

SINO-THAI E&C STEC TB

THAILAND / CONSTRUCTION SERVICES

BUY

FROM HOLD

Compelling valuation

- The 17.6% selloff in STEC's share price from Jan to early May-22 has factored in the rising construction cost, in our view.
- Strong 2022E NP growth via high-margin projects (power plants) vs low-margin projects last year.
- Upgrade to BUY with TP rollover to THB15.4 (1.3x 2022E P/BV)

TARGET PRICE	THB15.40
CLOSE	THB12.70
UP/DOWNSIDE	+21.3%
PRIOR TP	THB12.80
CHANGE IN TP	+20.3%
TP vs CONSENSUS	-14.5%

KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Revenue	27,675	38,507	33,400	36,466
Net profit	711	1,461	1,487	1,782
EPS (THB)	0.47	0.96	0.97	1.17
vs Consensus (%)	-	31.1	15.6	17.6
EBITDA	1,729	2,630	2,987	3,489
Core net profit	722	1,356	1,377	1,646
Core EPS (THB)	0.47	0.89	0.90	1.08
Chg. In EPS est. (%)	nm	0.0	0.0	nm
EPS growth (%)	(19.8)	87.8	1.5	19.5
Core P/E (x)	26.8	14.3	14.1	11.8
Dividend yield (%)	2.0	2.0	4.0	4.1
EV/EBITDA (x)	9.7	12.5	11.0	9.2
Price/book (x)	1.1	1.1	1.0	1.0
Net debt/Equity (%)	(16.9)	71.3	69.4	62.0
ROE (%)	4.6	7.7	7.5	8.6

Strong earnings growth and improving gross margin

STEC's poor earnings in the past two years were due to the Covid-19 pandemic and narrow margin from the delayed parliament building project. STEC's 4.4% gross margin in 2020 should be the lowest, in our opinion, with a sign of improvement to 4.6% in 2021. We expect its gross margin to increase to 5.9% in 2022, as high-margin projects (Hin Kong power plant and two of Gulf Energy Development (GULF TB, BUY, TP THB60)'s power plants) should help compensate for the rising construction material costs. For its construction outlook in 2022, we think STEC has a high chance of winning some of the mega-projects under bidding this year, i.e. the THB120b MRT Orange Line, double-track railways and motorway projects. We upgrade our net profit forecasts by c8% per year for 2022-23 to factor in the dividend income from its investment in GULF.

Expect STEC's 1Q22 NP to grow from higher-margin projects

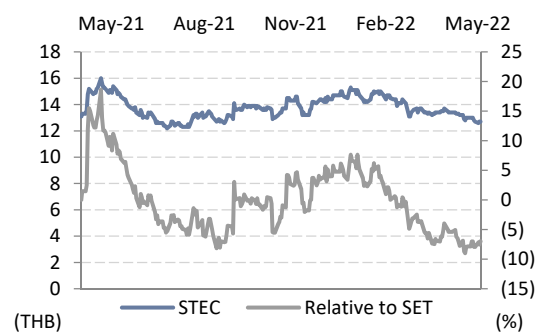
We expect STEC to post a 1Q22 core profit of THB212m, increasing by 7% y-y but declining by 19% q-q, based on soft revenue of THB7.1b (+2% q-q, -5% y-y) due to a lack of new signed projects during the quarter. The gross margin in 1Q22 could drop to 4.9% compared with 5.6% in 4Q21 and 5.1% in 1Q21 due to the high construction material and energy costs. However, we expect its 2022 gross margin to improve with the entry of new high-margin projects in 2Q22 onward.

Attractive valuation, strong balance sheet and secured revenue

STEC's share price is trading below 1SD of its 2022E P/E and at 1.1x 2022E P/BV. We believe STEC is well positioned for new mega-project bids as its net cash status and its huge order backlog of THB116b as of 2021 can allow it to secure revenue for the next two years.

Upgrade to BUY with THB15.4 TP (1.3x 2022E P/BV)

We upgrade STEC to BUY from Hold while rolling over our valuation to 2022 to derive a target price of THB15.4, based on 1.3x 2022E P/BV.



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(5.9)	(14.2)	(7.3)
Relative to country (%)	(2.1)	(9.6)	(9.3)
Mkt cap (USD m)	559		
3m avg. daily turnover (USD m)	2.3		
Free float (%)	52		
Major shareholder	Charnvirakul family (24%)		
12m high/low (THB)	16.10/12.00		
Issued shares (m)	1,525.11		

Sources: Bloomberg consensus; FSSIA estimates



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Investment thesis

STEC is the one of the top three largest civil contractors in Thailand, and has good relationship with the current Thai government. STEC's expertise is in infrastructure projects, e.g. mass transit projects. Its project proportion was 39% large-scale public projects and 61% private projects as of 2021. STEC's solid balance sheet enables it to be well positioned to bid for new mega projects, in our view. STEC's revenue is secured by its THB116b backlog at end-2021.

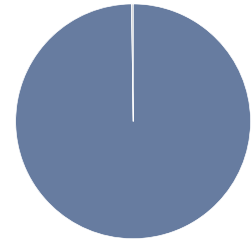
Company profile

Sino-Thai Engineering & Construction Public Company Limited (STEC), a leading engineering and construction company, was originally established in 1962 and listed on the SET in 1992. STEC has worked on large-scale public and private projects.

www.stecon.co.th

Principal activities (revenue, 2021)

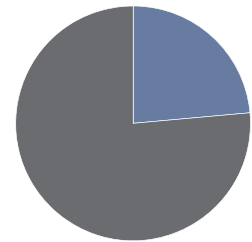
- Construction and services - 99.8 %
- Sales and services - 0.2 %



Source: Sino-Thai E&C

Major shareholders

- Charnvirakul family - 23.6 %
- Others - 76.4 %



Source: Sino-Thai E&C

Catalysts

We think the biggest potential catalyst for the sector is the ongoing bids for government projects. For STEC in particular, major catalysts would be the bids for more double-track railways and mass rapid railway extensions.

Risks to our call

Downside risks to our P/BV multiple valuation-based TP are 1) prolonged Covid-19; and 2) delays in both the bidding for and construction of projects; and 3) the construction margin contracting more than expected.

Event calendar

Date	Event
May 2022	1Q22 results announcement

Key assumptions

	2022E	2023E	2024E
Net profit (THB m)	1,461	1,487	1,782
Core profit (THB m)	1,356	1,377	1,646
New signed projects (THB m)	27,236	28,597	30,027
Gross profit margin (%)	5.9	6.4	6.9
SG&A to sales (%)	2.6	2.6	2.6

Source: FSSIA estimates

Earnings sensitivity

- GPM has a bigger impact on earnings than new projects, though both are important.
- A 1ppt change in GPM would impact our net profit estimate for 2022 by 17%, all else being equal.
- A 10% change in new projects would impact our net profit estimate for 2022 by 3%, all else being equal.

Source: FSSIA estimates

Exhibit 1: Change of key assumptions

Key assumptions	Current			Previous			Change (%)		
	2022E	2023E	2024E	2022E	2023E	2024E	2022E	2023E	2024E
Net profit (THB m)	1,461	1,487	1,782	1,356	1,377	n/a	8	8	n/a
Core profit (THB m)	1,356	1,377	1,646	1,356	1,377	n/a	(0)	(0)	n/a
New signed projects (THB m)	27,236	28,597	30,027	30,000	31,500	n/a	(9)	(9)	n/a
Gross profit margin (%)	5.9	6.4	6.9	5.6	6.1	n/a	6	6	n/a
SG&A to sales (%)	2.6	2.6	2.6	2.6	2.6	n/a	0	0	n/a

Note: Change of items in percentage terms are represented in ppt change

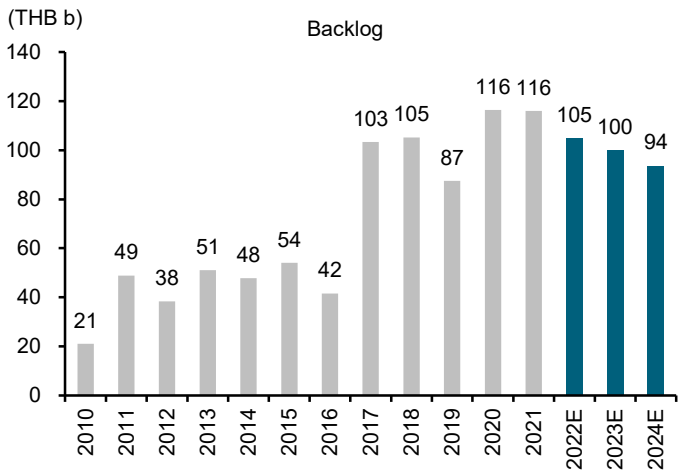
Source: FSSIA estimates

Exhibit 2: STEC – 1Q22E results preview

Year to Dec 31	1Q21	2Q21	3Q21	4Q21	1Q22E	Change		1Q22E	2021	2022E	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(%22E)	(THB m)	(THB m)	(y-y %)
Revenue	7,549	7,072	6,072	6,982	7,139	2	(5)	19	27,675	38,507	39
Gross profit	385	230	267	393	349	(11)	(9)	23	1,275	2,266	78
Operating costs	182	203	169	120	134	11	(26)	13	675	1,001	48
Operating profit	568	433	436	513	483	(6)	(15)	38	600	1,265	111
Operating EBITDA	479	306	382	562	215	(62)	(55)	8	1,729	2,630	52
Other income	36	111	57	51	48	(5)	32	16	255	305	20
Interest expense	(11)	(8)	(7)	(7)	(7)	3	(37)	18	(33)	(38)	15
Profit before tax	228	129	148	316	256	(19)	12	17	822	1,531	86
Tax	46	21	12	50	45	(10)	(3)	19	130	241	86
Associates	18	20	2	(1)	1	n/a	(95)	1	40	79	100
Minority interests	(3)	(3)	(2)	(2)	0	(100)	(100)	0	(10)	(14)	39
Non recurring items	0	(124)	0	113	0	n/a	n/a		(11)	105	n/a
Reported net profit	197	1	136	376	212	(44)	7	15	711	1,461	106
Recurring net profit	197	125	136	263	212	(19)	7	16	722	1,356	88
EPS (THB)	0.13	0.00	0.09	0.25	0.14	(44)	7	15	0.47	0.96	106
Recurring EPS (THB)	0.13	0.08	0.09	0.17	0.14	(19)	7	16	0.47	0.89	88
BV/share (THB)	9.72	9.48	10.41	11.20	0.00	n/a	n/a		11.20	11.86	6
Key Ratios (%)	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)		(%)	(%)	(ppt)
Gross margin	5.1	3.2	4.4	5.6	4.9	(0.7)	(0.2)		4.6	5.9	1.3
Operating margin	7.5	6.1	7.2	7.3	6.8	(0.6)	(0.8)		2.2	3.3	1.1
EBITDA margin	6.3	4.3	6.3	8.0	3.0	(5.0)	(3.3)		6.2	6.8	0.6
Recurring net margin	3.6	2.1	2.6	5.2	4.2	(1.0)	0.6		3.4	4.6	1.2
SG&A / Sales	2.4	2.9	2.8	1.7	1.9	0.2	(0.5)		2.4	2.6	0.2
Effective tax rate	20.3	16.4	8.0	15.8	17.6				15.8	15.8	0.0
Interest coverage (EBITDA)	42.8	37.6	52.3	82.5	30.7				51.7	68.4	

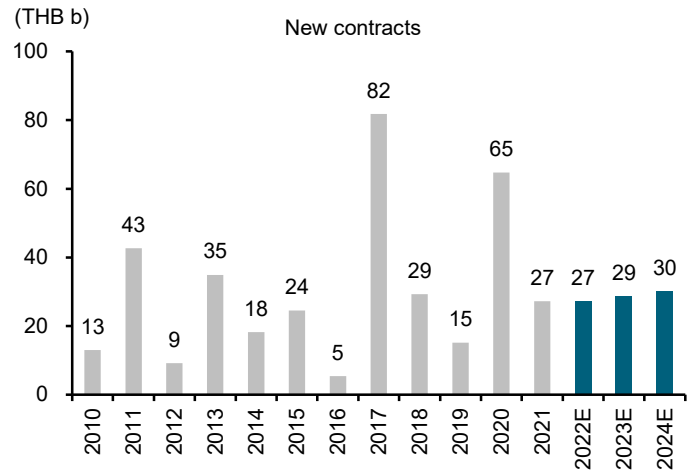
Source: STEC; FSSIA estimates

Exhibit 3: Backlog at end of the year



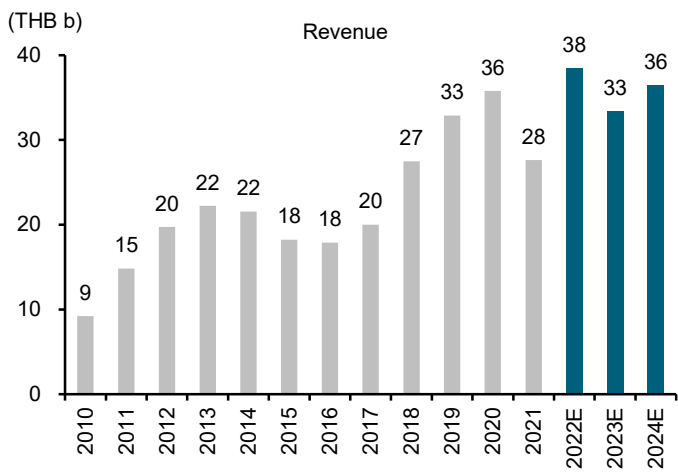
Sources: STEC; FSSIA estimates

Exhibit 4: New signed contracts



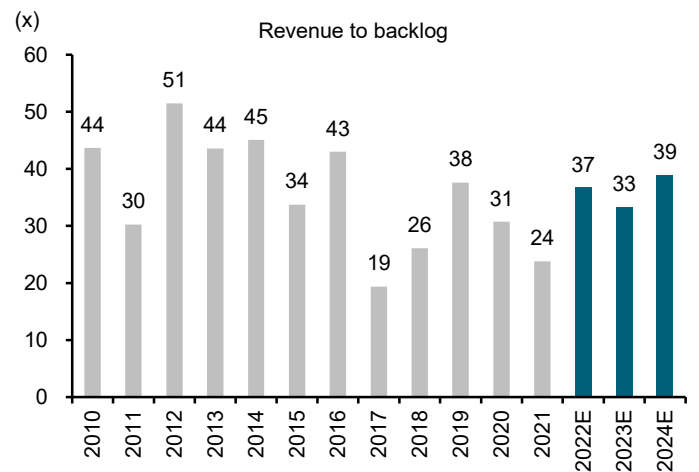
Sources: STEC; FSSIA implies from the difference of reported backlog and revenue recognition

Exhibit 5: Annual revenue



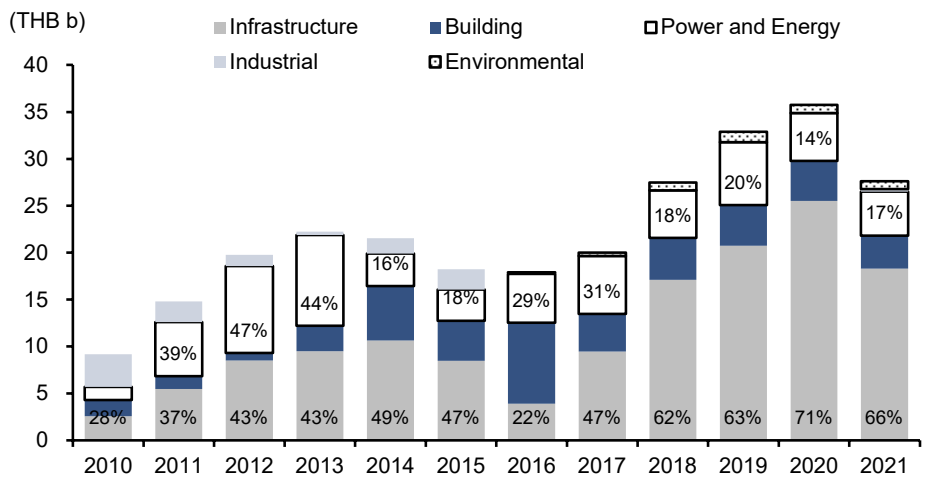
Sources: STEC; FSSIA estimates

Exhibit 6: Revenue to backlog



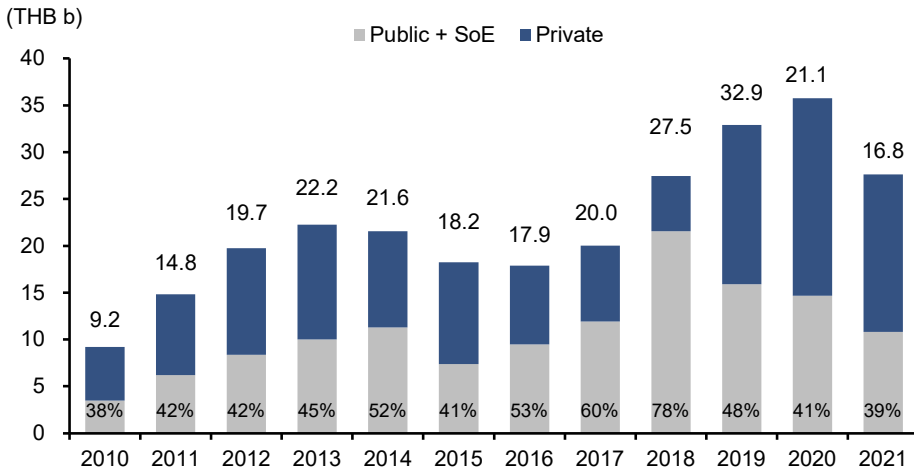
Sources: STEC; FSSIA estimates

Exhibit 7: Revenue breakdown by construction type



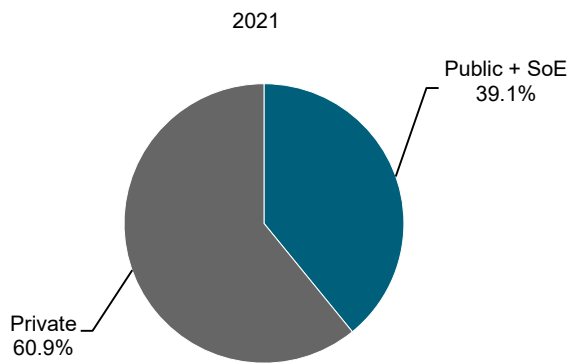
Source: STEC

Exhibit 8: Revenue breakdown by customer profile



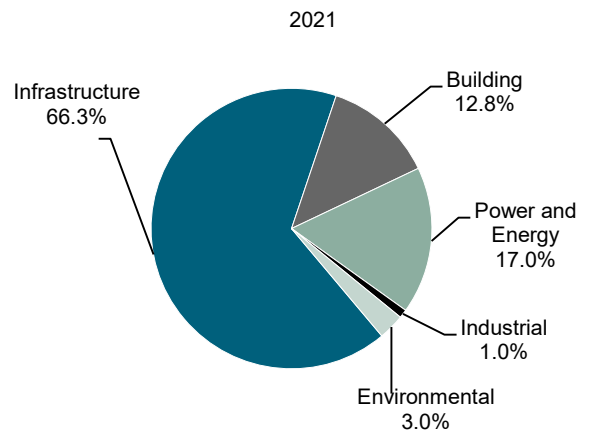
Source: STEC

Exhibit 9: Revenue by client, 2021



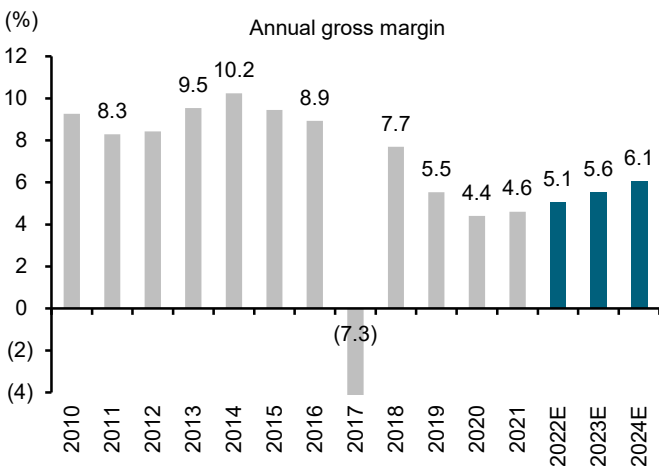
Source: STEC

Exhibit 10: Revenue by project type, 2021



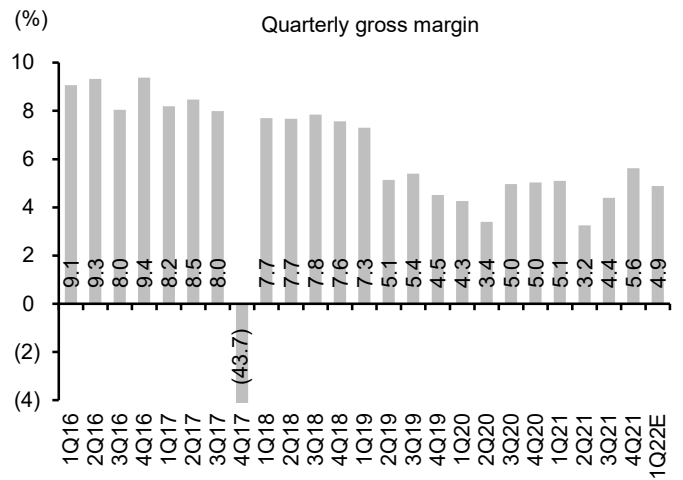
Source: STEC

Exhibit 11: Annual construction gross profit margin



Sources: STEC; FSSIA estimates

Exhibit 12: Quarterly construction gross profit margin



Sources: STEC; FSSIA estimates

Exhibit 13: Projects with contract value worth more than 10% of total revenue at end of 31 Dec 2021

Project type	Project name	Value (THB m)
infrastructure		75,780
	MRTA Pink Line (Khae Rai-Minburi)	19,159
	MRTA Yellow Line (Lat Phrao-Samrong)	21,495
	Motorway Bang Pa-In-Saraburi-Nakhon Ratchasima	4,033
	Manhole & underground Duct Bank with the MRTA Pink Line and Yellow Line	6,696
	Double-track (Nakhon Pathom-Hua Hin) contract 2	7,028
	SRT Railway Project (Den Chai-Chiang Rai-Chiang Khong) Contract No.2, 3	17,369
Building		43,274
	Mochit Complex Building	8,537
	U-Tapao Airport Development	28,900
	Government Center Phase 2	5,837
Power & Energy		26,842
	Gulf Sriracha Power Plant	9,389
	Gulf Pluak Daeng Power Plant	9,223
	Hin Kong Power Plant	8,230
Environment		7,893
	Drainage from Nong Bon to the Chao Phraya River	4,464
	Diversion Canal (Bang Bal-Bang Sai)	3,429
	Total	153,789

Source: STEC's 2021 annual report

Exhibit 14: On-going projects at end-2021

Project type	Project name
Infrastructure	MRTA Pink Line
	MRTA Yellow Line
	MRT Orange Line (East) Contract 1, 2, 5
	Double Track (Prajub KirikhanChumphon) Contract 2
	Double Track (Nakhon Pathom-Hua Hin) Contract 2
	Motorway (Bang Pa InSaraburi-Nakorn Rachasrima)
	Manhole and Underground Duct Bank with the MRTA Pink Line and Yellow Line Projects
	Guide Way Beam and Associated Works for MRT Pink Line and Yellow Line Project
	Changing the aerial electrical cable system to underground electricity cable for Pink Line and Yellow Line Project
	Nong Khai city bypass road (East Side) Part 1
Building	PWA Phra Nakhon Sri Ayutthaya water plant and SRT Railway Project (Den Chai-Chiang RaiChiang Khong) Contract No. 2, 3
	Mochit Complex Building
	U-Tapao Airport Development
Power and Energy	Government Center Phase 2
	GSRC power plant
	GPD power plant
Industrial	Hin Kong power plant
Environment	Thai Oil Clean Fuel Project
Environment	Drainage from Nongbon to the Chao Praya River
	Diversion Canal (Bang Ban-Bang Sai)

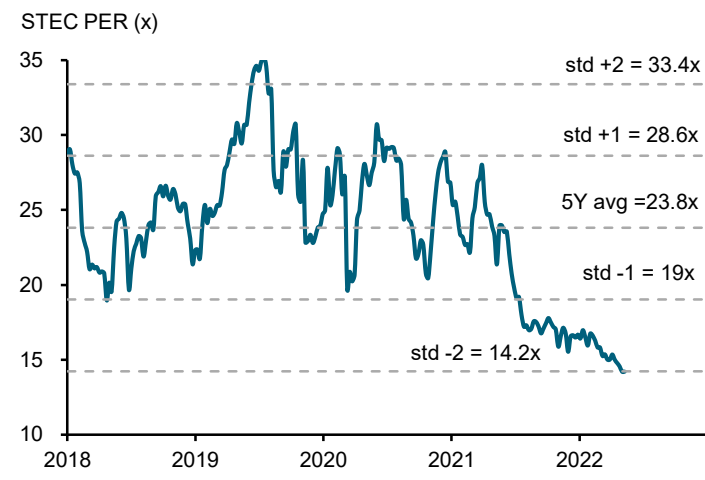
Source: STEC's 2021 annual report

Exhibit 15: Potential mega-projects for bidding and construction in 2022

Project type	Project name
Mass Rapid Transit	MRTA Orange Line (Bang Khun Non - Min Buri)
	Phuket Mass Transit System Phase 1 (Phuket International Airport-Chalong Section)
Double Track	Double Track (Paknampho-Denchai)
	Double Track (Chira-Ubonratchathani)
	Double Track (Khonkaen-Nongkhai)
	Double Track (Chumphon-Suratthani)
	Double Track (Suratthani-Songkhla)
	Double Track (Hatyai-Padangbesar)
	Double Track (Denchai-Chiangmai)
Motorway	Motorway (Bang Khun Thian-Bang Bua Thong)
	Motorway (Rangsit-Bang Pa-in)
	Motorway (Srinakarin-Suvarnabhumi)
	Motorway (Nakhon Pathom-Cha-am)
Airport	Chiang Mai Airport Phase 1
	Don Mueang Airport Phase 3

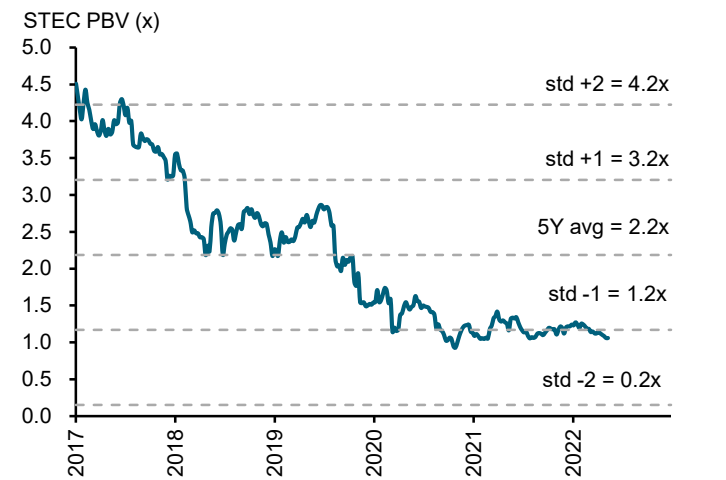
Source: STEC's 2021 annual report

Exhibit 16: Rolling NTM forward P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 17: Rolling NTM forward P/BV band



Sources: Bloomberg; FSSIA estimates

Financial Statements

Sino-Thai E&C

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Revenue	35,841	27,675	38,507	33,400	36,466
Cost of goods sold	(33,211)	(25,271)	(34,875)	(29,544)	(32,029)
Gross profit	2,629	2,404	3,632	3,856	4,437
Other operating income	0	0	0	0	0
Operating costs	(674)	(675)	(1,001)	(868)	(948)
Operating EBITDA	1,956	1,729	2,630	2,987	3,489
Depreciation	(1,050)	(1,129)	(1,366)	(1,723)	(1,926)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	906	600	1,265	1,264	1,563
Net financing costs	(3)	10	8	3	(2)
Associates	95	40	79	122	134
Recurring non-operating income	211	252	338	358	383
Non-recurring items	193	(11)	105	110	136
Profit before tax	1,306	850	1,716	1,736	2,080
Tax	(203)	(130)	(241)	(237)	(285)
Profit after tax	1,103	721	1,474	1,499	1,794
Minority interests	(10)	(10)	(14)	(12)	(13)
Preferred dividends	0	0	0	0	0
Other items	0	0	0	0	0
Reported net profit	1,093	711	1,461	1,487	1,782
Non-recurring items & goodwill (net)	(193)	11	(105)	(110)	(136)
Recurring net profit	900	722	1,356	1,377	1,646
Per share (THB)					
Recurring EPS *	0.59	0.47	0.89	0.90	1.08
Reported EPS	0.72	0.47	0.96	0.97	1.17
DPS	0.30	0.25	0.25	0.51	0.52
Diluted shares (used to calculate per share data)	1,525	1,525	1,525	1,525	1,525
Growth					
Revenue (%)	8.6	(22.8)	39.1	(13.3)	9.2
Operating EBITDA (%)	(6.2)	(11.6)	52.1	13.6	16.8
Operating EBIT (%)	(31.0)	(33.7)	110.8	(0.1)	23.6
Recurring EPS (%)	(38.2)	(19.8)	87.8	1.5	19.5
Reported EPS (%)	(26.3)	(35.0)	105.5	1.8	19.8
Operating performance					
Gross margin inc. depreciation (%)	4.4	4.6	5.9	6.4	6.9
Gross margin of key business (%)	4.4	4.6	5.9	6.4	6.9
Operating EBITDA margin (%)	5.5	6.2	6.8	8.9	9.6
Operating EBIT margin (%)	2.5	2.2	3.3	3.8	4.3
Net margin (%)	2.5	2.6	3.5	4.1	4.5
Effective tax rate (%)	19.9	15.8	15.8	15.8	15.8
Dividend payout on recurring profit (%)	50.8	52.8	28.1	56.9	48.5
Interest cover (X)	395.3	(86.3)	(197.2)	(465.5)	960.9
Inventory days	39.9	43.1	53.3	85.7	76.4
Debtor days	103.1	119.3	113.8	161.5	143.7
Creditor days	271.9	320.0	234.0	246.5	210.5
Operating ROIC (%)	(12.9)	(17.3)	27.0	8.5	10.1
ROIC (%)	6.7	4.4	5.2	3.9	4.6
ROE (%)	6.2	4.6	7.7	7.5	8.6
ROA (%)	2.0	1.6	2.4	2.2	2.7
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Construction and services	35,769	27,613	38,452	33,352	36,423
Sales and services	71	62	55	48	42

Sources: Sino-Thai E&C; FSSIA estimates

Financial Statements

Sino-Thai E&C

Cash Flow (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Recurring net profit	900	722	1,356	1,377	1,646
Depreciation	1,050	1,129	1,366	1,723	1,926
Associates & minorities	(2)	(1)	0	0	0
Other non-cash items	10	10	14	12	13
Change in working capital	(7,652)	2,161	(14,052)	(576)	(830)
Cash flow from operations	(5,693)	4,021	(11,317)	2,536	2,755
Capex - maintenance	(1,031)	(1,023)	(3,368)	(2,348)	(900)
Capex - new investment	0	0	0	0	0
Net acquisitions & disposals	3,194	(3,054)	(896)	582	(147)
Other investments (net)	0	0	0	0	0
Cash flow from investing	2,163	(4,077)	(4,263)	(1,766)	(1,047)
Dividends paid	(458)	(381)	(381)	(784)	(797)
Equity finance	(580)	2,316	(76)	(76)	(76)
Debt finance	823	(1,338)	16,138	190	(734)
Other financing cash flows	0	0	0	0	0
Cash flow from financing	(215)	597	15,680	(670)	(1,608)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	(3,745)	541	100	100	100
Free cash flow to firm (FCFF)	(3,477.32)	(22.37)	(15,541.71)	813.94	1,758.92
Free cash flow to equity (FCFE)	(2,707.38)	(1,393.96)	557.48	959.76	973.64

Per share (THB)

FCFF per share	(2.28)	(0.01)	(10.19)	0.53	1.15
FCFE per share	(1.78)	(0.91)	0.37	0.63	0.64
Recurring cash flow per share	1.28	1.22	1.79	2.04	2.35

Balance Sheet (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Tangible fixed assets (gross)	8,511	9,228	12,595	14,943	15,843
Less: Accumulated depreciation	(2,974)	(3,797)	(5,162)	(6,886)	(8,812)
Tangible fixed assets (net)	5,537	5,431	7,433	8,057	7,031
Intangible fixed assets (net)	0	0	0	0	0
Long-term financial assets	0	0	0	0	0
Invest. in associates & subsidiaries	12,316	15,967	15,967	15,967	15,967
Cash & equivalents	3,516	4,057	4,157	4,257	4,357
A/C receivable	9,905	8,180	15,825	13,726	14,986
Inventories	3,227	2,745	7,447	6,425	6,977
Other current assets	4,447	5,101	7,084	6,149	6,711
Current assets	21,095	20,084	34,513	30,558	33,031
Other assets	5,085	5,140	7,152	6,203	6,773
Total assets	44,033	46,622	65,065	60,785	62,802
Common equity	14,433	17,079	18,082	18,709	19,617
Minorities etc.	279	288	301	313	326
Total shareholders' equity	14,712	17,367	18,384	19,022	19,943
Long term debt	748	480	13,814	13,966	13,379
Other long-term liabilities	1,978	2,584	3,595	3,118	3,404
Long-term liabilities	2,727	3,064	17,409	17,085	16,783
A/C payable	21,673	22,642	22,082	17,817	19,121
Short term debt	1,720	650	3,454	3,492	3,345
Other current liabilities	3,201	2,899	3,737	3,370	3,609
Current liabilities	26,595	26,191	29,272	24,678	26,075
Total liabilities and shareholders' equity	44,033	46,622	65,065	60,785	62,802
Net working capital	(7,296)	(9,515)	4,537	5,113	5,943
Invested capital	15,642	17,023	35,089	35,341	35,714

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

Per share (THB)

Book value per share	9.46	11.20	11.86	12.27	12.86
Tangible book value per share	9.46	11.20	11.86	12.27	12.86

Financial strength

Net debt/equity (%)	(7.1)	(16.9)	71.3	69.4	62.0
Net debt/total assets (%)	(2.4)	(6.3)	20.2	21.7	19.7
Current ratio (x)	0.8	0.8	1.2	1.2	1.3
CF interest cover (x)	(958.0)	142.3	(67.6)	(274.5)	481.8

Valuation	2020	2021	2022E	2023E	2024E
Recurring P/E (x) *	21.5	26.8	14.3	14.1	11.8
Recurring P/E @ target price (x) *	26.1	32.5	17.3	17.1	14.3
Reported P/E (x)	17.7	27.2	13.3	13.0	10.9
Dividend yield (%)	2.4	2.0	2.0	4.0	4.1
Price/book (x)	1.3	1.1	1.1	1.0	1.0
Price/tangible book (x)	1.3	1.1	1.1	1.0	1.0
EV/EBITDA (x) **	9.5	9.7	12.5	11.0	9.2
EV/EBITDA @ target price (x) **	11.6	12.1	14.0	12.4	10.4
EV/invested capital (x)	1.2	1.0	0.9	0.9	0.9

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

Sources: Sino-Thai E&C; FSSIA estimates

Corporate Governance report of Thai listed companies 2020

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

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

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

Description

Score Range

Excellent

90-100

Very Good

80-89

Good

70-79

Disclaimer:

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

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

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

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

Anti-corruption Progress Indicator 2020

CERTIFIED										
2S	ADVANC	AI	AIE	AIRA	AKP	AMA	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

Songklod Wongchai 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

Sino-Thai E&C (STEC TB)



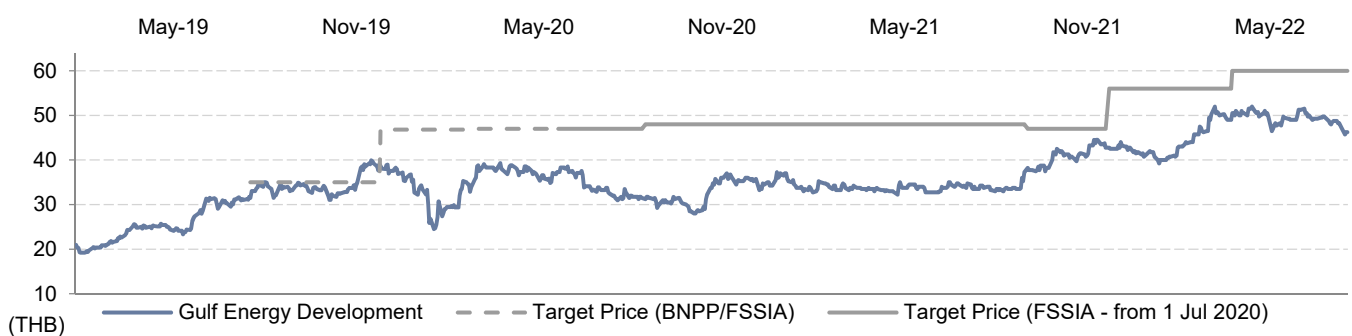
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
26-Aug-2019	BUY	27.00	12-Nov-2020	HOLD	12.80	-	-	-

Songklod Wongchai started covering this stock from 12-Nov-2020

Price and TP are in local currency

Source: FSSIA estimates

Gulf Energy Development (GULF TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
10-Oct-2019	BUY	35.00	11-Sep-2020	BUY	48.00	31-Jan-2022	BUY	60.00
30-Jan-2020	BUY	46.80	06-Aug-2021	BUY	47.00			
22-Apr-2020	BUY	47.00	15-Oct-2021	BUY	56.00			

Suwat Sinsadok, CFA, FRM, ERP started covering this stock from 30-Jun-2020

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Sino-Thai E&C	STEC TB	THB 12.70	BUY	Downside risks to our P/BV multiple valuation-based TP are 1) prolonged Covid-19; and 2) delays in projects both bidding and construction and; 3) the construction margin contracting more than expected.
Gulf Energy Development	GULF TB	THB 46.25	BUY	The downside risks to our SoTP-based TP on GULF include 1) lower-than-expected demand for electricity in Thailand; 2) a lower crude price; and 3) delays in project commercial operation dates.

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 11-May-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.