

Singapore

**HOLD** (no change)

Consensus ratings\*: Buy 9 Hold 9 Sell 3

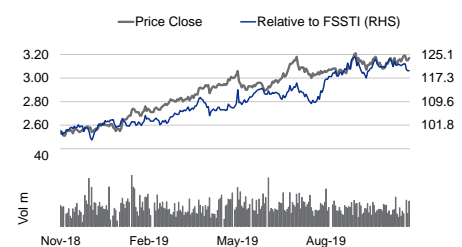
Current price:	S\$3.17
Target price:	S\$3.15
Previous target:	S\$3.12
Up/downside:	-0.6%
CGS-CIMB / Consensus:	1.3%

Reuters:	AEMN.SI
Bloomberg:	AREIT SP
Market cap:	US\$7,254m
	S\$9,867m
Average daily turnover:	US\$22.24m
	S\$30.66m
Current shares o/s:	3,108m
Free float:	80.3%

\*Source: Bloomberg

**Key changes in this note**

- FY19-21F DPU adjusted from -2.3% to +1.6% after incorporating the impact of the acquisitions.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	1.6	3.6	25.8
Relative (%)	-1.9	5.8	18.8

Major shareholders	% held
Ascendas	19.0
Blackrock	8.0
Mondrian Investment Partners	4.8

# Ascendas REIT

## Maiden entry into the US

- AREIT announced acquisitions of 30 business parks in the US and Singapore for S\$1.66bn at a blended yield of 6.5% and S\$1.31bn rights issue.
- 2Q/1HFY19 results in line at 33%/66% of our FY19 forecasts as AREIT had higher than expected reversions although occupancy came down slightly.
- We maintain our Hold call with a higher TP of S\$3.15.

### Expansion into the US with 28 properties and another two in SG

AREIT announced the proposed acquisitions of 28 business parks in the US (Raleigh, Portland and San Diego) and another two in Singapore for a purchase consideration of S\$1.66bn from its new Sponsor for a pre-cost NPI yield of 6.4% and 6.7% respectively. The acquisitions will comprise a total net lettable area of 359,864 sqm and have an occupancy rate of 93.8%. Overseas exposure will increase to 28% of enlarged S\$12.8bn AUM; AREIT's strategy is for overseas assets in developed markets to account for 30-40% of AUM. AREIT expects to complete all acquisitions in 4Q19.

### Acquisitions funded by a S\$1.31bn rights issue at S\$2.63

The acquisitions will be funded by a combination of debt and equity; the renounceable rights issue of c.498m new units will be at an issue price of S\$2.63, a c.17% discount to its last traded price and c.15% discount to its theoretical ex rights price of S\$3.0955 per unit. Post-acquisition, AREIT expects gearing to improve from 36.2% to 34.6%.

### 2Q/1HFY19 DPU in line at 33%/66% of our FY19 forecasts

2Q/1HFY19 DPU of 3.978/7.983 Scts (+2.3%/1.2% yoy) was in line at 33%/66% of our FY19 forecasts. Gross revenue and NPI were relatively flat qoq as lower occupancy in Singapore and the UK were offset by new take-up and liquidated damages received in relation to an Australian pre-termination.

### 4.0% reversion highest amongst peers although occupancy down

AREIT achieved an average portfolio rent reversion of 4.0% for leases renewed in 2Q19. AREIT expects positive low single-digit reversions to continue for FY19. Portfolio occupancy was down to 91.0% (91.1% in 1Q19) due to weaker Singapore portfolio occupancy of 88.1% (88.9% in 1Q19) and expiry of some rental guarantees in the UK which caused a 97.7% occupancy (100% in 1Q19); these were slightly offset by an occupancy uptick in Australia to 95.4% (92.3% in 1Q19).

### Maintain Hold with a DDM-based TP of S\$3.15

We had previously included a base case of S\$500m acquisition with a higher debt funding ratio. We lift FY19F DPU by 1.6% and cut FY20-21F DPU by 2.3% after incorporating the S\$1.66bn acquisitions. This lifts our TP to S\$3.15. We are positive on the acquisitions as they deepen AREIT's business park exposure and gives it a base upon which to scale up in the US real estate market. Downside risks: major tenant non-renewals and slower recovery of industrial rents. Interest rate cuts may be an upside risk.

**Analyst(s)**



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Financial Summary	Mar-17A	Mar-18A	Mar-19A	Dec-19F	Dec-20F	Dec-21F
Gross Property Revenue (S\$m)	831	862	886	704	1,120	1,161
Net Property Income (S\$m)	611.0	629.4	649.6	527.6	825.2	858.2
Net Profit (S\$m)	452.4	486.8	514.2	383.0	582.8	627.8
Distributable Profit (S\$m)	446.3	468.0	470.4	380.8	584.9	600.4
Core EPS (S\$)	0.17	0.16	0.15	0.12	0.17	0.17
Core EPS Growth	16.9%	(6.3%)	(5.0%)	(19.9%)	40.7%	0.1%
FD Core P/E (x)	18.37	19.60	20.63	25.76	18.31	18.28
DPS (S\$)	0.16	0.16	0.16	0.12	0.16	0.17
Dividend Yield	4.97%	5.04%	5.06%	3.86%	5.10%	5.23%
Asset Leverage	33.4%	34.0%	35.9%	36.1%	35.2%	35.2%
BVPS (S\$)	2.17	2.22	2.23	2.23	2.29	2.29
P/BV (x)	1.46	1.43	1.42	1.42	1.39	1.38
Recurring ROE	7.96%	7.38%	6.90%	5.51%	7.65%	7.57%
% Change In DPS Estimates				1.61%	(2.30%)	(2.36%)
CGS-CIMB/Consensus DPS (x)					1.00	0.99

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 1: Results comparison**

FYE Mar (\$\$ m)	2Q		yoy % chg	qoq % chg	1HFY19		1HFY18/19		yoy % chg	Prev. FY19F	Comments
	FY19	FY18/19			Cum	Cum					
Revenue	229.6	218.1	5.3	(0.0)	459.3	434.7	5.7	704.4	2Q/1HFY19 in line at 33%/65% of our FY19 forecasts		
Property operating expenses	(51.7)	(59.2)	(12.7)	(1.0)	(103.9)	(116.6)	(10.9)	(176.9)			
NPI	177.9	158.9	12.0	0.3	355.4	318.1	11.7	527.6	2Q/1HFY19 in line at 34%/67% of our FY19 forecasts; higher NPI margins yoy due to the implementation of FRS116 for leases		
<i>NPI margin (%)</i>	<i>77.5</i>	<i>72.8</i>			<i>77.4</i>	<i>73.2</i>		<i>74.9</i>			
Interest expense	(40.0)	(31.6)	26.5	(2.6)	(81.1)	(60.8)	33.4	(93.3)			
Interest & invt inc	2.7	2.6	2.4	(2.4)	5.5	5.0	8.3	0.8			
Manager & trustee fees	(16.3)	(15.7)	3.8	0.5	(32.5)	(30.5)	6.5	(50.7)			
Associates' contrib	0.1	0.1	2.4	(3.0)	0.3	0.2	7.3	-			
Other trust expenses	(21.4)	7.9	(370.5)	179.7	(29.1)	(13.3)	118.4	-			
Exceptionals & revaln	24.0	(2.3)	nm	(3.6)	48.8	16.3	199.2	-			
Pretax profit	127.0	119.9	5.9	(9.5)	267.2	235.1	13.7	384.4			
Tax	(3.9)	(2.4)	62.7	56.4	(6.4)	(4.8)	32.4	(1.4)			
<i>Tax rate (%)</i>	<i>3.1</i>	<i>2.0</i>			<i>2.4</i>	<i>2.0</i>		<i>0.4</i>			
Minority interests	-	0.0	na	nm	-	0.0	(100.0)	-			
Perpetual securities	(3.6)	(3.6)	-	-	(14.3)	(14.3)	na	(10.7)			
Net profit	119.5	113.9	4.9	(10.9)	246.6	216.0	14.2	372.3			
Distr profit	123.8	115.0	7.6	(0.7)	248.5	232.3	7.0	380.8	2Q/1HFY19 in line at 33%/65% of our FY19 forecasts		
DPU (\$ cts)	3.98	3.89	2.3	(0.7)	7.98	7.89	1.2	12.04	2Q/1HFY19 in line at 33%/66% of our FY19 forecasts		

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 2: Earnings revisions**

	FY19F			FY20F			FY21F		
	New	Old	% chg	New	Old	% chg	New	Old	% chg
Revenue (\$\$m)	704.4	704.4	0.0%	1,119.8	996.2	12.4%	1,161.1	1,033.5	12.3%
NPI (\$\$m)	527.6	527.6	0.0%	825.2	745.0	10.8%	858.2	775.4	10.7%
DI (\$\$m)	380.8	380.8	0.0%	584.9	532.6	9.8%	614.7	547.0	12.4%
DPU (\$ cts)	12.2	12.0	1.6%	16.2	16.6	-2.3%	17.0	17.0	0.0%

SOURCES: CGS-CIMB RESEARCH

**Figure 3: DDM-valuation**

Year	FY20F	FY21F	FY22F	FY23F	FY24F	Terminal value
DPU (\$ cts)	16.18	16.98	17.45	18.19	18.61	355.35
PV of sum of explicit forecasts (\$\$)	0.70					
PV of terminal value (\$\$)	2.45					
<b>Target price (\$\$)</b>	<b>3.15</b>					

**Assumptions**  
 LTG: 2.32%  
 COE: 7.68%

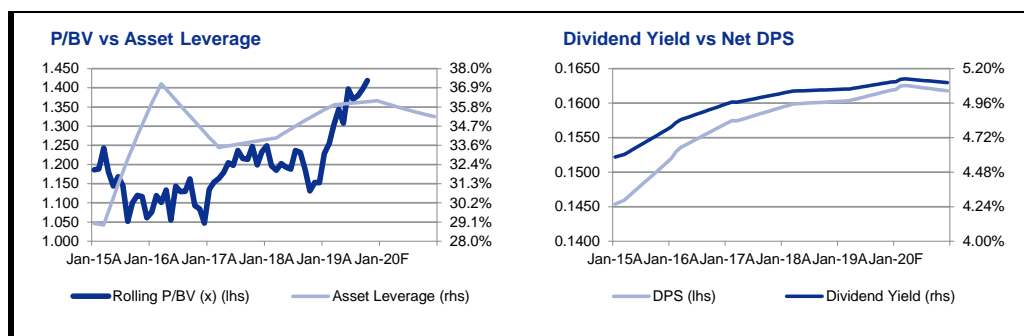
SOURCES: CIMB, COMPANY REPORTS

**Figure 4: S-REIT peer comparison table**

SREIT	Bloomberg Ticker	Price as at 31 Oct 19	Mkt Cap (US \$m)	Last reported asset leverage	Last stated NAV	Price / Stated NAV	Target Price (DDM-based)	Rec.	FY19F Yield	FY20F Yield	FY21F Yield
<b>Hospitality</b>											
Ascott Residence Trust	ART SP	\$1.37	\$2,192	33.0%	1.27	1.08	\$1.34	H	5.2%	5.2%	5.4%
Ascendas Hospitality Trust	ASCHT SP	\$1.04	\$861	34.1%	0.92	1.13	NA	NR	5.8%	5.6%	5.6%
CDL Hospitality Trust	CDREIT SP	\$1.64	\$1,461	36.3%	1.50	1.10	\$1.83	A	5.4%	5.8%	6.0%
Far East Hospitality Trust	FEHT SP	\$0.74	\$1,040	39.6%	0.86	0.85	\$0.70	H	5.3%	5.4%	5.4%
Frasers Hospitality Trust	FHT SP	\$0.70	\$1,667	35.0%	0.74	0.95	NA	NR	4.6%	4.7%	5.0%
<b>Simple Average</b>				<b>36.1%</b>		<b>1.01</b>			<b>5.6%</b>	<b>5.6%</b>	<b>5.8%</b>
<b>Industrial</b>											
AIMS AMP	AAREIT SP	\$1.45	\$721	33.5%	1.36	1.07	NA	NR	7.1%	7.1%	7.2%
Ascendas REIT	AREIT SP	\$3.17	\$7,254	36.2%	2.05	1.55	\$3.15	H	3.9%	5.1%	5.2%
Cache Logistics Trust	CACHE SP	\$0.74	\$584	38.3%	0.64	1.15	\$0.73	H	7.6%	7.8%	7.8%
ESR-REIT	EREIT SP	\$0.53	\$1,356	41.6%	0.46	1.14	\$0.60	A	7.4%	7.2%	7.4%
Frasers Logistics & Industrial Trust	FLT SP	\$1.27	\$2,100	35.4%	0.90	1.41	\$1.27	A	5.0%	5.1%	5.6%
Keppel DC REIT	KDCREIT SP	\$2.02	\$2,420	28.9%	1.09	1.85	\$1.88	H	3.9%	4.4%	4.6%
Mapletree Industrial Trust	MINT SP	\$2.56	\$4,141	29.2%	1.55	1.65	\$2.44	H	4.8%	5.0%	5.2%
Mapletree Logistics Trust	MLT SP	\$1.70	\$4,549	37.0%	1.17	1.45	\$1.55	H	4.7%	4.7%	4.7%
Sabana Shariah	SSREIT SP	\$0.45	\$334	30.9%	0.56	0.79	NA	NR	na	na	na
Soilbuild Business Space REIT	SBREIT SP	\$0.58	\$442	39.4%	0.62	0.94	NA	NR	8.6%	8.3%	8.3%
<b>Simple Average</b>				<b>35.0%</b>		<b>1.55</b>			<b>5.9%</b>	<b>6.1%</b>	<b>6.2%</b>
<b>Office</b>											
CapitaLand Commercial Trust	CCT SP	\$2.05	\$5,813	35.5%	1.81	1.13	\$2.25	A	4.4%	4.4%	4.4%
Frasers Commercial Trust	FCOT SP	\$1.60	\$1,074	28.6%	1.61	0.99	\$1.71	A	6.0%	6.3%	6.5%
Keppel REIT	KREIT SP	\$1.22	\$3,050	38.9%	1.35	0.90	\$1.35	A	4.7%	4.9%	4.8%
OUE Commercial REIT	OUECT SP	\$0.55	\$2,155	39.4%	0.71	0.77	\$0.61	H	6.3%	6.3%	6.3%
Suntec REIT	SUN SP	\$1.86	\$3,830	38.2%	2.07	0.90	\$2.12	A	5.2%	5.2%	5.5%
<b>Simple Average</b>				<b>36.1%</b>		<b>0.94</b>			<b>5.3%</b>	<b>5.4%</b>	<b>5.5%</b>
<b>Retail</b>											
CapitaLand Mall Trust	CT SP	\$2.55	\$6,915	34.4%	2.04	1.25	\$2.64	H	4.6%	4.9%	4.9%
Frasers Centrepoint Trust	FCT SP	\$2.71	\$2,226	32.9%	2.11	1.28	\$2.89	A	4.5%	4.7%	4.8%
Mapletree Commercial Trust	MCT SP	\$2.36	\$5,372	33.1%	1.59	1.48	\$2.39	H	3.9%	4.0%	4.1%
SPH REIT	SPHREIT SP	\$1.15	\$2,197	30.1%	0.94	1.22	\$1.09	H	4.9%	4.9%	5.0%
Starhill Global REIT	SGREIT SP	\$0.75	\$1,196	35.7%	0.88	0.85	\$0.75	H	6.0%	6.0%	6.0%
<b>Simple Average</b>				<b>33.2%</b>		<b>1.22</b>			<b>4.8%</b>	<b>4.9%</b>	<b>5.0%</b>
<b>Overseas-centric</b>											
CapitaLand Retail China Trust	CRCT SP	\$1.46	\$1,169	33.8%	1.59	0.92	NA	NR	7.0%	7.1%	7.5%
Lippo Malls Indonesia Retail Trust	LMRT SP	\$0.24	\$500	34.6%	0.29	0.82	\$0.27	H	10.1%	10.4%	na
Mapletree North Asia Commercial Trust	MAGIC SP	\$1.29	\$3,023	37.1%	1.43	0.90	\$1.47	A	5.9%	6.2%	6.3%
Sasseur REIT	SASSR SP	\$0.81	\$707	29.7%	0.86	0.93	\$0.94	A	8.2%	8.8%	9.5%
<b>Simple Average</b>				<b>34.5%</b>		<b>0.95</b>			<b>7.8%</b>	<b>8.1%</b>	<b>7.8%</b>
<b>Healthcare</b>											
First REIT	FIRT SP	\$1.03	\$602	34.5%	1.02	1.01	\$1.23	A	8.6%	8.6%	8.5%
Parkway Life REIT	PREIT SP	\$3.32	\$1,477	37.2%	1.84	1.80	#N/A	#N/A	na	na	na
<b>Simple Average</b>				<b>35.9%</b>		<b>1.41</b>			<b>8.6%</b>	<b>8.6%</b>	<b>8.5%</b>
<b>Simple average for SIN</b>				<b>35.1%</b>		<b>1.13</b>			<b>5.9%</b>	<b>6.0%</b>	<b>6.0%</b>

SOURCES: CGS-CIMB, COMPANY REPORTS, BLOOMBERG

## BY THE NUMBERS



### Profit & Loss

(\$m)	Mar-17A	Mar-18A	Mar-19A	Dec-19F	Dec-20F	Dec-21F
Rental Revenues	830.6	862.1	886.2	704.4	1,119.8	1,161.1
Other Revenues	0.0	0.0	0.0	0.0	0.0	0.0
<b>Gross Property Revenue</b>	<b>830.6</b>	<b>862.1</b>	<b>886.2</b>	<b>704.4</b>	<b>1,119.8</b>	<b>1,161.1</b>
Total Property Expenses	(219.6)	(232.7)	(236.6)	(176.9)	(294.6)	(302.9)
<b>Net Property Income</b>	<b>611.0</b>	<b>629.4</b>	<b>649.6</b>	<b>527.6</b>	<b>825.2</b>	<b>858.2</b>
General And Admin. Expenses	0.0	0.0	0.0	0.0	0.0	0.0
Management Fees	(48.4)	(50.7)	(54.4)	(42.3)	(81.5)	(65.8)
Trustee's Fees	(10.4)	(7.7)	(7.7)	(8.4)	(13.0)	(13.2)
Other Operating Expenses	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBITDA</b>	<b>552.1</b>	<b>571.0</b>	<b>587.5</b>	<b>476.9</b>	<b>730.7</b>	<b>779.2</b>
Depreciation And Amortisation	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBIT</b>	<b>552.1</b>	<b>571.0</b>	<b>587.5</b>	<b>476.9</b>	<b>730.7</b>	<b>779.2</b>
Net Interest Income	(110.6)	(100.8)	(116.0)	(92.5)	(139.8)	(142.5)
Associates' Profit	0.5	0.5	0.5	0.0	0.0	0.0
Other Income/(Expenses)	21.4	5.3	5.1	0.0	0.0	0.0
Exceptional Items	(30.0)	13.6	51.5	0.0	0.0	0.0
<b>Pre-tax Profit</b>	<b>433.4</b>	<b>489.6</b>	<b>528.6</b>	<b>384.4</b>	<b>590.9</b>	<b>636.7</b>
Taxation	19.0	(2.8)	(14.4)	(1.4)	(8.1)	(8.8)
Minority Interests	0.0	0.0	0.0	0.0	0.0	0.0
Preferred Dividends	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net Profit</b>	<b>452.4</b>	<b>486.8</b>	<b>514.2</b>	<b>383.0</b>	<b>582.8</b>	<b>627.8</b>
<b>Distributable Profit</b>	<b>446.3</b>	<b>468.0</b>	<b>470.4</b>	<b>380.8</b>	<b>584.9</b>	<b>600.4</b>

### Cash Flow

(\$m)	Mar-17A	Mar-18A	Mar-19A	Dec-19F	Dec-20F	Dec-21F
<b>Pre-tax Profit</b>	<b>433.4</b>	<b>489.6</b>	<b>528.6</b>	<b>384.4</b>	<b>590.9</b>	<b>636.7</b>
Depreciation And Non-cash Adj.	88.8	94.9	110.5	92.5	139.8	142.5
Change In Working Capital	(24.0)	(17.6)	19.7	0.0	0.0	0.0
Tax Paid	(6.7)	(24.7)	(5.7)	(1.4)	(8.1)	(8.8)
Others	37.8	(3.5)	(40.6)	8.5	16.3	(13.2)
<b>Cashflow From Operations</b>	<b>529.3</b>	<b>538.9</b>	<b>612.4</b>	<b>484.0</b>	<b>738.9</b>	<b>757.2</b>
Capex	(128.4)	(132.7)	(186.4)	(21.5)	(35.0)	0.0
Net Investments And Sale Of FA	(29.3)	(145.9)	(866.4)	(21.6)	(1,859.9)	0.0
Other Investing Cashflow	20.1	3.5	24.9	0.8	1.0	0.5
<b>Cash Flow From Investing</b>	<b>(137.6)</b>	<b>(275.1)</b>	<b>(1,027.8)</b>	<b>(42.3)</b>	<b>(1,893.9)</b>	<b>0.5</b>
Debt Raised/(repaid)	50.4	120.8	609.6	48.6	549.2	0.0
Equity Raised/(Repaid)	152.0	0.0	448.2	0.0	1,296.7	0.0
Dividends Paid	(500.9)	(294.6)	(463.1)	(380.8)	(584.9)	(600.4)
Cash Interest And Others	(127.6)	(134.3)	(150.3)	(93.3)	(140.9)	(143.0)
<b>Cash Flow From Financing</b>	<b>(426.1)</b>	<b>(308.1)</b>	<b>444.4</b>	<b>(425.5)</b>	<b>1,120.2</b>	<b>(743.4)</b>
Total Cash Generated	(34.5)	(44.3)	29.1	16.2	(34.7)	14.3
Free Cashflow To Firm	391.6	263.8	(415.4)	441.6	(1,154.9)	757.7
Free Cashflow To Equity	330.5	266.2	65.6	396.9	(746.6)	614.6

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

## BY THE NUMBERS... cont'd

**Balance Sheet**

(S\$m)	Mar-17A	Mar-18A	Mar-19A	Dec-19F	Dec-20F	Dec-21F
Total Investments	9,874	10,119	11,144	11,187	13,082	13,082
Intangible Assets	0	0	0	0	0	0
Other Long-term Assets	197	158	174	174	174	174
Total Non-current Assets	10,071	10,277	11,318	11,361	13,256	13,256
Total Cash And Equivalents	22	25	52	69	34	48
Inventories	0	0	0	0	0	0
Trade Debtors	63	28	40	40	40	40
Other Current Assets	14	24	4	4	4	4
<b>Total Current Assets</b>	<b>100</b>	<b>77</b>	<b>96</b>	<b>112</b>	<b>78</b>	<b>92</b>
Trade Creditors	193	144	158	158	158	158
Short-term Debt	824	910	612	612	612	612
Other Current Liabilities	105	50	55	55	55	55
<b>Total Current Liabilities</b>	<b>1,122</b>	<b>1,104</b>	<b>825</b>	<b>825</b>	<b>825</b>	<b>825</b>
Long-term Borrowings	2,576	2,609	3,486	3,534	4,084	4,084
Other Long-term Liabilities	138	142	157	157	157	157
Total Non-current Liabilities	2,714	2,752	3,643	3,691	4,241	4,241
Shareholders' Equity	6,335	6,499	6,946	6,957	8,281	8,295
Minority Interests	0	0	0	0	0	0
Preferred Shareholders Funds						
<b>Total Equity</b>	<b>6,335</b>	<b>6,499</b>	<b>6,946</b>	<b>6,957</b>	<b>8,281</b>	<b>8,295</b>

**Key Ratios**

	Mar-17A	Mar-18A	Mar-19A	Dec-19F	Dec-20F	Dec-21F
Gross Property Revenue Growth	9.1%	3.8%	2.8%	(20.5%)	59.0%	3.7%
NPI Growth	14.5%	3.0%	3.2%	(18.8%)	56.4%	4.0%
Net Property Income Margin	73.6%	73.0%	73.3%	74.9%	73.7%	73.9%
DPS Growth	2.5%	1.6%	0.3%	(23.7%)	32.2%	2.5%
Gross Interest Cover	4.70	5.20	4.64	5.11	5.19	5.45
Effective Tax Rate	0.00%	0.58%	2.72%	0.36%	1.37%	1.39%
Net Dividend Payout Ratio	99%	96%	91%	99%	100%	96%
Current Ratio	0.09	0.07	0.12	0.14	0.09	0.11
Quick Ratio	0.09	0.07	0.12	0.14	0.09	0.11
Cash Ratio	0.020	0.023	0.063	0.083	0.041	0.058
Return On Average Assets	4.51%	4.74%	4.72%	3.35%	4.70%	4.71%

**Key Drivers**

	Mar-17A	Mar-18A	Mar-19A	Dec-19F	Dec-20F	Dec-21F
Rental Rate Psf Pm (S\$)	2.2	2.2	2.3	2.3	2.4	2.5
Acq. (less development) (US\$m)	N/A	N/A	N/A	N/A	N/A	N/A
RevPAR (S\$)	N/A	N/A	N/A	N/A	N/A	N/A
Net Lettable Area (NLA) ('000 Sf)	N/A	N/A	N/A	N/A	N/A	N/A
Occupancy (%)	92.9%	92.9%	92.9%	92.9%	92.9%	92.9%
Assets Under Management (m) (S\$)	9,999.3	10,214.4	11,235.5	11,278.6	13,173.5	13,173.5
Funds Under Management (m) (S\$)	N/A	N/A	N/A	N/A	N/A	N/A

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

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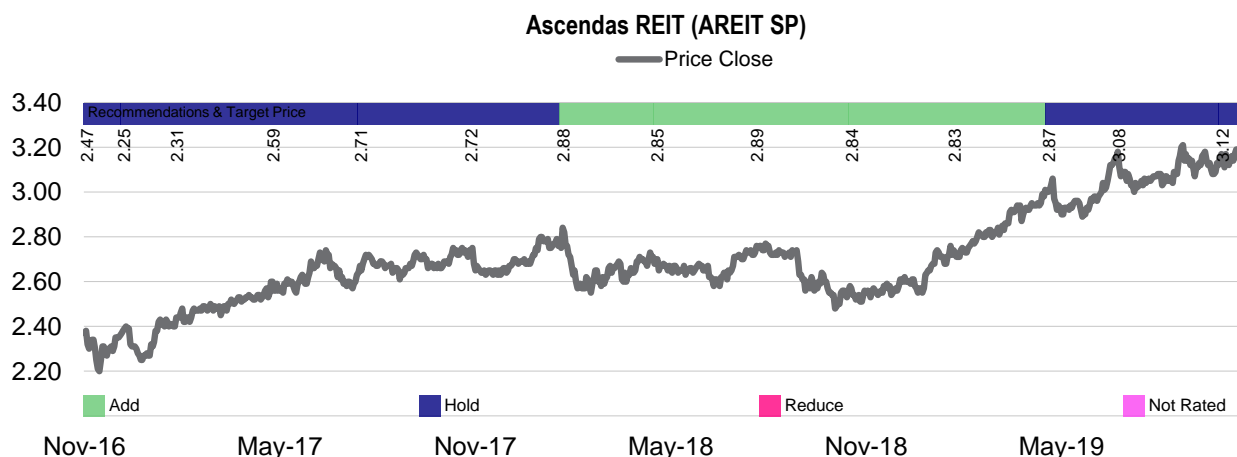
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Distribution of stock ratings and investment banking clients for quarter ended on 30 September 2019		
777 companies under coverage for quarter ended on 30 September 2019		
	Rating Distribution (%)	Investment Banking clients (%)
Add	58.8%	0.9%
Hold	26.3%	0.0%
Reduce	14.9%	0.1%

Spitzer Chart for stock being researched ( 2 year data )



**Corporate Governance Report of Thai Listed Companies (CGR). CG Rating by the Thai Institute of Directors Association (Thai IOD) in 2018, Anti-Corruption 2018**

**ADVANC** – Excellent, Certified, **AEONTS** – Good, n/a, **AH** – Very Good, n/a, **AMATA** – Excellent, Declared, **ANAN** – Excellent, Declared, **AOT** – Excellent, Declared, **AP** – Excellent, Certified, **ASP** – Very Good, Certified, **BANPU** – Excellent, Certified, **BAY** – Excellent, Certified, **BBL** – Very Good, Certified, **BCH** – Good, Certified, **BCP** - Excellent, Certified, **BCPG** – Excellent, Certified, **BEM** – Very Good, n/a, **BDMS** – Very Good, n/a, **BEAUTY** – Good, n/a, **BEC** – Very Good, n/a, **BGRIM** – Very Good, Declared, **BH** - Good, n/a, **BJC** – Very Good, Declared, **BJCHI** – Very Good, Certified, **BLA** – Very Good, Certified, **BPP** – Very Good, Declared, **BR** - Good, Declared, **BTS** - Excellent, Certified, **CBG** – Very Good, n/a, **CCET** – Good, n/a, **CENDEL** – Very Good, Certified, **CHG** – Very Good, Declared, **CK** – Excellent, n/a, **COL** – Excellent, Declared, **CPALL** – Very Good, Certified, **CPF** – Excellent, Certified, **CPN** - Excellent, Certified, **DELTA** - Excellent, n/a, **DEMCO** – Excellent, Certified, **DDD** – Very Good, Declared, **DIF** – not available, n/a, **DREIT** – not available, n/a, **DTAC** – Excellent, Certified, **EA** – Excellent, n/a, **ECL** – Very Good, Certified, **EGCO** – Excellent, Certified, **EPG** – Very Good, n/a, **ERW** – Very Good, n/a, **GFPT** - Excellent, Certified, **GGC** – Excellent, Certified, **GLOBAL** – Very Good, n/a, **GLOW** – Very Good, Certified, **GPSC** – Excellent, Certified, **GULF** – Very Good, n/a, **GUNKUL** – Excellent, Certified, **HANA** - Excellent, Certified, **HMPRO** - Excellent, Certified, **HREIT** - Excellent, Certified, **ICHI** – Excellent, Declared, **HUMAN** – not available, n/a, **III** – Good, n/a, **INTUCH** - Excellent, Certified, **IRPC** – Excellent, Certified, **ITD\*** – Very Good, n/a, **IVL** - Excellent, Certified, **JASIF** – not available, n/a, **JWD** – Very Good, n/a, **KBANK** - Excellent, Certified, **KCE** - Excellent, Certified, **KKP** – Excellent, Certified, **KSL** – Excellent, Certified, **KTB** - Excellent, Certified, **KTC** – Excellent, Certified, **LH** - Very Good, n/a, **LPN** – Excellent, Certified, **M** – Very Good, Certified, **MACO** – Very Good, n/a, **MAJOR** – Very Good, n/a, **MAKRO** – Excellent, Declared, **MALEE** – Very Good, Certified, **MC** – Very Good, Certified, **MCOT** – Excellent, Certified, **MEGA** – Very Good, n/a, **MINT** - Excellent, Certified, **MTC** – Excellent, Declared, **NETBAY** – Good, n/a, **OSP** – not available, n/a, **PLANB** – Excellent, Declared, **PLAT** – Very Good, Certified, **PR9** – not available, n/a, **PSH** – Excellent, Certified, **PSTC** – Good, Certified, **PTT** - Excellent, Certified, **PTTEP** - Excellent, Certified, **PTTGC** - Excellent, Certified, **QH** – Excellent, Certified, **RATCH** – Excellent, Certified, **ROBINS** – Excellent, Certified, **RS** – Very Good, n/a, **RSP** – not available, n/a, **S** – Very Good, n/a, **SAMART** - Excellent, n/a, **SAPPE** – Very Good, Declared, **SAT** – Excellent, Certified, **SAWAD** – Very Good, n/a, **SC** – Excellent, Declared, **SCB** - Excellent, Certified, **SCC** – Excellent, Certified, **SCN** – Very Good, Certified, **SF** – Good, n/a, **SIRI** – Very Good, Certified, **SPA** - Good, n/a, **SPALI** - Excellent, n/a, **SPRC** – Excellent, Certified, **STA** – Very Good, Certified, **STEC** – Excellent, n/a, **SVI** – Excellent, Certified, **SYNEX** – Very Good, Declared, **TASCO** – Excellent, Certified, **TCAP** – Excellent, Certified, **THANI** – Excellent, Certified, **TIPCO** – Very Good, Certified, **TISCO** - Excellent, Certified, **TKN** – Very Good, Declared, **TMB** - Excellent, Certified, **TNR** – Very Good, Declared, **TOP** - Excellent, Certified, **TPCH** – Good, n/a, **TPIPP** – Good, n/a, **TRUE** – Excellent, Certified, **TU** – Excellent, Certified, **TVO** – Very Good, Declared, **UNIQ** – Good, n/a, **VGI** – Excellent, Certified, **WHA** – Excellent, Certified, **WHART** – not available, n/a, **WICE** – Very Good, Certified, **WORK** – Good, n/a.

**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 categorized into:**

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

\* The company, its director or management had been reportedly accused for breaching proper corporate governance such as violation of the SEC's regulations or charged with corruption.

**Recommendation Framework****Stock Ratings**

Definition:

- Add** The stock's total return is expected to exceed 10% over the next 12 months.
- Hold** The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
- Reduce** The stock's total return is expected to fall below 0% or more over the next 12 months.

*The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.*

**Sector Ratings**

Definition:

- Overweight** An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
- Neutral** A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
- Underweight** An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

**Country Ratings**

Definition:

- Overweight** An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
- Neutral** A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
- Underweight** An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.

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