



Siam Makro

Siam Makro
Public Company Limited

MAKRO

Bloomberg MAKRO TB
Reuters MAKRO.BK

Expect more improvement in 2H22F

We expect 2Q22 earnings to grow YoY from better SSS growth and healthy margin led by the B2B unit but soften QoQ on seasonality. 2H22 looks even better, with better operations at Lotus's after completing store rebranding, lower interest expenses from debt repayment and the realization of business synergy (Bt2.7bn target in 2H22 to 2023). Outperform with an end-2022 DCF TP of Bt46.

Better sales 2Q22TD, led by B2B unit. In 2Q22TD, SSS is likely to have grown in the high single digits YoY in the Thai B2B unit (vs 1% YoY in 1Q22) thanks to revived economic activities and more tourists, but be flat YoY in the Thai B2C unit (vs +0.4% YoY in 1Q22) off last year's high base from food stockpiling and up above 10% YoY in the B2C unit in Malaysia (vs -7.9% YoY in 1Q22). Backing the Malaysian growth is a minimum wage hike, the country's reopening and permission given for citizens to withdraw retirement savings. For the mall unit, occupancy and rental rate in 2Q22TD is relatively unchanged from 1Q22; it targets occupancy to reach pre-COVID level at end-2022 and rental rate to be back in two years (adjusting tenant mix).

More store expansion, chiefly in 2H22. In 2022F, for the B2B unit, MAKRO plans to open 8-12 stores in Thailand (vs 2 Foodservice stores in 1Q22) and 2-4 stores abroad (1-2 stores in each of India and Cambodia). For the B2C unit, it plans to open 162-213 stores in Thailand (vs 20 stores in 1Q22) (4 hypermarkets, 8-9 supermarkets and 150-200 mini supermarkets) and 8-9 supermarkets in Malaysia (vs 2 stores in 1Q22). Store rebranding in the B2C unit is targeted to complete within October. After adjustments, sales have risen to the mid single digits for small-format and low single digits for large format stores.

Better 2022 margin. MAKRO expects a healthy gross margin for the B2B unit in 2022F, with more high-margin HoReCa sales and lower low-margin traditional trade sales (lower stimulus) and the B2C unit to be much better in 2H22F from more high-margin non-food sales with no repeat of the 3Q21 lockdown and more high-margin fresh food sales after store rebranding. It expects the rise in sales will keep the rise in logistics, utilities and personnel costs manageable.

Debt refinancing. At end-1Q22, MAKRO had net interest-bearing debt (loans) to equity of 0.25x. Of Bt136bn loans (55% in USD, with principal fully hedged under forward contracts, 32% in THB and 13% in MYR), Bt27bn (20%) loans under CPRD will be paid off in 3Q22 (Bt17bn in April with PO proceeds and Bt10bn to be paid in cash in 3Q22). This will help cut interest expenses Bt200-225mn/quarter and effective tax rate (lower unutilized loss under CPRD). It plans to issue THB debentures soon to refinance a part of the remaining debt. Without the change in debt structure, we estimate a 1 pp rise in interest rate will erode 2023 net profit by 6%.

Key risks are changes in purchasing power and higher costs from inflationary pressure and higher interest rate.

Forecasts and valuation

Year to 31 Dec	Unit	2020	2021	2022F	2023F	2024F
Revenue	(Btmn)	218,259	265,545	458,842	496,376	530,686
EBITDA	(Btmn)	12,534	16,819	35,648	41,176	46,117
Core profit	(Btmn)	6,563	7,169	10,605	15,050	18,448
Reported profit	(Btmn)	6,563	13,687	10,605	15,050	18,448
Core EPS	(Bt)	1.37	1.25	1.00	1.42	1.74
DPS	(Bt)	1.00	0.72	0.50	0.71	0.87
P/E, core	(x)	25.6	28.1	34.9	24.6	20.1
EPS growth, core	(%)	4.8	(8.8)	(19.6)	41.9	22.6
P/BV, core	(x)	1.6	0.7	1.3	1.2	1.2
ROE	(%)	10.2	3.6	3.7	5.1	6.0
Dividend yield	(%)	2.9	2.1	1.4	2.0	2.5
FCF yield	(x)	6.6	13.8	1.5	2.2	3.9
EV/EBIT	(x)	19.3	29.4	26.9	21.3	17.8
EBIT growth, core	(%)	8.9	19.4	69.3	25.7	17.7
EV/CE	(x)	(3.5)	0.7	1.1	1.1	1.0
ROCE	(%)	(13.2)	1.8	2.5	3.3	3.7
EV/EBITDA	(x)	13.8	18.7	13.7	11.8	10.4
EBITDA growth	(%)	14.5	34.2	112.0	15.5	12.0

Source: SCBS Investment Research

See the end of this report for disclaimer

Tactical: OUTPERFORM

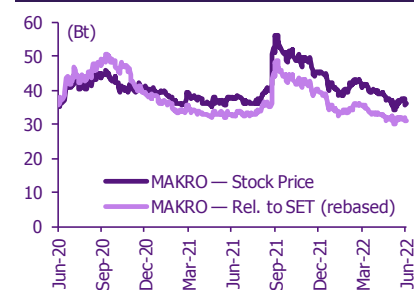
(3-month)

Stock data

Last close (Jun 15) (Bt)	35.00
Target price (Bt)	46.00
Mkt cap (Btmn)	370.31
Mkt cap (US\$mn)	10,574

Beta	L
Mkt cap (%) SET	1.94
Sector % SET	10.13
Shares issued (mn)	10,580
Par value (Bt)	0.50
12-m high / low (Bt)	57.3 / 33.8
Avg. daily 6m (US\$mn)	16.71
Foreign limit / actual (%)	49 / 3
Free float (%)	13.5
Dividend policy (%)	≥ 40

Price performance



Source: SET, SCBS Investment Research

Share performance

(%)	1M	3M	12M
Absolute	2.9	(15.2)	(6.7)
Relative to SET	2.3	(11.2)	(4.8)

Source: SET, SCBS Investment Research

Analyst

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

Value proposition

Siam Makro PCL (MAKRO) is a membership-based cash & carry trade center registered under the "Makro" banner in Thailand, Cambodia, China, and Myanmar and the "LOTS Wholesale Solutions" banner in India, to sell groceries and consumer products and engage in the import, export and distribution of frozen and chilled food products as well as provide storage and delivery services for the food service business.

C.P. Retail Development Co. Ltd (CPRD) holds: 1) 99.9% in Lotus's Stores (Thailand) Co., Ltd. which holds 99.9% of Ek-Chai Distribution System Co., Ltd., which operates a retail business under the name Lotus's in Thailand; 2) 100% of Lotus's Stores (Malaysia) Sdn. Bhd., which operates a retail business under the name Lotus's in Malaysia (collectively referred to "Lotus's"). After the Oct 25, 2021 completion of the EBT via offering new MAKRO shares to Lotus's shareholders in exchange for Lotus's business instead of cash, MAKRO held 99.99% in CPRD. According to *Euromonitor*, MAKRO (B2B, business-to-business unit) and Lotus's (B2C, business-to-consumer unit) combined made it the largest modern grocery wholesale & retail player in Southeast Asia, based on 2020 retail sales.

Business outlook

We estimate MAKRO's core earnings growth at 48% in 2022F. Of this, 15% will come from the business synergy (50% realization in 2H22F from Bt2.7bn target in 2H22-2023F) and the rest from organic operational improvement from a rise in SSS and mall income as the economy revives post pandemic, business expansion and margin improvement with a more favorable sales mix brought by market recovery and its business adjustment. Of its growth in 2022F, 11% is expected to come from B2B and 37% from B2C (notably in 2H22F after the completion of store rebranding).

In the medium to long term, MAKRO's strategies are to build a fresh food-focused omnichannel retail platform in South and Southeast Asia, improve operations in Thailand and Malaysia, raise supply chain capabilities and realize business synergy. It will continue to focus on growing business in the new S curve with Maknet (B2B Marketplace platform, launched in April) and the acceleration of O2O business with delivery from both MAKRO (i.e. Makroclick) and Lotus's (i.e. Lotus's application launched in March, planning for all Thailand stores to serve online sales in July). It targets to extend its leadership position in online sales, targeting 15-20% online sales contribution to total sales within the next 3-5 years (vs 12.5% of sales for B2B in 1Q22 and 3.9% for B2C, and 11% of sales for the B2B unit in 2021 and 3% for the B2C unit in 2021).

Based on its sustainable development policy to protect the environment, it targets reducing its carbon footprint by eliminating supply chain inefficiencies from its networks, promoting use of renewable energy (solar panels, EV charging stations), enhance the circular economy and working towards zero waste. For society, it focuses on food quality, safety and affordability and uses ethical sourcing with fair practices across the value chain. For governance, it focuses on employment and opportunity creation together with strict corporate governance practices.

Bullish views	Bearish views
1. Resumption of domestic activities after lockdown	1. Prolonged government measures to control COVID-19
2. Rental income to revive as it reduces rent discount/waiver for tenants after the lockdown is lifted	2. Rental income to come back slowly from a continued rent discount in response to social distancing requirements
3. More domestic and international travel will support SSS	3. The prolonged drop in tourists will hurt SSS

Key catalysts

Factor	Event	Impact	Comment
2Q22F earnings	Better B2B operation YoY	Up YoY but down QoQ	We expect its 2Q22 earnings to grow YoY from better SSS growth and healthy margin led by B2B unit but soften QoQ from seasonality.
2H22F earnings	Better B2C operations and lower interest expenses HoH, together with the realization of business synergy in B2B and B2C units	Up YoY and HoH	We expect more improvement in 2H22, with better Lotus's operations from the completion of store rebranding, lower interest expenses from debt repayment, and business synergy (Bt2.7bn target in 2H22-23F).

Sensitivity analysis

Factor	Earnings impact	TP impact
1% drop in SSS growth in B2B & B2C unit	1% and 3%	Bt0.5-1.5/sh.

Financial statement

Profit and Loss Statement

FY December 31	Unit	2017	2018	2019	2020	2021	2022F	2023F	2024F
Total revenue	(Btmn)	182,753	188,583	206,180	218,259	265,545	458,842	496,376	530,686
Cost of goods sold	(Btmn)	(164,352)	(169,639)	(185,012)	(192,072)	(229,451)	(383,058)	(412,004)	(439,528)
Gross profit	(Btmn)	18,401	18,944	21,168	26,186	36,094	75,784	84,372	91,158
SG&A	(Btmn)	(14,395)	(15,481)	(17,390)	(17,731)	(26,293)	(60,856)	(65,515)	(69,189)
Other income	(Btmn)	4,001	4,347	4,447	502	890	3,174	3,896	4,803
Interest expense	(Btmn)	(348)	(336)	(310)	(619)	(1,557)	(5,558)	(5,228)	(5,113)
Pre-tax profit	(Btmn)	7,658	7,474	7,915	8,337	9,134	12,544	17,524	21,659
Corporate tax	(Btmn)	(1,511)	(1,601)	(1,710)	(1,813)	(2,128)	(3,026)	(3,645)	(4,464)
Equity a/c profits	(Btmn)	0	0	0	0	149	1,059	1,141	1,231
Minority interests	(Btmn)	31	69	60	39	14	29	29	22
Core profit	(Btmn)	6,178	5,942	6,265	6,563	7,169	10,605	15,050	18,448
Extra-ordinary items	(Btmn)	0	0	(20)	0	6,517	0	0	0
Net Profit	(Btmn)	6,178	5,942	6,245	6,563	13,687	10,605	15,050	18,448
EBITDA	(Btmn)	10,407	10,361	10,948	12,534	16,819	35,648	41,176	46,117
Core EPS (Bt)	(Btmn)	1.29	1.24	1.31	1.37	1.25	1.00	1.42	1.74
Net EPS (Bt)	(Bt)	1.29	1.24	1.30	1.37	2.38	1.00	1.42	1.74
DPS (Bt)	(Bt)	0.96	0.96	0.96	1.00	0.72	0.50	0.71	0.87

Balance Sheet

FY December 31	Unit	2017	2018	2019	2020	2021	2022F	2023F	2024F
Total current assets	(Btmn)	20,413	22,999	23,333	28,251	110,000	99,417	101,354	107,200
Total fixed assets	(Btmn)	38,563	39,067	39,308	131,336	459,490	476,837	488,404	496,650
Total assets	(Btmn)	58,976	62,065	62,641	159,587	569,490	576,253	589,758	603,850
Total loans	(Btmn)	9,038	11,177	8,395	15,675	181,224	169,102	164,102	159,102
Total current liabilities	(Btmn)	37,118	34,094	32,749	40,475	118,211	108,951	116,207	123,003
Total long-term liabilities	(Btmn)	3,848	8,714	9,158	10,848	162,781	174,758	171,260	167,632
Total liabilities	(Btmn)	40,965	42,809	41,907	51,324	280,992	283,709	287,467	290,635
Paid-up capital	(Btmn)	2,400	2,400	2,400	2,400	5,290	5,290	5,290	5,290
Total equity	(Btmn)	18,011	19,257	20,734	108,263	288,498	292,544	302,291	313,214
BVPS (Bt)	(Bt)	3.75	4.01	4.32	22.55	27.27	27.65	28.57	29.60

Cash Flow Statement

FY December 31	Unit	2017	2018	2019	2020	2021	2022F	2023F	2024F
Core Profit	(Btmn)	6,178	5,942	6,265	6,563	7,169	10,605	15,050	18,448
Depreciation and amortization	(Btmn)	2,401	2,551	2,723	3,577	6,128	17,546	18,424	19,345
Operating cash flow	(Btmn)	11,928	6,012	10,270	13,353	16,774	36,611	38,265	42,193
Investing cash flow	(Btmn)	(6,468)	(2,866)	(3,130)	(2,288)	10,991	(30,918)	(29,991)	(27,590)
Financing cash flow	(Btmn)	(3,649)	(2,411)	(7,402)	(5,413)	26,455	(18,682)	(10,303)	(12,525)
Net cash flow	(Btmn)	1,811	735	(262)	5,653	54,220	(12,988)	(2,029)	2,078

Key Financial Ratios

FY December 31	Unit	2017	2018	2019	2020	2021	2022F	2023F	2024F
Gross margin	(%)	10.1	10.0	10.3	12.0	13.6	16.5	17.0	17.2
Operating margin	(%)	2.2	1.8	1.8	3.9	3.7	3.3	3.8	4.1
EBITDA margin	(%)	5.7	5.5	5.3	5.7	6.3	7.8	8.3	8.7
EBIT margin	(%)	4.4	4.1	4.0	4.1	4.0	3.9	4.6	5.0
Net profit margin	(%)	3.4	3.2	3.0	3.0	5.2	2.3	3.0	3.5
ROE	(%)	36.6	31.9	31.3	10.2	3.6	3.7	5.1	6.0
ROA	(%)	11.0	9.8	10.0	5.9	2.0	1.9	2.6	3.1
Net D/E	(x)	0.3	0.3	0.2	0.0	0.4	0.4	0.4	0.3
Interest coverage	(x)	29.9	30.9	35.3	20.2	10.8	6.4	7.9	9.0
Debt service coverage	(x)	1.6	2.6	9.5	1.9	0.5	2.0	2.3	2.6
Payout Ratio	(%)	74.6	77.5	73.8	73.1	38.8	50.0	50.0	50.0

Main Assumptions

FY December 31	Unit	2017	2018	2019	2020	2021	2022F	2023F	2024F
SSS growth (%) - B2B	(%)	1.3	(0.1)	6.3	1.9	2.5	3.0	3.0	3.0
No. of stores, ending - B2B	(Stores)	124	132	140	144	149	181	218	260
SSS growth (%) -B2C TH	(%)	n.a.	n.a.	(2.5)	(6.4)	(6.3)	3.1	5.0	3.0
No. of stores, ending - B2C TH	(Stores)	n.a.	n.a.	1,988	2,094	2,618	2,882	3,146	3,410
SSS growth (%) -B2C MY	(%)	n.a.	n.a.	2.2	0.7	(2.2)	0.5	3.5	3.0
No. of stores, ending - B2C MY	(Stores)	n.a.	n.a.	69	62	62	72	82	92

Financial statement

Profit and Loss Statement

FY December 31	Unit	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22
Total revenue	(Btmn)	51,079	53,871	57,161	55,969	54,723	54,739	100,115	110,777
Cost of goods sold	(Btmn)	(45,451)	(47,282)	(49,728)	(49,349)	(48,644)	(48,182)	(83,275)	(92,514)
Gross profit	(Btmn)	5,628	6,589	7,432	6,619	6,078	6,557	16,839	18,263
SG&A	(Btmn)	(4,151)	(4,617)	(4,551)	(4,427)	(4,560)	(4,616)	(12,689)	(14,616)
Other income	(Btmn)	151	204	(13)	129	233	232	296	439
Interest expense	(Btmn)	(173)	(154)	(146)	(129)	(142)	(137)	(1,148)	(1,494)
Pre-tax profit	(Btmn)	1,455	2,023	2,722	2,192	1,608	2,036	3,299	2,593
Corporate tax	(Btmn)	(297)	(462)	(591)	(461)	(331)	(473)	(862)	(767)
Equity a/c profits	(Btmn)	0	0	0	0	0	0	149	224
Minority interests	(Btmn)	21	11	(2)	3	10	10	(9)	0
Core profit	(Btmn)	1,180	1,572	2,130	1,734	1,287	1,572	2,577	2,050
Extra-ordinary items	(Btmn)	0	0	0	0	0	0	6,517	0
Net Profit	(Btmn)	1,180	1,572	2,130	1,734	1,287	1,572	9,094	2,050
EBITDA	(Btmn)	2,432	2,978	3,686	3,101	2,545	2,971	7,664	8,139
Core EPS (Bt)	(Btmn)	0.25	0.33	0.44	0.36	0.27	0.33	0.40	0.19
Net EPS (Bt)	(Bt)	0.25	0.33	0.44	0.36	0.27	0.33	1.42	0.19

Balance Sheet

FY December 31	Unit	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22
Total current assets	(Btmn)	24,512	21,817	28,251	29,241	24,200	22,384	110,000	105,709
Total fixed assets	(Btmn)	46,373	46,131	131,336	45,900	45,931	46,285	459,490	458,777
Total assets	(Btmn)	70,885	67,949	159,587	75,141	70,131	68,669	569,490	564,486
Total loans	(Btmn)	21,556	16,359	15,675	16,186	15,747	14,956	181,224	184,611
Total current liabilities	(Btmn)	37,178	36,447	40,475	36,485	32,939	31,504	118,211	111,553
Total long-term liabilities	(Btmn)	12,702	10,723	10,848	14,141	14,335	14,586	162,781	162,715
Total liabilities	(Btmn)	49,880	47,169	51,324	50,627	47,274	46,091	280,992	274,268
Paid-up capital	(Btmn)	2,400	2,400	2,400	2,400	2,400	2,400	5,290	5,290
Total equity	(Btmn)	21,005	20,779	108,263	24,515	22,857	22,578	288,498	290,218
BVPS (Bt)	(Bt)	4.38	4.33	22.55	5.11	4.76	4.70	45.15	27.43

Cash Flow Statement

FY December 31	Unit	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22
Core Profit	(Btmn)	1,180	1,572	2,130	1,734	1,287	1,572	9,094	2,050
Depreciation and amortization	(Btmn)	892	894	913	886	897	905	3,440	4,325
Operating cash flow	(Btmn)	442	4,111	5,454	2,769	(1,020)	2,366	12,659	1,574
Investing cash flow	(Btmn)	(643)	(453)	(528)	(432)	(593)	(772)	12,787	(7,629)
Financing cash flow	(Btmn)	2,747	(7,400)	(404)	(597)	(3,774)	(3,236)	34,062	(1,017)
Net cash flow	(Btmn)	2,546	(3,742)	4,523	1,741	(5,387)	(1,642)	59,509	(7,072)

Key Financial Ratios

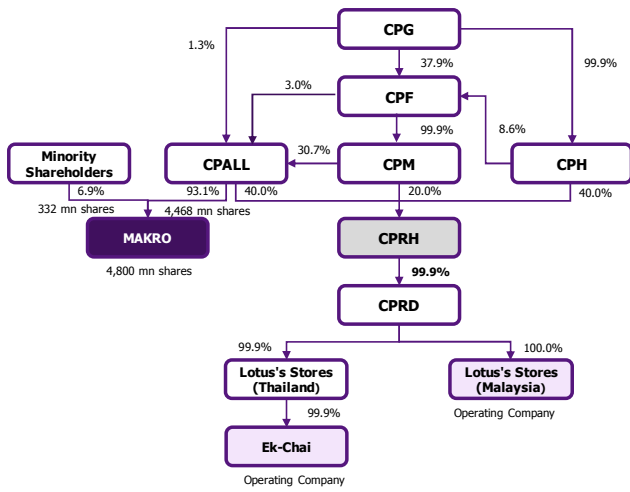
FY December 31	Unit	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22
Gross margin	(%)	11.0	12.2	13.0	11.8	11.1	12.0	16.8	16.5
Operating margin	(%)	2.9	3.7	5.0	3.9	2.8	3.5	4.1	3.3
EBITDA margin	(%)	4.8	5.5	6.4	5.5	4.7	5.4	7.7	7.3
EBIT margin	(%)	3.2	4.0	5.0	4.1	3.2	4.0	4.4	3.7
Net profit margin	(%)	2.3	2.9	3.7	3.1	2.4	2.9	9.1	1.9
ROE	(%)	21.6	30.1	13.2	10.4	21.7	27.7	6.6	2.8
ROA	(%)	6.6	9.1	7.5	5.9	7.1	9.1	3.2	1.4
Net D/E	(x)	0.6	0.5	0.0	0.2	0.4	0.4	0.4	0.4
Interest coverage	(x)	14.1	19.4	25.2	24.0	17.9	21.6	6.7	5.4
Debt service coverage	(x)	2.0	1.1	2.0	1.9	2.7	3.8	5.0	0.9

Main Assumptions

FY December 31	Unit	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22
SSS growth (%) - B2B	(%)	(3.6)	3.9	0.6	(1.2)	6.1	1.3	4.1	1.0
No. of stores, ending - B2B	(Stores)	143	144	144	145	145	145	149	151
SSS growth (%) -B2C TH	(%)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	(6.1)	0.4
No. of stores, ending - B2C TH	(Stores)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	2,618	2,600
SSS growth (%) -B2C MY	(%)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	(2.2)	(7.9)
No. of stores, ending - B2C MY	(Stores)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	62	64

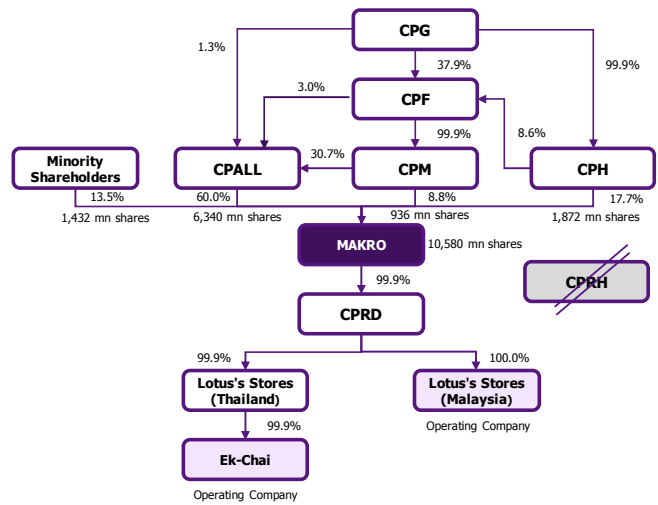
Appendix

Figure 1: Shareholding structure of MAKRO before the EBT and PO transactions in 4Q21



Source: Company data and SCBS Investment Research

Figure 2: Shareholding structure of MAKRO after the EBT and PO transactions in 4Q21



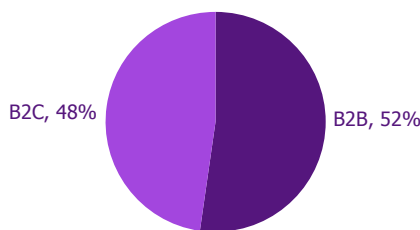
Source: Company data and SCBS Investment Research

Figure 3: Stores broken down by store format at end-2021

	B2B					B2C			
	Classic	Eco Plus	Foodservice	Food Shop	Small Formats	Hypermarkets	Supermarkets	Mini-supermarkets	
	79	15	35	5	1	7	222	199	2,197
	142					2,618			
	1	4	2				46	16	
Total	149					2,680			
Space	818,377 sq.m					1,813,696 sq.m			

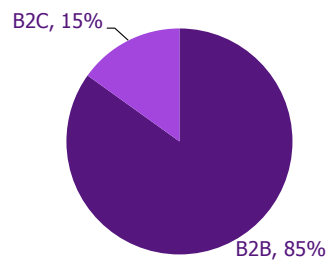
Source: Company data and SCBS Investment Research

Figure 4: Sales contribution by buseinss in 1Q22



Source: Company data and SCBS Investment Research

Figure 5: Net profit contribution by buseinss in 1Q22



Source: Company data and SCBS Investment Research

Figure 6: Valuation summary (price as of Jun 15, 2022)

	Rating	Price (Bt/Sh)	Target (Bt/Sh)	ETR (%)	P/E (x)			EPS growth (%)			P/BV (x)			ROE (%)			Div. Yield (%)			EV/EBITDA (x)		
					21A	22F	23F	21A	22F	23F	21A	22F	23F	21A	22F	23F	21A	22F	23F	21A	22F	23F
BJC	Outperform	34.50	44.0	29.7	39.7	27.1	21.8	(22)	46	24	1.1	1.1	1.1	3	4	5	1.9	2.2	2.5	15.7	14.3	13.0
CPALL	Outperform	61.50	77.0	26.6	71.6	37.9	29.2	(49)	89	30	1.9	1.8	1.8	4	5	6	0.7	1.4	1.8	18.7	13.7	12.1
CRC	Outperform	35.00	45.0	29.5	n.m.	41.9	29.4	n.m.	2,552	42	3.6	3.4	3.1	0	8	11	0.9	1.0	1.4	16.6	12.0	10.2
GLOBAL	Neutral	19.60	24.0	23.8	28.1	25.8	23.0	73	9	12	4.7	4.2	3.7	18	17	17	1.2	1.4	1.5	19.8	18.1	16.1
HMPRO	Outperform	13.50	18.0	35.8	32.6	28.3	24.6	6	15	15	7.8	7.1	6.4	24	26	27	2.4	2.5	2.9	18.6	16.8	15.0
MAKRO	Outperform	35.00	46.0	32.9	28.1	34.9	24.6	(9)	(20)	42	1.3	1.3	1.2	4	4	5	2.1	1.4	2.0	18.7	13.7	11.8
Average					40.0	32.7	25.4	(0)	449	28	3.4	3.2	2.9	9	11	12	1.5	1.6	2.0	18.0	14.8	13.0

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.

This document is prepared by SCB Securities Company Limited ("SCBS") which is wholly-owned by the Siam Commercial Bank Public Company Limited ("SCB"). SCB acts as financial advisor of the SCG Chemicals Public Company Limited (SCGC). 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 may be appointed to act as financial advisor in relation to transactions to be carried out by Thai Oil 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 2021 Companies with CG Rating**Companies with Excellent CG Scoring**

AAV, ADVANC, AF, AH, AIRA, AKP, AKR, ALT, AMA, AMATA, AMATAV, ANAN, AOT, AP, ARIP, ARROW, ASP, AUCT, AWC, AYUD, BAFS, BANPU, BAY, BBL, BCP, BCPG, BDMS, BEM, BGC, BGRIM, BIZ, BKI, BOL, BPP, BRR, BTS, BTW, BWG, CENTEL, CFRESH, CHEWA, CHO, CIMBT, CK, CKP, CM, CNT, COM7, COMAN, COTTO, CPALL, CPF, CPI, CPN, CRC, CSS, DDD, DELTA, DEMCO, DRT, DTAC, DUSIT, EA, EASTW, ECF, ECL, EE, EGCO, EPG, ETC, FPI, FPT, FSMART, GBX, GC, GCAP, GFPT, GGC*, GLAND, GLOBAL, GPI, GPSC, GRAMMY, GULF, GUNKUL, HANA, HARN, HMPRO, ICC, ICHI, III, ILINK, ILM, INTUCH, IP, IRPC, ITEL, IVL, JSP, JWD, K, KBANK, KCE, KKP, KSL, KTB, KTC, LALIN, LANNA, LH, LHFG, LIT, LPN, MACO, MAJOR, MAKRO, MALEE, MBK, MBKET, MC, MCOT, METCO, MFEC, MINT, MONO, MOONG, MSC, MTC, MVP, NCL, NEP, NER, NKI, NOBLE, NSI, NVD, NWR, NYT, OISHI, OR, ORI, OSP, OTO, PAP, PCSGH, PDG, PDJ, PG, PHOL*, PLANB, PLANET, PLAT, PORT, PPS, PR9, PREB, PRG, PRM, PROUD, 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, SCGP, SCM, SDC, SEAFCO, SEAOL, SE-ED, SELIC, SENA, SHR, SIRI, SIS, SITHAI, SMK, SMPC, SNC, SONIC, SPALI, SPI, SPRC, SPVI, SSSC, SST, STA, STEC*, STI, SUN, SUSCO, SUTHA, SVI*, SYMC, SYNTEC, TACC, TASCO, TCAP, TEAMG, TFMAMA, TGH, THANA, THANI, THCOM, THG, THIP, THRE, THREL, TIP¹, TIPCO, TISCO, TK, TKT, TMT, TNDT, TNITY, TOA, TOP, TPBI, TQM, TRC, TRU, TRUE, TSC, TSR, TSTE, TSTH, TTA, TTB, TTCL, TU, TVD, TVI, TVO, TWPC, U, UAC, UBIS, UV, VGI, VIH, WACOAL, WAVE, WHA, WHAUP, WICE, WINNER, ZEN

Companies with Very Good CG Scoring

2S, 7UP, ABICO, ABM, ACE, ACG, ADB, AEONTS, AGE, AHC, AIT, ALL, ALLA, ALUCON, AMANAH, AMARIN, APCO, APCS, APURE, AQUA, ASEFA, ASIAN, ASK, ATP30, BA, BC, BEC, BFIT, BJCHI, BR, CBG, CGH, CHAYO, CHOTI, CI, CMC, CPL, CRD, CSP, DCC, ASAP, ASIA, ASIMAR, ASN, B, BAM, BCH, BEYOND, BJC, BLA, BROOK, CEN, CHARAN, CHG, CHOW, CIG, COLOR, CPW, CSC, CWT, DCON, DHOUSE, DOD, DOHOME, DV8, EASON, EFORL, ERW, ESSO, ESTAR, ETE, FE, FLOYD, FN, FNS, FORTH, FSS, FTE, FVC, GEL, GENCO, GJS, GYT, HEMP, HPT, HTC, HYDRO, ICN, IFS, IMH, IND, INET, INSET, INSURE, IRC, IRCP, IT, ITD*, J, JAS, JCK, JCKH, JMART, JMT, KBS, KCAR, KEX, KGI, KIAT*, KISS, KOOL, KTIS, KUMWEL, KUN, KWC, KWM, L&E, LDC, LEO, LHK, LOXLEY, LRH, LST, M, MATCH, MBAX, MEGA, META, MFC*, MGT, MICRO, MILL, MITSIB, MK, MODERN, MTI, NBC, NCAP, NCH, NETBAY, NEX, NINE, NRF, NTV, OCC, OGC, PATO, PB, PICO, PIMO, PJW, PL, PM, PMTA, PPP, PPPM, PRIME, PRIN, PRINC, PSTC, PT, QLT, RBF, RCL, RICHY, RML, ROJNA, RPC, RT, RWI, S11, SA, SAK, SALEE, SAMCO, SANKO, SAPPE, SAWAD, SCI, SCN, SCP, SE, SFLEX, SFP, SFT, SGF, SIAM, SINGER, SKE, SKN, SKR, SKY, SLP, SMIT, SMT, SNP, SO, SORKON, SPA, SPC, SPCG, SR, SRICHA, SSC, SSF, STANLY, STGT, STOWER*, STPI, SUC, SWC, SYNEX, T, TAE, TAKUNI, TBSP, TCC, TCMC, TEAM, TFG, TFI, TIGER, TITL, TKN, TKS, TM, TMC, TMD, TMI, TMILL, TNL, TNP, TOG, TPA, TPAC, TPCS, TPS, TRITN, TRT, TSE, TVT, TWP, UEC, UMI, UOBKH, UP, UPF, UPOIC, UTP, VCOM, VL, VNT, VPO, VRANDA, WGE, WIJK, WP, XO, XPG, YUASA

Companies with Good CG Scoring

A, AI, AIE, AJ, AMC, APP, AQ, ARIN, AS, AU, B52, BEAUTY, BGT, BH, BIG, BLAND, BM, BROCK, BSBM, BSM, BYD*, CCP, CITY, CMO, CPT, CSR, EKH, EP, FMT, GLOCON*, GSC, HTECH, IHL, INGRS, JAK, JTS, KASET, KK, KWG, LEE, BTNC, CAZ, CGD, CMAN, CMR, CRANE, D, EMC, F&D, GIFT, GREEN, GTB, HUMAN, IIG, INOX, JR, JUBILE, KCM, KKC, KYE, LPH, MATI, M-CHAI, MCS, MDX, MJD, MORE, MUD, NC, NDR, NFC, NNCL, NOVA, NPK, NUSA, OCEAN, PAF, PF, PK, PLE, PPM, PRAKIT, PRAPAT, PRECHA, PTL, RCI², RJH, RP, RPH, RSP, SABUY, SF, SGP, SICT, SIMAT, SISB, SK, SMART, SOLAR, SPACK, SPG, SQ, SSP, STARK, STC, SUPER, SVOA, TC, TCCC, THMUI, TNH, TNR, TOPP, TPCH, TPIPL, TPIPP, TPLAS, TPOLY, TQR, TTI, TYCN, UKEM, UMS, UNIQ, UPA, UREKA, VIBHA, W, WIN, WORK, WPH, YGG, 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 2020 to 26 October 2021) is publicized.

¹ TIP was voluntarily delisted from the Stock Exchange of Thailand effectively on July 24, 2021

² RCI was voluntarily delisted from the Stock Exchange of Thailand, effectively on July 16, 2021

* บริษัทหรือกรรมการหรือผู้บริหารของบริษัทที่มีข่าวด้านการศึกษาเกี่ยวกับเหตุการณ์การกระทำความผิดเกี่ยวกับหลักทรัพย์ การทุจริต คอร์รัปชัน เป็นต้น ซึ่งการใช้ข้อมูล CGR ควรตระหนักถึงข้อจำกัดดังกล่าวประกอบด้วย

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

2S, 7UP, ADVANC, AF, AI, AIE, AIRA, AKP, AMA, AMANAH, AMATA, AMATAV, AP, APCS, AQUA, ARROW, AS, ASIAN, ASK, ASP, AWC, AYUD, B, BAFS, BAM, BANPU, BAY, BBL, BCH, BCP, BCPG, BE8, BEYOND, BGC, BGRIM, 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, ESTAR, ETE, FE, FNS, FPI, FPT, FSMART, FSS, FTE, GBX, GC, GCAP, GEL, GFPT, GGC, GJS, GPI, GPSC, GSTEEL, GULF, GUNKUL, HANA, HARN, HEMP, HENG, HMPRO, HTC, ICC, ICHI, IFS, ILINK, INET, INSURE, INTUCH, IRC, IRPC, ITEL, IVL, JKN, JR, K, KASET, KBANK, KBS, KCAR, KCE, KGI, KKP, KSL, KTB, KTC, KWI, L&E, LANNA, LH, LHFG, LHK, LPN, LRH, M, MAKRO, MALEE, MATCH, MBAX, MBK, MC, MCOT, META, MFC, MFEC, MILL, MINT, MONO, MOONG, MSC, MST, MTC, MTI, NATION, NBC, NEP, NINE, NKI, NOBLE, NOK, NSI, NWR, OCC, OGC, ORI, PAP, PATO, PB, PCSGH, PDG, PDJ, PG, PHOL, PK, PL, PLANB, PLANET, PLAT, PM, PPP, PPPM, PPS, PR9, PREB, PRG, PRINC, PRM, PROS, 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, SCGP, SCM, SCN, SEAOL, SE-ED, SELIC, SENA, SGP, SINGER, SIRI, SITHAI, SKR, SMIT, SMK, SMPC, SNC, SNP, SORKON, SPACK, SPALI, SPC, SPI, SPRC, SRICHA, SSF, SSP, SSSC, SST, STA, STOWER, SUSCO, SVI, SYMC, SYNTEC, TAE, TAKUNI, TASCO, TCAP, TCMC, TFG, TFI, TFMAMA, TGH, THANI, THCOM, THIP, THRE, THREL, TIDLOR, TIPCO, TISCO, TKS, TKT, TMILL, TMT, TNITY, TNL, TNP, TNR, TOG, TOPP, TPA, TPCS, TPP, TRU, TRUE, TSC, TSTE, TSTH, TTA, TTB, TTCL, TU, TVD, TVI, TVO, TWPC, U, UBE, UBIS, UEC, UKEM, UOBKH, UPF, UV, VGI, VIH, WACOAL, WHA, WHAUP, WICE, WIJK, XO, YUASA, ZEN, ZIGA

Declared (ประกาศเจตนารมณ์)

AH, AJ, ALT, APCO, B52, BEC, CHG, CI, CPL, CPR, CPW, CRC, DDD, DHOUSE, DOHOME, ECF, EKH, ETC, EVER, FLOYD, GLOBAL, III, ILM, INOX, JTS, KEX, KUMWEL, LDC, MAJOR, MEGA, NCAP, NOVA, NRF, NUSA, NYT, OR, PIMO, PLE, RS, SAK, SIS, STECH, STGT, SUPER, SVT, TKN, TMI, TQM, TSI, VARO, VCOM, VIBHA, WIN

N/A

3K-BAT, A, A5, AAV, ABICO, ABM, ACAP, ACC, ACE, ACG, ADB, ADD, AEONTS, AFC, AGE, AHC, AIT, AJA, AKR, ALL, ALLA, ALPHAX, ALUCON, AMARIN, AMC, AMR, ANAN, AOT, APEX, APP, APURE, AQ, ARIN, ARIP, ASAP, ASEFA, ASIA, ASIMAR, ASN, ASW, ATP30, AU, AUCT, BA, BBGI, BBK, BC, BCT, BDMS, BEAUTY, BEM, BFIT, BGT, BH, BIG, BIOTEC, BIS, BIZ, BJC, BJCHI, BKD, BLAND, BLISS, BM, BOL, BR, BRI, BROCK, BSM, BTNC, BTW, BUI, BYD, CAZ, CBG, CCET, CCP, CEYE, CGD, CHARAN, CHAYO, CHO, CITY, CIVIL, CK, CIP, CMAN, CMO, CMR, CNT, COLOR, COMAN, CPANEL, CPH, CPT, CRANE, CRD, CSP, CSR, CSS, CTW, CV, CWT, D, DCON, DITTO, DMT, DOD, DPAINT, DTCT, DV8, EASON, EE, EFORL, EMC, ESSO, F&D, FANCY, FMT, FN, FORTH, FTI, FVC, GENCO, GIFT, GL, GLAND, GLOCON, GLORY, GRAMMY, GRAND, GREEN, GSC, GTB, GYT, HFT, HL, HPT, HTECH, HUMAN, HYDRO, ICN, IFEC, IHL, IIG, IMH, IND, INGRS, INSET, IP, IRCP, IT, ITD, J, JAK, JAS, JCK, JCKH, JCT, JDF, JMART, JMT, JP, JUBILE, JWD, KAMART, KC, KCC, KCM, KDH, KIAT, KISS, KK, KKC, KOOL, KTIS, KUN, KWC, KWM, KYE, LALIN, LEE, LEO, LIT, LOXLEY, LPH, LST, MACO, MANRIN, MATI, MAX, M-CHAI, MCS, MDX, MENA, METCO, MGT, MICRO, MIDA, MITSIB, MJD, MK, ML, MODERN, MORE, MPIC, MUD, MVP, NC, NCH, NCL, NDR, NER, NETBAY, NEW, NEWS, NEX, NFC, NNCL, NPK, NSL, NTV, NV, NVD, OHTL, OISHI, ONEE, OSP, OTO, PACE, PACO, PAE, PAF, PEACE, PERM, PF, PICO, PIN, PJW, PLUS, PMTA, POLAR, POMPU, PORT, POST, PPM, PRAKIT, PRAPAT, PRECHA, PRIME, PRIN, PRO, PROEN, PROUD, PSG, PTC, PTECH, PTL, RAM, RBF, RCL, RICHY, RJH, ROCK, ROH, ROJNA, RP, RPC, RPH, RSP, RT, S, S11, SA, SABUY, SAFARI, SALEE, SAM, SAMART, SAMCO, SAMTEL, SANKO, SAUCE, SAWAD, SAWANG, SCI, SCP, SDC, SE, SEAFCO, SECURE, SENAJ, SFLEX, SFP, SFT, SGF, SHANG, SHR, SIAM, SICT, SIMAT, SISB, SK, SKE, SKN, SKY, SLM, SLP, SMART, SMD, SMT, SNPN, SO, SOLAR, SONIC, SPA, SPACG, SPG, SPVI, SQ, SR, SSC, SSS, STANLY, STARK, STC, STEC, STHAI, STI, STP, STPI, SUC, SUN, SUTHA, SVH, SVOA, SWC, SYNEX, TACC, TAPAC, TC, TCC, TCCC, TCJ, TCOAT, TEAM, TEAMG, TEKA, TFM, TGPRO, TH, THAI, THANA, THE, THG, THL, THMUI, TIGER, TIPH, TITL, TK, TKC, TM, TMC, TMD, TMW, TNDT, TNH, TNPC, TOA, TPAC, TPBI, TPCH, TPIPL, TPIPP, TPLAS, TPOLY, TPS, TQR, TR, TRC, TRITN, TRT, TRUBB, TRV, TSE, TSF, TSR, TTI, TTT, TTV, TWC, TWV, TYCN, UAC, UMI, UMS, UNIQ, UP, UPA, UPOIC, UREKA, UTP, UVAN, VL, VNG, VPO, VRANDA, W, WAVE, WFX, WGE, WINMED, WINNER, WORK, WORLD, WP, WPH, XPG, YGG

Explanations

Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of May 9, 2022) are categorised into: companies that have declared their intention to join CAC, and companies certified by CAC.