

Berli Jucker

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Public Company Limited

BJC

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Softer margin in the price

After the slowdown in 3Q18, management expects margin and sales in the PSC unit to return to a healthy level in 4Q18F. Meanwhile, sales outlook for the MSC unit is good in 4Q18F despite a softer margin YoY. After fine-tuning its margin, we cut its core earnings by 4% in 2018F and 8% in 2019F. Despite this, we expect 4Q18F core earnings to grow QoQ on seasonal factors and YoY on better sales and lower tax, with stable EBIT margin (higher other and rental income offset lower gross margin). After a price drop, BJC is now trading at 28x 19PE (-0.5SD over its 7-year PE of 32x). We maintain BUY with a new DCF PT of Bt65 (from Bt72) after the earnings revision.

Better sales from MSC unit (BIGC) (71% of 9M18 sales and 63% of EBITDA). SSS growth. We expect SSS growth in 4Q18TD to be close to 3Q18's 2.5% YoY, with fading food deflation and a higher proportion of B2B sales (8.4% of sales in 2018TD vs 7.8% in 2017). Expansion. In 2018, BIGC plans to add eight new hypermarkets, a Big C Food Place, and 150 Mini-Big C stores. In 2019, it plans to open eight new hypermarkets (including its first store in Cambodia), a Big C Food Place and 300 Mini-Big C stores. Margin. In 3Q18, gross margin fell to 16.8% (-85bps YoY) from lower reversal of impairment expenses after the annual inventory check, more low-margin B2B sales and price investment activities. 4Q18F gross margin will improve QoQ from seasonal factors but be lower YoY off the high base (better management of logistics and distribution center) and more low-margin B2B sales.

Improving sales and margin from other units. Packaging supply chain (PSC) (13% of sales and 23% of EBITDA). In 3Q18, sales grew 4% YoY, slower than the 10% YoY in 1H18, from lower orders from one customer who cleared out inventory ahead of relaunching new products and a maintenance shutdown of production lines. Management expects 4Q18F sales to be better from: 1) the return of that customer's orders; 2) resumed operation of its production lines; 3) the startup of its new glass furnace with capacity of 400tons/day (+13%) in Sep 2018, running at full in Nov 2018. In 3Q18, gross margin dropped to 20.8% (-160bps YoY) from a slowdown in sales and higher fuel costs. However, management expects gross margin to improve in 4Q18F off a return of sales, benefit from better economies of scale and cost savings from the new glass furnace. Other units. Management expects better sales in the consumer supply chain (CSC) as the market has responded well to its new food and non-food products as well as a healthy margin from low raw material costs (potatoes, palm oil and coconut oil).

Completed group tax restructuring. BJC completed the group's restructuring on tax items after the acquisition of BIGC, which lowered its tax rate to 10% in 3Q18 and 19% in 9M18. Going forward, it targets tax rate at 19-20%.

Forecasts and valuation

Year to 31 Dec	Unit	2016	2017	2018F	2019F	2020F
Revenue	(Btmn)	125,330	149,158	155,816	164,386	171,623
EBITDA	(Btmn)	15,570	20,040	21,301	22,693	23,596
Core profit	(Btmn)	2,455	5,122	6,250	7,200	7,946
Reported profit	(Btmn)	3,307	5,211	6,452	7,200	7,946
Core EPS	(Bt)	0.95	1.28	1.57	1.80	1.99
DPS	(Bt)	0.50	0.57	0.59	0.69	0.76
P/E, core	(x)	54.1	39.9	32.7	28.4	25.7
EPS growth, core	(%)	(43.6)	35.5	22.0	15.2	10.4
P/BV, core	(x)	1.2	1.8	1.8	1.8	1.8
ROE	(%)	3.7	4.6	5.6	6.4	7.0
Dividend yield	(%)	1.0	1.1	1.2	1.3	1.5
FCF yield	(x)	(143.4)	1.2	3.3	4.0	4.4
EV/EBIT	(x)	29.7	28.3	26.6	24.6	23.3
EBIT growth, core	(%)	128.7	33.5	5.9	7.5	4.5
EV/CE	(x)	1.1	1.3	1.3	1.3	1.3
ROCE	(%)	(0.5)	(0.6)	(0.7)	(0.7)	(0.8)
EV/EBITDA	(x)	18.1	17.8	16.7	15.6	14.9
EBITDA growth	(%)	148.6	28.7	6.3	6.5	4.0

Source: SCBS Investment Research



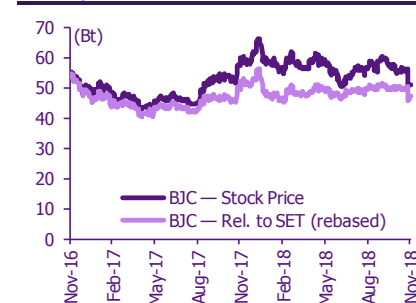
BUY

Stock data

Last close (Nov 23) (Bt)	51.25
12-m target price (Bt)	65.00
Upside (Downside) to TP (%)	26.83
Mkt cap (Btbn)	205.13
Mkt cap (US\$mn)	6,207

Risk rating	L
Mkt cap (%) SET	1.20
Sector % SET	9.08
Shares issued (mn)	4,003
Par value (Bt)	1.00
12-m high / low (Bt)	66 / 49.3
Avg. daily 6m (US\$mn)	9.68
Foreign limit / actual (%)	49 / 11
Free float (%)	25.2
Dividend policy (%)	≥ 50

Price performance



Source: SET, SCBS Investment Research

Share performance

(%)	1M	3M	12M
Absolute	(6.4)	(8.5)	(10.1)
Relative to SET	(4.3)	(4.2)	(5.0)

Source: SET, SCBS Investment Research

Expected total return (ETR)

Target price	(Bt)	65.00
12-month dividend	(Bt)	0.59
Capital gain	(%)	26.83
Dividend yield	(%)	1.16
Total return	(%)	27.99

Source: SET, SCBS Investment Research

Analyst

Sirima Dissara, CFA
Fundamental Investment
Analyst on Securities
(66-2) 949-1004
sirima.dissara@scb.co.th

Financial statement

Profit and Loss Statement

FY December 31	Unit	2013	2014	2015	2016	2017	2018F	2019F	2020F
Total revenue	(Btmn)	42,226	41,695	42,893	125,330	149,158	155,816	164,386	171,623
Cost of goods sold	(Btmn)	(32,131)	(32,363)	(33,071)	(102,735)	(120,706)	(126,001)	(132,832)	(138,536)
Gross profit	(Btmn)	10,095	9,333	9,822	22,595	28,452	29,815	31,554	33,087
SG&A	(Btmn)	(7,017)	(7,011)	(7,179)	(24,324)	(30,686)	(32,306)	(34,028)	(35,771)
Other income	(Btmn)	511	693	1,500	11,204	14,885	15,891	16,877	17,740
Interest expense	(Btmn)	(575)	(556)	(493)	(5,203)	(4,528)	(4,692)	(4,707)	(4,514)
Pre-tax profit	(Btmn)	3,015	2,459	3,650	4,272	8,122	8,708	9,697	10,542
Corporate tax	(Btmn)	(567)	(398)	(400)	(983)	(2,260)	(1,655)	(1,842)	(2,003)
Equity a/c profits	(Btmn)	65	(26)	87	181	24	(160)	(10)	51
Minority interests	(Btmn)	(189)	(367)	(661)	(1,015)	(764)	(644)	(644)	(644)
Core profit	(Btmn)	2,324	1,668	2,676	2,455	5,122	6,250	7,200	7,946
Extra-ordinary items	(Btmn)	102	12	116	851	88	202	0	0
Net Profit	(Btmn)	2,426	1,679	2,792	3,307	5,211	6,452	7,200	7,946
EBITDA	(Btmn)	5,612	4,996	6,263	15,570	20,040	21,301	22,693	23,596
Core EPS (Bt)	(Btmn)	1.46	1.05	1.68	0.95	1.28	1.57	1.80	1.99
Net EPS (Bt)	(Bt)	1.53	1.05	1.75	1.28	1.31	1.62	1.80	1.99
DPS (Bt)	(Bt)	0.84	0.60	0.84	0.50	0.57	0.59	0.69	0.76

Balance Sheet

FY December 31	Unit	2013	2014	2015	2016	2017	2018F	2019F	2020F
Total current assets	(Btmn)	19,315	17,763	18,380	35,993	38,542	39,994	41,900	43,597
Total fixed assets	(Btmn)	25,188	25,665	26,320	272,708	276,517	277,676	277,482	277,023
Total assets	(Btmn)	44,503	43,428	44,701	308,701	315,059	317,670	319,382	320,620
Total loans	(Btmn)	15,078	14,332	14,975	152,476	157,180	155,609	153,609	151,189
Total current liabilities	(Btmn)	14,835	18,204	15,313	51,851	50,254	88,398	82,046	66,087
Total long-term liabilities	(Btmn)	11,969	7,208	8,637	145,701	153,631	117,042	124,109	139,923
Total liabilities	(Btmn)	26,804	25,411	23,950	197,553	203,886	205,441	206,155	206,009
Paid-up capital	(Btmn)	1,590	1,592	1,592	3,990	3,996	4,570	4,570	4,570
Total equity	(Btmn)	17,699	18,017	20,750	111,148	111,173	112,230	113,228	114,610
BVPS (Bt)	(Bt)	11.14	11.31	13.03	42.87	27.85	28.12	28.37	28.71

Cash Flow Statement

FY December 31	Unit	2013	2014	2015	2016	2017	2018F	2019F	2020F
Core Profit	(Btmn)	2,324	1,668	2,676	2,455	5,122	6,250	7,200	7,946
Depreciation and amortization	(Btmn)	2,022	1,982	2,121	6,095	7,389	7,900	8,289	8,540
Operating cash flow	(Btmn)	3,908	4,396	4,693	17,938	17,380	15,903	16,256	17,126
Investing cash flow	(Btmn)	(4,867)	(3,284)	(1,611)	(208,512)	(14,846)	(9,060)	(8,095)	(8,080)
Financing cash flow	(Btmn)	651	(1,352)	(3,151)	192,912	(1,390)	(6,902)	(8,202)	(8,983)
Net cash flow	(Btmn)	(307)	(240)	(69)	2,338	1,145	(58)	(41)	63

Key Financial Ratios

FY December 31	Unit	2013	2014	2015	2016	2017	2018F	2019F	2020F
Gross margin	(%)	23.9	22.4	22.9	18.0	19.1	19.1	19.2	19.3
Operating margin	(%)	7.3	5.6	6.2	(1.4)	(1.5)	(1.6)	(1.5)	(1.6)
EBITDA margin	(%)	13.3	12.0	14.6	12.4	13.4	13.7	13.8	13.7
EBIT margin	(%)	8.5	7.2	9.7	7.6	8.5	8.6	8.8	8.8
Net profit margin	(%)	5.7	4.0	6.5	2.6	3.5	4.1	4.4	4.6
ROE	(%)	13.7	9.3	13.8	3.7	4.6	5.6	6.4	7.0
ROA	(%)	5.6	3.8	6.1	1.4	1.6	2.0	2.3	2.5
Net D/E	(x)	0.8	0.7	0.7	1.3	1.4	1.3	1.3	1.3
Interest coverage	(x)	9.8	9.0	12.7	3.0	4.4	4.5	4.8	5.2
Debt service coverage	(x)	1.1	0.6	0.8	0.6	0.9	0.4	0.5	0.7
Payout Ratio	(%)	55.0	56.9	47.9	39.2	43.7	38.0	38.0	38.0

Main Assumptions

FY December 31	Unit	2013	2014	2015	2016	2017	2018F	2019F	2020F
SSS growth (MSC)	(%)	0.0	(1.5)	(3.0)	(12.8)	(5.6)	1.0	2.0	2.0
New stores, all formats (MSC)	(Stores)	211	77	98	63	180	159	209	157
Ending stores, all formats (MSC)	(Stores)	559	636	734	797	977	1,136	1,345	1,502
New stores, hypermarket (MSC)	(Stores)	6	4	2	6	9	8	8	6
Ending stores, hypermarket (MSC)	(Stores)	119	123	125	131	140	148	156	162
Gross profit margin (MSC)	(%)	15.0	15.0	13.7	14.7	16.7	16.4	16.5	16.6

Financial statement

Profit and Loss Statement

FY December 31	Unit	4Q16	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18
Total revenue	(Btmn)	36,645	35,677	37,107	37,067	39,307	37,069	39,024	38,823
Cost of goods sold	(Btmn)	(30,423)	(29,075)	(30,328)	(29,799)	(31,505)	(30,055)	(31,707)	(31,414)
Gross profit	(Btmn)	6,222	6,602	6,779	7,268	7,802	7,014	7,317	7,409
SG&A	(Btmn)	(7,510)	(7,358)	(7,497)	(7,662)	(8,169)	(7,597)	(8,030)	(8,096)
Other income	(Btmn)	3,633	3,555	3,651	3,661	4,018	3,737	3,925	3,923
Interest expense	(Btmn)	(1,176)	(1,125)	(1,113)	(1,116)	(1,174)	(1,146)	(1,170)	(1,193)
Pre-tax profit	(Btmn)	1,169	1,674	1,820	2,151	2,477	2,008	2,042	2,043
Corporate tax	(Btmn)	(0)	(531)	(595)	(576)	(558)	(506)	(456)	(195)
Equity a/c profits	(Btmn)	27	24	(7)	7	0	(6)	(76)	(39)
Minority interests	(Btmn)	(188)	(151)	(222)	(203)	(188)	(184)	(195)	(115)
Core profit	(Btmn)	1,008	1,016	997	1,378	1,731	1,312	1,316	1,694
Extra-ordinary items	(Btmn)	29	(51)	(1)	9	132	133	80	(11)
Net Profit	(Btmn)	1,037	965	996	1,387	1,863	1,445	1,396	1,683
EBITDA	(Btmn)	4,166	4,580	4,733	5,156	5,571	5,020	5,109	5,110
Core EPS (Bt)	(Btmn)	0.25	0.25	0.25	0.35	0.43	0.33	0.33	0.42
Net EPS (Bt)	(Bt)	0.26	0.24	0.25	0.35	0.47	0.36	0.35	0.42

Balance Sheet

FY December 31	Unit	4Q16	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18
Total current assets	(Btmn)	35,993	35,614	33,949	35,789	38,542	38,491	38,190	38,876
Total fixed assets	(Btmn)	272,708	273,095	273,817	276,767	276,517	276,842	276,968	278,273
Total assets	(Btmn)	308,701	308,708	307,766	312,556	315,059	315,332	315,159	317,148
Total loans	(Btmn)	152,476	153,293	152,197	158,278	157,180	156,973	157,453	159,195
Total current liabilities	(Btmn)	51,851	50,397	47,881	53,030	50,254	61,514	59,247	85,047
Total long-term liabilities	(Btmn)	145,701	146,343	148,169	150,483	153,631	141,574	143,673	118,985
Total liabilities	(Btmn)	197,553	196,740	196,050	203,513	203,886	203,088	202,920	204,032
Paid-up capital	(Btmn)	3,990	3,991	3,992	3,993	3,996	3,997	4,000	4,002
Total equity	(Btmn)	111,148	111,968	111,716	109,043	111,173	112,245	112,239	113,117
BVPS (Bt)	(Bt)	27.86	28.06	27.99	27.31	27.84	28.08	28.07	28.27

Cash Flow Statement

FY December 31	Unit	4Q16	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18
Core Profit	(Btmn)	1,037	965	996	1,387	1,863	1,445	1,396	1,683
Depreciation and amortization	(Btmn)	1,820	1,781	1,800	1,889	1,920	1,867	1,896	1,874
Operating cash flow	(Btmn)	7,139	1,166	4,685	4,738	6,792	2,637	4,214	4,790
Investing cash flow	(Btmn)	(1,936)	(1,676)	(2,067)	(7,650)	(3,453)	(2,205)	(2,136)	(3,002)
Financing cash flow	(Btmn)	(3,769)	(698)	(2,514)	3,490	(1,668)	(1,653)	(1,899)	(1,035)
Net cash flow	(Btmn)	1,433	(1,209)	105	577	1,671	(1,221)	179	753

Key Financial Ratios

FY December 31	Unit	4Q16	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18
Gross margin	(%)	17.0	18.5	18.3	19.6	19.8	18.9	18.8	19.1
Operating margin	(%)	(3.5)	(2.1)	(1.9)	(1.1)	(0.9)	(1.6)	(1.8)	(1.8)
EBITDA margin	(%)	11.4	12.8	12.8	13.9	14.2	13.5	13.1	13.2
EBIT margin	(%)	6.4	7.8	7.9	8.8	9.3	8.5	8.2	8.3
Net profit margin	(%)	2.8	2.7	2.7	3.7	4.7	3.9	3.6	4.3
ROE	(%)	3.6	3.6	3.6	5.0	6.3	4.7	4.7	6.0
ROA	(%)	1.3	1.3	1.3	1.8	2.2	1.7	1.7	2.1
Net D/E	(x)	1.3	1.3	1.3	1.4	1.4	1.4	1.4	1.4
Interest coverage	(x)	3.5	4.1	4.3	4.6	4.7	4.4	4.4	4.3
Debt service coverage	(x)	0.7	0.7	0.8	0.8	1.0	0.6	0.6	0.3

Main Assumptions

FY December 31	Unit	4Q16	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18
SSS growth (MSC)	(%)	(22.0)	(20.0)	(15.2)	9.2	3.8	0.3	(0.5)	2.5
New stores, all formats (MSC)	(Stores)	37	10	38	59	73	26	27	28
Ending stores, all formats (MSC)	(Stores)	797	807	845	904	977	1,003	1,030	1,058
New stores, hypermarket (MSC)	(Stores)	3	0	1	3	5	2	1	2
Ending stores, hypermarket (MSC)	(Stores)	131	131	132	135	140	142	143	145
Gross profit margin (MSC)	(%)	14.1	16.2	15.6	17.7	17.3	15.9	16.1	16.8

Acquisition of White Group (WG). On November 23, BJC acquired 50.24% in White Group (WG, listed on the SET), which is engaged in the distribution of industrial chemical products. It will arrange a tender offer for the remaining stake in early December to mid-January. The transaction size is worth up to Bt3.2bn (100% stake at Bt180/share), funded by cash and debt financing. The acquisition price is equivalent to 23x 2017PE. BJC is making this investment with an eye to obtaining synergy in the trading business and to leverage WG's assets: the land on which is sited its office, factory and warehouse is adjacent to BJC's land. In 2017, WG's sales and net profit were Bt1.1bn and Bt138mn, respectively. We estimate the earnings contribution from WG net of interest expenses for the acquisition to add about 1% to BJC's 2019F earnings.

Figure 1: Valuation summary (price as of Nov 23, 2018)

	Rating	Price (Bt/Sh)	Target (Bt/Sh)	ETR (%)	P/E (x)			EPS growth (%)			P/BV (x)			ROE (%)			Div. Yield (%)			EV/EBITDA (x)		
					17A	18F	19F	17A	18F	19F	17A	18F	19F	17A	18F	19F	17A	18F	19F	17A	18F	19F
BJC	Buy	51.25	65.0	28.0	39.9	32.7	28.4	35	22	15	1.8	1.8	1.8	5	6	6	1.1	1.2	1.3	17.8	16.7	15.6
CPALL	Buy	68.50	90.0	33.1	32.0	30.0	25.8	16	7	16	7.7	6.0	5.3	28	24	23	1.6	1.7	2.0	18.3	16.9	15.2
GLOBAL	Buy	19.40	23.0	19.5	48.3	38.3	32.7	(4)	26	17	5.8	5.3	4.7	13	14	15	0.9	0.9	0.9	30.7	25.4	22.2
HMPRO	Buy	14.90	17.5	19.7	40.1	34.9	30.2	18	15	15	10.5	9.7	8.8	27	29	31	2.1	2.3	2.6	21.9	19.8	17.8
MAKRO	Neutral	32.25	40.0	27.0	25.1	25.8	24.0	14	(3)	7	8.6	8.0	7.3	37	32	32	3.0	3.0	3.0	15.3	15.2	14.3
ROBINS	Buy	66.00	85.0	30.9	27.1	24.1	20.8	8	12	16	4.2	3.8	3.5	16	17	18	1.9	2.1	2.4	14.5	13.5	12.3
Average					35.4	31.0	27.0	15	13	15	6.4	5.8	5.2	21	20	21	1.8	1.9	2.1	19.8	17.9	16.2

Source: SCBS Investment Research

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CG Rating 2018 Companies with CG Rating

★★★★★

ADVANC, AKP, AMATA, AMATAV, ANAN, AOT, AP, BAFS, BANPU, BAY, BCP, BCPG, BRR, BTS, BWG, CFRESH, CHO, CK, CKP, CM, CNT, COL, CPF, CPI, CPN, CSL, CSS, DELTA, DEMCO, DRT, DTAC, DTC, EA, EASTW, EGCO, GC, GEL, GFPT, GGC*, GOLD, GPSC, GRAMMY, GUNKUL, HANA, HMPRO, ICC, ICHI, INTUCH, IRPC, IVL, JSP, KBANK, KCE, KKP, KSL, KTB, KTC, LHFG, LIT, LPN, MAKRO, MBK, MCOT, MINT, MONO, MTC, NCL, NKI, NVD, NYT, OISHI, OTO, PCSGH, PDJ, PG, PHOL, PLANB, PLANET, PPS, PRG, PSH, PSL, PTG, PTT, PTTEP, PTTGC, PYLON, Q-CON, QH, QTC, RATCH, ROBINS, S & J, SABINA, SAMART, SAMTEL, SAT, SC, SCB, SCC, SCCC, SDC, SE-ED, SIS, SITHAI, SNC, SPALI, SPRC, SSSC, STEC, SVI, SYNTEC, TASCO, TCAP, THAI, THANA, THANI, THCOM, THIP, THREL, TIP, TISCO, TKT, TMB, TNDT, TOP, TRC, TRU, TRUE, TSC, TSTH, TTCL, TU, TVD, UAC, UV, VGI, VIH, WACOAL, WAVE, WHA, WINNER

★★★★

2S, AAV, ACAP, AGE, AH, AHC, AIRA, AIT, AKR, ALLA, ALT, AMA, AMANAH, APCO, AQUA, ARIP, ARROW, ASIA, ASIMAR, ASK, ASN, ASP, ATP30, AU, AUCT, AYUD, BA, BBL, BDMS, BEC, BEM, BFIT, BGRIM, BIZ, BJC, BJCHI, BLA, BOL, BPP, BROOK, BTW, CBG, CEN, CENTEL, CGH, CHEWA, CHG, CHOW, CI, CIMBT, CNS, COM7, COMAN, CPALL, CSC, CSP, DCC, DCORP, DDD, EASON, ECF, ECL, EE, EPG, ERW, ETE, FN, FNS, FORTH, FPI, FSMART, FVC, GBX, GCAP, GLOBAL, GLOW, GULF, HARN, HPT, HTC, HYDRO, ICN, ILINK, INET, IRC, ITD*, JAS, JCKH, JKN, JWD, K, KBS, KCAR, KGI, KKC, KOOL, KTIS, L&E, LANNA, LDC, LH, LHK, LOXLEY, LRH, LST, M, MACO, MAJOR, MALEE, MBKET, MC, MEGA, METCO, MFC, MFEC, MK, MOONG, MSC, MTI, NCH, NEP, NINE, NOBLE, NOK, NSI, NTV, NWR, OCC, OGC, ORI, PAP, PATO, PB, PDI, PJW, PLAT, PM, PORT, PPP, PREB, PRECHA, PRINC, PRM, PT, QLT, RICHY, RML, RS, RWI, S, S11, SALEE, SANKO, SAWAD, SCG, SCI, SCN, SE, SEAFCO, SEAOLIL, SELIC, SENA, SFP, SIAM, SINGER, SIRI, SKE, SMK, SMP, SMT, SNP, SORKON, SPC, SPI, SPPT, SPVI, SR, SSF, SST, STA, SUC, SUSCO, SUTHA, SWC, SYMC, SYNEX, TACC, TAE, TAKUNI, TBSP, TCC, TEAM, TFG, TFMAMA, THRE, TICON, TIPCO, TK, TKN, TKS, TM, TMC, TMI, TMILL, TMT, TNITY, TNL, TNP, TNR, TOA, TOG, TPA, TPAC, TPBI, TPCORP, TRITN, TRT, TSE, TSR, TSTE, TTA, TTW, TVI, TVO, TWP, TWPC, U, UMI, UOBKH, UP, UPF, UPOIC, UT, UWC, VNT, WHAUP, WICE, WIUK, XO, YUASA, ZMICO

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7UP, ABICO, ABM, AEC, AEONTS, AF, AJ, ALUCON, AMARIN, AMC, AS, ASAP, ASEFA, ASIAN, BCH, BEAUTY, BGT, BH, BIG, BLAND, BM, BR, BROCK, BSBM, BTNC, CCET, CCP, CGD, CHARAN, CHAYO, CITY, CMO, CMR, COLOR, CPL, CPT, CRD, CSR, CTW, CWT, D, DCON, DIGI, DIMET, EKH, EMC, EPCO, ESSO, ESTAR, FE, FLOYD, FOCUS, FSS, FTE, GENCO, GIFT, GJS, GLAND, GPI, GREEN, GTB, GYT, HTECH, IFS, IHL, III, INOX, INSURE, IRCP, IT, ITEL, J, JCK, JMART, JMT, JTS, JUBILE, KASET, KCM, KIAT, KWC, KWG, KYE, LALIN, LEE, LPH, MATCH, MATI, MBAX, M-CHAI, MDX, META, MILL, MJD, MM, MODERN, MPG, NC, NDR, NETBAY, NNCL, NPK, OCEAN, PAF, PDG, PF, PICO, PIMO, PK, PL, PLE, PMTA, PPPM, PRIN, PSTC, PTL, RCI, RCL, RJH, ROJNA, RPC, RPH, SAMCO, SAPPE, SCP, SF, SGF, SGP, SKN, SKR, SKY, SLP, SMIT, SOLAR, SPA, SPCG, SPG, SQ, SRICHA, SSC, SSP, STANLY, STPI, SUN, SUPER, SVOA, T, TCCC, TCMC, THE, THG, THMUI, TIC, TITLE, TIW, TMD, TOPP, TPCH, TPIPP, TPOLY, TTI, TVT, TYCN, UEC, UMS, UNIQ, VCOM, VIBHA, VPO, WIN, WORK, WP, WPH, ZIGA

Corporate Governance Report

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 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 date. SCB Securities Company Limited does not conform nor certify the accuracy of such survey result.

To recognize well performers, the list of companies attaining "Good", "Very Good" and "Excellent" levels of recognition

(Not including listed companies qualified in the "no announcement of the results" clause from 1 January 2017 to 19 October 2018) is publicized.

CSL was voluntarily delisted from the Stock Exchange of Thailand effectively on July 26, 2018

* บริษัทหรือกรรมการหรือผู้บริหารของบริษัทที่มีข่าวด้านการกำกับดูแลกิจการ เช่น การกระทำความผิดเกี่ยวกับหลักทรัพย์ การทุจริต คอร์รัปชัน เป็นต้น ซึ่งการใช้ข้อมูล CGR ควรตระหนักถึงข้อดังกล่าวประกอบด้วย

Anti-corruption Progress Indicator**Certified (ได้รับการรับรอง)**

ADVANC, AKP, AMANAH, AP, ASK, ASP, AYUD, BAFS, BANPU, BAY, BBL, BCH, BCP, BCPG, BJCHI, BKI, BLA, BROOK, BRR, BSBM, BTS, BWG, CENTEL, CFRESH, CIG, CM, CNS, CPALL, CPF, CPI, CPN, CSC, DCC, DEMCO, DIMET, DRT, DTAC, DTC, EASTW, ECL, EGCO, EPCO, FE, FNS, FSS, GBX, GC, GCAP, GEL, GFPT, GGC, GLOW, GOLD, GPSC, GUNKUL, HANA, HMPRO, HTC, ICC, IFEC, IFS, INET, INTUCH, IRPC, IVL, K, KASET, KBANK, KBS, KCAR, KCE, KGI, KKP, KSL, KTB, KTC, KWC, L&E, LANNA, LHFG, LHK, LPN, M, MAKRO, MALEE, MBAX, MBK, MBKET, MC, MCOT, MFC, MINT, MONO, MOONG, MSC, MTI, NBC, NINE, NKI, NMG, NSI, OCC, OCEAN, OGC, PATO, PB, PCSGH, PDG, PDI, PDJ, PE, PG, PHOL, PL, PLANET, PLAT, PM, PPP, PPPM, PPS, PREB, PRG, PRINC, PSH, PSTC, PT, PTG, PTT, PTTEP, PTTGC, Q-CON, QH, QLT, RATCH, RML, ROBINS, S & J, SABINA, SAT, SC, SCB, SCC, SCCC, SCG, SCN, SE-ED, SELIC, SENA, SGP, SINGER, SIRI, SIS, SITHAI, SMIT, SMK, SMP, SNC, SNP, SORKON, SPACK, SPC, SPI, SPRC, SRICHA, SSF, SSI, SSSC, STA, SUSCO, SVI, SYNTEC, TAE, TASCO, TCAP, TCMC, TFG, TFI, TFMAMA, THANI, THCOM, THRE, THREL, TICON, TIP, TIPCO, TISCO, TKT, TMB, TMD, TMILL, TMT, TNITY, TNL, TNP, TOG, TOP, TPA, TPCORP, TRU, TRUE, TSC, TSTH, TTCL, TU, TVD, TVI, TWPC, U, UBIS, UOBKH, VGI, VNT, WACOAL, WHA, WICE

Declared (ประกาศเจตนารมณ์)

A, ABICO, AIE, AJ, AMATA, AMATAV, ANAN, AOT, APCO, APCS, ARROW, ASIAN, B, BGRIM, BJC, BLAND, BLISS, BM, BPP, BR, BUI, CEN, CGH, CHEWA, CHG, CHO, CI, CIMBT, COL, COM7, CPR, DDD, EFORL, EKH, ESTAR, ETE, FLOYD, FN, FTE, GJS, GPI, GSTEL, GYT, HARN, ICHI, ILINK, INSURE, ITEL, JAS, JTS, KWG, LDC, LEE, LIT, LRH, MATCH, MATI, MFEC, MILL, MTC, NCL, NEP, NNCL, NWR, ORI, PAP, PK, PLANB, POST, PRM, PRO, PYLON, QTC, ROJNA, RWI, SAPPE, SCI, SHANG, SST, STANLY, SUPER, SWC, SYMC, SYNEX, THE, THIP, TKN, TMC, TNR, TOPP, TRITN, TTI, TVO, UEC, UKEM, UPA, UWC, VIH, XO, YUASA

N/A

2S, 7UP, AAV, ABM, ACAP, ACC, ADAM, ADB, AEC, AEONTS, AF, AFC, AGE, AH, AHC, AI, AIRA, AIT, AJA, AKR, ALLA, ALT, ALUCON, AMA, AMARIN, AMC, APEX, APURE, AQ, AQUA, ARIP, AS, ASAP, ASEFA, ASIA, ASIMAR, ASN, ATP30, AU, AUCT, BA, BAT-3K, BCT, BDMS, BEAUTY, BEC, BEM, BFIT, BGC, BGT, BH, BIG, BIZ, BKD, BOL, BROCK, BSM, BTNC, BTW, CBG, CCET, CCP, CGD, CHARAN, CHAYO, CHOTI, CHOW, CHUO, CITY, CK, CKP, CMAN, CMC, CMO, CMR, CNT, COLOR, COMAN, COTTO, CPH, CPL, CPT, CRANE, CRD, CSP, CSR, CSS, CTW, CWT, D, DCON, DCORP, DELTA, DIGI, DNA, DOD, DTCT, EA, EARTH, EASON, ECF, EE, EIC, EMC, EPG, ERW, ESSO, EVER, F&D, FANCY, FC, FMT, FOCUS, FORTH, FSMART, FVC, GENCO, GIFT, GL, GLAND, GLOBAL, GRAMMY, GRAND, GREEN, GTB, GULF, HFT, HPT, HTECH, HUMAN, HYDRO, ICN, IEC, IHL, III, INGRS, INOX, IRC, IRCP, IT, ITD, J, JCK, JCKH, JCT, JKN, JMART, JMT, JSP, JUBILE, JUTHA, JWD, KAMART, KC, KCM, KDH, KIAT, KKC, KOOL, KTECH, KTIS, KWM, KYE, LALIN, LH, LOXLEY, LPH, LST, LTX, LVT, MACO, MAJOR, MANRIN, MAX, M-CHAI, MCS, MDX, MEGA, META, METCO, MGT, MIDA, MJD, MK, ML, MM, MODERN, MPG, MPIC, MVP, NC, NCH, NDR, NER, NETBAY, NEW, NEWS, NFC, NOBLE, NOK, NPK, NPPG, NTV, NUSA, NVD, NYT, OHTL, OISHI, OSP, OTO, PACE, PAE, PAF, PERM, PF, PICO, PIMO, PJW, PLE, PMTA, POLAR, POMPU, PORT, PPM, PR9, PRAKIT, PRECHA, PRIN, PSL, PTL, RAM, RCI, RCL, RICH, RICHY, RJH, ROCK, ROH, RP, RPC, RPH, RS, RSP, S, S11, SAFARI, SALEE, SAM, SAMART, SAMCO, SAMTEL, SANKO, SAUCE, SAWAD, SAWANG, SCP, SDC, SE, SEAFCO, SEAOLIL, SF, SFP, SGF, SIAM, SIMAT, SKE, SKN, SKR, SKY, SLP, SMART, SMM, SMT, SOLAR, SONIC, SPA, SPALI, SPCG, SPG, SPORT, SPPT, SPVI, SQ, SR, SSC, SSP, STAR, STEC, STHAI, STPI, SUC, SUN, SUTHA, SVH, SVOA, T, TACC, TAKUNI, TAPAC, TBSP, TC, TCC, TCCC, TCI, TCOAT, TEAM, TEAMG, TGPRO, TH, THAI, THANA, THG, THL, THMUI, TIC, TIGER, TITLE, TIW, TK, TKS, TM, TMI, TMW, TNDT, TNH, TNPC, TOA, TPAC, TPBI, TPCH, TPIPL, TPIPP, TPLAS, TPOLY, TPP, TR, TRC, TRT, TRUBB, TSE, TSF, TSI, TSR, TSTE, TTA, TTL, TTTM, TTW, TVT, TWP, TWZ, TYCN, UAC, UMI, UMS, UNIQ, UP, UPF, UPOIC, UREKA, UT, UTP, UV, UVAN, VARO, VCOM, VI, VIBHA, VNG, VPO, WAVE, WG, WHAUP, WIUK, WIN, WINNER, WORK, WORLD, WP, WPH, WR, YCI, YNP, ZIGA, ZMICO

Explanations

Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of August 31, 2018) are categorised into: companies that have declared their intention to join CAC, and companies certified by CAC.