

## Singapore

### ADD (no change)

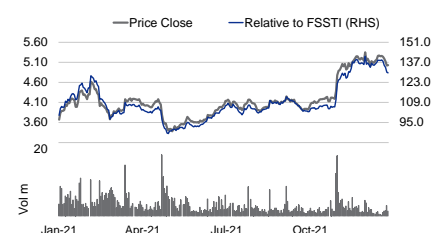
Consensus ratings\*: Buy 4 Hold 0 Sell 0

Current price:	S\$5.03
Target price:	S\$7.90
Previous target:	S\$5.84
Up/downside:	57.1%
CGS-CIMB / Consensus:	30.9%
Reuters:	AEM.SI
Bloomberg:	AEM SP
Market cap:	US\$1,146m
	S\$1,557m
Average daily turnover:	US\$8.46m
	S\$11.48m
Current shares o/s:	308.8m
Free float:	87.5%

\*Source: Bloomberg

### Key changes in this note

- FY22F EPS increased by 10.7%.
- FY23F EPS increased by 12.2%.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	-3.1	27.7	39
Relative (%)	-5.4	24.3	28.7

Major shareholders	% held
Venezio Investments	8.7
abrdn	5.1
EPF	5.0

### Analyst(s)



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# AEM Holdings Ltd

## Intel's expansion plan bodes well for AEM

- With Intel's US\$7.1bn investment to expand its test and assembly operations in Malaysia, we believe that FY23F net profit could hit a new record.
- We also think that AEM will aim to be amongst the top 3 players in the back-end test-related field; hence we now benchmark it against industry leaders.
- Reiterate Add. We raise our TP by 35% to S\$7.90 (previously \$5.84).

### Aggressive back-end capex by Intel

On 16 Dec 2021, Malaysia's Ministry of International Trade and Industry announced that Intel Corporation (INTC US, NR) will invest US\$7.1bn to expand its test and assembly operations in Malaysia. On 17 Dec 2021, Intel held its groundbreaking ceremony marking the construction of its new production facility at Free Trade Zone Phase 3, Bayan Lepas Industrial Park, Penang as part of its US\$7.1bn expansion project in Malaysia. The multi-phased expansion project consists of several buildings and according to investpenang.gov.my 17 Dec 2021 press release, is expected to begin production in early 2024. In Jan 21, Intel announced a US\$475m expansion programme for its Vietnam test and assembly facility, bringing its cumulative investment in Vietnam to c.US\$1.5bn.

### Positive on AEM's FY23F outlook ...

In our view, Intel's expansion plan in Penang is a positive for AEM. With production slated for early 2024, we believe order momentum for AEM's test handlers will be robust in FY22F-23F. In FY20, AEM registered record revenue and net profit as Intel bought equipment for its Vietnam plant expansion (official announcement of the expansion was in Jan 21).

### ... leading to another potential record profit in FY23F

Hence, we raise our FY22F-23F revenue estimates by 12.6% to 17.7%, leading to a 10.7% to 12.2% increase in our FY22F-23F EPS estimates.

### Potential re-rating catalysts and risks

Potential re-rating catalysts are stronger-than-expected orders from its major customer and earlier-than-expected success in securing orders from other prospective customers. Downside risks are delivery delays (AEM expects none currently) due to supply chain challenges and aggressive competitive response from its competitors. Loss of market share, more price competitive products from Intel's competitors and unexpected increase in operating cost could affect AEM negatively. in our FY22F-23F EPS estimates.

### Reiterate Add

Our new TP is S\$7.90 due to the increase in our FY22-23F EPS forecasts and the higher target P/E multiple of 17.94x (15% discount to the sector average – see Figure 5) reflecting our optimism that there is a chance for AEM to be amongst the top 3 players globally. Previously, we used a 14.92x P/E multiple. .

Financial Summary	Dec-19A	Dec-20A	Dec-21F	Dec-22F	Dec-23F
Revenue (S\$m)	323.1	519.0	550.3	656.3	721.3
Net Profit (S\$m)	52.8	97.6	87.1	123.6	136.1
Core EPS (S\$)	0.20	0.36	0.29	0.41	0.45
Core EPS Growth	60.3%	86.0%	(20.6%)	42.4%	9.8%
FD Core P/E (x)	25.72	13.82	16.30	12.22	11.12
Price To Sales (x)	4.20	2.61	2.82	2.37	2.15
DPS (S\$)	0.05	0.09	0.07	0.10	0.11
Dividend Yield	1.01%	1.82%	1.40%	1.99%	2.19%
EV/EBITDA (x)	18.05	10.11	11.81	8.19	6.81
P/FCFE (x)	22.00	25.95	46.47	14.41	9.98
Net Gearing	(82.1%)	(58.4%)	(37.2%)	(45.6%)	(58.2%)
P/BV (x)	10.10	6.42	3.92	3.17	2.63
ROE	47.2%	56.8%	29.4%	28.7%	25.8%
% Change In Core EPS Estimates			0.0%	10.7%	12.2%
CGS-CIMB/Consensus EPS (x)			1.00	1.03	1.01

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS



## Intel's expansion plan bodes well for AEM

### Strong global semicon equipment spend ➤

In its 14 Dec 2021 update, Semiconductor Equipment and Materials International (SEMI) forecasted that the global sales of semiconductor manufacturing equipment by original equipment manufacturers could reach a new high of US\$103bn in 2021F, surging 44.7% from the previous industry record of US\$71.0bn in 2020. SEMI expects the growth to continue with the spending expected to reach US\$114.0bn by 2022F. SEMI commented that the front-end (wafer fab) and back-end (assembly/packaging and test) semiconductor equipment segments are contributing to the global expansion. The wafer fab equipment segment, which includes wafer processing, fab facilities, and mask/reticle equipment, is projected (by SEMI) to expand 43.8% to a new industry record of US\$88.0bn in 2021F, followed by a 12.4% increase in 2022F to US\$99.0bn. Wafer fab equipment in 2023F is expected to decrease slightly by -0.5% to US\$98.4bn, as per SEMI.

According to SEMI, the foundry and logic segments, accounting for more than half of total wafer fab equipment sales, could grow 50.0% yoy to US\$49.3bn in 2021 driven by demand for both leading-edge and mature nodes. SEMI expects the growth momentum to continue in 2022 with the foundry and logic equipment investments rising 17.0% yoy.

### Benchmarking against industry leaders

We think that the 5-10 year plan for AEM includes a) benchmarking against current industry leaders, Advantest and Teradyne, and b) the continued widening of its customer base to develop a more diversified revenue profile. Since 4 Jan 2021, AEM shares can also be traded in US dollars, allowing foreign investors the option of not having to assume or hedge exchange rate risk. In our view, when AEM's revenue moves closer to the industry leaders, that may be an opportune time to consider the merits of a dual listing on another exchange if investors there can better understand its business.

### Impairment risk (if any) is low/manageable ➤

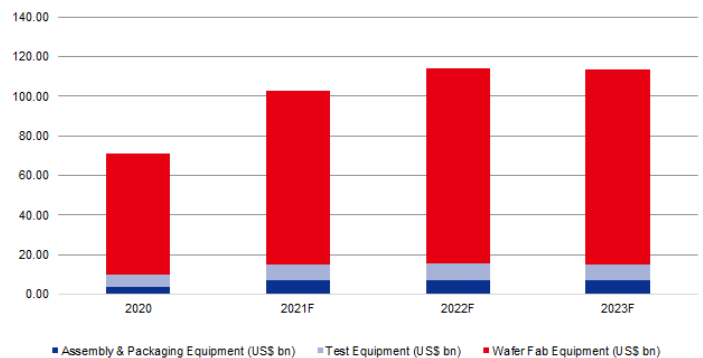
At end-Dec 20, AEM had S\$29.3m of goodwill on its balance sheet arising from various acquisitions. Although we have no access to management/auditor criteria for impairment testing for the goodwill, we think the potential risk of impairment if any is low/manageable. Based on its FY20 annual report, we note that the Test & Measurement segment (end-Dec 20 goodwill:S\$1.2m) reported a loss of S\$1.5m in FY20 vs. a S\$2.1m loss in FY19.

Figure 1: Intel breaks ground on its new test and assembly factory in Penang

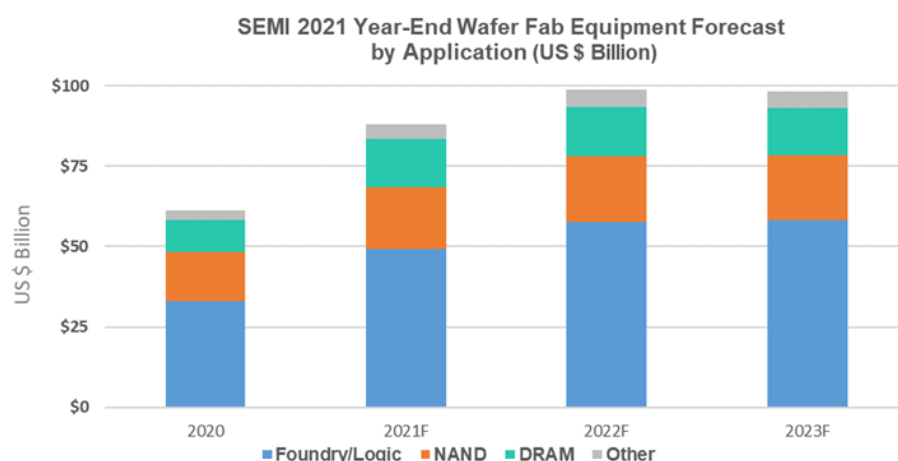


Figure 2: Global semicon equipment spend forecast

(US\$ bn)	2020	2021F	2022F	2023F
Assembly & Packaging Equipment	3.85	6.99	7.29	7.04
Test Equipment	6.01	7.79	8.17	7.99
Wafer Fab Equipment	61.20	88.01	98.88	98.39
<b>Total Equipment Spend</b>	<b>71.06</b>	<b>102.79</b>	<b>114.34</b>	<b>113.42</b>



SOURCES: SEMICONDUCTOR EQUIPMENT AND MATERIALS INTERNATIONAL

**Figure 3: Wafer fab equipment forecast by application**


SOURCES: SEMICONDUCTOR EQUIPMENT AND MATERIALS INTERNATIONAL

**Figure 4: Earnings revisions**

(S\$m)	Old			New			% chg		
	FY21F	FY22F	FY23F	FY21F	FY22F	FY23F	FY21F	FY22F	FY23F
Revenue	550.3	582.8	612.9	550.3	656.3	721.3	0.0	12.6	17.7
Operating expenses	86.7	86.5	88.6	86.7	97.2	108.5	0.0	12.4	22.5
Net profit	86.9	111.3	120.9	86.9	123.6	136.1	0.0	11.0	12.6
EPS (S\$)	0.281	0.361	0.391	0.281	0.400	0.441	0.0	10.7	12.2
Number of shares (m)	308.8	308.8	308.8	308.8	308.8	308.8	0.0	0.0	0.0
								% pts	
Gross material margin (%)	37.2	40.0	40.3	37.2	39.4	39.5	0.0	(0.6)	(0.8)

SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS

**Figure 5: Target price derivation**

Sector FY23F P/E (x)	21.10
Discount	15.00% Discount as a) peers command bigger market cap, b) average net margin of peers are higher and c) risk of rising interest rate
Target P/E (x)	17.94 A
FY23F EPS (S\$)	0.4407 B
Target price (S\$)	7.90 C = A x B
Last price (S\$)	5.00
Potential upside	58.08%
Recommendation	Add

SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS

**Figure 6: Peer financial comparison**

(US\$ m)	FYE	Revenue	Net profit	Net profit margin
AEM	Dec 20	376.5	70.8	18.80%
Advantest	Mar 21	2,950.6	645.1	21.86%
Teradyne	Dec 20	3,121.5	760.6	24.37%
Simple average		3,036.1	702.9	23.11%

SOURCES: BLOOMBERG

**Figure 7: AEM patent wins in 2021**

Name	Date awarded	Description
Compact tester	23-Nov-21	A compact tester including a housing has a base plate and a roof plate being parallel and defining a space therebetween. The compact tester includes one or more device-under-test press units having an actuator and a contact head movable by the actuator. The compact tester includes a reinforcement arrangement having a roof reinforcement sub-arrangement coupled to the roof plate and an upright reinforcement sub-arrangement coupled to the base plate. The upright reinforcement sub-arrangement includes a pair of reinforcing side walls extending upright from the base plate. The roof reinforcement sub-arrangement includes a reinforcing structure having a reinforcing panel portion attached flat against the roof plate and an elongated reinforcing rib portion protruding from the reinforcing panel portion and away from the roof plate.
Thermal test head for an integrated circuit device	21-Oct-21	A thermal test head for an integrated circuit device includes a heat exchanger assembly, a contact assembly configured to contact the integrated circuit, and a thermal control assembly disposed between the heat exchanger assembly and the contact assembly. The thermal control assembly includes a Peltier device in thermal contact with opposing surfaces of the heat exchanger assembly and the contact assembly, and a spacer in physical contact with the opposing surfaces of the heat exchanger assembly and the contact assembly.
Cold plate with porous thermal conductive structure	21-Sep-21	A cold plate may include a plate body having a thermal conductive side; a plurality of parallel hollow fluid channels running inside the plate body; at least one fluid inlet in direct fluid communication with a first subset of the plurality of parallel hollow fluid channels; at least one fluid outlet in direct fluid communication with a second subset of the plurality of parallel hollow fluid channels; and a porous thermal conductive structure which fluidly connect the first subset of the plurality of parallel hollow fluid channels to the second subset of the plurality of parallel hollow fluid channels, and which is in thermal contact with the thermal conductive side of the plate body. The porous thermal conductive structure may include a plurality of elongate fluid contact surface regions, each may be extending continuously lengthwise along a longitudinal side of respective fluid channel to serve as a fluid interface.
System and method for temporal signal measurement of device under test (DUT) and method of forming system	27-Apr-21	A measurement system of a device under test (DUT) includes a reference clock synthesizer configured to generate a master reference clock signal, a transmitter unit connected to the reference clock synthesizer and configured to connect to the DUT, and a measurement control system connected to the transmitter unit and configured to control the transmitter unit to generate a test signal pattern based on a first reference clock signal derived from the master reference clock signal, and generate a signal for passing through the DUT based on the test signal pattern. A receiver unit connected to the reference clock synthesizer is configured to connect to the DUT and to detect the signal and generate a digital signal based on the signal and a second reference clock signal derived from the master reference clock signal. The measurement control system is configured to provide an output signal based on the digital signal.

SOURCES: JUSTIA PATENTS

**Figure 8: Peer comparison**

Company	Bloomberg Ticker	Recom.	Price (lcl curr)	Target Price (lcl curr)	Market Cap (US\$ m)	P/E (x) CY22F	P/E (x) CY23F	3-year EPS CAGR (%)	P/BV (x) CY22F	Recurring ROE (%) CY22F	Dividend Yield (%) CY22F
AEM Holdings Ltd	AEM SP	ADD	5.03	7.90	1145.5	12.2	11.1	na	3.17	28.8%	2.0%
Advantest Corp	6857 JP	NR	10,710	NA	18464.6	20.0	19.8	-30.7%	6.31	33.4%	1.6%
Teradyne Inc	TER US	NR	158.3	NA	25798.7	24.6	22.4	na	9.03	41.5%	0.3%
<b>Simple average excluding AEM</b>						<b>22.3</b>	<b>21.1</b>	<b>-30.7%</b>	<b>7.67</b>	<b>37.4%</b>	<b>0.9%</b>



**Major customer valuation**

Intel Corp	INTC US	NR	53.44	NA	217340.5	14.6	14.2	na	2.15	15.0%	2.7%
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SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS, BLOOMBERG

Note: Forecasts for Not Rated companies are Bloomberg consensus estimates

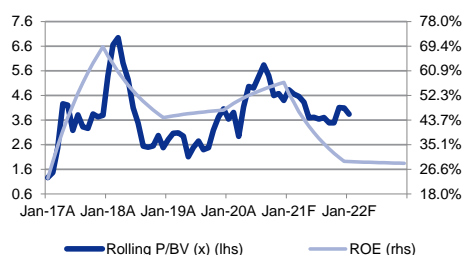
DATA AS AT 10 JAN 2022

ESG in a nutshell	
	
<b>Refinitiv ESG Scores</b>	
	
<p>AEM Holdings Ltd is a semiconductor equipment company headquartered in Singapore. AEM received an ESG grade of C- from Refinitiv. Refinitiv noted that AEM scored well in the social pillar of ESG. In the environment pillar, Refinitiv noted that there was room for improvement.</p>	
<b>Keep your eye on</b> Customer concentration risk.	<b>Implications</b> Intel (INTC US, NR) is AEM's major customer. Our forecasts assume that AEM will retain its status as the sole supplier for its products to Intel. Management has indicated that it hopes to have meaningful revenue from other customers in 2022. We note progress on this front with AEM's announcement on 31 Aug 2021 that a major memory company has selected AEM as its System Level Test provider.
<b>ESG highlights</b> AEM believes that its staff are its greatest asset. We note that technological and engineering skills and knowledge are key success factors in AEM's business.	<b>Implications</b> In 2020, each employee received an average of 8.6 hours of training. While training hours were affected by the Covid-19 pandemic, AEM has adopted digital tools and new ways of working to ensure that its employees are equipped with the right skills. The firm's commitment is to help employees develop professionally and personally to advance their career in the company as per management
<b>Trends</b> AEM's business involves the use of water-glycol mixtures that must be disposed of properly.	<b>Implications</b> We note that AEM transports water-glycol mixtures used in cooling systems to recycling centres for safe disposal. The company has also complied with environmental protection and management regulations in the past 11 years. AEM also engages qualified vendors to perform audits and tests on its environmental compliance on a yearly basis. As such, our forecasts assume that AEM will not incur any regulatory cost relating to breach of environmental regulations.

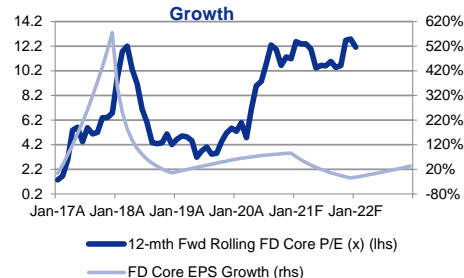
SOURCES: CGS-CIMB RESEARCH, REFINITIV

## BY THE NUMBERS

P/BV vs ROE



12-mth Fwd FD Core P/E vs FD Core EPS Growth



### Profit & Loss

(\$m)	Dec-19A	Dec-20A	Dec-21F	Dec-22F	Dec-23F
<b>Total Net Revenues</b>	<b>323.1</b>	<b>519.0</b>	<b>550.3</b>	<b>656.3</b>	<b>721.3</b>
<b>Gross Profit</b>	<b>130.8</b>	<b>203.5</b>	<b>204.9</b>	<b>258.6</b>	<b>284.9</b>
<b>Operating EBITDA</b>	<b>68.8</b>	<b>121.6</b>	<b>118.2</b>	<b>161.4</b>	<b>176.5</b>
Depreciation And Amortisation	(6.1)	(8.4)	(11.6)	(11.6)	(11.8)
<b>Operating EBIT</b>	<b>62.7</b>	<b>113.2</b>	<b>106.7</b>	<b>149.8</b>	<b>164.7</b>
Financial Income/(Expense)	(0.2)	0.4	(1.4)	(0.5)	(0.3)
Pretax Income/(Loss) from Assoc.	0.5	0.2	(0.4)	(0.4)	(0.4)
Non-Operating Income/(Expense)	0.7	0.0	0.0	0.0	0.0
<b>Profit Before Tax (pre-EI)</b>	<b>65.4</b>	<b>116.1</b>	<b>109.2</b>	<b>153.2</b>	<b>168.3</b>
Exceptional Items	0.0	0.0	0.0	0.0	0.0
<b>Pre-tax Profit</b>	<b>63.7</b>	<b>113.8</b>	<b>104.9</b>	<b>148.9</b>	<b>164.0</b>
Taxation	(11.0)	(16.2)	(17.8)	(25.3)	(27.9)
Exceptional Income - post-tax	0.0	0.0	0.0	0.0	0.0
<b>Profit After Tax</b>	<b>52.8</b>	<b>97.6</b>	<b>87.1</b>	<b>123.6</b>	<b>136.1</b>
Minority Interests	0.0	0.0	0.0	0.0	0.0
Preferred Dividends	0.0	0.0	0.0	0.0	0.0
FX Gain/(Loss) - post tax	0.0	0.0	0.0	0.0	0.0
Other Adjustments - post-tax	0.0	0.0	0.0	0.0	0.0
<b>Net Profit</b>	<b>52.8</b>	<b>97.6</b>	<b>87.1</b>	<b>123.6</b>	<b>136.1</b>
Recurring Net Profit	52.8	98.2	89.3	127.1	139.6
<b>Fully Diluted Recurring Net Profit</b>	<b>52.8</b>	<b>98.2</b>	<b>89.3</b>	<b>127.1</b>	<b>139.6</b>

### Cash Flow

(\$m)	Dec-19A	Dec-20A	Dec-21F	Dec-22F	Dec-23F
<b>EBITDA</b>	<b>68.82</b>	<b>121.57</b>	<b>118.24</b>	<b>161.38</b>	<b>176.45</b>
Cash Flow from Inv. & Assoc.	0.00	0.00	0.00	0.00	0.00
Change In Working Capital	(2.23)	(29.22)	(93.60)	(20.81)	14.52
(Incr)/Decr in Total Provisions	0.00	0.00	0.00	0.00	0.00
Other Non-Cash (Income)/Expense	6.08	0.00	0.00	0.00	0.00
Other Operating Cashflow	1.80	3.77	27.20	0.00	0.00
Net Interest (Paid)/Received	(0.16)	0.00	0.00	0.00	0.00
Tax Paid	(6.65)	(9.84)	(17.83)	(25.31)	(27.87)
<b>Cashflow From Operations</b>	<b>67.65</b>	<b>86.29</b>	<b>34.01</b>	<b>115.25</b>	<b>163.10</b>
Capex	(3.31)	(3.24)	(5.00)	(8.00)	(8.00)
Disposals Of FAs/subsidiaries	0.00	0.00	0.00	0.00	0.00
Acq. Of Subsidiaries/investments	0.00	0.00	0.00	0.00	0.00
Other Investing Cashflow	0.52	(26.53)	(53.86)	0.50	0.50
<b>Cash Flow From Investing</b>	<b>(2.79)</b>	<b>(29.77)</b>	<b>(58.86)</b>	<b>(7.50)</b>	<b>(7.50)</b>
Debt Raised/(repaid)	(3.14)	(4.22)	56.16	0.00	0.00
Proceeds From Issue Of Shares	0.17	3.44	(30.92)	0.00	0.00
Shares Repurchased	(1.69)	(2.86)	0.00	0.00	0.00
Dividends Paid	(10.53)	(22.24)	(21.72)	(30.89)	(34.02)
Preferred Dividends	0.00	0.00	0.00	0.00	0.00
Other Financing Cashflow	(0.01)	(0.02)	(1.60)	(1.00)	(0.80)
<b>Cash Flow From Financing</b>	<b>(15.20)</b>	<b>(25.91)</b>	<b>1.92</b>	<b>(31.89)</b>	<b>(34.82)</b>
Total Cash Generated	49.66	30.61	(22.93)	75.86	120.78
<b>Free Cashflow To Equity</b>	<b>61.72</b>	<b>52.29</b>	<b>31.31</b>	<b>107.75</b>	<b>155.60</b>
<b>Free Cashflow To Firm</b>	<b>65.02</b>	<b>56.52</b>	<b>(24.85)</b>	<b>107.75</b>	<b>155.60</b>

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS



## BY THE NUMBERS... cont'd

### Balance Sheet

(S\$m)	Dec-19A	Dec-20A	Dec-21F	Dec-22F	Dec-23F
Total Cash And Equivalents	112.5	134.8	214.8	290.7	411.5
Total Debtors	28.0	47.6	90.5	107.9	118.6
Inventories	57.5	79.7	137.2	158.0	143.5
Total Other Current Assets	0.0	4.4	0.8	0.8	0.8
<b>Total Current Assets</b>	<b>198.0</b>	<b>266.4</b>	<b>443.3</b>	<b>557.4</b>	<b>674.4</b>
Fixed Assets	6.3	17.6	35.5	36.2	36.7
Total Investments	4.6	4.7	9.2	8.8	8.4
Intangible Assets	16.9	46.6	91.1	86.8	82.5
Total Other Non-Current Assets	2.2	0.2	3.7	3.7	3.7
<b>Total Non-current Assets</b>	<b>30.0</b>	<b>69.1</b>	<b>139.6</b>	<b>135.6</b>	<b>131.4</b>
Short-term Debt	1.7	5.0	7.0	7.0	7.0
Current Portion of Long-Term Debt	0.0	0.0	0.0	0.0	0.0
Total Creditors	73.1	83.7	90.5	107.9	118.6
Other Current Liabilities	16.5	23.0	18.4	18.4	18.4
<b>Total Current Liabilities</b>	<b>91.3</b>	<b>111.7</b>	<b>115.8</b>	<b>133.2</b>	<b>143.9</b>
Total Long-term Debt	0.5	6.3	60.5	60.5	60.5
Hybrid Debt - Debt Component	0.0	0.0	0.0	0.0	0.0
Total Other Non-Current Liabilities	0.0	6.1	9.9	9.9	9.9
<b>Total Non-current Liabilities</b>	<b>0.5</b>	<b>12.4</b>	<b>70.4</b>	<b>70.4</b>	<b>70.4</b>
Total Provisions	1.8	0.0	0.0	0.0	0.0
<b>Total Liabilities</b>	<b>93.6</b>	<b>124.1</b>	<b>186.2</b>	<b>203.6</b>	<b>214.3</b>
Shareholders' Equity	134.3	211.4	396.7	489.4	591.5
Minority Interests	0.0	0.0	0.0	0.0	0.0
<b>Total Equity</b>	<b>134.3</b>	<b>211.4</b>	<b>396.7</b>	<b>489.4</b>	<b>591.5</b>

### Key Ratios

	Dec-19A	Dec-20A	Dec-21F	Dec-22F	Dec-23F
Revenue Growth	22.9%	60.6%	6.0%	19.3%	9.9%
Operating EBITDA Growth	64.2%	76.7%	(2.7%)	36.5%	9.3%
Operating EBITDA Margin	21.3%	23.4%	21.5%	24.6%	24.5%
Net Cash Per Share (S\$)	0.41	0.46	0.48	0.72	1.11
BVPS (S\$)	0.50	0.78	1.28	1.58	1.92
Gross Interest Cover	402.4	515.3	69.4	154.1	211.2
Effective Tax Rate	17.2%	14.3%	17.0%	17.0%	17.0%
Net Dividend Payout Ratio	25.3%	24.8%	23.8%	24.2%	24.2%
Accounts Receivables Days	28.04	26.64	45.78	55.15	57.30
Inventory Days	81.3	79.6	114.6	135.4	126.1
Accounts Payables Days	104.1	90.9	92.0	91.0	94.7
ROIC (%)	230%	543%	124%	62%	63%
ROCE (%)	56.1%	64.3%	32.4%	30.3%	27.9%
Return On Average Assets	30.0%	35.3%	20.2%	20.1%	18.8%

### Key Drivers

	Dec-19A	Dec-20A	Dec-21F	Dec-22F	Dec-23F
Equipment revenue growth (%)	22.3%	62.8%	-11.5%	11.9%	10.1%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS



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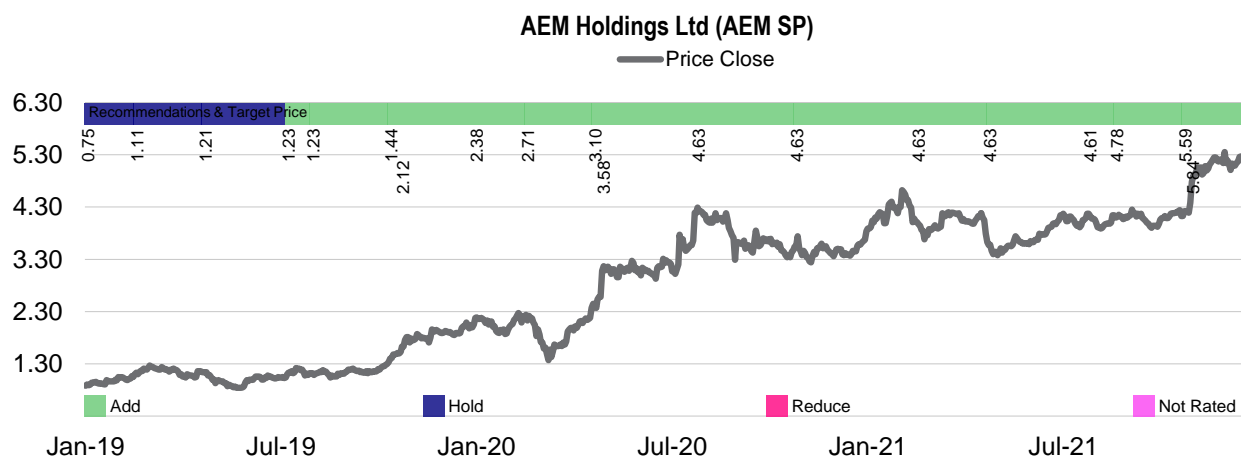
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Distribution of stock ratings and investment banking clients for quarter ended on 31 December 2021		
619 companies under coverage for quarter ended on 31 December 2021		
	Rating Distribution (%)	Investment Banking clients (%)
Add	71.1%	1.5%
Hold	21.8%	0.0%
Reduce	7.1%	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.

