

RS

(RS.BK/RS TB)*

Outperform • Maintained

Price as of Nov 12, 2020	18.10
12M target price (Bt/shr)	24.60
Unchanged/Revised up(down)(%)	Unchanged
Upside/downside (%)	35.9

Key messages

RS reported a 3Q20 net profit of Bt131mn (+20% QoQ, +41% YoY), in line with our forecast and the market consensus. The strong growth was driven by both commerce revenue, which hit a record high, and increased media revenue. The 9M20 earnings accounted for 73% of our full-year forecast while growth is expected to continue in 4Q20 – 2021. We maintain our forecasts at Bt585mn (+61% YoY) in 2020F and Bt717mn (+23% YoY) in 2021F. We reiterate a rating of Outperform with a target price of Bt24.60 (PER 33.4x, +1.0 S.D) backed by a longer-term bright outlook with CAGR of 11% for 2020 - 2021.

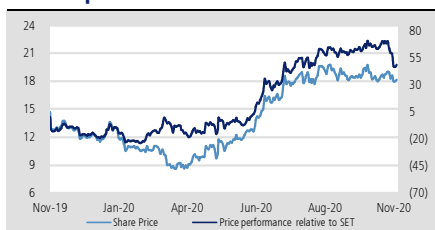
Trading data

Mkt cap (Btbn/US\$m)	17.6/564		
Outstanding shares (mn)	973		
Foreign ownership (mn)	72		
3M avg. daily trading (mn)	6		
52-week trading range (Bt)	8.40 – 20.40		
Performance (%)	3M	6M	12M
Absolute	-0.5	72.4	20.7
Relative	-1.2	65.3	45.9

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	0.13	NA

Share price chart



Source: SET

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3Q20 earnings review: In line result

Event

RS reported a 3Q20 net profit of Bt131mn (+20% QoQ, +41% YoY). The result was in line with our forecast and the market consensus.

Impact

3Q20 earnings growth driven by increased commerce revenue

The key factor pushing growth QoQ was revenue increasing to Bt938mn (+13% QoQ) with growth from both commerce revenue at Bt642mn (+9% QoQ) and media revenue at Bt255mn (+15% QoQ). Note that media revenue was driven by the TV segment, which had greater advertising revenue and more content sales. Earnings surged YoY due to i) revenue increasing 6% YoY driven by the commerce segment (+45% YoY) and ii) gross margin improving from 44.3% in 3Q19 to 51.6% thanks to margin from commerce increasing from 65.2% in 3Q19 to 69.3%, and lower media regulatory fee.

Growth expected to continue in 4Q20

Growth is expected to continue in 4Q20 – 2021 from both the commerce and media segments. Growth in the commerce segment would be backed by i) the launch of new products including the company's own brand, ii) the adoption of voice analytic to enhance commerce sales and iii) cooperation with well-known stars to launch new products (Star Commerce). Meanwhile, media revenue should be driven by a climbing rating after the return of boxing programs, particularly *Thai Fight*.

Our 2020 - 2021 forecasts are maintained

As the company's 9M20 net profit accounted for 73% of our full-year forecast and outlook for 4Q20 remains bright, we maintained our earnings forecasts at Bt585mn (+61% YoY) in 2020F and Bt717mn (+23% YoY) in 2021F.

Valuation & Action

Our 2021 target price is maintained at Bt24.60 (PER 33.4x or +1.0 S.D). We reiterate a rating of Outperform for RS backed by expected strong earnings growth in 2020 -2021 with CAGR of 40%.

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	3,765	4,186	4,312
Gross Profit (Btmn)	1,621	1,591	1,955	2,279	2,526
EBIT (Btmn)	567	491	743	931	1,146
Net Profit (Btmn)	516	363	585	717	893
Normalized Profit (Btmn)	440	363	572	717	893
EPS (Bt)	0.51	0.37	0.60	0.74	0.92
DPS (Bt)	0.45	0.30	0.30	0.40	0.45
EPS growth (%)	55.0	(26.9)	61.1	22.5	24.5
P/E (x)	29.0	32.9	30.1	24.5	19.7
P/B (x)	8.94	6.93	8.50	7.17	5.93
EV/EBITDA (x)	12.7	11.2	13.2	11.2	9.6
Net debt/Equity (x)	0.2	0.3	0.0	Net cash	Net cash
Dividend yield (%)	3.0	2.4	1.7	2.2	2.5
Return on Average Equity (%)	33.6	21.4	30.8	31.7	32.9

Source: Company data, KGI Research

Figure 1: RS's 3Q20 earnings review

Bt mn	3Q20	3Q19	YoY (%)	2Q20	QoQ (%)	9M20	9M19	YoY (%)	Comment
Revenue	938	887	5.8	833	12.6	2,756	2,716	1.5	Revenue boosted by commerce and TV segments
Cost of Goods Sold	484	393	23.3	439	10.3	1,470	1,216	20.9	
Gross Profit	(312)	(267)	16.9	(293)	6.6	(915)	(817)	12.0	
SG&A	172	125	36.8	146	17.8	555	399	39.3	
Operating Profit	(71)	270	(126.5)	268	(126.6)	556	842	(34.0)	
Operating EBITDA	2	4	(52.7)	0	487.7	6	8	(30.8)	
Interest Expense	(9)	(6)	53.2	(10)	(5.0)	(27)	(29)	(5.8)	
Net Investment Income	(34)	(30)	12.3	(28)	21.3	(108)	(79)	35.9	
Pre-tax Profit	0	(1)	(103.1)	(0)	(333.3)	0	(1)	NM	
Current taxation	131	92	41.4	109	20.2	413	298	38.7	
Minorities	-	-	NM	-	NM	13	0	12,081.4	
Net Profit	131	92	41.4	109	20.2	426	298	43.0	Net profit surged YoY due to greater revenue and larger margin
EPS (Bt)	0.13	0.09	41.4	0.11	20.2	0.44	0.31	43.0	
Percent	3Q20	3Q19	YoY (%)	2Q20	QoQ (%)	9M20	9M19	YoY (%)	
Gross margin	51.6	44.3	7.3	52.7	(1.1)	53.3	44.8	8.6	GPM pushed by commerce sales that contributed high margin
SG&A/sales	33.3	30.1	3.2	35.2	(1.9)	33.2	30.1	3.1	
Net profit margin	13.9	10.4	3.5	13.0	0.9	15.4	11.0	4.5	

Source: Company data, KGI Research

Figure 2: Operational statistics

Bt mn	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	Change (%)	
												QoQ	YoY
Revenue	969	955	837	1,068	929	900	887	895	984	833	936	12.4	5.6
1. Media (TV+radio)	307	364	300	374	287	262	270	250	375	221	255	15.3	(5.6)
1.1 TV	241	284	229	279	228	192	209	174	336	198	221	11.5	5.7
-Advertising	241	284	229	279	228	192	209	174	246	158	171	8.1	(18.2)
-Content sales	-	-	-	-	-	-	-	-	90	40	50	25.0	NM
1.2 Radio	66	80	71	95	59	70	61	76	39	23	34	47.8	(44.3)
2. Music+Showbiz	82	87	78	108	79	96	174	181	109	26	40	54.8	(77.3)
3. Commerce	580	504	459	586	563	542	443	465	500	586	642	9.5	45.0
Gross margin (%)	39.9	41.4	40.8	46.7	45.9	44.0	44.3	41.9	55.6	52.7	51.6	(1.1)	7.3
-TV	(62.5)	(29.5)	(33.7)	(6.8)	(19.0)	(35.0)	(26.0)	(53.0)	36.1	4.0	(0.5)	(4.5)	25.5
-Radio	66.0	63.0	67.0	67.0	68.0	70.0	78.0	37.8	81.3	57.0	70.4	13.4	(7.6)
-Music/showbiz	38.4	49.6	50.2	61.8	66.5	53.3	64.0	74.5	57.1	62.3	75.2	12.9	11.2
-Commerce	70.2	64.7	64.2	66.4	67.0	67.4	65.2	64.8	64.5	68.4	69.3	0.9	4.1

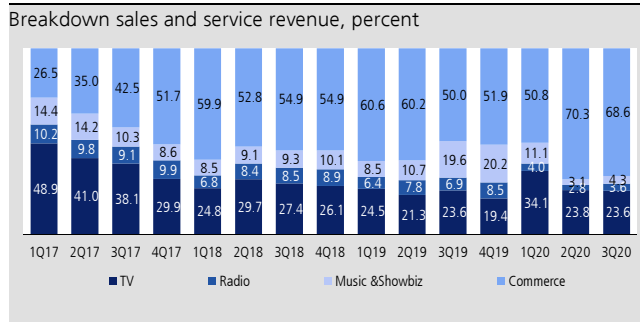
Source: Company data, KGI Research

Figure 3: 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.

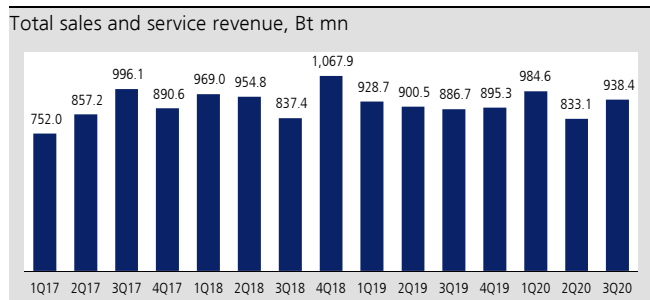
Source: Company data

Figure 4: Breakdown sales and service revenue



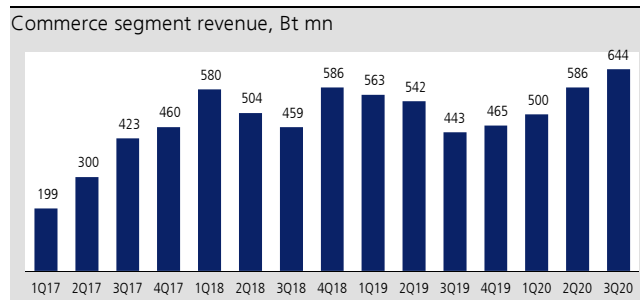
Source: Company data

Figure 5: Total sales and service revenue



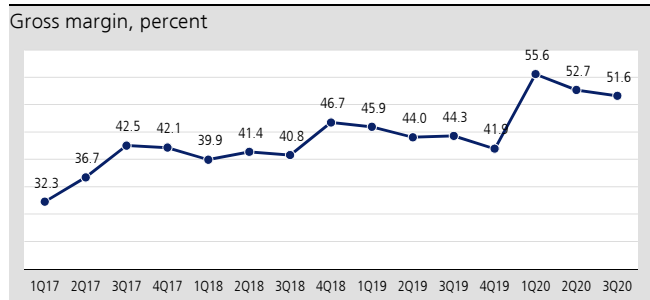
Source: Company data

Figure 6: Commerce segment revenue



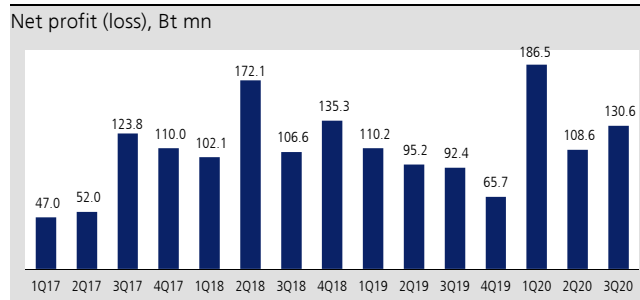
Source: Company data

Figure 7: Gross margin



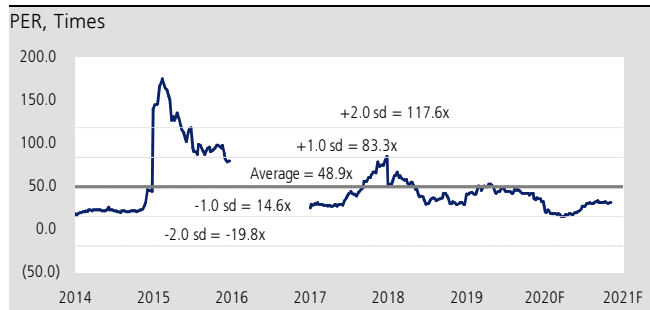
Source: Company data

Figure 8: Net profit



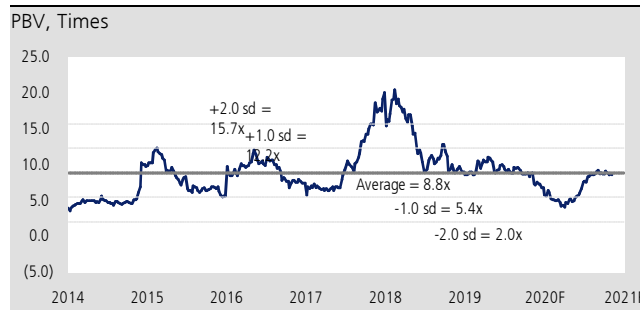
Source: Company data, KGI Research

Figure 9: PER band



Source: KGI Research

Figure 10: PBV band



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	Sep-20A
Income Statement (Bt mn)											
Revenue	969	955	837	1,066	929	900	887	895	985	833	938
Cost of Goods Sold	(582)	(560)	(496)	(568)	(502)	(504)	(494)	(520)	(437)	(394)	(454)
Gross Profit	387	395	341	498	427	396	393	375	547	439	484
Operating Expenses	(244)	(261)	(230)	(319)	(274)	(276)	(267)	(283)	(309)	(293)	(312)
Other incomes	-	-	-	-	-	-	-	-	-	-	-
Operating Profit	143	133	111	179	153	121	125	93	238	146	172
Depreciation of fixed assets	(156)	(119)	(171)	(163)	(161)	(139)	(144)	(133)	(122)	(122)	243
Operating EBITDA	299	253	283	343	313	259	270	226	360	268	(71)
Non-Operating Income	4	98	15	11	1	5	7	-	6	0	3
Interest Income	-	-	-	-	-	-	-	-	-	-	-
Other Non-op Income	4	98	15	11	1	5	7	-	6	0	3
Non-Operating Expenses	(20)	(16)	(18)	(19)	(15)	(10)	(9)	(9)	(11)	(10)	(10)
Interest Expense	(19)	(16)	(17)	(17)	(15)	(8)	(6)	(6)	(9)	(10)	(9)
Other Non-op Expenses	(1)	-	(1)	(2)	(0)	(2)	(3)	(3)	(2)	(0)	(1)
Net investment Income/(Loss)	-	-	-	-	-	-	-	-	-	-	-
Pre-tax Profit	127	216	109	172	139	116	123	84	232	137	164
Current taxation	(25)	(44)	(2)	(37)	(29)	(20)	(30)	(18)	(46)	(28)	(34)
Minorities	0	0	(0)	0	0	0	(1)	(0)	(0)	(0)	0
Extraordinary items	-	-	-	-	0	-	-	-	13	-	-
Net Profit	102	172	107	135	110	95	92	66	186	109	131
EPS (Bt)	0.10	0.17	0.11	0.13	0.11	0.09	0.09	0.07	0.19	0.11	0.13
Margins (%)											
Gross profit margin	39.9	41.4	40.8	46.7	45.9	44.0	44.3	41.9	55.6	52.7	51.6
Operating margin	14.7	14.0	13.3	16.8	16.4	13.4	14.2	10.4	24.1	17.5	18.3
Operating EBITDA margin	30.8	26.5	33.8	32.2	33.7	28.8	30.4	25.3	36.5	32.2	(7.6)
Net profit margin	10.5	18.0	12.7	12.7	11.9	10.6	10.4	7.3	18.9	13.0	13.9
Growth (%)											
Revenue growth	28.9	11.3	(15.9)	18.9	(4.2)	(5.7)	5.9	(16.0)	6.0	(7.5)	5.8
Operating growth	438.7	68.9	(35.1)	20.4	6.8	(9.7)	12.7	(48.2)	55.8	20.9	36.8
Operating EBITDA growth	77.3	14.4	(8.7)	20.1	5.0	2.6	(4.6)	(34.0)	14.7	3.4	(126.5)
Net profit growth	116.9	230.6	(13.9)	23.1	8.0	(44.7)	(13.4)	(51.5)	69.4	14.1	41.4

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 growth (%)	21F EPS				20F Div Yield (%)	20F ROAE (%)	
									growth (%)	20F PER (x)	21F PER (x)	20F PBV (X)			21F PBV (X)
BEC*	N	4.60	4.78	(3.8)	(0.20)	(0.24)	0.17	21.1	NM	NM	27.7	1.8	1.7	-	(8.7)
MAJOR*	OP	16.40	15.90	3.1	1.31	(0.85)	0.80	NM	NM	NM	19.8	2.6	2.4	-	(12.5)
MONO	U	2.00	2.70	(25.9)	(0.18)	(0.25)	(0.14)	38.4	(44.4)	NM	NM	8.1	13.7	-	(53.8)
PLANB*	N	6.20	6.15	0.8	0.10	0.01	0.18	(89.3)	1,609.9	597.9	35.0	3.6	3.2	0.1	0.6
VGI*	OP	8.10	6.75	20.0	0.17	0.02	0.10	(87.3)	382.6	322.0	66.7	3.9	3.8	0.2	1.3
WORK	U	9.00	10.10	(10.9)	0.36	0.18	0.49	(49.8)	169.2	55.7	20.7	1.0	1.0	1.5	1.8
Sector	Underweight				1.55	(1.12)	1.61	(172.3)	NM	NM	50.7	3.5	4.3	0.3	(11.9)

Source: KGI Research

Balance Sheet

As of 31 Dec (Bt mn)	2018A	2019A	2020F	2021F	2022F
Total Assets	4,073	3,407	3,679	4,080	4,460
Current Assets	1,186	1,145	1,543	2,115	2,710
Cash & ST Investments	340	328	648	1,121	1,685
Inventories	285	259	282	314	323
Accounts Receivable	553	545	602	670	690
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	1,608	1,624	1,492
Current Liabilities	1,146	1,266	998	1,076	936
Accounts Payable	733	651	640	712	733
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	2,071	2,456	2,968
Common Stock	1,010	972	972	972	972
Capital Surplus	258	322	322	322	322
Retained Earnings	403	430	773	1,149	1,654
Others	1	2	4	12	20

Source: KGI Research

Key Ratios

Year to 31 Dec (Bt mn)	2018A	2019A	2020F	2021F	2022F
Forecast Drivers					
Commerce segment sales	2,130	2,012	2,389	2,641	2,919
Growth (% YoY)					
Sales	9.3	(5.6)	4.3	11.2	3.0
OP	33.1	(13.3)	51.1	25.4	23.2
EBITDA	19.5	(9.2)	24.9	17.5	16.6
NP	55.0	(29.6)	61.1	22.5	24.5
EPS	55.0	(26.9)	61.1	22.5	24.5
Profitability (%)					
Gross Margin	42.4	44.1	51.9	54.4	58.6
Operating Margin	14.8	13.6	19.7	22.2	26.6
EBITDA Margin	30.7	29.6	35.4	37.4	42.4
Net Profit Margin	13.5	10.1	15.6	17.1	20.7
ROAA	12.5	9.7	16.5	18.5	20.9
ROAE	33.6	21.4	30.8	31.7	32.9
Stability					
Gross Debt/Equity (%)	0.0	0.0	0.0	0.0	0.0
Net Debt/Equity (%)	18.8	25.9	2.6	(19.9)	(41.2)
Interest Coverage (x)	8.3	14.2	26.4	36.6	54.7
Interest & ST Debt Coverage (x)	1.8	1.0	3.3	4.1	9.5
Cash Flow Interest Coverage (x)	(17.0)	(29.8)	(38.6)	(52.3)	(75.0)
Cash Flow/Interest & ST Debt (x)	6.8	2.5	6.3	7.6	19.9
Current Ratio (x)	1.0	0.9	1.5	2.0	2.9
Quick Ratio (x)	0.8	0.7	1.3	1.7	2.5
Net Debt (Bt mn)	314	447.0	53.3	Net cash	Net cash
Per Share Data (Bt)					
EPS	0.5	0.4	0.6	0.7	0.9
CFPS	1.1	1.1	1.1	1.4	1.6
BVPS	1.7	1.8	2.1	2.5	3.1
SPS	3.8	3.7	3.9	4.3	4.4
EBITDA/Share	1.2	1.1	1.4	1.6	1.9
DPS	0.5	0.3	0.3	0.4	0.5
Activity					
Asset Turnover (x)	0.9	1.0	1.1	1.1	1.0
Days Receivables	56.1	55.5	55.6	55.5	57.5
Days Inventory	49.7	49.1	54.6	57.1	65.1
Days Payable	(174.3)	(158.8)	(120.5)	(108.2)	(104.4)
Cash Cycle	280.1	263.4	230.7	220.8	227.1

Source: KGI Research

Profit & Loss

Year to 31 Dec (Bt mn)	2018A	2019A	2020F	2021F	2022F
Revenue	3,827	3,611	3,765	4,186	4,312
Cost of Goods Sold	(2,205)	(2,020)	(1,810)	(1,907)	(1,786)
Gross Profit	1,621	1,591	1,955	2,279	2,526
Operating Expenses	(1,054)	(1,100)	(1,212)	(1,348)	(1,380)
Other incomes	-	-	-	-	-
Operating Profit	567	491	743	931	1,146
Depreciation of fixed assets	610	577	591	636	681
Operating EBITDA	1,177	1,068	1,334	1,567	1,828
Non-Operating Income	128	11	8	5	5
Interest Income	-	-	-	-	-
Other Non-op Income	128	11	8	5	5
Non-Operating Expenses	(72)	(40)	(33)	(29)	(25)
Interest Expense	(68)	(35)	(28)	(25)	(21)
Other Non-op Expenses	(3)	(6)	(5)	(4)	(4)
Equity Income/(Loss)	-	-	-	-	-
Pre-tax Profit	624	462	717	906	1,127
Current taxation	(108)	(97)	(143)	(181)	(225)
Minorities	0	(1)	(2)	(8)	(8)
Extraordinary items	-	-	13	-	-
Net Profit	516	363	585	717	893
EPS (Bt)	0.51	0.37	0.60	0.74	0.92

Source: KGI Research

Cash Flow

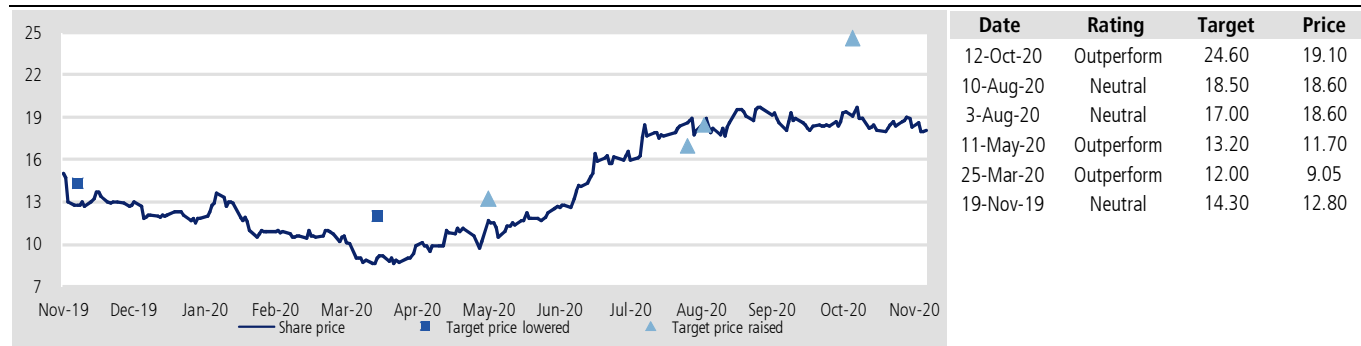
Year to 31 Dec (Bt mn)	2018A	2019A	2020F	2021F	2022F
Operating Cash Flow	1,161	1,033	1,087	1,332	1,572
Net Profit	624	462	717	906	1,127
Depreciation & Amortization	591	569	591	636	681
Change in Working Capital	(62)	(91)	(235)	(211)	(235)
Others	7	94	13	-	-
Investment Cash Flow	(519)	(616)	(517)	(517)	(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	570	815	1,055
Financing Cash Flow	(504)	(407)	(317)	(409)	(558)
Change in Share Capital	0	70	-	-	-
Net Change in Debt	(256)	118	(74)	(69)	(169)
Change in Other LT Liab.	(248)	(595)	(243)	(340)	(389)
Net Cash Flow	138	9	252	406	497

Source: KGI Research

Rates of Return on Invested Capital

Year	1- Revenue	+ COGS	+ Revenue	+ Depreciation	+ Revenue	= Operating	Margin
Dec-18A	57.6%	57.6%	15.9%	27.6%	-3.8%		
Dec-19A	55.9%	55.9%	16.0%	30.5%	-1.1%		
Dec-20F	48.1%	48.1%	15.7%	32.2%	-2.4%		
Dec-21F	45.6%	45.6%	15.2%	32.2%	4.0%		
Dec-22F	41.4%	41.4%	15.8%	32.0%	7.0%		
Year	1/ Revenue	+ Working Capital	+ Revenue	+ Net PPE	+ Revenue	= Other Assets	Capital
Dec-18A	-0.02	-0.02	0.09	0.67	1.14		
Dec-19A	-0.03	-0.03	0.14	0.49	1.35		
Dec-20F	-0.06	-0.06	0.12	0.45	1.66		
Dec-21F	-0.05	-0.05	0.09	0.38	1.97		
Dec-22F	-0.05	-0.05	0.07	0.33	2.38		
Year	Operating	x	Capital	x	Cash	=	After-tax Return
Dec-18A	-1.1%		1.4		82.7		-5.2
Dec-19A	-2.4%		1.7		78.9		-1.2
Dec-20F	4.0%		2.0		80.0		-3.1
Dec-21F	7.0%		2.4		80.0		6.3
Dec-22F	10.8%		2.8		80.0		13.4

Source: KGI Research

RS- Recommendation & target price history


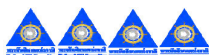
Source: KGI Research

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	SEAFKO	SEAFKO
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	SRI SAWAD 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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