

# VGI PCL. VGI TB

THAILAND / MEDIA

# HOLD

## A rough start

- Although VGI reported a net profit in 1QFY23 of THB25m, its core loss hit THB181m – its highest loss in the past five quarters.
- Despite the possibility that its losses in 1QFY23 might have bottomed, VGI's earnings recovery timeline remains questionable.
- Maintain HOLD with the same TP of THB4.70.

|                 |         |
|-----------------|---------|
| TARGET PRICE    | THB4.70 |
| CLOSE           | THB4.44 |
| UP/DOWNSIDE     | +5.9%   |
| TP vs CONSENSUS | -13.3%  |

## KEY STOCK DATA

| YE Mar (THB m)      | 2022    | 2023E  | 2024E  | 2025E  |
|---------------------|---------|--------|--------|--------|
| Revenue             | 4,098   | 5,509  | 6,463  | 7,440  |
| Net profit          | (120)   | 314    | 982    | 1,549  |
| EPS (THB)           | (0.01)  | 0.03   | 0.09   | 0.14   |
| vs Consensus (%)    | -       | (23.1) | (3.2)  | 17.6   |
| EBITDA              | 338     | 918    | 1,280  | 1,729  |
| Core net profit     | (321)   | 314    | 982    | 1,549  |
| Core EPS (THB)      | (0.03)  | 0.03   | 0.09   | 0.14   |
| EPS growth (%)      | nm      | nm     | 213.0  | 57.7   |
| Core P/E (x)        | (154.9) | 158.4  | 50.6   | 32.1   |
| Dividend yield (%)  | 0.5     | 0.4    | 0.8    | 1.6    |
| EV/EBITDA (x)       | 170.2   | 50.7   | 35.8   | 26.1   |
| Price/book (x)      | 1.7     | 1.7    | 1.7    | 1.6    |
| Net debt/Equity (%) | 23.3    | (13.4) | (15.3) | (17.1) |
| ROE (%)             | (1.4)   | 1.1    | 3.3    | 5.1    |

## Apart from digital media, all units reported weaker revenue

We have a negative view on VGI's performance during 1QFY23 (Apr-Jun 2022). Although VGI's reported net profit in 1QFY23 was THB25m, its core loss was THB181m – its highest loss in the past five quarters. The core loss was higher than our expectation of THB70m and higher than Bloomberg's forecast of a THB10m loss. Every business unit except digital media had weaker-than-expected revenue. The company's total revenue at THB1,041m (-17% q-q, +75% y-y) was 9% lower than our expectation. Share of losses in this quarter increased to THB101m, mainly due to the poor performance of Kerry Express (Thailand) (KEX TB, REDUCE, TP THB20) which booked an all-time-high loss of THB732m during 2Q22, despite the continuous growth in Jay Mart's (JMART TB, BUY, TP THB66) net profit.

## Share divestments boosted reported profit

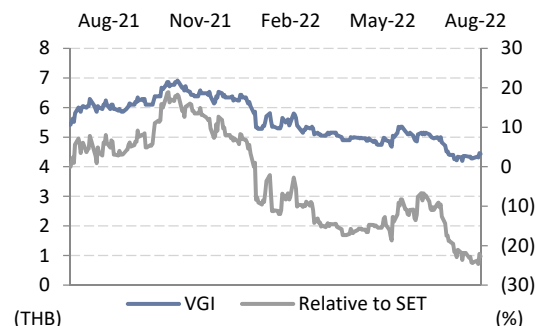
The reported THB205m in extra items this quarter included 1) a gain from a share divestment in JMART worth THB113m that reduced VGI's stake in JMART from 14.58% to 14.46%; 2) a gain from the divestment of KEX shares worth THB59m, which cut VGI's shareholding in KEX from 18.03% to 17.41%; and 3) a gain from the fair value adjustment on debt instruments of THB33m. Note that the share divestments in JMART and KEX have no impact on VGI's earnings and TP.

## Disappointing mass transit media revenue

Mass transit revenue, the main business of VGI, had a poor performance, falling to THB392m (-13% q-q, +12% y-y), despite the strong increase in mass transit ridership by 28% q-q during the same period. This indicates that although there has been a clear recovery in eyeballs on mass transit, ad buyers remain risk-averse to spending their advertising budgets on mass transit media.

## Maintain HOLD with the same TP of THB4.70

Although its losses may have bottomed in 1QFY23, the timeline for a recovery in VGI's earnings remains questionable. We expect KEX's losses to continue in 3Q22. The weaker-than-expected performance in 1QFY23 heightens our concerns about VGI's performance in 2QFY23. Therefore, we maintain our HOLD recommendation with the same SoTP-based TP of THB4.70. The recovery signs need to manifest, in our view.



| Share price performance        | 1 Month                  | 3 Month | 12 Month |
|--------------------------------|--------------------------|---------|----------|
| Absolute (%)                   | (5.9)                    | (8.6)   | (19.6)   |
| Relative to country (%)        | (10.3)                   | (10.8)  | (24.0)   |
| Mkt cap (USD m)                | 1,416                    |         |          |
| 3m avg. daily turnover (USD m) | 3.9                      |         |          |
| Free float (%)                 | 25                       |         |          |
| Major shareholder              | BTS Group Holdings (66%) |         |          |
| 12m high/low (THB)             | 6.96/4.18                |         |          |
| Issued shares (m)              | 11,194.52                |         |          |

Sources: Bloomberg consensus; FSSIA estimates



**Naruedom Mujjalinkool**

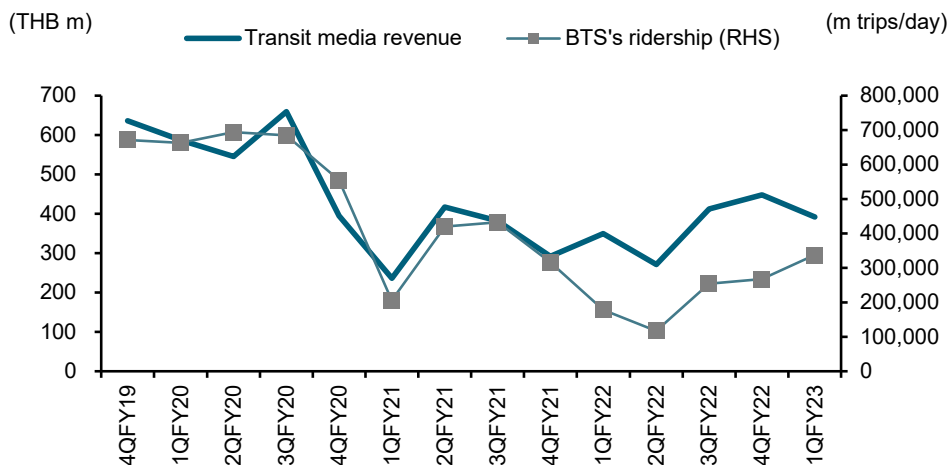
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## Exhibit 1: 1QFY23 results review

|                             | 1QFY22      | 4QFY22       | 1QFY23       | Change         |                  | FY2023E      |
|-----------------------------|-------------|--------------|--------------|----------------|------------------|--------------|
|                             | (THB m)     | (THB m)      | (THB m)      | (q-q%)         | (y-y%)           | (THB m)      |
| Transit media               | 349         | 448          | 392          | (12.5)         | 12.3             | 1,924        |
| Office and others           | 29          | 24           | 19           | (20.8)         | (34.5)           | 150          |
| Digital media               | 218         | 298          | 260          | (12.8)         | 19.3             | 1,215        |
| Retail                      | 0           | 476          | 370          | (22.3)         | n.a.             | 2,220        |
| <b>Total revenue</b>        | <b>596</b>  | <b>1,246</b> | <b>1,041</b> | <b>(16.5)</b>  | <b>74.7</b>      | <b>5,509</b> |
| Operating costs             | (410)       | (938)        | (776)        | (17.2)         | 89.2             | (4,017)      |
| <b>Gross profit</b>         | <b>186</b>  | <b>308</b>   | <b>265</b>   | <b>(14.1)</b>  | <b>42.5</b>      | <b>1,492</b> |
| SG&A expenses               | (251)       | (268)        | (395)        | 47.3           | 57.6             | (1,243)      |
| <b>EBIT</b>                 | <b>(65)</b> | <b>40</b>    | <b>(131)</b> | <b>(427.5)</b> | <b>100.7</b>     | <b>249</b>   |
| Depreciation & Amortization | 123         | 121          | 115          | (5.0)          | (6.2)            | 520          |
| <b>EBITDA</b>               | <b>58</b>   | <b>161</b>   | <b>(15)</b>  | <b>(109.4)</b> | <b>(126.3)</b>   | <b>769</b>   |
| <i>EBITDA margin (%)</i>    | <i>10</i>   | <i>13</i>    | <i>(1)</i>   | <i>nm</i>      | <i>nm</i>        | <i>14</i>    |
| Interest expense            | (15)        | (46)         | (13)         | (71.3)         | (9.7)            | (48)         |
| Other income                | 24          | 42           | 47           | 11.1           | 93.9             | 252          |
| Associates                  | 38          | (90)         | (101)        | 12.4           | (112.3)          | (81)         |
| Extra items                 | -           | 60           | 205          | 242.5          | -                | -            |
| <b>Pretax profit</b>        | <b>(18)</b> | <b>6</b>     | <b>7</b>     | <b>18.2</b>    | <b>(141.7)</b>   | <b>372</b>   |
| Tax                         | 7           | (22)         | (42)         | 91.1           | (706.7)          | (60)         |
| <i>Tax rate (%)</i>         | <i>(39)</i> | <i>(350)</i> | <i>(566)</i> | <i>nm</i>      | <i>nm</i>        | <i>(16)</i>  |
| Minority interests          | (21)        | (66)         | (60)         | (9.8)          | 178.9            | (1)          |
| <b>Net profit</b>           | <b>10</b>   | <b>50</b>    | <b>25</b>    | <b>(50.7)</b>  | <b>137.9</b>     | <b>314</b>   |
| <b>Core net profit</b>      | <b>10</b>   | <b>(10)</b>  | <b>(181)</b> | <b>1,763.8</b> | <b>(1,897.9)</b> | <b>314</b>   |
| EPS (THB)                   | 0.00        | 0.00         | 0.00         | (50.7)         | 137.9            | 0.03         |
| Core EPS (THB)              | 0.00        | (0.00)       | (0.02)       | 1,763.8        | (1,897.9)        | 0.03         |

Sources: VGI; FSSIA estimates

## Exhibit 2: Transit media revenue vs BTS's ridership



Sources: BTSGIF; VGI; FSSIA compilation

## Financial Statements

VGI Pcl.

| Profit and Loss (THB m) Year Ending Mar           | 2021         | 2022         | 2023E        | 2024E        | 2025E        |
|---|--------------|--------------|--------------|--------------|--------------|
| Revenue   | 2,480        | 4,098        | 5,509        | 6,463        | 7,440        |
| Cost of goods sold                                | (1,075)      | (2,723)      | (3,496)      | (4,013)      | (4,469)      |
| <b>Gross profit</b>                               | <b>1,405</b> | <b>1,375</b> | <b>2,012</b> | <b>2,450</b> | <b>2,971</b> |
| Other operating income                            | 112          | 128          | 149          | 158          | 179          |
| Operating costs                                   | (926)        | (1,164)      | (1,243)      | (1,328)      | (1,420)      |
| <b>Operating EBITDA</b>                           | <b>592</b>   | <b>338</b>   | <b>918</b>   | <b>1,280</b> | <b>1,729</b> |
| Depreciation                                      | (469)        | (486)        | (520)        | (519)        | (515)        |
| Goodwill amortisation                             | 0            | 0            | 0            | 0            | 0            |
| <b>Operating EBIT</b>                             | <b>123</b>   | <b>(148)</b> | <b>398</b>   | <b>762</b>   | <b>1,214</b> |
| Net financing costs                               | (73)         | (100)        | (48)         | 0            | 0            |
| Associates  | 136          | (194)        | (81)         | 373          | 513          |
| Recurring non-operating income                    | 195          | (194)        | 23           | 422          | 652          |
| Non-recurring items                               | 795          | 201          | 0            | 0            | 0            |
| <b>Profit before tax</b>                          | <b>1,040</b> | <b>(241)</b> | <b>372</b>   | <b>1,183</b> | <b>1,866</b> |
| Tax   | (133)        | (34)         | (60)         | (201)        | (317)        |
| <b>Profit after tax</b>                           | <b>907</b>   | <b>(276)</b> | <b>313</b>   | <b>982</b>   | <b>1,549</b> |
| Minority interests                                | 73           | 156          | 1            | 0            | 0            |
| Preferred dividends                               | -            | -            | -            | -            | -            |
| Other items                                       | 0            | 0            | 0            | 0            | 0            |
| <b>Reported net profit</b>                        | <b>980</b>   | <b>(120)</b> | <b>314</b>   | <b>982</b>   | <b>1,549</b> |
| <b>Non-recurring items &amp; goodwill (net)</b>   | <b>(795)</b> | <b>(201)</b> | <b>0</b>     | <b>0</b>     | <b>0</b>     |
| <b>Recurring net profit</b>                       | <b>185</b>   | <b>(321)</b> | <b>314</b>   | <b>982</b>   | <b>1,549</b> |
| <b>Per share (THB)</b>                            |              |              |              |              |              |
| Recurring EPS *                                   | 0.02         | (0.03)       | 0.03         | 0.09         | 0.14         |
| Reported EPS                                      | 0.09         | (0.01)       | 0.03         | 0.09         | 0.14         |
| DPS   | 0.05         | 0.02         | 0.02         | 0.04         | 0.07         |
| Diluted shares (used to calculate per share data) | 11,195       | 11,195       | 11,195       | 11,195       | 11,195       |
| <b>Growth</b>                                     |              |              |              |              |              |
| Revenue (%)                                       | (38.0)       | 65.2         | 34.4         | 17.3         | 15.1         |
| Operating EBITDA (%)                              | (57.1)       | (42.9)       | 171.4        | 39.5         | 35.0         |
| Operating EBIT (%)                                | (83.9)       | nm           | nm           | 91.5         | 59.4         |
| Recurring EPS (%)                                 | (85.6)       | nm           | nm           | 213.0        | 57.7         |
| Reported EPS (%)                                  | (31.2)       | nm           | nm           | 213.0        | 57.7         |
| <b>Operating performance</b>                      |              |              |              |              |              |
| Gross margin inc. depreciation (%)                | 37.7         | 21.7         | 27.1         | 29.9         | 33.0         |
| Gross margin of key business (%)                  | -            | -            | -            | -            | -            |
| Operating EBITDA margin (%)                       | 23.9         | 8.3          | 16.7         | 19.8         | 23.2         |
| Operating EBIT margin (%)                         | 5.0          | (3.6)        | 7.2          | 11.8         | 16.3         |
| Net margin (%)                                    | 7.5          | (7.8)        | 5.7          | 15.2         | 20.8         |
| Effective tax rate (%)                            | 20.0         | 20.0         | 20.0         | 20.0         | 120.0        |
| Dividend payout on recurring profit (%)           | 283.9        | (69.8)       | 60.0         | 40.0         | 50.0         |
| Interest cover (X)                                | 4.3          | (3.4)        | 8.8          | -            | -            |
| Inventory days                                    | 7.8          | 28.5         | 40.6         | 37.2         | 35.0         |
| Debtor days                                       | 136.5        | 82.7         | 75.2         | 72.1         | 69.0         |
| Creditor days                                     | 146.6        | 75.1         | 84.8         | 87.4         | 87.4         |
| Operating ROIC (%)                                | 9.6          | (1.5)        | 4.1          | (11.9)       | (90.4)       |
| ROIC (%)  | 1.6          | (1.0)        | 1.0          | (0.9)        | (8.4)        |
| ROE (%)   | 1.3          | (1.4)        | 1.1          | 3.3          | 5.1          |
| ROA (%)   | 0.9          | (1.3)        | 0.9          | 2.9          | 4.5          |

\* Pre exceptional, pre-goodwill and fully diluted

| Revenue by Division (THB m) | 2021  | 2022  | 2023E | 2024E | 2025E |
|-----------------------------|-------|-------|-------|-------|-------|
| Transit media               | 1,327 | 1,480 | 1,924 | 2,213 | 2,655 |
| Office media                | 213   | 100   | 150   | 240   | 300   |
| Digital media               | 940   | 1,004 | 1,215 | 1,458 | 1,676 |
| Others                      | 0     | 1,514 | 2,220 | 2,553 | 2,808 |

Sources: VGI Pcl.; FSSIA estimates

## Financial Statements

VGI Pcl.

| Cash Flow (THB m) Year Ending Dec | 2021         | 2022           | 2023E          | 2024E        | 2025E        |
|-----------------------------------|--------------|----------------|----------------|--------------|--------------|
| Recurring net profit              | 185          | (321)          | 314            | 982          | 1,549        |
| Depreciation                      | 469          | 486            | 520            | 519          | 515          |
| Associates & minorities           | (412)        | 38             | (1)            | 0            | 0            |
| Other non-cash items              | 151          | (246)          | 10             | 8            | 9            |
| Change in working capital         | (227)        | (203)          | 14,014         | 74           | (105)        |
| <b>Cash flow from operations</b>  | <b>166</b>   | <b>(247)</b>   | <b>14,857</b>  | <b>1,583</b> | <b>1,968</b> |
| Capex - maintenance               | (239)        | (219)          | (306)          | (306)        | (276)        |
| Capex - new investment            | (159)        | (146)          | (204)          | (204)        | (184)        |
| Net acquisitions & disposals      | 804          | (6,456)        | (3,000)        | 0            | 0            |
| Other investments (net)           | 898          | 248            | 0              | 0            | 0            |
| <b>Cash flow from investing</b>   | <b>1,303</b> | <b>(6,573)</b> | <b>(3,510)</b> | <b>(510)</b> | <b>(460)</b> |
| Dividends paid                    | (310)        | (525)          | (188)          | (393)        | (775)        |
| Equity finance                    | 0            | 0              | 0              | 0            | 0            |
| Debt finance                      | (689)        | 6,934          | (8,150)        | 0            | 0            |
| Other financing cash flows        | 260          | 145            | (119)          | (38)         | (34)         |
| <b>Cash flow from financing</b>   | <b>(739)</b> | <b>6,554</b>   | <b>(8,457)</b> | <b>(430)</b> | <b>(808)</b> |
| Non-recurring cash flows          | -            | -              | -              | -            | -            |
| Other adjustments                 | 0            | 0              | 0              | 0            | 0            |
| <b>Net other adjustments</b>      | <b>(45)</b>  | <b>0</b>       | <b>0</b>       | <b>0</b>     | <b>0</b>     |
| <b>Movement in cash</b>           | <b>685</b>   | <b>(266)</b>   | <b>2,890</b>   | <b>643</b>   | <b>699</b>   |
| Free cash flow to firm (FCFF)     | 1,542.84     | (6,719.37)     | 11,395.37      | 1,073.35     | 1,507.75     |
| Free cash flow to equity (FCFE)   | 995.47       | 259.01         | 3,078.40       | 1,035.84     | 1,473.99     |

### Per share (THB)

|                               |      |        |      |      |      |
|-------------------------------|------|--------|------|------|------|
| FCFF per share                | 0.14 | (0.60) | 1.02 | 0.10 | 0.13 |
| FCFE per share                | 0.09 | 0.02   | 0.27 | 0.09 | 0.13 |
| Recurring cash flow per share | 0.04 | 0.00   | 0.08 | 0.13 | 0.19 |

| Balance Sheet (THB m) Year Ending Mar             | 2021          | 2022          | 2023E         | 2024E         | 2025E         |
|---|---------------|---------------|---------------|---------------|---------------|
| Tangible fixed assets (gross)                     | 3,031         | 3,046         | 3,396         | 3,746         | 4,046         |
| Less: Accumulated depreciation                    | (1,811)       | (1,985)       | (2,273)       | (2,573)       | (2,876)       |
| <b>Tangible fixed assets (net)</b>                | <b>1,220</b>  | <b>1,062</b>  | <b>1,123</b>  | <b>1,173</b>  | <b>1,170</b>  |
| <b>Intangible fixed assets (net)</b>              | <b>693</b>    | <b>1,002</b>  | <b>941</b>    | <b>889</b>    | <b>846</b>    |
| Long-term financial assets                        | 137           | 216           | 216           | 216           | 216           |
| Invest. in associates & subsidiaries              | 9,223         | 15,265        | 18,265        | 18,265        | 18,265        |
| Cash & equivalents                                | 1,415         | 1,149         | 4,039         | 4,682         | 5,382         |
| A/C receivable                                    | 1,353         | 1,624         | 1,818         | 2,012         | 2,193         |
| Inventories                                       | 46            | 380           | 399           | 419           | 440           |
| Other current assets                              | 396           | 13,210        | 386           | 646           | 893           |
| <b>Current assets</b>                             | <b>3,210</b>  | <b>16,363</b> | <b>6,642</b>  | <b>7,759</b>  | <b>8,908</b>  |
| Other assets                                      | 6,488         | 6,941         | 6,280         | 5,981         | 5,694         |
| <b>Total assets</b>                               | <b>20,970</b> | <b>40,848</b> | <b>33,467</b> | <b>34,283</b> | <b>35,099</b> |
| Common equity                                     | 16,592        | 29,133        | 29,259        | 29,848        | 30,623        |
| Minorities etc.                                   | 472           | 849           | 850           | 850           | 850           |
| <b>Total shareholders' equity</b>                 | <b>17,063</b> | <b>29,983</b> | <b>30,109</b> | <b>30,698</b> | <b>31,473</b> |
| Long term debt                                    | 0             | 20            | 0             | 0             | 0             |
| Other long-term liabilities                       | 724           | 809           | 780           | 755           | 733           |
| <b>Long-term liabilities</b>                      | <b>724</b>    | <b>829</b>    | <b>780</b>    | <b>755</b>    | <b>733</b>    |
| A/C payable                                       | 399           | 722           | 903           | 1,019         | 1,121         |
| Short term debt                                   | 1,159         | 8,130         | 0             | 0             | 0             |
| Other current liabilities                         | 1,625         | 1,185         | 1,675         | 1,811         | 1,772         |
| <b>Current liabilities</b>                        | <b>3,183</b>  | <b>10,036</b> | <b>2,578</b>  | <b>2,830</b>  | <b>2,893</b>  |
| <b>Total liabilities and shareholders' equity</b> | <b>20,970</b> | <b>40,848</b> | <b>33,467</b> | <b>34,283</b> | <b>35,099</b> |
| Net working capital                               | (229)         | 13,307        | 25            | 247           | 633           |
| Invested capital                                  | 17,531        | 37,793        | 26,850        | 26,771        | 26,824        |

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

### Per share (THB)

|                               |      |      |      |      |      |
|-------------------------------|------|------|------|------|------|
| Book value per share          | 1.48 | 2.60 | 2.61 | 2.67 | 2.74 |
| Tangible book value per share | 1.42 | 2.51 | 2.53 | 2.59 | 2.66 |

### Financial strength

|                           |       |      |        |        |        |
|---------------------------|-------|------|--------|--------|--------|
| Net debt/equity (%)       | (1.5) | 23.3 | (13.4) | (15.3) | (17.1) |
| Net debt/total assets (%) | (1.2) | 17.1 | (12.1) | (13.7) | (15.3) |
| Current ratio (x)         | 1.0   | 1.6  | 2.6    | 2.7    | 3.1    |
| CF interest cover (x)     | 16.8  | 5.0  | 69.4   | -      | -      |

| Valuation                                 | 2021         | 2022           | 2023E        | 2024E       | 2025E       |
|---|--------------|----------------|--------------|-------------|-------------|
| <b>Recurring P/E (x) *</b>                | <b>268.6</b> | <b>(154.9)</b> | <b>158.4</b> | <b>50.6</b> | <b>32.1</b> |
| <b>Recurring P/E @ target price (x) *</b> | <b>284.4</b> | <b>(164.0)</b> | <b>167.7</b> | <b>53.6</b> | <b>34.0</b> |
| Reported P/E (x)                          | 50.7         | (413.3)        | 158.4        | 50.6        | 32.1        |
| Dividend yield (%)                        | 1.1          | 0.5            | 0.4          | 0.8         | 1.6         |
| Price/book (x)                            | 3.0          | 1.7            | 1.7          | 1.7         | 1.6         |
| Price/tangible book (x)                   | 3.1          | 1.8            | 1.8          | 1.7         | 1.7         |
| EV/EBITDA (x) **                          | 84.3         | 170.2          | 50.7         | 35.8        | 26.1        |
| EV/EBITDA @ target price (x) **           | 89.2         | 178.8          | 53.8         | 38.1        | 27.8        |
| EV/invested capital (x)                   | 2.8          | 1.5            | 1.7          | 1.7         | 1.7         |

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

Sources: VGI Pcl.; 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                               | BDM5   | 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    | PSH    | 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    | SEOIL   | SYMC   | TQM   | WHA    |
| AP                                   | CENEL  | 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   | 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    | UNIQU |        |
| 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     | TIPIPP | 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    | SEA OIL | 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    | WIK    |
| 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

Naruedom Mujjalinkool 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

#### VGI Pcl. (VGI TB)



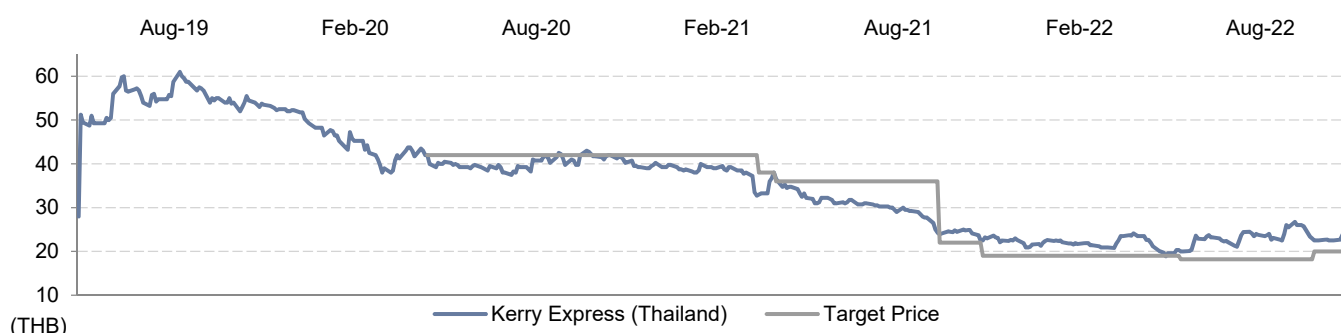
| Date        | Rating | Target price | Date        | Rating | Target price | Date        | Rating | Target price |
|-------------|--------|--------------|-------------|--------|--------------|-------------|--------|--------------|
| 27-Aug-2020 | HOLD   | 6.70         | 03-Dec-2021 | HOLD   | 7.00         | 02-Jun-2022 | HOLD   | 5.70         |
| 15-Jan-2021 | HOLD   | 7.00         | 28-Jan-2022 | BUY    | 6.30         | 04-Aug-2022 | HOLD   | 4.70         |
| 02-Jun-2021 | HOLD   | 6.50         | 18-Feb-2022 | BUY    | 6.10         |             |        |              |
| 04-Aug-2021 | HOLD   | 5.80         | 22-Apr-2022 | BUY    | 5.70         |             |        |              |

Naruedom Mujjalinkool started covering this stock from 27-Aug-2020

Price and TP are in local currency

Source: FSSIA estimates

#### Kerry Express (Thailand) (KEX TB)



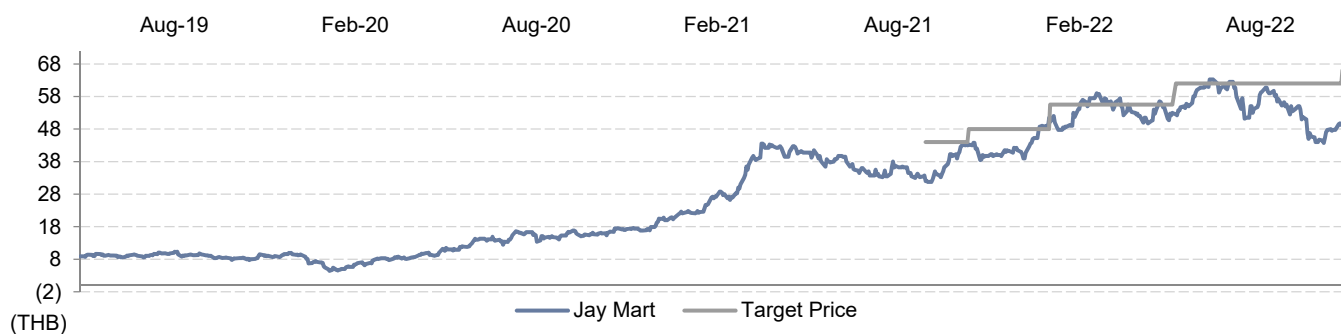
| Date        | Rating | Target price | Date        | Rating | Target price | Date        | Rating | Target price |
|-------------|--------|--------------|-------------|--------|--------------|-------------|--------|--------------|
| 02-Jun-2021 | HOLD   | 42.00        | 26-Jan-2022 | REDUCE | 22.00        | 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

## Jay Mart (JMART TB)



| Date        | Rating | Target price | Date        | Rating | Target price | Date        | Rating | Target price |
|-------------|--------|--------------|-------------|--------|--------------|-------------|--------|--------------|
| 10-Aug-2021 | BUY    | 44.00        | 25-Nov-2021 | BUY    | 55.50        | 03-Aug-2022 | BUY    | 66.00        |
| 16-Sep-2021 | BUY    | 48.00        | 11-Mar-2022 | BUY    | 62.00        |             |        |              |

Naruedom Mujjalinkool started covering this stock from 10-Aug-2021

Price and TP are in local currency

Source: FSSIA estimates

| Company                  | Ticker   | Price     | Rating | Valuation & Risks   |
|--------------------------|----------|-----------|--------|---|
| VGI Pcl.                 | VGI TB   | THB 4.44  | HOLD   | The key upside and downside risks to our SoTP-based TP are if the advertising expenditure recovery is slower or faster than our expectation, and whether Rabbit Line Pay is successful or not.              |
| Kerry Express (Thailand) | KEX TB   | THB 21.20 | 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   |
| Jay Mart                 | JMART TB | THB 50.50 | BUY    | Downside risks to our SoTP-based TP include 1) lower-than-expected mobile revenue; 2) lower cash collection from its fully amortised portfolio; and 3) the lower-than-expected acquisition of new bad debt. |

Source: FSSIA estimates

### Additional Disclosures

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finansia Syrus Securities Public Company Limited

FSSIA may incorporate the recommendations and target prices of companies currently covered by FSS Research into equity research reports, denoted by an 'FSS' before the recommendation. FSS Research is part of Finansia Syrus Securities Public Company Limited, which is the parent company of FSSIA.

All share prices are as at market close on 11-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.