

CHULARAT HOSPITAL  
THAILAND / HEALTH CARE SERVICES

## CHG TB

BUY

UNCHANGED

## น่าจะกลับมาโตดีในปี 2024

- คาดว่ากำไรปกติ 4Q23 จะโต 2% y-y เป็น 291 ลบ. จากปริมาณผู้ป่วยเงินสดที่อยู่ในเกณฑ์ดีแต่ลดลง 11% q-q จากปัจจัยด้านฤดูกาล
- คาดว่ากำไรปกติปี 2024 จะกระโดดเพิ่ม 22% เป็น 1.3 พัน ลบ. โดยได้ปัจจัยหนุนจากโควต้าสำนักงานประกันสังคม (SSO) ที่สูงขึ้นของโรงพยาบาลหลักและการพลิกฟื้นของ CHG Mae Sot
- คงคำแนะนำซื้อหลังปรับราคาเป้าหมายลงเป็น 3.9 บาท (DCF)

TARGET PRICE	THB3.90
CLOSE	THB3.18
UP/DOWNSIDE	+22.6%
PRIOR TP	THB4.00
CHANGE IN TP	-2.5%
TP vs CONSENSUS	+11.9%

## KEY STOCK DATA

YE Dec (THB m)	2022	2023E	2024E	2025E
Revenue	10,103	7,689	8,462	9,034
Net profit	2,778	1,063	1,300	1,488
EPS (THB)	0.25	0.10	0.12	0.14
vs Consensus (%)	-	1.0	11.1	16.7
EBITDA	3,947	1,846	2,166	2,409
Recurring net profit	2,778	1,063	1,300	1,488
Core EPS (THB)	0.25	0.10	0.12	0.14
Chg. In EPS est. (%)	-	(10.4)	(5.2)	(3.9)
EPS growth (%)	(33.9)	(61.7)	22.3	14.4
Core P/E (x)	12.6	32.9	26.9	23.5
Dividend yield (%)	5.0	1.8	2.2	2.6
EV/EBITDA (x)	8.7	18.2	15.2	13.3
Price/book (x)	4.6	4.7	4.3	4.0
Net debt/Equity (%)	(14.4)	(23.2)	(28.9)	(35.8)
ROE (%)	36.8	14.2	16.8	17.6

## รายได้ 4Q23 น่าจะสูงกว่าระดับก่อนโควิด 56%

เราคาดว่ารายได้ 4Q23 จะกระโดดเพิ่ม 20% y-y โดยรายได้ผู้ป่วยเงินสดน่าจะโต 25-30% y-y จากปริมาณผู้ป่วยชาวไทยที่อยู่ในเกณฑ์ดี ในขณะที่รายได้จาก SSO น่าจะเพิ่ม 2-5% y-y จากฐานตัวเลขสมาชิกลงทะเบียนที่สูงขึ้น (530,000 ใน 4Q23E เทียบกับ 520,000 ใน 4Q22) CHG น่าจะบันทึกกำไรเพิ่มเติมจาก SSO สำหรับการรักษาโรคเรื้อรังรวม 40-50 ลบ. (เทียบกับ 80 ลบ. ใน 4Q22) นอกจากนี้เรายังคาดว่า CHG Mae Sot จะมีผลขาดทุนลดลงเหลือ 12-14 ลบ. (เทียบกับ 17 ลบ. ใน 3Q23) ในภาพรวมเราคาดว่ากำไรปกติ 4Q23 จะปรับขึ้น 2% y-y เป็น 291 ลบ. อย่างไรก็ตามกำไรที่โตดังกล่าวจะลดลง 11% q-q ส่วนมากจากปัจจัยด้านฤดูกาลและค่าใช้จ่ายที่สูงขึ้น อาทิเช่น โบนัสพนักงานเพิ่มเติม

## ได้รับโควต้า SSO เพิ่มอีก 130,000 รายในปี 2024

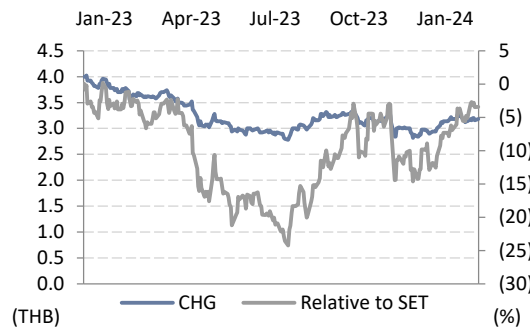
เมื่อเร็ว ๆ นี้ CHG ได้รับโควต้า SSO เพิ่มเติมอีกไม่เกิน 130,000 รายในปี 2024 ซึ่งทำให้ตัวเลขโควต้ารวมเพิ่มจาก 560,000 เป็นประมาณ 690,000 ราย เราคาดว่าตัวเลขสมาชิกลงทะเบียนน่าจะเพิ่ม 9% จากค่าเฉลี่ยที่ 527,000 ในปี 2023 เป็น 575,000 ในปี 2024 เนื่องจาก CHG3 และ CHG9 ซึ่งโดยปกติมีความต้องการสูงได้รับโควต้าเพิ่มรวม 40,000 ราย เราคาดว่าปัจจัยดังกล่าวจะช่วยให้รายได้เพิ่มประมาณ 230 ลบ. (จากสมมติฐานรายได้ต่อหัวที่ 4,600 บาท) และกำไรปกติเพิ่มประมาณ 60-70 ลบ. ในปี 2024

## ปัจจัยหนุนการเติบโตของกำไรหลายประการในปี 2024

เราคาดว่ากำไรปกติจะกระโดดเพิ่ม 22% เป็น 1.3 พัน ลบ. ในปี 2024 จากผลขาดทุนที่ลดลงของ CHG Mae Sot (ผลขาดทุน 50 ลบ. ในปี 2023E เทียบกับผลขาดทุน 26 ลบ. ในปี 2024E) ค่าใช้จ่ายสำรองที่เกี่ยวข้องกับการรักษาโควิดที่หายไป (46 ลบ. ในปี 2023) กำไรปกติที่โตเพิ่ม 60-70 ลบ. จากฐานตัวเลขสมาชิก SSO ลงทะเบียนที่สูงขึ้นและกำไรจากการดำเนินงานที่โต 10-15% จากผู้ป่วยต่างชาติที่เพิ่มขึ้นและการดำเนินงานเต็มปีของ CHG Medical Center

## ราคาหุ้นน่าจะแตะจุดต่ำสุดในขณะที่ยอดราคาหุ้นปรับตัวในปี 2024

เราปรับลดประมาณการกำไรปกติปี 2023-25 ลง 4-10% เพื่อสะท้อน EBITDA margins ที่อ่อนแอกว่าคาดซึ่งทำให้ได้ราคาเป้าหมายใหม่ที่ 3.9 บาท (DCF) CHG มีการซื้อขายในระดับการประเมินมูลค่าที่น่าสนใจที่ 27x ของค่า 2024E P/E ราคาหุ้นน่าจะปรับขึ้นจากกำไรที่คาดว่าจะโตดี y-y ในช่วง 1H24 จากความสามารถในการทำกำไรที่ฟื้นคืนโดยเราคาดว่า EBITDA margin จะเพิ่มจาก 24% ในปี 2023 เป็น 26-27% ในปี 2024-25 โดยได้ปัจจัยหนุนจากการพลิกฟื้นของ CHG Mae Sot และ Revenue intensity ที่สูงขึ้นจาก CHG Medical Center



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	1.3	1.9	(15.4)
Relative to country (%)	4.2	2.8	3.3
Mkt cap (USD m)	983		
3m avg. daily turnover (USD m)	2.4		
Free float (%)	43		
Major shareholder	Kannikar Plussind (18%)		
12m high/low (THB)	4.04/2.60		
Issued shares (m)	11,000.00		

Sources: Bloomberg consensus; FSSIA estimates



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### Investment thesis

CHG should report strong profit growth in 2024, led by a recovery in cash patient numbers coupled with its larger SSO-registered member base and pent-up demand from international patients.

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

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

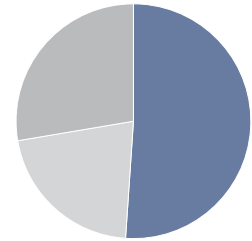
### Company profile

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

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

### Principal activities (revenue, 2022)

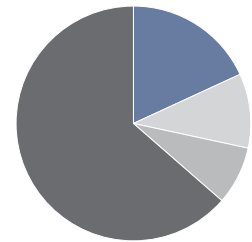
- Cash patient revenue - 51.1 %
- SSO patient revenue - 21.3 %
- NHSO patient revenue - 27.7 %



Source: Chularat Hospital

### Major shareholders

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



Source: Chularat Hospital

### Catalysts

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

### Risks to our call

Downside risks to our DCF-based target price include 1) a slowdown in Thai patient volume due to economic concerns; 2) regulatory risks from drug price and medical bill controls; and 3) SSO provision expenses following limited budgets from the SSO.

### Event calendar

Date	Event
Feb 2024	4Q23 results announcement

### Key assumptions

	2023E	2024E	2025E
	(%)	(%)	(%)
SSO volume growth	4	9	1
SSO revenue/patient growth	7	3	3
OPD volume growth	(3)	5	4
OPD revenue/patient growth	(12)	4	4
IPD volume growth	26	5	4
IPD revenue/patient growth	(10)	4	4

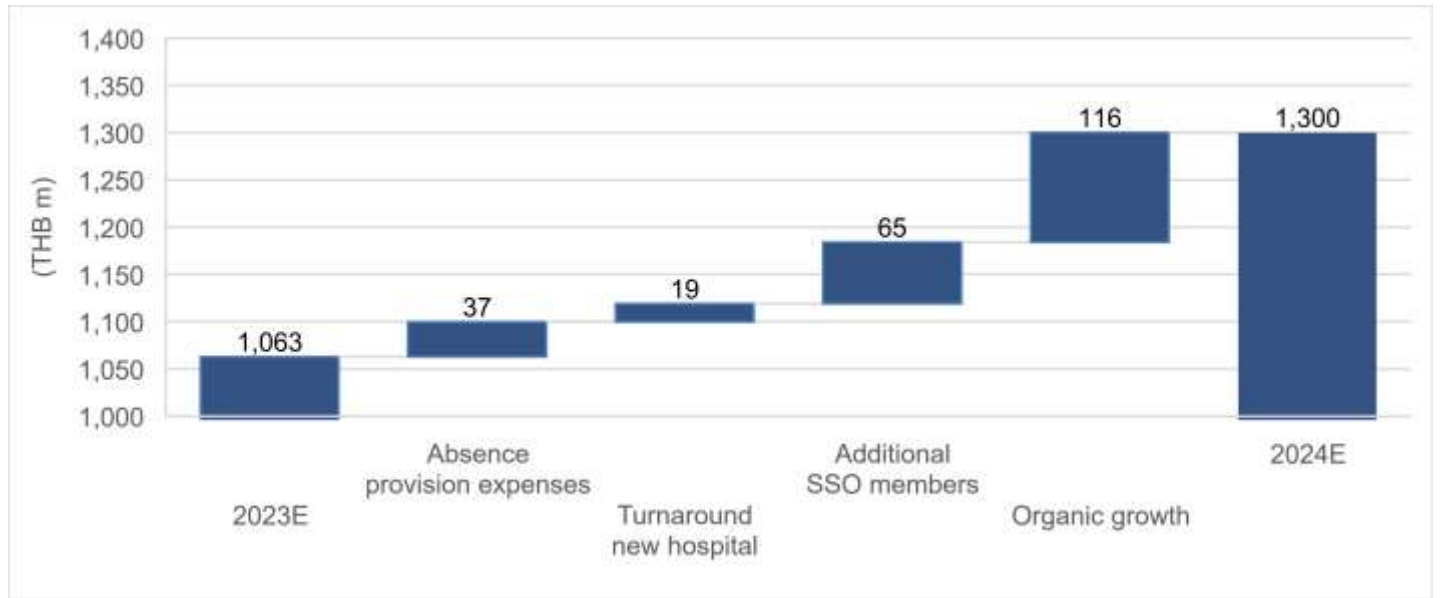
Source: FSSIA estimates

### Earnings sensitivity

- For every 1% increase in patient volume, we project 2024 earnings to rise by 2%, and vice versa, all else being equal.
- For every 1% increase in EBITDA margin, we project 2024 earnings to rise by 3%, and vice versa, all else being equal.

Source: FSSIA estimates

**Exhibit 1: 2024E core profit growth breakdown**



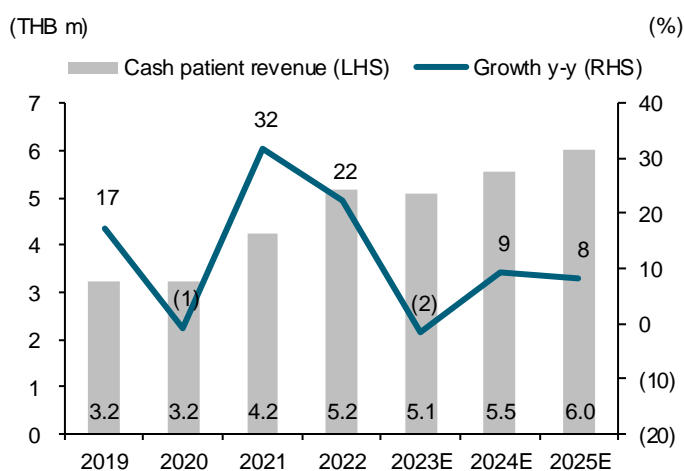
Note: Applied 20% tax for each item  
Source: FSSIA estimates

**Exhibit 2: 2024E key earnings growth assumptions**

Key growth items	Assumptions
Absence of provision expenses	CHG booked provision expenses and a revenue reversal related to Covid treatments totaling THB46m in 2023. We expect no provision expense in 2024.
Turnaround of new hospital	Expect CHG Mae Sot's losses to narrow from THB50m in 2023 to THB26m in 2024.
Additional SSO members	Expect registered members to increase by 50k in 2024 with average revenue per head of THB4,600 and an EBITDA margin of 35-40% for additional SSO revenue.
Organic growth	Expect core profit growth of 10-15%, driven by higher revenue intensity from International Medical Center and CHG Medical Center.

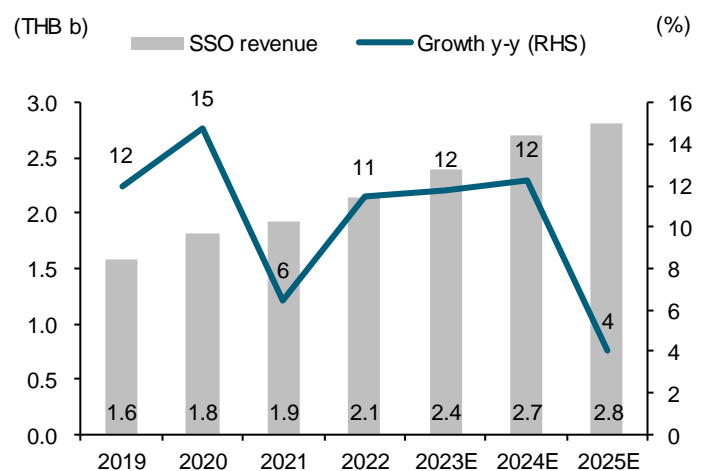
Source: FSSIA estimates

**Exhibit 3: Cash patient revenue**



Sources: CHG; FSSIA estimates

**Exhibit 4: SSO revenue**



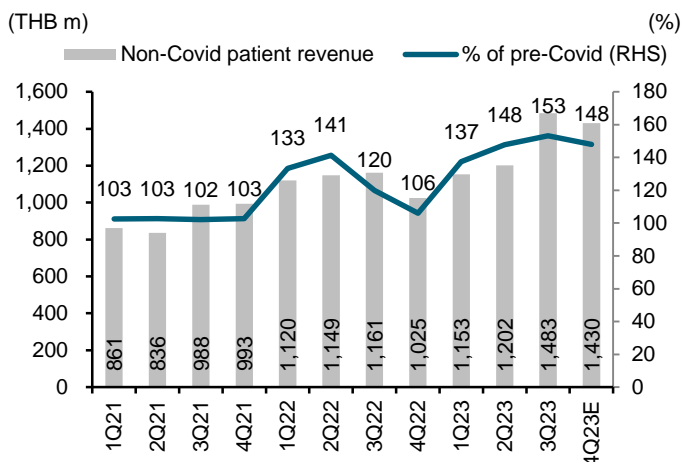
Sources: CHG; FSSIA estimates

## Exhibit 5: 4Q23 results preview

	4Q22	1Q23	2Q23	3Q23	4Q23E	----- Change -----		2023E	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(y-y %)
<b>Revenue</b>	<b>1,721</b>	<b>1,716</b>	<b>1,799</b>	<b>2,093</b>	<b>2,070</b>	<b>(1)</b>	<b>20</b>	<b>7,689</b>	<b>(24)</b>
Cost of sales (Incl. depreciation)	(1,229)	(1,276)	(1,380)	(1,486)	(1,492)	0	21	(5,638)	(5)
<b>Gross profit</b>	<b>492</b>	<b>440</b>	<b>418</b>	<b>607</b>	<b>578</b>	<b>(5)</b>	<b>17</b>	<b>2,052</b>	<b>(51)</b>
SG&A	(254)	(200)	(222)	(246)	(265)	8	4	(938)	0
<b>Operating profit</b>	<b>238</b>	<b>240</b>	<b>196</b>	<b>361</b>	<b>313</b>	<b>(13)</b>	<b>32</b>	<b>1,113</b>	<b>(66)</b>
Other operating income	96	73	70	77	75	(2)	(22)	292	(4)
Interest income	2	1	3	1	1	0	(71)	4	(28)
Equity income	(1)	(3)	(2)	(5)	(5)	0	317	(15)	0
<b>EBIT</b>	<b>334</b>	<b>309</b>	<b>267</b>	<b>434</b>	<b>384</b>	<b>(11)</b>	<b>15</b>	<b>1,395</b>	<b>(61)</b>
Interest expense	(6)	(4)	(5)	(7)	(7)	0	13	(30)	82
<b>EBT</b>	<b>328</b>	<b>305</b>	<b>262</b>	<b>427</b>	<b>377</b>	<b>(12)</b>	<b>15</b>	<b>1,365</b>	<b>(62)</b>
Income tax	(40)	(60)	(56)	(90)	(75)	(17)	89	(276)	(61)
Minority interests	(3)	(5)	(0)	(11)	(11)	0	224	(27)	n/a
<b>Core profit</b>	<b>285</b>	<b>240</b>	<b>206</b>	<b>326</b>	<b>291</b>	<b>(11)</b>	<b>2</b>	<b>1,063</b>	<b>(62)</b>
Extraordinaries									
<b>Net income</b>	<b>285</b>	<b>240</b>	<b>206</b>	<b>326</b>	<b>291</b>	<b>(11)</b>	<b>2</b>	<b>1,063</b>	<b>(62)</b>
Core EPS (THB)	0.03	0.02	0.02	0.03	0.03	(11)	2	0.10	(62)
No of shares (m)	11,000	11,000	11,000	11,000	11,000	0	0	11,000	0
Cost (Excl. depreciation)	(1,135)	(1,177)	(1,276)	(1,370)	(1,373)	0	21	(5,198)	(6)
Depreciation & amortization	(93)	(99)	(104)	(117)	(119)	2	28	(440)	15
EBITDA	427	411	370	554	507	(9)	19	1,846	(53)
<b>Key ratios</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>	<b>(ppt)</b>	<b>(%)</b>	<b>(ppt)</b>
Gross margin	29	26	23	29	28	(1)	(1)	27	(15)
SG&A/Revenue	15	12	12	12	13	1	(2)	12	3
EBITDA margin	25	24	21	26	24	(2)	(0)	24	(15)
Net profit margin	17	14	11	16	14	(2)	(3)	14	(14)
<b>Operating stats</b>	<b>(y-y %)</b>	<b>(y-y %)</b>	<b>(y-y %)</b>	<b>(y-y %)</b>					
SSO revenue	(7)	19	23	8					
SSO registered members ('000)	520	525	528	529					
SSO revenue per head	(17)	10	17	5					
Cash-OPD revenue	(38)	(41)	(20)	(6)					
Cash-OPD visit number	(5)	(19)	(7)	2					
Cash-OPD revenue per head	(34)	(26)	(13)	(8)					
Cash-IPD revenue	29	(5)	5	24	-				
Cash-IPD admission number	30	9	30	29					
Cash-IPD revenue per head	(1)	(13)	(19)	(4)					

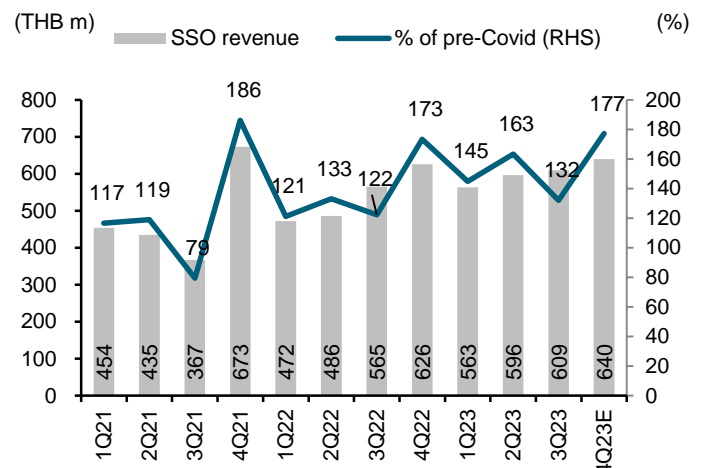
Sources: CHG; FSSIA estimates

## Exhibit 6: Non-Covid cash patient revenue



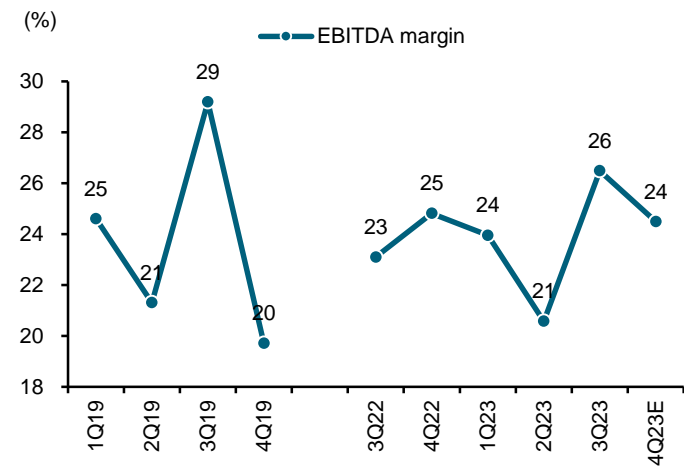
Note: Includes National Health Security Office (NHSO) revenue mainly from Heart Center

## Exhibit 7: SSO revenue, quarterly



Note: Includes additional gain from chronic disease treatments of THB34m in 4Q22,

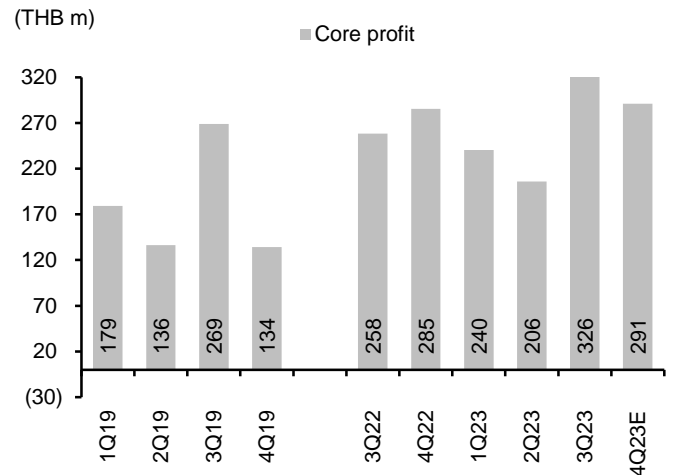
Sources: CHG; FSSIA estimates

**Exhibit 8: EBITDA margin**

Sources: CHG; FSSIA estimates

THB190m in 4Q21, THB25m in 3Q20, and THB74m in 3Q19

Sources: CHG; FSSIA estimates

**Exhibit 9: Quarterly core profit**

Source: CHG; FSSIA estimates

**Exhibit 10: Forecast revisions**

	Current			Previous			Change		
	2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(%)	(%)	(%)
SSO registered members ('000)	527	575	581	525	551	557	0.5	4.3	4.3
SSO revenue per head (THB)	4,555	4,692	4,832	4,427	4,560	4,697	2.9	2.9	2.9
Cash-OPD visits per day (no.)	3,156	3,313	3,446	3,318	3,451	3,589	(4.9)	(4.0)	(4.0)
Cash-OPD revenue per head (THB)	2,052	2,134	2,220	2,099	2,183	2,270	(2.2)	(2.2)	(2.2)
Cash-IPD admissions per day (no.)	255	267	278	206	214	223	23.5	24.7	24.7
Cash-IPD revenue per head (THB)	29,185	30,352	31,566	30,806	32,038	33,320	(5.3)	(5.3)	(5.3)
Revenue	7,689	8,462	9,034	7,606	8,205	8,748	1.1	3.1	3.3
EBITDA margin (%)	24.0	25.6	26.7	25.8	27.0	28.2	(1.8)	(1.4)	(1.5)
Core profit	1,063	1,300	1,488	1,186	1,371	1,548	(10.4)	(5.2)	(3.9)

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

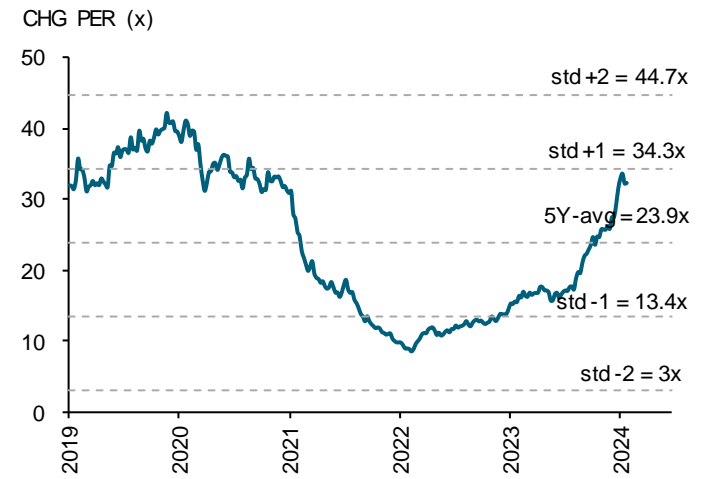
Source: FSSIA estimates

**Exhibit 11: DCF-derived TP**

Cost of equity assumptions		(%)	Cost of debt assumptions		(%)
Risk-free rate		3.0	Pre-tax cost of debt		3.5
Market risk premium		8.0	Marginal tax rate		20.0
Stock beta		0.9			
Cost of equity, Ke		10.0	Net cost of debt, Kd		2.8
Weight applied		75.0	Weight applied		40.0
WACC		8.2			
DCF valuation estimate		(THB b)	(THB/share)	Comments	
NPV		14.7	1.3	WACC 8.2%, risk-free rate 3%, risk premium 8%	
Terminal value		26.2	2.4	Terminal growth 3%	
Cash & liquid assets		2.8	0.3	At end-2024E	
Investments		0.1	0.0	At end-2024E	
Debt		(0.4)	(0.0)	At end-2024E	
Minorities		(0.3)	(0.0)	At end-2024E	
<b>Residual ordinary equity</b>		<b>43.1</b>	<b>3.9</b>		

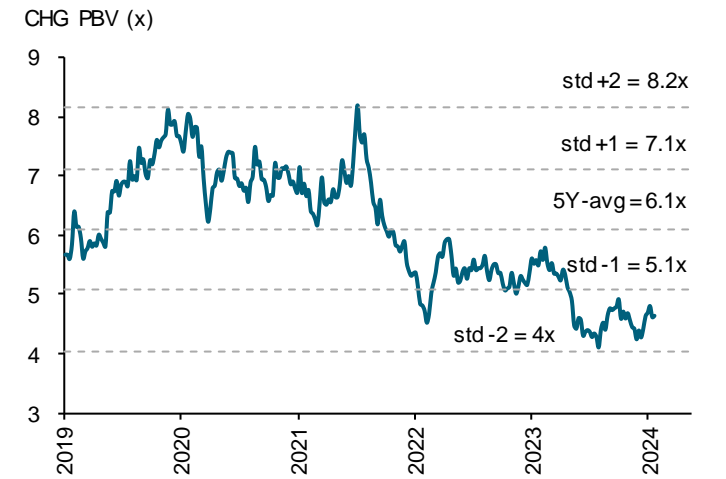
Source: FSSIA estimates

**Exhibit 12: Historical P/E band**



Sources: Bloomberg; FSSIA estimates

**Exhibit 13: Historical P/BV band**



Sources: Bloomberg; FSSIA estimates

**Exhibit 14: Peer comparisons as of 29 Jan 2024**

Company	BBG	Rec	Share price			Market Cap	PE		ROE		PBV		- EV/ EBITDA -	
			Current (LCY)	Target (LCY)	Upside (%)		23E (x)	24E (x)	23E (%)	24E (%)	23E (x)	24E (x)	23E (x)	24E (x)
<b>Thailand</b>														
Bangkok Dusit Med Service	BDMS TB	BUY	27.25	35.00	28.4	12,176	30.6	27.6	15.2	15.7	4.5	4.2	17.9	16.2
Bumrungrad Hospital	BH TB	BUY	241.00	300.00	24.5	5,386	28.4	27.1	31.1	28.0	8.1	7.2	18.8	17.8
Bangkok Chain Hospital	BCH TB	BUY	22.20	26.00	17.1	1,557	39.7	29.8	11.1	14.2	4.4	4.0	19.8	15.8
Chularat Hospital	CHG TB	BUY	3.18	3.90	22.6	983	32.9	26.9	14.2	16.8	4.7	4.3	18.2	15.2
Praram 9 Hospital	PR9 TB	BUY	17.40	22.00	26.4	385	25.3	22.7	11.0	11.6	2.7	2.5	12.2	10.7
Thonburi Healthcare Group	THG TB	HOLD	48.00	55.00	14.6	1,144	42.5	33.7	9.3	11.4	3.9	3.7	19.8	17.2
Ramkhamhaeng Hospital	RAM TB	BUY	32.25	50.00	55.0	1,088	25.3	21.1	7.8	9.2	2.0	1.9	31.3	26.0
Rajthanee Hospital	RJH TB	n/a	26.50	n/a	n/a	224	18.9	18.7	18.0	17.4	5.3	3.3	13.0	12.5
Ekachai Medical Care	EKH TB	n/a	7.55	n/a	n/a	151	19.9	19.2	13.9	12.7	5.5	2.5	11.1	10.3
<b>Thailand average</b>						<b>23,093</b>	<b>29.3</b>	<b>25.2</b>	<b>14.6</b>	<b>15.2</b>	<b>4.6</b>	<b>3.7</b>	<b>18.0</b>	<b>15.7</b>
<b>Regional</b>														
Ramsay Health Care	RHC AU	n/a	50.11	n/a	n/a	7,589	33.8	36.9	8.6	7.4	2.8	2.7	11.6	10.9
Ihh Healthcare Bhd	IHH SP	n/a	1.75	n/a	n/a	11,488	35.7	31.8	6.1	6.4	2.3	2.0	14.3	13.7
Ryman Healthcare	RYM NZ	n/a	5.78	n/a	n/a	2,432	11.5	13.1	7.5	7.5	1.3	0.8	13.7	13.4
Apollo Hospitals Enterprise	APHS IN	n/a	6,169	n/a	n/a	10,978	108.6	92.6	13.8	14.8	25.1	14.2	44.6	39.0
Kpj Healthcare Berhad	KPJ MK	n/a	1.60	n/a	n/a	1,476	29.6	26.2	10.1	10.7	3.6	3.0	13.1	12.4
Raffles Medical Group	RFMD SP	n/a	1.01	n/a	n/a	1,398	21.0	22.4	8.7	8.1	2.2	1.8	10.6	11.0
Mitra Keluarga Karyasehat	MIKA IJ	n/a	2,590	n/a	n/a	2,331	37.9	32.8	16.8	17.9	7.6	6.3	23.8	20.6
Aier Eye Hospital Group	300015 CH	n/a	13.48	n/a	n/a	17,510	35.5	28.1	18.4	19.8	14.4	6.2	20.8	16.8
<b>Regional average</b>						<b>55,203</b>	<b>39.2</b>	<b>35.5</b>	<b>11.2</b>	<b>11.6</b>	<b>7.4</b>	<b>4.6</b>	<b>19.1</b>	<b>17.2</b>
<b>Overall average</b>						<b>78,296</b>	<b>34.0</b>	<b>30.0</b>	<b>13.0</b>	<b>13.5</b>	<b>5.9</b>	<b>4.2</b>	<b>18.5</b>	<b>16.4</b>

Sources: Bloomberg; FSSIA estimates

## Financial Statements

### Chularat Hospital

Profit and Loss (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Revenue	11,742	10,103	7,689	8,462	9,034
Cost of goods sold	(5,882)	(5,908)	(5,638)	(6,087)	(6,395)
<b>Gross profit</b>	<b>5,860</b>	<b>4,195</b>	<b>2,052</b>	<b>2,374</b>	<b>2,639</b>
Other operating income	257	305	292	304	313
Operating costs	(821)	(935)	(938)	(998)	(1,039)
<b>Operating EBITDA</b>	<b>5,647</b>	<b>3,947</b>	<b>1,846</b>	<b>2,166</b>	<b>2,409</b>
Depreciation	(351)	(382)	(440)	(486)	(496)
Goodwill amortisation	-	-	-	-	-
<b>Operating EBIT</b>	<b>5,296</b>	<b>3,565</b>	<b>1,406</b>	<b>1,680</b>	<b>1,913</b>
Net financing costs	(19)	(10)	(25)	(14)	(13)
Associates	0	(1)	(15)	(6)	(4)
Recurring non-operating income	0	(1)	(15)	(6)	(4)
Non-recurring items	0	0	0	0	0
<b>Profit before tax</b>	<b>5,276</b>	<b>3,554</b>	<b>1,365</b>	<b>1,660</b>	<b>1,897</b>
Tax	(1,009)	(703)	(276)	(333)	(380)
<b>Profit after tax</b>	<b>4,267</b>	<b>2,850</b>	<b>1,089</b>	<b>1,327</b>	<b>1,517</b>
Minority interests	(63)	(72)	(27)	(27)	(29)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>4,204</b>	<b>2,778</b>	<b>1,063</b>	<b>1,300</b>	<b>1,488</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>4,204</b>	<b>2,778</b>	<b>1,063</b>	<b>1,300</b>	<b>1,488</b>
<b>Per share (THB)</b>					
Recurring EPS *	0.38	0.25	0.10	0.12	0.14
Reported EPS	0.38	0.25	0.10	0.12	0.14
DPS	0.20	0.16	0.06	0.07	0.08
Diluted shares (used to calculate per share data)	11,000	11,000	11,000	11,000	11,000
<b>Growth</b>					
Revenue (%)	116.1	(14.0)	(23.9)	10.0	6.8
Operating EBITDA (%)	287.4	(30.1)	(53.2)	17.3	11.2
Operating EBIT (%)	379.7	(32.7)	(60.6)	19.5	13.9
Recurring EPS (%)	379.6	(33.9)	(61.7)	22.3	14.4
Reported EPS (%)	379.6	(33.9)	(61.7)	22.3	14.4
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	49.9	41.5	26.7	28.1	29.2
Gross margin exc. depreciation (%)	52.9	45.3	32.4	33.8	34.7
Operating EBITDA margin (%)	48.1	39.1	24.0	25.6	26.7
Operating EBIT margin (%)	45.1	35.3	18.3	19.9	21.2
Net margin (%)	35.8	27.5	13.8	15.4	16.5
Effective tax rate (%)	19.1	19.8	20.0	20.0	20.0
Dividend payout on recurring profit (%)	52.3	63.3	60.0	60.0	60.0
Interest cover (X)	271.9	349.5	54.9	120.5	152.5
Inventory days	15.6	18.5	18.1	16.9	17.1
Debtor days	17.1	24.8	37.8	37.8	37.1
Creditor days	46.6	55.9	58.0	54.2	54.8
Operating ROIC (%)	83.2	47.1	18.0	22.9	26.3
ROIC (%)	80.4	45.1	16.9	21.5	24.8
ROE (%)	72.5	36.8	14.2	16.8	17.6
ROA (%)	51.1	27.4	11.2	13.5	14.3
* Pre-exceptional, pre-goodwill and fully diluted					
<b>Revenue by Division (THB m)</b>					
Cash patient revenue	4,222	5,160	5,075	5,542	5,994
SSO patient revenue	1,928	2,149	2,402	2,697	2,806
NHSO patient revenue	5,592	2,794	212	222	234

Sources: Chularat Hospital; FSSIA estimates

## Financial Statements

### Chularat Hospital

Cash Flow (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Recurring net profit	4,204	2,778	1,063	1,300	1,488
Depreciation	351	382	440	486	496
Associates & minorities	-	-	-	-	-
Other non-cash items	50	117	27	27	29
Change in working capital	(540)	(696)	927	(96)	(8)
<b>Cash flow from operations</b>	<b>4,065</b>	<b>2,582</b>	<b>2,456</b>	<b>1,717</b>	<b>2,005</b>
Capex - maintenance	(539)	(777)	(600)	(423)	(361)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	0	(142)	0	0	0
Other investments (net)	-	-	-	-	-
<b>Cash flow from investing</b>	<b>(539)</b>	<b>(919)</b>	<b>(600)</b>	<b>(423)</b>	<b>(361)</b>
Dividends paid	(660)	(2,805)	(1,155)	(638)	(780)
Equity finance	0	0	0	0	0
Debt finance	(665)	356	(470)	0	0
Other financing cash flows	40	(3)	(27)	(27)	(29)
<b>Cash flow from financing</b>	<b>(1,284)</b>	<b>(2,452)</b>	<b>(1,652)</b>	<b>(664)</b>	<b>(809)</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>2,242</b>	<b>(789)</b>	<b>204</b>	<b>630</b>	<b>834</b>
Free cash flow to firm (FCFF)	3,547.55	1,679.02	1,885.59	1,312.50	1,661.91
Free cash flow to equity (FCFE)	2,901.73	2,016.07	1,358.99	1,267.28	1,614.04

#### Per share (THB)

FCFF per share	0.32	0.15	0.17	0.12	0.15
FCFE per share	0.26	0.18	0.12	0.12	0.15
Recurring cash flow per share	0.42	0.30	0.14	0.16	0.18

Balance Sheet (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Tangible fixed assets (gross)	7,129	7,867	8,467	8,891	9,252
Less: Accumulated depreciation	(2,661)	(2,987)	(3,427)	(3,913)	(4,409)
<b>Tangible fixed assets (net)</b>	<b>4,468</b>	<b>4,880</b>	<b>5,040</b>	<b>4,978</b>	<b>4,843</b>
<b>Intangible fixed assets (net)</b>	<b>47</b>	<b>47</b>	<b>47</b>	<b>47</b>	<b>47</b>
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	0	142	142	142	142
Cash & equivalents	2,790	2,001	2,205	2,834	3,668
A/C receivable	616	757	834	918	918
Inventories	295	265	249	269	283
Other current assets	2,196	2,036	887	976	1,042
<b>Current assets</b>	<b>5,897</b>	<b>5,058</b>	<b>4,175</b>	<b>4,998</b>	<b>5,912</b>
Other assets	137	152	152	152	152
<b>Total assets</b>	<b>10,550</b>	<b>10,280</b>	<b>9,557</b>	<b>10,317</b>	<b>11,096</b>
Common equity	7,569	7,523	7,431	8,094	8,801
Minorities etc.	272	341	341	341	341
<b>Total shareholders' equity</b>	<b>7,841</b>	<b>7,864</b>	<b>7,772</b>	<b>8,434</b>	<b>9,142</b>
Long term debt	480	470	0	0	0
Other long-term liabilities	137	233	233	233	233
<b>Long-term liabilities</b>	<b>617</b>	<b>704</b>	<b>233</b>	<b>233</b>	<b>233</b>
A/C payable	842	851	800	862	908
Short term debt	34	400	400	400	400
Other current liabilities	1,215	462	351	387	413
<b>Current liabilities</b>	<b>2,092</b>	<b>1,712</b>	<b>1,551</b>	<b>1,649</b>	<b>1,721</b>
<b>Total liabilities and shareholders' equity</b>	<b>10,550</b>	<b>10,280</b>	<b>9,557</b>	<b>10,317</b>	<b>11,096</b>
Net working capital	1,050	1,745	819	914	923
Invested capital	5,702	6,967	6,200	6,233	6,107

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

#### Per share (THB)

Book value per share	0.69	0.68	0.68	0.74	0.80
Tangible book value per share	0.68	0.68	0.67	0.73	0.80

#### Financial strength

Net debt/equity (%)	(29.0)	(14.4)	(23.2)	(28.9)	(35.8)
Net debt/total assets (%)	(21.6)	(11.0)	(18.9)	(23.6)	(29.5)
Current ratio (x)	2.8	3.0	2.7	3.0	3.4
CF interest cover (x)	150.0	198.7	54.7	92.2	129.9

Valuation	2021	2022	2023E	2024E	2025E
<b>Recurring P/E (x) *</b>	<b>8.3</b>	<b>12.6</b>	<b>32.9</b>	<b>26.9</b>	<b>23.5</b>
<b>Recurring P/E @ target price (x) *</b>	<b>10.2</b>	<b>15.4</b>	<b>40.4</b>	<b>33.0</b>	<b>28.8</b>
Reported P/E (x)	8.3	12.6	32.9	26.9	23.5
Dividend yield (%)	6.3	5.0	1.8	2.2	2.6
Price/book (x)	4.6	4.6	4.7	4.3	4.0
Price/tangible book (x)	4.7	4.7	4.7	4.3	4.0
EV/EBITDA (x) **	5.8	8.7	18.2	15.2	13.3
EV/EBITDA @ target price (x) **	7.2	10.7	22.5	18.8	16.6
EV/invested capital (x)	5.8	4.9	5.4	5.3	5.2

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

Sources: Chularat Hospital; FSSIA estimates



# Chularat Hospital PCL (CHG TB)

**FSSIA ESG rating**

**38.25 /100**
**Exhibit 15: 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.
★★	<b>&gt;19-39</b>	<b>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.</b>
★	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 16: ESG – peer comparison**

	FSSIA	----- Domestic ratings -----						----- Global ratings -----						--- Bloomberg ---	
	ESG score	DJSI	SET THSI	THSI	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](http://SETTRADE.com); FSSIA's compilation
**Exhibit 17: ESG score by Bloomberg**

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

Sources: Bloomberg; FSSIA's compilation

**Exhibit 18: ESG score by Bloomberg (cont.)**

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

Sources: Bloomberg; FSSIA's compilation

**Disclaimer for ESG scoring**

ESG score	Methodology	Rating																				
The Dow Jones Sustainability Indices (DJSI) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.	Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.																				
Sustainability Investment List (THSI) by The Stock Exchange of Thailand (SET)	THSI 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>THSI 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>SETTHSI Index</b> is extended from the THSI 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. Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality & peer reviews.	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+										
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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"> <tbody> <tr> <td>AAA</td> <td>8.571-10.000</td> <td rowspan="2"><b>Leader:</b></td> <td rowspan="2">leading its industry in managing the most significant ESG risks and opportunities</td> </tr> <tr> <td>AA</td> <td>7.143-8.570</td> </tr> <tr> <td>A</td> <td>5.714-7.142</td> <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>BBB</td> <td>4.286-5.713</td> </tr> <tr> <td>BB</td> <td>2.857-4.285</td> </tr> <tr> <td>B</td> <td>1.429-2.856</td> <td rowspan="2"><b>Laggard:</b></td> <td rowspan="2">lagging its industry based on its high exposure and failure to manage significant ESG risks</td> </tr> <tr> <td>CCC</td> <td>0.000-1.428</td> </tr> </tbody> </table>	AAA	8.571-10.000	<b>Leader:</b>	leading its industry in managing the most significant ESG risks and opportunities	AA	7.143-8.570	A	5.714-7.142	<b>Average:</b>	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	BBB	4.286-5.713	BB	2.857-4.285	B	1.429-2.856	<b>Laggard:</b>	lagging its industry based on its high exposure and failure to manage significant ESG risks	CCC	0.000-1.428	
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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

## GENERAL DISCLAIMER

### ANALYST(S) CERTIFICATION

Teerapol Udomvej, CFA 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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Company	Ticker	Price	Rating	Valuation & Risks
Chularat Hospital	CHG TB	THB 3.18	BUY	Downside risks to our DCF-based target price include 1) a slowdown in Thai patient volume due to economic concerns; 2) regulatory risks from drug price and medical bill controls; and 3) SSO provision expenses following limited budgets from the SSO.
Bangkok Dusit Medical Services	BDMS TB	THB 27.25	BUY	Downside risks to our DCF-based target price include 1) a slowdown in international patients due to economic concerns, political protests or floods; 2) regulatory risks from drug prices and medical bill controls; and 3) higher-than-expected capex and opex for CoE projects.
Bumrungrad Hospital	BH TB	THB 241.00	BUY	Downside risks to our DCF-based target price include 1) a slowdown in international patients due to economic concerns, political protests or floods; 2) regulatory risks from drug prices and medical bill controls; and 3) higher medical fee discount promotions, leading to a weaker EBITDA margin.
Bangkok Chain Hospital	BCH TB	THB 22.20	BUY	Downside risks to our DCF-based target price include 1) a slowdown in international patients due to economic concerns, political protests or floods; 2) regulatory risks from drug prices and medical bill controls; and 3) SSO provision expenses following a limited SSO budget.
Praram 9 Hospital	PR9 TB	THB 17.40	BUY	Downside risks to our DCF-based target price include 1) weak patient volumes following the economic slowdown; 2) regulatory risks from drug price and medical bill controls; and 3) higher-than-expected expenses from its new building.
Thonburi Healthcare Group	THG TB	THB 48.00	HOLD	Upside risks to our DCF-based target price include 1) a new Covid wave from a new variant; and 2) big-lot sales of Jin Wellbeing County units. Downside risks include 1) regulatory risks from drug prices and medical bill controls; and 2) a slowdown in international patients due to economic concerns.
Ramkhamhaeng Hospital	RAM TB	THB 32.25	BUY	Downside risks to our DCF-based target price include 1) weak patient volumes following the economic slowdown; 2) regulatory risks from drug price and medical bill controls; and 3) losses from its subsidiary companies.

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 29-Jan-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.