

PATRANGSIT HEALTHCARE GROUP
THAILAND / HEALTH CARE SERVICES

PHG TB

BUY

UNCHANGED

การเติบโตจากภายในเป็นไปตามแผน

- คาดการณ์กำไรสุทธิต่อหุ้นใน 3Q24 โดยได้ปัจจัยผลักดันจากรายได้จากผู้ป่วยที่ชำระเงินด้วยตนเองที่อยู่ในเกณฑ์ดี
- โครงการก่อสร้างอาคารใหม่ 2 แห่งน่าจะได้รับอนุมัติในเร็ววันนี้ แต่กำหนดเปิดถูกเลื่อนออกไป 6 เดือนเป็น 4Q25 และ 1Q26
- คงคำแนะนำซื้อที่ราคาเป้าหมายปี 2024 ที่ 21 บาท (DCF)

TARGET PRICE	THB21.00
CLOSE	THB15.20
UP/DOWNSIDE	+38.2%
PRIOR TP	THB21.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+0.0%

KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	2,138	2,373	2,539	2,773
Net profit	259	290	327	375
EPS (THB)	0.86	0.97	1.09	1.25
vs Consensus (%)	-	(4.0)	(2.7)	(2.3)
EBITDA	417	460	525	602
Recurring net profit	259	290	327	375
Core EPS (THB)	0.86	0.97	1.09	1.25
Chg. In EPS est. (%)	-	(4.4)	(2.3)	(2.0)
EPS growth (%)	(27.4)	11.8	12.9	14.5
Core P/E (x)	17.6	15.7	13.9	12.2
Dividend yield (%)	3.4	3.8	4.3	4.9
EV/EBITDA (x)	8.6	7.4	6.8	5.9
Price/book (x)	2.3	2.2	2.0	1.9
Net debt/Equity (%)	(48.9)	(55.3)	(45.2)	(40.3)
ROE (%)	17.7	14.3	15.1	16.0

ข้อมูลเชิงบวกจากงาน Opportunity Day

เราเข้าร่วมการประชุม Opportunity Day เมื่อวันที่ 28 ส.ค. และได้รับข้อมูลเชิงบวกจากงานดังกล่าว ผู้บริหารคาดว่าจะกำไรต่อหุ้นใน 3Q24 จากทิศทางการเติบโตของรายได้ในอัตราสองหลัก y-y ในเดือน ก.ค. และ ส.ค. ซึ่งได้ปัจจัยหนุนจากรายได้จากผู้ป่วยที่ชำระเงินด้วยตนเองที่อยู่ในเกณฑ์ดีของ PatRangsit Hospital 2 นอกจากนี้ PHG ยังวางแผนปรับค่าบริการทางการแพทย์ขึ้นโดยเฉลี่ย 4-6% ในเดือน ก.ย. ซึ่งน่าจะช่วยเพิ่มรายได้ต่อหัวอีกด้วย ในด้านลบสำนักงานหลักประกันสุขภาพแห่งชาติ (NHSO) ได้ปรับลดอัตราการจ่ายเงินสำหรับการรักษาที่มีต้นทุนสูงสำหรับการผ่าตัดหัวใจลงจาก 8,350 บาท/RW เป็นประมาณ 7,000 บาท/RW ในช่วงเดือน มิ.ย. ถึง ก.ย. 24 ปัจจัยดังกล่าวอาจกระทบกำไรปกติ 3Q24 ประมาณ 3-4 ลบ. ในภาพรวมเราคาดว่ากำไรปกติ 3Q24 จะโต 10-15% y-y เป็น 90-94 ลบ.

คาดการณ์กำไรต่อหุ้น 12% เป็น 290 ลบ. ในปี 2024

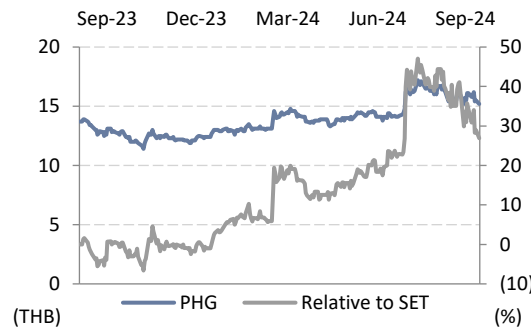
เราคาดว่ารายได้จะเพิ่มขึ้น 11% ในปี 2024 ก่อนข้างใกล้เคียงกับประมาณการของผู้บริหาร อย่างไรก็ตาม ผู้บริหารได้ปรับลดประมาณการอัตรากำไรสุทธิ (NPM) ในปี 2024 ลงจาก 13-14% เป็น 12% (เท่ากับในปี 2023) จากการกลบรายได้จากสำนักงานประกันสังคม (SSO) เป็นจำนวน 18 ลบ. หลังการปรับอัตราการจ่ายเงินสำหรับการรักษาที่มีต้นทุนสูง (RW>2) เป็น 7,200 บาท/RW จาก 12,000 บาท/RW สำหรับการรักษาในช่วงเดือน ต.ค. ถึง ธ.ค. 23 ในภาพรวมเราคาดว่ากำไรปกติปี 2024 จะโต 12% เป็น 290 ลบ.

โควตา SSO อาจเพิ่มเป็น 170k ในปี 2025 (จาก 156k ในปัจจุบัน)

โครงการก่อสร้างอาคารใหม่ 2 แห่งได้ผ่านเกณฑ์ผังเมืองไปแล้วและอยู่ในขั้นตอนสุดท้ายของการอนุมัติ อย่างไรก็ตามอาคารทั้งสองอาจล่าช้าไป 6 เดือนและมีกำหนดเปิดให้บริการใน 4Q25 สำหรับอาคารนอกประเทศและ 1Q26 สำหรับอาคารผู้ป่วย ทั้งนี้ PHG ได้ยื่นคำขอเพิ่มโควตา SSO เป็น 170k ในปี 2025 (จาก 156k ในปัจจุบัน) ซึ่งน่าจะเป็นปัจจัยหนุนการเติบโตสำคัญในปี 2025 และให้ Upside แก่ประมาณการกำไรของเราเนื่องจากปัจจุบันเราตั้งสมมติฐานตัวเลขสมาชิกฯ ลงทะเบียนไว้ที่ 159k

Valuation ถูกปรับบ่งชี้บวกในระยะสั้นในช่วง 2H24

เราปรับลดประมาณการกำไรปกติปี 2024-26 ของเราลง 2-4% เพื่อสะท้อนการปรับลดอัตราการจ่ายเงินของ SSO และ NHSO รวมถึงความล่าช้าของโครงการก่อสร้างอาคาร 2 แห่ง เราคงราคาเป้าหมายปี 2024 ของเราที่ 21.0 บาท (DCF) PHG มีการซื้อขายโดยมี Valuation อยู่ในระดับต่ำที่ 16x 2024E P/E ราคาหุ้นมีปัจจัยบวกจาก SSO ซึ่งอาจเพิ่มงบประมาณปี 2025 สำหรับการรักษาที่มีต้นทุนสูงและกำไรปกติ 3Q24 ที่อาจออกมาดี



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(6.2)	7.8	6.3
Relative to country (%)	(9.0)	7.2	22.6
Mkt cap (USD m)	133		
3m avg. daily turnover (USD m)	0.5		
Free float (%)	37		
Major shareholder	Duangchai Trakulchang (17%)		
12m high/low (THB)	17.20/11.40		
Issued shares (m)	300.00		

Sources: Bloomberg consensus; FSSIA estimates



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บทวิเคราะห์ฉบับนี้แปลมาจากต้นฉบับภาษาอังกฤษ ที่ออกรายงานเมื่อวันที่ 3 กันยายน 2024

Investment thesis

PHG is in the process of upgrading to a tertiary care hospital, with new medical procedures and centers opening over the past year and in the upcoming two years. This has driven self-pay patient revenue contributions from 50% in 2020 to 53% in 2023, and PHG expects them to reach 60% in the near term. In addition, PHG aims to boost its international patient volume to c7-8% of total visits by 2025 from 4-5% in 2023. These two factors should drive the EBITDA margin to improve from 20% in 2023 to 22-23% in the next three years.

PHG plans to open two new buildings by 2026. This should lift the OPD and IPD capacity by 16%, unlock the capacity constraint and enable PHG to request a larger SSO quota of 176k insurers (from 156k currently). The expansion should drive earnings to exceed THB400m by 2027.

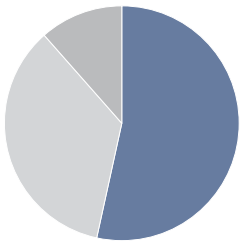
Company profile

PHG is a private hospital and medical service provider in Pathum Thani. PHG has expanded its capacity to three hospitals (PHG 1, PHG 2 and Mother and Child Hospital).

www.patrangsit.com

Principal activities (revenue, 2023)

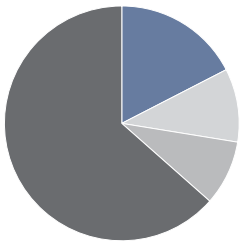
- Self pay patient revenue - 53.4 %
- SSO patient revenue - 35.1 %
- NHSO patient revenue - 11.5 %



Source: Patrangsit Healthcare Group

Major shareholders

- Duangchai Trakulchang - 17.4 %
- Suda Assavabhokin - 10.1 %
- Ronchit Yeamsaad - 9.0 %
- Others - 63.5 %



Source: Patrangsit Healthcare Group

Catalysts

Key potential growth drivers include 1) an improving EBITDA margin led by more complex treatments; 2) more Social Security Office (SSO) registered insurers; and 3) benefits from the economies of scale from the larger capacity of its new building.

Risks to our call

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.

Event calendar

Date	Event
Nov 2024	3Q24 results announcement

Key assumptions

	2024E (%)	2025E (%)	2026E (%)
SSO volume growth	1	3	5
SSO revenue / patient growth	2	3	3
Self-pay - OPD volume growth	11	4	6
Self-pay - OPD revenue / patient growth	1	4	4
Self-pay - IPD volume growth	12	4	6
Self-pay - IPD revenue / patient growth	12	4	4
NHSO and Civil Servant Welfare revenue growth	6	5	7

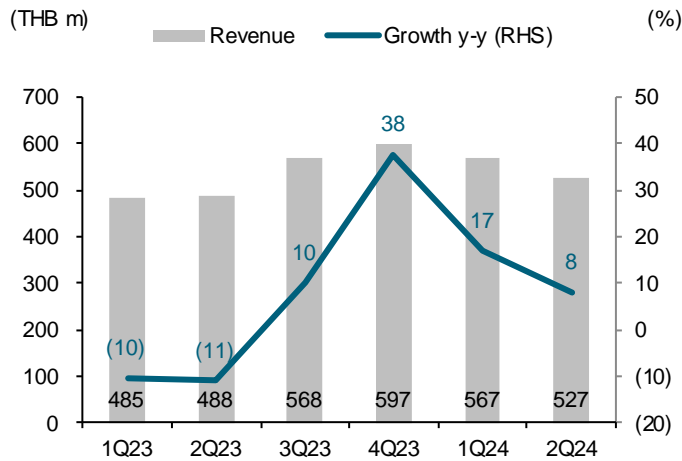
Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in patient volume, we project 2024 earnings to rise by 3%, and vice versa, all else being equal.
- For every 1% increase in EBITDA margin, we project 2024 earnings to rise by 6%, and vice versa, all else being equal.

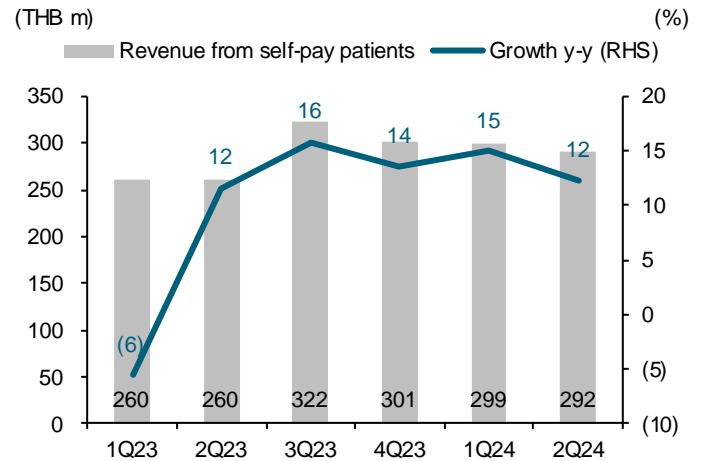
Source: FSSIA estimates

Exhibit 1: Total revenue



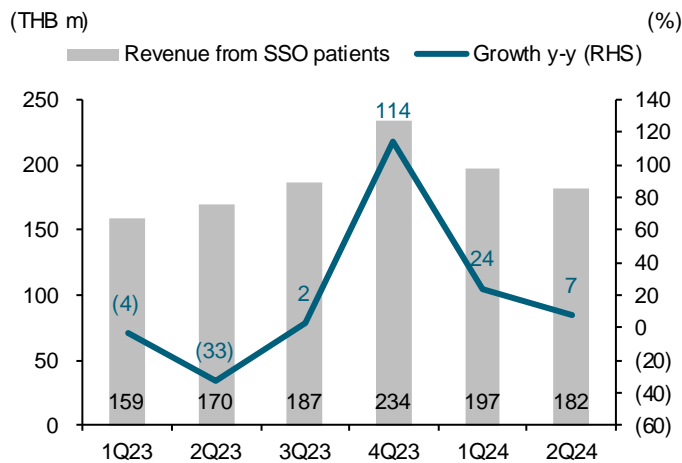
Source: PHG

Exhibit 2: Revenue from self-pay patients



Source: PHG

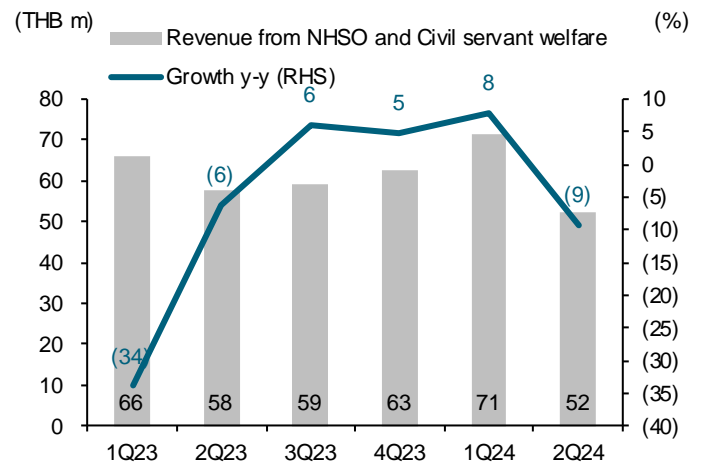
Exhibit 3: Revenue from SSO patients



Note: recorded THB18m revenue reversal in 2Q24

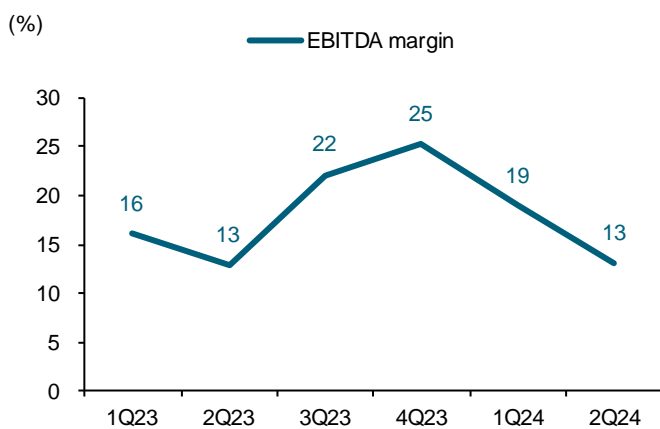
Source: PHG

Exhibit 4: Revenue from NHSO and civil servant welfare



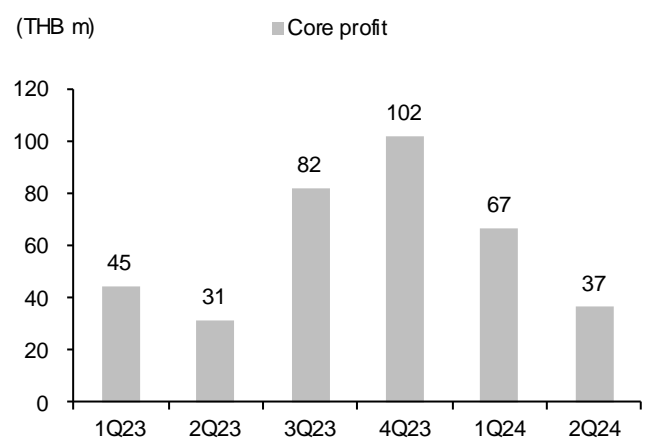
Source: PHG

Exhibit 5: EBITDA margin



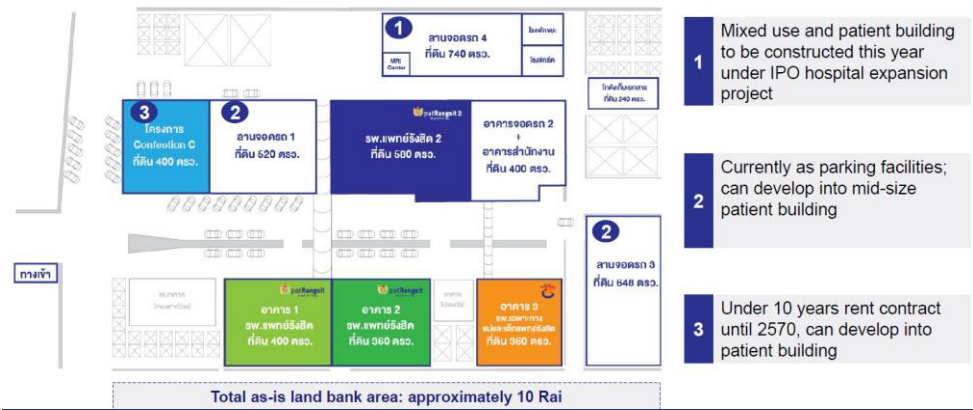
Source: PHG

Exhibit 6: Core profit



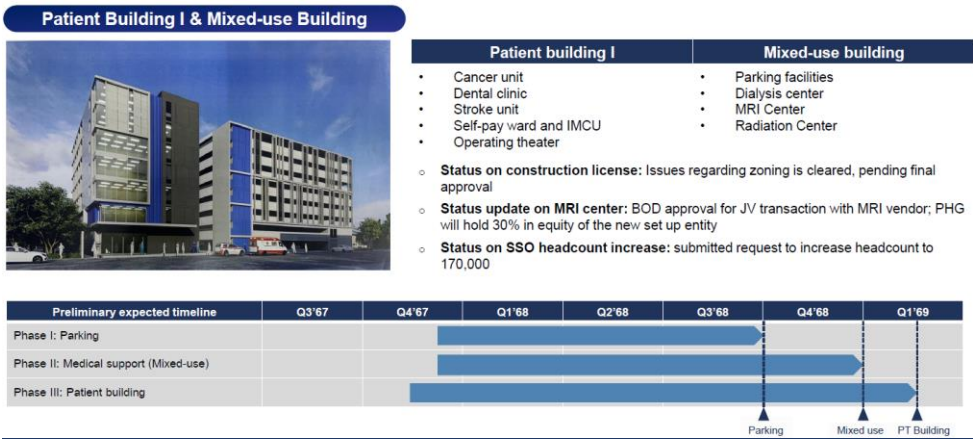
Source: PHG

Exhibit 7: As-is landscape and PHG land bank



Source: PHG

Exhibit 8: Hospital expansion project



Source: PHG

Exhibit 9: PHG – 2Q24 results summary

	2Q23	3Q23	4Q23	1Q24	2Q24	----- Change -----		2023	2024E	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)
Revenue	488	568	597	567	527	(7)	8	2,138	2,373	11
Cost of sales (Incl. depreciation)	(380)	(409)	(416)	(426)	(423)	(1)	11	(1,565)	(1,745)	12
Gross profit	108	159	181	141	103	(27)	(4)	573	628	9
SG&A	(69)	(59)	(64)	(67)	(66)	(2)	(4)	(262)	(285)	9
Operating profit	39	100	117	74	37	(49)	(4)	312	343	10
Other operating income	4	4	11	10	8	(15)	133	23	24	4
Equity income	(0)	(0)	(0)	0	(0)			(0)	-	
EBIT	43	104	128	84	46	(45)	7	334	367	10
Interest expense	(4)	(2)	(1)	(1)	(0)	(44)	(91)	(10)	(4)	(57)
EBT	39	103	127	83	46	(45)	16	325	362	12
Income tax	(8)	(21)	(26)	(17)	(9)	(46)	14	(65)	(72)	11
Minority interests	0	0	0	0	0			-	-	
Core profit	31	82	102	67	37	(45)	17	259	290	12
Extraordinaries										
Net income	31	82	102	67	37	(45)	17	259	290	12
Core EPS (THB)	0.13	0.27	0.34	0.22	0.12	(45)	(4)	0.86	0.97	12
No of share (m)	246	300	300	300	300	0	22	300	300	0
Cost (Excl. depreciation)	(359)	(388)	(394)	(403)	(400)	(1)	11	(1,482)	(1,651)	11
Depreciation & amortization	(20)	(21)	(22)	(23)	(23)	1	15	(83)	(94)	13
EBITDA	63	126	151	107	69	(35)	10	417	460	10
Key ratios	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)	(%)	(ppt)
Gross margin	22	28	30	25	20	(5)	(3)	27	26	(0)
SG&A/Revenue	14	10	11	12	13	1	(2)	12	12	(0)
EBITDA margin	13	22	25	19	13	(6)	0	20	19	(0)
Net profit margin	6	14	17	12	7	(5)	1	12	12	0
Operating stats	(y-y %)	(y-y %)	(y-y %)	(y-y %)	(y-y %)					
Self-pay patient revenue	12	16	14	15	12					
Self-pay patient OPD revenue	N/A	N/A	N/A	12	(6)					
Self-pay patient IPD revenue	N/A	N/A	N/A	23	47					
SSO revenue	(28)	3	75	19	3					
SSO registered members ('000)	155	156	155	155	156					
SSO revenue per head	4,393	4,801	6,025	5,061	4,692					

Sources: PHG; FSSIA estimates

Exhibit 10: Forecast revisions

	----- Current -----			----- Previous -----			----- Change -----		
	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(%)	(%)	(%)
SSO registered members ('000)	156	160	168	156	159	167	0.0	0.6	0.6
SSO revenue per head (THB)	4,976	5,126	5,280	5,191	5,347	5,507	(4.1)	(4.1)	(4.1)
Cash-OPD visits number per day (no.)	3	3	3	3	3	3	0.0	0.0	0.0
Cash-OPD revenue per head (THB)	1,555	1,618	1,682	1,555	1,618	1,682	0.0	0.0	0.0
Cash-IPD admissions per day (no.)	0	0	0	0	0	0	2.8	2.8	2.8
Cash-IPD revenue per head (THB)	43,109	44,833	46,626	41,954	43,632	45,378	2.8	2.8	2.8
Revenue	2,373	2,539	2,773	2,384	2,545	2,778	(0.5)	(0.2)	(0.2)
EBITDA margin (%)	19.4	20.7	21.7	20.1	21.2	22.1	(0.7)	(0.5)	(0.4)
Core profit	290	327	375	303	335	383	(4.4)	(2.3)	(2.0)

Source: 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		11.0	Net cost of debt, Kd		3.2
Weight applied		95.0	Weight applied		5.0
WACC		10.6			

DCF valuation estimate	(THB b)	(THB/share)	Comments
NPV	2.3	7.6	WACC 10.6%, Risk-free rate 3%, Risk premium 8%
Terminal value	2.9	9.6	Terminal growth 3%
Cash & liquid assets	1.2	4.0	At end-2024E
Investments	0.0	0.0	At end-2024E
Debt	(0.1)	(0.2)	At end-2024E
Minorities	0.0	0.0	At end-2024E
Residual ordinary equity	6.3	21.0	

Source: FSSIA estimates

Exhibit 12: Peer comparisons as of 2 Sep 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)
Thailand														
Bangkok Dusit Med Service	BDMS TB	BUY	27.75	35.00	26.1	12,887	26.9	24.6	16.8	17.3	4.4	4.1	16.3	14.8
Bumrungrad Hospital	BH TB	BUY	243.00	310.00	27.6	5,645	24.8	23.4	30.1	27.7	6.9	6.1	16.7	15.4
Bangkok Chain Hospital	BCH TB	BUY	15.70	22.00	40.1	1,144	24.4	20.9	12.4	13.6	2.9	2.7	12.6	10.9
Chularat Hospital	CHG TB	BUY	2.54	3.60	41.7	816	23.2	20.1	15.5	16.7	3.5	3.2	13.3	11.6
Patangsit Healthcare Group	PHG TB	BUY	15.20	21.00	38.2	133	15.7	13.9	14.3	15.1	2.2	2.0	7.4	6.8
Praram 9 Hospital	PR9 TB	BUY	18.90	24.00	27.0	434	22.7	20.6	12.4	12.6	2.7	2.5	11.3	10.1
Thonburi Healthcare Group	THG TB	HOLD	30.00	40.00	33.3	743	50.8	31.7	4.9	7.6	2.5	2.4	17.4	14.4
Ramkhamhaeng Hospital	RAM TB	BUY	28.00	44.00	57.1	982	20.1	17.0	8.9	10.0	1.8	1.7	24.4	19.4
Rajthanee Hospital	RJH TB	n/a	22.90	n/a	n/a	201	15.7	16.6	20.2	18.9	4.6	3.2	11.1	11.0
Ekachai Medical Care	EKH TB	n/a	6.65	n/a	n/a	151	16.1	15.8	13.6	13.9	5.0	2.2	8.6	8.2
Thailand average						21,391	24.2	20.6	15.1	15.5	3.7	3.1	14.2	12.5
Regional														
Ramsay Health Care	RHC AU	n/a	40.39	n/a	n/a	6,293	32.5	29.0	6.5	6.8	2.3	1.9	9.5	9.1
Ihh Healthcare Bhd	IHH SP	n/a	1.90	n/a	n/a	12,802	29.2	26.7	6.7	6.8	2.4	1.8	13.0	12.1
Ryman Healthcare	RYM NZ	n/a	4.90	n/a	n/a	2,098	12.3	13.1	7.0	7.6	1.1	0.7	16.6	18.5
Apollo Hospitals Enterprise	APHS IN	n/a	6,880	n/a	n/a	11,791	106.7	67.5	14.1	18.9	27.2	14.2	42.9	33.3
Kpj Healthcare Berhad	KPJ MK	n/a	1.93	n/a	n/a	1,934	29.7	26.1	11.8	12.3	4.3	3.3	13.9	12.9
Raffles Medical Group	RFMD SP	n/a	0.91	n/a	n/a	1,291	24.6	23.3	6.6	6.9	2.0	1.6	11.8	11.1
Mitra Keluarga Karyasehat	MIKA IJ	n/a	2,940	n/a	n/a	2,695	35.2	30.8	19.3	19.5	8.6	6.2	22.0	19.1
Aier Eye Hospital Group	300015 CH	n/a	9.22	n/a	n/a	12,084	21.4	18.0	18.8	19.3	9.9	3.9	13.1	11.4
Regional average						50,987	36.4	29.3	11.3	12.3	7.2	4.2	17.8	15.9
Overall average						72,378	29.5	24.4	13.3	14.0	5.2	3.5	15.7	13.9

Sources: Bloomberg; FSSIA estimates

Financial Statements

Patrangsit Healthcare Group

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	2,040	2,138	2,373	2,539	2,773
Cost of goods sold	(1,432)	(1,565)	(1,745)	(1,858)	(2,012)
Gross profit	608	573	628	681	761
Other operating income	14	23	24	24	25
Operating costs	(242)	(262)	(285)	(292)	(313)
Operating EBITDA	450	417	460	525	602
Depreciation	(70)	(83)	(94)	(111)	(129)
Goodwill amortisation	-	-	-	-	-
Operating EBIT	380	334	367	413	473
Net financing costs	(12)	(10)	(4)	(4)	(4)
Associates	0	0	0	0	0
Recurring non-operating income	0	0	0	0	0
Non-recurring items	0	0	0	0	0
Profit before tax	368	325	362	409	469
Tax	(75)	(65)	(72)	(82)	(94)
Profit after tax	293	259	290	327	375
Minority interests	0	0	0	0	0
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	293	259	290	327	375
Non-recurring items & goodwill (net)	0	0	0	0	0
Recurring net profit	293	259	290	327	375
Per share (THB)					
Recurring EPS *	1.19	0.86	0.97	1.09	1.25
Reported EPS	1.19	0.86	0.97	1.09	1.25
DPS	0.95	0.52	0.58	0.65	0.75
Diluted shares (used to calculate per share data)	246	300	300	300	300
Growth					
Revenue (%)	3.5	4.8	11.0	7.0	9.2
Operating EBITDA (%)	(6.8)	(7.3)	10.4	14.0	14.7
Operating EBIT (%)	(8.0)	(12.0)	9.7	12.8	14.4
Recurring EPS (%)	(62.5)	(27.4)	11.8	12.9	14.5
Reported EPS (%)	(62.5)	(27.4)	11.8	12.9	14.5
Operating performance					
Gross margin inc. depreciation (%)	29.8	26.8	26.5	26.8	27.4
Gross margin exc. depreciation (%)	33.2	30.7	30.4	31.2	32.1
Operating EBITDA margin (%)	22.0	19.5	19.4	20.7	21.7
Operating EBIT margin (%)	18.6	15.6	15.5	16.3	17.1
Net margin (%)	14.4	12.1	12.2	12.9	13.5
Effective tax rate (%)	20.3	20.1	20.0	20.0	20.0
Dividend payout on recurring profit (%)	79.5	60.1	60.0	60.0	60.0
Interest cover (X)	31.8	34.2	87.9	99.2	113.4
Inventory days	11.4	12.2	12.7	13.1	13.0
Debtor days	58.0	55.7	47.0	41.0	36.4
Creditor days	63.7	64.9	65.3	67.0	66.3
Operating ROIC (%)	30.9	26.3	29.3	29.6	27.6
ROIC (%)	30.6	26.0	28.9	29.3	27.3
ROE (%)	33.5	17.7	14.3	15.1	16.0
ROA (%)	19.5	13.4	12.0	12.6	13.5
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Self pay patient revenue	1,051	1,142	1,337	1,446	1,594
SSO patient revenue	712	750	776	820	887
NHSO patient revenue	278	246	260	272	292

Sources: Patrangsit Healthcare Group; FSSIA estimates

Financial Statements

Patransit Healthcare Group

Cash Flow (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Recurring net profit	293	259	290	327	375
Depreciation	70	83	94	111	129
Associates & minorities	-	-	-	-	-
Other non-cash items	(3)	3	0	0	0
Change in working capital	(28)	37	50	34	23
Cash flow from operations	332	382	434	473	527
Capex - maintenance	(87)	(152)	(80)	(440)	(370)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	0	0	0	0	0
Other investments (net)	-	-	-	-	-
Cash flow from investing	(87)	(152)	(80)	(440)	(370)
Dividends paid	(233)	(380)	(156)	(174)	(196)
Equity finance	146	1,108	0	0	0
Debt finance	(58)	(280)	0	0	0
Other financing cash flows	0	0	0	0	0
Cash flow from financing	(145)	448	(156)	(174)	(196)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	100	678	198	(141)	(39)
Free cash flow to firm (FCFF)	256.85	239.94	358.32	36.98	161.59
Free cash flow to equity (FCFE)	186.83	(49.49)	354.15	32.81	157.43

Per share (THB)

FCFF per share	0.86	0.80	1.19	0.12	0.54
FCFE per share	0.62	(0.16)	1.18	0.11	0.52
Recurring cash flow per share	1.46	1.15	1.28	1.46	1.68

Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Tangible fixed assets (gross)	1,660	1,781	1,861	2,301	2,671
Less: Accumulated depreciation	(764)	(816)	(909)	(1,021)	(1,150)
Tangible fixed assets (net)	896	965	951	1,280	1,521
Intangible fixed assets (net)	0	0	0	0	0
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	6	6	6	6	6
Cash & equivalents	334	1,012	1,211	1,069	1,030
A/C receivable	336	316	294	276	276
Inventories	44	55	61	64	69
Other current assets	1	1	1	1	2
Current assets	716	1,385	1,567	1,412	1,378
Other assets	6	7	7	7	7
Total assets	1,624	2,363	2,531	2,704	2,911
Common equity	975	1,963	2,097	2,250	2,429
Minorities etc.	0	0	0	0	0
Total shareholders' equity	975	1,963	2,097	2,250	2,429
Long term debt	332	52	52	52	52
Other long-term liabilities	40	44	44	44	44
Long-term liabilities	372	96	96	96	96
A/C payable	247	279	311	329	355
Short term debt	0	0	0	0	0
Other current liabilities	29	24	27	29	31
Current liabilities	276	304	338	358	386
Total liabilities and shareholders' equity	1,624	2,363	2,531	2,704	2,911
Net working capital	106	68	18	(16)	(39)
Invested capital	1,014	1,046	982	1,277	1,494

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

Per share (THB)

Book value per share	3.97	6.54	6.99	7.50	8.10
Tangible book value per share	3.97	6.54	6.99	7.50	8.10

Financial strength

Net debt/equity (%)	(0.2)	(48.9)	(55.3)	(45.2)	(40.3)
Net debt/total assets (%)	(0.1)	(40.6)	(45.8)	(37.6)	(33.6)
Current ratio (x)	2.6	4.6	4.6	3.9	3.6
CF interest cover (x)	16.6	(4.1)	85.9	8.9	38.8

Valuation	2022	2023	2024E	2025E	2026E
Recurring P/E (x) *	12.8	17.6	15.7	13.9	12.2
Recurring P/E @ target price (x) *	17.6	24.3	21.7	19.2	16.8
Reported P/E (x)	12.8	17.6	15.7	13.9	12.2
Dividend yield (%)	6.2	3.4	3.8	4.3	4.9
Price/book (x)	3.8	2.3	2.2	2.0	1.9
Price/tangible book (x)	3.8	2.3	2.2	2.0	1.9
EV/EBITDA (x) **	8.3	8.6	7.4	6.8	5.9
EV/EBITDA @ target price (x) **	11.5	12.8	11.2	10.1	8.8
EV/invested capital (x)	3.7	3.4	3.5	2.8	2.4

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

Sources: Patransit Healthcare Group; FSSIA estimates

Disclaimer for ESG scoring

ESG score	Methodology	Rating																				
The Dow Jones Sustainability Indices (DJSI) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.	Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.																				
Sustainability Investment List (THSI) by The Stock Exchange of Thailand (SET)	THSI quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria include: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years.	To be eligible for 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="3">Average:</td><td rowspan="3">a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td></tr><tr><td>BB</td><td>2.857-4.285</td></tr><tr><td>B</td><td>1.429-2.856</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

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Company	Ticker	Price	Rating	Valuation & Risks
Patrangsit Healthcare Group	PHG TB	THB 15.20	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.
Bangkok Dusit Medical Services	BDMS TB	THB 27.75	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 243.00	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.
Bangkok Chain Hospital	BCH TB	THB 15.70	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.
Chularat Hospital	CHG TB	THB 2.54	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.
Praram 9 Hospital	PR9 TB	THB 18.90	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 30.00	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 28.00	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 2-Sep-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.