

January 28, 2016

OUTPERFORM

# Airports of Thailand

(AOT TB)

Share Price: Bt356.0

Target Price: Bt400.0(+12.4%)

## Runway for shoppers

- Expect core profit to grow 20% yoy and 46% qoq in 1QFY16 driven by 12% yoy growth in passenger volume
- New commercial space at DMK and HKT airports will add Bt1.3bn to AOT's concession revenue
- OUTPERFORM with a new TP of Bt400 (from Bt360), implying 30x FY16F and 26x FY17F P/E; top pick in the tourism sector

### Expect core profit to grow 20% yoy to Bt4.5bn in 1QFY16

We estimate 1QFY16 revenue grew 13% yoy and 9% qoq to Bt12bn led by higher passenger volume. AOT reported passenger volume grew 12% yoy to 28.9m in 1QFY16 (Oct-Dec 15), led by Chinese tourists (+21%). Chinese tourist arrivals had dropped by 33% in September after the bomb incident in Bangkok in August, but has been recovering since and should return to normal in 2016. We conservatively maintain passenger volume growth at 10% for FY16 although it grew 12% yoy in 1QFY16. Operating profit margin should improve to 47% from 41% in the previous quarter in the absence of extra employee benefits. We estimate 1QFY16 core profit grew 20% yoy to Bt4.5bn.

### Concession revenue to grow by 25% in FY16

The new terminals at DMK Airport which opened in Dec 2015 and HKT Airport in Feb 2016 will lift concession revenue in FY16. The new commercial zone at DMK Airport (13,000 sq.m. vs 2,700 sq.m. at existing area) has been reserved by retail operators and should be fully utilized by March. The revenue sharing rate with new operators is expected to be higher than 15%, which is the existing rate. This should add Bt1.1bn to AOT's concession revenue in FY16. Meanwhile, the new commercial zone at HKT Airport (6,600 sq.m. vs 1,000 sq.m. at existing area) should add Bt200m to concession revenue in FY16. We forecast total concession revenue will grow by 25% to Bt14.7bn in FY16.

### Reiterate OUTPERFORM rating, DCF-based TP raised to Bt400/sh

We revised up FY16F/FY17F earnings by 5% after incorporating the new commercial space and nudging up FY16F operating profit margin from 45.5% to 46.6%. This lifted TP from Bt360/sh to Bt400/sh. The stock offers strong core profit growth (17% CAGR) with high ROE of 16-18% over FY15-FY18.

## Financial Summary (Btm)

Year to Dec	FY14	FY15	FY16F	FY17F	FY18F
Sales (Btm)	37,585	43,969	49,793	55,124	60,766
Growth (%)	2	17	13	11	10
EBITDA (Btm)	21,157	26,880	30,768	34,716	39,009
Growth (%)	5	27	14	13	12
Recurring profit (Btm)	12,029	15,755	18,745	22,040	25,461
Growth (%)	21	31	19	18	16
FDEPS (Bt)	8.42	11.03	13.12	15.43	17.82
Growth (%)	21	31	19	18	16
PE (x)	42.3	32.3	27.1	23.1	20.0
DPS (Bt)	3.40	6.54	6.74	7.64	8.64
Yield (%)	1.0	1.8	1.9	2.1	2.4
BVPS (Bt)	67.93	76.01	83.24	91.93	102.12



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## Krungsri Securities Research Team

Naphat CHANTARASEREKUL

662 - 659 7000 ext 5000

naphat.chantaraserukul@krungsrisecurities.com

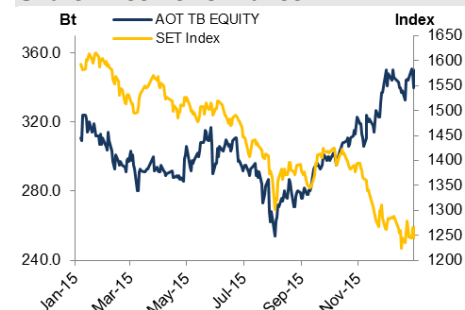
Teerapol UDOMVEJ

Assistant analyst

### Key Data

12-mth high/low (Bt)	356 / 252
Market capital (Btm/US\$m)	508,571 / 14,175
3m avg. turnover (Btm/US\$m)	908.5 / 25.3
Free float (%)	23.1
Issued shares (m shares)	1,429
Major shareholders:	
-FINANCE MINISTRY	70.0
-THAI NVDR CO LTD	5.2
-STATE STREET CORP	2.7

### Share Price Performance



	YTD	1Mth	3Mth	12Mth
Absolute (%)	2.9	2.6	18.3	14.5
Relative to index (%)	3.6	2.7	27.7	34.2

### Krungsri Securities vs Market

	Positive	Neutral	Negative
Market Recommend	17	4	5
	<b>Krungsri</b>	<b>Market</b>	<b>% +/-</b>
Target Price (Bt)	400.0	352.8	13.4
'16 Net Profit (Btm)	18,745	18,531	1.2
'17 Net Profit (Btm)	22,040	21,128	4.3

### Krungsri's earnings revision

	2016F	2017F
Earnings revision (%)	5%	5%

Source: Bloomberg, Krungsri Securities

## Expect concession revenue to grow 25% in FY16F

We forecast concession revenue to grow by 25% to Bt14.7bn in FY16 driven by the following:

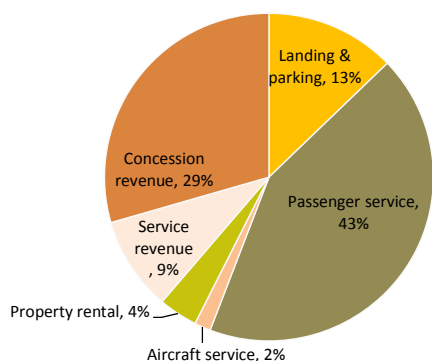
- 1) DMK Airport Terminal 2, which opened on 24 Dec 2015, will have a new 13,000 sq.m. commercial zone. AOT has not released details of the concession agreements with the retail operators, but we estimate the revenue-sharing rate with new operators is higher than 15%, which was rate in the existing contract with The Mall Group. This would add up to Bt1.1bn to DMK Airport's concession revenue in FY16F; the existing commercial zone (2,700 sq.m) generated Bt240m in FY15. The new commercial area has been fully reserved by retail operators that include the SSP group - MINT (Pizza Company, Burger King), McDonald's, BonChon Chicken, Fuji, Chabuton, and Sleep Box Hotel. The new area is expected to be fully utilized by March.
- 2) HKT Airport international terminal, which is scheduled to open in February, will have a new of 6,600 sq.m commercial zone (1,000 sq.m at existing terminal). We forecast this new space will be ready by May and will add up to Bt200m to HKT Airport's concession revenue. The Mall Group, Central Group, MINT and King Power are the candidates bidding for the new space.
- 3) Revenue-sharing rate with King Power Duty Free (KPD) at BKK Airport will increase from 17% to 18% this year. Combined with a higher number of passengers, we forecast revenue from KPD will grow by 18% to Bt4.4bn.

In all, we expect concession revenues to grow to 29% of total revenues in FY16 from 27% in FY15.

	Revenue-sharing rate	Contract length	Area (sq.m)		Concession revenue (Bt bn)		Growth
			Existing	New	FY15A	FY16F	
<b>BKK Airport</b>							
King Power Duty Free	15-20%	10 years (FY11-20)	5,000	-	3.8	4.4	18%
King Power Suvarnabhumi (retail)	15%		25,000	-	2.0	2.2	11%
Other concessions	15%		N/A	-	2.3	2.6	11%
<b>DMK Airport</b>							
King Power Duty Free	15%	10 years (FY13-22)	1,112	-	1.2	1.4	16%
The Mall Group (retail)	15%		2,700	13,000	0.2	1.3	464%
Other concessions	15%		N/A	-	0.5	0.5	16%
<b>Other airports</b>							
HKT Airport	N/A	N/A	1,000	6,600	0.2	0.4	117%
CNX+HDY+CEI Airport	N/A	N/A	N/A	N/A	1.6	1.8	13%
Total					11.7	14.7	25%

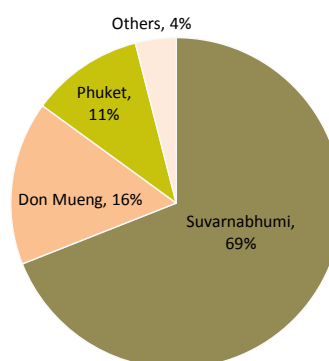
Source: Company data, Krungsri Securities

**Revenue breakdown by source (FY16F)**



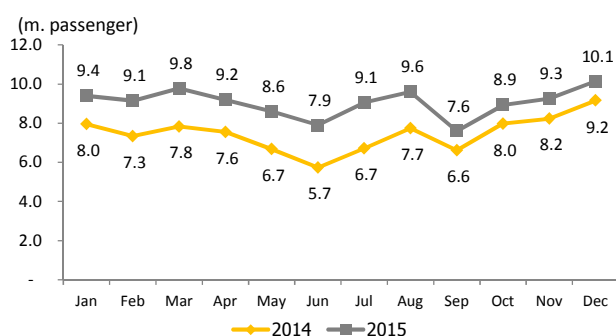
Source: Company data, Krungsri Securities

**Concession revenue breakdown (FY15A)**



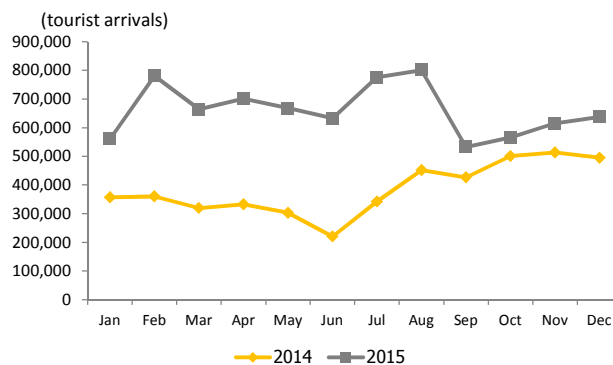
Source: Company data, Krungsri Securities

**AOT's passenger volume**



Source: Company data, Krungsri Securities

**Chinese tourist arrivals**



Source: Company data, Krungsri Securities

**Revised up FY16-FY17F earnings by 5%**

We revised up concession revenues by 9% in FY16F and by 10% in FY17F after including the new commercial space at DMK and HKT airports. We also nudged up FY16F operating profit margin to be in line with the latest guidance, but it is conservative at 46.6% as the new terminals at DMK and HKT airports would pressure AOT's margins.

**Revised assumptions**

	FY16F		% chg	FY17F		% chg	Comments
	old	new		old	new		
Concession revenue (Bt bn)	13.5	14.7	9%	15.5	17.0	10%	New commercial space
Operating profit margin (%)	45.5%	46.6%	2%	48.4%	49.1%	1%	Reflect FY15 operating profit margin
Earnings (Bt bn)	17,905	18,745	5%	21,049	22,040	5%	Reflects changes in above assumptions

Source: Krungsri Securities

## Key Assumptions

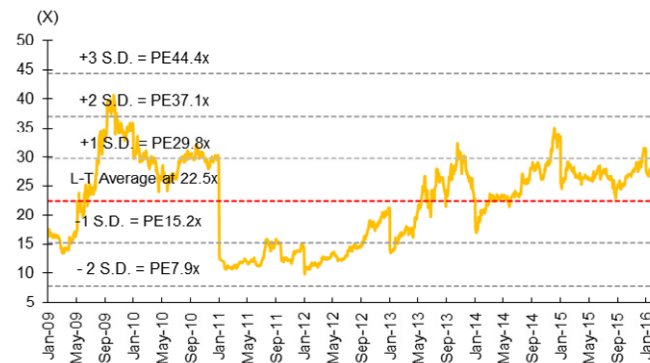
	FY15A	FY16F	FY17F	FY18F
Flight traffic growth - international	12%	9%	9%	9%
Flight traffic growth - domestic	20%	10%	9%	9%
Average landing&parking fee (Bt/flights)	16,242	16,404	16,568	16,734
Passenger traffic growth - international	20%	9%	9%	9%
Passenger traffic growth - domestic	25%	10%	9%	9%
Passenger service charge - inter (Bt/person)	700	700	700	700
Passenger service charge - domestic (Bt/person)	100	100	100	100
Operating expense/total revenue (%)	39%	39%	38%	36%
Capex (Bt bn)	8.4	12.5	20.9	33.7

## 1QFY16 earnings preview

P&L (Btm)	1QFY15	2QFY15	3QFY15	4QFY15	1QFY16F	% chg QoQ	% chg YoY
Sales	10,540	11,627	10,856	10,946	11,950	9%	13%
Expense (inc dep'n)	-5,592	-5,688	-5,767	-6,492	-6,336	-2%	13%
<b>Operating Profit</b>	<b>4,948</b>	<b>5,939</b>	<b>5,089</b>	<b>4,454</b>	<b>5,614</b>	26%	13%
Net other income	43	48	93	78	65	-17%	51%
Interest income	334	316	321	304	346	14%	4%
Interest expense	-421	-401	-395	-388	-362	-7%	-14%
<b>Pretax profit</b>	<b>4,904</b>	<b>5,902</b>	<b>5,108</b>	<b>4,447</b>	<b>5,663</b>	27%	15%
Income Tax	-1,114	-1,114	-1,018	-1,339	-1,133	-15%	2%
Associates							
Minority interest	-6	-7	1	-9	-6	-35%	2%
<b>Profit after tax (pre-ex)</b>	<b>3,784</b>	<b>4,781</b>	<b>4,091</b>	<b>3,099</b>	<b>4,524</b>	46%	20%
Extraordinaries, GW & FX	129	109	-16	2,752	0	-100%	-100%
<b>Reported net profit</b>	<b>3,913</b>	<b>4,890</b>	<b>4,075</b>	<b>5,851</b>	<b>4,524</b>	-23%	16%
Shares out (end Q, m)	1,429	1,429	1,429	1,429	1,429	0%	0%
Adjusted shares (m)	1,429	1,429	1,429	1,429	1,429	0%	0%
<b>Pre-ex EPS</b>	<b>2.65</b>	<b>3.35</b>	<b>2.86</b>	<b>2.17</b>	<b>3.17</b>	46%	20%
<b>EPS</b>	<b>2.74</b>	<b>3.42</b>	<b>2.85</b>	<b>4.10</b>	<b>3.17</b>	-23%	16%
EBITDA	6,436	7,359	6,567	6,256	7,416	19%	15%
<b>Key Ratios</b>							
Operating profit margin (%)	47%	51%	47%	41%	47%		
EBITDA margin (%)	61%	63%	60%	57%	62%		
Net profit margin (%)	37%	42%	38%	53%	38%		

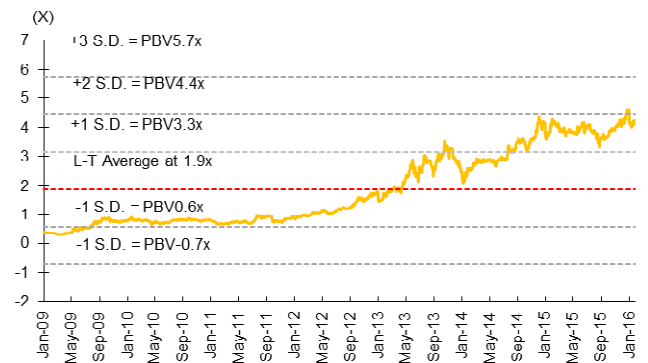
Source: Krungsri Securities

**P/E Band**



Source: Bloomberg, Krungsri Securities

**P/BV Band**



Source: Bloomberg, Krungsri Securities

**Peer table**

BB Ticker	Name	Market Cap US\$	PE (x)		P/BV (x)		EV/EBITDA (x)		Div Yield (%)	ROE (%)	Share Price Performance			
			15F	16F	15F	16F	15F	16F	15F	15F	1M	3M	6M	YTD
AOT TB	AIRPORTS OF THAILAND PCL	14,178	32.3	27.1	4.7	4.3	15.6	15.8	1.8	18.2	3.5	19.1	23.2	2.9
MAHB MK	MALAYSIA AIRPORTS HLDGS BHD	2,171	231.7	74.1	1.2	1.2	11.0	10.1	1.1	0.6	1.1	4.5	-5.6	-0.9
694 HK	BEIJING CAPITAL INTL AIRPO-H	3,892	15.3	13.9	1.7	1.6	8.1	7.7	2.6	9.2	-12.7	-17.6	-16.3	-16.4
600009 CH	SHANGHAI INTERNATIONAL AIR-A	7,578	19.9	16.8	2.5	2.2	12.3	10.3	1.5	12.9	-12.2	-13.2	-5.6	-12.4
600004 CH	GUANGZHOU BAIYUN INTERNATI-A	2,084	11.4	11.0	1.4	1.4	5.2	4.8	1.8	13.6	-14.9	-9.7	-11.0	-16.2
000089 CH	SHENZHEN AIRPORT CO-A	2,086	29.7	22.4	1.3	1.3	11.2	10.4	0.8	4.6	-19.3	-15.6	-16.8	-18.0
600897 CH	XIAMEN INTERNATIONAL AIR-A	807	13.0	11.6	1.7	1.6	7.3	6.8	1.7	13.6	-23.9	-13.6	-25.1	-22.9
SYD AU	SYDNEY AIRPORT	10,408	60.9	55.3	16.0	21.3	21.4	19.6	3.9	19.5	4.0	1.9	21.1	4.5
AIA AU	AUCKLAND INTL AIRPORT LTD	4,264	34.3	31.9	1.6	1.6	20.0	18.6	2.9	6.2	0.4	0.0	5.8	-7.6
9706 JP	JAPAN AIRPORT TERMINAL CO	3,179	36.8	27.6	3.1	2.9	16.4	13.4	0.7	8.5	-15.7	-32.2	-32.4	-17.5
<b>Average (simple)</b>			<b>48.5</b>	<b>29.2</b>	<b>3.5</b>	<b>3.9</b>	<b>12.8</b>	<b>11.8</b>	<b>1.9</b>	<b>10.7</b>				

Source: Company data, Bloomberg, Krungsri Securities

INCOME STATEMENT (Btm)	FY14	FY15	FY16F	FY17F	FY18F
Turnover	37,585	43,969	49,793	55,124	60,766
Cost of sales (COGS)	-16,843	-17,351	-19,295	-20,685	-22,043
Depreciation & amortization	-5,650	-6,188	-7,299	-7,364	-7,453
Gross profit	15,093	20,430	23,200	27,074	31,270
S&A expense	0	0	0	0	0
<b>Operating profit</b>	<b>15,093</b>	<b>20,430</b>	<b>23,200</b>	<b>27,074</b>	<b>31,270</b>
Other operating income	414	262	270	278	286
<b>EBIT</b>	<b>15,507</b>	<b>20,692</b>	<b>23,469</b>	<b>27,352</b>	<b>31,556</b>
Interest expense	-1,836	-1,605	-1,450	-1,270	-1,081
Interest income	1,407	1,275	1,443	1,506	1,395
Other income	0	0	0	0	0
Goodwill amortization	0	0	0	0	0
<b>Pre-tax profit</b>	<b>15,078</b>	<b>20,361</b>	<b>23,463</b>	<b>27,588</b>	<b>31,870</b>
Income tax on company & subsidiaries	-3,007	-4,585	-4,693	-5,518	-6,374
<b>Profit after tax</b>	<b>12,071</b>	<b>15,776</b>	<b>18,771</b>	<b>22,070</b>	<b>25,496</b>
Minority interests	-42	-21	-25	-30	-35
Share of associate net income	0	0	0	0	0
Preferred dividends	0	0	0	0	0
<b>Recurring attributable net profit</b>	<b>12,029</b>	<b>15,755</b>	<b>18,745</b>	<b>22,040</b>	<b>25,461</b>
Extraordinary items	191	2,974	0	0	0
<b>Reported net profit</b>	<b>12,220</b>	<b>18,729</b>	<b>18,745</b>	<b>22,040</b>	<b>25,461</b>
Shares in issue (Y/E, m)	1,429	1,429	1,429	1,429	1,429
Shares in issue (weighted avg. m)	1,429	1,429	1,429	1,429	1,429
EPS (before extraordinary items, Bt)	8.42	11.03	13.12	15.43	17.82
DPS (Bt)	3.40	6.54	6.74	7.64	8.64
DPS/EPS (%)	40	50	51	50	48

CASH FLOW (Btm)	FY14	FY15	FY16F	FY17F	FY18F
Operating profit	15,093	20,430	23,200	27,074	31,270
Other operating income	414	262	270	278	286
EBIT	15,507	20,692	23,469	27,352	31,556
Depreciation & amortization	5,650	6,188	7,299	7,364	7,453
<b>EBITDA</b>	<b>21,157</b>	<b>26,880</b>	<b>30,768</b>	<b>34,716</b>	<b>39,009</b>
Notional cash taxes on ungeared operations	-3,218	-4,763	-4,766	-5,546	-6,381
Net change in working capital	-347	-2,192	1,379	1,241	1,308
CAPEX	-8,909	-7,556	-12,458	-20,936	-33,700
<b>Operating free cashflow (OpFCF)</b>	<b>8,684</b>	<b>12,368</b>	<b>14,922</b>	<b>9,476</b>	<b>236</b>
Net interest income adjusted for tax impact	-218	-152	67	264	321
<b>Net free cashflow (NetFCF)</b>	<b>8,466</b>	<b>12,215</b>	<b>14,990</b>	<b>9,740</b>	<b>557</b>
Non-operating income (net of tax)	0	0	0	0	0
Equity income from associates	0	0	0	0	0
Investments	4,922	257	0	0	0
Net change in other assets/liabilities	4,246	-45	0	0	0
Other items	-173	2,706	0	0	0
<b>Residual cashflow (RCF)</b>	<b>17,461</b>	<b>15,134</b>	<b>14,990</b>	<b>9,740</b>	<b>557</b>
Dividends	-6,571	-6,571	-9,343	-9,629	-10,914
Equity capital raised	0	0	0	0	0
Other items	625	139	0	-0	0
<b>Cashflow from financing</b>	<b>-5,946</b>	<b>-6,432</b>	<b>-9,343</b>	<b>-9,629</b>	<b>-10,914</b>
<b>Net change in cash</b>	<b>11,515</b>	<b>8,702</b>	<b>5,647</b>	<b>111</b>	<b>-10,358</b>
Net cash/(debt) at YS	-2,517	8,998	17,700	23,346	23,458
<b>Ending net cash /(debt)</b>	<b>8,998</b>	<b>17,700</b>	<b>23,346</b>	<b>23,458</b>	<b>13,100</b>
Increase/(decrease) in cash & equivalents	3,931	5,287	3,079	-3,801	-14,270
(Increase)/decrease in debt	7,139	2,929	3,499	3,912	3,912
NOPLAT (net op profit less adjusted tax)	12,289	15,928	18,703	21,806	25,175
Normalised OpFCF (est. maintenance CAPEX)	16,592	18,923	26,380	29,412	32,936
FCFE (free cashflow to equity)	10,322	12,205	11,491	5,828	-3,355

<b>BALANCE SHEET (Btm)</b>	<b>FY14</b>	<b>FY15</b>	<b>FY16F</b>	<b>FY17F</b>	<b>FY18F</b>
Cash & equivalents	43,203	48,490	51,569	47,768	33,498
A/C receivable	2,094	2,356	2,356	2,356	2,356
Inventory	195	238	264	284	302
Others	1,863	841	952	1,054	1,162
<b>Total Current Assets</b>	<b>47,355</b>	<b>51,925</b>	<b>55,141</b>	<b>51,461</b>	<b>37,318</b>
Property and equipment	102,889	104,257	109,416	122,988	149,235
Investments & associates	1,097	840	840	840	840
Other assets	2,448	2,602	2,602	2,602	2,602
Goodwill	0	0	0	0	0
<b>Total Assets</b>	<b>153,789</b>	<b>159,624</b>	<b>168,000</b>	<b>177,892</b>	<b>189,995</b>
Short-term debt	3,971	4,228	4,228	4,228	4,228
A/C payable	1,444	1,150	1,279	1,372	1,462
Other current liabilities	13,093	10,476	11,863	13,133	14,478
<b>Total Current Liabilities</b>	<b>18,508</b>	<b>15,854</b>	<b>17,370</b>	<b>18,733</b>	<b>20,167</b>
Long-term debt	30,679	27,493	23,995	20,083	16,171
Other liabilities	7,355	7,464	7,464	7,464	7,464
<b>Total Liabilities</b>	<b>56,541</b>	<b>50,812</b>	<b>48,829</b>	<b>46,280</b>	<b>43,802</b>
Share capital	14,286	14,286	14,286	14,286	14,286
Share premium	12,568	12,568	12,568	12,568	12,568
Revaluation surplus	739	611	611	611	611
Translation adjustment	0	0	0	0	0
Retained earnings	69,451	81,124	91,456	103,868	118,415
<b>Total ordinary equity</b>	<b>97,044</b>	<b>108,588</b>	<b>118,920</b>	<b>131,332</b>	<b>145,879</b>
Preferred equity	0	0	0	0	0
Minorities	203	225	250	280	315
<b>Total equity &amp; minorities</b>	<b>97,247</b>	<b>108,812</b>	<b>119,170</b>	<b>131,612</b>	<b>146,193</b>
Accumulated depreciation	72,115	76,553	83,851	91,215	98,668
BV per ordinary share (Y/E, Bt)	67.93	76.01	83.24	91.93	102.12
Adjusted book value ps (Y/E, Bt)	67.93	76.01	83.24	91.93	102.12

<b>RATIOS (%)</b>	<b>FY14</b>	<b>FY15</b>	<b>FY16F</b>	<b>FY17F</b>	<b>FY18F</b>
<b>Growth</b>					
Turnover	2.1	17.0	13.2	10.7	10.2
EBITDA	4.6	27.0	14.5	12.8	12.4
EBIT	0.3	33.4	13.4	16.5	15.4
Net profit	(25.2)	53.3	0.1	17.6	15.5
EPS pre extraordinary items	21.1	31.0	19.0	17.6	15.5
EPS (diluted)	21.1	31.0	19.0	17.6	15.5
DPS	(26.1)	92.4	3.1	13.4	13.1
<b>Accounting ratios</b>					
Cash profit margin	55.2	60.5	61.3	62.5	63.7
Gross profit margin	40.2	46.5	46.6	49.1	51.5
Operating profit margin	40.2	46.5	46.6	49.1	51.5
Net profit margin	32.5	42.6	37.6	40.0	41.9
Turnover/avg total assets (x)	0.2	0.3	0.3	0.3	0.3
ROA	8.0	12.0	11.4	12.7	13.8
ROE	13.0	18.2	16.5	17.6	18.4
S&A/turnover	0.0	0.0	0.0	0.0	0.0
Effective tax rate	19.9	22.5	20.0	20.0	20.0
<b>Operating performance</b>					
EBITDA margin	56.3	61.1	61.8	63.0	64.2
EBIT margin	41.3	47.1	47.1	49.6	51.9
NOPLAT margin (NOPLAT/Turnover)	32.7	36.2	37.6	39.6	41.4
Asset turnover (Turnover/avg Op assets)	0.4	0.5	0.5	0.5	0.5
<b>ROCE (NOPLAT/avg Op assets)</b>	<b>14.0</b>	<b>17.8</b>	<b>20.1</b>	<b>21.6</b>	<b>21.0</b>
ROCE inc capitalised goodwill	14.0	17.8	20.1	21.6	21.0

<b>EQUITY VALUATIONS (Bt)</b>	<b>FY14</b>	<b>FY15</b>	<b>FY16F</b>	<b>FY17F</b>	<b>FY18F</b>
EPS	8.42	11.03	13.12	15.43	17.82
FDEPS	8.42	11.03	13.12	15.43	17.82
FDEPS growth (%)	21	31	19	18	16
DPS	3.40	6.54	6.74	7.64	8.64
BVPS	67.93	76.01	83.24	91.93	102.12
Adjusted BVPS	67.93	76.01	83.24	91.93	102.12
Free cashflow to equity (FCFE) per share	7.23	8.54	8.04	4.08	-2.35
<b>Share price (Bt) – 356</b>					
PE (x)					
PE (fully diluted, x)	42.3	32.3	27.1	23.1	20.0
PE/FDEPS growth (x)	42.3	32.3	27.1	23.1	20.0
Yield (%)	2.0	1.0	1.4	1.3	1.3
P/BV (x)	1.0	1.8	1.9	2.1	2.4
P/ABV (x)	5.24	4.68	4.28	3.87	3.49
P/FCFE (x)	5.24	4.68	4.28	3.87	3.49
<b>ENTERPRISE VALUATIONS (Btm)</b>	<b>FY14</b>	<b>FY15</b>	<b>FY16F</b>	<b>FY17F</b>	<b>FY18F</b>
Ordinary shares (m)	1429	1429	1429	1429	1429
Share price (Bt)	282.00	306.00	356.00	356.00	356.00
Ordinary equity MV	402,857	437,142	508,571	508,571	508,571
MI & deferred taxes	203	225	250	280	315
<b>Equity MV (adjusted ord)</b>	<b>403,060</b>	<b>437,367</b>	<b>508,821</b>	<b>508,851</b>	<b>508,886</b>
Preferred equity	0	0	0	0	0
Debt	34,650	31,721	28,222	24,310	20,398
<b>Enterprise Value</b>	<b>437,710</b>	<b>469,088</b>	<b>537,043</b>	<b>533,161</b>	<b>529,284</b>
Net noncore assets	44,300	49,330	52,408	48,608	34,338
<b>Core Enterprise Value (EV)</b>	<b>393,410</b>	<b>419,758</b>	<b>484,635</b>	<b>484,554</b>	<b>494,946</b>
Turnover	37,585	43,969	49,793	55,124	60,766
EBITDA	21,157	26,880	30,768	34,716	39,009
EBIT	15,507	20,692	23,469	27,352	31,556
NOPLAT	12,289	15,928	18,703	21,806	25,175
OpFCF	8,684	12,368	14,922	9,476	236
OpFCF (normalized)	16,592	18,923	26,380	29,412	32,936
Op (core) capital employed (CE)	87,598	91,203	94,984	107,315	132,254
Avg. core capital employed	87,918	89,400	93,094	101,149	119,784
<b>Core EV Multiples</b>					
EV/Turnover (x)	10.5	9.5	9.7	8.8	8.1
EV/EBITDA (x)	18.6	15.6	15.8	14.0	12.7
EV/EBIT (x)	25.4	20.3	20.6	17.7	15.7
EV/NOPLAT (x)	32.0	26.4	25.9	22.2	19.7
EV/OpFCF (x)	45.3	33.9	32.5	51.1	2,099.8
EV/OpFCFnormalised (x)	23.7	22.2	18.4	16.5	15.0
EV/capital employed (YE, x)	4.5	4.6	5.1	4.5	3.7
EV/avg capital employed (x)	4.5	4.7	5.2	4.8	4.1
<b>RISK MEASURES</b>	<b>FY14</b>	<b>FY15</b>	<b>FY16F</b>	<b>FY17F</b>	<b>FY18F</b>
Equity multiplier (avg. total assets/avg. equity)	1.6	1.5	1.4	1.4	1.3
Net debt/equity & MI	n/a	n/a	n/a	n/a	n/a
<b>Interest cover (x)</b>					
Interest cover (EBIT & int.incl/int. expense)	9.2	13.7	17.2	22.7	30.5
NOPLAT/interest paid	6.7	9.9	12.9	17.2	23.3
Debt service (OpFCF/net interest paid)	20	37	n/a	n/a	n/a
<b>Short-Term Ratios (x)</b>					
Current assets/current liabilities	2.6	3.3	3.2	2.7	1.9
Current assets less inventory/current liabilities	2.5	3.3	3.2	2.7	1.8
A/C receivable, days turnover	20.3	19.6	17.3	15.6	14.2
Inventory, days COGS	4.2	5.0	5.0	5.0	5.0
A/C payable, days COGS	31.3	24.2	24.2	24.2	24.2





BAFS	BCP	BTS	CPN	EGCO	GRAMMY	HANA	INTUCH	IRPC	IVL
KBANK	KKP	KTB	MINT	PSL	PTT	PTTEP	PTTGC	SAMART	SAMTEL
SAT	SC	SCB	SE-ED	SIM	SPALI	TISCO	TMB	TOP	






To recognize well performers, the list of companies attaining "Good", "Very Good" and "Excellent" levels of recognition without regulatory notation (from January 1, 2013 to October 22, 2014) is publicized.



AAV	ACAP	ADVANC	ANAN	AOT	ASIMAR	ASK	ASP	BANPU	BAY
BBL	BECL	BIGC	BKI	BLA	BMCL	BROOK	CENTEL	CFRESH	CIMBT
CK	CNT	CPF	CSL	DELTA	DRT	DTAC	DTC	EASTW	EE
ERW	GBX	GC	GFPT	GUNKUL	HEMRAJ	HMPRO	ICC	KCE	KSL
LANNA	LH	LHBANK	LOXLEY	LPN	MACO	MC	MCOT	NBC	NCH
NINE	NKI	NMG	NSI	OCC	OFM	PAP	PE	PG	PHOL
PJW	PM	PPS	PR	PRANDA	PS	PT	QH	RATCH	ROBINS
RS	S&J	SAMCO	SCC	SINGER	SIS	SITHAI	SNC	SNP	SPI
SSF	SSI	SSSC	STA	SVI	TCAP	TF	THAI	THANI	THCOM
TIP	TIPCO	TK	TKT	TNITY	TNL	TOG	TRC	TRUE	TSTE
TSTH	TTA	TTW	TVO	UAC	VGI	VNT	WACOAL		



2S	AF	AH	AHC	AIT	AJ	AKP	AKR	AMANAH	AMARIN
AMATA	AP	APCO	APCS	AQUA	ARIP	AS	ASIA	AYUD	BEAUTY
BEC	BFIT	BH	BJC	BJCHI	BOL	BTNC	BWG	CCET	CGD
CGS	CHOW	CI	CKP	CM	CMR	CSC	CSP	CSS	DCC
DEMCO	DNA	EA	ESSO	FE	FORTH	FPI	GENCO	GL	GLOBAL
GLOW	GOLD	HOTPOT	HTC	HTECH	HYDRO	IFS	IHL	INET	IRC
IRCP	ITD	KBS	KGI	KKC	KTC	L&E	LRH	LST	MAJOR
MAKRO	MATCH	MBK	MBKET	MEGA	MFC	MFEC	MJD	MODERN	MONO
MOONG	MPG	MTI	NC	NTV	NUSA	NWR	NYT	OGC	OISHI
PACE	PATO	PB	PDI	PICO	PPM	PPP	PREB	PRG	PRIN
PTG	QLT	QTC	RCL	SABINA	SALEE	SCBLIF	SCCC	SCG	SEAFCO
SEOIL	SFP	SIAM	SIRI	SKR	SMG	SMK	SMPC	SMT	SOLAR
SPC	SPCG	SPPT	SST	STANLY	STEC	STPI	SUC	SWC	SYMC
SYNEX	SYNTEC	TASCO	TBSP	TEAM	TFD	TFI	THANA	THIP	THREL
TIC	TICON	TIW	TKS	TLUXE	TMI	TMT	TNDT	TPC	TPCORP
TRT	TRU	TSC	TTCL	TUF	TVD	TWFP	UMI	UP	UPF
UPOIC	UT	UV	UWC	VIH	WAVE	WHA	WIN	WINNER	YUASA
ZMICO									

Score Range	Number of Logos	Description
90-100		Excellent
80-89		Very Good
70-79		Good
60-69		Satisfactory
50-59		Pass
Below 50	No logo given	N/A

## 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 of 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. Krungsri Securities Public Company Limited does not confirm nor certify the accuracy of such survey result.



# Krungsri Securities Public Company Limited

## Headquarters

898 Ploenchit Tower, 3rd Floor, Ploenchit Road, Lumpini  
Pathumwan, Bangkok 10330  
Tel: 0-2659-7000 Fax: 0-2658-5699  
Internet Trading: 0-2659-7777

## Branches

### Emporium

662 Emporium Tower, Fl. 10, Sukhumvit 24 Road  
Klongton, Klongtoey, Bangkok 10110  
Tel: 0-2695-4500 Fax: 0-2695-4599

### Central Bangna

589/151 Central City Tower 1 Office, Fl. 27  
Bangna-Trad Road, Bangna, Bangkok 10260  
Tel: 0-2763-2000 Fax: 0-2399-1448

### Rama II

111/917-919 Rama II Road, Smaedum,  
Bangkhuntien, Bangkok 10150  
Tel: 0-2895-9575 Fax: 0-2895-9557

### Vibhavadi-rangsit

Bank of Ayudhya Public Company Limited  
123 Sun towers (B) Building, Vibhavadirangsit Road,  
Jompol, Jatujak, Bangkok 10900  
Tel: 0-2273-8388 Fax: 0-2273-8399

### Chonburi

64/17 Sukhumvit Road, Tambol Bang Plasoi,  
Amphur Muang, Chonburi 20000  
Tel: 0-3879-0430 Fax: 0-3879-0425

### Hat Yai Branch

90-92-94 Nipat U Tit Nueng Road, Tambol Hat Yai,  
Amphur Hat Yai, Songkhla 90110  
Tel: 0-7422-1229 Fax: 0-7422-1411

### Nakhon Pathom

67/1 Ratchadamnoen Road, Tambol Phra Pathom Jaedee,  
Amphur Muang, Nakhon Pathom 73000  
Tel: 0-3427-5500-7 Fax: 0-3421-8989

### Suphanburi

249/171-172 Moo 5 Tambol Ta Rahad,  
Amphur Muang, Suphanburi, 72000  
Tel: 0-3550-1234 Fax: 0-3552-2449

### Nakhon Ratchasima

168 Chomphon Road, Tambol Nai Muang,  
Amphur Muang Nakhon Ratchasima,  
Nakhon Ratchasima 30000  
Tel: 0-4425-1211-4 Fax: 0-4425-1215

### Khon Kaen

114 Sri Chan Road, Tambol Nai Muang,  
Amphur Muang, Khon Kaen 40000  
Tel: 0-4322-6120 Fax: 0-4322-6180

### Chiang Mai

70 Chang Phuak Road, Tambol Sri Phum  
Amphur Muang, Chiang Mai 50200  
Tel: 0-5321-9234 Fax: 0-5321-9247

### Chiang Rai

231-232 Thamalai Road, Tambol Wiang,  
Amphur Muang, Chiang Rai 57000  
Tel: 0-5371-6489 Fax: 0-5371-6490

### Phitsanulok

275/1 Phichaisongkram Road, Tambol Nai Muang,  
Amphur Muang, Phitsanulok 65000  
Tel: 0-5530-3360 Fax: 0-5530-2580

Analyst Team	Sector Coverage	Central line: 662-659-7000	E-mail
Naphat Chantaraserkul, Head of Research	Energy, Petrochemical, Strategy	ext. 5000	naphat.chantaraserkul@krungsrisecurities.com
Kittisorn Pruitipat, CFA, FRM	Property, ICT	ext. 5019	kittisorn.pruitipat@krungsrisecurities.com
Jesada Techahusdin, CFA	Banking, Insurance, Consumer Finance	ext. 5004	jesada.techahusdin@krungsrisecurities.com
Sunthorn Thongthip	Food, Strategy	ext. 5009	sunthorn.thongthip@krungsrisecurities.com
Kaweewit Thawilwithayanon	Renewable Energy, Contractor	ext. 5010	kaweewit.thawilwithayanon@krungsrisecurities.com
Worrapong Tuntiwutthipong	Mid cap, Electronic, Media, Automotive, Commerce	ext. 5016	worrapong.tuntiwutthipong@krungsrisecurities.com
Teerapol Udomvej, Assistant Analyst	Healthcare		
Pavich Chittmitrapap, Assistant Analyst			
Songklod Wongchai	Investment Strategy	ext. 5003	songklod.wongchai@krungsrisecurities.com
Artit Jansawang	Small cap, MAI	ext. 5005	artit.jansawang@krungsrisecurities.com
Apisak Limthumrongkul	Technical	ext. 5007	apisak.limthumrongkul@krungsrisecurities.com
		Fax 662-658-5643	

## Definition of Ratings

- OUTPERFORM** - Stocks with an expected capital gain above 10% in the next 12 months for small-caps, above 5% for big-caps
- NEUTRAL** - Stocks with an expected capital gain between -10% and +10% in the next 12 months for small-caps, -5% to +5% for big-caps
- UNDERPERFORM** - Stocks with an expected capital gain below 10% in the next 12 months for small-caps, below 5% for big-caps