Malaysia

ADD *(no change)*

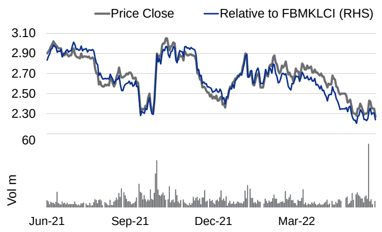
Consensus ratings*:	Buy 16	Hold 1	Sell 0

Current price:	RM2.27
Target price:	RM2.77
Previous target:	RM2.77
Up/downside:	22.0%
CGS-CIMB / Consensus:	-16.3%
Reuters:	DIAL.KL
Bloomberg:	DLG MK
Market cap:	US$2,915m
	RM12,809m
Average daily turnover:	US$3.34m
	RM14.41m
Current shares o/s:	5,642m
Free float:	56.0%

Source: Bloomberg

Key changes in this note

- No change to core EPS forecasts.
- No change to our SOP-based target price, as we have not incorporated the proposed POEC acquisition which is still subject to the target company's shareholders' approval and Canadian regulatory approval.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	-5.8	-15	-22.3
Relative (%)	-3.3	-12	-19

Major shareholders	% held
Tan Sri Dr Ngau Boon Keat	21.3
EPF	13.3
KWAP	9.0

Dialog Group Bhd

Low-risk, value-accretive upstream deal

- Dialog's proposed purchase of a 50% effective stake in an onshore Thai oilfield operator is value accretive and low risk, according to our calculations.
- While the acquisition appears expensive at first glance, we think investors will be comfortable with the transaction after considering the target's high ROEs.
- Reiterate Add with an unchanged SOP-based TP of RM2.77 on Dialog's long-term growth potential at Pengerang (valued at 46 sen).

Dialog proposes to buy onshore Thai oilfield assets

Dialog announced yesterday that it has inked an agreement to buy a 100% equity stake in Canada's Pan Orient Energy Corp (POEC), which owns a 50.01% stake in Pan Orient Energy (Siam) Ltd (POES). POES operates Concession L53/48, onshore Thailand, which currently produces 2,700 bopd from 22 wells on seven mature oilfields located 100 km northeast of Bangkok. The concession expires in 2035. The transaction is expected to be completed by late-Aug 2022 at a purchase price of US$38.7m (RM170m).

Valuation of POEC is high, but may be justified by its high ROE

While the POEC acquisition P/BV multiple looks high at 2.28x, the price is justifiable based on POES's annualised 1Q22 ROE of 84%, or implying a P/B-to-ROE ratio of 2.71. By contrast, Hibiscus Petroleum purchased Repsol's assets in Malaysia and Vietnam at a P/BV of 1.17x, which implied a higher P/B-to-ROE ratio of 4.68 when juxtaposed against the lower ROE of 25%. Comparing against the 2P reserves, Dialog's proposed acquisition of POEC represents a price of US$16.73/bbl, which appears expensive against Hibiscus' acquisition price of US$6.16/boe. However, the more expensive acquisition-price-to-2P-reserves for POES may be justifiable, because the economic value of oil reserves is higher than for gas reserves which make up almost 40% of the Repsol 2P reserves acquired by Hibiscus, while 100% of POES's 2P reserves are oil reserves. On the balance of probability, we believe that Dialog may have negotiated a favourable deal for itself in the acquisition of POEC.

POES is a low-risk but accretive acquisition

The potential inclusion of POES into Dialog's portfolio of upstream oil and gas assets may boost Dialog's oil production by 50%, in our estimate. POES is a mature oilfield asset that has a low opex cost of US$7/bbl. Its only customer is a proximate refinery that is able and willing to absorb all of its output. The acquisition price of RM170m can be easily funded from Dialog's cash balance of RM1.9bn. Our back-of-the-envelope calculation is that the POEC acquisition may increase our FY6/23F net profit forecast for Dialog by at least 11%, but most likely higher, given that oil prices have risen and the US$ has appreciated against the ringgit after 1Q22. The implied acquisition P/E of just 2.8x is much lower than Dialog's FY23F P/E of 23.8x, while POES's annualised 1Q22 ROE of 84% is much higher than Dialog's FY23F ROE of 9.6%. The key downside risk and uncertainty is whether POEC's shareholders will approve the sale of its stake in POES on such good terms to Dialog.

Financial Summary	Jun-20A	Jun-21A	Jun-22F	Jun-23F	Jun-24F
Revenue (RMm)	2,303	1,610	2,096	2,191	2,217
Operating EBITDA (RMm)	650.5	530.7	553.1	607.6	621.2
Net Profit (RMm)	534.0	543.1	516.4	558.3	572.2
Core EPS (RM)	0.090	0.090	0.088	0.095	0.098
Core EPS Growth	3.80%	(0.03%)	(2.27%)	8.45%	2.58%
FD Core P/E (x)	25.24	25.25	25.84	23.82	23.23
DPS (RM)	0.031	0.031	0.037	0.040	0.041
Dividend Yield	1.37%	1.37%	1.61%	1.74%	1.79%
EV/EBITDA (x)	18.93	22.41	22.64	21.82	22.30
P/FCFE (x)	22.69	NA	8.86	61.70	57.67
Net Gearing	16.1%	9.5%	25.0%	41.4%	51.9%
P/BV (x)	3.10	2.51	2.36	2.22	2.09
ROE	12.8%	11.0%	9.4%	9.6%	9.3%
% Change In Core EPS Estimates			(0%)	(0%)	(0%)
CGS-CIMB/Consensus EPS (x)			0.97	0.92	0.90

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Analyst(s)

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Details on the proposed acquisition of POEC

On 6 June 2022, Dialog inked a conditional sale and purchase agreement to buy a 100% equity stake in Canada's Pan Orient Energy Corp (POEC, POE CN, C$1.03, Not Rated) for **US$38.7m**. POEC is an Alberta, Canada incorporated corporation with its shares listed on the TSX Venture Exchange (TSX-V).

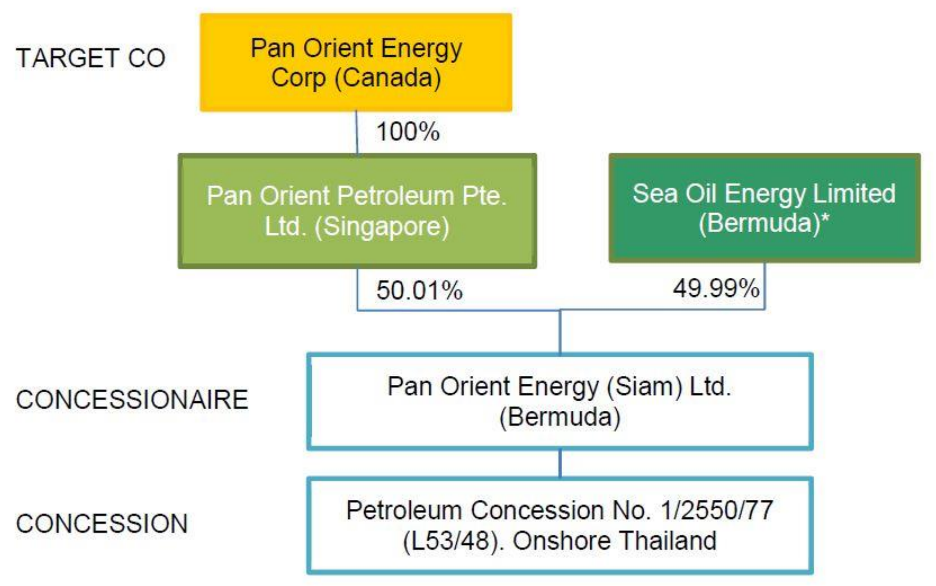
POEC owns a 100% stake in Pan Orient Petroleum Pte Ltd (Unlisted), which in turn owns a 50.01% stake in **Pan Orient Energy (Siam) Ltd (POES)**. The remaining 49.99% interest in POES is held by Thailand's Sea Oil Public Company Limited (SEAOIL TB, THB4.84, Not Rated).

POEC also owns other businesses in Canada that will be transferred to a new company named CanAsia Energy Corp that will take over POEC's current listing status. Dialog will not have any interest in CanAsia Energy Corp, and hence, no stake in those Canadian assets. If and when Dialog's proposed acquisition is completed, POEC will be delisted from TSX-V, and POEC will exist essentially as a shell company to indirectly own 50.01% of POES.

Dialog does not need to seek its shareholders' approval for the proposed acquisition; however, POEC will need to obtain its shareholders' approval for the proposed sale of POES to Dialog, as well as Canadian regulatory approval.

Dialog hopes that all conditions precedent for the transaction can be obtained by **29 August 2022**, if not otherwise extended. Therefore, Dialog expects the acquisition of 100% interest in POEC to be completed by **3Q22**.

Figure 1: Corporate structure of the acquisition target



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

The nature of POES's oilfield assets and production

POES is the operator of Concession L53/48, onshore Thailand, which currently produces **2,700 barrels of oil per day (bopd)** from 22 wells on seven mature oilfields located 100 km northeast of Bangkok. The concession expires in **2035**.

If Dialog successfully completes the acquisition of POES, Dialog will be the operator of the above concession, and it will hold a 100% working interest in Concession L53/48.

Concession L53/48 has **2P oil reserves of 4.6m barrels** as at 31 December 2021. The production is trucked to a local refinery, which we believe is prepared to take as much oil as is produced by POES.

According to POEC's public disclosures:

- Concession L53/48 is partially developed, has oil production, and an active exploration and development programme;
- It is located onshore in an area measuring 27.32 sq km associated with the seven oilfields, i.e. the L53-A, L53-B, L53-D, L53-G, L53-DD, L53-AA South and L53-AA fields that are held through production licences;
- The production licences have a 20-year primary term ending in **2036**, plus an additional 10-year renewal period that can be applied for;
- POES has proved plus probable crude oil reserves, i.e. **2P oil reserves of 4,626,000 barrels** at 31 December 2021 from conventional sandstone reservoirs.
- Proved, probable and possible crude oil reserves, i.e. **3P oil reserves of 5,972,000 barrels** at 31 December 2021. Possible reserves are those additional reserves that are less certain to be recovered than probable reserves.

Valuation of POEC is on the high side, but may be justified by its high ROE

Dialog disclosed that the purchase price of US$38.7m for 100% interest in POEC was based on:

- An independent third-party reserves evaluation for Concession L53/48 as at 31 December 2021 that was prepared by Sproule International Limited for POES, and is in line with Dialog's internal assessment and that of THREE60 Energy Group, Dialog's external technical consultant;
- The DCF valuation from the forecast oil production from Concession L53/48 from 1 January 2022, which is the effective date used for purposes of the valuation, until expiry of the concession in 2035; and
- The audited net asset value (NAV) of POES as at 31 December 2021 of approximately **US$34m**.

DCF valuation relative to proposed purchase price unknown

No information was provided as to the actual DCF valuation, and the futures oil price curve that was applied to derive the DCF valuation. However, Dialog assured us that the pricing of the deal was agreed upon prior to the onset of the Russia-Ukraine war on 24 February 2022, and is therefore based on the future oil price estimates prevailing before the oil price spike that was triggered by the war.

Proposed purchase price is more than double the audited NAV, but justifiable due to the high ROE

POES's audited NAV as at 31 December 2021 was US$34m, and POEC owns a 50.01% stake in POES. This means that the NAV of POES that is attributable to POEC was US$17m (US$34m x 50.01%).

Based on the proposed consideration of US$38.7m to buy 100% interest in POEC, the **acquisition P/BV multiple is 2.28x** (US$38.7m / US$17m).

Against the attributable unaudited NAV of US$18m as at 31 March 2022 (C$45.73m in Figure 2 below / exchange rate of C$1.26:US$1 x 50.01%), the acquisition P/BV multiple is similar at 2.15x.

Based on POES's C$9m net profit for 1Q22 (Figure 3), or US$7.14m based on C$1.26:US$1, POES's annualised net profit for 2022F would be US$28.6m. When juxtaposed against POES's NAV of US$34m as at 31 December 2021, this represents an **ROE of 84%** (US$28.6m / US$34m).

[Note that POES's net profit was US$21m in 2021, representing an ROE of 54% against its NAV of US$38.7m as at 31 December 2020.]

Hence, the implied **ratio of P/BV against ROE is 2.71** (2.28 / 84%).

Figure 2: Summarised balance sheet of POES as at 31 March 2022 (in thousands of Canadian dollars, C$'000)

Pan Orient Energy (Siam) Ltd. Summarized Financial Information ($000s)	March 31 **2022**	 2021
Current assets	44,826	22,986
Non-current assets	58,282	67,109
Current liabilities	(32,305)	(14,928)
Non-current liabilities	(25,073)	(29,631)
Net assets	45,730	45,536

SOURCE: PAN ORIENT ENERGY

By contrast, Hibiscus Petroleum (HIBI MK, RM1.29, Not Rated) completed on 24 January 2022 the acquisition of the Malaysian and Vietnamese offshore assets of Repsol SA (REP SM, €15.96, Not Rated) that were held under Fortuna International Petroleum Corporation (FIPC, Unlisted), for a gross purchase consideration of US$212.5m. Against FIPC's net assets of US$182.2m as at 31 December 2020, the **acquisition P/BV multiple was 1.17x**.

Based on Hibiscus' disclosures, the FIPC assets delivered a net profit of some RM143.8m between 1 July 2021 and 31 March 2022, or an annualised RM191.7m (US$45.8m). This represents an **ROE of 25%** (US$45.8m / US$182.2m).

Hence, the implied **ratio of P/BV against ROE is 4.68** (1.17 / 25%), which is more expensive than Dialog's proposed acquisition of POEC.

Valuation against 2P reserves

At the acquisition price of US$38.7m against the attributable 2P reserves of 2.313m barrels (4.626m barrels x 50.01%), Dialog's proposed acquisition of POEC represents a price of **US$16.73/bbl**.

By contrast, Hibiscus' FIPC acquisition price of US$212.5m against 2P reserves of 34.5m barrels of oil equivalent (boe) as at 1 January 2021 represents a price of **US$6.16/boe**.

However, the more expensive acquisition-price-to-2P-reserves for POES may be justifiable, because the economic value of oil reserves is higher than for gas reserves:

- Almost 40% of FIPC's 2P reserves are gas reserves, while 100% of POES's 2P reserves are oil reserves. Oil reserves are usually worth more than gas reserves because the selling price of oil per bbl is almost always higher than the selling price of gas per boe.
- Furthermore, FIPC's opex stood at US$12/boe vs. POES' opex of just US$7/bbl (see Figure 4, lifting cost and trucking cost combined), because FIPC's assets are offshore in nature and naturally more expensive to operate, while POES owns onshore assets.
- FIPC delivered 29% net profit margin for the period 1 July 2021 to 31 March 2022 (14% for 1Q22), while POES delivered 37% net profit margin during 1Q22 (see Figure 3) and 30.5% during 2021.

Conclusion

In conclusion, on the balance of probability, the lower acquisition price ratio of P/BV against ROE for POES compared to Hibiscus' acquisition of Repsol's assets suggests that Dialog may have negotiated a favourable deal for itself.

Figure 3: P&L of POES for 1Q22 ended 31 March 2022 (in thousands of Canadian dollars, C$'000)

Pan Orient Energy (Siam) Ltd. Summarized Statement of Comprehensive Income ($000s)	Three Months Ended March 31	
	2022	2021
Oil revenue	24,390	17,970
Royalties	(1,235)	(958)
Total net revenue	23,155	17,012
Production and operating	1,271	1,511
Transportation	489	584
Depletion, depreciation and amortization	2,850	4,409
General and administrative	431	496
Foreign exchange gain	(2)	(26)
Total expenses	5,039	6,974
Income before income taxes	18,116	10,038
Current income tax expense	9,611	5,818
Deferred income tax recovery	(533)	(95)
Net income	9,038	4,315

SOURCE: PAN ORIENT ENERGY

Figure 4: Key operating statistics of POES for 1Q22 ended 31 March 2022 (in thousands of Canadian dollars, C$'000)

(thousands of Canadian dollars except where indicated)	Three Months Ended March 31,		% Change
	2022	**2021**	
Thailand Operations			
Economic Results – Including 50.01% Interest in Thailand Joint Venture			
Oil sales (bbls)	**99,424**	121,733	-18%
Average daily oil sales (BOPD) by Concession L53	**1,105**	1,353	-18%
Average oil sales price, before transportation (CDN$/bbl)	**$ 122.67**	$ 73.82	66%
Reference Price (volume weighted) and differential			
Crude oil (Brent $US/bbl)	**$ 99.45**	$ 60.41	65%
Exchange Rate $US/$Cdn	**1.28**	1.28	-0%
Crude oil (Brent $Cdn/bbl)	**$ 127.21**	$ 77.36	64%
Sale price / Brent reference price	**96%**	95%	1%
Adjusted funds flow from (used in) operations			
Crude oil sales	**12,196**	8,986	36%
Government royalty	**(618)**	(479)	29%
Transportation expense	**(244)**	(292)	-16%
Operating expense	**(636)**	(756)	-16%
Field netback	**10,698**	7,459	43%
General and administrative expense (Note 9)	**(207)**	(247)	-16%
Foreign exchange gain	**1**	14	-93%
Current income tax	**(4,806)**	(2,909)	65%
Thailand – Adjusted funds flow from operations	**5,686**	4,317	32%
Adjusted funds flow from (used in) operations / barrel (CDN$/bbl)			
Crude oil sales	**$ 122.67**	$ 73.82	66%
Government royalty	**(6.22)**	(3.93)	58%
Transportation expense	**(2.45)**	(2.40)	2%
Operating expense	**(6.40)**	(6.21)	3%
Field netback	**107.60**	61.27	76%
General and administrative expense	**(2.08)**	(2.03)	3%
Foreign exchange gain	**0.01**	0.12	-91%
Current income tax	**(48.34)**	(23.90)	102%
Thailand – Adjusted funds flow from operations	**$ 57.19**	$ 35.46	61%

SOURCE: PAN ORIENT ENERGY

POES is a low-risk but accretive acquisition

The potential inclusion of POES into Dialog's portfolio of upstream oil and gas assets may **boost Dialog's oil production by 50%**.

- We estimate that Dialog Resources Sdn Bhd, which has a 20% interest in the production sharing contract (PSC) for the D35, D21, and J4 marginal fields, offshore Sarawak, produced 0.7m bbls in FY6/21.
- Meanwhile, Dialog Bayan Petroleum Sdn Bhd, which is the holder of the oil service contract (OSC) for the Bayan field, offshore Sarawak, produced 0.3m bbl in FY6/21.
- POES produces 2,700 bopd, according to Dialog, or almost 1m bbl annually. The portion attributable to POEC is half of that, or 0.5m bbl annually.

POES is a mature oilfield asset that is exactly the kind of low-risk acquisition that Dialog is comfortable buying. The **low opex cost of US$7/bbl** means that the asset is very resilient to future oil price crashes. It also has a proximate refinery that is able and willing to absorb all of its output.

The acquisition price of US$38.7m or RM170m can be **easily funded from Dialog's cash balance** of RM1.9bn. Dialog's cash reserves were boosted by its RM500m sukuk issue in November 2020 and another RM500m sukuk issue in January 2022. Dialog has the capacity to issue a further RM2bn in sukuk based on its RM3bn sukuk programme that was established in September 2020.

Our back-of-the-envelope calculation is that the POEC acquisition may **increase our FY6/23F (1 July 2022 to 30 June 2023) net profit forecast for Dialog by at least 11%** on a full-year proforma basis, but most likely higher, given that oil prices have risen since the Russian invasion of Ukraine, and because the US$ has appreciated against the ringgit. This is based on the following assumptions:

- POES reported C$9m net profit for 1Q22 (Figure 3), or US$7.14m based on C$1.26:US$1. Hence, POES's annualised net profit for 2022F would be US$28.6m, or RM120m based on RM4.19:US$1, which was the average exchange rate during 1Q22.
- If Dialog succeeds in purchasing POEC, Dialog's 50.01% share of POES's annualised 1Q22 net profit would be RM60m.
- Our core net profit forecast for Dialog for FY23F currently stands at RM538m.
- The average Brent crude oil price during 1Q22 was US$99/bbl, vs. US$110/bbl so far in 2Q22 and the spot price of US$120/bbl currently.
- The ringgit averaged RM4.19:US$1 during 1Q22, vs. RM4.33 so far in 2Q22 and the spot rate of RM4.40 currently.

Using POES's historical 2021 net profit of US$21m (RM87m), of which RM43.5m was attributable to POEC, **Dialog's core net profit of RM499m for CY21 would have been enhanced by some 8.7%** on a proforma basis had Dialog's acquisition of POEC been concluded on 1 January 2021. During CY21, the average Brent crude oil price was only US$70/bbl, while the US$ exchange rate averaged only RM4.14.

As noted above, Dialog's proforma 50.01% share of POES's annualised 1Q22 net profit would be RM60m, against the acquisition price of RM170m. This represents an **implied acquisition P/E of just 2.8x** (170 / 60), which is significantly lower than Dialog's FY23F P/E of 23.8x.

Based on POES' net profit for 1Q22, its annualised net profit for 2022F implies an **ROE of 84%**, which is significantly higher than our forecast of Dialog's FY23F ROE of 9.6%.

SOP valuation tables

Figure 5: SOP valuation of Dialog Group Berhad (RM m) - end-CY22F

		Cash flow forecast period		Valuation of 100% equity stake	Dialog's equity stake	Attributable to Dialog	Per share value	Valuation method
		From	To	RM m	%	RM m	RM/share	
	Tank Terminals (RM m)			**18,302.5**		**6,015.9**	**1.07**	
A	- Kertih Terminals	FY00	FY60F	965.6		289.7	0.05	
B	- Langsat Terminals (B1 + B2)	FY10	FY67F	794.5		794.5	0.14	
C	- Pengerang Terminals (C1 + C2)	FY14	FY76F	16,542.4		4,931.7	0.87	
A	**Kertih Terminals - Until end of 60-year land lease**	***FY00***	***FY60F***	**965.6**		**289.7**	**0.05**	
	Kertih Terminals Sdn Bhd (30% JV) - until FY30F	*FY00*	*FY30F*	*523.4*	*30%*	*157.0*	*0.03*	*DCF to equity*
	Kertih Terminals Sdn Bhd (30% JV) - FY31F-FY40F	*FY31F*	*FY40F*	*271.7*	*30%*	*81.5*	*0.01*	*DCF to equity*
	Kertih Terminals Sdn Bhd (30% JV) - FY41F-FY60F	*FY41F*	*FY60F*	*170.5*	*30%*	*51.1*	*0.01*	*DCF to equity*
B1	**Langsat Terminals - Until end of current 30-year land lease**	***FY10***	***FY37F***	**535.1**		**535.1**	**0.09**	
	Langsat Terminal (One) Sdn Bhd (100% sub)	*FY10*	*FY37F*	*347.8*	*100%*	*347.8*	*0.06*	*DCF to equity*
	Langsat Terminal (Two) Sdn Bhd (100% sub)	*FY12*	*FY37F*	*115.8*	*100%*	*115.8*	*0.02*	*DCF to equity*
	Langsat Terminal (Three) Sdn Bhd (100% sub)	*FY18F*	*FY48F*	*71.4*	*100%*	*71.4*	*0.01*	*DCF to equity*
B2	**Langsat Terminals - Assuming 30-year extension of land lease**	***FY37F***	***FY67F***	**259.4**		**259.4**	**0.05**	
	Langsat Terminal (One) Sdn Bhd (100% sub)	*FY37F*	*FY67F*	*129.8*	*100%*	*129.8*	*0.02*	*DCF to equity*
	Langsat Terminal (Two) Sdn Bhd (100% sub)	*FY37F*	*FY67F*	*48.8*	*100%*	*48.8*	*0.01*	*DCF to equity*
	Langsat Terminal (Three) Sdn Bhd (100% sub)	*FY48F*	*FY78F*	*80.8*	*100%*	*80.8*	*0.01*	*DCF to equity*
C1	**Pengerang Terminals - Until end of current 65-year land lease**	***FY14***	***FY76F***	**16,373.5**		**4,762.9**	**0.84**	
	SPV1 - Pengerang Independent Terminals S/B (46% JV)	*FY14*	*FY76F*	*3,188.0*	*46%*	*1,466.5*	*0.26*	*DCF to equity*
	SPV2 - Pengerang Terminals (Two) S/B (25% JV)	*FY19F*	*FY76F*	*7,881.6*	*25%*	*1,970.4*	*0.35*	*DCF to equity*
	SPV3 - Pengerang LNG (Two) S/B (25% assoc)	*FY18F*	*FY76F*	*5,304.0*	*25%*	*1,326.0*	*0.24*	*DCF to equity*
C2	**Pengerang Expansion - BP Singapore terminal**			**168.9**		**168.9**	**0.03**	
	SPV5 - Pengerang Terminals (Five) S/B, (100% sub)	*FY22F*	*FY76F*	*168.9*	*100%*	*168.9*	*0.03*	*DCF to equity*
	Upstream and Downstream (RM m)			**3,000.0**	**100%**	**3,000.0**	**0.53**	15x P/E on sustainable earnings of RM200m p.a.
	Note: Including Dialog Resources S/B (100% sub, 20% interest in PSC), Dialog Bayan Petroleum S/B (100% sub, with interest in OSC), EPCC, Specialist Products & Services, Plant Maintenance & Catalyst Handling Services, Fabrication, and Overseas businesses under Dialog Systems (Asia) Pte Ltd.							
	Add: Advances from Dialog Group Bhd to JVs and associates at end-CY22F (RM m)					0.0	0.00	
	Add: Other net assets at end-CY22F (RM m)					2,765.6	0.49	
	Add: Dialog Group Bhd's consolidated cash balance at end-CY22F (RM m)					2,713.0	0.48	
	Less: Dialog Group Bhd's consolidated debt balance at end-CY22F (RM m)					-4,606.0	-0.82	
	Total SOP valuation of Dialog Group Berhad (RM m) - end-CY22F					**13,039.4**	**2.31**	
	Pengerang Long-Term Expansion	**FY26F**	**FY76F**	**4,361.1**		**2,616.7**	**0.46**	
	SPV6 - Similar to SPV2, FY26F onwards (assume 60% sub)	*FY26F*	*FY76F*	*1,202.3*	*60%*	*721.4*	*0.13*	*DCF to equity*
	SPV7 - Similar to SPV2, FY31F onwards (assume 60% sub)	*FY31F*	*FY76F*	*1,357.7*	*60%*	*814.6*	*0.14*	*DCF to equity*
	SPV8 - Similar to SPV2, FY36F onwards (assume 60% sub)	*FY36F*	*FY76F*	*1,316.5*	*60%*	*789.9*	*0.14*	*DCF to equity*
	SPV9 - Similar to SPV2, FY41F onwards (assume 60% sub)	*FY41F*	*FY76F*	*484.6*	*60%*	*290.8*	*0.05*	*DCF to equity*
	Total SOP valuation, including long-term Pengerang expansion (RM m) - end-CY22F					**15,656.1**	**2.77**	
	Number of ordinary shares (m)					5,642.3		

SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS

Figure 6: Cost of equity calculation

	Existing assets	New developments
Risk-free rate	4.4%	4.4%
Equity risk premium	6.0%	6.0%
Beta	0.70	1.00
Cost of equity (nominal)	**8.6%**	**10.4%**

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Potential re-rating catalysts include new customers at Dialog's Phase 3 of the Pengerang Deepwater Terminal (PP3), and the launch of new development phases at PP3 and Langsat 3, once global Covid-19-related lockdowns and travel restrictions ease.

Downside risks include the potential for Dialog's PITSB and Langsat tank terminals to experience reduced utilisation, due to the ongoing global oil destocking. Another downside risk is if Covid-19-related SOPs and logistical challenges continue to cause cost inflation that negatively impacts the economics of Dialog's downstream projects, such as for EPCC, fabrication and plant maintenance work.

Dialog's tank terminal projects

Figure 7: Dialog's tank terminals in Malaysia

Name of tank terminal	Location	Capacity (cbm) as at 31-Mar-22	Types of storage tanks	Owners	Shareholders	Notes
Non-industrial tank terminals						
Langsat Terminal One	Southeast coast of Johor	476,000	32 tanks for petroleum products	Dialog Terminals Langsat (1) Sdn Bhd	Dialog: 100%	Phase 1 commissioned Sep 2009 Phase 2 commissioned Apr 2010 Phase 3 commissioned Aug 2011 7 liquid berths with draft of 13-15m. Langsat Port failed to dredge to 16.5m, as agreed with the tank terminal owners
Langsat Terminal Two		171,000	10 tanks for petroleum products	Dialog Terminals Langsat (2) Sdn Bhd	Dialog: 100%	Commissioned Dec 2011
Langsat Terminal Three		120,000	Petroleum products	Dialog Terminals Langsat (3) Sdn Bhd	Dialog: 100%	Commissioned Jan 2020
		85,000	Petroleum products			Completed in late-4QCY21
Future Langsat terminals		To be built	Petroleum products	To be determined	Dialog: 100%	Another 200,000 cbm of tanks can be built on 17 acres of land available
Pengerang Independent Terminals Sdn Bhd (PITSB, or 'SPV1')	Southeast coast of Johor	1,350,000	57 tanks for crude oil and petroleum products	Pengerang Independent Terminals Sdn Bhd	Dialog: 46% Vopak: 44% Johor State: 10%	Commissioned from Apr 2014 to Mar 2015 One jetty with 5 berths of 24m draft
PITSB - Phase 1E	Southeast coast of Johor	430,000	24 tanks for clean petroleum products			Commissioned early-2020
PITSB - Phase 1D		To be built	Crude oil and petroleum products			570,000 cbm to be commissioned in the future, once the RAPID refinery is up and running
Pengerang Phase 3 ('PP3') - Jetty and Common Facilities	Southeast coast of Johor	N.A.	Various	Dialog Terminals Pengerang CTF Sdn Bhd	Dialog: 100%	300 acres for development, including the BP Singapore terminal in Phase 3A below This legal entity houses the common facilities for the whole PP3 development, including one jetty of 24m draft
Pengerang Phase 3A ('SPV5')		430,000	Petroleum products	Dialog Terminals Pengerang (5) Sdn Bhd	Dialog: 100%	Commissioned Mar 2021 10 years lease to BP Singapore, take-or-pay
Subtotal – non-industrial tank terminals		**3,062,000**				
Industrial tank terminals						
Kertih	Terengganu	400,000	41 tanks for the storage of petrochemical products	Kertih Terminals Sdn Bhd	Petronas Chemicals 40% Dialog 30% Vopak 30%	Leased to six companies linked to Petronas Chemicals Commissioned from 2000, contracted for 20 years take-or-pay to 2020, then extended 10 years to 2030
Pengerang Deepwater Terminal – Phase 2 (PT2SB, or 'SPV2')	Southeast coast of Johor	1,300,000	Crude oil, petroleum products, and petrochemicals	Pengerang Terminals (Two) Sdn Bhd	Petronas 40% Dialog 25% Vopak 25% Johor State 10%	Commissioned late-2018, 25 years lease to Petronas and Petronas Chemicals, take-or-pay One jetty with 12 berths of 24m draft Dedicated for the use of Petronas' RAPID refinery and Petronas Chemicals' petrochemical plants
Pengerang Deepwater Terminal – Phase 2; Pengerang LNG (PLNG2, or 'SPV3')	Southeast coast of Johor	400,000	2 tanks for the storage of LNG, 200,000 cbm each	Pengerang LNG (Two) Sdn Bhd	Petronas Gas 65% Dialog 25% Johor State 10%	Commissioned end-2017, 25 years lease to Petronas Gas, take-or-pay SPV3 hosts an LNG regasification plant with an initial send-out capacity of 3.5m mtpa, as well as two LNG storage tanks totalling 400,000 cbm
Pengerang Deepwater Terminal – Phase 2 (PLNG2 Phase 2, or 'SPV4')	Southeast coast of Johor	To be built	In the future, 2 additional tanks for the storage of LNG, 200,000 cbm each			Another 400,000 cbm of LNG storage tanks to be built in the future
Subtotal – industrial tank terminals		**2,100,000**				
Future developments						
Pengerang Deepwater Terminal (PDT)	Southeast coast of Johor	To be confirmed	Crude oil and petroleum products	Exact ownership structure is dependent on the anchor tenants, but Dialog is expected to have a majority stakes		500 acres left for development The entire PDT development is able to accommodate a total of five jetties; three constructed so far at PITSB, PT2SB, and PP3
Subtotal – future developments		**To be confirmed**				
Grand Total		**5,162,000**				

SOURCE: CIMB RESEARCH, COMPANY REPORTS, PLATTS

PITSB: Pengerang Independent Terminals Sdn Bhd (46% owned by Dialog), also known as 'SPV1'; first commissioned in CY14 with 1.35m cubic metres (cbm) of tank storage capacity, subsequently expanded to 1.78m cbm.

SPV1E: Phase 1E expansion of the PITSB (SPV1) terminal; 430,000 cbm of clean product tank storage capacity (part of PITSB's 1.78m cbm), fully commissioned in early-CY20.

SPV1D: Planned future Phase 1D expansion of the PITSB (SPV1) terminal, with potential of 570,000 cbm of crude tank storage capacity.

PT2SB: Pengerang Terminals (Two) Sdn Bhd (25% owned by Dialog), also known as 'SPV2'; 1.3m cbm, leased for 25 years (effective late-CY18) to Petronas' (unlisted) refinery and Petronas Chemicals' petrochemical plants in the Refinery and Petrochemical Integrated Development (RAPID) development in Pengerang, Johor.

PLNG2: Pengerang LNG (Two) Sdn Bhd (25% owned by Dialog), also known as 'SPV3', comprising an LNG regasification plant, 400,000 cbm of LNG storage capacity, leased to Petronas Gas for 25 years (effective from CY17).

SPV4: Planned future expansion of PLNG2 (SPV3), with the addition of 400,000 cbm of LNG storage capacity.

PP3: Pengerang Phase 3, with 300 acres currently under development at an initial cost of RM2.5bn (including RM1.6bn for SPV5). Legal entity: Dialog Terminals Pengerang CTF Sdn Bhd (100% owned by Dialog currently). [Note that there is a further 500 acres at the Pengerang terminals area that is available for development.]

PP3A: Pengerang Phase 3A, also known as 'SPV5', with 430,000 cbm of clean product tank storage capacity for BP Singapore; commissioned on 19 March 2021 at a cost of RM1.6bn. Legal entity: Dialog Terminals Pengerang (5) Sdn Bhd (100% owned by Dialog currently).

Kertih: 400,000 cbm of petrochemical tank storage capacity, commissioned in 2020, leased to various entities of the Petronas Chemicals group for 20 years from September 2000 to September 2020, with the lease extended by a further 10 years to September 2030. Legal entity: Kertih Terminals Sdn Bhd (30% owned by Dialog).

Langsat 1: 476,000 cbm of clean product tank storage capacity, commissioned in 2009. Legal entity: Dialog Terminals Langsat (1) Sdn Bhd (100% owned by Dialog).

Langsat 2: 171,000 cbm of clean product tank storage capacity, commissioned in 2011. Legal entity: Dialog Terminals Langsat (2) Sdn Bhd (100% owned by Dialog).

Langsat 3: 120,000 cbm of clean product tank storage capacity, fully commissioned in January 2020. A further 85,000 cbm was constructed at a cost of RM100m and was ready for operations at end-CY21. Another 17 acres of land is available for development which can accommodate another 200,000 cbm of additional tank capacity; this may be constructed in the future, raising Langsat 3's capacity to a grand total of 405,000 cbm. Legal entity: Dialog Terminals Langsat (3) Sdn Bhd (100% owned by Dialog).

Dialog's oil fields ➤

DBP: Dialog Bayan Petroleum Sdn Bhd (100% owned by Dialog), holder of the oil service contract (OSC) for the Bayan field, offshore Sarawak, which is effective until CY36. This company was originally named Halliburton Bayan Petroleum Sdn Bhd (HBP); Dialog raised its stake in HBP from 50% to 75% on 27 August 2019, to 95% on 13 December 2019, and finally to 100% on 29 June 2021. It was subsequently renamed as Dialog Bayan Petroleum Sdn Bhd.

DRSB: Dialog Resources Sdn Bhd (100% owned by Dialog), has a 20% interest in the production sharing contract (PSC) for the D35, D21, and J4 marginal fields, offshore Sarawak.

POES: Pan Orient Energy (Siam) Ltd (Dialog has proposed to acquire 50.01% equity interest), operates seven onshore oilfields in Thailand 100 km northeast of Bangkok, under Concession L53/48 that expires in 2035. It has 2P oil reserves of 4.6m barrels as at 31 December 2021.

ESG in a nutshell

Refinitiv ESG Scores

B	A+	B	B+	B	C
ESG Score	ESG Controversies Score	ESG Combined Score	ESG Environment Pillar Score	ESG Social Pillar Score	ESG Government Pillar Score

Dialog is perceived by investors as a well-managed, conservatively-run company that has shareholders' best interests at heart. Still, as an oil and gas services company, Dialog needs to strategise how to navigate the energy transition so as to remain relevant in a future world that may rely less heavily on fossil fuels. Dialog is currently involved in the upstream oilfield business, the midstream tank terminal storage business, and varied downstream businesses that include the fabrication of oil and gas structures and equipment, engineering and construction of oil and gas plants and structures, plant maintenance and catalyst handling, and the sale of specialist products and services to the oil and gas industry.

Keep your eye on

We believe that Dialog is actively engaged in evaluating various opportunities in the renewable energy (RE) space, including potentially solar or wind farm investments, in order to diversify its exposure away from the oil and gas industry. However, it has not yet found RE investments that meet its required IRR thresholds.

According to the International Energy Agency (IEA), oil demand in OECD nations will stagnate by 2023F and begin a slow decline, but non-OECD oil demand (particularly in the Asia-Pacific) will continue to increase in a robust manner up to the end of the IEA's 2026F forecast period.

Implications

The explosion of interest in RE investments among oil majors, national oil companies and other companies have caused electricity tariffs to decline, while RE project IRRs have dropped to mid-single-digit percentages in Europe. Other regions are also seeing IRR compression. We are unsure if Dialog will be able to find suitable RE investments in this environment.

We do not expect Dialog's upstream, midstream and downstream oil and gas businesses to be negatively affected by the energy transition in the 2030s and the 2040s, especially since Dialog's businesses are concentrated in the fast-growing Asia-Pacific region.

ESG highlights

Dialog's environmental ('E') disclosures are minimal and inadequate, in our view. For the first time in FY20, Dialog disclosed that its CO2 emissions in that financial year totalled 18,571 tonnes (Scope 1: 6,120 tonnes; Scope 2: 12,451 tonnes), its energy consumption in Malaysia was 43.3m kWh, and that its Malaysian operations consumed 84,795 cbm of water. There were no disclosures of comparative performances for previous financial years. The FY20 disclosures were not audited by third-party assurance providers.

Dialog recently disclosed that it has established a Net Zero 2050 target. It is still working to set up short-, medium- and long-term GHG emissions abatement measures, and hopes to release these plans in 2022F.

Implications

The 'E' disclosures do not cover some of Dialog's major tank terminal assets that are at the associate/JV level, including its 30%-owned Kertih terminal, 46%-owned PITSB, and 25%-owned PT2SB and PLNG2.

In Kertih's case, no single shareholder owns the majority stake, with Petronas Chemicals holding 40% and Vopak holding 30%. In PITSB's case, Dialog is in fact the single largest shareholder, with Vopak holding an effective 44% stake, and with the Johor State holding 10%. In PT2SB's case, no single shareholder owns the majority stake, with Petronas holding 40%, Vopak holding 25%, and the Johor State holding 10%. However, for PLNG2, Petronas Gas holds the majority stake at 65%, and the Johor State at 10%. We think that Dialog should at least include its proportional share of CO2 emissions data from Kertih, PITSB and PT2SB.

Trends

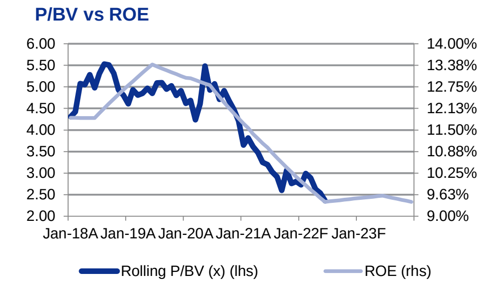
Dialog has a strong and well-known corporate social responsibility programme via the MyKasih Foundation that supports marginalised communities and schools. In FY20, Dialog contributed a total of RM8.2m towards its CSR activities, including RM3.3m towards Covid-19 community support initiatives; this is much higher than FY19's RM2.9m contribution.

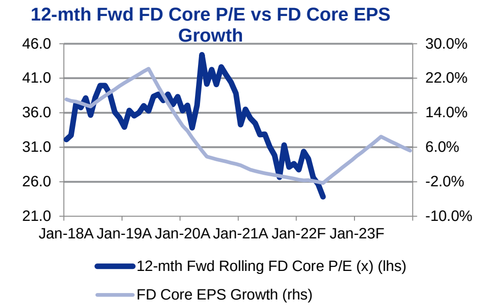
Implications

Since MyKasih Foundation's inception in 2009, Dialog has channelled RM280m of aid to more than 300,000 financially-challenged families and students nationwide. Part of the aid monies were donated by Dialog itself, but part of the monies were donated by third-party organisations and individuals through MyKasih's cashless payment system that ensures the funds are in the hands of the intended recipients and that donors know how their donations have been utilised.

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS, REFINITIV

BY THE NUMBERS





Profit & Loss

(RMm)	Jun-20A	Jun-21A	Jun-22F	Jun-23F	Jun-24F
Total Net Revenues	**2,303**	**1,610**	**2,096**	**2,191**	**2,217**
Gross Profit	**650**	**531**	**553**	**608**	**621**
Operating EBITDA	**650**	**531**	**553**	**608**	**621**
Depreciation And Amortisation	-289	-227	-273	-289	-304
Operating EBIT	**361**	**304**	**280**	**319**	**317**
Financial Income/(Expense)	21	40	25	11	19
Pretax Income/(Loss) from Assoc.	242	227	266	289	298
Non-Operating Income/(Expense)	0	0	0	0	0
Profit Before Tax (pre-EI)	**624**	**572**	**572**	**618**	**633**
Exceptional Items	27	23	0	0	0
Pre-tax Profit	**651**	**595**	**572**	**618**	**633**
Taxation	-99	-52	-49	-54	-55
Exceptional Income - post-tax					
Profit After Tax	**552**	**543**	**523**	**565**	**579**
Minority Interests	-18	0	-7	-7	-7
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Net Profit	**534**	**543**	**516**	**558**	**572**
Recurring Net Profit	507	507	496	538	551
Fully Diluted Recurring Net Profit	**507**	**507**	**496**	**538**	**551**

Cash Flow

(RMm)	Jun-20A	Jun-21A	Jun-22F	Jun-23F	Jun-24F
EBITDA	650.5	530.7	553.1	607.6	621.2
Cash Flow from Invt. & Assoc.					
Change In Working Capital	160.9	(94.5)	146.9	4.6	10.7
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense	21.1	41.0	15.9	24.1	22.8
Other Operating Cashflow	69.3	85.1	54.7	47.0	54.7
Net Interest (Paid)/Received	(1.5)	2.7	(9.6)	(24.3)	(16.3)
Tax Paid	(107.6)	(60.0)	(49.2)	(53.7)	(54.8)
Cashflow From Operations	**792.7**	**505.0**	**711.6**	**605.3**	**638.2**
Capex	(859.4)	(1,059.6)	(245.0)	(245.0)	(135.0)
Disposals Of FAs/subsidiaries	453.7	10.1	0.0	0.0	46.0
Acq. Of Subsidiaries/investments	(29.4)	(30.8)	(46.0)	(69.0)	0.0
Other Investing Cashflow	(6.9)	475.6	(1,125.0)	(1,125.0)	(1,125.0)
Cash Flow From Investing	**(442.0)**	**(604.7)**	**(1,416.0)**	**(1,439.0)**	**(1,214.0)**
Debt Raised/(repaid)	213.4	28.7	2,149.7	1,041.3	797.9
Proceeds From Issue Of Shares	0.0	510.4	0.0	0.0	0.0
Shares Repurchased					
Dividends Paid	(216.8)	(190.6)	(180.6)	(217.9)	(223.3)
Preferred Dividends					
Other Financing Cashflow			(32.1)	(43.4)	(43.4)
Cash Flow From Financing	**(3.4)**	**348.4**	**1,937.1**	**780.0**	**531.1**
Total Cash Generated	347.3	248.7	1,232.7	(53.7)	(44.6)
Free Cashflow To Equity	**564.2**	**(71.1)**	**1,445.3**	**207.6**	**222.1**
Free Cashflow To Firm	**404.6**	**(73.9)**	**(672.8)**	**(780.8)**	**(531.0)**

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

BY THE NUMBERS… cont'd

Balance Sheet

(RMm)	Jun-20A	Jun-21A	Jun-22F	Jun-23F	Jun-24F
Total Cash And Equivalents	1,240	1,462	2,718	2,708	2,707
Total Debtors	1,164	653	808	829	826
Inventories	85	44	95	97	98
Total Other Current Assets	0	0	0	0	0
Total Current Assets	**2,489**	**2,159**	**3,621**	**3,634**	**3,630**
Fixed Assets	2,563	3,372	4,481	5,607	6,617
Total Investments	1,290	1,562	1,839	2,161	2,370
Intangible Assets	777	835	801	757	702
Total Other Non-Current Assets	67	50	50	50	50
Total Non-current Assets	**4,697**	**5,819**	**7,170**	**8,573**	**9,738**
Short-term Debt	458	298	304	326	224
Current Portion of Long-Term Debt					
Total Creditors	936	754	1,075	1,103	1,112
Other Current Liabilities	80	64	64	64	64
Total Current Liabilities	**1,474**	**1,115**	**1,443**	**1,493**	**1,399**
Total Long-term Debt	1,453	1,638	3,782	4,801	5,701
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	18	25	25	25	25
Total Non-current Liabilities	**1,472**	**1,663**	**3,807**	**4,826**	**5,726**
Total Provisions	0	0	0	0	0
Total Liabilities	**2,946**	**2,778**	**5,250**	**6,319**	**7,125**
Shareholders' Equity	4,132	5,097	5,433	5,773	6,122
Minority Interests	112	102	109	115	122
Total Equity	**4,244**	**5,199**	**5,541**	**5,888**	**6,244**

Key Ratios

	Jun-20A	Jun-21A	Jun-22F	Jun-23F	Jun-24F
Revenue Growth	(3.5%)	(30.1%)	30.2%	4.5%	1.2%
Operating EBITDA Growth	11.5%	(18.4%)	4.2%	9.9%	2.2%
Operating EBITDA Margin	28.2%	33.0%	26.4%	27.7%	28.0%
Net Cash Per Share (RM)	-0.12	-0.09	-0.25	-0.43	-0.57
BVPS (RM)	0.73	0.90	0.96	1.02	1.08
Gross Interest Cover	6.64	11.53	8.88	6.04	7.08
Effective Tax Rate	15.2%	8.7%	8.6%	8.7%	8.6%
Net Dividend Payout Ratio	34.5%	41.8%	40.0%	40.0%	40.0%
Accounts Receivables Days	187.8	200.4	106.9	102.8	103.4
Inventory Days	19.96	21.71	16.36	22.10	22.37
Accounts Payables Days	219.3	283.8	214.8	249.6	252.5
ROIC (%)	10.7%	6.4%	5.2%	4.8%	3.9%
ROCE (%)	7.04%	4.99%	3.60%	3.36%	2.97%
Return On Average Assets	7.33%	6.45%	5.37%	4.84%	4.41%

Key Drivers

	Jun-20A	Jun-21A	Jun-22F	Jun-23F	Jun-24F
Kertih storage capacity (000 cbm)	400.0	400.0	400.0	400.0	400.0
Langsat storage capacity (000 cbm)	767.0	767.0	852.0	952.0	952.0
Pengerang Phase 1 storage capacity (000 cbm)	1,515.0	1,730.0	1,730.0	1,730.0	1,730.0
Pengerang Phase 2 storage capacity (000 cbm)	1,105.0	1,202.5	1,267.5	1,300.0	1,300.0
Pengerang Phase 3 storage capacity (000 cbm)	-	-	430.0	430.0	430.0

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

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Malaysia	CGS-CIMB Securities Sdn. Bhd.	Securities Commission Malaysia
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Description:	Excellent	Very Good	Good	N/A	N/A

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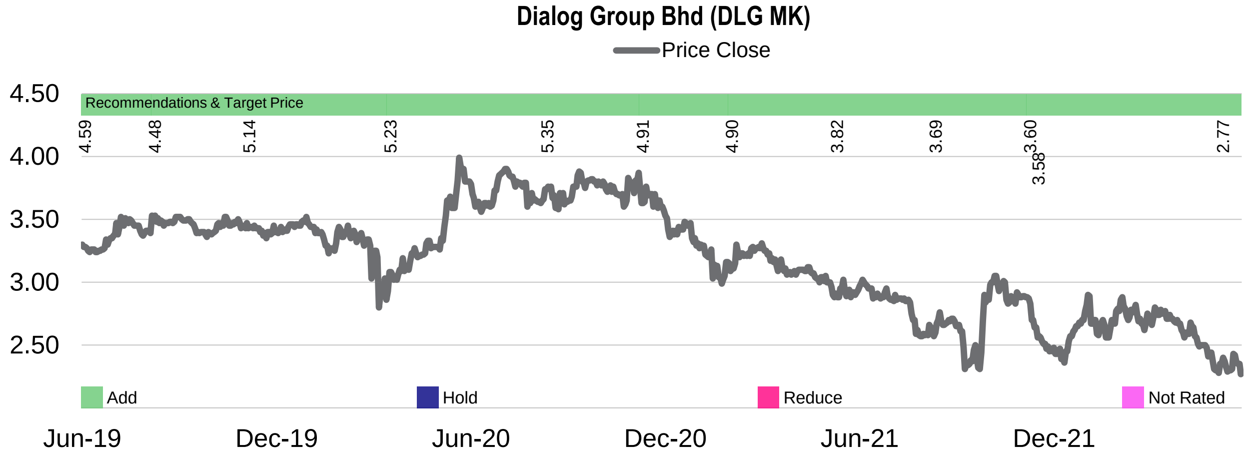
Distribution of stock ratings and investment banking clients for quarter ended on 31 March 2022 632 companies under coverage for quarter ended on 31 March 2022		
	Rating Distribution (%)	Investment Banking clients (%)
Add	70.3%	0.8%
Hold	22.0%	0.0%
Reduce	7.8%	0.2%

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)

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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.

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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.