



The Erawan Group

(ERW.BK/ERW.TB)

Outperform · Maintained

Price as of 7 Oct 2021	3.18
12M target price (Bt/shr)	3.80
Unchanged/Revised up(down)(%)	Unchanged
Upside/downside (%)	19.5

Key messages

เราคาดว่า ERW จะขาดทุนปกติ 600 ล้านบาทใน 3Q64F (-17% YoY, -7% QoQ) ผลการดำเนินงานของโรงแรมทั่วประเทศไทยถูกกระทบอย่างหนัก ทำให้ RevPar รวมลดลงอีก 16% QoQ สำหรับในระยะต่อไป เราเชื่อว่าผลการดำเนินงานจะถึงจุดต่ำสุดใน 3Q64F ในขณะที่การเร่งกระจายวัคซีนภายในประเทศจะช่วยหนุนการฟื้นตัวตั้งแต่ 4Q64F เป็นต้นไป เราจึงคงคำแนะนำซื้อ และประเมินราคาเป้าหมายที่ 3.80 บาท

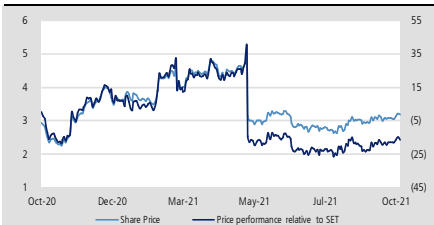
Trading data

Mkt cap (Btmn/US\$m)	14.4/360		
Outstanding shares (mn)	4,532		
Foreign ownership (mn)	371		
3M avg. daily trading (mn)	14		
52-week trading range (Bt)	2.30 – 5.20		
Performance (%)	3M	6M	12M
Absolute	15.2	-28.4	3.2
Relative	9.4	-31.4	-19.5

Quarterly EPS

EPS	Q1	Q2	Q3	Q4
2019	0.09	0.00	0.02	0.07
2020	(0.04)	(0.25)	(0.20)	(0.19)
2021	(0.20)	(0.27)		

Share price chart



Source: SET

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ประมาณการ 3Q64F: ผลประกอบการจะแยกลง QoQ

Event

ประมาณการ 3Q64F

Impact

คาดว่าขาดทุนปกติ 600 ล้านบาทใน 3Q64F

เราคาดว่า ERW จะขาดทุนปกติที่ 600 ล้านบาทใน 3Q64F (-17% YoY, -7% QoQ) โดยปัจจัยสำคัญที่กดดันผลประกอบการในไตรมาสก็คือยอดผู้ติดเชื้อใหม่รายวันที่ยังคงเร่งตัวขึ้นอย่างต่อเนื่องมาตั้งแต่กลางเดือนเมษายน 2564 (Figure 6) ส่งผลให้ i) RevPar รวมลดลง 18% QoQ เหลือ 149 บาท และ ii) EBIT margin ตีลบเพิ่มขึ้นเป็น -232% (จาก -180% ใน 2Q64) เนื่องจากธุรกิจถูกกระทบหนักขึ้น

RevPar รวมลดลง 18% QoQ

เราคาดว่า RevPar รวมใน 3Q64F จะอยู่ที่ 149 บาท (-49% YoY, -18% QoQ) เนื่องจาก i) occupancy rate ลดลงเหลือ 18% (จาก 20% ใน 2Q64) และ ii) ARR รวมลดลง 4% QoQ เหลือ 924 บาท ทั้งนี้ RevPar ของโรงแรมทุกประเภทลดลง QoQ ท่ามกลางยอดผู้ติดเชื้อที่เร่งตัวขึ้น ในขณะที่เดียวกัน Hop Inn ยังคง outperform โดย occupancy ใน 3Q64F อยู่ที่ 27% ซึ่งสูงกว่าค่าเฉลี่ยของโรงแรมกลุ่มอื่น ๆ ที่ 12%

ผลประกอบการ 3Q64 จะเป็จุดต่ำสุดในรอบปีนี้

เราคาดว่าผลประกอบการของ ERW จะฟื้นตัวขึ้น QoQ ใน 4Q64F เนื่องจาก i) สถานะการท่องเที่ยวของประเทศไทยที่ดีขึ้น เนื่องจากมีการกระจายวัคซีนเพิ่มขึ้นอย่างต่อเนื่อง และภาระของโรงพยาบาลในการดูแลผู้ป่วย COVID ลดลง ii) เราคาดว่ารัฐบาลจะยังคงใช้ความพยายามอย่างหนักในการสนับสนุนการท่องเที่ยวด้วยการออกแคมเปญใหม่เพิ่มอีกใน 4Q64F

Valuation & Action

เรายังคงคำแนะนำซื้อ และประเมินราคาเป้าหมายที่ 3.80 บาท อิงจาก EV/EBITDA กลางปี 2566F ที่ 18.3x หรือเท่ากับค่าเฉลี่ยระยะยาว +1.5 S.D. ทั้งนี้ เราประเมินราคาเป้าหมายแบบมี premium เนื่องจากเราคาดว่าตลาดจะหันไปให้ความสำคัญกับแนวโน้มผลการดำเนินงานหลัง COVID-19 ก่อนที่ผลประกอบการจะฟื้นจริง

Risks

จำนวนนักท่องเที่ยวต่างชาติต่ำกว่าที่คาดไว้

Key financials and valuations

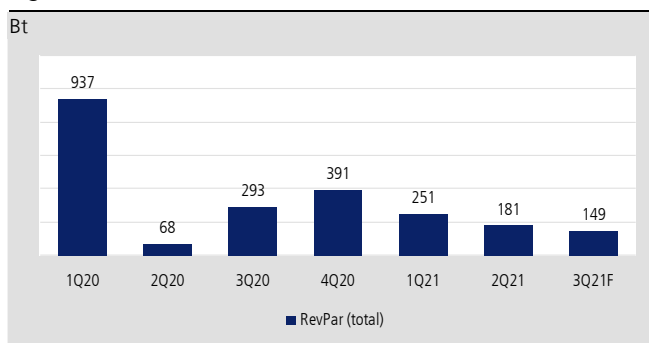
	Dec - 18A	Dec - 19A	Dec - 20A	Dec - 21F	Dec - 22F
Revenue (Btmn)	6,260	6,379	2,306	1,410	3,085
Gross Profit (Btmn)	2,669	2,650	(171)	(981)	1,097
SG&A (Btmn)	1,595	1,633	1,005	761	888
Net Profit (Btmn)	536	446	(1,715)	(2,165)	(326)
Normalized Profit (Btmn)	536	463	(1,585)	(2,165)	(326)
EPS (Bt)	0.21	0.18	(0.68)	(0.86)	(0.13)
Normalized EPS (Bt)	0.21	0.18	(0.63)	(0.86)	(0.13)
DPS (Bt)	0.09	0.07	0.00	0.00	0.00
EPS Growth (%)	6.1	(16.9)	N.A.	(26.2)	84.9
Normalized EPS Growth	6.1	(13.6)	N.A.	(36.6)	84.9
P/E (X)	29.5	35.6	(5.3)	(3.7)	(24.7)
P/B (X)	2.8	2.7	2.3	1.4	1.4
EV/EBITDA (X)	12.9	13.2	(197.7)	(32.2)	17.2
Net Debt to Equity (%)	149.8	154.7	375.9	233.1	260.2
Dividend Yield (%)	1.4	1.1	0.0	0.0	0.0
Return on Average Equity (%)	9.4	7.5	(43.7)	(36.5)	(5.9)

Source: Company data, KGI Securities Research

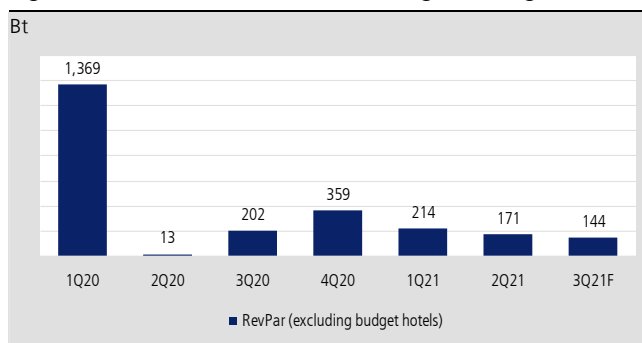
Figure 1: ERW's 3Q21F earnings preview

Bt mn	3Q21F	3Q20	YoY (%)	2Q21	QoQ (%)	1H21	1H20	YoY (%)
Revenue	218	427	(48.9)	262	(16.9)	640	1,290	(50.4)
Revenue from hotel business	207	398	(47.9)	251	(17.5)	605	1,218	(50.3)
Rental and service income	11	29	(62.4)	11	(2.5)	35	72	(52.1)
Gross Profit	(312)	(173)	(80.3)	(267)	(16.8)	(447)	31	N.A.
SG&A	196	267	(26.4)	213	(7.9)	421	532	(20.9)
Operating EBIT	(505)	(429)	(17.6)	(473)	(6.7)	(849)	(484)	(75.3)
Operating EBITDA	(259)	(171)	(51.3)	(229)	(13.2)	(362)	42	N.A.
Pre-tax Profit	(647)	(546)	(18.6)	(742)	12.8	(1,253)	(766)	(63.5)
Net Profit	(600)	(514)	(16.8)	(690)	13.0	(1,182)	(728)	(62.4)
Normalized profit	(600)	(514)	(16.8)	(559)	(7.3)	(1,052)	(728)	(44.5)
Percent	3Q21F	3Q20	YoY (ppts)	2Q21	QoQ (ppts)	1H21	1H20	YoY (ppts)
Gross margin	(142.9)	(40.5)	(102.4)	(101.7)	(41.2)	(69.9)	2.4	(72.3)
EBIT margin	(231.5)	(100.5)	(131.0)	(180.3)	(51.2)	(132.7)	(37.5)	(95.1)
EBITDA margin	(118.8)	(40.1)	(78.7)	(87.2)	(31.6)	(56.6)	3.2	(59.8)
SG&A/sales	90.0	62.4	27.6	81.2	8.8	65.8	41.3	24.5
Key stats	3Q21F	3Q20	YoY (%)	2Q21	QoQ (%)			
No. of rooms	9,863	9,648	2.2	9,863	-			
Occupancy (%)	18	32	-13ppts	20	-2ppts			
ARR (Bt)	924	1,134	(19)	962	(4)			
RevPar (Bt)	149	293	(49)	181	(18)			

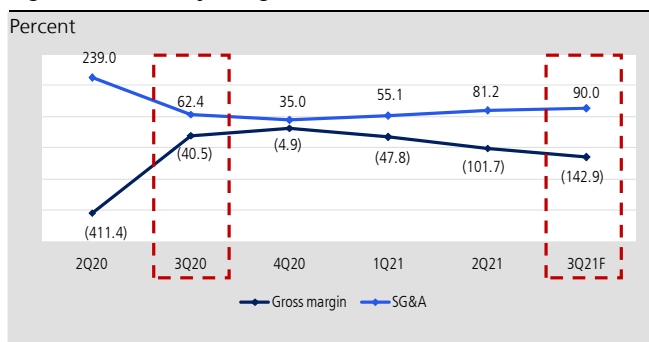
Source: Company data, KGI Securities Research

Figure 2: Total RevPar momentum


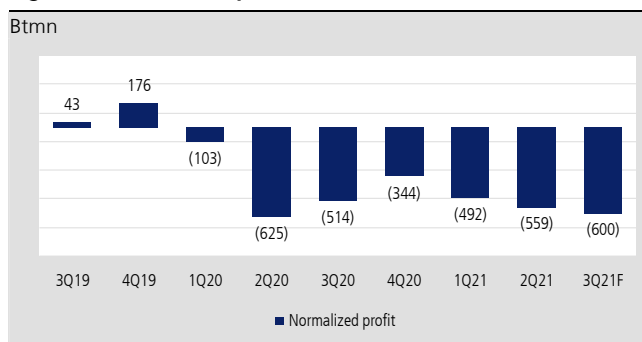
Source: Company data, KGI Securities Research

Figure 3: RevPar momentum (excluding the budget hotels)


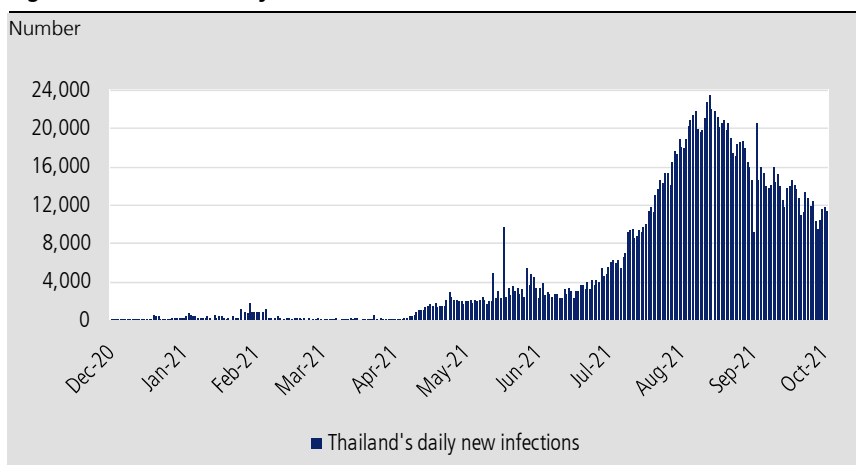
Source: Company data, KGI Securities Research

Figure 4: Quarterly margins


Source: Company data, KGI Securities Research

Figure 5: Normalized profit momentum


Source: Company data, KGI Securities Research

Figure 6: Thailand's daily infections


Source: KGI Securities Research

Figure 7: Key assumptions

	2019	2020	2021F	2022F	2023F
Revenue (Bt mn)	6,379	2,306	1,410	3,085	5,456
Hotel	6,146	2,180	1,300	2,931	5,263
Rental income	233	126	110	154	193
Growth of revenue (%)	1.9	(63.9)	(38.9)	118.9	76.8
Hotel	2.1	(64.5)	(40.4)	125.5	79.6
Rental income	(0.7)	(45.8)	(12.7)	40.0	25.0
SG&A-to-sales (%)	25.6	43.6	54.0	28.8	26.6
EBITDA (Bt mn)	1,906	(121)	-680	1,313	2,175
EBITDA margin (%)	29.9	(5.3)	(48.3)	42.6	39.9
Normalized profit (Bt mn)	463	(1,585)	(2,165)	(326)	427
YoY growth (%)	(13.6)	N.A.	(36.6)	84.9	N.A.
Net profit (Bt mn)	446	(1,715)	(2,165)	(326)	427
YoY growth (%)	(16.9)	N.A.	(26.2)	84.9	N.A.
RevPar (Bt) - excl budget hotels	2,009	485	229	734	1,532
RevPar growth - excl budget hotels	(6.9)	(75.9)	(52.8)	220.8	108.7

Source: Company data, KGI Securities Research

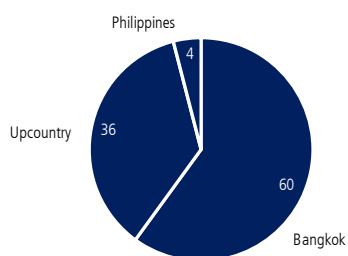
Figure 8: Company profile

The Erawan Group (ERW) is a market leader in the non-luxury hotel segment with around 45% of its total revenue coming from the segment. Apart from being a non-luxury hotel leader, around 65% of its revenues comes from hotels in Bangkok and the rest from upcountry.

Source: Company data

Figure 10: Hotel revenue breakdown by location (2019)

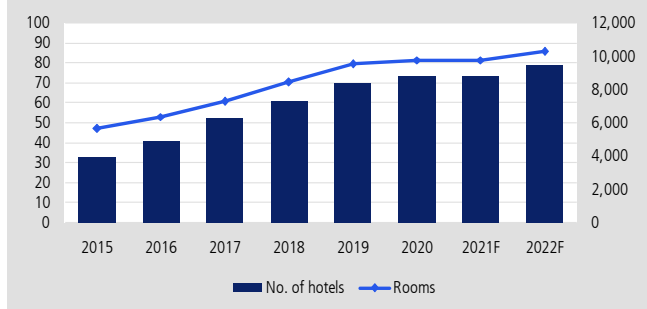
Percent



Source: Company data, KGI Securities Research

Figure 12: Number of hotels and rooms

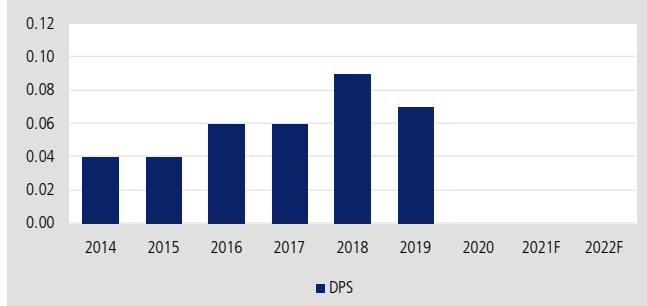
Number



Source: Company data, KGI Securities Research

Figure 14: DPS

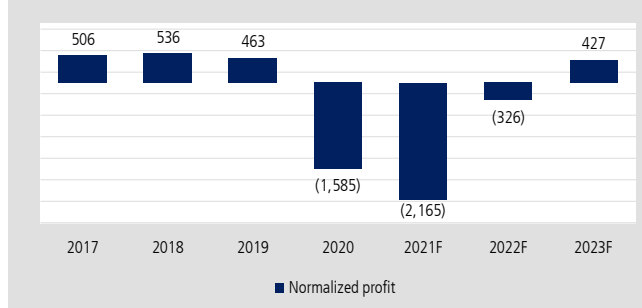
Bt/share



Source: Company data, KGI Securities Research

Figure 9: Earnings forecast

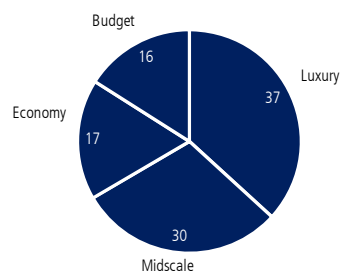
Btmn



Source: Company data, KGI Securities Research

Figure 11: EBITDA breakdown by segment (2019)

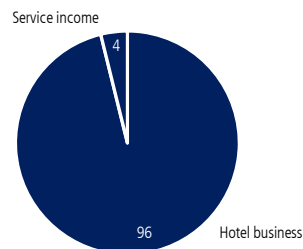
Percent



Source: Company data, KGI Securities Research

Figure 13: Total revenue breakdown (2019)

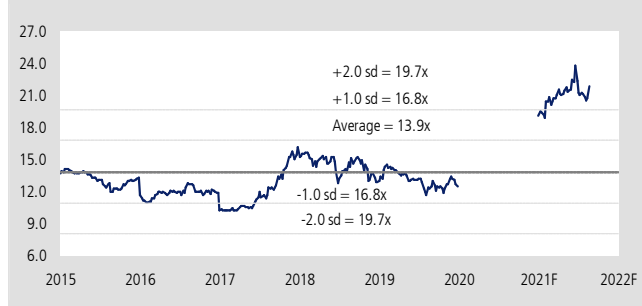
Percent



Source: Company data, KGI Securities Research

Figure 15: EV/EBITDA

Times



Source: Company data, KGI Securities Research

Quarterly Income Statement

	Jun-18A	Sep-18A	Dec-18A	Mar-19A	Jun-19A	Sep-19A	Dec-19A	Mar-20A	Jun-20A	Sep-20A	Dec-20A	Mar-21A	Jun-21A
Income Statement (Bt mn)													
Revenue	1,349	1,429	1,705	1,758	1,396	1,498	1,727	1,211	79	427	589	378	262
Cost of Goods Sold	(661)	(689)	(746)	(740)	(709)	(725)	(726)	(589)	(143)	(342)	(390)	(315)	(285)
Gross Profit	501	547	748	812	480	567	790	358	(327)	(173)	(29)	(180)	(267)
Operating Expense	(376)	(400)	(411)	(423)	(374)	(396)	(439)	(343)	(190)	(267)	(206)	(208)	(213)
Other incomes	13	12	13	17	18	12	13	12	5	10	15	12	7
Operating Profit	138	159	349	406	123	183	364	27	(511)	(429)	(219)	-376	-473
Depreciation of fixed asset	(188)	(194)	(211)	(206)	(207)	(206)	(211)	(263)	(263)	(258)	(228)	(243)	(244)
Operating EBITDA	325	353	561	612	330	388	575	291	(249)	(171)	8	(133)	(229)
Non-Operating Income	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Income	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Non-op Income	0	0	0	0	0	0	0	0	0	0	0	0	0
Non-Operating Expense	(83)	(86)	(96)	(93)	(97)	(98)	(113)	(136)	(146)	(116)	(156)	(135)	(139)
Interest Expense	(87)	(91)	(99)	(96)	(100)	(102)	(104)	(139)	(135)	(120)	(143)	(138)	(136)
Other Non-op Expense	0	0	0	0	0	0	0	0	0	0	0	0	0
Equity Income/(Loss)	3	5	2	3	2	3	(8)	3	(11)	3	(14)	3	(3)
Pre-tax profit	54	73	253	314	26	84	252	(109)	(658)	(546)	(376)	(511)	(612)
Current Taxation	(17)	(22)	(54)	(61)	(10)	(28)	(55)	1	8	11	20	(2)	25
Minorities	(7)	(10)	(20)	(17)	(5)	(14)	(21)	5	24	21	13	21	27
Extraordinary items	0	0	0	0	(18)	0	0	0	0	0	(130)	0	(130)
Net Profit	30	41	180	235	(7)	43	176	(103)	(625)	(514)	(474)	(492)	(690)
Normalized Profit	30	41	180	235	11	43	176	(103)	(625)	(514)	(344)	(492)	(559)
EPS (Bt)	0.01	0.02	0.07	0.09	(0.00)	0.02	0.07	(0.04)	(0.25)	(0.20)	(0.19)	(0.20)	(0.27)
Normalized EPS (Bt)	0.01	0.02	0.07	0.09	0.00	0.02	0.07	(0.04)	(0.25)	(0.20)	(0.14)	(0.20)	(0.22)
Margins													
Gross profit margin	37.1	38.2	43.9	46.2	34.4	37.9	45.8	29.6	(411.4)	(40.5)	(4.9)	(47.8)	(101.7)
Operating EBIT margin	10.2	11.1	20.5	23.1	8.8	12.2	21.1	2.2	(644.1)	(100.5)	(37.3)	(99.6)	(180.3)
Operating EBITDA margin	24.1	24.7	32.9	34.8	23.7	25.9	33.3	24.0	(313.3)	(40.1)	1.4	(35.2)	(87.2)
Net profit margin	2.2	2.9	10.5	13.3	(0.5)	2.8	10.2	(8.5)	(787.2)	(120.3)	(80.5)	(130.3)	(262.8)
Growth (YoY)													
Revenue growth	0.3	(1.3)	7.7	(1.0)	3.5	4.8	1.3	(31.1)	(94.3)	(71.5)	(65.9)	(68.8)	230.5
Operating EBIT growth	(21.3)	(32.3)	9.7	(14.5)	(10.4)	14.8	4.3	N.A.	N.A.	N.A.	N.A.	(1,486.0)	(7.5)
Operating EBITDA growth	(9.0)	(16.5)	10.6	(7.0)	1.5	10.1	2.6	(52.5)	N.A.	N.A.	N.A.	(145.8)	(8.0)
Net profit growth	(48.5)	(47.8)	11.5	(17.9)	(124.6)	2.9	(2.3)	N.A.	N.A.	N.A.	N.A.	379.9	10.3
Normalized profit growth	(48.5)	(47.8)	11.5	(17.9)	(64.4)	2.9	(2.3)	N.A.	N.A.	N.A.	N.A.	380.1	(10.5)

Source: KGI Securities Research

Balance Sheet

As of 31 Dec (Bt mn)	2018	2019	2020	2021F	2022F
Total Assets	16,949	17,834	21,215	23,196	22,493
Current Assets	1,560	1,456	1,962	2,356	1,599
Cash & ST Investment	1,051	969	1,623	2,079	1,257
Inventories	55	52	46	39	23
Account Receivable	205	185	77	46	100
Others	101	102	48	22	49
Non-current Assets	15,389	16,378	19,253	20,839	20,894
LT Investment	358	365	373	376	376
Net fixed Assets	13,505	14,442	13,867	15,452	15,506
Others	1,525	1,571	158	158	158
Total Liabilities	11,240	11,893	17,286	17,261	16,922
Current Liabilities	3,540	3,360	2,812	2,589	2,482
Account Payable	225	234	145	119	81
ST Borrowing	2,274	2,038	2,209	1,993	2,075
Others	1,040	1,088	458	477	326
Long-term Liabilities	7,700	8,533	14,474	14,672	14,440
Long-term Debts	7,329	8,125	10,551	10,291	10,048
Others	371	407	218	676	687
Shareholders' Equity	5,708	5,941	3,929	5,935	5,572
Common Stock	2,508	2,518	2,518	4,532	4,532
Capital Surplus	872	910	910	910	910
Retained Earnings	2,288	2,499	519	(1,646)	(1,972)
Preferred Stock	0	0	0	0	0

Source: KGI Securities Research

Key Ratios

Year to 31 Dec	2018	2019	2020	2021F	2022F
Growth (%YoY)					
Sales	4.3	2.1	(64.5)	(40.4)	125.5
OP	1.4	(4.9)	(208.0)	49.9	(114.5)
EBITDA	2.9	0.5	(106.4)	461.9	(292.9)
NP	6.1	(16.9)	N.A.	(26.2)	84.9
Normalized Profit	6.1	(13.6)	N.A.	(36.6)	84.9
EPS	6.1	(16.9)	N.A.	(26.2)	84.9
Normalized EPS	6.1	(13.6)	N.A.	(36.6)	84.9
Profitability (%)					
Gross Margin	42.6	41.5	(7.4)	(69.6)	35.6
Operating Margin	17.8	16.6	(49.6)	(121.6)	8.1
EBITDA Margin	30.3	29.9	(5.3)	(48.3)	42.6
Net Margin	8.6	7.0	(74.4)	(153.6)	(10.6)
ROAA	3.2	2.5	(8.1)	(9.3)	(1.4)
ROAE	9.4	7.5	(43.7)	(36.5)	(5.9)
Stability					
Gross Debt/Equity (%)	196.9	200.2	440.0	290.9	303.7
Net Debt/Equity (%)	149.8	154.7	375.9	233.1	260.2
Interest Coverage (x)	3.1	2.7	(2.1)	(2.6)	0.4
Interest & ST Debt Coverage (x)	0.4	0.4	(0.4)	(0.6)	0.1
Cash Flow Interest Coverage (x)	4.0	3.5	(2.0)	(1.8)	0.7
Cash Flow/Interest & ST Debt (x)	0.5	0.6	(0.4)	(0.4)	0.2
Current Ratio (x)	0.4	0.4	0.7	0.9	0.6
Quick Ratio (x)	0.4	0.4	0.7	0.9	0.6
Net Debt (Bt mn)	8,551.4	9,193.1	14,769.1	13,836.2	14,496.7
Per Share Data (Bt)					
EPS	0.2	0.2	(0.7)	(0.9)	(0.1)
Normalized EPS	0.2	0.2	(0.6)	(0.9)	(0.1)
CFPS	0.6	0.6	(0.4)	(0.5)	0.2
BVPS	2.3	2.4	1.6	2.4	2.2
SPS	2.5	2.5	0.9	0.6	1.2
EBITDA/Share	0.8	0.8	(0.0)	(0.3)	0.5
DPS	0.1	0.1	0.0	0.0	0.0
Activity					
Asset Turnover (x)	-0.4	-0.4	-0.1	-0.1	-0.1
Days Receivables	-12.0	-10.6	-12.1	-11.8	-11.8
Days Inventory	-7.2	-6.6	-11.5	-10.4	-9.1
Days Payable	-29.2	-29.5	-36.1	-31.9	-31.9
Cash Cycle	10.0	12.3	12.4	9.6	11.0

Source: KGI Securities Research

Profit & Loss

Year to Dec 31 (Bt mn)	2018	2019	2020	2021F	2022F
Revenue	6,260	6,379	2,306	1,410	3,085
Cost of Goods Sold	(2,815)	(2,900)	(1,465)	(1,361)	(929)
Gross Profit	2,669	2,650	(171)	(981)	1,097
Operating Expenses	(1,595)	(1,633)	(1,005)	(761)	(888)
Other Incomes	40	42	32	28	40
Operating Profit	1,113	1,059	(1,143)	(1,714)	249
Depreciation of fixed assets	(776)	(830)	(1,012)	(1,029)	(1,059)
Operating EBITDA	1,897	1,906	(121)	(680)	1,313
Non-Operating Income	8	18	10	4	5
Interest Income	8	18	10	4	5
Other Non-op Income	0	0	0	0	0
Non-Operating Expense	(360)	(402)	(536)	(653)	(641)
Interest Expense	(360)	(402)	(536)	(653)	(641)
Other Non-op Expense					
Equity Income/(Loss)	(4)	0	(18)	(10)	5
Pretax Profit	757	657	(1,818)	(2,373)	(382)
Current Taxation	(164)	(155)	39	118	19
Minorities	(57)	(57)	63	90	37
Extraordinaries items	0	(18)	(130)	0	0
Net Profit	536	446	(1,715)	(2,165)	(326)
Normalized Profit	536	463	(1,585)	(2,165)	(326)
EPS (Bt)	0.21	0.18	(0.68)	(0.86)	(0.13)
Normalized EPS (Bt)	0.21	0.18	(0.63)	(0.86)	(0.13)

Source: KGI Securities Research

Cash Flow

Year to 31 Dec (Bt mn)	2018	2019	2020	2021F	2022F
Operating Cash Flow	1,429	1,424	(1,048)	(1,160)	437
Net Profit	536	446	(1,715)	(2,165)	(326)
Depreciation & Amortization	776	830	1,012	1,029	1,059
Change in Working Capital	56	74	(430)	56	(254)
Others					
Investment Cash Flow	(1,688)	(1,841)	(4,230)	(2,178)	(1,109)
Net CAPEX	(1,678)	(1,808)	769	(2,614)	(1,114)
Change in LT Investment	6	(1)	(4,838)	(12)	5
Change in Other Assets	5	(5)	(195)	448	0
Free Cash Flow	(260)	(418)	(5,278)	(3,338)	(672)
Financing Cash Flow	234	335	5,932	3,795	(151)
Change in Share Capital	32	48	0	2,014	0
Net Change in Debt	522	605	6,166	(466)	(151)
Change in Other LT Liab.	(95)	(92)	(58)	2,247	(0)
Net Cash Flow	(26)	(82)	654	457	(822)

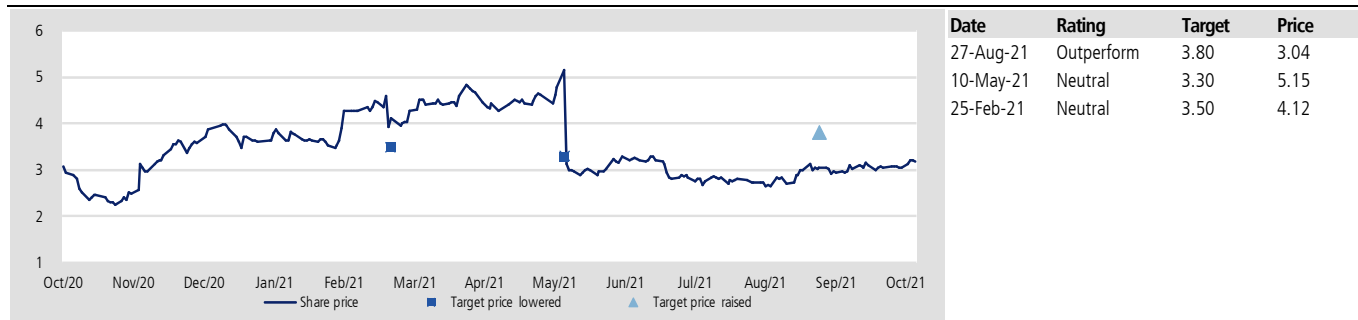
Source: KGI Securities Research

Rates of Return on Invested Capital

Year	1- Revenue	+	COGS Revenue	+	Depreciation Revenue	+	Operating Exp. Revenue	=	Operating Margin
2017	44.0%				12.3%				26.2%
2018	45.0%				12.4%				25.5%
2019	45.5%				13.0%				25.6%
2020	63.5%				43.9%				43.6%
2021F	96.6%				73.0%				54.0%
2022F									-123.6%
Year	1/ Revenue	+	Working Capital Revenue	+	Net PPE Revenue	+	Other Assets Revenue	=	Capital Turnover
2017	(0.3)				2.1		0.6		0.4
2018	(0.3)				2.2		0.6		0.4
2019	(0.3)				2.3		0.5		0.4
2020	(0.4)				2.3		0.5		0.4
2021F	(0.2)				2.2		0.5		0.4
Year	Operating Margin	x	Capital Turnover	x	Cash Tax Rate	=	After-tax Return on Inv. Capital		
2017	17.5%		0.4		23.4%		1.7%		
2018	17.2%		0.4		21.7%		1.6%		
2019	15.9%		0.4		23.3%		1.5%		
2020	-51.0%		0.4		23.4%		-4.9%		
2021F	-123.6%		0.4		23.5%		-11.6%		


Source: KGI Securities Research

The Erawan Group – Recommendation & target price history




Source: KGI Securities Research

Corporate Governance Report of Thai Listed Companies

 **Companies with Excellent CG Scoring**

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	EGCO	ELECTRICITY GENERATING	PTTEP	PTT EXPLORATION AND PRODUCTION
ADVANC	ADVANCED INFO SERVICE	GFPT	GFPT	PTTGC	PTT GLOBAL CHEMICAL
AMA	AMA MARINE	GGC	GLOBAL GREEN CHEMICALS	PYLON	PYLON
AMATA	AMATA CORPORATION	GPSC	GLOBAL POWER SYNERGY	QH	QUALITY HOUSES
ANAN	ANANDA DEVELOPMENT	HANA	HANA MICROELECTRONICS	RATCH	RATCHABURI ELECTRICITY GENERATING HOLDING
AOT	AIRPORTS OF THAILAND	HMPRO	HOME PRODUCT CENTER	RS	RS
AP	ASIAN PROPERTY DEVELOPMENT	INTUCH	SHIN CORPORATION	SCB	THE SIAM COMMERCIAL BANK
BANPU	BANPU	IRPC	IRPC	SCC	THE SIAM CEMENT
BCP	THE BANGCHAK PETROLEUM	IVL	INDORAMA VENTURES	SCCC	SIAM CITY CEMENT
BCPG	BCPG	KBANK	KASIKORN BANK	SEAFCO	SEAFCO
BDMS	BANGKOK DUSIT MEDICAL SERVICES	KCE	KCE ELECTRONICS	SMPC	SAHAMITR PRESSURE CONTAINER
BEC	BEC WORLD	KKP	KIATNAKIN BANK	SPALI	SUPALAI
BEM	BANGKOK EXPRESSWAY AND METRO	KTB	KRUNG THAI BANK	SPRC	STAR PETROLEUM REFINING
BGRIM	B.GRIMM POWER	KTC	KRUNGTHAI CARD	SVI	SVI
BPP	BANPU POWER	LH	LAND AND HOUSES	TACC	T.A.C. CONSUMER
BTS	BTS GROUP HOLDINGS	LPN	L.P.N. DEVELOPMENT	TCAP	THANACHART CAPITAL
CENDEL	CENTRAL PLAZA HOTEL	MAKRO	SIAM MAKRO	THCOM	THAI COM
CK	CH. KARNCHANG	MBK	MBK	TISCO	TISCO FINANCIAL GROUP
CKP	CK POWER	MINT	MINOR INTERNATIONAL	TOP	THAI OIL
CPALL	CP ALL	MTC	MUANGTHAI CAPITAL	TRUE	TRUE CORPORATION
CPF	CHAROEN POKPHAND FOODS	PLANB	PLAN B MEDIA	TTB	TMBTHANACHART BANK
CPN	CENTRAL PATTANA	PSH	PRUKSA HOLDING	VGI	VGI GLOBAL MEDIA
DELTA	DELTA ELECTRONICS (THAILAND)	PTG	PTG ENERGY	WHA	WHA CORPORATION
DTAC	TOTAL ACCESS COMMUNICATION	PTT	PTT	WHAUP	

 **Companies with Very Good CG Scoring**

Stock	Company name	Stock	Company name	Stock	Company name
BAM	BANGKOK COMMERCIAL ASSET MANAGEMENT	GULF	GULF ENERGY DEVELOPMENT	SAPPE	SAPPE
BBL	BANGKOK BANK	JMT	JMT NETWORK SERVICES	SAWAD	SRI SAWAD POWER 1979
CBG	CARABAO GROUP	LPH	LADPRAO GENERAL HOSPITAL	SINGER	SINGER THAILAND
CHG	CHULARAT HOSPITAL	M	MK RESTAURANT GROUP	SPA	SIAM WELLNESS GROUP
COM7	COM7	MAJOR	MAJOR CINEPLEX GROUP	TFG	THAIFOODS GROUP
DOHOME	DOHOME	MEGA	MEGA LIFESCIENCES	TKN	TAOKAENOI FOOD & MARKETING
ERW	THE ERAWAN GROUP	NETBAY	NETBAY	ZEN	ZEN CORPORATION GROUP
GLOBAL	SIAM GLOBAL HOUSE	OSP	OSOTSPA		

 **Companies with Good CG Scoring**

Stock	Company name	Stock	Company name	Stock	Company name
BCH	BANGKOK CHAIN HOSPITAL	ESSO	ESSO (THAILAND)	SF	SIAM FUTURE DEVELOPMENT
BH	BUMRUNGRAD HOSPITAL	HUMAN	HUMANICA	SISB	SISB
EKH	EKACHAI MEDICAL CARE	RBF	R&B FOOD SUPPLY	TPCH	TPC POWER HOLDING

Companies classified Not in the three highest score groups

Stock	Company name	Stock	Company name	Stock	Company name
IIG	I&I GROUP	OR	PTT OIL AND RETAIL BUSINESS	STGT	SRI TRANG GLOVES (THAILAND)
KEX	KERRY EXPRESS (THAILAND)	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION		

Source: www.thai-iod.com

Disclaimer: The disclosure of the survey result of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an assessment of operation and is not based on inside information. The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey result may be changed after that date or when there is any change to the relevant information. Nevertheless, KGI Securities (Thailand) Public Company Limited (KGI) does not confirm, verify, or certify the accuracy and completeness of such survey result.

Anti-corruption Progress Indicator

Level 5: Extended

Stock	Company name	Stock	Company name	Stock	Company name
ADVANC	ADVANCED INFO SERVICE	GLOBAL	SIAM GLOBAL HOUSE	QH	QUALITY HOUSES
ANAN	ANANDA DEVELOPMENT	GPSC	GLOBAL POWER SYNERGY	RATCH	RATCHABURI ELECTRICITY GENERATING HOLDING
BBL	BANGKOK BANK	HMPRO	HOME PRODUCT CENTER	ROBINS	ROBINSON DEPARTMENT STORE
BCH	BANGKOK CHAIN HOSPITAL	IRPC	IRPC	SCC	THE SIAM CEMENT
BDMS	BANGKOK DUSIT MEDICAL SERVICES	KBANK	KASIKORNBANK	SIRI	SANSIRI
BIGC	BIG C SUPERCENTER	KCE	KCE ELECTRONICS	SPALI	SUPALAI
CK	CH. KARNCHANG	KKP	KIATNAKIN BANK	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION
DCC	DYNASTY CERAMIC	KTB	KRUNG THAI BANK	TCAP	THANACHART CAPITAL
DELTA	DELTA ELECTRONICS (THAILAND)	LPH	LADPRAO GENERAL HOSPITAL	TISCO	TISCO FINANCIAL GROUP
DRT	DIAMOND ROOFING TILES	PACE	PACE DEVELOPMENT CORPORATION	TMT	THAI METAL TRADE
EGCO	ELECTRICITY GENERATING	PTT	PTT	TOP	THAI OIL
GFPT	GFPT	PTTGC	PTT GLOBAL CHEMICAL		

Level 4: Certified

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	ERW	THE ERAWAN GROUP	SAPPE	SAPPE
AP	ASIAN PROPERTY DEVELOPMENT	GLOW	GLOW ENERGY	SAWAD	SRISAWAD POWER 1979
BA	BANGKOK AIRWAYS	GUNKUL	GUNKUL ENGINEERING	SCB	THE SIAM COMMERCIAL BANK
BANPU	BANPU	ILINK	INTERLINK COMMUNICATION	SCN	SCAN INTER
BCP	THE BANGCHAK PETROLEUM	KTC	KRUNGTHAI CARD	SEAFCO	SEAFCO
BH	BUMRUNGRAD HOSPITAL	LH	LAND AND HOUSES	SVI	SVI
BJCHI	BJC HEAVY INDUSTRIES	LPN	L.P.N. DEVELOPMENT	TASCO	TIPCO ASPHALT
CBG	CARABAO GROUP	MAKRO	SIAM MAKRO	TKN	TAOKAENOI FOOD & MARKETING
CENTEL	CENTRAL PLAZA HOTEL	MALEE	MALEE SAMPRAN	TMB	TMB BANK
CHG	CHULARAT HOSPITAL	MINT	MINOR INTERNATIONAL	TRT	TIRATHAI
CKP	CK POWER	MODERN	MODERNFORM GROUP	TRUE	TRUE CORPORATION
CPF	CHAROEN POKPHAND FOODS	NOK	NOK AIRLINES	TVO	THAI VEGETABLE OIL
CPN	CENTRAL PATTANA	PTTEP	PTT EXPLORATION AND PRODUCTION		
DTAC	TOTAL ACCESS COMMUNICATION	PYLON	PYLON		

Level 3: Established

Stock	Company name	Stock	Company name	Stock	Company name
BEM	BANGKOK EXPRESSWAY AND METRO	MTLS	MUANGTHAI LEASING	SPRC	STAR PETROLEUM REFINING
CPALL	CP ALL	SCI	SCI ELECTRIC		

No progress

Stock	Company name	Stock	Company name	Stock	Company name
AOT	AIRPORTS OF THAILAND	BPP	BANPU POWER	FN	FN FACTORY OUTLET
BPCG	BPCG	BTS	BTS GROUP HOLDINGS	TPCH	TPC POWER HOLDING

Source: www.cgthailand.org

Disclaimer: The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by the relevant institution as disclosed by the Office of the Securities and Exchange Commission, is made in order to comply with the policy and sustainable development plan for the listed companies. The relevant institution made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, KGI Securities (Thailand) Public Company Limited (KGI) does not confirm, verify, or certify the accuracy and completeness of the assessment result.

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Rating	Definition
Outperform (OP)	The stock's excess return over the next twelve months is ranked in the top 40% of KGI's coverage universe in the related market (e.g. Taiwan)..
Neutral (N)	The stock's excess return over the next twelve months is ranked in the range between the top 40% and the bottom 40% of KGI's coverage universe in the related market (e.g. Taiwan)
Under perform (U)	The stock's excess return over the next twelve months is ranked in the bottom 40% of KGI's coverage universe in the related market (e.g. Taiwan).
Not Rated (NR)	The stock is not rated by KGI.
Restricted (R)	KGI policy and/or applicable law regulations preclude certain types of communications, including an investment recommendation, during the course of KGI's engagement in an investment banking transaction and in certain other circumstances. <i>Excess return = 12M target price/current price-</i>
Note	When an analyst publishes a new report on a covered stock, we rank the stock's excess return with those of other stocks in KGI's coverage universe in the related market. We will assign a rating based on its ranking. If an analyst does not publish a new report on a covered stock, its rating will not be changed automatically.

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