

## Total Bangun Persada

TOTL IJ / TOTL JK

## 4QFY13 RESULTS NOTE

<b>Market Cap</b> <b>US\$299.6m</b> Rp3,410,000m	<b>Avg Daily Turnover</b> <b>US\$0.55m</b> Rp6,413m	<b>Free Float</b> <b>38.0%</b> 3,410 m shares	Current Target Prev. Target Up/Downside	<b>Rp1,000.0</b> <b>Rp1,250</b> <b>Rp850.0</b> <b>25.0%</b>	<b>STOCK RATING</b> <b>ADD</b> <b>HOLD</b> <b>REDUCE</b>
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### CIMB Analyst(s)



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### Share price info

Share price perf. (%)	1M	3M	12M
Relative	27.8	69.5	-4.7
Absolute	29.9	81.8	-4.8
Major shareholders	% held		
Total Inti Persada	56.5		

## Turnabout is about fair

FY13 core profit was largely in line at 95% of our forecast but below consensus at 86%. Margins were resilient due to an increased contribution from its property division which yielded a 38% gross margin vs. 18% for construction. We cut our FY14 earnings by 10% as we expect a slower job flow and revenue recognition rate in 1H14. However, we expect job flows to pick up in 2H14 after a smooth election process. To reflect the more buoyant industry outlook, we raise our target price to Rp1,250, now based on 15x CY15 P/E, or a 20% discount to TOTL's mid-cycle P/E of 18x (prev. 10.8x CY15 P/E, a 20% discount to contractors' mid-cycle P/E). Maintain an Add rating, with accelerated job flows in the 2H14 as potential catalyst.

### Property propped up margins ➤

TOTL's FY13 revenue grew by 25% yoy to Rp2.3tr, ahead of our FY13 estimate, presumably due to a higher-than-expected revenue recognition rate from a faster delivery of its high-rise projects and property investments (i.e. shopping centres). FY13 gross margin was quite resilient, with a mere 10bp contraction yoy to 18.9%, largely due to a significant increase in its higher-yield property division (FY13 gross margin: 37.8%). TOTL experienced a 1.1% pt contraction in its gross margin for construction works in FY13 to 17.7%.

### 2014 outlook ➤

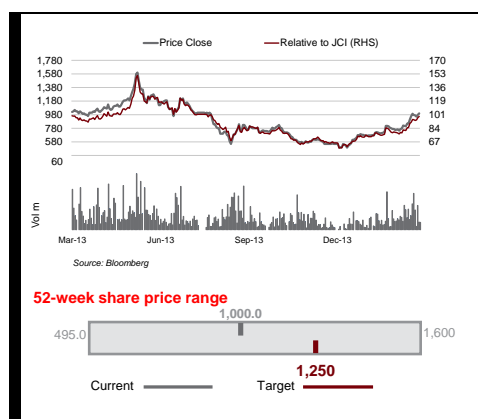
TOTL leaned towards cautious undertones in 2H13 when the industry saw interest rate hikes and a steep rupiah depreciation. Both caused job flows to slow down in 2H13. With expectations of a smoother election process, contractors have turned more upbeat with regards to their FY14 new contract targets, including TOTL. It has revised up its FY14 new contract target to Rp5tr (previously: Rp2.4tr). However, TOTL is guiding for lower FY14 revenue of Rp2tr (vs. its initial guidance of Rp2.4tr) and net profit of Rp150bn (vs. its initial guidance of Rp230bn) to buffer against a slower revenue recognition rate in 1H14 before the election period. In our view, this is a tad too conservative.

### Still worth keeping ➤

We believe that TOTL, as a high-rise builder specialist, is the major beneficiary of a smooth election process and interest rate cut scenario.

Results Comparison	4QFY13	4QFY12	yoy %	3QFY13	qoq %	4QFY13	4QFY12	yoy %	Prev.
FYE Dec (Rp bn)	chg			chg			chg		
Revenue	552	465	18.7	547	0.9	2,287	1,834	24.7	2,167
Operating costs	(488)	(418)	16.6	(483)	0.9	(2,013)	(1,630)	23.5	(1,930)
EBITDA	64	47	38	63	1.1	275	204	34.4	237
EBITDA margin (%)	11.6	10.0		11.6		12.0	11.1		10.9
Depn & amort.	(6)	(4)	48.8	(4)	31.9	(18)	(16)	15.8	(20)
EBIT	58	43	36.7	59	(1)	256	188	36.0	216
Interest & invt inc	7	32	(79.0)	7	(9.3)	30	55	(44.6)	59
Interest expense	(2)	-	na	(2)	48.2	(6)	-	na	(5)
Forex	1	(9)	116.9	13	(89)	10	-	na	-
Other income/ (exp)	2	(10)	122.2	(4)	149	(0)	(2)	(85.0)	-
Pretax profit	67	57	17.3	73	(9.2)	290	240.9	20.4	271
Tax	(20)	(15)	32.4	(18)	8.6	(77)	(59)	29.8	(67)
Tax rate (%)	29.7	26.4		24.9		26.5	24.6	7.9	24.9
Minority interests	(3)	(1)		(4)		(19)	(6.1)		(9)
Net profit	44	41	6.8	51	(14.4)	194	176	10.6	195
Core profit	40	52	(22.9)	41	(0.8)	184	176	5.0	195

SOURCE: CIMB, COMPANY REPORTS



### Financial Summary

	Dec-12A	Dec-13A	Dec-14F	Dec-15F	Dec-16F
Revenue (Rpb)	1,834	2,287	2,386	3,450	4,465
Operating EBITDA (Rpb)	204.2	274.6	265.8	369.3	468.5
Net Profit (Rpb)	175.7	194.8	201.3	283.1	371.2
Core EPS (Rp)	51.5	54.2	59.0	83.0	108.8
Core EPS Growth	44.0%	5.3%	8.9%	40.6%	31.1%
FD Core P/E (x)	19.41	18.44	16.94	12.05	9.19
DPS (Rp)	44.00	29.33	34.28	35.42	49.81
Dividend Yield	4.40%	2.93%	3.43%	3.54%	4.98%
EV/EBITDA (x)	13.13	10.64	10.47	6.85	4.82
P/FCFE (x)	18.39	NA	12.79	8.82	9.75
Net Gearing	(110%)	(68%)	(77%)	(89%)	(96%)
P/BV (x)	5.18	4.53	4.07	3.41	2.84
ROE	27.2%	26.2%	25.3%	30.8%	33.7%
% Change In Core EPS Estimates			(9.9%)	4.6%	14.8%
CIMB/consensus EPS (x)			0.85	1.02	

SOURCE: CIMB, COMPANY REPORTS

### Forecast changes ►

**New contract signings.** To streamline our forecast given the company's FY14 guidance, we set our new contract signing forecast at Rp4tr, or 20% lower than the company's guidance of Rp5tr. This is in light of its YTD new contract signings of a mere Rp600bn from the MNC building, which constitutes 12% of its FY14 new contract target of Rp5tr.

**Revenue.** In our estimation, the carryover to FY14 reached Rp3.8tr, which will be more than sufficient to cover our FY14 revenue estimate of Rp2.4tr. We expect flattish growth as we think that new contract signings in FY14 will only pick up in 2H. The reason for this is that the political uncertainties expired as the new administration is elected in 2H14, prompting a more certain rate cut scenario and more stable currency. We expect a brisk recovery in TOTL's FY15 revenue (+45% yoy), reflecting the sharp pick-up in 2H14 job flows.

**Gross margin.** In light of a slower job flow in 1H14 due to the political uncertainties before the election, we believe that it may be hard for TOTL to command a higher gross margin when pitching for contracts. Thus, we are setting a slightly lower gross margin of 17.5% for its construction works, on par with its three-year average of 17.5%. Likewise, we expect flat gross margins for its property division at 37.8% (vs. 37.8% in FY13).

**Core profit.** We expect the brisk recovery in the company's FY15 topline to be reflected fully on its bottomline. Core profit is expected to grow by 41% yoy to Rp283bn, signifying a 8.2% core profit margin.

The changes effected above is basically postponing their revenue recognition and thus earnings delivery to FY15F on the premise of sharp job pick up in 2H14.

**Figure 1: Total Bangun Persada**

Forecast Changes	Previous			Actual	New			Changes		
	FY14F	FY15F	FY16F		FY14F	FY15F	FY16F	FY14F	FY15F	FY16F
New contract (excl JO)	2,541.0	2,922.2	3,652.7	1,952.0	4,000.0	4,400.0	4,840.0	57.4%	50.6%	32.5%
Revenue (incl JO)	2,462	2,875	3,375	2,296	2,397	3,465	4,484	-2.7%	20.5%	32.8%
Income from JO	2.6	3.4	4.4	8.5	11.1	14.4	18.7	326.5%	326.5%	326.5%
Revenue (excl JO)	2,460	2,872	3,371	2,287	2,386	3,450	4,465	-3.0%	20.1%	32.5%
Gross profit	461	561	659	432	435	623	799	-5.7%	11.2%	21.3%
EBIT	248	312	368	256	247	350	447	-0.3%	12.3%	21.4%
Interest expense	(7.6)	(7.6)	(7.6)	(6.1)	(10.4)	(9.9)	(5.0)	36.5%	30.4%	-34.8%
Interest & invt inc	68.2	63.5	75.2	30.5	43.4	53.4	62.5	-36.3%	-15.8%	-16.9%
Pretax profit	308.6	367.8	435.3	291	280	394	504	-9.2%	7.1%	15.8%
Core net profit	223.5	270.6	323.4	185	201	283	371	-9.9%	4.6%	14.8%
<b>Profitability (%)</b>										
Gross margin	18.8%	19.5%	19.6%	18.9%	18.2%	18.1%	17.9%	-0.5%	-1.5%	-1.6%
EBIT margin	10.1%	10.9%	10.9%	11.2%	10.3%	10.1%	10.0%	0.2%	-0.7%	-0.9%
Pretax margin	12.5%	12.8%	12.9%	12.7%	11.8%	11.4%	11.3%	-0.8%	-1.4%	-1.6%
Core net margin	9.1%	9.4%	9.6%	8.1%	8.4%	8.2%	8.3%	-0.6%	-1.2%	-1.3%
<b>Annual growth (%)</b>										
New contract (excl JO)	10.0%	15.0%	25.0%	-11.3%	104.9%	10.0%	10.0%	94.9%	-5.0%	-15.0%
Revenue (incl JO)	13.6%	16.8%	17.4%	25.1%	4.4%	44.6%	29.4%	-9.2%	27.8%	12.0%
Revenue (excl JO)	13.5%	16.7%	17.4%	24.7%	4.4%	44.6%	29.4%	-9.1%	27.8%	12.0%
Income from JO	30.0%	30.0%	30.0%	1025.6%	30.0%	30.0%	30.0%	0.0%	0.0%	0.0%
Pretax profit	13.9%	19.2%	18.3%	20.6%	-3.5%	40.5%	28.0%	-17.4%	21.3%	9.6%
Core net profit	14.9%	21.1%	19.5%	5.3%	8.9%	40.6%	31.1%	-6.0%	19.6%	11.6%

SOURCES: CIMB, COMPANY REPORTS

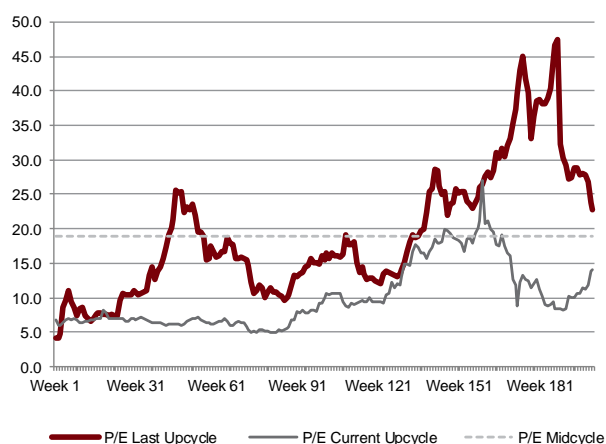
## Valuation and recommendation ►

We believe that the company's very conservative outlook for FY14 revenue recognition and bottomline recording echoes our concerns which we outlined in our 2014 navigator. We have previously commented on the possibilities of 1) slower jobs as its private clients delay the launch of projects, 2) issues with receivables due from financially-stretched clients and 3) slower revenue recognition as TOTL gives longer credit periods to repeat clients during challenging times due to the cooling property market as a result of the rate hike.

In view of Jokowi's nomination on 15 Mar 2014, which should provide a more stable political platform and help to pave the way for a more certain interest rate cut scenario, we think that 2H14 will provide a more buoyant outlook for TOTL. As most of its portfolio is filled with private projects, the interest rate cut will act as a catalyst for TOTL.

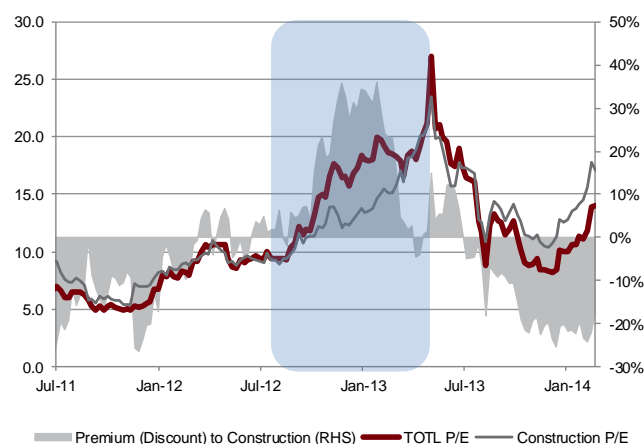
TOTL is currently trading at 12x CY15 P/E, or a 12% discount over the sector's average. Its superior profitability and strong balance sheet have always put them forth as a premium contractor and as a result, it should commands a loftier valuation than its peers.

**Figure 2: TOTL's current upcycle against last upcycle**



SOURCES: CIMB, COMPANY REPORTS

**Figure 3: In the last run-up in FY12, TOTL traded at a premium to peers**



SOURCES: CIMB, COMPANY REPORTS

**Figure 4: Sector Comparisons**

Company	Bloomberg Ticker	Recom.	Price (local curr)	Target Price (local curr)	Market Cap (US\$ m)	Core P/E (x)		3-year EPS CAGR (%)	P/BV (x)		Recurring ROE (%)			EV/EBITDA (x)		Dividend Yield (%)	
						CY2014	CY2015		CY2014	CY2015	CY2014	CY2015	CY2016	CY2014	CY2015	CY2014	CY2015
Adhi Karya	ADHI IJ	Add	2,940	2,475	465	13.9	11.3	17.3%	2.9	2.4	22.7%	23.4%	24.8%	4.9	4.4	1.8%	1.7%
Pembangunan Perumahan	PTPP IJ	Add	1,790	1,670	762	17.0	13.1	21.9%	3.7	3.0	23.1%	25.3%	27.2%	7.1	5.6	1.5%	1.8%
Total Bangun Persada	TOTL IJ	Add	1,000.0	1,250	300	16.9	12.0	22.6%	4.1	3.4	24.5%	30.8%	33.7%	10.8	6.8	3.4%	3.5%
Wijaya Karya	WIKA IJ	Reduce	2,385	1,770	1,287	21.1	18.2	19.3%	4.6	3.9	22.1%	23.0%	23.6%	10.5	8.5	1.1%	1.4%
<b>Indonesia</b>						<b>17.2</b>	<b>13.6</b>	<b>20.3%</b>	<b>3.8</b>	<b>3.2</b>	<b>23.1%</b>	<b>25.6%</b>	<b>27.3%</b>	<b>8.3</b>	<b>6.3</b>	<b>2.0%</b>	<b>2.1%</b>
Sino-Thai Eng & Construction	STEC TB	Reduce	16.30	12.70	765	16.4	14.2	10.9%	3.0	2.7	18.9%	20.0%	21.9%	8.1	6.3	3.1%	3.5%
CH. Karnchang	CK TB	Reduce	16.20	10.90	824	19.6	15.0	30.6%	1.6	1.5	8.1%	10.1%	11.4%	13.7	12.4	1.5%	1.9%
Italian-Thai Development	ITD TB	Add	3.60	4.41	539	18.6	15.9	23.0%	1.4	1.3	7.9%	8.7%	10.5%	11.3	11.3	1.4%	1.4%
<b>Thailand</b>						<b>18.1</b>	<b>14.9</b>	<b>20.1%</b>	<b>1.8</b>	<b>1.7</b>	<b>10.4%</b>	<b>11.8%</b>	<b>13.5%</b>	<b>11.4</b>	<b>10.5</b>	<b>2.0%</b>	<b>2.3%</b>
Gamuda	GAM MK	Add	4.64	5.24	3,237	14.3	12.9	8.2%	1.9	1.9	13.2%	14.7%	16.3%	12.6	12.0	2.5%	2.5%
IJM Corp Bhd	IJM MK	Add	6.08	6.47	2,621	14.2	12.6	na	3.2	3.3	22.3%	25.7%	na	10.5	9.8	2.5%	2.5%
Malaysian Resources Corp	MRC MK	Hold	1.56	1.38	781	53.6	27.7	na	2.1	2.0	4.0%	7.3%	8.9%	12.4	8.6	1.8%	1.9%
Muhibbah Engineering	MUHI MK	Add	2.84	3.20	363	12.0	10.8	6.8%	1.6	1.5	14.1%	14.7%	13.6%	9.9	9.3	1.8%	1.9%
Mudajaya Group	MDJ MK	Add	2.69	3.19	442	8.3	6.6	16.8%	0.7	0.5	10.4%	8.9%	8.6%	2.0	2.0	4.1%	4.5%
Sunway Bhd	SWB MK	Add	2.90	3.25	1,515	10.0	9.7	5.1%	1.1	1.0	11.7%	10.5%	9.4%	7.8	7.4	3.4%	3.4%
WCT Holdings	WCTHG MK	Hold	2.17	2.24	716	13.3	11.6	-7.8%	1.2	1.0	9.0%	9.4%	8.8%	9.3	8.4	4.1%	4.1%
<b>Malaysia</b>						<b>10.8</b>	<b>10.2</b>	<b>1.0%</b>	<b>1.1</b>	<b>1.0</b>	<b>10.9%</b>	<b>10.2%</b>	<b>9.2%</b>	<b>8.3</b>	<b>7.8</b>	<b>3.7%</b>	<b>3.7%</b>
<b>Average (all)</b>						<b>14.1</b>	<b>12.4</b>	<b>14.4%</b>	<b>1.7</b>	<b>1.6</b>	<b>12.6%</b>	<b>13.1%</b>	<b>16.8%</b>	<b>10.2</b>	<b>9.4</b>	<b>2.6%</b>	<b>2.7%</b>

SOURCES: CIMB, COMPANY REPORTS

### Profit & Loss

(Rpb)	Dec-13A	Dec-14F	Dec-15F	Dec-16F
<b>Total Net Revenues</b>	<b>2,296</b>	<b>2,397</b>	<b>3,465</b>	<b>4,484</b>
<b>Gross Profit</b>	<b>441</b>	<b>446</b>	<b>638</b>	<b>818</b>
<b>Operating EBITDA</b>	<b>275</b>	<b>266</b>	<b>369</b>	<b>468</b>
Depreciation And Amortisation	(18)	(18)	(19)	(22)
<b>Operating EBIT</b>	<b>256</b>	<b>247</b>	<b>350</b>	<b>447</b>
Total Financial Income/(Expense)	24	33	43	58
Total Pretax Income/(Loss) from Assoc.	0	0	0	0
Total Non-Operating Income/(Expense)	10	0	0	0
<b>Profit Before Tax (pre-EI)</b>	<b>291</b>	<b>280</b>	<b>394</b>	<b>504</b>
Exceptional Items	0	0	0	0
<b>Pre-tax Profit</b>	<b>291</b>	<b>280</b>	<b>394</b>	<b>504</b>
Taxation	(77)	(73)	(105)	(133)
Exceptional Income - post-tax	0	0	0	0
<b>Profit After Tax</b>	<b>214</b>	<b>207</b>	<b>289</b>	<b>371</b>
Minority Interests	(19)	(6)	(6)	0
Preferred Dividends	0	0	0	0
FX Gain/(Loss) - post tax	0	0	0	0
Other Adjustments - post-tax	0	0	0	0
<b>Net Profit</b>	<b>195</b>	<b>201</b>	<b>283</b>	<b>371</b>
Recurring Net Profit	185	201	283	371
<b>Fully Diluted Recurring Net Profit</b>	<b>185</b>	<b>201</b>	<b>283</b>	<b>371</b>

### Balance Sheet

(Rpb)	Dec-13A	Dec-14F	Dec-15F	Dec-16F
Total Cash And Equivalents	648	792	1,052	1,232
Total Debtors	280	315	462	616
Inventories	0	0	0	0
Total Other Current Assets	1,008	1,012	1,283	1,553
<b>Total Current Assets</b>	<b>1,936</b>	<b>2,118</b>	<b>2,796</b>	<b>3,400</b>
Fixed Assets	93	97	111	131
Total Investments	29	29	29	29
Intangible Assets	0	0	0	0
Total Other Non-Current Assets	168	164	161	158
<b>Total Non-current Assets</b>	<b>290</b>	<b>291</b>	<b>301</b>	<b>318</b>
Short-term Debt	22	22	22	0
Current Portion of Long-Term Debt				
Total Creditors	94	99	143	186
Other Current Liabilities	1,110	1,197	1,673	2,143
<b>Total Current Liabilities</b>	<b>1,226</b>	<b>1,318</b>	<b>1,838</b>	<b>2,329</b>
Total Long-term Debt	71	71	71	0
Hybrid Debt - Debt Component				
Total Other Non-Current Liabilities	110	110	110	110
<b>Total Non-current Liabilities</b>	<b>182</b>	<b>182</b>	<b>182</b>	<b>110</b>
Total Provisions	0	0	0	0
<b>Total Liabilities</b>	<b>1,407</b>	<b>1,500</b>	<b>2,020</b>	<b>2,439</b>
Shareholders' Equity	753	838	1,000	1,201
Minority Interests	66	72	78	78
<b>Total Equity</b>	<b>819</b>	<b>909</b>	<b>1,078</b>	<b>1,279</b>

### Cash Flow

(Rpb)	Dec-13A	Dec-14F	Dec-15F	Dec-16F
EBITDA	274.6	265.8	369.3	468.5
Cash Flow from Inv. & Assoc.				
Change In Working Capital	(330.3)	53.7	101.8	89.0
(Incr)/Decr in Total Provisions				
Other Non-Cash (Income)/Expense				
Other Operating Cashflow	(3.4)	6.1	6.1	0.0
Net Interest (Paid)/Received	24.4	33.0	43.5	57.5
Tax Paid	(76.9)	(73.0)	(104.8)	(133.0)
<b>Cashflow From Operations</b>	<b>(111.6)</b>	<b>285.5</b>	<b>415.9</b>	<b>482.1</b>
Capex	(9.6)	(19.0)	(29.2)	(39.0)
Disposals Of FAs/subsidiaries	0.0	0.0	0.0	0.0
Acq. Of Subsidiaries/investments	(16.7)	0.0	0.0	0.0
Other Investing Cashflow	(0.3)	(0.0)	0.0	0.0
<b>Cash Flow From Investing</b>	<b>(26.6)</b>	<b>(19.0)</b>	<b>(29.2)</b>	<b>(39.0)</b>
Debt Raised/(repaid)	71.6	0.0	0.0	(93.3)
Proceeds From Issue Of Shares	(0.0)	0.0	0.0	0.0
Shares Repurchased	0.0	0.0	0.0	0.0
Dividends Paid	(100.0)	(116.9)	(120.8)	(169.8)
Preferred Dividends				
Other Financing Cashflow	27.4	(6.1)	(6.1)	0.0
<b>Cash Flow From Financing</b>	<b>(1.0)</b>	<b>(123.0)</b>	<b>(126.9)</b>	<b>(263.1)</b>
Total Cash Generated	(139.3)	143.6	259.9	179.9
<b>Free Cashflow To Equity</b>	<b>(66.6)</b>	<b>266.5</b>	<b>386.7</b>	<b>349.8</b>
<b>Free Cashflow To Firm</b>	<b>(132.1)</b>	<b>276.9</b>	<b>396.7</b>	<b>448.0</b>

### Key Ratios

	Dec-13A	Dec-14F	Dec-15F	Dec-16F
Revenue Growth	24.7%	4.3%	44.6%	29.4%
Operating EBITDA Growth	34.4%	(3.2%)	39.0%	26.9%
Operating EBITDA Margin	12.0%	11.1%	10.7%	10.5%
Net Cash Per Share (Rp)	162.8	204.9	281.1	361.2
BVPS (Rp)	220.9	245.6	293.2	352.2
Gross Interest Cover	41.8	23.8	35.2	89.8
Effective Tax Rate	26.5%	26.0%	26.6%	26.4%
Net Dividend Payout Ratio	43.6%	49.4%	36.3%	38.9%
Accounts Receivables Days	37.10	43.29	41.09	44.18
Inventory Days	-	-	-	-
Accounts Payables Days	15.71	18.04	15.63	16.42
ROIC (%)	2519%	72%	120%	223%
ROCE (%)	35.0%	30.4%	37.2%	41.6%

### Rolling FD P/E (x)



### Key Drivers

(Rpb)	Dec-13A	Dec-14F	Dec-15F	Dec-16F
Outstanding Orderbook	4,746	6,733	8,868	10,382
Order Book Depletion	N/A	N/A	N/A	N/A
Orderbook Replenishment	1,952	4,000	4,400	4,840
ASP (% chg, main prod./serv.)	N/A	N/A	N/A	N/A
Unit sales grth (% main prod./serv.)	N/A	N/A	N/A	N/A
Util. rate (% main prod./serv.)	N/A	N/A	N/A	N/A
ASP (% chg, 2ndary prod./serv.)	N/A	N/A	N/A	N/A
Unit sales grth (% 2ndary prod./serv.)	N/A	N/A	N/A	N/A
Util. rate (% 2ndary prod./serv.)	N/A	N/A	N/A	N/A

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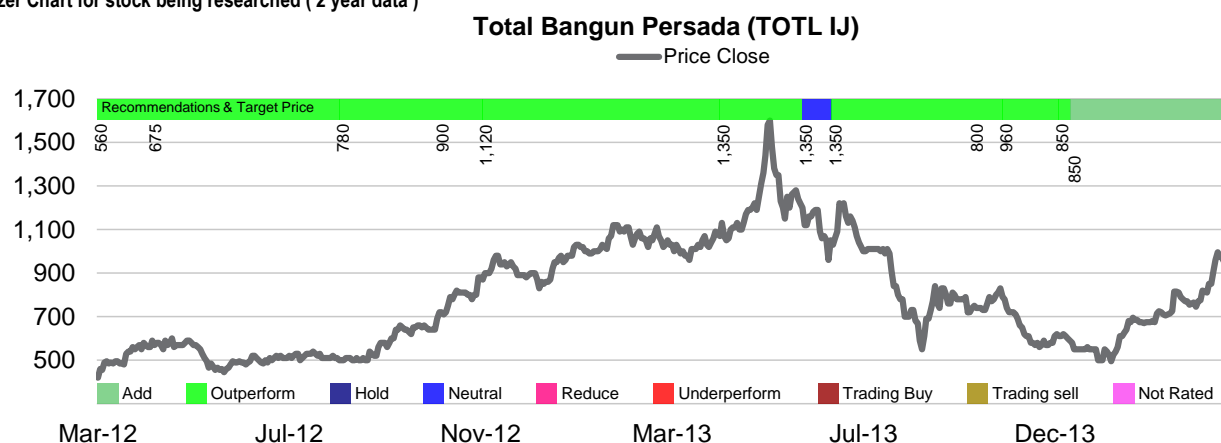
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1347 companies under coverage for quarter ended on 28 February 2014		
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Spitzer Chart for stock being researched ( 2 year data )



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### CIMB Recommendation Framework #1

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.

### CIMB Stock Recommendation Framework #2 \*

Outperform	The stock's total return is expected to exceed a relevant benchmark's total return by 5% or more over the next 12 months.
Neutral	The stock's total return is expected to be within +/-5% of a relevant benchmark's total return.
Underperform	The stock's total return is expected to be below a relevant benchmark's total return by 5% or more over the next 12 months.
Trading Buy	The stock's total return is expected to exceed a relevant benchmark's total return by 3% or more over the next 3 months.

#### Trading Sell

The stock's total return is expected to be below a relevant benchmark's total return by 3% or more over the next 3 months.

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<b>Outperform</b>	Expected positive total returns of 10% or more over the next 12 months.
<b>Neutral</b>	Expected total returns of between -10% and +10% over the next 12 months.
<b>Underperform</b>	Expected negative total returns of 10% or more over the next 12 months.
<b>Trading Buy</b>	Expected positive total returns of 10% or more over the next 3 months.
<b>Trading Sell</b>	Expected negative total returns of 10% or more over the next 3 months.

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#### Corporate Governance Report of Thai Listed Companies (CGR). CG Rating by the Thai Institute of Directors Association (IOD) in 2013.

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