.3	16.9	19.7	18.4	4.7	3.3	11.2	10.9
Ekachai Medical Care	EKH TB	n/a	6.35	n/a	n/a	139	15.6	15.4	13.6	13.9	4.9	2.2	9.1	8.6
<b>Thailand average</b>						<b>21,391</b>	<b>24.2</b>	<b>20.6</b>	<b>15.1</b>	<b>15.5</b>	<b>3.7</b>	<b>3.1</b>	<b>14.2</b>	<b>12.5</b>
<b>Regional</b>														
Ramsay Health Care	RHC AU	n/a	44.93	n/a	n/a	6,766	34.1	24.4	7.3	9.2	2.5	2.1	10.1	9.3
Ihh Healthcare Bhd	IHH SP	n/a	1.82	n/a	n/a	11,918	30.8	27.4	6.3	6.7	2.4	1.8	13.0	12.5
Ryman Healthcare	RYM NZ	n/a	4.50	n/a	n/a	1,824	11.3	12.0	7.0	7.6	1.0	0.6	15.8	17.6
Apollo Hospitals Enterprise	APHS IN	n/a	6,682	n/a	n/a	11,400	103.0	64.8	14.1	18.9	26.3	13.7	41.5	31.8
Kpj Healthcare Berhad	KPJ MK	n/a	1.85	n/a	n/a	1,746	27.6	24.3	11.9	12.2	4.1	3.2	13.4	12.5
Raffles Medical Group	RFMD SP	n/a	1.00	n/a	n/a	1,324	25.9	24.0	6.7	7.0	2.1	1.7	12.4	11.4
Mitra Keluarga Karyasehat	MIKA IJ	n/a	3,010	n/a	n/a	2,620	36.6	32.2	18.9	19.2	8.8	6.4	22.9	20.1
Aier Eye Hospital Group	300015 CH	n/a	10.14	n/a	n/a	13,088	23.5	19.4	18.8	19.5	10.9	4.3	13.8	11.8
<b>Regional average</b>						<b>50,686</b>	<b>36.6</b>	<b>28.6</b>	<b>11.4</b>	<b>12.5</b>	<b>7.3</b>	<b>4.2</b>	<b>17.9</b>	<b>15.9</b>
<b>Overall average</b>						<b>72,077</b>	<b>29.4</b>	<b>23.9</b>	<b>13.4</b>	<b>14.1</b>	<b>5.2</b>	<b>3.6</b>	<b>15.7</b>	<b>13.9</b>

Sources: Bloomberg; FSSIA estimates

## Financial Statements

### Bangkok Chain Hospital

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	18,827	11,729	12,393	13,659	15,055
Cost of goods sold	(12,772)	(8,116)	(8,628)	(9,405)	(10,271)
<b>Gross profit</b>	<b>6,055</b>	<b>3,613</b>	<b>3,765</b>	<b>4,254</b>	<b>4,783</b>
Other operating income	-	-	-	-	-
Operating costs	(1,946)	(1,755)	(1,673)	(1,817)	(1,972)
<b>Operating EBITDA</b>	<b>5,059</b>	<b>2,802</b>	<b>3,073</b>	<b>3,469</b>	<b>3,899</b>
Depreciation	(950)	(944)	(982)	(1,032)	(1,088)
Goodwill amortisation	-	-	-	-	-
<b>Operating EBIT</b>	<b>4,109</b>	<b>1,859</b>	<b>2,092</b>	<b>2,437</b>	<b>2,811</b>
Net financing costs	(148)	(77)	(37)	(35)	(27)
Associates	0	1	1	1	1
Recurring non-operating income	84	102	106	111	117
Non-recurring items	0	0	0	0	0
<b>Profit before tax</b>	<b>4,046</b>	<b>1,883</b>	<b>2,160</b>	<b>2,513</b>	<b>2,901</b>
Tax	(888)	(405)	(432)	(502)	(580)
<b>Profit after tax</b>	<b>3,157</b>	<b>1,479</b>	<b>1,728</b>	<b>2,011</b>	<b>2,321</b>
Minority interests	(118)	(73)	(123)	(136)	(150)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>3,039</b>	<b>1,406</b>	<b>1,605</b>	<b>1,875</b>	<b>2,171</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>3,039</b>	<b>1,406</b>	<b>1,605</b>	<b>1,875</b>	<b>2,171</b>
<b>Per share (THB)</b>					
Recurring EPS *	1.22	0.56	0.64	0.75	0.87
Reported EPS	1.22	0.56	0.64	0.75	0.87
DPS	1.40	0.50	0.35	0.35	0.41
Diluted shares (used to calculate per share data)	2,494	2,494	2,494	2,494	2,494
<b>Growth</b>					
Revenue (%)	(12.0)	(37.7)	5.7	10.2	10.2
Operating EBITDA (%)	(50.6)	(44.6)	9.7	12.9	12.4
Operating EBIT (%)	(56.2)	(54.8)	12.5	16.5	15.4
Recurring EPS (%)	(55.6)	(53.7)	14.1	16.8	15.8
Reported EPS (%)	(55.6)	(53.7)	14.1	16.8	15.8
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	32.2	30.8	30.4	31.1	31.8
Gross margin exc. depreciation (%)	37.2	38.9	38.3	38.7	39.0
Operating EBITDA margin (%)	26.9	23.9	24.8	25.4	25.9
Operating EBIT margin (%)	21.8	15.8	16.9	17.8	18.7
Net margin (%)	16.1	12.0	13.0	13.7	14.4
Effective tax rate (%)	22.0	21.5	20.0	20.0	20.0
Dividend payout on recurring profit (%)	114.9	88.7	54.4	47.1	47.5
Interest cover (X)	28.4	25.4	58.7	72.9	109.0
Inventory days	12.3	17.0	15.1	14.9	14.9
Debtor days	49.3	37.0	24.7	22.4	20.4
Creditor days	41.0	67.9	67.4	66.6	66.5
Operating ROIC (%)	21.4	10.9	13.3	15.7	18.2
ROIC (%)	21.0	10.9	13.3	15.6	18.1
ROE (%)	23.9	11.2	12.4	13.6	14.6
ROA (%)	14.2	8.2	9.7	10.7	11.4
* Pre-exceptional, pre-goodwill and fully diluted					
<b>Revenue by Division (THB m)</b>					
Cash patient revenue	9,372	7,976	8,467	9,292	10,197
SSO patient revenue	3,371	3,850	3,926	4,367	4,858
NHSO patient revenue	6,084	(97)	0	0	0

Sources: Bangkok Chain Hospital; FSSIA estimates

## Financial Statements

### Bangkok Chain Hospital

Cash Flow (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Recurring net profit	3,039	1,406	1,605	1,875	2,171
Depreciation	950	944	982	1,032	1,088
Associates & minorities	-	-	-	-	-
Other non-cash items	24	114	117	136	150
Change in working capital	1,459	1,563	35	41	46
<b>Cash flow from operations</b>	<b>5,471</b>	<b>4,027</b>	<b>2,739</b>	<b>3,084</b>	<b>3,455</b>
Capex - maintenance	(984)	(896)	(861)	(956)	(1,054)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	2	4	0	0	0
Other investments (net)	-	-	-	-	-
<b>Cash flow from investing</b>	<b>(982)</b>	<b>(892)</b>	<b>(861)</b>	<b>(956)</b>	<b>(1,054)</b>
Dividends paid	(3,491)	(1,247)	(873)	(883)	(1,031)
Equity finance	0	0	0	0	0
Debt finance	(3,153)	(2,310)	(200)	0	0
Other financing cash flows	(462)	(32)	(68)	(75)	(82)
<b>Cash flow from financing</b>	<b>(7,106)</b>	<b>(3,590)</b>	<b>(1,141)</b>	<b>(958)</b>	<b>(1,113)</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>(2,616)</b>	<b>(455)</b>	<b>737</b>	<b>1,170</b>	<b>1,288</b>
Free cash flow to firm (FCFF)	4,645.31	3,230.18	1,930.51	2,182.99	2,456.76
Free cash flow to equity (FCFE)	875.07	791.94	1,610.17	2,052.95	2,319.22
<b>Per share (THB)</b>					
FCFF per share	1.86	1.30	0.77	0.88	0.99
FCFE per share	0.35	0.32	0.65	0.82	0.93
Recurring cash flow per share	1.61	0.99	1.08	1.22	1.37
Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Tangible fixed assets (gross)	20,274	20,884	21,751	22,707	23,761
Less: Accumulated depreciation	(7,992)	(8,639)	(9,621)	(10,654)	(11,742)
<b>Tangible fixed assets (net)</b>	<b>12,282</b>	<b>12,244</b>	<b>12,130</b>	<b>12,054</b>	<b>12,020</b>
<b>Intangible fixed assets (net)</b>	<b>425</b>	<b>440</b>	<b>440</b>	<b>440</b>	<b>440</b>
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	32	28	28	28	28
Cash & equivalents	2,640	2,185	2,922	4,093	5,381
A/C receivable	1,539	839	839	839	839
Inventories	362	306	326	357	391
Other current assets	2,294	1,513	1,598	1,761	1,941
<b>Current assets</b>	<b>6,835</b>	<b>4,843</b>	<b>5,686</b>	<b>7,050</b>	<b>8,553</b>
Other assets	223	176	176	176	176
<b>Total assets</b>	<b>19,796</b>	<b>17,731</b>	<b>18,460</b>	<b>19,748</b>	<b>21,216</b>
Common equity	12,445	12,594	13,326	14,318	15,458
Minorities etc.	1,065	1,110	1,166	1,227	1,295
<b>Total shareholders' equity</b>	<b>13,510</b>	<b>13,704</b>	<b>14,492</b>	<b>15,545</b>	<b>16,753</b>
Long term debt	3,888	1,497	1,297	1,297	1,297
Other long-term liabilities	163	187	187	187	187
<b>Long-term liabilities</b>	<b>4,051</b>	<b>1,684</b>	<b>1,484</b>	<b>1,484</b>	<b>1,484</b>
A/C payable	1,300	1,368	1,458	1,597	1,751
Short term debt	0	81	81	81	81
Other current liabilities	935	894	944	1,041	1,147
<b>Current liabilities</b>	<b>2,235</b>	<b>2,342</b>	<b>2,483</b>	<b>2,718</b>	<b>2,979</b>
<b>Total liabilities and shareholders' equity</b>	<b>19,796</b>	<b>17,731</b>	<b>18,460</b>	<b>19,748</b>	<b>21,216</b>
Net working capital	1,959	396	361	320	274
Invested capital	14,921	13,284	13,135	13,018	12,937
* Includes convertibles and preferred stock which is being treated as debt					
<b>Per share (THB)</b>					
Book value per share	4.99	5.05	5.34	5.74	6.20
Tangible book value per share	4.82	4.87	5.17	5.57	6.02
<b>Financial strength</b>					
Net debt/equity (%)	9.2	(4.4)	(10.7)	(17.5)	(23.9)
Net debt/total assets (%)	6.3	(3.4)	(8.4)	(13.7)	(18.9)
Current ratio (x)	3.1	2.1	2.3	2.6	2.9
CF interest cover (x)	6.9	11.3	44.0	59.8	87.3
Valuation	2022	2023	2024E	2025E	2026E
<b>Recurring P/E (x) *</b>	<b>14.1</b>	<b>30.5</b>	<b>26.7</b>	<b>22.9</b>	<b>19.8</b>
<b>Recurring P/E @ target price (x) *</b>	<b>18.1</b>	<b>39.0</b>	<b>34.2</b>	<b>29.3</b>	<b>25.3</b>
Reported P/E (x)	14.1	30.5	26.7	22.9	19.8
Dividend yield (%)	8.1	2.9	2.0	2.1	2.4
Price/book (x)	3.4	3.4	3.2	3.0	2.8
Price/tangible book (x)	3.6	3.5	3.3	3.1	2.9
EV/EBITDA (x) **	8.9	15.5	13.8	11.9	10.3
EV/EBITDA @ target price (x) **	11.3	19.8	17.7	15.4	13.4
EV/invested capital (x)	3.0	3.3	3.2	3.2	3.1
* Pre-exceptional, pre-goodwill and fully diluted    ** EBITDA includes associate income and recurring non-operating income					

Sources: Bangkok Chain Hospital; FSSIA estimates



# Bangkok Chain Hospital PCL (BCH TB)

## FSSIA ESG rating


**39.71 /100**

### Exhibit 15: FSSIA ESG score implication

Rating	Score	Implication
★★★★★	>79-100	Leading its industry peers in managing the most significant ESG risks which not only better cost efficiency but also lead to higher profitability.
★★★★★	>59-79	A mixed track record of managing the most significant ESG risks and opportunities relative to industry peers.
★★★	>39-59	<b>Relevant ESG materiality matrix has been constructively addressed, well-managed and incorporated into day-to-day operations, in which targets and achievements are evaluated annually.</b>
★★	>19-39	Relevant ESG materiality matrix has been identified with key management in charge for progress to be followed up on and to provide intensive disclosure. Most targets are conventional and achievable.
★	1-19	The company has adopted the United Nations Sustainable Development Goals (UN SDGs), established sustainability management guidelines and fully complies with regulations or ESG suggested guidance from related organizations such as the SET and SEC.

Sources: FSSIA estimates

### Exhibit 16: 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](https://www.settrade.com); FSSIA's compilation

### Exhibit 17: ESG score by Bloomberg

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

Sources: Bloomberg; FSSIA's compilation

**Exhibit 18: ESG score by Bloomberg (cont.)**

FY ending Dec 31	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Fuel used - crude oil/diesel	No	No	No	No	No	No	No	No
Waste reduction policy	No	No	No	No	Yes	Yes	Yes	Yes
Hazardous waste	—	—	—	—	—	—	—	0
Total waste	—	—	—	—	—	—	—	0
Waste recycled	—	—	—	—	—	—	—	0
Waste sent to landfills	—	—	—	—	—	—	—	0
Environmental supply chain management	No	No	No	No	No	No	No	Yes
Water policy	No	No	No	No	No	No	Yes	Yes
Water consumption	—	—	—	—	—	—	—	—
<b>Social</b>								
Human rights policy	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Policy against child labor	No	No	No	No	No	No	No	Yes
Quality assurance and recall policy	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Consumer data protection policy	No	No	No	No	No	No	No	No
Equal opportunity policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Gender pay gap breakout	No	No	No	No	No	No	No	No
Pct women in workforce	—	—	—	—	—	—	—	76
Pct disabled in workforce	—	—	—	—	—	—	—	1
Business ethics policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Anti-bribery ethics policy	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Health and safety policy	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Lost time incident rate - employees	—	—	—	—	—	—	0	0
Total recordable incident rate - employees	—	—	—	—	—	—	0	1
Training policy	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Fair remuneration policy	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Number of employees – CSR	—	—	—	—	—	—	8,597	8,877
Employee turnover pct	—	—	—	—	—	—	—	43
Total hours spent by firm - employee training	—	—	—	—	—	—	—	54,702
Social supply chain management	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<b>Governance</b>								
<b>Board size</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>11</b>
<b>No. of independent directors (ID)</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>
No. of women on board	3	3	3	4	4	3	3	3
No. of non-executive directors on board	5	5	5	5	5	5	5	5
Company conducts board evaluations	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
No. of board meetings for the year	6	5	6	5	5	6	6	6
Board meeting attendance pct	93	94	90	96	100	99	94	97
Board duration (years)	—	—	—	—	—	—	—	—
Director share ownership guidelines	No	No	No	No	No	No	No	No
Age of the youngest director	28	29	30	29	30	31	32	33
Age of the oldest director	72	73	74	75	76	77	78	79
<b>No. of executives / company managers</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>7</b>	<b>7</b>	<b>6</b>
No. of female executives	1	—	—	—	—	—	—	—
Executive share ownership guidelines	No	No	No	No	No	No	No	No
<b>Size of audit committee</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
No. of ID on audit committee	3	3	3	3	3	3	3	3
Audit committee meetings	4	4	5	5	5	5	5	5
Audit meeting attendance %	100	92	100	93	100	100	93	100
<b>Size of compensation committee</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
No. of ID on compensation committee	—	—	—	—	—	—	—	—
No. of compensation committee meetings	—	—	—	—	—	—	—	—
Compensation meeting attendance %	—	—	—	—	—	—	—	—
<b>Size of nomination committee</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
No. of nomination committee meetings	—	—	—	—	—	—	—	—
Nomination meeting attendance %	—	—	—	—	—	—	—	—
<b>Sustainability governance</b>								
Verification type	No	No	No	No	No	No	No	No

Sources: Bloomberg; FSSIA's compilation

## Disclaimer for ESG scoring

ESG score	Methodology	Rating																				
The Dow Jones Sustainability Indices ( <a href="#">DJSI</a> ) 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 ( <a href="#">THSI</a> ) by The Stock Exchange of Thailand ( <a href="#">SET</a> )	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 <a href="#">THSI inclusion</a> , 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. <a href="#">SETTHSI Index</a> 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.																				
<a href="#">Thai CAC</a> 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.																				
<a href="#">Morningstar Sustainabilitys</a>	The Sustainabilitys' ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. <i>Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality &amp; peer reviews.</i>	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. <table><tr><th>NEGL</th><th>Low</th><th>Medium</th><th>High</th><th>Severe</th></tr><tr><td>0-10</td><td>10-20</td><td>20-30</td><td>30-40</td><td>40+</td></tr></table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+										
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0-10	10-20	20-30	30-40	40+																		
<a href="#">ESG Book</a>	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.																				
<a href="#">MSCI</a>	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><tr><td><b>AAA</b></td><td>8.571-10.000</td><td rowspan="3"><b>Leader:</b></td><td rowspan="3">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></tr><tr><td><b>A</b></td><td>5.714-7.142</td></tr><tr><td><b>BBB</b></td><td>4.286-5.713</td><td rowspan="2"><b>Average:</b></td><td rowspan="2">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></tr><tr><td><b>B</b></td><td>1.429-2.856</td><td rowspan="2"><b>Laggard:</b></td><td rowspan="2">lagging its industry based on its high exposure and failure to manage significant ESG risks</td></tr><tr><td><b>CCC</b></td><td>0.000-1.428</td></tr></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>Laggard:</b>	lagging its industry based on its high exposure and failure to manage significant ESG risks	<b>CCC</b>	0.000-1.428
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<a href="#">Moody's ESG solutions</a>	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.																					
<a href="#">Refinitiv ESG rating</a>	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>																					
<a href="#">S&amp;P Global</a>	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

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

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

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Company	Ticker	Price	Rating	Valuation & Risks
Bangkok Chain Hospital	BCH TB	THB 17.20	BUY	Downside risks to our DCF-based target price include 1) a slowdown in international patients due to economic concerns, political protests or floods; 2) regulatory risks from drug prices and medical bill controls; and 3) SSO provision expenses following a limited SSO budget.
Bangkok Dusit Medical Services	BDMS TB	THB 26.50	BUY	Downside risks to our DCF-based target price include 1) a slowdown in international patients due to economic concerns, political protests or floods; 2) regulatory risks from drug prices and medical bill controls; and 3) higher-than-expected capex and opex for CoE projects.
Bumrungrad Hospital	BH TB	THB 245.00	BUY	Downside risks to our DCF-based target price include 1) a slowdown in international patients due to economic concerns, political protests or floods; 2) regulatory risks from drug prices and medical bill controls; and 3) higher medical fee discount promotions, leading to a weaker EBITDA margin.
Chularat Hospital	CHG TB	THB 2.46	BUY	Downside risks to our DCF-based target price include 1) a slowdown in Thai patient volume due to economic concerns; 2) regulatory risks from drug price and medical bill controls; and 3) SSO provision expenses following limited budgets from the SSO.
Patangsit Healthcare Group	PHG TB	THB 16.70	BUY	Downside risks to our DCF-based target price include 1) a slowdown in Thai patient volume due to economic slowdown; 2) regulatory risks from drug price and medical bill controls; and 3) SSO provision expenses following limited budgets from the SSO.
Praram 9 Hospital	PR9 TB	THB 18.10	BUY	Downside risks to our DCF-based target price include 1) weak patient volumes following the economic slowdown; 2) regulatory risks from drug price and medical bill controls; and 3) higher-than-expected expenses from its new building.
Thonburi Healthcare Group	THG TB	THB 26.50	HOLD	Upside risks to our DCF-based target price include 1) a new Covid wave from a new variant; and 2) big-lot sales of Jin Wellbeing County units. Downside risks include 1) regulatory risks from drug prices and medical bill controls; and 2) a slowdown in international patients due to economic concerns.
Ramkhamhaeng Hospital	RAM TB	THB 29.50	BUY	Downside risks to our DCF-based target price include 1) weak patient volumes following the economic slowdown; 2) regulatory risks from drug price and medical bill controls; and 3) losses from its subsidiary companies.

Source: FSSIA estimates

### Additional Disclosures

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finansia Syrus Securities Public Company Limited.

All share prices are as at market close on 26-Jul-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.