

# BTS GROUP HOLDINGS

# BTS TB

THAILAND / TRANSPORT &amp; LOGISTICS

# BUY

UNCHANGED

## Better mass transit outlook

- We believe a slow recovery in BTS' short-term earnings would be offset by its strong long-term outlook.
- Clearer timelines for the Orange Line and the extension of the Green Line could eliminate the overhang on BTS' outlook.
- Maintain BUY with a new TP of THB11.8.

TARGET PRICE	THB11.80
CLOSE	THB9.90
UP/DOWNSIDE	+19.2%
PRIOR TP	THB11.00
CHANGE IN TP	+7.3%
TP vs CONSENSUS	-2.5%

### KEY STOCK DATA

YE Mar (THB m)	2021	2022E	2023E	2024E
Revenue	35,128	29,769	24,029	12,642
Net profit	4,447	2,718	3,541	4,607
EPS (THB)	0.34	0.21	0.27	0.35
vs Consensus (%)	-	1.9	7.6	23.2
EBITDA	4,668	3,817	3,923	3,617
Core net profit	1,909	2,718	3,541	4,607
Core EPS (THB)	0.15	0.21	0.27	0.35
Chg. In EPS est. (%)	-	(5.9)	(16.8)	(1.7)
EPS growth (%)	(47.1)	42.3	30.3	30.1
Core P/E (x)	68.2	48.0	36.8	28.3
Dividend yield (%)	2.8	1.7	2.2	2.8
EV/EBITDA (x)	54.0	66.4	61.1	62.2
Price/book (x)	2.2	2.1	2.1	2.1
Net debt/Equity (%)	139.1	140.2	121.5	101.5
ROE (%)	3.3	4.5	5.8	7.4

### Earnings revisions due to weak performance of VGI

We revise our earnings estimates on BTS down to THB2.7b and THB3.5b from THB2.9b and THB4.3b in FY22 and FY23, respectively, as the recoveries of VGI (VGI TB, BUY, TP THB6.10) and BTSGIF (NR), the company's subsidiaries, have been lower than our expectation. However, we believe BTS' earnings should continue to improve from FY22 onward thanks to the expectation that VGI's, BTSGIF's, and U City (U TB, NR)'s earnings should have already bottomed out.

### Updates on the Green and Orange Lines

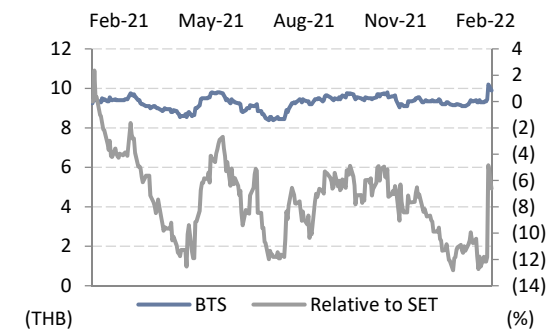
The Mass Rapid Transit Authority of Thailand announced last week that the Orange Line concession auction would be held within Aug-22, while the Orange Line East and West sections could be operational within 2025 and 2027. This is the first update about the Orange Line auction in the past couple of months. Now that the timeline has been announced, we have more confidence on the Orange Line. Moreover, we expect the issue over the end of the Green Line contract extension, which is now under consideration by the cabinet, to be finalised very soon.

### Positive outlook in the long term

In our opinion, BTS still has positive catalysts waiting in the long term, including 1) the Orange and Green Lines, which used to be an overhang, now have clearer timelines; 2) VGI's performance should start to recover gradually; 3) the improvement of U's earnings after the investment in Jay Mart (JMART TB, BUY, TP THB55.50) and Singer Thailand (SINGER TB, BUY, TP THB51); 4) the Yellow and Pink Lines are expected to partially operate within this year; and 5) the recovery of mass transit ridership. Hence, we still like BTS for long-term investment.

### Maintain BUY with a new TP of THB11.8

We roll over our TP to FY23, resulting in a TP upgrade from THB11 to THB11.80. The key changes to our SOTP valuation include 1) VGI's lower TP from THB6.30 to THB6.10 to reflect the impact of Kerry Express' (KEX TB, REDUCE, TP THB19) weak outlook; and 2) the higher market prices for U and U-P, as these two stocks have jumped to THB1.84 and THB1.2, respectively, almost double the market prices in our previous valuation. We maintain our BUY call on BTS.



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	7.6	3.7	5.9
Relative to country (%)	5.0	0.7	(6.2)
Mkt cap (USD m)	4,047		
3m avg. daily turnover (USD m)	11.2		
Free float (%)	58		
Major shareholder	Mr. Keeree Kanjanapas (19%)		
12m high/low (THB)	10.20/8.30		
Issued shares (m)	13,154.64		

Sources: Bloomberg consensus; FSSIA estimates


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### Investment thesis

BTS is a leading mass transit operator with the highest ridership in Thailand. The company currently operates 70.1km of mass transit lines and expects to hit 133.4km (2x from 2020) in 2022.

BTS is an aggressive company that invests heavily in infrastructure projects in Thailand, especially mass transit. The company also focuses on investing in companies that have strong growth potential, such as VGI (VGI TB, BUY, TP THB6.10), U City (U TB, NR), and many other companies, with a total investment value of THB65b. Infrastructure projects in Thailand are in their growth stage, and there are still many projects in the government’s pipeline that are expected to come out every year.

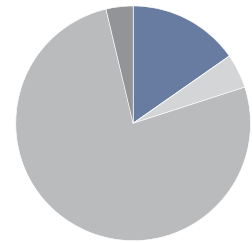
### Company profile

BTS operates 4 core businesses namely (1) Mass Transit Business (BTS SkyTrain and Bus Rapid Transit) (2) Media Business (3) Property Business and (4) Services Business

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### Principal activities (revenue, 2021)

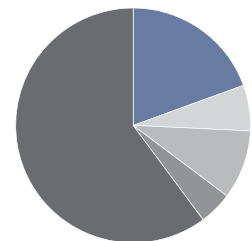
- O&M - 15.3 %
- Advertising - 4.7 %
- Construction - 76.3 %
- Others - 3.7 %



Source: BTS Group Holdings

### Major shareholders

- Mr. Keeree Kanjanapas - 19.5 %
- UBS AG Singapore - 6.3 %
- Thai NVDR - 9.5 %
- Mr. Kavin Kanjanapas - 4.6 %
- Others - 60.2 %



Source: BTS Group Holdings

### Catalysts

Potential catalysts for BTS include future projects such as the Pink and Yellow mass transit lines and U-Tapao Airport. We estimate strong recovery prospects in the O&M business in FY22.

### Risks to our call

The key downside risks to our SOTP-based TP include a slower-than-expected recovery of the Thai economic outlook and the company not being able to win new mass transit projects.

### Event calendar

Date	Event
Jun-22	FY22 results announcement

### Key assumptions

	FY21 (%)	FY22E (%)	FY23E (%)	FY24E (%)
Ridership growth	(47)	(36)	75	57
VGI's revenue growth	(38)	74	33	19

Source: FSSIA estimates

### Earnings sensitivity

- For every 1% change in VGI’s revenue, we project FY22 earnings to change by 0.35%, all else being equal;
- For every 1% change in daily mass transit ridership, we project FY22 earnings to change by 0.45%, all else being equal.

Source: FSSIA estimates

## 3QFY22 results review

BTS' core net profit in 3QFY22 (Oct-Dec 2021) was THB608m, improving from the previous quarter's THB317m (+92% q-q, -46% y-y), thanks to an improving share of profits. Share of profits from investments in associates jumped to THB311m vs a THB236m loss in the previous quarter thanks to 1) a one-time gain of THB432m from U; 2) the recovery of the mass transit ridership volume following the lockdown easing, boosting BTS Rail Mass Transit Growth Infrastructure Fund (BTSGIF TB, NR)'s performance. Total revenue in 3QFY22 surged by 41% q-q to THB7.9b, mainly due to 1) the full-quarter revenue contribution from Fanslink, VGI's subsidiary; 2) the recovery of the media business; and 3) higher revenue from the construction of the Pink and Yellow Lines, as construction was able to resume after the lockdown in 2QFY22.

### Exhibit 1: 3QFY22 results review

	3QFY21	2QFY22	3QFY22	Change		9MFY21	9MFY22	Change	FY22E
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)	(THB m)
<b>Revenue</b>	<b>8,779</b>	<b>5,589</b>	<b>7,896</b>	<b>41.3</b>	<b>(10.1)</b>	<b>27,509</b>	<b>21,327</b>	<b>(22.5)</b>	<b>29,769</b>
Operating costs	(7,169)	(4,233)	(6,406)	51.3	(10.6)	(22,981)	(16,909)	(26.4)	(24,244)
<b>Gross profit</b>	<b>1,610</b>	<b>1,356</b>	<b>1,490</b>	<b>9.8</b>	<b>(7.5)</b>	<b>4,528</b>	<b>4,417</b>	<b>(2.4)</b>	<b>5,525</b>
SG&A expenses	(608)	(621)	(765)	23.2	25.7	(1,764)	(2,067)	17.2	(2,855)
<b>EBIT</b>	<b>1,001</b>	<b>736</b>	<b>725</b>	<b>(1.5)</b>	<b>(27.6)</b>	<b>2,765</b>	<b>2,351</b>	<b>(15.0)</b>	<b>2,670</b>
Deprn & amort.	222	209	249	19.0	11.8	630	694	10.1	1,147
<b>EBITDA</b>	<b>1,224</b>	<b>945</b>	<b>974</b>	<b>3.1</b>	<b>(20.5)</b>	<b>3,395</b>	<b>3,045</b>	<b>(10.3)</b>	<b>3,817</b>
<i>EBITDA margin (%)</i>	<i>14</i>	<i>17</i>	<i>12</i>	<i>nm</i>	<i>nm</i>	<i>12</i>	<i>14</i>	<i>nm</i>	<i>13</i>
Interest expense	(655)	(838)	(865)	3.3	32.0	(1,837)	(2,424)	32.0	(3,438)
Other income	3,172	1,274	1,156	(9.2)	(63.5)	5,267	4,042	(23.2)	4,352
Associates	(639)	(236)	311	(231.7)	(148.7)	(1,360)	56	(104.1)	-
<b>Pretax profit</b>	<b>2,879</b>	<b>936</b>	<b>1,328</b>	<b>41.9</b>	<b>(53.9)</b>	<b>4,835</b>	<b>4,025</b>	<b>(16.8)</b>	<b>3,583</b>
Tax	(746)	(336)	(270)	(19.5)	(63.8)	(1,412)	(929)	(34.2)	(717)
<i>Tax rate (%)</i>	<i>(26)</i>	<i>(36)</i>	<i>(20)</i>	<i>nm</i>	<i>nm</i>	<i>(29)</i>	<i>(23)</i>	<i>nm</i>	<i>(20)</i>
Minority interests	447	24	3	(87.6)	(99.3)	529	83	(84.4)	149
<b>Net profit</b>	<b>1,686</b>	<b>576</b>	<b>1,054</b>	<b>83.0</b>	<b>(37.5)</b>	<b>2,894</b>	<b>3,013</b>	<b>4.1</b>	<b>2,718</b>
Extra items	571	259	446	72.2	(21.9)	1,301	571	n.a.	-
<b>Core net profit</b>	<b>1,115</b>	<b>317</b>	<b>608</b>	<b>91.9</b>	<b>(45.5)</b>	<b>1,593</b>	<b>2,442</b>	<b>53.3</b>	<b>2,718</b>
EPS (THB)	0.13	0.04	0.08	83.0	(37.5)	0.22	0.23	4.1	0.21
Core EPS (THB)	0.08	0.02	0.05	91.9	(45.5)	0.12	0.19	53.3	0.21

Sources: BTS; FSSIA estimates

### Exhibit 2: Key assumption changes

	Current		Previous		Change	
	FY22E	FY23E	FY22E	FY23E	FY22E	FY23E
	(THB m)	(THB m)	(THB m)	(THB m)	(%)	(%)
Revenue	29,769	24,029	28,455	24,205	5	(1)
Gross profit	5,525	5,772	6,530	6,733	(15)	(14)
EBIT*	7,022	8,271	8,086	9,789	(13)	(16)
Interest expense	(3,438)	(3,510)	(3,982)	(3,510)	(14)	0
Net profit	2,718	3,541	2,887	4,252	(6)	(17)
<b>Margin</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>	<b>(ppt)</b>
GPM	18.56	24.02	22.95	27.82	(4.39)	(3.80)
NPM	9.13	14.74	10.15	17.57	(1.02)	(2.83)

Note: Includes share of profits from associates and other income  
Source: FSSIA estimates

**Exhibit 3: SOTP valuation**

	(THB m)	(THB/share)	Remarks
VGI & U	50,613	3.84	50.86% stake in VGI and 36.17% stake in U (from THB39b)
BTSGIF	12,559	0.95	33.33% stake in BTSGIF, DDM method (from THB13b)
O&M	55,092	4.18	WACC 7.2%, Risk free rate 3%, Risk premium 8%, zero terminal growth
Land bank	7,350	0.56	1.5x BV (from THB14b)
Net cash - Net debt*	(61,908)	(4.70)	At end-FY2023E (from THB71b)
Yellow & Pink Lines	65,737	4.99	WACC 7.2%, Risk free rate 3%, Risk premium 8%, zero terminal growth
Green Line contract	25,653	1.95	WACC 7.1%, Risk free rate 3%, Risk premium 8%, zero terminal growth
<b>Total</b>	<b>155,095</b>		
Share base (m)	13,164		
<b>TP (THB)</b>	<b>11.8</b>		

\*Note: Includes receivables related to the Green Line mass transit of THB32b

Sources: BTS; FSSIA estimates

## Financial Statements

### BTS Group Holdings

Profit and Loss (THB m) Year Ending Mar	2020	2021	2022E	2023E	2024E
Revenue	35,405	35,128	29,769	24,029	12,642
Cost of goods sold	(28,594)	(27,863)	(23,097)	(17,051)	(5,817)
<b>Gross profit</b>	<b>6,810</b>	<b>7,265</b>	<b>6,672</b>	<b>6,978</b>	<b>6,825</b>
Other operating income	-	-	-	-	-
Operating costs	(3,076)	(2,597)	(2,855)	(3,055)	(3,208)
<b>Operating EBITDA</b>	<b>3,734</b>	<b>4,668</b>	<b>3,817</b>	<b>3,923</b>	<b>3,617</b>
Depreciation	(971)	(811)	(1,147)	(1,206)	(1,262)
Goodwill amortisation	0	0	0	0	-
<b>Operating EBIT</b>	<b>2,763</b>	<b>3,857</b>	<b>2,670</b>	<b>2,717</b>	<b>2,355</b>
Net financing costs	359	627	(83)	(154)	176
Associates	953	(1,664)	0	1,109	2,410
Recurring non-operating income	1,626	(831)	996	2,199	3,573
Non-recurring items	4,333	3,504	0	0	0
<b>Profit before tax</b>	<b>9,081</b>	<b>7,157</b>	<b>3,583</b>	<b>4,761</b>	<b>6,104</b>
Tax	(1,478)	(1,927)	(717)	(952)	(1,221)
<b>Profit after tax</b>	<b>7,603</b>	<b>5,230</b>	<b>2,867</b>	<b>3,809</b>	<b>4,883</b>
Minority interests	336	(783)	(149)	(268)	(276)
Preferred dividends	0	0	0	0	-
Other items	0	0	0	0	0
<b>Reported net profit</b>	<b>7,939</b>	<b>4,447</b>	<b>2,718</b>	<b>3,541</b>	<b>4,607</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>(4,333)</b>	<b>(2,538)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>3,606</b>	<b>1,909</b>	<b>2,718</b>	<b>3,541</b>	<b>4,607</b>
<b>Per share (THB)</b>					
Recurring EPS *	0.27	0.15	0.21	0.27	0.35
Reported EPS	0.60	0.34	0.21	0.27	0.35
DPS	0.48	0.28	0.17	0.22	0.28
Diluted shares (used to calculate per share data)	13,155	13,155	13,164	13,164	13,164
<b>Growth</b>					
Revenue (%)	(20.5)	(0.8)	(15.3)	(19.3)	(47.4)
Operating EBITDA (%)	13.1	25.0	(18.2)	2.8	(7.8)
Operating EBIT (%)	10.2	39.6	(30.8)	1.8	(13.3)
Recurring EPS (%)	24.6	(47.1)	42.3	30.3	30.1
Reported EPS (%)	148.8	(44.0)	(38.9)	30.3	30.1
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	16.5	18.4	18.6	24.0	44.0
Gross margin of key business (%)	16.5	18.4	18.6	24.0	44.0
Operating EBITDA margin (%)	10.5	13.3	12.8	16.3	28.6
Operating EBIT margin (%)	7.8	11.0	9.0	11.3	18.6
Net margin (%)	10.2	5.4	9.1	14.7	36.4
Effective tax rate (%)	15.9	26.4	20.0	20.0	20.0
Dividend payout on recurring profit (%)	175.1	191.8	80.0	80.0	80.0
Interest cover (X)	(12.2)	(4.8)	44.3	31.9	(33.7)
Inventory days	-	-	-	-	-
Debtor days	53.6	39.5	12.0	23.1	43.7
Creditor days	111.5	89.4	94.9	137.6	431.6
Operating ROIC (%)	40.4	49.5	124.4	115.5	(31.6)
ROIC (%)	2.5	1.4	1.5	2.0	(0.7)
ROE (%)	7.7	3.3	4.5	5.8	7.4
ROA (%)	1.9	1.1	1.4	1.9	2.4
* Pre-exceptional, pre-goodwill and fully diluted					
<b>Revenue by Division (THB m)</b>					
O&M	3,790	5,372	6,479	6,641	6,807
Advertising	2,858	1,661	1,360	1,646	1,909
Construction	27,263	26,788	18,500	12,000	0
Others	1,494	1,307	3,430	3,742	3,926

Sources: BTS Group Holdings; FSSIA estimates

## Financial Statements

### BTS Group Holdings

Cash Flow (THB m) Year Ending Mar	2020	2021	2022E	2023E	2024E
Recurring net profit	3,606	1,909	2,718	3,541	4,607
Depreciation	971	811	1,147	1,206	1,262
Associates & minorities	(1,984)	1,664	0	0	0
Other non-cash items	(1,291)	(4,725)	150	269	277
Change in working capital	(15,409)	(19,372)	(11,894)	8,294	9,262
<b>Cash flow from operations</b>	<b>(14,107)</b>	<b>(19,712)</b>	<b>(7,880)</b>	<b>13,310</b>	<b>15,408</b>
Capex - maintenance	(360)	(409)	(460)	(460)	(460)
Capex - new investment	(360)	(409)	(460)	(460)	(460)
Net acquisitions & disposals	(14,469)	(6,585)	(200)	(200)	(200)
Other investments (net)	729	1,053	9,579	4,280	4,066
<b>Cash flow from investing</b>	<b>(14,459)</b>	<b>(6,351)</b>	<b>8,459</b>	<b>3,160</b>	<b>2,946</b>
Dividends paid	(5,492)	(5,904)	(2,174)	(2,833)	(3,685)
Equity finance	13,672	80	0	0	0
Debt finance	16,457	24,826	(872)	(6,394)	(5,434)
Other financing cash flows	2,914	7,684	(32)	(144)	(144)
<b>Cash flow from financing</b>	<b>27,551</b>	<b>26,686</b>	<b>(3,078)</b>	<b>(9,371)</b>	<b>(9,264)</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	44	0	0	0
<b>Net other adjustments</b>	<b>(5,605)</b>	<b>44</b>	<b>(1,444)</b>	<b>(144)</b>	<b>(650)</b>
<b>Movement in cash</b>	<b>(6,621)</b>	<b>666</b>	<b>(3,944)</b>	<b>6,955</b>	<b>8,440</b>
Free cash flow to firm (FCFF)	(26,321.82)	(23,553.82)	4,017.00	19,979.71	21,634.20
Free cash flow to equity (FCFE)	(14,800.33)	6,490.40	(1,769.39)	9,787.34	12,125.07

#### Per share (THB)

FCFF per share	(2.00)	(1.79)	0.31	1.52	1.64
FCFE per share	(1.13)	0.49	(0.13)	0.74	0.92
Recurring cash flow per share	0.10	(0.03)	0.30	0.38	0.47

Balance Sheet (THB m) Year Ending Mar	2020	2021	2022E	2023E	2024E
Tangible fixed assets (gross)	7,826	8,434	9,234	10,034	10,834
Less: Accumulated depreciation	(3,201)	(3,542)	(4,129)	(4,783)	(5,487)
<b>Tangible fixed assets (net)</b>	<b>4,624</b>	<b>4,892</b>	<b>5,105</b>	<b>5,251</b>	<b>5,347</b>
<b>Intangible fixed assets (net)</b>	<b>814</b>	<b>967</b>	<b>889</b>	<b>796</b>	<b>687</b>
Long-term financial assets	18,001	25,497	24,480	23,514	22,596
Invest. in associates & subsidiaries	32,950	34,127	34,127	34,127	34,127
Cash & equivalents	6,050	6,717	2,773	9,727	18,167
A/C receivable	6,649	957	1,005	2,036	988
Inventories	0	0	0	0	-
Other current assets	9,699	6,483	7,024	6,652	6,277
<b>Current assets</b>	<b>22,398</b>	<b>14,157</b>	<b>10,802</b>	<b>18,416</b>	<b>25,431</b>
Other assets	94,313	132,422	136,830	125,182	114,964
<b>Total assets</b>	<b>173,100</b>	<b>212,062</b>	<b>212,233</b>	<b>207,286</b>	<b>203,153</b>
Common equity	54,923	60,162	60,854	61,831	63,028
Minorities etc.	12,323	15,876	15,727	15,458	15,182
<b>Total shareholders' equity</b>	<b>67,246</b>	<b>76,037</b>	<b>76,581</b>	<b>77,289</b>	<b>78,210</b>
Long term debt	66,051	90,650	88,650	82,216	76,226
Other long-term liabilities	6,889	13,116	13,866	14,664	15,514
<b>Long-term liabilities</b>	<b>72,940</b>	<b>103,766</b>	<b>102,516</b>	<b>96,880</b>	<b>91,740</b>
A/C payable	8,364	6,285	6,763	7,280	7,841
Short term debt	22,498	21,839	21,524	21,419	21,325
Other current liabilities	2,053	4,136	4,850	4,418	4,036
<b>Current liabilities</b>	<b>32,915</b>	<b>32,260</b>	<b>33,137</b>	<b>33,117</b>	<b>33,203</b>
<b>Total liabilities and shareholders' equity</b>	<b>173,100</b>	<b>212,062</b>	<b>212,233</b>	<b>207,286</b>	<b>203,153</b>
Net working capital	5,932	(2,980)	(3,584)	(3,009)	(4,613)
Invested capital	156,634	194,925	197,848	185,861	173,109

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

#### Per share (THB)

Book value per share	4.18	4.57	4.62	4.70	4.79
Tangible book value per share	4.11	4.50	4.56	4.64	4.74

#### Financial strength

Net debt/equity (%)	122.7	139.1	140.2	121.5	101.5
Net debt/total assets (%)	47.7	49.9	50.6	45.3	39.1
Current ratio (x)	0.7	0.4	0.3	0.6	0.8
CF interest cover (x)	41.2	(10.0)	(14.8)	67.4	(70.5)

Valuation	2020	2021	2022E	2023E	2024E
<b>Recurring P/E (x) *</b>	<b>36.1</b>	<b>68.2</b>	<b>48.0</b>	<b>36.8</b>	<b>28.3</b>
<b>Recurring P/E @ target price (x) *</b>	<b>43.1</b>	<b>81.3</b>	<b>57.2</b>	<b>43.9</b>	<b>33.7</b>
Reported P/E (x)	16.4	29.3	48.0	36.8	28.3
Dividend yield (%)	4.8	2.8	1.7	2.2	2.8
Price/book (x)	2.4	2.2	2.1	2.1	2.1
Price/tangible book (x)	2.4	2.2	2.2	2.1	2.1
EV/EBITDA (x) **	60.3	54.0	66.4	61.1	62.2
EV/EBITDA @ target price (x) **	67.0	59.3	73.0	67.5	69.1
EV/invested capital (x)	1.4	1.3	1.3	1.3	1.3

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

Sources: BTS Group Holdings; 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	ICHI	III	ILINK	INTUCH	IRPC	IVL	JKN	JSP
JWD	K	KBANK	KCE	KKP	KSL	KTB	KTC	LANNA	LH	LHFG
LIT	LPN	MAKRO	MALEE	MBK	MBKET	MC	MCOT	METCO	MFEC	MINT
MONO	MOONG	MSC	MTC	NCH	NCL	NEP	NKI	NOBLE	NSI	NVD
NYT	OISHI	ORI	OTO	PAP	PAP	PCSGH	PDJ	PG	PHOL	PLANB
PLAT	PORT	PPS	PR9	PREB	PRG	PRM	PSH	PSL	PTG	PTT
PTTEP	PTTGC	PYLON	Q-CON	QH	QTC	RATCH	RS	S	S & J	SAAM
SABINA	SAMART	SAMTEL	SAT	SC	SCB	SCC	SCCC	SCG	SCN	SDC
SEAFCO	SEOIL	SE-ED	SELIC	SENA	SIRI	SIS	SITHAI	SMK	SMPC	SNC
SONIC	SORKON	SPALI	SPI	SPRC	SPVI	SSSC	SST	STA	SUSCO	SUTHA
SVI	SYMC	SYNTEC	TACC	TASCO	TCAP	TFMAMA	THANA	THANI	THCOM	THG
THIP	THRE	THREL	TIP	TIPCO	TISCO	TK	TKT	TTB	TMILL	TNDT
TNL	TOA	TOP	TPBI	TQM	TRC	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

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

#### BTS Group Holdings (BTS TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
13-Mar-2019	BUY	12.50	15-Nov-2019	BUY	15.50	07-Jun-2021	BUY	11.00
01-Jul-2019	BUY	14.00	13-Jul-2020	BUY	13.00			
25-Sep-2019	BUY	15.00	19-Jan-2021	BUY	11.20			

Naruedom Mujjalinkool started covering this stock from 13-Jul-2020

Price and TP are in local currency

Source: FSSIA estimates

#### VGI Pcl. (VGI TB)



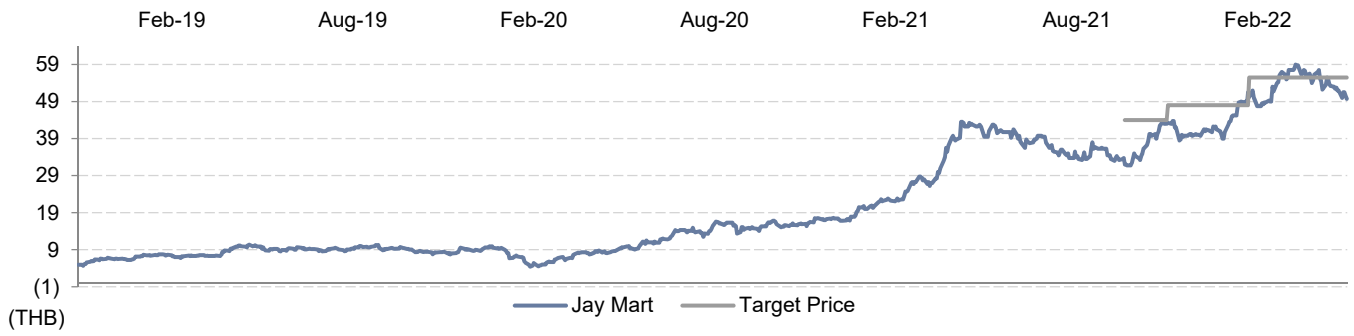
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
27-Aug-2020	HOLD	6.70	04-Aug-2021	HOLD	5.80	18-Feb-2022	BUY	6.10
15-Jan-2021	HOLD	7.00	03-Dec-2021	HOLD	7.00			
02-Jun-2021	HOLD	6.50	28-Jan-2022	BUY	6.30			

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

Price and TP are in local currency

Source: FSSIA estimates

**Jay Mart (JMART TB)**



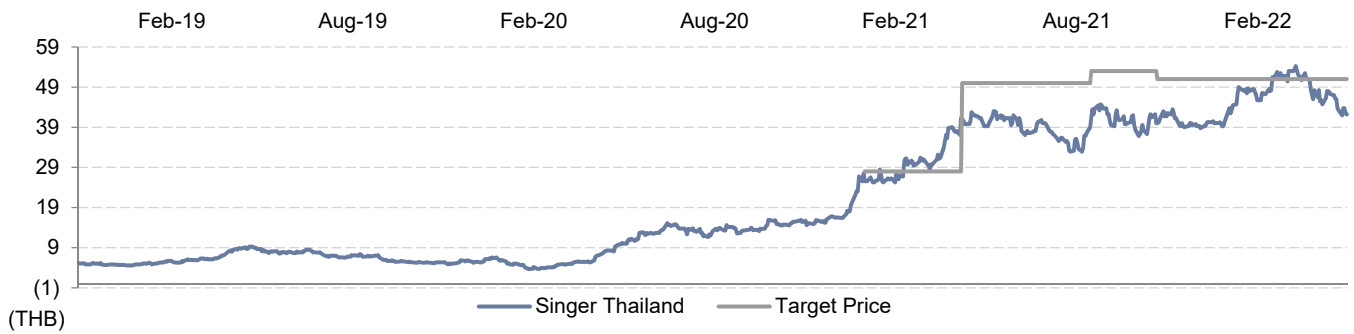
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
10-Aug-2021	BUY	44.00	16-Sep-2021	BUY	48.00	25-Nov-2021	BUY	55.50

Naruedom Mujjalinkool started covering this stock from 10-Aug-2021

Price and TP are in local currency

Source: FSSIA estimates

**Singer Thailand (SINGER TB)**



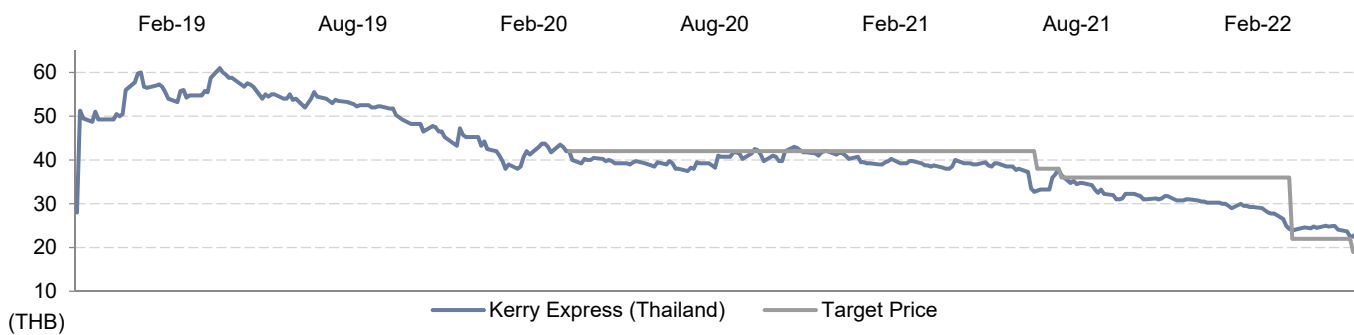
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
29-Dec-2020	HOLD	28.00	12-Jul-2021	BUY	53.00	-	-	-
23-Mar-2021	BUY	50.00	07-Sep-2021	BUY	51.00			

Yuvanart Suwanumphai started covering this stock from 29-Dec-2020

Price and TP are in local currency

Source: FSSIA estimates

**Kerry Express (Thailand) (KEX TB)**



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
02-Jun-2021	HOLD	42.00	11-Nov-2021	HOLD	36.00	15-Feb-2022	REDUCE	19.00
03-Nov-2021	BUY	38.00	26-Jan-2022	REDUCE	22.00			

Naruedom Mujjalinkool started covering this stock from 02-Jun-2021

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
BTS Group Holdings	BTS TB	THB 9.90	BUY	The key downside risks to our SOTP-based TP include a slower-than-expected recovery of the Thai economic outlook and the company not being able to win new mass transit projects.
VGI Pcl.	VGI TB	THB 5.50	BUY	The key downside risks to our SoTP-based TP are if the advertising expenditure recovery is slower than our expectation, and whether Rabbit Line Pay is successful or not.
Jay Mart	JMART TB	THB 50.50	BUY	Downside risks to our SOTP-based TP include 1) lower-than-expected mobile revenue; 2) lower cash collection from its fully amortised portfolio; and 3) the lower-than-expected acquisition of new bad debt.
Singer Thailand	SINGER TB	THB 43.25	BUY	Downside risks to our GGM-derived TP include 1) an economic slowdown leading to slower loan growth and lower sales of electrical products and home appliances; and 2) deteriorating asset quality.
Kerry Express (Thailand)	KEX TB	THB 23.60	REDUCE	The key upside risks to our DCF-based TP are 1) if the competition is lower than our expectation; and 2) if the Covid-19 situation is under control.

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 21-Feb-2022 unless otherwise stated.

## RECOMMENDATION STRUCTURE

### Stock ratings

Stock ratings are based on absolute upside or downside, which we define as (target price\* - current price) / 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.