



Berli Jucker

Berli Jucker
Public Company Limited

BJC

Bloomberg BJC TB
Reuters BJC.BK

4Q19: Net profit beats on low tax rate

4Q19 net profit was Bt2.5bn, +16% YoY and +39% QoQ, above estimates on low effective tax rate. 4Q19 earnings before tax (EBT) came to Bt2.6bn, -3% YoY, from lower sales, gross margin and other income that overwhelmed the drop in SG&A expenses. Its earnings outlook is challenging, as we expect weak sentiment to shrink SSS in 1Q20TD in the mid- to high single digits. We will revisit our forecast after the March 4 analyst meeting. We maintain NEUTRAL with a DCF TP of Bt48.

4Q19 net profit was Bt2.5bn, +16% YoY and +39% QoQ, 7% above SCBS and 12% above consensus from a low effective tax rate. Excluding Bt8mn FX gains, 4Q19 core profit was Bt2.5bn, up 16% YoY and 71% QoQ, backed by a low effective tax rate of 0.1% (vs 15.5% in 4Q18 and 14% in 3Q19), benefitting from the tax restructuring after acquiring BIGC. 4Q19 EBT was Bt2.6bn, down 3% YoY from lower sales, gross margin and other income that overwhelmed the lower SG&A. After a 1H19 DPS of Bt0.18, BJC announced a 2H19 DPS of Bt0.73 (XD on April 30).

Lower revenue. Of 4Q19 revenue, 69% came from the modern retail supply chain (BIGC, MSC), 13% from the packaging supply chain (PSC), 12% from the consumer supply chain (CSC) and 6% from the healthcare and technical supply chain (H&TSC). 4Q19 revenue fell 2% YoY to Bt41bn on lower revenue in all units except for CSC. MSC revenue slid 2% YoY with an SSS contraction of 6.3% YoY (SSS growth was -5.8% YoY if excluding B2B sales) offsetting store expansion. In 4Q19, it opened 3 hypermarket stores, 149 mini BigC stores (but closed 20) and 2 Pure Drug stores, giving it 151 large stores (Big C Supercenter, Extra, and Jumbo), 62 Big C Markets, 1,016 Mini Big Cs, and 145 Pure Drug stores. PSC revenue fell 8% YoY from lower glass packaging sales (-10% YoY) off the high base from opening a new furnace in 4Q18 and early shipment to customers in 3Q19 plus lower aluminum can sales (-4% YoY) from the move to new clients from an old energy drink client. H&TSC revenue slipped 3% YoY from delayed government spending. CSC revenue grew 8% YoY from higher sales from international trading (+19% YoY) and segment food (+9% YoY).

Margin trend. Gross margin softened 20bps YoY to 19.7% from a lower margin in all units except for MSC. Margin rose at MSC (+80bps YoY) from a drop in B2B sales to 5.8% in 4Q19 from 6.5% in 4Q18, lower price discount and lower logistics costs. Margin dropped at PSC (-280bps YoY) from low economies of scale and more low-margin sales, CSC (-70bps YoY) from more low-margin trading business sales, and H&TSC (-50bps YoY) from more low-margin projects. EBIT margin rose 10bps YoY to 9.5% from lower SG&A expenses (-5% YoY) without property tax expenses, as it booked about Bt150mn in 4Q18 from a change in accounting treatment, and lower utility cost, outpacing a softer gross margin and lower other income (-5% YoY) from lower revenue sharing from tenants for its rental area.

Forecasts and valuation

Year to 31 Dec	Unit	2018	2019	2020F	2021F	2022F
Revenue	(Btmn)	156,142	158,009	162,627	168,030	173,893
EBITDA	(Btmn)	21,032	21,280	22,063	22,704	23,442
Core profit	(Btmn)	6,444	7,205	7,392	7,842	8,565
Reported profit	(Btmn)	6,650	7,278	7,392	7,842	8,565
Core EPS	(Bt)	1.61	1.80	1.85	1.96	2.14
DPS	(Bt)	0.73	0.91	0.92	0.98	1.07
P/E, core	(x)	23.0	20.6	20.0	18.9	17.3
EPS growth, core	(%)	25.6	11.7	2.6	6.1	9.2
P/BV, core	(x)	1.3	1.2	1.2	1.2	1.2
ROE	(%)	5.7	6.1	6.2	6.5	7.1
Dividend yield	(%)	2.0	2.5	2.5	2.6	2.9
FCF yield	(x)	4.1	7.1	5.9	6.1	6.8
EV/EBIT	(x)	22.5	22.0	20.9	20.1	19.2
EBIT growth, core	(%)	6.5	1.1	4.6	3.4	3.9
EV/CE	(x)	1.1	1.1	1.1	1.1	1.1
ROCE	(%)	(0.7)	(0.8)	(0.7)	(0.8)	(0.8)
EV/EBITDA	(x)	14.4	14.1	13.5	13.1	12.6
EBITDA growth	(%)	5.0	1.2	3.7	2.9	3.2

Source: SCBS Investment Research

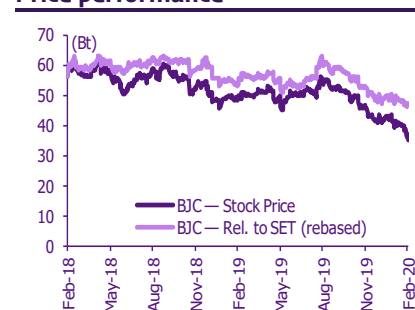
NEUTRAL

Stock data

Last close (Feb 27) (Bt)	37.00
12-m target price (Bt)	48.00
Upside (Downside) to TP (%)	29.73
Mkt cap (Btbn)	148.25
Mkt cap (US\$mn)	4,686

Risk rating	L
Mkt cap (%) SET	0.99
Sector % SET	10.15
Shares issued (mn)	4,007
Par value (Bt)	1.00
12-m high / low (Bt)	56.5 / 34.3
Avg. daily 6m (US\$mn)	8.41
Foreign limit / actual (%)	49 / 13
Free float (%)	25.7
Dividend policy (%)	≥ 50

Price performance



Source: SET, SCBS Investment Research

Share performance

(%)	1M	3M	12M
Absolute	(4.5)	(18.1)	(24.7)
Relative to SET	3.5	(6.3)	(10.9)

Source: SET, SCBS Investment Research

Expected total return (ETR)

Target price	(Bt)	48.00
12-month dividend	(Bt)	0.92
Capital gain	(%)	29.73
Dividend yield	(%)	2.49
Total return	(%)	32.22

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	2015	2016	2017	2018	2019	2020F	2021F	2022F
Total revenue	(Btmn)	42,893	125,330	149,158	156,142	158,009	162,627	168,030	173,893
Cost of goods sold	(Btmn)	(33,071)	(102,735)	(120,706)	(126,173)	(127,120)	(130,430)	(134,569)	(139,137)
Gross profit	(Btmn)	9,822	22,595	28,452	29,968	30,889	32,197	33,461	34,756
SG&A	(Btmn)	(7,179)	(24,324)	(30,686)	(32,263)	(33,270)	(34,637)	(35,962)	(37,280)
Other income	(Btmn)	1,500	11,204	14,885	15,771	16,009	16,698	17,243	17,845
Interest expense	(Btmn)	(493)	(5,203)	(4,528)	(4,719)	(4,971)	(4,997)	(4,964)	(4,697)
Pre-tax profit	(Btmn)	3,650	4,272	8,122	8,757	8,657	9,260	9,779	10,624
Corporate tax	(Btmn)	(400)	(983)	(2,260)	(1,569)	(829)	(1,389)	(1,467)	(1,594)
Equity a/c profits	(Btmn)	87	181	24	(110)	(128)	20	30	36
Minority interests	(Btmn)	(661)	(1,015)	(764)	(634)	(496)	(499)	(500)	(501)
Core profit	(Btmn)	2,676	2,455	5,122	6,444	7,205	7,392	7,842	8,565
Extra-ordinary items	(Btmn)	116	851	88	206	74	0	0	0
Net Profit	(Btmn)	2,792	3,307	5,211	6,650	7,278	7,392	7,842	8,565
EBITDA	(Btmn)	6,263	15,570	20,040	21,032	21,280	22,063	22,704	23,442
Core EPS (Bt)	(Btmn)	1.68	0.95	1.28	1.61	1.80	1.85	1.96	2.14
Net EPS (Bt)	(Bt)	1.75	1.28	1.31	1.66	1.82	1.85	1.96	2.14
DPS (Bt)	(Bt)	0.84	0.50	0.57	0.73	0.91	0.92	0.98	1.07

Balance Sheet

FY December 31	Unit	2015	2016	2017	2018	2019	2020F	2021F	2022F
Total current assets	(Btmn)	18,380	35,993	38,542	43,360	42,921	41,304	42,243	43,337
Total fixed assets	(Btmn)	26,320	272,708	276,517	280,700	282,884	282,026	281,137	280,094
Total assets	(Btmn)	44,701	308,701	315,059	324,060	325,804	323,330	323,379	323,430
Total loans	(Btmn)	14,975	152,476	157,180	160,933	157,950	153,900	152,050	149,550
Total current liabilities	(Btmn)	15,313	51,851	50,254	90,286	75,881	57,289	62,033	68,839
Total long-term liabilities	(Btmn)	8,637	145,701	153,631	118,001	130,187	145,672	140,658	133,085
Total liabilities	(Btmn)	23,950	197,553	203,886	208,286	206,068	202,961	202,690	201,924
Paid-up capital	(Btmn)	1,592	3,990	3,996	4,003	4,007	4,007	4,007	4,007
Total equity	(Btmn)	20,750	111,148	111,173	115,774	119,736	120,370	120,689	121,506
BVPS (Bt)	(Bt)	13.03	42.87	27.85	28.95	29.90	30.06	30.14	30.34

Cash Flow Statement

FY December 31	Unit	2015	2016	2017	2018	2019	2020F	2021F	2022F
Core Profit	(Btmn)	2,676	2,455	5,122	6,444	7,205	7,392	7,842	8,565
Depreciation and amortization	(Btmn)	2,121	6,095	7,389	7,556	7,652	7,805	7,961	8,120
Operating cash flow	(Btmn)	4,693	17,938	17,380	17,636	18,700	15,411	16,168	17,088
Investing cash flow	(Btmn)	(1,611)	(208,512)	(14,846)	(11,641)	(8,114)	(6,664)	(7,072)	(7,078)
Financing cash flow	(Btmn)	(3,151)	192,912	(1,390)	(4,683)	(9,992)	(10,730)	(9,373)	(10,248)
Net cash flow	(Btmn)	(69)	2,338	1,145	1,312	594	(1,983)	(276)	(237)

Key Financial Ratios

FY December 31	Unit	2015	2016	2017	2018	2019	2020F	2021F	2022F
Gross margin	(%)	22.9	18.0	19.1	19.2	19.5	19.8	19.9	20.0
Operating margin	(%)	6.2	(1.4)	(1.5)	(1.5)	(1.5)	(1.5)	(1.5)	(1.5)
EBITDA margin	(%)	14.6	12.4	13.4	13.5	13.5	13.6	13.5	13.5
EBIT margin	(%)	9.7	7.6	8.5	8.6	8.6	8.8	8.8	8.8
Net profit margin	(%)	6.5	2.6	3.5	4.3	4.6	4.5	4.7	4.9
ROE	(%)	13.8	3.7	4.6	5.7	6.1	6.2	6.5	7.1
ROA	(%)	6.1	1.4	1.6	2.0	2.2	2.3	2.4	2.6
Net D/E	(x)	0.7	1.3	1.4	1.3	1.3	1.2	1.2	1.2
Interest coverage	(x)	12.7	3.0	4.4	4.5	4.3	4.4	4.6	5.0
Debt service coverage	(x)	0.8	0.6	0.9	0.3	0.5	0.8	0.7	0.6
Payout Ratio	(%)	47.9	39.2	43.7	43.9	50.1	50.0	50.0	50.0

Main Assumptions

FY December 31	Unit	2015	2016	2017	2018	2019	2020F	2021F	2022F
SSS growth (MSC)	(%)	(3.0)	(12.8)	(5.6)	1.0	(2.7)	0.5	1.5	1.5
New stores, all formats (MSC)	(Stores)	98	63	180	154	243	210	210	210
Ending stores, all formats (MSC)	(Stores)	734	797	977	1,131	1,374	1,584	1,794	2,004
New stores, hypermarket (MSC)	(Stores)	2	6	9	7	4	4	4	4
Ending stores, hypermarket (MSC)	(Stores)	125	131	140	147	151	155	159	163
Gross profit margin (MSC)	(%)	13.7	14.7	16.7	16.5	17.1	17.2	17.3	17.4

Financial statement

Profit and Loss Statement

FY December 31	Unit	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19
Total revenue	(Btmn)	37,069	39,024	38,823	41,226	38,389	40,435	38,620	40,565
Cost of goods sold	(Btmn)	(30,055)	(31,707)	(31,414)	(32,998)	(30,969)	(32,368)	(31,222)	(32,561)
Gross profit	(Btmn)	7,014	7,317	7,409	8,228	7,421	8,067	7,399	8,003
SG&A	(Btmn)	(7,597)	(8,030)	(8,096)	(8,539)	(8,227)	(8,571)	(8,348)	(8,124)
Other income	(Btmn)	3,737	3,925	3,923	4,186	3,929	4,044	4,069	3,967
Interest expense	(Btmn)	(1,146)	(1,170)	(1,193)	(1,211)	(1,197)	(1,245)	(1,256)	(1,272)
Pre-tax profit	(Btmn)	2,008	2,042	2,043	2,664	1,925	2,294	1,864	2,574
Corporate tax	(Btmn)	(506)	(456)	(195)	(412)	(289)	(274)	(264)	(2)
Equity a/c profits	(Btmn)	(6)	(76)	(39)	10	6	(81)	(44)	(10)
Minority interests	(Btmn)	(184)	(195)	(115)	(140)	(146)	(138)	(114)	(98)
Core profit	(Btmn)	1,312	1,316	1,694	2,122	1,496	1,802	1,442	2,465
Extra-ordinary items	(Btmn)	133	80	(11)	3	8	(274)	332	8
Net Profit	(Btmn)	1,445	1,396	1,683	2,126	1,504	1,528	1,774	2,473
EBITDA	(Btmn)	5,020	5,109	5,110	5,794	5,005	5,443	5,025	5,807
Core EPS (Bt)	(Btmn)	0.33	0.33	0.42	0.53	0.37	0.45	0.36	0.62
Net EPS (Bt)	(Bt)	0.36	0.35	0.42	0.53	0.38	0.38	0.44	0.62

Balance Sheet

FY December 31	Unit	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19
Total current assets	(Btmn)	38,491	38,190	38,876	43,360	43,120	41,138	40,249	42,921
Total fixed assets	(Btmn)	276,842	276,968	278,273	279,661	279,656	278,863	279,522	282,884
Total assets	(Btmn)	315,332	315,159	317,148	323,021	322,775	320,002	319,771	325,804
Total loans	(Btmn)	156,973	157,453	159,195	160,917	160,572	158,288	158,111	157,950
Total current liabilities	(Btmn)	61,514	59,247	85,047	90,286	83,156	93,724	72,875	75,881
Total long-term liabilities	(Btmn)	141,574	143,673	118,985	117,651	123,203	110,681	130,226	130,187
Total liabilities	(Btmn)	203,088	202,920	204,032	207,937	206,359	204,406	203,101	206,068
Paid-up capital	(Btmn)	3,997	4,000	4,002	4,003	4,003	4,005	4,006	4,007
Total equity	(Btmn)	112,245	112,239	113,117	115,084	116,416	115,596	116,670	119,736
BVPS (Bt)	(Bt)	28.08	28.07	28.27	28.76	29.07	28.87	29.13	29.90

Cash Flow Statement

FY December 31	Unit	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19
Core Profit	(Btmn)	1,445	1,396	1,683	2,126	1,504	1,528	1,774	2,473
Depreciation and amortization	(Btmn)	1,867	1,896	1,874	1,919	1,883	1,903	1,905	1,961
Operating cash flow	(Btmn)	2,637	4,214	4,790	5,995	3,925	5,258	3,784	5,733
Investing cash flow	(Btmn)	(2,205)	(2,136)	(3,002)	(4,298)	(2,150)	(1,612)	(2,138)	(2,214)
Financing cash flow	(Btmn)	(1,653)	(1,899)	(1,035)	(96)	(1,096)	(5,513)	(2,313)	(1,070)
Net cash flow	(Btmn)	(1,221)	179	753	1,601	679	(1,868)	(667)	2,449

Key Financial Ratios

FY December 31	Unit	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19
Gross margin	(%)	18.9	18.8	19.1	20.0	19.3	19.9	19.2	19.7
Operating margin	(%)	(1.6)	(1.8)	(1.8)	(0.8)	(2.1)	(1.2)	(2.5)	(0.3)
EBITDA margin	(%)	13.5	13.1	13.2	14.1	13.0	13.5	13.0	14.3
EBIT margin	(%)	8.5	8.2	8.3	9.4	8.1	8.8	8.1	9.5
Net profit margin	(%)	3.9	3.6	4.3	5.2	3.9	3.8	4.6	6.1
ROE	(%)	4.7	4.7	6.0	7.4	5.2	6.2	5.0	8.3
ROA	(%)	1.7	1.7	2.1	2.7	1.9	2.2	1.8	3.1
Net D/E	(x)	1.4	1.4	1.4	1.3	1.3	1.3	1.3	1.3
Interest coverage	(x)	4.4	4.4	4.3	4.8	4.2	4.4	4.0	4.6
Debt service coverage	(x)	0.6	0.6	0.3	0.4	0.4	0.3	0.4	0.5

Main Assumptions

FY December 31	Unit	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19
SSS growth (MSC)	(%)	0.3	(0.5)	2.5	1.8	1.0	(0.3)	(4.9)	(6.3)
New stores, all formats (MSC)	(Stores)	26	27	28	73	14	38	57	134
Ending stores, all formats (MSC)	(Stores)	1,003	1,030	1,058	1,131	1,145	1,183	1,239	1,374
New stores, hypermarket (MSC)	(Stores)	2	1	2	2	0	0	1	3
Ending stores, hypermarket (MSC)	(Stores)	142	143	145	147	147	147	147	151
Gross profit margin (MSC)	(%)	15.9	16.1	16.8	17.2	16.3	17.4	17.1	18.0

Figure 1: Earnings review

P & L (Btmn)	4Q18	1Q19	2Q19	3Q19	4Q19	% Chg YoY	% Chg QoQ	2018	2019	% Chg YoY
Total revenue	41,226	38,389	40,435	38,620	40,565	(1.6)	5.0	156,142	158,009	1.2
Gross profit	8,228	7,421	8,067	7,399	8,003	(2.7)	8.2	29,968	30,889	3.1
SG&A expense	(8,539)	(8,227)	(8,571)	(8,348)	(8,124)	(4.9)	(2.7)	(32,263)	(33,270)	3.1
Net other income/expense	4,186	3,929	4,044	4,069	3,967	(5.2)	(2.5)	15,771	16,009	1.5
Interest expense	(1,211)	(1,197)	(1,245)	(1,256)	(1,272)	5.1	1.2	(4,719)	(4,971)	5.3
Pre-tax profit	2,664	1,925	2,294	1,864	2,574	(3.4)	38.1	8,757	8,657	(1.1)
Corporate tax	(412)	(289)	(274)	(264)	(2)	(100)	(99.4)	(1,569)	(829)	(47.2)
Equity a/c profits	10	6	(81)	(44)	(10)	(195.1)	(78.0)	(110)	(128)	16.3
Minority interests	(140)	(146)	(138)	(114)	(98)	(30.2)	(14.0)	(634)	(496)	(21.8)
EBITDA	5,794	5,005	5,443	5,025	5,807	0.2	15.6	21,032	21,280	1.2
Core profit	2,122	1,496	1,802	1,442	2,465	16.1	71.0	6,444	7,205	11.8
Extra. Gain (Loss)	3	8	(274)	332	8	122.5	(97.7)	206	74	(64.2)
Net Profit	2,126	1,504	1,528	1,774	2,473	16.3	39.4	6,650	7,278	9.4
Net EPS	0.53	0.38	0.38	0.44	0.62	16.3	39.4	1.66	1.82	9.4
B/S (Btmn)										
Total assets	323,021	322,775	320,002	319,771	325,804	0.9	1.9	323,021	325,804	0.9
Total liabilities	207,937	206,359	204,406	203,101	206,068	(0.9)	1.5	207,937	206,068	(0.9)
Total equity	115,084	116,416	115,596	116,670	119,736	4.0	2.6	115,084	119,736	4.0
BVPS (Bt)	28.76	29.10	28.89	29.16	29.93	4.0	2.6	28.76	30	4.0
Financial ratio (%)										
Gross margin	20.0	19.3	19.9	19.2	19.7	(0.2)	0.6	19.2	19.5	0.4
EBITDA margin	14.1	13.0	13.5	13.0	14.3	0.3	1.3	13.5	13.5	(0.0)
Net profit margin	5.2	3.9	3.8	4.6	6.1	0.9	1.5	4.3	4.6	0.3
SG&A expense/Revenue	20.7	21.4	21.2	21.6	20.0	(0.7)	(1.6)	20.7	21.1	0.4

Source: SCBS Investment Research

Figure 2: Key statistics

	4Q18	1Q19	2Q19	3Q19	4Q19	% Chg YoY	% Chg QoQ	2018	2019	% Chg YoY
Sales (Bt mn)	41,226	38,389	40,435	38,620	40,565	(1.6)	5.0	156,142	158,009	1.2
- PSC	5,851	4,896	4,989	5,064	5,411	(7.5)	6.9	21,093	20,360	(3.5)
- CSC	4,578	4,728	4,734	4,470	4,965	8.5	11.1	17,694	18,896	6.8
- H&TSC	2,603	1,998	2,079	2,239	2,526	(3.0)	12.8	8,422	8,843	5.0
- MSC	28,532	27,047	28,990	27,274	28,078	(1.6)	2.9	109,847	111,389	1.4
GPM (%)	20.0	19.3	19.9	19.2	19.7	(0.2)	0.6	19.2	19.5	0.4
- PSC	21.3	22.7	21.1	18.2	18.5	(2.8)	0.3	22.0	20.1	(1.9)
- CSC	20.8	21.9	21.6	20.9	20.1	(0.7)	(0.8)	20.6	21.1	0.5
- H&TSC	33.1	32.0	31.0	28.2	32.6	(0.5)	4.4	32.2	31.0	(1.2)
- MSC	17.2	16.3	17.4	17.1	18.0	0.8	0.9	16.5	17.1	0.6

Source: SCBS Investment Research

Figure 3: Valuation summary (price as of Feb 27, 2020)

	Rating	Price (Bt/Sh)	Target (Bt/Sh)	ETR (%)	P/E (x)			EPS growth (%)			P/BV (x)			ROE (%)			Div. Yield (%)			EV/EBITDA (x)		
					19A	20F	21F	19A	20F	21F	19A	20F	21F	19A	20F	21F	19A	20F	21F	19A	20F	21F
BJC	Neutral	37.00	48.0	32.2	20.6	20.0	18.9	12	3	6	1.2	1.2	1.2	6	6	7	2.5	2.5	2.6	14.1	13.5	13.1
CPALL	Buy	67.50	90.0	35.4	27.7	25.6	23.0	8	8	12	5.6	5.0	4.4	22	21	21	1.9	2.0	2.3	16.0	15.1	13.8
GLOBAL	Buy	13.60	18.0	33.9	27.1	25.4	22.2	5	7	14	3.5	3.3	3.0	14	13	14	1.5	1.6	1.8	19.0	17.6	15.6
HMPRO	Buy	12.90	15.5	23.2	27.5	26.1	23.7	9	5	10	8.0	7.5	6.9	30	30	30	2.9	3.1	3.4	16.5	15.8	14.5
MAKRO	Neutral	33.50	39.0	19.3	25.7	24.7	23.1	5	4	7	7.8	7.1	6.4	31	30	29	2.9	2.9	2.9	15.0	15.0	13.9
Average					25.7	24.4	22.2	8	5	10	5.2	4.8	4.4	21	20	20	2.3	2.4	2.6	16.1	15.4	14.2

Source: SCBS Investment Research

Disclaimer

The information in this report has been obtained from sources believed to be reliable. However, its accuracy or completeness is not guaranteed. Any opinions expressed herein reflect our judgment at this date and are subject to change without notice. This report is for information only. It is not to be construed as an offer, or solicitation of an offer to sell or buy any securities. We accept no liability for any loss arising from the use of this document. We or our associates may have an interest in the companies mentioned therein.

SCB Securities Company Limited ("SCBS") is a wholly-owned subsidiary of The Siam Commercial Bank Public Company Limited ("SCB"). Any information related to SCB is for sector comparison purposes.

SCB Securities Company Limited ("SCBS") acts as market maker and issuer of Derivative Warrants on the ordinary shares INTUCH.

Before making an investment decision over a derivative warrant, an investor should carefully read the prospectus for the details of the said derivative warrants. Any opinion, news, research, analyse, price, statement, forecast, projection and/or other information contained in this document (the "Information") is provided as general purpose information only, and shall not be construed as a recommendation to any person of an offer to buy or sell, or the solicitation of an offer to buy or sell, any securities. SCBS and/or its directors, officers, employees, and agents shall not be liable for any direct, indirect, incidental, special or consequential loss or damage, resulting from the use of, or reliance on, the Information, including without limitation, damages for loss of profits. The investor should use the Information in association with other information and opinion, including his/her own judgment in making investment decision. The Information is obtained from sources believed to be reliable, and SCBS cannot guarantee the accuracy, completeness and/or correctness of the Information.

SCBS reserves the right to modify the Information from time to time at its sole discretion without giving any notice. This document is delivered to intended recipient(s) only and is not permitted to reproduce, retransmit, disseminate, sell, distribute, republish, circulate or commercially exploit the Information in any manner without the prior written consent of SCBS.

This document is prepared by SCB Securities Company Limited ("SCBS") which is wholly-owned by The Siam Commercial Bank Public Company Limited ("SCB"). SCB has acted as Financial Advisor of SCG Packaging Public Company Limited. SCBS has acted as Joint Lead Underwriter of SCG Packaging Public Company Limited. Any opinions, news, research, analyses, prices, statements, forecasts, projections and/or other information contained in this document (the "Information") is provided as general information purposes only, and shall not be construed as individualized recommendation of an offer to buy or sell or the solicitation of an offer to buy or sell any securities. SCBS and/or its directors, officers and employees shall not be liable for any direct, indirect, incidental, special or consequential loss or damage, resulting from the use of or reliance on the Information, including without limitation to, damages for loss of profits. The investors shall use the Information in association with other information and opinion, including their own judgment in making investment decision. The Information is obtained from sources believed to be reliable, and SCBS cannot guarantee the accuracy, completeness and/or correctness of the Information.

SCBS reserves the right to modify the Information from time to time without notice and in its sole discretion. This document is delivered to intended recipient(s) only and is not permitted to reproduce, retransmit, disseminate, sell, distribute, republish, circulate or commercially exploit the Information in any manner without the prior written consent of SCBS.

This document is prepared by SCB Securities Company Limited ("SCBS") which is wholly-owned by The Siam Commercial Bank Public Company Limited ("SCB"). SCB has acted as Financial Advisor, Lead Arranger of Global Power Synergy Public Company Limited. Any opinions, news, research, analyses, prices, statements, forecasts, projections and/or other information contained in this document (the "Information") is provided as general information purposes only, and shall not be construed as individualized recommendation of an offer to buy or sell or the solicitation of an offer to buy or sell any securities. SCBS and/or its directors, officers and employees shall not be liable for any direct, indirect, incidental, special or consequential loss or damage, resulting from the use of or reliance on the Information, including without limitation to, damages for loss of profits. The investors shall use the Information in association with other information and opinion, including their own judgment in making investment decision. The Information is obtained from sources believed to be reliable, and SCBS cannot guarantee the accuracy, completeness and/or correctness of the Information.

This document is prepared by SCB Securities Company Limited ("SCBS") which is wholly-owned by The Siam Commercial Bank Public Company Limited ("SCB"). SCB Asset Management Company Limited ("SCBAM") which is wholly-owned by The Siam Commercial Bank Public Company Limited ("SCB"). SCB has acted as Financial Advisor of Digital Telecommunications Infrastructure Fund. SCBAM has acted as Fund Manager of Digital Telecommunications Infrastructure Fund. Any opinions, news, research, analyses, prices, statements, forecasts, projections and/or other information contained in this document (the "Information") is provided as general information purposes only, and shall not be construed as individualized recommendation of an offer to buy or sell or the solicitation of an offer to buy or sell any securities. SCBS and/or its directors, officers and employees shall not be liable for any direct, indirect, incidental, special or consequential loss or damage, resulting from the use of or reliance on the Information, including without limitation to, damages for loss of profits. The investors shall use the Information in association with other information and opinion, including their own judgment in making investment decision. The Information is obtained from sources believed to be reliable, and SCBS cannot guarantee the accuracy, completeness and/or correctness of the Information.

Futures and Options trading carry a high level of risk with the potential for substantial losses, and are not suitable for all persons. Before deciding to trade Futures and Options, you should carefully consider your financial position, investment objectives, level of experience, and risk appetite if Futures and Options trading are appropriate. The possibility exists that you could sustain a loss of some or all of your initial investment. You should be aware of all the risks associated with Futures and Options trading, and you are advised to rely on your own judgment while making investment decision and/or should seek advice from professional investment advisor if you have any doubts.

This document is delivered to intended recipient(s) only and is not permitted to reproduce, retransmit, disseminate, sell, distribute, republish, circulate or commercially exploit the Information in any manner without the prior written consent of SCBS.

Copyright©2012 SCB Securities Company Limited. All rights reserved.

CG Rating 2019 Companies with CG Rating**Companies with Excellent CG Scoring**

AAV, ADVANC, AIRA, AKP, AKR, AMA, AMATA, AMATAV, ANAN, AOT, AP, ARROW, BAFS, BANPU, BAY, BCP, BCPG, BOL, BRR, BTS, BTW, BWG, CFRESH, CHEWA, CHO, CK, CKP, CM, CNT, COL, COMAN, CPALL, CPF, CPI, CPN, CSS, DELTA, DEMCO, DRT, DTAC, DTC, EA, EASTW, ECF, EGCO, GBX, GC, GCAP, GEL, GFPT, GGC, GOLD, GPSC, GRAMMY, GUNKUL, HANA, HARN, HMPRO, ICC, ICHI, III, ILINK, INTUCH, IRPC, IVL, JKN, JSP, K, KBANK, KCE, KKP, KSL, KTB, KTC, KTIS, LH, LHFG, LIT, LPN, MAKRO, MALEE, MBK, MBKET, MC, MCOT, MFEC, MINT, MONO*, MTC, NCH, NCL, NKI, NSI, NVD, NYT, OISHI, OTO, PAP, PCSGH, PDJ, PG, PHOL, PJW, PLANB, PLANET, PORT, PPS, PR9, PREB, PRG, PRM, PSH, PSL, PTG, PTT, PTTEP, PTTGC, PYLON, Q-CON, QH, QTC, RATCH, ROBINS, RS, S, S & J, SABINA, SAMART, SAMTEL, SAT, SC, SCB, SCC, SCCC, SCN, SDC, SEAFCO, SEAOL, SE-ED, SELIC, SENA, SIS, SITHAI, SNC, SORKON, SPALI, SPI, SPRC, SSSC, STA, STEC, SVI, SYNTEC, TASCO, TCAP, THAI, THANA, THANI, THCOM, THIP, THREL, TIP, TISCO, TK, TKT, TMB, TMILL, TNDT, TOA, TOP, TRC, TRU, TRUE, TSC, TSR, TSTH, TTA, TTCL, TTW, TU, TVD, TVO, U, UAC, UV, VGI, VIH, WACOAL, WAVE, WHA, WHAUP, WICE, WINNER

Companies with Very Good CG Scoring

2S, ABM, ADB, AF, AGE, AH, AHC, AIT, ALLA, ALT, AMANAH, AMARIN, APCO, APCS, AQUA, ARIP, ASAP, ASIA, ASIAN, ASIMAR, ASK, ASN, ASP, ATP30, AUCT, AYUD, B, BA, BBL, BDMS, BEC, BEM, BFIT, BGC, BGRIM, BIZ, BJC, BJCHI, BLA, BPP, BROOK, CBG, CEN, CENTEL, CGH, CHG, CHOTI, CHOW, CI, CIMBT, CNS, COLOR, COM7, COTTO, CRD, CSC, CSP, DCC, DCON, DDD, DOD, EASON, ECL, EE, EPG, ERW, ESTAR, ETE, FLOYD, FN, FNS, FORTH, FPI, FPT, FSMART, FSS, FVC, GENCO, GJS, GL, GLOBAL, GLOW, GULF, HPT, HTC, HYDRO, ICN, IFS, INET, INSURE, IRC, IRCP, IT, ITD*, ITEL, J, JAS*, JCK, JCKH, JMART, JMT, JWD, KBS, KCAR, KGI, KIAT, KOOL, KWC, KWM, L&E, LALIN, LANNA, LDC, LHK, LOXLEY, LRH, LST, M, MACO, MAJOR, MBAX, MEGA, METCO, MFC, MK, MODERN, MOONG, MPG, MSC, MTI, NEP, NETBAY, NEX, NINE, NOBLE, NOK, NTV, NWR, OCC, OGC, ORI, OSP, PATO, PB, PDG, PDI, PL, PLAT, PM, PPP, PRECHA, PRIN, PRINC, PSTC, PT, QLT, RCL, RICHY, RML, RWI, S11, SAAM, SALEE, SAMCO, SANKO, SAPPE, SAWAD, SCG, SCI, SCP, SE, SFP, SIAM, SINGER, SIRI, SKE, SKR, SKY, SMT, SMK, SMP, SMT, SNP, SONIC, SPA, SPC, SPCG, SPVI, SR, SRICHA, SSC, SSF, SST, STANLY, STPI, SUC, SUN, SUSCO, SUTHA, SWC, SYMC, SYNEX, T, TACC, TAE, TAKUNI, TBSP, TCC, TCMC, TEAM, TEAMG, TFG, TFMAMA, THG, THRE, TIPCO, TITLE, TIW, TKN, TKS, TM, TMC, TMD, TMI, TMT, TNITY, TNL, TNP, TNR, TOG, TPA, TPAC, TPBI, TPCORP, TPOLY, TRITN, TRT, TSE, TSTE, TVI, TVT, TWP, TWPC, UBIS, UEC, UMI, UOBKH, UP, UPF, UPOIC, UT, UWC, VNT, WIIK, XO, YUASA, ZEN, ZMICO

Companies with Good CG Scoring

A, ABICO, ACAP*, AEC, AEONTS, AJ, ALUCON, AMC, APURE, AS, ASEFA, AU, B52, BCH, BEAUTY, BGT, BH, BIG, BLAND, BM, BR, BROCK, BSBM, BSM, BTNC, CCET, CCP, CGD, CHARAN, CHAYO, CITY, CMAN, CMC, CMO, CMR, CPL, CPT, CSR, CTW, CWT, D, DIMET, EKH, EMC, EPCO, ESSO, FE, FTE, GIFT, GLAND, GLOCON, GPI, GREEN, GTB, GYT, HTECH, HUMAN, IHL, INGRS, INOX, JTS, JUBILE, KASET, KCM, KKC, KWG, KYE, LEE, LPH, MATCH, MATI, M-CHAI, MCS, MDX, META, MGT, MJD, MM, MVP, NC, NDR, NER, NNCL, NPK, NUSA, OCEAN, PAF, PF, PICO, PIMO, PK, PLE, PMTA, POST, PPM, PROUD, PTL, RCI, RJH, ROJNA, RPC, RPH, SF, SGF, SGP, SKN, SLP, SMART, SOLAR, SPG, SQ, SSP, STI, SUPER, SVOA, TCCC, THE, THMUI, TIC, TIGER, TNH, TOPP, TPCH, TPIPP, TPLAS, TQM, TTI, TYCN, UTP, VCOM, VIBHA, VPO, WIN, WORK, WP, WPH, ZIGA

Corporate Governance Report

The material contained in this publication is for general information only and is not intended as advice on any of the matters discussed herein. Readers and others should perform their own independent analysis as to the accuracy or completeness or legality of such information. The Thai Institute of Directors, its officers, the authors and editor make no representation or warranty as to the accuracy, completeness or legality of any of the information contained herein. By accepting this document, each recipient agrees that the Thai Institute of Directors Association, its officers, the authors and editor shall not have any liability for any information contained in, or for any omission from, this publication.

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 2018 to 25 October 2019) is publicized.

* บริษัทหรือกรรมการหรือผู้บริหารของบริษัทที่มีข้อขัดข้องเกี่ยวกับการกำกับดูแลกิจการ เช่น การกระทำความผิดเกี่ยวกับหลักทรัพย์ การทุจริต คอร์รัปชัน เป็นต้น ซึ่งการใช้ข้อมูล CGR ควรตระหนักถึงข้อดังกล่าวประกอบด้วย

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

ADVANC, AIE, AKP, AMANAH, AP, APCS, AQUA, ARROW, ASK, ASP, AYUD, BAFS, BANPU, BAY, BBL, BCH, BCP, BCPG, BGRIM, BJCHI, BKI, BLA, BROOK, BRR, BSBM, BTS, BWG, CEN, CENTEL, CFRESH, CGH, CHEWA, CIG, CIMBT, CM, CNS, COM7, CPALL, CPF, CPI, CPN, CSC, DCC, DEMCO, DIMET, DRT, DTAC, DTC, EASTW, ECL, EGCO, FE, FNS, FSS, GBX, GC, GCAP, GEL, GFPT, GGC, GJS, GOLD, GPSC, GSTEEL, GUNKUL, HANA, HARN, HMPRO, HTC, ICC, IFS, INET, INSURE, INTUCH, IRPC, IVL, K, KASET, KBANK, KBS, KCAR, KCE, KGI, KKP, KSL, KTB, KTC, KWC, L&E, LANNA, LHK, LPN, LRH, M, MAKRO, MALEE, MBAX, MBK, MBKET, MC, MCOT, MFC, MINT, MONO, MOONG, MSC, MTI, NBC, NINE, NKI, NMG, NNCL, NSI, OCC, OCEAN, OGC, PAP, PATO, PB, PDG, PDI, PE, PG, PHOL, PL, PLANB, PLANET, PLAT, PM, PPP, PPS, PREB, PRG, PRINC, PSH, PSTC, PT, PTG, PTT, PTTEP, PTTGC, PYLON, Q-CON, QH, QLT, QTC, RATCH, RML, ROBINS, S & J, SABINA, SAT, SC, SCB, SCC, SCCC, SCG, SCN, SE-ED, SELIC, SENA, SGP, SIRI, SIS, SITHAI, SMT, SMK, SMP, SNC, SNP, SORKON, SPACK, SPC, SPI, SPRC, SRICHA, SSF, SSI, SSSC, SST, STA, SUSCO, SVI, SYNTEC, TASCO, TCAP, TFG, TFI, TFMAMA, THANI, THCOM, THIP, THRE, THREL, TIP, TIPCO, TISCO, TKT, TMB, TMD, TMILL, TMT, TNITY, TNL, TNP, TNR, TOG, TOP, TPA, TPCORP, TRU, TRUE, TSC, TSTH, TTCL, TU, TVD, TVI, TWPC, U, UBIS, UEC, UKEM, UOBKH, VGI, VIH, VNT, WACOAL, WHA, WICE, WIIK

Declared (ประกาศเจตนารมณ์)

2S, ABICO, AF, AI, AIRA, ALT, AM, AMARIN, AMATA, ANAN, B, BM, BPP, BUI, CHG, CHO, CHOTI, CHOW, CI, CMC, COL, DDD, DELTA, EFORL, EPCO, ESTAR, ETE, FPI, FTE, ICHI, INOX, IRC, ITEL, JAS, JSP, JTS, KWG, LDC, LIT, META, MFEC, MPG, NEP, NOK, NWR, ORI, PRM, PSL, ROJNA, RWI, SAAM, SAPPE, SCI, SEAOL, SHANG, SKR, SPALI, STANLY, SYNEX, TAE, TAKUNI, TMC, TOPP, TPP, TRITN, TVO, UV, UWC, WHAUP, XO

N/A

7UP, A, A5, AAV, ABM, ACAP, ACC, ACE, ACG, ADB, AEC, AEONTS, AFC, AGE, AH, AHC, AIT, AJ, AJA, AKR, ALL, ALLA, ALUCON, AMATAV, AMC, AOT, APCO, APEX, APP, APURE, AQ, ARIN, ARIP, AS, ASAP, ASEFA, ASIA, ASIAN, ASIMAR, ASN, ATP30, AU, AUCT, AWC, B52, BA, BAM, BAT-3K, BC, BCT, BDMS, BEAUTY, BEC, BEM, BFIT, BGC, BGT, BH, BIG, BIZ, BJC, BKD, BLAND, BLISS, BOL, BR, BROCK, BSM, BTNC, BTW, CAZ, CBG, CCET, CCP, CGD, CHARAN, CHAYO, CHUO, CITY, CK, CKP, CMAN, CMO, CMR, CNT, COLOR, COMAN, COTTO, CPH, CPL, CPR, CPT, CPW, CRANE, CRC, CRD, CSP, CSR, CSS, CTW, CWT, D, DCON, DCORP, DOD, DOHOME, DTCL, EA, EASON, ECF, EE, EIC, EKH, EMC, EPG, ERW, ESSO, EVER, F&D, FANCY, FLOYD, FMT, FN, FORTH, FPT, FSMART, FVC, GENCO, GIFT, GL, GLAND, GLOBAL, GLOCON, GPI, GRAMMY, GRAND, GREEN, GSC, GTB, GULF, GYT, HFT, HPT, HTECH, HUMAN, HYDRO, ICN, IFEC, IHL, III, ILINK, ILM, IMH, INGRS, INSET, IP, IRCP, IT, ITD, J, JCK, JCKH, JCT, JKN, JMART, JMT, JUBILE, JUTHA, JWD, KAMART, KC, KCM, KDH, KIAT, KKC, KOOL, KTECH, KTIS, KUMWEL, KUN, KWM, KYE, LALIN, LEE, LH, LHFG, LOXLEY, LPH, LST, MACO, MAJOR, MANRIN, MATCH, MATI, MAX, M-CHAI, MCS, MDX, MEGA, METCO, MGT, MIDA, MILL, MITSIB, MJD, MK, ML, MM, MODERN, MORE, MPIC, MTC, MVP, NC, NCH, NCL, NDR, NER, NETBAY, NEW, NEWS, NEX, NFC, NOBLE, NPK, NTV, NUSA, NVD, NYT, OHTL, OISHI, OSP, OTO, PACE, PAE, PAF, PERM, PF, PICO, PIMO, PJW, PK, PLE, PMTA, POLAR, POMPU, PORT, POST, PPM, PPPM, PR9, PRAKIT, PRECHA, PRIME, PRIN, PRO, PROUD, PTL, RAM, RBF, 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, SEG, SF, SFLEX, SFP, SGF, SHR, SIAM, SIMAT, SINGER, SISB, SKE, SKN, SKY, SLP, SMART, SMT, SOLAR, SONIC, SPA, SPCG, SPG, SPORT, SPVI, SQ, SR, SSC, SSP, STAR, STARK, STC, STEC, STHAI, STI, STPI, SUC, SUN, SUPER, SUTHA, SVH, SVOA, SWC, SYMC, T, TACC, TAPAC, TBSP, TC, TCC, TCCC, TCJ, TCMC, TCOAT, TEAM, TEAMG, TGPRO, TH, THAI, THANA, THE, THG, THL, THMUI, TIGER, TITL, TIW, TK, TKN, TKS, TM, TMI, TMW, TNDT, TNH, TNPC, TOA, TPAC, TPBI, TPCH, TPIPL, TPIPP, TPLAS, TPOLY, TPS, TQM, TR, TRC, TRT, TRUBB, TSE, TSF, TSI, TSR, TSTE, TTA, TTI, TTT, TTW, TVT, TWP, TWZ, TYCN, UAC, UMI, UMS, UNIQ, UP, UPA, UPF, UPOIC, UREKA, UT, UTP, UVAN, VARO, VCOM, VI, VIBHA, VL, VNG, VPO, VRANDA, WAVE, WG, WIN, WINNER, WORK, WORLD, WP, WPH, WR, YCI, YGG, 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 November 30, 2018) are categorised into: companies that have declared their intention to join CAC, and companies certified by CAC.