

Hong Kong

ADD (no change)

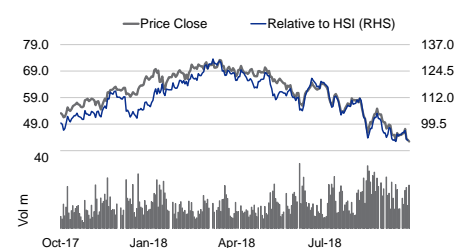
Consensus ratings*: Buy 23 Hold 5 Sell 1

Current price:	HK\$42.45
Target price:	HK\$59.62
Previous target:	HK\$88.10
Up/downside:	40.4%
CGS-CIMB / Consensus:	-7.7%
Reuters:	0027.HK
Bloomberg:	27 HK
Market cap:	US\$23,391m
	HK\$183,413m
Average daily turnover:	US\$117.0m
	HK\$918.9m
Current shares o/s:	4,276m
Free float:	53.9%

*Source: Bloomberg

Key changes in this note

➤ No changes.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	-19.5	-34.4	-20.1
Relative (%)	-11.3	-21.7	-9.3

Major shareholders	% held
City Lion	22.8
Che-Woo Lui	9.1
Capital Group	6.0

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Galaxy Entertainment

3Q18 results: Near-term strong

- GEG's 3Q18 EBITDA was HK\$3.9m (+10% yoy, -10% qoq), 1% above our expectations.
- Despite macro headwinds, management remains confident about the near-term outlook for gaming demand in Macau.
- Maintain Add with a reduced target price, based on SOP. Our target FY19F EV/EBITDA multiple reduced from 19x to 12.5x (in-line with 10-year average).

3Q18 impacted by bad luck

GEG reported a 3Q18 adjusted EBITDA of HK\$3.9bn (+10% yoy, -10% qoq), 1% higher than our forecast. On a luck-adjusted basis as GEG played unlucky during the quarter, EBITDA would have been HK\$4.2bn (+16% yoy -6% qoq). GEG's 3Q yoy growth in VIP win outpaced the overall sector (+5% vs. +3%) despite a 3.3% hold rate (-20bps yoy). Mass win underperformed the sector (+8% vs. +17%) with a hold rate of 39.6% (-130bps yoy). Mass gaming was also hurt due to some construction in premium rooms which caused customer flow disruption.

Outlook unchanged

GEG's management indicated that while the long term impact from macro uncertainties on gaming is uncertain, the near-term mass and VIP outlook remain strong, as evidenced by Golden Week volumes in both mass and VIP which were up in the double-digits yoy. In addition, the quality of the premium mass customer in terms of gaming spend continues to improve as they come from ex-Guangdong provinces. Despite some reshuffling of VIP market share due to new competition, the overall belief is that gaming operators are prudent in terms of offering discounts to customers or junkets hence preserving margin.

Valuations not likely to de-rate to 2015's levels

On a consensus EV/EBITDA basis, GEG is trading at 10x, close to 1 s.d. below the stock's 10-year average. Using the last gaming cycle during the anti-corruption crackdown as an example, the stock could de-rate by another 20% to 8x, which was its lowest valuation during that period in Oct 15. However, sector revenues declined by 34% yoy in 2015 vs. expectations of a mid-single digit GGR growth next year. Given that the last cycle was dominated by negative policy which limited visitation, we do not expect current multiples to de-rate to 2015's levels.

Target price reduced to factor in macro uncertainty

Our target price is based on SOP with multiples changed from 19x EV/EBITDA (2 s.d. above the historical 5-year average) to 12.5x (in line with 10-year historical average since listing). Our Phases three/four assumptions change with lower multiple and ROIC assumptions. We do not believe Macau gaming stocks will trade at a premium over historical averages in a bear market. We also roll over our valuation to FY19F. Maintain Add. Downside risks are weaker-than-expected sector revenues and earnings.

Financial Summary

	Dec-16A	Dec-17A	Dec-18F	Dec-19F	Dec-20F
Revenue (HK\$m)	52,826	62,450	77,651	90,025	101,828
Operating EBITDA (HK\$m)	9,738	13,171	16,733	19,217	22,467
Net Profit (HK\$m)	6,283	10,504	13,296	15,268	17,941
Core EPS (HK\$)	1.47	2.46	3.11	3.57	4.20
Core EPS Growth	50.6%	66.9%	26.6%	14.8%	17.5%
FD Core P/E (x)	29.18	17.49	13.81	12.03	10.24
DPS (HK\$)	0.33	0.59	0.75	0.86	1.01
Dividend Yield	0.78%	1.39%	1.76%	2.02%	2.38%
EV/EBITDA (x)	17.11	13.11	9.84	8.09	6.39
P/FCFE (x)	943.5	16.5	14.4	14.7	11.8
Net Gearing	(29.5%)	(13.9%)	(24.4%)	(32.6%)	(40.5%)
P/BV (x)	3.92	3.27	2.82	2.37	2.00
ROE	14.4%	20.6%	22.2%	21.7%	21.5%
% Change In Core EPS Estimates			0%	0%	0%
CIMB/consensus EPS (x)			1.01	1.07	1.10

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

3Q18 results: Near-term strong

Financial summary

Figure 1: Group overall

(in HK\$ m)	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18
Total revenue	13,369	12,169	12,929	14,359	11,128	11,408	15,905	18,001	14,133	13,925	12,995
% yoy growth	-2%	4%	5%	8%	-17%	-6%	23%	25%	27%	22%	-18%
% qoq growth	1%	-9%	6%	11%	-23%	3%	39%	13%	-21%	-75%	-7%
Adjusted EBITDA	2,433	2,273	2,681	2,961	3,180	3,286	3,522	4,159	4,319	4,326	3,879
% yoy growth	6%	22%	28%	20%	31%	45%	31%	40%	36%	32%	10%
% qoq growth	-2%	-7%	18%	10%	7%	3%	7%	18%	4%	-69%	-10%
Adjusted EBITDA margin	18.2%	18.7%	20.7%	20.6%	28.6%	28.8%	22.1%	23.1%	30.6%	31.1%	29.8%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Figure 2: Gaming breakdown

	3Q17	2Q18	3Q18	yoy	qoq
HK\$m					
Net Gaming	10,292	11,898	11,068	8%	-7%
Non-gaming	1,262	1,270	1,358	8%	7%
Construction	680	757	569	-16%	-25%
Total Net Revenue	12,234	13,925	12,995	6%	-7%
Adjusted EBITDA					
	3,522	4,326	3,879	10%	-10%
margin	28.8%	31.1%	29.8%	1.1%	-1.2%
HK\$b					
Rolling chip	235.0	289.3	264.5	13%	-9%
Win rate%	3.5%	3.4%	3.3%	-0.2%	-0.1%
VIP GGR	8.2	9.8	8.6	5%	-12%
Mass drop					
	14.9	16.4	16.7	12%	2%
Win rate %	40.9%	41.8%	39.6%	-1.3%	-2.2%
Mass GGR	6.1	6.8	6.6	8%	-3%
Slots					
	15.6	18.2	18.2	17%	0%
Win rate %	3.6%	3.1%	3.4%	-0.2%	0.3%
Slots GGR	0.6	0.6	0.6	0%	0%
Total GGR	14.9	17.2	15.8	6%	-8%

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

Key points from management Q&A

- Gaming fundamentals solid for short term. Longer-term visibility uncertain.
- Golden Week strong with VIP at double-digit yoy and mass at high-teens yoy.
- Premium mass during Golden Week came from outer provinces ex-Guangdong. Value of customer is improving.
- Some redistribution of VIP market share due to increasing capacity in Macau.
- Phase 3 (MICE hotel with 1.5k rooms) waiting for next phase of government construction approval. Expect early- to mid-2020 opening.
- Smoking room construction in premium rooms resulted in some weakening in mass volume.
- No formal discussions with government on concessions.
- Not offering discounts to players or junkets despite increased competition.
- Have dedicated team in Japan. Consortium of local Japanese partner, GEG and Monte Carlo-SMB, brings unique bid to Japan.
- Japan gaming regulations expected to be completed by mid-2019.

Valuation and sector comparables

Figure 3: GEG valuation SOP

HK\$m	2019 EBITDA	EV multiple	2019 EV
Gaming	18,448	12.5	230,603
Construction	769	3	2,306
Total	19,217		232,909
Historical cash	17,565		
Historical debt	9,944		
Net debt	-7,621		
		Per share	
Equity value	240,529	56.45	
Value added from Galaxy Phase 3/4		3.17	
Total equity value		59.62	

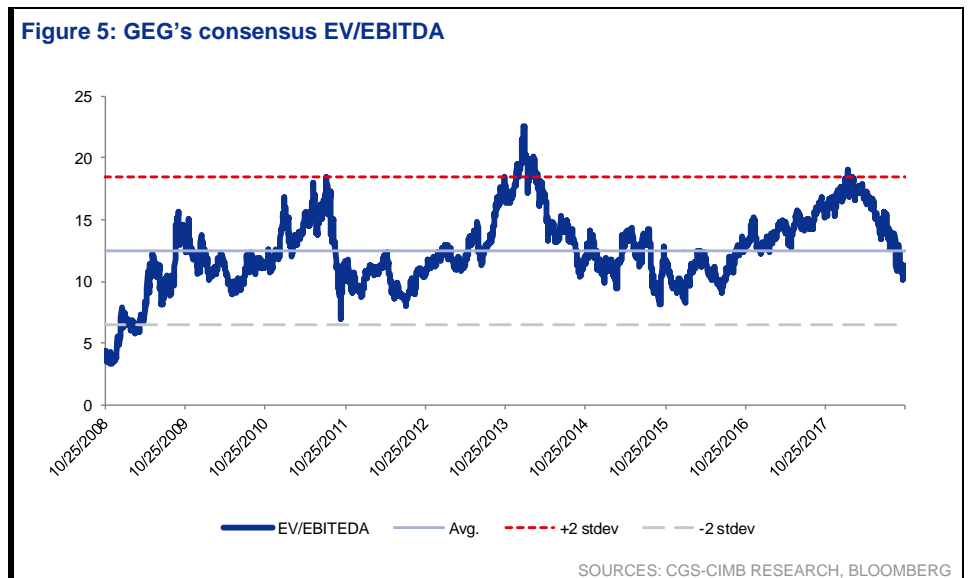
SOURCES: CGS-CIMB RESEARCH

Figure 4: Value added from Phases 3/4

	HK\$ m
Invested capital	45,000
ROIC in FY21	10%
EBITDA	4,500
FY21 EV/EBITDA	10.0
Enterprise value	45,000
Net debt	27,000
Equity value	18,000
Number of shares (m)	4,276
Equity value per share in FY21 (HK\$)	4.21
Discount rate	12.0%
Equity value per share in FY18 (HK\$)	3.17

SOURCES: CGS-CIMB RESEARCH

Figure 5: GEG's consensus EV/EBITDA

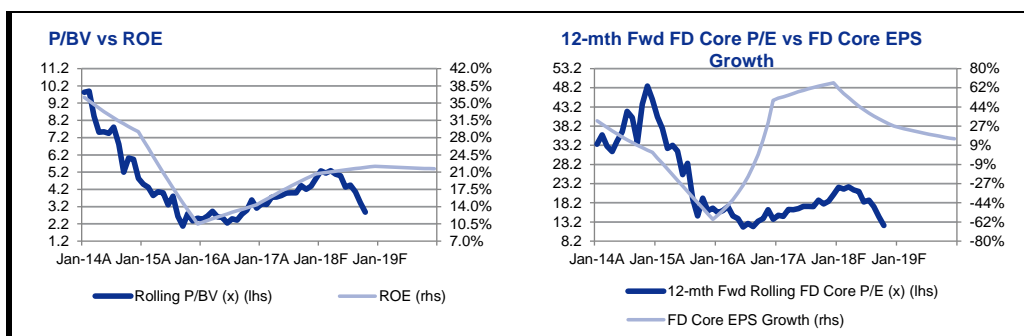


SOURCES: CGS-CIMB RESEARCH, BLOOMBERG

Figure 6: Sector Comparisons

Company	Bloomberg		Price (local curr)	Target Price (local curr)	Market Cap (US\$ m)	Core P/E (x)		2-year CAGR (%)	P/BV (x)		EV/EBITDA (x)		ROE (%)		Yield (%)	
	Ticker	Recom.				FY18F	FY19F		FY18F	FY19F	FY18F	FY19F	FY18F	FY19F	FY18F	FY19F
Galaxy Entertainment	27 HK	ADD	42.45	59.62	23,391	13.7	11.9	20%	2.8	2.4	9.8	8.1	22%	22%	1.8%	2.0%
Sands China	1928 HK	ADD	31.55	42.58	32,512	16.1	13.1	24%	7.1	6.5	12.5	10.5	44%	52%	6.3%	6.3%
MGM China Holdings	2282 HK	ADD	11.72	24.52	5,680	15.8	10.5	34%	4.2	3.3	10.7	7.1	30%	35%	3.2%	5.7%
Wynn Macau	1128 HK	ADD	16.46	34.55	10,909	13.3	10.1	46%	43.9	28.9	10.3	8.4	261%	344%	6.8%	8.9%
SJM Holdings	880 HK	HOLD	6.41	9.33	4,627	14.9	17.2	3%	1.4	1.4	14.6	15.4	10%	8%	3.4%	2.9%
HK listed Macau average						14.7	12.6	26%	11.9	8.5	11.6	9.9	73%	92%	4.3%	5.2%
Genting Bhd	GENT MK	ADD	7.40	10.50	6,839	13.2	10.7	21%	0.7	0.7	5.2	4.4	6%	7%	1.6%	1.6%
Berjaya Sports Toto	BST MK	ADD	2.02	3.09	653	9.7	8.7	18%	3.5	3.3	6.9	6.3	37%	39%	8.6%	9.2%
Genting Malaysia	GENM MK	HOLD	4.48	5.25	6,079	16.4	13.0	26%	1.4	1.4	10.7	8.8	8%	10%	2.7%	3.3%
Malaysia average						13.1	10.8	22%	1.9	1.8	7.6	6.5	17%	19%	4.3%	4.7%
Paradise	034230 KS	REDUCE	19,100	15,000	1,534	1158.1	56.1	na	1.8	1.7	30.3	20.7	0%	3%	0.5%	0.8%
Grand Korea Leisure	114090 KS	ADD	23,300	34,000	1,273	13.5	11.6	25%	2.4	2.2	8.1	6.7	19%	20%	4.1%	4.7%
Kangwon Land	035250 KS	HOLD	29,300	27,000	5,537	17.2	15.6	-3%	1.8	1.7	6.1	4.7	10%	11%	3.4%	3.4%
Korea average						396.3	27.8	11%	2.0	1.9	14.8	10.7	10%	11%	2.7%	3.0%
NagaCorp Ltd	3918 HK	ADD	7.33	9.65	169	12.1	10.0	26%	2.1	1.6	8.2	5.5	20%	18%	4.9%	6.0%
Summit Ascent Holdings	102 HK	ADD	0.89	1.21	169	68.9	41.5	50%	0.8	0.8	3.0	2.3	1%	2%	0.0%	0.0%
Genting Singapore	GENS SP	ADD	0.91	1.44	7,946	15.1	14.8	7%	1.4	1.3	6.4	6.0	10%	9%	3.3%	3.3%
Other average						32.1	22.1	28%	1.4	1.2	5.9	4.6	10%	10%	2.7%	3.1%

SOURCES: CGS-CIMB RESEARCH, BLOOMBERG

BY THE NUMBERS

Profit & Loss

(HK\$m)	Dec-16A	Dec-17A	Dec-18F	Dec-19F	Dec-20F
Total Net Revenues	52,826	62,450	77,651	90,025	101,828
Gross Profit	21,988	25,379	31,676	36,362	40,841
Operating EBITDA	9,738	13,171	16,733	19,217	22,467
Depreciation And Amortisation	(3,573)	(3,349)	(3,537)	(4,033)	(4,576)
Operating EBIT	6,166	9,822	13,196	15,184	17,890
Financial Income/(Expense)	110	562	157	165	165
Pretax Income/(Loss) from Assoc.	72	244	120	120	120
Non-Operating Income/(Expense)	0	0	0	0	0
Profit Before Tax (pre-EI)	6,348	10,628	13,473	15,469	18,176
Exceptional Items	0	0	0	0	0
Pre-tax Profit	6,348	10,628	13,473	15,469	18,176
Taxation	(77)	(113)	(162)	(186)	(218)
Exceptional Income - post-tax					
Profit After Tax	6,271	10,516	13,312	15,284	17,957
Minority Interests	12	(11)	(16)	(16)	(16)
Preferred Dividends	0	0	0	0	0
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Net Profit	6,283	10,504	13,296	15,268	17,941
Recurring Net Profit	6,283	10,504	13,296	15,268	17,941
Fully Diluted Recurring Net Profit	6,283	10,504	13,296	15,268	17,941

Cash Flow

(HK\$m)	Dec-16A	Dec-17A	Dec-18F	Dec-19F	Dec-20F
EBITDA	9,738	13,171	16,733	19,217	22,467
Cash Flow from Inv. & Assoc.					
Change In Working Capital	2,701	5,066	3,621	3,151	3,001
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense	244	(306)	(157)	(165)	(165)
Other Operating Cashflow	182	806	277	285	285
Net Interest (Paid)/Received	(45)	(123)	(126)	(118)	(118)
Tax Paid	(88)	(94)	(162)	(186)	(218)
Cashflow From Operations	12,732	18,520	20,186	22,184	25,251
Capex	(2,075)	(2,008)	(8,000)	(10,000)	(10,000)
Disposals Of FAs/subsidiaries	22	10	0	0	0
Acq. Of Subsidiaries/investments	(53)	(14)	0	0	0
Other Investing Cashflow	(15,231)	(9,104)	283	283	283
Cash Flow From Investing	(17,337)	(11,117)	(7,717)	(9,717)	(9,717)
Debt Raised/(repaid)	4,800	3,715	269	0	0
Proceeds From Issue Of Shares	109	348	0	0	0
Shares Repurchased	0	0	0	0	0
Dividends Paid	(1,408)	(2,526)	(2,526)	(3,197)	(3,671)
Preferred Dividends					
Other Financing Cashflow	(50)	(57)	0	0	0
Cash Flow From Financing	3,450	1,480	(2,257)	(3,197)	(3,671)
Total Cash Generated	(1,155)	8,884	10,213	9,271	11,864
Free Cashflow To Equity	194	11,118	12,738	12,467	15,534
Free Cashflow To Firm	(4,560)	7,527	12,595	12,585	15,653

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

BY THE NUMBERS... cont'd

Balance Sheet

(HK\$m)	Dec-16A	Dec-17A	Dec-18F	Dec-19F	Dec-20F
Total Cash And Equivalents	19,967	17,740	26,091	35,361	47,225
Total Debtors	1,886	2,166	2,644	3,032	3,403
Inventories	158	171	213	248	282
Total Other Current Assets	20	23	23	23	23
Total Current Assets	22,032	20,101	28,970	38,665	50,933
Fixed Assets	33,502	31,802	36,454	42,572	48,116
Total Investments	6,353	6,534	6,534	6,534	6,534
Intangible Assets	1,138	921	731	580	460
Total Other Non-Current Assets	3,235	24,457	24,457	24,457	24,457
Total Non-current Assets	44,229	63,713	68,175	74,142	79,566
Short-term Debt	5,609	9,685	9,685	9,685	9,685
Current Portion of Long-Term Debt					
Total Creditors	12,675	17,303	21,443	25,018	28,423
Other Current Liabilities	37	47	47	47	47
Total Current Liabilities	18,321	27,036	31,175	34,750	38,155
Total Long-term Debt	526	259	528	528	528
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	551	504	236	236	236
Total Non-current Liabilities	1,077	764	765	765	765
Total Provisions	257	268	268	268	268
Total Liabilities	19,655	28,067	32,208	35,783	39,188
Shareholders' Equity	46,345	55,482	64,388	76,460	90,731
Minority Interests	518	534	550	565	580
Total Equity	46,863	56,015	64,938	77,025	91,311

Key Ratios

	Dec-16A	Dec-17A	Dec-18F	Dec-19F	Dec-20F
Revenue Growth	3.6%	18.2%	24.3%	15.9%	13.1%
Operating EBITDA Growth	36.3%	35.3%	27.0%	14.8%	16.9%
Operating EBITDA Margin	18.4%	21.1%	21.5%	21.3%	22.1%
Net Cash Per Share (HK\$)	3.23	1.82	3.71	5.88	8.66
BVPS (HK\$)	10.84	12.98	15.06	17.88	21.22
Gross Interest Cover	141.2	153.7	104.7	128.5	151.4
Effective Tax Rate	1.21%	1.06%	1.20%	1.20%	1.20%
Net Dividend Payout Ratio	22.4%	24.0%	24.0%	24.0%	24.0%
Accounts Receivables Days	13.05	10.36	10.34	10.68	10.83
Inventory Days	1.83	1.62	1.52	1.57	1.59
Accounts Payables Days	143.1	147.2	153.3	157.6	160.0
ROIC (%)	21.3%	36.1%	31.3%	35.3%	39.0%
ROCE (%)	13.1%	17.5%	19.0%	19.0%	19.2%
Return On Average Assets	10.1%	13.3%	14.5%	14.4%	14.6%

Key Drivers

	Dec-16A	Dec-17A	Dec-18F	Dec-19F	Dec-20F
VIP Chip Volume (% Change)	-7.4%	18.5%	24.8%	17.0%	15.0%
VIP Chip Win Percentage (%)	3.0%	3.0%	3.0%	3.0%	3.0%
Mass mkt chip drop (% chg.)	18.5%	15.5%	20.6%	17.8%	12.6%
Mass mkt chip win (%-tage)	17.0%	17.0%	17.0%	17.0%	17.0%
Slot Handle (% Change)	7.0%	8.1%	-8.9%	6.1%	7.9%
Slot Hold Percentage (%)	7.5%	7.5%	7.5%	7.5%	7.5%
Net Win Per Slot (% Change)	7.0%	8.1%	-8.9%	0.0%	0.0%
Net Win Per Table (% Change)	-2.8%	17.2%	23.0%	0.0%	0.0%
No. Of Slots	1,980	1,980	1,980	1,980	1,980
No. Of Tables	988	988	988	988	988

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

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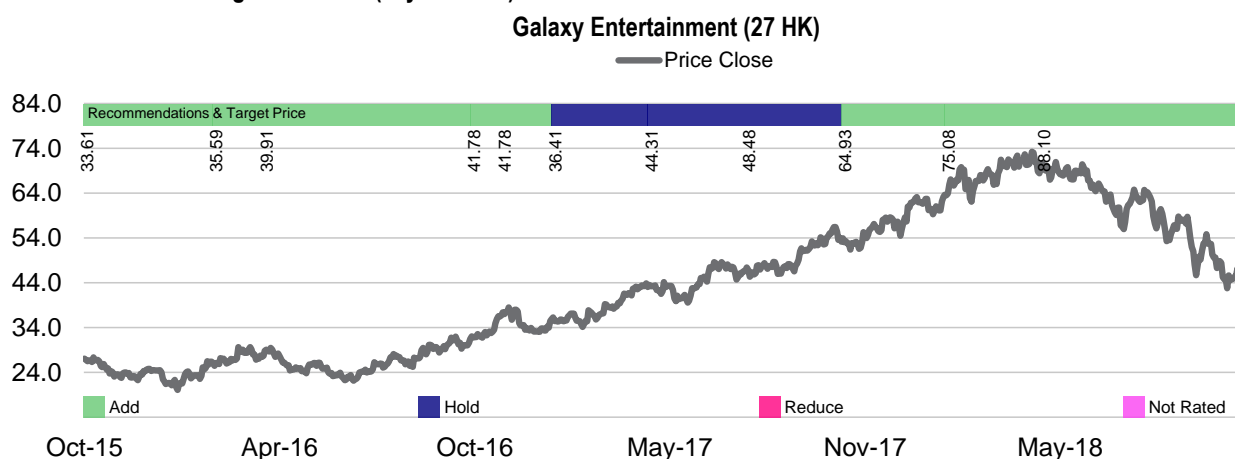
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Corporate Governance Report of Thai Listed Companies (CGR). CG Rating by the Thai Institute of Directors Association (Thai IOD) in 2017, Anti-Corruption 2017

AAV – Very Good, n/a, **ADVANC** – Excellent, Certified, **AEONTS** – Good, n/a, **AMATA** – Very Good, n/a, **ANAN** – Excellent, n/a, **AOT** – Excellent, Declared, **AP** – Excellent, Declared, **ASK** – Very Good, Declared, **ASP** – Very Good, Certified, **BANPU** – Excellent, Certified, **BAY** – Excellent,

Certified, **BBL** – Very Good, Certified, **BCH** – Good, Declared, **BCP** - Excellent, Certified, **BCPG** – Very Good, n/a, **BEM** – Very Good, n/a, **BDMS** – Very Good, n/a, **BEAUTY** – Good, n/a, **BEC** – Very Good, n/a, **BGRIM** – not available, n/a, **BH** - Good, n/a, **BJC** – Very Good, Declared, **BJCHI** – Very Good, Declared, **BLA** – Very Good, Certified, **BPP** – Good, n/a, **BR** - Good, Declared, **BTS** - Excellent, Certified, **CBG** – Good, n/a, **CCET** – Good, n/a, **CENDEL** – Very Good, Certified, **CHG** – Very Good, Declared, **CK** – Excellent, n/a, **COL** – Very Good, Declared, **CPALL** – not available, Declared, **CPF** – Excellent, Declared, **CPN** - Excellent, Certified, **DELTA** - Excellent, n/a, **DEMCO** – Excellent, Certified, **DIF** – not available, n/a, **DTAC** – Excellent, Certified, **EA** – Very Good, n/a, **ECL** – Very Good, Certified, **EGCO** - Excellent, Certified, **EPG** – Very Good, n/a, **GFPT** - Excellent, Declared, **GGC** – not available, Declared, **GLOBAL** – Very Good, Declared, **GLOW** – Very Good, Certified, **GPSC** – Excellent, Declared, **GRAMMY** - Excellent, n/a, **GUNKUL** – Excellent, Declared, **HANA** - Excellent, Certified, **HMPRO** - Excellent, Certified, **ICHI** – Excellent, n/a, **III** – not available, n/a, **INTUCH** - Excellent, Certified, **IRPC** – Excellent, Certified, **ITD** – Very Good, n/a, **IVL** - Excellent, Certified, **JAS** – not available, Declared, **JASIF** – not available, n/a, **JUBILE** – Good, Declared, **KAMART** – not available, n/a, **KBANK** - Excellent, Certified, **KCE** - Excellent, Certified, **KGI** – Very Good, Certified, **KKP** – Excellent, Certified, **KSL** – Very Good, Certified, **KTB** - Excellent, Certified, **KTC** – Excellent, Certified, **LH** - Very Good, n/a, **LPN** – Excellent, Certified, **M** – Very Good, n/a, **MACO** – Very Good, Declared, **MAJOR** – Very Good, n/a, **MAKRO** – Very Good, Declared, **MALEE** – Very Good, n/a, **MBKET** – Very Good, Certified, **MC** – Very Good, Declared, **MCOT** – Excellent, Certified, **MEGA** – Very Good, n/a, **MINT** - Excellent, Certified, **MTLS** – Very Good, Declared, **NYT** – Excellent, n/a, **OISHI** – Very Good, n/a, **PLANB** – Excellent, Declared, **PLAT** – Very Good, Certified, **PSH** – Excellent, Certified, **PSL** - Excellent, Certified, **PTT** - Excellent, Certified, **PTTEP** - Excellent, Certified, **PTTGC** - Excellent, Certified, **QH** – Excellent, Certified, **RATCH** – Excellent, Certified, **ROBINS** – Excellent, Certified, **RS** – Very Good, n/a, **SAMART** - Excellent, n/a, **SAPPE** - Good, n/a, **SAT** – Excellent, Certified, **SAWAD** – Very Good, n/a, **SC** – Excellent, Declared, **SCB** - Excellent, Certified, **SCBLIF** – not available, n/a, **SCC** – Excellent, Certified, **SCN** – Very Good, Declared, **SCCC** - Excellent, Declared, **SIM** - Excellent, n/a, **SIRI** – Very Good, Declared, **SPA** - Good, n/a, **SPALI** - Excellent, n/a, **SPRC** – Excellent, Declared, **STA** – Very Good, Declared, **STEC** – Excellent, n/a, **SVI** – Excellent, Certified, **TASCO** – Very Good, n/a, **TCAP** – Excellent, Certified, **THAI** – Very Good, n/a, **THANI** – Very Good, Certified, **THCOM** – Excellent, Certified, **THRE** – Very Good, Certified, **THREL** – Excellent, Certified, **TICON** – Very Good, Declared, **TIPCO** – Very Good, Certified, **TISCO** - Excellent, Certified, **TK** – Very Good, n/a, **TKN** – Very Good, Declared, **TMB** - Excellent, Certified, **TNR** – Good, n/a, **TOP** - Excellent, Certified, **TPCH** – Good, n/a, **TPIPP** – not available, n/a, **TRUE** – Excellent, Declared, **TTW** – Very Good, n/a, **TU** – Excellent, Declared, **TVO** – Excellent, Declared, **UNIQ** – not available, Declared, **VGI** – Excellent, Declared, **WHA** – not available, Declared, **WHART** – not available, n/a, **WORK** – not available, n/a.

Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of October 28, 2016) are categorized 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.