

Vietnam

ADD (no change)

Consensus ratings*: Buy 10 Hold 1 Sell 0

| | |
|-------------------------|----------------|
| Current price: | VND10,700 |
| Target price: | VND16,800 |
| Previous target: | VND16,800 |
| Up/downside: | 57.0% |
| CGS-CIMB / Consensus: | 12.9% |
| Reuters: | POW.HM |
| Bloomberg: | POW VN |
| Market cap: | US\$1,079m |
| | VND25,058,026m |
| Average daily turnover: | US\$2.29m |
| | VND53,208m |
| Current shares o/s: | 2,342m |
| Free float: | 20.0% |

*Source: Bloomberg

Key changes in this note

➤ No change



Source: Bloomberg

| Price performance | 1M | 3M | 12M |
|-------------------|-----|------|-------|
| Absolute (%) | 7 | 20.5 | -31.4 |
| Relative (%) | 6.3 | 9.2 | -18.7 |

| Major shareholders | % held |
|-----------------------------|--------|
| Vietnam Oil and Gas Group | 79.9 |
| Norges Bank | 1.3 |
| Amersham Industries Limited | 0.7 |

Analyst(s)



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Key takeaways from 2020 AGM

- POW set FY20F net profit target of VND2,044bn (-28.4% yoy) on the back of gas supply shortage for its plants and higher coal price input.
- Reiterate Add and TP of VND16,800.

Conservative business targets for 2020

PVPower's (POW) management projects FY20F revenue of VND35,449bn (+0.2% yoy) and profit after tax of VND2,044bn (-28.4% yoy). The electricity output is targeted at 21,600m kWh (-4.1% yoy). Shareholders at its AGM approved a cash dividend of VND300/share for both FY19 and FY20.

Bright prospects for coal-fired plants

POW said it has secured its coal supply for 2020 at the start of the year. VA1 currently has 300,000 tonnes of coal in stock, which is sufficient for 25 days of operation. Given state power utility EVN's high mobilisation of coal-fired plants, we believe VA1 could achieve POW's target and our FY20 forecast of a 8.3% increase in sales volume.

Additional gas supply for Nhon Trach 1 and Ca Mau 1 & 2 plants

POW's AGM approved appendix no.14 of its gas sale agreement (GSA) with PVGas (GAS, Hold, TP: VND61,800) regarding the additional purchase of gas from Sao Vang Dai Nguyet field for its Nhon Trach 1 (NT1) plant.

Higher risks from EPTC's receivables

EVN Power Trading Company (EPTC, unlisted) has retained its payments to POW due to the disagreement in finalising an appropriate exchange rate, which amounted to nearly VND1,500bn as at May. In addition, EPTC also kept another VND414bn due to unsettled factors involving the PPA price for VA1. POW already made a VND398bn provision for these items in FY19. Although management expects to reclaim the payment from EPTC following a guidance from Ministry of Industry and Trade in Jun, we see some risks of payment delay from EPTC, which could potentially trigger further provision in FY20F.

Reiterate Add with an TP of VND16,800

We maintain our Add call on POW with an unchanged TP of VND16,800, based on equal weighting of DCF and target 2020F EV/EBITDA of 5.5x. Downside risks include: 1) unstable supply of coal and gas, and 2) unexpected technical issues that could disrupt its operations. Potential re-rating catalysts are: 1) faster-than-expected payment from EPTC, and 2) higher-than-expected electric selling price.

Financial Summary

| | Dec-18A | Dec-19A | Dec-20F | Dec-21F | Dec-22F |
|----------------------------|---------|---------|---------|---------|---------|
| Revenue (VNDb) | 32,662 | 35,421 | 39,260 | 41,050 | 40,460 |
| Operating EBITDA (VNDb) | 7,604 | 7,048 | 7,402 | 7,541 | 7,590 |
| Net Profit (VNDb) | 1,921 | 2,491 | 2,916 | 3,185 | 3,356 |
| Core EPS (VND) | 850 | 1,064 | 1,245 | 1,360 | 1,433 |
| Core EPS Growth | (17.1%) | 25.1% | 17.1% | 9.2% | 5.4% |
| FD Core P/E (x) | 12.58 | 10.06 | 8.59 | 7.87 | 7.47 |
| DPS (VND) | - | - | - | - | - |
| Dividend Yield | 0% | 0% | 0% | 0% | 0% |
| EV/EBITDA (x) | 5.53 | 5.46 | 4.94 | 4.90 | 5.29 |
| P/FCFE (x) | 19.08 | 12.19 | 21.02 | 86.78 | 57.72 |
| Net Gearing | 61.5% | 39.9% | 29.0% | 26.0% | 30.5% |
| P/BV (x) | 1.02 | 0.93 | 0.84 | 0.76 | 0.69 |
| ROE | 7.8% | 9.7% | 10.2% | 10.1% | 9.6% |
| CGS-CIMB/Consensus EPS (x) | | | 1.04 | 1.02 | 1.06 |

SOURCES: VND RESEARCH, COMPANY REPORTS

Key takeaways from 2020 AGM

1H20F net profit already accounts for 53% our full-year forecast ►

Figure 1: Preliminary 1H20 business results

| | | 2019 | 2020-plan | est. 1H20 | Our forecast | est. 1H20/Our forecast (%) | est. 1H20/2020-plan |
|------------------|-------|--------|-----------|-----------|--------------|----------------------------|---------------------|
| Sales volume | m kWh | 22.526 | 21.600 | 10.974 | 22.128 | 49,6% | 50,8% |
| Gas-fired | m kWh | 15.763 | 14.169 | NA | 15.051 | | |
| Hydropower | m kWh | 1.008 | 1.182 | NA | 1.227 | | |
| Coal-fired | m kWh | 5.770 | 6.248 | NA | 5.850 | | |
| Revenue | VNDbn | 35.374 | 35.449 | 16.175 | 39.260 | 41,2% | 45,6% |
| Profit after tax | VNDbn | 2.855 | 2.044 | 1.553 | 2.916 | 53,3% | 76,0% |

SOURCES: VND RESEARCH, COMPANY REPORTS

Management expects a decline in FY20F net profit due to 1) higher coal input cost vs. FY19, 2) lower power purchasing agreement (PPA) price for Ca Mau 1 & 2 plants following their contract renegotiation in FY20, 3) lower volumes from gas-fired and hydropower plants, and 4) higher FX loss. However, we think POW's FY20F guidance is quite conservative, as its preliminary 1H20F net profit already account for 76.0% of its full-year target and 53.3% of our FY20 forecast, driven by stronger-than-expected performance at Vung Ang 1 (VA1) plant.

Additional gas supply for Nhon Trach 1 and Ca Mau 1 & 2 plants

Due to the gas deterioration at Block 6.1 and 11.2, leading to the suspension of Nhon Trach 1. Therefore, POW has to purchase additional gas from Sao Vang Dai Nguyet field for its Nhon Trach 1 (NT1) plant. The gas price is calculated as the higher of 46% MFOC (average monthly fuel oil price on Singapore market according to Platt's Magazine) and wellhead price of US\$6.99/mmbtu plus transportation tariff. The first day of delivery is expected to be no later than 31 Jan 2021.

The AGM also approved the purchase of additional gas from Petronas Malaysia for Ca Mau 1 & 2 plants at the price of 12.7% Brent (29 Feb 2020-31 Dec 2026) and 13.7% Brent (1 Jan 2027-31 Dec 2031). Hence, we expect the gas supply problem of its gas-based plants to be solved by FY21F.

Heavy capex planned on new gas-fired plants in 2021-35F ►

The company targets a power generation capacity of nearly 10,000MW by 2035F, more than double its current capacity of 4,200MW. Key projects in the pipeline include LNG-based power plants Nhon Trach 3 & 4 (total capacity: 1,500MW; capex: VND32tr) in 2023-24F; Mien Trung 1 & 2 gas-fired power plants (total capacity: 1,500MW) in 2025F, and Quang Ninh gas-fired power plants (capacity: 1,500MW) in 2026-35F. Furthermore, POW targets 1,000MW in renewable energy by 2035F; this would include solar power and wind power plants.

Figure 2: POW's 15-year business plan

| | | 2021-2025 | 2026-2030 | 2031-2035 |
|-------------------------------------|--------|-----------|-----------|-----------|
| Pow - total capacity MW | | | | |
| Min | MW | 5,760 | 5,760 | 5,760 |
| Max | MW | 7,260 | 8,960 | 9,560 |
| Average | MW | 6,510 | 7,360 | 7,660 |
| % vs total national capacity | | 8% | 7% | 5% |
| Electricity output m kWh | | | | |
| Min | m kWh | 22,000 | 30,000 | 30,000 |
| Max | m kWh | 24,000 | 45,000 | 47,000 |
| Acc. Output | bn kWh | 120-122 | 148-226 | 147-240 |
| Accumulated revenue | | | | |
| Min | VNDbn | 215,000 | 359,000 | 410,000 |
| Max | VNDbn | 221,000 | 534,000 | 624,000 |
| Average | VNDbn | 218,000 | 446,500 | 517,000 |
| Average per year | VNDbn | 43,600 | 89,300 | 103,400 |
| Accumulated profit after tax | | | | |
| Min | VNDbn | 10,000 | 16,000 | 21,000 |
| Max | VNDbn | 12,000 | 18,000 | 31,000 |
| Average | VNDbn | 11,000 | 17,000 | 26,000 |
| Average per year | VNDbn | 2,200 | 3,400 | 5,200 |
| CAPEX | | | | |
| Min | VNDbn | 28,000 | 300 | 300 |
| Max | VNDbn | 30,000 | 4,200 | 1,900 |

Min/Max: minimum/maximum level that the company targets
SOURCES: VND RESEARCH, COMPANY REPORTS

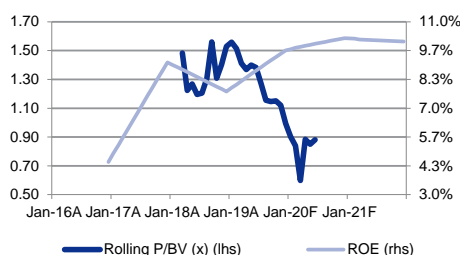
Figure 3: Peer comparison

| Peer company | Ticker | Recom | Price | TP | Market cap | P/E (x) | 3-yr EPS CAGR | P/BV (x) | | EV/EBITDA (x) | | ROE | D/E | |
|--|---------------|------------|---------------|---------------|----------------|--------------|---------------|-------------|-------------|---------------|-------------|-------------|-------------|-------------|
| | | | LC\$ | LC\$ | US\$ m | TTM | CY20F | TTM | CY20F | TTM | CY20F | % | x | |
| International peers | | | | | | | | | | | | | | |
| First Gen Corp | FGEN PM | NR | 20.8 | NA | 1,473.7 | 5.61 | 6.56 | 29.66 | 0.71 | 0.61 | 4.27 | 4.19 | 13.25 | 0.75 |
| An Hui Wenergy Co Ltd | 000543 CH | NR | 3.9 | NA | 1,251.3 | 10.57 | NA | 94.22 | 0.66 | NA | NA | NA | 6.25 | 0.61 |
| Dian Swastatika Sentosa Tbk PT | DSSA IJ | NR | 21,975 | NA | 1,049.5 | 23.78 | NA | 6.73 | 0.80 | NA | 8.38 | NA | 3.5 | 0.84 |
| SJVN Ltd | SJVN IN | NR | 21.0 | NA | 1,137.7 | 6.05 | NA | 1.97 | 0.73 | NA | NA | NA | 12.42 | 0.19 |
| Malakoff Corp Bhd | MLK MK | ADD | 0.9 | 1.05 | 1,006.1 | 12.88 | 13.93 | -1.67 | 0.67 | 0.72 | 4.98 | 5.29 | 5.43 | 1.86 |
| JSW Energy Ltd | JSW IN | NR | 47.5 | NA | 983.7 | 7.08 | NA | 251.26 | 0.67 | NA | 5.11 | NA | 9.37 | 0.71 |
| Goudian Changyuan Electric Pow | 000966 CH | NR | 3.7 | NA | 602.4 | 10.52 | 6.08 | NA | 0.98 | 0.92 | NA | 5.15 | 9.6 | 0.92 |
| Average | | | | | 1,072.1 | 10.93 | 8.86 | 63.70 | 0.75 | 0.75 | 5.69 | 4.88 | 8.55 | 0.84 |
| Domestic peers | | | | | | | | | | | | | | |
| Power Generation Corp 3 Co Ltd | PGV VN | NR | 10,100 | NA | 1,127.4 | 12.6 | NA | NA | 0.92 | NA | 7.61 | NA | 7.93 | 4.66 |
| Hai Phong Thermal Power JSC | HND VN | NR | 17,400 | NA | 382.7 | 7.42 | 6.53 | 73.64 | 1.40 | NA | 3.93 | 3.84 | 19.72 | 0.87 |
| Pha Lai Thermal JSC | PPC VN | NR | 23,950 | NA | 333.6 | 6.66 | 8.02 | 24.29 | 1.26 | 1.23 | 6.33 | 6.94 | 19.34 | 0.02 |
| PetroVietnam Nhon Trach 2 Power NT2 VN | | NR | 20,100 | NA | 262.4 | 7.90 | 8.14 | -11.46 | 1.34 | 1.34 | 4.53 | 4.97 | 18.07 | 0.45 |
| Average | | | | | 526.5 | 8.65 | 7.56 | 28.82 | 1.23 | 1.29 | 5.60 | 5.25 | 16.27 | 1.50 |
| PetroVietnam Power Corp | POW VN | ADD | 10,700 | 16,800 | 1,079.0 | 10.31 | 8.35 | 13.2 | 0.92 | 0.84 | 5.68 | 4.94 | 10.2 | 0.59 |

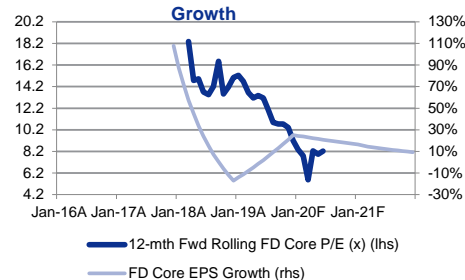
SOURCES: VND RESEARCH, COMPANY REPORTS, Bloomberg (Data as at 16 Jun 2020)

BY THE NUMBERS

P/BV vs ROE



12-mth Fwd FD Core P/E vs FD Core EPS Growth



Profit & Loss

| (VNDb) | Dec-18A | Dec-19A | Dec-20F | Dec-21F | Dec-22F |
|---|---------------|---------------|---------------|---------------|---------------|
| Total Net Revenues | 32,662 | 35,421 | 39,260 | 41,050 | 40,460 |
| Gross Profit | 4,477 | 5,123 | 5,925 | 6,057 | 6,103 |
| Operating EBITDA | 7,604 | 7,048 | 7,402 | 7,541 | 7,590 |
| Depreciation And Amortisation | (3,920) | (3,132) | (2,654) | (2,654) | (2,654) |
| Operating EBIT | 3,683 | 3,917 | 4,747 | 4,887 | 4,936 |
| Financial Income/(Expense) | (1,264) | (877) | (917) | (704) | (493) |
| Pretax Income/(Loss) from Assoc. | 50 | 57 | 60 | 60 | 60 |
| Non-Operating Income/(Expense) | 22 | 48 | 15 | 17 | 22 |
| Profit Before Tax (pre-EI) | 2,492 | 3,145 | 3,905 | 4,260 | 4,524 |
| Exceptional Items | 0 | 0 | 0 | 0 | 0 |
| Pre-tax Profit | 2,492 | 3,145 | 3,905 | 4,260 | 4,524 |
| Taxation | (205) | (307) | (584) | (632) | (702) |
| Exceptional Income - post-tax | 0 | 0 | 0 | 0 | 0 |
| Profit After Tax | 2,287 | 2,837 | 3,321 | 3,628 | 3,822 |
| Minority Interests | (366) | (346) | (406) | (443) | (467) |
| 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 | 1,921 | 2,491 | 2,916 | 3,185 | 3,356 |
| Recurring Net Profit | 1,921 | 2,491 | 2,916 | 3,185 | 3,356 |
| Fully Diluted Recurring Net Profit | 1,921 | 2,491 | 2,916 | 3,185 | 3,356 |

Cash Flow

| (VNDb) | Dec-18A | Dec-19A | Dec-20F | Dec-21F | Dec-22F |
|----------------------------------|----------------|----------------|----------------|----------------|----------------|
| EBITDA | 7,604 | 7,048 | 7,402 | 7,541 | 7,590 |
| Cash Flow from Invt. & Assoc. | 0 | 0 | 0 | 0 | 0 |
| Change In Working Capital | (1,114) | (2,057) | (312) | 618 | (449) |
| (Incr)/Decr in Total Provisions | (69) | 766 | 0 | 0 | 0 |
| Other Non-Cash (Income)/Expense | 22 | 48 | 15 | 17 | 22 |
| Other Operating Cashflow | (45) | 24 | (160) | (96) | 92 |
| Net Interest (Paid)/Received | (1,307) | (1,152) | (1,007) | (890) | (750) |
| Tax Paid | (96) | (326) | (584) | (632) | (702) |
| Cashflow From Operations | 4,996 | 4,352 | 5,354 | 6,558 | 5,803 |
| Capex | (219) | (137) | (3,264) | (6,741) | (8,859) |
| Disposals Of FAs/subsidiaries | 125 | 4 | 0 | 0 | 0 |
| Acq. Of Subsidiaries/investments | 891 | (207) | (606) | (760) | (420) |
| Other Investing Cashflow | 759 | 299 | 174 | 228 | 276 |
| Cash Flow From Investing | 1,555 | (42) | (3,696) | (7,273) | (9,003) |
| Debt Raised/(repaid) | (5,284) | (2,254) | (466) | 1,003 | 3,635 |
| Proceeds From Issue Of Shares | 0 | 2 | 0 | 0 | 0 |
| Shares Repurchased | 0 | 0 | 0 | 0 | 0 |
| Dividends Paid | (349) | (119) | 0 | 0 | 0 |
| Preferred Dividends | 0 | 0 | 0 | 0 | 0 |
| Other Financing Cashflow | 0 | 0 | 79 | 14 | (5) |
| Cash Flow From Financing | (5,633) | (2,370) | (386) | 1,017 | 3,630 |
| Total Cash Generated | 919 | 1,940 | 1,272 | 303 | 429 |
| Free Cashflow To Equity | 1,267 | 2,056 | 1,192 | 289 | 434 |
| Free Cashflow To Firm | 7,858 | 5,462 | 2,665 | 176 | (2,450) |

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 | 3,361 | 5,741 | 7,619 | 8,682 | 9,532 |
| Total Debtors | 7,531 | 8,701 | 9,597 | 9,470 | 9,498 |
| Inventories | 4,187 | 3,912 | 4,549 | 4,748 | 4,647 |
| Total Other Current Assets | 172 | 192 | 226 | 224 | 224 |
| Total Current Assets | 15,251 | 18,546 | 21,990 | 23,125 | 23,901 |
| Fixed Assets | 40,113 | 37,250 | 35,465 | 36,769 | 41,279 |
| Total Investments | 1,314 | 1,205 | 3,659 | 6,501 | 8,255 |
| Intangible Assets | 64 | 71 | 71 | 71 | 71 |
| Total Other Non-Current Assets | 1,369 | 1,097 | 1,184 | 1,150 | 1,099 |
| Total Non-current Assets | 42,860 | 39,623 | 40,379 | 44,491 | 50,705 |
| Short-term Debt | 706 | 3,954 | 7,028 | 8,367 | 8,896 |
| Current Portion of Long-Term Debt | 5,848 | 5,195 | 4,000 | 2,000 | 1,330 |
| Total Creditors | 5,900 | 6,684 | 6,977 | 7,128 | 7,108 |
| Other Current Liabilities | 5,116 | 3,598 | 4,559 | 5,098 | 4,595 |
| Total Current Liabilities | 17,571 | 19,431 | 22,565 | 22,592 | 21,929 |
| Total Long-term Debt | 13,304 | 8,406 | 6,146 | 7,852 | 11,645 |
| Hybrid Debt - Debt Component | 0 | 0 | 0 | 0 | 0 |
| Total Other Non-Current Liabilities | 422 | 729 | 656 | 526 | 568 |
| Total Non-current Liabilities | 13,725 | 9,135 | 6,801 | 8,377 | 12,212 |
| Total Provisions | 0 | 0 | 0 | 0 | 0 |
| Total Liabilities | 31,296 | 28,565 | 29,366 | 30,970 | 34,142 |
| Shareholders' Equity | 24,506 | 26,979 | 29,974 | 33,174 | 36,525 |
| Minority Interests | 2,309 | 2,624 | 3,029 | 3,472 | 3,939 |
| Total Equity | 26,815 | 29,603 | 33,004 | 36,646 | 40,464 |

Key Ratios

| | Dec-18A | Dec-19A | Dec-20F | Dec-21F | Dec-22F |
|---------------------------|---------|---------|---------|---------|---------|
| Revenue Growth | 9.9% | 8.4% | 10.8% | 4.6% | (1.4%) |
| Operating EBITDA Growth | (9.73%) | (7.31%) | 5.01% | 1.88% | 0.65% |
| Operating EBITDA Margin | 23.3% | 19.9% | 18.9% | 18.4% | 18.8% |
| Net Cash Per Share (VND) | (7,044) | (5,045) | (4,080) | (4,072) | (5,269) |
| BVPS (VND) | 10,464 | 11,520 | 12,799 | 14,165 | 15,596 |
| Gross Interest Cover | 2.82 | 3.40 | 4.71 | 5.49 | 6.58 |
| Effective Tax Rate | 8.2% | 9.8% | 15.0% | 14.8% | 15.5% |
| Net Dividend Payout Ratio | NA | NA | NA | NA | NA |
| Accounts Receivables Days | 79.76 | 83.63 | 85.29 | 84.77 | 85.56 |
| Inventory Days | 49.99 | 48.78 | 46.45 | 48.49 | 49.91 |
| Accounts Payables Days | 70.85 | 75.80 | 74.99 | 73.56 | 75.62 |
| ROIC (%) | 7.6% | 9.2% | 11.6% | 12.4% | 12.3% |
| ROCE (%) | 8.5% | 9.0% | 10.1% | 9.7% | 8.9% |
| Return On Average Assets | 6.33% | 6.92% | 8.00% | 7.64% | 7.06% |

Key Drivers

| | Dec-18A | Dec-19A | Dec-20F | Dec-21F | Dec-22F |
|----------------------------------|----------|----------|----------|----------|----------|
| Power Despatched (GWh) | 21,007.0 | 22,540.3 | 22,128.0 | 22,346.7 | 21,614.6 |
| Capacity (MW) | 4,208.2 | 4,208.2 | 4,205.0 | 4,205.0 | 4,205.0 |
| Average Capacity Utilisation (%) | 57.0% | 61.1% | 60.1% | 60.7% | 58.7% |
| Avg tariff/ASP per kwh (% chg) | 8.0% | 0.3% | 13.2% | 3.5% | 1.9% |
| Fuel Cost Per Kwh (% Change) | 16.9% | -3.4% | 29.4% | 5.8% | 1.3% |
| Industry Reserve Margin (%) | N/A | N/A | N/A | N/A | N/A |

SOURCES: VND RESEARCH, COMPANY REPORTS

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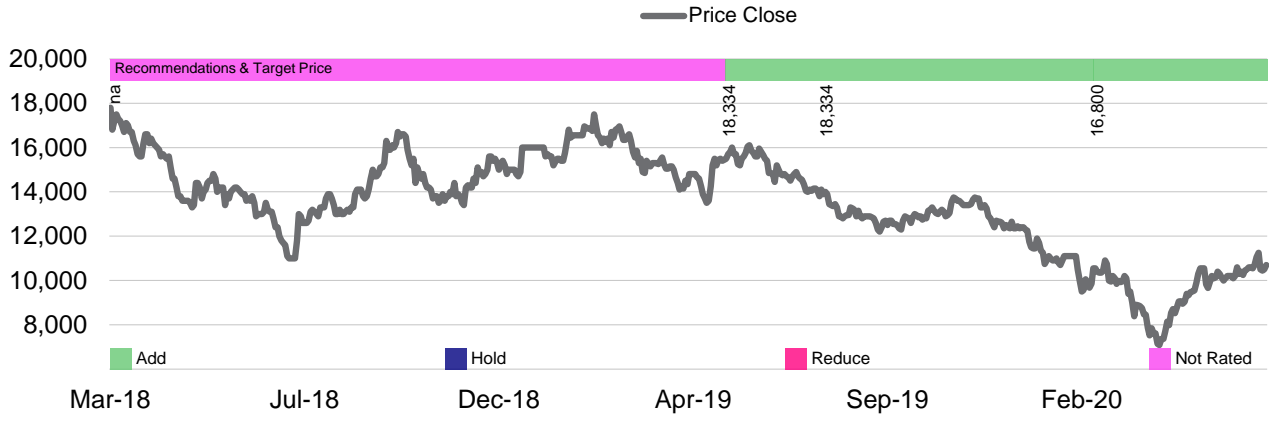
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PetroVietnam Power Corporation (POW VN)



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:

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|--------|---|
| 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:

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|-------------|--|
| 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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