

# SCG PACKAGING SCGP TB

THAILAND / INDUSTRIAL

## BUY

  
 UNCHANGED

## The last poor quarter to remember

- SCGP reported a 4Q21 NP of THB2.1b (+19% q-q, +42% y-y) due to higher post-pandemic demand and the consolidation of M&Ps.
- We believe NP will rebound in 2022-24, driven by capacity growth, operational efficiency, demand recovery and a lower OCC cost.
- Maintain BUY & TP of THB77, based on 17.5x 2022E EV/EBITDA.

TARGET PRICE	THB77.00
CLOSE	THB61.75
UP/DOWNSIDE	+24.7%
TP vs CONSENSUS	+9.5%

### KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Revenue	124,223	130,818	133,715	133,746
Net profit	8,294	10,948	12,513	12,164
EPS (THB)	1.93	2.55	2.91	2.83
vs Consensus (%)	-	33.4	19.5	3.1
EBITDA	18,619	22,036	24,143	24,345
Core net profit	7,444	10,948	12,513	12,164
Core EPS (THB)	1.73	2.55	2.91	2.83
Chg. In EPS est. (%)	nm	1.6	(4.1)	nm
EPS growth (%)	12.1	47.1	14.3	(2.8)
Core P/E (x)	35.6	24.2	21.2	21.8
Dividend yield (%)	1.1	1.6	1.9	2.1
EV/EBITDA (x)	17.2	14.5	13.0	12.7
Price/book (x)	2.7	2.5	2.3	2.2
Net debt/Equity (%)	23.6	21.6	15.4	10.5
ROE (%)	8.0	10.9	11.4	10.3

### Demand recovery and M&Ps boosted revenues in 4Q21

SCGP reported a sound 4Q21 net profit of THB2.1b, up 19% q-q and 42% y-y, beating our expectation by 9% and BBG's consensus estimate by 12%. Excluding non-operating items, mainly for a THB1.1b adjustment of an earn-out provision related to the acquisition of Go-Pak, its core net profit dropped to THB1.36b in 4Q21, down 12% q-q and 17% y-y. Key drivers were the 49% y-y higher revenue from its integrated packaging chain (IPC) to THB30.4b, driven by higher post-pandemic demand, larger contributions from consumer products, and the consolidation of mergers and partnerships (M&Ps). The revenue from its fibrous unit (FC) jumped to THB5.3b in 4Q21 (-1% q-q, +45% y-y), driven by the higher demand for foodservice packaging in Thailand and Vietnam.

### Rising old corrugated container (OCC) cost pressured EBITDA

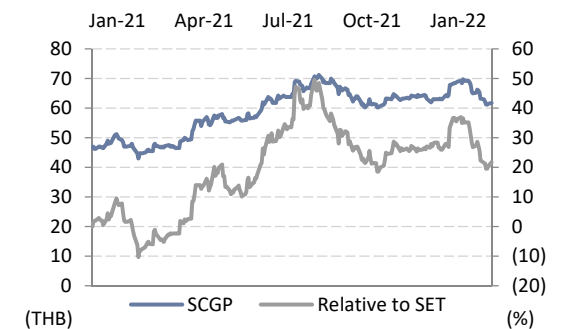
Revenue from IPC continued to grow in 4Q21 to THB30.4b, up 49% y-y, while EBITDA dropped by 9% y-y to THB3.7b due to the rising costs of freight and raw materials, resulting in a lower EBITDA margin of 12% in 4Q21, down from 20% in 4Q20. FC revenue improved by 45% y-y to THB5.3b, while its EBITDA jumped 11.8x y-y to THB1.8b on a higher EBITDA margin of 34% in 4Q21, up from 18% in 3Q21, due to higher demand for printing and writing papers and the rising utilisation rate in Vietnam following the lockdown in 3Q21. The sales proportion of food packaging continued to rise to 24% in 4Q21, up from 12% in 4Q20. The overall EBITDA margin, excluding other businesses, was flat q-q at 15% in 4Q21, with the lower IPC EBITDA margin of 12% being offset by FC's high EBITDA margin of 34%.

### Catalysts from margin expansion and volume growth ahead

We believe SCGP's net profit will significantly rebound in 2022-24, driven by 1) capacity growth and operational integration from its M&P strategy; 2) operational efficiency improvement; 3) a demand recovery post economic reopening; and 4) lower OCC cost.

### Maintain BUY

Maintain BUY and our TP of THB77, based on 17.5x 2022E EV/EBITDA – a valuation premium to its peers due to SCGP's strong net profit growth outlook that should limit the downside for its share price, in our view.



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(10.5)	(2.4)	32.8
Relative to country (%)	(10.7)	(2.2)	21.2
Mkt cap (USD m)	8,023		
3m avg. daily turnover (USD m)	26.8		
Free float (%)	30		
Major shareholder	Siam Cement (69%)		
12m high/low (THB)	71.50/42.50		
Issued shares (m)	4,292.92		

Sources: Bloomberg consensus; FSSIA estimates



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## Exhibit 1: Summary of 4Q21/2021 operations

	4Q20	3Q21	4Q21			2020	2021	Change
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)
<b>Revenue</b>	<b>23,596</b>	<b>31,930</b>	<b>35,144</b>	<b>10.1</b>	<b>48.9</b>	<b>92,786</b>	<b>124,223</b>	<b>33.9</b>
Operating costs	(19,878)	(27,604)	(30,987)	12.3	55.9	(76,290)	(105,604)	38.4
<b>EBITDA</b>	<b>3,717</b>	<b>4,326</b>	<b>4,157</b>	<b>(3.9)</b>	<b>11.8</b>	<b>16,496</b>	<b>18,619</b>	<b>12.9</b>
<i>EBITDA margin (%)</i>	15.8	13.5	11.8	nm	nm	17.8	15.0	nm
Deprn & amort.	(1,819)	(2,184)	(2,299)	5.3	26.4	(7,183)	(8,315)	15.8
<b>EBIT</b>	<b>1,899</b>	<b>2,142</b>	<b>1,858</b>	<b>(13.3)</b>	<b>(2.2)</b>	<b>9,313</b>	<b>10,304</b>	<b>10.6</b>
Interest expense	1,291	(283)	(329)	16.3	nm	(1,452)	(1,180)	(18.7)
Interest & invt inc	-	-	-	nm	nm	-	-	nm
Other income	143	192	1,390	623.9	874.4	783	1,364	74.1
Associates' contrib	11	18	10	(44.8)	(15.0)	66	57	(13.8)
Exceptionals	(1,214)	391	(138)	nm	(88.7)	(222)	317	nm
<b>Pretax profit</b>	<b>2,130</b>	<b>2,460</b>	<b>2,791</b>	<b>13.5</b>	<b>31.0</b>	<b>8,308</b>	<b>11,712</b>	<b>41.0</b>
Tax	(457)	(407)	(480)	18.0	5.1	(1,002)	(2,065)	106.2
<i>Tax rate (%)</i>	21.5	16.5	17.2	nm	nm	12.1	17.6	nm
Minority interests	(187)	(272)	(195)	(28.2)	4.1	(848)	(1,353)	59.4
<b>Net profit</b>	<b>1,486</b>	<b>1,781</b>	<b>2,116</b>	<b>18.8</b>	<b>42.4</b>	<b>6,457</b>	<b>8,294</b>	<b>28.4</b>
Non-recurring	(144)	245	758	209.4	nm	(181)	850	nm
<b>Core net profit</b>	<b>1,630</b>	<b>1,536</b>	<b>1,358</b>	<b>(11.6)</b>	<b>(16.7)</b>	<b>6,638</b>	<b>7,444</b>	<b>12.1</b>
EPS (THB)	0.48	0.57	0.68	18.8	42.4	1.50	1.93	28.4
Core EPS (THB)	0.52	0.49	0.43	(11.6)	(16.7)	1.55	1.73	12.1

Sources: SCGP; FSSIA estimates

## Exhibit 2: 4Q21/2021 non-operating item adjustments for core profit

(THB m)	4Q20	3Q21	4Q21	q-q%	y-y%	2020	2021	% Chg.
<b>Core profit</b>	<b>1,630</b>	<b>1,536</b>	<b>1,358</b>	<b>(11.6)</b>	<b>(16.7)</b>	<b>6,638</b>	<b>7,444</b>	<b>12.1</b>
FX gain/loss from loans, derivatives and investments	31	280	(99)	nm	nm	(161)	348	nm
Company restructurings (asset divestment)	(14)	-	7	nm	nm	(124)	(28)	(77.4)
Changes to local regulations (tax, labour laws)	-	-	(107)	nm	nm	267	(107)	nm
Expenses related to M&P transactions	(160)	(35)	(115)	228.6	(28.1)	(160)	(360)	125.0
Impairments and others	(1)	-	1,071	nm	nm	(3)	997	nm
<b>Net profit</b>	<b>1,486</b>	<b>1,781</b>	<b>2,116</b>	<b>18.8</b>	<b>42.4</b>	<b>6,457</b>	<b>8,294</b>	<b>28.4</b>

Source: SCGP

## Exhibit 3: 4Q21/2021 key performance

(THB m)	4Q20	3Q21	4Q21	q-q %	y-y %	2020	2021	% Chg.
<b>Revenue from sales</b>								
<b>Consolidated SCGP</b>	<b>23,596</b>	<b>31,930</b>	<b>35,145</b>	<b>10.1</b>	<b>48.9</b>	<b>92,786</b>	<b>124,223</b>	<b>33.9</b>
- Integrated Packaging Chain	20,396	27,256	30,422	11.6	49.2	79,175	105,834	33.7
- Fibrous Chain	3,631	5,315	5,261	(1.0)	44.9	15,448	20,656	33.7
- Intersegment Elimination	(431)	(641)	(538)	(16.1)	24.8	(1,837)	(2,267)	23.4
<b>EBITDA</b>								
<b>Consolidated SCGP</b>	<b>4,211</b>	<b>4,910</b>	<b>5,409</b>	<b>10.2</b>	<b>28.4</b>	<b>16,876</b>	<b>21,150</b>	<b>25.3</b>
- Integrated Packaging Chain	4,018	3,597	3,657	1.7	(9.0)	15,789	16,078	1.8
- Fibrous Chain	140	965	1,795	86.0	1,182.1	1,027	4,526	340.7
- Other	228	562	144	(74.4)	(36.8)	3,270	4,897	49.8
- Intersegment Elimination	(175)	(214)	(187)	(12.6)	6.9	(3,210)	(4,351)	35.5
<b>EBITDA margins (%)*</b>								
<b>Consolidated SCGP</b>	<b>18</b>	<b>15</b>	<b>15</b>	<b>-</b>	<b>(3.0)</b>	<b>18</b>	<b>17</b>	<b>(1.0)</b>
- Integrated Packaging Chain	20	13	12	(1.0)	(8.0)	20	15	(5.0)
- Fibrous Chain	4	18	34	16.0	30.0	7	22	15.0
<b>Net profit</b>								
<b>Consolidated SCGP</b>	<b>1,486</b>	<b>1,781</b>	<b>2,115</b>	<b>18.8</b>	<b>42.3</b>	<b>6,457</b>	<b>8,294</b>	<b>28.4</b>
- Integrated Packaging Chain	1,747	1,153	950	(17.6)	(45.6)	7,200	5,913	(17.9)
- Fibrous Chain	(319)	292	1,205	312.7	(477.7)	(655)	2,084	(418.2)
- Other	68	453	38	(91.6)	(44.1)	2,388	4,318	80.8
- Intersegment Elimination	(10)	(117)	(78)	(33.3)	680.0	(2,476)	(4,021)	62.4

\*Note: Change in margin % is represented in ppt change

Source: SCGP

## Financial Statements

### SCG Packaging

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Revenue	92,786	124,223	130,818	133,715	133,746
Cost of goods sold	(66,149)	(93,029)	(93,869)	(96,200)	(96,026)
<b>Gross profit</b>	<b>26,637</b>	<b>31,193</b>	<b>36,949</b>	<b>37,515</b>	<b>37,720</b>
Other operating income	-	-	-	-	-
Operating costs	(10,141)	(12,575)	(14,913)	(13,371)	(13,375)
<b>Operating EBITDA</b>	<b>16,496</b>	<b>18,619</b>	<b>22,036</b>	<b>24,143</b>	<b>24,345</b>
Depreciation	(7,183)	(8,315)	(8,693)	(8,922)	(9,047)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>9,313</b>	<b>10,304</b>	<b>13,342</b>	<b>15,222</b>	<b>15,299</b>
Net financing costs	(1,674)	(863)	(1,620)	(1,620)	(2,111)
Associates	66	57	0	0	0
Recurring non-operating income	850	1,421	2,214	2,214	2,214
Non-recurring items	(181)	850	0	0	0
<b>Profit before tax</b>	<b>8,308</b>	<b>11,712</b>	<b>13,937</b>	<b>15,816</b>	<b>15,402</b>
Tax	(1,002)	(2,065)	(2,137)	(2,451)	(2,386)
<b>Profit after tax</b>	<b>7,306</b>	<b>9,647</b>	<b>11,800</b>	<b>13,365</b>	<b>13,016</b>
Minority interests	(848)	(1,353)	(852)	(852)	(852)
Preferred dividends	0	0	0	0	0
Other items	0	0	0	0	0
<b>Reported net profit</b>	<b>6,457</b>	<b>8,294</b>	<b>10,948</b>	<b>12,513</b>	<b>12,164</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>181</b>	<b>(850)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>6,638</b>	<b>7,444</b>	<b>10,948</b>	<b>12,513</b>	<b>12,164</b>
<b>Per share (THB)</b>					
Recurring EPS *	1.55	1.73	2.55	2.91	2.83
Reported EPS	1.50	1.93	2.55	2.91	2.83
DPS	0.60	0.65	1.00	1.20	1.30
Diluted shares (used to calculate per share data)	4,293	4,293	4,293	4,293	4,293
<b>Growth</b>					
Revenue (%)	4.2	33.9	5.3	2.2	0.0
Operating EBITDA (%)	20.8	12.9	18.4	9.6	0.8
Operating EBIT (%)	21.5	10.6	29.5	14.1	0.5
Recurring EPS (%)	(13.3)	12.1	47.1	14.3	(2.8)
Reported EPS (%)	(10.7)	28.4	32.0	14.3	(2.8)
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	21.0	18.4	21.6	21.4	21.4
Gross margin of key business (%)	21.0	18.4	21.6	21.4	21.4
Operating EBITDA margin (%)	17.8	15.0	16.8	18.1	18.2
Operating EBIT margin (%)	10.0	8.3	10.2	11.4	11.4
Net margin (%)	7.2	6.0	8.4	9.4	9.1
Effective tax rate (%)	12.2	17.7	15.3	15.5	15.5
Dividend payout on recurring profit (%)	38.8	37.5	39.2	41.2	45.9
Interest cover (X)	6.1	13.6	9.6	10.8	8.3
Inventory days	71.8	70.8	91.0	90.3	91.5
Debtor days	62.0	60.6	82.1	105.2	130.4
Creditor days	56.3	50.3	59.6	59.2	59.9
Operating ROIC (%)	7.2	(1.8)	(2.0)	(2.2)	(13.1)
ROIC (%)	6.5	(1.6)	(1.8)	(2.0)	(11.7)
ROE (%)	10.1	8.0	10.9	11.4	10.3
ROA (%)	5.7	4.5	5.4	5.9	4.5

\* Pre-exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2020	2021	2022E	2023E	2024E
Fibrous chain	25,980	34,782	36,629	37,440	37,449
Performance and Polymer packaging	43,609	58,385	61,485	62,846	62,860
Packaging paper	5,567	7,453	7,849	8,023	8,025
Fibre-based packaging	17,629	23,602	24,855	25,406	25,412

Sources: SCG Packaging; FSSIA estimates

## Financial Statements

### SCG Packaging

Cash Flow (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Recurring net profit	6,638	7,444	10,948	12,513	12,164
Depreciation	7,183	8,315	8,693	8,922	9,047
Associates & minorities	42	44	0	0	0
Other non-cash items	-	-	-	-	-
Change in working capital	1,461	(11,221)	(8,915)	(9,350)	(9,218)
<b>Cash flow from operations</b>	<b>15,325</b>	<b>4,582</b>	<b>10,726</b>	<b>12,085</b>	<b>11,993</b>
Capex - maintenance	(3,181)	(3,182)	0	0	0
Capex - new investment	(8,409)	(15,043)	(8,000)	(3,000)	(3,001)
Net acquisitions & disposals	42	44	0	0	0
Other investments (net)	1,215	(10,734)	0	0	0
<b>Cash flow from investing</b>	<b>(10,334)</b>	<b>(28,915)</b>	<b>(8,000)</b>	<b>(3,000)</b>	<b>(3,001)</b>
Dividends paid	(2,576)	(1,717)	(3,005)	(3,434)	(3,864)
Equity finance	0	0	0	0	0
Debt finance	(16,115)	5,649	0	0	0
Other financing cash flows	41,627	7,737	852	852	910
<b>Cash flow from financing</b>	<b>22,936</b>	<b>11,669</b>	<b>(2,153)</b>	<b>(2,582)</b>	<b>(2,954)</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
<b>Net other adjustments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Movement in cash</b>	<b>27,927</b>	<b>(12,663)</b>	<b>573</b>	<b>6,503</b>	<b>6,039</b>
Free cash flow to firm (FCFF)	6,442.31	(23,152.98)	4,345.66	10,704.94	11,102.72
Free cash flow to equity (FCFE)	30,502.42	(10,946.30)	3,577.86	9,937.14	9,902.26

#### Per share (THB)

FCFF per share	1.50	(5.39)	1.01	2.49	2.59
FCFE per share	7.11	(2.55)	0.83	2.31	2.31
Recurring cash flow per share	3.23	3.68	4.58	4.99	4.94

Balance Sheet (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Tangible fixed assets (gross)	195,012	205,210	213,210	216,210	219,211
Less: Accumulated depreciation	(107,741)	(108,029)	(116,722)	(125,644)	(134,690)
<b>Tangible fixed assets (net)</b>	<b>87,271</b>	<b>97,181</b>	<b>96,488</b>	<b>90,566</b>	<b>84,521</b>
<b>Intangible fixed assets (net)</b>	<b>18,624</b>	<b>29,483</b>	<b>29,483</b>	<b>29,483</b>	<b>29,483</b>
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	829	873	873	873	873
Cash & equivalents	32,886	20,222	20,794	27,297	33,336
A/C receivable	16,334	24,910	33,942	43,173	52,406
Inventories	12,760	23,308	23,518	24,102	24,059
Other current assets	939	746	786	803	804
<b>Current assets</b>	<b>62,919</b>	<b>69,186</b>	<b>79,040</b>	<b>95,376</b>	<b>110,604</b>
Other assets	2,786	10,100	10,100	10,100	10,100
<b>Total assets</b>	<b>172,429</b>	<b>206,824</b>	<b>215,984</b>	<b>226,398</b>	<b>235,581</b>
Common equity	88,738	96,837	104,780	113,859	122,218
Minorities etc.	21,103	25,463	26,315	27,167	28,019
<b>Total shareholders' equity</b>	<b>109,841</b>	<b>122,300</b>	<b>131,095</b>	<b>141,026</b>	<b>150,236</b>
Long term debt	12,052	16,671	16,671	16,671	16,671
Other long-term liabilities	7,300	15,876	15,877	15,877	15,877
<b>Long-term liabilities</b>	<b>19,351</b>	<b>32,547</b>	<b>32,547</b>	<b>32,547</b>	<b>32,547</b>
A/C payable	10,365	15,261	15,399	15,781	15,753
Short term debt	31,382	32,412	32,412	32,412	32,412
Other current liabilities	1,489	4,303	4,531	4,632	4,633
<b>Current liabilities</b>	<b>43,237</b>	<b>51,977</b>	<b>52,343</b>	<b>52,825</b>	<b>52,798</b>
<b>Total liabilities and shareholders' equity</b>	<b>172,429</b>	<b>206,824</b>	<b>215,985</b>	<b>226,398</b>	<b>235,582</b>
Net working capital	18,179	29,400	38,315	47,665	56,883
Invested capital	127,689	167,038	175,260	178,688	181,860

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

#### Per share (THB)

Book value per share	20.67	22.56	24.41	26.52	28.47
Tangible book value per share	16.33	15.69	17.54	19.65	21.60

#### Financial strength

Net debt/equity (%)	9.6	23.6	21.6	15.4	10.5
Net debt/total assets (%)	6.1	14.0	13.1	9.6	6.7
Current ratio (x)	1.5	1.3	1.5	1.8	2.1
CF interest cover (x)	24.2	5.7	8.1	9.0	7.1

Valuation	2020	2021	2022E	2023E	2024E
<b>Recurring P/E (x) *</b>	<b>39.9</b>	<b>35.6</b>	<b>24.2</b>	<b>21.2</b>	<b>21.8</b>
<b>Recurring P/E @ target price (x) *</b>	<b>49.8</b>	<b>44.4</b>	<b>30.2</b>	<b>26.4</b>	<b>27.2</b>
Reported P/E (x)	41.1	32.0	24.2	21.2	21.8
Dividend yield (%)	1.0	1.1	1.6	1.9	2.1
Price/book (x)	3.0	2.7	2.5	2.3	2.2
Price/tangible book (x)	3.8	3.9	3.5	3.1	2.9
EV/EBITDA (x) **	18.0	17.2	14.5	13.0	12.7
EV/EBITDA @ target price (x) **	22.0	20.7	17.5	15.7	15.4
EV/invested capital (x)	2.3	1.9	1.8	1.8	1.7

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

Sources: SCG Packaging; 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	SCC	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	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**

Suwat Sinsadok, CFA, FRM, ERP FSS International Investment Advisory Securities Co., Ltd

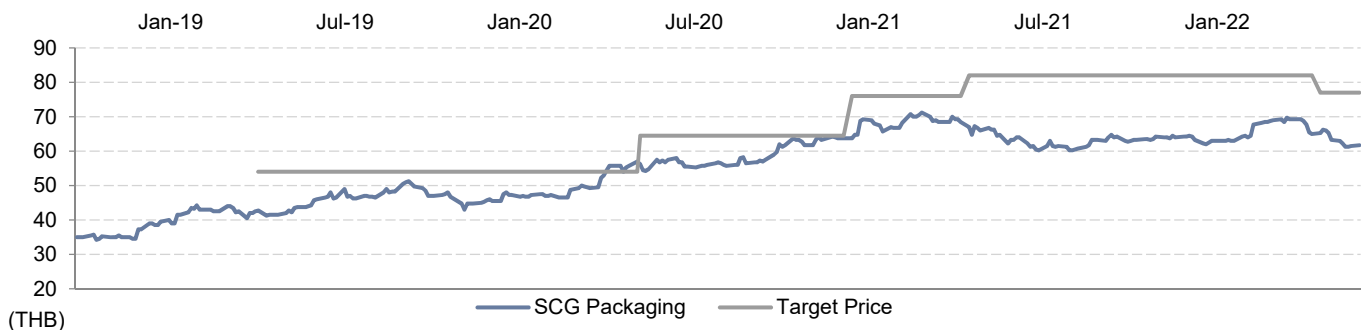
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) 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**

**SCG Packaging (SCGP TB)**



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
24-Dec-2020	BUY	54.00	23-Jul-2021	BUY	76.00	07-Jan-2022	BUY	77.00
10-May-2021	BUY	64.50	03-Sep-2021	BUY	82.00			

Suwat Sinsadok, CFA, FRM, ERP started covering this stock from 24-Dec-2020

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
SCG Packaging	SCGP TB	THB 61.75	BUY	Downside risks to our EV/EBITDA-based TP include a lower-than-expected demand for packaging, rising raw material costs of recycled paper and higher energy costs.

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.