

MASTER STYLE MASTER TB  
THAILAND / SERVICES

BUY

UNCHANGED

## ผลประกอบการยังดีตามแผน

- เราคาดว่ากำไรสุทธิ 4Q24 จะทำสถิติสูงสุดใหม่ของปีนี้
- MASTER กำลังเริ่มรับรู้ต้นทุนการตัดจำหน่ายจากการปันส่วนราคาซื้อตามเกณฑ์ TFRS3 อย่างไรก็ดีเราคาดว่าส่วนแบ่งกำไรในไตรมาสถัดจะใกล้เคียงกับเป้าหมายในปี 2024-25
- คงคำแนะนำซื้อที่ราคาเป้าหมาย 56 บาท

TARGET PRICE	THB56.00
CLOSE	THB45.00
UP/DOWNSIDE	+24.4%
PRIOR TP	THB56.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	-5.0%

## KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	1,917	2,104	2,461	2,725
Net profit	417	493	622	721
EPS (THB)	1.58	1.63	2.06	2.39
vs Consensus (%)	-	(1.7)	-	2.9
EBITDA	586	648	785	891
Recurring net profit	417	502	622	721
Core EPS (THB)	1.58	1.66	2.06	2.39
Chg. In EPS est. (%)	(0.7)	2.2	(0.1)	0.9
EPS growth (%)	(2.1)	5.5	23.8	16.0
Core P/E (x)	28.5	27.0	21.8	18.8
Dividend yield (%)	0.6	1.1	1.8	2.1
EV/EBITDA (x)	19.7	20.7	17.0	14.6
Price/book (x)	4.0	4.0	3.6	3.2
Net debt/Equity (%)	(11.1)	(4.9)	(5.8)	(13.0)
ROE (%)	24.5	15.8	17.5	18.2

## คาดการณ์กำไรสุทธิสูงสุดใหม่ใน 4Q24

เราคาดว่ากำไรสุทธิ 4Q24 จะอยู่ที่ 190 ลบ. (+74% q-q, +16.5% y-y) ทำสถิติสูงสุดใหม่ของปี นี้โดยคาดว่าผลประกอบการของ Masterpiece Hospital จะสดใสจาก High season ของธุรกิจ ดังกล่าว เมื่อต้นรายได้จากเดือน ต.ค. - พ.ย. ได้ปรับตัวสูงขึ้นทำสถิติสูงสุดใหม่ไปแล้วโดยได้ บัญชีต้นทุนจากลูกค้าทั้งชาวไทยและต่างชาติ เราคาดว่าสัดส่วนของลูกค้าต่างชาติจะเพิ่มเป็น 28.2% ในไตรมาสที่ 26.2% ใน 4Q23 นอกจากนี้เรายังคาดว่าจะปรับขึ้นราคาห้องพักในไตรมาสที่ 26.2% จาก 57% ใน 3Q24 แต่คาดว่าจะต่ำกว่า 63.6% ใน 4Q23 เราคาดว่าค่าใช้จ่าย การตลาดจะลดลงในขณะที่รายได้รวมน่าจะเร่งตัวขึ้นทำสถิติสูงสุดใหม่ ดังนั้นเราจึงคาดว่า สัดส่วนค่าใช้จ่ายการตลาดและบริหารต่อยอดขายจะลดลงเหลือ 27.5% (เทียบกับ 33.2% ใน 3Q24)

## ทยอยรับรู้ส่วนแบ่งรายได้ตามเป้าหมาย

MASTER ได้ลงทุนในหลาย ๆ กิจกรรมร่วมค้าแล้วเสร็จภายในหนึ่งปีซึ่งทำให้บริษัทฯ กำลังเริ่ม รับรู้ต้นทุนการตัดจำหน่ายจากการปันส่วนราคาซื้อ (Purchase price allocation) ตามเกณฑ์ TFRS3 อย่างไรก็ดีเราคาดว่าส่วนแบ่งกำไรในไตรมาส 4Q24 จะสูงขึ้นต่อเนื่องเป็น 18 ลบ. จาก 10 ลบ. ใน 3Q24 ในปี 2024 เราคาดว่าส่วนแบ่งกำไรจะอยู่ที่ 45 ลบ. ใกล้เคียงกับ เป้าหมายของบริษัท เราคาดว่าส่วนแบ่งกำไรในปี 2025 จะสูงขึ้นเป็น 75 ลบ. (ต่ำกว่า เป้าหมายของ MASTER ที่ 80-100 ลบ.) หลังรับรู้ผลกำไรและขาดทุนจากกิจกรรมร่วมค้า จำนวน 14 แห่ง

## คงประมาณการกำไรสุทธิปี 2025

เราปรับเพิ่มประมาณการกำไรสุทธิปี 2024 ขึ้น 2% เป็น 493 ลบ. (+18.2% y-y) ในขณะที่เดียวกันเราคาดว่ากำไรปี 2024 จะแตะ 502 ลบ. (+20% y-y) เราคงประมาณการ กำไรสุทธิปี 2025 ของเราซึ่งคาดว่ากำไร จะทำสถิติสูงสุดใหม่ที่ 622 ลบ. (+26% y-y) โดยได้ บัญชีต้นทุนจากการเติบโตในกลุ่มลูกค้าชาวไทยสอดคล้องกับอุตสาหกรรม นอกจากนี้ฐานลูกค้า ต่างชาติยังมีแนวโน้มขยายตัวโดยเฉพาะผ่านการเป็นพันธมิตรกับหุ้นส่วนสัญชาติอินโดนีเซีย (Lumeo Health) ซึ่งเชี่ยวชาญในด้านการให้คำปรึกษาในด้านการผ่าตัดเสริมความงามในเอเชีย ตะวันออกเฉียงใต้ ผู้บริหารได้ตั้งเป้าสัดส่วนรายได้จากลูกค้าต่างชาติอยู่ที่ 40% และ 50% ในปี 2025-26 ตามลำดับเพิ่มขึ้นจาก 26.5% ณ สิ้นปี 2024

## คงคำแนะนำซื้อที่ราคาเป้าหมายเดิมที่ 56 บาท

เราคงราคาเป้าหมายของเราอยู่ที่ 56 บาท (เทียบเท่ากับ P/E ที่ 27x) ซึ่งให้ Upside อยู่ 24% จากแนวโน้มกำไรที่สดใสและการเติบโตที่อยู่ในเกณฑ์ดีจากการขยายตลาดลูกค้าชาวต่างชาติ เราคงคำแนะนำซื้อ



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(1.1)	(5.8)	(8.6)
Relative to country (%)	0.1	(6.8)	(12.8)
Mkt cap (USD m)			402
3m avg. daily turnover (USD m)			3.2
Free float (%)			0
Major shareholder			Maschamadol family (68%)
12m high/low (THB)			74.00/37.00
Issued shares (m)			301.71

Sources: Bloomberg consensus; FSSIA estimates



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### Investment thesis

We expect Thailand’s cosmetic surgery market to grow by 9.9% CAGR in 2024-30, close to global cosmetic surgery markets. Additionally, the medical tourism trend should support surgery hospitals in Thailand to have a higher revenue mix from international customers, which would in turn support future growth.

MASTER has several strengths. It has earned a good reputation and has become well-known over the past ten years. Given the experience of Dr. Raweewat Maschamadol and other renowned doctors, MASTER has gained customer trust, leading to referrals and positive reviews on social media. It has also expanded and invested in other businesses to further its long-term growth.

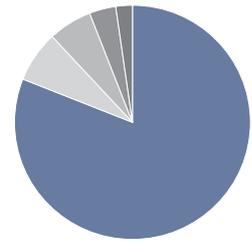
### Company profile

MASTER is in the cosmetic surgery hospital business under Masterpiece Hospital. Established in 2012, it has 17 operating beds and offers one-stop cosmetic surgery services. MASTER earns revenue from four services, including surgery, skin, hair treatment, and aftercare, with surgery contributing the highest revenue of 81% of total revenue.

[www.master-plc.com](http://www.master-plc.com)

### Principal activities (revenue, 2023)

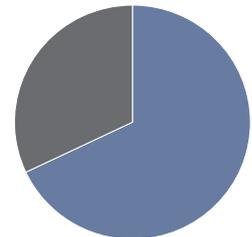
- Surgery - 81.0 %
- Skin - 7.1 %
- Hair treatment - 6.0 %
- Aftercare - 3.6 %
- Others - 2.3 %



Source: Master Style

### Major shareholders

- Maschamadol family - 68.0 %
- Others - 32.0 %



Source: Master Style

### Catalysts

2024-25 potential growth drivers include 1) more surgery customers; 2) a higher utilization rate for operating beds, which would drive operating leverage; and 3) the realization of profit and synergies from M&As.

### Risks to our call

Downside risks to our P/E-based TP include 1) increased competition; 2) a pandemic that results in a lockdown; 3) lower-than-expected utilization rate of new operating beds; 4) higher-than-expected doctor costs and expenses; and 5) a loss contribution from the acquired units.

### Event calendar

Date	Event
February 2025	4Q24 results announcement

### Key assumptions

	2024E	2025E	2026E
Total OR rooms (no.)	17	17	17
Capacity hours (hours)	74,460	74,460	74,460
Operating hours (hours)	47,414	53,611	57,334
Utilization rate (%)	63.7	72.0	77.0

Source: FSSIA estimates

### Earnings sensitivity

- For every 5% increase in revenue, we estimate 2025 net profit to rise by 3.9%, and vice versa, all else being equal.
- For every 0.5% increase in GPM, we estimate 2025 net profit to rise by 2%, and vice versa, all else being equal.
- For every 1% increase in SG&A, we estimate 2025 net profit to fall by 3.5%, and vice versa, all else being equal.

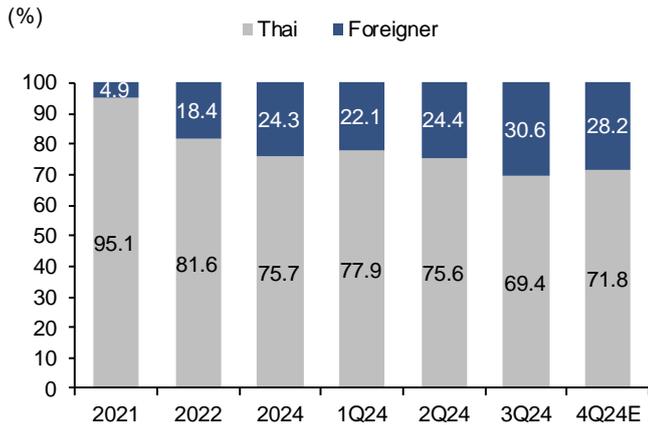
Source: FSSIA estimates

## Exhibit 1: MASTER – 4Q24 earnings preview

	4Q23	1Q24	2Q24	3Q24	4Q24E	----- Change -----		2023	2024E	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)
Sales	543	468	510	522	603	15.5	11.1	1,917	2,104	9.8
Cost of sales	198	194	220	224	229	2.1	15.9	785	867	10.5
Gross profit	345	274	291	298	374	25.6	8.4	1,132	1,237	9.3
SG&A	154	160	188	173	166	(4.4)	7.9	634	688	8.5
Operating profit	197	122	108	127	212	66.7	7.7	525	571	8.9
Profit sharing	5	10	7	10	18	82.5	277.4	5	45	834.2
Interest expense	3	3	3	4	4	2.7	29.5	14	15	10.3
Tax expense	40	23	18	25	36	47.3	(9.7)	105	102	(2.2)
Reported net profit	164	106	88	109	190	74.1	16.5	417	493	18.2
Core profit	164	106	97	109	190	74.1	16.5	417	502	20.4
<b>Key Ratios (%)</b>						<b>(ppt)</b>	<b>(ppt)</b>			
Gross margin	63.6	58.5	57.0	57.0	62.0	5.0	(1.6)	59.1	58.8	(0.3)
SG&A to sales	28.3	34.3	36.9	33.2	27.5	(5.7)	(0.8)	33.1	32.7	(0.4)
Operating margin	36.3	26.2	21.2	24.4	35.2	10.8	(1.1)	27.4	27.2	(0.2)
Net margin	30.1	22.7	17.2	21.0	31.6	10.6	1.4	21.7	23.4	1.7
Core margin	30.1	22.7	18.9	21.0	31.6	10.6	1.4	21.7	23.9	2.1
<b>Operating Statistics</b>										
Total OR rooms (no.)	17	17	17	17	17					
Operating hours (hours)	14,316	11,386	11,564	11,702	12,762					
Utilization rate (%)	73.8	60.1	60.3	63.7	68.0					
<b>Revenue by type of services (THB m)</b>										
Surgery	462	375	416	433	501	15.6	8.5	1,553	1,726	11.1
Skin	27	27	26	31	32	3.4	18.8	136	115	(14.9)
Hair treatment	24	27	37	26	35	33.1	45.7	115	125	9.0
Aftercare	17	29	22	17	18	6.5	5.7	70	86	22.9
Other	13	11	9	15	17	10.4	33.3	44	52	19.2
<b>Revenue by customer (THB m)</b>										
Thai	400	364	386	362	433	19.5	8.2	1,452	1,547	6.6
Foreigner	142	104	125	160	170	6.5	19.5	466	559	19.9
<b>Revenue proportion (%)</b>										
Thai	73.8	77.9	75.6	69.4	71.8			75.7	73.5	
Foreigner	26.2	22.1	24.4	30.6	28.2			24.3	26.5	

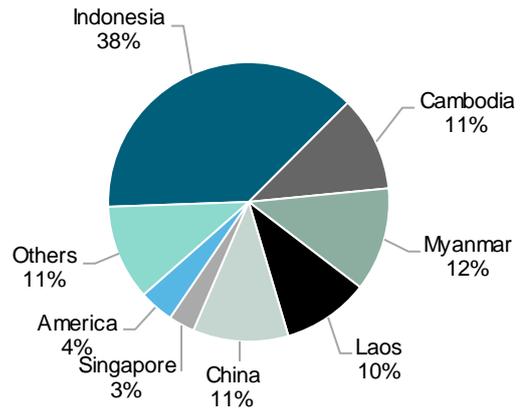
Sources: MASTER, FSSIA estimates

**Exhibit 2: Revenue breakdown by customer origin**



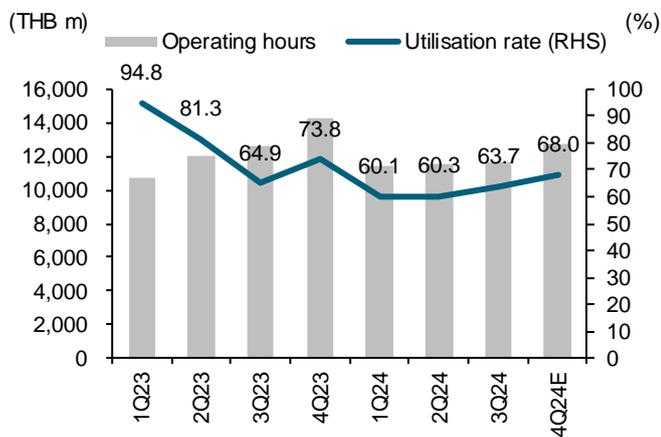
Sources: MASTER, FSSIA estimates

**Exhibit 3: Foreign customer breakdown by country in 3Q24**



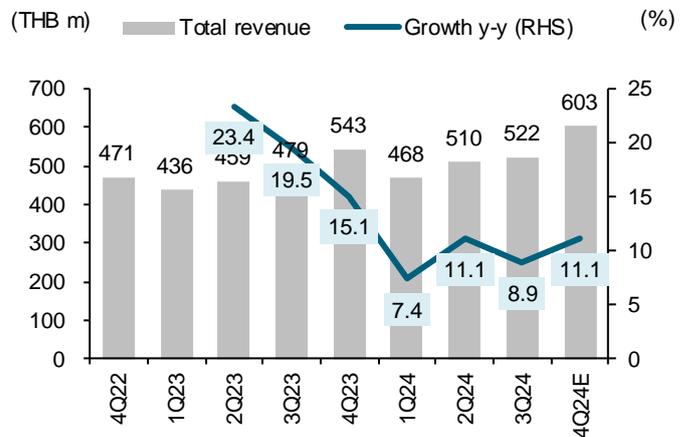
Sources: MASTER, FSSIA's compilation

**Exhibit 4: Operating hours and utilization rate**



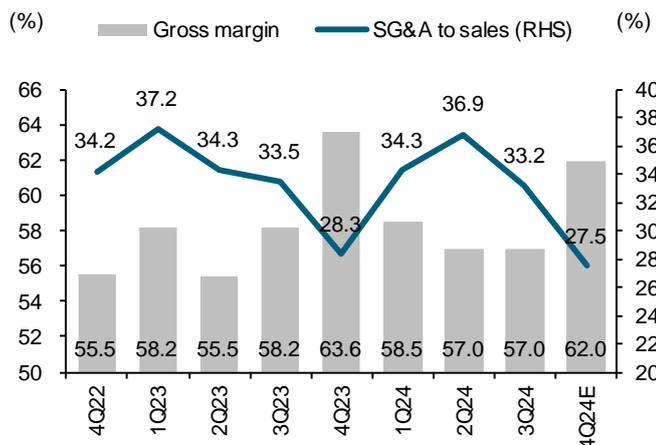
Sources: MASTER, FSSIA estimates

**Exhibit 5: Quarterly total revenue and growth**



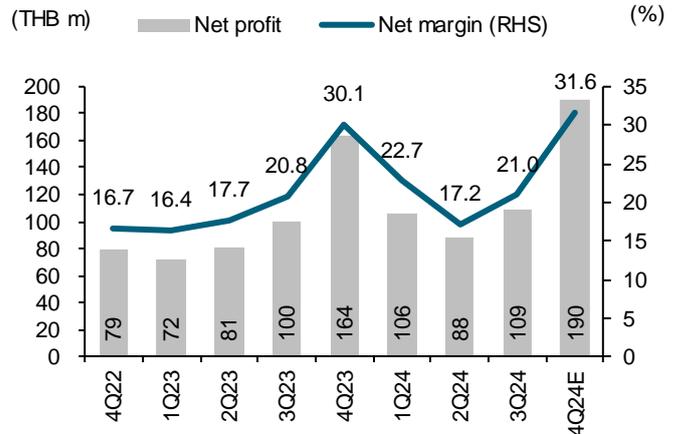
Sources: MASTER, FSSIA estimates

**Exhibit 6: Quarterly gross margin and SG&A to sales**



Sources: MASTER, FSSIA estimates

**Exhibit 7: Quarterly net profit and net margin**



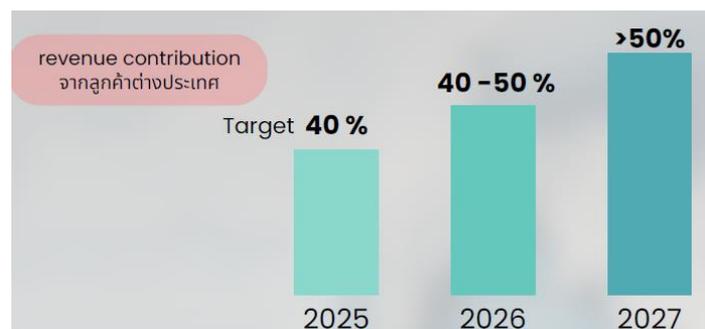
Sources: MASTER, FSSIA estimates

**Exhibit 8: Changes in key assumptions for MASTER**

	Current			Previous			Change		
	2024E (THB m)	2025E (THB m)	2026E (THB m)	2024E (THB m)	2025E (THB m)	2026E (THB m)	2024E (%)	2025E (%)	2026E (%)
Total revenue	2,104	2,461	2,725	2,116	2,501	2,787	(0.5)	(1.6)	(2.2)
Costs	867	999	1,104	882	1,015	1,129	(1.7)	(1.6)	(2.2)
Gross profit	1,237	1,462	1,621	1,233	1,486	1,658	0.3	(1.6)	(2.2)
SG&A expense	688	800	872	705	825	920	(2.4)	(3.1)	(5.2)
Interest expense	15	15	15	14	14	14	9.3	5.3	5.3
Profit sharing	45	75	105	42	75	105	6.9	0.0	0.0
Reported net profit	493	622	721	486	622	714	1.6	0.0	0.9
Core profit	502	622	721	495	622	714	1.5	0.0	0.9
<b>Key ratios (%)</b>									
Total revenue growth	9.8	16.9	10.8	10.4	18.2	11.4			
Net profit growth	18.2	26.1	16.0	16.7	28.2	14.7			
Core profit growth	20.4	23.8	16.0	18.8	25.8	14.7			
Gross margin	58.8	59.4	59.5	58.3	59.4	59.5	0.5	0.0	0.0
SG&A to sales	32.7	32.5	32.0	33.3	33.0	33.0	(0.6)	(0.5)	(1.0)
Net margin	23.4	25.3	26.5	23.0	24.9	25.6	0.5	0.4	0.8
Core margin	23.9	25.3	26.5	23.4	24.9	25.6	0.5	0.4	0.8
Profit sharing to net profit	9.0	12.1	14.6	8.6	12.0	14.7	0.4	0.0	(0.1)
<b>Operating statistics</b>									
Total OR rooms (no.)	17	17	17	17	17	17	0.0	0.0	0.0
Capacity hours (hours)	74,460	74,460	74,460	74,460	74,460	74,460	0.0	0.0	0.0
Operating hours (hours)	47,414	53,611	57,334	46,538	53,239	57,334	1.9	0.7	0.0
Utilization rate (%)	63.7	72.0	77.0	62.5	71.5	77.0	1.9	0.7	0.0

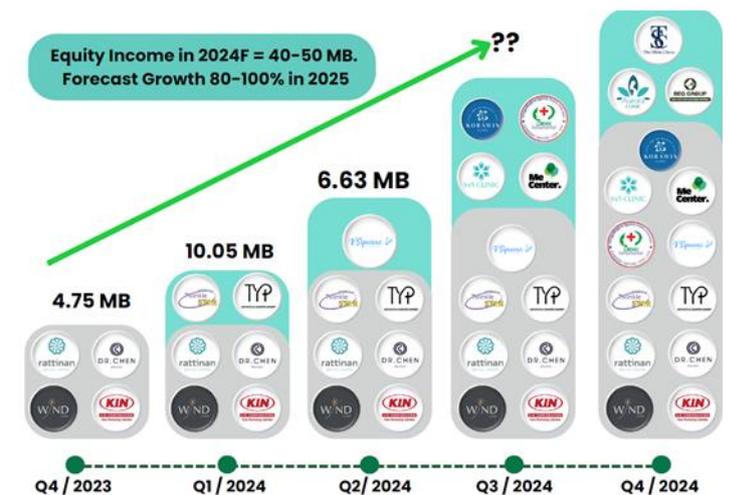
Source: FSSIA estimates

**Exhibit 9: MASTER's foreign revenue contribution targets**



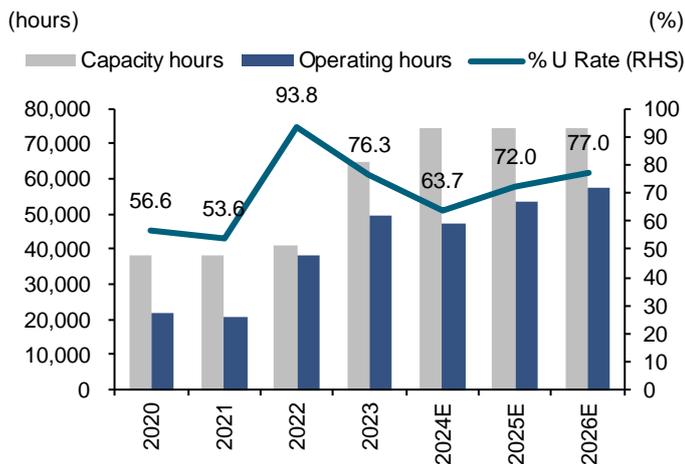
Source: MASTER

**Exhibit 10: MASTER's profit sharing targets**



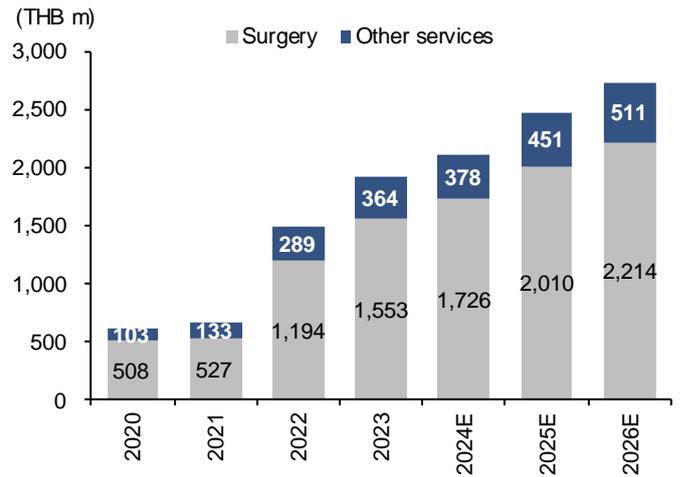
Source: MASTER

**Exhibit 11: Yearly operating hours and utilization rate**



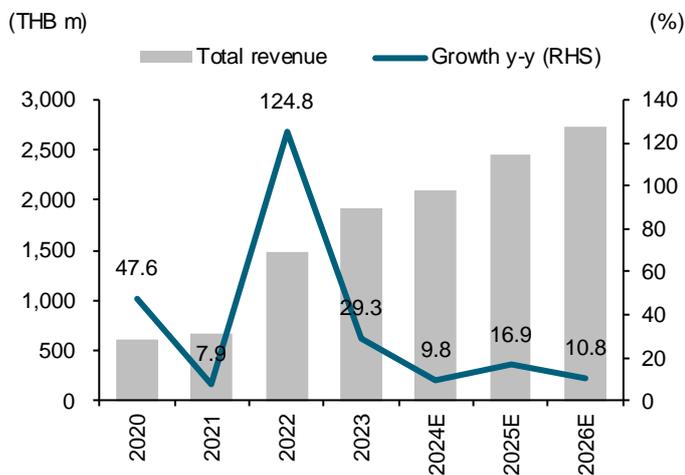
Sources: MASTER; FSSIA estimates

**Exhibit 12: Revenue breakdown by type of service**



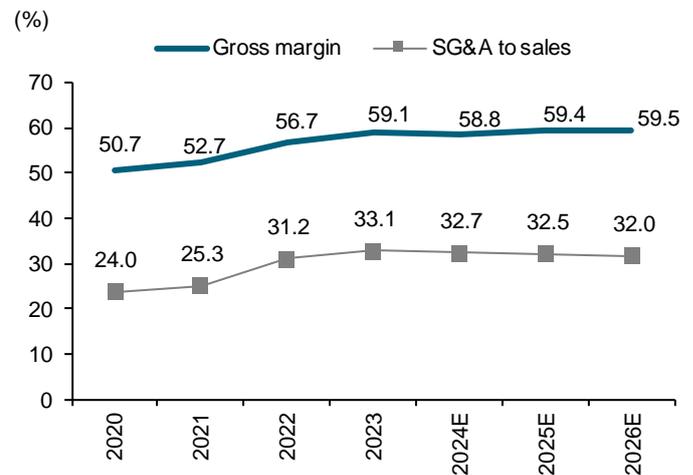
Sources: MASTER; FSSIA estimates

**Exhibit 13: Total revenue and growth**



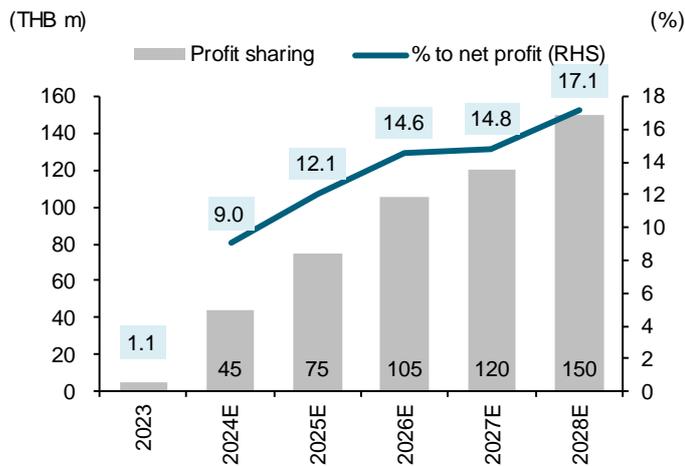
Sources: MASTER; FSSIA estimates

**Exhibit 14: Gross margin and SG&A**



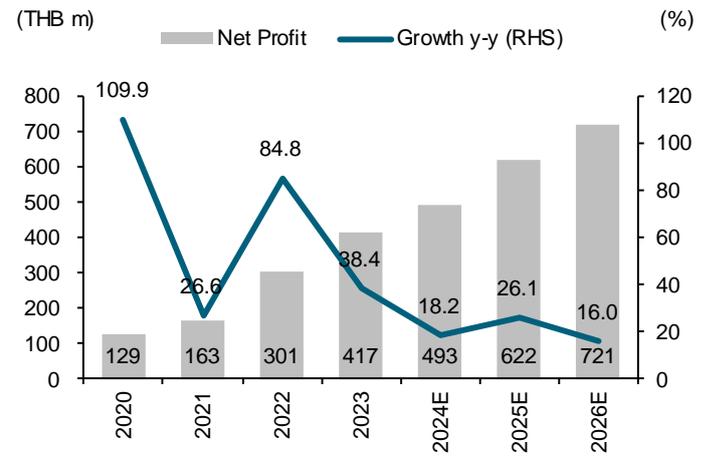
Sources: MASTER; FSSIA estimates

**Exhibit 15: Profit sharing and % to net profit**



Sources: MASTER; FSSIA estimates

**Exhibit 16: Net profit and growth**



Sources: MASTER; FSSIA estimates

## Financial Statements

### Master Style

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	1,483	1,917	2,104	2,461	2,725
Cost of goods sold	(641)	(785)	(867)	(999)	(1,104)
<b>Gross profit</b>	<b>841</b>	<b>1,132</b>	<b>1,237</b>	<b>1,462</b>	<b>1,621</b>
Other operating income	8	27	22	32	35
Operating costs	(463)	(634)	(688)	(800)	(872)
<b>Operating EBITDA</b>	<b>422</b>	<b>586</b>	<b>648</b>	<b>785</b>	<b>891</b>
Depreciation	(35)	(62)	(77)	(92)	(107)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>386</b>	<b>525</b>	<b>571</b>	<b>694</b>	<b>785</b>
Net financing costs	(4)	(8)	(11)	(11)	(11)
Associates	0	5	45	75	105
Recurring non-operating income	0	5	45	75	105
Non-recurring items	0	0	(9)	0	0
<b>Profit before tax</b>	<b>383</b>	<b>521</b>	<b>596</b>	<b>758</b>	<b>879</b>
Tax	(76)	(105)	(102)	(136)	(158)
<b>Profit after tax</b>	<b>306</b>	<b>417</b>	<b>493</b>	<b>622</b>	<b>721</b>
Minority interests	-	-	-	-	-
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>306</b>	<b>417</b>	<b>493</b>	<b>622</b>	<b>721</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>0</b>	<b>0</b>	<b>9</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>306</b>	<b>417</b>	<b>502</b>	<b>622</b>	<b>721</b>
<b>Per share (THB)</b>					
Recurring EPS *	1.61	1.58	1.66	2.06	2.39
Reported EPS	1.61	1.58	1.63	2.06	2.39
DPS	0.30	0.27	0.49	0.82	0.96
Diluted shares (used to calculate per share data)	190	264	302	302	302
<b>Growth</b>					
Revenue (%)	124.8	29.3	9.8	16.9	10.8
Operating EBITDA (%)	73.9	39.1	10.5	21.2	13.5
Operating EBIT (%)	82.7	35.9	8.9	21.5	13.1
Recurring EPS (%)	0.0	(2.1)	5.5	23.8	16.0
Reported EPS (%)	0.0	(2.1)	3.6	26.1	16.0
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	56.7	59.1	58.8	59.4	59.5
Gross margin exc. depreciation (%)	59.1	62.3	62.4	63.1	63.4
Operating EBITDA margin (%)	28.4	30.6	30.8	31.9	32.7
Operating EBIT margin (%)	26.1	27.4	27.2	28.2	28.8
Net margin (%)	20.7	21.7	23.9	25.3	26.5
Effective tax rate (%)	19.9	20.1	17.2	18.0	18.0
Dividend payout on recurring profit (%)	18.6	17.0	29.6	40.0	40.0
Interest cover (X)	102.2	63.9	54.7	72.5	84.5
Inventory days	26.8	41.1	45.1	41.1	42.2
Debtor days	0.9	1.1	1.1	0.9	1.0
Creditor days	34.7	64.9	66.8	46.3	47.4
Operating ROIC (%)	115.1	37.7	29.5	42.3	46.3
ROIC (%)	82.1	25.8	16.8	18.2	19.8
ROE (%)	107.4	24.5	15.8	17.5	18.2
ROA (%)	40.0	18.5	13.5	15.1	15.8
* Pre-exceptional, pre-goodwill and fully diluted					
<b>Revenue by Division (THB m)</b>					
Surgery	1,194	1,553	1,726	2,010	2,214
Skin	106	136	115	136	156
Hair treatment	90	115	125	162	187
Aftercare	62	70	86	99	110

Sources: Master Style; FSSIA estimates

## Financial Statements

### Master Style

Cash Flow (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Recurring net profit	306	417	502	622	721
Depreciation	35	62	77	92	107
Associates & minorities	0	0	0	0	0
Other non-cash items	0	(5)	(36)	(75)	(105)
Change in working capital	(100)	74	(55)	28	7
<b>Cash flow from operations</b>	<b>242</b>	<b>550</b>	<b>481</b>	<b>666</b>	<b>730</b>
Capex - maintenance	-	-	-	-	-
Capex - new investment	(413)	(2,179)	(527)	(365)	(116)
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	-	-	-	-	-
<b>Cash flow from investing</b>	<b>(413)</b>	<b>(2,179)</b>	<b>(527)</b>	<b>(365)</b>	<b>(116)</b>
Dividends paid	(263)	(99)	(148)	(249)	(288)
Equity finance	198	2,270	38	0	0
Debt finance	159	(11)	(11)	(2)	(2)
Other financing cash flows	(1)	2	0	1	1
<b>Cash flow from financing</b>	<b>93</b>	<b>2,161</b>	<b>(122)</b>	<b>(249)</b>	<b>(289)</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
<b>Net other adjustments</b>	<b>(5)</b>	<b>(3)</b>	<b>(6)</b>	<b>0</b>	<b>0</b>
<b>Movement in cash</b>	<b>(83)</b>	<b>529</b>	<b>(186)</b>	<b>52</b>	<b>324</b>
Free cash flow to firm (FCFF)	(162.06)	(1,615.28)	(47.20)	315.85	627.83
Free cash flow to equity (FCFE)	(18.91)	(1,641.86)	(78.17)	300.45	612.33

### Per share (THB)

FCFF per share	(0.54)	(5.35)	(0.16)	1.05	2.08
FCFE per share	(0.06)	(5.44)	(0.26)	1.00	2.03
Recurring cash flow per share	1.80	1.79	1.80	2.12	2.40

Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Tangible fixed assets (gross)	498	1,242	1,578	1,665	1,740
Less: Accumulated depreciation	(73)	(339)	(366)	(395)	(427)
<b>Tangible fixed assets (net)</b>	<b>424</b>	<b>903</b>	<b>1,211</b>	<b>1,270</b>	<b>1,313</b>
<b>Intangible fixed assets (net)</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>
Long-term financial assets	8	15	15	15	15
Invest. in associates & subsidiaries	0	362	1,683	1,944	1,962
Cash & equivalents	98	627	458	510	833
A/C receivable	5	7	6	7	7
Inventories	63	101	95	109	121
Other current assets	166	1,136	274	271	300
<b>Current assets</b>	<b>331</b>	<b>1,871</b>	<b>832</b>	<b>896</b>	<b>1,262</b>
Other assets	177	480	210	246	273
<b>Total assets</b>	<b>947</b>	<b>3,637</b>	<b>3,959</b>	<b>4,378</b>	<b>4,831</b>
Common equity	404	2,991	3,375	3,748	4,181
Minorities etc.	0	0	0	0	0
<b>Total shareholders' equity</b>	<b>404</b>	<b>2,991</b>	<b>3,375</b>	<b>3,748</b>	<b>4,181</b>
Long term debt	291	294	292	291	289
Other long-term liabilities	3	5	4	5	5
<b>Long-term liabilities</b>	<b>294</b>	<b>298</b>	<b>296</b>	<b>296</b>	<b>295</b>
A/C payable	148	260	191	222	245
Short term debt	15	2	2	2	2
Other current liabilities	86	86	95	111	109
<b>Current liabilities</b>	<b>249</b>	<b>348</b>	<b>287</b>	<b>334</b>	<b>356</b>
<b>Total liabilities and shareholders' equity</b>	<b>947</b>	<b>3,637</b>	<b>3,959</b>	<b>4,378</b>	<b>4,831</b>
Net working capital	0	898	89	55	74
Invested capital	616	2,664	3,215	3,536	3,644

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

### Per share (THB)

Book value per share	2.12	11.33	11.19	12.42	13.86
Tangible book value per share	2.09	11.30	11.16	12.40	13.84

### Financial strength

Net debt/equity (%)	51.7	(11.1)	(4.9)	(5.8)	(13.0)
Net debt/total assets (%)	22.1	(9.1)	(4.1)	(5.0)	(11.2)
Current ratio (x)	1.3	5.4	2.9	2.7	3.5
CF interest cover (x)	105.2	65.8	40.9	63.7	70.2

Valuation	2022	2023	2024E	2025E	2026E
<b>Recurring P/E (x) *</b>	<b>27.9</b>	<b>28.5</b>	<b>27.0</b>	<b>21.8</b>	<b>18.8</b>
<b>Recurring P/E @ target price (x) *</b>	<b>34.7</b>	<b>35.5</b>	<b>33.6</b>	<b>27.2</b>	<b>23.4</b>
Reported P/E (x)	27.9	28.5	27.5	21.8	18.8
Dividend yield (%)	0.7	0.6	1.1	1.8	2.1
Price/book (x)	21.2	4.0	4.0	3.6	3.2
Price/tangible book (x)	21.5	4.0	4.0	3.6	3.3
EV/EBITDA (x) **	20.8	19.7	20.7	17.0	14.6
EV/EBITDA @ target price (x) **	25.7	24.6	25.8	21.2	18.3
EV/invested capital (x)	14.2	4.3	4.2	3.8	3.6

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

Sources: Master Style; FSSIA estimates

# Master Style PCL (MASTER TB)

**FSSIA ESG rating**
**n/a**

## Exhibit 17: 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.

Source: FSSIA estimates

## Exhibit 18: 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
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
MASTER	n/a	--	--	--	--	--	--	--	--	--	--	--	--	--	--
KLINIQ	n/a	--	--	--	--	--	--	--	--	--	--	--	--	--	--

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

## Exhibit 19: ESG disclosure from the company's one report

FY ending Dec 31	FY 2022	FY 2023	FY ending Dec 31	FY 2022	FY 2023
<b>Environmental</b>			<b>Governance</b>		
Climate change policy	Yes	Yes	<b>Board size / Independent directors (ID) / Female</b>	<b>8 / 5 / 1</b>	<b>8 / 5 / 1</b>
Climate change opportunities discussed	--	--	No. of board meetings for the year / % attendance	9 / 100%	10 / 95%
GHG scope 2 location-based policy	Yes	Yes	Company conducts board evaluations	Yes	Yes
Biodiversity policy	--	--	Number of non-executive directors on board	5	5
Energy efficiency policy	Yes	Yes	Director share ownership guidelines	No	No
Electricity used (MWh)	0.179	0.178	Board age limit	No	No
Fuel used - crude oil/diesel	62.506	36.569	Age of the youngest / oldest director	39 / 65	40 / 66
Waste reduction policy	Yes	Yes	Number of executives / female	5 / 1	5 / 1
Water policy	Yes	Yes	Executive share ownership guidelines	No	No
Water consumption	--	--	<b>Size of audit committee / ID</b>	<b>4 / 4</b>	<b>4 / 4</b>
<b>Social</b>			Audit committee meetings	6	4
Human rights policy	Yes	Yes	Audit committee meeting attendance (%)	93.75	100
Policy against child labor	--	--	<b>Size of compensation committee</b>	<b>3 / 2</b>	<b>3 / 2</b>
Quality assurance and recall policy	--	--	Number of compensation committee meetings	2	2
Consumer data protection policy	Yes	Yes	Compensation committee meeting attendance (%)	100	100
Equal opportunity policy	Yes	Yes	<b>Size of nomination committee / ID</b>	<b>3 / 2</b>	<b>3 / 2</b>
Gender pay gap breakout	--	--	Number of nomination committee meetings	2	2
Pct women in workforce	Yes	Yes	Nomination committee meeting attendance (%)	100	100
Business ethics policy	Yes	Yes	Board compensation (THB m)	1.63	1.73
Anti-bribery ethics policy	Yes	Yes	Auditor fee (THB m)	2.8	1.9
Health and safety policy	Yes	Yes	(EY OFFICE LIMITED)		
Lost time incident rate - employees	--	3			
Training policy	Yes	Yes			
Fair remuneration policy	Yes	Yes			
Number of employees - CSR	--	--			
Total hours spent by firm - employee training	--	--			
Social supply chain management	--	Yes			

Source: 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 <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.																			
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&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.																			
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 &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 border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>NEGL</th> <th>Low</th> <th>Medium</th> <th>High</th> <th>Severe</th> </tr> </thead> <tbody> <tr> <td>0-10</td> <td>10-20</td> <td>20-30</td> <td>30-40</td> <td>40+</td> </tr> </tbody> </table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+									
NEGL	Low	Medium	High	Severe																	
0-10	10-20	20-30	30-40	40+																	
ESG Book	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.	The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.																			
MSCI	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. <table border="1" style="margin-left: auto; margin-right: auto;"> <tbody> <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> </tbody> </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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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; &gt;25 to 50 = satisfactory; &gt;50 to 75 = good; and &gt;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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#### Sureeporn Teewasuwet FSS International Investment Advisory Securities Co., Ltd

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### History of change in investment rating and/or target price

#### Master Style (MASTER TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
12-Dec-2023	BUY	71.00	19-Mar-2024	BUY	72.00	28-Oct-2024	BUY	56.00
27-Feb-2024	BUY	82.00	16-Aug-2024	BUY	52.00			

Sureeporn Teewasuwet started covering this stock from 12-Dec-2023

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Master Style	MASTER TB	THB 45.00	BUY	Downside risks to our P/E-based TP include 1) increased competition, 2) a pandemic that results in a lockdown, 3) lower-than-expected utilization rate of new operating beds, 4) higher-than-expected doctor costs and expenses, and 5) a loss contribution from the acquired units.

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 09-Dec-2024 unless otherwise stated.

## RECOMMENDATION STRUCTURE

### Stock ratings

Stock ratings are based on absolute upside or downside, which we define as  $(\text{target price}^* - \text{current price}) / \text{current price}$ .

**BUY (B).** The upside is 10% or more.

**HOLD (H).** The upside or downside is less than 10%.

**REDUCE (R).** The downside is 10% or more.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

\* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

### Industry Recommendations

**Overweight.** The analyst expects the fundamental conditions of the sector to be positive over the next 12 months.

**Neutral.** The analyst expects the fundamental conditions of the sector to be maintained over the next 12 months.

**Underweight.** The analyst expects the fundamental conditions of the sector to be negative over the next 12 months.

### Country (Strategy) Recommendations

**Overweight (O).** Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

**Neutral (N).** Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

**Underweight (U).** Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.