

DEMCO DEMCO TB

THAILAND / UTILITIES - RENEWABLES

BUY
 UNCHANGED

Winds of fortune rising?

- DEMCO's net profit could rise to THB275m in 2024 from its 4% stake in WEH.
- WEH is filing to sell THB2b worth of debentures to fund its capacity expansion.
- Maintain BUY with a reduced 2023 SoTP-based TP of THB5.46.

Winds of fortune rising?

While we remain negative on DEMCO's core net profit from its EPC and power trading businesses, we think DEMCO's true value lies in its 4% stake in Wind Energy Holding (WEH, not listed), Thailand's largest wind farm operator with a total capacity of 0.7GW. We believe WEH's potential upside from capacity growth of up to 900MW under the upcoming bidding for 1.5GW of wind farm capacity, scheduled within November 2022, is critical not only for DEMCO's survival but its growth as well.

WEH's growth is critical to DEMCO's growth outlook

WEH is in the process of issuing THB2b worth of debentures to fund its 0.9GW wind farm capacity growth, which we think has a high chance of success due to WEH's solid competitiveness, as detailed in FSSIA's report, "[New capacity for wind and solar coming soon](#)", dated 13 September 2022. The Thai regulator, the Energy Policy and Planning Office (EPPO), announced its plan to open bidding for new renewable power projects that will commence their commercial operation dates (CODs) in 2022-30. If WEH wins additional capacity, we think its growth could be a catalyst for DEMCO's share price. We see a potential upside of THB1.19/share. We estimate that DEMCO's net profit would rise by up to THB275m in 2024 under our 500MW additional capacity assumption.

Reaching a new nadir in EPC backlog

DEMCO recently lost THB900m worth of its EPC backlog out of a total THB4b, mainly from the backlog of Krungthep Thanakom Company Limited (KT, not listed), one of DEMCO's major customers in 2022-24. KT's project was postponed on the Bangkok Metropolitan Administration (BMA)'s order. Although DEMCO's revenue has been in a downward trend since 2017 due to higher competition, its overall net profit has been supported by its 4% share in WEH, with a total installed capacity of 717MW. DEMCO's 2021 net profit increased by 83% to THB101m, mainly due to equity profit from WEH totalling THB162m.

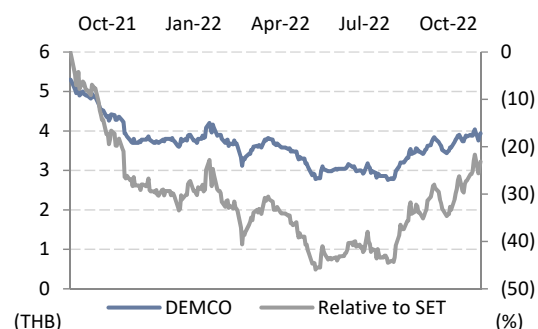
Maintain BUY with a revised target price of THB5.46

We maintain BUY while revising down our SoTP-TP from THB5.9 to THB5.46. We lower our 2022-23 EPS forecasts to THB0.24 and THB0.25 to reflect the declining EPC backlogs, while introducing our 2024 EPS estimate of THB0.38 to reflect the potential equity profit from WEH.

TARGET PRICE	THB5.46
CLOSE	THB3.94
UP/DOWNSIDE	+38.6%
PRIOR TP	THB5.90
CHANGE IN TP	-7.5%
TP vs CONSENSUS	-

KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Revenue	2,560	2,046	2,242	2,439
Net profit	101	177	180	275
EPS (THB)	0.14	0.24	0.25	0.38
vs Consensus (%)	-	-	-	-
EBITDA	(90)	(5)	(5)	15
Core net profit	101	177	180	275
Core EPS (THB)	0.14	0.24	0.25	0.38
Chg. In EPS est. (%)	nm	(17.0)	(26.9)	nm
EPS growth (%)	82.7	75.0	2.0	52.8
Core P/E (x)	28.5	16.3	16.0	10.5
Dividend yield (%)	0.9	3.0	28.4	53.8
EV/EBITDA (x)	(47.1)	(816.6)	(800.0)	277.9
Price/book (x)	0.7	0.6	0.6	0.7
Net debt/Equity (%)	31.2	24.9	20.9	29.5
ROE (%)	2.3	4.0	4.0	6.4



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	14.5	39.7	(21.2)
Relative to country (%)	17.6	36.3	(19.0)
Mkt cap (USD m)	77		
3m avg. daily turnover (USD m)	0.2		
Free float (%)	67		
Major shareholder	Mrs. Praphee Puipunthavong (15%)		
12m high/low (THB)	5.40/2.72		
Issued shares (m)	730.34		

Sources: Bloomberg consensus; FSSIA estimates



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Investment thesis

DEMCO engages in three main businesses: 1) a service business – engineering, procurement, and construction (EPC); 2) a sales business – trading of steel structures and electrical equipment; and 3) investing in renewable energy, i.e. solar rooftops, solar farms, and wind farms.

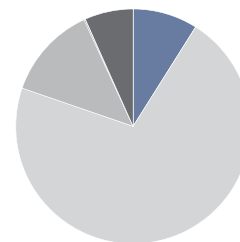
Company profile

DEMCO is one of the leading EPC companies in Thailand, with an additional side-line as a wind farm operator.

www.demco.co.th

Principal activities (revenue, 2021)

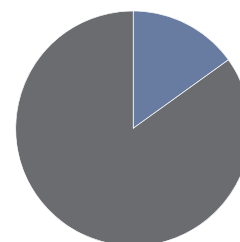
- Sales - 8.9 %
- Electricity work - 71.3 %
- Mechanical work - 12.9 %
- Electricity from solar power - 0.2 %
- Engagement work - 0.0 %
- Others - 6.7 %



Source: Demco

Major shareholders

- Mrs. Praphee Puipunthavong - 15.1 %
- Others - 84.9 %



Source: Demco

Catalysts

High utilisation rates of power plants, rising demand for EPC for power projects in Thailand, and higher dividends from WEH are key potential drivers.

Risks to our call

Delays in bidding for power transmission projects represent a key downside risk.

Event calendar

Date	Event
Dec 2022	3Q22 opportunity day

Key assumptions

	2022E (THB m)	2023E (THB m)	2024E (THB m)
EPC backlog	2,935.0	3,085.0	3,235.0
Equity income	283.6	291.4	365.6

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in EPC backlog, we estimate 2022 earnings would rise by 1.3%, and vice versa, all else being equal.
- For every 1% increase in interest rate, we estimate 2022 earnings would decline by 1.2%, and vice versa, all else being equal.
- Higher EPC demand and high utilisation rates of power plants are key for earnings growth.

Source: FSSIA estimates

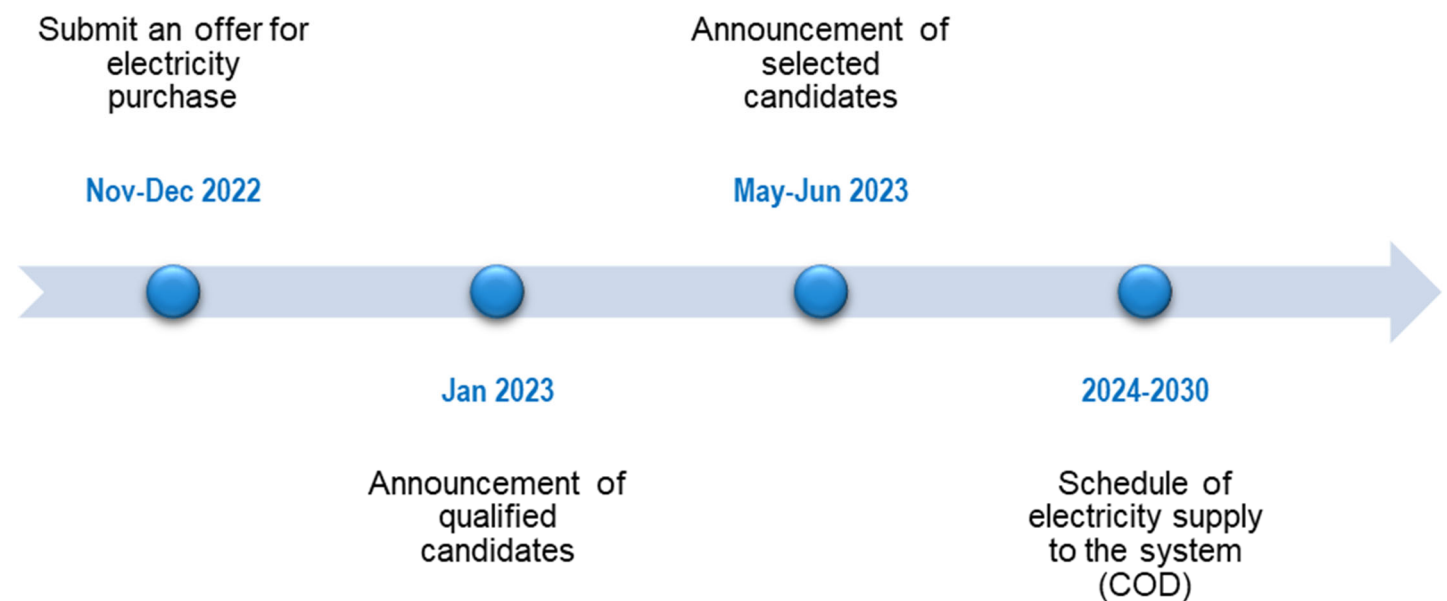
DEMCO's growth hinges on WEH's growth for wind farm projects

Despite DEMCO's negative operating profit for three consecutive years from 2019-21, we believe that DEMCO's 4% share in WEH will continue to be its main source of income, and will be used to cover all of its loss-making operational expenses. WEH plans to participate in the upcoming wind farm capacity bidding and is targeting power purchase agreement (PPAs) totalling 900MW. If successful, we think this could be a catalyst for DEMCO's share price. We see a potential upside of THB1.19/share. We estimate that DEMCO's net profit could rise to THB275m in 2024 under our assumption of 500MW of additional capacity.

New renewable capacity up for bidding

Referring to FSSIA's research report, "[New capacity for wind and solar coming soon](#)", dated 13 September 2022, the EPPO, under Power Development Plan 2018 Revision 1 (PDP2018Rev1), approved the plan to open bidding for new renewable power projects that will commence their CODs in 2022-30. Additionally, the Energy Regulatory Commission has established the 2022-30 feed-in-tariff structure covering non-firm PPAs for renewable energy projects with a capacity of 90MW or less, including solar farms, wind farms, biogas (wastewater), and partial-firm PPAs for hybrid solar farms and battery energy storage systems with a PPA life of 20-25 years. The total PPA capacity will be 5.2GW for projects scheduled to COD during 2024-30.

Exhibit 1: The Energy Regulatory Commission's execution timeline



Source: The Energy Regulatory Commission

WEH is filing to sell THB2b worth of debentures to focus on future growth

We believe that secured capacity growth of up to 900MW is not only critical for DEMCO's survival but for its growth as well. To fund its capacity expansion, WEH is filing to sell THB2b worth of debentures. WEH is also looking for investment opportunities to support future growth without strictly being limited to renewable energy, including working capital for the company through its subsidiaries.

Exhibit 2: One of Wind Energy Holding's wind farms



Source: Wind Energy Holding

Exhibit 3: Wind Energy Holding: income statements for FY2019-21

YE Dec	2019 (THB m)	2020 (THB m)	2021 (THB m)
Net sales	89	4,505	4,061
Cost of sales/services	110	100	110
Gross profit (loss)	(21)	4,405	3,951
Operating expenses	628	413	374
Operating income (loss)	(649)	3,992	3,577
Other income	5,787	70	13
Other expenses	35	0	0
Income (loss) before interest and income taxes	5,104	4,062	3,590
Interest expenses	497	334	30
Income taxes	0	0	0
Net income (loss)	4,607	3,728	3,560

Sources: Wind Energy Holding; Corpus X

A significant drop in EPC backlog

We expect DEMCO's EPC business to reach its lowest point in the past 12 years at THB2,046m in 2022. We believe that DEMCO's EPC business was more successful during 2011-16. We are revising down our earnings estimates for DEMCO in 2022-24 by 17%, 26.9% and 26.1%, respectively, as it has faced continuously declining revenue from its EPC business since 2016. At the end of 2021, DEMCO had around a THB4b backlog in the pipeline to execute in 2022-24.

KT was one of DEMCO's major customers in 2022-24, contributing around THB900m to the company's backlog. However, KT's underground communication cable project has been postponed on BMA's order.

Although DEMCO's revenue has been in a downward trend since 2017 due to higher competition, its overall net profit has been supported by its 4% share in WEH, the largest wind farm operator in Thailand with a total installed capacity of 717MW. DEMCO's 2021 net profit increased by 83% to THB101m, mainly due to equity profit from WEH totalling THB162m.

Exhibit 4: Electrical engineering work



Source: DEMCO

Exhibit 5: Renewable energy work



Source: DEMCO

Exhibit 6: Signalling and communication work



Source: DEMCO

Exhibit 7: Mechanical and electrical work (MEIT)



Source: DEMCO

Exhibit 8: Telecommunication tower work



Source: DEMCO

Exhibit 9: Energy conservation work



Source: DEMCO

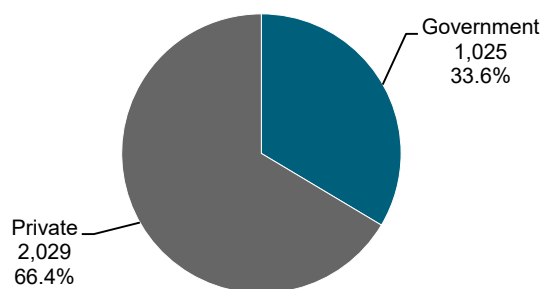
Exhibit 10: DEMCO's project backlog as of 8 Aug 2022

Project type	Project backlog		
	Q1-Q2 2022	Backlog Q3-Q4 2022-2024	
	Project value (THB m)	No. of projects (no.)	Project value (THB m)
Electrical engineering work	484	78	2,783
Signalling work & MEIT	150	13	166
Hardware sales	36	0	0
Subtotal	670	91	2,948
Renewable energy	22	3	106
Subtotal	22	3	106
Grand total	692	94	3,054

Source: DEMCO

Exhibit 11: DEMCO's project backlog as of 8 Aug 2022

DEMCO's Project Backlog by type of customer



Source: DEMCO

Postponement of Krungthep Thanakom's underground cable project

KT is under the control and supervision of BMA, which holds a 99.9% share, and is responsible for business operations in utilities and other related businesses. The operations include projects developed by the company itself as well as assigned by BMA.

On 15 August 2022, BMA reported that the underground communication line project being undertaken by KT seems to be of concern. The first phase of the project has been completed but there were no operators interested in renting such underground communication lines. Therefore, the project has been postponed until further notice.

BMA previously assigned KT the project to run electrical and communication cables underground in order to organise and improve the city's scenery, with a THB19b budget. At present, 7.2km of construction has been completed, with a budget of THB140m. However, the key concern is that there would not be enough income to support KT, therefore, KT was ordered to postpone the project (and most likely put an end to all projects).

Exhibit 12: Krungthep Thanakom: underground communication cable project



Source: Krungthep Thanakom

Maintain BUY with a revised target price of THB5.46

We maintain our BUY recommendation for DEMCO with an SoTP valuation of THB5.46/share. We revise down our 2022-23 EPS forecasts to THB0.24 and THB0.25, respectively, to reflect the declining EPC backlogs, while introducing our 2024 EPS estimate of THB0.38 to reflect the potential equity profit from WEH. We revise down our revenue assumptions for 2022-24 by 36.3%/27.9%/21.6% due to the declining EPC backlogs expected in 2022-24.

Exhibit 13: Assumptions on revenue and equity income from associates

	2021	2022E	2023E	2024E
	(THB m)	(THB m)	(THB m)	(THB m)
Revenue from service business	2,331	1,635	1,785	1,935
Revenue from sales business	229	411	457	504
Equity income from associates	162	284	291	366

Sources: DEMCO; FSSIA estimates

Exhibit 14: Key changes in assumptions

	Current			Previous			Change (%)		
	2022E	2023E	2024E	2022E	2023E	2024E	2022E	2023E	2024E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)
Revenue	2,046	2,242	2,439	3,211	3,111	3,111	(36.3)	(27.9)	(21.6)
Gross profit	278	306	352	400	414	515	(30.4)	(26.2)	(31.6)
Operating profit	(76)	(80)	(65)	(48)	(20)	81	(57.9)	(296.0)	(180.0)
Net profit	176.5	180.1	275.2	212.7	246.2	370.0	(17.0)	(26.9)	(25.6)
EPS (THB/shr)	0.2	0.2	0.4	0.3	0.3	0.5	(17.0)	(26.9)	(26.1)
Key assumptions									
EPC backlog	2,935.0	3,085.0	3,235.0	3,100.0	3,100.0	3,100.0	(5.3)	(0.5)	4.4
Equity income	283.6	291.4	365.6	273.1	273.9	264.0	3.9	6.4	38.5

Sources: DEMCO; FSSIA estimates

We apply a DCF valuation for each power plant using a similar risk-free rate of 3%, a risk premium of 8% and a beta of 0.6, which results in a WACC of 6.6%. We derive our SoTP-based target price of THB5.46 from:

- THB1.77/share from EPC and manufacturing;
- THB0.21/share from solar power (DCF);
- THB0.07/share from solar rooftops (DCF);
- THB3.53/share from its 4% stake in WEH's wind power (DCF)
- THB1.19/share potential upside from power plant bidding (DCF).

Exhibit 15: DEMCO's SoTP valuation

Cost of equity assumptions		(%)	Cost of debt assumptions		(%)
Risk-free rate		3.0	Pretax cost of debt		4.5
Market risk premium		8.0	Marginal tax rate		20.0
Stock beta		0.6			
Cost of equity, Ke		7.8	Net cost of debt, Kd		3.6
Weight applied		74.7	Weight applied		25.3
WACC (%)		6.6			
Sum-of-the-parts valuation estimate		(THB m)	(THB/share)	Comments	
EPC and Manufacturing		1,292	1.77	10x FY23E P/E	
Solar power		157	0.21	WACC 6.6%, Risk-free rate 3.0%, Risk premium 8.0%	
Solar rooftop		48	0.07	WACC 6.6%, Risk-free rate 3.0%, Risk premium 8.0%	
Wind power		2,582	3.53	WACC 6.6%, Risk-free rate 3.0%, Risk premium 8.0%	
Net debt		(960)	(1.31)	At end-2023E	
Residual ordinary equity		3,118	4.27		
Wind power - COD 2024		870	1.19	WACC 6.6%, Risk-free rate 3.0%, Risk premium 8.0%	
Total potential upside		3,989	5.46		

Sources: DEMCO; FSSIA estimates

Financial Statements

Demco

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Revenue	2,404	2,560	2,046	2,242	2,439
Cost of goods sold	(2,044)	(2,300)	(1,767)	(1,936)	(2,086)
Gross profit	360	260	278	306	352
Other operating income	-	-	-	-	-
Operating costs	(333)	(350)	(283)	(310)	(338)
Operating EBITDA	27	(90)	(5)	(5)	15
Depreciation	(61)	(60)	(71)	(75)	(79)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	(34)	(149)	(76)	(80)	(65)
Net financing costs	(69)	(54)	(58)	(58)	(56)
Associates	139	162	284	291	366
Recurring non-operating income	229	330	329	336	411
Non-recurring items	0	0	0	0	0
Profit before tax	127	127	194	199	290
Tax	(72)	(26)	(18)	(19)	(15)
Profit after tax	55	101	177	180	275
Minority interests	0	0	0	0	0
Preferred dividends	0	0	0	0	0
Other items	0	0	0	0	0
Reported net profit	55	101	177	180	275
Non-recurring items & goodwill (net)	0	0	0	0	0
Recurring net profit	55	101	177	180	275
Per share (THB)					
Recurring EPS *	0.08	0.14	0.24	0.25	0.38
Reported EPS	0.08	0.14	0.24	0.25	0.38
DPS	0.03	0.04	0.12	1.12	2.12
Diluted shares (used to calculate per share data)	730	730	730	730	730
Growth					
Revenue (%)	(16.9)	6.5	(20.1)	9.6	8.8
Operating EBITDA (%)	nm	nm	nm	nm	nm
Operating EBIT (%)	nm	nm	nm	nm	nm
Recurring EPS (%)	57.9	82.7	75.0	2.0	52.8
Reported EPS (%)	57.9	82.7	75.0	2.0	52.8
Operating performance					
Gross margin inc. depreciation (%)	12.4	7.8	10.1	10.3	11.2
Gross margin of key business (%)	12.4	7.8	10.1	10.3	11.2
Operating EBITDA margin (%)	1.1	(3.5)	(0.2)	(0.2)	0.6
Operating EBIT margin (%)	(1.4)	(5.8)	(3.7)	(3.6)	(2.7)
Net margin (%)	2.3	3.9	8.6	8.0	11.3
Effective tax rate (%)	27.0	8.9	20.0	20.0	20.0
Dividend payout on recurring profit (%)	39.7	26.5	49.7	454.3	562.6
Interest cover (X)	2.8	3.3	4.4	4.4	6.2
Inventory days	40.1	39.9	51.6	42.9	43.3
Debtor days	134.1	104.6	107.2	97.8	71.7
Creditor days	143.0	105.4	114.0	94.7	95.5
Operating ROIC (%)	(2.6)	(12.8)	(6.3)	(7.2)	(7.3)
ROIC (%)	2.8	2.4	3.4	3.5	4.8
ROE (%)	1.4	2.3	4.0	4.0	6.4
ROA (%)	1.7	2.0	3.2	3.2	4.7
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Sales	374	229	369	411	453
Electricity work	1,062	1,826	1,308	1,428	1,548
Mechanical work	890	329	327	357	387
Electricity from solar power	9	5	7	7	7

Sources: Demco; FSSIA estimates

Financial Statements

Demco

Cash Flow (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Recurring net profit	55	101	177	180	275
Depreciation	61	60	71	75	79
Associates & minorities	139	162	284	291	366
Other non-cash items	-	-	-	-	-
Change in working capital	337	(162)	17	(11)	230
Cash flow from operations	592	161	548	535	950
Capex - maintenance	(61)	(60)	(71)	(75)	(79)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	(15)	(109)	71	76	81
Other investments (net)	(1,638)	291	(284)	(291)	(366)
Cash flow from investing	(1,714)	122	(284)	(290)	(364)
Dividends paid	0	0	(27)	(88)	(818)
Equity finance	0	0	0	0	0
Debt finance	(388)	89	104	(122)	16
Other financing cash flows	1,407	(375)	0	0	0
Cash flow from financing	1,019	(287)	78	(210)	(802)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	(102)	(3)	342	35	(216)
Free cash flow to firm (FCFF)	(1,052.52)	337.35	322.61	302.61	641.67
Free cash flow to equity (FCFE)	(102.32)	(3.38)	369.11	122.56	601.65

Per share (THB)

FCFF per share	(1.44)	0.46	0.44	0.41	0.88
FCFE per share	(0.14)	0.00	0.51	0.17	0.82
Recurring cash flow per share	0.35	0.44	0.73	0.75	0.99

Balance Sheet (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Tangible fixed assets (gross)	778	844	844	844	844
Less: Accumulated depreciation	(503)	(563)	(634)	(710)	(789)
Tangible fixed assets (net)	275	281	210	135	55
Intangible fixed assets (net)	746	742	742	742	742
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	1,498	1,601	1,601	1,600	1,598
Cash & equivalents	90	87	429	464	248
A/C receivable	866	601	601	601	357
Inventories	220	283	217	238	256
Other current assets	502	686	548	601	653
Current assets	1,678	1,656	1,795	1,904	1,514
Other assets	3,178	2,668	2,668	2,668	2,668
Total assets	7,375	6,949	7,016	7,048	6,578
Common equity	4,619	4,345	4,494	4,587	4,044
Minorities etc.	0	1	1	1	1
Total shareholders' equity	4,619	4,345	4,495	4,587	4,045
Long term debt	203	54	159	36	52
Other long-term liabilities	387	327	327	327	327
Long-term liabilities	590	382	486	364	379
A/C payable	704	624	480	526	566
Short term debt	1,151	1,388	1,388	1,388	1,388
Other current liabilities	310	209	167	183	199
Current liabilities	2,165	2,222	2,035	2,097	2,154
Total liabilities and shareholders' equity	7,375	6,949	7,016	7,048	6,578
Net working capital	574	736	719	731	501
Invested capital	6,270	6,028	5,940	5,875	5,564

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

Per share (THB)

Book value per share	6.33	5.95	6.15	6.28	5.54
Tangible book value per share	5.30	4.93	5.14	5.26	4.52

Financial strength

Net debt/equity (%)	27.4	31.2	24.9	20.9	29.5
Net debt/total assets (%)	17.1	19.5	15.9	13.6	18.1
Current ratio (x)	0.8	0.7	0.9	0.9	0.7
CF interest cover (x)	(0.5)	0.9	7.4	3.1	11.8

Valuation	2020	2021	2022E	2023E	2024E
Recurring P/E (x) *	52.1	28.5	16.3	16.0	10.5
Recurring P/E @ target price (x) *	72.3	39.5	22.6	22.2	14.5
Reported P/E (x)	52.1	28.5	16.3	16.0	10.5
Dividend yield (%)	0.8	0.9	3.0	28.4	53.8
Price/book (x)	0.6	0.7	0.6	0.6	0.7
Price/tangible book (x)	0.7	0.8	0.8	0.7	0.9
EV/EBITDA (x) **	152.3	(47.1)	(816.6)	(800.0)	277.9
EV/EBITDA @ target price (x) **	193.2	(59.5)	(1,043.6)	(1,031.5)	353.7
EV/invested capital (x)	0.7	0.7	0.7	0.7	0.7

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

Sources: Demco; 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	PSH	SCM	SUSCO	TOA	VIH
AMATAV	BTS	DTAC	HANA	LHFG	NVD	PSL	SDC	SUTHA	TOP	WACOAL
ANAN	BTW	DUSIT	HARN	LIT	NWR	PTG	SEAFECO	SVI	TPBI	WAVE
AOT	BWG	EA	HMPRO	LPN	NYT	PTT	SEOIL	SYMC	TQM	WHA
AP	CENEL	EASTW	ICC	MACO	OISHI	PTTEP	SE-ED	SYNTEC	TRC	WHAUP
ARIP	CFRESH	ECF	ICHI	MAJOR	OR	PTTGC	SELIC	TACC	TRU	WICE
ARROW	CHEWA	ECL	III	MAKRO	ORI	PYLON	SENA	TASCO	TRUE	WINNER
ASP	CHO	EE	ILINK	MALEE	OSP	Q-CON	SHR	TCAP	TSC	ZEN
AUCT	CIMBT	EGCO	ILM	MBK	OTO	QH	SIRI	TEAMG	TSR	
AWC	CK	EPG	INTUCH	MC	PAP	QTC	SIS	TFMAMA	TSTE	
AYUD	CKP	ETC	IP	MCOT	PCSGH	RATCH	SITHAI	TGH	TSTH	
BAFS	CM	FPI	IRPC	METCO	PDG	RS	SMK	THANA	TTA	
BANPU	CNT	FPT	ITEL	MFEC	PDJ	S	SMPC	THANI	TTB	
BAY	COM7	FSMART	IVL	MINT	PG	S & J	SNC	THCOM	TTCL	
BBL	COMAN	GBX	JSP	MONO	PHOL	SAAM	SONIC	THG	TTW	
BCP	COTTO	GC	JWD	MOONG	PLANB	SABINA	SPALI	THIP	TU	
VERY GOOD LEVEL – Score range 80-89										
2S	ASIMAR	CHOW	FLOYD	IT	LOXLEY	OCC	RPC	SKY	TCC	TVT
7UP	ASK	CI	FN	ITD	LRH	OGC	RT	SLP	TCMC	TWP
ABICO	ASN	CIG	FNS	J	LST	PATO	RWI	SMIT	TEAM	UEC
ABM	ATP30	CMC	FORTH	JAS	M	PB	S11	SMT	TFG	UMI
ACE	B	COLOR	FSS	JCK	MATCH	PICO	SA	SNP	TFI	UOBKH
ACG	BA	CPL	FTE	JCKH	MBAX	PIMO	SAK	SO	TIGER	UP
ADB	BAM	CPW	FVC	JMART	MEGA	PJW	SALEE	SORKON	TITLE	UPF
AEONTS	BC	CRD	GEL	JMT	META	PL	SAMCO	SPA	TKN	UPOIC
AGE	BCH	CSC	GENCO	KBS	MFC	PM	SANKO	SPC	TKS	UTP
AHC	BEC	CSP	GJS	KCAR	MGT	PMTA	SAPPE	SPCG	TM	VCOM
AIT	BEYOND	CWT	GYT	KEX	MICRO	PPP	SAWAD	SR	TMC	VL
ALL	BFIT	DCC	HEMP	KGI	MILL	PPPM	SCI	SRICHA	TMD	VPO
ALLA	BJC	DCON	HPT	KIAT	MTSIB	PRIME	SCN	SSC	TMI	VRANDA
ALUCON	BJCHI	DHOUSE	HTC	KISS	MK	PRIN	SCP	SSF	TMILL	WGE
AMANAH	BLA	DOD	HYDRO	KOOL	MODERN	PRINC	SE	STANLY	TNL	WIJK
AMARIN	BR	DOHOME	ICN	KTIS	MTI	PSG	SFLEX	STGT	TNP	WP
APCO	BROOK	DV8	IFS	KUMWEL	NBC	PSTC	SFP	STOWER	TOG	XO
APCS	CBG	EASON	IMH	KUN	NCAP	PT	SFT	STPI	TPA	XPG
APURE	CEN	EFORL	IND	KWC	NCH	QLT	SGF	SUC	TPAC	YUASA
AQUA	CGH	ERW	INET	KWM	NETBAY	RBF	SIAM	SWC	TPCS	
ASAP	CHARAN	ESSO	INSET	L&E	CHAR	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	TIPIPP	WIN	
B52	CCP	F&D	JAK	M-CHAI	PAF	SABUY	STARK	TPLAS	WORK	
BEAUTY	CGD	FMT	JR	MCS	PF	SF	STC	TPOLY	WPH	

Disclaimer:

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

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

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

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

Anti-corruption Progress Indicator

CERTIFIED										
2S	BCH	CPALL	GC	K	MFC	PE	QLT	SNP	THCOM	TU
7UP	BCP	CPF	GCAP	KASET	MFEC	PG	QTC	SORKON	THIP	TVD
ADVANC	BCPG	CPI	GEL	KBANK	MILL	PHOL	RATCH	SPACK	THRE	TVI
AF	BE8	CPN	GFPT	KBS	MINT	PK	RML	SPALI	THREL	TVO
AI	BEYOND	CSC	GGC	KCAR	MONO	PL	RWI	SPC	TIDLOR	TWPC
AIE	BGC	DCC	GJS	KCE	MOONG	PLANB	S & J	SPI	TIPCO	U
AIRA	BGRIM	DELTA	GPI	KGI	MSC	PLANET	SAAM	SPRC	TISCO	UBE
AKP	BJCHI	DEMCO	GPSC	KKP	MST	PLAT	SABINA	SRICHA	TKS	UBIS
ALPHAX	BKI	DIMET	GSTEEL	KSL	MTC	PM	SAPPE	SSF	TKT	UEC
AMA	BLA	DRT	GUNKUL	KTB	MTI	PPP	SAT	SSP	TMD	UKEM
AMANAHA	BPP	DTAC	HANA	KTC	NBC	PPPM	SC	SSSC	TMILL	UOBKH
AMATA	BROOK	DUSIT	HARN	KWC	NEP	PPS	SCB	SST	TMT	UPF
AMATAV	BRR	EA	HEMP	KWI	NINE	PR9	SCC	STA	TNITY	UV
AP	BSBM	EASTW	HENG	L&E	NKI	PREB	SCCC	STOWER	TNL	VGI
APCS	BTS	ECL	HMPRO	LANNA	NMG	PRG	SCG	SUSCO	TNP	VIH
AQUA	BWG	EGCO	HTC	LH	NNCL	PRINC	SCN	SVI	TNR	WACOAL
ARROW	CEN	EP	ICC	LHFG	NOBLE	PRM	SEAOL	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

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

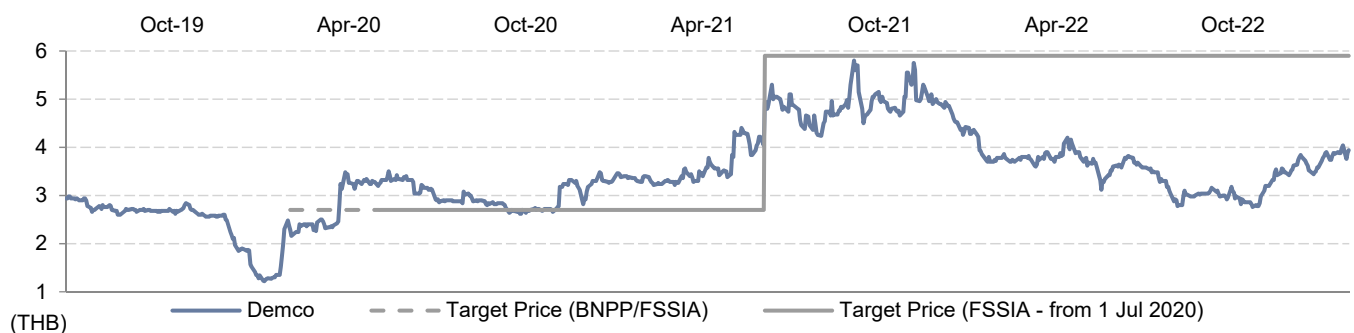
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History of change in investment rating and/or target price

Demco (DEMCO TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
15-Apr-2020	HOLD	2.70	24-May-2021	BUY	5.90	-	-	-

Suwat Sinsadok, CFA, FRM, ERP started covering this stock from 15-Apr-2020

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Demco	DEMCO TB	THB 3.94	BUY	Delays in bidding for power transmission projects represent a key downside risk.

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 05-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.