

DBS Group Research . Equity

13 Nov 2019

HOLD (Downgrade from BUY)

Last Traded Price (12 Nov 2019): Bt10.80 (SET : 1,626.20)

Price Target 12-mth: Bt11.00 (2% upside) (Prev Bt11.80)

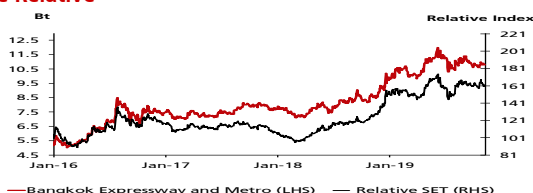
Analyst

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What's New

- 3Q19 net profit dropped to Bt937m due to absence of huge extra gains from sales and reclassification of investments
- Core earnings in line with our FY19 forecast; better outlook in 4Q19 on MRT Blue Line extension
- Revise toll concession assumption to 15 years
- Downgrade from BUY to HOLD with lower TP of Bt11

Price Relative



Forecasts and Valuation

FY Dec (Btm)	2018A	2019F	2020F	2021F
Revenue	15,614	16,297	18,416	19,721
EBITDA	9,293	9,894	11,560	13,085
Pre-tax Profit	5,952	6,864	7,478	8,994
Net Profit	5,317	5,556	5,643	7,054
Net Pft (Pre Ex.)	3,026	3,106	5,643	7,054
Net Pft Gth (Pre-ex) (%)	(3.1)	2.6	81.7	25.0
EPS (Bt)	0.35	0.36	0.37	0.46
EPS Pre Ex. (Bt)	0.20	0.20	0.37	0.46
EPS Gth Pre Ex (%)	(3)	3	82	25
Diluted EPS (Bt)	0.35	0.36	0.37	0.46
Net DPS (Bt)	0.15	0.15	0.19	0.24
BV Per Share (Bt)	2.32	2.48	2.67	2.89
PE (X)	31.0	29.7	29.3	23.4
PE Pre Ex. (X)	54.5	53.1	29.3	23.4
P/Cash Flow (X)	18.3	17.2	25.3	16.0
EV/EBITDA (X)	24.3	22.6	19.2	16.5
Net Div Yield (%)	1.4	1.4	1.8	2.2
P/Book Value (X)	4.7	4.4	4.1	3.7
Net Debt/Equity (X)	1.7	1.5	1.4	1.1
ROAE (%)	16.0	15.1	14.4	16.6
Earnings Rev (%):		0	(5)	N/A
Consensus EPS (Bt):		0.26	0.32	0.36
Other Broker Recs:		B: 13	S: 2	H: 6

Source of all data on this page: Company, DBSVTH, Bloomberg Finance L.P

Toll extension offers promising outlook

Improved outlook on SES extension. With the extension of the Second Stage Expressway (SES) toll concession (expiring in 2020), we believe that Bangkok Expressway and Metro's (BEM) outlook has become more promising with solid long term revenue streams. We expect significant earnings improvement in 2020 from the drop in amortisation expenses due to the concession extension, as well as the full operations of the Metropolitan Rapid Transit (MRT) Blue Line extension. In the long term, BEM also stands a good chance of winning new projects in the rail and toll arenas, which will be a key factor in sustaining its future earnings. However, we have factored in an extension period of 15 years (vs 30 years previously) resulting in a lower target price (TP) of Bt11.

Where we differ. We have baked in the lower amortisation expenses from the extension of the toll concession period. In comparison, as the market has yet to impute these factors, our FY20 profit forecasts are higher than consensus.

Potential catalysts. Besides the organic growth of both toll traffic volume and rail ridership, BEM will post strong revenue growth from the partial operations of the MRT Blue Line extension in 3Q19. Government approval of the expressway concession extension will be another share price catalyst in the absence of major uncertainties.

Valuation:

We derived BEM's TP of Bt11 using sum-of-parts (SOP) valuation. We employed the discounted cash flow (DCF) valuation method for BEM's core operations, as it captures the value of future expansions. We valued its investments in associates using consensus estimates.

Key Risks to Our View:

The key risks to BEM are delays in bidding and construction for projects.

At A Glance

Issued Capital (m shrs)	15,285
Mkt. Cap (Btm/US\$m)	165,078 / 5,440
Major Shareholders (%)	
Ch. Karnchang Pcl	31.3
The Mass Rapid Transit Authority of Thailand	8.2
Thai NDVR	7.0
Free Float (%)	52.9
3m Avg. Daily Val (US\$m)	17.5
GIC Industry : Industrials / Transportation	
Bloomberg ESG disclosure score (2017) [^]	22.3
- Environmental / Social / Governance	9.3 / 22.8 / 51.8

[^ refer to back page for more information](#)



Bangkok Expressway and Metro

WHAT'S NEW

3Q19 results on track with our full year forecast

Net profit rose q-o-q but declined y-o-y: BEM posted 3Q19 core profit of Bt912m (-4.3% y-o-y, +29.3% q-o-q) on track with our full year forecast. During the period, the company recorded Bt24m extra gains from sales of its investment resulting in net profit of Bt937m (-70% y-o-y and q-o-q). The profit drop y-o-y was due to the absence of extra gains related to sales and reclassification of its investment in CK Power Pcl and TTW Pcl in 3Q18 and 2Q19.

Operating performance affected by gross margin drop. The soft normalised earnings y-o-y was due to higher amortisation costs from its toll and rail businesses (including additional costs related to partial opening of MRT Blue Line extension), which led to cost increasing by 8.3% y-o-y outpacing revenue growth of 3.2%. The revenue growth y-o-y can be attributed to:

i) Solid revenue growth for its rail business with average ridership rising to 336.0 thousand trips per day (+5.4% y-o-y) was mainly due to; 1) organic growth for the existing MRT Blue Line, 2) benefits arising from more developments surrounding the MRT area, 3) ramping up of passenger pass-through from the MRT Purple Line along with passenger feeds from the MRT Blue Line extension (Section 2).

ii) Its toll business posted mild revenue growth with traffic volume on expressways inching up to 1,241 thousand trips per day (+1.0% y-o-y) in 3Q19, mainly supported by the strong growth of traffic volume in the Sirat Outer Ring Road Expressway (SOE) which grew 18.1% to 66,500 trips/day.

Improved 4Q19 outlook on extended operations of MRT Blue Line. The company has started operations at five more stations (Wat Mangkon Station, Sam Yot Station, Sanam Chai Station, Itsaraphap Station and Tha Phra Station) which have lifted ridership. In October, ridership rose 16.9% y-o-y (vs rail revenue hike of 23.3% y-o-y) and we expect this trend to continue. We expect to see stronger earnings growth in 4Q19.

Downgrade from BUY to HOLD with lower TP of Bt11, based on SOP valuation. We have factored in the shorter extension of 15 years for its toll concession (vs 30 years in our previous forecast). As a result, our TP inched down from Bt11.80 to Bt11. Given the limited upside to our new TP, we downgrade our call from BUY to HOLD. However, BEM stands a good chance of winning other upcoming toll and rail projects. These could lead to share price re-rating in the future.

Quarterly / Interim Income Statement (Btm)

FY Dec	3Q2018	2Q2019	3Q2019	% chg yoy	% chg qoq
Revenue	3,947	3,862	4,073	3.2	5.4
Cost of Goods Sold	(2,394)	(2,480)	(2,592)	8.3	4.5
Gross Profit	1,553	1,383	1,481	(4.6)	7.1
Other Oper. (Exp)/Inc	(264)	(270)	(303)	14.6	12.2
Operating Profit	1,289	1,113	1,179	(8.6)	5.9
Other Non Opg (Exp)/Inc	0.0	0.0	0.0	nm	nm
Associates & JV Inc	133	66.6	0.0	nm	(100.0)
Net Interest (Exp)/Inc	(308)	(316)	(325)	(5.6)	(2.8)
Exceptional Gain/(Loss)	2,167	2,412	24.1	(98.9)	(99.0)
Pre-tax Profit	3,281	3,276	1,115	(66.0)	(66.0)
Tax	(157)	(155)	(175)	11.6	13.3
Minority Interest	(3.0)	(3.1)	(2.7)	9.9	(12.0)
Net Profit	3,121	3,118	937	(70.0)	(70.0)
Net profit bef Except.	954	706	912	(4.3)	29.3
EBITDA	2,428	2,216	2,494	2.7	12.6
Margins (%)					
Gross Margins	39.4	35.8	36.4		
Opg Profit Margins	32.7	28.8	28.9		
Net Profit Margins	79.1	80.7	23.0		

Source of all data: Company, DBSVTH

Bangkok Expressway and Metro

CRITICAL DATA POINTS TO WATCH

Critical Factors

Toll traffic volume on expressways continues to grow. Traffic volume remained high at 1.2m trips/day (-1.0% y-o-y) in FY18 despite slightly softer inbound traffic. Traffic was supported by the increase in traffic volume of the new SOE which rose 12.3% y-o-y. In FY19, we assume traffic volume growth of 2.9% y-o-y mainly supported by traffic volume on the SOE (increase of up to 80,000 trips/day).

The company plans to extend its concession for the SES and First Stage Expressway (FES) (pending government approval) by 15 years. The current concession will expire in 2020. We have imputed the positive impact into our current forecast.

According to the extension agreement, toll rates will be raised by Bt10 per trip every ten years, without the need to take into account increases in Bangkok's Consumer Price Index (CPI) that is stipulated in the current concession agreement.

Strong growth from MRT operations. The MRT's average ridership in FY18 came in at 311,538 riders/day (+5.7% y-o-y), driven by the increase in population and mass transit network as well as the passenger pass-through from the MRT Purple Line. In 2016, BEM started receiving service revenues from the MRT Purple Line which boosted its rail revenue. We expect a jump in ridership of 9% in FY19 and 19% in FY20, with the partial operations of the MRT Blue Line extension in September 2019 to strengthen the existing networks.

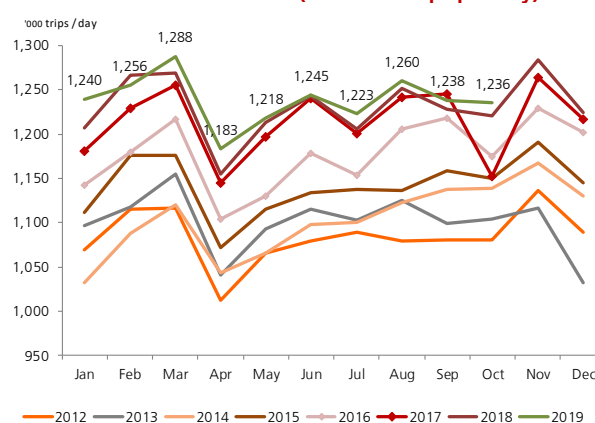
The fare box rate should be raised proportionately every two years with the increase calculated based on the increase in Bangkok's non-food CPI in accordance with the concession agreement. The latest fare box rate revision occurred in FY18.

BMN IPO in the next few years. BEM operates its commercial development business through Bangkok Metro Network (BMN), a 65.19%-owned subsidiary. BMN's developments include the retail business with the opening of grocery stores and various types of shops. It is targeting to double this segment's revenue by 2021. In the medium term, BEM is expecting to launch BMN's initial public offering (IPO) in the next few years, which will benefit BEM's cash flow and BMN's strong growth going forward.

Summary of expressways

Expressways	Length (km.)	Opening Date
<u>FES</u>		
Centre to outer districts; Bangna, Dao	12.4	2-Sep-93
<u>SES</u>		
Sector A: Rama 9 - Ratchadapisek	12.4	2-Sep-93
Sector B: Phayathai - Bangkokhlo	9.4	6-Oct-96
Sector C: Ratchadapisek - Chaeng	8	2-Sep-93
Sector D: Rama 9 - Srinagarindra	8.7	2-Dec-98
<u>Udon Rattaya (NECL)</u>		
Chaeng Watthana - Chiang Rak	22	2-Dec-98
Chiang Rak - Bang Sai	10	1-Nov-99
<u>Si Rat Outer Ring Road</u>		
Northern Sirat to Kanjanapisek	16.7	3Q16

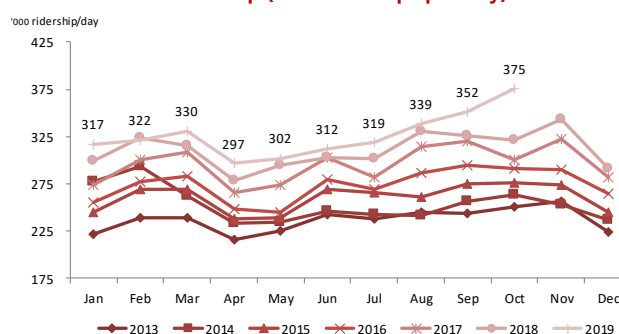
Toll traffic volume (thousand trips per day)



Summary of existing MRT Lines

MRT Projects	Blue Line	Purple Line	Blue Line extension
Service areas	Hua Lamphong – Bang Sue	Khlong Bang Pai – Tao Poon	Tao Poon –Tha Phra & Hua Lamphong - Bangkokae 2016*
Execution Date	1-Aug-00	4-Dec-13	
Commencement period	3-Jul-04	6-Aug-16	2020*
Period	25 years	30 years	25 years*
Type	PPP Net Cost	PPP Gross Cost	PPP Net Cost*
Distances	20 km.	22 km.	27 km.
No. of trains /stations	19 trains / 18 stations	21 trains / 16 stations	30 trains / 20 stations

MRT ridership (thousand trips per day)



Source: Company, DBSVTH

Bangkok Expressway and Metro

Balance Sheet:

BEM had a net gearing of 1.7x as at end 2018. We expect its net gearing to remain steady in the new few years before the redemption of its debentures. In the next few years, based on management's guidance, BEM is likely to decrease its dividend payout ratio as it needs to reserve cash for new projects. We assume a dividend payout ratio of 45% in FY17/FY18 (still higher than its 40% dividend payout ratio policy).

Share Price Drivers:

Renewal of expressway concession. In the event that the extension of BEM's expressway concession is approved by the government, this could provide another key catalyst to re-rate BEM's share price in the absence of major uncertainties.

Key Risks:

Delays in project bidding and construction. Infrastructure construction and operations normally require approvals from related authorities. If there are any delays, the company's growth may be limited. Any delays in construction would also affect revenue growth and BEM might need to pay a penalty to government authorities.

Environmental, Social, Governance:

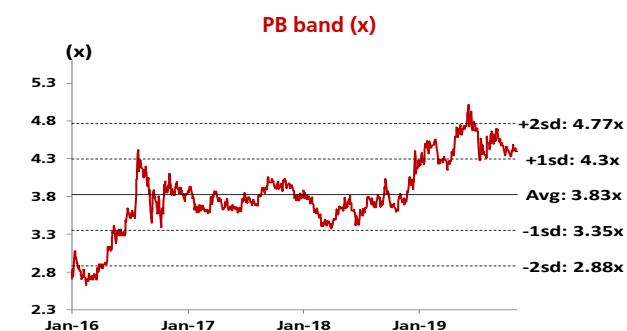
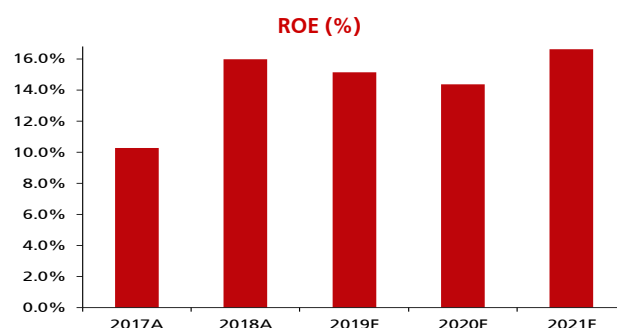
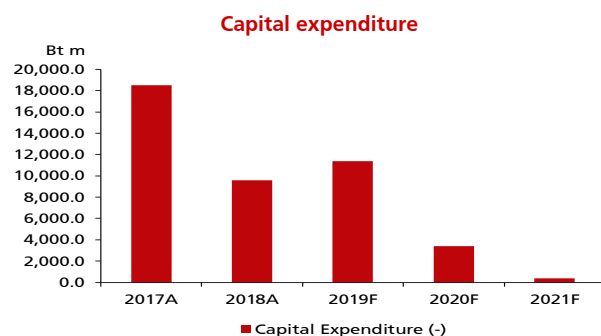
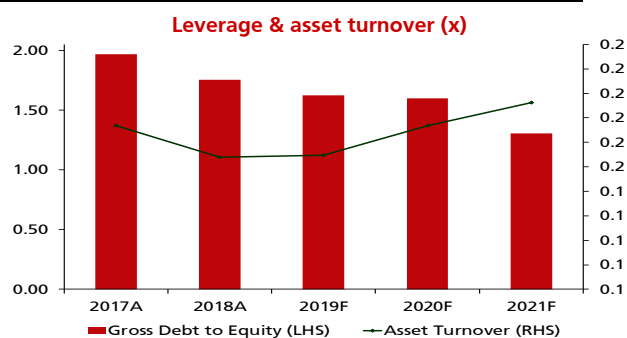
BEM's ESG score was 22.3 in 2017 which considered moderate. However, BEM is well-recognised in the market on its good governance.

Company Background

BEM operates three core businesses – toll, rail and commercial development. For its toll business, BEM operates expressways in Bangkok and has the rights to manage the expressways and receive a share of revenue from; (i) Second Stage Expressway (SES), (ii) Udon Rattaya Expressway. BEM is entitled to a share of revenue from the First Stage Expressway (FES).

BEM operates the rail business under concession agreements with the Mass Rapid Transit Authority of Thailand (MRTA). Currently, BEM has two concessions, i) MRT Blue Line including MRT Blue Line extension, ii) MRT Purple Line.

Its commercial development business is operated through Bangkok Metro Network (BMN), a 65.19%-owned subsidiary of BEM, which provides advertising, retail space and telecommunications services.



Source: Company, DBSVTH

Bangkok Expressway and Metro

i) Toll road business

Key Assumptions

FY Dec	2017A	2018A	2019F	2020F	2021F
Average traffic volume	1,214	1,230	1,265	1,291	1,302
Traffic volume growth	2.9%	1.0%	2.9%	2.0%	0.7%
Gross margin (%)	45.5%	50.2%	49.6%	69.3%	69.0%
SG&A to sales (%)	7.6%	7.7%	7.6%	7.7%	7.9%

ii) Rail business

Key Assumptions

FY Dec	2017A	2018A	2019F	2020F	2021F
Average ridership volume	295	312	326	427	491
Ridership growth	7.5%	5.7%	4.5%	31.4%	14.7%
Gross margin (%)	16.2%	17.2%	19.2%	23.8%	36.0%
SG&A to sales (%)	10.8%	17.9%	16.8%	12.0%	10.5%

iii) Commercial development business (BMN), 65%-owned subsidiary

Key Assumptions

FY Dec	2017A	2018A	2019F	2020F	2021F
Revenue growth (Bt m)	669	730	767	1,039	1,348
Revenue growth (%)	17.9%	8.1%	5.0%	35.5%	29.7%
Gross margin (%)	66.2%	67.6%	68.3%	73.6%	77.6%
SG&A to sales (%)	10.8%	17.9%	16.8%	12.0%	10.5%

Income Statement (Btm)

FY Dec	2017A	2018A	2019F	2020F	2021F
Revenue	15,153	15,614	16,297	18,416	19,721
Cost of Goods Sold	(9,206)	(9,642)	(9,523)	(8,452)	(8,352)
Gross Profit	5,947	5,973	6,774	9,965	11,369
Other Opng (Exp)/Inc	(1,080)	(1,337)	(1,259)	(1,309)	(1,358)
Operating Profit	4,868	4,636	5,515	8,656	10,011
Other Non Opg (Exp)/Inc	0.0	0.0	0.0	0.0	0.0
Associates & JV Inc	406	433	400	412	424
Net Interest (Exp)/Inc	(1,436)	(1,407)	(1,501)	(1,590)	(1,441)
Exceptional Gain/(Loss)	0.0	2,291	2,450	0.0	0.0
Pre-tax Profit	3,838	5,952	6,864	7,478	8,994
Tax	(696)	(616)	(1,250)	(1,748)	(1,831)
Minority Interest	(19.2)	(18.8)	(57.5)	(87.0)	(109)
Preference Dividend	0.0	0.0	0.0	0.0	0.0
Net Profit	3,123	5,317	5,556	5,643	7,054
Net Profit before Except.	3,123	3,026	3,106	5,643	7,054
EBITDA	9,215	9,293	9,894	11,560	13,085
Growth					
Revenue Gth (%)	15.6	3.0	4.4	13.0	7.1
EBITDA Gth (%)	4.2	0.9	6.5	16.8	13.2
Opg Profit Gth (%)	16.6	(4.8)	19.0	56.9	15.7
Net Profit Gth (Pre-ex) (%)	21.3	(3.1)	2.6	81.7	25.0
Margins & Ratio					
Gross Margins (%)	39.2	38.3	41.6	54.1	57.6
Opg Profit Margin (%)	32.1	29.7	33.8	47.0	50.8
Net Profit Margin (%)	20.6	34.1	34.1	30.6	35.8
ROAE (%)	10.3	16.0	15.1	14.4	16.6
ROA (%)	3.4	5.2	5.3	5.1	6.3
ROCE (%)	5.0	4.5	4.7	6.8	8.3
Div Payout Ratio (%)	58.7	43.1	40.4	52.5	52.5
Net Interest Cover (x)	3.4	3.3	3.7	5.4	6.9

Source: Company, DBSVTH

Bangkok Expressway and Metro

Quarterly / Interim Income Statement (Btm)

FY Dec	3Q2018	4Q2018	1Q2019	2Q2019	3Q2019
Revenue	3,947	3,983	3,970	3,862	4,073
Cost of Goods Sold	(2,394)	(2,564)	(2,451)	(2,480)	(2,592)
Gross Profit	1,553	1,418	1,518	1,383	1,481
Other Oper. (Exp)/Inc	(264)	(483)	(305)	(270)	(303)
Operating Profit	1,289	936	1,214	1,113	1,179
Other Non Opg (Exp)/Inc	0.0	0.0	0.0	0.0	0.0
Associates & JV Inc	133	94.2	106	66.6	0.0
Net Interest (Exp)/Inc	(308)	(307)	(304)	(316)	(325)
Exceptional Gain/(Loss)	2,167	(106)	37.6	2,412	24.1
Pre-tax Profit	3,281	617	1,054	3,276	1,115
Tax	(157)	(125)	(186)	(155)	(175)
Minority Interest	(3.0)	(10.1)	(8.8)	(3.1)	(2.7)
Net Profit	3,121	482	859	3,118	937
Net profit bef Except.	954	588	821	706	912
EBITDA	2,428	2,287	2,375	2,216	2,494

Growth

Revenue Gth (%)	3.9	0.9	(0.3)	(2.7)	5.4
EBITDA Gth (%)	7.8	(5.8)	3.9	(6.7)	12.6
Opg Profit Gth (%)	10.0	(27.4)	29.7	(8.3)	5.9
Net Profit Gth (Pre-ex) (%)	21.9	(38.4)	39.7	(14.1)	29.3

Margins

Gross Margins (%)	39.4	35.6	38.3	35.8	36.4
Opg Profit Margins (%)	32.7	23.5	30.6	28.8	28.9
Net Profit Margins (%)	79.1	12.1	21.6	80.7	23.0

Balance Sheet (Btm)

FY Dec	2017A	2018A	2019F	2020F	2021F
Net Fixed Assets	66,150	71,942	79,954	83,882	85,411
Invt in Associates & JVs	11,247	13,057	14,343	10,321	10,321
Other LT Assets	15,242	14,615	7,392	8,712	4,519
Cash & ST Invt	3,053	1,809	3,669	9,443	8,220
Inventory	0.0	0.0	0.0	0.0	0.0
Debtors	1,449	514	488	444	198
Other Current Assets	1,777	1,894	947	1,129	1,248
Total Assets	98,919	103,831	106,793	113,931	109,917
ST Debt	3,629	2,815	3,131	3,473	2,117
Creditor	2,108	1,683	2,668	2,800	2,730
Other Current Liab	2,037	2,067	1,768	2,006	2,182
LT Debt	57,781	59,585	59,026	62,436	56,201
Other LT Liabilities	2,186	2,068	1,906	1,962	1,962
Shareholder's Equity	31,068	35,499	37,873	40,749	44,110
Minority Interests	111	113	421	508	617
Total Cap. & Liab.	98,919	103,831	106,793	113,932	109,919
Non-Cash Wkg. Capital	(918)	(1,343)	(3,001)	(3,233)	(3,466)
Net Cash/(Debt)	(58,356)	(60,591)	(58,488)	(56,466)	(50,099)
Debtors Turn (avg days)	36.9	22.9	11.2	9.2	5.9
Creditors Turn (avg days)	84.2	102.4	116.7	137.3	142.9
Inventory Turn (avg days)	N/A	N/A	N/A	N/A	N/A
Asset Turnover (x)	0.2	0.2	0.2	0.2	0.2
Current Ratio (x)	0.8	0.6	0.7	1.3	1.4
Quick Ratio (x)	0.8	0.6	0.7	1.3	1.4
Net Debt/Equity (X)	1.9	1.7	1.5	1.4	1.1
Net Debt/Equity ex MI (X)	1.9	1.7	1.5	1.4	1.1
Capex to Debt (%)	30.1	15.4	18.3	5.2	0.6
Z-Score (X)	1.8	1.7	1.8	NA	NA

Source: Company, DBSVTH

Bangkok Expressway and Metro

Cash Flow Statement (Btm)

FY Dec	2017A	2018A	2019F	2020F	2021F
Pre-Tax Profit	3,838	5,952	6,864	7,478	8,994
Dep. & Amort.	4,065	3,979	3,978	2,492	2,650
Tax Paid	(939)	(1,184)	(1,621)	(2,106)	(2,145)
Assoc. & JV Inc/(loss)	359	358	400	412	424
Chg in Wkg.Cap.	442	16.9	92.7	176	(61.3)
Other Operating CF	(1,619)	(2,386)	(2,591)	(1,916)	463
Net Operating CF	6,146	9,026	9,573	6,537	10,326
Capital Exp.(net)	(18,499)	(9,585)	(11,368)	(3,426)	(370)
Other Invts.(net)	0.0	0.0	0.0	0.0	0.0
Invts in Assoc. & JV	0.0	0.0	0.0	0.0	0.0
Div from Assoc & JV	0.0	0.0	0.0	0.0	0.0
Other Investing CF	0.0	0.0	0.0	0.0	0.0
Net Investing CF	(18,499)	(9,585)	(11,368)	(3,426)	(370)
Div Paid	(1,834)	(1,987)	(2,076)	(2,768)	(3,693)
Chg in Gross Debt	(12,765)	3,243	(6,682)	(3,752)	7,590
Capital Issues	0.0	0.0	0.0	0.0	0.0
Other Financing CF	23,287	(1,941)	12,412	9,182	(15,076)
Net Financing CF	8,688	(685)	3,654	2,663	(11,179)
Currency Adjustments	0.0	0.0	0.0	0.0	0.0
Chg in Cash	(3,665)	(1,245)	1,860	5,774	(1,223)
Opg CFPS (Bt)	0.37	0.59	0.62	0.42	0.68
Free CFPS (Bt)	(0.8)	0.0	(0.1)	0.20	0.65

Source: Company, DBSVTH

Target Price & Ratings History



S.No.	Date of Report	Closing Price	12-mth Target Price	Rating
1:	12 Nov 18	8.50	9.60	BUY
2:	24 Dec 18	10.20	11.80	BUY
3:	19 Mar 19	10.10	11.80	BUY
4:	28 Mar 19	10.10	11.80	BUY
5:	24 Apr 19	10.50	11.80	BUY
6:	10 May 19	11.00	11.80	BUY
7:	13 Aug 19	10.90	11.80	BUY

Note: Share price and Target price are adjusted for corporate actions.

Source: DBSVTH

Analyst: Nantika WIANGPHOEM, CFA

THAI-CAC (as of Nov 2018)

Corporate Governance CG Rating (as of Oct 2018)

n/a



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

Score	Description
Declared	Companies that have declared their intention to join CAC
Certified	Companies certified by CAC.

Corporate Governance CG Rating is based on Thai Institute of Directors (IOD)'s annual assessment of corporate governance practices of listed companies. The assessment covers 235 criteria in five categories including board responsibilities (35% weighting), disclosure and transparency (20%), role of stakeholders (20%), equitable treatment of shareholders (10%) and rights of shareholders (15%). The IOD then assigns logo-based rating to each company based on their scoring as follows:

Score	Range (number of logos)	Description
90-100		Excellent
80-89		Very Good
70-79		Good
60-69		Satisfactory
50-59		Pass
<50	No logo given	N/A

^ Bloomberg ESG Disclosure Scores rate companies annually based on their disclosure of quantitative and policy-related ESG data. It is based on a scoring scale of 0-100, and calculated using a subset of more than 100 raw data points it collects on ESG. It is designed to measure the robustness of companies' disclosure of ESG information in their reporting/the public domain. Based on Bloomberg disclosures, as of 25 Jan 2019, the global ESG disclosure average score is 24.92 and 22.14, 28.26, 49.97 for Environmental, Social and Governance, respectively.

DBSVTH recommendations are based on an Absolute Total Return* Rating system, defined as follows:

STRONG BUY (>20% total return over the next 3 months, with identifiable share price catalysts within this time frame)

BUY (>15% total return over the next 12 months for small caps, >10% for large caps)

HOLD (-10% to +15% total return over the next 12 months for small caps, -10% to +10% for large caps)

FULLY VALUED (negative total return, i.e., > -10% over the next 12 months)

SELL (negative total return of > -20% over the next 3 months, with identifiable share price catalysts within this time frame)

*Share price appreciation + dividends

Completed Date: 13 Nov 2019 07:50:27 (THA)

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Sources for all charts and tables are DBSVTH unless otherwise specified.

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