

RS

(RS.BK/RS TB)*

Neutral • Downgraded

Price as of 11 Oct 2021	18.60
12M target price (Bt/shr)	19.90
Unchanged/Revised up(down)(%)	(9.5)
Upside/downside (%)	7.0

Key messages

We expect RS to report a 3Q21F net profit of only Bt23mn (-56% QoQ, -82% YoY). The decline QoQ would be due to decreased revenue from the commerce segment and narrower gross margin. The slowdown YoY would be due to a decline in revenue and rise in SG&A. To fine-tune for the anticipated weak 9M21F earnings, which should account for only 60% of our full-year forecast, we cut our earnings forecasts by 16% to Bt294mn for 2021F and 9% to Bt645mn for 2022F. We cut our target price to Bt19.90 (PER 30x), from Bt22.00, and downgrade the counter to Neutral, from Outperform.

Trading data

Mkt cap (Btmn/US\$m)	18,088/580
Outstanding shares (mn)	973
Foreign ownership (mn)	59
3M avg. daily trading (mn)	8
52-week trading range (Bt)	16.70 – 30.00
Performance (%)	3M 6M 12M
Absolute	-11.4 -26.3 -2.6
Relative	-14.8 -30.5 -24.1

Quarterly EPS

Bt	1Q	2Q	3Q	4Q
2019	0.11	0.09	0.09	0.07
2020	0.19	0.11	0.13	0.11
2021	0.14	0.06	NA	NA

Share price chart



Source: SET

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3Q21F earnings preview: To hit the low

Event

3Q21F earnings preview.

Impact

3Q21F profit to drop sharply both QoQ and YoY

We expect RS to report a 3Q21F net profit of only Bt23mn (-56% QoQ, -82% YoY), which would be 5-year low. The slowdown QoQ would be due to i) revenue declining 15% QoQ to Bt845mn due to lower revenue from the entertainment segment (-24% QoQ) and commerce segment (-8% QoQ), and ii) gross margin narrowing to 52.9% from 53.8% in 2Q21. The decline YoY would be due to i) revenue declining 10% YoY due to a slowdown in the commerce segment (-19% YoY) to Bt520mn, and ii) SG&A climbing 40% YoY.

Improvement expected from 4Q21 onward

The outlook should be brighter from 4Q21 onward backed by i) seasonality, ii) expected resumption of the economy driving consumption including RS's commerce products, iii) re-launch of Well U (premium collagen) and CAMU C (functional drink), particularly CAMU C which will be sold at all branches of 7-Eleven, and iv) new products targeted to launch in late 4Q21 i.e., pet food and supplement products that contain hemp.

Cut our 2021 - 2022 forecasts to fine-tune for weak earnings in 3Q21F

The 9M21F net profit should account for only 60% of our full-year forecast. Hence, we cut our forecasts to fine-tune for the expected weak earnings in 3Q21 and delayed new product launches during the lockdown in 3Q21. Key assumption changes are i) trimmed revenue by 3% for 2021F and 6% for 2022F, as we raised revenue from the entertainment segment but revised down sales from the commerce segment, and ii) raised SG&A/sales by 3% for both 2021F and 2022F. After the revisions, our earnings forecasts are cut 16% to Bt294mn for 2021F and 9% to Bt645mn in 2022F.

Valuation and action

Our 2022 target price is revised down to Bt19.90 (PER 30x), from Bt22.00, and we downgrade RS to Neutral, from Outperform, due to limited upside to our target and the expected weak 3Q21F earnings should pressure the stock price in the short-term. Meanwhile, there is upside from new projects such as hemp products and digital ecosystem that are not yet included in our forecast.

Risks

Lower than expected revenue from the commerce segment.

Key financials and valuations

	Dec-18A	Dec-19A	Dec-20A	Dec-21F	Dec-22F
Revenue (Btmn)	3,827	3,611	3,774	3,790	4,452
Gross Profit (Btmn)	1,621	1,591	2,006	2,073	2,471
EBIT (Btmn)	567	491	689	329	691
Net Profit (Btmn)	516	363	528	294	645
Normalized Profit (Btmn)	440	363	528	294	645
EPS (Bt)	0.51	0.37	0.54	0.30	0.66
DPS (Bt)	0.45	0.30	-	-	0.33
EPS growth (%)	55.0	(26.9)	45.4	(44.3)	119.1
P/E (x)	29.0	32.9	31.8	61.4	28.0
P/B (x)	8.94	6.93	8.40	7.91	6.48
EV/EBITDA (x)	12.7	11.2	14.8	22.0	14.7
Net debt/Equity (x)	0.2	0.3	0.3	0.3	0.0
Dividend yield (%)	3.0	2.4	-	-	1.8
Return on Average Equity (%)	33.6	21.4	28.3	13.7	25.4

Source: Company data, KGI Securities Research

Figure 1: RS's 3Q21F earnings preview

Bt mn	3Q21F	3Q20	YoY (%)	2Q21	QoQ (%)	9M21F	9M20	YoY (%)
Revenue	845	938	(10.0)	992	(14.9)	2,829	2,756	2.6
Costs	(398)	(454)	(12.5)	(459)	(13.3)	(1,288)	(1,269)	1.5
SG&A	(436)	(312)	39.5	(469)	(7.1)	(1,292)	(932)	38.6
Operating Profit	11	172	(93.4)	65	(82.7)	249	555	(55.2)
Operating EBITDA	173	305	(43.2)	215	(19.3)	695	933	(25.5)
Other revenue	27	2	1,354.4	12	116.9	51	6	821.1
Interest Expense	(15)	(9)	70.2	(16)	(3.0)	(42)	(27)	55.3
Current taxation	0	(34)	(101.5)	(8)	(106.5)	(41)	(108)	(62.3)
Minorities	1	0	1,685.7	(0)	(1,382.1)	0	0	NM
Core Profit	23	131	(82.1)	54	(56.4)	217	413	(47.4)
Extra item	-	-	NM	-	NM	-	13	(100.0)
Net Profit	23	131	(82.1)	54	(56.4)	217	426	(49.0)
EPS (Bt)	0.02	0.13	7.4	0.06	(56.4)	0.22	0.44	(49.0)
Percent	3Q21F	3Q20	YoY (%)	2Q21	QoQ (%)	9M21F	9M20	YoY (%)
Gross margin	52.9	51.6	1.3	53.8	(0.9)	54.5	54.0	0.5
SG&A/sales	51.6	33.3	18.3	33.3	18.3	45.7	33.8	11.9
Net profit margin	2.8	13.9	(11.2)	13.9	(11.2)	7.7	15.4	(7.8)

Source: Company, KGI Securities Research

Figure 2: Operational statistics

Bt mn	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21F	Change (%)	
								QoQ	YoY
Revenue	985	833	938	1,018	992	992	845	(14.9)	(10.0)
1. Entertainment	485	247	297	365	332	427	325	(24.0)	9.5
1.1 TV+radio	336	221	221	248	255	383	260	(32.1)	17.6
1.2 Music+Showbiz	149	26	40	70	77	45	40	(10.5)	1.3
2.Commerce	500	586	642	654	661	565	520	(8.0)	(19.0)
Gross margin (%)	57.3	52.7	51.6	50.9	56.5	53.8	52.9	(0.9)	1.3
1. Entertainment	54.1	34.5	21.8	25.4	36.9	40.3	36.8	(3.5)	15.1
2.Commerce	64.5	68.4	69.3	62.9	66.3	64.0	63.0	(1.0)	(6.3)
SG&A/Sales (%)	33.1	35.2	33.3	37.8	39.0	47.3	51.6	4.3	18.3

Source: Company, KGI Securities Research

Figure 3: Financial highlights

Bt mn	2018A	2019A	2020A	2021F	2022F
Revenue					
Previous	3,827	3,611	3,774	3,896	4,725
Revised	3,827	3,611	3,774	3,790	4,452
Change (%)	-	-	-	(2.7)	(5.8)
Costs					
Previous	2,205	2,020	1,769	1,840	2,177
Revised	2,205	2,020	1,769	1,717	1,981
Change (%)	-	-	-	(6.7)	(9.0)
SG&A					
Previous	1,054	1,100	1,317	1,680	1,772
Revised	1,054	1,100	1,317	1,744	1,781
Change (%)	-	-	-	3.8	0.5
Net profit					
Previous	516	363	528	352	710
Revised	516	363	528	294	645
Change (%)	-	-	-	(16.3)	(9.2)

Source: Company data, KGI Securities Research

Figure 4: Key assumptions

	2021F		Change	2022F		Change
Bt mn	Previous	Revised	(%)	Previous	Revised	(%)
Revenue	3,896	3,790	(2.7)	4,725	4,452	(5.8)
1.Entertainment	1,346	1,428	6.1	1,683	1,752	4.1
1.1 TV	1,035	1,152	11.3	1,158	1,242	7.2
-TV ads	825	942	14.1	908	992	9.2
-Content sales	210	210	-	250	250	-
1.2 Radio	131	116	(11.1)	124	110	(11.1)
1.3 Music&Showbiz	180	160	(11.1)	400	400	-
2.Commerce	2,550	2,362	(7.4)	3,042	2,700	(11.2)
sales/month	212	197	(7.4)	254	225	(11.2)
Gross margin (%)	52.8	54.7	1.9	53.9	55.5	1.6
-Entertainment	16.0	30.0	14.0	16.0	27.0	11.0
-Commerce	65.6	64.5	(1.1)	65.6	65.5	(0.1)
SG&A/Sales	43.1	46.0	2.9	37.5	40.0	2.5
Operating profit	376	329	(12.5)	776	691	(11.0)
Share of profit	94	70	(25.4)	173	173	-
-Chase	85	70	(17.7)	100	100	-
-SPG	9	-	NM	74	74	-

Source: Company data, KGI Securities Research

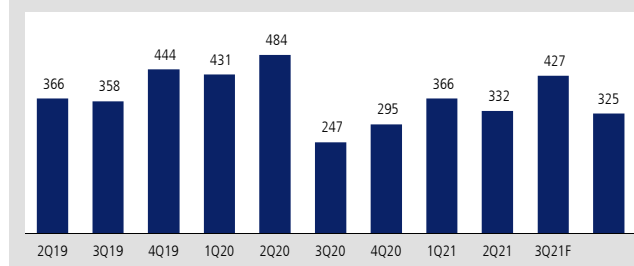
Figure 5: Company profile

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 2 segments that are i) entertainment segment (TV, radio, music & showbiz) and ii) commerce segment.

Source: Company data

Figure 7: Entertainment revenue

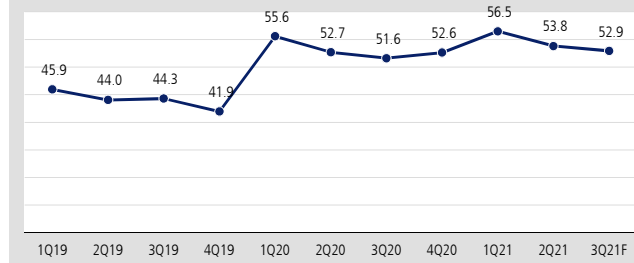
Entertainment revenue, Bt mn



Source: Company data

Figure 9: Gross profit margin

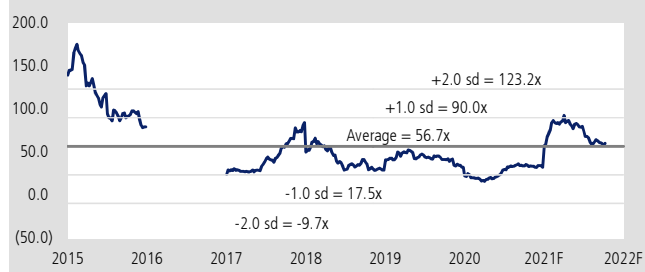
Gross profit margin, percent



Source: Company data

Figure 11: PER band

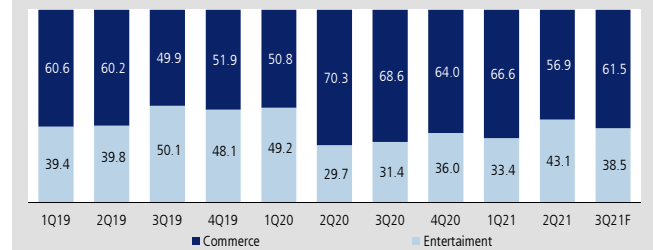
PER, times



Source: Company data

Figure 6: Breakdown of sales and service revenue

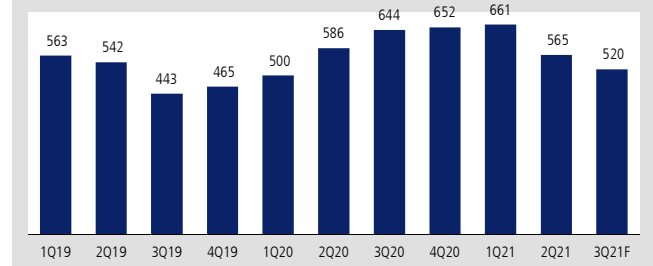
Sales and service revenue, percent



Source: Company data, KGI Research

Figure 8: Commerce revenue

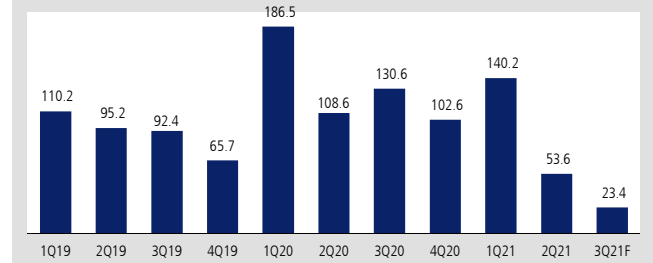
Commerce revenue, Bt mn



Source: Company data

Figure 10: Net profit

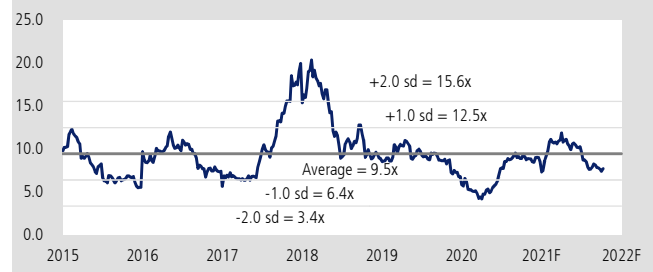
Net profit, Bt mn



Source: Company data

Figure 12: PBV band

PBV, times



Source: Company data

Quarterly Income Statement

	Mar-19A	Jun-19A	Sep-19A	Dec-19A	Mar-20A	Jun-20A	Sep-20A	Dec-20A	Mar-21A	Jun-21A	Sep-21F
Income Statement (Bt mn)											
Revenue	929	900	887	895	985	833	938	1,018	992	992	845
Cost of Goods Sold	(502)	(504)	(494)	(520)	(421)	(394)	(454)	(500)	(432)	(459)	(398)
Gross Profit	427	396	393	375	564	439	484	518	560	534	447
Operating Expenses	(274)	(276)	(267)	(283)	(326)	(293)	(312)	(385)	(387)	(469)	(436)
Other incomes	-	-	-	-	-	-	-	-	-	-	-
Operating Profit	153	121	125	93	238	146	172	134	173	65	11
Depreciation of fixed assets	(161)	(139)	(144)	(133)	(122)	(122)	(133)	(141)	(134)	(150)	(162)
Operating EBITDA	313	259	270	226	360	268	305	275	307	215	173
Non-Operating Income	1	5	7	-	6	0	3	8	12	13	27
Interest Income	-	-	-	-	-	-	-	-	-	-	-
Other Non-op Income	1	5	7	-	6	0	3	8	12	13	27
Non-Operating Expenses	(15)	(10)	(9)	(9)	(11)	(10)	(10)	(9)	(11)	(16)	(16)
Interest Expense	(15)	(8)	(6)	(6)	(9)	(10)	(9)	(9)	(11)	(16)	(15)
Other Non-op Expenses	(0)	(2)	(3)	(3)	(2)	(0)	(1)	(1)	(0)	(0)	(1)
Net investment Income/(Loss)	-	-	-	-	-	-	-	-	-	-	-
Pre-tax Profit	139	116	123	84	232	137	164	132	174	61	22
Current taxation	(29)	(20)	(30)	(18)	(46)	(28)	(34)	(30)	(34)	(8)	0
Minorities	0	0	(1)	(0)	(0)	(0)	0	(0)	(0)	(0)	1
Extraordinary items	0	-	-	-	13	-	-	-	-	-	-
Net Profit	110	95	92	66	186	109	131	103	140	54	23
EPS (Bt)	0.11	0.09	0.09	0.07	0.19	0.11	0.13	0.11	0.14	0.06	0.02
Margins (%)											
Gross profit margin	45.9	44.0	44.3	41.9	57.3	52.7	51.6	50.9	56.5	53.8	52.9
Operating margin	16.4	13.4	14.2	10.4	24.1	17.5	18.3	13.1	17.4	6.5	1.3
Operating EBITDA margin	33.7	28.8	30.4	25.3	36.5	32.2	32.5	27.0	30.9	21.7	20.5
Net profit margin	11.9	10.6	10.4	7.3	18.9	13.0	13.9	10.1	14.1	5.4	2.8
Growth (%)											
Revenue growth	(4.2)	(13.6)	5.9	(8.5)	6.0	(7.5)	5.8	13.7	0.8	19.1	(10.0)
Operating growth	6.8	(45.3)	12.7	0.6	55.8	20.9	36.8	44.1	(27.3)	(55.5)	(93.4)
Operating EBITDA growth	5.0	(23.7)	(4.6)	(11.5)	14.7	3.4	13.1	21.7	(14.7)	(19.8)	(43.2)
Net profit growth	8.0	(63.3)	(13.4)	35.8	69.4	14.1	41.4	56.2	(24.8)	(50.6)	(82.1)

Source: Company data, KGI Securities Research

Balance Sheet

As of 31 Dec (Bt mn)	2018A	2019A	2020A	2021F	2022F
Total Assets	4,073	3,407	4,516	5,976	6,441
Current Assets	1,186	1,117	1,174	2,669	3,259
Cash & ST Investments	340	328	200	1,751	2,185
Inventories	285	259	229	284	334
Accounts Receivable	553	516	711	606	712
Others	9	13	33	27	28
Non-current Assets	2,887	2,290	3,343	3,307	3,182
LT Investments	4	4	4	4	4
Net fixed Assets	332	504	642	591	535
Others	2,551	1,782	2,697	2,712	2,643
Total Liabilities	2,401	1,680	2,512	3,689	3,648
Current Liabilities	1,146	1,266	1,814	1,088	1,032
Accounts Payable	733	651	1,040	668	782
ST Borrowings	240	450	540	200	100
Others	173	164	234	220	150
Long-term Liabilities	1,255	414	699	2,601	2,616
Long-term Debts	323	239	523	2,418	2,426
Others	932	175	176	183	190
Shareholders' Equity	1,672	1,727	2,004	2,287	2,793
Common Stock	1,010	972	972	972	972
Capital Surplus	258	322	322	322	322
Retained Earnings	403	430	707	1,002	1,501
Others	1	2	2	(10)	(3)

Source: KGI Securities Research

Key Ratios

Year to 31 Dec (Bt mn)	2018A	2019A	2020A	2021F	2022F
Forecast Drivers					
Commerce segment sales	2,130	2,012	2,381	2,362	2,700
Growth (% YoY)					
Sales	9.3	(5.6)	4.5	0.4	17.5
OP	33.1	(13.3)	40.2	(52.2)	109.8
EBITDA	19.5	(9.2)	6.6	(27.6)	49.3
NP	55.0	(29.6)	45.4	(44.3)	119.1
EPS	55.0	(26.9)	45.4	(44.3)	119.1
Profitability (%)					
Gross Margin	42.4	44.1	53.1	54.7	55.5
Operating Margin	14.8	13.6	18.3	8.7	15.5
EBITDA Margin	30.7	29.6	30.2	21.7	27.6
Net Profit Margin	13.5	10.1	14.0	7.8	14.5
ROAA	12.5	9.7	13.3	5.6	10.4
ROAE	33.6	21.4	28.3	13.7	25.4
Stability					
Gross Debt/Equity (%)	0.0	0.0	0.0	0.0	0.0
Net Debt/Equity (%)	18.8	25.9	32.9	27.4	0.6
Interest Coverage (x)	8.3	14.2	19.1	6.3	8.9
Interest & ST Debt Coverage (x)	1.8	1.0	1.2	1.3	3.9
Cash Flow Interest Coverage (x)	(17.0)	(29.8)	(29.1)	(10.9)	(16.6)
Cash Flow/Interest & ST Debt (x)	6.8	2.5	2.1	3.9	57.6
Current Ratio (x)	1.0	0.9	0.6	2.5	3.2
Quick Ratio (x)	0.8	0.7	0.5	2.2	2.8
Net Debt (Bt mn)	314	447.0	659.3	625.8	16.2
Per Share Data (Bt)					
EPS	0.5	0.4	0.5	0.3	0.7
CFPS	1.1	1.1	1.1	0.6	1.3
BVPS	1.7	1.8	2.1	2.4	2.9
SPS	3.8	3.7	3.9	3.9	4.6
EBITDA/Share	1.2	1.1	1.2	0.8	1.3
DPS	0.5	0.3	0.0	0.0	0.3
Activity					
Asset Turnover (x)	0.9	1.0	1.0	0.7	0.7
Days Receivables	56.1	54.1	59.4	63.5	54.1
Days Inventory	49.7	49.1	50.3	54.5	57.0
Days Payable	(174.3)	(158.8)	(153.9)	(150.4)	(107.1)
Cash Cycle	280.1	261.9	263.5	268.3	218.1

Source: KGI Securities Research

Profit & Loss

Year to 31 Dec (Bt mn)	2018A	2019A	2020A	2021F	2022F
Revenue	3,827	3,611	3,774	3,790	4,452
Cost of Goods Sold	(2,205)	(2,020)	(1,769)	(1,717)	(1,981)
Gross Profit	1,621	1,591	2,006	2,073	2,471
Operating Expenses	(1,054)	(1,100)	(1,317)	(1,744)	(1,781)
Other incomes	-	-	-	-	-
Operating Profit	567	491	689	329	691
Depreciation of fixed assets	610	577	450	495	540
Operating EBITDA	1,177	1,068	1,138	824	1,230
Non-Operating Income	128	11	17	8	8
Interest Income	-	-	-	-	-
Other Non-op Income	128	11	17	8	8
Non-Operating Expenses	(72)	(40)	(40)	(56)	(82)
Interest Expense	(68)	(35)	(36)	(52)	(78)
Other Non-op Expenses	(3)	(6)	(4)	(4)	(4)
Equity Income/(Loss)	-	-	-	70	173
Pre-tax Profit	624	462	666	351	790
Current taxation	(108)	(97)	(137)	(56)	(138)
Minorities	0	(1)	(0)	(0)	(7)
Extraordinary items	-	-	-	-	-
Net Profit	516	363	528	294	645
EPS (Bt)	0.51	0.37	0.54	0.30	0.66

Source: KGI Securities Research

Cash Flow

Year to 31 Dec (Bt mn)	2018A	2019A	2020A	2021F	2022F
Operating Cash Flow	1,161	1,033	1,050	571	1,288
Net Profit	624	462	666	351	790
Depreciation & Amortization	591	577	534	604	679
Change in Working Capital	(62)	(83)	(202)	(383)	(181)
Others	7	77	52	-	-
Investment Cash Flow	(519)	(616)	(797)	(450)	(450)
Net CAPEX	(45)	(230)	(243)	(50)	(50)
Change in LT Investment	-	-	-	-	-
Change in Other Assets	(475)	(386)	(555)	(400)	(400)
Free Cash Flow	642	417	253	121	838
Financing Cash Flow	(504)	(407)	(362)	1,517	(322)
Change in Share Capital	0	70	0	-	-
Net Change in Debt	(256)	118	(106)	1,517	(176)
Change in Other LT Liab.	(248)	(595)	(256)	-	(146)
Net Cash Flow	138	9	(109)	1,639	517

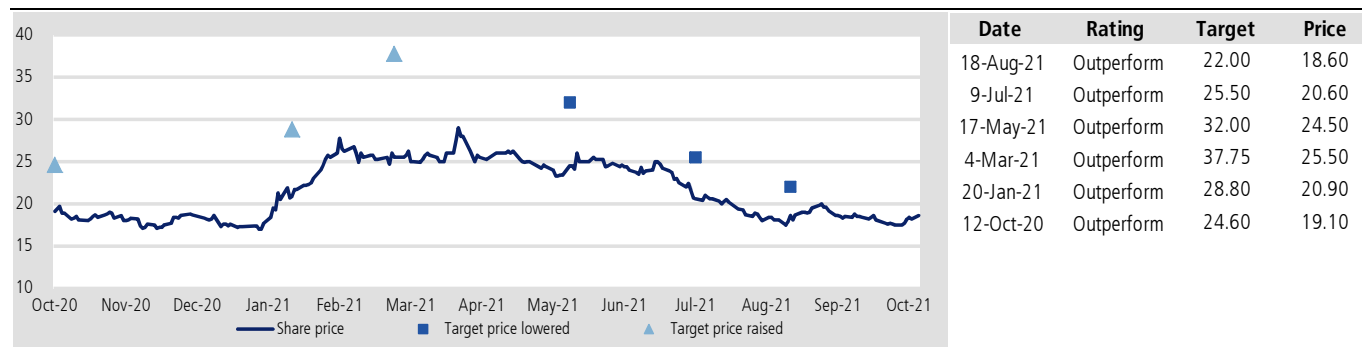
Source: KGI Securities Research

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			46.9%		11.9%		34.9%		-2.4%
Dec-21F			45.3%		13.0%		46.0%		6.3%
Dec-22F			44.5%		12.1%		40.0%		-4.4%
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			-0.02		0.14		0.50		1.35
Dec-20A			-0.05		0.17		0.72		1.63
Dec-21F			-0.10		0.16		0.72		1.19
Dec-22F			-0.04		0.12		0.60		1.29
Year	Operating Margin	x			Capital Turnover	x			After-tax Return on Inv. Capital
Dec-18A	-1.1%				1.4		82.7		-5.2
Dec-19A	-2.4%				1.6		78.9		-1.2
Dec-20A	6.3%				1.2		79.4		-3.0
Dec-21F	-4.4%				1.3		84.0		6.0
Dec-22F	3.4%				1.5		82.5		-4.7


Source: KGI Securities Research


RS - Recommendation & target price history




Source: KGI Securities Research

Corporate Governance Report of Thai Listed Companies

 Companies with Excellent CG Scoring					
Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	EGCO	ELECTRICITY GENERATING	PTTEP	PTT EXPLORATION AND PRODUCTION
ADVANC	ADVANCED INFO SERVICE	GFPT	GFPT	PTTGC	PTT GLOBAL CHEMICAL
AMA	AMA MARINE	GGC	GLOBAL GREEN CHEMICALS	PYLON	PYLON
AMATA	AMATA CORPORATION	GPSC	GLOBAL POWER SYNERGY	QH	QUALITY HOUSES
ANAN	ANANDA DEVELOPMENT	HANA	HANA MICROELECTRONICS	RATCH	RATCHABURI ELECTRICITY GENERATING HOLDING
AOT	AIRPORTS OF THAILAND	HMPRO	HOME PRODUCT CENTER	RS	RS
AP	ASIAN PROPERTY DEVELOPMENT	INTUCH	SHIN CORPORATION	SCB	THE SIAM COMMERCIAL BANK
BANPU	BANPU	IRPC	IRPC	SCC	THE SIAM CEMENT
BCP	THE BANGCHAK PETROLEUM	IVL	INDORAMA VENTURES	SCCC	SIAM CITY CEMENT
BCPG	BCPG	KBANK	KASIKORNBANK	SEAFCO	SEAFCO
BDMS	BANGKOK DUSIT MEDICAL SERVICES	KCE	KCE ELECTRONICS	SMPC	SAHAMITR PRESSURE CONTAINER
BEC	BEC WORLD	KKP	KIATNAKIN BANK	SPALI	SUPALAI
BEM	BANGKOK EXPRESSWAY AND METRO	KTB	KRUNG THAI BANK	SPRC	STAR PETROLEUM REFINING
BGRIM	B. GRIMM POWER	KTC	KRUNGTHAI CARD	SVI	SVI
BPP	BANPU POWER	LH	LAND AND HOUSES	TACC	T.A.C. CONSUMER
BTS	BTS GROUP HOLDINGS	LPN	L.P.N. DEVELOPMENT	TCAP	THANACHART CAPITAL
CENTEL	CENTRAL PLAZA HOTEL	MAKRO	SIAM MAKRO	THCOM	THAICOM
CK	CH. KARNCHANG	MBK	MBK	TISCO	TISCO FINANCIAL GROUP
CKP	CK POWER	MINT	MINOR INTERNATIONAL	TOP	THAI OIL
CPALL	CP ALL	MTC	MUANGTHAI CAPITAL	TRUE	TRUE CORPORATION
CPF	CHAROEN POKPHAND FOODS	PLANB	PLAN B MEDIA	TTB	TMBTHANACHART BANK
CPN	CENTRAL PATTANA	PSH	PRUKSA HOLDING	VGI	VGI GLOBAL MEDIA
DELTA	DELTA ELECTRONICS (THAILAND)	PTG	PTG ENERGY	WHA	WHA CORPORATION
DTAC	TOTAL ACCESS COMMUNICATION	PTT	PTT	WHAUP	

 Companies with Very Good CG Scoring					
Stock	Company name	Stock	Company name	Stock	Company name
BAM	BANGKOK COMMERCIAL ASSET MANAGEMENT	GULF	GULF ENERGY DEVELOPMENT	SAPPE	SAPPE
BBL	BANGKOK BANK	JMT	JMT NETWORK SERVICES	SAWAD	SRI SAWAD POWER 1979
CBG	CARABAO GROUP	LPH	LADPRAO GENERAL HOSPITAL	SINGER	SINGER THAILAND
CHG	CHULARAT HOSPITAL	M	MK RESTAURANT GROUP	SPA	SIAM WELLNESS GROUP
COM7	COM7	MAJOR	MAJOR CINEPLEX GROUP	TFG	THAIFOODS GROUP
DOHOME	DOHOME	MEGA	MEGA LIFESCIENCES	TKN	TAOKAENOI FOOD & MARKETING
ERW	THE ERAWAN GROUP	NETBAY	NETBAY	ZEN	ZEN CORPORATION GROUP
GLOBAL	SIAM GLOBAL HOUSE	OSP	OSOTSPA		

 Companies with Good CG Scoring					
Stock	Company name	Stock	Company name	Stock	Company name
BCH	BANGKOK CHAIN HOSPITAL	ESSO	ESSO (THAILAND)	SF	SIAM FUTURE DEVELOPMENT
BH	BUMRUNGRAD HOSPITAL	HUMAN	HUMANICA	SISB	SISB
EKH	EKACHAI MEDICAL CARE	RBF	R&B FOOD SUPPLY	TPCH	TPC POWER HOLDING

Companies classified Not in the three highest score groups					
Stock	Company name	Stock	Company name	Stock	Company name
IIG	I&I GROUP	OR	PTT OIL AND RETAIL BUSINESS	STGT	SRI TRANG GLOVES (THAILAND)
KEX	KERRY EXPRESS (THAILAND)	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION		

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
ADVANC	ADVANCED INFO SERVICE	GLOBAL	SIAM GLOBAL HOUSE	QH	QUALITY HOUSES
ANAN	ANANDA DEVELOPMENT	GPSC	GLOBAL POWER SYNERGY	RATCH	RATCHABURI ELECTRICITY GENERATING HOLDING
BBL	BANGKOK BANK	HMPRO	HOME PRODUCT CENTER	ROBINS	ROBINSON DEPARTMENT STORE
BCH	BANGKOK CHAIN HOSPITAL	IRPC	IRPC	SCC	THE SIAM CEMENT
BDMS	BANGKOK DUSIT MEDICAL SERVICES	KBANK	KASIKORNBANK	SIRI	SANSIRI
BIGC	BIG C SUPERCENTER	KCE	KCE ELECTRONICS	SPALI	SUPALAI
CK	CH. KARNCHANG	KKP	KIATNAKIN BANK	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION
DCC	DYNASTY CERAMIC	KTB	KRUNG THAI BANK	TCAP	THANACHART CAPITAL
DELTA	DELTA ELECTRONICS (THAILAND)	LPH	LADPRAO GENERAL HOSPITAL	TISCO	TISCO FINANCIAL GROUP
DRT	DIAMOND ROOFING TILES	PACE	PACE DEVELOPMENT CORPORATION	TMT	THAI METAL TRADE
EGCO	ELECTRICITY GENERATING	PTT	PTT	TOP	THAI OIL
GFPT	GFPT	PTTGC	PTT GLOBAL CHEMICAL		

Level 4: Certified

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	ERW	THE ERWAN GROUP	SAPPE	SAPPE
AP	ASIAN PROPERTY DEVELOPMENT	GLOW	GLOW ENERGY	SAWAD	SRISAWAD POWER 1979
BA	BANGKOK AIRWAYS	GUNKUL	GUNKUL ENGINEERING	SCB	THE SIAM COMMERCIAL BANK
BANPU	BANPU	ILINK	INTERLINK COMMUNICATION	SCN	SCAN INTER
BCP	THE BANGCHAK PETROLEUM	KTC	KRUNGTHAI CARD	SEAFECO	SEAFECO
BH	BUMRUNGRAD HOSPITAL	LH	LAND AND HOUSES	SVI	SVI
BJCHI	BJC HEAVY INDUSTRIES	LPN	L.P.N. DEVELOPMENT	TASCO	TIPCO ASPHALT
CBG	CARABAO GROUP	MAKRO	SIAM MAKRO	TKN	TAOKAENOI FOOD & MARKETING
CENDEL	CENTRAL PLAZA HOTEL	MALEE	MALEE SAMPRAN	TMB	TMB BANK
CHG	CHULARAT HOSPITAL	MINT	MINOR INTERNATIONAL	TRT	TIRATHAI
CKP	CK POWER	MODERN	MODERNFORM GROUP	TRUE	TRUE CORPORATION
CPF	CHAROEN POKPHAND FOODS	NOK	NOK AIRLINES	TVO	THAI VEGETABLE OIL
CPN	CENTRAL PATTANA	PTTEP	PTT EXPLORATION AND PRODUCTION		
DTAC	TOTAL ACCESS COMMUNICATION	PYLON	PYLON		

Level 3: Established

Stock	Company name	Stock	Company name	Stock	Company name
BEM	BANGKOK EXPRESSWAY AND METRO	MTLS	MUANGTHAI LEASING	SPRC	STAR PETROLEUM REFINING
CPALL	CP ALL	SCI	SCI ELECTRIC		

No progress

Stock	Company name	Stock	Company name	Stock	Company name
AOT	AIRPORTS OF THAILAND	BPP	BANPU POWER	FN	FN FACTORY OUTLET
BCPG	BCPG	BTS	BTS GROUP HOLDINGS	TPCH	TPC POWER HOLDING

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.
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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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