

TOA PAINT (THAILAND)

AEC mixed with opportunity & risk

4 Reasons for T-Buy. 1) Titanium dioxide cost (main raw material) has continuously rose since 2017 alongside rising oil price. 2) TOA thus raised sales price since 2Q18. Some customers have changed to use lower grade products, depressing GPM. 3) New plant in Indonesia should COD in 4Q18. GPM will be slightly pressured at the beginning stage. 4) Norm profit is projected to grow 12.6% in 2018 and 13% in 2019. However, YTD share price rose +16.2% vs sector average of -8.4%. TOA is trading on a high PER2019 of 37.5x and market price exceeds our TP by 9.3%. We initiate coverage with a T-Buy call.

New capacity to be added in 4Q18.. Need time to ramp up

TOA is constructing 3 new plants in AEC; Indonesia of 7.8mn gallons/ year, Myanmar of 3.4mn gallons/ year and Cambodia of 3.3mn gallons/ year, bringing total capacity up 16.5% to 102.5mn gallons/ year. The plant in Indonesia should COD in 4Q18. We expect for the low utilization rate at 20%+/-, which will likely hurt earnings in 4Q18. The plant in Myanmar should COD in 1Q19 and the plant in Cambodia should COD in 2Q19. Total CAPEX is expected at THB1.236.1mn. New plants will support 2019 revenue and norm profit up 11.9% YoY to THB18.506bn and 13.3% to THB2.044bn, respectively.

Solid fundamental

Revenue is projected to grow 13.3% CAGR and norm profit is expected to grow 16.1% CAGR in the next 3 years (2018-2021), supported by new plants in AEC that should fully support growth from 2020 onwards. GPM will improve alongside increasing utilization. New plants will help reducing management costs, especially transportation cost. We also hope to see economy of scale benefit. SG&A expenses will continuously decline, driving Net profit margin up to 11.5% in 2020 and 11.6% in 2021 from 10.9% in 2018. TOA has strong financial position and has cash & cash equivalent in hands of THB3/ share. DE Ratio is expected to be as low as 0.46x at the end of 2018. ROE is expected at 19.2% in 2018 and 21.7% in 2020.

Positive factors are priced in.. Initiate coverage with a T-Buy call

Share price rose 16.2% in YTD vs sector average of -8.4% as new overseas plants will reduce LT costs. Rising feedstock costs are offset by increasing sales price. Despite slower sales, TOA's products quality is better than peers, limiting impacts. Earnings should be flat HoH in 2H18 vs consensus estimate of +HoH as we see low-utilization risk at the new Indonesian plant. Our FY2018 earnings forecast of THB1.804bn is lower than consensus estimate by 12%. Although we have a positive view from 2019 onwards, share price offers limited upside compared to our 2019TP of THB34.50 (PER @ 34.3x). TOA is trading on a high PER2019 of 37.5x.

FYE Dec (THBmn.)	2017	2018F	2019F	2020F
Revenue	15,718	16,540	18,506	21,784
EBITDA	2,520	2,649	2,983	3,645
Core Profit	1,603	1,804	2,044	2,538
Net profit	1,710	1,804	2,044	2,538
Core EPS (THB)	0.79	0.89	1.01	1.25
Core EPS growth (%)	(69.0)	12.6	13.3	24.2
DPS (THB)	0.14	0.40	0.45	0.56
Core P/E (x)	47.8	42.4	37.5	30.2
P/BV(x)	9.2	8.2	7.3	6.5
Div Yield (%)	0.4	1.1	1.2	1.5
Net Gearing (%)	Cash	Cash	Cash	Cash
ROE (%)	19.1	19.2	19.6	21.7

Source : Company, Yuanta

Initiate

TOA | T-BUY

(Initiate)

Theethanat Jindarat

Tel. +662 009 8071

Mail Theethanat.j@yuanta.co.th

ID 039916



Opinion & Key Statistic

TARGET PRICE (Baht) **34.50**
(Initiate)

MARKET PRICE (Baht) **37.75**

Upside **-9.3%**

Bloomberg code TOA.TB
Valuation Method PER
Corporate Gov. Rating -
Paid-Up Capital (Bt mn) 2,029
Par Value (Bt/share) 1.00 Baht

Free Float (%) 25.02%
52w High/Low (Baht) 43.00 / 28.00
3m Avg. turnover (THBmn) 97.71
Market cap (THBmn) 76,595

Major Shareholders

TOA Group Holdings Co., Ltd. 29.99 %
Mr. VONNARAT TANGKARAVAKOON 9 %
Mr. NATTAVUTH TANGKARAVAKOON 9 %

Technical View

Support **37/35**

Resistance **40/42**

Yuanta Securities (Thailand) Co., Ltd is a DW issuer and may be a market maker related on this stocks as an underlying asset of our DW. As a result, investors should study a contract specification via DW prospectus report before making investment decision on this underlying asset.

Executive Summary

TOA posted slow but consistent growth in past years. Profit growth was affected mainly by cost management, feedstock costs such as Titanium Dioxide and fuel price, and the depreciation of THB as 90% of sales are in THB (domestic sales) but costs are in USD. The expansion to AEC markets will support growth in the LT but we see some risks at the beginning stage due to high CAPEX. TOA needs to ramp up utilization rate and spend high marketing expenses. Another challenge is the competition with existing players.

2018-19 norm profit is expected to expand 12.6% YoY and 12.2% YoY, respectively. Our 2018 forecast is lower than consensus estimate by 12% as we expect for a flat HoH growth in 2H18 due to rains and low utilization rate at Indonesian plant. TOA has EBITDA of THB3bn/ year and low DE Ratio at 0.68x in 2017, which will likely drop to 0.48x in 2019. TOA is net cash company. We expected the ROA and ROE should high at 13.1% and 19.4% in 2019.

However, market price 9% breaks our 2019TP of THB34.50. We thus initiate coverage with a T-Buy call.

Valuation

We use a Relative approach to value the TP, based on PE Ratio in the next 12 months (Forward PER), considering on regional average (Asia Pacific) at 57.1x. However, only 4 firms are nearest business, which are TOA, Berger, Nippon Pain and Akzo Nobel India, at 34.3x. 2019EPS is expected at THB1.01. The 2019TP is THB34.50.

For trading idea, investors may accumulate TOA near THB30+/- after reporting 3Q18 earnings result (unimpressive outlook) due to seasonality. However, sales should recover in 4Q18 on high business season in Vietnam and QoQ recovery in Thailand. We are cautious on the low utilization rate at Indonesian plant at the beginning stage (but low depreciation at THB10-20mn/ quarter).

Figure 1: Regional peers

Ticker	Name	EPS Growth (%)	P/E	ROE
Average	Average	53.1	57.1	22.4
BRGR BD Equity	BERGER PAINTS BANGLADESH LTD	-	7.7	29.8
603737 CH Equity	SKSHU PAINT CO LTD-A		17.1	31.3
300398 CH Equity	SHANGHAI PHICHEM MATERIAL -A		87.3	34.1
TOA TB Equity	TOA PAINT THAILAND PCL	8.0	34.5	37.0
4612 JP Equity	NIPPON PAINT HOLDINGS CO LTD		23.2	34.5
AKZO IN Equity	AKZO NOBEL INDIA LTD	-	6.0	38.4
603659 CH Equity	SHANGHAI PUTAILAI NEW ENER-A		36.8	40.3
603826 CH Equity	FUJIAN KUNCAI MATERIAL TEC-A	-	11.2	46.7
KNPL IN Equity	KANSAI NEROLAC PAINTS LTD		5.6	48.2
300618 CH Equity	NANJING HANRUI COBALT CO L-A		444.7	52.2
APNT IN Equity	ASIAN PAINTS LTD		3.5	63.3
300236 CH Equity	SHANGHAI SINYANG SEMICONDU-A		35.4	232.0
				7.1

Source: Bloomberg

Figure 4: Regional paint company PER

Ticker	Name	EPS Growth (%)	P/E	ROE
Average	Average	4.4	34.3	21.7
BRGR BD Equity	BERGER PAINTS BANGLADESH LTD	-	7.7	29.8
TOA TB Equity	TOA PAINT THAILAND PCL	8.0	34.5	37.0
4612 JP Equity	NIPPON PAINT HOLDINGS CO LTD		23.2	34.5
AKZO IN Equity	AKZO NOBEL INDIA LTD	-	6.0	38.4

Source: Bloomberg

Business in AEC

TOA operates business in other 6 AEC countries, excluding Thailand

1) Vietnam

- Decorative paint and coating products are sold nationwide
- Non-decorative painting and coating products are sold mainly to medium-size distributors in provinces

2) Indonesia

- Focus on wholesale and Modern trade channels for brand awareness
- Premium-grade products are sold to property developers
- Have manufacturing plant

- 3) **Laos**
 - Both wholesale and retail
 - Focus on small and big project customers
- 4) **Myanmar**
 - Both wholesale and retail
 - Focus on small and big project customers
- 5) **Cambodia**
 - Both wholesale and retail
 - Focus on small and big project customers
- 6) **Malaysia**
 - Sell to hardware shops nationwide
 - Have selling agents

Challenges on new manufacturing plants

TOA is constructing 3 new plants abroad for producing and selling in those countries (instead of importing from Thailand) to reduce costs, especially transportation costs. The new plants will support LT GPM. The weak currencies of those countries may result in lower-than-expected construction costs.

- 1) **Plant in Indonesia:** Use CAPEX of THB670mn. The construction should be completed in 4Q18. Total capacity is 7.8mn gallons/ year.
- 2) **Plant in Myanmar:** Relocate from Yangon to Tiwala due to space limitation and high costs. Capacity will increase from 0.56mn gallons/ year to 3.4mn gallons/ year. CAPEX is THB312mn. The plant should COD in 1Q19.
- 3) **Cambodia:** The plant is located in special economic zone. CAPEX is THB251.1mn. The plant should COD in May 2019. Total capacity is 3.3mn gallons/ year.

TOA invested 50% of total CAPEX of THB1,236.1mn in 2017 and will invest THB400mn in 2018 and THB200mn in 2019. New plants will clearly benefit from 2019 onwards. GPM will likely lower at the beginning stage but will later improve from 2020 onwards. TOA has challenge as TOA must compete with the existing players in those markets, which TOA may need to spend high marketing expenses, a downside on our projection.

Vietnam's market contribute revenue of 7.1% of total income. TOA had third largest market share in this painting & coating market and fourth largest market share in wooden coating market in 1H18.

Figure 3: Company overseas production plant plan

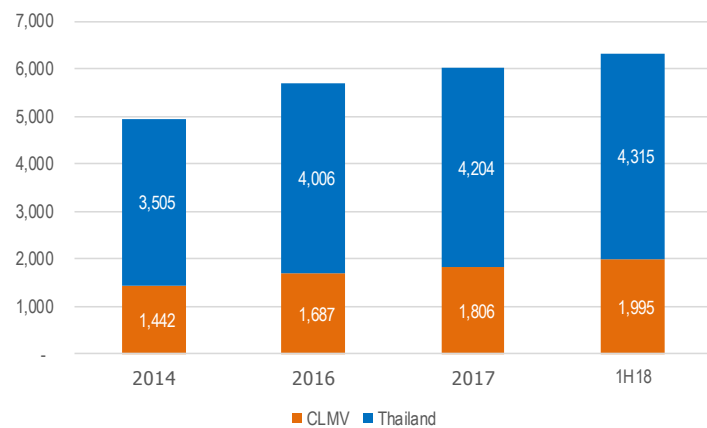
Location	Ownership	Est. CAPEX (THBmn)	Objectives	Capacity (mn Gallons)	Est. Commercial
Indonesia	Freehold	670.0	Production plant	7.8	4Q18
Myanmar (Thilawa)	Leasehold (Jun 4, 2064 with option to extend for 25yr)	312.0	Relocate from existing Yangon to Thilawa	3.4	1Q19
Cambodia (Phnom Penh)	Leasehold (Dec 8, 2067 with option to extend for 50yr)	254.1	Production plant	3.3	Mid 2Q19
Total		1,236.1		14.5	

Source: Company

Strength is automatic color mixer

TOA's strength is technology. TOA has automatic color mixer, which can help lower stocks and color gallons. Retailers can store only white color and company produces only white color. Other colors will be mixed when purchasing. Moreover, customers no need to wait for all colors they need. As of 30 June 2018, TOA has automatic color mixer machines of 6,310 machines, increasing from 6,010 at the end of 2017 (+300 machines), of which 189 machines are in AEC countries. TOA plans to increase machines by 300 machines in 2H18.

Figure 4: Number of auto tinting machines



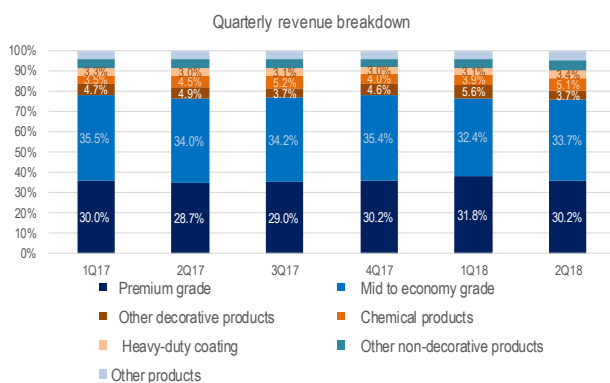
Source: Company

Earnings outlook

2018

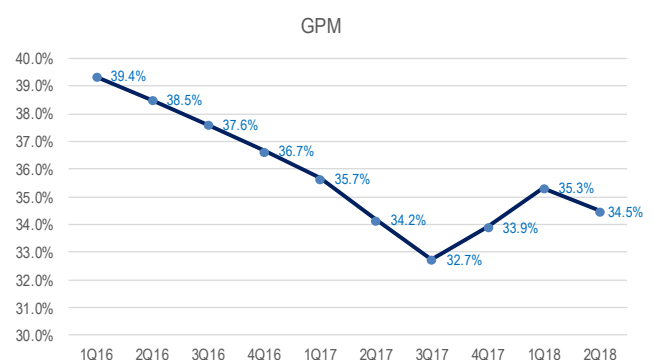
Revenue is expected to grow 5% YoY to THB16.54bn. Despite effects from rising Titanium dioxide cost (19% of total costs) and fuel cost (16% of total costs) due to increasing oil price since 2017, TOA raised sales price of premium products by 5 - 6% and medium-grade products by 3% since 2Q18. Therefore, revenue should keep growing. However, some customers have bought medium to economy grade products instead of premium due to the rising sales price. Premium product sales portion declined to 30.2% of total sales in 2Q18 from 31.8% in 1Q18.

Figure 5: Quarterly revenue portion - Thailand



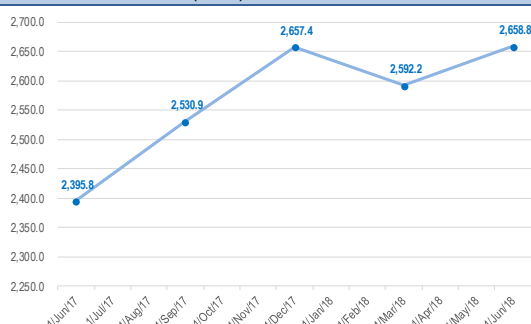
Source: Company, Yuanta

Figure 6: Quarterly GPM



Source: Company, Yuanta

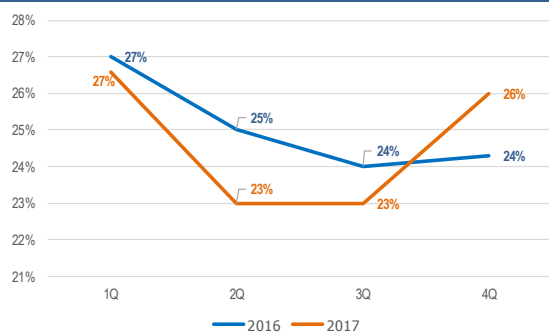
Figure 7: US Titanium Dioxide (USD)



Source: Bloomberg

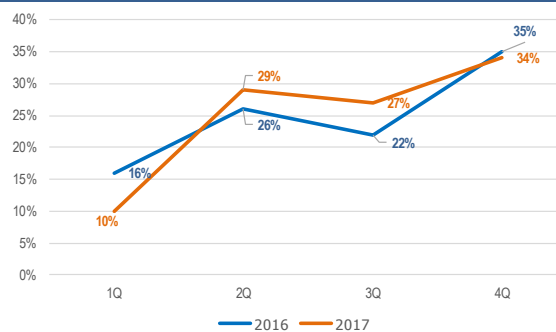
2H18 earnings should strongly expand YoY. Earnings will hit a year high in 4Q18 on high business season in Vietnam (4Q income accounts for 34-35% of yearly income vs bottom in 1Q). Thai sales will bottom in 2Q-3Q during the rainy season but will peak in 1Q. Income will likely drop HoH in 2H18. 3Q18 norm profit is expected at THB360-400mn.

Figure 8: Quarterly revenue portion - Thailand



Source: Company, Yuanta

Figure 9: Quarterly revenue portion - Vietnam



Source: Company, Yuanta

2018 norm profit is expected at THB1.804bn, up 12.6% YoY (higher than revenue growth) as GPM will likely improve from 34.6% in 2017 after raising sale price since 2Q18. Our projection is lower than consensus estimate by 12.0% as 1H18 earnings account for only 45.3% of consensus yearly projection (51% of our projection), given some downside.

2019 growth to be driven by overseas sales

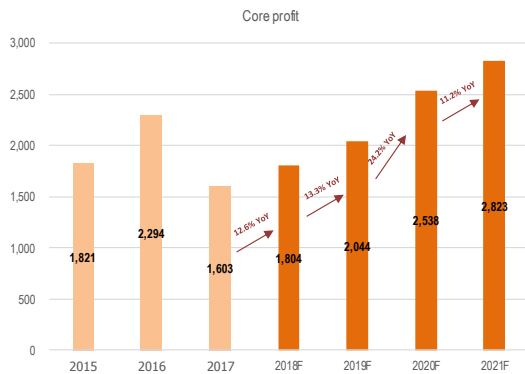
Revenue is expected at THB18.806bn, up 11.9% YoY, supported by a 7.6% YoY growth of domestic sales and a 48.7% YoY growth of overseas sales. 3 new plants in AEC can generate revenue. Revenue is expected to grow 13.9% CAGR in the next 3 years (2018-2021). However, the beginning stage at the new plants will somewhat pressure the GPM. GPM will likely drop from 34.6% in 2018 to 34.2% in 2019. SG&A expenses will likely increase by 14.0% YoY on increasing marketing expenses (higher competition). TOA will focus on economy – medium grade products to boost utilization.

In 2019, norm profit is projected to grow 13.3% YoY to THB2.045bn. Profit should grow 16.1% CAGR in the next 3 years (2018-2021). Profit will expand strongly from 2020 onwards, driven mainly by the new plants.

We Create Fortune

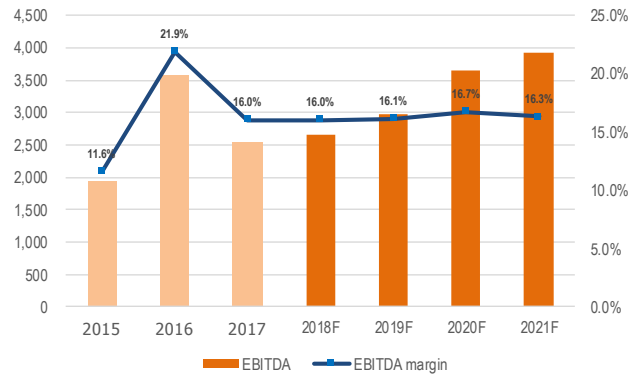
TOA: Initiate – THB 34.50

Figure 10: Core profit & Growth



Source: Company, Yuanta

Figure 11: Quarterly GPM

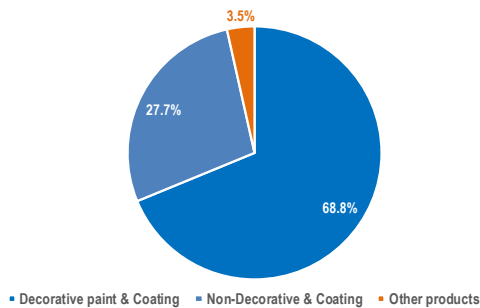


Source: Company, Yuanta

Company profile

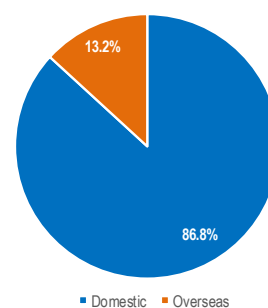
TOA was established by Tangkaravakoon family. The company manufactures and distributes paint and coating products for over 50 years. The main products are classified into 2 main categories. 1. Decorative Paint Products (68.8% of total income in 2017) and 2. Non-Decorative Paint and Coating Products (27.7% of total income in 2017). Domestic sales account for 86.8% of total income and overseas sales account for 13.2% of total income in 2017. Vietnam is the main contributor (7% of total income in 2017). 73.3% of products are sold via retail store, 15.3% via modern trade and 11.4% via other channel.

Figure 12: 2017 Revenue breakdown by products



Source: Company

Figure 13: 2017 Revenue breakdown by geographic



Source: Company data, Yuanta

Based on data from Frost & Sullivan, TOA had the largest retail customer base in 2016, having market share at 49% vs No.2, AkzoNobel, of 14% (3.5x higher).

Figure 14: Domestic market share of decorative products



Source: Company

Decorative Paint and Coating Products – In 2017, this business contributed revenue of THB10.81bn, accounting for 68.8% of total income. There are 9,570 SKUs under 114 brands, including products sold and produced by Captain Coating company and British Paint company. Products are classified into 3 groups; premium grade (42.9% of segment income), medium-economy grade (50.6% of segment income) and other building painting (6.5% of segment income).

- **Premium-grade products** – Durable for temperature and humidity. Products are sold under brands “SuperShield”, “TOA 7 in 1”, “TOA ExtraShield”, “TOA Shield-1 Nano”.
- **Medium-economy grade** – Use normal raw material in the production. Products are suitable for the first try who seeks for money value. Medium-grade products are sold under brands “4 Seasons”, “Super Tech”, “Super Matex”, “ExtraCote” and economy-grade products are sold under brands “KOBÉ”, “Mandarin Duck”, “Homecote” and “Shark”.

Figure 15: Premium grade products in decorative paint category



Source: Company data, Yuanta Research

Figure 16: Mid-Eco grade products in decorative paint category



Source: Company data, Yuanta Research

Non-Decorative Paint and Coating Products – This business contributed income of THB4.358bn in 2017, accounting for 27.7% of total income. There are 3,205SKUs of products under 89 brands.

- **Chemical construction products**
- **Heavy-Duty Coating products** under brand “HeavyGuard” which will strengthen the surface. The products are used on steel surface, concrete surface and floor
- **Other products** – coating products on wooden surface, hardware products, electricity appliances and special painting products

Figure 17: Non-decorative paint and coating products



Source: Company data, Yuanta Research

Figure 18: Market share in non-decorative paint and coating category



Source: Company data, Yuanta Research

We Create **Fortune**

TOA: Initiate – THB 34.50

Risks

1. Weak THB will affect feedstock costs
2. Rising oil price will affect Titanium dioxide and fuel costs, hurting GPM
3. Intense competition in AEC will delay utilization target. Marketing expenses may result in lower-than-expected profit

Financial Summary (Ended Dec)

(THB mn)

Income Statement	2017	2018F	2019F	2020F
Revenue	15,718	16,540	18,506	21,784
Gross Profit	5,367	5,722	6,323	7,617
EBITDA	2,520	2,649	2,983	3,645
SG&A	3,294	3,452	3,773	4,452
Net Interest Income/(Exp)	75	26	9	11
Associates & JV	-	-	-	-
Normalized Income	1,603	1,804	2,044	2,538
Extra Items	107	-	-	-
Net Income (Loss)	1,710	1,804	2,044	2,538

Balance Sheet	2017	2018F	2019F	2020F
Cash & Short-Term Investment	1,816	2,052	2,341	3,343
Account Receivable	3,014	3,121	3,492	4,110
Inventory	2,232	2,302	2,538	2,891
Current Assets	11,698	12,120	13,038	15,046
Property, Plant & Equip (net)	1,945	2,240	2,381	2,447
Other Assets	452	443	478	532
Total Assets	14,095	14,803	15,897	18,025
ST Interest Baring Debt	1,205	1,082	609	708
Account Payable	3,826	3,864	4,351	5,059
LT Interest Baring Debt	-	-	-	-
Other Liabilities	651	483	511	558
Total Liabilities	5,682	5,428	5,471	6,326
Paid-up Capital	2,029	2,029	2,029	2,029
Retained Earnings (Loss)	1,202	2,194	3,318	4,714
Total Shareholder Equity	8,413	9,375	10,426	11,699

Key Cash Flow Statement Data	2017	2018F	2019F	2020F
Net Income	1,710	1,804	2,044	2,538
Depreciation & Amortization	340	380	434	480
Change in Working Capital	(41)	(139)	(120)	(263)
Change in Other ST Asset & Liability	(205)	(101)	(226)	(297)
Cash Flow From Operation	1,804	1,944	2,131	2,458
Capital Expenditure	(386)	(450)	(400)	(350)
Change in LT Investment	(4,000)	(7)	(17)	(29)
Change in Other LT Asset & Liability	11	(221)	(11)	(18)
Cash Flow From Investment	(4,374)	(678)	(428)	(397)
Dividend Paid	(1,497)	(710)	(868)	(1,036)
Equity Raised /(Purchased)	6,874	-	-	-
Change in Debt	(2,522)	(290)	(473)	99
Other Financing Cash Flow	(1,575)	(740)	(941)	(1,159)
Cash Flow From Financing	2,777	(1,030)	(1,414)	(1,060)
Net Cash flow	206	236	289	1,002

Source : Company, Yuanta

Company Profile

The company manufactures and distributes paint and coating products for end user and contractors. The main products are classified into 2 main categories.1. Decorative Paint and Coating Products 2. Non-Decorative Paint and Coating Products such as wood coating products, construction chemical products, heavy duty coating products and hardware

Risks

1. Baht depreciation (Net imports)
2. Increasing of oil price lead to increasing of Titanium dioxide (19% of total COGS).
3. High competition than expected in CLMV lead to a slower utilization rate of new plant should heart GPM.

We Create Fortune

TOA: Initiate – THB 34.50

Financial Summary (Ended Dec.)

Key Ratios	2017	2018F	2019F	2020F
Growth Ratios (%)				
Revenue Growth	(3.6)	5.2	11.9	17.7
EBITDA Growth	(29.3)	5.1	12.6	22.2
Pretax Growth	(32.5)	6.6	13.3	24.2
Net Profit Growth	(32.3)	5.5	13.3	24.2
Norm.Profit Growth	(30.1)	12.6	13.3	24.2

Profitability Ratios (%)	2017	2018F	2019F	2020F
Gross Profit Margin	34.1	34.6	34.2	35.0
EBITDA Margin	16.0	16.0	16.1	16.7
Operating Profit Margin	55.1	55.5	54.6	55.4
Net Profit Margin	10.9	10.9	11.0	11.6
Dividend Payout Ratio	16.6	45.0	45.0	45.0

Liquidity & Efficiency	2017	2018F	2019F	2020F
Cash Conversion Cycle	13.6	15.9	14.4	12.8
Collection Days	69.0	67.9	67.9	67.9
Inventory Days	77.6	76.6	75.0	73.5
Payment Days	133.1	128.6	128.6	128.6
Current Ratio (x)	2.2	2.3	2.5	2.5

Leverage & Expense Analysis	2017	2018F	2019F	2020F
Asset / Liability (x)	2.48	2.73	2.91	2.85
Net Gearing (x)	Cash	Cash	Cash	Cash
Net Interest Cover (x)	28.9	86.5	279.0	297.9
Debt / EBITDA (x)	Cash	Cash	Cash	Cash

Source : Company, Yuanta

Corporate Governance Report Rating (CG Score)



AMATA	BTS	DELTA	EGCO	INTUCH	KTB	MINT	PPS	QTC	SCB	SNC	THCOM	TSC	WAVE
AOT	BWG	DEMCO	GFPT	IRPC	KTC	MONO	PSL	RATCH	SCC	SPALI	TISCO	TTCL	
BAFS	CK	DRT	GPSC	IVL	LHBANK	NKI	PTT	SAMART	SCCC	SSSC	TKT	TU	
BAY	CPF	DTAC	GRAMMY	KBANK	LPN	NYT	PTTEP	SAMTEL	SE-ED	STEC	TMB	VU	
BCP	CPN	DTC	HANA	KCE	MBK	OTO	PTTGC	SAT	SIM	SVI	TNDT	VGI	
BIGC	CSL	EASTW	HIMPRO	KKP	MCOT	PHOL	QH	SC	SITHAI	TCAP	TOP	WACOAL	








2S	ASIMAR	CGH	ERW	IRC	MBKET	PACE	PT	SIAM	SWC	THRE	TRUE	YUASA	
AAV	ASK	CHG	FORTH	JSP	MC	PAP	PTG	SINGER	SYMC	THREL	TSE	ZMICO	
ACAP	ASP	CHO	FPI	K	MEGA	PB	PYLON	SIS	SYNEX	TICON	TSR		
ADVANC	AUCT	CHOW	GBX	KSL	MFC	PCSGH	Q-CON	SMK	SYNTEC	TIPCO	TSTE		
AGE	AYUD	CI	GC	KTIS	MOONG	PDI	RICHY	SMPC	TAE	TK	TSTH		
AH	BANPU	CIMBT	GCAP	L&E	MSC	PE	ROBINS	SMT	TAKUNI	TKS	TTS		
AHC	BBL	CKP	GL	LANNA	MTI	PG	RS	SNP	TASCO	TMC	TTW		
AKP	BDMS	CM	GLOBAL	LH	MTLS	PJW	RWI	SPI	TBSP	TMI	TVD		
ALUCON	BEM	CNS	GLOW	LHK	NCH	PLANB	S	SPPT	TCC	TMILL	TVO		
AMANAHA	BFIT	CNT	GUNKUL	LIT	NOBLE	PM	S&J	SPRC	TF	TMT	TWPC		
ANAN	BLS	COL	HOTPOT	LOXLET	NSI	PPP	SABINA	SR	TFI	TNITY	UAC		
AP	BOL	CPI	HYDRO	LRH	NTV	PR	SALEE	SSF	TGCI	TNL	UP		
APCO	BROOK	DCC	ICC	LST	OCC	PRANDA	SAMCO	SST	THAI	TOG	UPF		
APCS	CEN	EA	ICHI	M	OGC	PREB	SCG	STA	THANA	TPCORP	VIH		
ARIP	CENTEL	ECF	IFEC	MACO	OISHI	PRG	SEAFCO	SUSCO	THANI	TRC	VNT		
ASIA	CFRESH	EE	INET	MALEE	ORI	PRINC	SFP	SUTHA	THIP	TRU	WINNER		



AEC	AS	CBG	DCON	FSMART	IHL	KCAR	MDX	PCA	RCI	SIRI	TACC	TPA	UPOIC
AEONTS	BA	CGD	DIMET	FSS	ILINK	KGI	MFEC	PDG	RCL	SKR	TCCC	TPAC	UT
AF	BEAUTY	CHARAN	DNA	FVC	INSURE	KKC	MJD	PF	RICH	SLP	TCMC	TPCH	UWC
AIRA	BEC	CITY	EARTH	GEL	IRCP	KOOL	MK	PICO	RML	SMIT	TEAM	TPIPL	VIBHA
AIT	BH	CMR	EASON	GIFT	IT	KWC	MODERN	PIMO	RPC	SORKON	TFD	TPOLY	VPO
AJ	BIG	COLOR	ECL	GLAND	ITD	KYE	MPG	PL	SANKO	SPA	TFG	TRITN	VTW
AKR	BJC	COM7	EFORL	GOLD	J	LALIN	NC	PLAT	SAPPE	SPC	TIC	TRT	WICE
AMARIN	BJCHI	CPL	EPCO	GSTEL	JMART	LPH	NCL	PLE	SAWAD	SPCG	TWI	TTI	WIJK
AMATAV	BKD	CSC	EPG	GYT	JMT	MAJOR	NDR	PMTA	SCI	SPVI	TKN	TVI	WIN
AMC	BR	CSP	ESSO	HPT	JUBILE	MAKRO	NEP	PPM	SCN	SSC	TLUXE	TWP	XO
APURE	BROCK	CSR	FE	HTC	JWD	MATCH	NOK	PRIN	SCP	STANLY	TMD	U	
AQUA	BRR	CSS	FER	HTECH	KASET	MATI	NUSA	PSTC	SEAOL	STPI	TNP	UBIS	
ARROW	BTNC	CTW	FOCUS	IFS	KBS	M-CHAI	PATO	QLT	SENA	SUC	TOPP	UMI	

Corporate Governance Report - 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 (SET) and the market for Alternative Investment (MAI) 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, Yuanta Securities (Thailand) Co., Ltd does not confirm nor certify the accuracy of such survey results.

Score Range	Number of Logo	Description
90 - 100		Excellent
80 - 89		Very Good
70 - 79		Good
60 - 69		Satisfactory
50 - 59		Pass

Anti-Corruption Progress Indicator

Companies that have declared their intention to join CAC

2S	AP	BRR	CSS	GLOBAL	J	KYE	MPG	PAF	PSTC	SEAOL	SR	TICON	TSE	VGI
A	APCS	BSBM	EE	GPSC	JMART	L&E	MTLS	PCSGH	PYLON	SE-ED	SRICHA	TIP	TU	VIBHA
ABC	AQUA	BTNC	EPCO	GREEN	JMT	LPN	NBC	PDG	QH	SENA	STA	TKT	TVD	VNT
AEC	ASIAN	CGH	FC	GUNKUL	JUBILE	LVT	NINE	PDI	RML	SGP	SUSCO	TLUXE	TVO	WAVE
AF	ASK	CHOTI	FER	HMPRO	JUTHA	M	NMG	PIMO	ROBINS	SITHAI	SYNTEC	TMILL	TVT	WHA
AI	BCH	CHOW	FNS	ICHI	K	MBAX	NNCL	PK	ROH	SMIT	TAE	TMT	U	WICE
AIRA	BEAUTY	CM	FPI	IEC	KASET	MC	NTV	PLANB	SANKO	SMK	TAKUNI	TPA	UBIS	WIJK
ALUCON	BFIT	COL	FSMART	IFS	KBS	MCOT	NUSA	PLAT	SAUCE	SORKON	TASCO	TPP	UKEM	XO
AMATA	BJCHI	CPALL	GEL	ILINK	KCAR	MIDA	OCC	PRANDA	SC	SPACK	TBSP	TRT	UOBKH	
ANAN	BROCK	CPF	GFPT	INET	KSL	MILL	OGC	PRG	SCCC	SPPT	TFG	TRU	UREKA	
AOT	BROOK	CSC	GIFT	IRC	KTECH	ML	PACE	PRINC	SCN	SPRC	TFI	TRUE	UWC	

Companies certified by CAC

ADVANC	BBL	CIMBT	DRT	FSS	INTUCH	KTC	MONO	PE	PT	S & J	SMPC	SVI	THREL	TOP
AKP	BCP	CNS	DTAC	GBX	IRPC	LANNA	MOONG	PG	PTG	SABINA	SNC	TCAP	TIPCO	TPCORP
AMANAH	BKI	CPI	DTC	GCAP	IVL	LHBANK	MSC	PHOL	PTT	SAT	SNP	TCMC	TISCO	TSC
ASP	BLA	CPN	EASTW	GLOW	KBANK	LHK	MTI	PM	PTTEP	SCB	SPC	TF	TMB	TSTH
AYUD	BTS	CSL	ECL	HANA	KCE	MBK	NKI	PPP	PTTGC	SCC	SPI	TGCI	TMD	TTCL
BAFS	BWG	DCC	EGCO	HTC	KGI	MBKET	NSI	PPS	Q-CON	SCG	SSF	THANI	TNITY	TVI
BANPU	CENDEL	DEMOO	ERW	ICC	KKP	MFC	OCEAN	PR	QLT	SINGER	SSI	THCOM	TNL	WACOAL
BAY	CFRESH	DIMET	FE	IFEC	KTB	MINT	PB	PSL	RATCH	SIS	SSSC	THRE	TOG	

N/A

AAV	ARROW	BOL	CNT	EMC	HFT	KWG	MJD	PAP	RICHY	SFP	STPI	THL	TSF	UVAN
ABICO	AS	BBP	COLOR	EPG	HOTPOT	LALIN	MK	PATO	RJH	SGF	SUC	TIC	TSI	VARO
ACAP	ASAP	BR	COM7	ESSO	HPT	LDC	MM	PCA	ROCK	SHANG	SUPER	TIW	TSR	VI
ACC	ASEFA	BRC	COMAN	ESTAR	HTECH	LEE	MODERN	PERM	ROJUNA	SIAM	SUTHA	TK	TSTE	VIH
ADAM	ASIA	BSM	CPH	ETE	HYDRO	LH	MPIC	PF	RP	SIM	SVH	TKN	TTA	VNG
AEONTS	ASIMAR	BTC	CPL	EVER	IHL	LIT	NC	PICO	RPC	SIMAT	SVOA	TKS	TTI	VPO
AFC	ASN	BTW	CPR	F&D	INOX	LOXLEY	NCH	PJW	RPH	SIRI	SWC	TM	TTL	VTE
AGE	ATP30	BUI	CRANE	FANCY	INSURE	LPH	NCL	PL	RS	SKR	SYMC	TMC	TTTM	WG
AH	AU	CBG	CSP	FMT	IRCP	LRH	NDR	PLE	RWI	SLP	SYNEX	TMI	TTW	WHAUP
AHC	AUCT	CCET	CSR	FN	IT	LST	NEP	PMTA	S	SMART	T	TMW	TUCC	WIN
AIE	BA	CCN	CTW	FOCUS	ITD	LTX	NETBAY	POLAR	S11	SMM	TACC	TNDT	TWP	WINNER
AIT	BAT-3K	CCP	CWT	FORTH	ITEL	MACO	NEW	POMPUI	SAFARI	SMT	TAPAC	TNH	TWPC	WORK
AJ	BCPG	CEN	D	FVC	JAS	MAJOR	NEWS	POST	SALEE	SOLAR	TC	TNP	TWZ	WORLD
AJA	BDMS	CGD	DOON	GC	JCT	MAKRO	NFC	PPM	SAM	SPA	TCB	TNCP	TYCN	WP
AKR	BEC	CHARAN	DCORP	GENCO	JSP	MALEE	NOBLE	PRAKIT	SAMART	SPALI	TCC	TNR	UAC	WR
ALLA	BEM	CHEWA	DELTA	GGC	JTS	MANRIN	NOK	PREB	SAMCO	SPCG	TCCC	TOPP	UEC	YCI
ALT	BGT	CHG	DNA	GJS	JWD	MATCH	NPK	PRECHA	SAMTEL	SPG	TCJ	TPAC	UMI	YNP
AMA	BH	CHO	DSGT	GL	KAMART	MATI	NPP	PRIN	SAPPE	SPORT	TCOAT	TPBI	UMS	YUASA
AMARIN	BIG	CHUO	DTCI	GLAND	KC	MAX	NVD	PRO	SAWAD	SPVI	TEAM	TPCH	UNIQ	ZMICO
AMATAV	BIGC	CI	EA	GOLD	KCM	M-CHAI	NWR	PSH	SAWANG	SQ	TFD	TIPL	UP	
AMC	BIZ	CIG	EARTH	GRAMMY	KDH	MCS	NYT	PTL	SCI	SSC	TGPRO	TPPP	UPA	
APCO	BJC	CITY	EASON	GRAND	KIAT	MDX	OHTL	QTC	SCP	SST	TH	TPOLY	UPF	
APURE	BKD	CK	ECF	GSTEL	KKC	MEGA	OISHI	RAM	SE	STANLY	THAI	TR	UPOIC	
APX	BLAND	CKP	EFORL	GTB	KOOL	METCO	ORI	RCI	SEAFECO	STAR	THANA	TRC	UT	
AQ	BLISS	CMO	EIC	GYT	KTIS	MFEC	OTO	RCL	SELIC	STEC	THE	TRITN	UTP	
ARIP	BM	CMR	EKH	HARN	KWC	MGT	PAE	RICH	SF	STHAI	THIP	TRUBB	UV	

Disclosure: List of companies that intend to join Thailand's Private Sector Collective Action Coalition Against Corruption program from Thaipat Institute (last update: 27 January 2017) which have 2 groups;

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

Anti – Corruption Progress Indicator - 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. Thai Institute of Directors 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, Yuanta Securities (Thailand) Co., Ltd does not confirm, verify, or certify the accuracy and completeness of the assessment result.

Headquarter - Gaysorn 127 Gaysorn Tower, 14-16fl., Ratchadamri Rd., Lumpini, Pathumwan, Bangkok, 10330 Tel. 0 2009 8888 Fax. 0 2009 8889	AMARIN 496-502 Amarin Tower 8fl. Ploenchit Rd., Lumpini, Pathumwan, Bangkok, 10330 Tel. 0 2120 3241 Fax. 0 2256 9596	RUAMCHOK MALL 189 Ruamchok Mall 2fl. Zone C, Unit No. 104, Moo 6, TambonFaham, Chiang Mai, 50000 Tel. 0 5208 1430 Fax. 0 5323 0138
ASOKE 50 GMM Grammy Place, 18 th Floor, Sukhumvit Road, Klongtoey Nua, Wattana, Bangkok 10110 Tel. 0 2120 3050 Fax. 0-2258 0374-5	BANGKAPI 3522 The Mall Bangkapi 8fl. Lat Phrao Rd., Klong Chan, Bangkapi, Bangkok, 10240 Tel. 0 2120 3000 Fax. 0 2363 3075	SRINAKARINDRA 399 S4U Office Building's 1fl., Moo 5, Srinakarindra Rd., Tambon Bang Mueang, Amphoe Mueang, SamutPrakan 10270 Tel. 0 2181 4750 Fax.0 2386 0252
BANGNA 10393/56 Central City Bangna Tower 11fl., Bangna-Trad Rd., Bangna, Pra-kanong, Bangkok, 10260 Tel. 0 2745 6458 66 Fax. 0 2745 6467	ARI 388 S.P. Basement fl. PaholyothinRd.,SamsenNai, Phayathai, Bangkok, 10400 Tel. 0 2120 3350 Fax. 0 2278 1247	HAT YAI Asian city resort Building 2nd Floor 1468/126-128 Karnchanavanit Rd. Hat yai, Amphoe Hat Yai Songkhla 90110 Tel. 0 7455 9200, 0 7455 9440
VACHARAPOL 78/26, SoiVacharapol 2, ThaRaeng, Bangkhen, Bangkok 10230 Tel. 0 2120 3170 Fax. 0 2363 6629	SAMUT SAKHON 237/351, Ekkachai Road, TambonMahachai, Amphoe Muang, SamutSakhon74000 Tel. 0 3442 1112 Fax. 0 3442 1127	HAT YAI 2 The Rise Residence Unit No.11/103, Prachayindee Rd., Amphoe Hat Yai, Songkhla 90110 Tel. 0 7420 6190, 0 7420 6199
NANA 142 Two Pacific Place 15fl., Sukhumvit Rd., North Klongtoey, Klongtoey, Bangkok, 10110 Tel. 0 2120 3200 Fax. 0 2254 9954	RAYONG 125/1 Chan Udom Rd., Tambonchoengnoen , Amphoe Muang, Rayong, 21000 Tel. 0 3867 3000-12 Fax. 0 3861 7490	KHON KAEN 561/27-28 Na Muang Road, TambonNai Muang, Amphoe Muang, KhonKaen 40000 Tel. 0 4322 6944 Fax. 0 4322 5344
PARADISEPARK 61Paradise Park 4fl. Srinakarin Rd.,Nongbon, Prawet, Bangkok, 10250 Tel. 0 2120 3300 Fax. 0 2787 1443	CHONBURI 98/16 Moo5, TambonHuaykapi, Amphoe Muang, Chonburi 20130 Tel. 0 3838 4931-37 Fax. 0 8338 4794	NAKHON SI THAMMARAT 155/8 PhatthanakanKhuKhwang Rd., Nai-Muang, Muang, Nakhon Si Thammarat, 80000 Tel. 0 7534 4955 Fax. 0 7534 4956
RATTANATHIBET 145 Tiwanond Rd., Tambon Bangkrasor, Amphoe Muang Nonthaburi, Nonthaburi, 11000 Tel. 0 2120 3270 Fax. 0 2580 7765	PITSANULOK 169/2-3-4 Baromtrailokanart Road, TambonNai Muang, Amphoe Muang, Pitsanulok, 65000 Tel. 0 5524 3060 Fax. 0 5525 9455	SURIN 1 91 SoiTadok, KrungsriNai Road, Tambon Nai Muang, Amphoe Muangsurin, Surin, 32000 Tel. 0 4406 9070 Fax. 0 4451 2442
Crystal Park 199, Building D, 1 st Floor, Room No.106-107 Praditmanutham Road, Lat Phrao, Ladprao, Bangkok10230 Tel. 0 2120 3510 Fax. 0 2515 0875	CHIANG MAI 179/43 Mahidol Road, TambonHayya, Amphoe Muang, Chiang Mai 50000 Tel. 0 5328 2233-35, Fax. 0 5327 1068	NGAMWONGWAN 30/39-50 The Mall Ngamwongwan 11fl. Ngamwongwan Rd., Nontaburi, Nontaburi, 11000 Tel. 0 2120 3100 Fax. 0 2550 0499
CHAENGWATTANA 99/9 Central Chaengwattana Unit No. 1106 11 fl. Bangtalard, Pakkret, Nontaburi 11120 Tel. 0 2120 3660 Fax. 0 2193 8149	BONMARCHE 91 Unit No. 105/1 Room E204 Tessabamsongkroa Rd, Ladyao, Jatujak, Bangkok 10900 Tel. 0 2120 3630 Fax. 0 2002 5551	Silom Road 62 Thaniya Building, Room 407, 410 4 th Floor, Silom Road, Suriyawong, Bangrak, Bangkok 10500 Tel. 0 2120 3380 Fax. 0 2120 3380
SURIN SOI TONKOON 574 / 6-7 Moo 19, Nong Muang, Surin 32000 Tel. 0 4406 9040 Fax. 0 4451 2447	HUA HIN No. 8/89 Blueport Shopping Center Soi Nong Ka Village, Nong Ka District, Hua Hin, Prachuabkirikhan 77110 Tel. 0 3252 3270	THA PHRA 99 The Mall Thapra Mall Building, 9th Floor, Ratchadapisek Road, Bukkaloo, Thonburi, Bangkok 10600 Tel. 0 2120 3560 Fax. 0 2477 7217
UBON RATCHATHANI 941, 1st Floor, Chayangkul Road, Naimueang Sub-District, Mueang District, Ubon Ratchathani 34000 Tel. 0 4595 9456 Fax. 0 4531 2132	CENTRAL CHONBURI No. 55 / 35-36 Moo 1, Samet, Muang, Chonburi, Chonburi 20000 Tel. 0 3313 5119 Fax. 0 3805 3839	Phuket No. 1 / 6-7 Tungka Road, Talad Yai, Mueang Phuket 83000 Tel 0 7668 1700 Fax 0 7635 4020
Central Ladprao No. 1693 Office Building Central Ladprao 11 th Floor, Room 1101, Phaholyothin Road, Chatuchak, Bangkok 10900 Tel. 0 2120 3700 Fax. 0 2541 1505	Mahachai 67/518 Moo 4, Ekachai Road, Khokham, Muang, Samutsakhon 74000 Tel. 0 3411 9719 Fax. 0 3442 9202	Samakee Chiang Mai Commercial Association 71 3 rd Floor, Tung Hotel, Tambon Wat Gate, Muang District, Chiang Mai 50000 Tel 0 5208 1460 โทรสาร 0 5324 0206
Kluaynamthai 3803 Qiss Mall, Ground Floor, Room A1-G04, Rama IV Road, Prakanong, Klongtoey, Bangkok 10110 Tel. 0 2120 3770 Fax. 0 2339 3865		

Disclaimer:

This report is prepared by Yuanta Securities (Thailand) Co., Ltd for information purposes only. Information contained herein has been obtained from sources believed to be reliable. However, Yuanta Securities (Thailand) Co., Ltd makes no warranties and gives no assurance as to its accuracy and completeness, so future results or events will not be responsible. Investors should carefully use discretion before making an investment. No part of this report can be reproduced, altered, copied or distributed without the prior written consent of Yuanta Securities (Thailand) Co., Ltd.

Ratings Definitions

- (1) (BUY) Return may exceed 15% over the next 12 months (including dividends)
- (2) (TRADING BUY) Return may range between -10% to +15% over the next 3 months (including dividends)
- (3) (SELL) Return may be lower than -10% over the next 12 months (including dividends)
- (4) (Not Rated) Stock is not within research coverage

Opinions or recommendations contained herein are in the form of technical ratings and fundamental ratings. Fundamental ratings may differ from technical ratings. Investors are advised to review the information in this report carefully before making investment decisions

Research Department

Fundamental Analyst		Sector	Email Address	Tel.
Mayuree Chowvikran, CISA	Head of Research		mayuree.c@yuanta.co.th	0-2009-8050
Wichuda Plangmanee	Fundamental Analyst	Construction Service, Commerce	wichuda.p@yuanta.co.th	0-2009-8069
Thakol Banjongruck	Fundamental Analyst	Auto, Media, Health Care	thakol.b@yuanta.co.th	0-2009-8067
Theethanat Jindarat	Fundamental Analyst	Small-Mid Capitalization	theethanat.j@yuanta.co.th	0-2009-8071
Vorapoj Hongpinyo	Fundamental Analyst	Property, Industrial Estate	vorapoj.h@yuanta.co.th	0-2009-8072
Supachai Wattanavitheskul	Fundamental Analyst	ICT, Electronic, Small Cap	supachai.w@yuanta.co.th	0-2009-8066
Chattra Chaipunuiyaporn	Fundamental Analyst	Banking, Finance	chattra.c@yuanta.co.th	0-2009-8056
Parinth Nikornkittikosol	Fundamental Analyst	Energy, Petrochemical	Parinth.n@yuanta.co.th	0-2009-8075
Tus Sanguankijvibul	Assistant Fundamental Analyst	Tourism, Transportation		
Kansiri Kara	Assistant Fundamental Analyst			
Atitthep Ittiviluk	Assistant Fundamental Analyst			
Sarin Wutthisirisart	Assistant Fundamental Analyst			
Veena Naidu	Institution Analyst		veena.n@yuanta.co.th	0-2009-8070
Teerapat Tangpatjaroen	Assistant Institution Analyst			
Strategist			Email Address	Tel.
Padon Vannarat	Senior Strategist		padon.v@yuanta.co.th	0-2009-8060
Piyapat Patarapuvadol	Strategist		piyapat.p@yuanta.co.th	0-2009-8062
Nutt Treepoonsuk	Strategist		nutt.t@yuanta.co.th	0-2009-8059
Suvichak Thappang	Assistant Strategist			
Technical Analyst			Email Address	Tel.
Apisit Limthumrongkul	Technical Analyst		apisit.l@yuanta.co.th	0-2009-8052
Charnwit Teekawatthanathikul	Assistant Technical Analyst			
Data Support			Email Address	Tel.
Somjit Viroontanee	Support			
Angsumalin Kumvong	Support			
Peeraya Wiangphoem	Support			