

19 NOVEMBER 2020

THAILAND / CONSUMER STAPLES

SIAM MAKRO MAKRO TB

BUY
UNCHANGED

TARGET PRICE	THB50.00
CLOSE	THB39.50
UP/DOWNSIDE	+26.6%
PRIOR TP	THB50.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+10.9%

เติบโตต่อเนื่องจากธุรกิจใหม่ ๆ

ผลตอบรับจากการประชุมนักวิเคราะห์เป็นกลาง

เราได้รับผลตอบรับที่เป็นกลางจากการประชุมนักวิเคราะห์ครั้งล่าสุดของ MAKRO การเติบโตของรายได้ต่อสาขา (SSSG) ในเดือน ต.ค. 2020 ลดลงเล็กน้อยเมื่อเทียบกับค่าเฉลี่ยที่ 3.9% ใน 3Q20 แต่ยังคงเป็นบวก เราคาดว่า SSSG จะฟื้นตัวในเดือน พ.ย. 2020 จากประโยชน์ทางอ้อมของโครงการคนละครึ่งที่เริ่มในวันที่ 23 ต.ค. 2020 เนื่องจาก 28% ของยอดขายรวมของ MAKRO มาจากผู้ค้าปลีกขายย่อย อย่างไรก็ตาม ผู้บริหารยังมุมมองที่ระมัดระวังสำหรับแนวโน้มในเดือน ธ.ค. 2020 โดยเฉพาะในช่วง 10 วันสุดท้ายของเดือน โดยปกติยอดขายในช่วงดังกล่าวจะคิดเป็นสัดส่วนที่มากกว่า 20% ของยอดขายรวมใน 4Q ส่วนมากมาจากนักท่องเที่ยวต่างชาติ ดังนั้นเราจึงคาดว่ากำไร 4Q20 จะลดลง y-y จากฐานที่สูงในปีก่อน

ริเริ่มธุรกิจใหม่เพื่อใช้ประโยชน์จากสินทรัพย์

ใน 3Q20 MAKRO รายงานกำไรสุทธิที่สูงถึง 1.6 พัน ลบ. (+6% y-y) จากธุรกิจใหม่เพื่อสนับสนุนยอดขายออนไลน์ของบริษัทฯ เช่น Happy food@home และ Speed M Express รวมถึงการให้บริการแะรับสินค้าในจุดที่กำหนด นอกจากนี้ MAKRO ยังได้จัดจตุรับส่งสินค้าใน 6 สาขาของบริษัทฯ ในกรุงเทพฯ เพื่อตอบสนองบริการสั่งซื้อสินค้าทั้งออนไลน์และช่องทางอื่น ๆ ที่ไม่ใช่ช่องทางออนไลน์ ทำให้สัดส่วนยอดขายจากช่องทางดังกล่าวเพิ่มขึ้นเป็น 24% ใน 3Q20 จาก 12% ใน 2019 รูปแบบธุรกิจดังกล่าวได้ช่วยบรรเทาปัญหาการขาดแคลนคำสั่งซื้อออนไลน์เพื่อรับสินค้าที่สาขา ในขณะที่ยอดขายออนไลน์ที่เพิ่มขึ้นจะช่วยผลักดัน EBIT margin ของ MAKRO เนื่องจากการขายดังกล่าวมีค่าใช้จ่ายในการขายและการบริหารที่ต่ำกว่า

ธุรกิจในประเทศปรับตัวดีขึ้นต่อเนื่อง

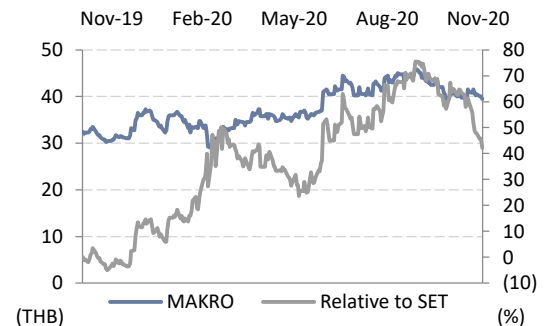
ธุรกิจในต่างประเทศของ MAKRO มีการดำเนินงานดีขึ้นต่อเนื่องใน 3Q20 โดยรายงานผลขาดทุนเพียง 185 ลบ. (จาก 223 ลบ. ใน 3Q19) ผู้บริหารคาดว่า SSSG จะโตในอัตราสองหลักในทุกสาขา ยกเว้นสาขาเสียมเรียบในกัมพูชา เราคาดว่ากระแสเงินสดจะต่อเนื่องไปใน 4Q20 ยกเว้นในพม่า ซึ่งได้รับผลกระทบจากปัญหาการแพร่ระบาด COVID-19 ในรอบที่สอง อย่างไรก็ตาม ธุรกิจในประเทศของบริษัทฯ ต้องการ 5-7 สาขาต่อประเทศเพื่อหารต้นทุนการบริหาร ซึ่งอาจต้องใช้เวลายาวนาน 3 ปีเพื่อให้ถึงจุดคุ้มทุน

มีแนวโน้มได้ประโยชน์ทางอ้อมจากมาตรการกระตุ้นเศรษฐกิจของรัฐบาล

เราลงคำแนะนำซื้อที่ราคาเป้าหมาย 50 บาท (7.8% WACC, 2.0% LTG) MAKRO มีการซื้อขายในระดับราคาที่ดี โดยเทียบเท่ากับค่า 2021E P/E เพียง 26x ซึ่งต่ำกว่าค่าเฉลี่ย 5 ปีในอดีตที่ 31x เราขอบลูกฤทธิ์ของ MAKRO ในการริเริ่มธุรกิจใหม่ ๆ เพื่อใช้ประโยชน์จากสินทรัพย์อย่างเต็มที่ในการเพิ่มยอดขายมากกว่าการเพิ่มจำนวนสาขาเพียงอย่างเดียว เรามองว่า MAKRO มีแนวโน้มได้ประโยชน์ทางอ้อมจากมาตรการกระตุ้นเศรษฐกิจของรัฐบาล ซึ่งมุ่งเน้นไปยังผู้มีรายได้น้อย ธุรกิจขนาดเล็ก และร้านค้าในช่องทางจัดจำหน่ายแบบดั้งเดิม

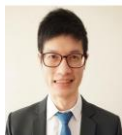
KEY STOCK DATA

YE Dec (THB m)	2019	2020E	2021E	2022E
Revenue	210,627	217,051	239,846	267,090
Net profit	6,245	6,174	7,293	8,153
EPS (THB)	1.30	1.29	1.52	1.70
vs Consensus (%)	-	(5.1)	0.9	2.4
EBITDA	10,928	10,592	12,153	13,429
Core net profit	6,245	6,174	7,293	8,153
Core EPS (THB)	1.30	1.29	1.52	1.70
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	5.1	(1.1)	18.1	11.8
Core P/E (x)	30.4	30.7	26.0	23.3
Dividend yield (%)	2.4	2.3	2.7	3.0
EV/EBITDA (x)	17.7	18.2	15.7	14.2
Price/book (x)	9.4	8.6	7.9	7.1
Net debt/Equity (%)	14.8	10.3	3.1	1.3
ROE (%)	32.0	29.2	31.6	32.2



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	0.0	(4.2)	21.5
Relative to country (%)	(9.6)	(6.7)	43.2
Mkt cap (USD m)			6,258
3m avg. daily turnover (USD m)			1.7
Free float (%)			7
Major shareholder			CP ALL (93%)
12m high/low (THB)			46.25/27.00
Issued shares (m)			4,800.00

Sources: Bloomberg consensus; FSSIA estimates



Karun Intrachai

karun.int@fssia.com

+66 2611 3555

PREPARED BY FSS INTERNATIONAL INVESTMENT ADVISORY SECURITIES CO LTD (FSSIA). ANALYST CERTIFICATION AND IMPORTANT DISCLOSURES CAN BE FOUND AT THE END OF THIS REPORT

บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 19 พฤศจิกายน 2020

Investment thesis

MAKRO is the only modern trade player in the wholesale market. The main competitors are fresh markets, such as "Talaad Thai," the largest wholesale market for the trade of agricultural goods. We think MAKRO has the ability to gain a greater share of this market.

We believe MAKRO's strategy of focusing on a smaller-sized food service format while developing its online platform is sound. MAKRO received a good response from its secret ingredients campaign during the COVID-19 lockdown from end-customers.

MAKRO's free float at 7% (CP All (CPALL TB, BUY, TP THB77) has a 93% stake) is a constraint, and drives its valuation down to a more discounted level than its peers. If CPALL were to float more shares at higher than its carrying cost of THB46.9 (THB39.3 acquisition price plus 3% interest rate), it would be a positive catalyst for the share price, in our view.

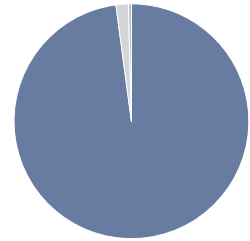
Company profile

Makro is the largest cash-and-carry operator in Thailand. CP All has a 93% stake but wants to reduce this to about 60% to help cut its debt from the acquisition; we think an increase in free float would be positive for Makro's share price.

www.siammakro.co.th

Principal activities (revenue, 2019)

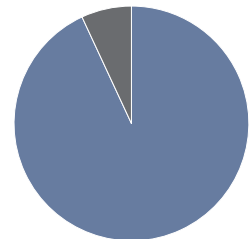
- Sales - 97.9 %
- Service income - 1.7 %
- Other Income - 0.4 %



Source: Siam Makro

Major shareholders

- CP ALL - 93.1 %
- Others - 6.9 %



Source: Siam Makro

Catalyst

Potential catalysts include the faster-than-expected turnaround of overseas operations and a better-than-expected macro outlook in Thailand.

Risk to our call

The key downside risks to our DCF-based TP include: 1) lower-than-expected SSSG; 2) lower-than-expected GPM improvement; and 3) operation losses from its overseas business.

Event calendar

Date	Event
February 2021	4Q20 results announcement

Key assumptions

	2020E	2021E	2022E
	(%)	(%)	(%)
SSSG	1.0	6.0	5.0
New store growth	1.5	4.2	4.1
GPM	10.4	10.7	10.8
SG&A to sales	8.7	8.6	8.5

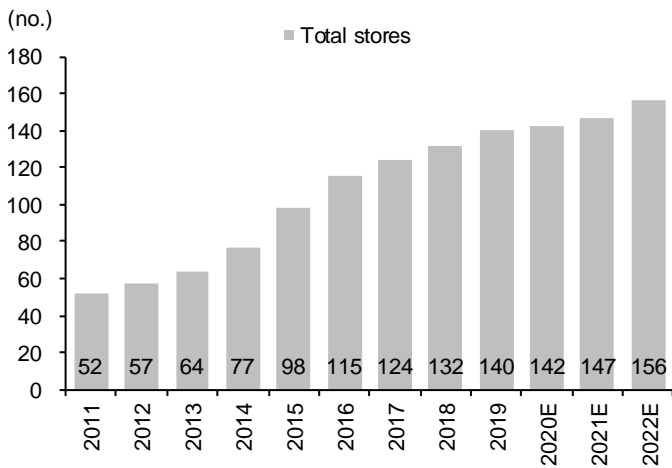
Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in SSSG we estimate 2021 EPS would rise 1%, and vice versa, all else being equal.
- For every 0.1% increase in GPM we estimate 2021 EPS would rise 2.6%, and vice versa, all else being equal.
- For every 0.1% increase in SG&A to sales we estimate 2021 EPS would fall 2.6%, and vice versa, all else being equal.

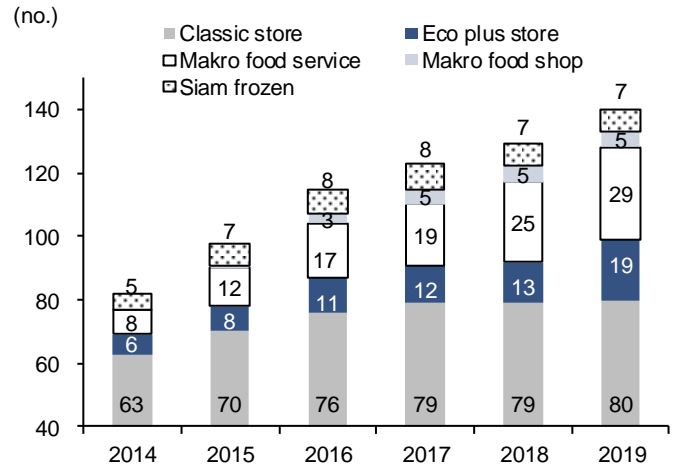
Source: FSSIA estimates

Exhibit 1: New store openings plan



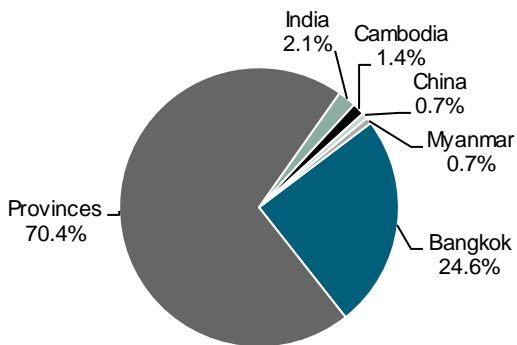
Sources: MAKRO; FSSIA estimates

Exhibit 2: Store breakdown by format



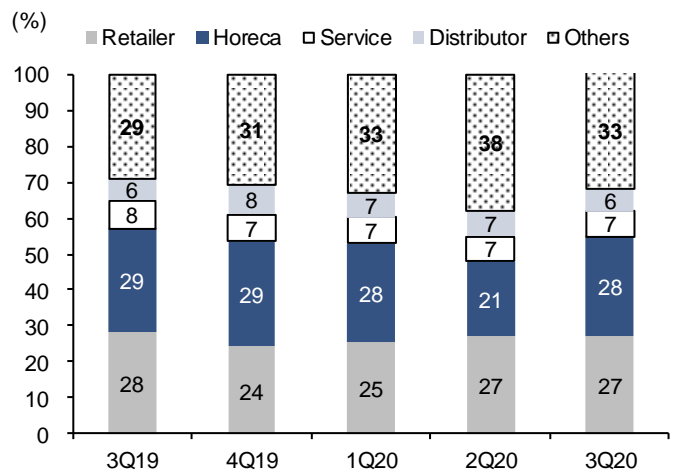
Sources: MAKRO; FSSIA estimates

Exhibit 3: Store breakdown by location in 2020E



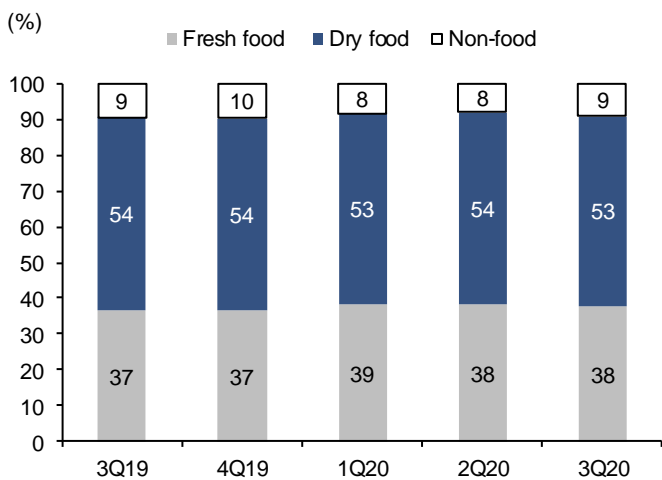
Sources: MAKRO; FSSIA estimates

Exhibit 4: Sales breakdown by customer type



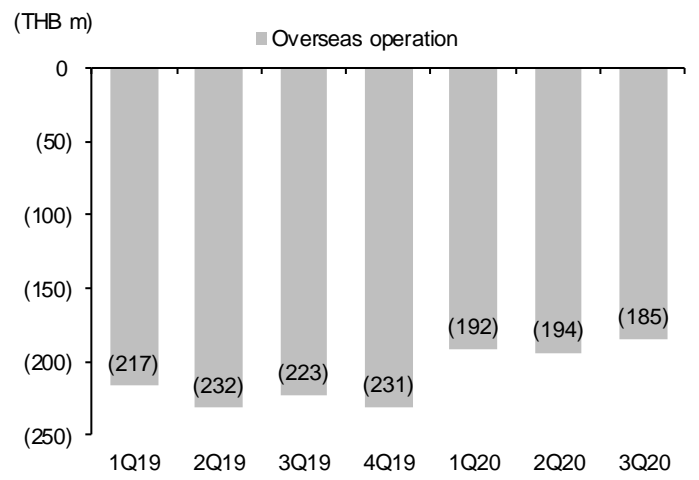
Sources: MAKRO; FSSIA estimates

Exhibit 5: Sales mix



Source: MAKRO

Exhibit 6: Overseas operations continue to improve



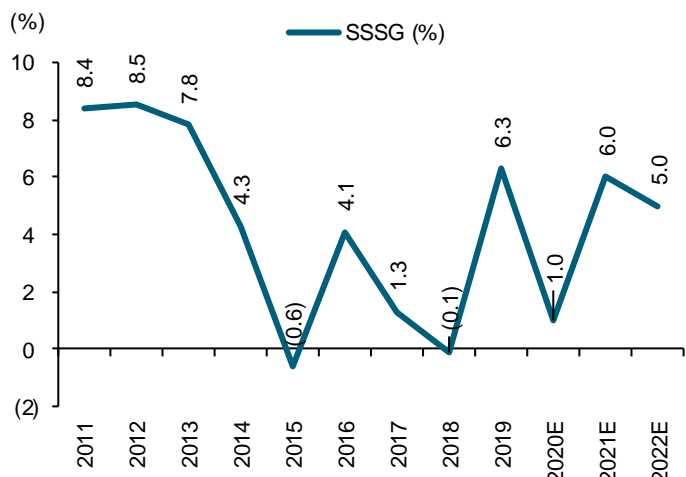
Source: MAKRO

Exhibit 7: Quarterly SSSG



Sources: MAKRO; FSSIA estimates

Exhibit 8: Expect SSSG to grow 6.0%/5.0% in 2021/22



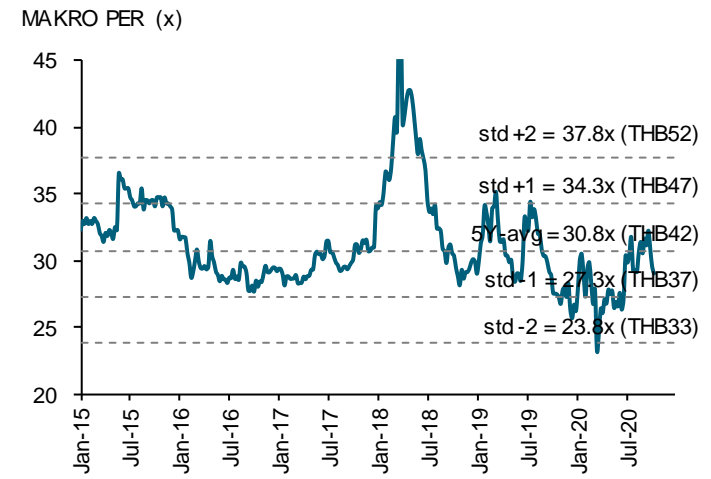
Sources: MAKRO; FSSIA estimates

Exhibit 9: Summary of 3Q20 results

	3Q19	4Q19	1Q20	2Q20	3Q20		9M19	9M20		2020E	
Year to Dec 31	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)	(THB m)
Total revenue	50,986	55,833	56,308	51,230	54,075	6	6	154,794	161,613	4	217,051
Retail sales	49,856	54,630	55,159	50,290	52,925	5	6	151,550	158,375	5	212,611
Service income	929	946	989	789	946	20	2	2,646	2,723	3	3,562
Other income	201	257	159	151	204	35	1	598	515	(14)	878
Gross profit	6,410	7,248	6,695	5,780	6,793	18	6	18,367	19,269	5	26,445
Operating costs	(4,429)	(4,642)	(4,413)	(4,151)	(4,617)	11	4	(12,769)	(13,181)	3	(18,497)
Operating profit	1,981	2,606	2,283	1,628	2,177	34	10	5,598	6,088	9	7,948
Operating EBITDA	2,676	3,307	3,160	2,347	3,245	38	21	7,620	8,752	15	10,592
Interest expense	(80)	(78)	(147)	(173)	(154)	(11)	92	(232)	(473)	104	(306)
Profit before tax	1,901	2,528	2,136	1,455	2,023	39	6	5,367	5,615	5	7,642
Tax	(431)	(565)	(464)	(297)	(462)	56	7	(1,145)	(1,222)	7	(1,528)
Minority interests	13	5	8	21	11	(47)	(16)	55	40	(26)	60
Reported net profit	1,483	2,059	1,681	1,180	1,572	33	6	4,186	4,433	6	6,174
Recurring net profit	1,483	1,968	1,681	1,180	1,572	33	6	4,277	4,433	4	6,174
EPS (THB)	0.31	0.43	0.35	0.25	0.33	33	6	0.87	0.92	6	1.29
Recurring EPS (THB)	0.31	0.41	0.35	0.25	0.33	33	6	0.89	0.92	4	1.29
Key Ratios	(%)	(%)	(%)	(%)	(%)			(%)	(%)		(%)
Retail sales margin	10.6	11.1	10.1	9.6	10.7			10.0	10.1		10.4
Operating margin	3.9	4.7	4.1	3.2	4.0			3.6	3.8		3.7
Recurring net margin	2.9	3.5	3.0	2.3	2.9			2.8	2.7		2.8
SG&A / Sales	8.9	8.5	8.0	8.3	8.7			8.4	8.3		8.7
Effective tax rate	22.7	22.4	21.7	20.4	22.8			21.3	21.8		20.0
Operating statistics											
SSSG (%)	5.5	6.2	7.0	(3.6)	3.9						
Number of stores (no.)	138	140	140	143	144						

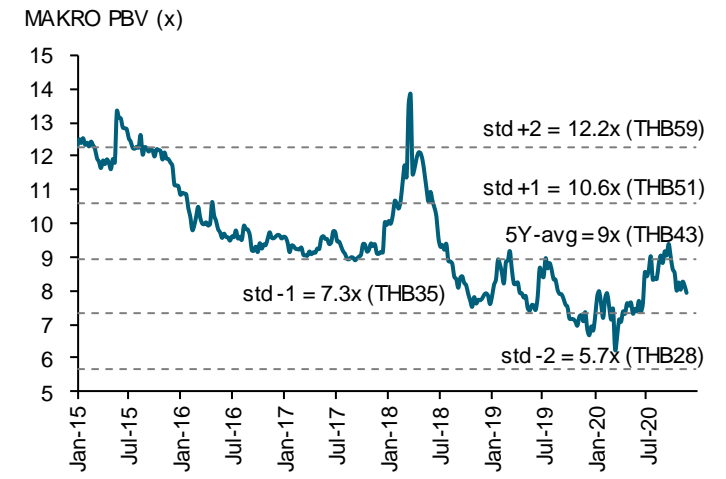
Sources: MAKRO; FSSIA estimates

Exhibit 10: Rolling one-year forward P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 11: Rolling one-year forward P/BV band



Sources: Bloomberg; FSSIA estimates

Financial Statements

Siam Makro

Profit and Loss (THB m) Year Ending Dec	2018	2019	2020E	2021E	2022E
Revenue	192,930	210,627	217,051	239,846	267,090
Cost of goods sold	(167,088)	(182,289)	(187,962)	(207,066)	(230,958)
Gross profit	25,843	28,338	29,089	32,779	36,132
Other operating income	0	0	0	0	0
Operating costs	(15,481)	(17,410)	(18,497)	(20,627)	(22,703)
Operating EBITDA	10,361	10,928	10,592	12,153	13,429
Depreciation	(2,551)	(2,723)	(2,644)	(2,844)	(3,087)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	7,810	8,204	7,948	9,309	10,342
Net financing costs	(336)	(310)	(306)	(271)	(226)
Associates	0	0	0	0	0
Recurring non operating income	0	0	0	0	0
Non recurring items	0	0	0	0	0
Profit before tax	7,474	7,895	7,642	9,038	10,116
Tax	(1,601)	(1,710)	(1,528)	(1,808)	(2,023)
Profit after tax	5,873	6,185	6,114	7,230	8,093
Minority interests	69	60	60	63	60
Preferred dividends	0	0	0	0	0
Other items	0	0	0	0	0
Reported net profit	5,942	6,245	6,174	7,293	8,153
Non recurring items & goodwill (net)	0	0	0	0	0
Recurring net profit	5,942	6,245	6,174	7,293	8,153
Per share (THB)					
Recurring EPS *	1.24	1.30	1.29	1.52	1.70
Reported EPS	1.24	1.30	1.29	1.52	1.70
DPS	0.96	0.96	0.90	1.06	1.19
Diluted shares (used to calculate per share data)	4,800	4,800	4,800	4,800	4,800
Growth					
Revenue (%)	3.3	9.2	3.0	10.5	11.4
Operating EBITDA (%)	(0.4)	5.5	(3.1)	14.7	10.5
Operating EBIT (%)	(2.5)	5.1	(3.1)	17.1	11.1
Recurring EPS (%)	(3.8)	5.1	(1.1)	18.1	11.8
Reported EPS (%)	(3.8)	5.1	(1.1)	18.1	11.8
Operating performance					
Gross margin inc depreciation (%)	12.1	12.2	12.2	12.5	12.4
Gross margin of key business (%)	10.0	10.3	10.4	10.7	10.8
Operating EBITDA margin (%)	5.4	5.2	4.9	5.1	5.0
Operating EBIT margin (%)	4.0	3.9	3.7	3.9	3.9
Net margin (%)	3.1	3.0	2.8	3.0	3.1
Effective tax rate (%)	21.4	21.7	20.0	20.0	20.0
Dividend payout on recurring profit (%)	77.5	73.8	70.0	70.0	70.0
Interest cover (X)	23.3	26.5	26.0	34.4	45.8
Inventory days	29.9	29.2	29.0	27.5	26.9
Debtor days	1.9	1.8	1.4	1.0	0.9
Creditor days	56.0	51.7	51.5	49.2	48.5
Operating ROIC (%)	34.5	34.5	34.1	39.2	42.4
ROIC (%)	24.4	24.5	24.0	27.2	28.7
ROE (%)	32.8	32.0	29.2	31.6	32.2
ROA (%)	10.1	10.3	10.0	11.2	11.6
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue By Division (THB m)					
Sales	188,583	206,180	212,611	235,062	262,383
Service income	3,414	3,592	3,562	3,860	3,729
Other Income	933	855	878	923	978

Sources: Siam Makro; FSSIA estimates

Financial Statements

Siam Makro

Cash Flow (THB m) Year Ending Dec	2018	2019	2020E	2021E	2022E
Recurring net profit	5,942	6,245	6,174	7,293	8,153
Depreciation	2,551	2,723	2,644	2,844	3,087
Associates & minorities	139	24	0	0	0
Other non-cash items	(40)	26	(43)	32	46
Change in working capital	(2,374)	795	321	1,504	1,106
Cash flow from operations	6,218	9,813	9,096	11,673	12,392
Capex - maintenance	-	-	-	-	-
Capex - new investment	(2,479)	(2,342)	(3,912)	(4,419)	(5,725)
Net acquisitions & disposals	(693)	(179)	(241)	(674)	(792)
Other investments (net)	110	(44)	223	135	309
Cash flow from investing	(3,062)	(2,565)	(3,930)	(4,958)	(6,208)
Dividends paid	(4,608)	(4,608)	(4,322)	(5,105)	(5,707)
Equity finance	(158)	(123)	(68)	(68)	(68)
Debt finance	2,342	(2,771)	(363)	(1,417)	(866)
Other financing cash flows	0	0	0	0	0
Cash flow from Financing	(2,424)	(7,501)	(4,753)	(6,591)	(6,642)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	732	(253)	413	124	(457)
Free cash flow to firm (FCFF)	3,491.70	7,558.70	5,471.42	6,985.86	6,410.36
Free cash flow to equity (FCFE)	5,498.11	4,477.87	4,802.89	5,297.77	5,318.57
Per share (THB)					
FCFF per share	0.73	1.57	1.14	1.46	1.34
FCFE per share	1.15	0.93	1.00	1.10	1.11
Recurring cash flow per share	1.79	1.88	1.83	2.12	2.35
Balance Sheet (THB m) Year Ending Dec					
Tangible fixed asset (gross)	49,829	51,649	55,561	59,980	65,705
Less: Accumulated depreciation	(18,276)	(20,070)	(22,643)	(25,416)	(28,432)
Tangible fixed assets (Net)	31,553	31,579	32,918	34,564	37,272
Intangible fixed assets (Net)	0	0	0	0	0
Long-term financial assets	0	0	0	0	0
Invest. In associates & subsidiaries	0	0	0	0	0
Cash & equivalents	5,096	4,843	5,256	5,380	4,923
A/C receivable	1,039	1,078	595	657	732
Inventories	14,361	14,774	15,144	16,103	17,954
Other current assets	2,503	2,638	2,718	3,004	3,345
Current assets	22,998	23,333	23,713	25,143	26,953
Other assets	7,514	7,729	7,965	8,801	9,801
Total assets	62,065	62,641	64,596	68,508	74,027
Common equity	18,729	20,243	22,027	24,146	26,524
Minorities etc.	528	491	431	368	308
Total Shareholders' equity	19,257	20,734	22,458	24,514	26,832
Long term debt	7,003	7,003	6,715	5,456	4,687
Other long-term liabilities	1,712	2,155	2,221	2,454	2,733
Long-term liabilities	8,715	9,158	8,936	7,910	7,419
A/C payable	25,178	26,425	26,633	29,157	32,189
Short term debt	3,690	919	844	686	589
Other current liabilities	5,227	5,405	5,725	6,240	6,997
Current liabilities	34,094	32,749	33,202	36,084	39,776
Total liabilities and shareholders' equity	62,065	62,641	64,596	68,508	74,027
Net working capital	(12,502)	(13,340)	(13,901)	(15,634)	(17,156)
Invested capital	26,565	25,968	26,982	27,731	29,918
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	3.90	4.22	4.59	5.03	5.53
Tangible book value per share	3.90	4.22	4.59	5.03	5.53
Financial strength					
Net debt/Equity (%)	29.1	14.8	10.3	3.1	1.3
Net debt/total assets (%)	9.0	4.9	3.6	1.1	0.5
Current ratio (x)	0.7	0.7	0.7	0.7	0.7
CF interest cover (x)	24.8	23.0	29.5	36.9	49.9
Valuation					
Recurring P/E (x) *	31.9	30.4	30.7	26.0	23.3
Recurring P/E @ target price (x) *	40.4	38.4	38.9	32.9	29.4
Reported P/E (x)	31.9	30.4	30.7	26.0	23.3
Dividend yield (%)	2.4	2.4	2.3	2.7	3.0
Price/book (x)	10.1	9.4	8.6	7.9	7.1
Price/tangible book (x)	10.1	9.4	8.6	7.9	7.1
EV/EBITDA (x) **	18.9	17.7	18.2	15.7	14.2
EV/EBITDA @ target price (x) **	23.8	22.3	22.9	19.8	17.9
EV/invested capital (x)	7.4	7.4	7.1	6.9	6.4
* Pre-exceptional & pre-goodwill are fully diluted ** EBITDA includes associate income and recurring non operating income					

Sources: Siam Makro; FSSIA estimates

Corporate Governance report of Thai listed companies 2019

EXCELLENT LEVEL										
AAV	ADVANC	AIRA	AKP	AKR	AMA	AMATA	AMATAV	ANAN	AOT	AP
ARROW	BAFS	BANPU	BAY	BCP	BCPG	BOL	BRR	BTS	BTW	BWG
CFRESH	CHEWA	CHO	CK	CKP	CM	CNT	COL	COMAN	CPALL	CPF
CPI	CPN	CSS	DELTA	DEMCO	DRT	DTAC	DTC	EA	EASTW	ECF
EGCO	GBX	GC	GCAP	GEL	GGP	GGC	GOLD	GPSC	GRAMMY	GUNKUL
HANA	HARN	HMPRO	ICC	ICHI	III	ILINK	INTUCH	IRPC	IVL	JKN
JSP	K	KBANK	KCE	KKP	KSL	KTB	KTC	KTIS	LH	LHFG
LIT	LPN	MAKRO	MALEE	MBK	MBKET	MC	MCOT	MFEC	MINT	MONO*
MTC	NCH	NAK	NKI	NSI	NVD	NYT	OISHI	OTO	PAP	PCSGH
PDJ	PG	PHOL	PJW	PLANB	PLANET	PORT	PPS	PR9	PREB	PRG
PRM	PSH	PSL	PTG	PTT	PTTEP	PTTGC	PYLON	Q-CON	QH	QTC
RATCH	ROBINS**	RS	S	S & J	SABINA	SAMART	SAMTEL	SAT	SC	SCB
SCC	SCCC	SCN	SDC	SEAFCO	SEAOIL	SE-ED	SELIC	SENA	SIS	SITHAI
SNC	SORKON	SPALI	SPI	SPRC	SSSC	STA	STEC	SVI	SYNTEC	TASCO
TCAP	THAI	THANA	THANI	THCOM	THIP	THREL	TIP	TISCO	TK	TKT
TMB	TMILL	TNDT	TOA	TOP	TRC	TRU	TRUE	TSC	TSR	TSTH
TTA	TTCL	TTW	TU	TVD	TVO	U	UAC	UV	VGI	VIH
WACOAL	WAVE	WHA	WHAUP	WICE	WINNER					
VERY GOOD LEVEL										
2S	ABM	ADB	AF	AGE	AH	AHC	AIT	ALLA	ALT	AMANA
AMARIN	APCO	APCS	AQUA	ARIP	ASAP	ASIA	ASIAN	ASIMAR	ASK	ASN
ASP	ATP30	AUCT	AYUD	B	BA	BBL	BDMS	BEC	BEM	BFIT
BGC	BGRIM	BIZ	BJC	BJCHI	BLA	BPP	BROOK	CBG	CEN	CENDEL
CGH	CHG	CHOTI	CHOW	CI	CIMBT	CNS	COLOR	COM7	COTTO	CRD
CSC	CSP	DCC	DCON	DDD	DOD	EASON	ECL	EE	EPG	ERW
ESTAR	ETE	FLOYD	FN	FNS	FORTH	FPI	FPT	FSMART	FSS	FVC
GENCO	GJS	GL	GLOBAL	GLOW**	GULF	HPT	HTC	HYDRO	ICN	IFS
INET	INSURE	IRC	IRCP	IT	ITD***	ITEL	J	JAS*	JCK	JCKH
JMART	JMT	JWD	KBS	KCAR	KBS	KIAT	KOOL	KWC	KWM	L&E
LALIN	LANNA	LDC	LHK	LOXLEY	LRH	LST	M	MACO	MAJOR	MBAX
MEGA	METCO	MFC	MK	MODERN	MOONG	MPG	MSC	MTI	NEP	NETBAY
NEX	NINE	NOBLE	NOK	NTV	NWR	OCC	OGC	ORI	OSP	PATO
PB	PDG	PDI	PL	PLAT	PM	PPP	PRECHA	PRIN	PRINC	PSTC
PT	QLT	RCL	RICHY	RML	RWI	S11	SAAM	SALEE	SAMCO	SANKO
SAPPE	SAWAD	SCG	SCI	SCP	SE	SFP	SIAM	SINGER	SIRI	SKE
SKR	SKY	SMIT	SMK	SMP	SMT	SNP	SONIC	SPA	SPC	SPCG
SPVI	SR	SRICHA	SSC	SSF	SST	STANLY	STPI	SUC	SUN	SUSCO
SUTHA	SWC	SYMC	SYNEX	T	TACC	TAE	TAKUNI	TBSP	TCC	TCMC
TEAM	TEAMG	TFG	TFMAMA	THG	THRE	TIPCO	TITLE	TIW	TKN	TKS
TM	TMC	TMD	TMI	TMT	TNITY	TNL	TNP	TNR	TOG	TPA
TPAC	TPBI	TPCORP	TPOLY	TRITN	TRT	TSE	TSTE	TVI	TVT	TWP
TWPC	UBIS	UEC	UMI	UOBKH	UP	UPF	UPOIC	UT	UWC	VNT
WIJK	XO	YUASA	ZEN	ZMICO						
GOOD LEVEL										
A	ABICO	ACAP***	AEC	AEONTS	AJ	ALUCON	AMC	APURE	AS	ASEFA
AU	B52	BCH	BEAUTY	BGT	BH	BIG	BLAND	BM	BR	BROCK
BSBM	BSM	BTNC	CCET	CCP	CGD	CHARAN	CHAYO	CITY	CMAN	CMC
CMO	CMR	CPL	CPT	CSR	CTW	CWT	D	DIMET	EKH	EMC
EPCO	ESSO	FE	FTE	GIFT	GLAND	GLOCON	GPI	GREEN	GTB	GYT
HTECH	HUMAN	IHL	INGRS	INOX	JTS	JUBILE	KASET	KCM	KKC	KWG
KYE	LEE	LPH	MATCH	MATI	M-CHAI	MCS	MDX	META	MGT	MJD
MM	MVP	NC	NDR	NER	NNCL	NPK	NUSA	OCEAN	PAF	PF
PICO	PIMO	PK	PLE	PMTA	POST	PPM	PROUD	PTL	RCI	RJH
ROJNA	RPC	RPH	SF	SGF	SGP	SKN	SLP	SMART	SOLAR	SPG
SQ	SSP	STI	SUPER	SVOA	TCCC	THE	THMUI	TIC	TIGER	TNH
TOPP	TPCH	TPIPP	TPLAS	TQM	TTI	TYCN	UTP	VCOM	VIBHA	VPO
WIN	WORK	WP	WPH	ZIGA						
Score Range	Number of Logo					Description				
90-100						Excellent				
80-89						Very Good				
70-79						Good				
60-69						Satisfactory				
50-59						Pass				
Less than 50	No logo given					-				

Disclaimer:

The disclosure of the survey results of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information.

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

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

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)

Disclaimer:

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

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Karun Intrachai FSS International Investment Advisory Securities Co., Ltd

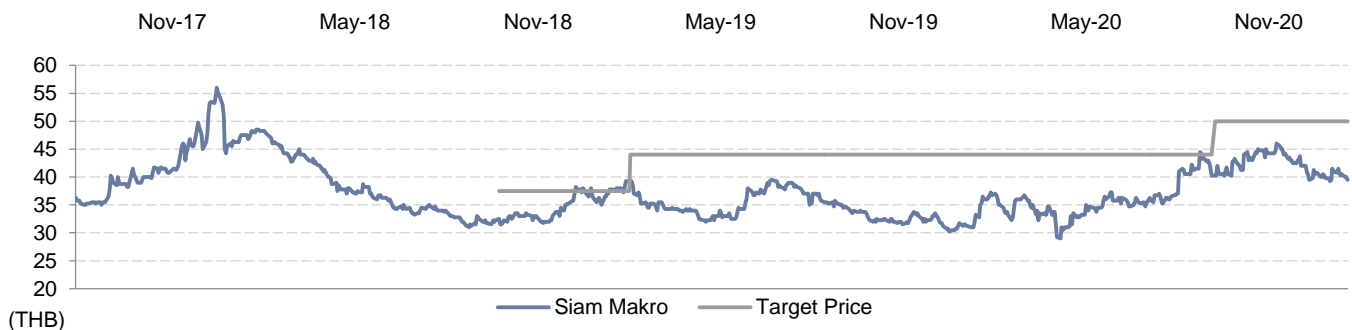
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed herein.

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History of change in investment rating and/or target price

Siam Makro (MAKRO TB)



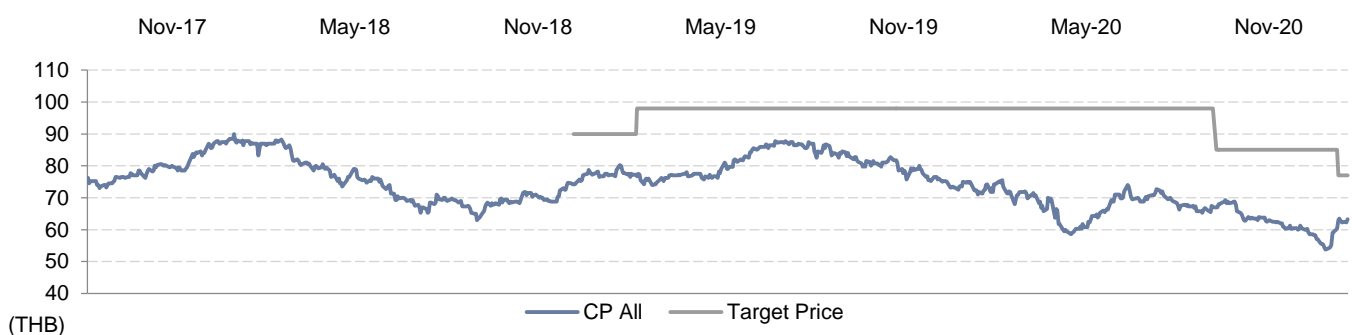
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
19-Nov-2018	BUY	37.50	02-Apr-2020	BUY	44.00	-	-	-
12-Mar-2019	BUY	44.00	24-Jul-2020	BUY	50.00			

Karun Intrachai Started covering this stock from 24-Jul-2020

Price and TP are in local currency

Source: FSSIA estimates

CP All (CPALL TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
16-Jan-2019	BUY	90.00	24-Jul-2020	BUY	85.00	09-Nov-2020	BUY	77.00
12-Mar-2019	BUY	98.00	13-Aug-2020	BUY	85.00			
02-Apr-2020	BUY	98.00	19-Oct-2020	BUY	85.00			

Karun Intrachai Started covering this stock from 24-Jul-2020

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Siam Makro	MAKRO TB	THB 39.50	BUY	The key downside risks to our DCF-based TP include: 1) lower-than-expected SSSG; 2) lower-than-expected GPM improvement; and 3) operation losses from its overseas business.
CP All	CPALL TB	THB 63.25	BUY	The key downside risks to our DCF-derived TP are: 1) the higher-than-expected impact from a loss of service income from the convenience store business; 2) the worse-than-expected overseas performance of Makro; and 3) a slow recovery in tourist numbers.

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 18-Nov-2020 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.