

**BANGKOK CHAIN HOSPITAL**

THAILAND / HEALTH CARE SERVICES

**BCH TB****BUY**

UNCHANGED

TARGET PRICE	THB17.20
CLOSE	THB13.30
UP/DOWNSIDE	+29.3%
PRIOR TP	THB20.00
CHANGE IN TP	-14.0%
TP vs CONSENSUS	-3.2%

**Revenue rebound, margin revival**

- Seeking better flows of all international, local, and Social Security Office (SSO) patient revenues.
- Strong 2Q-3Q25E earnings may act as a catalyst. Expect resilient 24% profit growth in 2025 and 7%/5% in 2026-27.
- Valuation remains attractive (-1.0SD).

**Improving outlook across all patient segments**

We expect BCH's 2025 recovery to be driven by improving foreign patient flows, better hospital operations in Vientiane, and stable SSO high-cost care reimbursements. Thai patient growth will be backed by hospital upgrades, rising insured patient numbers, and targeted marketing campaigns. Long-term drivers include an expected increase in complex disease treatments, a better patient mix, and new hospital openings. We project conservative revenue growth of 6% in 2025-26 and 5% in 2027.

**2Q25E earnings ramp up**

We expect BCH to deliver a solid 2Q25 net profit of THB347m (+6% q-q, +25% y-y), driven by revenue growth (+4% q-q, +6% y-y) and EBITDA margin hikes (+0.2ppt q-q, +2.2ppts y-y). OPD revenue may rise (+7% q-q, +5% y-y) amid higher flu cases, and a 6% q-q rebound in foreign patient revenue, i.e. from the Middle East post-Ramadan. SSO revenue should grow 3% q-q (+10% y-y) on full THB12,000/RW payments. Excluding the SSO write-off in 2Q24, projected earnings would rise 3% y-y. 1H25 profit (-2% h-h, +13% y-y) may account for 45% of our 2025E.

**Resilient growth ahead**

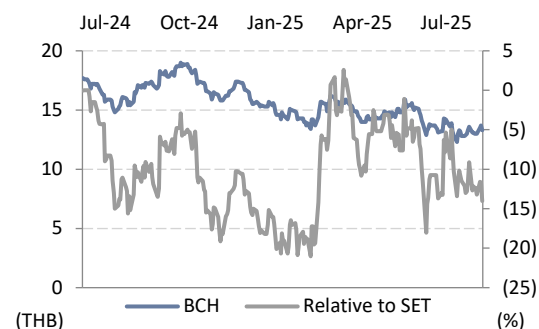
BCH's 2H25 earnings may surpass 1H25 due to seasonality, with a higher international patient volume throughout the latter half, and a normalized SSO high-cost care reimbursement in 4Q25 supporting the y-y expansion. Updating our forecasts, we lower 2025-27E core profits by 7-15% on a 2-4% revenue cut (mainly from IPD), and a 1.3-1.9ppt EBITDA margin cut over the 3-year period. We thus expect impressive 24% profit growth in 2025 and moderate 7%/5% growth in 2026/2027.

**Undemanding valuation**

Our revised DCF-TP of THB17.20 (from THB20.00) (8.2% WACC, 3% TG) implies 2026E 27x P/E and 12x EV/EBITDA (-0.5 SD), while BCH trades at -1.0 SD. We forecast its profits to stay above the pre-Covid 2020 levels by 21%/29%/35% in 2025-27. It also benefits from a well-balanced foreign and SSO patient revenue mix and superior EBITDA margin vs its mid-to-small hospital peers. Brighter 2Q-3Q25E earnings after bottoming out in 1Q could be a catalyst. With this report, we transfer the coverage of BCH to Vatcharut Vacharawongsith.

**KEY STOCK DATA**

YE Dec (THB m)	2024	2025E	2026E	2027E
Revenue	11,725	12,473	13,227	13,942
Net profit	1,282	1,483	1,581	1,654
EPS (THB)	0.51	0.59	0.63	0.66
vs Consensus (%)	-	(4.2)	(9.4)	(11.8)
EBITDA	2,602	3,031	3,241	3,444
Recurring net profit	1,200	1,483	1,581	1,654
Core EPS (THB)	0.48	0.59	0.63	0.66
Chg. In EPS est. (%)	-	(6.6)	(11.4)	(15.3)
EPS growth (%)	(14.7)	23.6	6.6	4.6
Core P/E (x)	27.6	22.4	21.0	20.0
Dividend yield (%)	3.8	3.0	3.0	2.9
EV/EBITDA (x)	13.0	11.0	10.3	9.7
Price/book (x)	2.6	2.5	2.4	2.3
Net debt/Equity (%)	(3.5)	(6.0)	(6.1)	(7.3)
ROE (%)	9.4	11.2	11.5	11.5



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(3.5)	(4.2)	(22.2)
Relative to country (%)	(7.4)	(6.0)	(11.4)
Mkt cap (USD m)	1,019		
3m avg. daily turnover (USD m)	2.3		
Free float (%)	50		
Major shareholder	Chalerm Harnphanich (33%)		
12m high/low (THB)	19.20/12.30		
Issued shares (m)	2,493.75		

Sources: Bloomberg consensus; FSSIA estimates

**Vatcharut Vacharawongsith**

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### Investment thesis

BCH is a leading service provider under the Social Security Office (SSO) scheme. BCH received a large SSO quota of 314k in 2024. This should lead to more registered members numbering around 100k for BCH over 2024-26.

In 2020-21, BCH opened three new hospitals, which continue to share a loss. However, their operations are improving, and all should turn profitable by 2025-26, leading to better EBITDA and an improved NPM.

Revenue from international patients slowed down in 2024 due to a decline in Kuwaiti patient revenue. We expect revenue growth to resume in 2025, driven by CLMV patients, with the scope of an upside if the Kuwaiti government resumes patient referrals to Thailand.

### Company profile

The company operates its business as a group, providing healthcare services for both cash patients and patients under the social security scheme.

[www.bangkokchainhospital.com](http://www.bangkokchainhospital.com)

### Principal activities (revenue, 2024)

Cash patient revenue - 67.6 %

SSO patient revenue - 33.2 %

NHSO patient revenue - (0.8) %

Source: Bangkok Chain Hospital

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### Major shareholders

Chalerm Harnphanich - 32.6 %

Thai NVDR - 7.4 %

Somporn Harnphanich - 6.6 %

Others - 53.4 %

Source: Bangkok Chain Hospital

### Catalysts

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

### 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 or floods; 2) regulatory risks from drug prices and medical bill controls; and 3) SSO provision expenses following a limited SSO budget.

### Event calendar

Date	Event
August 2025	2Q25 results announcement

### Key assumptions

	2025E (%)	2026E (%)	2027E (%)
SS volume growth	2	2	2
SS revenue / patients growth	6	4	4
OPD volume growth	2	2	2
OPD revenue / patient growth	4	4	3
IPD volume growth	1	2	2
IPD revenue / patient growth	2	3	3

Source: FSSIA estimates

### Earnings sensitivity

- For every 1% increase in patient volume, we project 2025 earnings would rise by 2%, and vice versa, all else being equal.
- For every 1% increase in EBITDA margin, we project 2025 earnings would rise by 5%, and vice versa, all else being equal.

Source: FSSIA estimates

## Better prospects across all patient segments

We are positive on BCH's earnings outlook this year, to be generated from all cash Thai and international patients, as well as those who are under the insured SSO program.

### Local Thai patients

#### Hospital upgrade to boost topline and margins

We believe the reopening of the 200-bed Kasemrad Hospital Pathumthani (9% of total licensed beds) earlier this year will help support the company's profitability. The THB430m property rebranding, from its lower-tier Karunvej, has enhanced its capacity to offer a broader range of medical services with upgraded facilities. It may attract more cash patients in the northern Bangkok area.

Going forward, this hospital's revenue mix may significantly shift from c30% cash and c70% SSO patients under the Karunvej platform previously to c70% cash and c30% SSO patients under the Kasemrad brand. We have seen a rebound in the number of registered SSO members at Kasemrad Hospital Pathumthani in 1Q25, surpassing levels seen in 4Q23 prior to renovations. As such, we expect it may deliver improved financial performance post-upgrade, ie higher revenue by up to 20% and higher EBITDA margin by 1-3ppts for this campus in the short-term.

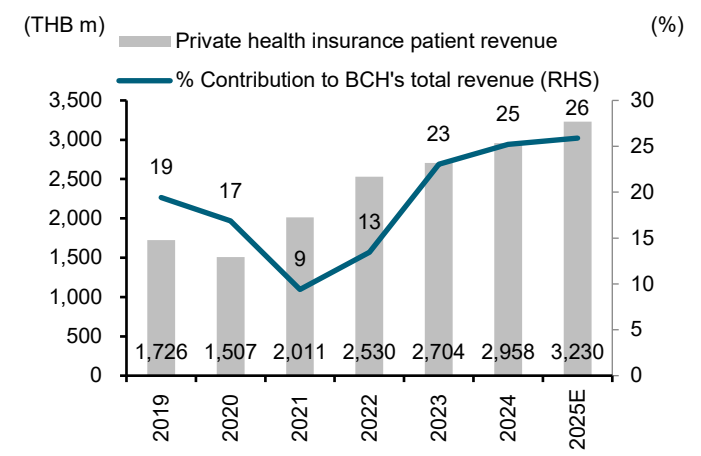
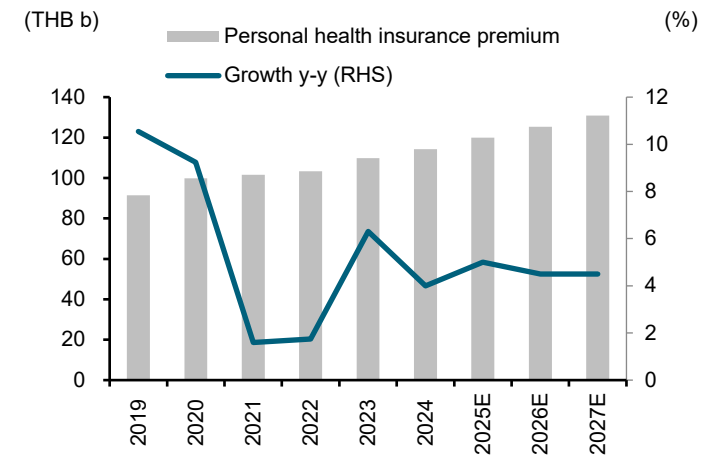
#### Enjoying higher private health insurance patients

Rising insurance patient numbers could be another driver for the local cash patient segment. BCH's revenue contribution from patients with private health insurance widened to 25% of the company's total revenue in 2024 (2019: 19%), with healthy 11% revenue CAGR (2019-24). Based on Statista's forecasts, the health insurance market in Thailand is expected to grow by a further 5% in 2025 and 4.5% CAGR (2025-29).

Growing complex diseases and rising medical inflation may still ignite the demand for private health insurance. Compared with self-pay patients, private health insurance patients may spend more, provide a stabilized revenue stream, and help the company expand its patient base and volume. We believe the recently implemented co-payment health insurance policies may have no material impact on BCH as well. It should help facilitate the company's topline and profit margin arrangement through revenue intensity. We expect the revenue from private health insurance to expand 9% y-y and contribute 26% of BCH's 2025 total revenue.

Exhibit 1: Thailand's personal health insurance premium

Exhibit 2: BCH's revenue from private health insurance patients



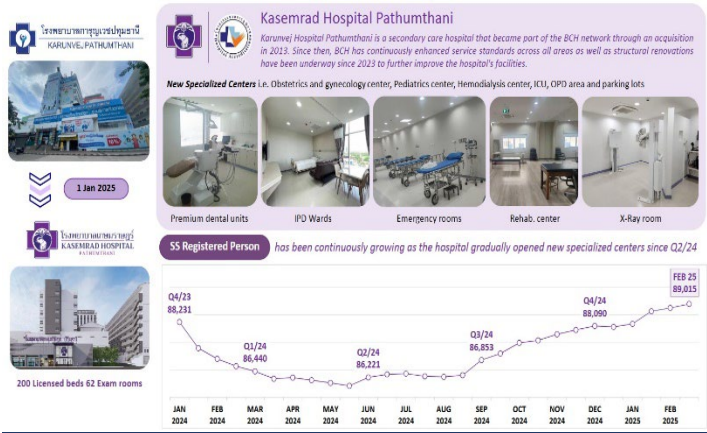
Sources: Office of Insurance Commission, Statista, FSSIA estimates

Sources: BCH, FSSIA estimates

Active marketing efforts sustain local patient revenue

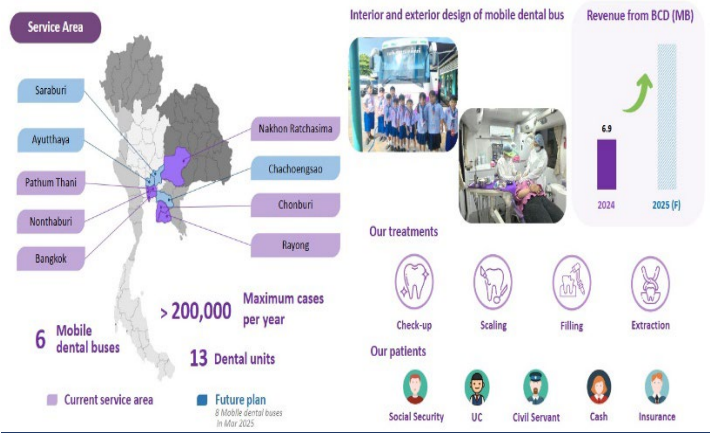
BCH is also intensifying its outreach to resilient patient segments by adopting more proactive marketing approaches to penetrate targeted Thai patients. This includes the access to local communities and industrial zones to offer on-site health screening through the company's mobile units, preventive care services, and wellness packages. These efforts may secure recurring patient flows and sustain both revenue and profitability in softer economic conditions.

Exhibit 3: Upgraded Kasemrad Hospital Pathumthani



Source: BCH

Exhibit 4: BCH's mobile dental clinic – part of its proactive marketing approach



Source: BCH

Two new hospitals to drive post-2027 upside

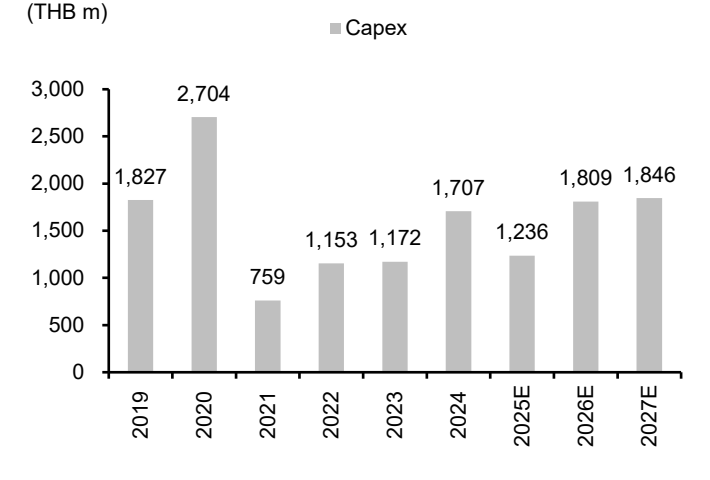
The company's new greenfield projects – Kasemrad Hospital Suvarnabhumi (268 licensed beds) and Kasemrad Hospital Rayong (200-250 beds) – are scheduled to open in late 2027. Positioned as long-term growth supports, both campuses may tap into more patient pools from industrial estates in Thailand's eastern provinces. We have incorporated the total THB3b capex into our 2025-28 projection, and expect that it may take 3-4 years post-opening for both projects to reach EBITDA breakeven. Our current forecasts on BCH's long-term growth of 4-5% for topline and 5-7% for core profit during 2028-34 look conservative, given the upside potential from these expansions, in our view.

Exhibit 5: Two new hospitals in the pipeline



Source: BCH

Exhibit 6: Our assumption for BCH's capex



Sources: BCH, FSSIA estimates

## International patients

### Normalizing Kuwaiti patients post-adjustment

The Kuwaiti government's healthcare cost-cutting policies have reduced BCH's contribution from Kuwaiti patients to just 0.5% of total revenue in 1Q25, down from c4% in 2023. Although no official decision has been made to further reduce the approved hospital list for Kuwaiti citizens to secure a guarantee of payment (GOP) for medical treatments, BCH continues to attract self-pay patients from Kuwait thanks to its strength in curing diabetes. Given that the revenue correction from fly-in Kuwaiti patients was completed in 1Q25, we expect the company to have improving momentum for international patient revenue q-q and y-y throughout the remaining quarters this year. This includes a recovery of patient flows from the Middle East in 2Q25E post-Ramadan, and a seasonal increase in 2H25E. We think the fly-in patients from other source markets in the Middle East – i.e. the UAE and Oman (c2% of total revenue) and Libya (c0.5% of revenue) – are still growing as well.

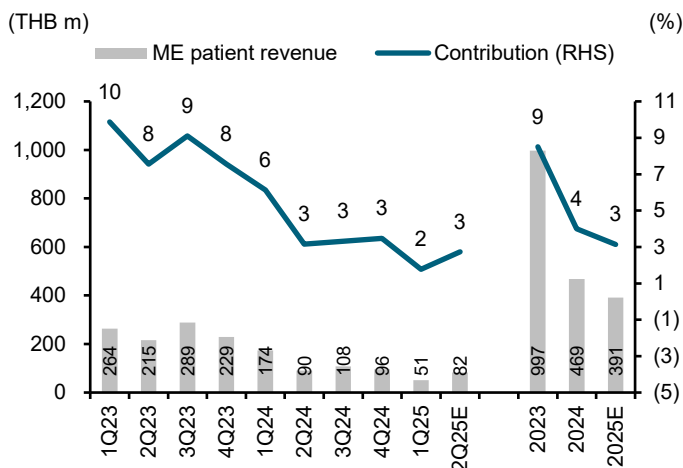
### Minimal impact from Cambodia tensions

BCH generates a minimal 1.7% of total revenue from Cambodian patients. Of which, 1.4% is from fly-in patients and the remaining 0.3% from border-crossing patients. Tensions at the Thailand-Cambodia border in May-June have affected border-crossing patient traffic rather than fly-in traffic, according to the company. Combined with the limited exposure, we therefore expect no material impact on earnings from this matter.

### Securing China and USA source markets

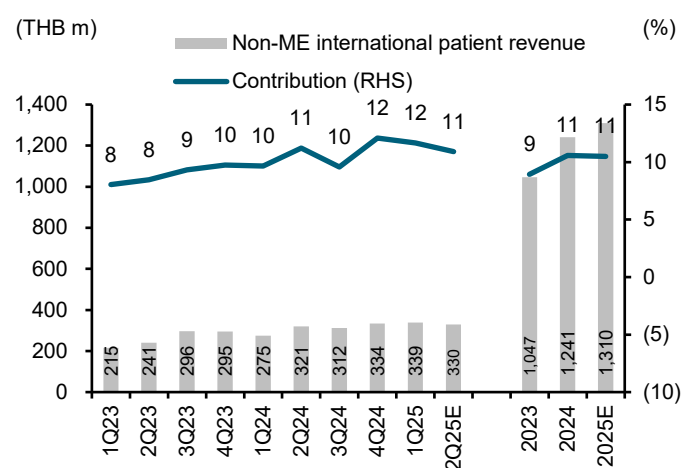
We are optimistic on BCH's ability to secure its source markets of expatriate Chinese and American patients. Its revenue from Chinese patients surged 8% q-q and 66% y-y, while that from American patients jumped 57% q-q and 93% y-y in 1Q25, with a higher combined contribution to 1.6% of total revenue (1Q24: 0.9%). Having a competitive advantage, its hospital in Laos, Kasemrad International Hospital Vientiane, is able to capture more Chinese expatriates, and we expect that this hospital (which opened in 2021) may deliver a positive quarterly profit by 2025.

**Exhibit 7: Middle East (ME) patient revenue**



Sources: BCH, FSSIA estimates

**Exhibit 8: Non-ME international patient revenue**



Sources: BCH, FSSIA estimates



## Social Security Office patients

### SSO quota expansion to strengthen recurring revenue

BCH is set to benefit from the expansion of its SSO patient quota, which rose by 22% to 1.88m in 1Q25 from 1.54m in 2024. This provides the company an opportunity to widen its recurring income base that is less sensitive to economic swings, helping to stabilize topline and long-term earnings visibility. 1.02m insured members were registered at BCH hospitals as of 2024.

Based on our projected 2% annual growth in average new registrations in 2025-27, and assuming patients remain within the BCH network over the period, the company stands to benefit from a cumulative capitation-based revenue increase of THB224m over the next three years. This figure reflects the multi-year contribution of newly added members, each receiving a fixed capitation payment of THB1,808 per person p.a.

With its key strengths as the largest private hospital network under the SSO scheme, an extensive presence in provinces, and efficient one-stop medical services, BCH remains well-positioned to attract and retain SSO-registered patients. If BCH successfully utilizes the full expanded quota, this could imply an upside potential of up to THB607m in annual recurring revenue.

### Full high-cost care reimbursement to boost 2025 growth

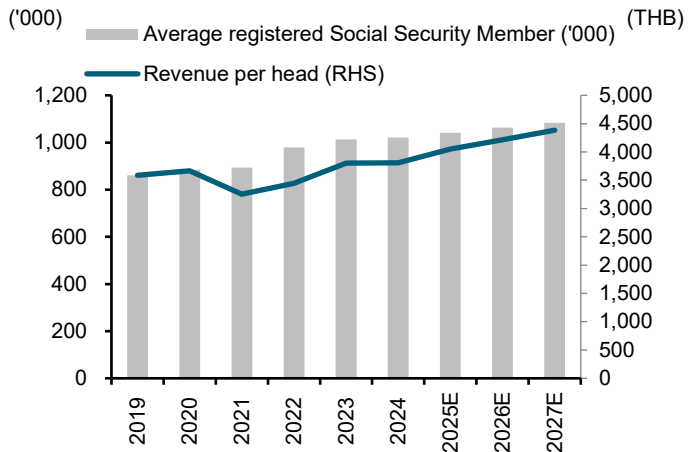
BCH's earnings in 2025 are set to benefit from the full payment of service rates under the SSO's high-cost care scheme ( $RW \geq 2$ ) at a normalized THB12,000/RW, which is likely to be applied throughout the year. This is unlike in 2024, when BCH had to write-off revenue totaling THB81m in 2Q24 and THB164m in 4Q24 due to the payment rate reduction to THB7,200/RW. With no write-offs and a consistent reimbursement policy in place, both 2Q25 and 4Q25 should reflect strong y-y net profit growth, through visible topline and profit margin enhancements. Note that BCH typically earns c20% of revenue from SSO patients or 7% of the company's total hospital revenue from the high-cost  $RW \geq 2$  cases.

### Top-up premium care supports topline and margin

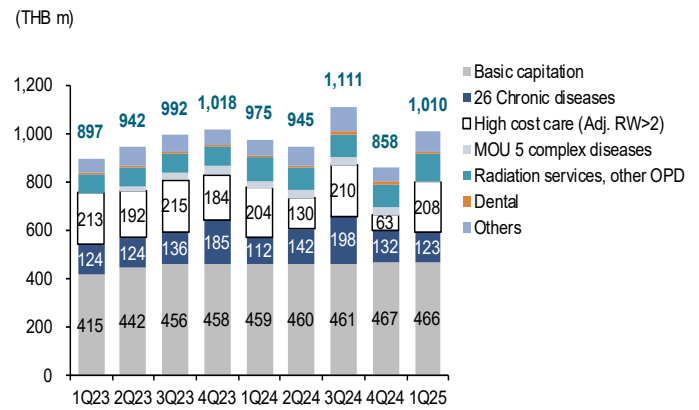
In the challenging economic environment, a segment of local patients may be increasingly relying on their SSO healthcare entitlement for basic coverage. However, we expect that a growing number of these patients are also opting to "top up" by paying out-of-pocket for enhanced services – such as private rooms and additional or advanced diagnostics – beyond what is covered under their SSO benefits. This hybrid model enables patients to better manage their healthcare costs while gaining access to improved care. This trend may partially support BCH's revenue intensity and EBITDA margin, as top-up services typically offer higher yields with relatively low incremental costs. It also enhances patient retention and creates further revenue opportunities from the sizable SSO patient base. Inpatients under the SSO scheme typically account for c10-15% of the company's total SSO revenue or c3-5% of total hospital revenue.

### Limited impact from reduction of five complex disease coverage

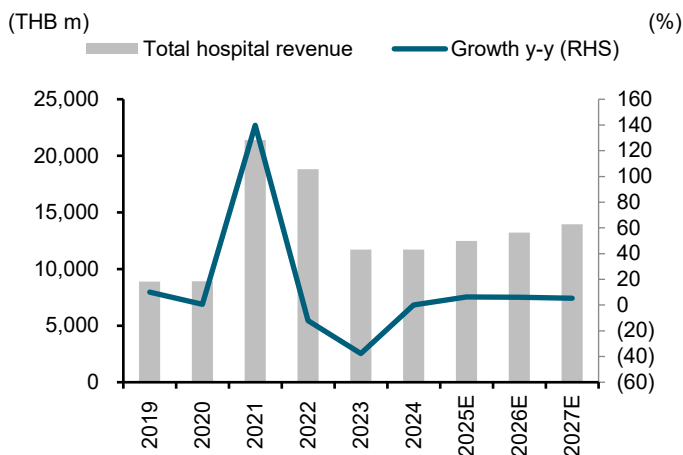
Starting from April 2025, the SSO revised its program coverage for the payment of service rates for urgent illness treatments at THB15,000/RW, from five medical conditions to just two – cardiovascular disease and cerebrovascular disease. Reimbursement rates for the excluded three conditions – breast cancer, uterine fibroids, and kidney or gallbladder stones – are now subject to the high-cost care program (THB12,000/RW) instead. The five urgent illness cases previously contributed 3% of BCH's SSO patient revenue or a minimal 1% of its total hospital revenue in 2024. The company has attained as much as 80% coverage for the heart disease and stroke cases under this program. We therefore expect no material impact on BCH's earnings from this matter.

**Exhibit 9: BCH's SSO quota and registered members**

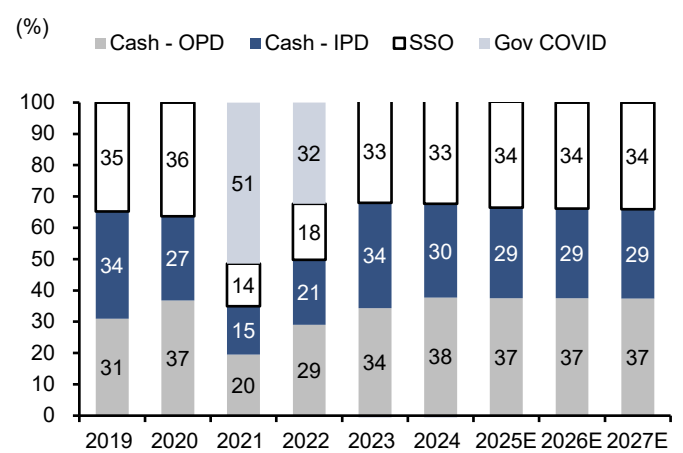
Sources: BCH, FSSIA estimates

**Exhibit 10: BCH's SSO revenue breakdown**

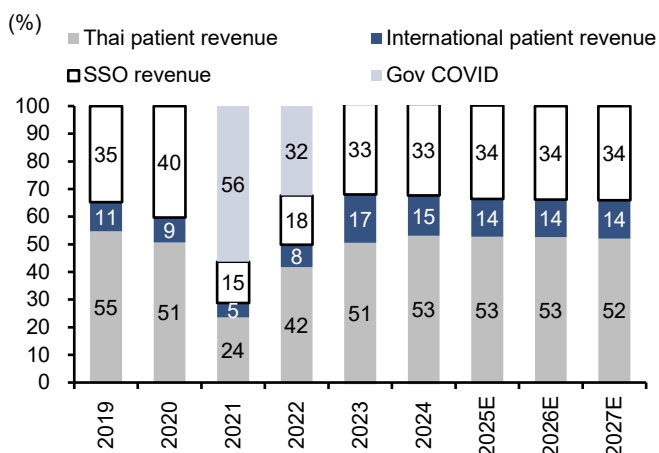
Sources: BCH, FSSIA's compilation

**Exhibit 11: BCH's total hospital revenue**

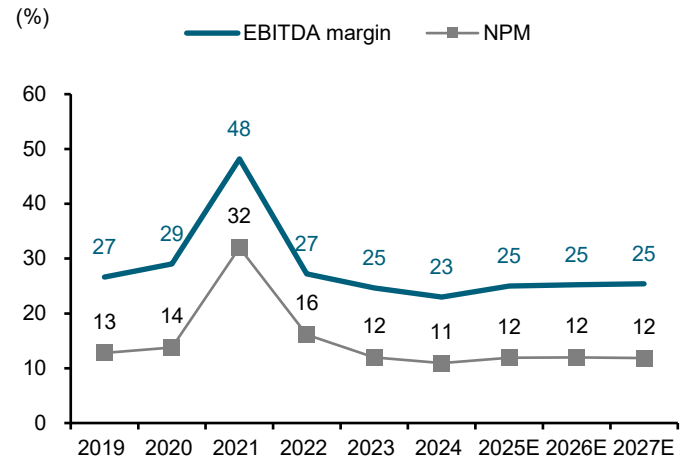
Sources: BCH, FSSIA estimates

**Exhibit 12: Revenue breakdown by patient types**

Sources: BCH, FSSIA estimates

**Exhibit 13: Revenue breakdown by source markets**

Sources: BCH, FSSIA estimates

**Exhibit 14: BCH's EBITDA margin and NPM**

Sources: BCH, FSSIA estimates

## Competitive edge over peers

### Robust presence in the middle-income segment

BCH has built a strong presence in the middle-income market, as evidenced by its sizable number of hospital beds, as well as higher revenue and profit margins. This scale gives it both operational efficiency and pricing flexibility, enabling the group to serve a larger volume of patients.

Exhibit 15: Performance comparison among mid-end hospitals in 2024

	Total licensed beds	Revenue	EBITDA margin
BCH	2,323	11,725	23
CHG	938	8,237	22
PHG	270	2,273	18
THG	1,767	9,479	17
VIH	483	2,810	21

Source: Company data; FSSIA's compilation

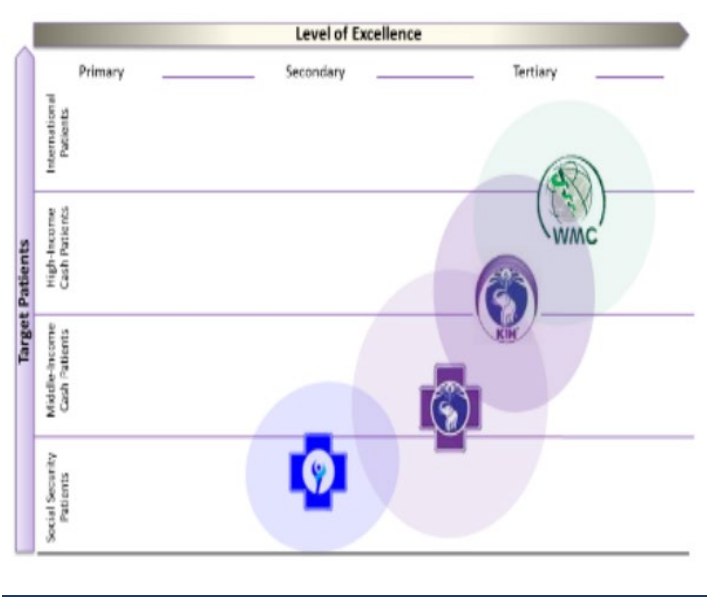
### Well-diversified patient base

The company has a healthy balance between general patients (i.e. self-pay, corporate contract, and private health insurance) and SSO patients, which are around two-thirds and one-third of its total hospital revenue, respectively. This acts as a cushion against demand volatility and economic cycles, while ensuring stable recurring income from the public health programs.

### Broad hospital network and segment coverage

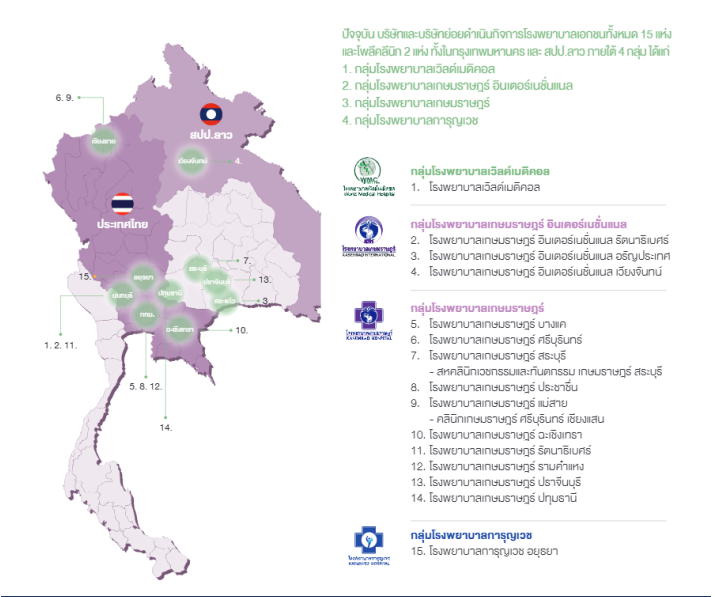
BCH maintains its broad hospital network in Thailand's central and eastern regions, areas known for population and workforce density. It provides opportunities to attract both urban and worker-based patient groups. The company has also developed its medical platforms to serve wide-ranging customer profiles. This includes the World Medical Center Hospital for high-income local and international patients, Kasemrad International Hospital and Kasemrad Hospital for middle- to high-income patients, and Karunvej Hospital for middle-income cash and SSO patients.

Exhibit 16: Brand positioning



Source: BCH

Exhibit 17: BCH's hospital network



Source: BCH



Adaptability to situational changes

The company has proven to be highly agile during a challenging medical crisis – the Covid-19 pandemic, when it quickly adapted operations to meet emerging medical needs. Its revenue contribution from Covid-19 treatments ranked the highest among the listed Thai private hospitals in 2021 and led BCH to gain a record core profit.

Superior revenue per visit

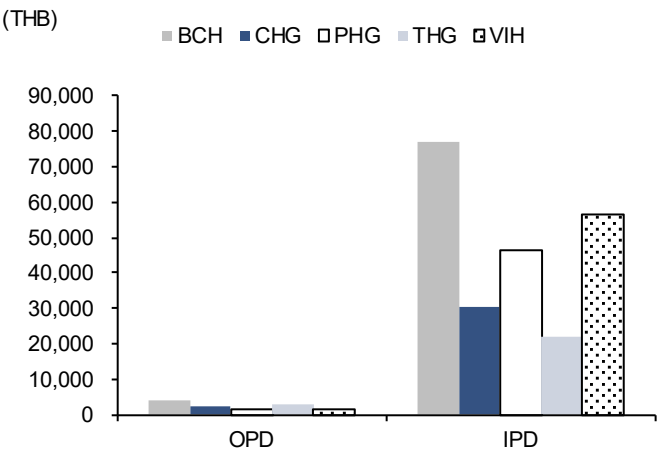
BCH’s revenue per visit for both OPD and IPD patients is much higher than that of mid-end hospitals, thanks to its diversification into premium hospitals. It allows the company to attain more international patients with higher spending per bill, particularly those from Middle Eastern countries. We expect an attempt to secure new targeted international patients (i.e. from Libya and Saudi Arabia) and the addition of more specialized centers (e.g. plastic surgery clinic, radiation oncology clinic, etc.) may help sustain patients’ average spending per bill going forward.

Exhibit 18: BCH’s revenue contribution from COVID-19 treatments in 2021 was far ahead of its peers

	----- 3Q21 -----		----- 2021 -----	
	COVID-19	Non-COVID-19	COVID-19	Non-COVID-19
BCH	71	29	59	42
BDMS	25	75	14	86
BH	9	91	6	94
CHG	70	30	30	70
THG	47	53	33	67

Source: Company data; FSSIA's compilation

Exhibit 19: Comparative revenue per visit for OPD and IPD



Source: Company data; FSSIA's compilation

## 2Q25E preview

We expect BCH to have a solid 2Q25 net profit of THB347m (+6% q-q, +25% y-y), based on total revenue growth of 4% q-q (+6% y-y) and EBITDA margin expansion by 0.2ppt q-q (+2.2ppts y-y) to 28.3%.

The main driver continues to be domestic patients, with revenue growth estimated at +5% q-q and +5% y-y (52% of total revenue), with a spike in flu and Covid-19 cases in the quarter supporting OPD revenue, estimated at +7% q-q and +5% y-y (38% contribution). Foreign patient revenue may recover by 6% q-q, particularly from Middle-Eastern patients post-Ramadan, while remaining flat y-y due to stable patient revenue from CLMV countries. SSO revenue (34% revenue mix) may grow 3% q-q (+10% y-y), driven by the normalizing high-cost care payments (2Q24: THB7,200/RW).

An increase in EBITDA margin may indicate stronger profitability from the SSO segment. Excluding the revenue write-off from the SSO in 2Q24, its 2Q25 core profit may rise by 3% y-y. For 1H25E, bottom-line earnings should reach THB675m (-2% h-h, +13% y-y), or 45% of our full-year forecast.

We expect higher 2H25 earnings than 1H25 on seasonality. The international patient volume may continue picking up throughout the latter half, and the normalized reimbursement of the SSO's high-cost care in 4Q25 would support the y-y expansion.

### Exhibit 20: BCH – 2Q25E preview

	2Q24	3Q24	4Q24	1Q25	2Q25E	Change		1H24	1H25E	Chg.	2025E	Chg.
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)	(THB m)	(y-y %)
<b>Sales</b>	<b>2,857</b>	<b>3,261</b>	<b>2,763</b>	<b>2,903</b>	<b>3,024</b>	<b>4</b>	<b>6</b>	<b>5,701</b>	<b>5,927</b>	<b>4</b>	<b>12,473</b>	<b>6</b>
COGS (incl. depreciation)	(2,112)	(2,238)	(2,133)	(2,088)	(2,168)	4	3	(4,156)	(4,256)	2	(8,879)	4
<b>Gross profit</b>	<b>744</b>	<b>1,023</b>	<b>630</b>	<b>815</b>	<b>856</b>	<b>5</b>	<b>15</b>	<b>1,545</b>	<b>1,671</b>	<b>8</b>	<b>3,594</b>	<b>12</b>
SG&A	(388)	(417)	(414)	(376)	(407)	8	5	(764)	(783)	3	(1,646)	3
<b>Operating profit</b>	<b>356</b>	<b>607</b>	<b>216</b>	<b>440</b>	<b>449</b>	<b>2</b>	<b>26</b>	<b>781</b>	<b>888</b>	<b>14</b>	<b>1,948</b>	<b>21</b>
Net other income	28	24	45	27	29	7	3	51	56	10	120	(1)
Interest expense	(13)	(15)	(15)	(15)	(15)	0	18	(24)	(30)	26	(55)	0
<b>Pretax profit</b>	<b>372</b>	<b>615</b>	<b>246</b>	<b>452</b>	<b>462</b>	<b>2</b>	<b>24</b>	<b>808</b>	<b>914</b>	<b>13</b>	<b>2,013</b>	<b>21</b>
Income Tax	(70)	(122)	(48)	(98)	(88)	(11)	26	(157)	(186)	19	(403)	16
Associates	(0)	(0)	(0)	1	0			0	1	1,466	(1)	0
Minority interest	(25)	(40)	(27)	(26)	(28)	9	13	(56)	(54)	(4)	(127)	3
<b>Core profit</b>	<b>277</b>	<b>453</b>	<b>171</b>	<b>328</b>	<b>347</b>	<b>6</b>	<b>25</b>	<b>596</b>	<b>675</b>	<b>13</b>	<b>1,483</b>	<b>24</b>
Extraordinaries, GW & FX	0	0	62	0	0			0	0			
<b>Reported net profit</b>	<b>277</b>	<b>453</b>	<b>233</b>	<b>328</b>	<b>347</b>	<b>6</b>	<b>25</b>	<b>596</b>	<b>675</b>	<b>13</b>	<b>1,483</b>	<b>24</b>
Outstanding shares (m)	2,494	2,494	2,494	2,494	2,494	0	0	2,494	2,494	0	2,494	0
<b>Core EPS (THB)</b>	<b>0.11</b>	<b>0.18</b>	<b>0.09</b>	<b>0.13</b>	<b>0.14</b>	<b>6</b>	<b>25</b>	<b>0.24</b>	<b>0.27</b>	<b>13</b>	<b>0.59</b>	<b>24</b>
<b>EPS (THB)</b>	<b>0.11</b>	<b>0.18</b>	<b>0.09</b>	<b>0.13</b>	<b>0.14</b>	<b>6</b>	<b>25</b>	<b>0.24</b>	<b>0.27</b>	<b>13</b>	<b>0.59</b>	<b>24</b>
COGS (excl. depreciation)	1,871	1,987	1,868	1,830	1,908	4	2	3,674	3,737	96	7,796	4
Depreciation	242	251	265	258	261	1	8	482	519	11	1,083	9
EBITDA	626	882	527	725	738	2	18	1,314	1,464	89	3,151	16
<b>Key ratios</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>	<b>(ppt)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>	<b>(%)</b>	<b>(ppt)</b>
Gross margin	26	31	23	28	28.3	0	2	27	28	1	29	2
SG&A/Revenue	14	13	15	13	13	1	(0)	13	13	(0)	13	(0)
EBITDA margin	22	27	19	25	24	(1)	3	23	25	2	24	2
Net profit margin	10	14	8	11	11	0	2	10	11	1	12	2
<b>Operating stats</b>	<b>(y-y %)</b>	<b>(y-y %)</b>	<b>(y-y %)</b>	<b>(y-y %)</b>								
Cash-OPD revenue growth	9	11	3	4								
Cash-OPD volume growth	(8)	(3)	(11)	(4)								
Cash-OPD revenue per head growth	18	14	16	8								
Cash-IPD revenue growth	(13)	(14)	(15)	(3)								
Cash-IPD volume growth	(1)	(11)	(16)	(1)								
Cash-IPD revenue per head growth	(12)	(4)	2	(2)								
SSO revenue growth	0	12	(16)	4								
SSO registered member ('000)	1,017	1,021	1,031	1,031								
SSO registered member growth	0	1	2	2								
SSO revenue per head growth	(0)	11	(17)	2								

Sources: BCH; FSSIA estimates

## Undemanding valuations

We apply a DCF methodology based on a 10-year explicit forecast. Our projection assumes revenue CAGR of 5.1% over 2026-35, supported by growth in all cash and SSO patient segments, as well as the hospital network expansion. Over the period, we assume an average EBITDA margin of 26.2% (2024: 23.0%) based on normalized reimbursements of SSO programs, and an average capex of THB1.3b per year.

We incorporate 8.2% WACC, reflecting a 3% risk-free rate and 8.5% market risk premium. A terminal growth rate of 3% is applied, representing long-term sustainable healthcare demand in Thailand.

Following our forecast cuts, we revise down our DCF-based target price to THB17.20. It yields a targeted equity value of THB42.9b. The new target price implies 27x 2026E P/E and 12x 2026E EV/EBITDA, or -0.5 SD below the 10-year historical trading average, while the current share price is trading at an undemanding -1.0 SD.

BCH's bottom-line profit should stay above the 2020's pre-Covid-19 levels by 21%/29%/35% in 2025/2026/2027, based on our estimates. It also has a well-balanced patient revenue mix (i.e. international and SSO patients) with a superior EBITDA margin above its mid-to-small hospital peers.

We maintain our BUY call, based on an expected recovery in foreign patient revenue and a brighter 2Q-3Q25 earnings outlook after bottoming out in 1Q, which may act as catalysts. Being the private hospital network with the largest number of registered SSO members, BCH also serves as a proxy for hospitals participating in the SSO program, with solid bottom-line growth expected in 2025, benefitting from stable high-cost care reimbursements from the SSO.

### Exhibit 21: Earnings revisions

	Current			Previous			% Change		
	2025E	2026E	2027E	2025E	2026E	2027E	2025E	2026E	2027E
SSO registered members ('000)	1,042	1,063	1,084	1,052	1,104	1,138	(1.0)	(3.8)	(4.7)
SSO revenue per head (THB)	4,053	4,215	4,384	3,998	4,158	4,324	1.4	1.4	1.4
Cash-OPD visit number per day (no.)	2,974	3,033	3,094	3,047	3,169	3,232	(2.4)	(4.3)	(4.3)
Cash-OPD revenue per head (THB)	4,305	4,477	4,612	4,222	4,307	4,436	2.0	4.0	4.0
Cash-IPD admission number per day (no.)	126	129	131	130	135	138	(2.9)	(4.8)	(4.8)
Cash-IPD revenue per head (THB)	78,364	80,715	83,137	79,901	83,097	85,590	(1.9)	(2.9)	(2.9)
Revenue (THB m)	12,473	13,227	13,942	12,660	13,671	14,458	(1.5)	(3.3)	(3.6)
EBITDA margin (%)	24.3	24.5	24.7	25.6	26.0	26.6	(1.3)	(1.5)	(1.9)
Core Profit (THB m)	1,483	1,581	1,654	1,587	1,784	1,953	(6.6)	(11.4)	(15.3)

Source: FSSIA estimates

## Exhibit 22: DCF table

	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)
EBITDA	3,369	3,577	3,799	4,040	4,270	4,512	4,767	5,035	5,318	5,616
Adjusted tax	(444)	(466)	(493)	(529)	(563)	(599)	(637)	(675)	(716)	(759)
Net working capital	46	43	45	48	43	45	47	50	52	(354)
Capex	(1,809)	(1,846)	(1,237)	(929)	(973)	(1,019)	(1,245)	(1,303)	(1,365)	(1,429)
Net free cash flow to firm	1,161	1,309	2,115	2,630	2,777	2,939	2,933	3,106	3,289	3,073
Terminal value										60,390
PV	1,073	1,117	1,667	1,916	1,869	1,827	1,685	1,648	1,612	28,745
Terminal growth	3.0%									
WACC	8.2%									
Total discounted firm value	43,161									
Net debt	943									
Minority interest	(1,151)									
Equity value	42,953									
Number of shares (m)	2,494									
<b>Equity value per share (THB)</b>	<b>17.20</b>									

Source: FSSIA estimates

## Exhibit 23: DCF valuation

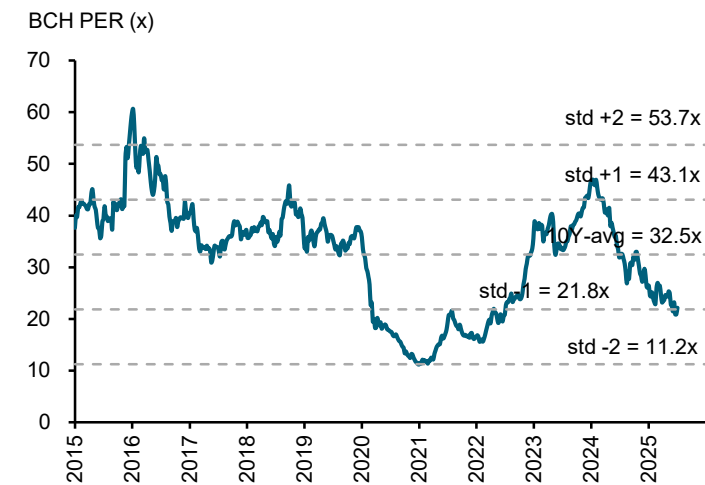
Cost of equity assumptions	(%)	Cost of debt assumptions	(%)
Risk-free rate	3.0	Pre-tax cost of debt	4.0
Market risk premium	8.5	Marginal tax rate	20.0
Stock beta	0.8		
Cost of equity, Ke	9.5	Net cost of debt, Kd	3.2
Weight applied	80.0	Weight applied	20.0
WACC	8.2		
DCF valuation estimate	(THB m)		
NPV	15,808		
Terminal value	27,353		
Cash & liquid assets	1,751		
Investments	90		
Debt	(897)		
Minorities	(1,151)		
<b>Residual ordinary equity</b>	<b>42,953</b>		
No. of shares (m)	2,494		
<b>Equity value per share (THB)</b>	<b>17.20</b>		

Source: FSSIA estimates

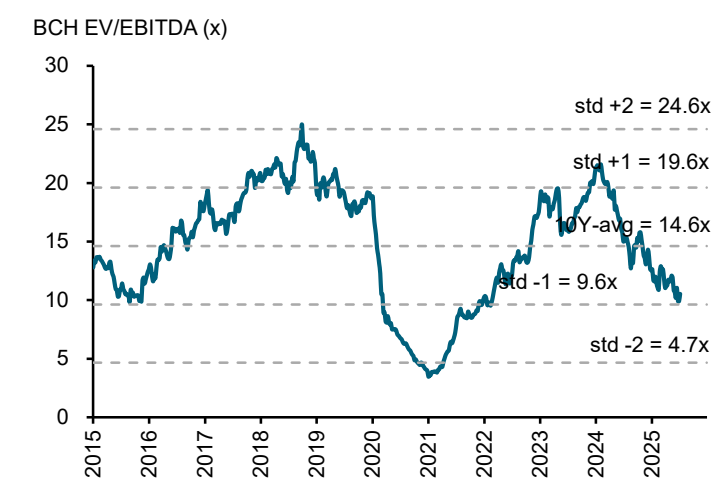
**Exhibit 24: Peer comparisons as of 16 July 2025**

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)	(x)
<b>Thailand</b>														
Bangkok Dusit Med Service	BDMS TB	BUY	21.10	31.50	49.3	10,306	20.1	18.7	16.3	16.6	3.2	3.0	12.4	11.4
Bumrungrad Hospital	BCH TB	BUY	13.30	17.20	29.3	1,019	22.4	21.0	11.2	11.5	2.5	2.4	11.0	10.3
Bumrungrad Hospital	BH TB	BUY	144.50	220.00	52.2	3,597	16.6	16.3	24.7	22.6	3.8	3.4	11.7	11.4
Chularat Hospital	CHG TB	BUY	1.61	2.60	61.5	562	16.6	15.2	13.7	14.3	2.2	2.2	9.5	8.7
Patrangsit Healthcare Group	PHG TB	BUY	13.70	21.0	53.3	126	12.6	11.0	15.1	16.0	1.8	1.7	5.9	5.2
Praram 9 Hospital	PR9 TB	BUY	24.50	30.0	22.4	593	22.7	20.5	14.7	14.9	3.2	3.0	14.4	13.0
Thonburi Healthcare Group	THG TB	HOLD	8.60	40.0	365.1	228	33.0	22.7	3.4	4.0	0.9	0.9	10.9	10.3
Ramkhamhaeng Hospital	RAM TB	BUY	17.10	44.0	157.3	635	15.4	13.3	7.4	8.0	1.0	1.0	18.8	17.1
Srivichai Vejvivat	VIH TB	BUY	7.55	14.0	85.4	141	12.5	13.5	10.4	8.9	1.2	1.1	6.2	7.6
Rajthanee Hospital	RJH TB	n/a	13.10	n/a	n/a	120	11.1	11.6	16.6	16.1	1.9	1.7	8.8	8.2
Ekachai Medical Care	EKH TB	n/a	5.85	n/a	n/a	144	16.1	15.6	11.2	10.7	1.7	1.7	8.2	8.0
<b>Thailand average</b>						<b>17,472</b>	<b>18.0</b>	<b>16.1</b>	<b>13.2</b>	<b>13.2</b>	<b>2.1</b>	<b>2.0</b>	<b>10.7</b>	<b>10.0</b>
<b>Regional</b>														
Ramsay Health Care	RHC AU	n/a	38.89	n/a	n/a	5,808	32.9	24.8	5.6	7.1	1.8	1.8	9.5	8.9
Ihh Healthcare Bhd	IHH SP	n/a	1.98	n/a	n/a	13,606	29.2	26.0	6.5	7.2	1.8	1.7	12.8	11.5
Ryman Healthcare	RYM NZ	n/a	2.59	n/a	n/a	1,558	n/a	44.7	(0.0)	1.3	0.6	0.6	36.5	23.4
Apollo Hospitals Enterprise	APHS IN	n/a	7,353	n/a	n/a	12,302	56.1	43.3	20.5	21.8	10.8	8.9	29.7	24.2
Kpj Healthcare Berhad	KPJ MK	n/a	2.55	n/a	n/a	2,619	29.3	26.0	14.4	15.1	4.1	3.8	14.2	13.3
Raffles Medical Group	RFMD SP	n/a	1.03	n/a	n/a	1,483	28.6	25.1	6.5	7.0	1.8	1.7	12.4	11.6
Mitra Keluarga Karyasehat	MIKA IJ	n/a	2,500	n/a	n/a	2,128	27.5	24.2	17.9	18.4	4.8	4.3	16.5	14.6
Aier Eye Hospital Group	300015 CH	n/a	12.49	n/a	n/a	16,225	28.4	24.5	18.0	18.1	4.9	4.3	16.8	14.8
<b>Regional average</b>						<b>55,729</b>	<b>33.1</b>	<b>29.8</b>	<b>11.2</b>	<b>12.0</b>	<b>3.8</b>	<b>3.4</b>	<b>18.6</b>	<b>15.3</b>
<b>Overall average</b>						<b>73,201</b>	<b>23.9</b>	<b>21.9</b>	<b>12.4</b>	<b>12.7</b>	<b>2.8</b>	<b>2.6</b>	<b>14.0</b>	<b>12.2</b>

Sources: Bloomberg consensus; FSSIA estimates

**Exhibit 25: Prospective P/E band**

Sources: Bloomberg consensus; FSSIA estimates

**Exhibit 26: Prospective EV/EBITDA band**

Sources: Bloomberg consensus; FSSIA estimates



## ESG

### Environment

BCH has continuously initiated environmental campaigns, such as Energy Saving, Say No to Plastic Bags, and various CSR activities. It strictly complies with the authorities' rules and laws in connection with the environment and stipulations of other related organizations. It also supports environmental development and conservation activities.

#### Climate change

BCH's total GHG emissions amounted to 24,059 tCO<sub>2</sub>e in 2024, down 19% y-y from 29,672 tCO<sub>2</sub>e in 2023. It has a goal to reduce the GHG emissions by 0.3% within 2027 (baseline year 2024) by cooperating with affiliated hospitals to operate energy-saving projects, such as installing solar rooftops in eight hospitals currently, replacing inefficient equipment with energy-efficient equipment, and encouraging employees to undertake energy conservation initiatives and practices. The company has participated in the "Care the Bear" project hosted by the SET to mitigate climate change via business activities.

To ensure efficient energy usage, hospitals under the group have established an Energy Conservation Committee (ENC), comprising representatives from various internal departments. The panel is tasked with implementing the hospital's energy conservation policies in a collaborative and systematic manner.

#### Pollution and waste

BCH has established an Environment of Care Committee responsible for setting policies, planning operations, and overseeing the management of general waste, recyclable waste, infectious waste, and hazardous waste in full compliance with legal requirements. The committee also works to identify and implement corrective measures so that waste management does not have negative impacts on patients, staff, visitors, and the surrounding communities. In addition, the panel collaborates with the Prevention and Control Infection Committee to oversee proper waste segregation, collection, and to provide training for relevant personnel. In 2024, the company segregated a portion of its waste for recycling, accounting for 10.53% of total waste.

The company also promotes behavioral change among employees, encouraging them to reduce unnecessary consumption of single-use packaging, and to properly manage food waste. BCH has set a target to reduce waste generated per patient served by 5% across its entire hospital network by 2027, using 2024 as the baseline year.

#### Natural resource conservation

BCH proactively operates under the 3Rs principle – reduce, reuse, and recycle – to minimize environmental impacts. It also emphasizes efficient water usage and wastewater treatment, ensuring responsible management of water resources across its hospital network. It aims to reduce water consumption by 0.3% within 2027 (baseline year 2024).

### Social

BCH treats employees in adherence to fair employment conditions, promotional opportunities, appropriate remuneration, and a safe workplace. It organizes the Make People Smile campaign by providing scholarships, goods, blood pressure check-up services, and advice on healthcare and various diseases to the communities it operates in.

#### Community engagement

BCH actively engages with the community through a range of health-focused and social responsibility initiatives aimed at improving public well-being and access to care. The company regularly conducts free health screenings, mobile medical units, and public health education campaigns in underserved areas. During public health crises such as Covid-19, BCH collaborated closely with government agencies to provide testing, vaccination, and treatment services. Additionally, BCH supports local communities through donations, disaster relief efforts, and volunteer programs involving medical staff and employees, reinforcing its role as a responsible and trusted healthcare provider in society.

## Employee relations

BCH places significant emphasis on fostering a positive and supportive work environment for its employees. The company implements various initiatives to enhance employee satisfaction and engagement, including team-building programs, annual health check-ups, and regular training sessions. These efforts aim to promote a sense of belonging and teamwork among staff members. BCH offers comprehensive employee benefits. These initiatives reflect BCH's commitment to creating a work environment where employees feel valued and supported, contributing to the overall success and sustainability of the organization.

## Health and safety

As of 2024, BCH employed a total of 8,912 individuals, including 1,858 doctors, 3,118 nurses, and 2,482 operational and medical support staff. The company adheres to national labor laws and occupational health standards, to ensure a safe working environment. BCH conducts regular safety training sessions, including fire drills, first aid courses, and workplace hazard awareness programs, to equip employees with the necessary skills to manage potential risks. Additionally, the company provides annual health check-ups, health insurance, and mental health support to promote overall well-being. These initiatives reflect BCH's commitment to maintaining a safe and healthy workplace for its employees.

## Governance

BCH is committed to good-quality services and safety standards. It treats shareholders equally and protects their interests by conducting regular engagement activities. It also discloses timely and accurate information through various effective channels. In 2025, the company's constituency in the Thaipat Institute's ESG100 Index for eight consecutive years since 2018 and the SET ESG Index with an "AA" rating since 1H24 have proved management's success in ESG developments including corporate governance.

## Board independence

The company upholds a robust governance structure: as of 2024, the Board of Directors comprises 11 members, of which 4 are independent directors – accounting for 36% of the board, surpassing Thailand's best-practice threshold of one-third independent representation. This strong presence of independent oversight is complemented by BCH's "Excellent" 5-star rating in the 2023 Corporate Governance Report by the Thai Institute of Directors. Overall, BCH's board composition and governance framework reflect mature, ESG-aligned stewardship with credible, independent oversight.

## Transparency and disclosure

BCH places strong emphasis on disclosing information in an adequate, accurate, and timely manner. It maintains effective communication channels to deliver key updates – such as business strategies, financial performance, risk management, and operational developments – to shareholders and investors. This is achieved through a variety of tools and activities, including press releases, conference calls, analyst meetings, investor roadshows, the corporate website, and official publications.

## Shareholder rights

BCH is committed to protecting shareholder rights through transparent and inclusive governance practices. Shareholders are kept informed and empowered via detailed AGM notices, clear agenda presentations, and structured voting procedures – including online voting. The company carries out equal treatment during board elections and dividend distribution. It also supports independent auditing and provides mid-year and annual reports, enabling shareholders to make informed decisions.

## Financial Statements

Bangkok Chain Hospital

Profit and Loss (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Revenue	11,729	11,725	12,473	13,227	13,942
Cost of goods sold	(8,116)	(8,527)	(8,879)	(9,420)	(9,952)
<b>Gross profit</b>	<b>3,613</b>	<b>3,199</b>	<b>3,594</b>	<b>3,807</b>	<b>3,990</b>
Other operating income	-	-	-	-	-
Operating costs	(1,755)	(1,595)	(1,646)	(1,733)	(1,812)
<b>Operating EBITDA</b>	<b>2,802</b>	<b>2,602</b>	<b>3,031</b>	<b>3,241</b>	<b>3,444</b>
Depreciation	(944)	(998)	(1,083)	(1,167)	(1,266)
Goodwill amortisation	-	-	-	-	-
<b>Operating EBIT</b>	<b>1,859</b>	<b>1,604</b>	<b>1,948</b>	<b>2,074</b>	<b>2,177</b>
Net financing costs	(77)	(41)	(46)	(40)	(40)
Associates	1	(1)	(1)	(1)	(1)
Recurring non-operating income	102	106	111	116	122
Non-recurring items	0	82	0	0	0
<b>Profit before tax</b>	<b>1,883</b>	<b>1,752</b>	<b>2,012</b>	<b>2,150</b>	<b>2,260</b>
Tax	(405)	(346)	(403)	(430)	(452)
<b>Profit after tax</b>	<b>1,479</b>	<b>1,405</b>	<b>1,610</b>	<b>1,720</b>	<b>1,808</b>
Minority interests	(73)	(123)	(127)	(139)	(153)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>1,406</b>	<b>1,282</b>	<b>1,483</b>	<b>1,581</b>	<b>1,654</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>0</b>	<b>(82)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>1,406</b>	<b>1,200</b>	<b>1,483</b>	<b>1,581</b>	<b>1,654</b>
<b>Per share (THB)</b>					
Recurring EPS *	0.56	0.48	0.59	0.63	0.66
Reported EPS	0.56	0.51	0.59	0.63	0.66
DPS	0.50	0.50	0.40	0.40	0.38
Diluted shares (used to calculate per share data)	2,494	2,494	2,494	2,494	2,494
<b>Growth</b>					
Revenue (%)	(37.7)	0.0	6.4	6.0	5.4
Operating EBITDA (%)	(44.6)	(7.2)	16.5	6.9	6.3
Operating EBIT (%)	(54.8)	(13.7)	21.4	6.5	5.0
Recurring EPS (%)	(53.7)	(14.7)	23.6	6.6	4.6
Reported EPS (%)	(53.7)	(8.8)	15.6	6.6	4.6
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	30.8	27.3	28.8	28.8	28.6
Gross margin exc. depreciation (%)	38.9	35.8	37.5	37.6	37.7
Operating EBITDA margin (%)	23.9	22.2	24.3	24.5	24.7
Operating EBIT margin (%)	15.8	13.7	15.6	15.7	15.6
Net margin (%)	12.0	10.2	11.9	12.0	11.9
Effective tax rate (%)	21.5	20.7	20.0	20.0	20.0
Dividend payout on recurring profit (%)	88.7	103.8	67.3	63.1	57.3
Interest cover (X)	25.4	41.8	44.6	54.9	58.0
Inventory days	17.0	15.4	15.8	15.6	15.6
Debtor days	37.0	27.2	26.6	25.1	23.8
Creditor days	67.9	65.6	63.9	63.2	63.4
Operating ROIC (%)	10.9	9.9	11.9	12.4	12.5
ROIC (%)	10.9	10.0	11.9	12.4	12.5
ROE (%)	11.2	9.4	11.2	11.5	11.5
ROA (%)	8.2	7.7	9.3	9.5	9.6

\* Pre-exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2023	2024	2025E	2026E	2027E
Cash patient revenue	7,976	7,930	8,281	8,748	9,191
SSO patient revenue	3,850	3,889	4,222	4,479	4,751
NHSO patient revenue	(97)	(93)	(30)	0	0

Sources: Bangkok Chain Hospital; FSSIA estimates

## Financial Statements

### Bangkok Chain Hospital

Cash Flow (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Recurring net profit	1,406	1,200	1,483	1,581	1,654
Depreciation	944	998	1,083	1,167	1,266
Associates & minorities	-	-	-	-	-
Other non-cash items	114	465	117	139	153
Change in working capital	1,563	253	20	46	43
<b>Cash flow from operations</b>	<b>4,027</b>	<b>2,916</b>	<b>2,704</b>	<b>2,932</b>	<b>3,117</b>
Capex - maintenance	(896)	(1,571)	(1,227)	(1,809)	(1,846)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	4	(62)	0	0	0
Other investments (net)	-	-	-	-	-
<b>Cash flow from investing</b>	<b>(892)</b>	<b>(1,633)</b>	<b>(1,227)</b>	<b>(1,809)</b>	<b>(1,846)</b>
Dividends paid	(1,247)	(1,246)	(997)	(997)	(949)
Equity finance	0	0	0	0	0
Debt finance	(2,310)	(681)	0	0	0
Other financing cash flows	(32)	(160)	(85)	(84)	(84)
<b>Cash flow from financing</b>	<b>(3,590)</b>	<b>(2,087)</b>	<b>(1,083)</b>	<b>(1,081)</b>	<b>(1,033)</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
<b>Net other adjustments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Movement in cash</b>	<b>(455)</b>	<b>(803)</b>	<b>395</b>	<b>42</b>	<b>239</b>
Free cash flow to firm (FCFF)	3,230.18	1,338.18	1,532.13	1,174.49	1,322.72
Free cash flow to equity (FCFE)	791.94	442.79	1,392.14	1,039.81	1,187.36
<b>Per share (THB)</b>					
FCFF per share	1.30	0.54	0.61	0.47	0.53
FCFE per share	0.32	0.18	0.56	0.42	0.48
Recurring cash flow per share	0.99	1.07	1.08	1.16	1.23
Balance Sheet (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Tangible fixed assets (gross)	20,884	23,120	24,356	26,165	28,011
Less: Accumulated depreciation	(8,639)	(10,287)	(11,370)	(12,537)	(13,803)
<b>Tangible fixed assets (net)</b>	<b>12,244</b>	<b>12,834</b>	<b>12,986</b>	<b>13,629</b>	<b>14,208</b>
<b>Intangible fixed assets (net)</b>	<b>440</b>	<b>436</b>	<b>436</b>	<b>436</b>	<b>436</b>
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	28	90	90	90	90
Cash & equivalents	2,185	1,382	1,777	1,819	2,058
A/C receivable	839	910	910	910	910
Inventories	306	331	343	363	382
Other current assets	1,513	1,150	1,223	1,297	1,367
<b>Current assets</b>	<b>4,843</b>	<b>3,773</b>	<b>4,252</b>	<b>4,389</b>	<b>4,717</b>
Other assets	176	243	243	243	243
<b>Total assets</b>	<b>17,731</b>	<b>17,375</b>	<b>18,007</b>	<b>18,786</b>	<b>19,693</b>
Common equity	12,594	12,955	13,441	14,024	14,730
Minorities etc.	1,110	1,072	1,113	1,169	1,238
<b>Total shareholders' equity</b>	<b>13,704</b>	<b>14,027</b>	<b>14,554</b>	<b>15,193</b>	<b>15,968</b>
Long term debt	1,497	324	324	324	324
Other long-term liabilities	187	203	203	203	203
<b>Long-term liabilities</b>	<b>1,684</b>	<b>528</b>	<b>528</b>	<b>528</b>	<b>528</b>
A/C payable	1,368	1,340	1,388	1,469	1,546
Short term debt	81	573	573	573	573
Other current liabilities	894	907	965	1,023	1,079
<b>Current liabilities</b>	<b>2,342</b>	<b>2,820</b>	<b>2,925</b>	<b>3,065</b>	<b>3,197</b>
<b>Total liabilities and shareholders' equity</b>	<b>17,731</b>	<b>17,375</b>	<b>18,007</b>	<b>18,786</b>	<b>19,693</b>
Net working capital	396	143	123	77	34
Invested capital	13,284	13,746	13,878	14,475	15,011
* Includes convertibles and preferred stock which is being treated as debt					
<b>Per share (THB)</b>					
Book value per share	5.05	5.20	5.39	5.62	5.91
Tangible book value per share	4.87	5.02	5.22	5.45	5.73
<b>Financial strength</b>					
Net debt/equity (%)	(4.4)	(3.5)	(6.0)	(6.1)	(7.3)
Net debt/total assets (%)	(3.4)	(2.8)	(4.9)	(4.9)	(5.9)
Current ratio (x)	2.1	1.3	1.5	1.4	1.5
CF interest cover (x)	11.3	11.8	31.2	27.0	30.9
Valuation	2023	2024	2025E	2026E	2027E
<b>Recurring P/E (x) *</b>	<b>23.6</b>	<b>27.6</b>	<b>22.4</b>	<b>21.0</b>	<b>20.0</b>
<b>Recurring P/E @ target price (x) *</b>	<b>30.5</b>	<b>35.7</b>	<b>28.9</b>	<b>27.1</b>	<b>25.9</b>
Reported P/E (x)	23.6	25.9	22.4	21.0	20.0
Dividend yield (%)	3.8	3.8	3.0	3.0	2.9
Price/book (x)	2.6	2.6	2.5	2.4	2.3
Price/tangible book (x)	2.7	2.6	2.6	2.4	2.3
EV/EBITDA (x) **	12.0	13.0	11.0	10.3	9.7
EV/EBITDA @ target price (x) **	15.5	16.7	14.2	13.3	12.5
EV/invested capital (x)	2.5	2.5	2.4	2.3	2.2
* Pre-exceptional, pre-goodwill and fully diluted    ** EBITDA includes associate income and recurring non-operating income					

Sources: Bangkok Chain Hospital; FSSIA estimates

# Bangkok Chain Hospital PCL (BCH TB)

## FSSIA ESG rating


**39.71 /100**

### Exhibit 27: 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	<b>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.</b>
★★	>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 28: 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 29: ESG score by Bloomberg

FY ending Dec 31	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
<b>ESG financial materiality scores - ESG score</b>	<b>0.56</b>	<b>0.71</b>	<b>0.75</b>	<b>0.72</b>	<b>0.80</b>	<b>0.85</b>	<b>2.36</b>	<b>3.52</b>
BESG environmental pillar score	0.00	0.00	0.00	0.00	0.38	0.38	2.96	4.63
BESG social pillar score	0.00	0.22	0.22	0.22	0.22	0.22	1.70	3.47
BESG governance pillar score	2.35	2.41	2.62	2.50	2.41	2.63	3.19	2.91
<b>ESG disclosure score</b>	<b>18.06</b>	<b>19.81</b>	<b>19.81</b>	<b>19.81</b>	<b>20.08</b>	<b>20.08</b>	<b>31.27</b>	<b>47.60</b>
Environmental disclosure score	0.00	0.42	0.42	0.42	1.24	1.24	20.57	46.18
Social disclosure score	3.17	10.52	10.52	10.52	10.52	10.52	18.53	41.96
Governance disclosure score	50.87	48.37	48.37	48.37	48.37	48.37	54.64	54.64
<b>Environmental</b>								
Emissions reduction initiatives	No	No	No	No	Yes	Yes	Yes	Yes
Climate change policy	No	No	No	No	No	No	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	—	—	—	—	—	—	1	2
GHG scope 2 location-based	—	—	—	—	—	—	5	6
GHG Scope 3	—	—	—	—	—	—	—	—
Carbon per unit of production	—	—	—	—	—	—	—	—
Biodiversity policy	No	No	No	No	No	No	No	No
Energy efficiency policy	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Total energy consumption	—	—	—	—	—	—	10	12
Renewable energy use	—	—	—	—	—	—	—	—
Electricity used	—	—	—	—	—	—	10	12
Fuel used - natural gas	—	—	—	—	—	—	—	—

Sources: Bloomberg; FSSIA's compilation



**Exhibit 30: 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	No	Yes	Yes	Yes	Yes
Hazardous waste	—	—	—	—	—	—	—	0
Total waste	—	—	—	—	—	—	—	0
Waste recycled	—	—	—	—	—	—	—	0
Waste sent to landfills	—	—	—	—	—	—	—	0
Environmental supply chain management	No	No	No	No	No	No	No	Yes
Water policy	No	No	No	No	No	No	Yes	Yes
Water consumption	—	—	—	—	—	—	—	—
<b>Social</b>								
Human rights policy	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Policy against child labor	No	No	No	No	No	No	No	Yes
Quality assurance and recall policy	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Consumer data protection policy	No	No	No	No	No	No	No	No
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	—	—	—	—	—	—	—	76
Pct disabled in workforce	—	—	—	—	—	—	—	1
Business ethics policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Anti-bribery ethics policy	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Health and safety policy	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Lost time incident rate - employees	—	—	—	—	—	—	0	0
Total recordable incident rate - employees	—	—	—	—	—	—	0	1
Training policy	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Fair remuneration policy	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Number of employees – CSR	—	—	—	—	—	—	8,597	8,877
Employee turnover pct	—	—	—	—	—	—	—	43
Total hours spent by firm - employee training	—	—	—	—	—	—	—	54,702
Social supply chain management	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<b>Governance</b>								
<b>Board size</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>11</b>
<b>No. of independent directors (ID)</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>
No. of women on board	3	3	3	4	4	3	3	3
No. of non-executive directors on board	5	5	5	5	5	5	5	5
Company conducts board evaluations	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
No. of board meetings for the year	6	5	6	5	5	6	6	6
Board meeting attendance pct	93	94	90	96	100	99	94	97
Board duration (years)	—	—	—	—	—	—	—	—
Director share ownership guidelines	No	No	No	No	No	No	No	No
Age of the youngest director	28	29	30	29	30	31	32	33
Age of the oldest director	72	73	74	75	76	77	78	79
<b>No. of executives / company managers</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>7</b>	<b>7</b>	<b>6</b>
No. of female executives	1	—	—	—	—	—	—	—
Executive share ownership guidelines	No	No	No	No	No	No	No	No
<b>Size of audit committee</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
No. of ID on audit committee	3	3	3	3	3	3	3	3
Audit committee meetings	4	4	5	5	5	5	5	5
Audit meeting attendance %	100	92	100	93	100	100	93	100
<b>Size of compensation committee</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
No. of ID on compensation committee	—	—	—	—	—	—	—	—
No. of compensation committee meetings	—	—	—	—	—	—	—	—
Compensation meeting attendance %	—	—	—	—	—	—	—	—
<b>Size of nomination committee</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
No. of nomination committee meetings	—	—	—	—	—	—	—	—
Nomination meeting attendance %	—	—	—	—	—	—	—	—
<b>Sustainability governance</b>								
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 ( <a href="#">DJSI</a> ) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.	Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.																			
SET ESG Ratings List ( <a href="#">SETESG</a> ) by The Stock Exchange of Thailand ( <a href="#">SET</a> )	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 <b>SETESG inclusion</b> , verified data must be scored at a minimum of 50% for each indicator, unless the company is a part of DJSI during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality. <b>SETESG Index</b> 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.																			
<b>CG Score</b> by Thai Institute of Directors Association (Thai IOD)	An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.	Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (60-69), and not rated for scores below 50. Weightings include: 1) the rights; 2) and equitable treatment of shareholders (weight 25% combined); 3) the role of stakeholders (25%); 4) disclosure & transparency (15%); and 5) board responsibilities (35%).																			
<b>AGM level</b> By Thai Investors Association (TIA) with support from the SEC	It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). <i>(The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&amp;A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.)</i>	The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.																			
<a href="#">Thai CAC</a> By Thai Private Sector Collective Action Against Corruption (CAC)	The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. <i>(Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.)</i>	The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.																			
<a href="#">Morningstar Sustainabilitys</a>	The Sustainabilitys' ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. <i>Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality &amp; peer reviews.</i>	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. <table><tr><th>NEGL</th><th>Low</th><th>Medium</th><th>High</th><th>Severe</th></tr><tr><td>0-10</td><td>10-20</td><td>20-30</td><td>30-40</td><td>40+</td></tr></table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+									
NEGL	Low	Medium	High	Severe																	
0-10	10-20	20-30	30-40	40+																	
<a href="#">ESG Book</a>	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.	The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.																			
<a href="#">MSCI</a>	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. <table><tr><td><b>AAA</b></td><td>8.571-10.000</td><td rowspan="3"><b>Leader:</b></td><td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td></tr><tr><td><b>AA</b></td><td>7.143-8.570</td></tr><tr><td><b>A</b></td><td>5.714-7.142</td></tr><tr><td><b>BBB</b></td><td>4.286-5.713</td><td rowspan="3"><b>Average:</b></td><td rowspan="3">a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td></tr><tr><td><b>BB</b></td><td>2.857-4.285</td></tr><tr><td><b>B</b></td><td>1.429-2.856</td></tr><tr><td><b>CCC</b></td><td>0.000-1.428</td><td><b>Laggard:</b></td><td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td></tr></table>	<b>AAA</b>	8.571-10.000	<b>Leader:</b>	leading its industry in managing the most significant ESG risks and opportunities	<b>AA</b>	7.143-8.570	<b>A</b>	5.714-7.142	<b>BBB</b>	4.286-5.713	<b>Average:</b>	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	<b>BB</b>	2.857-4.285	<b>B</b>	1.429-2.856	<b>CCC</b>	0.000-1.428	<b>Laggard:</b>	lagging its industry based on its high exposure and failure to manage significant ESG risks
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<a href="#">Moody's ESG solutions</a>	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.																				
<a href="#">Refinitiv ESG rating</a>	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. <i>(Score ratings are 0 to 25 = poor; &gt;25 to 50 = satisfactory; &gt;50 to 75 = good; and &gt;75 to 100 = excellent.)</i>																				
<a href="#">S&amp;P Global</a>	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.																				
<b>Bloomberg</b>	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.																			
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.																			

**Rating** regarding the sustainable development of Thai listed companies, both on the SET and MAI, are publicly available on the website of the Securities and Exchange Commission of Thailand (SEC). Currently, ratings available are 1) "**CG Score**"; 2) "**AGM Level**"; 3) "**Thai CAC**"; and 4) **THSI**. The ratings are updated on an annual basis. FSSIA does not confirm nor certify the accuracy of such ratings.

Source: FSSIA's compilation

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Vatcharut Vacharawongsith FSS International Investment Advisory Securities Co., Ltd

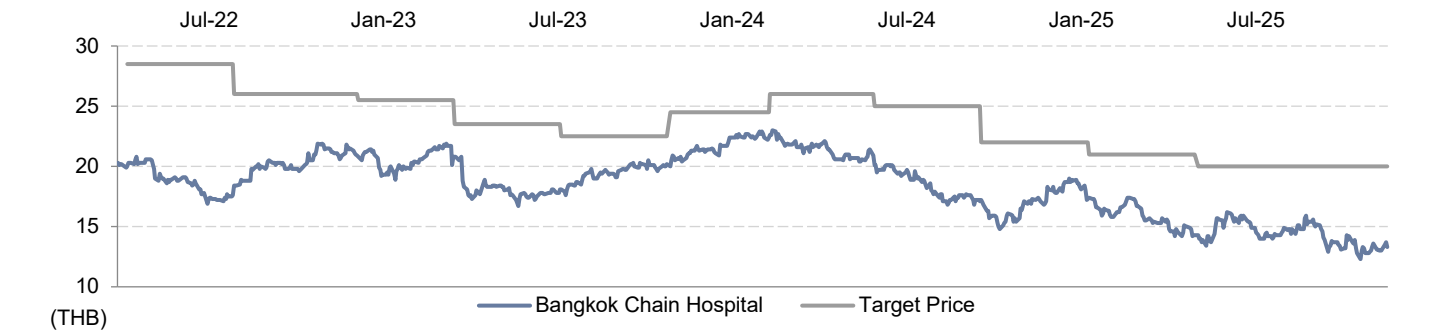
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed herein.

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History of change in investment rating and/or target price

Bangkok Chain Hospital (BCH TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
25-Jul-2022	BUY	28.50	03-Aug-2023	BUY	22.50	30-Jul-2024	BUY	22.00
25-Oct-2022	BUY	26.00	03-Nov-2023	BUY	24.50	31-Oct-2024	BUY	21.00
09-Feb-2023	BUY	25.50	30-Jan-2024	BUY	26.00	31-Jan-2025	BUY	20.00
03-May-2023	BUY	23.50	29-Apr-2024	BUY	25.00			

Vatcharut Vacharawongsith started covering this stock from 17-Jul-2025

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Bangkok Chain Hospital	BCH TB	THB 13.30	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.

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 16-Jul-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.