

July 4, 2018

OUTPERFORM

# Siam Wellness Group

(SPA TB)

Share Price: Bt15.30

Target Price: Bt18.50 (+20.9%)

## Fortune knocks once at every man's door

- Expect 2Q18F earnings to grow 18% yoy to Bt48m led by organic growth and entrance fees at new branches overseas
- Cut FY18F/19F profit by 12%/16% after imputing more conservative assumptions; expect earnings to grow 31%/38% yoy
- OUTPERFORM, cut TP to Bt18.50 (from Bt22.40) moving to FY19F base and reflecting earnings cut and a larger discount rate

### Expect 2Q18F earnings to come in at Bt48m (-15% qoq, +18% yoy)

Revenue should grow 20% yoy led by strong demand from foreign and domestic customers and new branches overseas. Strong Chinese tourist arrivals and 10% price hike at *Rarinjinda Spa* and *BaanSuan* should lead to SSSG at 15% yoy in 2Q18 (+23% yoy in April-May) vs 14.5% in 1Q18. SPA would also book Bt6.5m entrance fees from two new branches in Tianjin and Cambodia. Entrance fees at one new branch in Cambodia will be booked in 3Q18. Gross margin should be strong at 35% in 2Q18F vs 34% in 2Q17 due to better economies of scale and higher GPM under the franchise model. SG&A/Sales ratio is under control at 14% in 2Q18 vs 15% in 2Q17.

### Cut FY18F/19F profit by 12%/16% on more conservative estimates

We turn more cautious on top-line revenue following weaker-than-expected 2Q18F operations and delayed opening of new branches (to 2H18). We cut FY18/19F sales by 8%/9% and gross margin by 50-75 bps to 36.2%/37.1%. These led to an increase in SG&A/Sales by 75-150 bps to 13.2%/12.8%. We now expect FY18-19F earnings to grow 31%/38%. SPA will open 10 new *Let's Relax* spa (4-star) this year and has secured 8 locations in Bangkok, Pattaya, and Phuket. This will take its domestic network to 50 branches by end 2018. *Let's Relax* spa usually generates the highest return on investment in SPA's portfolio. SPA has opened two *Let's Relax* branches in Tianjin and Qingdao, which have seen better response than Kunming branch. If things go well, they plan to open 3-4 more branches in each city. SPA is considering opening a branch in Shanghai in 4Q18 under the JV format; we have yet to include this in our earnings estimate.

### OUTPERFORM, TP Bt18.50; upside from overseas expansion plan

Our revised TP is based on DCF valuation (8.8% WACC, 4% TG). We raised WACC by 50 bps to 8.8% to factor in higher risk-free rate. SPA's share price has fallen 25% ytd on concerns over high valuation of 38x FY18F P/E, vs. peers' average of 33x. However, SPA deserves to trade at a premium because it offers higher earnings growth and ROE. We see upside from aggressive expansion in China given their asset-light franchise model, strong branding, and high-quality service that are hard to replicate.

### Financial Summary (Btm)

Year to Dec	2016	2017	2018F	2019F	2020F
Sales (Btm)	725	948	1,176	1,543	1,898
Growth (%)	36.0	30.7	24.1	31.2	23.0
EBITDA (Btm)	276	367	468	600	725
Growth (%)	29.7	33.1	27.3	28.3	20.7
Recurring profit (Btm)	141	175	229	315	394
Growth (%)	32.4	24.3	30.8	37.7	24.9
Net profit (Btm)	141	175	229	315	394
Normalized EPS (Bt)	0.25	0.31	0.40	0.55	0.69
Growth (%)	32.4	24.3	30.8	37.7	24.9
Normalized PE (x)	55.4	66.4	38.1	27.6	22.1
DPS (Bt)	0.10	0.12	0.16	0.22	0.27
Yield (%)	0.7	0.6	1.0	1.4	1.8
BVPS (Bt)	1.1	1.3	1.6	1.9	2.3
P/BV (x)	12.2	15.4	9.8	8.0	6.6



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### Key Data

12-mth high/low (Bt)	22.4 / 12.8
Market capital (Btm/US\$m)	8,721 / 263.3
3m avg. turnover (Btm/US\$m)	10.2 / 0.3
Free float (%)	45.8
Issued shares (m shares)	570
Major shareholders:	
- UTAHAJIT WIBOON	11.1
- JIRAVANSTIT PRASERT	11.1
- SUPAWATTANAKIAT PRANEE	9.4

### Share Price Performance



### Krungsri Securities vs Market

	Positive	Neutral	Negative
Market Recommend	6	1	0
	<b>Krungsri</b>	<b>Market</b>	<b>% +/-</b>
Target Price (Bt)	18.5	21.4	(13.7)
'18 Net Profit (Btm)	229	259	(11.6)
'19 Net Profit (Btm)	315	340	(7.4)

### Krungsri's earnings revision

	2017F	2018F
Earnings revision (%)	(12.1)	(16.1)

Source: Bloomberg, Krungsri Securities

## Valuation

### Maintain OUTPERFORM with lower TP of Bt18.50/sh (from Bt22.40/sh)

Our TP is based on DCF valuation (8.8% WACC, 4% TG). We cut TP to Bt18.50 (from Bt22.40) after rolling over to FY19F base and reflecting the earnings revision and a larger discount rate. We raised WACC by 50 bps to 8.8% to factor in higher risk-free rate. SPA's share price has fallen 25% ytd on concerns valuation is demanding at 38x FY18F P/E, above peers' average of 33x. However, we believe SPA deserves to trade at a premium because it offers higher earnings growth and ROE. The stock offers 1% dividend yield for FY18-19F.

#### SPA: Discounted cash flow

	2019F	2020F	2021F	2022F	2023F
Effective tax rate	19%	20%	21%	20%	20%
Operating EBIT	392	493	611	723	847
Less: Tax on EBIT	-72	-96	-125	-145	-169
Operating EBIT after tax	319	397	485	579	678
Add: Depreciation	104	116	127	137	146
Less: Changes in Operating Working Capital	29	28	29	11	36
Less: Capex	-250	-250	-250	-250	-250
Operating FCF	202	291	391	476	610
Discounted factor	1.0	0.9	0.8	0.8	0.7
<b>Discounted Value</b>	<b>202</b>	<b>267</b>	<b>330</b>	<b>370</b>	<b>435</b>

#### SPA: DCF Valuation

Risk-free rate	3.25%
Equity risk premium	8.5%
Beta	0.8
Interest rate	4.0%
CAPM Required Return	9.6%
Debt financing (%)	13%
<b>WACC</b>	<b>8.8%</b>
Debt financing	151
Equity	990
Firm value	1,170
Present value of terminal value	9,477
Total project value	10,647
Net cash	52
shares outstanding	570
<b>SPA value (Bt)</b>	<b>18.5</b>

**2Q18 Earnings preview**

	2Q17	1Q18	2Q18F	Y-o-Y	Q-o-Q
Sales	223	279	268	20%	-4%
COGS (incl. depreciation)	148	174	173	17%	-1%
Gross Profit	76	105	95	25%	-9%
SG&A	33	37	38	16%	1%
<b>Operating Profit</b>	<b>43</b>	<b>67</b>	<b>57</b>	<b>32%</b>	<b>-15%</b>
Equity income	6	2	2	n.a.	n.a.
<b>EBIT</b>	<b>49</b>	<b>69</b>	<b>59</b>	<b>21%</b>	<b>-15%</b>
Interest expense	1	2	2	59%	-3%
<b>EBT</b>	<b>47</b>	<b>67</b>	<b>57</b>	<b>19%</b>	<b>-15%</b>
Income tax	7	11	9	27%	-14%
Minority interests	0	0	0	n.a.	n.a.
<b>Core profit</b>	<b>40</b>	<b>56</b>	<b>48</b>	<b>18%</b>	<b>-15%</b>
Extra items	0	0	0	n.a.	n.a.
<b>Net income</b>	<b>40</b>	<b>56</b>	<b>48</b>	<b>18%</b>	<b>-15%</b>
<b>EPS</b>	<b>0.07</b>	<b>0.10</b>	<b>0.08</b>	<b>18%</b>	<b>-15%</b>

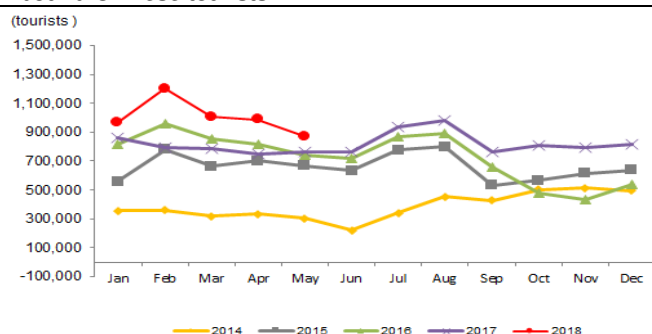
<b>Ratio analysis</b>					
Gross margin (%)	34%	38%	35%		
SGA/Total revenue (%)	15%	13%	14%		
Operating profit margin (%)	22%	25%	22%		
Core profit margin (%)	18%	20%	18%		

Source: Company data and Krungsri estimates

**Revised Assumptions**

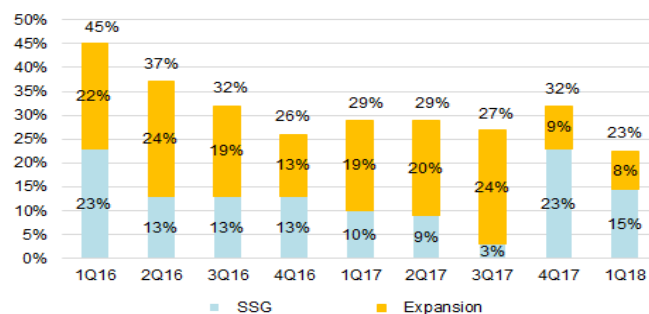
	Sales growth		Gross margin		SG&A/Sales	
	FY18F	FY19F	FY18F	FY19F	FY18F	FY19F
New assumption	24.1%	31.2%	36.2%	37.1%	13.2%	12.8%
Previous assumption	34.5%	32.5%	36.7%	37.9%	12.5%	11.3%

**Inbound Chinese tourists**



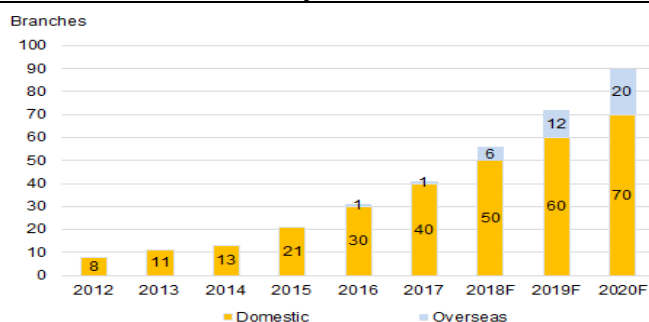
Source: TAT

**SPA: Revenue growth for spa business**



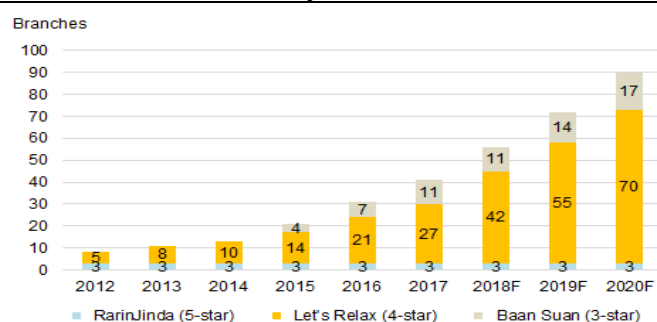
Source: Company data

**SPA: Number of branches by location**



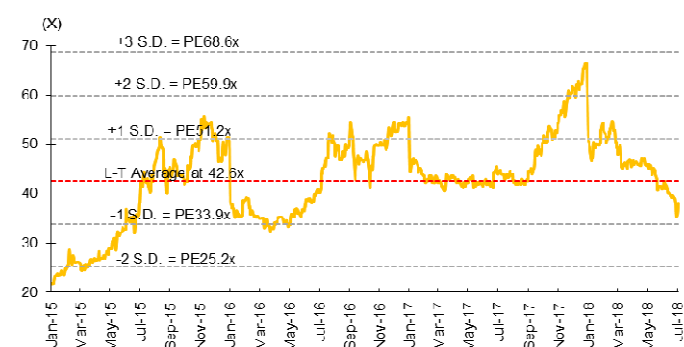
Source: Company data and Krungsri Securities

**SPA: Number of branches by brand**



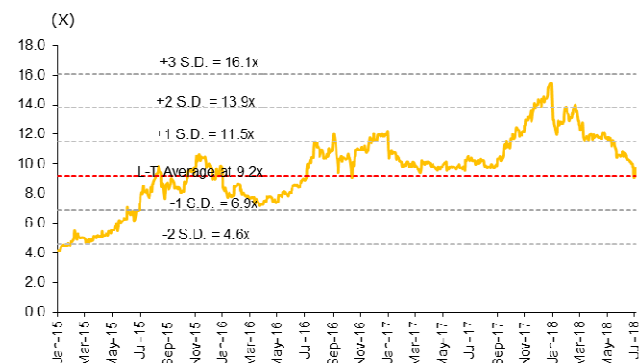
Source: Krungsri Securities

**P/E Band**



Source: Bloomberg, Krungsri Securities

**P/BV Band**



Source: Bloomberg, Krungsri Securities

**Peer Comparison**

BB Ticker	Name	Market Cap	PE (x)		P/BV (x)		EPS G%		Div Yield (%)		ROE (%)		Share Price Performance				
			US\$	18F	19F	18F	19F	18F	19F	18F	19F	18F	19F	1M	3M	6M	YTD
SPA TB	SIAM WELLNESS GROUP PCL	263	38.1	27.6	9.8	8.0	30.8	37.7	1.0	30.0	(7.3)	(17.3)	(23.5)	(25.0)			
ERW TB	ERAWAN GROUP PCL/THE	505	27.5	24.2	3.0	1.1	20.4	13.88	1.1	11.2	(19.3)	(14.6)	(22.1)	(23.0)			
CENTEL TB	CENTRAL PLAZA HOTEL PCL	1,849	26.6	22.9	4.7	1.5	16.2	15.73	1.5	19.3	2.8	(8.5)	(22.2)	(21.9)			
MINT TB	MINOR INTERNATIONAL PCL	4,763	26.5	20.8	3.1	1.1	10.1	27.43	1.1	12.1	7.9	(10.5)	(21.7)	(21.7)			
GYM LN	GYM GROUP PLC/THE	509	31.1	22.2	N/A	N/A	34.9	N/A	0.5	N/A	14.8	22.8	25.6	27.3			
PLNT US	PLANET FITNESS INC - CL A	4,379	37.3	30.9	(13.6)	(13.0)	N/A	20.5	N/A	N/A	11.4	21.2	35.3	28.5			
MED US	MEDIFAST INC	1,923	43.4	33.8	N/A	N/A	60.3	28.3	N/A	36.2	7.0	73.4	124.3	128.3			
<b>Average (Simple)</b>			<b>32.9</b>	<b>26.1</b>	<b>1.4</b>	<b>-0.3</b>	<b>28.8</b>	<b>23.9</b>	<b>1.1</b>	<b>21.8</b>							

Source: Bloomberg, Krungsri Securities

**SPA: Quarterly Earnings**

Unit: (Btm)	1Q17	2Q17	3Q17	4Q17	1Q18
Sales	227	229	247	256	279
COGS (incl. depreciation)	142	148	161	170	174
Gross Profit	86	82	86	86	105
SG&A	31	33	32	35	37
<b>Operating Profit</b>	<b>55</b>	<b>49</b>	<b>54</b>	<b>51</b>	<b>67</b>
Equity income	0	0	0	3	2
<b>EBIT</b>	<b>55</b>	<b>49</b>	<b>54</b>	<b>54</b>	<b>69</b>
Interest expense	1	1	2	3	2
<b>EBT</b>	<b>54</b>	<b>47</b>	<b>53</b>	<b>52</b>	<b>67</b>
Income tax	9	7	8	6	11
Minority interests	0	0	0	0	0
<b>Core profit</b>	<b>45</b>	<b>40</b>	<b>44</b>	<b>46</b>	<b>56</b>
Extra items	0	0	0	0	0
<b>Net income</b>	<b>45</b>	<b>40</b>	<b>44</b>	<b>46</b>	<b>56</b>
<b>EPS</b>	<b>0.08</b>	<b>0.07</b>	<b>0.08</b>	<b>0.08</b>	<b>0.10</b>

Source: Company data, Bloomberg, Krungsri Securities

<b>INCOME STATEMENT (Btm)</b>	<b>2016</b>	<b>2017</b>	<b>2018F</b>	<b>2019F</b>	<b>2020F</b>
Sales	739	962	1,193	1,561	1,919
Cost of sales (COGS)	(429)	(542)	(659)	(866)	(1,068)
Depreciation & amortisation	(55)	(77)	(92)	(104)	(116)
Gross profit	254	343	442	591	735
S&A expenses	(89)	(130)	(157)	(200)	(242)
<b>Operating profit</b>	<b>165</b>	<b>212</b>	<b>285</b>	<b>392</b>	<b>493</b>
Other operating income	0	0	0	0	0
<b>EBIT</b>	<b>165</b>	<b>212</b>	<b>285</b>	<b>392</b>	<b>493</b>
Interest expense	(2)	(7)	(7)	(5)	(3)
Interest income	0	0	0	0	0
Goodwill amortisation	0	0	0	0	0
<b>Pre-tax profit</b>	<b>164</b>	<b>206</b>	<b>278</b>	<b>387</b>	<b>489</b>
Income tax on company & subsidiaries	(23)	(31)	(49)	(72)	(95)
<b>Profit after tax</b>	<b>141</b>	<b>175</b>	<b>229</b>	<b>315</b>	<b>394</b>
Minority interests	0	0	0	0	0
Share of associate net income	0	0	0	0	0
Preferred dividends	0	0	0	0	0
<b>Recurring attributable net profit</b>	<b>141</b>	<b>175</b>	<b>229</b>	<b>315</b>	<b>394</b>
Extraordinary items	0	0	0	0	0
<b>Reported net profit</b>	<b>141</b>	<b>175</b>	<b>229</b>	<b>315</b>	<b>394</b>
Shares in issue (Y/E, m)	570	570	570	570	570
Shares in issue (weighted avg, m)	570	570	570	570	570
EPS (before extraordinary items, Bt)	0.25	0.31	0.40	0.55	0.69
DPS (Bt)	0.10	0.12	0.16	0.22	0.27
DPS/EPS (%)	40	39	39	39	39

<b>CASH FLOW (Btm)</b>	<b>2016</b>	<b>2017</b>	<b>2018F</b>	<b>2019F</b>	<b>2020F</b>
Profits before tax	165	212	285	392	493
Depreciation & amortisation	55	77	92	104	116
<b>EBITDA</b>	<b>221</b>	<b>290</b>	<b>376</b>	<b>496</b>	<b>609</b>
Notional cash taxes on ungeared operations	(23)	(31)	(49)	(72)	(95)
Interest payment	(2)	(7)	(7)	(5)	(3)
Net change in working capital	17	21	25	29	28
<b>Cash flow from Operations</b>	<b>213</b>	<b>274</b>	<b>346</b>	<b>449</b>	<b>538</b>
Capex	(274)	(265)	(250)	(250)	(250)
Other	(8)	(75)	65	(19)	(18)
<b>Cash flow from Investment</b>	<b>(283)</b>	<b>(339)</b>	<b>(185)</b>	<b>(269)</b>	<b>(268)</b>
Net borrowings	99	162	(86)	(50)	(50)
Equity capital raised	0	0	0	0	0
Dividends paid	(57)	(68)	(89)	(123)	(154)
Others	0	9	0	0	0
<b>Cash flow from financing</b>	<b>42</b>	<b>103</b>	<b>(176)</b>	<b>(173)</b>	<b>(204)</b>
<b>Net change in cash</b>	<b>(27)</b>	<b>37</b>	<b>(15)</b>	<b>7</b>	<b>66</b>

<b>BALANCE SHEET (Btm)</b>	<b>2016</b>	<b>2017</b>	<b>2018F</b>	<b>2019F</b>	<b>2020F</b>
Cash & equivalents	33	67	52	58	125
A/C receivable	9	12	15	20	25
Inventory	20	28	35	45	56
Others	26	84	0	0	0
<b>Total Current Assets</b>	<b>88</b>	<b>191</b>	<b>102</b>	<b>124</b>	<b>205</b>
Property and equipment	699	889	1,048	1,193	1,327
Investments & associates	13	10	11	11	12
Other assets	37	51	63	83	102
Goodwill	28	34	32	31	29
<b>Total Assets</b>	<b>865</b>	<b>1,175</b>	<b>1,255</b>	<b>1,442</b>	<b>1,675</b>
Short-term debt	20	77	54	54	54
A/C payable	70	86	107	140	172
Other current liabilities	30	44	42	42	43
<b>Total Current Liabilities</b>	<b>120</b>	<b>207</b>	<b>203</b>	<b>236</b>	<b>269</b>
Long-term debt	80	185	122	72	22
Other liabilities	26	29	36	47	58
<b>Total Liabilities</b>	<b>226</b>	<b>421</b>	<b>361</b>	<b>355</b>	<b>349</b>
Share capital	143	143	143	143	143
Share premium	279	279	279	279	279
Revaluation/Warrants/Treasury	0	0	0	0	0
Translation adjustment	(6)	(6)	(6)	(6)	(6)
Retained earnings	223	339	479	671	911
<b>Total ordinary equity</b>	<b>639</b>	<b>755</b>	<b>894</b>	<b>1,087</b>	<b>1,327</b>
Preferred equity	0	0	0	0	0
Minorities	0	0	0	0	0
<b>Total equity &amp; minorities</b>	<b>639</b>	<b>755</b>	<b>894</b>	<b>1,087</b>	<b>1,327</b>
BV per ordinary share (Y/E, Bt)	1.12	1.32	1.57	1.91	2.33
Adjusted book value ps (Y/E, Bt)	1.12	1.32	1.57	1.91	2.33
<b>RATIOS (%)</b>	<b>2016</b>	<b>2017</b>	<b>2018F</b>	<b>2019F</b>	<b>2020F</b>
<b>Growth</b>					
Turnover	36.0	30.7	24.1	31.2	23.0
EBITDA	27.0	31.4	29.8	31.9	22.7
EBIT	22.7	28.5	34.0	37.6	25.7
Net profit	32.4	24.3	30.8	37.7	24.9
EPS pre extraordinary items	32.4	24.3	30.8	37.7	24.9
EPS (diluted)	32.4	24.3	30.8	37.7	24.9
DPS	0.0	20.0	30.8	37.7	24.9
<b>Accounting ratios</b>					
Gross profit margin	33.2	34.6	36.2	37.1	37.6
Operating profit margin	22.8	22.4	24.2	25.4	26.0
EBITDA margin	38.1	38.8	39.8	38.9	38.2
EBIT margin	22.8	22.4	24.2	25.4	26.0
Net profit margin	19.4	18.5	19.5	20.4	20.8
ROA	16.3	14.9	18.3	21.9	23.5
ROE	22.1	23.2	25.6	29.0	29.7
<b>Stability</b>					
D/E (x)	0.4	0.6	0.4	0.3	0.3
Net D/E (x)	0.2	0.3	0.2	0.1	0.1
Interest Coverage Ratio	105.6	n.a.	n.a.	n.a.	n.a.
Current ratio (x)	0.7	0.9	0.5	0.5	0.8
Quick ratio (x)	0.6	0.8	0.3	0.3	0.6
<b>Valuation (x)</b>					
PER	55.4	66.4	38.1	27.6	22.1
Normalized PER	55.4	66.4	38.1	27.6	22.1
P/BV	12.2	15.4	9.8	8.0	6.6
EV/EBTDA	28.6	31.6	18.6	14.5	12.0
Dividend yield (%)	0.7	0.6	1.0	1.4	1.8

## CG Rating 2016 Companies with CG Rating



AMATA	AOT	BAFS	BAY	BCP	BIGC	BTS	BWG	CK	CPF	CPN	CSL	DELTA	DEMCO
DRT	DTAC	DTC	EASTW	EGCO	GFPT	GPSC	GRAMMY	HANA	HMPRO	INTUCH	IRPC	IVL	KBANK
KCE	KKP	KTB	KTC	LHBANK	LPN	MBK	MCOT	MINT	MONO	NKI	NYT	OTO	PHOL
PPS	PS	PSL	PTT	PTTEP	PTTGC	QH	QTC	RATCH	SAMART	SAMTEL	SAT	SC	SCB
SCC	SCCC	SE-ED	SIM	SITHAI	SNC	SPALI	SSSC	STEC	SVI	TCAP	THCOM	TISCO	TKT
TMB	TNDT	TOP	TSC	TTCL	TU	UV	VGI	WACOAL	WAVE				



2S	AAV	ACAP	ADVANC	AGE	AH	AHC	AKP	ALUCON	AMANAHA	ANAN	AP	APCO	APCS
ARIP	ASIA	ASIMAR	ASK	ASP	AUCT	AYUD	BANPU	BBL	BDMS	BEM	BFIT	BLA	BOL
BROOK	CEN	CENTEL	CFRESH	CGH	CHG	CHO	CHOW	CI	CIMBT	CKP	CM	CNS	CNT
COL	CPI	DCC	EA	ECF	EE	ERW	FORTH	FPI	GCAP	GLOBAL	GBX	GC	GL
GLOW	GUNKUL	HOTPOT	HYDRO	ICC	ICHI	IFEC	INET	IRC	JSP	K	KSL	KTIS	L&E
LANNA	LH	LHK	LIT	LOXLEY	LRH	LST	M	MACO	MALEE	MBKET	MC	MEGA	MFC
MOONG	MSC	MTI	MTLS	NCH	NOBLE	NSI	NTV	OCC	OGC	OISHI	ORI	PACE	PAP
PCSGH	PDI	PE	PG	PJW	PLANB	PM	PPP	PR	PRANDA	PREM	PRG	PRINC	PT
PTG	PYLON	Q-CON	RICHY	ROBINS	RS	RWI	S	SAMCO	SABINA	SALEE	S&J	SCG	SEAFO
SIAM	SINGER	SIS	SMK	SMPC	SMT	SNP	SPI	SPPT	SPRC	SR	SSF	SST	STA
SUSCO	SUTHA	SWC	SYMC	SYNEX	SYTNEC	TAE	TAKUNI	TASCO	TBSC	TCC	TF	TFI	TGCI



AEC	AEONTS	AF	AIRA	AIT	AJ	AKR	AMARIN	AMATAV	ARROW	APURE	AQUA	AMC	AS
BA	BEAUTY	BEC	BH	BIG	BJC	BJCHI	BKD	BR	BROCK	BRR	BTNC	CBG	CGD
CHARAN	CITY	CMR	COLOR	COM7	CPL	CSC	CSP	CSR	CSS	CTW	DCON	DIMET	DNA
EARTH	EASON	ECL	EFORL	EPCO	EPG	ESSO	FE	FER	FOCUS	FSMART	FSS	FVC	GEL
GIFT	GLAND	GOLD	GSTEL	GYT	HPT	HTC	HTECH	IFS	IHL	ILINK	INSURE	IRPC	IT
ITD	J	JMART	JMT	JUBILE	JWD	KASET	KBS	KCAR	KGI	KKC	KOOL	KWC	KYE
LALIN	LPH	MAJOR	MAKRO	MATCH	MATI	M-CHAI	MDX	MFEC	MJD	MK	MODERN	MPG	NC
NCL	NDR	NEP	NOK	NUSA	PATO	PCA	PDG	PF	PICO	PIMO	PL	PLAT	PLE
PMTA	PPM	PRIN	PSTC	QLT	RCI	RCL	RICH	RML	RPC	SANKO	SAPPE	SAWAD	SCI
SCN	SCP	SEAOIL	SENA	SIRI	SKR	SLP	SMG	SMIT	SORKON	SPA	SPC	SPCG	SPVI
SSC	STANLY	STPI	SUC	TACC	TCCC	TCMC	TEAM	TFD	TFG	TIC	TIW	TKN	TLUXE
TMD	TNP	TOPP	TPA	TPAC	TPCH	TPIPL	TPOLY	TRITN	TRT	TTI	TVI	TWP	U
UBIS	UMI	UPOIC	UT	UWC	VIBHA	VPO	VTE	WICE	WIIK	WIN	XO		

## 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, Krungsri Securities Public Company Limited does not confirm, verify, or certify the accuracy and completeness of such survey result.

# Anti-corruption Progress Indicator 2016

## Companies that have declared their intention to join CAC

A	AI	AIE	AIR	AJ	ALUCON	AMATAV	AOT	APCO	AQUA	ARROW	ASIA	ASK	AU
BCH	BJC	BJCHI	BLAND	BR	BROCK	BRR	CEN	CGH	CHEWA	CHG	CHOTI	CHOW	CIG
COL	COM7	CPALL	CPF	CPR	CSC	EKH	EPCO	FC	FER	FPI	FSMART	GEL	GFPT
GGC	GIFT	GJS	GLOBAL	GOLD	GPSC	GREEN	GSTEL	GUNKUL	HARN	IFS	ILINK	INET	IRC
J	JMART	JMT	JUBILE	JUTHA	KASET	KBS	KCAR	KTECH	KWC	KYE	L&E	LEE	LIT
LVT	MAKRO	MATCH	MATI	MBAX	MC	MFEC	MIDA	MILL	ML	MTLS	NBC	NCL	NEP
NINE	NMG	NNCL	NTV	NUSA	NWR	OGC	PACE	PAF	PAP	PATO	PCSGH	PIMO	PK
PL	PLANB	POST	PRINC	PRO	PSTC	PYLON	QTC	ROH	ROJNA	RWI	SANKO	SAUCE	SC
SCCC	SCN	SEAOIL	SE-ED	SENA	SIRI	SMART	SPACK	SPPT	SPRC	SR	SRICHA	SST	STA
SUPER	SUSCO	SWC	SYMC	TAKUNI	TBSP	TFI	THE	TICON	TIP	TKN	TLUXE	TMILL	TMT
TNP	TPA	TRUE	TSE	TTI	TU	TVD	TVO	TVT	TWPC	U	UPA	UREKA	UWC
VGI	VIBHA	VIH	VNT	WAVE	WHA	WICE	WIIK						

## Companies certified by CAC

ADVANC	AKP	AMANAH	AP	ASP	AYUD	BAFS	BANPU	BAY	BBL	BCP	BKI	BLA	BROOK
BTS	BWG	CENTEL	CFRESH	CIMBT	CM	CNS	CPI	CPN	CSL	DCC	DEMCO	DIMET	DRT
DTAC	DTC	EASTW	ECL	EGCO	FE	FNS	FSS	GBX	GCAP	GLOW	HANA	HMPRO	HTC
ICC	IFEC	INTUCH	IRPC	IVL	K	KBANK	KCE	KGI	KKP	KSL	KTB	KTC	LANNA
LHBANK	LHK	LPN	MBK	MBKET	MCOT	MFC	MINT	MONO	MOONG	MSC	MTI	NKI	NSI
OCC	OCEAN	PB	PDI	PE	PG	PHOL	PLAT	PM	PPP	PPS	PRANDA	PREB	PRG
PSH	PSL	PT	PTG	PTT	PTTEP	PTTGC	Q-CON	QH	QLT	RATCH	RML	ROBINS	S & J
SABINA	SAT	SCB	SCC	SCG	SGP	SINGER	SIS	SITHAI	SMIT	SMPC	SNC	SNP	SORKON
SPC	SPI	SSF	SSI	SSSC	SVI	SYNTEC	TAE	TCAP	TCMC	TFG	TGCI	THANI	THCOM
THRE	THREL	TIPCO	TISCO	TKT	TMB	TMD	TNITY	TNL	TOG	TOP	TPCORP	TRU	TSC
TSTH	TTCL	TVI	UOBKH	WACOAL									

## N/A

2S	AAV	ABICO	ACAP	ACC	ADAM	AEC	AEONTS	AF	AFC	AGE	AH	AHC	AIT
AJA	AKR	ALLA	ALT	AMA	AMARIN	AMATA	AMC	ANAN	APCS	APEX	APURE	AQ	ARIP
AS	ASAP	ASEFA	ASIAN	ASIMAR	ASN	ATP30	AUCT	BA	BAT-3K	BCPG	BDMS	BEAUTY	BEC
BEM	BFIT	BGRIM	BGT	BH	BIG	BKD	BLISS	BM	BOL	BPP	BSBM	BSM	BSM
BTC	BTNC	BTW	BUI	CBG	CCET	CCP	CGD	CHARAN	CHO	CHUO	CI	CITY	CK
CKP	CMO	CMR	CNT	COLOR	COMAN	CPH	CPL	CRANE	CRD	CSP	CSR	CSS	CTW
CWT	D	DCON	DCORP	DELTA	DIGI	DNA	DTCI	EA	EARTH	EASON	ECF	EE	EFORL
EIC	EMC	EPG	ERW	ESSO	ESTAR	ETE	EVER	F&D	FANCY	FMT	FN	FOCUS	FORTH
FTE	FVC	GC	GENCO	GL	GLAND	GRAMMY	GRAND	GTB	GYT	HFT	HOTPOT	HPT	HTECH
HYDRO	ICHI	ICN	IEC	IHL	III	INGRS	INOX	INSURE	IRCP	IT	ITD	ITEL	JAS
JCT	JSP	JTS	JWD	KAMART	KC	KCM	KDH	KIAT	KKC	KOOL	KTIS	KWG	LALIN
LDC	LH	LOXLEY	LPH	LRH	LST	LTX	M	MACO	MAJOR	MALEE	MANRIN	MAX	M-CHAI
MCS	MDX	MEGA	METCO	MGT	MJD	MK	MM	MODERN	MPG	MPIC	NC	NCH	NDR
NETBAY	NEW	NEWS	NFC	NOBLE	NOK	NPK	NPP	NVD	NYT	OHTL	OISHI	ORI	OTO
PAE	PDG	PERM	PF	PICO	PJW	PLANET	PRECHA	PMTA	POLAR	POMPUI	PPM	PRAKIT	PLE
PRIN	PRM	PTL	RAM	RCI	RCL	RICH	RICHY	RJH	ROCK	RP	RPC	RPH	RS
S	S11	SAFARI	SALEE	SAM	SAMART	SAMCO	SAMTEL	SAPPE	SAWAD	SAWANG	SCI	SCP	SDC
SE	SEAFCO	SELIC	SF	SFP	SGF	SHANG	SIAM	SIMAT	SKN	SKR	SKY	SLP	SMK
SMM	SMT	SOLAR	SPA	SPALI	SPCG	SPG	SPORT	SPVI	SQ	SSC	SSP	STANLY	STAR
STEC	STHAI	STPI	SUC	SUTHA	SVH	SVOA	SYNEX	T	TACC	TAPAC	TASCO	TC	TCB
TCC	TCCC	TCJ	TCOAT	TEAM	TFD	TFMAMA	TGPRO	TH	THAI	THANA	THIP	THL	TIC
TIW	TK	TKS	TM	TMC	TMI	TMW	TNDT	TNH	TNPC	TNR	TOA	TOPP	TPAC
TPBI	TPCH	TPIPL	TPIPP	TPOLY	TPP	TR	TRC	TRITN	TRT	TRUBB	TSF	TSI	TSR
TSTE	TTA	TTL	TTTM	TUCC	TW	TUCC	TWP	TWZ	TYCN	UAC	UBIS	UEC	UKEM
UMS	UNIQ	UP	UPF	UPOIC	UT	UTP	UV	UVAN	VARO	VI	VNG	VPO	VTE
WG	WHAUP	WIN	WINNER	WORK	WORLD	WP	WPH	WR	XO	YCI	YNP	YUASA	ZIGA
ZMICO													

## Disclaimer

The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by Thaipat Institute, is made in order to comply with the policy and sustainable development plan for the listed companies of the Office of the Securities and Exchange Commission. Thaipat Institute 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 Thaipat Institute that is 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, Krungsri Securities Public Company Limited does not confirm, verify, or certify the accuracy and completeness of the assessment result."

## Reference

Disclosure: Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of July 31, 2017) are categorised into:

- Companies that have declared their intention to join CAC
- Companies certified by CAC.





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a global financial group

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## Definition of Ratings

- OUTPERFORM** - Stocks with an expected capital gain above 10% in the next 12 months for small-caps, above 5% for big-caps
- NEUTRAL** - Stocks with an expected capital gain between -10% and +10% in the next 12 months for small-caps, -5% to +5% for big-caps
- UNDERPERFORM** - Stocks with an expected capital gain below 10% in the next 12 months for small-caps, below 5% for big-caps