

**Malaysia**

**ADD** (no change)

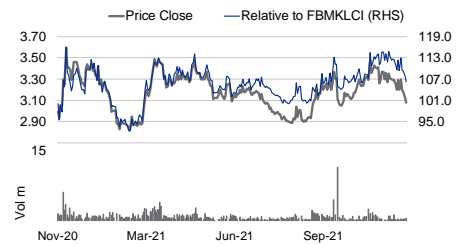
Consensus ratings\*: Buy 9 Hold 3 Sell 0

Current price:	RM3.08
Target price:	RM3.90
Previous target:	RM4.20
Up/downside:	26.7%
CGS-CIMB / Consensus:	8.9%
Reuters:	UMWS.KL
Bloomberg:	UMWH MK
Market cap:	US\$849.0m
	RM3,598m
Average daily turnover:	US\$0.58m
	RM2.41m
Current shares o/s:	1,153m
Free float:	37.8%

\*Source: Bloomberg

**Key changes in this note**

- FY21F EPS decreased by 33%.
- FY22F EPS decreased by 27%.
- FY23F EPS decreased by 13%.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	-9.7	-1	10
Relative (%)	-6.4	4	16

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

**Analyst(s)**



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# UMW Holdings

## 3Q21: hit by shorter operating period

- 9M21 core net profit missed expectations at 8%/9% of our/Bloomberg consensus FY21F PAT due to wider-than-expected losses in 3Q21.
- We expect Toyota and Perodua sales volume to improve from 4Q21F, driven by a combined order backlog in excess of 100k units as at end-Oct.
- We lower EPS by 13-33%. Reiterate Add with a lower RM3.90 TP.

### Deeper in the red in 3Q21 due to FMCO and Phase 1 of NRP

UMW Holdings (UMW) posted a wider headline net loss of RM47.9m in 3Q21 (vs. RM21.1m net loss in 2Q21) due to lower contribution from all divisions – automotive, equipment, and manufacturing & engineering (M&E) - following a shorter operating period in the quarter due to the extended Full Movement Control Order (FMCO) and Phase 1 of the National Recovery Plan (NRP). Stripping out the exceptional items, the group posted a wider RM47.7m core net loss in 3Q21 against RM14.2m core net loss in 2Q21.

### 9M21 core net profit fell 73% yoy

Revenue surged 17.5% yoy in 9M21 to RM7.4bn, mainly due to higher contributions from the automotive and equipment divisions, which grew 24% and 16% yoy, respectively. UMW-Toyota's (UMWT) sales volume rose 23.5% yoy in 9M21 to 46,118 units, outperforming total industry volume, which fell 7% yoy. Meanwhile, Perodua registered a 17.9% yoy drop in 9M21 sales volume, mainly due to semi chip shortages and intermittent disruption at its vendors due to positive Covid-19 cases. The group also incurred a higher tax expense in 9M21, mainly due to losses arising from subsidiaries that cannot be offset against and non-tax deductible expenses. Overall, the group posted a lower RM25.6m core net profit in 9M21 (vs. RM95.6m core net profit in 9M20).

### Revise down FY21-23F EPS but expect a stronger 4Q21F

We revise down our FY21-23F EPS by 13-33% to account for lower contribution from Perodua, lower sales from manufacturing and engineering (M&E) division, and higher effective tax rate in view of Makmur tax implementation in 2022F. Nevertheless, we still expect the group to turn profitable in 4Q21F, driven by recovery in sales and production volume in the automotive segment. UMW-Toyota is raising its FY21F sales volume projections from 62k to 70k in view of a healthy order backlog, which stood at approx. 23k as at end-Oct 21. UMWT's revised forecast of 70k in 2021F implies 24k units or 2x qoq sales volume growth in 4Q21F. Meanwhile, we revise down our Perodua sales volume forecast for FY21F to 205k (-7% yoy) due to the ongoing semi chip shortage; however, this still implies 85k sales volume for 4Q21F, which is 3.9x higher qoq.

### Retain Add with a lower RM3.90 TP

Reiterate our Add rating on the stock with a lower RM3.90 TP, still based on 14x P/E, which is line with our target sector P/E. We also roll over valuation to end-2022F. UMW trades at 14x CY22F P/E, nearly 1 s.d. below its 3-year mean of 17x, and 0.9x CY22F P/BV, below its net asset value of RM3.31/share as at end-Sep 2021.

#### Financial Summary

	Dec-19A	Dec-20A	Dec-21F	Dec-22F	Dec-23F
Revenue (RMm)	11,739	9,555	10,463	11,788	12,471
Operating EBITDA (RMm)	642.5	712.0	823.4	907.0	947.8
Net Profit (RMm)	454.4	204.6	209.6	254.8	323.3
Core EPS (RM)	0.24	0.24	0.18	0.22	0.28
Core EPS Growth	(24.9%)	1.3%	(26.4%)	21.6%	26.9%
FD Core P/E (x)	12.79	12.63	17.17	14.12	11.13
DPS (RM)	0.020	0.040	0.060	0.080	0.080
Dividend Yield	0.65%	1.30%	1.95%	2.60%	2.60%
EV/EBITDA (x)	10.95	9.22	8.73	8.21	7.88
P/FCFE (x)	18.06	3.46	NA	10.64	3.63
Net Gearing	17.0%	6.5%	12.1%	11.7%	8.0%
P/BV (x)	0.97	0.93	0.91	0.89	0.86
ROE	7.99%	7.53%	5.37%	6.40%	7.87%
% Change In Core EPS Estimates			(33.2%)	(26.8%)	(12.9%)
CGS-CIMB/Consensus EPS (x)			0.93	0.80	0.91

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

## Key catalysts and risks >

We see a higher take-up for new launches, potential extension of sales tax holiday, introduction of new CKD models, and the strengthening of the ringgit vs. US\$ as potential re-rating catalysts. Delays in new CKD launches, drag from its equipment and M&E divisions, and a weakening ringgit vs. US\$ as key downside risks to our call.

**Figure 1: Results comparison**

FYE Dec (RM m)	3Q21	3Q20	yoy % chg	2Q21	qoq % chg	3Q21 Cum	3Q20 Cum	yoy % chg	Prev. FY21F	Comments
Revenue	2,016	2,663	(24.3)	2,445	(17.5)	7,416	6,312	17.5	10,779	Stronger yoy on higher sales volume at UMW-Toyota
Operating costs	(1,894)	(2,513)	(24.6)	(2,332)	(18.8)	(7,019)	(5,895)	19.1	(9,928)	
<b>EBITDA</b>	<b>122</b>	<b>149.9</b>	<b>(18.4)</b>	<b>113</b>	<b>8.0</b>	<b>396</b>	<b>418</b>	<b>(5.1)</b>	<b>851</b>	
EBITDA margin (%)	6.1	5.6		4.6		5.3	6.6		7.9	
Depn & amort.	(84)	(90)	(6.6)	(86)	(2.2)	(251)	(277)	(9.2)	(365)	
<b>EBIT</b>	<b>38.5</b>	<b>60.2</b>	<b>(36.1)</b>	<b>27.6</b>	<b>39.7</b>	<b>145.1</b>	<b>140.7</b>	<b>3.1</b>	<b>486.1</b>	
Interest expense	(25)	(27)	(4.5)	(26)	(1.4)	(78)	(86)	(9.2)	(119)	Total borrowings of RM2.3bn as at end-Sep 2021
Interest & invt inc	9	10	(11.0)	12	(25.8)	35	41	(14.4)	82	Total cash of RM1.8bn as at end-Sep 2021
Associates' contrib	(6)	94	> 100	25	> 100	107	96	10.9	262	
Exceptionals	(0)	21	> 100	(7)	(97.1)	3	(28)	> 100	0	Reversal of impairment on receivables
<b>Pretax profit</b>	<b>16</b>	<b>160</b>	<b>(89.7)</b>	<b>33</b>	<b>(49.5)</b>	<b>212</b>	<b>164</b>	<b>29.3</b>	<b>711</b>	
Tax	(26)	(42)	(37.9)	(11)	> 100	(76)	(51)	48.7	(171)	
Tax rate (%)	158.0	26.3		34.0		36.1	31.4		24.0	
Minority interests	(38)	(16)	> 100	(43)	(10.0)	(107)	(45)	> 100	(227)	
Net profit	(47.9)	101	> 100	(21.1)	> 100	28	67	(57.9)	314	Below expectation
<b>Core net profit</b>	<b>(47.7)</b>	<b>80</b>	<b>&gt; 100</b>	<b>(14.2)</b>	<b>&gt; 100</b>	<b>26</b>	<b>96</b>	<b>(73.2)</b>	<b>314</b>	<b>9M21 core net profit made up 8% of CGS-CIMB</b>
EPS (sen)	(4.1)	8.7	> 100	(1.8)	> 100	2.4	5.7	(57.9)	26.9	and 9% of Bloomberg consensus full-year estimates
Core EPS (sen)	(4.1)	6.8	> 100	(1.2)	> 100	2.2	8.2	(73.2)	26.9	

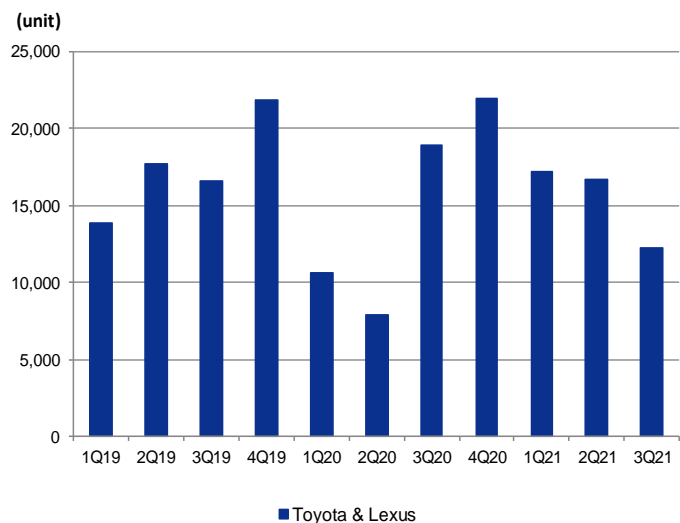
SOURCES: CIMB RESEARCH, COMPANY REPORTS

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

Revenue (RM m)	3Q21	3Q20	yoy % chg	2Q21	qoq % chg	3Q21 Cum	3Q20 Cum	yoy % chg	
Automotive	1,591	2,128	(25.2)	1,982	(19.7)	5,969	4,815	23.9	UMW-Toyota sales volume rose 24% yoy in 9M21
Equipment	316	297	6.4	300	5.3	948	819	15.7	
Manufacturing & Engineering	110	242	(54.5)	160	(31.1)	500	674	(25.8)	Lower Aerospace fan case shipment volume
Others	(1)	(3)	(81.1)	3	> 100	(2)	3	> 100	
<b>Total</b>	<b>2,016</b>	<b>2,663</b>	<b>(24.3)</b>	<b>2,445</b>	<b>(17.5)</b>	<b>7,416</b>	<b>6,312</b>	<b>17.5</b>	
PBT (RM m)	3Q21	3Q20	yoy % chg	2Q21	qoq % chg	3Q21 Cum	3Q20 Cum	yoy % chg	
Automotive	27	132	(79.2)	35	(20.9)	208	144	44.6	Driven by higher sales volume
Equipment	24	34	(28.5)	32	(23.6)	78	84	(7.5)	
Manufacturing & Engineering	8	20	(59.8)	(6)	> 100	10	39	(73.0)	
Others	(43)	(26)	64.5	(28)	56.2	(84)	(103)	(18.1)	
<b>Total</b>	<b>16</b>	<b>160</b>	<b>(89.7)</b>	<b>33</b>	<b>(49.5)</b>	<b>212</b>	<b>164</b>	<b>29.3</b>	
PBT margin	3Q21	3Q20	yoy % chg	2Q21	qoq % chg	3Q21	3Q20	% pts chg	
Automotive	1.7	6.2	(4.5)	1.7	(0.0)	3.5	3.0	0.5	
Equipment	7.7	11.5	(3.8)	10.6	(2.9)	8.2	10.3	(2.1)	
Manufacturing & Engineering	7.4	8.4	(1.0)	(3.8)	11.2	2.1	5.8	(3.7)	
<b>Total</b>	<b>0.8</b>	<b>6.0</b>	<b>(5.2)</b>	<b>1.3</b>	<b>(0.5)</b>	<b>2.9</b>	<b>2.6</b>	<b>0.3</b>	

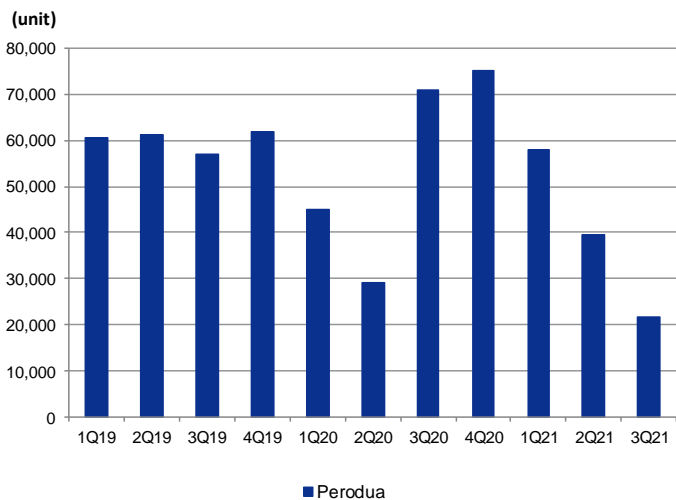
SOURCES: CIMB RESEARCH, COMPANY REPORTS

**Figure 3: Historical UMWT sales volume**



SOURCES: CIMB RESEARCH, COMPANY REPORTS

**Figure 4: Historical Perodua sales volume**



SOURCES: CIMB RESEARCH, COMPANY REPORTS

**Figure 5: UMW's 1-year forward P/E (x)**



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 6: Earnings revision**

	Previous			2021F	Revised			Changes		
	2021F	2022F	2023F		2022F	2023F	2021F	2022F	2023F	
Revenue	10,779	12,136	12,853	10,463	11,788	12,471	-2.9%	-2.9%	-3.0%	
EBITDA	851	929	993	823	907	948	-3.2%	-2.3%	-4.6%	
Pretax Profit	711	780	829	598	714	767	-16.0%	-8.5%	-7.5%	
Net Profit	314	348	371	210	255	323	-33.2%	-26.8%	-12.9%	
EPS	27	30	32	18	22	28	-33.2%	-26.8%	-12.9%	

SOURCES: CIMB RESEARCH, COMPANY REPORTS

Figure 7: Sector comparison

Company	Ticker	Recom.	Price (RM)	Target Price (RM)	Mkt Cap (US\$ m)	P/E (x)		P/BV (x)		Recurring ROE (%)		EV/EBITDA (x)		Dividend Yield (%)	
						CY21F	CY22F	CY21F	CY22F	CY21F	CY22F	CY21F	CY22F	CY21F	CY22F
Bermaz Auto Berhad	BAUTO MK	Add	1.53	1.90	420	13.2	12.5	2.8	2.6	23.1%	21.6%	6.4	5.7	4.2%	4.8%
DRB-Hicom	DRB MK	Hold	1.54	1.65	702	na	19.7	0.4	0.4	-2.5%	2.0%	5.6	4.9	0.0%	0.0%
Tan Chong Motor Holdings	TCM MK	Reduce	1.12	0.97	172	na	na	0.3	0.3	-2.1%	-0.3%	10.9	8.9	0.9%	0.9%
UMW Holdings	UMWH MK	Add	3.08	3.90	849	17.2	14.1	0.9	0.9	5.5%	6.4%	8.4	8.2	1.9%	2.6%
Sime Darby Bhd	SIME MK	Add	2.20	2.55	3,531	12.1	12.7	0.9	0.9	7.9%	7.3%	4.4	4.2	6.3%	4.8%
<b>Sector average</b>						<b>18.0</b>	<b>14.0</b>	<b>0.8</b>	<b>0.8</b>	<b>4.4%</b>	<b>5.5%</b>	<b>5.5</b>	<b>5.2</b>	<b>4.5%</b>	<b>3.7%</b>

SOURCES: CIMB RESEARCH, COMPANY REPORTS

## ESG in a nutshell



UMW Holdings is ranked in top 26-50% in ESG Ratings among FBM EMAS PLCs by FTSE Russell. UMW Holdings has four pillars to guide its sustainability journey – 1) Innovative and high performance culture, 2) Dynamic workforce, 3) Environmental stewardship, and 4) Nurturing the community and society. We deemed UMW Holdings as having one of the best policies to tackle the environmental components under ESG among Malaysian automakers, riding on its principal partner, Toyota.

### Keep your eye on

Global automakers are increasing their efforts to achieve cleaner exhaust emissions and improve fuel economy in order to reduce CO2 emissions and the world's dependence on fossil fuels. The Malaysian government plans to waive import duty, excise duty, sales tax and road tax as positive moves to promote EV adoption in the domestic market from 2022-2025.

### Implications

The structural shift from internal combustion engines (ICE) to hybrid and EVs will pose major long-term challenges for domestic players. UMW-Toyota is investing RM270m into local manufacturing of hybrid EVs at Bukit Raja Plant. This is part of the group's initiatives towards carbon neutrality and to offer cleaner vehicle options to Malaysian consumers. Meanwhile Perodua is conducting a feasibility study on electrification and hybrid technology viability.

### ESG highlights

UMW-Toyota aims to achieve zero emission and net positive environmental impact by 2050, which is based on Toyota Environmental Challenge 2050. Under this strategy, the group has installed 2 MWp solar PV systems that generate 8,239 GJ of solar energy per year at Toyota ASSB Shah Alam and Bukit Raja plant.

### Implications

The group increased its solar energy generation by 22% in 2020 compared to 2019 following the commissioning of the Toyota ASSB Bukit Raja plant. Overall, the group generated 2.1% of its energy consumption in 2020 from renewable sources.

### Trends

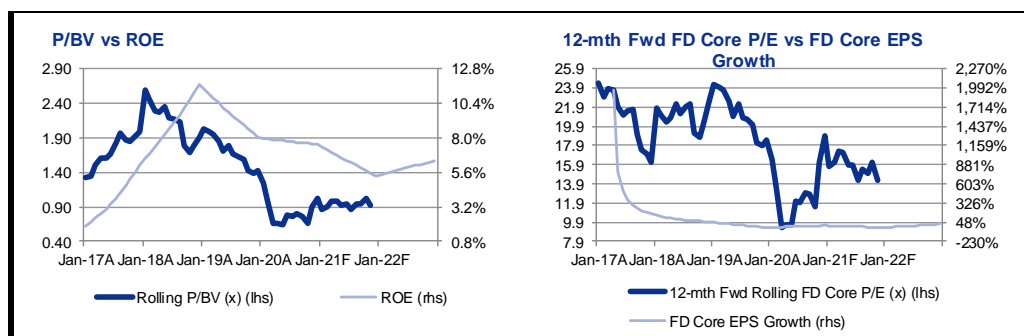
The group rely on 9,471 suppliers globally to ensure smooth daily operations. UMW spent 33.6% or RM1.6bn of its procurement budget on local suppliers, which represented 44.5% of its total suppliers. The group aims to include more social and governance aspects into its procurement process in order to develop a sustainable supply chain for long-term value creation.

### Implications

We believe supporting local suppliers will help to foster the growth of its domestic vendor ecosystem and contribute to the local economy. UMW-Toyota is also incentivised to promote a higher local content adoption for its completed-knocked down (CKD) programme. This will allow the group to benefit from higher excise duty waiver under the industrial linkage programme.

SOURCES: CGS-CIMB RESEARCH, REFINITIV

## BY THE NUMBERS



### Profit & Loss

(RMm)	Dec-19A	Dec-20A	Dec-21F	Dec-22F	Dec-23F
<b>Total Net Revenues</b>	<b>11,739</b>	<b>9,555</b>	<b>10,463</b>	<b>11,788</b>	<b>12,471</b>
<b>Gross Profit</b>	<b>1,761</b>	<b>1,529</b>	<b>1,674</b>	<b>1,886</b>	<b>1,995</b>
<b>Operating EBITDA</b>	<b>642</b>	<b>712</b>	<b>823</b>	<b>907</b>	<b>948</b>
Depreciation And Amortisation	(346)	(374)	(365)	(377)	(390)
<b>Operating EBIT</b>	<b>296</b>	<b>338</b>	<b>459</b>	<b>530</b>	<b>558</b>
Financial Income/(Expense)	(62)	(61)	(54)	(53)	(43)
Pretax Income/(Loss) from Assoc.	276	204	192	237	251
Non-Operating Income/(Expense)	0	0	0	0	0
<b>Profit Before Tax (pre-EI)</b>	<b>510</b>	<b>481</b>	<b>598</b>	<b>714</b>	<b>767</b>
Exceptional Items	231	(80)	0	0	0
<b>Pre-tax Profit</b>	<b>741</b>	<b>401</b>	<b>598</b>	<b>714</b>	<b>767</b>
Taxation	(112)	(78)	(161)	(214)	(192)
Exceptional Income - post-tax					
<b>Profit After Tax</b>	<b>629</b>	<b>323</b>	<b>436</b>	<b>500</b>	<b>575</b>
Minority Interests	(174)	(118)	(227)	(245)	(252)
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
<b>Net Profit</b>	<b>454</b>	<b>205</b>	<b>210</b>	<b>255</b>	<b>323</b>
Recurring Net Profit	281	285	210	255	323
<b>Fully Diluted Recurring Net Profit</b>	<b>281</b>	<b>285</b>	<b>210</b>	<b>255</b>	<b>323</b>

### Cash Flow

(RMm)	Dec-19A	Dec-20A	Dec-21F	Dec-22F	Dec-23F
<b>EBITDA</b>	<b>642.5</b>	<b>712.0</b>	<b>823.4</b>	<b>907.0</b>	<b>947.8</b>
Cash Flow from Inv. & Assoc.					
Change In Working Capital	(83.7)	449.7	(634.1)	(328.4)	(169.2)
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense					
Other Operating Cashflow	0.0	373.2	364.5	377.0	389.5
Net Interest (Paid)/Received	(61.6)	(61.1)	(53.5)	(52.8)	(42.7)
Tax Paid	(129.6)	(88.4)	(161.4)	(214.3)	(191.7)
<b>Cashflow From Operations</b>	<b>367.6</b>	<b>1,385.3</b>	<b>339.0</b>	<b>688.6</b>	<b>933.8</b>
Capex	(237.3)	(400.0)	(400.0)	(400.0)	0.0
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments					
Other Investing Cashflow	68.9	54.4	51.3	49.6	57.4
<b>Cash Flow From Investing</b>	<b>(168.3)</b>	<b>(345.6)</b>	<b>(348.7)</b>	<b>(350.4)</b>	<b>57.4</b>
Debt Raised/(repaid)					
Proceeds From Issue Of Shares					
Shares Repurchased					
Dividends Paid	(23.4)	(46.7)	(70.1)	(93.5)	(93.5)
Preferred Dividends					
Other Financing Cashflow	(69.7)	(69.9)	(70.0)	(70.0)	(70.0)
<b>Cash Flow From Financing</b>	<b>(93.0)</b>	<b>(116.6)</b>	<b>(140.1)</b>	<b>(163.5)</b>	<b>(163.5)</b>
Total Cash Generated	106.2	923.2	(149.9)	174.7	827.7
<b>Free Cashflow To Equity</b>	<b>199.2</b>	<b>1,039.7</b>	<b>(9.8)</b>	<b>338.2</b>	<b>991.2</b>
<b>Free Cashflow To Firm</b>	<b>329.7</b>	<b>1,155.2</b>	<b>95.0</b>	<b>440.7</b>	<b>1,091.3</b>

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	1,472	2,051	1,655	1,640	1,872
Total Debtors	1,454	1,202	1,610	1,814	1,919
Inventories	1,590	1,439	1,731	1,950	2,063
Total Other Current Assets	1,131	1,299	1,299	1,299	1,299
<b>Total Current Assets</b>	<b>5,646</b>	<b>5,992</b>	<b>6,295</b>	<b>6,703</b>	<b>7,153</b>
Fixed Assets	2,702	2,463	2,498	2,521	2,532
Total Investments	171	284	284	284	284
Intangible Assets	0	0	0	0	0
Total Other Non-Current Assets	2,616	2,708	2,708	2,708	2,708
<b>Total Non-current Assets</b>	<b>5,488</b>	<b>5,455</b>	<b>5,491</b>	<b>5,514</b>	<b>5,524</b>
Short-term Debt	386	524	524	524	524
Current Portion of Long-Term Debt					
Total Creditors	2,077	2,156	2,221	2,316	2,365
Other Current Liabilities	138	116	116	116	116
<b>Total Current Liabilities</b>	<b>2,601</b>	<b>2,796</b>	<b>2,861</b>	<b>2,956</b>	<b>3,005</b>
Total Long-term Debt	2,123	1,942	1,942	1,942	1,942
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	312	291	291	291	291
<b>Total Non-current Liabilities</b>	<b>2,436</b>	<b>2,234</b>	<b>2,234</b>	<b>2,234</b>	<b>2,234</b>
Total Provisions	0	0	0	0	0
<b>Total Liabilities</b>	<b>5,037</b>	<b>5,030</b>	<b>5,095</b>	<b>5,190</b>	<b>5,238</b>
Shareholders' Equity	3,696	3,868	3,938	4,029	4,189
Minority Interests	2,402	2,549	2,776	3,021	3,273
<b>Total Equity</b>	<b>6,098</b>	<b>6,417</b>	<b>6,713</b>	<b>7,050</b>	<b>7,462</b>

### Key Ratios

	Dec-19A	Dec-20A	Dec-21F	Dec-22F	Dec-23F
Revenue Growth	3.9%	(18.6%)	9.5%	12.7%	5.8%
Operating EBITDA Growth	(1.1%)	10.8%	15.6%	10.2%	4.5%
Operating EBITDA Margin	5.47%	7.45%	7.87%	7.69%	7.60%
Net Cash Per Share (RM)	(0.89)	(0.36)	(0.69)	(0.71)	(0.51)
BVPS (RM)	3.16	3.31	3.37	3.45	3.59
Gross Interest Cover	2.27	2.93	4.38	5.17	5.58
Effective Tax Rate	15.2%	19.4%	27.0%	30.0%	25.0%
Net Dividend Payout Ratio	7.0%	12.9%	18.9%	19.9%	18.1%
Accounts Receivables Days	39.45	50.88	49.05	53.00	54.62
Inventory Days	57.39	69.06	65.82	67.83	69.91
Accounts Payables Days	25.51	28.38	29.70	29.30	30.20
ROIC (%)	4.08%	4.64%	6.71%	7.06%	7.10%
ROCE (%)	4.26%	4.49%	5.65%	6.20%	6.33%
Return On Average Assets	5.23%	4.80%	5.61%	6.39%	6.50%

### Key Drivers

	Dec-19A	Dec-20A	Dec-21F	Dec-22F	Dec-23F
USDMYR	4.2	4.2	4.1	4.1	4.1

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

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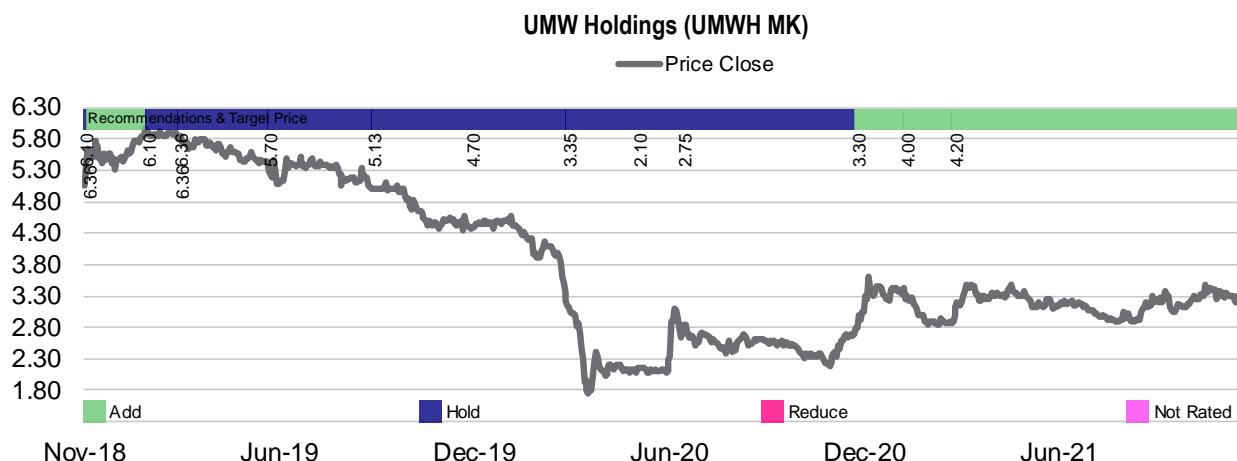
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Distribution of stock ratings and investment banking clients for quarter ended on 30 September 2021		
623 companies under coverage for quarter ended on 30 September 2021		
	Rating Distribution (%)	Investment Banking clients (%)
Add	72.4%	1.1%
Hold	20.1%	0.0%
Reduce	7.5%	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, **CENTEL** – 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.

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.

