

RS

(RS.BK/RS TB)*

Neutral • Maintained

Price as of 7 Aug 2020	18.10
12M target price (Bt/shr)	18.50
Unchanged/Revised up(down)(%)	8.8
Upside/downside (%)	2.2

Key messages

RS reported a 2Q20 net profit of Bt109mn (-42% QoQ, +14% YoY). The decline QoQ was due to revenue declining 15% QoQ and gross margin narrowing due to lower content sales. The strong growth YoY was driven by gross margin improving thanks to a greater proportion of RS's owned products, which contribute a high margin. The 1H20 earnings were Bt295mn, accounting for 62% of our full-year forecast, so we revised up our forecasts by 14% to Bt546mn for 2020F and 9% to Bt581mn for 2021F. After the revision, our 2021 target price is raised to Bt18.50 (PER 30.9x, average of the commerce sector), from Bt17.00. We maintain a Neutral rating due to limited upside from the current market price.

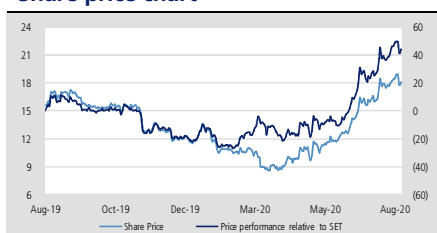
Trading data

Mkt cap (Btbn/US\$mn)	17.6/564
Outstanding shares (mn)	973
Foreign ownership (mn)	59
3M avg. daily trading (mn)	14
52-week trading range (Bt)	8.40 – 19.20
Performance (%)	3M 6M 12M
Absolute	77.5 66.1 11.7
Relative	69.7 92.5 40.5

Quarterly EPS

	1Q	2Q	3Q	4Q
2018	0.10	0.17	0.11	0.13
2019	0.11	0.09	0.09	0.07
2020	0.19	0.11	NA	NA

Share price chart



Source: SET

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2Q20 earnings review: Beat expectation

Event

RS reported a 2Q20 net profit of Bt109mn (-42% QoQ, +14% YoY). The result was 21% above our forecast and 25% above the consensus.

Impact

2Q20 earnings driven by strong growth from commerce segment

Earnings were better than expected due to revenue being 3% higher than expected, mainly from the commerce segment. The slowdown QoQ was due to i) revenue declining 15% QoQ to Bt833mn along with declines in all segments except the commerce segment, which grew to Bt586mn (+17% QoQ), ii) gross margin declining 3ppts QoQ to 52.7%, and iii) SG&A/sales increasing from 31.4% in 1Q20 to 35.2%. Growth YoY was driven by gross margin improving to 52.7%, from 44.0% in 2Q19, along with revenue from the commerce segment increasing 8% YoY thanks to a greater proportion of RS's own products, which contributes a high margin.

Profit growth expected to continue in 3Q20

The outlook for the company's 3Q20 – 4Q20 earnings are still bright as we expect profit to grow both QoQ and YoY backed by i) lower bases in 3Q19 and 4Q19, ii) anticipated ongoing growth from the commerce segment, iii) expected improvement in media revenue as RS prepares to broadcast new programs, particularly dramas and boxing programs, that are expected to push ratings from 3Q20 onward, and iv) revenue from music and showbiz segment after the ease of lockdown restrictions since late 2Q20.

Our 2020 - 2021 forecasts are revised up

As 1H20 net profit accounted for 62% of our full-year forecast, we revised our earnings forecasts for 2020 – 2021. Key assumption changes were i) raised revenue up 4% for both 2020 and 2021 due to upward revision in revenue from commerce segment, ii) raised gross margin by 7% in 2020 and 4% in 2021, and iii) raised SG&A/Sales up by 2% for both 2020 and 2021. After the revisions, our earnings forecasts are raised 14% to Bt546mn (+50% YoY) in 2020F and up 9% to Bt581mn (+6% YoY) in 2021F.

Valuation & Action

Based on the new forecast, our 2021 target price is raised to Bt18.50 (PER 30.9x, average of commerce sector), from Bt17.00. We maintain a rating of Neutral for RS due to limited upside from the current market price.

Risks

Lower than expected revenue from commerce segment.

Key financials and valuations

	Dec-18A	Dec-19A	Dec-20F	Dec-21F	Dec-22F
Revenue (Btmn)	3,827	3,611	3,619	3,893	3,962
Gross Profit (Btmn)	1,621	1,591	1,875	1,949	1,982
EBIT (Btmn)	567	491	684	749	773
Net Profit (Btmn)	516	363	546	581	604
Normalized Profit (Btmn)	440	363	533	581	604
EPS (Bt)	0.51	0.37	0.56	0.60	0.62
DPS (Bt)	0.45	0.30	0.35	0.40	0.45
EPS growth (%)	55.0	(26.9)	50.2	6.4	3.9
P/E (x)	29.0	32.9	32.3	30.3	29.2
P/B (x)	8.94	6.93	8.88	7.89	7.17
EV/EBITDA (x)	12.7	11.2	13.8	12.7	12.1
Net debt/Equity (x)	0.2	0.3	0.1	Net cash	Net cash
Dividend yield (%)	3.0	2.4	1.9	2.2	2.5
Return on Average Equity (%)	33.6	21.4	29.4	27.6	25.8

Source: Company data, KGI Research

*The Company may be issuer of Derivative Warrants on these securities.

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Figure 1: RS's 2Q20 earnings review

Bt mn	2Q20	2Q19	YoY (%)	1Q20	QoQ(%)	1H20	1H19	YoY (%)	Comments
Revenue	833	900	(7.5)	985	(15.4)	1,818	1,829	(0.6)	Lower revenue YoY was due to slowdowns in all segments except commerce
Gross profit	439	396	10.7	547	(19.8)	986	823	19.8	
SG&A	(293)	(276)	6.3	(309)	(5.3)	(602)	(550)	9.6	
Operating profit	146	121	20.9	238	(38.7)	383	273	40.4	
Operating EBITDA	268	259	3.4	360	(25.5)	628	573	9.6	
Other revenue	0	3	(88.7)	3	(90.8)	4	4	(10.3)	
Interest expense	(10)	(8)	22.8	(9)	9.0	(18)	(23)	(20.9)	
Current taxation	(28)	(20)	36.8	(46)	(39.2)	(74)	(49)	50.3	
Minorities	(0)	0	(134.3)	(0)	392.0	(0)	0	NM	
Core profit	109	95	14.1	173	(37.4)	282	205	37.4	2Q20 core profit up 14% YoY thanks to larger gross margin
Extra item	-	-	-	13	(100.0)	13	0	12,081.4	
Net profit	109	95	14.1	186	(41.8)	295	205	43.7	
EPS (Bt)	0.11	0.10	14.1	0.19	(41.8)	0.30	0.21	43.7	
Percent	2Q20	2Q19	YoY (%)	1Q20	QoQ(%)	1H20	1H19	YoY (%)	
Gross margin	52.7	44.0	8.7	55.6	(2.9)	54.2	45.0	9.2	Gross margin pushed by commerce segment that contributed high margin
SG&A/sales	35.2	30.6	4.5	31.4	3.8	33.1	30.1	3.1	
Net profit margin	13.0	10.6	2.5	18.9	(5.9)	16.2	11.2	5.0	

Source: Company data, KGI Research

Figure 2: Operational statistics

	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	Change (%)	
											QoQ	YoY
Revenue (Btmn)	969	955	837	1,068	929	900	887	896	985	833	(15.4)	(7.5)
1. Media (TV+radio)	307	364	300	374	287	262	270	250	376	221	(41.2)	(15.6)
2. Music+Showbiz	82	87	78	108	79	96	174	181	109	26	(76.6)	(73.4)
3. Commerce	580	504	459	586	563	542	443	465	500	586	17.2	8.2
Gross margin	39.9	41.4	40.8	46.7	45.9	44.0	44.3	41.9	55.6	52.7	(2.9)	8.7
SG&A/Sales	25.2	27.4	27.5	29.9	29.5	30.6	30.1	31.6	31.4	35.2	3.8	4.5
Net margin	10.5	18.0	12.7	12.7	11.9	10.6	10.4	7.3	18.9	13.0	(5.9)	2.5

Source: Company data

Figure 3: Financial highlights

Financial highlights	2017A	2018A	2019A	2020F	2021F
Revenue (Bt mn)					
Previous	3,502	3,827	3,611	3,491	3,753
Revised	3,502	3,827	3,611	3,619	3,893
Change (%)	-	-	-	3.7	3.7
Gross margin (%)					
Previous	38.8	42.4	44.1	48.2	48.4
Revised	38.8	42.4	44.1	51.8	50.1
-Change (%)	-	-	-	7.4	3.4
SG&A/Sales (%)					
Previous	26.6	27.6	30.5	30.9	28.7
Revised	26.6	27.6	30.5	32.9	30.8
Change (%)	-	-	-	2.0	2.1
Net profit (Bt mn)					
Previous	333	516	363	478	533
Revised	333	516	363	546	581
Change (%)	-	-	-	14.3	9.1

Source: Company data, KGI Research

Figure 4: Key assumptions

Key assumptions	2020F		Change (%)	2021F		Change (%)
	Previous	Revised		Previous	Revised	
Revenue	3,491	3,619	3.7	3,654	3,893	6.5
Media segment	1,009	1,009	-	1,083	1,083	-
TV	626.34	626	-	573.78	574	-
Radio	133	133	-	159.6	160	-
Music & Showbiz	250	250	-	350	350	-
Content for partners	250	250	-	200	200	-
Commerce segment	2,232	2,360	5.7	2,370	2,610	10.1
Avg sales/month (Bt mn)	186	197	5.7	198	217	10.1
-Ch.8	157	167	6.8	172	184	6.8
-Thairath TV	15	15	-	17	17	-
-Workpoint TV	7	7	-	7	7	-
-Amarin TV	7	7	-	10	10	-
Gross margin	48.2	51.8	3.6	48.4	50.1	1.7
SG&A/Sales	30.9	32.9	2.0	30.5	30.8	0.3

Source: KGI Research

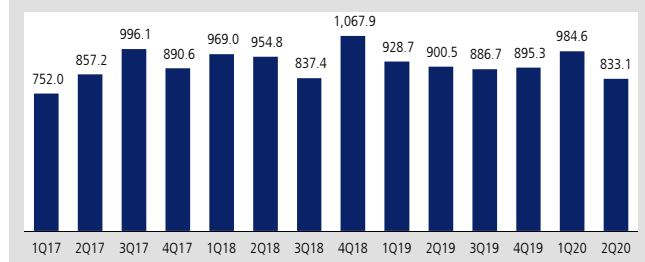
Figure 5: Company profile

RS Public Company Limited (RS) started its business in 1976 as a full range music company. It expanded to other media business such as radio station, TV content provider, satellite TV stations, and showbiz. The company started its terrestrial TV business in April 2014 after receiving a digital TV license from the National Broadcasting and Telecommunication Commission (NBTC) in late 2013. RS also expanded into the health & beauty (H&B) segment in late 2014. Currently, the company's existing businesses can be broken down into four segments that are i) media (TV, radio), ii) music, iii) showbiz and iv) Health & Beauty that transform to RS Mall.

Source: Company data

Figure 7: Total sales and service revenue

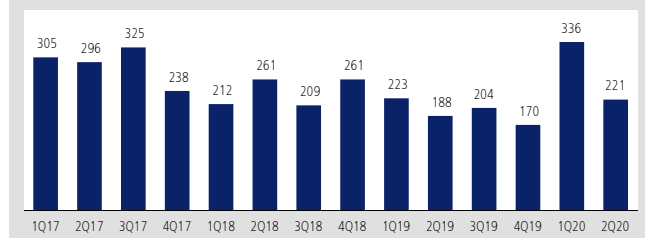
Sales and service revenue, Bt mn



Source: Company data

Figure 9: Media (TV, radio) revenue

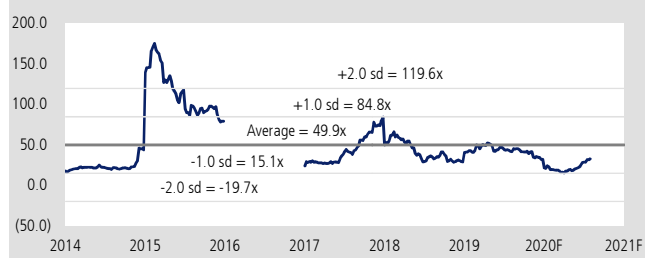
Media revenue, Bt mn



Source: Company data

Figure 11: PER band

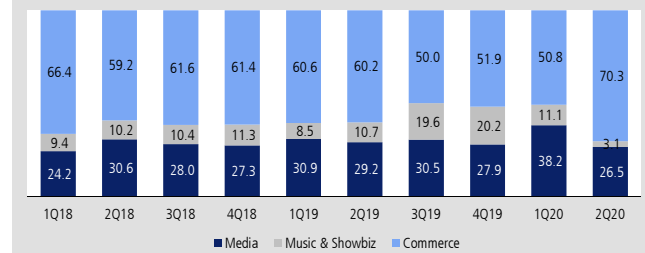
PER, Times



Source: KGI Research

Figure 6: Breakdown of sales and service revenue

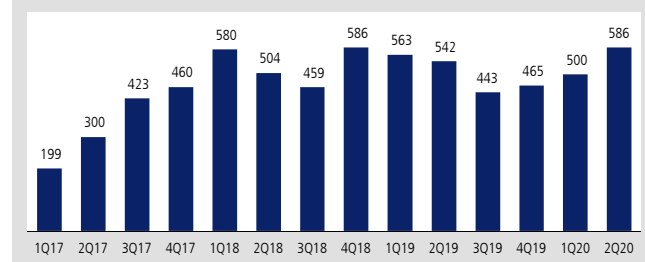
Sales and service revenue, percent



Source: Company data

Figure 8: RS's commerce segment revenue

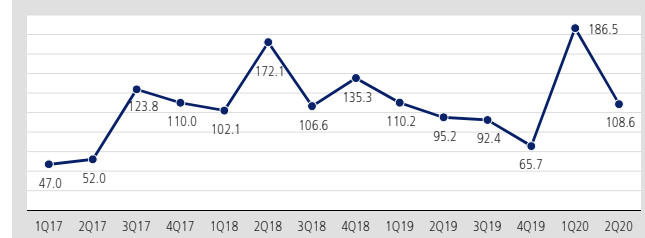
Commerce segment revenue, Bt mn



Source: Company data

Figure 10: Net profit

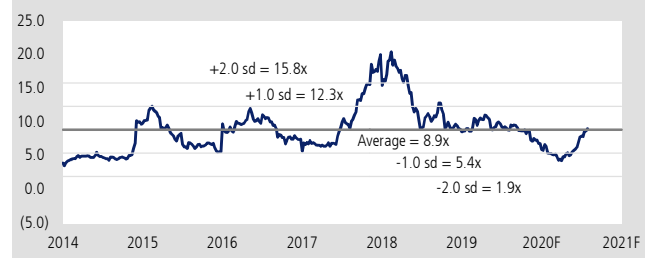
Net profit (loss), Bt mn



Source: Company data

Figure 12: PBV band

PBV, Times



Source: KGI Research

Quarterly Income Statement

	Mar-18A	Jun-18A	Sep-18A	Dec-18A	Mar-19A	Jun-19A	Sep-19A	Dec-19A	Mar-20A	Jun-20A
Income Statement (Bt mn)										
Revenue	969	955	837	1,066	929	900	887	895	985	833
Cost of Goods Sold	(582)	(560)	(496)	(568)	(502)	(504)	(494)	(520)	(437)	(394)
Gross Profit	387	395	341	498	427	396	393	375	547	439
Operating Expenses	(244)	(261)	(230)	(319)	(274)	(276)	(267)	(283)	(309)	(293)
Other incomes	-	-	-	-	-	-	-	-	-	-
Operating Profit	143	133	111	179	153	121	125	93	238	146
Depreciation of fixed assets	(156)	(119)	(171)	(163)	(161)	(139)	(144)	(133)	(122)	(122)
Operating EBITDA	299	253	283	343	313	259	270	226	360	268
Non-Operating Income	4	98	15	11	1	5	7	-	6	0
Interest Income	-	-	-	-	-	-	-	-	-	-
Other Non-op Income	4	98	15	11	1	5	7	-	6	0
Non-Operating Expenses	(20)	(16)	(18)	(19)	(15)	(10)	(9)	(9)	(11)	(10)
Interest Expense	(19)	(16)	(17)	(17)	(15)	(8)	(6)	(6)	(9)	(10)
Other Non-op Expenses	(1)	-	(1)	(2)	(0)	(2)	(3)	(3)	(2)	(0)
Net investment Income/(Loss)	-	-	-	-	-	-	-	-	-	-
Pre-tax Profit	127	216	109	172	139	116	123	84	232	137
Current taxation	(25)	(44)	(2)	(37)	(29)	(20)	(30)	(18)	(46)	(28)
Minorities	0	0	(0)	0	0	0	(1)	(0)	(0)	(0)
Extraordinary items	-	-	-	-	0	-	-	-	13	-
Net Profit	102	172	107	135	110	95	92	66	186	109
EPS (Bt)	0.10	0.17	0.11	0.13	0.11	0.09	0.09	0.07	0.19	0.11
Margins (%)										
Gross profit margin	39.9	41.4	40.8	46.7	45.9	44.0	44.3	41.9	55.6	52.7
Operating margin	14.7	14.0	13.3	16.8	16.4	13.4	14.2	10.4	24.1	17.5
Operating EBITDA margin	30.8	26.5	33.8	32.2	33.7	28.8	30.4	25.3	36.5	32.2
Net profit margin	10.5	18.0	12.7	12.7	11.9	10.6	10.4	7.3	18.9	13.0
Growth (%)										
Revenue growth	28.9	11.3	(15.9)	18.9	(4.2)	(5.7)	5.9	(16.0)	6.0	(7.5)
Operating growth	438.7	68.9	(35.1)	20.4	6.8	(9.7)	12.7	(48.2)	55.8	20.9
Operating EBITDA growth	77.3	14.4	(8.7)	20.1	5.0	2.6	(4.6)	(34.0)	14.7	3.4
Net profit growth	116.9	230.6	(13.9)	23.1	8.0	(44.7)	(13.4)	(51.5)	69.4	14.1

Source: KGI Research

Peer comparison – Key valuation stats

	Rating	Target price (Bt)	Current price (Bt)	Upside (%)	19A EPS (Bt)	20F EPS (Bt)	21F EPS (Bt)	20F EPS gr. (%)	21F EPS gr. (%)	20F PER (x)	21F PER (x)	20F PBV (X)	21F PBV (X)	20F Div Yield (%)	20F ROAE (%)
CPALL*	N	79.00	68.25	15.8	2.55	2.21	2.60	(13.3)	17.6	30.8	26.3	5.2	4.7	1.9	17.7
DOHOME*	OP	12.00	12.80	(6.3)	0.39	0.28	0.37	(28.2)	32.1	44.7	33.9	3.7	3.4	0.7	8.9
GLOBAL*	OP	19.00	19.80	(4.0)	0.50	0.41	0.55	(18.1)	34.1	46.6	34.7	4.8	4.5	1.1	10.7
HMPRO*	N	17.70	15.80	12.0	0.47	0.39	0.49	(17.0)	25.6	40.5	32.1	9.6	8.9	2.0	24.0
MAKRO	N	38.00	40.50	(6.2)	1.30	1.39	1.50	7.1	7.4	29.1	27.1	8.6	7.9	2.6	30.9
MEGA*	N	37.00	37.50	(1.3)	1.31	1.44	1.54	9.9	7.4	23.5	21.9	4.3	3.9	2.2	18.5
COM7*	N	22.00	37.50	(41.3)	1.01	0.91	1.10	(10.3)	20.8	42.1	34.8	12.2	10.9	1.5	29.0
RS*	N	18.50	18.10	2.2	0.37	0.56	0.60	50.2	6.4	32.3	30.3	8.9	7.9	1.9	29.4
Sector								(2.5)	19.0	36.2	30.1	7.2	6.5	1.7	21.1
Sector ex. RS								(10.0)	20.7	36.8	30.1	6.9	6.3	1.7	20.0

Source: KGI Research

Balance Sheet

As of 31 Dec (Bt mn)	2018A	2019A	2020F	2021F	2022F
Total Assets	4,073	3,407	3,565	3,806	3,886
Current Assets	1,186	1,145	1,430	1,841	2,136
Cash & ST Investments	340	328	569	915	1,193
Inventories	285	259	271	292	297
Accounts Receivable	553	545	579	623	634
Others	9	13	10	11	11
Non-current Assets	2,887	2,262	2,135	1,965	1,750
LT Investments	4	4	4	4	4
Net fixed Assets	332	504	448	386	320
Others	2,551	1,754	1,684	1,575	1,426
Total Liabilities	2,401	1,680	1,583	1,575	1,432
Current Liabilities	1,146	1,266	974	1,026	876
Accounts Payable	733	651	615	662	673
ST Borrowings	240	450	200	200	100
Others	173	164	158	164	103
Long-term Liabilities	1,255	414	609	548	556
Long-term Debts	323	239	427	359	359
Others	932	175	182	190	197
Shareholders' Equity	1,672	1,727	1,983	2,231	2,454
Common Stock	1,010	972	972	972	972
Capital Surplus	258	322	322	322	322
Retained Earnings	403	430	684	925	1,139
Others	1	2	4	12	20

Source: KGI Research

Key Ratios

Year to 31 Dec (Bt mn)	2018A	2019A	2020A	2021F	2022F
Forecast Drivers					
Commerce segment sales	2,130	2,012	2,360	2,610	2,760
Growth (% YoY)					
Sales	9.3	(5.6)	0.2	7.6	1.8
OP	33.1	(13.3)	39.2	9.6	3.2
EBITDA	19.5	(9.2)	19.4	8.7	5.0
NP	55.0	(29.6)	50.2	6.4	3.9
EPS	55.0	(26.9)	50.2	6.4	3.9
Profitability (%)					
Gross Margin	42.4	44.1	51.8	50.1	50.0
Operating Margin	14.8	13.6	18.9	19.3	19.5
EBITDA Margin	30.7	29.6	35.2	35.6	36.7
Net Profit Margin	13.5	10.1	15.1	14.9	15.2
ROAA	12.5	9.7	15.7	15.8	15.7
ROAE	33.6	21.4	29.4	27.6	25.8
Stability					
Gross Debt/Equity (%)	0.0	0.0	0.0	0.0	0.0
Net Debt/Equity (%)	18.8	25.9	6.7	(12.7)	(29.8)
Interest Coverage (x)	8.3	14.2	24.3	29.5	36.9
Interest & ST Debt Coverage (x)	1.8	1.0	3.0	3.3	6.4
Cash Flow Interest Coverage (x)	(17.0)	(29.8)	(37.5)	(47.4)	(61.4)
Cash Flow/Interest & ST Debt (x)	6.8	2.5	6.1	6.9	16.3
Current Ratio (x)	1.0	0.9	1.5	1.8	2.4
Quick Ratio (x)	0.8	0.7	1.2	1.5	2.1
Net Debt (Bt mn)	314	447.0	132.1	Net cash	Net cash
Per Share Data (Bt)					
EPS	0.5	0.4	0.6	0.6	0.6
CFPS	1.1	1.1	1.1	1.2	1.3
BVPS	1.7	1.8	2.0	2.3	2.5
SPS	3.8	3.7	3.7	4.0	4.1
EBITDA/Share	1.2	1.1	1.3	1.4	1.5
DPS	0.5	0.3	0.4	0.4	0.5
Activity					
Asset Turnover (x)	0.9	1.0	1.0	1.1	1.0
Days Receivables	56.1	55.5	56.7	56.3	57.9
Days Inventory	49.7	49.1	55.5	52.9	54.3
Days Payable	(174.3)	(158.8)	(123.3)	(119.6)	(123.0)
Cash Cycle	280.1	263.4	235.4	228.8	235.2

Source: KGI Research

Profit & Loss

Year to 31 Dec (Bt mn)	2018A	2019A	2020F	2021F	2022F
Revenue	3,827	3,611	3,619	3,893	3,962
Cost of Goods Sold	(2,205)	(2,020)	(1,744)	(1,945)	(1,980)
Gross Profit	1,621	1,591	1,875	1,949	1,982
Operating Expenses	(1,054)	(1,100)	(1,191)	(1,199)	(1,208)
Other incomes	-	-	-	-	-
Operating Profit	567	491	684	749	773
Depreciation of fixed assets	610	577	591	636	681
Operating EBITDA	1,177	1,068	1,275	1,386	1,455
Non-Operating Income	128	11	12	12	12
Interest Income	-	-	-	-	-
Other Non-op Income	128	11	12	12	12
Non-Operating Expenses	(72)	(40)	(28)	(25)	(21)
Interest Expense	(68)	(35)	(28)	(25)	(21)
Other Non-op Expenses	(3)	(6)	-	-	-
Equity Income/(Loss)	-	-	-	-	-
Pre-tax Profit	624	462	668	736	764
Current taxation	(108)	(97)	(134)	(147)	(153)
Minorities	0	(1)	(2)	(8)	(8)
Extraordinary items	-	-	13	-	-
Net Profit	516	363	546	581	604
EPS (Bt)	0.51	0.37	0.56	0.60	0.62

Source: KGI Research

Cash Flow

Year to 31 Dec (Bt mn)	2018A	2019A	2020F	2021F	2022F
Operating Cash Flow	1,161	1,033	1,057	1,205	1,286
Net Profit	624	462	668	736	764
Depreciation & Amortization	591	569	591	636	681
Change in Working Capital	(62)	(91)	(216)	(167)	(159)
Others	7	94	13	-	-
Investment Cash Flow	(519)	(616)	(517)	(517)	(517)
Net CAPEX	(45)	(230)	56	61	66
Change in LT Investment	-	-	-	-	-
Change in Other Assets	(475)	(386)	(573)	(578)	(583)
Free Cash Flow	642	417	540	688	769
Financing Cash Flow	(504)	(407)	(366)	(409)	(558)
Change in Share Capital	0	70	-	-	-
Net Change in Debt	(256)	118	(74)	(69)	(169)
Change in Other LT Liab.	(248)	(595)	(292)	(340)	(389)
Net Cash Flow	138	9	174	279	211

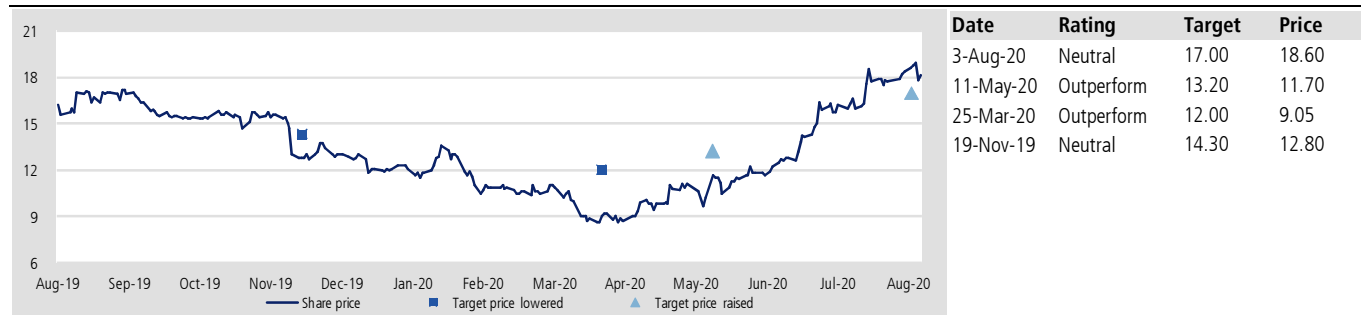
Source: KGI Research

Rates of Return on Invested Capital

Year	1- Revenue	+	COGS Revenue	+	Depreciation Revenue	+	Operating Exp. Revenue	=	Operating Margin
Dec-18A	57.6%				15.9%		27.6%		-3.8%
Dec-19A	55.9%				16.0%		30.5%		-1.1%
Dec-20A	48.2%				16.3%		32.9%		-2.4%
Dec-21F	49.9%				16.3%		30.8%		2.6%
Dec-22F	50.0%				17.2%		30.5%		2.9%
Year	1/ Revenue	+	Working Capital Revenue	+	Net PPE Revenue	+	Other Assets Revenue	=	Capital Turnover
Dec-18A	-0.02				0.09		0.67		1.14
Dec-19A	-0.03				0.14		0.49		1.35
Dec-20A	-0.06				0.12		0.47		1.66
Dec-21F	-0.04				0.10		0.41		1.88
Dec-22F	-0.04				0.08		0.36		2.16
Year	Operating Margin	x	Capital Turnover	x	Cash Tax Rate	=	After-tax Return on Inv. Capital		
Dec-18A	-1.1%		1.4		82.7		-5.2		
Dec-19A	-2.4%		1.7		78.9		-1.2		
Dec-20A	2.6%		1.9		80.0		-3.1		
Dec-21F	2.9%		2.2		80.0		3.9		
Dec-22F	2.3%		2.5		80.0		5.0		

Source: KGI Research

RS- Recommendation & target price history



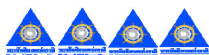
Source: KGI Research

Corporate Governance Report of Thai Listed Companies



Companies with Excellent CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
ADVANC	ADVANCED INFO SERVICE	HMPRO	HOME PRODUCT CENTER	QH	QUALITY HOUSES
ANAN	ANANDA DEVELOPMENT	INTUCH	SHIN CORPORATION	RATCH	RATCHABURI ELECTRICITY GENERATING HOLDING
AOT	AIRPORTS OF THAILAND	IRPC	IRPC	ROBINS	ROBINSON DEPARTMENT STORE
AP	ASIAN PROPERTY DEVELOPMENT	IVL	INDORAMA VENTURES	SAMART	SAMART CORPORATION
BANPU	BANPU	KBANK	KASIKORN BANK	SAMTEL	SAMART TELCOMS
BCP	THE BANGCHAK PETROLEUM	KCE	KCE ELECTRONICS	SCB	THE SIAM COMMERCIAL BANK
BTS	BTS GROUP HOLDINGS	KKP	KIATNAKIN BANK	SCC	THE SIAM CEMENT
CK	CH. KARNCHANG	KTB	KRUNG THAI BANK	SCCC	SIAM CITY CEMENT
CPF	CHAROEN POKPHAND FOODS	KTC	KRUNGTHAI CARD	SPALI	SUPALAI
CPN	CENTRAL PATTANA	LPN	L.P.N. DEVELOPMENT	SPRC	STAR PETROLEUM REFINING
DELTA	DELTA ELECTRONICS (THAILAND)	MINT	MINOR INTERNATIONAL	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION
DTAC	TOTAL ACCESS COMMUNICATION	MONO	MONO TECHNOLOGY	SVI	SVI
EASTW	EASTERN WATER RESOURCES DEVELOPMENT AND MANAGE	PLANB	PLAN B MEDIA	TCAP	THANACHART CAPITAL
EGCO	ELECTRICITY GENERATING	PSH	PRUKSA HOLDING	THCOM	THAICOM
GFPT	GFPT	PTT	PTT	TISCO	TISCO FINANCIAL GROUP
GPSC	GLOBAL POWER SYNERGY	PTTEP	PTT EXPLORATION AND PRODUCTION	TMB	TMB BANK
GUNKUL	GUNKUL ENGINEERING	PTTGC	PTT GLOBAL CHEMICAL	TOP	THAI OIL
HANA	HANA MICROELECTRONICS	PYLON	PYLON	TRUE	TRUE CORPORATION



Companies with Very Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	ERW	THE ERAWAN GROUP	SAWAD	SRISAWAD POWER 1979
AMATA	AMATA CORPORATION	GLOBAL	SIAM GLOBAL HOUSE	SCI	SCI ELECTRIC
BBL	BANGKOK BANK	GLOW	GLOW ENERGY	SCN	SCAN INTER
BCPG	BCPG	LH	LAND AND HOUSES	SEAFECO	SEAFECO
BDMS	BANGKOK DUSIT MEDICAL SERVICES	MAJOR	MAJOR CINEPLEX GROUP	SIRI	SANSIRI
BEM	BANGKOK EXPRESSWAY AND METRO	MAKRO	SIAM MAKRO	SMT	STARS MICROELECTRONICS (THAILAND)
CENTEL	CENTRAL PLAZA HOTEL	MALEE	MALEE SAMPRAN	TASCO	TIPCO ASPHALT
CHG	CHULARAT HOSPITAL	MTLS	MUANGTHAI LEASING	TKN	TAOKAENOI FOOD & MARKETING
CKP	CK POWER	NOK	NOK AIRLINES	TVO	THAI VEGETABLE OIL
DCC	DYNASTY CERAMIC	RS	RS	TWPC	THAI WAH



Companies with Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
AMA	AMA MARINE	BPP	BANPU POWER	SQ	SAHAKOL EQUIPMENT
BA	BANGKOK AIRWAYS	CBG	CARABAO GROUP	TPCH	TPC POWER HOLDING
BCH	BANGKOK CHAIN HOSPITAL	LPH	LADPRAO GENERAL HOSPITAL		
BH	BUMRUNGRAD HOSPITAL	SAPPE	SAPPE		

Companies classified Not in the three highest score groups

Stock	Company name	Stock	Company name	Stock	Company name
BGRIM	B.GRIMM POWER	TOA	TOA PAINT (THAILAND)	WHAUP	WHA UTILITIES AND POWER
CPALL	CP ALL	UNIQ	UNIQUE ENGINEERING AND CONSTRUCTION	WORK	WORKPOINT ENTERTAINMENT
THAI	THAI AIRWAYS INTERNATIONAL	WHA	WHA CORPORATION		

Source: www.thai-iod.com

Disclaimer: The disclosure of the survey result of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an assessment of operation and is not based on inside information. The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey result may be changed after that date or when there is any change to the relevant information. Nevertheless, KGI Securities (Thailand) Public Company Limited (KGI) does not confirm, verify, or certify the accuracy and completeness of such survey result.

Anti-corruption Progress Indicator

Level 5: Extended

Stock	Company name	Stock	Company name	Stock	Company name
CPN	CENTRAL PATTANA	SCC	THE SIAM CEMENT		

Level 4: Certified

Stock	Company name	Stock	Company name	Stock	Company name
ADVANC	ADVANCED INFO SERVICE	IFEC	INTER FAR EAST ENGINEERING	SVI	SVI
BBL	BANGKOK BANK	KBANK	KASIKORN BANK	TCAP	THANACHART CAPITAL
DCC	DYNASTY CERAMIC	KKP	KIATNAKIN BANK	TISCO	TISCO FINANCIAL GROUP
DRT	DIAMOND ROOFING TILES	KTB	KRUNG THAI BANK	TMB	TMB BANK
EGCO	ELECTRICITY GENERATING	MINT	MINOR INTERNATIONAL		
ERW	THE ERAWAN GROUP	SCB	THE SIAM COMMERCIAL BANK		

Level 3: Established

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	DTAC	TOTAL ACCESS COMMUNICATION	PACE	PACE DEVELOPMENT CORPORATION
ANAN	ANANDA DEVELOPMENT	GFPT	GFPT	PS	PRUKSA REAL ESTATE
AP	ASIAN PROPERTY DEVELOPMENT	GL	GROUP LEASE	RATCH	RATCHABURI ELECTRICITY GENERATING HOLDING
BA	BANGKOK AIRWAYS	GLOW	GLOW ENERGY	ROBINS	ROBINSON DEPARTMENT STORE
BDMS	BANGKOK DUSIT MEDICAL SERVICES	GPSC	GLOBAL POWER SYNERGY	SAMART	SAMART CORPORATION
BIGC	BIG C SUPERCENTER	HMPRO	HOME PRODUCT CENTER	SPALI	SUPALAI
BJCHI	BJC HEAVY INDUSTRIES	KTC	KRUNGTHAI CARD	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION
CENDEL	CENTRAL PLAZA HOTEL	LPN	L.P.N. DEVELOPMENT	TASCO	TIPCO ASPHALT
CHG	CHULARAT HOSPITAL	MAKRO	SIAM MAKRO	TMT	THAI METAL TRADE
CK	CH. KARNCHANG	MODERN	MODERNFORM GROUP	TPCH	TPC POWER HOLDING
CKP	CK POWER	NOK	NOK AIRLINES	WHA	NOK AIRLINES

Level 2: Declared

Stock	Company name	Stock	Company name	Stock	Company name
AOT	AIRPORTS OF THAILAND	GUNKUL	GUNKUL ENGINEERING	QH	QUALITY HOUSES
BH	BUMRUNGRAD HOSPITAL	ILINK	INTERLINK COMMUNICATION	TRT	TIRATHAI
GLOBAL	SIAM GLOBAL HOUSE	MTLS	MUANGTHAI LEASING	TVO	THAI VEGETABLE OIL

Level 1: Committed

Stock	Company name	Stock	Company name	Stock	Company name
CBG	CARABAO GROUP	RS	RS	SAWAD	SIRISAWAD POWER 1979
MAJOR	MAJOR CINEPLEX GROUP				

No progress

Stock	Company name	Stock	Company name	Stock	Company name
BCH	BANGKOK CHAIN HOSPITAL	CPALL	CP ALL	WORK	WORKPOINT ENTERTAINMENT
BEM	BANGKOK EXPRESSWAY AND METRO	LPH	LADPRAO GENERAL HOSPITAL		

Source: www.cgthailand.org

Disclaimer: The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by the relevant institution as disclosed by the Office of the Securities and Exchange Commission, is made in order to comply with the policy and sustainable development plan for the listed companies. The relevant institution made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, KGI Securities (Thailand) Public Company Limited (KGI) does not confirm, verify, or certify the accuracy and completeness of the assessment result.

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Rating	Definition
Outperform (OP)	The stock's excess return over the next twelve months is ranked in the top 40% of KGI's coverage universe in the related market (e.g. Taiwan)..
Neutral (N)	The stock's excess return over the next twelve months is ranked in the range between the top 40% and the bottom 40% of KGI's coverage universe in the related market (e.g. Taiwan)
Under perform (U)	The stock's excess return over the next twelve months is ranked in the bottom 40% of KGI's coverage universe in the related market (e.g. Taiwan).
Not Rated (NR)	The stock is not rated by KGI.
Restricted (R)	KGI policy and/or applicable law regulations preclude certain types of communications, including an investment recommendation, during the course of KGI's engagement in an investment banking transaction and in certain other circumstances. <i>Excess return = 12M target price/current price-</i>
Note	When an analyst publishes a new report on a covered stock, we rank the stock's excess return with those of other stocks in KGI's coverage universe in the related market. We will assign a rating based on its ranking. If an analyst does not publish a new report on a covered stock, its rating will not be changed automatically.

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