

Singapore

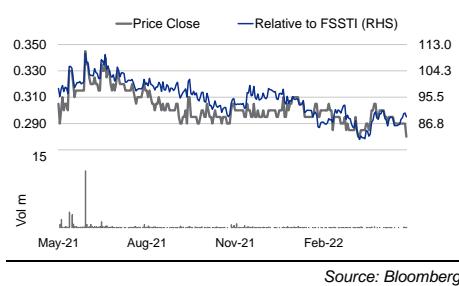
ADD (no change)

Consensus ratings*: Buy 4 Hold 0 Sell 0

| | |
|-------------------------|------------|
| Current price: | S\$0.28 |
| Target price: | S\$0.36 |
| Previous target: | S\$0.36 |
| Up/downside: | 28.6% |
| CGS-CIMB / Consensus: | -2.7% |
| Reuters: | HYPH.SI |
| Bloomberg: | HYP SP |
| Market cap: | US\$61.96m |
| Average daily turnover: | US\$0.01m |
| Current shares o/s: | S\$0.01m |
| Free float: | 308.8m |
| *Source: Bloomberg | 24.1% |

Key changes in this note

► No changes.



| Price performance | 1M | 3M | 12M |
|-------------------|------|------|------|
| Absolute (%) | -5.1 | -6.7 | -8.2 |
| Relative (%) | -0.1 | 1 | -9.5 |

| Major shareholders | % held |
|-------------------------|--------|
| INOMED HOLDINGS PTE LTD | 38.8 |
| Tan Kia King | 24.7 |
| Tan Chwee Choon | 12.3 |

Analyst(s)



TAY Wee Kuang

T (65) 6210 8604

E weekuang.tay@cgs-cimb.com

Izabella TAN

T (65) 6210 8897

E izabella.tan@cgs-cimb.com

Hyphens Pharma International

Building up the HYPe

- 1Q22 net profit of S\$3.2m (+122% qoq; +50% yoy) beat our/consensus expectations at 39.3%/40.2% of FY22F.
- Revenue grew across all three business segments, driven by improved macroeconomic conditions as well as contribution from Novem's acquisition.
- Reiterate Add with an unchanged DCF (WACC: 9.1%) TP of S\$0.36. Increased supply/freight costs are possible headwinds.

Robust growth across all business segments

1Q22 revenue of S\$39.2m (+24.9% qoq; +18.5% yoy) was in line with our/consensus expectations at 27.0%/27.5% of FY22F. The newly acquired portfolio from Novem contributed S\$3.5m in revenue for the quarter, which implies that HYP would still have observed robust 8% revenue growth otherwise. All three segments reported revenue growth, with the higher margin segments, i.e. specialty pharma principals (+24.4% yoy) and proprietary brands (+12.8% yoy), outpacing the medical hypermart and digital segments (+10.8% yoy). The improved sales mix also led to a 1.7% pt improvement in both GP and net margins yoy. Consequently, 1Q22 net profit of S\$3.2m represents 49.7% growth compared to the same period a year ago.

Return of patients to public healthcare benefited Novem's portfolio

1Q22 saw a full contribution from Novem's portfolio since its acquisition in Dec 2021. We believe that the higher-than-expected revenue contribution from Novem compared to its flattish S\$10m-11m sales p.a. over FY19-21 was due to the return of patients as the public healthcare sector in Singapore shifted its focus back to the backlog of deferred treatments for non-Covid-19 patients over the past two years. From our previous communication with management, the public healthcare sector typically contributed c.60-70% of Novem's sales historically.

Exceptional net margins could normalise in coming quarters

The improvement in net margins highlighted the accretive nature of Novem's acquisition, whose business commands a net margin of c.15-20% compared to HYP's c.5-6%. However, cost pressures such as rising freight costs and higher opex could thin margins moving forward. HYP has also disclosed that the purchase price allocation (PPA) for Novem's acquisition, which will result in higher amortisation expenses related to intangible assets involved in the transaction, has not been completed.

Reiterate Add with a DCF-based TP of S\$0.36

We reiterate our Add call on HYP with an unchanged DCF-based TP of S\$0.36 (WACC: 9.1%). We believe the market has not recognised the impact of Novem's acquisition on its earnings profile, which could also translate to future cross-selling opportunities with HYP's existing sales channels. Re-rating catalysts: cross-portfolio synergies with newly acquired portfolio from Novem and more accretive acquisitions. Downside risk: steep cost pressures that translate to the inability of cost pass-throughs to be effective.

| Financial Summary | Dec-20A | Dec-21A | Dec-22F | Dec-23F | Dec-24F |
|----------------------------|---------|---------|---------|---------|---------|
| Revenue (S\$m) | 121.0 | 125.9 | 145.0 | 151.4 | 158.0 |
| Operating EBITDA (S\$m) | 7.04 | 8.26 | 11.13 | 11.82 | 12.54 |
| Net Profit (S\$m) | 6.16 | 6.85 | 8.13 | 8.66 | 9.33 |
| Core EPS (\$) | 0.021 | 0.023 | 0.026 | 0.028 | 0.030 |
| Core EPS Growth | (5.7%) | 11.1% | 15.5% | 6.5% | 7.7% |
| FD Core P/E (x) | 13.65 | 12.29 | 10.49 | 9.99 | 9.27 |
| DPS (S\$) | 0.006 | 0.007 | 0.008 | 0.008 | 0.009 |
| Dividend Yield | 2.21% | 2.39% | 2.82% | 3.00% | 3.25% |
| EV/EBITDA (x) | 8.04 | 7.79 | 5.71 | 5.05 | 4.17 |
| P/FCFE (x) | 16.34 | NA | 16.59 | 13.48 | 8.66 |
| Net Gearing | (58.3%) | (35.6%) | (37.1%) | (39.6%) | (46.0%) |
| P/BV (x) | 1.78 | 1.54 | 1.42 | 1.29 | 1.17 |
| ROE | 13.5% | 13.4% | 14.1% | 13.6% | 13.3% |
| CGS-CIMB/Consensus EPS (x) | | | 1.05 | 1.04 | 1.04 |

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Building up the HYPe

1Q21 revenue and COS restated; no impact to net profit ➤

1Q21 revenue was restated from c.S\$33.8m to c.S\$33.1m. S\$0.7m, which pertained to variable consideration in relation to HYP's sales in Vietnam, was reclassified from cost of sales (COS) to net revenue for 1Q21. Accordingly, 1Q21 COS was reduced from c.S\$21.6m to c.S\$20.9m. Gross profit and net profit levels were not impacted.

Resignation of CFO ➤

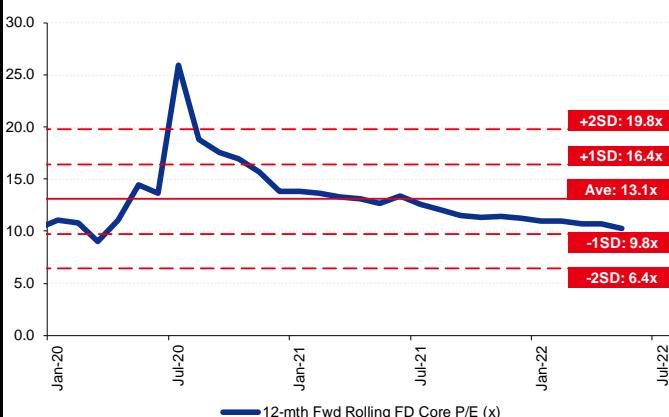
On 6 May 2022, HYP announced that its Chief Financial Officer (CFO), Ms. Fang Lee Wei, resigned in pursuit of other career opportunities. Ms. Fang has been with HYP since 2010 and has held the role of CFO since 2016. While the company identifies a replacement, current Executive Chairman and Chief Executive Officer, Mr. Lim See Wah, will oversee the Group's financial management together with the Finance Director, Ms. Serene Lim, whom we understand has been with the company for four years.

Figure 1: Results comparison

| FYE Dec (US\$m) | 1Q22 | 1Q21 | yoy % change | 4Q21 | qoq% change | Prev. FY22F | Remarks |
|--------------------------------|--------------|--------------|-----------------|--------------|---------------|------------------|--|
| Revenue | 39.17 | 33.05 | 18.5% | 31.37 | 24.9% | 145.03 | Novem contributed S\$3.5m to revenue. |
| Gross profit | 15.02 | 12.12 | 23.9% | 12.69 | 18.4% | 54.64 | Stronger revenue contribution from higher-margin segments - specialty pharma principals and proprietary brands - contributed to the increase in revenue. |
| Gross profit margin (%) | 38.4% | 36.7% | 1.7% pts | 40.5% | -2.1% | 37.7% pts | May normalise due to increased freight costs as most of HYP's specialty pharma principals products come from Europe and the US. |
| Profit before tax | 4.18 | 2.62 | 59.7% | 1.51 | 177.6% | 9.79 | |
| PBT margin (%) | 10.7% | 7.9% | 2.8% pts | 4.8% | 5.9% | 6.8% pts | |
| Net profit | 3.20 | 2.14 | 49.7% | 1.44 | 122.1% | 8.13 | |
| Net profit margin (%) | 8.2% | 6.5% | 1.7% pts | 4.6% | 3.6% | 5.6% pts | |

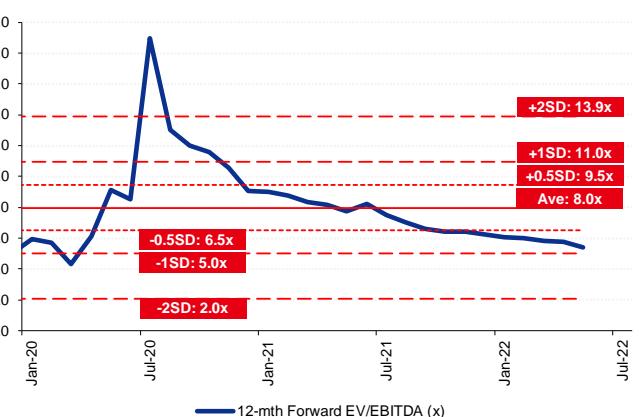
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 2: HYP 12-mth Fwd Rolling FD Core P/E (x)



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS, BLOOMBERG

Figure 3: HYP 12-mth Fwd EV/EBITDA (x)



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS, BLOOMBERG

Figure 4: Peer Comparison

| Company | Bloomberg Ticker | Recom. | Price (lcl curr) | Target Price (lcl curr) | Market Cap (US\$ m) | EV/EBITDA (x) CY22F | EV/EBITDA (x) CY23F | 3-year EPS CAGR (%) | P/E (x) CY22F | P/E (x) CY23F | Recurring ROE (%) CY22F | Recurring ROE (%) CY23F | Dividend Yield (%) CY22F | Dividend Yield (%) CY23F |
|------------------------------|------------------|--------|------------------|-------------------------|---------------------|---------------------|---------------------|---------------------|---------------|---------------|-------------------------|-------------------------|--------------------------|--------------------------|
| Hyphens Pharma International | HYP SP | Add | 0.280 | 0.36 | 62 | 5.5 | 4.8 | 9.5% | 10.6 | 10.0 | 14.1% | 13.6% | 2.8% | 3.0% |
| Mega Lifesciences | MEGA TB | Add | 48.25 | 53.00 | 1,212 | 14.8 | 13.8 | 5.4% | 21.4 | 20.1 | 23.7% | 22.9% | 2.8% | 3.0% |
| Pharmaniaga Bhd | PHRM MK | Add | 0.72 | 0.90 | 215 | 7.6 | 10.2 | -30.9% | 9.4 | 15.3 | 21.5% | 12.6% | 7.4% | 4.6% |
| Blackmores | BKL AU | Hold | 70.68 | 88.50 | 944 | 12.0 | 9.3 | 37.1% | 35.2 | 23.9 | 10.1% | 13.8% | 1.7% | 2.5% |
| Duopharma Biotech Bhd | DBB MK | Hold | 1.50 | 1.60 | 321 | 10.7 | 9.7 | 7.6% | 16.5 | 17.1 | 13.5% | 12.5% | 4.2% | 4.1% |
| Simple average | | | | | | 8.6 | 8.3 | 4.3% | 22.1 | 19.7 | 16.5% | 15.1% | 3.3% | 2.9% |

 SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS, BLOOMBERG
 DATA AS AT 12 MAY 2022

Figure 5: Hyphens Pharma Int Ltd - DCF valuation

| FCF calculation (\$\$ m) | FY23F | FY24F | FY25F | FY26F | FY27F | Terminal Value |
|--------------------------|-------|-------|-------|-------|-------|----------------|
| FCF | 8.23 | 11.80 | 9.60 | 13.13 | 10.93 | 84.20 |
| PV of the FCFs | 7.50 | 9.80 | 7.27 | 9.06 | 6.88 | 52.95 |
| Discount Factor | 0.91 | 0.83 | 0.76 | 0.69 | 0.63 | |

| WACC | Rationale |
|-----------------|--|
| Rf | 1.8% Singapore 10-year Treasury Yield |
| Beta | 1.0 Pegged to 1x due to low liquidity |
| Cost of equity | 11.0% Higher discount to SG/VN average of c.7% due to liquidity risk |
| WACC | 9.7% |
| Terminal growth | 1.0% Conservative terminal growth due to smaller scale |

| Valuation | |
|-------------------------------|---------------|
| Enterprise value | 93.46 |
| Less: net cash/(debt) | 16.19 |
| Less: minority interest | - |
| Add: associates | - |
| Equity value | 109.65 |
| Number of shares | 308.78 |
| Equity value per share | 0.360 |

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS



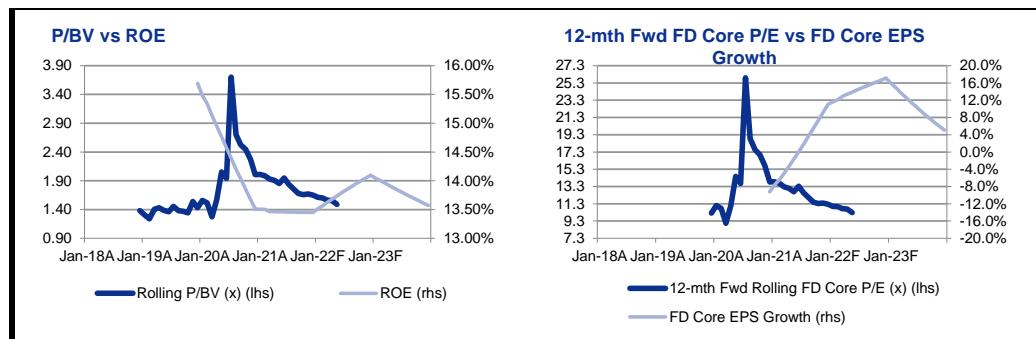
ESG in a nutshell

Refinitiv and MSCI do not report HYP's ESG. Nevertheless, HYP has been actively pursuing E, S, and G pillars by sourcing for sustainable products, and taking on initiatives with social causes to reach out to the needy, as well as abiding by its corporate governance policies. Since its listing in 2018, HYP has not been involved in any controversy.

| Keep your eye on | Implications |
|--|---|
| HYP has not faced any controversy since its listing in 2018. HYP operates within the pharmaceutical and health supplements industry that is regulated by the Ministry of Health (MOH) and Health Sciences Authority (HSA) of Singapore, and is subject to the relevant standards applicable to each of their products, or risk product recalls that could adversely impact its business. | As a pharmaceutical distributor and manufacturer, customer reputation is especially pertinent to HYP. With no instances of adverse events such as product recalls, HYP upholds standards testament of product quality and we believe that is positive for HYP's brand equity. However, we have not ascribed a value to the brand premium as its presence remains limited within the local market. |
| ESG highlights | Implications |
| On its governance pillar, HYP has a zero-tolerance policy towards corruption and put in place policies governing workplace ethics and business conduct. Consequently, there were no reported cases in relation to breaches of code of corporate governance, corruption, and bribery in FY21. | We think HYP's solid governance record is backed by a strong management team which has been effectively communicating expectations to its stakeholders. This is a positive for HYP, in our view. |
| Trends | Implications |
| On its Environment pillar, in FY21, HYP launched a refill pack for its Ocean Health Omega-3 Fish Oil 1000mg product. This refill pack is the first refill pouch in Singapore's health supplement category, and it uses 90% less plastic compared to the large Ocean Health Omega-3 Fish Oil bottle. | Should the refill pack be favourably accepted by consumers, HYP will consider the refill pack's use for other supplements, as indicated in its FY21 annual report. We have not factored this into our valuations. |

SOURCES: CGS-CIMB RESEARCH, HYP'S FY21 ANNUAL REPORT

BY THE NUMBERS



| Profit & Loss | | | | | |
|---|--------------|--------------|--------------|--------------|--------------|
| (S\$m) | Dec-20A | Dec-21A | Dec-22F | Dec-23F | Dec-24F |
| Total Net Revenues | 123.1 | 126.8 | 145.0 | 151.4 | 158.0 |
| Gross Profit | 45.8 | 49.0 | 54.6 | 57.2 | 59.9 |
| Operating EBITDA | 7.0 | 8.3 | 11.1 | 11.8 | 12.5 |
| Depreciation And Amortisation | 0.0 | 0.0 | (1.3) | (1.3) | (1.3) |
| Operating EBIT | 7.0 | 8.3 | 9.9 | 10.6 | 11.3 |
| Financial Income/(Expense) | 0.1 | (0.0) | (0.1) | (0.1) | (0.0) |
| Pretax Income/(Loss) from Assoc. | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Non-Operating Income/(Expense) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Profit Before Tax (pre-El) | 7.1 | 8.3 | 9.8 | 10.4 | 11.2 |
| Exceptional Items | | | | | |
| Pre-tax Profit | 7.1 | 8.3 | 9.8 | 10.4 | 11.2 |
| Taxation | (0.9) | (1.4) | (1.7) | (1.8) | (1.9) |
| Exceptional Income - post-tax | | | | | |
| Profit After Tax | 6.2 | 6.8 | 8.1 | 8.7 | 9.3 |
| Minority Interests | | | | | |
| Preferred Dividends | | | | | |
| FX Gain/(Loss) - post tax | | | | | |
| Other Adjustments - post-tax | | | | | |
| Net Profit | 6.2 | 6.8 | 8.1 | 8.7 | 9.3 |
| Recurring Net Profit | 6.2 | 6.8 | 8.1 | 8.7 | 9.3 |
| Fully Diluted Recurring Net Profit | 6.2 | 6.8 | 8.1 | 8.7 | 9.3 |

| Cash Flow | | | | | |
|----------------------------------|---------------|----------------|---------------|---------------|---------------|
| (S\$m) | Dec-20A | Dec-21A | Dec-22F | Dec-23F | Dec-24F |
| EBITDA | 7.04 | 8.26 | 11.13 | 11.82 | 12.54 |
| Cash Flow from Inv. & Assoc. | | | | | |
| Change In Working Capital | (3.81) | (3.46) | (3.07) | (2.51) | 0.33 |
| (Incr)/Decr in Total Provisions | | | | | |
| Other Non-Cash (Income)/Expense | | | (1.26) | (1.26) | (1.26) |
| Other Operating Cashflow | 1.96 | 2.66 | 2.29 | 2.33 | 2.36 |
| Net Interest (Paid)/Received | 0.07 | (0.02) | (0.08) | (0.13) | (0.05) |
| Tax Paid | (1.06) | (1.42) | (1.71) | (1.66) | (1.77) |
| Cashflow From Operations | 4.20 | 6.02 | 7.31 | 8.58 | 12.15 |
| Capex | (0.36) | (0.56) | (0.35) | (0.35) | (0.35) |
| Disposals Of FAs/subsidiaries | | | | | |
| Acq. Of Subsidiaries/investments | 0.00 | (14.16) | 0.00 | 0.00 | 0.00 |
| Other Investing Cashflow | (0.83) | (0.27) | 0.00 | 0.00 | 0.00 |
| Cash Flow From Investing | (1.19) | (14.99) | (0.35) | (0.35) | (0.35) |
| Debt Raised/(repaid) | 2.14 | 3.68 | (1.82) | (1.82) | (1.82) |
| Proceeds From Issue Of Shares | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Shares Repurchased | | | | | |
| Dividends Paid | (3.00) | (1.86) | (2.07) | (2.44) | (2.59) |
| Preferred Dividends | | | | | |
| Other Financing Cashflow | (0.78) | (0.91) | 0.00 | 0.00 | 0.00 |
| Cash Flow From Financing | (1.65) | 0.91 | (3.89) | (4.26) | (4.42) |
| Total Cash Generated | 1.36 | (8.07) | 3.07 | 3.97 | 7.39 |
| Free Cashflow To Equity | 5.15 | (5.30) | 5.14 | 6.41 | 9.98 |
| Free Cashflow To Firm | 3.12 | (8.88) | 7.12 | 8.44 | 11.93 |

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 | 27.53 | 19.46 | 22.53 | 26.51 | 33.89 |
| Total Debtors | 29.42 | 28.54 | 33.77 | 36.73 | 36.87 |
| Inventories | 16.89 | 25.08 | 26.50 | 27.60 | 28.75 |
| Total Other Current Assets | 0.56 | 0.64 | 0.64 | 0.64 | 0.64 |
| Total Current Assets | 74.40 | 73.72 | 83.44 | 91.47 | 100.15 |
| Fixed Assets | 4.81 | 4.17 | 3.48 | 2.76 | 2.00 |
| Total Investments | 0.00 | 0.31 | 0.31 | 0.31 | 0.31 |
| Intangible Assets | 7.89 | 20.15 | 18.89 | 17.64 | 16.38 |
| Total Other Non-Current Assets | 0.05 | 0.07 | 0.07 | 0.07 | 0.07 |
| Total Non-current Assets | 12.74 | 24.69 | 22.75 | 20.77 | 18.75 |
| Short-term Debt | | | | | |
| Current Portion of Long-Term Debt | | | | | |
| Total Creditors | 34.66 | 40.85 | 42.61 | 42.34 | 42.13 |
| Other Current Liabilities | 1.35 | 1.71 | 1.66 | 1.77 | 1.91 |
| Total Current Liabilities | 36.00 | 42.56 | 44.28 | 44.11 | 44.04 |
| Total Long-term Debt | | | | | |
| Hybrid Debt - Debt Component | | | | | |
| Total Other Non-Current Liabilities | 3.56 | 0.88 | 0.88 | 0.88 | 0.88 |
| Total Non-current Liabilities | 3.56 | 0.88 | 0.88 | 0.88 | 0.88 |
| Total Provisions | 0.41 | 0.34 | 0.34 | 0.34 | 0.34 |
| Total Liabilities | 39.97 | 43.78 | 45.50 | 45.33 | 45.26 |
| Shareholders' Equity | 47.18 | 54.63 | 60.69 | 66.91 | 73.64 |
| Minority Interests | | | | | |
| Total Equity | 47.18 | 54.63 | 60.69 | 66.91 | 73.64 |

| Key Ratios | | | | | |
|---------------------------|---------|---------|---------|---------|---------|
| | Dec-20A | Dec-21A | Dec-22F | Dec-23F | Dec-24F |
| Revenue Growth | 1.3% | 4.1% | 15.2% | 4.4% | 4.4% |
| Operating EBITDA Growth | (11.7%) | 17.4% | 34.8% | 6.1% | 6.1% |
| Operating EBITDA Margin | 5.82% | 6.56% | 7.68% | 7.81% | 7.94% |
| Net Cash Per Share (S\$) | 0.09 | 0.06 | 0.07 | 0.09 | 0.11 |
| BVPS (S\$) | 0.16 | 0.18 | 0.20 | 0.22 | 0.24 |
| Gross Interest Cover | 63.98 | 86.95 | 62.26 | 51.87 | 92.79 |
| Effective Tax Rate | 13.3% | 17.1% | 17.0% | 17.0% | 17.0% |
| Net Dividend Payout Ratio | 48.7% | 27.2% | 25.5% | 28.2% | 27.8% |
| Accounts Receivables Days | 87.85 | 84.03 | 78.42 | 85.00 | 85.23 |
| Inventory Days | 67.0 | 98.4 | 104.1 | 104.9 | 105.1 |
| Accounts Payables Days | 151.1 | 156.7 | 142.8 | 147.0 | 147.4 |
| ROIC (%) | 29.3% | 27.6% | 22.7% | 22.4% | 22.7% |
| ROCE (%) | 15.7% | 16.3% | 17.2% | 16.6% | 16.1% |
| Return On Average Assets | 7.30% | 7.40% | 8.01% | 8.03% | 8.10% |

| Key Drivers | | | | | |
|--|---------|---------|---------|---------|---------|
| | Dec-20A | Dec-21A | Dec-22F | Dec-23F | Dec-24F |
| Specialty pharma principals gross margin | N/A | - | 0.5 | 0.5 | 0.5 |
| Proprietary brands gross margin | N/A | - | 0.6 | 0.6 | 0.6 |
| Medical hypermart and digital gross margin | N/A | - | 0.2 | 0.2 | 0.2 |

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

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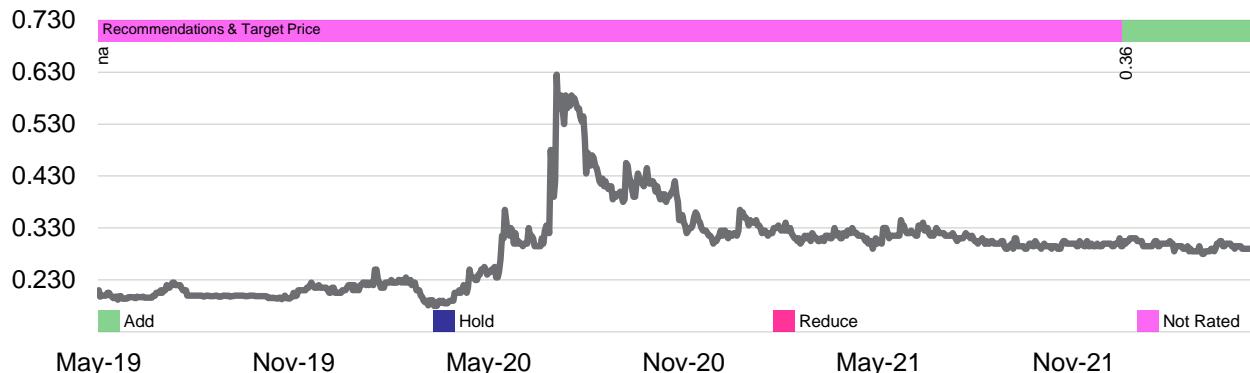
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| Add | 70.3% | 0.8% |
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Spitzer Chart for stock being researched (2 year data)
Hyphens Pharma International (HYP SP)

— Price Close


Corporate Governance Report of Thai Listed Companies (CGR). CG Rating by the Thai Institute of Directors Association (Thai IOD) in 2021, Anti-Corruption 2021

ADVANC – Excellent, Certified, **AMATA** – Excellent, Certified, **ANAN** – Excellent, n/a, **AOT** – Excellent, n/a, **AP** – Excellent, Certified, **ASP** – Excellent, n/a, **AWC** – Excellent, Declared, **AU** – Good, n/a, **BAM** – Very Good, Certified, **BAY** – Excellent, Certified, **BBL** – Excellent, Certified, **BCH** – Very Good, Certified, **BCP** – Excellent, Certified, **BCPG** – Excellent, Certified, **BDMS** – Excellent, n/a, **BEAUTY** – Good, n/a, **BEM** – Excellent, n/a, **BH** – Good, n/a, **BJC** – Very Good, n/a, **BLA** – Very Good, Certified, **BTS** – Excellent, Certified, **CBG** – Very Good, n/a, **CCET** – n/a, n/a, **CENTEL** – Excellent, Certified, **CHAYO** – Very Good, n/a, **CHG** – Very Good, n/a, **CK** – Excellent, n/a, **COM7** – Excellent, Certified, **CPALL** – Excellent, Certified, **CPF** – Excellent, Certified, **CPN** – Excellent, Certified, **CPNREIT** – n/a, n/a, **CRC** – Excellent, Declared, **DELTA** – Excellent, Certified, **DDD** – Excellent, n/a, **DIF** – n/a, n/a, **DOHOME** – Very Good, Declared, **DREIT** – n/a, n/a, **DTAC** – Excellent, Certified, **ECL** – Excellent, Certified, **EGCO** – Excellent, Certified, **EPG** – Excellent, Certified, **ERW** – Very Good, Certified, **GFPT** – Excellent, Certified, **GGC** – Excellent, Certified, **GLOBAL** – Excellent, n/a, **HANA** – Excellent, Certified, **HMPRO** – Excellent, Certified, **HUMAN** – Good, n/a, **ICHI** – Excellent, Certified, **III** – Excellent, Declared, **INTUCH** – Excellent, Certified, **IRPC** – Excellent, Certified, **ITD** – Very Good, n/a, **IVL** – Excellent, Certified, **JASIF** – n/a, n/a, **JKN** – n/a, Certified, **JMT** – Very Good, n/a, **KBANK** – Excellent, Certified, **KCE** – Excellent, Certified, **KEX** – Very Good, Declared, **KKP** – Excellent, Certified, **KSL** – Excellent, Certified, **KTB** – Excellent, Certified, **KTC** – Excellent, Certified, **LH** – Excellent, n/a, **LPN** – Excellent, Certified, **M** – Very Good, Certified, **MAKRO** – Excellent, Certified, **MC** – Excellent, Certified, **MEGA** – Very Good, n/a, **MINT** – Excellent, Certified, **MTC** – Excellent, Certified, **NETBAY** – Very Good, n/a, **NRF** – Very Good, Declared, **OR** – Excellent, n/a, **ORI** – Excellent, Certified, **OSP** – Excellent, n/a, **PLANB** – Excellent, Certified, **PRINC** – Very Good, Certified, **PR9** – Excellent, Declared, **PSH** – Excellent, Certified, **PTT** – Excellent, Certified, **PTTEP** – Excellent, n/a, **PTTGC** – Excellent, Certified, **QH** – Excellent, Certified, **RAM** – n/a, n/a, **RBF** – Very Good, n/a, **RS** – Excellent, Declared, **RSP** – Good, n/a, **S** – Excellent, n/a, **SAK** – Very Good, Declared, **SAPPE** – Very Good, Certified, **SAWAD** – Very Good, n/a, **SCB** – Excellent, Certified, **SCC** – Excellent, Certified, **SCGP** – Excellent, Declared, **SECURE** – n/a, n/a, **SHR** – Excellent, n/a, **SIRI** – Excellent, Certified, **SPA** – Very Good, n/a, **SPALI** – Excellent, Certified, **SPRC** – Excellent, Certified, **SSP** – Good, Certified, **STEC** – Excellent, n/a, **SVI** – Excellent, Certified, **SYNEX** – Very Good, Certified, **TCAP** – Excellent, Certified, **THANI** – Excellent, Certified, **TIDLOR** – n/a, Certified, **TISCO** – Excellent, Certified, **TKN** – Very Good, n/a, **TOP** – Excellent, Certified, **TRUE** – Excellent, Certified, **TTB** – Excellent, Certified, **TU** – Excellent, Certified, **TVO** – Excellent, Certified, **VGI** – Excellent, Certified, **WHA** – Excellent, Certified, **WHART** – n/a, n/a, **WICE** – Excellent, Certified, **WORK** – Good, n/a.

- CG Score 2021 from Thai Institute of Directors Association (IOD)

- Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of August 5, 2021) are categorised into: companies that have declared their intention to join CAC, and companies certified by CAC.

| Recommendation Framework | |
|---|--|
| Stock Ratings | Definition: |
| Add | The stock's total return is expected to exceed 10% over the next 12 months. |
| Hold | The stock's total return is expected to be between 0% and positive 10% over the next 12 months. |
| Reduce | The stock's total return is expected to fall below 0% or more over the next 12 months. |
| The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months. | |
| Sector Ratings | Definition: |
| Overweight | An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation. |
| Neutral | A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation. |
| Underweight | An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation. |
| Country Ratings | Definition: |
| Overweight | An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark. |
| Neutral | A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark. |
| Underweight | An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark. |