

SIAM CEMENT

SCC TB

THAILAND / MATERIALS

BUY

UNCHANGED

TARGET PRICE	THB483.00
CLOSE	THB382.00
UP/DOWNSIDE	+26.4%
PRIOR TP	THB520.00
CHANGE IN TP	-7.1%
TP vs CONSENSUS	-0.7%

4Q21 NP stumbles on poor margins

- SCC's 4Q21 net profit of THB8.3b (+22% q-q, +3% y-y) missed mainly due to weaker gains from chemical and packaging units.
- Group's strategy 1) growth in Vietnam & Indonesia; 2) grow ASEAN PVC; 3) increase green polymer; 4) raise high value-added portion.
- Maintain BUY and lower SoTP TP from THB520 to THB483.

Only CBM saw an improvement in 4Q21

SCC's 4Q21 net profit (NP) of THB8.3b (+22% q-q, +3% y-y) missed our estimate by 13% and Bloomberg's consensus estimate by 10% due to its weak chemical and packaging NPs. The chemical unit's NP dropped to THB4.5b, down 14% q-q and 23% y-y, due to weak product margins on rising feedstock costs. Its cement & building material (CBM) unit saw a net profit of THB1.4b, up from a net loss of THB2.4b in 3Q21, due to a higher ceramics sales volume (+3% y-y) which offset weaker cement demand in Thailand (-5% y-y). Its 4Q21 packaging NP rose q-q to THB2.1b (+19% q-q, +42% y-y) due to a one-time gain related to the acquisition of Go-Pak that offset weaker margins caused by the rising raw material cost of old corrugated containers.

Poor chemical margins in 4Q21

The chemical unit's 4Q21 NP dropped by 23% y-y due to lower product margins. Sales volumes (PE and PP) dipped to 495kt, down 2% q-q, due to the year-end holiday. The overall chemical EBITDA margin plunged to 8%, dragged down by lower sales volumes despite the higher margins of HDPE-naphtha (+10% q-q), PP-naphtha (+2% q-q), and PVC-ethylene dichloride (+25% q-q), but was partly offset by the weak butadiene-naphtha margin (-102% q-q) due to oversupply.

Revamping the growth strategy for its chemical portfolio

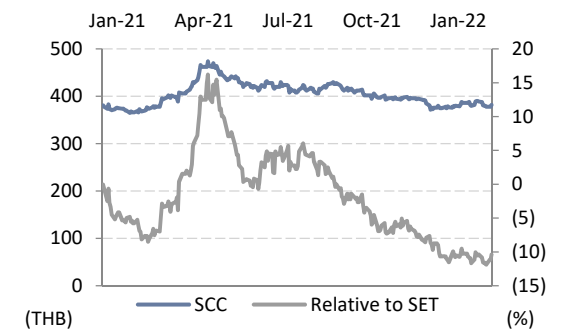
SCC's top management on 26 Jan-22 revealed the group's long-term growth strategy for its flagship arms (SCGP, chemical, CBM, and investment), which includes: 1) more growth in Vietnam and Indonesia via the Chandra Asri 2 project, Longsan Project (LSP) 1, and LSP2 to capture green polymer and megatrends demand; 2) strengthening and growing its ASEAN PVC position post the tender offer for Vinyl Thai (VNT, not rated); 3) increasing its green polymer platforms via recycling and bioplastics; and 4) raising its high value-added portfolio.

Lower SoTP-based TP to THB483

Maintain BUY and lower our SoTP TP from THB520 to THB483 to reflect our EPS revisions. Post-pandemic, we think the demand and margins for SCC's main product groups – packaging, CBM, and chemicals – will improve meaningfully.

KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Revenue	530,112	560,337	607,240	735,373
Net profit	47,174	59,433	63,912	81,435
EPS (THB)	39.31	49.53	53.26	67.86
vs Consensus (%)	-	21.6	40.0	63.7
EBITDA	71,091	92,233	101,084	147,893
Core net profit	47,174	59,433	63,912	81,435
Core EPS (THB)	39.31	49.53	53.26	67.86
Chg. In EPS est. (%)	nm	(5.0)	3.3	nm
EPS growth (%)	38.2	26.0	7.5	27.4
Core P/E (x)	9.7	7.7	7.2	5.6
Dividend yield (%)	4.3	4.5	4.1	4.6
EV/EBITDA (x)	10.8	8.6	7.9	5.4
Price/book (x)	1.3	1.1	1.0	0.9
Net debt/Equity (%)	49.4	47.3	42.2	29.8
ROE (%)	13.7	15.4	15.0	17.0



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	0.5	(3.0)	(3.3)
Relative to country (%)	0.1	(3.5)	(11.0)
Mkt cap (USD m)	13,909		
3m avg. daily turnover (USD m)	32.8		
Free float (%)	67		
Major shareholder	H.M. King Maha Vajiralongkorn (34%)		
12m high/low (THB)	474.00/364.00		
Issued shares (m)	1,200.00		

Sources: Bloomberg consensus; FSSIA estimates



Suwat Sinsadok, CFA, FRM, ERP
 suwat.sin@fssia.com
 +66 2611 3558

Siriluck Pinthusoonthorn
 siriluck.pin@fssia.com
 +66 2611 3562

Investment thesis

We believe SCC's unique asset portfolio – consisting of cyclical chemical production, cement and building materials (CBM), and its more sustainable packaging business – could position it as one of Thailand's leading growth plays. SCC's net profit growth from its packaging business should timely offset the weaker net profit contributions from its chemical and CBM units that we expect in 2021-22.

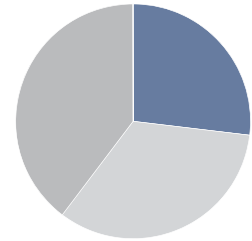
Company profile

SCC is 30% owned by the Crown Property Bureau and is the third largest company on the Thailand Stock Exchange by market capitalisation. Established in 1913 as a cement company, SCC was a means to reduce Thailand's reliance on cement imports and to take fuller advantage of the natural resources available in the country.

www.scg.com

Principal activities (revenue, 2021)

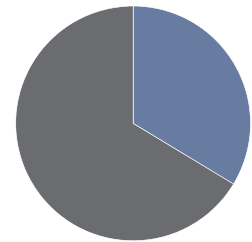
- Cement & Building Material - 26.9 %
- Chemicals - 33.4 %
- Packaging - 39.7 %
- Others - 0.0 %



Source: Siam Cement

Major shareholders

- H.M. King Maha Vajiralongkorn - 33.6 %
- Others - 66.4 %



Source: Siam Cement

Catalysts

Key potential catalysts for SCC include: 1) capacity expansions of its chemical and packaging businesses; 2) the rising demand for chemicals and paper packaging that should more than offset the weak demand for CBM; and 3) margin expansions due to lower energy and financial costs.

Risks to our call

Downside risks to our SOTP based TP include 1) a lower-than-expected demand for chemicals, CBM, and packaging; 2) rising coal costs for its cement and packaging units; and 3) weaker demand from the automobile industry that could erode the demand for SCC's chemical unit and its dividend contributions.

Event calendar

Date	Event
Apr 2022	1Q21 results announcement

Key assumptions

	2022E	2023E	2024E
Cement demand growth (%)	2.5	4.0	4.0
Petrochemical utilisation (%)	95	95	95
Olefins capacity (m tonnes)	2,050	2,050	2,050
HDPE-naphtha (USD/tonne)	680	620	710
PP-naphtha (USD/tonne)	730	720	810

Source: FSSIA estimates

Earnings sensitivity

- For every 1% change in Brent oil price, we estimate a 0.8% change in 2022 EPS, all else being equal.
- For every 1% increase in PP-naphtha margin, we estimate 2022 EPS would rise 0.9%, and vice versa, all else being equal.
- For every 1% increase in utilisation rate, we estimate 2022 EPS would rise 1.4%, and vice versa, all else being equal.
- For every 1% increase in AOCC price, we estimate 2022 EPS would fall by 0.3%, and vice versa, all else being equal.

Source: FSSIA estimates

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%)
Revenue	97,250	131,825	142,665	8.2	46.7	399,939	530,112	32.5
Operating costs	(82,415)	(120,974)	(123,503)	2.1	49.9	(339,105)	(459,021)	35.4
EBITDA	14,835	10,851	19,162	76.6	29.2	60,835	71,091	16.9
EBITDA margin (%)	15.3	8.2	13.4	63.2	(11.9)	15.2	13.4	(11.8)
Depn & amort.	(6,889)	(7,451)	(7,416)	(0.5)	7.7	(27,377)	(28,835)	5.3
EBIT	7,870	3,990	6,785	70.1	(13.8)	33,457	42,256	26.3
Interest expense	(1,299)	(1,681)	(1,691)	0.6	30.2	(7,082)	(6,757)	(4.6)
Interest & invt inc	1,583	3,229	2,942	(8.9)	85.9	7,278	10,594	45.6
Associates' contrib	3,465	3,890	2,248	(42.2)	(35.1)	9,456	17,543	85.5
Exceptionals	0	0	0	nm	nm	0	0	nm
Pretax profit	11,619	9,427	10,284	9.1	(11.5)	43,109	63,636	47.6
Tax	(2,058)	(1,893)	(1,757)	(7.2)	(14.6)	(5,809)	(8,900)	53.2
Tax rate (%)	17.7	20.1	17.1	(14.9)	(3.5)	13.5	14.0	3.8
Minority interests	(1,513)	(717)	(221)	(69.2)	(85.4)	(3,156)	(7,562)	139.6
Net profit	8,048	6,817	8,307	21.9	3.2	34,144	47,174	38.2
Non - recurring	0	(2,249)	494	122.0	nm	0	0	nm
Core profit	8,048	9,066	7,813	(13.8)	(2.9)	34,144	47,174	38.2
EPS (THB)	6.71	5.68	6.92	21.9	3.2	28.45	39.31	38.2
Core EPS (THB)	6.71	7.56	6.51	(13.8)	(2.9)	28.45	39.31	38.2

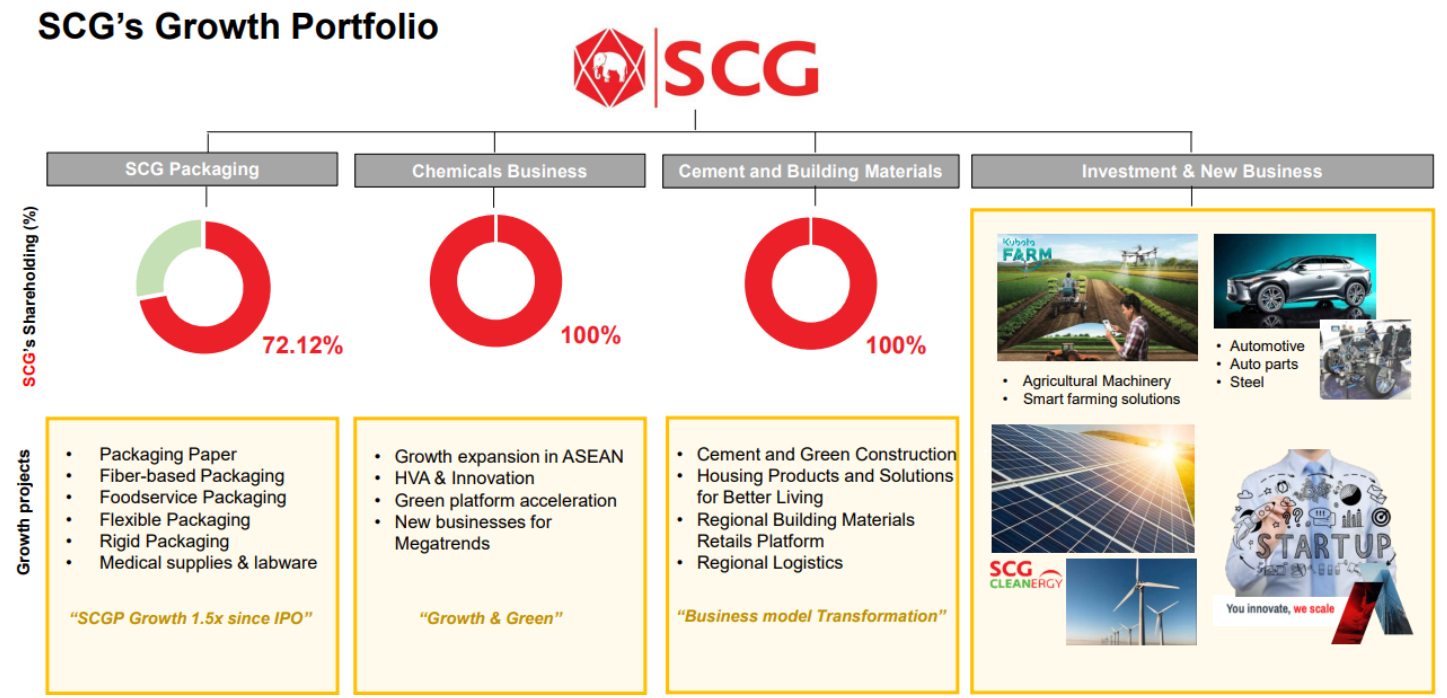
Sources: SCC; FSSIA estimates

Exhibit 2: 4Q21/2021 key performance breakdown by sector

	4Q20	3Q21	4Q21	Change		2020	2021	Change
	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)
EBITDA breakdown								
SCC consolidated	18,300	14,741	21,410	45.2	17.0	74,600	91,867	23.1
Cement & building material	3,673	1,035	4,715	355.6	28.4	21,591	18,877	(12.6)
Chemicals	9,451	6,271	8,654	38.0	(8.4)	30,965	41,465	33.9
Packaging	4,211	4,918	5,409	10.0	28.4	16,884	21,164	25.3
Others	1,036	2,621	2,780	6.1	168.3	5,462	10,810	97.9
Net profit breakdown								
SCC consolidated	8,048	6,817	8,307	21.9	3.2	34,144	47,174	38.2
Cement & building material	(194)	(2,400)	1,385	157.7	813.9	6,422	4,262	(33.6)
Chemicals	5,837	5,210	4,500	(13.6)	(22.9)	17,667	28,931	63.8
Packaging	1,486	1,781	2,115	18.8	42.3	6,457	8,294	28.4
Others	1,150	2,738	954	(65.2)	(17.0)	3,862	8,110	110.0
EBITDA margin								
SCC consolidated	17	11	12	1.0	(5.0)	17	15	(2.0)
Cement & building material	9	2	10	8.0	1.0	12	10	(2.0)
Chemicals	23	10	8	(2.0)	(15.0)	18	15	(3.0)
Packaging	18	15	15	-	(3.0)	18	17	(1.0)

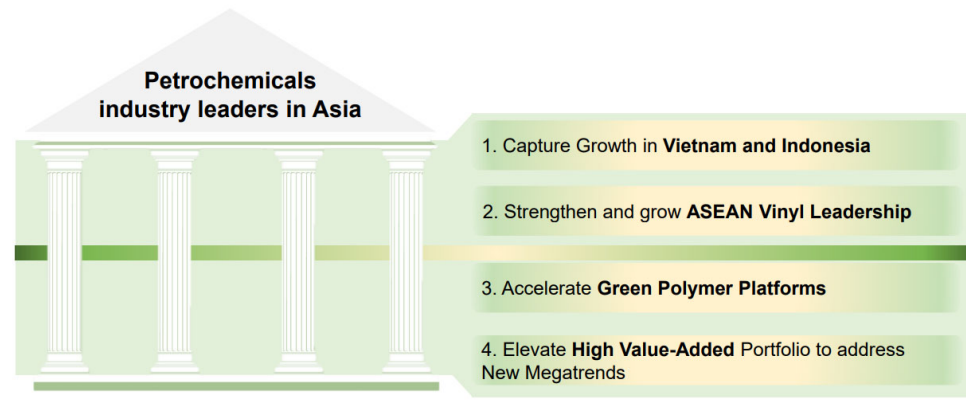
Sources: SCC; FSSIA's compilation

Exhibit 3: SCC group's business portfolio



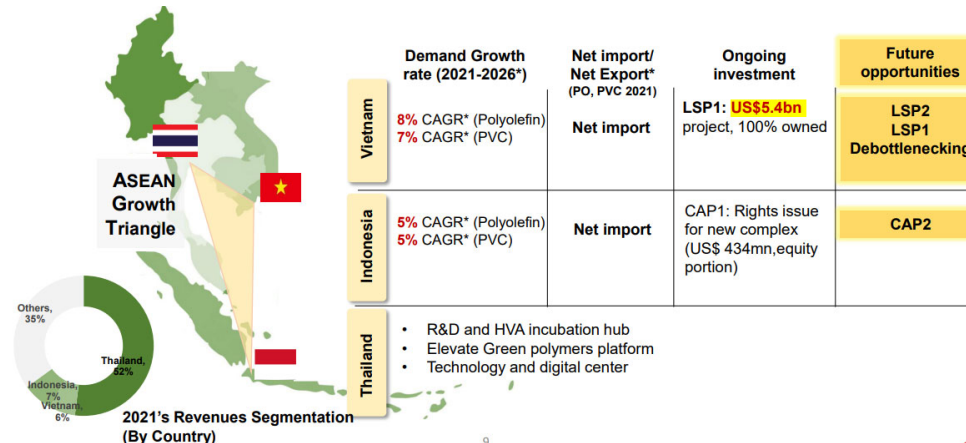
Source: SCC

Exhibit 4: Chemical group's growth strategy



Source: SCC

Exhibit 5: Chemical group's growth strategy in Vietnam, Indonesia, and Thailand



Source: SCC

Exhibit 6: SoTP target price

SoTP valuation	End-22E		% total (%)	Valuation basis
	(THB m)	(THB/shr)		
Cement & building material	213,318	178	33	8x 2022E EV/EBITDA
Petrochemical	261,581	218	41	7x 2022E EV/EBITDA
Packaging	308,498	257	48	14x 2022E EV/EBITDA
Total core	783,397	653	122	
Investment (P/B)	192,757	161	30	1.4x 2022E P/BV
Gross SoTP	976,155	813	152	
Net debt	(237,178)	(198)	(37)	Net debt at end-2022E
Minority	(95,639)	(80)	(15)	
Net SoTP value	643,337	536	100	
10% holding discount	(64,334)	(54)		
SoTP target price	579,003	483		

Sources: SCC; FSSIA estimates

Financial Statements

Siam Cement

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Revenue	399,939	530,112	560,337	607,240	735,373
Cost of goods sold	(282,570)	(392,165)	(384,054)	(418,714)	(469,821)
Gross profit	117,369	137,946	176,284	188,527	265,552
Other operating income	-	-	-	-	-
Operating costs	(56,535)	(66,855)	(84,051)	(87,443)	(117,660)
Operating EBITDA	60,835	71,091	92,233	101,084	147,893
Depreciation	(27,377)	(28,835)	(30,149)	(34,317)	(37,302)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	33,457	42,256	62,084	66,767	110,591
Net financing costs	(7,082)	(6,757)	(7,518)	(7,206)	(6,445)
Associates	9,456	17,543	14,918	15,985	16,475
Recurring non-operating income	16,734	28,137	26,042	27,666	28,740
Non-recurring items	0	0	0	0	0
Profit before tax	43,109	63,636	80,608	87,227	132,885
Tax	(5,809)	(8,900)	(9,853)	(10,686)	(17,462)
Profit after tax	37,300	54,736	70,754	76,540	115,424
Minority interests	(3,156)	(7,562)	(11,322)	(12,628)	(33,989)
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
Reported net profit	34,144	47,174	59,433	63,912	81,435
Non-recurring items & goodwill (net)	0	0	0	0	0
Recurring net profit	34,144	47,174	59,433	63,912	81,435
Per share (THB)					
Recurring EPS *	28.45	39.31	49.53	53.26	67.86
Reported EPS	28.45	39.31	49.53	53.26	67.86
DPS	14.50	16.50	17.00	15.50	17.50
Diluted shares (used to calculate per share data)	1,200	1,200	1,200	1,200	1,200
Growth					
Revenue (%)	(8.7)	32.5	5.7	8.4	21.1
Operating EBITDA (%)	23.5	16.9	29.7	9.6	46.3
Operating EBIT (%)	32.1	26.3	46.9	7.5	65.6
Recurring EPS (%)	6.7	38.2	26.0	7.5	27.4
Reported EPS (%)	6.7	38.2	26.0	7.5	27.4
Operating performance					
Gross margin inc. depreciation (%)	22.5	20.6	26.1	25.4	31.0
Gross margin of key business (%)	22.5	20.6	26.1	25.4	31.0
Operating EBITDA margin (%)	15.2	13.4	16.5	16.6	20.1
Operating EBIT margin (%)	8.4	8.0	11.1	11.0	15.0
Net margin (%)	8.5	8.9	10.6	10.5	11.1
Effective tax rate (%)	15.0	15.0	15.0	15.0	15.0
Dividend payout on recurring profit (%)	51.0	42.0	34.3	29.1	25.8
Interest cover (X)	7.1	10.4	11.7	13.1	21.6
Inventory days	71.7	64.1	67.2	53.1	52.4
Debtor days	53.4	46.1	55.1	57.8	54.4
Creditor days	78.3	65.3	59.3	45.4	44.8
Operating ROIC (%)	7.0	7.6	9.5	9.1	(3.5)
ROIC (%)	7.3	8.8	9.5	9.4	(3.3)
ROE (%)	11.4	13.7	15.4	15.0	17.0
ROA (%)	6.2	7.5	8.9	9.2	11.7
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
	2020	2021	2022E	2023E	2024E
Cement & Building Material	116,534	142,495	164,408	191,655	134,288
Chemicals	143,782	177,230	171,384	179,428	346,338
Packaging	139,624	210,246	224,395	236,008	254,597
Others		140	150	150	150

Sources: Siam Cement; FSSIA estimates

Financial Statements

Siam Cement

Cash Flow (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Recurring net profit	34,144	47,174	59,433	63,912	81,435
Depreciation	27,377	28,835	30,149	34,317	37,302
Associates & minorities	9,456	17,543	14,918	15,985	16,475
Other non-cash items	-	-	-	-	-
Change in working capital	18,594	(43,259)	(11,689)	(13,066)	(16,264)
Cash flow from operations	89,571	50,293	92,811	101,148	118,948
Capex - maintenance	(25,695)	(28,913)	(31,958)	(35,003)	(38,048)
Capex - new investment	(54,360)	(41,460)	(38,679)	(35,786)	(31,980)
Net acquisitions & disposals	(20,205)	(22,794)	0	0	0
Other investments (net)	26,143	(18,624)	0	0	0
Cash flow from investing	(74,117)	(111,792)	(70,637)	(70,789)	(70,028)
Dividends paid	(17,400)	(18,600)	(19,800)	(19,800)	(19,800)
Equity finance	0	0	0	0	0
Debt finance	21,703	41,458	(20,000)	0	0
Other financing cash flows	39,002	3,270	(17,059)	(8,682)	11,429
Cash flow from financing	43,305	26,128	(56,859)	(28,482)	(8,371)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	58,759	(35,371)	(34,685)	1,877	40,549
Free cash flow to firm (FCFF)	22,536.69	(54,741.42)	29,692.79	37,564.90	55,365.38
Free cash flow to equity (FCFE)	76,159.26	(16,771.03)	(14,884.87)	21,676.72	60,349.14

Per share (THB)	2020	2021	2022E	2023E	2024E
FCFF per share	18.78	(45.62)	24.74	31.30	46.14
FCFE per share	63.47	(13.98)	(12.40)	18.06	50.29
Recurring cash flow per share	59.15	77.96	87.08	95.18	112.68

Balance Sheet (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Tangible fixed assets (gross)	621,946	669,229	745,346	821,463	897,581
Less: Accumulated depreciation	(258,521)	(258,521)	(288,670)	(322,987)	(360,288)
Tangible fixed assets (net)	363,425	410,708	456,676	498,477	537,293
Intangible fixed assets (net)	0	0	0	0	0
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	114,890	137,684	137,684	137,684	137,684
Cash & equivalents	102,981	67,610	32,925	34,802	75,352
A/C receivable	54,842	78,951	90,158	102,303	117,010
Inventories	54,654	83,121	58,316	63,579	71,339
Other current assets	1,540	3,334	8,197	8,879	10,749
Current assets	214,017	233,016	189,596	209,563	274,450
Other assets	57,049	79,694	79,694	79,694	79,694
Total assets	749,381	861,101	863,649	925,417	1,029,121
Common equity	320,972	365,691	405,323	449,435	511,070
Minorities etc.	75,154	84,318	95,639	108,268	142,257
Total shareholders' equity	396,126	450,008	500,963	557,703	653,327
Long term debt	160,553	206,291	206,291	206,291	206,291
Other long-term liabilities	31,281	36,415	36,415	36,415	36,415
Long-term liabilities	191,834	242,706	242,706	242,706	242,706
A/C payable	65,273	75,026	49,840	54,338	60,970
Short term debt	88,092	83,812	63,812	63,812	63,812
Other current liabilities	8,055	9,549	6,328	6,858	8,305
Current liabilities	161,420	168,386	119,980	125,008	133,087
Total liabilities and shareholders' equity	749,381	861,101	863,649	925,417	1,029,121
Net working capital	37,708	80,831	100,503	113,565	129,824
Invested capital	573,072	708,916	774,556	829,419	884,494

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

Per share (THB)	2020	2021	2022E	2023E	2024E
Book value per share	267.48	304.74	337.77	374.53	425.89
Tangible book value per share	267.48	304.74	337.77	374.53	425.89

Financial strength	2020	2021	2022E	2023E	2024E
Net debt/equity (%)	36.8	49.4	47.3	42.2	29.8
Net debt/total assets (%)	19.4	25.8	27.5	25.4	18.9
Current ratio (x)	1.3	1.4	1.6	1.7	2.1
CF interest cover (x)	19.4	4.7	4.2	9.0	15.3

Valuation	2020	2021	2022E	2023E	2024E
Recurring P/E (x) *	13.4	9.7	7.7	7.2	5.6
Recurring P/E @ target price (x) *	17.0	12.3	9.8	9.1	7.1
Reported P/E (x)	13.4	9.7	7.7	7.2	5.6
Dividend yield (%)	3.8	4.3	4.5	4.1	4.6
Price/book (x)	1.4	1.3	1.1	1.0	0.9
Price/tangible book (x)	1.4	1.3	1.1	1.0	0.9
EV/EBITDA (x) **	11.2	10.8	8.6	7.9	5.4
EV/EBITDA @ target price (x) **	13.2	12.5	9.9	9.1	6.2
EV/invested capital (x)	1.2	1.1	1.0	1.0	0.9

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

Sources: Siam Cement; FSSIA estimates

Corporate Governance report of Thai listed companies 2020

EXCELLENT LEVEL										
AAV	ADVANC	AF	AIRA	AKP	AKR	ALT	AMA	AMATA	AMATAV	ANAN
AOT	AP	ARIP	ARROW	ASP	BAFS	BANPU	BAY	BCP	BCPG	BDMS
BEC	BEM	BGRIM	BIZ	BKI	BLA	BOL	BPP	BRR	BTS	BWG
CENTEL	CFRESH	CHEWA	CHO	CIMBT	CK	CKP	CM	CNT	COL	COMAN
COTTO	CPALL	CPF	CPI	CPN	CSS	DELTA	DEMCO	DRT	DTAC	DTC
DV8	EA	EASTW	ECF	ECL	EGCO	EPG	ETE	FNS	FPI	FPT
FSMART	GBX	GC	GCAP	GEL	GFPT	GGC	GPSC	GRAMMY	GUNKUL	HANA
HARN	HMPRO	ICC	ICI	III	ILINK	INTUCH	IRPC	IVL	JKN	JSP
JWD	K	KBANK	KCE	KKP	KSL	KTB	KTC	LANNA	LH	LHFG
LIT	LPN	MAKRO	MALEE	MBK	MBKET	MC	MCOT	METCO	MFEC	MINT
MONO	MOONG	MSC	MTC	NCH	NCL	NEP	NKI	NOBLE	NSI	NVD
NYT	OISHI	ORI	OTO	PAP	PCSGH	PDJ	PG	PHOL	PLANB	PLANET
PLAT	PORT	PPS	PR9	PREB	PRG	PRM	PSH	PSL	PTG	PTT
PTTEP	PTTGC	PYLON	Q-CON	QH	QTC	RATCH	RS	S	S & J	SAAM
SABINA	SAMART	SAMTEL	SAT	SC	SCB	SCC	SCCC	SCG	SCN	SDC
SEAFCO	SEOIL	SE-ED	SELIC	SENA	SIRI	SIS	SITHAI	SMK	SMPC	SNC
SONIC	SORKON	SPALI	SPI	SPRC	SPVI	SSSC	SST	STA	SUSCO	SUTHA
SVI	SYMC	SYNTEC	TACC	TASCO	TCAP	TFMAMA	THANA	THANI	THCOM	THG
THIP	THRE	THREL	TIP	TIPCO	TISCO	TK	TKT	TTB	TMILL	TNDT
TNL	TOA	TOP	TPBI	TQM	TRC	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

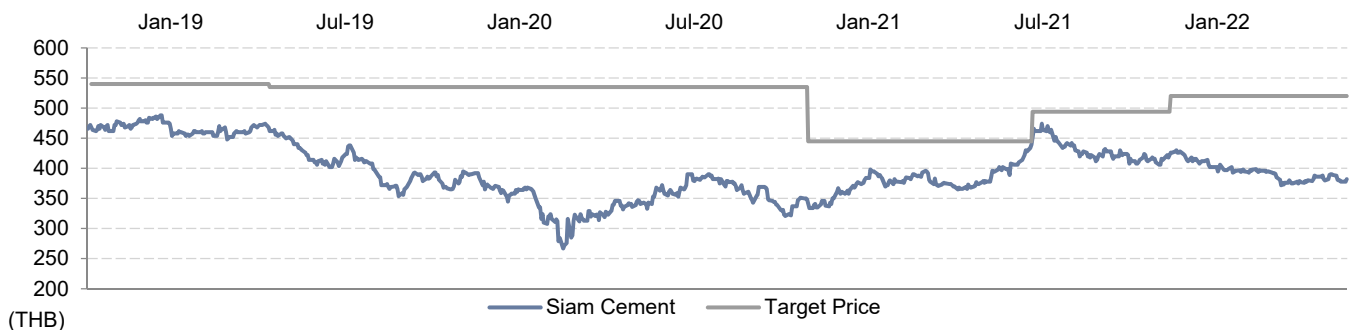
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

This report has been prepared by FSS International Investment Advisory Company Limited (FSSIA). The information herein has been obtained from sources believed to be reliable and accurate; however FSS makes no representation as to the accuracy and completeness of such information. Information and opinions expressed herein are subject to change without notice. FSS has no intention to solicit investors to buy or sell any security in this report. In addition, FSS does not guarantee returns nor price of the securities described in the report nor accept any liability for any loss or damage of any kind arising out of the use of such information or opinions in this report. Investors should study this report carefully in making investment decisions. All rights are reserved.

This report may not be reproduced, distributed or published by any person in any manner for any purpose without permission of FSSIA. Investment in securities has risks. Investors are advised to consider carefully before making investment decisions.

History of change in investment rating and/or target price

Siam Cement (SCC TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
31-Jan-2019	BUY	540.00	14-Oct-2020	BUY	445.00	25-Aug-2021	BUY	520.00
05-Jul-2019	BUY	535.00	27-Apr-2021	BUY	494.00			

Suwat Sinsadok, CFA, FRM, ERP started covering this stock from 14-Oct-2020

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Siam Cement	SCC TB	THB 382.00	BUY	Downside risks to our SOTP based TP include 1) a lower-than-expected demand for chemicals, CBM, and packaging; 2) rising coal costs for its cement and packaging units; and 3) weaker demand from the automobile industry that could erode the demand for SCC's chemical unit and its dividend contributions.

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 26-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.