

Malaysia

**HOLD** (no change)

Consensus ratings\*: Buy 4 Hold 4 Sell 0

Current price:	RM5.60
Target price:	RM5.45
Previous target:	RM5.05
Up/downside:	-2.7%
CGS-CIMB / Consensus:	-10.0%
Reuters:	TAAN.KL
Bloomberg:	TAH MK
Market cap:	US\$562.0m
	RM2,467m
Average daily turnover:	US\$3.14m
	RM13.33m
Current shares o/s:	444.8m
Free float:	43.0%

\*Source: Bloomberg

**Key changes in this note**

- ▶ We raise our FY22-23F net profit forecasts by 44-59% to reflect our higher CPO price forecasts of RM5,500/RM3,800 per tonne for FY22-23F as well as higher timber product prices, though this is partially offset by increased input costs for its businesses.
- ▶ We raise our FY24F net profit forecast slightly by 3% to account for stronger timber product prices.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	-9.1	12.2	94.4
Relative (%)	-5.4	15	95.7

Major shareholders	% held
Moutex Sdn Bhd	20.8
Employees Provident Fund Board	10.0

**Analyst(s)**



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# Ta Ann

## On track for a robust 1H22F

- 1Q22 core EPS a beat owing to higher CPO and timber product prices.
- We forecast higher qoq 2Q22F earnings amid increased CPO and plywood prices, on top of seasonally stronger FFB output.
- We raise our SOP-based TP to RM5.45 but maintain our Hold call as we believe its positive earnings prospects are mostly priced in.

### 1Q22 core net profit a beat; both divisions ahead of expectations

Ta Ann's 1Q22 core net profit of RM75m (excluding impairments, gains on disposal of PPE and quoted investments and fv gains in biological assets) grew by 2.6x yoy, due to stronger contributions from both its plantation and timber divisions. 1Q22 core net profit of RM75m made up 29% of our and 25% of Bloomberg consensus forecasts, above our expectations mainly due to higher-than-expected CPO and timber product prices. To our surprise, the group declared a second interim dividend of 10 sen (1Q21: nil), bringing total dividends to 15 sen so far, against our previous forecast of 25 sen (revised forecast now at 34 sen).

### Higher CPO prices offset the weaker FFB output

1Q22 plantation PBT (excluding fv gains) jumped 2.1x yoy mainly due to higher ASPs for palm products. 1Q22 average CPO selling prices rose 48% yoy to RM5,550 per tonne, which more than offset the 3% yoy drop in FFB output. On a qoq basis, however, plantation PBT fell by 48% as the 10% qoq rise in CPO prices was not sufficient to offset the seasonally weaker FFB production (-35% qoq). Ta Ann also booked RM17m profit from associates in 1Q22 from its 30.4% stake in Sarawak Plantation (SPB) on the back of higher CPO prices (+56% yoy) as well as RM18m biological assets fair value gain. We forecast its plantation division to record stronger qoq profits for 2Q22F on the back of seasonally greater FFB production, coupled with potentially higher CPO prices.

### Timber division boosted by higher timber product ASPs

1Q22 timber division PBT leapt 5x yoy to RM22.3m, owing mainly to higher plywood and log prices, partially offset by weaker sales volumes from both segments. We believe its export log volumes were impacted by production disruptions due to wet weather and freight delivery delays to India. For its plywood division, we believe Ta Ann benefited from rising plywood prices in Japan owing to i) a supply crunch for wood products in Japan, and ii) higher demand for Asian wood products following Russia's ban on the export of wood products on 11 Mar 2022. We reckon that Ta Ann should continue to achieve higher plywood prices owing to the Russian ban, which should drive stronger qoq timber division profits for 2Q22F, though this could be partially offset by higher raw material prices.

### Reiterate Hold as positives mostly priced in

We raise our FY22-23F core EPS forecasts mainly to reflect higher CPO and timber product price assumptions, though this is partially offset by our assumptions of higher input and labour costs for both divisions. We raise our TP to RM5.45 as we now value its plantation division at a higher RM35k/ha to reflect the increase in CPO prices. We retain our Hold call as we think its positive earnings prospects are mostly priced in.

### Financial Summary

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Revenue (RMm)	1,218	1,894	2,341	1,778	1,603
Operating EBITDA (RMm)	203.6	537.7	606.0	389.4	304.4
Net Profit (RMm)	45.1	314.4	371.0	211.9	148.0
Core EPS (RM)	0.15	0.64	0.83	0.48	0.33
Core EPS Growth	67%	343%	30%	(43%)	(30%)
FD Core P/E (x)	38.49	8.69	6.71	11.75	16.82
DPS (RM)	0.15	0.30	0.34	0.19	0.13
Dividend Yield	2.68%	5.36%	6.02%	3.44%	2.40%
EV/EBITDA (x)	13.92	4.79	3.83	5.65	6.90
P/FCFE (x)	13.15	7.64	5.26	9.93	13.03
Net Gearing	14.4%	(4.4%)	(19.1%)	(24.9%)	(29.0%)
P/BV (x)	1.72	1.55	1.36	1.27	1.21
ROE	4.5%	18.7%	21.5%	11.2%	7.4%
% Change In Core EPS Estimates			44.5%	59.2%	3.2%
CGS-CIMB/Consensus EPS (x)			1.25	1.00	0.73

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

## Key charts

**Figure 1: Results comparison**

FYE Dec 31	1Q	1Q	yoy %	4Q	qoq %	Prev. Comments
(RM m)	FY22	FY21	chg	FY21	chg	FY22F
Revenue	487.8	340.6	43	611.5	(20)	1,879 Stronger revenue due mainly to higher ASP for both palm and timber products
Operating costs	(367.5)	(278.3)	32	(414.3)	(11)	(1,412) Higher costs from higher FFB purchases from third parties and higher log input costs
EBITDA	120.3	62.4	93	197.2	(39)	466 Above, making up 26% of our full-year forecasts
EBITDA margin (%)	24.7	18.3	35	32.2	(24)	25 Stronger margins from higher CPO prices and higher timber product prices
Deprn & amort.	(22.2)	(21.6)	3	(24.0)	(7)	(85) Broadly in line
EBIT	98.1	40.7	>100	173.2	(43)	381 <b>Stronger contribution from palm oil and timber division</b>
Interest expense	(2.9)	(3.7)	(21)	(6.7)	(57)	(24) Lower interest expense due to lower total borrowings
Interest & invt inc	1.2	0.9	38	2.2	(43)	7 Higher interest income driven by higher cash balances
Associates' contrib	17.3	8.4	>100	19.1	(9)	39 Stronger Sarawak Plantation contributions due to better ASPs
Exceptionals	29.7	12.4	>100	(19.5)	nm	- Mainly refers to impairments, gains on PPE disposal/ quoted investments, PPE written off and fv changes in biological assets
<b>Pretax profit</b>	<b>143.4</b>	<b>58.7</b>	<b>&gt;100</b>	<b>168.3</b>	<b>(15)</b>	<b>403 Above, due to fv gains on bio assets and higher palm and timber product ASPs</b>
Tax	(22.2)	(10.8)	(>100)	(40.1)	(45)	(101) Higher effective tax rate due to higher earnings
Tax rate (%)	15.5	18.5	(16)	23.8	(35)	25
Minority interests	(16.5)	(6.9)	(>100)	(32.2)	(49)	241 Stronger profits from its subsidiaries
Net profit	104.6	41.0	>100	96.0	9	257 <b>Above, due to fv gains on bio assets and higher palm and timber product ASPs</b>
<b>Core net profit</b>	<b>75.0</b>	<b>28.6</b>	<b>&gt;100</b>	<b>115.5</b>	<b>(35)</b>	<b>257 Above, at 29% of our full year forecasts owing to higher palm and timber product ASPs</b>
EPS (sen)	23.8	9.3	>100	21.8	9	57.7
<b>Core EPS (sen)</b>	<b>17.0</b>	<b>6.5</b>	<b>&gt;100</b>	<b>26.2</b>	<b>(35)</b>	<b>57.7</b>

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 2: Segmental breakdown**

FYE Dec 31 (RM m)	1Q	1Q	yoy %	4Q	qoq %
	FY22	FY21	chg	FY21	chg
<b>Revenue</b>					
Timber	98.2	69.4	41	88.7	11
Oil Palm	389.5	271.1	44	522.8	-25
Others	0.1	0.1	-30	0.1	98
<b>Total</b>	<b>487.8</b>	<b>340.6</b>	<b>43</b>	<b>611.5</b>	<b>-20</b>
<b>PBT</b>					
Timber operations	22.3	4.4	>100	10.2	>100
Oil Palm	92.4	42.9	>100	177.7	-48
Others	0.1	0.2	-42	0.1	61
<b>Total*</b>	<b>114.8</b>	<b>47.6</b>	<b>&gt;100</b>	<b>187.9</b>	<b>-39</b>
<b>Margins (%)</b>					
Timber operations	23%	6%	>100	11%	98
Oil Palm	24%	16%	50	34%	-30
Others	>100	>100	nm	>100	nm
<b>Total</b>	<b>24%</b>	<b>14%</b>	<b>69</b>	<b>31%</b>	<b>-23</b>

\*Total PBT defers from Figure 1 as this PBT excludes fv gains on bio assets, gains on PPE disposal/ quoted investments as well as impairments and PPE written off

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 3: Quarterly PBT trend**

FYE Dec 31 (RM m)	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
	FY19	FY19	FY19	FY19	FY20	FY20	FY20	FY20	FY21	FY21	FY21	FY21	FY22
Timber operations	8.2	5.0	6.0	(12.9)	7.7	(7.4)	(3.0)	(69.7)	4.4	6.0	10.2	10.2	22.3
Oil Palm	4.2	5.9	42.7	28.3	13.0	27.8	71.9	57.7	42.9	97.7	115.6	177.7	92.4
Reforestation	(0.1)	(0.2)	(0.2)	(0.2)	(0.1)	0.1	0.2	0.0	0.1	0.1	0.0	0.0	0.0
Property	(0.0)	(0.0)	(0.0)	(0.1)	0.0	0.0	0.2	0.0	0.1	0.1	0.1	0.0	0.1
<b>Profit before tax**</b>	<b>12.3</b>	<b>10.7</b>	<b>48.5</b>	<b>15.2</b>	<b>20.6</b>	<b>20.5</b>	<b>69.3</b>	<b>(11.9)</b>	<b>47.6</b>	<b>103.9</b>	<b>126.0</b>	<b>187.9</b>	<b>114.8</b>

\*\*Total PBT defers from Figure 1 as this PBT excludes fv gains on bio assets, gains on PPE disposal/ quoted investments as well as impairments and PPE written off

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 4: Production data**

Production	1Q	1Q	yoy %	4Q	qoq %
	FY22	FY21	chg	FY21	chg
Logs (m3)	83,442	56,847	47	59,756	40
FFB (MT)	132,367	136,709	(3)	203,744	(35)
CPO (MT)	52,353	56,235	(7)	78,438	(33)
PK (MT)	12,202	11,840	3	18,080	(33)

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 5: Earnings revision**

FYE Dec (RM m)	2021A	2022F			2023F			2024F		
		Old	New	chg	Old	New	chg	Old	New	chg
Revenue	1,894	1,879	2,341	25%	1,735	1,778	2%	1,727	1,603	(7%)
EBITDA	538	466	606	30%	296	389	31%	313	304	(3%)
Core pretax profit	457	403	582	44%	209	332	59%	225	232	3%
Core net profit	286	257	371	44%	133	212	59%	143	148	3%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 6: SOP valuation**

Segment	Method	RM m
Plantations	Planted EV/ha of RM35K	1,717.4
Timber	0.6x P/BV	320.6
Planted forest	0.5x of actual cost incurred	59.8
30.39% stake in Sarawak Plantation	Planted EV/ha of RM25K	855.7
Net cash/(debt) at group level	As at 31 Dec 2021	76.7
<b>SOP</b>		<b>3,030.2</b>
Discount	20% discount to SOP	(606.0)
<b>Adjusted SOP</b>		<b>2424.12</b>
No. of shares		444.8m
<b>Target price</b>		<b>5.45</b>

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

We now value its plantation division at RM35k/ha (vs. RM30k/ha previously) in view of its improving palm oil division prospects amid the higher COP prices. We maintain our Hold call as we think its positive earnings prospects are mostly priced in.

Upside risks to our call include better-than-expected CPO, log and plywood prices. Downside risks are lower-than-expected CPO and log prices, lower-than-expected FFB production, labour shortages, and ESG concerns (refer to page 4).



## ESG in a nutshell

In our view, Ta Ann fared relatively poorly vs. other plantation companies under our coverage in terms of ESG risks. Ta Ann was ranked 34th out of 100 timber and pulp producers, processors and traders assessed by the Zoological Society of London's Sustainability Policy Transparency Toolkit (ZSL SPOTT). Ta Ann is looking more intently into incorporating ESG as part of its group corporate strategy development. In line with integrating sustainable practices commitment into every one of its business operations, the group has undertaken certification efforts for both its palm oil and timber divisions. Nevertheless, we believe Ta Ann still has much room to improve in terms of ESG

### Keep your eye on

Given Ta Ann's heavy reliance on foreign workers for both its palm oil and timber divisions, its labour practices, as well as the increased scrutiny on plantation companies following forced labour allegations in the palm oil industry, will be key factors to keep an eye on.

### Implications

As at end-1Q22, we reckon that Ta Ann's labour force for its palm oil division stood at 70% of its labour requirements. Given the uncertainty on a timeline for the government lifting the freeze on new intakes of foreign workers in the near term, we foresee its labour shortage hindering its palm oil output. Additionally, we are concerned over the increasing scrutiny faced by plantation companies following allegations of forced labour. Labour-related concerns are part of the reason why we ascribe a 20% ESG risk discount in our SOP valuation of Ta Ann.

### ESG highlights

Ta Ann was ranked 34<sup>th</sup> by SPOTT out of 100 timber and pulp producers, processors and traders assessed. It achieved a score of 25% in the latest assessment in Nov 2020. In line with integrating sustainable practices commitment into every one of its business operations, the group has undertaken certification efforts for both its palm oil and timber divisions.

In its timber division, all its active Forest Management Units (FMU) have received sustainable forest management certifications under the Malaysian Timber Certification Scheme (MTCS), a standard endorsed internationally by the Programme for the Endorsement of Forest Certification (PEFC). Ta Ann now has PEFC-MTCS Certified Natural Forests covering an area of 346,021 hectares, producing 100% PEFC-certified logs. As for its palm oil division, the group has achieved the Malaysian Sustainable Palm Oil (MSPO) certification for all its 13 oil palm estates and three palm oil mills.

### Implications

While we are positive on its sustainability certification efforts, we believe Ta Ann still lags behind other palm oil players in this area. Ta Ann has yet to become a member of the Roundtable of Sustainable Palm Oil (RSPO). Hence, it has yet to begin efforts to obtain RSPO certification, which is often recognised as a global standard for sustainable palm oil production.

In its timber division, despite receiving sustainability certifications, Ta Ann still faces scrutiny from NGOs revolving around the destruction of tropical rainforest, extinction of animal and plant species, soil erosion, contamination of water supplies and release of carbon emissions. We are also negative on the fact that Ta Ann does not report its greenhouse gas emissions, which we believe is an integral part of environmental reporting. These concerns are part of the reason why we ascribe a 20% ESG risk discount in our SOP valuation of Ta Ann.

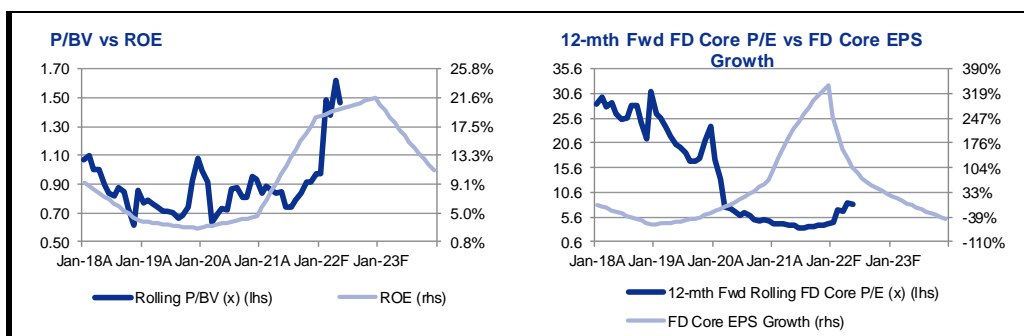
### Trends

In 2020, Ta Ann received its sustainable forest management certification for all three of its active FMUs. Certification of its FMUs will enable the group to increase the production of certified plywood products and increase its log export quota to 40% (currently: a 20% export quota for non-certified forests in Sarawak).

### Implications

We are positive on the sustainability certifications obtained for its FMUs and have already factored in slightly higher premiums for its certified plywood products vs. peers and higher log export quota for FY22-24F vs. the previous years into our forecasts.

SOURCES: CGS-CIMB RESEARCH, REFINITIV

**BY THE NUMBERS**

**Profit & Loss**

(RMm)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
<b>Total Net Revenues</b>	<b>1,218</b>	<b>1,894</b>	<b>2,341</b>	<b>1,778</b>	<b>1,603</b>
<b>Gross Profit</b>	<b>254</b>	<b>594</b>	<b>668</b>	<b>448</b>	<b>361</b>
<b>Operating EBITDA</b>	<b>204</b>	<b>538</b>	<b>606</b>	<b>389</b>	<b>304</b>
Depreciation And Amortisation	-93	-87	-82	-84	-87
<b>Operating EBIT</b>	<b>110</b>	<b>451</b>	<b>524</b>	<b>305</b>	<b>217</b>
Financial Income/(Expense)	-17	-12	-10	-10	-10
Pretax Income/(Loss) from Assoc.	23	54	67	37	25
Non-Operating Income/(Expense)	0	0	0	0	0
<b>Profit Before Tax (pre-EI)</b>	<b>116</b>	<b>493</b>	<b>582</b>	<b>332</b>	<b>232</b>
Exceptional Items	0	0	0	0	0
<b>Pre-tax Profit</b>	<b>116</b>	<b>493</b>	<b>582</b>	<b>332</b>	<b>232</b>
Taxation	-40	-100	-145	-83	-58
Exceptional Income - post-tax					
<b>Profit After Tax</b>	<b>76</b>	<b>392</b>	<b>436</b>	<b>249</b>	<b>174</b>
Minority Interests	-31	-78	-65	-37	-26
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
<b>Net Profit</b>	<b>45</b>	<b>314</b>	<b>371</b>	<b>212</b>	<b>148</b>
Recurring Net Profit	65	286	371	212	148
<b>Fully Diluted Recurring Net Profit</b>	<b>65</b>	<b>286</b>	<b>371</b>	<b>212</b>	<b>148</b>

**Cash Flow**

(RMm)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
<b>EBITDA</b>	<b>203.6</b>	<b>537.7</b>	<b>606.0</b>	<b>389.4</b>	<b>304.4</b>
Cash Flow from Inv. & Assoc.					
Change In Working Capital	131.2	55.1	22.1	(16.0)	(3.1)
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense					
Other Operating Cashflow	17.2	(28.7)	67.4	37.1	24.6
Net Interest (Paid)/Received	(8.8)	(2.4)	(9.8)	(9.8)	(9.8)
Tax Paid	(28.1)	(58.1)	(145.5)	(83.1)	(58.0)
<b>Cashflow From Operations</b>	<b>314.9</b>	<b>503.7</b>	<b>540.2</b>	<b>317.6</b>	<b>258.0</b>
Capex	(66.4)	(55.0)	(73.3)	(73.3)	(73.3)
Disposals Of FAs/subsidiaries	5.1	3.2	0.0	0.0	0.0
Acq. Of Subsidiaries/investments	0.0	0.0	0.0	0.0	0.0
Other Investing Cashflow	1.5	8.4	0.0	0.0	0.0
<b>Cash Flow From Investing</b>	<b>(59.8)</b>	<b>(43.4)</b>	<b>(73.3)</b>	<b>(73.3)</b>	<b>(73.3)</b>
Debt Raised/(repaid)	(65.7)	(134.3)	6.4	6.4	6.4
Proceeds From Issue Of Shares					
Shares Repurchased					
Dividends Paid	(32.3)	(141.6)	(148.4)	(84.8)	(59.2)
Preferred Dividends					
Other Financing Cashflow			(6.4)	(6.4)	(6.4)
<b>Cash Flow From Financing</b>	<b>(98.1)</b>	<b>(275.8)</b>	<b>(148.4)</b>	<b>(84.8)</b>	<b>(59.2)</b>
Total Cash Generated	157.0	184.4	318.6	159.6	125.5
<b>Free Cashflow To Equity</b>	<b>189.4</b>	<b>326.0</b>	<b>473.3</b>	<b>250.7</b>	<b>191.1</b>
<b>Free Cashflow To Firm</b>	<b>266.4</b>	<b>467.6</b>	<b>483.7</b>	<b>261.1</b>	<b>201.5</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	272	456	773	933	1,059
Total Debtors	25	65	66	50	45
Inventories	154	132	169	134	126
Total Other Current Assets	127	132	146	146	146
<b>Total Current Assets</b>	<b>578</b>	<b>785</b>	<b>1,154</b>	<b>1,263</b>	<b>1,375</b>
Fixed Assets	757	737	715	694	672
Total Investments	0	0	0	0	0
Intangible Assets	91	87	87	87	87
Total Other Non-Current Assets	1,113	1,141	1,147	1,156	1,165
<b>Total Non-current Assets</b>	<b>1,962</b>	<b>1,965</b>	<b>1,949</b>	<b>1,938</b>	<b>1,924</b>
Short-term Debt	273	231	231	231	231
Current Portion of Long-Term Debt					
Total Creditors	173	250	324	257	240
Other Current Liabilities	27	54	52	52	52
<b>Total Current Liabilities</b>	<b>473</b>	<b>535</b>	<b>607</b>	<b>541</b>	<b>524</b>
Total Long-term Debt	224	147	147	147	147
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	87	66	66	66	66
<b>Total Non-current Liabilities</b>	<b>311</b>	<b>213</b>	<b>213</b>	<b>213</b>	<b>213</b>
Total Provisions	192	226	218	218	218
<b>Total Liabilities</b>	<b>976</b>	<b>974</b>	<b>1,038</b>	<b>971</b>	<b>954</b>
Shareholders' Equity	1,444	1,610	1,836	1,963	2,052
Minority Interests	119	166	228	266	292
<b>Total Equity</b>	<b>1,563</b>	<b>1,776</b>	<b>2,065</b>	<b>2,229</b>	<b>2,344</b>

**Key Ratios**

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Revenue Growth	28.8%	55.6%	23.6%	(24.1%)	(9.8%)
Operating EBITDA Growth	(6%)	164%	13%	(36%)	(22%)
Operating EBITDA Margin	16.7%	28.4%	25.9%	21.9%	19.0%
Net Cash Per Share (RM)	-0.50	0.17	0.89	1.25	1.53
BVPS (RM)	3.25	3.62	4.13	4.42	4.62
Gross Interest Cover	5.70	26.36	31.32	18.23	12.99
Effective Tax Rate	34.2%	20.3%	25.0%	25.0%	25.0%
Net Dividend Payout Ratio	147%	42%	40%	40%	40%
Accounts Receivables Days	16.63	8.63	10.15	11.84	10.80
Inventory Days	71.97	40.17	32.88	41.65	38.27
Accounts Payables Days	56.81	59.32	62.56	79.77	73.30
ROIC (%)	4.9%	21.8%	26.3%	15.6%	11.1%
ROCE (%)	5.0%	19.7%	21.1%	11.4%	7.8%
Return On Average Assets	3.7%	15.3%	15.2%	8.2%	5.7%

**Key Drivers**

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Planted Estates (ha)	49,817.0	49,069.0	49,069.0	49,069.0	49,069.0
Mature Estates (ha)	43,718.0	43,718.0	43,718.0	43,718.0	43,718.0
FFB Yield (tonnes/ha)	16.8	16.5	16.4	17.5	18.5
FFB Output Growth (%)	-5.1%	-2.7%	3.8%	6.7%	5.7%
CPO Price (US\$/tonne)	631.5	1,043.5	1,285.7	865.8	738.2

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS



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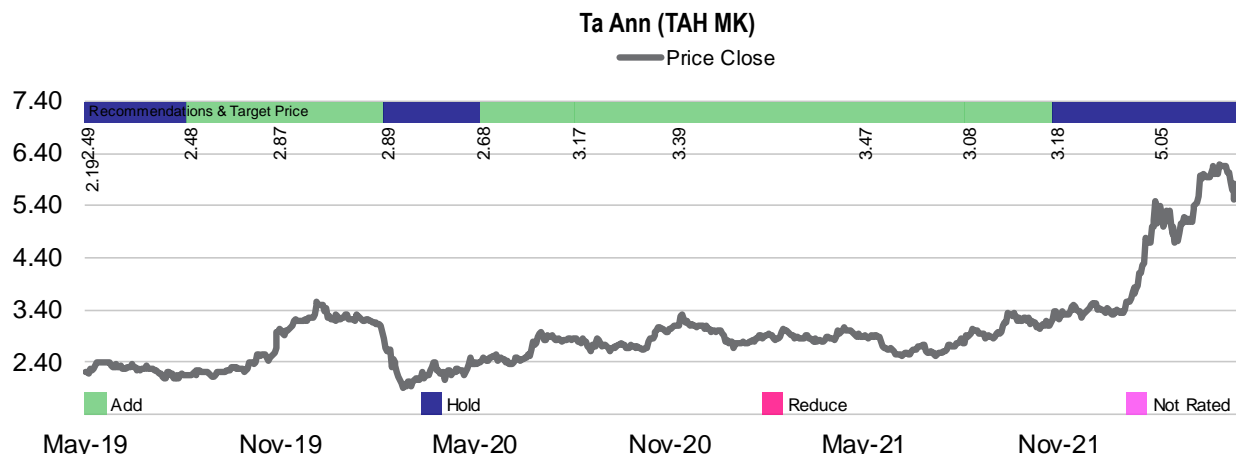
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Distribution of stock ratings and investment banking clients for quarter ended on 31 March 2022		
632 companies under coverage for quarter ended on 31 March 2022		
	Rating Distribution (%)	Investment Banking clients (%)
Add	70.3%	0.8%
Hold	22.0%	0.0%
Reduce	7.8%	0.2%

### 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.