

EASTERN POLYMER GROUP

THAILAND / PETROCHEM & CHEMICALS

EPG TB

BUY

UNCHANGED

Aeroflex เป็นปัจจัยบวกสำคัญ

- เรายังมั่นใจว่ากำไรสุทธิของ EPG น่าจะทำได้สูงสุดที่ 1.7 พัน ลบ. ใน FY22 (เม.ย. 21 ถึง มี.ค. 22)
- เราคิดว่าความฟื้นตัวของความต้องการสำหรับผลิตภัณฑ์ของ EPG ร่วมกับการขยายกำลังการผลิตในสหรัฐฯ ของ Aeroflex น่าจะกระตุ้นแนวโน้มกำไรของบริษัทฯ ให้ดีขึ้น
- คงแนะนำซื้อที่ราคาเป้าหมายที่ 16 บาท

คาดการณ์กำไรสุทธิ FY22 จะสูงเป็นประวัติการณ์

เรายังมั่นใจว่ากำไรสุทธิของ EPG น่าจะแตะระดับสูงสุดเป็นประวัติการณ์ที่ 1.7 พัน ลบ. ใน FY22 (เม.ย. 21 ถึง มี.ค. 22) จากการขยายกำลังการผลิตในสหรัฐฯ ของ Aeroflex อีก 4,000tpa ความต้องการชิ้นส่วนรถยนต์ของ Aeroklas ที่อยู่ในระดับสูง และอัตรากำไรขั้นต้นที่ดีของ Eastern Polypack (EPP) โดยได้ปัจจัยหนุนจากความต้องการที่อยู่ในระดับสูง

คาดการณ์กำไรสุทธิ 4QFY22 จะออกมาดี

ใน 4QFY22 (ม.ค. - มี.ค. 2022) เราคาดว่า EPG จะรายงานกำไรสุทธิอ่อนลงเล็กน้อยมาอยู่ที่ 386 ลบ. (-3.6% q-q, -4.5% y-y) จากกำไรสุทธิที่ลดลงของ Aeroklas และ EPP เราคาดว่ากำไรปกติจะเพิ่ม y-y เป็น 397 ลบ. (-2.2% q-q, +6.3% y-y) จากปริมาณขายและอัตรากำไรขั้นต้นที่สูงขึ้น y-y ของ Aeroflex จากการขยายกำลังการผลิตในสหรัฐฯ เราคาดว่าอัตรากำไรขั้นต้นของ Aeroflex ซึ่งเป็นธุรกิจที่สำคัญที่สุดของ EPG จะปรับตัวดีขึ้น y-y เป็น 42% จาก 40.8% ใน 3QFY22 จากปริมาณขายที่เพิ่มขึ้นในตลาดสหรัฐฯ อย่างไรก็ตามเราคาดว่าอัตรากำไรขั้นต้นของ Aeroklas จะลดลงจาก 32.5% ใน 3QFY22 เป็น 31% ใน 4QFY22 จากปริมาณขายที่ลดลงในตลาดส่งออกหลังการถดถอย ธุรกิจบรรจุภัณฑ์ภายใต้ EPP น่าจะรายงานอัตรากำไรขั้นต้นลดลงจาก 19.7% ใน 3QFY22 เป็น 19% ใน 4QFY22 จากความต้องการที่ลดลง q-q จากผลกระทบของ Covid-19 เราคิดว่าอัตรากำไรขั้นต้นของ EPG ใน 4QFY22 จะอยู่ที่ 32.5% ลดลงจาก 33% ใน 3QFY22

ส่วนแบ่งกำไรที่เพิ่มขึ้นช่วยเสริมความแข็งแกร่ง

นับตั้งแต่ผลขาดทุนสุทธิ 21 ลบ. ใน 1QFY21 (เม.ย. - มี.ย. 2020) รายได้จากการลงทุนของ EPG มีแนวโน้มปรับตัวดีขึ้นอย่างต่อเนื่อง โดยเพิ่มจาก 21 ลบ. ใน 2QFY21 (ก.ค. - ก.ย. 2020) เป็น 84 ลบ. ใน 3QFY22 จากรายได้จากการลงทุนที่เพิ่มขึ้นจาก TJM ซึ่งเป็นบริษัทร่วมในออสเตรเลียที่ขายและทำการตลาดอุปกรณ์รถยนต์ออฟโรด นอกจากนี้รายได้จากการลงทุนจากบริษัทย่อยอื่นยังปรับตัวขึ้นต่อเนื่องประกอบด้วยบริษัทร่วมในแอฟริกาใต้ จีน และตุรกีจากความต้องการที่อยู่ในระดับสูงและประสิทธิภาพในการดำเนินงานที่ดีขึ้น demand and improving operational efficiency.

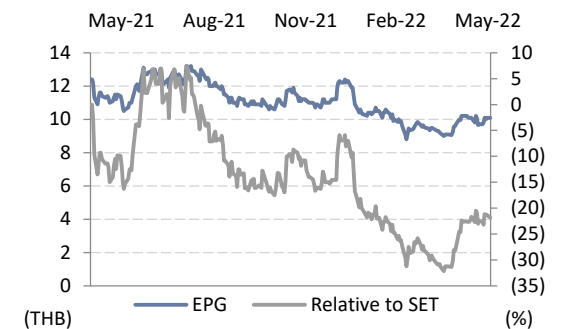
หุ้นปลายน้ำที่ดีพร้อมพอร์ตผลิตภัณฑ์อันเป็นเอกลักษณ์

เราแนะนำซื้อที่ราคาเป้าหมาย 16 บาท (20.1x ของค่า FY22E EV/EBITDA) เราคิดว่าความฟื้นตัวของความต้องการสำหรับผลิตภัณฑ์ของ EPG อันประกอบด้วยฉนวนกันความร้อนและบรรจุภัณฑ์พร้อมกับการขยายกำลังการผลิตในสหรัฐฯ ของ Aeroflex น่าจะกระตุ้นแนวโน้มกำไรสุทธิของบริษัทฯ ใน 4QFY22-FY23 ให้ดียิ่งขึ้น

TARGET PRICE	THB16.00
CLOSE	THB10.10
UP/DOWNSIDE	+58.4%
PRIOR TP	THB16.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+12.3%

KEY STOCK DATA

YE Mar (THB m)	2021	2022E	2023E	2024E
Revenue	9,569	14,842	15,176	15,718
Net profit	1,219	1,688	1,750	1,824
EPS (THB)	0.44	0.60	0.62	0.65
vs Consensus (%)	-	2.7	(1.6)	(4.4)
EBITDA	1,800	2,177	2,226	2,305
Core net profit	1,219	1,688	1,750	1,824
Core EPS (THB)	0.44	0.60	0.62	0.65
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	21.5	38.5	3.7	4.3
Core P/E (x)	23.2	16.8	16.2	15.5
Dividend yield (%)	2.4	3.3	3.0	3.0
EV/EBITDA (x)	16.2	12.6	11.7	10.6
Price/book (x)	2.6	2.3	2.2	2.0
Net debt/Equity (%)	8.5	(7.9)	(18.2)	(28.3)
ROE (%)	11.3	14.6	14.1	13.7



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	4.1	(1.9)	(14.4)
Relative to country (%)	7.6	(0.3)	(18.8)
Mkt cap (USD m)	828		
3m avg. daily turnover (USD m)	2.7		
Free float (%)	26		
Major shareholder	Vitoorapakorn Holdings (60%)		
12m high/low (THB)	13.70/8.60		
Issued shares (m)	2,800.00		

Sources: Bloomberg consensus; FSSIA estimates



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PREPARED BY FSS INTERNATIONAL INVESTMENT ADVISORY SECURITIES CO LTD (FSSIA). ANALYST CERTIFICATION AND IMPORTANT DISCLOSURES CAN BE FOUND AT THE END OF THIS REPORT

บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 24 พฤษภาคม 2022

Investment thesis

EPG is an innovator and manufacturer of plastic products, with a product portfolio that includes insulators, automotive parts, and accessories and packaging. The company's strengths lie in: 1) being the world's only producer of highly innovative insulator products using ethylene propylene diene monomer (EPDM) material; 2) ODM and OEM car accessories such as bed liners, deck covers, canopies, and side steps; and 3) its range of plastic packaging products – from ice-cream cups to microwavable food packaging for ready-to-eat meals.

EPG has six production plants for rubber insulation in Thailand, China, India and the US. Three of its six plants are wholly owned and the other three are joint ventures with local partners. For automotive parts, EPG has two plants in Thailand and Tennessee, USA, and two distribution centres in the US and Australia. For packaging, EPG has one facility in Thailand.

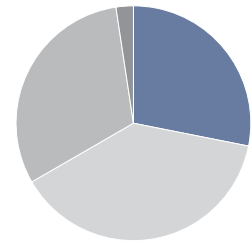
Company profile

EPG is a leading producer of polymers and a plastics converter with its own brands created by its successful innovation. EPG has three main businesses of insulators, automobile parts, and plastics packaging.

www.epg.co.th

Principal activities (revenue, 2021)

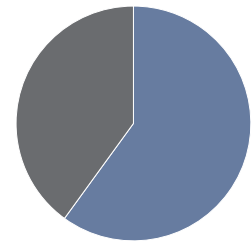
- Rubber insulation - 29.5 %
- Automotive plastics - 40.5 %
- Packaging plastics - 32.5 %
- Others - 2.5 %



Source: Eastern Polymer Group

Major shareholders

- Vitoorapakorn Holdings - 60.0 %
- Others - 40.0 %



Source: Eastern Polymer Group

Catalysts

Lower material costs and higher demand for insulators, automotive parts and packaging are key potential earnings growth drivers.

Risks to our call

Downside risks to our EV/EBITDA-based target price include 1) a sharp rise in feedstock prices, driven mostly by a higher oil price; and 2) lower-than-expected demand for plastics used for insulators and the automobile and packaging industries.

Event calendar

Date	Event
Aug 2022	1QFY23 results announcement

Key assumptions

Year to Mar	FY22E	FY23E	FY24E
	(%)	(%)	(%)
Aeroflex utilisation rate	73	75	80
Aeroklas utilisation rate	79	71	75
EPP utilisation rate	65	65	65
Gross margin – Aeroflex	47.6	47.7	48.0
Gross margin – Aeroklas	28.3	27.3	27.2
Gross margin – EPP	17.7	17.7	17.7

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in plant utilisation rate, we project FY22 earnings to rise by 2.5%, and vice versa, all else being equal.
- For every 1% increase in HDPE price, we estimate FY22 earnings to decline by 1.3%, and vice versa, all else being equal.
- Stability in crude palm oil price and a rising ME-CPO and FA-PFAD margin are key to earnings growth.

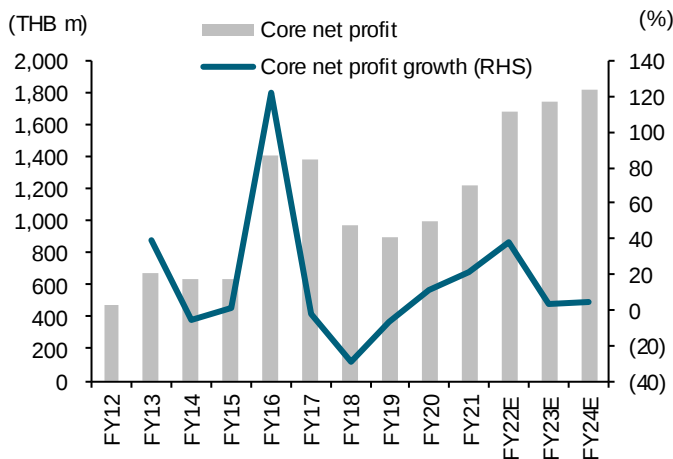
Source: FSSIA estimates

Aeroflex emerges as a key catalyst

We remain confident that EPG's net profit should reach a record high at THB1.7b in FY22 (Apr-21 to Mar-22), backed by Aeroflex (insulator)'s capacity expansion in the US by 4,000tpa, the strong demand for automobile parts for Aeroklas, and a resilient gross profit margin for EPP, supported by strong demand.

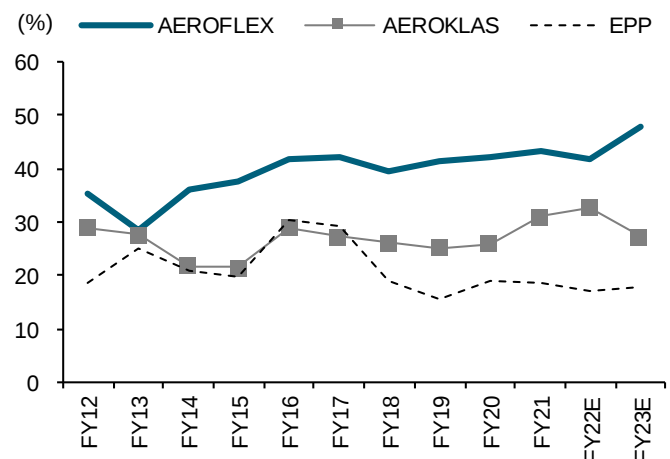
According to management, the recent global shortage of semiconductor chips has had little impact on EPG's Aeroklas unit, thanks to its strong export volume to Australia and the demand recovery in the domestic Thai market.

Exhibit 1: Core net profit and core net profit growth



Sources: EPG; FSSIA estimates

Exhibit 2: Gross profit margin by segment



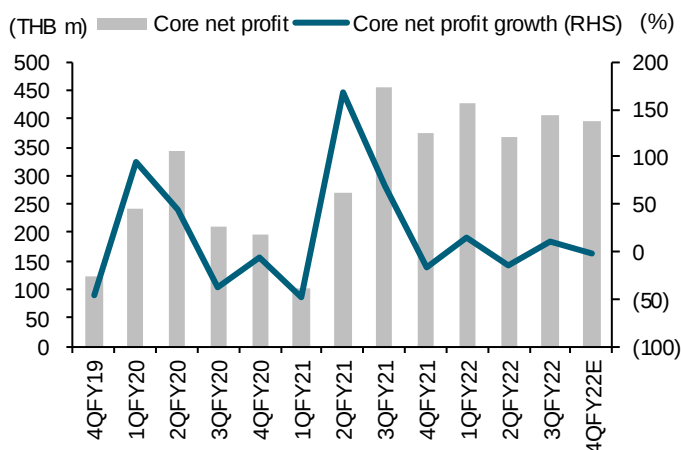
Sources: EPG; FSSIA estimates

In 4QFY22 (Jan-Mar 2022), we project EPG to post a slightly weak net profit of THB386m, down 3.6% q-q and 4.5% y-y, due to weaker net profits from Aeroklas and an FX loss. However, we expect core net profit to rise y-y to THB397m, down 2.2% q-q but up 6.3% y-y, backed by a stronger y-y sales volume and GPM for Aeroflex thanks to the capacity expansion in the US with a higher gross margin than the Aeroflex sales in Thailand and Asia.

We project the GPM for Aeroflex, EPG's crown jewel, to improve y-y to 42%, up from 40.8% in 3QFY22, on the rising sales volume in the US market that should more than offset the weaker sales volume and gross margins in Asia.

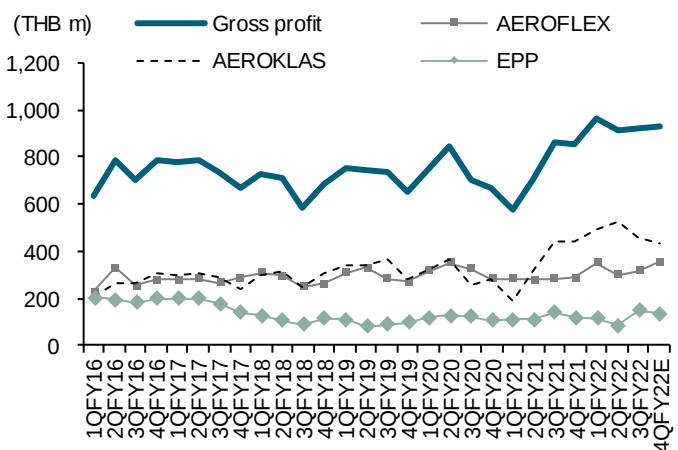
However, we project the GPM for Aeroklas to soften from 32.5% in 3QFY22 to 31% in 4QFY22, dragged down by lower sales volumes for the canopy export market.

Exhibit 3: Quarterly core net profit and core net profit growth



Sources: EPG; FSSIA estimates

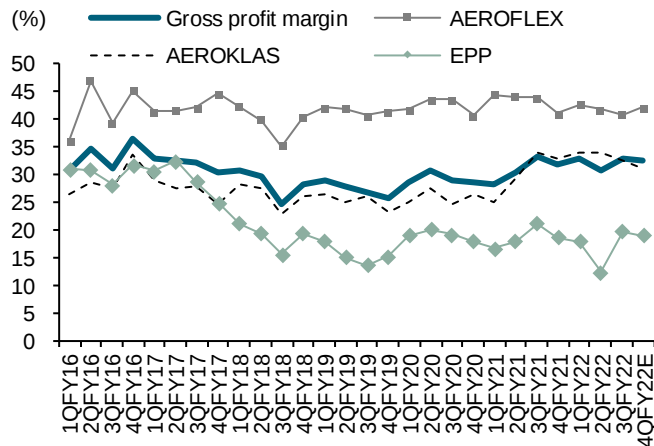
Exhibit 4: Quarterly core net profit by segment



Sources: EPG; FSSIA estimates

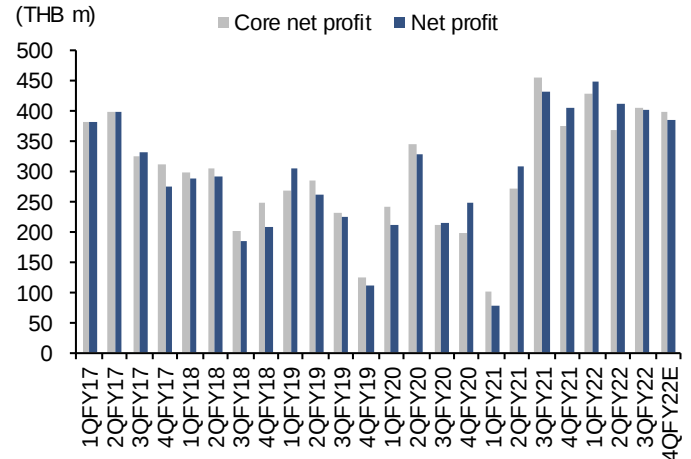
The packaging unit under EPP is likely to see a weaker GPM from 19.7% in 3QFY22 to 19% in 4QFY22, caused by lower demand q-q due to the impact of Covid-19.

Exhibit 5: Quarterly gross profit margin by segment



Sources: EPG; FSSIA estimates

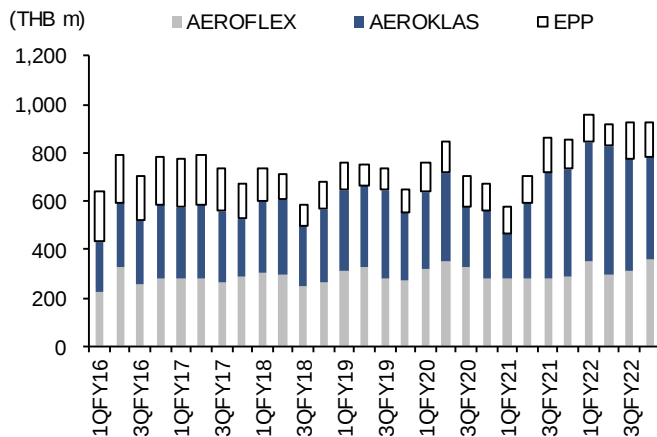
Exhibit 6: Quarterly core net profit vs net profit



Sources: EPG; FSSIA estimates

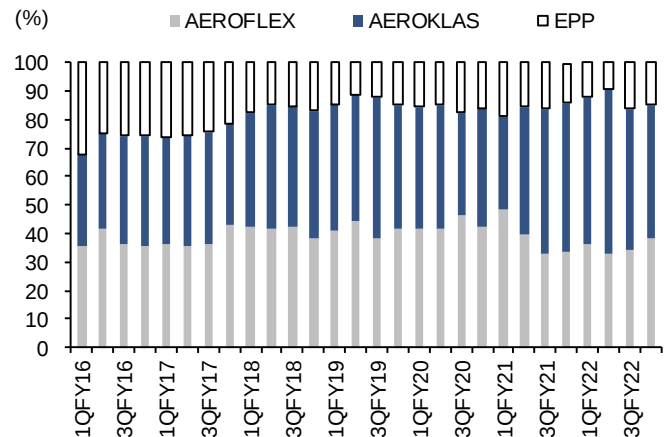
Nevertheless, we think EPG's net profit in 4QFY22 will remain resilient, reflected in a high overall GPM at 32.5%, down from 33% in 3QFY22, backed by the improving gross margin for Aeroflex that should timely offset the weaker gross margins for Aeroklas and EPP.

Exhibit 7: Quarterly gross profit by segment



Sources: EPG; FSSIA estimates

Exhibit 8: Quarterly gross profit by segment (%)



Sources: EPG; FSSIA estimates

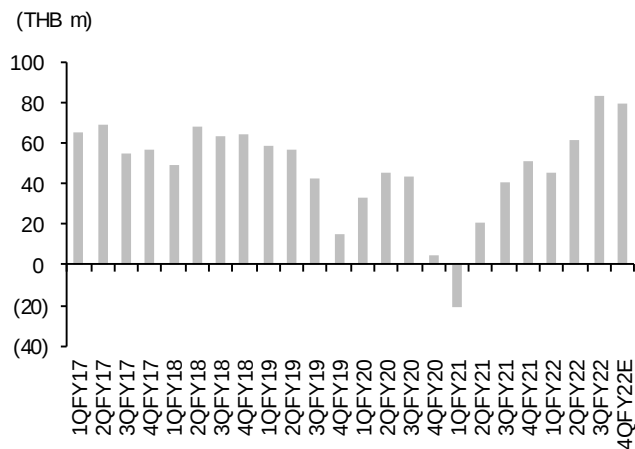
Share of profit continues to rise

Since posting a net loss of THB21m in 1QFY21(Apr-Jun 2020), EPG's equity income has continued to see an upward trend, rising from THB21m in 2QFY21 (Jul-Sep 2020) to THB84m in 3QFY22, driven by the improving equity income from TJM, its associate in Australia which sells and markets off-road automotive accessories.

In addition, the equity incomes from other associates have also improved sequentially, including associates in South Africa, China, and Turkey, thanks to the strong demand and improving operational efficiency.

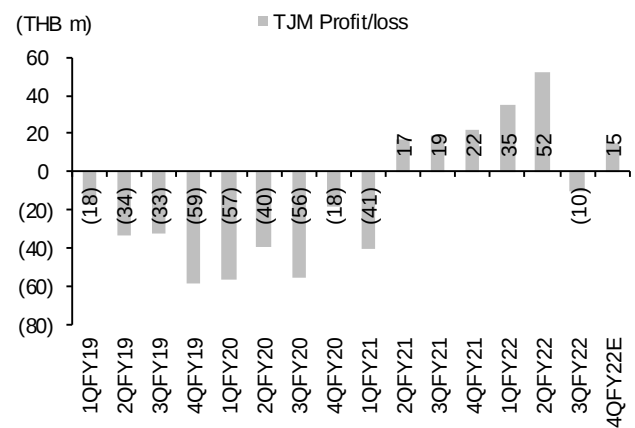
For TJM, in 4QFY22, we project that it could post equity income of THB15m, up from a net loss of THB10m in 3QFY22 caused by the economic shutdown on the resurgence of the Covid-19 pandemic in Australia. Management guided that operations are now improving after the economic reopening and are likely to improve further in FY23 (Apr-22 to Mar-23), benefitting from the branch expansion, operational streamlining to improve efficiency, and higher demand for off-road products in Australia.

Exhibit 9: Quarterly equity income



Sources: EPG; FSSIA estimates

Exhibit 10: Equity income from TJM



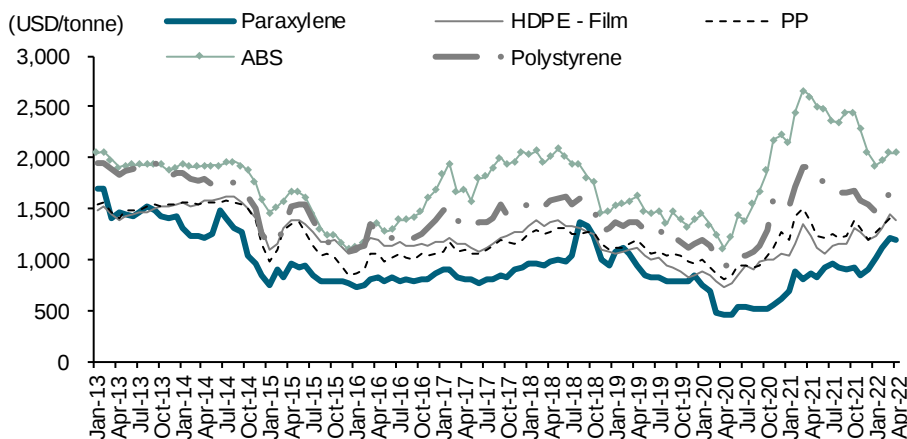
Sources: EPG; FSSIA estimates

Downside from higher raw material cost is limited

According to management, EPG has already locked in the price of its major raw materials, mostly the plastics polymers including polyethylene (PE), polypropylene (PP), ABS, and PET, for its Aeroflex and Aeroklas units until Nov-22.

Hence, the current spikes in the prices of polymers driven by the higher crude oil price should have a limited impact on EPG's gross margins. The selling prices for insulators and auto parts will be gradually adjusted upward to cover the rising material costs in the next 12 months, while the costs of raw material polymers should be rising at a smaller pace than the market prices, based on management's guidance.

Exhibit 11: EPG's key feedstock prices



Source: Bloomberg

Financial Statements

Eastern Polymer Group

Profit and Loss (THB m) Year Ending Mar	2020	2021	2022E	2023E	2024E
Revenue	10,217	9,569	14,842	15,176	15,718
Cost of goods sold	(6,627)	(5,840)	(9,638)	(9,854)	(10,207)
Gross profit	3,590	3,730	5,204	5,321	5,511
Other operating income	10	12	19	20	20
Operating costs	(2,051)	(1,942)	(3,047)	(3,115)	(3,226)
Operating EBITDA	1,549	1,800	2,177	2,226	2,305
Depreciation	(624)	(754)	(681)	(686)	(692)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	925	1,046	1,496	1,540	1,614
Net financing costs	(27)	(40)	(50)	(33)	(33)
Associates	127	93	232	232	232
Recurring non-operating income	169	251	282	285	288
Non-recurring items	0	0	0	0	0
Profit before tax	1,068	1,257	1,728	1,792	1,869
Tax	(68)	(35)	(41)	(42)	(44)
Profit after tax	999	1,221	1,688	1,750	1,824
Minority interests	3	(2)	0	0	0
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
Reported net profit	1,003	1,219	1,688	1,750	1,824
Non-recurring items & goodwill (net)	0	0	0	0	0
Recurring net profit	1,003	1,219	1,688	1,750	1,824
Per share (THB)					
Recurring EPS *	0.36	0.44	0.60	0.62	0.65
Reported EPS	0.36	0.44	0.60	0.62	0.65
DPS	0.24	0.24	0.33	0.30	0.30
Diluted shares (used to calculate per share data)	2,800	2,800	2,800	2,800	2,800
Growth					
Revenue (%)	(3.4)	(6.3)	55.1	2.2	3.6
Operating EBITDA (%)	10.3	16.2	20.9	2.2	3.6
Operating EBIT (%)	17.4	13.0	43.1	2.9	4.8
Recurring EPS (%)	10.9	21.5	38.5	3.7	4.3
Reported EPS (%)	10.9	21.5	38.5	3.7	4.3
Operating performance					
Gross margin inc. depreciation (%)	29.0	31.1	30.5	30.5	30.7
Gross margin of key business (%)	29.1	31.2	30.6	30.6	30.8
Operating EBITDA margin (%)	15.2	18.8	14.7	14.7	14.7
Operating EBIT margin (%)	9.1	10.9	10.1	10.1	10.3
Net margin (%)	9.8	12.7	11.4	11.5	11.6
Effective tax rate (%)	7.0	2.7	2.7	2.7	2.7
Dividend payout on recurring profit (%)	67.0	55.1	54.9	48.0	46.0
Interest cover (X)	40.6	32.5	35.4	55.8	58.1
Inventory days	132.7	155.4	107.5	117.2	116.9
Debtor days	61.1	64.8	42.2	41.3	39.9
Creditor days	64.6	75.3	66.8	82.3	81.8
Operating ROIC (%)	8.6	9.7	14.9	17.1	(4.9)
ROIC (%)	7.5	8.5	11.9	13.1	(3.6)
ROE (%)	9.6	11.3	14.6	14.1	13.7
ROA (%)	7.4	8.5	10.9	10.7	10.4
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Rubber insulation	2,951	2,826	4,081	5,195	5,337
Automotive plastics	4,634	3,874	4,547	4,836	4,836
Packaging plastics	2,089	3,110	2,867	3,117	3,139
Others	543	(240)	3,348	2,027	2,406

Sources: Eastern Polymer Group; FSSIA estimates

Financial Statements

Eastern Polymer Group

Cash Flow (THB m) Year Ending Mar	2020	2021	2022E	2023E	2024E
Recurring net profit	1,003	1,219	1,688	1,750	1,824
Depreciation	624	754	681	686	692
Associates & minorities	127	93	232	232	232
Other non-cash items	42	158	50	53	55
Change in working capital	(141)	251	365	(335)	(36)
Cash flow from operations	1,655	2,476	3,016	2,386	2,767
Capex - maintenance	-	-	-	-	-
Capex - new investment	(813)	(600)	(175)	(332)	(335)
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	(284)	(134)	717	1,428	1,894
Cash flow from investing	(1,097)	(734)	542	1,096	1,559
Dividends paid	(616)	(672)	(672)	(927)	(840)
Equity finance	0	0	0	0	0
Debt finance	560	475	(1,287)	2	0
Other financing cash flows	25	(1,073)	(987)	(1,167)	(1,912)
Cash flow from financing	(31)	(1,270)	(2,946)	(2,092)	(2,752)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	526	472	612	1,391	1,574
Free cash flow to firm (FCFF)	587.35	1,802.99	3,607.98	3,515.28	4,359.13
Free cash flow to equity (FCFE)	1,142.16	1,144.19	1,284.17	2,317.56	2,414.37
Per share (THB)					
FCFF per share	0.21	0.64	1.29	1.26	1.56
FCFE per share	0.41	0.41	0.46	0.83	0.86
Recurring cash flow per share	0.64	0.79	0.95	0.97	1.00
Balance Sheet (THB m) Year Ending Mar	2020	2021	2022E	2023E	2024E
Tangible fixed assets (gross)	10,869	10,869	10,948	11,028	11,108
Less: Accumulated depreciation	(5,062)	(5,062)	(5,743)	(6,430)	(7,121)
Tangible fixed assets (net)	5,806	5,806	5,205	4,598	3,987
Intangible fixed assets (net)	258	271	271	271	271
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	2,505	2,603	2,603	2,603	2,603
Cash & equivalents	1,071	1,543	2,155	3,546	5,120
A/C receivable	1,682	1,716	1,716	1,716	1,716
Inventories	2,412	2,561	3,116	3,213	3,328
Other current assets	-	-	-	-	-
Current assets	5,165	5,820	6,987	8,475	10,164
Other assets	299	1,059	1,059	1,059	1,059
Total assets	14,032	15,559	16,124	17,006	18,084
Common equity	10,555	11,019	12,035	12,858	13,842
Minorities etc.	19	21	21	21	21
Total shareholders' equity	10,574	11,040	12,056	12,879	13,863
Long term debt	986	1,555	200	201	201
Other long-term liabilities	330	321	321	321	321
Long-term liabilities	1,315	1,876	521	522	522
A/C payable	1,077	1,332	2,198	2,247	2,328
Short term debt	1,026	932	1,000	1,001	1,001
Other current liabilities	40	225	349	357	370
Current liabilities	2,143	2,489	3,547	3,605	3,698
Total liabilities and shareholders' equity	14,032	15,405	16,124	17,006	18,084
Net working capital	2,977	2,720	2,285	2,325	2,346
Invested capital	11,844	12,459	11,422	10,855	10,266
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	3.77	3.94	4.30	4.59	4.94
Tangible book value per share	3.68	3.84	4.20	4.50	4.85
Financial strength					
Net debt/equity (%)	8.9	8.5	(7.9)	(18.2)	(28.3)
Net debt/total assets (%)	6.7	6.1	(5.9)	(13.8)	(21.7)
Current ratio (x)	2.4	2.3	2.0	2.4	2.7
CF interest cover (x)	73.5	44.7	30.1	81.9	84.9
Valuation	2020	2021	2022E	2023E	2024E
Recurring P/E (x) *	28.2	23.2	16.8	16.2	15.5
Recurring P/E @ target price (x) *	44.7	36.8	26.5	25.6	24.6
Reported P/E (x)	28.2	23.2	16.8	16.2	15.5
Dividend yield (%)	2.4	2.4	3.3	3.0	3.0
Price/book (x)	2.7	2.6	2.3	2.2	2.0
Price/tangible book (x)	2.7	2.6	2.4	2.2	2.1
EV/EBITDA (x) **	18.9	16.2	12.6	11.7	10.6
EV/EBITDA @ target price (x) **	29.5	25.4	20.1	19.1	17.7
EV/invested capital (x)	2.5	2.3	2.4	2.4	2.4
* Pre-exceptional, pre-goodwill and fully diluted ** EBITDA includes associate income and recurring non-operating income					

Sources: Eastern Polymer Group; 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	SPI	SPR	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	TSC	TSR	TSTE	TSTH	TTA
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	WIIK	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

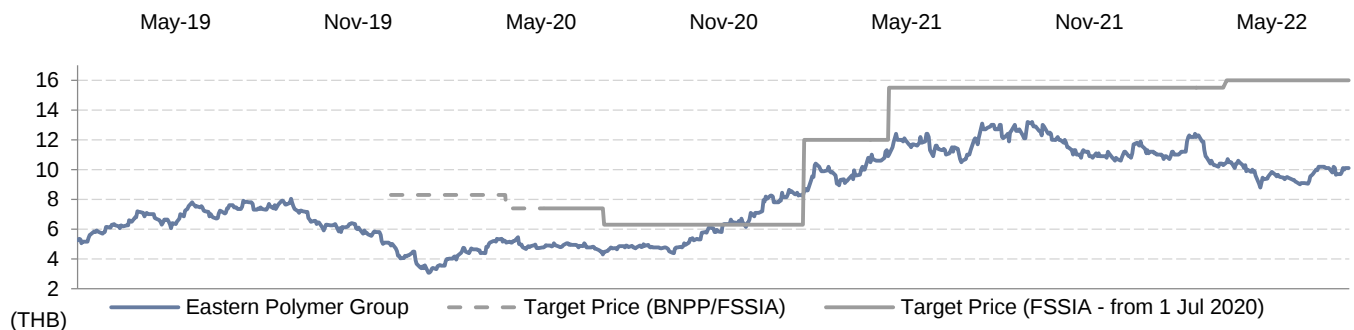
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) 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

Eastern Polymer Group (EPG TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
20-Feb-2020	BUY	8.30	20-Aug-2020	BUY	6.30	22-Apr-2021	BUY	15.50
29-May-2020	BUY	7.40	08-Feb-2021	BUY	12.00	04-Feb-2022	BUY	16.00

Suwat Sinsadok, CFA, FRM, ERP started covering this stock from 29-May-2020

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Eastern Polymer Group	EPG TB	THB 10.10	BUY	Downside risks to our EV/EBITDA-based target price include 1) a sharp rise in feedstock prices, driven mostly by a higher oil price; and 2) lower-than-expected demand for plastics used for insulators and the automobile and packaging industries.

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 23-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.