

27 AUGUST 2020

THAILAND / COMMERCE

## SRI TRANG GLOVES (THAILAND)

BUY

UNCHANGED

## STGT TB

TARGET PRICE	THB116.00
CLOSE	THB70.25
UP/DOWNSIDE	+65.1%
PRIOR TP	THB111.00
CHANGE IN TP	+4.5%
TP vs CONSENSUS	+10.3%

## ทำไมที่แข็งแกร่งและมั่นคงยังไม่อยู่ในราคาหุ้น

ราคาหุ้นที่ปรับลงอย่างไม่สมเหตุผลเปิดโอกาสการลงทุน

เราเชื่อว่าราคาหุ้น STGT ที่ปรับลง 16% ในช่วงเวลาเพียง 2 วันนี้เป็นผลมาจากการที่นักลงทุนอ่อนไหวกับข่าวที่เกี่ยวกับวัคซีน พัฒนาการของวัคซีนเมื่อเร็ว ๆ นี้ทำให้ราคาหุ้นของผู้ผลิตถุงมือยางทั้ง 5 รายใหญ่ของโลก ไม่ว่าจะเป็น STGT, Top Glove (TOPG MK), Hartalega Holdings (HART MK), Kossan Rubber Industries (KRI MK) และ Supermax Corp (SUCB MK) ปรับลงมากกว่า 20% ภายในเวลาไม่ถึง 4 วัน

## กำไรสุทธิแข็งแกร่งอย่างชัดเจนใน 3Q20-2Q21

เราคาดว่า STGT จะมีกำไรสุทธิ 2 พัน ลบ. ใน 3Q20 และ 3.8 พัน ลบ. ใน 4Q20 ซึ่งจะทำให้กำไรสุทธิทั้งปี 2020 เป็น 6.3 พัน ลบ. เพิ่มขึ้นจากปี 2019 ที่ทำได้ 0.6 พัน ลบ. เราคาดว่าโมเมนตัมการเติบโตของกำไรสุทธิของ STGT จะยังคงแข็งแกร่งในอีก 4 ไตรมาสข้างหน้าและมีแนวโน้มจะดีกว่าคาดการณ์ของ BBG consensus และเรายังเชื่อว่า STGT จะได้รับคำสั่งซื้อล่วงหน้ายาวไปจนถึงสิ้นปี 2021 ทั้งถุงมือยางธรรมชาติทั้งแบบมีแป้งและไม่มีแป้ง รวมถึงถุงมือยาง NBR ซึ่งมีสัดส่วน 37% ของยอดขายถุงมือยางของ STGT ในปี 2020-21

## ราคาขายเฉลี่ยที่สูงขึ้นมากหักล้างการเพิ่มขึ้นของต้นทุนวัตถุดิบได้

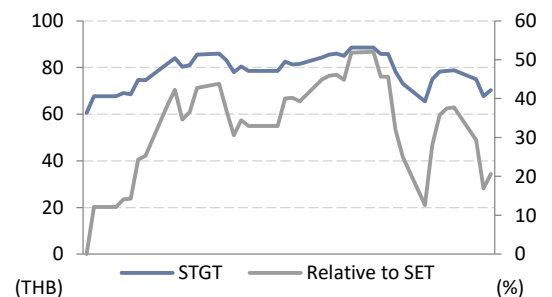
STGT ได้กำหนดราคาขายเฉลี่ยใน 3Q20 ไปแล้วที่ USD35 ต่อ 1,000 ชิ้น (ptp) และ USD40 ต่อ 1,000 ชิ้น (ptp) ใน 4Q20 ปัจจุบันบริษัทอยู่ระหว่างการตั้งนโยบายราคาขายใหม่สำหรับช่วง 1H21 ที่ราคา USD60 ต่อ 1,000 ชิ้น (ptp) สำหรับถุงมือยางไนไตรล์ และ USD48 ต่อ 1,000 ชิ้น (ptp) สำหรับถุงมือยางธรรมชาติแบบไม่มีแป้ง และ USD42 ต่อ 1,000 ชิ้น (ptp) สำหรับถุงมือยางธรรมชาติแบบมีแป้ง และกำลังกำหนดให้ ราคา USD40 ต่อ 1,000 ชิ้น (ptp) ซึ่งเป็นราคาเฉลี่ยใน 4Q20 เป็นราคาขายต่ำสุดสำหรับถุงมือยางทั้ง 3 ประเภทใน 1H21 ทั้งนี้เราปรับเพิ่มคาดการณ์ราคาน้ำยางธรรมชาติเข้มข้น (CL) ขึ้น 6-12% สำหรับปี 2020-21 และราคาน้ำยางสังเคราะห์ (SL) ขึ้น 12% สำหรับปี 2020 ตาม guidance ล่าสุดของผู้บริหาร

## ปรับราคาเป้าหมายขึ้นเป็น 116 บาท ยังคงแนะนำซื้อ

เราปรับประมาณการ EPS growth ปี 2020-22 ขึ้น 47-68% บนสมมติฐานดังนี้ 1) ปรับเพิ่มราคาขายเฉลี่ยสำหรับปี 2020-22 ขึ้น 16.4-16.6% 2) ปรับเพิ่มราคา CL ขึ้น 6-12% ในปี 2020-21 และราคา SL ในปี 2020 ขึ้น 12% จากแนวโน้มอุปสงค์และอุปทานที่ตึงตัว และ 3) ปรับเพิ่มอัตราการใช้กำลังการผลิตปี 2020 ขึ้น 4% จาก 92% เป็น 96% เราปรับเพิ่มราคาเป้าหมายจาก 111 บาทซึ่งอิง P/E FY21E ที่ 25x เป็น 116 บาท อิง P/E 17x FY21E สะท้อนประมาณการ EPS ที่ปรับขึ้น เราคิดว่าสมมติฐาน P/E 17x FY21E มีความ conservative เพราะต่ำกว่า TOPG's และเท่ากับระดับก่อน COVID-19

## KEY STOCK DATA

YE Dec (THB m)	2019	2020E	2021E	2022E
Revenue	11,994	22,982	30,446	30,142
Net profit	614	6,267	9,796	6,641
EPS (THB)	0.62	4.38	6.85	4.64
vs Consensus (%)	-	(8.0)	21.9	41.6
EBITDA	1,502	8,097	12,119	9,404
Core net profit	614	6,267	9,796	6,641
Core EPS (THB)	0.62	4.38	6.85	4.64
Chg. In EPS est. (%)	-	47.1	54.5	68.0
EPS growth (%)	(87.6)	606.3	56.3	(32.2)
Core P/E (x)	113.3	16.0	10.3	15.1
Dividend yield (%)	0.2	1.0	1.1	1.3
EV/EBITDA (x)	50.6	11.1	6.9	8.5
Price/book (x)	15.8	4.2	3.1	2.6
Net debt/Equity (%)	147.3	(43.4)	(51.9)	(54.4)
ROE (%)	18.0	44.5	34.7	18.8



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(10.5)	n/a	n/a
Relative to country (%)	(9.3)	n/a	n/a
Mkt cap (USD m)	3,201		
3m avg. daily turnover (USD m)	n/a		
Free float (%)	30		
Major shareholder	STA & Sincharoenkul family (65%)		
12m high/low (THB)	90.00/55.25		
Issued shares (m)	1,430.78		

Sources: Bloomberg consensus; FSSIA estimates



Suwat Sinsadok

suwat.sin@fssia.com  
+66 2611 3558

Siriluck Pinthusoonthorn

siriluck.pin@fssia.com  
+66 2611 3562

PREPARED BY FSS INTERNATIONAL INVESTMENT ADVISORY SECURITIES CO LTD (FSSIA). ANALYST CERTIFICATION AND IMPORTANT DISCLOSURES CAN BE FOUND AT THE END OF THIS REPORT

บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 27 สิงหาคม 2020

## Financial Statements

### Sri Trang Gloves (Thailand)

Profit and Loss (THB m) Year Ending Dec	2018	2019	2020E	2021E	2022E
Revenue	10,989	11,994	22,982	30,446	30,142
Cost of goods sold	(8,551)	(9,766)	(13,965)	(16,469)	(18,929)
<b>Gross profit</b>	<b>2,437</b>	<b>2,228</b>	<b>9,017</b>	<b>13,976</b>	<b>11,212</b>
Other operating income	-	-	-	-	-
Operating costs	(550)	(725)	(919)	(1,857)	(1,809)
<b>Operating EBITDA</b>	<b>1,888</b>	<b>1,502</b>	<b>8,097</b>	<b>12,119</b>	<b>9,404</b>
Depreciation	(628)	(789)	(1,092)	(1,367)	(1,642)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>1,259</b>	<b>713</b>	<b>7,005</b>	<b>10,752</b>	<b>7,762</b>
Net financing costs	(168)	(105)	(91)	(68)	(76)
Associates	0	0	0	0	0
Recurring non operating income	114	109	80	80	80
Non recurring items	(17)	0	0	0	0
<b>Profit before tax</b>	<b>1,187</b>	<b>718</b>	<b>6,994</b>	<b>10,764</b>	<b>7,765</b>
Tax	(206)	(104)	(727)	(968)	(1,124)
<b>Profit after tax</b>	<b>982</b>	<b>614</b>	<b>6,267</b>	<b>9,796</b>	<b>6,641</b>
Minority interests	0	0	0	0	0
Preferred dividends	0	0	0	0	0
Other items	0	0	0	0	0
<b>Reported net profit</b>	<b>982</b>	<b>614</b>	<b>6,267</b>	<b>9,796</b>	<b>6,641</b>
<b>Non recurring items &amp; goodwill (net)</b>	<b>17</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>999</b>	<b>614</b>	<b>6,267</b>	<b>9,796</b>	<b>6,641</b>
<b>Per share (THB)</b>					
Recurring EPS *	4.99	0.62	4.38	6.85	4.64
Reported EPS	4.91	0.62	4.38	6.85	4.64
DPS	0.24	0.11	0.70	0.80	0.90
Diluted shares (used to calculate per share data)	200	990	1,431	1,431	1,431
<b>Growth</b>					
Revenue (%)	(2.3)	9.2	91.6	32.5	(1.0)
Operating EBITDA (%)	131.3	(20.4)	438.9	49.7	(22.4)
Operating EBIT (%)	332.1	(43.4)	882.1	53.5	(27.8)
Recurring EPS (%)	188.1	(87.6)	606.3	56.3	(32.2)
Reported EPS (%)	357.5	(87.4)	606.3	56.3	(32.2)
<b>Operating performance</b>					
Gross margin inc depreciation (%)	16.5	12.0	34.5	41.4	31.8
Gross margin of key business (%)	-	-	-	-	-
Operating EBITDA margin (%)	17.2	12.5	35.2	39.8	31.2
Operating EBIT margin (%)	11.5	5.9	30.5	35.3	25.8
Net margin (%)	9.1	5.1	27.3	32.2	22.0
Effective tax rate (%)	17.3	14.5	10.4	9.0	14.5
Dividend payout on recurring profit (%)	4.8	17.7	16.0	11.7	19.4
Interest cover (X)	8.2	7.9	77.6	159.1	102.7
Inventory days	63.9	61.5	51.2	55.7	56.3
Debtor days	56.3	53.8	27.4	23.9	27.8
Creditor days	52.1	49.6	44.2	48.1	48.7
Operating ROIC (%)	15.3	6.0	46.6	(14.9)	(9.5)
ROIC (%)	16.1	6.7	45.8	(14.7)	(9.4)
ROE (%)	46.4	18.0	44.5	34.7	18.8
ROA (%)	13.0	5.8	30.5	29.6	16.2
* Pre-exceptional, pre-goodwill and fully diluted					
<b>Revenue By Division (THB m)</b>					
Natural rubber powdered gloves	3,385	4,270	9,229	12,228	11,541
Natural rubber powder-free gloves	3,012	3,205	2,206	3,477	4,109
Nitrile gloves	4,404	4,519	11,547	14,741	14,493
Natural rubber products business	187	0	0	0	0

Sources: Sri Trang Gloves (Thailand); FSSIA estimates

## Financial Statements

### Sri Trang Gloves (Thailand)

Cash Flow (THB m) Year Ending Dec	2018	2019	2020E	2021E	2022E
Recurring net profit	999	614	6,267	9,796	6,641
Depreciation	628	789	1,092	1,367	1,642
Associates & minorities	0	0	0	0	0
Other non-cash items	-	-	-	-	-
Change in working capital	(672)	133	(640)	(575)	(348)
<b>Cash flow from operations</b>	<b>955</b>	<b>1,536</b>	<b>6,719</b>	<b>10,588</b>	<b>7,935</b>
Capex - maintenance	(1,536)	(3,180)	(3,023)	(3,023)	(3,023)
Capex - new investment	(1,903)	(133)	0	0	0
Net acquisitions & disposals	0	0	0	0	0
Other investments (net)	(563)	324	0	0	0
<b>Cash flow from investing</b>	<b>(4,002)</b>	<b>(2,990)</b>	<b>(3,023)</b>	<b>(3,023)</b>	<b>(3,023)</b>
Dividends paid	(28)	(109)	(109)	(1,002)	(1,145)
Equity finance	0	0	0	0	0
Debt finance	1,746	1,819	(5,000)	0	500
Other financing cash flows	1,328	(248)	13,223	60	58
<b>Cash flow from Financing</b>	<b>3,046</b>	<b>1,462</b>	<b>8,114</b>	<b>(942)</b>	<b>(586)</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>0</b>	<b>8</b>	<b>11,810</b>	<b>6,623</b>	<b>4,325</b>
Free cash flow to firm (FCFF)	(2,884.60)	(1,259.61)	3,787.31	7,633.08	4,988.20
Free cash flow to equity (FCFE)	27.67	116.81	11,919.29	7,624.60	5,470.12
<b>Per share (THB)</b>					
FCFF per share	(2.02)	(0.88)	2.65	5.33	3.49
FCFE per share	0.02	0.08	8.33	5.33	3.82
Recurring cash flow per share	8.14	1.42	5.14	7.80	5.79
<b>Balance Sheet (THB m) Year Ending Dec</b>					
Tangible fixed asset (gross)	8,031	10,561	13,584	16,607	19,631
Less: Accumulated depreciation	(1,993)	(1,999)	(3,091)	(4,458)	(6,100)
<b>Tangible fixed assets (Net)</b>	<b>6,038</b>	<b>8,562</b>	<b>10,493</b>	<b>12,149</b>	<b>13,531</b>
<b>Intangible fixed assets (Net)</b>	<b>221</b>	<b>221</b>	<b>221</b>	<b>221</b>	<b>221</b>
Long-term financial assets	-	-	-	-	-
Invest. In associates & subsidiaries	-	-	-	-	-
Cash & equivalents	573	581	12,392	19,015	23,340
A/C receivable	1,922	1,612	1,842	2,146	2,448
Inventories	1,681	1,612	2,305	2,718	3,124
Other current assets	74	507	972	1,288	1,275
<b>Current assets</b>	<b>4,251</b>	<b>4,312</b>	<b>17,511</b>	<b>25,167</b>	<b>30,187</b>
Other assets	142	121	121	121	121
<b>Total assets</b>	<b>10,652</b>	<b>13,216</b>	<b>28,345</b>	<b>37,658</b>	<b>44,059</b>
Common equity	2,431	4,402	23,783	32,638	38,193
Minorities etc.	1,358	0	0	0	0
<b>Total Shareholders' equity</b>	<b>3,789</b>	<b>4,402</b>	<b>23,783</b>	<b>32,638</b>	<b>38,193</b>
Long term debt	4,249	5,846	1,846	1,846	2,346
Other long-term liabilities	248	195	195	195	195
<b>Long-term liabilities</b>	<b>4,497</b>	<b>6,041</b>	<b>2,041</b>	<b>2,041</b>	<b>2,541</b>
A/C payable	1,263	1,393	1,992	2,349	2,700
Short term debt	996	1,218	218	218	218
Other current liabilities	107	163	311	413	409
<b>Current liabilities</b>	<b>2,366</b>	<b>2,773</b>	<b>2,521</b>	<b>2,979</b>	<b>3,326</b>
<b>Total liabilities and shareholders' equity</b>	<b>10,652</b>	<b>13,216</b>	<b>28,345</b>	<b>37,658</b>	<b>44,059</b>
Net working capital	2,308	2,176	2,816	3,391	3,739
Invested capital	8,709	11,079	13,650	15,882	17,611
* Includes convertibles and preferred stock which is being treated as debt					
<b>Per share (THB)</b>					
Book value per share	12.15	4.45	16.62	22.81	26.69
Tangible book value per share	11.05	4.22	16.47	22.66	26.54
<b>Financial strength</b>					
Net debt/Equity (%)	123.3	147.3	(43.4)	(51.9)	(54.4)
Net debt/total assets (%)	43.9	49.0	(36.4)	(45.0)	(47.2)
Current ratio (x)	1.8	1.6	6.9	8.4	9.1
CF interest cover (x)	12.5	3.4	131.6	113.0	72.6
<b>Valuation</b>					
<b>Recurring P/E (x) *</b>	<b>14.1</b>	<b>113.3</b>	<b>16.0</b>	<b>10.3</b>	<b>15.1</b>
<b>Recurring P/E @ target price (x) *</b>	<b>23.2</b>	<b>187.1</b>	<b>26.5</b>	<b>16.9</b>	<b>25.0</b>
Reported P/E (x)	14.3	113.3	16.0	10.3	15.1
Dividend yield (%)	0.3	0.2	1.0	1.1	1.3
Price/book (x)	5.8	15.8	4.2	3.1	2.6
Price/tangible book (x)	6.4	16.6	4.3	3.1	2.6
EV/EBITDA (x) **	10.6	50.6	11.1	6.9	8.5
EV/EBITDA @ target price (x) **	15.5	80.7	19.2	12.3	15.4
EV/invested capital (x)	2.3	6.9	6.6	5.3	4.5
* Pre-exceptional & pre-goodwill are fully diluted ** EBITDA includes associate income and recurring non operating income					

Sources: Sri Trang Gloves (Thailand); FSSIA estimates

## Corporate Governance report of Thai listed companies 2019

EXCELLENT LEVEL										
AAV	ADVANC	AIRA	AKP	AKR	AMA	AMATA	AMATAV	ANAN	AOT	AP
ARROW	BAFS	BANPU	BAY	BCP	BCPG	BOL	BRR	BTS	BTW	BWG
CFRESH	CHEWA	CHO	CK	CKP	CM	CNT	COL	COMAN	CPALL	CPF
CPI	CPN	CSS	DELTA	DEMCO	DRT	DTAC	DTC	EA	EASTW	ECF
EGCO	GBX	GC	GCAP	GEL	GGC	GGC	GOLD	GPSC	GRAMMY	GUNKUL
HANA	HARN	HMPRO	ICC	ICHI	III	ILINK	INTUCH	IRPC	IVL	JKN
JSP	K	KBANK	KCE	KKP	KSL	KTB	KTC	KTIS	LH	LHFG
LIT	LPN	MAKRO	MALEE	MBK	MBKET	MC	MCOT	MFEC	MINT	MONO*
MTC	NCH	NCL	NKI	NSI	NVD	NYT	OISHI	OTO	PAP	PCSGH
PDJ	PG	PHOL	PJW	PLANB	PLANET	PORT	PPS	PR9	PREB	PRG
PRM	PSH	PSL	PTG	PTT	PTTEP	PTTGC	PYLON	Q-CON	QH	QTC
RATCH	ROBINS**	RS	S	S & J	SABINA	SAMART	SAMTEL	SAT	SC	SCB
SCC	SCCC	SCN	SDC	SEAFCO	SEAOL	SE-ED	SELIC	SENA	SIS	SITHAI
SNC	SORKON	SPALI	SPI	SPRC	SSSC	STA	STEC	SVI	SYNTEC	TASCO
TCAP	THAI	THANA	THANI	THCOM	THIP	THREL	TIP	TISCO	TK	TKT
TMB	TMILL	TNDT	TOA	TOP	TRC	TRU	TRUE	TSC	TSR	TSTH
TTA	TTCL	TTW	TU	TVD	TVO	U	UAC	UV	VGI	VIH
WACOAL	WAVE	WHA	WHAUP	WICE	WINNER					
VERY GOOD LEVEL										
2S	ABM	ADB	AF	AGE	AH	AHC	AIT	ALLA	ALT	AMANAH
AMARIN	APCO	APCS	AQUA	ARIP	ASAP	ASIA	ASIAN	ASIMAR	ASK	ASN
ASP	ATP30	AUCT	AYUD	B	BA	BBL	BDMS	BEC	BEM	BFIT
BGC	BGRIM	BIZ	BJC	BJCHI	BLA	BPP	BROOK	CBG	CEN	CENTEL
CGH	CHG	CHOTI	CHOW	CI	CIMBT	CNS	COLOR	COM7	COTTO	CRD
CSC	CSP	DCC	DCON	DDD	DOD	EASON	ECL	EE	EPG	ERW
ESTAR	ETE	FLOYD	FN	FNS	FORTH	FPI	FPT	FSMART	FSS	FVC
GENCO	GJS	GL	GLOBAL	GLOW**	GULF	HPT	HTC	HYDRO	ICN	IFS
INET	INSURE	IRC	IRCP	IT	ITD***	ITEL	J	JAS*	JCK	JCKH
JMART	JMT	JWD	KAR	KBS	KCAR	KIAT	KOOL	KWC	KWM	L&E
LALIN	LANNA	LDC	LHK	LOXLEY	LRH	LST	M	MACO	MAJOR	MBAX
MEGA	METCO	MFC	MK	MODERN	MOONG	MPG	MSC	MTI	NEP	NETBAY
NEX	NINE	NOBLE	NOK	NTV	NWR	OCC	OGC	ORI	OSP	PATO
PB	PDG	PDI	PL	PLAT	PM	PPP	PRECHA	PRIN	PRINC	PSTC
PT	QLT	RCL	RICHY	RML	RWI	S11	SAAM	SALEE	SAMCO	SANKO
SAPPE	SAWAD	SCG	SCI	SCP	SE	SFP	SIAM	SINGER	SIRI	SKE
SKR	SKY	SMIT	SMK	SMP	SMT	SNP	SONIC	SPA	SPC	SPCG
SPVI	SR	SRICHA	SSC	SSF	SST	STANLY	STPI	SUC	SUN	SUSCO
SUTHA	SWC	SYMC	SYNEX	T	TACC	TAE	TAKUNI	TBSP	TCC	TCMC
TEAM	TEAMG	TFG	TFMAMA	THG	THRE	TIPCO	TITLE	TIW	TKN	TKS
TM	TMC	TMD	TMI	TMT	TNITY	TNL	TNP	TNR	TOG	TPA
TPAC	TPBI	TPCORP	TPOLY	TRITN	TRT	TSE	TSTE	TVI	TVT	TWP
TWPC	UBIS	UEC	UMI	UOBKH	UP	UPF	UPOIC	UT	UWC	VNT
WIIK	XO	YUASA	ZEN	ZMICO						
GOOD LEVEL										
A	ABICO	ACAP***	AEC	AEONTS	AJ	ALUCON	AMC	APURE	AS	ASEFA
AU	B52	BCH	BEAUTY	BGT	BH	BIG	BLAND	BM	BR	BROCK
BSBM	BSM	BTNC	CCET	CCP	CGD	CHARAN	CHAYO	CITY	CMAN	CMC
CMO	CMR	CPL	CPT	CSR	CTW	CWT	D	DIMET	EKH	EMC
EPCO	ESSO	FE	FTE	GIFT	GLAND	GLOCON	GPI	GREEN	GTB	GYT
HTECH	HUMAN	IHL	INGRS	INOX	JTS	JUBILE	KASET	KCM	KKC	KWG
KYE	LEE	LPH	MATCH	MATI	M-CHAI	MCS	MDX	META	MGT	MJD
MM	MVP	NC	NDR	NER	NNCL	NPK	NUSA	OCEAN	PAF	PF
PICO	PIMO	PK	PLE	PMTA	POST	PPM	PROUD	PTL	RCI	RJH
ROJNA	RPC	RPH	SF	SGF	SGP	SKN	SLP	SMART	SOLAR	SPG
SQ	SSP	STI	SUPER	SVOA	TCCC	THE	THMUI	TIC	TIGER	TNH
TOPP	TPCH	TPIPP	TPLAS	TQM	TTI	TYCN	UTP	VCOM	VIBHA	VPO
WIN	WORK	WP	WPH	ZIGA						
Score Range		Number of Logo					Description			
90-100							Excellent			
80-89							Very Good			
70-79							Good			
60-69							Satisfactory			
50-59							Pass			
Less than 50		No logo given					-			

**Disclaimer:**

The disclosure of the survey results of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information.

The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey results may be changed after that date. FSS International Investment Advisory Company Limited does not confirm nor certify the accuracy of such survey results.

\* CGR scoring should be considered with news regarding wrong doing of the company or director or executive of the company such unfair practice on securities trading, fraud, and corruption SEC imposed a civil sanction against insider trading of director and executive; \*\* delisted

Source: Thai Institute of Directors Association (IOD); FSSIA's compilation

## Anti-corruption Progress Indicator

CERTIFIED										
ADVANC	AIE	AKP	AMANAH	AP	APCS	AQUA	ARROW	ASK	ASP	AYUD
BAFS	BANPU	BAY	BBL	BCH	BCP	BCPG	BGRIM	BJCHI	BKI	BLA
BROOK	BRR	BSBM	BTS	BWG	CEN	CENTEL	CFRESH	CGH	CHEWA	CIG
CIMBT	CM	COM7	CPALL	CPF	CPI	CPN	CSC	DCC	DEMCO	DIMET
DRT	DTAC	DTC	EASTW	ECL	EGCO	FE	FNS	FSS	GBX	GC
GCAP	GEL	GFPT	GGC	GJS	GOLD	GPSC	GSTEEL	GUNKUL	HANA	HARN
HMPRO	HTC	ICC	IFS	INET	INSURE	INTUCH	IRPC	IVL	K	KASET
KBANK	KBS	KCAR	KCE	KGI	KKP	KSL	KTB	KTC	KWC	L&E
LANNA	LHK	LPN	LRH	M	MAKRO	MALEE	MBAX	MBK	MBKET	MC
MCOT	MFC	MINT	MONO	MOONG	MSC	MTI	NBC	NINE	NKI	NMG
NNCL	NSI	OCC	OCEAN	OGC	PAP	PATO	PB	PCSGH	PDG	PDI
PDJ	PE	PG	PHOL	PL	PLANB	PLANET	PLAT	PM	PPP	PPS
PREB	PRG	PRINC	PSH	PSTC	PT	PTG	PTT	PTTEP	PTTGC	PYLON
Q-CON	QH	QLT	QTC	RATCH	RML	S & J	SABINA	SAT	SC	SCB
SCC	SCCC	SCG	SCN	SE-ED	SELIC	SENA	SGP	SIRI	SIS	SITHAI
SMIT	SMK	SMPC	SNC	SNP	SORKON	SPACK	SPC	SPI	SPRC	SRICHA
SSF	SSI	SSSC	SST	STA	SUSCO	SVI	SYNTEC	TASCO	TCAP	TFG
TFI	TFMAMA	THANI	THCOM	THIP	THRE	THREL	TIP	TIPCO	TISCO	TKT
TMB	TMD	TMILL	TMT	TNITY	TNL	TNP	TNR	TOG	TOP	TPA
TPCORP	TRU	TRUE	TSC	TSTH	TTCL	TU	TVD	TVI	TWPC	U
UBIS	UEC	UKEM	UOBKH	VGI	VIH	VNT	WACOAL	WHA	WICE	WIIK
DECLARED										
2S	ABICO	AF	AI	AIRA	ALT	AMA	AMARIN	AMATA	ANAN	B
BM	BPP	BUI	CHG	CHO	CHOTI	CHOW	CI	CMC	COL	DDD
DELTA	EFORL	EPCO	ESTAR	ETE	FPI	FTE	ICHI	INOX	IRC	ITEL
JAS	JSP	JTS	KWG	LDC	LIT	META	MFEC	MPG	NEP	NOK
NWR	ORI	PRM	PSL	ROJNA	RWI	SAAM	SAPPE	SCI	SEOIL	SHANG
SKR	SPALI	STANLY	SYNEX	TAE	TAKUNI	TMC	TOPP	TPP	TRITN	TVO
UV	UWC	WHAUP	XO	YUASA	ZEN					

Level	
Certified	This level indicates practical participation with thoroughly examination in relation to the recommended procedures from the audit committee or the SEC's certified auditor, being a certified member of Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) or already passed examination to ensure independence from external parties.
Declared	This level indicates determination to participate in the Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC)

**Disclaimer:**

The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by Thaipat Institute, is made in order to comply with the policy and sustainable development plan for the listed companies of the Office of the Securities and Exchange Commission. Thaipat Institute made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of Thaipat Institute that is a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, FSS International Investment Advisory Company Limited does not confirm, verify, or certify the accuracy and completeness of the assessment results.

Note: Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of June 24, 2019) are categorised into: 1) companies that have declared their intention to join CAC, and; 2) companies certified by CAC.

Source: The Securities and Exchange Commission, Thailand; \* FSSIA's compilation

## GENERAL DISCLAIMER

### ANALYST(S) CERTIFICATION

#### Suwat Sinsadok FSS International Investment Advisory Securities Co., Ltd

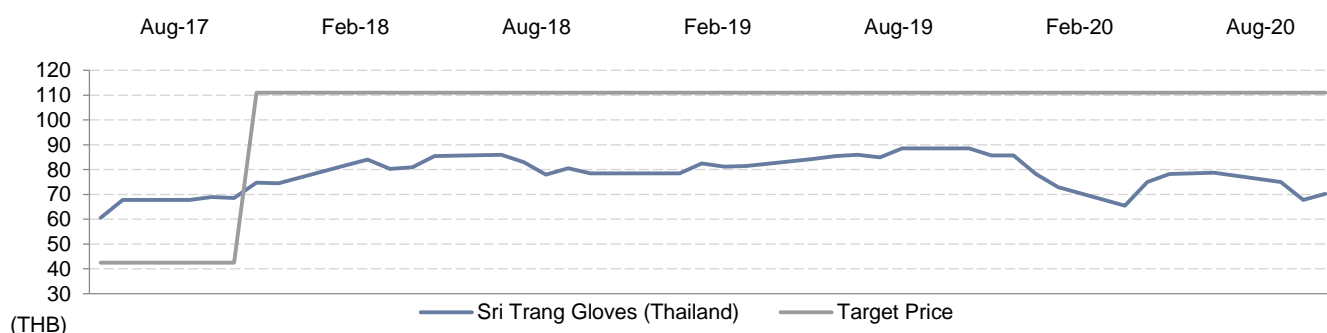
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

This report has been prepared by FSS International Investment Advisory Company Limited (FSSIA). The information herein has been obtained from sources believed to be reliable and accurate; however FSS makes no representation as to the accuracy and completeness of such information. Information and opinions expressed herein are subject to change without notice. FSS has no intention to solicit investors to buy or sell any security in this report. In addition, FSS does not guarantee returns nor price of the securities described in the report nor accept any liability for any loss or damage of any kind arising out of the use of such information or opinions in this report. Investors should study this report carefully in making investment decisions. All rights are reserved.

This report may not be reproduced, distributed or published by any person in any manner for any purpose without permission of FSSIA. Investment in securities has risks. Investors are advised to consider carefully before making investment decisions.

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

#### Sri Trang Gloves (Thailand) (STGT TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
01-Jul-2020	BUY	42.50	08-Jul-2020	BUY	111.00	-	-	-

Suwat Sinsadok started covering this stock from 01-Jul-2020

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Sri Trang Gloves (Thailand)	STGT TB	THB 70.25	BUY	The downside risks to our PE-based TP for STGT include 1) a lower-than-expected demand for rubber gloves; 2) higher prices of concentrated natural and synthetic latex and crude; and 3) exchange rate volatility.

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 26-Aug-2020 unless otherwise stated.

## RECOMMENDATION STRUCTURE

### Stock ratings

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