

Malaysia
HOLD (no change)

Consensus ratings*: Buy 1 Hold 9 Sell 0

Current price:	RM0.355
Target price:	RM0.38
Previous target:	RM0.38
Up/downside:	7.0%
CGS-CIMB / Consensus:	-5.9%
Reuters:	MYRS.KL
Bloomberg:	MRC MK
Market cap:	US\$377.7m
	RM1,586m
Average daily turnover:	US\$0.17m
	RM0.69m
Current shares o/s:	4,412m
Free float:	42.1%

*Source: Bloomberg

Key changes in this note

- FY22-23F EPS raised by 85-168% as we consolidate LRT 3 (100%) but assume lower EBITDA margins. We introduce FY24 forecasts.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	2.9	1.4	-14.5
Relative (%)	-2.9	-5	-16.4

Major shareholders	% held
EPF	33.5
Gapurna Sdn Bhd	16.7
Lembaga Tabung Haji	7.8

Analyst(s)

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Malaysian Resources Corp

Higher-than-expected core net loss in FY21

- FY21 results below expectations; core net loss was higher than expected.
- Key drag was construction losses despite full consolidation of LRT 3 in 4Q21.
- Maintain Hold rating and RM0.38 TP (60% discount to RNAV).

Higher qoq core net loss in 4Q21 despite consolidating LRT 3

MRCB reported a strong RM75.2m net profit in 4Q21. However, this included the 1) RM123.7m land compensation gain relating to a property development JV project in the state of Perak, and 2) RM9.9m gain from the acquisition of the balance 50% stake in LRT 3 JV from George Kent following the project's restructuring. Excluding these items, we arrive at core net loss of RM58.4m, 81% wider than 3QFY21's core net loss of RM32m. This was despite the full reopening of economy since Oct 2021. The higher losses qoq were attributed to slow recovery in billings for ongoing projects, supply chain disruption, and higher material cost for construction. What was positive in 4Q21 was the 359% yoy and over 13-fold qoq expansion in construction revenue due to the consolidation of the LRT 3 project at 100%, and the 5% yoy (115% qoq) growth in property development revenue. The latter was driven by the home ownership campaign (HOC) which ran till end-FY21. Construction core EBIT in 4Q21, excluding the RM9.9m gain from LRT 3 restructuring, worked out to a mere RM1m (4Q20: RM24.4m); we expect this figure could improve substantially in FY22F on stronger billings for the remaining c.RM5bn unbilled value for the LRT 3 project. That said, we believe group construction EBIT margin would be subdued at 3-5% in FY22F. MRCB guided that as the LRT 3 project has passed its civil works-intensive phases, risks from higher material prices would be manageable.

FY21 results below expectations with core net loss of RM118m

Stripping out the RM134m total gains (reflected in the 288% surge in other operating income in FY21), MRCB's FY21 core net loss of RM118m (reported net profit of RM15.8m) was higher than our and Bloomberg consensus core net loss forecasts of RM19.9m and RM39.6m respectively. Key negative surprise was the RM51m core LBIT (excl. RM9.9m LRT 3 JV gains), low property development core EBIT margin of 6% (vs. our forecast of 10%), and higher tax rates. The 1 sen full-year DPS was also below our forecast of 1.5sen. Nonetheless, we raise FY22-23F EPS substantially by 85-168% as we consolidate the LRT 3 project but assume lower EBITDA margins of 5.4-5.8% (8-7 % previously). We also introduce our FY24 forecasts.

Reiterate Hold rating and RM0.38 TP

We keep our Hold call as despite potentially securing a RM300m-400m river rehabilitation contract, risks of further losses for construction and uncertainty to MRT 3 tenders could weigh on its share price. Our TP is unchanged as we update for balance items and market cap of Sentral REIT (unchanged 60% discount to RNAV). Upside risk: larger job wins, stronger property sales (FY22F target: RM500m, on RM843m in launch GDV). Downside risk: continued losses in 1H22F, and negatives from HOC expiry.

Financial Summary

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Revenue (RMm)	1,199	1,448	1,492	1,544	1,598
Operating EBITDA (RMm)	(164.9)	(53.1)	80.4	90.3	108.0
Net Profit (RMm)	(176.1)	15.0	39.1	45.9	58.2
Core EPS (RM)	(0.000)	0.003	0.009	0.010	0.013
Core EPS Growth	(102%)		158%	17%	27%
FD Core P/E (x)	NA	115.2	44.6	37.9	29.9
DPS (RM)	0.010	0.010	0.010	0.012	0.015
Dividend Yield	2.82%	2.82%	2.82%	3.38%	4.23%
EV/EBITDA (x)	NA	NA	30.75	27.29	22.67
P/FCFE (x)	10.69	12.84	13.42	12.57	11.41
Net Gearing	30.3%	29.8%	29.8%	30.1%	30.2%
P/BV (x)	0.34	0.35	0.36	0.36	0.37
ROE	(0.01%)	0.33%	0.87%	1.04%	1.35%
% Change In Core EPS Estimates			168%	85%	
CGS-CIMB/Consensus EPS (x)			0.97	0.79	

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 1: Results comparison

FYE Dec (RM m)	4QFY21	4QFY20	yoy %	3QFY21	qoq %	4QFY21	4QFY20	yoy %	Prev.	
			chg		chg	Cum	Cum	chg	FY21F	Comments
Revenue	858.1	308.9	177.8	137.9	522.4	1,448.5	1,199.5	20.8	985.5	1) Full consolidation of LRT 3 revenue in 4Q21
Operating costs	(695.8)	(252.0)	176.1	(150.2)	363.2	(1,285.6)	(1,256.5)	2.3	(956.4)	2) Construction revenue surged 75% yoy
EBITDA	162.3	56.9	185	(12.3)	1,416	162.8	(57.0)	385	29.0	3) Property devt revenue fell 21% yoy
EBITDA margin (%)	18.9	18.4	3	(8.9)	311	11.2	(4.8)	336	2.9	
Depn & amort.	(15.8)	(14.9)	6.3	(7.6)	108.3	(54.2)	(60.2)	(9.9)	(61.7)	
EBIT	146.5	42.0	248	(19.9)	835	108.6	(117.2)	193	(32.7)	
Interest expense	(27.5)	(18.9)	45.3	(22.8)	20.7	(88.7)	(69.3)	28.0	(48.1)	Total debt of RM1.9bn at end-Dec
Interest & invt inc	2.5	3.3	(24.2)	3.4	(26.6)	10.0	13.3	(24.3)	14.9	Cash of RM578.7m at end-Dec
Associates & JV	2.4	10.3	(76.8)	9.2	(74.0)	31.3	19.5	60.4	13.3	Included RM18.8m LRT 3 JV profit in 9M21
Exceptionals	133.6	26.8	398.5	-	nm	133.6	(197.4)	167.7	-	1) Land compensation gain: RM123.7m
Pretax profit	123.9	36.7	237.6	(30.1)	511.8	61.3	(153.7)	139.9	-27.8	2) Gain from 50% acq. of LRT 3 JV: RM9.9m
Tax	(49.5)	(8.0)	(7.0)	(1.9)	2,540.5	(54.6)	(22.9)	138.8	8.3	
Tax rate (%)	39.9	21.7	83.8	(6.2)	741.2	89.0	(14.9)	698.8	30.0	Higher deferred tax due to non-deductibles and unabsorbed tax losses
Minority interests	0.8	(0.5)	259.1	(0.2)	483.2	9.1	(0.8)	1,232.4	(0.4)	
Net profit	75.2	28.3	166.1	(32.2)	333.9	15.8	(177.4)	108.9	-19.9	FY21 core net loss of RM118m exceeded ours and consensus full-year core net loss forecasts of RM19.9m and RM39.6m respectively
Core net profit	(58.4)	1.5	>100	(32.2)	n.m.	(117.8)	20.0	(688.0)	-19.9	
EPS (sen)	1.7	0.6	162.5	(0.7)	333.3	0.4	(4.0)	109.0	(0.4)	

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 2: Segmental breakdown (excluding associate and JV profit)

Revenue	4QFY21	4QFY20	YoY	3QFY21	QoQ	FY21	FY20	YoY	Comments
Property development	152.7	145.7	5%	71.0	115%	498.6	635.1	-21%	Weaker billings impacted by peak lockdown in 3Q21; 4Q21 driven by HOC
Engineering, construction & environment	696.5	151.6	359%	50.0	1292%	903.0	514.9	75%	Full consolidation of LRT 3 in 4Q21: c.RM5bn in outstanding contract value
Facilities management & parking	8.5	10.1	-16%	8.2	3%	34.6	43.8	-21%	No new contract YTD - order book depleting
Investment holding and others	0.3	1.5	-76%	8.6	-96%	12.2	5.7	113%	Lumpy recurring revenue
Total	858.1	308.9	178%	137.9	522%	1,448.5	1,199.5	21%	
EBIT	4QFY21	4QFY20	YoY	3QFY21	QoQ	FY21	FY20	YoY	
Property development	135.8	18.6	628%	1.2	>100	153.4	63.0	143%	Core EBIT of RM29.7m in FY21 excl. RM123.7m land compensation gain
Engineering, construction & environment	10.9	24.4	-55%	(18.7)	-158%	(40.7)	(174.3)	-77%	Core LBIT of RM51m excluding RM9.9m LRT 3 acquisition gain
Facilities management & parking	(2.9)	1.2	-340%	1.0	-395%	(1.3)	6.9	-119%	No new contract YTD - order book depleting
Investment holding and others	6.8	1.2	453%	(0.3)	>100	5.9	1.2	411%	Profits tend to be lumpy
Total	150.7	45.4	232%	(16.8)	-996%	117.2	(103.3)	-214%	
EBIT margins	4QFY21	4QFY20	YoY	3QFY21	QoQ	FY21	FY20	% pts	
Property development	89%	13%	76%	2%	87%	31%	10%	210%	Core EBIT margin of 6% (lower yoy)
Engineering, construction & environment	2%	16%	-14%	-37%	39%	-5%	-34%	29%	Likely to turnaround in FY22F driven by LRT 3
Facilities management & parking	-34%	12%	-46%	12%	-46%	-4%	16%	-20%	EBIT margin could remain low as order book continues to deplete
Investment holding and others	1957%	85%	1873%	-3%	1960%	49%	20%	140%	
Total	18%	15%	3%	-12%	30%	8%	-9%	-194%	

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 3: Earnings revision

RM m	2021A			2022F			2023F			2024F		
	Old	New	%chg	Old	New	%chg	Old	New	%chg	Old	New	%chg
Revenue	985	1,045	43%	1,081	1,544	43%	#N/A	1,598	#N/A	#N/A	#N/A	#N/A
EBITDA	29	79	2%	94	90	-4%	#N/A	108	#N/A	#N/A	#N/A	#N/A
Core pretax profit	28	21	42%	36	52	46%	#N/A	69	#N/A	#N/A	#N/A	#N/A
Core net profit	(19.9)	14	172%	24	46	88%	#N/A	58	#N/A	#N/A	#N/A	#N/A

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 4: RNAV

	Land bank		GDV	Stake	Value	Value
Ongoing property development	(Acres)	(m sq ft)	(RM m)	(%)	(RM psf)	(RM m)
Bukit Jalil KL Sports City	76.1	3.3	20,700.0	17%	350.0	197.2
Kwasa Sentral (Kwasa Damansara)	64.1	2.8	8,606.0	70%	150.0	293.2
Cyberjaya City	113.3	4.9	5,350.0	70%	110.0	380.0
KL Sentral - Lot F	5.7	0.2	2,993.0	100%	750.0	186.2
Semarak City - Setapak	27.4	1.2	2,977.0	100%	300.0	358.1
Penang Sentral - phases 3 & 7	16.7	0.7	2,100.0	70%	120.0	61.1
PJ Sentral - Nilaitera	7.8	0.3	1,656.0	100%	350.0	118.9
Lot 349, KL Sentral (service apartments)	4.9	0.2	1,413.0	100%	850.0	181.4
Q Sentral Office Tower	1.9	0.1	1,228.0	66%	900.0	49.2
Lot 94 Jalan Kia Peng	1.9	0.1	1,012.0	100%	500.0	41.4
9 Seputeh - Old Klang Road	8.0	0.3	795.0	100%	200.0	69.7
Pulai Johor	67.5	2.9	770.0	100%	35.0	102.9
PJ Sentral - Tower 1	0.0	0.0	700.0	100%	550.0	0.0
Penang Sentral - phases 1 & 2	6.0	0.3	590.0	100%	120.0	31.4
PJ Sentral - Tower 5	0.0	0.0	455.0	100%	550.0	0.0
PJ Sentral - Celcom Tower	2.3	0.1	428.0	100%	450.0	45.1
Suria Subang	3.2	0.1	401.0	100%	200.0	27.9
Seri Iskandar - phase 3	159.0	6.9	350.0	70%	10.0	48.5
Seri Iskandar - Phase 2	245.0	10.7	321.0	70%	5.0	37.4
Rahman Putra - phase 3	4.6	0.2	307.0	100%	20.0	4.0
Canegie - Melbourne	1.0	0.0	305.0	100%	450.0	19.6
Selbourne 2 - Shah Alam	2.4	0.1	198.0	100%	200.0	20.9
Rahman Putra - phase 2	4.1	0.2	175.0	100%	20.0	3.6
Rahman Putra - phase 1	5.5	0.2	84.0	100%	20.0	4.8
Total	828.4	36.1	53,914.0			2,282.4
				Stake		
Construction Net profit (FY23) at 15x P/E				100%		45.0
Sentral REIT (market capitalisation)				31%		302.3
Property investments (4Q21)						1,481.1
Associates & investments (4Q21)						741.0
Net working capital (4Q21)						1,198.7
Total borrowings (4Q21)						(1,932.8)
Total RNAV (RM m)						4,117.7
Enlarged no. of shares (m)						4,412.0
New free warrants (10-years)						438.5
Proceeds from new warrants @RM1.25 strike price						548.1
FD no.of shares (m)						4,850.6
FD RNAV (RM m)						4,665.8
FD RNAV/share (RM)						0.96
Discount to RNAV (%)						60%
Target price (RM/share)						0.38

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS



ESG in a nutshell

MRCB's sustainability framework revolves around building livable and resilient communities, caring for the environment, and driving sustainable growth. Its sustainability focus areas include: 1) Internal action, 2) Sustainable impact, 3) Risk and governance, 4) Corporate social responsibility, and 5) Stakeholder engagement. All its ESG-related initiatives are aligned to the United Nations Sustainability Development Goals (UN-SDGs).

Keep your eye on

- 1) Key targets of the group's 5-year sustainability roadmap include 1% yoy reduction in carbon intensity by 2022, 1% yoy reduction in energy, water and waste intensity by 2022, and net zero carbon by 2040. The roadmap is supervised by the group's Sustainability Management Committee (SMC).
- 2) The government potentially repackaging new public transport infrastructure projects as "green infrastructure" under the 12th Malaysia Plan (12MP). New urban and interstate rail projects include the MRT 3 (Circle Line) and the KL-JB High Speed Rail (HSR).

Implications

- 1) As an urban property developer with a niche in transit-oriented developments (TODs), the rollout of new rail public transport projects should bode well for MRCB, allowing it to expand its growth area in TODs – similar to KL Sentral.
- 2) Opportunities to increase its construction order book and to participate in new rail contract tenders should the MRT 3 and KL-JB HSR projects be implemented

ESG highlights

- 1) The group's transit-oriented developments (TODs), such as the MRT 2 and LRT 3, encourage the use of public transport, which reduces carbon emissions.
- 2) MRCB is a pioneer in Green Building developments; it received sustainability accreditation for various projects and has adopted various Green Building Certification criteria across all its developments.
- 3) Major sustainability ratings/certifications: Green Building Index (GBI), GreenRE, MyCrest, and BCA Green Mark.
- 4) Channelled RM1.4m of Covid-19-related donations to various government agencies, NGOs and the community in 2020

Implications

- 1) MRCB is the first contractor to achieve the 5-star Sustainable INFRASTAR rating by the Construction Industry Development Board (CIDB), which it received for the LRT 3 project.
- 2) It has selectively adopted Building Information Modelling (BIM) to reduce construction waste. It developed and deployed the MRCB Building System (MBS) which focuses on modular construction (aligned to six UN-SDGs).

Trends

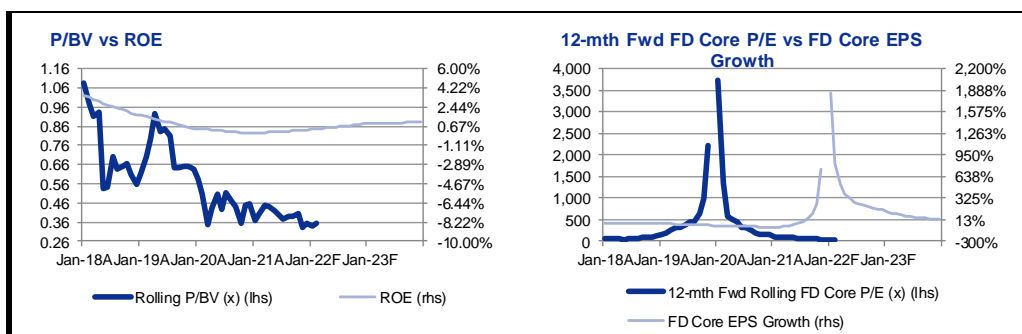
- 1) MRCB is a constituent of the FTSE4Good Bursa Malaysia Index. It achieved a 3-star grading band under FTSE Russell (at the Jun 2021 review), similar to 2020. It has been an FTSE4Good constituent since 2017.
- 2) MSCI ESG rating: BBB.
- 3) To enhance its sustainability initiatives and ESG profile, the group said it will over the longer-term continue to focus on core sustainability issues, i.e. high dependency on foreign labour, environmental risks, and energy/material wastage (shifts towards sustainable construction methods)

Implications

- Recognition of best practices in governance/ESG includes:
- 1) ISO 37001 – Anti-Bribery Management System
 - 2) Ranked 38th for Overall Good Corporate Governance Disclosures in the MSWG-ASEAN CG Scorecard
 - 3) Gold Award (2017/2018) recipient of the Australian Reporting Awards (ARA)
 - 4) Recipient of the ASEAN Class Award for the 2019 ASEAN Corporate Governance Scorecard Assessment
 - 5) Ranked 1st in Malaysian Institute of Corporate Governance's Transparency in Corporate Reporting in 2019.

SOURCES: CGS-CIMB RESEARCH, REFINITIV

BY THE NUMBERS



Profit & Loss

(RMm)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Total Net Revenues	1,199	1,448	1,492	1,544	1,598
Gross Profit	1,199	1,448	1,492	1,544	1,598
Operating EBITDA	(165)	(53)	80	90	108
Depreciation And Amortisation	(60)	(54)	(55)	(55)	(56)
Operating EBIT	(225)	(107)	26	35	52
Financial Income/(Expense)	(39)	(79)	(39)	(41)	(42)
Pretax Income/(Loss) from Assoc.	20	31	12	12	13
Non-Operating Income/(Expense)	91	216	44	45	46
Profit Before Tax (pre-EI)	(153)	61	42	52	69
Exceptional Items	0	0	0	0	0
Pre-tax Profit	(153)	61	42	52	69
Taxation	(23)	(55)	(13)	(16)	(21)
Exceptional Income - post-tax					
Profit After Tax	(176)	7	30	36	48
Minority Interests	(0)	9	9	10	10
Preferred Dividends	0	0	0	0	0
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax		(1)			
Net Profit	(176)	15	39	46	58
Recurring Net Profit	(0)	15	39	46	58
Fully Diluted Recurring Net Profit	(0)	15	39	46	58

Cash Flow

(RMm)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
EBITDA	(164.9)	(53.1)	80.4	90.3	108.0
Cash Flow from Inv. & Assoc.					
Change In Working Capital	53.0	67.4	67.4	67.4	67.4
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense					
Other Operating Cashflow	389.0	(64.6)	(61.4)	(58.3)	(55.4)
Net Interest (Paid)/Received	(38.6)	(78.7)	(39.2)	(40.5)	(42.0)
Tax Paid	(23.0)	(54.6)	(12.7)	(15.5)	(20.7)
Cashflow From Operations	215.6	(183.6)	34.6	43.3	57.4
Capex	(86.1)	(177.6)	(50.0)	(50.0)	(50.0)
Disposals Of FAs/subsidiaries	50.1	0.0			
Acq. Of Subsidiaries/Investments	0.0	(127.6)	0.0	0.0	0.0
Other Investing Cashflow	(97.7)	633.2	150.0	150.0	150.0
Cash Flow From Investing	(133.6)	328.0	100.0	100.0	100.0
Debt Raised/(repaid)	79.2	(9.6)	(4.8)	(4.7)	(4.7)
Proceeds From Issue Of Shares	0.0	0.0	0.0	0.0	0.0
Shares Repurchased	0.0	0.0	0.0	0.0	0.0
Dividends Paid	(65.7)	(19.7)	(44.7)	(53.6)	(67.0)
Preferred Dividends	0.0	0.0	0.0	0.0	0.0
Other Financing Cashflow	41.3	(66.1)	(59.5)	(66.4)	(52.4)
Cash Flow From Financing	54.8	(95.4)	(108.9)	(124.8)	(124.1)
Total Cash Generated	136.7	49.0	25.6	18.5	33.3
Free Cashflow To Equity	161.1	134.8	129.8	138.6	152.7
Free Cashflow To Firm	137.1	233.1	184.1	194.3	209.9

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

BY THE NUMBERS... cont'd

Balance Sheet

(RMm)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Total Cash And Equivalents	540	579	596	602	614
Total Debtors	1,271	2,050	1,979	1,912	1,849
Inventories	852	858	866	875	884
Total Other Current Assets	339	147	149	150	152
Total Current Assets	3,002	3,633	3,590	3,540	3,498
Fixed Assets	684	704	713	717	720
Total Investments	2,260	2,242	2,165	2,092	2,022
Intangible Assets	219	216	216	216	216
Total Other Non-Current Assets	2,188	2,390	2,367	2,345	2,322
Total Non-current Assets	5,350	5,552	5,461	5,369	5,280
Short-term Debt	639	479	475	470	465
Current Portion of Long-Term Debt	0	0	0	0	0
Total Creditors	997	1,794	1,758	1,723	1,689
Other Current Liabilities	39	161	161	161	161
Total Current Liabilities	1,675	2,434	2,394	2,355	2,316
Total Long-term Debt	1,294	1,453	1,453	1,453	1,453
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	718	684	657	630	605
Total Non-current Liabilities	2,012	2,137	2,109	2,083	2,058
Total Provisions	79	74	76	78	81
Total Liabilities	3,766	4,645	4,579	4,516	4,454
Shareholders' Equity	4,578	4,513	4,442	4,362	4,292
Minority Interests	11	28	29	31	32
Total Equity	4,589	4,540	4,471	4,393	4,324

Key Ratios

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Revenue Growth	(9.1%)	20.8%	3.0%	3.5%	3.5%
Operating EBITDA Growth	1775%	(68%)	N/A	12%	20%
Operating EBITDA Margin	(13.7%)	(3.7%)	5.4%	5.8%	6.8%
Net Cash Per Share (RM)	(0.32)	(0.30)	(0.30)	(0.30)	(0.29)
BVPS (RM)	1.04	1.01	0.99	0.98	0.96
Gross Interest Cover	(4.08)	(1.21)	0.52	0.69	0.99
Effective Tax Rate	0.0%	89.0%	30.0%	30.0%	30.0%
Net Dividend Payout Ratio	NA	220%	85%	86%	85%
Accounts Receivables Days	224.9	252.9	335.4	307.9	283.4
Inventory Days	N/A	N/A	N/A	N/A	N/A
Accounts Payables Days	N/A	N/A	N/A	N/A	N/A
ROIC (%)	(4.81%)	(2.38%)	0.58%	0.80%	1.20%
ROCE (%)	(3.12%)	(1.48%)	0.55%	0.71%	0.99%
Return On Average Assets	(1.64%)	0.96%	0.76%	0.85%	1.02%

Key Drivers

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Revenue growth (%)	-9.1%	20.8%	3.0%	3.5%	3.5%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

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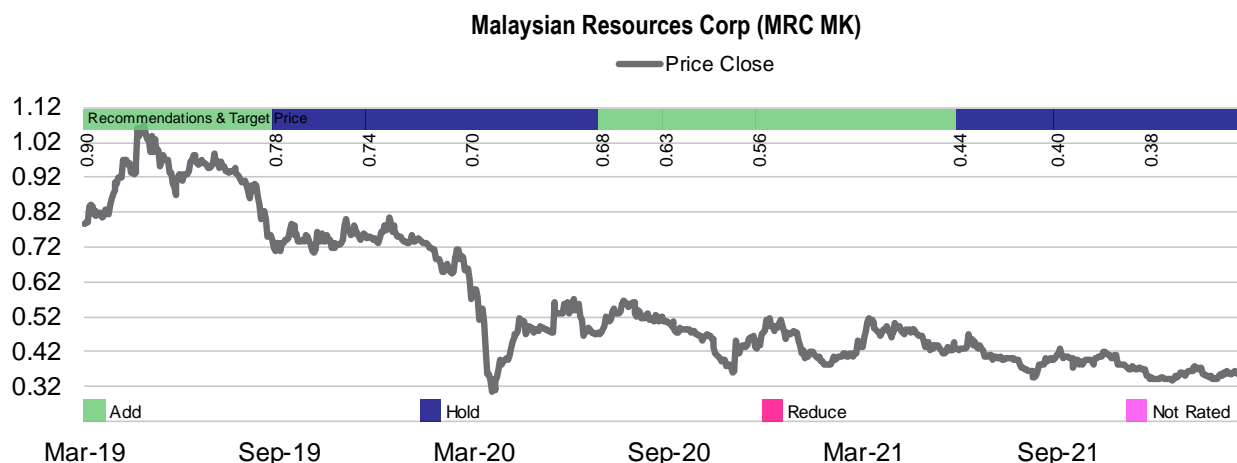
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Distribution of stock ratings and investment banking clients for quarter ended on 31 December 2021		
619 companies under coverage for quarter ended on 31 December 2021		
	Rating Distribution (%)	Investment Banking clients (%)
Add	71.1%	1.5%
Hold	21.8%	0.0%
Reduce	7.1%	0.0%

Spitzer Chart for stock being researched (2 year data)



Corporate Governance Report of Thai Listed Companies (CGR). CG Rating by the Thai Institute of Directors Association (Thai IOD) in 2021, Anti-Corruption 2021

ADVANC – Excellent, Certified, **AMATA** – Excellent, Certified, **ANAN** – Excellent, n/a, **AOT** – Excellent, n/a, **AP** – Excellent, Certified, **ASP** – Excellent, n/a, **AWC** – Excellent, Declared, **AU** – Good, n/a, **BAM** – Very Good, Certified, **BAY** – Excellent, Certified, **BBL** – Excellent, Certified, **BCH** – Very Good, Certified, **BCP** - Excellent, Certified, **BCPG** – Excellent, Certified, **BDMS** – Excellent, n/a, **BEAUTY** – Good, n/a, **BEM** – Excellent, n/a **BH** - Good, n/a, **BJC** – Very Good, n/a, **BLA** – Very Good, Certified, **BTS** - Excellent, Certified, **CBG** – Very Good, n/a, **CCET** – n/a, n/a, **CENDEL** – Excellent, Certified, **CHAYO** – Very Good, n/a, **CHG** – Very Good, n/a, **CK** – Excellent, n/a, **COM7** – Excellent, Certified, **CPALL** – Excellent, Certified, **CPF** – Excellent, Certified, **CPN** - Excellent, Certified, **CPNREIT** – n/a, n/a, **CRC** – Excellent, Declared, **DELTA** - Excellent, Certified, **DDD** – Excellent, n/a, **DIF** – n/a, n/a, **DOHOME** – Very Good, Declared, **DREIT** – n/a, n/a, **DTAC** – Excellent, Certified, **ECL** – Excellent, Certified, **EGCO** - Excellent, Certified, **EPG** – Excellent, Certified, **ERW** – Very Good, Certified, **GFPT** - Excellent, Certified, **GGC** – Excellent, Certified, **GLOBAL** – Excellent, n/a, **HANA** - Excellent, Certified, **HMPRO** - Excellent, Certified, **HUMAN** – Good, n/a, **ICHI** – Excellent, Certified, **III** – Excellent, Declared, **INTUCH** - Excellent, Certified, **IRPC** – Excellent, Certified, **ITD** – Very Good, n/a, **IVL** - Excellent, Certified, **JASIF** – n/a, n/a, **JKN** – n/a, Certified, **JMT** – Very Good, n/a, **KBANK** - Excellent, Certified, **KCE** - Excellent, Certified, **KEX** – Very Good, Declared, **KKP** – Excellent, Certified, **KSL** – Excellent, Certified, **KTB** - Excellent, Certified, **KTC** – Excellent, Certified, **LH** - Excellent, n/a, **LPN** – Excellent, Certified, **M** – Very Good, Certified, **MAKRO** – Excellent, Certified, **MC** – Excellent, Certified, **MEGA** – Very Good, n/a, **MINT** - Excellent, Certified, **MTC** – Excellent, Certified, **NETBAY** – Very Good, n/a, **NRF** – Very Good, Declared, **OR** – Excellent, n/a, **ORI** – Excellent, Certified, **OSP** – Excellent, n/a, **PLANB** – Excellent, Certified, **PRINC** – Very Good, Certified, **PR9** – Excellent, Declared, **PSH** – Excellent, Certified, **PTT** - Excellent, Certified, **PTTEP** - Excellent, n/a, **PTTGC** - Excellent, Certified, **QH** – Excellent, Certified, **RAM** – n/a, n/a, **RBF** – Very Good, n/a, **RS** – Excellent, Declared, **RSP** – Good, n/a, **S** – Excellent, n/a, **SAK** – Very Good, Declared, **SAPPE** – Very Good, Certified, **SAWAD** – Very Good, n/a, **SCB** - Excellent, Certified, **SCC** – Excellent, Certified, **SCGP** – Excellent, Declared, **SECURE** – n/a, n/a, **SHR** – Excellent, n/a, **SIRI** – Excellent, Certified, **SPA** – Very Good, n/a, **SPALI** - Excellent, Certified, **SPRC** – Excellent, Certified, **SSP** - Good, Certified, **STEC** – Excellent, n/a, **SVI** – Excellent, Certified, **SYNEX** – Very Good, Certified, **TCAP** – Excellent, Certified, **THANI** – Excellent, Certified, **TIDLOR** – n/a, Certified, **TISCO** - Excellent, Certified, **TKN** – Very Good, n/a, **TOP** - Excellent, Certified, **TRUE** – Excellent, Certified, **TTB** - Excellent, Certified, **TU** – Excellent, Certified, **TVO** – Excellent, Certified, **VGI** – Excellent, Certified, **WHA** – Excellent, Certified, **WHART** – n/a, n/a, **WICE** – Excellent, Certified, **WORK** – Good, n/a.

- CG Score 2021 from Thai Institute of Directors Association (IOD)

- Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of August 5, 2021) are categorised into: companies that have declared their intention to join CAC, and companies certified by CAC.

Recommendation Framework	
Stock Ratings	Definition:
Add	The stock's total return is expected to exceed 10% over the next 12 months.
Hold	The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
Reduce	The stock's total return is expected to fall below 0% or more over the next 12 months.
<i>The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.</i>	
Sector Ratings	Definition:
Overweight	An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
Neutral	A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
Underweight	An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.
Country Ratings	Definition:
Overweight	An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
Neutral	A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
Underweight	An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.

