

Vietnam

ADD (no change)

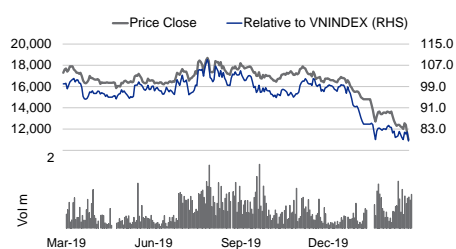
Consensus ratings*: Buy 5 Hold 2 Sell 0

Current price:	VND11,000
Target price:	VND18,100
Previous target:	VND21,000
Up/downside:	64.5%
CGS-CIMB / Consensus:	-5.6%
Reuters:	PVT.HM
Bloomberg:	PVT VN
Market cap:	US\$133.4m VND3,095,842m
Average daily turnover:	US\$0.24m VND5,643m
Current shares o/s:	281.4m
Free float:	27.6%

*Source: Bloomberg

Key changes in this note

- FY20-21F EPS decreased 10.2-22.2%
- FY22F EPS introduced.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	-17.9	-33.3	-36.8
Relative (%)	-7.9	-20.5	-21.8

Major shareholders	% held
PetroVietnam Group	51.0
Yurie Vietnam Securities	6.2
PVcom Bank	5.1

Analyst(s)

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PetroVietnam Transportation Corp

FY20F: BSR's maintenance could hurt net profit

- We expect PVT's net profit to decline 10.9%/0.4% yoy in FY20F/FY21F due to the maintenance/upgrade of its main customer Binh Son Refinery (BSR).
- Reiterate Add, with lower target price of VND18,100.

FY19 results boosted by transportation segment

4Q19 net profit declined 31.2% yoy due to 1) lower revenue from Nghi Son Refinery Petrochemical (NSRP, unlisted) as the plant underwent a 40-day maintenance shutdown, 2) some vessels being docked for repairs, 3) advanced booking of maintenance expense for Dai Hung Queen FSO, and 4) the almost doubling of financial expenses following an aggressive debt-financed capex during the year. For the full year, PVT still recorded a 4.5% increase in net profit, as the contribution of seven new vessels acquired during the year and lower G&A expenses (-12.4% yoy) more than offset higher FSO and financial expenses. FY19 net profit was at 96.8% of our forecast.

FY20-21F earnings could be hurt by lower utilisation rate at BSR

Given that transportation revenue from the customer Binh Son Refinery (BSR, Not rated) often accounts for 70-80% of PVT's transportation revenue, the scheduled 50-day maintenance shutdown of this large customer would affect its profitability. PVT plans to send one crude oil vessel to the docks for maintenance, and another to run international routes during the scheduled period to partly compensate for the lost revenue. We now incorporate a 60-day shutdown of BSR for upgrade works in FY21F into our valuation, given the higher visibility of the upgrade. This decreases our FY21F EPS by 22.2%.

Oil price decline not a big concern

The majority of PVT's contracts are on a time-charter basis, which requires charterers to bear the fuel costs. As such, oil price fluctuations would barely affect its transportation profitability. Instead, the recent move by Saudi Arabia to raise production might boost the demand for oil/refined products transportation in the long term and accordingly, tanker rates. This could support PVT's crude oil transportation segment and offset potential decline in revenue from trading and other activities amid a weaker oil & gas market.

Reiterate Add, with a lower target price of VND18,100

We value PVT using equally-weighted valuation of DCF, and average FY20-21F target P/E of 7.7x (average 5-year historical P/E). We reduce our target P/E from 9x previously to 7.7x to reflect weaker overall market sentiment and lower net profit in FY20-21F. Potential re-rating catalysts are (1) divestment of PetroVietnam (unlisted) stake from 51% to 36%, and (2) higher-than-expected transportation volume from Nghi Son Refinery. Downside risks include (1) delays in the construction of coal-based power plants and (2) lower-than-expected voyage charter rates.

Financial Summary	Dec-18A	Dec-19A	Dec-20F	Dec-21F	Dec-22F
Revenue (VNDb)	7,523	7,742	8,189	8,605	9,159
Operating EBITDA (VNDb)	1,402	1,678	1,669	1,774	1,899
Net Profit (VNDb)	652.1	681.3	607.2	604.8	642.6
Core EPS (VND)	2,317	2,421	2,157	2,149	2,283
Core EPS Growth	44.9%	4.5%	(10.9%)	(0.4%)	6.3%
FD Core P/E (x)	4.75	4.54	5.10	5.12	4.82
DPS (VND)	1,103	1,200	1,000	1,000	1,000
Dividend Yield	10.0%	10.9%	9.1%	9.1%	9.1%
EV/EBITDA (x)	2.97	2.95	3.47	3.23	3.06
P/FCFE (x)	NA	17.1	6.6	NA	142.6
Net Gearing	2.7%	13.1%	30.3%	31.9%	36.0%
P/BV (x)	0.77	0.71	0.70	0.69	0.68
ROE	16.9%	16.2%	13.8%	13.6%	14.3%
% Change In Core EPS Estimates			(10.2%)	(22.2%)	
CGS-CIMB/Consensus EPS (x)			0.89	1.01	0.92

SOURCES: VND RESEARCH, COMPANY REPORTS

FY20F: BSR's maintenance could hurt net profit

FY19 results boosted by the transportation segment

Figure 1: FY19 results overview

FYE Dec (VNDbn)	4Q18	4Q19	% yoy	FY18	FY19	% yoy	vs. FY19 forecast	Comment
Net revenue	1,912	1,916	0.2%	7,523	7,742	2.9%	90.1%	
Transportation	1,276	1,186	-7.0%	4,284	4,792	11.9%		Nghi Son refinery (NSRP) carried out a 40-day maintenance in 4Q19, therefore transportation revenue from NSRP declined vs. 4Q18. However, FY19 transportation revenue maintained a positive growth of 11.9% yoy thanks to (1) the contribution of seven new tankers acquired in 2019, including crude oil tanker PVT Apollo (May 19), three oil product tankers PVT Synergy (1Q19), Neptune (Aug 19) and Aurora (Nov 19), three LPG tankers Lady Linn (Jan 19), Gas Lotus (Jun 19) and Danang Gas (Sep 19). In 2018 the company acquired only three new vessels.
FSO/FPSO	146	272	87.0%	956	1,074	12.3%		Due to additional revenue from pre-operation work for Sao Vang Dai Nguyet project.
Trading & services	490	458	-6.6%	2,524	1,876	-25.7%		Less revenue from trading segment
Gross profit	414	325	-21.4%	1,083	1,179	8.8%	88.8%	
Transportation	340	244	-28.1%	747	832	11.4%		
FSO/FPSO	76	69	-8.7%	326	313	-4.1%		PVT pre-booked some expenses in FY19 to prepare for the maintenance of the FSO Dai Hung Queen (which has been delayed to 2020F)
Trading & services	(1)	12	NA	12	33	176.4%		
Gross profit margin	21.7%	17.0%	-4.7% pts	14.4%	15.2%	+0.8% pts		
Transportation	26.6%	20.6%	-6.0% pts	17.4%	17.4%	-0.1% pts		
FSO/FPSO	51.9%	25.3%	-26.6% pts	34.1%	29.2%	-5.0% pts		
Trading & services	-0.2%	2.7%	+2.9% pts	0.5%	1.8%	+1.3% pts		
Selling expenses	3	4	20.6%	10	13	31.5%	115.1%	
G&A expenses	112	76	-31.9%	271	238	-12.4%	76.7%	
Operating profit	299	245	-17.9%	802	928	15.7%	92.2%	
Financial income	68	64	-4.6%	208	218	5.0%	133.7%	
Financial expenses	23	45	97.0%	158	193	21.8%	106.6%	Higher debt balance vs. FY18 to finance the aggressive capex
Pre-tax profit	353	292	-17.4%	975	1,012	3.8%	96.1%	One-off profit of VND78.7bn from the sale of Hercules M vessel in 2Q18
Net profit	276	190	-31.2%	652	681	4.5%	96.8%	
Core net profit	276	190	-31.2%	573	681	18.8%		

SOURCES: VND RESEARCH, COMPANY REPORTS

FY20-21F net profit could be hurt by lower utilisation at Binh Son Refinery

High dependency on one large customer a key risk ►

In FY17-18, revenue from Binh Son Refinery (BSR) accounted for 70-80% of PVT's transportation revenue. BSR has announced a scheduled 50-day maintenance shutdown in 2Q-3Q20F and that it is preparing for another shutdown for a plant upgrade by end-2021. These shutdowns would affect PVT's bottomline, despite an expected higher contribution of revenue from Vietnam's new refinery Nghi Son (utilisation rate of 90% in FY20F vs. 70% in FY19).

We already accounted for the effect of the maintenance in FY20F, which could be compensated by the one-off income from asset sale (PVT Athena ship). We now incorporate a 60-day upgrade shutdown for BSR in FY21F, leading to a 22.2% decline in our FY21F EPS forecasts. From 2022F onwards, we expect BSR to operate at 100% capacity (8.5m tonnes of crude oil/year) and PVT could transport 85% of its crude demand, equivalent to over 7m tonnes. Meanwhile, we expect PVT to transport roughly 25% of Nghi Son Refinery's crude oil demand, with the purchase of a very large crude carrier (VLCC) by year-end as guided by the company.

FSO Dai Hung Queen to carry out maintenance in FY20F ➤

According to PVT, the FSO Dai Hung Queen has delayed its 90-120 day maintenance from 2019 to 2Q-3Q20F. The maintenance would also include a transformation process to turn the floating storage and offloading (FSO) vessel into a floating production storage offloading (FPSO) vessel, and the company already booked some expenses for this in FY19. In addition, PVT is renegotiating the vessel's charter rate for the upcoming 5-year period (2020-2025), to be finalised in 2Q20F. While we maintain the assumption of no significant change in contract terms, we see rising risk of slightly lower charter rates in light of the recent plunge in oil prices.

For the Song Doc operations and maintenance (O&M) contract, the current contract would last until Jun 2020F, and PVT guides that there would be little change to current contract terms upon the contract's renewal.

Earnings revision ➤

Figure 2: Forecast revision

Unit: VNDbn	2020F			2021F			2022F Note	
	Old	New	%Δ	Old	New	%Δ	New	
Net revenue	8,508	8,189	-3.7%	9,687	8,605	-11.2%	9,159	We factor in the scheduled maintenance of FSO Dai Hung Queen in FY20F and a 60-day upgrade of customer BSR in FY21F.
Gross profit	1,285	1,141	-11.2%	1,418	1,219	-14.0%	1,309	We lower the gross margin assumptions of coal and other goods transportation following weaker-than-expected numbers in FY19. Lower contribution of the higher-margin FSO segment also adds to lowering blended gross margin.
Gross profit margin	15.1%	13.9%	-1.2% pts	14.6%	14.2%	-0.5% pts	14.3%	
Selling expenses	(11)	(12)	6.4%	(13)	(13)	-1.8%	(14)	Adjusted in line with FY19 numbers
G&A expenses	(307)	(295)	-3.7%	(349)	(310)	-11.2%	(330)	
Operating profit	967	833	-13.8%	1,055	896	-15.1%	965	
Financial income	162	176	8.7%	184	159	-13.5%	144	Adjusted in line with FY19 numbers. Note that we assume a VND66bn one-off income from the sale of one Aframax vessel in FY20F (PVT also sold one similar vessel in FY18).
Financial expenses	(232)	(221)	-4.6%	(198)	(208)	5.0%	(210)	
Pre-tax profit	1,011	908	-10.2%	1,163	904	-22.2%	961	
Net profit	676	607	-10.2%	777	605	-22.2%	643	

SOURCES: VND RESEARCH

Oil price decline not a big concern

We see little risk to PVT's transportation segment from the recent dive in global oil prices due to the following reasons:

- In the domestic market, the charter rate structure for the transportation of crude oil to BSR and refined products/LPG from BSR generally guarantees PVT a nominal gross margin, after accounting for the estimated operating expenses. The charter rates are reviewed periodically based on the Ministry of Finance's reference fuel oil price, translating into a lag period of a few weeks to several months between charter rate revision and oil price fluctuations. A short-term decline in oil prices might benefit PVT as pre-determined charter rates at the beginning of the period have yet to be adjusted in line with the move in fuel prices. Meanwhile, a sustainably low-price environment would lead to a downward adjustment in charter rates, and hence lower revenue; however, its transportation profit would remain stable.
- For international routes, the majority of its vessels are let under time charter contracts, whereby PVT only provides the vessels and crew members and bears no fuel cost.

From another point of view, early implications from the potential increase in Saudi Arabia's production include 1) higher demand for transportation of crude oil and refined products, 2) possible increase in purchases among Chinese oil companies looking to stock up on discounted crude oil, and 3) higher demand for storage space. All these factors point to a better global tanker rate environment which should benefit PVT. However, there are many other uncertainties surrounding the oil price movements such as the impact of the Covid-19 outbreak on global demand, retaliation actions by other large oil producers such as Russia and the US, and the extent to which Saudi Arabia is

willing to dampen oil prices in a move to regain lost market share. Therefore, we await further development in the oil market before assessing the impact of the recent oil price decline on PVT.

Reiterate Add, with lower target price of VND18,100

Figure 3: DCF model – summary of free cash flow

VNDbn	Dec-18A	Dec-19F	Dec-20F	Dec-21F	Dec-22F	Dec-25F	Dec-30F	Dec-35F	CAGR 20-35F
Total revenue	7,523	7,742	8,189	8,605	9,159	10,178	11,440	12,261	2.7%
% growth yoy	22.4%	2.9%	5.6%	10.0%	8.0%	4.9%	2.9%	1.7%	
COGS & OPEX	(6,721)	(6,814)	(7,355)	(7,709)	(8,193)	(9,102)	(10,230)	(10,965)	
Unlevered profit / EBIT	802	928	833	896	965	1,076	1,209	1,296	3.0%
Operating margin	10.7%	12.0%	10.2%	10.2%	10.2%	10.2%	10.2%	10.2%	
Effective tax rate	-20.0%	-19.9%	-20.0%	-20.0%	-20.0%	-20.0%	-20.0%	-20.0%	
EBIT * (1-Tax) or NOPAT	642	743	667	717	772	861	967	1,037	3.0%
+ D&A	600	750	836	879	934	1,059	1,190	1,276	
% of revenue	8.0%	9.7%	10.2%	10.2%	10.2%	10.2%	10.2%	10.2%	
- CapEx	(1,399)	(1,924)	(1,720)	(860)	(1,099)	(774)	(869)	(932)	
% of revenue	-18.6%	-24.9%	-21.0%	-7.6%	-7.6%	-7.6%	-7.6%	-7.6%	
+ Δ WC	30	525	(16)	(19)	(25)	117	14	37	
% of revenue	0.4%	6.8%	-0.2%	0.4%	0.4%	1.2%	0.5%	0.7%	
Financial and other income / expense, net	173	84	75	9	(4)	137	18	22	
% of revenue	2.3%	1.1%	0.9%	-0.5%	-0.5%	1.3%	0.0%	-0.1%	
UFCF	45	178	(158)	725	577	1,401	1,321	1,440	

SOURCES: VND RESEARCH

Figure 4: Cost of equity

Cost of equity	
Risk Free Rate	5.0%
Beta	1.1
Risk Premium	10.1%
Cost of Equity	16.0%

SOURCES: VND RESEARCH

Figure 5: WACC and terminal growth rate

VNDbn	
Equity Value	4,787
Debt	3,433
Cost of Debt	7.0%
Tax Rate	20.0%
WACC	11.7%
Perpetual Growth Rate	1.1%

SOURCES: VND RESEARCH

We reduce our target P/E from 9.0x previously to 7.7x (5-year average historical P/E), taking into account a weaker market sentiment and net profit decline in FY20F. We expect market sentiment to improve in 2H20F following the containment of the covid-19 outbreak and that oil price could rebound towards year-end when demand returns.

Figure 6: PVT's historical P/E from 2014 to date



SOURCES: VND RESEARCH, BLOOMBERG

Figure 7: Blended target price

Method	Implied share price (VND)	Weight (%)	Weighted share price (VND)
DCF	19,720	50%	9,860
FY20-21F target P/E of 7.7x	16,579	50%	8,290
Target price			18,150
Target price (rounded)			18,100

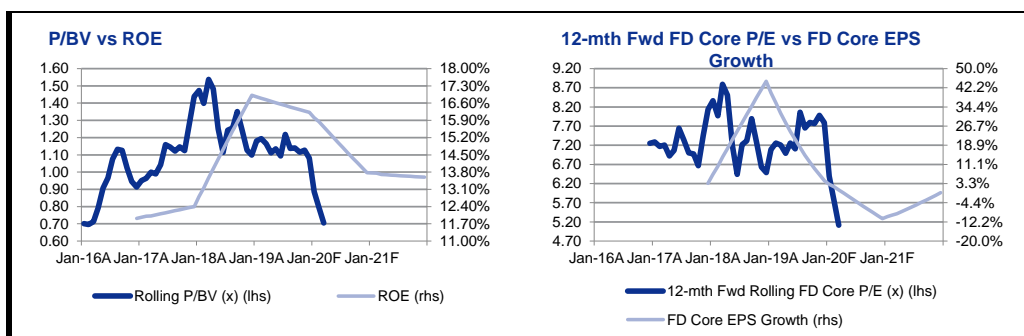
SOURCES: VND RESEARCH

Figure 8: Peer comparison

Company	Bloomberg		Share Price (local cur.)	Target Price (local cur.)	Market Cap (US\$ m)	P/E (x)			P/BV (x)			ROE (%)			ROA (%)			
	Ticker	Recom.				TTM	FY19F	FY20F	TTM	FY19F	FY20F	TTM	FY19F	FY20F	TTM	FY19F	FY20F	
PVTrans	PVT VN	ADD	11,000	18,100	133	4.5	5.1	5.1	0.7	0.7	0.7	16.2%	13.8%	13.6%	6.4%	6.7%	6.5%	
Vietnam Petroleum Trans	VIP VN	NOT RATED	4,760	NA	13	8.8	NA	NA	0.3	NA	NA	3.2%	NA	NA	2.4%	NA	NA	
Vietnam Tanker JSC	VTO VN	NOT RATED	7,500	NA	25	5.9	NA	NA	0.5	NA	NA	8.6%	NA	NA	5.2%	NA	NA	
Eusu Holdings Co Ltd	000700 KS	NOT RATED	5,810	NA	127	22.9	NA	NA	0.7	NA	NA	3.0%	NA	NA	1.1%	NA	NA	
Shipping Corp of India Ltd	SCI IN	NOT RATED	43	NA	271	NA	5.5	3.6	0.3	NA	NA	-0.9%	5.0%	7.2%	-0.4%	NA	NA	
Great Eastern Shipping Co L	GESCO IN	NOT RATED	215	NA	427	NA	NA	6.9	0.5	NA	NA	-0.3%	5.7%	6.6%	-0.1%	NA	NA	
Average (excl. PVT)					173	12.5			0.4			2.7%			1.6%			

SOURCES: VND RESEARCH, BLOOMBERG (DATA AS AT 10/03)

BY THE NUMBERS



Profit & Loss

(VNDb)	Dec-18A	Dec-19A	Dec-20F	Dec-21F	Dec-22F
Total Net Revenues	7,523	7,742	8,189	8,605	9,159
Gross Profit	1,083	1,179	1,141	1,219	1,309
Operating EBITDA	1,402	1,678	1,669	1,774	1,899
Depreciation And Amortisation	(600)	(750)	(836)	(879)	(934)
Operating EBIT	802	928	833	896	965
Financial Income/(Expense)	49	25	(46)	(49)	(66)
Pretax Income/(Loss) from Assoc.	26	33	29	30	32
Non-Operating Income/(Expense)	97	26	92	27	29
Profit Before Tax (pre-EI)	975	1,012	908	904	961
Exceptional Items					
Pre-tax Profit	975	1,012	908	904	961
Taxation	(195)	(202)	(182)	(181)	(192)
Exceptional Income - post-tax					
Profit After Tax	780	811	726	723	769
Minority Interests	(128)	(129)	(119)	(119)	(126)
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Net Profit	652	681	607	605	643
Recurring Net Profit	652	681	607	605	643
Fully Diluted Recurring Net Profit	652	681	607	605	643

Cash Flow

(VNDb)	Dec-18A	Dec-19A	Dec-20F	Dec-21F	Dec-22F
EBITDA	1,402	1,678	1,669	1,774	1,899
Cash Flow from Inv. & Assoc.	(271)	(220)	(220)	(220)	(220)
Change In Working Capital	30	525	(16)	(19)	(25)
(Incr)/Decr in Total Provisions	88	66	0	0	0
Other Non-Cash (Income)/Expense	(427)	(666)	(761)	(870)	(938)
Other Operating Cashflow	440	331	1,042	481	538
Net Interest (Paid)/Received	(99)	(144)	(221)	(208)	(210)
Tax Paid	(232)	(243)	(182)	(181)	(192)
Cashflow From Operations	931	1,328	1,311	758	852
Capex	(1,399)	(1,924)	(1,720)	(860)	(1,099)
Disposals Of FAs/subsidiaries	128	20	20	20	20
Acq. Of Subsidiaries/investments					
Other Investing Cashflow	(392)	308	217	217	217
Cash Flow From Investing	(1,663)	(1,596)	(1,482)	(623)	(861)
Debt Raised/(repaid)	311	449	640	(244)	31
Proceeds From Issue Of Shares	49	86	86	86	86
Shares Repurchased	(0)	(0)	(0)	(0)	(0)
Dividends Paid	(310)	(338)	(281)	(281)	(281)
Preferred Dividends					
Other Financing Cashflow					
Cash Flow From Financing	49	198	445	(440)	(164)
Total Cash Generated	(683)	(70)	274	(304)	(174)
Free Cashflow To Equity	(422)	181	470	(109)	22
Free Cashflow To Firm	(634)	(124)	51	343	200

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	2,851	2,689	2,371	2,066	1,893
Total Debtors	1,088	817	1,036	1,089	1,159
Inventories	151	127	135	141	150
Total Other Current Assets	159	151	160	168	179
Total Current Assets	4,249	3,784	3,702	3,465	3,381
Fixed Assets	5,627	6,781	7,665	7,647	7,812
Total Investments	200	277	277	277	277
Intangible Assets	0	0	0	0	0
Total Other Non-Current Assets	126	161	161	161	161
Total Non-current Assets	5,953	7,220	8,104	8,086	8,251
Short-term Debt	663	813	904	850	857
Current Portion of Long-Term Debt					
Total Creditors	793	646	813	854	909
Other Current Liabilities	948	855	904	950	1,012
Total Current Liabilities	2,405	2,314	2,621	2,654	2,778
Total Long-term Debt	2,325	2,621	3,169	2,979	3,004
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	333	388	388	388	388
Total Non-current Liabilities	2,658	3,009	3,558	3,368	3,392
Total Provisions	0	0	0	0	0
Total Liabilities	5,063	5,323	6,179	6,022	6,170
Shareholders' Equity	4,023	4,375	4,440	4,460	4,520
Minority Interests	1,117	1,306	1,187	1,068	942
Total Equity	5,140	5,681	5,627	5,528	5,462

Key Ratios

	Dec-18A	Dec-19A	Dec-20F	Dec-21F	Dec-22F
Revenue Growth	22.4%	2.9%	5.8%	5.1%	6.4%
Operating EBITDA Growth	18.7%	19.7%	(0.5%)	6.3%	7.0%
Operating EBITDA Margin	18.6%	21.7%	20.4%	20.6%	20.7%
Net Cash Per Share (VND)	(489)	(2,646)	(6,051)	(6,265)	(6,994)
BVPS (VND)	14,293	15,544	15,774	15,847	16,060
Gross Interest Cover	6.60	5.74	4.48	5.12	5.47
Effective Tax Rate	20.0%	19.9%	20.0%	20.0%	20.0%
Net Dividend Payout Ratio	47.6%	49.6%	46.4%	46.5%	43.8%
Accounts Receivables Days	46.19	44.91	41.42	45.08	44.80
Inventory Days	6.99	7.74	6.80	6.83	6.78
Accounts Payables Days	41.31	37.74	35.71	40.20	40.01
ROIC (%)	14.0%	13.7%	10.2%	9.6%	10.4%
ROCE (%)	13.0%	13.3%	10.7%	11.1%	11.9%
Return On Average Assets	7.63%	7.46%	6.69%	6.53%	7.08%

Key Drivers

	Dec-18A	Dec-19A	Dec-20F	Dec-21F	Dec-22F
Petroleum TCE rate (yoy chg %)	N/A	N/A	N/A	N/A	N/A
Chemical TCE rate (yoy chg %)	N/A	N/A	N/A	N/A	N/A
Fleet Size (no. Of Vessels)	25.0	32.0	34.0	36.0	38.0
No. Of LNG Tankers	N/A	N/A	N/A	N/A	N/A
No. Of Petroleum Tankers	9	12	13	14	15
No. Of Chemical Tankers	N/A	N/A	N/A	N/A	N/A

SOURCES: VND RESEARCH, COMPANY REPORTS

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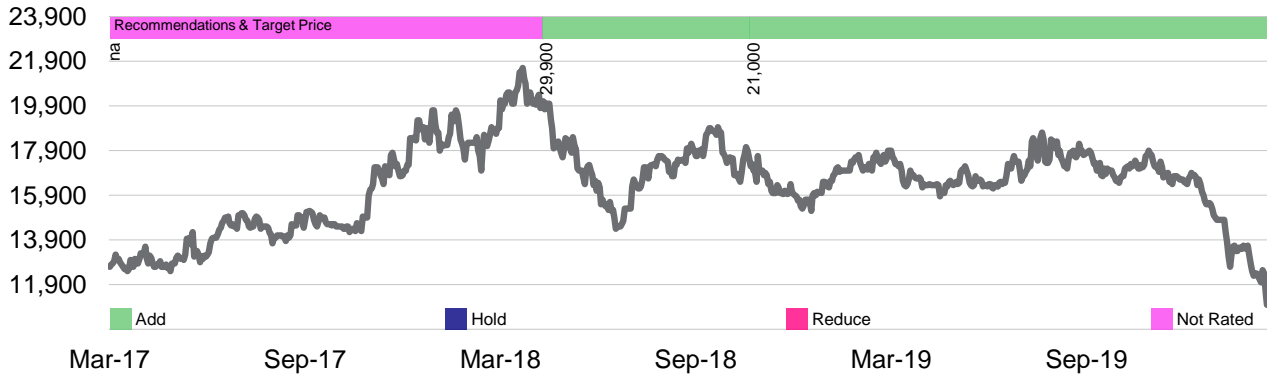
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Add	61.4%	0.0%
Hold	25.2%	0.0%
Reduce	13.4%	0.0%

Spitzer Chart for stock being researched (2 year data)

PetroVietnam Transportation Corp (PVT VN)

— Price Close



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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