

# SAFE FERTILITY GROUP

THAILAND / HEALTH CARE SERVICES

## SAFE TB

# HOLD

UNCHANGED

## 3Q24 results at first glance

กำไรสุทธิ 3Q24 ลดลง q-q, y-y จากรายได้และ margin ปรับลง ตามคาด

### Highlights

- SAFE รายงานกำไรสุทธิ 3Q24 ที่ 30 ล้านบาท ลดลง 34% q-q และ 50% y-y ใกล้เคียงที่เราคาด จากรายได้ค่าบริการตรวจพันธุกรรมตัวอ่อนและโครโมโซมเซลล์ตัวอ่อนเนื่องจากการปรับลดค่าบริการเนื่องจากการแข่งขันด้านราคาสูงและอัตราการฝากครรภ์ที่ลดลง และรายได้จาก IVF ลดลงจากจำนวนรอบการเก็บไข่ที่ลดลง ส่งผลให้อัตรากำไรขั้นต้นหดตัว
- โดยรายได้รวมอยู่ที่ 193 ล้านบาท ลดลง 10% q-q และ 13% y-y จากจำนวนรอบของการเก็บไข่ลดลงมาอยู่ที่ 290 รอบ จาก 306 รอบใน 2Q24 และ 314 รอบใน 3Q23 โดยเฉพาะลูกค้าต่างชาติ เนื่องจากจำนวนนักท่องเที่ยวต่างชาติที่ชะลอตัวและหลังจากจีนให้การอุดหนุนการทำ IVF ในประเทศตนเองในราคาที่ไม่แพง ขณะที่รายได้จากการให้บริการตรวจพันธุกรรมตัวอ่อนและโครโมโซม -13% q-q, -19% y-y ตามคาด
- อัตรากำไรขั้นต้นอยู่ที่ระดับ 52% ลดลงจาก 55.3% ใน 3Q24 และ 55.7% ใน 3Q23 จากจำนวนรอบเก็บไข่ที่ลดลงและรายได้จากการให้ตรวจโครโมโซมที่มี margin ลดลงมากและการปรับลดค่าบริการลง
- ค่าใช้จ่ายในการบริการและดำเนินงานลดลง q-q แต่เพิ่มขึ้น 19% y-y

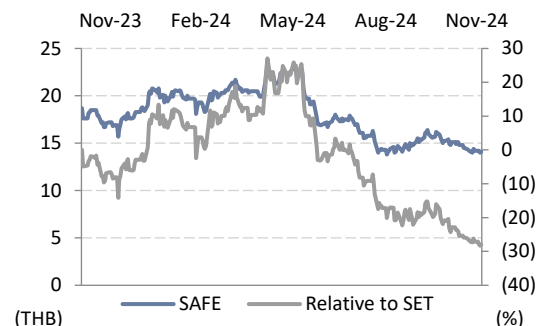
### Outlook

- แนวโน้มโมเมนตัมกำไร 4Q24 อาจฟื้นตัว q-q จากตัวเลขยอดการเข้ารับการรักษาเดือน ต.ค. ที่ผ่านมา พบว่าอยู่ในเกณฑ์ดี เพิ่มขึ้น m-m ขณะที่การให้บริการด้าน NGG (ตรวจพันธุกรรมคิดเป็น 20% ของรายได้รวม) ยังเผชิญกับภาวะการแข่งขันด้านราคาและอัตราการฝากครรภ์ที่ยังอยู่ในระดับต่ำ แม้บริษัทได้นำเอาเทคโนโลยีใหม่เข้ามาให้บริการเสริมเพื่อดึงดูดลูกค้าเข้ามารักษาเพิ่มขึ้นแต่ยังไม่เห็นผลบวกที่ชัดเจน
- คงประมาณการกำไรสุทธิปี 2024 ที่ 195 ล้านบาท ลดลง 4.6% y-y แม้ราคาหุ้นได้ปรับลงสะท้อนภาวะการแข่งขันของตลาด IVF ที่ชะลอตัว และการแข่งขันด้านราคาในการให้บริการตรวจโครโมโซม แต่ยังมี upside จำกัดจากราคาเป้าหมายปี 2025 ของเราที่ 14.70 บาท อิง PE 20 เท่า ใกล้เคียงกับค่าเฉลี่ยของกลุ่ม Healthcare และบริษัทที่ทำธุรกิจ IVF ในต่างประเทศ ยังแนะนำ ถือ

TARGET PRICE	THB14.70
CLOSE	THB14.10
UP/DOWNSIDE	+4.3%
TP vs CONSENSUS	-25.1%

### KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	849	850	934	1,028
Net profit	204	195	213	231
EPS (THB)	0.67	0.64	0.70	0.76
vs Consensus (%)	-	(10.5)	(16.5)	(24.0)
EBITDA	302	307	368	443
Recurring net profit	204	195	213	231
Core EPS (THB)	0.67	0.64	0.70	0.76
EPS growth (%)	(6.6)	(4.6)	9.3	8.6
Core P/E (x)	21.0	22.0	20.1	18.5
Dividend yield (%)	1.1	1.9	1.8	2.0
EV/EBITDA (x)	10.3	10.0	8.5	7.2
Price/book (x)	2.6	2.4	2.2	2.2
Net debt/Equity (%)	(71.1)	(68.2)	(59.9)	(56.6)
ROE (%)	14.3	11.4	11.6	12.0



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(7.8)	(1.4)	(26.9)
Relative to country (%)	(8.9)	(13.4)	(30.0)
Mkt cap (USD m)	125		
3m avg. daily turnover (USD m)	0.2		
Free float (%)	26		
Major shareholder	Quangkananurug family (61%)		
12m high/low (THB)	23.70/13.60		
Issued shares (m)	303.95		

Sources: Bloomberg consensus; FSSIA estimates



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## Exhibit 1: SAFE - 3Q24 results summary

Profit & Loss Statement	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	----- Change -----	
Year to Dec 31	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)
Revenue	188	219	223	219	251	215	193	(10)	(13)
Cost of services	81	99	99	100	105	96	92	(4)	(6)
Gross profit	106	120	124	119	147	119	100	(16)	(19)
Operating costs	51	58	52	65	63	65	62	(4)	19
<b>Operating profit</b>	<b>55</b>	<b>62</b>	<b>72</b>	<b>53</b>	<b>84</b>	<b>54</b>	<b>38</b>	<b>(29)</b>	<b>(47)</b>
Other income	1	3	1	6	1	5	2	n/a	n/a
Interest expense	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(2)	18
Profit before tax	55	63	73	59	84	58	41	(30)	(44)
Tax	(19)	(11)	(12)	(5)	(18)	(12)	(11)	(14)	(12)
<b>Reported net profit</b>	<b>36</b>	<b>52</b>	<b>61</b>	<b>54</b>	<b>67</b>	<b>46</b>	<b>30</b>	<b>(34)</b>	<b>(50)</b>
<b>Key Ratios (%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>	<b>(ppt)</b>
Gross margin	56.7	54.7	55.7	54.2	58.4	55.3	52.0	(3.3)	(3.6)
SG&A / Sales	27.3	26.6	23.2	29.8	25.0	30.0	32.1	2.0	8.8
Effective tax rate	34.6	17.6	16.7	8.5	20.9	21.3	26.3	5.0	9.6

Sources: SAFE; FSSIA estimates

## Exhibit 2: Peer comparison as of 7 Nov 2024

Company	BBG	Market Cap (USD m)	-- EPS growth --		----- PE -----		----- ROE -----		----- PBV -----		----- Div Yld -----	
			24E	25E	24E	25E	24E	25E	24E	25E	24E	25E
			(x)	(x)	(x)	(x)	(%)	(%)	(x)	(x)	(x)	(x)
Bangkok Dusit Med Service*	BDMS TB	12,391	11.1	10.4	26.6	24.1	16.4	17.1	4.2	4.0	2.6	2.6
Bumrungrad Hospital*	BH TB	5,538	10.8	3.6	24.8	23.9	29.7	26.9	6.8	6.1	1.9	2.4
Thonburi Healthcare Group*	THG TB	457	69.6	60.1	31.3	19.6	4.9	7.6	1.5	1.5	2.2	3.6
Ramkhamhaeng Hospital*	RAM TB	822	20.1	17.8	16.8	14.3	8.9	10.0	1.5	1.4	3.0	3.5
Bangkok Chain Hospital*	BCH TB	1,207	(0.7)	16.0	29.6	25.5	10.9	12.0	3.2	3.0	2.1	1.9
Chularat Hospital*	CHG TB	911	15.0	15.4	26.0	22.5	15.5	16.7	3.9	3.6	2.3	2.7
Praram 9 Hospital*	PR9 TB	552	20.2	13.1	28.2	25.0	12.7	13.2	3.4	3.2	1.8	2.0
Safe Fertility Group*	SAFE TB	125	(4.6)	9.3	22.0	20.1	11.4	11.6	2.4	2.2	1.9	1.8
Genesis Fertility Center*	GFC TB	46	6.1	14.5	19.4	16.9	14.6	16.3	2.8	2.7	1.9	2.1
Rajthanee Hospital	RJH TB	203	12.8	(7.6)	14.6	15.8	21.4	19.6	3.2	3.0	4.8	4.6
Ekachai Medical Care	EKH TB	151	0.3	(1.8)	16.6	16.9	14.1	13.1	2.1	2.1	4.1	4.1
<b>Thailand average</b>		<b>22,404</b>	<b>14.6</b>	<b>13.7</b>	<b>23.3</b>	<b>20.4</b>	<b>14.6</b>	<b>14.9</b>	<b>3.2</b>	<b>3.0</b>	<b>2.6</b>	<b>2.8</b>
<b>Regional</b>												
Ramsay Health care	RHC AU	5,967	5.0	28.8	29.3	22.8	6.4	7.9	1.8	1.7	2.2	2.8
Ryman Healthcare	RYM NZ	2,047	373.0	22.3	14.1	11.5	6.8	6.4	0.7	0.7	0.0	0.0
Amvis Holdings	7071 JP	1,227	55.6	21.4	20.0	16.5	24.8	23.9	4.4	3.5	0.3	0.3
Raffles Medical Group	RFMD SP	1,245	(28.0)	5.4	23.9	22.7	6.6	6.9	1.6	1.5	2.6	2.7
Summerset Group	SUM NZ	1,785	199.5	12.3	14.7	13.1	7.3	7.4	1.0	0.9	2.0	2.0
Regis Health	REG AU	1,316	334.9	29.3	39.2	30.3	(172.4)	(113.4)	n/a	64.8	2.3	2.7
Charm Care Corp	6062 JP	268	22.3	9.5	8.6	7.9	21.2	21.2	1.8	1.5	2.7	3.0
Monash IVF Group	MVF AU	306	570.6	7.5	14.7	13.7	12.8	13.2	1.8	1.7	4.5	5.0
<b>Regional average</b>		<b>14,161</b>	<b>191.6</b>	<b>17.1</b>	<b>20.6</b>	<b>17.3</b>	<b>(10.8)</b>	<b>(3.3)</b>	<b>1.9</b>	<b>9.5</b>	<b>2.1</b>	<b>2.3</b>
<b>Overall average</b>		<b>36,565</b>	<b>89.1</b>	<b>15.1</b>	<b>22.1</b>	<b>19.1</b>	<b>3.9</b>	<b>7.2</b>	<b>2.7</b>	<b>5.7</b>	<b>2.4</b>	<b>2.6</b>

Sources: Bloomberg Consensus; \*FSSIA estimates

## Financial Statements

### Safe Fertility Group

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	727	849	850	934	1,028
Cost of goods sold	(329)	(380)	(387)	(425)	(468)
<b>Gross profit</b>	<b>397</b>	<b>469</b>	<b>463</b>	<b>509</b>	<b>560</b>
Other operating income	0	0	0	0	0
Operating costs	(194)	(226)	(226)	(252)	(277)
<b>Operating EBITDA</b>	<b>268</b>	<b>302</b>	<b>307</b>	<b>368</b>	<b>443</b>
Depreciation	(64)	(59)	(70)	(111)	(161)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>204</b>	<b>243</b>	<b>237</b>	<b>257</b>	<b>283</b>
Net financing costs	(3)	(3)	(3)	(3)	(3)
Associates	0	0	0	0	0
Recurring non-operating income	3	10	6	8	5
Non-recurring items	0	0	0	0	0
<b>Profit before tax</b>	<b>203</b>	<b>250</b>	<b>240</b>	<b>262</b>	<b>285</b>
Tax	(41)	(47)	(45)	(49)	(54)
<b>Profit after tax</b>	<b>162</b>	<b>203</b>	<b>195</b>	<b>213</b>	<b>231</b>
Minority interests	0	1	0	0	0
Preferred dividends	0	0	0	0	0
Other items	0	0	0	0	0
<b>Reported net profit</b>	<b>162</b>	<b>204</b>	<b>195</b>	<b>213</b>	<b>231</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>162</b>	<b>204</b>	<b>195</b>	<b>213</b>	<b>231</b>
<b>Per share (THB)</b>					
Recurring EPS *	0.72	0.67	0.64	0.70	0.76
Reported EPS	0.72	0.67	0.64	0.70	0.76
DPS	0.25	0.15	0.27	0.26	0.28
Diluted shares (used to calculate per share data)	225	304	304	304	304
<b>Growth</b>					
Revenue (%)	29.8	16.8	0.1	10.0	10.0
Operating EBITDA (%)	52.1	12.7	1.7	19.9	20.4
Operating EBIT (%)	104.1	19.4	(2.6)	8.4	10.0
Recurring EPS (%)	106.7	(6.6)	(4.6)	9.3	8.6
Reported EPS (%)	106.7	(6.6)	(4.6)	9.3	8.6
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	54.7	55.3	54.5	54.5	54.5
Gross margin exc. depreciation (%)	63.6	62.2	62.8	66.4	70.2
Operating EBITDA margin (%)	36.9	35.6	36.2	39.4	43.2
Operating EBIT margin (%)	28.0	28.7	27.9	27.5	27.5
Net margin (%)	22.3	24.0	22.9	22.8	22.5
Effective tax rate (%)	20.3	18.9	18.9	18.9	18.9
Dividend payout on recurring profit (%)	34.6	22.3	41.9	36.6	36.8
Interest cover (X)	59.8	73.6	76.0	98.1	106.5
Inventory days	57.0	64.8	75.1	75.7	77.5
Debtor days	8.0	9.4	10.0	9.6	9.5
Creditor days	89.0	86.1	99.0	72.0	46.6
Operating ROIC (%)	42.2	56.8	49.4	40.0	35.3
ROIC (%)	32.8	42.0	35.2	30.7	27.6
ROE (%)	14.1	14.3	11.4	11.6	12.0
ROA (%)	12.1	12.4	10.1	10.5	11.0

\* Pre exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2022	2023	2024E	2025E	2026E
Revenue from ICSI treatment	609	667	650	715	787
Revenue from genetic testing services for embryos and fetuses	118	176	194	214	235
Revenue from dermatology services	-	6	5	5	6

Sources: Safe Fertility Group ; FSSIA estimates

## Financial Statements

### Safe Fertility Group

Cash Flow (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Recurring net profit	162	204	195	213	231
Depreciation	64	59	70	111	161
Associates & minorities	6	(1)	0	0	0
Other non-cash items	6	(2)	2	1	3
Change in working capital	54	4	(8)	(75)	(23)
<b>Cash flow from operations</b>	<b>292</b>	<b>264</b>	<b>259</b>	<b>250</b>	<b>371</b>
Capex - maintenance	(35)	(43)	(133)	(200)	(200)
Capex - new investment	0	0	0	0	0
Net acquisitions & disposals	(14)	(66)	(16)	(30)	(31)
Other investments (net)	0	0	0	0	0
<b>Cash flow from investing</b>	<b>(49)</b>	<b>(109)</b>	<b>(149)</b>	<b>(230)</b>	<b>(231)</b>
Dividends paid	(56)	(46)	(82)	(78)	(85)
Equity finance	3	291	6	0	(97)
Debt finance	(7)	0	0	0	0
Other financing cash flows	-	-	-	-	-
<b>Cash flow from financing</b>	<b>(60)</b>	<b>246</b>	<b>(76)</b>	<b>(78)</b>	<b>(182)</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	6
<b>Net other adjustments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(8)</b>	<b>6</b>
<b>Movement in cash</b>	<b>183</b>	<b>401</b>	<b>34</b>	<b>(66)</b>	<b>(36)</b>
Free cash flow to firm (FCFF)	246.69	158.16	112.55	22.74	143.12
Free cash flow to equity (FCFE)	236.13	155.18	109.35	11.85	146.62

#### Per share (THB)

FCFF per share	0.81	0.52	0.37	0.07	0.47
FCFE per share	0.78	0.51	0.36	0.04	0.48
Recurring cash flow per share	1.06	0.86	0.88	1.07	1.30

Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Tangible fixed assets (gross)	150	151	284	484	684
Less: Accumulated depreciation	0	0	(54)	(149)	(293)
<b>Tangible fixed assets (net)</b>	<b>150</b>	<b>151</b>	<b>230</b>	<b>335</b>	<b>391</b>
<b>Intangible fixed assets (net)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Long-term financial assets	0	0	0	0	0
Invest. in associates & subsidiaries	0	0	0	0	0
Cash & equivalents	851	1,251	1,285	1,219	1,184
A/C receivable	20	23	23	26	28
Inventories	49	65	65	65	65
Other current assets	228	232	232	255	281
<b>Current assets</b>	<b>1,148</b>	<b>1,571</b>	<b>1,606</b>	<b>1,565</b>	<b>1,557</b>
Other assets	114	171	171	188	207
<b>Total assets</b>	<b>1,413</b>	<b>1,894</b>	<b>2,007</b>	<b>2,089</b>	<b>2,155</b>
Common equity	1,204	1,654	1,773	1,908	1,957
Minorities etc.	6	4	4	4	4
<b>Total shareholders' equity</b>	<b>1,210</b>	<b>1,658</b>	<b>1,777</b>	<b>1,912</b>	<b>1,961</b>
Long term debt	73	73	73	73	73
Other long-term liabilities	31	38	38	42	46
<b>Long-term liabilities</b>	<b>103</b>	<b>111</b>	<b>111</b>	<b>115</b>	<b>119</b>
A/C payable	66	85	87	37	41
Short term debt	0	0	0	0	0
Other current liabilities	33	40	33	33	36
<b>Current liabilities</b>	<b>99</b>	<b>125</b>	<b>119</b>	<b>70</b>	<b>77</b>
<b>Total liabilities and shareholders' equity</b>	<b>1,413</b>	<b>1,894</b>	<b>2,007</b>	<b>2,097</b>	<b>2,157</b>
Net working capital	198	195	201	276	296
Invested capital	463	518	603	799	894

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

#### Per share (THB)

Book value per share	5.35	5.44	5.83	6.28	6.44
Tangible book value per share	5.35	5.44	5.83	6.28	6.44

#### Financial strength

Net debt/equity (%)	(64.3)	(71.1)	(68.2)	(59.9)	(56.6)
Net debt/total assets (%)	(55.1)	(62.2)	(60.4)	(54.9)	(51.5)
Current ratio (x)	11.6	12.6	13.5	22.3	20.1
CF interest cover (x)	69.3	46.1	35.2	5.4	55.3

Valuation	2022	2023	2024E	2025E	2026E
<b>Recurring P/E (x) *</b>	<b>19.6</b>	<b>21.0</b>	<b>22.0</b>	<b>20.1</b>	<b>18.5</b>
<b>Recurring P/E @ target price (x) *</b>	<b>20.5</b>	<b>21.9</b>	<b>23.0</b>	<b>21.0</b>	<b>19.3</b>
Reported P/E (x)	19.6	21.0	22.0	20.1	18.5
Dividend yield (%)	1.8	1.1	1.9	1.8	2.0
Price/book (x)	2.6	2.6	2.4	2.2	2.2
Price/tangible book (x)	2.6	2.6	2.4	2.2	2.2
EV/EBITDA (x) **	8.9	10.3	10.0	8.5	7.2
EV/EBITDA @ target price (x) **	9.5	10.9	10.6	9.0	7.6
EV/invested capital (x)	5.2	6.0	5.1	3.9	3.6

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

Sources: Safe Fertility Group ; FSSIA estimates

## Disclaimer for ESG scoring

ESG score	Methodology	Rating																				
The Dow Jones Sustainability Indices ( <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 <b>THSI inclusion</b> , verified data must be scored at a minimum of 50% for each indicator, unless the company is a part of DJSI during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality. <b>SETTHSI Index</b> is extended from the THSI companies whose 1) market capitalization > THB5b (~USD150b); 2) free float >20%; and 3) liquidity >0.5% of paid-up capital for at least 9 out of 12 months. The SETTHSI Index is a market capitalisation-weighted index, cap 5% quarterly weight at maximum, and no cap for number of stocks.																				
<b>CG Score</b> by Thai Institute of Directors Association (Thai IOD)	An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.	Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (60-69), and not rated for scores below 50. Weightings include: 1) the rights; 2) and equitable treatment of shareholders (weight 25% combined); 3) the role of stakeholders (25%); 4) disclosure & transparency (15%); and 5) board responsibilities (35%).																				
<b>AGM level</b> By Thai Investors Association (TIA) with support from the SEC	It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). <i>(The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&amp;A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.)</i>	The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.																				
<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="3"><b>Average:</b></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><b>BB</b></td><td>2.857-4.285</td></tr><tr><td><b>B</b></td><td>1.429-2.856</td></tr><tr><td><b>CCC</b></td><td>0.000-1.428</td><td><b>Laggard:</b></td><td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td></tr></table>		<b>AAA</b>	8.571-10.000	<b>Leader:</b>	leading its industry in managing the most significant ESG risks and opportunities	<b>AA</b>	7.143-8.570	<b>A</b>	5.714-7.142	<b>BBB</b>	4.286-5.713	<b>Average:</b>	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	<b>BB</b>	2.857-4.285	<b>B</b>	1.429-2.856	<b>CCC</b>	0.000-1.428	<b>Laggard:</b>	lagging its industry based on its high exposure and failure to manage significant ESG risks
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<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

Songklod Wongchai FSS International Investment Advisory Securities Co., Ltd

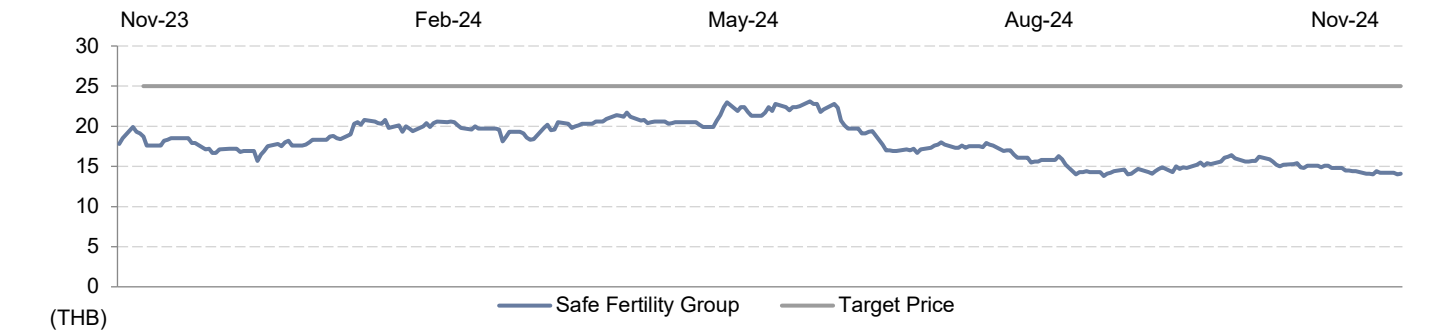
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) 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

Safe Fertility Group (SAFE TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
08-Nov-2023	BUY	25.00	07-Nov-2024	HOLD	14.70	-	-	-

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

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Safe Fertility Group	SAFE TB	THB 14.10	HOLD	ความเสี่ยงที่จะมีผลต่อประมาณการของเรา ได้แก่ เกิดเหตุฟ้องร้องหรือ ร้องเรียนหากวิธีการรักษาเกิดความผิดพลาด ลูกค้าน่าต่างชาติดลดลงจาก ผลกระทบของการเดินทาง หรือกรณีเกิดโรคระบาดใหม่ และต้นทุนค่ายาปรับตัวสูงขึ้นมากกว่าที่คาด

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 07-Nov-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.