

3 SEPTEMBER 2021

THAILAND / INDUSTRIAL

SCG PACKAGING SCGP TB

BUY

UNCHANGED

TARGET PRICE	THB82.00
CLOSE	THB69.25
UP/DOWNSIDE	+18.4%
PRIOR TP	THB76.00
CHANGE IN TP	+7.9%
TP vs CONSENSUS	+19.0%

ทำธุรกิจ Specialty Packaging ให้ดียิ่งขึ้น

ขยายธุรกิจ Specialty Packaging ใน Visy

เมื่อวันที่ 31 ส.ค. 2021 SCGP ประกาศซื้อหุ้น 20% ใน Visy Packaging (Thailand) ซึ่งทำให้สัดส่วนการถือหุ้นของบริษัทฯ เพิ่มขึ้นเป็น 100% การซื้อดังกล่าวมีต้นทุนอยู่ที่ 1.37 พัน ลบ. สำหรับหุ้นอีก 20% ซึ่งเป็นราคาเดียวกันกับที่ SCGP เคยจ่ายสำหรับหุ้น 80% ใน Visy ก่อนหน้า เราประเมินว่าการดังกล่าวเท่ากับ 15x ของค่า P/E Multiple 1 ปีล่วงหน้าและ 10x ของค่า EV/EBITDA สอดคล้องกับระดับการประเมินมูลค่าสำหรับบริษัท Specialty Packaging อื่น ๆ พร้อม EBITDA margin ในระดับสูงที่ 20% เทียบกับค่าปัจจุบันของ SCGP ที่ 17% ในปี 2021

เสริมธุรกิจ HVA ซึ่งเป็นหนึ่งในธุรกิจ Specialty Packaging ให้ดียิ่งขึ้น

SCGP ซื้อหุ้น 80% ของ Visy เมื่อวันที่ 30 ส.ค. 2019 ในราคา 4.34 พัน ลบ. ซึ่งเป็นปีเดียวกันกับที่บริษัทฯ ซื้อหุ้น 55% ใน P.T. Fajar Surya Wisesa Tbk. (Fajar) ซึ่งเป็นหนึ่งในผู้ผลิตกระดาษลูกฟูกรายใหญ่ที่สุดในอินโดนีเซียในราคา 21.15 พัน ลบ. ในเดือน พ.ค. 2019 หลังการซื้อทั้ง 2 รายการดังกล่าว SCGP ได้ขยายกำลังการผลิตของ Fajar และปัจจุบันกำลังเพิ่มหุ้นใน Visy อีก 20% เพื่อเพิ่มกำลังการผลิตในธุรกิจ Specialty Packaging ที่อยู่ภายใต้ Visy อย่างมีประสิทธิภาพ Visy เป็นผู้ผลิต Thermoformed Barrier Food Packaging ที่ใช้ Multi-layered Polypropylene-based Plastics ซึ่งช่วยขยายระยะเวลาในการวางชั้นสินค้า ให้นานขึ้นที่เบาและสามารถนำมาใช้หมุนเวียนได้ ปัจจัยดังกล่าวจะช่วยส่งเสริม SCGP ในฐานะที่เป็นบริษัทชั้นนำที่ให้ความสนใจต่อสิ่งแวดล้อม สังคม และธรรมาภิบาลให้ดียิ่งขึ้น เราประเมินว่าหุ้นที่เพิ่มขึ้น 20% ใน Visy จะเพิ่มกำไรสุทธิต่อปีจำนวน 0.1-0.2 พัน ลบ. ให้แก่ SCGP เริ่มตั้งแต่ 4Q21 เป็นต้นไป

การเติบโตจะต่อเนื่องไปใน 2H21-23

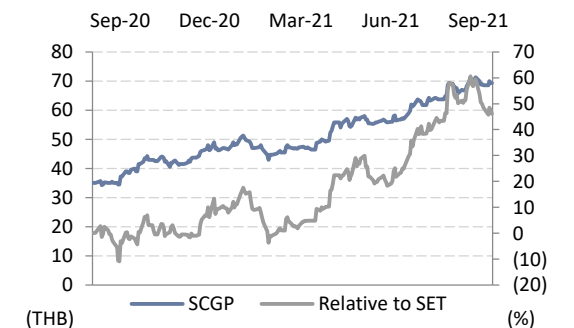
เราเชื่อว่าการเติบโตของการผลิตและการผสมผสานการดำเนินงานของ SCGP น่าจะดีขึ้นต่อเนื่องในปี 2021-23 บริษัทฯ มีแนวโน้มที่จะสามารถเก็บเกี่ยวประโยชน์จากการซื้อธุรกิจจำนวนมากประกอบด้วยหุ้น 20% ใน Visy และการขยายกำลังการผลิตภายในของบริษัทฯ ในตลาดอาเซียนและยุโรป การปรับปรุงประสิทธิภาพการดำเนินงานของ SCGP น่าจะทำให้ EBITDA margin เพิ่มขึ้นอย่างต่อเนื่องจาก 18-20% ในปี 2020-1H21 เนื่องจาก EBITDA margin ที่ต่ำกว่าของธุรกิจเส้นใยจะชดเชยได้ด้วย EBITDA margin ที่สูงกว่าของธุรกิจ Integrated Packaging ซึ่งรวมถึง Visy

ปรับเพิ่มราคาเป้าหมายเป็น 82 บาท

เราปรับเพิ่มราคาเป้าหมายจาก 76 บาท (15x ของค่า 2022E EV/EBITDA) เป็น 82 บาท (16x ของค่า 2022E EV/EBITDA) ซึ่งเป็นระดับการประเมินมูลค่าที่สูงกว่าบริษัทอื่นในกลุ่มจากแนวโน้มการเติบโตของกำไรสุทธิที่สูงขึ้นของ SCGP จากการควบรวมกิจการและการเป็นพันธมิตร รวมถึงการเติบโตภายในบริษัทฯ พร้อมด้วยอัตราค่าไถ่ที่สูงขึ้นจากยุทธศาสตร์ในการลดต้นทุนของบริษัทฯ

KEY STOCK DATA

YE Dec (THB m)	2020	2021E	2022E	2023E
Revenue	92,786	120,789	127,572	130,468
Net profit	6,457	10,099	13,027	15,070
EPS (THB)	1.50	2.35	3.03	3.51
vs Consensus (%)	-	8.6	16.0	24.7
EBITDA	16,496	20,312	24,191	27,184
Core net profit	6,638	10,099	13,027	15,070
Core EPS (THB)	1.55	2.35	3.03	3.51
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	(13.3)	52.1	29.0	15.7
Core P/E (x)	44.8	29.4	22.8	19.7
Dividend yield (%)	0.9	1.1	1.3	1.3
EV/EBITDA (x)	19.9	16.2	13.8	12.2
Price/book (x)	3.4	3.1	2.8	2.6
Net debt/Equity (%)	9.6	9.3	10.0	8.6
ROE (%)	10.1	11.0	13.0	13.6



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	0.4	24.2	n/a
Relative to country (%)	(7.1)	21.9	n/a
Mkt cap (USD m)	9,160		
3m avg. daily turnover (USD m)	29.3		
Free float (%)	30		
Major shareholder	Siam Cement (69%)		
12m high/low (THB)	71.50/32.75		
Issued shares (m)	4,292.92		

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 3 กันยายน 2021

Investment thesis

We project SCGP to have net profit growth of 28% CAGR from 2019-22. We think this will be driven by the company's capacity growth, margin expansion, and M&P strategy that should allow it to not only grow its net profit and market presence, but also enhance its long-term value creation for shareholders via its solid brand recognition, superior cost control, and operational excellence.

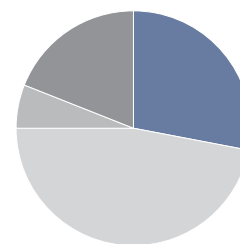
Company profile

SCG Packaging is the largest packaging producer in ASEAN, commanding a 36% market share as of 2020, according to Frost and Sullivan. SCGP's 68.8% stake is owned by Siam Cement. The company grows its business, mostly via acquisitions, in many countries.

www.scgpackaging.com

Principal activities (revenue, 2020)

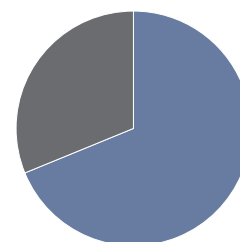
- Fibrous chain - 28.0 %
- Performance and Polymer packaging - 47.0 %
- Packaging paper - 6.0 %
- Fibre-based packaging - 19.0 %



Source: SCG Packaging

Major shareholders

- Siam Cement - 68.8 %
- Others - 31.2 %



Source: SCG Packaging

Catalysts

We see three key drivers for SCGP: 1) a potential margin expansion on lower raw material costs and improving production efficiency; 2) organic and inorganic capacity growth; and 3) market expansion in ASEAN countries and its entrance into new consumer packaging markets via mergers & partnerships (M&P).

Risks to our call

Downside risks to our EV/EBITDA-based TP include a lower-than-expected demand for packaging, rising raw material costs of recycled paper and higher energy costs.

Event calendar

Date	Event
Nov 2021	3Q21 results announcement

Key assumptions

	2021E	2022E	2023E
Packaging paper ASP (THB/tonne)	15,201	16,523	16,523
Fibre-based packaging ASP (THB/tonne)	23,005	23,005	23,005
Packaging sales volume (mtpa)	4.6	4.6	4.8
Fibrous sales volume (mtpa)	1.1	1.1	1.1
Recycled paper price (USD/tonne)	185	185	185
Pulp price (USD/tonne)	439	434	430

Source: FSSIA estimates

Earnings sensitivity

- For every 1% change in recycled paper price, we estimate a 0.7% change in 2021 EPS, all else being equal.
- For every 1% change in packaging paper price, we estimate a 1.5% change in 2021 EPS, all else being equal.
- For every 1% change in pulp price, we estimate a 0.1% change in 2021 EPS, all else being equal.

Source: FSSIA estimates

Exhibit 1: Fruit in plastic jar produced by Visy

Source: [DOLE](#)

Exhibit 2: Fruit in light syrup container produced by Visy

Source: [DOLE](#)

Exhibit 3: Peer comparisons

Company	BBG code	Rec	Share Price	Target price	Upside	Market Cap	3Y EPS CAGR	----- PE -----		---- ROE ----		---- PBV ----		EV / EBITDA	
								21E	22E	21E	22E	21E	22E	21E	22E
			(LCY)	(LCY)	(%)	(USD m)	(%)	(x)	(x)	(%)	(%)	(x)	(x)	(x)	(x)
Asia															
SCG Packaging	SCGP TB	BUY	69.25	82	10	9,160	31.4	29.4	22.8	11.0	13.0	3.1	2.8	16.2	13.8
Eastern Polymer Group	EPG TB	BUY	13	15.5	19	1,122	16.8	29.9	23.9	11.3	13.3	3.3	3.1	20.8	17.7
Polyplex Pcl	PTL TB	NA	25.5	NA	NA	707	26.1	9.1	7.1	17.7	19.2	1.5	1.2	6.1	5.0
United Paper Pcl	UTP TB	NA	17.5	NA	NA	346	8.8	10.7	9.9	28.2	26.8	2.8	2.5	7.8	7.1
Lee & Man Paper Manufac	2314 HK	NA	7.09	NA	NA	4,055	7.5	7.6	7.4	13.6	13.3	1.0	0.9	7.0	6.8
Nine Dragons Paper	2689 HK	NA	10.8	NA	NA	6,690	25.1	6.1	6.2	16.1	14.4	0.9	0.9	5.4	5.1
Asia avg						22,081	30.2	17.4	14.3	13.5	13.9	2.0	1.8	11.0	9.7
Europe															
Ds Smith Plc	SMDS LN	NA	448.7	NA	NA	8,525	14.7	19.1	15.1	9.5	10.4	1.7	1.6	9.8	8.8
Mondi Plc	MNDI LN	NA	2031	NA	NA	13,641	10.8	17.0	14.8	16.0	16.6	2.6	2.3	9.7	8.8
Smurfit Kappa Group	SKG LN	NA	4215	NA	NA	15,102	n/a	18.5	15.8	17.5	18.3	3.0	2.7	9.3	8.2
Europe avg						37,267	57.6	30.5	25.8	25.6	26.8	4.3	3.9	16.1	14.4
USA															
Amcor Plc-Cdi	AMC AU	NA	17.17	NA	NA	19,665	n/a	17.3	15.9	24.7	25.7	4.2	4.0	12.7	11.9
Amcor Plc	AMCR US	NA	12.75	NA	NA	19,614	13.6	17.2	15.8	24.7	25.7	4.2	4.0	12.6	11.9
Ardagh Group Sa	ARD US	NA	26	NA	NA	6,146	124.7	16.0	13.3	n/a	89.1	n/a	12.8	9.5	8.5
USA avg						82,691	57.2	35.2	31.9	43.9	70.5	7.5	10.8	25.2	23.6
Polymer packaging															
Ds Smith Plc	SMDS LN	NA	448.7	NA	NA	8,525	14.7	19.1	15.1	9.5	10.4	1.7	1.6	9.8	8.8
Polymer packaging avg						8,525	14.7	7.4	5.8	3.7	4.0	0.7	0.6	3.8	3.4
Overall average						150,564	49.6	26.7	20.6	26.7	43.3	1.1	1.3	10.9	9.2

Share prices as of 2 Sep 2021

Sources: Bloomberg; FSSIA estimates

Financial Statements

SCG Packaging

Profit and Loss (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Revenue	89,070	92,786	120,789	127,572	130,468
Cost of goods sold	(65,661)	(66,149)	(85,983)	(88,072)	(90,237)
Gross profit	23,409	26,637	34,806	39,500	40,231
Other operating income	-	-	-	-	-
Operating costs	(9,753)	(10,141)	(14,495)	(15,309)	(13,047)
Operating EBITDA	13,656	16,496	20,312	24,191	27,184
Depreciation	(5,991)	(7,183)	(6,291)	(6,746)	(7,278)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	7,665	9,313	14,021	17,446	19,906
Net financing costs	(1,491)	(1,674)	(1,246)	(1,058)	(1,058)
Associates	53	66	0	0	0
Recurring non-operating income	1,070	850	80	80	80
Non-recurring items	(304)	(181)	0	0	0
Profit before tax	6,940	8,308	12,855	16,468	18,928
Tax	(1,049)	(1,002)	(2,006)	(2,589)	(3,006)
Profit after tax	5,891	7,306	10,849	13,879	15,922
Minority interests	(623)	(848)	(750)	(852)	(852)
Preferred dividends	0	0	0	0	0
Other items	0	0	0	0	0
Reported net profit	5,269	6,457	10,099	13,027	15,070
Non-recurring items & goodwill (net)	304	181	0	0	0
Recurring net profit	5,573	6,638	10,099	13,027	15,070
Per share (THB)					
Recurring EPS *	1.78	1.55	2.35	3.03	3.51
Reported EPS	1.69	1.50	2.35	3.03	3.51
DPS	0.63	0.60	0.75	0.90	0.90
Diluted shares (used to calculate per share data)	3,126	4,293	4,293	4,293	4,293
Growth					
Revenue (%)	2.1	4.2	30.2	5.6	2.3
Operating EBITDA (%)	(2.6)	20.8	23.1	19.1	12.4
Operating EBIT (%)	(11.2)	21.5	50.6	24.4	14.1
Recurring EPS (%)	(53.1)	(13.3)	52.1	29.0	15.7
Reported EPS (%)	(56.6)	(10.7)	56.4	29.0	15.7
Operating performance					
Gross margin inc. depreciation (%)	19.6	21.0	23.6	25.7	25.3
Gross margin of key business (%)	19.6	21.0	23.6	25.7	25.3
Operating EBITDA margin (%)	15.3	17.8	16.8	19.0	20.8
Operating EBIT margin (%)	8.6	10.0	11.6	13.7	15.3
Net margin (%)	6.3	7.2	8.4	10.2	11.6
Effective tax rate (%)	15.2	12.2	15.6	15.7	15.9
Dividend payout on recurring profit (%)	35.3	38.8	31.9	29.7	25.6
Interest cover (X)	5.9	6.1	11.3	16.6	18.9
Inventory days	72.7	71.8	62.3	69.6	69.6
Debtor days	59.5	62.0	51.6	53.2	56.4
Creditor days	51.8	56.3	50.6	56.5	56.5
Operating ROIC (%)	6.9	7.2	(2.6)	(2.9)	(3.0)
ROIC (%)	6.8	6.5	(2.1)	(2.5)	(2.6)
ROE (%)	13.4	10.1	11.0	13.0	13.6
ROA (%)	6.3	5.7	6.2	7.7	8.3

* Pre-exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2019	2020	2021E	2022E	2023E
Fibrous chain	24,940	25,980	33,821	35,720	36,531
Performance and Polymer packaging	41,863	43,609	56,771	59,959	61,320
Packaging paper	5,344	5,567	7,247	7,654	7,828
Fibre-based packaging	16,923	17,629	22,950	24,239	24,789

Sources: SCG Packaging; FSSIA estimates

Financial Statements

SCG Packaging

Cash Flow (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Recurring net profit	5,573	6,638	10,099	13,027	15,070
Depreciation	5,991	7,183	6,291	6,746	7,278
Associates & minorities	41	42	(5,000)	0	0
Other non-cash items	-	-	-	-	-
Change in working capital	(1,775)	1,461	(2,031)	(1,597)	(1,659)
Cash flow from operations	9,829	15,325	9,359	18,175	20,690
Capex - maintenance	(3,180)	(3,181)	0	0	0
Capex - new investment	(27,295)	(8,409)	(7,023)	(17,023)	(17,023)
Net acquisitions & disposals	41	42	(5,000)	0	0
Other investments (net)	(13,675)	1,215	(300)	0	0
Cash flow from investing	(44,109)	(10,334)	(12,323)	(17,023)	(17,023)
Dividends paid	(1,969)	(2,576)	(3,220)	(3,864)	(3,864)
Equity finance	0	0	0	0	0
Debt finance	31,081	(16,115)	(11,382)	0	0
Other financing cash flows	7,230	41,627	5,808	910	910
Cash flow from financing	36,342	22,936	(8,794)	(2,954)	(2,954)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	2,061	27,927	(11,757)	(1,803)	712
Free cash flow to firm (FCFF)	(32,661.71)	6,442.31	(1,718.14)	2,209.24	4,724.14
Free cash flow to equity (FCFE)	4,030.63	30,502.42	(8,537.76)	2,061.07	4,575.98

Per share (THB)

FCFF per share	(7.61)	1.50	(0.40)	0.51	1.10
FCFE per share	0.94	7.11	(1.99)	0.48	1.07
Recurring cash flow per share	3.71	3.23	2.65	4.61	5.21

Balance Sheet (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Tangible fixed assets (gross)	180,525	195,012	207,035	224,059	241,082
Less: Accumulated depreciation	(97,662)	(107,741)	(114,032)	(120,777)	(128,056)
Tangible fixed assets (net)	82,864	87,271	93,004	103,281	113,026
Intangible fixed assets (net)	18,426	18,624	18,624	18,624	18,624
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	787	829	829	829	829
Cash & equivalents	4,959	32,886	21,128	19,326	20,039
A/C receivable	15,198	16,334	17,813	19,375	20,972
Inventories	13,276	12,760	16,586	16,989	17,407
Other current assets	1,950	939	1,223	1,291	1,321
Current assets	35,383	62,919	56,750	56,981	59,738
Other assets	2,053	2,786	2,786	2,786	2,786
Total assets	139,513	172,429	171,992	182,501	195,003
Common equity	42,952	88,738	95,675	104,897	116,161
Minorities etc.	19,864	21,103	21,853	22,705	23,557
Total shareholders' equity	62,816	109,841	117,528	127,602	139,718
Long term debt	16,318	12,052	12,052	12,052	12,052
Other long-term liabilities	6,365	7,300	7,000	7,000	7,000
Long-term liabilities	22,683	19,351	19,052	19,052	19,052
A/C payable	10,059	10,365	13,473	13,800	14,139
Short term debt	43,230	31,382	20,000	20,000	20,000
Other current liabilities	725	1,489	1,939	2,048	2,094
Current liabilities	54,014	43,237	35,412	35,848	36,234
Total liabilities and shareholders' equity	139,513	172,429	171,992	182,501	195,003
Net working capital	19,640	18,179	20,210	21,807	23,466
Invested capital	123,770	127,689	135,452	147,327	158,731

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

Per share (THB)

Book value per share	13.74	20.67	22.29	24.43	27.06
Tangible book value per share	7.85	16.33	17.95	20.10	22.72

Financial strength

Net debt/equity (%)	86.9	9.6	9.3	10.0	8.6
Net debt/total assets (%)	39.1	6.1	6.4	7.0	6.2
Current ratio (x)	0.7	1.5	1.6	1.6	1.6
CF interest cover (x)	22.0	24.2	(0.2)	19.0	21.4

Valuation	2019	2020	2021E	2022E	2023E
Recurring P/E (x) *	38.8	44.8	29.4	22.8	19.7
Recurring P/E @ target price (x) *	46.0	53.0	34.9	27.0	23.4
Reported P/E (x)	41.1	46.0	29.4	22.8	19.7
Dividend yield (%)	0.9	0.9	1.1	1.3	1.3
Price/book (x)	5.0	3.4	3.1	2.8	2.6
Price/tangible book (x)	8.8	4.2	3.9	3.4	3.0
EV/EBITDA (x) **	21.3	19.9	16.2	13.8	12.2
EV/EBITDA @ target price (x) **	24.2	23.3	18.9	16.0	14.3
EV/invested capital (x)	2.4	2.6	2.4	2.3	2.1

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

Sources: SCG Packaging; 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	MITSIB	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	WIIK	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	IHL	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	TIPIP	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

Suwat Sinsadok FSS International Investment Advisory Securities Co., Ltd

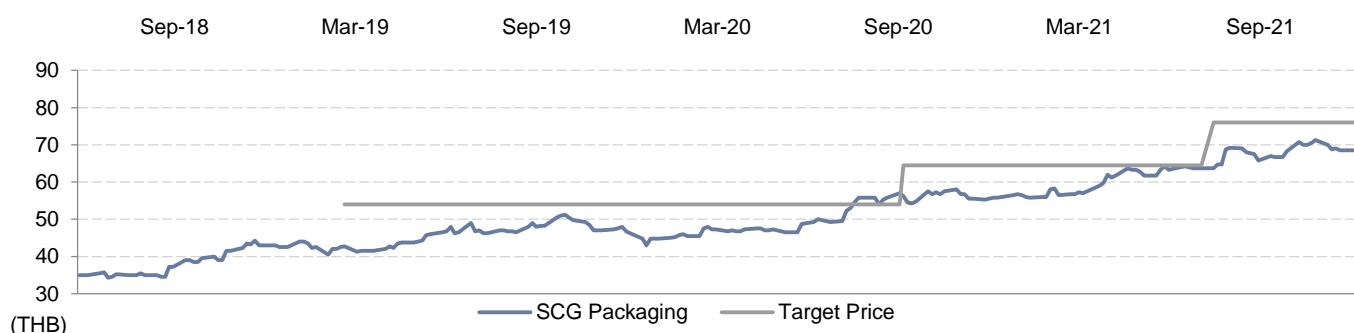
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) 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

SCG Packaging (SCGP TB)



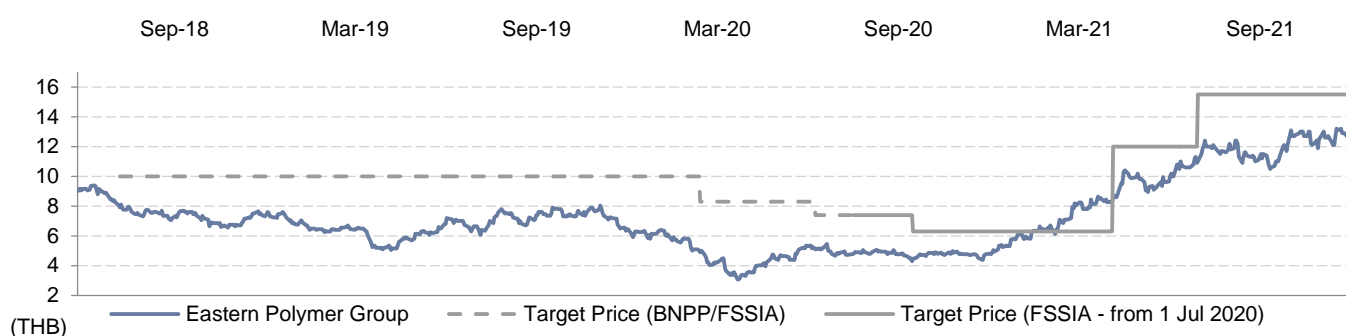
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
24-Dec-2020	BUY	54.00	23-Mar-2021	BUY	54.00	10-May-2021	BUY	64.50
26-Jan-2021	BUY	54.00	30-Mar-2021	BUY	54.00	23-Jul-2021	BUY	76.00

Suwat Sinsadok started covering this stock from 24-Dec-2020

Price and TP are in local currency

Source: FSSIA estimates

Eastern Polymer Group (EPG TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
09-Oct-2018	BUY	10.00	29-May-2020	BUY	7.40	08-Feb-2021	BUY	12.00
20-Feb-2020	BUY	8.30	20-Aug-2020	BUY	6.30	26-Mar-2021	BUY	12.00
29-May-2020	BUY	7.40	10-Nov-2020	BUY	6.30	22-Apr-2021	BUY	15.50

Suwat Sinsadok started covering this stock from 09-Oct-2018

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
SCG Packaging	SCGP TB	THB 69.25	BUY	Downside risks to our EV/EBITDA-based TP include a lower-than-expected demand for packaging, rising raw material costs of recycled paper and higher energy costs.
Eastern Polymer Group	EPG TB	THB 13.00	BUY	Downside risks to our EV/EBITDA-based target price include 1) a sharp rise in feedstock prices, driven mostly by a higher oil price; and 2) lower-than-expected demand.

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 2-Sep-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.