

Vietnam

ADD (no change)

Consensus ratings*: Buy 4 Hold 2 Sell 0

Current price:	VND62,200
Target price:	VND82,900
Previous target:	VND112,000
Up/downside:	33.3%
CGS-CIMB / Consensus:	19.1%
Reuters:	ACV.HM
Bloomberg:	ACV.VN
Market cap:	US\$5,835m
	VND135,409,328m
Average daily turnover:	US\$0.77m
	VND17,581m
Current shares o/s:	2,176,999m
Free float:	5.0%

*Source: Bloomberg

Key changes in this note

- FY20-22F total pax decrease 32.1%
- FY20-22F total EBITDA decrease 35%
- FY20/FY21F EPS decrease 64.3%/17.2%



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	7.6	23.2	-26
Relative (%)	5.4	8.8	-16.6

Major shareholders	% held
State capital Management	95.4
Other	4.6

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Airports Corporation of Vietnam

Opportunities emerge

- ACV's 1Q20 net revenue/net profit dropped 18.3%/22.3% yoy due to the sharp fall in passenger traffic.
- ACV has been assigned the investor of Tan Son Nhat Airport's (TIA) new terminal which is slated to begin construction in 2021F
- Reiterate Add with a lower TP of VND82,900.

Covid-19 impact partially reflected in 1Q20 results

Airport Corporation of Vietnam's (ACV) net revenue/net profit dropped 18.3%/22.3% yoy in 1Q20 as total passengers (pax) throughput during the period fell 12.9% yoy, including a sharp fall in international pax throughput (-35.6% yoy) due to Covid-19. The weak 1Q20 results do not yet fully reflect the severe impact of the pandemic as international flights were suspended since mid-Mar 2020, while nearly all domestic flights were grounded during the social distancing period of 1-23 Apr 2020. We expect ACV to record a net loss of VND1,045bn for 2Q20F on the back of a 72.8% yoy drop in total pax throughput.

Where we differ from consensus

Our FY20F EPS is 28% below Bloomberg consensus, while our FY21F EPS projection is 5% higher. As the pandemic had worsened in the past few weeks, especially in emerging countries such as Brazil, South Africa, Russia, we expect international travels to recover more slowly than consensus' expectation. However, we forecast a stronger recovery in both domestic and international pax throughput in 2021F. In our base case scenario, ACV's quarterly domestic pax throughput will bounce back to pre-outbreak levels by 4Q20F, while international pax throughput would not revert to 2019's level before 3Q21F.

TIA Terminal 3 confirmed, Long Thanh Airport pending

ACV has been assigned the investor of TIA Terminal 3 with total capex of VND10,990bn (US\$471m). The new terminal will add 20m pax to TIA's total capacity (raising it to 48m p.a.). Construction is slated to start in FY21F and complete in FY24F. Besides, the appraisal report of Long Thanh International Airport (LTIA) Phase 1 has been delayed till Jun 2020, three months later than the initial plan. Thus, the final decision on LTIA's investor will have to wait for the next parliamentary session scheduled for late-2020.

Reiterate Add rating, with lower TP of VND82,900

We cut our TP by 26% due to lower FY20F net profit forecast and the anticipated 28.0% drop in FY20-FY28F pax throughput. We think aviation stocks are not attractive now given the challenges in the coming quarters, but as we believe ACV remains a long-term play on Vietnam's growing aviation market, we keep our Add call. Downside risks include: 1) weaker-than-expected recovery in air traffic, and 2) capacity cuts by regional airlines. Consolidation of airfield assets to ACV's balance sheet could re-rate the stock.

Financial Summary

	Dec-18A	Dec-19A	Dec-20F	Dec-21F	Dec-22F
Revenue (VNDb)	16,123	18,329	11,635	17,767	19,928
Operating EBITDA (VNDb)	10,490	11,868	5,435	11,129	12,569
Net Profit (VNDb)	6,173	8,201	2,754	7,390	8,328
Core EPS (VND)	2,835	3,767	1,265	3,394	3,825
Core EPS Growth	51%	33%	(66%)	168%	13%
FD Core P/E (x)	21.94	16.51	49.17	18.32	16.26
DPS (VND)	900.0	899.9	600.0	900.0	900.0
Dividend Yield	1.45%	1.45%	0.96%	1.45%	1.45%
EV/EBITDA (x)	11.79	9.81	20.10	9.69	8.33
P/FCFE (x)	NA	NA	24.33	NA	NA
Net Gearing	(29.8%)	(44.3%)	(61.5%)	(57.4%)	(56.5%)
P/BV (x)	4.41	3.69	3.56	3.13	2.74
ROE	21.3%	24.3%	7.4%	18.2%	18.0%
% Change In Core EPS Estimates			(64.3%)	(17.2%)	(19.0%)
CGS-CIMB/Consensus EPS (x)			0.72	1.05	1.17

SOURCES: VND RESEARCH, COMPANY REPORTS

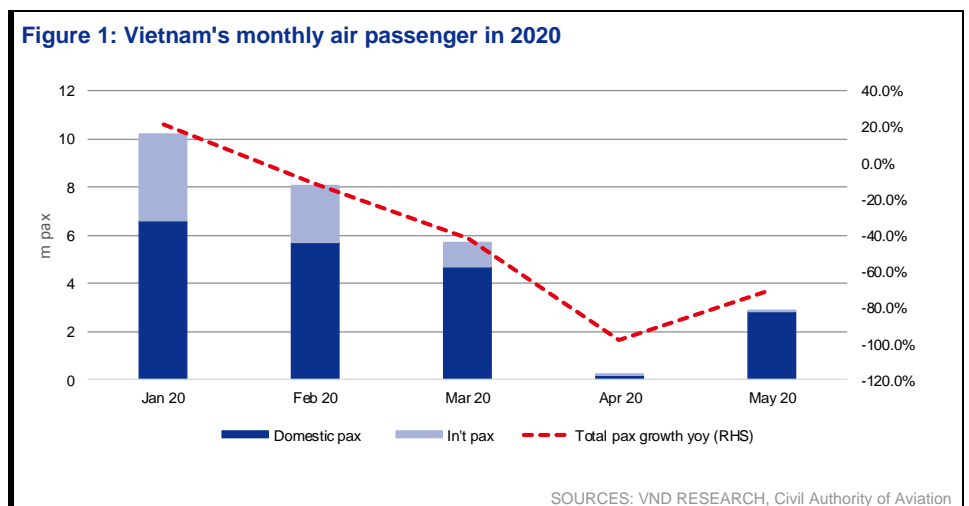
Opportunities emerge

The sky misses the flights ►

Key milestones of Vietnam's aviation industry during the Covid-19 outbreak

- To counter the pandemic, Vietnam first banned flights to/from China in late-Jan 2020 and then grounded all international flights since mid-Mar 2020.
- During the country's social distancing period (from 1-23 Apr), most scheduled flights were prohibited except for a few flights between Hanoi, Ho Chi Minh City and Danang. Air passenger transportation was basically suspended in Vietnam.
- On 23 Apr, Vietnamese airlines were allowed to resume domestic flights with limited frequencies and subjected to strictly preventive measures (limited passengers per flight, passengers have to wear gauze mask throughout the flight).
- By end-May 2020, domestic airlines have restored most of their routes. Vietnam Airlines (HVN VN, Not rated) even recorded positive yoy growth in the number of domestic flights in the last few days of May.
- The Ministry of Transport is preparing to restart international scheduled flights in Jul 2020 to selected destinations in East Asia (China, South Korea, Japan etc.).

Figure 1: Vietnam's monthly air passenger in 2020

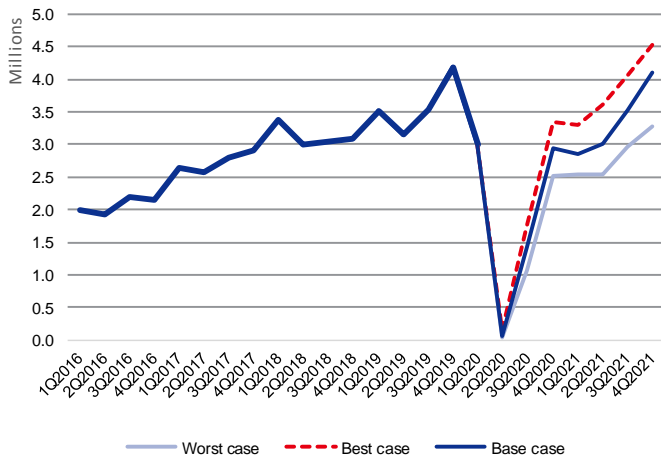


In 5M20, the accumulated pax throughput dropped 41.7% yoy to 27.1m, of which domestic pax throughput was 19.9m (-32.1% yoy) while international throughput plunged 58.2% yoy to 7.1m.

Swoosh-shaped recovery for Vietnam's aviation market ►

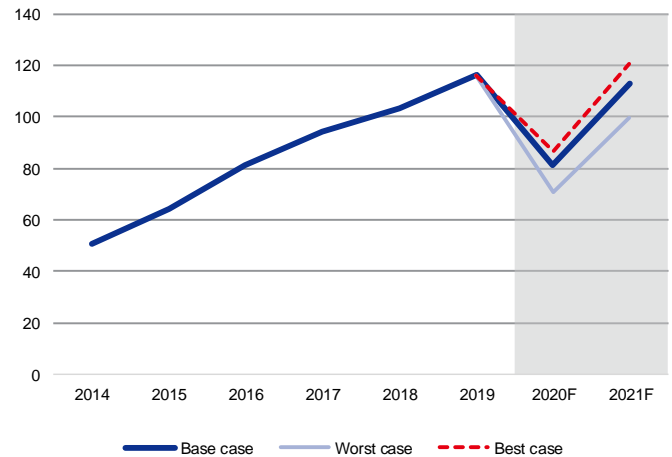
We expect Vietnam's national pax throughput to bottom out in 2Q20, with a 72.8% yoy plunge. Given the heightened uncertainty globally due to Covid-19, we expect domestic air travel to recover faster than international travel as Vietnam's border closure might be extended till late-2020F. In our base case scenario, quarterly domestic passengers will bounce back to pre-outbreak levels by 4Q20F, while international pax throughput would likely not revert to FY19's levels before 3Q21F.

Figure 2: Three scenarios of forecasted foreign tourist arrivals by quarter, based on our estimates



SOURCES: VND RESEARCH, Vietnam Tourism

Figure 3: Three scenarios of forecasted annual passengers throughput nationwide, based on our estimates



SOURCES: VND RESEARCH, ACV

In mid-May, the government launched a 6-month campaign to reboot the domestic travel sector after relaxing the country's social distancing measures. Though a recovery in domestic flights would still be challenging given the fear of a "second wave" of Covid-19, we see minimal risk of bankruptcy, or permanent capacity reduction among domestic carriers. Following the proposal of the Ministry of Transport in Mar, the government is considering several tax and services cuts to support local airlines to ride out the Covid-19 crisis.

We expect ACV's net profit to plunge in FY20F then bounce back in FY21F ➤

1Q20 net profit drop just the prelude to upcoming challenges

Figure 4: 1Q20 earnings snapshot (Unit: VNDbn)

	1Q19	1Q20	yoy
Net revenue	4,447	3,635	-18.3%
Aeronautical services	3,537	2,846	-19.5%
Non aeronautical services	505	511	1.0%
Gross profit	2,298	1,623	-29.4%
Gross margin	51.7%	44.6%	-7.0% pts
Financial income	429	545	27.0%
Financial expenses	25	42	67.1%
Selling expenses	95	72	-24.2%
General and admin expenses	229	174	-24.1%
Gain/(loss) from joint ventures	93	44	-52.3%
Net profit	1,994	1,549	-22.3%
Net margin	44.8%	42.6%	-2.2% pts
EBITDA	2,980	2,190	-26.5%
EBITDA margin	67.0%	60.3%	-6.8% pts

SOURCES: VND RESEARCH, COMPANY REPORTS

ACV's FY20F net profit to plunge 66.4% yoy before a rebound in FY21F

As international flights have been suspended since Mar 2020 while domestic flights were grounded over 1-23 Apr 2020, we project a 30% yoy drop in the country's total passengers throughput in FY20F. As such, we expect ACV's FY20F total passenger throughput to drop 27.2% yoy, with domestic pax down 18.9% yoy and international pax down 49.1% yoy. We expect total passenger throughput to rebound strongly (+35.4% yoy) in FY21F but still undershoot FY19's level.

Figure 5: Changes in forecasts

	FY19	FY20F			FY21F			FY22F		
		Old forecast	New forecast	Changes	Old forecast	New forecast	Changes	Old forecast	New forecast	Changes
Total revenue (VNDbn)	18,329	23,286	11,635	-50.0%	26,120	17,767	-32.0%	29,001	19,928	-31.3%
Net profit (VNDbn)	8,201	7,725	2,754	-64.3%	8,926	7,390	-17.2%	10,277	8,328	-19.0%
EBITDA margin	67.5%	66.96%	46.7%	-30.2% pts	67.0%	62.6%	-6.4% pts	66.9%	63.1%	-5.8% pts
Total pax throughput (m)	102.7	127.1	74.8	-41.2%	140.3	101.3	-27.8%	153.6	109.5	-28.7%
Int'l (m)	28.1	44.5	14.3	-67.8%	50.3	25.7	-48.9%	56.3	27.0	-52.0%
Domestic (m)	74.6	82.6	60.5	-26.8%	90.1	75.6	-16.0%	97.3	82.4	-15.3%
Flight	706,221	792,591	550,011	-30.6%	738,634	709,055	-4.0%	808,311	815,411	0.9%
EPS (VND)	3,767	3,548	1,265	-64.3%	4,100	3,394	-17.2%	4,720	3,825	-19.0%

SOURCES: VND RESEARCH, COMPANY REPORTS

We estimate that ACV will record a net loss of VND1,045bn for 2Q20F before returning to profitability with net profit of VND860bn in 3Q20F and VND1,391bn in 4Q20F. Thus, we project FY20F NP to plunge 66.4% yoy on the back of a 36.5% yoy drop in net revenue and 21.1% pts compression in EBITDA margin.

We project ACV's FY21F revenue/net profit growth of 52.7%/168.3% yoy, thanks to the 75.6%/25.7% increase in international/domestic pax throughput.

Figure 6: ACV's FY20-23F results, based on our estimates (Unit VNDbn)

	FY18	FY19	FY20F	FY21F	FY22F	FY23F
Total revenue	16,123	18,329	11,635	17,767	19,928	22,677
Net profit	6,173	8,201	2,754	7,390	8,328	9,484
Revenue growth	16.6%	13.7%	-36.5%	52.7%	12.2%	13.8%
NP growth	50.5%	32.9%	-66.4%	168.3%	12.7%	13.9%
Total pax throughput (m)	95.3	102.7	74.8	101.3	109.5	119.6
Int'l (m)	28.4	28.1	14.3	25.7	27.0	29.7
Domestic (m)	67.0	74.6	60.5	75.6	82.4	89.8
Flight	652,000	740,000	550,011	709,055	815,411	853,569

SOURCES: VND RESEARCH, COMPANY REPORTS

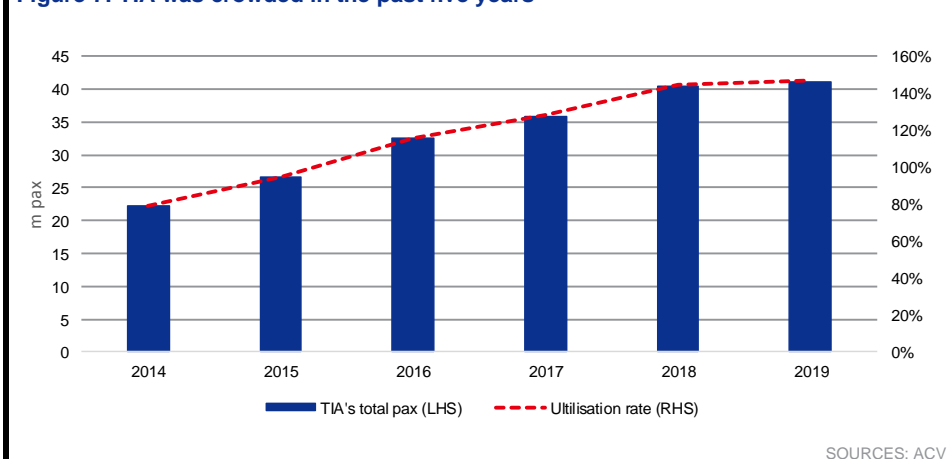
Runway maintenance at Noi Bai and Tan Son Nhat airports to start in Jul 2020 ►

The Ministry of Transport has approved a plan to maintain the runways at the nation's two major airports (NIA and TIA) with a total capex of US\$173.2m. The projects, which have been delayed for years, will be funded by public investment budget as part of the fiscal policy to boost the country's economic growth post-pandemic. Airfield assets are currently owned by the state but operated by ACV, thus the maintenance plan will not affect ACV's balance sheet.

With the Covid-19 outbreak having eased the traffic congestion at NIA and TIA, the ministry decided to take the opportunity to accelerate the runways' maintenance plan, to commence from Jul 2020 and be completed in 2021. As TIA and NIA each have two runways, they will respectively close one for maintenance and run the other normally. With the pax throughput in 2H20F expected to decline 22.5% yoy, in our estimate, we believe this is right time for maintenance work with the lowest cost and minimal impact.

ACV to invest in TIA Terminal 3 ►

In Jun 2020, Vietnam's Prime Minister approved an investment of VND10,990bn (US\$471m) on a new Terminal (T3) in TIA. T3 will add 20m pax capacity to lift TIA's total capacity to 48m passengers p.a. This would alleviate the traffic congestion at TIA, which operated at 147% designed capacity in 2019. Construction is slated to start in 2021 and complete in 2024.

Figure 7: TIA was crowded in the past five years


SOURCES: ACV

Valuation and recommendation >

Our FCFF valuation for ACV arrived at a TP of VND82,900, which is 26% lower than previous reports due to lower FY20F net profit and the anticipated 28.0% drop in FY20-FY28F total pax throughput. We reiterate our Add rating as the market retreat due to the pandemic created a long-term buy opportunity. While we think aviation stocks are not attractive now given the challenges in the coming quarters, we believe ACV is still a long-term play on Vietnam's growing aviation market.

Downside risks include: 1) weaker-than-expected recovery in air traffic, and 2) capacity cut of regional airlines. Potential consolidation of airfield assets to ACV's balance sheet could re-rate the stock.

Figure 8: FCFF model key inputs

FCFF key input	
Cost of equity	15.00%
Cost of debt	3.50%
Targeted D/(D+E)	20.0%
Effective tax rate	20.00%
WACC	12.56%

SOURCES: VND RESEARCH

Figure 9: FCFF valuation model

Unit	VNDbn except for target price
Cumulative Present value of FCF	65,283
Terminal value	305,353
Present value of terminal value	96,340.2
Enterprise value	161,623.7
Less: Market value of Debt	(12,452.3)
Plus: Cash and Cash Equivalents	31,271.2
Implied equity value	180,442.5
Outstanding shares	2,176,998,736
Equity value per share	82,886
Rounded TP	82,900

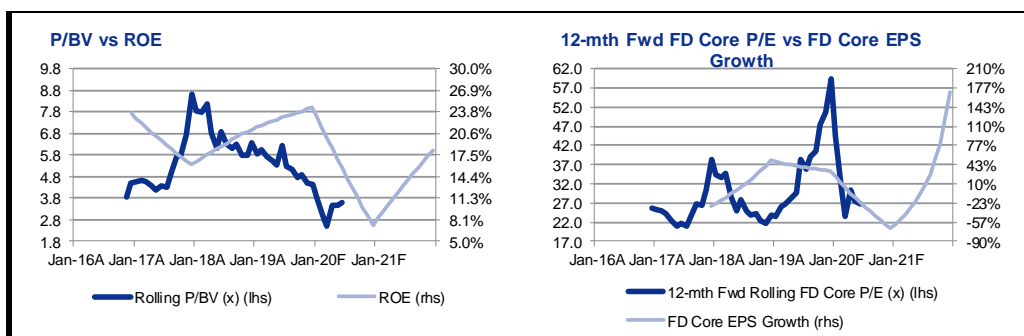
SOURCES: VND RESEARCH

Figure 10: ACV peer comparison

Company	Bloomberg Ticker	Recom.	Share Price (local curr)	Target Price (local curr)	Market Cap (US\$ m)	P/E (x)		P/BV (x)		EV/EBITDA (x)		Recurring ROE (%)	
						CY20F	CY21F	CY20F	CY21F	CY20F	CY21F	CY20F	CY21F
Airports Corp of Vietnam	ACV VN	ADD	62,200	82,900	8,975	49.2	18.3	3.6	3.1	20.1	9.7	7.4%	18.2%
Airports of Thailand	AOT TB	REDUCE	67.00	51.50	27,741	115.7	46.5	6.2	5.6	57.3	28.1	6.6%	15.8%
Malaysia Airports Hld	MAHB MK	REDUCE	5.50	4.52	3,613	na	na	1.1	1.2	22.6	11.3	-4.6%	1.5%
Beijing capital intl airport	694 HK	NOT RATED	5.08	na	3,002	41.1	19.3	0.9	0.9	10.1	7.8	2.6%	4.4%
Shenzhen airport	000089 CH	NOT RATED	7.66	na	2,217	58.5	22.9	1.3	1.2	18.5	9.7	2.1%	5.5%
Xiamen int'l airport	600897 CH	NOT RATED	17.70	na	744	18.1	9.4	1.4	1.2	48.7	- 1.5	8.1%	12.3%
Shanghai int'l airport	600009 CH	NOT RATED	70.80	na	19,251	50.6	25.0	4.1	3.6	56.7	16.3	7.5%	14.9%
Japan Airport	9706 JP	NOT RATED	4,720	na	3,713	616.8	37.5	2.2	2.1	17.7	11.9	0.2%	6.3%
Average (all)					8,778	135.7	32.9	0.8	1.0	32.1	12.8	4.1%	5.7%
Average (excluding ACV)					8,754	150	35	0.5	0.7	33.6	13.2	3.7%	4.2%

Source: VND RESEARCH, CGS CIMB RESEARCH, COMPANY REPORTS, Bloomberg (Data as at 18 Jun 2020)

BY THE NUMBERS



Profit & Loss

(VNDb)	Dec-18A	Dec-19A	Dec-20F	Dec-21F	Dec-22F
Total Net Revenues	16,123	18,329	11,635	17,767	19,928
Gross Profit	11,708	13,254	6,647	12,615	14,192
Operating EBITDA	10,490	11,868	5,435	11,129	12,569
Depreciation And Amortisation	-3,880	-3,920	-3,445	-3,793	-4,143
Operating EBIT	6,609	7,948	1,990	7,336	8,426
Financial Income/(Expense)	1,175	1,712	1,604	1,627	1,647
Pretax Income/(Loss) from Assoc.	336	383	137	392	431
Non-Operating Income/(Expense)	-502	113	-326	-216	-206
Profit Before Tax (pre-EI)	7,618	10,156	3,406	9,138	10,298
Exceptional Items	0	0	0	0	0
Pre-tax Profit	7,618	10,156	3,406	9,138	10,298
Taxation	-1,433	-1,942	-647	-1,736	-1,957
Exceptional Income - post-tax	0	0	0	0	0
Profit After Tax	6,185	8,214	2,759	7,402	8,341
Minority Interests	-13	-13	-4	-12	-13
Preferred Dividends	0	0	0	0	0
FX Gain/(Loss) - post tax	0	0	0	0	0
Other Adjustments - post-tax	0	0	0	0	0
Net Profit	6,173	8,201	2,754	7,390	8,328
Recurring Net Profit	6,173	8,201	2,754	7,390	8,328
Fully Diluted Recurring Net Profit	6,173	8,201	2,754	7,390	8,328

Cash Flow

(VNDb)	Dec-18A	Dec-19A	Dec-20F	Dec-21F	Dec-22F
EBITDA	10,490	11,868	5,435	11,129	12,569
Cash Flow from Inv. & Assoc.	360	-544	-1,559	-615	-565
Change In Working Capital	142	-306	2,779	-1,014	131
(Incr)/Decr in Total Provisions	5	2	11	-9	-3
Other Non-Cash (Income)/Expense	638	-37	-356	-297	-295
Other Operating Cashflow	-2,851	-1,910	1,479	-1,746	-1,348
Net Interest (Paid)/Received	1,181	1,705	1,599	1,634	1,655
Tax Paid	-2,028	-1,711	-647	-1,736	-1,957
Cashflow From Operations	7,937	9,067	8,741	7,345	10,187
Capex	-2,008	-1,959	-1,750	-5,417	-6,400
Disposals Of FAs/subsidiaries	3,747	4,001	30,924	32,181	33,756
Acq. Of Subsidiaries/investments	-9,913	-11,188	-32,172	-33,746	-36,165
Other Investing Cashflow	-569	-52	-20	-3,587	-4,484
Cash Flow From Investing	-8,743	-9,198	-3,018	-10,568	-13,293
Debt Raised/(repaid)	85	-155	-157	1,134	2,582
Proceeds From Issue Of Shares	0	0	0	0	0
Shares Repurchased	0	-2	0	0	0
Dividends Paid	-1,959	-1,959	-1,306	-1,959	-1,959
Preferred Dividends	0	0	0	0	0
Other Financing Cashflow	-1	0	0	0	0
Cash Flow From Financing	-1,875	-2,116	-1,463	-825	622
Total Cash Generated	-2,682	-2,247	4,260	-4,048	-2,484
Free Cashflow To Equity	-722	-286	5,567	-2,088	-525
Free Cashflow To Firm	-712	-35	5,819	-3,100	-2,926

SOURCES: VND RESEARCH, COMPANY REPORTS

BY THE NUMBERS... cont'd

Balance Sheet

(VNDb)	Dec-18A	Dec-19A	Dec-20F	Dec-21F	Dec-22F
Total Cash And Equivalents	24,369	31,271	38,532	41,475	47,810
Total Debtors	6,156	5,361	3,394	5,056	5,666
Inventories	469	493	312	478	537
Total Other Current Assets	287	166	111	156	175
Total Current Assets	31,281	37,291	42,350	47,166	54,187
Fixed Assets	18,444	16,340	13,647	15,271	17,528
Total Investments	2,806	2,963	2,963	2,963	2,963
Intangible Assets	3	5	3	3	3
Total Other Non-Current Assets	1,091	1,577	1,500	2,413	3,304
Total Non-current Assets	22,344	20,885	18,112	20,649	23,797
Short-term Debt	0	0	0	0	0
Current Portion of Long-Term Debt	151	240	491	801	1,307
Total Creditors	7,092	6,264	6,483	7,273	8,027
Other Current Liabilities	441	15	425	451	498
Total Current Liabilities	7,684	6,518	7,399	8,525	9,833
Total Long-term Debt	15,043	14,760	14,598	15,822	18,551
Hybrid Debt - Debt Component	0	0	0	0	0
Total Other Non-Current Liabilities	111	141	129	136	151
Total Non-current Liabilities	15,155	14,901	14,726	15,959	18,702
Total Provisions	0	0	214	0	0
Total Liabilities	22,839	21,419	22,340	24,484	28,534
Shareholders' Equity	30,734	36,702	38,067	43,276	49,395
Minority Interests	53	53	53	53	53
Total Equity	30,786	36,755	38,120	43,329	49,448

Key Ratios

	Dec-18A	Dec-19A	Dec-20F	Dec-21F	Dec-22F
Revenue Growth	16.6%	13.7%	(36.5%)	52.7%	12.2%
Operating EBITDA Growth	20%	13%	(54%)	105%	13%
Operating EBITDA Margin	65.1%	64.8%	46.7%	62.6%	63.1%
Net Cash Per Share (VND)	4,214	7,474	10,768	11,415	12,838
BVPS (VND)	14,116	16,858	17,485	19,877	22,688
Gross Interest Cover	69.51	82.43	20.81	59.76	46.71
Effective Tax Rate	18.8%	19.1%	19.0%	19.0%	19.0%
Net Dividend Payout Ratio	31.7%	23.9%	47.4%	26.5%	23.5%
Accounts Receivables Days	51.32	51.18	65.77	39.83	45.58
Inventory Days	36.11	34.63	29.56	28.01	32.29
Accounts Payables Days	93.72	86.33	88.33	85.82	84.68
ROIC (%)	32.4%	42.0%	11.3%	60.8%	53.8%
ROCE (%)	18.1%	20.1%	3.8%	13.1%	13.2%
Return On Average Assets	9.7%	11.6%	1.9%	9.0%	9.2%

Key Drivers

	Dec-18A	Dec-19A	Dec-20F	Dec-21F	Dec-22F
Int'l Passenger Traffic Growth (%)	11.8%	9.1%	10.0%	10.0%	9.0%
Domestic Pax Traffic Growth (%)	4.9%	11.4%	-18.9%	25.0%	9.0%
International Flight Traffic Growth (%)	14.1%	12.7%	-44.6%	61.1%	27.0%
Domestic Flight Traffic Growth (%)	4.5%	13.9%	-15.1%	17.2%	9.0%
Int'l Pax Service Charge	-	-	-	-	-
Dom Pax Serv Charge	-	-	-	-	-
Unit Meals Produced (% Change)	0.0%	0.0%	0.0%	0.0%	0.0%

SOURCES: VND RESEARCH, COMPANY REPORTS

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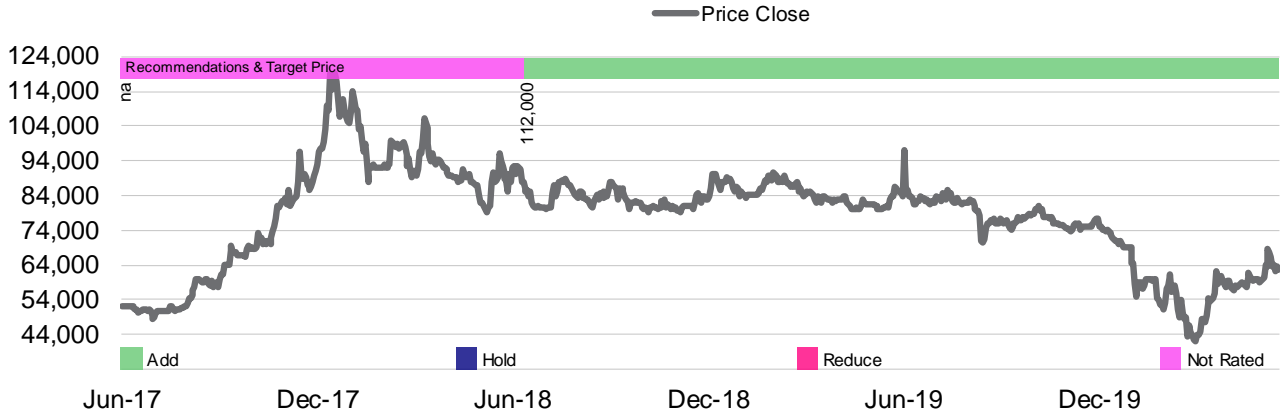
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Spitzer Chart for stock being researched (2 year data)

Airports Corporation of Vietnam (ACV VN)



Corporate Governance Report of Thai Listed Companies (CGR). CG Rating by the Thai Institute of Directors Association (Thai IOD) in 2019, Anti-Corruption 2019

ADVANC – Excellent, Certified, **AEONTS** – Good, n/a, **AH** – Very Good, n/a, **AMATA** – Excellent, Declared, **ANAN** – Excellent, Declared, **AOT** – Excellent, n/a, **AP** – Excellent, Certified, **ASP** – Very Good, Certified, **BAM** – not available, n/a, **BANPU** – Excellent, Certified, **BAY** – Excellent, Certified, **BBL** – Very Good, Certified, **BCH** – Good, Certified, **BGP** – Excellent, Certified, **BPCG** – Excellent, Certified, **BDMS** – Very Good, n/a, **BEAUTY** – Good, n/a, **BEC** – Very Good, n/a, **BGRIM** – Very Good, Declared, **BH** – Good, n/a, **BJC** – Very Good, n/a, **BJCHI** – Very Good, Certified, **BLA** – Very Good, Certified, **BPP** – Very Good, Declared, **BR** – Good, n/a, **BTS** – Excellent, Certified, **CBG** – Very Good, n/a, **CCET** – Good, n/a, **CENDEL** – Very Good, Certified, **CHAYO** – Good, n/a, **CHG** – Very Good, Declared, **CK** – Excellent, n/a, **COL** – Excellent, Declared, **CPALL** – Excellent, Certified, **CPF** – Excellent, Certified, **CPN** – Excellent, Certified, **CPNREIT** – not available, n/a, **CRC** – not available, n/a, **DELTA** – Excellent, Declared, **DEMCO** – Excellent, Certified, **DDD** – Very Good, n/a, **DIF** – not available, n/a, **DREIT** – not available, n/a, **DTAC** – Excellent, Certified, **EA** – Excellent, n/a, **ECL** – Very Good, Certified, **EGCO** – Excellent, Certified, **EPG** – Very Good, n/a, **ERW** – Very Good, n/a, **GFPT** – Excellent, Certified, **GGC** – Excellent, Certified, **GLOBAL** – Very Good, n/a, **GLOW** – Very Good, Certified, **GPSC** – Excellent, Certified, **GULF** – Very Good, n/a, **GUNKUL** – Excellent, Certified, **HANA** – Excellent, Certified, **HMPRO** – Excellent, Certified, **HUMAN** – Good, n/a, **ICHI** – Excellent, Declared, **III** – Excellent, n/a, **INTUCH** – Excellent, Certified, **IRPC** – Excellent, Certified, **ITD** – Very Good, n/a, **IVL** – Excellent, Certified, **JASIF** – not available, n/a, **BJC** – Very Good, n/a, **JMT** – Very Good, n/a, **KBANK** – Excellent, Certified, **KCE** – Excellent, Certified, **KKP** – Excellent, Certified, **KSL** – Excellent, Certified, **KTB** – Excellent, Certified, **KTC** – Excellent, Certified, **LH** – Excellent, n/a, **LPN** – Excellent, Certified, **M** – Very Good, Certified, **MACO** – Very Good, n/a, **MAJOR** – Very Good, n/a, **MAKRO** – Excellent, Certified, **MALEE** – Excellent, Certified, **MC** – Excellent, Certified, **MCOT** – Excellent, Certified, **MEGA** – Very Good, n/a, **MINT** – Excellent, Certified, **MK** – Very Good, n/a, **MTC** – Excellent, n/a, **NETBAY** – Very Good, n/a, **OSP** – Very Good, n/a, **PLANB** – Excellent, Certified, **PLAT** – Very Good, Certified, **PR9** – Excellent, n/a, **PSH** – Excellent, Certified, **PSTC** – Very Good, Certified, **PTT** – Excellent, Certified, **PTTEP** – Excellent, Certified, **PTTGC** – Excellent, Certified, **QH** – Excellent, Certified, **RATCH** – Excellent, Certified, **ROBINS** – Excellent, Certified, **RS** – Excellent, n/a, **RSP** – not available, n/a, **S** – Excellent, n/a, **SAPPE** – Very Good, Declared, **SAT** – Excellent, Certified, **SAWAD** – Very Good, n/a, **SC** – Excellent, Certified, **SCB** – Excellent, Certified, **SCC** – Excellent, Certified, **SCN** – Excellent, Certified, **SF** – Good, n/a, **SHR** – not available, n/a, **SIRI** – Very Good, Certified, **SPA** – Good, n/a, **SPALI** – Excellent, n/a, **SPRC** – Excellent, Certified, **STA** – Very Good, Certified, **STEC** – Excellent, n/a, **SVI** – Excellent, Certified, **SYNEX** – Excellent, Certified, **TASCO** – Excellent, Certified, **TCAP** – Excellent, Certified, **THANI** – Excellent, Certified, **TIPCO** – Very Good, Certified, **TISCO** – Excellent, Certified, **TKN** – Very Good, n/a, **TMB** – Excellent, Certified, **TNR** – Very Good, Certified, **TOP** – Excellent, Certified, **TPCH** – Good, n/a, **TPIPP** – Good, n/a, **TRUE** – Excellent, Certified, **TU** – Excellent, Certified, **TVO** – Excellent, Declared, **UNIQ** – not available, n/a, **VGI** – Excellent, Certified, **WHA** – Excellent, Certified, **WHART** – not available, n/a, **WICE** – Excellent, Certified, **WORK** – Good, n/a.

1 CG Score 2019 from Thai Institute of Directors Association (IOD)

2 AGM Level 2018 from Thai Investors Association

3 Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of November 30, 2018) are categorised into:

companies that have declared their intention to join CAC, and companies certified by CAC.

4 The Stock Exchange of Thailand : the record of listed companies with corporate sustainable development "Thai sustainability Investment 2018" included:

SET and mai listed companies passed the assessment conducted by the Stock Exchange of Thailand: THSI (SET) and THSI (mai)

SET listed companies passed the assessment conducted by the Dow Jones Sustainability Indices (DJSI) .

RECOMMENDATION FRAMEWORK

Stock Ratings

Definition:

Add	The stock's total return is expected to reach 15% or higher over the next 12 months.
Hold	The stock's total return is expected to be between negative 10% and positive 15% over the next 12 months.
Reduce	The stock's total return is expected to fall below negative 10% over the next 12 months.

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.

Sector Ratings

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.

Country Ratings

Definition:

Overweight	An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
Neutral	A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
Underweight	An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.

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