

15 NOVEMBER 2021

THAILAND / FOOD

## AGRIPURE HOLDINGS APURE TB

BUY

UNCHANGED

TARGET PRICE	THB10.00
CLOSE	THB7.80
UP/DOWNSIDE	+28.2%
PRIOR TP	THB12.00
CHANGE IN TP	-16.7%
TP vs CONSENSUS	-16.7%

## แนวโน้ม 4Q21 ชะลอตัว

## ผลประกอบการ 3Q21 ใกล้เคียงกับที่เราคาด

APURE รายงานกำไรสุทธิ 3Q21 ที่ 96 ลบ. (25% y-y, +12% q-q) ใกล้เคียงกับที่เราคาด รายได้ลดลง 3% q-q เป็น 638 ลบ. ซึ่งค่อนข้างน่าผิดหวังเนื่องจากเราคาดว่ารายได้จะโต q-q จากคำสั่งซื้อเต็มไตรมาสของ Walmart ด้วยเหตุดังกล่าวปัญหาขาดแคลนตู้ขนส่งสินค้าจึงไม่ได้เพียงแต่ส่งผลกระทบต่อลูกค้าขนาดกลางถึงเล็กแต่ยังกระทบลูกค้าขนาดใหญ่ด้วย ใน 3Q21 อัตรากำไรขั้นต้นอยู่ในระดับที่ 31.4% โดยได้ปัจจัยหนุนจากค่าเงินบาทที่อ่อนตัว ค่าใช้จ่ายการขายและการบริหารเพิ่มเป็น 122 ลบ. (เทียบกับ 70 ลบ. ใน 2Q21) จากการรับรู้ผลขาดทุนจากอัตราแลกเปลี่ยนประมาณ 50 ลบ. อย่างไรก็ตามการดังกล่าวหักลบกับผลขาดทุนที่ยังไม่ได้รับรู้จำนวน 41 ลบ. ซึ่งบริษัทฯ บันทึกเป็นยอดค้างไว้ในช่วง 1H21 เพราะฉะนั้นค่าใช้จ่ายการขายและการบริหารจึงอยู่ในระดับปกติที่ 81 ลบ.

## แนวโน้มอ่อนตัวลงใน 4Q21

เรามีมุมมองที่ระมัดระวังต่อแนวโน้ม 4Q21 ของ APURE เนื่องจากบริษัทฯ ได้ระบุว่าปัญหาการขาดแคลนตู้ขนส่งสินค้าจะมีผลกระทบต่อปริมาณส่งออกเพิ่มขึ้น นอกจากนี้ปัญหาอุทกภัยครั้งล่าสุดในภาคกลางและตะวันตกของประเทศไทยยังได้ทำให้ไร่ข้าวโพดเสียหาย และบริษัทฯ อาจไม่สามารถผลิตข้าวโพดหวานซึ่งเป็นวัตถุดิบหลักได้ในจำนวนที่มากพอสำหรับคำสั่งซื้อในปัจจุบัน เราคาดว่าสถานการณ์ดังกล่าวจะกลับเป็นปกติในเดือน ก.พ. 22 เนื่องจากข้าวโพดต้องใช้เวลา 75-90 วันก่อนที่จะเก็บได้

## ออกวอร์เรนทร์เพื่อขยายธุรกิจในอนาคต

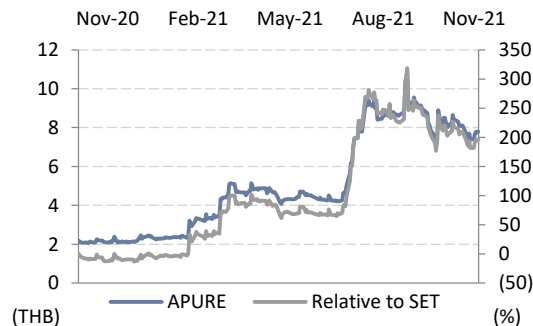
เมื่อวันที่ 21 ต.ค. 21 APURE ได้ประกาศว่าบริษัทฯ จะออก APURE-W3 จำนวนไม่เกิน 479 ล้านหน่วยสำหรับผู้ถือหุ้นในปัจจุบันในสัดส่วน 2 หุ้นต่อ 1 วอร์เรนทร์ เรามองรายการดังกล่าวเป็นกลาง ผลกระทบต่อกำไรต่อหุ้นจะอยู่ที่ 33% ถ้าผู้ถือวอร์เรนทร์ทั้งหมดใช้สิทธิ์ APURE จะได้รับเงินสดรวมไม่เกิน 3.4 พัน ลบ. ซึ่งบริษัทฯ อาจใช้เป็นทุนในการขยายกำลังการผลิตหรือขยายธุรกิจไปสู่การผลิตต้นน้ำ เรื่องดังกล่าวยังอยู่ในระยะเริ่มต้นของการพัฒนา และเราคาดว่า จะได้ข้อมูลเพิ่มเติมจากบริษัทฯ ในต้นปี 2022

## ชอบ ASIAN มากกว่า APURE ในช่วง 3 เดือนข้างหน้า

เราปรับลดประมาณการกำไรสุทธิปี 2021-23 ลง 14.4-16.9% เพื่อสะท้อนปัญหาการขาดแคลนตู้ขนส่งสินค้าและต้นทุนวัตถุดิบที่สูงขึ้น เราปรับลดราคาเป้าหมายเป็น 10 (จาก 12 บาท) โดยคิดจากค่า 2022E P/E ที่ 20x เพื่อสะท้อนการปรับลดประมาณการกำไรของเรา สำหรับหุ้นส่งออกเราชอบ ASIAN มากกว่า APURE ในช่วง 3 เดือนข้างหน้า เนื่องจากเราเชื่อว่า ASIAN มีแนวโน้มกำไร 4Q21 ที่ดีกว่าและได้รับผลกระทบจำกัดจากปัญหาการขาดแคลนตู้ขนส่งสินค้า

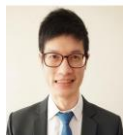
## KEY STOCK DATA

YE Dec (THB m)	2020	2021E	2022E	2023E
Revenue	1,981	2,260	3,190	3,780
Net profit	320	313	464	567
EPS (THB)	0.34	0.34	0.50	0.61
vs Consensus (%)	-	(15.0)	(16.7)	(14.1)
EBITDA	402	455	624	749
Core net profit	305	313	464	567
Core EPS (THB)	0.33	0.34	0.50	0.61
Chg. In EPS est. (%)	-	(16.9)	(16.9)	(14.4)
EPS growth (%)	948.8	2.4	48.4	22.2
Core P/E (x)	23.7	23.2	15.6	12.8
Dividend yield (%)	1.3	1.8	3.2	3.9
EV/EBITDA (x)	17.5	15.4	11.3	9.3
Price/book (x)	4.0	3.7	3.3	2.9
Net debt/Equity (%)	(12.5)	(14.5)	(11.3)	(13.7)
ROE (%)	17.5	16.6	22.5	24.4



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(8.2)	(13.3)	275.0
Relative to country (%)	(7.7)	(18.7)	206.7
Mkt cap (USD m)	228		
3m avg. daily turnover (USD m)	5.0		
Free float (%)	66		
Major shareholder	Jungrungruangkit family (68%)		
12m high/low (THB)	11.10/1.98		
Issued shares (m)	542.73		

Sources: Bloomberg consensus; FSSIA estimates



Karun Intrachai

karun.int@fssia.com

+66 2611 3555

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 15 พฤศจิกายน 2021

### Investment thesis

APURE is Thailand’s leading producer of sweet corn products for export, with over 90% of its total sales from exports and over 80% from sweet corn products. We see three catalysts to drive APURE’s earnings in 2022-23, which we expect to grow from THB313m in 2021 to THB567m in 2023, or at a 34.6% CAGR over 2021-23, comprising 1) the new US customer, Walmart (an American multinational retail corporation); 2) a new market in Europe; and 3) the pouch products targeted for sales in Japan and Korea. Moreover, the solid projected revenue growth would be aligned with a GPM expansion due to higher utilisation rates, efficient cost management, and its new can manufacturing plants.

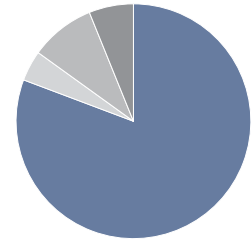
### Company profile

APURE operates its business as a holding company, which operates agricultural and food industry businesses through several subsidiaries. These companies produce and sell processed agricultural products, such as canned corn, vegetables, fruits and breeder corn seeds.

[www.apureholdings.com](http://www.apureholdings.com)

### Principal activities (revenue, 2020)

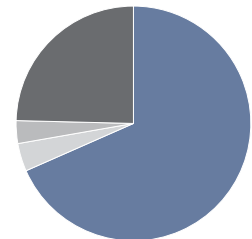
- Sweet corn in can - 80.7 %
- Vegetables & fruits - 4.2 %
- Sweet corn in vacuum bags - 8.9 %
- Seeds & others - 6.1 %



Source: Agripure Holdings

### Major shareholders

- Jungrungruangkit family - 68.4 %
- Mr. Thaveechat Jurangkul - 3.9 %
- Thai NVDR - 3.1 %
- Others - 24.6 %



Source: Agripure Holdings

### Catalysts

Potential share price catalysts for APURE include: 1) potential orders from new markets, such as the EU; 2) opportunities to expand new products, such as sweet corn in pouches in Asian markets; and 3) a favourable environment from a weakening THB.

### Risks to our call

Downside risks to our P/E-based TP would be 1) order cancellations from big customers like Walmart; 2) a stronger-than-expected THB against USD; and 3) the high volatility of raw material prices, such as the corn price, which could hurt the company’s GPM.

### Event calendar

Date	Event
February 2022	4Q21 results announcement

### Key assumptions

	2021E	2022E	2023E
	(THB m)	(THB m)	(THB m)
Sales growth (%)	14.1	41.2	18.5
Domestic sales	177	183	188
Export sales	2,083	3,008	3,592
Gross margin (%)	26.8	27.3	27.6
SG&A to sales (%)	11.2	11.2	11.0

Source: FSSIA estimates

### Earnings sensitivity

- For every 1% increase in sales growth, we estimate 2021 EPS would rise 2.7%, and vice versa, all else being equal.
- For every 1% increase in GPM, we estimate 2021 EPS would rise 6.2%, and vice versa, all else being equal.
- For every 1% increase in SG&A to sales, we estimate 2021 EPS would fall 6.1%, and vice versa, all else being equal.

Source: FSSIA estimates



## 3Q21 results in line with our estimate

APURE posted a 3Q21 net profit of THB96m (25% y-y, +12% q-q), in line with our estimate. Revenue dropped 3% q-q to THB638m in 3Q21. This is surprising to us as we had expected its revenue to grow q-q, supported by a full quarter of orders from Walmart. Hence, the container shortage has not only impacted small to mid-sized customers but also large customers. 3Q21 GPM was solid at 31.4%, supported by the weakening THB. SG&A expenses rose to THB122m (vs 70m in 2Q21) due to a realised FX loss of cTHB50m. However, this item has been offset by the unrealised loss of THB41m that was booked in 1H21 as a contra account. Hence, SG&A expenses have normalised at THB81m in 3Q21.

On 21 Oct-21, APURE announced it would issue up to 479m units of APURE-W3 for existing shareholders at a ratio of 2 existing shares to 1 warrant. The tenor of APURE-W3 is three years from the issuance date with an exercise price of THB7.0/shr and an exercise ratio of 1:1. The XW date is 17 Dec-21. The warrant can be exercised at the end of each quarter (Jan, Mar, Jun, and Dec) of each year throughout the tenor. We are neutral on this transaction. The dilution effect would be 33% if all warrants are exercised. APURE will receive total cash proceeds of up to THB3.4b, which could be used to fund a capacity expansion or a vertical expansion into upstream production. This is in the early stages of development, and we expect to see an update from the company by early 2022.

### Exhibit 1: 3Q21 results summary

	3Q20	4Q20	1Q21	2Q21	3Q21	----- Change -----		2020	2021E	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)
Sales	486	461	545	654	638	(3)	31	1,981	2,260	14
Cost of sales	348	326	395	454	437	(4)	26	1,451	1,655	14
<b>Gross profit</b>	<b>139</b>	<b>135</b>	<b>150</b>	<b>201</b>	<b>201</b>	<b>(0)</b>	<b>44</b>	<b>530</b>	<b>605</b>	<b>14</b>
SG&A	56	40	57	70	122	73	116	222	253	14
<b>Operating profit</b>	<b>82</b>	<b>94</b>	<b>93</b>	<b>130</b>	<b>79</b>	<b>(40)</b>	<b>(5)</b>	<b>308</b>	<b>352</b>	<b>14</b>
Other income	11	(24)	13	10	7	(31)	(34)	25	11	(57)
Other expense	-	-	41	26	(27)	(205)	n/a	-	-	n/a
<b>EBIT</b>	<b>93</b>	<b>70</b>	<b>65</b>	<b>115</b>	<b>112</b>	<b>(2)</b>	<b>21</b>	<b>333</b>	<b>362</b>	<b>9</b>
Interest expense	0	0	0	1	1	47	572	1	1	2
<b>EBT</b>	<b>93</b>	<b>70</b>	<b>65</b>	<b>114</b>	<b>111</b>	<b>(3)</b>	<b>20</b>	<b>332</b>	<b>362</b>	<b>9</b>
Income tax	15	(41)	2	27	13	(53)	(15)	7	43	542
Minority interests	1	1	1	1	2	171	118	6	6	5
<b>Net profit</b>	<b>76.7</b>	<b>110</b>	<b>62</b>	<b>86</b>	<b>96</b>	<b>12</b>	<b>25.1</b>	<b>320</b>	<b>313</b>	<b>(2)</b>
<b>EPS (THB)</b>	<b>0.08</b>	<b>0.12</b>	<b>0.07</b>	<b>0.09</b>	<b>0.10</b>	<b>12</b>	<b>25</b>	<b>0.34</b>	<b>0.34</b>	<b>(2.19)</b>
Extra item	8	(27)	(31)	(20)	27	(235)	222	14	-	nm
<b>Recurring profit</b>	<b>68</b>	<b>138</b>	<b>93</b>	<b>106</b>	<b>69</b>	<b>(35)</b>	<b>1</b>	<b>305</b>	<b>313</b>	<b>2</b>
<b>Normalised EPS (THB)</b>	<b>0.07</b>	<b>0.15</b>	<b>0.10</b>	<b>0.11</b>	<b>0.07</b>	<b>(35)</b>	<b>1</b>	<b>0.33</b>	<b>0.34</b>	<b>2.38</b>
<b>Key ratios</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>	<b>(ppt)</b>	<b>(%)</b>	<b>(%)</b>	
Gross margin	28.5	29.2	27.5	30.7	31.4	0.8	2.9	26.8	26.8	
SGA/Total revenue	11.6	8.7	10.5	10.7	19.1	8.4	7.5	11.2	11.2	
Operating profit margin	17.0	20.5	17.0	19.9	12.3	(7.6)	(4.6)	15.5	15.6	
Net profit margin	15.8	24.0	11.4	13.1	15.0	1.9	(0.7)	16.1	13.8	
Core profit margin	14.1	29.9	17.1	16.2	10.8	(5.3)	(3.2)	15.4	13.8	
<b>Key assumptions</b>	<b>(THB m)</b>	<b>(THB m)</b>	<b>(THB m)</b>	<b>(THB m)</b>	<b>(THB m)</b>					
Domestic sales	41	39	40	42	n/a					
Export sales	318	298	505	612	n/a					

Sources: APURE; FSSIA estimates

## Net profit and target price revisions

We revise down our 2021-23E net profit by 14.4-16.9% to reflect the container shortage and rising raw material costs. We lower our TP to THB10 (from THB12), pegged at 20x 2022E P/E (vs 20x previously), to reflect our earnings downgrade.

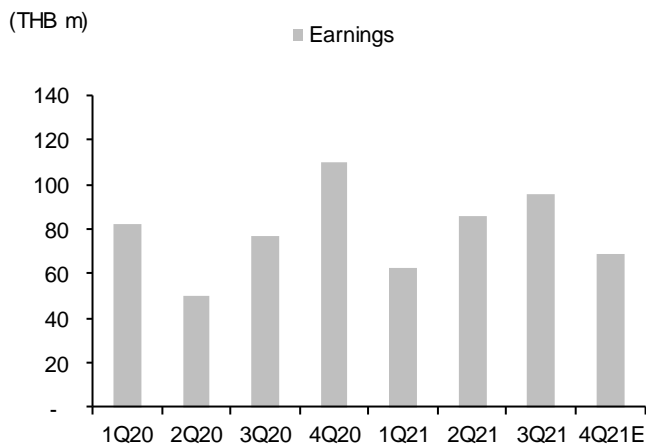
### Exhibit 2: Revision assumptions

	----- Current -----			----- Previous -----			----- Change -----		
	2021E	2022E	2023E	2021E	2022E	2023E	2021E	2022E	2023E
Revenue (THB m)	2,260	3,190	3,780	2,641	3,698	4,291	(14.4)	(13.7)	(11.9)
Domestic sales	177	183	188	177	183	188	0.0	0.0	0.0
Export sales	2,083	3,008	3,592	2,463	3,515	4,103	(15.5)	(14.4)	(12.4)
Gross margin (%)	26.8	27.3	27.6	27.3	27.8	28.1	(0.5)	(0.5)	(0.5)
SG&A to sales (%)	11.2	11.2	11.0	11.2	11.1	11.0	0.0	0.1	0.0
Net profit (THB m)	313	464	567	376	558	662	(16.9)	(16.9)	(14.4)

Sources: APURE; FSSIA estimates

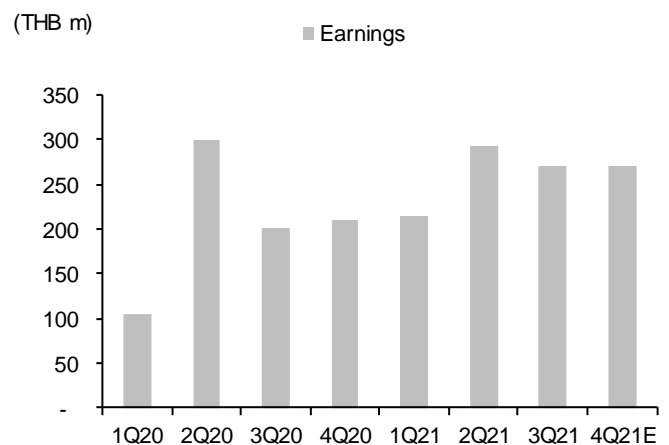
For export-oriented stocks, we prefer Asian Sea Corporation (ASIAN TB, BUY, TP THB24.10) over APURE for the next three months for following reasons: 1) APURE's 4Q21E earnings seem to be weak due to the container shortage and the shortage of sweet corn, which is the company's main raw material; 2) ASIAN's earnings should be more resilient in 4Q, supported by the solid demand for pet food and value-added frozen products; 3) ASIAN has had a limited impact from the container shortage on the solid demand for its products, e.g. pet food; and 4) APURE is more exposed to the impact from the rising commodity prices, as steel costs account for c33% of its total COGS, while ASIAN has only pet food sales which have been affected, as the packaging cost accounts for c20-30% of COGS. However, this could be partly passed on to its customers as an OEM manufacturer.

### Exhibit 3: APURE's earnings trend by quarter



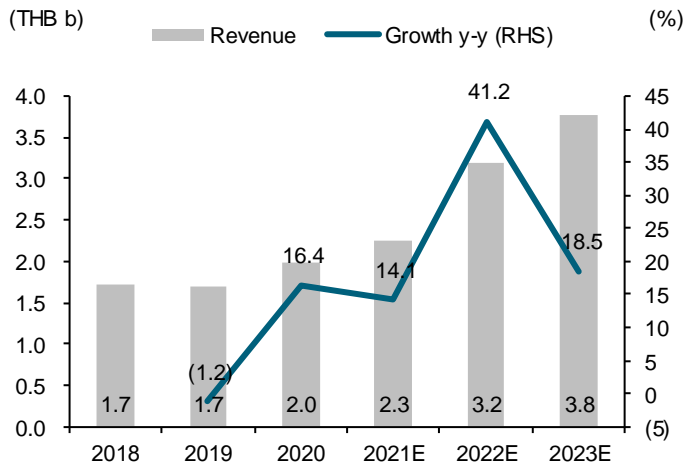
Sources: APURE; FSSIA estimates

### Exhibit 4: ASIAN's earnings trend by quarter



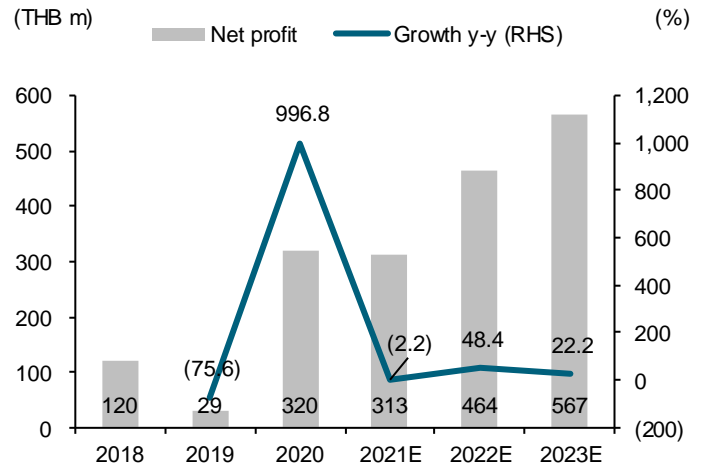
Sources: ASIAN; FSSIA estimates

**Exhibit 5: Solid revenue growth expected over 2021-23**



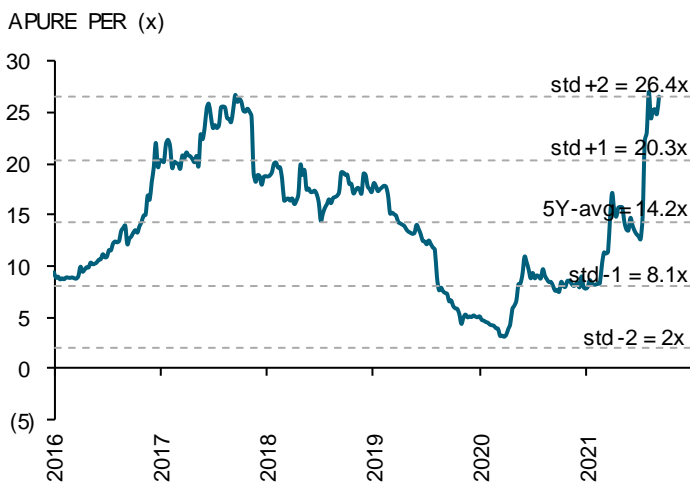
Sources: APURE; FSSIA estimates

**Exhibit 6: Net profit and net profit growth**



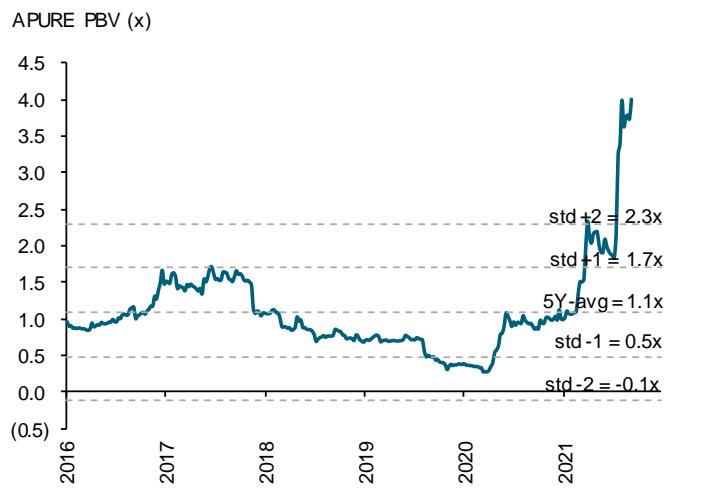
Sources: APURE; FSSIA estimates

**Exhibit 7: Rolling one-year forward P/E band**



Sources: Bloomberg; FSSIA estimates

**Exhibit 8: Rolling one-year forward P/BV band**



Sources: Bloomberg; FSSIA estimates

## Financial Statements

### Agripure Holdings

Profit and Loss (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Revenue	1,701	1,981	2,260	3,190	3,780
Cost of goods sold	(1,365)	(1,367)	(1,563)	(2,220)	(2,626)
<b>Gross profit</b>	<b>336</b>	<b>614</b>	<b>697</b>	<b>971</b>	<b>1,154</b>
Other operating income	18	10	11	11	11
Operating costs	(244)	(222)	(253)	(357)	(416)
<b>Operating EBITDA</b>	<b>110</b>	<b>402</b>	<b>455</b>	<b>624</b>	<b>749</b>
Depreciation	(72)	(84)	(92)	(101)	(111)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>38</b>	<b>318</b>	<b>362</b>	<b>523</b>	<b>638</b>
Net financing costs	0	(1)	(1)	(1)	(1)
Associates	0	0	0	0	0
Recurring non-operating income	0	0	0	0	0
Non-recurring items	0	14	0	0	0
<b>Profit before tax</b>	<b>38</b>	<b>332</b>	<b>362</b>	<b>522</b>	<b>637</b>
Tax	(6)	(7)	(43)	(52)	(64)
<b>Profit after tax</b>	<b>31</b>	<b>325</b>	<b>318</b>	<b>470</b>	<b>573</b>
Minority interests	(2)	(6)	(6)	(6)	(6)
Preferred dividends	0	0	0	0	0
Other items	0	0	0	0	0
<b>Reported net profit</b>	<b>29</b>	<b>320</b>	<b>313</b>	<b>464</b>	<b>567</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>0</b>	<b>(14)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>29</b>	<b>305</b>	<b>313</b>	<b>464</b>	<b>567</b>
<b>Per share (THB)</b>					
Recurring EPS *	0.03	0.33	0.34	0.50	0.61
Reported EPS	0.03	0.34	0.34	0.50	0.61
DPS	0.00	0.10	0.14	0.25	0.30
Diluted shares (used to calculate per share data)	930	930	930	930	930
<b>Growth</b>					
Revenue (%)	(1.2)	16.4	14.1	41.2	18.5
Operating EBITDA (%)	(50.9)	266.0	13.1	37.3	20.0
Operating EBIT (%)	(75.7)	740.1	13.9	44.3	21.9
Recurring EPS (%)	(75.6)	948.8	2.4	48.4	22.2
Reported EPS (%)	(75.6)	996.8	(2.2)	48.4	22.2
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	15.5	26.8	26.8	27.3	27.6
Gross margin of key business (%)	15.5	26.8	26.8	27.3	27.6
Operating EBITDA margin (%)	6.5	20.3	20.1	19.6	19.8
Operating EBIT margin (%)	2.2	16.1	16.0	16.4	16.9
Net margin (%)	1.7	15.4	13.8	14.5	15.0
Effective tax rate (%)	17.1	2.1	12.0	10.0	10.0
Dividend payout on recurring profit (%)	-	30.4	42.0	50.0	50.0
Interest cover (X)	296.0	483.9	540.6	705.7	783.4
Inventory days	69.2	74.0	98.7	88.5	92.9
Debtor days	44.7	45.2	44.9	38.4	41.5
Creditor days	23.8	19.0	17.2	15.5	16.7
Operating ROIC (%)	3.4	22.8	25.1	32.0	34.7
ROIC (%)	3.2	21.9	24.3	31.3	33.8
ROE (%)	1.8	17.5	16.6	22.5	24.4
ROA (%)	1.7	16.5	15.6	20.9	22.6
* Pre-exceptional, pre-goodwill and fully diluted					
<b>Revenue by Division (THB m)</b>					
Sweet corn in can	1,263	1,599	1,839	2,717	3,246
Vegetables & fruits	152	83	91	99	108
Sweet corn in vacuum bags	182	177	203	243	291
Seeds & others	104	121	127	131	135

Sources: Agripure Holdings; FSSIA estimates

## Financial Statements

### Agridure Holdings

Cash Flow (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Recurring net profit	29	305	313	464	567
Depreciation	72	84	92	101	111
Associates & minorities	-	-	-	-	-
Other non-cash items	0	(80)	0	0	0
Change in working capital	144	(316)	(84)	(262)	(186)
<b>Cash flow from operations</b>	<b>245</b>	<b>(7)</b>	<b>321</b>	<b>303</b>	<b>493</b>
Capex - maintenance	0	0	0	0	0
Capex - new investment	(176)	(65)	(92)	(101)	(111)
Net acquisitions & disposals	0	0	0	0	0
Other investments (net)	31	44	15	(7)	(5)
<b>Cash flow from investing</b>	<b>(145)</b>	<b>(21)</b>	<b>(77)</b>	<b>(108)</b>	<b>(116)</b>
Dividends paid	0	(93)	(131)	(232)	(283)
Equity finance	(3)	3	0	0	0
Debt finance	(1)	17	0	0	0
Other financing cash flows	0	-	(58)	0	0
<b>Cash flow from financing</b>	<b>(3)</b>	<b>(73)</b>	<b>(189)</b>	<b>(232)</b>	<b>(283)</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
<b>Net other adjustments</b>	<b>0</b>	<b>(14)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Movement in cash</b>	<b>97</b>	<b>(116)</b>	<b>55</b>	<b>(37)</b>	<b>93</b>
Free cash flow to firm (FCFF)	100.55	(28.12)	244.32	195.38	377.21
Free cash flow to equity (FCFE)	99.75	(25.93)	186.20	195.01	376.77

#### Per share (THB)

FCFF per share	0.19	(0.05)	0.45	0.36	0.70
FCFE per share	0.18	(0.05)	0.34	0.36	0.69
Recurring cash flow per share	0.11	0.33	0.44	0.61	0.73

Balance Sheet (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Tangible fixed assets (gross)	1,505	1,560	1,591	1,623	1,657
Less: Accumulated depreciation	(547)	(620)	(651)	(684)	(718)
<b>Tangible fixed assets (net)</b>	<b>958</b>	<b>939</b>	<b>939</b>	<b>939</b>	<b>939</b>
<b>Intangible fixed assets (net)</b>	<b>0</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
Long-term financial assets	0	0	0	0	0
Invest. in associates & subsidiaries	0	0	0	0	0
Cash & equivalents	367	250	305	268	361
A/C receivable	213	278	279	393	466
Inventories	174	381	464	612	725
Other current assets	37	76	86	122	145
<b>Current assets</b>	<b>790</b>	<b>985</b>	<b>1,135</b>	<b>1,395</b>	<b>1,697</b>
Other assets	50	54	38	44	47
<b>Total assets</b>	<b>1,799</b>	<b>1,980</b>	<b>2,116</b>	<b>2,383</b>	<b>2,689</b>
Common equity	1,658	1,826	1,949	2,181	2,465
Minorities etc.	20	23	23	23	23
<b>Total shareholders' equity</b>	<b>1,679</b>	<b>1,849</b>	<b>1,973</b>	<b>2,204</b>	<b>2,487</b>
Long term debt	1	13	13	13	13
Other long-term liabilities	16	16	18	21	23
<b>Long-term liabilities</b>	<b>17</b>	<b>29</b>	<b>31</b>	<b>34</b>	<b>37</b>
A/C payable	74	69	78	110	130
Short term debt	1	6	6	6	6
Other current liabilities	29	28	28	29	30
<b>Current liabilities</b>	<b>103</b>	<b>102</b>	<b>113</b>	<b>145</b>	<b>165</b>
<b>Total liabilities and shareholders' equity</b>	<b>1,799</b>	<b>1,980</b>	<b>2,116</b>	<b>2,383</b>	<b>2,689</b>
Net working capital	321	638	723	988	1,176
Invested capital	1,329	1,634	1,704	1,976	2,169

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

#### Per share (THB)

Book value per share	1.78	1.96	2.10	2.35	2.65
Tangible book value per share	1.78	1.96	2.09	2.34	2.65

#### Financial strength

Net debt/equity (%)	(21.8)	(12.5)	(14.5)	(11.3)	(13.7)
Net debt/total assets (%)	(20.3)	(11.7)	(13.5)	(10.4)	(12.7)
Current ratio (x)	7.6	9.6	10.1	9.6	10.3
CF interest cover (x)	2,154.7	60.9	416.1	401.0	600.9

Valuation	2019	2020	2021E	2022E	2023E
<b>Recurring P/E (x) *</b>	<b>249.1</b>	<b>23.7</b>	<b>23.2</b>	<b>15.6</b>	<b>12.8</b>
<b>Recurring P/E @ target price (x) *</b>	<b>319.3</b>	<b>30.4</b>	<b>29.7</b>	<b>20.0</b>	<b>16.4</b>
Reported P/E (x)	248.8	22.7	23.2	15.6	12.8
Dividend yield (%)	-	1.3	1.8	3.2	3.9
Price/book (x)	4.4	4.0	3.7	3.3	2.9
Price/tangible book (x)	4.4	4.0	3.7	3.3	2.9
EV/EBITDA (x) **	62.9	17.5	15.4	11.3	9.3
EV/EBITDA @ target price (x) **	81.5	22.6	19.9	14.5	12.0
EV/invested capital (x)	5.2	4.3	4.1	3.6	3.2

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

Sources: Agridure Holdings; 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	ICI	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	WIJK	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**

Karun Intrachai FSS International Investment Advisory Securities Co., Ltd

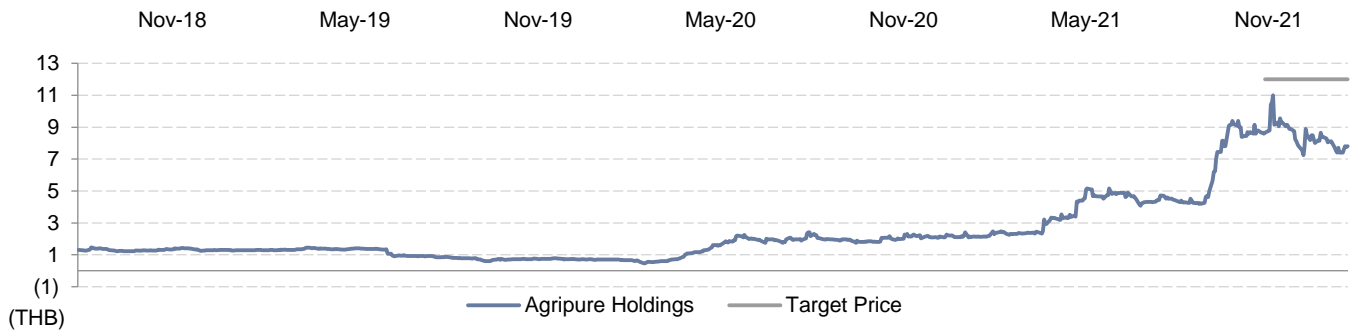
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

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**

**Agripure Holdings (APURE TB)**



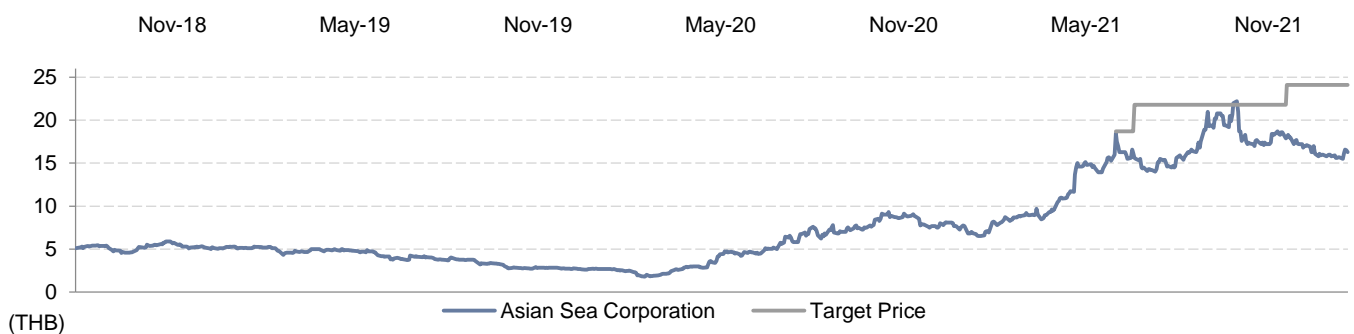
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
01-Sep-2021	BUY	12.00	-	-	-	-	-	-

Karun Intrachai started covering this stock from 01-Sep-2021

Price and TP are in local currency

Source: FSSIA estimates

**Asian Sea Corporation (ASIAN TB)**



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
26-Apr-2021	BUY	18.70	01-Jun-2021	BUY	21.80	11-Aug-2021	HOLD	21.80
12-May-2021	BUY	21.80	19-Jul-2021	BUY	21.80	20-Sep-2021	BUY	24.10

Karun Intrachai started covering this stock from 26-Apr-2021

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Agripure Holdings	APURE TB	THB 7.80	BUY	Downside risks to our P/E-based TP would be 1) order cancellations from big customers like Walmart; 2) a stronger-than-expected THB against USD; and 3) the high volatility of raw material prices, such as the corn price, which could hurt the company's GPM.
Asian Sea Corporation	ASIAN TB	THB 16.30	BUY	Downside risks to our P/E-based TP would be 1) a stronger-than-expected THB against USD; and 2) the high volatility of raw material prices, such as tuna and squid prices, which could hurt the company's GPM.

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 12-Nov-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.