

CH. KARNCHANG CK TB

THAILAND / CONSTRUCTION SERVICES

BUY

UNCHANGED

Expect solid 3Q22 results

- We expect CK's 3Q22 net profit to jump 61% q-q and 50% y-y to THB481m, driven by solid profit sharing from associates.
- Potential upside from the Luang Prabang power project in 4Q22.
- We maintain BUY as CK is the contractor with the largest potential backlog, with promising earnings from its associates.

TARGET PRICE	THB26.00
CLOSE	THB23.30
UP/DOWNSIDE	+11.6%
PRIOR TP	THB26.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	-2.2%

KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Revenue	12,199	14,954	18,977	22,700
Net profit	906	1,199	1,212	1,493
EPS (THB)	0.53	0.71	0.72	0.88
vs Consensus (%)	-	13.2	(31.5)	(34.3)
EBITDA	(257)	555	555	445
Core net profit	100	1,014	992	1,193
Core EPS (THB)	0.06	0.60	0.59	0.70
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	(70.4)	915.2	(2.1)	20.2
Core P/E (x)	395.2	38.9	39.8	33.1
Dividend yield (%)	1.1	1.1	1.4	1.4
EV/EBITDA (x)	(297.0)	140.0	138.5	173.6
Price/book (x)	1.5	1.5	1.5	1.4
Net debt/Equity (%)	139.3	140.3	133.6	130.2
ROE (%)	0.4	3.9	3.7	4.3

Utilities business to boost CK's earnings in 3Q22

We expect CK's 3Q22 net profit (NP) to jump 61% q-q and 50% y-y to THB481m, driven by solid profit sharing from associates, including CKP (Bloomberg consensus forecasts CKP's NP to grow 61.5% q-q and 13.1% y-y to THB1.39b) and BEM, whose NP should surge by 26.6% q-q and 640% y-y in 3Q to THB803m. For TTW, we expect THB232m in dividend income from its 3Q22 operations. Meanwhile, construction revenue has improved from the faster pace of work on the Den Chai railway and MRT Purple Line projects. In terms of construction, the gross margin should improve a bit to 7.3% in 3Q22 from 7% in 2Q22, but remain at a low level compared with the past two years.

Potential upside from Luang Prabang power project in 4Q22

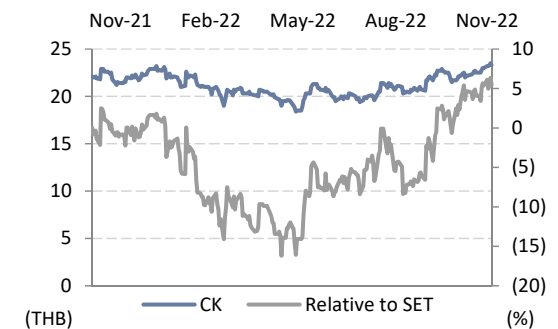
CK's backlog at end-2Q22 was THB62.78b. We expect that the backlog will decline to THB58b-59b, but CK estimates an additional cTHB100b to be added to its backlog from the Luang Prabang hydropower project in 4Q22. As CK is taking part in the MRT Orange Line bidding, its backlog could be boosted by cTHB90b early next year. CK's order backlog could potentially reach cTHB249b in 2023, equivalent to c10 years of revenue.

4Q22 earnings should drop q-q on the seasonal effect

We expect CK's 4Q22 NP to decline from THB481m in 3Q22 due to lower profit sharing from associates, especially for CKP. CKP's NP may fall significantly due to potentially lower earnings contributions from the 1.28GW Xayaburi hydropower plant on seasonally lower average water levels in 4Q22, plus the absence of a dividend from TTW.

Contactor with the largest potential backlog & promising earnings

We maintain our BUY recommendation, backed by higher expected contributions from associates and CK's high potential to boost its backlog, including the Orange Line project and hydropower plant in Laos. We think the 9.3% rise in CK's share price from THB21.50 to THB23.50 from 29 Sep-22 to 8 Nov-22 has partially factored in the strong anticipated 3Q22 earnings. CK's valuation is still attractive, currently trading at a 10% discount to our SoTP-TP of THB26.



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	6.9	10.4	7.9
Relative to country (%)	3.8	8.7	7.9
Mkt cap (USD m)	1,033		
3m avg. daily turnover (USD m)	3.6		
Free float (%)	68		
Major shareholder	Trivisvavet Family (32%)		
12m high/low (THB)	23.70/17.90		
Issued shares (m)	1,693.90		

Sources: Bloomberg consensus; FSSIA estimates


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Investment thesis

CK is becoming to the highest backlog contactor in Thailand with a strong investment portfolio, including concessions, which gives CK a chance to secure contracts from its subsidiaries including Bangkok Expressway and Metro (BEM TB, BUY, TP THB9.9), CK Power (CKP TB, BUY, TP THB6.6) and TTW (TTW TB, NR). Meanwhile, the earnings from its construction business are volatile and have a thin margin. However, CK will likely book the potential backlog from the Luang Prabang power project and the MRT Orange Line to boost its order backlog by more than THB249b in 2023, making it the highest backlog, equivalent to 10 years of revenue.

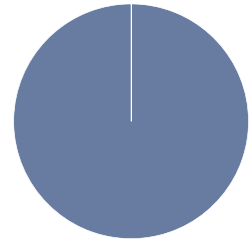
Company profile

CH. Karnchang (CK) was incorporated in 1972 to engage in the construction business, focusing on infrastructure and government projects. Over the years, CK has expanded and invested in concessions, which helped to secure construction contracts and yield stable dividend returns.

www.ch-karnchang.co.th

Principal activities (revenue, 2021)

■ Construction services - 100.0 %

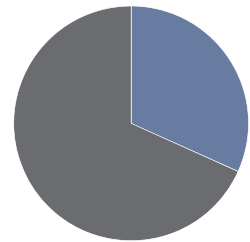


Source: CH. Karnchang

Major shareholders

■ Trivisvavet Family - 31.7 %

■ Others - 68.3 %



Source: CH. Karnchang

Catalysts

We think the biggest potential catalysts for CK would be the booking of the Luang Prabang hydropower plant project to its backlog and the ongoing bidding for government mega-infrastructure projects. Importantly, BEM should benefit from the opening of the Blue Line extension and a possible concession extension. In addition, we also think that CK has the potential to win the renewed MRT Orange Line (western section) bidding this year.

Risks to our call

Key downside risks to our SoTP-based TP are delays in new bids, political instability, fluctuations in construction material prices, cost overruns, and the prolonged Covid-19 pandemic.

Event calendar

Date	Event
15 Nov-22	Expect 3Q22 results announcement

Key assumptions

	2022E	2023E	2024E
Net profit (THB m)	1,199	1,212	1,493
Core net profit (THB m)	1,014	992	1,193
New signed projects (THB m)	110,000	30,000	30,000
Gross profit margin (%)	9.0	9.0	8.5
SG&A to sales (%)	10.0	10.0	10.0

Source: FSSIA estimates

Earnings sensitivity

- GPM has a bigger impact on earnings than new orders booked, though both are important.
- A one ppt change in GPM could affect 2022 net profit by 11%, all else being equal.
- A 10% change in new orders booked could affect 2022 net profit by 11%, all else being equal.

Source: FSSIA estimates

Exhibit 1: CK – 3Q22 earnings preview

Year to Dec 31	3Q21	2Q22	3Q22E	Change		3Q22E	9M22E			2022E	Change
	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(%22E)	(THB m)	(y-y%)	(%22E)	(THB m)	(y-y %)
Construction revenue	2,561	3,474	3,800	9	48	25	14,314	65	96	14,954	23
Gross profit*	252	244	278	14	11	21	1,113	48	83	1,346	40
Operating costs	445	496	490	(1)	10	33	1,455	3	97	1,495	(22)
Operating profit	(193)	(252)	(212)	(16)	10	142	(342)	(48)	229	(150)	84
Operating EBITDA	(22)	(79)	(212)	169	(859)	(38)	6	(104)	1	555	316
Other income	452	452	455	1	1	29	1,151	(0)	73	1,569	11
Interest expense	(357)	(363)	(380)	5	6	23	(1,074)	3	66	(1,623)	17
Profit before tax**	(98)	(163)	(137)	(16)	40	67	(265)	(52)	131	(203)	78
Tax	8	5	5	(6)	(34)	nm	15	(41)	nm	0	nm
Associates	432	468	623	33	44	50	1,175	31	94	1,251	15
Minority interests	(4)	(0)	0	nm	nm	0	7	199	(20)	(34)	23
Non recurring items	0	0	0	n/a	n/a	0	0		0	185	(77)
Reported net profit	321	300	481	61	50	40	902	6	75	1,199	32
Recurring net profit	321	300	481	61	50	47	902	181	89	1,014	915
EPS (THB)	0.19	0.18	0.28	61	50	40	0.53	6	75	0.71	32
Recurring EPS (THB)	0.19	0.18	0.28	61	50	47	0.53	181	89	0.60	915
Key Ratios	(%)	(%)	(%)	(ppt)	(ppt)		(%)			(%)	(ppt)
Gross margin	9.8	7.0	7.3	0.3	(2.5)		7.8			9.0	1.1
Operating margin	(7.5)	(7.3)	(5.6)	1.7	2.0		(2.4)			(1.0)	6.8
EBITDA margin	(0.9)	(2.3)	(5.6)	(3.3)	(4.7)		0.0			3.7	5.8
Recurring net margin	(3.5)	(4.5)	(3.5)	1.1	0.1		(1.8)			(1.4)	5.9
SG&A / Sales	17.4	14.3	12.9	(1.4)	(4.5)		10.2			10.0	(5.7)

*Includes depreciation and amortisation; ** excluding associates income

Sources: CK; FSSIA estimates

Financial Statements

CH. Karnchang

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Revenue	16,746	12,199	14,954	18,977	22,700
Cost of goods sold	(14,615)	(10,541)	(12,903)	(16,524)	(19,985)
Gross profit	2,131	1,658	2,050	2,453	2,715
Other operating income	0	0	0	0	0
Operating costs	(2,027)	(1,915)	(1,495)	(1,898)	(2,270)
Operating EBITDA	104	(257)	555	555	445
Depreciation	(726)	(695)	(705)	(745)	(785)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	(622)	(951)	(150)	(190)	(340)
Net financing costs	(634)	(792)	(929)	(1,023)	(1,014)
Associates	857	1,088	1,251	1,314	1,576
Recurring non-operating income	1,636	1,909	2,126	2,249	2,599
Non-recurring items	275	806	185	220	300
Profit before tax	655	971	1,233	1,256	1,544
Tax	(28)	(38)	0	0	0
Profit after tax	627	933	1,233	1,256	1,544
Minority interests	(15)	(28)	(34)	(43)	(52)
Preferred dividends	0	0	0	0	0
Other items	0	0	0	0	0
Reported net profit	612	906	1,199	1,212	1,493
Non-recurring items & goodwill (net)	(275)	(806)	(185)	(220)	(300)
Recurring net profit	337	100	1,014	992	1,193
Per share (THB)					
Recurring EPS *	0.20	0.06	0.60	0.59	0.70
Reported EPS	0.36	0.53	0.71	0.72	0.88
DPS	0.20	0.25	0.25	0.33	0.33
Diluted shares (used to calculate per share data)	1,694	1,694	1,694	1,694	1,694
Growth					
Revenue (%)	(27.2)	(27.2)	22.6	26.9	19.6
Operating EBITDA (%)	44.9	nm	nm	0.0	(19.9)
Operating EBIT (%)	nm	nm	nm	nm	nm
Recurring EPS (%)	(80.5)	(70.4)	915.2	(2.1)	20.2
Reported EPS (%)	(65.6)	48.0	32.4	1.1	23.1
Operating performance					
Gross margin inc. depreciation (%)	8.4	7.9	9.0	9.0	8.5
Gross margin of key business (%)	8.4	7.9	9.0	9.0	8.5
Operating EBITDA margin (%)	0.6	(2.1)	3.7	2.9	2.0
Operating EBIT margin (%)	(3.7)	(7.8)	(1.0)	(1.0)	(1.5)
Net margin (%)	2.0	0.8	6.8	5.2	5.3
Effective tax rate (%)	0.0	0.0	0.0	0.0	0.0
Dividend payout on recurring profit (%)	100.5	424.0	41.8	56.5	47.5
Interest cover (X)	1.6	1.2	2.1	2.0	2.2
Inventory days	57.6	93.9	93.5	90.7	92.4
Debtor days	79.6	88.7	61.7	60.8	62.4
Creditor days	65.1	83.3	68.0	66.0	67.2
Operating ROIC (%)	(6.6)	(7.5)	(1.0)	(1.2)	(2.0)
ROIC (%)	1.6	1.5	3.0	3.0	3.2
ROE (%)	1.3	0.4	3.9	3.7	4.3
ROA (%)	1.2	1.1	2.3	2.2	2.3
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Construction services	16,746	12,199	14,954	18,977	22,700
Others	0	0	0	0	0

Sources: CH. Karnchang; FSSIA estimates

Financial Statements

CH. Kamchang

Cash Flow (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Recurring net profit	337	100	1,014	992	1,193
Depreciation	726	695	705	745	785
Associates & minorities	(11)	(13)	0	0	0
Other non-cash items	(544)	(522)	(369)	(376)	(362)
Change in working capital	(5,884)	(926)	(2,209)	(38)	(1,520)
Cash flow from operations	(5,376)	(666)	(859)	1,323	95
Capex - maintenance	(756)	(428)	(1,000)	(1,000)	(1,000)
Capex - new investment	0	0	0	0	0
Net acquisitions & disposals	1,202	(370)	502	682	728
Other investments (net)	537	543	406	418	416
Cash flow from investing	983	(254)	(93)	100	143
Dividends paid	(339)	(423)	(423)	(561)	(567)
Equity finance	(1,819)	(660)	0	0	0
Debt finance	5,523	827	3,603	(863)	328
Other financing cash flows	0	0	0	0	0
Cash flow from financing	3,365	(256)	3,180	(1,424)	(239)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	(364)	383	0	0	0
Movement in cash	(1,393)	(793)	2,228	0	0
Free cash flow to firm (FCFF)	(3,118.36)	465.24	670.74	3,095.81	1,901.20
Free cash flow to equity (FCFE)	765.01	289.95	2,651.09	560.53	566.92

Per share (THB)

FCFF per share	(1.84)	0.27	0.40	1.83	1.12
FCFE per share	0.45	0.17	1.57	0.33	0.33
Recurring cash flow per share	0.30	0.15	0.80	0.80	0.95

Balance Sheet (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Tangible fixed assets (gross)	16,939	16,899	17,899	18,899	19,899
Less: Accumulated depreciation	(5,745)	(5,972)	(6,676)	(7,421)	(8,207)
Tangible fixed assets (net)	11,194	10,927	11,223	11,478	11,692
Intangible fixed assets (net)	0	0	0	0	0
Long-term financial assets	0	0	0	0	0
Invest. in associates & subsidiaries	50,366	50,895	50,895	50,895	50,895
Cash & equivalents	7,767	6,973	9,201	9,201	9,201
A/C receivable	3,659	2,273	2,786	3,535	4,229
Inventories	2,436	2,988	3,619	4,593	5,525
Other current assets	5,972	7,835	9,604	12,188	14,580
Current assets	19,834	20,069	25,210	29,518	33,534
Other assets	1,381	1,529	1,874	2,379	2,845
Total assets	82,774	83,421	89,203	94,270	98,967
Common equity	25,847	25,669	26,444	27,096	28,022
Minorities etc.	424	439	473	516	568
Total shareholders' equity	26,271	26,108	26,917	27,613	28,590
Long term debt	38,638	36,634	39,678	38,948	39,226
Other long-term liabilities	3,108	2,931	3,593	4,560	5,454
Long-term liabilities	41,746	39,565	43,271	43,508	44,680
A/C payable	2,636	2,174	2,633	3,341	4,019
Short term debt	3,889	6,721	7,280	7,146	7,197
Other current liabilities	8,232	8,853	9,102	12,662	14,482
Current liabilities	14,758	17,748	19,014	23,149	25,697
Total liabilities and shareholders' equity	82,774	83,421	89,203	94,270	98,967
Net working capital	1,199	2,069	4,275	4,314	5,833
Invested capital	64,139	65,420	68,267	69,066	71,266

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

Per share (THB)

Book value per share	15.26	15.15	15.61	16.00	16.54
Tangible book value per share	15.26	15.15	15.61	16.00	16.54

Financial strength

Net debt/equity (%)	132.3	139.3	140.3	133.6	130.2
Net debt/total assets (%)	42.0	43.6	42.3	39.1	37.6
Current ratio (x)	1.3	1.1	1.3	1.3	1.3
CF interest cover (x)	2.2	1.4	3.9	1.5	1.6

Valuation	2020	2021	2022E	2023E	2024E
Recurring P/E (x) *	117.1	395.2	38.9	39.8	33.1
Recurring P/E @ target price (x) *	130.7	441.0	43.4	44.4	36.9
Reported P/E (x)	64.5	43.6	32.9	32.6	26.4
Dividend yield (%)	0.9	1.1	1.1	1.4	1.4
Price/book (x)	1.5	1.5	1.5	1.5	1.4
Price/tangible book (x)	1.5	1.5	1.5	1.5	1.4
EV/EBITDA (x) **	719.2	(297.0)	140.0	138.5	173.6
EV/EBITDA @ target price (x) **	763.2	(314.8)	148.2	146.7	183.9
EV/invested capital (x)	1.2	1.2	1.1	1.1	1.1

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

Sources: CH. Kamchang; 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	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	WIJK
ASP	CHEWA	ETE	ILINK	M	OCC	PSTC	SGP	TASCO	TPP	XO
AWC	CHOTI	FE	INET	MAKRO	OGC	PT	SINGER	TBSP	TRU	ZEN
AYUD	CHOW	FNS	INSURE	MALEE	ORI	PTG	SIRI	TCAP	TRUE	
B	CIG	FPI	INTUCH	MATCH	PAP	PTT	SITHAI	TCMC	TSC	
BAFS	CIMBT	FPT	IRC	MBAX	PATO	PTTEP	SKR	TFG	TSTE	
BAM	CM	FSMART	IRPC	MBK	PB	PTTGC	SMIT	TFI	TSTH	
BANPU	CMC	FSS	ITEL	MC	PCSGH	PYLON	SMK	TFMAMA	TTA	
BAY	COM7	FTE	IVL	MCOT	PDG	Q-CON	SMPC	TGH	TTB	
BBL	COTTO	GBX	JKN	META	PDJ	QH	SNC	THANI	TTCL	
DECLARED										
AJ	CHG	DDD	ETC	JR	MAJOR	NUSA	RS	SSS	TQM	YUASA
ALT	CPL	DHOUSE	FLOYD	JTS	NCAP	NYT	SAK	STECH	TSI	ZIGA
APCO	CPR	DOHOME	GULF	KEX	NCL	OR	SCGP	STGT	VARO	
B52	CPW	ECF	III	KUMWEL	NOVA	PIMO	SCM	TKN	VCOM	
BEC	CRC	EKH	INOX	LDC	NRF	PLE	SIS	TMI	VIBHA	

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

Disclaimer:

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

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

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

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Songklod Wongchai FSS International Investment Advisory Securities Co., Ltd

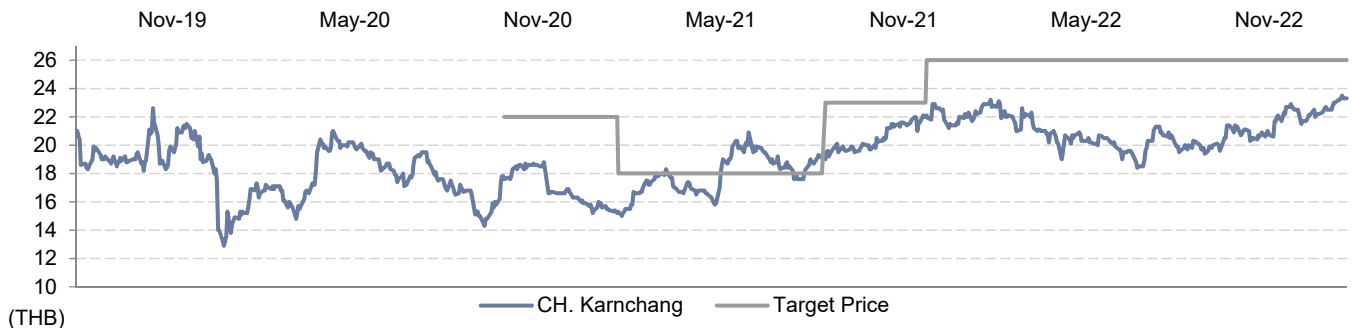
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) 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

CH. Karnchang (CK TB)



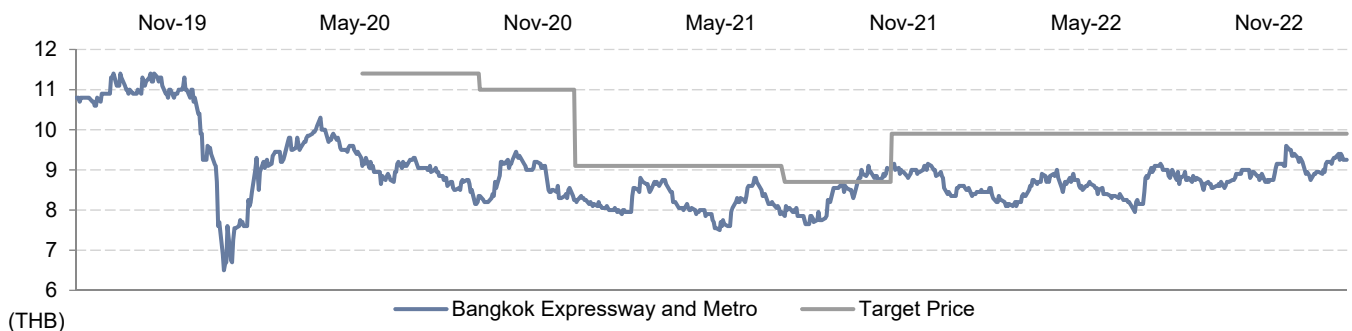
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
12-Nov-2020	BUY	22.00	13-Aug-2021	BUY	23.00	-	-	-
18-Feb-2021	BUY	18.00	10-Nov-2021	BUY	26.00			

Songklod Wongchai started covering this stock from 12-Nov-2020

Price and TP are in local currency

Source: FSSIA estimates

Bangkok Expressway and Metro (BEM TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
13-Jul-2020	BUY	11.40	12-Jan-2021	HOLD	9.10	09-Jul-2021	BUY	8.70
22-Oct-2020	BUY	11.00	25-Feb-2021	BUY	9.10	11-Oct-2021	BUY	9.90

Naruedom Mujjalinkool started covering this stock from 13-Jul-2020

Price and TP are in local currency

Source: FSSIA estimates

CK Power (CKP TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
13-Apr-2020	HOLD	3.60	23-Jun-2020	HOLD	4.20	04-Aug-2020	BUY	6.60

Siriluck Pinthusoonthorn started covering this stock from 23-Jun-2020

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
CH. Karnchang	CK TB	THB 23.30	BUY	Key downside risks to our SoTP-based TP are delays in new bids, political instability, fluctuations in construction material prices, cost overruns, and the prolonged Covid-19 pandemic.
Bangkok Expressway and Metro	BEM TB	THB 9.25	BUY	The key downside risks to our SoTP-based TP are 1) traffic and ridership recovering more slowly than our expectation; and 2) the company being unable to win the new mass transit project bids.
CK Power	CKP TB	THB 5.05	BUY	The downside risks to our SoTP-based TP include lower-than-expected demand for electricity in Thailand and lower-than-expected water supply for hydro projects.

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 07-Nov-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.