

AP (Thailand)

(AP.BK/AP TB)*

Outperform • Maintained

Price as of 25 Feb 2020	6.75
12M target price (Bt/shr)	7.80
Unchanged/Revised up(down)(%)	Unchanged
Upside/downside (%)	15.6

Key messages

AP reported a 4Q19 net profit of Bt876mn (-10% YoY, +41% QoQ). The result was in line with the market consensus. The key driver was the surge in share of income from JV to Bt574mn (+125% YoY, and a turnaround from -Bt26mn in 3Q19). With strong secured backlog and the upcoming dividend yield of 6%, we maintain a rating of Outperform with a target price of Bt7.80 based on 6.9x 2020F PE or -0.5SD to its long-term mean.

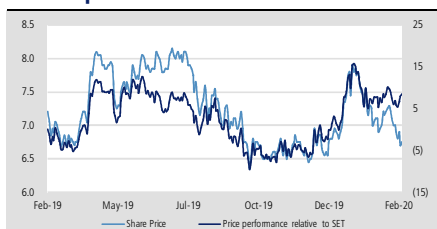
Trading data

Mkt cap (Btbn/US\$m)	21.2/531
Outstanding shares (mn)	3,146
Foreign ownership (mn)	330
3M avg. daily trading (mn)	9
52-week trading range (Bt)	6.4 – 8.2
Performance (%)	3M 6M 12M
Absolute	0 -6.9 -10.0
Relative	11.0 6.0 4.0

Quarterly EPS

EPS	Q1	Q2	Q3	Q4
2017	0.17	0.19	0.20	0.43
2018	0.28	0.38	0.30	0.31
2019	0.34	0.16	0.20	0.28

Share price chart



Source: SET

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4Q19 earnings review: In line with expectations

Event

4Q19 earnings review.

Impact

Net profit jumped 41% QoQ in 4Q19

AP reported a 4Q19 net profit of Bt876mn (-10% YoY, +41% QoQ), in line with the market consensus. The key driver was the surge in share of income from JV to Bt574mn (+125% YoY, and a turnaround from -Bt26mn in 3Q19) driven by the start of transfers from two of the JV's projects, Life One Wireless (project value: Bt7.9bn, 98% sold) and Life Sukhumvit 62 (project value: Bt2.1bn, 84% sold). Excluding the JV's performance, AP's residential transfers dropped 37% YoY and 9% QoQ to Bt5.4bn due mainly to fewer transfers in the condominium segment to Bt849mn (-77% YoY). Note that Vittorio and Aspire Sathorn-Ratchapruuek were key contributors for condominium transfers in 4Q18, while none of AP's new condominiums started to be transferred during 4Q19.

In terms of profitability, gross margin from residential sales improved 420bps YoY and 110bps QoQ to 33.9% due to fewer transfers of Vittorio which has yielded significantly lower-than-average gross profit margin. Meanwhile, SG&A-to-sales increased to 29% (+830bps YoY, +770bps QoQ) due to increased launch activities QoQ amid low residential transfers (Figure 2).

To launch new projects worth Bt47.2bn in 2020

AP plans to launch 37 new projects worth Bt47.2bn in 2020 (-1.5% YoY) comprising: i) low-rise of Bt35.1bn (+69% YoY), and ii) high-rise of Bt12.1bn (-55% YoY). Key focus in 2020 will be low-rise as management foresees less competition. In addition, management targets: i) presales of Bt33.5bn (+2% YoY), and ii) residential transfers (including 51% of JV transfer) of Bt33.7bn (+19% YoY). Our assumptions are below the management's targets by 5-10%.

Backlog secures more than half of FY20 transfer forecast

As of February 2020, AP reported a total backlog in hand of Bt52bn, of which Bt25bn will be recognized in 2020, comprising of Bt8.4bn from low-rise, Bt2.8bn from AP's condo and Bt13.8bn from JV projects. The current backlog has already secured 68% of our 2020 transfer forecast, so we believe downside risk in terms of operations should be limited.

Valuation & Action

We fine-tune our 2020 earnings forecast by 0.3% to factor in up-to-date assumptions. With a strong backlog and the upcoming dividend yield of 6%, we maintain a rating of Outperform with a target price of Bt7.80 based on 6.9x 2020F PE or -0.5SD to its long-term mean.

Risks

Weakening economic conditions, construction and transfer schedule lethargy.

Key financials and valuations

	Dec - 18A	Dec-19	Dec - 20F	Dec - 21F	Dec - 21F
Revenue (Btmn)	27,271	23,802	25,017	25,299	26,888
Gross Profit (Btmn)	8,932	8,176	8,281	8,550	9,110
SG&A (Btmn)	5,295	5,443	5,279	5,389	5,808
Net Profit (Btmn)	3,963	3,068	3,503	3,863	3,962
Normalized Profit (Btmn)	3,958	2,991	3,503	3,863	3,962
EPS (Bt)	1.26	0.98	1.11	1.23	1.26
Normalized EPS (Bt)	1.26	0.95	1.11	1.23	1.26
DPS (Bt)	0.40	0.40	0.40	0.40	0.40
EPS Growth (%)	25.5	-22.6	14.2	10.3	2.6
Normalized EPS Growth	28.9	-24.4	17.1	10.3	2.6
P/E (X)	4.8	6.9	6.0	5.5	5.3
P/B (X)	0.8	0.8	0.7	0.7	0.6
EV/EBITDA (X)	5.2	9.2	8.5	8.1	7.7
Net Debt to Equity (%)	0.8	1.0	0.9	0.9	0.8
Dividend Yield (%)	6.7	6.0	6.0	6.0	5.9
Return on Average Equity (%)	16.2	11.7	12.3	12.4	11.7

Source: Company data, KGI Research

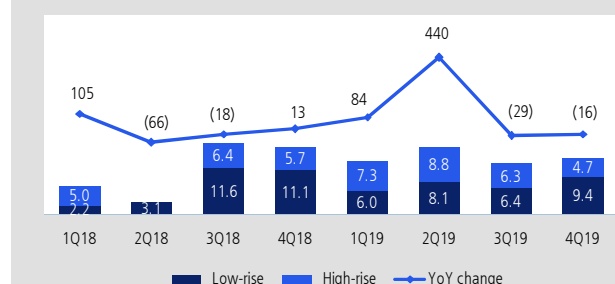
Figure 1: AP's e4Q19 earnings review

Bt mn	4Q19	4Q18	YoY (%)	3Q19	QoQ (%)	2019	2018	YoY (%)
Revenue	5,364	8,518	(37.0)	5,886	(8.9)	23,802	27,271	(12.7)
Revenue from sales of real estate	5,051	8,201	(38.4)	5,595	(9.7)	22,679	26,200	(13.4)
Revenue from rental and services	312	317	(1.4)	291	7.2	1,123	1,071	4.9
Gross Profit	1,962	2,679	(26.8)	2,068	(5.1)	8,176	8,932	(8.5)
SG&A	(1,554)	(1,763)	(11.8)	(1,250)	24.3	(5,443)	(5,295)	2.8
Operating EBIT	443	959	(53.9)	845	(47.6)	2,807	3,632	(22.7)
Operating EBITDA	494	983	(49.7)	870	(43.2)	2,925	3,718	(21.3)
Equity Income/(Loss)	574	256	124.6	(26)	(2,319.5)	1,009	1,218	(17.2)
Pre-tax Profit	387	930	(58.4)	779	(50.3)	2,560	3,509	(27.1)
Current taxation	(87)	(213)	(59.2)	(178)	(51.2)	(581)	(779)	(25.4)
Minorities	1	4	(72.8)	1	30.0	4	10	(63.8)
Extraordinary items	-	(0)		43		77	5	
Net Profit	876	977	(10.4)	619	41.4	3,068	3,963	(22.6)
Normalized profit	876	977	(10.4)	576	52.0	2,991	3,958	(24.4)
EPS (Bt)	0.28	0.31	(10.4)	0.20	41.4	0.98	1.26	(22.6)
Normalized EPS (Bt)	0.28	0.31	(10.4)	0.18	52.0	0.95	1.26	(24.4)
Percent	4Q19	4Q18	YoY (ppts)	3Q19	QoQ (ppts)	2019	2018	YoY (ppts)
Total gross margin	36.6	31.5	5.1	35.1	1.4	34.3	32.8	1.6
EBIT margin	8.3	11.3	(3.0)	14.4	(6.1)	11.8	13.3	(1.5)
EBITDA margin	9.2	11.5	(2.3)	14.8	(5.6)	12.3	13.6	(1.3)
SG&A/sales	29.0	20.7	8.3	21.2	7.7	22.9	19.4	3.5
Revenue breakdown by segments	4Q19	4Q18	YoY (%)	3Q19	QoQ (%)	2019	2018	YoY (%)
Low-rise	4,203	4,582	(8.3)	4,719	(10.9)	18,145	17,482	3.8
High-rise	849	3,620	(76.5)	876	(3.1)	4,534	8,718	(48.0)

Source: Company data, KGI Research

Figure 2: Quarterly launches

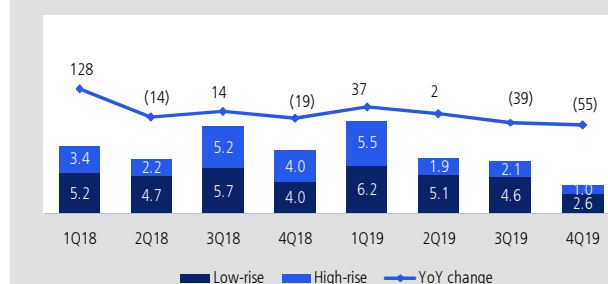
Launches of high-rise and low-rise, Btbn; YoY change of total launches, percent



Source: Company data, KGI Research

Figure 3: Quarterly presales

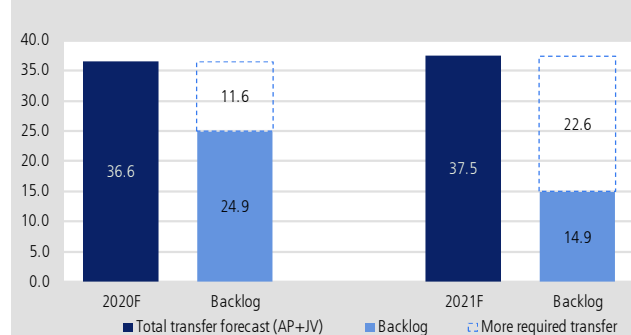
Presales of high-rise and low-rise, Btbn; YoY change of total presales, percent



Source: Company data, KGI Research

Figure 4: All transfers forecast (including 100% JV)

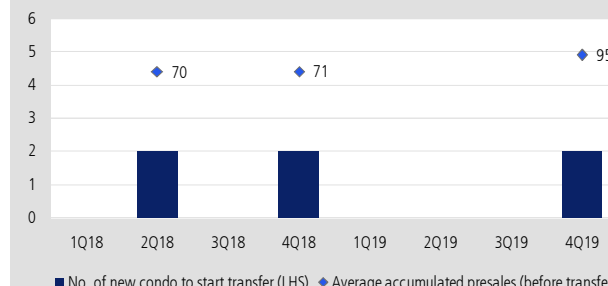
All transfer forecast and backlog, Bt bn



Source: Company data, KGI Research

Figure 5: Number of new high-rises starting to transfer (AP+JV)

Number of new high-rises to start transfer, number; accumulated presales (before transfer), percent



Source: Company data, KGI Research

Fine-tune our 2020F earnings forecast by 0.3%

We trimmed our 2020F earnings forecast by 0.3% to mainly factor in up-to-date assumptions for targeted launches and pace of residential transfers.

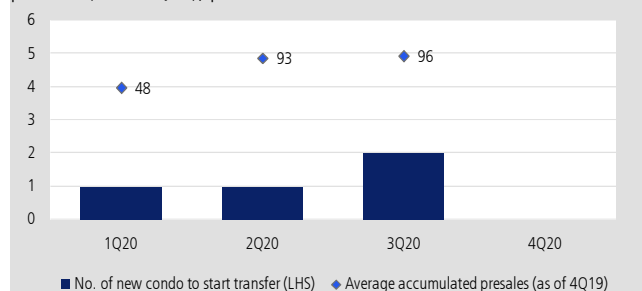
Figure 6: Earnings revision

Year to 31 Dec (Btm)	2020F Old	2020F New	Chg (%)
Residential revenue	24,733	23,837	(3.6)
Low-rise	20,564	19,960	(2.9)
High-rise	4,169	3,877	(7.0)
Share income	1,234	1,282	3.9
Net profit	3,551	3,539	(0.3)
Normalized profit	3,551	3,539	(0.3)
SG&A to sales (%)	21.1	21.1	0bp
Gross Margin (%)	33.0	33.1	+10bp

Source: Company data, KGI Research

Figure 7: New condo projects ready to be transferred in 2020

Number of new high-rises to start transfer, number; accumulated presales (as of 4Q19), percent



Source: Company data, KGI Research

Maintain Outperform

The company announced a dividend of Bt0.40 per share, implying a dividend yield of 6% (XD: 12 May 2020). With a strong secured backlog and the upcoming dividend yield, we re-iterate our Outperform rating on AP with a target price of Bt7.80 based on 6.9x 2020F PE or -0.5SD to its long-term mean.

Figure 8: Key assumptions

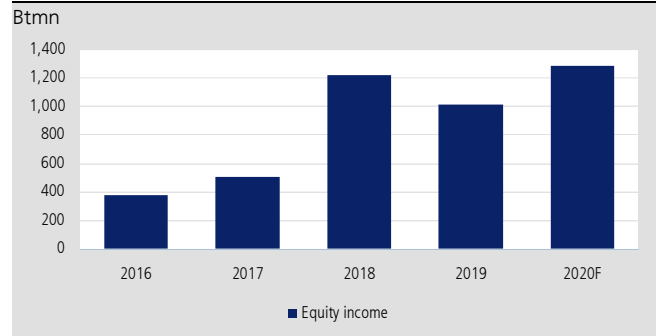
	2016	2017	2018	2019	2020F
Total Revenue (Bt mn)	20,253	22,176	27,271	23,802	25,017
Residential revenue (excl. JV)	19,653	21,124	26,200	22,679	23,837
Low-rise	12,947	13,198	17,838	18,145	19,960
High-rise	6,706	7,926	8,792	4,534	3,877
Growth of total revenue (%)	-8.3	9.5	23.0	-12.7	5.1
Growth of residential revenue	-9.2	7.5	24.0	-13.4	5.1
Residential gross profit	6,961	7,914	8,932	8,176	8,281
Residential gross margin	32.6	33.5	31.0	31.8	31.1
SG&A-to-sales (%)	19.8	20.5	19.4	22.9	21.1
Share income	370.8	501.7	1217.6	1008.6	1282.0
Share income growth (%)	n.a.	35.3	142.7	-17.2	27.1
Normalized profit (Bt mn)	2,598	3,071	3,958	2,991	3,503
YoY growth (%)	6.0	18.2	28.9	-24.4	17.1

Source: Company data, KGI Research

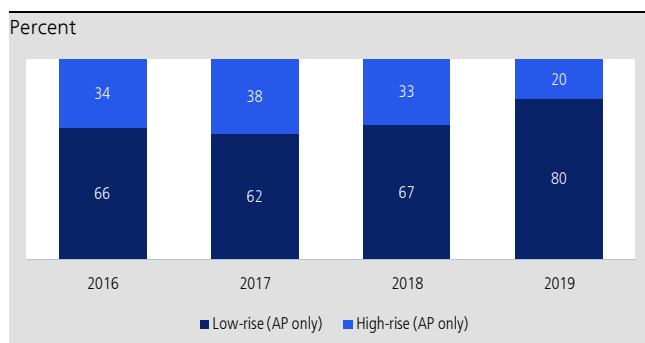
Figure 9: Company profile

AP (Thailand) (AP) develops property in several segments; townhouse, single-detached house and condominium. All property for development focus on prime locations near community and business centers convenient for commuting under various brands with a wide range of prices from Bt1.4mn-Bt30mn. In its market positioning, AP targets the mid-to-high-end market with broad-based brand using mixed business approach through different economic cycles.

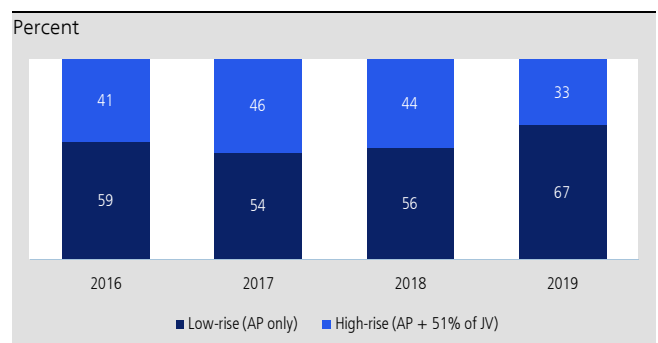
Source: Company data

Figure 10: Equity income from JV


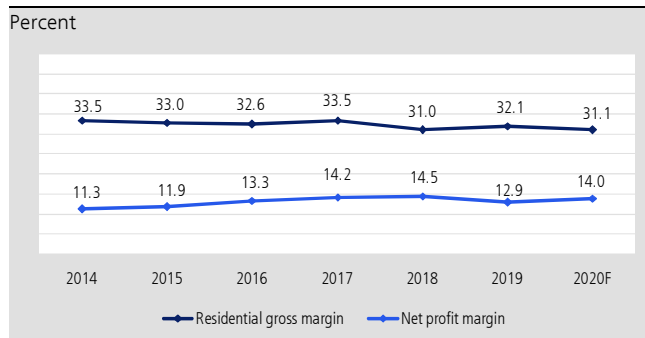
Source: Company data, KGI Research

Figure 11: Transfer breakdown excluding JV


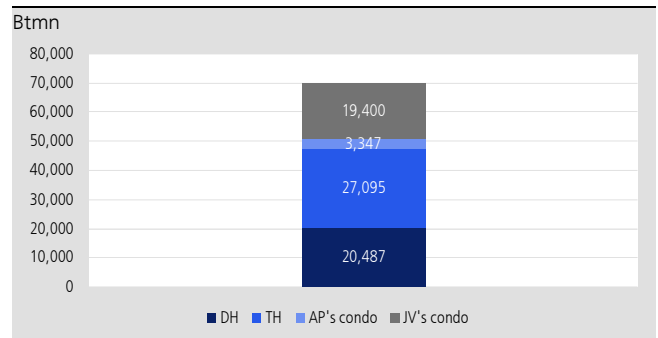
Source: Company data, KGI Research

Figure 12: Breakdown of transfers including 51% of JV's revenue


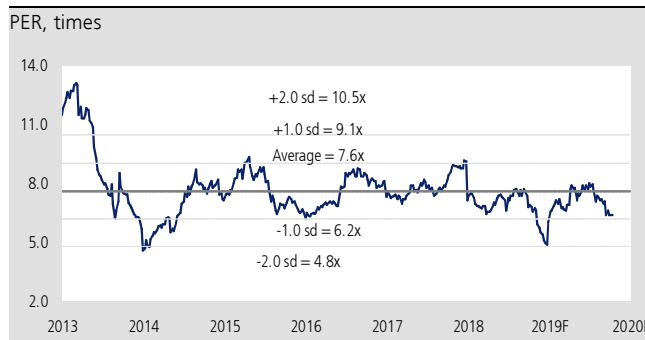
Source: Company data, KGI Research

Figure 13: Residential gross margin (excluding JV)


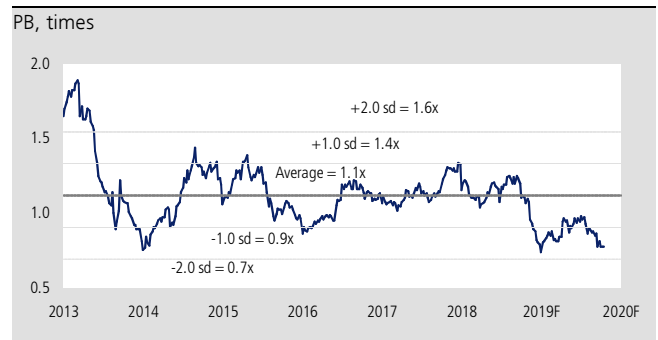
Source: Company data, KGI Research

Figure 14: Ongoing project value as of 4Q19


Source: Company data, KGI Research

Figure 15: Company trading PER


Source: KGI Research

Figure 16: Company trading PB


Source: KGI Research

Quarterly Income Statement

	Mar-17A	Jun-17A	Sep-17A	Dec-17A	Mar-18A	Jun-18A	Sep-18A	Dec-18A	Mar-19A	Jun-19A	Sep-19A	Dec-19A
Income Statement (Bt mn)												
Revenue	4,200	4,798	4,939	8,238	5,515	6,462	6,776	8,518	7,790	4,762	5,886	5,364
Cost of Goods Sold	(2,824)	(3,150)	(3,130)	(5,157)	(3,630)	(4,282)	(4,589)	(5,839)	(5,230)	(3,177)	(3,818)	(3,402)
Gross Profit	1,376	1,647	1,809	3,081	1,886	2,180	2,187	2,679	2,561	1,584	2,068	1,962
Operating Expense	(914)	(1,002)	(1,087)	(1,539)	(928)	(1,253)	(1,351)	(1,763)	(1,501)	(1,138)	(1,250)	(1,554)
Other incomes	12	7	36	26	7	7	16	19	10	10	29	30
Operating Profit	475	652	758	1,568	966	934	853	935	1,070	457	847	438
Depreciation of fixed asset	(12)	(16)	(19)	(21)	(21)	(21)	(21)	(24)	(25)	(17)	(25)	(51)
Operating EBITDA	487	671	777	1,584	966	900	874	983	1,083	478	870	494
Non-Operating Income	0	3	0	3	0	6	0	3	0	4	0	5
Interest Income	0	3	0	3	0	6	0	3	0	4	0	5
Other Non-op Income	0	0	0	0	0	0	0	0	0	0	0	0
Non-Operating Expense	159	67	24	93	91	435	256	248	236	87	(93)	519
Interest Expense	(53)	(43)	(20)	(34)	(34)	(34)	(25)	(29)	(45)	(81)	(66)	(55)
Other Non-op Expense	(0)	(0)	0	(9)	(25)	(60)	0	21	(12)	(0)	(1)	0
Equity Income/(Loss)	213	110	43	135	150	530	282	256	293	167	(26)	574
Pre-tax profit	421	612	738	1,528	907	845	827	930	1,013	380	779	387
Current Taxation	(85)	(175)	(166)	(313)	(192)	(192)	(183)	(213)	(228)	(88)	(178)	(87)
Minorities	0	5	1	3	2	2	2	4	0	1	1	1
Extraordinary items	0	61	20	5	0	5	0	(0)	0	27	43	0
Net Profit	549	613	637	1,359	867	1,191	928	977	1,078	488	619	876
Normalized Profit	549	552	617	1,354	867	1,186	928	977	1,078	461	576	876
EPS (Bt)	0.17	0.19	0.20	0.43	0.28	0.38	0.30	0.31	0.34	0.16	0.20	0.28
Normalized EPS (Bt)	0.17	0.18	0.20	0.43	0.28	0.38	0.30	0.31	0.34	0.15	0.18	0.28
Margins												
Gross profit margin	32.8	34.3	36.6	37.4	34.2	33.7	32.3	31.5	32.9	33.3	35.1	36.6
Operating EBIT margin	11.3	13.6	15.3	19.0	17.5	14.5	12.6	11.0	13.7	9.6	14.4	8.2
Operating EBITDA margin	11.6	14.0	15.7	19.2	17.5	13.9	12.9	11.5	13.9	10.0	14.8	9.2
Net profit margin	13.1	12.8	12.9	16.5	15.7	18.4	13.7	11.5	13.8	10.3	10.5	16.3
Growth (YoY)												
Revenue growth	0.7	8.3	11.0	14.4	31.3	34.7	37.2	3.4	41.2	(26.3)	(13.1)	(37.0)
Operating EBIT growth	(30.8)	(6.4)	14.6	58.7	103.5	43.3	12.5	(40.4)	10.8	(51.1)	(0.7)	(53.2)
Operating EBITDA growth	(30.5)	(6.0)	15.3	58.2	98.4	34.2	12.5	(37.9)	12.2	(46.9)	(0.5)	(49.7)
Net profit growth	20.6	16.5	39.5	7.4	58.0	94.3	45.8	(28.1)	24.4	(59.0)	(33.3)	(10.4)
Normalized profit growth	20.6	23.0	35.0	9.4	58.0	114.6	50.5	(27.8)	24.4	(61.1)	(37.9)	(10.4)

Source: KGI Research

Balance Sheet

As of 31 Dec (Bt mn)	2017	2018	2019	2020F	2021F
Total Assets	43,936	49,395	58,794	60,065	63,185
Current Assets	37,741	43,286	51,470	52,882	54,945
Cash & ST Investment	1,054	951	570	428	833
Inventories	35,425	41,149	49,715	51,304	52,950
Account Receivable	390	141	169	200	203
Others	871	1,044	1,016	950	959
Non-current Assets	6,195	6,109	7,324	7,183	8,240
LT Investment	5,520	5,251	6,205	6,199	7,210
Net fixed Assets	265	408	468	532	579
Others	410	450	651	451	451
Total Liabilities	22,303	24,904	32,498	31,535	32,056
Current Liabilities	12,491	11,247	17,057	13,704	14,780
Account Payable	1,232	1,617	1,753	1,466	1,466
ST Borrowing	8,962	7,035	12,681	9,643	10,719
Others	2,297	2,595	2,623	2,595	2,595
Long-term Liabilities	9,812	13,657	15,441	17,831	17,277
Long-term Debts	9,441	13,241	14,927	17,277	16,683
Others	371	417	514	554	594
Shareholders' Equity	21,633	24,491	26,296	28,530	31,129
Common Stock	3,146	3,146	3,146	3,146	3,146
Capital Surplus	89	89	89	89	89
Retained Earnings	18,401	21,269	23,078	25,320	27,927

Source: KGI Research

Key Ratios

Year to 31 Dec	2017	2018	2019	2020F	2021F
Growth (%YoY)					
Sales	9.5	23.0	(12.7)	5.1	1.1
OP	13.7	5.2	(22.8)	7.0	5.3
EBITDA	13.9	5.7	(21.3)	6.5	5.5
NP	16.8	25.5	(22.6)	14.2	10.3
Normalized Profit	18.2	28.9	(24.4)	17.1	10.3
EPS	16.8	25.5	(22.6)	14.2	10.3
Normalized EPS	18.2	28.9	(24.4)	17.1	10.3
Profitability (%)					
Gross Margin	35.7	32.8	34.3	33.1	33.8
Operating Margin	15.5	13.3	11.8	12.0	12.5
EBITDA Margin	15.9	13.6	12.3	12.5	13.0
Net Margin	14.2	14.5	12.9	14.0	15.3
ROAA	7.2	8.0	5.2	5.8	6.1
ROAE	14.6	16.2	11.7	12.3	12.4
Stability					
Gross Debt/Equity (%)	103.1	101.7	123.6	110.5	103.0
Net Debt/Equity (%)	85.1	82.8	105.0	94.4	88.0
Interest Coverage (x)	22.9	29.6	11.3	18.4	19.4
Interest & ST Debt Coverage (x)	0.4	0.5	0.2	0.3	0.3
Cash Flow Interest Coverage (x)	(11.8)	(17.5)	(25.9)	3.4	4.9
Cash Flow/Interest & ST Debt (x)	(0.2)	(0.3)	(0.5)	0.1	0.1
Current Ratio (x)	3.0	3.8	3.0	3.9	3.7
Quick Ratio (x)	0.2	0.2	0.1	0.1	0.1
Net Debt (Bt mn)	17,349.0	19,324.4	27,037.5	26,492.5	26,568.7
Per Share Data (Bt)					
EPS	1.0	1.3	1.0	1.1	1.2
Normalized EPS	1.0	1.3	1.0	1.1	1.2
CFPS	(0.6)	(0.7)	(2.0)	0.2	0.3
BVPS	6.9	7.8	8.4	9.1	9.9
SPS	7.0	8.7	7.6	8.0	8.0
EBITDA/Share	1.1	1.2	0.9	1.0	1.0
DPS	0.4	0.4	0.4	0.4	0.4
Activity					
Asset Turnover (x)	0.5	0.6	0.4	0.4	0.4
Days Receivables	6.4	1.9	2.6	2.9	2.9
Days Inventory	906.6	819.0	1,161.2	1,118.9	1,153.9
Days Payable	31.5	32.2	41.0	32.0	31.9
Cash Cycle	881.5	788.7	1,122.8	1,089.9	1,124.9

Source: KGI Research

Profit & Loss

Year to Dec 31 (Btmn)	2017	2018	2019	2020F	2021F
Revenue	22,176	27,271	23,802	25,017	25,299
Cost of Goods Sold	(14,262)	(18,339)	(15,627)	(16,736)	(16,749)
Gross Profit	7,914	8,932	8,176	8,281	8,550
Operating Expenses	(4,543)	(5,295)	(5,443)	(5,279)	(5,389)
Other Incomes	82	50	78	50	51
Operating Profit	3,444	3,623	2,798	2,995	3,153
Depreciation of fixed assets	(68)	(86)	(118)	(110)	(123)
Operating EBITDA	3,518	3,718	2,925	3,115	3,287
Non-Operating Income	6	10	9	10	10
Interest Income	6	10	9	10	10
Other Non-op Income	0	0	0	0	0
Non-Operating Expense	(159)	(187)	(260)	(221)	(221)
Interest Expense	(150)	(123)	(247)	(164)	(163)
Other Non-op Expense	(9)	(64)	(13)	(58)	(58)
Equity Income/(Loss)	502	1,218	1,009	1,282	1,517
Pretax Profit	3,887	4,732	3,645	4,123	4,518
Current Taxation	(739)	(779)	(581)	(628)	(663)
Minorities	(9)	(10)	(4)	(8)	(8)
Extraordinaries items	86	5	77	0	0
Net Profit	3,157	3,963	3,068	3,503	3,863
Normalized Profit	3,071	3,958	2,991	3,503	3,863
EPS (Bt)	1.00	1.26	0.98	1.11	1.23
Normalized EPS (Bt)	0.98	1.26	0.95	1.11	1.23

Source: KGI Research

Cash Flow

Year to 31 Dec (Bt mn)	2017	2018	2019	2020F	2021F
Operating Cash Flow	(1,777)	(2,150)	(6,400)	549	803
Net Profit	3,157	3,963	3,068	3,503	3,863
Depreciation & Amortization	68	86	118	110	123
Change in Working Capital	(4,406)	(4,966)	(8,497)	(1,774)	(1,658)
Others					
Investment Cash Flow	(979)	1,270	(151)	1,352	377
Net CAPEX	(239)	(303)	(294)	68	(180)
Change in LT Investment	(766)	1,516	53	1,238	517
Change in Other Assets	1	11	(6)	6	0
Free Cash Flow	(2,756)	(880)	(6,550)	1,902	1,179
Financing Cash Flow	2,723	777	6,074	(1,949)	(774)
Change in Share Capital	0	0	0	0	0
Net Change in Debt	3,662	1,872	7,332	(688)	482
Change in Other LT Liab.	5	(0)	(0)	0	0
Net Cash Flow	(33)	(103)	(477)	(47)	406

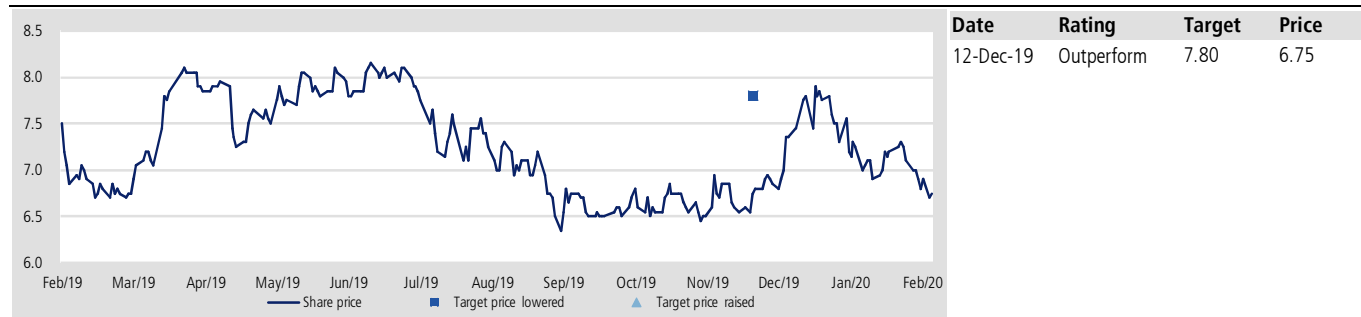
Source: KGI Research

Rates of Return on Invested Capital

Year	1- $\frac{\text{COGS}}{\text{Revenue}}$	+ $\frac{\text{Depreciation}}{\text{Revenue}}$	+ $\frac{\text{Operating Exp.}}{\text{Revenue}}$	= Operating Margin
2017	64.3%	0.2%	20.5%	15.0%
2018	66.2%	0.3%	20.7%	12.9%
2019F	65.7%	0.2%	20.0%	14.0%
2020F	65.7%	0.3%	21.0%	13.0%
2021F	65.7%	0.3%	21.0%	13.1%
Year	1/ $\frac{\text{Working Capital}}{\text{Revenue}}$	+ $\frac{\text{Net PPE}}{\text{Revenue}}$	+ $\frac{\text{Other Assets}}{\text{Revenue}}$	= Capital Turnover
2017	1.70	4.5%	1.8%	0.57
2018	1.56	4.2%	1.6%	0.62
2019F	1.71	3.8%	1.8%	0.57
2020F	1.70	3.8%	1.8%	0.57
2021F	1.74	3.8%	1.8%	0.56
Year	$\frac{\text{Operating Margin}}{\text{Tax Rate}}$	x $\frac{\text{Capital Turnover}}{\text{Tax Rate}}$	x $\frac{\text{Cash Tax Rate}}{\text{Tax Rate}}$	= After-tax Return on Inv. Capital
2017	15.0%	0.57	0.81	6.9%
2018	12.9%	0.62	0.83	6.6%
2019F	14.0%	0.57	0.80	6.3%
2020F	13.0%	0.57	0.80	5.9%
2021F	13.1%	0.56	0.80	5.8%

Source: KGI Research

AP (Thailand) – Recommendation & target price history



Source: KGI Research

Corporate Governance Report of Thai Listed Companies



Companies with Excellent CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
EGCO	ELECTRICITY GENERATING	KTB	KRUNG THAI BANK	TISCO	TISCO FINANCIAL GROUP
KBANK	KASIKORNBANK	RATCH	RATCHABURI ELECTRICITY GENERATING HOLDING		
KKP	KIATNAKIN BANK	SCB	THE SIAM COMMERCIAL BANK		



Companies with Very Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
ADVANC	ADVANCED INFO SERVICE	ERW	THE ERAWAN GROUP	SCC	THE SIAM CEMENT
AOT	AIRPORTS OF THAILAND	GFPT	GFPT	SPALI	SUPALAI
AP	ASIAN PROPERTY DEVELOPMENT	IFEC	INTER FAR EAST ENGINEERING	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION
BBL	BANGKOK BANK	LPN	L.P.N. DEVELOPMENT	SVI	SVI
BH	BUMRUNGRAD HOSPITAL	MINT	MINOR INTERNATIONAL	TASCO	TIPCO ASPHALT
BIGC	BIG C SUPERCENTER	PS	PRUKSA REAL ESTATE	TCAP	THANACHART CAPITAL
CK	CH. KARNCHANG	QH	QUALITY HOUSES	TMB	TMB BANK
CPALL	CP ALL	ROBINS	ROBINSON DEPARTMENT STORE	TRUE	TRUE CORPORATION
CPN	CENTRAL PATTANA	RS	RS		
DRT	DIAMOND ROOFING TILES	SAMART	SAMART CORPORATION		



Companies with Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
CENTEL	CENTRAL PLAZA HOTEL	HMPRO	HOME PRODUCT CENTER	MAKRO	SIAM MAKRO
DCC	DYNASTY CERAMIC	ILINK	INTERLINK COMMUNICATION	MODERN	MODERNFORM GROUP
GL	GROUP LEASE	KTC	KRUNGTHAI CARD	TRT	TIRATHAI
GLOW	GLOW ENERGY	MAJOR	MAJOR CINEPLEX GROUP	TVO	THAI VEGETABLE OIL

Companies classified Not in the three highest score groups

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	CHG	CHULARAT HOSPITAL	NOK	NOK AIRLINES
ANAN	ANANDA DEVELOPMENT	CKP	CK POWER	PACE	PACE DEVELOPMENT CORPORATION
BA	BANGKOK AIRWAYS	DTAC	TOTAL ACCESS COMMUNICATION	SAWAD	SRISAWAD POWER 1979
BCH	BANGKOK CHAIN HOSPITAL	GLOBAL	SIAM GLOBAL HOUSE	TMT	THAI METAL TRADE
BDMS	BANGKOK DUSIT MEDICAL SERVICES	GPSC	GLOBAL POWER SYNERGY	TPCH	TPC POWER HOLDING
BEM	BANGKOK EXPRESSWAY AND METRO	GUNKUL	GUNKUL ENGINEERING	WHA	WHA CORPORATION
BJCHI	BJC HEAVY INDUSTRIES	LPH	LADPRAO GENERAL HOSPITAL	WORK	WORKPOINT ENTERTAINMENT
CBG	CARABAO GROUP	MTLS	MUANGTHAI LEASING		

Source: www.thai-iod.com

Disclaimer: The disclosure of the survey result of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of 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 Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an assessment 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 date or when there is any change to the relevant information. Nevertheless, KGI Securities (Thailand) Public Company Limited (KGI) does not confirm, verify, or certify the accuracy and completeness of such survey result.

Anti-corruption Progress Indicator

Level 5: Extended

Stock	Company name	Stock	Company name	Stock	Company name
CPN	CENTRAL PATTANA	SCC	THE SIAM CEMENT		

Level 4: Certified

Stock	Company name	Stock	Company name	Stock	Company name
ADVANC	ADVANCED INFO SERVICE	IFEC	INTER FAR EAST ENGINEERING	SVI	SVI
BBL	BANGKOK BANK	KBANK	KASIKORN BANK	TCAP	THANACHART CAPITAL
DCC	DYNASTY CERAMIC	KKP	KIATNAKIN BANK	TISCO	TISCO FINANCIAL GROUP
DRT	DIAMOND ROOFING TILES	KTB	KRUNG THAI BANK	TMB	TMB BANK
EGCO	ELECTRICITY GENERATING	MINT	MINOR INTERNATIONAL		
ERW	THE ERAWAN GROUP	SCB	THE SIAM COMMERCIAL BANK		

Level 3: Established

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	DTAC	TOTAL ACCESS COMMUNICATION	PACE	PACE DEVELOPMENT CORPORATION
ANAN	ANANDA DEVELOPMENT	GFPT	GFPT	PS	PRUKSA REAL ESTATE
AP	ASIAN PROPERTY DEVELOPMENT	GL	GROUP LEASE	RATCH	RATCHABURI ELECTRICITY GENERATING HOLDING
BA	BANGKOK AIRWAYS	GLOW	GLOW ENERGY	ROBINS	ROBINSON DEPARTMENT STORE
BDMS	BANGKOK DUSIT MEDICAL SERVICES	GPSC	GLOBAL POWER SYNERGY	SAMART	SAMART CORPORATION
BIGC	BIG C SUPERCENTER	HMPRO	HOME PRODUCT CENTER	SPALI	SUPALAI
BJCHI	BJC HEAVY INDUSTRIES	KTC	KRUNGTHAI CARD	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION
CENDEL	CENTRAL PLAZA HOTEL	LPN	L.P.N. DEVELOPMENT	TASCO	TIPCO ASPHALT
CHG	CHULARAT HOSPITAL	MAKRO	SIAM MAKRO	TMT	THAI METAL TRADE
CK	CH. KARNCHANG	MODERN	MODERNFORM GROUP	TPCH	TPC POWER HOLDING
CKP	CK POWER	NOK	NOK AIRLINES	WHA	NOK AIRLINES

Level 2: Declared

Stock	Company name	Stock	Company name	Stock	Company name
AOT	AIRPORTS OF THAILAND	GUNKUL	GUNKUL ENGINEERING	QH	QUALITY HOUSES
BH	BUMRUNGRAD HOSPITAL	ILINK	INTERLINK COMMUNICATION	TRT	TIRATHAI
GLOBAL	SIAM GLOBAL HOUSE	MTLS	MUANGTHAI LEASING	TVO	THAI VEGETABLE OIL

Level 1: Committed

Stock	Company name	Stock	Company name	Stock	Company name
CBG	CARABAO GROUP	RS	RS	SAWAD	SIRISAWAD POWER 1979
MAJOR	MAJOR CINEPLEX GROUP				

No progress

Stock	Company name	Stock	Company name	Stock	Company name
BCH	BANGKOK CHAIN HOSPITAL	CPALL	CP ALL	WORK	WORKPOINT ENTERTAINMENT
BEM	BANGKOK EXPRESSWAY AND METRO	LPH	LADPRAO GENERAL HOSPITAL		

Source: www.cgthailand.org

Disclaimer: The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by the relevant institution as disclosed by the Office of the Securities and Exchange Commission, is made in order to comply with the policy and sustainable development plan for the listed companies. The relevant institution made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, KGI Securities (Thailand) Public Company Limited (KGI) does not confirm, verify, or certify the accuracy and completeness of the assessment result.

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Rating	Definition
Outperform (OP)	The stock's excess return over the next twelve months is ranked in the top 40% of KGI's coverage universe in the related market (e.g. Taiwan)..
Neutral (N)	The stock's excess return over the next twelve months is ranked in the range between the top 40% and the bottom 40% of KGI's coverage universe in the related market (e.g. Taiwan)
Under perform (U)	The stock's excess return over the next twelve months is ranked in the bottom 40% of KGI's coverage universe in the related market (e.g. Taiwan).
Not Rated (NR)	The stock is not rated by KGI.
Restricted (R)	KGI policy and/or applicable law regulations preclude certain types of communications, including an investment recommendation, during the course of KGI's engagement in an investment banking transaction and in certain other circumstances. <i>Excess return = 12M target price/current price-</i>
Note	When an analyst publishes a new report on a covered stock, we rank the stock's excess return with those of other stocks in KGI's coverage universe in the related market. We will assign a rating based on its ranking. If an analyst does not publish a new report on a covered stock, its rating will not be changed automatically.

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