

7 JUNE 2021

THAILAND / TRANSPORT &amp; LOGISTICS

## BTS GROUP HOLDINGS

BTS TB

BUY

UNCHANGED

|                 |          |
|-----------------|----------|
| TARGET PRICE    | THB11.00 |
| CLOSE           | THB9.50  |
| UP/DOWNSIDE     | +15.8%   |
| PRIOR TP        | THB11.20 |
| CHANGE IN TP    | -1.8%    |
| TP vs CONSENSUS | -7.8%    |

## Need to wait for the train

## ความคืบหน้าในธุรกิจรถไฟ

บริษัทฯ คาดว่ารถไฟฟ้ายกระดับและรถไฟฟ้าจะเปิดให้บริการภายในปี 2022 อย่างไรก็ตาม รถไฟฟ้าสายสีเหลืองจะเริ่มดำเนินการบางส่วนภายในปีนี้ ในด้านการขยายสัญญารถไฟฟ้าสายสีเขียว ยังไม่มีความคืบหน้าที่ชัดเจนของรัฐบาลในขั้นตอนพิจารณา ในขณะที่ยังคงต้องรอให้ รฟม. ออก TOR สำหรับรถไฟฟ้ายกระดับ เรามีความกังวลเล็กน้อยเกี่ยวกับหนี้ค้างชำระของ กทม. ที่เพิ่มเป็นมากกว่า 30 พัน ลบ. อันประกอบด้วยรายได้จากการดำเนินงานและบำรุงรักษา (O&M) และจากงานระบบไฟฟ้าและเครื่องกล (E&M) บริษัทฯ กำลังอยู่ระหว่างการเจรจา ติดตามหนี้กับ กทม.

## ไม่จำเป็นต้องตื่นตระหนก

แม้ว่าหนี้ระหว่าง BTS กับ กทม. ในปัจจุบันจะสูงกว่า 30 พัน ลบ. และมีความเสี่ยงที่ BTS อาจไม่สามารถเก็บหนี้ได้ แต่เราเชื่อประเด็นดังกล่าวสามารถหาทางออกได้ กทม. น่าจะจ่ายหนี้ทั้งหมดได้ เพียงแต่รอให้รัฐบาลตัดสินใจเกี่ยวกับกรขยายสัญญารถไฟฟ้าสายสีเขียว โดยจะพิจารณาว่าจะโอนหนี้ทั้งหมดที่เกี่ยวข้องกับส่วนต่อขยายรถไฟฟ้าสายสีเขียวที่มีมากกว่า 1 แสน ล้านบาทให้ BTS เพื่อแลกกับการขยายสัญญาไปอีก 30 ปีหรือไม่

## ปรับลดประมาณการกำไรจากการแพร่ระบาด Covid-19 ในรอบที่ 3

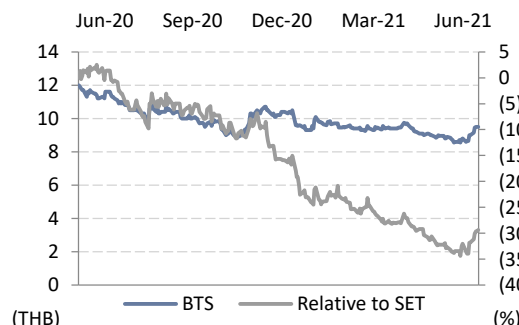
เราปรับลดประมาณการกำไรสำหรับ FY22 เพื่อสะท้อนผลกระทบของการแพร่ระบาด Covid-19 ในรอบที่ 3 หลัง VGI (VGI TB, HOLD, TP THB6.50), U City (U TB, NR), และ BTSGIF (BTSGIF TB, NR) ได้รับผลกระทบโดยตรงจาก Covid-19 อย่างต่อเนื่อง เราคาดว่ารายได้ของ BTS จะลดลงเหลือ 28.5 พัน ลบ. (-19% y-y) ใน FY22 จากรายได้ค่าก่อสร้าง งานระบบไฟฟ้า และเครื่องกลที่ลดลงของรถไฟฟ้าสายสีชมพู เหลือง และเขียวเหลือ 15 พัน ลบ. เมื่อพิจารณาจากเป้าหมายของบริษัทฯ (เทียบกับ 27 พัน ลบ. ใน FY21) ปัจจุบันดังกล่าวอาจทำให้กำไรสุทธิจากการดำเนินงานของบริษัทฯ ลดลง 30% y-y มาอยู่ที่ 2.9 พัน ลบ.

## คงคำแนะนำซื้อหลังปรับราคาเป้าหมายเป็น 11 บาท

เราปรับลดราคาเป้าหมายเป็น 11 จาก 11.20 บาท (SOTP) หลังเราปรับราคาเป้าหมายของเราสำหรับ VGI เป็น 6.50 จาก 7 บาท แม้ว่า Covid-19 และประเด็นยึดเยื่อเกี่ยวกับรถไฟฟ้ายกระดับ เชื่อว่าจะเป็นความเสี่ยงหลักสำคัญสำหรับบริษัทฯ เราเชื่อว่าราคาหุ้นของ BTS ได้ตกต่ำสุดไปแล้ว เช่นเดียวกับกับกำไรของบริษัทฯ ที่เราคาดว่าจะตกต่ำสุดใน 1QFY22 หมายเหตุ BTS ประกาศจ่ายเงินปันผล 0.16 บาทและแจก 3 ไบสำคัญแสดงสิทธิให้แก่ผู้ถือหุ้นของบริษัทฯ

## KEY STOCK DATA

| YE Mar (THB m)       | 2021   | 2022E  | 2023E  | 2024E  |
|----------------------|--------|--------|--------|--------|
| Revenue              | 35,128 | 28,455 | 24,205 | 13,834 |
| Net profit           | 4,447  | 2,887  | 4,252  | 4,684  |
| EPS (THB)            | 0.34   | 0.22   | 0.32   | 0.36   |
| vs Consensus (%)     | -      | 4.3    | 27.0   | 32.4   |
| EBITDA               | 4,668  | 4,889  | 4,992  | 4,393  |
| Core net profit      | 1,909  | 2,887  | 4,252  | 4,684  |
| Core EPS (THB)       | 0.15   | 0.22   | 0.32   | 0.36   |
| Chg. In EPS est. (%) | nm     | (16.4) | 3.2    | nm     |
| EPS growth (%)       | (47.1) | 51.3   | 47.3   | 10.1   |
| Core P/E (x)         | 65.5   | 43.3   | 29.4   | 26.7   |
| Dividend yield (%)   | 2.9    | 1.6    | 2.7    | 3.0    |
| EV/EBITDA (x)        | 52.8   | 50.6   | 46.7   | 49.6   |
| Price/book (x)       | 2.1    | 2.0    | 2.0    | 1.9    |
| Net debt/Equity (%)  | 139.1  | 140.4  | 121.2  | 101.3  |
| ROE (%)              | 3.3    | 4.7    | 6.8    | 7.3    |



| Share price performance        | 1 Month                     | 3 Month | 12 Month |
|--------------------------------|-----------------------------|---------|----------|
| Absolute (%)                   | 6.1                         | 1.1     | (19.5)   |
| Relative to country (%)        | 4.3                         | (3.2)   | (31.3)   |
| Mkt cap (USD m)                | 4,001                       |         |          |
| 3m avg. daily turnover (USD m) | 14.8                        |         |          |
| Free float (%)                 | 58                          |         |          |
| Major shareholder              | Mr. Keeree Kanjanapas (19%) |         |          |
| 12m high/low (THB)             | 12.30/8.40                  |         |          |
| Issued shares (m)              | 13,154.64                   |         |          |

Sources: Bloomberg consensus; FSSIA estimates



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บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 7 มิถุนายน 2021

### Investment thesis

BTS is a leading mass transit operator with the highest ridership in Thailand. The company currently operates 70.1km of mass transit lines and expects to hit 133.4km (2x from 2020) in 2022.

BTS is an aggressive company that invests heavily in infrastructure projects in Thailand, especially mass transit. The company also focuses on investing in companies that have strong growth potential, such as VGI (VGI TB, HOLD, TP THB6.5), U City (U TB, NR), and many other companies, with a total investment value of THB65b. Infrastructure projects in Thailand are in their growth stage, and there are still many projects in the government’s pipeline that are expected to come out every year.

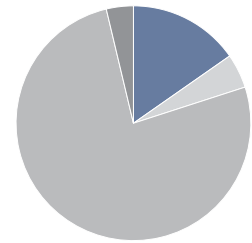
### Company profile

BTS operates 4 core businesses namely (1) Mass Transit Business (BTS SkyTrain and Bus Rapid Transit) (2) Media Business (3) Property Business and (4) Services Business.

[www.btsgroup.co.th](http://www.btsgroup.co.th)

### Principal activities (revenue, 2021)

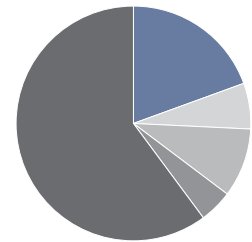
- O&M - 15.3 %
- Advertising - 4.7 %
- Construction - 76.3 %
- Others - 3.7 %



Source: BTS Group Holdings

### Major shareholders

- Mr. Keeree Kanjanapas - 19.5 %
- UBS AG Singapore - 6.3 %
- Thai NVDR - 9.5 %
- Mr. Kavin Kanjanapas - 4.6 %
- Others - 60.2 %



Source: BTS Group Holdings

### Catalysts

Potential catalysts for BTS include future projects such as the Pink and Yellow mass transit lines and U-Tapao Airport. We estimate strong recovery prospects in the O&M business in FY22.

### Risks to our call

The key downside risks to our SOTP-based TP include a slower-than-expected recovery of the Thai economic outlook and the company not being able to win new mass transit projects.

### Event calendar

| Date     | Event                       |
|----------|-----------------------------|
| Aug 2021 | 1QFY22 results announcement |

### Key assumptions

|                      | FY21 | FY22E | FY23E | FY24E |
|----------------------|------|-------|-------|-------|
|                      | (%)  | (%)   | (%)   | (%)   |
| Ridership growth     | (47) | 48    | 33    | 9     |
| VGI's revenue growth | (38) | 18    | 28    | 16    |

Source: FSSIA estimates

### Earnings sensitivity

- For every 1% change in VGI’s revenue, we project FY22 earnings to change by 0.35%, all else being equal;
- For every 1% change in daily mass transit ridership, we project FY22 earnings to change by 0.45%, all else being equal.

Source: FSSIA estimates

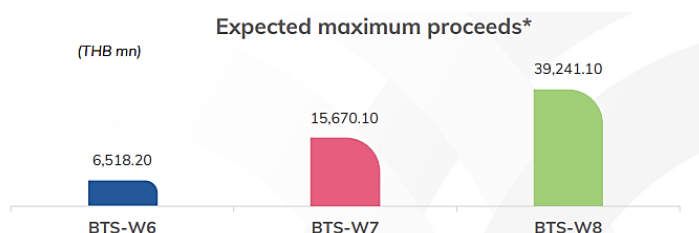


## Exhibit 1: Forecast changes

|                  | New              |                  | Previous         |                  | Change       |              |
|------------------|------------------|------------------|------------------|------------------|--------------|--------------|
|                  | FY22E<br>(THB m) | FY23E<br>(THB m) | FY22E<br>(THB m) | FY23E<br>(THB m) | FY22E<br>(%) | FY23E<br>(%) |
| Revenue          | 28,455           | 24,205           | 30,119           | 13,312           | (6)          | 82           |
| Gross profit     | 6,530            | 6,733            | 6,987            | 7,228            | (7)          | (7)          |
| EBIT             | 8,086            | 9,789            | 8,471            | 7,938            | (5)          | 23           |
| Interest expense | (3,982)          | (3,510)          | (2,306)          | (2,718)          | 73           | 29           |
| Net profit       | 2,887            | 4,252            | 3,452            | 4,121            | (27)         | 3            |
| <b>Margin</b>    | <b>(%)</b>       | <b>(%)</b>       | <b>(%)</b>       | <b>(%)</b>       | <b>(ppt)</b> | <b>(ppt)</b> |
| GPM              | 22.95            | 27.82            | 23.20            | 54.30            | (0.25)       | (26.48)      |
| NPM              | 8.91             | 17.57            | 11.46            | 30.96            | (2.55)       | (13.39)      |

Source: FSSIA estimates

## Exhibit 2: BTS' new warrants



| Term                           | 1-year               | 3-year               | 5-year               |
|--------------------------------|----------------------|----------------------|----------------------|
| Offering Price                 |                      | -Nil-                |                      |
| Allocation Ratio               | 20 shares : 1 BTS-W6 | 10 shares : 1 BTS-W7 | 5 shares : 1 BTS-W8  |
| No. of Warrants (units)        | Up to 658,407,985*   | Up to 1,316,815,970* | Up to 2,633,631,940* |
| No. of Shares (shares)         | Up to 658,407,985*   | Up to 1,316,815,970* | Up to 2,633,631,940* |
| Exercise Ratio                 |                      | 1 Warrant : 1 Share  |                      |
| Exercise Price (THB per share) | 9.9                  | 11.9                 | 14.9                 |
| Exercise Period                |                      | Quarterly            |                      |
| SET Listing                    |                      | Both to be listed    |                      |
| Average premium to share price |                      | 45%                  |                      |

\*Assuming all BTS-WD are exercised  
XW on 27 Jul 2021

Source: BTS

## Exhibit 3: SOTP valuation

|                      | (THB m)        | (THB/share) | Remarks   |
|----------------------|----------------|-------------|---|
| VGI & U              | 39,478         | 3.00        | 65.08% stake in VGI and 36.22% stake in U                           |
| BTSGIF               | 13,137         | 1.00        | 33.33% stake in BTSGIF, DDM method                                  |
| O&M                  | 55,092         | 4.19        | WACC 7.2%, Risk-free rate 3%, Risk premium 8%, zero terminal growth |
| Service              | 3,586          | 0.27        | WACC 8.2%, Risk-free rate 3%, Risk premium 8%, 1.5% terminal growth |
| Land bank            | 13,650         | 1.04        | 1.5x BV   |
| Net cash - Net debt* | (71,454)       | (5.43)      | At end-FY22E  |
| Yellow & Pink Lines  | 65,737         | 5.00        | WACC 7.2%, Risk-free rate 3%, Risk premium 8%, zero terminal growth |
| Green Line contract  | 25,653         | 1.95        | WACC 7.1%, Risk-free rate 3%, Risk premium 8%, zero terminal growth |
| <b>Total</b>         | <b>144,879</b> |             |   |
| Share base (m)       | 13,155         |             |   |
| <b>TP (THB)</b>      | <b>11.0</b>    |             |   |

\*Note: Includes receivables related to the Green Line mass transit of THB36b

Sources: BTS; FSSIA estimates

## Financial Statements

### BTS Group Holdings

| Profit and Loss (THB m) Year Ending Mar           | 2020           | 2021           | 2022E        | 2023E        | 2024E        |
|---|----------------|----------------|--------------|--------------|--------------|
| Revenue   | 35,405         | 35,128         | 28,455       | 24,205       | 13,834       |
| Cost of goods sold                                | (28,594)       | (27,863)       | (20,778)     | (16,266)     | (6,346)      |
| <b>Gross profit</b>                               | <b>6,810</b>   | <b>7,265</b>   | <b>7,677</b> | <b>7,939</b> | <b>7,487</b> |
| Other operating income                            | -              | -              | -            | -            | -            |
| Operating costs                                   | (3,076)        | (2,597)        | (2,789)      | (2,947)      | (3,094)      |
| <b>Operating EBITDA</b>                           | <b>3,734</b>   | <b>4,668</b>   | <b>4,889</b> | <b>4,992</b> | <b>4,393</b> |
| Depreciation                                      | (971)          | (811)          | (1,147)      | (1,206)      | (1,262)      |
| Goodwill amortisation                             | 0              | 0              | 0            | 0            | -            |
| <b>Operating EBIT</b>                             | <b>2,763</b>   | <b>3,857</b>   | <b>3,742</b> | <b>3,786</b> | <b>3,131</b> |
| Net financing costs                               | 359            | 627            | (626)        | (54)         | 280          |
| Associates  | 953            | (1,664)        | 0            | 1,449        | 2,073        |
| Recurring non-operating income                    | 1,626          | (831)          | 1,341        | 2,546        | 3,437        |
| Non-recurring items                               | 4,333          | 3,504          | 0            | 0            | 0            |
| <b>Profit before tax</b>                          | <b>9,081</b>   | <b>7,157</b>   | <b>4,457</b> | <b>6,279</b> | <b>6,847</b> |
| Tax   | (1,478)        | (1,927)        | (821)        | (1,256)      | (1,369)      |
| <b>Profit after tax</b>                           | <b>7,603</b>   | <b>5,230</b>   | <b>3,636</b> | <b>5,023</b> | <b>5,478</b> |
| Minority interests                                | 336            | (783)          | (748)        | (771)        | (794)        |
| Preferred dividends                               | 0              | 0              | 0            | 0            | -            |
| Other items                                       | 0              | 0              | 0            | 0            | 0            |
| <b>Reported net profit</b>                        | <b>7,939</b>   | <b>4,447</b>   | <b>2,887</b> | <b>4,252</b> | <b>4,684</b> |
| <b>Non-recurring items &amp; goodwill (net)</b>   | <b>(4,333)</b> | <b>(2,538)</b> | <b>0</b>     | <b>0</b>     | <b>0</b>     |
| <b>Recurring net profit</b>                       | <b>3,606</b>   | <b>1,909</b>   | <b>2,887</b> | <b>4,252</b> | <b>4,684</b> |
| <b>Per share (THB)</b>                            |                |                |              |              |              |
| Recurring EPS *                                   | 0.27           | 0.15           | 0.22         | 0.32         | 0.36         |
| Reported EPS                                      | 0.60           | 0.34           | 0.22         | 0.32         | 0.36         |
| DPS   | 0.48           | 0.28           | 0.15         | 0.26         | 0.28         |
| Diluted shares (used to calculate per share data) | 13,155         | 13,155         | 13,155       | 13,155       | 13,155       |
| <b>Growth</b>                                     |                |                |              |              |              |
| Revenue (%)                                       | (20.5)         | (0.8)          | (19.0)       | (14.9)       | (42.8)       |
| Operating EBITDA (%)                              | 13.1           | 25.0           | 4.7          | 2.1          | (12.0)       |
| Operating EBIT (%)                                | 10.2           | 39.6           | (3.0)        | 1.2          | (17.3)       |
| Recurring EPS (%)                                 | 24.6           | (47.1)         | 51.3         | 47.3         | 10.1         |
| Reported EPS (%)                                  | 148.8          | (44.0)         | (35.1)       | 47.3         | 10.1         |
| <b>Operating performance</b>                      |                |                |              |              |              |
| Gross margin inc. depreciation (%)                | 16.5           | 18.4           | 22.9         | 27.8         | 45.0         |
| Gross margin of key business (%)                  | 16.5           | 18.4           | 22.9         | 27.8         | 45.0         |
| Operating EBITDA margin (%)                       | 10.5           | 13.3           | 17.2         | 20.6         | 31.8         |
| Operating EBIT margin (%)                         | 7.8            | 11.0           | 13.1         | 15.6         | 22.6         |
| Net margin (%)                                    | 10.2           | 5.4            | 10.1         | 17.6         | 33.9         |
| Effective tax rate (%)                            | 15.9           | 26.4           | 20.0         | 20.0         | 20.0         |
| Dividend payout on recurring profit (%)           | 175.1          | 191.8          | 70.2         | 80.0         | 80.0         |
| Interest cover (X)                                | (12.2)         | (4.8)          | 8.1          | 118.0        | (23.5)       |
| Inventory days                                    | -              | -              | -            | -            | -            |
| Debtor days                                       | 53.6           | 39.5           | 12.6         | 23.0         | 41.3         |
| Creditor days                                     | 111.5          | 89.4           | 105.5        | 144.2        | 395.6        |
| Operating ROIC (%)                                | 40.4           | 49.5           | 173.5        | 159.9        | (41.0)       |
| ROIC (%)  | 2.5            | 1.4            | 2.1          | 2.6          | (0.7)        |
| ROE (%)   | 7.7            | 3.3            | 4.7          | 6.8          | 7.3          |
| ROA (%)   | 1.9            | 1.1            | 2.0          | 2.4          | 2.7          |
| * Pre-exceptional, pre-goodwill and fully diluted |                |                |              |              |              |
| <b>Revenue by Division (THB m)</b>                |                |                |              |              |              |
| O&M   | 3,790          | 5,372          | 6,479        | 6,725        | 6,981        |
| Advertising                                       | 2,858          | 1,661          | 1,462        | 1,856        | 5,153        |
| Construction                                      | 27,263         | 26,788         | 19,000       | 14,000       | 0            |
| Others  | 1,494          | 1,307          | 1,514        | 1,623        | 1,699        |

Sources: BTS Group Holdings; FSSIA estimates

## Financial Statements

### BTS Group Holdings

| Cash Flow (THB m) Year Ending Mar | 2020            | 2021            | 2022E          | 2023E           | 2024E          |
|-----------------------------------|-----------------|-----------------|----------------|-----------------|----------------|
| Recurring net profit              | 3,606           | 1,909           | 2,887          | 4,252           | 4,684          |
| Depreciation                      | 971             | 811             | 1,147          | 1,206           | 1,262          |
| Associates & minorities           | (1,984)         | 1,664           | 0              | 0               | 0              |
| Other non-cash items              | (1,291)         | (4,725)         | 397            | 771             | 794            |
| Change in working capital         | (15,409)        | (19,372)        | (11,911)       | 8,301           | 9,201          |
| <b>Cash flow from operations</b>  | <b>(14,107)</b> | <b>(19,712)</b> | <b>(7,480)</b> | <b>14,530</b>   | <b>15,942</b>  |
| Capex - maintenance               | (360)           | (409)           | (460)          | (460)           | (460)          |
| Capex - new investment            | (360)           | (409)           | (460)          | (460)           | (460)          |
| Net acquisitions & disposals      | (14,469)        | (6,585)         | (200)          | (200)           | (200)          |
| Other investments (net)           | 729             | 1,053           | 9,579          | 4,280           | 4,066          |
| <b>Cash flow from investing</b>   | <b>(14,459)</b> | <b>(6,351)</b>  | <b>8,459</b>   | <b>3,160</b>    | <b>2,946</b>   |
| Dividends paid                    | (5,492)         | (5,904)         | (2,028)        | (3,402)         | (3,747)        |
| Equity finance                    | 13,672          | 80              | 0              | 0               | 0              |
| Debt finance                      | 16,457          | 24,826          | (872)          | (6,394)         | (5,434)        |
| Other financing cash flows        | 2,914           | 7,684           | (632)          | (647)           | (662)          |
| <b>Cash flow from financing</b>   | <b>27,551</b>   | <b>26,686</b>   | <b>(3,532)</b> | <b>(10,442)</b> | <b>(9,843)</b> |
| Non-recurring cash flows          | -               | -               | -              | -               | -              |
| Other adjustments                 | 0               | 44              | 0              | 0               | 0              |
| <b>Net other adjustments</b>      | <b>(5,605)</b>  | <b>44</b>       | <b>(1,444)</b> | <b>(144)</b>    | <b>(650)</b>   |
| <b>Movement in cash</b>           | <b>(6,621)</b>  | <b>666</b>      | <b>(3,996)</b> | <b>7,103</b>    | <b>8,394</b>   |
| Free cash flow to firm (FCFF)     | (26,321.82)     | (23,553.82)     | 4,960.81       | 21,200.14       | 22,167.93      |
| Free cash flow to equity (FCFE)   | (14,800.33)     | 6,490.40        | (1,968.25)     | 10,505.19       | 12,141.14      |

#### Per share (THB)

|                               |        |        |        |      |      |
|-------------------------------|--------|--------|--------|------|------|
| FCFF per share                | (2.00) | (1.79) | 0.38   | 1.61 | 1.69 |
| FCFE per share                | (1.13) | 0.49   | (0.15) | 0.80 | 0.92 |
| Recurring cash flow per share | 0.10   | (0.03) | 0.34   | 0.47 | 0.51 |

| Balance Sheet (THB m) Year Ending Mar             | 2020           | 2021           | 2022E          | 2023E          | 2024E          |
|---|----------------|----------------|----------------|----------------|----------------|
| Tangible fixed assets (gross)                     | 7,826          | 8,434          | 9,234          | 10,034         | 10,834         |
| Less: Accumulated depreciation                    | (3,201)        | (3,542)        | (4,129)        | (4,783)        | (5,487)        |
| <b>Tangible fixed assets (net)</b>                | <b>4,624</b>   | <b>4,892</b>   | <b>5,105</b>   | <b>5,251</b>   | <b>5,347</b>   |
| <b>Intangible fixed assets (net)</b>              | <b>814</b>     | <b>967</b>     | <b>889</b>     | <b>796</b>     | <b>687</b>     |
| Long-term financial assets                        | 18,001         | 25,497         | 24,480         | 23,514         | 22,596         |
| Invest. in associates & subsidiaries              | 32,950         | 34,127         | 34,127         | 34,127         | 34,127         |
| Cash & equivalents                                | 6,050          | 6,717          | 2,720          | 9,823          | 18,217         |
| A/C receivable                                    | 6,649          | 957            | 1,005          | 2,051          | 1,081          |
| Inventories                                       | 0              | 0              | 0              | 0              | -              |
| Other current assets                              | 9,699          | 6,483          | 6,986          | 6,656          | 6,299          |
| <b>Current assets</b>                             | <b>22,398</b>  | <b>14,157</b>  | <b>10,711</b>  | <b>18,531</b>  | <b>25,597</b>  |
| Other assets                                      | 94,313         | 132,422        | 136,830        | 125,182        | 114,964        |
| <b>Total assets</b>                               | <b>173,100</b> | <b>212,062</b> | <b>212,143</b> | <b>207,402</b> | <b>203,319</b> |
| Common equity                                     | 54,923         | 60,162         | 61,417         | 63,038         | 64,769         |
| Minorities etc.                                   | 12,323         | 15,876         | 15,127         | 14,357         | 13,563         |
| <b>Total shareholders' equity</b>                 | <b>67,246</b>  | <b>76,037</b>  | <b>76,544</b>  | <b>77,395</b>  | <b>78,332</b>  |
| Long term debt                                    | 66,051         | 90,650         | 88,650         | 82,216         | 76,226         |
| Other long-term liabilities                       | 6,889          | 13,116         | 13,866         | 14,664         | 15,514         |
| <b>Long-term liabilities</b>                      | <b>72,940</b>  | <b>103,766</b> | <b>102,516</b> | <b>96,880</b>  | <b>91,740</b>  |
| A/C payable                                       | 8,364          | 6,285          | 6,763          | 7,280          | 7,841          |
| Short term debt                                   | 22,498         | 21,839         | 21,524         | 21,419         | 21,325         |
| Other current liabilities                         | 2,053          | 4,136          | 4,796          | 4,427          | 4,081          |
| <b>Current liabilities</b>                        | <b>32,915</b>  | <b>32,260</b>  | <b>33,083</b>  | <b>33,127</b>  | <b>33,247</b>  |
| <b>Total liabilities and shareholders' equity</b> | <b>173,100</b> | <b>212,062</b> | <b>212,143</b> | <b>207,402</b> | <b>203,319</b> |
| Net working capital                               | 5,932          | (2,980)        | (3,568)        | (3,000)        | (4,542)        |
| Invested capital                                  | 156,634        | 194,925        | 197,864        | 185,871        | 173,179        |

\* Includes convertibles and preferred stock which is being treated as debt

#### Per share (THB)

|                               |      |      |      |      |      |
|-------------------------------|------|------|------|------|------|
| Book value per share          | 4.18 | 4.57 | 4.67 | 4.79 | 4.92 |
| Tangible book value per share | 4.11 | 4.50 | 4.60 | 4.73 | 4.87 |

#### Financial strength

|                           |       |        |       |       |        |
|---------------------------|-------|--------|-------|-------|--------|
| Net debt/equity (%)       | 122.7 | 139.1  | 140.4 | 121.2 | 101.3  |
| Net debt/total assets (%) | 47.7  | 49.9   | 50.7  | 45.2  | 39.0   |
| Current ratio (x)         | 0.7   | 0.4    | 0.3   | 0.6   | 0.8    |
| CF interest cover (x)     | 41.2  | (10.0) | (1.4) | 205.3 | (44.1) |

| Valuation                                 | 2020        | 2021        | 2022E       | 2023E       | 2024E       |
|---|-------------|-------------|-------------|-------------|-------------|
| <b>Recurring P/E (x) *</b>                | <b>34.7</b> | <b>65.5</b> | <b>43.3</b> | <b>29.4</b> | <b>26.7</b> |
| <b>Recurring P/E @ target price (x) *</b> | <b>40.1</b> | <b>75.8</b> | <b>50.1</b> | <b>34.0</b> | <b>30.9</b> |
| Reported P/E (x)                          | 15.7        | 28.1        | 43.3        | 29.4        | 26.7        |
| Dividend yield (%)                        | 5.1         | 2.9         | 1.6         | 2.7         | 3.0         |
| Price/book (x)                            | 2.3         | 2.1         | 2.0         | 2.0         | 1.9         |
| Price/tangible book (x)                   | 2.3         | 2.1         | 2.1         | 2.0         | 2.0         |
| EV/EBITDA (x) **                          | 58.9        | 52.8        | 50.6        | 46.7        | 49.6        |
| EV/EBITDA @ target price (x) **           | 64.1        | 57.1        | 54.7        | 50.7        | 54.1        |
| EV/invested capital (x)                   | 1.4         | 1.3         | 1.3         | 1.3         | 1.3         |

\* Pre-exceptional, pre-goodwill and fully diluted \*\* EBITDA includes associate income and recurring non-operating income

Sources: BTS Group Holdings; FSSIA estimates

## Corporate Governance report of Thai listed companies 2020

| EXCELLENT LEVEL |        |        |       |       |       |        |        |        |        |       |
|-----------------|--------|--------|-------|-------|-------|--------|--------|--------|--------|-------|
| AAV             | ADVANC | AF     | AIRA  | AKP   | AKR   | ALT    | AMA    | AMATA  | AMATAV | ANAN  |
| AOT             | AP     | ARIP   | ARROW | ASP   | BAFS  | BANPU  | BAY    | BCP    | BCPG   | BDMS  |
| BEC             | BEM    | BGRIM  | BIZ   | BKI   | BLA   | BOL    | BPP    | BRR    | BTS    | BWG   |
| CENTEL          | CFRESH | CHEWA  | CHO   | CIMBT | CK    | CKP    | CM     | CNT    | COL    | COMAN |
| COTTO           | CPALL  | CPF    | CPI   | CPN   | CSS   | DELTA  | DEMCO  | DRT    | DTAC   | DTC   |
| DV8             | EA     | EASTW  | ECF   | ECL   | EGCO  | EPG    | ETE    | FNS    | FPI    | FPT   |
| FSMART          | GBX    | GC     | GCAP  | GEL   | GFPT  | GGC    | GPSC   | GRAMMY | GUNKUL | HANA  |
| HARN            | HMPRO  | ICC    | ICI   | III   | ILINK | INTUCH | IRPC   | IVL    | JKN    | JSP   |
| JWD             | K      | KBANK  | KCE   | KKP   | KSL   | KTB    | KTC    | LANNA  | LH     | LHFG  |
| LIT             | LPN    | MAKRO  | MALEE | MBK   | MBKET | MC     | MCOT   | METCO  | MFEC   | MINT  |
| MONO            | MOONG  | MSC    | MTC   | NCH   | NCL   | NEP    | NKI    | NOBLE  | NSI    | NVD   |
| NYT             | OISHI  | ORI    | OTO   | PAP   | PAP   | PCSGH  | PDJ    | PG     | PHOL   | PLANB |
| PLAT            | PORT   | PPS    | PR9   | PREB  | PRG   | PRM    | PSH    | PSL    | PTG    | PTT   |
| PTTEP           | PTTGC  | PYLON  | Q-CON | QH    | QTC   | RATCH  | RS     | S      | S & J  | SAAM  |
| SABINA          | SAMART | SAMTEL | SAT   | SC    | SCB   | SCC    | SCCC   | SCG    | SCN    | SDC   |
| SEAFCO          | SEOIL  | SE-ED  | SELIC | SENA  | SIRI  | SIS    | SITHAI | SMK    | SMPC   | SNC   |
| SONIC           | SORKON | SPALI  | SPI   | SPRC  | SPVI  | SSSC   | SST    | STA    | SUSCO  | SUTHA |
| SVI             | SYMC   | SYNTEC | TACC  | TASCO | TCAP  | TFMAMA | THANA  | THANI  | THCOM  | THG   |
| THIP            | THRE   | THREL  | TIP   | TIPCO | TISCO | TK     | TKT    | TMB    | TMILL  | TNDT  |
| TNL             | TOA    | TOP    | TPBI  | TQM   | TRC   | TSC    | TSR    | TSTE   | TSTH   | TTA   |
| TTCL            | TTW    | TU     | TVD   | TVI   | TVO   | TWPC   | U      | UAC    | UBIS   | UV    |
| VGI             | VIH    | WACOAL | WAVE  | WHA   | WHAUP | WICE   | WINNER | TRUE   |        |       |

| VERY GOOD LEVEL |         |        |       |        |       |        |        |        |        |       |
|-----------------|---------|--------|-------|--------|-------|--------|--------|--------|--------|-------|
| 2S              | ABM     | ACE    | ACG   | ADB    | AEC   | AEONTS | AGE    | AH     | AHC    | AIT   |
| ALLA            | AMANAHA | AMARIN | APCO  | APCS   | APURE | AQUA   | ASAP   | ASEFA  | ASIA   | ASIAN |
| ASIMAR          | ASK     | ASN    | ATP30 | AUCT   | AWC   | AYUD   | B      | BA     | BAM    | BBL   |
| BFIT            | BGC     | BJC    | BJCHI | BROOK  | BTW   | CBG    | CEN    | CGH    | CHARAN | CHAYO |
| CHG             | CHOTI   | CHOW   | CI    | CIG    | CMC   | COLOR  | COM7   | CPL    | CRC    | CRD   |
| CSC             | CSP     | CWT    | DCC   | DCON   | DDD   | DOD    | DOHOME | EASON  | EE     | ERW   |
| ESTAR           | FE      | FLOYD  | FN    | FORTH  | FSS   | FTE    | FVC    | GENCO  | GJS    | GL    |
| GLAND           | GLOBAL  | GLOCON | GPI   | GULF   | GYT   | HPT    | HTC    | ICN    | IFS    | ILM   |
| IMH             | INET    | INSURE | IRC   | IRCP   | IT    | ITD    | ITEL   | J      | JAS    | JCK   |
| JCKH            | JMART   | JMT    | KBS   | KCAR   | KGI   | KIAT   | KOOL   | KTIS   | KWC    | KWM   |
| L&E             | LALIN   | LDC    | LHK   | LOXLEY | LPH   | LRH    | LST    | M      | MACO   | MAJOR |
| MBAX            | MEGA    | META   | MFC   | MGT    | MILL  | MITSIB | MK     | MODERN | MTI    | MVP   |
| NETBAY          | NEX     | NINE   | NTV   | NWR    | OCC   | OGC    | OSP    | PATO   | PB     | PDG   |
| PDI             | PICO    | PIMO   | PJW   | PL     | PM    | PPP    | PRIN   | PRINC  | PSTC   | PT    |
| QLT             | RCL     | RICHY  | RML   | RPC    | RWI   | S11    | SALEE  | SAMCO  | SANKO  | SAPPE |
| SAWAD           | SCI     | SCP    | SE    | SEG    | SFP   | SGF    | SHR    | SIAM   | SINGER | SKE   |
| SKR             | SKY     | SMIT   | SMT   | SNP    | SPA   | SPC    | SPCG   | SR     | SRICHA | SSC   |
| SSF             | STANLY  | STI    | STPI  | SUC    | SUN   | SYNEX  | T      | TAE    | TAKUNI | TBSP  |
| TCC             | TCMC    | TEAM   | TEAMG | TFG    | TIGER | TITLE  | TKN    | TKS    | TM     | TMC   |
| TMD             | TMI     | TMT    | TNITY | TNP    | TNR   | TOG    | TPA    | TPAC   | TPCORP | TPOLY |
| TPS             | TRITN   | TRT    | TRU   | TSE    | TVT   | TWP    | UEC    | UMI    | UOBKH  | UP    |
| UPF             | UPOIC   | UT     | UTP   | UWC    | VL    | VNT    | VPO    | WIJK   | WP     | XO    |
| YUASA           | ZEN     | ZIGA   | ZMICO |        |       |        |        |        |        |       |

| GOOD LEVEL |      |        |        |       |        |       |       |        |        |       |
|------------|------|--------|--------|-------|--------|-------|-------|--------|--------|-------|
| 7UP        | A    | ABICO  | AJ     | ALL   | ALUCON | AMC   | APP   | ARIN   | AS     | AU    |
| B52        | BC   | BCH    | BEAUTY | BGT   | BH     | BIG   | BKD   | BLAND  | BM     | BR    |
| BROCK      | BSBM | BSM    | BTNC   | CAZ   | CCP    | CGD   | CITY  | CMAN   | CMO    | CMR   |
| CPT        | CPW  | CRANE  | CSR    | D     | EKH    | EP    | ESSO  | FMT    | GIFT   | GREEN |
| GSC        | GTB  | HTECH  | HUMAN  | IHL   | INOX   | INSET | IP    | JTS    | JUBILE | KASET |
| KCM        | KKC  | KUMWEL | KUN    | KWG   | KYE    | LEE   | MATCH | MATI   | M-CHAI | MCS   |
| MDX        | MJD  | MM     | MORE   | NC    | NDR    | NER   | NFC   | NNCL   | NPK    | NUSA  |
| OCEAN      | PAF  | PF     | PK     | PLE   | PMTA   | POST  | PPM   | PRAKIT | PRECHA | PRIME |
| PROUD      | PTL  | RBF    | RCI    | RJH   | ROJNA  | RP    | RPH   | RSP    | SF     | SFLEX |
| SGP        | SISB | SKN    | SLP    | SMART | SOLAR  | SPG   | SQ    | SSP    | STARK  | STC   |
| SUPER      | SVOA | TC     | TCCC   | THMUI | TIW    | TNH   | TOPP  | TPCH   | TIPIP  | TPLAS |
| TTI        | TYCN | UKEM   | UMS    | VCOM  | VRANDA | WIN   | WORK  | WPH    |        |       |

## Description

## Score Range

Excellent

90-100

Very Good

80-89

Good

70-79

## Disclaimer:

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The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey results may be changed after that date. FSS International Investment Advisory Company Limited does not confirm nor certify the accuracy of such survey results.

\* CGR scoring should be considered with news regarding wrong doing of the company or director or executive of the company such unfair practice on securities trading, fraud, and corruption SEC imposed a civil sanction against insider trading of director and executive; \*\* delisted

Source: Thai Institute of Directors Association (IOD); FSSIA's compilation

## Anti-corruption Progress Indicator 2020

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

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

| Level     |   |
|-----------|---|
| Certified | This level indicates practical participation with thoroughly examination in relation to the recommended procedures from the audit committee or the SEC's certified auditor, being a certified member of Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) or already passed examination to ensure independence from external parties. |
| Declared  | This level indicates determination to participate in the Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC)  |

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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, FSS International Investment Advisory Company Limited does not confirm, verify, or certify the accuracy and completeness of the assessment results.

Note: Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of June 24, 2019) are categorised into: 1) companies that have declared their intention to join CAC, and; 2) companies certified by CAC.

Source: The Securities and Exchange Commission, Thailand; \* FSSIA's compilation



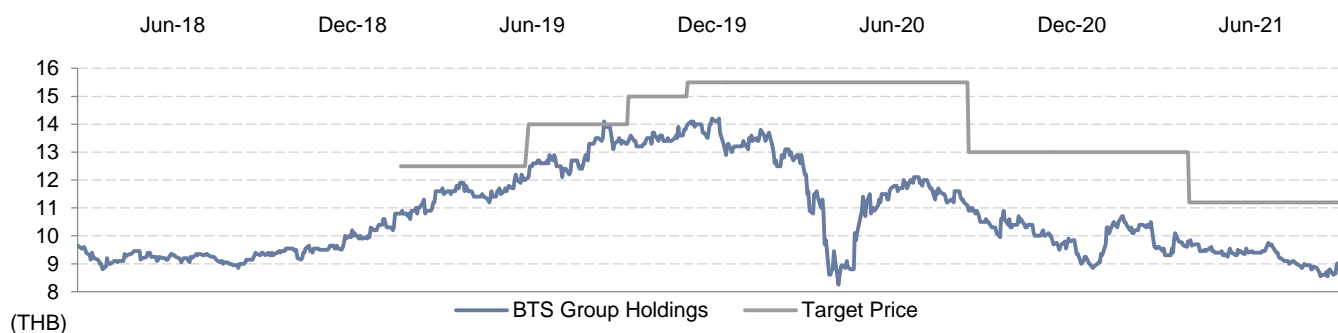
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Naruedom Mujjalinkool FSS International Investment Advisory Securities Co., Ltd

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**History of change in investment rating and/or target price****BTS Group Holdings (BTS TB)**

| Date        | Rating | Target price | Date        | Rating | Target price | Date        | Rating | Target price |
|-------------|--------|--------------|-------------|--------|--------------|-------------|--------|--------------|
| 13-Mar-2019 | BUY    | 12.50        | 15-Nov-2019 | BUY    | 15.50        | 18-Nov-2020 | BUY    | 13.00        |
| 01-Jul-2019 | BUY    | 14.00        | 02-Apr-2020 | BUY    | 15.50        | 19-Jan-2021 | BUY    | 11.20        |
| 25-Sep-2019 | BUY    | 15.00        | 13-Jul-2020 | BUY    | 13.00        |             |        |              |

Naruedom Mujjalinkool started covering this stock from 13-Jul-2020

Price and TP are in local currency

Source: FSSIA estimates

**VGI (VGI TB)**

| Date        | Rating | Target price | Date        | Rating | Target price | Date        | Rating | Target price |
|-------------|--------|--------------|-------------|--------|--------------|-------------|--------|--------------|
| 27-Aug-2020 | HOLD   | 6.70         | 15-Jan-2021 | HOLD   | 7.00         | 02-Jun-2021 | HOLD   | 6.50         |
| 05-Nov-2020 | HOLD   | 6.70         | 16-Feb-2021 | HOLD   | 7.00         |             |        |              |

Naruedom Mujjalinkool started covering this stock from 27-Aug-2020

Price and TP are in local currency

Source: FSSIA estimates

| Company            | Ticker | Price    | Rating | Valuation & Risks  |
|--------------------|--------|----------|--------|--|
| BTS Group Holdings | BTS TB | THB 9.50 | BUY    | The key downside risks to our SOTP-based TP include a slower-than-expected recovery of the Thai economic outlook and the company not being able to win new mass transit projects.              |
| VGI                | VGI TB | THB 6.35 | HOLD   | The key upside and downside risks to our SoTP-based TP are if the advertising expenditure recovery is slower or faster than our expectation, and whether Rabbit Line Pay is successful or not. |

Source: FSSIA estimates

**Additional Disclosures**

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finansia Syrus Securities Public Company Limited

FSSIA may incorporate the recommendations and target prices of companies currently covered by FSS Research into equity research reports, denoted by an 'FSS' before the recommendation. FSS Research is part of Finansia Syrus Securities Public Company Limited, which is the parent company of FSSIA.

All share prices are as at market close on 04-Jun-2021 unless otherwise stated.

**RECOMMENDATION STRUCTURE****Stock ratings**

Stock ratings are based on absolute upside or downside, which we define as  $(\text{target price}^* - \text{current price}) / \text{current price}$ .

BUY (B). The upside is 10% or more.

HOLD (H). The upside or downside is less than 10%.

REDUCE (R). The downside is 10% or more.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

\* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

**Industry Recommendations**

**Overweight.** The analyst expects the fundamental conditions of the sector to be positive over the next 12 months.

**Neutral.** The analyst expects the fundamental conditions of the sector to be maintained over the next 12 months.

**Underweight.** The analyst expects the fundamental conditions of the sector to be negative over the next 12 months.

**Country (Strategy) Recommendations**

**Overweight (O).** Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

**Neutral (N).** Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

**Underweight (U).** Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.