

2 OCTOBER 2020

THAILAND / CONSUMER STAPLES

CARABAO GROUP CBG TB

BUY

UNCHANGED

TARGET PRICE	THB148.00
CLOSE	THB117.50
UP/DOWNSIDE	+26.0%
PRIOR TP	THB148.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+3.7%

พร้อมโตไปกับกระแสของตลาดเครื่องดื่ม

ปัจจัยหนุนการเติบโตใหม่จาก C+ Lock

เราได้จัด corporate event กับทางผู้บริหาร CBG ในสัปดาห์ที่ผ่านมา ผู้บริหารของ CBG มองว่าตลาดเครื่องดื่มวิตามินซีอาจโตแบบก้าวกระโดดได้เช่นเดียวกับเครื่องดื่มชาเขียวในอดีต ในปัจจุบันตลาดเครื่องดื่มวิตามินซีมีมูลค่า 5 พัน ลบ. โดยโตขึ้น 22% y-y ในรอบ 8M20 และอาจพุ่งขึ้นสูงถึง 2 หมื่น ลบ. เช่นเดียวกับตลาดเครื่องดื่มชาเขียว ส่วนแบ่งตลาดของ C+ Lock เพิ่มขึ้นเป็นประมาณ 6% ใน 3Q20 เทียบกับ 3% ใน 1H20 เพื่อจับการเติบโตดังกล่าว CBG วางแผนใช้กลยุทธ์การตลาดผ่านการส่งเสริมการขายด้วยการโฆษณาที่ไม่ใช่การใช้สื่อหลัก ซึ่งอาจช่วยเพิ่มสัดส่วนการขายจากช่องทางกระจายสินค้าแบบดั้งเดิม (Traditional Trade) ซึ่งอยู่ที่ประมาณ 50% ในปัจจุบัน

ผลกระทบจากมาตรการปิดเมืองในพม่ามีจำกัด

ผู้บริหารยืนยันว่ามาตรการควบคุมชายแดนระหว่างประเทศไทยกับพม่าจากปัญหาการแพร่ระบาดของ COVID-19 ควรส่งผลกระทบต่อยอดขายของบริษัทฯ ในพม่า เนื่องจากยอดขายผ่านด่านแม่สายคิดเป็นเพียง 5% ของยอดส่งออกของบริษัทฯ อย่างไรก็ตาม มาตรการปิดเมืองอาจส่งผลกระทบต่อการบินเครื่องบินที่มุ่งไปยังพม่า เราเห็นว่ามาตรการปิดเมืองอย่างกึ่งใน ปัจจุบันอาจให้ผลคล้าย ๆ กับมาตรการดังกล่าวในประเทศไทย โดยอาจทำให้ยอดขายเครื่องดื่มชูกำลังในพม่าลดลง 10-15% y-y เราคาดว่ากำไรสุทธิอาจลดลง 25-38 ลบ. หรือ 0.7%-1.2% ของกำไรใน FY2020E จากผลกระทบของมาตรการปิดเมือง โดยมีสมมติฐานจาก 1) ประมาณการยอดขายในพม่าที่ 500 ลบ. ใน 4Q20; และ 2) อัตรากำไรขั้นต้นของการขายส่งออกที่ 50%

คาดการณ์กำไรจากการดำเนินงานใน 3Q20 ที่ 906 ลบ. (+24% y-y, +3% q-q)

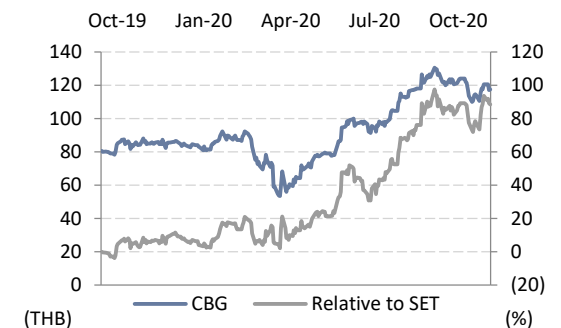
เราคาดว่ายอดขายในประเทศใน 3Q20 จะเพิ่มขึ้น 1% y-y เป็น 1.6 พัน ลบ. โดยได้แรงผลักดันจากยอดขาย C+ Lock จำนวน 150 ลบ. ในขณะที่ยอดขายเครื่องดื่มชูกำลังในประเทศอาจลดลง 8% y-y จากกำลังในการซื้อที่ลดลง ยอดขายในตลาดต่างประเทศเพิ่มขึ้น 18% y-y เป็น 2.2 พัน ลบ. โดยได้แรงหนุนจากส่วนแบ่งการตลาดที่เพิ่มขึ้นในพม่า อัตรากำไรขั้นต้นเพิ่มขึ้น 40 bps q-q เป็น 41.1% จากราคาขายปลีกของ C+ Lock ที่เพิ่มขึ้นเป็น 15 บาทต่อขวด ค่าใช้จ่ายการขายและการบริหารต่อยอดขายควรลดลง 70 bps q-q เป็น 16.1% เนื่องจากบริษัทฯ ไม่ได้บันทึกเงินบริจาค 50 ลบ. เช่นในไตรมาสที่ผ่านมา ในภาพรวมกำไรใน 3Q20E จะอยู่ที่ 906 ลบ. (+24% y-y, +3% q-q) นับเป็นกำไรไตรมาสถัดเป็นประวัติการณ์

คงคำแนะนำซื้อที่ราคาเป้าหมาย 148 บาท

แม้ว่าราคาหุ้นจะพุ่งขึ้นถึง 40% YTD ในปัจจุบัน CBG ยังน่าสนใจในแง่ของ Valuation โดยมีการซื้อขายที่ค่า FY2021E P/E เพียง 28.5x ซึ่งยังต่ำกว่าค่าเฉลี่ย 5 ปีย้อนหลังที่ 38x ยอดขายในพม่าที่ลดลงชั่วคราวเนื่องจาก COVID-19 ควรบรรเทาได้ด้วยยอดขายในประเทศ CBG อาจได้ประโยชน์ทางอ้อมจากโครงการคนละครึ่งที่รัฐบาลประกาศเมื่อไม่นานมานี้ เนื่องจาก 74% ของยอดขายในประเทศมาจากช่องทางกระจายสินค้าแบบดั้งเดิม

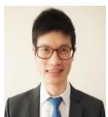
KEY STOCK DATA

YE Dec (THB m)	2019	2020E	2021E	2022E
Revenue	15,052	17,408	20,621	22,641
Net profit	2,506	3,401	4,129	4,677
EPS (THB)	2.51	3.40	4.13	4.68
vs Consensus (%)	-	(4.0)	(4.7)	(7.8)
EBITDA	3,719	4,954	5,969	6,696
Core net profit	2,515	3,401	4,129	4,677
Core EPS (THB)	2.52	3.40	4.13	4.68
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	117.1	35.2	21.4	13.3
Core P/E (x)	46.7	34.5	28.5	25.1
Dividend yield (%)	1.4	2.0	2.5	2.8
EV/EBITDA (x)	32.5	24.5	20.1	17.9
Price/book (x)	13.7	12.3	10.9	9.6
Net debt/Equity (%)	36.3	39.7	23.8	15.9
ROE (%)	32.0	37.5	40.5	40.6



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(4.1)	11.9	45.1
Relative to country (%)	0.4	21.0	88.8
Mkt cap (USD m)	3,719		
3m avg. daily turnover (USD m)	21.4		
Free float (%)	34		
Major shareholder	Mr. Sathien Setthasit (34%)		
12m high/low (THB)	134.50/46.25		
Issued shares (m)	1,000.00		

Sources: Bloomberg consensus; FSSIA estimates


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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 2 ตุลาคม 2020

Investment thesis

We believe CBG's strategy to enter growing markets, rather than markets in their introductory stage, is an effective and proven strategy for the company. We are optimistic about CBG's entry into Myanmar and Thailand's vitamin C drink market, which could be the key growth drivers for the next few years. Moreover, we see more room for gross profit margin (GPM) expansion, driven by 1) a projected 150-200bps GPM increase over 2020-22E from its new packaging plant; 2) increasing export sales to 64% in 2022E from 55% in 2019; and 3) C+ Lock sales of THB1.0b in 2022E, which have a significantly higher GPM due to C+ Lock's higher retail price of THB15 and its exemption from the sugar tax.

Overall, we expect CBG's earnings to experience double-digit growth over 2020-22, which is outstanding compared to its peers.

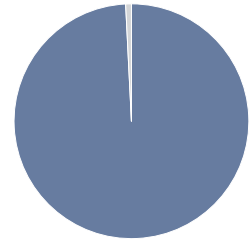
Company profile

Founded in 2001 as a partnership between three founders, one of which is the lead singer of Carabao (legendary Thai folk band), the Carabao Group is now the second largest energy drink company in Thailand with about a 23% market share.

www.carabaogroup.com

Principal activities (revenue, 2019)

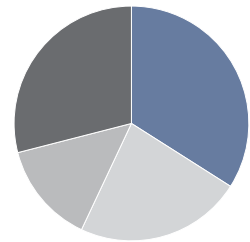
- Sales of goods - 99.2 %
- Other income - 0.8 %



Source: Carabao Group

Major shareholders

- Mr. Sathien Setthasit - 34.0 %
- Ms. Nutchamai Thanombooncharoen - 23.0 %
- Mr. Yuenyoung Opakul - 14.0 %
- Others - 29.0 %



Source: Carabao Group

Catalyst

Potential catalysts for CBG's share price include higher-than-expected sales growth and GPM, and its potential entry into new markets, such as Vietnam, or new product segments, such as ready to drink coffee.

Risk to our call

The key downside risks to our DCF-based TP are 1) slower-than-expected sales growth in Myanmar, Cambodia, and the vitamin C drink market; 2) a decrease in domestic energy drink market share; and 3) higher-than-expected SG&A expenses from overseas operations, such as in China and the UK.

Event calendar

Date	Event
November	3Q20 results announcement

Key assumptions

	2020E	2021E	2022E
	(%)	(%)	(%)
Sales growth	15.7	18.5	9.8
Energy drink sales (Domestic)	9.0	2.0	2.0
Energy drink sales (Overseas)	26.7	22.1	13.0
C+ Lock sales (THB m)	520	800	1,000
GPM	42.6	42.9	43.4
SG&A to sales	18.1	18.0	17.8

Source: FSSIA estimates

Earnings sensitivity

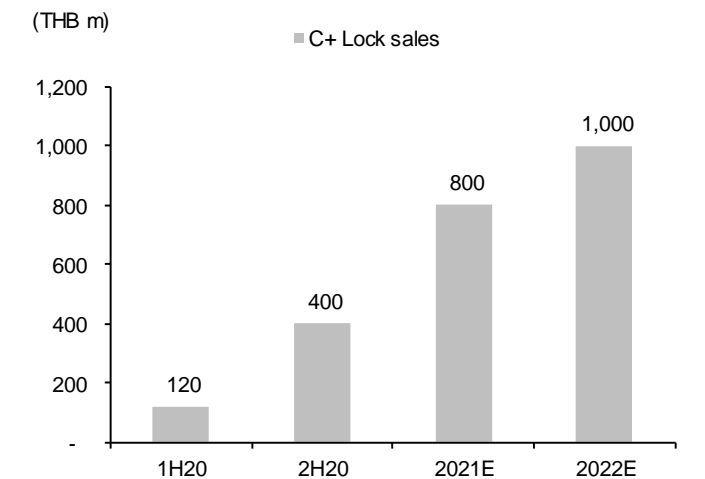
- For every 1% increase in sales we estimate 2021 EPS would rise 0.4%, and vice versa, all else being equal.
- For every 1ppt increase in GPM we estimate 2021 EPS would rise 3.9%, and vice versa, all else being equal.
- For every 0.1% increase in SG&A to sales we estimate 2021 EPS would fall 0.4%, and vice versa, all else being equal.

Source: FSSIA estimates

Emerging growth engine from C+ Lock

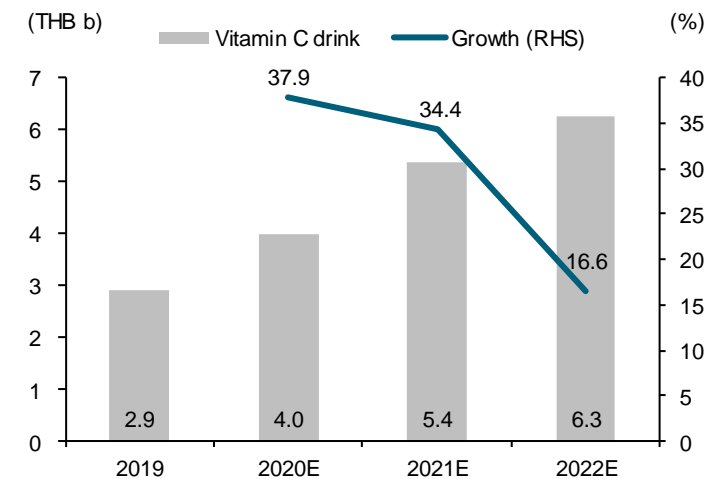
In their latest conference call, CBG's management indicated that they think the vitamin C drink market could boom like the green tea market in the past. The vitamin C drink market is currently estimated at THB4b-5b. It has grown 22% y-y in 8M20, and could potentially reach up to THB20b, similar to the green tea drink market. C+ Lock's market share has almost doubled to c6% in 3Q20 vs c3% in 1H20. CBG plans to implement a below-the-line strategy, which could boost the proportion of its sales from traditional trade (currently c50%). We expect C+ Lock sales to accelerate in 2H20, and estimate sales of THB520m and THB800m in 2020/2021. C+ Lock commands a high GPM at greater than 50% vs the own-branded sales average of 47%.

Exhibit 1: C+ Lock sales forecast



Sources: CBG; FSSIA estimates

Exhibit 2: High potential growth in vitamin C drink market

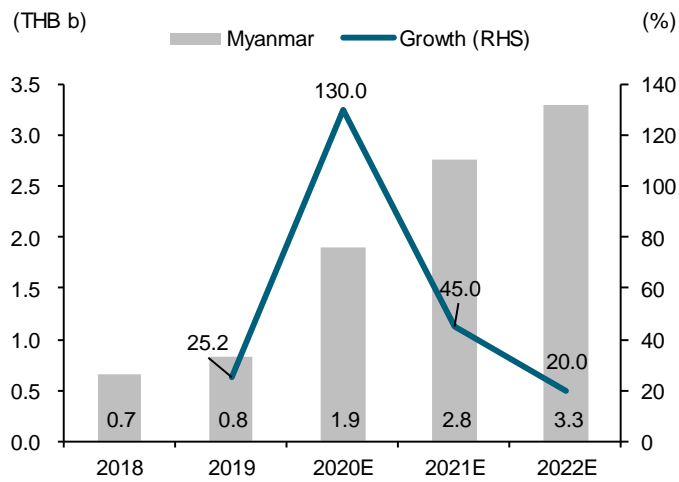


Source: FSSIA estimates

Limited impact from lockdown restrictions in Myanmar

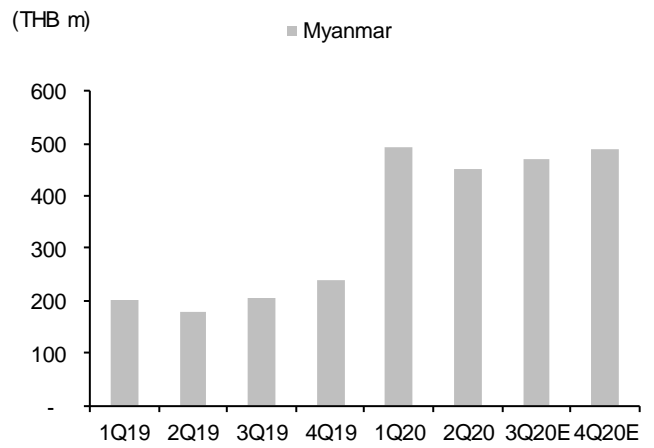
Management reaffirmed that cross-border movement restrictions between Thailand and Myanmar due to COVID-19 should have a limited impact on Myanmar sales. CBG currently exports products to Myanmar via three checkpoints: 1) the Mae Sot checkpoint in Tak; 2) the Mae Sai checkpoint in Chiang Rai; and 3) the Ranong checkpoint in Ranong. Most export sales are conducted via the Mae Sot checkpoint, while the export sales via the Mae Sai checkpoint in Chiang Rai only account for c5% of total export sales. It is possible that the lockdown measures that have been implemented in Myanmar's largest city, Yangon, could impact CBG's Myanmar sales in 4Q20, as most activities have been restricted. We think the current Yangon lockdown could exhibit a similar pattern to Thailand's lockdown, which could result in a 10-15% y-y energy drink sales decline in Myanmar. We estimate that net profit could drop by THB25-38m, or 0.7%-1.2% of FY20E earnings, due to the lockdown impact, based on: 1) estimated Myanmar sales of THB500m in 4Q20; and 2) an export sales GPM at 50%.

Exhibit 3: Myanmar sales growth of 20-130% over 2020-22E



Sources: CBG; FSSIA estimates

Exhibit 4: Myanmar sales by quarter



Sources: CBG; FSSIA estimates

3Q20E earnings preview

We estimate CBG's 3Q20 revenue at THB4.5b (+15% y-y, -1% q-q). The y-y growth would be driven by higher export sales to the CLMV market and C+ Lock sales (product launched in Mar-20), in our view.

3Q20E domestic sales could show slight growth at 1% y-y to THB1.6b, driven by C+ Lock sales of THB150m, which we expect to offset the projected drop in energy drink sales by 8% y-y due to lower purchasing power. Sales in overseas markets could grow 18% y-y to THB2.2b, supported by a higher market share in Myanmar. However, a slight q-q drop could result from lower sales in Cambodia due to the rainy season.

We project the GPM to increase by 40bps q-q to 41.1%, driven by C+ Lock's higher retail price at THB15 per unit vs CBG's standard energy drink at THB10 per unit. SG&A to sales should decline by 70bps q-q to 16.1% due to the absence of a donation expense of THB50m. Overall, this would bring 3Q20E earnings to THB906m, +24% y-y and +3% q-q; a record high for quarterly earnings.

Exhibit 5: CBG – 3Q20E results preview

YE Dec 31	3Q19	2Q20	3Q20E	Change		9M20E			2020E	Chg.
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(y-y%)	(%20E)	(THB m)	(y-y%)
Total revenue	3,890	4,539	4,482	(1)	15	13,114	19	75	17,408	16
Retail sales	3,862	4,508	4,450	(1)	15	13,019	19	75	17,271	16
Other income	28	32	32	1	13	95	11	69	137	16
Cost of sales	2,268	2,674	2,622	(2)	16	7,635	13	77	9,921	9
Gross profit	1,622	1,866	1,860	(0)	15	5,479	28	73	7,487	26
Operating costs	669	765	722	(6)	8	2,214	8	70	3,151	15
Operating profit	953	1,101	1,138	3	19	3,265	47	75	4,337	36
Operating EBITDA	1,087	1,266	1,306	3	20	3,763	44	76	4,954	33
Interest expense	(34)	(32)	(32)	0	(7)	(95)	(7)	70	(135)	2
Profit before tax	893	1,069	1,106	3	24	3,165	52	75	4,201	38
Tax	167	179	188	5	12	533	32	63	840	49
Minority interests	6	(9)	(12)	29	(301)	(44)	n/a	(109)	40	5
Reported net profit	732	881	906	3	24	2,589	52	76	3,401	36
Recurring net profit	732	881	906	3	24	2,589	51	76	3,401	35
EPS (THB)	0.73	0.88	0.91	3	24	2.59	52	76	3.40	36
Recurring EPS (THB)	0.73	0.88	0.91	3	24	2.59	51	76	3.40	35
Key Ratios	(%)	(%)	(%)	(ppt)	(ppt)	(%)	(ppt)		(%)	(ppt)
Sales margin	41.3	40.7	41.1	0.4	(0.2)	41.4	3.2		42.6	3.6
EBIT margin	24.5	24.3	25.4	1.1	0.9	24.9	4.8		24.9	3.7
Recurring net margin	27.3	27.5	28.9	1.4	1.6	28.2	5.7		19.5	2.8
SG&A / Sales	17.2	16.8	16.1	(0.7)	(1.1)	16.9	(1.7)		18.1	(0.1)
Effective tax rate	18.7	16.7	17.0	0.3	(1.7)	16.8	(2.5)		20.0	1.5
Inventory days	38.1	47.0	0.0						39.7	0.0
Operating statistics										
Branded own										
Domestic sales	1,591	1,494	1,610							
Overseas sales	1,780	2,219	2,152							
Distribution for 3rd party (Domestic)	351	598	597							
Branded OEM (Domestic)	122	87	91							

Sources: CBG; FSSIA estimates

Financial Statements

Carabao Group

Profit and Loss (THB m) Year Ending Dec	2018	2019	2020E	2021E	2022E
Revenue	14,597	15,052	17,408	20,621	22,641
Cost of goods sold	(9,349)	(8,589)	(9,304)	(10,940)	(11,915)
Gross profit	5,248	6,463	8,105	9,680	10,726
Other operating income	0	0	0	0	0
Operating costs	(3,333)	(2,744)	(3,151)	(3,712)	(4,030)
Operating EBITDA	1,915	3,719	4,954	5,969	6,696
Depreciation	(464)	(534)	(617)	(731)	(803)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	1,452	3,186	4,337	5,238	5,893
Net financing costs	(107)	(133)	(135)	(129)	(102)
Associates	0	0	0	0	0
Recurring non operating income	(16)	(12)	0	0	0
Non recurring items	0	(9)	0	0	0
Profit before tax	1,329	3,032	4,201	5,109	5,791
Tax	(368)	(564)	(840)	(1,022)	(1,158)
Profit after tax	960	2,468	3,361	4,087	4,633
Minority interests	198	38	40	42	44
Preferred dividends	0	0	0	0	0
Other items	0	0	0	0	0
Reported net profit	1,159	2,506	3,401	4,129	4,677
Non recurring items & goodwill (net)	0	9	0	-	-
Recurring net profit	1,159	2,515	3,401	4,129	4,677
Per share (THB)					
Recurring EPS *	1.16	2.52	3.40	4.13	4.68
Reported EPS	1.16	2.51	3.40	4.13	4.68
DPS	0.80	1.70	2.38	2.89	3.27
Diluted shares (used to calculate per share data)	1,000	1,000	1,000	1,000	1,000
Growth					
Revenue (%)	11.7	3.1	15.7	18.5	9.8
Operating EBITDA (%)	39.6	94.2	33.2	20.5	12.2
Operating EBIT (%)	30.9	119.5	36.1	20.8	12.5
Recurring EPS (%)	(7.0)	117.1	35.2	21.4	13.3
Reported EPS (%)	(7.0)	116.3	35.7	21.4	13.3
Operating performance					
Gross margin inc depreciation (%)	32.8	39.4	43.0	43.4	43.8
Gross margin of key business (%)	28.2	39.0	42.6	42.9	43.4
Operating EBITDA margin (%)	13.1	24.7	28.5	28.9	29.6
Operating EBIT margin (%)	9.9	21.2	24.9	25.4	26.0
Net margin (%)	7.9	16.7	19.5	20.0	20.7
Effective tax rate (%)	27.7	18.5	20.0	20.0	20.0
Dividend payout on recurring profit (%)	69.1	67.6	70.0	70.0	70.0
Interest cover (X)	13.4	23.9	32.1	40.7	57.7
Inventory days	30.1	39.9	40.6	39.2	40.6
Debtor days	23.3	24.8	25.8	25.5	26.4
Creditor days	72.4	69.2	59.2	57.1	59.2
Operating ROIC (%)	13.5	22.9	28.7	32.8	36.1
ROIC (%)	12.5	21.4	26.8	30.3	33.1
ROE (%)	16.2	32.0	37.5	40.5	40.6
ROA (%)	7.9	17.8	22.0	24.7	26.6
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue By Division (THB m)					
Sales of goods	14,463	14,933	17,271	20,458	22,462
Other income	135	119	137	163	179

Sources: Carabao Group; FSSIA estimates

Financial Statements

Carabao Group

Cash Flow (THB m) Year Ending Dec	2018	2019	2020E	2021E	2022E
Recurring net profit	1,159	2,515	3,401	4,129	4,677
Depreciation	464	534	617	731	803
Associates & minorities	495	3	40	42	44
Other non-cash items	(198)	(38)	(40)	(42)	(44)
Change in working capital	(308)	(204)	(130)	(96)	(80)
Cash flow from operations	1,611	2,810	3,889	4,764	5,400
Capex - maintenance	(1,945)	(316)	(2,000)	(500)	(1,400)
Capex - new investment	0	0	0	0	0
Net acquisitions & disposals	8	60	(208)	(122)	(77)
Other investments (net)	0	0	0	0	0
Cash flow from investing	(1,937)	(256)	(2,208)	(622)	(1,477)
Dividends paid	(800)	(1,700)	(2,381)	(2,891)	(3,274)
Equity finance	(296)	583	0	0	0
Debt finance	1,405	(612)	748	(1,181)	(584)
Other financing cash flows	0	0	0	0	0
Cash flow from Financing	310	(1,730)	(1,633)	(4,072)	(3,858)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	(16)	824	48	71	65
Free cash flow to firm (FCFF)	(219.39)	2,686.80	1,816.39	4,270.91	4,024.99
Free cash flow to equity (FCFE)	1,079.23	1,941.84	2,429.00	2,961.21	3,338.85

Per share (THB)

FCFF per share	(0.22)	2.69	1.82	4.27	4.02
FCFE per share	1.08	1.94	2.43	2.96	3.34
Recurring cash flow per share	1.92	3.01	4.02	4.86	5.48

Balance Sheet (THB m) Year Ending Dec	2018	2019	2020E	2021E	2022E
Tangible fixed asset (gross)	12,721	13,006	15,006	15,506	16,906
Less: Accumulated depreciation	(1,630)	(2,133)	(2,751)	(3,482)	(4,285)
Tangible fixed assets (Net)	11,090	10,872	12,255	12,024	12,621
Intangible fixed assets (Net)	0	0	0	0	0
Long-term financial assets	0	0	0	0	0
Invest. In associates & subsidiaries	100	103	103	103	103
Cash & equivalents	138	962	1,010	1,081	1,146
A/C receivable	907	1,140	1,319	1,562	1,715
Inventories	887	992	1,078	1,269	1,382
Other current assets	546	104	120	142	156
Current assets	2,477	3,197	3,527	4,053	4,399
Other assets	652	607	878	1,040	1,141
Total assets	14,320	14,780	16,763	17,220	18,265
Common equity	7,177	8,566	9,586	10,825	12,228
Minorities etc.	188	153	153	153	153
Total Shareholders' equity	7,365	8,718	9,739	10,978	12,381
Long term debt	4,065	2,131	3,243	2,457	2,069
Other long-term liabilities	126	153	216	256	281
Long-term liabilities	4,191	2,284	3,459	2,713	2,350
A/C payable	1,810	1,447	1,573	1,851	2,017
Short term debt	676	1,997	1,634	1,238	1,042
Other current liabilities	278	333	359	441	475
Current liabilities	2,764	3,777	3,566	3,530	3,534
Total liabilities and shareholders' equity	14,320	14,780	16,763	17,220	18,265
Net working capital	251	455	585	681	761
Invested capital	12,094	12,038	13,821	13,848	14,627

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

Per share (THB)

Book value per share	7.18	8.57	9.59	10.82	12.23
Tangible book value per share	7.18	8.57	9.59	10.82	12.23

Financial strength

Net debt/Equity (%)	62.5	36.3	39.7	23.8	15.9
Net debt/total assets (%)	32.1	21.4	23.1	15.2	10.8
Current ratio (x)	0.9	0.8	1.0	1.1	1.2
CF interest cover (x)	11.1	15.6	19.0	24.0	33.7

Valuation	2018	2019	2020E	2021E	2022E
Recurring P/E (x) *	101.4	46.7	34.5	28.5	25.1
Recurring P/E @ target price (x) *	127.7	58.8	43.5	35.8	31.6
Reported P/E (x)	101.4	46.9	34.5	28.5	25.1
Dividend yield (%)	0.7	1.4	2.0	2.5	2.8
Price/book (x)	16.4	13.7	12.3	10.9	9.6
Price/tangible book (x)	16.4	13.7	12.3	10.9	9.6
EV/EBITDA (x) **	63.8	32.5	24.5	20.1	17.9
EV/EBITDA @ target price (x) **	79.8	40.7	30.7	25.3	22.4
EV/invested capital (x)	10.1	10.0	8.8	8.7	8.2

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

Sources: Carabao Group; 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	GGP	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	SEAOIL	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	AMANA
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	CENDEL
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	KBS	KCAR	KBS	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	PNR	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	AMANAHA	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

Karun Intrachai FSS International Investment Advisory Securities Co., Ltd

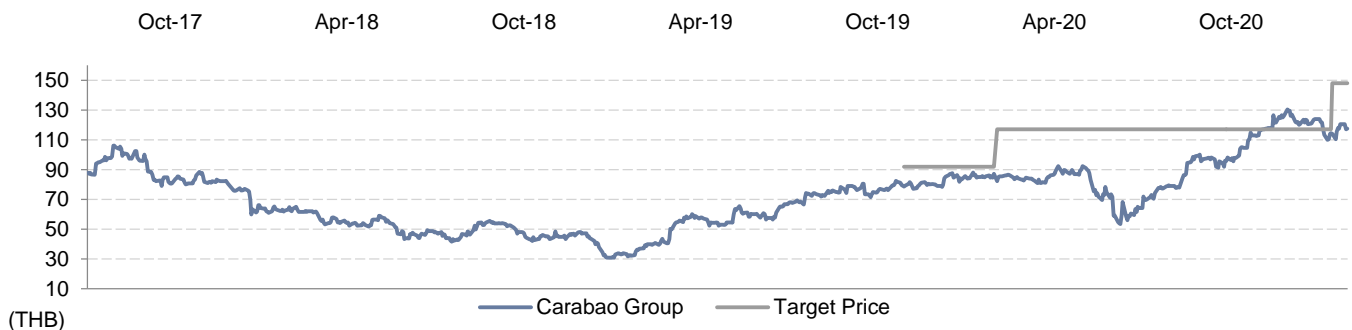
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

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History of change in investment rating and/or target price

Carabao Group (CBG TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
12-Sep-2019	BUY	92.00	02-Apr-2020	BUY	117.00	-	-	-
02-Dec-2019	BUY	117.00	17-Sep-2020	BUY	148.00			

Karun Intrachai started covering this stock from 17-Sep-2020

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Carabao Group	CBG TB	THB 117.50	BUY	The key downside risks to our DCF-based TP are 1) slower-than-expected sales growth in Myanmar, Cambodia, and the vitamin C drink market; 2) a decrease in domestic energy drink market share; and 3) higher-than-expected SG&A expenses from overseas operations, such as in China and the UK.

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

FSSIA may incorporate the recommendations and target prices of companies currently covered by FSS Research into equity research reports, denoted by an 'FSS' before the recommendation. FSS Research is part of Finansia Syrus Securities Public Company Limited, which is the parent company of FSSIA.

All share prices are as at market close on 02-Oct-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.