

Malaysia

**ADD** (no change)

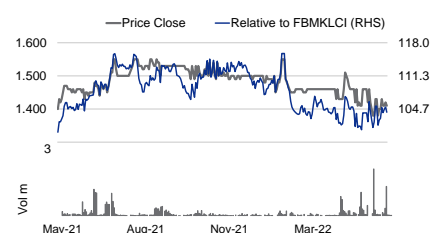
Consensus ratings\*: Buy 6 Hold 0 Sell 0

Current price:	RM1.41
Target price:	RM1.83
Previous target:	RM1.78
Up/downside:	29.6%
CGS-CIMB / Consensus:	0.0%
Reuters:	SEVE.KL
Bloomberg:	SEM MK
Market cap:	US\$361.2m
	RM1,588m
Average daily turnover:	US\$0.05m
	RM0.24m
Current shares o/s:	1,233m
Free float:	49.0%

\*Source: Bloomberg

**Key changes in this note**

- FY22-24F EPS raised by 35-44% to reflect higher revenue and higher gross profit margin assumptions.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	-0.7	-2.8	-0.7
Relative (%)	2.8	0.4	1.6

Major shareholders	% held
Berjaya Retail	51.0
Genesis Investment	6.8
Smallcap world fund	6.2

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# 7-Eleven Malaysia Holdings

## Robust growth from its pharma segment

- 1QFY22 core net profit of RM27.8m (+118% yoy) was above expectations at 41.2% of our FY22 estimate and 38.9% of Bloomberg consensus.
- We remain upbeat on 7-Eleven's FY22 outlook in view of: i) longer operating hours, ii) aggressive store expansion plan, and iii) strong footfall recovery.
- Reiterate Add with a higher TP of 1.83 (22x CY23F P/E) as we raise our EPS forecasts for FY22-24F on higher gross margin assumptions.

### 1QFY22 core net profit surged 118% yoy, above expectations

7-Eleven Malaysia Holdings's (SEM) 1QFY22 core net profit (CNP) soared 118% yoy to RM27.8m. At 41.2% of our FY22 estimate and 38.9% of Bloomberg consensus, we deem this as above expectations. The variance came from i) higher-than-expected total revenue (+27.8% yoy), driven by both its convenience store segment (CVS) and pharmaceutical segment sales, which rose 16.7% yoy and 51.9% yoy, respectively, and ii) higher-than-expected profit after tax (PAT) margin at its CVS (+0.9% pts yoy to 3.2%) and pharmaceutical segment (+3.2% pts yoy to 6.2%) on longer operating hours, higher footfall and better margin mix as the economy reopens.

### Core profit at its pharmaceutical segment jumped threefold

The pharmaceutical segment's 1Q22 core profit (segment PAT ex. minority interest) rose 208.3% yoy to RM19.7m. This was mainly attributable to i) higher sales (+51.9% yoy) on increase in demand for wellness and healthcare products, ii) more favourable margin mix (higher sales contribution from its higher-margin "Blue Ocean" domestic products in its pharmacy chains), and iii) inclusion of The Pill House and Wellings pharmacies into Caring. As a result, SEM's pharma segment gross profit margin expanded to 22.6% (+3% pts yoy) in 1Q22. A future long-term growth driver could be its foray into the Indonesian market (via joint venture) under the brand 'Wellings' starting from FY22, in our view.

### CVS segment recorded a strong SSSG of 15.2% in 1Q22

In 1Q22, its CVS segment posted strong same-store-sales growth (SSSG) of 15.2% yoy due to higher retail footfall and longer operating hours during the period (Chinese New Year holidays), which led sales across all product categories to grow. Moving forward, we remain positive on SEM's CVS segment as longer operating hours and strong recovery in footfall on economic and border reopenings are expected to bode well for future sales. Additionally, SEM successfully opened 15 7-café store formats in 1QFY22.

### Reiterate Add with a higher TP of RM1.83; a reopening play

We reiterate our Add call with a higher TP of RM1.83 (22x CY23F P/E, 1 s.d. below its 5-year mean P/E of 31.1x) as we raise our FY22-24F EPS forecasts given the more conducive operating environment. We lower our P/E (29x previously) to account for its high gearing profile against peers (a risk to rising interest rates) and low liquidity issue. We continue to like SEM for its solid market share in both the CVS and pharmaceutical segments and as a strong proxy for both economic and border reopening.

Financial Summary	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Revenue (RMm)	2,539	2,809	3,106	3,414	3,500
Operating EBITDA (RMm)	327.5	351.9	416.2	428.2	441.4
Net Profit (RMm)	29.8	43.6	97.1	102.4	113.9
Core EPS (RM)	0.052	0.050	0.079	0.083	0.092
Core EPS Growth	8.9%	(4.7%)	58.5%	5.5%	11.2%
FD Core P/E (x)	27.06	28.40	17.91	16.98	15.27
DPS (RM)	0.031	0.030	0.047	0.050	0.055
Dividend Yield	2.19%	2.14%	3.35%	3.53%	3.93%
EV/EBITDA (x)	7.00	6.51	5.22	4.71	4.24
P/FCFE (x)	6.29	16.82	9.93	7.98	8.12
Net Gearing	285%	602%	333%	162%	61%
P/BV (x)	26.05	19.00	13.34	10.15	8.02
ROE	76.2%	77.4%	87.5%	67.9%	58.7%
% Change In Core EPS Estimates			44.1%	35.5%	38.4%
CGS-CIMB/Consensus EPS (x)			1.27	1.19	1.21

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

## Robust growth from its pharma segment

### Downside risks and re-rating catalysts ►

Upside risks: stronger-than-expected recovery of footfall and sales post lifting of movement restrictions and higher-than-expected operating margin.

Downside risks: i) re-imposition of movement restrictions due to a surge in Covid-19, ii) poor cost control, and iii) weaker-than-expected visitation.

**Figure 1: Results Comparison**

FYE Dec (RM m)	1Q FY22	1Q FY21	yoy % chg	4Q FY21	qoq % chg	Prev. FY22F	Comments
Revenue	840.0	657.1	27.8	795.1	5.6	3,003.7	Higher yoy revenue mainly due to higher sales from CVS (+16.7% yoy) and Pharmaceutical segment (+51.9% yoy). QoQ increase mainly due to pharmaceutical segment (+15% qoq) while CVS segment increased marginally (+0.7% qoq)
Operating costs	(730.3)	(572.8)	27.5	(673.4)	8.4	(2,637.9)	
<b>EBITDA</b>	<b>110</b>	<b>84.3</b>	<b>30.1</b>	<b>122</b>	<b>-9.8</b>	<b>365.8</b>	
<i>EBITDA margin (%)</i>	13.1	12.8	0.2	15.3	-2.2	12.2	Higher EBITDA margin on yoy basis, mainly due to Caring Pharmacy which garners higher margins. Lower qoq due to weaker operating leverage at CVS segment
Depn & amort.	(45.0)	(48.6)	-7.3	(49.4)	-8.7	(209.9)	
Interest expense	(16.2)	(14.7)	10.2	(15.9)	2.0	(43.2)	Higher interest costs yoy mainly arising from borrowings undertaken to acquire Caring Pharmacy
Interest & invt inc	0.6	0.5	nm	0.7	nm	1.4	
Associates' contrib	0.0	0.0	nm	0.0	nm	0.0	
Exceptionals	(3.4)	(1.1)	nm	(8.2)	-58.8	0.0	Provision for and write-off of inventories, PPE written off, gain on disposal, impairment loss, and forex gain
<b>Pretax profit</b>	<b>45.7</b>	<b>20.4</b>	<b>124</b>	<b>48.9</b>	<b>-6.5</b>	<b>114</b>	
Tax	(14.5)	(6.9)	110	(16.1)	-10.0	(46.8)	
Tax rate (%)	31.7	33.7	-2.0	32.9	-1.2	-0.4	
Minority interests	6.8	1.9	nm	3.6	nm	0.0	
<b>Net profit</b>	<b>24.4</b>	<b>11.7</b>	<b>109</b>	<b>29.2</b>	<b>-16.6</b>	<b>67.4</b>	
<b>Core net profit</b>	<b>27.8</b>	<b>12.7</b>	<b>118</b>	<b>37.5</b>	<b>-25.9</b>	<b>67.4</b>	<b>Beat expectations at 41.2% of our full year forecasts.</b>
EPS (sen)	2.0	0.9	109	2.4	-16.6	5.5	
Core EPS (sen)	2.3	1.0	118	3.0	-25.9	5.5	

SOURCES: CIMB, COMPANY REPORTS

**Figure 2: Earnings revision**

RM m	FY21	FY22F			FY23F			FY24F		
		Old	New	%chg	Old	New	%chg	Old	New	%chg
Revenue	2809.1	3003.7	3106.0	3.4%	3285.7	3413.6	3.9%	3486.8	3499.6	0.4%
EBITDA	351.9	365.8	416.2	13.8%	384.4	428.2	11.4%	390.1	441.4	13.2%
Core pretax profit	117.9	114.2	164.5	44.1%	130.8	174.8	33.6%	134.8	186.7	38.4%
Core net profit	61.2	67.4	97.1	44.1%	75.6	102.4	35.5%	82.3	113.9	38.4%

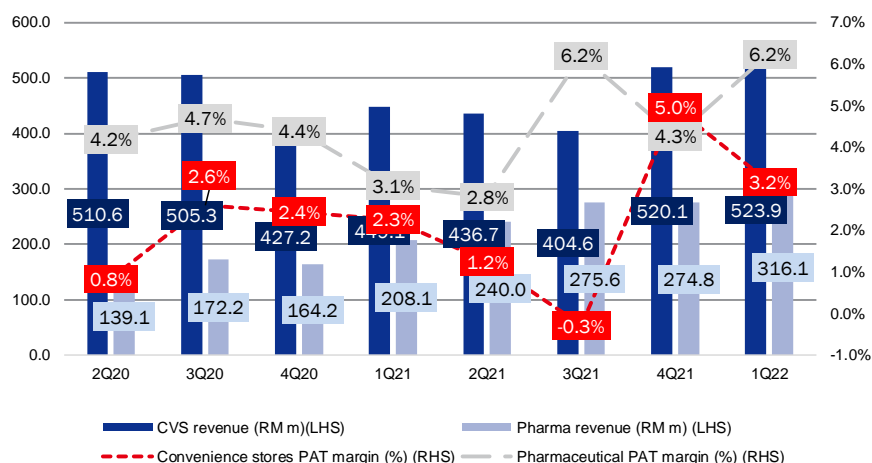
SOURCES: CGS-CIMB, COMPANY REPORTS

**Figure 3: Segmental breakdown**

(RM m)	1QFY22	1QFY21	yoy %	qoq %	4QFY21	Comments
<b>Segment Revenue</b>						
Convenience Store	523.9	449.1	16.7%	0.7%	520.1	Higher yoy and qoq due to easing of lockdown measures and longer operating hours (SSSG: +15.2% yoy)
Pharmaceutical	316.1	208.1	51.9%	15.0%	274.8	Strong growth yoy due to inclusion of The Pill House and Wellings pharmacies and general organic growth, easing of lockdown measures and longer operating hours
<b>Total</b>	<b>840.0</b>	<b>657.1</b>	<b>27.8%</b>	<b>5.6%</b>	<b>795.1</b>	
<b>Segment PAT (ex. Minority interest)</b>						
Convenience Store	16.6	10.2	63.0%	-35.7%	25.8	Higher yoy due to higher sales. But lower qoq despite higher revenue due to higher operating expenses (higher store operation related expenses)
Pharmaceutical	19.7	6.4	208.3%	68.6%	11.7	Stronger growth due to inclusion of The Pill House and Wellings pharmacies and rising demand of healthcare products
Corporate exercise expenses	(5.1)	(3.0)	68.2%	-8.4%	(4.7)	Mainly corporate exercise expenses including professional fees and interest to finance acquisition of Caring
<b>Total</b>	<b>31.2</b>	<b>13.5</b>	<b>130.5%</b>	<b>-4.8%</b>	<b>32.8</b>	
<b>PAT margin (%)</b>						
			<b>yoy pts</b>	<b>qoq pts</b>		
Convenience Store	3.2%	2.3%	0.9%	-1.8%	5.0%	
Pharmaceutical	6.2%	3.1%	3.2%	2.0%	4.3%	
<b>Total</b>	<b>3.7%</b>	<b>2.1%</b>	<b>1.7%</b>	<b>-0.4%</b>	<b>4.1%</b>	

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 4: Quarterly segmental revenue and PAT margin trend**



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS



## ESG in a nutshell

7-Eleven Malaysia (SEM) is the largest convenience store operator in Malaysia. It is also involved in the chain pharmacy business after the acquisition of Caring Group in 2QFY20. SEM's sustainability initiatives are spearheaded by its sustainability working group, consisting of the heads of departments of both its convenience store and pharmacy divisions. Among its key materiality matters based on its assessment includes: i) branding and reputation, ii) customer satisfaction, iii) technology and innovation, iv) product quality and compliance, and v) talent development.

### Keep your eye on

As the largest convenience store operator and the master franchisee of 7-Eleven stores in Malaysia, branding and reputation is one of the key aspects to keep an eye on as any deterioration in branding and perception could significantly jeopardise its operations.

### Implications

Various factors come into play relating to its branding and reputation, including product quality and safety. Food and consumable items sold at its convenience stores are all ensured to be compliant with all the regulatory standards, while pharmaceutical products are all screened through its listing committee which ensures products are well within the highest regulatory standards.

### ESG highlights

SEM is rated as the top 51-75% by ESG ratings among public-listed companies in the FBM EMAS that have been assessed by FTSE Russell.

### Implications

We believe that SEM's ESG ratings could improve as it increases its disclosures on ESG matters. Nonetheless, we cannot ascertain the correlation between ESG ratings and share price performance vs. peers.

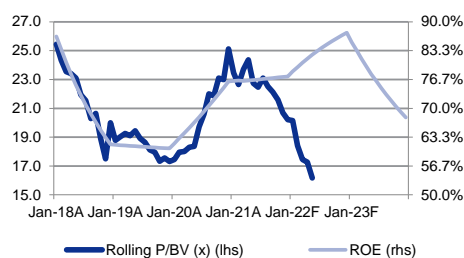
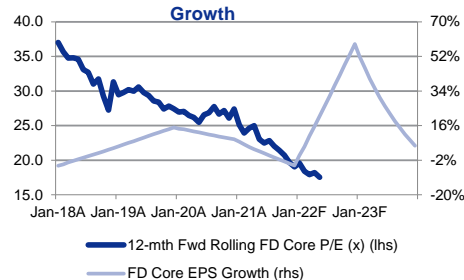
### Trends

As SEM increases its fresh food offerings in stores, food quality and safety will become more prominent. SEM has set up a 7E Quality and Food Safety Standards, and conducts audits on a yearly basis via a dedicated quality assurance team.

### Implications

Its target in 2020 was to audit a total of 1,000 stores, including 415 fresh food stores which it defines as high-risk stores. It exceeded its target by auditing 1,063 stores, including 100% of its fresh food store base, ensuring that their food quality and safety meet its standards.

SOURCES: CGS-CIMB RESEARCH, REFINITIV

**BY THE NUMBERS**
**P/BV vs ROE**

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

**Profit & Loss**

(RMm)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
<b>Total Net Revenues</b>	<b>2,539</b>	<b>2,809</b>	<b>3,106</b>	<b>3,414</b>	<b>3,500</b>
<b>Gross Profit</b>	<b>722</b>	<b>760</b>	<b>981</b>	<b>1,079</b>	<b>1,120</b>
<b>Operating EBITDA</b>	<b>328</b>	<b>352</b>	<b>416</b>	<b>428</b>	<b>441</b>
Depreciation And Amortisation	-183	-198	-210	-213	-217
<b>Operating EBIT</b>	<b>144</b>	<b>154</b>	<b>206</b>	<b>215</b>	<b>224</b>
Financial Income/(Expense)	-53	-59	-42	-40	-37
Pretax Income/(Loss) from Assoc.	-1	0	0	0	0
Non-Operating Income/(Expense)	0	0	0	0	0
<b>Profit Before Tax (pre-EI)</b>	<b>92</b>	<b>95</b>	<b>165</b>	<b>175</b>	<b>187</b>
Exceptional Items					
<b>Pre-tax Profit</b>	<b>91</b>	<b>95</b>	<b>165</b>	<b>175</b>	<b>187</b>
Taxation	-27	-34	-67	-68	-73
Exceptional Income - post-tax	-34	-18	0	0	0
<b>Profit After Tax</b>	<b>30</b>	<b>44</b>	<b>97</b>	<b>107</b>	<b>114</b>
Minority Interests	0	0	0	-4	0
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
<b>Net Profit</b>	<b>30</b>	<b>44</b>	<b>97</b>	<b>102</b>	<b>114</b>
Recurring Net Profit	64	61	97	102	114
<b>Fully Diluted Recurring Net Profit</b>	<b>64</b>	<b>61</b>	<b>97</b>	<b>102</b>	<b>114</b>

**Cash Flow**

(RMm)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
<b>EBITDA</b>	<b>327.5</b>	<b>351.9</b>	<b>416.2</b>	<b>428.2</b>	<b>441.4</b>
Cash Flow from Invt. & Assoc.					
Change In Working Capital	113.3	(8.6)	(11.9)	17.7	2.9
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense					
Other Operating Cashflow	(116.2)	(27.1)	0.0	0.0	0.0
Net Interest (Paid)/Received	(54.3)	(61.2)	(43.2)	(43.2)	(43.2)
Tax Paid	(33.0)	(34.1)	(67.5)	(68.2)	(72.8)
<b>Cashflow From Operations</b>	<b>237.3</b>	<b>221.0</b>	<b>293.6</b>	<b>334.5</b>	<b>328.3</b>
Capex	(66.6)	(120.0)	(120.0)	(120.0)	(120.0)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments					
Other Investing Cashflow	(270.2)	2.4	1.4	3.3	5.8
<b>Cash Flow From Investing</b>	<b>(336.8)</b>	<b>(117.6)</b>	<b>(118.6)</b>	<b>(116.7)</b>	<b>(114.2)</b>
Debt Raised/(repaid)	375.7	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					
Dividends Paid	(26.5)	(37.2)	(58.2)	(61.4)	(68.3)
Preferred Dividends					
Other Financing Cashflow	(157.6)	0.0	0.0	0.0	0.0
<b>Cash Flow From Financing</b>	<b>191.6</b>	<b>(37.2)</b>	<b>(58.2)</b>	<b>(61.4)</b>	<b>(68.3)</b>
Total Cash Generated	92.2	66.2	116.8	156.4	145.8
<b>Free Cashflow To Equity</b>	<b>276.3</b>	<b>103.4</b>	<b>175.0</b>	<b>217.8</b>	<b>214.1</b>
<b>Free Cashflow To Firm</b>	<b>(45.2)</b>	<b>164.6</b>	<b>218.2</b>	<b>261.0</b>	<b>257.3</b>

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**BY THE NUMBERS... cont'd**
**Balance Sheet**

(RMm)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Total Cash And Equivalents	180	88	205	361	507
Total Debtors	91	127	154	164	168
Inventories	289	369	404	444	452
Total Other Current Assets	0	0	0	0	0
<b>Total Current Assets</b>	<b>559</b>	<b>584</b>	<b>763</b>	<b>969</b>	<b>1,127</b>
Fixed Assets	1,019	1,018	928	835	737
Total Investments	8	8	8	8	8
Intangible Assets	439	439	439	439	439
Total Other Non-Current Assets	0	0	0	0	0
<b>Total Non-current Assets</b>	<b>1,466</b>	<b>1,465</b>	<b>1,375</b>	<b>1,282</b>	<b>1,184</b>
Short-term Debt	201	201	201	201	201
Current Portion of Long-Term Debt	106	106	106	106	106
Total Creditors	579	672	722	794	809
Other Current Liabilities	12	12	12	12	12
<b>Total Current Liabilities</b>	<b>899</b>	<b>991</b>	<b>1,042</b>	<b>1,113</b>	<b>1,128</b>
Total Long-term Debt	332	332	332	332	332
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	558	558	558	558	558
<b>Total Non-current Liabilities</b>	<b>889</b>	<b>889</b>	<b>889</b>	<b>889</b>	<b>889</b>
Total Provisions	77	77	77	77	77
<b>Total Liabilities</b>	<b>1,865</b>	<b>1,957</b>	<b>2,008</b>	<b>2,079</b>	<b>2,094</b>
Shareholders' Equity	67	92	130	171	217
Minority Interests	94				
<b>Total Equity</b>	<b>161</b>	<b>92</b>	<b>130</b>	<b>171</b>	<b>217</b>

**Key Ratios**

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Revenue Growth	7.5%	10.6%	10.6%	9.9%	2.5%
Operating EBITDA Growth	18.1%	7.5%	18.2%	2.9%	3.1%
Operating EBITDA Margin	12.9%	12.5%	13.4%	12.5%	12.6%
Net Cash Per Share (RM)	-0.37	-0.45	-0.35	-0.23	-0.11
BVPS (RM)	0.05	0.07	0.11	0.14	0.18
Gross Interest Cover	2.66	2.52	4.78	4.97	5.19
Effective Tax Rate	30.0%	35.7%	41.0%	39.0%	39.0%
Net Dividend Payout Ratio	59.1%	60.7%	60.0%	60.0%	60.0%
Accounts Receivables Days	11.59	13.21	14.81	15.68	16.27
Inventory Days	53.00	58.58	66.37	66.22	68.89
Accounts Payables Days	84.69	84.60	89.64	87.14	90.64
ROIC (%)	14.2%	(3.1%)	(9.5%)	(10.5%)	(12.1%)
ROCE (%)	24.1%	18.8%	25.4%	25.4%	25.5%
Return On Average Assets	6.03%	2.28%	3.47%	3.80%	4.04%

**Key Drivers**

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Number of stores	2,567.0	2,697.0	2,797.0	2,897.0	2,997.0
Revenue per outlet	0.8	0.8	0.8	0.8	0.9

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

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7-Eleven Malaysia Holdings (SEM 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.