

Malaysia

**HOLD** (no change)

Consensus ratings\*: Buy 0 Hold 3 Sell 0

Current price:	RM29.00
Target price:	RM31.20
Previous target:	RM31.50
Up/downside:	7.6%
CGS-CIMB / Consensus:	6.8%
Reuters:	PMMY.KL
Bloomberg:	PMM MK
Market cap:	US\$420.9m
	RM1,762m
Average daily turnover:	US\$0.03m
	RM0.13m
Current shares o/s:	60.75m
Free float:	52.5%

\*Source: Bloomberg

**Key changes in this note**

- FY22-23F EPS forecasts cut by 4.1-29.1% as we lower our revenue assumptions and increase input costs.
- FY24 EFS forecasts are unchanged as we expect operations to resume full force.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	-1.2	-4.2	-3.5
Relative (%)	-3.5	-0.1	0.8

Major shareholders	% held
Panasonic Management Malaysia	47.5
EPF	7.2
KWAP	3.6

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# Panasonic Manufacturing Malaysia Berhad

## SA2 plant closed for two weeks in Dec 21

- We turn slightly negative post a recent briefing as its SA2 plant was closed for two weeks in Dec 21 due to the floods, leading to loss of production.
- However, we expect the group to ramp up its operation by Mar 22 and record a stronger 2HFY3/22 on recovery in sales and higher selling prices.
- Reiterate Hold with a lower TP of RM31.20 (15x CY23F P/E).

### The recent flood incident led to 2-week closure of its SA2 plant

PMM's management disclosed that the recent flood incident affected its SA2 plant, leading to a two-week (18-31 Dec 21) production halt for its fan products and vacuum cleaners (combined 60% of 1HFY3/22 sales; Figure 2), which is a negative surprise. c.15% of PMM's suppliers were also hit by the flood, affecting their deliveries to both of PMM's plants in 1QCY22, leading to lower, albeit still manageable, production levels. Hence, we cut our FY22-23F earnings by 4.1-29.1% while FY24F is unchanged.

### Ramping up its operations by Mar 22 through various measures

We take comfort that PMM is undertaking proactive measures to alleviate the shortfall in component parts via i) resourcing from other suppliers, and ii) requesting suppliers' sub-con to support orders. While the group's current production level for fans (40%) and vacuum cleaners (80%) is not at optimum levels due to the flood, we expect production to ramp up by Mar 22 as the shortage issue eases. PMM's SA1 plant remains fully operational as it was spared from the flood. We also gather that the financial impact from the flood could be mitigated by insurance.

### A better 2HFY3/22, aided by price hikes and cost-savings measures

We are positive that PMM raised selling prices (c.5-10%) for its fan products (50% of 1HFY22 sales) effective Jan 22, which will be followed by other products in Apr 22. The group has also embarked on cost rationalisation initiatives, such as reduction in headcount and marketing expenses. Thus, we believe PMM will post better 2HFY3/22 results, supported by: i) recovery in sales upon reopening of economic activities since 11 Oct 21, ii) plants ramping up to catch up with production delays and fulfilling backlog orders, iii) higher economies of scale, and iv) product price hikes.

### Reiterate Hold on appealing dividend yield of 7%; TP cut to RM31.20

Our TP falls to RM31.20 given the earnings cut, still based on 15x CY23F P/E (its 5-year average). However, we retain our Hold call as the stock is currently trading at 13.9x CY23F P/E, c.11% discount to its 5-year mean P/E of 15.6x. Besides, we like PMM for its: i) attractive dividend yields of c.7% for FY23-24F, ii) strong balance sheet (net cash of RM394m (RM6.50 per share) as at end-2QFY22F), and iii) established brand presence and solid market share of consumer electronics in the domestic and overseas markets.

**Financial Summary**

	Mar-20A	Mar-21A	Mar-22F	Mar-23F	Mar-24F
Revenue (RMm)	1,052	975	877	999	1,107
Operating EBITDA (RMm)	147.6	142.4	71.8	134.4	167.8
Net Profit (RMm)	117.0	116.5	57.0	107.0	132.8
Normalised EPS (RM)	1.83	2.01	0.94	1.76	2.19
Normalised EPS Growth	(4.7%)	9.9%	(53.3%)	87.7%	24.1%
FD Normalised P/E (x)	15.85	14.42	30.90	16.46	13.27
DPS (RM)	1.98	1.63	1.50	2.00	2.00
Dividend Yield	6.83%	5.62%	5.17%	6.90%	6.90%
EV/EBITDA (x)	7.37	7.89	16.13	8.83	7.05
P/FCFE (x)	16.64	16.54	28.58	17.40	13.01
Net Gearing	(70.8%)	(64.5%)	(62.9%)	(60.4%)	(59.9%)
P/BV (x)	2.16	2.17	2.26	2.31	2.27
ROE	13.4%	15.0%	7.2%	13.9%	17.2%
% Change In Normalised EPS Estimates			(29.0%)	(4.1%)	(0.0%)
Normalised EPS/consensus EPS (x)			0.57	0.86	0.92

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

## Floods to prolong bottlenecks in operations

### Updates on the expansion of in-house production

The completion of the expansion plan to increase the in-house production of injection parts to reduce its reliance on outsourcing and better control its manufacturing process has just been delayed by a month to March 2022 due to the floods. As at Dec 2021, the progress of transferring the parts and mould to in-house reached 86% and 84% completion, respectively. Upon completion, we see further cost savings from FY3/23 onwards.

### Other details from the briefing:

- 99.9% of all its employees (c.1,900-2,000 headcount) have received 1<sup>st</sup> and 2<sup>nd</sup> dose vaccination while more than 50% have received booster shots.
- The group said that it is currently recruiting temporary workers and outsource service providers to partially cover the shortages. Management also said wages have increased by 10-15% owing to the competition for labour at this juncture. The current ratio of local to foreign workers is now at 73:27, on track to meet its target of 80:20. Nonetheless, if the government delays the recruitment of foreign workers due to strict border controls and competition for labour heats up across all major sectors, we do not discount the possibility of an acute labour shortage affecting PMM's production once all the factories are running at full capacity from March 2022 onwards.
- Given the shortage issue and impaired production capacity at its SA2 plant due to the flood, the group is unable to capture the increase in replacement demand for home appliances in the aftermath of the flood. However, we understand that 80% of the affected moulds located at PMM's sub-con has been repaired and returned, which could help to ease the supply issue.

### Downside risks and re-rating catalysts >

Upside risks: i) stronger-than-expected sales recovery and alleviating of supply chain disruptions, and ii) lower-than-expected raw material costs and quicker-than-expected easing of manpower shortage.

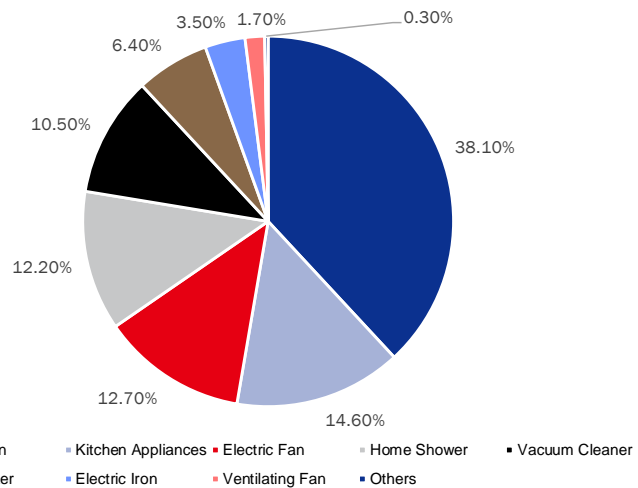
Downside risks: i) prolonged supply chain disruptions affecting sales delivery, ii) higher-than-expected raw material prices, iii) further suspension of operations as a result of Covid-19 outbreaks among its production workers, which will lead to a decline in production, and iv) higher operating costs.

**Figure 1: Earnings revision**

RM m	FY21			FY22F			FY23F			FY24F		
		Old	New	%chg	Old	New	%chg	Old	New	%chg		
Revenue	974.6	928.0	876.6	-5.5%	1038.0	998.7	-3.8%	1107.0	1107.1	0.0%		
EBITDA	142.4	99.2	71.8	-27.6%	139.7	134.4	-3.8%	167.8	167.8	0.0%		
Core pretax profit	134.2	94.5	66.9	-29.1%	131.3	125.9	-4.1%	156.2	156.2	0.0%		
Core net profit	115.7	80.3	56.9	-29.1%	111.6	107.0	-4.1%	132.8	132.8	0.0%		

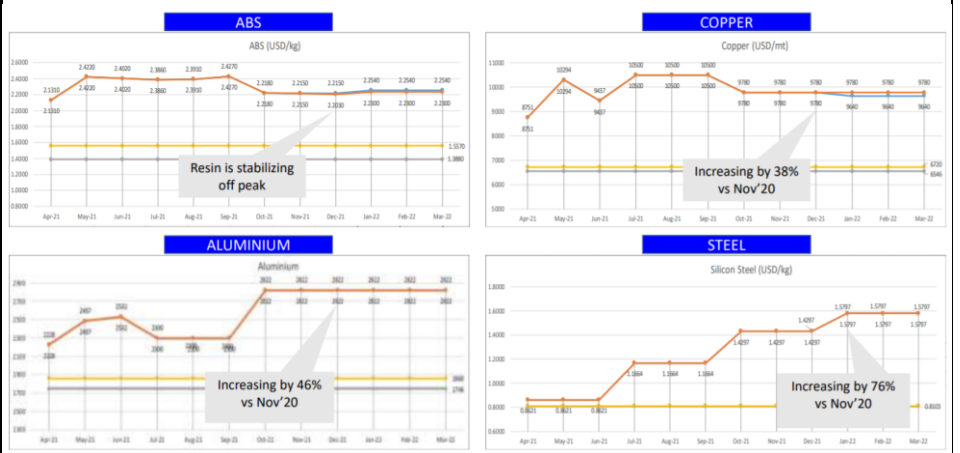
SOURCES: CGS-CIMB, COMPANY REPORTS

**Figure 2: Product type by revenue in 1HFY22**



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 3: Historical and estimated raw material price trend until March 2022 (other metals increasing by 38-76% vs. Nov 20 while resin stabilises)**



SOURCES: CGS-CIMB, COMPANY REPORTS

**Figure 4: PMM's SA2 plant in Shah Alam was inundated by floodwaters**



SOURCES: CGS-CIMB, COMPANY REPORTS

**Figure 5: Geographical revenue breakdown**

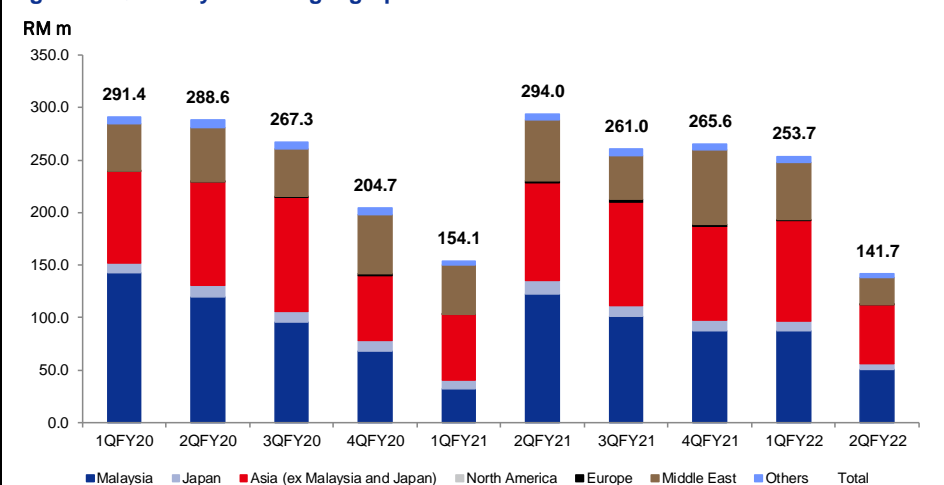
FYE Mar (RMm)	2QFY22	2QFY21	yoy % chg	1QFY22	qoq % chg	2QFY22 cum	2QFY21 cum	yoy %chg
Malaysia	50.7	122.6	-58.6%	87.6	-42.1%	138.3	154.9	-10.7%
Japan	5.5	12.7	-56.5%	9.5	-41.8%	15.0	20.5	-26.7%
Asia (ex Malaysia & Japan)	55.7	92.7	-39.9%	95.4	-41.5%	151.1	155.5	-2.9%
Europe	0.4	2.4	-81.6%	1.4	-69.3%	1.8	3.0	-37.9%
Middle East	26.1	57.7	-54.7%	53.9	-51.5%	80.0	103.9	-23.0%
Others	3.2	5.9	-45.1%	5.9	-45.7%	9.2	10.3	-10.8%
<b>Total</b>	<b>141.7</b>	<b>294.0</b>	<b>-51.8%</b>	<b>253.7</b>	<b>-44.1%</b>	<b>395.4</b>	<b>448.0</b>	<b>-11.7%</b>

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 6: Segmental breakdown for PANAMY**

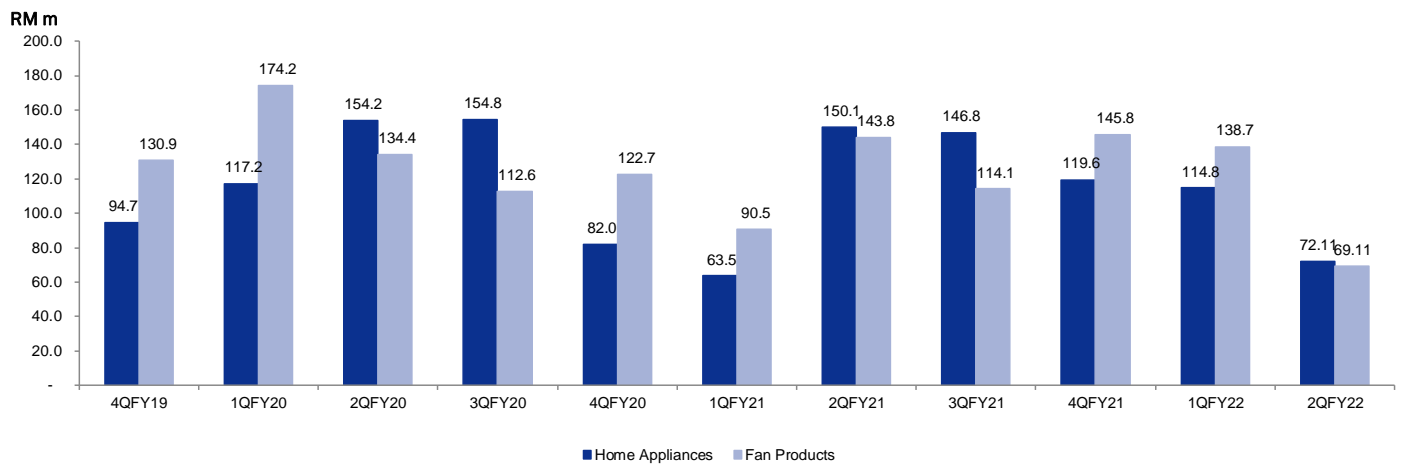
FYE Mar (RMm)	2QFY22	2QFY21	yoy % chg	qoq % chg	2QFY22 cum	2QFY21 cum	yoy %chg
<b>Revenue (RM m)</b>							
Home appliances	72.1	150.1	(52.0)	(37.2)	186.9	213.7	(12.5)
Fan products and others	69.1	143.8	(52.0)	(50.2)	207.8	234.4	(11.3)
<b>Total</b>	<b>141.7</b>	<b>294.0</b>	<b>(51.8)</b>	<b>(44.1)</b>	<b>394.7</b>	<b>448.0</b>	<b>(11.9)</b>
<b>PBT breakdown (RM m)</b>							
Home appliances	1.5	26.3	(94.3)	(85.5)	11.8	23.6	(50.2)
Fan products and others	(6.1)	20.4	(130.1)	(160.7)	4.0	24.5	(83.8)
<b>Total</b>	<b>(4.6)</b>	<b>46.6</b>	<b>(110.0)</b>	<b>(122.8)</b>	<b>15.7</b>	<b>48.1</b>	<b>(67.3)</b>
<b>PBT margin (%)</b>							
Home appliances	2.1	17.5	(15.4)	(6.9)	6.3	11.1	(4.8)
Fan products and others	(8.9)	14.2	(23.0)	(16.2)	1.9	10.4	(8.5)
<b>Total</b>	<b>(3.3)</b>	<b>15.9</b>	<b>(19.1)</b>	<b>(11.3)</b>	<b>4.0</b>	<b>10.7</b>	<b>(6.7)</b>

SOURCE: CIMB RESEARCH, COMPANY

**Figure 7: Quarterly trend of geographical breakdown**


SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 8: Quarterly trend of segmental breakdown**



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

## ESG in a nutshell



PMM's sustainability reporting is prepared in line with Bursa Malaysia's Sustainability Reporting Guide and also in accordance with the Global Reporting Initiative (GRI). PMM's sustainability report mainly covers its Malaysian operations, in the context of it being a part of Japan-based Panasonic Corp. Key material matters include: economic performance, anti-corruption and sound procurement practices, and environmental compliance.

### Keep your eye on

PMM has adopted and operates based on the Panasonic Corporation Code of Conduct, which delineates a clear set of rules for compliance with the law and corporate ethics.

### Implications

Anti-corruption and fair business dealing practices are key for both its customers and vendors and we are thus positive on PMM's focus on this matter. We note that all employees, including temporary workers, are required to sign a Clean Business Dealing Agreement as an assurance they will not engage in bribery or any fraudulent conduct. We believe that this is pertinent considering the new Section 17A of the Malaysian Anti-Corruption Commission (MACC) Act, which came into force on 1 Jun 2020 and which outlines that companies and senior management are now liable if an associated person of the company conducts an act of bribery to gain business advantage.

### ESG highlights

PMM has been proactive in improving its procurement practices to ensure best cost scales, quality and adherence to environmental standards. Local suppliers constituted 79% of its total suppliers as of FY21.

### Implications

PMM, as part of the wider Panasonic Corp group, continuously engages with its suppliers via joint activities to ensure its suppliers sufficiently meet PMM's product quality standard and requirements. It also conducts frequent audits on its suppliers to ensure they comply with all requirements, including corporate social responsibility matters.

### Trends

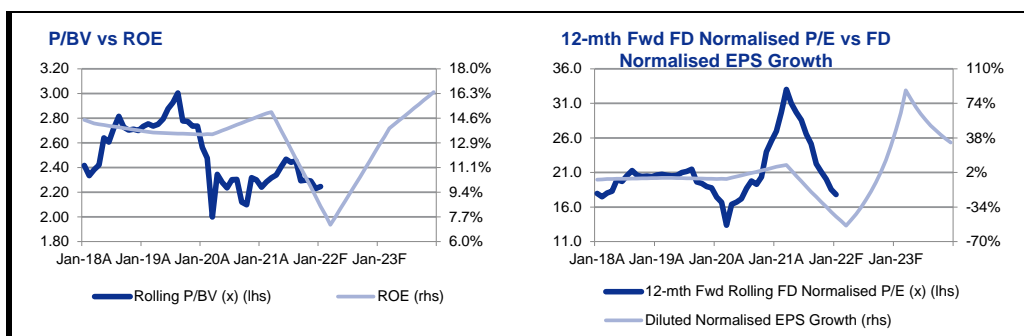
Panasonic Corp introduced Green Plan 2021 for the period of FY20-22 focusing on energy and resources, which is the material issue that it wishes to address in the near term. PMM managed to reduce its carbon index (tonnes of carbon dioxide emission/RM1m production value) from 20.05 in 2005 to 11.83 in 2020.

### Implications

A large factor behind its improving carbon index is the usage of renewable energy sources, such as the installation of solar panels at its plant facilities. After installing solar panels at its SA2 plant in July 2020, it is now installing solar panels at its SA1 car park and SA2 new production building. We are positive on this matter as investors are able to gauge the company's efforts to optimise utilities consumption through renewable sources in order to reduce carbon dioxide emissions.

SOURCES: CGS-CIMB RESEARCH, REFINITIV

## BY THE NUMBERS



### Profit & Loss

(RMm)	Mar-20A	Mar-21A	Mar-22F	Mar-23F	Mar-24F
<b>Total Net Revenues</b>	<b>1,052</b>	<b>975</b>	<b>877</b>	<b>999</b>	<b>1,107</b>
<b>Gross Profit</b>	<b>200</b>	<b>185</b>	<b>145</b>	<b>203</b>	<b>244</b>
<b>Operating EBITDA</b>	<b>148</b>	<b>142</b>	<b>72</b>	<b>134</b>	<b>168</b>
Depreciation And Amortisation	-32	-32	-36	-38	-41
<b>Operating EBIT</b>	<b>116</b>	<b>110</b>	<b>36</b>	<b>96</b>	<b>127</b>
Financial Income/(Expense)	20	10	11	10	9
Pretax Income/(Loss) from Assoc.	-0	20	20	20	20
Non-Operating Income/(Expense)	0	0	0	0	0
<b>Profit Before Tax (pre-EI)</b>	<b>135</b>	<b>141</b>	<b>67</b>	<b>126</b>	<b>156</b>
Exceptional Items	6	-6			
<b>Pre-tax Profit</b>	<b>141</b>	<b>135</b>	<b>67</b>	<b>126</b>	<b>156</b>
Taxation	-24	-19	-10	-19	-23
Exceptional Income - post-tax					
<b>Profit After Tax</b>	<b>117</b>	<b>116</b>	<b>57</b>	<b>107</b>	<b>133</b>
Minority Interests					
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Preference Dividends (Australia)					
<b>Net Profit</b>	<b>117</b>	<b>116</b>	<b>57</b>	<b>107</b>	<b>133</b>
Normalised Net Profit	111	122	57	107	133
<b>Fully Diluted Normalised Profit</b>	<b>111</b>	<b>122</b>	<b>57</b>	<b>107</b>	<b>133</b>

### Cash Flow

(RMm)	Mar-20A	Mar-21A	Mar-22F	Mar-23F	Mar-24F
EBITDA	147.6	142.4	71.8	134.4	167.8
Cash Flow from Invt. & Assoc.	0.0	0.0	0.0	0.0	0.0
Change In Working Capital	(16.1)	(10.1)	6.7	(9.7)	(6.6)
(Incr)/Decr in Total Provisions	0.0	0.0	0.0	0.0	0.0
Other Non-Cash (Income)/Expense	0.0	0.0	0.0	0.0	0.0
Other Operating Cashflow	19.6	21.8	24.7	28.2	31.4
Net Interest (Paid)/Received	0.0	(0.0)	0.0	(0.3)	(0.6)
Tax Paid	(23.6)	(18.7)	(10.0)	(18.9)	(23.4)
<b>Cashflow From Operations</b>	<b>127.4</b>	<b>135.4</b>	<b>93.2</b>	<b>133.6</b>	<b>168.5</b>
Capex	(45.2)	(42.5)	(42.5)	(42.5)	(42.5)
Disposals Of FAs/subsidiaries	0.0	0.0	0.0	0.0	0.0
Acq. Of Subsidiaries/investments	0.0	0.0	0.0	0.0	0.0
Other Investing Cashflow	23.7	13.7	11.0	10.1	9.5
<b>Cash Flow From Investing</b>	<b>(21.6)</b>	<b>(28.9)</b>	<b>(31.5)</b>	<b>(32.4)</b>	<b>(33.0)</b>
Debt Raised/(repaid)	0.0	0.0	0.0	0.0	0.0
Proceeds From Issue Of Shares	0.0	0.0	0.0	0.0	0.0
Shares Repurchased	0.0	0.0	0.0	0.0	0.0
Dividends Paid	(137.3)	(120.3)	(91.1)	(121.5)	(121.5)
Preferred Dividends	0.0	0.0	0.0	0.0	0.0
Other Financing Cashflow	0.0	0.0	0.0	0.0	0.0
<b>Cash Flow From Financing</b>	<b>(137.3)</b>	<b>(120.3)</b>	<b>(91.1)</b>	<b>(121.5)</b>	<b>(121.5)</b>
Total Cash Generated	(31.4)	(13.8)	(29.5)	(20.3)	14.0
<b>Free Cashflow To Equity</b>	<b>105.8</b>	<b>106.5</b>	<b>61.6</b>	<b>101.2</b>	<b>135.5</b>
<b>Free Cashflow To Firm</b>	<b>105.8</b>	<b>106.5</b>	<b>61.6</b>	<b>101.5</b>	<b>136.1</b>

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

## BY THE NUMBERS... cont'd

### Balance Sheet

(RMm)	Mar-20A	Mar-21A	Mar-22F	Mar-23F	Mar-24F
Total Cash And Equivalents	577.7	523.9	489.6	461.2	464.2
Total Debtors	74.9	104.2	93.7	106.8	118.4
Inventories	73.2	69.6	62.6	71.4	79.1
Total Other Current Assets	0.1	0.0	0.0	0.0	0.0
<b>Total Current Assets</b>	<b>725.9</b>	<b>697.8</b>	<b>646.0</b>	<b>639.3</b>	<b>661.7</b>
Fixed Assets	127.3	138.2	144.9	149.2	150.8
Total Investments	96.9	114.0	114.0	114.0	114.0
Intangible Assets	0.0	0.0	0.0	0.0	0.0
Total Other Non-Current Assets	26.7	22.6	22.6	22.6	22.6
<b>Total Non-current Assets</b>	<b>250.8</b>	<b>274.8</b>	<b>281.6</b>	<b>285.8</b>	<b>287.4</b>
Short-term Debt	0.0	0.0	0.0	0.0	0.0
Current Portion of Long-Term Debt	0.0	0.0	0.0	0.0	0.0
Total Creditors	136.7	148.6	137.8	149.8	162.6
Other Current Liabilities	22.7	10.6	10.6	10.6	10.6
<b>Total Current Liabilities</b>	<b>159.5</b>	<b>159.2</b>	<b>148.3</b>	<b>160.4</b>	<b>173.1</b>
Total Long-term Debt	0.0	0.0	0.0	0.0	0.0
Hybrid Debt - Debt Component	0.0	0.0	0.0	0.0	0.0
Total Other Non-Current Liabilities	0.2	0.1	0.1	0.1	0.1
<b>Total Non-current Liabilities</b>	<b>0.2</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>
Total Provisions	0.5	0.6	0.6	0.6	0.6
<b>Total Liabilities</b>	<b>160.2</b>	<b>159.9</b>	<b>149.0</b>	<b>161.1</b>	<b>173.8</b>
Shareholders' Equity	816.5	812.7	778.6	764.1	775.4
Minority Interests					
<b>Total Equity</b>	<b>816.5</b>	<b>812.7</b>	<b>778.6</b>	<b>764.1</b>	<b>775.4</b>

### Key Ratios

	Mar-20A	Mar-21A	Mar-22F	Mar-23F	Mar-24F
Revenue Growth	(6.7%)	(7.4%)	(10.1%)	13.9%	10.9%
Operating EBITDA Growth	1.3%	(3.5%)	(49.6%)	87.1%	24.9%
Operating EBITDA Margin	14.0%	14.6%	8.2%	13.5%	15.2%
Net Cash Per Share (RM)	9.51	8.62	8.06	7.59	7.64
BVPS (RM)	13.44	13.38	12.82	12.58	12.76
Gross Interest Cover	N/A	12,259	N/A	320	211
Effective Tax Rate	17.2%	13.8%	15.0%	15.0%	15.0%
Net Dividend Payout Ratio	108%	81%	160%	114%	92%
Accounts Receivables Days	31.34	33.55	41.21	36.65	37.22
Inventory Days	26.36	33.01	32.98	30.72	31.89
Accounts Payables Days	64.37	65.96	71.41	65.95	66.20
ROIC (%)	84.3%	66.6%	17.4%	46.5%	56.9%
ROCE (%)	16.4%	14.8%	5.9%	13.8%	17.7%
Return On Average Assets	9.5%	11.6%	5.0%	10.6%	13.4%

### Key Drivers

	Mar-20A	Mar-21A	Mar-22F	Mar-23F	Mar-24F
Malaysia	426.6	344.0	275.2	333.0	391.3
Japan	39.9	40.2	39.0	40.6	41.4
Asia (ex Malaysia and Japan)	356.5	344.0	347.4	382.1	420.4
North America	-	-	-	-	-
Europe	3.8	6.8	6.8	6.8	6.8
Middle East	198.1	216.8	185.4	213.2	223.8
Others	27.2	22.8	22.8	23.0	23.5

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS



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Add	71.1%	1.5%
Hold	21.8%	0.0%
Reduce	7.1%	0.0%

## Spitzer Chart for stock being researched ( 2 year data )

## Panasonic Manufacturing Malaysia Berhad (PMM MK)


**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	
<b>Stock Ratings</b>	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>	
<b>Sector Ratings</b>	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.
<b>Country Ratings</b>	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.

