# Maybank Kim Eng

# Sabina (SABINA)

# Growing sales and margins

# Initiation

# Investment theme

We initiate our coverage of SABINA at a BUY rating, with a TP (DCF) of THB36. The compound annual growth rate (CAGR) is estimated at 15% over the next three years due to healthy growth of both sales and margins. Key catalysts include the product winner sales, significantly growing online sales and lower cost from more products outsourcing from China. SABINA has solid financial position, with net cash and offer a dividend yield of 4-5%. It also has the highest ROE in the sector.

# Higher sales via store & online, with lower costs

Sales growth will come from both store and online channels, thanks to its strong brand, holding the second largest market share. Its product winners are Wireless Shape and Seamless Fit. We estimate 3-year CAGR of 46% for NSR sales which will help reducing storefront operating expenses and day inventory outstanding and also shorten the cash cycle. The gross margins are likely to increase, with the proportion of product sourcing from China rising from 18% in FY2018 to 37% in FY2021. The sourcing products have lower cost than its own production by 900bps. SABINA also benefits from the strong baht since it imports some raw materials from abroad.

# Expect 2Q19 profit growth of 15% QoQ, 14% YoY

We expect 2Q19 net profit of THB94m (-2% QoQ, -3% YoY), with a record of employee benefit provisions of THB16m. If excluding these items, core profit should increase 15% QoQ and 14% YoY to THB110m, due to recognition of full-quarter sales of Seamless Fit, which was launched in February and has been well received. NSR sales tend to continue with healthy growth. We expect gross margins to increase by 150bps YoY due to higher proportion of products sourcing from China. Assuming 100% pay-out ratio, 1H19 dividend is expected at THB0.54/share, representing a half-year yield of 2.1%.

# Target price for mid-2020 is THB36/share

We evaluate the share value by using the DCF method, on the assumption of WACC 7.0% and terminal growth of 2%. The equity value in mid-2020 is THB12.5b, or THB36/share, which is equivalent to PE of 28.7x for the average earnings for FY2019-2020, representing the average PE -1.5 SD.

**Risks**: Fierce competition, minimum wage hike, higher production costs or import costs.

FYE Dec (THB m)	FY17A	FY18A	FY19E	FY20E	FY21E
Revenue	2,663	3,090	3,455	3,881	4,350
EBITDA	361	502	553	645	731
Core net profit	243	362	415	474	544
Net profit	243	362	399	474	544
Core EPS (THB)	0.70	1.04	1.19	1.36	1.57
Core EPS growth (%)	38.4	48.7	14.8	14.2	14.8
Net DPS (THB)	0.82	1.04	1.15	1.36	1.57
Core P/E (x)	33.7	28.8	22.0	19.2	16.8
P/BV (x)	4.3	5.7	4.9	4.8	4.7
Net dividend yield (%)	3.5	3.5	4.4	5.2	6.0
ROAE (%)	13.3	19.4	21.6	25.1	28.2
ROAA (%)	10.5	14.5	15.9	17.9	19.7
EV/EBITDA (x)	21.5	20.3	16.1	13.9	12.3
Net gearing (%) (incl perps)	net cash				
Consensus net profit	-	-	401	461	515
MKE vs. Consensus (%)	-	-	(0.5)	2.8	5.6
Source: Company; Maybank					

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# **BUY**

Share Price THB 26.25 12m Price Target THB 36.00 (+37%)

### Company description

The Company manufactures and sell ladies lingerie brandname Sabina and the distributors of highly popular brandnames in Europe.

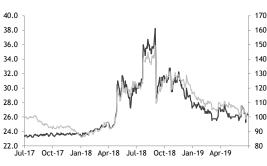
### Statistics

Bloomberg code	SABINA TB
Corporate Governance Rating	
Anti Corruption	Certified
52w high/low (THB)	38.25/25.25
3m avg turnover (USDm)	0.8
Free float (%)	42.2
Issued shares (m)	348
Market capitalisation	THB9.1B
	USD295M
At a transfer and a Laborator	

### Major shareholders:

นายวิโรจน์ ธนาลงกรณ์	45.8%
STATE STREET EUROPE LIMITED	6.5%
นางวรรณี ทองลักษณ์	4.0%

### Price Performance



Sabina - (LHS, THB) ——Sabina / Stock Exchange of Thai Index - (RHS, %)

	-1M	-3M	-12M
Absolute (%)	3	(4)	(10)
Relative to index (%)	(1)	(7)	(16)

Source: FactSet



# Key investment highlights

We expect SABINA's CAGR of 15% over the next three years (FY2019-2021) due to healthy growth of both sales and margins. The CAGR of NSR sales is forecast at 46% pa, leading to proportion of NSR sales will increase from 8% in FY2018 to 18% in FY2021. Sales through the store are expected to grow by an average of 8% pa from having strong brand. The outsourcing products with lower cost than its own production are estimated to rise from 18% in FY2018 to 37% in FY2021, causing SABINA's net margin to increase from 11.7% in FY2018 to 12.5% in FY2021.

Increasing the proportion of NSR sales helps to reduce the store operating expenses and day inventory outstanding while also shortening the cash conversion cycle. The company has solid financial position, with net cash. We expect it to pay out a 100% of its net profit in dividends, implying in a dividend yield of 4-5%.

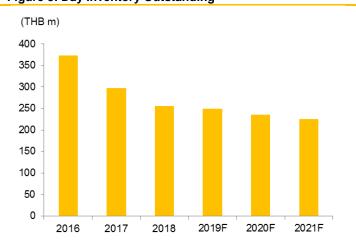
Compared to the fashion sector with an average ROA of 5.4% and ROE of 5.7%, SABINA has the highest ROA and ROE in the sector, higher than WACOAL, which has ROA and ROE at 5.6% and 6.2%, respectively. The continued growth of SABINA should boost ROA to increase from 14.5% in FY2018 to 19.7% in FY2021 and ROE increase from 19.4% to 28.2%.

Figure 1: Core profit and profit margin



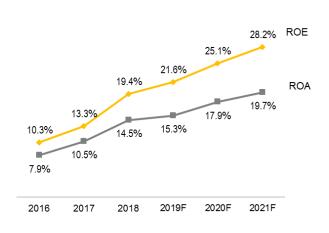
Source: Company reports and MKET

Figure 3: Day Inventory Outstanding



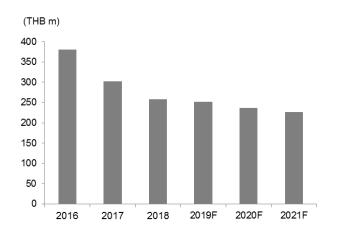
Source: Company reports and MKET

Figure 2: ROA and ROE



Source: Company reports and MKET

Figure 4: Cash Conversion Cycle



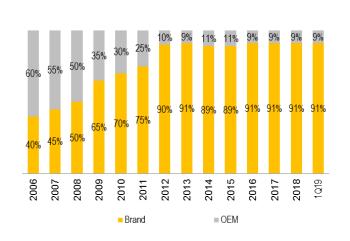
Source: Company reports and MKET

# Switch from OEM to focus on brand products

Previously, SABINA's main business is the OEM production for customers, which yields a low net profit margin (net margin 3%) and there is risk from customers delaying orders. Therefore, the company gradually reduced the OEM proportion from 60% in FY2006 to 9% in 1Q19, while still producing only products that are difficult to make with high profit margin for foreign customers.

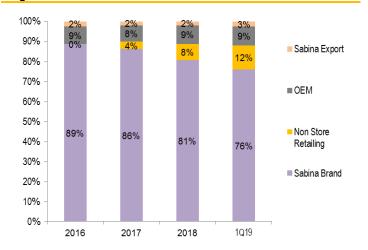
Meanwhile, the proportion of products under the company's brand has increased from 40% in FY2006 to 91% in 1Q19. Distribution channels include 1) storefront sales 76%, 2) NSR sales 12%, and 3) 3% exports. This has resulted in higher gross margin from 27% in FY2006 to 54.7% in 1Q19. Net profit margin increased from 8% in FY2006 to 12.3% in 1Q19.

Figure 5: OEM and Brand sales



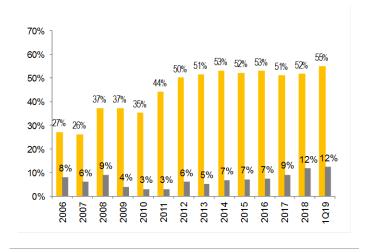
Source: Company reports and MKET

Figure 7: Sales breakdown



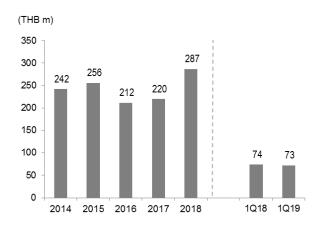
Source: Company reports and MKET

Figure 6: Gross margin and net margin



Source: Company reports and MKET

Figure 8: OEM sales



Source: Company reports and MKET

# Produce new products & increase sales channels

SABINA has adjusted the perception for the company's products from originally focused on selling only Cup A products during FY2006-2015, but after the company's survey found that women with cup B, C and D accounted for 65%, it thus started producing large cup products. This was the expansion of the customer base to cover all groups from FY2016 onwards. It also produced new products, especially the Wireless Bra in FY2017, which becomes the product winner until present. In addition, the Doomm Series products are more popular, thanks to new presenter. And early this year, the company has released new products, Seamless Bra, which received good feedback as well. It is also a product that has a lower sewing process.

Sales through the store are still SABINA's main sales channel, which accounts for 76% of total sales, with approximately 8% SSSG. The company does not focus on expanding many branches but chooses to open a branch in areas with high traffic of customer. This year, it expects to open no more than 10 branches. Currently, there are 581 points of sales, divided into 80 shops in department stores, including Central, Robinson and The Mall. There are 308 shops at Modern trade, including Big C, Tesco Lotus and Makro, including 83 shops and others at 110 locations. In addition, SABINA has added an Omni channel. In case there is no product at the branch, customers can order them at the branch and delivery can be made later, which helped increase sales. Moreover, the company will increase the BSB customers as well. In 1Q19, sales through store grew 8% YoY to THB585m and still accounted for 76% of total sales.

Figure 9: Sabina brand sales

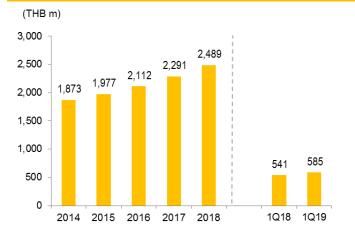


Figure 10: Store retailing channels



Source: Company reports

Source: Company reports

# Sales through NSR drive sales and profit margins

SABINA focuses more on selling through NSR, both via TV and online. Audiences cover both elderly customers who stay at home and the teenagers who use social media quite a lot. The proportion of NSR sales increased from 4% in FY2017 to 8% in FY2018 and 12% in 1Q19. Sales jumped 164% to THB254m in FY2018 and rose 62% YoY to THB92m in 1Q19. Moreover, there is a continued high growth trend following the expansion of online business. The company expects to increase the proportion of NSR sales to 20% in the next 3-5 years. Apart from boosting sales growth, NSR sales also help to reduce the amount of day inventories outstanding because there is no need to store the product at the branch, while reducing the cash conversion cycle, as well as not having to pay for sales staff and rental fees. As a result, the net profit margin becomes higher than selling through the store.

Figure 11: Non-store Retailing (NSR) sales

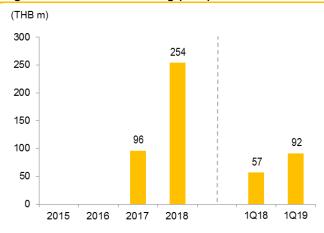


Figure 12: NSR Channels



Source: Company reports and MKET

Source: Company reports

# Likely to become an Asian brand

Export revenue accounted for only 2% of total sales, so there is more room for growth in the long term due to the export to CLMV and the Philippines, which are the hinder markets. Even though SABINA has not opened its own point of sales, there are 108 distributors in many countries, including Vietnam 41, Philippines 29, Myanmar 10, Laos 6, Cambodia 3, Bangladesh 10, and Pakistan 9. There are also the online sales which will drive sales growth even better. Export revenues in 1Q19 rose 43% YoY to THB21m.

Figure 13: Export sales

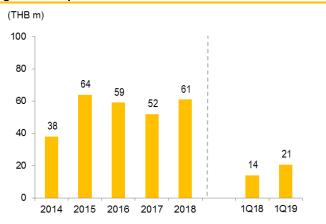


Figure 14: Export and POS in 1Q19



Source: Company reports and MKET

Source: Company reports

# Higher margin from more outsourcing products

SABINA has increased the proportion of outsourcing products for products that are easy to sew from 4% in FY2017 to 18% in FY2018 and 33% in 1Q19, with the target to increase the proportion to 36% in FY2019. This should help increase profit margins because the outsourcing production in foreign countries has lower production costs than its own production. It also benefited from the trade war between China and the United States which resulted in the factories sewing underwear in China saw decreased purchase orders. Therefore, there is a competitive price cut. SABINA has more bargaining power it thus can hire outsource at a lower price. The company also benefits from the baht appreciation. The gross margin for outsourcing products was 62.2% in 1Q19 while the gross margin for its own manufactured products was 52.9%.

# No production expansion but focusing on increasing efficiency

SABINA and its subsidiaries have 5 factories, namely Phutthamonthon Sai 5, Tha Phra, Chai Nat, Yasothon and Buriram. In 2018, the capacity utilisation rate was 95%. The actual production was 12.2 million pieces. Given SABINA focuses more on outsourcing, it does not need to expand production capacity, no need to increase the number of factory employees. Instead, it focuses on increasing the production efficiency of the original factory, especially in Buriram, which should increase the total production capacity by 5% from 12.2 million pieces in FY2018 to 12.8 million pieces this year.

The company has high production efficiency as it applies lean systems to its production. The system changed from sitting to standing for stitching which leads to fewer employees needed. In addition, it has built its own mold factory in FY2017, resulting in the production cost of mold decreasing to THB18-20 per pair. It previously imported from Japan and Taiwan at THB45-50 per pair.

Figure 15: Own production vs Outsourcing

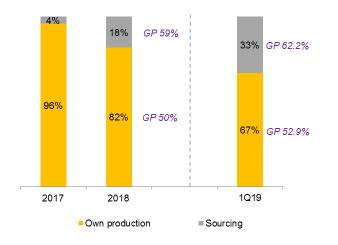


Figure 16: Factory output

Output (million pcs.)	2018	2019	% Change
Phutthamonthon Sai 5	1.4	1.6	11%
Tha Phra	2.0	2.0	0%
Chainat	2.7	2.7	0%
Yasothon	4.7	4.7	0%
Buriram	1.4	1.9	34%
Total	12.2	12.8	5%

Source: Company reports and MKET

Source: Company reports

# 2Q19 core profit to rise 15% QoQ & 14% YoY

We expect 2Q19 net profit of THB94m (-2% QoQ, -3% YoY) with a record of employee benefit provisions of THB16m. If excluding these items, we forecast earnings to rise 15% QoQ and 14% YoY to THB110m due to full-quarter sales recognition from new Seamless Fit products launched in February, with well received. In addition, there are promotions of "Buy 2 pieces, get 50% discount" during April-May, helping to boost sales even better. NSR sales are expected to increase significantly. Gross margin tends to slow QoQ due to promotion which is normally in Q2. However, we estimate gross margin to increase by 150bps YoY on the back of rising proportion of outsourcing products.

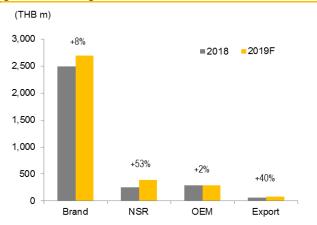
<b>Figure</b>	17: S	<b>ABINA</b>	2Q19	preview
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(THB m)	2Q19F	1Q19	QoQ	2Q18	YoY	Comment
Sales	871	770	13%	783	11%	Strong sales of new products / sales promotion
Other income	4	4	(17%)	2	50%	
COG	418	349	20%	387	8%	
Gross profit	453	421	7%	396	14%	
Gross margin (%)	52.0%	54.7%	N.A.	50.5%	N.A.	More outsourcing products
SG&A	337	304	11%	277	22%	Employee benefit provisions of THB16m
EBITDA	130	131	(1%)	132	(2%)	
EBITDA margin (%)	14.9%	17.0%	N.A.	16.8%	N.A.	
Interest expense	1	1	(24%)	0	384%	
Normalised profit	110	95	15%	96	14%	Excluding employee benefit provisions
Net profit	94	95	(2%)	96	(3%)	
EPS (THB)	0.27	0.27	(2%)	0.28	(3%)	
Source : Company reports	s and MKET					

# Expect FY2019 earnings to grow 15%

We estimate this year's sales to increase 12% to THB3.46b due to the growth of sales in all channels. Sales through the store are expected to rise 8% to THB2.69b. NSR sales are projected to jump 53% to THB389m. Export and OEM revenues are forecast to grow 40% to THB85m and 2% to THB293m, respectively. We expect gross margin to increase from 51.6% in FY2018 to 52.7% due to increased production efficiency and the proportion of outsourcing products rising to 33% from 18% in FY2018. However, SG&A-to-sales is expected to rise to 38.6% from 37.4% in FY2018 due to new product launches, advertising and marketing and sales promotions. We expect net profit of THB399m. When excluding the employee benefit provisions of THB16m, profit should grow 15% to THB415m, representing a net margin of 12.0%, compared to 11.7% in FY2018. We expect FY2019 dividend of THB1.15, representing dividend yield of 4.4%.

Figure 18: Sales growth 2019



Source: Company reports and MKET

Figure 19: Sales and profit margin



Source: Company reports and MKET

# **Industry and competitors**

According to SABINA managements, the value of Thailand's lingerie market is about THB12b, and is likely to grow by 3% pa. There are 3 major brands, including Wacoal, Sabina and Triump. Wacoal has the largest market share, estimated at 50%, followed by Sabina 20% and Triump. The growth of the lingerie market is partly contributed to the expansion of online business, direct sales on TV, including price competition which helps create demand for products.

The lingerie business is highly competitive among all 3 major brands and other brands, such as BSC, Uniqlo, H&M and Wienna, etc. Three are also the house brand products of hypermarkets which have low prices and imported products from abroad, both premium products and economic products imported from China or countries with lower production costs than Thailand.

# **Valuation**

As SABINA has continuous cash flow with low volatile, we therefore evaluate the stock value by using DCF method on the assumption of WACC of 7.0% and 2% terminal growth. The equity value in mid-2020 is THB12.5b, or THB36/share, equivalent to PE of 28.7x for the average earnings for FY2019-2020, representing the average PE -1.5 SD.



Figure 20: SABINA - Trailing PE

Source: Bloomberg and MKET

FYE 31 Dec	FY17A	FY18A	FY19E	FY20E	FY21E
Key Metrics  P/F (reported) (v)	33.4	27.6	22.9	19.2	16.8
P/E (reported) (x) Core P/E (x)	33.7	28.8	22.9	19.2	16.8
P/BV (x)	4.3	5.7	4.9	4.8	4.7
P/NTA (x)	4.3	5.7	4.9	4.8	4.7
Net dividend yield (%)	3.5	3.5	4.4	5.2	6.0
FCF yield (%)	9.9	0.3	4.2	2.9	5.9
EV/EBITDA (x)	21.5	20.3	16.1	13.9	12.3
EV/EBIT (x)	25.4	22.6	17.7	15.0	13.1
INCOME STATEMENT (THB m)					
Revenue	2,662.7	3,089.8	3,454.9	3,880.6	4,349.7
Gross profit	1,355.6	1,595.0	1,821.7	2,062.7	2,329.0
EBITDA	360.9	502.4	552.8	645.0	731.0
EBIT	305.3	452.3	502.5	595.4	683.3
Net interest income /(exp)	(1.5)	(1.4)	(3.7)	(2.9)	(3.2)
Associates & JV	0.0	0.0	0.0	0.0	0.0
Exceptionals	0.0	0.0	0.0	0.0	0.0
Other pretax income	0.0	0.0	0.0	0.0	0.0
Pretax profit	303.8	450.9	498.8	592.5	680.1
Income tax	(60.7)	(89.3)	(99.8)	(118.5)	(136.0)
Minorities	0.0	0.0	0.0	0.0	0.0
Discontinued operations	0.0	0.0	0.0	0.0	0.0
Reported net profit	243.1	361.6	399.1	474.0	544.1
Core net profit	243.1	361.6	415.1	474.0	544.1
BALANCE SHEET (THB m)					
Cash & Short Term Investments	468.5	359.4	352.2	256.3	304.2
Accounts receivable	342.0	402.3	411.8	481.3	519.7
Inventory	975.6	1,117.5	1,119.7	1,221.1	1,270.2
Reinsurance assets	0.0	0.0	0.0	0.0	0.0
Property, Plant & Equip (net)	283.5	293.7	279.3	265.7	254.1
Intangible assets	0.0	0.0	0.0	0.0	0.0
Investment in Associates & JVs	5.0	5.0	5.0	5.0	5.0
Other assets	312.7	424.2	435.9	458.8	478.0
Total assets	<b>2,387.2</b> 18.0	<b>2,602.0</b> 156.2	<b>2,603.8</b> 138.8	<b>2,688.1</b> 93.0	<b>2,831.2</b> 162.4
ST interest bearing debt Accounts payable	152.8	184.2	182.7	215.8	227.1
Insurance contract liabilities	0.0	0.0	0.0	0.0	0.0
LT interest bearing debt	0.0	0.0	0.0	0.0	0.0
Other liabilities	321.0	426.0	423.0	467.0	493.0
Total Liabilities	491.9	766.6	744.5	775.2	883.0
Shareholders Equity	1,895.4	1,835.4	1,859.3	1,912.9	1,948.3
Minority Interest	0.0	0.0	0.0	0.0	0.0
Total shareholder equity	1,895.4	1,835.4	1,859.3	1,912.9	1,948.3
Total liabilities and equity	2,387.2	2,602.0	2,603.8	2,688.1	2,831.2
CASH FLOW (THB m)					
Pretax profit	303.8	450.9	498.8	592.5	680.1
Depreciation & amortisation	55.6	50.1	50.3	49.6	47.7
Adj net interest (income)/exp	1.5	1.4	3.7	2.9	3.2
Change in working capital	232.8	(146.1)	(21.2)	(120.7)	(66.7)
Cash taxes paid	(60.7)	(89.3)	(99.8)	(118.5)	(136.0)
Other operating cash flow	0.0	0.0	0.0	0.0	0.0
Cash flow from operations	846.0	141.1	418.8	303.8	570.3
Capex	(36.1)	(105.3)	(35.9)	(36.0)	(36.1)
Free cash flow	809.9	35.8	382.9	267.8	534.2
Dividends paid	(97.3)	(410.2)	(375.1)	(420.5)	(508.7)
Equity raised / (purchased)	0.0	0.0	0.0	0.0	0.0
Change in Debt	(90.0)	138.2	(17.4)	(45.8)	69.4
Other invest/financing cash flow	(311.3)	127.0	2.7	102.9	(46.8)
Effect of exch rate changes	0.0	0.0	0.0	0.0	0.0
Net cash flow	311.2	(109.2)	(6.9)	(95.6)	48.1

FYE 31 Dec	FY17A	FY18A	FY19E	FY20E	FY21E
Key Ratios					
Growth ratios (%)					
Revenue growth	11.7	16.0	11.8	12.3	12.1
EBITDA growth	28.3	39.2	10.0	16.7	13.3
EBIT growth	38.0	48.2	11.1	18.5	14.8
Pretax growth	39.4	48.4	10.6	18.8	14.8
Reported net profit growth	38.4	48.7	10.4	18.8	14.8
Core net profit growth	38.4	48.7	14.8	14.2	14.8
Profitability ratios (%)					
EBITDA margin	13.6	16.3	16.0	16.6	16.8
EBIT margin	11.5	14.6	14.5	15.3	15.7
Pretax profit margin	11.4	14.6	14.4	15.3	15.6
Payout ratio	117.2	99.9	100.0	100.0	100.0
DuPont analysis					
Net profit margin (%)	9.1	11.7	11.6	12.2	12.!
Revenue/Assets (x)	1.1	1.2	1.3	1.4	1.!
Assets/Equity (x)	1.3	1.4	1.4	1.4	1.5
ROAE (%)	13.3	19.4	21.6	25.1	28.2
ROAA (%)	10.5	14.5	15.9	17.9	19.7
Liquidity & Efficiency					
Cash conversion cycle	298.1	254.8	248.5	233.8	223.9
Days receivable outstanding	44.4	43.4	42.4	41.4	41.4
Days inventory outstanding	292.9	252.0	246.6	231.8	221.9
Days payables outstanding	39.1	40.6	40.4	39.5	39.
Dividend cover (x)	0.9	1.0	1.0	1.0	1.0
Current ratio (x)	4.6	3.1	3.1	3.2	2.9
Leverage & Expense Analysis					
Asset/Liability (x)	4.9	3.4	3.5	3.5	3.2
Net gearing (%) (incl perps)	net cash				
Net gearing (%) (excl. perps)	net cash				
Net interest cover (x)	nm	nm	136.3	nm	nn
Debt/EBITDA (x)	0.0	0.3	0.3	0.1	0.:
Capex/revenue (%)	1.4	3.4	1.0	0.9	0.8
Net debt/ (net cash)	(450.5)	(203.2)	(213.3)	(163.3)	(141.8

Source: Company; Maybank

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Technical Analysis

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SN	CHOW	GLOBAL	LHK	OGC	SCI	SUTHA	TOA	WICE
SP	CI	GLOW	LOXLEY	ORI	SCN	SWC	TOG	WIIK
TP30	CIMBT	GULF	LRH	PAP	SE	SYMC	TPA	XO
U	CNS COM7	HARN HPT	LST M	PATO PB	SEAFCO SEAOIL	SYNEX TACC	TPAC TPBI	YUASA ZMICO
UCT YUD	COMAN	HTC	MACO	PDI	SELIC	TAE	TPCORP	ZMICO
A	CPALL	HYDRO	MAJOR	PJW	SENA	TAKUNI	TRITN	
JP BICO	BM BR	D DCON	GTB GYT	KWC KWG	NNCL NPK	RPC RPH	SSP STANLY	TTI TVT
BM	BROCK	DIGI	HTECH	KYE	OCEAN	SAMCO	STPI	TYCN
EC	BSBM	DIMET	IFS	LALIN	PAF	SAPPE	SUN	UEC
EONTS	BTNC	EKH	IHL	LEE	PDG	SCP	SUPER	UMS
F	CCET	EM C		LPH	PF	SF	SVOA	UNIQ
J	CCP	EPCO	INOX	MATCH	PICO	SGF	T	VCO
LUCON MARIN	CGD CHARAN	ESSO ESTAR	INSURE IRCP	MATI MBAX	PIM O PK	SGP SKN	TCCC TCMC	VIB HA VP O
MC	CHAYO	FE	IT	M-CHAI	PL	SKR	THE	WIN
8	CITY	FLOYD	ITEL	MDX	PLE	SKY	THG	WORK
SAP	CMO	FOCUS	J	META	PMTA	SLP	THMUI	WP
SEFA	CMR	FSS	JCK	MILL	PPPM	SMIT	TIC	WPH
SIAN	COLOR	FTE	JMART	MJD	PRIN	SOLAR	TITLE	ZIGA
CH EAUTY	CPL CPT	GENCO GIFT	JMT JTS	M M M ODERN	PSTC PTL	SPA SPCG	TIW TM D	
GT	CRD	GJS	JUBILE	MPG	RCI	SPCG	TOPP	
н	CSR	GLAND	KASET	NC	RCL	SQ	TPCH	
IG	CTW	GPI	KCM	NDR	RJH	SRICHA	TPIPP	
LAND	CWT	GREEN	KIAT	NETBAY	ROJNA	SSC	TPOLY	

# <u>Disclaimer</u>

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 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 may be changed after that date. Maybank Kim Eng Securities (Thailand) does not confirm nor certify the accuracy of such survey result.

Due to different characteristics, objectives and strategies of institutional and retail investors, the research reports of Maybank Kim Eng Institutional Research and Maybank Kim Eng Thailand may differ in either recommendation or target price, or both. Maybank Kim Eng Thailand is intended for retail investors (<a href="http://kelive.maybank-ke.co.th">http://kelive.maybank-ke.co.th</a>) while Maybank Kim Eng Institutional Research is intended only for institutional investors based outside Thailand only.

## Anti-Corruption Progress Indicator 2019

	s that have d					53/1.03/1	OVALEY.	UD A	
A A B ICO	B B G R IM	CHG CHO	FLOYD FN	ΠEL JAS	M T C N C L	P YLON QTC	SYNEX THE	UP A UWC	
A IE	BJC	CI	FPI	JTS	NEP	ROJNA	THIP	VIH	
AJ	BLAND	CIM B T	FTE	KWG	NNCL	RWI	TKN	XO	
AMATA	BLISS	COL	GJS	LDC	NWR	SAPPE	TMC	YUASA	
AMATAV	BM	COM 7	GPI	LEE	ORI	SCI	TNR		
ANAN	BPP	CPR	GSTEL	LΠ	PAP	SHANG	TOPP		
A OT	BR	DDD	GYT	LRH	PK	SST	TRITN		
APCO APCS	B UI C E N	EFORL EKH	HARN ICHI	M ATCH M ATI	P LA N B P O S T	STANLY SUPER	TTI TVO		
ARROW	CGH	ESTAR	ILINK	M FEC	PRM	SWC	UEC		
ASIAN	CHEWA	ETE	INSURE	M ILL	PRO	SYM C	UKEM		
	s certified by					0.1	0112111		
ADVANC	CENTEL	FSS	KASET	M C	PE	QLT	SMK	TFI	TRU
A KP	CFRESH	GBX	KBANK	M COT	PG	RATCH	SMPC	TFM AM A	TRUE
AMANAH	C IG	GC	KBS	MFC	PHOL	RML	SNC	THANI	TSC
A P A SK	CM CNS	GCAP GEL	KCAR KCE	M INT M ONO	P L P L A N E T	ROBINS S & J	SNP SORKON	THCOM	TSTH TTCL
ASP	CPALL	GFPT	KGI	MOONG	PLAT	SABINA	SPACK	THREL	TU
AYUD	CPF	GGC	KKP	M SC	PM	SAT	SPC	TICON	TVD
BAFS	CPI	GLOW	KSL	M TI	PPP	SC	SPI	TIP	TVI
BANPU	CPN	GOLD	KTB	NB C	PPPM	SCB	SPRC	TIPCO	TWPC
BAY	CSC	GPSC	KTC	NINE	PPS	SCC	SRICHA	TISCO	U
BBL	DCC	GUNKUL	KWC	NKI	PREB	SCCC	SSF	TKT	UB IS
BCH	DEM CO	HANA HM PRO	L&E	NM G	PRG	SCG	SSI	TM B	UOBKH
B CP B CP G	DIM ET DRT	HM PRO	LANNA LHFG	NSI OCC	P R IN C P S H	SCN SE-ED	SSSC STA	TM D TM ILL	VGI VNT
BJCHI	DTAC	IC C	LHFG	OCEAN	PSTC	SE-ED SELIC	SUSCO	TMT	WACOAL
BKI	DTC	IFEC	LPN	OGC	PT	SENA	SVI	TNITY	WHA
BLA	EASTW	IFS	M	PATO	PTG	SGP	SYNTEC	TNL	WICE
BROOK	ECL	INET	M AKRO	PB	PTT	SINGER	TAE	TNP	******
BRR	EGCO	INTUCH	M ALEE	PCSGH	PTTEP	SIRI	TASCO	TOG	
B SB M	EPCO	IRPC	M BAX	PDG	PTTGC	SIS	TCAP	TOP	
BTS	FE	NL	M BK	PDI	Q-CON	SITHAI	T CM C	TPA	
B WG	FNS	K	M BKET	PDJ	QH	SM IT	TFG	TPCORP	
N/A									
28	A UCT	COTTO	GIFT	KIAT	NEW	RICHY	SMT	THG	TWZ
7UP	BA	CPH	GL	KKC	NEWS	RJH	SOLAR	THL	TYCN
AAV	BAT-3K	CPL	GLAND	KOOL	NFC	ROCK	SONIC	THM UI	UA C
A B M A C A P	B C T B D M S	CPT CRANE	GLOBAL GRAMMY	KTECH KTIS	NOBLE NOK	ROH RP	SPA SPALI	TIC TIGER	UM I UM S
ACC	BEAUTY	CRD	GRAND	KWM	NPK	RPC	SPCG	TITLE	UNIQ
A DA M	BEC	CSP	GREEN	KYE	NPPG	RPH	SPG	TIW	UP
A DB	BEM	CSR	GTB	LALIN	NTV	RS	SPORT	TK	UP F
AEC	BFIT	CSS	GULF	LH	NUSA	RSP	SPPT	TKS	UP OIC
AEONTS	BGC	CT W	HFT	LOXLEY	NVD	S	SPVI	TM	UREKA
AF	BGT	CWT	HPT	LPH	NYT	S11	SQ	TMI	UT
A FC A GE	B H B IG	D DCON	HTECH HUM AN	LST LTX	OHTL	SAFARI SALEE	SR SSC	TM W TNDT	UT P UV
AH	BIZ	DCORP	HYDRO	LVT	OSP	SAM	SSP	TNH	UVA N
AHC	B KD	DELTA	ICN	MACO	ото	SAMART	STAR	TNPC	VARO
AI	BOL	DIGI	IEC	MAJOR	PACE	SAMCO	STEC	TOA	VCOM
AIRA	BROCK	DNA	IHL	MANRIN	PAE	SAMTEL	STHAI	TPAC	VI
АП	BSM	DOD	III	MAX	PAF	SANKO	STPI	TPBI	VIBHA
AJA	BTNC	DTCI	INGRS	M -CHAI	P E R M P F	SAUCE	SUC	TPCH TPIPL	VNG VPO
A KR A LLA	BTW CBG	EA EARTH	IN OX IR C	M CS M DX	PICO	SA WA D SA WA N G	S UN S UT HA	TPIPE	WAVE
ALT	CCET	EASON	IRCP	MEGA	PIMO	SCP	SVH	TPLAS	WG
ALUCON	CCP	ECF	IT	META	PJW	SDC	SVOA	TPOLY	WHA UP
AMA	CGD	EE	ITD	M ET CO	PLE	SE	T	TPP	WIIK
AMARIN	CHARAN	EIC	J	M GT	PMTA	SEAFCO	TACC	TR	WIN
AMC	CHAYO	EM C	JCK	M ID A	POLAR	SEAOIL	TAKUNI	TRC	WINNER
APEX	CHOTI	EP G	JCKH	M JD	POMPUI	SF	TAPAC	TRT	WORK
APURE	CHOW	ERW	JCT	MK	PORT	SFP	TBSP	TRUBB	WORLD
A Q	CHUO	ESSO	JKN	M L	PPM	SGF	TC	TSE	WP
A QUA	CITY	EVER	JMART	M M	PR9	SIAM	TCC	TSF	WP H
ARIP	CK	F&D	JMT	MODERN	PRAKIT	SIM A T	TCCC	TSI	WR
AS	CKP	FANCY	JSP	MPG	PRECHA	SISB	TCJ	TSR	YCI
ASAP	CMAN	FC	J UB ILE	MPIC	PRIN	SKE	TCOAT	TSTE	YNP
ASEFA	CMC	FM T	J UT HA	M VP	PSL	SKN	TEAM	TTA	ZIG A
ASIA	CMO	FOCUS	JWD	NC	PTL	SKR	TEAMG	TTL	ZM ICO
A SIM A R	CMR	FORTH	KAMART	NCH	RAM	SKY	TGPRO	TTTM	
ASN	CNT	FSMART	KC	NDR	RCI	SLP	TH	TTW	
ATP 30	COLOR	FVC	KCM	NER	RCL	SM ART	THAI	TVT	
A U	COMAN	GENCO	KDH	NETBAY	RICH	SM M	THANA	TWP	
a =1									

Source: Thai Institute of Directors

### **Disclaimer**

Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of August 31, 2018) are categorised into:

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

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, MBKET does not confirm, verify, or certify the accuracy and completeness of the assessment result.