

Malaysia

**HOLD** (no change)

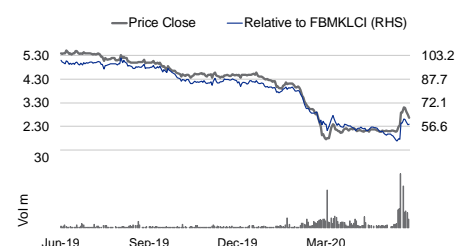
Consensus ratings\*: Buy 6 Hold 9 Sell 0

Current price:	RM2.65
Target price:	RM2.75
Previous target:	RM2.10
Up/downside:	3.9%
CGS-CIMB / Consensus:	2.9%
Reuters:	UMWS.KL
Bloomberg:	UMWH MK
Market cap:	US\$726.2m
	RM3,096m
Average daily turnover:	US\$1.54m
	RM6.68m
Current shares o/s:	1,168m
Free float:	37.8%

\*Source: Bloomberg

**Key changes in this note**

- FY20F EPS increased by 20%.
- FY21F EPS increased by 5%.
- FY22F EPS increased by 3%.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	28	15.7	-50.8
Relative (%)	21.2	4.2	-42.3

Major shareholders	% held
Permodalan Nasional Bhd	42.1
EPF	12.0
KWAP	8.0

**Analyst(s)**



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# UMW Holdings

## 1Q20: Dragged down by Covid-19 and MCO

- 1Q20 core net profit was above expectations at 47% of our full-year estimate (but below consensus' at 23%) due to better-than-expected M&E profit.
- Core net profit in 1Q20 fell 38% yoy due to lower automotive and equipment sales, following disruptions caused by the Covid-19 outbreak and MCO.
- We raise our FY20-22F EPS by 3-20% for higher sales volume projection in 2H20F driven by new launches and sales tax exemptions. Reiterate Hold.

### Feeling the impact of the Covid-19 lockdown in 1Q20

UMW Holdings (UMW)'s core net profit in 1Q20 slid 38% yoy due to fewer vehicles sold, weaker industrial and heavy equipment demand and restrictions in operations during the movement control order lockdown period. In spite of lower automotive and equipment sales delivery in 1Q20, the group's manufacturing and engineering (M&E) division, registered a RM10.5m pretax profit in 1Q20, vs. RM2.3m pretax profit in 1Q19, driven by higher fan case shipment volume and stronger contribution from its lubricant business.

### Cautiously optimistic for stronger sales volume recovery in 2H20

The group is expecting stronger vehicle sales recovery in 2H20, driven by sales tax exemption from the government and an aggressive targeted marketing campaign. For example, the group is working with financial institutions to introduce a special financing package that allows up to 100% financing for vehicles. UMW Toyota (UMWT) is projecting 45k (-36% yoy) sales volume for 2020F, but this has not taken into account the sales tax exemption given that they are still cautious on consumer sentiment. Nevertheless, the group has resumed production at Bukit Raja and Shah Alam plants with 65% production utilisation since 12 May. The group is cautiously optimistic of a higher volume delivery in 2H, driven by potential introduction of two new sports utility vehicle models, which we suspect could be the new Toyota C-HR and Toyota Raize.

### Focusing on margin preservation

UMWT is also focusing on preserving its profit margins by not engaging in price competition with its peers; we have learnt that the average reduction in selling price for popular models such as Yaris and Vios is hovering around just 2%. The group explained that the minimal reduction in average selling price for Yaris and Vios is mainly due to lower sales tax payment for both models given the higher excise duties exemption under the industrial linkage programme.

### Reiterate Hold with a higher TP of RM2.75

We raise our FY20-22F EPS by 3-20% to reflect higher sales volume for UMWT in 2020F. Maintain Hold rating on the stock with a higher RM2.75 TP, based on a higher 14x CY20F, in line with our target sector P/E (vs. 12x previously) in view of the favourable operating outlook due to sales tax exemption and upcoming launches. Higher than expected sales during sales tax exemption period is a potential upside risk, while delays in new launches and weakening ringgit vs. US\$ are de-rating catalysts.

### Financial Summary

	Dec-18A	Dec-19A	Dec-20F	Dec-21F	Dec-22F
Revenue (RMm)	11,304	11,739	8,623	9,827	10,602
Operating EBITDA (RMm)	649.8	631.4	548.9	634.4	620.0
Net Profit (RMm)	515.9	216.5	125.0	223.4	246.5
Core EPS (RM)	0.30	0.23	0.11	0.19	0.21
Core EPS Growth	10.2%	(21.2%)	(54.4%)	78.7%	10.3%
FD Core P/E (x)	8.78	11.15	24.46	13.68	12.40
DPS (RM)	0.020	0.060	0.020	0.060	0.080
Dividend Yield	0.75%	2.26%	0.75%	2.26%	3.02%
EV/EBITDA (x)	10.75	10.35	11.84	10.16	10.04
P/FCFE (x)	69.83	4.31	6.03	5.91	4.49
Net Gearing	26.6%	17.0%	13.9%	10.3%	4.7%
P/BV (x)	0.93	0.84	0.83	0.81	0.80
ROE	10.9%	7.8%	3.4%	5.9%	6.4%
% Change In Core EPS Estimates			19.7%	5.1%	3.4%
CGS-CIMB/Consensus EPS (x)			0.49	0.74	0.78

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 1: Results comparison**

FYE Dec (RM m)	1Q20	1Q19	yoy % chg	4Q19	qoq % chg	Prev. FY20F	Comments
Revenue	2,119	2,780	(23.8)	3,116	(32.0)	8,199	In line
Operating costs	(1,978)	(2,607)	(24.1)	(2,953)	(33.0)	(7,698)	
<b>EBITDA</b>	<b>141</b>	<b>173</b>	<b>(18.3)</b>	<b>162</b>	<b>(13.0)</b>	<b>501</b>	<b>In line</b>
EBITDA margin (%)	6.7	6.2		5.2		6.1	
Depn & amort.	(92)	(86)	6.4	(93)	(0.8)	(366)	In line
<b>EBIT</b>	<b>49</b>	<b>86</b>	<b>(43.0)</b>	<b>70</b>	<b>(29.3)</b>	<b>135</b>	
Interest expense	(30)	(33)	(9.0)	(33)	(8.8)	(131)	Total borrowings of RM2.5bn as at end Mar 2020
Interest & invt inc	19	18	2.9	18	6.1	74	Total cash of RM1.4bn as at end Mar 2020
Associates' contrib	29	61	(51.9)	65	(54.8)	196	Lower contribution from Perodua
Exceptionals	(4)	8	> 100	192	> 100	0	
<b>Pretax profit</b>	<b>63</b>	<b>141</b>	<b>(55.1)</b>	<b>312</b>	<b>(79.8)</b>	<b>274</b>	<b>Below expectation</b>
Tax	(14)	(30)	(52.0)	(22)	(35.0)	(55)	In line
Tax rate (%)	22.6	21.1	6.9	7.0	> 100	20.0	
Minority interests	(4)	(24)	(81.6)	(82)	(94.5)	(115)	Below expectation
Net profit	44	87	(48.8)	208	(78.7)	104	
<b>Core net profit</b>	<b>49</b>	<b>79</b>	<b>(38.0)</b>	<b>16</b>	<b>&gt; 100</b>	<b>104</b>	<b>Above expectation</b>
EPS (sen)	3.8	7.4	(48.8)	17.8	(78.7)	8.9	1Q20 core net profit made up 47% of CIMB full-year forecast
Core EPS (sen)	4.2	6.7	(38.0)	1.4	> 100	8.9	and 23% of Bloomberg consensus forecast
DPS (sen)	-	-	n.m.	2.0	(100.0)	2.0	

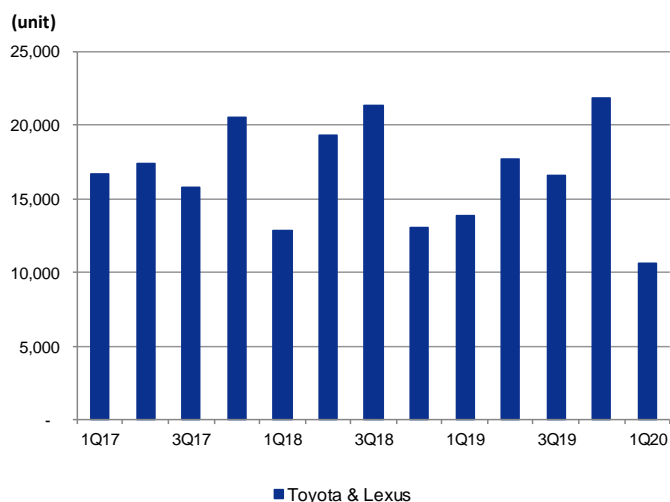
SOURCES: CIMB RESEARCH, COMPANY REPORTS

**Figure 2: Revenue and pre-tax profit breakdown**

Revenue	1Q20	1Q19	yoy % chg	4Q19	qoq % chg	
<b>Segmental - Continuing Operations</b>						
Automotive	1,586	2,163	(26.7)	2,450	(35.3)	Toyota and Perodua sales volume fell 24% and 26% yoy
Equipment	289	383	(24.5)	328	(11.9)	
Manufacturing & Engineering	249	237	4.8	329	(24.4)	Lower utilisation from Aerospace due to MCO
Others	(4)	(3)	70.7	9	> 100	
<b>Total</b>	<b>2,119</b>	<b>2,780</b>	<b>(23.8)</b>	<b>3,116</b>	<b>(32.0)</b>	
<b>PBT</b>						
Automotive	54	124	(56.8)	115	(53.3)	Margin erosion due to lower sales
Equipment	26	42	(38.9)	27	(5.5)	
Manufacturing & Engineering	10	2	> 100	30	(65.1)	
Others	(27)	(28)	(4.5)	140	> 100	
<b>Total</b>	<b>63</b>	<b>141</b>	<b>(55.1)</b>	<b>312</b>	<b>(79.8)</b>	

SOURCES: CIMB RESEARCH, COMPANY REPORTS

**Figure 3: Historical UMWT sales volume**



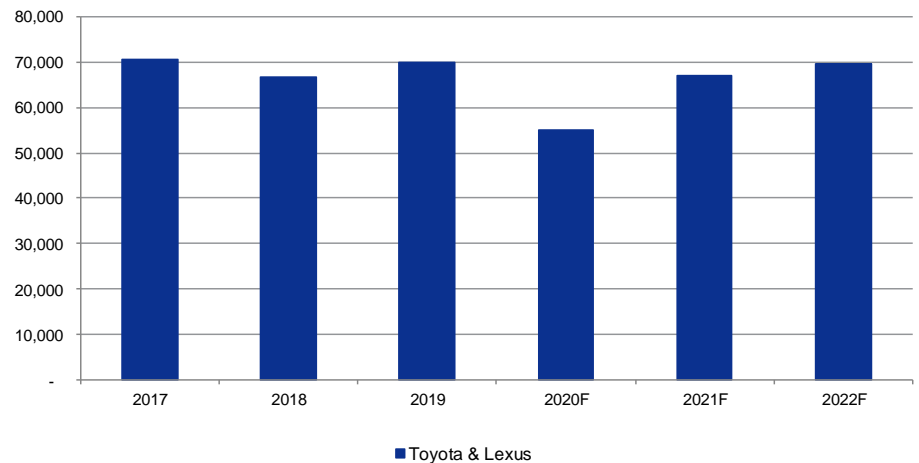
SOURCES: CIMB RESEARCH, COMPANY REPORTS

**Figure 4: Historical Perodua sales volume**



SOURCES: CIMB RESEARCH, COMPANY REPORTS

**Figure 5: Historical and projected UMW Toyota sales volume for 2018-2022F**



SOURCES: CIMB, MAA

**Figure 6: Earnings revision**

(RM m)	Previous			Revised			Changes		
	2020F	2021F	2022F	2020F	2021F	2022F	2020F	2021F	2022F
Revenue	8,199	9,494	10,269	8,623	9,827	10,602	5%	4%	3%
EBITDA	501	605	590	549	634	620	9%	5%	5%
EBIT	135	240	213	183	270	243	35%	12%	14%
Pretax Profit	274	436	453	322	463	477	17%	6%	5%
Net Profit	104	212	238	125	223	246	20%	5%	3%
EPS	9	18	20	11	19	21	20%	5%	3%

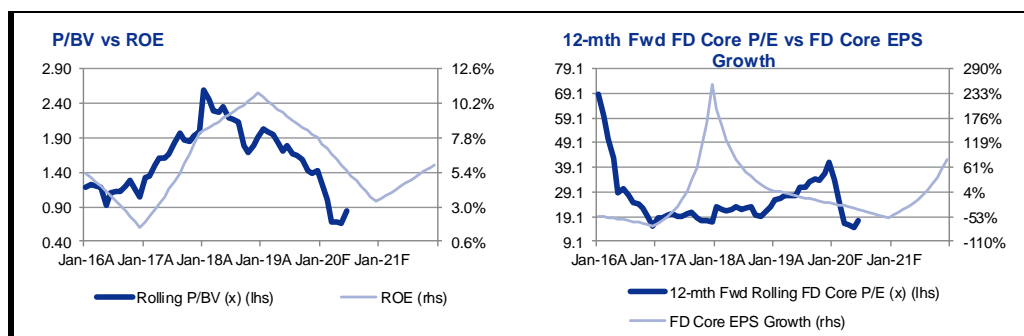
SOURCES: CIMB, COMPANY REPORTS

**Figure 7: Sector comparison**

Company	Bloomberg Ticker	Recom.	Price (local currency)	Target Price (local currency)	Market Cap (US\$ m)	Core P/E (x)		P/BV (x)		Recurring ROE (%)		EV/EBITDA (x)		Dividend Yield (%)	
						CY20F	CY21F	CY20F	CY21F	CY20F	CY21F	CY20F	CY21F	CY20F	CY21F
Bermaz Auto Berhad	BAUTO MK	Add	1.45	2.00	394	12.1	10.2	3.7	3.8	29.0	36.9	8.5	6.9	7.3	9.2
DRB-Hicom	DRB MK	Add	1.70	2.30	768	16.8	10.6	0.5	0.4	2.8	4.2	4.8	4.8	-	-
Tan Chong Motor Holdings	TCM MK	Reduce	1.10	1.16	168	23.2	23.2	0.2	0.2	1.0	1.0	7.2	7.0	2.7	2.7
UMW Holdings	UMWH MK	Hold	2.65	2.75	724	24.8	13.9	0.8	0.8	3.4	5.9	11.6	10.1	0.8	2.3
Sime Darby Bhd	SIME MK	Add	2.20	2.20	3,497	15.8	14.9	1.0	1.0	6.4	6.5	6.3	5.9	4.4	4.7
<b>Malaysia average</b>						<b>16.6</b>	<b>13.7</b>	<b>0.8</b>	<b>0.8</b>	<b>5.4</b>	<b>5.8</b>	<b>6.5</b>	<b>6.1</b>	<b>3.8</b>	<b>4.0</b>
Brilliance China Automotive	1114 HK	Hold	7.46	7.01	4,856	5.6	4.2	0.9	0.7	16.7	18.6	na	na	1.8	2.4
BAIC Motor Corp Ltd	1958 HK	Hold	3.45	3.34	3,568	7.0	6.2	0.5	0.5	7.5	8.4	1.2	1.6	4.8	5.5
Dingfeng Motor Group	489 HK	Hold	5.09	5.15	5,659	3.5	3.1	0.3	0.3	9.0	9.8	9.2	9.0	6.6	7.6
Geely Automobile Holdings	175 HK	Reduce	11.60	8.07	14,687	13.1	8.9	1.7	1.4	13.3	17.3	-3.0	-2.4	1.4	1.7
Great Wall Motor Co Ltd	2333 HK	Reduce	5.29	3.22	9,131	11.7	9.6	0.8	0.8	7.0	8.3	4.1	3.4	6.0	6.0
Guangzhou Automobile	2238 HK	Reduce	6.43	4.89	11,898	7.9	5.1	0.8	0.7	9.7	14.1	na	43.2	3.8	5.8
<b>China &amp; HK average</b>						<b>7.6</b>	<b>5.7</b>	<b>0.7</b>	<b>0.7</b>	<b>10.0</b>	<b>12.3</b>	<b>3.2</b>	<b>2.7</b>	<b>3.6</b>	<b>4.3</b>
Hyundai Motor Company	005380 KS	Add	97,000	108,000	17,040	10.8	8.6	0.4	0.4	3.6	4.3	11.4	11.6	4.1	4.1
Kia Motors	000270 KS	Hold	32,200	28,000	10,731	14.8	9.4	0.4	0.4	3.1	4.7	2.3	2.4	3.6	3.6
<b>Korea average</b>						<b>11.8</b>	<b>8.8</b>	<b>0.4</b>	<b>0.4</b>	<b>3.5</b>	<b>4.4</b>	<b>8.5</b>	<b>8.5</b>	<b>3.9</b>	<b>3.9</b>
Tata Motors	TTMT IN	Add	100.5	241.0	4,364	5.5	3.1	0.5	0.4	9.9	15.6	3.2	2.4	0.3	0.5
Bajaj Auto	BJAUT IN	Add	2,729	2,679	10,385	17.9	16.7	3.3	2.9	19.4	18.6	12.5	11.3	2.9	2.5
Ashok Leyland	AL IN	Hold	51.75	82.80	1,998	18.0	12.8	1.7	1.6	9.4	12.5	6.2	4.6	2.6	3.8
Eicher Motors Ltd	EIM IN	Reduce	16,482	11,502	5,919	28.3	25.3	4.7	4.0	17.6	17.1	17.9	15.7	0.7	0.8
Mahindra & Mahindra	MM IN	Add	508.2	585.0	8,309	17.5	15.5	1.6	1.5	9.3	9.7	6.2	5.2	1.6	1.7
Maruti Suzuki	MSIL IN	Add	5,476	6,562	21,756	30.9	23.8	3.2	2.9	10.8	12.7	18.2	13.7	1.2	1.7
<b>India average</b>						<b>17.7</b>	<b>12.8</b>	<b>1.9</b>	<b>1.7</b>	<b>11.4</b>	<b>14.2</b>	<b>6.4</b>	<b>5.0</b>	<b>1.5</b>	<b>1.7</b>
Astra International	ASII IJ	Add	4,740	8,500	13,595	7.9	7.0	1.2	1.1	16.0	16.6	6.2	5.2	6.4	6.9
<b>Indonesia average</b>						<b>7.9</b>	<b>7.0</b>	<b>1.2</b>	<b>1.1</b>	<b>16.0</b>	<b>16.6</b>	<b>6.2</b>	<b>5.2</b>	<b>6.4</b>	<b>6.9</b>

SOURCES: CIMB RESEARCH, COMPANY REPORTS

## BY THE NUMBERS



### Profit & Loss

(RMm)	Dec-18A	Dec-19A	Dec-20F	Dec-21F	Dec-22F
<b>Total Net Revenues</b>	<b>11,304</b>	<b>11,739</b>	<b>8,623</b>	<b>9,827</b>	<b>10,602</b>
<b>Gross Profit</b>	<b>1,922</b>	<b>1,761</b>	<b>1,380</b>	<b>1,572</b>	<b>1,696</b>
<b>Operating EBITDA</b>	<b>650</b>	<b>631</b>	<b>549</b>	<b>634</b>	<b>620</b>
Depreciation And Amortisation	(282)	(346)	(366)	(365)	(377)
<b>Operating EBIT</b>	<b>368</b>	<b>285</b>	<b>183</b>	<b>270</b>	<b>243</b>
Financial Income/(Expense)	(5)	(53)	(57)	(62)	(52)
Pretax Income/(Loss) from Assoc.	271	292	196	256	286
Non-Operating Income/(Expense)	0	0	0	0	0
<b>Profit Before Tax (pre-EI)</b>	<b>634</b>	<b>524</b>	<b>322</b>	<b>463</b>	<b>477</b>
Exceptional Items	167				
<b>Pre-tax Profit</b>	<b>801</b>	<b>524</b>	<b>322</b>	<b>463</b>	<b>477</b>
Taxation	(124)	(109)	(64)	(93)	(95)
Exceptional Income - post-tax					
<b>Profit After Tax</b>	<b>677</b>	<b>415</b>	<b>257</b>	<b>370</b>	<b>381</b>
Minority Interests	(161)	(199)	(132)	(147)	(135)
Preferred Dividends	0	0	0	0	0
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
<b>Net Profit</b>	<b>516</b>	<b>216</b>	<b>125</b>	<b>223</b>	<b>246</b>
Recurring Net Profit	348	274	125	223	246
<b>Fully Diluted Recurring Net Profit</b>	<b>348</b>	<b>274</b>	<b>125</b>	<b>223</b>	<b>246</b>

### Cash Flow

(RMm)	Dec-18A	Dec-19A	Dec-20F	Dec-21F	Dec-22F
<b>EBITDA</b>	<b>649.8</b>	<b>631.4</b>	<b>548.9</b>	<b>634.4</b>	<b>620.0</b>
Cash Flow from Inv. & Assoc.					
Change In Working Capital	(204.1)	(60.3)	39.7	7.3	156.3
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense					
Other Operating Cashflow	563.8	593.4	366.1	364.5	377.0
Net Interest (Paid)/Received	(5.0)	(52.8)	(56.9)	(62.3)	(51.7)
Tax Paid	(139.0)	(129.6)	(64.3)	(92.6)	(95.4)
<b>Cashflow From Operations</b>	<b>865.6</b>	<b>982.1</b>	<b>833.5</b>	<b>851.3</b>	<b>1,006.2</b>
Capex	(915.0)	(345.5)	(400.0)	(400.0)	(400.0)
Disposals Of FAs/subsidiaries	0.0	0.0	0.0	0.0	0.0
Acq. Of Subsidiaries/investments	0.0				
Other Investing Cashflow	93.2	73.1	73.6	65.7	73.8
<b>Cash Flow From Investing</b>	<b>(821.8)</b>	<b>(272.4)</b>	<b>(326.4)</b>	<b>(334.3)</b>	<b>(326.2)</b>
Debt Raised/(repaid)	0.0	0.0	0.0	0.0	0.0
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	(23.4)	(70.1)	(23.4)	(70.1)	(93.5)
Preferred Dividends					
Other Financing Cashflow	(35.4)	(69.7)	(70.0)	(70.0)	(70.0)
<b>Cash Flow From Financing</b>	<b>(58.8)</b>	<b>(139.8)</b>	<b>(93.4)</b>	<b>(140.1)</b>	<b>(163.5)</b>
Total Cash Generated	(15.0)	569.9	413.7	376.9	516.5
<b>Free Cashflow To Equity</b>	<b>43.8</b>	<b>709.7</b>	<b>507.1</b>	<b>517.0</b>	<b>680.0</b>
<b>Free Cashflow To Firm</b>	<b>142.0</b>	<b>835.5</b>	<b>637.6</b>	<b>645.0</b>	<b>805.5</b>

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

## BY THE NUMBERS... cont'd

### Balance Sheet

(RMm)	Dec-18A	Dec-19A	Dec-20F	Dec-21F	Dec-22F
Total Cash And Equivalents	1,312	1,472	1,642	1,844	2,195
Total Debtors	1,083	1,451	1,324	1,362	1,310
Inventories	1,549	1,590	1,426	1,478	1,436
Total Other Current Assets	1,423	1,131	1,131	1,131	1,131
<b>Total Current Assets</b>	<b>5,367</b>	<b>5,643</b>	<b>5,523</b>	<b>5,815</b>	<b>6,072</b>
Fixed Assets	2,821	2,757	2,791	2,826	2,849
Total Investments	221	206	206	206	206
Intangible Assets	0	0	0	0	0
Total Other Non-Current Assets	2,349	2,542	2,542	2,542	2,542
<b>Total Non-current Assets</b>	<b>5,391</b>	<b>5,505</b>	<b>5,539</b>	<b>5,574</b>	<b>5,597</b>
Short-term Debt	535	386	386	386	386
Current Portion of Long-Term Debt					
Total Creditors	1,854	2,093	1,844	1,940	2,002
Other Current Liabilities	106	138	138	138	138
<b>Total Current Liabilities</b>	<b>2,495</b>	<b>2,618</b>	<b>2,368</b>	<b>2,465</b>	<b>2,527</b>
Total Long-term Debt	2,298	2,123	2,123	2,123	2,123
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	250	312	312	312	312
<b>Total Non-current Liabilities</b>	<b>2,548</b>	<b>2,436</b>	<b>2,436</b>	<b>2,436</b>	<b>2,436</b>
Total Provisions	0	0	0	0	0
<b>Total Liabilities</b>	<b>5,044</b>	<b>5,053</b>	<b>4,804</b>	<b>4,900</b>	<b>4,962</b>
Shareholders' Equity	3,345	3,693	3,724	3,808	3,891
Minority Interests	2,370	2,402	2,534	2,681	2,816
<b>Total Equity</b>	<b>5,714</b>	<b>6,094</b>	<b>6,258</b>	<b>6,489</b>	<b>6,707</b>

### Key Ratios

	Dec-18A	Dec-19A	Dec-20F	Dec-21F	Dec-22F
Revenue Growth	2.1%	3.9%	(26.5%)	14.0%	7.9%
Operating EBITDA Growth	(14.9%)	(2.8%)	(13.1%)	15.6%	(2.3%)
Operating EBITDA Margin	5.75%	5.38%	6.37%	6.46%	5.85%
Net Cash Per Share (RM)	(1.30)	(0.89)	(0.74)	(0.57)	(0.27)
BVPS (RM)	2.86	3.16	3.19	3.26	3.33
Gross Interest Cover	3.74	2.27	1.40	2.11	1.94
Effective Tax Rate	15.5%	20.7%	20.0%	20.0%	20.0%
Net Dividend Payout Ratio	4.9%	21.6%	12.3%	22.2%	27.3%
Accounts Receivables Days	34.11	39.39	58.88	49.88	45.99
Inventory Days	57.56	57.39	76.19	64.21	59.71
Accounts Payables Days	29.53	32.45	41.25	32.71	33.57
ROIC (%)	4.63%	2.94%	1.89%	2.80%	2.51%
ROCE (%)	5.95%	4.18%	2.95%	3.78%	3.48%
Return On Average Assets	6.11%	5.15%	3.28%	4.54%	4.47%

### Key Drivers

	Dec-18A	Dec-19A	Dec-20F	Dec-21F	Dec-22F
ASP (% chg, main prod./serv.)	1.5%	1.5%	1.5%	1.5%	1.5%
Unit sales grth (% , main prod./serv.)	-5.5%	5.2%	-21.4%	21.8%	4.0%
Util. rate (% , main prod./serv.)	N/A	N/A	N/A	N/A	N/A
ASP (% chg, 2ndary prod./serv.)	N/A	N/A	N/A	N/A	N/A
Unit sales grth (% ,2ndary prod/serv)	N/A	N/A	N/A	N/A	N/A
Util. rate (% , 2ndary prod/serv)	N/A	N/A	N/A	N/A	N/A
ASP (% chg, tertiary prod/serv)	N/A	N/A	N/A	N/A	N/A
Unit sales grth (% ,tertiary prod/serv)	N/A	N/A	N/A	N/A	N/A
Util. rate (% , tertiary prod/serv)	N/A	N/A	N/A	N/A	N/A

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

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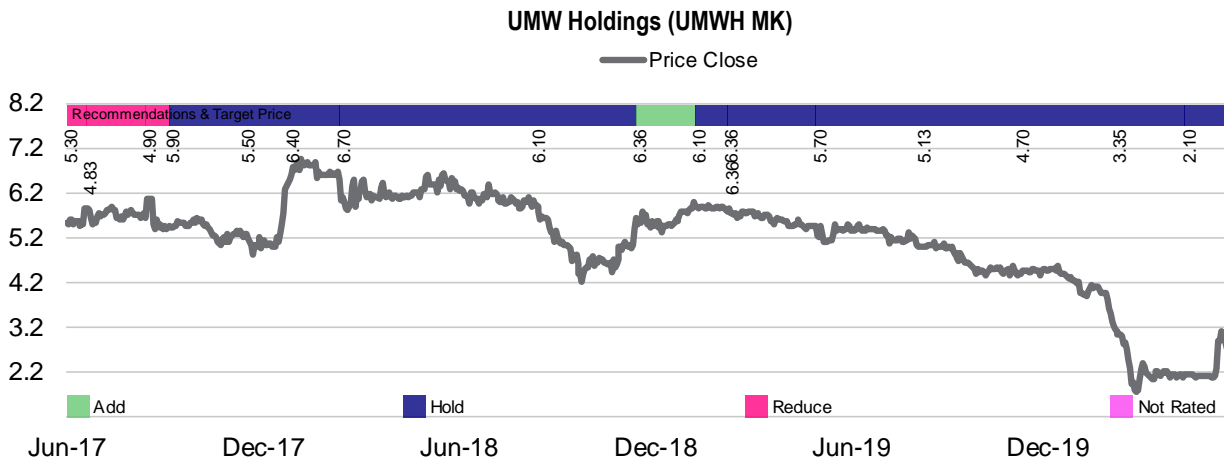
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Distribution of stock ratings and investment banking clients for quarter ended on 31 March 2020		
811 companies under coverage for quarter ended on 31 March 2020		
	Rating Distribution (%)	Investment Banking clients (%)
Add	60.8%	0.1%
Hold	27.6%	0.0%
Reduce	11.6%	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 2019, Anti-Corruption 2019**

**ADVANC** – Excellent, Certified, **AEONTS** – Good, n/a, **AH** – Very Good, n/a, **AMATA** – Excellent, Declared, **ANAN** – Excellent, Declared, **AOT** – Excellent, n/a, **AP** – Excellent, Certified, **ASP** – Very Good, Certified, **BAM** – not available, n/a, **BANPU** – Excellent, Certified, **BAY** – Excellent, Certified, **BBL** – Very Good, Certified, **BCH** – Good, Certified, **BCP** – Excellent, Certified, **BCPG** – Excellent, Certified, **BDMS** – Very Good, n/a, **BEAUTY** – Good, n/a, **BEC** – Very Good, n/a, **BGRIM** – Very Good, Declared, **BH** – Good, n/a, **BJC** – Very Good, n/a, **BJCHI** – Very Good, Certified, **BLA** – Very Good, Certified, **BPP** – Very Good, Declared, **BR** – Good, n/a, **BTS** – Excellent, Certified, **CBG** – Very Good, n/a, **CCET** – Good, n/a, **CENDEL** – Very Good, Certified, **CHAYO** – Good, n/a, **CHG** – Very Good, Declared, **CK** – Excellent, n/a, **COL** – Excellent, Declared, **CPALL** – Excellent, Certified, **CPF** – Excellent, Certified, **CPN** – Excellent, Certified, **CPNREIT** – not available, n/a, **CRC** – not available, n/a, **DELTA** – Excellent, Declared, **DEMCO** – Excellent, Certified, **DDD** – Very Good, n/a, **DIF** – not available, n/a, **DREIT** – not available, n/a, **DTAC** – Excellent, Certified, **EA** – Excellent, n/a, **ECL** – Very Good, Certified, **EGCO** – Excellent, Certified, **EPG** – Very Good, n/a, **ERW** – Very Good, n/a, **GFPT** – Excellent, Certified, **GGC** – Excellent, Certified, **GLOBAL** – Very Good, n/a, **GLOW** – Very Good, Certified, **GPSC** – Excellent, Certified, **GULF** – Very Good, n/a, **GUNKUL** – Excellent, Certified, **HANA** – Excellent, Certified, **HMPRO** – Excellent, Certified, **HUMAN** – Good, n/a, **ICHI** – Excellent, Declared, **III** – Excellent, n/a, **INTUCH** – Excellent, Certified, **IRPC** – Excellent, Certified, **ITD** – Very Good, n/a, **IVL** – Excellent, Certified, **JASIF** – not available, n/a, **BJC** – Very Good, n/a, **JMT** – Very Good, n/a, **KBANK** – Excellent, Certified, **KCE** – Excellent, Certified, **KKP** – Excellent, Certified, **KSL** – Excellent, Certified, **KTB** – Excellent, Certified, **KTC** – Excellent, Certified, **LH** – Excellent, n/a, **LPN** – Excellent, Certified, **M** – Very Good, Certified, **MACO** – Very Good, n/a, **MAJOR** – Very Good, n/a, **MAKRO** – Excellent, Certified, **MALEE** – Excellent, Certified, **MC** – Excellent, Certified, **MCOT** – Excellent, Certified, **MEGA** – Very Good, n/a, **MINT** – Excellent, Certified, **MK** – Very Good, n/a, **MTC** – Excellent, n/a, **NETBAY** – Very Good, n/a, **OSP** – Very Good, n/a, **PLANB** – Excellent, Certified, **PLAT** – Very Good, Certified, **PR9** – Excellent, n/a, **PSH** – Excellent, Certified, **PSTC** – Very Good, Certified, **PTT** – Excellent, Certified, **PTTEP** – Excellent, Certified, **PTTGC** – Excellent, Certified, **QH** – Excellent, Certified, **RATCH** – Excellent, Certified, **ROBINS** – Excellent, Certified, **RS** – Excellent, n/a, **RSP** – not available, n/a, **S** – Excellent, n/a, **SAPPE** – Very Good, Declared, **SAT** – Excellent, Certified, **SAWAD** – Very Good, n/a, **SC** – Excellent, Certified, **SCB** – Excellent, Certified, **SCC** – Excellent, Certified, **SCN** – Excellent, Certified, **SF** – Good, n/a, **SHR** – not available, n/a, **SIRI** – Very Good, Certified, **SPA** – Good, n/a, **SPALI** – Excellent, n/a, **SPRC** – Excellent, Certified, **STA** – Very Good, Certified, **STEC** – Excellent, n/a, **SVI** – Excellent, Certified, **SYNEX** – Excellent, Certified, **TASCO** – Excellent, Certified, **TCAP** – Excellent, Certified, **THANI** – Excellent, Certified, **TIPCO** – Very Good, Certified, **TISCO** – Excellent, Certified, **TKN** – Very Good, n/a, **TMB** – Excellent, Certified, **TNR** – Very Good, Certified, **TOP** – Excellent, Certified, **TPCH** – Good, n/a, **TIPIP** – Good, n/a, **TRUE** – Excellent, Certified, **TU** – Excellent, Certified, **TVO** – Excellent, Declared, **UNIQ** – not available, n/a, **VGI** – Excellent, Certified, **WHA** – Excellent, Certified, **WHART** – not available, n/a, **WICE** – Excellent, Certified, **WORK** – Good, n/a.

1 CG Score 2019 from Thai Institute of Directors Association (IOD)

2 AGM Level 2018 from Thai Investors Association

3 Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of November 30, 2018) are categorised into:

companies that have declared their intention to join CAC, and companies certified by CAC.

4 The Stock Exchange of Thailand : the record of listed companies with corporate sustainable development "Thai sustainability Investment 2018" included:

SET and mai listed companies passed the assessment conducted by the Stock Exchange of Thailand: THSI (SET) and THSI (mai)

SET listed companies passed the assessment conducted by the Dow Jones Sustainability Indices (DJSI)

**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.

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