

# SIAM CEMENT

## THAILAND / MATERIALS

# SCC TB

# BUY

UNCHANGED

## Auto dividend leads to 2Q22 surprise

- SCC's 2Q22 NP was THB9.9b (+12% q-q, -42% y-y) due to a dividend of THB4.3b, mainly from Toyota (Thailand).
- Core NPs were weak across all units y-y due to weak product margins on rising feedstock costs and poorer cement demand.
- Maintain BUY and our SoTP-based TP of THB466.

TARGET PRICE	THB466.00
CLOSE	THB370.00
UP/DOWNSIDE	+25.9%
TP vs CONSENSUS	+10.6%

### KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Revenue	530,112	608,488	726,219	761,491
Net profit	47,174	35,011	46,340	51,632
EPS (THB)	39.31	29.18	38.62	43.03
vs Consensus (%)	-	(8.0)	4.3	(4.1)
EBITDA	71,091	61,469	88,987	99,477
Core net profit	47,174	35,011	46,340	51,632
Core EPS (THB)	39.31	29.18	38.62	43.03
EPS growth (%)	38.2	(25.8)	32.4	11.4
Core P/E (x)	9.4	12.7	9.6	8.6
Dividend yield (%)	4.5	4.6	4.2	4.7
EV/EBITDA (x)	10.6	13.1	9.4	8.6
Price/book (x)	1.2	1.2	1.1	1.0
Net debt/Equity (%)	49.4	56.9	55.7	51.3
ROE (%)	13.7	9.4	11.8	12.2

### Hefty dividend led to surprisingly strong 2Q22 earnings

SCC's 2Q22 net profit (NP) of THB9.9b (+12% q-q, -42% y-y) beat our estimate by 17% and BBG consensus by 15% due to a dividend of THB4.3b (+141% q-q, +61% y-y), mainly from Toyota (Thailand). Excluding the dividend and a THB60m non-recurring loss, core NPs were weak across all units y-y. The chemical unit's NP dropped to THB3.7b (+3% q-q, -64% y-y) due to weak product margins on rising feedstock costs. The cement & building material (CBM) unit saw an NP of THB1.7b (-27% q-q, -32% y-y) due to poorer cement demand (-7% y-y) that was partly offset by a higher ceramics sales volume (+12% y-y). Packaging NP was at THB1.9b (+12% q-q, -18% y-y) due to weaker margins caused by the rising raw material cost of old corrugated containers and coal.

### Chemical unit still struggled

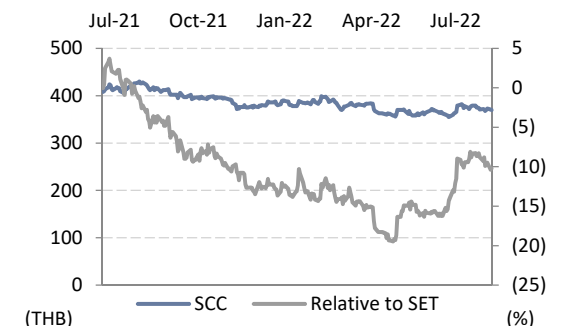
The chemical unit's 2Q22 NP dropped by 64% y-y due to lower product margins. Sales volumes of PE and PP dipped to 426kt (-14% q-q) and PVC dropped to 196kt (-12% y-y) on a planned shutdown. The overall chemical EBITDA margin plunged to 7% in 2Q22, dragged down by the higher feedstock cost that led to a lower margin for PP-naphtha (-7% q-q) that was partly offset by higher HDPE-naphtha (+3% q-q), and PVC-ethylene dichloride (+41% q-q) margins. An inventory loss of THB1b was mostly offset by a THB978m gain from land sales.

### Listing of chemical unit remains challenging

SCC plans to list its chemical unit within 2022 ahead of the completion of its new Long Son petrochemical complex in Vietnam, which could transform SCC from a pure naphtha-based producer into a much more flexible feedstock producer with a source of both gas and naphtha feedstocks. However, it could be challenging for the chemical unit to pursue its initial public offering amid the highly volatile and weak industry margin outlook for both PE and PP in 2022-23, in our view.

### Accumulate ahead of 2023E earnings improvement

Maintain BUY and our SoTP-based TP of THB466. Post-pandemic, we think the demand and margins for SCC's packaging and CBM units will improve meaningfully but could be outweighed by the continued weak margin outlook for the chemical unit due to the high feedstock cost.



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(2.4)	3.4	(10.2)
Relative to country (%)	(1.4)	11.1	(10.7)
Mkt cap (USD m)			12,094
3m avg. daily turnover (USD m)			23.6
Free float (%)			67
Major shareholder	H.M. King Maha Vajiralongkorn (34%)		
12m high/low (THB)	436.00/355.00		
Issued shares (m)	1,200.00		

Sources: Bloomberg consensus; FSSIA estimates



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## Exhibit 1: Summary of 2Q22/6M22 operations

	2Q21	1Q22	2Q22		6M21	6M22	Change	2022E	
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)	(THB m)
<b>Revenue</b>	<b>133,555</b>	<b>152,494</b>	<b>152,534</b>	<b>0.0</b>	<b>14.2</b>	<b>255,621</b>	<b>305,028</b>	<b>19.3</b>	<b>608,488</b>
Operating costs	(107,212)	(138,290)	(131,037)	(5.2)	22.2	(211,310)	(269,328)	27.5	(547,019)
<b>EBITDA</b>	<b>26,343</b>	<b>14,203</b>	<b>21,497</b>	<b>51.4</b>	<b>(18.4)</b>	<b>44,311</b>	<b>35,700</b>	<b>(19.4)</b>	<b>61,469</b>
EBITDA margin (%)	19.7	9.3	14.1	51.3	(28.6)	17.3	11.7	(32.5)	10.1
Depn & amort.	(7,106)	(7,130)	(7,273)	2.0	2.3	(13,967)	(14,402)	3.1	(30,149)
<b>EBIT</b>	<b>16,452</b>	<b>6,556</b>	<b>4,579</b>	<b>(30.2)</b>	<b>(72.2)</b>	<b>31,482</b>	<b>11,135</b>	<b>(64.6)</b>	<b>31,319</b>
Interest expense	(1,694)	(1,647)	(1,715)	4.1	1.2	(3,385)	(3,362)	(0.7)	(7,518)
Interest & invt inc	2,861	2,686	5,307	97.5	85.5	4,423	7,993	80.7	11,124
Associates' contrib	5,708	3,419	3,349	(2.0)	(41.3)	11,405	6,768	(40.7)	12,305
Exceptionals	0	0	0	nm	nm	0	0	nm	0
<b>Pretax profit</b>	<b>23,326</b>	<b>11,014</b>	<b>11,520</b>	<b>4.6</b>	<b>(50.6)</b>	<b>43,925</b>	<b>22,534</b>	<b>(48.7)</b>	<b>47,230</b>
Tax	(2,928)	(1,625)	(1,946)	19.8	(33.5)	(5,250)	(3,571)	(32.0)	(5,239)
Tax rate (%)	12.6	14.8	16.9	14.5	34.6	12.0	15.8	32.6	11.1
Minority interests	(3,261)	(546)	364	166.8	111.2	(6,624)	(181)	(97.3)	(6,981)
<b>Net profit</b>	<b>17,137</b>	<b>8,844</b>	<b>9,938</b>	<b>12.4</b>	<b>(42.0)</b>	<b>32,051</b>	<b>18,781</b>	<b>(41.4)</b>	<b>35,011</b>
Non - recurring	0	938	(60)	nm	nm	0	878	nm	0
<b>Core profit</b>	<b>17,137</b>	<b>7,906</b>	<b>9,998</b>	<b>26.5</b>	<b>(41.7)</b>	<b>32,051</b>	<b>17,903</b>	<b>(44.1)</b>	<b>35,011</b>
EPS (THB)	14.28	7.37	8.28	12.4	(42.0)	26.71	15.65	(41.4)	29.18
Core EPS (THB)	14.28	6.59	8.33	26.5	(41.7)	26.71	14.92	(44.1)	29.18

Sources: SCC; FSSIA estimates

## Exhibit 2: 2Q22/6M22 key performance breakdown by sector

	2Q21	1Q22	2Q22	Change		6M21	6M22	Change
	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)
<b>EBITDA breakdown</b>								
<b>SCC consolidated</b>	<b>32,051</b>	<b>17,622</b>	<b>24,846</b>	<b>41.0</b>	<b>(22.5)</b>	<b>55,716</b>	<b>42,468</b>	<b>(23.8)</b>
Cement & building material	6,548	5,893	5,668	(3.8)	(13.4)	13,127	11,561	(11.9)
Chemicals	15,591	5,902	9,973	69.0	(36.0)	26,540	15,875	(40.2)
Packaging	5,564	4,890	5,478	12.0	(1.5)	10,837	10,368	(4.3)
Others	4,450	1,059	5,138	385.2	15.5	5,409	6,197	14.6
<b>Net profit breakdown</b>								
<b>SCC consolidated</b>	<b>17,136</b>	<b>8,844</b>	<b>9,937</b>	<b>12.4</b>	<b>(42.0)</b>	<b>32,050</b>	<b>18,781</b>	<b>(41.4)</b>
Cement & building material	2,468	2,308	1,688	(26.9)	(31.6)	5,277	3,996	(24.3)
Chemicals	10,392	3,588	3,704	3.2	(64.4)	19,221	7,292	(62.1)
Packaging	2,263	1,658	1,856	11.9	(18.0)	4,398	3,514	(20.1)
Others	2,682	1,784	4,306	141.4	60.6	4,418	6,090	37.8
<b>EBITDA margin</b>								
	(%)	(%)	(%)	(ppt)	(ppt)			
<b>SCC consolidated</b>	<b>20</b>	<b>11</b>	<b>11</b>	<b>-</b>	<b>(9.0)</b>	<b>20</b>	<b>11</b>	<b>(9.0)</b>
Cement & building material	13	12	10	(2.0)	(3.0)	14	11	(3.0)
Chemicals	20	7	7	-	(13.0)	21	7	(14.0)
Packaging	19	13	14	1.0	(5.0)	19	14	(5.0)

Sources: SCC; FSSIA's compilation

## Financial Statements

### Siam Cement

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Revenue	399,939	530,112	608,488	726,219	761,491
Cost of goods sold	(282,570)	(392,165)	(455,746)	(532,656)	(540,175)
<b>Gross profit</b>	<b>117,369</b>	<b>137,946</b>	<b>152,742</b>	<b>193,563</b>	<b>221,315</b>
Other operating income	-	-	-	-	-
Operating costs	(56,535)	(66,855)	(91,273)	(104,575)	(121,839)
<b>Operating EBITDA</b>	<b>60,835</b>	<b>71,091</b>	<b>61,469</b>	<b>88,987</b>	<b>99,477</b>
Depreciation	(27,377)	(28,835)	(30,149)	(34,317)	(37,302)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>33,457</b>	<b>42,256</b>	<b>31,319</b>	<b>54,671</b>	<b>62,175</b>
Net financing costs	(7,082)	(6,757)	(7,518)	(7,671)	(8,135)
Associates	9,456	17,543	12,305	11,045	14,355
Recurring non-operating income	16,734	28,137	23,429	22,725	26,620
Non-recurring items	0	0	0	0	0
<b>Profit before tax</b>	<b>43,109</b>	<b>63,636</b>	<b>47,230</b>	<b>69,725</b>	<b>80,660</b>
Tax	(5,809)	(8,900)	(5,239)	(8,802)	(9,946)
<b>Profit after tax</b>	<b>37,300</b>	<b>54,736</b>	<b>41,991</b>	<b>60,923</b>	<b>70,714</b>
Minority interests	(3,156)	(7,562)	(6,981)	(14,583)	(19,082)
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>34,144</b>	<b>47,174</b>	<b>35,011</b>	<b>46,340</b>	<b>51,632</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>34,144</b>	<b>47,174</b>	<b>35,011</b>	<b>46,340</b>	<b>51,632</b>
<b>Per share (THB)</b>					
Recurring EPS *	28.45	39.31	29.18	38.62	43.03
Reported EPS	28.45	39.31	29.18	38.62	43.03
DPS	14.50	16.50	17.00	15.50	17.50
Diluted shares (used to calculate per share data)	1,200	1,200	1,200	1,200	1,200
<b>Growth</b>					
Revenue (%)	(8.7)	32.5	14.8	19.3	4.9
Operating EBITDA (%)	23.5	16.9	(13.5)	44.8	11.8
Operating EBIT (%)	32.1	26.3	(25.9)	74.6	13.7
Recurring EPS (%)	6.7	38.2	(25.8)	32.4	11.4
Reported EPS (%)	6.7	38.2	(25.8)	32.4	11.4
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	22.5	20.6	20.1	21.9	24.2
Gross margin of key business (%)	22.5	20.6	20.1	21.9	24.2
Operating EBITDA margin (%)	15.2	13.4	10.1	12.3	13.1
Operating EBIT margin (%)	8.4	8.0	5.1	7.5	8.2
Net margin (%)	8.5	8.9	5.8	6.4	6.8
Effective tax rate (%)	15.0	15.0	15.0	15.0	15.0
Dividend payout on recurring profit (%)	51.0	42.0	58.3	40.1	40.7
Interest cover (X)	7.1	10.4	7.3	10.1	10.9
Inventory days	71.7	64.1	61.0	51.4	55.0
Debtor days	53.4	46.1	51.0	49.4	54.3
Creditor days	78.3	65.3	53.7	43.9	47.0
Operating ROIC (%)	7.0	7.6	4.8	7.4	(1.9)
ROIC (%)	7.3	8.8	5.9	7.7	(2.1)
ROE (%)	11.4	13.7	9.4	11.8	12.2
ROA (%)	6.2	7.5	5.6	7.6	7.3
* Pre exceptional, pre-goodwill and fully diluted					
<b>Revenue by Division (THB m)</b>					
Cement & Building Material	116,534	142,495	168,176	190,859	222,006
Chemicals	143,782	177,230	213,008	292,123	287,795
Packaging	139,624	210,386	227,304	243,237	251,689
Others					

Sources: Siam Cement; FSSIA estimates

## Financial Statements

### Siam Cement

Cash Flow (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Recurring net profit	34,144	47,174	35,011	46,340	51,632
Depreciation	27,377	28,835	30,149	34,317	37,302
Associates & minorities	9,456	17,543	12,305	11,045	14,355
Other non-cash items	-	-	-	-	-
Change in working capital	18,594	(43,259)	(14,395)	(16,615)	(15,514)
<b>Cash flow from operations</b>	<b>89,571</b>	<b>50,293</b>	<b>63,070</b>	<b>75,086</b>	<b>87,775</b>
Capex - maintenance	(25,695)	(28,913)	(31,958)	(35,003)	(38,048)
Capex - new investment	(54,360)	(41,460)	(38,679)	(35,786)	(32,742)
Net acquisitions & disposals	(20,205)	(22,794)	0	0	0
Other investments (net)	26,143	(18,624)	0	0	0
<b>Cash flow from investing</b>	<b>(74,117)</b>	<b>(111,792)</b>	<b>(70,637)</b>	<b>(70,789)</b>	<b>(70,789)</b>
Dividends paid	(17,400)	(18,600)	(19,800)	(19,800)	(19,800)
Equity finance	0	0	0	0	0
Debt finance	21,703	41,458	(20,000)	20,000	0
Other financing cash flows	39,002	3,270	(18,787)	(1,786)	(596)
<b>Cash flow from financing</b>	<b>43,305</b>	<b>26,128</b>	<b>(58,587)</b>	<b>(1,586)</b>	<b>(20,396)</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
<b>Net other adjustments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Movement in cash</b>	<b>58,759</b>	<b>(35,371)</b>	<b>(66,154)</b>	<b>2,711</b>	<b>(3,410)</b>
Free cash flow to firm (FCFF)	22,536.69	(54,741.42)	(48.63)	11,967.63	25,120.80
Free cash flow to equity (FCFE)	76,159.26	(16,771.03)	(46,354.29)	22,511.19	16,390.11

#### Per share (THB)

FCFF per share	18.78	(45.62)	(0.04)	9.97	20.93
FCFE per share	63.47	(13.98)	(38.63)	18.76	13.66
Recurring cash flow per share	59.15	77.96	64.55	76.42	86.07

Balance Sheet (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Tangible fixed assets (gross)	621,946	669,229	745,346	821,463	897,581
Less: Accumulated depreciation	(258,521)	(258,521)	(288,670)	(322,987)	(360,288)
<b>Tangible fixed assets (net)</b>	<b>363,425</b>	<b>410,708</b>	<b>456,676</b>	<b>498,477</b>	<b>537,293</b>
<b>Intangible fixed assets (net)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	114,890	137,684	137,684	137,684	137,684
Cash & equivalents	102,981	67,610	1,456	4,167	757
A/C receivable	54,842	78,951	91,121	105,645	120,875
Inventories	54,654	83,121	69,202	80,880	82,022
Other current assets	1,540	3,334	8,901	10,620	11,132
<b>Current assets</b>	<b>214,017</b>	<b>233,016</b>	<b>170,680</b>	<b>201,313</b>	<b>214,786</b>
Other assets	57,049	79,694	79,694	79,694	79,694
<b>Total assets</b>	<b>749,381</b>	<b>861,101</b>	<b>844,734</b>	<b>917,167</b>	<b>969,456</b>
Common equity	320,972	365,691	380,901	407,442	439,274
Minorities etc.	75,154	84,318	91,298	105,881	124,964
<b>Total shareholders' equity</b>	<b>396,126</b>	<b>450,008</b>	<b>472,200</b>	<b>513,323</b>	<b>564,237</b>
Long term debt	160,553	206,291	206,291	226,291	226,291
Other long-term liabilities	31,281	36,415	36,415	36,415	36,415
<b>Long-term liabilities</b>	<b>191,834</b>	<b>242,706</b>	<b>242,706</b>	<b>262,706</b>	<b>262,706</b>
A/C payable	65,273	75,026	59,144	69,124	70,100
Short term debt	88,092	83,812	63,812	63,812	63,812
Other current liabilities	8,055	9,549	6,872	8,202	8,600
<b>Current liabilities</b>	<b>161,420</b>	<b>168,386</b>	<b>129,827</b>	<b>141,138</b>	<b>142,512</b>
<b>Total liabilities and shareholders' equity</b>	<b>749,381</b>	<b>861,101</b>	<b>844,734</b>	<b>917,167</b>	<b>969,456</b>
Net working capital	37,708	80,831	103,209	119,820	135,329
Invested capital	573,072	708,916	777,262	835,674	889,999

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

#### Per share (THB)

Book value per share	267.48	304.74	317.42	339.53	366.06
Tangible book value per share	267.48	304.74	317.42	339.53	366.06

#### Financial strength

Net debt/equity (%)	36.8	49.4	56.9	55.7	51.3
Net debt/total assets (%)	19.4	25.8	31.8	31.2	29.8
Current ratio (x)	1.3	1.4	1.3	1.4	1.5
CF interest cover (x)	19.4	4.7	0.0	8.6	7.0

Valuation	2020	2021	2022E	2023E	2024E
<b>Recurring P/E (x) *</b>	<b>13.0</b>	<b>9.4</b>	<b>12.7</b>	<b>9.6</b>	<b>8.6</b>
<b>Recurring P/E @ target price (x) *</b>	<b>16.4</b>	<b>11.9</b>	<b>16.0</b>	<b>12.1</b>	<b>10.8</b>
Reported P/E (x)	13.0	9.4	12.7	9.6	8.6
Dividend yield (%)	3.9	4.5	4.6	4.2	4.7
Price/book (x)	1.4	1.2	1.2	1.1	1.0
Price/tangible book (x)	1.4	1.2	1.2	1.1	1.0
EV/EBITDA (x) **	10.9	10.6	13.1	9.4	8.6
EV/EBITDA @ target price (x) **	12.8	12.2	15.0	10.7	9.8
EV/invested capital (x)	1.2	1.1	1.0	1.0	1.0

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

Sources: Siam Cement; FSSIA estimates

## Corporate Governance report of Thai listed companies 2021

EXCELLENT LEVEL – Score range 90-100										
AAV	BCPG	CPALL	GCAP	K	MSC	PLANET	SAMART	SPI	THRE	TVD
ADVANC	BDMS	CPF	GFPT	KBANK	MST	PLAT	SAMTEL	SPRC	THREL	TVI
AF	BEM	CPI	GGC	KCE	MTC	PORT	SAT	SPVI	TIPCO	TVO
AH	BGC	CPN	GLAND	KKP	MVP	PPS	SC	SSSC	TISCO	TWPC
AIRA	BGRIM	CRC	GLOBAL	KSL	NCL	PR9	SCB	SST	TK	U
AKP	BIZ	CSS	GPI	KTB	NEP	PREB	SCC	STA	TKT	UAC
AKR	BKI	DDD	GPSC	KTC	NER	PRG	SCCC	STEC	TMT	UBIS
ALT	BOL	DELTA	GRAMMY	LALIN	NKI	PRM	SCG	STI	TNDT	UV
AMA	BPP	DEMCO	GULF	LANNA	NOBLE	PROUD	SCGP	SUN	TNITY	VGI
AMATA	BRR	DRT	GUNKUL	LH	NSI	DRSH	SCM	SUSCO	TOA	VIH
AMATAV	BTS	DTAC	HANA	LHFG	NVD	PSL	SDC	SUTHA	TOP	WACOAL
ANAN	BTW	DUSIT	HARN	LIT	NWR	PTG	SEAFECO	SVI	TPBI	WAVE
AOT	BWG	EA	HMPRO	LPN	NYT	PTT	SEAOIL	SYMC	TQM	WHA
AP	CENTEL	EASTW	ICC	MACO	OISHI	PTTEP	SE-ED	SYNTEC	TRC	WHAUP
ARIP	CFRESH	ECF	ICHI	MAJOR	OR	PTTGC	SELIC	TACC	TRU	WICE
ARROW	CHEWA	ECL	III	MAKRO	ORI	PYLON	SENA	TASCO	TRUE	WINNER
ASP	CHO	EE	ILINK	MALEE	OSP	Q-CON	SHR	TCAP	TSC	ZEN
AUCT	CIMBT	EGCO	ILM	MBK	OTO	QH	SIRI	TEAMG	TSR	
AWC	CK	EPG	INTUCH	MC	PAP	QTC	SIS	TFMAMA	TSTE	
AYUD	CKP	ETC	IP	MCOT	PCSGH	RATCH	SITHAI	TGH	TSTH	
BAFS	CM	FPI	IRPC	METCO	PDG	RS	SMK	THANA	TTA	
BANPU	CNT	FPT	ITEL	MFEC	PDJ	S	SMPC	THANI	TTB	
BAY	COM7	FSMART	IVL	MINT	PG	S & J	SNC	THCOM	TTCL	
BBL	COMAN	GBX	JSP	MONO	PHOL	SAAM	SONIC	THG	TTW	
BCP	COTTO	GC	JWD	MOONG	PLANB	SABINA	SPALI	THIP	TU	
VERY GOOD LEVEL – Score range 80-89										
2S	ASIMAR	CHOW	FLOYD	IT	LOXLEY	OCC	RPC	SKY	TCC	TVT
7UP	ASK	CI	FN	ITD	LRH	OGC	RT	SLP	TCMC	TWP
ABICO	ASN	CIG	FNS	J	LST	PATO	RWI	SMIT	TEAM	UEC
ABM	ATP30	CMC	FORTH	JAS	M	PB	S11	SMT	TFG	UMI
ACE	B	COLOR	FSS	JCK	MATCH	PICO	SA	SNP	TFI	UOBKH
ACG	BA	CPL	FTE	JCKH	MBAX	PIMO	SAK	SO	TIGER	UP
ADB	BAM	CPW	FVC	JMART	MEGA	PJW	SALEE	SORKON	TITLE	UPF
AEONTS	BC	CRD	GEL	JMT	META	PL	SAMCO	SPA	TKN	UPOIC
AGE	BCH	CSC	GENCO	KBS	MFC	PM	SANKO	SPC	TKS	UTP
AHC	BEC	CSP	GJS	KCAR	MGT	PMTA	SAPPE	SPCG	TM	VCOM
AIT	BEYOND	CWT	GYT	KEX	MICRO	PPP	SAWAD	SR	TMC	VL
ALL	BFIT	DCC	HEMP	KGI	MILL	PPPM	SCI	SRICHA	TMD	VPO
ALLA	BJC	DCON	HPT	KIAT	MTSIB	PRIME	SCN	SSC	TMI	VRANDA
ALUCON	BJCHI	DHOUSE	HTC	KISS	MK	PRIN	SCP	SSF	TMILL	WGE
AMANAH	BLA	DOD	HYDRO	KOOL	MODERN	PRINC	SE	STANLY	TNL	WIK
AMARIN	BR	DOHOME	ICN	KTIS	MTI	PSG	SFLEX	STGT	TNP	WP
APCO	BROOK	DV8	IFS	KUMWEL	NBC	PSTC	SFP	STOWER	TOG	XO
APCS	CBG	EASON	IMH	KUN	NCAP	PT	SFT	STPI	TPA	XPG
APURE	CEN	EFORL	IND	KWC	NCH	QLT	SGF	SUC	TPAC	YUASA
AQUA	CGH	ERW	INET	KWM	NETBAY	RBF	SIAM	SWC	TPCS	
ASAP	CHARAN	ESSO	INSET	L&E	NEX	RCL	SINGER	SYNEX	TPS	
ASEFA	CHAYO	ESTAR	INSURE	LDC	NINE	RICHY	SKE	TAE	TRITN	
ASIA	CHG	ETE	IRC	LEO	NRF	RML	SKN	TAKUNI	TRT	
ASIAN	CHOTI	FE	IRCP	LHK	NTV	ROJNA	SKR	TBSP	TSE	
GOOD LEVEL – Score range 70-79										
A	BGT	CITY	GIFT	JTS	MDX	PK	SGP	SUPER	TQR	YGG
AI	BH	CMAN	GLOCON	JUBILE	MJD	PLE	SICT	SVOA	TTI	ZIGA
AIE	BIG	CMO	GREEN	KASET	MORE	PPM	SIMAT	TC	TYCN	
AJ	BLAND	CMR	GSC	KCM	MUD	PRAKIT	SISB	TCCC	UKEM	
ALPHAX	BM	CPT	GTB	KK	NC	PRAPAT	SK	THMUI	UMS	
AMC	BROCK	CRANE	HTECH	KKC	NDR	PRECHA	SMART	TNH	UNIQ	
APP	BSBM	CSR	HUMAN	KWI	NFC	PTL	SOLAR	TNR	UPA	
AQ	BSM	D	IHL	KYE	NNCL	RJH	SPACK	TOPP	UREKA	
ARIN	BTNC	EKH	IIG	LEE	NOVA	RP	SPG	TPCH	VIBHA	
AS	BYD	EMC	INGRS	LPH	NPK	RPH	SQ	TPIPL	W	
AU	CAZ	EP	INOX	MATI	NUSA	RSP	SSP	TIPIP	WIN	
B52	CCP	F&D	JAK	M-CHAI	PAF	SABUY	STARK	TPLAS	WORK	
BEAUTY	CGD	FMT	JR	MCS	PF	SF	STC	TPOLY	WPH	

**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

Sources: Thai Institute of Directors Association (IOD); FSSIA's compilation; data as of 26 October 2021

## Anti-corruption Progress Indicator

CERTIFIED										
2S	BCH	CPALL	GC	K	MFC	PE	QLT	SNP	THCOM	TU
7UP	BCP	CPF	GCAP	KASET	MFEC	PG	QTC	SORKON	THIP	TVD
ADVANC	BCPG	CPI	GEL	KBANK	MILL	PHOL	RATCH	SPACK	THRE	TVI
AF	BE8	CPN	GFPT	KBS	MINT	PK	RML	SPALI	THREL	TVO
AI	BEYOND	CSC	GGC	KCAR	MONO	PL	RWI	SPC	TIDLOR	TWPC
AIE	BGC	DCC	GJS	KCE	MOONG	PLANB	S & J	SPI	TIPCO	U
AIRA	BGRIM	DELTA	GPI	KGI	MSC	PLANET	SAAM	SPRC	TISCO	UBE
AKP	BJCHI	DEMCO	GPSC	KKP	MST	PLAT	SABINA	SRICHA	TKS	UBIS
ALPHAX	BKI	DIMET	GSTEEL	KSL	MTC	PM	SAPPE	SSF	TKT	UEC
AMA	BLA	DRT	GUNKUL	KTB	MTI	PPP	SAT	SSP	TMD	UKEM
AMANAHA	BPP	DTAC	HANA	KTC	NBC	PPPM	SC	SSSC	TMILL	UOBKH
AMATA	BROOK	DUSIT	HARN	KWC	NEP	PPS	SCB	SST	TMT	UPF
AMATAV	BRR	EA	HEMP	KWI	NINE	PR9	SCC	STA	TNITY	UV
AP	BSBM	EASTW	HENG	L&E	NKI	PREB	SCCC	STOWER	TNL	VGI
APCS	BTS	ECL	HMPRO	LANNA	NMG	PRG	SCG	SUSCO	TNP	VIH
AQUA	BWG	EGCO	HTC	LH	NNCL	PRINC	SCN	SVI	TNR	WACOAL
ARROW	CEN	EP	ICC	LHFG	NOBLE	PRM	SEAOIL	SYMC	TOG	WHA
AS	CENTEL	EPG	ICHI	LHK	NOK	PROS	SE-ED	SYNTEC	TOP	WHAUP
ASIAN	CFRESH	ERW	IFEC	LPN	NSI	PSH	SELIC	TAE	TOPP	WICE
ASK	CGH	ESTAR	IFS	LRH	NWR	PSL	SENA	TAKUNI	TPA	WIJK
ASP	CHEWA	ETE	ILINK	M	OCC	PSTC	SGP	TASCO	TPP	XO
AWC	CHOTI	FE	INET	MAKRO	OGC	PT	SINGER	TBSP	TRU	ZEN
AYUD	CHOW	FNS	INSURE	MALEE	ORI	PTG	SIRI	TCAP	TRUE	
B	CIG	FPI	INTUCH	MATCH	PAP	PTT	SITHAI	TCMC	TSC	
BAFS	CIMBT	FPT	IRC	MBAX	PATO	PTTEP	SKR	TFG	TSTE	
BAM	CM	FSMART	IRPC	MBK	PB	PTTGC	SMIT	TFI	TSTH	
BANPU	CMC	FSS	ITEL	MC	PCSGH	PYLON	SMK	TFMAMA	TTA	
BAY	COM7	FTE	IVL	MCOT	PDG	Q-CON	SMPC	TGH	TTB	
BBL	COTTO	GBX	JKN	META	PDJ	QH	SNC	THANI	TTCL	
DECLARED										
AJ	CHG	DDD	ETC	JR	MAJOR	NUSA	RS	SSS	TQM	YUASA
ALT	CPL	DHOUSE	FLOYD	JTS	NCAP	NYT	SAK	STECH	TSI	ZIGA
APCO	CPR	DOHOME	GULF	KEX	NCL	OR	SCGP	STGT	VARO	
B52	CPW	ECF	III	KUMWEL	NOVA	PIMO	SCM	TKN	VCOM	
BEC	CRC	EKH	INOX	LDC	NRF	PLE	SIS	TMI	VIBHA	

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 26 October 2021) are categorised into: 1) companies that have declared their intention to join CAC, and; 2) companies certified by CAC.

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

## GENERAL DISCLAIMER

### ANALYST(S) CERTIFICATION

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

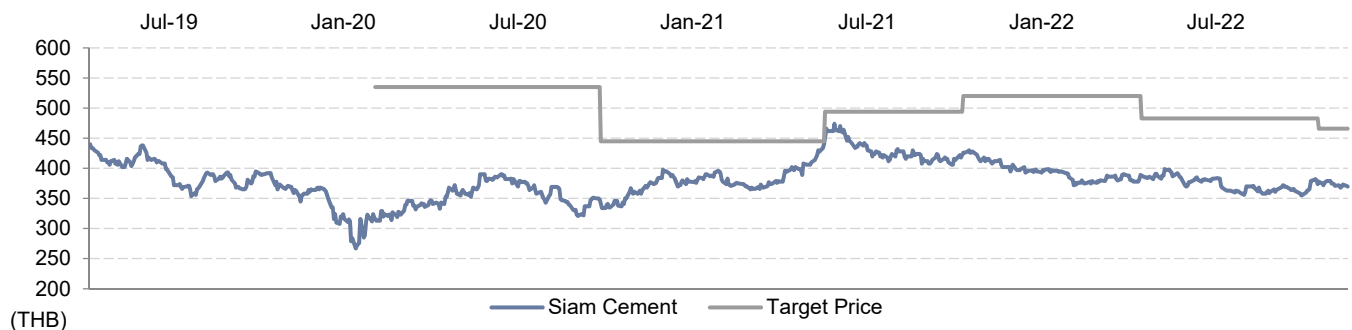
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

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### History of change in investment rating and/or target price

#### Siam Cement (SCC TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
02-Apr-2020	BUY	535.00	27-Apr-2021	BUY	494.00	27-Jan-2022	BUY	483.00
14-Oct-2020	BUY	445.00	25-Aug-2021	BUY	520.00	30-Jun-2022	BUY	466.00

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

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Siam Cement	SCC TB	THB 370.00	BUY	Downside risks to our SOTP based TP include 1) a lower-than-expected demand for chemicals, CBM, and packaging; 2) rising coal costs for its cement and packaging units; and 3) weaker demand from the automobile industry that could erode the demand for SCC's chemical unit and its dividend contributions.

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 26-Jul-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.