

Siam Wellness Group

(SPA.BK/SPA TB)

Outperform • Maintained

Price as of 13 Nov 2020	6.25
12M target price (Bt/shr)	9.50
Unchanged/Revised up(down)(%)	Unchanged
Upside/downside (%)	52.0

Key messages

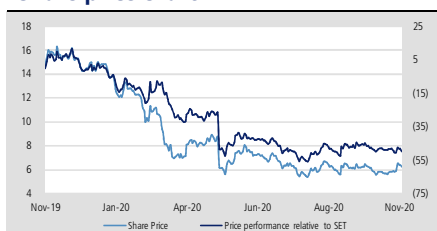
SPA reported a 3Q20 net loss of Bt55mn (improving from a net loss of Bt81mn in 2Q20), beating our expectation by 8%. Earnings momentum improved following the easing of lockdown restrictions since June 2020 resulting in a QoQ recoveries in top-line and profitability. Meanwhile, D/E in 3Q20 (excluding TFRS 16) remained at a comfortable level of 0.31x, far below its debt covenant of 1.5x. We re-iterate our long-term positive view as earnings momentum remains on track to achieve a gradual pace of recovery, while progress on a COVID-19 vaccine should act as a key catalyst. We maintain a rating of Outperform with a target price of Bt9.50.

Trading data

Mkt cap (Btbn/US\$m)	5.3/134		
Outstanding shares (mn)	855		
Foreign ownership (mn)	10		
3M avg. daily trading (mn)	2		
52-week trading range (Bt)	5.4 – 16.3		
Performance (%)	3M	6M	12M
Absolute	5.0	5.0	-56.6
Relative	3.4	-0.1	-48.1

Quarterly EPS

EPS	Q1	Q2	Q3	Q4
2018	0.07	0.06	0.06	0.06
2019	0.07	0.06	0.08	0.08
2020	0.01	(0.09)	(0.06)	

Share price chart


Source: SET

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3Q20 earnings review: Beat our expectation
Event

3Q20 earnings review.

Impact
Improved to net loss of Bt55mn in 3Q20, from net loss of Bt81mn in 2Q20

SPA reported a 3Q20 net loss of Bt55mn, recovering from a net loss of Bt81mn in 2Q20. The result was 8% above our expectation due to a higher-than-expected gross margin. Earnings momentum improved following the easing of lockdown restrictions since June 2020 resulting in QoQ recoveries in top-line and profitability. 9M20 net loss accounted for 78% of our full-year forecast.

Revenue from spa business improved to Bt60mn (-83% YoY, +323% QoQ) as the company focused more on domestic demand and continued reopening branches to 42 branches as of end-3Q20 (from 35 branches as of end-2Q20). In terms of performance benchmark (Figure 2), revenue per total operating outlet improved from Bt0.4mn (-92% YoY) in 2Q20 to Bt1.4mn (-75% YoY) in 3Q20.

Gross margin from spa business also showed recovery to -53.3% in 3Q20 from -433% in 2Q20, while SG&A-to-sales came down to 39.8% (-44.4ppts QoQ) due to better economies of scale.

Pace of recovery to remain promising

SPA's earnings momentum should continue to see improvement and is expected to reach EBITDA breakeven in 4Q20F as the utilization rate already ramped up to nearly 40% in September 2020, close to the EBITDA breakeven point of 40-50%. Meanwhile, D/E in 3Q20 (excluding TFRS 16) remained comfortable at 0.31x, far below its debt covenant of 1.5x).

Valuation & Action

We re-iterate our long-term positive view on SPA as earnings momentum remains on track to achieve a gradual pace of recovery, while progress on a COVID-19 vaccine should act as key catalyst. We maintain a rating of Outperform with a target price of Bt9.50, based on 2022F 40.4x PE, which is in line with its long-term mean. Note we already factored in a 1-year discount with its WACC of 11.2%.

Risks

The prolonged COVID-19 outbreak.

Key financials and valuations

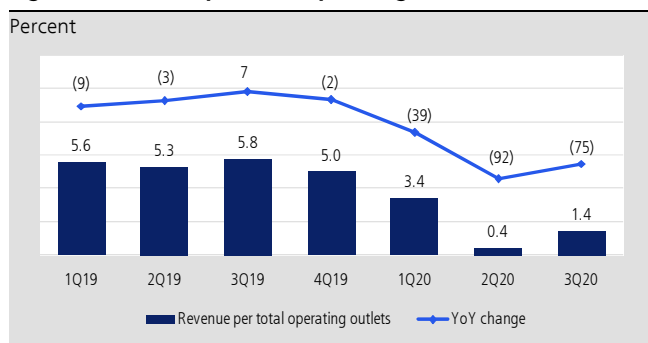
	Dec - 18A	Dec-19	Dec - 20F	Dec - 21F	Dec - 22F
Revenue (Btmn)	1,134	1,384	504	899	1,249
Gross Profit (Btmn)	384	441	(34)	230	420
SG&A (Btmn)	152	163	130	126	155
Net Profit (Btmn)	206	245	(168)	86	224
Normalized Profit (Btmn)	206	245	(168)	86	224
EPS (Bt)	0.2	0.3	(0.2)	0.1	0.3
Normalized EPS (Bt)	0.2	0.3	(0.2)	0.1	0.3
DPS (Bt)	0.2	0.0	0.0	0.0	0.1
EPS Growth (%)	17.4	19.4	N.A.	N.A.	160.7
Normalized EPS Growth	17.4	19.4	N.A.	N.A.	160.7
P/E (X)	31.1	33.7	(32.6)	63.7	24.4
P/B (X)	6.6	7.3	5.7	5.2	4.6
EV/EBITDA (X)	10.9	9.0	87.4	14.1	9.1
Net Debt to Equity (%)	22.3	14.6	30.4	21.9	15.6
Dividend Yield (%)	2.0	0.3	0.0	0.0	1.4
Return on Average Equity (%)	21.2	21.7	(17.4)	8.2	18.7

Source: Company data, KGI Research

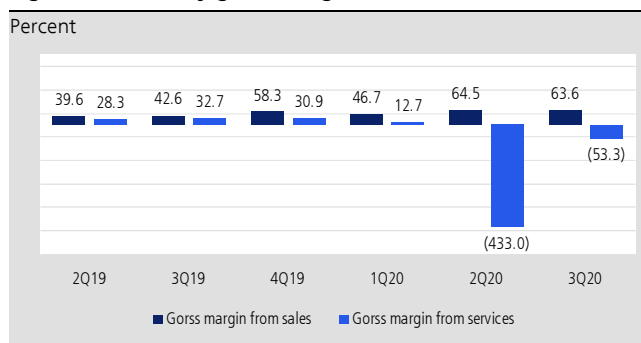
Figure 1: SPA's 3Q20 earnings review

Bt mn	3Q20	3Q19	YoY (%)	2Q20	QoQ (%)	2020F	2019	YoY (%)
Total revenue	76	368	(79.3)	31	142.1	504	1,384	(63.5)
Revenue from sales	16	22	(27.4)	17	(6.0)	81	90	(10.0)
Revenue from services	60	345	(82.6)	14	323.4	423	1,293	(67.3)
Total gross Profit	(22)	122	(117.6)	(50)	(57.0)	(34)	441	(107.7)
SG&A	30	42	(28.1)	27	14.5	(130)	(163)	(19.9)
Operating EBIT	(51)	84	(161.0)	(76)	(32.4)	(157)	298	(152.7)
Operating EBITDA	(16)	116	(113.9)	(23)	(30.1)	54	416	(87.0)
Pre-tax Profit	(54)	81	(166.6)	(82)	(33.7)	(177)	288	(161.6)
Current taxation	1	13		(1)		9	(42)	
Minorities	-	2		-		0	(1)	
Extraordinary items	-	-		-		-	-	
Net Profit	(55)	70	N.A.	(81)	N.A.	(168)	245	N.A.
Normalized profit	(55)	70	N.A.	(81)	N.A.	(168)	245	N.A.
EPS (Bt) - fully diluted	(0.06)	0.08	N.A.	(0.09)	N.A.	(0.20)	0.29	N.A.
Normalized EPS (Bt)	(0.06)	0.08	N.A.	(0.09)	N.S.	(0.20)	0.29	N.A.
Percent	3Q20	3Q19	YoY (ppts)	2Q20	QoQ (ppts)	2020F	2019	YoY (ppts)
Total gross margin	(28.3)	33.3	(61.6)	(159.3)	131.0	(6.7)	31.9	(38.6)
Gross margin from sales	63.6	42.6	21.0	64.5	(0.8)	52.0	48.7	3.3
Gross margin from services	(53.3)	32.7	(85.9)	(433.0)	379.7	(18.0)	30.7	(48.7)
EBIT margin	(67.4)	22.9	(90.4)	(241.7)	174.2	(31.1)	21.5	(52.7)
EBITDA margin	(21.2)	31.5	(52.7)	(73.3)	52.1	10.7	30.0	(19.3)
SG&A/sales	39.8	11.5	28.3	84.3	(44.4)	25.8	11.7	14.1

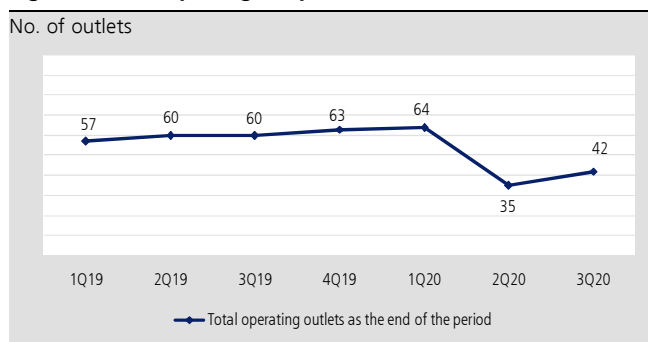
Source: Company data, KGI Research

Figure 2: Revenue per total operating outlets


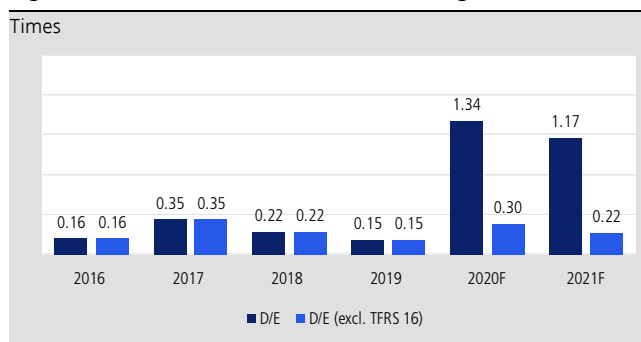
Source: Company data, KGI Research

Figure 3: Quarterly gross margin


Source: Company data, KGI Research

Figure 4: Total opening of spa outlets


Source: Company data, KGI Research

Figure 5: D/E to remain comfortable through 2020-21F


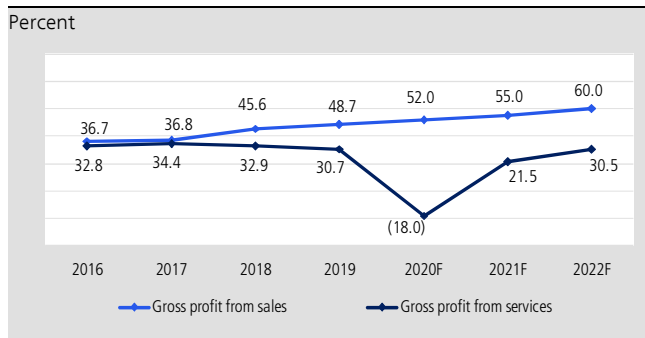
Source: KGI Research

Figure 6: Company profile

Siam Wellness Group Plc. (SPA) is one of the largest spa operators in Thailand which has operated health spa, spa-related products, and hospitality businesses. For the spa business, there are five main brands including i) RarinJinda Wellness Spa (5-star spa service), ii) Let's Relax (4-star spa service), iii) Baan Suan Massage (3-star spa service), iv) Stretch Me (stretching studio), and v) Face Care by Let's Relax (facial spa).

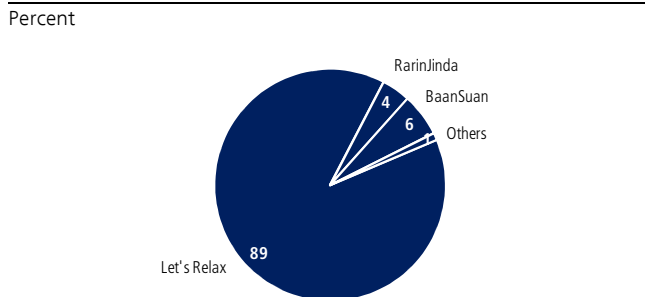
Source: Company data

Figure 8: Margins



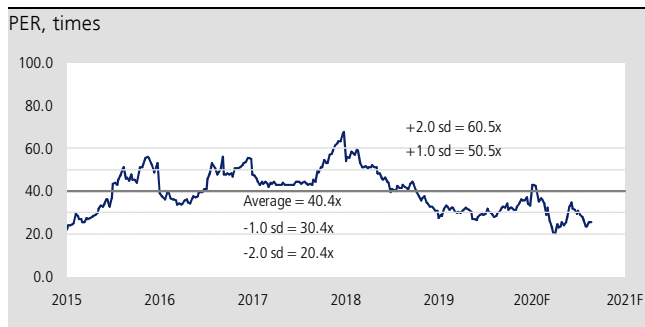
Source: Company data, KGI Research

Figure 10: Spa revenue breakdown by brands



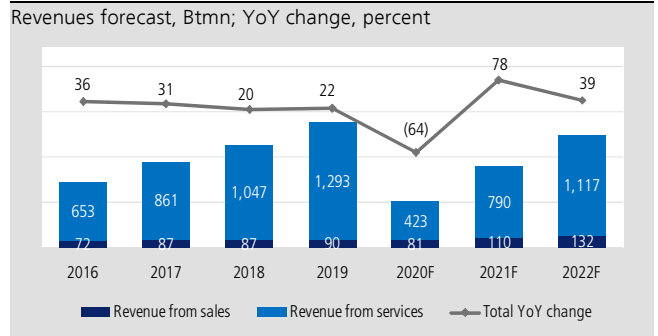
Source: Company data, KGI Research

Figure 12: Company trading PER



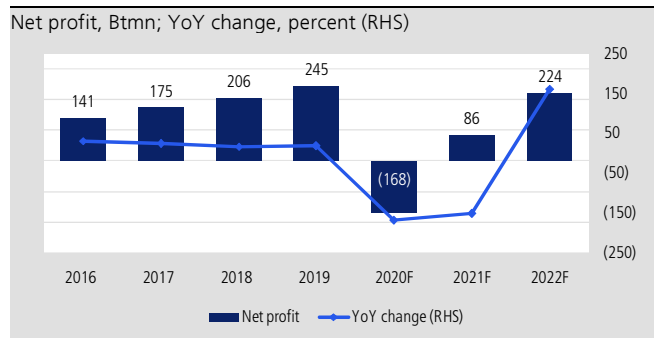
Source: KGI Research

Figure 7: Revenue forecast



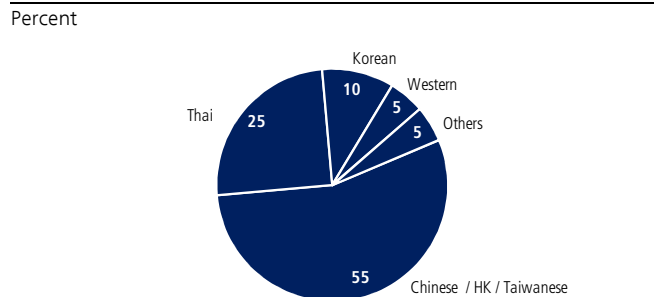
Source: Company data, KGI Research

Figure 9: Net profit



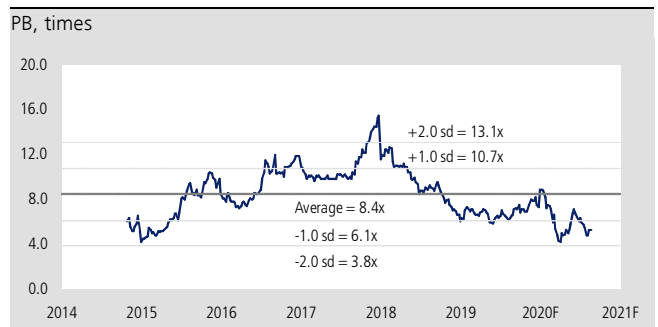
Source: Company data, KGI Research

Figure 11: Spa revenue breakdown by customers



Source: Company data, KGI Research

Figure 13: Company trading PB



Source: KGI Research

Quarterly Income Statement

	Jun-17A	Sep-17A	Dec-17A	Mar-18A	Jun-18A	Sep-18A	Dec-18A	Mar-19A	Jun-19A	Sep-19A	Dec-19A	Mar-20A	Jun-20A	Sep-20
Income Statement (Bt mn)														
Revenue	223	243	256	279	265	288	303	341	337	368	338	238	31	76
Cost of Goods Sold	(148)	(161)	(170)	(174)	(176)	(191)	(209)	(231)	(240)	(245)	(227)	(201)	(82)	(98)
Gross Profit	76	83	86	105	89	97	93	110	98	122	111	37	(50)	(22)
Operating Expense	(33)	(32)	(35)	(37)	(37)	(37)	(41)	(42)	(46)	(42)	(33)	(30)	(27)	(30)
Other incomes	0	0	0	0	0	0	0	4	5	4	(14)	5	0	0
Operating Profit	43	51	51	67	52	60	52	72	57	84	64	12	(77)	(52)
Depreciation of fixed asset	(19)	(20)	(21)	(22)	(23)	(24)	(27)	(31)	(28)	(32)	(27)	(70)	(53)	(35)
Operating EBITDA	67	74	76	100	82	88	85	103	85	116	111	82	(23)	(16)
Non-Operating Income	0	0	0	0	0	0	0	0	0	0	(0)	1	1	0
Interest Income	0	0	0	0	0	0	0	0	0	0	(0)	1	1	0
Other Non-op Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Non-Operating Expense	(1)	(2)	(3)	(2)	(2)	(2)	(2)	(2)	(3)	(3)	(2)	(9)	(6)	(3)
Interest Expense	(1)	(2)	(3)	(2)	(2)	(2)	(2)	(2)	(3)	(3)	(2)	(9)	(6)	(3)
Other Non-op Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Equity Income/(Loss)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Pre-tax profit	47	53	52	67	57	61	56	70	55	81	81	4	(82)	(54)
Current Taxation	(7)	(8)	(6)	(11)	(8)	(9)	(7)	(11)	(7)	(13)	(10)	0	1	(1)
Minorities	0	0	(0)	0	0	0	(0)	(0)	(0)	2	(2)	0	0	0
Extraordinary items	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Profit	40	44	46	56	48	52	49	59	47	70	69	4	(81)	(55)
Normalized Profit	40	44	46	56	48	52	49	59	47	70	69	4	(81)	(55)
EPS (Bt)	0.05	0.05	0.05	0.07	0.06	0.06	0.06	0.07	0.06	0.08	0.08	0.01	(0.09)	(0.06)
Normalized EPS (Bt)	0.05	0.05	0.05	0.07	0.06	0.06	0.06	0.07	0.06	0.08	0.08	0.01	(0.09)	(0.06)
Margins														
Gross profit margin	33.9	34.0	33.7	37.5	33.6	33.7	30.8	32.3	29.0	33.3	32.9	15.6	(159.3)	(28.3)
Operating EBIT margin	19.2	20.9	20.0	24.1	19.8	20.9	17.1	21.3	17.0	22.9	19.1	5.0	(243.5)	(68.1)
Operating EBITDA margin	30.2	30.6	29.6	35.8	31.0	30.4	28.2	30.4	25.3	31.5	32.9	34.7	(73.3)	(21.2)
Net profit margin	18.1	18.1	17.8	20.1	18.3	18.1	16.2	17.3	14.0	19.0	20.5	1.8	(256.1)	(72.1)
Growth (YoY)														
Revenue growth	30.5	26.5	34.3	23.9	18.5	18.2	18.5	22.0	27.5	27.8	11.6	(30.2)	(90.7)	(79.3)
Operating EBIT growth	28.4	8.3	58.8	26.9	21.9	18.4	1.8	7.7	9.7	40.1	24.1	(83.5)	(233.5)	(161.6)
Operating EBITDA growth	35.7	16.9	48.2	37.6	21.6	17.7	12.9	3.6	4.0	32.3	30.1	(20.3)	(127.1)	(113.9)
Net profit growth	31.5	9.2	31.5	24.4	20.0	17.9	7.7	5.2	(2.4)	34.8	40.8	(92.6)	(270.8)	(178.5)
Normalized profit growth	31.5	9.2	31.5	24.4	20.0	17.9	7.7	5.2	(2.4)	34.8	40.8	(92.6)	(270.8)	(178.5)

Source: KGI Research

Balance Sheet

As of 31 Dec (Bt mn)	2018	2019	2020F	2021F	2022F
Total Assets	1,369	1,516	2,394	2,456	2,598
Current Assets	176	289	289	351	410
Cash & ST Investment	111	126	224	242	223
Inventories	31	40	33	45	48
Account Receivable	24	37	14	30	42
Others	10	47	5	9	12
Non-current Assets	1,194	1,227	2,106	2,105	2,188
LT Investment	8	24	25	25	25
Net fixed Assets	1,067	1,083	1,009	982	1,043
Others	118	120	1,072	1,097	1,119
Total Liabilities	399	384	1,430	1,406	1,403
Current Liabilities	224	245	233	237	252
Account Payable	83	97	60	74	92
ST Borrowing	90	85	148	116	96
Others	51	63	26	46	64
Long-term Liabilities	175	139	1,197	1,169	1,150
Long-term Debts	126	80	145	113	91
Others	49	59	1,052	1,056	1,059
Shareholders' Equity	970	1,132	964	1,050	1,196
Common Stock	143	143	214	214	214
Capital Surplus	279	279	279	279	279
Retained Earnings	505	666	427	513	659
Preferred Stock					

Source: KGI Research

Key Ratios

Year to 31 Dec	2018	2019	2020F	2021F	2022F
Growth (%YoY)					
Sales	19.7	22.0	(63.5)	78.3	38.9
OP	17.1	20.3	(158.9)	(163.5)	154.2
EBITDA	19.3	20.2	(87.0)	509.9	52.5
NP	17.4	19.4	(168.4)	(151.2)	160.7
Normalized Profit	17.4	19.4	(168.4)	(151.2)	160.7
EPS	17.4	19.4	(168.4)	(151.2)	160.7
Normalized EPS	17.4	19.4	(168.4)	(151.2)	160.7
Profitability (%)					
Gross Margin	33.9	31.9	(6.7)	25.6	33.6
Operating Margin	20.4	20.1	(32.5)	11.6	21.2
EBITDA Margin	30.5	30.0	10.7	36.7	40.3
Net Margin	18.1	17.7	(33.3)	9.6	17.9
ROAA	15.0	16.2	(7.0)	3.5	8.6
ROAE	21.2	21.7	(17.4)	8.2	18.7
Stability					
Gross Debt/Equity (%)	41.1	33.9	148.4	133.9	117.3
Net Debt/Equity (%)	22.3	14.6	30.4	21.9	15.6
Interest Coverage (x)	28.3	28.4	(7.8)	5.5	14.6
Interest & ST Debt Coverage (x)	2.5	3.1	(0.9)	0.8	2.5
Cash Flow Interest Coverage (x)	37.8	23.8	4.5	13.7	23.5
Cash Flow/Interest & ST Debt (x)	3.4	2.6	0.5	2.1	3.9
Current Ratio (x)	0.8	1.2	1.2	1.5	1.6
Quick Ratio (x)	0.6	1.0	1.1	1.3	1.4
Net Debt (Bt mn)	136.9	112.8	1,119.4	1,037.5	963.6
Per Share Data (Bt)					
EPS	0.2	0.3	(0.2)	0.1	0.3
Normalized EPS	0.2	0.3	(0.2)	0.1	0.3
CFPS	0.4	0.3	0.1	0.3	0.5
BVPS	1.1	1.3	1.1	1.2	1.4
SPS	1.3	1.6	0.6	1.1	1.5
EBITDA/Share	0.4	0.5	0.1	0.4	0.6
DPS	0.2	0.0	0.0	0.0	0.1
Activity					
Asset Turnover (x)	0.8	0.9	0.2	0.4	0.5
Days Receivables	7.6	9.8	9.9	12.2	12.2
Days Inventory	15.1	15.5	22.0	24.5	21.1
Days Payable	40.6	37.5	40.6	40.6	40.6
Cash Cycle	-17.9	-12.2	-8.6	-3.9	-7.3

Source: KGI Research

Profit & Loss

Year to Dec 31 (Btmn)	2018	2019	2020F	2021F	2022F
Revenue	1,134	1,384	504	899	1,249
Cost of Goods Sold	(750)	(943)	(538)	(669)	(829)
Gross Profit	384	441	(34)	230	420
Operating Expenses	(152)	(163)	(130)	(126)	(155)
Other Incomes	0	0	0	0	0
Operating Profit	232	279	(164)	104	265
Depreciation of fixed assets	(96)	(118)	(211)	(213)	(221)
Operating EBITDA	346	416	54	330	504
Non-Operating Income	0	0	0	0	0
Interest Income	0	0	0	0	0
Other Non-op Income	0	0	0	0	0
Non-Operating Expense	(9)	(10)	(20)	(21)	(19)
Interest Expense	(9)	(10)	(20)	(21)	(19)
Other Non-op Expense	0	0	0	0	0
Equity Income/(Loss)	0	0	0	0	0
Pretax Profit	241	288	(177)	96	263
Current Taxation	(35)	(42)	9	(10)	(39)
Minorities	0	1	(0)	0	0
Extraordinaries items	0	0	0	0	0
Net Profit	206	245	(168)	86	224
Normalized Profit	206	245	(168)	86	224
EPS (Bt)	0.24	0.29	(0.20)	0.10	0.26
Normalized EPS (Bt)	0.24	0.29	(0.20)	0.10	0.26

Source: KGI Research

Cash Flow

Year to 31 Dec (Bt mn)	2018	2019	2020F	2021F	2022F
Operating Cash Flow	334	249	90	291	454
Net Profit	206	245	(168)	86	224
Depreciation & Amortization	96	118	211	213	221
Change in Working Capital	33	(114)	47	(9)	8
Others					
Investment Cash Flow	(285)	(141)	(1,097)	(209)	(301)
Net CAPEX	(306)	(136)	(90)	(213)	(304)
Change in LT Investment	(0)	(15)	(1,000)	0	0
Change in Other Assets	1	(0)	0	0	0
Free Cash Flow	49	108	(1,007)	82	153
Financing Cash Flow	(36)	(135)	1,128	(64)	(121)
Change in Share Capital	0	0	71	0	0
Net Change in Debt	(46)	(51)	1,128	(64)	(42)
Change in Other LT Liab.	50	(1)	0	(0)	(0)
Net Cash Flow	13	(27)	121	18	31

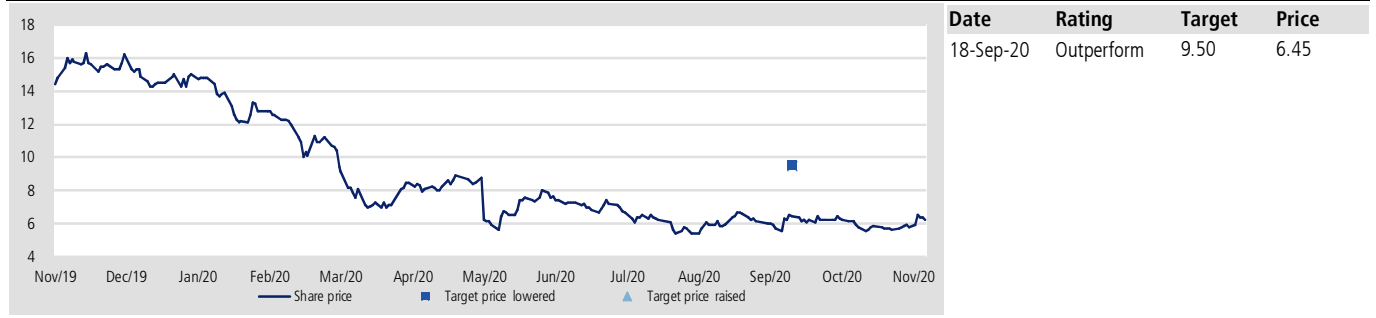
Source: KGI Research

Rates of Return on Invested Capital

Year	1-	COGS Revenue	+	Depreciation Revenue	+	Operating Exp. Revenue	=	Operating Margin
2018		66.1%		8.5%		13.4%		12.0%
2019		68.1%		8.5%		11.7%		11.6%
2020F		106.7%		41.9%		25.8%		-74.4%
2021F		74.4%		23.7%		14.0%		-12.2%
Year	1/	Working Capital Revenue	+	Net PPE Revenue	+	Other Assets Revenue	=	Capital Turnover
2018		(0.0)		0.9		0.3		0.9
2019		0.0		0.8		0.3		0.9
2020F		0.1		2.0		2.7		0.2
2021F		0.1		1.1		1.6		0.4
Year		Operating Margin	x	Capital Turnover	x	Cash Tax Rate	=	After-tax Return on Inv. Capital
2018		12.0%		0.9		14.7%		1.5%
2019		11.6%		0.9		14.5%		1.5%
2020F		-74.4%		0.2		5.0%		-0.8%
2021F		-12.2%		0.4		10.0%		-0.4%

Source: KGI Research

Siam Wellness Group – Recommendation & target price history



Source: KGI Research

Corporate Governance Report of Thai Listed Companies



Companies with Excellent CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
EGCO	ELECTRICITY GENERATING	KTB	KRUNG THAI BANK	TISCO	TISCO FINANCIAL GROUP
KBANK	KASIKORN BANK	RATCH	RATCHABURI ELECTRICITY GENERATING HOLDING		
KKP	KIATNAKIN BANK	SCB	THE SIAM COMMERCIAL BANK		



Companies with Very Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
ADVANC	ADVANCED INFO SERVICE	ERW	THE ERAWAN GROUP	SCC	THE SIAM CEMENT
AOT	AIRPORTS OF THAILAND	GFPT	GFPT	SPALI	SUPALAI
AP	ASIAN PROPERTY DEVELOPMENT	IFEC	INTER FAR EAST ENGINEERING	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION
BBL	BANGKOK BANK	LPN	L.P.N. DEVELOPMENT	SVI	SVI
BH	BUMRUNGRAD HOSPITAL	MINT	MINOR INTERNATIONAL	TASCO	TIPCO ASPHALT
BIGC	BIG C SUPERCENTER	PS	PRUKSA REAL ESTATE	TCAP	THANACHART CAPITAL
CK	CH. KARNCHANG	QH	QUALITY HOUSES	TMB	TMB BANK
CPALL	CP ALL	ROBINS	ROBINSON DEPARTMENT STORE	TRUE	TRUE CORPORATION
CPN	CENTRAL PATTANA	RS	RS		
DRT	DIAMOND ROOFING TILES	SAMART	SAMART CORPORATION		



Companies with Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
CENTEL	CENTRAL PLAZA HOTEL	HMPRO	HOME PRODUCT CENTER	MAKRO	SIAM MAKRO
DCC	DYNASTY CERAMIC	ILINK	INTERLINK COMMUNICATION	MODERN	MODERNFORM GROUP
GL	GROUP LEASE	KTC	KRUNGTHAI CARD	TRT	TIRATHAI
GLOW	GLOW ENERGY	MAJOR	MAJOR CINEPLEX GROUP	TVO	THAI VEGETABLE OIL

Companies classified Not in the three highest score groups

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	CHG	CHULARAT HOSPITAL	NOK	NOK AIRLINES
ANAN	ANANDA DEVELOPMENT	CKP	CK POWER	PACE	PACE DEVELOPMENT CORPORATION
BA	BANGKOK AIRWAYS	DTAC	TOTAL ACCESS COMMUNICATION	SAWAD	SRI SAWAD POWER 1979
BCH	BANGKOK CHAIN HOSPITAL	GLOBAL	SIAM GLOBAL HOUSE	TMT	THAI METAL TRADE
BDMS	BANGKOK DUSIT MEDICAL SERVICES	GPSC	GLOBAL POWER SYNERGY	TPCH	TPC POWER HOLDING
BEM	BANGKOK EXPRESSWAY AND METRO	GUNKUL	GUNKUL ENGINEERING	WHA	WHA CORPORATION
BJCHI	BJC HEAVY INDUSTRIES	LPH	LADPRAO GENERAL HOSPITAL	WORK	WORKPOINT ENTERTAINMENT
CBG	CARABAO GROUP	MTLS	MUANGTHAI LEASING		

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
CPN	CENTRAL PATTANA	SCC	THE SIAM CEMENT		

Level 4: Certified

Stock	Company name	Stock	Company name	Stock	Company name
ADVANC	ADVANCED INFO SERVICE	IFEC	INTER FAR EAST ENGINEERING	SVI	SVI
BBL	BANGKOK BANK	KBANK	KASIKORN BANK	TCAP	THANACHART CAPITAL
DCC	DYNASTY CERAMIC	KKP	KIATNAKIN BANK	TISCO	TISCO FINANCIAL GROUP
DRT	DIAMOND ROOFING TILES	KTB	KRUNG THAI BANK	TMB	TMB BANK
EGCO	ELECTRICITY GENERATING	MINT	MINOR INTERNATIONAL		
ERW	THE ERAWAN GROUP	SCB	THE SIAM COMMERCIAL BANK		

Level 3: Established

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	DTAC	TOTAL ACCESS COMMUNICATION	PACE	PACE DEVELOPMENT CORPORATION
ANAN	ANANDA DEVELOPMENT	GFPT	GFPT	PS	PRUKSA REAL ESTATE
AP	ASIAN PROPERTY DEVELOPMENT	GL	GROUP LEASE	RATCH	RATCHABURI ELECTRICITY GENERATING HOLDING
BA	BANGKOK AIRWAYS	GLOW	GLOW ENERGY	ROBINS	ROBINSON DEPARTMENT STORE
BDMS	BANGKOK DUSIT MEDICAL SERVICES	GPSC	GLOBAL POWER SYNERGY	SAMART	SAMART CORPORATION
BIGC	BIG C SUPERCENTER	HMPRO	HOME PRODUCT CENTER	SPALI	SUPALAI
BJCHI	BJC HEAVY INDUSTRIES	KTC	KRUNGTHAI CARD	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION
CENEL	CENTRAL PLAZA HOTEL	LPN	L.P.N. DEVELOPMENT	TASCO	TIPCO ASPHALT
CHG	CHULARAT HOSPITAL	MAKRO	SIAM MAKRO	TMT	THAI METAL TRADE
CK	CH. KARNCHANG	MODERN	MODERNFORM GROUP	TPCH	TPC POWER HOLDING
CKP	CK POWER	NOK	NOK AIRLINES	WHA	NOK AIRLINES

Level 2: Declared

Stock	Company name	Stock	Company name	Stock	Company name
AOT	AIRPORTS OF THAILAND	GUNKUL	GUNKUL ENGINEERING	QH	QUALITY HOUSES
BH	BUMRUNGRAD HOSPITAL	ILINK	INTERLINK COMMUNICATION	TRT	TIRATHAI
GLOBAL	SIAM GLOBAL HOUSE	MTLS	MUANGTHAI LEASING	TVO	THAI VEGETABLE OIL

Level 1: Committed

Stock	Company name	Stock	Company name	Stock	Company name
CBG	CARABAO GROUP	RS	RS	SAWAD	SRI SAWAD POWER 1979
MAJOR	MAJOR CINEPLEX GROUP				

No progress

Stock	Company name	Stock	Company name	Stock	Company name
BCH	BANGKOK CHAIN HOSPITAL	CPALL	CP ALL	WORK	WORKPOINT ENTERTAINMENT
BEM	BANGKOK EXPRESSWAY AND METRO	LPH	LADPRAO GENERAL HOSPITAL		

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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