

11 OCTOBER 2021

THAILAND / MATERIALS

SIAM CEMENT SCC TB

BUY

UNCHANGED

TARGET PRICE	THB520.00
CLOSE	THB406.00
UP/DOWNSIDE	+28.1%
PRIOR TP	THB520.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+2.7%

ราคาถ่านหินที่สูงขึ้นจะกระทบผลประกอบการ 3Q21

คาดการณ์กำไรสุทธิ 3Q21 จะอ่อนแอโดยจะอยู่ที่ 10.3 พัน ลบ.

เรคาดว่า SCC จะรายงานกำไรสุทธิ 3Q21 ที่อ่อนแอโดยจะอยู่ที่ 10.3 พัน ลบ. (-40% q-q, +5% y-y) ในความเห็นของเราผลประกอบการที่อ่อนแอดังกล่าวจะเกิดจากต้นทุนถ่านหินที่ปรับขึ้นเป็นจำนวนมาก แม้ว่า SCC ได้ทำสัญญาตรึงราคาถ่านหินล่วงหน้าไว้ 6-9 เดือน ต้นทุนเชื้อเพลิงคิดเป็น 1/3 ของต้นทุนรวมและ SCC ได้พยายามลดผลกระทบของต้นทุนถ่านหินโดยใช้เชื้อเพลิงชีวมวลถึง 10% ของต้นทุนรวม (1/3 ของต้นทุนรวม) ในช่วง 2 ปีที่ผ่านมา เราคาดว่ากำไรจากธุรกิจปิโตรเคมีจะลดลง q-q เหลือ 8.6 พัน ลบ. ใน 3Q21 ลดลงจาก 10.4 พัน ลบ. ใน 2Q21 จาก Product Margin ที่ลดลง เมื่อเทียบกับ Naphtha โดยเฉพาะอย่างยิ่ง Polyethylene และ Polypropylene เราคาดว่ากำไร 3Q21 จากธุรกิจปูนซีเมนต์และวัสดุก่อสร้าง (CBM) จะลดลงจาก 2.5 พัน ลบ. ใน 2Q21 เหลือ 1.1 พัน ลบ. ใน 3Q21 จากต้นทุนถ่านหินที่สูงขึ้นและความต้องการที่ลดลง ในขณะที่กำไรจากธุรกิจบรรจุภัณฑ์น่าจะลดลง q-q เหลือ 1.8 พัน ลบ. ลดลงจาก 2.3 พัน ลบ. จากผลกระทบของมาตรการปิดเมืองในเวียดนาม อินโดนีเซีย และไทย รวมถึงต้นทุนกระดาษลูกฟูกนำเข้า (OCC) ที่สูงขึ้น

ราคาถ่านหินที่สูงขึ้นกระทบอัตรากำไร

เรคาดว่า SCC จะได้รับผลกระทบจากอัตรากำไรที่ลดลงจากราคาถ่านหินที่ปรับขึ้นในปัจจุบัน ในธุรกิจ CBM (ต้นทุนเชื้อเพลิงคิดเป็น 1/3) และบรรจุภัณฑ์ (ต้นทุนเชื้อเพลิงคิดเป็น 1/4) ในขณะที่ต้นทุนไฟฟ้า (10-20% ของต้นทุนรวมสำหรับธุรกิจ CBM และบรรจุภัณฑ์) ยังทรงตัวเนื่องจากประเทศไทยค่อนข้างเป็นอิสระจากราคาถ่านหิน LNG ถ่านหินและน้ำมันจากตลาดโลกเพื่อการผลิตไฟฟ้า ราคาถ่านหินในตลาดโลกได้ปรับตัวขึ้นต่อเนื่องจากสภาวะอุปทานตึงตัวและความต้องการไฟฟ้าที่สูงเกินคาดในช่วงฤดูร้อน ความต้องการที่เพิ่มขึ้นสำหรับกิจกรรมทางเศรษฐกิจและอุตสาหกรรมหลังการผ่อนคลายมาตรการปิดเมือง และผลกระทบจากการเป็นเชื้อเพลิงทดแทนจากราคาก๊าซในตลาดโลกที่ปรับตัวขึ้น

ธุรกิจบรรจุภัณฑ์ที่อาจรายงานกำไรปรับตัวดีขึ้น q-q ใน 4Q21

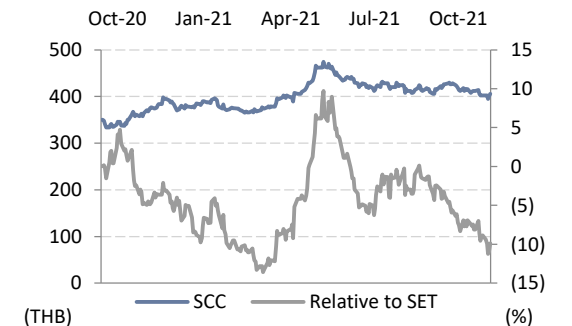
ใน 3 ธุรกิจหลักของ SCC เราคิดว่ามีเพียงบรรจุภัณฑ์ที่น่าจะรายงานกำไรดีขึ้น q-q ใน 4Q21 จากความต้องการที่เพิ่มขึ้นหลังการกลับมาเปิดเศรษฐกิจที่คาดว่าจะเกิดขึ้นในเวียดนาม ไทย อินโดนีเซีย และกัมพูชา แรงกดดันในด้านต้นทุนจากราคา OCC ที่ปรับตัวขึ้นน่าจะลดลงใน 4Q21 เนื่องจากอุปทานน่าจะเพิ่ม q-q ในสหรัฐ หลังการกลับมาเปิดประเทศ ซึ่งเราคาดว่าจะทำให้การส่งออก OCC เพิ่มขึ้น

ซื้อเมื่ออ่อนตัวก่อนกำไรที่คาดว่าจะดีใน 4Q21

เรลงคำแนะนำซื้อที่ราคาเป้าหมาย 520 บาท (SOTP) ราคาหุ้นของ SCC อาจจะได้รับแรงกดดันในระยะสั้นจากผลประกอบการที่คาดว่าจะอ่อนแอใน 3Q21 อย่างไรก็ตามเรายังคาดว่ากำไรจะพลิกฟื้น q-q ใน 4Q21 ซึ่งจะทำให้ราคาปรับตัวขึ้นได้

KEY STOCK DATA

YE Dec (THB m)	2020	2021E	2022E	2023E
Revenue	399,939	479,900	507,263	549,723
Net profit	34,144	59,925	62,539	61,854
EPS (THB)	28.45	49.94	52.12	51.55
vs Consensus (%)	-	25.7	34.0	25.9
EBITDA	60,835	85,487	93,684	99,250
Core net profit	34,144	59,925	62,539	61,854
Core EPS (THB)	28.45	49.94	52.12	51.55
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	6.7	75.5	4.4	(1.1)
Core P/E (x)	14.3	8.1	7.8	7.9
Dividend yield (%)	3.6	4.1	3.8	3.8
EV/EBITDA (x)	11.6	8.8	8.1	7.8
Price/book (x)	1.5	1.3	1.2	1.1
Net debt/Equity (%)	36.8	39.9	35.5	31.3
ROE (%)	11.4	17.6	16.3	14.5



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(2.9)	(3.3)	15.7
Relative to country (%)	(2.8)	(9.0)	(10.1)
Mkt cap (USD m)	14,387		
3m avg. daily turnover (USD m)	28.7		
Free float (%)	67		
Major shareholder	H.M. King Maha Vajiralongkorn (34%)		
12m high/low (THB)	474.00/331.00		
Issued shares (m)	1,200.00		

Sources: Bloomberg consensus; FSSIA estimates



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บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 11 ตุลาคม 2021

Investment thesis

We believe SCC's unique asset portfolio – consisting of cyclical chemical production, cement and building materials (CBM), and its more sustainable packaging business – could position it as one of Thailand's leading growth plays. SCC's net profit growth from its packaging business should timely offset the weaker net profit contributions from its chemical and CBM units that we expect in 2021-22.

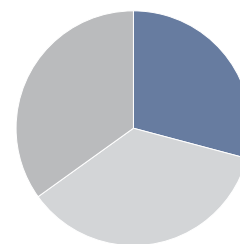
Company profile

SCC is 30% owned by the Crown Property Bureau and is the third largest company on the Thailand Stock Exchange by market capitalisation. Established in 1913 as a cement company, SCC was a means to reduce Thailand's reliance on cement imports and to take fuller advantage of the natural resources available in the country.

www.scg.com

Principal activities (revenue, 2020)

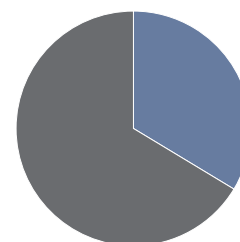
- Cement & Building Material - 29.1 %
- Chemicals - 36.0 %
- Packaging - 34.9 %



Source: Siam Cement

Major shareholders

- H.M. King Maha Vajiralongkorn - 33.6 %
- Others - 66.4 %



Source: Siam Cement

Catalysts

Key potential catalysts for SCC include 1) capacity expansions of its chemical and packaging businesses; 2) the rising demand for chemicals and paper packaging that should more than offset the weak demand for CBM; and 3) margin expansions due to lower energy and financial costs.

Risks to our call

Downside risks to our SOTP-based TP include 1) a lower-than-expected demand for chemicals, CBM, and packaging; 2) rising coal costs for its cement and packaging units; and 3) weaker demand from the automobile industry that could erode the demand for SCC's chemical unit and its dividend contributions.

Event calendar

Date	Event
Nov 2021	3Q21 results announcement

Key assumptions

	2021E	2022E	2023E
Cement demand growth (%)	3.0	2.5	4.0
Petrochemical utilisation (%)	80	95	95
Olefins capacity (m tonnes)	2,050	2,050	2,050
HDPE-naphtha (USD/tonne)	680	620	710
PP-naphtha (USD/tonne)	730	720	810

Source: FSSIA estimates

Earnings sensitivity

- For every 1% change in Brent oil price, we estimate a 0.8% change in 2021 EPS, all else being equal.
- For every 1% increase in PP-naphtha margin, we estimate 2021 EPS would rise 0.9%, and vice versa, all else being equal.
- For every 1% increase in utilisation rate, we estimate 2021 EPS would rise 1.4%, and vice versa, all else being equal.
- For every 1% increase in AOCC price, we estimate 2021 EPS would fall by 0.3%, and vice versa, all else being equal.

Source: FSSIA estimates

Exhibit 1: 3Q21E/9M21E results preview

	3Q20	2Q21	----- 3Q21E -----			9M20	9M21E	Change
	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)
Revenue	100,938	133,555	145,236	8.7	43.9	302,689	400,857	32.4
Operating costs	(84,645)	(107,212)	(126,582)	18.1	49.5	(251,958)	(211,310)	(16.1)
EBITDA	16,293	26,343	18,654	(29.2)	14.5	50,731	44,311	(12.7)
<i>EBITDA margin (%)</i>	<i>16.1</i>	<i>19.7</i>	<i>12.8</i>	<i>(34.9)</i>	<i>(20.4)</i>	<i>16.8</i>	<i>11.1</i>	<i>(34.0)</i>
Depn & amort.	(6,889)	(7,106)	(7,256)	2.1	5.3	(20,488)	(13,967)	(31.8)
EBIT	10,268	16,452	11,398	(30.7)	11.0	25,587	31,482	23.0
Interest expense	(2,024)	(1,694)	(1,756)	3.6	(13.3)	(5,784)	(3,385)	(41.5)
Interest & invt inc	1,589	2,861	1,854	(35.2)	16.7	5,695	4,423	(22.3)
Associates' contrib	3,041	5,708	5,253	(8.0)	72.8	5,991	11,405	90.4
Exceptionals	0	0	0	<i>nm</i>	<i>nm</i>	0	0	<i>nm</i>
Pretax profit	12,873	23,326	16,749	(28.2)	30.1	31,490	43,925	39.5
Tax	(1,802)	(2,928)	(2,756)	(5.9)	53.0	(3,751)	(5,250)	40.0
<i>Tax rate (%)</i>	<i>14.0</i>	<i>12.6</i>	<i>16.5</i>	<i>31.1</i>	<i>17.6</i>	<i>11.9</i>	<i>12.0</i>	<i>0.3</i>
Minority interests	(1,330)	(3,261)	(3,724)	14.2	179.9	(1,643)	(6,624)	303.2
Net profit	9,741	17,137	10,269	(40.1)	5.4	26,096	32,051	22.8
Core profit	9,741	17,137	10,269	(40.1)	5.4	26,096	32,051	22.8
EPS (THB)	8.12	14.28	8.56	(40.1)	5.4	21.75	26.71	22.8
Core EPS (THB)	8.12	14.28	8.56	(40.1)	5.4	21.75	26.71	22.8

Sources: SCC; FSSIA estimates

Exhibit 2: SOTP valuation

SOP valuation	End-21E		% total	Valuation basis
	(THB m)	(THB/shr)	(%)	
Cement & building material	332,323	277	48	8x 2021E EV/EBITDA
Petrochemical	268,152	223	39	7x 2021E EV/EBITDA
Packaging	196,211	164	28	14x 2021E EV/EBITDA
Total core	796,686	664	115	
Investment (P/B)	160,846	134	23	1.4x 2021E P/BV
Gross SOTP	957,532	798	138	
Net debt	(178,371)	(149)	(26)	Net debt at end-2021E
Minority	(85,768)	(71)	(12)	
Net SOP value	693,393	578	100	
10% holding discount	(69,339)	(58)		
SOTP target price	624,053	520		

Sources: SCC; FSSIA estimates

Financial Statements

Siam Cement

Profit and Loss (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Revenue	437,980	399,939	479,900	507,263	549,723
Cost of goods sold	(331,821)	(282,570)	(332,066)	(347,677)	(379,054)
Gross profit	106,159	117,369	147,834	159,586	170,670
Other operating income	-	-	-	-	-
Operating costs	(56,902)	(56,535)	(62,348)	(65,903)	(71,419)
Operating EBITDA	49,258	60,835	85,487	93,684	99,250
Depreciation	(23,932)	(27,377)	(26,833)	(29,963)	(33,093)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	25,326	33,457	58,653	63,720	66,158
Net financing costs	(6,442)	(7,082)	(4,202)	(4,618)	(8,091)
Associates	11,632	9,456	15,966	14,918	15,985
Recurring non-operating income	20,479	16,734	25,719	25,160	26,739
Non-recurring items	0	0	0	0	0
Profit before tax	39,363	43,109	80,170	84,262	84,805
Tax	(6,167)	(5,809)	(9,631)	(10,402)	(10,323)
Profit after tax	33,197	37,300	70,539	73,860	74,482
Minority interests	(1,182)	(3,156)	(10,614)	(11,322)	(12,628)
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
Reported net profit	32,014	34,144	59,925	62,539	61,854
Non-recurring items & goodwill (net)	0	0	0	0	0
Recurring net profit	32,014	34,144	59,925	62,539	61,854
Per share (THB)					
Recurring EPS *	26.68	28.45	49.94	52.12	51.55
Reported EPS	26.68	28.45	49.94	52.12	51.55
DPS	14.50	14.50	16.50	15.50	15.50
Diluted shares (used to calculate per share data)	1,200	1,200	1,200	1,200	1,200
Growth					
Revenue (%)	(8.5)	(8.7)	20.0	5.7	8.4
Operating EBITDA (%)	(22.6)	23.5	40.5	9.6	5.9
Operating EBIT (%)	(36.5)	32.1	75.3	8.6	3.8
Recurring EPS (%)	(28.5)	6.7	75.5	4.4	(1.1)
Reported EPS (%)	(28.5)	6.7	75.5	4.4	(1.1)
Operating performance					
Gross margin inc. depreciation (%)	18.8	22.5	25.2	25.6	25.0
Gross margin of key business (%)	18.8	22.5	25.2	25.6	25.0
Operating EBITDA margin (%)	11.2	15.2	17.8	18.5	18.1
Operating EBIT margin (%)	5.8	8.4	12.2	12.6	12.0
Net margin (%)	7.3	8.5	12.5	12.3	11.3
Effective tax rate (%)	15.0	15.0	15.0	15.0	15.0
Dividend payout on recurring profit (%)	54.4	51.0	33.0	29.7	30.1
Interest cover (X)	7.1	7.1	20.1	19.2	11.5
Inventory days	64.5	71.7	57.7	54.2	53.1
Debtor days	52.5	53.4	41.7	39.5	36.4
Creditor days	57.7	78.3	59.6	46.3	45.4
Operating ROIC (%)	5.9	7.0	10.6	9.9	9.3
ROIC (%)	7.2	7.3	11.0	10.4	10.1
ROE (%)	11.5	11.4	17.6	16.3	14.5
ROA (%)	6.3	6.2	9.6	9.2	8.6
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Cement & Building Material	184,690	116,534	142,495	164,408	191,655
Chemicals	177,634	143,782	177,230	171,384	179,428
Packaging	89,070	139,624	160,035	171,320	178,491
Others	(13,414)		140	150	150

Sources: Siam Cement; FSSIA estimates

Financial Statements

Siam Cement

Cash Flow (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Recurring net profit	32,014	34,144	59,925	62,539	61,854
Depreciation	23,932	27,377	26,833	29,963	33,093
Associates & minorities	11,632	9,456	15,966	14,918	15,985
Other non-cash items	-	-	-	-	-
Change in working capital	13,185	18,594	(18,215)	(436)	(834)
Cash flow from operations	80,763	89,571	84,509	106,984	110,098
Capex - maintenance	(22,349)	(25,695)	(29,087)	(32,480)	(35,873)
Capex - new investment	(57,404)	(54,360)	(48,991)	(44,703)	(43,006)
Net acquisitions & disposals	11,123	(20,205)	0	0	0
Other investments (net)	(4,271)	26,143	0	0	0
Cash flow from investing	(72,902)	(74,117)	(78,078)	(77,183)	(78,879)
Dividends paid	(19,800)	(17,400)	(19,200)	(18,600)	(18,600)
Equity finance	0	0	0	0	0
Debt finance	21,767	21,703	20,000	42,000	42,000
Other financing cash flows	(15,987)	39,002	(19,938)	(11,225)	(9,291)
Cash flow from financing	(14,020)	43,305	(19,138)	12,175	14,109
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	(6,159)	58,759	(12,706)	41,976	45,328
Free cash flow to firm (FCFF)	14,302.99	22,536.69	10,633.35	34,419.31	39,309.95
Free cash flow to equity (FCFE)	13,640.97	76,159.26	6,493.53	60,575.85	63,928.21

Per share (THB)

FCFF per share	11.92	18.78	8.86	28.68	32.76
FCFE per share	11.37	63.47	5.41	50.48	53.27
Recurring cash flow per share	56.31	59.15	85.60	89.52	92.44

Balance Sheet (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Tangible fixed assets (gross)	584,507	621,946	706,762	791,579	876,395
Less: Accumulated depreciation	(278,521)	(258,521)	(285,354)	(315,318)	(348,411)
Tangible fixed assets (net)	305,986	363,425	421,408	476,261	527,984
Intangible fixed assets (net)	0	0	0	0	0
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	94,685	114,890	114,890	114,890	114,890
Cash & equivalents	44,222	102,981	90,274	132,249	177,578
A/C receivable	62,166	54,842	54,842	54,842	54,842
Inventories	56,411	54,654	50,422	52,792	57,557
Other current assets	1,587	1,540	7,020	7,417	8,034
Current assets	164,386	214,017	202,559	247,301	298,011
Other assets	69,676	57,049	57,049	57,049	57,049
Total assets	634,733	749,381	795,905	895,501	997,934
Common equity	280,215	320,972	361,697	405,636	448,890
Minorities etc.	47,528	75,154	85,768	97,090	109,718
Total shareholders' equity	327,743	396,126	447,466	502,726	558,608
Long term debt	155,361	160,553	180,553	210,553	240,553
Other long-term liabilities	20,124	31,281	31,281	31,281	31,281
Long-term liabilities	175,485	191,834	211,834	241,834	271,834
A/C payable	55,887	65,273	43,093	45,119	49,191
Short term debt	71,581	88,092	88,092	100,092	112,092
Other current liabilities	4,037	8,055	5,420	5,729	6,208
Current liabilities	131,505	161,420	136,605	150,940	167,492
Total liabilities and shareholders' equity	634,733	749,381	795,905	895,501	997,934
Net working capital	60,240	37,708	63,772	64,203	65,034
Invested capital	530,588	573,072	657,118	712,403	764,957

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

Per share (THB)

Book value per share	233.51	267.48	301.41	338.03	374.08
Tangible book value per share	233.51	267.48	301.41	338.03	374.08

Financial strength

Net debt/equity (%)	55.8	36.8	39.9	35.5	31.3
Net debt/total assets (%)	28.8	19.4	22.4	19.9	17.5
Current ratio (x)	1.3	1.3	1.5	1.6	1.8
CF interest cover (x)	12.0	19.4	14.2	23.8	14.2

Valuation	2019	2020	2021E	2022E	2023E
Recurring P/E (x) *	15.2	14.3	8.1	7.8	7.9
Recurring P/E @ target price (x) *	19.5	18.3	10.4	10.0	10.1
Reported P/E (x)	15.2	14.3	8.1	7.8	7.9
Dividend yield (%)	3.6	3.6	4.1	3.8	3.8
Price/book (x)	1.7	1.5	1.3	1.2	1.1
Price/tangible book (x)	1.7	1.5	1.3	1.2	1.1
EV/EBITDA (x) **	14.6	11.6	8.8	8.1	7.8
EV/EBITDA @ target price (x) **	17.3	13.9	10.4	9.6	9.2
EV/invested capital (x)	1.4	1.2	1.1	1.1	1.0

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

Sources: Siam Cement; 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	TTB	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	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	AMANAHA	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	SEAOIL	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	TTB	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

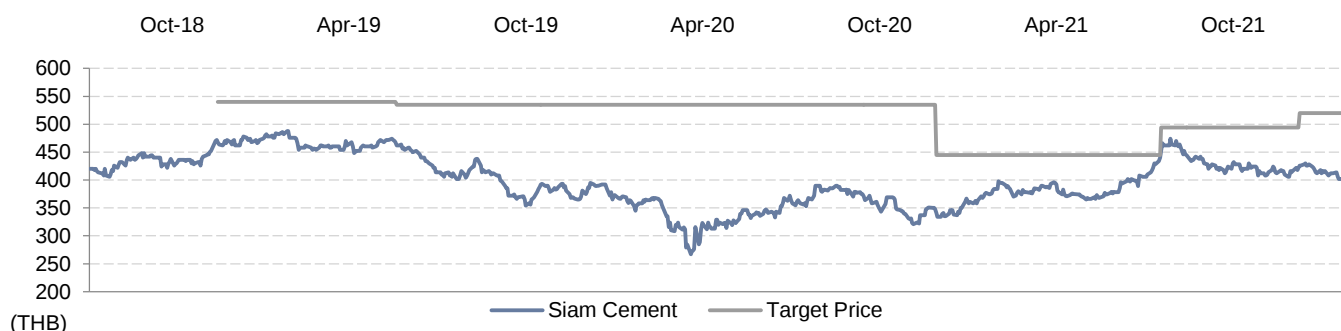
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

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History of change in investment rating and/or target price

Siam Cement (SCC TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
31-Jan-2019	BUY	540.00	14-Oct-2020	BUY	445.00	25-Aug-2021	BUY	520.00
05-Jul-2019	BUY	535.00	28-Jan-2021	BUY	445.00			
02-Apr-2020	BUY	535.00	27-Apr-2021	BUY	494.00			

Suwat Sinsadok started covering this stock from 14-Oct-2020

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Siam Cement	SCC TB	THB 406.00	BUY	Downside risks to our SOTP based TP include 1) a lower-than-expected demand for chemicals, CBM, and packaging; 2) rising coal costs for its cement and packaging units; and 3) weaker demand from the automobile industry that could erode the demand for SCC's chemical unit and its dividend contributions.

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 08-Oct-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.