

Malaysia

REDUCE (previously HOLD)

Consensus ratings*: Buy 5 Hold 12 Sell 6

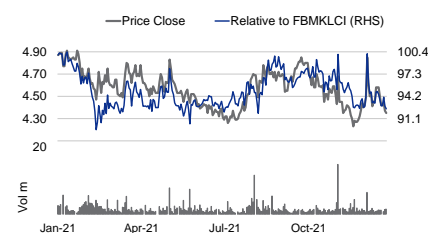
Current price:	RM4.35
Target price:	RM3.80
Previous target:	RM4.70
Up/downside:	-12.6%
CGS-CIMB / Consensus:	-17.8%

Reuters:	MXSC.KL
Bloomberg:	MAXIS MK
Market cap:	US\$8,134m
	RM34,044m
Average daily turnover:	US\$1.65m
	RM6.90m
Current shares o/s:	7,809m
Free float:	37.7%

*Source: Bloomberg

Key changes in this note

➤ No changes.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	1.9	-9.4	-13.9
Relative (%)	-0.4	-5.3	-9.6

Major shareholders

	% held
Binariang GSM	62.3
Employees Provident Fund	11.9
Amanah Saham Bumiputera	8.1

Analyst(s)



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Maxis Berhad

5G SWN may weigh on future prospects

- Maxis may have to pay substantial 5G wholesale fees of RM303m/403m/432m/432m to DNB in FY23F/24F/25F/26F, based on our estimates.
- This may hit Maxis's FY23-31F core EPS by 15-33%. We think consensus has yet to factor this in due to lack of information on DNB's wholesale fees.
- Downgrade from Hold to Reduce with a lower TP of RM3.80.

Maxis may have to pay substantial 5G wholesale fees from FY23F

If the government proceeds with its plan to accelerate the 5G single wholesale network (SWN) rollout via Digital Nasional Bhd (DNB; Unlisted), we estimate Maxis may be charged substantial minimum wholesale fees of RM303m/403m/432m/432m in FY23F/24F/25F/26F, based on DNB's commercial offer and rollout timeline. We project this could further rise to RM577m-1.5bn p.a. in FY27-31F, driven by traffic volume growth.

Minimal incremental 5G revenue and sticky 4G capex means...

We think mobile network operators (MNOs) may not be able to generate much extra mobile revenue from 5G in the near/mid-term due to a) lack of unique "killer" use cases and b) still limited coverage in the first few years, while c) 5G device penetration will take time to rise. We are encouraged to see Maxis selected by Malaysia Airports and Proton recently as their technology partners but widescale commercialisation of 5G solutions may be 3-5 years away. We think Maxis's capex will not drop much in FY22-24F due to a) JENDELA's 4G coverage/speed targets, b) growing 4G traffic and c) fibre investments.

... Maxis's core EPS could be significantly hit in a SWN scenario

If the above SWN scenario materialises, our FY22F core EPS for Maxis could be lower by 3.6% and by a bigger 15.0-33.4% for FY23-31F. The resulting FY22-23F core EPS would be 10-19% below current consensus estimates, suggesting that the market has yet to factor in substantial 5G wholesale fees to DNB.

More intense mobile competition in the long run is another risk

When DNB's 5G coverage exceeds 90% in 2027F, we see smaller MNOs (Webe, Yes) being able to compete more effectively vs. the Big 4 MNOs in terms of network experience and offer big quota 5G plans at lower prices. Thus, Maxis may have to raise its plan quotas, impairing its ability to monetise 5G traffic growth. In a worse scenario, if blended ARPU falls 10% over 2028-31F, this would further cut Maxis's FY29-31F core EPS under the SWN scenario by 8.2-31.6% and DCF-based fair value to RM3.20.

Downgrade from Hold to Reduce with lower TP of RM3.80

We keep our earnings forecasts unchanged, pending the government's final decision on its SWN plan. Our revised TP is after applying a 20% discount to Maxis's DCF-based fair value to factor in potential earnings risk due to the SWN. Key de-rating catalyst: government proceeds with SWN plan based on current commercial offer. Upside risks: lower 5G wholesale fees, cancellation of SWN or MNOs offered equity stakes in DNB.

Financial Summary

	Dec-19A	Dec-20A	Dec-21F	Dec-22F	Dec-23F
Revenue (RMm)	9,313	8,966	9,055	9,519	9,741
Operating EBITDA (RMm)	3,926	3,814	3,916	4,223	4,315
Operating EBITDA Margin	42.2%	42.5%	43.2%	44.4%	44.3%
Net Profit (RMm)	1,512	1,382	1,319	1,302	1,498
Core EPS (RM)	0.19	0.18	0.17	0.17	0.19
Core EPS Growth	(15.6%)	(7.7%)	(4.3%)	(1.3%)	15.0%
FD Core P/E (x)	22.78	24.69	25.80	26.14	22.72
DPS (RM)	0.20	0.17	0.17	0.20	0.20
Dividend Yield	4.60%	3.91%	3.91%	4.60%	4.60%
EV/EBITDA (x)	11.04	11.29	11.02	10.27	10.01
P/FCFE (x)	16.26	16.85	18.77	17.20	15.45
Net Gearing	104%	106%	107%	115%	113%
ROE	21.1%	20.1%	19.7%	19.8%	23.4%
% Change In Core EPS Estimates			0%	0%	0%
CGS-CIMB/Consensus EPS (x)			0.96	0.92	0.96

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

5G SWN may weigh on future prospects

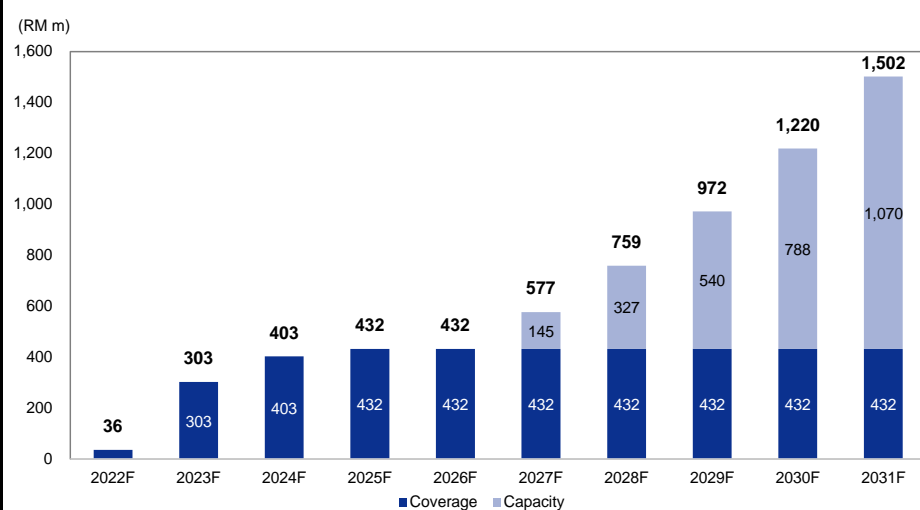
Valuation assumptions and key de-rating catalyst ▶

We lower Maxis's target price to RM3.80 (WACC: 7.0%, terminal growth: 2.0%), after applying a 20% discount to its DCF-based fair value (no discount was applied previously). The discount is to account for the potential earnings risk arising from the government's SWN plan, the impact from which could be quite material if implemented, in our view. The key potential de-rating catalyst would be the government proceeding with the SWN plan based on the current commercial offer.

Key upside risks ▶

- Lower-than-expected 5G wholesale fees. If DNB's 5G wholesale fees are lower-than-expected for the MNOs due to a change in the former's commercial offer or rollout timeline, the potential hit to Maxis's core EPS may be less severe than our estimated 3.6% for FY22F and 15.0-33.4% across FY23-31F.
- Cancellation of the government's SWN plan. If the government cancels its SWN plan, Maxis would be relieved of the negative core net profit impact from the substantial 5G wholesale fees paid to DNB from FY23F onwards.
- MNOs offered equity stakes in DNB. We believe a potential benefit of this arrangement is that DNB may be able to lower the minimum wholesale fee (which we believe is required currently due to its all-debt funding structure) or charge access seekers solely based on traffic demand. The latter will likely result in losses, especially in the initial years when 5G traffic volumes are still low, but if each MNO takes less than a 20% stake in DNB, the loss will only reduce their DNB investment value in the balance sheet and not hit the P&L.

Figure 1: Estimated 5G wholesale fee for Maxis in the SWN scenario



SOURCES: CGS-CIMB RESEARCH ESTIMATES

Figure 2: Maxis's capitalised capex in the SWN scenario

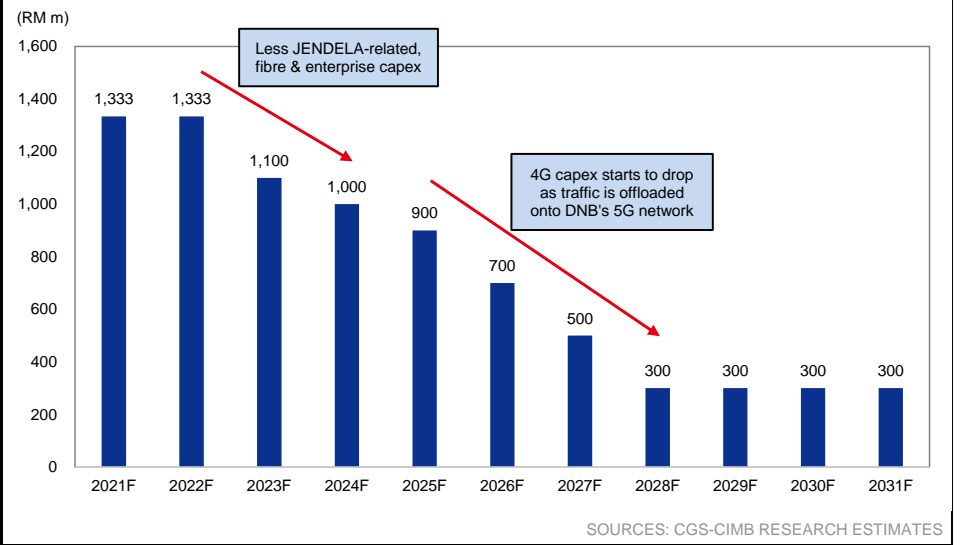


Figure 3: Maxis's core net profit under SWN scenario vs. our current forecasts

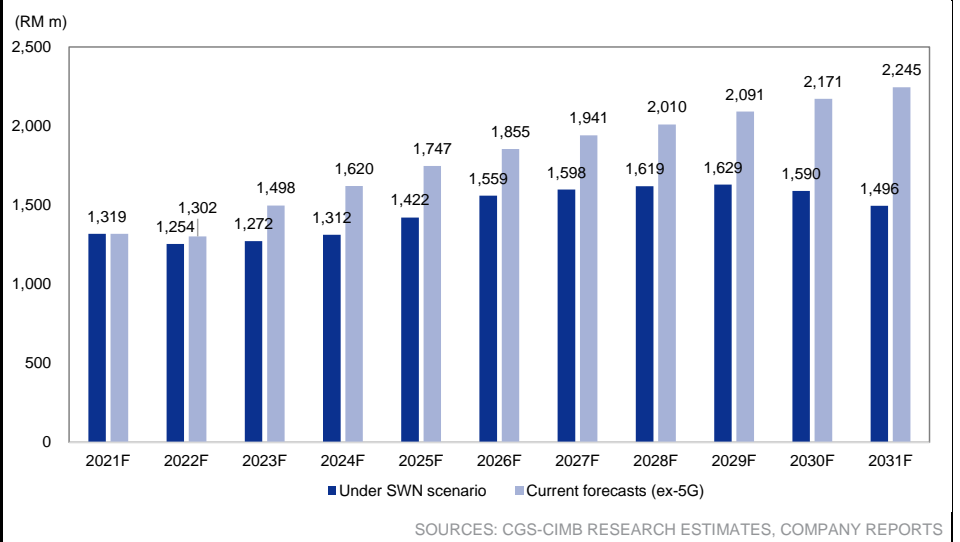


Figure 4: Maxis's FCFE under SWN scenario vs. our current forecasts

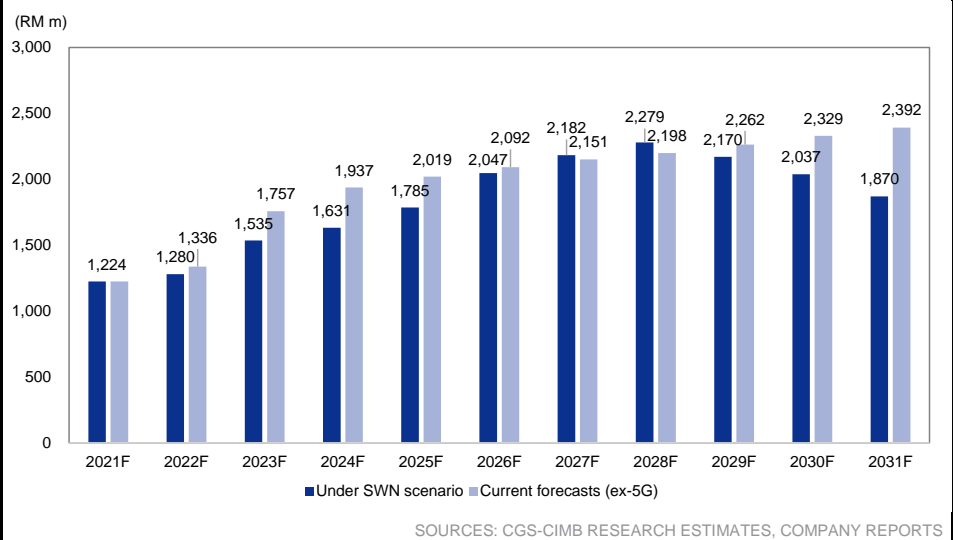


Figure 5: Our FY22-23F EBIT and core net profit for Maxis under SWN scenario are lower than Bloomberg consensus estimates

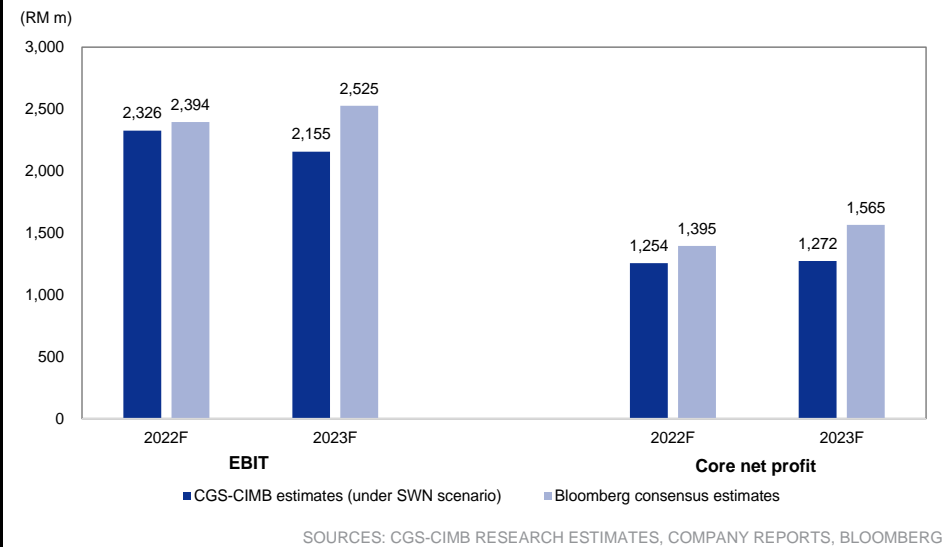


Figure 6: Scenario analysis: impact of lower ARPU on Maxis's FY29-31F core net profit & DCF-based fair value (vs. under SWN scenario)

Cumulative % decline in ARPU over 2028-31F (FYE 31 Dec)	Core net profit (RM m)			Core net profit impact			Fair value	Fair value
	2029F	2030F	2031F	2029F	2030F	2031F	(RM)	impact
Under SWN scenario	1,629	1,590	1,496				3.80	
-5%	1,585	1,453	1,261	-2.7%	-8.6%	-15.7%	3.50	-8.5%
-10%	1,496	1,270	1,024	-8.2%	-20.1%	-31.6%	3.20	-17.1%
-20%	1,318	948	550	-19.1%	-40.4%	-63.3%	2.50	-34.3%
-30%	1,184	672	79	-27.3%	-57.7%	-94.7%	1.90	-51.4%

SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS

Figure 7: Our revised DCF-based target price for Maxis is RM3.80 (WACC: 7.0%, terminal growth: 2.0%)

FYE 31 Dec (RM m)	2022F	2023F	2024F	2025F	2026F	2027F	2028F	2029F	2030F	2031F
EBIT (1-T)	1,521	1,757	1,870	1,989	2,090	2,171	2,238	2,318	2,394	2,461
Depreciation & Amortisation	1,571	1,564	1,522	1,479	1,444	1,418	1,397	1,380	1,368	1,358
Capex (including upfront spectrum fee)	-1,483	-1,250	-1,150	-1,150	-1,150	-1,150	-1,150	-1,150	-1,150	-1,150
Annual FCFE	1,609	2,071	2,243	2,318	2,385	2,439	2,485	2,548	2,612	2,669
Terminal value									0	54,666
Present value of cash flow	1,504	1,809	1,832	1,770	1,702	1,627	1,550	1,485	1,423	29,201
Value of firm	43,902									
Net cash/(debt) at end-2021F	-7,191									
Value of Equity	36,712									
Value of Equity per share (RM)	4.70									
Discount to equity value	20%									
Target price (RM)	3.80									
Cost of equity	WACC									
Risk-free rate	3.5%			% of total		Cost of capital				
Market Risk Premium	7.0%			Cost of equity		60.0%				
Beta	0.80			Cost of debt		40.0%				
Cost of equity	9.1%			WACC		7.0%				
Terminal growth rate	2.0%									

SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS

Figure 8: Sensitivity of target price to changes in WACC and terminal growth rates

WACC	Terminal growth rate				
	1.0%	1.5%	2.0%	2.5%	3.0%
6.0%	4.07	4.43	4.88	5.45	6.22
6.5%	3.62	3.90	4.24	4.67	5.23
7.0%	3.26	3.48	3.80	4.09	4.51
7.5%	2.92	3.11	3.32	3.58	3.90
8.0%	2.65	2.80	2.98	3.18	3.43

SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS

Figure 9: Maxis's EV/OpFCF trading band (based on current earnings forecasts)

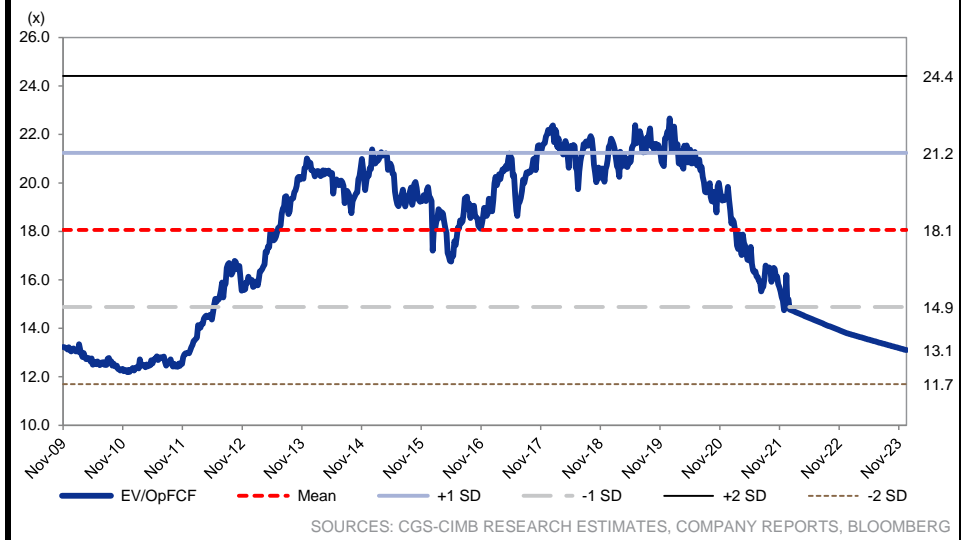


Figure 10: Maxis's EV/OpFCF trading band (based on earnings estimates under SWN scenario)










Figure 11: ASEAN telco sector comparison

Company	Bloomberg Ticker	Recom.	Current share price (local curr.)	Target price (local curr.)	Market cap (US\$ m)	Core P/E (x)		EV/EBITDA (x)		EV/OpFCF (x)		3-year CAGR (%)		Dvd Yield (%)	
						2021F	2022F	2021F	2022F	2021F	2022F	EPS	EBITDA	2021F	2022F
Maxis	MAXIS MK	REDUCE	4.35	3.80	8,134	25.8	26.1	11.0	10.3	17.2	14.8	2.8	4.2	3.9	4.6
TM	T MK	ADD	5.08	7.50	4,580	16.5	16.1	5.6	5.2	9.8	9.1	17.6	5.1	3.6	3.7
MY telcos average (ex-outliers)						26.0	23.6	8.5	8.0	14.1	12.7	10.2	3.8	3.4	3.9
SingTel	ST SP	ADD	2.48	2.90	30,444	19.6	15.2	8.2	7.3	15.4	16.6	22.1	1.8	3.8	4.9
Starhub	STH SP	ADD	1.32	1.70	1,698	17.3	18.8	6.9	6.7	11.6	10.5	1.2	(0.2)	4.6	4.3
SG telcos average (ex-outliers)						18.4	17.0	7.6	7.0	13.5	13.5	11.7	0.8	4.2	4.6
TLKM	TLKM IJ	ADD	4,330	4,250	29,920	18.5	16.9	8.3	7.8	15.3	13.4	8.2	4.8	4.0	4.4
XL Axiata	EXCL IJ	ADD	3,050	3,500	2,282	34.1	18.2	4.7	4.3	11.6	9.5	45.3	4.8	1.5	3.3
Indosat	ISAT IJ	ADD	6,000	7,800	3,374	71.3	44.9	4.6	4.5	35.1	33.4	nm	9.4	30.0	1.1
Link Net	LINK IJ	ADD	4,380	5,200	875	13.2	13.2	5.5	4.9	16.7	13.5	2.3	7.5	2.3	2.3
Indo telcos average (ex-outliers)						21.9	16.1	5.8	5.4	14.6	12.1	18.6	6.6	9.4	2.8
AIS	ADVANC TB	ADD	222.00	256.00	20,054	24.5	24.3	7.7	7.2	10.5	9.7	(0.4)	4.0	3.1	3.7
DTAC	DTAC TB	ADD	47.00	52.70	3,380	34.3	29.6	5.4	5.2	10.4	10.1	(18.0)	2.3	4.4	4.5
True	TRUE TB	ADD	4.76	5.15	4,821	nm	nm	6.7	6.8	16.7	13.2	(18.1)	5.6	1.5	1.5
Jasmine	JASIF TB	HOLD	10.60	9.60	2,576	9.7	9.7	10.0	9.7	10.0	9.7	1.3	0.5	8.7	8.5
DIF	DIF TB	ADD	14.30	17.20	4,618	12.2	12.4	12.1	12.3	12.1	12.3	0.0	(0.2)	7.3	7.2
Intouch	INTUCH TB	HOLD	77.75	73.60	7,573	23.7	23.5	19.9	19.6	19.9	19.6	1.0	1.0	3.2	3.8
Thai telcos average (ex-outliers)						20.9	19.9	10.3	10.1	13.3	12.4	(3.2)	2.2	4.7	4.9
ASEAN Telcos average (ex-outliers)						22.2	19.7	8.4	8.0	13.8	12.6	7.4	3.5	5.5	4.1

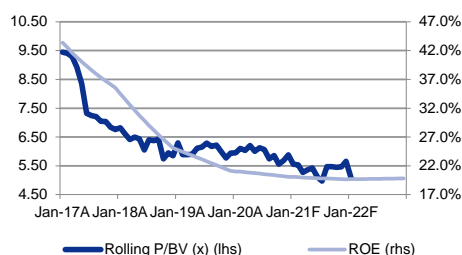
Note: Share prices as of 21 Jan 2022; operating FCF (OpFCF) is calculated as EBITDA minus average 3-year forward capex; core P/E is share price divided by core EPS (i.e. reported EPS excluding one-off extraordinary items); included only P/E ratios ranging between c.10-40x, EV/OpFCF of c.5-25x & EPS/EBITDA 3-year CAGR of -100% to +100% in our calculation of sector averages

SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS, BLOOMBERG

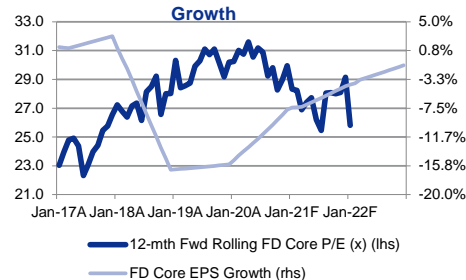
Refinitiv ESG Scores	
	
     	
ESG in a nutshell	
<p>We rank Maxis fourth for sustainability among the Malaysian telcos under our coverage. We believe it is not a clear leader in any of the key material ESG matters for the sector, and has more room to improve in several aspects. Nonetheless, we note its ESG performance is still fairly decent on an absolute basis, with bright spots including its fairly high average learning and training hours per employee and good/improving workforce/management diversity in 2017-20.</p>	
Keep your eye on	Implications
<p>The government's plan to roll out the sole nationwide 5G network could be a mid- to longer-term risk for incumbent mobile network operators, including Maxis.</p>	<p>We have incorporated this downside risk into our ESG score and ranking for Maxis, but have not baked it into our valuation or forecasts, pending further details on the government's 5G rollout plan.</p>
ESG highlights	Implications
<p>We think that Maxis has more room to improve on: i) corporate governance/ethics (lags behind peers in terms of board diversity, number of directors exceeding the 9-year tenure limit and disclosure on individual remuneration of key management executives/directors as well as material corruption cases), ii) environmental impact, as it has not set any targets for the reduction of carbon emissions, which have risen for two consecutive years, and iii) data privacy/security.</p>	<p>This leads us to rank Maxis fourth among Malaysian telcos from an ESG angle. On an absolute basis, we do not expect its ESG performance to have a material impact on revenue/earnings, as the latter is more likely to be driven by issues such as competition, M&A and regulatory developments.</p>
Trends	Implications
<p>In return for the licence to operate their networks, society expects telcos to roll out their networks and provide good and reliable quality of service (QoS) at affordable prices. If telcos fail at this, there may be community calls on the regulator to intervene to correct a real/perceived market failure, perhaps with the setting of more stringent QoS/coverage targets (with fines imposed if key performance indicators are not met), imposition of tariff ceilings or the suspension of licence/issuance of additional licences to bring in new entrants to spur competition. Telcos that do not consistently provide good and reliable QoS/coverage and customer service may also, over the longer run, risk losing subs and incur additional costs to manage high subs churn rates. Digi won the 4G download speed and video experience awards for the two consecutive times in Opensignal's Dec 20-Aug 21 tests, overtaking Maxis, which is now ranked second.</p>	<p>We are of the view that Maxis losing its position as the leader in network quality in Malaysia is a potential threat that could reduce its market traction over the medium term. We have factored this into our forecasts by projecting a gradual mobile revenue market share erosion for Maxis over FY22-24F.</p>
<small>SOURCES: CGS-CIMB RESEARCH, REFINITIV, OPENSIGNAL, COMPANY REPORTS</small>	

BY THE NUMBERS

P/BV vs ROE



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



Profit & Loss

(RMm)	Dec-19A	Dec-20A	Dec-21F	Dec-22F	Dec-23F
Total Net Revenues	9,504	9,240	9,329	9,793	10,015
Gross Profit	9,504	9,240	9,329	9,793	10,015
Operating EBITDA	3,926	3,814	3,916	4,223	4,315
Depreciation And Amortisation	-1,439	-1,535	-1,724	-1,859	-1,855
Operating EBIT	2,487	2,279	2,192	2,364	2,460
Financial Income/(Expense)	-452	-405	-424	-433	-453
Pretax Income/(Loss) from Assoc.	0	0	0	0	0
Non-Operating Income/(Expense)	0	0	0	0	0
Profit Before Tax (pre-EI)	2,035	1,874	1,767	1,932	2,007
Exceptional Items	-8	-22	0	0	0
Pre-tax Profit	2,027	1,852	1,767	1,932	2,007
Taxation	-515	-470	-449	-630	-509
Exceptional Income - post-tax					
Profit After Tax	1,512	1,382	1,319	1,302	1,498
Minority Interests	0	0	0	0	0
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Net Profit	1,512	1,382	1,319	1,302	1,498
Recurring Net Profit	1,493	1,378	1,319	1,302	1,498
Fully Diluted Recurring Net Profit	1,493	1,378	1,319	1,302	1,498

Cash Flow

(RMm)	Dec-19A	Dec-20A	Dec-21F	Dec-22F	Dec-23F
EBITDA	3,926	3,814	3,916	4,223	4,315
Cash Flow from Inv. & Assoc.					
Change In Working Capital	-84	-207	-207	-207	-207
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense					
Other Operating Cashflow	468	652	454	452	451
Net Interest (Paid)/Received	-495	-472	-469	-478	-498
Tax Paid	-547	-355	-449	-630	-509
Cashflow From Operations	3,268	3,432	3,245	3,360	3,551
Capex	-1,371	-1,396	-1,483	-1,483	-1,250
Disposals Of FAs/subsidiaries	1	1	1	1	1
Acq. Of Subsidiaries/investments	0	0	0	0	0
Other Investing Cashflow	-6	-18	0	0	0
Cash Flow From Investing	-1,376	-1,413	-1,482	-1,482	-1,249
Debt Raised/(repaid)	200	0	50	100	-100
Proceeds From Issue Of Shares	0	0	0	0	0
Shares Repurchased					
Dividends Paid	-1,564	-1,330	-1,330	-1,564	-1,564
Preferred Dividends					
Other Financing Cashflow	-755	-743	-743	-746	-766
Cash Flow From Financing	-2,119	-2,073	-2,023	-2,211	-2,431
Total Cash Generated	-227	-54	-260	-333	-129
Free Cashflow To Equity	2,092	2,019	1,813	1,978	2,202
Free Cashflow To Firm	2,414	2,508	2,253	2,372	2,815

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

BY THE NUMBERS... cont'd

Balance Sheet

(RMm)	Dec-19A	Dec-20A	Dec-21F	Dec-22F	Dec-23F
Total Cash And Equivalents	582	735	680	553	647
Total Debtors	2,390	2,073	2,434	2,304	2,544
Inventories	3	3	3	3	3
Total Other Current Assets	11	11	12	13	15
Total Current Assets	2,986	2,822	3,130	2,874	3,209
Fixed Assets	4,922	4,931	5,067	5,151	5,008
Total Investments	0	0	0	0	0
Intangible Assets	11,310	11,461	11,419	11,297	11,175
Total Other Non-Current Assets	3,105	2,718	2,813	2,918	3,033
Total Non-current Assets	19,337	19,110	19,299	19,366	19,217
Short-term Debt	905	0	0	0	0
Current Portion of Long-Term Debt					
Total Creditors	4,323	3,997	4,303	4,238	4,502
Other Current Liabilities	532	464	464	464	464
Total Current Liabilities	5,760	4,461	4,767	4,702	4,966
Total Long-term Debt	6,934	7,821	7,871	7,971	7,871
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	2,628	2,935	3,087	3,125	3,215
Total Non-current Liabilities	9,562	10,756	10,958	11,096	11,086
Total Provisions	0	0	0	0	0
Total Liabilities	15,322	15,217	15,725	15,798	16,051
Shareholders' Equity	7,001	6,715	6,704	6,442	6,375
Minority Interests	0	0	0	0	0
Total Equity	7,001	6,715	6,704	6,442	6,375

Key Ratios

	Dec-19A	Dec-20A	Dec-21F	Dec-22F	Dec-23F
Revenue Growth	1.32%	(3.73%)	0.99%	5.13%	2.32%
Operating EBITDA Growth	2.19%	(2.85%)	2.68%	7.84%	2.17%
Operating EBITDA Margin	42.2%	42.5%	43.2%	44.4%	44.3%
Net Cash Per Share (RM)	-0.93	-0.91	-0.92	-0.95	-0.92
BVPS (RM)	0.90	0.86	0.86	0.82	0.81
Gross Interest Cover	4.76	4.66	4.48	4.79	4.79
Effective Tax Rate	25.4%	25.4%	25.4%	32.6%	25.4%
Net Dividend Payout Ratio	103%	95%	101%	120%	104%
Accounts Receivables Days	87.12	91.09	90.84	90.84	90.84
Inventory Days	N/A	N/A	N/A	N/A	N/A
Accounts Payables Days	N/A	N/A	N/A	N/A	N/A
ROIC (%)	12.5%	10.1%	9.8%	10.4%	10.9%
ROCE (%)	17.3%	16.1%	15.5%	16.7%	17.6%
Return On Average Assets	8.83%	7.72%	7.38%	7.28%	8.23%

Key Drivers

	Dec-19A	Dec-20A	Dec-21F	Dec-22F	Dec-23F
Total RGS mobile subs ('000)	9,868.0	9,790.0	10,073.1	10,277.7	10,441.5
Postpaid RGS subs, ex-M2M ('000)	3,372.0	3,508.0	3,708.0	3,858.0	3,988.0
Postpaid M2M RGS subs ('000)	269.0	331.0	364.1	418.7	502.5
Prepaid RGS subs ('000)	6,227.0	5,951.0	6,001.0	6,001.0	5,951.0
Postpaid RGS ARPU, ex-M2M (RM/mth/sub)	90.8	84.5	81.0	80.0	78.0
Prepaid RGS ARPU (RM/mth/sub)	41.0	39.5	38.0	38.5	38.0
Wireless broadband subs ('000)	104.0	129.0	209.0	239.0	239.0
Home Fibre subs ('000)	331.0	402.0	487.0	562.0	632.0
Home Fibre ARPU (RM/mth/sub)	109.2	107.5	109.7	111.9	114.1

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

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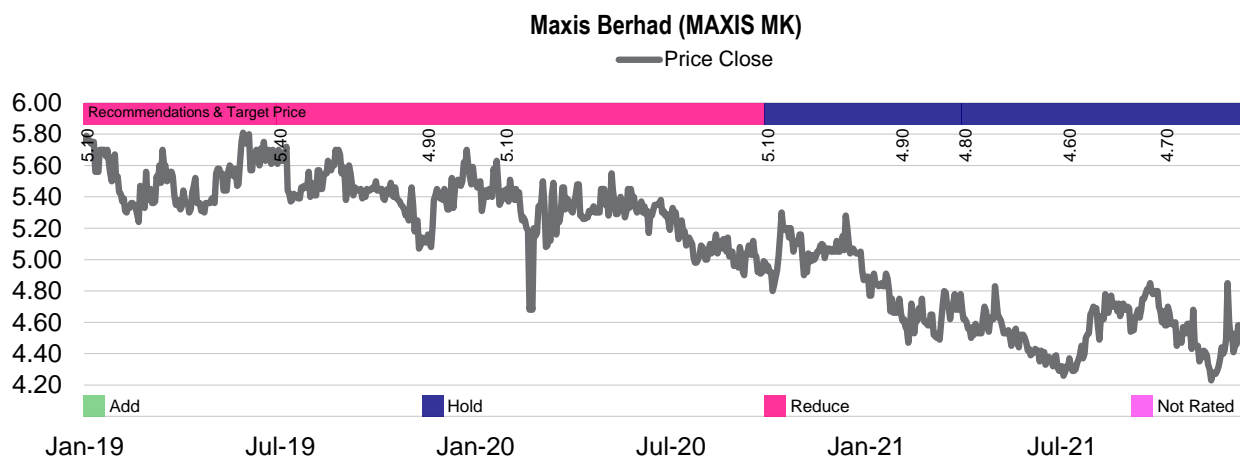
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Distribution of stock ratings and investment banking clients for quarter ended on 31 December 2021		
619 companies under coverage for quarter ended on 31 December 2021		
	Rating Distribution (%)	Investment Banking clients (%)
Add	71.1%	1.5%
Hold	21.8%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

