

THAICOM THCOM TB

THAILAND / ICT

REDUCE

UNCHANGED

TARGET PRICE	THB9.20
CLOSE	THB10.30
UP/DOWNSIDE	-10.7%
PRIOR TP	THB7.10
CHANGE IN TP	+29.6%
TP vs CONSENSUS	-8.8%

Judgment day is coming

- Short-term outlook remains unattractive;
- One and only hope is the satellite auction, with the bidding process expected to begin in mid-2022;
- Maintain REDUCE with our new TP of THB9.20.

Long-term outlook hinges on satellite auction result

We believe that securing a new satellite is crucial for the company's growth outlook. We expect the auction process to resume in mid-2022, now that the senate has finally approved five out of seven board members of the National Broadcasting and Telecommunications Commission (NBTC) at the end of 2021. We believe this to be the future key catalyst for the company as it would show the direction of THCOM's long-term outlook.

LTC's performance could be a key downside risk

THCOM's share of the losses from its investment in associate Lao Telecommunications (LTC) at THB267m was due to an appreciation of the US dollar against the Lao kip due to the mark-to-market valuation of its accrued dividend and US dollar loan. The kip depreciated versus the US dollar by over 17% in 2021, with the trend continuing by 2% YTD. Although LTC's operation is still profitable, the weakening of the kip could pressure THCOM's performance and risk outlook, however, it is possible that the kip's decline may not continue along the same trend as in 2021.

Earnings revision

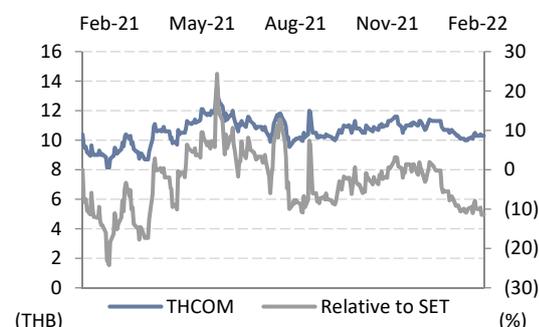
Although the operation agreement for Thaicom's TC4 and TC6 satellites has ended, the company could still generate a profit from its agreement to continue purchasing some bandwidth capacity on those same satellites from National Telecom (NT) and others to service its existing customers. Moreover, thanks to the tiny profit from Thaicom's TC7 and TC8 satellites, we revised our earnings projection for THCOM in 2022 to THB190m, up from THB37m.

Maintain REDUCE with a new TP of THB9.2

We upgrade our TP from THB7.1 to THB9.2 in order to reflect THCOM's potential to generate a better-than-expected net profit, despite the expiration of its TC4 and TC6 satellites. However, with no update from the new NBTC board, the timeline for the satellite auction expected in mid-2022 remains unclear. Therefore, we think THCOM's earnings could remain unattractive throughout the year and we maintain our REDUCE call.

KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Revenue	3,303	2,350	2,421	2,299
Net profit	144	190	227	184
EPS (THB)	0.13	0.17	0.21	0.17
vs Consensus (%)	-	(19.4)	(18.6)	129.7
EBITDA	1,189	558	517	403
Core net profit	(238)	190	227	184
Core EPS (THB)	(0.22)	0.17	0.21	0.17
Chg. In EPS est. (%)	nm	415.1	206.0	nm
EPS growth (%)	nm	nm	20.0	(19.1)
Core P/E (x)	(47.4)	59.6	49.7	61.4
Dividend yield (%)	2.9	1.2	1.4	1.1
EV/EBITDA (x)	6.4	12.7	13.3	16.4
Price/book (x)	1.0	1.0	1.0	1.0
Net debt/Equity (%)	(32.7)	(37.5)	(39.1)	(41.3)
ROE (%)	(2.1)	1.7	2.0	1.6



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(1.9)	(7.2)	1.0
Relative to country (%)	(3.8)	(10.9)	(10.4)
Mkt cap (USD m)	345		
3m avg. daily turnover (USD m)	1.8		
Free float (%)	59		
Major shareholder	Intouch Holdings (41%)		
12m high/low (THB)	14.10/7.90		
Issued shares (m)	1,096.10		

Sources: Bloomberg consensus; FSSIA estimates


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Investment thesis

We see THCOM as facing too many challenges going forward. All of these could present both upside and downside risks to the company in the long term. In our view, the main obstacles that could affect its outlook in the near future are as follows:

- 1) An unattractive net profit in 2022;
- 2) A partnership with National Telecom (NT);
- 3) The upcoming bidding process for the right to use the satellite orbital slot in 2022;
- 4) Low Earth Orbit (LEO) satellites.

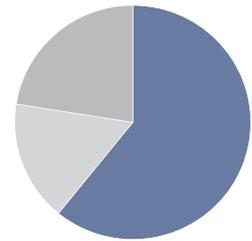
Company profile

Thaicom is a leading Asian satellite operator and provider of integrated satellite communications since 1991. Thaicom was the first operator in the world to develop and launch a High Throughput Satellite (HTS). Thaicom currently operates a fleet of 4 high performance satellites covering Asia, Oceania, and Africa.

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Principal activities (revenue, 2021)

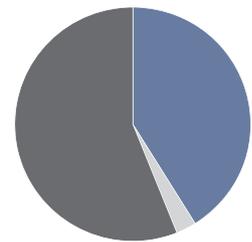
- Conventional satellite - 60.9 %
- Broadband satellite - 16.7 %
- Other revenue - 22.5 %



Source: Thaicom

Major shareholders

- Intouch Holdings - 41.1 %
- Thai NVDR - 2.8 %
- Others - 56.1 %



Source: Thaicom

Catalysts

- Sluggish earnings in the next two years;
- Inability to find new customers during the concession expiration.

Risks to our call

The key upside risks to our P/BV-based TP are 1) if the company is able to secure a new right of use concession for the satellite orbital slots and can generate significant revenue from it; and 2) if it can form a partnership with NT or LEO satellite operators.

Event calendar

Date	Event
May-22	1Q22 results announcement

Key assumptions

	2019	2020	2021	2022E	2023E
	(%)	(%)	(%)	(%)	(%)
Utilisation rate					
- Conventional	55	63	65	63	65
- Broadband	23	20	18	0	0

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in revenue, we project 2022 earnings to rise by 0.3%, and vice versa, all else being equal.
- For every 10 bps increase in gross profit margin, we project 2022 earnings to rise by 4.6%, and vice versa, all else being equal.

Source: FSSIA estimates

Weak 4Q21 results due to LTC

THCOM reported 4Q21 revenue of THB794m (-14% q-q, -1% y-y), with the q-q decrease from 3Q21 being due to a one-time revenue recognition in 3Q21. However, the THB794m revenue in 4Q21 was higher than our expectation as the company was able to maintain its revenue at a normal level over the entire quarter despite the expiration of its former agreement for the TC4 and TC6 satellites. We think the company's new strategy of providing service to its customers by renting bandwidth slots from other satellites helped maintain its revenue.

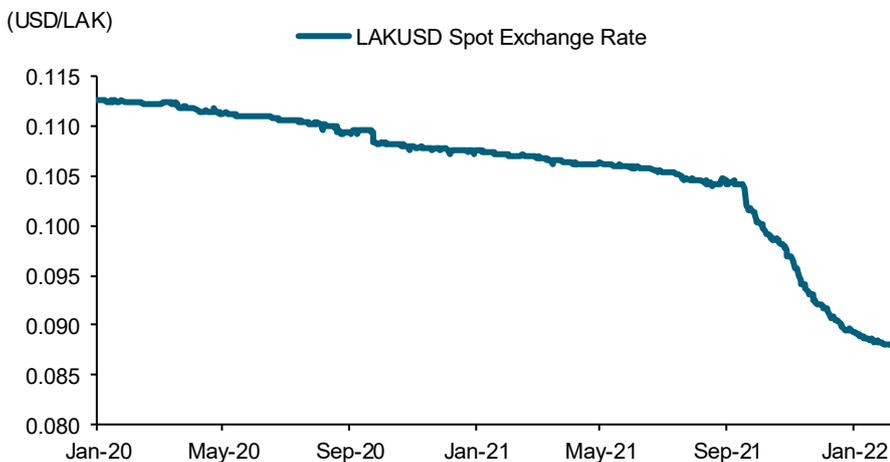
Its GPM also increased to 50% vs its normal level of 20% thanks to no depreciation or operating costs for TC4 and TC6. However, the company recognised a loss from its associate company LTC due to depreciation of the Lao kip vs the US dollar that resulted in a mark-to-market loss for its accrued dividend and US dollar loan of THB180m. As a result, the company posted a core loss in 4Q21 of THB55m vs its THB42m loss in 3Q21.

Exhibit 1: 4Q21 results review

	4Q20	3Q21	4Q21	----- Change -----		2020	2021	Change	2022E
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)	(THB m)
Revenue	801	925	794	(14.2)	(0.9)	3,557	3,303	(7.1)	2,350
Operating costs	(509)	(656)	(394)	(39.9)	(22.5)	(2,578)	(2,350)	(8.9)	(1,363)
Gross profit	292	270	399	48.2	36.7	978	953	(2.6)	987
SG&A expenses	(328)	(225)	(232)	3.1	(29.3)	(927)	(884)	(4.7)	(883)
EBIT	(36)	44	167	277.0	n.a.	51	69	35.9	104
Depn & amort.	265	296	147	(50.5)	(44.6)	1,272	1,120	(12.0)	454
EBITDA	229	340	314	(7.8)	37.3	1,323	1,189	(10.1)	558
EBITDA margin (%)	29	37	40	nm	nm	37	36	nm	24
Interest expense	(41)	(46)	(29)	(36.3)	(29.0)	(188)	(155)	(17.5)	(114)
Other income	(682)	38	37	(0.9)	n.a.	200	203	1.7	223
Extra items	(170)	188	(17)	n.a.	(90.2)	562	382	(32.0)	-
Associates	(19)	(67)	(180)	170.9	850.2	4	(267)	n.a.	23
Pretax profit	(948)	158	(21)	n.a.	(97.7)	628	232	(63.1)	237
Tax	(30)	(12)	(50)	306.4	68.7	(114)	(88)	(22.7)	(47)
Tax rate (%)	3	(8)	233	nm	nm	(18)	(38)	nm	(20)
Net profit	(977)	146	(71)	n.a.	(92.7)	514	144	(72.0)	190
Core net profit	(807)	(42)	(55)	28.6	(93.2)	(135)	(238)	76.2	190
EPS (THB)	(0.89)	0.13	(0.07)	n.a.	(92.7)	0.47	0.13	(72.0)	0.17
Core EPS (THB)	(0.74)	(0.04)	(0.05)	28.6	(93.2)	(0.12)	(0.22)	76.2	0.17

Sources: THCOM; FSSIA estimates

Exhibit 2: Lao kip vs US dollar



Sources: Bloomberg; FSSIA's compilation

Exhibit 3: Key assumption changes

	----- New -----		----- Previous -----		----- Change-----	
	2022E (THB m)	2023E (THB m)	2022E (THB m)	2023E (THB m)	2021E (%)	2022E (%)
Revenue	2,350	2,421	1,850	1,943	27.0	24.6
Operating expense	104	107	(11)	23	<i>n.a.</i>	365.5
EBITDA	558	517	360	363	55.0	42.5
EBIT	350	386	231	277	51.7	39.5
Core net profit	190	227	37	74	412.2	207.2
Margin	(%)	(%)	(%)	(%)	(ppt)	(ppt)
EBITDA margin	23.7	21.4	19.5	18.7	4.3	2.7
Net profit margin	8.1	9.4	2.0	3.8	6.1	5.6

Source: FSSIA estimates

Exhibit 4: Rolling one-year forward P/BV band



Sources: Bloomberg; FSSIA estimates

Financial Statements

Thaicom

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Revenue	3,557	3,303	2,350	2,421	2,299
Cost of goods sold	(1,306)	(1,230)	(909)	(994)	(960)
Gross profit	2,251	2,073	1,441	1,427	1,340
Other operating income	-	-	-	-	-
Operating costs	(927)	(884)	(883)	(910)	(937)
Operating EBITDA	1,323	1,189	558	517	403
Depreciation	(1,272)	(1,120)	(454)	(410)	(374)
Goodwill amortisation	-	-	-	-	-
Operating EBIT	51	69	104	107	29
Net financing costs	(188)	(155)	(114)	(102)	(92)
Associates	4	(267)	23	45	47
Recurring non-operating income	203	(64)	246	279	293
Non-recurring items	562	382	0	0	0
Profit before tax	628	232	237	284	230
Tax	(114)	(88)	(47)	(57)	(46)
Profit after tax	514	144	190	227	184
Minority interests	-	-	-	-	-
Preferred dividends	-	-	-	-	-
Other items	0	0	0	0	0
Reported net profit	514	144	190	227	184
Non-recurring items & goodwill (net)	(649)	(382)	0	0	0
Recurring net profit	(135)	(238)	190	227	184
Per share (THB)					
Recurring EPS *	(0.12)	(0.22)	0.17	0.21	0.17
Reported EPS	0.47	0.13	0.17	0.21	0.17
DPS	0.20	0.30	0.12	0.15	0.12
Diluted shares (used to calculate per share data)	1,096	1,096	1,096	1,096	1,096
Growth					
Revenue (%)	(23.7)	(7.1)	(28.8)	3.0	(5.0)
Operating EBITDA (%)	(25.1)	(10.1)	(53.1)	(7.3)	(22.2)
Operating EBIT (%)	nm	35.9	50.7	2.7	(73.3)
Recurring EPS (%)	nm	nm	nm	20.0	(19.1)
Reported EPS (%)	nm	(72.0)	31.9	20.0	(19.1)
Operating performance					
Gross margin inc. depreciation (%)	27.5	28.9	42.0	42.0	42.0
Gross margin of key business (%)	-	-	-	-	-
Operating EBITDA margin (%)	37.2	36.0	23.7	21.4	17.5
Operating EBIT margin (%)	1.4	2.1	4.4	4.4	1.2
Net margin (%)	(3.8)	(7.2)	8.1	9.4	8.0
Effective tax rate (%)	20.0	20.0	20.0	120.0	220.0
Dividend payout on recurring profit (%)	(162.2)	(138.0)	70.0	70.0	70.0
Interest cover (X)	1.4	0.0	3.1	3.8	3.5
Inventory days	25.1	9.3	9.1	13.6	13.8
Debtor days	193.1	218.0	243.3	164.0	169.7
Creditor days	136.9	131.5	136.3	81.5	83.9
Operating ROIC (%)	0.8	1.1	1.8	(0.5)	(0.9)
ROIC (%)	2.1	0.0	3.1	(0.9)	(4.6)
ROE (%)	(1.2)	(2.1)	1.7	2.0	1.6
ROA (%)	0.1	(0.7)	1.9	1.5	0.5
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Conventional satellite	2,133	2,010	2,350	2,421	2,299
Broadband satellite	1,415	550	0	0	0
Other revenue	9	743	0	0	0

Sources: Thaicom ; FSSIA estimates

Financial Statements

Thaicom

Cash Flow (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Recurring net profit	(135)	(238)	190	227	184
Depreciation	1,272	1,120	454	410	374
Associates & minorities	(4)	267	0	0	0
Other non-cash items	1,019	(36)	0	0	0
Change in working capital	(383)	113	502	(41)	76
Cash flow from operations	1,770	1,224	1,146	596	634
Capex - maintenance	(31)	(29)	(92)	(92)	(92)
Capex - new investment	(47)	(43)	(138)	(138)	(138)
Net acquisitions & disposals	(1,227)	1,194	0	0	0
Other investments (net)	141	325	0	0	0
Cash flow from investing	(1,164)	1,446	(230)	(230)	(230)
Dividends paid	(219)	(219)	(133)	(159)	(129)
Equity finance	0	0	0	0	0
Debt finance	(494)	(2,825)	(509)	(76)	(68)
Other financing cash flows	(214)	(145)	(228)	0	0
Cash flow from financing	(928)	(3,189)	(869)	(235)	(197)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	1,239	0	0	0	0
Net other adjustments	1,239	(1,198)	0	0	0
Movement in cash	917	(1,717)	47	131	208
Free cash flow to firm (FCFF)	793.40	2,826.02	1,029.32	468.48	496.51
Free cash flow to equity (FCFE)	1,136.11	(1,497.73)	179.26	290.52	336.34

Per share (THB)

FCFF per share	0.72	2.58	0.94	0.43	0.45
FCFE per share	1.04	(1.37)	0.16	0.27	0.31
Recurring cash flow per share	1.96	1.01	0.59	0.58	0.51

Balance Sheet (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Tangible fixed assets (gross)	12,194	12,128	12,188	12,248	12,308
Less: Accumulated depreciation	(9,103)	(9,350)	(9,648)	(9,918)	(10,162)
Tangible fixed assets (net)	3,091	2,778	2,540	2,330	2,146
Intangible fixed assets (net)	799	1,496	1,511	1,540	1,580
Long-term financial assets	899	750	750	750	750
Invest. in associates & subsidiaries	1,393	1,249	1,249	1,249	1,249
Cash & equivalents	6,619	4,902	4,949	5,080	5,288
A/C receivable	1,867	2,078	1,055	1,121	1,017
Inventories	55	7	38	36	36
Other current assets	931	1,062	1,063	1,064	1,064
Current assets	9,473	8,050	7,105	7,301	7,406
Other assets	1,022	1,016	862	872	857
Total assets	16,676	15,340	14,017	14,043	13,988
Common equity	11,247	11,129	11,186	11,254	11,310
Minorities etc.	0	0	0	0	0
Total shareholders' equity	11,247	11,129	11,186	11,254	11,310
Long term debt	1,204	841	757	682	613
Other long-term liabilities	723	1,947	1,698	1,714	1,695
Long-term liabilities	1,927	2,788	2,456	2,396	2,308
A/C payable	424	462	217	227	214
Short term debt	2,704	424	0	0	0
Other current liabilities	374	536	158	165	156
Current liabilities	3,502	1,422	375	392	371
Total liabilities and shareholders' equity	16,676	15,340	14,017	14,043	13,988
Net working capital	2,056	2,150	1,781	1,828	1,747
Invested capital	9,259	9,440	8,693	8,570	8,330

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

Per share (THB)

Book value per share	10.26	10.15	10.21	10.27	10.32
Tangible book value per share	9.53	8.79	8.83	8.86	8.88

Financial strength

Net debt/equity (%)	(24.1)	(32.7)	(37.5)	(39.1)	(41.3)
Net debt/total assets (%)	(16.3)	(23.7)	(29.9)	(31.3)	(33.4)
Current ratio (x)	2.7	5.7	19.0	18.6	20.0
CF interest cover (x)	7.3	(8.4)	3.8	5.2	6.2

Valuation	2020	2021	2022E	2023E	2024E
Recurring P/E (x) *	(83.5)	(47.4)	59.6	49.7	61.4
Recurring P/E @ target price (x) *	(74.6)	(42.3)	53.2	44.4	54.8
Reported P/E (x)	22.0	78.6	59.6	49.7	61.4
Dividend yield (%)	1.9	2.9	1.2	1.4	1.1
Price/book (x)	1.0	1.0	1.0	1.0	1.0
Price/tangible book (x)	1.1	1.2	1.2	1.2	1.2
EV/EBITDA (x) **	6.5	6.4	12.7	13.3	16.4
EV/EBITDA @ target price (x) **	5.6	5.4	10.6	11.0	13.4
EV/invested capital (x)	0.9	0.8	0.8	0.8	0.8

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

Sources: Thaicom ; 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

Naruedom Mujjalinkool FSS International Investment Advisory Securities Co., Ltd

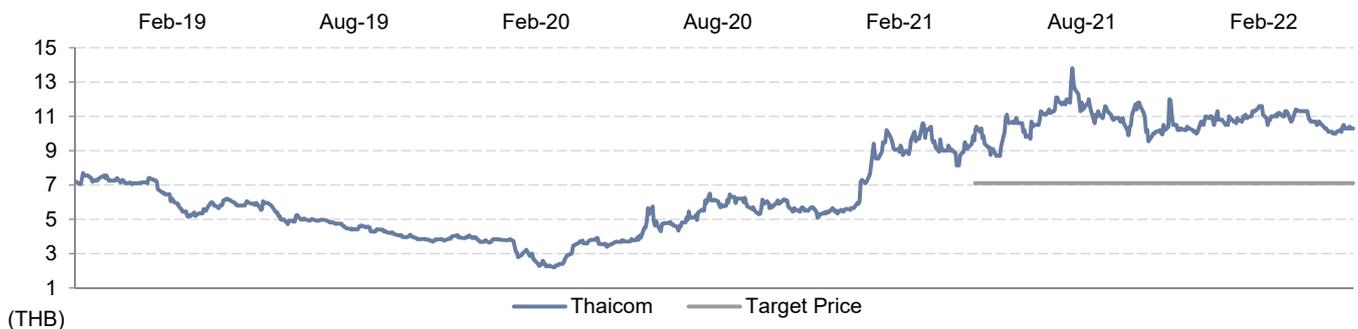
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History of change in investment rating and/or target price

Thaicom (THCOM TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
24-Mar-2021	REDUCE	7.10	-	-	-	-	-	-

Naruedom Mujjalinkool started covering this stock from 24-Mar-2021

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Thaicom	THCOM TB	THB 10.30	REDUCE	The key upside risks to our P/BV-based TP are 1) if the company is able to secure a new right of use concession for the satellite orbital slots and can generate significant revenue from it; and 2) if it can form a partnership with NT or LEO satellite operators.

Source: FSSIA estimates

Additional Disclosures

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finasia Syrus Securities Public Company Limited

FSSIA may incorporate the recommendations and target prices of companies currently covered by FSS Research into equity research reports, denoted by an 'FSS' before the recommendation. FSS Research is part of Finasia Syrus Securities Public Company Limited, which is the parent company of FSSIA.

All share prices are as at market close on 11-Feb-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.