

KNIGHT CLUB CAPITAL ASSET MNGT

THAILAND / ASSET MANAGEMENT COMPANIES

KCC TB

BUY

UNCHANGED

ใจแต่แจ้ว

- กำไรสุทธิ 2Q22 อยู่ในเกณฑ์ดีโดยอยู่ที่ 43 ลบ. จากการเก็บเงินสดที่ดีจากการประนอมหนี้ด้วยคุณภาพขนาดใหญ่
- ผลกระทบจำกัดจากสภาวะเงินเฟ้อที่อยู่ในระดับสูงและแนวโน้มอัตราดอกเบี้ยขาขึ้นทำให้เราปรับเพิ่มประมาณการกำไรปี 2022-24 ขึ้น 7-49%
- คงแนะนำซื้อที่ราคาเป้าหมาย 7.1 บาทจากการเติบโตที่คาดว่าจะเป็แบบทวีคูณ

ผลประกอบการ 2Q22 ออกมาโดดเด่นจากการประนอมหนี้ด้วยคุณภาพจำนวนมาก

KCC รายงานกำไรสุทธิ 2Q22 อยู่ในเกณฑ์ดีโดยอยู่ที่ 43 ลบ. เพิ่มขึ้นจาก 12 ลบ. และ 19 ลบ. ใน 2Q21 และ 1Q22 ตามลำดับ กำไรสุทธิโตดีจากการเก็บเงินสด (CC) จากหนี้ด้วยคุณภาพ (NPL) และสินทรัพย์ด้วยคุณภาพ (NPA) ที่เพิ่มขึ้นเป็น 158 ลบ. จาก 18 ลบ. และ 63 ลบ. ใน 2Q21 และ 1Q22 ตามลำดับเนื่องจากบริษัท สามารถปิดดีลหนี้ด้วยคุณภาพแปลงใหญ่ได้หนึ่งแปลงและปิดดีล NPL ประเภทที่อยู่อาศัยได้อีกบางส่วน รายได้ที่โตอย่างโดดเด่นช่วยชดเชยค่าใช้จ่ายดำเนินงานที่เกี่ยวข้องกับการเสนอขายหุ้น IPO ที่เพิ่มขึ้นได้ทั้งหมด ในระหว่างไตรมาส KCC เร่งการซื้อ NPL โดยมีตัวเลขซื้ออยู่ที่ 540 ลบ. จากที่ไม่ได้ซื้อเลยใน 1Q22 ซึ่งทำให้ตัวเลขซื้อสะสมในช่วง 1H22 อยู่ที่ 540 ลบ. เทียบกับเป้าหมายในปี 2022 ที่ 800 ลบ.

คาด CC จะอยู่ในเกณฑ์ดีในช่วง 2H22

เราเชื่อว่า CC ของ KCC น่าจะอยู่ในเกณฑ์ดีในช่วง 2H22 สภาวะเงินเฟ้อที่อยู่ในระดับสูงไม่ได้ส่งผลกระทบต่อ CC ของ KCC มากนักเนื่องจากลูกค้าส่วนมากเป็นกลุ่มบริษัท บริษัท อาจทำสัญญาประนอม NPL อย่างต่อเนื่องและเสนอปรับโครงสร้างหนี้ให้แก่ลูกค้า อย่างไรก็ตาม เนื่องจากเราเชื่อว่าบริษัท น่าจะไม่มีมีการประนอม NPL ขนาดใหญ่เหมือนใน 2Q22 เราจึงคาดว่ากำไรสุทธิของ KCC จะกลับสู่ระดับปกติที่ประมาณ 15-20 ลบ.

ปรับประมาณการกำไรขึ้น 7-49% ในช่วงปี 2022-24

เราปรับเพิ่มประมาณการกำไรสุทธิปี 2022/23/24 ขึ้น 49%/20%/7% แม้ว่า KCC อาจได้รับผลกระทบเชิงลบจากต้นทุนในการระดมทุนที่สูงขึ้นตามแนวโน้มอัตราดอกเบี้ยขาขึ้น เราเชื่อว่า CC ของ KCC ที่เพิ่มขึ้นจากรูปแบบการทำธุรกิจอันมีเอกลักษณ์อาจช่วยชดเชยปัจจัยดังกล่าวได้ทั้งหมด

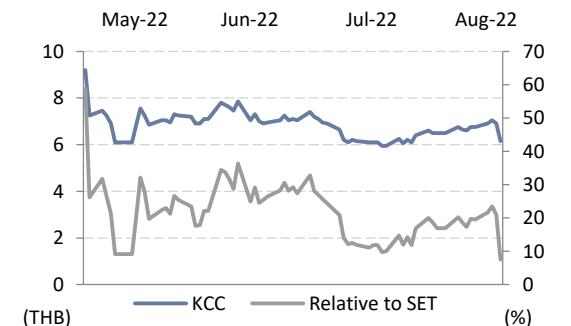
คงแนะนำซื้อที่ราคาเป้าหมายปี 2023 ที่ 7.1 บาท (GGM)

เราปรับการประเมินมูลค่าไปในปี 2023 และได้ราคาเป้าหมายใหม่ที่ 7.1 บาท (GGM) เพิ่มจากราคาเป้าหมายในปี 2022 ที่ 5.1 บาท เราคงแนะนำซื้อ เราคาดว่า KCC จะรายงานกำไรสุทธิรอบ 3 ปี (ปี 2022-24) โตอย่างโดดเด่นถึง 52% CAGR จาก 1) การซื้อ NPL เป็นจำนวนมากหลังปลดล็อกแหล่งเงินทุนจากการออก IPO; 2) รายได้ที่เพิ่มขึ้นเป็นจำนวนมากหลังการขยายพอร์ต NPL; 3) CC ที่เพิ่มขึ้นจากพอร์ต NPL ทั้งใหม่และเก่า; และ 4) สัดส่วนค่าใช้จ่ายดำเนินงานต่อรายได้รวมที่ลดลงจากการควบคุมค่าใช้จ่ายดำเนินงาน (OPEX) ได้อย่างมีประสิทธิภาพ

TARGET PRICE	THB7.10
CLOSE	THB6.15
UP/DOWNSIDE	+15.4%
PRIOR TP	THB5.10
CHANGE IN TP	+39.2%
TP vs CONSENSUS	+39.2%

KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Operating profit	66	121	165	229
Net profit	52	97	132	183
EPS (THB)	0.11	0.17	0.21	0.30
vs Consensus (%)	-	54.5	10.5	7.1
Core net profit	52	97	132	183
Core EPS (THB)	0.11	0.17	0.21	0.30
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	6.9	53.1	21.9	38.8
Core P/E (x)	54.0	35.3	28.9	20.8
Dividend yield (%)	-	2.4	2.9	3.8
Price/book (x)	6.1	3.2	2.7	2.2
ROE (%)	12.1	11.7	10.1	11.5
ROA (%)	7.2	7.5	6.9	8.7



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	0.8	(10.9)	n/a
Relative to country (%)	(3.9)	(12.9)	n/a
Mkt cap (USD m)			109
3m avg. daily turnover (USD m)			1.4
Free float (%)			21
Major shareholder	Boonbanjerd Sri family (52%)		
12m high/low (THB)	9.30/5.85		
Issued shares (m)	620		

Sources: Bloomberg consensus; FSSIA estimates



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บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 15 สิงหาคม 2022

Investment thesis

Knight Club Capital Asset Management (KCC) was founded in 2000, under the name “Richy Capital Alliances”. It started to operate its asset management business in 2013. Currently, it has two main businesses: 1) non-performing loan (NPL) management, specialising in corporate clients; and 2) non-performing asset (NPA) management. KCC is still a small AMC compared with its peers.

We are convinced that KCC is poised to enter the exponential growth phase. We expect KCC to deliver outstanding net profit growth of 52% at a three-year CAGR from 2021-24, driven by 1) its aggressive NPL purchases after unlocking a source of funds from its IPO; 2) a substantial rise in revenue following its NPL portfolio expansion; 3) an increase in its cash collection supported by both new and existing NPL portfolios; and 4) a lower cost to income ratio due to efficient OPEX control.

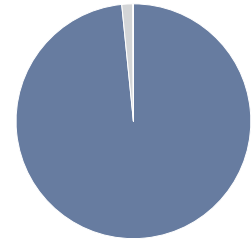
Company profile

KCC started to operate its asset management business in 2013. Currently, it has two main businesses, including 1) NPL management, specialising in corporate clients; and 2) NPA management.

www.kccamc.com

Principal activities (revenue, 2021)

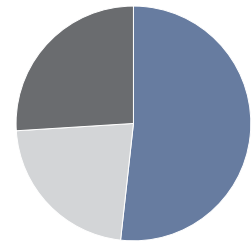
- NPLs management - 98.4 %
- NPAs management - 1.5 %
- Other income - 0.1 %



Source: Knight Club Capital Asset Mngt.

Major shareholders

- Boonbanjerd Sri family - 51.8 %
- Mr Tawee Kullertprasert - 22.3 %
- Others - 26.0 %



Source: Knight Club Capital Asset Mngt.

Catalysts

Potential catalysts to drive KCC's share price include:

- 1) The significant purchase of NPLs;
- 2) The sale of big-value assets.

Risks to our call

Downside risks to our GGM-based TP include 1) lower cash collection due to the slow economic recovery; and 2) lower-than-expected bad debt acquisition.

Event calendar

Date	Event
Mid-October 2022	3Q22 results announcement

Key assumptions

	2022E	2023E	2024E
	(THB m)	(THB m)	(THB m)
Norm profit	97	132	183
<i>Norm profit growth (%)</i>	<i>84.1</i>	<i>36.6</i>	<i>38.8</i>
Cash collection	304	379	431
<i>Cash collection ratio (%)</i>	<i>36.0</i>	<i>30.3</i>	<i>30.3</i>
NPL + NPA purchases	800	350	300
<i>NPL + NPA purchase growth (%)</i>	<i>1,059.4</i>	<i>(56.3)</i>	<i>(14.3)</i>

Source: FSSIA estimates

Earnings sensitivity

		----- 2022E -----		
Cash collection ratio	±50bp	35.5	36.0	36.5
<i>% change in net profit</i>		<i>(13.0)</i>	-	<i>13.0</i>
Cost to income	±1ppt	22.2	23.2	24.2
<i>% change in net profit</i>		<i>3.0</i>	-	<i>(3.0)</i>

Source: FSSIA estimates

Outstanding 2Q22 results from big NPL settlement

KCC posted a solid 2Q22 net profit of THB43m, increasing from THB12m and THB19 in 2Q21 and 1Q22, respectively. The strong growth in its net profit came from a rise in its NPL and NPA CC to THB158m, from THB18m and THB63m in 2Q21 and 1Q22, respectively, as the company was able to settle one big-plot corporate NPL deal and some retail housing NPL sales. The outstanding revenue growth completely offset a rise in its IPO-related OPEX.

2Q22 key highlights

- Operating income increased to THB68m from THB28m in 2Q21 and THB25m in 1Q22 as the company was able to settle one big-plot corporate NPL deal and some retail housing NPL sales.
- OPEX rose to THB12m from THB7m and THB8m in 2Q21 and 1Q22, respectively, thanks mainly to a rise in IPO-related OPEX.
- KCC accelerated its NPL acquisitions in 2Q22, with NPL purchases amounting to THB540m from no purchases in 1Q22. Its accumulated 1H22 NPL purchases were at THB540m vs its 2022 target of THB800m.

Exhibit 1: KCC – 2Q22 results review

	2Q21	1Q22	----- 2Q22 -----			----- 1H22 -----			2022E	Change	2Q22 comments
	(THB m)	(THB m)	(THB m)	(y-y%)	(q-q%)	(THB m)	(y-y%)	%22E	(THB m)	(y-y%)	
Interest income											
- Interest income from NPLs	28	16	18	(38)	12	33	(39)	30	111	7	
Total interest income	28	16	18	(38)	12	33	(39)	30	111	7	
Interest expense	4	4	11	186	212	15	84	57	26	64	
Net interest income	24	12	6	(73)	(47)	19	(60)	22	86	(3)	
Non-interest income											
- Gain on properties for sale	1	2	0		nm	2	317	43	5	162	
- Others	3	11	62	2,129	469	73	326	83	87	147	Increased on profit from selling NPLs to other parties
Total non-interest income	3	13	62	1,749	367	75	326	81	93	148	
Total operating income	28	25	68	147	169	94	46	53	178	42	
Operating expenses	7	8	12	75	44	20	49	48	41	20	
Pre provision operating profit	21	17	57	170	227	74	45	54	137	50	
Expected credit loss	6	(7)	3	(45)	nm	(3)	nm	nm	16	(36)	
Operating profit	15	24	53	254	124	77	91	64	121	84	
Income tax expenses	3	5	11	238	126	15	87	64	24	82	
Profit before minority interest	12	19	43	259	124	62	92	64	97	84	
Minority	0	0	0	nm	nm	0	nm	nm	0		
Normalised profit	12	19	43	259	124	62	92	64	97	84	
Extra items	0	0	0	nm	nm	0	nm	nm	0		
Net profit	12	19	43	259	124	62	92	64	97	84	
Key financial highlights	(THB m)	(THB m)	(THB m)	(y-y%)	(q-q%)	(THB m)	(y-y%)		(THB m)	(y-y%)	
NPL & NPA purchases	0	0	540	nm	nm	540	nm		800	1,059	
NPL & NPA cash collection	18	63	158	783	152	221	336		304	53	
Cash collection/NPL & NPA (%)	879.5	47.8	86.8						36.0		
Key financial ratio											
Liabilities / equity (x)	0.6	0.6	0.6						0.8		
Interest-bearing debt/equity (x)	0.6	0.5	0.6						0.5		
ROA (%)	13.2	10.3	13.6						7.5		
ROE (%)	13.0	16.3	21.6						11.7		
Cost of funds (%)	12.2	6.0	10.3						6.1		
Cost to income (%)	24.3	32.0	17.2						23.2		

Sources: KCC; FSSIA estimates

Earnings estimate and target price revisions

We increase our 2022/23/24 net profit forecasts by 49%/20%/7%. Although KCC might be negatively impacted by a rise in its cost of funds following the rate uptrend, we believe an increase in KCC's CC due to its unique business model could totally offset that. Details of our earnings revisions are below:

1) We increase our cash collection ratio assumptions in 2022/23/24 to 36%/30%/30% from 23%/24%/25%. High inflation does not impact KCC's cash collection much as the majority of its clients are in the corporate segment. The company may continue to settle corporate NPL deals and offer debt restructuring to its clients.

2) We lower our credit cost assumptions in 2022/23/24 by 86%/33%/38% on our expectation of higher cash collection.

3) We increase our cost of funds estimates in 2022/23/24 to 6.1%/6.3%/6.3% from 5.7%/5.8%/5.8% to reflect the policy rate uptrend.

Exhibit 2: Changes in key assumptions

	-----2022E-----			-----2023E-----			-----2024E-----		
	Old	New	Change	Old	New	Change	Old	New	Change
	(THB m)	(THB m)	(%)	(THB m)	(THB m)	(%)	(THB m)	(THB m)	(%)
Interest income	222	111	(50.0)	361	334	(7.5)	436	382	(12.4)
Interest expense	222	111	(50.0)	361	334	(7.5)	436	382	(12.4)
Net interest income	19	26	37.9	26	36	37.7	29	29	(0.0)
Non-interest income	204	86	(58.0)	335	298	(11.0)	407	353	(13.3)
Total operating income	32	93	193.2	48	46	(3.6)	56	52	(7.0)
Operating expense	235	178	(24.3)	383	344	(10.1)	463	405	(12.5)
Pre-operating profit before tax	41	41	0.0	48	48	0.0	55	55	0.0
Expected credit loss	194	137	(29.4)	335	297	(11.5)	408	350	(14.2)
Taxes expenses	113	16	(85.6)	198	132	(33.2)	194	121	(37.5)
Minority interest	16	24	48.5	28	33	19.5	43	46	7.0
Norm. profit	65	97	48.5	110	132	19.5	171	183	7.0
Extraordinary items	0	0		0	0		0	0	
Net profit	65	97	48.5	110	132	19.5	171	183	7.0
EPS (THB)	0.10	0.17	48.5	0.18	0.21	19.5	0.28	0.30	7.0
Key statistic and ratio									
Leverage ratios (x)									
Liabilities / equity	0.5	0.8		0.4	0.4		0.4	0.3	
Interest-bearing debt / equity	0.3	0.5		0.4	0.4		0.3	0.2	
Profitability ratio (%)									
Cost of funds	5.7	6.1		5.8	6.3		5.8	6.3	
Cost to income	17.6	23.2		12.4	13.8		11.8	13.5	
Specific data for business									
NPL and NPA purchases (THB m)	800	800	0.0	350	350	0.0	300	300	-
NPL and NPA cash collection (THB m)	210	304	45.1	327	379	15.7	395	431	(1.7)
Cash collection to gross NPLs and NPAs (%)	23.3	36.0		23.9	30.3		25.1	30.3	
Change y-y (%)									
Core profit (y-y %)	24.1	84.3		69.8	36.6		55.0	38.8	
NPL and NPA purchases (y-y %)	1,059.4	1,059.4		(56.3)	(56.3)		(14.3)	(14.3)	
NPL and NPA cash collection (y-y %)	5.7	53.4		56.1	24.4		20.7	13.8	

Sources: CHAYO; FSSIA estimates

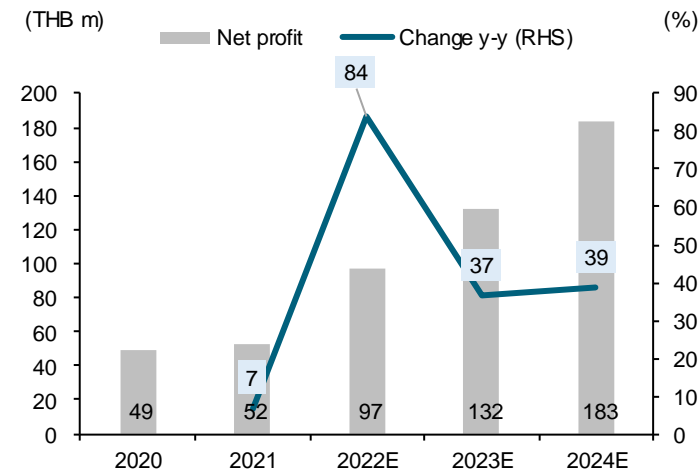
We roll our valuation forward to 2023 and derive a new GGM-based TP of THB7.1, up from our 2022 TP of THB5.1. Our TP implies 3.1x 2023E P/BV, 0.5 STD above its three-year average, and 33.4x 2023E P/E. We maintain our BUY call.

Exhibit 3: KCC – GGM-derived target price

Target price	THB 7.1 (from THB5.1)
Recommendation	BUY (unchanged)
Risk-free rate (%)	3 (unchanged)
Market risk premium (%)	8 (unchanged)
Cost to equity (%)	10.0 (unchanged)
Long term growth (%)	9.2 (from 9.1)
ROE target (%)	11.5 (from 11.0)
Target PBV (x)	3.1 (from 2.7)
Implied PE (x)	33.4 (from 29.2)

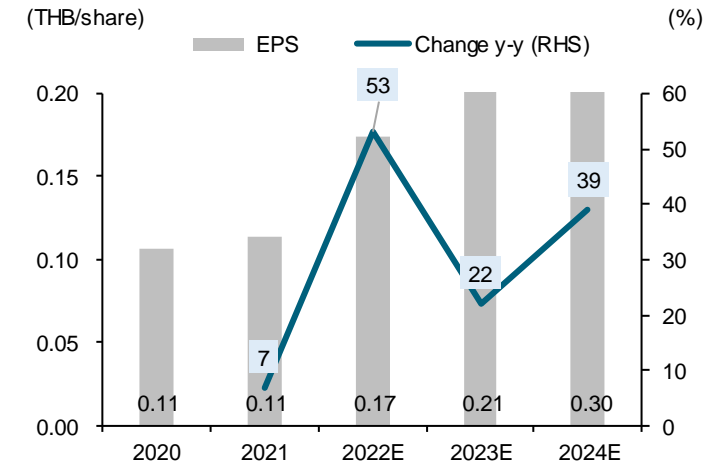
Source: FSSIA estimates

Exhibit 4: Net profit growth



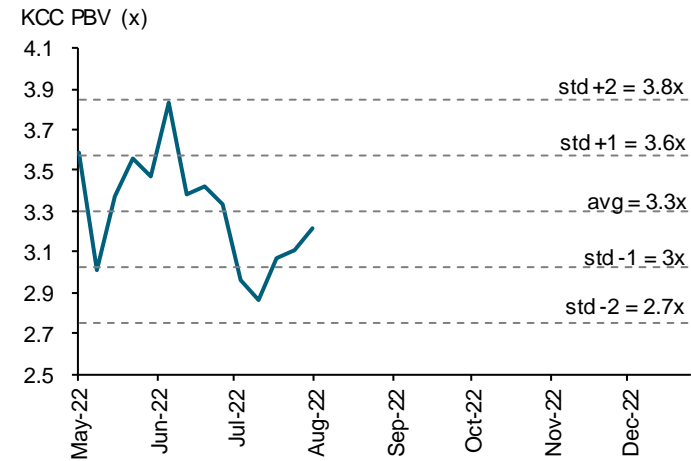
Sources: KCC; FSSIA estimates

Exhibit 5: EPS growth



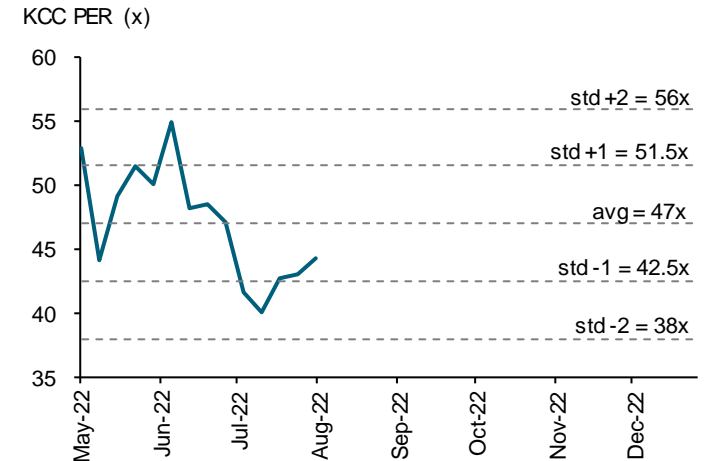
Sources: KCC; FSSIA estimates

Exhibit 6: KCC – one-year prospective P/BV



Sources: Bloomberg; FSSIA estimates

Exhibit 7: KCC – one-year prospective P/E



Sources: Bloomberg; FSSIA estimates

Financial Statements

Knight Club Capital Asset Mngt.

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Interest Income	118	104	111	334	382
Interest expense	(13)	(16)	(26)	(36)	(29)
Net interest income	105	88	86	298	353
Net fees & commission	-	-	-	-	-
Foreign exchange trading income	-	-	-	-	-
Securities trading income	-	-	-	-	-
Dividend income	0	0	0	0	0
Other income	23	37	93	46	52
Non interest income	23	37	93	46	52
Total income	128	126	178	344	405
Staff costs	-	-	-	-	-
Other operating costs	(30)	(34)	(41)	(48)	(55)
Operating costs	(30)	(34)	(41)	(48)	(55)
Pre provision operating profit	98	91	137	297	350
Provision for bad and doubtful debt	(37)	(26)	(16)	(132)	(121)
Other provisions	-	-	-	-	-
Operating profit	61	66	121	165	229
Recurring non operating income	0	0	0	0	0
Associates	-	-	-	-	-
Goodwill amortization	-	-	-	-	-
Non recurring items	0	0	0	0	0
Profit before tax	61	66	121	165	229
Tax	(12)	(13)	(24)	(33)	(46)
Profit after tax	49	52	97	132	183
Minority interests	0	0	0	0	0
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	49	52	97	132	183
Non recurring items & goodwill (net)	-	-	0	0	0
Recurring net profit	49	52	97	132	183
Per share (THB)					
Recurring EPS *	0.11	0.11	0.17	0.21	0.30
Reported EPS	0.11	0.11	0.17	0.21	0.30
DPS	0.00	0.00	0.15	0.18	0.24
Growth					
Net interest income (%)	177.3	(15.7)	(3.1)	248.6	18.2
Non interest income (%)	20.9	60.1	147.5	(50.5)	13.5
Pre provision operating profit (%)	378.2	(7.1)	50.0	116.7	18.0
Operating profit (%)	307.4	7.0	83.7	36.6	38.8
Reported net profit (%)	307.7	6.9	84.1	36.6	38.8
Recurring EPS (%)	307.7	6.9	53.1	21.9	38.8
Reported EPS (%)	307.7	6.9	53.1	21.9	38.8
Income Breakdown					
Net interest income (%)	81.7	70.2	48.0	86.7	87.1
Net fees & commission (%)	-	-	-	-	-
Foreign exchange trading income (%)	-	-	-	-	-
Securities trading income (%)	-	-	-	-	-
Dividend income (%)	-	-	-	-	-
Other income (%)	18.3	29.8	52.0	13.3	12.9
Operating performance					
Gross interest yield (%)	-	-	-	-	-
Cost of funds (%)	5.18	5.98	6.10	6.29	6.34
Net interest spread (%)	(5.18)	(5.98)	(6.10)	(6.29)	(6.34)
Net interest margin (%)	-	-	-	-	-
Cost/income(%)	23.3	27.4	23.2	13.8	13.5
Cost/assets(%)	4.6	4.7	3.2	2.5	2.6
Effective tax rate (%)	20.1	20.2	20.0	20.0	20.0
Dividend payout on recurring profit (%)	-	-	85.0	85.0	80.0
ROE (%)	12.8	12.1	11.7	10.1	11.5
ROE - COE (%)	2.0	1.3	0.9	(0.7)	0.7
ROA (%)	7.5	7.2	7.5	6.9	8.7
RORWA (%)	-	-	-	-	-

* Pre-exceptional, pre-goodwill and fully diluted

Sources: Knight Club Capital Asset Mngt.; FSSIA estimates

Financial Statements

Knight Club Capital Asset Mngt.

Balance Sheet (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Gross customer loans	540	521	1,108	1,291	1,407
Total provisions	(40)	(64)	(83)	(219)	(345)
interest in suspense	80	108	175	359	569
Net customer loans	581	566	1,200	1,430	1,631
Bank loans	-	-	-	-	-
Government securities	-	-	-	-	-
Trading securities	-	-	-	-	-
Investment securities	0	0	0	0	0
Cash & equivalents	0	0	184	182	180
Other interesting assets	110	138	381	334	300
Tangible fixed assets	12	11	11	11	12
Associates	-	-	-	-	-
Goodwill	-	-	-	-	-
Other intangible assets	-	-	-	-	-
Other assets	12	21	46	50	54
Total assets	716	736	1,822	2,008	2,178
Customer deposits	-	-	-	-	-
Bank deposits	-	-	-	-	-
Other interest bearing liabilities	283	239	598	538	377
Non interest bearing liabilities	25	36	38	40	42
Hybrid Capital	-	-	-	-	-
Total liabilities	307	275	636	578	418
Share capital	230	230	310	310	310
Reserves	179	231	876	1,120	1,449
Total equity	409	461	1,186	1,430	1,759
Minority interests	0	0	0	0	0
Total liabilities & equity	716	736	1,822	2,008	2,178
Supplementary items					
Risk weighted assets (RWA)	n/a	n/a	n/a	n/a	n/a
Average interest earning assets	n/a	n/a	n/a	n/a	n/a
Average interest bearing liabilities	253	261	419	568	457
Tier 1 capital	n/a	n/a	n/a	n/a	n/a
Total capital	0	0	0	0	0
Gross non performing loans (NPL)	n/a	n/a	n/a	n/a	n/a
Per share (THB)					
Book value per share	0.89	1.00	1.91	2.31	2.84
Tangible book value per share	0.89	1.00	1.91	2.31	2.84
Growth					
Gross customer loans	10.8	(3.6)	112.7	16.5	9.0
Average interest earning assets	-	-	-	-	-
Total asset (%)	21.6	2.7	147.6	10.2	8.5
Risk weighted assets (%)	-	-	-	-	-
Customer deposits (%)	-	-	-	-	-
Leverage & capital measures					
Customer loan/deposits (%)	-	-	-	-	-
Equity/assets (%)	57.1	62.6	65.1	71.2	80.8
Tangible equity/assets (%)	57.1	62.6	65.1	71.2	80.8
RWA/assets (%)	-	-	-	-	-
Tier 1 CAR (%)	-	-	-	-	-
Total CAR (%)	-	-	-	-	-
Asset Quality					
Change in NPL (%)	-	-	-	-	-
NPL/gross loans (%)	-	-	-	-	-
Total provisions/gross loans (%)	7.3	12.2	7.5	15.6	24.5
Total provisions/NPL (%)	-	-	-	-	-
Valuation					
Recurring P/E (x) *	57.7	54.0	35.3	28.9	20.8
Recurring P/E @ target price (x) *	66.6	62.3	40.7	33.4	24.0
Reported P/E (x)	57.7	54.0	35.3	28.9	20.8
Dividend yield (%)	-	-	2.4	2.9	3.8
Price/book (x)	6.9	6.1	3.2	2.7	2.2
Price/tangible book (x)	6.9	6.1	3.2	2.7	2.2
Price/tangible book @ target price (x)	8.0	7.1	3.7	3.1	2.5

* Pre-exceptional, pre-goodwill and fully diluted

Sources: Knight Club Capital Asset Mngt.; 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	DRS	SCM	SUSCO	TOA	VIH
AMATAV	BTS	DTAC	HANA	LHFG	NVD	PSL	SDC	SUTHA	TOP	WACOAL
ANAN	BTW	DUSIT	HARN	LIT	NWR	PTG	SEAFCCO	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	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	WIJK
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)

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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

Yuvanart Suwanumphai FSS International Investment Advisory Securities Co., Ltd

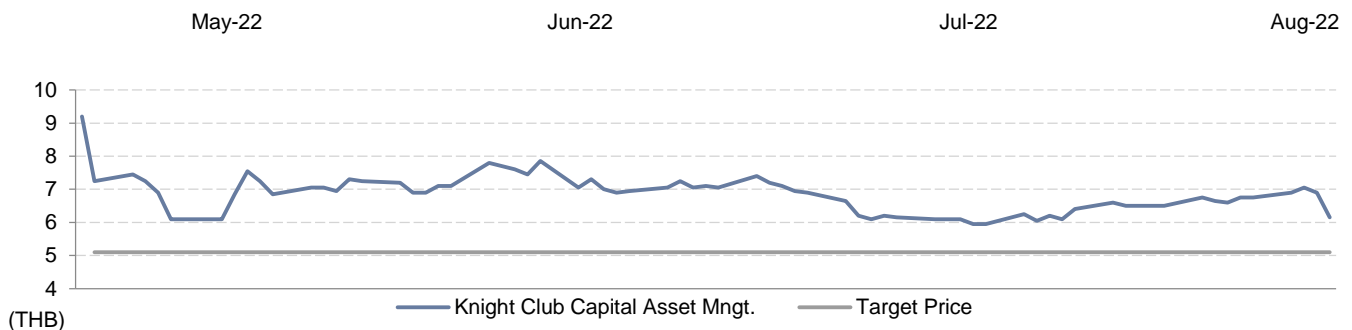
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History of change in investment rating and/or target price

Knight Club Capital Asset Mngt. (KCC TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
05-May-2022	BUY	5.10	-	-	-	-	-	-

Yuvanart Suwanumphai started covering this stock from 05-May-2022

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Knight Club Capital Asset Mngt.	KCC TB	THB 6.15	BUY	Downside risks to our GGM-based TP include 1) lower cash collection due to the slow economic recovery; and 2) lower-than-expected bad debt acquisition.

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 11-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.