



Kerry Express (Thailand)

KEX

Kerry Express (Thailand)
Public Company Limited

Bloomberg KEX TB
Reuters KEX.BK

Resilient to and undaunted by the lockdown

As long as the lockdown continues, we expect KEX's share price to outperform SET due to the resiliency of its business, with parcel volume rising as more consumers turn to online shopping. Downside to share price also looks limited (trading at -1SD of its historical PE). However, we keep our tactical recommendation NEUTRAL with a DCF-based TP of Bt50 as the improving earnings in 3Q-4Q21 are as expected. In addition, upside to earnings from potential new businesses and M&A is unclear and these are not factored into our forecast.

Recap 2Q21 results. KEX reported 2Q21 net profit of Bt336mn, up 10.8% QoQ but down 8.1% YoY, in line with consensus. Revenue was Bt4.6bn, up 9.8% QoQ but down 14.6% YoY. The QoQ growth was driven by rising parcel volume while the YoY drop was off last year's high base and the price cut in Jan 2021. At MD&A, KEX reported 1H21 parcel volume of 166.6mn, up 10.8% YoY to a new record high. Despite the rising volume, EBIT per parcel in 1H21 (based on our calculation) was Bt4.6/parcel, falling from Bt6.2 in 1H20. This is reflected in its operating profit, which was flat QoQ and fell 16% YoY in 2Q21 to Bt381mn; profitability is still under pressure. 1H21 net profit was Bt638mn (-13.6% YoY), accounting for 42% of our full-year forecast. The company also announced an interim dividend of Bt0.743/sh. (1.9% yield). XD is Aug 24.

Volume to surge in 3Q21, but margin uncertain. Parcel volume in 3Q21 should be greater than 2Q21, thanks to the lockdown leading to more online shopping. Due to the wide spread of COVID-19, management has undertaken what it is calling "over-preparation", which includes renting shadow warehouses and hiring more part-time staff. This will help limit operational risk but will also raise costs in 3Q21. It is also continuing its proactive pricing strategy in 3Q21. All told, we expect EBIT per parcel to continue to be under pressure in 3Q21. We expect 3Q21 net profit to increase slightly QoQ, mainly driven by volume growth.

Kerry Wallet to be launched in 4Q21. Management says this will not be a payment system to avoid any conflict with Rabbit (BTS and VGI). Kerry Wallet will be more of an open payment platform. The primary objective is to keep money flows within the company and make it be easier to do promotional campaigns.

Two new businesses under study. KEX is studying two new businesses called Kerry Cool (frozen and chilled products) and Kerry LTL (>=30kg). The feasibility of these two businesses is still being studied and startup is expected in 4Q21 to 1Q22. At the initial stage, these two businesses will be served B2B customers. Management noted that earnings contribution initially will be small for both.

Forecasts and valuation

Year to 31 Dec	Unit	2019	2020	2021F	2022F	2023F
Revenue	(Btmn)	19,782	18,917	19,588	21,934	25,582
EBITDA	(Btmn)	2,354	4,202	2,904	3,490	4,208
Core profit	(Btmn)	1,329	1,405	1,515	1,748	2,007
Reported profit	(Btmn)	1,329	1,405	1,515	1,748	2,007
Core EPS	(Bt)	5.54	0.81	0.86	0.98	1.13
DPS	(Bt)	2.45	0.22	0.26	0.29	0.34
P/E, core	(x)	7.6	52.0	48.8	42.8	37.3
EPS growth, core	(%)	12.1	(85.4)	6.6	14.1	14.8
P/BV, core	(x)	4.5	6.7	5.9	5.2	4.7
ROE	(%)	71.4	21.5	13.0	13.0	13.3
Dividend yield	(%)	na.	0.5	0.6	0.7	0.8
FCF yield	(%)	na.	0.7	2.3	1.9	3.1
EV/EBIT	(x)	5.9	34.8	31.5	27.2	23.1
EBIT growth, core	(%)	14.2	10.1	8.7	14.5	14.1
EV/CE	(x)	3.0	7.8	7.7	7.0	6.7
ROCE	(%)	38.1	17.2	17.7	18.8	21.1
EV/EBITDA	(x)	4.2	15.3	21.7	17.9	14.4
EBITDA growth	(%)	33.2	78.5	(30.9)	20.2	20.6

Source: SCBS Investment Research

Tactical: NEUTRAL

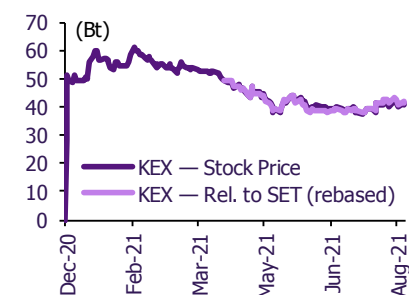
(3-month)

Stock data

Last close (Aug 13) (Bt)	42.00
Target price (Bt)	50.00
Mkt cap (Btbn)	73.08
Mkt cap (US\$mn)	2,192

Beta	H
Mkt cap (%) SET	0.42
Sector % SET	7.95
Shares issued (mn)	1,740
Par value (Bt)	0.50
12-m high / low (Bt)	73 / 37.3
Avg. daily 6m (US\$mn)	9.48
Foreign limit / actual (%)	49 / 7
Free float (%)	26.8
Dividend policy (%)	≥ 30

Price performance



Source: SET, SCBS Investment Research

Share performance

(%)	1M	3M	12M
Absolute	10.5	7.7	n.a.
Relative to SET	13.5	9.2	n.a.

Source: SET, SCBS Investment Research

Analyst

Kittisorn Pruitipat, CFA, FRM

Fundamental Investment

Analyst on Securities

(66-2) 949-1007

kittisorn.pruitipat@scb.co.th

Value proposition

KEX has positioned itself as Thailand's leading and fastest growing private express delivery company and the pioneer of convenient and private express delivery solutions in Thailand, offering a comprehensive range of integrated parcel delivery services to customers in the C2C, B2C and B2B segments.

Business outlook

KEX is excellently positioned to capture the growing use of e-commerce in Thailand as consumer behavior changes to favor ordering online. Growth potential is huge as e-commerce penetration in Thailand is low at 3.7% in 2019 vs 26.7% in South Korea and 9.0% in Japan according to *Frost & Sullivan*.

Bullish views	Bearish views
1. Earnings already hit the bottom in 2Q21 and downside to share price is limited.	1. Improving earnings outlook in 2H21 is within our and market expectations, so we do not expect to see earnings upgrades
2. Expect earnings to improve in 2H21	2. Stretched valuation for existing business at over 49x 2021F PE vs 3-year earnings CAGR of 12.6% (2020-2023)
3. Business is resilient to the lockdown due to rising parcel volume from online shopping	3. Unclear timeline and upside for M&A

Key catalysts

Factor	Event	Impact	Comment
Latest development	Lockdown measures	Positive	We see rising parcel volume in 3Q21 from increasing demand for online shopping.
Near-term earnings outlook	3Q21F	Positive QoQ and YoY	We expect earnings growth to be positive QoQ and YoY in 3Q21F, supported by rising parcel volume during the lockdown and stable EBIT per parcel.
Factors to be aware in 2021	Potential M&A	Positive	This will provide earnings and TP upside to SCBS and consensus forecasts.

Sensitivity analysis

Factor	Earnings impact	TP impact
1ppt change in parcel volume growth	0.9%	Bt0.3/share (0.6%)

Financial statement

Profit and Loss Statement

FY December 31	Unit	2016	2017	2018	2019	2020	2021F	2022F	2023F
Total revenue	(Btmn)	na.	6,626	13,565	19,782	18,917	19,588	21,934	25,582
Cost of goods sold	(Btmn)	na.	(5,241)	(11,152)	(16,704)	(15,850)	(16,429)	(18,356)	(21,475)
Gross profit	(Btmn)	na.	1,386	2,413	3,078	3,067	3,159	3,578	4,107
SG&A	(Btmn)	na.	(536)	(1,047)	(1,514)	(1,314)	(1,343)	(1,482)	(1,702)
Other income	(Btmn)	na.	49	102	113	93	191	203	219
Interest expense	(Btmn)	na.	(0)	(1)	(24)	(112)	(113)	(114)	(115)
Pre-tax profit	(Btmn)	na.	898	1,467	1,652	1,734	1,894	2,185	2,508
Corporate tax	(Btmn)	na.	(168)	(282)	(324)	(329)	(379)	(437)	(502)
Equity a/c profits	(Btmn)	na.	0	0	0	0	0	0	0
Minority interests	(Btmn)	na.	0	0	0	0	0	0	0
Core profit	(Btmn)	na.	730	1,185	1,329	1,405	1,515	1,748	2,007
Extra-ordinary items	(Btmn)	na.	0	0	0	0	0	0	0
Net Profit	(Btmn)	na.	730	1,185	1,329	1,405	1,515	1,748	2,007
EBITDA	(Btmn)	na.	996	1,767	2,354	4,202	4,704	5,290	6,008

Balance Sheet

FY December 31	Unit	2016	2017	2018	2019	2020	2021F	2022F	2023F
Total current assets	(Btmn)	na.	2,039	2,231	2,818	11,278	12,369	13,901	15,740
Total fixed assets	(Btmn)	na.	516	2,182	2,706	2,259	2,334	3,114	3,501
Total assets	(Btmn)	na.	2,710	4,768	6,014	19,318	20,542	22,913	25,198
Total loans	(Btmn)	na.	0	200	800	800	0	0	0
Total current liabilities	(Btmn)	na.	2,130	3,199	2,861	4,698	4,192	4,672	5,436
Total long-term liabilities	(Btmn)	na.	28	79	920	3,773	3,810	3,848	3,887
Total liabilities	(Btmn)	na.	2,157	3,278	3,781	8,471	8,002	8,520	9,322
Paid-up capital	(Btmn)	na.	120	120	120	8,981	9,541	10,101	10,101
Total equity	(Btmn)	na.	552	1,490	2,233	10,847	12,540	14,393	15,876

Cash Flow Statement

FY December 31	Unit	2016	2017	2018	2019	2020	2021F	2022F	2023F
Core Profit	(Btmn)	na.	730	1,185	1,329	1,405	1,515	1,748	2,007
Depreciation and amortization	(Btmn)	na.	98	299	678	3,856	2,396	2,690	3,085
Operating cash flow	(Btmn)	na.	1,855	1,795	1,641	5,215	2,698	3,402	4,318
Investing cash flow	(Btmn)	na.	(1,038)	(1,650)	(1,675)	(4,712)	(999)	(1,991)	(1,980)
Financing cash flow	(Btmn)	na.	120	(513)	375	8,285	(623)	105	(524)
Net cash flow	(Btmn)	na.	937	(368)	341	8,787	1,076	1,516	1,814

Key Financial Ratios

FY December 31	Unit	2016	2017	2018	2019	2020	2021F	2022F	2023F
Gross margin	(%)	na.	20.9	17.8	15.6	16.2	16.1	16.3	16.1
Operating margin	(%)	na.	12.8	10.1	7.9	9.3	9.3	9.6	9.4
EBITDA margin	(%)	na.	15.0	13.0	11.9	22.2	14.8	15.9	16.5
EBIT margin	(%)	na.	13.6	10.8	8.5	9.8	10.2	10.5	10.3
Net profit margin	(%)	na.	11.0	8.7	6.7	7.4	7.7	8.0	7.8
ROE	(%)	na.	132.2	79.5	59.5	13.0	12.1	12.1	12.6
ROA	(%)	na.	53.9	31.7	24.6	11.1	7.6	8.0	8.3
Net D/E	(x)	na.	net cash	net cash	net cash	net cash	net cash	net cash	net cash
Interest coverage	(x)	na.	5,018.0	1,747.7	97.9	37.5	25.7	30.6	36.5
Debt service coverage	(x)	na.	5,018.0	8.8	97.9	4.6	25.7	30.6	36.5
Payout Ratio	(x)	na.	97.6	20.9	44.3	27.2	30.0	30.0	30.0

Main Assumptions

FY December 31	Unit	2016	2017	2018	2019	2020	2021F	2022F	2023F
Parcel volume	(mn)	na.	71	174	274	294	323	388	462
Revenue per parcel	(Bt/parcel)	na.	93	78	72	64	60	56	55
Cost per parcel	(Bt/parcel)	na.	81	70	66	58	55	51	50

Financial statement

Profit and Loss Statement

FY December 31	Unit	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21
Total revenue	(Btmn)	na.	na.	na.	5,386	4,489	4,228	4,188	4,600
Cost of goods sold	(Btmn)	na.	na.	na.	(4,497)	(3,805)	(3,600)	(3,491)	(3,891)
Gross profit	(Btmn)	na.	na.	na.	889	683	628	696	709
SG&A	(Btmn)	na.	na.	na.	(436)	(307)	(176)	(315)	(328)
Other income	(Btmn)	na.	na.	na.	20	20	33	28	47
Interest expense	(Btmn)	na.	na.	na.	(25)	(31)	(28)	(31)	(22)
Pre-tax profit	(Btmn)	na.	na.	na.	448	366	457	378	406
Corporate tax	(Btmn)	na.	na.	na.	(83)	(74)	(82)	(75)	(70)
Equity a/c profits	(Btmn)	na.	na.	na.	0	0	0	0	0
Minority interests	(Btmn)	na.	na.	na.	0	0	0	0	0
Core profit	(Btmn)	na.	na.	na.	365	292	375	303	336
Extra-ordinary items	(Btmn)	na.	na.	na.	0	0	0	0	0
Net Profit	(Btmn)	na.	na.	na.	365	292	375	303	336
EBITDA	(Btmn)	na.	na.	na.	1,062	397	485	979	987

Balance Sheet

FY December 31	Unit	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21
Total current assets	(Btmn)	na.	na.	na.	4,008	2,892	11,278	10,521	10,622
Total fixed assets	(Btmn)	na.	na.	na.	2,489	2,361	2,259	2,094	1,947
Total assets	(Btmn)	na.	na.	na.	10,456	10,603	19,318	18,032	17,616
Total loans	(Btmn)	na.	na.	na.	800	800	800	0	0
Total current liabilities	(Btmn)	na.	na.	na.	3,445	2,470	2,938	1,769	1,803
Total long-term liabilities	(Btmn)	na.	na.	na.	4,461	5,923	5,533	5,146	4,732
Total liabilities	(Btmn)	na.	na.	na.	7,905	8,393	8,471	6,915	6,535
Paid-up capital	(Btmn)	na.	na.	na.	720	720	8,981	8,936	8,933
Total equity	(Btmn)	na.	na.	na.	2,551	2,210	10,847	11,118	11,081

Cash Flow Statement

FY December 31	Unit	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21
Core Profit	(Btmn)	na.	na.	na.	365	292	375	303	336
Depreciation and amortization	(Btmn)	na.	na.	na.	588	0	0	571	558
Operating cash flow	(Btmn)	na.	na.	na.	2,807	(542)	(29)	606	742
Investing cash flow	(Btmn)	na.	na.	na.	(1,149)	(211)	296	(955)	(557)
Financing cash flow	(Btmn)	na.	na.	na.	742	(244)	8,027	(328)	(286)
Net cash flow	(Btmn)	na.	na.	na.	2,399	(997)	8,294	(677)	(101)

Key Financial Ratios

FY December 31	Unit	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21
Gross margin	(%)	na.	na.	na.	16.5	15.2	14.9	16.6	15.4
Operating margin	(%)	na.	na.	na.	8.4	8.4	10.7	9.1	8.3
EBITDA margin	(%)	na.	na.	na.	19.7	8.8	11.5	23.4	21.4
EBIT margin	(%)	na.	na.	na.	8.8	8.8	11.5	9.8	9.3
Net profit margin	(%)	na.	na.	na.	6.8	6.5	8.9	7.2	7.3
ROE	(%)	na.	na.	na.	114.6	105.7	27.7	21.8	19.7
ROA	(%)	na.	na.	na.	28.0	22.0	15.5	13.4	9.6
Net D/E	(x)	na.	na.	na.	net cash	net cash	net cash	net cash	net cash
Interest coverage	(x)	na.	na.	na.	41.8	12.9	17.4	31.3	44.1
Debt service coverage	(x)	na.	na.	na.	41.8	12.9	2.1	31.3	44.1

Figure 1: 2Q21 results review

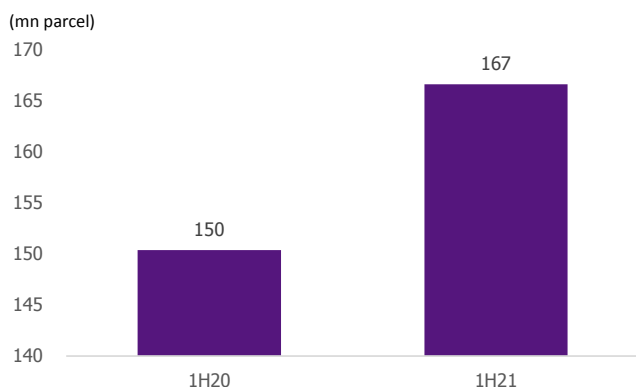
Unit: Btmn	2Q20	1Q21	2Q21	QoQ	YoY
Sales and services income	5,386	4,188	4,600	9.8%	-14.6%
Cost of sales and services	(4,497)	(3,491)	(3,891)	11.5%	-13.5%
Gross profit	889	696	709	1.8%	-20.3%
SG&A	(436)	(315)	(328)	4.0%	-24.8%
Operating profit	454	381	381	0.0%	-16.0%
Other income/ (expense)	20	28	47	70.1%	132.8%
EBIT	474	409	428	4.7%	-9.6%
Interest expense	(25)	(31)	(22)	-28.5%	-12.0%
EBT	448	378	406	7.5%	-9.5%
Income tax	(83)	(75)	(70)	-6.2%	-15.5%
Minority interests	0	0	0	na.	na.
Core profit	365	303	336	10.8%	-8.1%
Extra items	0	0	0	na.	na.
Net income	365	303	336	10.8%	-8.1%

Ratio analysis					
SG&A to sales (%)	8.1	7.5	7.1		
Operating profit margin (%)	8.4	9.1	8.3		
Net profit margin (%)	6.8	7.2	7.3		

Source: Company data and SCBS Investment Research

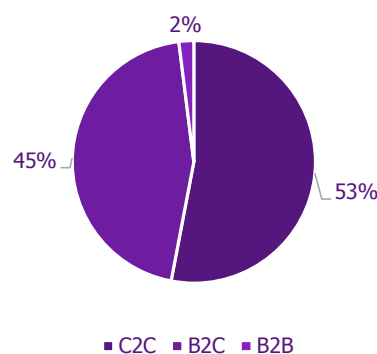
Appendix

Figure 2: Parcel Volume



Source: SET and SCBS Investment Research

Figure 3: Revenue breakdown as of 2Q21



Source: SET and SCBS Investment Research

Figure 4: KEX PE band



Source: SET and SCBS Investment Research

Figure 5: KEX PBV band



Source: SET and SCBS Investment Research

Figure 6: Peer comparison (price as of Aug 13, 2021)

Company name	Country	Mkt. Cap. (US\$mn)	PE (x)		EPS Growth (%)		PBV (x)		Div. Yield (%)		ROE (%)		EV/EBITDA (x)	
			21F	22F	21F	22F	21F	22F	21F	22F	21F	22F	21F	22F
China Express Delivery														
ZTO Express Cayman Inc	China	22,506	31.3	25.0	3.8	25.4	2.8	2.6	0.8	1.0	9.4	10.5	17.1	13.3
Yunda Holding Co Ltd	China	6,207	25.1	20.0	13.6	26.0	2.6	2.3	0.4	0.8	10.4	11.2	11.1	8.6
STO Express Co Ltd	China	1,605	271.6	43.8	25.0	520.0	1.2	1.1	1.4	1.7	0.1	2.6	13.9	8.2
Regional Express Delivery														
Yamato Holdings Co Ltd	Japan	10,505	19.6	17.3	(0.0)	13.4	1.8	1.7	1.6	1.7	9.5	9.9	6.7	6.0
SG Holdings Co Ltd	Japan	18,160	25.2	24.0	5.7	4.6	4.4	3.9	1.2	1.2	18.6	17.4	14.2	13.4
CJ Logistics Corp	South Korea	3,244	42.6	19.3	(31.6)	121.0	1.1	1.0	n.a	0.0	3.0	5.3	9.1	8.4
Thailand Express Delivery														
Kerry Express Thailand PCL	Thailand	2,194	50.4	44.4	(25.0)	13.7	6.2	5.7	0.8	0.9	12.3	13.3	17.7	15.8
Average			66.5	27.7	(1.2)	103.4	2.9	2.6	1.0	1.1	9.0	10.0	12.8	10.5

Source: Company data, SCBS Investment Research and Bloomberg Finance L.P.

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 Srinanaporn Marketing Public Company Limited. SCBS has acted as Lead Underwriter of Srinanaporn Marketing 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 has acted as Financial Advisor of Charoen Pokphand Group Company Limited. and its affiliates including CP All Public Company Limited. and Charoen Pokphand Foods 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 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.

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.

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 2020 Companies with CG Rating**Companies with Excellent CG Scoring**

AAV, ADVANC, AF, AIRA, AKP, AKR, ALT, AMA, AMATA, AMATAV, ANAN, AOT, AP, ARIP, ARROW, ASP, BAFS, BANPU, BAY, BCP, BCPG, BDMS, BEC, BEM, BGRIM, BIZ, BKI, BLA, BOL, BPP, BRR, BTS, BWG, CENTEL, CFRESH, CHEWA, CHO*, CIMBT, CK, CKP, CM, CNT, COL, COMAN, COTTO, CPALL, CPF, CPI, CPN, CSS, DELTA, DEMCO, DRT, DTAC, DTC, DV8, EA, EASTW, ECF, ECL, EGCO, EPG, ETE, FNS, FPI, FPT, FSMART, GBX, GC, GCAP, GEL, GFPT, GGC, GPSC, GRAMMY, GUNKUL, HANA, HARN, HMPRO, ICC, ICHI*, III, ILINK, INTUCH, IRPC, IVL, JKN, JSP, JWD, K, KBANK, KCE, KKP, KSL, KTB, KTC, LANNA, LH, LHFG, LIT, LPN, MAKRO, MALEE, MBK, MBKET, MC, MCOT, METCO, MFEC, MINT, MONO, MOONG, MSC, MTC, NCH, NCL, NEP, NKI, NOBLE*, NSI, NVD, NYT, OISHI, ORI, OTO, PAP, PCSGH, PDJ, PG, PHOL, PLANB, PLANET, PLAT, PORT, PPS, PR9, PREB, PRG, PRM, PSH, PSL, PTG, PTT, PTTEP, PTTGC, PYLON, Q-CON, QH, QTC, RATCH, RS, S, S & J, SAAM, SABINA, SAMART, SAMTEL, SAT, SC, SCB, SCC, SCCC, SCG, SCN, SDC, SEAFCO, SEAOL, SE-ED, SELIC, SENA, SIRI, SIS, SITHAI, SMK, SMP, SMC, SONIC, SORKON, SPALI, SPI, SPRC, SPVI, SSSC, SST, STA, SUSCO, SUTHA, SVI, SYMC, SYNTEC, TACC, TASCO, TCAP, TFMAMA, THANA, THANI, THCOM, THG, THIP, THRE, THREL, TIP, TIPCO, TISCO, TK, TKT, TMB, TMILL, TNDD, TNL, TOA, TOP, TPBI, TQM, TRC, TRUE, TSC, TSR, TSTE, TSTH, UAC, TTA, UBIS, TTCL, UV, TTW, VGI, TU, VIH, TVD, WACOAL, TVI, WAVE, TVO, WHA, TWPC, WHAUP, U, WICE, WINNER

Companies with Very Good CG Scoring

2S, ABM, ACE, ACG, ADB, AEC, AEONTS, AGE, AH, AHC, AIT, ALLA, AMANAH, AMARIN, APCO, APCS, APURE, AQUA, ASAP, ASEFA, ASIA, ASIAN, ASIMAR, ASK, ASN, ATP30, AUCT, AWC, AYUD, B, BA, BAM, BBL, BFIT, BGC, BJC, BJCHI, BROOK, BTW, CBG, CEN, CGH, CHARAN, CHAYO, CHG, CHOTI, CHOW, CI, CIG, CMC, COLOR, COM7, CPL, CRC, CRD, CSC, CSP, CWT, DCC, DCON, DDD, DOD, DOHOME, EASON, EE, ERW, ESTAR, FE, FLOYD, FN, FORTH, FSS, FTE, FVC, GENCO, GJS, GL, GLAND, GLOBAL, GLOCON, GPI, GULF, GYT, HPT, HTC, ICN, IFS, ILM, IMH, INET, INSURE, IRC, IRCP, IT, ITD*, ITEL, J, JAS, JCK, JCKH, JMART, JMT, KBS, KCAR, KGI, KIAT, KOOL, KTIS, KWC, KWM, L&E, LALIN, LDC, LHK, LOXLEY, LPH, LRH, LST, M, MACO, MAJOR, MBAX, MEGA, META, MFC, MGT, MILL, MITSIB, MK, MODERN, MTI, MVP, NETBAY, NEX, NINE, NTV, NWR, OCC, OGC, OSP, PATO, PB, PDG, PDI, PICO, PIMO, PJW, PL, PM, PPP, PRIN, PRINC, PSTC, PT, QLT, RCL, RICHY, RML, RPC, RWI, S11, SALEE, SAMCO, SANKO, SAPPE, SAWAD, SCI, SCP, SE, SEG, SFP, SGF, SHR, SIAM, SINGER, SKE, SKR, SKY, SMIT, SMT, SNP, SPA, SPC, SPCG, SR, SRICHA, SSC, SSF, STANLY, STI, STPI, SUC, SUN, SYNEX, T, TAE, TAKUNI, TBSP, TCC, TCMC, TEAM, TEAMG, TFG, TIGER, TITLE, TKN, TKS, TM, TMC, TMD, TMI, TMT, TNITY, TNP, TNR, TOG, TPA, TPAC, TPCORP, TPOLY, TPS, TRITN, TRT, TRU, TSE, TVT, TWP, UEC, UMI, UOBKH, UP, UPF, UPOIC, UT, UTP, UWC, VL, VNT, VPO, WIJK, WP, XO, YUASA, ZEN, ZIGA, ZMICO

Companies with Good CG Scoring

7UP, A, ABICO, AJ, ALL, ALUCON, AMC*, APP, ARIN, AS, AU, B52, BC, BCH, BEAUTY, BGT, BH, BIG, BKD, BLAND, BM, BR, BROCK, BSBM, BSM, BTNC, CAZ, CCP, CGD, CITY, CMAN, CMO, CMR, CPT, CPW, CRANE, CSR, D, EKH, EP, ESSO, FMT, GIFT, GREEN, GSC*, GTB, HTECH, HUMAN, IHL, INOX, INSET, IP, JTS, JUBILE, KASET, KCM, KKC, KUMWEL, KUN, KWG, KYE, LEE, MATCH, MATI, M-CHAI, MCS, MDX, MJD, MM, MORE, NC, NDR, NER, NFC, NNCL, NPK, NUSA, OCEAN, PAF, PF, PK, PLE, PMTA, POST, PPM, PRAKIT, PRECHA, PRIME, PROUD, PTL, RBF, RCI, RJH, ROJNA, RP, RPH, RSP, SF, SFLEX, SGP, SISB, SKN, SLP, SMART, SOLAR, SPG, SSP, STARK, STC, SUPER, SVOA, TC, TCCC, THMUI, TIW, TNH, TOPP, TPCH, TPIPP, TPLAS, TTI, TYCN, UKEM, UMS, VCOM, VRANDA, WIN, WORK, WPH

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 2019 to 19 November 2020) is publicized.

* บริษัทหรือกรรมการหรือผู้บริหารของบริษัทที่มีข่าวด้านการกำกับดูแลกิจการ เช่น การกระทำความผิดเกี่ยวกับหลักทรัพย์ การทุจริต คอร์รัปชัน เป็นต้น ซึ่งการใช้ข้อมูล CGR ควรตระหนักถึงข่าวดังกล่าวประกอบด้วย

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

2S, ADVANC, AF, AI, AIE, AIRA, AKP, AMA, AMANAH, AMATA, AMATAV, AP, APCS, AQUA, ARROW, ASK, B, BAFS, BAM, BANPU, BAY, BBL, BCH, BCP, BCPG, BGC, BGRIM, BJCHI, BKI, BLA, BPP, BROOK, BRR, BSBM, BTS, BWG, CEN, CENTEL, CFRESH, CGH, CHEWA, CHOTI, CHOW, CIG, CIMBT, CM, CMC, COM7, COTTO, CPALL, CPF, CPI, CPN, CSC, DCC, DELTA, DEMCO, DIMET, DRT, DTAC, DUSIT, EA, EASTW, ECL, EGCO, EP, EPG, ERW, ETE, FE, FNS, FPI, FPT, FSS, FTE, GBX, GC, GCAP, GEL, GFPT, GGC, GJS, GLOCON, GPI, GPSC, GSTEEL, GUNKUL, HANA, HARN, HEMP, HMPRO, HTC, ICC, ICHI, IFS, ILINK, INET, INSURE, INTUCH, IRC, IRPC, ITEL, IVL, K, KASET, KBANK, KBS, KCAR, KCE, KGI, KKP, KSL, KTB, KTC, KWC, KWG, L&E, LANNA, LHFG, LHK, LPN, LRH, M, MAKRO, MALEE, MBAX, MBK, MBKET, MC, MCOT, META, MFC, MFEC, MINT, MONO, MOONG, MSC, MTC, MTI, NBC, NEP, NINE, NKI, NMG, NNCL, NOK, NSI, NWR, OCC, OCEAN, OGC, ORI, PAP, PATO, PB, PCSGH, PDG, PDI, PDJ, PE, PG, PHOL, PL, PLANB, PLANET, PLAT, PM, PPP, PPPM, PPS, PREB, PRG, PRINC, PRM, PSH, PSL, PSTC, PT, PTG, PTT, PTTEP, PTTGC, PYLON, Q-CON, QH, QLT, QTC, RATCH, RML, RWI, S & J, SAAM, SABINA, SAPPE, SAT, SC, SCB, SCC, SCCC, SCG, SCN, SEAOL, SE-ED, SELIC, SENA, SGP, SINGER, SIRI, SIS, SITHAI, SMIT, SMK, SMP, SMC, SONIC, SORKON, SPACK, SPC, SPI, SPRC, SRICHA, SSF, SSSC, SST, STA, STOWER, SUSCO, SVI, SYMC, SYNTEC, TAE, TAKUNI, TASCO, TBSP, TCAP, TCMC, TFG, TFI, TFMAMA, THANI, THCOM, THIP, THRE, THREL, TIP, TIPCO, TISCO, TKS, TKT, TMD, TMILL, TMT, TNITY, TNL, TNP, TNR, TOG, TOP, TOPP, TPA, TPCS, TPP, TRU, TRUE, TSC, TSTH, TTB, TTCL, TU, TVD, TVI, TVO, TWPC, U, UBIS, UEC, UKEM, UOBKH, UPF, UV, VGI, VIH, VNT, WACOAL, WHA, WHAUP, WICE, WIJK, XO, ZEN

Declared (ประกาศเจตนารมณ์)

7UP, ABICO, APURE, B52, BKD, BROCK, CI, ESTAR, EVER, FSMART, J, JKN, JMART, JMT, JSP, LDC, MAJOR, NCL, NOBLE, PK, PLE, SHANG, SKR, SPALI, SSP, SUPER, TGH, THAI, TQM, TTA, WIN, ZIGA

N/A

3K-BAT, A, A5, AAV, ABM, ACAP, ACC, ACE, ACG, ADB, ADD, AEONTS, AFC, AGE, AH, AHC, AIT, AJ, AJA, AKR, ALL, ALLA, ALT, ALUCON, AMARIN, AMC, AMR, ANAN, AOT, APCO, APEX, APP, AQ, ARIN, ARIP, AS, ASAP, ASEFA, ASIA, ASIAN, ASIMAR, ASN, ASP, ASW, ATP30, AU, AUCT, AWC, AYUD, BA, BC, BCT, BDMS, BEAUTY, BEC, BEM, BFIT, BGT, BH, BIG, BIZ, BJC, BLAND, BLISS, BM, BOL, BR, BSM, BTNC, BTW, BUI, BYD, CAZ, CBG, CCET, CCP, CGD, CHARAN, CHAYO, CHG, CHO, CITY, CK, CKP, CMAN, CMO, CMR, CNT, COLOR, COMAN, CPH, CPL, CPR, CPT, CPW, CRANE, CRC, CRD, CSP, CSR, CSS, CTW, CWT, D, DCON, DDD, DHOUSE, DITTO, DMT, DOD, DOHOME, DTICI, DV8, EASON, ECF, EE, EFORL, EKH, EMC, ESSO, ETC, F&D, FANCY, FLOYD, FMT, FN, FORTH, FVC, GENCO, GIFT, GL, GLAND, GLOBAL, GRAMMY, GRAND, GREEN, GSC, GTB, GULF, GYT, HFT, HPT, HTECH, HUMAN, HYDRO, ICN, IFEC, IHL, IIG, III, ILM, IMH, IND, INGRS, INOX, INSET, IP, IRCP, IT, ITD, JAK, JAS, JCK, JKH, JCT, JR, JTS, JUBILE, JUTHA, JWD, KAMART, KC, KCM, KDH, KEX, KIAT, KISS, KK, KKC, KOOL, KTIS, KUMWEL, KUN, KWM, KYE, LALIN, LEE, LEO, LH, LIT, LOXLEY, LPH, LST, MACO, MANRIN, MATCH, MATI, MAX, M-CHAI, MCS, MDX, MEGA, MENA, METCO, MGT, MICRO, MIDA, MILL, MITSIB, MJD, MK, ML, MODERN, MORE, MPIC, MUD, MVP, NC, NCAP, NCH, NDR, NER, NETBAY, NEW, NEWS, NEX, NFC, NOVA, NPK, NRF, NSL, NTV, NUSA, NVD, NYT, OHTL, OISHI, OR, OSP, OTO, PACE, PACO, PAE, PAF, PERM, PF, PICO, PIMO, PJW, PMTA, POLAR, POMPUI, PORT, POST, PPM, PR9, PRAKIT, PRAPAT, PRECHA, PRIME, PRIN, PRO, PROEN, PROS, PROUD, PTL, RAM, RBF, RCL, RICHY, RJH, ROCK, ROH, ROJNA, RP, RPC, RPH, RS, RSP, RT, S, S11, SA, SABUY, SAFARI, SAK, SALEE, SAM, SAMART, SAMCO, SAMTEL, SANKO, SAUCE, SAWAD, SAWANG, SCGP, SCI, SCM, SCP, SDC, SE, SEAFCO, SECURE, SF, SFLEX, SFP, SFT, SGF, SHR, SIAM, SICT, SIMAT, SISB, SK, SKE, SKN, SKY, SLM, SLP, SMART, SMD, SMT, SNNP, SO, SOLAR, SONIC, SPA, SPCG, SPG, SPVI, SQ, SR, SSC, STANLY, STAR, STARK, STC, STEC, STECH, STGT, STHAI, STI, STPI, SUC, SUN, SUTHA, SVH, SVOA, SWC, SYNEX, T, TACC, TAPAC, TC, TCC, TCCC, TCI, TCOAT, TEAM, TEAMG, TGPRO, TH, THANA, THE, THG, THL, THMUI, TIDLOR, TIGER, TITLE, TK, TKN, TM, TMC, TMI, TMW, TNDD, TNH, TNPC, TOA, TPAC, TPBI, TPCH, TPIPL, TPIPP, TPLAS, TPOLY, TPS, TQR, TR, TRC, TRITN, TRT, TRUBB, TSE, TSF, TSI, TSR, TSTE, TTI, TTT, TTW, TVT, TWP, TWZ, TYCN, UAC, UMI, UMS, UNIQ, UP, UPF, UPOIC, UREKA, UT, UTP, UVAN, VARO, VCOM, VI, VIBHA, VL, VNG, VPO, VRANDA, W, WAVE, WGE, WINMED, WINNER, WORK, WORLD, WP, WPH, WR, XPG, YCI, YGG, YUASA

Explanations

Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of January 30, 2021) are categorised into: companies that have declared their intention to join CAC, and companies certified by CAC.