

Bangkok Expressway and Metro (BEM.BK/BEM TB) *

Neutral • Downgraded

Price as of 4 Oct 2018	8.45
12M target price (Bt/shr)	8.60
Unchanged/Revised up(down) (%)	(0.9)
Upside/downside (%)	1.8

Key messages

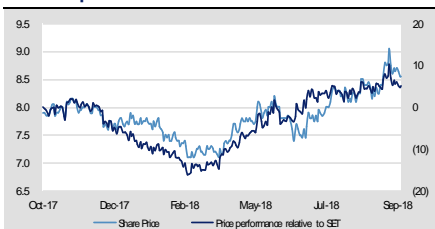
We expect BEM to report a 3Q18 net profit of Bt1.02bn (+8.0% YoY, +3.8% QoQ) with an extra gain of Bt120mn from selling 112mn shares of Xayaburi Power to CK Power (CKP.BK/CKP TB). Considering its 9M18F, we lowered our 2018–19F earnings forecasts to Bt3.62bn (+15.8% YoY) and Bt4.30bn (+19.0% YoY). BEM's share price has been performing well this year and already reached our previous target price. We downgrade BEM to Neutral, from Outperform, with a new target price of Bt8.60, reflecting our current

Trading data

Mkt cap (Btbn/US\$mn)	129/3,962		
Outstanding shares (mn)	15,285		
Foreign ownership (mn)	1,537		
3M avg. daily trading (mn)	36		
52-week trading range (Bt)	7.1–9.1		
Performance (%)	3M	6M	12M
Absolute	9.6	18.8	8.2
Relative	0.7	18.7	4.8

Quarterly EPS

Bt	Q1	Q2	Q3	Q4
2015	0.04	0.03	0.10	0.00
2016	0.05	0.03	0.05	0.04
2017	0.05	0.05	0.06	0.05
2018	0.05	0.06		

Share price chart


Source: SET

3Q18 earnings preview: Satisfactory performance
Event

3Q18 earnings estimate and outlook.

Impact
Expect solid 3Q18 earnings, including extra gain from selling shares in Xayaburi

We expect BEM to report a 3Q18 net profit of Bt1.02bn (+8.0% YoY, +3.8% QoQ) with an extra gain of Bt120mn from selling 112mn shares of Xayaburi Power to CK Power (CKP.BK/CKP TB). Excluding the extra gain, core profit is expected to be Bt896mn (+11.7% YoY, +22.1% QoQ). Note that BEM also booked an extra gain of Bt139mn in 3Q17. The key drivers would be i) continued revenue growth from expressway and underground traffic volume, and ii) manageable interest expenses. Meanwhile, gross margin is expected to be 41%, improving from 40.9% in 3Q17 and 38.9% in 2Q18.

Cut 2018–2019F earnings by 12.7% and 9.2%

Considering its 9M18F, we think that the company's 2018–19 overall performance will be pressured by i) slower traffic growth in expressway, led by the construction of mass transit and ii) stable interest expenses of around Bt430mn per quarter (despite lower cost of funds) as it prepares to bid on new mass transit projects. We lowered our earnings forecasts by 12.7% to Bt3.62bn (+15.8% YoY) for 2018 and 9.2% to Bt4.30bn (+19.0% YoY) for 2019, excluding compensation of around Bt4bn (Bt0.26/share) to be paid by the Expressway Authority of Thailand (EXAT) after the ruling of the Supreme Administration Court.

Potential upside ahead

The Blue Line Extension (BLE) will start operating its initial phase by August–September 2019 with a 33-year concession period. Moreover, there will be three highlight projects: i) bidding on the Orange Line, ii) bidding on the Southern Purple Line, and iii) potential extension of the existing expressway contract that will end by February 2020. Preliminarily, we expect the Orange Line to add around Bt0.9/share to BEM's valuation, while the extension of the expressway contract would create around Bt1.50/share (assuming a 10-year extension to its expressway contract by EXAT).

Valuation & Action

BEM's share prices has been performing well this year and already reached our previous target price. Currently, we downgrade BEM to Neutral, from Outperform, with a new target price of Bt8.60, from Bt8.68, reflecting our current projections.

Risks

Slower-than-expected economic recovery and political uncertainty.

Key financials and valuations

	Dec-15A	Dec-16A	Dec-17A	Dec-18F	Dec-19F
Revenue (Bt mn)	11,738	13,104	15,153	15,938	17,540
Gross profit (Bt mn)	4,643	5,110	5,947	6,655	7,466
EBIT (Bt mn)	4,895	4,254	5,043	5,695	6,450
Net profit (Bt mn)	2,650	2,606	3,123	3,615	4,302
EPS (Bt)	0.17	0.17	0.20	0.24	0.28
DPS (Bt)	0.07	0.11	0.13	0.15	0.18
EPS growth (%)	(3.5)	(1.7)	19.9	15.8	19.0
P/E (x)	48.7	49.6	41.4	35.7	30.0
P/B (x)	4.4	4.3	4.1	3.6	3.0
EV/EBITDA (x)	21.2	22.8	21.9	19.8	17.9
Net Debt to Equity (%)	134.6	146.1	190.9	163.8	132.6
Dividend Yield (%)	0.8	1.3	1.5	1.8	2.2
Return on Avg. Equity (%)	9.1	8.7	10.0	10.2	10.0

Source: Company data, KGI Research

BEM's overall performance is expected to be strong with an estimated net profit of Bt1.02bn in 3Q18F.

Lack of short-term catalyst despite solid longer-term outlook

Expect a strong 3Q18 net profit

We expect BEM to report a 3Q18 net profit of Bt1.02bn (+8.0% YoY, +3.8% QoQ) with an extra gain of Bt120mn from selling 112mn shares of Xayaburi Power to CK Power (CKP.BK/CKP TB). Excluding the extra gain, core profit is expected to be Bt896mn (+11.7% YoY, +22.1% QoQ). The key drivers would be i) continued revenue growth from expressway and underground traffic volume, and ii) manageable interest expenses. Meanwhile, gross margin is expected to be 41%, improving from 40.9% in 3Q17 and 38.9% in 2Q18.

Figure 1: 3Q18 earnings preview

Bt mn	3Q18F	3Q17	YoY (%)	2Q18	QoQ (%)
Sale revenue	4,134	3,900	6.0	3,799	8.8
Operating cost	(2,439)	(2,305)	5.8	(2,321)	5.1
Gross profit	1,695	1,595	6.3	1,479	14.6
SG&A	(302)	(251)	20.4	(312)	(3.4)
Pretax profit	1,543	1,370	12.6	1,395	10.6
Net profit	1,016	940	8.0	978	3.8
Normalized profit	896	802	11.7	733	22.1
EPS (Bt)	0.07	0.06	8.0	0.06	3.8
Percent	3Q18F	3Q17	YoY (ppts)	2Q18	QoQ (ppts)
Gross margin	41.0	40.9	0.1	38.9	2.1
Net profit margin	24.6	24.1	0.5	25.7	(1.2)

Source: Company data; KGI Research

Downgrade to Neutral with a new target of Bt8.60

Considering its 9M18F, we think that the company's 2018-19 overall performance will be pressured by i) slower traffic growth in expressway, led by the construction of mass transit and ii) stable interest expenses of around Bt430mn per quarter (despite lower cost of funds) as it prepares to bid on new mass transit projects. We lowered our earnings forecasts by 12.7% to Bt3.62bn (+15.8% YoY) for 2018 and 9.2% to Bt4.30bn (+19.0% YoY) for 2019, excluding compensation of around Bt4bn (Bt0.26/share) to be paid by the Expressway Authority of Thailand (EXAT) after the ruling of the Supreme Administration Court. Currently, we downgrade BEM to Neutral, from Outperform, with a new target price of Bt8.60, reflecting the current projections.

Figure 2: Key assumptions

	2013	2014	2015	2016	2017	2018F		2019F	
						Current	Previous	Current	Previous
Avg. traffic volume (m trips/day)	1.10	1.10	1.14	1.18	1.21	1.23	1.24	1.25	1.26
Avg. toll fee (Bt/trip)	20.0	20.9	20.9	20.9	22.0	22.0	22.0	22.1	22.2
Avg. ridership (m trips/day)	0.3	0.3	0.3	0.3	0.3	0.4	0.4	0.4	0.4
Avg. fare (Bt/trip)	24.2	25.0	27.0	28.1	30.0	31.5	31.8	32.0	32.5

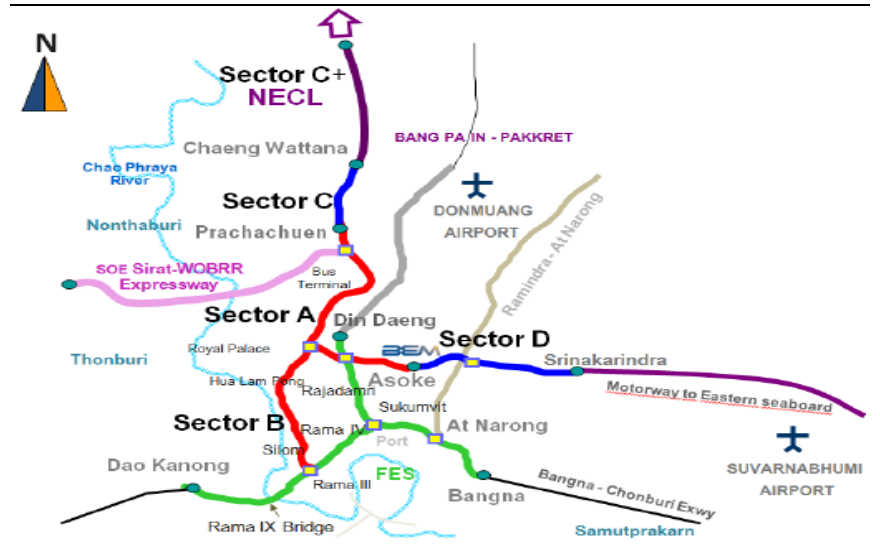
Source: Company data; KGI Research

Figure 3: Earnings revisions

	2018F		Change (%)	2019F		Change (%)
	Revised	Previous		Revised	Previous	
Financials						
Revenue (Bt mn)	15,938	17,087	(6.7)	17,540	19,032	(7.8)
Gross profit (Bt mn)	6,655	7,535	(11.7)	7,466	8,321	(10.3)
Normalized profit (Bt mn)	3,689	4,228	(12.7)	4,390	4,835	(9.2)
Net profit (Bt mn)	3,615	4,143	(12.7)	4,302	4,738	(9.2)
EPS (Bt/share)	0.2	0.3	(12.7)	0.3	0.3	(9.2)
Key financial ratios						
			Change			Change
Gross profit margin (%)	41.8	44.1	(2.3)	42.6	43.7	(1.2)
SG&A to sales (%)	7.6	8.3	(0.7)	7.3	8.3	(1.0)
Net profit margin (%)	23.1	24.7	(1.6)	25.0	25.4	(0.4)

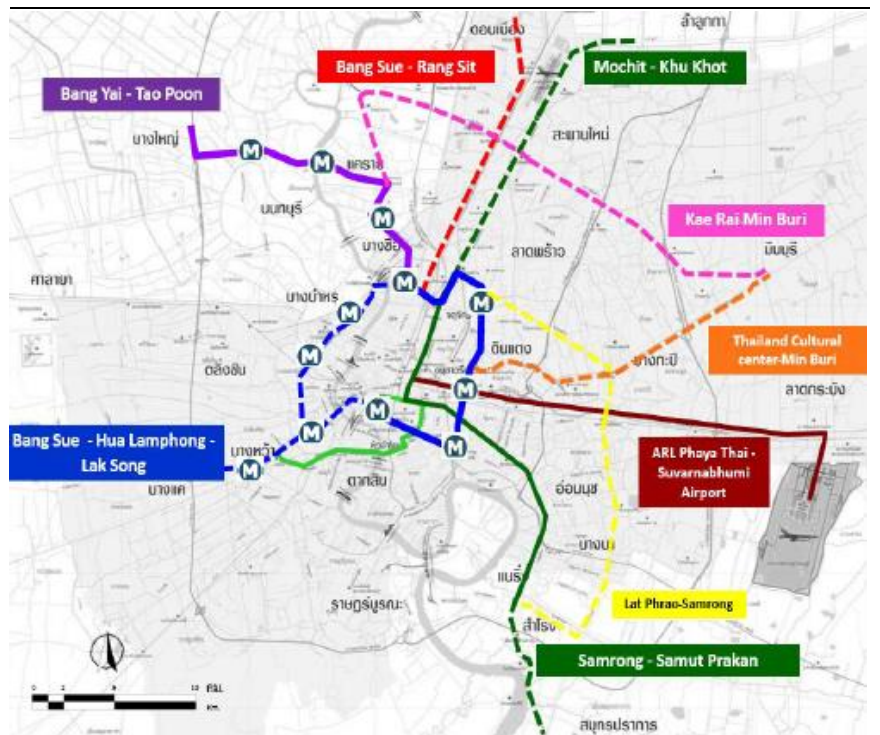
Source: Company data; KGI Research

Figure 4: Expressway network



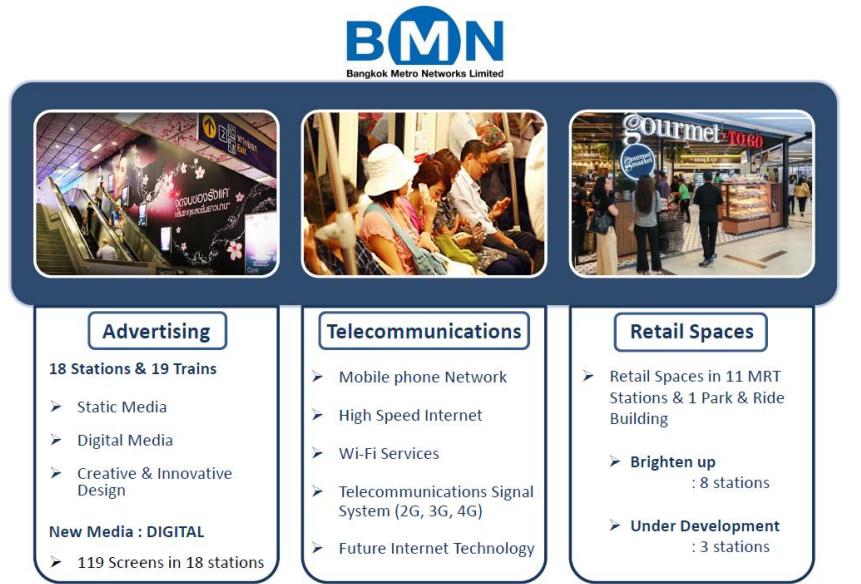
Source: Company data

Figure 5: Six more lines under construction



Source: Company data

Figure 6: BMN as commercial development business



Source: Company data

Figure 7: Company profile

Bangkok Expressway and Metro (BEM) is the merged company between BECL and BMCL. BECL is the operator of i) Second Stage Expressway System under two concession agreements ending in 2020 and 2027, respectively, and ii) Si-Rat Outer Ring Road Expressway (SOE), started operations in 2016. Further, NECL, a subsidiary of BECL, is the operator of Bangpain-Pak Kret expressway (Sector C+) under a concession agreement ending in 2026. BMCL is granted two concession agreements to construct and operate: i) Initial Blue Line (IBL) with the rights to operate commercial development ending in 2029, and ii) Purple Lines, which started operations in 2016.

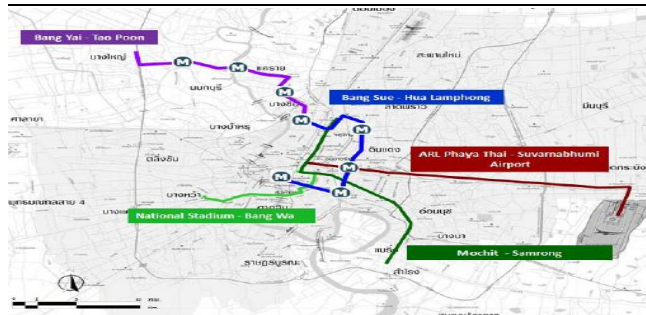
Source: Company data

Figure 8: Merger between BECL and BMCL



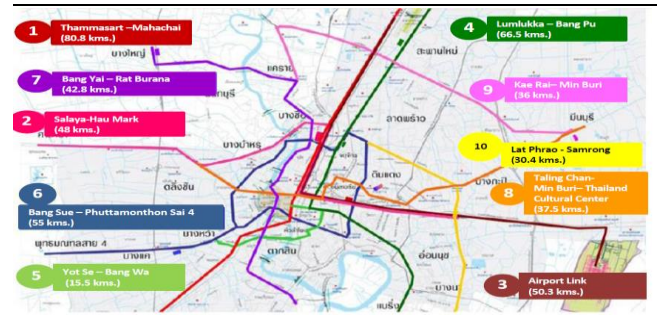
Source: Company data, KGI Research

Figure 9: Existing metro lines



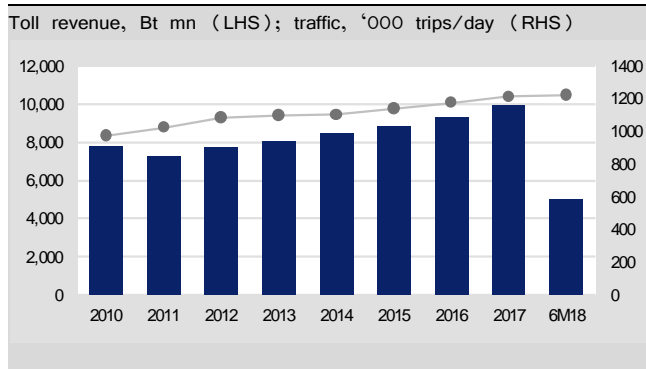
Source: Company data, KGI Research

Figure 10: Future mass transit network



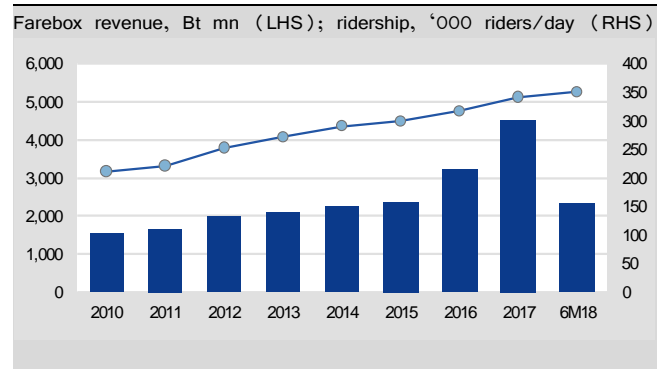
Source: Company data, KGI Research

Figure 11: Toll revenue and traffic



Source: Company data, KGI Research

Figure 12: Fare box revenue and ridership



Source: Company data, KGI Research

Figure 13: Total revenue

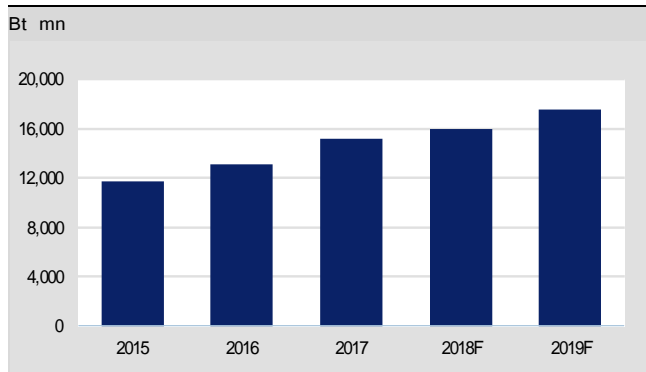
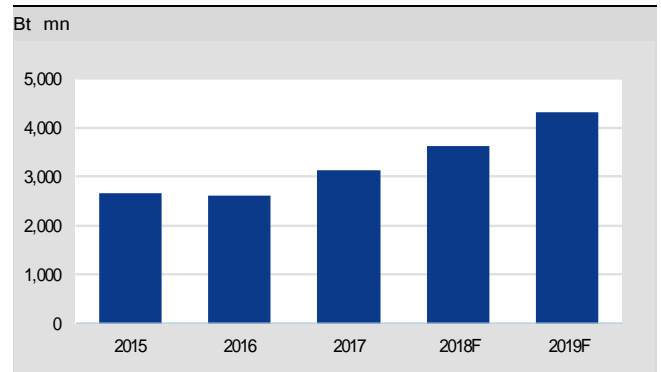


Figure 14: Net profit



Source: Company data, KGI Research

Source: Company data, KGI Research

Quarterly Income Statement

	Mar-15A	Jun-15A	Sep-15A	Dec-15A	Mar-16A	Jun-16A	Sep-16A	Dec-16A	Mar-17A	Jun-17A	Sep-17A	Dec-17A	Mar-18A	Jun-18A
Income Statement (Bt mn)														
Revenue	2,921	2,859	2,953	3,004	3,026	2,919	3,431	3,728	3,731	3,705	3,900	3,817	3,886	3,799
Cost of Goods Sold	(1,724)	(1,722)	(1,781)	(1,866)	(1,809)	(1,734)	(2,043)	(2,408)	(2,330)	(2,279)	(2,305)	(2,293)	(2,363)	(2,321)
Gross Profit	1,197	1,136	1,172	1,138	1,217	1,185	1,389	1,320	1,402	1,427	1,595	1,524	1,523	1,479
Operating Expenses	(253)	(253)	(238)	(371)	(204)	(218)	(262)	(301)	(257)	(283)	(251)	(354)	(296)	(312)
Other incomes	168	148	45	1,006	126	127	34	(158)	109	116	26	(11)	227	228
Operating Profit	1,112	1,031	979	1,773	1,139	1,094	1,161	861	1,254	1,260	1,370	1,159	1,454	1,395
Non-Operating Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Non-op Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-Operating Expenses	(355)	(395)	(358)	(826)	(276)	(484)	(291)	(376)	(379)	(380)	(364)	(487)	(594)	(430)
Interest Expense	(355)	(395)	(358)	(826)	(276)	(484)	(291)	(376)	(379)	(380)	(364)	(487)	(594)	(430)
Other Non-op Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Investment Income/(Loss)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pre-tax Profit	757	636	621	947	863	610	870	485	875	880	1,006	672	861	965
Current taxation	(161)	(126)	(413)	(22)	(162)	(104)	(171)	(127)	(172)	(159)	(198)	(166)	(163)	(229)
Minorities	(18)	(14)	(12)	505	0	(2)	(3)	353	(2)	(5)	(6)	419	(3)	(2)
Extraordinary items	-	-	1,323	(1,323)	-	-	113	(113)	2	7	139	(148)	42	245
Net Profit	578	496	1,519	57	702	504	808	592	702	723	940	758	736	978
EPS (B)	0.0	0.0	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.1
Margins (%)														
Gross profit margin	41.0	39.7	39.7	(61.0)	40.2	40.6	40.5	35.4	37.6	38.5	40.9	39.9	39.2	38.9
Operating margin	38.1	36.1	33.2	(95.0)	37.6	37.5	33.8	23.1	33.6	34.0	35.1	30.4	37.4	36.7
Net profit margin	19.8	17.4	51.4	(3.0)	23.2	17.3	23.5	15.9	18.8	19.5	24.1	19.9	18.9	25.7
Growth (%)														
Revenue growth	(50.6)	(36.8)	(41.3)	(55.9)	3.6	2.1	16.2	24.1	23.3	26.9	13.7	2.4	4.1	2.5
Operating growth	24.2	N.A	316.7	(46.7)	2.4	6.1	18.5	(51.5)	10.1	15.2	18.1	34.6	16.0	10.7
Net profit growth	9.8	N.A	N.A	N.A	21.5	1.6	(46.8)	946.7	0.0	43.3	16.4	28.2	4.8	35.4

Source: KGI Research

Balance Sheet

As of 31 Dec (Bt mn)	2015	2016	2017	2018F	2019F
Total Assets	78,120	82,786	98,919	104,008	112,445
Current Assets	5,869	9,219	6,280	8,248	10,603
Cash & ST Investments	4,981	6,718	4,077	5,931	8,052
Inventories	0	0	0	0	0
Accounts Receivable	85	1,615	426	448	493
Others	804	886	1,777	1,869	2,057
Non-current Assets	72,251	73,566	92,639	95,759	101,843
IT Investments	10,870	11,026	11,367	11,367	11,367
Net fixed Assets	17,178	17,457	26,391	26,669	26,951
Others	44,202	45,083	54,881	57,723	63,524
Total Liabilities	48,990	53,003	67,740	68,445	69,516
Current Liabilities	27,315	9,558	11,583	11,730	12,068
Accounts Payable	2,580	898	2,108	2,126	2,307
ST Borrowings	22,529	6,783	7,438	7,465	7,515
Others	2,207	1,877	2,037	2,139	2,246
Long-term Liabilities	21,675	43,445	56,157	56,715	57,448
Long-term Debts	17,354	40,120	53,972	54,511	55,057
Others	4,321	3,325	2,186	2,204	2,392
Shareholders' Equity	29,130	29,783	31,179	35,563	42,930
Common Stock	15,285	15,285	15,285	15,285	15,285
Capital Surplus	5,817	5,817	5,817	5,817	5,817
Retained Earnings	7,254	7,764	8,948	10,879	13,201
Others	774	917	1,129	3,582	8,626

Source: KGI Research

Key Ratios

Year to 31 Dec (Bt mn)	2015	2016	2017	2018F	2019F
Growth (% YoY)					
Sales	4.5	11.6	15.6	5.2	10.1
OP	11.2	(13.1)	18.5	12.9	13.3
EBITDA	8.5	(1.1)	11.9	9.7	10.0
NP	(3.5)	(1.7)	19.9	15.8	19.0
EPS	(3.5)	(1.7)	19.9	15.8	19.0
Profitability (%)					
Gross Margin	39.6	39.0	39.2	41.8	42.6
Operating Margin	41.7	32.5	33.3	35.7	36.8
EBITDA Margin	66.2	58.6	56.7	59.1	59.1
Net Profit Margin	22.6	19.9	20.6	22.7	24.5
ROAA	3.4	3.1	3.2	3.5	3.8
ROAE	9.1	8.7	10.0	10.2	10.0
Stability					
Gross Debt/Equity (%)	136.9	157.5	197.0	174.3	145.8
Net Debt/Equity (%)	134.6	146.1	190.9	163.8	132.6
Interest Coverage (x)	3.1	2.5	3.0	3.1	3.7
Interest & ST Debt Coverage (x)	0.2	0.5	0.6	0.6	0.7
Cash Flow Interest Coverage (x)	1.9	2.7	4.5	5.9	6.9
Cash Flow/Interest & ST Debt (x)	0.2	0.5	0.8	1.0	1.1
Current Ratio (x)	0.2	1.0	0.5	0.7	0.9
Quick Ratio (x)	0.2	1.0	0.5	0.7	0.9
Net Debt (Bt mn)	39,223	43,509	59,519	58,250	56,911
Per Share Data (Bt)					
EPS	0.2	0.2	0.2	0.2	0.3
CHPS	0.3	0.4	0.3	0.4	0.5
BVPS	1.9	1.9	2.0	2.3	2.8
SPS	0.8	0.9	1.0	1.0	1.1
EBITDA/Share	0.5	0.5	0.6	0.6	0.7
DPS	0.1	0.1	0.1	0.2	0.2
Activity					
Asset Turnover (x)	0.2	0.2	0.2	0.2	0.2
Days Receivables	2.6	45.0	10.3	10.3	10.3

Source: KGI Research

Profit & Loss

Year to 31 Dec (Bt mn)	2015	2016	2017	2018F	2019F
Sales	11,738	13,104	15,153	15,938	17,540
Cost of Goods Sold	(7,094)	(7,994)	(9,206)	(9,283)	(10,074)
Gross Profit	4,643	5,110	5,947	6,655	7,466
Operating Expenses	(1,115)	(985)	(1,144)	(1,211)	(1,280)
Operating Profit	3,528	4,125	4,803	5,443	6,185
Net Interest	(1,934)	(1,426)	(1,611)	(1,530)	(1,454)
Net other Non-op. Income/(Loss)	1,367	129	240	252	264
Net Extraordinaries	461	347	406	447	491
Pretax Income	2,961	2,828	3,432	4,165	4,996
Income Taxes	(721)	(563)	(696)	(922)	(1,097)
Net Profit	2,650	2,606	3,123	3,615	4,302
EBITDA	7,766	7,677	8,587	9,417	10,358
EPS (Bt)	0.17	0.17	0.20	0.24	0.28

Source: KGI Research

Cash Flow

Year to 31 Dec (Bt mn)	2015	2016	2017	2018F	2019F
Operating Cash Flow	3,754	3,876	7,191	8,965	9,979
Pretax Profit	3,422	3,176	3,838	3,615	4,302
Depreciation & Amortization	2,871	3,423	3,545	3,722	3,908
Change in Working Capital	1,813	(2,787)	1,338	1,378	1,419
Others	(4,351)	65	(1,529)	250	350
Investment Cash Flow	(4,758)	(11,663)	(2,798)	(5,192)	(5,651)
Net CAPEX	(7,064)	(6,507)	(8,102)	(8,500)	(8,500)
Change in LT Investment	(1,402)	(5,420)	4,534	2,500	2,000
Change in Other Assets	3,709	264	770	808	849
Free Cash Flow	(1,003)	(7,787)	4,393	3,773	4,327
Financing Cash Flow	3,571	4,112	(2,501)	(1,875)	(2,160)
Change in Share Capital	0	0	0	0	0
Net Change in Debt	5,496	5,946	(667)	(190)	(181)
Change in Other LT Liab.	(1,925)	(1,834)	(1,834)	(1,685)	(1,979)
Net Cash Flow	2,568	(3,675)	1,892	1,898	2,167

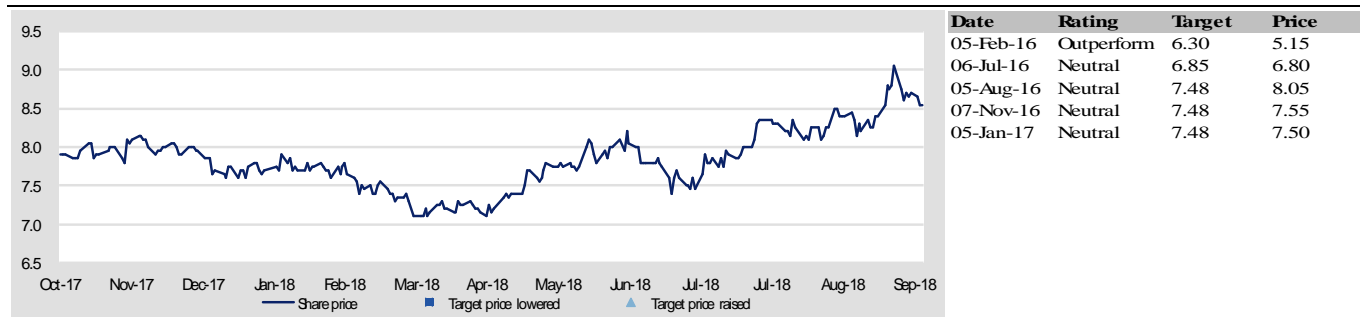
Source: KGI Research

Rates of Return on Invested Capital

Year	1 - $\frac{\text{COGS}}{\text{Revenue}}$	+ $\frac{\text{Depreciation}}{\text{Revenue}}$	+ $\frac{\text{Operating Exp.}}{\text{Revenue}}$	= $\frac{\text{Operating Margin}}{\text{Revenue}}$
2015	60.4%	24.5%	9.5%	5.6%
2016	61.0%	26.1%	7.5%	5.4%
2017	60.8%	23.4%	7.6%	8.3%
2018F	58.2%	23.4%	7.6%	10.8%
2019F	57.4%	22.3%	7.3%	13.0%
Year	1/ $\frac{\text{Working Capital}}{\text{Revenue}}$	+ $\frac{\text{Net PPE}}{\text{Revenue}}$	+ $\frac{\text{Other Assets}}{\text{Revenue}}$	= $\frac{\text{Capital Turnover}}{\text{Revenue}}$
2015	0.17	0.01	6.66	0.15
2016	0.11	0.03	6.32	0.15
2017	0.06	0.02	6.53	0.15
2018F	0.18	0.02	6.53	0.15
2019F	0.27	0.02	6.41	0.15
Year	$\frac{\text{Operating Margin}}{\text{Revenue}}$	x $\frac{\text{Capital Turnover}}{\text{Revenue}}$	x $\frac{\text{Cash Tax Rate}}{\text{Revenue}}$	= $\frac{\text{After-tax Return on Inv. Capital}}{\text{Revenue}}$
2015	5.6%	0.1	75.6%	0.6%
2016	5.4%	0.2	80.1%	0.7%
2017	8.3%	0.2	79.7%	1.0%
2018F	10.8%	0.1	79.7%	1.3%
2019F	13.0%	0.1	79.7%	1.5%

Source: KGI Research

Bangkok Expressway and Metro - Recommendation & target price history



Source: KGI Research

Corporate Governance Report of Thai Listed Companies



Companies with Excellent CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
ADVANC	ADVANCED INFO SERVICE	HMPRO	HOME PRODUCT CENTER	QH	QUALITY HOUSES
ANAN	ANANDA DEVELOPMENT	INTUCH	SHIN CORPORATION	RATCH	RATCHABURI ELECTRICITY GENERATING HOLDING
AOT	AIRPORTS OF THAILAND	IRPC	IRPC	ROBINS	ROBINSON DEPARTMENT STORE
AP	ASIAN PROPERTY DEVELOPMENT	IVL	INDORAMA VENTURES	SAMART	SAMART CORPORATION
BANPU	BANPU	KBANK	KASIKORN BANK	SAMTEL	SAMART TELCOMS
BCP	THE BANGCHAK PETROLEUM	KCE	KCE ELECTRONICS	SCB	THE SIAM COMMERCIAL BANK
BTS	BTS GROUP HOLDINGS	KKP	KIATNAKIN BANK	SCC	THE SIAM CEMENT
CK	CH. KARNCHANG	KTB	KRUNG THAI BANK	SCCC	SIAM CITY CEMENT
CPF	CHAROEN POKPHAND FOODS	KTC	KRUNGTHAI CARD	SPALI	SUPALAI
CPN	CENTRAL PATTANA	LPN	L.P.N. DEVELOPMENT	SPRC	STAR PETROLEUM REFINING
DELTA	DELTA ELECTRONICS (THAILAND)	MINT	MINOR INTERNATIONAL	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION
DTAC	TOTAL ACCESS COMMUNICATION	MONO	MONO TECHNOLOGY	SVI	SVI
EASTW	EASTERN WATER RESOURCES DEVELOPMENT AND MANAGE	PLANB	PLAN B MEDIA	TCAP	THANACHART CAPITAL
EGCO	ELECTRICITY GENERATING	PSH	PRUKSA HOLDING	THCOM	THAICOM
GFPT	GFPT	PTT	PTT	TISCO	TISCO FINANCIAL GROUP
GPSC	GLOBAL POWER SYNERGY	PTTEP	PTT EXPLORATION AND PRODUCTION	TMB	TMB BANK
GUNKUL	GUNKUL ENGINEERING	PTTGC	PTT GLOBAL CHEMICAL	TOP	THAI OIL
HANA	HANA MICROELECTRONICS	PYLON	PYLON	TRUE	TRUE CORPORATION



Companies with Very Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	ERW	THE ERAWAN GROUP	SAWAD	SRISAWAD POWER 1979
AMATA	AMATA CORPORATION	GLOBAL	SIAM GLOBAL HOUSE	SCI	SCI ELECTRIC
BBL	BANGKOK BANK	GLOW	GLOW ENERGY	SCN	SCAN INTER
BCPG	BCPG	LH	LAND AND HOUSES	SEAFCO	SEAFCO
BDMS	BANGKOK DUSIT MEDICAL SERVICES	MAJOR	MAJOR CINEPLEX GROUP	SIRI	SANSIRI
BEM	BANGKOK EXPRESSWAY AND METRO	MAKRO	SIAM MAKRO	SMT	STARS MICROELECTRONICS (THAILAND)
CENTEL	CENTRAL PLAZA HOTEL	MALEE	MALEE SAMPRAN	TASCO	TIPCO ASPHALT
CHG	CHULARAT HOSPITAL	MTLS	MUANGTHAI LEASING	TKN	TAOKAENOI FOOD & MARKETING
CKP	CK POWER	NOK	NOK AIRLINES	TVO	THAI VEGETABLE OIL
DCC	DYNASTY CERAMIC	RS	RS	TWPC	THAI WAH



Companies with Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
AMA	AMA MARINE	BPP	BANPU POWER	SQ	SAHAKOL EQUIPMENT
BA	BANGKOK AIRWAYS	CBG	CARABAO GROUP	TPCH	TPC POWER HOLDING
BCH	BANGKOK CHAIN HOSPITAL	LPH	LADPRAO GENERAL HOSPITAL		
BH	BUMRUNGRAD HOSPITAL	SAPPE	SAPPE		

Companies classified Not in the three highest score groups

Stock	Company name	Stock	Company name	Stock	Company name
BGRIM	B.GRIMM POWER	TOA	TOA PAINT (THAILAND)	WHAUP	WHA UTILITIES AND POWER
CPALL	CP ALL	UNIQ	UNIQUE ENGINEERING AND CONSTRUCTION	WORK	WORKPOINT ENTERTAINMENT
THAI	THAI AIRWAYS INTERNATIONAL	WHA	WHA CORPORATION		

Source: www.thai-iod.com

Disclaimer: The disclosure of the survey result of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an assessment of operation and is not based on inside information. The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey result may be changed after that date or when there is any change to the relevant information. Nevertheless, KGI Securities (Thailand) Public Company Limited (KGI) does not confirm, verify, or certify the accuracy and completeness of such survey result.

Anti-corruption Progress Indicator

Level 5: Extended

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

Level 4: Certified

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

Level 3: Established

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

Level 2: Declared

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

Level 1: Committed

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

No progress

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

Source: www.cgthailand.org

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

KGI Locations

China	Shanghai	Room 1507, Park Place, 1601 Nanjing West Road, Jingan District, Shanghai, PRC 200040
	Shenzhen	Room 24D1, 24/F, A Unit, Zhen Ye Building, 2014 Bao'annan Road, Shenzhen, PRC 518008
Taiwan	Taipei	700 Mingshui Road, Taipei, Taiwan Telephone 886.2.2181.8888 · Facsimile 886.2.8501.1691
Hong Kong		41/F Central Plaza, 18 Harbour Road, Wanchai, Hong Kong Telephone 852.2878.6888 Facsimile 852.2878.6800
Thailand	Bangkok	8th - 11th floors, Asia Centre Building 173 South Sathorn Road, Bangkok 10120, Thailand Telephone 66.2658.8888 Facsimile 66.2658.8014
Singapore		4 Shenton Way #13-01 SGX Centre 2 Singapore 068807 Telephone 65.6202.1188 Facsimile 65.6534.4826

KGI's Ratings

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

Disclaimer

KGI Securities (Thailand) Plc. ("The Company") disclaims all warranties with regards to all information contained herein. In no event shall the Company be liable for any direct, indirect or any damages whatsoever resulting from loss of income or profits, arising by utilization and reliance on the information herein. All information hereunder does not constitute a solicitation to buy or sell any securities but constitutes our sole judgment as of this date and are subject to change without notice.