

SRIVICHAIVEJVIVAT
THAILAND / HEALTH CARE SERVICES

VIH TB

BUY

UNCHANGED

Looking beyond 4Q24 one-offs

- คาดว่ากำไรปกติ 4Q24 จะลดลง 12% y-y มาอยู่ที่ 87 ลบ. จากรายการพิเศษอันเกี่ยวข้องกับสำนักงานประกันสังคม (SSO) แต่น่าจะโต 5-7% y-y
- คาดว่ากำไรสุทธิปี 2025 จะกระโดดเพิ่ม 20% y-y เนื่องจากไม่มีการกลับรายการรายได้ SSO และมีการปรับราคาค่ารักษาพยาบาล
- คงคำแนะนำซื้อที่ราคาเป้าหมายใหม่ที่ 14.00 บาท (DCF)

TARGET PRICE	THB14.00
CLOSE	THB7.40
UP/DOWNSIDE	+89.2%
PRIOR TP	THB15.00
CHANGE IN TP	-6.7%
TP vs CONSENSUS	-

KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	2,734	2,832	3,005	3,262
Net profit	284	317	380	352
EPS (THB)	0.50	0.52	0.62	0.58
vs Consensus (%)	-	(3.7)	-	-
EBITDA	539	590	658	688
Recurring net profit	284	330	380	352
Core EPS (THB)	0.50	0.53	0.61	0.56
Chg. In EPS est. (%)	-	(2.9)	(2.1)	(2.5)
EPS growth (%)	(59.2)	5.6	15.3	(7.5)
Core P/E (x)	14.9	14.1	12.2	13.2
Dividend yield (%)	2.7	2.9	3.4	3.1
EV/EBITDA (x)	6.6	5.6	6.1	7.4
Price/book (x)	1.4	1.3	1.2	1.1
Net debt/Equity (%)	(22.9)	(34.5)	(13.7)	10.8
ROE (%)	9.4	10.1	10.4	8.9

คาดการณ์รายได้พิเศษจะกระทบกำไร 4Q24

เราคาดว่ารายได้จะลดลง 1-2% y-y โดยมีปัจจัยกดดันจากรายได้ SSO ซึ่งน่าจะลดลง 10% y-y จากการกลับรายได้ 24-28 ลบ. สำหรับการรักษาที่มีต้นทุนสูง (AdjRW>2) หลัง SSO ลดอัตราการจัดจ่ายเหลือ 8,000 บาท/RW จาก 12,000 บาท/RW สำหรับการรักษาในช่วง ก.ค. ถึง ธ.ค. 24 นอกจากนี้เรายังคาดว่ารายได้ผู้ป่วยทั่วไปจะค่อนข้างทรงตัว y-y จากอัตราการจัดจ่ายที่ลดลงของศูนย์โรคหัวใจซึ่งจะชดเชยกับการปรับราคาค่ารักษาพยาบาลตั้งแต่เดือน ต.ค. 24 ในภาพรวมเราคาดว่ากำไรปกติ 4Q24 จะลดลง 12% y-y มาอยู่ที่ 87 ลบ. ทั้งนี้ VIH อาจบันทึกค่าใช้จ่ายสำรอง 10-15 ลบ. อันเกี่ยวข้องกับคดีกับผู้รับเหมาช่วง บริษัทฯ ได้อุทธรณ์คำตัดสินของศาลชั้นต้นไปยังศาลอุทธรณ์ในเดือน ก.ค. 24 และปัจจุบันคดียังอยู่ระหว่างการพิจารณาของศาลฯ ดังนั้นเราจึงคาดว่ากำไรสุทธิ 4Q24 อยู่ที่ 72-77 ลบ. เมื่อหักรายการพิเศษกำไรปกติ น่าจะโต 5-7% y-y เป็น 104-106 ลบ.

คาดการณ์กำไรจะกลับมาโตในปี 2025

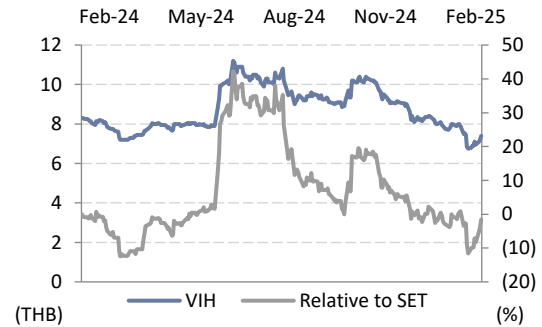
เราคาดว่ากำไรสุทธิปี 2025 จะกระโดดเพิ่ม 20% y-y เป็น 380 ลบ. เนื่องจากไม่มีการกลับรายการรายได้ SSO รวม 39-43 ลบ. (เทียบกับ 15 ลบ. ใน 3Q24 และ 24-28 ลบ. ใน 4Q24) เนื่องจาก SSO เปลี่ยนแผนการจัดจ่ายเป็นอัตราคงที่ที่ 12,000/RW ตั้งแต่วันที่ 1 ม.ค. 25 นอกจากนี้ VIH ยังปรับค่ารักษาพยาบาล 3-7% ในเดือน ต.ค. 24 ปัจจุบันดังกล่าวจะช่วยหนุน EBITDA margin เป็น 21.9% ในปี 2025 (เทียบกับ 20.8% ในปี 2024E)

ปรับลดประมาณการกำไรปกติ

เราปรับลดประมาณการกำไรปี 2024 ของเราลง 3% เพื่อสะท้อนการลดลงของอัตราการจัดจ่ายสำหรับการรักษาโรคที่มีต้นทุนสูงของ SSO และปรับลดประมาณการกำไรสุทธิปี 2025-26 ของเราลง 2-3% เพื่อสะท้อนรายได้ผู้ป่วยทั่วไปที่ลดลงตามเศรษฐกิจที่ชะลอตัวซึ่งทำให้เราได้ราคาเป้าหมายปี 2025 ใหม่อยู่ที่ 14 บาท (DCF) โดยจะประกอบด้วย 11.4 บาทสำหรับโรงพยาบาลในปัจจุบันและเงินสดและอีก 2.6 บาทสำหรับโรงพยาบาลใหม่

หุ้นมีการซื้อขายโดยมี Valuation ในระดับต่ำ

VIH มีการซื้อขายโดยมี Valuation ที่ไม่สมเหตุสมผลที่ 12x 2025E P/E (เทียบกับค่าเฉลี่ยของกลุ่มฯ ที่ 23x) พร้อมค่า EV/bed ที่ 7 ลบ. (เทียบกับค่าเฉลี่ยของกลุ่มฯ ที่ 28 ลบ.) และค่าใช้จ่ายในการลงทุนเฉลี่ย 8-12 ลบ. สำหรับโรงพยาบาลใหม่ในกรุงเทพฯ และต่างจังหวัด เราเห็นว่าตลาดที่อ่อนแอและผันผวนเป็นจุดเข้าซื้อที่ดีสำหรับนักลงทุนระยะยาวเพื่อรับผลตอบแทนในรูปแบบเงินปันผลที่คาดว่าจะอยู่ที่ 3-4% (บนสมมติฐานอัตราการจัดจ่ายเงินปันผลที่ 40%)



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(4.5)	(23.3)	(7.5)
Relative to country (%)	1.4	(11.3)	1.7
Mkt cap (USD m)			142
3m avg. daily turnover (USD m)			0.1
Free float (%)			33
Major shareholder			BBTV Equity (20%)
12m high/low (THB)			11.90/6.55
Issued shares (m)			627.73

Sources: Bloomberg consensus; FSSIA estimates



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บทวิเคราะห์ฉบับนี้แปลมาจากต้นฉบับภาษาอังกฤษ ที่ออกรายงานเมื่อวันที่ 20 กุมภาพันธ์ 2025

Investment thesis

VIH is in the growth phase. The four existing hospitals (483 beds) are ramping up, driven mainly by self-pay patients. The company plans to launch more complex medical products, which should improve revenue and margin profiles. We expect the EBITDA margin of existing hospitals to improve from 20% in 2023 to 22% in 2027.

VIH plans to open a new tertiary hospital (200 beds) in late 2026. The project has a strong potential for success due to its strategic location, lack of competition at the tertiary care level, and management's connections. It could significantly boost VIH's revenue and profits.

VIH has a healthy balance sheet with a net cash position. We estimate its IBD/E at only 0.3-0.4x during the new capex cycle from the new hospital.

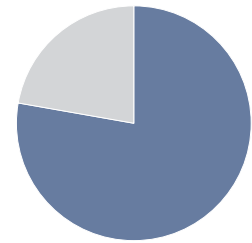
Company profile

VIH operates four private hospitals that provide specialty healthcare services in Thailand.

www.vichaivej.com

Principal activities (revenue, 2023)

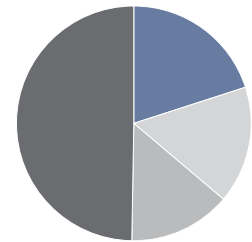
- Self pay patient revenue - 77.8 %
- SSO patient revenue - 22.2 %



Source: Srivichaivejvivat

Major shareholders

- BBTV Equity - 20.0 %
- Bavornrat Vanadurongwan - 16.2 %
- Pat Rojmahamongkol - 14.1 %
- Others - 49.7 %



Source: Srivichaivejvivat

Catalysts

Key potential growth drivers include 1) an improving EBITDA margin led by more complex treatments; 2) more Social Security Office (SSO) registered insurers; and 3) new hospitals focused on tertiary care.

Risks to our call

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

Event calendar

Date	Event
Feb 2025	4Q24 results announcement

Key assumptions

	2024E (%)	2025E (%)	2026E (%)
SSO volume growth	1	1	1
SSO revenue / patient growth	0	6	2
Self-pay - OPD volume growth	1	3	3
Self-pay - OPD revenue / patient growth	2	3	3
Self-pay - IPD volume growth	2	3	3
Self-pay - IPD revenue / patient growth	3	3	3

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in patient volume, we project 2025 earnings to rise by 2%, and vice versa, all else being equal.
- For every 1% increase in EBITDA margin, we project 2025 earnings to rise by 7%, and vice versa, all else being equal.

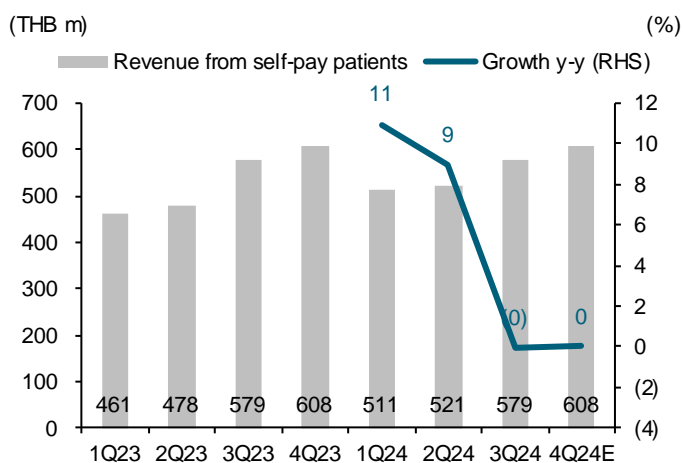
Source: FSSIA estimates

Exhibit 1: VIH – 4Q24 results 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 %)
Revenue	769	665	679	734	753	3	(2)	2,734	2,832	4
Cost of sales (Incl. depreciation)	(552)	(502)	(514)	(548)	(557)	2	1	(2,062)	(2,120)	3
Gross profit	217	163	165	186	196	5	(10)	671	712	6
SG&A	(100)	(80)	(79)	(80)	(98)	23	(2)	(337)	(340)	1
Operating profit	117	83	86	106	98	(8)	(17)	335	373	11
Other operating income	9	8	8	11	9	(22)	0	27	36	35
Dividend income	0	0	3	0	0			3	3	4
Equity income	0	0	0	0	0			-	-	
EBIT	126	91	97	118	107	(9)	(15)	364	411	13
Interest expense	(2)	(2)	(1)	(1)	(1)	0	(35)	(10)	(5)	(47)
EBT	124	89	95	116	105	(9)	(15)	354	406	15
Income tax	(24)	(17)	(18)	(23)	(18)	(22)	(27)	(69)	(75)	9
Minority interests	(0)	(0)	(0)	(0)	(0)	0	(16)	(1)	(1)	
Core profit	99	72	77	93	87	(6)	(12)	284	330	16
Extraordinaries					(13)				(13)	
Net income	99	72	77	93	74	(20)	(25)	284	317	16
Core EPS (THB)	0.17	0.13	0.12	0.15	0.14	(6)	(20)	0.50	0.53	6
No of share (m)	571	571	628	628	628	0	10	571	628	10
Cost (Excl. depreciation)	(508)	(458)	(470)	(502)	(512)	2	1	(1,887)	(1,941)	3
Depreciation & amortisation	(44)	(44)	(44)	(45)	(46)	0	3	(175)	(179)	2
EBITDA	170	135	140	163	152	(7)	(11)	539	590	9
Key ratios	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)	(%)	(ppt)
Gross margin	28	25	24	25	26	1	(2)	25	25	1
SG&A/Revenue	13	12	12	11	13	2	0	12	12	(0)
EBITDA margin	22	20	21	22	20	(2)	(2)	20	21	1
Net profit margin	13	11	11	13	10	(3)	(3)	10	12	1
Operating stats	(y-y %)	(y-y %)	(y-y %)	(y-y %)	(y-y %)					
Self-pay patient revenue growth	-	11	9	(0)	-					
SSO revenue growth	-	7	6	1	(10)					
SSO registered members ('000)	-	210	211	214	n/a					
SSO revenue per head	-	2,926	3,003	2,889	n/a					

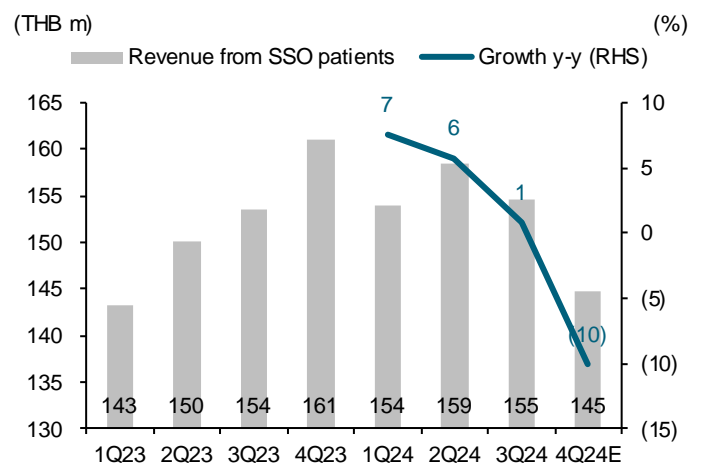
Sources: VIH; FSSIA estimates

Exhibit 2: Revenue from general patients, quarterly



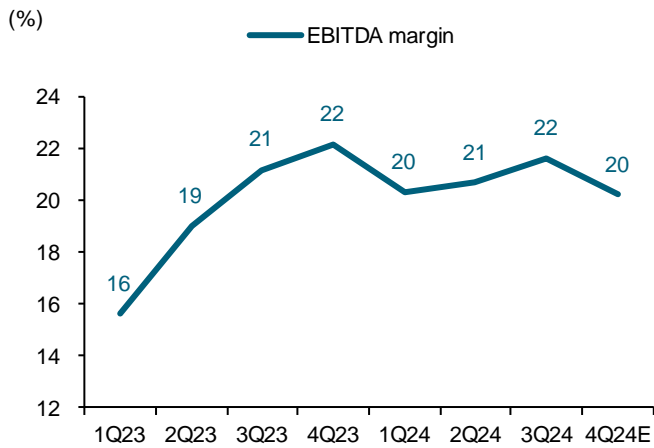
Sources: VIH; FSSIA estimates

Exhibit 3: SSO revenue, quarterly



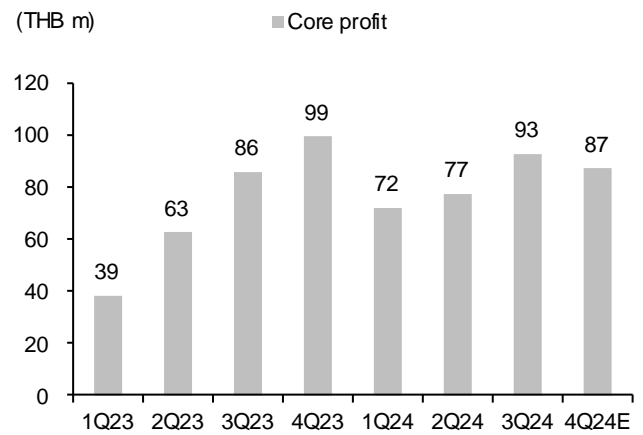
Sources: VIH; FSSIA estimates

Exhibit 4: EBITDA margin



Sources: VIH; FSSIA estimates

Exhibit 5: Quarterly profit



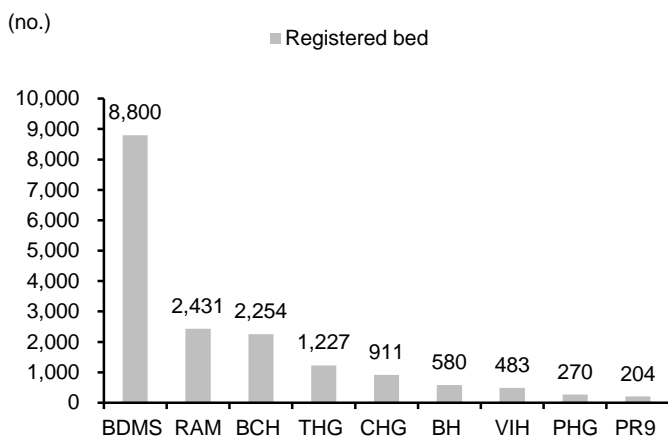
Source: VIH; FSSIA estimates

Exhibit 6: Forecast revisions

	Current			Previous			Change		
	2024E (THB m)	2025E (THB m)	2026E (THB m)	2024E (THB m)	2025E (THB m)	2026E (THB m)	2024E (%)	2025E (%)	2026E (%)
SSO registered members ('000)	211	213	216	211	213	216	0.0	0.0	0.0
SSO revenue per head (THB)	2,905	3,079	3,141	2,934	2,993	3,052	(1.0)	2.9	2.9
Cash-OPD visits number per day (no.)	3	3	4	3	3	4	0.0	0.0	0.0
Cash-OPD revenue per head (THB)	1,705	1,757	1,809	1,839	1,931	1,989	(7.3)	(9.0)	(9.0)
Cash-IPD admissions per day (no.)	0	0	0	0	0	0	(3.8)	(3.8)	(3.8)
Cash-IPD revenue per head (THB)	56,305	57,994	59,734	57,399	60,268	62,077	(1.9)	(3.8)	(3.8)
Revenue	2,832	3,005	3,262	2,969	3,168	3,435	(4.6)	(5.1)	(5.0)
EBITDA margin (%)	20.8	21.9	21.1	20.4	21.0	20.3	0.5	0.9	0.8
Core profit	330	380	352	340	388	361	(2.9)	(2.1)	(2.5)

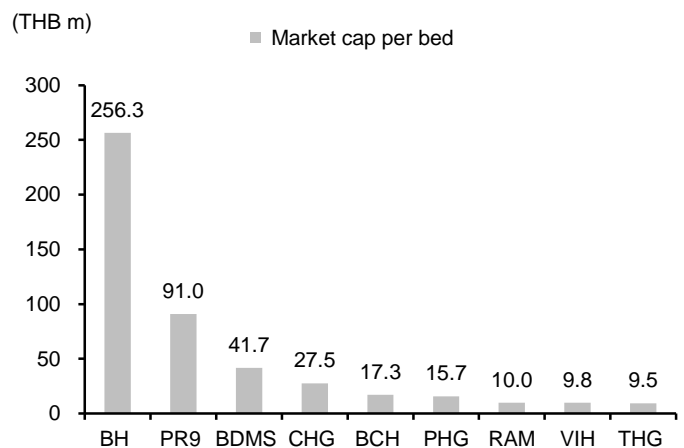
Note: Change of items in percentage terms is represented in ppt change
Source: FSSIA estimates

Exhibit 7: Number of registered beds



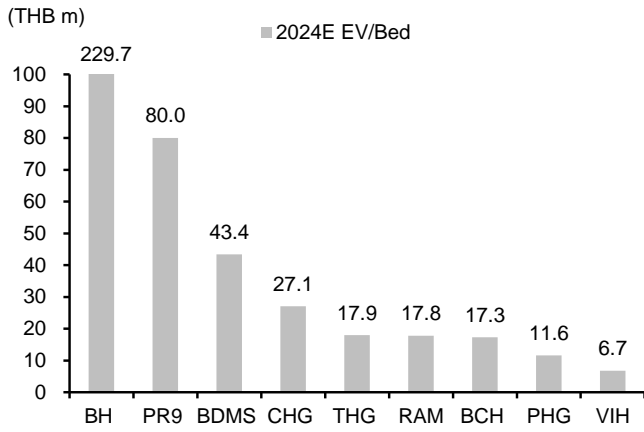
Note: RAM and THG calculated based on equity beds (% shareholder)
Source: FSSIA estimates

Exhibit 8: Market cap per bed



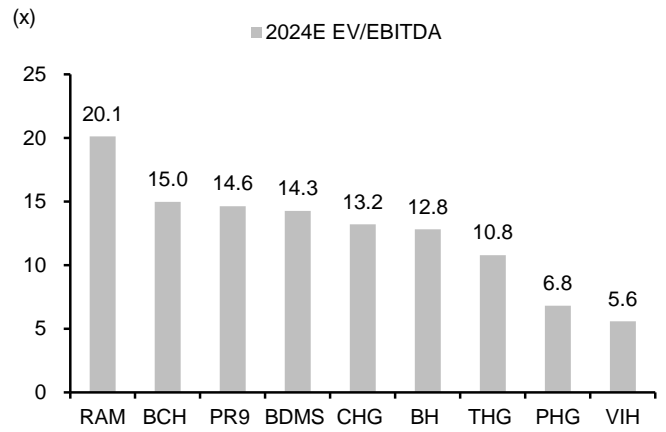
Note: RAM and THG calculated based on equity beds (% shareholder)
Source: FSSIA estimates

Exhibit 9: EV per bed



Note: RAM and THG calculated based on equity beds (% shareholder)
Source: FSSIA estimates

Exhibit 10: EV/EBITDA



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	5.5
Market risk premium	8.0	Marginal tax rate	20.0
Stock beta	1.0		
Cost of equity, Ke	11.0	Net cost of debt, Kd	4.4
Weight applied	85.0	Weight applied	15.0
WACC	10.0		

DCF valuation estimate	(THB b)	(THB/share)	Comments
Existing hospitals	6.7	10.6	WACC 10.0%, Terminal growth 3%
New hospital	1.6	2.6	WACC 10.0%, Terminal growth 3%, Discount factor 40%
Cash & liquid assets	0.8	1.3	At end-2025E
Investments	0.0	0.0	At end-2025E
Debt	(0.3)	(0.5)	At end-2025E
Minorities	(0.0)	(0.0)	At end-2025E
Residual ordinary equity	8.8	14.0	

Source: FSSIA estimates

Exhibit 12: Peer comparisons as of 19 February 2025

Company	BBG	Rec	Share price			Market Cap (USD m)	PE		ROE		PBV		EV/EBITDA	
			Current (LCY)	Target (LCY)	Upside (%)		24E (x)	25E (x)	24E (%)	25E (%)	24E (x)	25E (x)	24E (x)	25E (x)
Thailand														
Bangkok Dusit Med Service	BDMS TB	BUY	23.30	36.50	56.7	10,990	23.2	21.0	16.4	17.1	3.7	3.5	14.3	13.0
Bumrungrad Hospital	BH TB	BUY	185.00	285.00	54.1	4,365	19.2	18.5	29.7	26.9	5.3	4.7	12.8	12.0
Bangkok Chain Hospital	BCH TB	BUY	15.70	20.00	27.4	1,162	31.8	24.7	9.6	11.8	3.0	2.8	15.0	12.2
Chularat Hospital	CHG TB	BUY	2.28	3.40	49.1	744	24.4	19.9	13.4	15.6	3.2	3.0	13.2	11.1
Patrangsit Healthcare Group	PHG TB	BUY	14.30	21.00	46.9	127	14.8	13.1	14.3	15.1	2.0	1.9	6.8	6.2
Praram 9 Hospital	PR9 TB	BUY	23.60	30.00	27.1	551	26.0	22.7	13.6	14.3	3.4	3.1	14.6	12.7
Thonburi Healthcare Group	THG TB	HOLD	14.00	40.00	185.7	352	23.7	14.8	4.9	7.6	1.2	1.1	10.8	8.9
Ramkhamhaeng Hospital	RAM TB	BUY	20.40	44.00	115.7	727	14.6	12.4	8.9	10.0	1.3	1.2	20.1	15.9
Srivichai Vejvivat	VIH TB	BUY	7.40	14.00	89.2	142	14.1	12.2	10.1	10.4	1.3	1.2	5.6	6.1
Rajthanee Hospital	RJH TB	n/a	18.60	n/a	n/a	159	10.8	11.8	25.7	22.7	2.6	2.4	9.6	9.3
Ekachai Medical Care	EKH TB	n/a	6.25	n/a	n/a	157	15.6	15.9	12.4	11.8	1.9	2.0	9.8	9.5
Thailand average						19,477	19.8	17.0	14.4	14.8	2.6	2.4	12.1	10.6
Regional														
Ramsay Health Care	RHC AU	n/a	34.49	n/a	n/a	5,055	27.7	26.1	6.5	6.1	1.6	1.6	8.9	8.6
Ihh Healthcare Bhd	IHH SP	n/a	2.18	n/a	n/a	14,345	33.1	31.3	6.9	6.7	2.1	2.0	14.0	13.0
Ryman Healthcare	RYM NZ	n/a	4.32	n/a	n/a	1,699	10.8	18.6	7.0	3.8	0.6	0.6	15.6	15.7
Apollo Hospitals Enterprise	APHS IN	n/a	6,423	n/a	n/a	10,624	99.4	63.9	14.1	18.9	13.2	11.4	40.4	31.9
Kpj Healthcare Berhad	KPJ MK	n/a	2.39	n/a	n/a	2,414	35.5	31.0	12.3	13.3	4.3	4.0	15.7	14.4
Raffles Medical Group	RFMD SP	n/a	0.83	n/a	n/a	1,151	23.1	21.3	6.6	7.0	1.5	1.4	10.8	10.2
Mitra Keluarga Karyasehat	MIKA IJ	n/a	2,510	n/a	n/a	2,076	30.2	27.3	18.8	18.8	5.2	4.7	18.4	16.6
Aier Eye Hospital Group	300015 CH	n/a	13.96	n/a	n/a	17,905	35.1	31.0	17.9	17.9	6.0	5.2	20.9	18.6
Regional average						55,269	36.8	31.3	11.3	11.6	4.3	3.9	18.1	16.1
Overall average						74,747	27.0	23.0	13.1	13.5	3.3	3.0	14.6	12.9

Sources: Bloomberg; FSSIA estimates

Financial Statements

Srivichaivejvivat

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	3,646	2,734	2,832	3,005	3,262
Cost of goods sold	(2,362)	(2,062)	(2,120)	(2,222)	(2,408)
Gross profit	1,284	671	712	784	853
Other operating income	16	29	39	40	41
Operating costs	(417)	(337)	(340)	(352)	(418)
Operating EBITDA	1,053	539	590	658	688
Depreciation	(170)	(175)	(179)	(186)	(212)
Goodwill amortisation	-	-	-	-	-
Operating EBIT	883	364	411	472	476
Net financing costs	(11)	(10)	(5)	(1)	(21)
Associates	0	0	0	0	0
Recurring non-operating income	0	0	0	0	0
Non-recurring items	0	0	(13)	0	0
Profit before tax	872	354	393	471	455
Tax	(173)	(69)	(75)	(89)	(102)
Profit after tax	699	285	318	381	353
Minority interests	(3)	(1)	(1)	(1)	(1)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	697	284	317	380	352
Non-recurring items & goodwill (net)	0	0	13	0	0
Recurring net profit	697	284	330	380	352
Per share (THB)					
Recurring EPS *	1.22	0.50	0.53	0.61	0.56
Reported EPS	1.22	0.50	0.52	0.62	0.58
DPS	0.45	0.20	0.22	0.25	0.23
Diluted shares (used to calculate per share data)	571	571	628	628	628
Growth					
Revenue (%)	(22.7)	(25.0)	3.6	6.1	8.5
Operating EBITDA (%)	(40.3)	(48.8)	9.4	11.5	4.5
Operating EBIT (%)	(45.0)	(58.8)	13.0	14.8	0.8
Recurring EPS (%)	(44.5)	(59.2)	5.6	15.3	(7.5)
Reported EPS (%)	(44.5)	(59.2)	4.7	20.0	(7.5)
Operating performance					
Gross margin inc. depreciation (%)	35.2	24.6	25.2	26.1	26.2
Gross margin exc. depreciation (%)	39.9	31.0	31.5	32.3	32.7
Operating EBITDA margin (%)	28.9	19.7	20.8	21.9	21.1
Operating EBIT margin (%)	24.2	13.3	14.5	15.7	14.6
Net margin (%)	19.1	10.4	11.6	12.7	10.8
Effective tax rate (%)	19.8	19.5	18.5	19.0	22.4
Dividend payout on recurring profit (%)	36.9	40.2	41.3	41.3	41.3
Interest cover (X)	80.2	36.8	78.1	377.7	23.1
Inventory days	10.2	11.4	10.9	10.8	10.7
Debtor days	55.3	60.6	63.4	61.5	56.6
Creditor days	71.4	70.7	67.8	67.2	66.2
Operating ROIC (%)	37.0	13.2	14.5	13.8	9.4
ROIC (%)	35.4	12.7	14.0	13.3	9.2
ROE (%)	24.9	9.4	10.1	10.4	8.9
ROA (%)	19.3	8.0	8.7	8.9	6.9
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Self pay patient revenue	3,106	2,126	2,219	2,348	2,584
SSO patient revenue	540	608	614	657	677

Sources: Srivichaivejvivat; FSSIA estimates

Financial Statements

Srivichaivejvivat

Cash Flow (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Recurring net profit	697	284	330	380	352
Depreciation	170	175	179	186	212
Associates & minorities	-	-	-	-	-
Other non-cash items	(2)	(1)	(12)	1	1
Change in working capital	71	(97)	(19)	16	27
Cash flow from operations	936	361	478	584	592
Capex - maintenance	(648)	(284)	(142)	(1,150)	(1,558)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	0	0	0	0	0
Other investments (net)	-	-	-	-	-
Cash flow from investing	(648)	(284)	(142)	(1,150)	(1,558)
Dividends paid	(285)	(257)	(114)	(132)	(152)
Equity finance	0	0	303	0	152
Debt finance	(123)	(61)	(75)	250	1,200
Other financing cash flows	(1)	0	(1)	(1)	(1)
Cash flow from financing	(410)	(318)	112	117	1,199
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	(122)	(241)	449	(450)	233
Free cash flow to firm (FCFF)	298.63	86.97	341.45	(565.32)	(945.23)
Free cash flow to equity (FCFE)	163.04	16.67	259.65	(317.75)	232.85

Per share (THB)	2022	2023	2024E	2025E	2026E
FCFF per share	0.48	0.14	0.54	(0.90)	(1.51)
FCFE per share	0.26	0.03	0.41	(0.51)	0.37
Recurring cash flow per share	1.52	0.80	0.82	0.93	0.93

Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Tangible fixed assets (gross)	3,760	3,975	4,117	5,267	6,825
Less: Accumulated depreciation	(1,705)	(1,811)	(1,990)	(2,176)	(2,388)
Tangible fixed assets (net)	2,055	2,164	2,127	3,091	4,437
Intangible fixed assets (net)	0	0	0	0	0
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	0	0	0	0	0
Cash & equivalents	1,063	822	1,271	821	1,054
A/C receivable	429	478	506	506	506
Inventories	61	57	59	62	67
Other current assets	11	11	11	12	13
Current assets	1,564	1,368	1,847	1,401	1,640
Other assets	88	87	87	87	87
Total assets	3,708	3,619	4,061	4,579	6,164
Common equity	3,001	3,029	3,535	3,783	4,135
Minorities etc.	7	8	8	8	8
Total shareholders' equity	3,008	3,037	3,542	3,791	4,143
Long term debt	186	125	50	300	1,500
Other long-term liabilities	74	70	70	70	70
Long-term liabilities	260	195	120	370	1,570
A/C payable	376	355	366	383	414
Short term debt	0	0	0	0	0
Other current liabilities	64	32	33	35	38
Current liabilities	439	387	398	418	451
Total liabilities and shareholders' equity	3,708	3,619	4,061	4,579	6,164
Net working capital	62	159	178	162	134
Invested capital	2,205	2,410	2,391	3,339	4,658

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

Per share (THB)	2022	2023	2024E	2025E	2026E
Book value per share	5.26	5.31	5.81	6.21	6.59
Tangible book value per share	5.26	5.31	5.81	6.21	6.59

Financial strength	2022	2023	2024E	2025E	2026E
Net debt/equity (%)	(29.1)	(22.9)	(34.5)	(13.7)	10.8
Net debt/total assets (%)	(23.6)	(19.3)	(30.1)	(11.4)	7.2
Current ratio (x)	3.6	3.5	4.6	3.4	3.6
CF interest cover (x)	15.8	2.7	50.3	(253.2)	12.3

Valuation	2022	2023	2024E	2025E	2026E
Recurring P/E (x) *	6.1	14.9	14.1	12.2	13.2
Recurring P/E @ target price (x) *	11.5	28.1	26.6	23.1	25.0
Reported P/E (x)	6.1	14.9	14.2	11.8	12.8
Dividend yield (%)	6.1	2.7	2.9	3.4	3.1
Price/book (x)	1.4	1.4	1.3	1.2	1.1
Price/tangible book (x)	1.4	1.4	1.3	1.2	1.1
EV/EBITDA (x) **	3.2	6.6	5.6	6.1	7.4
EV/EBITDA @ target price (x) **	6.8	13.5	12.4	12.2	13.4
EV/invested capital (x)	1.5	1.5	1.4	1.2	1.1

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

Sources: Srivichaivejvivat; FSSIA estimates

Disclaimer for ESG scoring

ESG score	Methodology	Rating																			
The Dow Jones Sustainability Indices (DJSI) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.	Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.																			
SET ESG Ratings List (SETESG) by The Stock Exchange of Thailand (SET)	SET ESG quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria include: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years.	To be eligible for SETESG inclusion , verified data must be scored at a minimum of 50% for each indicator, unless the company is a part of DJSI during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality. SETESG Index is extended from the SET ESG Ratings companies whose 1) market capitalization > THB5b (~USD150b); 2) free float >20%; and 3) liquidity >0.5% of paid-up capital for at least 9 out of 12 months. The SETTHSI Index is a market capitalisation-weighted index, cap 5% quarterly weight at maximum, and no cap for number of stocks.																			
CG Score by Thai Institute of Directors Association (Thai IOD)	An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.	Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (60-69), and not rated for scores below 50. Weightings include: 1) the rights; 2) and equitable treatment of shareholders (weight 25% combined); 3) the role of stakeholders (25%); 4) disclosure & transparency (15%); and 5) board responsibilities (35%).																			
AGM level By Thai Investors Association (TIA) with support from the SEC	It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). <i>(The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.)</i>	The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.																			
Thai CAC By Thai Private Sector Collective Action Against Corruption (CAC)	The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. <i>(Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.)</i>	The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.																			
Morningstar Sustainalytics	The Sustainalytics' ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. <i>Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality & peer reviews.</i>	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. <table border="1" style="margin-top: 10px;"> <thead> <tr> <th>NEGL</th> <th>Low</th> <th>Medium</th> <th>High</th> <th>Severe</th> </tr> </thead> <tbody> <tr> <td>0-10</td> <td>10-20</td> <td>20-30</td> <td>30-40</td> <td>40+</td> </tr> </tbody> </table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+									
NEGL	Low	Medium	High	Severe																	
0-10	10-20	20-30	30-40	40+																	
ESG Book	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.	The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.																			
MSCI	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. <table border="1" style="margin-top: 10px;"> <tbody> <tr> <td>AAA</td> <td>8.571-10.000</td> <td rowspan="3">Leader:</td> <td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td> </tr> <tr> <td>AA</td> <td>7.143-8.570</td> </tr> <tr> <td>A</td> <td>5.714-7.142</td> </tr> <tr> <td>BBB</td> <td>4.286-5.713</td> <td rowspan="3">Average:</td> <td rowspan="3">a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td> </tr> <tr> <td>BB</td> <td>2.857-4.285</td> </tr> <tr> <td>B</td> <td>1.429-2.856</td> </tr> <tr> <td>CCC</td> <td>0.000-1.428</td> <td>Laggard:</td> <td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td> </tr> </tbody> </table>	AAA	8.571-10.000	Leader:	leading its industry in managing the most significant ESG risks and opportunities	AA	7.143-8.570	A	5.714-7.142	BBB	4.286-5.713	Average:	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	BB	2.857-4.285	B	1.429-2.856	CCC	0.000-1.428	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks
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Moody's ESG solutions	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.																				
Refinitiv ESG rating	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. <i>(Score ratings are 0 to 25 = poor; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.)</i>																				
S&P Global	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.																				
Bloomberg	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.																			
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.																			

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

Source: FSSIA's compilation

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

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

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Company	Ticker	Price	Rating	Valuation & Risks
Srivichaivejvivat	VIH TB	THB 7.40	BUY	Downside risks to our DCF-based target price include 1) a slowdown in Thai patient volume due to economic slowdown; 2) regulatory risks from drug price and medical bill controls; and 3) SSO provision expenses following limited budgets from the SSO.
Bangkok Dusit Medical Services	BDMS TB	THB 23.30	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) higher-than-expected capex and opex for CoE projects.
Bumrungrad Hospital	BH TB	THB 185.00	HOLD	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. Upside risks include the return of Kuwaiti patients with the potential to gain more market share if only three hospitals are in the approved list (from 17-20 hospitals previously).
Bangkok Chain Hospital	BCH TB	THB 15.70	BUY	Downside risks to our DCF-based target price include 1) a slowdown in international patients due to economic concerns, political protests or floods; 2) regulatory risks from drug prices and medical bill controls; and 3) SSO provision expenses following a limited SSO budget.
Chularat Hospital	CHG TB	THB 2.28	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.
Patrangsit Healthcare Group	PHG TB	THB 14.30	BUY	Downside risks to our DCF-based target price include 1) a slowdown in Thai patient volume due to economic slowdown; 2) regulatory risks from drug price and medical bill controls; and 3) SSO provision expenses following limited budgets from the SSO.
Praram 9 Hospital	PR9 TB	THB 23.60	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 14.00	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 20.40	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) 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 19-Feb-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.