

Singapore

ADD (no change)

Consensus ratings*: Buy 4 Hold 0 Sell 0

Current price:	S\$0.78
Target price:	S\$1.15
Previous target:	S\$1.15
Up/downside:	47.4%
CGS-CIMB / Consensus:	10.2%
Reuters:	HRNE.SI
Bloomberg:	HRNET SP
Market cap:	US\$582.2m
	S\$782.9m
Average daily turnover:	US\$0.10m
	S\$0.13m
Current shares o/s:	1,011m
Free float:	19.7%

*Source: Bloomberg

Key changes in this note

► FY21F EPS raised by 17%.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	-2.5	-1.3	41.8
Relative (%)	-7.2	-4.8	27.1

Major shareholders	% held
Simco Global Ltd	77.6
FMR LLC	3.1
Vanda 1 Investments	2.0

Analyst(s)



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HRnetGroup Limited

Hiring sentiment continues to improve

- Latest unemployment figures reflect a broad-based improvement in labour markets for both Singapore and North Asia, which should continue in 2022.
- We expect HRnet to record 2H21F net profit of S\$31m (+20% yoy) given continued strength in hiring volumes and rising salaries.
- Reiterate Add with a TP of S\$1.15. We think HRnet is well positioned for further hiring momentum in FY22F as labour markets continue improving.

Singapore labour market continues to improve

As announced by the Singapore Ministry of Manpower on 28 Jan 2022, the overall unemployment rate improved to 2.4% in Dec 21 (from 2.5% in Nov 21). On an annual basis, overall unemployment (preliminary figures) improved to 2.6% (vs. 3.0% in 2020) but remains above pre-Covid levels (c.2.1-2.2%). 4Q21 employment in F&B and retail rebounded, which we believe was driven by seasonal strength and gradual easing of restrictions. IT and Financial Services also saw steady employment growth.

Broad-based improvement observed in North Asia

Similarly, we note that the hiring landscape generally improved in 2H21 across HRnet's key markets in North Asia (Fig 2). Markets which recorded the largest improvements in unemployment rates (in Jul – Dec 2021) were Hong Kong (5.0% to 3.9%) and Taiwan (4.4% to 3.7%). The labour market in China saw marginal improvement, which we believe was due to Covid-driven lockdowns and tighter regulatory crackdowns across various industries. Continued labour market improvements across the region should help drive HRnet's FY22F EPS growth, as North Asia boasts a higher GPM (FY14-20: c.61%) and forms a sizeable bulk (FY14-20: c.40%) of HRnet's gross profit.

2H21F preview: Hiring momentum should have been strong

We expect stronger permanent placement contribution due to 1) rising salaries supporting GP per placement, and 2) increasing volumes as companies ramp up bench strength. We believe that contractor demand remained elevated in 2H21F due to ongoing foreign labour shortage and tight border restrictions. We forecast a higher 2H21F GP of S\$86m (+29% yoy) due to ramp up in higher margin permanent placements, and expect HRnet to record 2H21F net profit of S\$31m (+20% yoy). Accordingly, we raise our FY21F EPS by 17%, bringing FY21F net profit to a record S\$67m (+43% yoy).

Retain Add with a S\$1.15 TP on continued labour market recovery

We believe that HRnet is well positioned for further hiring momentum as labour markets continued their recovery trajectory. The group is debt-free with strong net cash of S\$315m (c.40% of current market cap) at end-1H21, which could support M&A activity. We reiterate our Add call with a TP of S\$1.15, pegged to 17x FY22F P/E which is based on +1 s.d. from the group's 4-year historical mean in view of expected positive labour market recovery. Potential re-rating catalysts include increased job creation and M&As. A key downside risk is deteriorating macroeconomic conditions.

Financial Summary

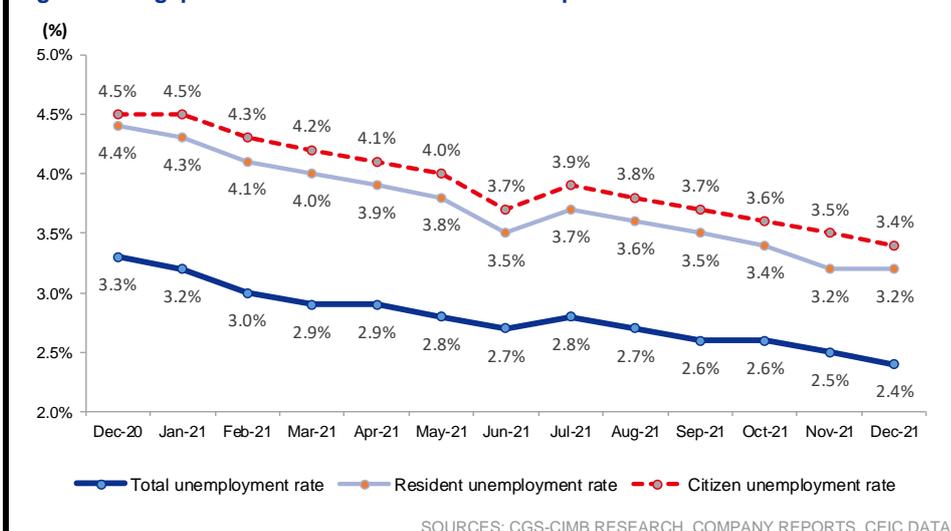
	Dec-19A	Dec-20A	Dec-21F	Dec-22F	Dec-23F
Revenue (S\$m)	423.1	433.0	549.1	599.3	644.8
Operating EBITDA (S\$m)	57.67	51.38	74.56	91.12	98.52
Net Profit (S\$m)	51.60	46.87	67.04	67.76	72.98
Normalised EPS (S\$)	0.051	0.047	0.067	0.068	0.073
Normalised EPS Growth	7.4%	(8.9%)	43.0%	1.1%	7.7%
FD Normalised P/E (x)	15.21	16.70	11.67	11.55	10.72
DPS (S\$)	0.028	0.025	0.035	0.034	0.036
Dividend Yield	3.59%	3.21%	4.49%	4.33%	4.66%
EV/EBITDA (x)	9.25	9.06	6.03	4.62	3.89
P/FCFE (x)	39.86	7.47	15.22	10.54	9.49
Net Gearing	(76.8%)	(95.7%)	(90.9%)	(91.9%)	(93.6%)
P/BV (x)	2.38	2.38	2.13	1.98	1.83
ROE	15.5%	14.1%	19.2%	17.8%	17.7%
% Change In Normalised EPS Estimates			16.9%	(0.0%)	0.0%
Normalised EPS/consensus EPS (x)			1.22	1.07	1.07

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Singapore labour market continues to improve >

The overall unemployment level in Singapore declined from 2.8% in Jul 21 to 2.4% in Dec 21. Notably, the job vacancy to unemployed person ratio surged to 2.1x at end-Sep 21 (vs. 3Q20: 0.6x), as job vacancies continued to increase for the fifth consecutive quarter. According to the Ministry of Manpower, manpower demand stemmed from growth sectors (e.g. financial services, healthcare, information & communications) and sectors benefitting from easing social restrictions (e.g. F&B, aviation, retail). Foreign worker shortages are still apparent due to tight border restrictions, which we believe spurred demand for local temp workers in 2H21F.

Figure 1: Singapore labour market continues to improve in 2H21F



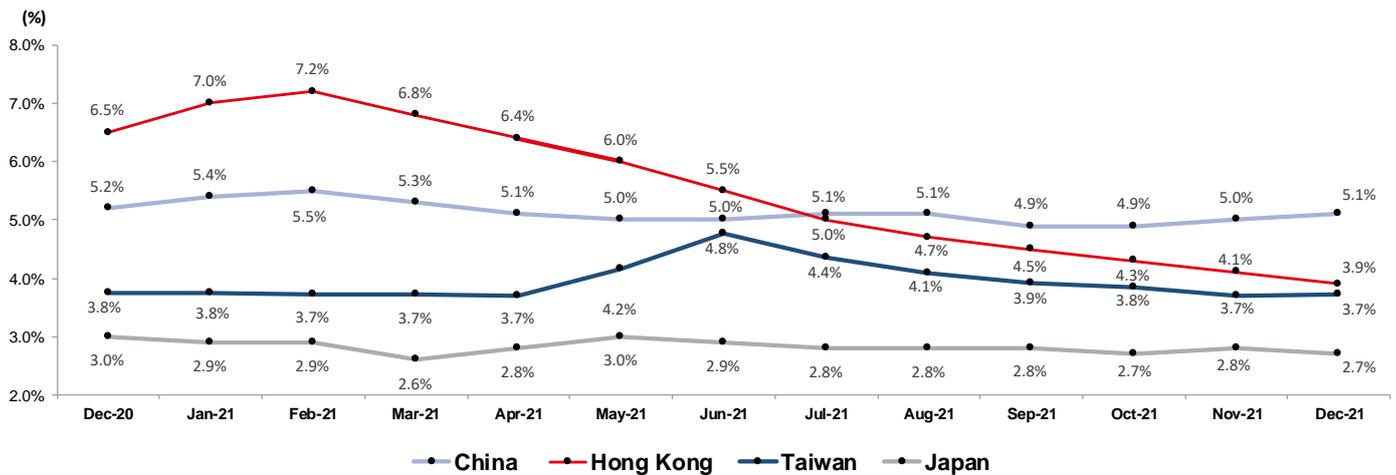
North Asia labour market mostly improving; China has room for further improvement >

Since Jul 21, we observed a general improvement in labour markets across North Asia amid a gradual recovery in economic activity. The largest improvement was recorded in Hong Kong with the unemployment rate improving from 5.0% in Jul 21 to 3.9% in Dec 21, driven notably by recovery in the construction, F&B and retail sectors. Similarly, Taiwan's unemployment rate improved for the sixth consecutive month (4.4% in Jul 21 to 3.7% in Dec 21) as restrictions were eased in Jul 21 (following a major outbreak in May 21 which prompted tighter social measures).

However, we note that China's urban unemployment rate has only seen marginal improvement, which we think could be due to 1) strict Covid-19 measures imposed by the government negatively impacting service industries, and 2) regulatory crackdowns on various industries.

We expect the labour outlook in North Asia to continue improving in FY22F as border restrictions ease and economic activities rebound. This would underpin HRnet's earnings growth given the region's higher GPM (average 7-year North Asia GPM: 61% vs. group GPM: 35%) and sizeable GP contribution (average 7-year North Asia GP contribution: 40%).

Figure 2: Monthly unemployment rates (seasonally adjusted) across North Asia have been improving throughout 2H21



*Surveyed urban unemployment rate is used for China

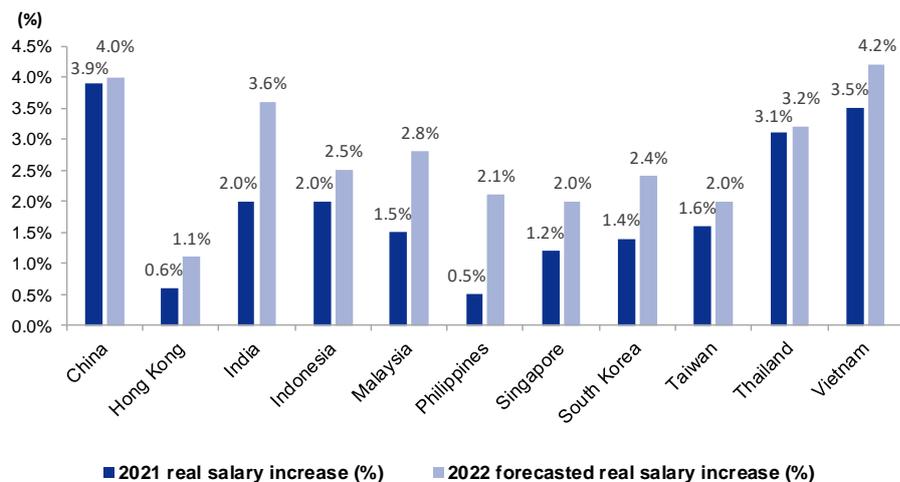
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS, CEIC DATA

Expected salary increments across APAC in 2022 ➤

According to the latest salary trends report by ECA International (global HR solutions provider) in Nov 21, Asia Pacific (APAC) is expected to record the highest level of real salary increments in 2022. Within APAC, ECA expects Southeast Asian countries to record the fastest rate of salary increments. The group expects Vietnam, China, and Singapore to be the top three countries in APAC to record the highest salary increments in 2022.

Real salaries in China are expected to rise 4.0% in 2022 (vs. 3.9% in 2021), the second highest forecasted salary increment in APAC and third highest globally, according to ECA. For Singapore, ECA expects a much better outlook for Singapore employees, with real salaries expected to increase by 2.0% in 2022 (vs. 1.2% in 2021). The group is also forecasting a significant decline in pay freezes implemented by Singapore-based companies in 2022. In addition to China and Singapore, ECA expects real salary increments (Fig 3) to be seen in Hong Kong, Indonesia, Malaysia, South Korea, Taiwan and Thailand.

We remain positive on HRnet’s professional recruitment outlook in FY22F, as higher salaries across the group’s key regions should underpin growth in average revenue per placement. We also expect a pickup in placement volumes on the back of recovering labour markets and companies ramping up bench strength. With segment GPM at c.100%, we expect professional recruitment to be a key earnings driver for HRnet in FY22-23F.

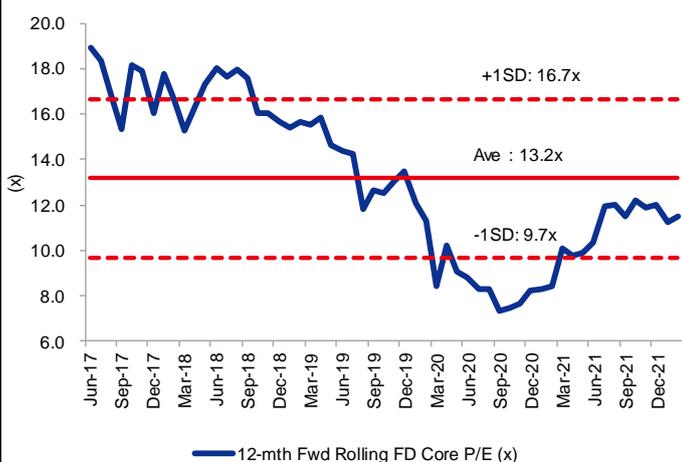
Figure 3: APAC region is expected to record the highest real salary increments in 2022, according to ECA International


SOURCES: CGS-CIMB RESEARCH, ECA INTERNATIONAL

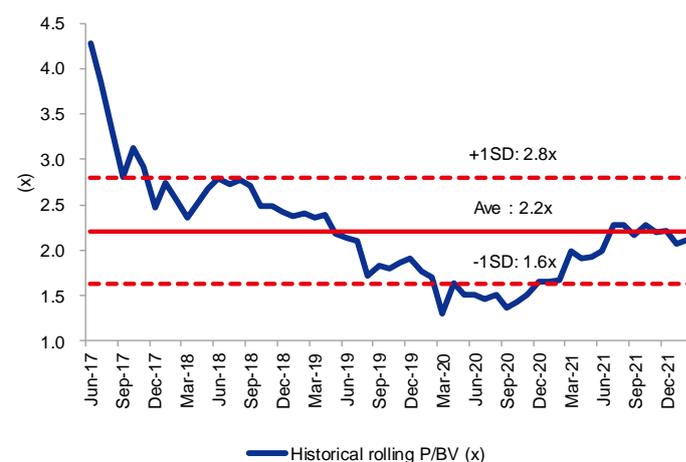
Figure 4: Earnings revision

FYE Dec (S\$m)	New			Old			% change		
	FY21F	FY22F	FY23F	FY21F	FY22F	FY23F	FY21F	FY22F	FY23F
Revenue	549.1	599.3	644.8	538.4	599.3	644.8	2.0%	0.0%	0.0%
Gross profit	168.1	192.5	209.0	165.7	192.5	209.0	1.4%	0.0%	0.0%
Gross profit margin (%)	30.6%	32.1%	32.4%	30.8%	32.1%	32.4%	-0.5%	0.0%	0.0%
EBIT	64.3	79.9	86.5	65.8	79.9	86.5	-2.3%	0.0%	0.0%
Reported PATMI	67.0	67.8	73.0	57.3	67.8	73.0	16.9%	0.0%	0.0%
Core PATMI	67.0	67.8	73.0	57.3	67.8	73.0	16.9%	0.0%	0.0%
NPM (%)	12.2%	11.3%	11.3%	10.7%	11.3%	11.3%	14.6%	0.0%	0.0%
EPS (Scts)	6.7	6.8	7.3	5.7	6.8	7.3	16.9%	0.0%	0.0%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 5: Historical 12-mth forward rolling P/E (x)


SOURCES: CGS-CIMB RESEARCH, BLOOMBERG

Figure 6: Historical rolling P/BV (x)


SOURCES: CGS-CIMB RESEARCH, BLOOMBERG

Figure 7: Peer comparison (as of 07 Feb 2022)

Company	Bloomberg Ticker	Recom.	Price (lcl curr)	Target Price (lcl curr)	Market Cap (US\$ m)	Core P/E (x)		3-year EPS CAGR (%)	P/BV (x) CY21F	Recurring ROE (%) CY21F	Dividend Yield (%) CY21F
HRnetGroup Limited	HRNET SP	ADD	0.78	1.15	582	11.7	11.5	16.9%	2.13	19.2%	4.5%
JAC Recruitment Co Ltd	2124 JP	NR	1,996	NA	716	20.6	17.8	44.8%	5.45	26.9%	3.6%
Persol Holdings Co Ltd	2181 JP	NR	2,952	NA	6,059	43.0	21.4	40.6%	3.92	15.6%	1.2%
Recruit Holdings Co Ltd	6098 JP	NR	5,522	NA	81,210	69.2	29.4	35.6%	7.28	22.3%	0.4%
TechnoPro Holdings Inc	6028 JP	NR	3,495	NA	3,286	28.4	27.3	9.1%	6.15	23.2%	1.9%
Beijing Career International C	300662 CH	NR	53.83	NA	1,667	41.1	30.6	28.9%	6.66	16.2%	0.2%
SEEK	SEK AU	HOLD	28.31	31.73	7,106	44.9	39.0	29.2%	7.90	16.4%	1.6%
Humanica PCL	HUMAN TB	ADD	13.40	17.60	276	56.4	43.9	15.1%	6.83	12.9%	1.1%
Average excl. HRnetgroup						39.8	27.5	25.2%	6.31	19.1%	1.4%
Non-Asian Peers											
Adecco Group AG	ADEN SW	NR	44.61	NA	8,104	11.2	10.0	na	1.96	17.7%	5.7%
Randstad NV	RAND NA	NR	60.00	NA	12,624	14.3	12.9	46.7%	2.32	16.5%	5.1%
Hays PLC	HAS LN	NR	144.0	NA	3,258	39.2	16.2	46.5%	2.87	11.4%	2.4%
Pagegroup PLC	PAGE LN	NR	587.5	NA	2,613	16.4	13.5	na	5.85	35.2%	5.9%
Robert Walters PLC	RWA LN	NR	720.0	NA	746	16.8	13.7	95.2%	2.87	18.3%	2.4%
Heidrick & Struggles Internati	HSII US	NR	43.30	NA	848	10.9	12.7	na	na	na	na
Kelly Services Inc	KELYA US	NR	16.99	NA	669	15.4	9.0	na	na	na	na
Kforce Inc	KFRC US	NR	68.16	NA	1,460	19.2	17.6	17.2%	na	39.1%	1.4%
Korn Ferry	KFY US	NR	67.71	NA	3,684	31.3	12.1	39.1%	na	na	0.7%
ManpowerGroup Inc	MAN US	NR	107.3	NA	5,820	15.3	12.3	191.6%	2.31	15.4%	1.2%
Robert Half International Inc	RHI US	NR	118.4	NA	13,177	21.8	19.6	33.8%	9.54	46.3%	1.3%
Non-Asian Peers Average						19.3	13.6	67.2%	3.96	25.0%	2.9%
Average of all-co excl. HRnetgroup						27.9	19.5	44.8%	5.14	22.2%	2.2%

SOURCES: CGS-CIMB, COMPANY REPORTS, BLOOMBERG



ESG in a nutshell

HRnetGroup Limited (HRNET) is one of the leading recruitment and staffing companies in Asia Pacific (excluding Japan) and has committed to the UN's Sustainable Development Goals for its ESG causes. HRNET has done well in its ESG commitments and has demonstrated a good track record of zero incidents of non-compliance with laws and/or regulations over the past three years from FY18 to FY20. HRNET maintained a high retention rate of 83% co-owners in FY20 through its 123GROW Co-ownership scheme, something that is unique among listed companies in Singapore and which represents a strong alignment of interests within the company. This leads to greater productivity, which is a driver for gross profits, better cost controls and more sustainable earnings, in our view.

Keep your eye on

HRNET's Co-ownership scheme, unique among listed companies in Singapore, is a programme to cultivate and retain talent, reward performance and create a sense of ownership among employees. The number of co-owners as of FY20 was 218, down 14% yoy, due to natural attrition but retention rates remained high at 83%, according to HRNET's 2020 annual report.

Implications

In our view, the high number of employees under the co-ownership scheme reflects an alignment of interests within HRNET as employees are invested in the company. This drives greater productivity, leading to higher gross profits, better cost controls and more sustainable earnings.

ESG highlights

HRNET has committed to the UN's Sustainable Development Goals with regards to the promotion of sustainable economic growth, decent work for all and reducing inequality, according to the company's 2020 annual report. Comparing its performance for FY18-20, HRNET mostly met all its ESG targets set in prior years over FY18-20, which highlights its commitment to ESG causes. HRNET also engages in annual CSR activities across its operating markets.

Implications

It is important that HRNET promotes non-discriminatory hiring and advises its clients on good HR practices. HRNET also enhances the employability of its candidates by advising them on how to develop and improve their profile and CVs as well as refine their interview skills. This is important for the development of a fair labour market and to reduce inequality. Engagement in discriminatory hiring will result in penalties from authorities, which may negatively impact its reputation and financial performance.

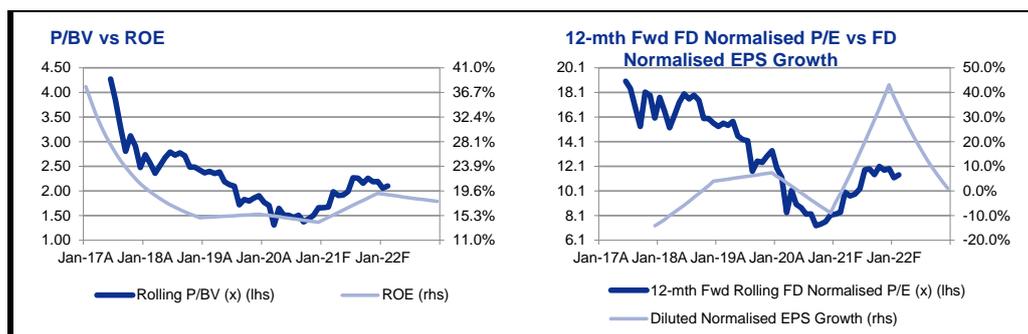
Trends

HRNET has not reported any incidents of non-compliance with laws and/or regulations that resulted in significant fines in FY18-20, demonstrating its good track record.

Implications

The recruitment industry is a heavily regulated industry, whereby non-compliance will lead to fines, reputational damage or loss of operating licence, which will negatively impact revenue and earnings.

SOURCES: CGS-CIMB RESEARCH, REFINITIV

BY THE NUMBERS

Profit & Loss

(\$m)	Dec-19A	Dec-20A	Dec-21F	Dec-22F	Dec-23F
Total Net Revenues	423.1	433.0	549.1	599.3	644.8
Gross Profit	145.6	129.3	168.1	192.5	209.0
Operating EBITDA	57.7	51.4	74.6	91.1	98.5
Depreciation And Amortisation	(6.6)	(9.8)	(10.3)	(11.2)	(12.1)
Operating EBIT	51.0	41.6	64.3	79.9	86.5
Financial Income/(Expense)	4.0	1.8	0.8	0.7	0.7
Pretax Income/(Loss) from Assoc.	0.0	0.0	0.0	0.0	0.0
Non-Operating Income/(Expense)	13.4	15.6	18.5	4.5	4.5
Profit Before Tax (pre-EI)	68.4	59.0	83.5	85.1	91.7
Exceptional Items					
Pre-tax Profit	68.4	59.0	83.5	85.1	91.7
Taxation	(12.6)	(9.2)	(12.5)	(13.3)	(14.4)
Exceptional Income - post-tax					
Profit After Tax	55.8	49.8	71.0	71.8	77.3
Minority Interests	(4.2)	(2.9)	(4.0)	(4.0)	(4.3)
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Preference Dividends (Australia)					
Net Profit	51.6	46.9	67.0	67.8	73.0
Normalised Net Profit	55.8	49.8	71.0	71.8	77.3
Fully Diluted Normalised Profit	51.6	46.9	67.0	67.8	73.0

Cash Flow

(\$m)	Dec-19A	Dec-20A	Dec-21F	Dec-22F	Dec-23F
EBITDA	57.67	51.38	74.56	91.12	98.52
Cash Flow from Inv. & Assoc.					
Change In Working Capital	4.67	44.03	(28.61)	(7.32)	(5.29)
(Incr)/Decr in Total Provisions	0.13	0.78	0.00	0.00	0.00
Other Non-Cash (Income)/Expense					
Other Operating Cashflow	6.15	15.09	19.13	5.14	5.14
Net Interest (Paid)/Received	3.93	2.72	0.77	0.70	0.70
Tax Paid	(13.24)	(9.53)	(12.53)	(13.33)	(14.36)
Cashflow From Operations	59.30	104.46	53.32	76.31	84.71
Capex	(1.28)	(1.23)	(1.92)	(2.10)	(2.26)
Disposals Of FAs/subsidiaries	0.00	0.00	0.00	0.00	0.00
Acq. Of Subsidiaries/investments	(2.45)	(1.56)	0.00	0.00	0.00
Other Investing Cashflow	(35.88)	3.12	0.00	0.00	0.00
Cash Flow From Investing	(39.60)	0.33	(1.92)	(2.10)	(2.26)
Debt Raised/(repaid)					
Proceeds From Issue Of Shares	0.00	0.00	0.00	0.00	0.00
Shares Repurchased	(0.33)	(3.15)	(6.00)	(6.00)	(6.00)
Dividends Paid	(28.16)	(28.00)	(25.29)	(35.40)	(34.16)
Preferred Dividends					
Other Financing Cashflow	(6.11)	(9.75)	(2.07)	(2.07)	(2.07)
Cash Flow From Financing	(34.60)	(40.90)	(33.35)	(43.47)	(42.23)
Total Cash Generated	(14.90)	63.89	18.04	30.74	40.23
Free Cashflow To Equity	19.70	104.79	51.40	74.21	82.45
Free Cashflow To Firm	20.03	105.21	51.80	74.71	82.95

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	266.2	332.2	350.3	381.0	421.3
Total Debtors	81.6	72.9	103.4	111.2	117.0
Inventories					
Total Other Current Assets	8.6	6.9	6.9	6.9	6.9
Total Current Assets	356.3	412.0	460.6	499.1	545.1
Fixed Assets	1.6	1.5	1.6	1.6	1.7
Total Investments	38.7	21.8	21.8	21.8	21.8
Intangible Assets	6.7	6.5	6.4	6.2	6.0
Total Other Non-Current Assets	16.0	10.5	10.5	10.5	10.5
Total Non-current Assets	62.9	40.4	40.3	40.2	40.0
Short-term Debt					
Current Portion of Long-Term Debt					
Total Creditors	45.1	82.1	84.0	84.4	85.0
Other Current Liabilities	20.4	20.2	20.2	20.2	20.2
Total Current Liabilities	65.5	102.3	104.2	104.6	105.1
Total Long-term Debt					
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	7.1	3.0	11.2	20.2	29.9
Total Non-current Liabilities	7.1	3.0	11.2	20.2	29.9
Total Provisions	0.0	0.0	0.0	0.0	0.0
Total Liabilities	72.7	105.2	115.4	124.8	135.0
Shareholders' Equity	332.0	331.7	368.1	395.1	428.5
Minority Interests	14.6	15.5	17.4	19.3	21.6
Total Equity	346.6	347.1	385.5	414.4	450.1

Key Ratios

	Dec-19A	Dec-20A	Dec-21F	Dec-22F	Dec-23F
Revenue Growth	(1.3%)	2.4%	26.8%	9.1%	7.6%
Operating EBITDA Growth	(2.9%)	(10.9%)	45.1%	22.2%	8.1%
Operating EBITDA Margin	13.6%	11.9%	13.6%	15.2%	15.3%
Net Cash Per Share (S\$)	0.26	0.33	0.35	0.38	0.42
BVPS (S\$)	0.33	0.33	0.37	0.39	0.43
Gross Interest Cover	152.8	100.8	160.7	159.8	172.9
Effective Tax Rate	18.4%	15.7%	15.0%	15.7%	15.7%
Net Dividend Payout Ratio	54.9%	54.0%	52.8%	50.4%	50.4%
Accounts Receivables Days	67.27	59.57	54.20	61.32	60.83
Inventory Days	-	-	-	-	-
Accounts Payables Days	8.23	7.54	7.14	7.75	7.63
ROIC (%)	76%	72%	(1381%)	275%	230%
ROCE (%)	16.0%	12.6%	17.9%	20.3%	20.3%
Return On Average Assets	12.7%	11.1%	14.8%	13.7%	13.6%

Key Drivers

	Dec-19A	Dec-20A	Dec-21F	Dec-22F	Dec-23F
Permanent placements - yoy chg (%)	-9.7%	-17.7%	9.1%	18.0%	7.0%
Contract employees - yoy chg (%)	4.2%	13.7%	25.5%	7.0%	3.0%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

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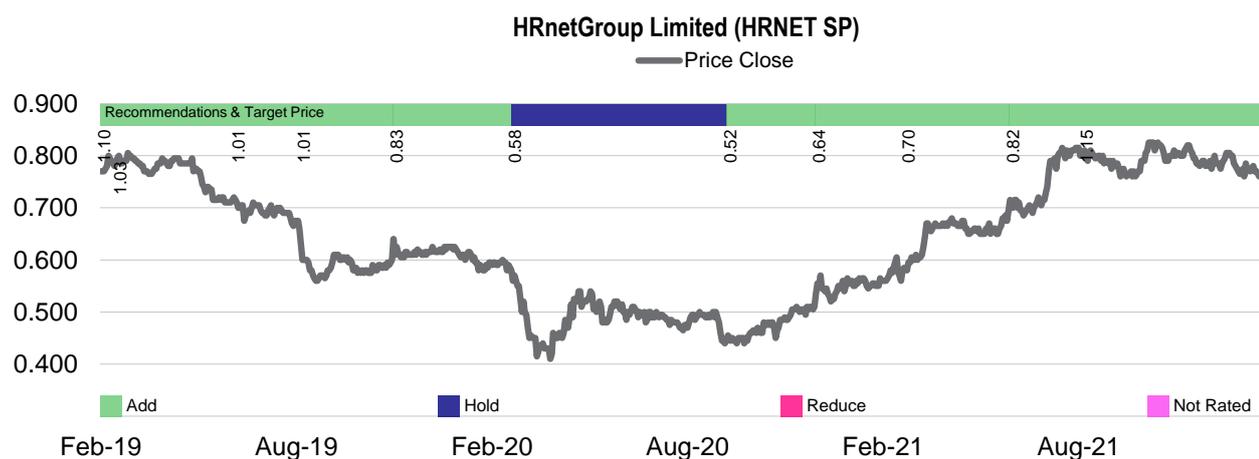
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Reduce	7.1%	0.0%

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.

