

PRARAM 9 HOSPITAL

THAILAND / HEALTH CARE SERVICES

PR9 TB

BUY

UNCHANGED

ผู้ป่วยตะวันออกกลางจะช่วยหนุนกำไรให้ทำสถิติสูงสุดใหม่

- คาดว่ากำไรปกติ 4Q24 จะโต 13% y-y ทำสถิติสูงสุดใหม่ที่ 212 ลบ. โดยมีปัจจัยหนุนจากผู้ป่วยชาวตะวันออกกลาง (ME) ที่อยู่ในเกณฑ์ดี
- ห้องพักรักษาผู้ป่วยที่เพิ่มขึ้นและศูนย์บริการผู้ป่วยต่างชาติ จะช่วยหนุนการเติบโตของรายได้ผู้ป่วยต่างชาติได้ 35-40% ในปี 2025
- คงคำแนะนำซื้อที่ราคาเป้าหมาย 30.0 บาท (DCF)

TARGET PRICE	THB30.00
CLOSE	THB24.60
UP/DOWNSIDE	+22.0%
PRIOR TP	THB30.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+2.3%

KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	4,202	4,642	5,068	5,481
Net profit	558	718	816	905
EPS (THB)	0.71	0.91	1.04	1.15
vs Consensus (%)	-	1.8	0.8	(0.8)
EBITDA	958	1,108	1,273	1,432
Recurring net profit	558	718	816	905
Core EPS (THB)	0.71	0.91	1.04	1.15
Chg. In EPS est. (%)	-	1.4	0.0	0.0
EPS growth (%)	(1.7)	28.7	13.6	10.9
Core P/E (x)	34.7	26.9	23.7	21.4
Dividend yield (%)	1.2	1.9	2.1	2.3
EV/EBITDA (x)	18.2	15.3	13.2	11.4
Price/book (x)	3.8	3.5	3.2	3.0
Net debt/Equity (%)	(37.3)	(43.2)	(42.8)	(47.4)
ROE (%)	11.4	13.5	14.1	14.4

คาดการณ์รายได้และกำไรปกติจะพุ่งทำสถิติสูงสุดใหม่ใน 4Q24

เราคาดว่ารายได้ผู้ป่วยต่างชาติจะดีต่อเนื่องโดยน่าจะเพิ่มขึ้น 40-45% y-y จากผู้ป่วยชาวตะวันออกกลาง ในขณะที่รายได้ผู้ป่วยชาวไทยน่าจะโต 1-2% y-y โดยมีปัจจัยหนุนจากศูนย์ตรวจสุขภาพ ทั้งสองปัจจัยน่าจะทำให้รายได้โต 7% y-y ไปทำสถิติสูงสุดใหม่ที่ 1.3 พัน ลบ. ใน 4Q24 ทั้งนี้ PR9 ได้บริการรถให้บริการทางการแพทย์และ X-Ray เคลื่อนที่ใน 4Q24 เมื่อประกอบเข้ากับค่าใช้จ่ายบำรุงรักษาที่เพิ่มขึ้นปัจจัยดังกล่าวน่าจะทำให้ค่าใช้จ่ายการขายและบริหารเพิ่มขึ้น 20-22% y-y อย่างไรก็ตามกำไรสุทธิน่าจะเพิ่มขึ้นจากกำไรก่อนหักภาษีโดยอาจทำให้อัตรากำไรลดลงเหลือ 5% ดังนั้นรายจ่ายบริจาคจึงน่าจะไม่มีผลกระทบต่อกำไรในไตรมาสนี้ ในภาพรวมเราคาดว่ากำไรปกติ 4Q24 จะทำสถิติสูงสุดใหม่อีกครั้งที่ 212 ลบ. (+13% y-y, +2% q-q)

สัดส่วนรายได้ผู้ป่วยต่างชาติจะแตะ 20% ในปี 2025

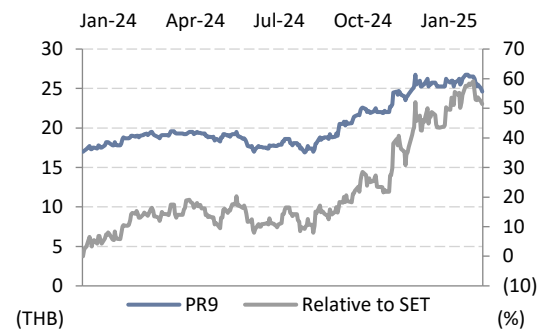
เมื่อไม่นานมานี้ PR9 ได้เปิดศูนย์บริการผู้ป่วยต่างชาติซึ่งน่าจะช่วยอำนวยความสะดวกและหนุนการเติบโตของผู้ป่วยต่างชาติ นอกจากนี้ PR9 ยังวางแผนเพิ่มเตียงผู้ป่วยในอีก 20 เตียง (จาก 204 ในปัจจุบัน) ใน 2Q25 เพื่อรองรับผู้ป่วยชาวตะวันออกกลางเพิ่มขึ้น ดังนั้นเราจึงคาดว่ารายได้ผู้ป่วยต่างชาติจะโต 35-40% ในปี 2025 (เทียบกับ 30-35% ใน 2024E) และจะทำให้สัดส่วนรายได้ผู้ป่วยต่างชาติแตะ 20% สำหรับรายได้ผู้ป่วยชาวไทยเราคาดว่าจะโตเพียง 3-4% ในปี 2025 ต่ำกว่าเมื่อเทียบกับ 7% ในปี 2024E จากการชะลอตัวทางเศรษฐกิจ

ค่ากำไรปกติจะโต 14% y-y ในปี 2025

เราคาดว่ารายได้จะโต 9% ในปี 2025 (ต่ำกว่าเป้าหมายการของบริษัท ที่คาดว่าจะโตในอัตราสองหลักอยู่เล็กน้อย) ในขณะที่ EBITDA margin น่าจะปรับตัวดีขึ้นเป็น 25% ในปี 2025 (เทียบกับ 24% ในปี 2024) ซึ่งจะทำให้กำไรปกติโต 14% เป็น 816 ลบ.

โอกาสในการขยายฐานผู้ป่วยชาวตะวันออกกลางมีอีกมาก

เราปรับเพิ่มประมาณการกำไรปกติปี 2024 ของเราขึ้น 1% เพื่อสะท้อนสมมติฐาน 4Q24 ของเรา เราคงประมาณการกำไรปกติปี 2025-26 ของเราและราคาเป้าหมายที่ 30 บาท (DCF) PR9 มีการซื้อขายที่ 24x 2025E P/E (เทียบกับค่าเฉลี่ยของกลุ่ม ที่ 17x) อย่างไรก็ตามหุ้นมี Upside อยู่อีกมากโดยเฉพาะในตลาดตะวันออกกลาง ทั้งนี้เราคาดว่ารายได้ผู้ป่วยชาวตะวันออกกลางไว้ที่ 0.2 พัน ลบ. ในปี 2025 ในขณะที่เราคาดว่าขนาดของตลาดรวมของผู้ป่วยชาวตะวันออกกลางจะอยู่ที่ประมาณ 11 พัน ลบ. (ไม่รวมผู้ป่วยชาวคูเวต) และ 14 พัน ลบ. (เมื่อรวมผู้ป่วยชาวคูเวต) ในปีดังกล่าว



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(5.4)	11.8	44.7
Relative to country (%)	1.1	22.7	52.6
Mkt cap (USD m)	556		
3m avg. daily turnover (USD m)	1.9		
Free float (%)	59		
Major shareholder	Khunying Potjaman Damapong (37%)		
12m high/low (THB)	27.50/16.80		
Issued shares (m)	786.30		

Sources: Bloomberg consensus; FSSIA estimates



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บทวิเคราะห์ฉบับนี้แปลมาจากต้นฉบับภาษาอังกฤษ ที่ออกรายงานเมื่อวันที่ 15 มกราคม 2025

Investment thesis

PR9 is a standalone hospital that is known as a “value-for-money” hospital. It recently upgraded its services to include tertiary care with new specialist centers. One of the top contributors is the Kidney Transplant Institute, which is the only facility to be accredited by Joint Commission International (JCI) outside the US.

The hospital is in a growth phase, with a new building opened in July 2020. The new building enables PR9 to capture new customer groups from its new specialist centers and gives it a higher IPD capacity. PR9 has the potential to increase its IPD capacity to up to 300 beds (from 204 currently).

PR9 expects to increase the revenue contribution from international patients from 14% in 2022 to 20% by 2025. This should improve the EBITDA margin and ROE, leading to a stock valuation re-rating, in our view.

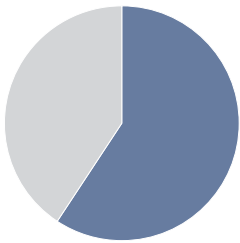
Company profile

PR9 has been operating a private hospital since 1992.

www.praram9.com

Principal activities (revenue, 2023)

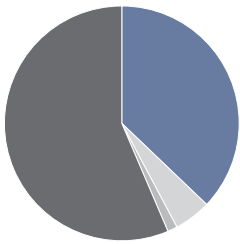
- OPD patient revenue - 59.3 %
- IPD patient revenue - 40.7 %



Source: Praram 9 Hospital

Major shareholders

- Khunying Potjaman Damapong - 37.1 %
- Thai NVDR - 5.1 %
- Satian Pooprasert - 1.3 %
- Others - 56.4 %



Source: Praram 9 Hospital

Catalysts

Key potential growth drivers include 1) a higher Thai patient volume from new specialist centers; 2) rising demand from medical tourists, especially patients from CLMV, China and the Middle East; and 3) the new strategy to capture Middle East patients.

Risks to our call

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.

Event calendar

Date	Event
Feb 2025	4Q24 results announcement

Key assumptions

	2024E	2025E	2026E
	(%)	(%)	(%)
No. of beds (no.)	204	224	249
OPD volume growth	5	6	3
OPD revenue / patient growth	5	4	5
IPD volume growth	5	6	3
IPD revenue / patient growth	6	4	5

Source: FSSIA estimates

Earnings sensitivity

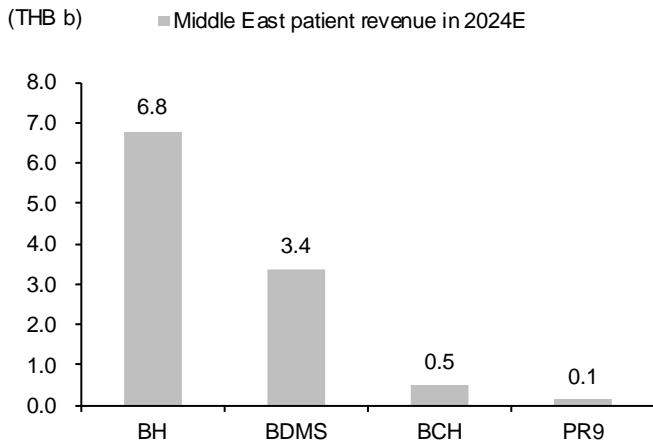
- For every 1% increase in patient volume, we project 2025 earnings to rise by 2%, and vice versa, all else being equal.
- For every 1% increase in EBITDA margin, we project 2025 earnings to rise by 6%, and vice versa, all else being equal.

Source: FSSIA estimates

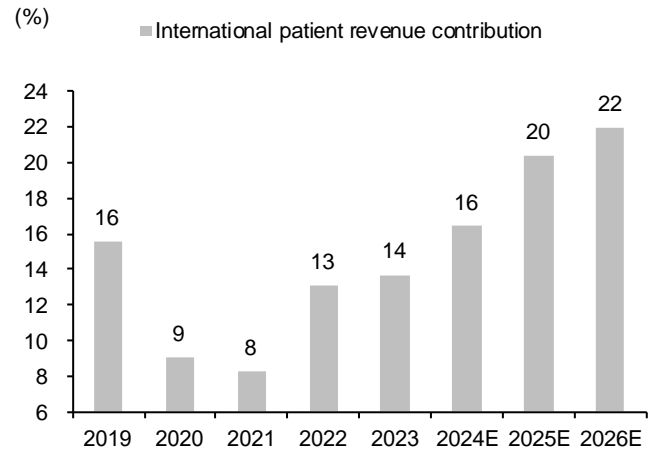
Exhibit 1: PR9 – 4Q24 results preview

FY ending Dec	4Q23	1Q24	2Q24	3Q24	4Q24E	----- Change -----		2023	2024E	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)
Sales	1,175	1,071	1,084	1,226	1,258	3	7	4,202	4,642	10
COGS (incl depreciation)	(761)	(715)	(733)	(781)	(816)	5	7	(2,820)	(3,037)	8
Gross profit	414	356	350	445	442	(1)	7	1,382	1,604	16
SG&A	(209)	(182)	(204)	(212)	(252)	19	21	(774)	(849)	10
Operating profit	205	175	146	233	189	(19)	(8)	608	755	24
Net other income	16	10	14	10	15	49	(7)	51	44	(13)
Interest income	12	13	12	15	15	0	26	30	55	
Interest expenses	(0)	(0)	(0)	(0)	0			(1)	0	n/a
Pretax profit	233	197	173	258	220	(15)	(6)	689	855	24
Income Tax	(45)	(38)	(34)	(50)	(8)	(84)	(82)	(131)	(137)	5
Core profit	188	159	139	208	212	2	13	558	718	29
Extraordinaries, GW & FX										
Reported net profit	188	159	139	208	212	2	13	558	718	29
Outstanding shares (m)	786	786	786	786	786	0	0	786	786	0
Pre-ex EPS (THB)	0.24	0.20	0.18	0.26	0.27	2	13	0.71	0.91	29
EPS (THB)	0.24	0.20	0.18	0.26	0.27	2	13	0.71	0.91	29
COGS excl. depreciation	(686)	(640)	(658)	(703)	(738)	5	8	(2,521)	(2,729)	8
Depreciation	(75)	(75)	(76)	(78)	(78)	1	4	(299)	(308)	3
EBITDA	297	259	236	321	283	(12)	(5)	958	1,108	16
Key ratios	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)	(%)	(ppt)
Gross margin	35	33	32	36	35	(1)	(0)	33	35	2
SG&A/Revenue	18	17	19	17	20	3	2	18	18	(0)
EBITDA margin	25	24	22	26	22	(4)	(3)	23	24	1
Net profit margin	16	15	13	17	17	(0)	1	13	15	2
Operating stats	(%)	(%)	(%)	(%)	(%)					
OPD revenue growth y-y	3	13	10	11	-					
OPD volume growth y-y	4	9	4	5	-					
OPD revenue per head growth y-y	(1)	4	6	6	-					
IPD revenue growth y-y	12	11	5	21	-					
IPD volume growth y-y	13	15	(4)	7	-					
IPD revenue per head growth y-y	(1)	(4)	10	13	-					
Thai patient revenue growth y-y	6	10	5	11	1					
Inter patient revenue growth y-y	9	25	24	42	45					

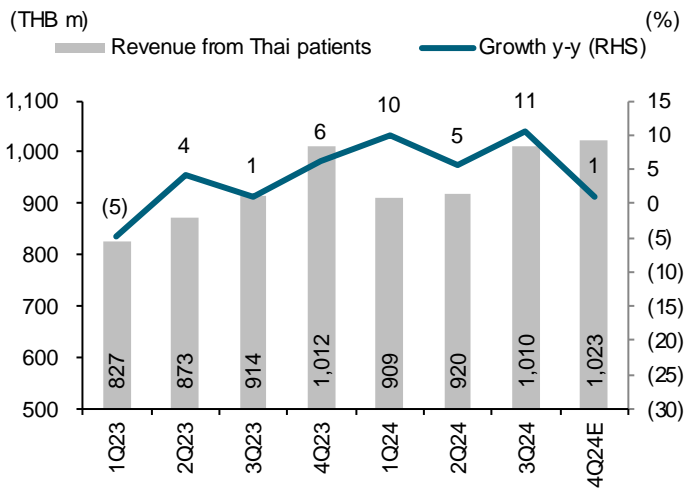
Sources: PR9; FSSIA estimates

Exhibit 2: Middle East patient revenue in 2024E

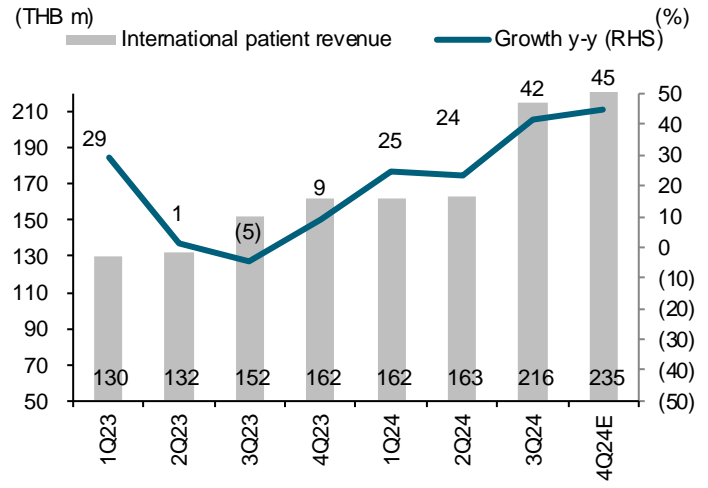
Source: FSSIA's compilation and estimates

Exhibit 3: Revenue contribution from international patients

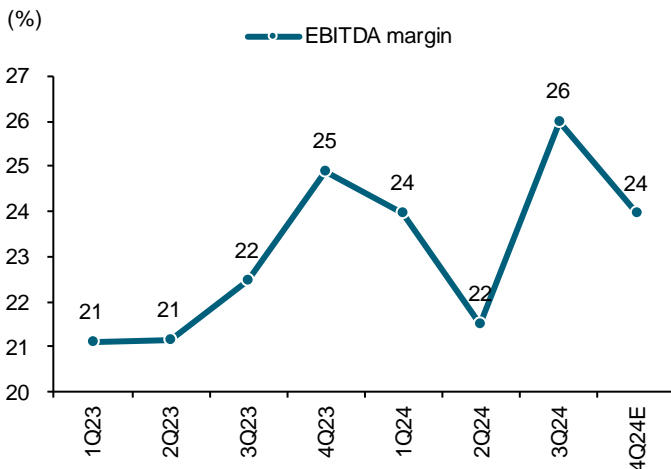
Sources: PR9; FSSIA estimates

Exhibit 4: Thai patient revenue

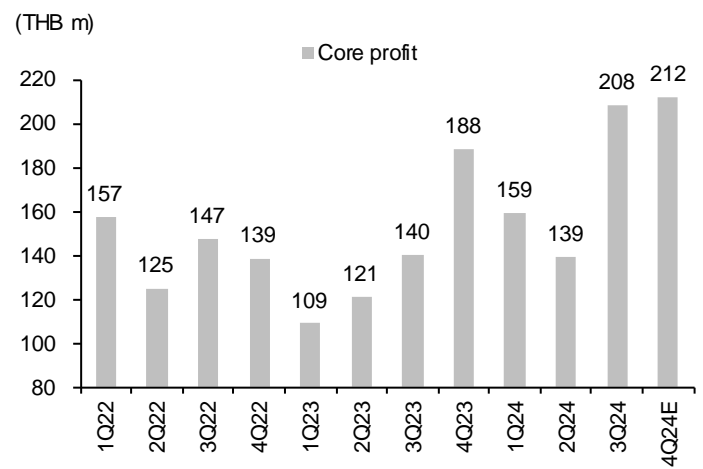
Sources: PR9; FSSIA estimates

Exhibit 5: International patient revenue

Sources: PR9; FSSIA estimates

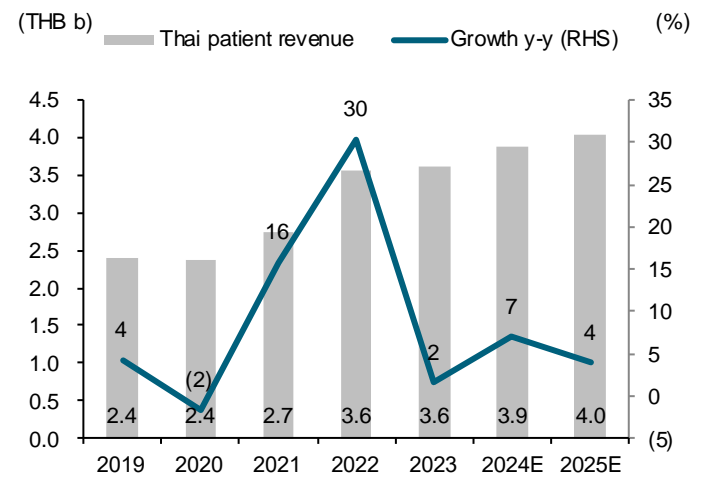
Exhibit 6: EBITDA margin

Note: 4Q24 adjusted for one-time expenses (donation of mobile medical and x-ray bus)
 Sources: PR9; FSSIA estimates

Exhibit 7: Core profit

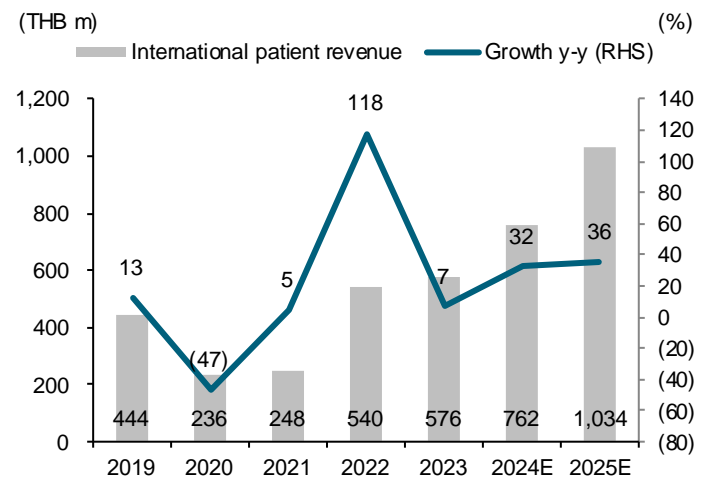
Sources: PR9; FSSIA estimates

Exhibit 8: Thai patient revenue



Sources: PR9; FSSIA estimates

Exhibit 9: International patient revenue



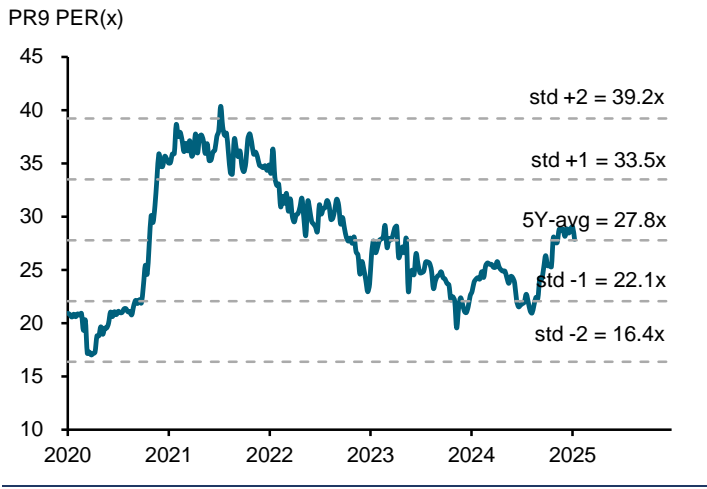
Sources: PR9; FSSIA estimates

Exhibit 10: DCF valuation

Cost of equity assumptions		(%)	Cost of debt assumptions		(%)
Risk-free rate		3.0	Pre-tax cost of debt		3.5
Market risk premium		8.0	Marginal tax rate		20.0
Stock beta		0.8			
Cost of equity, Ke		9.3	Net cost of debt, Kd		2.8
Weight applied		100.0	Weight applied		0.0
WACC		9.3			
DCF valuation estimate		(THB b)	(THB/share)	Comments	
NPV		8.3	10.5	WACC 9.3%, risk-free rate 3%, risk premium 8%	
Terminal value		12.6	16.0	Terminal growth 3%	
Cash & liquid assets		2.5	3.2	At end-2025E	
Investments		0.3	0.3	At end-2025E	
Debt		(0.0)	(0.0)	At end-2025E	
Minorities		0.0	0.0	At end-2025E	
Residual ordinary equity		23.6	30.0		

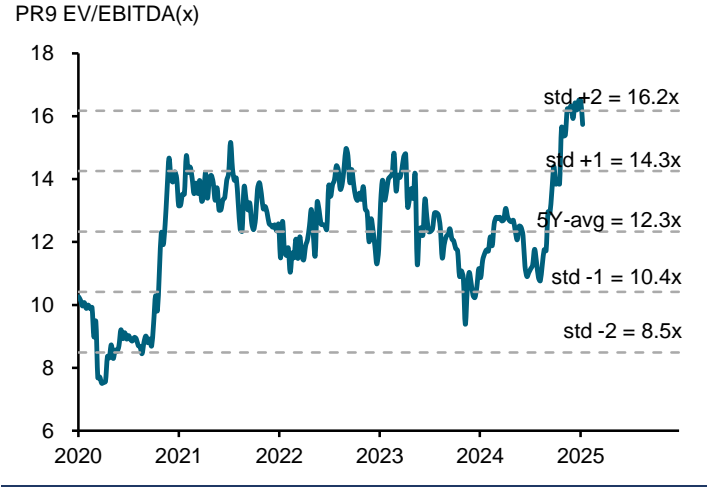
Source: FSSIA estimates

Exhibit 11: Historical P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 12: Historical EV/EBITDA band



Sources: Bloomberg; FSSIA estimates

Exhibit 13: Peer comparisons as of 14 Jan 2025

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	23.40	36.50	56.0	10,696	23.3	21.1	16.4	17.1	3.7	3.5	14.2	12.7
Bumrungrad Hospital	BH TB	HOLD	190.00	285.00	50.0	4,345	19.7	19.0	29.7	26.9	5.4	4.8	13.2	12.4
Bangkok Chain Hospital	BCH TB	BUY	14.20	21.00	47.9	1,019	25.4	21.9	10.9	12.0	2.7	2.5	12.5	10.9
Chularat Hospital	CHG TB	BUY	2.26	3.80	68.1	715	20.7	17.9	15.5	16.7	3.1	2.9	11.8	10.3
Patangsit Healthcare Group	PHG TB	BUY	15.30	21.00	37.3	132	15.8	14.0	14.3	15.1	2.2	2.0	7.5	6.8
Praram 9 Hospital	PR9 TB	BUY	24.60	30.00	22.0	556	26.9	23.7	13.5	14.1	3.5	3.2	15.3	13.2
Thonburi Healthcare Group	THG TB	HOLD	12.70	40.00	215.0	310	21.5	13.4	4.9	7.6	1.0	1.0	10.3	8.5
Ramkhamhaeng Hospital	RAM TB	BUY	22.00	44.00	100.0	759	15.8	13.4	8.9	10.0	1.4	1.3	21.0	16.6
Srivichai Vejvivat	VIH TB	BUY	7.95	15.00	88.7	148	14.7	12.9	10.3	10.5	1.4	1.3	5.9	7.4
Rajthanee Hospital	RJH TB	n/a	19.20	n/a	n/a	160	10.6	11.5	25.7	22.7	2.7	2.5	9.4	9.1
Ekachai Medical Care	EKH TB	n/a	6.25	n/a	n/a	153	15.6	15.9	12.4	12.4	2.0	1.9	9.8	9.4
Thailand average						18,992	19.1	16.8	14.8	15.0	2.6	2.5	11.9	10.7
Regional														
Ramsay Health Care	RHC AU	n/a	34.63	n/a	n/a	4,937	27.8	26.2	6.5	6.4	1.6	1.6	8.9	8.5
Ihh Healthcare Bhd	IHH SP	n/a	2.19	n/a	n/a	14,106	32.9	30.5	6.8	6.8	2.1	2.0	14.2	13.1
Ryman Healthcare	RYM NZ	n/a	4.48	n/a	n/a	1,726	11.2	19.3	7.0	3.8	0.6	0.7	16.0	19.7
Apollo Hospitals Enterprise	APHS IN	n/a	6,707	n/a	n/a	11,169	104.2	65.8	14.1	19.1	13.8	11.9	42.3	32.6
Kpj Healthcare Berhad	KPJ MK	n/a	2.32	n/a	n/a	2,199	32.9	28.7	12.3	13.4	4.0	3.7	14.8	13.7
Raffles Medical Group	RFMD SP	n/a	0.83	n/a	n/a	1,120	22.9	21.2	6.5	6.7	1.5	1.4	10.7	10.1
Mitra Keluarga Karyasehat	MIKA IJ	n/a	2,320	n/a	n/a	1,979	28.6	25.9	18.9	19.1	4.9	4.4	17.4	15.6
Aier Eye Hospital Group	300015 CH	n/a	12.50	n/a	n/a	15,902	30.9	27.2	18.1	18.1	5.3	4.6	18.5	16.3
Regional average						53,138	36.4	30.6	11.3	11.7	4.2	3.8	17.8	16.2
Overall average						72,130	26.4	22.6	13.3	13.6	3.3	3.0	14.4	13.0

Sources: Bloomberg; FSSIA estimates

Financial Statements

Praram 9 Hospital

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	4,107	4,202	4,642	5,068	5,481
Cost of goods sold	(2,724)	(2,820)	(3,037)	(3,268)	(3,510)
Gross profit	1,384	1,382	1,604	1,800	1,972
Other operating income	43	51	44	46	47
Operating costs	(735)	(774)	(849)	(897)	(939)
Operating EBITDA	991	958	1,108	1,273	1,432
Depreciation	(299)	(299)	(308)	(323)	(353)
Goodwill amortisation	-	-	-	-	-
Operating EBIT	692	659	800	949	1,079
Net financing costs	8	30	55	48	52
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	700	689	855	997	1,131
Tax	(132)	(131)	(137)	(182)	(226)
Profit after tax	568	558	718	816	905
Minority interests	0	0	0	0	0
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	568	558	718	816	905
Non-recurring items & goodwill (net)	0	0	0	0	0
Recurring net profit	568	558	718	816	905
Per share (THB)					
Recurring EPS *	0.72	0.71	0.91	1.04	1.15
Reported EPS	0.72	0.71	0.91	1.04	1.15
DPS	0.29	0.30	0.46	0.52	0.58
Diluted shares (used to calculate per share data)	786	786	786	786	786
Growth					
Revenue (%)	37.5	2.3	10.5	9.2	8.1
Operating EBITDA (%)	67.9	(3.4)	15.6	14.9	12.5
Operating EBIT (%)	133.3	(4.7)	21.3	18.7	13.7
Recurring EPS (%)	127.8	(1.7)	28.7	13.6	10.9
Reported EPS (%)	127.8	(1.7)	28.7	13.6	10.9
Operating performance					
Gross margin inc. depreciation (%)	33.7	32.9	34.6	35.5	36.0
Gross margin exc. depreciation (%)	41.0	40.0	41.2	41.9	42.4
Operating EBITDA margin (%)	24.1	22.8	23.9	25.1	26.1
Operating EBIT margin (%)	16.8	15.7	17.2	18.7	19.7
Net margin (%)	13.8	13.3	15.5	16.1	16.5
Effective tax rate (%)	18.9	19.0	16.0	18.2	20.0
Dividend payout on recurring profit (%)	40.2	42.3	50.0	50.0	50.0
Interest cover (X)	(84.0)	(22.3)	(14.5)	(19.7)	(20.9)
Inventory days	8.1	7.2	6.7	6.7	6.7
Debtor days	20.2	23.1	22.8	20.9	19.3
Creditor days	82.5	73.9	72.6	72.7	73.0
Operating ROIC (%)	18.1	17.6	22.0	24.4	26.0
ROIC (%)	17.4	16.1	19.9	22.2	23.8
ROE (%)	12.6	11.4	13.5	14.1	14.4
ROA (%)	10.5	9.3	10.9	11.6	11.9
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
OPD patient revenue	2,383	2,491	2,746	2,998	3,243
IPD patient revenue	1,725	1,711	1,896	2,070	2,239

Sources: Praram 9 Hospital; FSSIA estimates

Financial Statements

Praram 9 Hospital

Cash Flow (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Recurring net profit	568	558	718	816	905
Depreciation	299	299	308	323	353
Associates & minorities	-	-	-	-	-
Other non-cash items	10	10	0	0	0
Change in working capital	(5)	(23)	49	50	49
Cash flow from operations	871	844	1,075	1,189	1,307
Capex - maintenance	(140)	(326)	(328)	(658)	(387)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	(150)	(100)	0	0	0
Other investments (net)	-	-	-	-	-
Cash flow from investing	(290)	(426)	(328)	(658)	(387)
Dividends paid	(110)	(234)	(236)	(359)	(408)
Equity finance	0	0	0	0	0
Debt finance	2	1	0	0	0
Other financing cash flows	0	0	0	0	0
Cash flow from financing	(108)	(233)	(236)	(359)	(408)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	473	184	511	172	512
Free cash flow to firm (FCFF)	581.44	418.17	746.77	531.21	919.58
Free cash flow to equity (FCFE)	582.47	418.73	746.77	531.21	919.58

Per share (THB)

FCFF per share	0.74	0.53	0.95	0.68	1.17
FCFE per share	0.74	0.53	0.95	0.68	1.17
Recurring cash flow per share	1.11	1.10	1.30	1.45	1.60

Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Tangible fixed assets (gross)	5,638	5,898	6,226	6,884	7,271
Less: Accumulated depreciation	(2,322)	(2,556)	(2,864)	(3,187)	(3,540)
Tangible fixed assets (net)	3,315	3,343	3,363	3,697	3,732
Intangible fixed assets (net)	0	0	0	0	0
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	154	254	254	254	254
Cash & equivalents	1,717	1,901	2,412	2,585	3,096
A/C receivable	243	290	290	290	290
Inventories	51	48	52	56	60
Other current assets	12	12	13	14	15
Current assets	2,023	2,251	2,768	2,945	3,462
Other assets	65	62	62	62	62
Total assets	5,558	5,910	6,446	6,958	7,509
Common equity	4,735	5,080	5,562	6,019	6,516
Minorities etc.	0	0	0	0	0
Total shareholders' equity	4,735	5,080	5,562	6,019	6,516
Long term debt	8	9	9	9	9
Other long-term liabilities	209	195	195	195	195
Long-term liabilities	217	204	204	204	204
A/C payable	499	522	565	609	653
Short term debt	0	0	0	0	0
Other current liabilities	106	105	116	126	136
Current liabilities	606	626	680	735	790
Total liabilities and shareholders' equity	5,558	5,910	6,446	6,958	7,509
Net working capital	(299)	(276)	(325)	(375)	(424)
Invested capital	3,235	3,382	3,354	3,638	3,624

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

Per share (THB)

Book value per share	6.02	6.46	7.07	7.65	8.29
Tangible book value per share	6.02	6.46	7.07	7.65	8.29

Financial strength

Net debt/equity (%)	(36.1)	(37.3)	(43.2)	(42.8)	(47.4)
Net debt/total assets (%)	(30.8)	(32.0)	(37.3)	(37.0)	(41.1)
Current ratio (x)	3.3	3.6	4.1	4.0	4.4
CF interest cover (x)	(69.7)	(13.2)	(12.5)	(10.0)	(16.8)

Valuation	2022	2023	2024E	2025E	2026E
Recurring P/E (x) *	34.1	34.7	26.9	23.7	21.4
Recurring P/E @ target price (x) *	41.6	42.3	32.9	28.9	26.1
Reported P/E (x)	34.1	34.7	26.9	23.7	21.4
Dividend yield (%)	1.2	1.2	1.9	2.1	2.3
Price/book (x)	4.1	3.8	3.5	3.2	3.0
Price/tangible book (x)	4.1	3.8	3.5	3.2	3.0
EV/EBITDA (x) **	17.8	18.2	15.3	13.2	11.4
EV/EBITDA @ target price (x) **	22.1	22.6	19.1	16.5	14.3
EV/invested capital (x)	5.5	5.2	5.1	4.6	4.5

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

Sources: Praram 9 Hospital; FSSIA estimates

Praram 9 Hospital PCL (PR9 TB)

FSSIA ESG rating



54.08 /100

Exhibit 14: FSSIA ESG score implication

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

Sources: FSSIA estimates

Exhibit 15: ESG – peer comparison

	FSSIA ESG score	Domestic ratings						Global ratings					Bloomberg		
		DJSI	SET ESG	SET ESG Rating	CG score	AGM level	Thai CAC	Morningstar ESG risk	ESG Book	MSCI	Moody's	Refinitiv	S&P Global	ESG score	Disclosure score
SET100	69.20	5.34	4.40	4.40	4.76	4.65	3.84	Medium	51.76	BBB	20.87	58.72	63.91	3.72	28.17
Coverage	67.12	5.11	4.15	4.17	4.83	4.71	3.53	Medium	52.04	BB	16.97	56.85	62.09	3.40	31.94
BCH	39.71	--	--	--	4.00	5.00	Certified	High	48.21	--	--	27.19	18.00	3.52	47.60
BDMS	74.00	Y	Y	Y	5.00	4.00	--	Medium	61.06	AA	34.00	59.83	72.00	3.45	58.92
BH	51.21	--	--	--	4.00	4.00	--	Medium	64.29	A	29.00	59.03	27.00	5.08	47.79
CHG	38.25	--	--	--	4.00	5.00	--	High	55.35	--	--	59.57	21.00	2.34	50.24
PR9	54.08	--	Y	Y	5.00	5.00	Certified	High	71.12	--	--	62.39	--	2.43	37.90
PRINC	18.00	--	--	--	4.00	4.00	Certified	--	--	--	--	--	--	--	--
RAM	11.75	--	--	--	3.00	--	--	High	--	--	--	--	--	--	--
THG	18.75	--	--	--	5.00	5.00	--	High	--	--	--	--	--	--	--
VIBHA	20.88	--	--	--	4.00	3.00	Declared	High	--	--	--	--	17.00	--	--

Sources: [SETTRADE.com](https://www.settrade.com); FSSIA's compilation

Exhibit 16: ESG score by Bloomberg

FY ending Dec 31	FY 2020	FY 2021	FY 2022
ESG financial materiality scores - ESG score	—	2.33	2.43
BESG environmental pillar score	—	2.56	2.18
BESG social pillar score	—	1.36	1.52
BESG governance pillar score	—	4.13	4.46
ESG disclosure score	—	37.90	37.90
Environmental disclosure score	—	11.78	11.78
Social disclosure score	—	20.68	20.68
Governance disclosure score	—	81.10	81.10
Environmental			
Emissions reduction initiatives	No	Yes	Yes
Climate change policy	No	Yes	Yes
Climate change opportunities discussed	No	No	No
Risks of climate change discussed	No	No	No
GHG scope 1	—	0	0
GHG scope 2 location-based	—	4	6
GHG Scope 3	—	0	5
Carbon per unit of production	—	—	—
Biodiversity policy	No	No	No
Energy efficiency policy	No	Yes	Yes
Total energy consumption	—	7	13
Renewable energy use	—	—	—
Electricity used	—	—	—
Fuel used - natural gas	—	—	—

Sources: Bloomberg; FSSIA's compilation

Exhibit 17: ESG score by Bloomberg (cont.)

FY ending Dec 31	FY 2020	FY 2021	FY 2022
Fuel used - crude oil/diesel	No	No	No
Waste reduction policy	No	Yes	Yes
Hazardous waste	—	—	—
Total waste	—	—	—
Waste recycled	—	—	—
Waste sent to landfills	—	—	—
Environmental supply chain management	No	No	No
Water policy	No	Yes	Yes
Water consumption	—	60	151
Social			
Human rights policy	Yes	Yes	Yes
Policy against child labor	No	Yes	Yes
Quality assurance and recall policy	No	Yes	Yes
Consumer data protection policy	No	Yes	Yes
Equal opportunity policy	Yes	Yes	Yes
Gender pay gap breakout	No	No	No
Pct women in workforce	—	—	—
Pct disabled in workforce	—	—	—
Business ethics policy	No	Yes	Yes
Anti-bribery ethics policy	Yes	Yes	Yes
Health and safety policy	No	Yes	Yes
Lost time incident rate - employees	—	—	—
Total recordable incident rate - employees	—	1	0
Training policy	Yes	Yes	Yes
Fair remuneration policy	No	No	No
Number of employees – CSR	2,083	1,987	2,011
Employee turnover pct	—	11	13
Total hours spent by firm - employee training	14,566	13,462	66,852
Social supply chain management	No	No	No
Governance			
Board size	10	10	9
No. of independent directors (ID)	4	7	6
No. of women on board	2	2	2
No. of non-executive directors on board	7	7	6
Company conducts board evaluations	Yes	Yes	Yes
No. of board meetings for the year	7	7	7
Board meeting attendance pct	97	100	89
Board duration (years)	3	3	3
Director share ownership guidelines	No	No	No
Age of the youngest director	56	56	57
Age of the oldest director	72	73	74
No. of executives / company managers	7	5	5
No. of female executives	2	0	0
Executive share ownership guidelines	No	No	No
Size of audit committee	3	3	3
No. of ID on audit committee	3	3	3
Audit committee meetings	4	4	4
Audit meeting attendance %	100	100	100
Size of compensation committee	3	3	3
No. of ID on compensation committee	3	2	3
No. of compensation committee meetings	2	2	2
Compensation meeting attendance %	83	100	100
Size of nomination committee	3	3	3
No. of nomination committee meetings	2	2	2
Nomination meeting attendance %	83	100	100
Sustainability governance			
Verification type	No	No	No

Sources: Bloomberg; FSSIA's compilation

Disclaimer for ESG scoring

ESG score	Methodology	Rating																				
The Dow Jones Sustainability Indices (DJSI) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.	Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.																				
SET ESG Ratings List (SETESG) by The Stock Exchange of Thailand (SET)	SET ESG 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 SETESG 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. SETESG Index is extended from the SET ESG Ratings 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	
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																			
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

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

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Company	Ticker	Price	Rating	Valuation & Risks
Praram 9 Hospital	PR9 TB	THB 24.60	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.
Bangkok Dusit Medical Services	BDMS TB	THB 23.40	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 190.00	HOLD	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. Upside risks include the return of Kuwaiti patients with the potential to gain more market share if only three hospitals are in the approved list (from 17-20 hospitals previously).
Bangkok Chain Hospital	BCH TB	THB 14.20	BUY	Downside risks to our DCF-based target price include 1) a slowdown in international patients due to economic concerns, political protests or floods; 2) regulatory risks from drug prices and medical bill controls; and 3) SSO provision expenses following a limited SSO budget.
Chularat Hospital	CHG TB	THB 2.26	BUY	Downside risks to our DCF-based target price include 1) a slowdown in Thai patient volume due to economic concerns; 2) regulatory risks from drug price and medical bill controls; and 3) SSO provision expenses following limited budgets from the SSO.
Patangsit Healthcare Group	PHG TB	THB 15.30	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.
Thonburi Healthcare Group	THG TB	THB 12.70	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 22.00	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.
Srivichaivejvivat	VIH TB	THB 7.95	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.

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 14-Jan-2025 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.