

BUY (Unchanged)

TP: Bt 25.00

(From: Bt 29.00)

Change in Numbers

Upside : 35.1%

26 JANUARY 2022

## RS Public Co Ltd (RS TB)

### A restart year

RS this year announced its growth plan of resuming new product launches, expanding into the mass market and building its entertainment ecosystem. We expect a strong earnings turnaround this year, after its earnings hiccup caused by COVID hitting sales and heavy marketing costs. We reaffirm our BUY as a post-COVID play.



RATA LIMSUTHIWANPOOM

662 – 483 8297

rata.lim@thanachartsec.co.th

#### Cutting our earnings; reaffirming BUY

RS's 4Q21F results will likely see larger losses q-q of Bt45m vs. our earlier B58m profit forecast. Key draggers are weaker media spend, call center work disruption with the high COVID infection period hitting its existing commerce business, and tougher health/beauty product competition. Together with the Omicron wave and delay of Specialty's equity income contribution, we cut our 2021-23F earnings by 41/25/25% and DCF-derived SOTP-based 12-month TP (2022F base year) to Bt25 (from Bt29). We reaffirm our BUY call and see RS as post-COVID play as we expect better sales of its new products. We foresee a strong 2022-23F earnings turnaround with 222/39% EPS growth. With such growth, its 38/27x PEs in those years don't look demanding.

#### 2022F a restart year

RS announced its 2022 growth resumption plan for its commerce business by expanding its owned brands into the mass market and its entertainment business. **First**, RS is looking to consolidate other health/beauty supplement product brands under Well U and herbal extract products under Vitanature+ and expand selling channels from RSmall (TV Ch.8, call centers, online) to modern trade and specialty stores. **Second**, launched in 2Q21 in convenience stores (mainly 7-11s) nationwide, the "Camu C" vitamin C drink's taste is to be reformulated with three new SKUs, including hemp, from late 1Q22. **Third**, Lifemate dry petfood, launched in late 2021, is to have five more SKUs (wet food, snacks, lifestyle products). **Fourth**, in entertainment, RS is building a "Popcoin" utility token ecosystem, with 0.7m registered users so far, to use in its entertainment application to create new income in the digital era.

#### EPS growth of 222/39% y-y for 2022-23F

We project EPS growth to turnaround to 222/39% y-y in 2022-23F on 1) 10/12% commerce sales growth (60% of 2022F revenue). Of this, 84% is from its mature existing commerce platform where we project 0/5% revenue growth. The remaining 16% is from new mass-market products. We project Bt400/600m p.a. in 2022-23F from Bt182m in 2021F, 2) lower marketing costs for new products with higher revenue, 3) equity income growth from Chase Asia and Specialty Group, 4) a turnaround in its radio and event businesses. Potential upside is extra income from Popcoin.

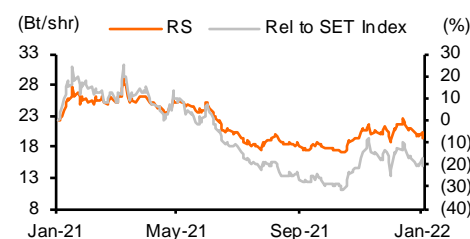
#### One or two M&A deals likely this year

The local press cited the potential Bt900m purchase of Unilever's direct-sales business. If true, we believe it's likely to be Unilever Life, a multilevel marketing direct-sales platform with a product portfolio of premium health and beauty products that could support RS's exclusive distribution networks that started up last year. Based on other direct sales peers, we calculate the purchase PE at 10-13x, which looks decent in our view.

#### COMPANY VALUATION

Y/E Dec (Bt m)	2020A	2021F	2022F	2023F
Sales	3,774	3,606	4,248	4,675
Net profit	528	148	477	664
Consensus NP	—	199	564	711
Diff frm cons (%)	—	(25.5)	(15.4)	(6.7)
Norm profit	528	148	477	664
Prev. Norm profit	—	251	639	880
Chg frm prev (%)	—	(41.1)	(25.3)	(24.6)
Norm EPS (Bt)	0.5	0.2	0.5	0.7
Norm EPS grw (%)	37.4	(72.0)	222.1	39.1
Norm PE (x)	34.1	121.5	37.7	27.1
EV/EBITDA (x)	15.2	30.9	18.4	13.8
P/BV (x)	9.0	8.6	7.8	7.1
Div yield (%)	0.0	0.7	2.1	3.0
ROE (%)	28.4	7.2	21.6	27.4
Net D/E (%)	28.7	63.8	79.5	60.9

#### PRICE PERFORMANCE



#### COMPANY INFORMATION

Price as of 26-Jan-22 (Bt)	18.50
Market Cap (US\$ m)	545.7
Listed Shares (m shares)	972.5
Free Float (%)	60.5
Avg Daily Turnover (US\$ m)	6.0
12M Price H/L (Bt)	29.00/17.00
Sector	COMM
Major Shareholder	Chetchotisak Family 23.6%

Sources: Bloomberg, Company data, Thanachart estimates



**Ex 1: Key Assumption Changes**

	2019	2020	2021F	2022F	2023F
<b>Total revenue (Bt m)</b>					
New	3,611	3,774	3,606	4,248	4,675
Old			3,746	4,542	5,193
Change (%)			(3.7)	(6.5)	(10.0)
<b>Entertainment revenue (Bt m)</b>					
New	1,599	1,392	1,326	1,750	1,872
Old			1,402	1,783	1,999
Change (%)			(5.4)	(1.9)	(6.4)
<b>Commerce revenue (Bt m) - new products</b>					
New			182	400	600
Old			200	400	600
Change (%)			(9.0)	—	—
<b>Commerce revenue (Bt m) - existing products</b>					
New	0	0	2,099	2,099	2,203
Old			2,144	2,358	2,594
Change (%)			(2.1)	(11.0)	(15.1)
<b>Average gross profit margin (%)</b>					
New	44.1	53.1	50.3	48.0	47.5
Old			52.6	51.5	51.9
<b>Equity income (Bt m)</b>					
New	0	0	70	159	203
Old			70	173	203
Change (%)			—	(8.1)	—
<b>Normalized profit (Bt m)</b>					
New	384	528	148	477	664
Old			251	639	880
Change (%)			(41.1)	(25.3)	(24.6)

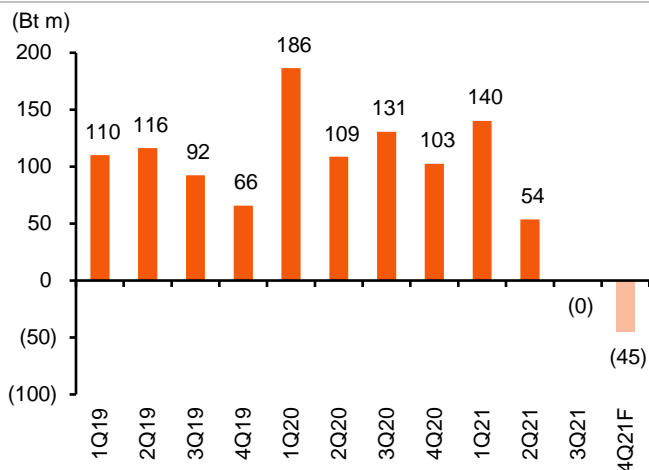
Sources: Company data, Thanachart estimates

## A likely weak 4Q21F, priced in

**A larger loss in 4Q21F dragged by commerce and media**

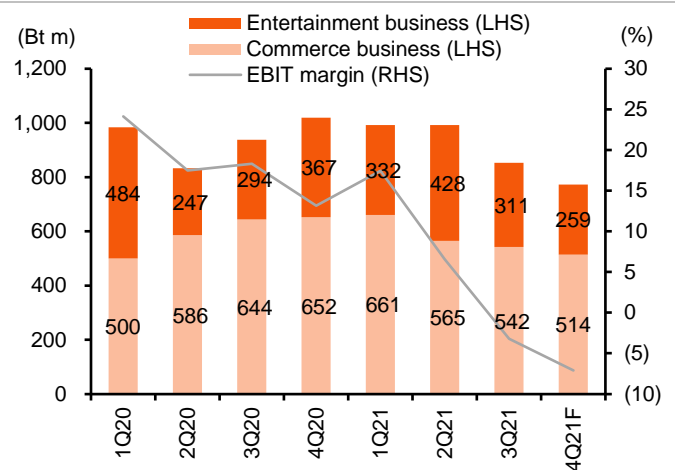
We expect RS's 4Q21F results to turn to a loss of Bt45m vs. our earlier estimate of a Bt58m profit. This is larger than the B0.3m loss in 3Q21. Despite falling committed marketing expense, key draggers have been its weaker commerce and entertainment businesses. We expect commerce sales (66% of revenue) to drop 21% y-y and 5% q-q to Bt514m due to stronger competition in health and beauty products and call center work disruption during the high COVID infection period, both of which hit its existing commerce business. We expect the commerce business's gross margin to drop from 65% in 4Q20 to 59% in 4Q21F (but come in relatively flat q-q) due to a higher portion of lower-margin, new mass-market products. As for the entertainment business (34% of sales), we expect revenue to drop 29% y-y and 17% q-q to Bt259m because of weak advertising income and falling content sales. We therefore project entertainment business gross margin to fall to 13% in 4Q21F vs. 17% in 4Q20 and 27% in 3Q21F. We believe 4Q21F earnings hiccup for RS is already reflected in its share price, which is off 36% from the peak of Bt29 last year.

**Ex 2: 4Q21F Likely To See A Larger Loss**



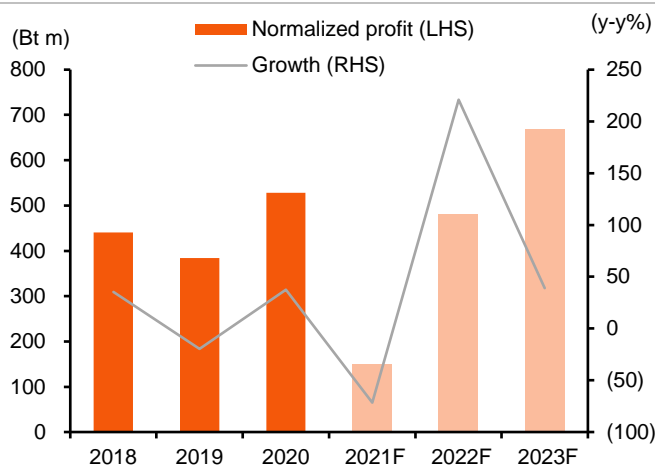
Sources: Company data, Thanachart estimates

**Ex 3: Revenue And Margin Quarterly**



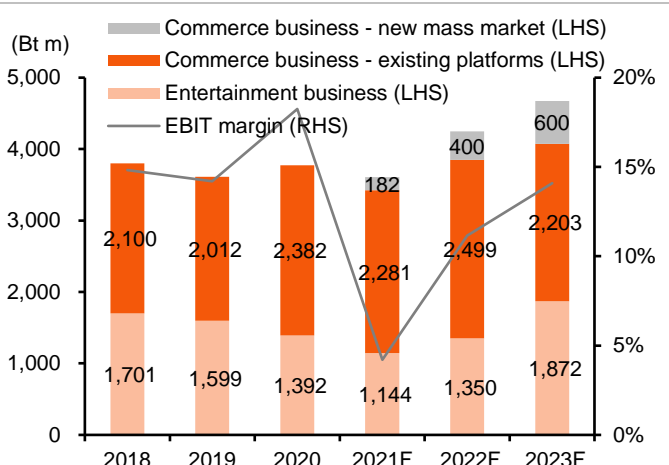
Sources: Company data, Thanachart estimates

**Ex 4: We Expect An Earnings Turnaround From 2022F**



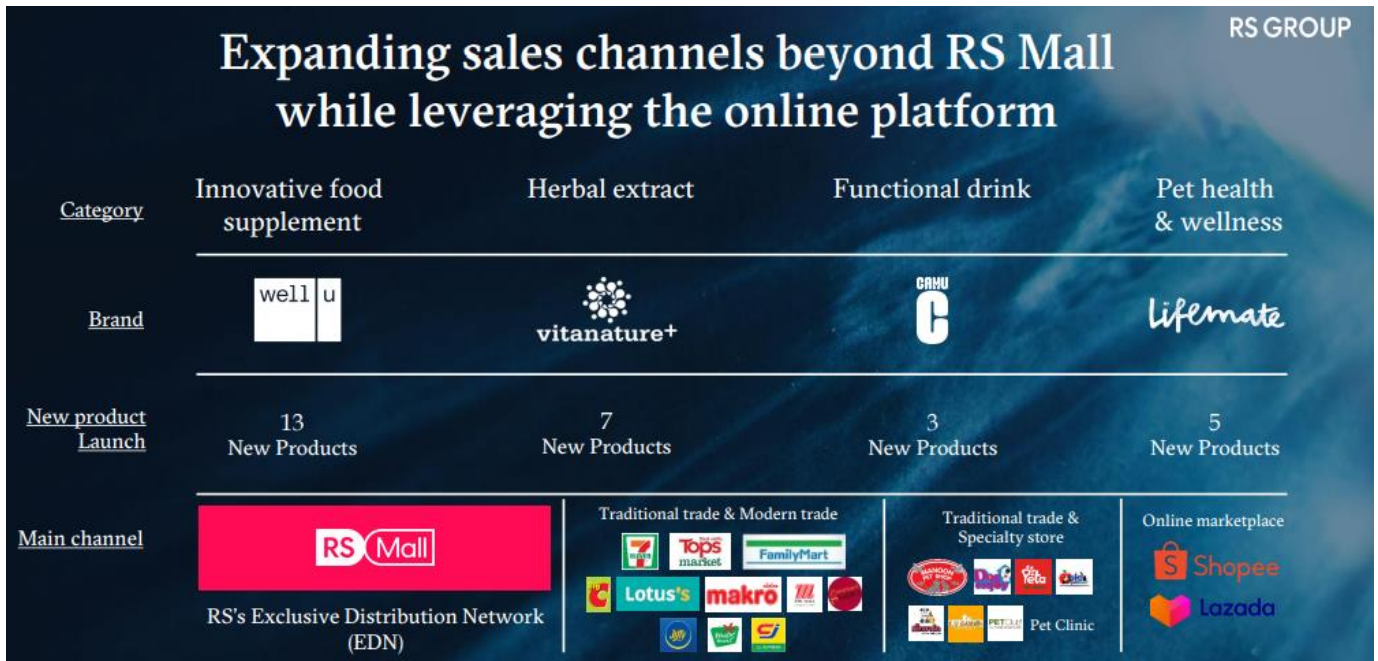
Sources: Company data, Thanachart estimates

**Ex 5: Revenue Estimates In 2021-23F**



Sources: Company data, Thanachart estimates

Ex 6: RS's Commerce Portfolio



Source: Company data

Ex 7: Unilever Life Product Examples



Source: Unilever Life

**Ex 8: 12-month SOTP-derived DCF-based TP Calculation, Using A 2022F Base Year**

(Bt m)	2022F	2023F	2024F	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F	Terminal Value
EBITDA	999	1,329	1,397	1,498	1,551	1,785	2,029	2,239	2,515	2,755	3,001	—
Free cash flow	(197)	714	757	825	866	1,038	1,240	1,405	1,637	1,824	2,030	31,706
PV of free cash flow	(196)	617	608	616	588	652	721	756	815	841	825	12,878
Risk-free rate (%)	2.5											
Market risk premium (%)	8.0											
Beta	0.8											
WACC (%)	7.6											
Terminal growth (%)	2.0											
Enterprise value - add investments	19,720											
Net debt (2021F)	1,335											
Minority interest	2											
Equity value	18,382											
# of shares (m)	972											
<b>Equity value / share</b>	<b>18.9</b>											
<b>Investment:</b>												
Chase Asia	4.2											
Specialty group	1.5											
<b>DCF-derived SOTP TP</b>	<b>25</b>											

Sources: Company data, Thanachart estimates

## Valuation Comparison

### Ex 9: Valuation Comparison With Regional Peers

Name	BBG code	Country	EPS growth		PE		P/BV		EV/EBITDA		Div. yield	
			21F (%)	22F (%)	21F (x)	22F (x)	21F (x)	22F (x)	21F (x)	22F (x)	21F (%)	22F (%)
Entertainment Ne	ENIL IN	India	na	na	na	20.4	1.1	1.0	11.8	6.1	0.8	1.9
Sun TV Network	SUNTV IN	India	10.3	8.2	11.2	10.3	2.4	2.2	6.5	5.7	4.7	5.3
Zee Entertainment	Z IN	India	58.9	25.0	21.8	17.5	2.5	2.3	14.0	11.4	1.2	1.4
Surya Citra Media	SCMA IJ	Indonesia	17.4	11.2	15.3	13.7	4.2	3.4	11.4	10.5	3.7	2.8
Media Nusantara	MNCN IJ	Indonesia	18.6	14.7	5.3	4.6	0.7	0.6	4.0	3.7	2.5	4.1
Beijing Gehua	600037 CH	China	15.3	140.0	78.5	32.7	0.9	0.8	5.3	4.0	0.4	1.0
Media Prima Bhd	MPR MK	Malaysia	na	40.3	12.2	8.7	0.8	0.7	2.3	2.2	0.5	1.7
BEC World*	BEC TB	Thailand	na	43.8	42.5	29.6	4.7	4.5	9.2	8.3	2.1	3.0
MAJOR Cineplex*	MAJOR TB	Thailand	na	34.1	21.7	16.1	2.4	2.3	12.4	9.7	2.8	5.0
Plan B Media*	PLANB TB	Thailand	na	na	na	68.9	4.9	4.6	13.2	10.7	0.0	0.7
RS Pcl*	RS TB	Thailand	(72.0)	222.1	121.5	37.7	8.6	7.8	30.9	18.4	0.7	2.1
VGI Global Media**	VGI TB	Thailand	(85.7)	144.5	260.1	106.4	2.9	2.8	119.7	83.0	0.4	0.2
Workpoint Ent**	WORK TB	Thailand	na	na	na	275.5	2.2	2.2	15.7	13.2	0.0	0.2
Bangkok Com. Asset*	BAM TB	Thailand	30.2	19.6	27.1	22.7	1.5	1.5	na	na	2.5	2.6
JMT Network Services	JMT TB	Thailand	9.1	31.3	50.9	38.8	6.4	5.3	43.2	33.5	1.1	1.5
Chayo Group	CHAYO TB	Thailand	24.2	39.1	50.0	35.9	4.7	3.8	31.3	20.2	0.4	0.6
Beauty Community	BEAUTY TB	Thailand	25.1	na	na	51.3	6.2	5.9	na	29.1	0.0	1.9
Do Day Dream	DDD TB	Thailand	na	na	na	58.2	1.2	1.2	na	21.5	5.3	1.5
Karmarts	KAMART TB	Thailand	(27.1)	54.6	33.3	21.5	3.4	3.2	19.4	14.0	3.0	4.4
<b>Average</b>			<b>2.0</b>	<b>59.2</b>	<b>53.7</b>	<b>45.8</b>	<b>3.2</b>	<b>3.0</b>	<b>21.9</b>	<b>17.0</b>	<b>1.7</b>	<b>2.2</b>

Source: Bloomberg

Note: \* Thanachart estimates using normalized EPS growth

\*\* VGI's fiscal year ends in March.

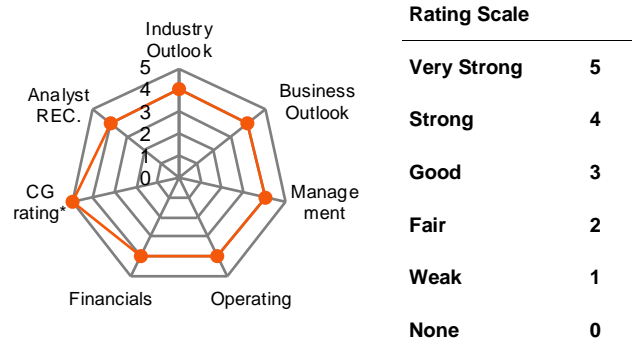
Based on 26-Jan-22 closing prices

## COMPANY DESCRIPTION

RS Public Company Limited (RS) operates diversified commerce and media businesses. The company and its subsidiaries produce digital music, and content for digital and satellite TV, radio programs, while organizing concerts and events, as well as operating a new retail business of multi-platform commerce (sales of beauty, healthy supplement and lifestyle products). RS has invested in a 35% stake in Chase Asia, which is a debt collection and asset management company (AMC).

Source: Thanachart

## COMPANY RATING



Source: Thanachart; \*CG Rating

## THANACHART'S SWOT ANALYSIS

### S — Strength

- Integrated entertainment network and commerce businesses.
- Swift adjustments in response to changes in consumer demand.
- Targeting customers nationwide.

### O — Opportunity

- Exposure to its multi-platform commerce business.
- Capitalizing on its audience base on media with its on-air marketplace business.
- The opportunity to expand its product line to new target group clients that buy some products on credit.

### W — Weakness

- Dependent on domestic consumption momentum.
- Dependent on superstar artists.

### T — Threat

- Liberalization of broadcasting regulations.
- Technology and consumer preferences have shifted.
- Piracy of the company's products.
- Regulatory risks from the government agencies.

## CONSENSUS COMPARISON

	Consensus	Thanachart	Diff
Target price (Bt)	21.62	25.00	16%
Net profit 21F (Bt m)	199	148	-26%
Net profit 22F (Bt m)	564	477	-15%
Consensus REC	BUY: 2	HOLD: 6	SELL: 1

## HOW ARE WE DIFFERENT FROM THE STREET?

- Our 2021-22F net profits are 26/15% below the Bloomberg consensus estimates, which we attribute to us factoring in the impact of COVID and adopting more conservative assumptions for commerce sales.
- However, our DCF-based TP is 16% higher, likely reflecting our more positive view on the growth of the commerce business and Chase Asia's performance over the longer term.

Sources: Bloomberg consensus, Thanachart estimates

## RISKS TO OUR INVESTMENT CASE

- If RS's commerce revenue and margin were to come in lower than we currently assume, this would represent the key downside risk to our call.
- If new regulations were to be imposed on beauty and health-business commercials appearing on media channels, this would represent a secondary downside risk to our call.
- If the digital-TV business performance does not reach our expectations because of sluggish domestic consumption or fierce competition.
- If the performance of Chase Asia does not reach our expectations because of lower-than-expected new debt purchased and/or its debt-collection performance.

Source: Thanachart

**INCOME STATEMENT**

<b>FY ending Dec (Bt m)</b>	<b>2019A</b>	<b>2020A</b>	<b>2021F</b>	<b>2022F</b>	<b>2023F</b>
Sales	3,611	3,774	3,606	4,248	4,675
Cost of sales	2,020	1,769	1,792	2,210	2,453
<b>Gross profit</b>	<b>1,591</b>	<b>2,006</b>	<b>1,814</b>	<b>2,038</b>	<b>2,222</b>
% gross margin	44.1%	53.1%	50.3%	48.0%	47.5%
Selling & administration expenses	1,079	1,317	1,662	1,564	1,563
<b>Operating profit</b>	<b>513</b>	<b>689</b>	<b>152</b>	<b>474</b>	<b>659</b>
% operating margin	14.2%	18.3%	4.2%	11.2%	14.1%
Depreciation & amortization	577	534	473	607	754
<b>EBITDA</b>	<b>1,089</b>	<b>1,223</b>	<b>625</b>	<b>1,080</b>	<b>1,414</b>
% EBITDA margin	30.2%	32.4%	17.3%	25.4%	30.2%
Non-operating income	11	17	7	8	9
Non-operating expenses	(6)	(4)	0	0	0
Interest expense	(35)	(36)	(61)	(85)	(93)
<b>Pre-tax profit</b>	<b>483</b>	<b>666</b>	<b>98</b>	<b>397</b>	<b>576</b>
Income tax	97	137	20	79	115
<b>After-tax profit</b>	<b>385</b>	<b>528</b>	<b>78</b>	<b>318</b>	<b>461</b>
% net margin	10.7%	14.0%	2.2%	7.5%	9.9%
Shares in affiliates' Earnings	0	0	70	159	203
Minority interests	(1)	0	0	0	0
Extraordinary items	(21)	0	0	0	0
<b>NET PROFIT</b>	<b>363</b>	<b>528</b>	<b>148</b>	<b>477</b>	<b>664</b>
<b>Normalized profit</b>	<b>384</b>	<b>528</b>	<b>148</b>	<b>477</b>	<b>664</b>
EPS (Bt)	0.4	0.5	0.2	0.5	0.7
Normalized EPS (Bt)	0.4	0.5	0.2	0.5	0.7

*Turnaround in earnings  
driven by entertainment  
and commerce businesses*

**BALANCE SHEET**

<b>FY ending Dec (Bt m)</b>	<b>2019A</b>	<b>2020A</b>	<b>2021F</b>	<b>2022F</b>	<b>2023F</b>
<b>ASSETS:</b>					
Current assets:	1,117	1,174	1,356	1,548	1,787
Cash & cash equivalent	328	200	200	200	300
Account receivables	516	711	830	978	1,076
Inventories	259	229	295	333	370
Others	13	33	32	37	41
Investments & loans	4	4	968	1,643	1,643
Net fixed assets	504	642	647	622	451
Other assets	1,782	2,697	2,431	2,575	2,623
<b>Total assets</b>	<b>3,407</b>	<b>4,516</b>	<b>5,403</b>	<b>6,388</b>	<b>6,504</b>
<b>LIABILITIES:</b>					
Current liabilities:	1,266	1,814	2,338	2,965	2,968
Account payables	651	1,016	1,115	1,375	1,526
Bank overdraft & ST loans	530	620	1,075	1,431	1,288
Current LT debt	0	0	0	0	0
Others current liabilities	84	178	149	159	155
<b>Total LT debt</b>	<b>236</b>	<b>156</b>	<b>461</b>	<b>613</b>	<b>552</b>
Others LT liabilities	178	543	511	490	456
<b>Total liabilities</b>	<b>1,680</b>	<b>2,512</b>	<b>3,310</b>	<b>4,068</b>	<b>3,977</b>
Minority interest	2	2	2	2	2
Preferreds shares	0	0	0	0	0
Paid-up capital	972	972	972	972	972
Share premium	322	322	322	322	322
Warrants	0	0	0	0	0
Surplus	0	(160)	(160)	(160)	(160)
<b>Retained earnings</b>	<b>430</b>	<b>867</b>	<b>956</b>	<b>1,183</b>	<b>1,391</b>
Shareholders' equity	1,725	2,002	2,091	2,318	2,525
<b>Liabilities &amp; equity</b>	<b>3,407</b>	<b>4,516</b>	<b>5,403</b>	<b>6,388</b>	<b>6,504</b>

Sources: Company data, Thanachart estimates

**CASH FLOW STATEMENT**

*Chase Asia investment,  
Specialty Group and normal  
capex planned for  
commerce business*

<b>FY ending Dec (Bt m)</b>	<b>2019A</b>	<b>2020A</b>	<b>2021F</b>	<b>2022F</b>	<b>2023F</b>
Earnings before tax	483	666	98	397	576
Tax paid	(97)	(137)	(20)	(79)	(115)
Depreciation & amortization	577	534	473	607	754
Chg In working capital	(19)	200	(86)	74	16
Chg In other CA & CL / minorities	(0)	69	43	164	195
<b>Cash flow from operations</b>	<b>943</b>	<b>1,331</b>	<b>508</b>	<b>1,162</b>	<b>1,426</b>
Capex	(749)	(593)	(400)	(500)	(500)
Right of use	0	(551)	(20)	(20)	(20)
ST loans & investments	0	0	0	0	0
LT loans & investments	(0)	0	(964)	(675)	0
Adj for asset revaluation	0	0	0	0	0
Chg In other assets & liabilities	(3)	(74)	176	(226)	(145)
<b>Cash flow from investments</b>	<b>(752)</b>	<b>(1,218)</b>	<b>(1,208)</b>	<b>(1,421)</b>	<b>(665)</b>
Debt financing	108	10	759	509	(205)
Capital increase	26	0	(0)	0	0
Dividends paid	(388)	(96)	(59)	(250)	(456)
Warrants & other surplus	52	(155)	0	0	0
<b>Cash flow from financing</b>	<b>(201)</b>	<b>(241)</b>	<b>700</b>	<b>259</b>	<b>(661)</b>
<b>Free cash flow</b>	<b>194</b>	<b>738</b>	<b>108</b>	<b>662</b>	<b>926</b>

**VALUATION**

*We expect RS's PE to fall in  
2022-23F on the back of  
strong earnings growth*

<b>FY ending Dec</b>	<b>2019A</b>	<b>2020A</b>	<b>2021F</b>	<b>2022F</b>	<b>2023F</b>
Normalized PE (x)	46.8	34.1	121.5	37.7	27.1
Normalized PE - at target price (x)	63.2	46.0	164.2	51.0	36.6
PE (x)	49.5	34.1	121.5	37.7	27.1
PE - at target price (x)	66.9	46.0	164.2	51.0	36.6
EV/EBITDA (x)	16.9	15.2	30.9	18.4	13.8
EV/EBITDA - at target price (x)	22.7	20.4	41.0	24.2	18.3
P/BV (x)	10.4	9.0	8.6	7.8	7.1
P/BV - at target price (x)	14.1	12.1	11.6	10.5	9.6
P/CFO (x)	19.1	13.5	35.4	15.5	12.6
Price/sales (x)	5.0	4.8	5.0	4.2	3.8
Dividend yield (%)	1.6	0.0	0.7	2.1	3.0
FCF Yield (%)	1.1	4.1	0.6	3.7	5.1
<b>(Bt)</b>					
Normalized EPS	0.4	0.5	0.2	0.5	0.7
EPS	0.4	0.5	0.2	0.5	0.7
DPS	0.3	0.0	0.1	0.4	0.5
BV/share	1.8	2.1	2.1	2.4	2.6
CFO/share	1.0	1.4	0.5	1.2	1.5
FCF/share	0.2	0.8	0.1	0.7	1.0

Sources: Company data, Thanachart estimates

## FINANCIAL RATIOS

FY ending Dec	2019A	2020A	2021F	2022F	2023F
<b>Growth Rate</b>					
Sales (%)	(5.6)	4.5	(4.4)	17.8	10.0
Net profit (%)	(29.6)	45.4	(72.0)	222.1	39.1
EPS (%)	(35.1)	45.4	(72.0)	222.1	39.1
Normalized profit (%)	(12.7)	37.4	(72.0)	222.1	39.1
Normalized EPS (%)	(19.6)	37.4	(72.0)	222.1	39.1
Dividend payout ratio (%)	80.3	0.0	80.0	80.0	80.0
<b>Operating performance</b>					
Gross margin (%)	44.1	53.1	50.3	48.0	47.5
Operating margin (%)	14.2	18.3	4.2	11.2	14.1
EBITDA margin (%)	30.2	32.4	17.3	25.4	30.2
Net margin (%)	10.7	14.0	2.2	7.5	9.9
D/E (incl. minor) (x)	0.4	0.4	0.7	0.9	0.7
Net D/E (incl. minor) (x)	0.3	0.3	0.6	0.8	0.6
Interest coverage - EBIT (x)	14.8	19.1	2.5	5.6	7.1
Interest coverage - EBITDA (x)	31.5	33.9	10.2	12.7	15.2
ROA - using norm profit (%)	10.3	13.3	3.0	8.1	10.3
ROE - using norm profit (%)	22.6	28.4	7.2	21.6	27.4
<b>DuPont</b>					
ROE - using after tax profit (%)	22.7	28.3	3.8	14.4	19.0
- asset turnover (x)	1.0	1.0	0.7	0.7	0.7
- operating margin (%)	14.3	18.6	4.4	11.4	14.3
- leverage (x)	2.2	2.1	2.4	2.7	2.7
- interest burden (%)	93.3	94.9	61.5	82.4	86.1
- tax burden (%)	79.8	79.4	80.0	80.0	80.0
WACC (%)	7.6	7.6	7.6	7.6	7.6
ROIC (%)	20.6	25.3	4.7	11.1	12.7
NOPAT (Bt m)	409	547	122	379	527
invested capital (Bt m)	2,163	2,578	3,426	4,162	4,065

Sources: Company data, Thanachart estimates

### General Disclaimers And Disclosures:

This report is prepared and issued by Thanachart Securities Public Company Limited (TNS) as a resource only for clients of TNS, Thanachart Capital Public Company Limited (TCAP) and its group companies. Copyright © Thanachart Securities Public Company Limited. All rights reserved. The report may not be reproduced in whole or in part or delivered to other persons without our written consent.

This report is prepared by analysts who are employed by the research department of TNS. While the information is from sources believed to be reliable, neither the information nor the forecasts shall be taken as a representation or warranty for which TNS or TCAP or its group companies or any of their employees incur any responsibility. This report is provided to you for informational purposes only and it is not, and is not to be construed as, an offer or an invitation to make an offer to sell or buy any securities. Neither TNS, TCAP nor its group companies accept any liability whatsoever for any direct or consequential loss arising from any use of this report or its contents.

The information and opinions contained herein have been compiled or arrived at from sources believed reliable. However, TNS, TCAP and its group companies make no representation or warranty, express or implied, as to their accuracy or completeness. Expressions of opinion herein are subject to change without notice. The use of any information, forecasts and opinions contained in this report shall be at the sole discretion and risk of the user.

TNS, TCAP and its group companies perform and seek to perform business with companies covered in this report. TNS, TCAP, its group companies, their employees and directors may have positions and financial interest in securities mentioned in this report. TNS, TCAP or its group companies may from time to time perform investment banking or other services for, or solicit investment banking or other business from, any entity mentioned in this report. Therefore, investors should be aware of conflict of interest that may affect the objectivity of this report.

Note: Thanachart Securities Public Company Limited act as a Market Maker and Derivative Warrants Issuer. At present, TNS has issued 116 Derivative Warrants which are ACE16C2201A, ACE16C2202A, ADVA16C2201A, ADVA16C2202A, AEON16C2201A, AEON16C2201B, AOT16C2204A, AOT16C2202A, BAM16C2204A, BANP16C2204A, BANP16C2201A, BANP16C2202A, BBL16C2204A, BBL16C2201A, BBL16C2203A, BCH16C2201A, BCH16C2203A, BEC16C2202A, BGRI16C2205A, CBG16C2204A, CBG16C2201A, CBG16C2202A, CHG16C2202A, COM716C2203A, CPAL16C2204A, CPAL16C2203A, CPF16C2205A, CPN16C2202A, CRC16C2204A, DELT16C2202A, DELT16C2203A, DOHO16C2202A, EA16C2205A, EA16C2201A, ESSO16C2202A, GLOB16C2201A, GLOB16C2203A, GPSC16C2205A, GPSC16C2201A, GPSC16C2201B, GPSC16C2203A, GULF16C2202A, GUNK16C2205A, GUNK16C2201A, GUNK16C2203A, HANA16C2204A, HANA16C2202A, HMPR16C2202A, INTU16C2201A, INTU16C2202A, IVL16C2202A, JAS16C2202A, JMAR16C2205A, JMAR16C2201A, JMAR16C2202A, JMT16C2205A, JMT16C2201A, JMT16C2203A, KBAN16C2201A, KBAN16C2202A, KCE16C2205A, KCE16C2201A, KTC16C2202A, LH16C2202A, MAJO16C2201A, MINT16C2204A, MINT16C2203A, MTC16C2204A, MTC16C2202A, OR16C2202A, OR16C2203A, PTG16C2201A, PTG16C2202A, PTG16C2203A, PTL16C2201A, PTL16C2202A, PTL16C2202B, PTT16C2201A, PTT16C2203A, PTTE16C2203A, RBF16C2202A, RS16C2205A, RS16C2201A, S5016P2203B, S5016C2112A, S5016C2112B, S5016C2112C, S5016C2112D, S5016C2203A, S5016P2112A, S5016P2112B, S5016P2112C, S5016P2112D, S5016P2203A, SAWA16C2204A, SAWA16C2202A, SCB16C2201A, SCB16C2202A, SCC16C2204A, SCGP16C2201A, SCGP16C2202A, SPAL16C2202A, SPRC16C2201A, STA16C2203A, STA16C2201A, STEC16C2204A, STEC16C2201A, STGT16C2202A, SYNE16C2202A, TASC16C2201A, TOP16C2202A, TRUE16C2202A, TRUE16C2203A, TU16C2204A, TU16C2202A, WHA16C2202A (underlying securities are ACE, ADVANC, AEONTS, AMATA, AOT, BAM, BANPU, BBL, BCH, BEC, BGRIM, CBG, CHG, COM7, CPALL, CPF, CPN, CRC, DELTA, DOHOME, DTAC, EA, ESSO, GLOBAL, GPSC, GULF, GUNKUL, HANA, HMPRO, INTUCH, IRPC, IVL, JAS, JMART, JMT, KBANK, KCE, KTC, LH, MAJOR, MEGA, MINT, MTC, OR, PTG, PTL, PTT, PTTEP, RBF, RS, SAWAD, SCB, SCC, SCGP, SPALI, SPRC, SET50, STA, STEC, STGT, SYNTEC, TESCO, TOP, TRUE, TU, WHA). Since TNS covers those underlying securities in research report, consequently TNS incurs conflicts of interest. Moreover, Investors are advised to carefully review the details and information in the prospectus before making investment decisions.

**Note:** Thanachart Securities has an indirect financial interest in Ratchthani Leasing Pcl (THANI). Thanachart Securities Pcl is a subsidiary of Thanachart Capital Pcl (TCAP) which holds more than 56% of the shareholding in Ratchthani Leasing Pcl (THANI).

**Note:** Thanachart Capital Public Company Limited (TCAP), TMBThanachart Bank Public Company Limited (TTB), are related companies to Thanachart Securities Public Company Limited (TNS). Thanachart Securities Pcl is a subsidiary of Thanachart Capital Pcl (TCAP) which holds 21.2% of the shareholding in TMBThanachart Bank Pcl.

Thanachart Capital Public Company Limited (TCAP), Ratchthani Leasing Public Company Limited (THANI), TMB Public Company Limited, MBK PUBLIC COMPANY LIMITED (MBK) and PATUM RICE MILL AND GRANARY PUBLIC COMPANY LIMITED (PRG ) are related companies to Thanachart Securities Public Company Limited (TNS) . Since TNS covers those securities in research report, consequently TNS incurs conflicts of interest.

### Disclosure of Interest of Thanachart Securities

#### Investment Banking Relationship

Within the preceding 12 months, Thanachart Securities has lead-managed public offerings and/or secondary offerings (excluding straight bonds) of the securities of the following companies: Saksiam Leasing Pcl. (SAK TB), SCG Packaging Pcl (SCGP TB)

### Recommendation Structure:

Recommendations are based on absolute upside or downside, which is the difference between the target price and the current market price. If the upside is 10% or more, the recommendation is BUY. If the downside is 10% or more, the recommendation is SELL. For stocks where the upside or downside is less than 10%, the recommendation is HOLD. 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 the market price and the formal recommendation.

For sectors, an "Overweight" sector weighting is used when we have BUYs on majority of the stocks under our coverage by market cap. "Underweight" is used when we have SELLs on majority of the stocks we cover by market cap. "Neutral" is used when there are relatively equal weightings of BUYs and SELLs.

### Thanachart Securities Pcl.

Research Team

19 Floor, MBK Tower

444 Phayathai Road, Pathumwan Road, Bangkok 10330

Tel: 662 - 779-9119

Email: thanachart.res@thanachartsec.co.th

#### Pimpaka Nichgaroon, CFA

Head of Research

Tel: 662-779-9199

pimpaka.nic@thanachartsec.co.th

#### Pattarawan Wangmingmat

Senior Technical Analyst

Tel: 662-779-9105

pattarawan.wan@thanachartsec.co.th

#### Phannarai Tiyapittayarut

Property, Retail

Tel: 662-779-9109

phannarai.von@thanachartsec.co.th

#### Sarachada Sornsong

Bank, Finance, Insurance

Tel: 662-779-9106

sarachada.sor@thanachartsec.co.th

#### Witchanan Tambamroong

Technical Analyst

Tel: 662-779-9123

witchanan.tam@thanachartsec.co.th

#### Adisak Phupiphathirungul, CFA

Retail Market Strategy

Tel: 662-779-9120

adisak.phu@thanachartsec.co.th

#### Nuttapop Prasitsuksant

Telecom, Utilities

Tel: 662-483-8296

nuttapop.pra@thanachartsec.co.th

#### Rata Limsuthiwanoom

Auto, Industrial Estate, Media, Prop. Fund

Tel: 662-483-8297

rata.lim@thanachartsec.co.th

#### Siriporn Arunothai

Small Cap, Healthcare, Hotel

Tel: 662-779-9113

siriporn.aru@thanachartsec.co.th

#### Sittichet Rungrassameephat

Analyst, Quantitative

Tel: 662-483-8303

sittichet.run@thanachartsec.co.th

#### Chak Reungsinpinya

Thematic Research, Paper

Tel: 662-779-9104

chak.reu@thanachartsec.co.th

#### Pattadol Bunnak

Electronics, Food & Beverage, Shipping

Tel: 662-483-8298

pattadol.bun@thanachartsec.co.th

#### Saksid Phadthananarak

Construction, Transportation

Tel: 662-779-9112

saksid.pha@thanachartsec.co.th

#### Yupapan Polpornprasert

Energy, Petrochemical

Tel: 662-779-9110

yupapan.pol@thanachartsec.co.th

#### Thaloengsak Kucharoenpaisan

Analyst, Retail Market

Tel: 662-483-8304

thaloengsak.kuc@thanachartsec.co.th