

2 JUNE 2021

THAILAND / ASSET MANAGEMENT COMPANIES

CHAYO GROUP CHAYO TB

BUY

UNCHANGED

TARGET PRICE	THB18.80
CLOSE	THB17.20
UP/DOWNSIDE	+9.3%
PRIOR TP	THB18.80
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+11.8%

ตัดสินใจเชิงกลยุทธ์เพื่อการเติบโตในระดับสูง

ผลจากการประชุมกับ CHAYO เป็นบวกเล็กน้อย

เราจัดการประชุมกับผู้บริหารของ CHAYO เมื่อวันที่ 2 มิ.ย. เราได้หารือเกี่ยวกับการตัดสินใจเชิงกลยุทธ์ 2 ประการ ประกอบด้วย การจัดตั้ง CHAYO JV และการซื้อสินทรัพย์ด้วยคุณภาพที่ไม่มีหลักทรัพย์ค้ำประกัน (UDA) ซึ่งถูกมองว่าขึ้นของบริษัทยุติ ผู้บริหาร ได้ยืนยันมุมมองของเราที่ว่าหุ้นส่วนทั้ง 8 ของบริษัท ใน CHAYO JV จะให้ทั้งแหล่งเงินทุนและประโยชน์ทางธุรกิจ นอกจากนี้ผู้บริหารยังระบุว่า การติดตามรับชำระหนี้ (CC) จาก UDA ของบริษัท ยังอยู่ในระดับที่ดีและแนวโน้มดังกล่าวอาจดีขึ้นในช่วง 2H21 เรามีความเห็นว่าข้อมูลดังกล่าวเป็นบวกเล็กน้อย

CHAYO JV ช่วยจัดซื้อจำกัดในด้านเงินทุนและให้ประโยชน์ทางธุรกิจ

ในปี 2021 CHAYO JV มีแผนซื้อสินทรัพย์ด้วยคุณภาพแบบมีหลักทรัพย์ค้ำประกัน (SDA) ประกอบด้วยสินเชื่อบ้าน SME และบรรษัทรวม 0.9-1 พัน ลบ. โดยกิจการร่วมค้าดังกล่าวอาจเริ่มจากการซื้อ SDA ใน 3Q21 มูลค่าสินทรัพย์ต่อรายการที่กิจการร่วมค้าจะซื้อจะสูงกว่าของ CHAYO กิจการร่วมค้าจะใช้พนักงานเพียง 10-15 คนในการติดตามรับชำระหนี้ ทำให้ผู้บริหารเชื่อว่ากิจการดังกล่าวจะเริ่มมีกำไรตั้งแต่ปีนี้ โดยระยะเวลาคืนทุนของกิจการร่วมค้าจะอยู่ที่ 3-5 ปี ในด้านประโยชน์ทางธุรกิจ CHAYO จะใช้ฐานลูกค้าของ COM7 (NR) และ Next Capital (NCAP TB, NR) เพื่อขยายธุรกิจสินเชื่อและติดตามรับชำระหนี้ของบริษัท ยกตัวอย่างเช่น CHAYO จะให้สินเชื่อแก่ลูกค้าที่ซื้อโทรศัพท์มือถือของ COM7 นอกจากนี้ผู้บริหารยังวางแผนขายที่ดินขนาดกลางถึงใหญ่ให้แก่ Pre-built Public Company (PREB, NR) และ JWD Infologistics (JWD, NR) CHAYO คาดว่า Smartprop จะเพิ่มช่องทางการขาย SDA ซึ่งจะช่วยให้หนี้สินทรัพย์ดังกล่าวได้อย่างมีประสิทธิภาพมากขึ้น เราขอโครงสร้างทางธุรกิจระหว่าง CHAYO, COM7 และ NCAP เราเห็นว่าโครงสร้างดังกล่าวจะให้ความเสี่ยงขึ้นต่อประมาณการในปัจจุบันของเรา ในขณะที่ประโยชน์จากหุ้นส่วนรายอื่น ๆ อาจต้องใช้เวลาที่นานกว่าก่อนที่จะเห็นผล

กระแสรายได้จาก UDA คงที่มากกว่า

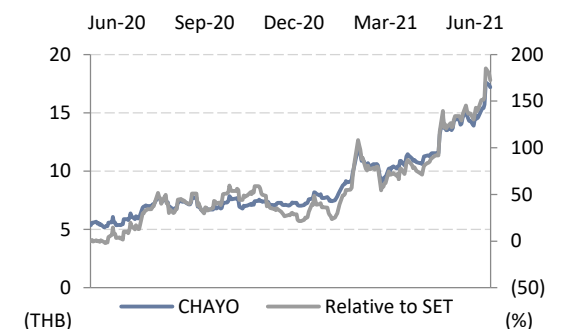
บริษัท ได้กระจายความเสี่ยงของพอร์ตของบริษัท โดยการซื้อ UDA มากขึ้นโดยเฉพาะใน 4Q20 ปัจจุบันดังกล่าวช่วยหนุนให้ CC ดีขึ้นใน 1Q21 เป็น 64 ลบ. เทียบกับค่าเฉลี่ยต่อไตรมาสในอดีตที่ 45 ลบ. ใน 2Q21 ผู้บริหารคาดว่า CC ของ UDA จะสูงกว่าใน 1Q21 แม้อยู่ในช่วงการแพร่ระบาด Covid ในรอบที่ 3 ผู้บริหารได้เพิ่มเป้าการซื้อ UDA ในปี 2021 ของบริษัทเป็น 40% ของงบรวม 1-1.2 พัน ลบ. เทียบกับ 25% ก่อนหน้า เราเห็นด้วยกับการตัดสินใจดังกล่าว เนื่องจากเราเชื่อว่า UDA ของ CHAYO จะให้กระแสเงินสดที่สม่ำเสมอแก่บริษัท

คงคำแนะนำซื้อที่ราคาเป้าหมายปี 2022 ที่ 18.8 บาท

เราคงคำแนะนำซื้อเนื่องจากเราคาดว่าแนวโน้ม CC และกำไรของ CHAYO จะดีตลอดปีนี้ โดยมีปัจจัยสนับสนุนจากกระแสรายได้ที่สม่ำเสมอมากขึ้นจาก UDA พร้อมการเก็บเกี่ยวจากแบคคูล SDA ที่บริษัท มีอยู่ในมือ

KEY STOCK DATA

YE Dec (THB m)	2020	2021E	2022E	2023E
Operating profit	195	335	550	719
Net profit	155	251	388	509
EPS (THB)	0.22	0.26	0.36	0.43
vs Consensus (%)	-	(5.1)	2.3	6.7
Core net profit	155	251	388	509
Core EPS (THB)	0.22	0.26	0.36	0.43
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	22.7	18.5	39.6	19.4
Core P/E (x)	79.5	67.1	48.1	40.3
Dividend yield (%)	0.0	0.0	0.0	0.0
Price/book (x)	10.9	6.0	4.8	3.8
ROE (%)	14.7	12.8	11.7	10.9
ROA (%)	6.7	6.3	6.8	6.8



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	19.1	68.3	221.1
Relative to country (%)	16.5	56.3	172.6
Mkt cap (USD m)	468		
3m avg. daily turnover (USD m)	5.3		
Free float (%)	21		
Major shareholder	Yasasin Family (48%)		
12m high/low (THB)	18.20/5.18		
Issued shares (m)	0		

Sources: Bloomberg consensus; FSSIA estimates



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บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 2 มิถุนายน 2021

Investment thesis

CHAYO is the smallest asset management company (AMC), in terms of assets, among the AMCs under our coverage. However, the small asset size doesn't diminish the attractiveness of the company, in our view. In contrast, we believe its small asset size allows CHAYO greater operational agility. Furthermore, its unique and well-balanced hybrid portfolio, that includes unsecured and secured distressed assets, should provide sustainable growth for CHAYO in both the short and long term.

We expect that CHAYO will enter a substantial growth phase, with remarkable core profit growth of 62% in 2021 supported by stronger cash collection, more aggressive distressed asset acquisitions from its JV and efficient cost control.

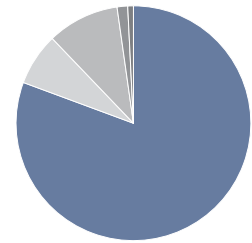
Company profile

CHAYO provides services relating to debt collection, managing non-performing assets from purchases, transferring secured and non-secured non-performing assets from financial institutions and credit facility companies, providing call centre services, loans, and selling goods and/or providing services.

www.chayo555.com

Principal activities (revenue, 2020)

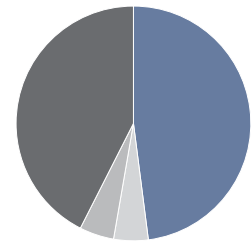
- NPLs management - 80.6 %
- NPAs management - 7.2 %
- Debt collection - 9.9 %
- Loan business - 1.5 %
- Other income - 0.8 %



Source: Chayo Group

Major shareholders

- Yasasin Family - 48.0 %
- Sura Kanittaweekul - 4.8 %
- Pongsak Thammathataree - 4.8 %
- Others - 42.5 %



Source: Chayo Group

Catalysts

Potential catalysts to drive CHAYO's share price include:

- 1) The announcement of its partners from its joint venture deal;
- 2) Being rated by TRIS Rating;
- 3) The sale of big-value assets in the range of THB100m-150m.

Risks to our call

Downside risks to our GGM-based TP include 1) lower-than-expected bad debt acquisition; and 2) higher-than-expected operating expenses.

Event calendar

Date	Event
Mid-Aug 2021	2Q21 results announcement

Key assumptions

	2021E	2022E	2023E
	(THB m)	(THB m)	(THB m)
Norm profit (THB m)	251.0	388.4	509.0
<i>Norm profit growth (%)</i>	62	55	31
Cash collection (THB m)	458.2	685.8	876.8
<i>Cash collection ratio (%)</i>	17.8	17.4	17.8
NPL and NPA purchases (THB m)	1,701	1,195	840
<i>NPL and NPA purchase growth (%)</i>	167	(30)	(30)
Cost to income (%)	35.4	35.2	33.4

Source: FSSIA estimates

Earnings sensitivity

		----- 2021E -----		
Cash collection ratio	±50bp	17.3	17.8	18.3
<i>% change in net profit</i>		(3.9)	-	3.9
Cost to income	±1ppt	34.4	35.4	36.4
<i>% change in net profit</i>		(3.0)	-	3.0

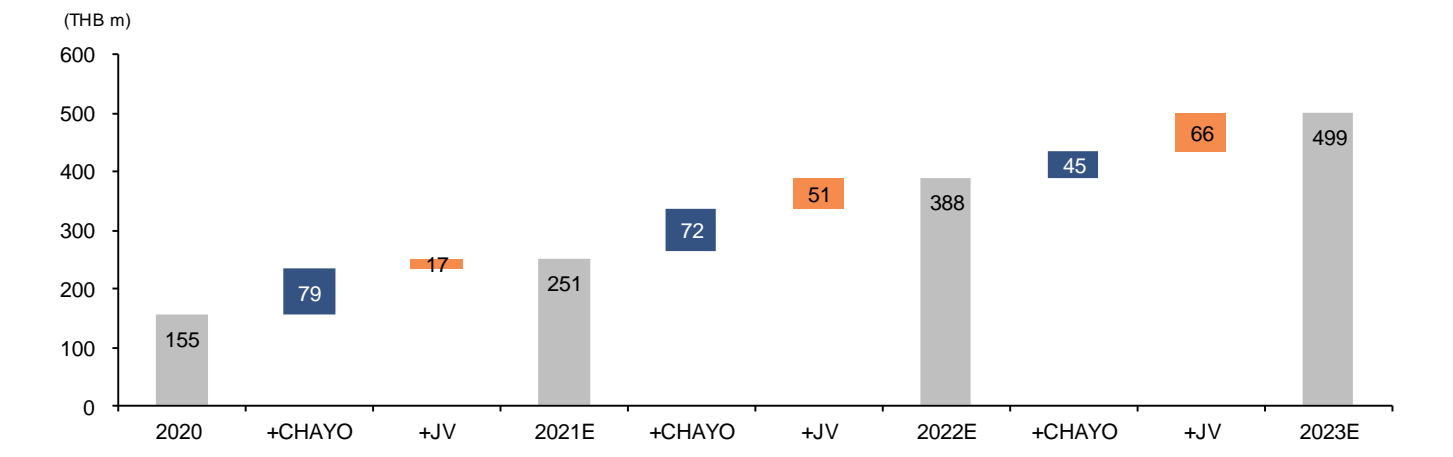
Source: FSSIA estimates

Exhibit 1: CHAYO JV's partners list

	No. of ordinary shares	No. of preferred shares	Total no. of shares	Total paid-up capital	Voting rights	Notes	Potential synergies
	(m shares)	(m shares)	(m shares)	(THB m)	(%)		
CHAYO Group Co.,Ltd.	1,100		1,100	110	55		
Corporate							
Novus Integration Co.,Ltd.	200	1,600	1,800	180	10	COM7's subsidiary	Providing debt collection services and expanding loan business to COM7 and Next Capital (NCAP TB, NR)
Benjapornkand Co.,Ltd.	100	800	900	90	5	Property developer	Develop SDA and increase selling channels
Pre-Built Public Co., Ltd. (PREB TB, NR)	100	800	900	90	5	Construction company	
Smartprop Asset Management Co., Ltd	100	800	900	90	5	Property related business	
Individual (mostly from management 's connections)							
Mr. Weerapat Punsak-udomsin	100	800	900	90	5	Major shareholder of many listed companies, e.g. I.C.C. International (ICC TB, NR)	
Miss Rutchaneeporn Pookyaporn	100	800	900	90	5	Dean of Sripatum University	
Miss Supin Chaisiripaibool	100	800	900	90	5	Assistant professor of Sripatum University	
Mr. Jitchai Nimitpanya	100	800	900	90	5	JWD Infologistics' (JWD TB, NR) shareholder and management	Selling medium to large land plots to JWD
Total	2,000	7,200	9,200	920	100		

Sources: CHAYO; FSSIA's compilation

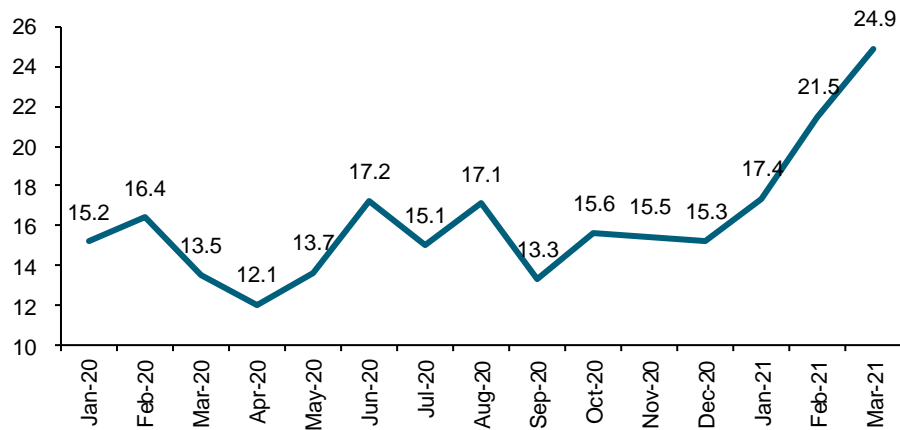
Exhibit 2: CHAYO's 2021-23E net profit and JV contributions



Source: FSSIA estimates

Exhibit 3: Unsecured distressed asset cash collection

(THB m)



Source: CHAYO

Exhibit 4: NPL acquisition summary, 2018-19

No	Winning date	Claim value (THB m)	Collateral
	2018		
1	9-Feb-18	138	Vacant Land, next to the beach, Rayong
2	10-May-18	7,952	Clean loan
3	16-May-18	346	Land & Building - Klongtoey, Bangkok
4	13-Jun-18	90	Land & Building - Chaengwattana, Bangkok
5	20-Jun-18	136	Land & Building - Ngamwongwan, Bangkok
6	13-Jul-18	27	Land & Building - Rayong
7	26-Jul-18	20	Land & Building - Watcharaphol
8	26-Jul-18	31	Land & Building - Nonthaburi
9	9-Aug-18	24	Land & Building - Lumlookka
10	16-Aug-18	73	Land & Building - Chonburi
11	17-Aug-18	17	Land & Building - Huaykwang
12	5-Sep-18	31	Vacant land - Rayong
13	5-Sep-18	41	Land & Building - Samutprakarn
14	6-Sep-18	35	Land & Building - Sukhumvit
15	14-Sep-18	60	Land & Building - Ramindra
16	19-Sep-18	189	Land & Building (Mortgage loan or Housing loan)
17	18-Oct-18	47	Land & Building - Bangbuathong
18	18-Oct-18	12	Land & Building - Dusit
19	19-Oct-18	42	Vacant land - Pakkret
20	24-Oct-18	64	Vacant land - Bangbhor
21	26-Oct-18	105	Vacant land - Pakkret
22	7-Nov-18	86	Land & Building - Bangkokhae
23	9-Nov-18	34	Land & Building - Pravhet
24	12-Nov-18	174	Land & Building - Chatuchak
25	25-Dec-18	20	Land & Building - Bangsue
26	25-Dec-18	46	Land & Building - Ramindra
	Sub-total	9,837	
	2019		
B/F	Already reported	199	
1	31-May-19	61	Land & Building - Ladprao
2	7-Jun-19	184	Land & Building - Samsen
3	10-Jun-19	5	Land & Building - Taerange
4	10-Jun-19	708	Land & Building - Minburi

Exhibit 5: NPL acquisition summary, 2020-21 to date

[illegible]

5	14-Jun-19	384	Land & Building - Nonthaburi
6	24-Oct-19	1	Land & Building - Sriracha
7	22-Oct-19	51	Land & Building - Watcharaphol
8	1-Nov-19	3	Land & Building - Chonburi
9	15-Nov-19	704	Vacant land - Salaya, Nakornphathom
10	20-Nov-19	6,966	Vacant land - Pangnga
11	20-Nov-19	1,275	Unsecured land
12	11-Dec-19	14	Land & Building - Pakkret
13	11-Dec-19	17	Land & Building - Bangchak
14	13-Dec-19	44	Land & Building - Phakhanong
15	18-Dec-19	8	Land & Building - Ladplakhao
16	18-Dec-19	9	Land & Building - Bangvak
17	25-Dec-19	8	Land & Building - Thepharak
Sub-total		10,639	

Sources: CHAYO; FSSIA's compilation

Sources: CHAYO; FSSIA's compilation

Financial Statements

Chayo Group

Profit and Loss (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Interest Income	234	425	642	971	1,249
Interest expense	(9)	(53)	(87)	(111)	(141)
Net interest income	225	372	556	860	1,108
Net fees & commission	-	-	-	-	-
Foreign exchange trading income	-	-	-	-	-
Securities trading income	-	-	-	-	-
Dividend income	0	0	0	0	0
Other income	84	96	151	207	240
Non interest income	84	96	151	207	240
Total income	309	467	706	1,067	1,348
Staff costs	-	-	-	-	-
Other operating costs	(169)	(185)	(250)	(375)	(450)
Operating costs	(169)	(185)	(250)	(375)	(450)
Pre provision operating profit	140	282	456	692	897
Provision for bad and doubtful debt	0	(87)	(121)	(142)	(178)
Other provisions	-	-	-	-	-
Operating profit	140	195	335	550	719
Recurring non operating income	0	0	0	0	0
Associates	-	-	-	-	-
Goodwill amortization	-	-	-	-	-
Non recurring items	0	0	0	0	0
Profit before tax	140	195	335	550	719
Tax	(29)	(41)	(67)	(110)	(144)
Profit after tax	111	155	268	440	575
Minority interests	0	1	(17)	(51)	(66)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	111	155	251	388	509
Non recurring items & goodwill (net)	-	-	0	0	0
Recurring net profit	111	155	251	388	509
Per share (THB)					
Recurring EPS *	0.18	0.22	0.26	0.36	0.43
Reported EPS	0.18	0.22	0.26	0.36	0.43
DPS	0.04	0.01	0.00	0.00	0.00
Growth					
Net interest income (%)	6.9	65.6	49.5	54.7	28.8
Non interest income (%)	62.9	13.4	57.5	37.8	15.7
Pre provision operating profit (%)	28.1	101.5	61.7	51.7	29.7
Operating profit (%)	28.1	39.4	71.9	64.0	30.8
Reported net profit (%)	30.0	39.7	61.8	54.7	31.0
Recurring EPS (%)	15.5	22.7	18.5	39.6	19.4
Reported EPS (%)	15.5	22.7	18.5	39.6	19.4
Income Breakdown					
Net interest income (%)	72.7	79.6	78.7	80.6	82.2
Net fees & commission (%)	-	-	-	-	-
Foreign exchange trading income (%)	-	-	-	-	-
Securities trading income (%)	-	-	-	-	-
Dividend income (%)	-	-	-	-	-
Other income (%)	27.3	20.4	21.3	19.4	17.8
Operating performance					
Gross interest yield (%)	-	-	-	-	-
Cost of funds (%)	3.01	4.91	4.75	4.75	4.80
Net interest spread (%)	(3.01)	(4.91)	(4.75)	(4.75)	(4.80)
Net interest margin (%)	-	-	-	-	-
Cost/income(%)	54.7	39.6	35.4	35.2	33.4
Cost/assets(%)	12.7	8.0	5.9	5.8	5.3
Effective tax rate (%)	20.7	20.8	20.0	20.0	20.0
Dividend payout on recurring profit (%)	21.6	2.6	0.8	0.5	0.4
ROE (%)	12.8	14.7	12.8	11.7	10.9
ROE - COE (%)	2.0	3.9	2.0	0.9	0.1
ROA (%)	8.4	6.7	6.3	6.8	6.8
RORWA (%)	-	-	-	-	-

* Pre-exceptional, pre-goodwill and fully diluted

Sources: Chayo Group; FSSIA estimates

Financial Statements

Chayo Group

Balance Sheet (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Gross customer loans	1,131	1,573	3,182	4,311	5,076
Total provisions	(9)	(90)	(211)	(354)	(532)
interest in suspense	0	210	414	474	558
Net customer loans	1,122	1,693	3,384	4,431	5,103
Bank loans	-	-	-	-	-
Government securities	-	-	-	-	-
Trading securities	-	-	-	-	-
Investment securities	101	2	944	1,321	1,850
Cash & equivalents	360	708	765	893	1,856
Other interesting assets	145	328	431	512	623
Tangible fixed assets	31	33	34	36	38
Associates	-	-	-	-	-
Goodwill	-	-	-	-	-
Other intangible assets	-	-	-	-	-
Other assets	66	47	113	147	193
Total assets	1,825	2,811	5,672	7,340	9,662
Customer deposits	-	-	-	-	-
Bank deposits	-	-	-	-	-
Other interest bearing liabilities	575	1,570	2,073	2,612	3,265
Non interest bearing liabilities	247	94	103	114	125
Hybrid Capital	-	-	-	-	-
Total liabilities	823	1,664	2,176	2,725	3,390
Share capital	315	353	516	571	624
Reserves	672	778	2,280	3,292	4,831
Total equity	987	1,130	2,796	3,863	5,455
Minority interests	15	16	700	751	818
Total liabilities & equity	1,825	2,811	5,672	7,340	9,662
Supplementary items					
Risk weighted assets (RWA)	n/a	n/a	n/a	n/a	n/a
Average interest earning assets	n/a	n/a	n/a	n/a	n/a
Average interest bearing liabilities	303	1,073	1,822	2,342	2,938
Tier 1 capital	n/a	n/a	n/a	n/a	n/a
Total capital	0	0	0	0	0
Gross non performing loans (NPL)	n/a	n/a	n/a	n/a	n/a
Per share (THB)					
Book value per share	1.57	1.58	2.86	3.56	4.58
Tangible book value per share	1.57	1.58	2.86	3.56	4.58
Growth					
Gross customer loans	87.5	39.0	102.3	35.5	17.8
Average interest earning assets	-	-	-	-	-
Total asset (%)	120.2	54.0	101.8	29.4	31.6
Risk weighted assets (%)	-	-	-	-	-
Customer deposits (%)	-	-	-	-	-
Leverage & capital measures					
Customer loan/deposits (%)	-	-	-	-	-
Equity/assets (%)	54.1	40.2	49.3	52.6	56.5
Tangible equity/assets (%)	54.1	40.2	49.3	52.6	56.5
RWA/assets (%)	-	-	-	-	-
Tier 1 CAR (%)	-	-	-	-	-
Total CAR (%)	-	-	-	-	-
Asset Quality					
Change in NPL (%)	-	-	-	-	-
NPL/gross loans (%)	-	-	-	-	-
Total provisions/gross loans (%)	0.8	5.7	6.6	7.0	10.5
Total provisions/NPL (%)	-	-	-	-	-
Valuation					
Recurring P/E (x) *	97.6	79.5	67.1	48.1	40.3
Recurring P/E @ target price (x) *	106.7	86.9	73.3	52.5	44.0
Reported P/E (x)	97.6	79.5	67.1	48.1	40.3
Dividend yield (%)	0.2	0.0	0.0	0.0	0.0
Price/book (x)	11.0	10.9	6.0	4.8	3.8
Price/tangible book (x)	11.0	10.9	6.0	4.8	3.8
Price/tangible book @ target price (x)	12.0	11.9	6.6	5.3	4.1

* Pre-exceptional, pre-goodwill and fully diluted

Sources: Chayo Group; FSSIA estimates

Corporate Governance report of Thai listed companies 2020

EXCELLENT LEVEL										
AAV	ADVANC	AF	AIRA	AKP	AKR	ALT	AMA	AMATA	AMATAV	ANAN
AOT	AP	ARIP	ARROW	ASP	BAFS	BANPU	BAY	BCP	BCPG	BDMS
BEC	BEM	BGRIM	BIZ	BKI	BLA	BOL	BPP	BRR	BTS	BWG
CENTEL	CFRESH	CHEWA	CHO	CIMBT	CK	CKP	CM	CNT	COL	COMAN
COTTO	CPALL	CPF	CPI	CPN	CSS	DELTA	DEMCO	DRT	DTAC	DTC
DV8	EA	EASTW	ECF	ECL	EGCO	EPG	ETE	FNS	FPI	FPT
FSMART	GBX	GC	GCAP	GEL	GFPT	GGC	GPSC	GRAMMY	GUNKUL	HANA
HARN	HMPRO	ICC	ICHI	III	ILINK	INTUCH	IRPC	IVL	JKN	JSP
JWD	K	KBANK	KCE	KKP	KSL	KTB	KTC	LANNA	LH	LHFG
LIT	LPN	MAKRO	MALEE	MBK	MBKET	MC	MCOT	METCO	MFEC	MINT
MONO	MOONG	MSC	MTC	NCH	NCL	NEP	NKI	NOBLE	NSI	NVD
NYT	OISHI	ORI	OTO	PAP	PCSGH	PDJ	PG	PHOL	PLANB	PLANET
PLAT	PORT	PPS	PR9	PREB	PRG	PRM	PSH	PSL	PTG	PTT
PTTEP	PTTGC	PYLON	Q-CON	QH	QTC	RATCH	RS	S	S & J	SAAM
SABINA	SAMART	SAMTEL	SAT	SC	SCB	SCC	SCCC	SCG	SCN	SDC
SEAFCO	SEOIL	SE-ED	SELIC	SENA	SIRI	SIS	SITHAI	SMK	SMPC	SNC
SONIC	SORKON	SPALI	SPI	SPRC	SPVI	SSSC	SST	STA	SUSCO	SUTHA
SVI	SYMC	SYNTEC	TACC	TASCO	TCAP	TFMAMA	THANA	THANI	THCOM	THG
THIP	THRE	THREL	TIP	TIPCO	TISCO	TK	TKT	TMB	TMILL	TNDT
TNL	TOA	TOP	TPBI	TQM	TRC	TSC	TSR	TSTE	TSTH	TTA
TTCL	TTW	TU	TVD	TVI	TVO	TWPC	U	UAC	UBIS	UV
VGI	VIH	WACOAL	WAVE	WHA	WHAUP	WICE	WINNER	TRUE		

VERY GOOD LEVEL										
2S	ABM	ACE	ACG	ADB	AEC	AEONTS	AGE	AH	AHC	AIT
ALLA	AMANAHA	AMARIN	APCO	APCS	APURE	AQUA	ASAP	ASEFA	ASIA	ASIAN
ASIMAR	ASK	ASN	ATP30	AUCT	AWC	AYUD	B	BA	BAM	BBL
BFIT	BGC	BJC	BJCHI	BROOK	BTW	CBG	CEN	CGH	CHARAN	CHAYO
CHG	CHOTI	CHOW	CI	CIG	CMC	COLOR	COM7	CPL	CRC	CRD
CSC	CSP	CWT	DCC	DCON	DDD	DOD	DOHOME	EASON	EE	ERW
ESTAR	FE	FLOYD	FN	FORTH	FSS	FTE	FVC	GENCO	GJS	GL
GLAND	GLOBAL	GLOCON	GPI	GULF	GYT	HPT	HTC	ICN	IFS	ILM
IMH	INET	INSURE	IRC	IRCP	IT	ITD	ITEL	J	JAS	JCK
JCKH	JMART	JMT	KBS	KCAR	KGI	KIAT	KOOL	KTIS	KWC	KWM
L&E	LALIN	LDC	LHK	LOXLEY	LPH	LRH	LST	M	MACO	MAJOR
MBAX	MEGA	META	MFC	MGT	MILL	MITSI	MK	MODERN	MTI	MVP
NETBAY	NEX	NINE	NTV	NWR	OCC	OGC	OSP	PATO	PB	PDG
PDI	PICO	PIMO	PJW	PL	PM	PPP	PRIN	PRINC	PSTC	PT
QLT	RCL	RICHY	RML	RPC	RWI	S11	SALEE	SAMCO	SANKO	SAPPE
SAWAD	SCI	SCP	SE	SEG	SFP	SGF	SHR	SIAM	SINGER	SKE
SKR	SKY	SMIT	SMT	SNP	SPA	SPC	SPCG	SR	SRICHA	SSC
SSF	STANLY	STI	STPI	SUC	SUN	SYNEX	T	TAE	TAKUNI	TBSP
TCC	TCMC	TEAM	TEAMG	TFG	TIGER	TITLE	TKN	TKS	TM	TMC
TMD	TMI	TMT	TNITY	TNP	TNR	TOG	TPA	TPAC	TPCORP	TPOLY
TPS	TRITN	TRT	TRU	TSE	TVT	TWP	UEC	UMI	UOBKH	UP
UPF	UPOIC	UT	UTP	UWC	VL	VNT	VPO	WIK	WP	XO
YUASA	ZEN	ZIGA	ZMICO							

GOOD LEVEL										
7UP	A	ABICO	AJ	ALL	ALUCON	AMC	APP	ARIN	AS	AU
B52	BC	BCH	BEAUTY	BGT	BH	BIG	BKD	BLAND	BM	BR
BROCK	BSBM	BSM	BTNC	CAZ	CCP	CGD	CITY	CMAN	CMO	CMR
CPT	CPW	CRANE	CSR	D	EKH	EP	ESSO	FMT	GIFT	GREEN
GSC	GTB	HTECH	HUMAN	HL	INOX	INSET	IP	JTS	JUBILE	KASET
KCM	KKC	KUMWEL	KUN	KWG	KYE	LEE	MATCH	MATI	M-CHAI	MCS
MDX	MJD	MM	MORE	NC	NDR	NER	NFC	NNCL	NPK	NUSA
OCEAN	PAF	PF	PK	PLE	PMTA	POST	PPM	PRAKIT	PRECHA	PRIME
PROUD	PTL	RBF	RCI	RJH	ROJNA	RP	RPH	RSP	SF	SFLEX
SGP	SISB	SKN	SLP	SMART	SOLAR	SPG	SQ	SSP	STARK	STC
SUPER	SVOA	TC	TCCC	THMUI	TIW	TNH	TOPP	TPCH	TIPIPP	TPLAS
TTI	TYCN	UKEM	UMS	VCOM	VRANDA	WIN	WORK	WPH		

Description

Score Range

Excellent

90-100

Very Good

80-89

Good

70-79

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 2020

CERTIFIED										
2S	ADVANC	AI	AIE	AIRA	AKP	AMA	AMANA	AP	AQUA	ARROW
ASK	ASP	AYUD	B	BAFS	BANPU	BAY	BBL	BCH	BCP	BCPG
BGC	BGRIM	BJCHI	BKI	BLA	BPP	BROOK	BRR	BSBM	BTS	BWG
CEN	CENTEL	CFRESH	CGH	CHEWA	CHOTI	CHOW	CIG	CIMBT	CM	CMC
COL	COM7	CPALL	CPF	CPI	CPN	CSC	DCC	DELTA	DEMCO	DIMET
DRT	DTAC	DTC	EASTW	ECL	EGCO	FE	FNS	FPI	FPT	FSS
FTE	GBX	GC	GCAP	GEL	GFPT	GGC	GJS	GPSC	GSTEEL	GUNKUL
HANA	HARN	HMPRO	HTC	ICC	ICHI	IFS	INET	INSURE	INTUCH	IRPC
ITEL	IVL	K	KASET	KBANK	KBS	KCAR	KCE	KGI	KKP	KSL
KTB	KTC	KWC	L&E	LANNA	LHFG	LHK	LPN	LRH	M	MAKRO
MALEE	MBAX	MBK	MBKET	MC	MCOT	MFC	MFEC	MINT	MONO	MOONG
MPG	MSC	MTC	MTI	NBC	NEP	NINE	NKI	NMG	NNCL	NSI
NWR	OCC	OCEAN	OGC	ORI	PAP	PATO	PB	PCSGH	PDG	PDI
PDJ	PE	PG	PHOL	PL	PLANB	PLANET	PLAT	PM	PPP	PPPM
PPS	PREB	PRG	PRINC	PRM	PSH	PSL	PSTC	PT	PTG	PTT
PTTEP	PTTGC	PYLON	Q-CON	QH	QLT	QTC	RATCH	RML	RWI	S & J
SABINA	SAT	SC	SCB	SCC	SCCC	SCG	SCN	SEAOL	SE-ED	SELIC
SENA	SGP	SIRI	SITHAI	SMIT	SMK	SMPC	SNC	SNP	SORKON	SPACK
SPC	SPI	SPRC	SRICHA	SSF	SSSC	SST	STA	SUSCO	SVI	SYNTEC
TAE	TAKUNI	TASCO	TBSP	TCAP	TCMC	TFG	TFI	TFMAMA	THANI	THCOM
THIP	THRE	THREL	TIP	TIPCO	TISCO	TKT	TMB	TMD	TMILL	TMT
TNITY	TNL	TNP	TNR	TOG	TOP	TPA	TPCORP	TPP	TRU	TSC
TSTH	TTCL	TU	TVD	TVI	TVO	TWPC	U	UBIS	UEC	UKEM
UOBKH	UWC	VGI	VIH	VNT	WACOAL	WHA	WHAUP	WICE	WIJK	XO
ZEN	TRUE									
DECLARED										
7UP	ABICO	AF	ALT	AMARIN	AMATA	AMATAV	ANAN	APURE	B52	BKD
BM	BROCK	BUI	CHO	CI	COTTO	DDD	EA	EFORL	EP	ERW
ESTAR	ETE	EVER	FSMART	GPI	ILINK	IRC	J	JKN	JMART	JMT
JSP	JTS	KWG	LDC	MAJOR	META	NCL	NOBLE	NOK	PK	PLE
ROJNA	SAAM	SAPPE	SCI	SE	SHANG	SINGER	SKR	SPALI	SSP	STANLY
SUPER	SYNEX	THAI	TKS	TOPP	TRITN	TTA	UPF	UV	WIN	ZIGA

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

Yuvanart Suwanumphai FSS International Investment Advisory Securities Co., Ltd

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History of change in investment rating and/or target price

Chayo Group (CHAYO TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
05-Oct-2020	BUY	9.70	09-Mar-2021	BUY	15.00	-	-	-
23-Nov-2020	BUY	9.70	12-May-2021	BUY	18.80			

Yuvanart Suwanumphai started covering this stock from 05-Oct-2020

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Chayo Group	CHAYO TB	THB 17.20	BUY	Downside risks to our GGM-based TP include 1) lower-than-expected bad debt acquisition; and 2) higher-than-expected operating expenses.

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

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All share prices are as at market close on 01-Jun-2021 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.