

## Singapore

June 1, 2022 - 7:54 PM

### ADD (no change)

Consensus ratings\*: Buy 16 Hold 2 Sell 0

|                         |             |
|-------------------------|-------------|
| Current price:          | S\$2.60     |
| Target price:           | S\$3.20     |
| Previous target:        | S\$3.20     |
| Up/downside:            | 23.1%       |
| CGS-CIMB / Consensus:   | 1.2%        |
| Reuters:                | STEL.SI     |
| Bloomberg:              | ST SP       |
| Market cap:             | US\$31,313m |
|                         | S\$42,911m  |
| Average daily turnover: | US\$59.62m  |
|                         | S\$81.75m   |
| Current shares o/s      | 15,934m     |
| Free float:             | 49.7%       |

\*Source: Bloomberg

### Key financial forecasts

|                  | Mar-23F | Mar-24F | Mar-25F |
|------------------|---------|---------|---------|
| Net Profit (\$m) | 2,498   | 3,036   | 3,485   |
| Core EPS (\$)    | 0.15    | 0.18    | 0.21    |
| Core EPS Growth  | 29.9%   | 21.5%   | 14.8%   |
| FD Core P/E (x)  | 17.18   | 14.14   | 12.32   |
| Recurring ROE    | 9.1%    | 10.7%   | 11.8%   |
| P/BV (x)         | 1.53    | 1.48    | 1.43    |
| DPS (\$)         | 0.11    | 0.14    | 0.16    |
| Dividend Yield   | 4.36%   | 5.30%   | 6.09%   |



Source: Bloomberg

| Price performance | 1M   | 3M  | 12M |
|-------------------|------|-----|-----|
| Absolute (%)      | -6.1 | 2   | 7   |
| Relative (%)      | -2.7 | 3.1 | 5.2 |

| Major shareholders | % held |
|--------------------|--------|
| Temasek Hldgs      | 50.3   |

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# SingTel

## Beefs up war chest via Comcentre sale

- Singtel will transfer Comcentre to PropCo (51:49 JV with Landlease) & rake in net proceeds of S\$1.2bn-1.3bn. It will commit S\$420m-570m to develop it.
- Proceeds will be reinvested to drive growth & sustain a 60-80% payout ratio. Reiterate Add and TP of S\$3.20 for Singtel, our top Singapore telco pick.

### To reap net proceeds of S\$1.2bn-1.3bn from Comcentre divestment

- Following Singtel's announcement on 23 Feb of the divestment and redevelopment of Comcentre (its headquarters along the Orchard Road belt), it today announced the selection of global real estate group Landlease as appointed developer. As part of the deal, Singtel will transfer Comcentre to PropCo in which Landlease will subscribe for a 49% stake (the balance 51% to be owned by Singtel) in 2024.
- Singtel will pay S\$300m-400m for the differential and lease top up premium payable on the land for the redevelopment prior to the subscription, while PropCo will pay the land cost of S\$1.63bn to Singtel on completion of the subscription. Net proceeds to Singtel in 2024 will be S\$1.2bn-1.3bn.
- Total redevelopment cost is c.S\$2.7bn (including land) and will be funded by external financing as well as equity commitments from Singtel (S\$420m-570m expected) and Landlease over CY24-28F. Gross development value upon completion is estimated to be S\$3bn.

### Part of asset recycling to drive future growth and sustain dividends

- This forms part of Singtel's asset recycling initiatives. Besides illuminating the market value of the asset, the net proceeds from the divestment will be reinvested into the core business (e.g. 5G rollouts, spectrum payments) and used to drive expansion into higher-growth/new businesses (e.g. NCS, regional data centre, and digital banking).
- This will also help preserve cash generated from the core business to sustain its 60-80% dividend payout policy, which our analysis of the projected outflows and inflows in FY3/23-25F (see Fig 1) suggests Singtel can comfortably meet.
- Upon completion of the redevelopment, Singtel is expected to be the anchor tenant, occupying c.30% of the total space, while the leasing of the remaining space to external tenants will deliver long-term recurring revenue for Singtel. Alternatively, we think it is also possible that Singtel could monetise its 51% stake in PropCo.

### Reiterate Add and SOP-based TP of S\$3.20

- We keep our forecasts, Add rating and TP unchanged for Singtel. Key potential re-rating catalysts: FY23-24F core EPS recovery, further asset monetisation and expansion into higher-growth business areas. Its current share price implies an FY23F EV/EBITDA of just 3.3x for SG and Optus, while dividend yields are attractive at 4.4-6.1% p.a. Key downside risk: price wars.

**Figure 1: Asset recycling at Singtel to drive future growth & sustain dividends**

| Outflow                            | (\$ m)        | Inflow                      | (\$ m)        | Inflow (incl. potential asset sales) | (\$ m)        |
|------------------------------------|---------------|-----------------------------|---------------|--------------------------------------|---------------|
|                                    | FY23-25F      |                             | FY23-25F      |                                      | FY23-25F      |
| Capex (ex-spectrum)                | 7,208         | CFO (incl asso dvds)        | 13,931        | Amobee NBV                           | 217           |
| Spectrum                           | 1,826         | Comcentre divestment        | 1,200         | Trustwave NBV                        | 695           |
| Interest payments                  | 1,430         | Optus Insurance sale        | 198           | Airtel Africa 3.9% stake             | 366           |
| Dividends (75% payout)             | 6,066         |                             |               | TSEL +6k tower sales                 | 249           |
| Bharti rights issue - direct stake | 404           |                             |               | Optus satellites                     | 1500          |
| Bharti rights issue - indirect     | 511           |                             |               | NLT 25% stake                        | 935           |
| Regional DC investment             | 500           |                             |               | SPOST 21.7% stake                    | 336           |
| Digibank equity injection (SG,     | 944           |                             |               |                                      |               |
| NCS: Acquisition of Dialog & ARQ   | 622           |                             |               |                                      |               |
| Initial PropCo equity investment   | 124           |                             |               |                                      |               |
| <b>Total</b>                       | <b>19,635</b> | <b>Total</b>                | <b>15,329</b> | <b>Total</b>                         | <b>19,626</b> |
|                                    |               | Surplus/(Shortfall)         | -4,306        |                                      | -9            |
|                                    |               | Net debt (end-FY22)         | 9,999         |                                      | 9,999         |
|                                    |               | <b>Net debt (end-FY25F)</b> | <b>14,305</b> |                                      | <b>10,008</b> |
|                                    |               | FY25F EBITDA                | 8,472         |                                      | 8,472         |
|                                    |               | <b>Net debt/EBITDA (x)</b>  | <b>1.7</b>    |                                      | <b>1.2</b>    |

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 2: ASEAN telco sector comparison

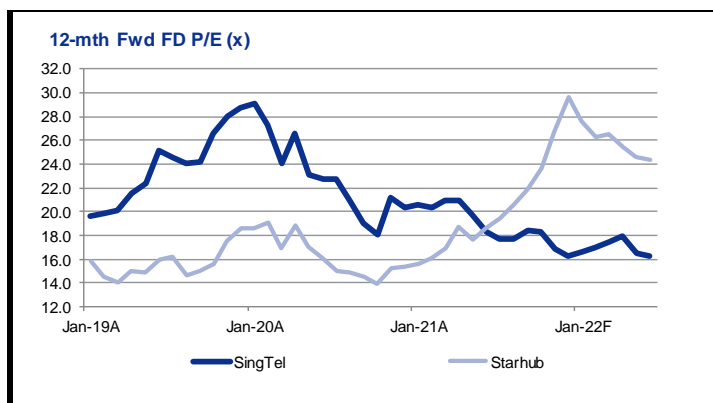
| Company                                   | Bloomberg Ticker | Recom. | Current share price (local curr.) | Target price (local curr.) | Market cap (US\$ m) | Core P/E (x) |             | EV/EBITDA (x) |             | EV/OpFCF (x) |             | 3-year CAGR (%) |             | Dvd Yield (%) |            |
|---|------------------|--------|-----------------------------------|----------------------------|---------------------|--------------|-------------|---------------|-------------|--------------|-------------|-----------------|-------------|---------------|------------|
|   |                  |        |                                   |                            |                     | 2022F        | 2023F       | 2022F         | 2023F       | 2022F        | 2023F       | EPS             | EBITDA      | 2022F         | 2023F      |
| Maxis                                     | MAXIS MK         | HOLD   | 3.73                              | 3.90                       | 6,661               | 23.2         | 19.5        | 9.4           | 8.9         | 13.7         | 12.6        | 7.9             | 4.0         | 5.4           | 5.4        |
| TM  | T MK             | ADD    | 5.33                              | 6.75                       | 4,589               | 17.0         | 12.3        | 5.3           | 5.1         | 8.8          | 8.4         | 12.1            | 2.8         | 3.5           | 4.9        |
| <b>MY telcos average (ex-outliers)</b>    |                  |        |                                   |                            |                     | <b>21.4</b>  | <b>18.4</b> | <b>7.4</b>    | <b>7.0</b>  | <b>11.7</b>  | <b>10.9</b> | <b>10.3</b>     | <b>3.5</b>  | <b>4.3</b>    | <b>4.9</b> |
| SingTel                                   | ST SP            | ADD    | 2.60                              | 3.20                       | 31,313              | 17.2         | 14.1        | 7.8           | 13.5        | 18.6         | 17.5        | 21.9            | 3.9         | 4.4           | 5.3        |
| Starhub                                   | STH SP           | HOLD   | 1.25                              | 1.40                       | 1,579               | 27.2         | 22.0        | 7.8           | 6.6         | 20.7         | 12.0        | (9.9)           | 1.6         | 4.0           | 4.0        |
| <b>SG telcos average (ex-outliers)</b>    |                  |        |                                   |                            |                     | <b>22.2</b>  | <b>18.1</b> | <b>7.8</b>    | <b>10.1</b> | <b>19.7</b>  | <b>14.8</b> | <b>6.0</b>      | <b>2.7</b>  | <b>4.2</b>    | <b>4.7</b> |
| TLKM                                      | TLKM IJ          | ADD    | 4,310                             | 5,000                      | 29,377              | 15.4         | 14.4        | 7.0           | 6.7         | 11.8         | 10.9        | 10.6            | 4.6         | 4.6           | 5.2        |
| XL Axiata                                 | EXCL IJ          | ADD    | 2,640                             | 3,650                      | 1,948               | 19.0         | 13.8        | 4.4           | 4.0         | 10.8         | 9.0         | 36.5            | 7.3         | 3.2           | 5.1        |
| Indosat                                   | ISAT IJ          | HOLD   | 5,325                             | 7,100                      | 2,954               | 84.0         | 26.9        | 4.8           | 4.4         | nm           | 71.2        | 44.1            | 19.9        | 0.6           | 1.9        |
| Link Net                                  | LINK IJ          | ADD    | 4,630                             | 5,200                      | 912                 | 13.9         | 12.7        | 5.2           | 4.6         | 14.3         | 13.7        | 5.8             | 8.6         | 2.2           | 3.9        |
| <b>Indo telcos average (ex-outliers)</b>  |                  |        |                                   |                            |                     | <b>16.1</b>  | <b>16.9</b> | <b>5.4</b>    | <b>4.9</b>  | <b>12.3</b>  | <b>11.2</b> | <b>24.2</b>     | <b>10.1</b> | <b>2.6</b>    | <b>4.0</b> |
| AIS                                       | ADVANC TB        | ADD    | 220.00                            | 254.00                     | 19,077              | 24.1         | 23.6        | 7.6           | 7.2         | 11.1         | 10.3        | 3.8             | 3.5         | 3.7           | 3.8        |
| DTAC                                      | DTAC TB          | ADD    | 44.25                             | 53.60                      | 3,055               | 37.1         | 53.4        | 5.5           | 5.6         | 11.2         | 12.1        | (24.2)          | 2.0         | 3.3           | 3.0        |
| True                                      | TRUE TB          | HOLD   | 4.56                              | 5.24                       | 4,437               | nm           | nm          | 6.7           | 6.8         | 12.9         | 11.6        | 28.1            | 3.1         | 1.5           | 1.5        |
| Jasmine                                   | JASIF TB         | REDUCE | 10.90                             | 10.00                      | 2,543               | 9.8          | 9.6         | 10.0          | 9.6         | 10.0         | 9.6         | 1.9             | 1.3         | 8.5           | 8.7        |
| DIF                                       | DIF TB           | ADD    | 13.70                             | 17.20                      | 4,247               | 11.7         | 11.6        | 11.9          | 11.6        | 11.9         | 11.6        | 0.2             | 0.2         | 7.6           | 7.7        |
| Intouch                                   | INTUCH TB        | HOLD   | 72.00                             | 73.00                      | 6,732               | 21.3         | 21.1        | 21.5          | 21.3        | 21.5         | 21.3        | 2.0             | 1.9         | 4.2           | 4.2        |
| <b>Thai telcos average (ex-outliers)</b>  |                  |        |                                   |                            |                     | <b>20.8</b>  | <b>23.9</b> | <b>10.5</b>   | <b>10.4</b> | <b>13.1</b>  | <b>12.8</b> | <b>1.9</b>      | <b>2.0</b>  | <b>4.8</b>    | <b>4.8</b> |
| <b>ASEAN Telcos average (ex-outliers)</b> |                  |        |                                   |                            |                     | <b>20.2</b>  | <b>19.3</b> | <b>8.1</b>    | <b>8.1</b>  | <b>13.4</b>  | <b>15.9</b> | <b>7.8</b>      | <b>4.5</b>  | <b>4.1</b>    | <b>4.6</b> |

Note: Share prices as of 1 Jun 2022. Operating FCF is calculated as EBITDA minus average 3-year forward capex  
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS, BLOOMBERG

## BY THE NUMBERS

| Profit & Loss                             |               |               |               |               |
|---|---------------|---------------|---------------|---------------|
| (\$m)                                     | Mar-22A       | Mar-23F       | Mar-24F       | Mar-25F       |
| <b>Total Net Revenues</b>                 | <b>15,339</b> | <b>15,463</b> | <b>15,949</b> | <b>16,378</b> |
| <b>Gross Profit</b>                       | <b>3,768</b>  | <b>3,834</b>  | <b>4,083</b>  | <b>4,229</b>  |
| <b>Operating EBITDA</b>                   | <b>3,768</b>  | <b>3,834</b>  | <b>4,083</b>  | <b>4,229</b>  |
| Depreciation And Amortisation             | -2,723        | -2,751        | -2,836        | -2,882        |
| <b>Operating EBIT</b>                     | <b>1,045</b>  | <b>1,083</b>  | <b>1,247</b>  | <b>1,347</b>  |
| Financial Income/(Expense)                | -313          | -360          | -395          | -426          |
| Pretax Income/(Loss) from Assoc.          | 2,136         | 2,963         | 3,561         | 4,243         |
| Non-Operating Income/(Expense)            | 0             | 0             | 0             | 0             |
| <b>Profit Before Tax (pre-EI)</b>         | <b>2,868</b>  | <b>3,686</b>  | <b>4,413</b>  | <b>5,164</b>  |
| Exceptional Items                         | 25            | 0             | 0             | 0             |
| <b>Pre-tax Profit</b>                     | <b>2,893</b>  | <b>3,686</b>  | <b>4,413</b>  | <b>5,164</b>  |
| Taxation                                  | -934          | -1,177        | -1,367        | -1,668        |
| Exceptional Income - post-tax             |               |               |               |               |
| <b>Profit After Tax</b>                   | <b>1,959</b>  | <b>2,509</b>  | <b>3,046</b>  | <b>3,495</b>  |
| Minority Interests                        | -11           | -11           | -11           | -11           |
| Preferred Dividends                       |               |               |               |               |
| FX Gain/(Loss) - post tax                 |               |               |               |               |
| Other Adjustments - post-tax              |               |               |               |               |
| <b>Net Profit</b>                         | <b>1,949</b>  | <b>2,498</b>  | <b>3,036</b>  | <b>3,485</b>  |
| Recurring Net Profit                      | 1,924         | 2,498         | 3,036         | 3,485         |
| <b>Fully Diluted Recurring Net Profit</b> | <b>1,924</b>  | <b>2,498</b>  | <b>3,036</b>  | <b>3,485</b>  |

| Cash Flow                        |               |               |               |               |
|----------------------------------|---------------|---------------|---------------|---------------|
| (\$m)                            | Mar-22A       | Mar-23F       | Mar-24F       | Mar-25F       |
| <b>EBITDA</b>                    | <b>3,768</b>  | <b>3,834</b>  | <b>4,083</b>  | <b>4,229</b>  |
| Cash Flow from Inv. & Assoc.     | 1,622         | 1,420         | 1,332         | 1,425         |
| Change In Working Capital        | 270           | 0             | 0             | 0             |
| (Incr)/Decr in Total Provisions  |               |               |               |               |
| Other Non-Cash (Income)/Expense  |               |               |               |               |
| Other Operating Cashflow         | -0            | -0            | -0            | -0            |
| Net Interest (Paid)/Received     | -413          | -430          | -465          | -496          |
| Tax Paid                         | -352          | -280          | -298          | -324          |
| <b>Cashflow From Operations</b>  | <b>4,896</b>  | <b>4,543</b>  | <b>4,652</b>  | <b>4,834</b>  |
| Capex                            | -2,217        | -2,566        | -2,370        | -2,272        |
| Disposals Of FAs/subsidiaries    | 22            | 0             | 0             | 0             |
| Acq. Of Subsidiaries/Investments | -267          | -200          | -204          | 0             |
| Other Investing Cashflow         | 1,816         | -376          | -1,450        | 0             |
| <b>Cash Flow From Investing</b>  | <b>-646</b>   | <b>-3,142</b> | <b>-4,024</b> | <b>-2,272</b> |
| Debt Raised/(repaid)             | -1,713        | 600           | 2,000         | 400           |
| Proceeds From Issue Of Shares    | 0             | 0             | 0             | 0             |
| Shares Repurchased               |               |               |               |               |
| Dividends Paid                   | -1,139        | -1,618        | -2,039        | -2,409        |
| Preferred Dividends              |               |               |               |               |
| Other Financing Cashflow         |               |               |               |               |
| <b>Cash Flow From Financing</b>  | <b>-2,852</b> | <b>-1,018</b> | <b>-39</b>    | <b>-2,009</b> |
| Total Cash Generated             | 1,397         | 383           | 588           | 553           |
| <b>Free Cashflow To Equity</b>   | <b>2,537</b>  | <b>2,001</b>  | <b>2,627</b>  | <b>2,962</b>  |
| <b>Free Cashflow To Firm</b>     | <b>4,664</b>  | <b>1,841</b>  | <b>1,105</b>  | <b>3,075</b>  |



| Balance Sheet                              |               |               |               |               |
|--|---------------|---------------|---------------|---------------|
| (\$m)                                      | Mar-22A       | Mar-23F       | Mar-24F       | Mar-25F       |
| <b>Total Cash And Equivalents</b>          | <b>2,130</b>  | <b>2,036</b>  | <b>2,128</b>  | <b>2,131</b>  |
| <b>Total Debtors</b>                       | <b>5,245</b>  | <b>5,530</b>  | <b>5,584</b>  | <b>5,829</b>  |
| Inventories                                | 719           | 276           | 740           | 300           |
| <b>Total Other Current Assets</b>          | <b>36</b>     | <b>36</b>     | <b>36</b>     | <b>36</b>     |
| <b>Total Current Assets</b>                | <b>8,130</b>  | <b>7,878</b>  | <b>8,487</b>  | <b>8,296</b>  |
| <b>Fixed Assets</b>                        | <b>10,892</b> | <b>11,308</b> | <b>11,442</b> | <b>11,432</b> |
| <b>Total Investments</b>                   | <b>13,847</b> | <b>14,694</b> | <b>16,058</b> | <b>17,530</b> |
| <b>Intangible Assets</b>                   | <b>11,977</b> | <b>11,977</b> | <b>11,977</b> | <b>11,977</b> |
| <b>Total Other Non-Current Assets</b>      | <b>4,284</b>  | <b>4,348</b>  | <b>4,413</b>  | <b>4,481</b>  |
| <b>Total Non-current Assets</b>            | <b>41,001</b> | <b>42,326</b> | <b>43,890</b> | <b>45,420</b> |
| <b>Short-term Debt</b>                     | <b>1,072</b>  | <b>1,072</b>  | <b>1,072</b>  | <b>1,072</b>  |
| <b>Current Portion of Long-Term Debt</b>   | <b>6,402</b>  | <b>6,486</b>  | <b>5,532</b>  | <b>5,651</b>  |
| <b>Total Creditors</b>                     | <b>1,582</b>  | <b>1,582</b>  | <b>1,582</b>  | <b>1,582</b>  |
| <b>Other Current Liabilities</b>           | <b>9,055</b>  | <b>9,139</b>  | <b>8,186</b>  | <b>8,304</b>  |
| <b>Total Current Liabilities</b>           | <b>7,204</b>  | <b>7,804</b>  | <b>9,804</b>  | <b>10,204</b> |
| <b>Hybrid Debt - Debt Component</b>        | <b>4,264</b>  | <b>3,789</b>  | <b>3,919</b>  | <b>3,664</b>  |
| <b>Total Other Non-Current Liabilities</b> | <b>11,468</b> | <b>11,593</b> | <b>13,723</b> | <b>13,868</b> |
| <b>Total Provisions</b>                    | <b>499</b>    | <b>499</b>    | <b>499</b>    | <b>499</b>    |
| <b>Total Liabilities</b>                   | <b>21,022</b> | <b>21,231</b> | <b>22,408</b> | <b>22,671</b> |
| Shareholders' Equity                       | 27,112        | 27,992        | 28,988        | 30,064        |
| Minority Interests                         | 998           | 981           | 981           | 981           |
| <b>Total Equity</b>                        | <b>28,109</b> | <b>28,973</b> | <b>29,969</b> | <b>31,045</b> |

| Key Ratios                |         |         |         |         |
|---------------------------|---------|---------|---------|---------|
|                           | Mar-22A | Mar-23F | Mar-24F | Mar-25F |
| Revenue Growth            | (1.95%) | 0.81%   | 3.14%   | 2.69%   |
| Operating EBITDA Growth   | (1.7%)  | 1.8%    | 6.5%    | 3.6%    |
| Operating EBITDA Margin   | 24.6%   | 24.8%   | 25.6%   | 25.8%   |
| Net Cash Per Share (S\$)  | -0.37   | -0.41   | -0.53   | -0.55   |
| BVPS (S\$)                | 1.64    | 1.70    | 1.76    | 1.82    |
| Gross Interest Cover      | 2.59    | 2.64    | 2.78    | 2.79    |
| Effective Tax Rate        | 32.3%   | 31.9%   | 31.0%   | 32.3%   |
| Net Dividend Payout Ratio | 80.9%   | 75.0%   | 75.0%   | 75.0%   |
| Accounts Receivables Days | 127.2   | 127.2   | 127.5   | 127.2   |
| Inventory Days            | 15.63   | 15.63   | 15.67   | 15.62   |
| Accounts Payables Days    | 208.0   | 202.2   | 185.3   | 168.0   |
| ROIC (%)                  | 2.31%   | 2.64%   | 3.19%   | 3.22%   |
| ROCE (%)                  | 2.81%   | 2.90%   | 3.16%   | 3.24%   |
| Return On Average Assets  | 4.35%   | 5.50%   | 6.44%   | 7.11%   |

| Key Drivers                                 |         |         |         |         |
|---|---------|---------|---------|---------|
|   | Mar-22A | Mar-23F | Mar-24F | Mar-25F |
| Singapore total mobile subs ('000)          | 4,129.0 | 4,221.0 | 4,347.0 | 4,397.0 |
| Optus total mobile subs ('000)              | N/A     | N/A     | N/A     | N/A     |
| Singapore blended mobile ARPU (S\$/mth/sub) | 24.0    | 24.8    | 26.8    | 27.1    |
| Optus blended mobile ARPU (A\$/mth/sub)     | 31.0    | 31.7    | 32.0    | 32.0    |

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

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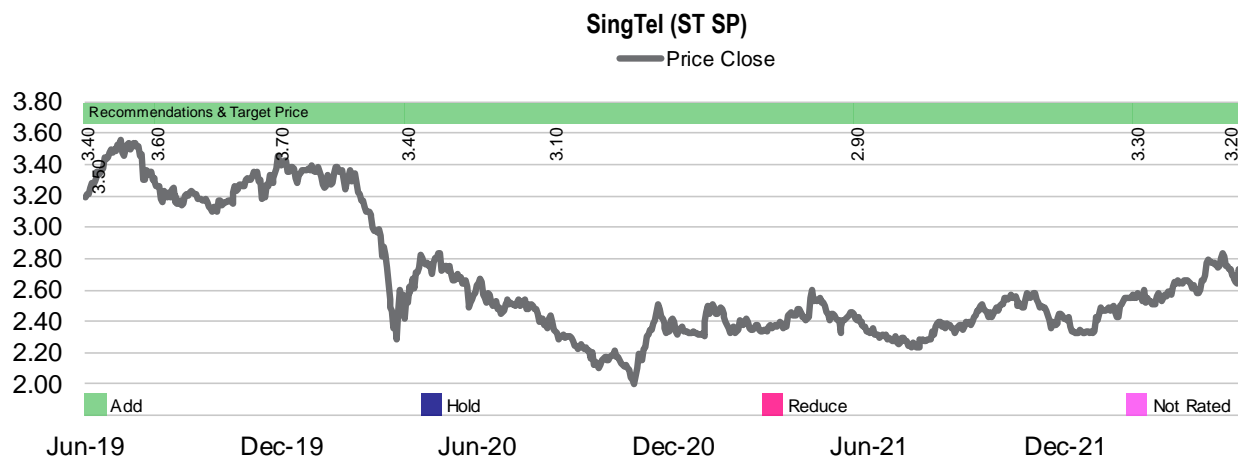
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| Distribution of stock ratings and investment banking clients for quarter ended on 31 March 2022 |                         |                                |
|---|-------------------------|--------------------------------|
| 632 companies under coverage 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. |

