



SCG Packaging

(SCGP.BK/SCGP TB)*



SET ESG Rating of AAA

Underperform • Maintained

Price as of 29 Oct 2024	25.50
12M target price (Bt/shr)	25.00
Unchanged/Revised up(down)(%)	Unchanged
Upside/downside (%)	(2.00)

Key messages

กำไรสุทธิใน 3Q67 ของ SCGP ที่ 578 ล้านบาทต่ำกว่าทุกภาคการดำเนินงานมีนัยสำคัญ เนื่องจากผลการดำเนินงานที่ชะลอตัวของกลุ่ม IPB และการขาดทุนของ Fajar ส่วนกำไรหลักอยู่ที่ 677 ล้านบาทได้รับผลกระทบจากการส่งผ่านต้นทุนกระดาษรีไซเคิลที่เพิ่มขึ้นอย่างจำกัด ขาดทุน Fx และรายจ่ายดอกเบี้ยสูงขึ้น ขณะที่ margin ลดลงในทุกกลุ่มธุรกิจ

ท่ามกลางอุปสงค์ในจีนซบเซา ค่าเงินบาทแข็งค่า และน้ำท่วมในภูมิภาค แม้ว่า 4Q67F อาจดีขึ้นเล็กน้อย QoQ จากอุปสงค์กระดาษลดลงแต่ก็ยังเผชิญความท้าทายอยู่ ทั้งนี้ เราคงคำแนะนำขาย ราคาเป้าหมายที่ 25.00 บาท และคาดว่าจะมีโอกาสนักวิเคราะห์ในตลาดจะปรับลดประมาณการลงอีกจากปัญหาที่ยังค้างคาอยู่

Trading data

Mkt cap (Btbn/US\$bn)	127/2.8
Outstanding shares (mn)	4,293
Foreign ownership (mn)	176
3M avg. daily trading (mn)	13
52-week trading range (Bt)	22.60-39.00
Performance (%)	3M 6M 12M
Absolute	-7.1 -18.0 -27.1
Relative	-15.8 -23.2 -30.1

Quarterly EPS

Bt	Q1	Q2	Q3	Q4
2022	0.39	0.43	0.43	0.10
2023	0.28	0.35	0.31	0.28
2024	0.40	0.34	0.13	

Share price chart



Source: SET

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พื้นที่มูลค่าข่าวท่ามกลางตลาดในภูมิภาคที่ไม่ดี

Event

ประเด็นสำคัญที่ได้จากการประชุมนักวิเคราะห์และผลประกอบการ 3Q67

Impact

ผลประกอบการ 3Q67 ต่ำกว่าเราและตลาดคาดไปมาราว 32% และ 39%

กำไรสุทธิใน 3Q67 ของ SCGP ที่ 578 ล้านบาท (-60% QoQ -56% YoY) ต่ำกว่าที่เราคาด เนื่องจากการดำเนินงานของกลุ่ม integrated packaging unit (IPB) (คิดเป็น 75% ของยอดขาย) ต่ำกว่าคาด (ส่วนใหญ่เกิดจากการขาดทุนของ Fajar) แต่เมื่อหักค่าใช้จ่ายที่เกิดขึ้นเพียงครั้งเดียวเกี่ยวกับขาดทุน Fx และการเข้าซื้อกิจการของ Fajar กำไรหลักจะอยู่ที่ 677 ล้านบาท (-54% QoQ -48% YoY) ขณะที่ กำไรหลัก 9M67 อยู่ที่ 3.8 พันล้านบาท (-2% YoY) คิดเป็น 79% ของประมาณการของเรา ถูกกดดันจากกลไกการส่งผ่านต้นทุนไปราคาขายไม่ดีและต้นทุนดอกเบี้ยสูงขึ้น

ปัญหาต่าง ๆ กดดัน margin ในทุกกลุ่มธุรกิจ

การที่ผลการดำเนินงานลดลงทั้ง YoY และ QoQ มีสาเหตุมาจาก EBITDA margin ต่ำลงในทุกกลุ่มธุรกิจ ได้รับผลจากการขาดทุนมากขึ้นของ Fajar นำท่วมในประเทศไทยและเวียดนาม อุปสงค์อ่อนแอในจีน ค่าเงินบาทแข็งค่า และกลไกการส่งผ่านต้นทุนไปราคาขายจำกัดท่ามกลางต้นทุนกระดาษรีไซเคิล (RCP) ที่สูงขึ้น (มีช่วงเหลือมเวลาราว 3-6 เดือน) และค่าใช้จ่ายดอกเบี้ยที่สูงขึ้น ในแง่ EBITDA margin ของกลุ่ม IPB ลดลงเหลือ 11.7% (จาก 14.1% ใน 2Q67 และ 15.4% ใน 3Q66) ในขณะที่ margin ของกลุ่ม FB ลดลงที่ 11.2% (จาก 15.7% ใน 2Q67 และ 13.0% ใน 3Q66) นอกจากนี้ เป็นที่น่ายังคงความกังวลว่า ขาดทุน IPB ลดลง 2-4% ในทุกกลุ่มย่อย โดยปริมาณขายกระดาษบรรจุภัณฑ์ลดลง 5% QoQ เช่นกัน

แนวโน้มของ Fajar ยังมีความล่าช้าอยู่ท่ามกลางอุปสงค์ในภูมิภาคที่น่าเป็นห่วง

ผู้บริหารยังคงมองบวกต่อแนวโน้มของ Fajar แม้ว่าจะเลื่อนเป้าหมาย EBITDA และกำไรของ Fajar ออกไปใน 2Q68 และ 4Q68 ตามลำดับ เนื่องจากจีนฟื้นตัวได้ช้ากว่าคาดเดิม ในขณะนี้ ปริมาณการส่งออกกระดาษกล่องลูกฟูกในภูมิภาคยังคงถูกกดดัน โดยอุปสงค์ในจีนซบเซาคงค้างราคา ท่ามกลางความเชื่อมั่นของผู้บริโภคอ่อนแอและปัญหาในตลอดห่วงโซ่อุปทาน นอกจากนี้ข้อมูลเศรษฐกิจอาเซียนที่อ่อนแอ (รูปที่ 9) ประเทศไทยยังเผชิญความเชื่อมั่นของผู้บริโภคลดลงมาตั้งแต่ต้นปี 2567 (รูปที่ 6-7) ทั้งนี้ เราคาดว่ากำไร 3Q67 จะเป็นจุดต่ำสุดของปี โดยกำไรหลักใน 4Q67 คาดว่าจะดีขึ้น QoQ ด้วยอุปสงค์แข็งแกร่งจากปัจจัยตามฤดูกาลและความคืบหน้าที่ดีขึ้นของ Fajar แม้ว่าจะยังคง YoY ก็ตามท่ามกลางการฟื้นตัวที่ยังไม่สมบูรณ์

Valuation and action

เราขึ้นคำแนะนำ “ขาย” ด้วยราคาเป้าหมายที่ 25.00 บาท อิงจาก EV/EBITDA ที่ 7.8 เท่า กำไรหลักปี 2567-2569 ของเราน่าจะต่ำกว่าประมาณการของตลาดอยู่ราว 9-14% ซึ่งเราคิดว่าเราจะเห็นนักวิเคราะห์ในตลาดปรับลดประมาณการลงอีก โดยที่เรามองว่า SCGP ยังคงอยู่ในช่วง M&A ขนาดใหญ่ ขณะที่แนวโน้มกำไรทางไกลจากระดับในอดีต ความเสี่ยงต่อคำแนะนำของเรา (wild card) คือมาตรการกระตุ้นเศรษฐกิจของจีนที่แข็งแกร่งกว่าที่คาด

Risks

ความผันผวนของต้นทุนวัตถุดิบและพลังงาน ความเสี่ยงต่อค่าผิด M&A และความเสียงของประเทศ

Key financials and valuations

	Dec - 22A	Dec - 23A	Dec - 24F	Dec - 25F	Dec - 26F
Revenue (Btmn)	146,068	129,398	136,703	144,882	150,133
Net Profit (Btmn)	5,801	5,248	4,839	5,690	6,116
Normalized Profit (Btmn)	5,768	5,146	4,839	5,690	6,116
Net Profit Growth (%)	(30.1)	(9.5)	(7.8)	17.6	7.5
Normalized Profit Growth (%)	(22.5)	(10.8)	(6.0)	17.6	7.5
EPS (Bt)	1.35	1.22	1.13	1.33	1.42
DPS (Bt)	0.60	0.55	0.60	0.65	0.70
P/E (X)	20.9	23.1	25.1	21.3	19.8
P/B (X)	1.2	1.6	1.2	1.1	1.1
EV/EBITDA (X)	8.2	8.6	9.6	8.6	8.0
Dividend Yield (%)	2.1	1.9	2.1	2.3	2.5
Return on Average Equity (%)	4.7	4.7	4.2	4.4	4.6

Source: Company data, KGI Securities Research

Figure 1: SCGP's 3Q24 earnings review

Bt mn	3Q24	3Q23	YoY (%)	2Q24	QoQ (%)	9M24	9M23	YoY (%)	Comments (9M24 vs 9M23)
Revenue	33,370	31,573	5.7	34,235	(2.5)	101,553	97,517	4.1	(+) Higher sales volumes and pricing (led by integrated packaging paper)
Gross Profit	5,184	5,608	(7.6)	6,121	(15.3)	18,106	17,422	3.9	
SG&A	4,140	3,824	8.3	4,120	0.5	12,554	11,798	6.4	(-) Higher operating costs and freight rate, moderated by lower coal costs
Operating Profit	1,185	2,034	(41.7)	2,342	(49.4)	6,378	6,525	(2.3)	
Operating EBITDA	3,508	4,244	(17.3)	4,650	(24.5)	13,359	13,384	(0.2)	
Finance costs	628	496	26.5	611	2.8	1,762	1,503	17.2	(-) Higher interest costs from loan drawdown and interest upcycle
Extraordinary items	(99)	14	(818.0)	(25)	(291.8)	(86)	98	(188)	
Net Profit	578	1,324	(56.4)	1,454	(60.3)	3,756	4,029	(6.8)	
Normalized profit	677	1,310	(48.3)	1,479	(54.2)	3,842	3,931	(2.3)	
EPS (Bt)	0.13	0.31	(56.4)	0.34	(60.3)	0.87	0.94	(6.8)	
Normalized EPS (Bt)	0.16	0.31	(48.3)	0.34	(54.2)	0.89	0.92	(2.3)	
Percent	3Q24	3Q23	YoY (ppts)	2Q24	QoQ (ppts)	9M24	9M23	YoY (ppts)	
Gross margin	15.5	17.8	(2.2)	17.9	(2.3)	17.8	17.9	(0.0)	(-) Cost upturn, partially offset by improving price adjustment
EBITDA margin	10.5	13.4	(2.9)	13.6	(3.1)	6.3	6.7	(0.4)	
SG&A/sales	12.4	12.1	0.3	12.0	0.4	12.4	12.1	0.3	
Fajar's contribution to SCGP (Btmn)	(500)	(286)	N.A.	(365)	N.A.	(1,092)	(562)	N.A.	

Source: Company data, KGI Securities Research

Figure 2: Key operating items

	3Q23	4Q23	1Q24	2Q24	3Q24	Change % QoQ	% YoY
Sales by business (Btmn)	31,572	31,881	33,948	34,234	33,371	-3	6
Integrated packaging business	23,573	23,951	25,450	25,494	24,612	-3	4
Fibrous business	6,184	6,119	6,569	6,606	6,697	1	8
Recycling business & others	1,815	1,811	1,929	2,134	2,062	-3	14
Sales volumes ('000Ton)							
- Integrated packaging business							
- Packaging paper	930	980	1,050	990	940	-5	1
- Fiber base packaging	240	240	250	240	250	4	4
- Consumer packaging	31	32	31	33	34	4	8
- Fibrous business	150	160	160	160	160	0	7
Prices (Bt/Ton)							
- Integrated packaging business							
- Packaging paper	12,581	12,179	12,530	13,140	12,794	-3	2
- Fiber base packaging	32,208	32,371	32,756	33,442	32,668	-2	1
- Consumer packaging	132,111	134,484	134,293	136,278	130,431	-4	-1
- Fibrous business	41,227	38,244	41,056	41,288	41,856	1	3

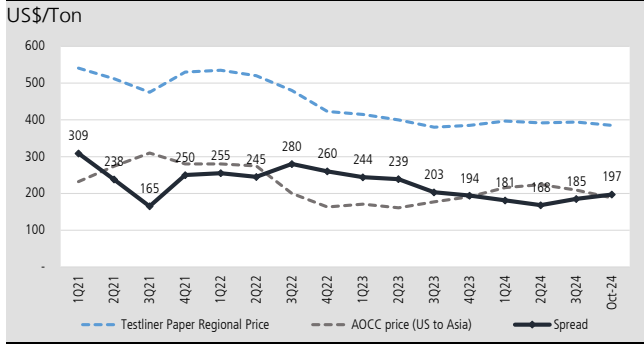
Source: Company data, KGI Securities Research

Figure 3: Key assumptions

Assumptions	unit	2022	2023	2024F	2025F	2026F
Revenue breakdown:						
Integrated packaging business	Btmn	117,219	97,044	102,318	108,059	110,697
Packaging paper	Btmn	63,125	49,269	51,805	54,559	54,441
Price	Bt/Ton	16,145	12,966	13,095	13,226	13,358
Production	Ton	3,910,000	3,800,000	3,956,000	4,125,100	4,075,400
Fiber packaging	Btmn	36,060	31,499	32,646	33,846	35,620
Price	Bt/Ton	34,673	33,157	33,488	33,823	34,162
Production	Ton	1,040,000	950,000	974,850	1,000,676	1,042,689
Consumer & performance	Btmn	18,033	16,243	17,867	19,654	20,637
Fibrous business	Btmn	24,273	24,894	26,030	27,991	30,101
Price	Bt/Ton	36,777	39,514	41,175	41,381	41,588
Production	Ton	660,000	630,000	632,180	676,433	723,783
Recycling business & others	Btmn	4,576	7,460	8,355	8,831	9,335
Ratio:						
GPM	Percent	16.6	17.9	17.7	18.3	18.3
GPM IPB	Percent	15.7	16.9	19.4	20.2	20.3
GPM FB	Percent	6.6	8.8	13.9	14.0	14.0
Distribution/sales	Percent	6.4	6.7	6.6	6.5	6.4
Admin/sales	Percent	4.6	5.4	5.5	5.5	5.5
Interest rate	Percent	2.9	4.1	4.4	4.1	4.1
Effective tax rate	Percent	18.7	17.5	17.7	17.7	17.7

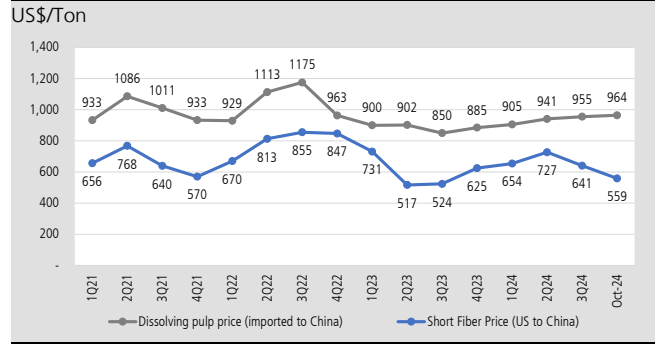
Source: Company data, KGI Securities Research

Figure 4: Market prices of testliner paper, AOCC, and spread



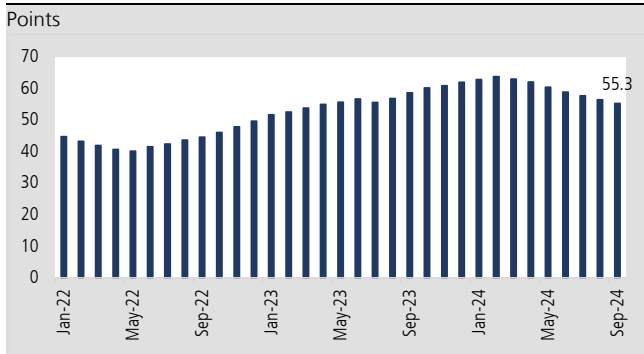
Source: Company data, KGI Securities Research

Figure 5: Market prices of short fiber and dissolving pulp



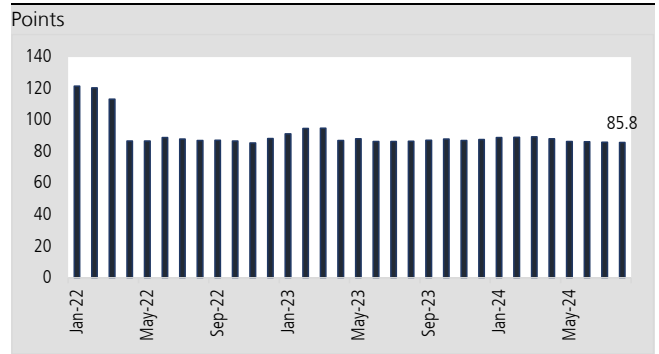
Source: Company data, KGI Securities Research

Figure 6: Thailand consumer confidence index



Source: Bloomberg, KGI Securities Research

Figure 7: China consumer confidence index



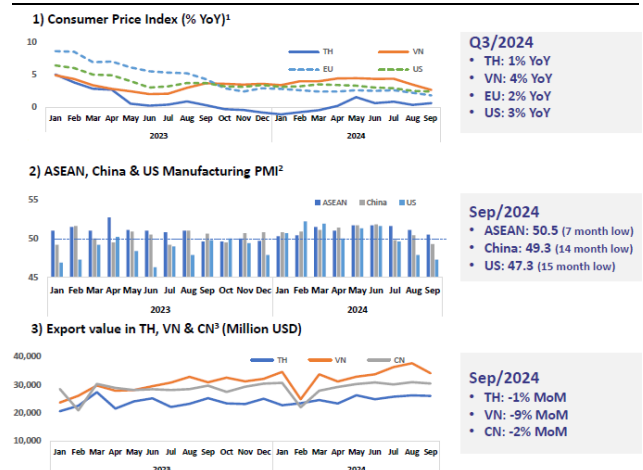
Source: Bloomberg, KGI Securities Research

Figure 8: SCGP – Fajar turnaround plan in 2025 (postponed)



Source: Company data, KGI Securities Research

Figure 9: SCGP – Economic data in ASEAN and China



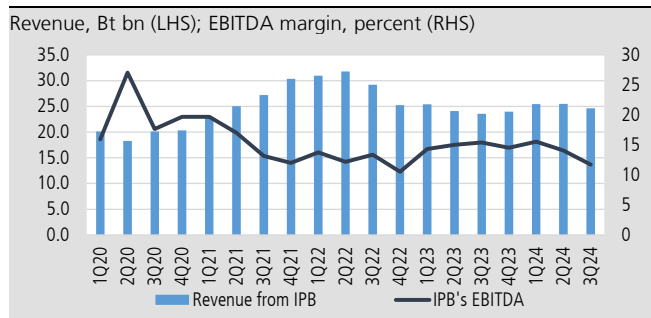
Source: Company data, KGI Securities Research

Figure 10: Company profile

SCG Packaging (SCGP) is a holding company that invests in packaging companies. The company's key products are i) integrated packaging chain (fiber-based packaging, packaging paper, consumer and performance packaging), and ii) fibrous chain (foodservice products, pulp and paper products). Core business is integrated packaging business, which contributed 80-85% of total revenue from sales. Thailand is a key market for SCGP, accounting for 41% of total sales in 1H22 followed by Indonesia and Vietnam, which accounted for 19% and 15%, respectively.

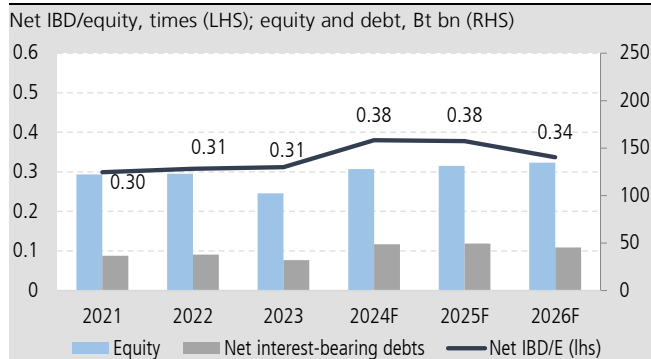
Source: Company data

Figure 12: Integrated packaging: Revenue & EBITDA margin



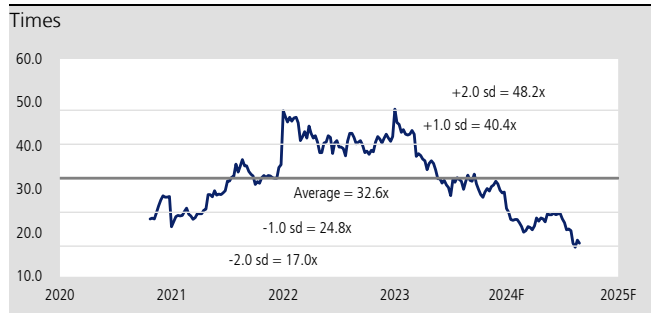
Source: Company data, KGI Securities Research

Figure 14: Comfortable gearing ratio with ample headroom



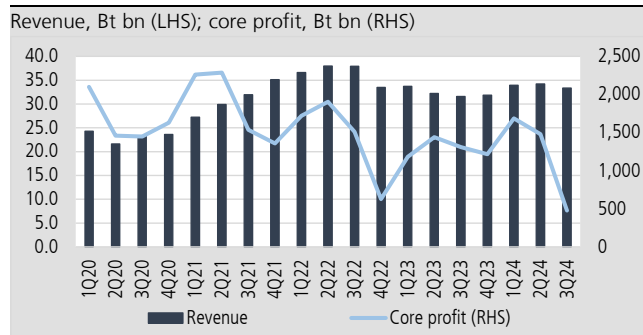
Source: Company data, KGI Securities Research

Figure 16: SCGP's forward PER



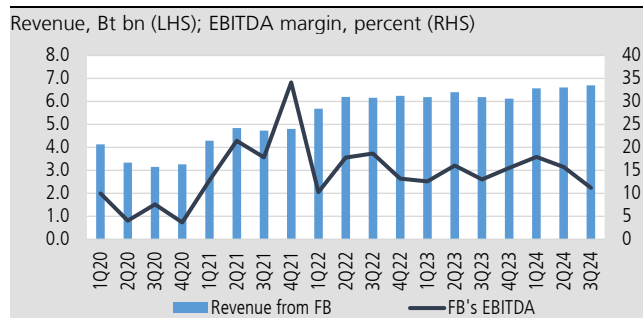
Source: KGI Securities Research

Figure 11: Quarterly total revenue and core profit



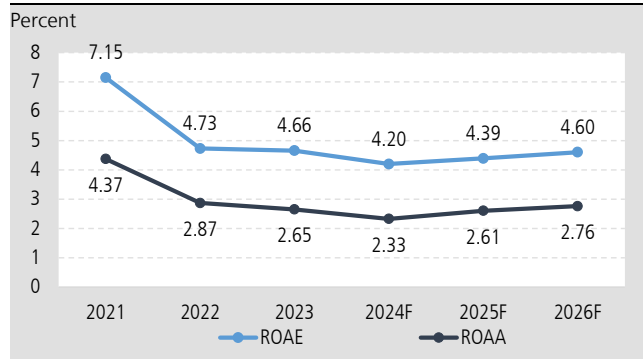
Source: Company data, KGI Securities Research

Figure 13: Fibrous business: Revenue and EBITDA margin



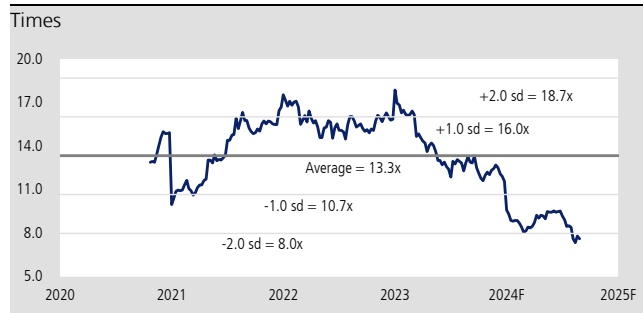
Source: Company data, KGI Securities Research

Figure 15: ROAE and ROAA



Source: Company data, KGI Securities Research

Figure 17: SCGP's forward EV/EBITDA



Source: KGI Securities Research

Quarterly Income Statement

	Mar-21A	Jun-21A	Sep-21A	Dec-21A	Mar-22A	Jun-22A	Sep-22A	Dec-22A	Mar-23A	Jun-23A	Sep-23A	Dec-23A	Mar-24A	Jun-24A	Sep-24A
Income Statement (Bt mn)															
Revenue	27,253	29,895	31,930	35,144	36,634	37,982	37,943	33,509	33,729	32,216	31,573	31,881	33,948	34,235	33,370
Cost of Goods Sold	(21,205)	(23,748)	(26,417)	(29,975)	(30,346)	(31,303)	(31,518)	(28,625)	(27,780)	(26,350)	(25,965)	(26,179)	(27,146)	(28,114)	(28,186)
Gross Profit	6,049	6,147	5,514	5,169	6,288	6,679	6,425	4,884	5,948	5,866	5,608	5,702	6,802	6,121	5,184
Operating Expenses	(2,970)	(2,922)	(3,372)	(3,311)	(3,990)	(4,202)	(4,077)	(3,770)	(4,220)	(3,754)	(3,824)	(3,886)	(4,294)	(4,120)	(4,140)
Other incomes	390	242	192	1,390	296	262	422	342	232	161	325	325	263	349	230
Operating Profit	3,390	3,639	2,743	3,120	2,594	3,088	3,038	1,037	2,097	2,394	2,034	2,077	2,850	2,342	1,185
Depreciation of fixed assets	(1,900)	(1,932)	(2,184)	(2,299)	(2,300)	(2,410)	(2,478)	(2,511)	(2,357)	(2,293)	(2,210)	(2,346)	(2,351)	(2,307)	(2,323)
Operating EBITDA	5,267	5,564	4,910	5,409	4,887	5,478	5,483	3,548	4,454	4,687	4,244	4,423	5,201	4,650	3,508
Non-Operating Income	(102)	165	391	(138)	(8)	329	235	(413)	153	115	(89)	(100)	54	(46)	(101)
Interest Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Non-op Income	(102)	165	391	(138)	(8)	329	235	(413)	153	115	(89)	(100)	54	(46)	(101)
Non-Operating Expenses	(261)	(307)	(283)	(329)	(286)	(311)	(404)	(467)	(497)	(510)	(496)	(516)	(523)	(611)	(628)
Interest Expenses	(261)	(307)	(283)	(329)	(286)	(311)	(404)	(467)	(497)	(510)	(496)	(516)	(523)	(611)	(628)
Other Non-op Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Equity Income/(Loss)	23	7	18	10	8	20	33	(6)	(17)	6	14	35	27	38	12
Pre-tax Profit	3,130	3,332	2,460	2,791	2,309	2,777	2,634	569	1,600	1,883	1,538	1,561	2,327	1,732	557
Current Taxation	(559)	(620)	(407)	(480)	(316)	(541)	(470)	(222)	(296)	(305)	(228)	(325)	(483)	(354)	(65)
Minorities	(436)	(450)	(272)	(195)	(334)	(380)	(327)	103	(84)	(94)	14	(18)	(119)	76	85
Extraordinary items	(128)	(24)	245	758	(64)	(50)	325	(178)	38	46	14	3	39	(25)	(100)
Net Profit	2,135	2,263	1,781	2,116	1,658	1,856	1,837	450	1,220	1,485	1,324	1,218	1,725	1,454	577
Normalized Profit	2,263	2,287	1,536	1,358	1,722	1,906	1,512	628	1,182	1,439	1,310	1,215	1,686	1,479	677
EPS (Bt)	0.50	0.53	0.41	0.49	0.39	0.43	0.43	0.10	0.28	0.35	0.31	0.28	0.40	0.34	0.13
Normalized EPS (Bt)	0.53	0.53	0.36	0.32	0.40	0.44	0.35	0.15	0.28	0.34	0.31	0.28	0.39	0.34	0.16
Margins															
Gross profit margin	22.2	20.6	17.3	14.7	17.2	17.6	16.9	14.6	17.6	18.2	17.8	17.9	20.0	17.9	15.5
Operating EBIT margin	12.4	12.2	8.6	8.9	7.1	8.1	8.0	3.1	6.2	7.4	6.4	6.5	8.4	6.8	3.6
Operating EBITDA margin	19.3	18.6	15.4	15.4	13.3	14.4	14.5	10.6	13.2	14.5	13.4	13.9	15.3	13.6	10.5
Net profit margin	7.8	7.6	5.6	6.0	4.5	4.9	4.8	1.3	3.6	4.6	4.2	3.8	5.1	4.2	1.7
Growth (QoQ)															
Revenue growth	15.5	9.7	6.8	10.1	4.2	3.7	(0.1)	(11.7)	0.7	(4.5)	(2.0)	1.0	6.5	0.8	(2.5)
Operating EBIT growth	3.5	7.3	(24.6)	13.8	(16.8)	19.0	(1.6)	(65.9)	102.2	14.2	(15.0)	2.1	37.2	(17.8)	(49.4)
Operating EBITDA growth	25.1	5.6	(11.8)	10.2	(9.7)	12.1	0.1	(35.3)	25.5	5.2	(9.4)	4.2	17.6	(10.6)	(24.5)
Net profit growth	43.7	6.0	(21.3)	18.8	(21.6)	11.9	(1.0)	(75.5)	171.4	21.7	(10.8)	(8.0)	41.6	(15.7)	(60.3)
Normalized profit growth	38.8	1.1	(32.8)	(11.6)	26.8	10.7	(20.7)	(58.5)	88.2	21.7	(9.0)	(7.3)	38.8	(12.3)	(54.2)

Source: Company data, KGI Securities Research

Balance Sheet

As of 31 Dec (Bt mn)	2022	2023	2024F	2025F	2026F
Total Assets	197,280	198,561	217,097	219,284	223,296
Current Assets	60,154	60,272	63,851	65,621	69,043
Cash & ST Investments	12,344	17,181	18,853	15,912	19,982
Inventories	23,281	19,253	20,251	21,313	19,635
Accounts Receivable	23,254	22,648	23,926	27,528	28,525
Others	1,275	1,191	820	869	901
Non-current Assets	137,125	138,289	153,247	153,663	154,253
LT Investments	40,725	42,022	42,022	42,022	42,022
Net fixed Assets	94,585	94,279	109,505	109,880	110,444
Others	963	952	684	724	751
Total Liabilities	74,313	96,111	89,132	88,120	88,700
Current Liabilities	51,977	33,479	66,390	35,176	34,964
Accounts Payable	14,282	14,808	12,303	13,039	13,512
ST Borrowings	18,313	22,498	22,325	21,301	21,301
Others	19,382	(3,828)	31,762	835	151
Long-term Liabilities	40,834	29,721	53,956	53,156	53,232
Long-term Debts	31,856	21,117	45,152	44,152	44,028
Others	8,978	8,604	8,804	9,004	9,204
Shareholders' Equity	122,967	102,449	127,965	131,163	134,596
Common Stock	4,293	4,293	4,293	4,293	4,293
Capital Surplus	39,415	39,415	39,415	39,415	39,415
Retained Earnings	55,722	35,242	60,708	63,608	66,718
Preferred Stock	0	0	0	0	0

Source: KGI Securities Research

Key Ratios

Year to 31 Dec	2022	2023	2024F	2025F	2026F
Growth (% YoY)					
Sales	17.6	(11.4)	5.6	6.0	3.6
OP	(24.3)	(11.8)	(1.5)	18.0	5.0
EBITDA	(8.3)	(8.5)	(0.4)	11.5	5.3
NP	(30.1)	(9.5)	(7.8)	17.6	7.5
Normalized Profit	(30.1)	(9.5)	(7.8)	17.6	7.5
EPS	(30.1)	(9.5)	(7.8)	17.6	7.5
Normalized EPS	(22.5)	(10.8)	(6.0)	17.6	7.5
Profitability (%)					
Gross Margin	16.6	17.9	17.7	18.3	18.3
Operating Margin	6.7	6.6	6.2	6.9	7.0
EBITDA Margin	13.3	13.8	13.0	13.6	13.9
Net Profit Margin	4.0	4.1	3.5	3.9	4.1
ROAA	2.9	2.6	2.2	2.6	2.7
ROAE	4.7	5.1	3.8	4.3	4.5
Stability					
Gross Debt/Equity (%)	0.6	0.9	0.7	0.7	0.7
Net Debt/Equity (%)	0.3	0.3	0.4	0.4	0.3
Interest Coverage (x)	6.6	4.3	3.3	3.7	3.9
Interest & ST Debt Coverage (x)	0.6	0.5	0.5	0.6	0.6
Cash Flow Interest Coverage (x)	11.7	10.6	3.7	4.4	6.7
Cash Flow/Interest & ST Debt (x)	1.0	1.2	0.5	0.7	1.1
Current Ratio (x)	1.8	0.9	1.8	1.9	1.9
Quick Ratio (x)	1.1	0.6	1.2	1.3	1.4
Net Debt (Bt mn)	37,825	31,932	48,624	49,542	45,347
Per Share Data (Bt)					
EPS	1.4	1.2	1.1	1.3	1.4
Normalized EPS	1.3	1.2	1.1	1.3	1.4
CFPS	4.0	5.0	2.2	2.8	4.2
BVPS	22.6	18.0	23.9	24.6	25.3
SPS	34.0	30.1	31.8	33.7	35.0
EBITDA/Share	4.5	4.1	4.1	4.6	4.8
DPS	0.6	0.6	0.6	0.7	0.7
Activity					
Asset Turnover (x)	0.7	0.7	0.6	0.7	0.7
Days Receivables	58.1	63.9	63.9	69.4	69.4
Days Inventory	69.8	66.1	65.7	65.7	58.4
Days Payable	42.8	50.9	39.9	40.2	40.2
Cash Cycle	85.1	79.1	89.7	94.9	87.6

Source: KGI Securities Research

Profit & Loss

Year to 31 Dec (Bt mn)	2022	2023	2024F	2025F	2026F
Revenue	146,068	129,398	136,703	144,882	150,133
Cost of Goods Sold	(121,791)	(106,274)	(112,504)	(118,404)	(122,716)
Gross Profit	24,277	23,124	24,199	26,478	27,417
Operating Expenses	(16,039)	(15,684)	(16,610)	(17,395)	(17,864)
Other Incomes	1,322	1,043	820	869	901
Operating Profit	9,757	8,602	8,474	10,002	10,503
Depreciation of fixed assets	(9,699)	(9,206)	(9,259)	(9,766)	(10,310)
Operating EBITDA	19,457	17,807	17,733	19,768	20,813
Non-Operating Income	143	80	0	0	0
Interest Income	0	0	0	0	0
Other Non-op Income	143	80	0	0	0
Non-Operating Expenses	(1,468)	(2,020)	(2,536)	(2,725)	(2,681)
Interest Expenses	(1,468)	(2,020)	(2,536)	(2,725)	(2,681)
Other Non-op Expenses	0	0	0	0	0
Equity Income/(Loss)	55	39	65	50	50
Pre-tax Profit	8,289	6,582	5,939	7,277	7,822
Current Taxation	(1,550)	(1,153)	(1,051)	(1,288)	(1,384)
Minorities	(939)	(180)	(49)	(299)	(322)
Extraordinary items	0	0	0	0	0
Net Profit	5,801	5,248	4,839	5,690	6,116
Normalized Profit	5,768	5,146	4,839	5,690	6,116
EPS (Bt)	1.35	1.22	1.13	1.33	1.42
Normalized EPS (Bt)	1.34	1.20	1.13	1.33	1.42

Source: KGI Securities Research

Cash Flow

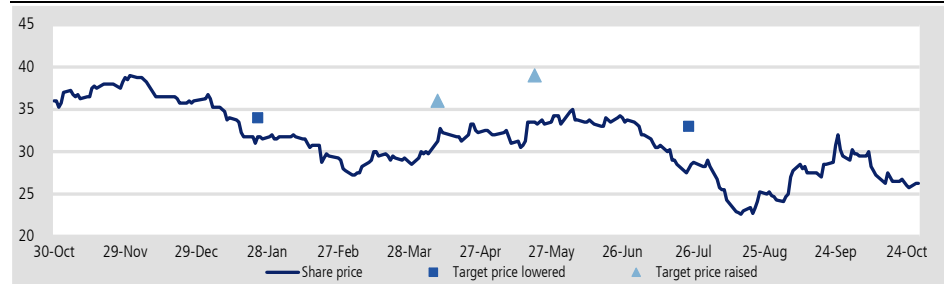
Year to 31 Dec (Bt mn)	2022	2023	2024F	2025F	2026F
Operating Cash Flow	17,234	21,482	9,478	12,014	18,074
Net Profit	6,739	5,429	4,887	5,989	6,438
Depreciation & Amortization	9,699	9,206	9,259	9,766	10,310
Change in Working Capital	(2,089)	3,965	(4,668)	(3,741)	1,326
Others	2,884	2,883	0	0	0
Investment Cash Flow	(3,119)	(13,060)	(24,485)	(10,141)	(10,874)
Net CAPEX	(6,862)	(7,124)	(24,485)	(10,141)	(10,874)
Change in LT Investment	3,694	(6,124)	0	0	0
Change in Other Assets	48	188	(0)	(0)	(0)
Free Cash Flow	14,115	8,422	(15,007)	1,873	7,200
Financing Cash Flow	(11,602)	(8,366)	16,679	(4,814)	(3,129)
Change in Share Capital	0	0	0	0	0
Net Change in Debt	(8,640)	(5,091)	19,255	(2,024)	(124)
Change in Other LT Liab.	(3,612)	(3,286)	(2,576)	(2,790)	(3,005)
Net Cash Flow	2,513	56	1,672	(2,942)	4,070

Source: KGI Securities Research

Rates of Return on Invested Capital

Year	1- COGS Revenue	+ Depreciation Revenue	+ Operating Exp. Revenue	= Operating Margin
2022	90.2%	6.6%	11.9%	-8.8%
2023	78.1%	7.1%	12.9%	1.8%
2024F	75.5%	6.8%	12.8%	5.0%
2025F	75.0%	6.7%	12.6%	5.7%
2026F	74.9%	6.9%	12.5%	5.8%
Year	1/ Working Capital Revenue	+ Net PPE Revenue	+ Other Assets Revenue	= Capital Turnover
2022	0.0	0.6	0.7	0.7
2023	0.0	0.7	0.8	0.6
2024F	0.0	0.8	0.8	0.6
2025F	0.0	0.8	0.8	0.7
2026F	0.0	0.7	0.8	0.7
Year	Operating Margin	x Capital Turnover	x Cash Tax Rate	= After-tax Return on Inv. Capital
2022	-8.8%	0.7	18.7%	-1.2%
2023	1.8%	0.6	17.5%	0.2%
2024F	5.0%	0.6	17.7%	0.6%
2025F	5.7%	0.7	17.7%	0.7%
2026F	5.8%	0.7	23.2%	0.9%

Source: KGI Securities Research

SCG Packaging - Recommendation & target price history


Date	Rating	Target	Price
24-Jul-24	Outperform	33.00	28.00
20-May-24	Outperform	39.00	33.50
9-Apr-24	Outperform	36.00	31.25
24-Jan-24	Neutral	34.00	31.75

Source: KGI Securities Research

Company's ESG details

Environment

- SCGP selected equipment and upgraded to improve energy efficiency and reduce electricity usage.
- To reduce air emissions per production by 5% in 2025 compared with the base year of 2020 both in Thailand and abroad.
- To reduce air emissions per production in 2030 compared with the base year 2020 both in Thailand and abroad.
- Has a biodiversity conservation area certified 10% of agroforestry area.
- SCGP focuses on developing quality products, services, and solutions that are safe, easy to use, durable, reusable, easily recyclable, and environment friendly according to the circular economy principles in order to reduce the use of resources and energy, including emissions and waste to the environment.
- Targets net zero carbon by 2050 and reduce gas emission 20% by 2030.

Social

- The company pays great attention and strives to make every effort towards accident prevention with the ultimate goal of zero loss time from accidents in 2022 and zero fatalities of employees and contractors each year.
- SCGP places great emphasis towards Circular Economy as an essential solution to Thailand and the global environmental issues such as global warming, resource scarcity, global waste crisis, poverty, and quality of life.
- SCGP announced and reviewed a SCGP Human Rights Policy and SCGP Diversity and Inclusion Policy in line with United Nations Global Compact (UNGC), the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and other international standards, as well as driven implementation of such policies through SCGP ESG Committee.
- SCGP works closely with customers to deliver solutions that meet each customer's specific needs and ever changing consumer behavior with diverse requirements by providing a complete service cycle for their convenience and creatively creating good customer experiences.

Governance

- SCGP maintains annual "Excellent" CG scoring From Thai Institute of Directors Association (IOD).

Climate Management (Subset of Environment)

- To reduce greenhouse gas emission by 20% compared with the base year of 2020 both in Thailand and abroad.
- SCGP will be expanding the installation of turbo blowers at all of its paper machines by 2030, which can save 58.9 GWh/year of electricity consumption or a reduction in GHG emissions of 48,000 tCO₂e/year.

Source: Company data, KGI Securities Research

SET ESG Ratings

Stock	Company name	SET ESG Ratings	Stock	Company name	SET ESG Ratings
ADVANC	ADVANCED INFO SERVICE	AAA	KTC	KRUNGTHAI CARD	AAA
AMATA	AMATA CORPORATION	AAA	LH	LAND AND HOUSES	A
AOT	AIRPORTS OF THAILAND	A	MAJOR	MAJOR CINEPLEX GROUP	AA
AP	AP (THAILAND)	AA	MEGA	MEGA LIFESCIENCES	A
BAFS	BANGKOK AVIATION FUEL SERVICES PCL.	AA	MINT	MINOR INTERNATIONAL	AA
BAM	BANGKOK COMMERCIAL ASSET MANAGEMEN	AA	MTC	MUANGTHAI CAPITAL	A
BANPU	BANPU	AAA	OR	PTT OIL AND RETAIL BUSINESS	AAA
BBGI	BBGI	AA	ORI	ORIGIN PROPERTY	AA
BBL	BANGKOK BANK	AA	OSP	OSOTSPA	AA
BCH	BANGKOK CHAIN HOSPITAL	AA	PLANB	PLAN B MEDIA	AA
BCP	BANGCHAK CORPORATION	AAA	PSH	PRUKSA HOLDING	BBB
BCPG	BCPG	AA	PTT	PTT	AAA
BDMS	BANGKOK DUSIT MEDICAL SERVICES	AA	PTTEP	PTT EXPLORATION AND PRODUCTION	AAA
BEM	BANGKOK EXPRESSWAY AND METRO	AA	PTTGC	PTT GLOBAL CHEMICAL	AAA
BGRIM	B. GRIMM POWER	AAA	RATCH	RATCH GROUP	AA
BPP	BANPU POWER	AAA	RBF	R&B FOOD SUPPLY	BBB
BTS	BTS GROUP HOLDINGS	AA	SAK	SAKSIAM LEASING	A
CBG	CARABAO GROUP	A	SAPPE	SAPPE	BBB
CENTEL	CENTRAL PLAZA HOTEL	A	SAT	SOMBOON ADVANCE TECHNOLOGY	AA
CK	CH. KARNCHANG	A	SAWAD	SRISAWAD CORPORATION	BBB
CKP	CK POWER	AAA	SCB	SCB X	AA
COM7	COM7	A	SCC	THE SIAM CEMENT	AAA
CPALL	CP ALL	AAA	SCCC	SIAM CITY CEMENT	AA
CPAXT	CP AXTRA	AAA	SCGP	SCG PACKAGING	AAA
CPF	CHAROEN POKPHAND FOODS	AAA	SHR	S HOTELS AND RESORTS	A
CPN	CENTRAL PATTANA	AA	SICT	SILICON CRAFT TECHNOLOGY	A
EGCO	ELECTRICITY GENERATING	AA	SMPC	SAHAMITR PRESSURE CONTAINER	AA
ERW	THE ERAWAN GROUP	A	SNC	SNC FORMER	A
GFPT	GFPT	BBB	SPALI	SUPALAI	AA
GLOBAL	SIAM GLOBAL HOUSE	AA	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION	A
GPSC	GLOBAL POWER SYNERGY	AA	STGT	SRI TRANG GLOVES (THAILAND)	AAA
GULF	GULF ENERGY DEVELOPMENT	AA	TCAP	THANACHART CAPITAL	A
HANA	HANA MICROELECTRONICS	AA	TFG	THAIFOODS GROUP	A
HENG	HENG LEASING AND CAPITAL	A	THCOM	THAICOM	AAA
HMPRO	HOME PRODUCT CENTER	AA	TISCO	TISCO FINANCIAL GROUP	AAA
INTUCH	INTOUCH HOLDINGS	AA	TOP	THAI OIL	AAA
IRPC	IRPC	AA	TTB	TMBTHANACHART BANK	AA
IVL	INDORAMA VENTURES	AA	UBE	UBON BIO ETHANOL	A
KBANK	KASIKORNBANK	AAA	VGI	VGI	AA
KEX	KERRY EXPRESS (THAILAND)	BBB	WHA	WHA CORPORATION	AAA
KKP	KIATNAKIN PHATRA BANK	BBB	WHAUP	WHA UTILITIES AND POWER	AAA
KTB	KRUNG THAI BANK	AAA	ZEN	ZEN CORPORATION GROUP	AA

Source: www.setsustainability.com

Disclaimer: The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by the relevant institution as disclosed by the Office of the Securities and Exchange Commission, is made in order to comply with the policy and sustainable development plan for the listed companies. The relevant institution 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 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, KGI Securities (Thailand) Public Company Limited (KGI) does not confirm, verify, or certify the accuracy and completeness of the assessment result.

Corporate Governance Report of Thai Listed Companies



Companies with Excellent CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	GFPT	GFPT	SAK	SAKSAM LEASING
ADVANC	ADVANCED INFO SERVICE	GGC	GLOBAL GREEN CHEMICALS	SAPPE	SAPPE
AEONTS	AEON THANA SINSAP (THAILAND)	GLOBAL	SIAM GLOBAL HOUSE	SAT	SOMBOON ADVANCE TECHNOLOGY
AMA	AMA MARINE	GPSC	GLOBAL POWER SYNERGY	SCB	SCB X
AMATA	AMATA CORPORATION	GULF	GULF ENERGY DEVELOPMENT	SCC	THE SIAM CEMENT
ANAN	ANANDA DEVELOPMENT	HANA	HANA MICROELECTRONICS	SCCC	SIAM CITY CEMENT
AOT	AIRPORTS OF THAILAND	HENG	HENG LEASING AND CAPITAL	SCGP	SCG PACKAGING
AP	AP (THAILAND)	HMPRO	HOME PRODUCT CENTER	SEAFCO	SEAFCO
BAFS	BANGKOK AVIATION FUEL SERVICES PCL.	INTUCH	INTOUCH HOLDINGS	SFT	SHRINKFLEX (THAILAND)
BAM	BANGKOK COMMERCIAL ASSET MANAGEMENT	IRPC	IRPC	SHR	S HOTELS AND RESORTS
BANPU	BANPU	ITC	i-Tail Corporation	SICT	SILICON CRAFT TECHNOLOGY
BBGI	BBGI	IVL	INDORAMA VENTURES	SMPC	SAHAMITR PRESSURE CONTAINER
BBL	BANGKOK BANK	KBANK	KASIKORN BANK	SNC	SNC FORMER
BCH	BANGKOK CHAIN HOSPITAL	KCE	KCE ELECTRONICS	SNNP	SRINANAPORN MARKETING
BCP	BANGCHAK CORPORATION	KEX	KERRY EXPRESS (THAILAND)	SPALI	SUPALAI
BCPG	BCPG	KKP	KIATNAKIN PHATRA BANK	SPRC	STAR PETROLEUM REFINING
BDMS	BANGKOK DUSIT MEDICAL SERVICES	KTB	KRUNG THAI BANK	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION
BEC	BEC WORLD	KTC	KRUNGTHAI CARD	STGT	SRI TRANG GLOVES (THAILAND)
BEM	BANGKOK EXPRESSWAY AND METRO	LH	LAND AND HOUSES	SUN	SUNSWEEP
BGRIM	B. GRIMM POWER	LPN	L.P.N. DEVELOPMENT	SVI	SVI
BH	BUMRUNGRAD HOSPITAL	M	MK RESTAURANT GROUP	TACC	T.A.C. CONSUMER
BPP	BANPU POWER	MAJOR	MAJOR CINEPLEX GROUP	TCAP	THANACHART CAPITAL
BTS	BTS GROUP HOLDINGS	MBK	MBK	TFG	THAIFOODS GROUP
CBG	CARABAO GROUP	MEGA	MEGA LIFESCENCES	THCOM	THAICOM
CENTEL	CENTRAL PLAZA HOTEL	MINT	MINOR INTERNATIONAL	TIDLOR	NGERN TID LOR
CK	CH. KARNCHANG	MTC	MUANGTHAI CAPITAL	TISCO	TISCO FINANCIAL GROUP
CKP	CK POWER	OR	PTT OIL AND RETAIL BUSINESS	TKN	TAOKAENOI FOOD & MARKETING
COM7	COM7	ORI	ORIGIN PROPERTY	TOP	THAI OIL
CPALL	CP ALL	OSP	OSOTSPA	TTB	TMBTHANACHART BANK
CPAXT	CP AXTRA	PLANB	PLAN B MEDIA	UBE	UBON BIO ETHANOL
CPF	CHAROEN POKPHAND FOODS	PSH	PRUKSA HOLDING	VGI	VGI
CPN	CENTRAL PATTANA	PTT	PTT	WHA	WHA CORPORATION
DELTA	DELTA ELECTRONICS (THAILAND)	PTTEP	PTT EXPLORATION AND PRODUCTION	WHAUP	WHA UTILITIES AND POWER
DOHOM	DOHOME	PTTGC	PTT GLOBAL CHEMICAL	ZEN	ZEN CORPORATION GROUP
EGCO	ELECTRICITY GENERATING	QH	QUALITY HOUSES		
ERW	THE ERAWAN GROUP	RATCH	RATCH GROUP		



Companies with Very Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
BSRC	BANGCHAK SRIRACHA	JMART	JAYMART GROUP HOLDINGS	SINGER	SINGER THAILAND
BTG	BETAGRO	NTSC	Nutrition SC	TNP	THANAPIRIYA
EKH	EKACHAI MEDICAL CARE	PQS	Premier Quality Starch	XO	EXOTIC FOOD
HUMAN	HUMANICA	PYLON	PYLON		



Companies with Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
IIG	I&I GROUP	SAWAD	SRISAWAD CORPORATION	SPA	SIAM WELLNESS GROUP
JMT	JMT NETWORK SERVICES	SMD	SAINTMED		

Companies classified Not in the three highest score groups

Stock	Company name	Stock	Company name	Stock	Company name
AU	AFTER YOU	PJW	PANJAWATTANA PLASTIC	TGE	THACHANG GREEN ENERGY
CHG	CHULARAT HOSPITAL	PLT	Pilatus Marine	TPCH	TPC POWER HOLDING
LPH	LADPRAO GENERAL HOSPITAL	PTG	PTG ENERGY	TU	THAI UNION GROUP
MENA	MENA TRANSPORT	SFLEX	STARFLEX		
NETBAY	NETBAY	SISB	SISB		

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	SEAFCO	SEAFCO
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

Disclaimer: The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by the relevant institution as disclosed by the Office of the Securities and Exchange Commission, is made in order to comply with the policy and sustainable development plan for the listed companies. The relevant institution 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 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, KGI Securities (Thailand) Public Company Limited (KGI) does not confirm, verify, or certify the accuracy and completeness of the assessment result.

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Rating	Definition
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)
Under perform (U)	The stock's excess return over the next twelve months is ranked in the bottom 40% of KGI's coverage universe in the related market (e.g. Taiwan).
Not Rated (NR)	The stock is not rated by KGI.
Restricted (R)	KGI policy and/or applicable law regulations preclude certain types of communications, including an investment recommendation, during the course of KGI's engagement in an investment banking transaction and in certain other circumstances. Excess return = 12M target price/current price-
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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