

Inter Pharma

(IP.BK/IP TB)

Neutral • Initiate

Price as of 25 Mar 2021	23.50
12M target price (Bt/shr)	25.00
Unchanged/Revised up(down)(%)	NA
Upside/downside (%)	6.4

Key messages

We initiate our coverage on IP with a 2022 target price of Bt25.00 (PER of 56x, +0.5 S.D). Though the current share price offers limited upside, we rate the counter Neutral as i) its core business and non-core business (health/food supplement industry and pet industry) still have bright outlooks, ii) robust earnings growth is expected for the next couple of years with CAGR of 55%, and ii) upside from new projects has not yet been included in our forecast (production for Teva Pharma (Thailand) and hemp for medical/food supplement).

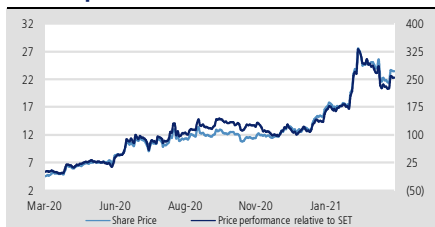
Trading data

Mkt cap (Btbn/US\$mn)	4.8/121
Outstanding shares (mn)	206
Foreign ownership (mn)	2.6
3M avg. daily trading (mn)	2
52-week trading range (Bt)	3.10 - 24.60
Performance (%)	3M 6M 12M
Absolute	78.0 83.6 424.6
Relative	68.4 45.5 264.6

Quarterly EPS

	1Q	2Q	3Q	4Q
2018	0.09	0.12	0.10	(0.02)
2019	0.01	0.11	0.08	0.06
2020	0.07	0.08	0.09	0.02

Share price chart



Source: SET

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A promising outlook is in the price

Event

We initiate coverage on IP with a Neutral rating and 2022 target price of Bt25.00.

Impact

Favorable health product provider for both humans and animals

IP is a health products provider for distribution in Thailand. Currently, the company provides i) health products for humans under its own brands such as "Probac 7", "Probac 10 Plus", "PreBO", "YUUU" and partner brands such as "TS6-Synbiotic", "Perfectha", and ii) health products for animals such as pet food under its own brand "Maria", nutraceuticals and pharmaceutical for pets, medical shampoo, and livestock. The company's revenue from products for humans represented 56% of total sales in 2020 while products for animals accounted for 44%.

To ride growth in Thailand's health and food supplement industry

The outlook is bright for Thailand's health and food supplement industry with expected growth over the next couple of years driven by i) economic recovery from 2021 onward that is expected to drive consumption, and ii) longer life and more health-consciousness leading people to spend more on health and food supplement products. Growth in the industry would benefit all providers including IP's wellness and anti-aging products (core business).

Earnings to skyrocket in 2021 with continued solid growth in 2022

We anticipate IP's earnings to increase to Bt98mn (+82% YoY) in 2021 and to Bt129mn (+32% YoY) in 2022. The key drivers would be greater revenue from existing products and revenue streams from expansion in i) home generic medicine company "Modern Pharma", ii) acquiring four formulas of medicine from the pharmacy company Teva Pharma, iii) joint-venture with Thai Union Ingredient, a subsidiary of Thai Union Group (TU.BK/TU TB)* to launch new nutraceuticals products and food supplement products and iv) distribution agreement with a new partner from Australia to provide food supplement under the brand "Vitahealth" in Thailand.

Valuation and action

Our 2022 target price for IP is Bt25.00 based on PER of 56x (+0.5 S.D). Despite limited upside to our target, we rate the counter Neutral on the back of i) robust growth in 2021-2022 with CAGR of 55%, and ii) upside from new projects that have not yet been included in our forecast (production for Teva Pharma (Thailand) and hemp for medical/food supplement).

Risks

Lower than expected revenue from nutraceuticals products.

Key financials and valuations

	Dec-18A	Dec-19A	Dec-20A	Dec-21F	Dec-22F
Revenue (Btmn)	314	371	442	748	975
Gross Profit (Btmn)	189	214	261	443	580
EBIT (Btmn)	40	57	74	126	168
Net Profit (Btmn)	30	43	54	98	129
Normalized Profit (Btmn)	30	43	54	98	129
EPS (Bt)	0.23	0.21	0.26	0.34	0.45
DPS (Bt)	0.06	0.13	0.02	0.17	0.22
EPS growth (%)	16.2	(7.6)	23.7	30.1	31.8
P/E (x)	-	21.5	35.9	69.5	52.7
P/B (x)	-	2.01	3.95	11.83	10.50
EV/EBITDA (x)	0.0	15.8	24.5	53.9	40.5
Net debt/Equity (x)	Net cash	Net cash	Net cash	Net cash	Net cash
Dividend yield (%)	NA	2.9	0.2	0.7	0.9
Return on Average Equity (%)	32.0	15.2	11.3	18.4	21.1

Source: Company data, KGI Research

Leader in health products for human and pets

Inter Pharma (IP) started its business in 2006 as an importer and distributor of health products. After restructuring its major shareholders in 2013, the company expanded to nutraceuticals products and products for animals. The company's existing businesses can be broken down into two segments:

Health and food supplement products for humans

- ▶ Wellness and anti-aging products: This segment is not medicine but "Nutraceuticals" that enhance good health and anti-aging. This product line has both company owned brands such as "Probac 7", "Probac 10 Plus", "PreBO" and partner brands such as "TS6-Synbiotic".
- ▶ Aesthetic innovation products: Products to reduce wrinkles, support v-shaped face and products for cleansing. This product line has both company owned brands such as "YUUU" and partner brands such as "Perfectha", and "TS6-Lady Health".

Health products for animals

- ▶ Companion animal health products: Provides full range of products for pets such as pet food, nutraceuticals for dogs and cats, medical shampoo for pets, cosmeceuticals for pets, pharmaceutical for pets, vaccines and immunoglobulin for pets and pet pee pads.
- ▶ Livestock products: Premix that consist of minerals and vitamins for pet food, hygiene and antibiotics for animals.

Figure 1: Health and beauty products for humans

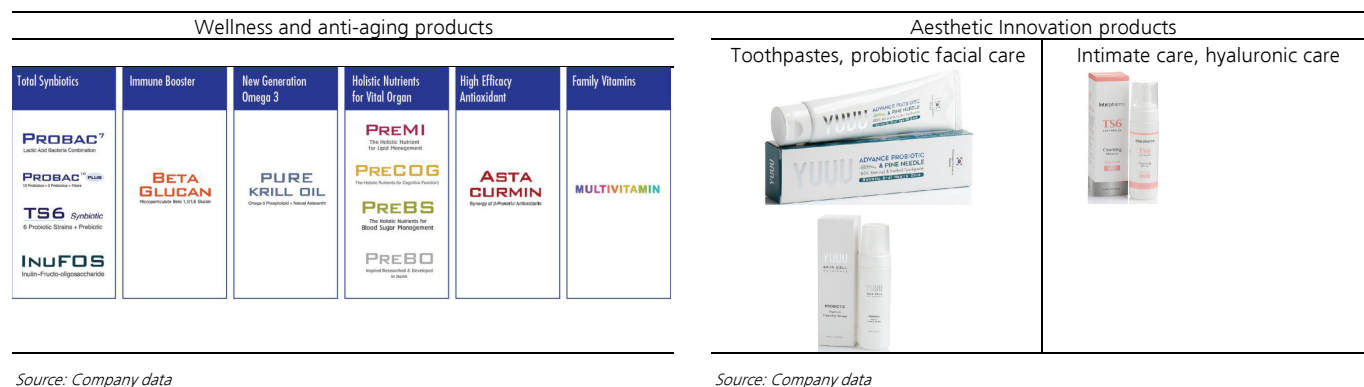


Figure 2: Health products for animals

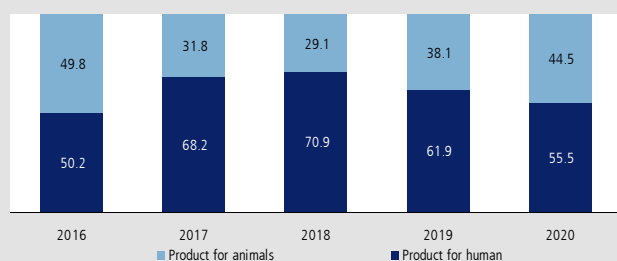


IP's products include both the company's own brands and partners' brands. Note that the company employs both domestic manufacturers and foreign manufacturers in Taiwan, Korea, Japan, China, Germany and France to produce products under the company's formulas and process (OEM). For its partners' brands, the company imports and/or is the distributor in Thailand. During 2017- 2019, 60%-70% of the company's total sales were from its partners' brands. However, the company increased sales of its own brands to reduce reliance on its partners' products and that led to its partners' products declining to 50% of total sales in 2020.

At this time, IP only has domestic sales. Most of its sales are direct sales to consumers via its online platform while sales to hospitals, clinics, drug stores, pet shops, and modern traders who resell/service the company's products to end-users accounted for 40% of sales.

Figure 3: Breakdown sales by products

Sales by products, percent



Source: Company data

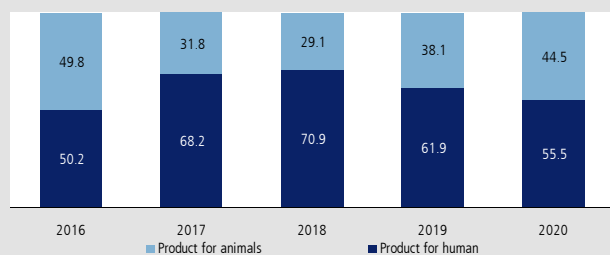
Figure 4: Customers


Source: Company data

IP's revenue over the past five years grew with CAGR of 51.3% from Bt56mn in 2015 to Bt442mn in 2020. Products for humans accounted for 55.5% of the company's total core revenue in 2020 while products for animals accounted for 44.5%. Products for humans contributed a gross margin of 71% while products for animals provided a margin of 44%.

Figure 5: Breakdown of revenue by products

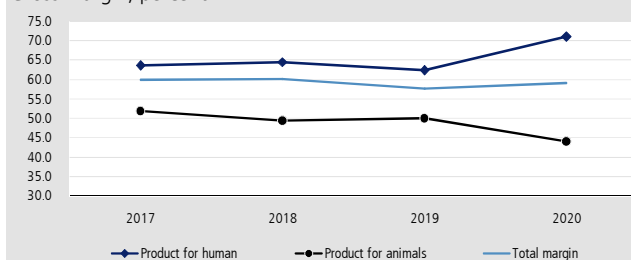
Revenue, percent



Source: Company data

Figure 6: Breakdown of gross margin by products

Gross margin, percent



Source: Company data

Net profit expected to soar with 55% CAGR in 2021 - 2022

We estimate IP's net earnings CAGR at 55% in 2021 - 2022 thanks to growth from existing product lines and horizontal expansion. We anticipate a net profit of Bt98mn (+82% YoY) in 2021F and then solid earnings growth to Bt129mn (+32% YoY) in 2022F.

2021: IP's net profit is likely to skyrocket in 2021 to Bt98mn (+82% YoY) mainly due to revenue growth from its existing product line and horizontal expansion during 2020 - 1Q21; i) acquiring a home generic medicine company "Modern Pharma", ii) acquiring land/equipment and four formulas of medicine from pharmacy company Teva, iii) investing in joint-venture, Interpharma-ZEAvita, (cooperation with Thai Union Ingredient, a subsidiary of Thai Union Group (TU.BK/TU TB)*) for launching new nutraceuticals products and food supplement products and iv) entering a distribution agreement with a new partner from Australia to provide food supplement under the brand "Vitahealth" in Thailand. Note that we anticipate revenue growth of 69% YoY in 2021 to Bt747mn and gross margin to climb from 59.0% to 59.2%.

2022: We expect net profit to continue to grow and rise 32% YoY in 2022. This would be from i) expected revenue growth of 30% YoY thanks to an anticipated increase in revenue from existing product lines and full-year realization of revenue from Teva Pharma and TUI and ii) better gross margin thanks to a larger proportion of revenue from products for humans, which contributes a high margin.

Figure 7: Financial highlights

(Bt mn)	2018A	2019A	2020A	2021F	2022F
Revenue	314	371	442	747	975
Cost of Goods Sold	(125)	(157)	(181)	(305)	(394)
Gross Profit	189	214	261	442	580
SG&A	(148)	(157)	(187)	(316)	(412)
Operating Profit	40	57	74	126	168
Operating EBITDA	42	59	79	126	168
Other revenue	0	4	5	5	5
Interest Expense	(0)	(1)	(1)	(4)	(3)
Pre-tax Profit	40	61	77	127	170
Current taxation	(11)	(14)	(17)	(25)	(34)
Minorities	1	(4)	(7)	(4)	(7)
Net Profit	30	43	54	98	129
No. of share	130	206	206	288.4	288.4
EPS	0.23	0.21	0.26	0.34	0.45

Source: Company data, KGI Research

Figure 8: Key assumptions

Key assumptions	2018A	2019A	2020A	2021F	2022F
Revenue (Btmn)	314	371	442	747	975
1.Products for human	222	230	246	511	680
1.1 Existing product line	222	230	234	257	295
1.2 Expansion	-	-	12	254	384
- Modern pharma	-	-	12	158	198
- JV with TU	-	-	-	30	60
- Acquiring Teva's assets	-	-	-	36	89
- Distribution for partner	-	-	-	30	38
2.Products for animal	91	141	197	236	295
Revenue (Percent)	100	100	100	100	100
1.Products for human	71	62	56	68	70
1.1 Existing product line	71	62	53	34	30
1.2 Expansion	-	-	3	21	20
- Modern pharma	-	-	-	4	6
- JV with TU	-	-	-	5	9
- acquiring Teva's assets	-	-	-	4	4
- Distribution for partner	-	-	-	-	-
2.Products for animal	29	38	44	32	30
Gross margin	60.1	57.6	59.0	59.2	59.5
1.Products for human	64.5	62.3	69.6	68.0	68.0
2.Products for animal	49.4	50.0	44.0	40.0	40.0
SG&A/sales	47.3	42.2	42.3	42.3	42.3
Net margin	9.5	11.7	12.2	13.1	13.2

Source: KGI Research

Financial status remains strong to support further investment

By the end of 2020, IP had total assets of Bt750mn. The majority of assets was fixed assets, representing 31.1% of total assets followed by account receivable that accounted for 21.1%. Meanwhile, 20.3% of total assets were cash on hand.

Meanwhile, the company had total debts of Bt262mn in 2020. Most of the debts were account payables, which accounted for 45.9% of total debts. Interest bearing debts were Bt115mn or 44.8% of total debts. The company's equity was Bt563mn. Hence, the company's financial status was strong with a net cash position.

For 2021-2022, we foresee the company's financial status would remain strong. The D/E ratio is expected to increase slightly to 0.58x - 0.59x in 2021 - 2022 compared to 0.54x in 2020 due to expected greater account payable along with larger sales growth. Note that net cash position is expected to continue in 2021 – 2022 due to lower interest bearing debts expected.

Valuation

Though we foresee a bright outlook for the company's core business (nutraceuticals and food supplement industry) and expect robust net earnings growth in 2021- 2022 with CAGR of 55%, our target price for IP of Bt25.00, which is based on PER 56x (+0.5 S.D), offers only 6.4% upside from the current market price. We therefore initiate coverage on IP with a rating of Neutral.

Figure 9: Peer comparison

Ticker	Country	PER		EPS			CAGR 2 YRS
		2021	2022	2020	2021	2022	
ADVENZY IN	India	23.66	19.60	0.16	0.20	0.24	22.5%
603739 CH	China	29.60	24.83	0.10	0.12	0.14	18.3%
300381 CH	China	14.33	11.03	0.07	0.10	0.13	36.3%
300858 CH	China	35.88	27.31	0.18	0.24	0.31	31.2%
300294 CH	China	22.94	18.71	0.15	0.19	0.24	26.5%
MEGA TB	Thailand	21.11	18.82	1.60	1.80	2.01	12.0%
IP TB	Thailand	70.08	53.19	0.26	0.34	0.45	30.9%
Average		31.09	24.78	0.36	0.43	0.50	25.4%

Source: Bloomberg, KGI Research

Upside

There is upside from new projects that are not yet included in our forecast from:

- Greater revenue from acquiring assets and medicine formulas from Teva Pharma (Thailand) (Teva). The company will employ IP for medicine production at 20% of total capacity of acquired equipment from 4Q21 onward. However, there are no details at this time.
- Hemp project that is in the process of applying for licenses for i) medicine with hemp and ii) food supplement/cosmetic dermatology from the Food and Drug Administration.

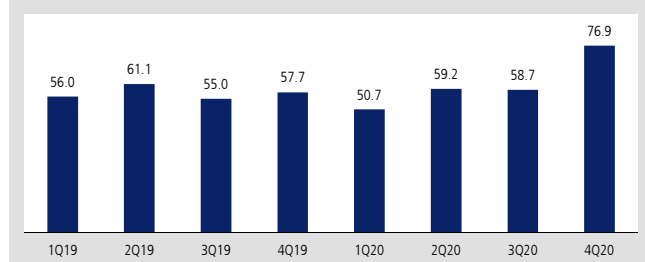
Figure 10: Company profile

Interpharma Public Company Limited (IP) started its business in 2006 as an importer and distributor company for health products. After the restructuring of major shareholders since 2013, the company expanded its business to nutraceuticals products and products for animals. Currently, the company's existing businesses can be categorized into four segments that are i) wellness and anti aging products, ii) aesthetic innovation products, iii) companion animal health products iv) livestock.

Source: Company data

Figure 12: Revenue from products for humans

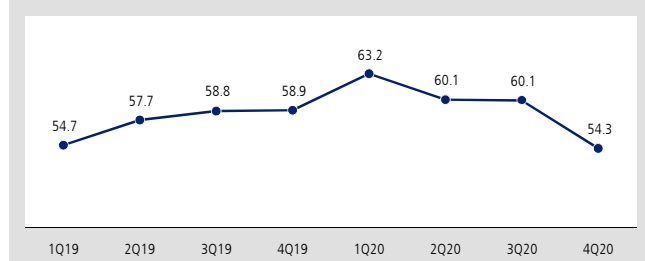
Products for human sales, Bt mn



Source: Company data

Figure 14: Gross profit margin

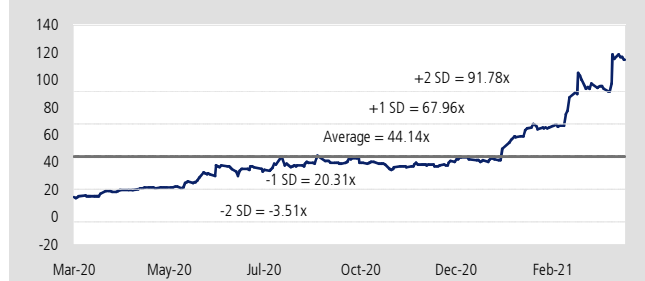
Gross margin, percent



Source: Company data

Figure 16: PER band

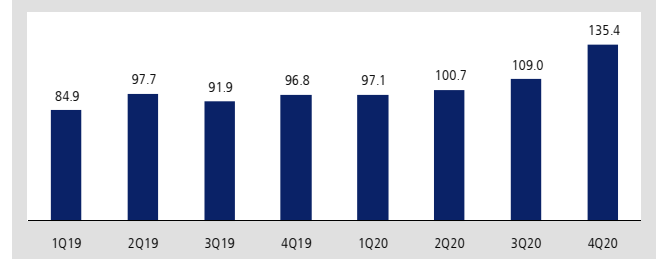
PER, Times



Source: KGI Research

Figure 11: Sales and service revenue

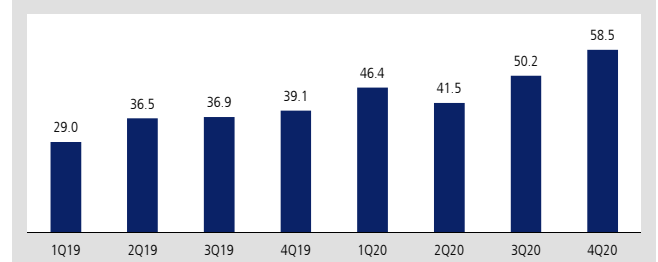
Sales and service revenue, Bt mn



Source: Company data

Figure 13: Revenue from products for animals

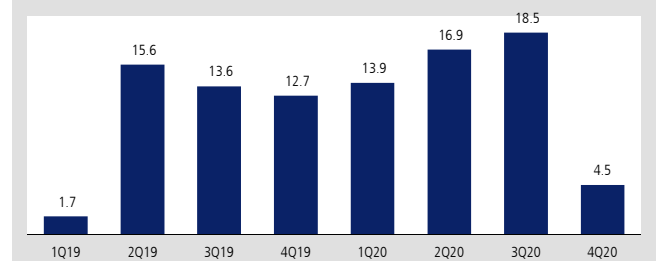
Products for animals sales, Bt mn



Source: Company data

Figure 15: Net profit

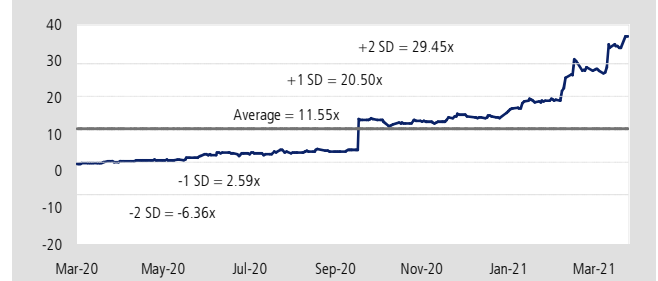
Net profit (loss), Bt mn



Source: Company data

Figure 17: PBV band

PBV, Times



Source: KGI Research

Quarterly Income Statement

	Mar-18A	Jun-18A	Sep-18A	Dec-18A	Mar-19A	Jun-19A	Sep-19A	Dec-19A	Mar-20A	Jun-20A	Sep-20A	Dec-20A
Income Statement (Bt mn)												
Revenue	60	78	86	90	85	98	92	97	97	101	109	135
Cost of Goods Sold	(22)	(29)	(33)	(40)	(38)	(41)	(38)	(40)	(36)	(40)	(44)	(62)
Gross Profit	38	49	53	50	46	56	54	57	61	61	65	74
Operating Expenses	(28)	(31)	(36)	(54)	(45)	(38)	(35)	(39)	(44)	(37)	(42)	(64)
Other incomes	0	0	0	(0)	0	3	1	1	2	1	2	1
Operating Profit	10	18	17	(5)	2	21	19	19	19	24	25	10
Depreciation of fixed assets	(0)	(0)	(0)	(0)	(0)	(1)	(1)	(1)	(1)	(1)	(1)	(3)
Operating EBITDA	10	19	18	(4)	3	22	20	20	20	25	26	13
Non-Operating Income	-	-	-	-	-	-	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-	-	-	-	-	-	-
Other Non-op Income	-	-	-	-	-	-	-	-	-	-	-	-
Non-Operating Expenses	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(1)
Interest Expense	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(1)
Other Non-op Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Net investment Income/(Loss)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Pre-tax Profit	10	18	17	(5)	2	21	19	19	19	24	25	10
Current taxation	(3)	(5)	(4)	0	(1)	(4)	(4)	(5)	(4)	(5)	(5)	(3)
Minorities	0	(1)	(1)	2	0	(1)	(1)	(1)	(1)	(2)	(2)	(2)
Extraordinary items	-	-	-	-	-	-	-	-	-	-	-	-
Net Profit	7	12	13	(3)	2	16	14	13	14	17	18	5
EPS (Bt)	0.09	0.12	0.10	(0.02)	0.01	0.11	0.08	0.06	0.07	0.08	0.09	0.02
Margins (%)												
Gross profit margin	62.8	62.3	61.2	55.5	54.7	57.7	58.8	58.9	63.2	60.1	60.1	54.3
Operating margin	16.8	23.2	20.2	(5.1)	2.4	21.8	21.1	19.6	19.7	23.7	23.3	7.4
Operating EBITDA margin	17.5	23.7	20.7	(4.5)	3.0	22.3	21.7	20.2	20.5	24.4	24.0	9.5
Net profit margin	12.4	15.8	14.6	(3.0)	1.9	15.9	14.8	13.1	14.3	16.8	16.9	3.3
Growth (%)												
Revenue growth	NA	NA	NA	NA	41.8	25.1	6.7	8.1	14.4	3.1	18.5	39.8
Operating growth	NA	NA	NA	NA	(79.6)	17.7	11.8	(518.9)	835.2	11.8	30.9	(47.0)
Operating EBITDA growth	NA	NA	NA	NA	(76.0)	17.9	11.8	(583.9)	691.5	12.7	31.0	(34.0)
Net profit growth	NA	NA	NA	NA	(77.7)	26.1	7.6	(572.2)	739.1	8.8	36.0	(64.4)

Source: KGI Research

Peer comparison – Key valuation stats

	Rating	Target price (Bt)	Current price (Bt)	Upside (%)	20A EPS (Bt)	21F EPS (Bt)	22F EPS (Bt)	21F EPS growth (%)	22F EPS growth (%)	21F PER (x)	22F PER (x)	21F PBV (X)	22F PBV (X)	21F Div Yield (%)	21F ROAE (%)
IP	N	25.00	23.50	6.4	0.26	0.34	0.45	30.1	31.8	69.2	52.5	11.8	10.5	0.7	18.4
MEGA*	UR	NA	35.50	NA	1.60	1.80	2.01	12.3	11.8	19.8	17.7	4.0	3.7	0.0	NA

Source: KGI Research, Bloomberg

Balance Sheet

As of 31 Dec (Bt mn)	2018A	2019A	2020A	2021F	2022F
Total Assets	192	526	750	906	1,029
Current Assets	172	505	417	409	482
Cash & ST Investments	33	343	152	48	52
Inventories	54	50	103	165	195
Accounts Receivable	84	112	160	195	234
Others	2	0	2	2	2
Non-current Assets	20	21	333	497	546
LT Investments	6	6	8	9	10
Net fixed Assets	11	10	234	395	442
Others	3	5	92	93	94
Total Liabilities	85	60	262	331	380
Current Liabilities	84	56	160	244	309
Accounts Payable	64	41	123	212	276
ST Borrowings	-	-	-	-	-
Others	19	16	37	32	33
Long-term Liabilities	1	4	102	87	72
Long-term Debts	-	-	93	78	62
Others	1	4	9	9	9
Shareholders' Equity	107	466	488	575	649
Common Stock	65	103	103	144	144
Capital Surplus	18	287	287	287	287
Retained Earnings	14	44	59	110	190
Others	10	32	39	35	28

Source: KGI Research

Key Ratios

Year to 31 Dec (Bt mn)	2018A	2019A	2020A	2021A	2022A
Forecast Drivers					
Products for human (Bt mn)	169	222	230	246	512
Products for animal (Bt mn)	79	91	141	197	236
Growth (% YoY)					
Sales	26.8	18.4	19.1	69.2	30.3
OP	43.7	42.3	28.7	71.4	33.0
EBITDA	50.3	41.0	32.9	68.4	32.7
NP	88.8	46.5	23.7	82.1	31.8
EPS	16.2	(7.6)	23.7	30.1	31.8
Profitability (%)					
Gross Margin	60.1	57.6	59.0	59.2	59.5
Operating Margin	12.8	15.4	16.7	16.9	17.2
EBITDA Margin	13.4	16.0	17.8	17.7	18.1
Net Profit Margin	9.5	11.7	12.2	13.1	13.2
ROAA	5.0	12.1	8.4	11.8	13.3
ROAE	0.1	15.2	11.3	18.4	21.1
Stability					
Gross Debt/Equity (%)	0.0	0.0	0.0	0.0	0.0
Net Debt/Equity (%)	(19.5)	(73.6)	(9.3)	7.7	3.8
Interest Coverage (x)	935.1	97.1	64.7	34.0	53.7
Interest & ST Debt Coverage (x)	935.1	97.1	64.7	34.0	53.7
Cash Flow Interest Coverage (x)	143.9	(8.5)	7.7	(35.2)	(39.7)
Cash Flow/Interest & ST Debt (x)	143.9	(8.5)	7.7	(35.2)	(39.7)
Current Ratio (x)	2.1	9.0	2.6	1.7	1.6
Quick Ratio (x)	1.4	8.1	2.0	1.0	0.9
Net Debt (Bt mn)	-21	-343	-45	44	25
Per Share Data (Bt)					
EPS	0.2	0.2	0.3	0.3	0.4
CFPS	(0.0)	0.0	(0.0)	0.5	0.4
BVPS	0.8	2.3	2.4	2.0	2.2
SPS	2.4	1.8	2.1	2.6	3.4
EBITDA/Share	0.3	0.3	0.4	0.5	0.6
DPS	0.1	0.1	0.0	0.2	0.2
Activity					
Asset Turnover (x)	2.1	1.0	0.7	0.9	1.0
Days Receivables	70.9	96.2	112.0	86.5	80.3
Days Inventory	99.3	121.0	154.1	159.8	166.3
Days Payable	(77.5)	(89.6)	(114.4)	(138.2)	(153.5)
Cash Cycle	247.7	306.8	380.6	384.5	400.1

Source: KGI Research

Profit & Loss

Year to 31 Dec (Bt mn)	2018A	2019A	2020A	2021F	2022F
Revenue	314	371	442	748	975
Cost of Goods Sold	(125)	(157)	(181)	(305)	(394)
Gross Profit	189	214	261	443	580
Operating Expenses	(148)	(157)	(187)	(316)	(412)
Other incomes	-	-	-	-	-
Operating Profit	40	57	74	126	168
Depreciation of fixed assets	2	2	5	6	8
Operating EBITDA	42	59	79	133	176
Non-Operating Income	1	5	5	5	5
Interest Income	-	-	-	-	-
Other Non-op Income	1	5	5	5	5
Non-Operating Expenses	(0)	(1)	(1)	(4)	(3)
Interest Expense	(0)	(1)	(1)	(4)	(3)
Other Non-op Expenses	-	-	-	-	-
Equity Income/(Loss)	(1)	(0)	(0)	(0)	(0)
Pre-tax Profit	40	61	77	127	170
Current taxation	(11)	(14)	(17)	(25)	(34)
Minorities	1	(4)	(7)	(4)	(7)
Extraordinary items	-	-	-	-	-
Net Profit	30	43	54	98	129
EPS (Bt)	0.23	0.21	0.26	0.34	0.45

Source: KGI Research

Cash Flow

Year to 31 Dec (Bt mn)	2018A	2019A	2020A	2021F	2022F
Operating Cash Flow	(6)	5	(9)	131	124
Net Profit	40	61	77	127	170
Depreciation & Amortization	2	2	5	45	8
Change in Working Capital	(53)	(59)	(93)	(34)	(40)
Others	4	1	2	(8)	(13)
Investment Cash Flow	(18)	(3)	(499)	(415)	(111)
Net CAPEX	(9)	(1)	(12)	(207)	(55)
Change in LT Investment	(1)	(0)	(236)	(1)	(1)
Change in Other Assets	(8)	(2)	(250)	(207)	(55)
Free Cash Flow	(24)	2	(508)	(284)	13
Financing Cash Flow	10	307	68	(28)	(65)
Change in Share Capital	27	337	-	41	-
Net Change in Debt	12	(2)	108	(21)	(16)
Change in Other LT Liab.	(28)	(27)	(39)	(48)	(49)
Net Cash Flow	(14)	310	(440)	(312)	(52)

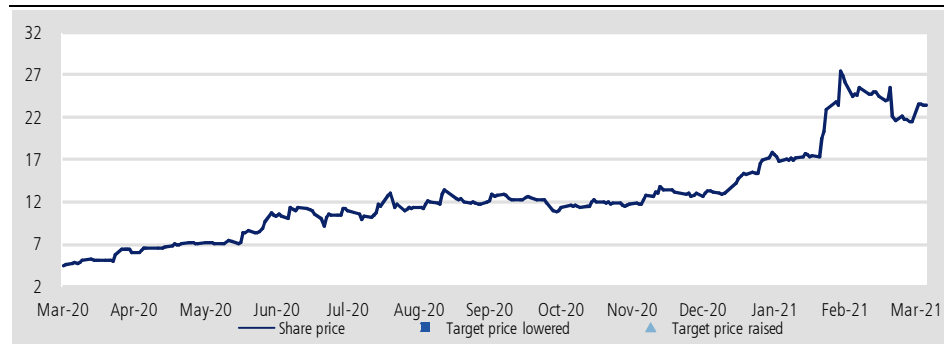
Source: KGI Research

Rates of Return on Invested Capital

Year	1- Revenue	+	COGS Revenue	+	Depreciation Revenue	+	Operating Exp. Revenue	=	Operating Margin
Dec-18A			39.9%		0.6%		47.3%		12.2%
Dec-19A			42.4%		0.6%		42.2%		14.9%
Dec-20A			41.0%		1.2%		42.3%		15.5%
Dec-21F			40.8%		0.9%		42.3%		16.0%
Dec-22F			40.5%		0.8%		42.3%		16.4%
Year	1/ Revenue	+	Working Capital Revenue	+	Net PPE Revenue	+	Other Assets Revenue	=	Capital Turnover
Dec-18A			-0.17		0.03		0.01		-8.3
Dec-19A			-0.25		0.03		0.01		-4.7
Dec-20A			-0.21		0.53		0.21		1.9
Dec-21F			-0.04		0.53		0.13		1.6
Dec-22F			-0.04		0.45		0.10		2.0
Year	Operating Margin	x	Capital Turnover	x	Cash Tax Rate	=	After-tax Return on Inv. Capital		
Dec-18A	12.2%		-8.3		72.2		-73.7		
Dec-19A	14.9%		-4.7		72.2		-50.8		
Dec-20A	15.5%		1.9		72.2		21.2		
Dec-21F	16.0%		1.6		72.2		18.9		
Dec-22F	16.4%		2.0		72.2		23.1		

Source: KGI Research

Inter Pharma– Recommendation & target price history



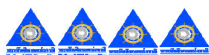
Source: KGI Research

Corporate Governance Report of Thai Listed Companies



Companies with Excellent CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
ADVANC	ADVANCED INFO SERVICE	HMPRO	HOME PRODUCT CENTER	QH	QUALITY HOUSES
ANAN	ANANDA DEVELOPMENT	INTUCH	SHIN CORPORATION	RATCH	RATCHABURI ELECTRICITY GENERATING HOLDING
AOT	AIRPORTS OF THAILAND	IRPC	IRPC	ROBINS	ROBINSON DEPARTMENT STORE
AP	ASIAN PROPERTY DEVELOPMENT	IVL	INDORAMA VENTURES	SAMART	SAMART CORPORATION
BANPU	BANPU	KBANK	KASIKORN BANK	SAMTEL	SAMART TELCOMS
BCP	THE BANGCHAK PETROLEUM	KCE	KCE ELECTRONICS	SCB	THE SIAM COMMERCIAL BANK
BTS	BTS GROUP HOLDINGS	KKP	KIATNAKIN BANK	SCC	THE SIAM CEMENT
CK	CH. KARNCHANG	KTB	KRUNG THAI BANK	SCCC	SIAM CITY CEMENT
CPF	CHAROEN POKPHAND FOODS	KTC	KRUNGTHAI CARD	SPALI	SUPALAI
CPN	CENTRAL PATTANA	LPN	L.P.N. DEVELOPMENT	SPRC	STAR PETROLEUM REFINING
DELTA	DELTA ELECTRONICS (THAILAND)	MINT	MINOR INTERNATIONAL	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION
DTAC	TOTAL ACCESS COMMUNICATION	MONO	MONO TECHNOLOGY	SVI	SVI
EASTW	EASTERN WATER RESOURCES DEVELOPMENT AND MANAGE	PLANB	PLAN B MEDIA	TCAP	THANACHART CAPITAL
EGCO	ELECTRICITY GENERATING	PSH	PRUKSA HOLDING	THCOM	THAICOM
GFPT	GFPT	PTT	PTT	TISCO	TISCO FINANCIAL GROUP
GPSC	GLOBAL POWER SYNERGY	PTTEP	PTT EXPLORATION AND PRODUCTION	TMB	TMB BANK
GUNKUL	GUNKUL ENGINEERING	PTTGC	PTT GLOBAL CHEMICAL	TOP	THAI OIL
HANA	HANA MICROELECTRONICS	PYLON	PYLON	TRUE	TRUE CORPORATION



Companies with Very Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	ERW	THE ERAWAN GROUP	SAWAD	SRISAWAD POWER 1979
AMATA	AMATA CORPORATION	GLOBAL	SIAM GLOBAL HOUSE	SCI	SCI ELECTRIC
BBL	BANGKOK BANK	GLOW	GLOW ENERGY	SCN	SCAN INTER
BCPG	BCPG	LH	LAND AND HOUSES	SEAFECO	SEAFECO
BDMS	BANGKOK DUSIT MEDICAL SERVICES	MAJOR	MAJOR CINEPLEX GROUP	SIRI	SANSIRI
BEM	BANGKOK EXPRESSWAY AND METRO	MAKRO	SIAM MAKRO	SMT	STARS MICROELECTRONICS (THAILAND)
CENTEL	CENTRAL PLAZA HOTEL	MALEE	MALEE SAMPRAN	TASCO	TIPCO ASPHALT
CHG	CHULARAT HOSPITAL	MTLS	MUANGTHAI LEASING	TKN	TAOKAENOI FOOD & MARKETING
CKP	CK POWER	NOK	NOK AIRLINES	TVO	THAI VEGETABLE OIL
DCC	DYNASTY CERAMIC	RS	RS	TWPC	THAI WAH



Companies with Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
AMA	AMA MARINE	BPP	BANPU POWER	SQ	SAHAKOL EQUIPMENT
BA	BANGKOK AIRWAYS	CBG	CARABAO GROUP	TPCH	TPC POWER HOLDING
BCH	BANGKOK CHAIN HOSPITAL	LPH	LADPRAO GENERAL HOSPITAL		
BH	BUMRUNGRAD HOSPITAL	SAPPE	SAPPE		

Companies classified Not in the three highest score groups

Stock	Company name	Stock	Company name	Stock	Company name
BGRIM	B.GRIMM POWER	TOA	TOA PAINT (THAILAND)	WHAUP	WHA UTILITIES AND POWER
CPALL	CP ALL	UNIQ	UNIQUE ENGINEERING AND CONSTRUCTION	WORK	WORKPOINT ENTERTAINMENT
THAI	THAI AIRWAYS INTERNATIONAL	WHA	WHA CORPORATION		

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
CPN	CENTRAL PATTANA	SCC	THE SIAM CEMENT		

Level 4: Certified

Stock	Company name	Stock	Company name	Stock	Company name
ADVANC	ADVANCED INFO SERVICE	IFEC	INTER FAR EAST ENGINEERING	SVI	SVI
BBL	BANGKOK BANK	KBANK	KASIKORN BANK	TCAP	THANACHART CAPITAL
DCC	DYNASTY CERAMIC	KKP	KIATNAKIN BANK	TISCO	TISCO FINANCIAL GROUP
DRT	DIAMOND ROOFING TILES	KTB	KRUNG THAI BANK	TMB	TMB BANK
EGCO	ELECTRICITY GENERATING	MINT	MINOR INTERNATIONAL		
ERW	THE ERWAN GROUP	SCB	THE SIAM COMMERCIAL BANK		

Level 3: Established

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	DTAC	TOTAL ACCESS COMMUNICATION	PACE	PACE DEVELOPMENT CORPORATION
ANAN	ANANDA DEVELOPMENT	GFPT	GFPT	PS	PRUKSA REAL ESTATE
AP	ASIAN PROPERTY DEVELOPMENT	GL	GROUP LEASE	RATCH	RATCHABURI ELECTRICITY GENERATING HOLDING
BA	BANGKOK AIRWAYS	GLOW	GLOW ENERGY	ROBINS	ROBINSON DEPARTMENT STORE
BDMS	BANGKOK DUSIT MEDICAL SERVICES	GPSC	GLOBAL POWER SYNERGY	SAMART	SAMART CORPORATION
BIGC	BIG C SUPERCENTER	HMPRO	HOME PRODUCT CENTER	SPALI	SUPALAI
BJCHI	BJC HEAVY INDUSTRIES	KTC	KRUNGTHAI CARD	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION
CENDEL	CENTRAL PLAZA HOTEL	LPN	L.P.N. DEVELOPMENT	TASCO	TIPCO ASPHALT
CHG	CHULARAT HOSPITAL	MAKRO	SIAM MAKRO	TMT	THAI METAL TRADE
CK	CH. KARNCHANG	MODERN	MODERNFORM GROUP	TPCH	TPC POWER HOLDING
CKP	CK POWER	NOK	NOK AIRLINES	WHA	NOK AIRLINES

Level 2: Declared

Stock	Company name	Stock	Company name	Stock	Company name
AOT	AIRPORTS OF THAILAND	GUNKUL	GUNKUL ENGINEERING	QH	QUALITY HOUSES
BH	BUMRUNGRAD HOSPITAL	ILINK	INTERLINK COMMUNICATION	TRT	TIRATHAI
GLOBAL	SIAM GLOBAL HOUSE	MTLS	MUANGTHAI LEASING	TVO	THAI VEGETABLE OIL

Level 1: Committed

Stock	Company name	Stock	Company name	Stock	Company name
CBG	CARABAO GROUP	RS	RS	SAWAD	SIRISAWAD POWER 1979
MAJOR	MAJOR CINEPLEX GROUP				

No progress

Stock	Company name	Stock	Company name	Stock	Company name
BCH	BANGKOK CHAIN HOSPITAL	CPALL	CP ALL	WORK	WORKPOINT ENTERTAINMENT
BEM	BANGKOK EXPRESSWAY AND METRO	LPH	LADPRAO GENERAL HOSPITAL		

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. <i>Excess return = 12M target price/current price-</i>
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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