

Khon Kaen Sugar Industry

3QFY16 results far short of forecasts

THAILAND | SET | FOOD | COMPANY RESULTS

BLOOMBERG KSL TB | REUTERS KSL.BK

21 September 2016

3QFY16 net profit down 62% y-y and 51% q-q to Bt87mn, far short of forecasts

KSL reported 3QFY16 net profit of Bt87mn, down as much as 62% y-y and 51% q-q. The quarterly profit also fell far short of our forecast, largely blaming faltering profits from ethanol and power businesses hit by sagging sales volumes, lower ASPs and the scheduled maintenance shutdown of *Bo Ploy* power plant during Apr-Jun. In this period, quarterly sales inched down 0.34% y-y to Bt4,494mn as (i) sugar sales volume shrank 3% y-y to 239,299 tons despite a 7% y-y rise in ASPs, (ii) ethanol sales volume plunged 7% y-y to 20.7mn liters and ASPs dropped 11% y-y, and (iii) electricity sales volume sank 17% y-y to 71,011 MW-hr and ASPs declined 14% y-y. Lower ASPs from both ethanol and power businesses dragged overall gross profit margins lower to a mere 18.6% from 22.3% and 24.3% in 3QFY15 and 2QFY16 respectively. SG&A expenses edged down 3% y-y. Tax expenses shot up 98% y-y due chiefly to higher profit from non-BOI promoted sugar operations.

44% cut in FY16 earnings outlook to reflect big earnings miss in 3QFY16

To reflect a big earnings miss in 3QFY16 and expectations that 4QFY16 earnings will be largely similar to what was seen in 3QFY16 as 4Q is typically seasonally lower than 3Q, we trim our FY16 earnings outlook for KSL by 44%. Under the new forecast, full-year sales are projected to be 13% lower than a year earlier at Bt16,490mn based on assumptions that (i) sugar sales volume will drop 12% y-y but ASPs will rise 5% y-y, (ii) KSL will sell 84mn liters of ethanol at an ASP of Bt23/liter, and (iii) 266,000 MW-hr of electricity will be sold amid a 13% y-y drop in ASPs. For the year, margins tend to be better than a year ago, reflecting the impact from the escalation in production costs fueled by longer-than-usual maintenance shutdown of its power plant in 4QFY15. Tax expenses are set to rise on the back of better profit from non-BOI promoted sugar business. Overall our new forecast puts KSL's FY16 net profit at Bt656mn, down 20% y-y. However, there remains an upside risk to our new forecast as the plan to list its subsidiary *Khon Kaen Alcohol* (KKA) on the market would enable KSL to book an exceptional gain from internal restructuring, which is expected to give a significant boost to its bottom-line and has not yet been incorporated into our FY16 forecast.

Earnings set to return to positive growth in FY17 helped by strong ASPs notably in sugar business

After a grim FY16, our forecast shows a strong profit comeback at sugar business on the prospect of high sugar prices after several years of weak ASPs will likely bring KSL back on positive earnings growth trajectory in FY17. Currently Thailand Cane and Sugar Corporation (TCSC) has already locked in between 50%-60% of its total contract sales at an average price of 20.5 cents/lb. The upward trend in sugar prices has also prompted us to revisit our sugar price assumptions for FY17. The revision gives us an excuse to nudge our FY17 sales outlook for KSL higher to Bt19,062mn, up 3% y-y based on assumptions that (i) sugar sales volume will be up 1% y-y and ASPs will be 22 cents/lb, (ii) 90mn liters of ethanol will be sold at an ASP of Bt23.50/liter, and (iii) electricity sales volume and ASPs will rise 7% and 3% y-y respectively. Higher sugar prices would push margins higher while tax expenses are likely to climb further on the prospect of better showing from non-BOI promoted sugar operations. On this basis, we estimate KSL will deliver FY17 net profit of Bt1,218mn, up 86% y-y.

TCSB plan to abolish quota system and float domestic sugar prices as defense against accusations of foul play from Brazil at WTO

Thai Cane and Sugar Board gave the green light to the plan to overhaul the country's cane and sugar production and distribution systems and amend the Cane and Sugar Act to comply with WTO rules and avoid being challenged by Brazil, the world's biggest sugar exporter over what it labels subsidies for sugar producers and exporters at the WTO. Management notes that the overhaul plan will take time to study the pros and cons of the new system and it is unlikely to be put into place in the near future.

Plan to list subsidiary KKA on Thai bourse in FY17

KSL plans to list its subsidiary *Khon Kaen Alcohol* (KKA) on the Thai stock market in FY17. Internal restructuring is currently underway. The filing is expected to be submitted to the Office of the SEC within 4QFY16 and the listing is likely to take place in mid-FY17. KKA currently has a capacity to produce 350,000 liters per day of ethanol.

Accumulate (Maintain)

Closing Price(Bt) 3.96
Target Price(Bt) 4.14 (+6.99%)

COMPANY DATA

| | |
|-----------------------------|-----------|
| O/S Shares (mn) : | 4,410 |
| Market Cap. (Btmn) : | 17,465 |
| Market Cap. (USDmn) : | 502 |
| 52-WK Hi/Lo (Bt) : | 4.46/3.12 |
| 3M Average Daily T/O (mn) : | 6.08 |
| Par Value (Bt) : | 0.50 |

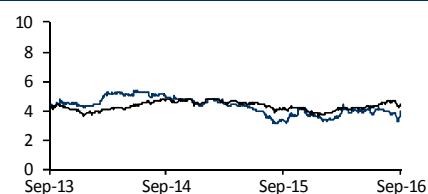
MAJOR SHAREHOLDERS (%) 11 March 2016

| | |
|----------------------------------|------|
| 1. KSL Sugar Holding Co., Ltd. | 33.2 |
| 2. Mr. Chanachai Chutimaworaphan | 2.6 |
| 3. Thai NVDR | 2.5 |

PRICE PERFORMANCE (%)

| | 1MTH | 3MTH | 1YR |
|------------------|------|------|-----|
| ABS | 6% | 4% | 19% |
| REL TO SET INDEX | 11% | 0% | 13% |

PRICE VS SET INDEX



— KSL TB EQUITY — SETI (rebased)

Source: Bloomberg, PSR

KEY FINANCIALS

| FYE Oct | FY14 | FY15 | FY16E | FY17E |
|--------------------|--------|--------|--------|--------|
| Sales (Btmn) | 19,185 | 18,866 | 16,490 | 19,062 |
| Net Profit (Btmn) | 1,683 | 815 | 656 | 1,218 |
| EPS (Bt) | 0.50 | 0.20 | 0.15 | 0.28 |
| P/E (X) | 7.9 | 19.5 | 26.6 | 14.3 |
| BVPS (Bt) | 4.35 | 3.41 | 3.20 | 3.42 |
| P/B (X) | 0.9 | 1.2 | 1.2 | 1.2 |
| DPS (Bt) | 0.04 | 0.06 | 0.05 | 0.10 |
| Dividend Yield (%) | 1.0 | 1.4 | 1.3 | 2.4 |
| ROE (%) | 13.69 | 6.22 | 4.79 | 8.41 |
| Debt/Equity (X) | 1.97 | 1.84 | 1.71 | 1.55 |

Source: Company, PSR Est.

**Multiples and yields are based on latest closing price

VALUATION METHOD

P/E'17 (15x)

Naree Apisawattakan
Securities Investment Analyst #17971
Tel: 66 2 635 1700 #484

Ref. No.: CO2016_0652

Raw sugar prices climb to 4-year high, boding well for KSL earnings

Raw sugar futures for Mar delivery rose more than 20 cents/lb on the prospects that (i) sugarcane output in Brazil, the world's biggest sugar producer would drop 11% y-y in the 2016/2017 crop year, (ii) global sugar supply deficit would widen to 8.79mn tons in the 2016/2017 crop year from 7.3mn tons in the 2015/2016 crop year, (iii) sugar output in India would shrink to a mere 22mn-23mn tons from 28mn-29mn tons, and (iv) China's sugar output would be around 9.6mn tons, which would be outstripped by demand which is estimated to be between 14mn-16mn tons.

'ACCUMULATE' rating with FY17 target price of Bt4.14/share

At current prices, we put an 'ACCUMULATE' rating on KSL with a FY17 target price of Bt4.14/share. The rating reflects its strong earnings recovery story for FY17 driven largely by the upward trend in global sugar prices.

Khon Kaen Sugar Industry COMPANY RESULTS
Income Statement

| Btmn | 3Q16 | 2Q16 | 3Q15 | q-q+/- | y-y+/- | 9M16 | 9M15 | y-y+/- |
|--------------------------------|------------|------------|--------------|--------|--------|--------------|--------------|--------|
| Sales and services | 4,494 | 3,939 | 4,509 | 14% | 0% | 12,225 | 11,727 | 4% |
| Costs of sales | 3,658 | 2,983 | 3,502 | 23% | 4% | 9,313 | 8,496 | 10% |
| Gross profit | 836 | 956 | 1,007 | -13% | -17% | 2,913 | 3,231 | -10% |
| Selling expenses | 170 | 157 | 184 | 8% | -7% | 406 | 421 | -3% |
| Administrative expenses | 154 | 164 | 150 | -6% | 2% | 556 | 497 | 12% |
| Operating profit | 512 | 635 | 673 | -19% | -24% | 1,950 | 2,314 | -16% |
| Fee payable to Cane and Sugar | 290 | 343 | 284 | -15% | 2% | 911 | 880 | 4% |
| Other income | 106 | 61 | 82 | 76% | 30% | 255 | 383 | -33% |
| Gain/loss from affiliates | 5 | 9 | 12 | -52% | -61% | 19 | 49 | -61% |
| Other expense | 28 | 33 | 27 | -15% | 1% | 113 | 106 | 7% |
| EBIT | 305 | 329 | 455 | -7% | -33% | 1,201 | 1,760 | -32% |
| Interest expense | 185 | 181 | 205 | 2% | -10% | 546 | 610 | -11% |
| EBT | 120 | 149 | 250 | -19% | -52% | 655 | 1,149 | -43% |
| Taxation | 34 | 6 | 17 | 503% | 98% | 58 | 85 | -32% |
| EAT | 86 | 143 | 233 | -40% | -63% | 597 | 1,064 | -44% |
| Minority | 1 | 13 | -5 | -93% | 117% | 18 | 24 | -25% |
| Net profit before extra | 87 | 156 | 228 | -44% | -62% | 615 | 1,088 | -43% |
| Extraordinary items | 0 | 23 | 0 | -100% | n.m. | 0 | 0 | n.m. |
| Net profit | 87 | 179 | 228 | -51% | -62% | 615 | 1,088 | -43% |
| EPS (Bt) | 0.02 | 0.04 | 0.06 | -51% | -65% | 0.14 | 0.27 | -49% |

Key Financial Ratio

| % | 3Q16 | 2Q16 | 3Q15 | q-q+/- | y-y+/- | 9M16 | 9M15 | y-y+/- |
|-------------------------|--------|--------|--------|--------|--------|--------|--------|--------|
| Cost of sales/sales | 81.40% | 75.73% | 77.67% | 7% | 5% | 76.18% | 72.45% | 5% |
| SG&A exp/sales | 7.21% | 8.15% | 7.41% | -11% | -3% | 7.87% | 7.83% | 1% |
| Gross margin | 18.60% | 24.27% | 22.33% | -23% | -17% | 23.82% | 27.55% | -14% |
| Operating profit margin | 11.38% | 16.12% | 14.92% | -29% | -24% | 15.95% | 19.73% | -19% |
| Net profit margin | 1.94% | 4.54% | 5.06% | -57% | -62% | 5.03% | 9.28% | -46% |

Balance Sheet

| Btmn | 3Q16 | 2Q16 | 3Q15 | q-q+/- | y-y+/- | 9M16 | 9M15 | y-y+/- |
|-------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|
| Assets | 37,944 | 41,523 | 44,985 | -9% | -16% | 37,944 | 44,985 | -16% |
| Liabilities | 23,943 | 27,606 | 29,226 | -13% | -18% | 23,943 | 29,226 | -18% |
| Paid-up (mn shrs) - Par Bt0.5 | 4,410 | 4,410 | 4,009 | 0% | 10% | 4,410 | 4,009 | 10% |
| Equities | 14,001 | 13,917 | 15,759 | 1% | -11% | 14,001 | 15,759 | -11% |
| BVPS (Bt) | 3.17 | 3.16 | 3.93 | 1% | -19% | 3.17 | 3.93 | -19% |
| Debt/equity (x) | 1.7 | 2.0 | 1.9 | -14% | -8% | 1.7 | 1.9 | -8% |

Corporate Governance -2015



| | | | | | | | | | |
|--------|------|--------|-------|--------|--------|-------|--------|--------|--------|
| ADVANC | BAFS | BCP | BIGC | BTS | CK | CPN | DRT | DTAC | DTC |
| EASTW | EGCO | GRAMMY | HANA | HMPRO | INTUCH | IRPC | IVL | KBANK | KCE |
| KKP | KTB | LHBANK | LPN | MCOT | MINT | MONO | NKI | PHOL | PPS |
| PS | PSL | PTT | PTTEP | PTTGC | QTC | RATCH | ROBINS | SAMART | SAMTEL |
| SAT | SC | SCB | SCC | SE-ED | SIM | SNC | SPALI | THCOM | TISCO |
| TKT | TMB | TOP | VGI | WACOAL | | | | | |



| | | | | | | | | | |
|--------|--------|-------|--------|--------|--------|--------|-------|--------|-------|
| AAV | ACAP | AGE | AHC | AKP | AMATA | ANAN | AOT | APCS | ARIP |
| ASIMAR | ASK | ASP | BANPU | BAY | BBL | BDMS | BECL | BKI | BLA |
| BMCL | BOL | BROOK | BWG | CENDEL | CFRESH | CHO | CIMBT | CM | CNT |
| COL | CPF | CPI | CSL | DCC | DELTA | DEMCO | ECF | EE | ERW |
| GBX | GC | GFPT | GLOBAL | GUNKUL | HEMRAJ | HOTPOT | HYDRO | ICC | ICHI |
| INET | IRC | KSL | KTC | LANNA | LH | LOXLEY | LRH | MACO | MBK |
| MC | MEGA | MFEC | NBC | NCH | NINE | NSI | NTV | OCC | OGC |
| OISHI | OTO | PAP | PDI | PE | PG | PJW | PM | PPP | PR |
| PRANDA | PREB | PT | PTG | Q-CON | QH | RS | S & J | SABINA | SAMCO |
| SCG | SEAFCO | SFP | SIAM | SINGER | SIS | SITHAI | SMK | SMPC | SMT |
| SNP | SPI | SSF | SSI | SSSC | SST | STA | STEC | SVI | SWC |
| SYMC | SYNTEC | TASCO | TBSP | TCAP | TF | TGCI | THAI | THANA | THANI |
| THIP | THRE | THREL | TICON | TIP | TIPCO | TK | TKS | TMI | TMILL |
| TMT | TNDT | TNITY | TNL | TOG | TPC | TPCORP | TRC | TRU | TRUE |
| TSC | TSTE | TSTH | TTA | TTCL | TTW | TU | TVD | TVO | TWFP |
| TWS | UAC | UT | UV | VNT | WAVE | WINNER | YUASA | ZMICO | |



| | | | | | | | | | |
|--------|--------|--------|--------|--------|-------|--------|-------|-------|--------|
| 2S | AEC | AEONTS | AF | AH | AIRA | AIT | AJ | AKR | AMANAH |
| AMARIN | AP | APCO | AQUA | AS | ASIA | AUCT | AYUD | BA | BEAUTY |
| BEC | BFIT | BH | BIG | BJC | BJCHI | BKD | BTNC | CBG | CGD |
| CHG | CHOW | CI | CITY | CKP | CNS | CPALL | CPL | CSC | CSP |
| CSS | CTW | DNA | EARTH | EASON | ECL | EFORL | ESSO | FE | FIRE |
| FOCUS | FORTH | FPI | FSMART | FSS | FVC | GCAP | GENCO | GL | GLAND |
| GLOW | GOLD | GYT | HTC | HTECH | IEC | IFEC | IFS | IHL | IRCP |
| ITD | JSP | JTS | JUBILE | KASET | KBS | KCAR | KGI | KKC | KTIS |
| KWC | KYE | L&E | LALIN | LHK | LIT | LIVE | LST | M | MAJOR |
| MAKRO | MATCH | MATI | MBKET | M-CHAI | MFC | MILL | MJD | MK | MODERN |
| MOONG | MPG | MSC | MTI | MTLS | NC | NOK | NUSA | NWR | NYT |
| OCEAN | PACE | PATO | PB | PCA | PCSGH | PDG | PF | PICO | PL |
| PLANB | PLAT | PPM | PRG | PRIN | PSTC | PTL | PYLON | QLT | RCI |
| RCL | RICHY | RML | RPC | S | SALEE | SAPPE | SAWAD | SCCC | SCN |
| SCP | SEAOL | SIRI | SKR | SMG | SOLAR | SORKON | SPA | SPC | SPCG |
| SPPT | SPVI | SRICHA | SSC | STANLY | STPI | SUC | SUSCO | SUTHA | SYNEX |
| TAE | TAKUNI | TCC | TCCC | TCJ | TEAM | TFD | TFI | TIC | TIW |
| TLUXE | TMC | TMD | TOPP | TPCH | TPPL | TRT | TSE | TSR | UMI |
| UP | UPF | UPOIC | UREKA | UWC | VIBHA | VIH | VPO | WHA | WIN |
| XO | | | | | | | | | |

Results Presentation

Score Range

- < 50%
- 50-59%
- 60-69%
- 70-79%
- 80-89%
- 90-100%

Number of Logo

No logo given



The disclosure of the survey result of the Thai Institute of Directors Association (IOD) regarding corporate governance is made pursuant to the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative disclosure to the public and able to be accessed by a general public investor. The results, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information.

The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey result may be changed after that data. Phillip Securities (Thailand) of securities company does not confirm nor certify the accuracy of such survey result.

Anti-corruption indicators

Level 5 (Extended)

| | | | | | | | | | | |
|-------|-----|-----|----|----|-----|----|-----|-------|-----|-----|
| BCP | CPN | GYT | PE | PM | PPP | PT | PTT | PTTGC | SAT | scc |
| THANI | TOP | | | | | | | | | |

Level 4 (Certified)

| | | | | | | | | | | |
|--------|-------|-----|-------|--------|------|-----|-----|-------|--------|------|
| DCC | DTC | DRT | EASTW | ECL | EGCO | ERW | FSS | GCAP | HANA | HTC |
| INTUCH | IRPC | IVL | KBANK | KCE | KGI | KKP | KTB | LANNA | LHBANK | MTI |
| NKI | PSL | PTG | PTTEP | SABINA | SCB | SNC | SNP | SSF | SSSC | TCAP |
| THCOM | TISCO | TMB | TMD | TNITY | TOG | | | | | |

Level 3 (Established)

Level 3A: Declaration to join CAC, etc

| | | | | | | | | | | |
|-------|--------|--------|--------|--------|---------|--------|--------|--------|--------|--------|
| ABC | ACAP | ADVANC | AGE | AH | AMANAHA | ANAN | AP | APCS | APURE | AS |
| ASIA | ASIAN | ASIMAR | BIGC | BROOK | BTS | BWG | CEN | CENTEL | CFRESH | CHARAN |
| CHO | CHOTI | CM | CNT | COL | CPF | CPI | CPL | DELTA | DEMCO | DIMET |
| DNA | DTAC | EA | ECF | EE | EVER | FPI | GBX | GC | GFPT | GLOW |
| HMPRO | HOTPOT | ICC | ICHI | IFEC | INOX | INSURE | IRC | JAS | JTS | JUBILE |
| KC | KTC | KYE | LHK | LPN | LRH | MAKRO | MC | MCOT | MFC | MFEK |
| MINT | MJD | MONO | MOONG | NBC | MSC | NDR | NINE | NMG | NSI | NTV |
| OGC | PACE | PCSGH | PDI | PG | PHOL | PLAT | PPS | PR | PRANDA | PREB |
| PS | QLT | RATCH | RML | ROBINS | ROJNA | RWI | SAMCO | SCCC | SCG | SEAOIL |
| SE-ED | SENA | SINGER | SITHAI | SMK | SMPC | SPALI | SPC | SPCG | SPI | SRICHA |
| SSI | STANLY | SUPER | SVI | SYMC | SYNEX | SYNTEC | TASCO | TCMC | TFI | THAI |
| THRE | THREL | TICON | TKT | TLUXE | TMILL | TMT | TNL | TPCORP | TSTE | TSTH |
| TTCL | TU | TVI | UOBKH | UREKA | VGI | VNT | WACOAL | WHA | ZMICO | |

Level 3B: Organization's statement but no declaration to join CAC, etc

| | | | | | | | | | | |
|-------|--------|-------|--------|--------|-------|-------|--------|--------|-------|--------|
| AAV | AHC | AIT | AKR | ARROW | ASK | BA | BDMS | BEC | BJCHI | BUI |
| CGH | CHG | CHOW | CIG | CITY | CK | CKP | COLOR | CWT | EARTH | EASON |
| EPG | F&D | FANCY | FIRE | FMT | FORTH | GENCO | GL | GOLD | GPSC | GRAMMY |
| HYDRO | IRCP | IT | JCT | KCM | KWC | LH | LIT | LOXLEY | MACO | MANRIN |
| MATI | MODERN | MSC | NOBLE | NOK | NPK | NUSA | OISHI | OTO | PAF | PAP |
| PATO | PF | PJW | PLANB | PLE | POLAR | PRG | PTL | Q-CON | QTC | RCI |
| S11 | SALEE | SAM | SAMART | SAMTEL | SAPPE | SC | SCP | SFP | SIM | SLP |
| SMT | SPA | SPORT | SSC | SST | STEC | STPI | SUC | SUTHA | SVI | T |
| TBSP | TAE | TCC | TFD | TGCI | TGPRO | THANA | THIP | TIW | TK | TMW |
| TNDT | TOPP | TPC | TPCH | TPIPL | TSR | TT | TYCN | UAC | UBIS | UEC |
| UMI | UP | UPF | UT | UV | VPO | WAVE | WINNER | YUASA | | |

Level 2 (Declared)

| | | | | | | | | | | |
|--------|-------|-------|--------|--------|-------|-------|------|-------|--------|-------|
| 2S | ABICO | AF | AKP | AMARIN | AMATA | AOT | APCO | AYUD | BEAUTY | BFIT |
| BH | BKD | BLAND | BTNC | CCP | CI | CSR | CSS | EFORL | EPCO | FE |
| FNS | FVC | GEL | GLOBAL | HEMRAJ | IEC | IFS | INET | JUTHA | KASET | KCAR |
| KKC | KSL | L&E | LALIN | LTX | M | MALEE | MBK | MBKET | MEGA | MIK |
| MPG | MTLS | NCH | NCL | NPP | OCC | OCEAN | PB | PCA | PRINC | QH |
| ROCK | RPC | S & J | SGP | SIAM | SIS | SKR | SMG | SMIT | SORKON | SUSCO |
| TAKUNI | TEAM | TF | TIC | TIP | TIPCO | TMC | TMI | TPP | TRT | TRU |
| TRUE | TSC | TSI | TTW | TVD | TVO | UKEM | UNIQ | UWC | VNG | WIIK |
| WIN | XO | | | | | | | | | |

Level 1 (Committed)

| | | | | | | | | | | |
|--------|--------|--------|-------|--------|--------|-------|--------|-------|-------|--------|
| ACD | AEONTS | AFC | AIRA | AJ | ALUCON | AMC | AQUA | ARIP | AUCT | BAT-3K |
| BIG | BJC | BOL | BRR | BSBM | CBG | CCET | CCN | CGD | CMR | CPH |
| CSC | CSP | CTW | DCON | DRACO | DSGT | DTCI | E | EMC | ESSO | FOCUS |
| FSMART | GIFT | GLAND | GRAND | GUNKUL | HFT | HTECH | ILINK | ITD | JSP | IHL |
| KDH | KTIS | KTP | LEE | LST | MAJOR | MAX | M-CHAI | MDX | MIDA | MATCH |
| ML | MPIC | NC | NEP | NNCL | OHTL | PICO | PK | PL | PPM | NWR |
| PRAKIT | PRECHA | PRIN | PSTC | RAM | RICH | RS | SANKO | SAUCE | SAWAD | PYLON |
| SAWANG | SCN | SEAFCO | SHANG | SIRI | SMART | SMM | SOLAR | SPACK | SPG | SF |
| SPPT | SPVI | STAR | SVH | SVOA | SWC | TAPAC | TC | TCCC | TCJ | STA |
| TCOAT | TKS | TNH | TNPC | TPA | TPAC | TPOLY | TRC | TRUBB | TSE | TTA |
| TTI | TTL | TTTM | TWP | TWZ | U | UMS | UPA | UPOIC | UVAN | UTP |
| VARO | VI | VIBHA | VIH | VTE | WG | | | | | |

Data not available/No policy

| | | | | | | | | | | |
|------|-----|-------|-------|-----|--------|-------|------|-----|-------|-------|
| A | ACC | AJD | AQ | BCH | BGT | BROCK | BSM | BTC | CHUO | CRANE |
| CPR | EIC | FER | JMART | JMT | KAMART | KBS | KIAT | LDC | MCS | METCO |
| MBAX | NEW | NEWS | NYT | PAE | PDG | PERM | PMTA | RCL | RICHY | ROH |
| POST | S | SIMAT | TCB | TR | TSF | TVT | | | | |

Anti-corruption indicators

Level 5 : Extended

Anti-corruption policies extend to business partners, dealers, and distributors.

Level 4 : Certified

Anti-corruption policies can be engaged by audit committee and auditors approved by the SEC.

Anti-corruption policies are certified by CAC and independent assurance providers.

Level 3 : Established

Anti-corruption corruption policies cover anti-bribery, and communications and educating all employees anti-corruption policies.

Level 3A Public out statement to join CAC, etc.

Level 3B Declare statement and organization's anti-corruption policies but no intention to join CAC, etc.

Level 2 : Declared

Declare statement to participate CAC against corruption.

Level 1 : Committed

Organization and Board of Directors' statements against corruption and not getting involve in any malpractices.

Assessment

Anti-corruption progress indicator for listed companies is a part of SEC's commitment to create sustainability in anti-corruption and to become a role model to any

related business. The progress indicators comprise of five levels: 1) Committed, 2) Declared, 3) Established, 4) Certified, and 5) Extended. These indicators will

encourage listed firms to formulate anti-corruption policies to opt out of corruption, and investors can determine their investment based on anti-corruption indicator

or avoid investment in listed firms that could get involve in corruption.

Industry Group

| Name | Sector Name | Sector Index |
|----------------------------------|--|--------------|
| Agro & Food Industry[AGRO] | Agribusiness | AGRI |
| | Food & Beverage | FOOD |
| Consumer Products[CONSUMP] | Fashion | FASHION |
| | Home & Office Products | HOME |
| | Personal Products & Pharmaceuticals | PERSON |
| Financials [FINCIAL] | Banking | BANK |
| | Finance & Securities | FIN |
| | Insurance | INSUR |
| Industrials [INDUS] | Automotive | AUTO |
| | Industrial Materials & Machinery | IMM |
| | Packaging | PKG |
| | Paper & Printing Materials | PAPER |
| | Petrochemicals & Chemicals | PETRO |
| | Steel | STEEL |
| Property & Construction[PROPCON] | Construction Materials | CONMAT |
| | Construction Services | CONS |
| | Property Development | PROP |
| | Property Fund & REITs | PF&REIT |
| Resources [RESOURC] | Energy & Utilities | ENERG |
| | Mining | MINE |
| Services [SERVICE] | Commerce | COMM |
| | Media & Publishing | MEDIA |
| | Health Care Services | HEALTH |
| | Tourism & Leisure | TOURISM |
| | Professional Services | PROF |
| | Transportation & Logistics | TRANS |
| Technology [TECH] | Electronic Components | ETRON |
| | Information & Communication Technology | ICT |

PSR Rating System

| Capital Gain | Recommendation |
|--------------|--------------------------|
| > 15% | BUY |
| > 5% - 15% | ACCUMULATE / TRADING BUY |
| > 0% - 5% | NEUTRAL |
| 0 <= | SELL |

Remarks

We do not base our recommendations entirely on the above quantitative return bands. We consider qualitative factors like (but not limited to) a stock's risk reward profile, market sentiment, recent rate of share price appreciation, presence or absence of stock price catalysts, and speculative undertones surrounding the stock, before making our final recommendation

Research Team

| Fundamental | Analyst Reg No. | Tel | Sector |
|----------------------------------|--|----------------------|--|
| Sasikorn Charoensuwan, CFA, CAIA | Capital Market Investment Analyst #9744 | 662 635 1700 Ext 480 | Consumer, Commerce |
| Rutsada Tweesaengsakulthai | Securities Investment Analyst #17972 | 662 635 1700 Ext 482 | |
| Danai Tunyaphisitchai, CFA | Capital Market Investment Analyst #2375 | 662 635 1700 Ext 481 | Construction Materials, Property Development |
| Naree Apisawaittakan | Securities Investment Analyst #17971 | 662 635 1700 Ext 484 | Agro & Food, Electronics |
| Siam Tiyanont | Securities Investment Analyst #17970 | 662 635 1700 Ext 483 | Transportation, Media & Publishing |
| Ornmongkol Tantitanatorn | Capital Market Investment Analyst #34100 | 662 635 1700 Ext 491 | Energy, Packaging, ICT |
| Adisorn Muangparnchon | Securities Investment Analyst #18577 | 662 635 1700 Ext 497 | Banking, Securities & Finance, Insurance |
| Hathaichanoke Moonwong | Securities Investment Analyst #64324 | 662 635 1700 Ext 530 | Automotive, Health Care |
| Kunanon Juntarapartsavorn | Assistant Analyst | | |
| Thanatphat Suksrichavalit | Assistant Analyst | | |
| Patraporn Boonmalert | Assistant Analyst | | |
| Strategy | | | |
| Teerada Charnyingyong | Securities Investment Analyst #9501 | 662 635 1700 Ext 487 | |
| Chutikarn Santimetvirul | Derivatives Investment Analyst #37928 | 662 635 1700 Ext 494 | |
| Werajak Jungkiatkajorn | Capital Market Investment Analyst #28087 | 662 635 1700 Ext 495 | |
| Rittiporn Songsermsawad | Securities Investment Analyst #39756 | 662 635 1700 Ext 527 | |
| Rattawit Watcharasut | Assistant Analyst | | |
| Technical | | | |
| Sasima Hattakitnikorn | Securities Investment Analyst #8328 | 662 635 1700 Ext 490 | |
| Kanoksak Vutipan | Capital Market Investment Analyst #32423 | 662 635 1700 Ext 485 | |
| Database & Production | | | |
| Manunpat Yuenyongwatanakorn | | | |
| Sutiporn Oupkaew | | | |
| Kanittha Sriwong | | | |
| Translation | | | |
| Chaiyot Ingkhasorarat | | | |

Domestics Offices

Bangkok Offices

| | |
|---------------------|---|
| Head Office | 15th Fl., Vorawat Bldg. Tel : 0 2635 1700 , 0 2268 0999 |
| Srinakarindr | 17th Fl., Modernform Tower Tel : 0 2722 8344-53 |
| Viphavadi | 15th Fl., Lao Peng Nguan Tower 1 Tel : 0 2618 8400 |
| Yaowarat | 19th Fl., Kanchanadhat Bldg. Tel : 0 2622 7833 |
| Bangkapi 1 | 8th Fl., The Mall Office Tower-Bangkapi Tel : 0 2363 3263 |
| Bangkapi 2 | 9th Fl., The Mall Office Tower-Bangkapi Tel : 0 2363 3269 |
| Hua Lumphong | 4th Fl., Tang Hua Pak Bldg., 320 Rama 4 Rd. Tel : 0 2639 1200 |
| Rangsit | G Fl., Room#PLZ.G.SHP065A Future Park Rangsit Tel : 0 2958 5040 |
| Sindhorn | 19th Fl., Sindhorn Tower 3 Building, Tel : 0 2650 9717 |
| Siam Discovery | 11st Floor, Unit A2, Siam Tower,Tel : 02 658 0776 |
| CentralWorld Branch | 999/9 The Offices at CentralWorld, 17 FL. Unit ML 1707, Rama 1 Rd, Patumwan Bangkok 10330 |

Provincial Offices

| | |
|--------------------------|---|
| Chaing Mai | 313/15 Moo6 Chaing Mai – Lamphun Nong Hoi, Tel 053-141969 |
| Khon Kaen | 4th Fl., Kow Yoo Hah Bldg.Tel : 0 4332 5044-8 |
| Phisanulok | 2nd Fl., Thai Sivarat Bldg., Tel : 0 5524 3646 |
| Had Yai | 4th Fl., Southland Rubber Bldg., Tel : 0 7423 4095-99110 |
| Had Yai - Petkasem | 3rd Fl., Unit 3D, Redar Group Bldg., Tel : 0 7422 3044 |
| Laemchabang | 53/112, 53/114 Moo 9, Tungsukla, Sriracha, Chonburi 20230 |
| Chumporn Investor Center | 25/45 Krom Luang Chumporn Rd.,Tel : 0 7757 0652-3 |

Overseas Offices

| | |
|----------------|---|
| SINGAPORE | Phillip Securities Pte Ltd Raffles City Tower Tel : (65) 6533 6001 www.poems.com.sg |
| HONG KONG | Phillip Securities (HK) Ltd 11/F United Centre 95 Queensway, Tel (852) 22776600 www.phillip.com.hk |
| MALAYSIA | Phillip Capital Management Sdn Bhd, Block B Level 3 Megan Avenue Tel (603) 21628841 www.poems.com.my |
| JAPAN | Phillip Securities Japan, Ltd 4-2 Nihonbashi Kabuto-cho, Chuo-ku, Tokyo Tel (81-3) 36662101 |
| INDONESIA | PT Phillip Securities Indonesia ANZ Tower Level 23B, Tel (62-21) 57900800 www.phillip.co.id |
| CHINA | Phillip Financial Advisory (Shanghai) Co. Ltd Ocean Tower Unit 2318 Tel (86-21) 51699200 www.phillip.com.cn |
| FRANCE | King & Shaxson Capital Limited 3rd Flr, 35 Rue de la Bienfaisance Tel (33-1) 45633100 |
| UNITED KINGDOM | King & Shaxson Capital Limited 6th Flr, Candlewick House, Tel (44-20) 7426 5950 www.kingandshaxson.com |
| UNITED STATES | Phillip Futures Inc The Chicago Board of Trade Building Tel +1.312.356.9000 |
| AUSTRALIA | PhillipCapital Australia Level 37, Collins Street, Melbourne, Tel (613) 96298380 www.phillipcapital.com.au |
| SRI LANKA | Asha Phillip Securities Ltd Level 4, Millennium House, Tel: (+94) 11 2429 100 apsl@ashaphillip.net |
| TURKEY | Hak Menkul Kıymetler A.Ş Dr.Cemil Bengü Cad. Tel: (+90) (212) 296 84 84 (pbx) akmenkul@hakmenkul.com.tr |
| INDIA | PhillipCapital (India) Private Limited No. 1, C- Block, 2nd Floor, Modern Center, Jacob Circle, K. K. Marg, Mahalaxmi Mumbai 400011 Tel: (9122) 2300 2999 Website: www.phillipcapital.in |
| DUBAI | PhillipCapital (India) Pvt Ltd.601, White Crown Building Dubai UAE. Mahalaxmi Mumbai 400011 Tel: (9122) 2300 2999 Website: www.phillipcapital.in |
| CAMBODIA | Building No71, St 163, Sangkat Toul Svay Prey I, Khan Chamkarmorn, Phnom Penh, Kingdom of Cambodia Tel: (855) 23 217 942 Website: www.kredit.com.kh |

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