

SOMBOON ADVANCE TECHNOLOGY

THAILAND / AUTOMOTIVES

SAT TB

BUY

UNCHANGED

Pressured by the steel price

- We expect SAT's core net profit in 1Q22 at THB232m (-26% y-y, +21% q-q). GPM could be pressured by higher raw material costs.
- We cut our 2022 earnings estimate by 8% to THB1b.
- Maintain BUY with a lower TP of THB24. Despite the sluggish outlook in the short term, SAT's downside risk is limited.

TARGET PRICE	THB24.00
CLOSE	THB18.80
UP/DOWNSIDE	+27.7%
PRIOR TP	THB28.50
CHANGE IN TP	-15.8%
TP vs CONSENSUS	-5.9%

KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Revenue	8,598	9,172	10,012	10,340
Net profit	953	1,019	1,191	1,268
EPS (THB)	2.24	2.40	2.80	2.98
vs Consensus (%)	-	(1.9)	0.8	(3.8)
EBITDA	1,490	1,498	1,676	1,760
Core net profit	955	1,019	1,191	1,268
Core EPS (THB)	2.25	2.40	2.80	2.98
Chg. In EPS est. (%)	-	(7.6)	(4.0)	(1.1)
EPS growth (%)	147.7	6.7	16.9	6.4
Core P/E (x)	8.4	7.8	6.7	6.3
Dividend yield (%)	8.0	8.4	9.8	10.4
EV/EBITDA (x)	4.3	4.1	3.4	3.0
Price/book (x)	1.0	1.0	0.9	0.9
Net debt/Equity (%)	(21.0)	(24.0)	(26.9)	(29.7)
ROE (%)	13.0	13.0	14.3	14.3

Expect a slow start

Despite our expectation of continuous growth in SAT's revenue in 1Q22 at THB2.4b (+6% y-y, +1% q-q) thanks to the 3% y-y growth in car production during the same period, we anticipate SAT's 1Q22 core earnings to amount to only THB232m (-26% y-y, +21% q-q). This is due to the pressure from the higher steel price that has continued to increase. It will likely drag SAT's GPM in 1Q22 down to 17.7% vs 18.1% and 21.1% in 4Q21 and 1Q21, respectively.

Higher steel price should continue

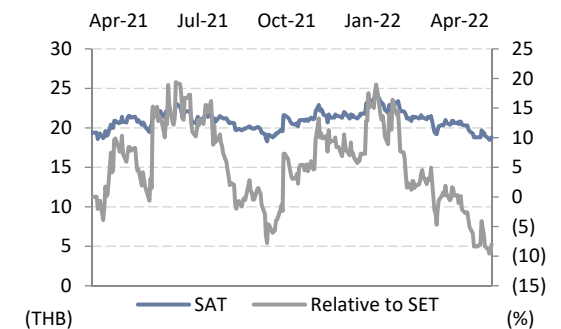
Steel, the biggest raw material for SAT used in the manufacture of auto parts, has increased continuously since 3Q21. The rise has been longer than the company and we expected, believing that the steel price would be more stable in 1Q22 onward. So far, SAT hasn't seen any sign that the steel price is stabilising. Therefore, we expect that the pressure from the steel price may taper in 2Q22 at the earliest – a one-quarter delay from our previous expectation. This means that SAT would be able to pass through the higher raw material cost to its customers in 3Q22.

Earnings estimate cut

SAT's revenue in 2022 should be maintained thanks to Thailand's car production outlook that remains strong, but we cut our 2022 GPM estimate to 18.6% from 19.7% to reflect the impact from the steel price, which could pressure SAT's GPM until 3Q22. Note that our 18.6% GPM estimate is lower than SAT's GPM last year at 19.2%. As a result, we cut our core earnings forecast for 2022 by 8% to THB1b.

Maintain BUY with a lower TP of THB24

Although SAT's outlook may be sluggish in the short term due to the higher raw material cost, we believe it should be able to grow its net profit this year thanks to the new orders and the expectation that Thailand's car production should grow by 6% in 2022. We cut our TP on SAT to THB24 from THB28.5 due to 1) our 2022E EPS estimate cut; and 2) lower 2022E P/E multiple from 11x (0.75 SD) to 10x (0.25SD of its mean P/E). We think SAT can still offer an attractive dividend yield of 8.5% this year with its resilient balance sheet. SAT's downside is limited at about THB21 based on our worst-case scenario where its 2022E earnings would be flat and pegged to 9.3x 2022E P/E (mean P/E). Thus, we see the 11% decline in its share price since Apr-22 as an opportunity to Buy.



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(9.2)	(19.7)	(6.0)
Relative to country (%)	(8.0)	(21.0)	(10.4)
Mkt cap (USD m)	232		
3m avg. daily turnover (USD m)	1.6		
Free float (%)	64		
Major shareholder	Kitapanich Family (44%)		
12m high/low (THB)	24.80/17.80		
Issued shares (m)	425.19		

Sources: Bloomberg consensus; FSSIA estimates


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Investment thesis

SAT is the largest producer of axle shafts (76% market share), which are used in the manufacturing of one-tonne pickup trucks and large commercial cars.

SAT is the safest company in the automotive sector, in our view, as it has no debt and holds more than THB2.5b in cash, equal to THB6 per share. The company has a solid earnings outlook, as Thailand's automobile manufacturing industry is one of the largest drivers of the country's economy. The demand for new cars in Thailand has consistently remained at 0.8m-1m units per year, according to historical data. Therefore, when the economy returns to normal, we expect Thailand's automobile production volume to also return to its normal level in 2022, which would directly benefit SAT.

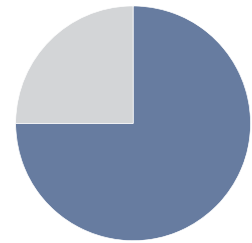
Company profile

SAT manufactures parts for the motor vehicle industry. These parts are for: passenger cars, pickup trucks, and the agricultural industry. Its major customers are original equipment manufacturers (OEMs) on long-term purchase contracts, as well as the replacement equipment manufacturer (REM) segment.

www.satpcl.co.th

Principal activities (revenue, 2021)

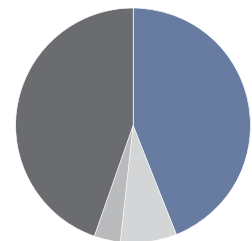
■ Auto - 75.0 % ■ Non-auto - 25.0 %



Source: Somboon Advance Technology

Major shareholders

■ Kitapanich Family - 44.0 %
 ■ Thai NVDR - 7.7 %
 ■ NORTRUST NOMINEES - 3.6 %
 ■ Others - 44.6 %



Source: Somboon Advance Technology

Catalysts

- The expectation that its earnings should reach another all-time high in 2022;
- Cost reduction program;
- Solid dividend yield track record at 5-7% p.a.

Risks to our call

The key downside risks to our P/E-based TP are the domestic car manufacturing industry recovering more slowly than expected, a slower-than-expected adoption rate for electric vehicles in Thailand, higher raw material prices, and worse global demand for pickup trucks.

Event calendar

Date	Event
May-22	1Q22 results announcement

Key assumptions

	2021	2022E	2023E	2024E
Car production growth (%)	21	6	6	4
Kubota tractor growth (%)	43	(7)	7	5

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in auto parts revenue, we project 2022 earnings to rise by 0.6%, and vice versa, all else being equal.
- For every 1 bp increase in gross profit margin, we project 2022 earnings to rise by 1.2%, and vice versa, all else being equal.

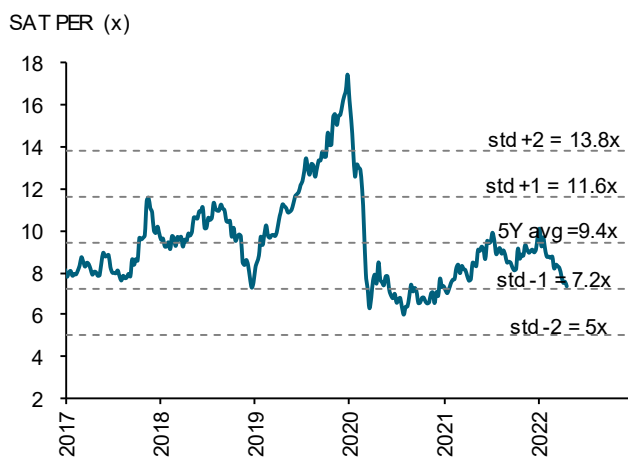
Source: FSSIA estimates

Exhibit 1: 1Q22E results preview

	1Q21	4Q21	1Q22E	Change		2022E
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)
Revenue	2,208	2,338	2,350	0.5	6.4	9,172
Operating costs	(1,742)	(1,915)	(1,934)	1.0	11.0	(7,465)
Gross profit	466	423	416	(1.6)	(10.7)	1,707
SG&A expenses	(197)	(191)	(190)	(0.6)	(3.7)	(767)
EBIT	269	232	226	(2.5)	(15.9)	940
Depn & amort.	146	137	131	(4.2)	(10.1)	558
EBITDA	414	368	357	(3.1)	(13.8)	1,498
EBITDA margin (%)	19	16	15	nm	nm	16
Interest expense	(1)	(1)	(1)	(12.3)	(36.8)	(5)
Other income	34	27	28	3.4	(18.3)	127
Associates	47	8	10	30.5	(78.9)	92
Gain/Loss from exchange	6	(11)	0	n.a.	(100.0)	0
Extra items	0	0	0	n.a.	n.a.	0
Pretax profit	355	254	263	3.4	(25.9)	1,154
Tax	(34)	(74)	(29)	(60.7)	(15.6)	(127)
Tax rate (%)	(10)	(29)	(11)	nm	nm	(11)
Minority interests	0	1	2	n.a.	675.2	8
Net profit	321	180	232	28.9	(27.6)	1,019
Core net profit	314	191	232	21.4	(26.2)	1,019
EPS (THB)	0.75	0.42	0.55	28.9	(27.6)	2.40
Core EPS (THB)	0.74	0.45	0.55	21.4	(26.2)	2.40

Sources: SAT; FSSIA estimates

Exhibit 2: Rolling one-year forward P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 3: Rolling one-year forward P/BV band



Sources: Bloomberg; FSSIA estimates

Exhibit 4: Key assumption changes

	Current		Previous		Change	
	2022E	2023E	2022E	2023E	2022E	2023E
	(THB m)	(THB m)	(THB m)	(THB m)	(%)	(%)
Revenue	9,172	10,012	9,172	10,012	0.0	0.0
Gross profit (includes depreciation and amortisation)	1,707	1,942	1,810	2,002	(5.7)	(3.0)
EBITDA	1,498	1,676	1,597	1,736	(6.2)	(3.4)
Net profit	1,019	1,191	1,103	1,240	(7.6)	(4.0)
Margin	(%)	(%)	(%)	(%)	(ppt)	(ppt)
Gross profit margin	18.6	19.4	19.7	20.0	(1.1)	(0.6)
Net profit margin	11.1	11.9	12.0	12.4	(0.9)	(0.5)

Source: FSSIA estimates

Financial Statements

Somboon Advance Technology

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Revenue	5,883	8,598	9,172	10,012	10,340
Cost of goods sold	(4,372)	(6,371)	(6,908)	(7,505)	(7,696)
Gross profit	1,511	2,227	2,265	2,507	2,644
Other operating income	-	-	-	-	-
Operating costs	(601)	(737)	(767)	(831)	(884)
Operating EBITDA	910	1,490	1,498	1,676	1,760
Depreciation	(620)	(572)	(558)	(565)	(576)
Goodwill amortisation	-	-	-	-	-
Operating EBIT	290	918	940	1,111	1,184
Net financing costs	(8)	(6)	(5)	(4)	0
Associates	3	84	92	110	124
Recurring non-operating income	147	204	218	247	265
Non-recurring items	(15)	(2)	0	0	0
Profit before tax	415	1,114	1,154	1,355	1,449
Tax	(40)	(159)	(127)	(152)	(165)
Profit after tax	374	955	1,027	1,203	1,284
Minority interests	(4)	(3)	(8)	(12)	(16)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	371	953	1,019	1,191	1,268
Non-recurring items & goodwill (net)	15	2	0	0	0
Recurring net profit	385	955	1,019	1,191	1,268
Per share (THB)					
Recurring EPS *	0.91	2.25	2.40	2.80	2.98
Reported EPS	0.87	2.24	2.40	2.80	2.98
DPS	0.60	1.50	1.57	1.84	1.96
Diluted shares (used to calculate per share data)	425	425	425	425	425
Growth					
Revenue (%)	(26.5)	46.2	6.7	9.2	3.3
Operating EBITDA (%)	(35.0)	63.7	0.5	11.9	5.0
Operating EBIT (%)	(61.7)	216.1	2.4	18.2	6.5
Recurring EPS (%)	(56.9)	147.7	6.7	16.9	6.4
Reported EPS (%)	(58.6)	156.9	7.0	16.9	6.4
Operating performance					
Gross margin inc. depreciation (%)	15.1	19.2	18.6	19.4	20.0
Gross margin of key business (%)	0.2	0.2	0.2	0.2	0.2
Operating EBITDA margin (%)	15.5	17.3	16.3	16.7	17.0
Operating EBIT margin (%)	4.9	10.7	10.3	11.1	11.5
Net margin (%)	6.6	11.1	11.1	11.9	12.3
Effective tax rate (%)	(9.7)	(14.3)	(11.0)	(11.2)	(11.4)
Dividend payout on recurring profit (%)	66.2	66.8	65.5	65.7	65.8
Interest cover (X)	56.4	193.8	257.4	339.7	-
Inventory days	47.4	33.2	31.9	31.1	31.9
Debtor days	85.6	65.0	67.8	63.2	65.0
Creditor days	111.7	86.8	88.0	82.8	84.9
Operating ROIC (%)	6.2	19.3	18.4	21.6	22.8
ROIC (%)	7.5	18.9	18.2	20.9	21.7
ROE (%)	5.4	13.0	13.0	14.3	14.3
ROA (%)	4.3	10.3	10.4	11.6	11.6
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Auto	4,412	6,449	7,173	7,873	8,095
Non-auto	1,471	2,150	1,999	2,139	2,246

Sources: Somboon Advance Technology; FSSIA estimates

Financial Statements

Somboon Advance Technology

Cash Flow (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Recurring net profit	385	955	1,019	1,191	1,268
Depreciation	620	572	558	565	576
Associates & minorities	4	3	8	12	16
Other non-cash items	(109)	(10)	(8)	12	16
Change in working capital	128	(157)	(94)	(108)	(66)
Cash flow from operations	1,028	1,363	1,483	1,672	1,810
Capex - maintenance	(283)	(192)	(287)	(357)	(357)
Capex - new investment	(121)	(82)	(123)	(153)	(153)
Net acquisitions & disposals	17	8	0	0	0
Other investments (net)	329	(1,002)	(92)	(110)	(124)
Cash flow from investing	(59)	(1,268)	(502)	(620)	(634)
Dividends paid	(476)	(374)	(621)	(668)	(782)
Equity finance	0	0	0	0	0
Debt finance	(187)	(94)	(13)	0	0
Other financing cash flows	(29)	(22)	(18)	0	0
Cash flow from financing	(692)	(490)	(652)	(668)	(782)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	16	0	0	0
Movement in cash	277	(379)	329	384	394
Free cash flow to firm (FCFF)	977.18	100.92	985.36	1,055.80	1,175.54
Free cash flow to equity (FCFE)	753.56	(4.93)	949.90	1,051.80	1,175.54

Per share (THB)	2020	2021	2022E	2023E	2024E
FCFF per share	2.30	0.24	2.32	2.48	2.76
FCFE per share	1.77	(0.01)	2.23	2.47	2.76
Recurring cash flow per share	2.12	3.57	3.71	4.19	4.41

Balance Sheet (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Tangible fixed assets (gross)	11,605	11,370	11,770	12,270	12,770
Less: Accumulated depreciation	(8,202)	(8,301)	(8,847)	(9,400)	(9,964)
Tangible fixed assets (net)	3,403	3,069	2,923	2,870	2,806
Intangible fixed assets (net)	70	39	53	51	49
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	867	1,031	1,123	1,233	1,357
Cash & equivalents	1,981	1,602	1,931	2,315	2,708
A/C receivable	1,311	1,751	1,659	1,810	1,870
Inventories	565	594	614	663	680
Other current assets	550	1,597	1,645	1,694	1,745
Current assets	4,407	5,543	5,847	6,483	7,003
Other assets	208	148	123	131	135
Total assets	8,955	9,830	10,070	10,768	11,350
Common equity	7,042	7,642	8,049	8,584	9,086
Minorities etc.	48	0	8	20	36
Total shareholders' equity	7,091	7,642	8,057	8,604	9,122
Long term debt	59	0	0	0	0
Other long-term liabilities	305	296	291	306	321
Long-term liabilities	364	296	291	306	321
A/C payable	1,337	1,694	1,636	1,769	1,813
Short term debt	71	0	0	0	0
Other current liabilities	93	199	86	90	95
Current liabilities	1,501	1,892	1,722	1,859	1,908
Total liabilities and shareholders' equity	8,955	9,830	10,070	10,768	11,350
Net working capital	996	2,049	2,195	2,309	2,387
Invested capital	5,545	6,336	6,417	6,595	6,734

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

Per share (THB)	2020	2021	2022E	2023E	2024E
Book value per share	16.56	17.97	18.93	20.19	21.37
Tangible book value per share	16.40	17.88	18.81	20.07	21.25

Financial strength	2020	2021	2022E	2023E	2024E
Net debt/equity (%)	(26.1)	(21.0)	(24.0)	(26.9)	(29.7)
Net debt/total assets (%)	(20.7)	(16.3)	(19.2)	(21.5)	(23.9)
Current ratio (x)	2.9	2.9	3.4	3.5	3.7
CF interest cover (x)	113.8	14.3	239.4	302.2	-

Valuation	2020	2021	2022E	2023E	2024E
Recurring P/E (x) *	20.7	8.4	7.8	6.7	6.3
Recurring P/E @ target price (x) *	26.5	10.7	10.0	8.6	8.1
Reported P/E (x)	21.6	8.4	7.8	6.7	6.3
Dividend yield (%)	3.2	8.0	8.4	9.8	10.4
Price/book (x)	1.1	1.0	1.0	0.9	0.9
Price/tangible book (x)	1.1	1.1	1.0	0.9	0.9
EV/EBITDA (x) **	6.8	4.3	4.1	3.4	3.0
EV/EBITDA @ target price (x) **	9.2	5.8	5.5	4.7	4.3
EV/invested capital (x)	1.1	1.0	0.9	0.9	0.8

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

Sources: Somboon Advance Technology; 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	SEOIL	SE-ED	SELIC	SENA	SIRI	SIS	SITHAI	SMK	SMPC	SNC
SONIC	SORKON	SPALI	SPI	SPRC	SPVI	SSSC	SST	STA	SUSCO	SUTHA
SVI	SYMC	SYNTEC	TACC	TASCO	TCAP	TFMAMA	THANA	THANI	THCOM	THG
THIP	THRE	THREL	TIP	TIPCO	TISCO	TK	TKT	TTB	TMILL	TNDT
TNL	TOA	TOP	TPBI	TQM	TRC	TRC	TSC	TSR	TSTE	TSTH
TTCL	TTW	TU	TVD	TVI	TVO	TWPC	U	UAC	UBIS	UV
VGI	VIH	WACOAL	WAVE	WHA	WHAUP	WICE	WINNER	TRUE		

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

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

Description

Score Range

Excellent

90-100

Very Good

80-89

Good

70-79

Disclaimer:

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

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

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

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

Anti-corruption Progress Indicator 2020

CERTIFIED										
2S	ADVANC	AI	AIE	AIRA	AKP	AMA	AMANAHA	AP	AQUA	ARROW
ASK	ASP	AYUD	B	BAFS	BANPU	BAY	BBL	BCH	BCP	BCPG
BGC	BGRIM	BJCHI	BKI	BLA	BPP	BROOK	BRR	BSBM	BTS	BWG
CEN	CENTEL	CFRESH	CGH	CHEWA	CHOTI	CHOW	CIG	CIMBT	CM	CMC
COL	COM7	CPALL	CPF	CPI	CPN	CSC	DCC	DELTA	DEMCO	DIMET
DRT	DTAC	DTC	EASTW	ECL	EGCO	FE	FNS	FPI	FPT	FSS
FTE	GBX	GC	GCAP	GEL	GFPT	GGC	GJS	GPSC	GSTEEL	GUNKUL
HANA	HARN	HMPRO	HTC	ICC	ICHI	IFS	INET	INSURE	INTUCH	IRPC
ITEL	IVL	K	KASET	KBANK	KBS	KCAR	KCE	KGI	KKP	KSL
KTB	KTC	KWC	L&E	LANNA	LHFG	LHK	LPN	LRH	M	MAKRO
MALEE	MBAX	MBK	MBKET	MC	MCOT	MFC	MFEC	MINT	MONO	MOONG
MPG	MSC	MTC	MTI	NBC	NEP	NINE	NKI	NMG	NNCL	NSI
NWR	OCC	OCEAN	OGC	ORI	PAP	PATO	PB	PCSGH	PDG	PDI
PDJ	PE	PG	PHOL	PL	PLANB	PLANET	PLAT	PM	PPP	PPPM
PPS	PREB	PRG	PRINC	PRM	PSH	PSL	PSTC	PT	PTG	PTT
PTTEP	PTTGC	PYLON	Q-CON	QH	QLT	QTC	RATCH	RML	RWI	S & J
SABINA	SAT	SC	SCB	SCC	SCCC	SCG	SCN	SEAOIL	SE-ED	SELIC
SENA	SGP	SIRI	SITHAI	SMIT	SMK	SMPC	SNC	SNP	SORKON	SPACK
SPC	SPI	SPRC	SRICHA	SSF	SSSC	SST	STA	SUSCO	SVI	SYNTEC
TAE	TAKUNI	TASCO	TBSP	TCAP	TCMC	TFG	TFI	TFMAMA	THANI	THCOM
THIP	THRE	THREL	TIP	TIPCO	TISCO	TKT	TTB	TMD	TMILL	TMT
TNITY	TNL	TNP	TNR	TOG	TOP	TPA	TPCORP	TPP	TRU	TSC
TSTH	TTCL	TU	TVD	TVI	TVO	TWPC	U	UBIS	UEC	UKEM
UOBKH	UWC	VGI	VIH	VNT	WACOAL	WHA	WHAUP	WICE	WIJK	XO
ZEN	TRUE									

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

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

Disclaimer:

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

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

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

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Naruedom Mujjalinkool FSS International Investment Advisory Securities Co., Ltd

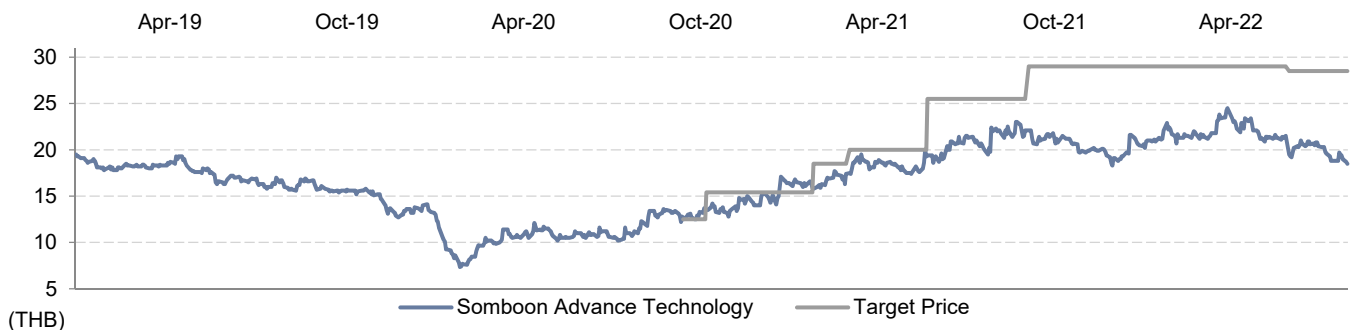
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History of change in investment rating and/or target price

Somboon Advance Technology (SAT TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
01-Oct-2020	HOLD	12.50	19-Feb-2021	BUY	20.00	04-Mar-2022	BUY	28.50
21-Oct-2020	BUY	15.40	29-Apr-2021	BUY	25.50			
21-Jan-2021	BUY	18.50	23-Jul-2021	BUY	29.00			

Naruedom Mujjalinkool started covering this stock from 01-Oct-2020

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Somboon Advance Technology	SAT TB	THB 18.80	BUY	The key downside risks to our P/E-based TP are the domestic car manufacturing industry recovering more slowly than expected, a slower-than-expected adoption rate for electric vehicles in Thailand, higher raw material prices, and worse global demand for pickup trucks.

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

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All share prices are as at market close on 28-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.