

RS RS TB
THAILAND / MEDIA

HOLD

FROM BUY

TARGET PRICE	THB21.00
CLOSE	THB20.30
UP/DOWNSIDE	+3.4%
PRIOR TP	THB22.00
CHANGE IN TP	-4.5%
TP vs CONSENSUS	-5.4%

A challenging outlook ahead

- We expect another quarterly loss in 4Q21 of THB42m.
- RS targets 2022 revenue of THB5.1b with a net profit margin of 12-14%, higher than our expectation.
- Downgrade to HOLD with a new TP of THB21.

Expect weak 4Q21 results

We expect RS's 4Q21 revenue to drop by 8% q-q to THB784m. Both commerce and entertainment revenue should see a continuous decline due to: 1) high competition in the commerce business; and 2) less revenue from content licensing. Moreover, the company's GPM could continue to decline to 43% vs 47% in 3Q21. Although the company's marketing expense should fall for its two new flagship products, its lowest quarterly revenue in the past four years could lead to a loss of THB42m.

Focus on new products and new channel

The year 2022 could be a challenging one for RS as the company introduces about 28 new SKUs, mainly food supplements, functional drinks, and pet food. About 7-8 new hemp and CBD SKUs will be added. Moreover, the company is now attempting to expand its selling channels out of its comfort zone to the mass market. This could be challenging because traditional shops, modern trade, and specialty store channels have different marketing approaches than RS currently has.

Revenue target of THB5.1b

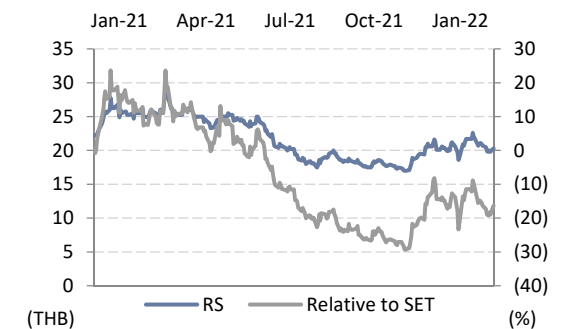
The company announced a revenue target for 2022 of THB5.1b, which consists of: 1) THB2.8b from commerce; 2) THB1.4b from TV and radio; 3) THB300m from Popcoin and Online; 4) THB325m from music; and 5) THB325m from concerts and events. GPM and NPM targets are 48-50% and 12-14%, respectively. However, the company's revenue target is slightly higher than our expectation by 11% given that we have a more conservative view on its outlook due to the potential impact of the Covid-19 pandemic and a slower economic outlook.

Downgrade to HOLD with TP of THB21

We cut our earnings estimate for 2021 down by 46% to THB149m and trim our 2022 earnings forecast by 2% to THB594m. We expect RS to have a weak performance in 4Q21, while its 1Q22 outlook remains challenging as we have yet to see any signs of improvement in Thailand's economy since 4Q21. Therefore, we downgrade our recommendation on RS to HOLD from Buy with the new SoTP TP of THB21. Our new TP is pegged to 34x (its mean P/E).

KEY STOCK DATA

YE Dec (THB m)	2020	2021E	2022E	2023E
Revenue	3,774	3,560	4,538	5,112
Net profit	528	149	594	781
EPS (THB)	0.54	0.15	0.61	0.80
vs Consensus (%)	-	(45.3)	5.0	3.5
EBITDA	1,240	686	1,147	1,323
Core net profit	528	149	594	781
Core EPS (THB)	0.54	0.15	0.61	0.80
Chg. In EPS est. (%)	-	(46.2)	(2.2)	(6.2)
EPS growth (%)	45.4	(71.7)	298.0	31.4
Core P/E (x)	37.4	132.2	33.2	25.3
Dividend yield (%)	0.5	0.2	0.9	2.0
EV/EBITDA (x)	16.4	31.0	18.6	15.7
Price/book (x)	9.9	9.4	7.8	6.8
Net debt/Equity (%)	28.7	71.6	63.8	36.3
ROE (%)	28.4	7.3	25.7	28.7



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	6.3	13.4	(6.5)
Relative to country (%)	6.1	13.6	(14.6)
Mkt cap (USD m)	588		
3m avg. daily turnover (USD m)	6.9		
Free float (%)	60		
Major shareholder	Surachi Chetchotisak (23%)		
12m high/low (THB)	30.00/16.80		
Issued shares (m)	972.50		

Sources: Bloomberg consensus; FSSIA estimates



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Investment thesis

RS is an organisation that conducts business through “opportunity,” by focusing on market leadership, continual investment to sustain its commerce business, and expansions to its related businesses. We expect the contributions from its new businesses to increase significantly, strengthening the company’s total revenue.

With various sales channels via TV, online, retail, exclusive distribution networks (EDN), and direct sales, RS has an advantage in sales channels over its peers.

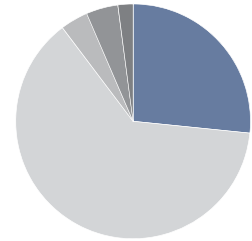
Company profile

RS operates a commerce business that provides content and powerful entertainment, and also sells products. This includes establishing a system to analyse customer data and a telemarketing system.

www.rs.co.th

Principal activities (revenue, 2020)

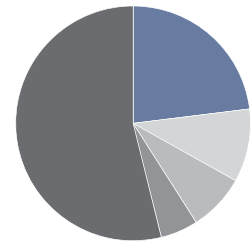
- TV - 26.6 %
- Commerce - 63.1 %
- Radio - 3.8 %
- Music - 4.4 %
- Event - 2.1 %



Source: RS

Major shareholders

- Surachi Chetchotisak - 23.0 %
- Sorat Vanichvarakij - 10.1 %
- Thai NVDR - 7.9 %
- Bangkok Bank PCL - 5.2 %
- Others - 53.9 %



Source: RS

Catalysts

- New product lines should be able to boost its commerce revenue as well as its bottom line;
- The new “entertainment” strategy may help the company’s revenue grow continuously;
- Growth in associate companies like Chase and Specialty.

Risks to our call

The key downside risk to our SoTP-based TP is based on the company potentially failing to maintain the growth momentum of its commerce business if revenue from TV, radio, and music continue to decline. The key upside risk is if the new commerce products and distribution channels are successful and exceed our expectation. Likewise, if Popcoin demand is higher than our expectation.

Event calendar

Date	Event
Feb-22	2021 results announcement

Key assumptions

	2020	2021E	2022E	2023E
	(%)	(%)	(%)	(%)
Commerce growth	18	(4)	14	15
Entertainment growth	(13)	(8)	51	9

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in commerce revenue, we project 2021 earnings to rise by 1.2%, and vice versa, all else being equal;
- For every 1% increase in commerce profit margin, we project 2021 earnings to rise by 3.2%, and vice versa, all else being equal.

Source: FSSIA estimates

2022 business direction

The company has announced that its business plan for 2022 is based on the LEAP strategy:

L) Lifestyle wellbeing solution targets enhancing RS Mall PLUS and integrating its Popcoin token. The company also plans to restructure its entire business process by focusing on only four key brands including: Well U, innovative food supplements; Vitanature+ herbal extracts; Camu C, functional drink products; and Lifemate, pet health and wellness.

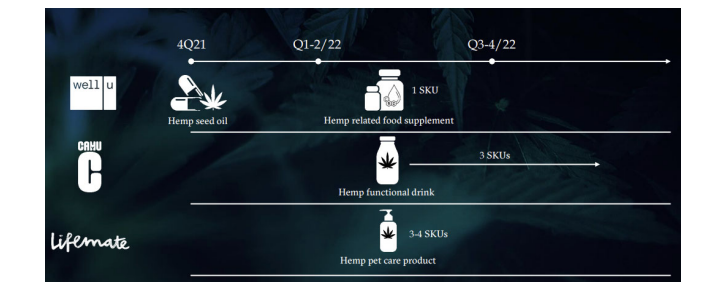
RS also targets expanded sales channels beyond RS Mall while leveraging its online platform. The new sales channels will include traditional shops, modern trade, and specialty stores. The company expects the new channels to create “a new ocean for catching new fish”.

Exhibit 1: Lifestar brands



Source: RS

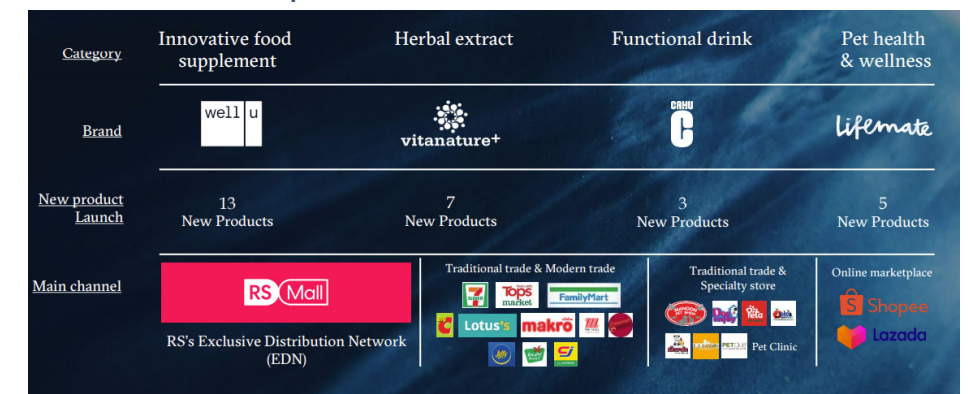
Exhibit 2: Hemp and CBD products timeline



Source: RS

Moreover, the company also targets offering about 28 new SKUs: Well U, 13; Vitanature+, 7; Camu C, 3; and Lifemate, 5. The new products could help the company boost its revenue if they enable RS to tap new target markets. The new product lines will include about 7-8 SKUs of Hemp and CBD products.

Exhibit 3: Lifestar’s new products and new channels



Source: RS

The challenging task ahead

Although the new distribution channels may look promising and offer more opportunities to attract new customers, we recall that RS has tried twice already to enter the mass market and failed both times.

In 2017, the company attempted to sell its beauty and cosmetic products into the mass market but was forced to revise its plan and focus only on inbound and outbound channels due to low sales performance and a lower GPM. In 2021, the company launched Camu C, a functional drink, into the mass market backed by a huge marketing investment but faced weak sales performance due to Covid-19 in 2Q21 and 3Q21. As a result, the company recorded a weak 2Q21 performance that later turned into a loss in 3Q21.

New products aimed at the mass market such as Camu C and Lifemate usually have a lower-than-average GPM. We estimate the GPM of these two brands at about 40-45% vs an average of RS's commerce products at above 60%.

Therefore, we believe that targeting the mass market could be very challenging for RS, and the potential for a high return also comes with a high risk.

E) Entertainment uplift by reaching for new targets with new content designed for the online platform. The event and concert business could resume this year if the Covid-19 situation improves. The company expects three mega-sized events in 2H22.

A) Asset monetisation. The company is interested in marketing NFT products from existing RS intellectual property and new assets, and plans to list Chase on the SET within this year.

P) Popcoin smart marketing platform. The company has already launched its Popcoin token (for more details about Popcoin, please see our previous report, "[Thailand ICT - Demystifying the impact of cryptocurrency tokens](#)", published 20 Jan-22).

Revenue target of THB5.1b

The company's revenue target for 2022 is THB5.1b, which consists of: 1) THB2.8b from commerce; 2) THB1.4b from TV and radio; 3) THB300m from Popcoin and Online; 4) THB325m from music; and 5) THB325m from concert and events. GPM and NPM are targeted at 48-50% and 12-14%, respectively. However, the company's revenue target is slightly higher than our expectation by 11% based on our more conservative view on its outlook due to the impact of Covid-19 and a potentially slower economic outlook.

Exhibit 4: RS's targets in 2022 compared to our estimates

	FSSIA estimates (THB m)	RS's target (THB m)	% Difference between FSSIA and RS (%)
TV&Radio	1,216	1,400	(13)
Music	252	325	(22)
Event&Concert	220	325	(32)
Popcoin&Online	250	300	(17)
Media	1,938	2,350	(18)
Commerce	2,599	2,750	(5)
Total revenue	4,538	5,100	(11)
Gross profit	1,773	2,448-2,550	(29)-(32)
GPM (%)	47%	48-50	
Net profit	594	612-714	(3)-(17)
NPM (%)	13	12-14	

Sources: RS; FSSIA estimates

New M&A execution plan

In 2022, the company expects to execute at least 1-2 more deals with the investment size of THB0.5b-1b per deal. The key focus on M&A will remain for its commerce business as the company aims to continuously expand its commerce platform and marketing channels, increasing the variety of its product portfolio, and potential synergies & cost savings. We anticipate that the company could announce at least one M&A deal within 1H22.

RS: 'No comment' on the rumoured new M&A deal

On 24 Jan-22, [Kaohoon newspaper](#) reported that RS is preparing to close an acquisition deal being negotiated with Unilever. In response, RS issued a clarification, stating only that the company is studying investments in new businesses aimed at creating opportunities for growth and expanding the scope of RS Group.

We believe the report of the deal is credible because the company has indicated that it plans to enter new sales channels that would require strong marketing insight. Investing in or partnering with Unilever, one of the strongest consumer goods companies in Thailand, could open new sales and marketing channels for RS.

4Q21 results preview

We expect RS's 4Q21 revenue to drop by 8% q-q to THB784m, the lowest quarterly revenue in the past four years. Both commerce and entertainment revenue should see a continuous decline to THB504m (-7% q-q) and THB280m (-10% q-q), respectively. We think the decline q-q could be attributed to: 1) high competition in its commerce business, with RS's sales volume falling due to its direct competitor heavily pushing a new promotion during 4Q21; and 2) less revenue from content licensing, which fell from THB40m in 3Q21 to THB10m.

Moreover, we think the company's GPM should continue to decline to 43% vs 47% in 3Q21 as its high margin business from content licensing should post a weak revenue performance. In addition, we expect its commerce business to record a lower GPM due to a higher proportional revenue contribution from lower-than-average margin brands such as Camu C and Lifemate. These two brands have a GPM of about 40-45% vs an average of RS's commerce products at above 60%.

Lastly, the company believes that it can finally reduce marketing expenses after its huge marketing expense recorded from 2Q-3Q21. The company's SG&A should drop to THB401m in 4Q21 vs THB431m in 3Q21. As a result, we expect the company to book a net loss of THB42m in 4Q21.

Exhibit 5: 4Q21 results forecast

	4Q20	3Q21	4Q21	----- Change -----		2020	2021E	chg.	2022E
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)	(THB m)
Revenue	1,018	852	784	(8)	(23)	3,774	3,560	(6)	4,538
Operating costs	(483)	(449)	(448)	(0)	(7)	(1,769)	(1,788)	1	(2,427)
Gross profit	535	404	335	(17)	(37)	2,006	1,773	(12)	2,110
SG&A expenses	(402)	(431)	(401)	(7)	(0)	(1,317)	(1,638)	24	(1,520)
EBIT	134	(27)	(66)	143	(149)	689	135	(80)	590
Deprn & amort.	157	155	156	1	(0)	0	542	#DIV/0!	0
EBITDA	290	128	90	(29)	(69)	689	677	(2)	590
<i>EBITDA margin (%)</i>	<i>28.5</i>	<i>15.0</i>	<i>11.5</i>	<i>n.m.</i>	<i>n.m.</i>	<i>18.3</i>	<i>19.0</i>	<i>n.m.</i>	<i>13.0</i>
Interest expense	(10)	(16)	(16)	1	68	(36)	(43)	18	(63)
Other income	7	1	2	16	(77)	13	8	(38)	9
Associates	0	29	23	(22)	n.a.	0	73	n.a.	209
Pretax profit	132	(12)	(57)	369	(143)	666	173	(74)	745
Tax	(26)	11	12	n.a.	n.a.	(137)	(29)	(79)	(149)
<i>Tax rate (%)</i>	<i>(20.0)</i>	<i>(92.0)</i>	<i>(21.0)</i>	<i>n.m.</i>	<i>n.m.</i>	<i>(21)</i>	<i>(17)</i>	<i>n.m.</i>	<i>(20)</i>
Net profit	105	(0)	(42)	n.a.	n.a.	528	149	(72)	594
Core net profit	105	(0)	0	n.a.	n.a.	528	149	(72)	594
EPS (THB)	0.11	(0.00)	(0.04)	n.a.	n.a.	0.54	0.15	(72)	0.61
Core EPS (THB)	0.11	(0.00)	0.00	n.a.	n.a.	0.54	0.15	(72)	0.61

Sources: RS; FSSIA estimates

Exhibit 6: SoTP valuation

	(%)	(THB m)	(THB/share)
Discount rate (WACC)	7.5		
Terminal growth	2.0		
NPV		4,650	
Add: terminal value		11,312	
Sum of PV		15,962	
Add: cash		412	
Less: debt		(2,020)	
Less: minorities		1	
Residual ordinary equity		14,355	14.76
Add: 35% in Chase (30x PE)		4400	4.52
Add: 33% in SG (20x PE)		1634	1.68
No. of shares (m)		972	
SoTP target price			21.00

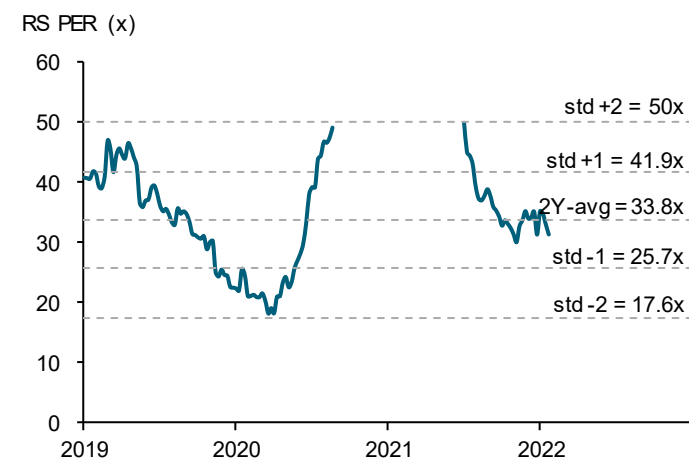
Sources: RS; FSSIA estimates

Exhibit 7: Key assumption changes

	----- New -----		----- Previous -----		----- Change -----	
	2021E (THB m)	2022E (THB m)	2021E (THB m)	2022E (THB m)	2021E (%)	2022E (%)
Revenue	3,560	4,538	3,832	4,362	(7)	4
Gross profit	1,773	2,110	1,948	2,209	(9)	(4)
SG&A expense	(1,638)	(1,520)	(1,628)	(1,614)	1	(6)
EBIT	216	808	407	833	(47)	(3)
Core net profit	149	594	278	608	(46)	(2)
Margin	(%)	(%)	(%)	(%)	(ppt)	(ppt)
GPM	49.8	46.5	50.8	50.6	(1.05)	(4.13)
SG&A to sales	-46.0	-33.5	-42.5	-37.0	(3.52)	3.50
NPM	4.2	13.1	7.3	13.9	(3.06)	(0.84)

Source: FSSIA estimates

Exhibit 8: Rolling one-year prospective P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 9: Rolling one-year prospective P/BV band



Sources: Bloomberg; FSSIA estimates

Financial Statements

RS

Profit and Loss (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Revenue	3,611	3,774	3,560	4,538	5,112
Cost of goods sold	(1,451)	(1,235)	(1,245)	(1,885)	(2,170)
Gross profit	2,160	2,540	2,315	2,652	2,941
Other operating income	11	17	9	15	18
Operating costs	(1,100)	(1,317)	(1,638)	(1,520)	(1,636)
Operating EBITDA	1,071	1,240	686	1,147	1,323
Depreciation	(569)	(534)	(542)	(542)	(540)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	502	706	144	605	783
Net financing costs	(35)	(36)	(43)	(63)	(61)
Associates	0	0	73	209	262
Recurring non-operating income	(6)	(4)	72	203	256
Non-recurring items	0	0	0	0	0
Profit before tax	462	666	173	745	979
Tax	(97)	(137)	(29)	(149)	(196)
Profit after tax	364	528	144	596	783
Minority interests	(1)	0	5	(2)	(2)
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
Reported net profit	363	528	149	594	781
Non-recurring items & goodwill (net)	0	0	0	0	0
Recurring net profit	363	528	149	594	781
Per share (THB)					
Recurring EPS *	0.37	0.54	0.15	0.61	0.80
Reported EPS	0.37	0.54	0.15	0.61	0.80
DPS	0.40	0.10	0.04	0.18	0.40
Diluted shares (used to calculate per share data)	972	972	972	972	972
Growth					
Revenue (%)	(5.6)	4.5	(5.7)	27.5	12.6
Operating EBITDA (%)	(10.2)	15.8	(44.7)	67.3	15.3
Operating EBIT (%)	(16.4)	40.6	(79.6)	321.0	29.3
Recurring EPS (%)	(10.4)	45.4	(71.7)	298.0	31.4
Reported EPS (%)	(26.9)	45.4	(71.7)	298.0	31.4
Operating performance					
Gross margin inc. depreciation (%)	44.1	53.1	49.8	46.5	47.0
Gross margin of key business (%)	-	-	-	-	-
Operating EBITDA margin (%)	29.7	32.9	19.3	25.3	25.9
Operating EBIT margin (%)	13.9	18.7	4.0	13.3	15.3
Net margin (%)	10.1	14.0	4.2	13.1	15.3
Effective tax rate (%)	20.0	20.0	20.0	20.0	20.0
Dividend payout on recurring profit (%)	106.8	18.1	29.0	30.1	50.1
Interest cover (X)	14.3	19.4	5.1	12.8	17.2
Inventory days	68.4	72.1	67.3	52.6	55.7
Debtor days	55.5	60.7	64.5	51.9	57.4
Creditor days	174.1	246.5	256.2	173.2	196.8
Operating ROIC (%)	85.7	112.2	20.0	70.9	105.8
ROIC (%)	15.1	20.5	4.7	14.6	18.1
ROE (%)	21.4	28.4	7.3	25.7	28.7
ROA (%)	10.5	14.1	3.5	10.9	12.8
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
TV	803	1,004	930	1,070	1,123
Commerce	2,012	2,382	2,280	2,599	2,989
Radio	266	144	130	147	157
Music	289	166	210	252	290

Sources: RS; FSSIA estimates

Financial Statements

RS

Cash Flow (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Recurring net profit	363	528	149	594	781
Depreciation	569	534	542	542	540
Associates & minorities	1	0	(5)	2	2
Other non-cash items	139	127	0	0	0
Change in working capital	(38)	(140)	(42)	46	48
Cash flow from operations	1,033	1,050	644	1,184	1,371
Capex - maintenance	(247)	(321)	(212)	(172)	(172)
Capex - new investment	(370)	(482)	(318)	(258)	(258)
Net acquisitions & disposals	0	0	0	0	0
Other investments (net)	(206)	7	(920)	(675)	0
Cash flow from investing	(823)	(797)	(1,450)	(1,105)	(430)
Dividends paid	(388)	(96)	(43)	(179)	(391)
Equity finance	70	0	0	0	0
Debt finance	130	10	1,394	(150)	(150)
Other financing cash flows	(34)	(296)	(83)	0	0
Cash flow from financing	(222)	(381)	1,267	(329)	(541)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	(11)	(128)	462	(250)	400
Free cash flow to firm (FCFF)	244.99	289.34	(763.19)	141.93	1,001.94
Free cash flow to equity (FCFE)	306.59	(32.41)	504.92	(71.12)	791.39

Per share (THB)

FCFF per share	0.25	0.30	(0.78)	0.15	1.03
FCFE per share	0.32	(0.03)	0.52	(0.07)	0.81
Recurring cash flow per share	1.10	1.22	0.71	1.17	1.36

Balance Sheet (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Tangible fixed assets (gross)	1,245	1,479	1,659	1,739	1,819
Less: Accumulated depreciation	(741)	(837)	(934)	(1,025)	(1,111)
Tangible fixed assets (net)	504	642	725	714	708
Intangible fixed assets (net)	1,374	2,384	2,289	2,188	2,084
Long-term financial assets	0	0	0	0	0
Invest. in associates & subsidiaries	4	4	924	1,599	1,599
Cash & equivalents	328	200	662	412	812
A/C receivable	545	711	546	745	862
Inventories	259	229	230	313	350
Other current assets	13	33	34	34	34
Current assets	1,145	1,174	1,472	1,504	2,058
Other assets	380	313	218	251	292
Total assets	3,407	4,516	5,627	6,256	6,741
Common equity	1,725	2,002	2,108	2,523	2,913
Minorities etc.	2	2	(3)	(1)	1
Total shareholders' equity	1,727	2,004	2,105	2,522	2,914
Long term debt	236	156	1,720	1,620	1,520
Other long-term liabilities	178	543	544	547	547
Long-term liabilities	414	699	2,264	2,167	2,067
A/C payable	651	1,016	732	1,057	1,283
Short term debt	530	620	450	400	350
Other current liabilities	84	178	76	109	127
Current liabilities	1,266	1,814	1,258	1,566	1,760
Total liabilities and shareholders' equity	3,407	4,516	5,627	6,256	6,741
Net working capital	81	(220)	2	(74)	(163)
Invested capital	2,343	3,123	4,158	4,678	4,519

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

Per share (THB)

Book value per share	1.77	2.06	2.17	2.59	3.00
Tangible book value per share	0.36	(0.39)	(0.19)	0.34	0.85

Financial strength

Net debt/equity (%)	25.3	28.7	71.6	63.8	36.3
Net debt/total assets (%)	12.8	12.8	26.8	25.7	15.7
Current ratio (x)	0.9	0.6	1.2	1.0	1.2
CF interest cover (x)	20.5	13.5	20.4	4.0	18.3

Valuation	2019	2020	2021E	2022E	2023E
Recurring P/E (x) *	54.3	37.4	132.2	33.2	25.3
Recurring P/E @ target price (x) *	56.2	38.7	136.8	34.4	26.2
Reported P/E (x)	54.3	37.4	132.2	33.2	25.3
Dividend yield (%)	2.0	0.5	0.2	0.9	2.0
Price/book (x)	11.4	9.9	9.4	7.8	6.8
Price/tangible book (x)	56.2	(51.6)	(109.0)	58.9	23.8
EV/EBITDA (x) **	18.8	16.4	31.0	18.6	15.7
EV/EBITDA @ target price (x) **	19.5	16.9	32.0	19.2	16.2
EV/invested capital (x)	8.6	6.5	5.1	4.6	4.6

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

Sources: RS; 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

Naruedom Mujjalinkool FSS International Investment Advisory Securities Co., Ltd

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History of change in investment rating and/or target price

RS (RS TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
27-Aug-2020	BUY	22.00	05-Mar-2021	BUY	30.00	18-Aug-2021	BUY	22.00
20-Jan-2021	BUY	24.90	13-Jul-2021	BUY	24.00			

Naruedom Mujjalinkool started covering this stock from 27-Aug-2020

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
RS	RS TB	THB 20.30	HOLD	The key downside risk to our SoTP-based TP is based on the company potentially failing to maintain the growth momentum of its commerce business if revenue from TV, radio, and music continue to decline. The key upside risk is if the new commerce products and distribution channels are successful and exceed our expectation. Likewise, if Popcoin demand is higher than our expectation.

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 24-Jan-2022 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.