



# PRTR Group PCL

(PRTR.BK/PRTR TB)

## Initial Public Offering

IPO Price	N.A.
Target price (Bt/shr)	N.A.
Unchanged/Revised up(down)(%)	N.A.
Upside/downside (%)	N.A.

### Key messages

PRTR Group Company Limited (PRTR) has engaged in HR outsourcing service and recruitment service which has expertise in various industries. We anticipate PRTR would benefit from the global trend (outsourcing service) which is post pandemic trend as well as resumption in Thailand labor market. Meanwhile, new services (job platform and integrated learning services) would allow PRTR to be a total HR solution service provider with estimate earnings growth 16% in average over next two year. We derive a 2023F fair value of Bt9.50, based on a target PER of 24.0X (+1.0 S.D historical average PER of global peers), equivalent to PEG around 1.3X (based on 2023-EPS).

Mkt cap (Btbn/US\$m)	N.A.		
Outstanding shares (mn)	600		
Foreign ownership (mn)	N.A		
3M avg. daily trading (mn)	N.A		
52-week trading range (Bt)	N.A		
Performance (%)	3M	6M	12M
Absolute	N.A	N.A	N.A
Relative	N.A	N.A	N.A

KGI Securities (Thailand) Plc. is a lead underwriter for an offering of securities by PRTR Group Public Company Limited. Investors should read the information about the issuer and the securities offering in the prospectus before making any investment decision. In addition, investors can follow the result of the offering through the papers that the file with the Office of the Securities and Exchange Commission after the securities subscription period. The blackout period starts from 21 Feb - 10 Mar 2023 until the end of the IPO process.

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## Being a total HR solution service provider

### Event

PRTR Group Public Company Limited (PRTR) plans to raise funds from IPO by offering 150mn shares (par value: Bt0.5/share), accounting for 25.0% of the registered capital after IPO.

### Impact

#### Target to be a total HR solutions service provider

PRTR Group Public Company Limited (PRTR) has engaged in HR outsourcing services and recruitment service, covered Bangkok and Eastern seaboard area which covered in various job functions (product consult, customer service, engineer/ technician, and office staff) and industries (information technology, logistics, Pharmaceutical, property, and FMCG). The company expanded its service by introducing job platform (Nexmove) and integrated learning service (Blacksmith) which are expected to enhance its competitiveness to be a total HR solutions service provider.

#### Solid revenue growth on the back of a global trend of outsourcing as well as resumption in labor market after Covid-19

We anticipate PRTR revenue would achieved a moderate growth on the back of i) the outsourcing trend, and ii) resumption in labor market after Covid-19. Given the new normal of the post-pandemic trend, outsourcing is expected to be a choice as this would enhance the company's competitiveness (by cost reduction, and flexibility). The global expert research estimate the global outsourcing market is expected to grow ~9% CAGR (2022-2030); Figure 18-19. Asia pacific is expected to show an outstanding growth rate at 10.3% (Figure 21). Meanwhile, Thailand labor market is also expected to recovery, especially manufacturing and service sector. Noted that Thailand employed labor grew 5% YoY in 3Q22 while employed labor in manufacturing grew 5% YoY and service sector grew 10% YoY over the same period. An expected fully resume in business activity with tourist arrival of 25mn person (based on house view) would be a fuel to accelerate Thailand labor market.

#### Expect robust earnings growth at 16% in average over next two year

We expect PRTR earnings would achieve a solid growth ~16% in average in 2023F-2024F on the back of i) fabulous revenue growth from every business unit including outsourcing (~12% YoY growth which consistent with the global trend), recruitment (~10% YoY growth thanks to resumption in labor market after Covid-19), and training (50% YoY growth due to low base on initiated service), and ii) gross margin expansion in every business units. Moreover, there would possibly potential synergy from Jaymart Public company Limited (JMART.BK/ JMART TB)\* after JMART purchase PRTR share from existing shareholders and took 15% of total issued share after IPO.

### Valuation & Action

We derive a 2023F fair value of B9.50, based on a target PER of 24.0X (+1.0 S.D historical average PER of global peers), equivalent to PEG ~1.3X (based on 2023-EPS).

### Risks

Economics slowdown, shortage labour, technological disruption, and regulatory risk

### Key financials and valuations

Year end Dec 31	Dec-18A	Dec-19A	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Revenue (Btmn)	3,666	4,525	4,866	5,556	6,205	7,012	7,719
Gross profit (Btmn)	428	457	441	554	653	740	820
SG&A (Btmn)	281	285	268	310	385	428	479
Net profit (Btmn)	95	115	122	183	199	237	269
Normalized profit (Btmn)	95	115	122	183	199	237	269
EPS (Bt)	4.73	5.75	6.09	9.17	0.33	0.39	0.45
Normalized EPS (Btmn)	4.73	5.75	6.09	9.17	0.33	0.39	0.45
EPS growth (%)	N.A	21.6	5.9	50.5	(96.4)	19.1	13.5
Normalized EPS growth (%)	N.A	21.6	5.9	50.5	(96.4)	19.1	13.5
EV/EBITDA (X)	(0.4)	(0.3)	(0.8)	(0.4)	(1.4)	(0.6)	(0.2)
Net debt to Equity (%)	(19.7)	(16.7)	(43.4)	(38.0)	(51.7)	(23.0)	(6.4)
Return on Equity (%)	65.9	38.4	37.1	55.3	35.8	27.2	25.9

Source: Company data, KGI Securities Research

## Key investment theme

### Expect a solid earnings growth in 2023-2024F from every business unit

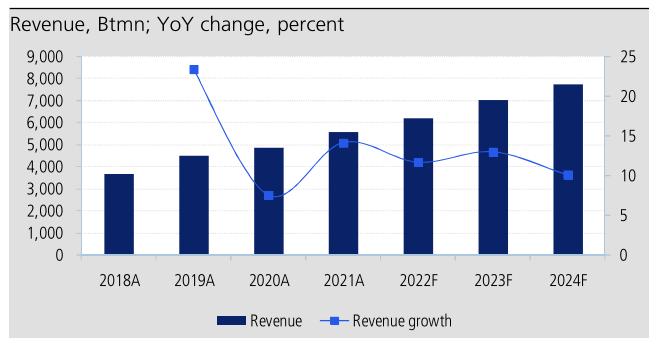
We anticipate PRTR would achieve revenue growth 12% in average over next two year (2023F-2024F); Figure 1 on the back of every business unit:

i) Outsourcing: Revenue from outsourcing business unit account for ~95% of total revenue with revenue growth around 12% in average in 2020-2021. We anticipate revenue from outsourcing would grow 14% in average over next two year 2023-2024, in-lined with the global trend. Noted that global research expert estimate the global outsourcing market would grow around 9% CAGR (2022-2030); Figure 18 - Figure 19 as this would act as a new normal after post pandemic.

ii) Recruitment: Revenue from recruitment account for around 4% of total revenue. We anticipate revenue from recruitment business would pick up after easing of Covid-19 which accelerating overall business activity, returning of tourist arrival, and resumption of investment. Revenue from recruitment business pick up by 14% YoY in 2021 after it plunged by 20% YoY in 2020 amid Covid-19. Despite revenue from recruitment has been grown 15% for 9M22, we anticipate the company could achieve revenue growth around 10% p.a. in 2023-2024 on the back of fully re-opening the country.

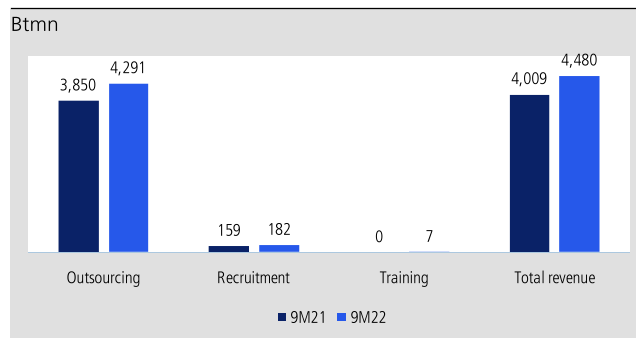
iii) Training (integrated learning services): Training service is its new service which has been introduced to the clients in 2Q21 with revenue contribution around Bt1mn in 4Q21. This training service would offer both online and offline courses which including both hard skill and soft skill. This service would be an add-on service which would prepare employees as well as enhance their knowledge to capture with a global trend. We anticipate this service would allow PRTR to deliver employee with knowledge, skills, and ability to their clients. We anticipate revenue from training service would step up from Bt8mn in 2022 to Bt25mn in 2024.

**Figure 1: Revenue outlook**



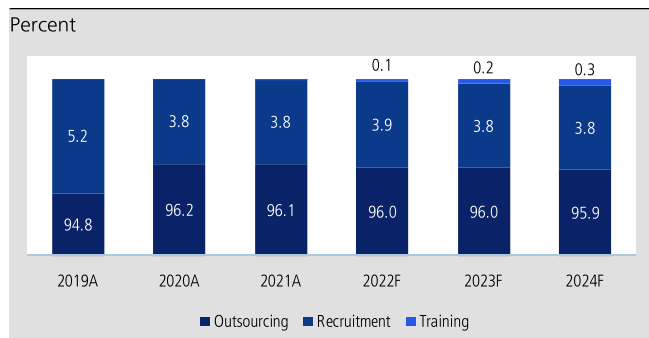
Source: Company data, KGI Securities Research

**Figure 2: Revenue breakdown from 9M**



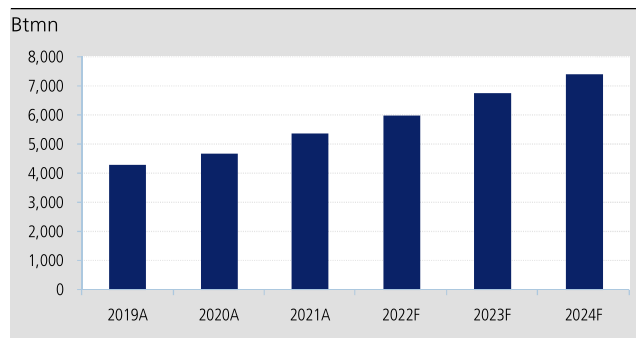
Source: Company data, KGI Securities Research

**Figure 3: Revenue breakdown**

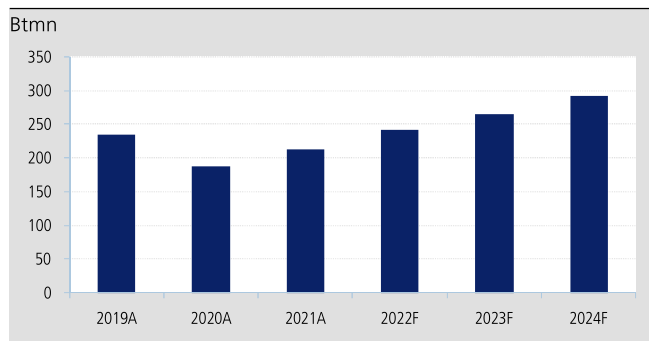


Source: Company data, KGI Securities Research

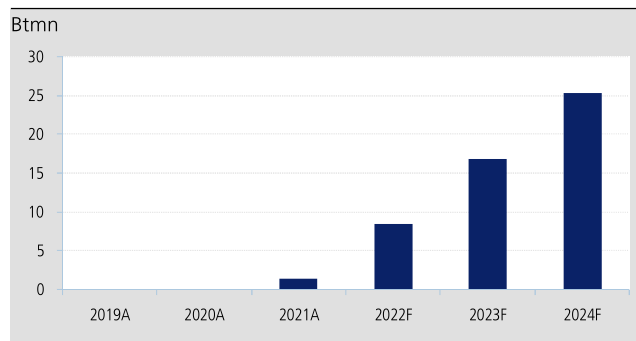
**Figure 4: Revenue from Outsourcing**



Source: Company data, KGI Securities Research

**Figure 5: Revenue from recruitment**


Source: Company data, KGI Securities Research

**Figure 6: Revenue from training**


Source: Company data, KGI Securities Research

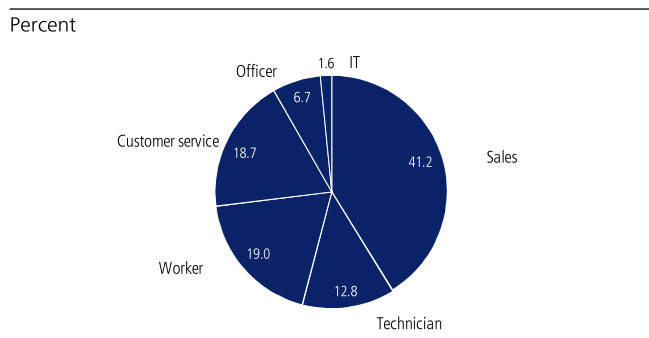
**Gross margin has potentially step up from favorable product mix**

We anticipate its overall gross margin would lift from 10.0% in 2021 to 10.6% in 2024F on the back of gross margin improvement in every business unit.

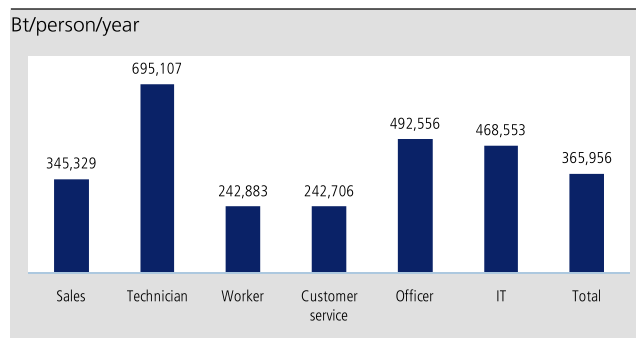
The company has target gross margin at 7.4% - 8.2% for outsourcing service as it has cost plus policy. A different gross margin would also depend on the number of total employees as well as the service complexity. As can be seen from Figure 7 that considering by the total number of employee in 2021, sales would account a major portion at 41.2% of total employee (outsourcing). Meanwhile, breaking down by revenue (Figure 8), Technician would be the highest revenue contribution. The company plan to focus on technician and IT industry which would allow a gross margin expansion. However, given sales remains the huge proportion, we anticipate gross margin for outsourcing service could inch up and could stand at 8.2% in 2024.

Gross margin from recruitment service has been plunged to 49.6% in 2020 (due to Covid-19 pandemic) before climbing to 62.2% in 2021 (due to resuming in recruitment service as well as lower staff of its recruitment team). We estimate gross margin for recruitment service would also step up on the back of fully re-opening the country. We anticipate gross margin for recruitment service could possibly inch up around 50bps p.a.

Gross margin for integrated learning services could also expand according to its sales expansion which would allow some benefit of economy of scale.

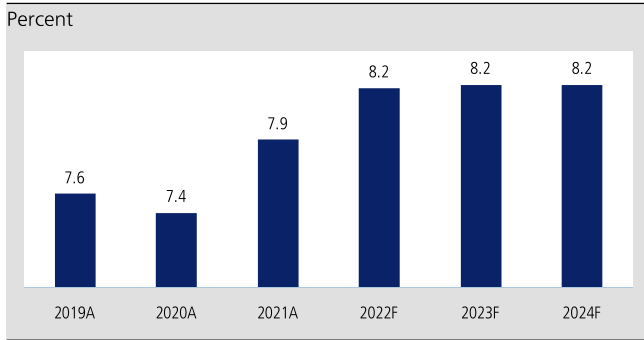
**Figure 7: Total employee (outsourcing) breakdown in 2021**


Source: Company data, KGI Securities Research

**Figure 8: Revenue (outsourcing) breakdown by industry in 2021**


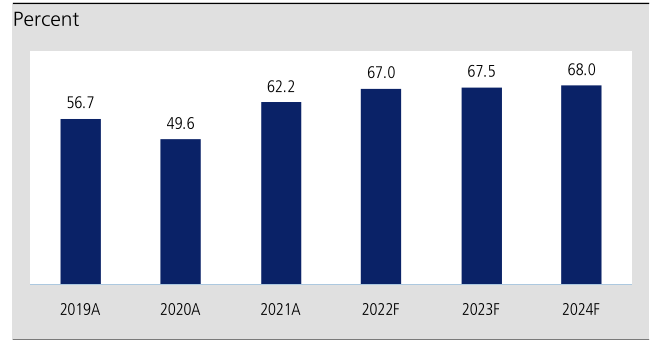
Source: Company data, KGI Securities Research

**Figure 9: Gross margin of outsourcing**



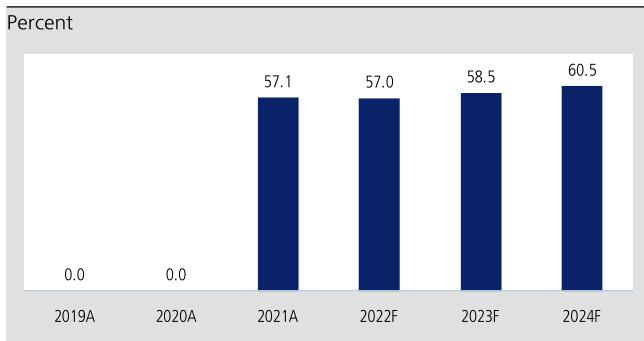
Source: Company data, KGI Securities Research

**Figure 10: Gross margin of recruitment**



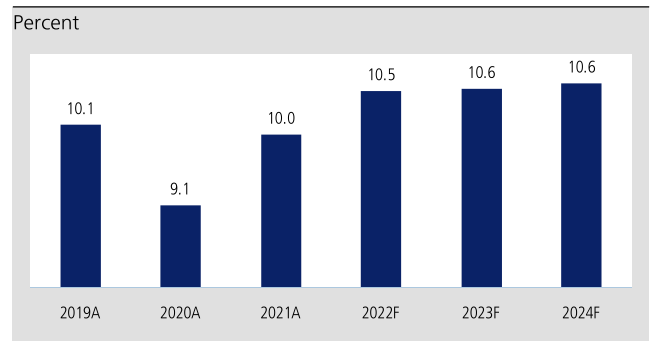
Source: Company data, KGI Securities Research

**Figure 11: Gross margin of training**



Source: Company data, KGI Securities Research

**Figure 12: Overall gross margin**

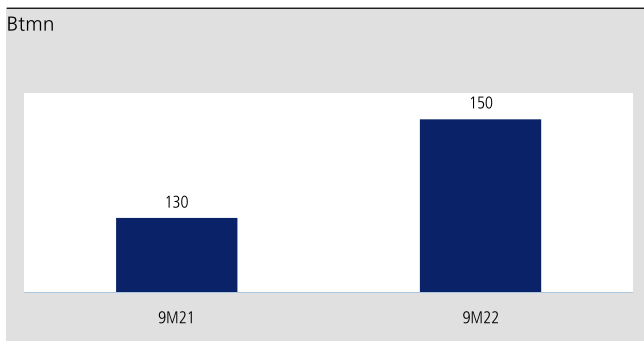


Source: Company data, KGI Securities Research

**Earnings is expected to head North**

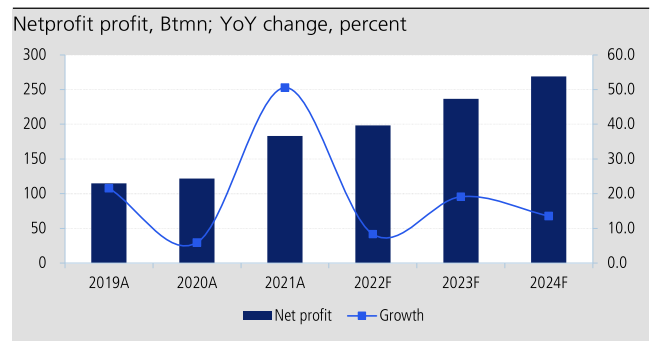
On the back of 12% sales expansion coupled with gross margin expansion, we anticipate PRTR to report a record high earnings over the next two year with earnings growth around 16% in average (in 2023F-2024F).

**Figure 13: Net profit 9M**



Source: Company data, KGI Securities Research

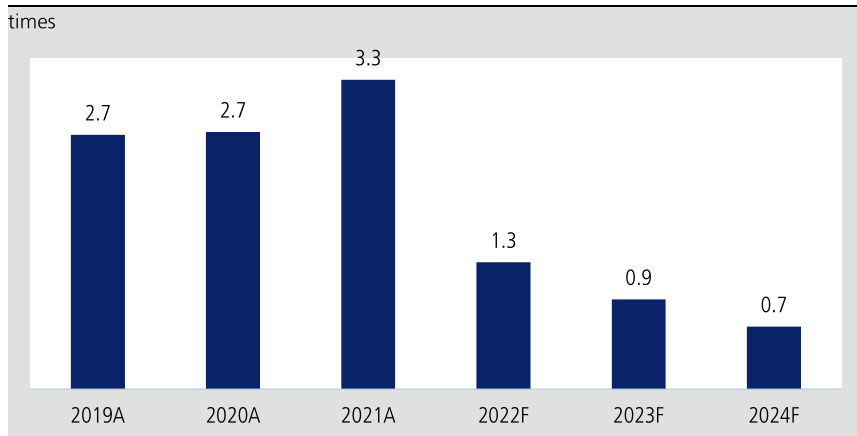
**Figure 14: Net profit yearly**



Source: Company data, KGI Securities Research

**Strong balance sheet**

PRTR has a D/E ratio around 3.0X over the past three year (2019-2021) which likely cap the potential of its business expansion. After raising fund from IPO, its D/E ratio would drop to around 1.3X in 2022F and further down to 0.7X in 2024F. Stronger balance sheet would allow PRTR to capture the opportunity for business expansion.

**Figure 15: D/E Ratio**


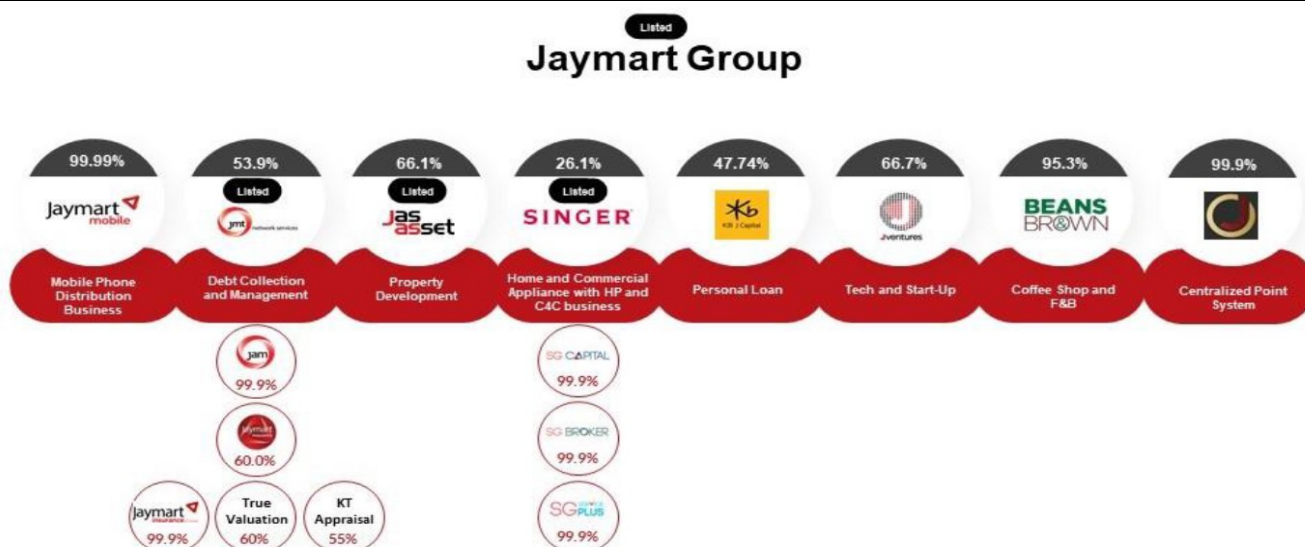
Source: KGI Securities Research

### Potential synergy from JMART

The board of Jaymart Public company Limited (JMART.BK/ JMART TB)\* has been approved to enter into a share purchase agreement with PRTR. JMART agrees to purchase 90mn share (15% of the total issued shares after IPO, from the three existing shareholders of PRTR (Mr. Paul David Chundry, Ms. Jaruwan Panichcharoen, and Mr. Richard Hugh Bennett) at a price equal to the IPO price. JMART will purchase such shares on the first day that PRTR shares are traded on the Stock Exchange of Thailand. After that, it is done through the trading of major securities (Big-Lot Board) and will proceed to pay shares according to the procedures specified by the Stock Exchange of Thailand.

Given JMART is a holding company which has a various business under its group (Figure 16), and its business (such as Jaymart mobile company limited, JMT network services PCL (JMT.BK/ JMT TB)\*, and SINGER Thailand PCL (SINGER.BK/ SINGER TB)\*) require many staff/ salesperson.

We anticipate PRTR would have a potential to grant an opportunity to manage about outsourcing and recruitment for JMART. Noted that Jaymart mobile Company limited has total stores of 251 stores as of end-2021. JMART/ SINGER/ and JMT have total staff around 11,000 person as of 2021. Noted that PRTR has number of outsourcing and recruitment as of 2021 around 15,000 person and 1,500 person respectively.

**Figure 16: JAMRT business structure**


Source: Company data, KGI Securities Research

**Figure 17: Key assumptions**

Assumption	unit	2019	2020	2021	2022F	2023F	2024F
Revenue	Btmn	4,525	4,866	5,556	6,205	7,012	7,719
Revenue growth	%YoY	23.4	7.5	14.2	11.7	13.0	10.1
Revenue breakdown:							
Outsourcing	Btmn	4,291	4,680	5,342	5,956	6,730	7,403
Recruitment	Btmn	234	187	213	241	265	291
Training	Btmn	0	0	1	8	17	25
Gross margin	Percent	10.1	9.1	10.0	10.5	10.6	10.6
Gross margin breakdown:							
Outsourcing	Percent	7.6	7.4	7.9	8.2	8.2	8.2
Recruitment	Percent	56.7	49.6	62.2	67.0	67.5	68.0
Training	Percent	N.A	N.A	57.1	57.0	58.5	60.5
SG&A to sales	percent	6.3	5.5	5.6	6.2	6.1	6.2

Source: Company data, KGI Securities Research

### Industry outlook

#### Outsourcing would be a global trend

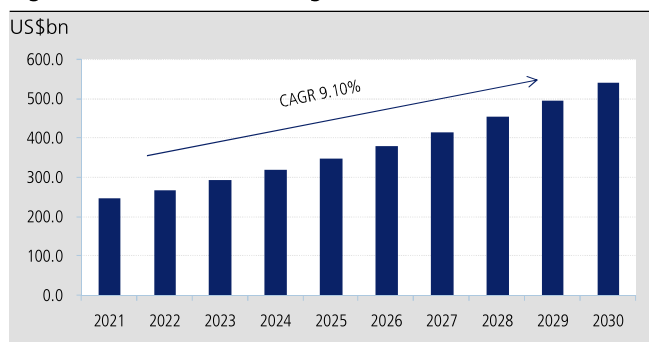
Outsourcing is expected to be the global trend as this would support the companies to counter with the new normal of the post pandemic. Outsourcing would allow the companies to enhance their competitiveness as this would allow a cost reduction as well as provide a flexibility to the companies.

Global research expert estimate the global outsourcing market would grow around 9% CAGR (2022-2030); Figure 18 - Figure 19.

Breaking down by regional, it found that North America gains the highest market share at 34.7% (Figure 20) while Asia pacific account for 28.9% and the rest of the would took 36.4% of total market.

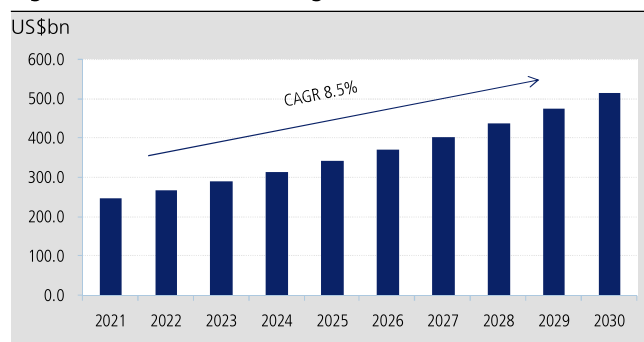
Considering the growth by regional, Asia pacific is expected to achieve the highest growth rate at 10.3% over the same period (Figure 21) which is expected to become from alerting for adoption after Covid-19.

**Figure 18: Global outsourcing market (Grandviewresearch)**



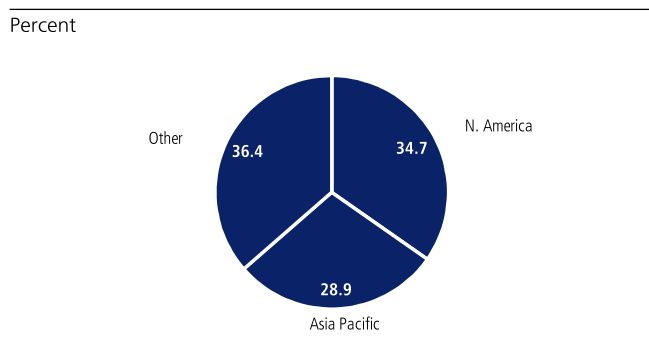
Source: Grandviewresearch, KGI Securities Research

**Figure 19: Global outsourcing market (Globalnewswire)**



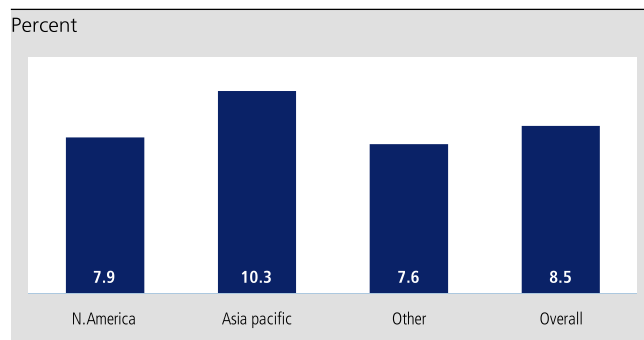
Source: Globalnewswire, KGI Securities Research

**Figure 20: Global outsourcing market breakdown by regional**



Source: Globalnewswire, KGI Securities Research

**Figure 21: Global outsourcing market growth breakdown by regional**



Source: Globalnewswire, KGI Securities Research

### Recovery in Thailand labor market after Covid-19 pandemic

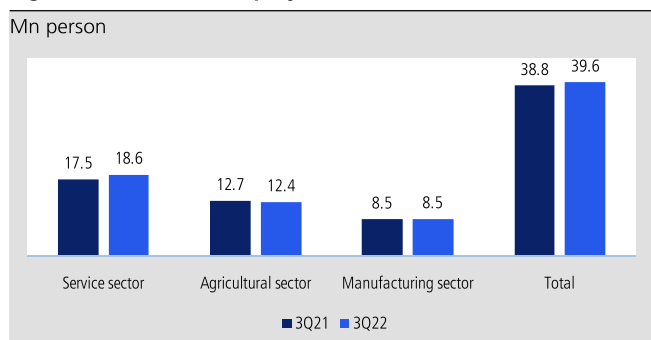
Thailand employed labor force has been reach 39.6mn person as of 3Q22 which has been recovered from the lowest point at 37.1mn person as of 2Q22 (Figure 24). Meanwhile, Thailand unemployment rate has been also show an improvement trend after it hit by Covid-19 and raise Thailand unemployment rate to peak at 5.6% in 2Q20 before slowing down and reach 1.9% as of 3Q22 (Figure 25).

Breaking down by sector, it found that service sector took a majority portion at 47.1% to total Thailand employed labor force, following by agriculture at 31.3% and manufacturing at 21.6%.

Labor in manufacturing sector as well as service sector have been hurt amid Covid-19. However, an employment in this two sector has been show a recovery as can be seen from the Figure 26 - Figure 27 that labor in manufacturing sector and service sector has been grow 5% YoY and 10% YoY respectively in 3Q22. This would reflect recovery in labor market after re-opening country and resuming in business activities.

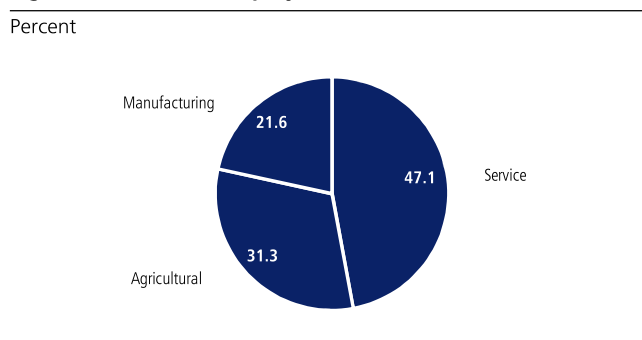
Based on our house view, we anticipate a recovery in tourist arrival is expected to be continued in 2023 with expected tourist arrival to return from 11mn person in 2022 to 25mn person in 2023. This would possibly support Thailand employment, especially in the service sector.

**Figure 22: Thailand employed labor force**



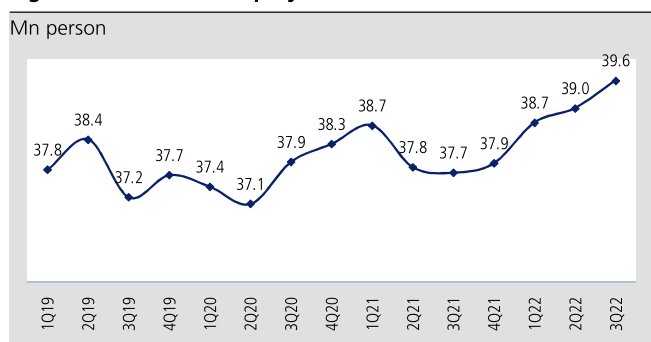
Source: NSO, KGI Securities Research

**Figure 23: Thailand employed labor force breakdown**



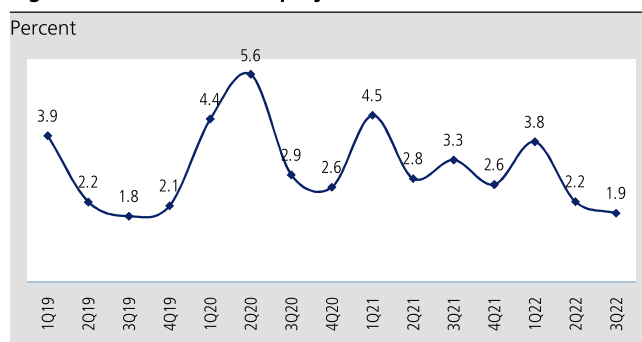
Source: NSO, KGI Securities Research

**Figure 24: Thailand employed labor force**



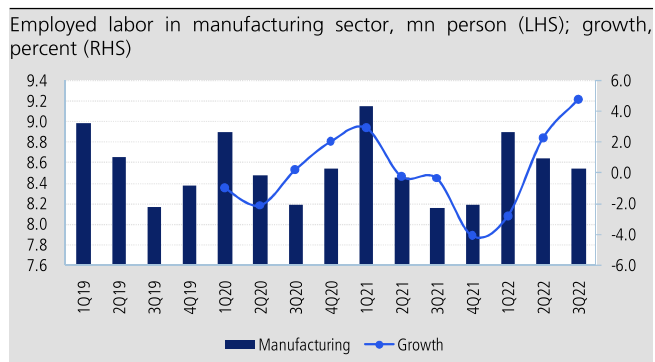
Source: NSO, KGI Securities Research

**Figure 25: Thailand unemployment rate**

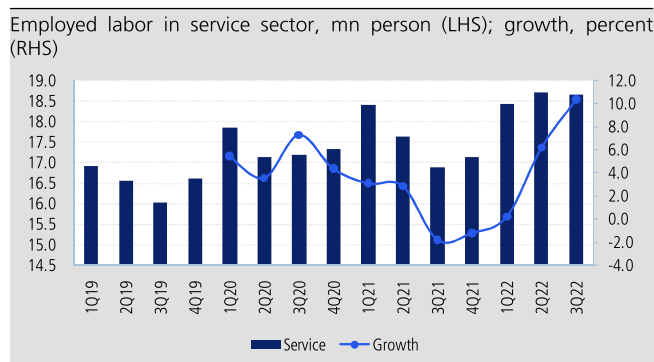


Source: NSO, KGI Securities Research



**Figure 26: Thailand employed labor force in manufacturing sector**


Source: NSO, KGI Securities Research

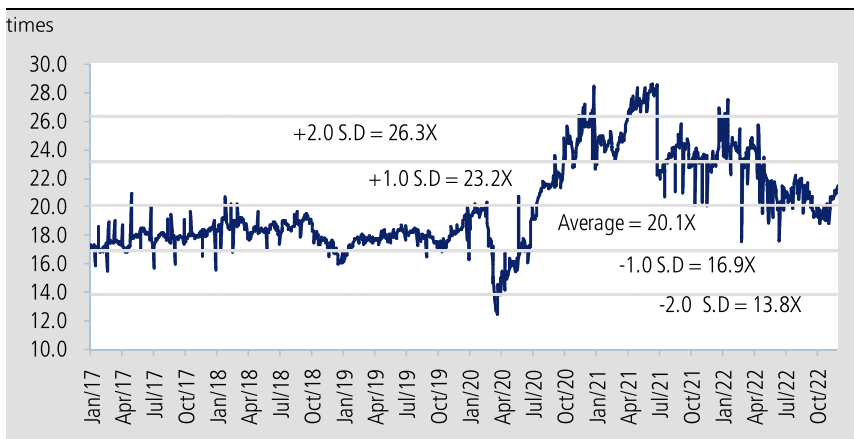
**Figure 27: Thailand employed labor force in service sector**


Source: NSO, KGI Securities Research

### Valuation

#### We estimate 2023F fair value of Bt9.50

We derive a 2023F fair value of Bt9.50, based on a target PER of 24.0X (+1.0 S.D historical average PER of global peers). Noted that this also equivalent to PEG around 1.3X (based on 2023-EPS).

**Figure 28: Global peers PER band**


Source: KGI Securities Research

**Figure 29: Peer comparison**

	NAME	Country	Net Income Adjusted					Price/EPS adjusted					Return on Equity					Gross Margin				
			2019	2020	2021	2022F	2023F	2019	2020	2021	2022F	2023F	2019	2020	2021	2022F	2023F	2019	2020	2021	2022F	2023F
SO TB Equity	SIAMRAJATHANEE PCL	THAILAND	109.0	139.0	168.0	N.A.	N.A.	N.A.	18.1	48.0	N.A.	N.A.	32.1	23.6	18.5	N.A.	N.A.	17.2	18.3	18.8	N.A.	N.A.
ACN US Equity	ACCENTURE PLC-CL A	IRELAND	4,785.8	4,905.6	5,761.0	6,877.2	7,245.7	26.9	32.2	38.2	28.1	26.5	38.6	32.5	32.3	32.3	30.3	30.8	31.5	32.4	32.1	32.0
DOX US Equity	AMDOCS LTD	UNITED STATES	478.9	496.9	521.8	655.8	702.2	19.2	15.5	19.3	16.8	15.2	13.7	14.0	18.9	18.2	19.4	35.1	33.9	34.5	35.9	36.0
DXC US Equity	DXC TECHNOLOGY CO	UNITED STATES	2,382.0	1,451.0	624.0	936.3	802.4	9.3	6.7	37.1	8.1	8.5	10.1	(66.3)	(3.1)	18.0	16.7	28.0	23.9	20.5	22.4	22.3
TTEC US Equity	TTEC HOLDINGS INC	UNITED STATES	88.4	179.7	218.9	167.7	185.2	24.3	25.5	26.9	13.7	12.7	20.2	27.5	29.2	30.3	29.5	24.4	25.5	25.0	23.8	23.9
INFO IN Equity	INFOSYS LTD	INDIA	2,203.8	2,341.3	2,607.0	2,962.6	2,984.0	21.0	16.5	30.0	31.1	28.5	23.7	25.5	27.3	30.1	31.1	34.8	33.1	34.9	33.2	30.9
HCL IN Equity	HCL TECHNOLOGIES LTD	INDIA	1,440.8	1,561.0	N.A.	1,744.9	1,762.3	15.0	10.2	21.7	23.4	21.6	24.6	24.1	22.1	21.1	22.6	36.5	37.7	40.1	36.7	35.1
WPRO IN Equity	WIPRO LTD	INDIA	1,290.2	1,371.8	N.A.	1,594.6	1,397.4	17.0	11.8	21.7	18.7	19.9	17.1	17.3	19.4	20.1	16.5	29.5	28.5	31.7	30.0	28.5
CCC LN Equity	COMPUTACENTER PLC	BRITAIN	134.8	187.0	264.1	222.3	223.3	19.6	18.0	17.7	12.2	12.1	21.6	27.4	27.1	22.0	19.0	13.1	13.2	12.9	15.5	15.4
TIETO FH Equity	TIETOEVRVY OYJ	FINLAND	149.0	109.0	344.9	256.4	276.5	27.2	33.6	11.2	11.3	10.9	7.3	5.7	16.9	10.5	12.6	83.0	75.3	78.4	69.2	69.5

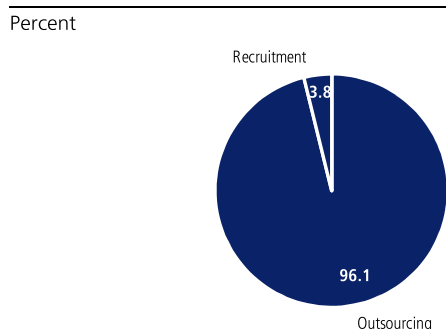
Source: Bloomberg, KGI Securities Research

### Business overview

PRTR Group Company Limited (PRTR) has been established on March 22, 1993 to engage in recruitment service provider. After that the company has expand its service to outsourcing service in 2000. In 2021, the company has been set up Nexmove recruitment platform company limited (in order to offer an online Job platform) and The blacksmith company limited (Blacksmith) (to offers integrated learning services).

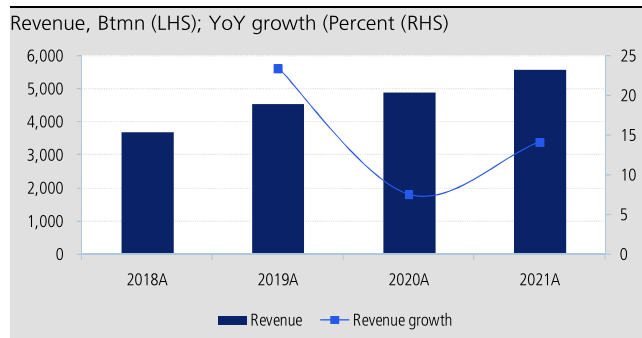
As of end-2021, PRTR's revenue mainly come from outsourcing business which account for 96.1% of total revenue while revenue from recruitment service account for 3.8% of total revenue.

**Figure 30: Revenue breakdown by business (2021)**



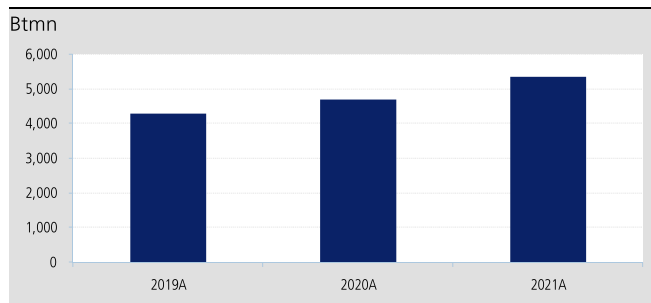
Source: Company data, KGI Securities Research

**Figure 31: Revenue**



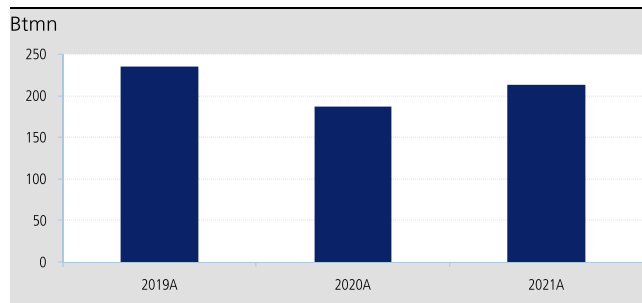
Source: Company data, KGI Securities Research

**Figure 32: Revenue from outsourcing**



Source: Company data, KGI Securities Research

**Figure 33: Revenue from recruitment**



Source: Company data, KGI Securities Research

### Outsourcing services

The company will look for qualified employee with amount that matching with the client's demand in various industries. Those employee would including product consult, customer service, engineer/ technician, and office staff.

The company will do an employee contract with the employee (with exact match time length with the clients). Then, employee will start the job at time and place of the clients.

Service of PRTR would include recruitment, background check, orientation & training which would allow those employee to well-prepared for their job. In emergency case such as a sick leave, PRTR would prepare alternate staff which would support smooth operation.

### Recruitment services

The company engaged in recruitment service under the company named PRTR recruitment company limited and PRTR recruitment and outsourcing (eastern seaboard) company limited.

The company will recruit staff at any different level including staff level, middle level, and executive level. The company has an expertise in recruitment in many industry including information technology, logistics, Pharmaceutical, property, and FMCG.

### NEXMOVE

Beyond outsourcing service and recruitment services, PRTR has expand its business to offering job platform under the company named nexmove platform company limited which has been started the business in 4Q22. Nexmove is expected to acted as an intermediary between entrepreneur and applicants. Nexmove platform has been designed for the entrepreneur for posting their job positioning.

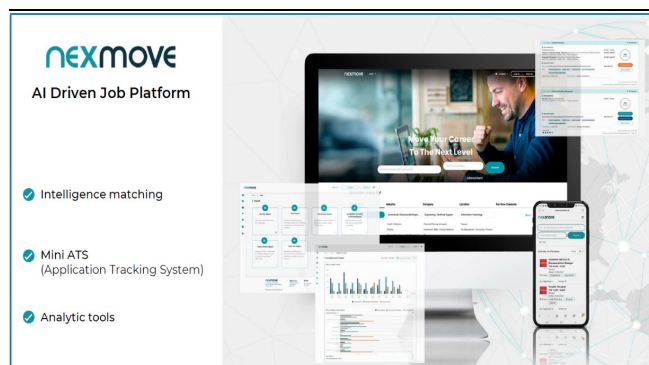
PRTR expect this job platform (Nexmove) would support the company to achieve a total HR solution and expand its clients base to its current business (outsourcing and recruitment).

### Integrated learning service

The Blacksmith Company Limited (Blacksmith) offers both online and offline training courses. Currently, Blacksmith has more than 30 offline courses and more than 150 online courses which including both hard skills and soft skills.

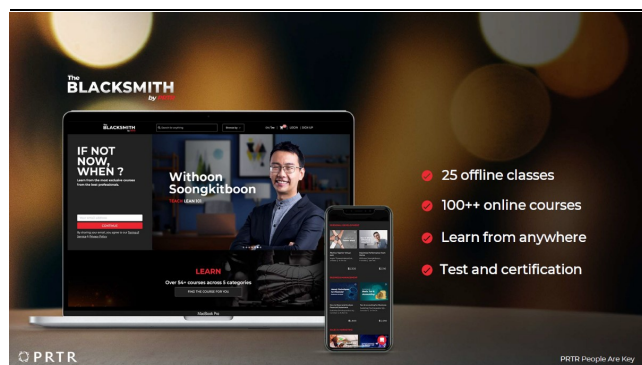
Currently, its offline courses mostly offers to corporate customers while online courses would focus on both individual and corporate customers.

Figure 34: NEXMOVE job platform



Source: Company data, KGI Securities Research

Figure 35: Blacksmith



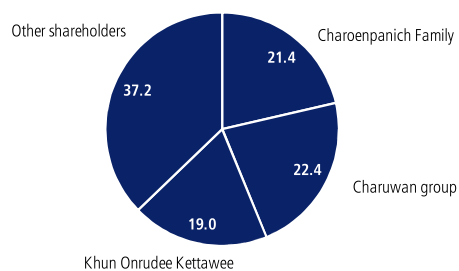
Source: Company data, KGI Securities Research

### IPO objectives

PRTR plans to raise funds from an initial public offering (IPO) of 150mn shares (25.0% of its total registered capital after IPO). After the IPO process is completed, the shareholding structure will be 17.8% held by the Charoenpanich family, 14.2% held by Khun Onrudee Kettawee, 15% held by JMART, 20.5% held by other existing shareholder, and 25.0% for IPO investors. The objectives of the funds raised through IPO include: i) repayment of debt, and ii) using as working capital for the business.

**Figure 36: Shareholding structure pre-IPO**

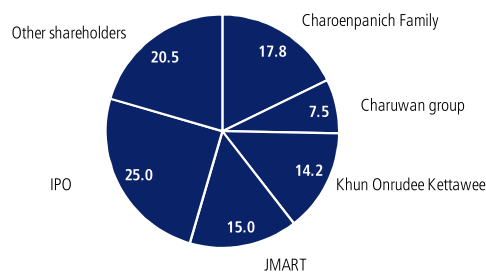
Percent



Source: Company data, KGI Securities Research

**Figure 37: Shareholding structure post-IPO**

Percent



Source: Company data

### Key risk factors

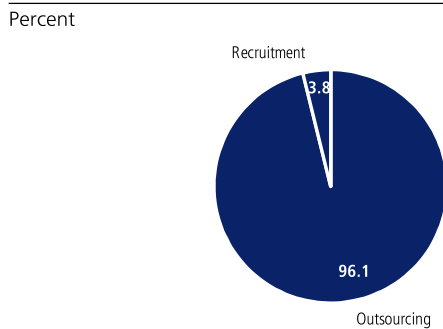
- i) Shortage employees for outsourcing service
- ii) Regulatory risk related to Title Labour Protection Act B.E. 2017
- iii) Shortage staff
- iv) Rising in minimum wage
- v) Risk from not renewed the service contract.

**Figure 38: Company profile**

PRTR Group Company Limited (PRTR) has been established on March 22, 1993 to engage in the business of providing personnel recruitment service. After that the company has expand its service to HR outsourcing services in 2000. In 2021, the company has been set up Nexmove recruitment platform company limited (in order to offer an online Job platform) and The blacksmith company limited (Blacksmith) (to offers integrated learning services).

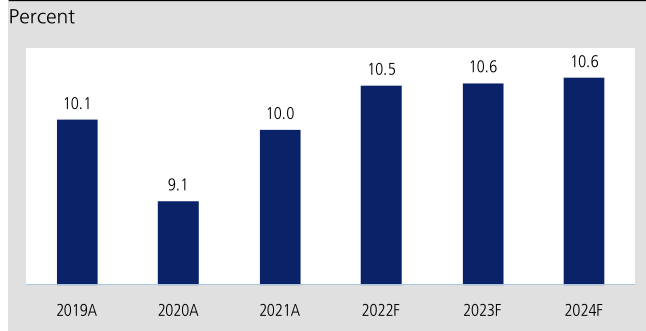
Source: Company data

**Figure 40: Revenue breakdown (2021)**



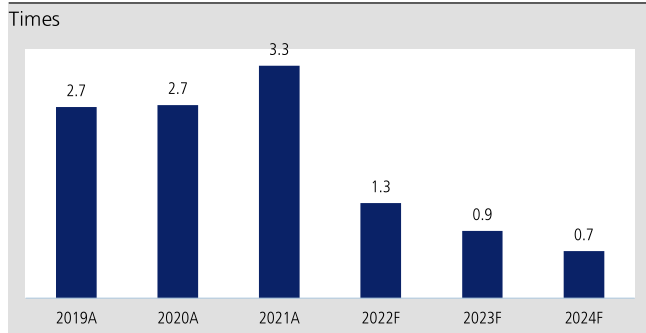
Source: Company data, KGI Securities Research

**Figure 42: Gross margin**



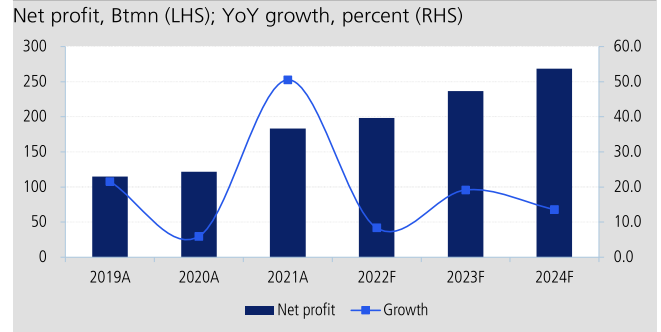
Source: Company data, KGI Securities Research

**Figure 44: D/E**



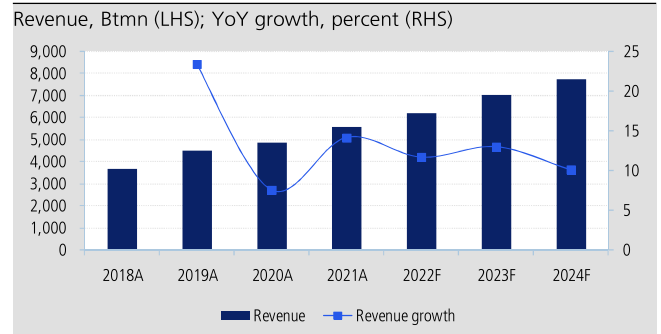
Source: KGI Research

**Figure 39: Net profit**



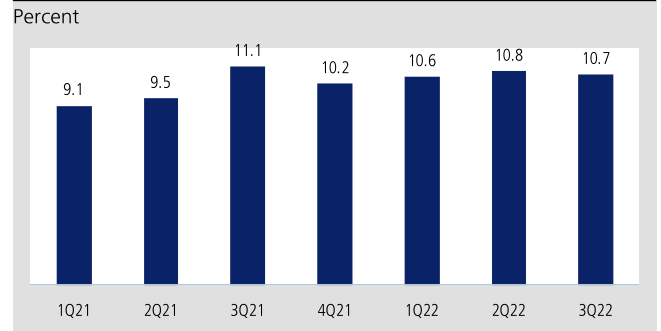
Source: Company data, KGI Securities Research

**Figure 41: Revenue**



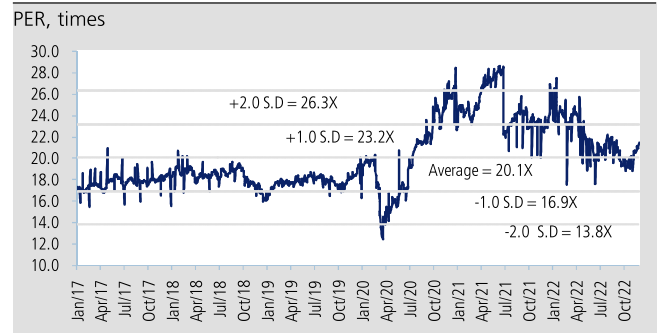
Source: Company data, KGI Securities Research

**Figure 43: Gross margin quarterly**



Source: Company data, KGI Securities Research

**Figure 45: PER of global peers**



Source: KGI Research

**Balance Sheet**

As of 31 Dec (Btmn)	2019	2020	2021	2022F	2023F	2024F
<b>Total Assets</b>	<b>1,149</b>	<b>1,287</b>	<b>1,354</b>	<b>1,854</b>	<b>1,850</b>	<b>1,867</b>
<b>Current Assets</b>	<b>958</b>	<b>1,118</b>	<b>1,180</b>	<b>1,652</b>	<b>1,621</b>	<b>1,617</b>
Cash&ST Investment	52	155	121	410	218	72
Inventories	0	0	0	0	0	0
Account Receivable	641	711	859	1,020	1,153	1,269
Other	265	252	199	222	251	276
<b>Non-current Assets</b>	<b>191</b>	<b>169</b>	<b>174</b>	<b>202</b>	<b>228</b>	<b>250</b>
LT Investment	0	0	0	0	0	0
Net Fixed Assets	102	80	66	81	92	99
Others	88	89	108	121	136	150
<b>Total Liabilities</b>	<b>838</b>	<b>941</b>	<b>1,037</b>	<b>1,062</b>	<b>901</b>	<b>744</b>
<b>Current liabilities</b>	<b>678</b>	<b>785</b>	<b>875</b>	<b>913</b>	<b>749</b>	<b>576</b>
Account Payable	116	193	204	228	258	284
ST borrowing	0	0	0	0	0	0
Others	562	592	671	684	491	293
<b>Long-term liabilities</b>	<b>160</b>	<b>157</b>	<b>162</b>	<b>149</b>	<b>152</b>	<b>167</b>
Long-term debts	0	1	0	0	0	0
Others	160	155	162	149	152	167
<b>Shareholders' Equity</b>	<b>311</b>	<b>346</b>	<b>317</b>	<b>792</b>	<b>949</b>	<b>1,123</b>
Common stock	10	10	10	300	300	300
Capital surplus	0	0	0	225	225	225
retained earnings	270	306	289	250	407	581
Preferred stock						

Source: Company data, KGI Securities Research

**Key Ratios**

Year to 31 Dec	2019	2020	2021	2022F	2023F	2024F
<b>Growth (%YoY)</b>						
Sales	23.4	7.5	14.2	11.7	13.0	10.1
OP	18.2	0.1	41.5	8.9	16.4	9.3
EBITDA	29.0	(0.3)	35.3	12.1	16.0	9.1
NP	21.6	5.9	50.5	8.4	19.1	13.5
Normalized profit	21.6	5.9	50.5	8.4	19.1	13.5
EPS	21.6	5.9	50.5	(96.4)	19.1	13.5
Normalized EPS	21.6	5.9	50.5	(96.4)	19.1	13.5
<b>Profitability (%)</b>						
Gross margin	10.1	9.1	10.0	10.5	10.6	10.6
Operating margin	3.8	3.6	4.4	4.3	4.5	4.4
EBITDA margin	4.4	4.1	4.9	4.9	5.0	5.0
Net margin	2.5	2.5	3.3	3.2	3.4	3.5
ROAA	10.7	10.0	13.9	12.4	12.8	14.5
ROAE	38.4	37.1	55.3	35.8	27.2	25.9
<b>Stability</b>						
Gross debt/equity (%)	269.4	272.2	327.6	134.1	94.9	66.2
Net debt/equity (%)	(16.7)	(43.4)	(38.0)	(51.7)	(23.0)	(6.4)
Interest coverage (x)	7.7	7.8	13.9	13.1	18.2	55.5
Interest&ST debt coverage (x)	7.7	7.8	13.9	13.1	18.2	55.5
Cash flow interest coverage (x)	0.4	6.0	9.2	4.4	9.7	34.8
Cash flow/interest&ST debt (x)	0.4	6.0	9.2	4.4	9.7	34.8
Current ratio (x)	1.4	1.4	1.3	1.8	2.2	2.8
Quick ratio (x)	1.4	1.4	1.3	1.8	2.2	2.8
Net debt (Btmn)	(52)	(150)	(120)	(410)	(218)	(72)
<b>Per share data (Bt)</b>						
EPS	5.8	6.1	9.2	0.3	0.4	0.4
Normalized EPS	5.8	6.1	9.2	0.3	0.4	0.4
CFPS	0.4	6.6	8.1	0.2	0.3	0.4
BVPS	15.6	17.3	15.8	1.3	1.6	1.9
Sales/share	226.2	243.3	277.8	10.3	11.7	12.9
EBITDA/share	10.0	10.0	13.5	0.5	0.6	0.6
DPS	0.0	0.0	0.0	0.7	0.2	0.2
<b>Activity</b>						
Asset turnover (x)	4	4	4	3	4	4
Days of receivables	52	53	56	60	60	60
Days of inventory	N.A	N.A	N.A	N.A	N.A	N.A
Days of payable	10	16	15	15	15	15
Cash cycle	N.A	N.A	N.A	N.A	N.A	N.A

Source: Company data, KGI Securities Research

**Profit & Loss**

Year to Dec 31 (Btmn)	2019	2020	2021	2022F	2023F	2024F
<b>Revenue</b>	<b>4,525</b>	<b>4,866</b>	<b>5,556</b>	<b>6,205</b>	<b>7,012</b>	<b>7,719</b>
Cost of good sold	4,068	4,425	5,002	5,552	6,271	6,899
<b>Gross profit</b>	<b>457</b>	<b>441</b>	<b>554</b>	<b>653</b>	<b>740</b>	<b>820</b>
Operating expense	285	268	310	385	428	479
Other income	2	1	2	0	0	0
<b>Operating Profit</b>	<b>174</b>	<b>174</b>	<b>247</b>	<b>269</b>	<b>313</b>	<b>342</b>
Depreciation of fixed asset	27	26	24	35	39	43
<b>Operating EBITDA</b>	<b>201</b>	<b>200</b>	<b>271</b>	<b>303</b>	<b>352</b>	<b>384</b>
<b>Non-operating income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Interest income	0	0	0	0	0	0
Other non-op income	0	0	0	0	0	0
<b>Non-operating expense</b>	<b>(23)</b>	<b>(22)</b>	<b>(18)</b>	<b>(20)</b>	<b>(17)</b>	<b>(6)</b>
Interest expense	(23)	(22)	(18)	(20)	(17)	(6)
Other non-op expense	0	0	0	0	0	0
<b>Equity income/(loss)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Pretax profit</b>	<b>152</b>	<b>152</b>	<b>229</b>	<b>248</b>	<b>296</b>	<b>336</b>
Current taxation	(30)	(31)	(46)	(50)	(59)	(67)
Minorities	7	(1)	(0)	(0)	(0)	(0)
Extra item	0	0	0	0	0	0
<b>Net profit</b>	<b>115</b>	<b>122</b>	<b>183</b>	<b>199</b>	<b>237</b>	<b>269</b>
<b>Normalized profit</b>	<b>115</b>	<b>122</b>	<b>183</b>	<b>199</b>	<b>237</b>	<b>269</b>
EPS (Bt)	5.75	6.09	9.17	0.33	0.39	0.45
Normalized EPS (Bt)	5.75	6.09	9.17	0.33	0.39	0.45

Source: Company data, KGI Securities Research

**Cash Flow**

Year to Dec 31 (Btmn)	2019	2020	2021	2022F	2023F	2024F
<b>Operating cash flow</b>	<b>8</b>	<b>133</b>	<b>163</b>	<b>91</b>	<b>166</b>	<b>214</b>
Net profit	115	122	183	199	237	269
Depreciation&Amortization	27	26	24	35	39	43
Change in working capital	(133)	(15)	(44)	(143)	(110)	(97)
Others						
<b>Investment cash flow</b>	<b>(98)</b>	<b>7</b>	<b>(10)</b>	<b>(51)</b>	<b>(51)</b>	<b>(51)</b>
Net CAPEX	(101)	(4)	(10)	(50)	(50)	(50)
Change in LT investment	0	0	0	0	0	0
Change in other assets	3	11	(0)	(1)	(1)	(1)
Free cash flow	(90)	140	153	40	115	164
<b>Financing cash flow</b>	<b>85</b>	<b>(37)</b>	<b>(186)</b>	<b>248</b>	<b>(307)</b>	<b>(310)</b>
Change in share capital	0	0	0	290	0	0
Net change in debt	177	50	26	(28)	(227)	(215)
Change in other liabs	(91)	(87)	(212)	(14)	(79)	(95)
<b>Net cash flow</b>	<b>(5)</b>	<b>103</b>	<b>(33)</b>	<b>288</b>	<b>(192)</b>	<b>(146)</b>

Source: Company data, KGI Securities Research

# Corporate Governance Report of Thai Listed Companies



## Companies with Excellent CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	EGCO	ELECTRICITY GENERATING	PTTEP	PTT EXPLORATION AND PRODUCTION
ADVANC	ADVANCED INFO SERVICE	GFPT	GFPT	PTTGC	PTT GLOBAL CHEMICAL
AMA	AMA MARINE	GGC	GLOBAL GREEN CHEMICALS	PYLON	PYLON
AMATA	AMATA CORPORATION	GPSC	GLOBAL POWER SYNERGY	QH	QUALITY HOUSES
ANAN	ANANDA DEVELOPMENT	HANA	HANA MICROELECTRONICS	RATCH	RATCHABURI ELECTRICITY GENERATING HOLDING
AOT	AIRPORTS OF THAILAND	HMPRO	HOME PRODUCT CENTER	RS	RS
AP	ASIAN PROPERTY DEVELOPMENT	INTUCH	SHIN CORPORATION	SCB	THE SIAM COMMERCIAL BANK
BANPU	BANPU	IRPC	IRPC	SCC	THE SIAM CEMENT
BCP	THE BANGCHAK PETROLEUM	IVL	INDORAMA VENTURES	SCCC	SIAM CITY CEMENT
BCPG	BCPG	KBANK	KASIKORN BANK	SEAFCO	SEAFCO
BDMS	BANGKOK DUSIT MEDICAL SERVICES	KCE	KCE ELECTRONICS	SMPC	SAHAMITR PRESSURE CONTAINER
BEC	BEC WORLD	KKP	KIATNAKIN BANK	SPALI	SUPALAI
BEM	BANGKOK EXPRESSWAY AND METRO	KTB	KRUNG THAI BANK	SPRC	STAR PETROLEUM REFINING
BGRIM	B. GRIMM POWER	KTC	KRUNGTHAI CARD	SVI	SVI
BPP	BANPU POWER	LH	LAND AND HOUSES	TACC	T.A.C. CONSUMER
BTS	BTS GROUP HOLDINGS	LPN	L.P.N. DEVELOPMENT	TCAP	THANACHART CAPITAL
CENTEL	CENTRAL PLAZA HOTEL	MAKRO	SIAM MAKRO	THCOM	THAI COM
CK	CH. KARNCHANG	MBK	MBK	TISCO	TISCO FINANCIAL GROUP
CKP	CK POWER	MINT	MINOR INTERNATIONAL	TOP	THAI OIL
CPALL	CP ALL	MTC	MUANGTHAI CAPITAL	TRUE	TRUE CORPORATION
CPF	CHAROEN POKPHAND FOODS	PLANB	PLAN B MEDIA	TTB	TMBTHANACHART BANK
CPN	CENTRAL PATTANA	PSH	PRUKSA HOLDING	VGI	VGI GLOBAL MEDIA
DELTA	DELTA ELECTRONICS (THAILAND)	PTG	PTG ENERGY	WHA	WHA CORPORATION
DTAC	TOTAL ACCESS COMMUNICATION	PTT	PTT	WHAUP	



## Companies with Very Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
BAM	BANGKOK COMMERCIAL ASSET MANAGEMENT	GULF	GULF ENERGY DEVELOPMENT	SAPPE	SAPPE
BBL	BANGKOK BANK	JMT	JMT NETWORK SERVICES	SAWAD	SRI SAWAD POWER 1979
CBG	CARABAO GROUP	LPH	LADPRAO GENERAL HOSPITAL	SINGER	SINGER THAILAND
CHG	CHULARAT HOSPITAL	M	MK RESTAURANT GROUP	SPA	SIAM WELLNESS GROUP
COM7	COM7	MAJOR	MAJOR CINEPLEX GROUP	TFG	THAIFOODS GROUP
DOHOME	DOHOME	MEGA	MEGA LIFESCIENCES	TKN	TAOKAENOI FOOD & MARKETING
ERW	THE ERAWAN GROUP	NETBAY	NETBAY	ZEN	ZEN CORPORATION GROUP
GLOBAL	SIAM GLOBAL HOUSE	OSP	OSOTSPA		



## Companies with Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
BCH	BANGKOK CHAIN HOSPITAL	ESSO	ESSO (THAILAND)	SF	SIAM FUTURE DEVELOPMENT
BH	BUMRUNGRAD HOSPITAL	HUMAN	HUMANICA	SISB	SISB
EKH	EKACHAI MEDICAL CARE	RBF	R&B FOOD SUPPLY	TPCH	TPC POWER HOLDING

## Companies classified Not in the three highest score groups

Stock	Company name	Stock	Company name	Stock	Company name
IIG	I&I GROUP	OR	PTT OIL AND RETAIL BUSINESS	STGT	SRI TRANG GLOVES (THAILAND)
KEX	KERRY EXPRESS (THAILAND)	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION		

Source: www.thai-iod.com

**Disclaimer:** The disclosure of the survey result 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 assessment 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 result may be changed after that date or when there is any change to the relevant information. Nevertheless, KGI Securities (Thailand) Public Company Limited (KGI) does not confirm, verify, or certify the accuracy and completeness of such survey result.

## Anti-corruption Progress Indicator

### Level 5: Extended

Stock	Company name	Stock	Company name	Stock	Company name
ADVANC	ADVANCED INFO SERVICE	GLOBAL	SIAM GLOBAL HOUSE	QH	QUALITY HOUSES
ANAN	ANANDA DEVELOPMENT	GPSC	GLOBAL POWER SYNERGY	RATCH	RATCHABURI ELECTRICITY GENERATING HOLDING
BBL	BANGKOK BANK	HMPRO	HOME PRODUCT CENTER	ROBINS	ROBINSON DEPARTMENT STORE
BCH	BANGKOK CHAIN HOSPITAL	IRPC	IRPC	SCC	THE SIAM CEMENT
BDMS	BANGKOK DUSIT MEDICAL SERVICES	KBANK	KASIKORNBANK	SIRI	SANSIRI
BIGC	BIG C SUPERCENTER	KCE	KCE ELECTRONICS	SPALI	SUPALAI
CK	CH. KARNCHANG	KKP	KIATNAKIN BANK	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION
DCC	DYNASTY CERAMIC	KTB	KRUNG THAI BANK	TCAP	THANACHART CAPITAL
DELTA	DELTA ELECTRONICS (THAILAND)	LPH	LADPRAO GENERAL HOSPITAL	TISCO	TISCO FINANCIAL GROUP
DRT	DIAMOND ROOFING TILES	PACE	PACE DEVELOPMENT CORPORATION	TMT	THAI METAL TRADE
EGCO	ELECTRICITY GENERATING	PTT	PTT	TOP	THAI OIL
GFPT	GFPT	PTTGC	PTT GLOBAL CHEMICAL		

### Level 4: Certified

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	ERW	THE ERAWAN GROUP	SAPPE	SAPPE
AP	ASIAN PROPERTY DEVELOPMENT	GLOW	GLOW ENERGY	SAWAD	SRISAWAD POWER 1979
BA	BANGKOK AIRWAYS	GUNKUL	GUNKUL ENGINEERING	SCB	THE SIAM COMMERCIAL BANK
BANPU	BANPU	ILINK	INTERLINK COMMUNICATION	SCN	SCAN INTER
BCP	THE BANGCHAK PETROLEUM	KTC	KRUNGTHAI CARD	SEAFECO	SEAFECO
BH	BUMRUNGRAD HOSPITAL	LH	LAND AND HOUSES	SVI	SVI
BJCHI	BJC HEAVY INDUSTRIES	LPN	L.P.N. DEVELOPMENT	TASCO	TIPCO ASPHALT
CBG	CARABAO GROUP	MAKRO	SIAM MAKRO	TKN	TAOKAENOI FOOD & MARKETING
CENTEL	CENTRAL PLAZA HOTEL	MALEE	MALEE SAMPRAN	TMB	TMB BANK
CHG	CHULARAT HOSPITAL	MINT	MINOR INTERNATIONAL	TRT	TIRATHAI
CKP	CK POWER	MODERN	MODERNFORM GROUP	TRUE	TRUE CORPORATION
CPF	CHAROEN POKPHAND FOODS	NOK	NOK AIRLINES	TVO	THAI VEGETABLE OIL
CPN	CENTRAL PATTANA	PTTEP	PTT EXPLORATION AND PRODUCTION		
DTAC	TOTAL ACCESS COMMUNICATION	PYLON	PYLON		

### Level 3: Established

Stock	Company name	Stock	Company name	Stock	Company name
BEM	BANGKOK EXPRESSWAY AND METRO	MTLS	MUANGTHAI LEASING	SPRC	STAR PETROLEUM REFINING
CPALL	CP ALL	SCI	SCI ELECTRIC		

### No progress

Stock	Company name	Stock	Company name	Stock	Company name
AOT	AIRPORTS OF THAILAND	BPP	BANPU POWER	FN	FN FACTORY OUTLET
BCPG	BCPG	BTS	BTS GROUP HOLDINGS	TPCH	TPC POWER HOLDING

Source: [www.cgthailand.org](http://www.cgthailand.org)

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Outperform (OP)	The stock's excess return over the next twelve months is ranked in the top 40% of KGI's coverage universe in the related market (e.g. Taiwan).
Neutral (N)	The stock's excess return over the next twelve months is ranked in the range between the top 40% and the bottom 40% of KGI's coverage universe in the related market (e.g. Taiwan)
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Note	When an analyst publishes a new report on a covered stock, we rank the stock's excess return with those of other stocks in KGI's coverage universe in the related market. We will assign a rating based on its ranking. If an analyst does not publish a new report on a covered stock, its rating will not be changed automatically.

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