

## THE ERAWAN GROUP

(ERW.TB/ ERW.BK)

### Return of the Little King

Following new information from the analyst briefing and our bullish expectation on pent-up demand recovery, we raised target price to Bt5.8 (based on FY22F) from Bt3.3 (+75%; based on FY21F). However, we cut FY21F-22F earnings but raised FY23F profit in anticipation of a strong recovery in tourist arrivals supported by pent-up demand. Earnings growth should accelerate in FY22F following aggressive expansion of Hop INN chain (+46 hotels over 2022-25; 10-12 per year).

#### Returning to growth cycle with a stronger financial position

We left ERW's analyst briefing with a positive long-term tone. They explained the capital utilization plan would not only strengthen D/E ratio to comply with their 2.5x debt covenant, but would allow them to resume their aggressive expansion plan for budget hotel Hop INN. Armed with a Bt8-10b budget, by 2025, ERW expects to add 100 budget hotels in Thailand (vs 46 by 4Q20) and 15 in the Philippines (vs 5 by 4Q20). The management its strong position in this segment would help them to capture future growth, while demand in this segment would be less volatile than the segment that targets foreign tourists. The company is also open to M&A opportunities.

#### Cut FY21F-22F earnings on weaker-than-expected recovery, raised FY23F profit on aggressive expansion of Hop Inn chain

We project a larger loss for FY21F and cut FY22F earnings by 57% due to slower-than-expected recovery. But we raised FY23F earnings by 59 to reflect aggressive expansion of Hop INN chain (add up to 46 new hotels over 2022-2025; 10-12 per year) and strong pent-up demand supporting the recovery of non-Hop INN revenues.

#### Upgrade to BUY with higher TP of Bt5.8

The near-term outlook remains weak with current occupancy hurt by the latest outbreak and slow reopening in 2021. However, ERW's long-term growth prospects will only be visible from 2022. Hence, we rolled our valuation base to FY22F with a new pre-dilution TP of Bt5.8/share, and upgrade ERW to BUY. Adjusting for RO and warrant dilution, our TP would be Bt3.6/sh. We will adjust our TP after XR on 11 May.

#### Financial Summary

Year to 31 Dec	Unit	2019	2020	2021F	2022F	2023F
Revenue	(Btm)	6,439	2,348	2,637	5,987	7,979
Revenue growth	(%)	2.1	(63.5)	12.3	127.0	33.3
EBITDA	(Btm)	1,931	(121)	(170)	1,683	2,326
EBITDA growth	(%)	1.1	(106.3)	40.5	(1,089.1)	38.2
Profit, core	(Btm)	488	(1,585)	(1,634)	82	528
Profit growth, core	(%)	(11.2)	(424.7)	3.1	(105.0)	540.0
Profit, reported	(Btm)	446	(1,715)	(1,634)	82	528
Profit growth, reported	(%)	(16.9)	(485.0)	(4.7)	(105.0)	540.0
EPS, core	(Bt)	0.19	(0.63)	(0.36)	0.02	0.11
EPS growth, core	(%)	(11.6)	(424.7)	(42.7)	(104.7)	540.0
DPS	(Bt)	0.07	0.00	0.00	0.01	0.04
P/E, core	(x)	30.7	(5.7)	(10.9)	232.5	36.3
P/BV, core	(x)	2.6	2.4	4.24	3.6	3.4
ROE	(%)	8.4	(32.1)	(40.1)	1.7	9.5
Dividend yield	(%)	1.2	0.0	0.0	0.2	1.1
FCF yield	(%)	(0.1)	(11.8)	(4.1)	(1.4)	4.7

**BUY** (from HOLD)

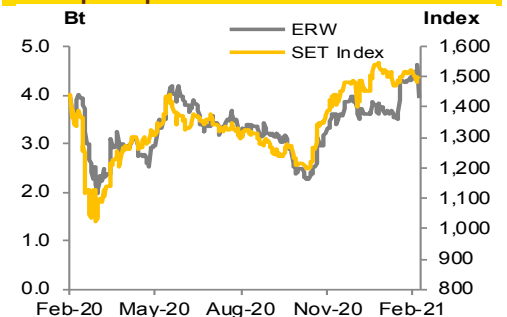
Target price Bt5.80 (+48.0%) Price Bt3.92

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Key data	Unit	
12M high/ low	(Bt)	4.5/ 1.9
Market cap	(Btm/ USDm)	11,279/ 376
3M avg. daily turnover	(Btm/ USDm)	72.4/ 2.4
Free float	(%)	55.9
Issued shares	(m shares)	2,518
<b>Major shareholders:</b>		<b>%</b>
1) Mitr Siam Capital Li		13.8
2) Wattanavekin Sukakar		13.4
3) Wannamethee Vansamor		6.0

#### Stock price performance



	Unit	ytd	1M	3M	12M
Total return	(%)	24.4	22.4	39.1	2.3
Total return vs SET	(%)	20.2	22.3	28.4	2.6

#### Krungsri vs Bloomberg consensus

	Unit	(+)	(=)	(-)
Bloomberg consensus	(Cnt.)	5	11	6
	Unit	KSS	BB	%diff
Target price	(Bt)	5.80	3.70	56.6
2021F net profit	(Btm)	(1,634)	(1,630)	(0.2)
2022F net profit	(Btm)	82	(961)	108.6

#### Earnings revision

Bloomberg	Unit	2021F	2022F
1M	(%)	(5.54)	(42.58)
3M	(%)	(13.75)	(34.69)
ytd	(%)	(4.96)	(33.66)
Krungsri			
From last report	(%)	(127.10)	(56.64)

Source: Bloomberg, Krungsri Securities

## Investment Thesis

We expect ERW to turn profitable again in FY22F and deliver 114% p.a. earnings growth (CAGR) over 2023-25F. This would be driven by recovering RevPar at ex-Hop Inn hotels and steady RevPar growth at Hop Inn, an expanding hotel portfolio to 50 hotels (5,065 rooms), asset enhancement strategy, and improving profitability from better economies of scale.

ERW plans to expand Hop Inn chain to cover most of Thailand and turn it into a value proposition for corporate clients. The majority of Hop Inn clients are domestic corporates. In addition to stable income from Hop Inn, ERW has been conducting an asset improvement program at higher-segment assets to maintain competitiveness and increase returns, as renovated rooms normally attract higher room rates. ERW now wants to focus on expanding the Hop Inn chain as there is less competition from major chains, but will continue to seek opportunities by expanding their high-segment hotel portfolio when the situation is ripe.

ERW ventured into the Philippines in 2016 and the unit broke even in 2Q19. They will continue to expand the Philippines unit to capture a larger pie of the country's growing tourism industry. ERW plans to add 10 Hop Inn hotels by 2025 and introduce a combo hotel by 4Q21.

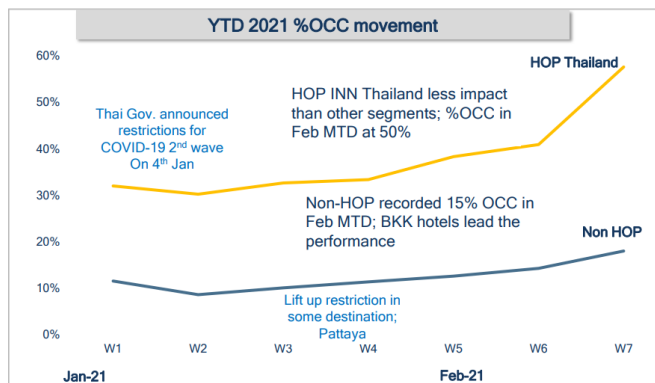
## Valuation

We value ERW at Bt5.8/share (pre-dilution) and Bt3.6/share based on fully-diluted DCF valuation with FY22F-base year. Our valuation assumes 7.7% WACC, 1.5% risk-free rate, 6.5% market risk premium, 81% D/E ratio and 1.51x beta. It also assumes 2% terminal growth rate to reflect the long-term industry growth.

## Risks

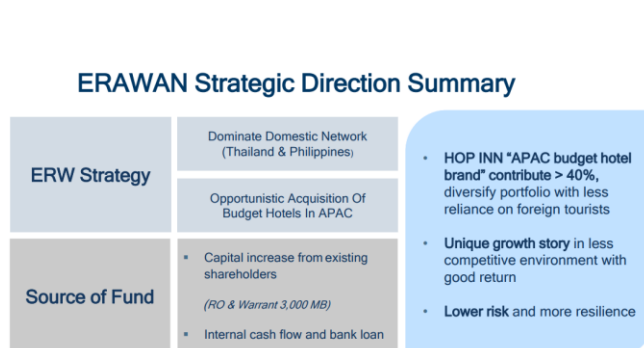
Key downside investment risks include: (i) disruptions arising from political turmoil, natural disasters, and terrorist attacks, which could deter tourists and adversely affect the share price, (ii) rising interest rate pushing up debt costs, (iii) a strong baht which could hurt inbound tourism, and (iv) oversupply of hotels, which could dampen average daily rate (ADR)

**Figure 1: 1Q21 - occupancy picked-up led by Hop Inn as latest COVID-19 impact starts to ease**



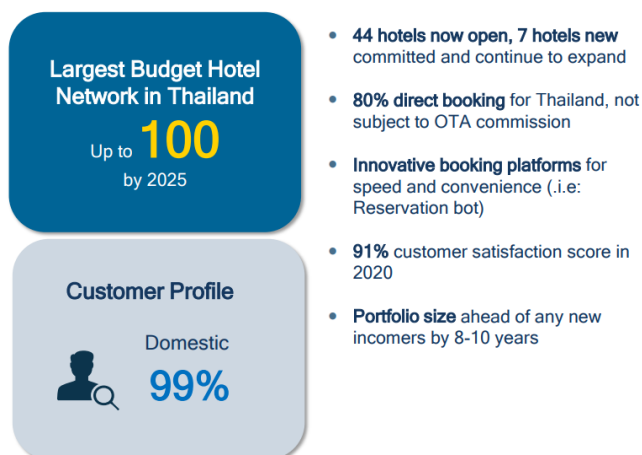
Source: Company data, Krungsri Securities

**Figure 2: Armed with a stronger financial position, ERW aims to lead in the APAC budget segment within 5 years**



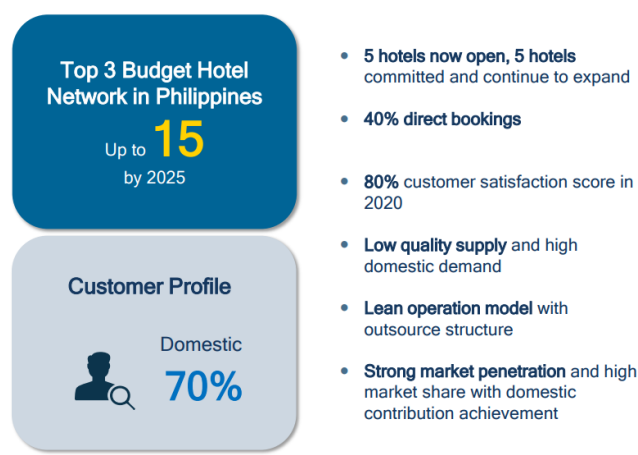
Source: Company data, Krungsri Securities

**Figure 3: Expect to open up to 100 Hop Inn in Thailand**



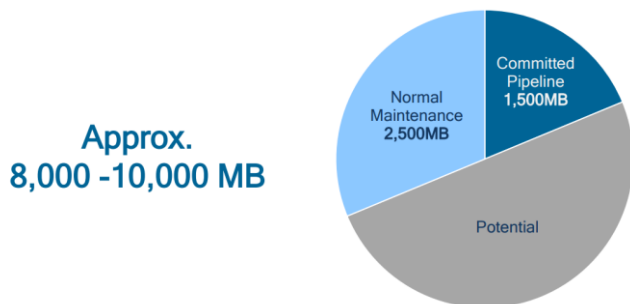
Source: Company data, Krungsri Securities

**Figure 4: Philippines unit will accelerate again**



Source: Company data, Krungsri Securities

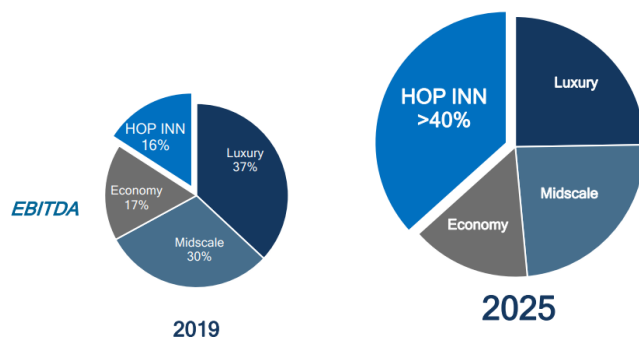
**Figure 5: ERW aims to utilize up to Bt10b CAPEX by 2025F**



Source: Company data, Krungsri Securities

**Figure 6: Expect Hop Inn contribution to reach 40% in 2025F**

**Expected Portfolio Outlook**  
More resilient and stable portfolio



Source: Company data, Krungsri Securities

Figure 7: Changes to earnings forecast for FY2021-2023F

Year to 31 Dec	Unit	2021F			2022F			2023F		
		Old	New	Chg (%)	Old	New	Chg (%)	Old	New	Chg (%)
Total revenue	(Btm)	3,674	2,637	-28.2	6,438	5,987	-7.0	7,478	7,979	6.7
Cost of goods sold	(Btm)	1,967	1,797	-8.6	3,032	2,821	-7.0	3,526	3,689	4.6
Gross profit	(Btm)	1,708	840	-50.8	3,406	3,165	-7.1	3,952	4,290	8.6
SG&A	(Btm)	1,128	1,010	-10.5	1,594	1,483	-7.0	1,841	1,964	6.7
Other income	(Btm)	34	48	39.2	60	56	-7.0	70	74	6.7
Interest expense	(Btm)	583	581	-0.4	567	548	-3.4	569	541	-5.0
Pre-tax profit	(Btm)	-1,003	-1,758	75.2	260	107	-58.9	458	729	59.3
Corporate tax	(Btm)	-201	-35	-82.5	52	21	-58.9	92	146	59.3
Equity a/c profits	(Btm)	3	3	0.0	3	3	0.0	3	3	0.0
Minority interests	(Btm)	80	86	7.3	-21	-6	-71.3	37	-58	59.3
Core profit	(Btm)	-719	-1,634	nm	190	82	-56.6	333	528	58.7
Extra-ordinary items	(Btm)	0	0	nm	0	0	nm	0	0	nm
Net Profit	(Btm)	-719	-1,634	nm	190	82	-56.6	333	528	58.7
EBITDA	(Btm)	579	-170	-129.4	1,811	1,683	-7.1	2,111	2,326	10.2
Core EPS	(Bt)	-0.29	-0.36	26.2	0.08	0.02	-77.7	0.13	0.11	-18.3
Net EPS	(Bt)	-0.29	-0.36	26.2	0.08	0.02	-77.7	0.13	0.11	-18.3

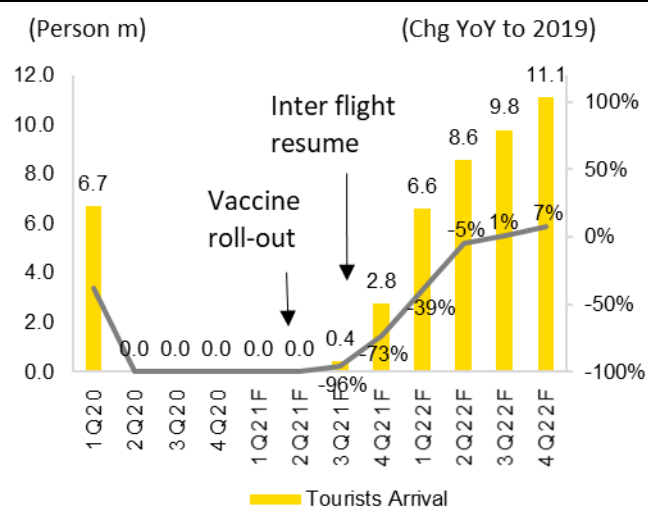
Year to 31 Dec	Unit	2021F			2022F			2023F		
		Old	New	Chg	Old	New	Chg	Old	New	Chg
Gross margin	%	46.0	30.6	-15.4	52.5	52.4	-0.0	52.4	53.3	0.9
EBITDA margin	%	15.9	-6.6	-22.5	28.4	28.4	-0.0	28.5	29.4	0.9
EBIT margin	%	-11.5	-45.5	-33.9	13.0	11.0	-1.9	13.9	16.1	2.2
SG&A to sales	%	31.5	39.0	7.5	27.0	25.0	-2.0	26.6	24.9	-1.8
Net profit margin	%	-19.8	-63.1	-43.3	3.0	1.4	-1.6	4.5	6.7	2.2

Year to 31 Dec	Unit	2021F			2022F			2023F		
		Old	New	Chg	Old	New	Chg	Old	New	Chg
Luxury RevPar	%	126.6	-19.8	-146.4	105.3	353.3	248.1	58.1	29.6	-28.5
Midscale RevPar	%	72.8	-12.3	-85.1	89.3	268.7	179.4	36.0	35.7	-0.3
Economy RevPar	%	56.9	-23.4	-80.4	97.2	268.7	171.5	22.1	33.2	11.2
HOP INN TH	%	27.9	35.9	8.0	44.2	3.0	-41.2	11.4	3.0	-8.4
HOP INN PH	%	198.5	39.0	-159.4	63.5	67.4	3.9	26.1	18.8	-7.2

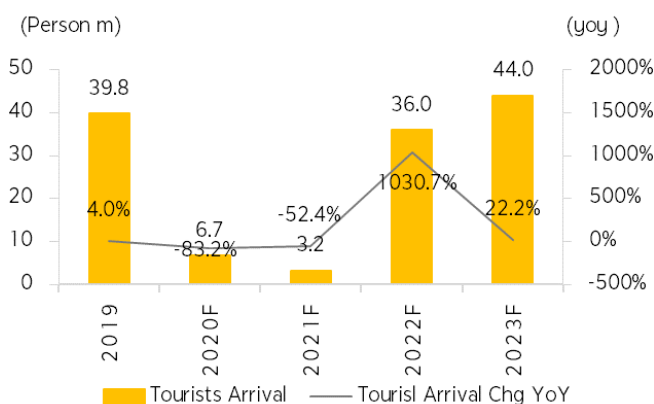
Source: Company data, Krungsri Securities

Figure 8: Thailand aims to reopen border by 2H21 ...



Source: MOTs, Krungsri Securities

Figure 9: ... suggesting pent-up demand would drive tourist arrivals from 2022-23



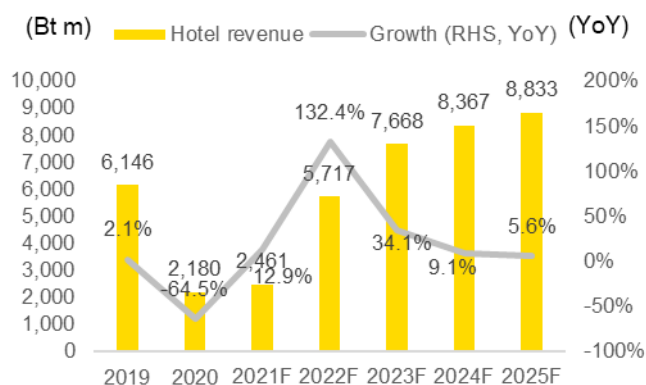
Source: MOTs, Krungsri Securities

Figure 10: Key assumptions for 2021-2025F

Assumption	2020	2021F	2022F	2023F	2024F	2025F
<b>Total hotels</b>	73	77	87	99	111	123
Luxury	4	4	4	4	4	4
Midscale	6	6	6	6	6	6
Economy	12	12	12	12	12	12
Hop INN TH	46	47	54	64	74	84
Hop INN PH	5	7	10	12	14	16
Midscale PH		1	1	1	1	1
<b>Total rooms</b>	9,802	10,062	11,794	12,884	13,974	15,064
Luxury	989	989	989	989	989	989
Midscale	1,668	1,717	1,865	1,865	1,865	1,865
Economy	2,686	2,686	2,686	2,686	2,686	2,686
Hop INN TH	3,616	3,677	4,325	5,115	5,905	6,695
Hop INN PH	843	943	1,732	2,032	2,332	2,632
Midscale PH		49	197	197	197	197
<b>Avg. RevPar</b>	<b>-59.3%</b>	3.7%	93.6%	16.3%	1.6%	<b>-0.9%</b>
ex Hop INN	<b>-74.6%</b>	<b>-16.5%</b>	281.2%	34.5%	5.4%	2.3%
Luxury	<b>-78.1%</b>	<b>-19.8%</b>	353.3%	29.6%	5.0%	2.0%
Midscale	<b>-76.3%</b>	<b>-12.3%</b>	268.7%	35.7%	5.0%	2.5%
Economy	<b>-69.6%</b>	<b>-23.4%</b>	268.7%	33.2%	5.0%	2.5%
Hop INN TH	<b>-22.5%</b>	35.9%	3.0%	3.0%	4.3%	4.3%
Hop INN PH	<b>-64.4%</b>	39.0%	67.4%	18.8%	9.9%	3.0%

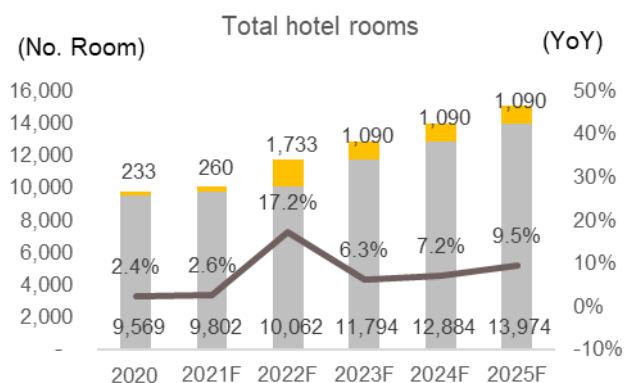
Source: Company data, Krungsri Securities

Figure 11: We expect revenue to accelerate as ...



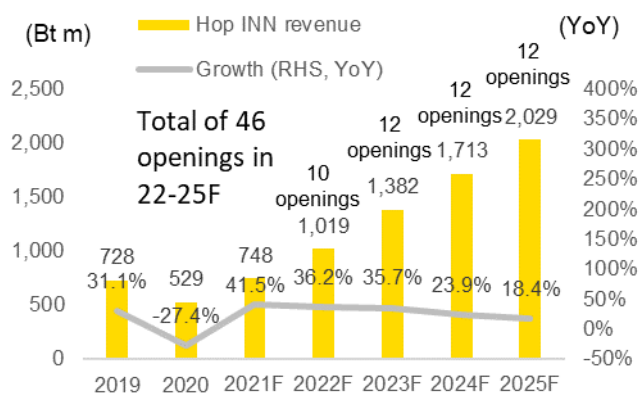
Source: Company data, Krungsri Securities

Figure 12: ... ERW ramps-up hotel opening in 2022F



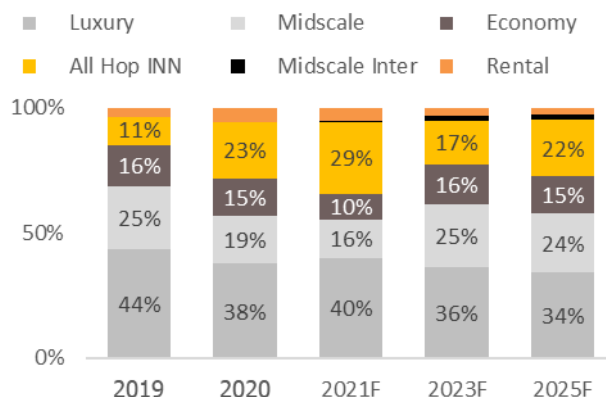
Source: Company data, Krungsri Securities

**Figure 13: Key driver would be Hop Inn which will deliver double-digit growth led by aggressive expansion**



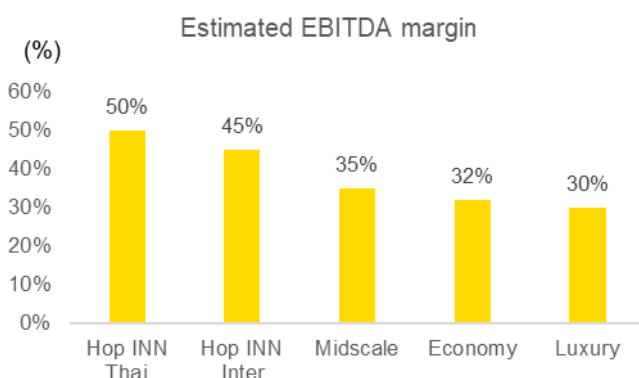
Source: Company data, Krungsri Securities

**Figure 14: Expect contribution from Hop Inn to rise to 22% of revenue by 2025F**



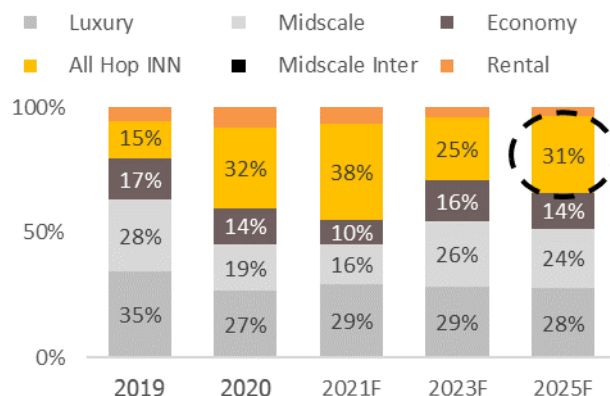
Source: Company data, Krungsri Securities

**Figure 15: EBITDA margin will rise when they ramp-up expansion plan ...**



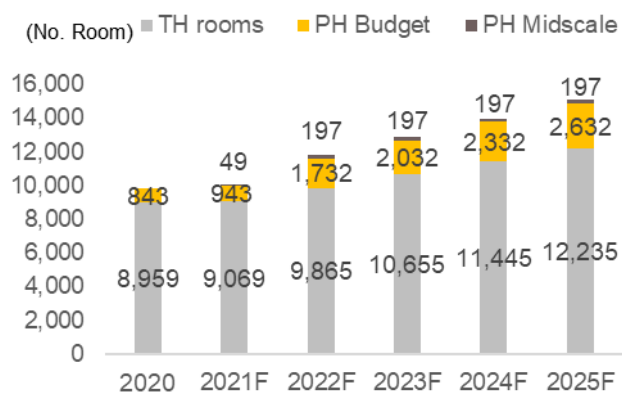
Source: Company data, Krungsri Securities

**Figure 16: ... and contribution from Hop Inn would double to 31% of EBITDA by 2025F from 15% in 2019**



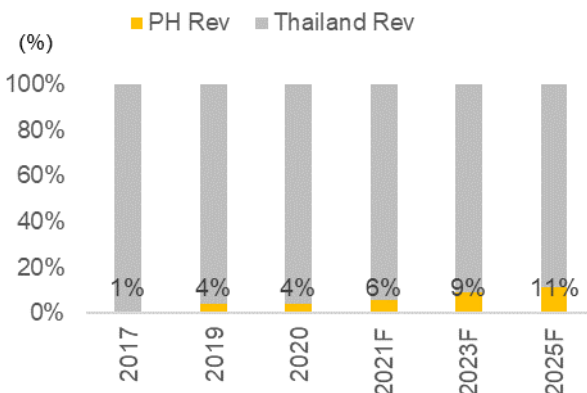
Source: Company data, Krungsri Securities

**Figure 17: Expect to open more hotels in the Philippines ...**



Source: Company data, Krungsri Securities

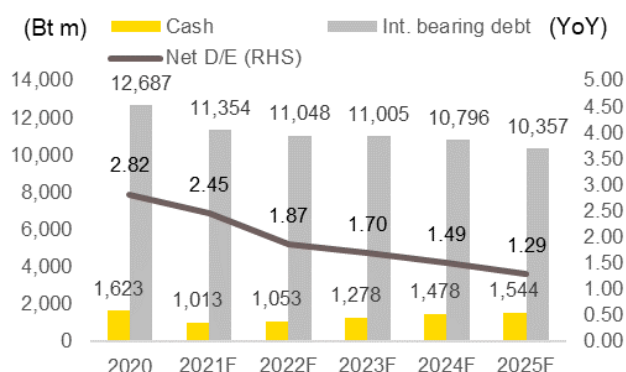
**Figure 18: ...which would lift revenue contribution to 11% by 2025F**



Source: Company data, Krungsri Securities

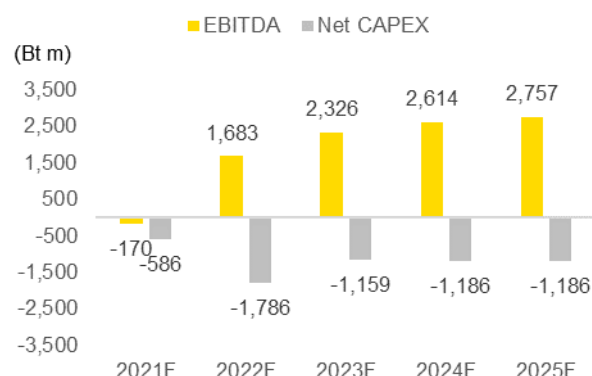


Figure 19: D/E to remain below 2.5x covenant



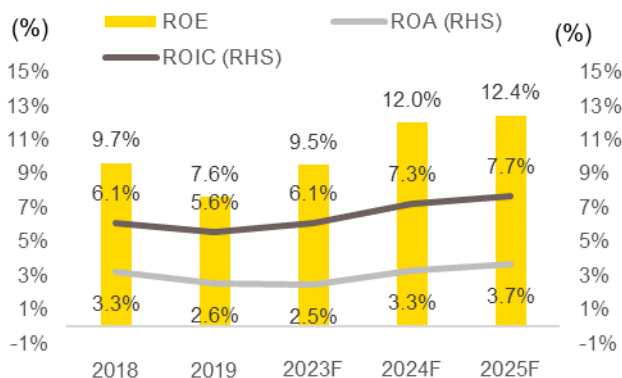
Source: Company data, Krungsri Securities

Figure 20: We expect only Bt7bn total CAPEX by 2025F



Source: Company Data, Krungsri Securities

Figure 21: Improving return profile for new openings



Source: Company data, Krungsri Securities

Figure 22: Our TP scenario (pre- and post-dilution)

	Pre-dilution	After-dilution
2021F	4.8	3.1
2022F	5.8	3.6

Source: Company Data, Krungsri Securities

Figure 23: Fully-diluted FY22F DCF Valuation derived a TP of Bt3.6

ERW	2022F	2023F	2024F	2025F	2026F	2027F	2028F	2029F	2030F	2031F
EBIT	868	1,483	1,744	1,860	1,992	2,110	2,223	2,340	2,462	2,589
NOPLAT	695	1,187	1,395	1,488	1,593	1,688	1,778	1,872	1,970	2,071
(+) Depreciation and amortization	814	842	870	897	902	907	911	916	920	924
(+/-) Change in working capital	(30)	(2)	(1)	5	5	5	6	6	6	6
(-) Capital expenditure (CAPEX)	(1,786)	(1,159)	(1,186)	(1,186)	(786)	(786)	(786)	(786)	(786)	(786)
Enterprise free cash flow	(308)	867	1,078	1,203	1,714	1,814	1,909	2,007	2,109	2,215
PV of FCF	(286)	748	864	895	1,185	1,165	1,138	1,112	1,085	1,059
Sum of PV (2021-2030)	8,965									
Terminal year 10	10									
Terminal free cash flow	2,215									
Terminal growth (%)	2.0%									
WACC	7.7%									
Terminal Value	39,119									
PV of terminal value	18,694									
Forecast period	8,965									
Terminal value	18,694									
Enterprise value	27,660									
(-) Net debt (cash)	9,995									
(-) Minority interest	36									
Total equity value	17,629									
No. of shares (m, diluted)	4,891									
Target price / share (Bt)	3.6									

WACC assumption:	
Risk free rate	1.5%
Risk premium	6.5%
Beta (adjusted)	1.51
Cost of equity	11.3%
Cost of debt (net of tax)	3.2%
WACC	7.7%

Present Value Contribution	
Sum of Period PV	8,965
Terminal PV	18,694
<b>Total PV</b>	<b>27,660</b>
c% of Period	32.4%
c% of Terminal	67.6%

Source: Company data, Krungsri securities

## Financial statement

### Profit and Loss Statement

FY December 31	Unit	2016	2017	2018	2019	2020	2021F	2022F	2023F
Total revenue	(Btm)	5,611	6,050	6,304	6,439	2,348	2,637	5,987	7,979
Cost of goods sold	(Btm)	2,544	2,636	2,813	2,900	1,465	1,797	2,821	3,689
Gross profit	(Btm)	3,067	3,415	3,491	3,539	884	840	3,165	4,290
SG&A	(Btm)	1,482	1,571	1,580	1,608	1,005	1,010	1,483	1,964
Other income	(Btm)	40	55	48	60	42	48	56	74
Interest expense	(Btm)	362	344	360	402	536	581	548	541
Pre-tax profit	(Btm)	494	762	774	700	1,669	1,758	107	729
Corporate tax	(Btm)	122	172	164	155	39	35	21	146
Equity a/c profits	(Btm)	15	24	4	0	18	3	3	3
Minority interests	(Btm)	41	59	57	57	63	86	6	58
Core profit	(Btm)	346	506	550	488	1,585	1,634	82	528
Extra-ordinary items	(Btm)	21	0	14	43	130	0	0	0
Net Profit	(Btm)	367	506	536	446	1,715	1,634	82	528
EBITDA	(Btm)	1,586	1,844	1,911	1,931	(121)	(170)	1,683	2,326
Core EPS	(Bt)	0.14	0.20	0.22	0.19	(0.63)	(0.36)	0.02	0.11
Net EPS	(Bt)	0.15	0.20	0.21	0.18	(0.68)	(0.36)	0.02	0.11
DPS	(Bt)	0.05	0.06	0.09	0.07	0.00	0.00	0.01	0.04

### Balance Sheet

FY December 31	Unit	2016	2017	2018	2019	2020	2021F	2022F	2023F
Total current assets	(Btm)	1,278	1,573	1,560	1,456	1,962	1,439	1,507	1,812
Total long-term assets	(Btm)	13,633	14,475	15,389	16,378	19,253	18,835	19,597	19,704
Total assets	(Btm)	14,911	16,048	16,949	17,834	21,215	20,274	21,104	21,516
Total current liabilities	(Btm)	3,606	3,218	3,540	3,360	2,812	2,226	2,197	2,508
Total long-term liabilities	(Btm)	6,232	7,427	7,700	8,533	14,474	13,825	13,550	13,276
Total liabilities	(Btm)	9,839	10,645	11,240	11,893	17,286	16,051	15,747	15,784
Paid-up capital	(Btm)	2,498	2,501	2,508	2,518	2,518	4,532	4,891	4,891
Total equity	(Btm)	5,073	5,403	5,708	5,941	3,929	4,222	5,357	5,732
Minority interest	(Btm)	155	167	165	179	116	30	36	94
BVPS	(Bt)	2.0	2.1	2.2	2.3	1.5	0.9	1.1	1.2

### Cash Flow Statement

FY December 31	Unit	2016	2017	2018	2019	2020	2021F	2022F	2023F
Core Profit	(Btm)	367	506	536	446	(1,715)	(1,634)	82	528
Depreciation and amortization	(Btm)	730	738	776	830	798	794	814	842
Operating cash flow	(Btm)	1,053	1,312	1,330	1,343	2,234	(618)	1,080	1,581
Investing cash flow	(Btm)	47	(184)	(759)	(885)	(1,772)	(3,666)	(586)	(1,786)
Financing cash flow	(Btm)	(129)	(150)	(225)	(226)	0	0	(33)	(211)
Net change in cash	(Btm)	505	1,057	754	(82)	1,029	(610)	40	226

### Key Financial Ratios

FY December 31	Unit	2016	2017	2018	2019	2020	2021F	2022F	2023F
Gross margin	(%)	54.3	56.0	55.0	54.5	36.5	30.6	52.4	53.3
EBITDA margin	(%)	28.5	30.8	30.5	30.3	(5.3)	(6.6)	28.4	29.4
EBIT margin	(%)	15.4	18.4	18.1	17.3	(49.1)	(45.5)	11.0	16.1
Net profit margin	(%)	6.6	8.4	8.6	7.0	(74.4)	(63.1)	1.4	6.7
ROE	(%)	6.9	9.7	9.9	8.4	(32.1)	(40.1)	1.7	9.5
ROA	(%)	2.3	3.3	3.3	2.8	(8.1)	(7.9)	0.4	2.5
Net D/E	(x)	1.50	1.48	1.50	1.55	2.82	2.45	1.87	1.70
Interest coverage	(x)	2.36	3.22	3.15	2.74	(2.11)	(2.03)	1.19	2.35
Payout Ratio	(%)	37.3	29.7	41.0	36.1	0.0	0.0	40.0	40.0

### Main Assumptions

FY December 31	Unit	2016	2017	2018	2019	2020	2021F	2022F	2023F
Hotel Rooms		7,185	7,221	8,374	9,569	9,802	10,062	11,794	12,884
Revpar		(20.7)	11.8	(2.7)	(9.9)	(59.3)	3.7	93.6	16.3
Revpar (exclude HOP INN)		6.0	5.2	0.4	(9.2)	(74.6)	(16.5)	281.2	34.5
Occupancy		68.1	80.5	78.4	76.8	36.6	45.5	71.7	79.8
Average Room Rate		1,951	1,846	1,843	1,697	1,449	1,207	1,482	1,548



## CG Rating 2019 Companies with CG Rating



AAV	ADVANC	AIRA	AKP	AKR	AMA	AMATA	AMATAV	ANAN	AOT	AP	ARROW	BAFS	BANPU
BAY	BCP	BCPG	BOL	BRR	BTS	BTW	BWG	CFRESH	CHEWA	CHO	CK	CKP	CM
CNT	COL	COMAN	CPALL	CPF	CPI	CPN	CSS	DELTA	DEMCO	DRT	DTAC	DTC	EA
EASTW	ECF	EGCO	GBX	GC	GCAP	GEL	GFPT	GGC	GPSC	GRAMMY	GUNKUL	HANA	HARN
HMPRO	ICC	ICHI	III	ILINK	INTUCH	IRPC	IVL	JKN	JSP	K	KBANK	KCE	KKP
KSL	KTB	KTC	KTIS	LH	LHFG	LIT	LPN	MAKRO	MALEE	MBK	MBKET	MC	MCOT
MFEC	MINT	MONO	MTC	NCH	NCL	NKI	NSI	NVD	NYT	OISHI	OTO	PAP	PCSGH
PDJ	PG	PHOL	PJW	PLANB	PLANET	PORT	PPS	PR9	PREB	PRG	PRM	PSH	PSL
PTG	PTT	PTTEP	PTTGC	PYLON	Q-CON	QH	QTC	RATCH	RS	S	S & J	SABINA	SAMART
SAMTEL	SAT	SC	SCB	SCC	SCCC	SCN	SDC	SEAFCO	SEAOIL	SE-ED	SELIC	SENA	SIS
SITHAI	SNC	SORKON	SPALI	SPI	SPRC	SSSC	STA	STEC	SVI	SYNTEC	TASCO	TCAP	THAI
THANA	THANI	THCOM	THIP	THREL	TIP	TISCO	TK	TKT	TMB	TMILL	TNDT	TOA	TOP
TRC	TRU	TRUE	TSC	TSR	TSTH	TTA	TTCL	TTW	TU	TVD	TVO	U	UAC
UV	VGI	VIH	WACOAL	WAVE	WHA	WHAUP	WICE	WINNER					



2S	ABM	ADB	AF	AGE	AH	AHC	AIT	ALLA	ALT	AMANAH	AMARIN	APCO	APCS
AQUA	ARIP	ASAP	ASIA	ASIAN	ASIMAR	ASK	ASN	ASP	ATP30	AUCT	AYUD	B	BA
BBL	BDMS	BEC	BEM	BFIT	BGC	BGRIM	BIZ	BJC	BJCHI	BLA	BPP	BROOK	CBG
CEN	CENTEL	CGH	CHG	CHOTI	CHOW	CI	CIMBT	COLOR	COM7	COTTO	CRD	CSC	CSP
DCC	DCON	DDD	DOD	EASON	ECL	EE	EPG	ERW	ESTAR	ETE	FLOYD	FN	FNS
FORTH	FPI	FPT	FSMART	FSS	FVC	GENCO	GJS	GL	GLOBAL	GULF	HPT	HTC	HYDRO
ICN	IFS	INET	INSURE	IRC	IRCP	IT	ITD	ITEL	J	JCK	JCKH	JMART	JMT
JWD	KBS	KCAR	KGI	KIAT	KOOL	KWC	KWM	L&E	LALIN	LANNA	LDC	LHK	LOXLEY
LRH	LST	M	MACO	MAJOR	MBAX	MEGA	METCO	MFC	MK	MODERN	MOONG	MPG	MSC
MTI	NEP	NETBAY	NEX	NINE	NOBLE	NOK	NTV	NWR	OCC	OGC	ORI	OSP	PATO
PB	PDG	PDI	PL	PLAT	PM	PPP	PRECHA	PRIN	PRINC	PSTC	PT	QLT	RCL
RICHY	RML	RWI	S11	SAAM	SALEE	SAMCO	SANKO	SAPPE	SAWAD	SCG	SCI	SCP	SE
SFP	SIAM	SINGER	SIRI	SKE	SKR	SKY	SMIT	SMK	SMPC	SMT	SNP	SONIC	SPA
SPC	SPCG	SPVI	SR	SRICHA	SSC	SSF	SST	STANLY	STPI	SUC	SUN	SUSCO	SUTHA
SWC	SYMC	SYNEX	T	TACC	TAE	TAKUNI	TBSP	TCC	TCMC	TEAM	TEAMG	TFG	TFMAMA
THG	THRE	TIPCO	TITLE	TIW	TKN	TKS	TM	TMC	TMD	TMI	TMT	TNITY	TNL
TNP	TNR	TOG	TPA	TPAC	TPBI	TPCORP	TPOLY	TRITN	TRT	TSE	TSTE	TVI	TVT
TWP	TWPC	UBIS	UEC	UMI	UOBKH	UP	UPF	UPOIC	UT	UWC	VNT	WIIK	XO
YUASA	ZEN	ZMICO											



A	ABICO	ACAP	AEC	AEONTS	AJ	ALUCON	AMC	APURE	AS	ASEFA	AU	B52	BCH
BEAUTY	BGT	BH	BIG	BLAND	BM	BR	BROCK	BSBM	BSM	BTNC	CCET	CCP	CGD
CHARAN	CHAYO	CITY	CMAN	CMC	CMO	CMR	CPL	CPT	CSR	CTW	CWT	D	DIMET
EKH	EMC	EP	ESSO	FE	FTE	GIFT	GLAND	GLOCON	GPI	GREEN	GTB	GYT	HTECH
HUMAN	IHL	INGRS	INOX	JTS	JUBILE	KASET	KCM	KKC	KWG	KYE	LEE	LPH	MATCH
MATI	M-CHAI	MCS	MDX	META	MGT	MJD	MM	MVP	NC	NDR	NER	NNCL	NPK
NUSA	OCEAN	PAF	PF	PICO	PIMO	PK	PLE	PMTA	POST	PPM	PROUD	PTL	RCI
RJH	ROJNA	RPC	RPH	SF	SGF	SGP	SKN	SLP	SMART	SOLAR	SPG	SQ	SSP
STI	SUPER	SVOA	TCCC	THE	THMUI	TIGER	TNH	TOPP	TPCH	TPIPP	TPLAS	TQM	TTI

## Disclaimer

The disclosure of the survey result of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an assessment 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 or when there is any change to the relevant information. Nevertheless, Krungsri Securities Public Company Limited does not confirm, verify, or certify the accuracy and completeness of such survey result.

# Anti-corruption Progress Indicator 2019

## Companies that have declared their intention to join CAC

7UP	ABICO	AF	ALT	AMARIN	AMATA	AMATAV	ANAN	APURE	B52	BKD	BM	BROCK	BUI
CHO	CI	COTTO	DDD	EA	EFORL	EP	ERW	ESTAR	ETE	EVER	FSMART	GPI	ILINK
IRC	J	JKN	JMART	JMT	JSP	JTS	KWG	LDC	MAJOR	META	NCL	NOBLE	NOK
PK	PLE	ROJNA	SAAM	SAPPE	SCI	SE	SHANG	SINGER	SKR	SPALI	SSP	STANLY	SUPER
SYNEX	THAI	TKS	TOPP	TRITN	TTA	UPF	UV	WIN	ZIGA				

## Companies certified by CAC

2S	ADVANC	AI	AIE	AIRA	AKP	AMA	AMANAH	AP	AQUA	ARROW	ASK	ASP	AYUD
B	BAFS	BANPU	BAY	BBL	BCH	BCP	BCPG	BGC	BGRIM	BJCHI	BKI	BLA	BPP
BROOK	BRR	BSBM	BTS	BWG	CEN	CENTEL	CFRESH	CGH	CHEWA	CHOTI	CHOW	CIG	CIMBT
CM	CMC	COL	COM7	CPALL	CPF	CPI	CPN	CSC	DCC	DELTA	DEMCO	DIMET	DRT
DTAC	DTC	EASTW	ECL	EGCO	FE	FNS	FPI	FPT	FSS	FTE	GBX	GC	GCAP
GEL	GFPT	GGC	GJS	GPSC	GSTEEL	GUNKUL	HANA	HARN	HMPRO	HTC	ICC	ICHI	IFS
INET	INSURE	INTUCH	IRPC	ITEL	IVL	K	KASET	KBANK	KBS	KCAR	KCE	KGI	KKP
KSL	KTB	KTC	KWC	L&E	LANNA	LHFG	LHK	LPN	LRH	M	MAKRO	MALEE	MBAX
MBK	MBKET	MC	MCOT	MFC	MFEC	MINT	MONO	MOONG	MPG	MSC	MTC	MTI	NBC
NEP	NINE	NKI	NMG	NNCL	NSI	NWR	OCC	OCEAN	OGC	ORI	PAP	PATO	PB
PCSGH	PDG	PDI	PDJ	PE	PG	PHOL	PL	PLANB	PLANET	PLAT	PM	PPP	PPPM
PPS	PREB	PRG	PRINC	PRM	PSH	PSL	PSTC	PT	PTG	PTT	PTTEP	PTTGC	PYLON
Q-CON	QH	QLT	QTC	RATCH	RML	RWI	S & J	SABINA	SAT	SC	SCB	SCC	SCCC
SCG	SCN	SEAOL	SE-ED	SELIC	SENA	SGP	SIRI	SITHAI	SMIT	SMK	SMPC	SNC	SNP
SPACK	SPC	SPI	SPRC	SRICHA	SSF	SSSC	SST	STA	SUSCO	SVI	SYNTEC	TAE	TAKUNI
SORKON	SPACK	SPC	SPI	SPRC	SRICHA	SSF	SSSC	SST	STA	SUSCO	SVI	SYNTEC	TAE
TAKUNI	TASCO	TBSP	TCAP	TCMC	TFG	TFI	TFMAMA	THANI	THCOM	THIP	THRE	THREL	TIP
TIPCO	TISCO	TKT	TMB	TMD	TMILL	TMT	TNITY	TNL	TNP	TNR	TOG	TOP	TPA
TPCORP	TPP	TRU	TRUE	TSC	TSTH	TTCL	TU	TVD	TVI	TVO	TWPC	U	UBIS
UEC	UKEM	UOBKH	UWC	VGI	VIH	VNT	WACOAL	WHA	WHAUP	WICE	WIJK	XO	ZEN

## N/A

3K-BAT	A	A5	AAV	ABM	ACAP	ACC	ACE	ACG	ADB	AEC	AEONTS	AFC	AGE
AH	AHC	AIT	AJ	AJA	AKR	ALL	ALLA	ALUCON	AMC	AOT	APCO	APCS	APEX
APP	AQ	ARIN	ARIP	AS	ASAP	ASEFA	ASIA	ASIAN	ASIMAR	ASN	ATP30	AU	AUCT
AWC	BA	BAM	BC	BCT	BDMS	BEAUTY	BEC	BEM	BFIT	BGT	BH	BIG	BIZ
BJC	BLAND	BLISS	BOL	BR	BSM	BTNC	BTW	CAZ	CBG	CCET	CCP	CGD	CHARAN
CHAYO	CHG	CITY	CK	CKP	CMAN	CMO	CMR	CNT	COLOR	COMAN	CPH	CPL	CPR
CPT	CPW	CRANE	CRC	CRD	CSP	CSR	CSS	CTW	CWT	D	DCON	DOD	DOHOME
DTCI	DV8	EASON	ECF	EE	EKH	EMC	EPG	ESSO	ETC	F&D	FANCY	FLOYD	FMT
FN	FORTH	FVC	GENCO	GIFT	GL	GLAND	GLOBAL	GLOCON	GRAMMY	GRAND	GREEN	GSC	GTB
GULF	GYT	HFT	HPT	HTECH	HUMAN	HYDRO	ICN	IFEC	IHL	IIG	III	ILM	IMH
INGRS	INOX	INSET	IP	IRCP	IT	ITD	JAS	JCK	JCKH	JCT	JUBILE	JUTHA	JWD
KAMART	KC	KCM	KDH	KIAT	KK	KKC	KOOL	KTIS	KUMWEL	KUN	KWM	KYE	LALIN
LEE	LH	LIT	LOXLEY	LPH	LST	MACO	MANRIN	MATCH	MATI	MAX	M-CHAI	MCS	MDX
MEGA	METCO	MGT	MICRO	MIDA	MILL	MITSIB	MJD	MK	ML	MM	MODERN	MORE	MPIC
MVP	NC	NCH	NDR	NER	NETBAY	NEW	NEWS	NEX	NFC	NPK	NRF	NTV	NUSA
NVD	NYT	OHTL	OISHI	OSP	OTO	PACE	PAE	PAF	PERM	PF	PICO	PIMO	PJW
PMTA	POLAR	POMPUI	PORT	POST	PPM	PR9	PRAKIT	PRECHA	PRIME	PRIN	PRO	PROUD	PTL
RAM	RBF	RCI	RCL	RICHY	RJH	ROCK	ROH	RP	RPC	RPH	RS	RSP	S
S11	SAFARI	SALAE	SAM	SAMART	SAMCO	SAMTEL	SANKO	SAUCE	SAWAD	SAWANG	SCM	SCP	SDC
SEAFCO	SEG	SF	SFLEX	SFP	SGF	SHR	SIAM	SICT	SIMAT	SIS	SISB	SK	SKE
SKN	SKY	SLM	SLP	SMART	SMT	SO	SOLAR	SONIC	SPA	SPCG	SPG	SPVI	SQ
SR	SSC	STAR	STARK	STC	STEC	STGT	STHAI	STI	STPI	SUC	SUN	SUTHA	SVH
SVOA	SWC	SYMC	T	TACC	TAPAC	TC	TCC	TCCC	TCJ	TCOAT	TEAM	TEAMG	TGPRO
TH	THANA	THE	THG	THL	THMUI	TIGER	TITLE	TIW	TK	TKN	TM	TMC	TMI
TMW	TNDT	TNH	TNPC	TOA	TPAC	TPBI	TPCH	TPIPL	TPIPP	TPLAS	TPOLY	TPS	TQM
TR	TRC	TRT	TRUBB	TSE	TSF	TSI	TSR	TSTE	TTI	TTT	TTW	TVT	TWP
TWZ	TYCN	UAC	UMI	UMS	UNIQ	UP	UPA	UPOIC	UREKA	UT	UTP	UVAN	VARO
VCOM	VI	VIBHA	VL	VNG	VPO	VRANDA	W	WAVE	WG	WINNER	WORK	WORLD	WP
WPH	WR	YCI	YGG	YUASA	ZMICO								

## Disclaimer

The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by Thaipat Institute, is made in order to comply with the policy and sustainable development plan for the listed companies of the Office of the Securities and Exchange Commission. Thaipat Institute made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of Thaipat Institute that is a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, Krungsri Securities Public Company Limited does not confirm, verify, or certify the accuracy and completeness of the assessment result."

## Reference

Disclosure: Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of June, 24 2019) are categorised into:

- Companies that have declared their intention to join CAC
- Companies certified by CAC.

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### 10 Khon Kaen

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Khon Kaen 40000  
Tel. +664 322 6120 Fax. +664 322 6180

### Definition of Ratings

**BUY:** Stocks with expected capital gain above 10% in the next 12 months

**HOLD:** Stocks with expected capital gain between -10% and +10% in the next 12 months

**SELL:** Stocks with expected capital gain below -10% in the next 12 months