BUY (Unchanged)

Change in Numbers

TP: Bt 31.00 (From: Bt30.00)

Upside : 44.9%

30 NOVEMBER 2021

Small Cap Research

Bangkok Chain Hospital (BCH TB)

In the attractive zone

SIRIPORN ARUNOTHAI
662 – 779 9113
siriporn.aru@thanachartsec.co.th

Thanachart Securities

We see BCH entering what we see as a very compelling valuation zone at 22.1x PE in 2022F and we reaffirm our BUY rating. COVID-19 infections have subsided but aren't going away and we still expect BCH's earnings base in 2022-23F to stay far above 2019 levels.

Underperformed too much, in our view

We reaffirm our BUY call on BCH. ***First,*** after its significant recent underperformance vs. the SET, we see BCH's share price as very attractive (vs. the otherwise standard healthcare sector PE of 30-40x) at only 22.1x 2022F PE. ***Second***, given a huge earnings windfall from COVID services, we expect BCH to pay a Bt1.0 DPS or a 5% yield for its 2H21F performance. ***Third***, as COVID cases have yet to fade away and given stronger-than-expected 3Q21 results, we lift our earnings by 89/17/14% over 2021-23F and DCF-based 12-month TP (2022F base year) to Bt31.0 from Bt30.0. After our upgrades, our EPS growth estimates are +374/-59/-9% in 2021-23F, while BCH's 2022-23F earnings base is still at Bt2.3bn p.a., or 102% higher than in 2019.

Lengthy windfall and recurring income

COVID infections have subsided but they are not going away just yet. Given the country's reopening during a re-resurgence of COVID cases in many countries ahead of winter, we expect BCH to enjoy its COVID windfall for a big longer. We also expect some COVID-related revenues, including screening, IPD admission and alternative vaccines, to become recurring revenue. We estimate BCH's revenue from COVID-related services at Bt10.7/4.0/2.3bn, or 55/28/16% of total revenue in 2021-23F.

Strong recovery of non-COVID patients

The COVID situation for most of this year has delayed elective surgeries and chronic patient hospital visits by cash and Social Security (SS) patients. This pent-up demand for hospital care is set to return in 4Q21F. BCH is also likely to get an additional SS quota of 300k people in 2022F, up 23% from 2021 levels to 1.5m. We forecast BCH's non-COVID revenue to grow by 21/15% in 2022-23F, vs. 8% in 2021F. The 2021F growth is mainly led by revenue from three new hospitals and rising revenue from foreign patients at the World Medical Center (WMC). Excluding non-COVID revenue at those three new hospitals, we expect BCH's non-COVID cash patients to be flat this year.

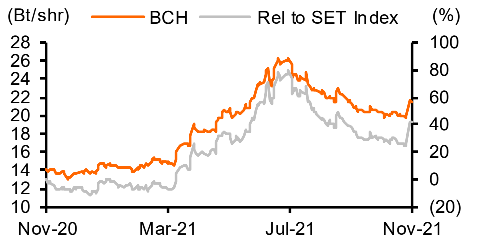
New earnings base

Though we project a 59/9% drop in earnings in 2022-23F from falling COVID income, we still expect BCH's earnings base in those years at Bt2.4/2.2bn to be double 2019's level of Bt1.1bn. Drivers are revenues from a non-COVID patient recovery, recurring COVID-related services, alternative vaccine income, a rising SS quota at existing hospitals and a new hospital in Prachinburi province, an increasing intensity level from new excellence centers for heart disease, diabetes, IVF, etc., and the return of foreign patients benefiting its premium hospital WMC.

COMPANY VALUATION

Y/E Dec (Bt m)	2020A	2021F	2022F	2023F
Sales	8,928	19,393	14,449	14,303
Net profit	1,229	5,825	2,411	2,183
Consensus NP	—	4,872	1,948	1,777
Diff frm cons (%)	—	*19.6*	*23.8*	*22.9*
Norm profit	1,229	5,825	2,411	2,183
Prev. Norm profit	—	3,077	2,064	1,921
Chg frm prev (%)	—	*89.3*	*16.8*	*13.6*
Norm EPS (Bt)	0.5	2.3	1.0	0.9
Norm EPS grw (%)	8.3	373.8	(58.6)	(9.5)
Norm PE (x)	43.4	9.2	22.1	24.5
EV/EBITDA (x)	23.6	6.6	12.7	13.7
P/BV (x)	7.8	4.9	4.9	4.5
Div yield (%)	1.1	6.0	2.5	2.2
ROE (%)	18.7	65.8	22.1	19.1
Net D/E (%)	82.4	33.5	16.0	2.4

PRICE PERFORMANCE



COMPANY INFORMATION

Price *as of* 30-Nov-21 (Bt)	21.40
Market Cap (US$ m)	1,583.7
Listed Shares (m shares)	2,493.7
Free Float (%)	50.0
Avg Daily Turnover (US$ m)	17.5
12M Price H/L (Bt)	26.25/13.00
Sector	Health Care
Major Shareholder	Harnphanich Family 50%

Sources: Bloomberg, Company data, Thanachart estimates

Ex 1: Changes In Our Key Assumptions And Earnings Revisions

	2019	2020	2021F	2022F	2023F	2024F
Revenue from cash patients (Bt m)						
- New	5,791	4,803	5,527	6,955	8,232	9,468
- Old			4,360	5,390	6,477	7,659
- Change (%)			*26.8*	*29.0*	*27.1*	*23.6*
Revenue from SSS patients (Bt m)						
- New	3,089	3,239	3,134	3,521	3,789	3,940
- Old			3,181	3,424	3,573	3,662
- Change (%)			*(1.5)*	*2.8*	*6.0*	*7.6*
Revenue from COVID-related services (Bt m)						
- New		887	10,733	3,974	2,282	1,591
- Old			10,426	3,037	1,441	1,011
- Change (%)			*2.9*	*30.8*	*58.4*	*57.4*
Gross profit margin (%)						
- New	31.8	33.1	47.9	34.6	32.9	32.6
- Old			31.6	31.2	31.9	32.6
- Change (pp)			*16.3*	*3.4*	*1.0*	—
SG&A to sales (%)						
- New	13.9	13.6	7.3	10.6	11.9	12.3
- Old			9.7	12.3	13.1	13.2
- Change (pp)			*(2.5)*	*(1.8)*	*(1.2)*	*(0.9)*
BCH's normalized profit (Bt m)						
- New	1,135	1,229	5,825	2,411	2,183	2,302
- Old			3,077	2,064	1,921	2,203
- Change (%)			*89.3*	*16.8*	*13.6*	*4.5*

Sources: Company data, Thanachart estimates

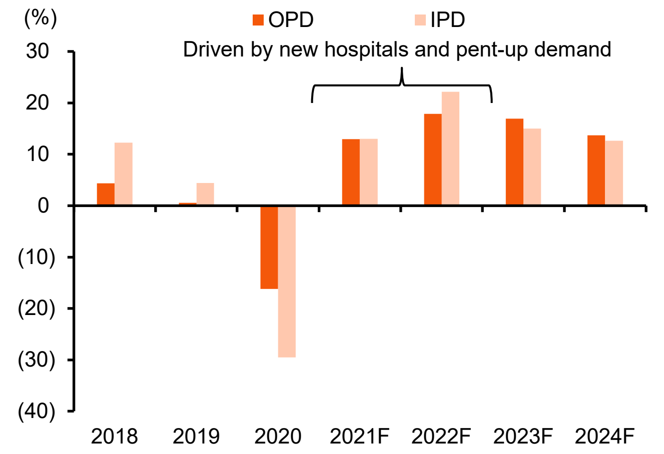
Ex 2: COVID-19 Service Capacity Update

Hospitals	Active/registered beds (in hospitals)	COVID bed capacity		Lab test capacity (cases/day)
		In hospitals	In 'hospitels'/field hospitals	
BCH	2,254	1,200	9,050	16,000
BDMS	6,570	2,750	6,000	10,000
BH	580	n.a.	n.a.	450
CHG	749	200	7,400	2,500-3,000
LPH	190	15	300	300
PR9	166	40	72	n.a.
RJH	292	83	950	1,000
RPH	197	30	500	300
THG	812	100	5,500	1,000

Source: Company data

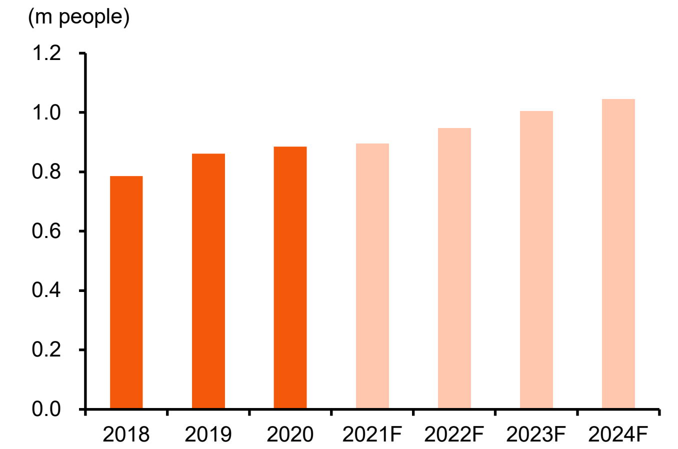
Note: Hospitels are hospitals-cum-hotels

Ex 3: Non-COVID Cash Patient Growth



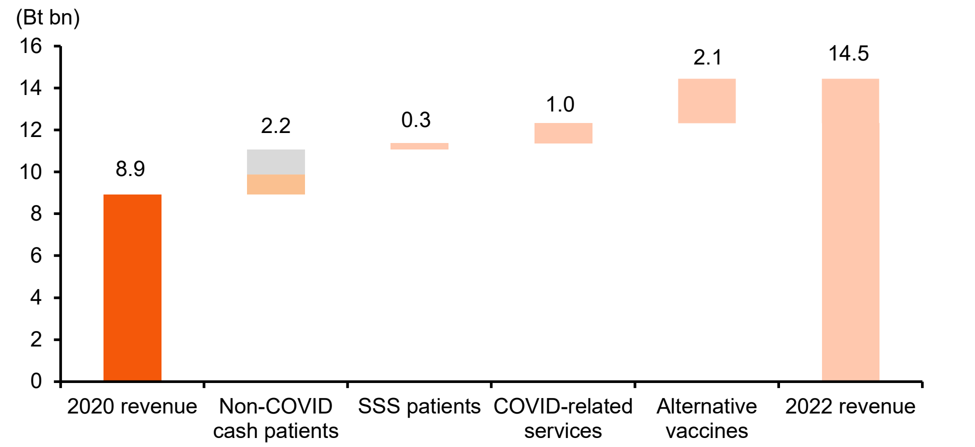
Sources: Company data, Thanachart estimates

Ex 4: Number Of SS-Registered Persons



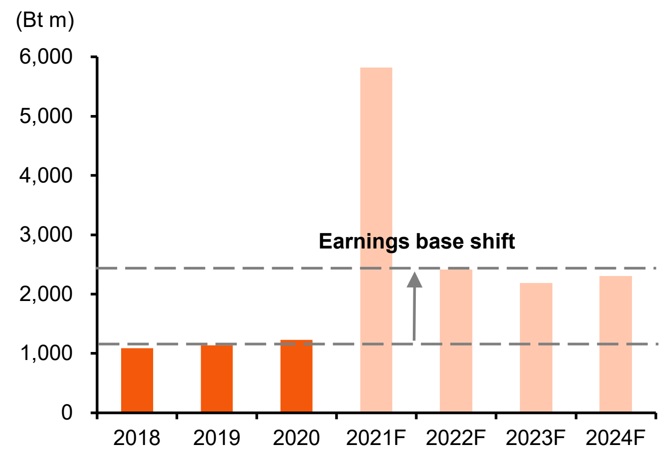
Sources: Company data, Thanachart estimates

Ex 5: 2022F Revenue vs. 2020 Level



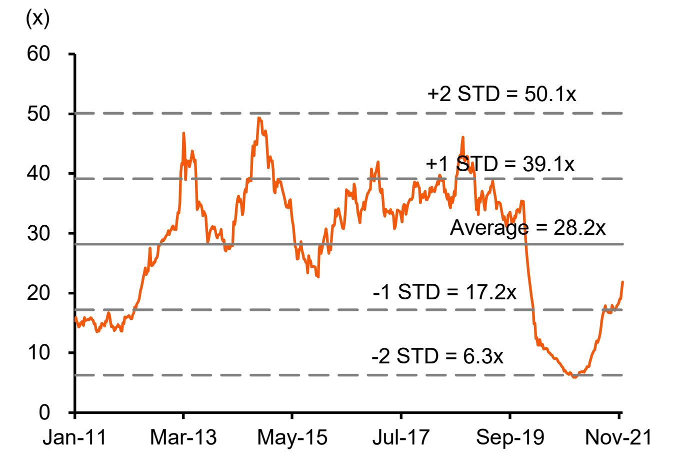
Sources: Company data, Thanachart estimates

Ex 6: BCH's New Earnings Base



Sources: Company data, Thanachart estimates

Ex 7: BCH'S PE Band Chart



Sources: Bloomberg, Thanachart estimates

Ex 8: 12-month DCF-based TP Calculation Using A Base Year Of 2022F

(Bt m)	2022F	2023F	2024F	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F	Terminal Value
EBITDA excl. depre from right of use	4,366	3,922	3,949	4,367	4,767	5,132	5,463	5,783	6,112	6,464	6,831	—
Free cash flow	4,011	2,948	3,035	3,309	3,439	3,760	4,053	4,323	4,589	4,873	5,175	108,161
PV of free cash flow	4,000	2,628	2,554	2,582	2,522	2,591	2,625	2,631	2,625	2,505	2,488	52,006

Risk-free rate (%)	2.5
Market risk premium (%)	8.0
Beta	0.6
WACC (%)	5.9
Terminal growth (%)	2.0
Enterprise value	**81,758**
Net debt (end-2021F)	4,034
Minority interest	1,228
Equity value	76,496
# of shares (m)	2,494
Equity value/share (Bt)	**31.0**

Sources: Company data, Thanachart estimates

Valuation Comparison

Ex 9: Valuation Comparison With Regional Peers

Name	BBG code	Country	Market Cap (US$ m)	EPS growth 21F (%)	EPS growth 22F (%)	PE 21F (x)	PE 22F (x)	P/BV 21F (x)	P/BV 22F (x)	EV/EBITDA 21F (x)	EV/EBITDA 22F (x)	Div yield 21F (%)	Div yield 22F (%)
Ramsay Healthcare	RHC AU	Australia	10,893	19.8	(10.5)	32.5	36.3	3.7	3.7	12.6	12.7	1.7	1.7
Guangzhou Pharmaceutical	874 HK	Hong Kong	7,019	20.8	4.3	8.7	8.3	1.1	1.0	7.4	7.1	2.2	2.3
Lijun Int'l Pharmaceutical	2005 HK	Hong Kong	1,503	(2.7)	39.6	13.8	9.9	1.9	1.7	9.5	7.3	3.3	4.4
Apollo Hospitals Enterprise	APHS IN	India	10,934	na	934.8	956.8	92.5	19.5	14.8	74.7	37.1	0.1	0.2
Fortis Healthcare India	FORH IN	India	2,829	na	na	na	61.7	3.2	3.2	56.0	20.9	0.0	0.0
KPJ Healthcare	KPJ MK	Malaysia	1,060	(44.8)	156.3	64.4	25.1	2.1	1.9	15.5	11.8	1.1	1.8
IHH Healthcare Bhd	IHH MK	Malaysia	13,766	155.6	13.0	40.9	36.2	2.5	2.3	17.3	16.1	0.8	1.0
Ryman	RYM NZ	New Zealand	4,195	(7.6)	1.5	26.5	26.1	2.4	1.9	31.4	19.6	1.9	1.6
Raffles Medical Group	RFMD SP	Singapore	1,861	78.3	0.0	33.2	33.2	2.7	2.7	18.5	17.4	2.1	1.8
Bangkok Chain Hospital *	BCH TB	Thailand	1,584	373.8	(58.6)	9.2	22.1	4.9	4.9	6.6	12.7	6.0	2.5
Bangkok Dusit Medical *	BDMS TB	Thailand	10,517	15.6	16.1	50.7	43.7	4.0	3.8	27.3	24.5	1.1	1.3
Bumrungrad Hospital *	BH TB	Thailand	3,395	(20.0)	69.0	119.2	70.5	6.7	7.1	47.9	35.2	2.1	2.1
Chularat Hospital *	CHG TB	Thailand	1,267	176.2	(34.9)	17.6	27.1	8.0	7.8	13.6	20.7	4.0	2.6
Ladprao General Hospital *	LPH TB	Thailand	120	49.6	(13.0)	18.9	21.7	2.7	2.6	10.5	11.3	4.2	3.7
Praram 9 Hospital *	PR9 TB	Thailand	250	3.9	20.0	40.1	33.4	2.0	1.9	15.0	13.1	1.1	1.3
Rajthanee Hospital *	RJH TB	Thailand	303	76.6	(21.5)	15.6	19.8	5.9	5.7	10.8	13.3	5.1	4.0
Ratchaphruek Hospital *	RPH TB	Thailand	97	13.0	18.2	30.9	26.1	2.4	2.3	16.2	14.5	2.5	2.9
Thonburi Healthcare Group*	THG TB	Thailand	857	na	(5.6)	61.2	64.8	3.6	3.5	19.9	24.7	1.1	1.1
Average				**60.5**	**66.4**	**90.6**	**36.6**	**4.4**	**4.0**	**22.8**	**17.8**	**2.2**	**2.0**

Source: Bloomberg

Note: * Thanachart estimates, using Thanachart normalized EPS

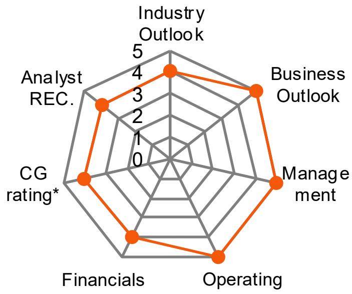
Based on 30 Nov 2021 closing prices

COMPANY DESCRIPTION

Bangkok Chain Hospital (BCH) runs 15 hospitals, located in Bangkok and upcountry, with a total number of licensed beds of 2,254 at end 3Q21. Its patient portfolio is divided into 1) cash or self-pay (including Civil Servants); and 2) patients under the Social Security Scheme. The company held an IPO and was listed on the Stock Exchange of Thailand (SET) at the beginning of 2004.

Source: Thanachart

COMPANY RATING



Rating Scale	
Excellent	**5**
Good	**4**
Fair	**3**
Weak	**2**
Very Weak	**1**
None	**0**

Source: Thanachart; * CG Rating

THANACHART'S SWOT ANALYSIS

S — Strength

- Management has substantial experience in the hospital business, particularly in the mid-tier and managed-care markets.
- Revenue is diversified.

W — Weakness

- BCH has long been recognized as the largest managed-care private hospital, which could be a barrier to expanding into new client segments.

O — Opportunity

- Limited public healthcare supply in Thailand.
- Capacity expansion to support rising healthcare demand in the future.
- Aging society mega trend.
- Rising patient flows from neighbouring countries.
- Covid-19 pandemic.

T — Threat

- Growing importance of franchise names and big players such as BDMS, which have entered the mid-market segment.
- Slow economy.
- Regulatory risk.
- Covid-19 pandemic.

CONSENSUS COMPARISON

	Consensus	Thanachart	Diff
Target price (Bt)	25.94	31.00	20%
Net profit 21F (Bt m)	4,872	5,825	20%
Net profit 22F (Bt m)	1,948	2,411	24%
Consensus REC	**BUY: 17**	**HOLD: 4**	**SELL: 1**

HOW ARE WE DIFFERENT FROM THE STREET?

- Our earnings and DCF-based TP are higher than the Bloomberg consensus numbers, which we attribute to us having a more bullish view on BCH's non-COVID and COVID-related services.

Sources: Bloomberg consensus, Thanachart estimates

RISKS TO OUR INVESTMENT CASE

- The key downside risk to our call would be if BCH's strategy of boosting revenue from the cash-patient business were to turn out worse than our current expectation.
- A secondary downside risk would be if BCH's registered patients under the SSS were to come in lower than our current assumptions.
- If BCH's new hospitals turn around slower than our current expectation, this would present another downside risk to our call.

Source: Thanachart

2022-23F earnings shift up to a new base

No significant new investments planned in 2022-23

INCOME STATEMENT

FY ending Dec (Bt m)	2019A	2020A	2021F	2022F	2023F
Sales	8,880	8,928	19,393	14,449	14,303
Cost of sales	6,052	5,975	10,103	9,453	9,598
Gross profit	**2,828**	**2,953**	**9,290**	**4,997**	**4,704**
% gross margin	31.8%	33.1%	47.9%	34.6%	32.9%
Selling & administration expenses	1,232	1,213	1,408	1,526	1,699
Operating profit	**1,597**	**1,741**	**7,883**	**3,471**	**3,006**
% operating margin	18.0%	19.5%	40.6%	24.0%	21.0%
Depreciation & amortization	665	788	863	895	916
EBITDA	**2,261**	**2,529**	**8,746**	**4,366**	**3,922**
% EBITDA margin	25.5%	28.3%	45.1%	30.2%	27.4%
Non-operating income	116	93	129	89	93
Non-operating expenses	0	0	0	0	0
Interest expense	(131)	(132)	(145)	(96)	(48)
Pre-tax profit	**1,582**	**1,702**	**7,867**	**3,464**	**3,051**
Income tax	286	313	1,558	686	604
After-tax profit	**1,296**	**1,389**	**6,309**	**2,778**	**2,447**
% net margin	14.6%	15.6%	32.5%	19.2%	17.1%
Shares in affiliates' Earnings	2	3	2	2	2
Minority interests	(163)	(163)	(486)	(369)	(266)
Extraordinary items	0	0	0	0	0
NET PROFIT	**1,135**	**1,229**	**5,825**	**2,411**	**2,183**
Normalized profit	**1,135**	**1,229**	**5,825**	**2,411**	**2,183**
EPS (Bt)	0.5	0.5	2.3	1.0	0.9
Normalized EPS (Bt)	0.5	0.5	2.3	1.0	0.9

BALANCE SHEET

FY ending Dec (Bt m)	2019A	2020A	2021F	2022F	2023F
ASSETS:					
Current assets:	2,967	3,538	5,054	3,724	3,503
Cash & cash equivalent	879	946	302	302	302
Account receivables	1,817	2,303	4,251	2,969	2,743
Inventories	231	250	415	388	394
Others	40	40	87	65	64
Investments & loans	37	32	32	32	32
Net fixed assets	9,615	11,438	11,135	11,240	11,024
Other assets	1,497	1,519	3,300	2,459	2,434
Total assets	**14,116**	**16,527**	**19,521**	**17,454**	**16,992**
LIABILITIES:					
Current liabilities:	2,186	5,667	5,202	3,584	2,647
Account payables	494	565	941	881	894
Bank overdraft & ST loans	419	2,165	1,301	694	189
Current LT debt	299	2,121	1,214	648	176
Others current liabilities	974	816	1,746	1,362	1,388
Total LT debt	**4,760**	**2,946**	**1,821**	**972**	**264**
Others LT liabilities	192	288	449	335	331
Total liabilities	**7,137**	**8,901**	**7,472**	**4,890**	**3,243**
Minority interest	730	742	1,228	1,597	1,863
Preferreds shares	0	0	0	0	0
Paid-up capital	2,494	2,494	2,494	2,494	2,494
Share premium	645	645	645	645	645
Warrants	0	0	0	0	0
Surplus	(75)	(92)	(92)	(92)	(92)
Retained earnings	**3,184**	**3,838**	**7,774**	**7,920**	**8,840**
Shareholders' equity	6,248	6,885	10,821	10,967	11,886
Liabilities & equity	**14,116**	**16,527**	**19,521**	**17,454**	**16,992**

Sources: Company data, Thanachart estimates

Strong cash flows from operations

CASH FLOW STATEMENT

FY ending Dec (Bt m)	2019A	2020A	2021F	2022F	2023F
Earnings before tax	1,582	1,702	7,867	3,464	3,051
Tax paid	(289)	(291)	(1,414)	(750)	(610)
Depreciation & amortization	665	788	863	895	916
Chg In w orking capital	(308)	(433)	(1,737)	1,248	234
Chg In other CA & CL / minorities	(28)	(327)	730	(297)	36
Cash flow from operations	**1,622**	**1,438**	**6,308**	**4,561**	**3,626**
Capex	(1,753)	(2,605)	(560)	(1,000)	(700)
Right of use	0	(6)	0	0	0
ST loans & investments	0	0	0	0	0
LT loans & investments	2	5	0	0	0
Adj for asset revaluation	0	0	0	0	0
Chg In other assets & liabilities	73	74	(1,607)	727	22
Cash flow from investments	**(1,678)**	**(2,532)**	**(2,167)**	**(273)**	**(678)**
Debt financing	778	1,754	(2,897)	(2,022)	(1,684)
Capital increase	0	0	0	0	0
Dividends paid	(549)	(574)	(1,889)	(2,265)	(1,263)
Warrants & other surplus	(40)	(19)	0	0	0
Cash flow from financing	**190**	**1,161**	**(4,786)**	**(4,287)**	**(2,947)**
Free cash flow	**(131)**	**(1,167)**	**5,748**	**3,561**	**2,926**

Attractive valuation, in our view

VALUATION

FY ending Dec	2019A	2020A	2021F	2022F	2023F
Normalized PE (x)	47.0	43.4	9.2	22.1	24.5
Normalized PE - at target price (x)	68.1	62.9	13.3	32.1	35.4
PE (x)	47.0	43.4	9.2	22.1	24.5
PE - at target price (x)	68.1	62.9	13.3	32.1	35.4
EV/EBITDA (x)	25.6	23.6	6.6	12.7	13.7
EV/EBITDA - at target price (x)	36.2	33.1	9.3	18.2	19.8
P/BV (x)	8.5	7.8	4.9	4.9	4.5
P/BV - at target price (x)	12.4	11.2	7.1	7.0	6.5
P/CFO (x)	32.9	37.1	8.5	11.7	14.7
Price/sales (x)	6.0	6.0	2.8	3.7	3.7
Dividend yield (%)	1.1	1.1	6.0	2.5	2.2
FCF Yield (%)	(0.2)	(2.2)	10.8	6.7	5.5
(Bt)					
Normalized EPS	0.5	0.5	2.3	1.0	0.9
EPS	0.5	0.5	2.3	1.0	0.9
DPS	0.2	0.2	1.3	0.5	0.5
BV/share	2.5	2.8	4.3	4.4	4.8
CFO/share	0.7	0.6	2.5	1.8	1.5
FCF/share	(0.1)	(0.5)	2.3	1.4	1.2

Sources: Company data, Thanachart estimates

FINANCIAL RATIOS

Robust financial status

FY ending Dec	2019A	2020A	2021F	2022F	2023F
Growth Rate					
Sales (%)	10.0	0.5	117.2	(25.5)	(1.0)
Net profit (%)	4.2	8.3	373.8	(58.6)	(9.5)
EPS (%)	4.2	8.3	373.8	(58.6)	(9.5)
Normalized profit (%)	4.2	8.3	373.8	(58.6)	(9.5)
Normalized EPS (%)	4.2	8.3	373.8	(58.6)	(9.5)
Dividend payout ratio (%)	50.5	46.7	55.0	55.0	55.0
Operating performance					
Gross margin (%)	31.8	33.1	47.9	34.6	32.9
Operating margin (%)	18.0	19.5	40.6	24.0	21.0
EBITDA margin (%)	25.5	28.3	45.1	30.2	27.4
Net margin (%)	14.6	15.6	32.5	19.2	17.1
D/E (incl. minor) (x)	0.8	0.9	0.4	0.2	0.0
Net D/E (incl. minor) (x)	0.7	0.8	0.3	0.2	0.0
Interest coverage - EBIT (x)	12.2	13.2	54.5	36.3	62.9
Interest coverage - EBITDA (x)	17.3	19.1	60.4	45.7	82.0
ROA - using norm profit (%)	8.5	8.0	32.3	13.0	12.7
ROE - using norm profit (%)	19.0	18.7	65.8	22.1	19.1
DuPont					
ROE - using after tax profit (%)	21.7	21.2	71.3	25.5	21.4
- asset turnover (x)	0.7	0.6	1.1	0.8	0.8
- operating margin (%)	19.3	20.5	41.3	24.6	21.7
- leverage (x)	2.2	2.3	2.0	1.7	1.5
- interest burden (%)	92.4	92.8	98.2	97.3	98.5
- tax burden (%)	81.9	81.6	80.2	80.2	80.2
WACC (%)	5.9	5.9	5.9	5.9	5.9
ROIC (%)	13.5	13.1	48.0	18.7	18.6
NOPAT (Bt m)	1,308	1,421	6,322	2,784	2,410
invested capital (Bt m)	10,847	13,171	14,855	12,978	12,213

Sources: Company data, Thanachart estimates

General Disclaimers And Disclosures:

This report is prepared by analysts who are employed by the research department of TNS. While the information is from sources believed to be reliable, neither the information nor the forecasts shall be taken as a representation or warranty for which TNS or TCAP or its group companies or any of their employees incur any responsibility. This report is provided to you for informational purposes only and it is not, and is not to be construed as, an offer or an invitation to make an offer to sell or buy any securities. Neither TNS, TCAP nor its group companies accept any liability whatsoever for any direct or consequential loss arising from any use of this report or its contents.

The information and opinions contained herein have been compiled or arrived at from sources believed reliable. However, TNS, TCAP and its group companies make no representation or warranty, express or implied, as to their accuracy or completeness. Expressions of opinion herein are subject to change without notice. The use of any information, forecasts and opinions contained in this report shall be at the sole discretion and risk of the user.

TNS, TCAP and its group companies perform and seek to perform business with companies covered in this report. TNS, TCAP, its group companies, their employees and directors may have positions and financial interest in securities mentioned in this report. TNS, TCAP or its group companies may from time to time perform investment banking or other services for, or solicit investment banking or other business from, any entity mentioned in this report. Therefore, investors should be aware of conflict of interest that may affect the objectivity of this report.

Note: Thanachart Securities Public Company Limited act as a Market Maker and Derivative Warrants Issuer. At present, TNS has issued 136 Derivative Warrants which are ACE16C2111A, ACE16C2201A, ACE16C2202A, ADVA16C2201A, ADVA16C2202A, AEON16C2201A, AEON16C2201B, AMAT16C2112A, AOT16C2112A, AOT16C2202A, BAM16C2112A, BANP16C2112A, BANP16C2201A, BANP16C2202A, BBL16C2201A, BBL16C2203A, BCH16C2111A, BCH16C2111B, BCH16C2201A, BCH16C2203A, BCPG16C2111A, BEC16C2202A, BGRI16C2112A, CBG16C2201A, CBG16C2202A, CHG16C2111A, CHG16C2112A, CHG16C2202A, COM716C2112A, COM716C2203A, CPAL16C2111A, CPAL16C2112A, CPAL16C2203A, CPF16C2112A, CPN16C2202A, DELT16C2112A, DELT16C2202A, DELT16C2203A, DOHO16C2111A, DOHO16C2112A, DOHO16C2202A, DTAC16C2112A, EA16C2201A, ESSO16C2202A, GLOB16C2201A, GLOB16C2203A, GPSC16C2201A, GPSC16C2201B, GPSC16C2203A, GULF16C2112A, GULF16C2202A, GUNK16C2112A, GUNK16C2201A, GUNK16C2203A, HANA16C2112A, HANA16C2202A, HMPR16C2202A, INTU16C2201A, INTU16C2202A, IRPC16C2112A, IVL16C2111A, IVL16C2202A, JAS16C2202A, JMAR16C2111A, JMAR16C2201A, JMAR16C2202A, JMT16C2201A, JMT16C2203A, KBAN16C2111A, KBAN16C2111B, KBAN16C2201A, KBAN16C2202A, KCE16C2201A, KTC16C2112A, KTC16C2202A, LH16C2202A, MAJO16C2201A, MEGA16C2112A, MINT16C2112A, MINT16C2203A, MTC16C2112A, MTC16C2202A, OR16C2112A, OR16C2202A, OR16C2203A, PTG16C2201A, PTG16C2202A, PTG16C2203A, PTL16C2201A, PTL16C2202A, PTL16C2202B, PTT16C2112A, PTT16C2201A, PTT16C2203A, PTTE16C2112A, PTTE16C2203A, PTTG16C2111A, RBF16C2112A, RBF16C2202A, RS16C2112A, RS16C2201A, S5016C2112A, S5016C2112B, S5016C2112C, S5016C2112D, S5016C2203A, S5016P2112A, S5016P2112B, S5016P2112C, S5016P2112D, S5016P2203A, SAWA16C2112A, SAWA16C2202A, SCB16C2111A, SCB16C2112A, SCB16C2201A, SCB16C2202A, SCC16C2112A, SCGP16C2201A, SCGP16C2202A, SPAL16C2202A, SPRC16C2201A, STA16C2112A, STA16C2201A, STEC16C2201A, STGT16C2111A, STGT16C2202A, SYNE16C2202A, TASC16C2201A, TOP16C2112A, TOP16C2202A, TRUE16C2202A, TRUE16C2203A, TU16C2111A, TU16C2202A, WHA16C2202A (underlying securities are ACE, ADVANC, AEONTS, AMATA, AOT, BAM, BANPU, BBL, BCH, BCPG, BEC, BGRIM, CBG, CHG, COM7, CPALL, CPF, CPN, DELTA, DOHOME, DTAC, EA, ESSO, GLOBAL, GPSC, GULF, GUNKUL, HANA, HMPRO, INTUCH, IRPC, IVL, JAS, JMART, JMT, KBANK, KCE, KTC, LH, MAJOR, MEGA, MINT, MTC, OR, PTG, PTL, PTT, PTTEP, PTTGC, RBF, RS, SAWAD, SCB, SCC, SCGP, SPALI, SPRC, SET50, STA, STEC, STGT, SYNTEC, TASCO, TOP, TRUE, TU, WHA). Since TNS covers those underlying securities in research report, consequently TNS incurs conflicts of interest. Moreover, Investors are advised to carefully review the details and information in the prospectus before making investment decisions.

Note: Thanachart Securities has an indirect financial interest in Ratchthani Leasing Pcl (THANI). Thanachart Securities Pcl is a subsidiary of Thanachart Capital Pcl (TCAP) which holds more than 56% of the shareholding in Ratchthani Leasing Pcl (THANI).

Note: Thanachart Capital Public Company Limited (TCAP), TMBThanachart Bank Public Company Limited (TTB), are related companies to Thanachart Securities Public Company Limited (TNS). Thanachart Securities Pcl is a subsidiary of Thanachart Capital Pcl (TCAP) which holds 20.1% of the shareholding in TMBThanachart Bank Pcl.

Thanachart Capital Public Company Limited (TCAP), Ratchthani Leasing Public Company Limited (THANI), TMB Public Company Limited, MBK PUBLIC COMPANY LIMITED (MBK) and PATUM RICE MILL AND GRANARY PUBLIC COMPANY LIMTED (PRG) are related companies to Thanachart Securities Public Company Limited (TNS) . Since TNS covers those securities in research report, consequently TNS incurs conflicts of interest.

Disclosure of Interest of Thanachart Securities

Investment Banking Relationship

Within the preceding 12 months, Thanachart Securities has lead-managed public offerings and/or secondary offerings (excluding straight bonds) of the securities of the following companies: Saksiam Leasing Pcl. (SAK TB), SCG Packaging Pcl (SCGP TB)

Recommendation Structure:

Recommendations are based on absolute upside or downside, which is the difference between the target price and the current market price. If the upside is 10% or more, the recommendation is BUY. If the downside is 10% or more, the recommendation is SELL. For stocks where the upside or downside is less than 10%, the recommendation is HOLD. 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 the market price and the formal recommendation.

For sectors, an "Overweight" sector weighting is used when we have BUYs on majority of the stocks under our coverage by market cap. "Underweight" is used when we have SELLs on majority of the stocks we cover by market cap. "Neutral" is used when there are relatively equal weightings of BUYs and SELLs.

Thanachart Securities Pcl.

Research Team
19 Floor, MBK Tower
444 Phayathai Road, Pathumwan Road, Bangkok 10330
Tel: 662 - 779-9119
Email: thanachart.res@thanachartsec.co.th

Pimpaka Nichgaroon, CFA
Head of Research
Tel: 662-779-9199
pimpaka.nic@thanachartsec.co.th

Pattarawan Wangmingmat
Senior Technical Analyst
Tel: 662-779-9105
pattarawan.wan@thanachartsec.co.th

Phannarai Tiyapittayarut
Property, Retail
Tel: 662-779-9109
phannarai.von@thanachartsec.co.th

Sarachada Sornsong
Bank, Finance, Insurance
Tel: 662-779-9106
sarachada.sor@thanachartsec.co.th

Sittichet Rungrassameephat
Analyst, Quantitative
Tel: 662-483-8303
sittichet.run@thanachartsec.co.th

Adisak Phupiphathirungul, CFA
Retail Market Strategy
Tel: 662-779-9120
adisak.phu@thanachartsec.co.th

Nuttapop Prasitsuksant
Telecom, Utilities
Tel: 662-483-8296
nuttapop.pra@thanachartsec.co.th

Rata Limsuthiwanpoom
Auto, Industrial Estate, Media, Prop. Fund
Tel: 662-483-8297
rata.lim@thanachartsec.co.th

Siriporn Arunothai
Small Cap, Healthcare, Hotel
Tel: 662-779-9113
siriporn.aru@thanachartsec.co.th

Thaloengsak Kucharoenpaisan
Analyst, Retail Market
Tel: 662-483-8304
thaloengsak.kuc@thanachartsec.co.th

Chak Reungsinpinya
Energy, Petrochemical, Paper
Tel: 662-779-9104
chak.reu@thanachartsec.co.th

Pattadol Bunnak
Electronics, Food & Beverage, Shipping
Tel: 662-483-8298
pattadol.bun@thanachartsec.co.th

Saksid Phadthananarak
Construction, Transportation
Tel: 662-779-9112
saksid.pha@thanachartsec.co.th

Witchanan Tambamroong
Technical Analyst
Tel: 662-779-9123
witchanan.tam@thanachartsec.co.th