

## Singapore

**HOLD** (no change)

Consensus ratings\*: Buy 1 Hold 5 Sell 2

Current price:	S\$0.085
Target price:	S\$0.09
Previous target:	S\$0.09
Up/downside:	5.9%
CGS-CIMB / Consensus:	-2.7%
Reuters:	SCMN.SI
Bloomberg:	SMM SP
Market cap:	US\$1,972m
	S\$2,668m
Average daily turnover:	US\$2.04m
	S\$2.76m
Current shares o/s:	31,388m
Free float:	57.2%

\*Source: Bloomberg

**Key changes in this note**

- FY22F EPS raised by 13%.
- FY23F EPS increased by 5%.
- Introduce FY24F EPS.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	2.4	0	-37
Relative (%)	1	-2.3	-47.8

Major shareholders	% held
Temasek	42.8

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# Sembcorp Marine

## The worst is probably over

- SMM reported a loss of S\$523m for 2H21, vs. our forecast of S\$625m but in line with previous guidance. Gross loss narrowed 48% hoh to S\$137m.
- The worst could be over for SMM with easing labour shortage, more projects due for delivery and improving order outlook (expect some by 1H22).
- With that, SMM guided for its financial performance in FY22 to be significantly better than in FY21. Order book stood at S\$1.3bn at end-2021.
- Reiterate Hold premised on Temasek's support and the potential combined entity with Keppel O&M (by 1Q22). TP stays at S\$0.09 (0.8x CY22F P/BV).

**Losses narrowed hoh**

SMM's 2H21 net loss of S\$523m was narrower than our forecast of S\$625m but in line with previous management guidance (continued significant losses in 2H21). FY21 net loss amounted to S\$1.17bn vs. our forecast of S\$1.27bn. The losses were mainly due to S\$839m of post-tax provisions which comprised S\$696m for additional labour and costs to complete projects, S\$75m yard reinstatement costs and S\$68m asset impairment & project stock write-down. Excluding these provisions, SMM's 2H21/FY21F net loss would have been S\$156m/S\$332m. Net gearing stood at 0.5x at end-21.

**Probably last round of major provisions, labour shortage eases**

2H21 revenue rose 21% hoh to S\$1bn as yard production recovered from Covid-19 stoppages in 1H21. Current workforce remains steady at c.15k vs. 3Q21. With the gradual reopening of borders, labour shortage in Singapore has eased as costs to bring in new labour have reduced. Therefore, management does not expect further significant provisions as the current manpower level is sufficient to complete existing projects. We believe this is a key reason behind SMM's guidance of a "significantly better financial performance for FY22F". Due diligence process is ongoing for the proposed merger with Keppel O&M and SMM also expects to finalise it by 1Q22, as guided by Keppel Corp.

**More positive tone**

YTD, SMM has delivered 3 out of 12 projects scheduled for 2022. It is also on track to conclude negotiations on project completion terms with its key customers and is likely to see stronger revenue contribution in 1H22F. Management sounded positive about some contract wins by 1H22F with contract size on average ranging from S\$500m to S\$1bn. Some of the contracts underway include the EPC contract for US\$2bn Dorado FPSO and Antarctic support vessel for the Brazilian Navy. Rising oil prices could provide impetus for deferred expenditure by oil companies.

**Reiterate Hold and TP of S\$0.09**

We peg SMM at 0.8x CY22F P/BV (20% discount to 3-year historical average of 1x). We see scope for narrower discount on consistent order win momentum, earnings recovery or clear strategy from enlarged entity with KEP O&M. The indicative order book for both yards could reach S\$6.4bn based on end-21 reported figures.

**Financial Summary**

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Revenue (S\$m)	1,510	1,862	1,135	1,622	2,083
Operating EBITDA (S\$m)	(389)	(1,396)	(236)	101	126
Net Profit (S\$m)	(582)	(1,514)	(389)	(106)	(81)
Core EPS (S\$)	(0.11)	(0.08)	(0.01)	(0.00)	(0.00)
Core EPS Growth	324%	(23%)	(85%)	(73%)	(24%)
FD Core P/E (x)	NA	NA	NA	NA	NA
DPS (S\$)	-	-	-	-	-
Dividend Yield	0%	0%	0%	0%	0%
EV/EBITDA (x)	NA	NA	NA	54.96	46.46
P/FCFE (x)	NA	NA	51.77	NA	NA
Net Gearing	83.0%	55.9%	60.9%	81.9%	93.2%
P/BV (x)	0.12	0.38	0.74	0.76	0.78
ROE	(19.9%)	(39.5%)	(10.2%)	(3.0%)	(2.3%)
% Change In Core EPS Estimates			13.4%	4.9%	
CGS-CIMB/Consensus EPS (x)			1.77	0.84	(0.86)

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Key catalysts: favourable terms in the proposed merger with Keppel O&M, stronger-than-expected order wins.

Key downside risks: cancellation of projects and sustained cost overruns.

**Figure 1: Results comparison**

FYE Dec (S\$ m)	2HFY21	2HFY20	yoy %	hoh%	FY2021	FY2020	yoy %	Prev.	
			chg	chg	Cum	Cum	chg		FY21F Comments
<b>Revenue</b>	<b>1,018.0</b>	<b>604.1</b>	<b>68.5</b>	<b>20.6</b>	<b>1,862.2</b>	<b>1,510.3</b>	<b>23.3</b>	<b>1,753.6</b>	<b>In line</b>
Operating costs	(1,488.9)	(966.4)	54.1	(1.3)	(3,257.9)	(2,283.7)	42.7	(3,125.5)	Includes S\$839m post-tax provisions: (1) Additional labour and other costs to complete existing projects of S\$696m; (2) An increase in provisions for yards' reinstatement of S\$75m; and (3) An increase in asset impairment and project stock write-down of S\$68m
EBITDA	(470.8)	(362.3)	30.0	(29.1)	(1,395.6)	(773.4)	80.5	(1,371.9)	
EBITDA margin (%)	(46.3)	(60.0)	(22.9)	(41.2)	(74.9)	(51.2)	46.4	(78.2)	
Depn & amort.	(44.3)	(46.5)	(4.6)	(1.3)	171.5	192.3	(10.8)	(105.2)	Below
EBIT	(515.2)	(408.8)	26.0	(27.3)	(1,224.1)	(581.0)	110.7	(1,477.1)	Above
Interest expense	(40.5)	(62.8)	(35.6)	(4.0)	(82.6)	(141.8)	(41.8)	(109.1)	Below
Interest & invt inc	27.9	21.7	28.4	21.9	50.8	51.6	(1.7)	52.5	Above
Associates' contrib	0.5	(0.0)	1,459.5	(24.1)	1.2	0.5	127.3	0.7	Above
Exceptionals	0.0	0.0	0.0	0.0	0.0	0.0	nm	0.0	
Pretax profit	(527.3)	(449.9)	17.2	(27.5)	(1,254.8)	(670.7)	87.1	229.9	Above
Tax	1.4	57.0	(97.5)	(98.2)	79.4	83.5	(4.9)	229.9	
Tax rate (%)	0.3	12.7	(97.9)	(97.5)	6.3	12.4	(49.2)	15.0	
Minority interests	2.5	2.5	1.1	11.9	4.8	4.7	2.2	(1,272.4)	
Net profit	(523.3)	(390.4)	34.1	(19.1)	(1,170.6)	(582.5)	101.0	(1,272.4)	Above
EPS (cts)	(2.3)	(4.6)	(50.7)	(56.0)	(6.5)	(10.9)	(40.3)	(4.1)	
<b>Core Net Profit</b>	<b>(523.3)</b>	<b>(390.4)</b>	<b>34.1</b>	<b>(19.1)</b>	<b>(1,170.6)</b>	<b>(582.5)</b>	<b>101.0</b>	<b>(1,272.4)</b>	
Core EPS (cts)	(2.3)	(4.6)	(50.7)	(56.0)	(6.5)	(10.9)	(40.3)	(4.1)	

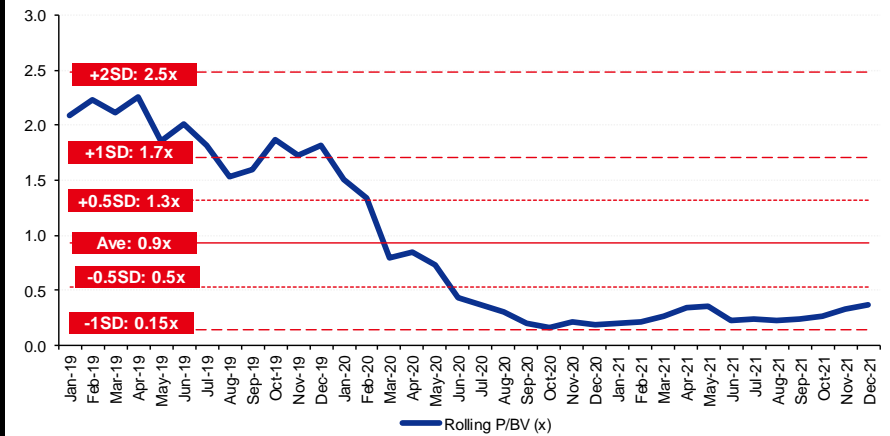
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 2: Segmental breakdown – 2H21 revenue up 21% hoh**

Segment (S\$m)	1H19	2H19	1H20	2H20	1H21	2H21	% yoy	% hoh	Comments 2H21
							chg	chg	
Ship repair	245	360	258	167	238	158	-5%	-34%	Lower no. of vessels serviced and lower value / vessel
Offshore platforms	49	82	130	180	296	278	55%	-6%	Largely renewable projects executed-- Orsted Homsea 2 offshore windfarm topsides, Jan De Nul Formosa 2 offshore wind farm wind turbine jacket foundations, RWE renewable sofia offshore wind farm
Rigs & Floaters	1,222	847	459	215	269	534	148%	98%	Completed major projects : -Equinor Johan Castberg (Newbuild FPSO) and Shell Vito - Newbuild FPU
Specialised shipbuilding & others	26	53	59	43	41	48	13%	17%	
<b>Total</b>	<b>1,542</b>	<b>1,342</b>	<b>906</b>	<b>604</b>	<b>844</b>	<b>1,018</b>	<b>69%</b>	<b>21%</b>	

SOURCES: CIMB, COMPANY REPORTS

**Figure 3: Sembcorp Marine P/BV (x)**





SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS, BLOOMBERG

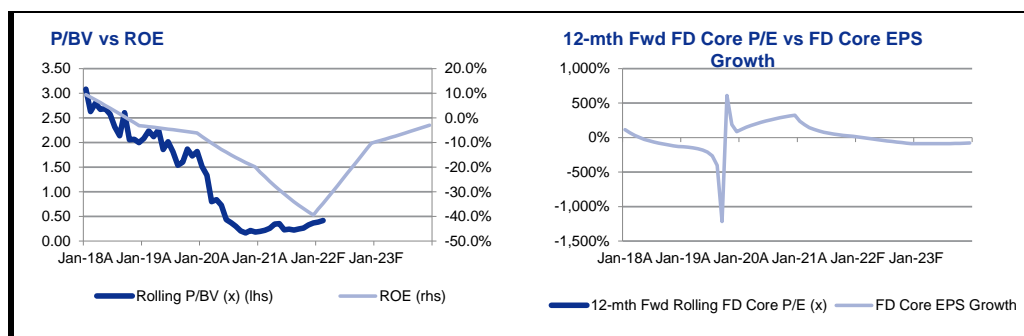
**Figure 4: Earnings revision**

	New			Old		% change	
	FY22F	FY23F	FY24F	FY22F	FY23F	FY22F	FY23F
Revenue (S\$m)	1,135	1,622	2,083	878	1,086	29%	49%
EBIT margin	-37.2%	-5.0%	-2.5%	-53%	-4%		
Net profit (S\$m)	(389.4)	(106.0)	(81.0)	(449.7)	(111.5)	13%	5%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Refinitiv ESG Scores	
	
	
<p><b>ESG in a nutshell</b></p> <p>SMM scored a C+ in its ESG combined score by Refinitiv in FY20 – environmental: B- (weightage: 34.18%); social: A- (weightage 37.34%); and governance: A (weightage 28.48%). We think its weak ESG controversies score of C- (as a result of negative newsflow regarding fraud controversies related to its Brazilian yard) pulled down its otherwise relatively stronger performances of its E, S, and G components. As a result, SMM's ESG combined score fell from B+ in FY19 to C+ in FY20. SMM has 2025 ESG targets of: (1) achieving 30% of annual company turnover generated from sustainable product solutions; (2) achieving 100% compliance with product safety and health requirements; (3) maintaining above 95% customer satisfaction in all projects; (4) zero harm to the environment; and (5) 100% contracted procurement spend in compliance with SMM's Code of Business Conduct and Supplier Code of Conduct.</p>	
<p><b>Keep your eye on</b></p> <p>In 2019, SMM reported that authorities had searched its shipyard in Brazil as part of a graft investigation. In 2020, the Federal Justice Court of Curitiba accepted the complaint against ex-employee Mr Martin Cheah Kok Choon for money laundering and corruption, in relation to certain drilling rig construction contracts entered into by subsidiaries of the Company with Sete Brasil in 2012. Martin Cheah is the former President of Estaleiro Jurong Aracruz Ltda (“EJA”), SMM’s Brazilian subsidiary. No charges were filed against EJA.</p>	<p><b>Implications</b></p> <p>While no charges were filed against SMM, negative press pulled the Group’s ESG controversies score down to a C+ in FY20. As there is no resolution, this Brazilian case is likely to impact SMM’s ESG controversies score moving forward, until the case is closed for good. Unlike KEP SP where a fine was paid for global resolution from a similar fraud investigation in Brazil, no charges were brought against SMM. We would keep an eye on the development of this, should there be any potential negative outcome.</p>
<p><b>ESG highlights</b></p> <p>According to Refinitiv, SMM fares strongly against peers in all E, S, and G pillars. In particular, SMM leads in the Social and Governance categories. On its Social aspect, SMM clinched 24 awards at the national Work Safety and Health (WSH) Awards on 29 July 2021. SMM also has an audited Health, Safety and Environment (HSE) integrated management system aimed at the elimination of harm to people, property, and the environment. As for Governance, SMM successfully completed surveillance audit for ISO 37001, an Anti-bribery Management System certification. There were also no material incidents of non-compliance, as well as zero legal actions for anti-competitive behaviors, anti-trust, and monopolistic practices.</p>	<p><b>Implications</b></p> <p>Accordingly, Community, Workforce, and Management are SMM’s 3 best performing categories in FY2020. We believe the group stands to gain from its strong workplace safety policies through workforce productivity and cost minimisation.</p>
<p><b>Trends</b></p> <p>SMM scores remained constant yoy at a B+ for Environment, A- for Social, and A for Governance. The Group has put in place concrete goals for its Environmental pillar. With a target to avoid 15,000 tCO2e annually by 2025, SMM has since avoided 6,235 tCO2e per year through the installation of solar roofs and LED lighting.</p>	<p><b>Implications</b></p> <p>We believe SMM’s continued investments in its Climate Programs, coupled with its strong Social and Governance aspects, will attract investors who are conscious about E, S, and G performances.</p>

SOURCES: CGS-CIMB RESEARCH, REFINITIV

**BY THE NUMBERS**

**Profit & Loss**

(\$m)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
<b>Total Net Revenues</b>	<b>1,510</b>	<b>1,862</b>	<b>1,135</b>	<b>1,622</b>	<b>2,083</b>
<b>Gross Profit</b>	<b>(490)</b>	<b>(1,082)</b>	<b>(397)</b>	<b>(49)</b>	<b>0</b>
<b>Operating EBITDA</b>	<b>(389)</b>	<b>(1,396)</b>	<b>(236)</b>	<b>101</b>	<b>126</b>
Depreciation And Amortisation	(192)	(172)	(186)	(182)	(178)
<b>Operating EBIT</b>	<b>(581)</b>	<b>(1,567)</b>	<b>(422)</b>	<b>(81)</b>	<b>(52)</b>
Financial Income/(Expense)	(90)	(32)	(49)	(49)	(49)
Pretax Income/(Loss) from Assoc.	1	1	2	2	3
Non-Operating Income/(Expense)	1	0	0	0	0
<b>Profit Before Tax (pre-EI)</b>	<b>(670)</b>	<b>(1,598)</b>	<b>(469)</b>	<b>(128)</b>	<b>(98)</b>
Exceptional Items	0	0	0	0	0
<b>Pre-tax Profit</b>	<b>(670)</b>	<b>(1,598)</b>	<b>(469)</b>	<b>(128)</b>	<b>(98)</b>
Taxation	84	79	70	19	15
Exceptional Income - post-tax					
<b>Profit After Tax</b>	<b>(587)</b>	<b>(1,518)</b>	<b>(399)</b>	<b>(109)</b>	<b>(83)</b>
Minority Interests	5	5	9	3	2
Preferred Dividends	0	0	0	0	0
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
<b>Net Profit</b>	<b>(582)</b>	<b>(1,514)</b>	<b>(389)</b>	<b>(106)</b>	<b>(81)</b>
Recurring Net Profit	(582)	(1,514)	(389)	(106)	(81)
<b>Fully Diluted Recurring Net Profit</b>	<b>(582)</b>	<b>(1,514)</b>	<b>(389)</b>	<b>(106)</b>	<b>(81)</b>

**Cash Flow**

(\$m)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
<b>EBITDA</b>	<b>(389)</b>	<b>(1,396)</b>	<b>(236)</b>	<b>101</b>	<b>126</b>
Cash Flow from Inv. & Assoc.					
Change In Working Capital	(356)	295	305	(647)	(314)
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense					
Other Operating Cashflow					
Net Interest (Paid)/Received	(153)	(54)	(49)	(49)	(49)
Tax Paid	(8)	(5)	70	19	15
<b>Cashflow From Operations</b>	<b>(906)</b>	<b>(1,159)</b>	<b>91</b>	<b>(576)</b>	<b>(222)</b>
Capex	(89)	(46)	(50)	(100)	(100)
Disposals Of FAs/subsidiaries	3	4	0	0	0
Acq. Of Subsidiaries/investments	(2)	(2)	0	0	0
Other Investing Cashflow	0	0	0	0	0
<b>Cash Flow From Investing</b>	<b>(88)</b>	<b>(44)</b>	<b>(50)</b>	<b>(100)</b>	<b>(100)</b>
Debt Raised/(repaid)	661	(512)	0	0	0
Proceeds From Issue Of Shares	587	1,499	0	0	0
Shares Repurchased	0	(0)	0	0	0
Dividends Paid	(0)	(0)	0	0	0
Preferred Dividends					
Other Financing Cashflow					
<b>Cash Flow From Financing</b>	<b>1,247</b>	<b>986</b>	<b>0</b>	<b>0</b>	<b>0</b>
Total Cash Generated	253	(217)	41	(676)	(322)
<b>Free Cashflow To Equity</b>	<b>(333)</b>	<b>(1,715)</b>	<b>41</b>	<b>(676)</b>	<b>(322)</b>
<b>Free Cashflow To Firm</b>	<b>(832)</b>	<b>(1,140)</b>	<b>141</b>	<b>(575)</b>	<b>(221)</b>

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

## BY THE NUMBERS... cont'd

### Balance Sheet

(S\$m)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Total Cash And Equivalents	772	1,104	1,146	473	154
Total Debtors	618	471	315	451	579
Inventories	94	67	95	135	174
Total Other Current Assets	1,656	1,384	965	1,372	1,756
<b>Total Current Assets</b>	<b>3,140</b>	<b>3,026</b>	<b>2,521</b>	<b>2,430</b>	<b>2,662</b>
Fixed Assets	4,115	3,993	3,857	3,775	3,696
Total Investments	271	256	256	256	256
Intangible Assets	221	198	198	198	198
Total Other Non-Current Assets	1,223	1,827	1,364	1,364	1,364
<b>Total Non-current Assets</b>	<b>5,830</b>	<b>6,274</b>	<b>5,674</b>	<b>5,592</b>	<b>5,514</b>
Short-term Debt	2,143	842	842	842	842
Current Portion of Long-Term Debt					
Total Creditors	1,095	1,514	870	758	950
Other Current Liabilities	161	178	116	164	209
<b>Total Current Liabilities</b>	<b>3,400</b>	<b>2,533</b>	<b>1,828</b>	<b>1,763</b>	<b>2,000</b>
Total Long-term Debt	1,698	2,513	2,513	2,513	2,513
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	150	210	210	210	210
<b>Total Non-current Liabilities</b>	<b>1,847</b>	<b>2,722</b>	<b>2,722</b>	<b>2,722</b>	<b>2,722</b>
Total Provisions	27	19	19	19	19
<b>Total Liabilities</b>	<b>5,274</b>	<b>5,275</b>	<b>4,569</b>	<b>4,505</b>	<b>4,742</b>
Shareholders' Equity	3,667	4,001	3,612	3,506	3,425
Minority Interests	29	24	14	12	10
<b>Total Equity</b>	<b>3,696</b>	<b>4,025</b>	<b>3,626</b>	<b>3,518</b>	<b>3,435</b>

### Key Ratios

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Revenue Growth	(47.6%)	23.3%	(39.1%)	43.0%	28.4%
Operating EBITDA Growth	(557%)	259%	(83%)	N/A	25%
Operating EBITDA Margin	(25.7%)	(74.9%)	(20.8%)	6.2%	6.1%
Net Cash Per Share (S\$)	(0.57)	(0.12)	(0.07)	(0.09)	(0.10)
BVPS (S\$)	0.69	0.22	0.12	0.11	0.11
Gross Interest Cover	(4.10)	(18.97)	(4.19)	(0.81)	(0.52)
Effective Tax Rate	0%	0%	0%	0%	0%
Net Dividend Payout Ratio	NA	NA	NA	NA	NA
Accounts Receivables Days	133.5	106.8	126.5	86.1	90.4
Inventory Days	18.98	10.00	19.24	25.09	27.13
Accounts Payables Days	218.9	154.0	264.5	159.9	135.6
ROIC (%)	(9.1%)	(23.5%)	(6.7%)	(1.4%)	(0.8%)
ROCE (%)	(7.3%)	(20.3%)	(5.1%)	(0.4%)	(0.0%)
Return On Average Assets	(5.7%)	(16.3%)	(4.0%)	(0.7%)	(0.4%)

### Key Drivers

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Order win (S\$bn)	-	1.0	2.0	2.5	-

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS



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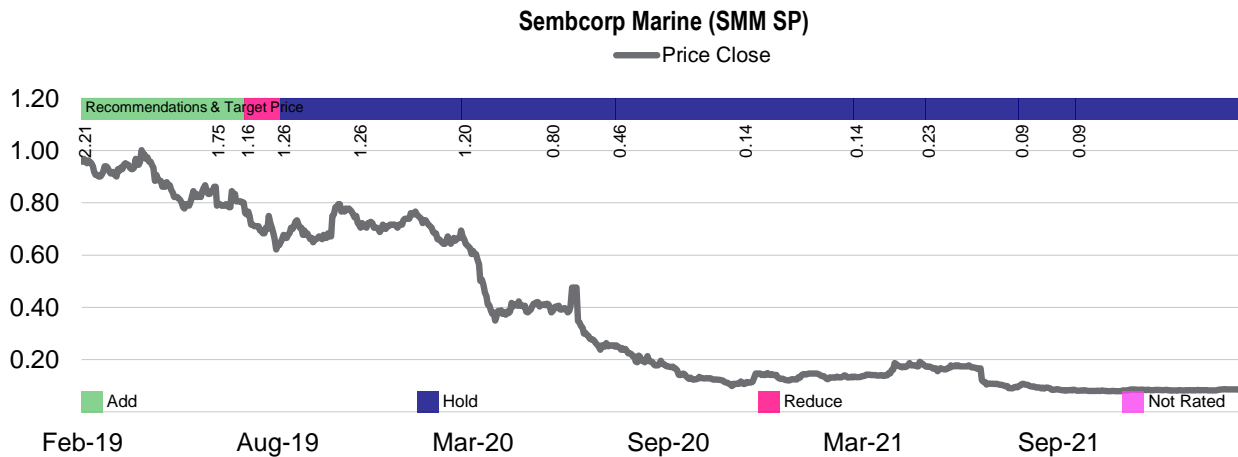
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Spitzer Chart for stock being researched ( 2 year data )



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, **CENDEL** – 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.

