

## Malaysia

**ADD** (no change)

Consensus ratings\*: Buy 1 Hold 0 Sell 0

|                         |            |
|-------------------------|------------|
| Current price:          | RM0.985    |
| Target price:           | RM1.30     |
| Previous target:        | RM1.50     |
| Up/downside:            | 32.0%      |
| CGS-CIMB / Consensus:   | -13.3%     |
| Reuters:                | AEML.KL    |
| Bloomberg:              | AMLS MK    |
| Market cap:             | US\$157.1m |
|                         | RM657.5m   |
| Average daily turnover: | US\$1.37m  |
|                         | RM5.76m    |
| Current shares o/s:     | 667.5m     |
| Free float:             | 66.0%      |

\*Source: Bloomberg

**Key changes in this note**

- FY22F EPS decreased by 9.3%.
- FY23F EPS decreased by 9.3%.
- FY24F EPS decreased by 9.3%.



Source: Bloomberg

| Price performance | 1M    | 3M    | 12M  |
|-------------------|-------|-------|------|
| Absolute (%)      | -17.2 | -16.5 | 18.7 |
| Relative (%)      | -16.3 | -16.1 | 21.5 |

| Major shareholders | % held |
|--------------------|--------|
| Ng Sang Beng       | 23.0   |
| Yeoh Chee Keong    | 11.0   |

**Analyst(s)**

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# Aemulus Holdings Bhd

## A strong start to FY22

- 1QFY9/22 results were in line at 25% of our full-year net profit forecast.
- We see a stronger 2HFY9/22F, driven by healthy order book replenishment, new testers launches and expansion into mixed signal tester market.
- Reiterate Add with a lower RM1.30 TP to reflect dilution from PP and lower P/E multiple of 31.5x, still based on Malaysian ATE mean.

### Core net profit in 1QFY22 jumped 7.2x yoy

1QFY9/22 revenue rose 62% yoy to RM18.6m, a new record quarter, driven by higher contributions from all testers segments – mobile and tablet, data centre, automotive and CMOS image sensors (CIS). We estimate the group's utilisation rate rose from 87% in 4QFY21 to 93% in 1QFY22. The stronger sales were mainly driven by higher contributions from the China market, which made up 53% of Aemulus' revenue in 1QFY22. As a result of higher operating leverage, EBITDA margin expanded 16.5% pts yoy to 30.5% in 1QFY22. Stripping out exceptional items, such as fair value gain on derivative and sales of intellectual properties, Aemulus registered a significantly higher RM4.5m core net profit in 1QFY22 against RM621k core net profit in 1QFY21.

### Healthy order book and new products pipeline driving growth

We gather from management that Aemulus's order book is hovering between RM45m to RM50m as at 8 Feb 22. This is mainly driven by robust demand for radio frequency (RF), RF filter, automotive and CIS testers. The group expects to start delivery of the first few units of its new 5600-CIS tester in 2QFY22F. This will be part of an 80 CIS testers contract worth RM20m that was secured in 2021. In addition, the group also plans to launch the updated version of its RF and RF filter tester utilising 100% local content with in-house IP design. This is part of the group's strategy to increase the local content of its testers portfolio in order to participate in the Made in China 2025 initiative.

### New plant expansion will raise production capacity by 50%

Aemulus raised about RM63.7m through a private placement (PP) following the issuance of 60.7m new shares at RM1.05/share in mid-Dec 21. The group plans to utilise the proceeds for its capacity expansion plan at Aemulus Base, research & development (R&D), additional investment in its China joint venture, TMSS Technology, repayment of borrowings and working capital requirement. We gathered from management that new capacity expansion at Aemulus Base, Bayan Lepas, could increase the group's production capacity by 50% by 1QCY23F.

### Reiterate Add with a lower RM1.30 TP

We revise down our EPS to reflect the dilution from new share issuances. Reiterate our Add rating on the stock with a lower RM1.30 TP, based on a lower 31.5x CY23F P/E (vs. 33x previously), as we update our target P/E multiple to reflect the weak sentiment in the global tech sector arising from concerns over interest rate hikes. However, we still peg our valuation to Malaysian Automated Test Equipment (ATE) sector historical mean P/E.

| Financial Summary              | Sep-20A | Sep-21A | Sep-22F | Sep-23F | Sep-24F |
|--------------------------------|---------|---------|---------|---------|---------|
| Revenue (RMm)                  | 19.3    | 61.1    | 81.9    | 103.0   | 120.0   |
| Net Profit (RMm)               | (3.61)  | 10.45   | 18.20   | 26.32   | 31.08   |
| Core EPS (RM)                  | (0.007) | 0.018   | 0.027   | 0.039   | 0.047   |
| Core EPS Growth                | 12.3%   |         | 54.2%   | 44.7%   | 18.1%   |
| FD Core P/E (x)                | NA      | 53.10   | 34.46   | 24.98   | 21.15   |
| Price To Sales (x)             | 27.97   | 9.76    | 8.02    | 6.39    | 5.48    |
| DPS (RM)                       | -       | -       | -       | -       | -       |
| Dividend Yield                 | 0%      | 0%      | 0%      | 0%      | 0%      |
| EV/EBITDA (x)                  | NA      | 41.59   | 27.63   | 19.74   | 15.49   |
| P/FCFE (x)                     | NA      | NA      | 27.0    | 195.3   | 14.6    |
| Net Gearing                    | (14.7%) | (2.1%)  | (21.1%) | (21.0%) | (42.4%) |
| P/BV (x)                       | 5.31    | 5.30    | 5.03    | 4.18    | 3.49    |
| ROE                            | (4.1%)  | 10.0%   | 14.9%   | 18.3%   | 18.0%   |
| % Change In Core EPS Estimates |         |         | (9.27%) | (9.27%) | (9.27%) |
| CGS-CIMB/Consensus EPS (x)     |         |         | 0.80    | 0.80    | 0.91    |

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

## Potential catalysts and risks ►

Higher-than-expected tester shipment volumes from mobile, tablet and CIS segments, successful expansion into new segments and potential transfer to the Bursa Main market are potential re-rating catalysts, while softer demand for mobile device applications, delays in commissioning production for its associate company in China, and disruptions in supply chains due to the impact of Covid-19, are key downside risks.

**Figure 1: Results comparison**

| FYE Sep (RM m)           | 1QFY22      | 1QFY21      | yoy %           |             | 4QFY21       |             | FY22F  | Comments |
|--------------------------|-------------|-------------|-----------------|-------------|--------------|-------------|--|----------|
|                          |             |             | chg             | chg         | chg          | chg         |  |          |
| Revenue                  | 18.6        | 11.5        | 61.7            | 17.3        | 7.4          | 81.9        | Higher RF filter and enterprise storage tester shipment volume     |          |
| Operating costs          | (12.9)      | (9.9)       | 30.7            | (11.6)      | 11.0         | (58.1)      |  |          |
| <b>EBITDA</b>            | <b>5.7</b>  | <b>1.6</b>  | <b>&gt; 100</b> | <b>5.7</b>  | <b>(0.1)</b> | <b>23.8</b> | <b>In line</b>   |          |
| <i>EBITDA margin (%)</i> | <i>30.5</i> | <i>14.0</i> | <i>16.5</i>     | <i>32.8</i> |              | <i>29.0</i> |  |          |
| Depn & amort.            | (1.0)       | (0.8)       | 25.7            | (0.8)       | 26.2         | (4.1)       |  |          |
| <b>EBIT</b>              | <b>4.7</b>  | <b>0.8</b>  | <b>&gt; 100</b> | <b>4.9</b>  | <b>(4.2)</b> | <b>19.7</b> | <b>In line</b>   |          |
| Interest expense         | (0.3)       | (0.2)       | 77.5            | (0.2)       | 30.1         | (1.0)       | Borrowings of RM26.5m as at Dec-21                                 |          |
| Interest & invt inc      | 0.1         | 0.1         | (8.5)           | 0.1         | (1.7)        | 0.5         | Total cash of RM88.5m as at Dec-21                                 |          |
| Associates' contrib      | 0.0         | (0.1)       | -               | 0.6         | -            | -           |  |          |
| Exceptionals             | 0.0         | 0.9         | (96.7)          | (0.8)       | > 100        | -           |  |          |
| <b>Pretax profit</b>     | <b>4.6</b>  | <b>1.6</b>  | <b>&gt; 100</b> | <b>4.6</b>  | <b>(1.5)</b> | <b>19.2</b> |  |          |
| Tax                      | (0.0)       | (0.1)       | (60.7)          | (0.6)       | (93.8)       | (1.0)       |  |          |
| Tax rate (%)             | 0.8         | 5.6         |                 | 12.1        |              | 5.0         |  |          |
| Net profit               | 4.5         | 1.5         | > 100           | 4.1         | 11.2         | 18.2        | In line  |          |
| <b>Core net profit</b>   | <b>4.5</b>  | <b>0.6</b>  | <b>&gt; 100</b> | <b>4.8</b>  | <b>(7.1)</b> | <b>18.2</b> | <b>1Q22 core net profit made up 25% of CGS-CIMB FY22F forecast</b> |          |
| EPS (sen)                | 0.7         | 0.2         | > 100           | 0.6         | 11.2         | 2.7         |  |          |
| Core EPS (sen)           | 0.7         | 0.1         | > 100           | 0.7         | (7.1)        | 2.7         |  |          |

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 2: Revenue breakdown by product segment and key market**

|                  | 1QFY22      | 1QFY21      | yoy %       |             | 4QFY21     | qoq %                                    |     | Comments |
|------------------|-------------|-------------|-------------|-------------|------------|--|-----|----------|
|                  |             |             | chg         | chg         |            | chg                                      | chg |          |
| ATE              | 16.8        | 9.9         | 69.1        | 15.7        | 6.9        | Higher sales 7600, 7300 and 5600 testers |     |          |
| Related services | 1.8         | 1.6         | 14.8        | 1.6         | 11.7       |  |     |          |
| <b>Total</b>     | <b>18.6</b> | <b>11.5</b> | <b>61.7</b> | <b>17.3</b> | <b>7.4</b> |  |     |          |
|                  | 1QFY22      | 1QFY21      | yoy %       |             | 4QFY21     | qoq %                                    |     |          |
|                  |             |             | chg         | chg         | chg        | chg                                      | chg |          |
| Malaysia         | 3.6         | 2.4         | 49.5        | 6.3         | (42.3)     |  |     |          |
| Singapore        | 1.5         | 2.5         | (40.2)      | 1.2         | 22.8       |  |     |          |
| China            | 9.8         | 3.7         | > 100       | 6.8         | 44.7       | Driven by 7300 and 7600 tester           |     |          |
| USA              | 1.1         | 1.8         | (41.4)      | 1.3         | (20.4)     |  |     |          |
| Korea            | 0.5         | 1.0         | (43.9)      | 1.5         | (63.9)     |  |     |          |
| Taiwan           | -           | 0.0         | (100.0)     | 0.1         | > 100      |  |     |          |
| Others           | 2.1         | 0.2         | > 100       | 0.1         | > 100      |  |     |          |
| <b>Total</b>     | <b>18.6</b> | <b>11.5</b> | <b>61.7</b> | <b>17.3</b> | <b>7.4</b> |  |     |          |

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS



## ESG in a nutshell

Aemulus is mainly involved in the design and development of automated test equipment (ATE), test and measurement instruments, and test-related services in the semiconductor industry. The group's sustainability approach is based on four pillars – Economic, Environmental, Social and Governance considerations. The group is currently not ranked under FTSE Russell ESG rating.

### Keep your eye on

As at end-Jun 2021, Aemulus's total workforce stood at 168 employees. We gather that the existing workforce is sufficient to support the group's near-to-mid-term strategy, but the group will need to scale up its operations in order to take advantage of joint-venture TMSS in China.

### Implications

We see the inability to secure additional headcount to scale up operations or a potential rise in employee turnover posing key operational risks to the group. We think the group needs to implement an employee retention strategy, such as an employee share option scheme to reward high performing employees and setting up networks with local higher learning institutions and universities to create a pipeline of new talent.

### ESG highlights

Female employees make up 32% of Aemulus's total workforce. Although the company may not be able to change the demographics of the engineering-oriented industry, which tends to have a higher percentage of male than female employees, it is working towards giving more opportunities to women by not considering factors such as pregnancy and family or relationship commitment status. For example, the group is also working towards removing information such as marital status and number of children in job applications.

### Implications

We gather that Aemulus has one of the best gender equality ratios within the Malaysian semiconductor equipment sector. We believe the move towards removing information on marital status and number of children in job applications will provide more opportunities for female employees to participate in the engineering field and move the company closer to meeting one of the United Nation's Sustainable Development Goals on Gender Equality.

### Trends

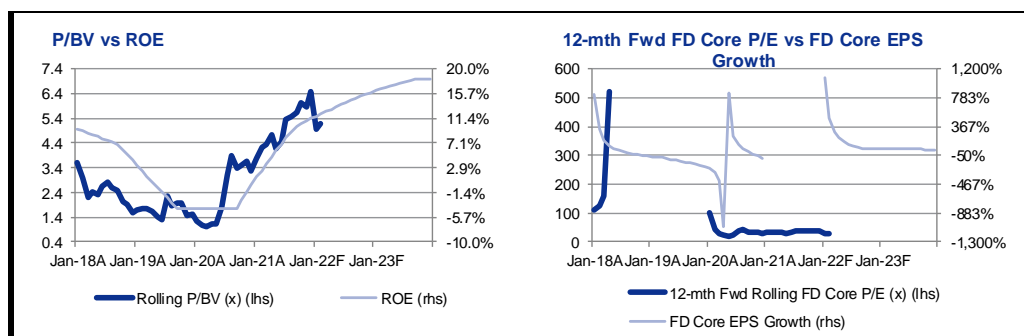
The group moved into its new facility, Aemulus Base, in Jul 2020 as part of its relocation process. Aemulus Base was given the partial sustainable green building status, with reference to the green building index. For example, the use of perforated bricks walls and coated double-glazed windows and the design of the building have lessened reliance on air conditioners and increased electricity efficiency.

### Implications

The group managed to keep its monthly electricity cost similar to the cost incurred at its former premises, even though the new facility is five times larger in terms of built-up square footage.

SOURCES: CGS-CIMB RESEARCH, REFINITIV

## BY THE NUMBERS



### Profit & Loss

| (RMm)                                     | Sep-20A       | Sep-21A      | Sep-22F      | Sep-23F       | Sep-24F       |
|---|---------------|--------------|--------------|---------------|---------------|
| <b>Total Net Revenues</b>                 | <b>19.32</b>  | <b>61.09</b> | <b>81.93</b> | <b>102.96</b> | <b>120.00</b> |
| <b>Gross Profit</b>                       | <b>12.26</b>  | <b>31.98</b> | <b>41.38</b> | <b>51.48</b>  | <b>58.80</b>  |
| <b>Operating EBITDA</b>                   | <b>(0.87)</b> | <b>14.29</b> | <b>22.80</b> | <b>31.64</b>  | <b>37.29</b>  |
| Depreciation And Amortisation             | (2.21)        | (3.09)       | (4.10)       | (4.63)        | (5.40)        |
| <b>Operating EBIT</b>                     | <b>(3.08)</b> | <b>11.19</b> | <b>18.70</b> | <b>27.01</b>  | <b>31.89</b>  |
| Financial Income/(Expense)                | (0.24)        | (0.47)       | (0.55)       | (0.50)        | (0.50)        |
| Pretax Income/(Loss) from Assoc.          | 0.00          | 0.58         | 1.00         | 1.20          | 1.50          |
| Non-Operating Income/(Expense)            | 0.00          | 0.00         | 0.00         | 0.00          | 0.00          |
| <b>Profit Before Tax (pre-EI)</b>         | <b>(3.32)</b> | <b>11.30</b> | <b>19.15</b> | <b>27.71</b>  | <b>32.89</b>  |
| Exceptional Items                         |               |              |              |               |               |
| <b>Pre-tax Profit</b>                     | <b>(3.32)</b> | <b>11.30</b> | <b>19.15</b> | <b>27.71</b>  | <b>32.89</b>  |
| Taxation                                  | (0.29)        | (0.85)       | (0.96)       | (1.39)        | (1.81)        |
| Exceptional Income - post-tax             |               |              |              |               |               |
| <b>Profit After Tax</b>                   | <b>(3.61)</b> | <b>10.45</b> | <b>18.20</b> | <b>26.32</b>  | <b>31.08</b>  |
| Minority Interests                        | 0.00          | 0.00         | 0.00         | 0.00          | 0.00          |
| Preferred Dividends                       |               |              |              |               |               |
| FX Gain/(Loss) - post tax                 |               |              |              |               |               |
| Other Adjustments - post-tax              |               |              |              |               |               |
| <b>Net Profit</b>                         | <b>(3.61)</b> | <b>10.45</b> | <b>18.20</b> | <b>26.32</b>  | <b>31.08</b>  |
| Recurring Net Profit                      | (3.61)        | 10.71        | 18.20        | 26.32         | 31.08         |
| <b>Fully Diluted Recurring Net Profit</b> | <b>(3.61)</b> | <b>10.71</b> | <b>18.20</b> | <b>26.32</b>  | <b>31.08</b>  |

### Cash Flow

| (RMm)                            | Sep-20A        | Sep-21A        | Sep-22F       | Sep-23F       | Sep-24F       |
|----------------------------------|----------------|----------------|---------------|---------------|---------------|
| <b>EBITDA</b>                    | <b>(0.87)</b>  | <b>14.29</b>   | <b>22.80</b>  | <b>31.64</b>  | <b>37.29</b>  |
| Cash Flow from Inv. & Assoc.     |                |                |               |               |               |
| Change In Working Capital        | 0.33           | (16.60)        | 13.92         | (16.39)       | 18.98         |
| (Incr)/Decr in Total Provisions  |                |                |               |               |               |
| Other Non-Cash (Income)/Expense  |                |                |               |               |               |
| Other Operating Cashflow         | (0.26)         | 0.31           | (2.00)        | (2.00)        | (2.00)        |
| Net Interest (Paid)/Received     | (0.44)         | (0.94)         | (1.00)        | (1.00)        | (1.00)        |
| Tax Paid                         | (0.29)         | (0.85)         | (0.96)        | (1.39)        | (1.81)        |
| <b>Cashflow From Operations</b>  | <b>(1.54)</b>  | <b>(3.79)</b>  | <b>32.76</b>  | <b>10.87</b>  | <b>51.46</b>  |
| Capex                            | (12.08)        | (7.86)         | (10.00)       | (8.00)        | (7.00)        |
| Disposals Of FAs/subsidiaries    |                |                |               |               |               |
| Acq. Of Subsidiaries/investments |                |                |               |               |               |
| Other Investing Cashflow         | (9.03)         | (3.28)         | 0.45          | 0.50          | 0.50          |
| <b>Cash Flow From Investing</b>  | <b>(21.11)</b> | <b>(11.13)</b> | <b>(9.55)</b> | <b>(7.50)</b> | <b>(6.50)</b> |
| Debt Raised/(repaid)             | 0.00           | 0.00           | 0.00          | 0.00          | 0.00          |
| Proceeds From Issue Of Shares    | 31.02          | 0.00           | 0.00          | 0.00          | 0.00          |
| Shares Repurchased               |                |                |               |               |               |
| Dividends Paid                   |                |                |               |               |               |
| Preferred Dividends              |                |                |               |               |               |
| Other Financing Cashflow         | (0.01)         | (0.08)         | 0.00          | 0.00          | 0.00          |
| <b>Cash Flow From Financing</b>  | <b>31.00</b>   | <b>(0.08)</b>  | <b>0.00</b>   | <b>0.00</b>   | <b>0.00</b>   |
| Total Cash Generated             | 8.36           | (15.00)        | 23.21         | 3.37          | 44.96         |
| <b>Free Cashflow To Equity</b>   | <b>(22.64)</b> | <b>(14.92)</b> | <b>23.21</b>  | <b>3.37</b>   | <b>44.96</b>  |
| <b>Free Cashflow To Firm</b>     | <b>(22.20)</b> | <b>(13.98)</b> | <b>24.21</b>  | <b>4.37</b>   | <b>45.96</b>  |

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

## BY THE NUMBERS... cont'd

### Balance Sheet

| (RMm)                                | Sep-20A      | Sep-21A      | Sep-22F      | Sep-23F      | Sep-24F      |
|--------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Total Cash And Equivalents           | 32.5         | 30.3         | 55.5         | 60.9         | 107.9        |
| Total Debtors                        | 21.8         | 41.5         | 44.0         | 44.2         | 41.7         |
| Inventories                          | 15.1         | 15.8         | 16.8         | 22.3         | 22.7         |
| Total Other Current Assets           | 2.8          | 2.0          | 2.0          | 2.0          | 2.0          |
| <b>Total Current Assets</b>          | <b>72.2</b>  | <b>89.6</b>  | <b>118.3</b> | <b>129.5</b> | <b>174.2</b> |
| Fixed Assets                         | 35.3         | 40.8         | 46.7         | 50.1         | 51.7         |
| Total Investments                    | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
| Intangible Assets                    | 13.7         | 13.7         | 13.7         | 13.7         | 13.7         |
| Total Other Non-Current Assets       | 7.6          | 14.4         | 15.4         | 16.6         | 18.1         |
| <b>Total Non-current Assets</b>      | <b>56.6</b>  | <b>68.9</b>  | <b>75.8</b>  | <b>80.4</b>  | <b>83.5</b>  |
| Short-term Debt                      | 4.6          | 10.2         | 10.2         | 10.2         | 10.2         |
| Current Portion of Long-Term Debt    |              |              |              |              |              |
| Total Creditors                      | 9.2          | 16.2         | 33.7         | 23.1         | 39.9         |
| Other Current Liabilities            | 0.3          | 1.3          | 1.3          | 1.3          | 1.3          |
| <b>Total Current Liabilities</b>     | <b>14.1</b>  | <b>27.7</b>  | <b>45.1</b>  | <b>34.5</b>  | <b>51.3</b>  |
| Total Long-term Debt                 | 13.0         | 17.8         | 17.8         | 17.8         | 17.8         |
| Hybrid Debt - Debt Component         |              |              |              |              |              |
| Total Other Non-Current Liabilities  | 0.0          | 0.4          | 0.4          | 0.4          | 0.4          |
| <b>Total Non-current Liabilities</b> | <b>13.0</b>  | <b>18.2</b>  | <b>18.2</b>  | <b>18.2</b>  | <b>18.2</b>  |
| Total Provisions                     | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
| <b>Total Liabilities</b>             | <b>27.1</b>  | <b>45.9</b>  | <b>63.4</b>  | <b>52.7</b>  | <b>69.5</b>  |
| Shareholders' Equity                 | 101.7        | 112.6        | 130.8        | 157.1        | 188.2        |
| Minority Interests                   |              |              |              |              |              |
| <b>Total Equity</b>                  | <b>101.7</b> | <b>112.6</b> | <b>130.8</b> | <b>157.1</b> | <b>188.2</b> |

### Key Ratios

|                           | Sep-20A | Sep-21A | Sep-22F | Sep-23F | Sep-24F |
|---------------------------|---------|---------|---------|---------|---------|
| Revenue Growth            | (33%)   | 216%    | 34%     | 26%     | 17%     |
| Operating EBITDA Growth   | (44.6%) | N/A     | 59.6%   | 38.8%   | 17.9%   |
| Operating EBITDA Margin   | (4.5%)  | 23.4%   | 27.8%   | 30.7%   | 31.1%   |
| Net Cash Per Share (RM)   | 0.03    | 0.00    | 0.04    | 0.05    | 0.12    |
| BVPS (RM)                 | 0.19    | 0.19    | 0.20    | 0.24    | 0.28    |
| Gross Interest Cover      | (6.95)  | 11.91   | 18.70   | 27.01   | 31.89   |
| Effective Tax Rate        | 0.00%   | 7.53%   | 5.00%   | 5.00%   | 5.50%   |
| Net Dividend Payout Ratio | NA      | NA      | NA      | NA      | NA      |
| Accounts Receivables Days | 309.6   | 146.1   | 161.1   | 133.1   | 110.9   |
| Inventory Days            | 800.5   | 193.7   | 146.4   | 138.7   | 134.6   |
| Accounts Payables Days    | 220.8   | 80.2    | 152.5   | 144.5   | 140.3   |
| ROIC (%)                  | (3.9%)  | 12.9%   | 16.9%   | 26.1%   | 25.6%   |
| ROCE (%)                  | (2.9%)  | 9.0%    | 12.8%   | 16.0%   | 16.1%   |
| Return On Average Assets  | (3.1%)  | 7.6%    | 10.6%   | 13.3%   | 13.5%   |

### Key Drivers

|                  | Sep-20A | Sep-21A | Sep-22F | Sep-23F | Sep-24F |
|------------------|---------|---------|---------|---------|---------|
| ATE              | 12.9    | 54.5    | 74.7    | 95.0    | 111.3   |
| Related services | 6.4     | 6.6     | 7.2     | 7.9     | 8.7     |

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

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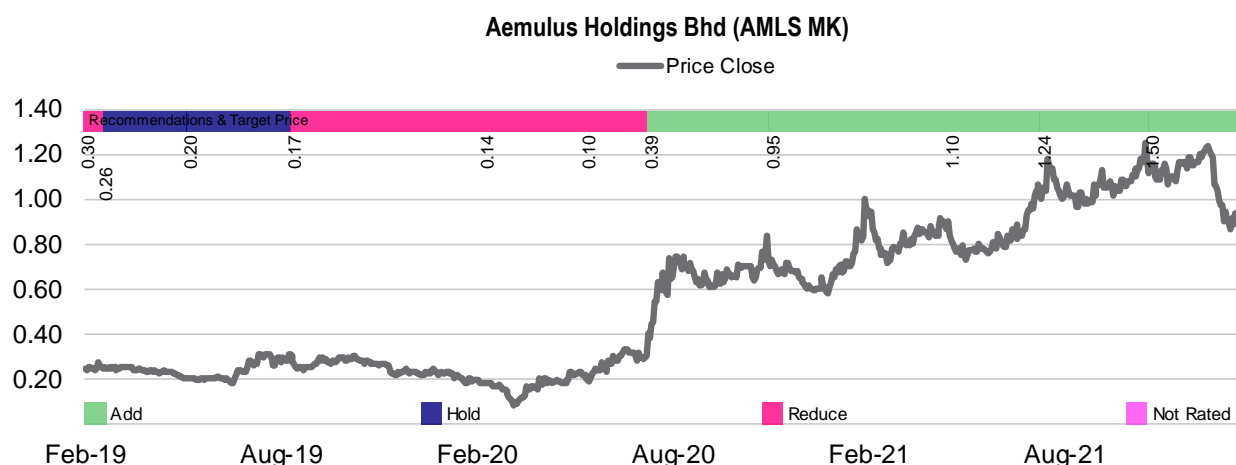
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| Distribution of stock ratings and investment banking clients for quarter ended on 31 December 2021 |                         |                                |
|--|-------------------------|--------------------------------|
| 619 companies under 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.

