

Malaysia

HOLD (no change)

Consensus ratings*: Buy 8 Hold 4 Sell 0

Current price:	RM1.80
Target price:	RM1.91
Previous target:	RM1.91
Up/downside:	6.1%
CGS-CIMB / Consensus:	-8.3%

Reuters:	SWAY.KL
Bloomberg:	SWB MK
Market cap:	US\$2,087m
	RM8,800m
Average daily turnover:	US\$1.39m
	RM5.78m
Current shares o/s:	4,934m
Free float:	30.6%

*Source: Bloomberg

Key changes in this note

- FY21-23F EPS cut by 11-34% to reflect weaker billings, lower EBITDA margin and lower associate contribution.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	4.7	5.9	33.3
Relative (%)	2.7	7.1	34.3

Major shareholders

	% held
Tan Sri Dato' Seri Dr. Jeffrey Cheah	60.5
EPF	9.0

Sunway Bhd

2Q21 a miss; recovery risks in 2H21F

- 1H21 results were below expectations despite a strong earnings recovery.
- Property investment division remained the weakest link due to MCO; other divisions improved yoy. We project a weaker 3Q21F (qoq) due to EMCO.
- Reiterate Hold and RM1.91 TP; NRP-driven recovery remains uncertain.

1HFY21 missed expectations despite a strong earnings recovery

Sunway's 1H21 overall performance was driven by easing restrictions under the Movement Control Order (MCO), compared to the disruption in 2Q20, which resulted in subdued billings and stop-work orders. The more favourable operating conditions were reflected in the 73% yoy jump in 2Q21 revenue and 30% yoy increase in 1H20 revenue. However, 1H20 core net profit made up only 29-39% our and Bloomberg consensus full-year estimates and were hence below expectations. The deviation was due to weaker-than-expected revenue, EBITDA margin (10% vs. our FY21 forecast of 14%), and associate and JV contribution. We expect 3Q21F earnings to be weaker qoq on account of the Enhanced MCO in Jul (including the temporary stop-work order), and a still-tough climate for the hospitality and leisure segment. 2Q21 core net profit improved significantly from a core net loss in 2Q20 while 1H21 core net profit surged 133% yoy to RM136m. The group declared a first single-tier DPS of 1 sen vs. our full-year forecast of 4.3 sen.

Property investment pretax loss widened yoy in 1H21

Property investment division's performance continued to deteriorate, with sequential pretax losses in 1Q21 and 2Q21; 1H21 pretax loss rose 280% yoy to RM32.9m. Prospects for a full recovery in 2H21F under the National Recovery Programme (NRP) remain uncertain given the still elevated number of Covid-19 cases and subdued industry occupancy rates. Other divisions performed well in 1H21, will all-around growth in revenue. Segmental pretax profit was dragged down by the decline in property development on slower completion rate and fewer project handovers. Notably in 1H21, the healthcare division reversed from pretax losses in 1H20 to RM42m pretax profit, due to lower losses of RM8.4m for Sunway Medical Centre Velocity (SMCV). As at end-Jun, effective property unbilled sales stood at RM3.1bn, supported by the group's revised FY21 effective sales target of RM1.9bn (RM1.4bn previously). YTD, construction outstanding order book stood at RM4.8bn (RM620m new jobs secured).

Hold call retained, with unchanged TP of RM1.91

We cut FY21-23F EPS by 11-34% to reflect weaker billings due to EMCO, lower EBITDA margin and lower associate contribution. Retain Hold as a likely revival in Malaysia's construction and property outlook in 2H21F is offset by uncertainty about whether a full recovery can be achieved under the NRP. Our RNAV-based TP remains unchanged at RM1.91, still pegged to a 20% discount to RNAV. Upside risks: a recovery in job flows in 2H21F, new rail tender opportunities under the 12th Malaysia Plan (12MP), and stronger property earnings. Key downside risk: wider losses from the property investment division.

Financial Summary

	Dec-19A	Dec-20A	Dec-21F	Dec-22F	Dec-23F
Revenue (RMm)	4,780	3,833	4,195	4,541	4,764
Operating EBITDA (RMm)	363.5	440.8	445.9	530.1	572.6
Net Profit (RMm)	709.2	359.6	319.0	438.1	478.1
Core EPS (RM)	0.15	0.07	0.06	0.09	0.10
Core EPS Growth	21.7%	(50.1%)	(11.3%)	37.3%	9.1%
FD Core P/E (x)	13.92	27.65	31.40	22.87	20.95
DPS (RM)	0.091	0.015	0.043	0.044	0.044
Dividend Yield	5.06%	0.83%	2.38%	2.42%	2.42%
EV/EBITDA (x)	35.93	29.96	28.85	23.96	21.91
P/FCFE (x)	25.51	NA	25.25	18.71	17.46
Net Gearing	60.9%	50.7%	47.0%	44.5%	42.1%
P/BV (x)	1.04	0.93	0.88	0.85	0.83
ROE	8.41%	4.24%	3.62%	4.73%	4.97%
% Change In Core EPS Estimates			(34.2%)	(16.5%)	(11.4%)
CGS-CIMB/Consensus EPS (x)			0.95	0.97	0.82

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Analyst(s)

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Figure 1: Results comparison

FYE Dec (RM m)	2QFY21	2QFY20	yoy %	1QFY21	qoq %	2QFY21	2QFY20	yoy %	Prev.	
			chg		chg	Cum	Cum	chg	FY21F	Comments
Revenue	967.9	556.6	73.9	1,016.8	(4.8)	1,984.7	1,528.1	29.9	4,594.6	Property investment fell 36% yoy due to MCO
Operating costs	(872.1)	(471.6)	84.9	(913.5)	(4.5)	(1,785.4)	(1,314.6)	35.8	(3,969.2)	Strong recovery for other divisions due to
EBITDA	95.9	85.0	12.7	103.3	(7.2)	199.3	213.5	(6.7)	625.4	easing MCO SOPs
EBITDA margin (%)	9.9%	15.3%	(35.2)	10.2%	(2.5)	10.0%	14.0%	(28.1)	13.6%	
Depreciation	(52.7)	(59.9)	(12.0)	(53.8)	(2.0)	(106.4)	(120.8)	(11.9)	(237.9)	
EBIT	43.2	25.2	71.6	49.6	(12.8)	92.9	92.7	0.2	387.4	
Interest expense	(25.7)	(53.0)	(51.5)	(24.3)	5.7	(50.0)	(105.7)	(52.7)	(229.3)	Borrowings of RM7.4bn at end-Jun (incl. PERPS)
Interest & invt inc	45.6	43.2	5.5	38.8	17.6	84.4	84.2	0.2	172.8	Cash stood at RM1.5bn at end-Jun
Associates' contrib	22.6	0.2	>100	23.6	(4.4)	46.2	37.8	22.3	245.6	
Exceptionals	(6.7)	(16.5)	(59.3)	(0.5)	>100	(7.3)	(16.5)	(55.5)	-	
Pretax profit	79.0	(0.9)	>100	87.2	(9.4)	166.2	92.6	79.5	712.0	Property investment's pretax loss widened
Tax	(7.9)	(14.5)	(45.9)	(16.8)	(53.2)	(24.7)	(32.2)	(23.4)	(178.0)	280% qoq in 1H21
Tax rate (%)	10.0	(1,591.7)	100.6	19.3	(48.3)	14.8	34.8	(57.3)	25.0	Excludes tax payable for associates
Minority interests	(0.6)	(4.9)	(87.9)	(11.9)	(95.0)	(12.5)	(18.4)	(31.8)	(49.1)	and JV
Net profit	70.5	(20.4)	446.0	58.5	20.7	129.0	42.0	206.9	484.9	
Core net profit	77.2	(3.9)	>100	58.9	31.0	136.3	58.5	132.9	484.9	1H21 core net profit made up 29% of our
EPS (sen)	1.2	(0.4)	385.7	1.0	18.8	2.2	0.9	155.8	9.8	full-year forecast and 39% of consensus

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 2: Segmental breakdown 1HFY21

	2QFY21	2QFY20	yoy	1QFY21	qoq	1HFY21	1HFY20	yoy	Comments
Revenue	RM m	RM m	chg	RM m	chg	RM m	RM m	chg	
Property development	147.4	68.1	116%	97.2	52%	244.5	207.3	18%	Higher progress billings for local development projects
Property investment	62.3	55.5	12%	58.7	6%	121.0	189.8	-36%	Unfavorable conditions for hospitality and leisure assets under MCO
Construction	218.1	92.6	136%	321.4	-32%	539.4	310.6	74%	Stronger progress billings as site disruptions eased; despite at lower capacity
Trading & Manufacturing	198.9	141.1	41%	224.5	-11%	423.4	335.3	26%	Stronger domestic and overseas sales
Quarry	70.5	31.9	121%	77.2	-9%	147.7	106.0	39%	Higher sales volumes of aggregates and premix; higher ASPs
Healthcare	200.6	125.1	60%	170.6	18%	371.2	274.3	35%	New revenue from Sunway Medical Centre Velocity (SMCV)
Investment holdings & others	70.2	42.3	66%	67.1	5%	137.3	104.7	31%	Higher contribution from building materials segment
Total	967.9	556.6	74%	1,016.7	-5%	1,984.7	1,528.1	30%	

	2QFY21	2QFY20	yoy	1QFY21	qoq	1HFY21	1HFY20	yoy	
Pretax profit	RM m	RM m	chg	RM m	chg	RM m	RM m	chg	
Property development	22.9	20.0	14%	20.7	11%	43.6	52.8	-18%	Stronger rate of completion and handover of projects in 1Q20 (pre-MCO)
Property investment	(16.0)	(37.8)	-58%	(16.9)	-5%	(32.9)	(8.7)	280%	Challenging operating conditions; disposal of The Pinnacle
Construction	8.6	6.6	31%	27.7	-69%	36.3	29.1	25%	In line with improved billings; stop work order impacted 2QFY20
Trading & Manufacturing	10.0	6.0	65%	12.2	-19%	22.2	6.3	253%	Stronger sales and better operating margins
Quarry	(0.5)	(1.5)	-63%	3.1	-118%	2.5	1.5	69%	In line with stronger sales and higher ASPs
Healthcare	27.5	(16.0)	-272%	14.0	96%	41.5	(20.5)	-302%	Lower operating loss of RM8.4m for SMCV in 1H21 (1H20: RM21.5m loss)
Investment holdings & others	26.6	21.8	22%	26.4	1%	53.0	32.0	66%	Boosted by the group's treasury functions
Total	79.0	(0.9)	-8742%	87.2	-9%	166.2	92.6	79%	

	2QFY21	2QFY20	yoy	1QFY21	qoq	1HFY21	1HFY20	yoy	
Pretax margin	RM m	RM m	%-pts	RM m	%-pts	RM m	RM m	%-pts	
Property development	16%	29%	-14%	21%	-6%	18%	25%	-8%	Margins should be fairly stable in the coming quarters
Property investment	-26%	-68%	42%	-29%	3%	-27%	-5%	-23%	Dragged by hospitality and leisure businesses
Construction	4%	7%	-3%	9%	-5%	7%	9%	-3%	Dented by higher building material cost
Trading & Manufacturing	5%	4%	1%	5%	0%	5%	2%	3%	Better domestic and overseas sales mix
Quarry	-1%	-5%	4%	4%	-5%	2%	1%	0%	Likely to maintain at these levels in FY21F
Healthcare	14%	-13%	27%	8%	6%	11%	-7%	19%	Gradual recovery in FY21F expected
Investment holdings & others	38%	52%	-14%	39%	-1%	39%	31%	8%	Lumpy contributions
Total	8%	0%	8%	9%	0%	8%	6%	2%	

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 3: Forecast revisions

RM m	Revised			Previous			% chg		
	FY21F	FY22F	FY23F	FY21F	FY22F	FY23F	FY21F	FY22F	FY23F
Revenue	4,194.6	4,541.2	4,764.2	4,594.6	4,841.2	5,064.2	-8.7%	-6.2%	-5.9%
EBITDA	445.9	530.1	572.6	625.4	673.6	688.1	-28.7%	-21.3%	-16.8%
Pretax	490.9	581.8	631.2	712.0	767.3	789.3	-31.1%	-24.2%	-20.0%
Net profit	319.0	438.1	478.1	484.9	524.9	539.9	-34.2%	-16.5%	-11.4%
EPS (sen)	6.47	8.88	9.69	9.8	10.6	10.9	-34.2%	-16.5%	-11.4%
EBITDA margin	10.6%	11.7%	12.0%	13.6%	13.9%	13.6%	-3.0%	-2.2%	-1.6%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 4: RNAV

	Value (RM m)	Stake	Value (RM m)	Methodology
Property development	3,326.1	100%	3,326.1	NBV of land as at end-FY20
Sunway REIT (Listed)	4,932.0	41%	2,017.2	Market capitalisation
Sunway Construction (Listed)	2,159.0	55%	1,176.7	Market capitalisation
Trading and manufacturing	143.6	100%	143.6	10x CY22 P/E
Quarry	149.0	100%	149.0	12x CY22 P/E
Healthcare	1,051.0	84%	882.8	30x CY22 P/E
Investment holdings & others	593.0	100%	593.0	10X CY22 P/E
JV & other investments (2QFY21)			2,920.0	
Associates (excluding Sunway REIT)			701.0	
Property investments (2QFY21)			2,098.1	
Net cash/(debt) at holding co.			(862.3)	
Surplus value from the 16% healthcare stake sale			581.8	RM750m vs our implied value of RM168m
Total			13,726.9	
No. of shares			4,933.9	
Outstanding warrants (2017/2024) (m)			669.5	
Warrants exercise price (RM/share)			1.56	
Proceeds from warrants (RM m)			1,044.4	
ICPS in issue (m)			977.8	
Proceeds from ICPS@RM1/share			977.8	
FD RNAV			15,749.1	
FD no. of shares (includes ICPS & warrants)			6,581.2	
FD RNAV (RM/share)			2.39	
RNAV discount			20%	
RNAV/share			1.91	

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS



ESG in a nutshell

Sunway's ESG targets cover five key areas: 1) transforming the group's portfolio of property developments into low-carbon sustainable cities, 2) advocating a responsible value chain, 3) developing a safe, equal and dignified workforce, 4) investing in community inclusivity, and 5) respecting ethical principles. The group adopts a holistic approach to ensure sustainable long-term growth by leveraging innovation and technology to create value.

Keep your eye on

- 1) As a conglomerate, Sunway's ESG initiatives are adopted across all its nine key business activities: property development, construction, trading and manufacturing, quarry, building materials, hospitality, property investment, healthcare, and leisure.
- 2) The government's potential repackaging of new mega public infrastructure projects as "green infrastructure", e.g. the RM20bn-30bn MRT 3 project, as this would be supportive in increasing the nation's share of public transport usage.
- 3) Opportunities to participate in sustainable developments by building green buildings and promoting integrated mobility via transit-oriented developments (TODs).

Implications

- 1) All its ESG initiatives will be aligned with five global megatrends i.e. rapid urbanisation, social change, technological breakthroughs, resource scarcity, and shifting economic power. These will be more in focus over the span of the post-Covid 19 pandemic recovery period in 2022, in our view.
- 2) Sunway could contribute to nation-building through its various business divisions. The nation's focus in 2022 would be on economic recovery and the 12th Malaysia Plan (12MP) which would directly benefit cyclical divisions such as property development, construction and quarry.
- 3) Opportunities for listed subsidiary Sunway Construction to further grow its order book, leveraging on its strong track record in rail projects in the past.

ESG highlights

- 1) Sunway aims to be carbon neutral by 2050 and targets to achieve its ESG goals by 2030, in line with the targeted achievement year of the United Nations Sustainable Development Goals (UN-SDGs).
- 2) Tree planting, energy efficiency, renewable energy (RE) and waste management enabled the group to reduce 11,611 tonnes of CO₂e emissions in 2020. In the same year, its solar energy consumption increased from 1% to 3%.
- 3) In 2020, it reduced its water consumption by 28% compared to 2019 and recorded 538,706 m³ of water sourced from water treatment plants; it also achieved zero reported incidents of human rights violations and discrimination, including forced labour and child labour.

Implications

- 1) Sunway City Kuala Lumpur has been designated as one of the three overarching United Nations Sustainable Development Solutions Network (UN-SDSN) centres alongside New York City and Paris.
- 2) The group targets that by 2030, it would have achieved green building certification for all Sunway-owned and/or managed townships and buildings completed from 2025 onwards (currently six building are in the process of green building certification).
- 3) Sunway City Kuala Lumpur and Sunway City Iskandar Puteri have been green certified by the Green Building Index (GBI).

Trends

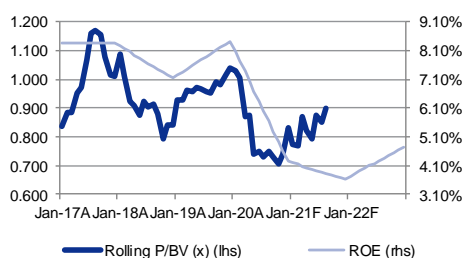
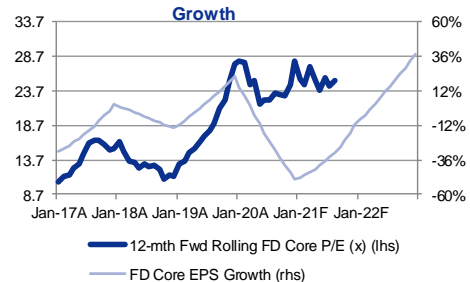
Sunway Berhad is a constituent of the FTSE4Good Bursa Malaysia Index and achieved a 4-star rating under the FTSE Russell grading band (as per Jun 2021 review) – an improvement from the 3-star rating in 2020. The group is a FTSE4Good index constituent since 2014.

Implications

Notable recognitions in ESG:

- 1) Listed associate Sunway REIT was awarded Bronze in the category of Asia's Best Integrated Report (Design) at the Asia Sustainability Reporting Awards (ASRA) in 2020.
- 2) Sunway Iskandar received Special Awards on Sustainable Development Goals and Best Green Product & Technology at the Malaysia Green Building Council's Leadership in Sustainability Awards 2020.
- 3) Sunway Berhad was awarded Gold in the category of Asia's Best Sustainability Report (Digital) at the Asia Sustainability Reporting Awards (ASRA) in 2020

SOURCES: CGS-CIMB RESEARCH, REFINITIV

BY THE NUMBERS
P/BV vs ROE

12-mth Fwd FD Core P/E vs FD Core EPS Growth

Profit & Loss

(RMm)	Dec-19A	Dec-20A	Dec-21F	Dec-22F	Dec-23F
Total Net Revenues	4,780	3,833	4,195	4,541	4,764
Gross Profit	4,780	3,833	4,195	4,541	4,764
Operating EBITDA	364	441	446	530	573
Depreciation And Amortisation	(235)	(224)	(238)	(238)	(238)
Operating EBIT	128	217	208	292	335
Financial Income/(Expense)	88	(67)	55	54	53
Pretax Income/(Loss) from Assoc.	261	230	93	94	95
Non-Operating Income/(Expense)	388	129	136	142	149
Profit Before Tax (pre-EI)	865	509	491	582	631
Exceptional Items	0	0	0	0	0
Pre-tax Profit	865	509	491	582	631
Taxation	(78)	(102)	(123)	(93)	(101)
Exceptional Income - post-tax					
Profit After Tax	787	407	368	489	530
Minority Interests	(78)	(48)	(49)	(51)	(52)
Preferred Dividends	0	0	0	0	0
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Net Profit	709	360	319	438	478
Recurring Net Profit	709	360	319	438	478
Fully Diluted Recurring Net Profit	709	360	319	438	478

Cash Flow

(RMm)	Dec-19A	Dec-20A	Dec-21F	Dec-22F	Dec-23F
EBITDA	364	441	446	530	573
Cash Flow from Inv. & Assoc.					
Change In Working Capital	(354)	67	(173)	(102)	(91)
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense					
Other Operating Cashflow	667	954	334	317	301
Net Interest (Paid)/Received	88	(67)	55	54	53
Tax Paid	(114)	(102)	(90)	(94)	(98)
Cashflow From Operations	650	1,293	572	705	737
Capex	(406)	(553)	(150)	(150)	(150)
Disposals Of FAs/subsidiaries	539	457	113	116	119
Acq. Of Subsidiaries/investments	(447)	(222)	0	0	0
Other Investing Cashflow	(1,078)	(566)		0	0
Cash Flow From Investing	(1,392)	(885)	(37)	(34)	(31)
Debt Raised/(repaid)	1,129	(877)	(138)	(135)	(133)
Proceeds From Issue Of Shares	11	978	0	0	0
Shares Repurchased	(98)	(21)	0	0	0
Dividends Paid	(306)	(254)	(127)	(127)	(127)
Preferred Dividends					
Other Financing Cashflow	(237)	(5)	(444)	(425)	(434)
Cash Flow From Financing	499	(178)	(709)	(687)	(694)
Total Cash Generated	(243)	230	(174)	(17)	13
Free Cashflow To Equity	387	(469)	397	535	574
Free Cashflow To Firm	(508)	644	653	790	827

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

BY THE NUMBERS... cont'd
Balance Sheet

(RMm)	Dec-19A	Dec-20A	Dec-21F	Dec-22F	Dec-23F
Total Cash And Equivalents	2,557	2,269	2,246	2,224	2,202
Total Debtors	3,015	2,441	2,392	2,344	2,297
Inventories	2,102	2,101	2,091	2,081	2,070
Total Other Current Assets	532	260	263	265	268
Total Current Assets	8,206	7,071	6,992	6,914	6,838
Fixed Assets	2,749	2,607	2,665	2,724	2,783
Total Investments	6,413	6,380	6,649	6,736	6,824
Intangible Assets	332	351	351	351	351
Total Other Non-Current Assets	3,796	4,707	4,799	4,894	4,991
Total Non-current Assets	13,289	14,044	14,465	14,705	14,950
Short-term Debt	7,025	5,132	5,030	4,929	4,831
Current Portion of Long-Term Debt					
Total Creditors	2,671	2,457	2,408	2,360	2,312
Other Current Liabilities	135	239	239	239	239
Total Current Liabilities	9,830	7,829	7,677	7,528	7,382
Total Long-term Debt	874	1,774	1,738	1,704	1,669
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	1,227	1,063	1,039	1,017	997
Total Non-current Liabilities	2,100	2,836	2,778	2,721	2,666
Total Provisions	130	122	116	111	105
Total Liabilities	12,061	10,788	10,571	10,360	10,153
Shareholders' Equity	8,389	9,535	10,065	10,414	10,763
Minority Interests	1,044	797	821	846	871
Total Equity	9,434	10,332	10,886	11,260	11,634

Key Ratios

	Dec-19A	Dec-20A	Dec-21F	Dec-22F	Dec-23F
Revenue Growth	(11.6%)	(19.8%)	9.4%	8.3%	4.9%
Operating EBITDA Growth	11.2%	21.3%	1.1%	18.9%	8.0%
Operating EBITDA Margin	7.6%	11.5%	10.6%	11.7%	12.0%
Net Cash Per Share (RM)	(1.18)	(1.06)	(1.04)	(1.02)	(0.99)
BVPS (RM)	1.73	1.93	2.04	2.11	2.18
Gross Interest Cover	0.55	0.92	1.76	2.45	2.77
Effective Tax Rate	9.1%	20.0%	25.0%	16.0%	16.0%
Net Dividend Payout Ratio	17.7%	57.6%	66.2%	49.0%	44.9%
Accounts Receivables Days	189.4	260.4	210.2	190.3	177.8
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 (%)	1.63%	2.23%	2.13%	2.95%	3.33%
ROCE (%)	2.48%	2.16%	2.10%	2.52%	2.71%
Return On Average Assets	3.28%	2.23%	1.47%	2.02%	2.20%

Key Drivers

	Dec-19A	Dec-20A	Dec-21F	Dec-22F	Dec-23F
Revenue growth (%)	-11.6%	-19.8%	9.4%	8.3%	4.9%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

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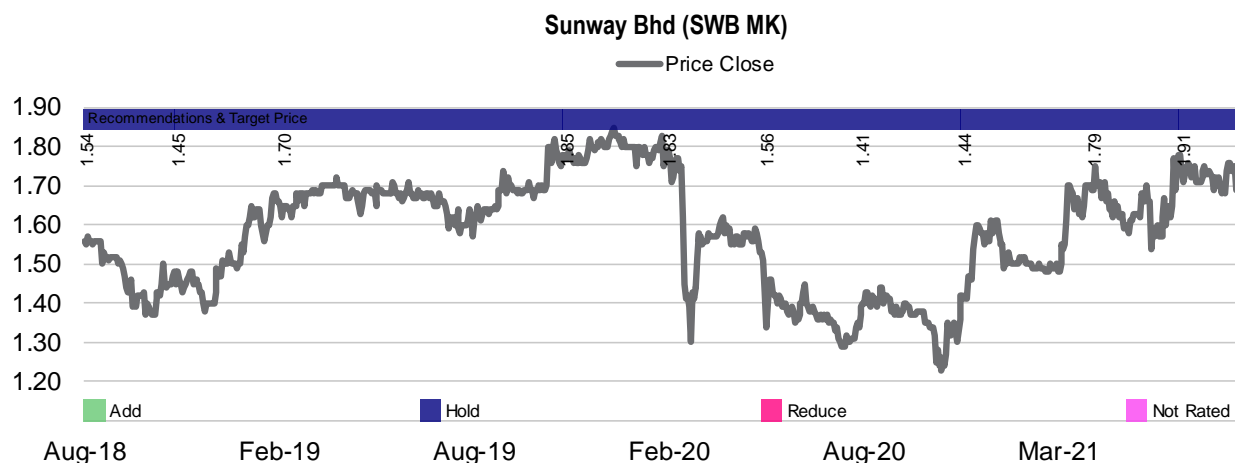
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Distribution of stock ratings and investment banking clients for quarter ended on 30 June 2021		
623 companies under coverage for quarter ended on 30 June 2021		
	Rating Distribution (%)	Investment Banking clients (%)
Add	72.1%	1.1%
Hold	19.3%	0.0%
Reduce	8.7%	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 2020, Anti-Corruption 2020

ADVANC – Excellent, Certified, **AMATA** – Excellent, Certified, **ANAN** – Excellent, n/a, **AOT** – Excellent, n/a, **AP** – Excellent, Certified, **ASP** – Excellent, n/a, **AU** – Good, n/a, **BAM** – Very Good, Certified, **BAY** – Excellent, Certified, **BBL** – Very Good, Certified, **BCH** – Good, Certified, **BCP** – Excellent, Certified, **BCPG** – Excellent, Certified, **BDMS** – Excellent, n/a, **BEAUTY** – Good, n/a, **BH** – Good, n/a, **BJC** – Very Good, n/a, **BLA** – Excellent, Certified, **BTS** – Excellent, Certified, **CBG** – Very Good, n/a, **CCET** – n/a, n/a, **CENTEL** – Excellent, Certified, **CHAYO** – Very Good, n/a, **CHG** – Very Good, n/a, **CK** – Excellent, n/a, **COM7** – Very Good, Certified, **CPALL** – Excellent, Certified, **CPF** – Excellent, Certified, **CPN** – Excellent, Certified, **CPNREIT** – n/a, n/a, **CRC** – Very Good, n/a, **DELTA** – Excellent, Certified, **DDD** – Very Good, n/a, **DIF** – n/a, n/a, **DOHOME** – Very Good, n/a, **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** – Very Good, n/a, **HANA** – Excellent, Certified, **HMPRO** – Excellent, Certified, **HUMAN** – Good, n/a, **ICHI** – Excellent, Certified, **III** – Excellent, n/a, **INTUCH** – Excellent, Certified, **IRPC** – Excellent, Certified, **ITD** – Very Good, n/a, **IVL** – Excellent, Certified, **JASIF** – n/a, n/a, **JKN** – Excellent, Declared, **JMT** – Very Good, Declared, **KBANK** – Excellent, Certified, **KCE** – Excellent, Certified, **KEX** – n/a, n/a, **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** – n/a, n/a, **OR** – n/a, n/a, **ORI** – Excellent, Certified, **OSP** – Very Good, n/a, **PLANB** – Excellent, Certified, **PRINC** – Very Good, Certified, **PR9** – Excellent, n/a, **PSH** – Excellent, Certified, **PTT** – Excellent, Certified, **PTTEP** – Excellent, Certified, **PTTGC** – Excellent, Certified, **QH** – Excellent, Certified, **RBF** – Good, n/a, **RS** – Excellent, n/a, **RSP** – Good, n/a, **S** – Excellent, n/a, **SAK** – n/a, n/a, **SAPPE** – Very Good, Certified, **SAWAD** – Very Good, n/a, **SCB** – Excellent, Certified, **SCC** – Excellent, Certified, **SCGP** – n/a, n/a, **SHR** – Very Good, n/a, **SIRI** – Excellent, Certified, **SPA** – Very Good, n/a, **SPALI** – Excellent, Declared, **SPRC** – Excellent, Certified, **SSP** – Good, Declared, **STEC** – n/a, n/a, **SVI** – Excellent, Certified, **SYNEX** – Very Good, n/a, **TCAP** – Excellent, Certified, **THANI** – Excellent, Certified, **TIDLOR** – n/a, n/a, **TISCO** – Excellent, Certified, **TKN** – Very Good, n/a, **TMB** – Excellent, Certified, **TOP** – Excellent, Certified, **TRUE** – 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 2020 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 January 30, 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.

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.

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.