

SCG PACKAGING SCGP TB

THAILAND / INDUSTRIAL

HOLD

FROM BUY

TARGET PRICE	THB51.00
CLOSE	THB52.25
UP/DOWNSIDE	-2.4%
PRIOR TP	THB67.00
CHANGE IN TP	-23.9%
TP vs CONSENSUS	-17.7%

Weak, but in-line 3Q22 results

- SCGP reported a 3Q22 NP of THB1.84b, (-1% q-q but +3% y-y). Core NP dipped to THB1.51b in 3Q22, (-21% q-q and -2% y-y).
- We expect the impact of the higher coal and gas prices to erode SCGP's EBITDA margin by 0.5-1%.
- Downgrade to HOLD with a new TP of THB51.

In-line 3Q22 results

SCGP reported a 3Q22 net profit of THB1.84b, down 1% q-q but up 3% y-y – 2% above our expectation and 1% above BBG's consensus estimate. Core net profit dipped to THB1.51b in 3Q22, down 21% q-q and 2% y-y. The key drag was the 8% q-q lower revenue from its integrated packaging business (IPB) to THB29.3b on falling demand. The revenue from its fibre unit (FB) improved y-y to THB6.85b in 3Q22 (-2% q-q, +29% y-y), driven by the higher demand for printing and writing paper and food service packaging following the economic reopening, along with the rising prices of short fibres as a result of supply disruptions.

Packaging improved while fibres remained healthy

Revenue from IPB rose 8% y-y but fell 8% q-q to THB29.3b, while IPB EBITDA inched up by 9% y-y to THB3.9b due to the lower costs of freight and raw materials, resulting in a higher IPB EBITDA margin of 13% in 3Q22, up from 12% in 2Q22. FB revenue increased by 29% y-y to THB6.9b, while its EBITDA rose by 32% y-y to THB1.3b, driven by the higher margins for pulp and higher demand for printing and writing paper. The overall EBITDA margin stayed high at 14% in 3Q22, with the weak IPB EBITDA margin of 13% offset by FB's higher EBITDA margin of 19%.

Weak outlook to continue in 4Q22 into 2023

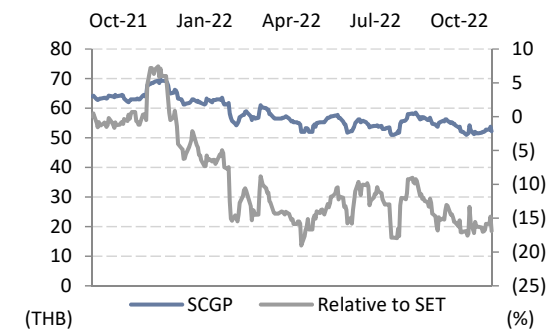
We believe SCGP's net profit will continue to remain weak in 4Q22 onward, due mainly to the high coal price that will pressure its gross margin despite lower old corrugated cardboard costs. We expect the impact of higher coal and gas prices to erode SCGP's EBITDA margin by 0.5-1%.

Too early to bottom fish

We downgrade to HOLD from Buy and lower our TP from THB67 to THB51, based on 15x 2023E EV/EBITDA, to reflect our 2.4-4.4% lower sales volume assumptions for packaging in 2022-24 due to the impact of China's lockdowns and higher coal prices. We think it is too early to bottom fish SCGP given that the net profit outlook remains bleak due to the continued high cost of coal.

KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Revenue	124,223	163,578	164,987	162,991
Net profit	8,294	6,904	7,855	10,516
EPS (THB)	1.93	1.61	1.83	2.45
vs Consensus (%)	-	(7.7)	(16.2)	(6.3)
EBITDA	18,619	17,387	18,912	23,104
Core net profit	7,444	6,904	7,855	10,516
Core EPS (THB)	1.73	1.61	1.83	2.45
Chg. In EPS est. (%)	-	(15.4)	(20.7)	(15.6)
EPS growth (%)	12.1	(7.2)	13.8	33.9
Core P/E (x)	30.1	32.5	28.6	21.3
Dividend yield (%)	1.2	1.8	2.3	2.5
EV/EBITDA (x)	15.0	16.5	15.2	12.4
Price/book (x)	2.3	2.2	2.1	2.0
Net debt/Equity (%)	23.6	28.7	27.7	23.7
ROE (%)	8.0	7.0	7.6	9.7



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(2.3)	1.0	(18.4)
Relative to country (%)	(0.8)	(1.8)	(16.3)
Mkt cap (USD m)	5,942		
3m avg. daily turnover (USD m)	13.0		
Free float (%)	30		
Major shareholder	Siam Cement (69%)		
12m high/low (THB)	70.00/49.75		
Issued shares (m)	4,292.92		

Sources: Bloomberg consensus; FSSIA estimates



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Investment thesis

We project SCGP to see net profit growth in 2022-24. We think this will be driven by the company’s capacity growth, margin expansion, and mergers and partnerships (M&P) that should allow it to not only grow its net profit and market presence, but also enhance long-term value creation for shareholders via its solid brand recognition, superior cost control, and operational excellence.

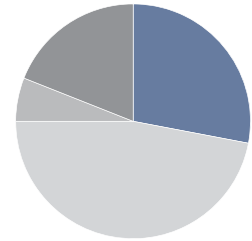
Company profile

SCGP is the leader in the fully-integrated packaging chain in Southeast Asia. The company provides products that include fibre-based packaging, performance and polymer packaging (PPP), and food service products as well as designing and printing services and other diverse solutions to meet customers’ demands.

www.scgpackaging.com

Principal activities (revenue, 2021)

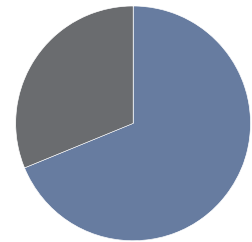
- Fibrous chain - 28.0 %
- Performance and Polymer packaging - 47.0 %
- Packaging paper - 6.0 %
- Fibre-based packaging - 19.0 %



Source: SCG Packaging

Major shareholders

- Siam Cement - 68.8 %
- Others - 31.2 %



Source: SCG Packaging

Catalysts

We see three key drivers for SCGP: 1) a potential margin expansion on lower raw material costs and improving production efficiency; 2) organic and inorganic capacity growth; and 3) market expansion in ASEAN and its entrance into new consumer packaging markets via M&P.

Risks to our call

Downside risks to our EV/EBITDA-based TP include a lower-than-expected demand for packaging, rising raw material costs of recycled paper and higher energy costs. Upside risks are higher demand and lower energy costs.

Event calendar

Date	Event
Feb 2023	4Q22 results announcement

Key assumptions

	2022E	2023E	2024E
Packaging paper ASP (THB/tonne)	21,636	21,203	20,779
Fibre-based packaging ASP (THB/tonne)	23,005	23,005	23,005
Packaging sales volume (mtpa)	4.6	4.8	4.8
Fibrous sales volume (mtpa)	1.4	1.4	1.4
Recycled paper price (USD/tonne)	257	250	240
Pulp price (USD/tonne)	540	491	447

Source: FSSIA estimates

Earnings sensitivity

- For every 1% change in the recycled paper price, we estimate a 0.7% change in 2022 EPS, all else being equal.
- For every 1% change in the packaging paper price, we estimate a 1.5% change in 2022 EPS, all else being equal.
- For every 1% change in the pulp price, we estimate a 0.1% change in 2022 EPS, all else being equal.

Source: FSSIA estimates

Exhibit 1: Summary of 3Q22/9M22 operations

	3Q21	2Q22	3Q22		9M21	9M22	Change	2022E	
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)	(THB m)
Revenue	31,930	37,982	37,943	(0.1)	18.8	89,078	112,559	26.4	163,578
Operating costs	(27,020)	(32,504)	(32,460)	(0.1)	20.1	(73,337)	(96,711)	31.9	(146,192)
EBITDA	4,910	5,478	5,483	0.1	11.7	15,741	15,848	0.7	17,387
<i>EBITDA margin (%)</i>	15.4	14.4	14.5	nm	nm	17.7	14.1	nm	10.6
Deprn & amort.	(2,184)	(2,410)	(2,478)	2.8	13.4	(6,016)	(7,188)	19.5	(8,693)
EBIT	2,726	3,068	3,005	(2.0)	10.3	9,725	8,660	(11.0)	8,693
Interest expense	(283)	(311)	(404)	30.0	42.7	(851)	(1,001)	17.6	(1,620)
Interest & invt inc	-	-	-	nm	nm	-	-	nm	-
Other income	192	262	422	61.2	119.7	824	979	18.8	2,214.2
Associates' contrib	18	20	33	67.9	89.0	47	61	28.4	-
Exceptionals	(193)	(261)	(422)	61.9	119.1	(824)	(979)	18.8	-
Pretax profit	2,460	2,778	2,634	(5.2)	7.1	8,922	7,720	(13.5)	9,288
Tax	(407)	(541)	(470)	(13.2)	15.4	(1,585)	(1,327)	(16.3)	(1,486)
<i>Tax rate (%)</i>	16.5	19.5	17.8	nm	nm	17.8	17.2	nm	16.0
Minority interests	(272)	(380)	(327)	(13.9)	20.5	(1,158)	(1,041)	(10.0)	(897.6)
Net profit	1,781	1,856	1,837	(1.0)	3.2	6,179	5,351	(13.4)	6,904
Non-recurring	245	(50)	325	nm	32.8	93	211	127.0	-
Core net profit	1,536	1,906	1,512	(20.7)	(1.6)	6,086	5,140	(15.5)	6,904
EPS (THB)	0.57	0.59	0.59	(1.0)	3.2	1.98	1.71	(13.4)	1.61
Core EPS (THB)	0.49	0.61	0.48	(20.7)	(1.6)	1.95	1.64	(15.5)	1.61

Sources: SCGP; FSSIA estimates

Exhibit 2: 3Q22/9M22 non-operating item adjustments for core profit

(THB m)	3Q21	2Q22	3Q22	q-q%	y-y%	9M21	9M22	Change
Core profit	1,536	1,906	1,512	(20.7)	(1.6)	6,086	5,140	(15.5)
FX gain/loss from loans, derivatives and investments	280	378	244	(35.4)	(12.9)	447	644	44.1
Company restructuring (asset divestment)	-	-	-	nm	nm	(35)	(95)	171.4
Changes to local regulations (tax, labour laws)	-	-	-	nm	nm	-	-	nm
Expenses related to M&P transactions	(35)	(10)	(18)	80.0	(48.6)	(245)	(19)	(92.2)
Impairments and others	-	(386)	99	nm	nm	(74)	(287)	287.8
Net profit	1,781	1,856	1,837	(1.0)	3.1	6,179	5,351	(13.4)

Source: SCGP

Exhibit 3: 3Q22/9M22 key performance

(THB m)	3Q21	2Q22	3Q22	q-q %	y-y %	9M21	9M22	Change
Revenue from sales								
Consolidated SCGP	31,930	37,982	37,943	(0.1)	18.8	89,078	112,559	26.4
- Integrated Packaging Chain	27,256	31,862	29,295	(8.1)	7.5	75,412	92,179	22.2
- Fibrous Chain	5,315	7,016	6,852	(2.3)	28.9	15,395	20,076	30.4
- Recycling Business and Others	-	-	2,560	nm	nm	-	2,560	nm
- Intersegment Elimination	(641)	(896)	(764)	(14.7)	19.2	(1,729)	(2,256)	30.5
EBITDA								
Consolidated SCGP	4,910	5,478	5,483	0.1	11.7	15,741	15,848	0.7
- Integrated Packaging Chain	3,597	3,879	3,913	0.9	8.8	12,598	12,061	(4.3)
- Fibrous Chain	965	1,246	1,278	2.6	32.4	2,731	3,161	15.7
- Recycling Business and Others	562	2,214	520	(76.5)	(7.5)	4,576	4,138	(9.6)
- Intersegment Elimination	(214)	(1,861)	(228)	(87.7)	6.5	(4,164)	(3,512)	(15.7)
EBITDA margins (%)*								
Consolidated SCGP	15	14	14	-	(1.0)	18	14	(4.0)
- Integrated Packaging Chain	13	12	13	1.0	-	16	13	(3.0)
- Fibrous Chain	18	18	19	1.0	1.0	18	16	(2.0)
Net profit								
Consolidated SCGP	1,781	1,856	1,837	(1.0)	3.1	6,179	5,351	(13.4)
- Integrated Packaging Chain	1,153	1,184	1,314	11.0	14.0	5,092	3,993	(21.6)
- Fibrous Chain	292	538	568	5.6	94.5	879	1,138	29.5
- Recycling Business and Others	453	2,015	208	(89.7)	(54.1)	4,151	3,658	(11.9)
- Intersegment Elimination	(117)	(1,881)	(253)	(86.5)	116.2	(3,943)	(3,438)	(12.8)

*Note: Change in margin % is represented in ppt change

Source: SCGP

Exhibit 4: Key changes in assumptions

	Current			Previous			Change		
	2022E (THB m)	2023E (THB m)	2024E (THB m)	2022E (THB m)	2023E (THB m)	2024E (THB m)	2022E (%)	2023E (%)	2024E (%)
Revenue	163,578	164,987	162,991	163,136	164,544	162,548	0.3	0.3	0.3
Gross profit	36,034	35,410	39,403	37,681	38,133	41,994	(4.4)	(7.1)	(6.2)
Operating profit	8,693	9,990	14,057	10,390	12,756	16,693	(16.3)	(21.7)	(15.8)
Net profit	6,904	7,855	10,516	8,161	9,904	12,467	(15.4)	(20.7)	(15.6)
EPS (THB/share)	1.61	1.83	2.45	1.90	2.31	2.90	(15.4)	(20.7)	(15.6)
Key assumptions									
Packaging paper ASP (THB/tonne)	21,636	21,203	20,779	21,636	21,203	20,779	0.0	0.0	0.0
Fibre-based packaging ASP (THB/tonne)	23,005	23,005	23,005	23,005	23,005	23,005	0.0	0.0	0.0
Packaging sales volume (mtpa)	4.6	4.8	4.8	4.7	4.9	5.0	(2.6)	(2.4)	(4.4)
Fibre-based sales volume (mtpa)	1.4	1.4	1.4	1.4	1.4	1.4	0.0	0.0	0.0
Recycled paper price (USD/tonne)	257	250	240	257	250	240	0.0	0.0	0.0
Pulp price (USD/tonne)	540	491	447	540	491	447	0.0	0.0	0.0

Source: FSSIA estimates

Financial Statements

SCG Packaging

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Revenue	92,786	124,223	163,578	164,987	162,991
Cost of goods sold	(66,149)	(93,029)	(127,544)	(129,576)	(123,588)
Gross profit	26,637	31,193	36,034	35,410	39,403
Other operating income	-	-	-	-	-
Operating costs	(10,141)	(12,575)	(18,648)	(16,499)	(16,299)
Operating EBITDA	16,496	18,619	17,387	18,912	23,104
Depreciation	(7,183)	(8,315)	(8,693)	(8,922)	(9,047)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	9,313	10,304	8,693	9,990	14,057
Net financing costs	(1,674)	(863)	(1,620)	(1,620)	(2,111)
Associates	66	57	0	0	0
Recurring non-operating income	850	1,421	2,214	2,214	2,214
Non-recurring items	(181)	851	0	0	0
Profit before tax	8,308	11,712	9,288	10,584	14,161
Tax	(1,002)	(2,065)	(1,486)	(1,708)	(2,277)
Profit after tax	7,306	9,647	7,802	8,876	11,883
Minority interests	(848)	(1,353)	(898)	(1,021)	(1,367)
Preferred dividends	0	0	0	0	0
Other items	0	0	0	0	0
Reported net profit	6,457	8,294	6,904	7,855	10,516
Non-recurring items & goodwill (net)	181	(851)	0	0	0
Recurring net profit	6,638	7,444	6,904	7,855	10,516
Per share (THB)					
Recurring EPS *	1.55	1.73	1.61	1.83	2.45
Reported EPS	1.50	1.93	1.61	1.83	2.45
DPS	0.60	0.65	0.95	1.20	1.30
Diluted shares (used to calculate per share data)	4,293	4,293	4,293	4,293	4,293
Growth					
Revenue (%)	4.2	33.9	31.7	0.9	(1.2)
Operating EBITDA (%)	20.8	12.9	(6.6)	8.8	22.2
Operating EBIT (%)	21.5	10.6	(15.6)	14.9	40.7
Recurring EPS (%)	(13.3)	12.1	(7.2)	13.8	33.9
Reported EPS (%)	(10.7)	28.4	(16.8)	13.8	33.9
Operating performance					
Gross margin inc. depreciation (%)	21.0	18.4	16.7	16.1	18.6
Gross margin of key business (%)	21.0	18.4	16.7	16.1	18.6
Operating EBITDA margin (%)	17.8	15.0	10.6	11.5	14.2
Operating EBIT margin (%)	10.0	8.3	5.3	6.1	8.6
Net margin (%)	7.2	6.0	4.2	4.8	6.5
Effective tax rate (%)	12.2	17.7	16.0	16.1	16.1
Dividend payout on recurring profit (%)	38.8	37.5	59.1	65.6	53.1
Interest cover (X)	6.1	13.6	6.7	7.5	7.7
Inventory days	71.8	70.8	79.1	90.7	93.7
Debtor days	62.0	60.6	68.2	92.7	119.2
Creditor days	56.3	50.3	51.8	59.4	61.3
Operating ROIC (%)	7.2	(1.8)	(1.3)	(1.4)	(11.5)
ROIC (%)	6.5	(1.6)	(1.3)	(1.3)	(10.4)
ROE (%)	10.1	8.0	7.0	7.6	9.7
ROA (%)	5.7	4.5	3.5	3.9	4.1
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
	2020	2021	2022E	2023E	2024E
Fibrous chain	25,980	34,782	45,802	46,196	45,637
Performance and Polymer packaging	43,609	58,385	76,882	77,544	76,606
Packaging paper	5,567	7,453	9,815	9,899	9,779
Fibre-based packaging	17,629	23,602	31,080	31,347	30,968

Sources: SCG Packaging; FSSIA estimates

Financial Statements

SCG Packaging

Cash Flow (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Recurring net profit	6,638	7,444	6,904	7,855	10,516
Depreciation	7,183	8,315	8,693	8,922	9,047
Associates & minorities	42	44	0	0	0
Other non-cash items	-	-	-	-	-
Change in working capital	1,461	(11,221)	(13,152)	(11,526)	(10,792)
Cash flow from operations	15,325	4,582	2,446	5,251	8,771
Capex - maintenance	(3,181)	(3,182)	0	0	0
Capex - new investment	(8,409)	(15,043)	(8,000)	(3,000)	(3,001)
Net acquisitions & disposals	42	44	0	0	0
Other investments (net)	1,215	(10,734)	0	0	0
Cash flow from investing	(10,334)	(28,915)	(8,000)	(3,000)	(3,001)
Dividends paid	(2,576)	(1,717)	(3,005)	(3,434)	(3,864)
Equity finance	0	0	0	0	0
Debt finance	(16,115)	5,649	0	0	0
Other financing cash flows	41,627	7,737	898	1,021	1,425
Cash flow from financing	22,936	11,669	(2,108)	(2,413)	(2,439)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	27,927	(12,664)	(7,662)	(162)	3,331
Free cash flow to firm (FCFF)	6,442.31	(23,153.13)	(3,934.24)	3,871.08	7,880.52
Free cash flow to equity (FCFE)	30,502.42	(10,946.45)	(4,656.48)	3,272.28	7,195.07

Per share (THB)	2020	2021	2022E	2023E	2024E
FCFF per share	1.50	(5.39)	(0.92)	0.90	1.84
FCFE per share	7.11	(2.55)	(1.08)	0.76	1.68
Recurring cash flow per share	3.23	3.68	3.63	3.91	4.56

Balance Sheet (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Tangible fixed assets (gross)	195,012	205,210	213,210	216,210	219,211
Less: Accumulated depreciation	(107,741)	(108,029)	(116,722)	(125,644)	(134,690)
Tangible fixed assets (net)	87,271	97,181	96,488	90,566	84,521
Intangible fixed assets (net)	18,624	29,483	29,483	29,483	29,483
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	829	873	873	873	873
Cash & equivalents	32,886	20,222	12,560	12,398	15,730
A/C receivable	16,334	24,910	36,203	47,593	58,846
Inventories	12,760	23,308	31,955	32,465	30,964
Other current assets	939	746	983	991	979
Current assets	62,919	69,186	81,701	93,447	106,519
Other assets	2,786	10,100	10,100	10,100	10,100
Total assets	172,429	206,824	218,645	224,470	231,496
Common equity	88,738	96,837	100,736	105,157	111,867
Minorities etc.	21,103	25,463	26,360	27,381	28,749
Total shareholders' equity	109,841	122,300	127,096	132,539	140,616
Long term debt	12,052	16,671	16,671	16,671	16,671
Other long-term liabilities	7,300	15,876	15,876	15,876	15,876
Long-term liabilities	19,351	32,547	32,547	32,547	32,547
A/C payable	10,365	15,261	20,923	21,257	20,274
Short term debt	31,382	32,412	32,412	32,412	32,412
Other current liabilities	1,489	4,303	5,666	5,715	5,646
Current liabilities	43,237	51,977	59,002	59,384	58,333
Total liabilities and shareholders' equity	172,429	206,824	218,645	224,470	231,496
Net working capital	18,179	29,400	42,552	54,078	64,869
Invested capital	127,689	167,038	179,496	185,100	189,846

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

Per share (THB)	2020	2021	2022E	2023E	2024E
Book value per share	20.67	22.56	23.47	24.50	26.06
Tangible book value per share	16.33	15.69	16.60	17.63	19.19


Financial strength	2020	2021	2022E	2023E	2024E
Net debt/equity (%)	9.6	23.6	28.7	27.7	23.7
Net debt/total assets (%)	6.1	14.0	16.7	16.3	14.4
Current ratio (x)	1.5	1.3	1.4	1.6	1.8
CF interest cover (x)	24.2	5.7	3.1	4.9	5.8

Valuation	2020	2021	2022E	2023E	2024E
Recurring P/E (x) *	33.8	30.1	32.5	28.6	21.3
Recurring P/E @ target price (x) *	33.0	29.4	31.7	27.9	20.8
Reported P/E (x)	34.7	27.0	32.5	28.6	21.3
Dividend yield (%)	1.1	1.2	1.8	2.3	2.5
Price/book (x)	2.5	2.3	2.2	2.1	2.0
Price/tangible book (x)	3.2	3.3	3.1	3.0	2.7
EV/EBITDA (x) **	15.5	15.0	16.5	15.2	12.4
EV/EBITDA @ target price (x) **	15.2	14.7	16.2	15.0	12.2
EV/invested capital (x)	2.0	1.7	1.6	1.6	1.5

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

Sources: SCG Packaging; FSSIA estimates

Corporate Governance report of Thai listed companies 2021

 EXCELLENT LEVEL – Score range 90-100										
AAV	BCPG	CPALL	GCAP	K	MSC	PLANET	SAMART	SPI	THRE	TVD
ADVANC	BDMS	CPF	GFPT	KBANK	MST	PLAT	SAMTEL	SPRC	THREL	TVI
AF	BEM	CPI	GGC	KCE	MTC	PORT	SAT	SPVI	TIPCO	TVO
AH	BGC	CPN	GLAND	KKP	MVP	PPS	SC	SSSC	TISCO	TWPC
AIRA	BGRIM	CRC	GLOBAL	KSL	NCL	PR9	SCB	SST	TK	U
AKP	BIZ	CSS	GPI	KTB	NEP	PREB	SCC	STA	TKT	UAC
AKR	BKI	DDD	GPSC	KTC	NER	PRG	SCCC	STEC	TMT	UBIS
ALT	BOL	DELTA	GRAMMY	LALIN	NKI	PRM	SCG	STI	TNDT	UV
AMA	BPP	DEMCO	GULF	LANNA	NOBLE	PROUD	SCGP	SUN	TNITY	VGI
AMATA	BRR	DRT	GUNKUL	LH	NSI	DRSH	SCM	SUSCO	TOA	VIH
AMATAV	BTS	DTAC	HANA	LHFG	NVD	PSL	SDC	SUTHA	TOP	WACOAL
ANAN	BTW	DUSIT	HARN	LIT	NWR	PTG	SEAFCO	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	PPP	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	WIK
AMARIN	BR	DOHOME	ICN	KTIS	MTI	PSG	SFLEX	STGT	TNP	WP
APCO	BROOK	DV8	IFS	KUMWEL	NBC	PSTC	SFP	STOWER	TOG	XO
APCS	CBG	EASON	IMH	KUN	NCAP	PT	SFT	STPI	TPA	XPG
APURE	CEN	EFORL	IND	KWC	NCH	QLT	SGF	SUC	TPAC	YUASA
AQUA	CGH	ERW	INET	KWM	NETBAY	RBF	SIAM	SWC	TPCS	
ASAP	CHARAN	ESSO	INSET	L&E	NEX	RCL	SINGER	SYNEX	TPS	
ASEFA	CHAYO	ESTAR	INSURE	LDC	NINE	RICHY	SKE	TAE	TRITN	
ASIA	CHG	ETE	IRC	LEO	NRF	RML	SKN	TAKUNI	TRT	
ASIAN	CHOTI	FE	IRCP	LHK	NTV	ROJNA	SKR	TBSP	TSE	

 GOOD LEVEL – Score range 70-79										
A	BGT	CITY	GIFT	JTS	MDX	PK	SGP	SUPER	TQR	YGG
AI	BH	CMAN	GLOCON	JUBILE	MJD	PLE	SICT	SVOA	TTI	ZIGA
AIE	BIG	CMO	GREEN	KASET	MORE	PPM	SIMAT	TC	TYCN	
AJ	BLAND	CMR	GSC	KCM	MUD	PRAKIT	SISB	TCCC	UKEM	
ALPHAX	BM	CPT	GTB	KK	NC	PRAPAT	SK	THMUI	UMS	
AMC	BROCK	CRANE	HTECH	KKC	NDR	PRECHA	SMART	TNH	UNIQ	
APP	BSBM	CSR	HUMAN	KWI	NFC	PTL	SOLAR	TNR	UPA	
AQ	BSM	D	IHL	KYE	NNCL	RJH	SPACK	TOPP	UREKA	
ARIN	BTNC	EKH	IIG	LEE	NOVA	RP	SPG	TPCH	VIBHA	
AS	BYD	EMC	INGRS	LPH	NPK	RPH	SQ	TPIPL	W	
AU	CAZ	EP	INOX	MATI	NUSA	RSP	SSP	TIPIP	WIN	
B52	CCP	F&D	JAK	M-CHAI	PAF	SABUY	STARK	TPLAS	WORK	
BEAUTY	CGD	FMT	JR	MCS	PF	SF	STC	TPOLY	WPH	

Disclaimer:

The disclosure of the survey results of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information.

The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey results may be changed after that date. FSS International Investment Advisory Company Limited does not confirm nor certify the accuracy of such survey results.

* CGR scoring should be considered with news regarding wrong doing of the company or director or executive of the company such unfair practice on securities trading, fraud, and corruption SEC imposed a civil sanction against insider trading of director and executive

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

Anti-corruption Progress Indicator

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

Level	
Certified	This level indicates practical participation with thoroughly examination in relation to the recommended procedures from the audit committee or the SEC's certified auditor, being a certified member of Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) or already passed examination to ensure independence from external parties.
Declared	This level indicates determination to participate in the Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC)

Disclaimer:

The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by Thaipat Institute, is made in order to comply with the policy and sustainable development plan for the listed companies of the Office of the Securities and Exchange Commission. Thaipat Institute made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of Thaipat Institute that is a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, FSS International Investment Advisory Company Limited does not confirm, verify, or certify the accuracy and completeness of the assessment results.

Note: Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of 26 October 2021) are categorised into: 1) companies that have declared their intention to join CAC, and; 2) companies certified by CAC.

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

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

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

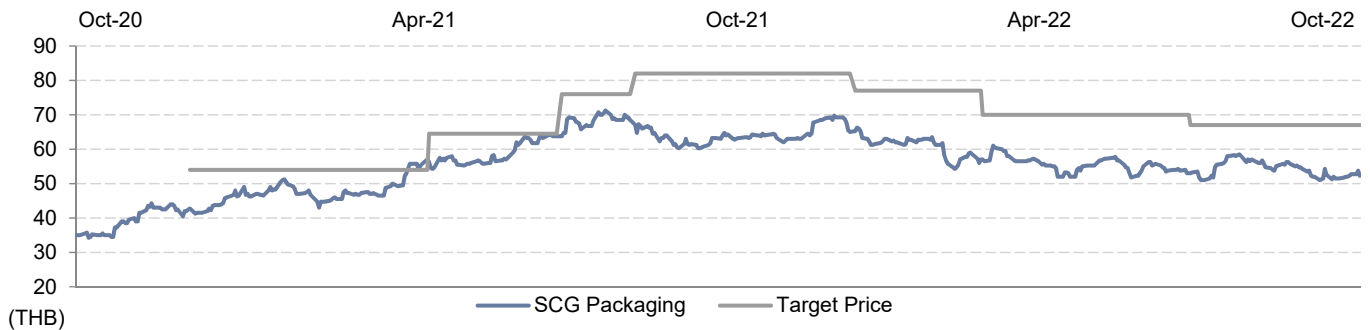
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

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History of change in investment rating and/or target price

SCG Packaging (SCGP TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
24-Dec-2020	BUY	54.00	03-Sep-2021	BUY	82.00	20-Jul-2022	BUY	67.00
10-May-2021	BUY	64.50	07-Jan-2022	BUY	77.00			
23-Jul-2021	BUY	76.00	23-Mar-2022	BUY	70.00			

Suwat Sinsadok, CFA, FRM, ERP started covering this stock from 24-Dec-2020

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
SCG Packaging	SCGP TB	THB 52.25	HOLD	Downside risks to our EV/EBITDA-based TP include a lower-than-expected demand for packaging, rising raw material costs of recycled paper and higher energy costs. Upside risks are higher demand and lower energy costs.

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 26-Oct-2022 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as $(\text{target price}^* - \text{current price}) / \text{current price}$.

BUY (B). The upside is 10% or more.

HOLD (H). The upside or downside is less than 10%.

REDUCE (R). The downside is 10% or more.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

Industry Recommendations

Overweight. The analyst expects the fundamental conditions of the sector to be positive over the next 12 months.

Neutral. The analyst expects the fundamental conditions of the sector to be maintained over the next 12 months.

Underweight. The analyst expects the fundamental conditions of the sector to be negative over the next 12 months.

Country (Strategy) Recommendations

Overweight (O). Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Neutral (N). Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Underweight (U). Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.