

Malaysia

ADD (no change)

Consensus ratings*: Buy 3 Hold 1 Sell 0	
Current price:	RM0.83
Target price:	RM0.93
Previous target:	RM0.93
Up/downside:	12.0%
CGS-CIMB / Consensus:	-2.1%
Reuters:	TWRK.KL
Bloomberg:	TWK MK
Market cap:	US\$394.7m
	RM1,673m
Average daily turnover:	US\$0.16m
	RM0.70m
Current shares o/s:	2,016m
Free float:	41.0%
*Source: Bloomberg	

Key changes in this note

- FY21-23F EPS cut by 4-6% to account for the impact of FMCO, EMCO and NRP phase 1.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	-2.9	-1.8	-4.1
Relative (%)	-2.8	0.8	-0.6

Major shareholders	% held
L.G.B. Holding Sdn Bhd	50.0
Vijay Vijendra Sethu	9.0

Analyst(s)



Sharizan ROSELY
 T (60) 3 2261 9077
 E sharizan.rosely@cgs-cimb.com

Taliworks Corporation

Dividend holds up despite 2Q21 weakness

- 1HFY21 results were below expectations; core net profit fell 19.6% yoy.
- Results were dragged by construction losses and lower interest income.
- Add rating and TP retained; 7.9% dividend yield remains the key attraction.

1HFY21 results below expectations; core net profit fell 19.6% yoy

Taliworks Corporation's 1HFY21 core net profit was below expectation, at 40-44% of our and consensus' full-year estimates; the key deviation came from lower-than-expected interest income and wider operating loss for construction (higher steel prices and margin markdown), while an earnings turnaround remains uncertain in 2H21F. The steep 19%/20.5% yoy decline in 2Q21/1H21 revenue was also due to the expiry of Taliworks Langkawi's water supply contract on 31 Oct 20. This contract contributed RM14.2m and RM30.7m of 2Q20 and 1H20 revenue, respectively — stripping that out, 1H21 revenue marginally declined by -1.6% yoy. Overall, 1H21 core net profit declined 19.6% yoy, dragged by construction losses and lower interest income, despite the 13% yoy drop in finance cost (redemption of the first and second tranches of IMTN) and strong associate earnings. We expect weaker qoq earnings in 3QFY21 due to the impact of the full movement control order (FMCO) in Jun, enhanced MCO in Jul and, subsequently, the still-restrictive SOPs under phase 1 of the National Recovery Programme (NRP).

2nd interim single-tier DPS; on track for 6.6 sen payout in FY21F

The group declared its second interim single-tier DPS of 1.65 sen, consistent with its guided quarterly DPS payouts. 1H21 total DPS amounted to 3.3 sen and is on track to reach our FY21F DPS forecast of 6.6 sen. Our DPS forecast is supported by its end-2Q21 cash and investments of RM419m (20.7sen/share) and the improving operating cashflow of SSP1 (Selangor) under the new Bulk Water Supply Agreement (BWSA).

Cutting FY21-23F EPS by 4-6%

Despite the 34.2% yoy surge in construction revenue in 1H21, the division's operating loss widened 256% yoy, impacted by margin markdowns on account of higher steel prices since end-2020. There are risks of wider losses in 2H21F due to depleting order book and slow normalisation of billings post-MCO. No major surprises in the performance of the water division, with a slight decline in metered water sales in 1H21. 1H21 was also driven by the 2.7% and 7.7% yoy growth in the traffic volumes of Grand Saga and Grand Sepadu Highways, and we anticipate the recent loosening of travel SOPs in Aug would mitigate the dip in traffic during the EMCO period in Jul. Overall, we cut FY21-23 EPS to reflect weaker qoq earnings in 3Q21F, losses for construction and lower interest income.

Add and TP maintained; supported by a 7.9% dividend yield

Taliworks's 7.9% dividend yield remains the stock's main appeal. Reiterate Add call and RM0.93 TP (unchanged 10% RNAV discount). Potential re-rating catalysts: stronger earnings post-completion of the new solar venture and revival of water contract wins. Downside risks include weaker earnings due to disruption from ongoing MCOs.

Financial Summary	Dec-19A	Dec-20A	Dec-21F	Dec-22F	Dec-23F
Revenue (RMm)	377.1	317.9	286.1	291.8	297.7
Operating EBITDA (RMm)	11.66	76.89	56.40	59.42	60.60
Net Profit (RMm)	76.45	59.49	64.59	67.54	69.08
Core EPS (RM)	0.038	0.030	0.032	0.034	0.034
Core EPS Growth	(22.9%)	(22.2%)	8.6%	4.6%	2.3%
FD Core P/E (x)	24.07	28.13	25.90	24.77	24.22
DPS (RM)	0.053	0.066	0.066	0.066	0.066
Dividend Yield	6.33%	7.95%	7.95%	7.95%	7.95%
EV/EBITDA (x)	135.2	22.1	29.9	28.0	27.1
P/FCFE (x)	16.46	NA	NA	NA	NA
Net Gearing	(14.7%)	(5.2%)	(4.1%)	(4.1%)	(4.4%)
P/BV (x)	1.62	1.74	1.73	1.69	1.65
ROE	7.32%	5.97%	6.71%	6.91%	6.89%
% Change In Core EPS Estimates			(5.78%)	(3.67%)	(3.66%)
CGS-CIMB/Consensus EPS (x)			1.03	1.05	1.01

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

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	61.7	76.1	(18.9)	65.6	(6.0)	127.5	160.4	(20.5)	311.5	1) Impact of MCO on highway traffic volume
Operating costs	(38.2)	(50.9)	(25.0)	(40.0)	(4.5)	(78.2)	(100.1)	(21.9)	(162.9)	2) Expiry of Taliworks Langkawi
EBITDA	24.3	26.6	(8.8)	25.6	(4.9)	49.1	62.1	(20.8)	65.8	3) Lower metered sales for SSP1
EBITDA margin (%)	39.4	35.0	12.5	39.0	1.1	38.5	38.7	(0.5)	21.1	
Deprn & amort.	(6.3)	(5.4)	15.2	(7.2)	(13.3)	(13.5)	(13.3)	1.7	(31.2)	
EBIT	18.0	21.2	(14.9)	18.3	(1.7)	36.4	50.3	(27.7)	34.7	
Interest expense	(4.8)	(5.2)	(7.8)	(4.7)	2.0	(9.4)	(10.8)	(12.5)	(21.8)	Redemption of IMTN's 1st and 2nd tranches
Interest & invt inc	0.4	0.6	(29.7)	0.3	30.9	0.7	1.5	(50.7)	4.0	Cash and investments of RM419m
Associates' contrib	2.5	(0.9)	369.5	2.7	(9.3)	5.2	(4.1)	225.8	2.0	Turnaround in SWMEH:
Exceptionals	(0.0)	(5.3)	(99.2)	(1.4)	(96.9)	(1.5)	(5.2)	(71.9)	-	1) Higher revenue from solid waste
Pretax profit	16.2	15.7	3.0	16.7	(3.3)	32.9	36.9	(10.7)	87.0	2) Lower depreciation
Tax	(2.9)	(3.7)	(20.9)	(3.0)	(1.9)	(5.9)	(7.4)	(20.2)	(14.3)	3) Lower subcontractor costs
Tax rate (%)	18.0	23.4	(23.2)	17.7	1.5	17.9	20.0	(10.6)	16.4	
Minority interests	(0.7)	(0.3)	113.2	(1.4)	(49.4)	(2.1)	(1.9)	9.3	(4.2)	
Net profit	12.6	11.7	7.4	12.4	1.4	25.0	27.6	(9.6)	68.6	1H21 core net profit made up 40-44% of ours
Core net profit	12.6	17.0	(25.8)	13.8	(8.7)	26.4	32.9	(19.6)	68.6	and consensus full-year forecasts
EPS (sen)	0.6	0.6	8.6	0.6	3.3	1.2	1.4	(9.5)	3.4	

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 2: 1HFY20 segmental results

	2Q21	2Q20	YoY	1Q21	QoQ	1H21	1H20	YoY	
	RM m	RM m	%	RM m	%	RM m	RM m	%	Comments
Revenue									
Water treatment, supply and distribution	42.1	57.7	-27.0%	41.1	2%	84.2	119.3	-29.4%	Expiry of Taliworks Langkawi on 31 Oct 2020
Construction	2.7	3.3	-17.8%	3.9	-31%	6.6	4.9	34.2%	Billings pick up in 1H21 for CRJ4 project
Toll Highway	15.9	13.8	14.9%	18.3	-13%	34.2	33.5	2.1%	2.7% yoy rise in traffic volume for Cheras-Kajang Highway
Others	1.3	1.3	-5.0%	1.3	0%	2.5	2.6	-5.0%	-
Total	61.9	76.1	-18.6%	64.6	-4%	127.5	160.4	-20.5%	
	2Q21	2Q20	YoY	1Q21	QoQ	1H21	1H20	YoY	
	RM m	RM m	%	RM m	%	RM m	RM m	%	
Operating profit/EBIT									
Water treatment, supply and distribution	15.0	18.1	-17.2%	14.5	3%	29.5	42.1	-29.9%	Expiry of Taliworks Langkawi on 31 Oct 2020
Construction	(0.4)	(0.2)	125.6%	(0.9)	-59%	(1.3)	(0.4)	258.8%	Margin mark-down due to higher steel prices since end-2020
Toll Highway	6.4	6.1	5.7%	7.7	-16%	14.1	14.8	-4.2%	Higher amortisation of intangible asset and provision for repairs
Others	(2.6)	(2.2)	17.2%	(2.6)	-3%	(5.2)	(4.7)	10.8%	-
Total	18.5	21.8	-15.3%	18.7	-1%	37.1	51.8	-28.3%	
Finance cost	(4.8)	(5.2)	-7.8%	(4.7)	2%	(9.4)	(10.8)	-12.5%	-
Share of results of JV	0.2	0.0	4948.8%	0.4	-48%	0.6	0.2	208.6%	7.7% yoy rise in traffic volume for Grand Sepadu Highway
Share of results of associate	2.3	(1.0)	-336.5%	2.3	-3%	4.6	(4.3)	-206.1%	Lower depreciation and reduction in subcontractors' related costs
Pretax profit	16.2	15.7	3.2%	16.7	-3%	32.9	36.9	-10.7%	

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 3: RNAV

	Basis	Full value (RM m)	Stake (%)	Value (RM m)
Concession assets				
Grand Saga Highway (24 years remaining concession life)	DCF value	824.0	51%	420.2
Grand Sepadu Highway (12 years remaining concession life)	Takeover value	265.0	38%	100.7
Other segments				
	Equity DCF value		Disc. rate (%)	Stake (%)
	(RM m)			
SSP1 - Sungai Harmoni O&M (18 years incl. extension)	916.0	10%	100%	916.0
	FY22F Net profit		P/E (x)	Stake (%)
	(RM m)			
Construction	7.8	15	100%	116.3
Solid Waste Management (SWM) - acquisition value	700.0	-	35%	245.0
Investment in associate & JVs (as at end-2Q21)				228.5
Cash & equivalents (as at end-2Q21)				419.0
Borrowings as at end-2Q21				(358.3)
Total RNAV				2,087.3
No. of shares (m)				2,015.8
RNAV/share				1.04
RNAV discount (%)				10%
Target price (RM/share)				0.93

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS



ESG in a nutshell

In 2020, Taliworks undertook the development of a sustainability framework to guide its efforts in incorporating sustainability into its business model. This framework is benchmarked against sustainability best practices in industries both within and beyond the scope of operations. This framework should enable the group to create time-bound goals that are strategically aligned with the United Nations Sustainable Development Goals (UNSDG) targets.

Keep your eye on

- 1) In 2021, the group began developing a sustainability framework that contains time-bound goals to guide its sustainability journey over the longer term, all of which would be incorporated into the group's Enterprise Risk Management (ERM) Framework, which would cover all segments of businesses, i.e. 1) water treatment, supply and distribution, 2) waste management, 3) construction and 4) toll highways.
- 2) Upcoming Budget 2022 and the 12th Malaysia Plan (12MP): the government may repackage water infrastructure projects among the "Green Infrastructure" initiatives. Taliworks' construction division could see a recovery in water infrastructure projects, which would be positive for order book growth.

Implications

- 1) Key operational metrics for the water division address the quality and quantity of water to end-users and meeting demand, while managing water loss, in the distribution network: Taliworks achieved above 99% water treatment compliance rates in 2018-2020 — unscheduled water supply disruptions in 2020 did not materially affect revenue.
- 2) Non-revenue water (NRW), or volume of water loss as percentage of total volume of water produced, stood at 42.1% in 2020.
- 3) Toll highway safety performance is guided under the Malaysian Highway Authority (MHA). Taliworks met the safety performance (and surpassed) regulatory standards of not exceeding 3.15 accidents per 1m vehicles in 2020.

ESG highlights

- 1) Taliworks' proposed RM180.4m investment into the solar business, via an acquisition of several operating solar companies, is in line with its vision of balancing environmental, social and governance elements.
- 2) Its waste management operations span 28,500 km² and employ over 8,000 workers: To ensure a sustainable approach to business processes and the managing of a large-scale waste management operation, the division employs risk-based decision-making, daily monitoring, proactive action, incentive systems, and strategic target-setting.
- 3) Taliworks seeks to ensure the quality of operations of its entire supply chain/subcontractors with commitment to quality, environmental, and occupational safety standards. The group conducts annual assessments of its entire supply chain. Water divisions' regulatory compliance of its supply chain, for example, is governed under the Water Services Industries Act 2006 (WSIA).

Implications

- 1) Taliworks' renewable energy (RE) acquisition is a long-term positive in that it replaces the loss of income from the expiry of Taliworks Langkawi in Oct 2020. RE M&A strengthens its ability to pay out our FY21-23F 6.6 sen DPS p.a.
- 2) The consolidation of the new solar projects is earnings accretive from FY21F (+6% to +8%) supported by a base-case post-M&A RE EBITDA of RM22m — this is not factored into our forecasts as the deal completion has been delayed, pending approval from the Energy Commission (EC).
- 3) Some initiatives by the waste management division, SWM Environment, in promoting sustainability awareness include improving public perception in waste management, empowering communities to improve surrounding environment, and collaborative educational programme with the Ministry of Education (MOE).

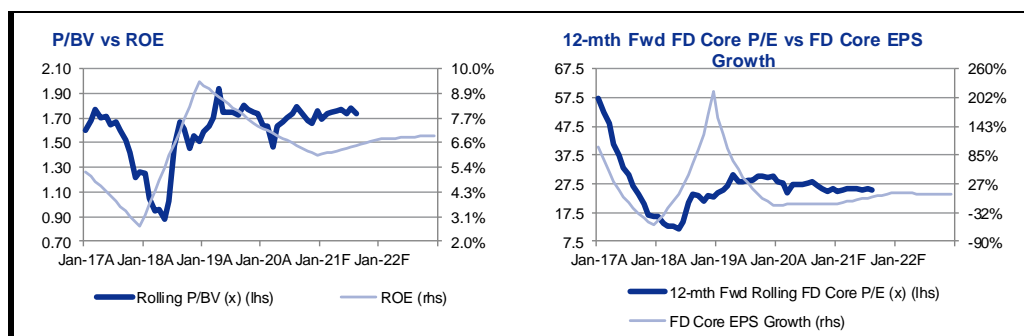
Trends

- 1) In 2020, Grand Saga (subsidiary) and Grand Sepadu (associate) Highways maintained a full four-star rating from the MHA.
- 2) Grand Sepadu has been certified a Silver Rating by the Malaysia Green Highway Index (MGHI) since 2019, while Grand Saga's status remains pending an audit by the MGHI.
- 3) All plans/strategies for its water division are aligned with the Task Force on Climate-Related Financial Disclosure (TCFD), endorsed by Bursa Malaysia.

Implications

1. Although Taliworks does not have a formal climate risk management process, climate change-related issues have been recognised as part of its risk identification processes at the division level.
2. While Taliworks is not a constituent of the FTSE4Good Bursa Malaysia Index and not rated under the FTSE Russell, we would regard Taliworks' business model as one with comprehensive elements directly contributing to the area of sustainability under the Environmental and Social components of the ESG sphere.

BY THE NUMBERS



Profit & Loss

(RMm)	Dec-19A	Dec-20A	Dec-21F	Dec-22F	Dec-23F
Total Net Revenues	377.1	317.9	286.1	291.8	297.7
Gross Profit	147.1	117.5	97.8	101.7	103.7
Operating EBITDA	11.7	76.9	56.4	59.4	60.6
Depreciation And Amortisation	(35.7)	(43.9)	(28.6)	(29.2)	(29.8)
Operating EBIT	(24.0)	33.0	27.8	30.2	30.8
Financial Income/(Expense)	(21.1)	(21.1)	(16.0)	(16.3)	(16.4)
Pretax Income/(Loss) from Assoc.	(9.8)	2.8	2.0	2.1	2.2
Non-Operating Income/(Expense)	163.7	63.7	68.2	69.7	71.2
Profit Before Tax (pre-EI)	108.8	78.5	81.9	85.7	87.7
Exceptional Items					
Pre-tax Profit	108.8	78.5	81.9	85.7	87.7
Taxation	(22.1)	(15.0)	(13.2)	(13.9)	(14.2)
Exceptional Income - post-tax					
Profit After Tax	86.7	63.5	68.8	71.8	73.5
Minority Interests	(10.3)	(4.0)	(4.2)	(4.3)	(4.4)
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Net Profit	76.5	59.5	64.6	67.5	69.1
Recurring Net Profit	76.5	59.5	64.6	67.5	69.1
Fully Diluted Recurring Net Profit	76.5	59.5	64.6	67.5	69.1

Cash Flow

(RMm)	Dec-19A	Dec-20A	Dec-21F	Dec-22F	Dec-23F
EBITDA	11.7	76.9	56.4	59.4	60.6
Cash Flow from Inv. & Assoc.					
Change In Working Capital	612.2	(148.1)	(4.5)	3.7	3.7
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense					
Other Operating Cashflow	62.0	37.2	35.4	33.6	31.9
Net Interest (Paid)/Received	(21.1)	(21.1)	(16.0)	(16.3)	(16.4)
Tax Paid	(22.1)	(15.0)	(13.2)	(13.9)	(14.2)
Cashflow From Operations	642.8	(70.1)	58.0	66.6	65.5
Capex	(1.1)	(1.1)	(1.1)	(1.1)	(1.1)
Disposals Of FAs/subsidiaries	0.1	0.0	0.0	0.0	0.0
Acq. Of Subsidiaries/investments	0.0	0.0	0.0	0.0	0.0
Other Investing Cashflow	(539.9)	(539.9)	(539.9)	(539.9)	(539.9)
Cash Flow From Investing	(540.9)	(541.0)	(541.0)	(541.0)	(541.0)
Debt Raised/(repaid)	10.0	79.5	(19.1)	(5.0)	(1.3)
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	(105.8)	(133.0)	(133.0)	(133.0)	(133.0)
Preferred Dividends	0.0	0.0	0.0	0.0	0.0
Other Financing Cashflow	(32.4)	545.5	583.9	587.7	587.7
Cash Flow From Financing	(128.2)	491.9	431.7	449.7	453.4
Total Cash Generated	(26.4)	(119.2)	(51.3)	(24.8)	(22.1)
Free Cashflow To Equity	111.8	(531.6)	(502.1)	(479.5)	(476.8)
Free Cashflow To Firm	126.8	(586.1)	(463.0)	(454.0)	(454.7)

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	658	451	456	461	467
Total Debtors	148	116	115	117	119
Inventories	1	3	3	3	3
Total Other Current Assets	22	11	11	11	11
Total Current Assets	829	581	586	593	600
Fixed Assets	12	9	10	11	12
Total Investments	233	224	224	225	225
Intangible Assets	1,200	1,174	1,173	1,172	1,170
Total Other Non-Current Assets	80	88	89	89	90
Total Non-current Assets	1,525	1,494	1,495	1,497	1,498
Short-term Debt	40	30	31	32	34
Current Portion of Long-Term Debt					
Total Creditors	137	68	75	76	77
Other Current Liabilities	43	21	22	24	25
Total Current Liabilities	220	119	129	132	135
Total Long-term Debt	428	358	376	380	380
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	178	155	153	152	150
Total Non-current Liabilities	606	513	529	532	530
Total Provisions	235	235	235	235	235
Total Liabilities	1,061	867	893	899	901
Shareholders' Equity	1,033	959	964	989	1,016
Minority Interests	260	248	224	201	181
Total Equity	1,293	1,208	1,188	1,191	1,197

Key Ratios

	Dec-19A	Dec-20A	Dec-21F	Dec-22F	Dec-23F
Revenue Growth	0.5%	(15.7%)	(10.0%)	2.0%	2.0%
Operating EBITDA Growth	(89%)	559%	(27%)	5%	2%
Operating EBITDA Margin	3.1%	24.2%	19.7%	20.4%	20.4%
Net Cash Per Share (RM)	0.094	0.031	0.024	0.024	0.026
BVPS (RM)	0.51	0.48	0.48	0.49	0.50
Gross Interest Cover	(0.96)	1.32	1.39	1.48	1.48
Effective Tax Rate	20.3%	19.1%	16.1%	16.2%	16.2%
Net Dividend Payout Ratio	138%	224%	206%	197%	193%
Accounts Receivables Days	116.1	114.6	116.9	115.7	115.7
Inventory Days	1.92	3.71	5.62	5.57	5.46
Accounts Payables Days	230.7	120.9	87.3	94.3	94.3
ROIC (%)	(1.01%)	1.88%	1.55%	1.69%	1.73%
ROCE (%)	(1.01%)	1.93%	1.74%	1.88%	1.91%
Return On Average Assets	4.26%	3.56%	3.87%	4.01%	4.08%

Key Drivers

	Dec-19A	Dec-20A	Dec-21F	Dec-22F	Dec-23F
Revenue growth (%)	0.5%	-15.7%	-10.0%	2.0%	2.0%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

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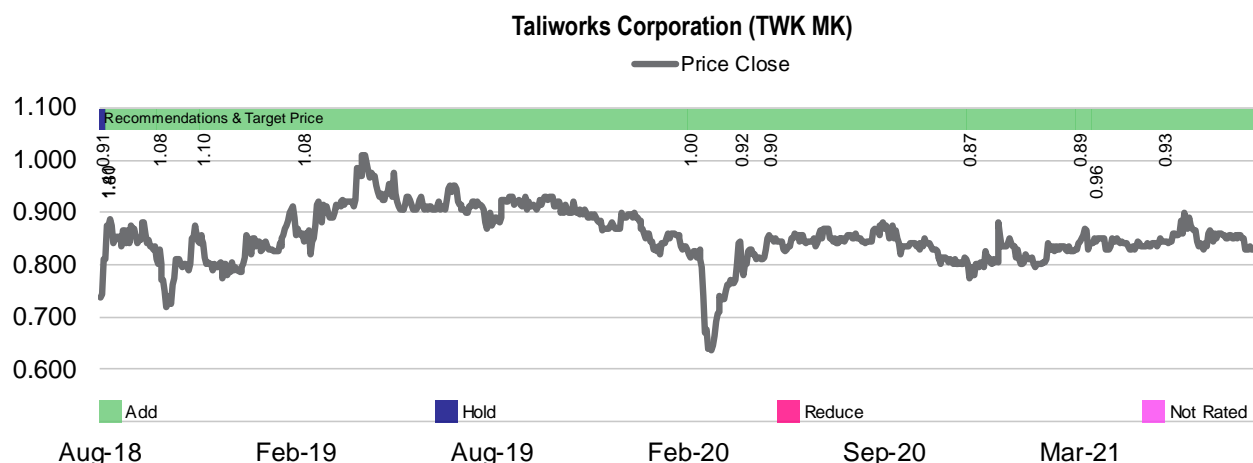
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Spitzer Chart for stock being researched (2 year data)



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.
<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.