

KERRY EXPRESS (THAILAND)

THAILAND / TRANSPORT & LOGISTICS

KEX TB

REDUCE

UNCHANGED

TARGET PRICE	THB13.50
CLOSE	THB15.50
UP/DOWNSIDE	-12.9%
PRIOR TP	THB16.00
CHANGE IN TP	-15.6%
TP vs CONSENSUS	-19.1%

Losses soar to a record high

- KEX's 4Q22 loss rises to a record high of THB932m.
- Revise 2023E earnings from a THB275m profit to a THB1.2b loss.
- Maintain REDUCE with a new TP of THB13.50. We will wait and see if management's cost-cutting efforts in 1H23 can turn the tide.

Disappointing 4Q22 results

KEX reported a steeper-than-expected loss in 4Q22 of THB932m, up from THB675m in 3Q22. The loss was higher than the Bloomberg consensus estimate (THB572m) and our expectation (THB467m). Despite the gradual improvement in its bottom line in 3Q22, the company ended up with a record high loss in 4Q22. Revenue fell slightly by 3% q-q to THB4.1b in 4Q22 on flat parcel volume as revenue per parcel continued to decline. The company's SG&A also surged to a record high, up 45% q-q and 75% y-y to THB655m, due to a 20% staff reduction in 4Q22 that resulted in extra expenses. Note that the company had anticipated that its normal SG&A in 4Q22 would be slightly lower than the previous quarter.

Continue to have high hopes for 2023

KEX has moved its breakeven target even further away to within 3Q23, after earlier targeting 1H23. The company has high hopes that an automated parcel handling system that it expects to install in 1H23 will help to reduce its costs significantly, and that the 20% staff reduction in 4Q22 should improve its financial performance starting from 1Q23. While management expects parcel delivery volume in 2023 to be flat, they forecast no further declines in revenue per parcel. In summary, the key strategy for the company this year will be reducing costs.

2023 earnings revision

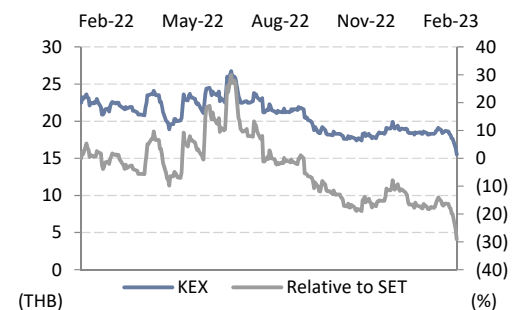
Given the negative outlook, we revise KEX's bottom line for this year from a THB275m profit to a THB1.2b loss. We expect the company to continue to report significant losses in 1H22 before gradually improving in 2H23. We maintain our view that KEX should reach the breakeven point in 4Q23, later than the company's target.

Maintain REDUCE with a new TP of THB13.50

The company's outlook has been cloudy since its first big loss in 4Q21 and there has been no significant improvement since then. We have a cautious view on whether automation could reduce its operating costs by over THB1b per year amid limited prospects for parcel delivery growth. Therefore, we maintain our REDUCE call with a new DCF-derived TP of THB13.50. In our view, investors should not be in a rush to invest in KEX as its outlook remains unclear.

KEY STOCK DATA

YE Dec (THB m)	2022	2023E	2024E	2025E
Revenue	17,003	17,821	19,068	20,403
Net profit	(2,830)	(1,249)	709	841
EPS (THB)	(1.62)	(0.72)	0.41	0.48
vs Consensus (%)	-	nm	nm	128.6
EBITDA	(1,074)	4	2,261	2,269
Core net profit	(2,830)	(1,249)	709	841
Core EPS (THB)	(1.62)	(0.72)	0.41	0.48
Chg. In EPS est. (%)	nm	nm	(3.5)	nm
EPS growth (%)	nm	nm	nm	18.7
Core P/E (x)	(9.5)	(21.6)	38.1	32.1
Dividend yield (%)	-	-	1.0	1.2
EV/EBITDA (x)	(23.0)	7,010.4	11.1	10.8
Price/book (x)	4.2	5.2	4.8	4.4
Net debt/Equity (%)	(35.9)	(28.0)	(34.9)	(42.2)
ROE (%)	(35.8)	(21.3)	13.0	14.3



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(16.7)	(10.9)	(34.6)
Relative to country (%)	(15.2)	(12.5)	(33.3)
Mkt cap (USD m)	799		
3m avg. daily turnover (USD m)	1.7		
Free float (%)	27		
Major shareholder	KLN Logistics (Thailand) (52%)		
12m high/low (THB)	27.25/15.40		
Issued shares (m)	1,742.58		

Sources: Bloomberg consensus; FSSIA estimates



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Investment thesis

Kerry Express is the second biggest parcel delivery company in Thailand with over 30% of the market share.

According to research & consulting firm Frost & Sullivan, e-commerce in Thailand is projected to grow at a 26.7% CAGR from 2019-24. Growth in e-commerce would boost the demand for parcel delivery services, directly benefitting KEX.

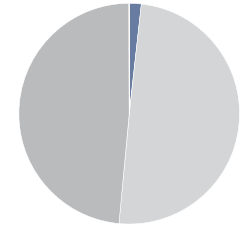
Company profile

KEX provides a one-stop express delivery service to a comprehensive range of customers in Thailand. This includes goods ordered via e-commerce and from online merchants, and C2C parcel and document deliveries, with cash-on-delivery also provided.

<https://th.kerryexpress.com/th/home>

Principal activities (revenue, 2022)

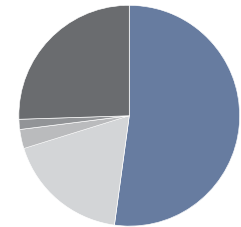
- B2B - 1.8 %
- B2C - 49.7 %
- C2C - 48.5 %
- Advertising - 0.0 %



Source: Kerry Express (Thailand)

Major shareholders

- KLN Logistics (Thailand) - 52.1 %
- VGI - 18.1 %
- Gulf Holding (Thailand) - 2.8 %
- Thai NVDR - 1.5 %
- Others - 25.5 %



Source: Kerry Express (Thailand)

Catalysts

- Aggressive price war strategy could hurt the company's earnings in the short term;
- The higher fuel price could be the key pressure on KEX's costs.

Risks to our call

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.

Event calendar

Date	Event
May-23	1Q23 results announcement

Key assumptions

	2020	2021	2022	2023E	2024E
Total parcels delivered (m units)	294	382	451	460	492
Revenue per parcel (THB)	64	49	40	39	39
Growth	(%)	(%)	(%)	(%)	(%)
Total parcels delivered	7	30	18	2	7
Revenue per parcel	(10)	(24)	(18)	(4)	(0)

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in total parcels delivered, we project 2023 earnings to rise by 0.5%, and vice versa, all else being equal.
- For every 1% increase in price per parcel, we project 2023 earnings to rise by 1.1%, and vice versa, all else being equal.

Source: FSSIA estimates

Exhibit 1: 4Q22 results review

	4Q21	3Q22	4Q22	Change		2021	2022	Change
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)
Revenue	4,699	4,219	4,085	(3)	(13)	18,818	17,003	(10)
Operating costs	(5,117)	(4,666)	(4,606)	(1)	(10)	(17,479)	(18,685)	7
Gross profit	(418)	(447)	(520)	16	24	1,339	(1,682)	n/a
SG&A expenses	(375)	(452)	(655)	45	75	(1,380)	(1,996)	45
EBIT	(793)	(899)	(1,176)	31	48	(40)	(3,678)	9,016
Depreciation & amortisation	640	610	589	(3)	(8)	2,342	2,463	5
EBITDA	(153)	(289)	(586)	103	284	2,302	(1,216)	n/a
EBITDA margin (%)	(3.3)	(6.9)	(14.4)	nm	nm	12.2	(7.1)	nm
Interest expense	(22)	(18)	(17)	(6)	(22)	(97)	(73)	(24)
Other income	42	60	3	(95)	(93)	154	142	(8)
Pretax profit	(772)	(858)	(1,190)	39	54	17	(3,610)	n/a
Tax	166	178	252	42	52	28	760	2,631
Tax rate (%)	(21.5)	(20.7)	(21.2)	nm	nm	163	(21)	nm
MI	0	(5)	(6)	17	n/a	(2)	(20)	nm
Net profit	(606)	(675)	(932)	38	54	47	(2,830)	n/a
Core net profit	(606)	(675)	(932)	38	54	47	(2,830)	n/a
EPS (THB)	(0.35)	(0.39)	(0.53)	38	54	0.03	(1.62)	n/a
Core EPS (THB)	(0.35)	(0.39)	(0.53)	38	54	0.03	(1.62)	n/a

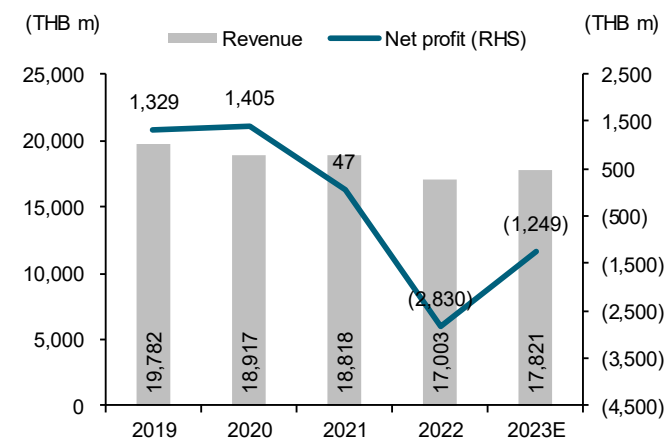
Sources: KEX; FSSIA estimates

Exhibit 2: Key assumption changes

	Current		Previous		Change	
	2023E	2024E	2023E	2024E	2023E	2024E
	(THB m)	(THB m)	(THB m)	(THB m)	(%)	(%)
Revenue per parcel (THB)	39	39	39	39	(0.8)	(0.8)
Total parcels delivered (m units)	460	492	479	522	(4.0)	(5.7)
Revenue	17,821	19,068	18,534	20,202	(3.8)	(5.6)
Gross profit	(178)	2,098	1,575	2,222	(111.3)	(5.6)
EBIT	(1,511)	936	421	992	(459.0)	(5.6)
Net profit	(1,249)	709	275	735	(554.0)	(3.5)
Margin	(%)	(%)	(%)	(%)	(ppt)	(%)
Gross profit margin	(1.0)	11.0	8.5	11.0	(9.5)	0.0
Net profit margin	(7.0)	3.7	1.5	3.6	(8.5)	0.1

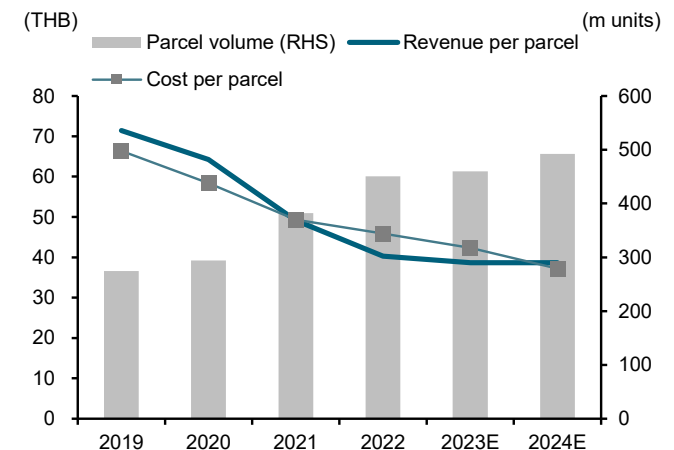
Source: FSSIA estimates

Exhibit 3: KEX's revenue and net profit (loss)



Sources: KEX; FSSIA estimates

Exhibit 4: Parcel volume and revenue vs cost per parcel



Sources: KEX; FSSIA estimates

Exhibit 5: DCF valuation

	2023E	2024E	2025E	2026E	2027E	2028E	2029E
(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)
EBITDA	4	2,261	2,269	2,277	2,401	2,468	2,546
(less) tax on EBIT	316	(174)	(208)	(236)	(283)	(311)	(343)
(less) capex & investments	(820)	(820)	(620)	(620)	(620)	(620)	(620)
decrease in working cap	(99)	217	112	(52)	38	31	3
Free Cash Flow	(599)	1,683	1,553	1,369	1,535	1,568	1,587
WACC (%) (unchanged)	8.4						
Terminal growth (%) (from 2.5)	2.0						
PV of FCF	(599)	1,553	1,321	1,075	1,112	1,048	978
Enterprise value	22,074						
Debt+cash	1,466						
Equity value	23,541						
No. of shares (m)	1,743						
Equity value / share (THB)	13.50						

Sources: KEX; FSSIA estimates

Financial Statements

Kerry Express (Thailand)

Profit and Loss (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Revenue	18,818	17,003	17,821	19,068	20,403
Cost of goods sold	(15,136)	(16,222)	(16,484)	(15,646)	(16,930)
Gross profit	3,681	781	1,337	3,422	3,473
Other operating income	154	142	146	160	175
Operating costs	(1,380)	(1,996)	(1,479)	(1,321)	(1,379)
Operating EBITDA	2,456	(1,074)	4	2,261	2,269
Depreciation	(2,342)	(2,463)	(1,515)	(1,324)	(1,167)
Goodwill amortisation	0	0	0	0	-
Operating EBIT	114	(3,536)	(1,511)	936	1,102
Net financing costs	(97)	(73)	(70)	(66)	(63)
Associates	0	0	0	0	0
Recurring non-operating income	0	0	0	0	0
Non-recurring items	0	0	0	0	0
Profit before tax	17	(3,610)	(1,581)	870	1,039
Tax	28	760	316	(174)	(208)
Profit after tax	45	(2,850)	(1,265)	696	831
Minority interests	2	20	16	13	10
Preferred dividends	0	0	0	0	0
Other items	0	0	0	0	0
Reported net profit	47	(2,830)	(1,249)	709	841
Non-recurring items & goodwill (net)	0	0	0	0	0
Recurring net profit	47	(2,830)	(1,249)	709	841
Per share (THB)					
Recurring EPS *	0.03	(1.62)	(0.72)	0.41	0.48
Reported EPS	0.03	(1.62)	(0.72)	0.41	0.48
DPS	0.74	0.00	0.00	0.16	0.19
Diluted shares (used to calculate per share data)	1,740	1,743	1,743	1,743	1,743
Growth					
Revenue (%)	(0.5)	(9.6)	4.8	7.0	7.0
Operating EBITDA (%)	(41.5)	nm	nm	61,940.4	0.4
Operating EBIT (%)	(93.8)	nm	nm	nm	17.7
Recurring EPS (%)	(96.7)	nm	nm	nm	18.7
Reported EPS (%)	(96.7)	nm	nm	nm	18.7
Operating performance					
Gross margin inc. depreciation (%)	7.1	(9.9)	(1.0)	11.0	11.3
Gross margin of key business (%)	7.1	(9.9)	(1.0)	11.0	11.3
Operating EBITDA margin (%)	13.1	(6.3)	0.0	11.9	11.1
Operating EBIT margin (%)	0.6	(20.8)	(8.5)	4.9	5.4
Net margin (%)	0.2	(16.6)	(7.0)	3.7	4.1
Effective tax rate (%)	-162.6	21.0	20.0	20.0	20.0
Dividend payout on recurring profit (%)	2,755.5	-	-	40.0	40.0
Interest cover (X)	1.2	(48.3)	(21.7)	14.2	17.5
Inventory days	3.1	3.4	2.8	3.1	2.9
Debtor days	29.9	37.2	35.5	32.8	34.2
Creditor days	40.1	44.1	41.6	42.1	39.6
Operating ROIC (%)	(14.7)	548.5	(2,959.7)	(3,122.7)	(1,221.0)
ROIC (%)	1.5	(47.8)	(23.8)	15.9	(4.9)
ROE (%)	0.5	(35.8)	(21.3)	13.0	14.3
ROA (%)	0.7	(19.2)	(10.8)	7.2	7.7
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
	2021	2022	2023E	2024E	2025E
B2B	361	298	312	333	357
B2C	8,524	8,456	8,847	9,466	10,129
C2C	9,892	8,241	8,622	9,226	9,871
Advertising	42	8	40	43	46

Sources: Kerry Express (Thailand); FSSIA estimates

Financial Statements

Kerry Express (Thailand)

Cash Flow (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Recurring net profit	47	(2,830)	(1,249)	709	841
Depreciation	2,342	2,463	1,515	1,324	1,167
Associates & minorities	-	-	-	-	-
Other non-cash items	(187)	(773)	(16)	(13)	(10)
Change in working capital	120	(142)	46	(275)	(162)
Cash flow from operations	2,322	(1,282)	296	1,746	1,836
Capex - maintenance	(195)	(268)	(328)	(248)	(248)
Capex - new investment	(293)	(403)	(492)	(372)	(372)
Net acquisitions & disposals	3	0	0	0	0
Other investments (net)	(6,092)	5,206	0	0	0
Cash flow from investing	(6,577)	4,535	(820)	(620)	(620)
Dividends paid	(1,676)	0	0	(284)	(337)
Equity finance	72	0	0	0	0
Debt finance	(800)	(2,378)	0	0	0
Other financing cash flows	(1,750)	0	(342)	(336)	(259)
Cash flow from financing	(4,153)	(2,378)	(342)	(620)	(596)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	3,984	0	0	0	0
Net other adjustments	3,984	(3,815)	0	0	0
Movement in cash	(4,424)	(2,940)	(866)	506	621
Free cash flow to firm (FCFF)	(4,157.61)	3,325.28	(454.50)	1,191.90	1,279.22
Free cash flow to equity (FCFE)	(2,821.00)	(2,940.43)	(865.82)	789.53	957.49

Per share (THB)

FCFF per share	(2.39)	1.91	(0.26)	0.68	0.73
FCFE per share	(1.62)	(1.69)	(0.50)	0.45	0.55
Recurring cash flow per share	1.27	(0.65)	0.14	1.16	1.15

Balance Sheet (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Tangible fixed assets (gross)	4,733	5,844	6,244	6,544	6,844
Less: Accumulated depreciation	(2,489)	(3,354)	(4,071)	(4,709)	(5,277)
Tangible fixed assets (net)	2,244	2,490	2,173	1,835	1,567
Intangible fixed assets (net)	5,091	3,116	2,738	2,372	2,092
Long-term financial assets	2,022	631	631	631	631
Invest. in associates & subsidiaries	0	0	0	0	0
Cash & equivalents	5,272	2,332	1,466	1,972	2,593
A/C receivable	1,613	1,852	1,617	1,814	2,005
Inventories	176	123	130	135	132
Other current assets	64	100	105	111	116
Current assets	7,125	4,408	3,318	4,032	4,846
Other assets	562	1,448	1,521	1,597	1,676
Total assets	17,046	12,093	10,381	10,466	10,813
Common equity	9,317	6,498	5,233	5,646	6,140
Minorities etc.	0	0	0	0	0
Total shareholders' equity	9,317	6,498	5,233	5,646	6,140
Long term debt	0	0	0	0	0
Other long-term liabilities	2,451	1,178	1,055	946	870
Long-term liabilities	2,451	1,178	1,055	946	870
A/C payable	2,701	2,510	2,397	2,400	2,494
Short term debt	0	0	0	0	0
Other current liabilities	2,577	1,907	1,696	1,475	1,309
Current liabilities	5,278	4,417	4,093	3,875	3,803
Total liabilities and shareholders' equity	17,046	12,093	10,381	10,466	10,813
Net working capital	(3,425)	(2,341)	(2,241)	(1,815)	(1,550)
Invested capital	6,495	5,344	4,822	4,619	4,417

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

Per share (THB)

Book value per share	5.35	3.73	3.00	3.24	3.52
Tangible book value per share	2.43	1.94	1.43	1.88	2.32

Financial strength

Net debt/equity (%)	(56.6)	(35.9)	(28.0)	(34.9)	(42.2)
Net debt/total assets (%)	(30.9)	(19.3)	(14.1)	(18.8)	(24.0)
Current ratio (x)	1.4	1.0	0.8	1.0	1.3
CF interest cover (x)	(25.1)	(33.6)	(4.4)	18.6	22.2

Valuation	2021	2022	2023E	2024E	2025E
Recurring P/E (x) *	574.8	(9.5)	(21.6)	38.1	32.1
Recurring P/E @ target price (x) *	500.7	(8.3)	(18.8)	33.2	28.0
Reported P/E (x)	574.8	(9.5)	(21.6)	38.1	32.1
Dividend yield (%)	4.8	-	-	1.0	1.2
Price/book (x)	2.9	4.2	5.2	4.8	4.4
Price/tangible book (x)	6.4	8.0	10.8	8.3	6.7
EV/EBITDA (x) **	8.8	(23.0)	7,010.4	11.1	10.8
EV/EBITDA @ target price (x) **	7.4	(19.7)	6,053.9	9.5	9.2
EV/invested capital (x)	3.3	4.6	5.3	5.4	5.5

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

Sources: Kerry Express (Thailand); FSSIA estimates

Corporate Governance report of Thai listed companies 2022

EXCELLENT LEVEL – Score range 90-100											
AAV	BAM	CIMBT	ECL	HENG	LALIN	NEP	PRG	SCC	SPRC	THRE	TTW
ADVANC	BANPU	CK	EE	HMPRO	LANNA	NER	PRM	SCCC	SPVI	THREL	TU
AF	BAY	CKP	EGCO	ICC	LHFG	NKI	PSH	SCG	SSC	TIPCO	TVDH
AH	BBIK	CM	EPG	ICHI	LIT	NOBLE	PSL	SCGP	SSSC	TISCO	TVI
AIRA	BBL	CNT	ETC	III	LOXLEY	NSI	PTG	SCM	SST	TK	TVO
AJ	BCP	COLOR	ETE	ILINK	LPN	NVD	PTA	SCN	STA	TKN	TPWC
AKP	BCPG	COM7	FN	ILM	LRH	NYT	PTTEP	SDC	STEC	TKS	UAC
AKR	BDMS	COMAN	FNS	IND	LST	OISHI	PTTGC	SEAFCO	STGT	TKT	UBIS
ALLA	BEM	COTTO	FPI	INTUCH	MACO	OR	PYLON	SEAOIL	STI	TMILL	UPOIC
ALT	BEYOND	CPALL	FPT	IP	MAJOR	ORI	Q-CON	SE-ED	SUN	TMT	UV
AMA	BGC	CPF	FSMART	IRC	MAKRO	OSP	QH	SELIC	SUSCO	TNDT	VCOM
AMARIN	BGRIM	CPI	FVC	IRPC	MALEE	OTO	QTC	SENA	SUTHA	TNITY	VGI
AMATA	BIZ	CPN	GC	ITEL	MBK	PAP	RABBIT	SENAJ	SVI	TOA	VIH
AMATAV	BKI	CRC	GEL	IVL	MC	PCSGH	RATCH	SGF	SYMC	TOP	WACOAL
ANAN	BOL	CSS	GFPT	JTS	MCOT	PDG	RBF	SHR	SYNTEC	TPBI	WAVE
AOT	BPP	DDD	GGC	JWD	METCO	PDJ	RS	SICT	TACC	TQM	WHA
AP	BRR	DELTA	GLAND	K	MFEC	PG	S	SIRI	TASCO	TRC	WHAUP
APURE	BTS	DEMCO	GLOBAL	KBANK	MINT	PHOL	S&J	SIS	TCAP	TRUE	WICE
ARIP	BTW	DOHOME	GPI	KCE	MONO	PLANB	SAAM	SITHAI	TEAMG	TSC	WINNER
ASP	BWG	DRT	GPSC	KEX	MOONG	PLANET	SABINA	SMPC	TFMAMA	TSR	XPG
ASW	CENTEL	DTAC	GRAMMY	KGI	MSC	PLAT	SAMART	SNC	THANA	TSTE	ZEN
AUCT	CFRESH	DUSIT	GULF	KKP	MST	PORT	SAMTEL	SONIC	THANI	TSTH	
AWC	CGH	EA	GUNKUL	KSL	MTC	PPS	SAT	SORKON	THCOM	TTA	
AYUD	CHEWA	EASTW	HANA	KTB	MVP	PR9	SC	SPALI	THG	TTB	
BAFS	CHO	ECF	HARN	KTC	NCL	PREB	SCB	SPI	THIP	TTCL	

VERY GOOD LEVEL – Score range 80-89											
2S	ASIMAR	CHOTI	ESSO	INSURE	LH	NRF	PROEN	SCI	SR	TMC	UMI
7UP	ASK	CHOW	ESTAR	IRCP	LHK	NTV	PROS	SCP	SRICHA	TMD	UOBKH
ABM	ASN	CI	FE	IT	M	NUSA	PROUD	SE	SSF	TMI	UP
ACE	ATP30	CIG	FLOYD	ITD	MATCH	NWR	PSG	SECURE	SSP	TNL	UPF
ACG	B	CITY	FORTH	J	MBAX	OCC	PSTC	SFLEX	STANLY	TNP	UTP
ADB	BA	CIVIL	FSS	JAS	MEGA	OGC	PT	SFP	STC	TNR	VIBHA
ADD	BC	CMC	FTE	JCK	META	ONEE	PTC	SFT	STPI	TOG	VL
AEONTS	BCH	CPL	GBX	JCKH	MFC	PACO	QLT	SGP	SUC	TPA	VPO
AGE	BE8	CPW	GCAP	JMT	MGT	PATO	RCL	SIAM	SVOA	TPAC	VRANDA
AHC	BEC	CRANE	GENCO	JR	MICRO	PB	RICHY	SINGER	SVT	TPCS	WGE
AIE	BH	CRD	GJS	KBS	MILL	PICO	RJH	SKE	SWC	TIPLI	WIHK
AIT	BIG	CSC	GTB	KCAR	MTSIB	PIMO	ROJNA	SKN	SYNEX	TIPIP	WIN
ALUCON	BJC	CSP	GYT	KGEN	MK	PIN	RPC	SKR	TAE	TPLAS	WINMED
AMANAH	BJCHI	CV	HEMP	KIAT	MODERN	PJW	RT	SKY	TAKUNI	TPS	WORK
AMR	BLA	CWT	HPT	KISS	MTI	PL	RWI	SLP	TCC	TQR	WP
APCO	BR	DCC	HTC	KK	NATION	PLE	S11	SMART	TCCM	TRITN	XO
APCS	BRI	DHOUSE	HUMAN	KOOL	NCAP	PM	SA	SMD	TFG	TRT	YUASA
AQUA	BROOK	DITTO	HYDRO	KTIS	NCH	PMTA	SABUY	SMIT	TFI	TRU	ZIGA
ARIN	BSM	DMT	ICN	KUMWEL	NDR	PPP	SAK	SMT	TFM	TRV	
ARROW	BYD	DOD	IFS	KUN	NETBAY	PPPM	SALEE	SNNP	TGH	TSE	
AS	CBG	DPAINT	IIG	KWC	NEX	PRAPAT	SAMCO	SNP	TIDLOR	TVT	
ASAP	CEN	DV8	IMH	KWM	NINE	PRECHA	SANKO	SO	TIGER	TWP	
ASEFA	CHARAN	EASON	INET	L&E	NNCL	PRIME	SAPPE	SPA	TIPH	UBE	
ASIA	CHAYO	EFORL	INGRS	LDC	NOVA	PRIN	SAWAD	SPC	TITLE	UEC	
ASIAN	CHG	ERW	INSET	LEO	NPK	PRINC	SCAP	SPCG	TM	UKEM	

GOOD LEVEL – Score range 70-79											
A	BEAUTY	CMAN	EMC	HL	KWI	MORE	PF	RSP	SUPER	TOPP	VARO
A5	BGT	CMO	EP	HTECH	KYE	MPIC	PK	SIMAT	TC	TPCH	W
AI	BLAND	CMR	EVER	IHL	LEE	MUD	PPM	SISB	TCCC	TPOLY	WFX
ALL	BM	CPANEL	F&D	INOX	LPH	NC	PRAKIT	SK	TCJ	TRUBB	WPH
ALPHAX	BROCK	CPT	FMT	JAK	MATI	NEWS	PTECH	SOLAR	TEAM	TTI	YGG
AMC	BSBM	CSR	GIFT	JMART	M-CHAI	NFC	PTL	SPACK	THE	TYCN	
APP	BTNC	CTW	GLOCON	JSP	MCS	NSL	RAM	SPG	THMUI	UMS	
AQ	CAZ	D	GLORY	JUBILE	MDX	NV	ROCK	SQ	TKC	UNIQ	
AU	CCP	DCON	GREEN	KASET	MENA	PAF	RP	STARK	TNH	UPA	
B52	CGD	EKH	GSC	KCM	MJD	PEACE	RPH	STECH	TNPC	UREKA	

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

DECLARED

AH	CHG	DHOUSE	EVER	J	KUMWEL	NRF	RS	SUPER	TQM	VIBHA
ALT	CI	DOHOME	FLOYD	JMART	LDC	NUSA	SAK	SVT	TRT	W
APCO	CPR	ECF	GLOBAL	JMT	MEGA	OR	SIS	TKN	TSI	WIN
ASW	CPW	EKH	ILM	JTS	NCAP	PIMO	SSS	TMD	VARO	
B52	DDD	ETC	INOX	KEX	NOVA	PLE	STECH	TMI	VCOM	

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

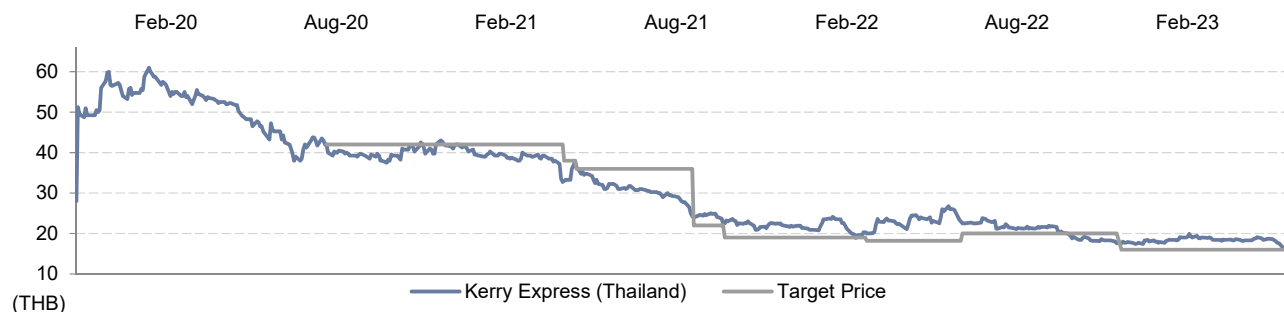
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History of change in investment rating and/or target price

Kerry Express (Thailand) (KEX TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
02-Jun-2021	HOLD	42.00	26-Jan-2022	REDUCE	22.00	19-Jul-2022	REDUCE	20.00
03-Nov-2021	BUY	38.00	15-Feb-2022	REDUCE	19.00	28-Oct-2022	REDUCE	16.00
11-Nov-2021	HOLD	36.00	18-May-2022	REDUCE	18.20			

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

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Kerry Express (Thailand)	KEX TB	THB 15.50	REDUCE	The key upside risks to our DCF-based TP are 1) if the competition is lower than our expectation; and 2) if the Covid-19 situation is under control.

Source: FSSIA estimates

Additional Disclosures

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

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All share prices are as at market close on 14-Feb-2023 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.