

# KCE Electronics

KCE Electronics  
Public Company Limited

# KCE

Bloomberg  
Reuters  
KCE.TB  
KCE.BK



## 4Q23: Misses INVX & consensus

**KCE's 4Q23 net profit of Bt479mn missed INVX by 19% and consensus by 10% on lower revenue, largely arising from a 15-day maintenance shutdown. Management has cut its revenue growth and gross margin guidance on lower industry demand than expected. We cut our 2024F by 11% and 2025 by 12% to reflect the new guidance and our TP to Bt52 from Bt61.0.**

**4Q23 net profit down QoQ on lower revenue.** KCE posted a 4Q23 net profit of Bt479mn, down 4.2% YoY and 7.7% QoQ on a 5.4% QoQ fall in revenue from 15-day maintenance shutdown in Dec undertaken because of low production efficiency. 4Q23 revenue was eroded by a 9.7% QoQ fall in revenue from exports to Europe (49% of total sales) on longer shipping times from geopolitical conflict in the Middle East; revenue from China (10.8% of total sales) fell 26.6% QoQ and from Asia (4.7% of total sales) was down 16.9% QoQ on weak overall demand. A partial offset was provided by a 12.2% QoQ increase in revenue from exports to the US (24.4% of total sales). Gross margin widened to 22.4% in 4Q23 from 22.0% in 3Q23 after it raised the proportion of high-margin special grade PCB (HDI) by 6.6% QoQ in 4Q23, lifting the proportion of HDI to 29.8% of total sales in 4Q23 from 25.7% in 3Q23.

**2024 outlook.** Management toned down its revenue guidance from an initial 7-10% growth to 4-7% growth in response to a weaker automotive industry and high inventory levels. It expects 1Q24 revenue to improve thanks to orders postponed from 4Q23, raising PCB sales 8% QoQ to ~US\$102mn in 1Q24. It anticipates revenue growth in 2H24 after signing new customers for multilayer PCB and HDI products. It revised gross margin guidance down to 24% from 25-27%, though this remains above 2023's 20.8%. It plans to achieve this target by controlling costs, cutting utilities expenses, adjusting its chemical formula and reducing defect rates. It expects gross margin to widen 2 pp each quarter from 2Q24 to 4Q24. We expect earnings to step up each quarter this year.

**Revising 2024.** Based on the new guidance, we have revised down our 2024 forecast by 11% and 2025 by 12%. We now expect revenue growth of 4% in 2024, down from 7.9%. Our new gross margin assumption is 24.0%, down from 25.1%. Even after these revisions, our 2024 forecast posits earnings growth of 33.7%.

**Action & recommendation.** After revising our earnings projections, we lower our TP to Bt52.0 (from Bt61.0) based on -0.5 SD of its PE mean of 27X. We believe the recent 30% drop in share price from its end-2023 peak has already priced in its weaker outlook. Currently, the share is trading at -1 SD of its PE mean. Therefore, we recommend accumulating shares at this lower price level, as we still expect strong growth of 33.7% in 2024.

**Key risks** are changes in purchasing power, weaker-than-expected automotive industry and higher raw material costs (copper and epoxy resins) and exchange rate volatility.

### Forecasts and valuation

Year to 31 Dec	Unit	2022	2023	2024F	2025F	2026F
Revenue	(Btmn)	18,456	16,344	16,991	17,686	18,373
EBITDA	(Btmn)	3,586	2,917	3,628	3,835	4,391
Core profit	(Btmn)	2,281	1,569	2,271	2,429	2,536
Reported profit	(Btmn)	2,317	1,720	2,271	2,429	2,536
Core EPS	(Bt)	1.9	1.3	1.9	2.1	2.1
DPS	(Bt)	2.03	1.22	1.44	1.54	1.61
P/E, core	(x)	21.0	30.5	21.1	19.7	18.9
EPS growth, core	(%)	(6.0)	(31.2)	44.7	7.0	4.4
P/BV, core	(x)	3.6	3.5	3.3	3.2	3.1
ROE	(%)	17.2	12.6	16.2	16.3	16.6
Dividend yield	(%)	5.0	3.0	3.6	3.8	4.0
FCF yield	(x)	36.7	104.0	51.4	1.9	46.1
EV/EBIT	(x)	19.0	24.3	18.6	18.6	18.3
EBIT growth, core	(%)	(4.5)	(26.4)	36.1	7.6	4.7
EV/CE	(x)	3.5	3.3	3.2	3.3	3.2
ROCE	(%)	0.0	0.0	0.0	0.0	0.1
EV/EBITDA	(x)	13.1	15.6	12.6	12.7	11.4
EBITDA growth	(%)	(3.2)	(18.6)	24.4	5.7	14.5

Source: InnovestX Research

## Tactical: OUTPERFORM (3-month)

### Stock data

Last close (Feb 14) (Bt)	40.50
Target price (Bt)	52.00
Mkt cap (Btmn)	47.87
Mkt cap (US\$m)	1,328

Beta	M
Mkt cap (%) SET	0.28
Sector % SET	6.63
Shares issued (mn)	1,182
Par value (Bt)	0.50
12-m high / low (Bt)	57.5 / 35.5
Avg. daily 6m (US\$m)	13.92
Foreign limit / actual (%)	49 / 22
Free float (%)	59.1
Dividend policy (%)	n.a.

### Share performance

(%)	1M	3M	12M
Absolute	(21.0)	(23.6)	(13.4)
Relative to SET	(19.7)	(21.9)	3.0

Source: SET, InnovestX Research

### 2023 Sustainability / 2022 ESG Score

SET ESG Ratings	No
-----------------	----

### ESG Bloomberg Rank in the sector

ESG Score Rank	2/8
Environmental Score Rank	1/8
Social Score Rank	2/8
Governance Score Rank	2/8

### ESG comment

KCE's ESG policy is considered to be among the best in the industry. The company's key ESG focus areas are labor management and suppliers, and KCE is already doing a good job in these areas.

Source: Bloomberg Finance L.P.

### Analyst

#### Chaiwat Arsirawichai

Fundamental Investment

Analyst on Securities

(66-2) 949-1021

Chaiwat.arsirawichai@scb.co.th

**Our view on ESG**

KCE is considered a leader in the industry in terms of its commitment to the environment, society, and the interests of all stakeholders. The company has been a member of the United Nations Global Compact (UNGC) since 2007. The UNGC is a UN initiative that encourages businesses to align their strategies and operations with 10 universally accepted principles in the areas of human rights, labor, environment, and anti-corruption. KCE's ESG policy is considered to be among the best in the industry. The company's key ESG focus areas are labor management and suppliers, and KCE is already doing a good job in these areas.

**Disclosure Score**

<b>Bloomberg ESG Score</b>	<b>52.98 (2022)</b>	<b>CG Rating</b>	<b>DJSI</b>	<b>SETESG</b>	<b>SET ESG Ratings</b>
Rank in Sector	2/8	KCE	5	No	No

Source: Thai Institute of Directors (IOD), SET

**Environmental Issue (E)**

- KCE is committed to developing a procurement strategy that focuses on product and service quality. The company has established a comprehensive risk management process that covers environmental, social, and governance (ESG) aspects. This process ensures that KCE's management approach is aligned with the company's risk profile. KCE takes into account quality, quantity, delivery of products and services, as well as compliance with labor law, environmental law, and other quality management systems. The company's goal is to protect and mitigate risks that may impact quality, quantity, delivery of products and services, and trust of stakeholders.
- According to the 2020 Annual Report, KCE received responses from suppliers representing approximately 83.65% of its total procurement value agreeing to sign the "Conflict Minerals Control Agreement" as of December 2021.
- We believe that KCE's environmental management is relatively good. This is because the company sells its products to Europe and the United States, which have strict regulations on environmental protection. KCE is therefore required to develop environmentally friendly products. This is consistent with the company's ESG environmental score, which is higher than the industry average.

**Social Issue (S)**

- KCE is committed to community and social development. The company supports its employee volunteers and participates in various projects, both long-term and short-term. Short-term projects include donating supplies and money, as well as organizing recreational activities for disadvantaged people, temples, schools, and government agencies. In 2021, KCE collaborated with the Chalong Krung Metropolitan Police Station, the Ladkrabang Industrial Estate Office, and surrounding communities to provide drinking water and safety campaign stickers during the Songkran Festival. The company also donated face masks to communities as part of its COVID-19 prevention campaign.
- We believe that labor issues are a significant factor for KCE. The company requires a large workforce, and some of the required skills are highly specialized. Therefore, we place a higher weight on social factors than on other ESG factors. However, KCE already performs well in terms of labor practices,

**Governance Issue (G)**

- KCE has developed a Supplier Sustainable Code of Conduct (SCOC) for its suppliers. The document covers topics such as business ethics, human rights, occupational health and safety, and the environment. KCE also communicates with suppliers through its website: <https://www.kce.co.th/Eng/index.aspx#SupplyChain> on topics such as Conflict Minerals Policy, Supplier Code of Conduct, Anti-Corruption Policy, and Sustainable Procurement Policy.
- We believe that governance is an area where KCE could improve. The company's ESG governance score is lower than the industry average. This is due to issues such as the role and responsibilities of the board of directors, disclosure of executive and board compensation, and shareholder policies.

**ESG Disclosure Score**

	2021	2022
<b>ESG Disclosure Score</b>	<b>54.91</b>	<b>52.98</b>
<b>Environment</b>	<b>53.76</b>	<b>52.13</b>
Hazardous Waste ('000 metric tonnes)	5.4	—
Total Waste ('000 metric tonnes)	17.0	19.9
Water Policy	Yes	Yes
<b>Social</b>	<b>29.78</b>	<b>25.60</b>
Total Recordable Incident Rate - Employees (per 100 employees)	1.0	—
Number of Employees - CSR (persons)	974	1,049
Number of Contractors (persons)	1,552	1,688
Total Hours Spent by Firm - Employee Training (hours)	44,164	67,795
<b>Governance</b>	<b>81.10</b>	<b>81.10</b>
Board Size (persons)	9	9
Board Meeting Attendance Pct (%)	99.1	99.1
Nomination Committee Meeting Attendance Percentage (%)	100	100

Source: Bloomberg Finance L.P.

**Disclaimer**

Bloomberg ESG Disclosure Scores rate companies on their level of disclosure of ESG data. Bloomberg offers four disclosure scores, for overall ESG, as well as Environmental, Social, and Governance. To review the fully transparent methodology, calculate disclosure scores for any company, and compare a company's scores vs its peers, see ESG Disclosure Score Model in Bloomberg.

## Financial statement

### Profit and Loss Statement

FY December 31	Unit	2019	2020	2021	2022	2023	2024F	2025F	2026F
Total revenue	(Btmn)	12,097	11,527	14,938	18,456	16,344	16,991	17,686	18,373
Cost of goods sold	(Btmn)	(9,644)	(9,015)	(10,965)	(14,254)	(12,941)	(12,906)	(13,356)	(13,856)
<b>Gross profit</b>	<b>(Btmn)</b>	<b>2,454</b>	<b>2,512</b>	<b>3,973</b>	<b>4,202</b>	<b>3,403</b>	<b>4,086</b>	<b>4,330</b>	<b>4,517</b>
SG&A	(Btmn)	(1,613)	(1,449)	(1,656)	(1,988)	(1,774)	(1,869)	(1,945)	(2,021)
Other income	(Btmn)	191	215	392	330	340	347	353	361
Interest expense	(Btmn)	(61)	(57)	(44)	(72)	(104)	(106)	(108)	(110)
<b>Pre-tax profit</b>	<b>(Btmn)</b>	<b>971</b>	<b>1,220</b>	<b>2,665</b>	<b>2,472</b>	<b>1,865</b>	<b>2,457</b>	<b>2,630</b>	<b>2,747</b>
Corporate tax	(Btmn)	(41)	(87)	(221)	(144)	(131)	(172)	(184)	(192)
Equity a/c profits	(Btmn)	19	10	17	19	14	14	14	14
Minority interests	(Btmn)	(15)	(16)	(35)	(29)	(28)	(29)	(31)	(32)
<b>Core profit</b>	<b>(Btmn)</b>	<b>934</b>	<b>1,127</b>	<b>2,426</b>	<b>2,281</b>	<b>1,569</b>	<b>2,271</b>	<b>2,429</b>	<b>2,536</b>
Extra-ordinary items	(Btmn)	-	-	-	36	31	-	-	-
<b>Net Profit</b>	<b>(Btmn)</b>	<b>934</b>	<b>1,127</b>	<b>2,426</b>	<b>2,317</b>	<b>1,720</b>	<b>2,271</b>	<b>2,429</b>	<b>2,536</b>
EBITDA	(Btmn)	1,949	2,276	3,705	3,586	2,917	3,628	3,835	4,391
<b>Core EPS</b>	<b>(Btmn)</b>	<b>0.79</b>	<b>0.95</b>	<b>2.05</b>	<b>1.93</b>	<b>1.33</b>	<b>1.92</b>	<b>2.06</b>	<b>2.15</b>
Net EPS	(Bt)	0.79	0.95	2.05	1.96	1.45	1.92	2.06	2.15
DPS	(Bt)	<b>0.96</b>	<b>0.81</b>	<b>1.02</b>	<b>2.03</b>	<b>1.22</b>	<b>1.44</b>	<b>1.54</b>	<b>1.61</b>

### Balance Sheet (Btmn)

FY December 31	Unit	2019	2020	2021	2022	2023	2024F	2025F	2026F
Total current assets	(Btmn)	6,640	8,185	11,794	11,079	10,079	11,271	9,811	10,079
Total fixed assets	(Btmn)	9,861	9,192	10,157	9,914	9,114	10,144	13,855	16,308
<b>Total assets</b>	<b>(Btmn)</b>	<b>16,501</b>	<b>17,377</b>	<b>21,951</b>	<b>20,993</b>	<b>19,193</b>	<b>21,414</b>	<b>23,666</b>	<b>26,387</b>
Total loans	(Btmn)	1,067	1,283	2,538	2,173	1,280	1,306	1,332	1,359
Total current liabilities	(Btmn)	3,651	4,216	6,948	6,244	4,562	6,129	7,672	9,640
Total long-term liabilities	(Btmn)	364	423	444	401	380	455	547	656
<b>Total liabilities</b>	<b>(Btmn)</b>	<b>4,739</b>	<b>5,315</b>	<b>8,509</b>	<b>7,548</b>	<b>5,444</b>	<b>7,097</b>	<b>8,742</b>	<b>10,829</b>
Paid-up capital	(Btmn)	590	590	590	590	590	590	590	590
<b>Total equity</b>	<b>(Btmn)</b>	<b>11,762</b>	<b>12,062</b>	<b>13,442</b>	<b>13,445</b>	<b>13,749</b>	<b>14,317</b>	<b>14,924</b>	<b>15,558</b>
<b>BVPS</b>	<b>(Bt)</b>	<b>10.0</b>	<b>10.2</b>	<b>11.4</b>	<b>11.4</b>	<b>11.6</b>	<b>12.1</b>	<b>12.6</b>	<b>13.2</b>

### Cash Flow Statement (Btmn)

FY December 31	Unit	2019	2020	2021	2022	2023	2024F	2025F	2026F
Core Profit	(Btmn)	950	1,143	2,461	2,347	1,747	2,271	2,429	2,536
Depreciation and amortization	(Btmn)	978	1,056	1,040	1,114	1,052	1,170	1,205	1,645
Operating cash flow	(Btmn)	2,349	2,261	1,878	2,248	4,326	3,089	3,776	4,322
Investing cash flow	(Btmn)	(586)	(301)	(2,355)	(761)	(113)	(1,007)	(3,699)	(2,454)
Financing cash flow	(Btmn)	(2,189)	(575)	100	(9,903)	(17,062)	(15,162)	(14,073)	(12,866)
<b>Net cash flow</b>	<b>(Btmn)</b>	<b>(425)</b>	<b>1,385</b>	<b>(377)</b>	<b>(822)</b>	<b>622</b>	<b>317</b>	<b>(1,805)</b>	<b>(93)</b>

### Key Financial Ratios

FY December 31	Unit	2019	2020	2021	2022	2023	2024F	2025F	2026F
Gross margin	(%)	20.3	21.8	26.6	22.8	20.8	24.0	24.5	24.6
Operating margin	(%)	8.0	10.6	17.8	13.4	11.4	14.5	14.9	14.9
EBITDA margin	(%)	16.1	19.7	24.8	19.4	17.8	21.4	21.7	23.9
EBIT margin	(%)	8.5	11.1	18.1	13.8	12.0	15.1	15.5	15.5
Net profit margin	(%)	7.7	9.8	16.2	12.6	10.5	13.4	13.7	13.8
ROE	(%)	7.9	9.3	18.0	17.2	12.6	16.2	16.3	16.6
ROA	(%)	5.7	6.5	11.1	10.8	8.6	11.2	10.2	10.1
Net D/E	(x)	0.1	0.0	0.1	0.2	0.0	0.1	0.3	0.4
Interest coverage	(x)	16.9	22.2	62.0	35.3	19.0	24.2	25.4	25.9
Debt service coverage	(x)	0.5	0.6	0.7	0.6	0.7	0.6	0.5	0.4
Core PER	(x)	51.2	42.5	19.7	21.0	30.5	21.1	19.7	18.9
PBV	(x)	4.1	4.0	3.6	3.6	3.5	3.3	3.2	3.1
Payout Ratio	(%)	121.6	84.5	49.7	105.2	91.8	75.0	75.0	75.0

### Main Assumptions

FY December 31	Unit	2019	2020	2021	2022	2023	2024F	2025F	2026F
Sales Growth	(%YoY)	36.2	-4.7	29.6	23.6	-11.4	4.0	4.1	3.9
Gross margin	(%YoY)	20.3	21.8	26.6	22.8	20.8	24.0	24.5	24.6
SG&A/Sales	(%)	13.3	12.6	11.1	10.8	10.9	11.0	11.0	11.0

## Financial statement

### Profit and Loss Statement

FY December 31	Unit	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
Total revenue	(Btmn)	4,533	4,667	4,634	4,622	4,025	3,898	4,326	4,094
Cost of goods sold	(Btmn)	(3,498)	(3,603)	(3,509)	(3,645)	(3,236)	(3,152)	(3,375)	(3,177)
<b>Gross profit</b>	<b>(Btmn)</b>	<b>1,035</b>	<b>1,064</b>	<b>1,125</b>	<b>978</b>	<b>789</b>	<b>746</b>	<b>951</b>	<b>917</b>
SG&A	(Btmn)	(509)	(490)	(523)	(467)	(480)	(415)	(458)	(421)
Other income	(Btmn)	115	73	95	47	87	101	91	60
Interest expense	(Btmn)	(12)	(17)	(19)	(24)	(24)	(29)	(27)	(24)
<b>Pre-tax profit</b>	<b>(Btmn)</b>	<b>630</b>	<b>631</b>	<b>678</b>	<b>534</b>	<b>372</b>	<b>403</b>	<b>557</b>	<b>533</b>
Corporate tax	(Btmn)	(35)	(54)	(22)	(32)	(25)	(29)	(33)	(44)
Equity a/c profits	(Btmn)	5	4	5	4	5	3	4	3
Minority interests	(Btmn)	(10)	(9)	(5)	(6)	(7)	(1)	(8)	(12)
<b>Core profit</b>	<b>(Btmn)</b>	<b>590</b>	<b>572</b>	<b>655</b>	<b>500</b>	<b>345</b>	<b>376</b>	<b>520</b>	<b>479</b>
Extra-ordinary items	(Btmn)	0	0	0	0	(30)	(56)	(49)	(15)
<b>Net Profit</b>	<b>(Btmn)</b>	<b>590</b>	<b>572</b>	<b>655</b>	<b>500</b>	<b>314</b>	<b>320</b>	<b>471</b>	<b>464</b>
EBITDA	(Btmn)	895	911	967	813	651	683	838	815
<b>Core EPS</b>	<b>(Btmn)</b>	<b>0.50</b>	<b>0.48</b>	<b>0.55</b>	<b>0.42</b>	<b>0.27</b>	<b>0.27</b>	<b>0.40</b>	<b>0.39</b>
Net EPS	(Bt)	0.50	0.48	0.55	0.42	0.29	0.32	0.44	0.41

FY December 31	Unit	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
Total current assets	(Btmn)	11,986	11,983	11,607	11,079	11,295	10,511	10,519	10,079
Total fixed assets	(Btmn)	10,335	10,187	10,034	9,914	9,703	9,528	9,322	9,114
<b>Total assets</b>	<b>(Btmn)</b>	<b>22,321</b>	<b>22,170</b>	<b>21,641</b>	<b>20,993</b>	<b>20,998</b>	<b>20,039</b>	<b>19,841</b>	<b>19,193</b>
Total loans	(Btmn)	2,577	3,272	3,175	2,915	2,532	2,517	2,520	1,712
Total current liabilities	(Btmn)	6,801	7,202	7,199	6,244	6,052	5,519	5,613	4,562
Total long-term liabilities	(Btmn)	1,046	1,091	1,077	904	904	676	563	503
<b>Total liabilities</b>	<b>(Btmn)</b>	<b>8,276</b>	<b>8,728</b>	<b>8,714</b>	<b>7,548</b>	<b>7,201</b>	<b>6,571</b>	<b>6,559</b>	<b>5,444</b>
Paid-up capital	(Btmn)	591	591	591	591	591	591	591	591
<b>Total equity</b>	<b>(Btmn)</b>	<b>14,045</b>	<b>13,442</b>	<b>12,927</b>	<b>13,445</b>	<b>13,797</b>	<b>13,467</b>	<b>13,282</b>	<b>13,749</b>
<b>BVPS</b>	<b>(Bt)</b>	<b>11.88</b>	<b>11.37</b>	<b>10.94</b>	<b>11.38</b>	<b>11.67</b>	<b>11.39</b>	<b>11.24</b>	<b>11.63</b>

### Cash Flow Statement (Btmn)

FY December 31	Unit	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
Core Profit	(Btmn)	600	1,180	1,841	2,347	352	733	1,261	1,747
Depreciation and amortization	(Btmn)	259	527	803	1,082	272	550	827	1,052
Operating cash flow	(Btmn)	934	1,967	3,008	3,890	645	1,341	2,227	3,176
Investing cash flow	(Btmn)	(394)	(340)	(446)	(548)	(126)	(205)	(334)	740
Financing cash flow	(Btmn)	(40)	(600)	(1,973)	(2,309)	(531)	(1,437)	(2,337)	622
<b>Net cash flow</b>	<b>(Btmn)</b>	<b>(235)</b>	<b>(237)</b>	<b>(888)</b>	<b>(821)</b>	<b>628</b>	<b>216</b>	<b>357</b>	<b>622</b>

### Key Financial Ratios

FY December 31	Unit	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
Gross margin	(%)	22.8	22.8	24.3	21.1	19.6	19.1	22.0	22.4
Operating margin	(%)	11.6	12.3	13.0	11.0	7.7	8.5	11.4	12.1
EBITDA margin	(%)	19.8	19.5	20.9	17.6	16.2	17.5	19.4	19.9
EBIT margin	(%)	14.2	13.9	15.0	12.1	9.8	11.1	13.5	13.6
Net profit margin	(%)	13.0	12.3	14.1	10.8	7.8	8.2	10.9	11.3
ROE	(%)	16.8	17.0	20.3	14.9	10.0	11.2	15.6	13.9
ROA	(%)	10.6	10.3	12.1	9.5	6.6	7.5	10.5	10.0
Net D/E	(x)	0.1	0.2	0.2	0.2	0.1	0.1	0.1	0.2
Interest coverage	(x)	34.1	31.1	21.2	30.7	13.1	11.4	18.0	20.7
Debt service coverage	(x)	0.3	0.3	0.3	1.2	0.3	0.3	0.3	0.5

### Main Assumptions

FY December 31	Unit	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
FX	(Bt/US\$)	33.1	34.4	36.4	36.6	34.3	35.3	35.5	35.8

Figure 1: Valuation summary (price as of Feb 14, 2024)

	Rating	Price (Bt/Sh)	Target (Bt/Sh)	ETR (%)	P/E (x)			EPS growth (%)			P/BV (x)			ROE (%)			Div. Yield (%)			EV/EBITDA (x)		
					22A	23F	24F	22A	23F	24F	22A	23F	24F	22A	23F	24F	22A	23F	24F	22A	23F	24F
DELTA	Neutral	79.00	84.0	6.9	67.7	55.5	49.1	156	22	13	17.4	14.2	11.7	32	29	27	0.2	0.5	0.6	53.8	41.0	37.0
HANA	Outperform	46.75	66.0	45.2	17.9	17.1	13.4	36	5	27	2.3	2.3	2.4	9	9	12	3.9	4.0	5.1	9.7	10.0	9.0
KCE	Outperform	40.50	52.0	32.0	30.5	21.1	19.7	(31)	45	7	3.5	3.3	3.2	13	16	16	3.0	3.6	3.8	15.6	12.6	12.7
<b>Average</b>					<b>38.7</b>	<b>31.2</b>	<b>27.4</b>	<b>54</b>	<b>24</b>	<b>16</b>	<b>7.7</b>	<b>6.6</b>	<b>5.8</b>	<b>18</b>	<b>18</b>	<b>18</b>	<b>2.4</b>	<b>2.7</b>	<b>3.2</b>	<b>26.3</b>	<b>21.2</b>	<b>19.6</b>

Source: InnovestX Research

**Disclaimer**

The information in this report has been obtained from sources believed to be reliable. However, its accuracy or completeness is not guaranteed. Any opinions expressed herein reflect our judgment at this date and are subject to change without notice. This report is for information only. It is not to be construed as an offer, or solicitation of an offer to sell or buy any securities. We accept no liability for any loss arising from the use of this document. We or our associates may have an interest in the companies mentioned therein.

InnovestX Securities Company Limited ("INVX") is wholly owned by SCB X Public Company Limited ("SCBX") and The Siam Commercial Bank Public Company Limited ("SCB") is majority-owned by SCBX. Any information related to SCB is for sector comparison purpose.

This document is prepared by InnovestX Securities Company Limited ("INVX") which is wholly-owned by SCB X Public Company Limited ("SCBX"). The Siam Commercial Bank Public Company Limited, which is majority-owned by SCBX, acts as financial advisor of the SCG Chemicals Public Company Limited (SCGC). Any opinions, news, research, analyses, prices, statements, forecasts, projections and/or other information contained in this document (the "Information") is provided as general information purposes only and shall not be construed as individualized recommendation of an offer to buy or sell or the solicitation of an offer to buy or sell any securities. INVX and/or its directors, officers and employees shall not be liable for any direct, indirect, incidental, special or consequential loss or damage, resulting from the use of or reliance on the Information, including without limitation to, damages for loss of profits. The investors shall use the Information in association with other information and opinion, including their own judgment in making investment decision. The Information is obtained from sources believed to be reliable, and INVX cannot guarantee the accuracy, completeness and/or correctness of the Information.

This document is prepared by InnovestX Securities Company Limited ("INVX") which is wholly-owned by SCB X Public Company Limited ("SCBX"). The Siam Commercial Bank Public Company Limited, which is majority-owned by SCBX, acts as financial advisor of the Big C Retail Company Limited (BRC), a subsidiary of Berli Jucker Public Company Limited. Any opinions, news, research, analyses, prices, statements, forecasts, projections and/or other information contained in this document (the "Information") is provided as general information purposes only and shall not be construed as individualized recommendation of an offer to buy or sell or the solicitation of an offer to buy or sell any securities. INVX and/or its directors, officers and employees shall not be liable for any direct, indirect, incidental, special or consequential loss or damage, resulting from the use of or reliance on the Information, including without limitation to, damages for loss of profits. The investors shall use the Information in association with other information and opinion, including their own judgment in making investment decision. The Information is obtained from sources believed to be reliable, and INVX cannot guarantee the accuracy, completeness and/or correctness of the Information.

This document is prepared by InnovestX Securities Company Limited ("INVX") which is wholly owned by SCB X Public Company Limited ("SCBX"). The Siam Commercial Bank Public Company Limited, which is majority-owned by SCBX, acts as financial advisor of the LH Hotel Leasehold Real Estate Investment Trust. Any opinions, news, research, analyses, prices, statements, forecasts, projections and/or other information contained in this document (the "Information") is provided as general information purposes only and shall not be construed as individualized recommendation of an offer to buy or sell or the solicitation of an offer to buy or sell any securities. INVX and/or its directors, officers and employees shall not be liable for any direct, indirect, incidental, special or consequential loss or damage, resulting from the use of or reliance on the Information, including without limitation to, damages for loss of profits. The investors shall use the Information in association with other information and opinion, including their own judgment in making investment decision. The Information is obtained from sources believed to be reliable, and INVX cannot guarantee the accuracy, completeness and/or correctness of the Information.

INVX reserves the right to modify the Information from time to time without notice and in its sole discretion. This document is delivered to intended recipient(s) only and is not permitted to reproduce, retransmit, disseminate, sell, distribute, republish, circulate or commercially exploit the Information in any manner without the prior written consent of INVX.

Futures and Options trading carry a high level of risk with the potential for substantial losses, and are not suitable for all persons. Before deciding to trade Futures and Options, you should carefully consider your financial position, investment objectives, level of experience, and risk appetite if Futures and Options trading are appropriate. The possibility exists that you could sustain a loss of some or all of your initial investment. You should be aware of all the risks associated with Futures and Options trading, and you are advised to rely on your own judgment while making investment decision and/or should seek advice from professional investment advisor if you have any doubts.

This document is delivered to intended recipient(s) only and is not permitted to reproduce, retransmit, disseminate, sell, distribute, republish, circulate or commercially exploit the Information in any manner without the prior written consent of INVX.

© Copyright 2022 InnovestX Securities Co., Ltd. All right reserved.

**CG Rating 2023 Companies with CG Rating**

**Companies with Excellent CG Scoring**

7UP, AAV, ABM, ACE, ACG, ADB, ADD, ADVANC, AEONTS, AF, AGE, AH, AHC, AIRA, AIT, AJ, AKP, AKR, ALL, ALLA, ALT, AMA, AMARIN, AMATA, AMATAV, ANAN, AOT, AP, APCO, APCS, ARIP, ARROW, ASEFA, ASK, ASP, ASW, ATP30, AUCTION, AWC, AYUD, B, BA, BAFS, BAM, BANPU, BAY, BBGI, BBIK, BBL, BC, BCH, BCP, BCPG, BDMS, BEC, BEM, BEYOND, BGC, BGRIM, BH, BIZ, BJC, BJCHI, BKI, BLA, BOL, BPP, BRI, BROOK, BRR, BTS, BTW, BWG, BYD, CBG, CENTEL, CFRESH, CHASE, CHEWA, CHG, CHOW, CIMBT, CIVIL, CK, CKP, CM, CNT, COLOR, COM7, COTTO, CPALL, CPAXT, CPF, CPI, CPL, CPN, CPW, CRC, CRD, CSC, CSS, CV, DCC, DDD, DELTA, DEMCO, DMT, DOHOME, DRT, DUSIT, EA, EASTW, ECF, ECL, EE, EGCO, EPG, ERW, ETC, ETE, FE, FLOYD, FN, FPI, FPT, FSX, FVC, GBX, GC, GCAP, GENCO, GFPT, GGC, GLAND, GLOBAL, GPSC, GRAMMY, GULF, GUNKUL, HANA, HARN, HENG, HMPRO, HPT, HTC, ICC, ICHI, ICN, III, ILINK, ILM, IMH, IND, INET, INTUCH, IP, IRC, IRPC, ITC, ITEL, IVL, JAS, JTS, KBANK, KCC, KCE, KEX, KKP, KSL, KTB, KTC, KTMS, KUMWEL, KUN, LALIN, LANN, LH, LHFG, LIT, LOXLEY, LPN, LRH, LST, M, MAJOR, MALEE, MATCH, MBK, MC, M-CHAI, MCOT, MEGA, MFC, MFEC, MILL, MINT, MONO, MOONG, MSC, MST, MTC, MTI, NC, NCH, NCL, NDR, NER, NKI, NOBLE, NRF, NTV, NVD, NWR, NYT, OCC, OISHI<sup>1</sup>, ONEE, OR, ORI, OSP, OTO, PAP, PATO, PB, PCSGH, PDG, PDJ, PG, PHOL, PIMO, PJW, PLANB, PLAT, PLUS, PM, POLY, PORT, PPP, PPS, PR9, PRG, PRINC, PRM, PRTR, PSH, PSL, PT, PTC, PTT, PTTEP, PTTGC, Q-CON, QH, QTC, RATCH, RBF, RPH, RS, RT, S, S&J, SA, SABINA, SAK, SAMART, SAMTEL, SAPPE, SAT, SBNEXT, SC, SCB, SCC, SCCC, SCG, SCGP, SCM, SDC, SEAFCO, SEAOL, SECURE, SELIC, SENA, SENX, SFP<sup>2</sup>, SFT, SGC, SGF, SGP, SHR, SICT, SIRI, SIS, SITHAI, SJWD, SKR, SM, SMP, SMT, SNC, SNNP, SNP, SO, SPALI, SPC, SPCG, SPI, SPRC, SR, SSC, SSF, SSSC, STA, STC, STEC, STGT, STI, SUC, SUN, SUSCO, SUTHA, SVI, SVT, SYMC, SYNEX, SYNTEC, TACC, TAE, TCAP, TCMC, TEAMG, TEGH, TFG, TFMAMA, TGE, TGH, THANA, THANI, THCOM, THIP, THRE, THREL, TIDLOR, TIPH, TISCO, TK, TKN, TKS, TKT, TLI, TM, TMC, TMD, TMT, TNDT, TNITY, TNL, TNR, TOA, TOG, TOP, TPBI, TPCS, TPIPL, TPIPP, TPS, TQM, TQR, TRT, TRUE, TRV, TSC, TSTE, TSTH, TTA, TTB, TTCL, TTW, TURTLE, TVDH, TVH, TVO, TVT, TWPC, UAC, UBE, UBIS, UKEM, UP, UPF, UPOIC, UV, VCOM, VGI, VIBHA, VIH, VL, WACOAL, WGE, WHA, WHAUP, WICE, WINMED, WINNER, XPG, YUASA, ZEN

**Companies with Very Good CG Scoring**

2S, A5, AAI, AIE, ALUCON, AMR, APURE, ARIN, AS, ASIA, ASIAN, ASIMAR, ASN, AURA, BR, BSBM, BTG, CEN, CGH, CH, CHIC, CI, CIG, CMC, COMAN, CSP, DOD, DPAINT, DV8, EFORL, EKH, ESSO, ESTAR, EVER, FORTH, FSMART, FTI, GEL, GPI, HEALTH, HUMAN, IFS, INSET, IT, J, JCKH, JDF, JKN, JMART, JUBILE, K, KCAR, KGI, KIAT, KISS, KK, KTIS, KWC, KWM, LDC, LEO, LHK, MACO, METCO, MICRO, MK, MVP, NCAP, NOVA, NTSC, PACO, PIN, PQS, PREB, PRI, PRIME, PROEN, PROS, PROUD, PSTC, PTECH, PYLON, RCL, SALEE, SANKO, SCI, SCN, SE, SE-ED, SFLEX, SINGER, SKN, SONIC, SORKON, SPVI, SSP, SST, STANLY, STP, SUPER, SVOA, SWC, TCC, TEKA, TFM, TMILL, TNP, TPLAS, TPOLY, TRC, TRU, TRUBB, TSE, VRANDA, WAVE, WFX, WIIK, WIN, WP, XO

**Companies with Good CG Scoring**

24CS, AMANAH, AMARC, AMC, APP, ASAP, BCT, BE8, BIG, BIOTEC, BLESS, BSM, BVG, CAZ, CCET, CHARAN, CHAYO, CHOTI, CITY, CMAN, CMR, CRANE, CWT, DHOUSE, DTCENT, EASON, FNS, FTE, GIFT, GJS, GTB, GTV, GYT, HL, HTECH, HYDRO, IIG, INGRS, INSURE, IRCP, ITD, ITNS, JCK, JMT, JR, JSP, KBS, KGEN, KJL, L&E, LEE, MASTER, MEB, MENA, META, MGT, MITSIB, MJD, MOSHI, MUD, NATION, NNCL, NPK, NSL, NV, OGC, PAF, PCC, PEACE, PICO, PK, PL, PLANET, PLE, PMTA, PPM, PRAKIT, PRAPAT, PRECHA, PRIN, PSG, RABBIT, READY, RUH, RSP, RWI, S11, SAAM, SAF, SAMCO, SAWAD, SCAP, SCP, SIAM, SKE, SKY, SMART, SMD, SMIT, SOLAR, SPA, STECH, STPI, SVR, TC, TCCC<sup>3</sup>, TEAM, TFI, TIGER, TITLE, TKT, TMI, TNH, TPA, TPAC, TRITN, UBA, UMI, UMS, UTP, VARO, VPO, W, WARRIX, WORK, WPH, YONG, ZIGA

**Corporate Governance Report**

The material contained in this publication is for general information only and is not intended as advice on any of the matters discussed herein. Readers and others should perform their own independent analysis as to the accuracy or completeness or legality of such information. The Thai Institute of Directors, its officers, the authors and editor make no representation or warranty as to the accuracy, completeness or legality of any of the information contained herein. By accepting this document, each recipient agrees that the Thai Institute of Directors Association, its officers, the authors and editor shall not have any liability for any information contained in, or for any omission from, this publication.

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. InnovestX Securities Company Limited does not conform nor certify the accuracy of such survey result.

To recognize well performers, the list of companies attaining "Good", "Very Good" and "Excellent" levels of recognition (Not including listed companies qualified in the "no announcement of the results" clause from 1 January 2022 to 31 October 2023) is publicized.

<sup>1</sup>OISHI was voluntarily delisted from the Stock Exchange of Thailand, effectively on September 6, 2023

<sup>2</sup>SFP was voluntarily delisted from the Stock Exchange of Thailand, effectively on July 19, 2023

<sup>3</sup>TCCC was voluntarily delisted from the Stock Exchange of Thailand effectively on August 25, 2023

**Anti-corruption Progress Indicator**

**Certified (ได้คุ้มครอง)**

2S, 7UP, AAI, ADVANC, AF, AH, AI, AIE, AIRA, AJ, AKP, AMA, AMANAH, AMATA, AMATAV, AP, APCS, AS, ASIAN, ASK, ASP, AWC, AYUD, B, BAFS, BAM, BANPU, BAY, BBGI, BBL, BCH, BCP, BCPG, BE8, BEC, BEYOND, BGC, BGRIM, BKI, BLA, BPP, BROOK, BRR, BSBM, BTS, BWG, CEN, CENTEL, CFRESH, CGH, CHEWA, CHOTI, CHOW, CIG, CIMBT, CM, CMC, COM7, CPALL, CPAXT, CPF, CPI, CPL, CPN, CPW, CRC, CSC, DCC, DELTA, DEMCO, DIMET, DOHOME, DRT, DUSIT, EA, EASTW, ECF, EGCO, EP, EPG, ERW, ESTAR, ETC, ETE, FNS, FPI, FPT, FSMART, FTE, GBX, GC, GCAP, GEL, GFPT, GGC, GJS, GPI, GPSC, GSTEEL, GULF, GUNKUL, HANA, HENG, HMPRO, HTC, ICC, ICHI, IFS, III, ILINK, ILM, INET, INOX, INSURE, INTUCH, IRPC, ITEL, IVL, JAS, JKN, JR, JTS, KASET, KBANK, KBS, KCAR, KCC, KCE, KGEN, KGI, KKP, KSL, KTB, KTC, L&E, LANN, LHFG, LHK, LPN, LRH, M, MAJOR, MALEE, MATCH, MBAX, MBK, MC, MCOT, META, MFC, MFEC, MILL, MINT, MONO, MOONG, MSC, MST, MTC, MTI, NATION, NCAP, NEP, NKI, NOBLE, NRF, NWR, OCC, OGC, OR, ORI, PAP, PATO, PB, PCSGH, PDG, PDJ, PG, PHOL, PIMO, PK, PL, PLANB, PLANET, PLAT, PM, PPP, PPPM, PPS, PR9, PREB, PRG, PRINC, PRM, PROS, PSH, PSL, PSTC, PT, PTECH, PTG, PTT, PTTEP, PTTGC, PYLON, Q-CON, QH, QLT, QTC, RABBIT, RATCH, RML, RS, RWI, S&J, SAAM, SABINA, SAK, SAPPE, SAT, SC, SCC, SCCC, SCG, SCGP, SCM, SCN, SEAOL, SE-ED, SELIC, SENA, SGC, SGP, SIRI, SITHAI, SKR, SMIT, SMK, SMP, SNC, SNP, SORKON, SPACK, SPALI, SPC, SPI, SPRC, SRICHA, SSF, SSP, SSSC, SST, STA, STGT, STOWER, SUSCO, SVI, SYMC, SYNEX, TAE, TAKUNI, TASCOT, TCAP, TCMC, TFG, TFI, TFMAMA, TGE, TGH, THANI, THCOM, THIP, THRE, THREL, TIDLOR, TIPCO, TISCO, TKS, TKT, TMD, TMILL, TMT, TNITY, TNL, TNP, TRG, TOG, TOP, TOPP, TPA, TPCS, TRT, TRU, TSC, TSI, TSTE, TSTH, TTA, TTB, TTCL, TV, TVDH, TVO, TWPC, UBE, UBIS, UEC, UKEM, UOBKH, UV, VCOM, VGI, VIH, WACOAL, WHA, WHAUP, WICE, WIIK, XO, YUASA, ZEN, ZIGA

**Declared (ไม่ดำเนินการ)**

ACE, ADB, ALT, AMC, ASW, BLAND, BTG, BYD, CAZ, CBG, CV, DEXON, DMT, EKH, FSX, GLOBAL, GREEN, ICN, IHL, ITC, J, JMART, JMT, LEO, LH, MENA, MITSIB, MODERN, NER, NEX, OSP, OTO, PLUS, POLY, PQS, PRIME, PROEN, PRTR, RBF, RT, SA, SANKO, SCB, SENX, SFLEX, SIS, SKE, SM, SVOA, TBN, TEGH, TIPH, TKN, TPAC, TPLAS, TQM, TRUE, W, WPH, XPG

**N/A**

24CS, 3K-BAT, A, A5, AAV, ABM, ACAP, ACC, ACG, ADD, ADVICE, AEONTS, AFC, AGE, AHC, AIT, AJA, AKR, AKS, ALL, ALLA, ALPHAX, ALUCON, AMARC, AMARIN, AMR, ANAN, ANI, AOT, APCO, APEX, APP, APURE, AQUA, ARIN, ARIP, ARROW, ASAP, ASEFA, ASIA, ASIMAR, ASN, ATP30, AU, AUCTION, AURA, B52, BA, BBIK, BC, BCT, BDMS, BEAUTY, BEM, BGT, BH, BIG, BIOTEC, BIS, BIZ, BJC, BJCHI, BKD, BLC, BLESS, BLISS, BM, BOL, BR, BRI, BROCK, BSM, BSRC, BTNC, BTW, BUI, BVG, CCET, CCP, CEYE, CGD, CH, CHARAN, CHASE, CHAYO, CHG, CHIC, CHO, CI, CITY, CIVIL, CK, CKP, CMAN, CMO, CMR, CNT, COCOLO, COLOR, COMAN, CPANEL, CPH, CPR, CPT, CRANE, CCR, CREDIT, CSP, CSR, CSS, CTW, CWT, D, DCON, DDD, DHOUSE, DITTO, DOD, DPAINT, DTCENT, DTCI, DV8, EASON, ECL, EE, EFORL, EMC, ETL, EURO, EVER, F&D, FANCY, FE, FLOYD, FMT, FN, FORTH, FTI, FVC, GABLE, GENCO, GFC, GIFT, GL, GLAND, GLOCON, GLORY, GRAMMY, GRAND, GSC, GTB, GTV, GYT, HEALTH, HFT, HL, HPT, HTECH, HUMAN, HYDRO, I2, IFEC, IIG, IMH, IND, INGRS, INSET, IP, IRC, IRCP, IT, ITD, ITNS, ITTHI, JAK, JCK, JCKH, JCT, JDF, JPARK, JSP, JUBILE, K, KAMART, KC, KCG, KCM, KDH, KEX, KIAT, KISS, KJL, KK, KKC, KLINIQ, KOOL, KTIS, KTMS, KUMWEL, KUN, KWC, KWI, KWM, KYE, LALIN, LDC, LEE, LIT, LOXLEY, LPH, LST, MANRIN, MASTER, MATI, MCA, M-CHAI, MCS, MDX, MEB, MEGA, METCO, MGC, MGI, MGT, MICRO, MIDA, MJD, MK, ML, MORE, MOSHI, MTW, MUD, MVP, NAM, NAT, NC, NCH, NCL, NDR, NETBAY, NEW, NEWS, NFC, NNCL, NOK, NOVA, NPK, NSL, NTSC, NTV, NUSA, NV, NVD, NYT, OHTL, ONEE, ORN, PACE, PACO, PAF, PCC, PEACE, PERM, PF, PHG, PICO, PIN, PJW, PLE, PLT, PMTA, POLAR, POMPI, PORT, POST, PPM, PRAKIT, PRAPAT, PRECHA, PRI, PRIN, PRO, PROUD, PSG, PSP, PTC, PTL, RAM, RCL, READY, RICHY, RUH, ROCK, ROCTEC, ROH, ROJNA, RP, RPC, RPH, RSP, S, S11, SABUY, SAF, SAFARI, SAFE, SALEE, SAM, SAMART, SAMCO, SAMTEL, SAUCE, SAV, SAWAD, SAWANG, SBNEXT, SCAP, SCGD, SCI, SCL, SCP, SDC, SE, SEAFCO, SECURE, SFT, SGF, SHANG, SHR, SIAM, SICT, SIMAT, SINGER, SINO, SISB, SJWD, SK, SKN, SKY, SLM, SLP, SMART, SMD, SMT, SNNP, SO, SOLAR, SONIC, SPA, SPCG, SPG, SPVI, SQ, SR, SRS, SSC, SSS, STANLY, STARK, STC, STEC, STECH, STHAI, STI, STP, STPI, SUC, SUN, SUPER, SUTHA, SVR, SVT, SWC, SYNEX, TACC, TAN, TAPAC, TC, TCC, TCJ, TCOAT, TEAM, TEAMG, TEKA, TFM, TGPRO, TH, THAI, THANA, THE, THG, THMU, TIGER, TITLE, TK, TKE, TLI, TM, TMC, TMI, TMW, TNDT, TNH, TNPC, TOA, TPBI, TPCH, TPIPL, TPIPP, TPL, TPOLY, TPP, TPS, TQR, TR, TRC, TRITN, TRP, TRUBB, TRV, TSE, TTI, TTT, TTW, TURTLE, TVH, TVT, TWP, TWI, TYCN, UAC, UBA, UMI, UMS, UNIQ, UP, UPF, UPOIC, UREKA, UTP, UVAN, VARO, VIBHA, VL, VNG, VPO, VRANDA, WARRIX, WAVE, WFX, WGE, WIN, WINDOW, WINMED, WINNER, WORK, WORLD, WP, YGG, YONG, ZAA

**Explanations**

Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of November 1, 2023) are categorised into: companies that have declared their intention to join CAC, and companies certified by CAC.