

ASIAN SEA CORPORATION

THAILAND / FOOD

ASIAN TB

BUY

UNCHANGED

TARGET PRICE	THB24.70
CLOSE	THB15.70
UP/DOWNSIDE	+57.3%
PRIOR TP	THB24.70
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+3.6%

Good value but few near-term drivers

- ASIAN booked a 4Q21 net profit of THB265m (+25% y-y, -2 q-q), in line with our estimate.
- 1Q22 earnings could be flat or slightly drop q-q due to the low season and unfavorable environment from high raw material costs.
- Maintain BUY with intact TP of THB24.7.

4Q21 results in line with our estimate

ASIAN posted a 4Q21 net profit of THB265m (+25% y-y, -2 q-q), in line with our estimate. Pet food sales remained solid at THB1.1b (+1% q-q) following strong export demand for the US. Frozen sales grew 16% y-y to THB957m, driven by a higher sales volume of squid and pre-fried frozen seafood. Aqua feed dropped 17% q-q to THB251m due to slow domestic consumption from the restriction measures. 4Q21 GPM was at 18.6% (vs 22.7% in 3Q21 and 13.9% in 4Q20). The drop q-q was mainly due to an exceptionally high GPM due to the weakening THB. Note that we treat FX gains/losses as part of ASIAN's operations, as ASIAN normally implements a hedging policy to reduce its bottom-line volatility. Hence, the adjusted GPM would be at 20.0% in 4Q21 vs 19.4% in 3Q21.

Targeting sales growth of 12% y-y with a slight drop in GPM

Management is targeting 2022 sales growth of 12% y-y to THB10.6b vs our estimate of 8%, and is targeting a GPM of 19% (vs our estimate of 18.3%), based on an FX assumption of THB31.5/USD. ASIAN is targeting pet food sales growth of 15% y-y to THB4.8b, driven by new capacity and solid demand from US customers. Aqua feed should see a strong recovery at 27% y-y on domestic re-consumption. Frozen sales should be flat y-y even though VAP products could grow y-y, potentially being offset by low demand for commodity frozen products and pressured by the high freight rate and commodity costs.

Expect 1Q22 earnings to be flat or slightly drop q-q

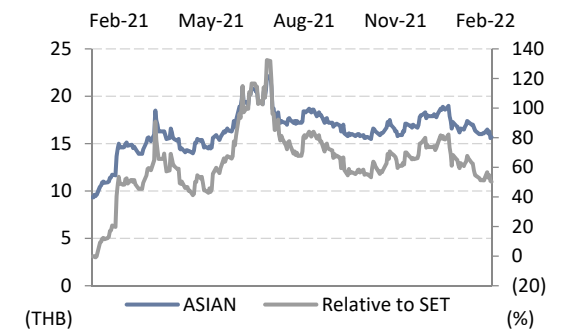
ASIAN's GPM in 1Q22 could be flat q-q, pressured by the strengthening Baht and high raw material costs. Only some pet food costs can be passed through to customers. It is more difficult to pass through costs for other products as its customers also have lower margins due to the high freight costs. Overall, 1Q22 earnings could be flat or slightly drop q-q.

Undemanding valuation but few catalysts in near term

We maintain BUY with an intact TP of THB24.7. Our TP is pegged to 17.5x 2022E P/E, or 1SD above its 5-year average. In the short term, we see few catalysts to drive its share price. However, we think ASIAN is an attractive export-oriented play that can ride the pet food industry's promising growth outlook and offer an undemanding valuation. ASIAN trades at 11.1x 2022E P/E vs an avg of 21.3x for its food sector peers.

KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Revenue	9,488	10,263	10,943	12,296
Net profit	1,044	1,150	1,234	1,349
EPS (THB)	1.28	1.41	1.52	1.66
vs Consensus (%)	-	(2.3)	(2.6)	(8.3)
EBITDA	1,476	1,556	1,660	1,804
Core net profit	1,039	1,150	1,234	1,349
Core EPS (THB)	1.28	1.41	1.52	1.66
Chg. In EPS est. (%)	nm	0.1	0.1	nm
EPS growth (%)	(3.2)	10.7	7.3	9.3
Core P/E (x)	12.3	11.1	10.4	9.5
Dividend yield (%)	4.1	4.5	4.8	5.3
EV/EBITDA (x)	10.1	9.4	8.5	7.7
Price/book (x)	3.2	2.8	2.4	2.2
Net debt/Equity (%)	52.5	38.3	26.3	19.4
ROE (%)	27.5	26.5	25.0	24.2



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(6.5)	(10.3)	75.7
Relative to country (%)	(8.8)	(12.0)	56.6
Mkt cap (USD m)	393		
3m avg. daily turnover (USD m)	3.0		
Free float (%)	66		
Major shareholder	Amornrattanachaikul Family (69%)		
12m high/low (THB)	22.90/8.67		
Issued shares (m)	542.73		

Sources: Bloomberg consensus; FSSIA estimates


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Investment thesis

We believe ASIAN's key strategy of changing from an original equipment manufacturer (OEM) of commodity products to value-added products (VAP), which can offer a higher and more stable GPM, should sustain its profit in the long run.

ASIAN's core earnings leapt 439% y-y from THB133m in 2019 to THB715m in 2020, driven by two main growth engines: 1) higher contributions from OEM pet food; and 2) shifting focus to frozen VAP from frozen commodity products, such as pre-fried products. ASIAN's business unit with a high margin and stable GPM (pet food and frozen VAP) has increased from 38% in 2019 to 51% in 2020. We believe these two growth engines, along with a recovery of aquaculture feed sales, will drive ASIAN's earnings to grow by 7-11% in 2022-23.

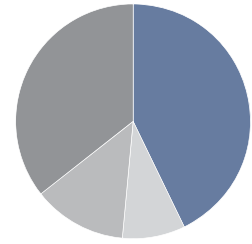
Company profile

Asian Group has engaged in food manufacturing and distribution to customers around the world for over 40 years. The company was initially incorporated as a family-owned business since 1964 and was listed in 1994.

www.asianseafoods.co.th

Principal activities (revenue, 2021)

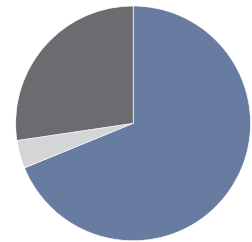
- Pet food and fish meal - 42.8 %
- Tuna - 8.6 %
- Aquaculture feed - 12.9 %
- Frozen - 35.6 %



Source: Asian Sea Corporation

Major shareholders

- Amornrattanachaikul Family - 68.8 %
- Thai NVDR - 3.9 %
- Others - 27.3 %



Source: Asian Sea Corporation

Catalysts

Potential share price catalysts for ASIAN include: 1) a favourable environment from a weakening THB; 2) M&A and joint investment opportunities; and 3) travel restriction easing in order to expand its business in China.

Risks to our call

Downside risks to our P/E-based TP would be 1) a stronger-than-expected THB against USD; and 2) the high volatility of raw material prices, such as tuna and squid prices, which could hurt the company's GPM.

Event calendar

Date	Event
May 2022	1Q22 results announcement

Key assumptions

	2022E	2023E	2024E
	(%)	(%)	(%)
Sales growth	8.1	6.6	12.1
- Pet food and fish meal	10.0	10.0	10.0
- Tuna	(5.0)	(3.0)	(3.0)
- Aquaculture feed	5.0	5.0	20.0
- Frozen	10.0	5.0	15.0
Gross margin	18.3	18.3	18.3
SG&A to sales	6.6	6.5	6.7

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in sales growth, we estimate 2022 EPS would rise 1.8%, and vice versa, all else being equal.
- For every 1% increase in GPM, we estimate 2022 EPS would rise 12%, and vice versa, all else being equal.
- For every 1% increase in SG&A to sales, we estimate 2022 EPS would fall 12%, and vice versa, all else being equal.

Source: FSSIA estimates

4Q21 results in line with our estimate

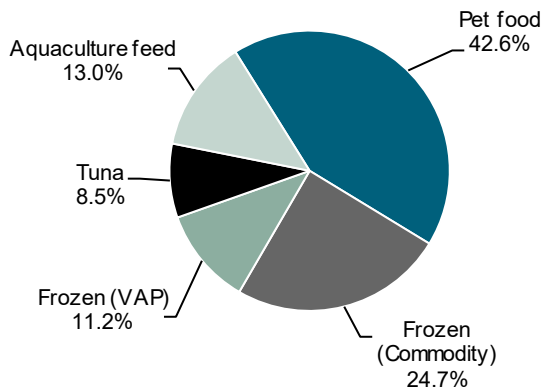
ASIAN posted a 4Q21 net profit of THB265m (+25% y-y, -2 q-q), in line with our estimate. Pet food sales remained solid at THB1.1b (+1% q-q) following the strong export demand for the US. Monchou sales accounted for 1% of total sales in 4Q21. Frozen sales grew 16% y-y to THB957m, driven by a higher sales volume of squid and pre-fried frozen seafood. Aqua feed dropped 17% q-q to THB251m due to slow domestic consumption from the restriction measures. 4Q21 GPM was at 18.6% (vs 22.7% in 3Q21 and 13.9% in 4Q20). The drop q-q was mainly due to an exceptionally high GPM due to the weakening THB. Note that we treat FX gains/losses as part of ASIAN's operations, as ASIAN normally implements a hedging policy to reduce its bottom-line volatility. Hence, the adjusted GPM would be at 20.0% in 4Q21 vs 19.4% in 3Q21. ASIAN announced a cash dividend payment of THB0.4/shr, implying a 2.4% dividend yield. The XD date is 29 Apr.

Exhibit 1: 4Q21 results summary

	4Q20	1Q21	2Q21	3Q21	4Q21	----- Change -----		2020	2021	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)
Sales	2,283	2,095	2,501	2,429	2,463	1	8	8,645	9,488	10
Cost of sales	1,965	1,740	1,980	1,878	2,006	7	2	7,252	7,605	5
Gross profit	318	355	521	551	457	(17)	44	1,393	1,883	35
SG&A	172	153	193	255	164	(36)	(5)	643	766	19
Operating profit	146	201	327	295	293	(1)	101	750	1,117	49
Other income	87	38	25	17	25	46	(71)	182	105	(42)
Equity income	(0)	(1)	(1)	(1)	1	(260)	(660)	(3)	(2)	(37)
EBIT	232	238	352	312	319	2	37	929	1,220	31
Interest expense	16	15	17	18	17	(5)	8	77	68	(12)
EBT	216	223	335	294	302	3	40	852	1,153	35
Income tax	5	8	41	22	37	63	702	34	108	216
Net profit	212	215	293	271	265	(2)	25	818	1,044	28
EPS (THB)	0.39	0.40	0.36	0.33	0.33	(2)	(16)	1.51	1.28	(14.89)
Key ratios	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)	(%)	
Gross margin	13.9	16.9	20.8	22.7	18.6	(4.1)	4.6	16.1	19.8	
SGA/Total revenue	7.5	7.3	7.7	10.5	6.7	(3.8)	(0.9)	7.4	8.1	
Operating profit margin	6.4	9.6	13.1	12.2	11.9	(0.3)	5.5	8.7	11.8	
Net profit margin	9.3	10.3	11.7	11.2	10.8	(0.4)	1.5	9.5	11.0	
Key Assumptions	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)			
Pet food and fish meal business	903	854	1,119	1,098	1,105	1	22			
Tuna business	288	265	173	143	257	80	(11)			
Aquaculture feed business	347	321	401	302	251	(17)	(28)			
Frozen business	824	731	880	952	957	1	16			

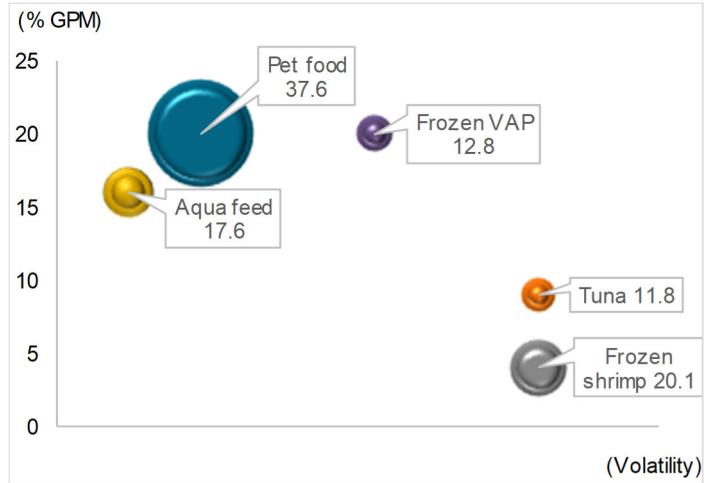
Sources: ASIAN; FSSIA estimates

Exhibit 2: Sales breakdown by product mix in 2021



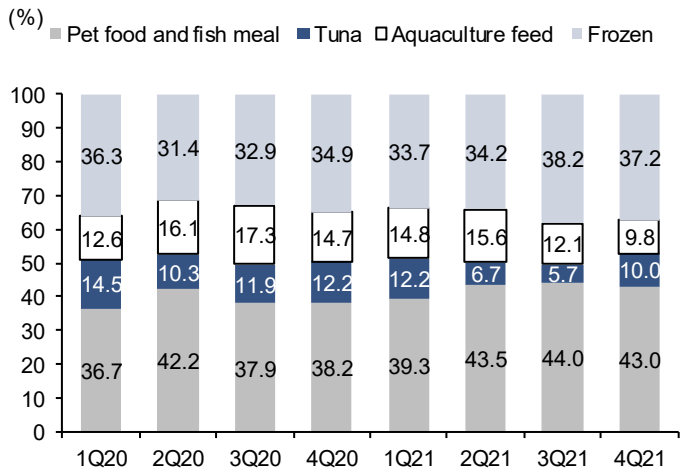
Sources: ASIAN; FSSIA estimates

Exhibit 3: ASIAN's business model shifting to high margin and more stable GPM products



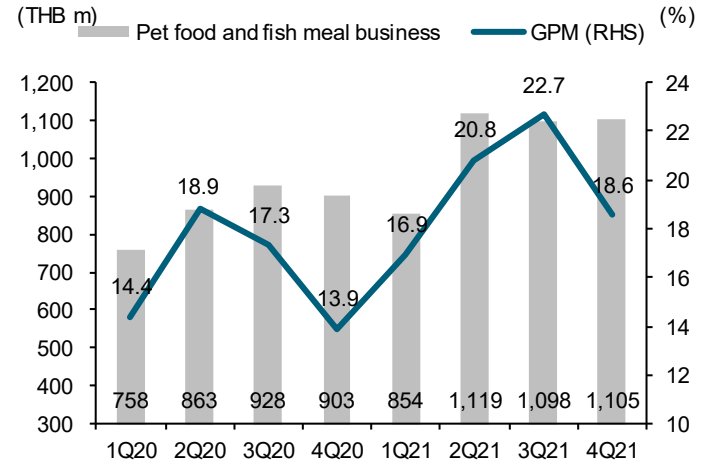
Sources: ASIAN; FSSIA estimates

Exhibit 4: Product mix in 4Q21



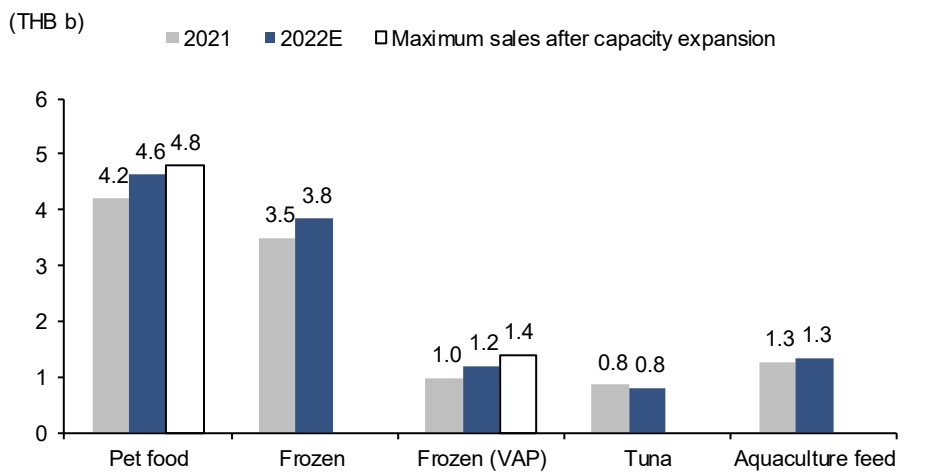
Sources: ASIAN; FSSIA estimates

Exhibit 5: Pet food sales trend vs GPM



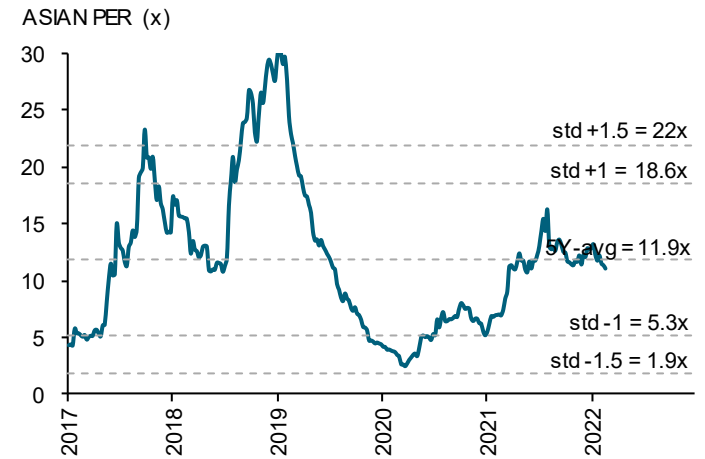
Sources: ASIAN; FSSIA estimates

Exhibit 6: Our pet food and frozen VAP sales assumptions for 2022 remain below the maximum capacity after its capacity expansion plan is completed



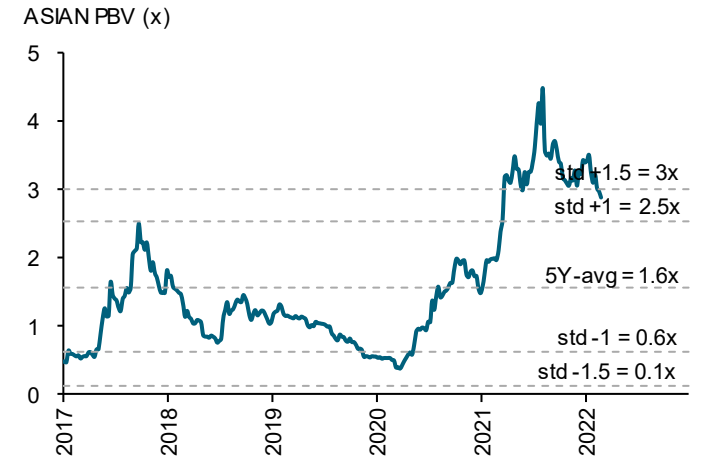
Sources: ASIAN; FSSIA estimates

Exhibit 7: Rolling one-year forward P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 8: Rolling one-year forward P/BV band



Sources: Bloomberg; FSSIA estimates

Exhibit 9: Peer valuations

Company	BBG	Rec	--- Share price ---		Up side (%)	Market Cap (USD m)	3Y EPS CAGR (%)	----- PE -----		---- ROE ----		--- PBV ---		EVEBITDA	
			Current (LCY)	Target (LCY)				21E (x)	22E (x)	21E (%)	22E (%)	21E (x)	22E (x)	21E (x)	22E (x)
Food & Beverage															
Agripure Holdings	APURE TB	BUY	6.25	10.0	60.0	184	22.9	18.6	12.5	16.6	22.5	3.0	2.7	12.2	8.9
Charoen Pokphand Foods	CPF TB	HOLD	25.75	28.0	8.7	6,663	(11.4)	14.7	13.7	7.7	7.9	1.2	1.2	14.5	16.7
Asian Sea	ASIAN TB	BUY	15.70	24.7	57.3	393	4.7	12.3	11.1	27.5	26.5	3.2	2.8	10.1	9.4
Srinanaporn Marketing	SNNP TB	BUY	16.50	20.0	21.2	488	70.9	51.4	30.8	20.2	17.6	5.6	5.3	25.8	19.5
Thai Union Group	TU TB	NR	20.30	n/a	n/a	2,913	2.0	12.8	12.8	14.2	12.9	1.7	1.6	11.5	11.3
R&B Food Supply	RBF TB	NR	15.90	n/a	n/a	983	34.1	68.5	30.1	10.8	22.8	7.6	6.7	38.3	20.3
Thai Vegetable Oil	TVO TB	NR	33.00	n/a	n/a	796	4.6	11.8	14.1	23.9	18.8	2.7	2.6	8.4	9.5
Thaifoods Group	TFG TB	NR	4.32	n/a	n/a	741	(5.9)	41.0	12.5	5.0	16.3	2.1	1.9	11.0	7.8
Khon Kean Sugar Industry	KSL TB	NR	3.46	n/a	n/a	465	71.0	27.4	15.9	2.8	5.1	0.8	0.7	16.5	15.3
NR Instant Produce	NRF TB	NR	7.65	n/a	n/a	338	38.3	130.0	45.9	3.0	9.0	4.1	3.9	30.3	22.9
Sunsweet	SUN TB	NR	6.05	n/a	n/a	119	18.6	16.8	13.2	19.3	23.2	3.4	3.0	10.6	9.0
Carabao Group	CBG TB	BUY	107.00	128.0	19.6	3,293	3.3	37.1	32.1	28.6	31.7	10.5	9.9	26.9	22.1
Osotspa	OSP TB	BUY	35.75	42.0	17.5	3,305	6.5	33.2	29.4	16.5	18.4	5.4	5.4	21.8	19.4
Sappe	SAPPE TB	NR	25.25	n/a	n/a	235	10.4	17.1	15.6	16.4	16.7	2.6	2.4	8.0	7.6
Taikaenoi Food&Marketing	TKN TB	NR	8.25	n/a	n/a	343	19.2	77.6	31.3	7.4	17.4	5.7	5.3	27.6	17.3
Ichitan Group	ICHI TB	NR	10.40	n/a	n/a	413	12.3	24.8	20.8	8.6	10.2	2.1	2.1	11.3	10.7
Food & Beverage average						21,673	2.7	37.2	21.4	14.3	17.3	3.8	3.6	17.8	14.2
Agribusiness															
Sri Trang Agro-Industry	STA TB	NR	27.25	n/a	n/a	1,290	(9.8)	2.5	5.8	34.3	12.9	0.8	0.8	2.2	4.8
GFPT	GFPT TB	NR	13.20	n/a	n/a	498	(3.1)	93.5	15.6	1.1	6.9	1.1	1.1	13.9	8.8
Northeast Rubber	NER TB	NR	7.25	n/a	n/a	395	33.0	6.7	5.9	40.5	33.4	2.6	1.9	8.6	7.4
Thai Wah	TWPC TB	NR	6.55	n/a	n/a	181	298.6	17.5	12.9	6.6	8.7	1.2	1.1	7.5	6.3
Agribusiness average						2,364	(1.9)	30.1	10.0	20.6	15.5	1.4	1.2	8.0	6.8
Average						24,036	2.6	35.8	19.1	15.6	17.0	3.4	3.1	15.8	12.8

Share prices as of 25 Feb 2022

Sources: Bloomberg consensus; FSSIA estimates

Financial Statements

Asian Sea Corporation

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Revenue	8,645	9,488	10,263	10,943	12,296
Cost of goods sold	(7,004)	(7,346)	(8,123)	(8,667)	(9,765)
Gross profit	1,641	2,142	2,140	2,276	2,531
Other operating income	80	99	93	95	97
Operating costs	(643)	(766)	(677)	(711)	(824)
Operating EBITDA	1,078	1,476	1,556	1,660	1,804
Depreciation	(248)	(259)	(264)	(270)	(275)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	830	1,217	1,292	1,390	1,529
Net financing costs	(77)	(68)	(91)	(105)	(132)
Associates	(3)	(2)	3	7	15
Recurring non-operating income	(3)	(2)	3	7	15
Non-recurring items	102	5	0	0	0
Profit before tax	852	1,153	1,204	1,292	1,413
Tax	(34)	(108)	(54)	(58)	(64)
Profit after tax	818	1,044	1,150	1,234	1,349
Minority interests	0	0	0	0	0
Preferred dividends	0	0	0	0	0
Other items	0	0	0	0	0
Reported net profit	818	1,044	1,150	1,234	1,349
Non-recurring items & goodwill (net)	(102)	(5)	0	0	0
Recurring net profit	716	1,039	1,150	1,234	1,349
Per share (THB)					
Recurring EPS *	1.32	1.28	1.41	1.52	1.66
Reported EPS	1.51	1.28	1.41	1.52	1.66
DPS	0.55	0.65	0.71	0.76	0.83
Diluted shares (used to calculate per share data)	543	814	814	814	814
Growth					
Revenue (%)	5.5	9.8	8.2	6.6	12.4
Operating EBITDA (%)	136.1	36.9	5.4	6.7	8.7
Operating EBIT (%)	233.3	46.6	6.2	7.6	10.0
Recurring EPS (%)	439.4	(3.2)	10.7	7.3	9.3
Reported EPS (%)	516.5	(14.9)	10.1	7.3	9.3
Operating performance					
Gross margin inc. depreciation (%)	16.1	19.8	18.3	18.3	18.3
Gross margin of key business (%)	16.1	19.8	18.3	18.3	18.3
Operating EBITDA margin (%)	12.5	15.6	15.2	15.2	14.7
Operating EBIT margin (%)	9.6	12.8	12.6	12.7	12.4
Net margin (%)	8.3	10.9	11.2	11.3	11.0
Effective tax rate (%)	4.6	9.4	4.5	4.5	4.5
Dividend payout on recurring profit (%)	41.7	50.9	50.0	50.0	50.0
Interest cover (X)	10.8	17.9	14.3	13.3	11.7
Inventory days	95.2	114.5	125.9	126.6	123.2
Debtor days	38.2	41.4	42.9	42.9	41.8
Creditor days	33.4	36.1	37.0	37.6	36.6
Operating ROIC (%)	17.9	24.2	21.9	22.8	23.8
ROIC (%)	16.9	23.0	20.9	21.8	22.9
ROE (%)	22.7	27.5	26.5	25.0	24.2
ROA (%)	13.2	16.4	16.1	15.6	15.3
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Pet food and fish meal	3,336	4,062	4,473	4,923	5,427
Tuna	1,055	820	780	757	736
Aquaculture feed	1,321	1,227	1,290	1,355	1,630
Frozen	2,933	3,378	3,720	3,908	4,504

Sources: Asian Sea Corporation; FSSIA estimates

Financial Statements

Asian Sea Corporation

Cash Flow (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Recurring net profit	716	1,039	1,150	1,234	1,349
Depreciation	248	259	264	270	275
Associates & minorities	-	-	-	-	-
Other non-cash items	265	(247)	0	0	0
Change in working capital	(237)	(784)	(206)	(209)	(425)
Cash flow from operations	992	267	1,208	1,294	1,199
Capex - maintenance	0	0	0	0	0
Capex - new investment	(183)	(474)	(264)	(270)	(275)
Net acquisitions & disposals	0	0	0	0	0
Other investments (net)	(48)	(46)	(14)	(13)	(24)
Cash flow from investing	(231)	(520)	(279)	(282)	(299)
Dividends paid	(299)	(529)	(575)	(617)	(674)
Equity finance	0	271	0	0	0
Debt finance	(603)	37	(30)	80	280
Other financing cash flows	5	12	0	0	0
Cash flow from financing	(896)	(208)	(605)	(537)	(394)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	240	343	137	158	182
Movement in cash	104	(118)	462	633	688
Free cash flow to firm (FCFF)	837.34	(185.06)	1,020.24	1,116.45	1,032.63
Free cash flow to equity (FCFE)	402.99	139.53	1,037.20	1,249.80	1,362.79

Per share (THB)

FCFF per share	1.54	(0.34)	1.88	2.06	1.90
FCFE per share	0.74	0.26	1.91	2.30	2.51
Recurring cash flow per share	2.26	1.29	1.74	1.85	1.99

Balance Sheet (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Tangible fixed assets (gross)	5,628	6,040	6,192	6,352	6,520
Less: Accumulated depreciation	(2,848)	(3,045)	(3,197)	(3,357)	(3,525)
Tangible fixed assets (net)	2,779	2,995	2,995	2,995	2,995
Intangible fixed assets (net)	51	75	76	77	78
Long-term financial assets	0	0	0	0	0
Invest. in associates & subsidiaries	0	0	0	0	0
Cash & equivalents	207	89	551	1,184	1,872
A/C receivable	986	1,167	1,244	1,327	1,491
Inventories	1,916	2,691	2,911	3,104	3,487
Other current assets	69	113	123	131	147
Current assets	3,178	4,060	4,829	5,745	6,998
Other assets	223	226	237	246	267
Total assets	6,232	7,355	8,136	9,063	10,337
Common equity	3,498	4,044	4,619	5,236	5,910
Minorities etc.	0	0	0	0	0
Total shareholders' equity	3,498	4,044	4,619	5,236	5,910
Long term debt	605	776	766	866	1,166
Other long-term liabilities	95	179	193	204	223
Long-term liabilities	700	956	960	1,071	1,389
A/C payable	670	784	865	921	1,035
Short term debt	1,228	1,437	1,554	1,693	1,855
Other current liabilities	137	134	138	142	148
Current liabilities	2,034	2,355	2,558	2,756	3,038
Total liabilities and shareholders' equity	6,232	7,355	8,136	9,063	10,337
Net working capital	2,165	3,053	3,275	3,498	3,943
Invested capital	5,218	6,348	6,582	6,816	7,282

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

Per share (THB)

Book value per share	6.45	4.97	5.67	6.43	7.26
Tangible book value per share	6.35	4.88	5.58	6.34	7.16

Financial strength

Net debt/equity (%)	46.5	52.5	38.3	26.3	19.4
Net debt/total assets (%)	26.1	28.9	21.8	15.2	11.1
Current ratio (x)	1.6	1.7	1.9	2.1	2.3
CF interest cover (x)	8.6	10.1	15.3	15.5	13.4

Valuation	2020	2021	2022E	2023E	2024E
Recurring P/E (x) *	11.9	12.3	11.1	10.4	9.5
Recurring P/E @ target price (x) *	18.7	19.4	17.5	16.3	14.9
Reported P/E (x)	10.4	12.2	11.1	10.4	9.5
Dividend yield (%)	3.5	4.1	4.5	4.8	5.3
Price/book (x)	2.4	3.2	2.8	2.4	2.2
Price/tangible book (x)	2.5	3.2	2.8	2.5	2.2
EV/EBITDA (x) **	9.4	10.1	9.4	8.5	7.7
EV/EBITDA @ target price (x) **	13.9	15.1	14.1	12.9	11.8
EV/invested capital (x)	1.9	2.3	2.2	2.1	1.9

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

Sources: Asian Sea Corporation; FSSIA estimates

Corporate Governance report of Thai listed companies 2020

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

VERY GOOD LEVEL										
2S	ABM	ACE	ACG	ADB	AEC	AEONTS	AGE	AH	AHC	AIT
ALLA	AMANAHA	AMARIN	APCO	APCS	APURE	AQUA	ASAP	ASEFA	ASIA	ASIAN
ASIMAR	ASK	ASN	ATP30	AUCT	AWC	AYUD	B	BA	BAM	BBL
BFIT	BGC	BJC	BJCHI	BROOK	BTW	CBG	CEN	CGH	CHARAN	CHAYO
CHG	CHOTI	CHOW	CI	CIG	CMC	COLOR	COM7	CPL	CRC	CRD
CSC	CSP	CWT	DCC	DCON	DDD	DOD	DOHOME	EASON	EE	ERW
ESTAR	FE	FLOYD	FN	FORTH	FSS	FTE	FVC	GENCO	GJS	GL
GLAND	GLOBAL	GLOCON	GPI	GULF	GYT	HPT	HTC	ICN	IFS	ILM
IMH	INET	INSURE	IRC	IRCP	IT	ITD	ITEL	J	JAS	JCK
JCKH	JMART	JMT	KBS	KCAR	KGI	KIAT	KOOL	KTIS	KWC	KWM
L&E	LALIN	LDC	LHK	LOXLEY	LPH	LRH	LST	M	MACO	MAJOR
MBAX	MEGA	META	MFC	MGT	MILL	MITSIB	MK	MODERN	MTI	MVP
NETBAY	NEX	NINE	NTV	NWR	OCC	OGC	OSP	PATO	PB	PDG
PDI	PICO	PIMO	PJW	PL	PM	PPP	PRIN	PRINC	PSTC	PT
QLT	RCL	RICHY	RML	RPC	RWI	S11	SALEE	SAMCO	SANKO	SAPPE
SAWAD	SCI	SCP	SE	SEG	SFP	SGF	SHR	SIAM	SINGER	SKE
SKR	SKY	SMIT	SMT	SNP	SPA	SPC	SPCG	SR	SRICHA	SSC
SSF	STANLY	STI	STPI	SUC	SUN	SYNEX	T	TAE	TAKUNI	TBSP
TCC	TCMC	TEAM	TEAMG	TFG	TIGER	TITLE	TKN	TKS	TM	TMC
TMD	TMI	TMT	TNITY	TNP	TNR	TOG	TPA	TPAC	TPCORP	TPOLY
TPS	TRITN	TRT	TRU	TSE	TVT	TWP	UEC	UMI	UOBKH	UP
UPF	UPOIC	UT	UTP	UWC	VL	VNT	VPO	WIJK	WP	XO
YUASA	ZEN	ZIGA	ZMICO							

GOOD LEVEL										
7UP	A	ABICO	AJ	ALL	ALUCON	AMC	APP	ARIN	AS	AU
B52	BC	BCH	BEAUTY	BGT	BH	BIG	BKD	BLAND	BM	BR
BROCK	BSBM	BSM	BTNC	CAZ	CCP	CGD	CITY	CMAN	CMO	CMR
CPT	CPW	CRANE	CSR	D	EKH	EP	ESSO	FMT	GIFT	GREEN
GSC	GTB	HTECH	HUMAN	IHL	INOX	INSET	IP	JTS	JUBILE	KASET
KCM	KKC	KUMWEL	KUN	KWG	KYE	LEE	MATCH	MATI	M-CHAI	MCS
MDX	MJD	MM	MORE	NC	NDR	NER	NFC	NNCL	NPK	NUSA
OCEAN	PAF	PF	PK	PLE	PMTA	POST	PPM	PRAKIT	PRECHA	PRIME
PROUD	PTL	RBF	RCI	RJH	ROJNA	RP	RPH	RSP	SF	SFLEX
SGP	SISB	SKN	SLP	SMART	SOLAR	SPG	SQ	SSP	STARK	STC
SUPER	SVOA	TC	TCCC	THMUI	TIW	TNH	TOPP	TPCH	TIPIP	TPLAS
TTI	TYCN	UKEM	UMS	VCOM	VRANDA	WIN	WORK	WPH		

Description

Score Range

Excellent

90-100

Very Good

80-89

Good

70-79

Disclaimer:

The disclosure of the survey results of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information.

The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey results may be changed after that date. FSS International Investment Advisory Company Limited does not confirm nor certify the accuracy of such survey results.

* CGR scoring should be considered with news regarding wrong doing of the company or director or executive of the company such unfair practice on securities trading, fraud, and corruption SEC imposed a civil sanction against insider trading of director and executive; ** delisted

Source: Thai Institute of Directors Association (IOD); FSSIA's compilation

Anti-corruption Progress Indicator 2020

CERTIFIED										
2S	ADVANC	AI	AIE	AIRA	AKP	AMA	AMANAH	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

Karun Intrachai 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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Company	Ticker	Price	Rating	Valuation & Risks
Asian Sea Corporation	ASIAN TB	THB 15.70	BUY	Downside risks to our P/E based TP would be 1) a stronger-than-expected THB against USD; and 2) the high volatility of raw material prices, such as tuna and squid prices, which could hurt the company's GPM.
Agripure Holdings	APURE TB	THB 6.25	BUY	Downside risks to our P/E based TP would be 1) order cancellations from big customers like Walmart; 2) a stronger-than-expected THB against USD; and 3) the high volatility of raw material prices, such as the corn price, which could hurt the company's GPM.
Charoen Pokphand Foods	CPF TB	THB 25.75	HOLD	The key downside risks to our SoTP-based target price are the volatile pork prices in both Thailand and Vietnam which could hurt revenues and the company's gross margin. Key upside risk is faster-than-expect recovery of livestock price in region and lower feed stock cost.
Srinanaporn Marketing	SNNP TB	THB 16.50	BUY	The key downside risks to our DCF-based TP are 1) slower-than-expected demand growth and market penetration overseas, especially in Cambodia and Vietnam; 2) a lower-than-expected profit margin due to high raw material and transportation costs; and 3) higher-than-expected SG&A expenses from overseas operations.
Carabao Group	CBG TB	THB 107.00	BUY	The key downside risks to our DCF-based TP are 1) slower-than-expected sales growth in Myanmar, Cambodia, and the vitamin C drink market; 2) a decrease in domestic energy drink market share; and 3) higher-than-expected SG&A expenses from overseas operations, such as in China and the UK.
Osotspa PCL	OSP TB	THB 35.75	BUY	The key downside risks to our DCF-based TP are 1) a decline in energy drink market share in Myanmar due to strong competition; 2) a slow recovery in the economy; and 3) lower-than-expected SG&A savings from the Fast Forward 10X program.

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 25-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.