

16 APRIL 2025

EQUITY RESEARCH - COMPANY REPORT

BANGKOK DUSIT MEDICAL SERVICES

THAILAND / HEALTH CARE SERVICES

FINANSIA

FSS INTERNATIONAL INVESTMENT ADVISORY

FSSIA ESG rating

**BDMS TB****BUY**

UNCHANGED

TARGET PRICE	THB36.50
CLOSE	THB23.20
UP/DOWNSIDE	+57.3%
PRIOR TP	THB36.50
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+12.9%

Reliable growth in uncertain market

- Expect 1Q25 core profit to grow by 7% y-y to hit a record high of THB4.4b, driven by strong international patient revenue.
- Expect earnings growth momentum to continue in 2Q25 as Ramadan ends earlier compared to 2Q24.
- Maintain BUY with a DCF-based TP of TH36.5/shr.

Potential for revenue and profit to hit a new high in 1Q25

We expect 1Q25 revenue to grow by 6% y-y. International patient revenue should increase by 10% y-y, driven by revenue from the Middle East, which should jump by 15-20% y-y, and China and European patients, which should record double-digit growth y-y. Revenue from CLMV patients should also recover and resume a single-digit increase y-y (vs flat y-y in 1Q24). Meanwhile, Thai patient revenue should grow by 4-5% y-y, improving from 2% y-y in 4Q24 as the normal base resumes (after a high base in 4Q24). We estimate the EBITDA margin to remain at a record high of 25% (flat y-y). In addition, BDMS should continue to benefit from tax incentives from the Board of Investment, leading to a reduced tax rate to 18-19% (vs 20% in 1Q24). Thus, we forecast 1Q25 core profit to grow by 7% y-y to a new record high of THB4.4b.

Middle East should support strong growth in 2Q25

We believe earnings growth momentum will continue in 2Q25 despite a usually low season given that the Ramadan period in 2025 (1 Mar-31 Mar) was earlier compared to 2024 (11 Mar- 9 April). Thus, we expect strong growth in the Middle East patients to continue from 2Q25 to 3Q25. On a negative note, Myanmar patient revenue may slow down due to the earthquake on 28 March. However, the impact should be limited since revenue from Myanmar patients is only 2% of total revenue.

Revenue should match management guidance in 1H25

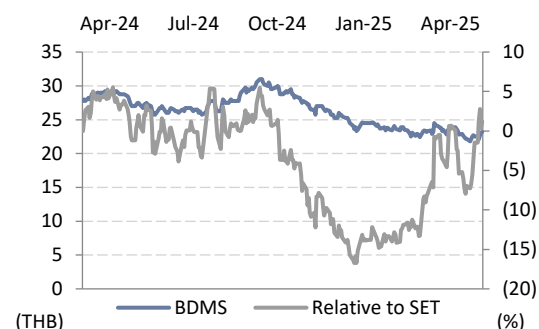
Overall, we believe BDMS should deliver revenue growth in 1H25 as management guidance of Thai patients in a mid-single-digit range y-y and revenue growth from international patients by 10-15% y-y. We forecast revenue to grow by 6% in 2025 (+5% for Thai and 11% for International) and EBITDA margin to slightly improve from 24.3% in 2024 to 24.8% in 2025, leading 2025 earnings to grow 10% y-y to THB17.6b.

Cheap valuation; decent defensive play during volatile market

BDMS traded at an attractive valuation of 21x 2025E P/E, lower than its five-year average of 29x. Although earnings growth might be unexciting and not high in 2025, earnings visibility is high, which is suitable for the current volatile and weak market.

KEY STOCK DATA

YE Dec (THB m)	2024	2025E	2026E	2027E
Revenue	109,351	116,319	125,622	134,434
Net profit	15,987	17,634	19,339	21,430
EPS (THB)	1.01	1.11	1.22	1.35
vs Consensus (%)	-	3.5	5.2	7.7
EBITDA	26,584	28,859	31,482	34,429
Recurring net profit	15,987	17,634	19,339	21,430
Core EPS (THB)	1.01	1.11	1.22	1.35
Chg. In EPS est. (%)	nm	0.0	0.0	nm
EPS growth (%)	11.2	10.3	9.7	10.8
Core P/E (x)	23.1	20.9	19.1	17.2
Dividend yield (%)	2.8	3.2	3.3	3.7
EV/EBITDA (x)	14.4	13.1	11.8	10.6
Price/book (x)	3.7	3.5	3.3	3.1
Net debt/Equity (%)	9.3	3.9	(1.9)	(8.6)
ROE (%)	16.4	17.1	17.7	18.4



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(0.9)	(2.1)	(16.4)
Relative to country (%)	4.3	18.6	3.4
Mkt cap (USD m)	10,990		
3m avg. daily turnover (USD m)	29.2		
Free float (%)	67		
Major shareholder	Thai NVDR (11%)		
12m high/low (THB)	31.25/21.60		
Issued shares (m)	15,892.00		

Sources: Bloomberg consensus; FSSIA estimates

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Investment thesis

BDMS has aggressively expanded its hospital network from 10 in 2004 to 59 currently. The company had a high capex level, averaging 17% of revenue over 2013-19. However, it is now at the tail end of its capex cycle as it has already achieved its target of 50 hospitals.

BDMS plans to focus on organic growth. We expect the EBITDA margin to remain at a high level of 24-25% over 2023-25 (vs 22% in 2019), led by a higher utilization rate, its Centre of Excellence (CoE) project, and a turnaround of loss-making hospitals.

BDMS has a healthy balance sheet with 2024 net D/E at only 0.1x. FCFF should accelerate, based on our estimates, which would provide an upside to the dividend payout.

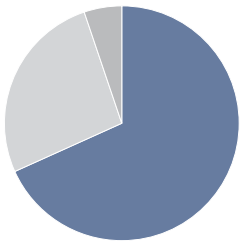
Company profile

BDMS is Thailand's largest healthcare provider in terms of market capital. It operates 59 hospitals under six brands.

www.bangkokhospital.com

Principal activities (revenue, 2024)

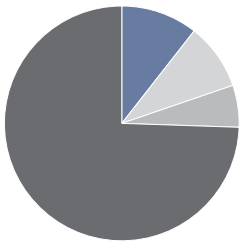
- Thai patient revenue - 68.3 %
- International patient revenue - 26.5 %
- Other revenue - 5.2 %



Source: Bangkok Dusit Medical Services

Major shareholders

- Thai NVDR - 10.6 %
- Prasert Prasarttong-Osoth - 9.2 %
- Poramaporn Prasarttong-Osoth - 5.8 %
- Others - 74.5 %



Source: Bangkok Dusit Medical Services

Catalysts

Key potential growth drivers include 1) higher insurance patient revenue and 2) higher demand from medical tourists.

Risks to our call

Downside risks to our DCF-based target price include 1) a slowdown in international patients due to economic concerns, political protests, and floods, 2) regulatory risks from controls on drug prices and medical bills; and 3) higher-than-expected capex and opex for CoE projects.

Event calendar

Date	Event
May 2025	1Q25 results announcement

Key assumptions

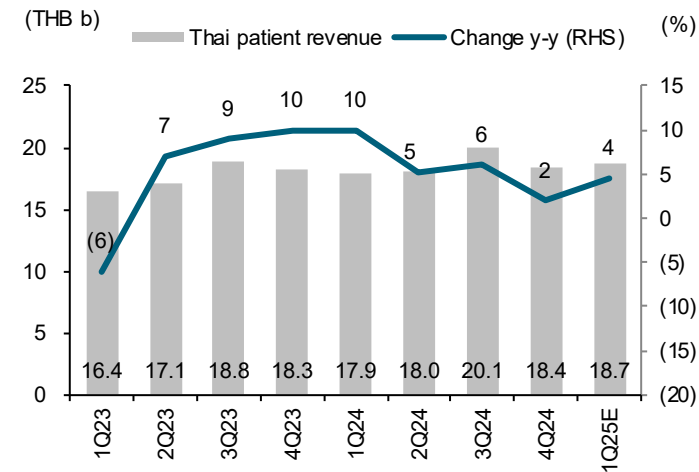
	2025E (%)	2026E (%)	2027E (%)
No. of hospitals (no.)	64	67	68
OPD volume growth	4	4	4
OPD revenue / patient growth	3	4	3
IPD volume growth	3	4	4
IPD revenue / patient growth	3	4	3

Source: FSSIA estimates

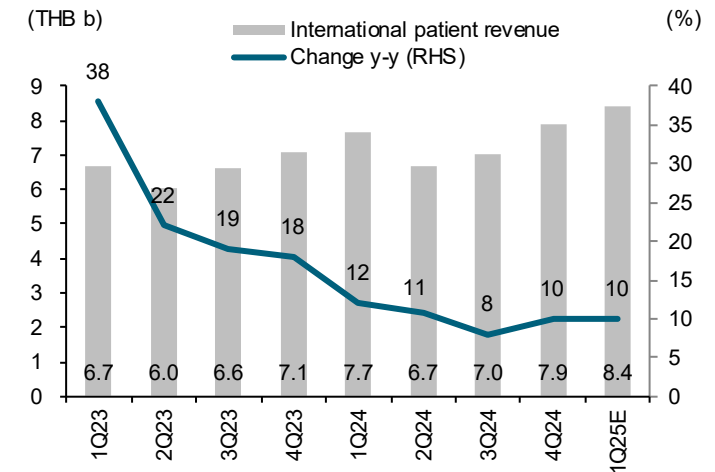
Earnings sensitivity

- 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.

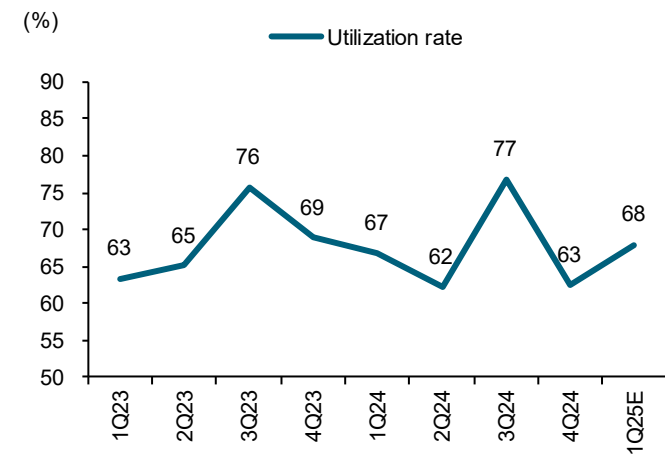
Source: FSSIA estimates

Exhibit 1: Thai patient revenue, quarterly

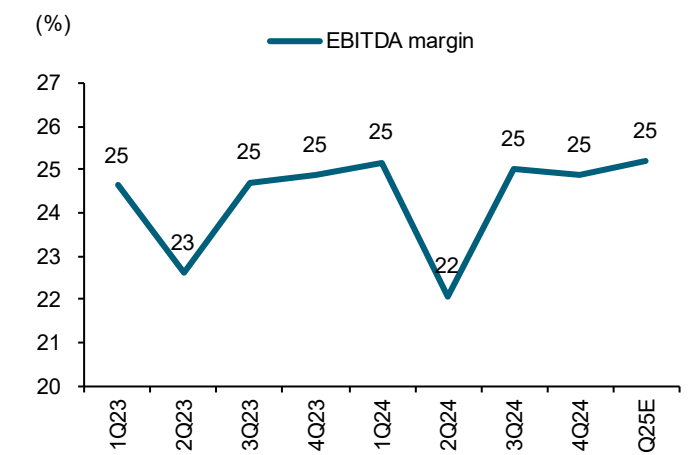
Sources: BDMS; FSSIA estimates

Exhibit 2: International patient revenue, quarterly

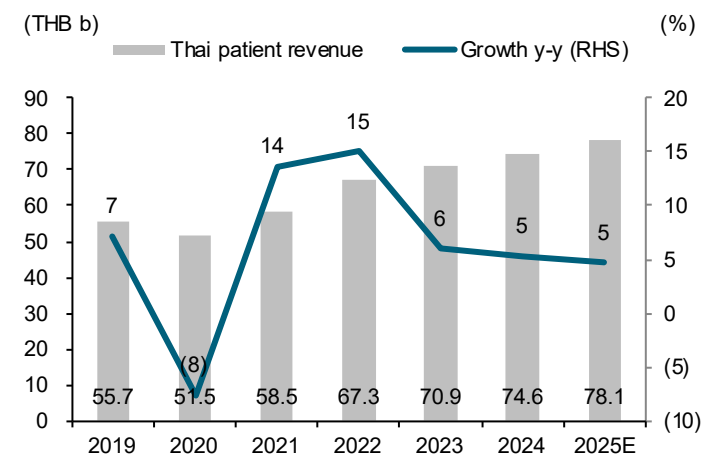
Sources: BDMS; FSSIA estimates

Exhibit 3: Utilization rate

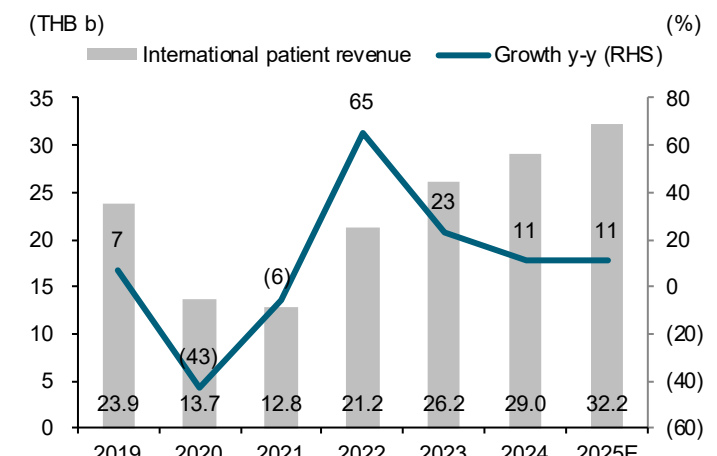
Source: BDMS; FSSIA estimates

Exhibit 4: EBITDA margin trend, quarterly

Sources: BDMS; FSSIA estimates

Exhibit 5: Thai patient revenue forecast

Note: Includes Covid-related revenue of THB10.1b in 2021 and THB9.0b in 2022
 Sources: BDMS; FSSIA estimates

Exhibit 6: International patient revenue forecast

Sources: BDMS; FSSIA estimates

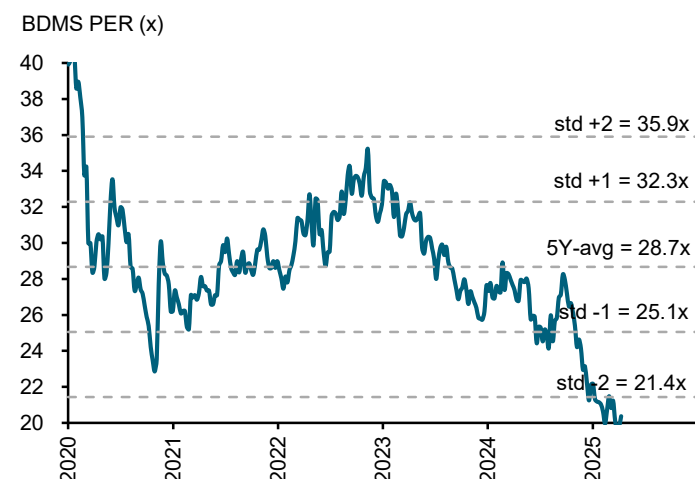
Exhibit 7: BDMS – 1Q25 results preview

	1Q24	2Q24	3Q24	4Q24	1Q25E	Change		2024	2025E	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)
Sales	26,930	26,058	28,536	27,828	28,570	3	6	109,351	116,319	6
- Hospital revenue	25,526	24,694	27,108	26,347	27,095	3	6	103,675	110,359	6
- Other revenue	1,404	1,364	1,428	1,481	1,474	(0)	5	5,676	5,960	5
COGS (incl depreciation)	(16,736)	(16,664)	(17,634)	(17,037)	(17,770)	4	6	(68,071)	(71,928)	6
Gross profit	10,194	9,394	10,901	10,791	10,799	0	6	41,280	44,390	8
SG&A	(4,893)	(5,146)	(5,313)	(5,476)	(5,206)	(5)	6	(20,828)	(21,806)	5
Operating profit¹⁾	5,301	4,248	5,588	5,315	5,593	5	6	20,452	22,584	10
Net other income	9	23	20	9	9	0	2	62	68	10
Interest income	48	47	40	39	39	0	(19)	175	160	(8)
Interest expense	(113)	(111)	(102)	(108)	(108)	0	(4)	(433)	(430)	(1)
Pretax profit	5,246	4,208	5,546	5,255	5,534	5	5	20,255	22,382	11
Income Tax	(1,042)	(756)	(1,153)	(841)	(1,018)	21	(2)	(3,792)	(4,208)	11
Associates	13	14	24	25	14	(44)	10	76	84	10
Minority interest	(143)	(131)	(171)	(107)	(159)	48	11	(552)	(624)	13
Core profit	4,074	3,335	4,246	4,333	4,371	1	7	15,987	17,634	10
Extraordinaries, GW & FX								0	0	
Reported net profit	4,074	3,335	4,246	4,333	4,371	1	7	15,987	17,634	10
Outstanding shares (m)	15,892	15,892	15,892	15,892	15,892	0	0	15,892	15,892	0
Core EPS (THB)	0.26	0.21	0.27	0.27	0.28	1	7	1.01	1.11	10
EPS (THB)	0.26	0.21	0.27	0.27	0.28	1	7	1.01	1.11	10
COGS (excl depreciation)	15,259	15,161	16,087	15,433	16,166	5	6	61,939	65,653	6
Depreciation	1,477	1,503	1,548	1,605	1,605	0	9	6,132	6,275	2
EBITDA ²⁾	6,778	5,751	7,136	6,919	7,198	4	6	26,584	28,859	9
Key ratios	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)	(%)	(ppt)
Gross margin	37.9	36.1	38.2	38.8	37.8	1	0	38	38	0
SG&A/Revenue	18	20	19	20	18	1	0	19	19	(0)
EBITDA margin	25.2	22.1	25.0	24.9	25.2	(0)	(0)	24	25	1
Net profit margin	15	13	15	16	15	1	1	15	15	1
Operating stats	(%)	(%)	(%)	(%)	(%)					
OPD revenue growth y-y	13	9	6	6	-					
OPD volume growth y-y	12	7	5	1	-					
OPD revenue per head growth y-y	1	2	1	5	-					
IPD revenue growth y-y	8	5	6	2	-					
IPD volume growth y-y	17	(2)	3	(13)	-					
IPD revenue per head growth y-y	(7)	6	4	17	-					
Thai revenue growth y-y	10	5	6	2	4					
International revenue growth y-y	12	11	8	10	10					

Note: 1) Gross profit calculated by revenue – COGS including depreciation; 2) EBITDA calculated by operating profit + operating income – depreciation

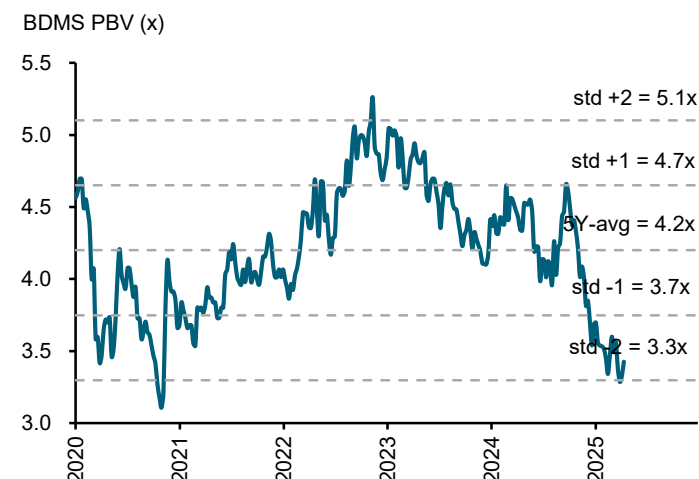
Sources: BDMS; FSSIA estimates

Exhibit 8: One-year prospective P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 9: One-year prospective P/BV band



Sources: Bloomberg; FSSIA estimates

Exhibit 10: Peer comparisons as of 11 April 2025

Company	BBG	Rec	Share price			Market Cap	PE		ROE		PBV		EV/EBITDA	
			Current	Target	Upside		25E	26E	25E	26E	25E	26E	25E	26E
			(LCY)	(LCY)	(%)		(USD m)	(x)	(x)	(%)	(%)	(x)	(x)	(x)
Thailand														
Bangkok Dusit Med Service	BDMS TB	BUY	23.20	36.50	57.3	10,990	20.9	19.1	17.1	17.7	3.5	3.3	13.1	11.8
Bumrungrad Hospital	BH TB	BUY	168.00	220.00	31.0	3,982	16.9	16.5	26.8	24.4	4.3	3.8	11.2	10.4
Bangkok Chain Hospital	BCH TB	BUY	14.30	20.00	39.9	1,063	22.5	20.0	11.8	12.5	2.6	2.4	11.1	9.8
Chularat Hospital	CHG TB	BUY	1.70	2.90	70.6	557	15.7	14.1	15.0	15.8	2.3	2.1	8.7	7.6
Patangsit Healthcare Group	PHG TB	BUY	13.90	21.00	51.1	124	12.7	11.1	15.1	16.0	1.9	1.7	6.0	5.3
Praram 9 Hospital	PR9 TB	BUY	22.50	30.00	33.3	527	21.7	19.6	14.3	14.6	3.0	2.7	12.0	10.4
Thonburi Healthcare Group	THG TB	HOLD	9.10	40.00	339.6	230	9.6	7.5	7.6	9.4	0.7	0.7	7.3	6.0
Ramkhamhaeng Hospital	RAM TB	BUY	17.90	44.00	145.8	640	10.9	9.5	10.0	10.8	1.1	1.0	14.7	12.6
Srivichai Vejvivat	VIH TB	BUY	6.75	14.00	107.4	130	11.1	12.0	10.4	8.9	1.1	1.0	5.5	6.8
Rajthanee Hospital	RJH TB	n/a	12.80	n/a	n/a	115	9.4	9.5	20.7	20.0	1.8	1.6	8.0	7.3
Ekachai Medical Care	EKH TB	n/a	6.30	n/a	n/a	156	15.3	14.3	11.5	11.2	1.9	1.9	9.1	8.9
Thailand average						18,516	15.2	13.9	14.6	14.7	2.2	2.0	9.7	8.8
Regional														
Ramsay Health Care	RHC AU	n/a	32.61	n/a	n/a	4,793	25.9	20.8	5.2	7.2	1.5	1.5	8.9	8.3
Ihh Healthcare Bhd	IHH SP	n/a	2.01	n/a	n/a	13,679	30.9	27.3	6.6	7.2	1.9	1.8	12.6	11.5
Ryman Healthcare	RYM NZ	n/a	2.53	n/a	n/a	1,539	42.7	21.5	0.9	2.1	0.4	0.4	33.8	33.2
Apollo Hospitals Enterprise	APHS IN	n/a	6,905	n/a	n/a	11,715	69.9	52.6	18.9	20.8	12.4	10.2	34.5	28.1
Kpj Healthcare Berhad	KPJ MK	n/a	2.70	n/a	n/a	2,658	30.2	26.6	14.6	15.3	4.3	4.0	14.4	13.4
Raffles Medical Group	RFMD SP	n/a	0.99	n/a	n/a	1,393	27.5	24.1	6.5	7.0	1.7	1.7	11.9	11.1
Mitra Keluarga Karyasehat	MIKA IJ	n/a	2,370	n/a	n/a	1,933	26.2	22.7	18.5	19.2	4.5	4.1	15.8	13.9
Aier Eye Hospital Group	300015 CH	n/a	12.80	n/a	n/a	16,089	27.8	24.1	17.8	17.7	4.7	4.2	16.9	15.0
Regional average						53,799	35.1	27.5	11.1	12.1	3.9	3.5	18.6	16.8
Overall average						72,314	23.6	19.6	13.1	13.6	2.9	2.6	13.4	12.2

Sources: Bloomberg; FSSIA estimates

Financial Statements

Bangkok Dusit Medical Services

Profit and Loss (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Revenue	102,110	109,351	116,319	125,622	134,434
Cost of goods sold	(63,412)	(68,071)	(71,928)	(77,180)	(82,194)
Gross profit	38,698	41,280	44,390	48,442	52,240
Other operating income	-	-	-	-	-
Operating costs	(19,806)	(20,828)	(21,806)	(23,425)	(24,665)
Operating EBITDA	24,740	26,584	28,859	31,482	34,429
Depreciation	(5,848)	(6,132)	(6,275)	(6,464)	(6,854)
Goodwill amortisation	-	-	-	-	-
Operating EBIT	18,892	20,452	22,584	25,018	27,575
Net financing costs	(373)	(259)	(270)	(168)	(44)
Associates	89	76	84	92	101
Recurring non-operating income	133	138	151	167	183
Non-recurring items	0	0	0	0	0
Profit before tax	18,652	20,331	22,466	25,017	27,715
Tax	(3,755)	(3,792)	(4,208)	(4,985)	(5,523)
Profit after tax	14,897	16,539	18,258	20,032	22,192
Minority interests	(522)	(552)	(624)	(693)	(762)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	14,375	15,987	17,634	19,339	21,430
Non-recurring items & goodwill (net)	0	0	0	0	0
Recurring net profit	14,375	15,987	17,634	19,339	21,430
Per share (THB)					
Recurring EPS *	0.90	1.01	1.11	1.22	1.35
Reported EPS	0.90	1.01	1.11	1.22	1.35
DPS	0.65	0.65	0.75	0.78	0.85
Diluted shares (used to calculate per share data)	15,892	15,892	15,892	15,892	15,892
Growth					
Revenue (%)	9.8	7.1	6.4	8.0	7.0
Operating EBITDA (%)	7.9	7.5	8.6	9.1	9.4
Operating EBIT (%)	11.2	8.3	10.4	10.8	10.2
Recurring EPS (%)	14.0	11.2	10.3	9.7	10.8
Reported EPS (%)	14.0	11.2	10.3	9.7	10.8
Operating performance					
Gross margin inc. depreciation (%)	37.9	37.8	38.2	38.6	38.9
Gross margin exc. depreciation (%)	43.6	43.4	43.6	43.7	44.0
Operating EBITDA margin (%)	24.2	24.3	24.8	25.1	25.6
Operating EBIT margin (%)	18.5	18.7	19.4	19.9	20.5
Net margin (%)	14.1	14.6	15.2	15.4	15.9
Effective tax rate (%)	20.2	18.7	18.8	20.0	20.0
Dividend payout on recurring profit (%)	71.9	64.7	67.6	63.8	63.2
Interest cover (X)	51.0	79.6	84.3	150.1	633.7
Inventory days	14.7	14.8	14.9	14.8	14.9
Debtor days	39.4	39.7	38.4	35.6	33.2
Creditor days	41.5	44.2	46.5	46.1	46.3
Operating ROIC (%)	16.1	16.8	17.9	19.3	21.1
ROIC (%)	13.1	13.7	14.6	15.8	17.4
ROE (%)	15.5	16.4	17.1	17.7	18.4
ROA (%)	10.7	11.4	11.9	12.4	12.9

* Pre-exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2023	2024	2025E	2026E	2027E
Thai patient revenue	70,866	74,646	78,137	83,920	90,292
International patient revenue	26,211	29,029	32,222	35,444	37,571
Other revenue	5,034	5,676	5,960	6,258	6,571

Sources: Bangkok Dusit Medical Services; FSSIA estimates

Financial Statements

Bangkok Dusit Medical Services

Cash Flow (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Recurring net profit	14,375	15,987	17,634	19,339	21,430
Depreciation	5,848	6,132	6,275	6,464	6,854
Associates & minorities	-	-	-	-	-
Other non-cash items	1,203	(195)	624	693	762
Change in working capital	161	689	901	1,213	1,134
Cash flow from operations	21,588	22,613	25,435	27,708	30,180
Capex - maintenance	(11,612)	(12,917)	(8,142)	(8,794)	(8,066)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	(290)	(353)	0	0	0
Other investments (net)	-	-	-	-	-
Cash flow from investing	(11,902)	(13,270)	(8,142)	(8,794)	(8,066)
Dividends paid	(10,343)	(10,342)	(11,919)	(12,344)	(13,537)
Equity finance	0	0	0	0	0
Debt finance	(5,460)	224	(500)	(500)	(500)
Other financing cash flows	612	(2)	0	0	0
Cash flow from financing	(15,190)	(10,120)	(12,419)	(12,844)	(14,037)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	(5,505)	(777)	4,873	6,071	8,076
Free cash flow to firm (FCFF)	10,232.29	9,776.55	17,722.56	19,333.07	22,519.94
Free cash flow to equity (FCFE)	4,838.23	9,565.32	16,792.45	18,414.84	21,613.58

Per share (THB)

FCFF per share	0.64	0.62	1.12	1.22	1.42
FCFE per share	0.30	0.60	1.06	1.16	1.36
Recurring cash flow per share	1.35	1.38	1.54	1.67	1.83

Balance Sheet (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Tangible fixed assets (gross)	165,315	174,246	182,388	191,181	199,247
Less: Accumulated depreciation	(67,642)	(69,788)	(76,063)	(82,527)	(89,381)
Tangible fixed assets (net)	97,673	104,458	106,325	108,655	109,866
Intangible fixed assets (net)	19,376	19,813	19,813	19,813	19,813
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	2,276	2,629	2,629	2,629	2,629
Cash & equivalents	9,467	8,690	13,564	19,635	27,711
A/C receivable	11,558	12,246	12,246	12,246	12,246
Inventories	2,420	2,603	2,760	2,972	3,167
Other current assets	101	120	127	138	147
Current assets	23,545	23,659	28,697	34,991	43,271
Other assets	726	955	955	955	955
Total assets	143,596	151,514	158,418	167,042	176,534
Common equity	95,242	100,037	105,752	112,747	120,640
Minorities etc.	3,630	3,890	4,514	5,206	5,968
Total shareholders' equity	98,872	103,927	110,266	117,953	126,608
Long term debt	18,134	15,858	15,358	14,858	14,358
Other long-term liabilities	10,973	12,034	12,034	12,034	12,034
Long-term liabilities	29,107	27,892	27,392	26,892	26,392
A/C payable	6,901	8,113	8,600	9,263	9,869
Short term debt	0	2,500	2,500	2,500	2,500
Other current liabilities	8,715	9,082	9,661	10,433	11,165
Current liabilities	15,616	19,695	20,761	22,196	23,534
Total liabilities and shareholders' equity	143,596	151,514	158,418	167,042	176,534
Net working capital	(1,538)	(2,226)	(3,128)	(4,340)	(5,474)
Invested capital	118,513	125,628	126,594	127,711	127,789

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

Per share (THB)

Book value per share	5.99	6.29	6.65	7.09	7.59
Tangible book value per share	4.77	5.05	5.41	5.85	6.34

Financial strength

Net debt/equity (%)	8.8	9.3	3.9	(1.9)	(8.6)
Net debt/total assets (%)	6.0	6.4	2.7	(1.4)	(6.1)
Current ratio (x)	1.5	1.2	1.4	1.6	1.8
CF interest cover (x)	14.0	38.0	63.3	110.8	494.4

Valuation	2023	2024	2025E	2026E	2027E
Recurring P/E (x) *	25.6	23.1	20.9	19.1	17.2
Recurring P/E @ target price (x) *	40.4	36.3	32.9	30.0	27.1
Reported P/E (x)	25.6	23.1	20.9	19.1	17.2
Dividend yield (%)	2.8	2.8	3.2	3.3	3.7
Price/book (x)	3.9	3.7	3.5	3.3	3.1
Price/tangible book (x)	4.9	4.6	4.3	4.0	3.7
EV/EBITDA (x) **	15.4	14.4	13.1	11.8	10.6
EV/EBITDA @ target price (x) **	23.9	22.3	20.4	18.5	16.7
EV/invested capital (x)	3.2	3.0	3.0	2.9	2.8

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

Sources: Bangkok Dusit Medical Services; FSSIA estimates

Bangkok Dusit Medical Serv (BDMS TB)

FSSIA ESG rating


74.00 /100

Exhibit 11: 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 12: 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 13: ESG score by Bloomberg

FY ending Dec 31	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
ESG financial materiality scores - ESG score	1.08	1.05	2.21	2.76	3.74	3.77	3.76	3.45
BESG environmental pillar score	0.00	0.00	2.04	4.49	4.17	3.84	3.24	2.25
BESG social pillar score	0.14	0.14	1.24	1.48	3.40	3.53	3.54	3.59
BESG governance pillar score	4.56	4.40	4.37	4.19	4.03	4.13	4.51	4.12
ESG disclosure score	32.33	32.33	46.90	47.34	57.35	57.69	58.34	58.92
Environmental disclosure score	0.00	0.00	22.74	24.07	52.31	52.31	54.27	56.00
Social disclosure score	13.21	13.21	34.22	34.22	36.03	37.06	37.06	37.06
Governance disclosure score	83.59	83.59	83.59	83.59	83.59	83.59	83.59	83.59
Environmental								
Emissions reduction initiatives	No	No	No	No	No	No	No	No
Climate change policy	No	No	No	No	Yes	Yes	Yes	Yes
Climate change opportunities discussed	No	No	No	No	No	No	No	No
Risks of climate change discussed	No	No	No	No	No	No	No	No
GHG scope 1	—	—	3	4	9	35	9	34
GHG scope 2 location-based	—	—	91	92	98	94	96	209
GHG Scope 3	—	—	—	—	—	—	—	—
Carbon per unit of production	—	—	—	—	—	—	—	—
Biodiversity policy	No	No	No	No	No	No	No	No
Energy efficiency policy	No	No	Yes	Yes	Yes	Yes	Yes	Yes
Total energy consumption	—	—	143	145	152	147	194	497
Renewable energy use	—	—	—	—	—	—	—	5
Electricity used	—	—	143	145	152	147	192	417
Fuel used - natural gas	—	—	—	—	—	—	—	—

Sources: Bloomberg; FSSIA's compilation

Exhibit 14: ESG score by Bloomberg (cont.)

FY ending Dec 31	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Fuel used - crude oil/diesel	No	No	No	No	No	No	No	No
Waste reduction policy	No	No	No	Yes	Yes	Yes	Yes	Yes
Hazardous waste	—	—	1	2	2	2	3	5
Total waste	—	—	6	7	7	5	9	13
Waste recycled	—	—	0	1	1	0	1	2
Waste sent to landfills	—	—	—	—	—	—	3	5
Environmental supply chain management	No	No	No	No	Yes	Yes	Yes	Yes
Water policy	No	No	No	Yes	Yes	Yes	Yes	Yes
Water consumption	—	—	354	358	388	332	472	754
Social								
Human rights policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Policy against child labor	No	No	No	No	No	Yes	Yes	Yes
Quality assurance and recall policy	No	No	No	No	Yes	Yes	Yes	Yes
Consumer data protection policy	No	No	Yes	Yes	Yes	Yes	Yes	Yes
Equal opportunity policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Gender pay gap breakout	No	No	No	No	No	No	No	No
Pct women in workforce	—	—	82	82	82	82	83	83
Pct disabled in workforce	—	—	—	—	—	—	—	—
Business ethics policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Anti-bribery ethics policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Health and safety policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Lost time incident rate - employees	—	—	0	0	0	0	0	1
Total recordable incident rate - employees	—	—	2	2	2	1	1	1
Training policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Fair remuneration policy	No	No	No	No	No	No	No	No
Number of employees – CSR	33,456	36,989	37,505	38,803	40,298	36,254	36,344	40,495
Employee turnover pct	—	—	18	19	19	17	16	20
Total hours spent by firm - employee training	568,960	588,890	795,330	547,592	784,625	476,816	437,209	1,417,320
Social supply chain management	No	No	No	No	Yes	Yes	Yes	Yes
Governance								
Board size	15	14	13	14	14	16	18	17
No. of independent directors (ID)	7	6	6	6	6	7	7	7
No. of women on board	2	1	1	1	1	2	2	2
No. of non-executive directors on board	9	7	6	8	9	9	9	9
Company conducts board evaluations	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
No. of board meetings for the year	13	13	14	12	13	12	12	12
Board meeting attendance pct	95	94	98	97	98	98	97	100
Board duration (years)	3	3	3	3	3	3	3	3
Director share ownership guidelines	No	No	No	No	No	No	No	No
Age of the youngest director	45	42	43	44	45	46	47	48
Age of the oldest director	83	84	85	86	87	88	89	90
No. of executives / company managers	4	5	5	5	6	7	5	5
No. of female executives	1	1	1	2	1	2	2	2
Executive share ownership guidelines	No	No	No	No	No	No	No	No
Size of audit committee	3	3	3	3	3	3	3	3
No. of ID on audit committee	3	3	3	3	3	3	3	3
Audit committee meetings	10	9	10	7	10	6	6	6
Audit meeting attendance %	100	100	100	100	97	100	100	100
Size of compensation committee	4	4	4	4	4	3	3	3
No. of ID on compensation committee	3	3	3	2	2	2	2	2
No. of compensation committee meetings	3	1	4	4	3	4	4	3
Compensation meeting attendance %	100	100	100	100	100	100	100	100
Size of nomination committee	4	4	4	4	4	3	3	3
No. of nomination committee meetings	3	1	4	4	3	4	4	3
Nomination meeting attendance %	100	100	100	100	100	100	100	100
Sustainability governance								
Verification type	No	No	No	No	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><tr><th>NEGL</th><th>Low</th><th>Medium</th><th>High</th><th>Severe</th></tr><tr><td>0-10</td><td>10-20</td><td>20-30</td><td>30-40</td><td>40+</td></tr></table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+										
NEGL	Low	Medium	High	Severe																		
0-10	10-20	20-30	30-40	40+																		
ESG Book	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.	The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.																				
MSCI	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. <table><tr><td>AAA</td><td>8.571-10.000</td><td rowspan="3">Leader:</td><td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td></tr><tr><td>AA</td><td>7.143-8.570</td></tr><tr><td>A</td><td>5.714-7.142</td></tr><tr><td>BBB</td><td>4.286-5.713</td><td rowspan="3">Average:</td><td rowspan="3">a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td></tr><tr><td>BB</td><td>2.857-4.285</td></tr><tr><td>B</td><td>1.429-2.856</td></tr><tr><td>CCC</td><td>0.000-1.428</td><td>Laggard:</td><td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td></tr></table>	AAA	8.571-10.000	Leader:	leading its industry in managing the most significant ESG risks and opportunities	AA	7.143-8.570	A	5.714-7.142	BBB	4.286-5.713	Average:	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	BB	2.857-4.285	B	1.429-2.856	CCC	0.000-1.428	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks	
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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
Bangkok Dusit Medical Services	BDMS TB	THB 23.20	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) higher-than-expected capex and opex for CoE projects.
Bumrungrad Hospital	BH TB	THB 168.00	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 14.30	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.
Chularat Hospital	CHG TB	THB 1.70	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 13.90	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 22.50	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 9.10	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 17.90	BUY	Downside risks to our DCF-based target price include 1) weak patient volumes following the economic slowdown; 2) regulatory risks from drug price and medical bill controls; and 3) losses from its subsidiary companies.
Srivichaivejvivat	VIH TB	THB 6.75	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 11-Apr-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.