

เบอร์ลี ยุคเกอร์

BJC TB / BJC.BK

15 กุมภาพันธ์ 2559

เข้าซื้อ BIGC

ข่าวใหม่

คณะกรรมการของ BJC เรียกประชุมผู้ถือหุ้นบริษัท ณ วันที่ 21 มี.ค. เพื่อพิจารณาและอนุมัติการเข้าซื้อหุ้น BIGC (สัดส่วน 58.6% จากคาสีโนและส่วนที่เหลือจากการทำค่าเสนอซื้อหลักทรัพย์) ที่ราคา 252.88 บาทต่อหุ้น (รวมเงินปันผล)

แนวโน้มเงินทุน

การเข้าซื้อ BIGC จะส่งผลให้ BJC มีความจำเป็นในการเพิ่มทุน เนื่องจากธุรกรรมดังกล่าวอาจส่งผลให้งบดุลบริษัทอยู่ภายใต้ความเสี่ยง เพียงเฉพาะสัดส่วนที่ซื้อจากกลุ่มคาสีโนก็จะดันให้อัตราส่วนหนี้สินต่อทุนสุทธิของ BJC ขึ้นมาอยู่ที่ 3 เท่า และอาจขึ้นไปถึง 9.8 เท่าหากผู้ถือหุ้นส่วนน้อยทั้งหมดรับค่าเสนอซื้อหลักทรัพย์ เราได้ทำการวิเคราะห์สถานการณ์เพื่อหาผลกระทบของจำนวนหุ้นที่เพิ่มขึ้นและกำไรสุทธิต่อหุ้น (EPS) จากการเปลี่ยนแปลงของ 1) เป้าหมายอัตราส่วนหนี้สินต่อทุนสุทธิ ณ สิ้นปี 2559 2) ราคาหุ้นเพิ่มทุน และ 3) สัดส่วนการถือครองหุ้นใน BIGC (ดูรายละเอียดเพิ่มเติมใน Figure 1 หน้า 5 ของรายงานนี้)

การวิเคราะห์สถานการณ์อยู่ภายใต้สมมติฐานดังนี้:

1. อัตรากู้ยืมเงินระยะสั้น (Bridging loan rate) ที่รวมต้นทุนค่าธรรมเนียมและการป้องกันความเสี่ยงที่ 3.5%
2. อัตราดอกเบี้ยที่ 3.25% สำหรับสินเชื่อระยะยาวที่ใช้ในการรีไฟแนนซ์สินเชื่อระยะสั้น (Bridge Loan)
3. เข้าซื้อหุ้นสัดส่วน 58.6% ใน BIGC ณ วันที่ 31 มี.ค.
4. ทำค่าเสนอซื้อหลักทรัพย์ ณ วันที่ 31 พ.ค.
5. ออกหุ้นเพิ่มทุน ณ วันที่ 30 ก.ย.

การเข้าซื้อเป็นผลบวกต่อ BJC

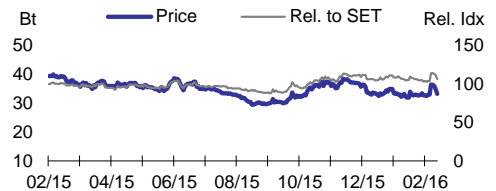
หากมองทางด้านการเงิน การเข้าซื้อ BIGC น่าจะเพิ่มมูลค่าให้บริษัท BJC เนื่องจากผลตอบแทนกำไรของ BIGC นั้นสูงกว่าต้นทุนทางการเงินของ BJC แม้จะรวมผลกระทบจากเพิ่มทุนแล้ว โดยการวิเคราะห์สถานการณ์ของเรา กำไรสุทธิต่อหุ้นในปี 2560 จะปรับเพิ่มขึ้นตั้งแต่ 1.5% ถึง 47% ขึ้นอยู่แต่ละกรณี

หากมองด้านการดำเนินงาน BJC น่าจะได้รับผลประโยชน์จากการมี BIGC เป็นบริษัทย่อย โดยเรามอง BJC น่าจะสามารถกระจายสินค้าผ่านสาขา BIGC ต่างๆได้สะดวกขึ้น รวมทั้งได้รับผลประโยชน์เป็นผู้รับจ้างผลิตสินค้าเข้าสู่แบรนด์ของ BIGC ประโยชน์อีกอย่างซึ่งเรามองว่าเป็นส่วนสำคัญมากคือ BJC

Sector: Consumer/Retail – OVERWEIGHT

คำแนะนำพื้นฐาน: ถือ
เป้าหมายพื้นฐาน: 36.50 บาท
ราคา (12/02/59): 33.25 บาท

Price chart

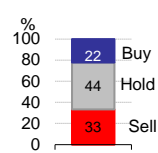


Share price perf. (%)	1M	3M	12M
Relative to SET	1.7	(0.6)	4.1
Absolute	1.5	(8.3)	(16.9)

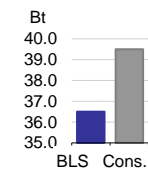
Key statistics

Market cap	Bt52.9bn	USD1.5bn
12-mth price range	Bt28.8/Bt40.3	
12-mth avg daily volume	Bt20m	USD0.6m
# of shares (m)	1,592	
Est. free float (%)	21.1	
Foreign limit (%)	49.0	

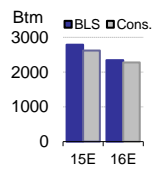
Consensus rating



BLS Target price vs. Consensus



BLS earnings vs. Consensus



Financial summary

FY Ended 31 Dec	2014	2015E	2016E	2017E
Revenues (Btm)	43,423	43,123	45,433	47,560
Net profit (Btm)	1,680	2,788	2,344	2,501
EPS (Bt)	1.05	1.75	1.46	1.56
EPS growth (%)	-30.8%	+65.6%	-16.2%	+6.6%
Core profit (Btm)	1,808	2,125	2,344	2,501
Core EPS (Bt)	1.14	1.33	1.46	1.56
Core EPS growth (%)	-25.6%	+17.3%	+10.0%	+6.6%
PER (x)	46.6	19.0	22.7	21.3
PBV (x)	3.1	1.8	1.7	1.6
Dividend (Bt)	0.6	1.0	0.8	0.9
Dividend yield (%)	1.2	2.9	2.4	2.6
ROE (%)	17.2	25.6	19.2	19.0

CG/Anti-Corruption



ไชยธร ศรีเจริญ, CFA

นักวิเคราะห์การลงทุนวิจัยพื้นฐานด้านหลักทรัพย์
chaiyatorn@bualuang.co.th
+66 2 618 1344

จะเข้าใจข้อมูลการตลาด พฤติกรรมและอุปสงค์ของลูกค้าได้ดีขึ้น ซึ่งจะส่งผลให้บริษัทสามารถพัฒนาสินค้าได้มีประสิทธิภาพมากขึ้น รวมทั้งเพิ่มความสามารถในการแข่งขันให้สูงขึ้น

ปรับเป็น "ซื้อ"

เรามองราคาหุ้นอยู่ในระดับที่น่าสนใจ โดยราคาที่ปรับตัวลงในช่วงที่ผ่านมาทำให้อัปเดตต่อราคาเป้าหมายของเราเพิ่มขึ้นเป็น 10% ในขณะที่ประมาณการของเรายังไม่ได้รวมผลบวกจากการเข้าซื้อ BIGC เข้าไป เราจึงปรับคำแนะนำเป็น "ซื้อ" ด้วยราคาเป้าหมาย ณ สิ้นปี 2559 ที่ 36.50

BJC: Financial Tables – Year

PROFIT & LOSS (Btm)	2013	2014	2015E	2016E	2017E
Revenue	42,226	43,423	43,123	45,433	47,560
Cost of sales and services	(32,131)	(33,643)	(32,879)	(34,628)	(36,285)
Gross profit	10,095	9,780	10,244	10,805	11,274
SG&A	(7,017)	(7,498)	(7,613)	(7,915)	(8,241)
EBIT	3,078	2,282	2,631	2,889	3,033
Finance costs	(575)	(612)	(486)	(516)	(512)
Other income/exp.	613	723	1,033	802	839
EBT	3,116	2,393	3,178	3,175	3,361
Corporate tax	(567)	(481)	(424)	(476)	(504)
After-tax net profit (loss)	2,550	1,912	2,754	2,699	2,856
Minority interest	(189)	(177)	(700)	(431)	(441)
Equity earnings from affiliates	65	72	71	76	86
Extra items	0	(128)	663	0	0
Net profit (loss)	2,426	1,680	2,788	2,344	2,501
Reported EPS	1.53	1.05	1.75	1.46	1.56
Fully diluted EPS	1.50	1.04	1.72	1.45	1.54
Core net profit	2,426	1,808	2,125	2,344	2,501
Core EPS	1.53	1.14	1.33	1.46	1.56
EBITDA	5,714	5,280	6,060	6,286	6,629

KEY RATIOS

Revenue growth (%)	12.8	2.8	(0.7)	5.4	4.7
Gross margin (%)	23.9	22.5	23.8	23.8	23.7
EBITDA margin (%)	13.5	12.2	14.1	13.8	13.9
Operating margin (%)	8.7	6.9	8.5	8.1	8.1
Net margin (%)	5.7	3.9	6.5	5.2	5.3
Core profit margin (%)	5.7	4.2	4.9	5.2	5.3
ROA (%)	5.9	3.8	6.2	5.0	5.3
ROCE (%)	6.3	4.1	6.4	5.1	5.3
Asset turnover (x)	1.0	1.0	1.0	1.0	1.0
Current ratio (x)	1.3	1.0	1.3	1.3	1.4
Gearing ratio (x)	0.7	0.6	0.6	0.5	0.4
Interest coverage (x)	5.4	3.7	5.4	5.6	5.9

BALANCE SHEET (Btm)

Cash & Equivalent	1,780	1,123	1,295	1,469	1,333
Accounts receivable	7,721	7,856	7,825	8,401	8,287
Inventory	8,443	7,410	7,882	8,039	8,455
PP&E-net	18,607	18,042	20,141	20,651	20,996
Other assets	7,951	9,000	8,763	8,568	8,383
Total assets	44,503	43,432	45,906	47,127	47,452
Accounts payable	5,094	4,647	4,737	5,008	5,061
ST debts & current portion	6,155	9,681	6,000	6,200	5,100
Long-term debt	10,521	6,551	10,200	9,800	9,700
Other liabilities	5,034	4,532	4,561	4,592	4,624
Total liabilities	26,804	25,411	25,498	25,599	24,485
Paid-up capital	1,590	1,592	1,597	1,601	1,603
Share premium	3,865	3,952	4,121	4,290	4,375
Retained earnings	0	0	0	0	0
Shareholders equity	9,511	9,975	11,840	12,570	13,702
Minority interests	14,760	15,097	17,135	18,039	19,257
Total Liab.&Shareholders' equity	51,075	50,483	54,472	56,208	57,444

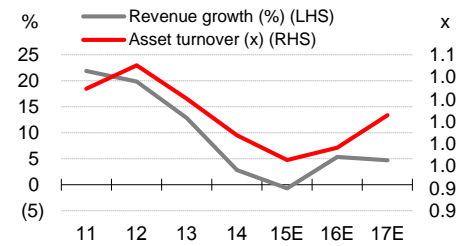
CASH FLOW (Btm)

Net income	2,426	1,680	2,788	2,344	2,501
Depreciation and amortization	2,022	2,274	2,396	2,595	2,756
Change in working capital	(1,137)	(179)	(351)	(462)	(247)
FX, non-cash adjustment & others	597	708	1,115	871	868
Cash flows from operating activities:	3,908	4,483	5,948	5,348	5,877
Capex (Invest)/Divest	(3,800)	(3,324)	(4,508)	(3,018)	(3,018)
Others	(1,067)	52	0	0	0
Cash flows from investing activities	(4,867)	(3,272)	(4,508)	(3,018)	(3,018)
Debt financing (repayment)	2,010	(340)	(518)	(716)	(1,712)
Equity financing	349	219	173	173	87
Dividend payment	(1,707)	(1,329)	(924)	(1,613)	(1,369)
Others	(1,067)	52	0	0	0
Cash flows from financing activities	651	(1,444)	(1,268)	(2,156)	(2,995)
Net change in cash	(307)	(232)	172	174	(136)
Free cash flow (Btm)	109	1,159	1,440	2,330	2,859
FCF per share (Bt)	0.1	0.7	0.9	1.5	1.8

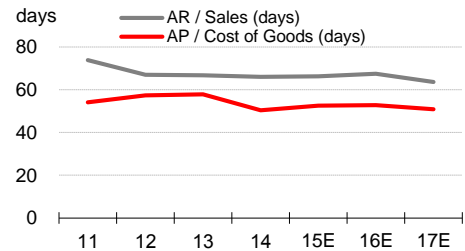
Key Assumptions

	2013	2014	2015E	2016E	2017E
Packaging sales growth	5.2%	-7.2%	7.4%	7.2%	5.0%
Consumer sales growth	40.4%	-1.8%	1.1%	3.0%	5.0%
Healthcare/Technical sales growth	-1.0%	6.7%	-8.6%	8.0%	5.0%

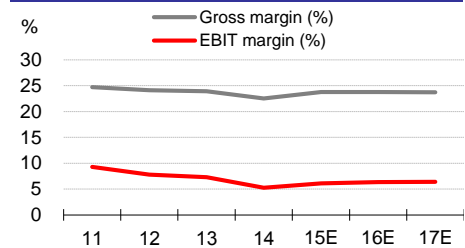
Revenue growth and asset turnover



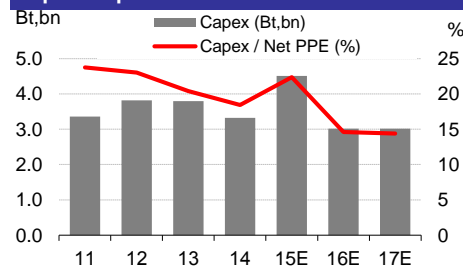
A/C receivable & A/C payable days



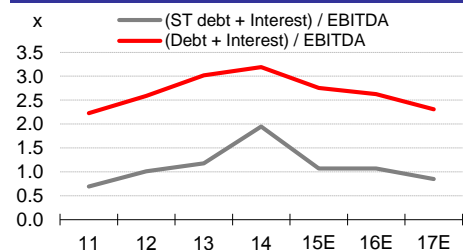
Profit margins



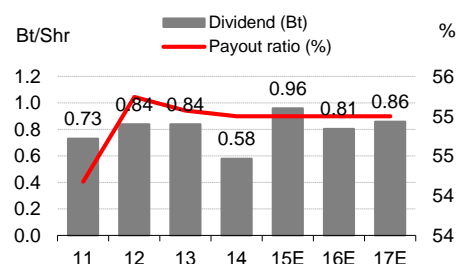
Capital expenditure



Debt serviceability



Dividend payout



BJC: Financial Tables – Quarter

QUARTERLY PROFIT & LOSS (Btm)	3Q14	4Q14	1Q15	2Q15	3Q15
Revenue	9,991	12,914	10,493	10,241	10,388
Cost of sales and services	(7,709)	(10,030)	(7,963)	(7,858)	(8,009)
Gross profit	2,282	2,884	2,530	2,383	2,379
SG&A	(1,746)	(2,316)	(1,827)	(1,811)	(1,867)
EBIT	537	568	704	572	511
Finance costs	(130)	(212)	(131)	(128)	(111)
Other income/exp.	127	268	158	164	447
EBT	534	624	730	608	848
Corporate tax	(56)	(197)	(108)	(86)	(80)
After-tax net profit (loss)	477	427	622	521	767
Minority interest	(65)	58	(102)	(124)	(311)
Equity earnings from affiliates	(13)	79	9	4	49
Extra items	(128)	0	0	343	320
Net profit (loss)	271	564	529	744	825
Reported EPS	0.17	0.35	0.33	0.47	0.52
Fully diluted EPS	0.17	0.35	0.33	0.47	0.52
Core net profit	399	564	529	401	505
Core EPS	0.25	0.35	0.33	0.25	0.32
EBITDA	1,239	1,424	1,366	1,250	1,521

KEY RATIOS

Gross margin (%)	22.8	22.3	24.1	23.3	22.9
EBITDA margin (%)	12.4	11.0	13.0	12.2	14.6
Operating margin (%)	5.4	4.4	6.7	5.6	4.9
Net margin (%)	2.7	4.4	5.0	7.3	7.9
Core profit margin (%)	4.0	4.4	5.0	3.9	4.9
BV (Bt)	15.1	15.7	16.4	16.9	17.4
ROE (%)	11.3	23.3	20.7	27.9	30.1
ROA (%)	2.4	5.1	4.9	6.8	7.5
Current ratio (x)	1.0	1.0	1.0	0.9	1.1
Gearing ratio (x)	0.7	0.6	0.6	0.6	0.6
Interest coverage (x)	4.1	2.7	5.4	4.5	4.6

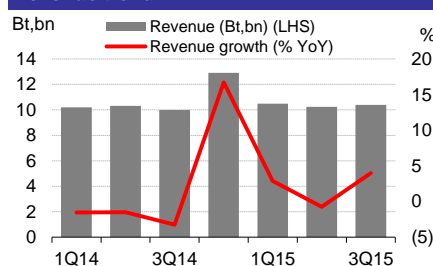
QUARTERLY BALANCE SHEET (Btm)

Cash & Equivalent	1,333	1,123	1,176	1,133	1,242
Accounts receivable	7,590	7,856	8,156	7,922	7,605
Inventory	7,714	7,410	7,261	7,321	7,421
PP&E-net	19,831	18,042	17,819	18,411	18,466
Other assets	7,962	9,000	9,070	9,021	9,453
Total assets	44,431	43,432	43,483	43,808	44,187
Accounts payable	4,148	4,647	4,362	4,316	4,442
ST debts & current portion	10,743	9,681	9,843	11,112	8,309
Long-term debt	6,882	6,551	6,081	4,527	7,133
Other liabilities	4,988	4,532	4,686	4,673	4,366
Total liabilities	26,761	25,411	24,971	24,628	24,250
Paid-up capital	1,592	1,592	1,592	1,592	1,592
Share premium	3,950	3,952	3,952	3,952	3,952
Retained earnings	0	0	0	0	0
Shareholders equity	9,411	9,975	10,504	10,816	11,084
Minority interests	14,694	15,097	15,549	16,100	16,577
Total Liab.&Shareholders' equity	50,866	50,483	51,024	51,544	51,911
Key Assumptions	3Q14	4Q14	1Q15	2Q15	3Q15
Packaging sales growth	-6.1%	-5.2%	8.2%	1.0%	14.2%
Consumer sales growth	-2.3%	-6.1%	1.2%	0.6%	-0.5%
Healthcare/Technical sales growth	4.4%	13.3%	-7.7%	-15.4%	-12.4%

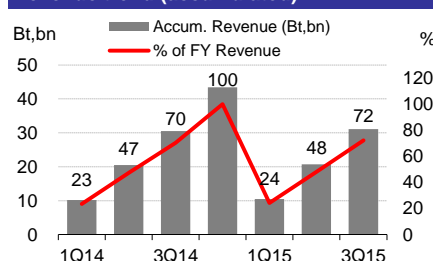
Company profile

Berli Jucker Public Company Limited (BJC) is Thailand's leading consumer conglomerate and integrated supply chain operator, ranging from raw material development and manufacturing to R&D, and marketing and distribution.

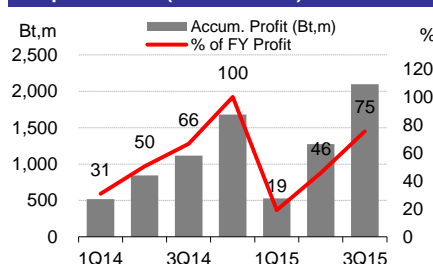
Revenue trend



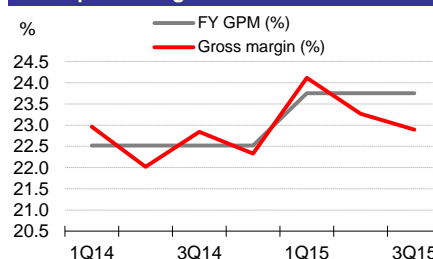
Revenue trend (accumulated)



Net profit trend (accumulated)



Gross profit margin



EBIT margin

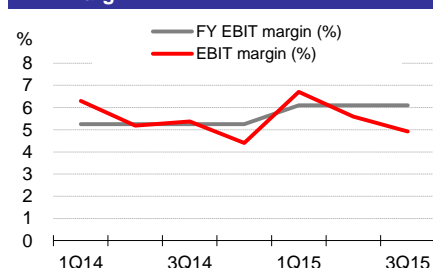


Figure 1 : Scenario analyses
100% holding

Net D/E	Cash call price		
	25	30	35
1.75X	Dilution: 38.4%	36.7%	35.2%
	FY16 EPS: 0.86	0.96	1.04
	FY16 WA EPS: 1.75	1.79	1.82
	FY17 EPS: 1.58	1.77	1.93
2.0X	37.3%	35.5%	33.9%
	0.91	1.01	1.10
	1.77	1.80	1.83
	1.65	1.84	1.99
2.5x	35.1%	33.2%	31.4%
	1.01	1.11	1.20
	1.79	1.82	1.85
	1.79	1.96	2.11
3.0x	32.9%	30.8%	29.0%
	1.10	1.20	1.28
	1.81	1.84	1.87
	1.91	2.08	2.23

58.6% holding

Net D/E	Cash call price		
	25	30	35
1.75X	Dilution: 25.4%	23.1%	21.2%
	FY16 EPS: 1.33	1.41	1.48
	FY16 WA EPS: 1.92	1.94	1.95
	FY17 EPS: 1.74	1.87	1.93
2.0X	21.6%	19.4%	17.6%
	1.45	1.52	1.57
	1.93	1.94	1.94
	1.85	1.93	2.00
2.5x	12.5%	10.9%	9.6%
	1.68	1.72	1.75
	1.93	1.94	1.94
	2.06	2.11	2.15
3.0x	0.6%	0.5%	0.4%
	1.93	1.93	1.93
	1.94	1.94	1.94
	2.29	2.29	2.3

Source: Bualuang Research estimates

Regional Comparisons

	Bloomberg	Price	Market Cap	PER (x)		EPS Growth (%)		PBV (x)		ROE (%)		Div Yield (%)	
	Code	(local curr.)	(US\$ equivalent)	2015E	2016E	2015E	2016E	2015E	2016E	2015E	2016E	2015E	2016E
Suning Appliance Co Ltd	002024 CH	CNY11.0	12,358	200.0	275.0	-54.2	-27.3	2.9	2.2	1.4	0.8	0.0	0.0
Wumart Stores Inc	1025 HK	HKD6.2	1,030	17.8	16.4	n.a.	8.8	1.6	1.5	9.4	9.6	0.0	2.5
Parkson Retail Group	3368 HK	HKD0.9	304	n.a.	14.3	n.a.	-312.0	0.3	0.3	-0.5	2.2	3.1	4.0
Nitori Hldg Co Ltd	9843 JT	JPY7,930.0	8,016	18.9	17.3	11.4	9.5	2.5	2.2	14.0	13.9	0.8	0.9
Lawson Inc	2651 JT	JPY9,020.0	7,991	24.4	21.8	12.2	12.2	3.3	3.2	14.2	15.3	2.7	2.9
Seven & I Holdings Co Ltd	3382 JT	JPY4,424.0	34,640	20.9	18.2	8.3	14.7	1.6	1.5	8.1	8.9	1.7	1.9
Family Mart	8028 JP	JPY5,620.0	4,849	23.8	21.8	-12.7	9.5	1.9	1.7	8.5	8.5	1.9	2.0
President Chain Store Corp	2912 TT	TWD220.0	6,869	27.1	25.3	-6.9	7.2	8.1	7.8	31.1	30.8	3.2	3.2
Capitaland Limited	CAPL SP	SGD2.8	8,577	16.2	14.2	-22.0	6.6	0.7	0.6	5.0	5.4	3.2	3.4
SM Prime Holdings Inc.	SMPH PM	PHP21.0	12,764	26.5	24.1	25.6	5.1	2.8	2.6	11.3	11.1	1.2	1.3
Home Depot	HD US	USD116.3	147,480	21.7	18.9	13.5	14.4	21.1	27.9	88.7	153.0	2.0	2.3
Costco whole sale corp	COST US	USD148.7	65,373	27.2	24.2	0.9	12.5	5.4	4.7	21.3	21.1	1.1	1.2
Carrefour	CA FP	EUR22.6	18,794	12.8	11.5	n.a.	11.7	1.5	1.4	12.3	12.8	3.5	3.9
Home Product Center	HMPRO TB	THB6.50	2,403	23.1	20.1	4.9	15.0	5.0	4.4	21.3	21.9	1.7	2.0
Big C Supercenter	BIGC TB	THB246.00	5,704	29.4	26.4	-4.7	11.4	4.3	3.9	15.5	15.5	1.1	1.1
Beauty Community	BEAUTY TB	THB5.35	451	40.4	31.6	31.9	27.8	14.0	12.7	35.6	42.2	2.4	3.1
Karmarts	KAMART TB	THB7.90	146	30.3	26.9	5.6	12.6	7.5	7.6	24.9	28.5	3.5	4.1
Berli Jucker	BJC TB	THB33.25	1,488	19.3	23.0	66.0	-15.9	1.8	1.7	25.6	19.2	2.9	2.4
C.P. All	CPALL TB	THB40.25	10,162	27.7	24.1	28.8	14.6	8.8	7.4	38.8	36.9	2.0	2.0
Central Pattana	CPN TB	THB44.50	5,613	25.2	21.7	8.5	16.0	4.3	3.8	18.2	18.7	1.6	1.8
DSG International (Thailand)	DSGT TB	THB3.20	113	10.0	9.2	-8.2	8.7	1.5	1.4	15.4	15.4	5.0	5.4
Siam Global House	GLOBAL TB	THB8.80	862	34.4	27.2	27.0	26.7	2.1	2.0	6.2	7.4	1.5	1.8
Robinson Department Store	ROBINS TB	THB38.75	1,210	20.5	18.4	8.8	11.4	3.0	2.7	16.4	16.7	2.5	2.7
Siam Future Development	SF TB	THB6.10	305	7.9	11.8	63.9	-33.2	1.2	1.1	18.3	10.5	0.2	0.2
COL	COL TB	THB34.25	308	27.9	24.9	-10.6	11.9	2.2	2.1	8.0	8.5	1.4	1.6
The Platinum Group	PLAT TB	THB4.94	389	22.1	19.6	7.1	12.8	1.7	1.6	11.6	8.4	1.8	2.0
Siam Makro	MAKRO TB	THB32.50	4,384	28.6	25.3	11.9	12.8	11.3	10.3	41.1	42.5	2.9	3.5
Simple average				30.2	30.1	9.0	-3.5	4.5	4.5	19.3	21.7	2.0	2.4

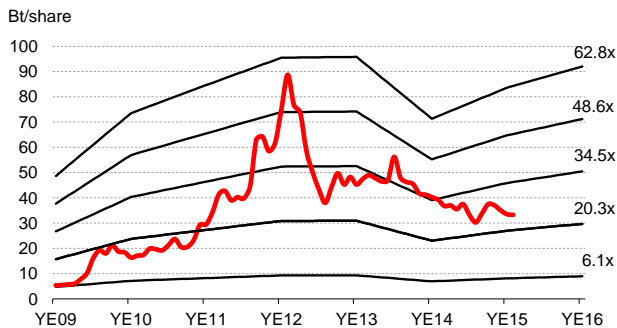
PER band versus SD (next 12 months)



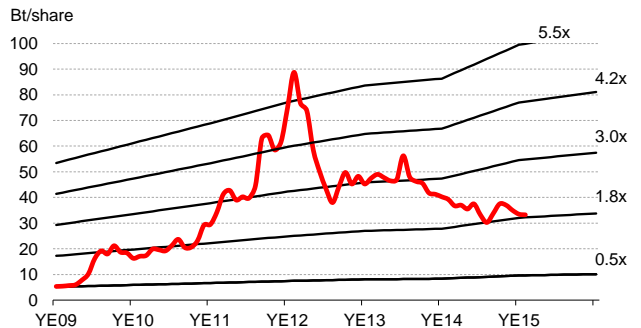
PBV band versus SD (next 12 months)



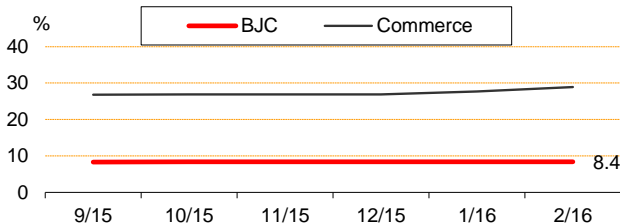
PER band and share price



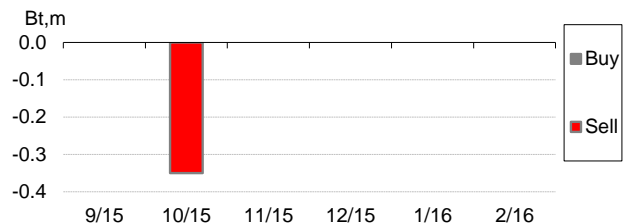
PBV band and share price



Foreign holdings



Management trading activities during past six months



BUALUANG SECURITIES PUBLIC COMPANY LIMITED (BLS) is a subsidiary of BANGKOK BANK PUBLIC COMPANY LIMITED (BBL). This document is produced based upon sources believed to be reliable but their accuracy, completeness or correctness is not guaranteed. The statements or expressions of opinion herein were arrived at after due and careful consideration to use as information for investment. Expressions of opinion contained herein are subject to change without notice. This document is not, and should not be construed as, an offer or the solicitation of an offer to buy or sell any securities. The use of any information shall be at the sole discretion and risk of the user.






BUALUANG SECURITIES PUBLIC COMPANY LIMITED MAY BE IN RELATIONSHIP WITH THE SECURITIES IN THIS REPORT. "Opinions, projections and other information contained in this report are based upon sources believed to be accurate including the draft prospectus, but no responsibility is accepted for any loss occasioned by reliance placed upon the contents hereof. Bualuang Securities Public Company Limited may from time to time perform investment, advisory or other services for companies mentioned in this report, as well as dealing (as principal or otherwise) in, or otherwise being interested in, any securities mentioned herein, This report does not constitute a solicitation to buy or sell any securities". Investors should carefully read details in the prospectus before making investment decision.

BUALUANG SECURITIES PUBLIC COMPANY LIMITED MAY ACT AS MARKET MAKER AND ISSUER OF DWs, AND ISSUER OF STRUCTURED NOTES ON THESE SECURITIES. The company may prepare the research reports on those underlying securities. Investors should carefully read the details of the derivative warrants and structured notes in the prospectus before making investment decisions.

BUALUANG SECURITIES PUBLIC COMPANY LIMITED IS OR MAY BE AN UNDERWRITER/CO-UNDERWRITER/JOINT LEAD IN RESPECT OF THE INITIAL PUBLIC OFFERING ("IPO") OF SECURITIES.

Financial Advisor	Lead underwriter/ Underwriter/ Co-underwriter

CG Rating

Score Range	Score Range	Description
90 – 100		Excellent
80 – 89		Very Good
70 – 79		Good
60 – 69		Satisfactory
50 – 00359		Pass
Below 50	No logo given	N/A

Anti-Corruption Progress Indicator

Level	Description
5	Extended
4	Certified
3B	Established by Commitment and Policy
3A	Established by Declaration of Intent
2	Declared
1	Committed
Partially progress	Partially progress
No progress	No progress

CORPORATE GOVERNANCE REPORT DISCLAIMER

This research report was prepared by Bualuang Securities Public Company Limited and refers to research prepared by Morgan Stanley. Morgan Stanley does not warrant or guarantee the accuracy or completeness of its research reports. Morgan Stanley reserves copyright and other proprietary rights in the material reproduced in this report. Morgan Stanley is under no obligation to inform Bualuang Securities or you if the views or information referred to or reproduced in this research report change.

Corporate Governance Report 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 evaluation of operation and is not based on inside information.

The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey result may be changed after that date. Bualuang Securities Public Company Limited does not conform nor certify the accuracy of such survey result.

"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, [•] Securities Company Limited does not confirm, verify, or certify the accuracy and completeness of the assessment result."

BUALUANG RESEARCH – RECOMMENDATION FRAMEWORK

STOCK RECOMMENDATIONS

BUY: Expected positive total returns of 15% or more over the next 12 months.

HOLD: Expected total returns of between -15% and +15% over the next 12 months.

SELL: Expected negative total returns of 15% or more over the next 12 months.

TRADING BUY: Expected positive total returns of 15% or more over the next 3 months.

SECTOR RECOMMENDATIONS

OVERWEIGHT: The industry, as defined by the analyst's coverage universe, is expected to outperform the relevant primary market index over the next 12 months.

NEUTRAL: The industry, as defined by the analyst's coverage universe, is expected to perform in line with the relevant primary market index over the next 12 months.

UNDERWEIGHT: The industry, as defined by the analyst's coverage universe, is expected to underperform the relevant primary market index over the next 12 months.