

Malaysia

**ADD** (no change)

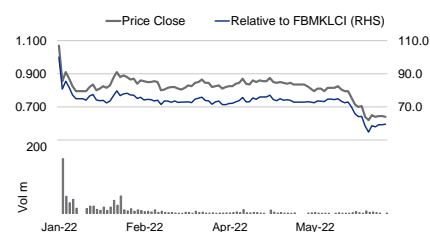
Consensus ratings\*: Buy 1 Hold 0 Sell 0

Current price:	RM0.64
Target price:	RM0.80
Previous target:	RM0.88
Up/downside:	25.0%
CGS-CIMB / Consensus:	-9.1%
Reuters:	SENH.KL
Bloomberg:	5305 MK
Market cap:	US\$218.4m
	RM960.0m
Average daily turnover:	US\$0.42m
	RM1.80m
Current shares o/s:	1,500m
Free float:	31.3%

\*Source: Bloomberg

**Key changes in this note**

- Raise our FY22F EPS forecast by 1.5% on higher revenue assumption
- Cut our FY23-24F EPS forecasts by 7.4-8.7% on higher operating cost assumptions



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	-21	-20	
Relative (%)	-18.5	-17	

Major shareholders	% held
SQ Digital Sdn Bhd	58.0
Lim Kim Heng	5.4
Lim Kim Chieng	5.4

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# Senheng New Retail Bhd

## Key strategies to drive higher sales growth

- We remain upbeat on Senheng's FY22F earnings prospects post briefing as sales are expected to be strong in coming quarters on economic reopening.
- While opex may remain elevated on ongoing expansion, we believe it would be offset by higher sales, particularly from its home appliances segment.
- Reiterate Add with a lower TP of RM0.80 (17.4x CY23F P/E).

### Better 1Q22 results after stripping out one-off RM1.7m listing fee

We revise our 1Q22 results review (Fig 1) for Senheng New Retail Bhd (Senheng) post its results briefing, as we strip out the RM1.7m listing expenses incurred during the quarter, which are one-off in nature. As a result, 1Q22 core net profit (CNP) only dipped 1.8% yoy to RM13.1m, albeit still below our earlier expectation, accounting for 17% of our full-year forecast. However, we are cognisant that 1Q is a seasonally weaker quarter; the group is confident of achieving stronger qoq results for the rest of FY22F, backed by higher same store sales growth (SSSG; 1Q22: +3%).

### Higher opex and input cost to be offset by higher sales growth...

Excluding the listing fee, the rise in 1Q22 operating and administrative expenses (opex) was 5.9% yoy, which Senheng attributed to increases in both depreciation (+6.3% yoy) and staff costs, owing to the two new upgraded stores in 1Q22. In our view, opex should remain elevated given its plan for 21 new/upgraded stores in FY22F. However, Senheng believes this could be offset by higher sales volume, with a projected c.20% yoy growth in 2Q22 premised on sales momentum in Apr/May 2022, likely to be propelled by its home appliances and audio segments. GP margin is also expected to remain steady from higher-margin in-house and exclusive brands' sales contributions.

### ...to be led by home appliances via ongoing multi-prong strategies

We expect Senheng's ongoing strategies such as introducing more innovative payment options [i.e. easy payment plan and buy now, pay later (BNPL)] and ongoing store expansion/upgrades with more attractive in-store designs to drive sales of its bigger-ticket electrical appliances and audio items. We also believe the home appliances sales will be driven by two ongoing e-Rebate campaigns by the Malaysian government in 2022: i) SAVE 3.0 (Fig 8), and ii) Malaysian Family Flood Relief Program, that grant up to RM400, and a one-off RM500 voucher, respectively, for electrical appliance purchases. We foresee these schemes helping to spur demand for Senheng's home appliance and audio products.

### Reiterate Add, with a lower TP of RM0.80

As we cut our FY23-24F EPS forecasts to account for higher input costs, our TP is lowered to RM0.80 (17.4x CY23F P/E, a 20% discount to CGS-CIMB's consumer discretionary sector's 5-year mean P/E of 21.8x). Nonetheless, we reiterate our Add call as we like Senheng for its: i) market leading position in Malaysia's retail E&E sector by revenue, ii) strong retail presence nationwide with a loyal customer base of 3.37m PlusOne members, and iii) wider product offerings (third party, own, exclusive brands) vs. peers.

### Financial Summary

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Revenue (RMm)	1,295	1,444	1,602	1,727	1,863
Operating EBITDA (RMm)	114.0	127.0	142.5	153.6	174.1
Net Profit (RMm)	54.69	65.05	68.41	69.53	77.61
Core EPS (RM)	0.036	0.043	0.046	0.046	0.052
Core EPS Growth	20.4%	18.9%	5.2%	1.6%	11.6%
FD Core P/E (x)	17.55	14.76	14.03	13.81	12.37
DPS (RM)	0.008	0.013	0.014	0.014	0.016
Dividend Yield	1.25%	2.03%	2.14%	2.17%	2.43%
EV/EBITDA (x)	8.30	7.60	5.22	4.93	4.37
P/FCFE (x)	18.42	40.02	NA	17.99	13.91
Net Gearing	(8.2%)	2.2%	(39.3%)	(34.0%)	(30.6%)
P/BV (x)	5.78	4.11	1.75	1.61	1.47
ROE	37.8%	32.5%	17.5%	12.1%	12.4%
% Change In Core EPS Estimates			1.49%	(8.73%)	(7.44%)
CGS-CIMB/Consensus EPS (x)			1.01	0.91	0.92

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

## Stronger growth from home appliances

### Easy-payment plan and Buy Now, Pay Later services are Senheng's other key growth drivers >

We are of the view that Senheng's many payment options is one of its key levers to help stimulate sales momentum moving forward. By partnering with almost all major banks in Malaysia in offering 0% credit card instalment plans (known as easy-payment plan) and various Buy Now, Pay Later (BNPL) credit service providers (PayLater Malaysia, SENHENG PayLater powered by Boost Credit, Atome PayLater and myIOU) that provide instant rebate and zero interest flexible payments, Senheng has been able to widen its customer base and boost sales for its bigger-ticket electrical appliances and digital gadgets product categories, in our view. We also expect these financing solutions to be countermeasures against the current inflationary environment, as well as allow customers to purchase its products without heavy upfront costs.

### Store expansion remains on track >

In 1Q22, Senheng upgraded two stores, namely "Grand senQ" in Paradigm Mall, Johor Bahru and "Grand Senheng" in USJ Taipan, and shuttered one store ("senQ" store in 1Borneo Hypermall), which it plans to replace with a new Grand Senheng standalone store at a nearby location with better footfall that is set to open in mid-Jun 2022. This brings Senheng's total store count in 1Q22 to 104 (see breakdown by store type in Fig 7). Senheng aims to launch six new/upgraded stores in 2Q22F, which we believe puts it on track with its expansion strategy to launch 21 new/upgraded stores in FY22F. Nevertheless, Senheng also shared that there could potentially be another upcoming "Senheng" standard store closure in Kelana Jaya in the coming quarters.

### Other briefing highlights >

- Senheng shared that during 1Q22, the revenue contribution from the Delighto (own-brand), Robam and Jimmy (exclusive brand) combined contributed c.RM7.5m-8m in revenue. It expects sales from these three brands to post strong double-digit yoy growth in 2Q22F which could help drive sales and sustain its GP margin at current levels (due to higher-margin in-house and exclusive brand products). It retains its target of RM60m (+179% yoy) revenue for FY22F from these three brands.
- It recruited 92k new members in 1Q22 for its PlusOne Loyalty Membership, bringing total members to 3.37m registered PlusOne members, who contributed 93% of its 1Q22 revenue. There were total downloads of 2m for its Senheng App as at 31 Mar 2022 and it is looking to launch its S-Livestream & S-Reward Centre in 2H22, which could further drive in-app purchases of its products, in our view.
- In a bid to strengthen its logistics network and foothold in East Malaysia, Senheng plans to improve its warehousing capacity via an expansion of its Kota Kinabalu regional hub and a relocation of its Kuching regional hub to a larger warehouse by 1H22. It is also looking to construct a Bintulu regional hub to serve customers in Bintulu, Sibul and Miri in the near future.
- As the group procures most of its products through domestic suppliers, the recent depreciation of the ringgit vs. US\$ has had minimal financial impact on the company, Senheng said.
- Senheng shared that it would not be raising product prices as rising input costs are currently manageable and offset by higher sales growth.
- Senheng also expects stronger sales growth from its home electrical appliances moving forward in coming quarters driven by factors mentioned above. This should be more than offset the expected

slowdown in demand for digital gadgets that have recorded exceptional growth in 2020-21 due to work/study from home trends.

## Downside risks and re-rating catalysts

Upside risks: A strong recovery in footfall and lower-than-expected operating expenses.

Downside risks: supply disruptions, slowdown in consumer E&E sales, sharp rise in operating expenses and intensifying competition.

**Figure 1: Results Comparison (After excluding one-off exceptional item of RM1.7m for its listing fee expenses in 1Q22)**

FYE Dec (RM m)	1QFY22	1QFY21	yoy % chg	4QFY21	qoq % chg	Prev. FY22F	Comments
Revenue	367.3	374.6	(1.9)	456.4	(19.5)	1508.6	Lower revenue yoy and qoq due to surge in demand for certain digital gadgets categories, such as mobile phone and computer laptops amid WFH and SFH trends in 2021
Cost of sales	(289.7)	(297.8)	(2.7)	(359.1)	(19.3)	(1189.9)	
<b>Gross profit</b>	<b>77.6</b>	<b>76.8</b>	<b>1.1</b>	<b>97.3</b>	<b>(20.3)</b>	<b>318.7</b>	
GP margin %	21.1%	20.5%	0.6	21.3%	(0.2)	0.2	Higher GP margin yoy due to more favourable product mix in 1Q22
Operating costs	(50.4)	(49.3)	2.2	(46.7)	7.8	(1367.6)	Higher yoy and qoq due to higher operating and administrative expenses, which included listing expenses on the Main Market of Bursa Malaysia
<b>EBITDA</b>	<b>27.2</b>	<b>27.4</b>	<b>(1.0)</b>	<b>50.6</b>	<b>(46.3)</b>	<b>141.0</b>	
EBITDA margin (%)	7.4%	7.3%	0.1	11.1%	(3.7)	9.3	Lower EBITDA margin yoy in 1Q22 due to higher operating expenses
Depn & amort.	(10.2)	(9.6)	6.3	(9.8)	4.3	(50.3)	
<b>EBIT</b>	<b>17.0</b>	<b>17.9</b>	<b>(4.8)</b>	<b>40.8</b>	<b>(58.4)</b>	<b>90.7</b>	
Interest expense	(1.3)	(1.2)	3.7	(1.0)	26.8	(5.4)	
Interest & invt inc	0.4	0.3	21.3	0.5	(21.8)	2.9	
Exceptionals & revaln	(4.2)	(1.3)	226.2	3.7	(212.9)	0.0	1Q22 included one-off listing expenses of RM1.7m (not recurring), forex gains and losses and impairment loss
<b>Pretax profit</b>	<b>11.9</b>	<b>15.6</b>	<b>(24.1)</b>	<b>40.3</b>	<b>(70.5)</b>	<b>88.1</b>	
Tax	(3.0)	(3.6)	(16.9)	(9.1)	(67.2)	(20.7)	
Tax rate (%)	25.0%	22.9%	2.2	22.5%	2.5	23.5%	Certain expenses are non tax deductible
Minority interests	0.0	0.0	0.0	0.0	0.0	0.0	
<b>Net profit</b>	<b>8.9</b>	<b>12.1</b>	<b>(26.2)</b>	<b>31.2</b>	<b>(71.5)</b>	<b>67.4</b>	
<b>Core net profit</b>	<b>13.1</b>	<b>13.3</b>	<b>(1.8)</b>	<b>27.5</b>	<b>(52.3)</b>	<b>67.4</b>	Below expectation at 17% of our FY22F full year estimates previously (RM77.1m)
EPS (sen)	0.6	0.8	(26.2)	2.1	(71.5)	4.5	
Core EPS (sen)	0.9	0.9	(1.8)	1.8	(52.3)	4.5	

SOURCES: CGS-CIMB, COMPANY REPORTS

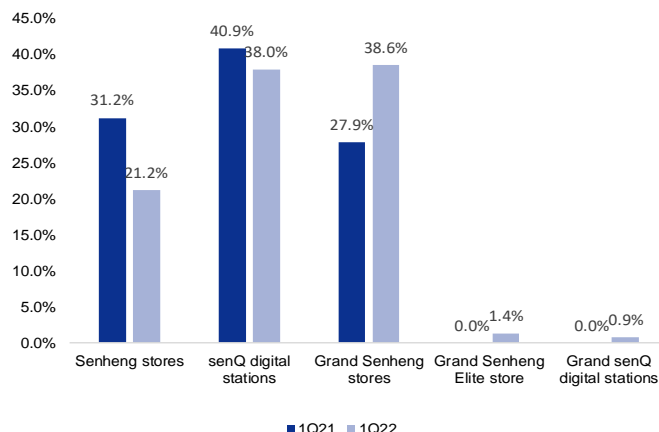
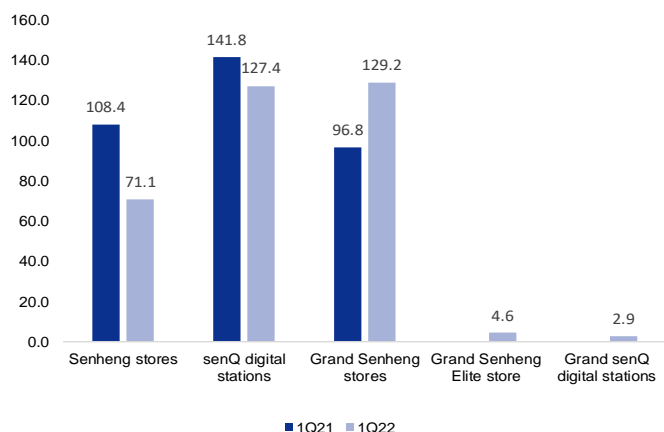
**Figure 2: Earnings revision**

RM m	FY21			FY22F			FY23F			FY24F		
	Old	New	%chg	Old	New	%chg	Old	New	%chg	Old	New	%chg
Revenue	2809.1	1508.6	6.2%	1601.9	1621.9	1.7%	1698.2	1727.1	1.7%	1907.8	1862.6	-2.4%
EBITDA	351.9	141.0	1.1%	142.5	162.1	-5.2%	162.1	153.6	-5.2%	182.1	174.1	-4.4%
Core pretax profit	117.9	88.1	1.5%	89.4	100.2	-8.7%	100.2	91.5	-8.7%	110.3	102.1	-7.4%
Core net profit	61.2	67.4	1.5%	68.4	76.2	-8.7%	76.2	69.5	-8.7%	83.8	77.6	-7.4%

SOURCES: CGS-CIMB, COMPANY REPORTS

**Figure 3: Revenue breakdown by physical store formats (RM m)**

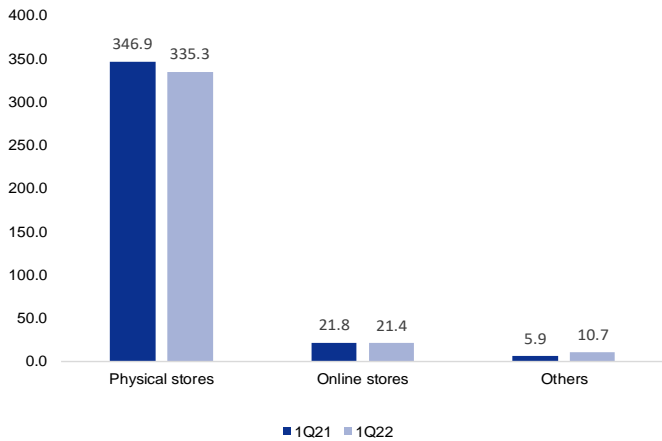
**Figure 4: Revenue breakdown by physical store formats (%)**



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

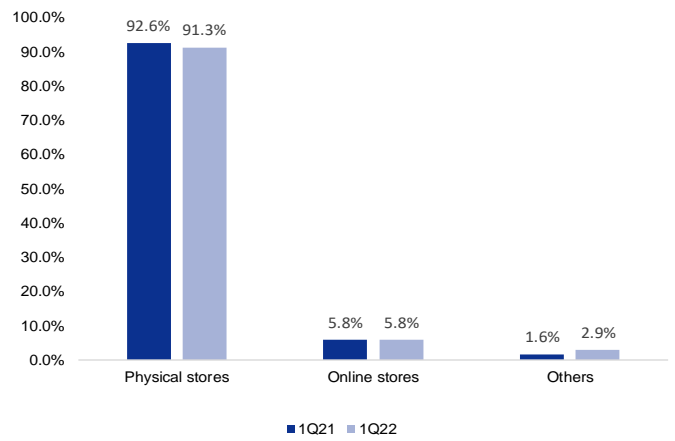
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 5: Revenue breakdown by retail channels (RM m)**



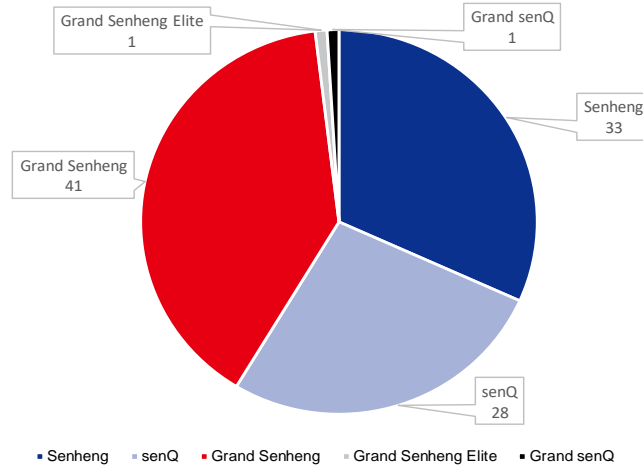
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 6: Revenue breakdown by retail channels (%)**



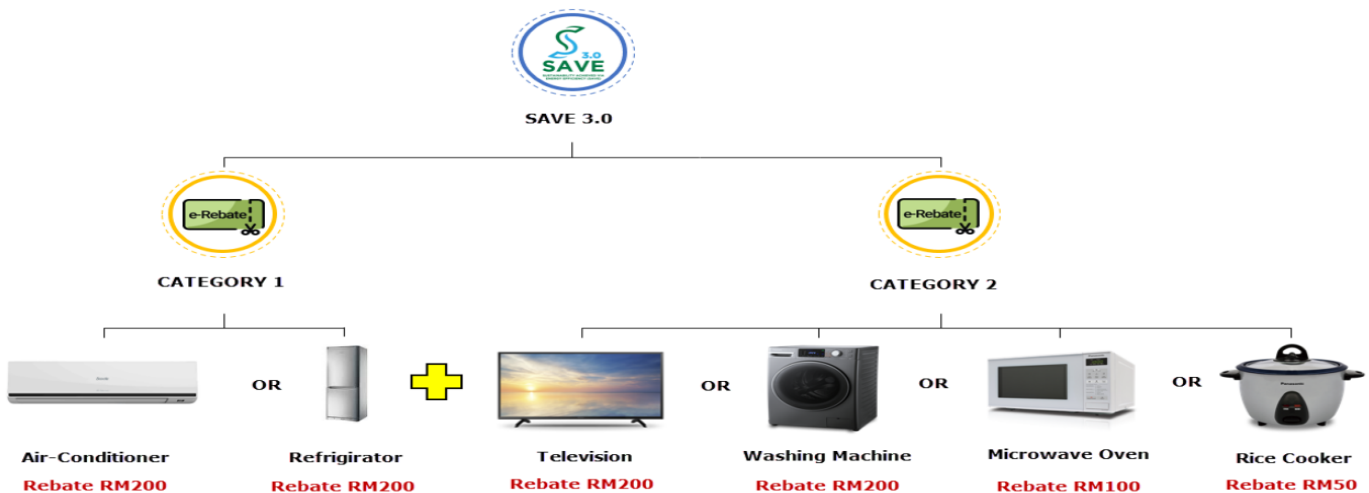
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 7: Store count as of 1Q22 (Total: 104)**



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 8: Sustainability Achieved Via Energy Efficiency (SAVE) 3.0 is a programme which grants a maximum RM400 e-Rebate to domestic households that purchase energy efficient appliances (with 4 star or 5 star energy efficiency labels from the Energy Commission in 2021). Sustainable Energy Development Authority (SEDA) Malaysia has been appointed the Implementing Agency for this programme which has been set for one year from Jan to Dec 2022.**



SOURCES: CGS-CIMB RESEARCH, SEDA



## ESG in a nutshell

In 2013, Senheng launched its e-waste recycling programme to encourage and facilitate the disposal of electronic waste in a responsible and safe manner. Through this programme, customers can bring their non-bulky electronic appliances, such as personal computers, mobile phones, tablet computers, projectors and media players, to any of Senheng's physical stores for recycling at no charge. In addition, Senheng collects for recycling at no added charge any unwanted electronic appliances from customers' premises when it delivers the customers' purchases. The collected electronic waste will then be sent to licenced e-waste recycling centres for processing.

### Keep your eye on

Currently, only two out of Senheng's seven directors are female. This is below the Malaysian Code of Corporate Governance's recommendation of at least 30% female directors.

### Implications

While we view this negatively, Senheng has set a target of appointing additional female directors within two years of its listing date (25 Jan 2022).

### ESG highlights

Senheng was able to grow its revenue base at a CAGR of 10.1% despite gradually closing physical outlets over 2016-2021 (it had 105 outlets as at end-FY21 vs. 125 at end-FY16). We also note that Senheng has been aggressively expanding its online sales business, with online sales accounting for 8.6% of its revenue in FY21.

### Implications

We are positive on this matter as the company is showing efforts to reduce its energy consumption (in terms of water and electricity) with a lower number of physical outlets in operation. However, it has yet to disclose any data related to its energy usage; thus, we are unable to do any analysis on this matter.

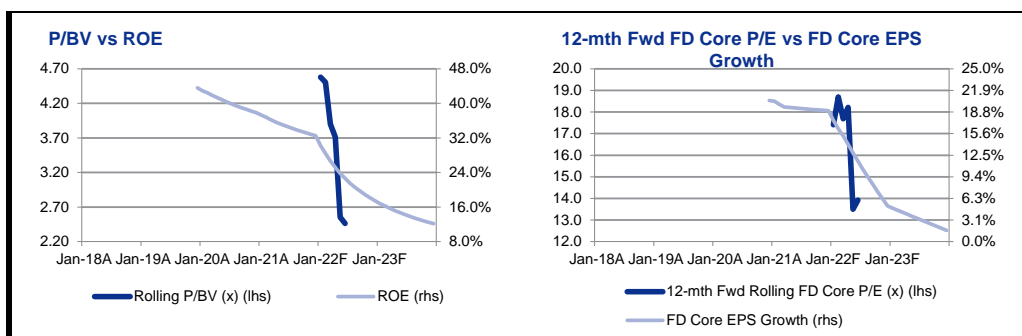
### Trends

Senheng has initiated various environmentally friendly programmes, such as "Tree Planting Project" (since 2010), "Paperless Initiatives" (since 2015), "E-waste Recycling Programme" (since 2013) and "Adoption of Bio-Degradable Plastic" (since 2003).

### Implications

We are positive on the company's efforts for environmental sustainability. However, it has yet to disclose any data related to its energy usage; thus, we are unable to do any analysis on this matter.

SOURCES: CGS-CIMB RESEARCH, REFINITIV

**BY THE NUMBERS**

**Profit & Loss**

(RMm)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
<b>Total Net Revenues</b>	<b>1,295</b>	<b>1,444</b>	<b>1,602</b>	<b>1,727</b>	<b>1,863</b>
<b>Gross Profit</b>	<b>270</b>	<b>304</b>	<b>338</b>	<b>367</b>	<b>396</b>
<b>Operating EBITDA</b>	<b>114</b>	<b>127</b>	<b>142</b>	<b>154</b>	<b>174</b>
Depreciation And Amortisation	-37	-39	-50	-60	-70
<b>Operating EBIT</b>	<b>77</b>	<b>88</b>	<b>92</b>	<b>93</b>	<b>104</b>
Financial Income/(Expense)	-4	-3	-3	-2	-2
Pretax Income/(Loss) from Assoc.	0	0	0	0	0
Non-Operating Income/(Expense)	0	0	0	0	0
<b>Profit Before Tax (pre-EI)</b>	<b>74</b>	<b>85</b>	<b>89</b>	<b>91</b>	<b>102</b>
Exceptional Items					
<b>Pre-tax Profit</b>	<b>74</b>	<b>85</b>	<b>89</b>	<b>91</b>	<b>102</b>
Taxation	-18	-19	-21	-22	-25
Exceptional Income - post-tax					
<b>Profit After Tax</b>	<b>56</b>	<b>65</b>	<b>68</b>	<b>70</b>	<b>78</b>
Minority Interests					
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax	-1	-0	0	0	0
<b>Net Profit</b>	<b>55</b>	<b>65</b>	<b>68</b>	<b>70</b>	<b>78</b>
Recurring Net Profit	55	65	68	70	78
<b>Fully Diluted Recurring Net Profit</b>	<b>55</b>	<b>65</b>	<b>68</b>	<b>70</b>	<b>78</b>

**Cash Flow**

(RMm)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
EBITDA	114.0	127.0	142.5	153.6	174.1
Cash Flow from Invt. & Assoc.					
Change In Working Capital	(45.3)	(49.8)	(57.4)	(26.6)	(28.8)
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense	38.7	41.5	53.1	62.1	72.0
Other Operating Cashflow	(40.3)	(42.5)	(53.1)	(62.1)	(72.0)
Net Interest (Paid)/Received	(2.1)	(1.9)	(1.3)	(0.0)	(0.0)
Tax Paid	(6.4)	(20.3)	(21.0)	(22.0)	(24.5)
<b>Cashflow From Operations</b>	<b>58.6</b>	<b>54.1</b>	<b>62.8</b>	<b>105.1</b>	<b>120.7</b>
Capex	(7.5)	(22.8)	(55.0)	(55.0)	(55.0)
Disposals Of FAs/subsidiaries	21.9	6.5	0.0	0.0	0.0
Acq. Of Subsidiaries/investments	(20.7)	(16.9)	0.0	0.0	0.0
Other Investing Cashflow	(5.0)	1.8	2.7	3.2	3.3
<b>Cash Flow From Investing</b>	<b>(11.3)</b>	<b>(31.3)</b>	<b>(52.3)</b>	<b>(51.8)</b>	<b>(51.7)</b>
Debt Raised/(repaid)	4.8	1.3	(57.0)	0.0	0.0
Proceeds From Issue Of Shares					
Shares Repurchased					
Dividends Paid	(12.0)	(12.0)	(20.5)	(20.9)	(23.3)
Preferred Dividends					
Other Financing Cashflow	(26.6)	(29.3)	231.1	(45.0)	(49.3)
<b>Cash Flow From Financing</b>	<b>(33.8)</b>	<b>(40.0)</b>	<b>153.6</b>	<b>(65.9)</b>	<b>(72.6)</b>
Total Cash Generated	13.5	(17.3)	164.0	(12.5)	(3.6)
<b>Free Cashflow To Equity</b>	<b>52.1</b>	<b>24.0</b>	<b>(46.5)</b>	<b>53.4</b>	<b>69.0</b>
<b>Free Cashflow To Firm</b>	<b>49.4</b>	<b>24.7</b>	<b>11.7</b>	<b>53.4</b>	<b>69.0</b>

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**BY THE NUMBERS... cont'd**
**Balance Sheet**

(RMm)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Total Cash And Equivalents	68.8	51.7	215.8	203.2	199.7
Total Debtors	74.3	97.2	109.7	118.3	127.6
Inventories	211.4	253.9	294.2	316.8	341.5
Total Other Current Assets	13.0	37.3	37.3	37.3	37.3
<b>Total Current Assets</b>	<b>367.4</b>	<b>440.1</b>	<b>657.0</b>	<b>675.7</b>	<b>706.0</b>
Fixed Assets	96.4	108.4	154.4	193.1	229.2
Total Investments	15.1	2.9	2.9	2.9	2.9
Intangible Assets	0.0	0.0	0.0	0.0	0.0
Total Other Non-Current Assets	178.0	181.4	228.1	242.2	247.3
<b>Total Non-current Assets</b>	<b>289.5</b>	<b>292.6</b>	<b>385.4</b>	<b>438.2</b>	<b>479.4</b>
Short-term Debt	14.5	16.9	0.0	0.0	0.0
Current Portion of Long-Term Debt					
Total Creditors	124.8	135.5	138.5	149.1	160.7
Other Current Liabilities	114.1	107.4	121.4	125.0	126.7
<b>Total Current Liabilities</b>	<b>253.4</b>	<b>259.9</b>	<b>259.9</b>	<b>274.2</b>	<b>287.5</b>
Total Long-term Debt	40.7	40.1	0.0	0.0	0.0
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	188.0	194.2	228.4	237.0	240.9
<b>Total Non-current Liabilities</b>	<b>228.7</b>	<b>234.2</b>	<b>228.4</b>	<b>237.0</b>	<b>240.9</b>
Total Provisions	8.6	5.1	5.1	5.1	5.1
<b>Total Liabilities</b>	<b>490.7</b>	<b>499.1</b>	<b>493.4</b>	<b>516.2</b>	<b>533.4</b>
Shareholders' Equity	166.2	233.7	549.1	597.7	652.1
Minority Interests					
<b>Total Equity</b>	<b>166.2</b>	<b>233.7</b>	<b>549.1</b>	<b>597.7</b>	<b>652.1</b>

**Key Ratios**

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Revenue Growth	13.1%	11.5%	10.9%	7.8%	7.8%
Operating EBITDA Growth	12.5%	11.5%	12.2%	7.8%	13.3%
Operating EBITDA Margin	8.80%	8.80%	8.90%	8.90%	9.35%
Net Cash Per Share (RM)	0.01	-0.00	0.14	0.14	0.13
BVPS (RM)	0.11	0.16	0.37	0.40	0.43
Gross Interest Cover	14.32	17.69	16.93	18.14	18.54
Effective Tax Rate	24.4%	22.8%	23.5%	24.0%	24.0%
Net Dividend Payout Ratio	21.9%	30.0%	30.0%	30.0%	30.0%
Accounts Receivables Days	20.91	21.66	23.57	24.09	24.16
Inventory Days	68.41	74.46	79.18	81.97	82.16
Accounts Payables Days	44.42	41.65	39.57	38.57	38.66
ROIC (%)	26.8%	26.3%	21.2%	16.6%	16.5%
ROCE (%)	40.6%	35.0%	22.6%	16.9%	17.2%
Return On Average Assets	9.39%	9.83%	8.02%	6.63%	6.96%

**Key Drivers**

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Revenue Growth %Physical stores	8.9%	9.2%	12.4%	7.1%	6.9%
Revenue Growth %Online stores	154.6%	29.8%	-14.8%	1.0%	1.0%
Revenue Growth %Others	-19.1%	63.2%	50.0%	45.0%	40.0%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

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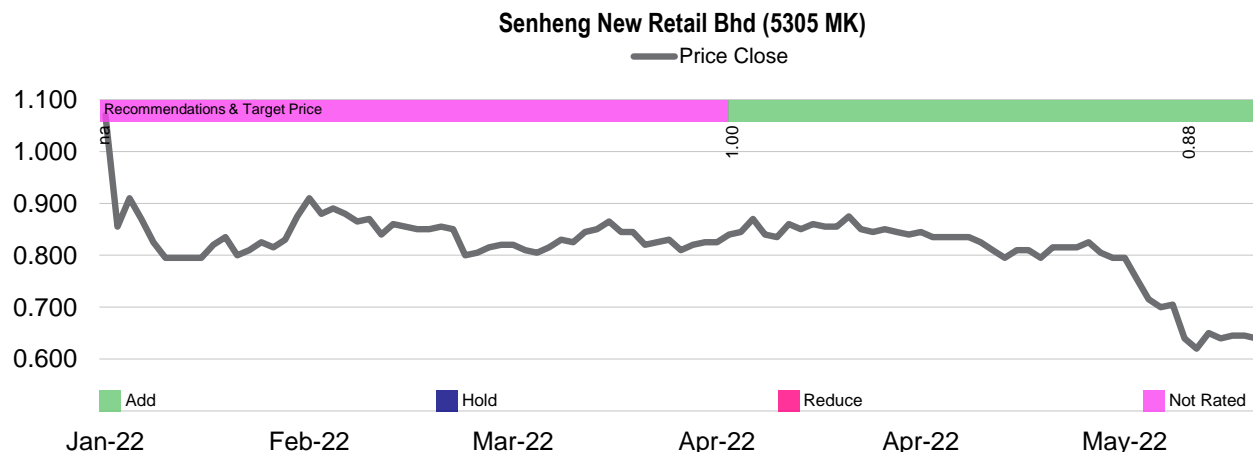
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Distribution of stock ratings and investment banking clients for quarter ended on 31 March 2022		
632 companies under coverage for quarter ended on 31 March 2022		
	Rating Distribution (%)	Investment Banking clients (%)
Add	70.3%	0.8%
Hold	22.0%	0.0%
Reduce	7.8%	0.2%

Spitzer Chart for stock being researched ( 2 year data )



**Corporate Governance Report of Thai Listed Companies (CGR). CG Rating by the Thai Institute of Directors Association (Thai IOD) in 2021, Anti-Corruption 2021**

**ADVANC** – Excellent, Certified, **AMATA** – Excellent, Certified, **ANAN** – Excellent, n/a, **AOT** – Excellent, n/a, **AP** – Excellent, Certified, **ASP** – Excellent, n/a, **AWC** – Excellent, Declared, **AU** – Good, n/a, **BAM** – Very Good, Certified, **BAY** – Excellent, Certified, **BBL** – Excellent, Certified, **BCH** – Very Good, Certified, **BCP** – Excellent, Certified, **BCPG** – Excellent, Certified, **BDMS** – Excellent, n/a, **BEAUTY** – Good, n/a, **BEM** – Excellent, n/a, **BH** – Good, n/a, **BJC** – Very Good, n/a, **BLA** – Very Good, Certified, **BTS** – Excellent, Certified, **CBG** – Very Good, n/a, **CCET** – n/a, n/a, **CENTEL** – Excellent, Certified, **CHAYO** – Very Good, n/a, **CHG** – Very Good, n/a, **CK** – Excellent, n/a, **COM7** – Excellent, Certified, **CPALL** – Excellent, Certified, **CPF** – Excellent, Certified, **CPN** – Excellent, Certified, **CPNREIT** – n/a, n/a, **CRC** – Excellent, Declared, **DELTA** – Excellent, Certified, **DDD** – Excellent, n/a, **DIF** – n/a, n/a, **DOHOME** – Very Good, Declared, **DREIT** – n/a, n/a, **DTAC** – Excellent, Certified, **ECL** – Excellent, Certified, **EGCO** – Excellent, Certified, **EPG** – Excellent, Certified, **ERW** – Very Good, Certified, **GFPT** – Excellent, Certified, **GGC** – Excellent, Certified, **GLOBAL** – Excellent, n/a, **HANA** – Excellent, Certified, **HMPRO** – Excellent, Certified, **HUMAN** – Good, n/a, **ICHI** – Excellent, Certified, **III** – Excellent, Declared, **INTUCH** – Excellent, Certified, **IRPC** – Excellent, Certified, **ITD** – Very Good, n/a, **IVL** – Excellent, Certified, **JASIF** – n/a, n/a, **JKN** – n/a, Certified, **JMT** – Very Good, n/a, **KBANK** – Excellent, Certified, **KCE** – Excellent, Certified, **KEX** – Very Good, Declared, **KKP** – Excellent, Certified, **KSL** – Excellent, Certified, **KTB** – Excellent, Certified, **KTC** – Excellent, Certified, **LH** – Excellent, n/a, **LPN** – Excellent, Certified, **M** – Very Good, Certified, **MAKRO** – Excellent, Certified, **MC** – Excellent, Certified, **MEGA** – Very Good, n/a, **MINT** – Excellent, Certified, **MTC** – Excellent, Certified, **NETBAY** – Very Good, n/a, **NRF** – Very Good, Declared, **OR** – Excellent, n/a, **ORI** – Excellent, Certified, **OSP** – Excellent, n/a, **PLANB** – Excellent, Certified, **PRINC** – Very Good, Certified, **PR9** – Excellent, Declared, **PSH** – Excellent, Certified, **PTT** – Excellent, Certified, **PTTEP** – Excellent, n/a, **PTTGC** – Excellent, Certified, **QH** – Excellent, Certified, **RAM** – n/a, n/a, **RBF** – Very Good, n/a, **RS** – Excellent, Declared, **RSP** – Good, n/a, **S** – Excellent, n/a, **SAK** – Very Good, Declared, **SAPPE** – Very Good, Certified, **SAWAD** – Very Good, n/a, **SCB** – Excellent, Certified, **SCC** – Excellent, Certified, **SCGP** – Excellent, Declared, **SECURE** – n/a, n/a, **SHR** – Excellent, n/a, **SIRI** – Excellent, Certified, **SPA** – Very Good, n/a, **SPALI** – Excellent, Certified, **SPRC** – Excellent, Certified, **SSP** – Good, Certified, **STEC** – Excellent, n/a, **SVI** – Excellent, Certified, **SYNEX** – Very Good, Certified, **TCAP** – Excellent, Certified, **THANI** – Excellent, Certified, **TIDLOR** – n/a, Certified, **TISCO** – Excellent, Certified, **TKN** – Very Good, n/a, **TOP** – Excellent, Certified, **TRUE** – Excellent, Certified, **TTB** – Excellent, Certified, **TU** – Excellent, Certified, **TVO** – Excellent, Certified, **VGI** – Excellent, Certified, **WHA** – Excellent, Certified, **WHART** – n/a, n/a, **WICE** – Excellent, Certified, **WORK** – Good, n/a.

- CG Score 2021 from Thai Institute of Directors Association (IOD)

- Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of August 5, 2021) are categorised into: companies that have declared their intention to join CAC, and companies certified by CAC.

Recommendation Framework	
<b>Stock Ratings</b>	Definition:
Add	The stock's total return is expected to exceed 10% over the next 12 months.
Hold	The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
Reduce	The stock's total return is expected to fall below 0% or more over the next 12 months.
<i>The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.</i>	
<b>Sector Ratings</b>	Definition:
Overweight	An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
Neutral	A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
Underweight	An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.
<b>Country Ratings</b>	Definition:
Overweight	An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
Neutral	A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
Underweight	An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.