

15 NOVEMBER 2021

THAILAND / CONSUMER STAPLES

OSOTSPA PCL OSP TB

BUY

UNCHANGED

TARGET PRICE	THB42.00
CLOSE	THB35.00
UP/DOWNSIDE	+20.0%
PRIOR TP	THB42.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+6.2%

Improving outlook in 4Q21

Weak 3Q21 results dragged by lockdown and FX loss

OSP booked a weak net profit of TH580m in 3Q21 (-29% q-q, -37% y-y), missing BGC's consensus estimate by 11%. The drop q-q was mainly due to the slowdown in both domestic and overseas sales, the weak GPM, and lower equity income due to an FX loss. Retail sales dropped 7% y-y and 11% q-q to THB6.1b, dragged by lower energy drink sales in Thailand (-11% y-y), CLMV (-15% y-y, -30% q-q), and the personal care segment (-28% y-y). OSP gained slightly more market share, up to 54.5%, amid the contraction of the energy drink market at -16% y-y, while the vitamin C drink market still grew 6% y-y. Equity income plunged 48% q-q to THB34m due to the share of loss from the glass business JV in Myanmar, resulting mainly from the mark-to-market loss from a US dollar loan amounting to THB47m, as this plant is under construction.

Improving sales from both domestic and overseas markets

We see an improving sales trend in 4Q21. Domestic energy drink sales still dropped y-y in Oct-21 but grew m-m. However, the domestic energy drink market seems to be recovering slowly vs after other Covid waves in Thailand, which has led to a V-shaped recovery. Its GPM remains under pressure by high commodity costs, but OSP may implement a cost control strategy or adjust its selling price to mitigate the pressure. Hence, we estimate its 4Q21 earnings should grow q-q to cTHB700m-750m.

Initiating a new cost saving program

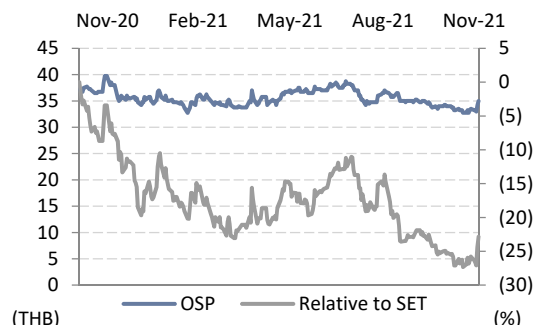
OSP initiated its Fast Forward 10X program after completing its Fit Fast Firm program, which aims to reduce costs by THB5.0b in 5-7 years via a reduction in COGS and transformation (people, process, technology). OSP introduced a lightweight glass bottle which lowered packaging costs by 7-14% (bottle costs normally account for 40% of COGS). OSP plans to launch new CBD energy drink products by 1H22 and is expanding to overseas markets apart from Myanmar. We see an upside risk from a potential partnership or M&A opportunities to create new growth engines.

Maintain BUY with TP of THB42

We cut our 2021-23E earnings by 7.0%-13.6% to reflect the weak 3Q21 performance, and fine-tune our sales and GPM assumptions to reflect the slower-than-expected recovery in Myanmar. Our TP remains at THB42 after rolling forward our valuation to 2022E. We maintain our BUY rating as OSP could post a stronger recovery compared to its peers in 4Q21, and we see an upside risk from the new hemp/CBD products.

KEY STOCK DATA

YE Dec (THB m)	2020	2021E	2022E	2023E
Revenue	25,785	26,295	28,418	29,546
Net profit	3,504	3,146	3,644	4,024
EPS (THB)	1.17	1.05	1.21	1.34
vs Consensus (%)	-	(6.4)	(5.5)	(5.3)
EBITDA	4,805	4,676	5,262	5,747
Core net profit	3,349	3,146	3,644	4,024
Core EPS (THB)	1.11	1.05	1.21	1.34
Chg. In EPS est. (%)	-	(13.6)	(9.2)	(7.0)
EPS growth (%)	5.5	(6.1)	15.8	10.4
Core P/E (x)	31.4	33.4	28.9	26.1
Dividend yield (%)	3.1	2.8	3.3	3.6
EV/EBITDA (x)	21.4	22.3	19.8	18.2
Price/book (x)	5.5	5.4	5.3	5.2
Net debt/Equity (%)	(11.4)	(4.7)	(4.6)	(3.5)
ROE (%)	18.1	16.3	18.6	20.2



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	2.2	0.7	(7.3)
Relative to country (%)	2.8	(5.5)	(24.2)
Mkt cap (USD m)	3,203		
3m avg. daily turnover (USD m)	9.2		
Free float (%)	34		
Major shareholder	The Orizon Group (32%)		
12m high/low (THB)	40.25/32.00		
Issued shares (m)	3,003.80		

Sources: Bloomberg consensus; FSSIA estimates


Karun Intrachai

 karun.int@fssia.com
 +66 2611 3555

Investment thesis

OSP is the market leader and an innovator in both the beverage and personal care segments. Its share price has been underperforming its peers', as quarterly core earnings have been at cTHB800m-900m for the last six quarters, dragged by a shrinking market share in Myanmar (c10% of total sales) and low organic growth in the domestic beverage (71%) and personal care markets (9%). We expect earnings growth to resume at a rate of 10%/8% in 2022/23, driven by the projected recovery of the domestic energy drink market, 2x sales growth from C-vitt, and its new beverage plant in Myanmar, which should boost its sales and GPM.

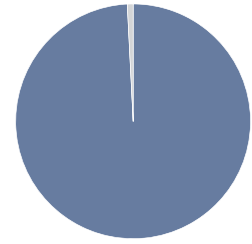
Company profile

Osotspa was established in 1891 as a pharmaceutical company. It is now one of the largest consumer product companies in Thailand. Revenue is derived from beverages (84% of sales), personal care (11% of sales) and others (5%). About 17% of its sales come from overseas markets, such as Myanmar, Laos and Cambodia, nearly all of which are from the energy drinks segment. It was listed in October 2018.

www.osotspa.com

Principal activities (revenue, 2020)

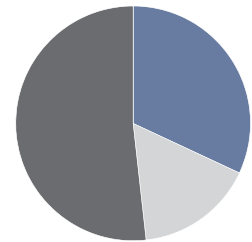
- Sales of goods - 99.2 %
- Other income - 0.8 %



Source: Osotspa PCL

Major shareholders

- The Orizon Group - 32.0 %
- Mr. Niti Osathanugrah - 16.3 %
- Others - 51.8 %



Source: Osotspa PCL

Catalysts

Potential catalysts for OSP's share price include higher-than-expected sales growth from new innovative products in the beverage and personal care segments and higher-than-expected cost savings.

Risks to our call

The key downside risks to our DCF-based TP are 1) a decline in energy drink market share in Myanmar due to strong competition; 2) a slow recovery in the economy; and 3) lower-than-expected SG&A savings from the Fast Forward 10X program.

Event calendar

Date	Event
February 2022	4Q22 results announcement

Key assumptions

	2021E	2022E	2023E
	(%)	(%)	(%)
Sales growth	1.3	8.1	4.0
Domestic beverages	1.0	7.4	2.6
Personal care	(5.0)	10.0	10.0
Overseas beverages & personal care	7.0	12.0	7.0
GPM	34.3	34.6	35.1
SG&A to sales	22.8	22.4	21.9

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in sales, we estimate 2021 EPS would rise 0.9%, and vice versa, all else being equal.
- For every 1ppt increase in GPM, we estimate 2021 EPS would rise 5.6%, and vice versa, all else being equal.
- For every 0.1% increase in SG&A to sales, we estimate 2021 EPS would fall 0.6%, and vice versa, all else being equal.

Source: FSSIA estimates

Weak 3Q21 results dragged by lockdown and FX loss

OSP booked a weak net profit of TH580m in 3Q21 (-29% q-q, -37% y-y), missing BBG's consensus estimate by 11%. The drop q-q was mainly due to the slowdown in both domestic and overseas sales, the weak GPM, and lower equity income due to an FX loss.

Retail sales dropped 7% y-y and 11% q-q to THB6.1b, dragged by lower energy drink sales in Thailand (-11% y-y), CLMV (-15% y-y, -30% q-q), and the personal care segment (-28% y-y). OSP gained slightly more market share, up to 54.5%, amid the contraction of the energy drink market at -16% y-y, while the vitamin C drink market still grew 6% y-y.

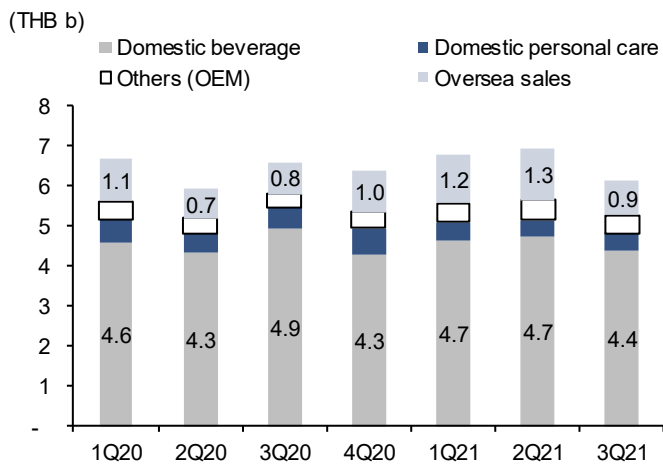
3Q21 GPM dropped to 33.5% (vs 36.3% in 2Q21) due to lower sales from energy drinks and high natural gas and freight costs. Equity income plunged 48% q-q to THB34m due to the share of loss from the glass business JV in Myanmar, resulting mainly from the mark-to-market loss from a US dollar loan amounting to THB47m, as this plant is under construction.

Exhibit 1: OSP – 3Q21 results summary

YE Dec 31	3Q20	4Q20	1Q21	2Q21	3Q21	Change			9M21			2021E	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	% 21E	(THB m)	(y-y%)	%21E	(THB m)	(y-y%)
Total revenue	6,601	6,387	6,776	6,913	6,121	(11)	(7)	23	19,810	3	75	26,295	2
Retail sales	6,601	6,387	6,776	6,913	6,121	(11)	(7)	24	19,810	3	76	25,907	1
Other income	0	0	0	0	0	n/a	n/a	0	0	n/a	0	389	93
Cost of sales	(4,256)	(4,052)	(4,509)	(4,405)	(4,069)	(8)	(4)	24	(12,983)	4	77	(16,757)	0
Gross profit	2,344	2,335	2,267	2,509	2,052	(18)	(12)	22	6,827	2	74	9,273	0
Operating costs	(1,433)	(1,400)	(1,508)	(1,612)	(1,441)	(11)	1	24	(4,562)	6	77	(5,907)	3
Operating profit	912	935	759	896	611	(32)	(33)	18	2,266	(5)	67	3,366	(4)
Operating EBITDA	1,256	1,296	1,107	1,262	997	(21)	(21)	21	3,367	2	72	4,676	(3)
Interest expense	(21)	(29)	(28)	(24)	(22)	(7)	6	16	(74)	106	54	(136)	108
Profit before tax	928	937	768	919	645	(30)	(31)	20	2,332	(7)	72	3,230	(7)
Tax	(174)	(106)	(163)	(191)	(122)	(36)	(30)	22	(476)	(1)	87	(549)	(7)
Associates	109	(12)	73	66	34	(48)	(68)	9	174	(26)	45	384	(7)
Minority interests	22	17	17	21	19	(13)	(14)	n/a	57	n.a.	70	81	20
Non-recurring items	29	9	0	0	0	nm	nm	nm	0	nm	nm	0	(100)
Reported net profit	923	851	1,004	820	580	(29)	(37)	18	2,404	(9)	76	3,146	(10)
Recurring net profit	894	842	1,004	820	580	(29)	(35)	18	2,404	(4)	76	3,146	(6)
EPS (THB)	0.31	0.23	0.33	0.27	0.19	(29)	(37)	18	0.80	(9)	76	1.05	(10)
Recurring EPS (THB)	0.30	0.28	0.33	0.27	0.19	(29)	(35)	18	0.80	(4)	76	1.05	(6)
Key Ratios (%)	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)		(%)	(ppt)		(%)	(ppt)
Sales margin	35.5	36.6	33.5	36.3	33.5	(2.8)	(2.0)		34.5	(0.4)		35.3	0.8
EBIT margin	13.8	14.6	11.2	13.0	10.0	(3.0)	(3.8)		11.4	(1.0)		12.8	(0.9)
Recurring net margin	11.4	13.0	8.9	10.5	8.5	(2.0)	(2.9)		9.4	(3.7)		12.0	(1.0)
SG&A / Sales	21.7	21.9	22.3	23.3	23.5	0.2	1.8		23.0	0.6		22.5	0.3
Effective tax rate	18.8	11.3	21.2	20.8	18.9	(1.9)	0.1		20.4	1.3		17.0	0.0
Sales breakdown	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)		(THB m)	(y-y%)			
Beverages	5,648	5,269	5,801	5,938	5,220	(12)	(8)		16,959	4			
Personal care	621	724	500	481	446	(7)	(28)		1,427	(20)			
Others	332	394	475	494	455	(8)	37		1,424	25			
Total	6,601	6,387	6,776	6,913	6,121	(11)	(7)		19,810	3			

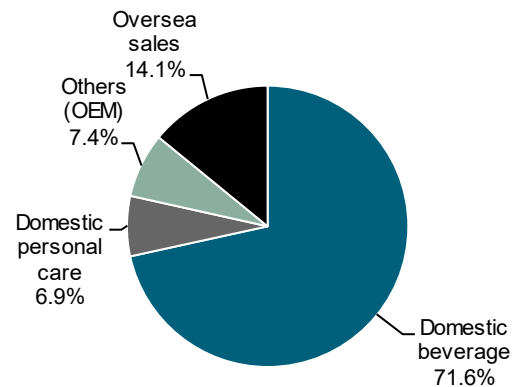
Sources: OSP; FSSIA estimates

Exhibit 2: Sales breakdown, quarterly



Sources: OSP; FSSIA estimates

Exhibit 3: Sales breakdown in 3Q21



Sources: OSP; FSSIA estimates

Net profit assumption revisions

We revise down our 2021E earnings by 13.6% to reflect the weak 3Q21 performance due to the lockdown measures in Thailand and overseas markets. We cut our 2022-23E earnings by 7.0-9.2% after fine-tuning our sales and GPM assumptions to reflect the slower-than-expected recovery in Myanmar (c10% of total sales) due to the weakening Kyat (Myanmar's currency) by c22% YTD compared to the THB. Our target price remains at THB42 after rolling forward our valuation to 2022E.

Exhibit 4: Assumption revisions

	Current			Previous			Change (%)		
	2021E	2022E	2023E	2021E	2022E	2023E	2021E	2022E	2023E
Sales growth (%)	1.3	8.1	4.0	1.3	8.1	4.0	0.0	0.0	0.0
Domestic beverages	1.0	7.4	2.6	1.0	7.4	2.6	0.0	0.0	0.0
Personal care	(5.0)	10.0	10.0	(5.0)	10.0	10.0	0.0	0.0	0.0
Overseas beverages & personal care	7.0	12.0	7.0	7.0	12.0	7.0	0.0	0.0	0.0
GPM (%)	34.3	34.6	35.1	35.4	35.8	36.2	(1.1)	(1.2)	(1.2)
SG&A to sales (%)	22.8	22.4	21.9	22.1	22.0	21.9	0.7	0.4	0.0
Earnings (THB m)	3,146	3,644	4,024	3,641	4,014	4,326	(13.6)	(9.2)	(7.0)

Note: Change of items in percentage terms are represented in ppt change

Source: FSSIA estimates

Exhibit 5: DCF valuation

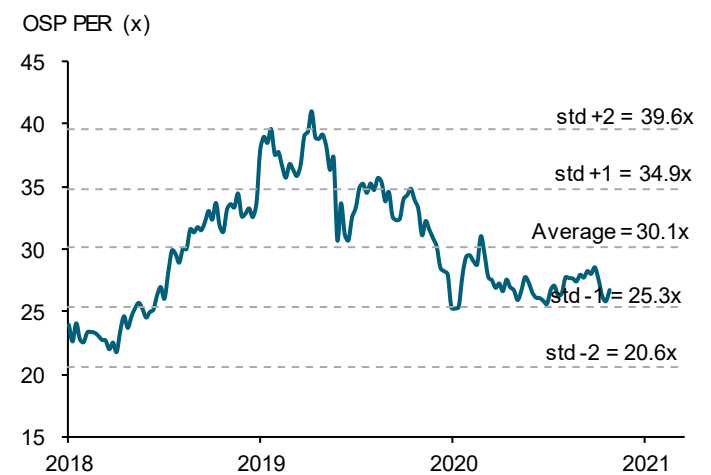
	(%)	(THB b)
Discount rate (WACC)	6.3	
Terminal growth	3.0	
NPV		30.0
Add: terminal value		95.8
Sum of PV		126
Add: investment		0
Less: debt		(0.9)
Less: minorities		0.1
Residual ordinary equity		127
No. of shares (m)		3,004
Residual ordinary equity (THB/share)		42

Source: FSSIA estimates

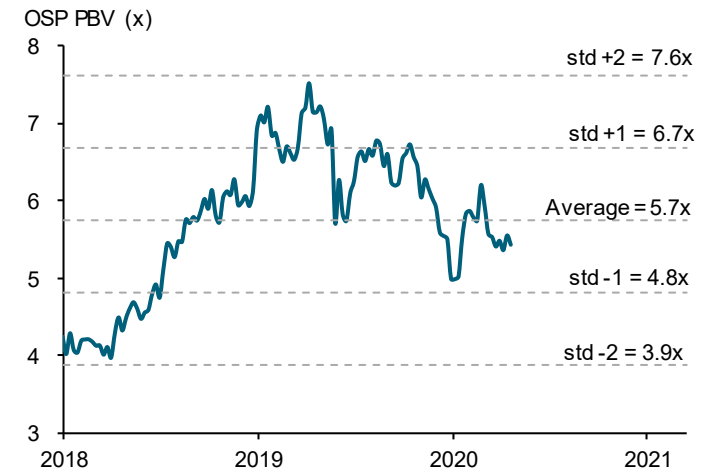
Exhibit 6: Peer valuation comparison

	CBG	OSP
Current price (THB)	123.5	35.0
No. of shares (m shares)	1,000	3,004
2021E NP (THB m)	3,239	3,146
2022E NP (THB m)	3,940	3,644
2023E NP (THB m)	4,631	4,024
2021E EPS (THB/share)	3.24	1.05
2022E EPS (THB/share)	3.94	1.21
2023E EPS (THB/share)	4.63	1.34
2021E P/E (x)	38.1	33.4
2022E P/E (x)	31.3	28.9
2023E P/E (x)	26.7	26.1
P/E 5-Year Average (x)	38.0	33.2
2022E EPS growth (%)	21.6	15.8
2023E EPS growth (%)	17.5	10.4

Source: 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

Osotspa PCL

Profit and Loss (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Revenue	25,852	25,785	26,295	28,418	29,546
Cost of goods sold	(15,675)	(15,269)	(15,712)	(16,884)	(17,424)
Gross profit	10,177	10,515	10,583	11,534	12,122
Other operating income	0	0	0	0	0
Operating costs	(5,688)	(5,710)	(5,907)	(6,272)	(6,375)
Operating EBITDA	4,489	4,805	4,676	5,262	5,747
Depreciation	(958)	(1,285)	(1,310)	(1,416)	(1,472)
Goodwill amortisation	(32)	0	0	0	0
Operating EBIT	3,500	3,520	3,366	3,846	4,275
Net financing costs	(13)	(65)	(136)	(194)	(250)
Associates	381	414	384	508	536
Recurring non-operating income	381	414	384	508	536
Non-recurring items	118	156	0	0	0
Profit before tax	3,986	4,025	3,614	4,160	4,562
Tax	(718)	(587)	(549)	(621)	(684)
Profit after tax	3,268	3,437	3,065	3,539	3,877
Minority interests	(9)	67	81	105	147
Preferred dividends	0	0	0	0	0
Other items	0	0	0	0	0
Reported net profit	3,259	3,504	3,146	3,644	4,024
Non-recurring items & goodwill (net)	(118)	(156)	0	0	0
Recurring net profit	3,173	3,349	3,146	3,644	4,024
Per share (THB)					
Recurring EPS *	1.06	1.11	1.05	1.21	1.34
Reported EPS	1.08	1.17	1.05	1.21	1.34
DPS	1.00	1.10	0.99	1.14	1.26
Diluted shares (used to calculate per share data)	3,004	3,004	3,004	3,004	3,004
Growth					
Revenue (%)	5.4	(0.3)	2.0	8.1	4.0
Operating EBITDA (%)	5.8	7.0	(2.7)	12.5	9.2
Operating EBIT (%)	10.5	0.6	(4.4)	14.3	11.2
Recurring EPS (%)	21.7	5.5	(6.1)	15.8	10.4
Reported EPS (%)	14.5	7.5	(10.2)	15.8	10.4
Operating performance					
Gross margin inc. depreciation (%)	35.7	35.8	35.3	35.6	36.0
Gross margin of key business (%)	-	-	-	-	-
Operating EBITDA margin (%)	17.4	18.6	17.8	18.5	19.5
Operating EBIT margin (%)	13.5	13.7	12.8	13.5	14.5
Net margin (%)	12.3	13.0	12.0	12.8	13.6
Effective tax rate (%)	20.6	17.0	17.0	17.0	17.0
Dividend payout on recurring profit (%)	94.7	98.7	94.3	94.3	94.3
Interest cover (X)	306.7	60.2	27.6	22.4	19.3
Inventory days	35.9	43.0	42.2	34.9	35.6
Debtor days	40.9	43.2	40.8	39.6	40.3
Creditor days	49.2	48.5	42.7	41.7	42.6
Operating ROIC (%)	43.5	28.9	22.0	24.0	26.0
ROIC (%)	29.0	22.1	18.8	21.0	22.7
ROE (%)	17.6	18.1	16.3	18.6	20.2
ROA (%)	13.4	13.3	12.1	13.5	14.2
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
2019	2020	2021E	2022E	2023E	
Sales of goods	25,610	25,583	25,907	27,998	29,109
Other income	242	202	389	420	437
category 3					

Sources: Osotspa PCL; FSSIA estimates

Financial Statements

Osotspa PCL

Cash Flow (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Recurring net profit	3,173	3,349	3,146	3,644	4,024
Depreciation	958	1,285	1,310	1,416	1,472
Associates & minorities	(72)	20	81	105	147
Other non-cash items	9	(67)	(81)	(105)	(147)
Change in working capital	59	(1,083)	599	(20)	1
Cash flow from operations	4,126	3,503	5,055	5,039	5,497
Capex - maintenance	(3,365)	(4,677)	(3,000)	(1,600)	(1,920)
Capex - new investment	0	0	0	0	0
Net acquisitions & disposals	(1,514)	1,848	(432)	(77)	(64)
Other investments (net)	0	0	0	0	0
Cash flow from investing	(4,879)	(2,829)	(3,432)	(1,677)	(1,984)
Dividends paid	(3,004)	(3,304)	(2,966)	(3,436)	(3,794)
Equity finance	(472)	1,211	69	69	69
Debt finance	360	831	1,148	485	1,077
Other financing cash flows	0	0	0	0	0
Cash flow from financing	(3,115)	(1,262)	(1,749)	(2,881)	(2,648)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	(3,868)	(588)	(127)	481	865
Free cash flow to firm (FCFF)	(740.03)	739.32	1,758.60	3,555.88	3,763.15
Free cash flow to equity (FCFE)	(392.39)	1,505.33	2,770.43	3,847.27	4,590.46

Per share (THB)	2019	2020	2021E	2022E	2023E
FCFF per share	(0.25)	0.25	0.59	1.18	1.25
FCFE per share	(0.13)	0.50	0.92	1.28	1.53
Recurring cash flow per share	1.35	1.53	1.48	1.68	1.83

Balance Sheet (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Tangible fixed assets (gross)	20,172	23,717	26,717	28,317	30,237
Less: Accumulated depreciation	(11,247)	(11,359)	(12,628)	(13,999)	(15,425)
Tangible fixed assets (net)	8,925	12,358	14,089	14,318	14,812
Intangible fixed assets (net)	0	0	0	0	0
Long-term financial assets	0	0	0	0	0
Invest. in associates & subsidiaries	4,626	3,472	3,472	3,472	3,472
Cash & equivalents	4,119	3,531	3,404	3,885	4,750
A/C receivable	3,628	3,505	3,552	3,784	3,911
Inventories	1,523	2,077	1,556	1,673	1,727
Other current assets	68	67	68	74	77
Current assets	9,338	9,179	8,580	9,415	10,465
Other assets	1,435	846	863	933	970
Total assets	24,324	25,855	27,004	28,137	29,718
Common equity	17,871	19,224	19,473	19,750	20,049
Minorities etc.	152	105	105	105	105
Total shareholders' equity	18,023	19,329	19,578	19,855	20,154
Long term debt	406	1,142	2,125	2,541	3,463
Other long-term liabilities	639	827	453	489	509
Long-term liabilities	1,045	1,969	2,578	3,030	3,972
A/C payable	2,244	1,815	1,862	1,999	2,064
Short term debt	97	191	356	426	580
Other current liabilities	2,915	2,551	2,631	2,827	2,947
Current liabilities	5,256	4,557	4,849	5,252	5,592
Total liabilities and shareholders' equity	24,324	25,855	27,004	28,137	29,718
Net working capital	60	1,283	684	704	703
Invested capital	15,046	17,959	19,108	19,426	19,956

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

Per share (THB)	2019	2020	2021E	2022E	2023E
Book value per share	5.95	6.40	6.48	6.58	6.67
Tangible book value per share	5.95	6.40	6.48	6.58	6.67

Financial strength	2019	2020	2021E	2022E	2023E
Net debt/equity (%)	(20.1)	(11.4)	(4.7)	(4.6)	(3.5)
Net debt/total assets (%)	(14.9)	(8.5)	(3.4)	(3.3)	(2.4)
Current ratio (x)	1.8	2.0	1.8	1.8	1.9
CF interest cover (x)	(29.8)	24.0	21.4	20.8	19.4

Valuation	2019	2020	2021E	2022E	2023E
Recurring P/E (x) *	33.1	31.4	33.4	28.9	26.1
Recurring P/E @ target price (x) *	39.8	37.7	40.1	34.6	31.4
Reported P/E (x)	32.3	30.0	33.4	28.9	26.1
Dividend yield (%)	2.9	3.1	2.8	3.3	3.6
Price/book (x)	5.9	5.5	5.4	5.3	5.2
Price/tangible book (x)	5.9	5.5	5.4	5.3	5.2
EV/EBITDA (x) **	22.6	21.4	22.3	19.8	18.2
EV/EBITDA @ target price (x) **	27.3	25.8	26.8	23.8	21.8
EV/invested capital (x)	6.8	5.7	5.5	5.4	5.2

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

Sources: Osotspa PCL; 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	PAP	PCSGH	PDJ	PG	PHOL	PLANB
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	SEAOIL	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	TRC	TSC	TSR	TSTE	TSTH
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.

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History of change in investment rating and/or target price

Osotspa PCL (OSP TB)



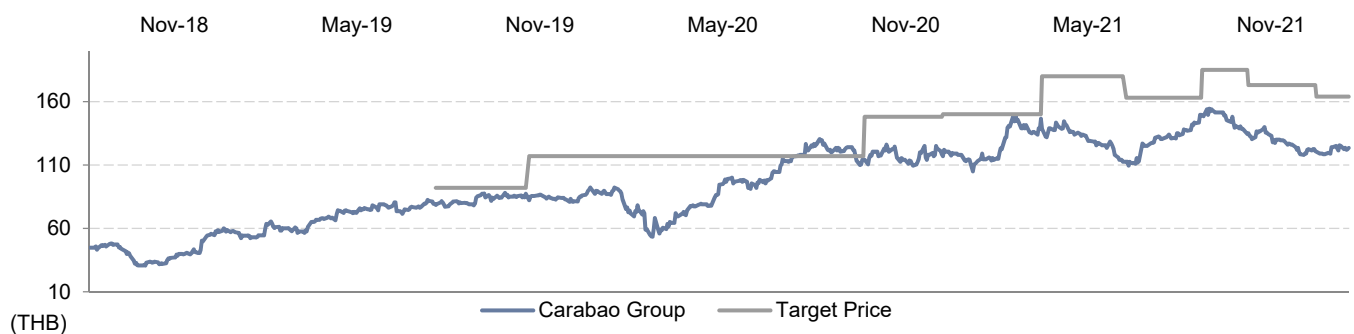
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
19-Sep-2019	BUY	42.00	17-Sep-2020	BUY	43.00	16-Aug-2021	BUY	42.00
21-Nov-2019	HOLD	42.00	25-Mar-2021	BUY	43.00			
02-Apr-2020	HOLD	42.00	17-May-2021	BUY	43.00			

Karun Intrachai started covering this stock from 17-Sep-2020

Price and TP are in local currency

Source: FSSIA estimates

Carabao Group (CBG TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
12-Sep-2019	BUY	92.00	24-Nov-2020	BUY	150.00	27-May-2021	BUY	163.00
02-Dec-2019	BUY	117.00	18-Feb-2021	BUY	180.00	07-Jul-2021	BUY	185.00
02-Apr-2020	BUY	117.00	22-Feb-2021	BUY	180.00	16-Aug-2021	BUY	173.00
17-Sep-2020	BUY	148.00	30-Apr-2021	BUY	163.00	14-Oct-2021	BUY	164.00
02-Oct-2020	BUY	148.00	17-May-2021	BUY	163.00			

Karun Intrachai started covering this stock from 17-Sep-2020

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Osotspa PCL	OSP TB	THB 35.00	BUY	The key downside risks to our DCF-based TP are 1) a decline in energy drink market share in Myanmar due to strong competition; 2) a slow recovery in the economy; and 3) lower-than-expected SG&A savings from the Fast Forward 10X program.
Carabao Group	CBG TB	THB 123.50	BUY	The key downside risks to our DCF-based TP are 1) slower-than-expected sales growth in Myanmar, Cambodia, and the vitamin C drink market; 2) a decrease in domestic energy drink market share; and 3) higher-than-expected SG&A expenses from overseas operations, such as in China and the UK.

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 Finasia 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 Finasia 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 (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.