

SIAM CEMENT

SCC TB

THAILAND / MATERIALS

BUY

UNCHANGED

A first glance at SCGC's value to SCC

- Long Son Petrochemical project in Vietnam, poised to COD in 1H23, is currently undergoing test runs for the production plants.
- SCG Chemical (SCGC), a subsidiary of SCC, is scheduled to list within 2022 with a large-scale 4.6mt upstream chemical capacity.
- Maintain BUY and our SoTP-based TP of THB483.

| | |
|-----------------|-----------|
| TARGET PRICE | THB483.00 |
| CLOSE | THB356.00 |
| UP/DOWNSIDE | +35.7% |
| TP vs CONSENSUS | +11.0% |

KEY STOCK DATA

| YE Dec (THB m) | 2021 | 2022E | 2023E | 2024E |
|---------------------|---------|---------|---------|---------|
| Revenue | 530,112 | 560,337 | 607,240 | 735,373 |
| Net profit | 47,174 | 59,433 | 63,912 | 81,435 |
| EPS (THB) | 39.31 | 49.53 | 53.26 | 67.86 |
| vs Consensus (%) | - | 49.7 | 40.4 | 49.4 |
| EBITDA | 71,091 | 92,233 | 101,084 | 147,893 |
| Core net profit | 47,174 | 59,433 | 63,912 | 81,435 |
| Core EPS (THB) | 39.31 | 49.53 | 53.26 | 67.86 |
| EPS growth (%) | 38.2 | 26.0 | 7.5 | 27.4 |
| Core P/E (x) | 9.1 | 7.2 | 6.7 | 5.2 |
| Dividend yield (%) | 4.6 | 4.8 | 4.4 | 4.9 |
| EV/EBITDA (x) | 10.3 | 8.2 | 7.6 | 5.2 |
| Price/book (x) | 1.2 | 1.1 | 1.0 | 0.8 |
| Net debt/Equity (%) | 49.4 | 47.3 | 42.2 | 29.8 |
| ROE (%) | 13.7 | 15.4 | 15.0 | 17.0 |

LSP project outlook is challenging

During the conference call post 1Q22 results, management updated on the progress of the construction of its Long Son Petrochemical project (LSP) in Vietnam. Poised to start operations in 1H23, it is currently undergoing test runs for the plants producing polyolefins. Of the total USD5.4b investment cost, SCC still has USD1.5b (THB50b) remaining in the budget to invest to complete LSP.

LSP is on track to COD in 1H23

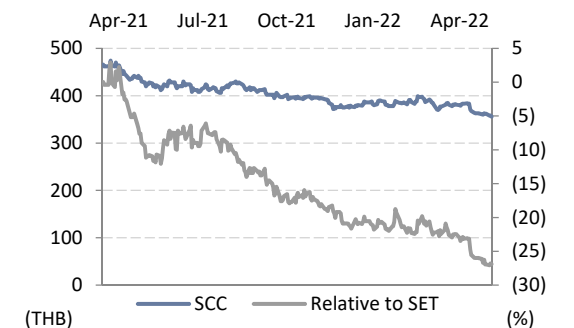
Post the completion of LSP, with a total capacity of 1.5mt, comprising 1.05mt of PE and 0.45mt of PP, SCC will significantly improve its feedstock competitiveness, transforming from a 100% to only a one-third naphtha-based chemical producer by 1H23. LSP is scheduled to commence its commercial operation date (COD) in 1Q23 or 2Q23, and we believe the industry margin outlook for polyolefins should improve from today's downcycle market thanks to the lower new supply and rising demand, based on management's guidance.

But listing of SCGC remains challenging in 2022

SCG Chemical (SCGC), a subsidiary of SCC, is scheduled to list within 2022, based on management's guidance. With a large-scale 4.6mt upstream chemical capacity (2.8mt in Thailand, 1.5mt in Vietnam (LSP), and 0.3mt equity capacity via a 30% stake in Chandra Asri in Indonesia), SCGC is poised to become one of the largest chemical producers in Asia. However, we think the valuation for SCGC is likely to be less appealing for the IPO given the currently poor PE and PP industry margin outlook. With a total 15.296b shares post IPO and up to 3.855b new shares for the IPO, we estimate that SCGC is likely to contribute a THB86 value based on 7x 2023E EV/EBITDA vs our estimated current value of THB84 (75% holding), offering a small upside to SCC's current share price if SCGC's IPO valuation is lower than 7x 2023E EV/EBITDA, in our view.

Still a good long-term Buy

Maintain BUY and our SoTP TP of THB483, incorporating a THB112/share value for SCGC based on SCC's 100% holding after net debt. We believe the projected improving earnings outlook for SCGP and SCGC in 2H22-2023 and the COD of LSP will be key catalysts for SCC.



| | | | |
|--------------------------------|-------------------------------------|---------|----------|
| Share price performance | 1 Month | 3 Month | 12 Month |
| Absolute (%) | (6.6) | (8.5) | (19.1) |
| Relative to country (%) | (5.3) | (9.7) | (23.2) |
| Mkt cap (USD m) | 12,450 | | |
| 3m avg. daily turnover (USD m) | 40.2 | | |
| Free float (%) | 67 | | |
| Major shareholder | H.M. King Maha Vajiralongkorn (34%) | | |
| 12m high/low (THB) | 474.00/356.00 | | |
| Issued shares (m) | 1,200.00 | | |

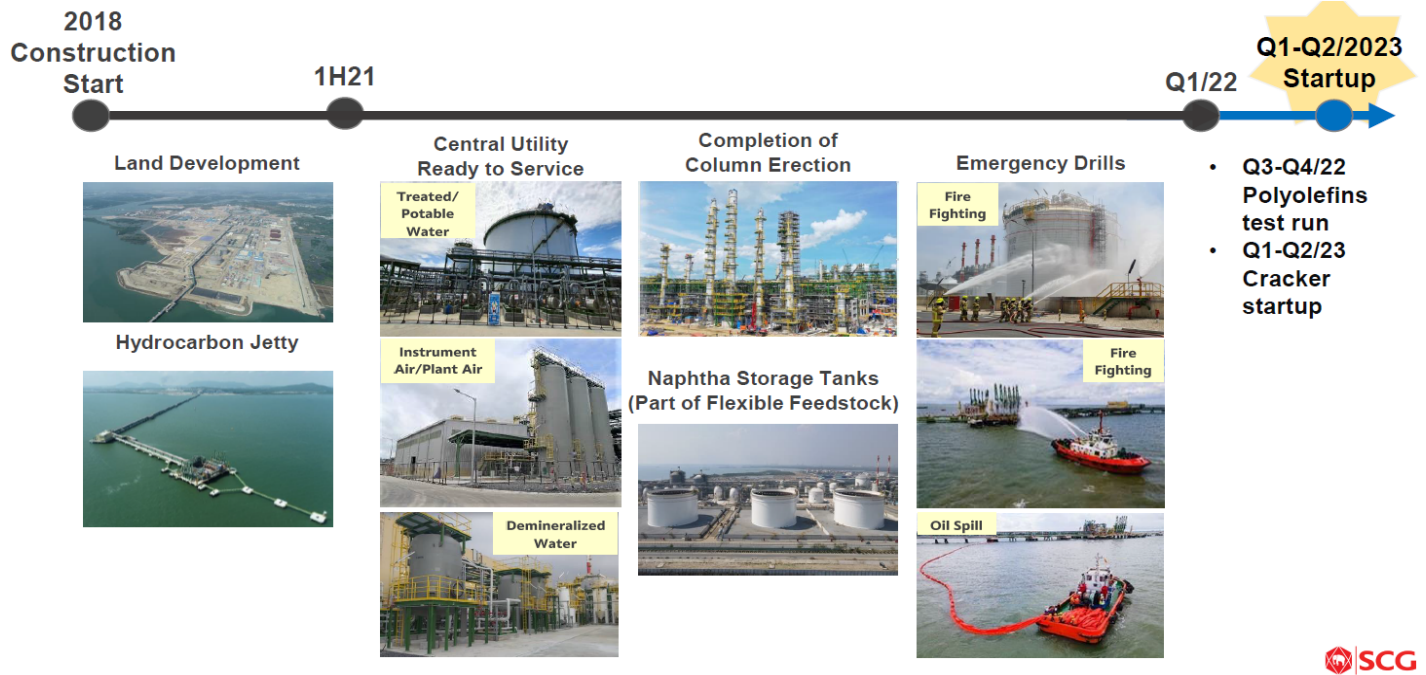
Sources: Bloomberg consensus; FSSIA estimates



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Exhibit 1: LSP project progress



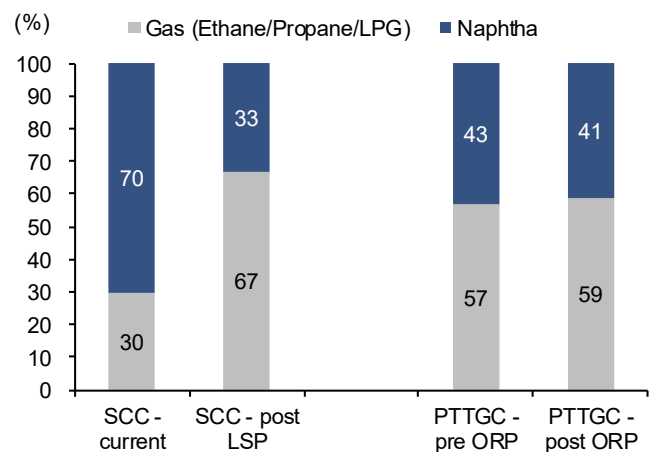
Source: SCC

Exhibit 2: LSP project

| SCC's new Vietnam petrochemical complex | Unit |
|---|----------------------------------|
| Location | Long Son Island, Baria- Vung Tau |
| Total investment cost | 5,400 USD m |
| Debt to equity | 1.50 |
| Equity investment | 2,160 USD m |
| Capacity | |
| Olefins | 1,500 ktpa |
| HDPE | 450 ktpa |
| LLDPE | 500 ktpa |
| PP | 400 ktpa |
| Key feedstock | |
| Ethane | 50 % |
| Propane | 30 % |
| Naphtha | 20 % |
| Commercial Starting Date | 1H23E |

Source: SCC

Exhibit 3: Feedstock mix comparison (SCC vs PTTGC)



Source: SCC; PTTGC; FSSIA estimates

Exhibit 4: Valuation estimate for SCGC's value to SCC

| | SCGC | SCC | Unit | | | |
|--|---------|---------|----------------|---------|---------|---------|
| 2023E EBITDA | 37,595 | 101,084 | THB m | | | |
| 2023E net debt | 124,740 | 235,301 | THB m | | | |
| # shares | 15,296 | 1,200 | m shares | | | |
| IPO shares | 3,855 | | m shares | | | |
| % IPO shares to total shares | 25.2 | | % | | | |
| EV/EBITDA (x) | 5 | 6 | 7 | 8 | 9 | 10 |
| EV (THB m) | 63,236 | 100,831 | 138,427 | 176,022 | 213,617 | 251,212 |
| Value to SCC (75% holding post IPO in SCGC by SCC) (THB m) | 47,301 | 75,422 | 103,543 | 131,664 | 159,786 | 187,907 |
| Value to SCC (THB/share) | 39.4 | 62.9 | 86.3 | 109.7 | 133.2 | 156.6 |

Source: SCC

Financial Statements

Siam Cement

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

Sources: Siam Cement; FSSIA estimates

Financial Statements

Siam Cement

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

Per share (THB)

| | | | | | |
|-------------------------------|-------|---------|---------|-------|--------|
| FCFF per share | 18.78 | (45.62) | 24.74 | 31.30 | 46.14 |
| FCFE per share | 63.47 | (13.98) | (12.40) | 18.06 | 50.29 |
| Recurring cash flow per share | 59.15 | 77.96 | 87.08 | 95.18 | 112.68 |

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

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

Per share (THB)

| | | | | | |
|-------------------------------|--------|--------|--------|--------|--------|
| Book value per share | 267.48 | 304.74 | 337.77 | 374.53 | 425.89 |
| Tangible book value per share | 267.48 | 304.74 | 337.77 | 374.53 | 425.89 |

Financial strength

| | | | | | |
|---------------------------|------|------|------|------|------|
| Net debt/equity (%) | 36.8 | 49.4 | 47.3 | 42.2 | 29.8 |
| Net debt/total assets (%) | 19.4 | 25.8 | 27.5 | 25.4 | 18.9 |
| Current ratio (x) | 1.3 | 1.4 | 1.6 | 1.7 | 2.1 |
| CF interest cover (x) | 19.4 | 4.7 | 4.2 | 9.0 | 15.3 |

| Valuation | 2020 | 2021 | 2022E | 2023E | 2024E |
|---|-------------|-------------|------------|------------|------------|
| Recurring P/E (x) * | 12.5 | 9.1 | 7.2 | 6.7 | 5.2 |
| Recurring P/E @ target price (x) * | 17.0 | 12.3 | 9.8 | 9.1 | 7.1 |
| Reported P/E (x) | 12.5 | 9.1 | 7.2 | 6.7 | 5.2 |
| Dividend yield (%) | 4.1 | 4.6 | 4.8 | 4.4 | 4.9 |
| Price/book (x) | 1.3 | 1.2 | 1.1 | 1.0 | 0.8 |
| Price/tangible book (x) | 1.3 | 1.2 | 1.1 | 1.0 | 0.8 |
| EV/EBITDA (x) ** | 10.7 | 10.3 | 8.2 | 7.6 | 5.2 |
| EV/EBITDA @ target price (x) ** | 13.2 | 12.5 | 9.9 | 9.1 | 6.2 |
| EV/invested capital (x) | 1.1 | 1.0 | 1.0 | 0.9 | 0.9 |

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

Sources: Siam Cement; FSSIA estimates

Corporate Governance report of Thai listed companies 2020

| EXCELLENT LEVEL | | | | | | | | | | |
|-----------------|--------|--------|-------|-------|-------|--------|--------|--------|--------|-------|
| AAV | ADVANC | AF | AIRA | AKP | AKR | ALT | AMA | AMATA | AMATAV | ANAN |
| AOT | AP | ARIP | ARROW | ASP | BAFS | BANPU | BAY | BCP | BCPG | BDMS |
| BEC | BEM | BGRIM | BIZ | BKI | BLA | BOL | BPP | BRR | BTS | BWG |
| CENTEL | CFRESH | CHEWA | CHO | CIMBT | CK | CKP | CM | CNT | COL | COMAN |
| COTTO | CPALL | CPF | CPI | CPN | CSS | DELTA | DEMCO | DRT | DTAC | DTC |
| DV8 | EA | EASTW | ECF | ECL | EGCO | EPG | ETE | FNS | FPI | FPT |
| FSMART | GBX | GC | GCAP | GEL | GFPT | GGC | GPSC | GRAMMY | GUNKUL | HANA |
| HARN | HMPRO | ICC | ICI | III | ILINK | INTUCH | IRPC | IVL | JKN | JSP |
| JWD | K | KBANK | KCE | KKP | KSL | KTB | KTC | LANNA | LH | LHFG |
| LIT | LPN | MAKRO | MALEE | MBK | MBKET | MC | MCOT | METCO | MFEC | MINT |
| MONO | MOONG | MSC | MTC | NCH | NCL | NEP | NKI | NOBLE | NSI | NVD |
| NYT | OISHI | ORI | OTO | PAP | 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 | 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 | AMANAHA | AP | AQUA | ARROW |
| ASK | ASP | AYUD | B | BAFS | BANPU | BAY | BBL | BCH | BCP | BCPG |
| BGC | BGRIM | BJCHI | BKI | BLA | BPP | BROOK | BRR | BSBM | BTS | BWG |
| CEN | CENTEL | CFRESH | CGH | CHEWA | CHOTI | CHOW | CIG | CIMBT | CM | CMC |
| COL | COM7 | CPALL | CPF | CPI | CPN | CSC | DCC | DELTA | DEMCO | DIMET |
| DRT | DTAC | DTC | EASTW | ECL | EGCO | FE | FNS | FPI | FPT | FSS |
| FTE | GBX | GC | GCAP | GEL | GFPT | GGC | GJS | GPSC | GSTEEL | GUNKUL |
| HANA | HARN | HMPRO | HTC | ICC | ICHI | IFS | INET | INSURE | INTUCH | IRPC |
| ITEL | IVL | K | KASET | KBANK | KBS | KCAR | KCE | KGI | KKP | KSL |
| KTB | KTC | KWC | L&E | LANNA | LHFG | LHK | LPN | LRH | M | MAKRO |
| MALEE | MBAX | MBK | MBKET | MC | MCOT | MFC | MFEC | MINT | MONO | MOONG |
| MPG | MSC | MTC | MTI | NBC | NEP | NINE | NKI | NMG | NNCL | NSI |
| NWR | OCC | OCEAN | OGC | ORI | PAP | PATO | PB | PCSGH | PDG | PDI |
| PDJ | PE | PG | PHOL | PL | PLANB | PLANET | PLAT | PM | PPP | PPPM |
| PPS | PREB | PRG | PRINC | PRM | PSH | PSL | PSTC | PT | PTG | PTT |
| PTTEP | PTTGC | PYLON | Q-CON | QH | QLT | QTC | RATCH | RML | RWI | S & J |
| SABINA | SAT | SC | SCB | SCC | SCCC | SCG | SCN | SEAOIL | SE-ED | SELIC |
| SENA | SGP | SIRI | SITHAI | SMIT | SMK | SMPC | SNC | SNP | SORKON | SPACK |
| SPC | SPI | SPRC | SRICHA | SSF | SSSC | SST | STA | SUSCO | SVI | SYNTEC |
| TAE | TAKUNI | TASCO | TBSP | TCAP | TCMC | TFG | TFI | TFMAMA | THANI | THCOM |
| THIP | THRE | THREL | TIP | TIPCO | TISCO | TKT | TTB | TMD | TMILL | TMT |
| TNITY | TNL | TNP | TNR | TOG | TOP | TPA | TPCORP | TPP | TRU | TSC |
| TSTH | TTCL | TU | TVD | TVI | TVO | TWPC | U | UBIS | UEC | UKEM |
| UOBKH | UWC | VGI | VIH | VNT | WACOAL | WHA | WHAUP | WICE | WIJK | XO |
| ZEN | TRUE | | | | | | | | | |

| DECLARED | | | | | | | | | | |
|----------|-------|-------|--------|--------|-------|--------|-------|-------|-------|--------|
| 7UP | ABICO | AF | ALT | AMARIN | AMATA | AMATAV | ANAN | APURE | B52 | BKD |
| BM | BROCK | BUI | CHO | CI | COTTO | DDD | EA | EFORL | EP | ERW |
| ESTAR | ETE | EVER | FSMART | GPI | ILINK | IRC | J | JKN | JMART | JMT |
| JSP | JTS | KWG | LDC | MAJOR | META | NCL | NOBLE | NOK | PK | PLE |
| ROJNA | SAAM | SAPPE | SCI | SE | SHANG | SINGER | SKR | SPALI | SSP | STANLY |
| SUPER | SYNEX | THAI | TKS | TOPP | TRITN | TTA | UPF | UV | WIN | ZIGA |

| Level | |
|-----------|---|
| Certified | This level indicates practical participation with thoroughly examination in relation to the recommended procedures from the audit committee or the SEC's certified auditor, being a certified member of Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) or already passed examination to ensure independence from external parties. |
| Declared | This level indicates determination to participate in the Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) |

Disclaimer:

The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by Thaipat Institute, is made in order to comply with the policy and sustainable development plan for the listed companies of the Office of the Securities and Exchange Commission. Thaipat Institute made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of Thaipat Institute that is a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, FSS International Investment Advisory Company Limited does not confirm, verify, or certify the accuracy and completeness of the assessment results.

Note: Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of June 24, 2019) are categorised into: 1) companies that have declared their intention to join CAC, and; 2) companies certified by CAC.

Source: The Securities and Exchange Commission, Thailand; * FSSIA's compilation

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

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

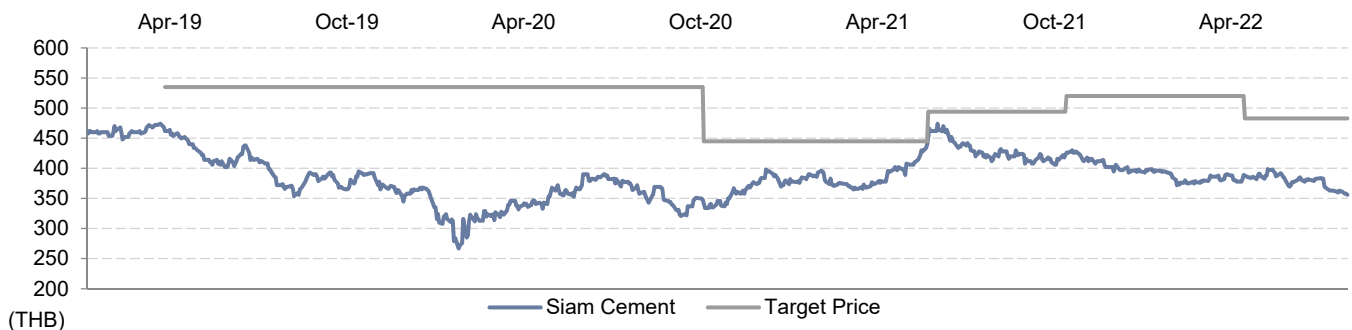
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

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History of change in investment rating and/or target price

Siam Cement (SCC TB)



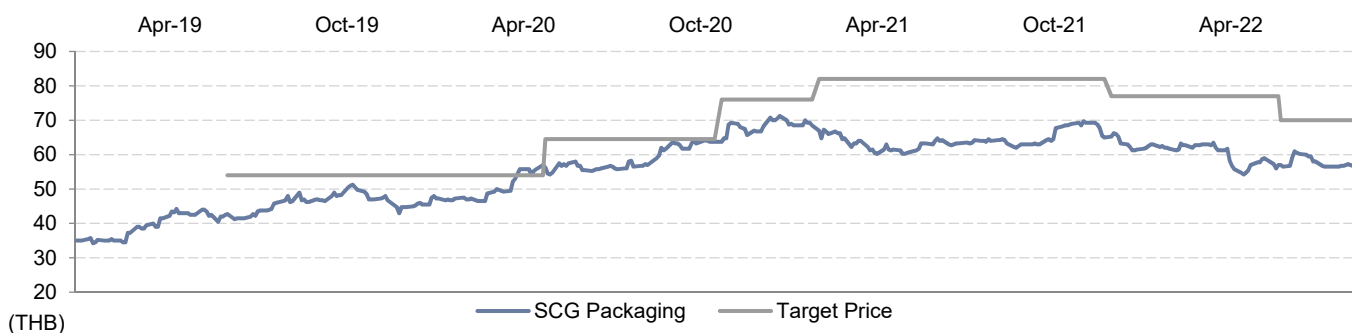
| Date | Rating | Target price | Date | Rating | Target price | Date | Rating | Target price |
|-------------|--------|--------------|-------------|--------|--------------|-------------|--------|--------------|
| 05-Jul-2019 | BUY | 535.00 | 27-Apr-2021 | BUY | 494.00 | 27-Jan-2022 | BUY | 483.00 |
| 14-Oct-2020 | BUY | 445.00 | 25-Aug-2021 | BUY | 520.00 | | | |

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

Price and TP are in local currency

Source: FSSIA estimates

SCG Packaging (SCGP TB)



| Date | Rating | Target price | Date | Rating | Target price | Date | Rating | Target price |
|-------------|--------|--------------|-------------|--------|--------------|-------------|--------|--------------|
| 24-Dec-2020 | BUY | 54.00 | 23-Jul-2021 | BUY | 76.00 | 07-Jan-2022 | BUY | 77.00 |
| 10-May-2021 | BUY | 64.50 | 03-Sep-2021 | BUY | 82.00 | 23-Mar-2022 | BUY | 70.00 |

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

Price and TP are in local currency

Source: FSSIA estimates

| Company | Ticker | Price | Rating | Valuation & Risks |
|---------------|---------|------------|--------|---|
| Siam Cement | SCC TB | THB 356.00 | BUY | Downside risks to our SOTP based TP include 1) a lower-than-expected demand for chemicals, CBM, and packaging; 2) rising coal costs for its cement and packaging units; and 3) weaker demand from the automobile industry that could erode the demand for SCC's chemical unit and its dividend contributions. |
| SCG Packaging | SCGP TB | THB 55.50 | BUY | Downside risks to our EV/EBITDA-based TP include a lower-than-expected demand for packaging, rising raw material costs of recycled paper and higher energy costs. |

Source: FSSIA estimates

Additional Disclosures

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

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

All share prices are as at market close on 27-Apr-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.