

11 NOVEMBER 2021

THAILAND / TRANSPORT & LOGISTICS

KERRY EXPRESS (THAILAND)

HOLD

FROM BUY

KEX TB

TARGET PRICE	THB36.00
CLOSE	THB36.75
UP/DOWNSIDE	-2.0%
PRIOR TP	THB38.00
CHANGE IN TP	-5.3%
TP vs CONSENSUS	-19.0%

ตลาด Red Ocean

ผลประกอบการ 3Q21 อ่อนแอ

KEX รายงานกำไรสุทธิ 3Q21 ที่เพียง 13 ลบ. (-96% ทั้ง y-y และ q-q) ซึ่งเป็นระดับกำไรสุทธิที่ต่ำที่สุดในรอบหลายปี กำไรดังกล่าวต่ำกว่าที่ตลาดและเราคาด รายได้โต 19% y-y และ 16% q-q เป็น 5.3 พัน ลบ. จากจำนวนพัสดุขนส่งที่เพิ่ม 48% y-y อย่างไรก็ตามรายได้ต้อขึ้นยังลดลงต่อเนื่อง รายได้ต้อขึ้นที่ลดลงเกิดจากการแข่งขันที่รุนแรงในตลาดขนส่งพัสดุ ต้นทุนบริการเพิ่มอย่างมีนัยสำคัญในถึง 28% q-q จากการลงทุนระยะสั้นรวมประมาณ 208 ลบ. ประกอบด้วย 1) การลงทุนเพื่อเตรียมรับมือ Covid; และ 2) เพื่อเตรียมความสามารถในการขนส่ง.

การแข่งขันในด้านราคาอย่างรุนแรง

KEX ยอมรับว่าต้นทุนต้อขึ้นอาจลดลงในอัตราที่น้อยกว่าเมื่อเทียบกับรายได้ต้อขึ้นที่ลดลงเป็นจำนวนมากในระยะสั้น ปัจจุบันดังกล่าวอาจสร้างแรงกดดันอย่างมีนัยสำคัญต่ออัตรากำไรขั้นต้นใน 4Q21 แม้ว่าจะอยู่ในช่วง High season จากข้อมูลของผู้บริหาร สงครามราคาอาจอยู่ในตลาดอีก 6 เดือนเป็นอย่างน้อย นอกจากนี้ต้นทุนที่เพิ่มขึ้นจาก Covid และการเตรียมความสามารถในการขนส่งใหม่จะเกิดต่อเนื่องไปจนถึง 4Q21 ซึ่งน่าจะกดดันกำไรให้ลดลง y-y

ปรับลดประมาณการกำไรเป็นจำนวนมากอีกหน

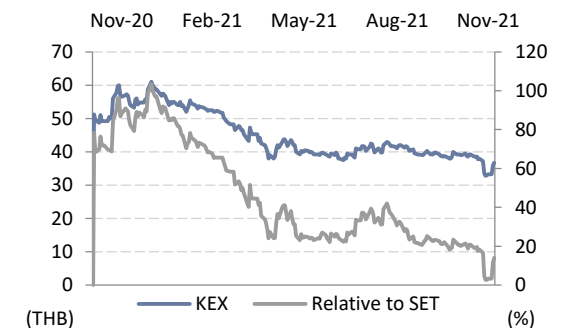
จากผลประกอบการ 3Q21 ที่ต่ำกว่าคาด ซึ่งอาจเกิดต่อเนื่องใน 4Q21 และปี 2022 ต้นทุนที่เพิ่มขึ้นจากการเตรียมรับมือ Covid และความสามารถในการขนส่งพัสดุ รวมถึงต้นทุนต้อขึ้นที่ลดลงอย่างเชื่องช้าเมื่อเทียบกับรายได้ต้อขึ้นที่ลดลงในอัตราที่สูงกว่า เราปรับลดประมาณการกำไรของเราอีกครั้ง โดยปรับลดลง 38% ในปี 2021 เหลือ 796 ลบ. (-43% y-y) ซึ่งจะเป็นกำไรที่ต่ำที่สุดในรอบ 4 ปี รายการปรับสำคัญอยู่ที่ 2021E GPM ที่ปรับลดลงเหลือ 12.3% จาก 15.5% ก่อนหน้า

ปรับลดคำแนะนำเป็นถือที่ราคาเป้าหมายใหม่ที่ 36 บาท (DCF)

เราปรับลดคำแนะนำสำหรับ KEX เป็นถือจากซื้อเพื่อสะท้อนสงครามราคาที่ยืดเยื้อในตลาดขนส่งพัสดุ กำไรรายไตรมาสจะลดลงต่อเนื่อง y-y จนถึง 1Q22 หรือ 2Q22 ในกรณีที่เลวร้ายที่สุด การปรับลดประมาณการกำไรปี 2022 เหลือ 1.1 พัน ลบ. (+41% y-y) ได้ผลักดันให้ค่า 2022E P/E เพิ่มอย่างมีนัยสำคัญเป็น 57x นอกจากนี้เรายังปรับลดราคาเป้าหมายจาก 38 เป็น 36 บาทและแนะนำให้ลงทุนจับตามองการแข่งขันในตลาดขนส่งพัสดุในอีก 6 เดือนข้างหน้าเป็นอย่างน้อย KEX มีความเสี่ยงหลายประการ เช่น 1) การแข่งขันที่รุนแรง; 2) รายได้ต้อขึ้นที่ลดลงต่อเนื่อง; และ 3) ราคาน้ำมันที่ปรับตัวสูงขึ้น

KEY STOCK DATA

YE Dec (THB m)	2020	2021E	2022E	2023E
Revenue	18,917	19,418	20,195	22,087
Net profit	1,405	796	1,122	1,458
EPS (THB)	0.81	0.46	0.64	0.84
vs Consensus (%)	-	(38.6)	(23.4)	(13.2)
EBITDA	4,202	3,252	3,313	3,437
Core net profit	1,405	796	1,122	1,458
Core EPS (THB)	0.81	0.46	0.64	0.84
Chg. In EPS est. (%)	-	(37.5)	(19.3)	(9.4)
EPS growth (%)	(12.5)	(43.4)	40.9	30.0
Core P/E (x)	45.5	80.4	57.0	43.9
Dividend yield (%)	2.6	0.4	0.5	0.7
EV/EBITDA (x)	13.1	16.8	16.0	14.9
Price/book (x)	5.9	5.6	5.2	4.8
Net debt/Equity (%)	(82.0)	(80.4)	(89.4)	(96.2)
ROE (%)	21.5	7.2	9.5	11.5



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(8.1)	(9.8)	n/a
Relative to country (%)	(7.6)	(14.7)	n/a
Mkt cap (USD m)	1,952		
3m avg. daily turnover (USD m)	4.5		
Free float (%)	27		
Major shareholder	KLN Logistics (Thailand) (52%)		
12m high/low (THB)	73.00/32.50		
Issued shares (m)	1,740.00		

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 11 พฤศจิกายน 2021

Investment thesis

Kerry Express is the second biggest parcel delivery company in Thailand with over 30% of the market share.

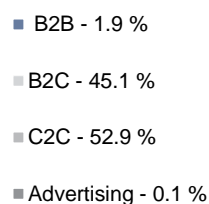
According to Frost & Sullivan, a research & consulting firm, e-commerce in Thailand is projected to grow by 26.7% CAGR from 2019-24. Growth in e-commerce would boost the demand of using parcel delivery services, directly benefitting KEX.

Company profile

Provides a one-stop express delivery service to a comprehensive range of customers in Thailand. The main parcels that are delivered include goods that are ordered via e-commerce and online merchants, parcels that are delivered between C2C including documents from companies, with cash-on-delivery also provided.

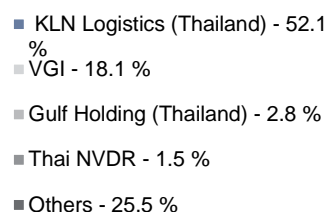
<https://th.kerryexpress.com/th/home>

Principal activities (revenue, 2020)



Source: Kerry Express (Thailand)

Major shareholders



Source: Kerry Express (Thailand)

Catalysts

- Synergies with SF Holding and KLN in China;
- New businesses such as cold chain, less than load shipping, and new partnerships;
- Solid growth in e-commerce by 26.7% CAGR from 2019-24, based on Frost & Sullivan's estimate.

Risks to our call

The key downside and upside risks to our DCF-based TP are 1) if the competition is higher or lower than our expectation; and 2) if Covid-19 continues to spread further.

Event calendar

Date	Event
Feb-22	2021 results announcement

Key assumptions

	2019	2020	2021E	2022E	2023E
Total parcels delivered (m units)	274	294	335	385	424
Revenue per parcel (THB)	71	64	58	52	52
Growth	(%)	(%)	(%)	(%)	(%)
Total parcels delivered	58.0	7.2	14.0	15.0	10.0
Revenue per parcel	(8.5)	(10.1)	(10.0)	(10.0)	(1.0)

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase total parcels delivered, we project 2021 earnings to rise by 0.8%, and vice versa, all else being equal.
- For every 1% increase in price per parcel, we project 2021 earnings to rise by 1%, and vice versa, all else being equal.

Source: FSSIA estimates

Exhibit 1: 3Q21 results review

	3Q20	2Q21	3Q21	----- Change -----		9M20	9M21	Change	2021E
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)	(THB m)
Revenue	4,489	4,600	5,331	16	19	14,689	14,118	(4)	19,418
Operating costs	(3,805)	(3,891)	(4,979)	28	31	(12,250)	(12,361)	1	(17,030)
Gross profit	683	709	352	(50)	(48)	2,439	1,757	(28)	2,388
SG&A expenses	(307)	(328)	(362)	10	18	(1,138)	(1,005)	(12)	(1,408)
EBIT	376	381	(10)	(103)	(103)	1,301	753	(42)	981
Depn & amort.	647	558	573	3	(11)	1,818	1,702	(6)	2,174
EBITDA	1,023	940	563	(40)	(45)	3,119	2,455	(21)	3,154
<i>EBITDA margin (%)</i>	<i>22.8</i>	<i>20.4</i>	<i>10.6</i>	<i>nm</i>	<i>nm</i>	<i>21.2</i>	<i>17.4</i>	<i>nm</i>	<i>16.2</i>
Interest expense	(31)	(22)	(21)	(5)	(31)	(84)	(75)	(11)	(83)
Other income	20	47	37	(21)	82	60	112	85	97
Pretax profit	366	406	6	(98)	(98)	1,277	789	(38)	995
Tax	(74)	(70)	7	n.a.	n.a.	(247)	(138)	(44)	(199)
<i>Tax rate (%)</i>	<i>(20.2)</i>	<i>(17.3)</i>	<i>110.2</i>	<i>nm</i>	<i>nm</i>	<i>(19.4)</i>	<i>(17.5)</i>	<i>nm</i>	<i>(20)</i>
Net profit	292	336	13	(96)	(96)	1,030	651	(37)	796
Core net profit	292	336	13	(96)	(96)	1,030	651	(37)	796
EPS (THB)	0.17	0.19	0.01	(96)	(96)	0.59	0.37	(37)	0.46
Core EPS (THB)	0.17	0.19	0.01	(96)	(96)	0.59	0.37	(37)	0.46

Sources: KEX; FSSIA estimates

Temporary expenses explained: Covid and capacity preparation

At its recent analyst meeting, management explained the rationale of the new expenses that were incurred in 3Q21 as follows:

Covid preparation

- Resources prepared to avoid business seizures caused by drastic shortages of labour and operating resources in certain areas;
- Early procurement of supplies and equipment due to increasing equipment costs and delivery lead times caused by global supply chain disruptions;
- Covid-induced impacts are still prevalent, but are expected to gradually decline and be eliminated.

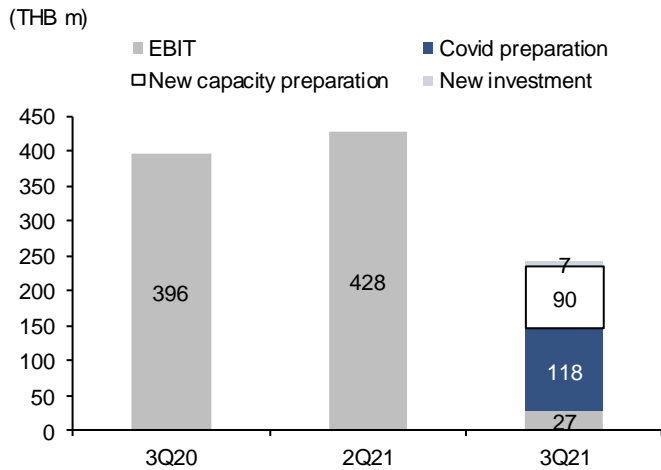
New capacity expansion

- Preparation of new capacity in response to a fast influx of volume;
- Great service levels maintained;
- Preparation lead time is expected to be shortened and such expenses are expected to gradually decline.

As a result, despite spiking labour shortages and random disruptions to workforces and supplies, KEX is putting in spare operating resources to maintain its service excellence with zero downtime, while peer players are heavily impacted. KEX believes this will be the key advantage for the company.

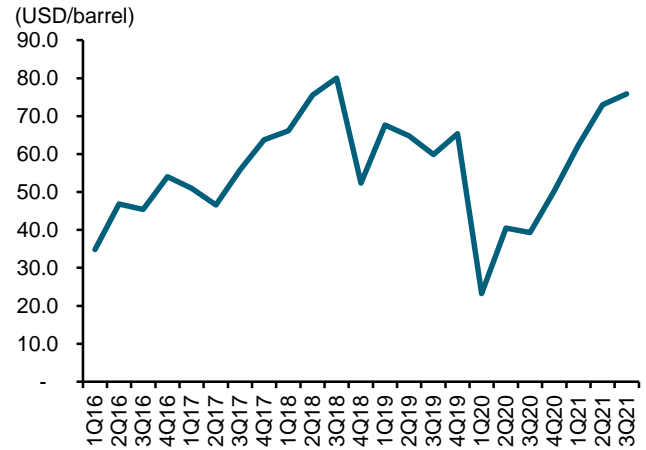
The company believes that the additional costs resulting from these temporary expenses at over THB200m are worth the investment in order to maintain its service level and build customers' trust in KEX's brand.

Exhibit 2: EBIT outlook



Sources: KEX; FSSIA compilation

Exhibit 3: Dubai oil price



Source: Bloomberg

Higher fuel price could pressure KEX's GPM

We believe the continuous increase in the fuel price in Thailand, still not having reached its peak point over the past several years, will pressure KEX's cost in 2022. Given that the fuel cost accounts for about 10% of KEX's operating service cost, the higher fuel price would have an impact on its total cost, particularly since we project its total parcels delivered to grow by 15% in 2022. FSSIA estimates that the Dubai oil price will stay at USD75 per barrel in 2022, compared to the YTD average price of USD72 per barrel. The 4% increase in the fuel price could drive KEX's cost up slightly next year.

Exhibit 4: Key assumption changes

	----- New -----		----- Previous -----		----- Change-----	
	2021E	2022E	2021E	2022E	2021E	2022E
	(THB m)	(THB m)	(THB m)	(THB m)	(%)	(%)
Revenue per parcel (THB)	58	52	58	53	(0.3)	(1.8)
Total parcels delivered (m units)	335	385	326	375	2.8	2.8
Revenue	19,418	20,195	19,133	20,107	1.5	0.4
Gross profit	2,388	2,787	2,966	3,117	(19.5)	(10.6)
EBIT	1,078	1,444	1,674	1,779	(35.6)	(18.8)
Net profit	796	1,122	1,273	1,390	(37.5)	(19.3)
Margin	(%)	(%)	(%)	(%)	(ppt)	(ppt)
Gross profit margin	12.3	13.8	15.5	15.5	(3.2)	(1.7)
Net profit margin	4.1	5.6	6.7	6.9	(2.6)	(1.3)

Source: FSSIA estimates

Exhibit 5: DCF valuation

		2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)
EBITDA		3,313	3,437	3,587	3,750	4,060	4,111	4,195	4,293
(less) tax on EBIT		(280)	(364)	(435)	(500)	(593)	(629)	(666)	(703)
(less) capex & investments		(920)	(820)	(820)	(820)	(720)	(720)	(720)	(720)
decrease in working cap		37	54	7	29	40	7	13	13
Free Cash Flow		2,150	2,307	2,339	2,459	2,787	2,768	2,822	2,883
WACC (%)	7.77								
Terminal growth (%)	3								
PV of FCF		2,150	2,142	2,017	1,969	2,072	1,911	1,809	1,715
Enterprise value	53,375								
Net debt+cash	9,168								
Equity value	62,543								
No. of shares (m)	1,740								
Equity value / share (THB)	36								

Sources: KEX; FSSIA estimates

Exhibit 6: Rolling one-year prospective P/E band

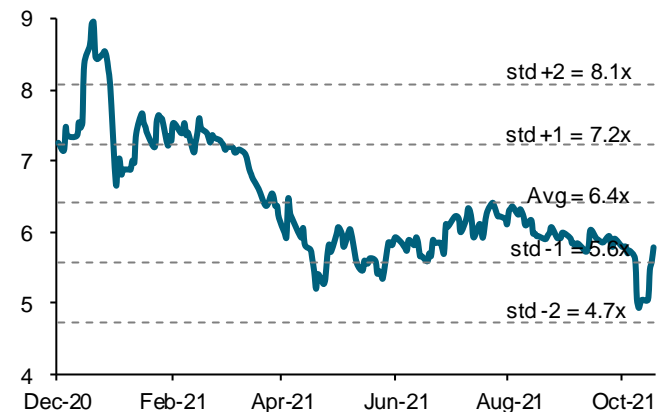
KEX PER (x)



Sources: Bloomberg; FSSIA estimates

Exhibit 7: Rolling one-year prospective P/BV band

KEX PBV (x)



Sources: Bloomberg; FSSIA estimates

Financial Statements

Kerry Express (Thailand)

Profit and Loss (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Revenue	19,782	18,917	19,418	20,195	22,087
Cost of goods sold	(16,027)	(13,494)	(14,856)	(15,540)	(17,203)
Gross profit	3,755	5,423	4,562	4,656	4,884
Other operating income	113	93	97	101	110
Operating costs	(1,514)	(1,314)	(1,408)	(1,444)	(1,557)
Operating EBITDA	2,354	4,202	3,252	3,313	3,437
Depreciation	(678)	(2,356)	(2,174)	(1,869)	(1,615)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	1,676	1,846	1,078	1,444	1,822
Net financing costs	(24)	(112)	(83)	(42)	0
Associates	0	0	0	0	0
Recurring non-operating income	0	0	0	0	0
Non-recurring items	0	0	0	0	0
Profit before tax	1,652	1,734	995	1,402	1,822
Tax	(324)	(329)	(199)	(280)	(364)
Profit after tax	1,329	1,405	796	1,122	1,458
Minority interests	0	0	0	0	0
Preferred dividends	0	0	0	0	0
Other items	0	0	0	0	0
Reported net profit	1,329	1,405	796	1,122	1,458
Non-recurring items & goodwill (net)	0	0	0	0	0
Recurring net profit	1,329	1,405	796	1,122	1,458
Per share (THB)					
Recurring EPS *	0.92	0.81	0.46	0.64	0.84
Reported EPS	0.92	0.81	0.46	0.64	0.84
DPS	0.41	0.95	0.14	0.19	0.25
Diluted shares (used to calculate per share data)	1,440	1,740	1,740	1,740	1,740
Growth					
Revenue (%)	45.8	(4.4)	2.6	4.0	9.4
Operating EBITDA (%)	33.2	78.5	(22.6)	1.9	3.8
Operating EBIT (%)	14.2	10.1	(41.6)	34.0	26.2
Recurring EPS (%)	12.1	(12.5)	(43.4)	40.9	30.0
Reported EPS (%)	12.1	(12.5)	(43.4)	40.9	30.0
Operating performance					
Gross margin inc. depreciation (%)	15.6	16.2	12.3	13.8	14.8
Gross margin of key business (%)	15.6	16.2	12.3	13.8	14.8
Operating EBITDA margin (%)	11.9	22.2	16.7	16.4	15.6
Operating EBIT margin (%)	8.5	9.8	5.6	7.2	8.3
Net margin (%)	6.7	7.4	4.1	5.6	6.6
Effective tax rate (%)	19.6	19.0	20.0	20.0	20.0
Dividend payout on recurring profit (%)	44.3	117.2	30.0	30.0	30.0
Interest cover (X)	69.7	16.5	13.0	34.4	-
Inventory days	2.0	2.9	2.1	2.4	2.3
Debtor days	30.2	30.8	28.8	29.4	28.4
Creditor days	41.4	42.6	36.6	38.8	36.2
Operating ROIC (%)	103.2	174.3	136.2	92.1	133.1
ROIC (%)	77.9	37.1	14.6	20.6	30.6
ROE (%)	71.4	21.5	7.2	9.5	11.5
ROA (%)	25.0	11.8	4.7	6.4	7.6
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
B2B	426	352	356	370	403
B2C	8,949	8,528	8,784	9,135	9,957
C2C	10,232	10,011	10,211	10,569	11,520
Advertising	175	26	68	122	207

Sources: Kerry Express (Thailand); FSSIA estimates

Financial Statements

Kerry Express (Thailand)

Cash Flow (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Recurring net profit	1,329	1,405	796	1,122	1,458
Depreciation	678	2,356	2,174	1,869	1,615
Associates & minorities	-	-	-	-	-
Other non-cash items	18	32	0	0	0
Change in working capital	(163)	(336)	218	(1)	(17)
Cash flow from operations	1,861	3,457	3,188	2,989	3,056
Capex - maintenance	(614)	(147)	(368)	(368)	(328)
Capex - new investment	(920)	(220)	(552)	(552)	(492)
Net acquisitions & disposals	1	7	0	0	0
Other investments (net)	0	(15)	0	0	0
Cash flow from investing	(1,533)	(375)	(920)	(920)	(820)
Dividends paid	(588)	(1,646)	(239)	(336)	(437)
Equity finance	0	8,861	0	0	0
Debt finance	600	0	(797)	3	3
Other financing cash flows	0	(1,509)	(1,761)	0	0
Cash flow from financing	12	5,706	(2,797)	(334)	(435)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	341	8,787	(529)	1,736	1,801
Free cash flow to firm (FCFF)	352.70	3,193.20	2,350.92	2,111.32	2,235.55
Free cash flow to equity (FCFE)	928.65	1,572.30	(290.06)	2,071.98	2,238.29
Per share (THB)					
FCFF per share	0.20	1.84	1.35	1.21	1.28
FCFE per share	0.53	0.90	(0.17)	1.19	1.29
Recurring cash flow per share	1.41	2.18	1.71	1.72	1.77
Balance Sheet (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Tangible fixed assets (gross)	3,742	3,996	4,496	4,996	5,396
Less: Accumulated depreciation	(1,036)	(1,737)	(2,436)	(3,097)	(3,703)
Tangible fixed assets (net)	2,706	2,259	2,059	1,899	1,693
Intangible fixed assets (net)	235	5,520	4,465	3,677	3,088
Long-term financial assets	0	0	0	0	0
Invest. in associates & subsidiaries	0	0	0	0	0
Cash & equivalents	910	9,697	9,168	10,903	12,704
A/C receivable	1,722	1,467	1,596	1,661	1,782
Inventories	136	80	95	109	106
Other current assets	50	35	36	38	40
Current assets	2,818	11,278	10,895	12,712	14,632
Other assets	255	262	271	280	289
Total assets	6,014	19,318	17,690	18,568	19,702
Common equity	2,233	10,847	11,405	12,190	13,210
Minorities etc.	0	0	0	0	0
Total shareholders' equity	2,233	10,847	11,405	12,190	13,210
Long term debt	800	0	0	0	0
Other long-term liabilities	120	3,773	3,824	3,855	3,878
Long-term liabilities	920	3,773	3,824	3,855	3,878
A/C payable	2,685	1,962	2,266	2,328	2,410
Short term debt	0	800	0	0	0
Other current liabilities	176	1,936	195	195	203
Current liabilities	2,861	4,698	2,462	2,523	2,614
Total liabilities and shareholders' equity	6,014	19,318	17,690	18,568	19,702
Net working capital	(953)	(2,317)	(735)	(715)	(686)
Invested capital	2,243	5,723	6,060	5,141	4,384
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	1.55	6.23	6.55	7.01	7.59
Tangible book value per share	1.39	3.06	3.99	4.89	5.82
Financial strength					
Net debt/equity (%)	(4.9)	(82.0)	(80.4)	(89.4)	(96.2)
Net debt/total assets (%)	(1.8)	(46.1)	(51.8)	(58.7)	(64.5)
Current ratio (x)	1.0	2.4	4.4	5.0	5.6
CF interest cover (x)	77.9	17.0	4.2	63.5	-
Valuation	2019	2020	2021E	2022E	2023E
Recurring P/E (x) *	39.8	45.5	80.4	57.0	43.9
Recurring P/E @ target price (x) *	39.0	44.6	78.7	55.9	43.0
Reported P/E (x)	39.8	45.5	80.4	57.0	43.9
Dividend yield (%)	1.1	2.6	0.4	0.5	0.7
Price/book (x)	23.7	5.9	5.6	5.2	4.8
Price/tangible book (x)	26.5	12.0	9.2	7.5	6.3
EV/EBITDA (x) **	22.4	13.1	16.8	16.0	14.9
EV/EBITDA @ target price (x) **	22.0	12.8	16.4	15.6	14.5
EV/invested capital (x)	23.5	9.6	9.0	10.3	11.7
* Pre-exceptional, pre-goodwill and fully diluted ** EBITDA includes associate income and recurring non-operating income					

Sources: Kerry Express (Thailand); 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	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	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

Naruedom Mujjalinkool FSS International Investment Advisory Securities Co., Ltd

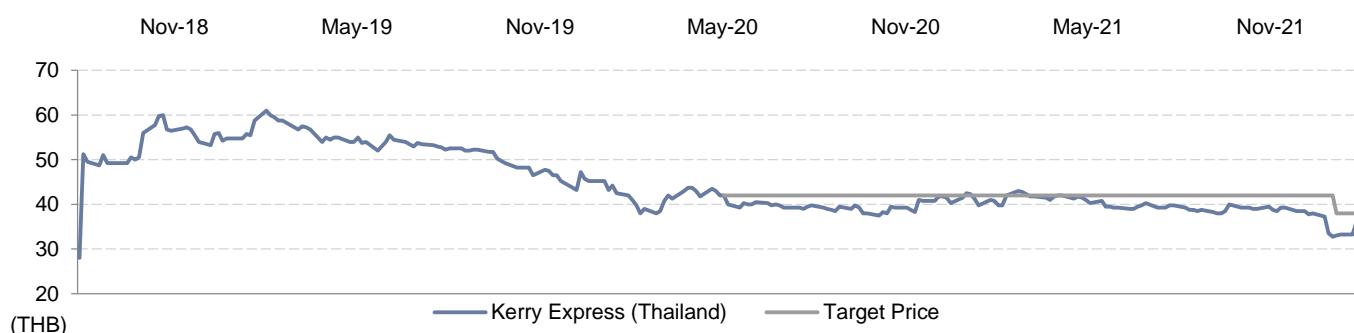
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History of change in investment rating and/or target price

Kerry Express (Thailand) (KEX TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
02-Jun-2021	HOLD	42.00	03-Nov-2021	BUY	38.00	-	-	-

Naruedom Mujjalinkool started covering this stock from 02-Jun-2021

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Kerry Express (Thailand)	KEX TB	THB 36.75	HOLD	The key downside and upside risks to our DCF-based TP are 1) if the competition is higher or lower than our expectation; and 2) if Covid-19 continues to spread further.

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 10-Nov-2021 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.