

**India**
**HOLD** (no change)

Consensus ratings\*: Buy 25 Hold 11 Sell 3

Current price:	Rs220
Target price:	Rs240
Previous target:	Rs240
Up/downside:	9.1%
InCred Research / Consensus:	-12.5%
Reuters:	PLNG.NS
Bloomberg:	PLNG IN
Market cap:	US\$4,394m
	Rs329,325m
Average daily turnover:	US\$9.4m
	Rs708.0m
Current shares o/s:	1,500.0m
Free float:	50.0%

\*Source: Bloomberg

**Key changes in this note**

► FY22F EPS increased by 12%



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	(1.7)	(3.7)	(6.1)
Relative (%)	0.8	(1.4)	(18.2)

Major shareholders	% held
BPCL/GAIL/IOC/ONGC each	12.5
Government of Singapore	3.9
Fidelity Emerging Markets Fund	2.2

**Analyst(s)**

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# Petronet LNG

## Trading gains boost bottomline

- Low volumes in 3QFY22 were more than compensated by large non-recurring trading/inventory gains and use or pay (UOP) revenue relating to entire CY21.
- The ability to collect cash on UOP revenue is yet to be tested as past disputes on UOP and Kochi tariffs have yet to be fully resolved.
- We maintain our Hold rating and TP of Rs240 (2.2x Mar-24F P/BV, 21.4% ROE in FY24F).

### Great show on trading, but volume performance remains weak

3QFY22 total regas volumes at 208tbtus (down 11% yoy and 13% qoq) were exactly in-line with expectations. However, EBITDA was Rs17.3bn vs. our estimate of Rs10.5bn as it included Rs660m of inventory gains, Rs3.14bn of marketing margins (on just 3tbtus of spot volumes) and UOP revenue of Rs3.48bn which would relate to the entire CY21 (vs Rs558m UOP revenue for CY20). Ability to collect cash on UOP revenue is yet to be fully tested as past disputes on UOP and Kochi tariffs have yet to be fully resolved (debtors including on UOP were Rs33.1bn at Dec 2021 vs Rs21.6bn at Sep 2021). In 4QFY21, PLNG indicated that three offtakers had disputed UOP charges of Rs1.98bn relating to four years (CY17-20). In 2QFY22, the dispute with one offtaker was settled by taking a provision of Rs654m. Disputes with other two customers remain unsettled. Similarly, customers at Kochi terminal are seeking lower tariff rates. Post the 2QFY22 results, PLNG stated that it is agreeable to lower its tariffs with retrospective effect from FY20 provided its customers were willing to commit to additional volumes on a UOP basis (no further details provided). We raise our FY22F EPS estimate by 12% to reflect the trading gains earned in 9MFY22.

### Management commentary provided an update on operations

FY23F capex will be at best Rs15bn. Capex plans include two tanks at Dahej (Rs12.45bn, three years to complete), third jetty at Dahej (Rs16.5bn), raising Dahej capacity from 17.5mt to 22.5mt in two phases and floating terminal on the east coast (Rs16bn for 4mt capacity). The company is evaluating a new petchem cracker (1.25mt), which if finalised might be the only project which would require debt financing. PLNG hopes to renew its existing contract for 8.5mt of LNG from Qatar which is expiring in CY28 (final decision by Dec 2023). Its customers will demand concessions on the latest UOP revenue claim.

### Maintain Hold with TP of Rs240

The stagnant stock price in recent years reflected valid concerns on PLNG's medium-term LNG growth prospects, given the significant increase in domestic gas production and decision of its main customers (IOC, GAIL, GSPC) to build their own terminals. The recent sharp increase in spot LNG prices is an additional headwind impacting spot LNG demand. Further, the cut in dividend payout in FY21, along with uncertainty on the level of capex will limit stock upside in our view. Any shortfall in domestic gas production will be a positive stock price trigger. Pending disputes on Kochi tariffs and UOP claims not resolving in favour of PLNG would be key risks.

Financial Summary	Mar-20A	Mar-21A	Mar-22F	Mar-23F	Mar-24F
Revenue (Rsm)	354,520	260,230	414,973	418,409	404,048
Operating EBITDA (Rsm)	39,174	46,996	50,987	48,907	52,418
Net Profit (Rsm)	27,034	29,392	32,856	31,221	33,886
Core EPS (Rs)	18.0	19.6	21.9	20.8	22.6
Core EPS Growth	21.2%	8.7%	11.8%	(5.0%)	8.5%
FD Core P/E (x)	12.18	11.20	10.02	10.55	9.72
DPS (Rs)	12.5	11.5	11.5	11.0	12.0
Dividend Yield	5.49%	6.83%	4.78%	5.06%	5.28%
EV/EBITDA (x)	8.24	6.57	5.88	5.90	5.52
P/FCFE (x)	17.44	9.95	17.84	15.15	30.97
Net Gearing	(5.7%)	(17.6%)	(21.9%)	(27.4%)	(24.2%)
P/BV (x)	2.96	2.79	2.44	2.20	1.98
ROE	25.3%	25.6%	25.9%	21.9%	21.4%
% Change In Core EPS Estimates			11.57%	(0.49%)	(0.40%)
InCred Research/Consensus EPS (x)			1.11	0.95	0.95

SOURCES: INCRED RESEARCH ESTIMATES, COMPANY REPORTS. PRICED AS AT 10 FEB 2022

## Trading gains boost bottomline

3QFY22 EBITDA of Rs17.3bn was after inventory gains of Rs660m and trading margins of Rs3.14bn. PLNG also accounted for UOP revenue of Rs3.48bn in this quarter which related to the whole of CY21. 3QFY22's total volume of 208tbtus (down 11% qoq and 13% yoy) was in line with our estimate.

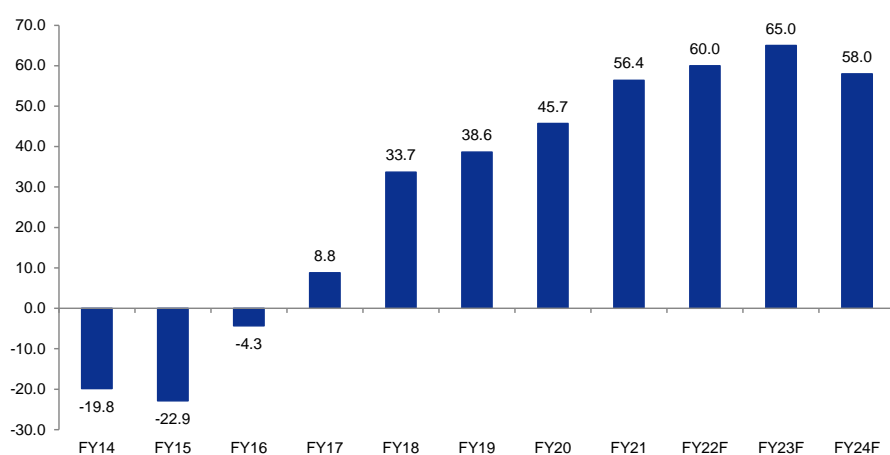
**Figure 1: PLNG – consolidated quarterly result trends (Rsm)**

Year to 31 Mar	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	yoy	qoq
Revenue	73,282	75,753	85,979	1,08,131	1,25,972	72%	16%
EBITDA	13,353	10,911	10,515	12,967	17,318	30%	34%
Interest	-815	-813	-800	-794	-776	-5%	-2%
Depreciation	-1,925	-2,028	-1,916	-1,936	-1,936	1%	0%
Other income	997	492	686	759	719	-28%	-5%
Contribution from JVs/associates	150	146	364	5	161	8%	
Pre-tax profits	11,759	8,707	8,849	11,001	15,487	32%	41%
Tax	-2,939	-2,328	-2,148	-2,824	-3,892	32%	38%
Net profit	8,821	6,379	6,701	8,176	11,595	31%	42%
Effective tax rate	24%	25%	21%	26%	24%		
EPS (Rs)	5.88	4.25	4.47	5.45	7.73	31%	42%
DPS (Rs)	0.00	3.50	0.00	7.00	0.00		
<b>Dahej regas volumes (tbtus)</b>							
Long term	113.00	102.00	89.00	102.00	117.00	4%	15%
Spot/medium term	5.00	5.00	6.00	6.00	3.00	-40%	-50%
Pure regas	104.00	97.00	99.00	117.00	76.00	-27%	-35%
Total	222.00	204.00	194.00	225.00	196.00	-12%	-13%
<b>Kochi regas volumes (tbtus)</b>							
Long term	8.00	11.00	11.00	14.00	12.00		
Spot/medium term contract	2.00	2.00	2.00	1.00	0.00		
Pure regas	3.00	1.00	2.00	0.00	0.00		
Total	13.00	14.00	15.00	15.00	12.00	-8%	-20%
Dahej Regas charge (Rs/mmbtu)	51.73	54.32	54.32	54.32	54.32	5%	0%
Regas charge for Gorgon vols (Rs/mmbtu)	83.10	83.10	87.25	87.25	87.25	5%	0%

SOURCES: INCRED RESEARCH, COMPANY REPORTS

Our cash balance estimates are still strong as capex on existing projects will be gradual and staggered. We have assumed that the dispute on UOP contracts will be settled and PLNG will get cash for amounts billed.

**Figure 2: PLNG's (net debt)/cash excluding lease liabilities (Rs bn)**



SOURCES: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

Our volume estimates for FY23/24F are largely based on existing contracts for the use of the Dahej and Kochi terminals, with regas tariffs rising by 5% p.a. Lower-than-contracted volumes (as seen in FY22F) would trigger UOP contract and not have a negative earnings impact. Kochi tariffs could be revised downwards with retrospective effect from 1 Apr 2019 in case the offtakers commit to taking higher volumes over the longer term on a UOP basis. We have raised our net profit estimate by 12% for FY22F to reflect inventory gains and trading margins earned during 9MFY22.

**Figure 3: PLNG – consolidated P&L and assumptions (Rs m)**

	FY20	FY21	FY22F	FY23F	FY24F
EBITDA	39,174	46,996	50,987	48,907	52,418
Interest	-4,032	-3,360	-3,164	-3,139	-3,120
Depreciation	-7,761	-7,841	-7,692	-7,842	-7,842
Other income	3,636	3,591	2,953	3,278	3,312
Profit from joint ventures, post tax	148	189	630	400	400
Pre-tax profit	31,164	39,575	43,713	41,604	45,168
Tax (current+deferred)	-4,131	-10,183	-10,857	-10,383	-11,281
Net profit	27,034	29,392	32,856	31,221	33,886
EPS (Rs)	18.02	19.59	21.90	20.81	22.59
EPS growth (%)	21.2%	8.7%	11.8%	-5.0%	8.5%
Effective tax rate	13.3%	25.9%	25.2%	25.2%	25.2%
<b>Key assumptions</b>					
<u>Dahej regas volumes (tbtus)</u>					
Ras Gas contract	373.00	360.50	376.00	376.00	376.00
Gorgon contract	33.00	35.50	25.00	0.00	0.00
Spot/medium term	24.83	18.00	18.00	20.00	20.00
Pure regas	454.23	436.00	378.53	420.59	420.59
Total	885.06	850.00	797.53	816.59	816.59
<u>Kochi regas volumes (tbtus)</u>					
Gorgon contract	32.00	35.00	50.00	70.00	80.00
Spot/medium term contract	7.00	8.00	3.00	8.00	8.00
Pure regas	4.00	4.00	2.00	0.00	0.00
Total	43.00	47.00	55.00	78.00	88.00
Dahej Regas charge (Rs/mmbtu)	49.89	52.38	55.00	57.75	60.64
Regas charge for Gorgon/Kochi vols (Rs/mmbtu)	79.14	83.10	87.25	91.61	96.20

SOURCES: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

PLNG benefits from large volume bookings on a UOP basis at its two terminals which, in our view, will protect its earnings in the event of a sharp drop in LNG volumes (as seen in 3QFY22). However, the ability to recover cash on these UOP contracts is yet to be fully tested.

**Figure 4: Firm contracts for use of regas terminals**

	mmt
Ras Gas 2004-2028 contract, offtakers GAIL:IOC:BPCL in the ratio of 60:30:10	7.5
Capacity booked by GSPC in Jetty expansion effective Apr15	1.25
Capacity booked by Torrent power in Dahej CY16 terminal expansion 0.5, 0.75 & 1 for 2017/18/19	1
Capacity booked in Dahej CY16 terminal expansion: GSPC (1), GAIL (2.5), IOC (1.5) BPCL (1)	6
<b>Total capacity booked at Dahej</b>	<b>15.75</b>
Gorgon contract, offtakers GAIL:IOC:BPCL in the ratio of 30:30:40	1.44
<b>Total capacity booked across both terminals</b>	<b>17.19</b>

SOURCES: INCRED RESEARCH, COMPANY REPORTS

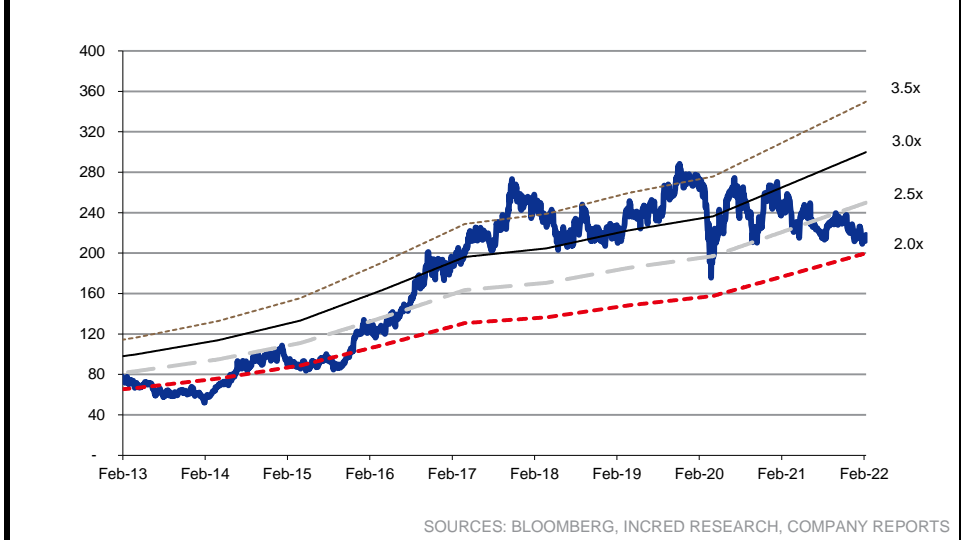
**Figure 5: PLNG – change in estimates**

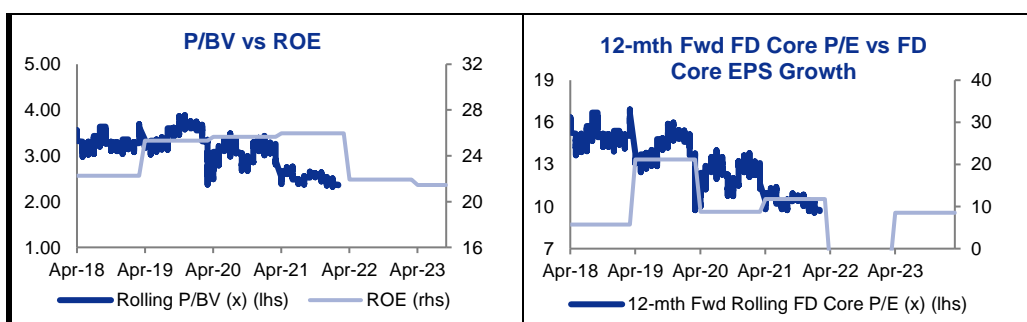
	Old			New			Change %		
	FY22F	FY23F	FY24F	FY22F	FY23F	FY24F	FY22F	FY23F	FY24F
Dahej LNG volumes (tbtus)	826.59	816.59	816.59	797.53	816.59	816.59	-3.5%	0.0%	0.0%
Kochi LNG volumes (tbtus)	61.00	78.00	88.00	55.00	78.00	88.00	-9.8%	0.0%	0.0%
Regas charge for Gorgon vols (Rs/mmbtu)	87.25	91.61	96.20	87.25	91.61	96.20	0.0%	0.0%	0.0%
EBITDA (Rs m)	46,125	49,357	52,725	50,987	48,907	52,418	10.5%	-0.9%	-0.6%
Net profit (Rs m)	29,174	31,520	34,082	32,856	31,221	33,886	12.6%	-0.9%	-0.6%
EPS (Rs)	19.4	21.0	22.7	21.9	20.8	22.6	12.6%	-0.9%	-0.6%

SOURCES: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

The PLNG stock price stagnated over the last few years (with resultant declining valuations) due to growth concerns over the medium term as high spot prices (near term) and rising domestic gas production (medium term) will limit demand for LNG. A cut in the dividend payout in FY21 will limit upside in the stock, in our view.

**Figure 6: PLNG P/BV (x) chart**



**BY THE NUMBERS**

**Profit & Loss**

(Rs mn)	Mar-20A	Mar-21A	Mar-22F	Mar-23F	Mar-24F
<b>Total Net Revenues</b>	<b>354,520</b>	<b>260,230</b>	<b>414,973</b>	<b>418,409</b>	<b>404,048</b>
<b>Gross Profit</b>	<b>49,561</b>	<b>53,415</b>	<b>59,052</b>	<b>56,728</b>	<b>60,624</b>
<b>Operating EBITDA</b>	<b>39,174</b>	<b>46,996</b>	<b>50,987</b>	<b>48,907</b>	<b>52,418</b>
Depreciation And Amortisation	(7,761)	(7,841)	(7,692)	(7,842)	(7,842)
<b>Operating EBIT</b>	<b>31,413</b>	<b>39,155</b>	<b>43,294</b>	<b>41,065</b>	<b>44,576</b>
Financial Income/(Expense)	(4,032)	(3,360)	(3,164)	(3,139)	(3,120)
Pretax Income/(Loss) from Assoc.	148	189	630	400	400
Non-Operating Income/(Expense)	3,636	3,591	2,953	3,278	3,312
<b>Profit Before Tax (pre-EI)</b>	<b>31,164</b>	<b>39,575</b>	<b>43,713</b>	<b>41,604</b>	<b>45,168</b>
Exceptional Items					
<b>Pre-tax Profit</b>	<b>31,164</b>	<b>39,575</b>	<b>43,713</b>	<b>41,604</b>	<b>45,168</b>
Taxation	(4,131)	(10,183)	(10,857)	(10,383)	(11,281)
Exceptional Income - post-tax					
<b>Profit After Tax</b>	<b>27,034</b>	<b>29,392</b>	<b>32,856</b>	<b>31,221</b>	<b>33,886</b>
Minority Interests					
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
<b>Net Profit</b>	<b>27,034</b>	<b>29,392</b>	<b>32,856</b>	<b>31,221</b>	<b>33,886</b>
Recurring Net Profit	27,034	29,392	32,856	31,221	33,886
<b>Fully Diluted Recurring Net Profit</b>	<b>27,034</b>	<b>29,392</b>	<b>32,856</b>	<b>31,221</b>	<b>33,886</b>

**Cash Flow**

(Rs mn)	Mar-20A	Mar-21A	Mar-22F	Mar-23F	Mar-24F
<b>EBITDA</b>	<b>39,174</b>	<b>46,996</b>	<b>50,987</b>	<b>48,907</b>	<b>52,418</b>
Cash Flow from Invt. & Assoc.	3,783	3,780	3,583	3,678	3,712
Change In Working Capital	(4,840)	(980)	(9,972)	3,943	(1,385)
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense					
Other Operating Cashflow	(47)	(33)			
Net Interest (Paid)/Received	(4,032)	(3,360)	(3,164)	(3,139)	(3,120)
Tax Paid	(8,608)	(10,260)	(10,771)	(10,301)	(11,192)
<b>Cashflow From Operations</b>	<b>25,431</b>	<b>36,144</b>	<b>30,662</b>	<b>43,088</b>	<b>40,433</b>
Capex	(39,515)	660	(5,360)	(14,740)	(23,400)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments	(34)	106	(630)	(400)	(400)
Other Investing Cashflow					
<b>Cash Flow From Investing</b>	<b>(39,550)</b>	<b>766</b>	<b>(5,990)</b>	<b>(15,140)</b>	<b>(23,800)</b>
Debt Raised/(repaid)	32,997	(3,801)	(6,217)	(6,217)	(5,998)
Proceeds From Issue Of Shares					
Shares Repurchased					
Dividends Paid	(18,083)	(22,500)	(15,750)	(16,650)	(17,400)
Preferred Dividends					
Other Financing Cashflow					
<b>Cash Flow From Financing</b>	<b>14,914</b>	<b>(26,301)</b>	<b>(21,967)</b>	<b>(22,867)</b>	<b>(23,398)</b>
Total Cash Generated	795	10,608	2,706	5,081	(6,765)
<b>Free Cashflow To Equity</b>	<b>18,878</b>	<b>33,108</b>	<b>18,456</b>	<b>21,731</b>	<b>10,635</b>
<b>Free Cashflow To Firm</b>	<b>(10,087)</b>	<b>40,270</b>	<b>27,836</b>	<b>31,087</b>	<b>19,753</b>

SOURCES: INCRED RESEARCH, COMPANY REPORTS

## BY THE NUMBERS...cont'd

<b>Balance Sheet</b>					
<b>(Rs mn)</b>	<b>Mar-20A</b>	<b>Mar-21A</b>	<b>Mar-22F</b>	<b>Mar-23F</b>	<b>Mar-24F</b>
Total Cash And Equivalents	46,667	57,275	59,980	65,061	58,295
Total Debtors	16,026	18,745	28,423	22,927	22,140
Inventories	4,809	3,372	5,251	5,401	5,223
Total Other Current Assets	5,916	4,866	5,314	5,809	6,354
<b>Total Current Assets</b>	<b>73,417</b>	<b>84,258</b>	<b>98,968</b>	<b>99,198</b>	<b>92,011</b>
Fixed Assets	111,929	103,427	101,095	107,993	123,551
Total Investments	3,323	3,218	3,848	4,248	4,648
Intangible Assets					
Total Other Non-Current Assets					
<b>Total Non-current Assets</b>	<b>115,252</b>	<b>106,645</b>	<b>104,943</b>	<b>112,241</b>	<b>128,198</b>
Short-term Debt					
Current Portion of Long-Term Debt					
Total Creditors	27,916	26,515	29,001	28,093	26,287
Other Current Liabilities					
<b>Total Current Liabilities</b>	<b>27,916</b>	<b>26,515</b>	<b>29,001</b>	<b>28,093</b>	<b>26,287</b>
Total Long-term Debt	40,331	36,530	30,313	24,097	18,099
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities					
<b>Total Non-current Liabilities</b>	<b>40,331</b>	<b>36,530</b>	<b>30,313</b>	<b>24,097</b>	<b>18,099</b>
Total Provisions	9,213	9,789	9,422	9,505	9,594
<b>Total Liabilities</b>	<b>77,460</b>	<b>72,834</b>	<b>68,737</b>	<b>61,694</b>	<b>53,980</b>
Shareholders Equity	111,209	118,069	135,175	149,746	166,231
Minority Interests					
<b>Total Equity</b>	<b>111,209</b>	<b>118,069</b>	<b>135,175</b>	<b>149,746</b>	<b>166,231</b>

<b>Key Ratios</b>					
	<b>Mar-20A</b>	<b>Mar-21A</b>	<b>Mar-22F</b>	<b>Mar-23F</b>	<b>Mar-24F</b>
Revenue Growth	(7.7%)	(26.6%)	59.5%	0.8%	(3.4%)
Operating EBITDA Growth	18.9%	20.0%	8.5%	(4.1%)	7.2%
Operating EBITDA Margin	11.0%	18.1%	12.3%	11.7%	13.0%
Net Cash Per Share (Rs)	4.22	13.83	19.78	27.31	26.80
BVPS (Rs)	74.14	78.71	90.12	99.83	110.82
Gross Interest Cover	7.79	11.65	13.68	13.08	14.29
Effective Tax Rate	13.3%	25.7%	24.8%	25.0%	25.0%
Net Dividend Payout Ratio	66.9%	76.6%	47.9%	53.3%	51.3%
Accounts Receivables Days	15.37	24.38	20.74	22.40	20.36
Inventory Days	6.29	7.22	4.42	5.37	5.65
Accounts Payables Days	34.19	48.03	28.47	28.81	28.90
ROIC (%)	21.2%	28.2%	29.2%	26.9%	25.5%
ROCE (%)	24.7%	26.4%	27.4%	24.8%	25.5%
Return On Average Assets	17.6%	16.8%	17.8%	16.2%	16.8%

SOURCES: INCRED RESEARCH, COMPANY REPORTS

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## 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, **CGET** – n/a, n/a, **CENDEL** – 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

#### Stock Ratings

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.

*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.*

#### Sector Ratings

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.

#### Country Ratings

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.