

## Company Note

### I Indonesia

#### ADD (no change)

Consensus ratings\*: Buy 5 Hold 1 Sell 0

Current price:	Rp650.0
Target price:	Rp1,080
Previous target:	Rp1,000.0
Up/downside:	66.2%
CIMB / Consensus:	21.0%
Reuters:	TOTL.JK
Bloomberg:	TOTL IJ
Market cap:	US\$166.2m
	Rp2,216,500m
Average daily turnover:	US\$0.47m
	Rp6,296m
Current shares o/s:	3,410m
Free float:	38.0%

\* Source: Bloomberg

#### Key changes in this note

- FY16 EPS increased by 8.9%.
- FY17 EPS increased by 15.7%.
- FY18 EPS increased by 14.2%.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	4	10.2	-25.7
Relative (%)	1.8	11.2	-23.5

Major shareholders	% held
Total Inti Persada	56.5

#### Analyst(s)



#### Laura TASLIM

T (62) 21 3006 1723  
E laura@cimb.com

#### Erindra KRISNAWAN, CFA

T (62) 21 3006 1732  
E erindra.krisnawan@cimb.com

## Total Bangun Persada

### Solid builder

- TOTL breezed through the last three years' slowdown largely unscathed. Its 71.3% dividend payout for FY15 was an appropriate exclamation mark.
- With a recovering economy, the imminent passing of tax amnesty shall spark property appetite, placing market leader TOTL in pole position to benefit.
- ROE to return to peak by 2018 on healthy NP margin due to property boom.
- Trading at an attractive 8.2x forward P/E, 2.3 s.d. below the 3-year average. We upgrade earnings on higher interest income and maintain our Add rating.

#### Breezing through the slowdown unscathed

From its peak revenue in 2013, TOTL's revenue declined by a mere 1% in 2015, against property sector's marketing sales which fell by 4%. Its overdue receivables were at a manageable level of 2.5% of total revenue (in-line with past three years' average) vs. 4% for the industry. Cash went up some Rp185bn (US\$14mn) to Rp733bn (US\$55mn), 26% of asset at end-FY15. Probably as an exclamation mark, it paid out 70% of profits as dividend for FY15, the highest payout since 2012.

#### Recovery is on track

It booked Rp600bn (US\$45mn) of new contracts YTD to Apr 16, c.20% of its FY16 target, and in line with seasonality. It has Rp4.9tr (US\$368mn) of projects undergoing the tender process. With 70-80% win rate, the Rp3tr (US\$226mn) remaining target is conservative. Combined with backlog of Rp4.3tr, revenue should hit Rp2.5tr in FY16. In addition, it has four JO (Joint Operation) projects with expected income of Rp69bn in 2016. Earnings should rebound from 2015's low, in our view.

#### In pole position when property appetite returns

We think that the passing of tax amnesty shall spark appetite for property. Indeed, our channel checks suggest that developers are preparing new launches timed to the tax amnesty implementation. Historically, property sales correlate with GDP growth. As we forecast GDP growth hitting 6.5% by 2018, we project TOTL's sales growth of 17% 3-years CAGR. Being the market leader, TOTL is well positioned to benefit, we believe.

#### Strong balance sheet and cashflow to boot

Virtually debt-free with cash accounting for some 26% of assets at end-FY15, operating cashflow amounted to Rp306bn (US\$23mn) or some 11% yield (to sales) over the past three years, despite the slowdown. Tight control over receivables also helps.

#### Returning to peak ROE

Historically, dividend payout averaged 60%. It ended last year, after a tough 3-year slowdown, with the highest payout in three years. In our forecast of 25% 3-years (FY15-18) earnings CAGR and 60% dividend payout, we project ROE to hit 28% by 2018, exceeding its peak since going public in 2006.

#### Best in its class, yet trading at a discount

The stock is trading at 8.2x forward P/E, 2.3 s.d. below the 3-year average and 52% discount to sector average (vs. 5% historically). With a recovery in sight, TOTL is a very attractive property proxy. We upgrade our target price to Rp1,080 (12.4 FY17 P/E, 25% discount to 3-year sector average) as we adjust our earnings from higher interest income due to company's better working capital management. Maintain Add. Key risk to our call is shortfall in new contracts if property investment fails to recover.

Financial Summary	Dec-14A	Dec-15A	Dec-16F	Dec-17F	Dec-18F
Revenue (Rp)	2,106	2,266	2,520	2,887	3,591
Operating EBITDA (Rp)	184.0	228.5	305.3	389.4	497.6
Net Profit (Rp)	160.8	163.0	243.5	295.8	372.6
Core EPS (Rp)	47.2	47.8	71.4	86.7	109.3
Core EPS Growth	(17.4%)	1.3%	49.4%	21.5%	26.0%
FD Core P/E (x)	13.78	13.60	9.10	7.49	5.95
DPS (Rp)	35.00	30.00	40.00	42.85	52.05
Dividend Yield	5.38%	4.62%	6.15%	6.59%	8.01%
EV/EBITDA (x)	8.22	6.20	4.68	3.10	1.90
P/FCFE (x)	19.75	9.78	26.03	6.05	5.03
Net Gearing	(80.8%)	(88.8%)	(77.8%)	(87.0%)	(94.1%)
P/BV (x)	2.78	2.61	2.32	2.01	1.70
ROE	20.8%	19.9%	27.1%	28.8%	31.1%
% Change In Core EPS Estimates			8.9%	15.7%	14.2%
CIMB/consensus EPS (x)			1.10	1.16	1.29

SOURCE: COMPANY DATA, CIMB FORECASTS

# Solid builder

## Breezing through the slowdown unscathed

### Firm revenue growth ➤

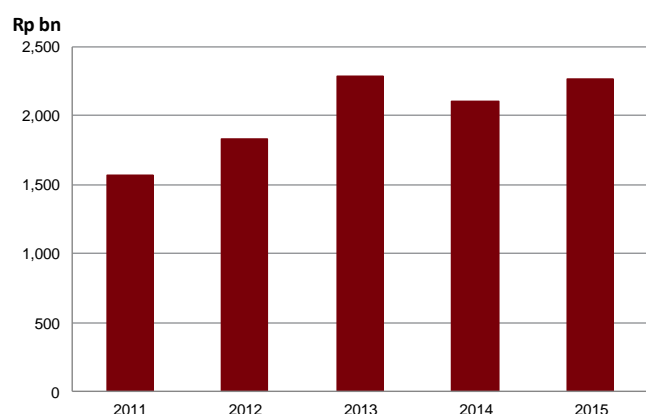
In the midst of the economic slowdown over the past three years, TOTL was still able to book relatively stable revenue. Its FY15 revenue slipped by a mere 1% from its peak in 2013, vs. a 4% decline in property sector's marketing sales.

Similar to other contractors, 2014 proved to be challenging for TOTL as for the first time in four years, its revenue pulled back by 8% yoy. Project delays during the election period were largely to blame. On a more positive note, the company managed to book Rp3.6tr (US\$271mn) worth of new contracts in FY14. This places them in pole position compared to the other two private listed contractors in JCI namely, NRCA and ACST who booked Rp3.2tr (US\$241mn) and Rp607bn (US\$46mn) of new contracts, respectively.

We believe its JO new contract achievement will continue to bear fruit especially since JO contracts usually take about four years to complete. Consecutive years following the first year usually mark a higher revenue recognition rate which will boost TOTL's income from JO.

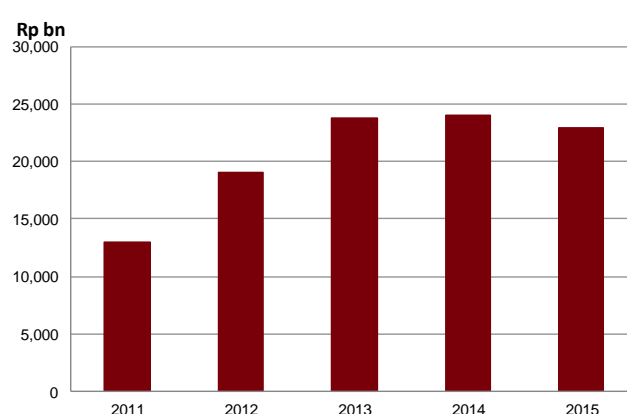
During the property bull cycle in 2010-13, TOTL's revenue grew at a CAGR of 14% or 2.3x Indonesia's average GDP growth at the time. In our view, Indonesia's property market is due for a revival following the passing of tax amnesty bill. This gives us more confidence that TOTL will be able to meet its FY16 new contract target of Rp3tr (US\$226mn) (+38% yoy).

**Figure 1: TOTL's revenue**



SOURCES: CIMB, COMPANY REPORTS

**Figure 2: Property developers' marketing sales**

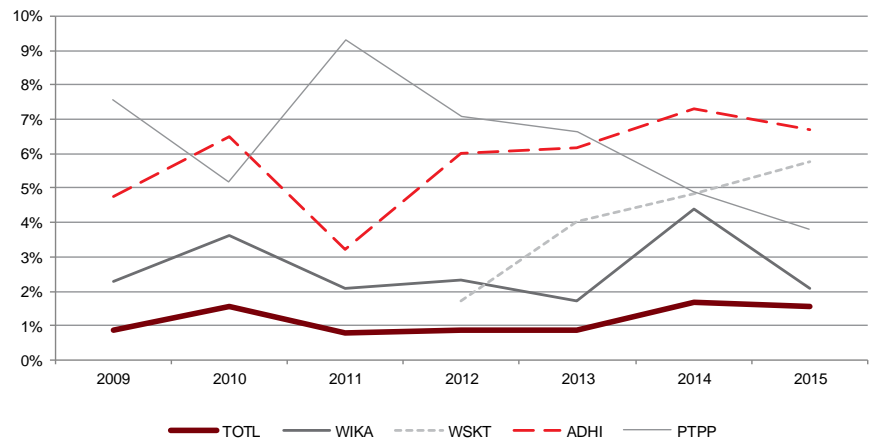


SOURCES: CIMB, COMPANY REPORTS

### Receivable balance still below industry's ➤

The company's overdue receivables (outstanding receivables over 12 months) currently stood at 2.5% of revenue, still in-line with past three years' average of 2% and below the average industry of 4%. We think this is attributable to TOTL's portfolio that carries c.80% of repeat clients which ensures that most projects undertaken carry little risk of default. This is reflected in its minimal allowance for impairment expense.

**Figure 3: Comparison of overdue receivables to total revenue for TOTL vs. SOE contractors**



SOURCES: CIMB, COMPANY REPORTS

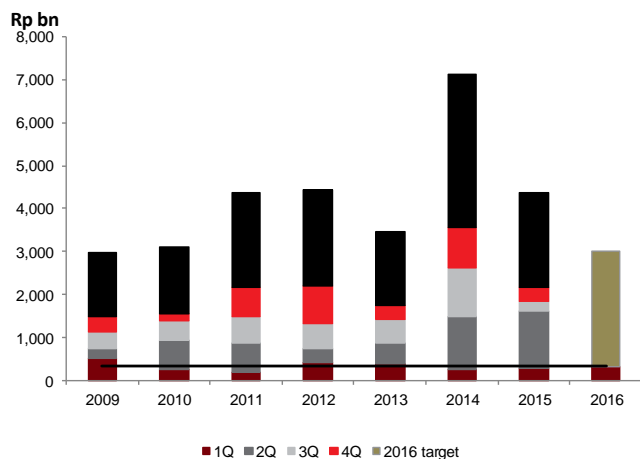
## Recovery is on track

### Ample backlog and new contracts signed

At end-Apr, 16 TOTL signed Rp600bn worth of new contracts, i.e. 20% of its total new contract target for FY16 of Rp3tr (US\$226mn), in line with seasonality. In our view, this is quite a feat considering Indonesia's soft property market.

The company has a Rp4.9tr (US\$368mn) pipeline which is biased towards high rise residential projects. Given TOTL's historical win rate of 70-80% the remaining new contract target for FY16 appears achievable.

**Figure 4: New contract achievement**



SOURCES: CIMB, COMPANY REPORTS

**Figure 5: Project prospects (under tender process)**

No	Sector	Contract value estimation (Rp bn)
1	High rise residential	2,700
2	Office	760
3	Hotel	700
4	Shopping centre	600
5	Others	150
Total		4,910

SOURCES: CIMB, COMPANY REPORTS

In addition, management is guiding for Rp2.6tr (US\$195mn) revenue in FY16 (vs. our estimate of Rp2.5tr (US\$188mn)), an increase of 15%yoy. With existing backlog of Rp4.3tr (US\$323mn) and Rp3tr (US\$226mn) of targeted new contract signings, we think the company is on track to reach its target.

## Income from Joint Operation ►

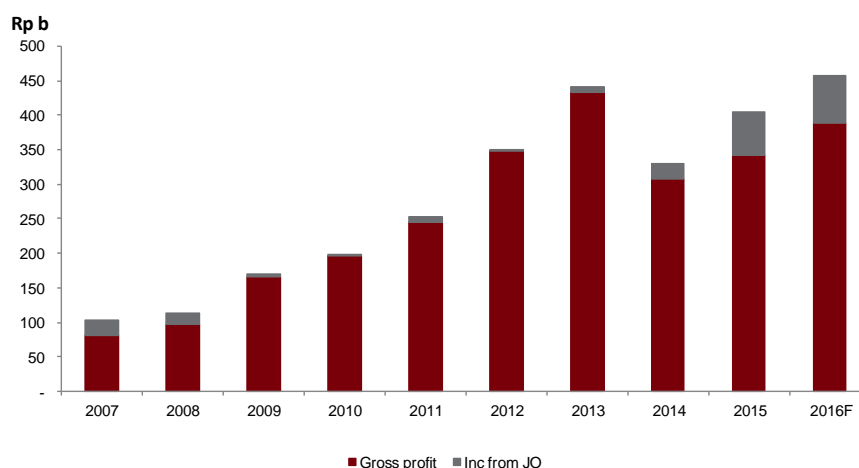
TOTL is working on four JO projects i.e. MNC Media Tower, Menara Astra, Lot 10 SCBD and Hotel Nirwana Bintan. We expect JO projects to yield Rp69bn (US\$5.2mn) in 2016. Though historically a small 7.5% of total gross profit after JO, the contribution from JO projects is increasing.

**Figure 6: JO projects**

Project Name	TOTL ownership	JO with
Hotel Nirwana Bintan	50%	PT Sempec Indonesia
MNC Media Tower	40%	Shimizu Corporation Jepang
Menara Astra	40%	Shimizu Corporation Jepang
Proyek Kantor Kelas A at SCBD Lot 10	45%	PT Takenaka Indonesia

SOURCES: CIMB, COMPANY REPORTS

**Figure 7: JO income contribution – still at a small percentage, but shows an increasing trend**



SOURCES: CIMB, COMPANY REPORTS

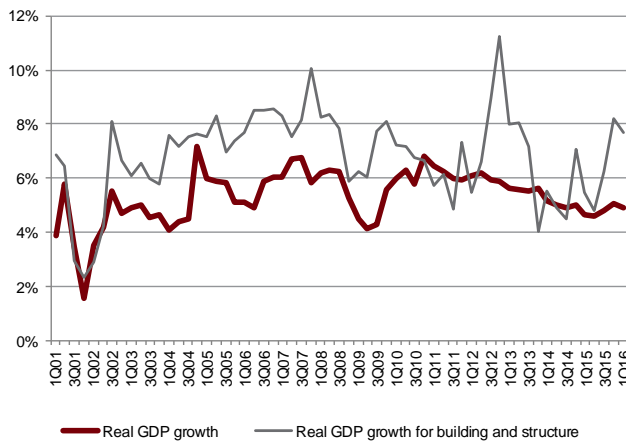
## In pole position when property appetite returns

We are of the view that the passing of tax amnesty shall spark appetite for property. Our channel checks suggest that developers are preparing new launches timed according to the tax amnesty implementation.

We aim to quantify the growth for TOTL's new contract signing following the passing of tax amnesty bill. Looking at the historical data, we found a positive relationship between GDP growth, building and structure spending and TOTL new contracts. This lends confidence to our revenue growth target for TOTL of 17% for 3-years CAGR.

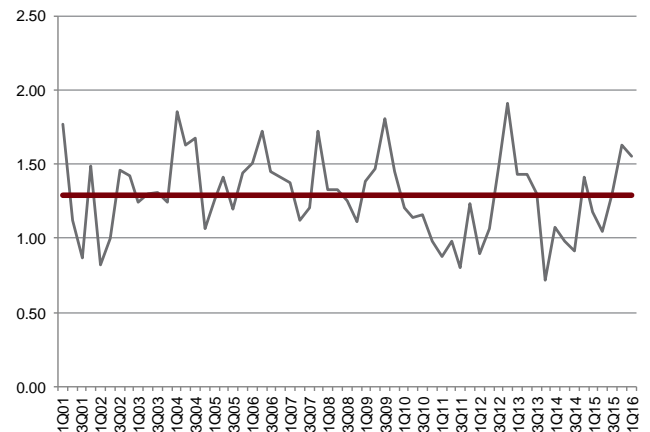
Based on the past relationship, our 6.5% GDP growth in 2018 should translate into extravagant 58% new contract growth for TOTL for the same period. We think the evidence of more than 8,500ha land bank availability and ample project launches for the next three years should support our argument.

**Figure 8: Real GDP growth vs. real GDP growth for building and structure expenditure**



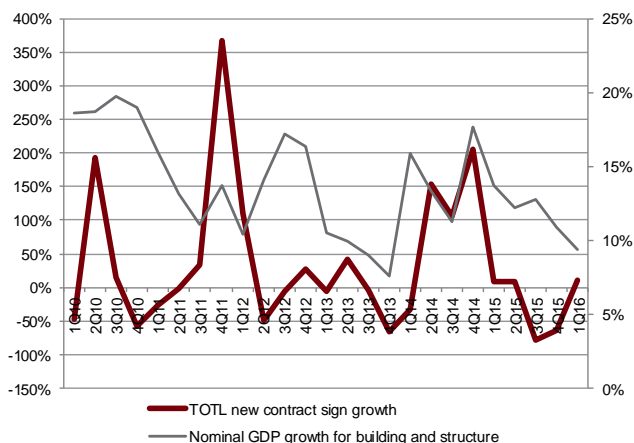
SOURCES: CIMB, COMPANY REPORTS

**Figure 9: Ratio of Real GDP for building and structure expenditure over real GDP growth**



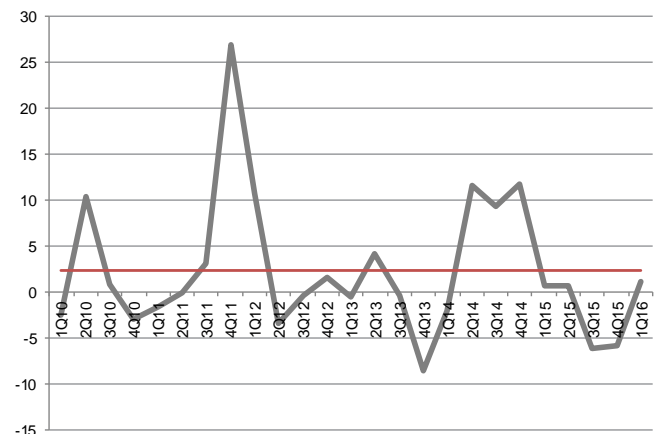
SOURCES: CIMB, COMPANY REPORTS

**Figure 10: Nominal GDP growth for building and structures vs. TOTL new contract growth**



SOURCES: CIMB, COMPANY REPORTS

**Figure 11: Ratio of nominal GDP growth for building and structures over TOTL new contract growth**



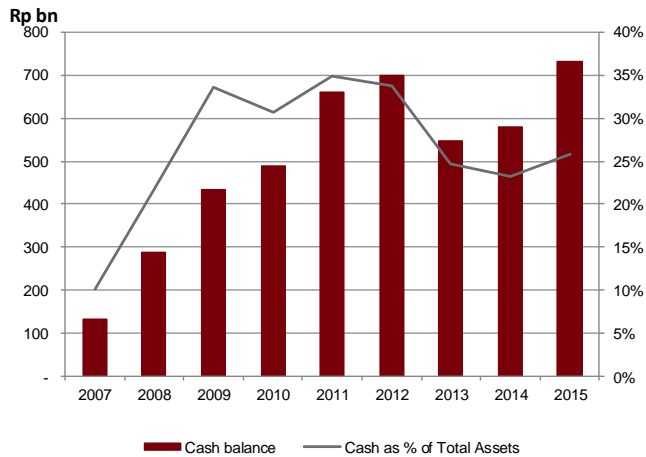
SOURCES: CIMB, COMPANY REPORTS

## Strong balance sheet and cashflow to boot

### Balance sheet ➤

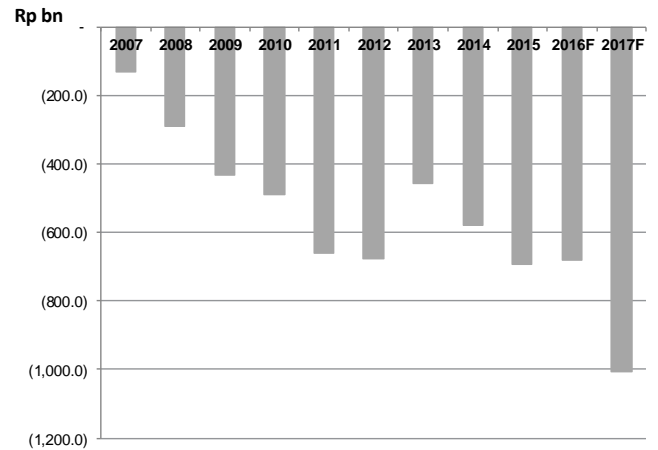
TOTL has maintained its net cash position since its IPO. Cash balance as of end-Mar 16 was Rp744bn (US\$56mn), at 26% of total assets. Given this huge cash on hand, the company is set to take up more projects in future.

**Figure 12: Rising cash balance, which stood at 26% of total assets at end-FY15**



SOURCES: CIMB, COMPANY REPORTS

**Figure 13: TOTL always at a net cash position**

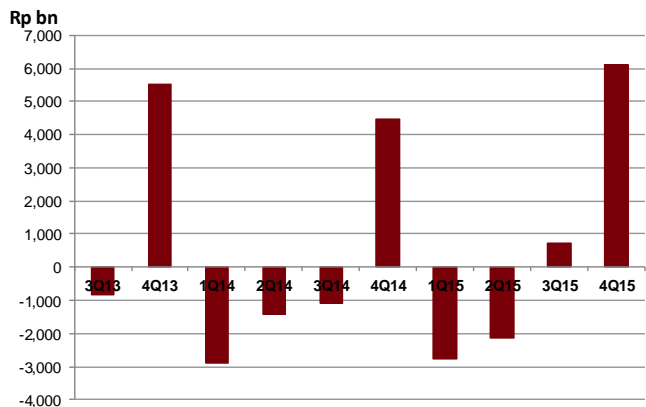


SOURCES: CIMB, COMPANY REPORTS

### Cashflow

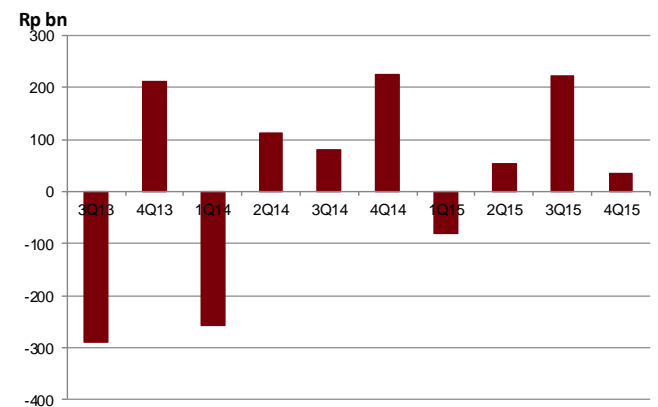
TOTL has a healthy cashflow position. Figure 14 and 15 below shows the trend, SOE contractors bear higher risk unlike the private contractors. For TOTL, most of its repeat clients are willing to pay a high deposit at the start of the project just to secure TOTL's services. Customer advances stood at Rp738bn (US\$55mn) as at end-1Q16 vs. historical peak of Rp887bn (US\$67mn) in 3Q15. We believe the high customer advance position that TOTL carried at end-1Q16 indicates low receivable risks (or even default).

**Figure 14: SOE contractors operating cashflow trend**

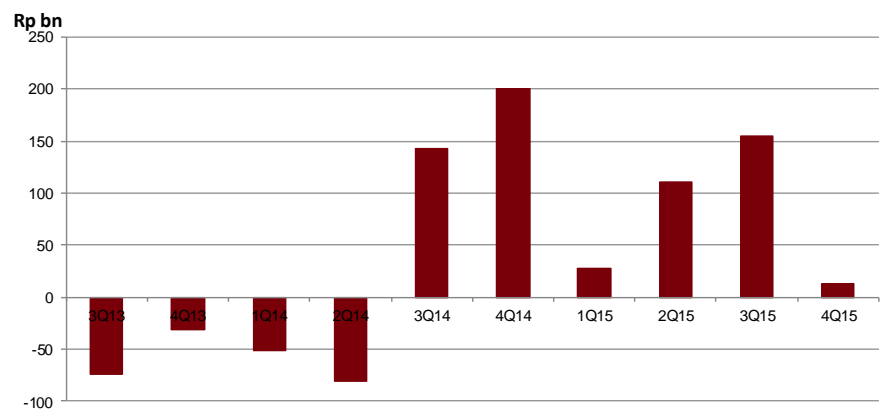


SOURCES: CIMB, COMPANY REPORTS

**Figure 15: Private contractors operating cashflow trend**



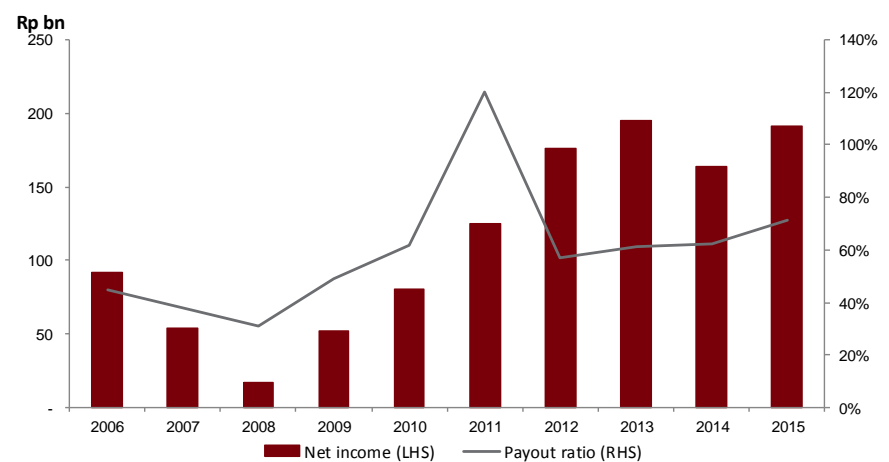
SOURCES: CIMB, COMPANY REPORTS

**Figure 16: TOTL's operating cashflow**

SOURCES: CIMB, COMPANY REPORTS

### Returning to peak ROE

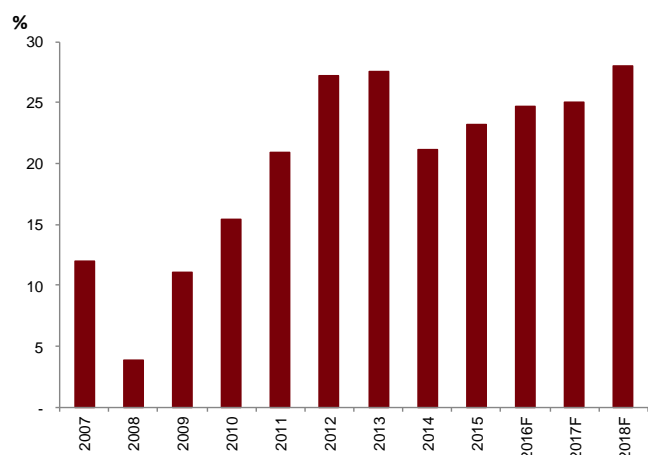
TOTL increased its dividend payout to 71.3% for FY15, translating to Rp40 per share or at 6% yield. This was the company's highest payout for the past three years despite challenging economic conditions. This should also indicate strong capital management.

**Figure 17: Dividend payout and net income trend**

SOURCES: CIMB, COMPANY REPORTS

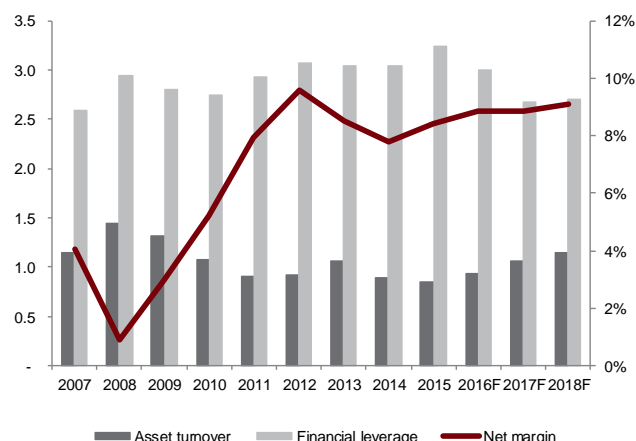
We expect ROE to gradually increase to 28% in 2018, the highest since the company's IPO in 2006. The rising ROE is driven by the increase in net margin which bodes well during a property boom.

Figure 18: TOTL's ROE trend



SOURCES: CIMB, COMPANY REPORTS

Figure 19: ROE's Dupont analysis elements



SOURCES: CIMB, COMPANY REPORTS

## Earnings revision

We upgrade our earnings forecasts mainly to reflect the company's good working capital management over the past two quarters, thus increasing their interest income due to a higher cash balance. Our operating assumptions are intact.

Figure 20: Changes to our forecasts

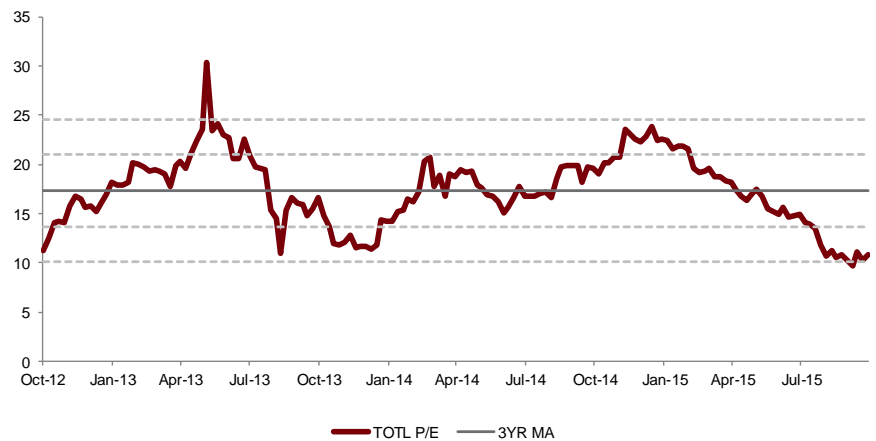
Rp bn	Old			Revision			%changes		
	FY16F	FY17F	FY18F	FY16F	FY17F	FY18F	FY16F	FY17F	FY18F
New contract (excl JO)	3,000.0	3,900.0	4,680.0	3,000.0	3,900.0	4,680.0	0.0%	0.0%	0.0%
Revenue (incl JO)	2,588.9	2,960.6	3,675.3	2,589	2,961	3,675	0.0%	0.0%	0.0%
Income from JO	68.9	73.6	84.3	68.9	73.6	84.3	0.0%	0.0%	0.0%
Revenue (excl JO)	2,520.1	2,887.0	3,591.0	2,520	2,887	3,591	0.0%	0.0%	0.0%
Gross profit	388.3	467.0	590.8	388	467	591	0.0%	0.0%	0.0%
EBIT	261.3	316.3	396.1	261	316	396	0.0%	0.0%	0.0%
Interest expense	(1.9)	-	-	(1.9)	-	-			
Interest & invt inc	38.8	24.8	37.0	58.7	65.0	83.2	51.5%	162.0%	125.0%
Pretax profit	298.2	341.1	433.0	318	381	479	6.7%	11.8%	10.7%
Core net profit	223.6	255.6	326.4	244	296	373	8.9%	15.7%	14.2%

SOURCES: CIMB, COMPANY REPORTS

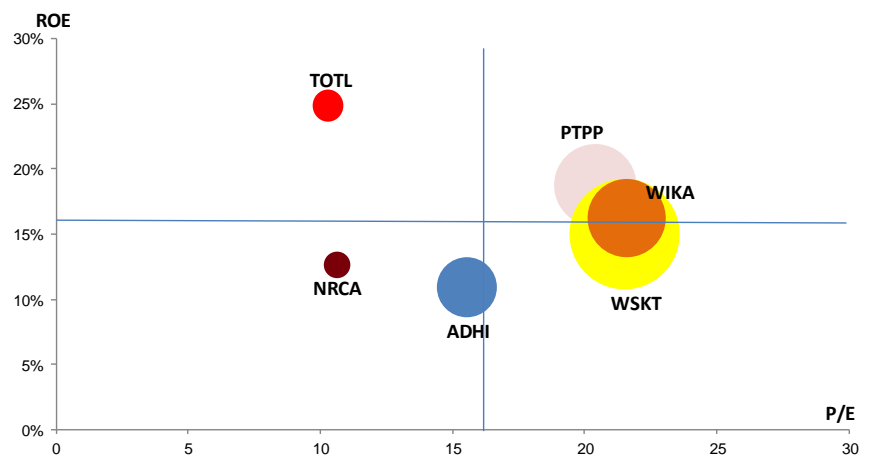
## Best in its class, yet trading at a discount

Trading at 9.1x FY16 P/E and 7.5x FY17 P/E, the share price is 2.3 s.d. below the 3-year average and 52% discount to sector average vs. 5% historically. Such attractive valuations are perhaps due to its relatively small market cap. With recovery in sight, TOTL is a very attractive proxy to the property sector, in our view. Our Add call is maintained but we increase our target price to Rp1,080 (based on 12.4x FY17 P/E, at 25% discount to sector's 3-year average P/E) which translates to 67% upside.

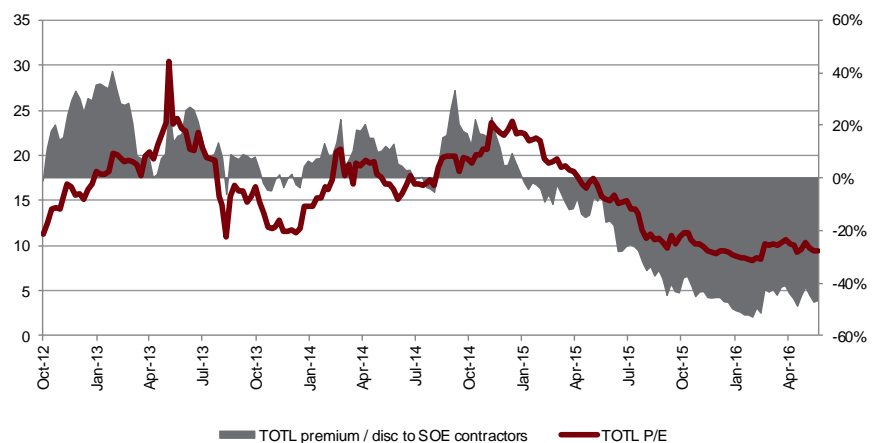


**Figure 21: TOTL 12-months forward P/E – 2 s.d. below the 3-year average**


SOURCES: CIMB, COMPANY REPORTS

**Figure 22: P/E vs. ROE comparison for construction sector. TOTL is trading at a discount and has the highest ROE**


SOURCES: CIMB, COMPANY REPORTS

**Figure 23: TOTL has been trading at a discount to its SOE peers since early 2015 due to weakening property sector outlook**


SOURCES: CIMB, COMPANY REPORTS

Figure 24: TOTL share performance is mimicking the property developers' share price movements

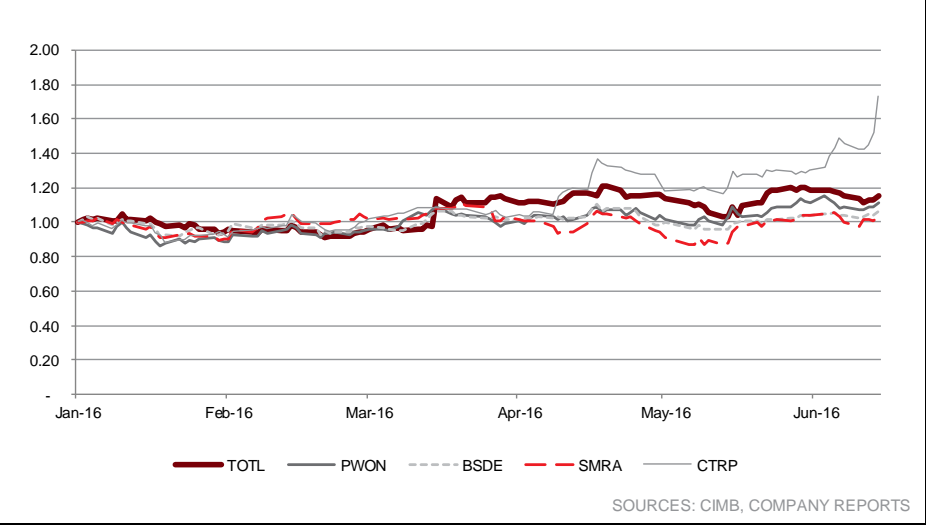
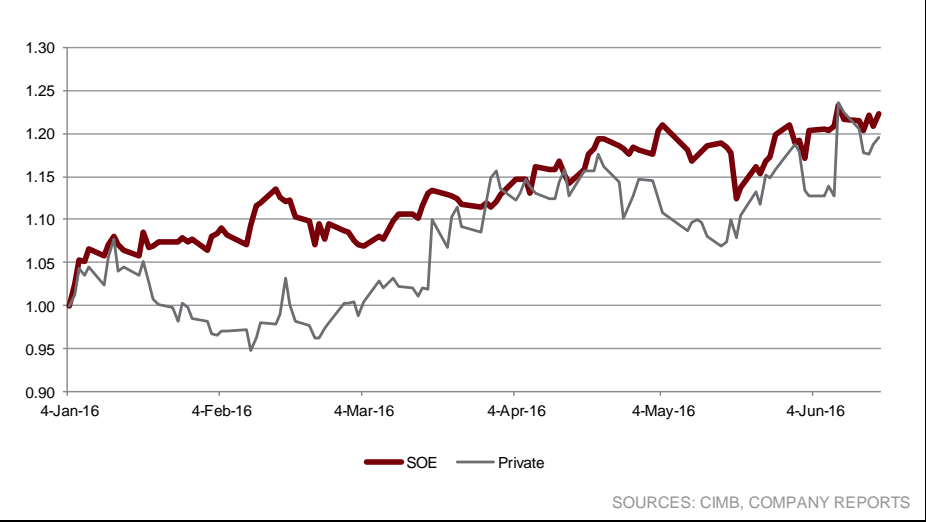
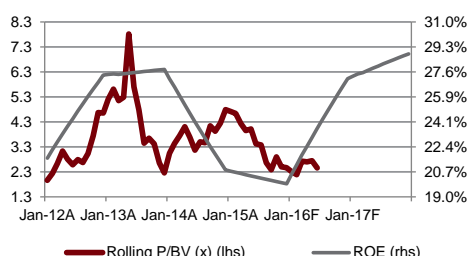


Figure 25: Share price performance comparison for SOE vs. private contractors

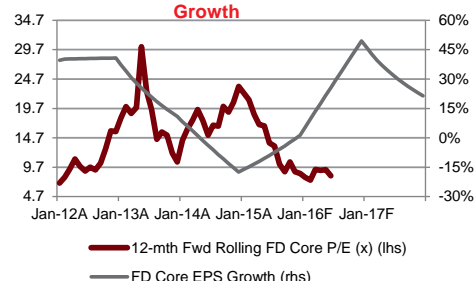


## BY THE NUMBERS

### P/BV vs ROE



### 12-mth Fwd FD Core P/E vs FD Core EPS Growth



TOTL maintains its high profit margin even during weak market conditions.

### Profit & Loss

(Rpb)	Dec-14A	Dec-15A	Dec-16F	Dec-17F	Dec-18F
<b>Total Net Revenues</b>	<b>2,129</b>	<b>2,328</b>	<b>2,589</b>	<b>2,961</b>	<b>3,675</b>
<b>Gross Profit</b>	<b>330</b>	<b>405</b>	<b>457</b>	<b>541</b>	<b>675</b>
<b>Operating EBITDA</b>	<b>184</b>	<b>229</b>	<b>305</b>	<b>389</b>	<b>498</b>
Depreciation And Amortisation	(7)	0	(44)	(73)	(102)
<b>Operating EBIT</b>	<b>177</b>	<b>229</b>	<b>261</b>	<b>316</b>	<b>396</b>
Financial Income/(Expense)	44	62	57	65	83
Pretax Income/(Loss) from Assoc.	0	0	0	0	0
Non-Operating Income/(Expense)	17	(56)	0	0	0
<b>Profit Before Tax (pre-EI)</b>	<b>238</b>	<b>235</b>	<b>318</b>	<b>381</b>	<b>479</b>
Exceptional Items					
<b>Pre-tax Profit</b>	<b>238</b>	<b>235</b>	<b>318</b>	<b>381</b>	<b>479</b>
Taxation	(77)	(72)	(75)	(86)	(107)
Exceptional Income - post-tax					
<b>Profit After Tax</b>	<b>161</b>	<b>163</b>	<b>244</b>	<b>296</b>	<b>373</b>
Minority Interests	0	0	0	0	0
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
<b>Net Profit</b>	<b>161</b>	<b>163</b>	<b>244</b>	<b>296</b>	<b>373</b>
Recurring Net Profit	161	163	244	296	373
<b>Fully Diluted Recurring Net Profit</b>	<b>161</b>	<b>163</b>	<b>244</b>	<b>296</b>	<b>373</b>

Strong cash generation from the high EBITDA generation, low capex requirements and working capital management.

### Cash Flow

(Rpb)	Dec-14A	Dec-15A	Dec-16F	Dec-17F	Dec-18F
<b>EBITDA</b>	<b>184.0</b>	<b>228.5</b>	<b>305.3</b>	<b>389.4</b>	<b>497.6</b>
Cash Flow from Int. & Assoc.					
Change In Working Capital	(264.9)	(152.6)	2.0	(180.2)	(190.7)
(Incr)/Decr in Total Provisions	(205.9)	(65.0)	0.0	0.0	0.0
Other Non-Cash (Income)/Expense	(44.5)	(62.1)	(56.8)	(65.0)	(83.2)
Other Operating Cashflow	574.4	367.2	52.9	425.5	464.6
Net Interest (Paid)/Received	44.5	62.1	56.8	65.0	83.2
Tax Paid	(77.3)	(71.9)	(74.6)	(85.5)	(106.6)
<b>Cashflow From Operations</b>	<b>210.2</b>	<b>306.2</b>	<b>285.6</b>	<b>549.1</b>	<b>664.8</b>
Capex	(17.6)	(142.5)	(160.8)	(183.0)	(224.5)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments					
Other Investing Cashflow	12.9	23.4	(0.0)	0.0	0.0
<b>Cash Flow From Investing</b>	<b>(4.7)</b>	<b>(119.2)</b>	<b>(160.8)</b>	<b>(183.0)</b>	<b>(224.5)</b>
Debt Raised/(repaid)	(93.3)	39.6	(39.6)	0.0	0.0
Proceeds From Issue Of Shares					
Shares Repurchased					
Dividends Paid	(119.4)	(102.3)	(136.4)	(146.1)	(177.5)
Preferred Dividends					
Other Financing Cashflow	53.8	19.3	0.0	0.0	0.0
<b>Cash Flow From Financing</b>	<b>(158.8)</b>	<b>(43.4)</b>	<b>(176.0)</b>	<b>(146.1)</b>	<b>(177.5)</b>
Total Cash Generated	46.7	143.6	(51.3)	220.0	262.9
<b>Free Cashflow To Equity</b>	<b>112.2</b>	<b>226.7</b>	<b>85.1</b>	<b>366.1</b>	<b>440.3</b>
<b>Free Cashflow To Firm</b>	<b>206.0</b>	<b>187.2</b>	<b>126.6</b>	<b>366.1</b>	<b>440.3</b>

## BY THE NUMBERS

### Balance Sheet

(Rpb)	Dec-14A	Dec-15A	Dec-16F	Dec-17F	Dec-18F
Total Cash And Equivalents	646	809	757	977	1,240
Total Debtors	475	400	454	521	649
Inventories	0	0	0	0	0
Total Other Current Assets	902	1,027	1,158	1,166	1,353
<b>Total Current Assets</b>	<b>2,023</b>	<b>2,236</b>	<b>2,370</b>	<b>2,664</b>	<b>3,243</b>
Fixed Assets	71	194	314	426	551
Total Investments	107	92	90	87	85
Intangible Assets	0	0	0	0	0
<b>Total Other Non-Current Assets</b>	<b>283</b>	<b>323</b>	<b>323</b>	<b>323</b>	<b>323</b>
<b>Total Non-current Assets</b>	<b>461</b>	<b>610</b>	<b>727</b>	<b>837</b>	<b>960</b>
Short-term Debt	0	0	0	0	0
Current Portion of Long-Term Debt	0	16	0	0	0
Total Creditors	125	207	223	247	294
Other Current Liabilities	1,433	1,555	1,721	1,952	2,411
<b>Total Current Liabilities</b>	<b>1,558</b>	<b>1,777</b>	<b>1,944</b>	<b>2,199</b>	<b>2,705</b>
Total Long-term Debt	0	24	0	0	0
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	96	143	143	143	143
<b>Total Non-current Liabilities</b>	<b>96</b>	<b>167</b>	<b>143</b>	<b>143</b>	<b>143</b>
Total Provisions	31	36	36	36	36
<b>Total Liabilities</b>	<b>1,685</b>	<b>1,980</b>	<b>2,123</b>	<b>2,378</b>	<b>2,884</b>
Shareholders' Equity	797	849	956	1,105	1,301
Minority Interests	2	18	18	18	18
<b>Total Equity</b>	<b>799</b>	<b>866</b>	<b>973</b>	<b>1,123</b>	<b>1,318</b>

Ample cash balance should be enough to secure future projects.

### Key Ratios

	Dec-14A	Dec-15A	Dec-16F	Dec-17F	Dec-18F
Revenue Growth	(7.9%)	7.6%	11.2%	14.6%	24.4%
Operating EBITDA Growth	(33.0%)	24.2%	33.6%	27.6%	27.8%
Operating EBITDA Margin	8.7%	10.1%	12.1%	13.5%	13.9%
Net Cash Per Share (Rp)	189.4	225.5	222.1	286.6	363.7
BVPS (Rp)	233.9	248.9	280.3	324.2	381.4
Gross Interest Cover	400	2,085	139	N/A	N/A
Effective Tax Rate	32.5%	30.6%	23.4%	22.4%	22.2%
Net Dividend Payout Ratio	74.2%	62.8%	56.0%	49.4%	47.6%
Accounts Receivables Days	60.48	61.96	53.83	52.99	51.12
Inventory Days	-	-	-	-	-
Accounts Payables Days	21.98	26.21	32.30	31.40	29.60
ROIC (%)	42%	96%	109%	80%	130%
ROCE (%)	28.0%	32.9%	32.8%	35.2%	38.1%
Return On Average Assets	5.54%	4.42%	6.73%	7.44%	8.00%

### Key Drivers

(Rpb)	Dec-14A	Dec-15A	Dec-16F	Dec-17F	Dec-18F
Outstanding Orderbook	6,233	6,642	7,408	8,822	10,651
Order Book Depletion	2,092	2,234	2,486	2,851	3,553
Orderbook Replenishment	3,500	2,500	3,000	3,900	4,680
ASP (% chg, main prod./serv.)	N/A	N/A	N/A	N/A	N/A
Unit sales grth (% , main prod./serv.)	N/A	N/A	N/A	N/A	N/A
Util. rate (% , main prod./serv.)	N/A	N/A	N/A	N/A	N/A
ASP (% chg, 2ndary prod./serv.)	N/A	N/A	N/A	N/A	N/A
Unit sales grth (% , 2ndary prod./serv.)	N/A	N/A	N/A	N/A	N/A
Util. rate (% , 2ndary prod./serv.)	N/A	N/A	N/A	N/A	N/A

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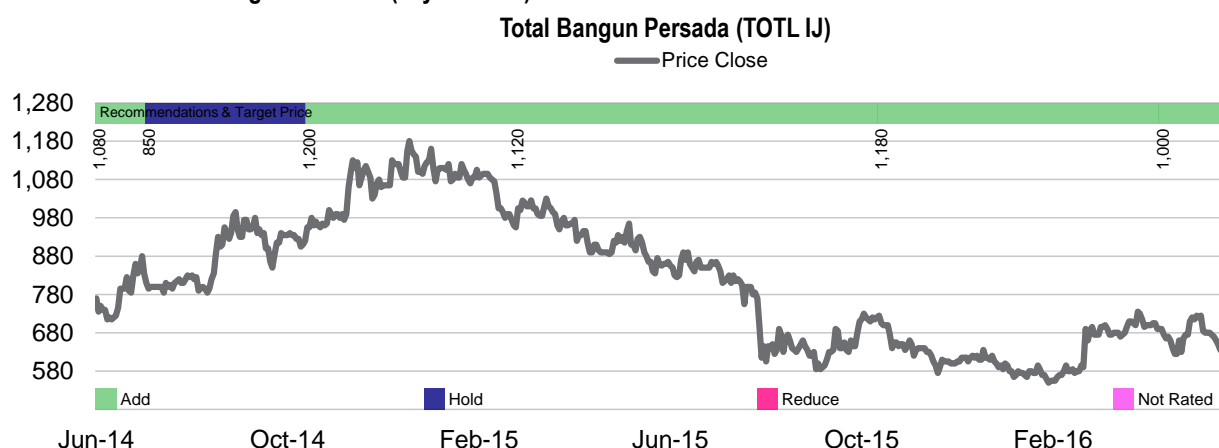
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Distribution of stock ratings and investment banking clients for quarter ended on 31 March 2016

1539 companies under coverage for quarter ended on 31 March 2016

	Rating Distribution (%)	Investment Banking clients (%)
Add	59.2%	6.9%
Hold	30.9%	3.1%
Reduce	8.7%	0.5%

#### 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 2015, Anti-Corruption Progress Indicator 2015.**

AAV – Very Good, 3B, ADVANC – Excellent, 3A, AEONTS – Good, 1, AMATA – Very Good, 2, ANAN – Very Good, 3A, AOT – Very Good, 2, AP – Good, 3A, ASK – Very Good, 3B, ASP – Very Good, 4, BANPU – Very Good, 4, BAY – Very Good, 4, BBL – Very Good, 4, BCH – not available, no progress, BCP – Excellent, 5, BEM – not available, no progress, BDMS – Very Good, 3B, BEAUTY – Good, 2, BEC – Good, 3B, BH – Good, 2, BIGC – Excellent, 3A, BJC – Good, 1, BLA – Very Good, 4, 1, BTS – Excellent, 3A, CBG – Good, 1, CCET – not available, 1, CENTEL – Very Good, 3A, CHG – Good, 3B, CK – Excellent, 3B, COL – Very Good, 3A, CPALL – Good, 3A, CPF – Very Good, 3A, CPN – Excellent, 5, DELTA – Very Good, 3A, DEMCO – Very Good, 3A, DTAC – Excellent, 3A, EA – not available, 3A, ECL – Good, 4, EGCO – Excellent, 4, EPG – not available, 3B, GFPT – Very Good, 3A, GLOBAL – Very Good, 2, GLOW – Good, 3A, GPSC – not available, 3B, GRAMMY – Excellent, 3B, GUNKUL – Very Good, 1, HANA – Excellent, 4, HMPRO – Excellent, 3A, ICHI – Very Good, 3A, INTUCH – Excellent, 4, ITD – Good, 1, IVL – Excellent, 4, JAS – not available, 3A, JASIF – not available, no progress, JUBILE – Good, 3A, KAMART – not available, no progress, KBANK – Excellent, 4, KCE – Excellent, 4, KGI – Good, 4, KKP – Excellent, 4, KSL – Very Good, 2, KTB – Excellent, 4, KTC – Very Good, 3A, LH – Very Good, 3B, LPN – Excellent, 3A, M – Good, 2, MAJOR – Good, 1, MAKRO – Good, 3A, MALEE – not available, 2, MBKET – Good, 2, MC – Very Good, 3A, MCOT – Excellent, 3A, MEGA – Very Good, 2, MINT – Excellent, 3A, MTLN – Good, 2, NYT – Good, no progress, OISHI – Very Good, 3B, PLANB – Good, 3B, PS – Excellent, 3A, PSL – Excellent, 4, PTT – Excellent, 5, PTTEP – Excellent, 4, PTTGC – Excellent, 5, QH – Very Good, 2, RATCH – Excellent, 3A, ROBINS – Excellent, 3A, RS – Very Good, 1, SAMART – Excellent, 3B, SAPPE – Good, 3B, SAT – Excellent, 5, SAWAD – Good, 1, SC – Excellent, 3B, SCB – Excellent, 4, SCBLIF – not available, no progress, SCC – Excellent, 5, SCN – Good, 1, SCCC – Good, 3A, SIM – Excellent, 3B, SIRI – Good, 1, SPALI – Excellent, 3A, SPRC – not available, no progress, STA – Very Good, 1, STEC – Very Good, 3B, SVI – Very Good, 3A, TASCOT – Very Good, 3A, TCAP – Very Good, 4, THAI – Very Good, 3A, THANI – Very Good, 5, THCOM – Excellent, 4, THRE – Very Good, 3A, THREL – Very Good, 3A, TICON – Very Good, 3A, TISCO – Excellent, 4, TK – Very Good, 3B, TKN – not available, no progress, TMB – Excellent, 4, TPCH – Good, 3B, TOP – Excellent, 5, TRUE – Very Good, 2, TTW – Very Good, 2, TU – Very Good, 3A, UNIQ – not available, 2, VGI – Excellent, 3A, WHA – Good, 3A, WORK – not available, no progress.

Comprises level 1 to 5 as follows:

Level 1: Committed

Level 2: Declared

Level 3: Established (3A: Established by Declaration of Intent, 3B: Established by Internal Commitment and Policy)

Level 4: Certified

Level 5: Extended.

**CIMB 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.