

Vietnam

ADD (no change)

Consensus ratings*: Buy 11 Hold 1 Sell 0

Current price:	VND30,700
Target price:	VND42,600
Previous target:	VND43,900
Up/downside:	38.8%
CGS-CIMB / Consensus:	6.1%
Reuters:	VRE.HM
Bloomberg:	VRE VN
Market cap:	US\$3,002m
	VND69,760,176m
Average daily turnover:	US\$2.97m
	VND68,116m
Current shares o/s:	2,272m
Free float:	45.0%

*Source: Bloomberg

Key changes in this note

- FY20F EPS increased by 0.4%.
- FY21F EPS decreased by 5.9%



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	-5.8	-12.3	-9.7
Relative (%)	-0.4	-6.7	-4.2

Major shareholders	% held
Vingroup JSC	56.9

Analyst(s)


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Vincom Retail JSC

Looking beyond short-term challenges

- FY19 net profit was in line at 102% of our full-year forecast, driven by the opening of 13 new malls and impressive margin expansion.
- We expect FY20F leasing revenue to grow 16.5% yoy, supported by a 16.4% yoy growth in total GFA and average rental rate growth of 6.3% yoy.
- Reiterate Add with a lower DCF-based TP of VND42,600 (WACC: 12.4%).

FY19 results in line with our expectations

Vincom Retail JSC (VRE) reported 4Q19 net revenue falling 4.7% yoy due to a 45.5% yoy drop in inventory properties revenue. However, the 4Q19 bottomline grew 26.5% yoy thanks to a 12.5% pts GPM expansion in the inventory properties segment. For FY19, VRE posted net revenue/net profit growth of 1.5%/18.5% yoy, in line with our forecast.

Aggressive footprint expansion in 4Q19

VRE launched nine shopping centres in 4Q19, accounting for 6.0% of total gross floor area (GFA) as at end-FY19. VRE's mall count reached 79 malls (+19.7% yoy), equivalent to about 1.6m sqm of retail GFA (+10.3% yoy). Accordingly, leasing activities generated VND7,017bn in FY19 (+27.4% yoy, 76% of total revenue) thanks to 1) the launch of 13 malls in FY19, 2) full-year operation of 20 malls opened in FY18, and 3) 9.8% yoy growth in the average rental rate, per our estimates.

Concerns over coronavirus overwhelmed share price

VRE's share price hit a six-month low on 5 Feb amid the COVID-19 outbreak. Short-term impact of the outbreak on VRE's core business include 1) a drop in footfall in the malls located in infected provinces but some malls have seen slight increase in footfall as VRE has implemented preventive and protective measures 2) revenue-sharing portion (20% of total revenue) includes minimum guaranteed fixed-rate rent, and 3) VRE's support to tenants in terms of marketing activities, online shopping and subsidised deliveries.

Changes to forecasts

We lower our FY20F/21F net profit forecasts by 3%/10% due to 1) the reduced FY20F average rental rate growth to 6.3% yoy (from 9.0% yoy in previous forecast) to reflect the impact of the Covid-19 outbreak in 1Q-2Q19, and 2) changes to the opening schedules of the three Vincom Mega Mall projects.

Reiterate Add with TP of VND42,600

We make minor changes to our FY20F core EPS (+0.4% vs. old forecast) after factoring in the 56.5m share buyback executed in Nov 2019. However, we lower our TP to VND42,600 on the back of the downgrades in the FY20-21F bottomlines. We reiterate our Add rating as VRE is still in its high-growth stage (FY20-21F) as it benefits from Vietnam's modern retail boom. Potential re-rating catalysts include faster-than-expected mall openings. Downside risks include prolonged COVID-19 outbreak.

Financial Summary

	Dec-18A	Dec-19A	Dec-20F	Dec-21F	Dec-22F
Total Net Revenues (VNDb)	9,124	9,259	10,791	13,191	15,280
Operating EBITDA (VNDb)	4,048	5,032	6,195	7,839	9,227
Net Profit (VNDb)	2,404	2,848	3,602	4,833	5,850
Core EPS (VND)	1,444	1,522	1,928	2,521	3,007
Core EPS Growth	53.4%	5.4%	26.7%	30.8%	19.3%
FD Core P/E (x)	25.90	20.68	15.92	12.18	10.21
DPS (VND)	0	2	0	1,500	1,500
Dividend Yield	0.00%	0.01%	0.00%	4.89%	4.89%
EV/EBITDA (x)	13.11	12.08	8.85	6.89	5.54
P/FCFE (x)	78.36	21.53	23.41	15.95	12.83
Net Gearing	1.2%	5.2%	(5.7%)	(7.4%)	(11.8%)
P/BV (x)	2.11	2.59	2.29	2.19	2.04
ROE	11.2%	12.6%	15.3%	18.4%	20.7%
% Change In Core EPS Estimates			0.41%	(5.89%)	
CGS-CIMB/Consensus EPS (x)			1.10	1.13	1.13

SOURCES: VNDIRECT RESEARCH, COMPANY REPORTS

Looking beyond short-term challenges

FY19 review: in line with our expectations

Record number of projects launched in 4Q19 >

VRE reported a 4Q19 net profit at VND2,784bn (-7.6% yoy), in line with our expectation. Leasing revenue surged 30.9% yoy to VND1,951bn, mainly driven by the launch of nine new malls during the quarter, including six Vincom Plazas and three Vincom+, and the stable operation of 20 malls opened in FY18. Meanwhile, sales of inventory property dropped 45.5% yoy to VND785bn due to the booking of larger sales of inventory properties in 4Q18 (~ two times vs. 4Q19), with the delivery of apartments in Suoi Hoa (Bac Ninh). Blended gross margin expanded significantly to 50.1% (vs. 37.6% in 4Q18) as the margin from sales of inventory rose to 42.5% from 23.2% in 4Q18, reflecting the higher margin of shophouses vs. the high-rise units.

Leasing activities supported by continuous tenant mix upgrades and bolstered footfall >

VRE has sustained a well-diversified tenant portfolio of over 1,000 brands, with the participation of more foreign retailers including giant fashion retailer Uniqlo (Unlisted), restaurant chain Haidilao (6862:HK, Not rated) and health care and beauty chain Watsons (Unlisted). VRE also owns a firm base of other anchor tenants which expanded their GFA coverage in VRE's malls by 29% yoy in FY19. In addition, VRE introduced 10 major marketing campaigns in FY19 and boosted overall footfall/tenants' revenue by 30-70%/15-200% after the campaigns.

Figure 1: Tenant mix upgrades in 4Q19



SOURCES: VNDIRECT RESEARCH, COMPANY REPORTS

Figure 2: Successful major marketing campaigns



SOURCES: VNDIRECT RESEARCH, COMPANY REPORTS

Limited impact from Vincommerce-Masan merger >

Recently, Vingroup (VIC VN, Not Rated), Vietnam's largest conglomerate, signed a memorandum of understanding (MOU) to merge Vincommerce (Unlisted), its retail subsidiary, with Masan Group Corporation (MSN VN, Not Rated), the country's leading FMCG producer, to form the country's largest consumer goods and retail company. The new company will inherit a retail network of about 2,600 VinMart (supermarkets) and VinMart+ (convenience stores) in 50 provinces, a large customer base, plus VinEco's 14 high-tech farms. VIC also closed all VinPro stores inside and outside of VRE retail malls as it exited consumer retail to focus on industrials and technology. We see minimal impact of the restructuring on VRE as 1) the impact of store closures is immaterial (three Vinmarts, which accounted for only 0.04% NLA and 0.02% of 2019 revenue), 2) VinMart and VRE will continue to be strategically aligned, with with the focus on expanding Vinmart's presence in VRE's malls, and 3) no significant and permanent impact from the closure of VinPro stores has been observed (making up 5.8% of NLA and 2.4% of 2019 revenue), while 35% of vacant spaces should be filled up by end-1Q and early 2Q with the rest in 3Q and 4QFY20F.

Figure 3: Results comparison

FYE (VNDbn)	4QFY18	4QFY19	% yoy	FY2018	FY2019	% yoy	vs. FY19 forecast	Comments
Net revenue	3,012	2,784	-7.6%	9,124	9,259	1.5%	100.2%	
Leasing activities	1,491	1,951	30.9%	5,506	7,017	27.4%	97.4%	In line with our projection
Sales of inventory properties	1,440	785	-45.5%	3,433	2,027	-41.0%	105.5%	
Gross profit	1,133	1,396	23.2%	3,641	4,405	21.0%	107.1%	Blended gross margin expanded significantly to 50.1% (vs. 37.6% in 4Q18) thanks to the enhanced margin from sales of inventory to 42.5% (vs. 23.2% in 4Q18).
Gross profit margin	37.6%	50.1%	+12.5% pts	39.9%	47.6%	+7.7% pts	+3.1% pts	
Selling expenses	268	341	27.1%	819	995	21.5%	68.5%	
as % of revenue:	8.5%	8.7%	+0.2% pts	7.8%	8.5%	+0.7% pts	-7.8% pts	
G&A expenses	93	114	22.3%	227	346	52.0%	73.4%	
as % of revenue:	3.0%	2.9%	-0.1% pts	2.2%	3.0%	+0.8% pts	-2.2% pts	
Net profit	696	880	26.5%	2,404	2,849	18.5%	101.9%	In line with our projection
Net margin	23.1%	31.6%	+8.5% pts	26.4%	30.8%	+4.4% pts	+0.6% pts	

SOURCES: VNDIRECT RESEARCH, COMPANY REPORTS

FY20F: A year of big projects

Adjustments to project opening schedules ►

According to VRE's management, the opening schedule of the three Vincom Mega Mall (VMM) projects would be later than our expectation. Particularly, VMM Ocean Park (GFA of 56,000 sq m) and VMM Smart City (GFA of 68,000 sq m) are expected to be launched at end-2Q20 or in 3Q20 (vs. our previous forecast of 1Q20), while VMM Grand Park (GFA of 48,000 sq m) at end-4Q20 (vs. our previous forecast of end-3Q20). In addition, the conversions of the two Vincom Plazas in Hai Phong and Da Nang to Vincom Centers are not likely to take place this year, as per our previous forecast. Thus, we reduce our forecast of FY20F's average GFA by 10.7% to reflect the changes in the timing of the launches by VRE.

Leasing revenue growth driven by Vincom Mega Mall projects and expansion demand of anchor tenants ►

We expect VRE to register 16.5% leasing revenue growth in FY20F, supported by 1) the launches of three Vincom Mega Malls (adding a total of 172,000 sq m to the total GFA), 2) the opening of nine Vincom Plazas in 2Q20-4Q20, 3) secured occupancy of anchor tenants (number of stores rising 45% yoy and GFA coverage growing 34% yoy), and 4) the continuous tenant mix upgrades for shopping malls in big cities.

Figure 4: Earnings revision

	2020F			2021F			2022F	Comments
	Old	New	%Δ	Old	New	%Δ		
Net revenue	11,246	10,791	-4.0%	14,492	13,191	-9.0%	15,280	We revise down our forecast for FY20-21F net revenue mainly due to 1) slower-than-expected launching of the 3 Vincom Mega Malls and 2) slower-than-expected conversion of Vincom Plazas to Vincom Centers.
Leasing	9,012	8,335	-7.5%	12,030	10,501	-12.7%	12,333	
Sales of property	2,114	2,230	5.5%	2,325	2,453	5.5%	2,698	
Net revenue growth	21.7%	16.5%		28.9%	22.2%		15.8%	
Gross profit	5,347	5,396	0.9%	7,465	7,042	-5.7%	8,404	We adjust upward our forecast for FY20-21F gross profit margin thanks to better margin from the sales of inventory property
Gross profit margin	47.5%	50.0%	+2.5% pts	51.5%	53.4%	+1.9% pts	55.0%	
Selling expenses	403	409	1.5%	478	472	-1.3%	510	
as % of revenue:	3.6%	3.8%	+0.2% pts	3.3%	3.6%	+0.3% pts	3.3%	
G&A expenses	483	577	19.5%	568	662	16.5%	734	
as % of revenue:	4.3%	5.3%	+1.0% pts	3.9%	5.0%	+1.1% pts	4.8%	
Operating profit	4,461	4,410	-1.1%	6,419	5,908	-8.0%	7,160	
EBT	3,538	4,560	28.9%	6,806	6,119	-10.1%	7,406	
Net profit	3,729	3,603	-3.4%	5,377	4,834	-10.1%	5,851	
Net margin	33.2%	33.4%	+0.2% pts	37.1%	36.6%	-0.5% pts	38.3%	

SOURCES: VNDIRECT RESEARCH, COMPANY REPORTS

Valuation

We make minor changes to our FY20F core EPS (+0.4% vs. old forecast) after factoring in the 2.4% share buyback executed in Nov 2019. However, we lower our TP to VND42,600 on the back of the downgrade in bottomline for FY20-21F but reiterate our Add rating as VRE is still on its high-growth stage (FY20-21F) to benefit from Vietnam's modern retail boom.

VRE's share price currently trades at 19.4x FY20F P/E, above regional retail real estate peers' average of 17.6x. We believe that VRE deserves to trade at a premium over peers such as SM Prime (FY20F P/E of 31.9x) or Central Pattana (FY20F P/E of 28.6x) thanks to its market leadership in Vietnam's fast-growing retail industry, compared to the developed retail platforms in the Philippines and Thailand. Potential re-rating catalysts include faster-than-expected mall openings. Downside risks include prolonged COVID-19 outbreak.

Figure 5: Discounted cash flows

(VNDbn)	2020F	2021F	2022F	2023F	2024F	2025F	2026F	2027F	2028F	2029F	2030F
EBIT	4,410	5,908	7,160	8,456	9,906	11,066	13,261	14,723	16,003	17,308	18,505
Tax	-958	-1,285	-1,555	-1,843	-2,172	-2,442	-2,930	-3,262	-3,553	-3,851	-4,145
Depreciation	1,775	1,921	2,054	2,202	2,356	2,534	2,706	2,899	3,101	3,321	3,374
Capex	-2,308	-2,626	-2,810	-2,984	-3,191	-3,349	-3,454	-3,888	-4,078	-4,743	-5,258
Change in work capital	1,414	573	328	421	1,071	660	395	740	661	985	1,052
Free Cash Flows	4,343	4,501	5,190	6,262	7,982	8,889	9,993	11,229	12,152	13,040	13,550

SOURCES: VNDIRECT RESEARCH ESTIMATES

Figure 6: Assumptions

Cost of Capital	
Beta	1.00
Market Risk Premium	10.1%
Cost of Equity	14.1%
Cost of Debt	7.0%
WACC	12.4%

SOURCES: VNDIRECT RESEARCH ESTIMATES, COMPANY REPORTS

Figure 7: DCF Valuation

DCF Method	Amount	Unit
PV of Free Cash Flows	43,079	VNDbn
PV of Terminal Value (4.0% growth)	54,404	VNDbn
Enterprise value	97,483	VNDbn
Cash and cash equivalents	2,177	VNDbn
Total debts	(2,785)	VNDbn
Equity Value	96,875	VNDbn
Shares	2,272	million
Price per share	42,600	VND/share

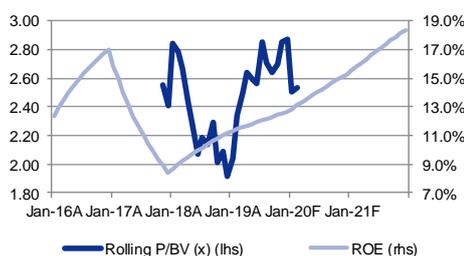
SOURCES: VNDIRECT RESEARCH ESTIMATES

Figure 8: Peer comparison

Company	Bloomberg Ticker	Recom.	Share Price (local curr)	Target Price (local curr)	Market Cap (US\$ m)	P/E (x)			3-year EPS CAGR (%)	P/BV (x)			ROE (%)			ROA (%)		
						TTM	FY20F	FY21F		TTM	FY20F	FY21F	TTM	FY20F	FY21F	TTM	FY20F	FY21F
Retail real estate companies																		
Vincom Retail JSC	VRE VN	ADD	30,700	42,600	3,002	24.5	19.4	14.4	26.1%	2.3	2.3	2.2	10.3%	16.0%	19.1%	7.6%	11.6%	13.6%
SM Prime Holdings	SMPH PM	NOT RATED	41.30	NA	23,449	32.8	31.9	28.6	5.5%	3.8	3.9	3.5	13.0%	12.9%	13.1%	5.8%	6.0%	6.7%
Central Pattana PCL	CPN TB	ADD	59.50	73.25	8,449	22.7	21.1	18.9	9.6%	5.1	3.4	3.0	16.1%	16.8%	16.9%	6.5%	7.7%	7.8%
Pakuwon Jati	PWON IJ	ADD	575.0	700.0	2,005	9.5	12.4	10.4	3.1%	2.4	1.8	1.5	22.2%	15.1%	15.9%	11.6%	9.8%	10.3%
Robinson PCL	ROBINS TB	HOLD	19.50	57.25	685	8.1	8.5	7.8	8.2%	3.9	1.4	1.2	15.1%	16.6%	16.6%	9.8%	11.5%	11.6%
Platinum Group PCL	PLAT TB	REDUCE	3.78	5.50	335	14.5	14.1	11.3	6.7%	2.3	1.2	1.1	8.3%	8.3%	10.1%	6.5%	6.2%	7.4%
Average - Retail real estate peers					6,985	17.5	17.6	15.4	6.6%	3.5	2.3	2.1	14.9%	13.9%	14.5%	8.0%	8.2%	8.8%

SOURCES: VNDIRECT RESEARCH, BLOOMBERG, DATABASE

*DATA AS AT 21 FEB 2020, ALL ESTIMATES FOR NON-RATED (NR) STOCKS ARE BASED ON BLOOMBERG CONSENSUS ESTIMATES

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	9,124	9,259	10,791	13,191	15,280
Gross Profit	3,641	4,405	5,396	7,042	8,404
Operating EBITDA	4,048	5,032	6,195	7,839	9,227
Depreciation And Amortisation	(1,157)	(1,447)	(1,785)	(1,931)	(2,067)
Operating EBIT	2,891	3,585	4,410	5,908	7,160
Financial Income/(Expense)	102	(37)	115	168	196
Pretax Income/(Loss) from Assoc.	0	0	0	0	0
Non-Operating Income/(Expense)	60	30	36	44	50
Profit Before Tax (pre-EI)	3,876	4,398	5,546	7,253	8,650
Exceptional Items					
Pre-tax Profit	3,053	3,578	4,560	6,119	7,406
Taxation	(640)	(729)	(958)	(1,285)	(1,555)
Exceptional Income - post-tax					
Profit After Tax	2,413	2,849	3,603	4,834	5,851
Minority Interests	(9)	(0)	(1)	(1)	(1)
Prof. & Special Div	0	0	0	0	0
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Net Profit	2,404	2,848	3,602	4,833	5,850
Recurring Net Profit	3,055	3,501	4,381	5,729	6,833
Fully Diluted Recurring Net Profit	3,055	3,501	4,381	5,729	6,833

Cash Flow

(VNDb)	Dec-18A	Dec-19A	Dec-20F	Dec-21F	Dec-22F
EBITDA	4,048	5,032	6,195	7,839	9,227
Cash Flow from Inv. & Assoc.	0	0	0	0	0
Change In Working Capital	294	(588)	1,414	573	328
Straight Line Adjustment					
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense	60	30	36	44	50
Other Operating Cashflow	151	58	66	(311)	83
Net Interest (Paid)/Received	(417)	(303)	(194)	(209)	(241)
Tax Paid	(561)	(663)	(958)	(1,285)	(1,555)
Cashflow From Operations	3,574	3,567	6,560	6,650	7,891
Capex	(2,578)	(3,942)	(2,308)	(2,626)	(2,810)
Disposals Of FAs/subsidiaries	585	1,611	14	16	18
Disposals of Investment Properties					
Acq. Of Subsidiaries/investments	(2)	0	0	0	0
Other Investing Cashflow	2,631	2,127	(1,289)	(140)	(107)
Cash Flow From Investing	636	(205)	(3,583)	(2,750)	(2,899)
Debt Raised/(repaid)	(3,200)	0	3	473	446
Proceeds From Issue Of Shares	0	0	0	0	0
Shares Repurchased	0	(1,954)	0	0	0
Dividends Paid	0	(2,451)	0	(3,493)	(3,493)
Preferred Dividends					
Other Financing Cashflow	0	0	149	208	201
Cash Flow From Financing	(3,200)	(4,405)	153	(2,812)	(2,846)

SOURCES: VNDIRECT 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	2,431	1,388	4,518	5,606	7,752
Properties Under Development					
Total Debtors	1,048	724	659	694	799
Inventories	902	986	1,084	1,192	1,311
Total Other Current Assets	2,742	1,270	1,722	2,105	2,439
Total Current Assets	7,123	4,368	7,983	9,597	12,301
Fixed Assets	282	450	418	394	380
Total Investments	28,261	28,764	29,435	30,330	31,241
Intangible Assets	505	430	439	434	436
Total Other Non-Current Assets	2,512	1,810	3,254	3,560	3,910
Total Non-current Assets	31,561	31,454	33,546	34,719	35,968
Short-term Debt	18	19	108	132	153
Current Portion of Long-Term Debt					
Total Creditors	6,218	4,721	6,669	7,430	8,374
Other Current Liabilities	24	27	30	34	38
Total Current Liabilities	6,260	4,768	6,807	7,595	8,564
Total Long-term Debt	2,762	2,765	2,680	3,129	3,555
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	1,152	1,340	1,489	1,697	1,898
Total Non-current Liabilities	3,915	4,105	4,169	4,826	5,452
Total Provisions	0	0	0	0	0
Total Liabilities	10,174	8,872	10,976	12,422	14,017
Shareholders' Equity	28,468	26,916	30,518	31,858	34,215
Minority Interests	42	34	35	36	37
Total Equity	28,509	26,950	30,553	31,894	34,252

Key Ratios

	Dec-18A	Dec-19A	Dec-20F	Dec-21F	Dec-22F
Revenue Growth	65.3%	1.5%	16.5%	22.2%	15.8%
Operating EBITDA Growth	28.4%	22.0%	22.7%	25.0%	16.7%
Operating EBITDA Margin	52.6%	63.2%	66.5%	68.0%	68.5%
Net Cash Per Share (VND)	(178)	(615)	761	1,032	1,780
BVPS (VND)	14,535	11,845	13,430	14,020	15,057
Gross Interest Cover	8.90	14.56	27.85	33.64	34.86
Effective Tax Rate	N/A	N/A	N/A	N/A	N/A
Net Dividend Payout Ratio	NA	66.8%	NA	58.5%	49.2%
Accounts Receivables Days	20.25	17.28	15.93	15.59	15.98
Inventory Days	90.48	70.96	70.21	67.55	66.44
Accounts Payables Days	149.4	206.0	179.5	205.6	207.4
ROIC (%)	32%	201%	468%	642%	734%
ROCE (%)	13.4%	15.3%	18.1%	21.7%	24.2%
Return On Average Assets	8.2%	9.9%	11.6%	13.6%	15.0%

Key Drivers

	Dec-18A	Dec-19A	Dec-20F	Dec-21F	Dec-22F
Unbooked Presales (m) (VND)	N/A	N/A	N/A	N/A	N/A
Unbooked Presales (area: m sm)	N/A	N/A	N/A	N/A	N/A
Unbooked Presales (units)	N/A	N/A	N/A	N/A	N/A
Unsold attrib. landbank (area: m sm)	N/A	N/A	N/A	N/A	N/A
Gross Margins (%)	39.9%	47.6%	50.0%	53.4%	55.0%
Contracted Sales ASP (per Sm) (VND)	N/A	N/A	N/A	N/A	N/A
Residential EBIT Margin (%)	N/A	N/A	N/A	N/A	N/A
Investment rev / total rev (%)	N/A	N/A	N/A	N/A	N/A
Residential rev / total rev (%)	N/A	N/A	N/A	N/A	N/A
Inv. properties rental margin (%)	N/A	N/A	N/A	N/A	N/A
SG&A / Sales Ratio (%)	N/A	N/A	N/A	N/A	N/A

SOURCES: VNDIRECT RESEARCH, COMPANY REPORTS

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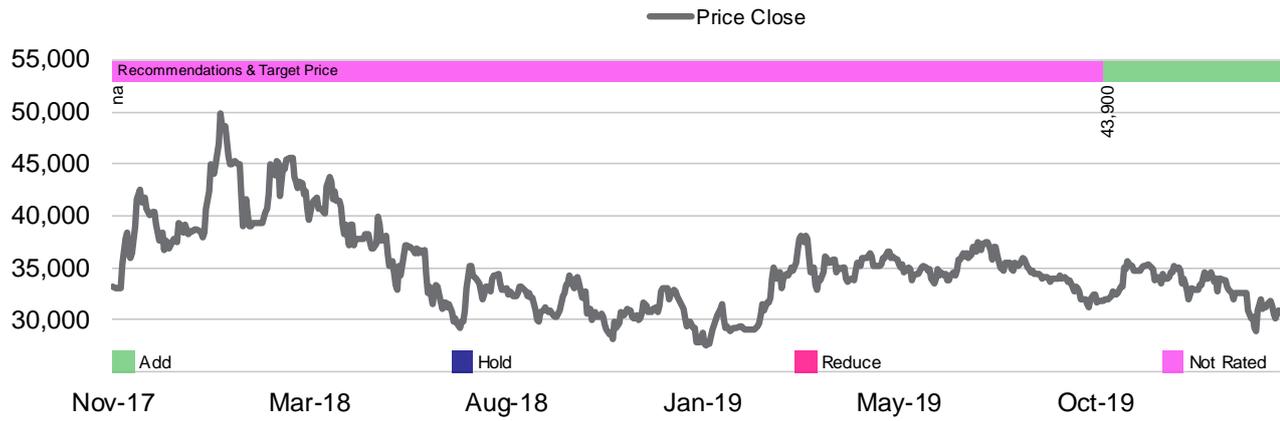
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Other jurisdictions: In any other jurisdictions, except if otherwise restricted by laws or regulations, this report is only for distribution to professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions.

Distribution of stock ratings and investment banking clients for quarter ended on 31 December 2019		
798 companies under coverage for quarter ended on 31 December 2019		
	Rating Distribution (%)	Investment Banking clients (%)
Add	61.4%	0.0%
Hold	25.2%	0.0%
Reduce	13.4%	0.0%

Spitzer Chart for stock being researched (2 year data)

Vincom Retail JSC (VRE 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, **BCPG** – 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, **TIPIP** – 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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