

## Singapore

**ADD** (no change)

Consensus ratings\*: Buy 6 Hold 0 Sell 0

Current price:	S\$4.84
Target price:	S\$6.85
Previous target:	S\$6.85
Up/downside:	41.5%
CGS-CIMB / Consensus:	9.8%
Reuters:	AEM.SI
Bloomberg:	AEM SP
Market cap:	US\$1,085m
	S\$1,497m
Average daily turnover:	US\$8.57m
	S\$11.77m
Current shares o/s:	309.6m
Free float:	88.3%

\*Source: Bloomberg

**Key changes in this note**

- FY22F EPS reduced by 4.3%.
- FY24F EPS reduced by 0.1%.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	1.9	5	35.6
Relative (%)	5.7	6.2	31.9

Major shareholders	% held
Venezio Investments	12.1
abrnd	6.1

**Analyst(s)**

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# AEM Holdings Ltd

## Still on track for multi-year product ramp-up

- 1Q22 revenue and net profit were above our and Bloomberg consensus full-year expectations.
- AEM raised its FY22F revenue guidance to S\$700m-750m (from S\$670m-720m).
- Reiterate Add and TP of S\$6.85. FY22F performance could be stronger in the first half, in our view.

**1Q22 results above expectations**

AEM released its 1Q22 business update on 5 May 2022. 1Q22 revenue grew 226.4% yoy to S\$261.9m (1Q21:S\$80.2m) while net profit grew 205.6% yoy to S\$40.8m (1Q21:S\$13.3m). Pretax profit margin fell 0.8% pt to 19.0% in 1Q22 vs. 19.8% in 1Q21 while net profit margin fell 1.0% pt to 15.6% in 1Q22 (1Q21: 16.6%). At 36.0% of our and Bloomberg consensus FY22F forecasts, 1Q22 revenue was above compared to FY17-21 where 1Q accounted for an average of 20.6% of full-year revenue. Similarly, at 33.0% of our and Bloomberg consensus forecasts, 1Q22 net profit was ahead of expectations compared to FY17-21 where 1Q accounted for an average of 20.3% of full-year net profit.

**Outlook**

In its 1Q22 business update press release, AEM said that the industry remains on track for the secular trend where advanced packaging and heterogeneous integration continue to drive industries such as automotive, high-performance computing and artificial intelligence. AEM noted that the increasing complexity of semiconductor chips will continue to propel the demand for System Level Testing solutions and the group continues to strengthen its capabilities to support next-generation applications through better testing solutions.

**Model changes**

We reflect AEM's new FY22F revenue guidance of S\$700m-750m (previously S\$670m-720m). Our FY23-24F revenue also rises by 6.8-6.9% as the multi-year product ramp-up for its major customer continues. However, reflecting investors' concerns over inflationary cost pressures, we assume a more prudent net profit margin of 15.8% for FY22F (previously 17.2%), guided by AEM's 1Q22 net profit margin of 15.6% (4Q21: 17.2%, FY21: 16.3%). Hence, we lower our FY22F EPS by 4.3% and FY24F EPS by 0.1%.

**Reiterate Add**

We reiterate our Add call and TP of S\$6.85 based on an unchanged 15.62x (10% premium to AEM's 2 s.d. above its FY17-21 historical average forward P/E multiple of 14.2x) at an FY23F EPS of S\$0.4384. Potential re-rating catalysts are stronger-than-expected orders from its major customer and earlier-than-expected success in securing orders from other potential customers. Downside risks are delivery delays, aggressive competitive response and loss of sole supplier status or emergence of a new supplier.

**Financial Summary**

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Revenue (S\$m)	519.0	565.5	750.0	816.6	840.3
Net Profit (S\$m)	97.6	92.0	118.3	135.8	141.3
Core EPS (S\$)	0.35	0.30	0.38	0.44	0.46
Core EPS Growth	81.0%	(16.1%)	28.6%	14.8%	4.1%
FD Core P/E (x)	13.52	15.40	12.67	11.04	10.61
Price To Sales (x)	2.57	2.65	2.00	1.84	1.78
DPS (S\$)	0.09	0.08	0.10	0.11	0.11
Dividend Yield	1.86%	1.57%	1.97%	2.26%	2.36%
EV/EBITDA (x)	9.92	10.67	8.04	6.32	5.47
P/FCFE (x)	25.24	78.93	15.41	8.91	9.97
Net Gearing	(58.4%)	(33.5%)	(40.9%)	(56.2%)	(63.9%)
P/BV (x)	6.31	3.72	3.05	2.53	2.14
ROE	56.4%	30.0%	26.5%	25.0%	21.9%
% Change In Core EPS Estimates			(4.29%)	(0.00%)	(0.14%)
CGS-CIMB/Consensus EPS (x)			0.98	0.97	0.90

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

## Still on track for multi-year product ramp-up

### Other key highlights in 1Q22 business update

- Inventories rose 25.0% yoy to S\$256.2m in 1Q22 as AEM built inventory (to mitigate supply chain risk and component tightness) to support customers' orders for FY22-23F. As AEM builds to order, we believe inventory write-down risk is low as these are backed by purchase orders from customer.
- We think AEM's FY22F financial performance could be stronger in the first half with 2H22F being weaker than 1H22F (Figure 3).
- Operationally, component tightness, Covid-19 lockdowns in China affecting China-based supply chains and logistics constrains at Chinese ports present challenges for the rest of the year. AEM raised the high end of its FY22F revenue guidance by S\$30.0m to S\$750.0m from S\$720.0m previously. If AEM is able to overcome these challenges and raise the high end of its FY22F revenue by another S\$30.0m in 2H22F, we note that at the higher S\$780.0m revenue for FY22F, net profit could be S\$121.7m which would be closer to our pre downward adjusted FY22F net profit of S\$123.6m (Figure 4).
- We understand that the upward revision in AEM's FY22F revenue guidance is mainly driven by its semiconductor business.
- AEM also maintained its previous guidance that its new platform development is on schedule and could contribute up to 10.0% of FY22F revenue.
- There was no new update on the previously announced arbitration case in the US.

Figure 1: Results summary

(\$m)			yoy		qoq		0
	1Q22	1Q21	chg (%)	4Q21	chg (%)		
Revenue	261.88	80.23	226.41	227.04	15.34	1Q22 revenue was 36% of our and Bloomberg consensus forecasts. This was better-than-expected compared to FY17-21 where 1Q accounted for an average of 20.6% of full-year revenue.	
Profit before tax	49.69	15.92	212.07	47.78	3.99	0.00	
Net profit	40.77	13.20	208.79	38.91	4.79	1Q22 net profit was 33% of our and Bloomberg consensus forecasts. This was better-than-expected compared to FY17-21 where 1Q accounted for an average of 20.3% of full-year revenue.	
			<u>% pts</u>		<u>% pts</u>		
Pre tax profit margin (%)	18.97	19.85	(0.87)	21.05	(2.07)		
Net profit margin (%)	15.57	16.46	(0.89)	17.14	(1.57)		

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 2: Earnings revisions

(\$m)	Old			New			% chg		
	FY22F	FY23F	FY24F	FY22F	FY23F	FY24F	FY22F	FY23F	FY24F
Revenue	720.0	764.8	785.9	750.0	816.6	840.3	4.2	6.8	6.9
Operating expenses	84.2	84.8	83.0	85.0	85.9	83.7	1.0	1.2	0.8
Net profit	123.6	135.8	141.4	118.3	135.8	141.3	(4.3)	(0.0)	(0.1)
EPS (\$)	0.399	0.438	0.457	0.382	0.438	0.456	(4.3)	(0.0)	(0.1)
Gross material margin (%)	37.0	37.1	37.0	34.8	34.9	34.7	(2.2)	(2.2)	(2.3)

SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS

**Figure 3: 2H22F revenue could be weaker versus 1H22F**

	Low end	Mid point	High end
AEM's FY22F revenue guidance (S\$m)	700.0	725.0	750.0
1Q22 revenue (S\$m)	261.9	261.9	261.9
Implied 9M22F revenue	438.1	463.1	488.1
Average quarterly revenue for 9M22F (ignoring seasonality effects)	146.0	154.4	162.7
1H22F revenue (S\$m)	407.9	416.3	424.6
2H22F revenue (S\$m)	292.1	308.7	325.4
1H22F revenue as a % of full-year	58.3%	57.4%	56.6%
2H22F revenue as a % of full-year	41.7%	42.6%	43.4%

SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS

**Figure 4: FY22F revenue guidance - scenario analysis**

	Base case	Scenario A*	Scenario B*
High end of FY22F revenue guidance by AEM	750.0	780.0	800.0
Assumed net profit margin for FY22F	15.6%	15.6%	15.6%
Net profit for FY22F	117.0	121.7	124.8
CGS-CIMB FY22F pre-revision net profit	123.6	123.6	123.6
% change	-5.3%	-1.5%	1.0%

**Notes**

- Scenario A assumes AEM can raise the high end of its FY22F revenue in 2H22F to S\$780.0m.
- Scenario B assumes AEM can raise the high end of its FY22F revenue in 2H22F to S\$800.0m.
- In this scenarion analysis, we assume that FY22F net profit margin will be 15.6% (AEM achieved a net profit margin of 15.6% in 1Q22).

SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS

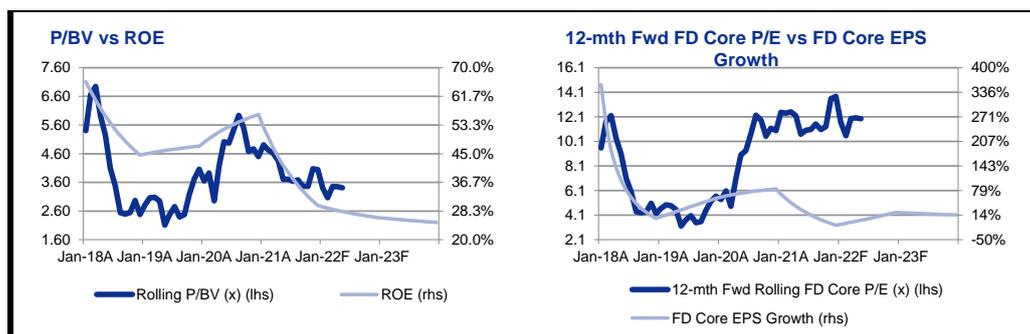
**Figure 5: Peer Comparison**

Company	Bloomberg		Price (lcl curr)	Target Price (lcl curr)	Market Cap (US\$ m)	P/E (x)		3-year EPS CAGR (%)	P/BV (x) CY22F	Recurring ROE (%) CY22F	Dividend Yield (%) CY22F
	Ticker	Recom.				CY22F	CY23F				
AEM Holdings Ltd	AEM SP	ADD	4.84	6.85	1085.4	12.7	11.0	15.4%	3.05	26.8%	2.0%
Advantest Corp	6857 JP	NR	8,610	NA	13179.3	19.2	14.2	15.9%	4.78	33.5%	1.9%
Teradyne Inc	TER US	NR	108.5	NA	17534.5	22.3	16.7	5.9%	7.41	32.8%	0.4%
<b>Simple average excluding AEM</b>						<b>20.7</b>	<b>15.5</b>	<b>15.9%</b>	<b>6.10</b>	<b>33.2%</b>	<b>1.1%</b>
<b>Key customer valuation</b>											
Intel Corp	INTC US	NR	44.60	NA	182369.4	12.7	12.4	-9.4%	1.67	14.3%	3.2%

SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS, BLOOMBERG  
NOTE: FORECASTS FOR NOT RATED COMPANIES ARE BLOOMBERG CONSENSUS ESTIMATES  
DATA AS AT 6 MAY 2022

Refinitiv ESG Scores	
	
<b>ESG in a nutshell</b>	
<p>AEM Holdings Ltd is a semiconductor equipment company headquartered in Singapore. AEM received an ESG grade of C- from Refinitiv. Refinitiv noted that AEM scored well in the social pillar of ESG. In the environment pillar, Refinitiv noted that there was room for improvement.</p>	
<p><b>Keep your eye on</b></p> <p>Customer concentration risk.</p>	<p><b>Implications</b></p> <p>Intel (INTC US, NR) is AEM’s major customer. Our forecasts assumes that AEM will retain its status as the sole supplier for its products to Intel. Management has indicated that it hopes to have meaningful revenue from other customers in 2022. We note progress on this front with AEM’s announcement on 31 Aug 2021 that a major memory company has selected AEM as its System Level Test provider.</p>
<p><b>ESG highlights</b></p> <p>AEM believes that its staff are its greatest asset. We note that technological and engineering skills and knowledge are key success factors in AEM’s business.</p>	<p><b>Implications</b></p> <p>In 2020, each employee received an average of 8.6 hours of training. While training hours were affected by the Covid-19 pandemic, AEM has adopted digital tools and new ways of working to ensure that its employees are equipped with the right skills. The firm’s commitment is to help employees develop professionally and personally to advance their career in the company.</p>
<p><b>Trends</b></p> <p>AEM’s business involves the use of water-glycol mixtures that must be disposed of properly.</p>	<p><b>Implications</b></p> <p>We note that AEM transports water-glycol mixtures used in cooling systems to recycling centres for safe disposal. The company has also complied with environmental protection and management regulations in the past 11 years. AEM also engages qualified vendors to perform audits and tests on its environmental compliance on a yearly basis. As such, our forecasts assumes that AEM will not incur any regulatory cost relating to breach of environmental regulations.</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>519.0</b>	<b>565.5</b>	<b>750.0</b>	<b>816.6</b>	<b>840.3</b>
<b>Gross Profit</b>	<b>175.9</b>	<b>201.1</b>	<b>244.5</b>	<b>267.4</b>	<b>272.8</b>
<b>Operating EBITDA</b>	<b>121.6</b>	<b>126.3</b>	<b>159.5</b>	<b>181.5</b>	<b>189.1</b>
Depreciation And Amortisation	(8.4)	(14.5)	(16.4)	(17.4)	(18.4)
<b>Operating EBIT</b>	<b>113.2</b>	<b>111.8</b>	<b>143.1</b>	<b>164.1</b>	<b>170.7</b>
Financial Income/(Expense)	0.4	(1.3)	(1.2)	(1.2)	(1.2)
Pretax Income/(Loss) from Assoc.	0.2	0.6	0.6	0.6	0.6
Non-Operating Income/(Expense)	0.0	0.0	0.0	0.0	0.0
<b>Profit Before Tax (pre-EI)</b>	<b>113.8</b>	<b>111.1</b>	<b>142.5</b>	<b>163.6</b>	<b>170.2</b>
Exceptional Items	0.0	0.0	0.0	0.0	0.0
<b>Pre-tax Profit</b>	<b>113.8</b>	<b>111.1</b>	<b>142.5</b>	<b>163.6</b>	<b>170.2</b>
Taxation	(16.2)	(19.1)	(24.2)	(27.8)	(28.9)
Exceptional Income - post-tax	0.0	0.0	0.0	0.0	0.0
<b>Profit After Tax</b>	<b>97.6</b>	<b>92.1</b>	<b>118.3</b>	<b>135.8</b>	<b>141.3</b>
Minority Interests	0.0	(0.1)	0.0	0.0	0.0
Preferred Dividends	0.0	0.0	0.0	0.0	0.0
FX Gain/(Loss) - post tax	0.0	0.0	0.0	0.0	0.0
Other Adjustments - post-tax	0.0	0.0	0.0	0.0	0.0
<b>Net Profit</b>	<b>97.6</b>	<b>92.0</b>	<b>118.3</b>	<b>135.8</b>	<b>141.3</b>
Recurring Net Profit	97.6	92.0	118.3	135.8	141.3
<b>Fully Diluted Recurring Net Profit</b>	<b>97.6</b>	<b>92.0</b>	<b>118.3</b>	<b>135.8</b>	<b>141.3</b>

**Cash Flow**

(\$m)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
<b>EBITDA</b>	<b>121.6</b>	<b>126.3</b>	<b>159.5</b>	<b>181.5</b>	<b>189.1</b>
Cash Flow from Inv. & Assoc.	0.0	0.0	0.0	0.0	0.0
Change In Working Capital	(29.2)	(55.1)	(28.5)	22.1	(5.4)
(Incr)/Decr in Total Provisions	0.0	0.0	0.0	0.0	0.0
Other Non-Cash (Income)/Expense	0.0	0.0	0.0	0.0	0.0
Other Operating Cashflow	3.8	1.1	0.0	0.0	0.0
Net Interest (Paid)/Received	0.0	0.0	0.0	0.0	0.0
Tax Paid	(9.8)	(20.2)	(24.2)	(27.8)	(28.9)
<b>Cashflow From Operations</b>	<b>86.3</b>	<b>52.1</b>	<b>106.8</b>	<b>175.8</b>	<b>154.8</b>
Capex	(3.2)	(4.3)	(10.0)	(8.0)	(5.0)
Disposals Of FAs/subsidiaries	0.0	0.0	0.0	0.0	0.0
Acq. Of Subsidiaries/investments	0.0	0.0	0.0	0.0	0.0
Other Investing Cashflow	(26.5)	(80.9)	0.5	0.5	0.5
<b>Cash Flow From Investing</b>	<b>(29.8)</b>	<b>(85.2)</b>	<b>(9.5)</b>	<b>(7.5)</b>	<b>(4.5)</b>
Debt Raised/(repaid)	(4.2)	51.1	0.0	0.0	0.0
Proceeds From Issue Of Shares	3.4	(15.8)	0.0	0.0	0.0
Shares Repurchased	(2.9)	(4.6)	0.0	0.0	0.0
Dividends Paid	(22.2)	(18.6)	(29.6)	(33.9)	(35.3)
Preferred Dividends	0.0	0.0	0.0	0.0	0.0
Other Financing Cashflow	(0.0)	(1.7)	(1.7)	(1.7)	(1.7)
<b>Cash Flow From Financing</b>	<b>(25.9)</b>	<b>10.3</b>	<b>(31.3)</b>	<b>(35.6)</b>	<b>(37.0)</b>
Total Cash Generated	30.6	(22.8)	66.0	132.7	113.3
<b>Free Cashflow To Equity</b>	<b>52.3</b>	<b>17.9</b>	<b>97.3</b>	<b>168.3</b>	<b>150.3</b>
<b>Free Cashflow To Firm</b>	<b>56.5</b>	<b>(33.1)</b>	<b>97.3</b>	<b>168.3</b>	<b>150.3</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	134.8	216.2	282.2	414.8	528.2
Total Debtors	47.6	127.9	164.4	179.0	184.2
Inventories	79.7	204.9	200.8	180.6	186.6
Total Other Current Assets	4.4	1.1	1.1	1.1	1.1
<b>Total Current Assets</b>	<b>266.4</b>	<b>550.1</b>	<b>648.5</b>	<b>775.4</b>	<b>900.0</b>
Fixed Assets	17.6	43.9	42.9	38.9	30.9
Total Investments	4.7	15.9	16.5	17.2	17.8
Intangible Assets	46.6	96.9	91.5	86.1	80.7
Total Other Non-Current Assets	0.2	3.7	3.7	3.7	3.7
<b>Total Non-current Assets</b>	<b>69.1</b>	<b>160.4</b>	<b>154.6</b>	<b>145.9</b>	<b>133.1</b>
Short-term Debt	5.0	20.5	20.5	20.5	20.5
Current Portion of Long-Term Debt	0.0	0.0	0.0	0.0	0.0
Total Creditors	83.7	181.0	184.9	201.3	207.2
Other Current Liabilities	23.0	35.1	35.1	35.1	35.1
<b>Total Current Liabilities</b>	<b>111.7</b>	<b>236.6</b>	<b>240.5</b>	<b>256.9</b>	<b>262.8</b>
Total Long-term Debt	6.3	60.8	60.8	60.8	60.8
Hybrid Debt - Debt Component	0.0	0.0	0.0	0.0	0.0
Total Other Non-Current Liabilities	6.1	10.6	10.6	10.6	10.6
<b>Total Non-current Liabilities</b>	<b>12.4</b>	<b>71.3</b>	<b>71.3</b>	<b>71.3</b>	<b>71.3</b>
Total Provisions	0.0	0.0	0.0	0.0	0.0
<b>Total Liabilities</b>	<b>124.1</b>	<b>308.0</b>	<b>311.9</b>	<b>328.3</b>	<b>334.1</b>
Shareholders' Equity	211.4	402.5	491.2	593.0	699.0
Minority Interests	0.0	0.0	0.0	0.0	0.0
<b>Total Equity</b>	<b>211.4</b>	<b>402.5</b>	<b>491.2</b>	<b>593.0</b>	<b>699.0</b>

### Key Ratios

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Revenue Growth	60.6%	9.0%	32.6%	8.9%	2.9%
Operating EBITDA Growth	76.7%	3.9%	26.2%	13.8%	4.2%
Operating EBITDA Margin	23.4%	22.3%	21.3%	22.2%	22.5%
Net Cash Per Share (S\$)	0.45	0.44	0.65	1.08	1.44
BVPS (S\$)	0.77	1.30	1.59	1.92	2.26
Gross Interest Cover	505.2	64.7	84.2	96.5	100.4
Effective Tax Rate	14.3%	17.1%	17.0%	17.0%	17.0%
Net Dividend Payout Ratio	22.8%	17.0%	25.0%	25.0%	25.0%
Accounts Receivables Days	26.64	56.65	71.13	76.74	79.09
Inventory Days	73.2	142.6	146.5	126.7	118.4
Accounts Payables Days	83.6	132.6	132.1	128.4	131.7
ROIC (%)	532%	125%	55%	58%	68%
ROCE (%)	63.0%	31.8%	27.2%	26.4%	23.5%
Return On Average Assets	34.5%	17.9%	15.8%	15.9%	14.6%

### Key Drivers

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Equipment revenue growth (%)	64.7%	-14.4%	21.3%	8.5%	0.0%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

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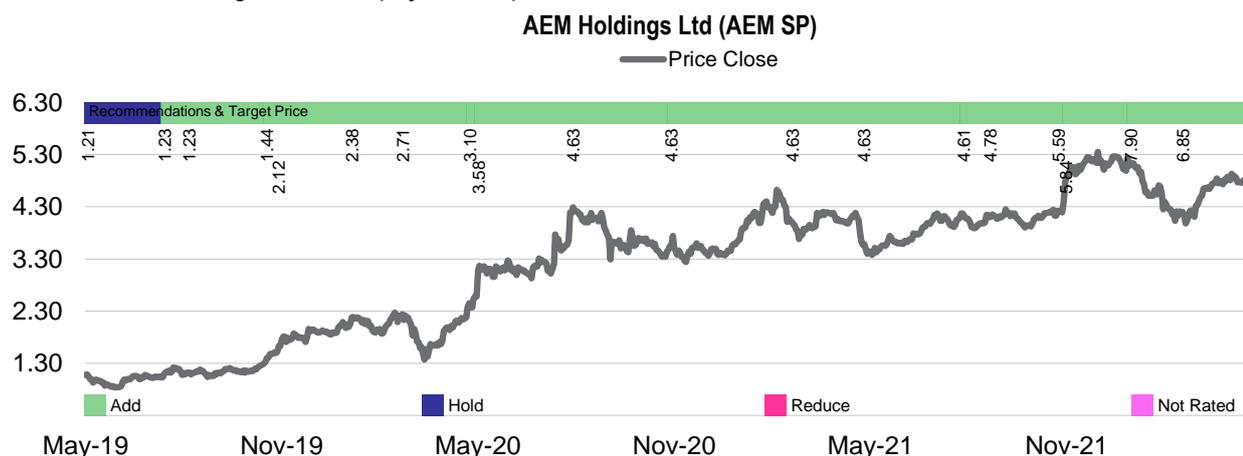
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Distribution of stock ratings and investment banking clients for quarter ended on 31 December 2021		
619 companies under coverage for quarter ended on 31 December 2021		
	Rating Distribution (%)	Investment Banking clients (%)
Add	71.1%	1.5%
Hold	21.8%	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	
<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.