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มองผ่านกำไรต่ำสุดใน 2Q24

- เราปรับลดกำไรปี 2024 ลง 15% สะท้อนกำไร 2Q24 ที่ต่ำกว่าคาด จากค่าใช้จ่ายที่สูงขึ้น และส่วนแบ่งกำไรบริษัทรวมน้อยกว่าคาด
- แต่ 2Q24 อาจเป็นจุดต่ำสุดของปี คาดหวังกลับมาฟื้นตัวดีตั้งแต่ 3Q24 เป็นต้นไป
- ราคาหุ้นปรับลงแรง สะท้อนกำไรที่ต่ำกว่าคาดไปแล้ว

TARGET PRICE	THB52.00
CLOSE	THB40.75
UP/DOWNSIDE	+27.6%
PRIOR TP	THB72.00
CHANGE IN TP	-27.8%
TP vs CONSENSUS	-26.2%

KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	1,917	2,249	2,472	2,766
Net profit	416	525	611	705
EPS (THB)	1.58	1.74	2.03	2.34
vs Consensus (%)	-	(6.7)	(5.7)	(9.2)
EBITDA	586	682	776	876
Recurring net profit	416	525	611	705
Core EPS (THB)	1.58	1.74	2.03	2.34
Chg. In EPS est. (%)	-	(15.4)	(10.8)	(7.6)
EPS growth (%)	(2.2)	10.4	16.4	15.3
Core P/E (x)	25.8	23.4	20.1	17.4
Dividend yield (%)	0.7	1.3	2.0	2.3
EV/EBITDA (x)	17.8	18.0	15.6	13.5
Price/book (x)	3.6	3.6	3.3	2.9
Net debt/Equity (%)	(11.1)	(1.4)	(5.8)	(12.2)
ROE (%)	24.5	16.5	17.1	17.7

กำไร 2Q24 ต่ำกว่าทั้งเราและตลาดคาด

กำไรสุทธิ 2Q24 เท่ากับ 88 ลบ. (-17.6% q-q, +7.5% y-y) หากไม่รวมค่าที่ปรึกษา one time 9 ลบ. จะมีกำไรปกติที่ 97 ลบ. (-9% q-q, +18.5% y-y) มาจากค่าใช้จ่ายที่สูงขึ้น และส่วนแบ่งกำไรบริษัทรวมลดลง ทั้งนี้รายได้และอัตรากำไรขั้นต้นของโรงพยาบาล Master อยู่ในระดับที่ดี โดยมีรายได้ +9% q-q, +11% y-y ทำได้ตามคาด แม้อัตราการใช้ห้องผ่าตัดจะทรงตัว q-q ที่ 60% เพราะรายได้จาก Men Health ไม่ได้ถูกนับรวมในการใช้ห้องผ่าตัด ขณะที่อัตรากำไรขั้นต้นอยู่ที่ 57% ลดลงจาก 58.5% ใน 1Q24 มาจากการเปลี่ยนแปลงของ Revenue mix แต่ยังเพิ่มขึ้นจาก 55.5% ใน 2Q23

มาจากค่าใช้จ่ายสูงขึ้น และส่วนแบ่งกำไรบริษัทรวมน้อยกว่าคาด

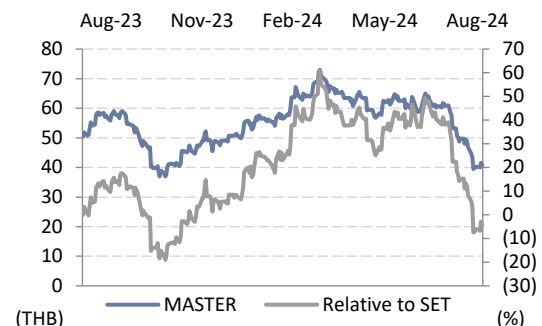
ค่าใช้จ่ายรวมปรับขึ้น 17% q-q, 19% y-y ทำให้ SG&A to sales ขึ้นเป็น 36.9% จาก 34.3% ใน 1Q24 และ 2Q23 จากค่าใช้จ่ายบุคลากร และค่าเสื่อมราคาที่สูงขึ้น ส่วนแบ่งกำไรบริษัทรวมลดลงเป็น 7 ลบ. จาก 10 ลบ. ใน 1Q24 แม้เริ่มรับรู้ V square แต่เข้ามาเป็นขาดทุนเล็กน้อย 4 แสนบาท เพราะช่วงแรกมีการปรับมาตรฐานบัญชี โดยเฉพาะ TFRS16 (ค่าเช่า) และอยู่ระหว่างการลงทุนเครื่องมืออุปกรณ์ต่างๆ ขณะที่ Wind Clinic มีส่วนแบ่งขาดทุนมากขึ้นเป็น -3 ลบ. จาก -3 แสนบาทใน 1Q24 เพราะเริ่มให้บริการศัลยกรรม แต่ใช้ห้องผ่าตัดภายนอก ทำให้ต้นทุนค่าใช้จ่ายยังสูง

มองผ่านกำไรต่ำสุดใน 2Q24 คาดหวังกลับมาฟื้นตัวดีตั้งแต่ 3Q24

บริษัทยังคงเป้าหมายการเติบโตของรายได้ปี 2024 ไม่ต่ำกว่า 20% y-y เบื้องต้นคาดได้ผ่านกำไรต่ำสุดของปีใน 2Q24 ไปแล้ว และคาดกำไร 2H24 จะเร่งตัวขึ้นกลับสู่ระดับที่ควรจะเป็น หนุนโดย 1) High season ของการทำศัลยกรรม 2) เริ่มรับรู้รายได้จาก IPD (เพราะจาก 15 เป็น 19 เตียง) 3) คาดหวังส่วนแบ่งกำไรบริษัทรวมขยับขึ้นสู่ไตรมาสละ 12-15 ลบ.ใน 2H24 จาก V Square ที่คาดพลิกมีกำไรเล็กน้อยตั้งแต่ 3Q24 เป็นต้นไป และคาดบริษัทรวมอื่นๆจะมีผลประกอบการทยอยฟื้นตัวพลิกมีกำไรได้มากขึ้น

ปรับลดกำไรปี 2024 แต่ราคาหุ้นได้สะท้อนไปแล้ว

ด้วยกำไร 2Q24 ที่ต่ำกว่าคาด เราปรับลดกำไรสุทธิปี 2024 ลง 15% เป็น 525 ลบ. (+26% y-y) นำไปสู่การปรับลดราคาเป้าหมายลงเป็น 52 บาท (เดิม 72 บาท) จากอัตราการเติบโตที่น้อยลงกว่าเดิม เราปรับลด PE ลงเป็น 30x (เดิม 35x) ราคาหุ้นปรับลงมากถึง 36% ในช่วง 3 เดือนที่ผ่านมา ได้สะท้อนกำไรที่ต่ำกว่าคาดใน 2Q24 ไปแล้ว จึงยังแนะนำ ซื้อ คาดหวังการฟื้นตัวดีตั้งแต่ 3Q24 เป็นต้นไป



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(33.2)	(29.4)	(28.6)
Relative to country (%)	(31.2)	(25.0)	(15.8)
Mkt cap (USD m)	352		
3m avg. daily turnover (USD m)	3.1		
Free float (%)	0		
Major shareholder	Maschamadol family (68%)		
12m high/low (THB)	74.00/36.31		
Issued shares (m)	301.71		

Sources: Bloomberg consensus; FSSIA estimates



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Investment thesis

คาดการณ์มูลค่าตลาดศัลยกรรมความงามในไทยในช่วงปี 2023-30 จะมีอัตราการเติบโตเฉลี่ย 9.7% CAGR ใกล้เคียงกับมูลค่าตลาดศัลยกรรมความงามทั่วโลก นอกจากนี้ยังมีเทรนด์ Medical tourism เป็นอีกปัจจัยหนุนให้โรงพยาบาลศัลยกรรมในไทยมีส่วนรายได้จากลูกค้าต่างชาติเพิ่มขึ้น ช่วยหนุนการเติบโตในอนาคต

ขณะที่เรามองจุดแข็งของ MASTER คือ ชื่อเสียงเป็นที่รู้จักมานานราว 10 ปี และด้วยประสบการณ์ของคุณหมอระวีวัฒน์ มาศฉมาดล รวมถึงแพทย์ที่มีชื่อเสียงท่านอื่นๆในโรงพยาบาล ทำให้ได้รับการยอมรับจากลูกค้า นำไปสู่การบอกต่อ และการรวิวิวในโลกโซเชียลของลูกค้าที่เข้ามาใช้บริการ นอกจากนี้บริษัทยังมีการขยายโรงพยาบาลรวมถึงการเข้าลงทุนในธุรกิจอื่น เพื่อต่อยอดการเติบโตของผลประกอบการในระยะยาว

Company profile

MASTER ดำเนินธุรกิจโรงพยาบาลศัลยกรรมด้านความงาม ภายใต้ชื่อโรงพยาบาลมาสเตอร์พีซ ก่อตั้งขึ้นปี 2012 ปัจจุบันมีจำนวนห้องผ่าตัดให้บริการ 17 เตียง ถือเป็นผู้นำบริการศัลยกรรมความงามอย่างครบวงจร โดยแบ่งสัดส่วนรายได้ออกเป็น 4 ประเภทการบริการได้แก่ Surgery, Skin, Hair treatment และ Aftercare ซึ่ง Surgery มีสัดส่วนรายได้มากที่สุดราว 81% ของรายได้รวม

www.masterpiecehospital.com

Principal activities (revenue, 2023)

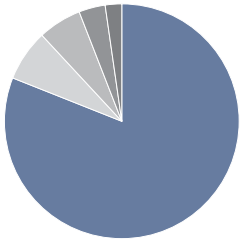
Surgery - 81.0 %

Skin - 7.1 %

Hair treatment - 6.0 %

Aftercare - 3.6 %

Others - 2.3 %

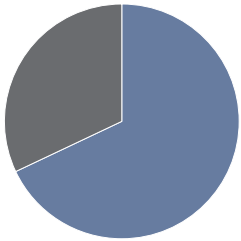


Source: Master Style

Major shareholders

Maschamadol family - 68.0 %

Others - 32.0 %



Source: Master Style

Catalysts

ปัจจัยหนุนการเติบโตในปี 2024 คือ 1) จำนวนลูกค้าเข้ารับบริการศัลยกรรมเพิ่มขึ้น 2) อัตราการใช้บริการห้องผ่าตัดเพิ่มขึ้นช่วยหนุน Operating Leverage และ 3) รับรู้กำไรและ Synergy จากการ M&A

Risks to our call

ความเสี่ยงต่อราคาเป้าหมายของเราคือ 1) การแข่งขันสูงขึ้น 2) เกิดโรคระบาดจนนำไปสู่การล็อกดาวน์ 3) อัตราการใช้บริการห้องผ่าตัดใหม่ต่ำกว่าคาด 4) ต้นทุนแพทย์และค่าใช้จ่ายสูงกว่าคาด และ 5) ธุรกิจที่ M&A มีผลการดำเนินงานขาดทุน

Event calendar

Date	Event
November 2024	3Q24 results announcement

Key assumptions

	2024E	2025E	2026E
Total OR room (no.)	17	17	17
Capacity hours (hours)	77,563	77,563	77,563
Operating hours (hours)	55,845	58,172	62,050
Utilisation rate (%)	72.0	75.0	80.0

Source: FSSIA estimates

Earnings sensitivity

- For every 5% increase in revenue, we estimate 2024 net profit to rise by 3.9%, and vice versa, all else being equal.
- For every 0.5% increase in GPM, we estimate 2024 net profit to rise by 2%, and vice versa, all else being equal.
- For every 1% increase in SG&A, we estimate 2024 net profit to fall by 3.5%, and vice versa, all else being equal.

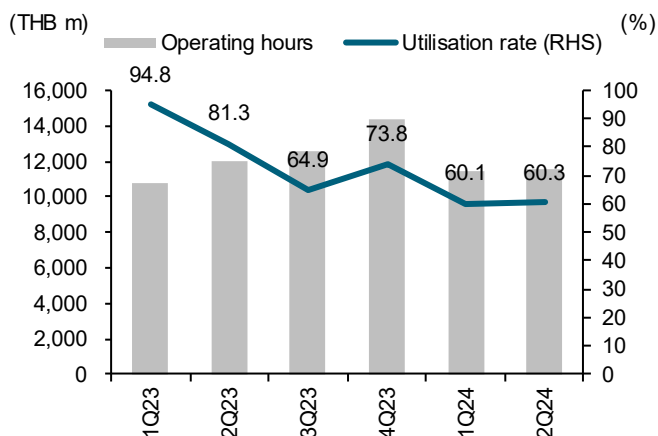
Source: FSSIA estimates

Exhibit 1: MASTER – 2Q24 earnings results

	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	----- Change -----		1H23	1H24	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)
Sales	436	459	479	543	468	510	9.0	11.1	895	978	9.3
Cost of sales	182	204	200	198	194	220	13.1	7.4	387	414	7.0
Gross profit	253	255	279	345	274	291	6.1	14.1	508	564	11.1
SG&A	162	158	160	154	160	188	17.3	19.4	320	348	8.9
Operating profit	94	106	128	197	122	108	(11.5)	2.4	199	231	15.7
Profit sharing	0	0	0	5	10	7	(34.0)	nm	0	17	nm
Interest expense	3	4	4	3	3	3	(0.0)	(3.5)	7	7	(3.2)
Tax expense	19	21	25	40	23	18	(24.0)	(14.4)	39	41	4.9
Reported net profit	72	81	100	164	106	88	(17.6)	7.5	153	194	26.6
Core profit	72	81	100	164	106	97	(9.1)	18.5	153	203	32.5
Key Ratios (%)							(ppt)	(ppt)			
Gross margin	58.2	55.5	58.2	63.6	58.5	57.0	(1.6)	1.5	56.8	57.7	0.9
SG&A to sales	37.2	34.3	33.5	28.3	34.3	36.9	2.6	2.6	35.7	35.6	(0.1)
Operating margin	21.5	23.1	26.8	36.3	26.2	21.2	(4.9)	(1.8)	22.3	23.6	1.3
Net margin	16.4	17.7	20.8	30.1	22.7	17.2	(5.5)	(0.6)	17.1	19.8	2.7
Core margin	16.4	17.7	20.8	30.1	22.7	18.9	(3.8)	1.2	17.1	20.7	3.6
Operating Statistics											
Total OR rooms (no.)	7	7	17	17	17	17			17	17	
Operating hours (hours)	10,752	11,975	12,587	14,316	11,386	11,564	1.6	(3.4)	22,727	22,950	1.0
Utilization rate (%)	94.8	81.3	64.9	73.8	60.1	60.3			88.1	62.6	
Revenue breakdown (THB m)											
Surgery	340	364	387	462	375	416	10.8	14.4	20.5	12.7	53.0
Skin	42	34	33	27	27	26	(3.0)	(24.6)	16.6	(10.2)	(17.9)
Hair treatment	28	32	31	24	27	37	35.2	15.5	20.5	33.5	171.8
Aftercare	18	18	17	17	29	22	(22.3)	22.2	37.8	363.4	(59.0)
Other	8	11	11	13	11	9	(10.4)	(15.8)	23.0	359.2	(45.2)
Revenue proportion (%)											
Surgery	78.0	79.2	80.8	85.1	80.2	81.5	1.4	2.3	(81.0)	(81.6)	(0.6)
Skin	9.6	7.5	6.8	5.0	5.7	5.1	(0.6)	(2.4)	(7.1)	(7.1)	(0.1)
Hair treatment	6.4	6.9	6.5	4.4	5.8	7.2	1.4	0.3	(6.0)	(5.9)	0.1
Aftercare	4.1	3.9	3.5	3.2	6.1	4.3	(1.7)	0.4	(3.6)	(3.4)	0.3
Other	1.9	2.4	2.4	2.3	2.2	1.8	(0.4)	(0.6)	(2.3)	(2.0)	0.2

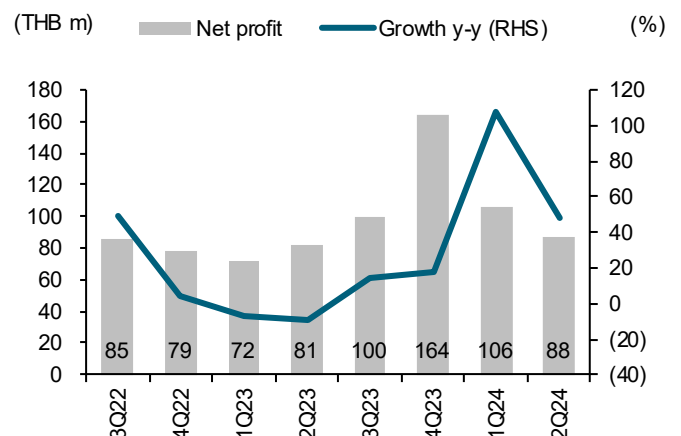
Sources: MASTER, FSSIA' compilation

Exhibit 2: Operating hours and utilisation rate



Sources: MASTER, FSSIA' compilation

Exhibit 3: Quarterly net profit

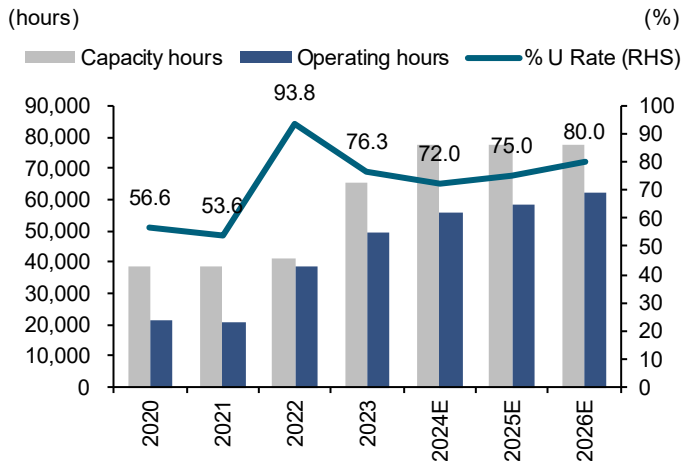


Sources: MASTER, FSSIA' compilation

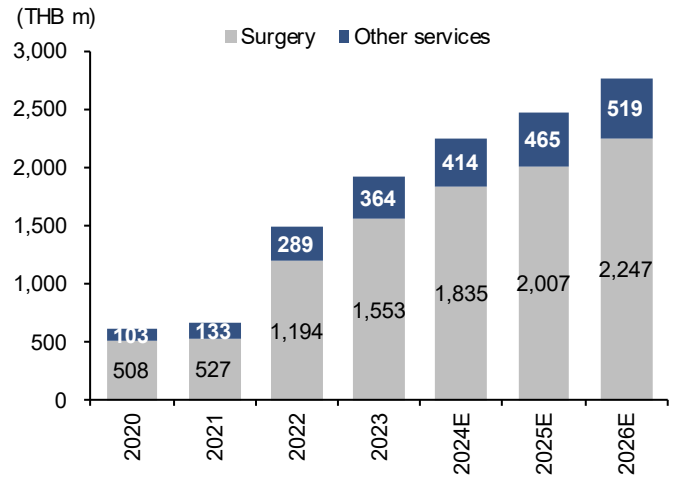
Exhibit 4: Changes in key assumptions for MASTER

	Current			Previous			Change		
	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(%)	(%)	(%)
Total revenue	2,249	2,472	2,766	2,326	2,556	2,861	(3.3)	(3.3)	(3.3)
Costs	922	1,004	1,120	949	1,038	1,159	(2.8)	(3.3)	(3.3)
Gross profit	1,327	1,468	1,646	1,377	1,518	1,702	(3.6)	(3.3)	(3.3)
SG&A expense	753	816	913	768	844	944	(1.8)	(3.3)	(3.3)
Interest expense	15	15	15	15	15	15	0.0	0.0	0.0
Profit sharing	45	70	100	125	137	144	(64.0)	(48.9)	(30.6)
Reported net profit	525	611	705	621	685	763	(15.4)	(10.8)	(7.6)
Core profit	525	611	705	621	685	763	(15.4)	(10.8)	(7.6)
Key ratios (%)									
Total revenue growth	17.3	9.9	11.9	21.4	9.9	11.9			
Net profit growth	26.2	16.4	15.3	49.2	10.3	11.3			
Core profit growth	26.2	16.4	15.3	49.2	10.3	11.3			
Gross margin	59.0	59.4	59.5	59.2	59.4	59.5	(0.2)	0.0	0.0
SG&A to sales	33.5	33.0	33.0	33.0	33.0	33.0	0.5	0.0	0.0
Net margin	23.4	24.7	25.5	26.7	26.8	26.7	(3.4)	(2.1)	(1.2)
Core margin	23.4	24.7	25.5	26.7	26.8	26.7	(3.4)	(2.1)	(1.2)
Profit sharing to net profit	8.6	11.5	14.2	20.1	20.0	18.9	(11.6)	(8.5)	(4.7)
Operating statistics									
Total OR room (no.)	17	17	17	17	17	17	0.0	0.0	0.0
Capacity hours (hours)	77,563	77,563	77,563	80,665	80,665	80,665	(3.8)	(3.8)	(3.8)
Operating hours (hours)	55,845	58,172	62,050	58,079	60,499	64,532	(3.8)	(3.8)	(3.8)
Utilisation rate (%)	72.0	75.0	80.0	72.0	75.0	80.0	0.0	0.0	0.0
Revenue breakdown (THB m)									
Surgery	1,835	2,007	2,247	1,908	2,087	2,337	(3.8)	(3.8)	(3.8)
Skin	161	185	210	161	185	210	0.0	0.0	0.0
Hair treatment	133	150	170	136	154	175	(2.6)	(2.6)	(2.6)
Aftercare	75	82	88	75	82	88	0.0	0.0	0.0
Other	46	48	50	46	48	50	0.0	0.0	0.0
Revenue proportion (%)									
Surgery	81.6	81.2	81.2	82.0	81.6	81.7			
Skin	7.1	7.5	7.6	6.9	7.2	7.3			
Hair treatment	5.9	6.1	6.2	5.9	6.0	6.1			
Aftercare	3.4	3.3	3.2	3.2	3.2	3.1			
Other	2.0	1.9	1.8	2.0	1.9	1.8			

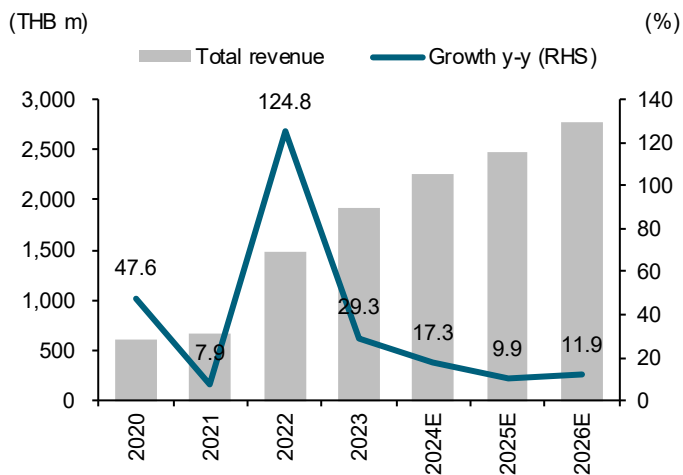
Source: FSSIA estimates

Exhibit 5: Yearly operating hours and utilisation rate

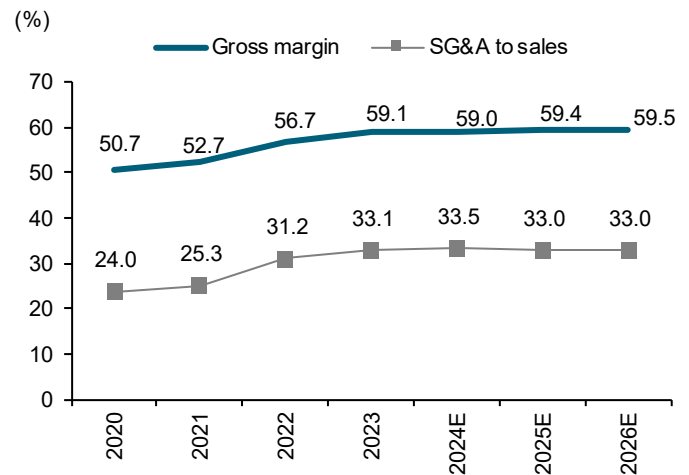
Sources: MASTER; FSSIA estimates

Exhibit 6: Revenue breakdown by type of service

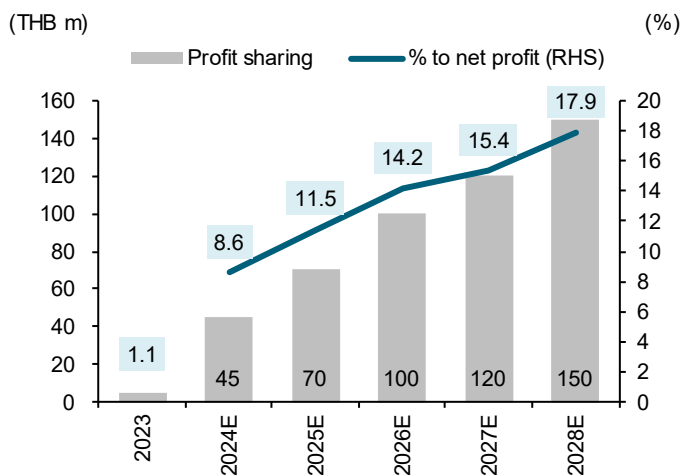
Sources: MASTER; FSSIA estimates

Exhibit 7: Total revenue and growth

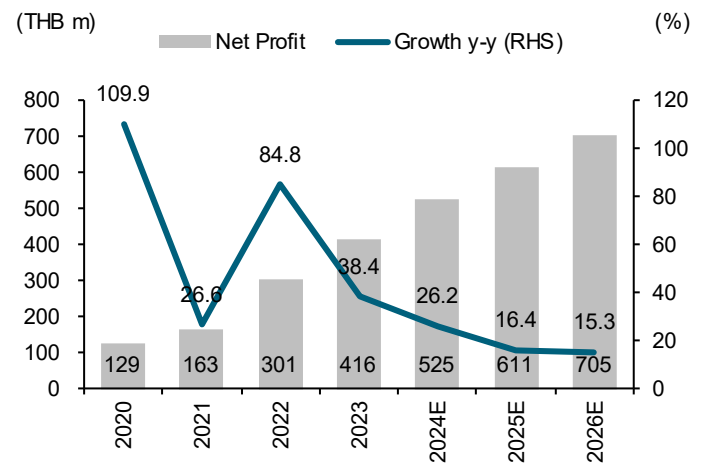
Sources: MASTER; FSSIA estimates

Exhibit 8: Gross margin and SG&A

Sources: MASTER; FSSIA estimates

Exhibit 9: Profit sharing and % to net profit

Sources: MASTER; FSSIA estimates

Exhibit 10: Net profit and growth

Sources: MASTER; FSSIA estimates

Financial Statements

Master Style

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	1,483	1,917	2,249	2,472	2,766
Cost of goods sold	(641)	(785)	(922)	(1,004)	(1,120)
Gross profit	841	1,132	1,327	1,468	1,646
Other operating income	8	27	31	32	36
Operating costs	(463)	(634)	(753)	(816)	(913)
Operating EBITDA	422	586	682	776	876
Depreciation	(35)	(62)	(77)	(92)	(107)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	386	525	605	685	769
Net financing costs	(4)	(9)	(9)	(9)	(9)
Associates	0	5	45	70	100
Recurring non-operating income	0	5	45	70	100
Non-recurring items	0	0	0	0	0
Profit before tax	383	521	641	745	860
Tax	(76)	(105)	(115)	(134)	(155)
Profit after tax	306	416	525	611	705
Minority interests	-	-	-	-	-
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	306	416	525	611	705
Non-recurring items & goodwill (net)	0	0	0	0	0
Recurring net profit	306	416	525	611	705
Per share (THB)					
Recurring EPS *	1.61	1.58	1.74	2.03	2.34
Reported EPS	1.61	1.58	1.74	2.03	2.34
DPS	0.30	0.27	0.52	0.81	0.93
Diluted shares (used to calculate per share data)	190	264	302	302	302
Growth					
Revenue (%)	124.8	29.3	17.3	9.9	11.9
Operating EBITDA (%)	73.9	39.1	16.2	13.9	12.8
Operating EBIT (%)	82.7	35.9	15.3	13.2	12.3
Recurring EPS (%)	0.0	(2.2)	10.4	16.4	15.3
Reported EPS (%)	0.0	(2.2)	10.4	16.4	15.3
Operating performance					
Gross margin inc. depreciation (%)	56.7	59.1	59.0	59.4	59.5
Gross margin exc. depreciation (%)	59.1	62.3	62.4	63.1	63.4
Operating EBITDA margin (%)	28.4	30.6	30.3	31.4	31.7
Operating EBIT margin (%)	26.1	27.4	26.9	27.7	27.8
Net margin (%)	20.7	21.7	23.4	24.7	25.5
Effective tax rate (%)	19.9	20.1	18.0	18.0	18.0
Dividend payout on recurring profit (%)	18.6	17.0	30.0	40.0	40.0
Interest cover (X)	102.2	62.2	69.3	81.1	94.1
Inventory days	26.8	41.1	43.5	42.2	41.9
Debtor days	0.9	1.1	1.1	1.0	0.9
Creditor days	34.7	64.9	63.9	47.5	47.1
Operating ROIC (%)	115.1	37.7	31.2	41.6	45.3
ROIC (%)	82.1	25.8	17.3	17.5	19.2
ROE (%)	107.4	24.5	16.5	17.1	17.7
ROA (%)	40.0	18.5	14.0	14.7	15.4
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Surgery	1,194	1,553	1,835	2,007	2,247
Skin	106	136	161	185	210
Hair treatment	90	115	133	150	170
Aftercare	62	70	75	82	88

Sources: Master Style; FSSIA estimates

Financial Statements

Master Style

Cash Flow (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Recurring net profit	306	416	525	611	705
Depreciation	35	62	77	92	107
Associates & minorities	0	0	0	0	0
Other non-cash items	0	(5)	(45)	(70)	(100)
Change in working capital	(100)	74	(45)	17	9
Cash flow from operations	242	547	512	650	721
Capex - maintenance	-	-	-	-	-
Capex - new investment	(413)	(2,179)	(675)	(233)	(148)
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	-	-	-	-	-
Cash flow from investing	(413)	(2,179)	(675)	(233)	(148)
Dividends paid	(263)	(99)	(160)	(244)	(282)
Equity finance	198	2,270	38	0	0
Debt finance	159	(11)	(2)	(2)	(2)
Other financing cash flows	(1)	2	0	0	1
Cash flow from financing	93	2,161	(124)	(246)	(283)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	(5)	0	0	0	0
Movement in cash	(83)	529	(287)	171	290
Free cash flow to firm (FCFF)	(162.06)	(1,618.40)	(147.85)	431.55	587.28
Free cash flow to equity (FCFE)	(18.91)	(1,641.98)	(164.30)	415.89	571.84
Per share (THB)					
FCFF per share	(0.54)	(5.36)	(0.49)	1.43	1.95
FCFE per share	(0.06)	(5.44)	(0.54)	1.38	1.90
Recurring cash flow per share	1.80	1.79	1.85	2.10	2.36
Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Tangible fixed assets (gross)	498	1,242	1,578	1,665	1,740
Less: Accumulated depreciation	(73)	(339)	(366)	(395)	(427)
Tangible fixed assets (net)	424	903	1,211	1,270	1,313
Intangible fixed assets (net)	7	7	7	7	7
Long-term financial assets	8	15	15	15	15
Invest. in associates & subsidiaries	0	362	1,799	1,953	1,992
Cash & equivalents	98	627	341	512	802
A/C receivable	5	7	6	7	8
Inventories	63	101	101	110	123
Other current assets	166	1,136	292	272	304
Current assets	331	1,871	740	901	1,236
Other assets	177	480	225	247	277
Total assets	947	3,637	3,997	4,392	4,840
Common equity	404	2,991	3,394	3,761	4,184
Minorities etc.	0	0	0	0	0
Total shareholders' equity	404	2,991	3,394	3,761	4,184
Long term debt	291	294	292	291	289
Other long-term liabilities	3	5	4	5	6
Long-term liabilities	294	298	297	296	295
A/C payable	148	260	204	223	249
Short term debt	15	2	2	2	2
Other current liabilities	86	86	101	111	111
Current liabilities	249	348	306	335	361
Total liabilities and shareholders' equity	947	3,637	3,997	4,392	4,840
Net working capital	0	898	95	55	75
Invested capital	616	2,664	3,352	3,546	3,678
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	2.12	11.33	11.25	12.47	13.87
Tangible book value per share	2.09	11.30	11.23	12.44	13.85
Financial strength					
Net debt/equity (%)	51.7	(11.1)	(1.4)	(5.8)	(12.2)
Net debt/total assets (%)	22.1	(9.1)	(1.2)	(5.0)	(10.6)
Current ratio (x)	1.3	5.4	2.4	2.7	3.4
CF interest cover (x)	105.2	64.0	55.4	70.7	79.0
Valuation	2022	2023	2024E	2025E	2026E
Recurring P/E (x) *	25.3	25.8	23.4	20.1	17.4
Recurring P/E @ target price (x) *	32.3	33.0	29.9	25.7	22.3
Reported P/E (x)	25.3	25.8	23.4	20.1	17.4
Dividend yield (%)	0.7	0.7	1.3	2.0	2.3
Price/book (x)	19.2	3.6	3.6	3.3	2.9
Price/tangible book (x)	19.5	3.6	3.6	3.3	2.9
EV/EBITDA (x) **	18.9	17.8	18.0	15.6	13.5
EV/EBITDA @ target price (x) **	23.9	22.8	23.0	19.9	17.3
EV/invested capital (x)	12.9	3.9	3.7	3.4	3.2
* Pre-exceptional, pre-goodwill and fully diluted ** EBITDA includes associate income and recurring non-operating income					

Sources: Master Style; FSSIA estimates

Disclaimer for ESG scoring

ESG score	Methodology	Rating																				
The Dow Jones Sustainability Indices (DJSI) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.	Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.																				
Sustainability Investment List (THSI) by The Stock Exchange of Thailand (SET)	THSI quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria include: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years.	To be eligible for THSI inclusion , verified data must be scored at a minimum of 50% for each indicator, unless the company is a part of DJSI during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality. SETTHSI Index is extended from the THSI companies whose 1) market capitalization > THB5b (~USD150b); 2) free float >20%; and 3) liquidity >0.5% of paid-up capital for at least 9 out of 12 months. The SETTHSI Index is a market capitalisation-weighted index, cap 5% quarterly weight at maximum, and no cap for number of stocks.																				
CG Score by Thai Institute of Directors Association (Thai IOD)	An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.	Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (60-69), and not rated for scores below 50. Weightings include: 1) the rights; 2) and equitable treatment of shareholders (weight 25% combined); 3) the role of stakeholders (25%); 4) disclosure & transparency (15%); and 5) board responsibilities (35%).																				
AGM level By Thai Investors Association (TIA) with support from the SEC	It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). <i>(The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.)</i>	The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.																				
Thai CAC By Thai Private Sector Collective Action Against Corruption (CAC)	The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. <i>(Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.)</i>	The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.																				
Morningstar Sustainabilitys	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 & 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+										
NEGL	Low	Medium	High	Severe																		
0-10	10-20	20-30	30-40	40+																		
ESG Book	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.	The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.																				
MSCI	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. <table><tr><td>AAA</td><td>8.571-10.000</td><td rowspan="3">Leader:</td><td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td></tr><tr><td>AA</td><td>7.143-8.570</td></tr><tr><td>A</td><td>5.714-7.142</td></tr><tr><td>BBB</td><td>4.286-5.713</td><td rowspan="2">Average:</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>BB</td><td>2.857-4.285</td></tr><tr><td>B</td><td>1.429-2.856</td><td rowspan="2">Laggard:</td><td rowspan="2">lagging its industry based on its high exposure and failure to manage significant ESG risks</td></tr><tr><td>CCC</td><td>0.000-1.428</td></tr></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	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks	CCC	0.000-1.428
AAA	8.571-10.000	Leader:	leading its industry in managing the most significant ESG risks and opportunities																			
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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

Sureporn Teewasuwet FSS International Investment Advisory Securities Co., Ltd

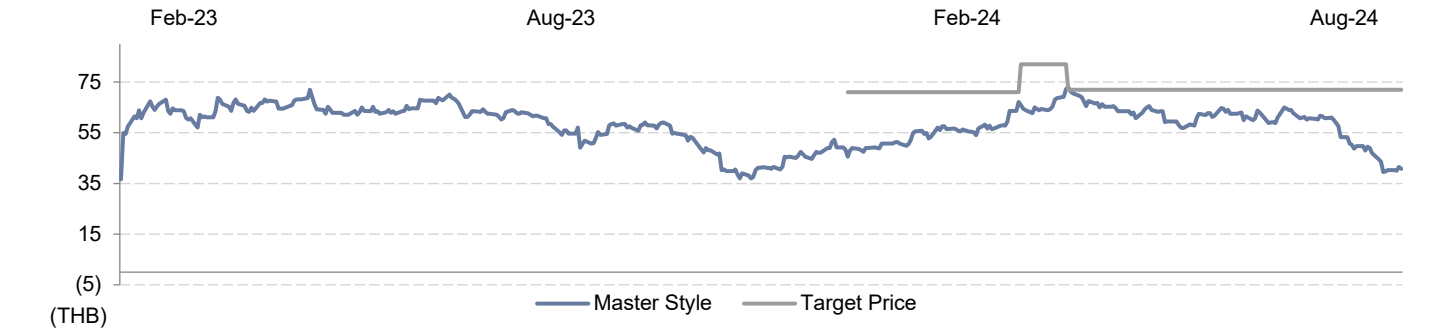
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

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History of change in investment rating and/or target price

Master Style (MASTER TB)



Sureporn Teewasuwet started covering this stock from 12-Dec-2023

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Master Style	MASTER TB	THB 40.75	BUY	Downside risks to our P/E-based TP include 1) increased competition, 2) a pandemic that results in a lockdown, 3) lower-than-expected utilization rate of new operating beds, 4) higher-than-expected doctor costs and expenses, and 5) a loss contribution from the acquired units.

Source: FSSIA estimates

Additional Disclosures

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

All share prices are as at market close on 15-Aug-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.