KERRY EXPRESS (THAILAND) KEX TB

THAILAND / TRANSPORT & LOGISTICS

REDUCE

2Q22 loss was an all-time high

- KEX's loss in 2Q22 at THB732m was an all-time high that exceeded our expectation of THB549m.

- Despite the big loss in 2Q22, management believes the losses have bottomed and expects a gradual recovery in 3Q22.

- Maintain REDUCE with the same TP of THB20.

2Q22 loss was an all-time high

KEX's loss in 2Q22 at THB732m was an all-time high, even higher than our expectation of THB549m and the market's expectation of THB504m. The company's revenue, down by 3% q-q and 7% y-y to THB4.3b, was in line with our expectation despite strong parcel delivery growth q-q and a 36% rise in 1H22. Its operating costs surged to THB4.8b (+3% q-q, +23% y-y), higher than our expectation. This was due to 1) more holidays in 2Q22 that required the company to pay a higher employee expense; 2) the upsurge in oil prices; and 3) the rebound in the Covid situation early in 2Q22, temporary additional expenses for service quality assurance, and capacity expansion.
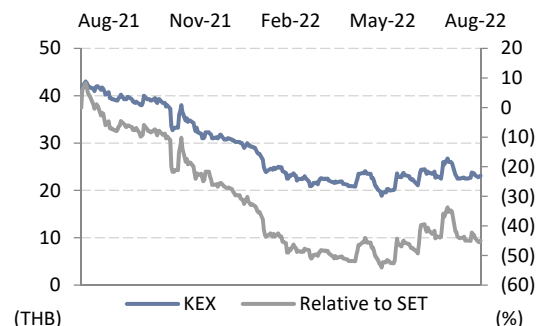
Positive view from management

Although KEX's losses in 1H22 have already hit THB1.2b, and account for 75% of our full-year forecast, management still has confidence that 2Q22's results represent the bottom, citing signs of a recovery in costs starting from Jun-22 onward thanks to 1) the improving Covid situation; and 2) improving cost management that increases the utilisation rate of each delivery worker. Moreover, we think the continuous increase in parcel delivery volume should also improve the economies of scale. KEX believes its revenue per parcel should be maintained in 3Q22, while its cost per parcel should start to gradually decrease.

New investments and new services are coming

KEX (80% investment), Hive Box – China's largest express locker operator backed by S.F. Holding – and another party, have agreed to invest in a JV to establish a smart locker system with a total investment value of THB15m. Moreover, KEX has agreed to partner with Tiktok Shop, a new e-commerce platform. The company also said that it is looking for more investment opportunities in the future.

Maintain REDUCE with a TP of THB20

Although its 2Q22 losses may truly have bottomed, we are still concerned about KEX's long-term outlook given that its competition remains intact. Management's target of reaching breakeven in 4Q22 looks challenging, in our view. We maintain our REDUCE call with the same 2023 TP of THB20. The only upside risk to our call is that the third biggest operator may be raising the white flag, possibly by the end of this year.

TARGET PRICE	**THB20.00**
CLOSE	**THB23.10**
UP/DOWNSIDE	**-13.4%**
TP vs CONSENSUS	**-13.6%**

KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Revenue	18,818	19,213	19,944	21,387
Net profit	47	(1,626)	556	833
EPS (THB)	0.03	(0.93)	0.32	0.48
vs Consensus (%)	-	nm	240.4	24.0
EBITDA	2,456	12	2,481	2,583
Core net profit	47	(1,626)	556	833
Core EPS (THB)	0.03	(0.93)	0.32	0.48
EPS growth (%)	(96.7)	nm	nm	49.7
Core P/E (x)	856.7	(24.8)	72.4	48.3
Dividend yield (%)	3.2	-	0.4	0.8
EV/EBITDA (x)	14.2	2,965.4	14.5	13.6
Price/book (x)	4.3	5.2	5.0	4.7
Net debt/Equity (%)	(56.6)	(51.4)	(54.0)	(60.3)
ROE (%)	0.5	(19.1)	7.1	10.0

Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(9.4)	16.1	(43.3)
Relative to country (%)	(12.7)	16.5	(45.9)
Mkt cap (USD m)			1,132
3m avg. daily turnover (USD m)			5.5
Free float (%)			27
Major shareholder		KLN Logistics (Thailand) (52%)	
12m high/low (THB)			43.50/18.90
Issued shares (m)			1,742.58

Sources: Bloomberg consensus; FSSIA estimates

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Exhibit 1: 2Q22 results review

	2Q21	1Q22	2Q22	----------- Change ----------		1H21	1H22	Change	2022E
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)	(THB m)
Revenue	**4,600**	**4,416**	**4,283**	**(3)**	**(7)**	**8,788**	**8,699**	**(1)**	**19,213**
Operating costs	(3,891)	(4,630)	(4,783)	3	23	(7,383)	(9,414)	28	(19,636)
Gross profit	**709**	**(214)**	**(500)**	**133**	**n/a**	**1,405**	**(714)**	**(151)**	**(423)**
SG&A expenses	(328)	(430)	(459)	7	40	(643)	(889)	38	(1,683)
EBIT	**381**	**(644)**	**(959)**	**49**	**n/a**	**762**	**(1,603)**	**(310)**	**(2,106)**
Depn & amort.	558	645	619	(4)	11	1,129	1,264	12	0
EBITDA	**940**	**0**	**(340)**	**n/a**	**(136)**	**1,891**	**(340)**	**(118)**	**(2,106)**
EBITDA margin (%)	*20.4*	*0.0*	*(7.9)*	*nm*	*nm*	*21.5*	*(3.9)*	*nm*	*(11.0)*
Interest expense	(22)	(20)	(18)	(10)	(20)	(54)	(38)	(29)	(85)
Other income	47	39	40	3	(15)	75	79	6	154
Pretax profit	**406**	**(625)**	**(937)**	**50**	**n/a**	**783**	**(1,562)**	**(299)**	**(2,037)**
Tax	(70)	131	199	52	n/a	(145)	330	(327)	407
Tax rate (%)	*(17.3)*	*(20.9)*	*(21.2)*	*nm*	*nm*	*(18.5)*	*(21.1)*	*nm*	*(20)*
MI	0	(3)	(6)	0	0	0	(9)	nm	(4)
Net profit	**336**	**(491)**	**(732)**	**49**	**n/a**	**638**	**(1,223)**	**(292)**	**(1,626)**
Core net profit	**336**	**(491)**	**(732)**	**49**	**n/a**	**638**	**(1,223)**	**(292)**	**(1,626)**
EPS (THB)	0.19	(0.28)	(0.42)	49	n/a	0.37	(0.70)	(292)	(0.93)
Core EPS (THB)	0.19	(0.28)	(0.42)	49	n/a	0.37	(0.70)	(292)	(0.93)

Sources: KEX; FSSIA estimates

Financial Statements
Kerry Express (Thailand)

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Revenue	18,917	18,818	19,213	19,944	21,387
Cost of goods sold	(13,494)	(15,136)	(17,672)	(16,221)	(17,502)
Gross profit	**5,423**	**3,681**	**1,542**	**3,723**	**3,885**
Other operating income	93	154	154	164	180
Operating costs	(1,314)	(1,380)	(1,683)	(1,406)	(1,482)
Operating EBITDA	**4,202**	**2,456**	**12**	**2,481**	**2,583**
Depreciation	(2,356)	(2,342)	(1,964)	(1,709)	(1,468)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	**1,846**	**114**	**(1,952)**	**772**	**1,114**
Net financing costs	(112)	(97)	(85)	(81)	(77)
Associates	0	0	0	0	0
Recurring non-operating income	0	0	0	0	0
Non-recurring items	0	0	0	0	0
Profit before tax	**1,734**	**17**	**(2,037)**	**691**	**1,038**
Tax	(329)	28	407	(138)	(208)
Profit after tax	**1,405**	**45**	**(1,630)**	**553**	**830**
Minority interests	0	2	4	3	3
Preferred dividends	0	0	0	0	0
Other items	0	0	0	0	0
Reported net profit	**1,405**	**47**	**(1,626)**	**556**	**833**
Non-recurring items & goodwill (net)	**0**	**0**	**0**	**0**	**0**
Recurring net profit	**1,405**	**47**	**(1,626)**	**556**	**833**
Per share (THB)					
Recurring EPS *	0.81	0.03	(0.93)	0.32	0.48
Reported EPS	0.81	0.03	(0.93)	0.32	0.48
DPS	0.22	0.74	0.00	0.10	0.19
Diluted shares (used to calculate per share data)	1,740	1,740	1,743	1,743	1,743
Growth					
Revenue (%)	(4.4)	(0.5)	2.1	3.8	7.2
Operating EBITDA (%)	78.5	(41.5)	(99.5)	20,162.7	4.1
Operating EBIT (%)	10.1	(93.8)	nm	nm	44.4
Recurring EPS (%)	(12.5)	(96.7)	nm	nm	49.7
Reported EPS (%)	(12.5)	(96.7)	nm	nm	49.7
Operating performance					
Gross margin inc. depreciation (%)	16.2	7.1	(2.2)	10.1	11.3
Gross margin of key business (%)	16.2	7.1	(2.2)	10.1	11.3
Operating EBITDA margin (%)	22.2	13.1	0.1	12.4	12.1
Operating EBIT margin (%)	9.8	0.6	(10.2)	3.9	5.2
Net margin (%)	7.4	0.2	(8.5)	2.8	3.9
Effective tax rate (%)	19.0	-162.6	20.0	20.0	20.0
Dividend payout on recurring profit (%)	27.2	2,755.5	-	30.0	40.0
Interest cover (X)	16.5	1.2	(23.0)	9.6	14.5
Inventory days	2.9	3.1	3.1	2.5	2.2
Debtor days	30.8	29.9	30.3	29.2	28.6
Creditor days	42.6	40.1	39.9	39.9	36.0
Operating ROIC (%)	174.3	(14.7)	143.0	(72.4)	(125.9)
ROIC (%)	37.1	1.5	(25.3)	10.8	16.9
ROE (%)	21.5	0.5	(19.1)	7.1	10.0
ROA (%)	11.8	0.7	(9.9)	4.3	6.3
*Pre exceptional, pre-goodwill and fully diluted					

Revenue by Division (THB m)	2020	2021	2022E	2023E	2024E
B2B	352	361	368	382	413
B2C	8,528	8,524	8,779	9,043	9,676
C2C	10,011	9,892	9,991	10,390	11,117
Advertising	26	42	76	129	181

Sources: Kerry Express (Thailand); FSSIA estimates

FINANSIA

Financial Statements
Kerry Express (Thailand)

Cash Flow (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Recurring net profit	1,405	47	(1,626)	556	833
Depreciation	2,356	2,342	1,964	1,709	1,468
Associates & minorities	-	-	-	-	-
Other non-cash items	32	(187)	(4)	(3)	(3)
Change in working capital	(336)	120	55	(251)	6
Cash flow from operations	**3,457**	**2,322**	**390**	**2,010**	**2,305**
Capex - maintenance	(147)	(195)	(368)	(328)	(248)
Capex - new investment	(220)	(293)	(552)	(492)	(372)
Net acquisitions & disposals	7	3	0	0	0
Other investments (net)	(15)	(6,092)	398	0	0
Cash flow from investing	**(375)**	**(6,577)**	**(522)**	**(820)**	**(620)**
Dividends paid	(1,646)	(1,676)	0	(167)	(333)
Equity finance	8,861	72	0	0	0
Debt finance	0	(800)	1	1	1
Other financing cash flows	(1,509)	(1,750)	(795)	(612)	(546)
Cash flow from financing	**5,706**	**(4,153)**	**(794)**	**(778)**	**(878)**
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	3,984	0	0	0
Net other adjustments	**0**	**3,984**	**(398)**	**0**	**0**
Movement in cash	**8,787**	**(4,424)**	**(1,324)**	**412**	**806**
Free cash flow to firm (FCFF)	3,193.20	(4,157.61)	(46.54)	1,271.07	1,761.35
Free cash flow to equity (FCFE)	1,572.30	(2,821.00)	(1,324.17)	578.95	1,139.29

Per share (THB)					
FCFF per share	1.83	(2.39)	(0.03)	0.73	1.01
FCFE per share	0.90	(1.62)	(0.76)	0.33	0.65
Recurring cash flow per share	2.18	1.27	0.19	1.30	1.32

Balance Sheet (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Tangible fixed assets (gross)	3,996	4,733	5,233	5,633	5,933
Less: Accumulated depreciation	(1,737)	(2,489)	(3,196)	(3,843)	(4,422)
Tangible fixed assets (net)	**2,259**	**2,244**	**2,037**	**1,791**	**1,512**
Intangible fixed assets (net)	**5,520**	**5,091**	**4,254**	**3,612**	**3,042**
Long-term financial assets	0	2,022	2,022	2,022	2,022
Invest. in associates & subsidiaries	0	0	0	0	0
Cash & equivalents	9,697	5,272	3,948	4,360	5,167
A/C receivable	1,467	1,613	1,581	1,609	1,747
Inventories	80	176	123	101	110
Other current assets	35	64	68	71	74
Current assets	**11,278**	**7,125**	**5,719**	**6,141**	**7,099**
Other assets	262	562	590	620	651
Total assets	**19,318**	**17,046**	**14,623**	**14,185**	**14,326**
Common equity	10,847	9,317	7,687	8,073	8,570
Minorities etc.	0	0	0	0	0
Total shareholders' equity	**10,847**	**9,317**	**7,687**	**8,073**	**8,570**
Long term debt	0	0	0	0	0
Other long-term liabilities	3,773	2,451	2,125	1,839	1,597
Long-term liabilities	**3,773**	**2,451**	**2,125**	**1,839**	**1,597**
A/C payable	1,962	2,701	2,635	2,424	2,590
Short term debt	800	0	0	0	0
Other current liabilities	1,936	2,577	2,176	1,849	1,569
Current liabilities	**4,698**	**5,278**	**4,811**	**4,273**	**4,158**
Total liabilities and shareholders' equity	**19,318**	**17,046**	**14,623**	**14,185**	**14,326**
Net working capital	(2,317)	(3,425)	(3,040)	(2,493)	(2,226)
Invested capital	5,723	6,495	5,864	5,552	5,001
* Includes convertibles and preferred stock which is being treated as debt					

Per share (THB)					
Book value per share	6.23	5.35	4.41	4.63	4.92
Tangible book value per share	3.06	2.43	1.97	2.56	3.17
Financial strength					
Net debt/equity (%)	(82.0)	(56.6)	(51.4)	(54.0)	(60.3)
Net debt/total assets (%)	(46.1)	(30.9)	(27.0)	(30.7)	(36.1)
Current ratio (x)	2.4	1.4	1.2	1.4	1.7
CF interest cover (x)	17.0	(25.1)	(8.1)	14.3	20.7

Valuation	2020	2021	2022E	2023E	2024E
Recurring P/E (x) *	**28.6**	**856.7**	**(24.8)**	**72.4**	**48.3**
Recurring P/E @ target price (x) *	**24.8**	**741.7**	**(21.4)**	**62.7**	**41.9**
Reported P/E (x)	28.6	856.7	(24.8)	72.4	48.3
Dividend yield (%)	1.0	3.2	-	0.4	0.8
Price/book (x)	3.7	4.3	5.2	5.0	4.7
Price/tangible book (x)	7.5	9.5	11.7	9.0	7.3
EV/EBITDA (x) **	7.4	14.2	2,965.4	14.5	13.6
EV/EBITDA @ target price (x) **	6.2	12.0	2,524.1	12.3	11.5
EV/invested capital (x)	5.5	5.4	6.2	6.5	7.0
* Pre-exceptional, pre-goodwill and fully diluted ** EBITDA includes associate income and recurring non-operating income					

Sources: Kerry Express (Thailand); 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	SSSC	TIPCO	TVO
AH	BGC	CPN	GLAND	KKP	MVP	PPS	SC	SST	TISCO	TWPC
AIRA	BGRIM	CRC	GLOBAL	KSL	NCL	PR9	SCB	STA	TK	U
AKP	BIZ	CSS	GPI	KTB	NEP	PREB	SCC	STEC	TKT	UAC
AKR	BKI	DDD	GPSC	KTC	NER	PRG	SCCC	STI	TMT	UBIS
ALT	BOL	DELTA	GRAMMY	LALIN	NKI	PRM	SCG	SUN	TNDT	UV
AMA	BPP	DEMCO	GULF	LANNA	NOBLE	PROUD	SCGP	SUSCO	TNITY	VGI
AMATA	BRR	DRT	GUNKUL	LH	NSI	PSH	SCM	SUTHA	TOA	VIH
AMATAV	BTS	DTAC	HANA	LHFG	NVD	PSL	SDC	SVI	TOP	WACOAL
ANAN	BTW	DUSIT	HARN	LIT	NWR	PTG	SEAFCO	SYMC	TPBI	WAVE
AOT	BWG	EA	HMPRO	LPN	NYT	PTT	SEAOIL	SYNTEC	TQM	WHA
AP	CENTEL	EASTW	ICC	MACO	OISHI	PTTEP	SE-ED	TACC	TRC	WHAUP
ARIP	CFRESH	ECF	ICHI	MAJOR	OR	PTTGC	SELIC	TASCO	TRU	WICE
ARROW	CHEWA	ECL	III	MAKRO	ORI	PYLON	SENA	TCAP	TRUE	WINNER
ASP	CHO	EE	ILINK	MALEE	OSP	Q-CON	SHR	TEAMG	TSC	ZEN
AUCT	CIMBT	EGCO	ILM	MBK	OTO	QH	SIRI		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	MITSIB	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	WIIK
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	TPIPP	WIN	
B52	CCP	F&D	JAK	M-CHAI	PAF	SABUY	STARK	TPLAS	WORK	
BEAUTY	CGD	FMT	JR	MCS	PF	SF	STC	TPOLY	WPH	

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	
AMANAH	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	WIIK	
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 th e 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

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**Naruedom Mujjalinkool FSS International Investment Advisory Securities Co., Ltd**

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History of change in investment rating and/or target price

Kerry Express (Thailand) (KEX TB)
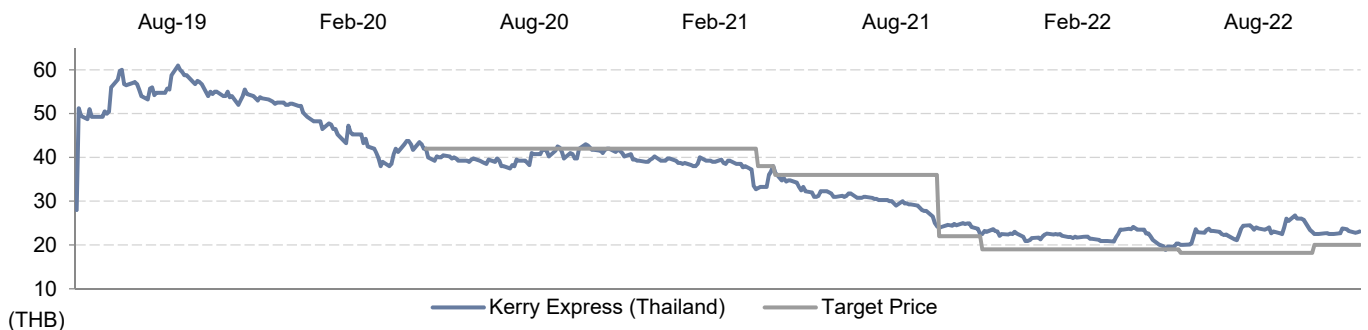
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
02-Jun-2021	HOLD	42.00	26-Jan-2022	REDUCE	22.00	19-Jul-2022	REDUCE	20.00
03-Nov-2021	BUY	38.00	15-Feb-2022	REDUCE	19.00			
11-Nov-2021	HOLD	36.00	18-May-2022	REDUCE	18.20			

Naruedom Mujjalinkool started covering this stock from 02-Jun-2021

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Kerry Express (Thailand)	KEX TB	THB 23.10	REDUCE	The key upside risks to our DCF-based TP are 1) if the competition is lower than our expectation; and 2) if the Covid-19 situation is under control

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 10-Aug-2022 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as (target price* - current price) / 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.