

CHULARAT HOSPITAL

CHG TB

THAILAND / HEALTH CARE SERVICES

BUY

UNCHANGED

Earnings poised for a comeback

- รายได้จากผู้ป่วยทั่วไปฟื้นตัวเพิ่มขึ้น y-y ในเดือน ม.ค. - ก.พ. แต่รายได้ประกันสังคมน่าจะลดลง y-y จากผู้ป่วยโรคอ้วนที่หายไป
- คาดกำไรปี 2025 จะกระโดดเพิ่ม 23% y-y จากการกลับรายได้ประกันสังคมที่หายไป และผลขาดทุนที่ลดลงจาก CHG Mae Sot
- คงคำแนะนำซื้อหลังลดราคาเป้าหมายลงเหลือ 2.9 บาท (DCF)

TARGET PRICE	THB2.90
CLOSE	THB2.00
UP/DOWNSIDE	+45.0%
PRIOR TP	THB3.40
CHANGE IN TP	-14.7%
TP vs CONSENSUS	-5.9%

KEY STOCK DATA

YE Dec (THB m)	2024	2025E	2026E	2027E
Revenue	8,237	8,798	9,416	10,050
Net profit	965	1,191	1,331	1,482
EPS (THB)	0.09	0.11	0.12	0.13
vs Consensus (%)	-	(0.9)	3.4	5.7
EBITDA	1,783	2,053	2,250	2,461
Recurring net profit	965	1,191	1,331	1,482
Core EPS (THB)	0.09	0.11	0.12	0.13
Chg. In EPS est. (%)	nm	(5.6)	(5.4)	nm
EPS growth (%)	(7.7)	23.4	11.7	11.3
Core P/E (x)	22.8	18.5	16.5	14.8
Dividend yield (%)	3.5	3.2	3.6	4.0
EV/EBITDA (x)	12.0	10.3	9.1	8.0
Price/book (x)	2.8	2.7	2.5	2.3
Net debt/Equity (%)	(12.1)	(15.8)	(21.1)	(27.1)
ROE (%)	12.7	15.0	15.8	16.3

คาดการณ์กำไรก่อนหักภาษี y-y ใน 1Q25

เราเข้าร่วมการประชุมนักวิเคราะห์ของบริษัทฯ เมื่อวันที่ 7 มี.ค. และมีมุมมองเป็นบวกเล็กน้อยเกี่ยวกับการฟื้นตัวในปี 2025 ผู้บริหารให้เป้าหมายการว่ารายได้จากผู้ป่วยทั่วไปฟื้นตัวโดยสูงขึ้นในอัตราหนึ่งหลักกลาง y-y ในเดือน ม.ค. - ก.พ. (เทียบกับที่เคยทรงตัว y-y ใน 4Q24) อย่างไรก็ตามรายได้ประกันสังคมน่าจะลดลงเล็กน้อย y-y จากการรักษาโรคอ้วนที่หายไปหลังนโยบายการจ่ายเงินเปลี่ยนแปลงตั้งแต่เดือน พ.ย. 24 ดังนั้นเราจึงคาดว่ากำไรปกติ 1Q25 จะค่อนข้างทรงตัวหรือลดลงเล็กน้อยจากกำไร 1Q24 ที่ 264 ลบ.

ผลกระทบเล็กน้อยจากตัวเลขผู้ป่วยโรคอ้วนภายใต้สัญญาประกันสังคมที่ลดลง

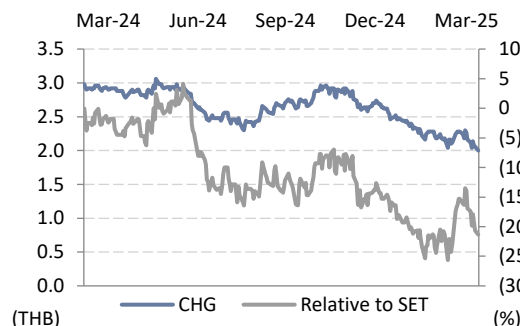
CHG มีตัวเลขผู้ป่วยโรคอ้วน (ที่ผ่าตัดกระเพาะ) ประมาณ 1,000 รายภายใต้สัญญาประกันสังคมในปี 2024 และอีกประมาณ 600-700 รายที่จ่ายเงินด้วยตนเอง เราคาดว่า CHG สามารถเบิกเงินได้ประมาณ 100,000 บาทต่อรายจากสำนักงานประกันสังคม (เทียบกับ 300,000 บาทจากผู้ป่วยที่จ่ายเงินด้วยตนเอง) ดังนั้นเราจึงคาดว่ารายได้ประกันสังคมจากโรคอ้วนจะลดลงในปี 2025 จากประมาณ 100 ลบ. ในปี 2024 (ประมาณ 1% ของรายได้รวม) เนื่องจากผู้ป่วยประกันสังคมจะต้องรักษาโดยใช้วิธีการอื่นๆเป็นระยะเวลาประมาณ 6 เดือนก่อนรักษาด้วยการผ่าตัดและจะต้องขออนุมัติจากสำนักงานประกันสังคมก่อนรับการรักษาอีกด้วย CHG กล่าวว่าผู้ป่วยประกันสังคมบางรายเลือกที่จะจ่ายเงินสดมากกว่าจะรอการอนุมัติจากสำนักงานประกันสังคม เราคาดว่าผู้ป่วยประกันสังคมโรคดังกล่าวเพิ่มขึ้นในช่วง 2H25

คาดการณ์กำไรกลับมาโตดีในปี 2025

เราคาดว่ากำไรปี 2025 จะกระโดดขึ้น 23% y-y เป็น 1.2 พัน ลบ. จากการกลับรายได้ประกันสังคมประมาณ 159 ลบ. (53 ลบ. ใน 2Q24 และ 106 ลบ. ใน 4Q24) ที่หายไปเนื่องจากสำนักงานประกันสังคมได้ปรับอัตราการจ่ายเงินเป็นอัตราคงที่ที่ 12,000 บาท/RW ตั้งแต่เดือน ม.ค. 25 ทั้งนี้ปัจจัยผลักดันเพิ่มเติมมาจากผลขาดทุนที่ลดลงจาก CHG Mae Sot จาก 79 ลบ. ในปี 2024 เป็น 20-30 ลบ. ในปี 2025E (เทียบกับที่ผู้บริหารคาดว่าจะเท่าทุน) และการเติบโตภายในที่ดีพร้อมการเติบโตของรายได้ที่อาจอยู่ที่ 4-6%

ปรับลดประมาณการกำไรปกติ คาดการเติบโตที่ดีใน 2Q25 และ 4Q25 จากฐานที่ต่ำ

เราปรับลดประมาณการกำไรปกติปี 2025-26 ของเราลง 5-6% เพื่อสะท้อนรายได้ที่ต่ำกว่าคาดจากผู้ป่วยที่ชำระเงินด้วยตนเองหลังเศรษฐกิจชะลอตัวและได้ราคาเป้าหมายปี 2025 ใหม่ที่ 2.9 บาท (DCF) ปัจจุบัน CHG มีการซื้อขายในระดับที่น่าสนใจที่ 18x 2025E P/E แม้ว่ากำไรจะยังมีโอกาสลดลง y-y ใน 1Q25 เราแนะนำให้นักลงทุนจับตาดู CHG อย่างต่อเนื่องหลังกำไรที่อ่อนแอใน 2Q24 และ 4Q24 ได้สร้างฐานที่เอื้ออำนวยให้แก่การเติบโตที่อาจเกิดขึ้นในปี 2025



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(2.0)	(25.4)	(30.6)
Relative to country (%)	5.8	(8.3)	(18.2)
Mkt cap (USD m)	651		
3m avg. daily turnover (USD m)	1.4		
Free float (%)	43		
Major shareholder	Kannikar Plussind (18%)		
12m high/low (THB)	3.08/1.71		
Issued shares (m)	11,000.00		

Sources: Bloomberg consensus; FSSIA estimates



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บทวิเคราะห์ฉบับนี้แปลมาจากต้นฉบับภาษาอังกฤษ ที่ออกรายงานเมื่อวันที่ 11 มีนาคม 2025

Investment thesis

CHG should report strong profit growth in 2025, driven by the absence of a Social Security Office (SSO) revenue reversal, a smaller loss from CHG Mae Sot and strong organic growth.

CHG's revenue contributions from cash patients have gradually increased. This is another key factor for its EBITDA margin to expand, in our view, as cash patients have a higher margin than SSO patients.

CHG opened two new hospitals (CHG Mae Sot and CHG Medical Center) recently. We expect both to turn profitable by 2025 and become new growth drivers along with RPC and CHG 304 Inter, which opened in 2018.

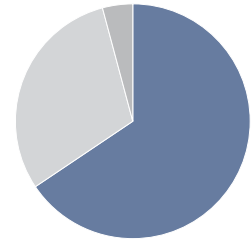
Company profile

CHG operates a healthcare business covering the eastern part of Bangkok and its nearby provinces. The Group owns nine hospitals and four clinics.

www.chularat.com

Principal activities (revenue, 2024)

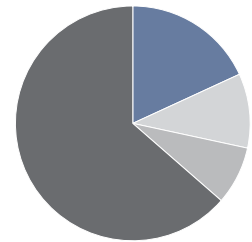
- Cash patient revenue - 65.6 %
- SSO patient revenue - 30.2 %
- NHSO patient revenue - 4.2 %



Source: Chularat Hospital

Major shareholders

- Kannikar Plussind - 18.1 %
- Apirum Panyapol - 10.3 %
- Kobkul Panyapol - 8.0 %
- Others - 63.6 %



Source: Chularat Hospital

Catalysts

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

Risks to our call

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.

Event calendar

Date	Event
May 2025	1Q25 results announcement

Key assumptions

	2025E (%)	2026E (%)	2027E (%)
SSO volume growth	1	2	1
SSO revenue/patient growth	5	3	3
OPD volume growth	4	4	4
OPD revenue/patient growth	3	4	4
IPD volume growth	4	4	4
IPD revenue/patient growth	3	4	4

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 3%, and vice versa, all else being equal.

Source: FSSIA estimates

Recap: 4Q24 results review

CHG reported a profit of THB92m in 4Q24 (-67% y-y, -78% q-q), missing our estimate by 41%. The significant deviation was mainly due to 1) a higher-than-expected revenue reversal for SSO high-cost care treatments totaling THB106m (vs our estimate of 95m); 2) the adjustment of NHSO patient revenue up to cTHB20m; 3) THB10m additional bonus staff expenses; and 4) lower-than-expected general patient revenue.

Revenue fell by 10% y-y in 4Q24, dragged by 27% y-y lower SSO revenue following the revenue reversal. Excluding the one-off, SSO revenue grew 1% y-y. General patient revenue was flat y-y due to the economic slowdown and accounting adjustment. Excluding the accounting adjustment, general patient revenue would grow by c5% y-y.

The 4Q24 EBITDA margin decreased to 13% (vs 23% in 4Q23). Excluding the one-off, the EBITDA margin would be 19%.

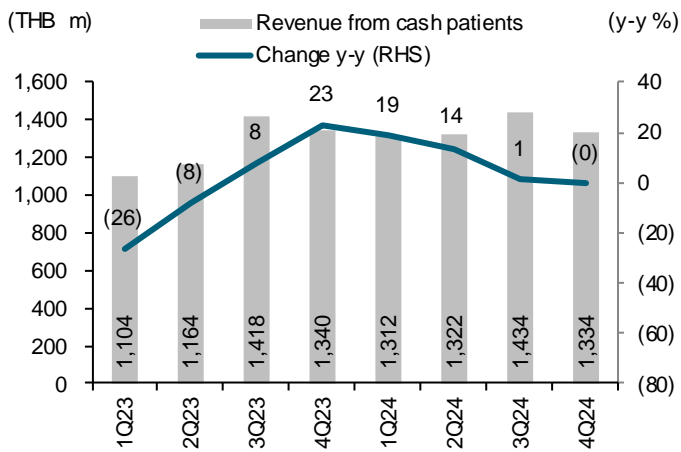
Excluding SSO and NHSO adjustments, 4Q24 normalized profit would be cTHB193m (vs THB204m in 4Q23).

Exhibit 1: CHG – 4Q24 results summary

	4Q23	1Q24	2Q24	3Q24	4Q24	Change		2023	2024	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)
Revenue	2,123	2,021	1,985	2,309	1,921	(17)	(10)	7,730	8,237	7
Cost of sales (Incl. depreciation)	(1,580)	(1,498)	(1,559)	(1,593)	(1,418)	(11)	(10)	(5,723)	(6,068)	6
Gross profit	543	523	427	716	503	(30)	(7)	2,008	2,169	8
SG&A	(243)	(259)	(240)	(243)	(384)	58	58	(911)	(1,127)	24
Operating profit	300	264	186	473	119	(75)	(60)	1,097	1,042	(5)
Other operating income	65	85	70	74	14	(82)	(79)	284	244	(14)
Interest income	4	1	5	1	7	718	60	9	14	63
Equity income	(9)	(9)	(5)	(2)	(4)	67	(54)	(19)	(20)	4
EBIT	361	342	257	545	135	(75)	(62)	1,370	1,280	(7)
Interest expense	(9)	(5)	(9)	(9)	(12)	34	39	(24)	(35)	44
EBT	352	337	248	536	124	(77)	(65)	1,346	1,245	(8)
Income tax	(73)	(76)	(57)	(103)	(32)	(69)	(56)	(279)	(267)	(4)
Minority interests	(5)	3	0	(16)	0	(102)	(105)	(21)	(13)	(40)
Core profit	274	264	192	417	92	(78)	(67)	1,046	965	(8)
Extraordinaries										
Net income	274	264	192	417	92	(78)	(67)	1,046	965	(8)
Core EPS (THB)	0.02	0.02	0.02	0.04	0.01	(78)	(67)	0.10	0.09	(8)
No of shares (m)	11,000	11,000	11,000	11,000	11,000	0	0	11,000	11,000	0
Cost (Excl. depreciation)	(1,459)	(1,377)	(1,434)	(1,466)	(1,292)	(12)	(11)	(5,282)	(5,570)	5
Depreciation & amortization	(121)	(121)	(124)	(127)	(126)	(1)	4	(441)	(497)	13
EBITDA	486	470	381	674	259	(62)	(47)	1,822	1,783	(2)
Key ratios	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)	(%)	(ppt)
Gross margin	26	26	22	31	26	(5)	1	26	26	0
SG&A/Revenue	11	13	12	11	20	9	9	12	14	2
EBITDA margin	23	23	19	29	13	(16)	(9)	24	22	(2)
Net profit margin	13	13	10	18	5	(13)	(8)	14	12	(2)
Operating stats	(y-y %)	(y-y %)	(y-y %)	(y-y %)	(y-y %)					
SSO revenue	11	11	(2)	27	(27)					
SSO registered members ('000)	530	537	542	545	546					
SSO revenue per head	8	9	(5)	23	(29)					
Cash-OPD revenue	24	19	15	(3)	1					
Cash-OPD visit number	11	10	4	3	(4)					
Cash-OPD revenue per head	12	8	10	(6)	5					
Cash-IPD revenue	22	19	12	5	(1)					
Cash-IPD admission number	29	10	5	4	(5)					
Cash-IPD revenue per head	(6)	8	7	1	4					

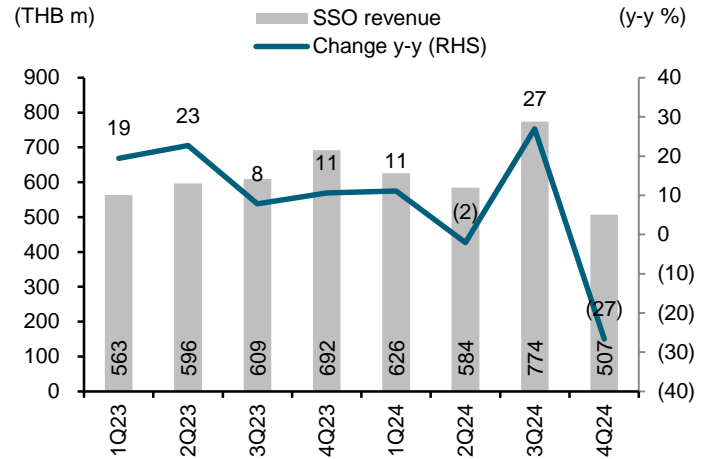
Sources: CHG; FSSIA estimates

Exhibit 2: Revenue from general patients, quarterly



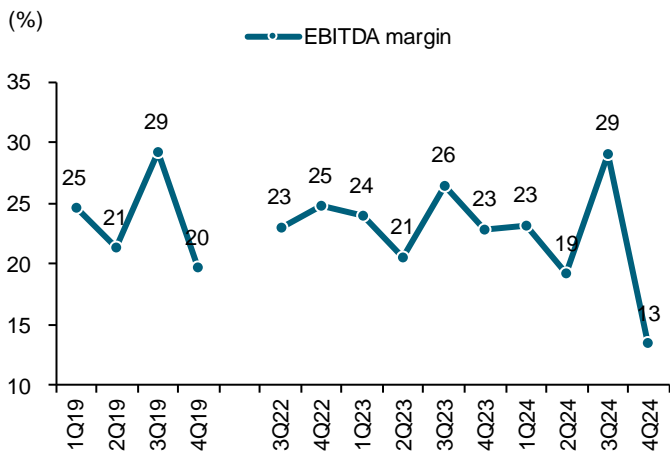
Note: Includes National Health Security Office (NHSO) revenue mainly from Heart Center
Sources: CHG; FSSIA estimates

Exhibit 3: SSO revenue, quarterly



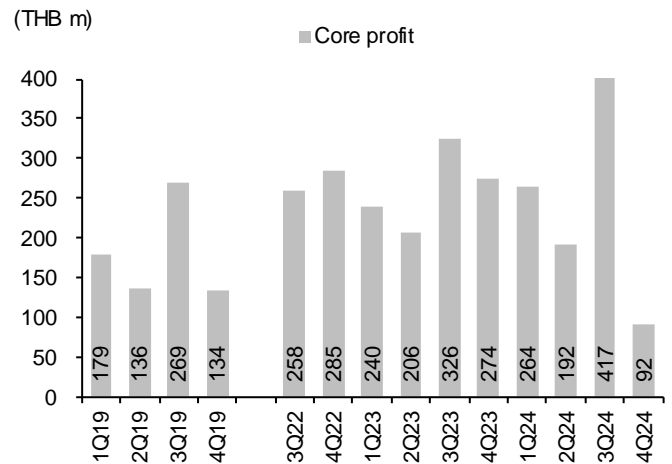
Note: Includes additional gain from chronic disease treatments of THB80m in 4Q22, THB87m in 4Q23 and THB98m in 3Q24, and revenue reversal from payment cut of THB53m in 2Q24 and THB90-100m in 4Q24
Sources: CHG; FSSIA estimates

Exhibit 4: EBITDA margin



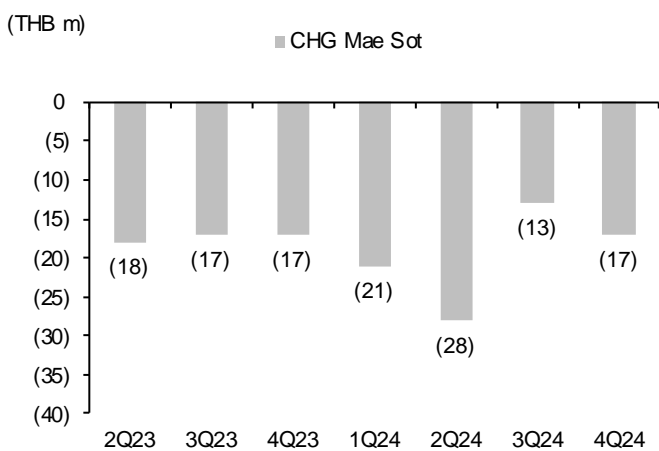
Sources: CHG; FSSIA estimates

Exhibit 5: Quarterly profit



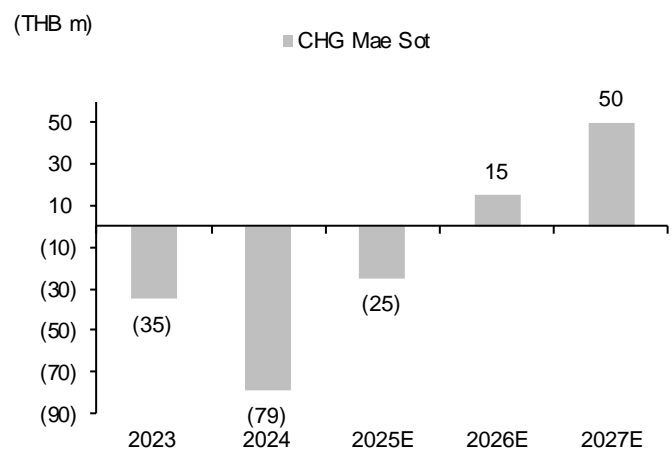
Source: CHG; FSSIA estimates

Exhibit 6: CHG Mae Sot quarterly core profit



Sources: CHG; FSSIA estimates

Exhibit 7: CHG Mae Sot yearly core profit



Sources: CHG; FSSIA estimates

Exhibit 8: Forecast revisions

	Current			Previous			Change		
	2025E (THB m)	2026E (THB m)	2027E (THB m)	2025E (THB m)	2026E (THB m)	2027E (THB m)	2025E (%)	2026E (%)	2027E (%)
SSO registered members ('000)	548	559	565	554	565	-	(1.0)	(1.0)	-
SSO revenue per head (THB)	4,844	4,989	5,139	4,891	5,037	-	(1.0)	(1.0)	-
Cash-OPD visits per day (no.)	3,343	3,477	3,616	3,433	3,570	-	(2.6)	(2.6)	-
Cash-OPD revenue per head (THB)	2,217	2,305	2,398	2,173	2,260	-	2.0	2.0	-
Cash-IPD admissions per day (no.)	269	280	291	271	282	-	(0.6)	(0.6)	-
Cash-IPD revenue per head (THB)	31,334	32,588	33,891	31,491	32,751	-	(0.5)	(0.5)	-
Revenue	8,798	9,416	10,050	8,914	9,538	-	(1.3)	(1.3)	-
EBITDA margin (%)	23.3	23.9	-	24.3	24.9	-	(1.0)	(1.0)	-
Core profit	1,191	1,331	1,482	1,262	1,406	-	(5.6)	(5.4)	-

Note: Change of items in percentage terms is represented in ppt change
 Source: FSSIA estimates

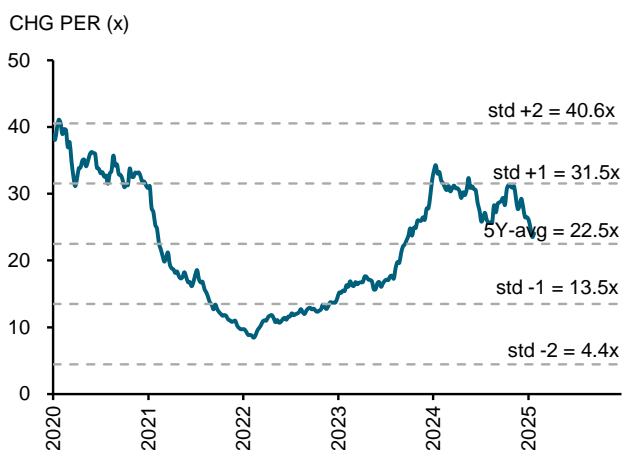
Exhibit 9: DCF-derived TP

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	0.9		
Cost of equity, Ke	10.0	Net cost of debt, Kd	2.8
Weight applied	75.0	Weight applied	40.0
WACC	8.2		

DCF valuation estimate	(THB b)	(THB/share)	Comments
NPV	11.6	1.1	WACC 8.2%, risk-free rate 3%, risk premium 8%
Terminal value	19.8	1.8	Terminal growth 3%
Cash & liquid assets	1.9	0.2	At end-2025E
Investments	0.1	0.0	At end-2025E
Debt	(0.6)	(0.1)	At end-2025E
Minorities	(0.4)	(0.0)	At end-2025E
Residual ordinary equity	32.4	2.9	

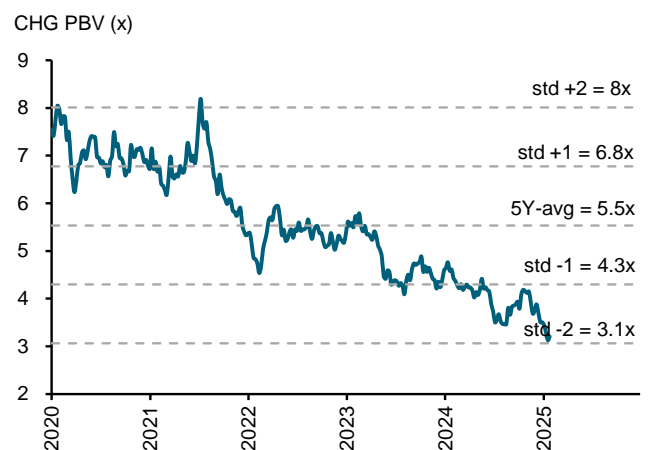
Source: FSSIA estimates

Exhibit 10: Historical P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 11: Historical P/BV band



Sources: Bloomberg; FSSIA estimates

Exhibit 12: Peer comparisons as of 10 March 2025

Company	BBG	Rec	Share price			Market Cap (USD m)	PE		ROE		PBV		EV/ EBITDA	
			Current (LCY)	Target (LCY)	Upside (%)		24E (x)	25E (x)	24E (%)	25E (%)	24E (x)	25E (x)	24E (x)	25E (x)
Thailand														
Bangkok Dusit Med Service	BDMS TB	BUY	22.80	36.50	60.1	10,721	20.5	18.7	17.1	17.6	3.4	3.2	12.7	11.5
Bumrungrad Hospital	BH TB	BUY	174.00	220.00	26.4	4,093	17.5	17.1	26.8	24.4	4.4	4.0	11.6	10.9
Bangkok Chain Hospital	BCH TB	BUY	15.30	20.00	30.7	1,129	24.0	21.4	11.8	12.5	2.8	2.6	11.9	10.5
Chularat Hospital	CHG TB	BUY	2.00	2.90	45.0	651	18.5	16.5	15.0	15.8	2.7	2.5	10.3	9.1
Patransit Healthcare Group	PHG TB	BUY	13.80	21.00	52.2	122	12.6	11.0	15.1	16.0	1.8	1.7	6.0	5.3
Praram 9 Hospital	PR9 TB	BUY	21.50	30.00	39.5	500	20.7	18.7	14.3	14.6	2.8	2.6	11.4	9.9
Thonburi Healthcare Group	THG TB	HOLD	9.75	40.00	310.3	244	10.3	8.0	7.6	9.4	0.8	0.7	7.5	6.2
Ramkhamhaeng Hospital	RAM TB	BUY	18.80	44.00	134.0	667	11.4	9.9	10.0	10.8	1.1	1.0	15.1	13.0
Srivichai Vejvivat	VIH TB	BUY	7.30	14.00	91.8	140	12.1	13.0	10.4	8.9	1.2	1.1	6.0	7.3
Rajthanee Hospital	RJH TB	n/a	15.50	n/a	n/a	133	10.8	11.0	20.7	20.0	2.1	1.9	9.1	8.2
Ekachai Medical Care	EKH TB	n/a	6.35	n/a	n/a	157	15.4	14.7	11.4	11.0	1.9	1.8	9.5	9.4
Thailand average						18,559	15.8	14.6	14.6	14.6	2.3	2.1	10.1	9.2
Regional														
Ramsay Health Care	RHC AU	n/a	34.14	n/a	n/a	4,942	26.9	21.5	5.2	7.2	1.6	1.5	9.0	8.5
Ihh Healthcare Bhd	IHH SP	n/a	2.22	n/a	n/a	14,308	31.7	27.9	6.7	7.4	2.0	1.9	13.1	11.9
Ryman Healthcare	RYM NZ	n/a	3.00	n/a	n/a	1,582	15.0	11.8	3.0	4.5	0.5	0.5	20.1	17.7
Apollo Hospitals Enterprise	APHS IN	n/a	6,150	n/a	n/a	9,977	60.4	45.6	18.9	20.8	10.7	8.8	30.2	24.6
Kpj Healthcare Berhad	KPJ MK	n/a	2.76	n/a	n/a	2,568	29.2	25.7	14.6	15.3	4.2	3.9	13.9	12.9
Raffles Medical Group	RFMD SP	n/a	0.97	n/a	n/a	1,338	26.7	23.4	6.5	7.0	1.7	1.6	11.5	10.8
Mitra Keluarga Karyasehat	MIKA IJ	n/a	2,430	n/a	n/a	2,000	26.4	22.8	18.8	19.5	4.5	4.2	16.0	14.0
Aier Eye Hospital Group	300015 CH	n/a	14.00	n/a	n/a	18,062	30.9	26.7	17.8	17.7	5.2	4.6	18.7	16.6
Regional average						54,775	30.9	25.7	11.4	12.4	3.8	3.4	16.6	14.6
Overall average						73,334	22.2	19.2	13.3	13.7	2.9	2.6	12.8	11.5

Sources: Bloomberg; FSSIA estimates

Financial Statements

Chularat Hospital

Profit and Loss (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Revenue	7,730	8,237	8,798	9,416	10,050
Cost of goods sold	(5,723)	(6,068)	(6,176)	(6,541)	(6,927)
Gross profit	2,008	2,169	2,622	2,875	3,123
Other operating income	284	244	30	0	0
Operating costs	(911)	(1,127)	(1,125)	(1,185)	(1,254)
Operating EBITDA	1,822	1,783	2,053	2,250	2,461
Depreciation	(441)	(497)	(525)	(559)	(593)
Goodwill amortisation	-	-	-	-	-
Operating EBIT	1,381	1,286	1,528	1,690	1,869
Net financing costs	(15)	(20)	(17)	(9)	0
Associates	(19)	(20)	(4)	1	3
Recurring non-operating income	(19)	(20)	(4)	1	3
Non-recurring items	0	0	0	0	0
Profit before tax	1,346	1,245	1,508	1,682	1,872
Tax	(279)	(267)	(302)	(336)	(374)
Profit after tax	1,067	978	1,205	1,346	1,498
Minority interests	(21)	(13)	(14)	(15)	(16)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	1,046	965	1,191	1,331	1,482
Non-recurring items & goodwill (net)	0	0	0	0	0
Recurring net profit	1,046	965	1,191	1,331	1,482
Per share (THB)					
Recurring EPS *	0.10	0.09	0.11	0.12	0.13
Reported EPS	0.10	0.09	0.11	0.12	0.13
DPS	0.07	0.07	0.06	0.07	0.08
Diluted shares (used to calculate per share data)	11,000	11,000	11,000	11,000	11,000
Growth					
Revenue (%)	(23.5)	6.6	6.8	7.0	6.7
Operating EBITDA (%)	(53.8)	(2.1)	15.1	9.6	9.4
Operating EBIT (%)	(61.3)	(6.9)	18.8	10.6	10.6
Recurring EPS (%)	(62.4)	(7.7)	23.4	11.7	11.3
Reported EPS (%)	(62.4)	(7.7)	23.4	11.7	11.3
Operating performance					
Gross margin inc. depreciation (%)	26.0	26.3	29.8	30.5	31.1
Gross margin exc. depreciation (%)	31.7	32.4	35.8	36.5	37.0
Operating EBITDA margin (%)	23.6	21.6	23.3	23.9	24.5
Operating EBIT margin (%)	17.9	15.6	17.4	18.0	18.6
Net margin (%)	13.5	11.7	13.5	14.1	14.7
Effective tax rate (%)	20.4	21.1	20.0	20.0	20.0
Dividend payout on recurring profit (%)	73.6	79.8	60.0	60.0	60.0
Interest cover (X)	88.7	62.0	92.1	190.9	(5,656.2)
Inventory days	20.8	20.8	19.5	19.1	19.1
Debtor days	38.5	36.6	32.2	30.1	28.2
Creditor days	60.3	57.8	56.6	55.4	55.4
Operating ROIC (%)	15.9	14.2	17.2	18.9	21.0
ROIC (%)	14.9	13.4	16.5	18.2	20.1
ROE (%)	13.9	12.7	15.0	15.8	16.3
ROA (%)	10.5	9.6	11.5	12.3	12.8
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Cash patient revenue	5,025	5,402	5,787	6,259	6,770
SSO patient revenue	2,461	2,492	2,655	2,789	2,902
NHSO patient revenue	244	343	357	367	378

Sources: Chularat Hospital; FSSIA estimates

Financial Statements

Chularat Hospital

Cash Flow (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Recurring net profit	1,046	965	1,191	1,331	1,482
Depreciation	441	497	525	559	593
Associates & minorities	-	-	-	-	-
Other non-cash items	30	(20)	14	15	16
Change in working capital	435	224	(52)	(32)	(32)
Cash flow from operations	1,951	1,667	1,679	1,873	2,059
Capex - maintenance	(1,451)	(572)	(528)	(565)	(502)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	19	20	0	0	0
Other investments (net)	-	-	-	-	-
Cash flow from investing	(1,432)	(552)	(528)	(565)	(502)
Dividends paid	(1,045)	(770)	(770)	(715)	(799)
Equity finance	0	0	0	0	0
Debt finance	(120)	(44)	(120)	(80)	(80)
Other financing cash flows	44	(9)	(14)	(15)	(16)
Cash flow from financing	(1,121)	(823)	(904)	(810)	(895)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	(601)	292	247	498	662
Free cash flow to firm (FCFF)	543.33	1,149.42	1,184.62	1,336.78	1,580.98
Free cash flow to equity (FCFE)	443.25	1,062.33	1,016.99	1,213.24	1,460.39

Per share (THB)

FCFF per share	0.05	0.10	0.11	0.12	0.14
FCFE per share	0.04	0.10	0.09	0.11	0.13
Recurring cash flow per share	0.14	0.13	0.16	0.17	0.19

Balance Sheet (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Tangible fixed assets (gross)	9,318	9,831	10,359	10,924	11,427
Less: Accumulated depreciation	(3,414)	(3,850)	(4,375)	(4,935)	(5,528)
Tangible fixed assets (net)	5,903	5,981	5,984	5,989	5,899
Intangible fixed assets (net)	104	104	104	104	104
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	122	102	102	102	102
Cash & equivalents	1,399	1,692	1,939	2,437	3,099
A/C receivable	874	776	776	776	776
Inventories	336	300	304	322	341
Other current assets	1,436	1,328	1,418	1,518	1,620
Current assets	4,046	4,095	4,437	5,053	5,836
Other assets	88	103	103	103	103
Total assets	10,264	10,387	10,731	11,352	12,045
Common equity	7,525	7,720	8,141	8,757	9,441
Minorities etc.	406	410	410	410	410
Total shareholders' equity	7,931	8,130	8,552	9,168	9,851
Long term debt	705	656	536	456	376
Other long-term liabilities	247	233	233	233	233
Long-term liabilities	953	889	769	689	609
A/C payable	894	869	882	934	989
Short term debt	45	50	50	50	50
Other current liabilities	442	448	478	512	547
Current liabilities	1,381	1,367	1,410	1,496	1,585
Total liabilities and shareholders' equity	10,264	10,387	10,731	11,352	12,045
Net working capital	1,311	1,086	1,138	1,170	1,202
Invested capital	7,529	7,377	7,432	7,469	7,411

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

Per share (THB)

Book value per share	0.68	0.70	0.74	0.80	0.86
Tangible book value per share	0.67	0.69	0.73	0.79	0.85

Financial strength

Net debt/equity (%)	(8.2)	(12.1)	(15.8)	(21.1)	(27.1)
Net debt/total assets (%)	(6.3)	(9.5)	(12.6)	(17.0)	(22.2)
Current ratio (x)	2.9	3.0	3.1	3.4	3.7
CF interest cover (x)	29.9	53.1	62.4	137.9	(4,412.1)

Valuation	2023	2024	2025E	2026E	2027E
Recurring P/E (x) *	21.0	22.8	18.5	16.5	14.8
Recurring P/E @ target price (x) *	30.5	33.0	26.8	24.0	21.5
Reported P/E (x)	21.0	22.8	18.5	16.5	14.8
Dividend yield (%)	3.5	3.5	3.2	3.6	4.0
Price/book (x)	2.9	2.8	2.7	2.5	2.3
Price/tangible book (x)	3.0	2.9	2.7	2.5	2.4
EV/EBITDA (x) **	11.9	12.0	10.3	9.1	8.0
EV/EBITDA @ target price (x) **	17.4	17.6	15.1	13.5	12.0
EV/invested capital (x)	2.9	2.9	2.8	2.7	2.7

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

Sources: Chularat Hospital; FSSIA estimates

Chularat Hospital PCL (CHG TB)

FSSIA ESG rating

38.25 /100
Exhibit 13: 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 14: 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; FSSIA's compilation

Exhibit 15: ESG score by Bloomberg

FY ending Dec 31	FY 2019	FY 2020	FY 2021	FY 2022
ESG financial materiality scores - ESG score	—	—	2.21	2.34
BESG environmental pillar score	—	—	4.04	4.18
BESG social pillar score	—	—	0.74	0.79
BESG governance pillar score	—	—	4.19	4.49
ESG disclosure score	36.82	36.82	41.54	50.24
Environmental disclosure score	16.49	16.49	17.67	32.92
Social disclosure score	12.70	12.70	19.41	30.29
Governance disclosure score	81.10	81.10	87.36	87.36
Environmental				
Emissions reduction initiatives	Yes	Yes	Yes	Yes
Climate change policy	No	No	Yes	Yes
Climate change opportunities discussed	No	No	No	No
Risks of climate change discussed	No	No	No	No
GHG scope 1	0	0	0	0
GHG scope 2 location-based	4	4	4	4
GHG Scope 3	1	1	1	1
Carbon per unit of production	—	—	—	—
Biodiversity policy	No	No	No	No
Energy efficiency policy	Yes	Yes	Yes	Yes
Total energy consumption	—	—	—	—
Renewable energy use	—	—	—	—
Electricity used	4	4	4	7
Fuel used - natural gas	—	—	—	—

Sources: Bloomberg; FSSIA's compilation

Exhibit 16: ESG score by Bloomberg (cont.)

FY ending Dec 31	FY 2019	FY 2020	FY 2021	FY 2022
Fuel used - crude oil/diesel	No	No	No	No
Waste reduction policy	Yes	Yes	Yes	Yes
Hazardous waste	0	0	0	0
Total waste	1	1	1	1
Waste recycled	0	0	0	0
Waste sent to landfills	—	—	—	—
Environmental supply chain management	No	No	No	No
Water policy	No	No	Yes	Yes
Water consumption	89	73	80	70
Social				
Human rights policy	Yes	Yes	Yes	Yes
Policy against child labor	Yes	Yes	Yes	Yes
Quality assurance and recall policy	No	No	No	No
Consumer data protection policy	Yes	Yes	Yes	Yes
Equal opportunity policy	Yes	Yes	Yes	Yes
Gender pay gap breakout	No	No	No	No
Pct women in workforce	—	—	84	85
Pct disabled in workforce	—	—	—	—
Business ethics policy	Yes	Yes	Yes	Yes
Anti-bribery ethics policy	Yes	Yes	Yes	Yes
Health and safety policy	Yes	Yes	Yes	Yes
Lost time incident rate - employees	—	—	—	0
Total recordable incident rate - employees	—	—	—	—
Training policy	Yes	Yes	Yes	Yes
Fair remuneration policy	No	No	No	No
Number of employees – CSR	3,612	3,616	3,871	4,520
Employee turnover pct	—	—	20	20
Total hours spent by firm - employee training	—	—	32,904	85,880
Social supply chain management	No	No	No	No
Governance				
Board size	12	12	12	12
No. of independent directors (ID)	4	4	4	4
No. of women on board	2	2	2	2
No. of non-executive directors on board	11	11	11	10
Company conducts board evaluations	Yes	Yes	Yes	Yes
No. of board meetings for the year	6	7	7	6
Board meeting attendance pct	100	100	95	100
Board duration (years)	3	3	3	3
Director share ownership guidelines	No	No	No	No
Age of the youngest director	60	62	63	59
Age of the oldest director	77	78	79	80
No. of executives / company managers	6	6	6	6
No. of female executives	2	2	2	2
Executive share ownership guidelines	No	No	No	No
Size of audit committee	3	3	3	3
No. of ID on audit committee	3	3	3	3
Audit committee meetings	5	5	5	5
Audit meeting attendance %	100	100	100	100
Size of compensation committee	5	5	5	5
No. of ID on compensation committee	4	4	4	4
No. of compensation committee meetings	2	2	2	2
Compensation meeting attendance %	100	100	83	100
Size of nomination committee	5	5	5	5
No. of nomination committee meetings	2	2	2	2
Nomination meeting attendance %	100	100	83	100
Sustainability governance				
Verification type	No	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 Sustainalytics	The Sustainalytics' 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 border="1" style="margin-top: 10px;"> <thead> <tr> <th>NEGL</th> <th>Low</th> <th>Medium</th> <th>High</th> <th>Severe</th> </tr> </thead> <tbody> <tr> <td>0-10</td> <td>10-20</td> <td>20-30</td> <td>30-40</td> <td>40+</td> </tr> </tbody> </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 border="1" style="margin-top: 10px;"> <tbody> <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> </tbody> </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

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

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Company	Ticker	Price	Rating	Valuation & Risks
Chularat Hospital	CHG TB	THB 2.00	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.
Bangkok Dusit Medical Services	BDMS TB	THB 22.80	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 174.00	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 15.30	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.
Patrangsit Healthcare Group	PHG TB	THB 13.80	BUY	Downside risks to our DCF-based target price include 1) a slowdown in Thai patient volume due to economic slowdown; 2) regulatory risks from drug price and medical bill controls; and 3) SSO provision expenses following limited budgets from the SSO.
Praram 9 Hospital	PR9 TB	THB 21.50	BUY	Downside risks to our DCF-based target price include 1) weak patient volumes following the economic slowdown; 2) regulatory risks from drug price and medical bill controls; and 3) higher-than-expected expenses from its new building.
Thonburi Healthcare Group	THG TB	THB 9.75	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 18.80	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 7.30	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.

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 10-Mar-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.