

7 DECEMBER 2021

THAILAND / PETROCHEM & CHEMICALS

EASTERN POLYMER GROUP

EPG TB

BUY

UNCHANGED

TARGET PRICE	THB15.50
CLOSE	THB11.20
UP/DOWNSIDE	+38.4%
PRIOR TP	THB15.50
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+4.2%

Strong net profit momentum ahead

Rising net profit growth roadmap in 2HFY22

After posting two consecutive strong quarterly net profits in 1HFY22 (Apr to Sep-21), we remain positive about EPG's net profit outlook and expect it to continue to post above THB0.4b quarterly net profits in 2HFY22 (Oct-21 to Mar-22), backed by higher sales volumes on improving demand and a capacity expansion in the US market, rising gross margins due to higher pricing power, and lower feedstock costs due to lower oil prices. In 3QFY22 (Oct to Dec-21), we project that EPG will post a net profit of THB440m, up from THB421m in 2QFY22, driven by higher net profits from Aeroflex and EPP which should offset a slightly q-q weaker net profit from Aeroklas on the back of weaker equity income from TJM, which we project to generate THB40m in equity income for EPG in 3QFY22.

Strong net profit growth expected in FY22-23

We project that EPG's net profit will grow by 25.1% y-y in FY22 and 4.7% y-y in FY23, and still see potential earnings upsides to our forecasts based on the company's capability to maintain high gross margins and utilisation rates amid the uncertain industry demand and intermittent lockdowns in 2020-21.

Growth from associates' incomes and TJM are key upsides

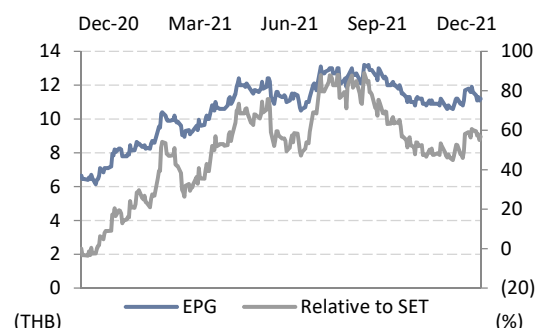
With six key associates owning from 27% to 51% stakes in each associate, EPG has seen its equity income gradually recover from a net loss in 1QFY21 (Apr to Jun-21) to THB64m in 2QFY22. EPG's key associates are 1) two associates in China and India that produce and sell insulator products, together contributing THB25m a quarter in 2QFY22; 2) three associates in Thailand which generated a combined THB10m-11m a quarter in 2QFY22; and 3) DUYS, a producer of auto parts under the Aeroklas unit, generated equity income of THB6m in 2QFY22. Management expects the South African associate to contribute a higher net profit to EPG of THB25m in FY23 (Apr-22 to Mar-23) onward due to the capacity expansion of its sidestep and bumper products to serve the fast-growing African automotive market.

Growth outlook remains sanguine

We maintain BUY and our TP of THB15.5, based on 21.2x FY22E EV/EBITDA. We think that a demand recovery and Aeroflex's US capacity expansion should boost net profit momentum in 4Q21-2023.

KEY STOCK DATA

YE Mar (THB m)	2021	2022E	2023E	2024E
Revenue	9,569	13,703	14,108	15,362
Net profit	1,219	1,525	1,597	1,774
EPS (THB)	0.44	0.54	0.57	0.63
vs Consensus (%)	-	20.5	(0.9)	(0.2)
EBITDA	1,800	2,010	2,069	2,253
Core net profit	1,219	1,525	1,597	1,774
Core EPS (THB)	0.44	0.54	0.57	0.63
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	21.5	25.1	4.7	11.0
Core P/E (x)	25.7	20.6	19.6	17.7
Dividend yield (%)	2.1	2.8	2.7	2.7
EV/EBITDA (x)	18.0	15.2	14.1	12.3
Price/book (x)	2.8	2.6	2.5	2.3
Net debt/Equity (%)	8.5	(7.0)	(16.9)	(26.7)
ROE (%)	11.3	13.3	13.1	13.6



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	5.7	(13.2)	76.4
Relative to country (%)	8.2	(9.9)	61.0
Mkt cap (USD m)	925		
3m avg. daily turnover (USD m)	5.0		
Free float (%)	26		
Major shareholder	Vitoorapakorn Holdings (60%)		
12m high/low (THB)	13.70/5.90		
Issued shares (m)	2,800.00		

Sources: Bloomberg consensus; FSSIA estimates



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Investment thesis

EPG is an innovator and manufacturer of plastic products, with a product portfolio that includes insulators, automotive parts, and accessories and packaging. The company's strengths lie in 1) being the world's only producer of highly innovative insulator products using ethylene propylene diene monomer (EPDM) material; 2) ODM and OEM car accessories such as bed liners, deck covers, canopies, and side steps; and 3) its range of plastic packaging products – from ice-cream cups to microwavable food packaging for ready-to-eat meals.

EPG has six production plants for rubber insulation in Thailand, China, India and the US. Three of its six plants are wholly owned and the other three are joint ventures with local partners. For automotive parts, EPG has two plants in Thailand and Tennessee, USA, and two distribution centres in the US and Australia. For packaging, EPG has one facility in Thailand.

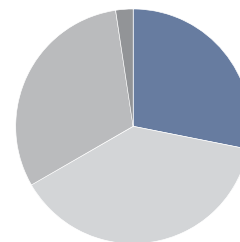
Company profile

EPG is a leading producer of polymers and a plastics converter with its own successful, innovative brands. EPG has three main businesses of insulators, automobile parts, and plastics packaging.

www.epg.co.th

Principal activities (revenue, 2021)

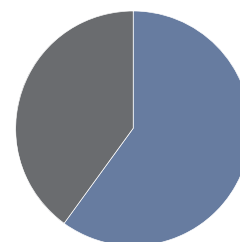
- Rubber insulation - 29.5 %
- Automotive plastics - 40.5 %
- Packaging plastics - 32.5 %
- Others - -2.5 %



Source: Eastern Polymer Group

Major shareholders

- Vitoorapakorn Holdings - 60.0 %
- Others - 40.0 %



Source: Eastern Polymer Group

Catalysts

Lower material costs and higher demand for insulators, automotive parts and packaging are key potential earnings growth drivers.

Risks to our call

Downside risks to our EV/EBITDA-based target price include 1) a sharp rise in feedstock prices, driven mostly by a higher oil price; and 2) lower-than-expected demand for plastics used for insulators and the automobile and packaging industries.

Event calendar

Date	Event
Feb 2022	4Q21/2021 results announcement

Key assumptions

Year to Mar	FY22E	FY23E	FY24E
	(%)	(%)	(%)
Aeroflex utilisation rate	65	60	60
Aeroklas utilisation rate	64	76	80
EPP utilisation rate	60	60	65
Gross margin – Aeroflex	47.6	44.8	44.8
Gross margin – Aeroklas	28.2	28.7	27.6
Gross margin – EPP	17.3	17.4	17.9

Source: FSSIA estimates

Earnings sensitivity

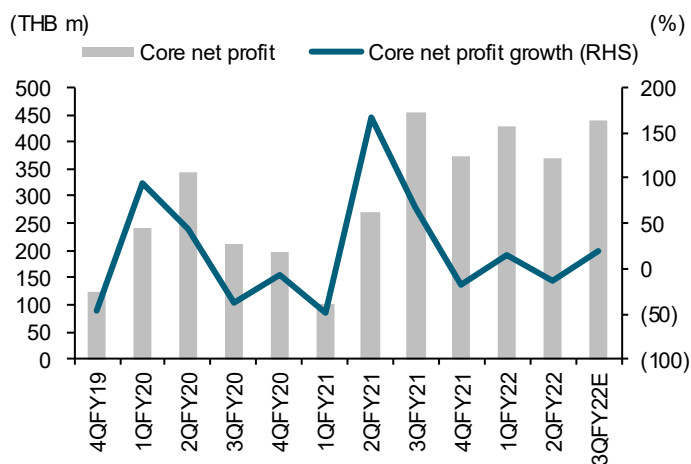
- For every 1% increase in plant utilisation rate, we project FY22 earnings to rise by 2.5%, and vice versa, all else being equal.
- For every 1% increase in HDPE price, we estimate FY22 earnings to decline by 1.3%, and vice versa, all else being equal.
- Stability in crude palm oil price and a rising ME-CPO and FA-PFAD margin are key to earnings growth.

Source: FSSIA estimates

Strong net profit growth momentum ahead

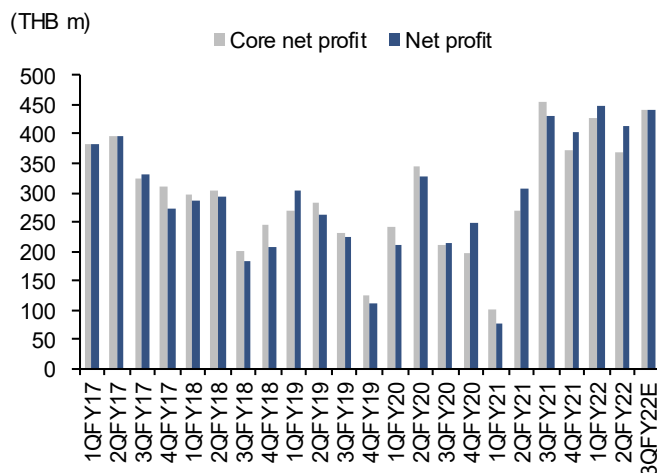
After posting two consecutive strong quarterly net profits in 1HFY22 (Apr to Sep-21), we remain positive about EPG’s net profit outlook and expect it to continue to post above THB0.4b quarterly net profits in 2HFY22 (Oct-21 to Mar-22), backed by higher sales volumes on improving demand and a capacity expansion in the US market, rising gross margins due to higher pricing power, and lower feedstock costs due to lower oil prices.

Exhibit 1: Quarterly core net profit and core net profit growth



Sources: EPG; FSSIA estimates

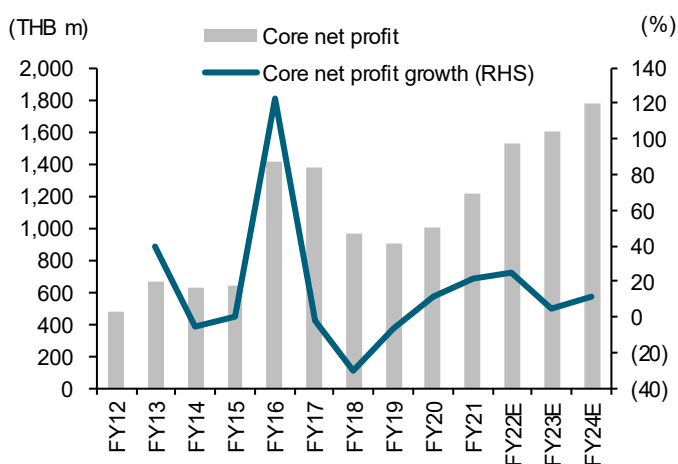
Exhibit 2: Quarterly core net profit vs reported net profit



Sources: EPG; FSSIA estimates

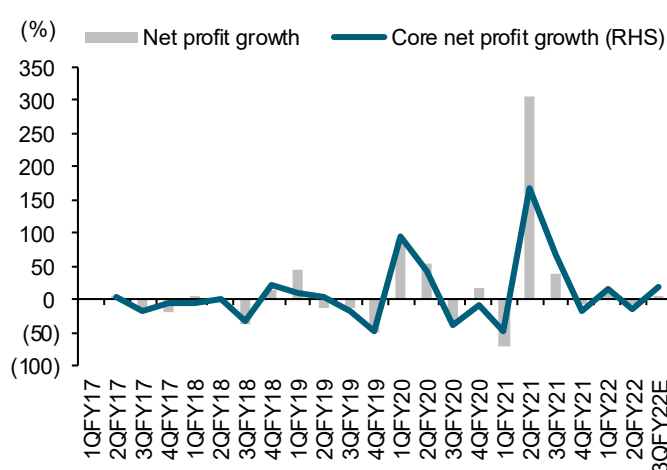
We project that EPG’s net profit will grow by 25.1% y-y in FY22 and 4.7% y-y in FY23, and still see potential earnings upsides to our forecasts. We expect the company to maintain high gross margins and utilisation rates despite uncertain industry demand and the potential for continued, intermittent lockdowns due to the resurgence of the new virus strains as occurred in 2020-21.

Exhibit 3: Annual core net profit and core net profit growth



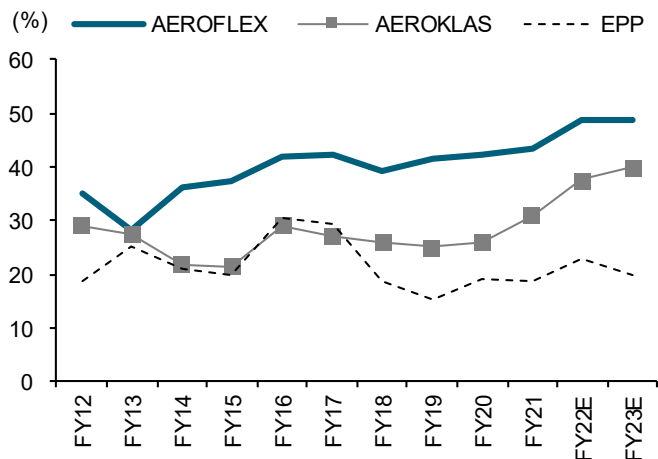
Sources: EPG; FSSIA estimates

Exhibit 4: Core net profit growth vs net profit growth



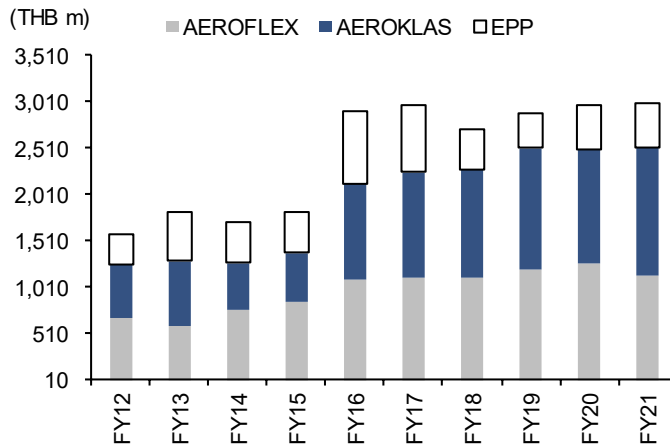
Sources: EPG; FSSIA estimates

Exhibit 5: Annual gross profit margin by segment



Sources: EPG; FSSIA estimates

Exhibit 6: Annual gross profit by segment

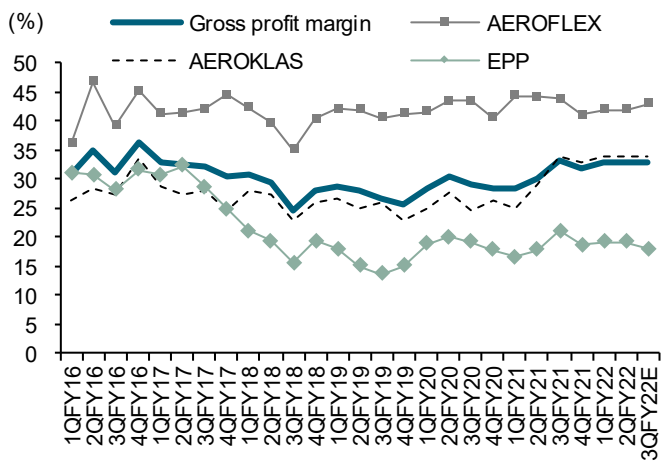


Source: EPG

In 3QFY22 (Oct to Dec-21), we project that EPG will post a net profit of THB440m, up from THB421m in 2QFY22, driven by:

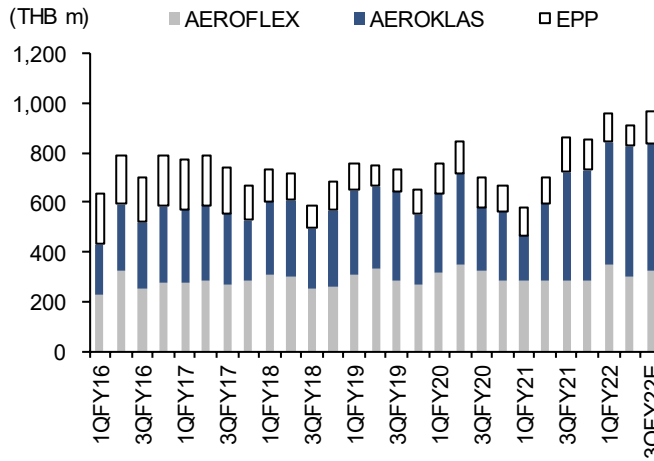
We project Aeroflex (insulators) to see higher net profits q-q and y-y from a 2x capacity expansion to 8,000 tonnes per annum (tpa) in the US since Oct-21, and a selling price increase by over 10% q-q since Nov-21 to compensate for rising feedstock costs. We project the utilisation rate of its 26ktpa insulator production site in Thailand to improve from 60% in 2QFY22 to 65-70% in 3QFY22 thanks to higher demand for insulators from domestic markets, including clean rooms and freezing rooms of retail operators and power plants. The domestic insulator market accounts for 25% of its 26k tpa capacity, with the remainder exported to Asia and EU markets.

Exhibit 7: Quarterly gross profit margin by segment



Sources: EPG; FSSIA estimates

Exhibit 8: Quarterly gross profit by segment

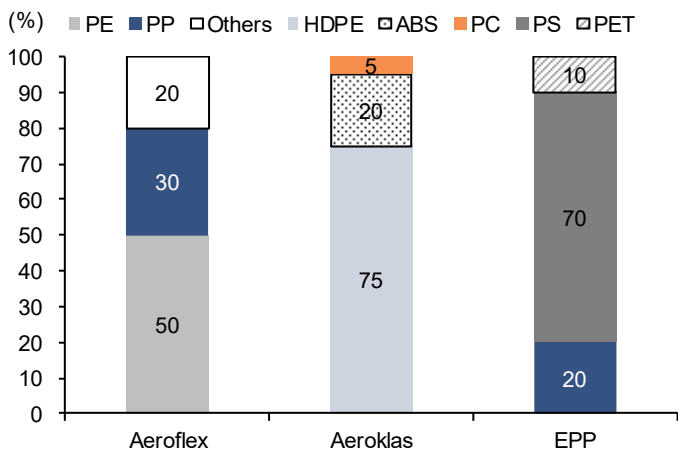


Sources: EPG; FSSIA estimates

We expect Aeroklas to see a continued strong gross margin for auto parts due to continued strong demand from the automotive industry. The new Omicron strain of Covid-19 could potentially result in higher demand for EPG's auto parts, similar to what happened in 10M21 when it witnessed an influx of new orders from its automotive manufacturer clients overseas when the Delta variant strain of Covid-19 hit global auto makers outside Thailand.

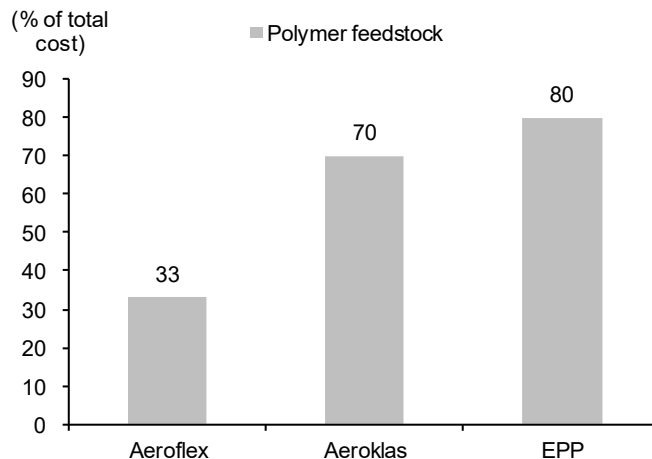
Limited impact from the Omicron outbreak in South Africa in 3QFY22. According to management, the impact of the Omicron outbreak in South Africa should be very limited for EPG given that its 45%-owned JV in South Africa, a producer of liner auto parts, remains small and it contributed only THB6m in equity income in 2QFY22.

Exhibit 9: Feedstock breakdown by product for EPG's units



Sources: EPG; FSSIA estimates

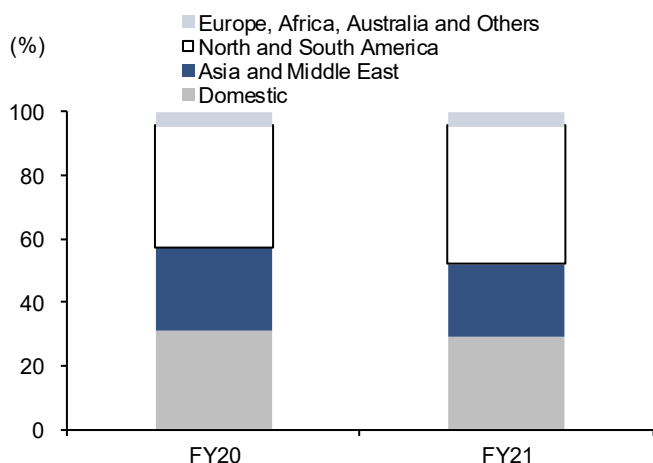
Exhibit 10: Polymer feedstock as % of total cost



Sources: EPG; FSSIA estimates

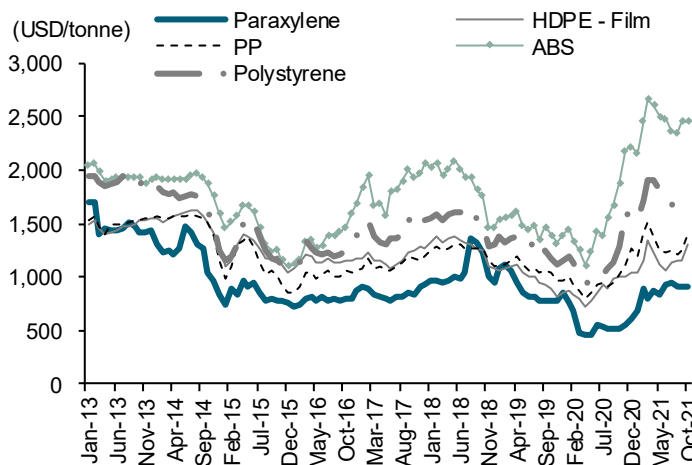
Packaging (Eastern Polypack (EPP)) unit is likely to see an improving margin and sales volume in 3QFY22. We expect the net profit contribution from EPP to improve markedly q-q in 3QFY22 thanks to a higher gross margin that we project to rise from 12% in 2QFY22 to 17-18% in 3QFY22, driven by a q-q lower marketing expense for promotion, declining feedstock cost as a result of the lower oil price, higher demand driving up its utilisation rate by 5 ppts q-q, and a higher gross margin after the company successfully raised its selling price in 3QFY22.

Exhibit 11: Aeroflex's revenue breakdown (%)



Source: EPG

Exhibit 12: Key feedstock prices



Source: Bloomberg

Associates' incomes are on the rise

With six key associates owning from 27% to 51% stakes in each associate, EPG has seen its equity income gradually recover from a net loss in 1QFY21 (Apr to Jun-21) to THB64m in 2QFY22. EPG's key associates are:

Australia: THB40m equity income from the 100%-owned TJM, a key distributor of off-road auto parts and accessories in Australia.

China and India: Two associates in China and India that produce and sell insulator products, together contributing THB25m a quarter in 2QFY22.

Thailand: Three associates in Thailand which generated a combined THB10m-11m a quarter in 2QFY22.

South Africa: DUYS, a producer of auto parts under the Aeroklas unit, generated equity income of THB6m in 2QFY22. Management expects the South African associate to contribute a higher net profit to EPG of THB25m in FY23 (Apr-22 to Mar-23) onward due to the capacity expansion of its sidestep and bumper products to serve the fast-growing African automotive market.

Other associates: These incurred small losses due to their initial positions as newly established firms.

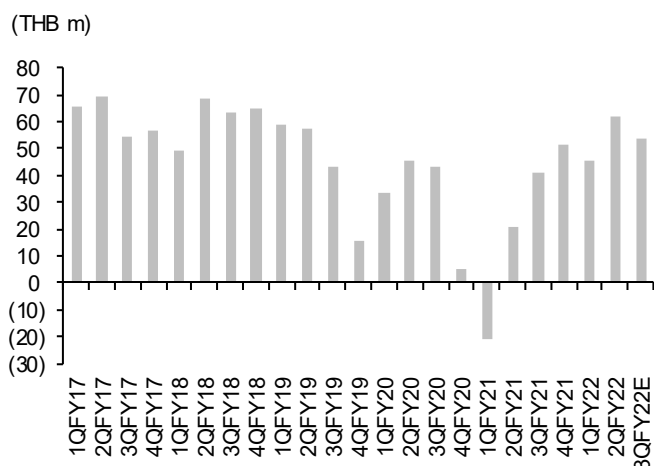
Exhibit 13: Associates' FY23E equity incomes

Company	Stake (%)	Products	Country	Estimated annual equity income (THB m)
Sumirito Eastern Rubber (Thailand)	30	Anti-vibration rubber	Thailand	100
Zeon Advance Polymix	27	Compound rubber	Thailand	20
Farplas Otomotiv (Thailand)	51	Injection auto parts	Thailand	100
Aerocel Construction Materials (Jiansu)	40	Insulators	China	10
ALP Aeroflex India Private	40	Insulators	India	20
DUYS (South Africa)	45	Liners, sidesteps	South Africa	25
Total				275

Sources: EPG; FSSIA estimates

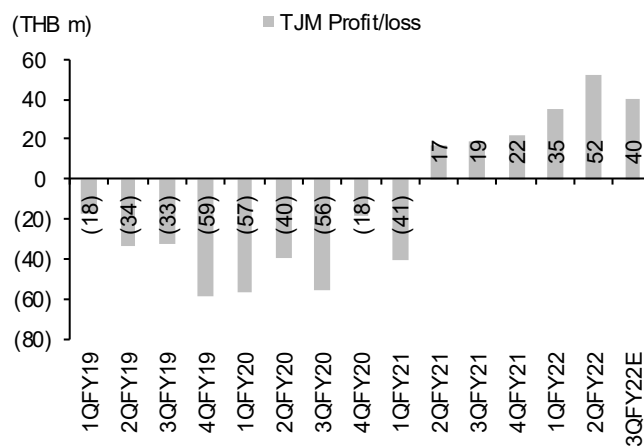
In 3QFY22, we expect TJM to make a q-q lower net profit contribution to EPG from THB52m in 2QFY22 to THB40m in 3QFY22 as a result of logistics disruptions that limited exports of auto parts from Thailand's manufacturing plants to TJM in Australia. However, we expect the logistics problem to be resolved within 2022, based on the reopening of the economy and the dissipating impact of the Covid-19 pandemic.

Exhibit 14: Quarterly equity income



Sources: EPG; FSSIA estimates

Exhibit 15: Equity income from TJM



Sources: EPG; FSSIA estimates

Financial Statements

Eastern Polymer Group

Profit and Loss (THB m) Year Ending Mar	2020	2021	2022E	2023E	2024E
Revenue	10,217	9,569	13,703	14,108	15,362
Cost of goods sold	(6,627)	(5,840)	(8,898)	(9,161)	(9,975)
Gross profit	3,590	3,730	4,805	4,947	5,387
Other operating income	10	12	18	18	20
Operating costs	(2,051)	(1,942)	(2,813)	(2,896)	(3,153)
Operating EBITDA	1,549	1,800	2,010	2,069	2,253
Depreciation	(624)	(754)	(681)	(686)	(692)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	925	1,046	1,329	1,383	1,562
Net financing costs	(27)	(40)	(50)	(33)	(33)
Associates	127	93	232	232	232
Recurring non-operating income	169	251	282	285	288
Non-recurring items	0	0	0	0	0
Profit before tax	1,068	1,257	1,561	1,635	1,817
Tax	(68)	(35)	(36)	(38)	(43)
Profit after tax	999	1,221	1,525	1,597	1,774
Minority interests	3	(2)	0	0	0
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
Reported net profit	1,003	1,219	1,525	1,597	1,774
Non-recurring items & goodwill (net)	0	0	0	0	0
Recurring net profit	1,003	1,219	1,525	1,597	1,774
Per share (THB)					
Recurring EPS *	0.36	0.44	0.54	0.57	0.63
Reported EPS	0.36	0.44	0.54	0.57	0.63
DPS	0.24	0.24	0.31	0.30	0.30
Diluted shares (used to calculate per share data)	2,800	2,800	2,800	2,800	2,800
Growth					
Revenue (%)	(3.4)	(6.3)	43.2	3.0	8.9
Operating EBITDA (%)	10.3	16.2	11.7	3.0	8.9
Operating EBIT (%)	17.4	13.0	27.1	4.1	12.9
Recurring EPS (%)	10.9	21.5	25.1	4.7	11.0
Reported EPS (%)	10.9	21.5	25.1	4.7	11.0
Operating performance					
Gross margin inc. depreciation (%)	29.0	31.1	30.1	30.2	30.6
Gross margin of key business (%)	29.1	31.2	30.2	30.3	30.7
Operating EBITDA margin (%)	15.2	18.8	14.7	14.7	14.7
Operating EBIT margin (%)	9.1	10.9	9.7	9.8	10.2
Net margin (%)	9.8	12.7	11.1	11.3	11.5
Effective tax rate (%)	7.0	2.7	2.7	2.7	2.7
Dividend payout on recurring profit (%)	67.0	55.1	57.0	52.6	47.4
Interest cover (X)	40.6	32.5	32.1	51.0	56.5
Inventory days	132.7	155.4	111.5	116.8	114.1
Debtor days	61.1	64.8	45.7	44.4	40.8
Creditor days	64.6	75.3	68.9	82.0	79.8
Operating ROIC (%)	8.6	9.7	13.3	15.4	(4.7)
ROIC (%)	7.5	8.5	10.8	12.0	(3.5)
ROE (%)	9.6	11.3	13.3	13.1	13.6
ROA (%)	7.4	8.5	10.0	10.0	10.3
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
2020	2021	2022E	2023E	2024E	
Rubber insulation	2,951	2,826	4,081	4,270	4,270
Automotive plastics	4,634	3,874	4,547	4,836	4,836
Packaging plastics	2,089	3,110	2,867	2,903	3,139
Others	543	(240)	2,208	2,099	3,117

Sources: Eastern Polymer Group; FSSIA estimates

Financial Statements

Eastern Polymer Group

Cash Flow (THB m) Year Ending Mar	2020	2021	2022E	2023E	2024E
Recurring net profit	1,003	1,219	1,525	1,597	1,774
Depreciation	624	754	681	686	692
Associates & minorities	127	93	232	232	232
Other non-cash items	42	158	50	53	55
Change in working capital	(141)	251	417	(315)	(84)
Cash flow from operations	1,655	2,476	2,906	2,253	2,669
Capex - maintenance	-	-	-	-	-
Capex - new investment	(813)	(600)	(175)	(332)	(335)
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	(284)	(134)	607	1,352	1,796
Cash flow from investing	(1,097)	(734)	432	1,020	1,461
Dividends paid	(616)	(672)	(672)	(870)	(840)
Equity finance	0	0	0	0	0
Debt finance	560	475	(1,287)	2	0
Other financing cash flows	25	(1,073)	(886)	(1,110)	(1,795)
Cash flow from financing	(31)	(1,270)	(2,845)	(1,978)	(2,635)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	526	472	493	1,295	1,494
Free cash flow to firm (FCFF)	587.35	1,802.99	3,387.71	3,305.85	4,162.16
Free cash flow to equity (FCFE)	1,142.16	1,144.19	1,164.89	2,165.13	2,334.41
Per share (THB)					
FCFF per share	0.21	0.64	1.21	1.18	1.49
FCFE per share	0.41	0.41	0.42	0.77	0.83
Recurring cash flow per share	0.64	0.79	0.89	0.92	0.98
Balance Sheet (THB m) Year Ending Mar					
Tangible fixed assets (gross)	10,869	10,869	10,948	11,028	11,108
Less: Accumulated depreciation	(5,062)	(5,062)	(5,743)	(6,430)	(7,121)
Tangible fixed assets (net)	5,806	5,806	5,205	4,598	3,987
Intangible fixed assets (net)	258	271	271	271	271
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	2,505	2,603	2,603	2,603	2,603
Cash & equivalents	1,071	1,543	2,036	3,331	4,826
A/C receivable	1,682	1,716	1,716	1,716	1,716
Inventories	2,412	2,561	2,877	2,987	3,252
Other current assets	-	-	-	-	-
Current assets	5,165	5,820	6,629	8,034	9,794
Other assets	299	1,059	1,059	1,059	1,059
Total assets	14,032	15,559	15,766	16,565	17,714
Common equity	10,555	11,019	11,872	12,600	13,533
Minorities etc.	19	21	21	21	21
Total shareholders' equity	10,574	11,040	11,894	12,621	13,555
Long term debt	986	1,555	200	201	201
Other long-term liabilities	330	321	321	321	321
Long-term liabilities	1,315	1,876	521	522	522
A/C payable	1,077	1,332	2,029	2,089	2,275
Short term debt	1,026	932	1,000	1,001	1,001
Other current liabilities	40	225	322	332	361
Current liabilities	2,143	2,489	3,352	3,422	3,637
Total liabilities and shareholders' equity	14,032	15,405	15,766	16,565	17,714
Net working capital	2,977	2,720	2,241	2,282	2,332
Invested capital	11,844	12,459	11,378	10,813	10,252
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	3.77	3.94	4.24	4.50	4.83
Tangible book value per share	3.68	3.84	4.14	4.40	4.74
Financial strength					
Net debt/equity (%)	8.9	8.5	(7.0)	(16.9)	(26.7)
Net debt/total assets (%)	6.7	6.1	(5.3)	(12.9)	(20.5)
Current ratio (x)	2.4	2.3	2.0	2.3	2.7
CF interest cover (x)	73.5	44.7	27.7	77.3	82.5
Valuation					
Recurring P/E (x) *	31.3	25.7	20.6	19.6	17.7
Recurring P/E @ target price (x) *	43.3	35.6	28.5	27.2	24.5
Reported P/E (x)	31.3	25.7	20.6	19.6	17.7
Dividend yield (%)	2.1	2.1	2.8	2.7	2.7
Price/book (x)	3.0	2.8	2.6	2.5	2.3
Price/tangible book (x)	3.0	2.9	2.7	2.5	2.4
EV/EBITDA (x) **	20.9	18.0	15.2	14.1	12.3
EV/EBITDA @ target price (x) **	28.6	24.6	21.2	20.0	17.7
EV/invested capital (x)	2.7	2.6	2.7	2.7	2.7
* Pre-exceptional, pre-goodwill and fully diluted ** EBITDA includes associate income and recurring non-operating income					

Sources: Eastern Polymer Group; 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	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

Suwat Sinsadok FSS International Investment Advisory Securities Co., Ltd

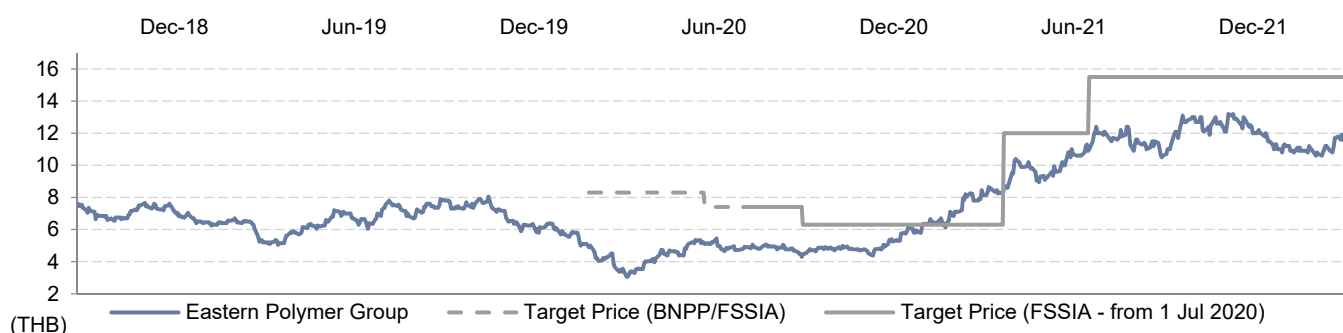
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

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History of change in investment rating and/or target price

Eastern Polymer Group (EPG TB)



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

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

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Eastern Polymer Group	EPG TB	THB 11.20	BUY	Downside risks to our EV/EBITDA-based target price include 1) a sharp rise in feedstock prices, driven mostly by a higher oil price; and 2) lower-than-expected demand for plastics used for insulators and the automobile and packaging industries.

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

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All share prices are as at market close on 03-Dec-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.