

## **Outperform** · Maintained

| Price as of 22 Mar 2022       | 6.90      |
|-------------------------------|-----------|
| 12M target price (Bt/shr)     | 8.70      |
| Unchanged/Revised up(down)(%) | Unchanged |
| Upside/downside (%)           | 26.1      |

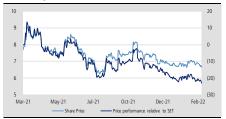
#### **Key messages**

ถึงแม้ว่าขอดผู้ติดเชื้อใหม่รายวันจะเพิ่มขึ้นอย่างมาก แต่รายได้ ของ SPA ใน IQ65F น่าจะได้รับผลกระทบเชิงลบที่จำกัด โดย กาดว่าจะลดลงเพียงเล็กน้อย QoQ เราเชื่อว่าโมเมนตั้มผล ประกอบการของ SPA ผ่านจุดด่ำสุดไปแล้วในปี 2564 และมี แนวโน้มฟื้นตัวขึ้นในช่วงต่อไป โดยเฉพาะใน 2H65 อย่างไรก็ ตาม SPA ไม่ได้เป็นหุ้นเด่นในกลุ่มนี้ของเราในช่วงนี้เพราะ แนวโน้มผลประกอบการในระยะสั้นดูด้อยกว่าหุ้นอื่นในกลุ่ม อย่างไรก็ตาม จากแนวโน้มการฟื้นตัวในระยะยาว และ upside จากผลิตภัณฑ์ที่เกี่ยวข้องกับกัญชง และกัญชา เราจึงยังคง คำแนะนำซื้อ และประเมินราคาเป้ามายที่ 8.70 บาท

| Trading data            |      |         |       |  |  |  |
|-------------------------|------|---------|-------|--|--|--|
| Mkt cap (Btbn/US\$mn    |      | 5.9/147 |       |  |  |  |
| Outstanding shares (m   |      | 855     |       |  |  |  |
| Foreign ownership (mi   |      | 10      |       |  |  |  |
| 3M avg. daily trading ( |      | 1       |       |  |  |  |
| 52-week trading range   | 6.3  | 0-8.90  |       |  |  |  |
| Performance (%)         | 3M   | 6M      | 12M   |  |  |  |
| Absolute                | 0.7  | -6.8    | -21.1 |  |  |  |
| Relative                | -2.3 | -9.4    | -26.5 |  |  |  |

| Quarterly EPS |        |        |        |        |  |  |  |  |
|---------------|--------|--------|--------|--------|--|--|--|--|
| EPS           | Q1     | Q2     | Q3     | Q4     |  |  |  |  |
| 2019          | 0.07   | 0.06   | 0.08   | 0.08   |  |  |  |  |
| 2020          | 0.01   | (0.09) | (0.06) | (0.09) |  |  |  |  |
| 2021          | (0.09) | (0.10) | (0.09) | (0.05) |  |  |  |  |

### Share price chart



Source: SET

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# Siam Wellness Group

(SPA.BK/SPA TB)

#### -คาดหวังการฟื้นตัวได้ในระยะยาว

Even

ประชุมนักวิเคราะห์

Impact

คาดผลประกอบการจะสะดุดช่วงสั้นใน 1Q65

ถึงแม้ว่ายอดผู้ติดเชื้อใหม่รายวันจะเพิ่มขึ้นอย่างมาก (Figure 1) แต่ผลกระทบต่อธุรกิจสปารอบนี้ยังอยู่ ในระดับที่บริหารจัดการได้ โดยผู้บริหารลาคว่ารายได้อาจจะลดลงเพียงเล็กน้อย QoQ ใน 1Q65 ในระยะ ถัดไป ผู้บริหารตั้งเป้ารายได้ปีนี้เอาไว้ที่ 500-600 ล้านบาท (สมมติฐานของเราอยู่ที่ 407 ล้านบาท) โดย อาจจะมี Upside จากประมาณการของเราจากการขายชุดตรวจ ATK สำหรับตรวจ COVID-19 (Figure 3) ซึ่งอาจจะทำให้เราด้องปรับเพิ่มประมาณการรายได้ขึ้นอีก

ผลประกอบการน่าจะผ่านจดต่ำสดไปแล้ว

ในปี 2564 สาขาร้านสปาส่วนใหญ่ของบริษัทถูกปิดไปนานหกเดือนเต็ม (ระหว่างเดือนเมษายน และ กันยายน 2564) ส่วนในปี 2565 เราไม่คิดว่าจะมีการใช้มาตรการที่เข้มงวดอีกครั้งเพราะผู้คนเริ่มกุ้นกับ ชีวิตที่ต้องอยู่กับ COVID-19 แล้ว ดังนั้น เราเชื่อว่าโมเมนต้มกำไรของ SPA ผ่านจุดต่ำสุดไปแล้วในปี 2564 และน่าจะฟื้นตัวได้ตั้งแต่ปี 2565 เป็นต้นไป โดยเฉพาะอย่างยิ่งจาก 2H65 ไป ทั้งนี้ สาขาร้านสปา ของบริษัทกลับมาเปิดบริการแล้วประมาณ 80% เพิ่มขึ้นจากประมาณ 70% ใน 4064

ความเสี่ยงทางการเงินยังอยู่ในระดับที่บริหารจัดการได้

สัดส่วน D/E (ไม่รวมผลจากมาตรฐานบัญชี TFRS 16) เมื่อสิ้นปี 2564 อยู่ที่ 0.8x ซึ่งยังค่ำกว่า debt covenant ของ SPA ที่ 1.5x นอกจากนี้ หนึ่ระยะสั้นทั้งหมดยังได้รับการผ่อนผันให้ยกเว้นการชำระเงิน ค้นไปจนถึงเดือนมีนาคม 2566 ซึ่งจะช่วยเสริมสภาพกล่องให้กับบริษัท ทั้งนี้ บริษัทมีแผนจะเปิดสาขา ใหม่สองแห่งในปี 2565 ที่พัทยา และ Terminal 21 (พระราม 3)

Valuation & action

SPA ไม่ได้เป็นหุ้นเค่นในกลุ่มนี้ของเราในช่วงนี้เพราะแนวโน้มผลประกอบการในระยะสั้นยังดูด้อยกว่า หุ้นอื่นในกลุ่ม อย่างไรก็ตาม จากแนวโน้มการฟื้นตัวในระยะยาว และ upside จากผลิตภัณฑ์ที่เกี่ยวข้อง กับกัญชงและกัญชา เราจึงยังคงคำแนะนำซื้อ และประเมินราคาเป้ามายที่ 8.70 บาท อิงจาก P/E ปี 2566F ที่ 45.0x เท่ากับค่าเฉลี่ยระยะยาว +0.5 S.D. ทั้งนี้ เราได้หัก discount ราคาเป้าหมายปี 2566F กลับมาหนึ่ง ปีโดยใช้ WACC ที่ 11.5%

Risks COVID-19 ระบาดอย่างยืดเยื้อยาวนาน

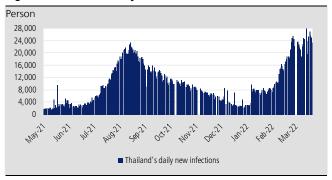
## Key financials and valuations

|                              | Dec - 19A | Dec - 20A | Dec - 21A | Dec - 22F | Dec - 23F |
|------------------------------|-----------|-----------|-----------|-----------|-----------|
| Revenue (Btmn)               | 1,384     | 427       | 168       | 407       | 870       |
| Gross Profit (Btmn)          | 441       | (80)      | (151)     | 87        | 363       |
| SG&A (Btmn)                  | 163       | 119       | 108       | 112       | 119       |
| Net Profit (Btmn)            | 245       | (209)     | (287)     | (60)      | 185       |
| Normalized Profit (Btmn)     | 245       | (209)     | (287)     | (60)      | 185       |
| EPS (Bt)                     | 0.3       | (0.2)     | (0.3)     | (0.1)     | 0.2       |
| Normalized EPS (Bt)          | 0.3       | (0.2)     | (0.3)     | (0.1)     | 0.2       |
| DPS (Bt)                     | 0.0       | 0.0       | 0.0       | 0.0       | 0.0       |
| EPS Growth (%)               | 19.4      | N.A.      | (37.1)    | 79.0      | N.A.      |
| Normalized EPS Growth        | 19.4      | N.A.      | (37.1)    | 79.0      | N.A.      |
| P/E (X)                      | 33.7      | (28.4)    | (19.8)    | (94.5)    | 30.7      |
| P/B (X)                      | 7.3       | 6.6       | 9.2       | 10.7      | 8.0       |
| EV/EBITDA (X)                | 13.4      | 313.2     | 66.1      | 27.8      | 11.1      |
| Net Debt to Equity (%)       | 14.6      | 43.2      | 84.3      | 129.5     | 85.4      |
| Dividend Yield (%)           | 0.3       | 0.0       | 0.0       | 0.0       | 0.0       |
| Return on Average Equity (%) | 21.7      | (23.1)    | (46.4)    | (11.4)    | 25.9      |

Source: Company data, KGI Securities Research

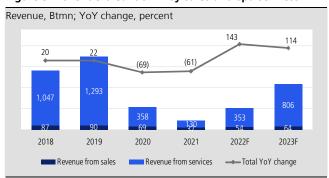


Figure 1: Thailand's daily new infections



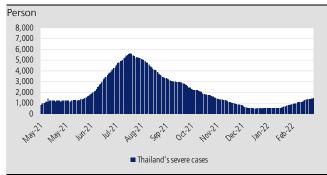
Source: DDC, KGI Securities Research

Figure 3: Revenue breakdown by sales and spa services



Source: Company data, KGI Securities Research

Figure 2: Thailand's accumulated severe cases



Source: DDC, KGI Securities Research

Figure 4: SPA's ATK test available for sale



Source: Company data

เตรียมออกผลิตภัณฑ์ที่เกี่ยวข้องกับกัญชงและกัญชาใน 3Q65

SPA มีแผนจะออกผลิตภัณฑ์และบริการที่เกี่ยวข้องกับกัญชงและกัญชาใน 3Q65 เช่น ชากัญชง และ ผลิตภัณฑ์ประเภท personal care เรามองว่าประเด็นดังกล่าวจะเป็นปัจจัยกระคุ้นเชิงบวก เนื่องจาก จะช่วยสร้างมูลค่าเพิ่มให้กับธุรกิจหลักของบริษัท

Figure 5: Examples of hemp-related products



Source: Company data

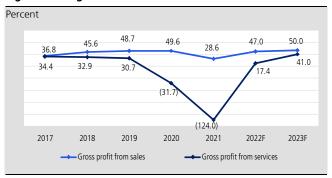


#### Figure 6: Company profile

Siam Wellness Group Plc. (SPA) is one of the largest spa operators in Thailand which has operated health spa, spa-related products, and hospitality businesses. For the spa business, there are five main brands including i) RarinJinda Wellness Spa (5-star spa service), ii) Let's Relax (4-star spa service), iii) Baan Suan Massage (3-star spa service), iv) Stretch Me (stretching studio), and v) Face Care by Let's Relax (facial spa).

Source: Company data

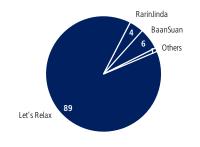
Figure 8: Margins



Source: Company data, KGI Securities Research

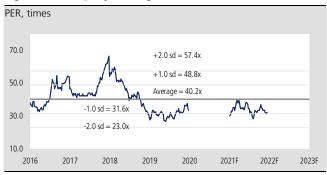
Figure 10: Spa revenue breakdown by brands (pre-COVID-19)

Percent



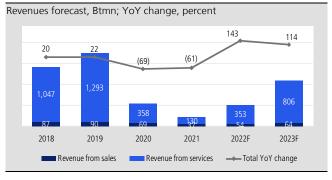
Source: Company data, KGI Securities Research

Figure 12: Company trading PER



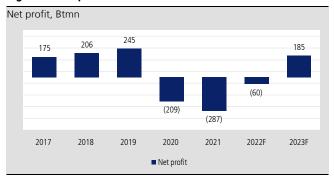
Source: KGI Securities Research

Figure 7: Revenue forecast



Source: Company data, KGI Securities Research

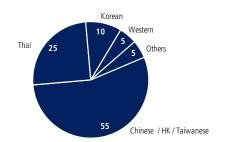
Figure 9: Net profit



Source: Company data, KGI Securities Research

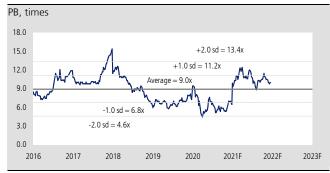
Figure 11: Spa revenue breakdown by customers (pre-COVID-19)

Percent



Source: Company data, KGI Securities Research

Figure 13: Company trading PB



Source: KGI Securities Research

0

0

(1,847.2)

(1,847.2)

(212.6)

(212.6)

0

7.7

41.7

0

0

(40.9)

(40.9)



Equity Income/(Loss)

Net profit growth

Normalized profit growth

**Quarterly Income Statement** 

0

17.9

7.7

0

0

5.2

(2.4)

34.8

0

#### Sep-18A Dec-18A Mar-19A Jun-19A Sep-19A Dec-19A Mar-20A Jun-20A Sep-20A Dec-20A Mar-21A Jun-21A Sep-21A Dec-21A Income Stetement (Bt mn) Revenue Cost of Goods Sold (191) (209)(231)(240)(245)(227)(201)(82) (98) (127)(98) (75) (56)(90)**Gross Profit** 97 93 110 98 122 111 37 (50) (22) (45) (43) (53) (43) (12) Operating Expense (37) (41) (42) (46) (42) (33) (30) (27) (30) (31) (25) (27) (28) (27) Other incomes 0 4 (14)(5) 0 0 0 0 **Operating Profit** 60 52 72 57 84 64 12 (77) (52) (82) -69 -80 -71 -39 Depreciation of fixed asset (24)(27)(31)(28) (32) (27)(70)(53)(35) (48) (82) (82) (82) (80) Operating EBITDA 88 85 103 85 116 111 82 (23) (16) (27) 14 4 13 44 Non-Operating Income 0 0 0 0 0 (0) (2) 0 (2) Interest Income 0 0 0 0 (0) 0 (2) 0 (2) Other Non-op Income 0 0 0 0 Λ 0 0 0 0 0 Λ Λ 0 Λ **(5)** (5) Non-Operating Expense (2) (2) (2) (3) (3) (2) (9) (6) (3) (11) (11)(11) (11) (2) Interest Expense (2) (2) (3) (3) (2) (9) (6) (3) (11)(11)(11)(11)Other Non-op Expense 0 0 0 0 0 0 0 0 0 0 0 0 0 0

0

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0

0

0

**56** (7) 61 Pre-tax profit 70 55 81 81 4 (82)(54)(79)(78)(90)(80)(47) (10) (9) (11)(7) (13) 0 Current Taxation (0)(2) 0 0 0 0 0 (0)Minorities 0 (0)(0)2 0 0 Extraordinary items 0 0 0 0 0 0 0 0 0 0 0 0 0 0 59 47 69 (78) Net Profit 52 49 70 (55) (78)(76)(87) (46) 4 (81)Normalized Profit 59 (78)52 49 47 70 69 4 (55) (76)(87) (78)(46) (81) 0.06 0.07 0.08 0.01 EPS (Bt) 0.06 0.06 0.08 (0.09)(0.06)(0.09)(0.09)(0.10)(0.09)(0.05)(<u>0.05)</u> Normalized EPS (Bt) 0.08 (0.09)(0.09)0.06 0.06 0.07 0.06 0.08 0.01 (0.09)(0.06)(0.09)(0.10)Margins Gross profit margin 32.3 29.0 (159.3) (78.6) (236.4) (327.8) 33.7 30.8 33.3 32.9 15.6 (28.3) (55.5) (16.0) Operating EBIT margin 20.9 17.1 21.3 17.0 22.9 19.1 5.0 (243.5)(68.1) (100.5)(124.7)(359.1)(543.6) (50.9)Operating EBITDA margin 30.4 28.2 30.4 25.3 31.5 32.9 34.7 (73.3) (21.2)(32.6) 25.8 17.1 102.9 57.0 Net profit margin 18.1 17.3 14.0 19.0 20.5 1.8 (138.1)(391.0)(597.1)(59.5) 16.2 (256.1)(72.1)(95.7)Growth (YoY) Revenue growth 18.2 18.5 22.0 27.5 27.8 11.6 (30.2) (90.7) (79.3) (75.9) (76.9) (29.4) (82.9) (4.9)Operating EBIT growth (83.5) (233.5) (161.6) (674.8) (51.9) 18.4 1.8 7.7 9.7 40.1 24.1 (226.9)4.1 36.5 Operating EBITDA growth 17.7 12.9 3.6 4.0 32.3 30.1 (20.3) (127.1) (113.9) (123.9) (82.8) (116.4) (183.1) (265.9)

40.8

(92.6)

(270.8)

(270.8)

(178.5)

(178.5)

Source: Company data, KGI Securities Research



| As of 31 Dec (Bt mn)  | 2019  | 2020  | 2021  | 2022F | 2023F |
|-----------------------|-------|-------|-------|-------|-------|
| Total Assets          | 1,516 | 2,632 | 2,258 | 2,231 | 2,313 |
| Current Assets        | 289   | 231   | 203   | 215   | 319   |
| Cash & ST Investment  | 126   | 115   | 110   | 109   | 174   |
| Inventories           | 40    | 40    | 28    | 35    | 40    |
| Account Receivable    | 37    | 22    | 15    | 12    | 19    |
| Others                | 47    | 45    | 41    | 47    | 61    |
| Non-current Assets    | 1,227 | 2,401 | 2,055 | 2,016 | 1,995 |
| LT Investment         | 24    | 42    | 40    | 38    | 38    |
| Net fixed Assets      | 1,083 | 1,075 | 947   | 924   | 903   |
| Others                | 120   | 1,284 | 1,068 | 1,053 | 1,054 |
| Total Liabilities     | 384   | 1,727 | 1,639 | 1,672 | 1,570 |
| Current Liabilities   | 245   | 361   | 374   | 423   | 431   |
| Account Payable       | 97    | 45    | 37    | 36    | 56    |
| ST Borrowing          | 85    | 103   | 114   | 171   | 121   |
| Others                | 63    | 213   | 223   | 216   | 254   |
| Long-term Liabilities | 139   | 1,366 | 1,265 | 1,249 | 1,139 |
| Long-term Debts       | 80    | 288   | 407   | 387   | 272   |
| Others                | 59    | 1,078 | 858   | 862   | 866   |
| Shareholders' Equity  | 1,132 | 905   | 618   | 558   | 743   |
| Common Stock          | 143   | 214   | 214   | 214   | 214   |
| Capital Surplus       | 279   | 279   | 279   | 279   | 279   |
| Datained Farnings     | 666   | 368   | 81    | 21    | 206   |
| Retained Earnings     | 000   | 200   | 01    | 21    | 200   |

Source: KGI Securities Research

| Key Ratios                       |        |         |         |         |           |
|----------------------------------|--------|---------|---------|---------|-----------|
| Year to 31 Dec                   | 2019   | 2020    | 2021    | 2022F   | 2023F     |
| Growth (%YoY)                    |        |         |         |         |           |
| Sales                            | 22.0   | (69.1)  | (60.7)  | 142.6   | 114.0     |
| OP                               | 20.3   | (171.2) | 30.3    | (90.0)  | (1,041.8) |
| EBITDA                           | 20.2   | (96.0)  | 351.7   | 158.4   | 139.6     |
| NP                               | 19.4   | N.A.    | (37.1)  | 79.0    | N.A.      |
| Normalized Profit                | 19.4   | N.A.    | (37.1)  | 79.0    | N.A.      |
| EPS                              | 19.4   | N.A.    | (37.1)  | 79.0    | N.A.      |
| Normalized EPS                   | 19.4   | N.A.    | (37.1)  | 79.0    | N.A.      |
| Profitability (%)                |        |         |         |         |           |
| Gross Margin                     | 31.9   | (18.7)  | (90.0)  | 21.3    | 41.7      |
| Operating Margin                 | 20.1   | (46.5)  | (154.3) | (6.4)   | 28.0      |
| EBITDA Margin                    | 30.0   | 3.9     | 45.0    | 48.0    | 53.7      |
| Net Margin                       | 17.7   | (49.0)  | (171.1) | (14.8)  | 21.3      |
| ROAA                             | 16.2   | (7.9)   | (12.7)  | (2.7)   | 8.0       |
| ROAE                             | 21.7   | (23.1)  | (46.4)  | (10.8)  | 24.9      |
| Stability                        |        |         |         |         |           |
| Gross Debt/Equity (%)            | 33.9   | 190.8   | 265.1   | 299.5   | 211.2     |
| Net Debt/Equity (%)              | 14.6   | 43.2    | 84.3    | 100.1   | 52.9      |
| Interest Coverage (x)            | 28.4   | (8.8)   | (5.7)   | (0.4)   | 6.6       |
| Interest & ST Debt Coverage (x)  | 3.1    | (1.5)   | (1.6)   | (0.1)   | 1.6       |
| Cash Flow Interest Coverage (x)  | 23.8   | 10.0    | 1.5     | 3.0     | 10.8      |
| Cash Flow/Interest & ST Debt (x) | 2.6    | 1.7     | 0.4     | 0.6     | 2.6       |
| Current Ratio (x)                | 1.2    | 0.6     | 0.5     | 0.5     | 0.7       |
| Quick Ratio (x)                  | 1.0    | 0.5     | 0.5     | 0.4     | 0.6       |
| Net Debt (Bt mn)                 | 112.8  | 1,305.3 | 1,234.4 | 1,272.1 | 1,042.4   |
| Per Share Data (Bt)              |        |         |         |         |           |
| EPS                              | 0.3    | (0.2)   | (0.3)   | (0.1)   | 0.2       |
| Normalized EPS                   | 0.3    | (0.2)   | (0.3)   | (0.1)   | 0.2       |
| CFPS                             | 0.3    | 0.3     | 0.1     | 0.2     | 0.5       |
| BVPS                             | 1.3    | 1.1     | 0.7     | 0.7     | 0.9       |
| SPS                              | 1.6    | 0.5     | 0.2     | 0.5     | 1.0       |
| EBITDA/Share                     | 0.5    | 0.0     | 0.1     | 0.2     | 0.5       |
| DPS                              | 0.0    | 0.0     | 0.0     | 0.0     | 0.0       |
| Activity                         |        |         |         |         |           |
| Asset Turnover (x)               | 0.9    | 0.2     | 0.1     | 0.2     | 0.4       |
| Days Receivables                 | 9.8    | 18.6    | 33.2    | 10.4    | 8.1       |
| Days Inventory                   | 15.5   | 29.0    | 31.9    | 40.4    | 28.8      |
| Days Payable                     | 37.5   | 32.2    | 42.4    | 40.6    | 40.6      |
| Cash Cycle                       | (12.2) | 15.5    | 22.7    | 10.3    | (3.6)     |

Source: KGI Securities Research

| <b>Profit</b> | & | Loss |
|---------------|---|------|
|---------------|---|------|

| Year to Dec 31 (Btmn)        | 2019  | 2020   | 2021   | 2022F  | 2023F |
|------------------------------|-------|--------|--------|--------|-------|
| Revenue                      | 1,384 | 427    | 168    | 407    | 870   |
| Cost of Goods Sold           | (943) | (507)  | (319)  | (320)  | (508) |
| Gross Profit                 | 441   | (80)   | (151)  | 87     | 363   |
| Operating Expenses           | (163) | (119)  | (108)  | (112)  | (119) |
| Other Incomes                | 0     | 0      | 0      | 0      | 0     |
| Operating Profit             | 279   | (198)  | (259)  | (26)   | 243   |
| Depreciation of fixed assets | (118) | (206)  | (327)  | (214)  | (213) |
| Operating EBITDA             | 416   | 17     | 75     | 195    | 467   |
| Non-Operating Income         | 0     | 0      | 0      | 0      | 0     |
| Interest Income              | 0     | 0      | 0      | 0      | 0     |
| Other Non-op Income          | 0     | 0      | 0      | 0      | 0     |
| Non-Operating Expense        | (10)  | (21)   | (44)   | (44)   | (39)  |
| Interest Expense             | (10)  | (21)   | (44)   | (44)   | (39)  |
| Other Non-op Expense         | 0     | 0      | 0      | 0      | 0     |
| Equity Income/(Loss)         | 0     | 0      | 0      | 0      | 0     |
| Pretax Profit                | 288   | (211)  | (295)  | (63)   | 216   |
| Current Taxation             | (42)  | 2      | 9      | 3      | (30)  |
| Minorities                   | 1     | 0      | (0)    | (0)    | 0     |
| Extraordinaries items        | 0     | 0      | 0      | 0      | 0     |
| Net Profit                   | 245   | (209)  | (287)  | (60)   | 185   |
| Normalized Profit            | 245   | (209)  | (287)  | (60)   | 185   |
| EPS (Bt)                     | 0.29  | (0.24) | (0.34) | (0.07) | 0.22  |
| Normalized EPS (Bt)          | 0.29  | (0.24) | (0.34) | (0.07) | 0.22  |

Source: KGI Securities Research

#### **Cash Flow**

| Year to 31 Dec (Bt mn)      | 2019  | 2020    | 2021  | 2022F | 2023F |
|-----------------------------|-------|---------|-------|-------|-------|
| Operating Cash Flow         | 249   | 215     | 66    | 133   | 418   |
| Net Profit                  | 245   | (209)   | (287) | (60)  | 185   |
| Depreciation & Amortization | 118   | 206     | 327   | 214   | 213   |
| Change in Working Capital   | (114) | 217     | 26    | (21)  | 19    |
| Others                      |       |         |       |       |       |
| Investment Cash Flow        | (141) | (1,390) | 5     | (171) | (188) |
| Net CAPEX                   | (136) | (191)   | (207) | (181) | (192) |
| Change in LT Investment     | (15)  | (1,187) | 230   | 2     | 0     |
| Change in Other Assets      | (0)   | (2)     | (4)   | 4     | 0     |
| Free Cash Flow              | 108   | (1,175) | 71    | (38)  | 230   |
| Financing Cash Flow         | (135) | 1,237   | (76)  | 37    | (166) |
| Change in Share Capital     | 0     | 71      | 0     | 0     | 0     |
| Net Change in Debt          | (51)  | 1,254   | (76)  | 37    | (165) |
| Change in Other LT Liab.    | (1)   | (0)     | (0)   | 0     | (0)   |
| Net Cash Flow               | (27)  | 62      | (5)   | (1)   | 64    |

Source: KGI Securities Research

### Rates of Return on Invested Capital

| Year  | 1- | COGS<br>Revenue | + | Depreciation<br>Revenue | + | Operating Exp. Revenue | = | Operating<br>Margin |
|-------|----|-----------------|---|-------------------------|---|------------------------|---|---------------------|
| 2019  |    | 68.1%           |   | 8.5%                    |   | 11.7%                  |   | 11.6%               |
| 2020  |    | 118.7%          |   | 48.3%                   |   | 27.8%                  |   | -94.8%              |
| 2021  |    | 190.0%          |   | 194.9%                  |   | 64.3%                  |   | -349.2%             |
| 2022F |    | 78.7%           |   | 52.7%                   |   | 27.7%                  |   | -59.1%              |
| Year  | 1/ | Working Capital | + | Net PPE                 | + | Other Assets           |   | Capital             |
| Teal  | 17 | Revenue         | + | Revenue                 | + | Revenue                | = | Turnover            |
| 2019  |    | 0.0             |   | 0.8                     |   | 0.3                    |   | 0.9                 |
| 2020  |    | (0.3)           |   | 2.5                     |   | 3.6                    |   | 0.2                 |
| 2021  |    | (1.0)           |   | 5.6                     |   | 7.8                    |   | 0.1                 |
| 2022F |    | (1.1)           |   | 2.6                     |   | 3.6                    |   | 0.2                 |
| Year  |    | Operating       | х | Capital                 | х | Cash                   |   | After-tax Return    |
| Teal  |    | Margin          |   | Turnover                |   | Tax Rate               | = | on Inv. Capital     |
| 2019  |    | 11.6%           |   | 0.9                     |   | 14.5%                  |   | 1.5%                |
| 2020  |    | -94.8%          |   | 0.2                     |   | 1.0%                   |   | -0.2%               |
| 2021  |    | -349.2%         |   | 0.1                     |   | 5.0%                   |   | -1.4%               |
| 2022F |    | -59.1%          |   | 0.2                     |   | 5.0%                   |   | -0.6%               |

Source: KGI Securities Research



#### Siam Wellness Group - Recommendation & target price history



Source: KGI Securities Research



## Corporate Governance Report of Thai Listed Companies

| 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                            |
| NAN    | ANANDA DEVELOPMENT             | HANA   | HANA MICROELECTRONICS  | RATCH  | RATCHABURI ELECTRICITY GENERATING HOLDING |
| тот    | AIRPORTS OF THAILAND           | нмрко  | 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                           |
| СР     | THE BANGCHAK PETROLEUM         | IVL    | INDORAMA VENTURES      | sccc   | SIAM CITY CEMENT                          |
| CPG    | BCPG                           | KBANK  | KASIKORNBANK           | SEAFCO | SEAFCO                                    |
| BDMS   | BANGKOK DUSIT MEDICAL SERVICES | KCE    | KCE ELECTRONICS        | SMPC   | SAHAMITR PRESSURE CONTAINER               |
| BEC    | BEC WORLD                      | KKP    | KIATNAKIN BANK         | SPALI  | SUPALAI                                   |
| EM     | BANGKOK EXPRESSWAY AND METRO   | ктв    | KRUNG THAI BANK        | SPRC   | STAR PETROLEUM REFINING                   |
| GRIM   | B.GRIMM POWER                  | ктс    | KRUNGTHAI CARD         | svi    | SVI                                       |
| PP     | BANPU POWER                    | LH     | LAND AND HOUSES        | TACC   | T.A.C. CONSUMER                           |
| TS     | BTS GROUP HOLDINGS             | LPN    | L.P.N. DEVELOPMENT     | TCAP   | THANACHART CAPITAL                        |
| ENTEL  | CENTRAL PLAZA HOTEL            | MAKRO  | SIAM MAKRO             | тнсом  | THAICOM                                   |
| :K     | CH. KARNCHANG                  | МВК    | MBK                    | TISCO  | TISCO FINANCIAL GROUP                     |
| KP     | CK POWER                       | MINT   | MINOR INTERNATIONAL    | TOP    | THAI OIL                                  |
| PALL   | CP ALL                         | мтс    | MUANGTHAI CAPITAL      | TRUE   | TRUE CORPORATION                          |
| PF     | CHAROEN POKPHAND FOODS         | PLANB  | PLAN B MEDIA           | TTB    | TMBTHANACHART BANK                        |
| PN     | 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  |   |

|                       | 0   |                               |                |
|-----------------------|---|-------------------------------|----------------|
| milikasini<br>Markina | Admitted to the second | redsformed<br>http://doi.org/ | and discounted |

**Companies with Very Good CG Scoring** 

| Stock  | Company name                        |        | Company name             | Stock  | Company name               |
|--------|-------------------------------------|--------|--------------------------|--------|----------------------------|
|        |                                     |        |                          |        |                            |
| BAM    | BANGKOK COMMERCIAL ASSET MANAGEMENT | GULF   | GULF ENERGY DEVELOPMENT  | SAPPE  | SAPPE                      |
| BBL    | BANGKOK BANK                        | JMT    | JMT NETWORK SERVICES     | SAWAD  | SRISAWAD POWER 1979        |
| CBG    | CARABAO GROUP                       | LPH    | LADPRAO GENERAL HOSPITAL | SINGER | SINGER THAILAND            |
| CHG    | CHULARAT HOSPITAL                   | М      | MK RESTAURANT GROUP      | SPA    | SIAM WELLNESS GROUP        |
| сом7   | СОМ7                                | 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** 

| A     | Mark Committee Andrew Committee |       |                 |       |                         |  |
|-------|---------------------------------|-------|-----------------|-------|-------------------------|--|
| Stock | Company name                    | Stock | Company name    | Stock | Company name            |  |
|       |                                 |       |                 |       |                         |  |
| ВСН   | BANGKOK CHAIN HOSPITAL          | ESSO  | ESSO (THAILAND) | SF    | SIAM FUTURE DEVELOPMENT |  |
| ВН    | BUMRUNGRAD HOSPITAL             | HUMAN | HUMANICA        | SISB  | SISB                    |  |
| EKH   | EKACHAI MEDICAL CARE            | RBF   | R&B FOOD SUPPLY | ТРСН  | TPC POWER HOLDING       |  |

Companies classified Not in the three highest score groups

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|-------|-----------------------------|-------|--|-------|-----------------------------|
| 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                 | 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                       | scı   | 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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|                  |          |   |  |  |  |  |  |

#### **KGI's Ratings**

| 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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