

25 DECEMBER 2020

THAILAND / REAL ESTATE

# CENTRAL PATTANA CPN TB

## BUY

TARGET PRICE	THB68.00
CLOSE	THB50.50
UP/DOWNSIDE	+34.7%
TP vs CONSENSUS	+18.0%

## ความเสี่ยงต่ำท่ามกลางการระบาด COVID รอบใหม่

ภาพการเติบโตในระยะยาวยังคงสดใส, valuation อยู่ในระดับต่ำเมื่อเทียบกับอดีต

ปัจจุบัน CPN มีการซื้อขายที่ค่า FY21E P/E ในระดับต่ำเพียง 23x เทียบกับที่เคยซื้อขายที่ค่า FY17 P/E สูงถึง 36x ในปี 2018 โดยโมเดลธุรกิจของบริษัทมีความแข็งแกร่ง ดังจะเห็นได้จากค่าอัตราการเช่าพื้นที่ (OCC rate) ของบริษัท ที่สูงกว่า 90% ในช่วงโรคระบาด เราเห็นว่า CPN ยังคงมีแนวโน้มระยะยาวที่ดี แม้ว่าบริษัท จะปรับลดแผนการขยายพื้นที่เช่าสุทธิ (NLA) เป็น >30% เทียบกับ 36% เมื่อต้นปี เราเชื่อว่าแผนใหม่ดังกล่าวจะสามารถให้การเติบโตที่ยั่งยืนเมื่อเทียบกับแผนในปี 2018 ที่ 38% และเราคาดว่ากำไรจะเติบโตในระดับสองหลักนับตั้งแต่ปี 2022 เป็นต้นไป

### ปัจจัยหนุนการเติบโตตัวที่ 2: การพัฒนาโครงการที่อยู่อาศัย

CPN วางแผนเปิด 3-4 โครงการใหม่ต่อปีด้วยงบลงทุนรวมประมาณ 3.0-4.0 พัน ลบ. เราเชื่อว่า CPN มีข้อได้เปรียบเหนือบริษัทพัฒนาอสังหาริมทรัพย์รายอื่น เนื่องจากโครงการเหล่านี้จะอยู่ใกล้ศูนย์การค้าของบริษัท แต่มีต้นทุนค่าที่ดินที่ต่ำกว่าคู่แข่ง เนื่องจาก CPN ซื้อที่ดินมาพร้อมกับที่ดินที่บริษัท ใช้พัฒนาศูนย์การค้า ปัจจัยดังกล่าวทำให้ CPN มีอัตรากำไรขั้นต้นสูงถึง 38-46% ในปี 2017-18 เทียบกับค่าเฉลี่ยอุตสาหกรรมที่ 30-40% ในภาพรวม เราคาดว่ายอดขายโครงการอสังหาริมทรัพย์ของบริษัท จะโตดี โดยอยู่ที่ 16%/23% ในปี 2021/2022 จากมูลค่าโครงการพร้อมขายในปัจจุบันที่ 7.9 พัน ลบ. และการเปิดโครงการ

### มีแนวโน้มได้ประโยชน์จากการฟื้นตัวของอุตสาหกรรมท่องเที่ยว

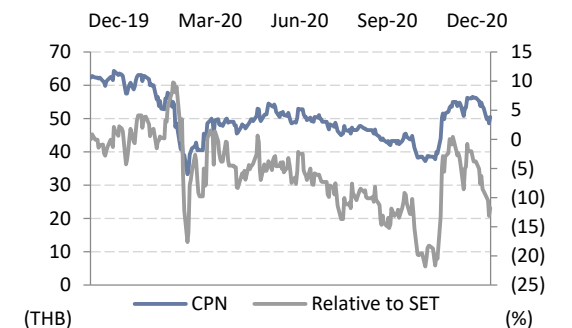
นักท่องเที่ยวคิดเป็นประมาณ 10% ของตัวเลขผู้ใช้บริการศูนย์การค้า (Traffic) รวมของ CPN และบริษัท มี 8 สาขาที่ตั้งเป้าจับนักท่องเที่ยว ซึ่งบริษัท ให้ส่วนลดค่าเช่าสูงกว่าที่ประมาณ 25% (เทียบกับส่วนลดเฉลี่ยที่ประมาณ 18% ใน 4Q20E) การกลับมาเปิดของอุตสาหกรรมท่องเที่ยวควรให้ผลบวกต่อธุรกิจของบริษัท ในแง่ของส่วนแบ่งรายได้ที่สูงขึ้นจากสัญญาแบบ consignment (42%) และส่วนลดค่าเช่าที่น้อยลง นอกจากนี้ CPN ยังมีแผนเพิ่มโรงแรมอีก 5-6 แห่งในปี 2021-24 ซึ่งค่อนข้างสูงในความเห็นของเรา บริษัท ได้ทำการซื้อที่ดินสำหรับก่อสร้างโรงแรม 10 แห่งใกล้ศูนย์การค้าของบริษัท เราคาดว่าโรงแรมที่เพิ่มใหม่ 1 แห่งอาจช่วยเพิ่มราคาเป้าหมายของเราได้ 0.37 บาทต่อหุ้น จากสมมติฐานดังต่อไปนี้: 1) เงินลงทุน 9 ลบ. ต่อห้อง (สำหรับโรงแรม 4 ถึง 5 ดาว); 2) IRR ที่ 12%; และ 3) ตัวเลข 300 ห้องพักต่อโรงแรมโดยมีค่า OCC เฉลี่ยที่ 80%

### โอกาสในการซื้อในท่ามกลางความกังวลเกี่ยวกับการระบาด COVID ในรอบที่สอง

เรากลับมารายงาน CPN ด้วยคำแนะนำซื้อที่ราคาเป้าหมาย 68 บาท (DCF) คิดเป็นค่า FY21E PE ที่ 31x หรือเทียบเท่ากับ +0.5SD ของค่าเฉลี่ย 5 ปีย้อนหลัง เราเชื่อว่าปัจจัยบวกสำคัญที่จะช่วยผลักดันราคาหุ้นของ CPN อยู่ที่การเติบโตของกำไร เนื่องจากนักลงทุนประเมินมูลค่า CPN ในระดับสูงในปี 2018 จากแนวโน้มกำไรที่ดีของบริษัท เราคาดว่ากำไรของบริษัท จะเติบโตในอัตราสองหลักนับตั้งแต่ปี 2022 เป็นต้นไป โดยได้แรงหนุนจากการเติบโตของพื้นที่ค้าปลีกที่สูงกว่า 30% รวมถึงปัจจัยหนุนการเติบโตตัวที่ 2 และ 3 กล่าวคือยอดขายโครงการอสังหาริมทรัพย์และการดำเนินงานของธุรกิจโรงแรมของบริษัท

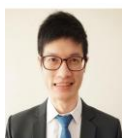
## KEY STOCK DATA

YE Sep (THB m)	2019	2020E	2021E	2022E
Revenue	36,719	27,954	34,474	40,173
Net profit	11,738	10,119	9,978	12,089
EPS (THB)	2.62	2.25	2.22	2.69
vs Consensus (%)	-	34.1	(3.7)	1.9
EBITDA	19,042	15,225	19,181	22,602
Core net profit	11,630	7,482	9,978	12,089
Core EPS (THB)	2.59	1.67	2.22	2.69
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	7.5	(35.7)	33.4	21.1
Core P/E (x)	19.5	30.3	22.7	18.7
Dividend yield (%)	2.6	2.2	2.2	2.7
EV/EBITDA (x)	13.9	18.3	15.1	13.3
Price/book (x)	3.1	2.9	2.8	2.6
Net debt/Equity (%)	37.5	50.9	60.9	67.5
ROE (%)	16.9	10.0	12.5	14.2



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(6.0)	20.2	(18.9)
Relative to country (%)	(9.3)	3.3	(12.3)
Mkt cap (USD m)	7,512		
3m avg. daily turnover (USD m)	21.9		
Free float (%)	47		
Major shareholder	Land & Houses (30%)		
12m high/low (THB)	64.75/33.25		
Issued shares (m)	4,488.00		

Sources: Bloomberg consensus; FSSIA estimates



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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 25 ธันวาคม 2020

## Investment thesis

CPN is currently trading at an undemanding 23x FY21E P/E vs its premium valuation in 2018 (36x 2017 P/E). Its business model is strong, proven by its occupancy rate (OCC) of over 90% during the pandemic. We also believe CPN's solid long-term outlook remains intact, despite it revising down its net leasable area (NLA) growth plan to over 30% vs 36% growth earlier this year. We believe its new plan can still offer sustainable growth vs its 2018 plan at 38% NLA growth, and we expect its bottom line to recover to double-digit growth by 2022 onward.

We believe CPN is poised to capture the benefits from the anticipated tourism recovery. The reopening of the tourism sector should positively impact its business in terms of higher revenue sharing from consignment contracts (42%) and lower discounts for tenants.

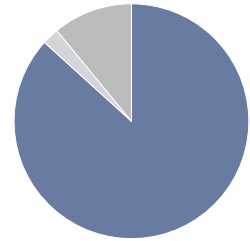
## Company profile

Central Pattana PCL is Thailand's largest retail developer with about a 20% market share of Bangkok's shopping centres by leasable area. It currently manages 34 shopping centres, five office buildings, two hotels and one residential project. CPN is the flagship company of the Central Group (not listed).

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

## Principal activities (revenue, 2019)

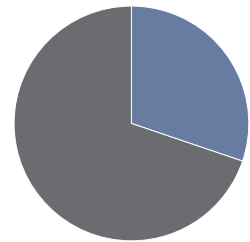
- Revenue from rent and services - 86.7 %
- Revenue from food and beverage - 2.3 %
- Revenue from hotel operation - 11.0 %



Source: Central Pattana

## Major shareholders

- Land & Houses - 30.2 %
- Others - 69.8 %



Source: Central Pattana

## Catalyst

Potential share price catalysts for CPN include: 1) a stronger-than-expected expansion plan for its retail space; 2) M&A and joint investment opportunities; and 3) the availability of a COVID-19 vaccine.

## Risk to our call

Key downside risks to our DCF-derived TP are deviations to our estimates on rental rate, occupancy rate, returns on its new investments, capex and interest rate.

## Event calendar

Date	Event
February 2021	4Q20 results announcement

## Key assumptions

	2019	2020E	2021E	2022E
	(%)	(%)	(%)	(%)
NLA (m sqm)	1.81	1.81	1.85	1.92
NLA growth (%)	6.4	0.0	2.1	3.7
Retail rental rate (THB/sqm/month)	1,682	1,232	1,514	1,766
Occupancy rate (%)	90.8	91.3	91.5	91.7
Residential sales (THB m)	2,904	1,903	2,200	2,700
Blended GPM (%)	51.2	46.4	49.3	50.4
SG&A to sales (%)	18.3	18.8	18.4	18.3

Source: FSSIA estimates

## Earnings sensitivity

- For every 5% increase in rental rate, we project 2021 earnings to rise by 3%, and vice versa, all else being equal.
- For every 1% increase in occupancy rate, we project 2021 earnings to rise by 1%, and vice versa, all else being equal.
- For every 1% increase in SG&A to sales, we project 2021 earnings to drop by 2.8%, and vice versa, all else being equal.

Source: FSSIA estimates

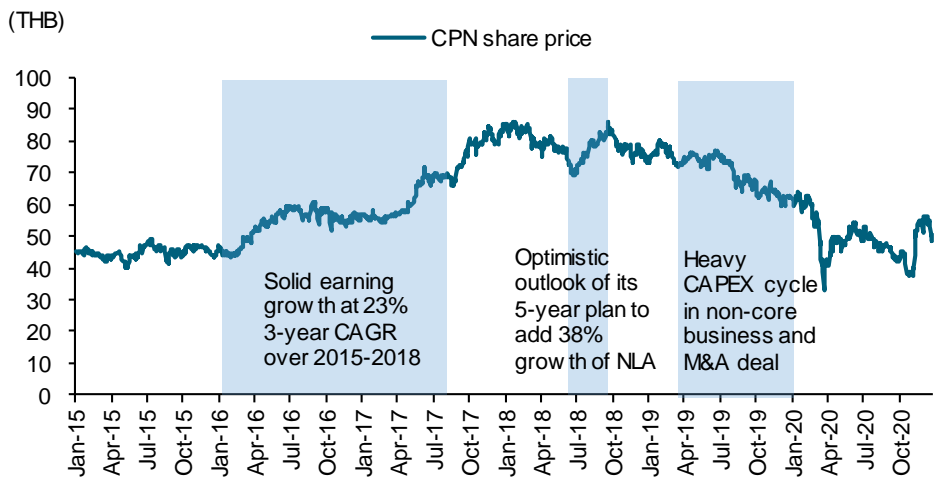


## Investment highlights

### From premium to discount; offering a good opportunity

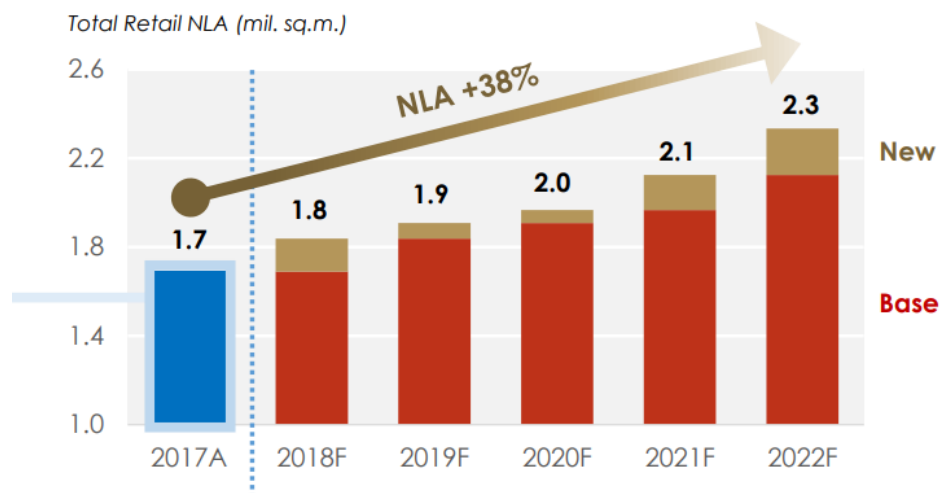
CPN was trading higher than THB80/shr, or 36x FY17 P/E, in 2018 – a premium valuation compared to its average at 28x P/E – based on its solid revenue outlook expected at 20% and its 5-year plan to add 38% net leasable area (NLA) over the next five years (2018-2022). Currently, CPN’s valuation is undemanding at 23x FY21E P/E, while we believe its solid long-term outlook remains intact and estimate that its earnings could recover to pre-COVID levels by 2022. Our TP is above BBG’s consensus estimate by 18% due to our more optimistic view of CPN’s long-term business platform, resulting in a lower discount rate, while our 2021-22E earnings are in-line with consensus estimates.

### Exhibit 1: Share price peaked in Sep-18 on CPN’s solid growth outlook



Source: Bloomberg

### Exhibit 2: 5-year plan over 2018-22



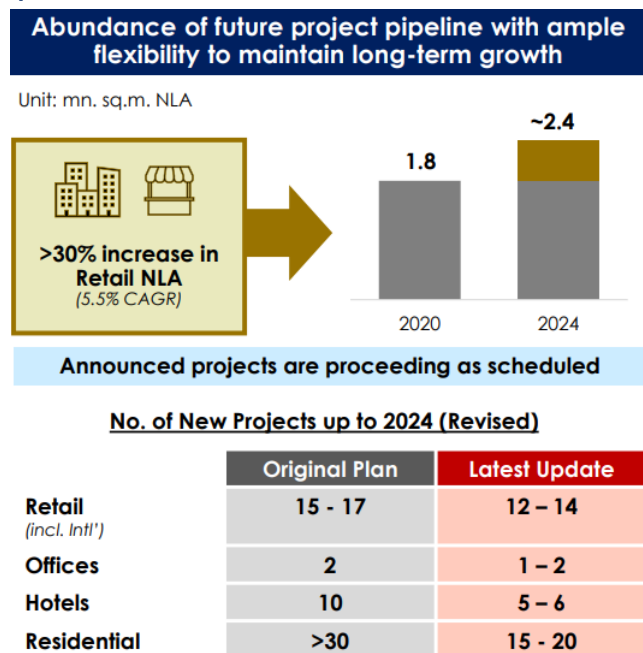
Number of retail projects operated and managed by CPN						
Base	30	32	35	38	41	44
New	2	3	3	3	3	3
<b>Total</b>	<b>32</b>	<b>35</b>	<b>38</b>	<b>41</b>	<b>44</b>	<b>47</b>
Number of mixed-use projects operated and managed by CPN						
Resident	1	4	3-5 additional / year			
Other	1	1	1-3 additional / year			

Source: Extracted from CPN investor presentation, February 2018

### Solid long-term outlook from its plan to add over 30% retail NLA by 2024

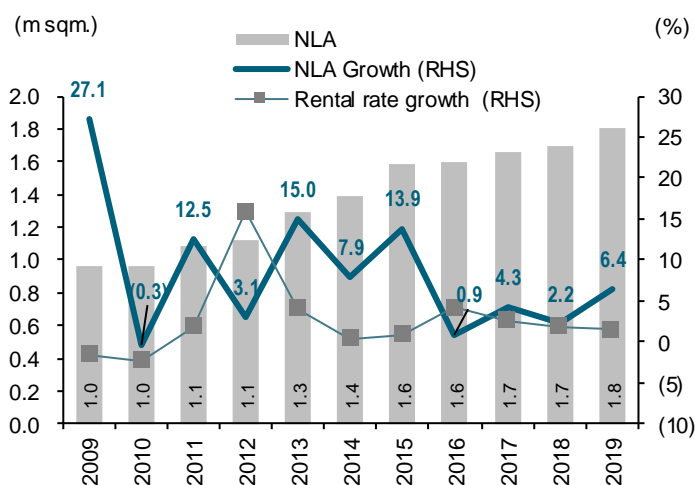
Early this year, CPN announced its 5-year plan to add 36% NLA of up to 2.5m sqm by 2024 and 180% office NLA to 0.5m sqm, with 30 new residential projects and 10 new hotel projects. However, the impact of the COVID-19 outbreak and the uncertainty over the economic outlook prompted CPN to take a more conservative approach to its 5-year plan. The new plan offers over 30% NLA growth for retail space, but the total residential and hotel projects dropped to 15-20 projects and 5-6 projects from their previous 30 and 10 projects, respectively. We believe its new plan can still offer sustainable growth, and we expect its bottom line to recover to double-digit growth by 2022 onward.

**Exhibit 3: More conservative plan from early this year due to the pandemic**



Source: Extracted from CPN investor presentation, November 2020

**Exhibit 4: NLA and rental rate growth**



Sources: CPN; Bloomberg

Currently, CPN has NLA of 1.6m sqm (excluding the leasable area to CPN Retail Growth Leasehold REIT (CPNREIT TB, not rated)). It plans to open two shopping malls in 2021 – Central Plaza Ayutthaya (32,000 sqm NLA, expected to open 2Q21) and Central Plaza Si Racha (30,000 sqm NLA, expected to open 3Q21) – and one shopping mall in 2022 – Central Plaza Chantaburi (20,000 sqm NLA, expected to open 2Q22). These would expand its total leasable area by 82,000 sqm to 1.7m sqm (+4%).

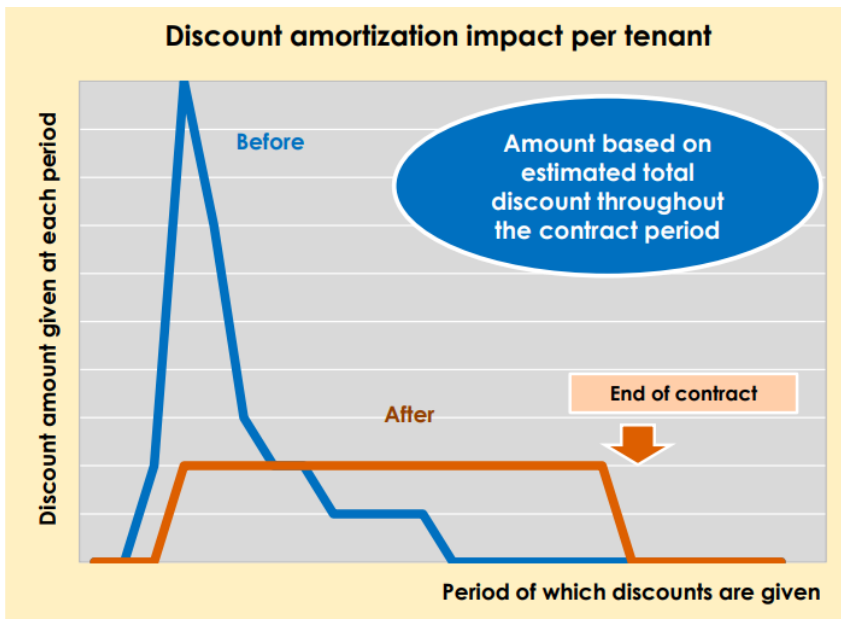
ISETAN (27,000 sqm NLA) was previously under a long-term lease contract and subject to lower rent at cTHB100/sqm/month vs the average rental rate for retail tenants at THB1,682/sqm/month in 2019, however, ISETAN's contract expired in Nov-20. This would have a mild impact on CPN's earnings, as revenue contributions from ISETAN were only cTHB30m per year. Renovations to the newly available retail space are due to be completed by 3Q21. We estimate this area could add revenue of THB300m-350m per year, based on 1) NLA of 20,000 sqm; and 2) an average rental rate for tenants at THB1,700/sqm/month.

In the long run, we believe CPN has more room to expand its shopping malls, especially around the new mass transit extension line. CPN has secured the land bank for eight locations, of which five locations are in the Bangkok metropolitan region, such as the Rangsit, Pahonyothin, and Rama 9 areas, with the remaining three in provincial locations.

### Discount amortisation to reduce the impact of the outbreak

In the wake of the COVID-19 outbreak which impacted traffic, especially in eight tourist-heavy store locations, CPN provided a discount to its tenants. Under TFRS16, the discounts offered to tenants are to be considered as discount amortisation and spread out over the contract period. Revenue recognition will be overstated at the front-end period and understated at the back-end of the contract (Exhibit 5). Based on its 2Q-3Q20 financial statements, the difference between the actual discounts and the discount amortisation was THB998m (THB839m in 2Q20 and THB159m in 3Q20). Hence, revenue in 2021 and 2022 would be understated by c1.5%, following CPN's current assumption and considering the average remaining contract length of all tenants to be two years.

Exhibit 5: The concept of discount amortisation



Source: Extracted from CPN investor presentation, November 2020

Exhibit 6: Rental revenue overstated in 2Q-3Q20 given the impact from discount amortisation under TFRS16

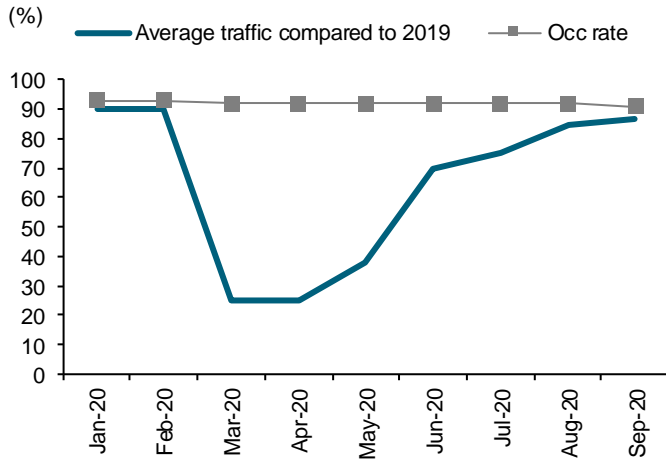
9M20 revenues					
	Reported	non-recurring	Revenue adjusted non-recurring	TFRS16 impact	Core revenues
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)
Rental and services	18,201	-	18,201	(998)	17,203
Other businesses	1,595	-	1,595	-	1,595
Other income	3,957	(3,132)	825	-	825
<b>Total revenues</b>	<b>23,753</b>	<b>(3,132)</b>	<b>20,621</b>	<b>(998)</b>	<b>19,623</b>

Sources: CPN; FSSIA's compilation

### Sustainable occupancy rate proven by the pandemic

While CPN’s actual performance has remained strong, its occupancy rate (OCC) remained stable at above 90% during the lockdown period in 2Q20. We believe CPN also has a waiting list for certain attractive locations. Its maximum OCC is only 95%, as the company needs to reserve some areas for adjusting its tenant mix.

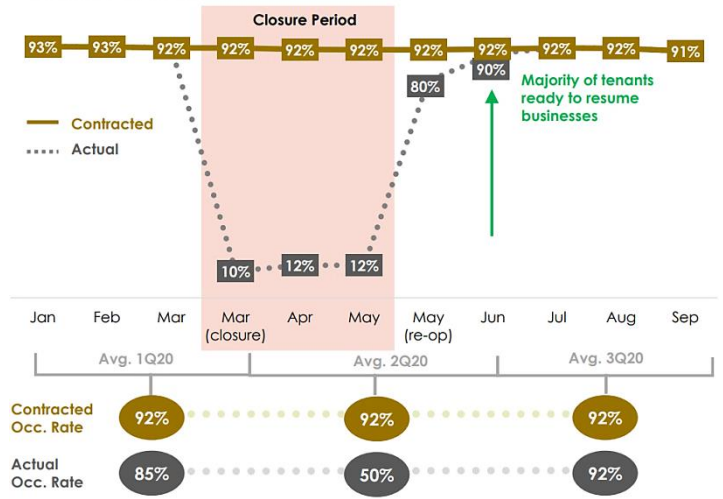
**Exhibit 7: OCC has remained above 90% during the pandemic**



Sources: CPN; FSSIA estimates

**Exhibit 8: Actual vs contracted OCC during and post-lockdown**

*Includes area under Central Pattana and CPNREIT*



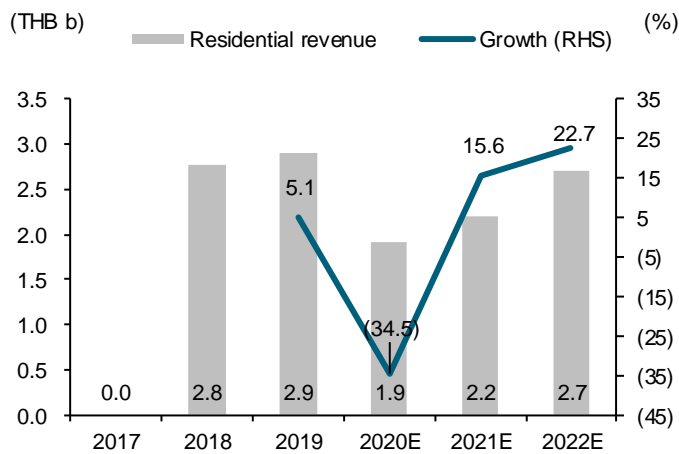
Source: Extracted from CPN investor presentation, November 2020

## The second growth engine: residential development

CPN launched four low-rise projects in 2020, consisting of two three single-detached houses (SDH) and one townhouse (TH). Ninya Kallapapruek (SDH, THB1.5b) and Escent Town Phitsanulok (TH, THB1.0b) achieved take-up rates 12% and 7%, respectively, resulting in a remaining inventory value of THB7.9b. Overall, we expect to see solid residential sales growth at 16%/23% in 2021/2022, driven by its current inventory and new project launches.

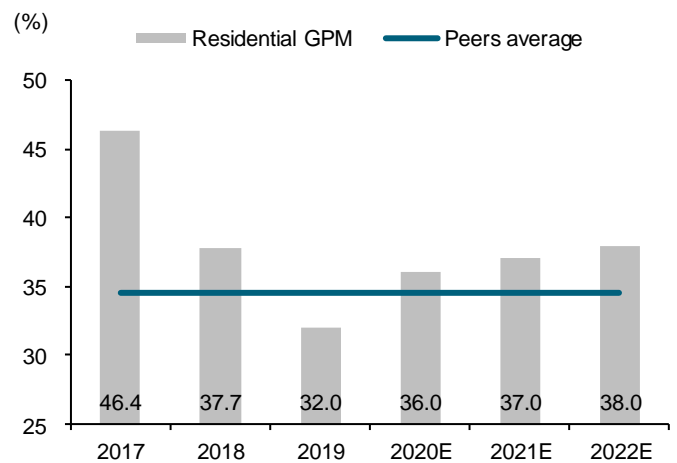
CPN plans to launch 3-4 projects each year with a total investment value of cTHB3.0b-4.0b. We believe the company has a competitive advantage over other developers, as these projects will be located near its shopping malls at a lower land cost due to CPN's pooled land purchases when developing its shopping malls. This resulted in CPN having a solid GPM at 38-46% in 2017-18 vs its peers' range at 30-40%.

**Exhibit 9: Residential revenue forecast**



Sources: CPN; FSSIA estimates

**Exhibit 10: Residential GPM vs peers**



Sources: CPN; FSSIA estimates

**Exhibit 11: Details of active residential projects**

Project	Type	Project value	% sold	Remaining value	Launch plan	Transfer
Phyll Pahol 34	CD	1,400	40	840	3Q18	4Q19
Escent Ubonratchathani	CD	750	90	75	4Q19	3Q20
Escent Park Ville	CD	950	60	380	4Q19	3Q20
Niyham Boromratchachonnan	SDH	2,100	9	1,911	4Q18	
Ninya Kallapapruek	SDH	1,500	12	1,320	1H20	
Escent Town Phitsanulok	TH	1,000	7	930	1H20	
Nirati Chiangrai	SDH	1,100	0	1,100	4Q20	
Nirati Bangna	SDH	1,100	0	1,100	4Q20	
Belle	CD	700	65	245		
<b>Total</b>		<b>10,600</b>		<b>7,901</b>		

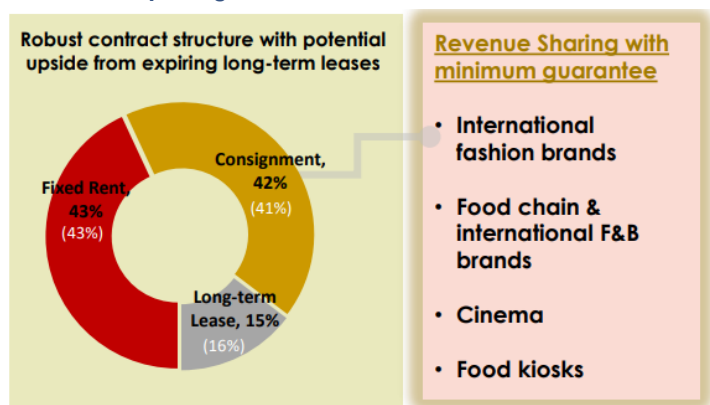
Sources: CPN; FSSIA estimates



### Poised to benefit from the tourism recovery

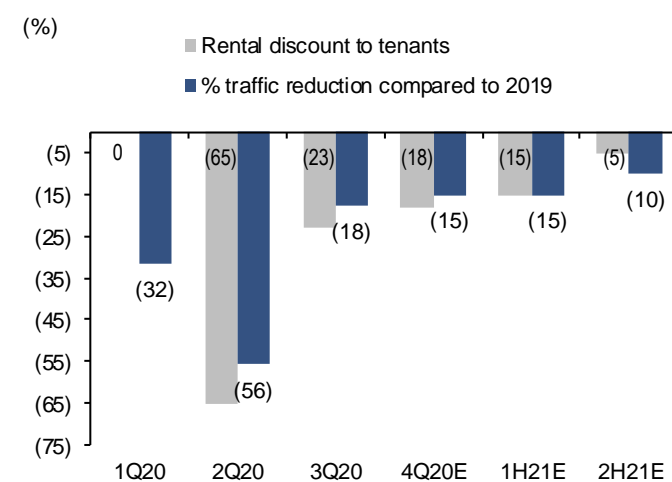
We believe CPN is poised to capture the benefits from the anticipated tourism recovery. As of 3Q20, 42% of CPN's rental contracts are consignment, which provide revenue sharing with a minimum guarantee. This type of contract mainly applies to international fashion brands and fine-dining chains which have relatively high levels of exposure to tourist spending compare to fixed rental contracts. Hence, the consignment contracts should cushion the downside risk from the minimum guarantee and provide an upside risk from revenue sharing. Based on CPN's data, tourists account for c10% of its total traffic, and it has eight stores targeting tourists that provide higher rental discounts at c25% vs the total average of c18% in 4Q20E. The reopening of the tourism sector should positively impact its business in terms of higher revenue sharing and lower discounts for tenants.

**Exhibit 12: Robust contract structure with a potential upside from the reopening of the tourism sector**



Source: Extracted from CPN investor presentation, November 2020

**Exhibit 13: Discount provided to tenants vs % traffic reduction**



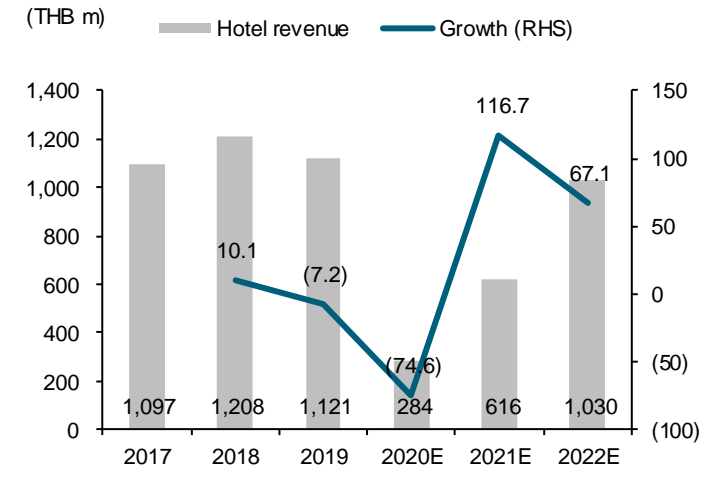
Sources: CPN; FSSIA estimates

CPN has a hotel business that was directly impacted by the outbreak. It owns two hotels – Centara Hotel & Convention Centre Udonthani (259 rooms), and Hilton Pattaya (302 rooms) – which it leased to CPNREIT for 20 years since 2017, and employs a management contract to operate the hotel. CPN took the opportunity to accelerate its renovations of the Hilton Pattaya Hotel, and expects to open, phase by phase (four phases), starting in Nov-20. We think this is good timing to capture the demand from international tourists, and expect its hotel revenue to recover to pre-COVID levels by mid-2022.

Moreover, CPN plans to add 5-6 hotels over 2021-2024, which is quite aggressive in our view. It has secured land for 10 hotels located near its shopping malls. The construction period for a 250 to 300-room hotel would take 1.5-2 years. Hence, we expect to see some concrete developments next year in order to achieve its target. We estimate that every hotel could add THB0.37/shr to our TP based on the following assumptions: 1) CAPEX of 9m per room (4-5-star hotels); 2) 12% IRR; and 3) 300 rooms per hotel with an average OCC of 80%.

We have yet to factor in the Dusit Central Park project with its JV with Dusit Thani (DTC TB, not rated) to develop a mixed-use property project that will include a hotel and residence, and retail and office space, as we have had no further information after the project was announced in 4Q18. The foundation construction has been completed, and CPN maintains its plan to open the hotel in 1H23, the office and retail building in 2H23, and residential area in 1H24. We estimate this project could add THB2.7/shr to our TP based on: 1) 12% IRR; 2) an investment cost of THB17b; and 3) a 60-year project life.

**Exhibit 14: Expect the hotel business to have a strong recovery in 2021-22**



Sources: CPN; FSSIA estimates

**Exhibit 15: Details of Dusit Central Park project**



Source: Extracted from CPN investor presentation, April 2019

## Expect 4Q20 earnings to recover q-q, driven by higher traffic

We expect CPN to post a net profit of THB2.6b in 4Q20 (+4% q-q, -30% y-y). Traffic has recovered to 85-90% of pre-COVID levels in 2019, and CPN should offer lower discounts to tenants at an average of 18% in 4Q20 vs 23% in 3Q20. The expiration of ISETAN's long-term lease contract in Nov-20 would not affect its rental revenue due to only contributing cTHB30m rental income per year. Meanwhile, we expect its residential revenue to grow 141% q-q to THB900m due to the transfer of two condominiums – Escent Ubonratchathani (THB750m, 90% sold) and Escent Park Ville (THB950m, 60% sold). We estimate its gross margin to slightly drop by 70bps q-q to 48.6% from a higher proportion of residential sales. SG&A to sales could rise to 15.7% in 4Q20 vs 14.3% in 3Q20 from festival decoration expenses. Note that BBG's 2020 consensus earnings forecast is at THB7.4b vs its actual 9M20 earnings at THB7.5b, implying low market expectations and a lack of interest.

### Exhibit 16: 4Q20E results preview

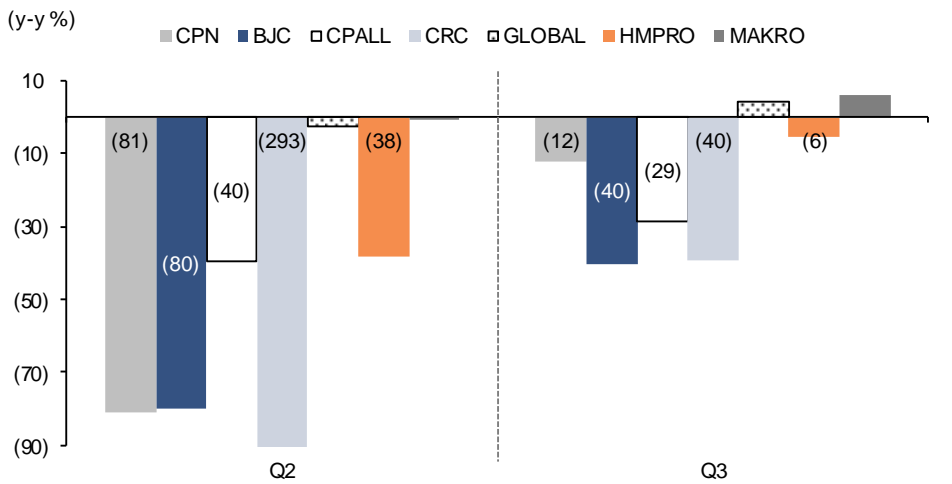
Year to Dec 31	4Q19	1Q20	2Q20	3Q20	4Q20E	-----Change-----		2020E	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(y-y %)
<b>Sales</b>	<b>10,350</b>	<b>8,200</b>	<b>4,279</b>	<b>7,318</b>	<b>8,157</b>	<b>11</b>	<b>(21)</b>	<b>27,954</b>	<b>(24)</b>
Cost of sales	4,978	4,038	3,055	3,708	4,193	13	(16)	14,995	(17)
<b>Gross profit</b>	<b>5,372</b>	<b>4,162</b>	<b>1,224</b>	<b>3,609</b>	<b>3,964</b>	<b>10</b>	<b>(26)</b>	<b>12,959</b>	<b>(30)</b>
Operating costs	1,945	1,724	1,205	1,044	1,283	23	(34)	5,255	(22)
Operating profit	3,428	2,438	19	2,566	2,682	5	(22)	7,704	(35)
<b>Operating EBITDA</b>	<b>5,651</b>	<b>4,463</b>	<b>1,949</b>	<b>4,618</b>	<b>4,195</b>	<b>(9)</b>	<b>(26)</b>	<b>15,225</b>	<b>(20)</b>
Other income	509	462	542	512	524	2	3	1,442	4
Interest expense	200	480	490	436	443	2	122	1,850	128
<b>Profit before tax</b>	<b>3,737</b>	<b>2,420</b>	<b>71</b>	<b>2,641</b>	<b>2,762</b>	<b>5</b>	<b>(26)</b>	<b>7,895</b>	<b>(38)</b>
Tax	534	618	20	448	331	(26)	(38)	1,417	(38)
Associates	338	581	104	187	204	9	(40)	1,075	(17)
Minority interests	(74)	(28)	32	(20)	(55)	181	(25)	(71)	0
Reported net profit	3,671	4,592	467	2,481	2,580	4	(30)	10,119	(14)
<b>Core profit</b>	<b>3,468</b>	<b>2,489</b>	<b>311</b>	<b>2,361</b>	<b>2,580</b>	<b>9</b>	<b>(26)</b>	<b>7,482</b>	<b>(36)</b>
<b>Reported core profit adjust TFRS</b>	<b>3,468</b>	<b>2,501</b>	<b>(611)</b>	<b>1,973</b>	<b>2,580</b>	<b>31</b>	<b>(26)</b>	<b>0</b>	<b>n/a</b>
Reported EPS (THB)	0.77	0.55	0.07	0.53	0.57	9	(26)	2.25	(14)
<b>Recurring EPS (THB)</b>	<b>0.82</b>	<b>1.02</b>	<b>0.10</b>	<b>0.55</b>	<b>0.57</b>	<b>4</b>	<b>(30)</b>	<b>1.67</b>	<b>(36)</b>
<b>Key Ratios</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>	<b>(ppt)</b>	<b>(%)</b>	<b>(ppt)</b>
<b>Gross margin</b>	<b>51.9</b>	<b>50.8</b>	<b>28.6</b>	<b>49.3</b>	<b>48.6</b>	<b>(0.7)</b>	<b>(3.3)</b>	<b>46.4</b>	<b>(4.4)</b>
Operating margin	33.1	29.7	0.4	35.1	32.9	(2.2)	(0.2)	27.6	(4.9)
<b>EBITDA margin</b>	<b>54.6</b>	<b>54.4</b>	<b>45.5</b>	<b>63.1</b>	<b>51.4</b>	<b>(11.7)</b>	<b>(3.2)</b>	<b>54.5</b>	<b>2.6</b>
Recurring net margin	33.5	30.4	7.3	32.3	31.6	(0.6)	(1.9)	26.8	(4.9)
SG&A / Sales	18.8	21.0	28.2	14.3	15.7	1.5	(3.1)	18.8	0.5
Effective tax rate	14.3	25.5	27.7	17.0	12.0	(5.0)	(2.3)	17.9	0.0
Interest coverage (EBITDA) (x)	3.5	10.8	25.2	9.5	10.6			12.2	

Sources: CPN; FSSIA estimates

## Opportunity to buy amid second-wave COVID concerns

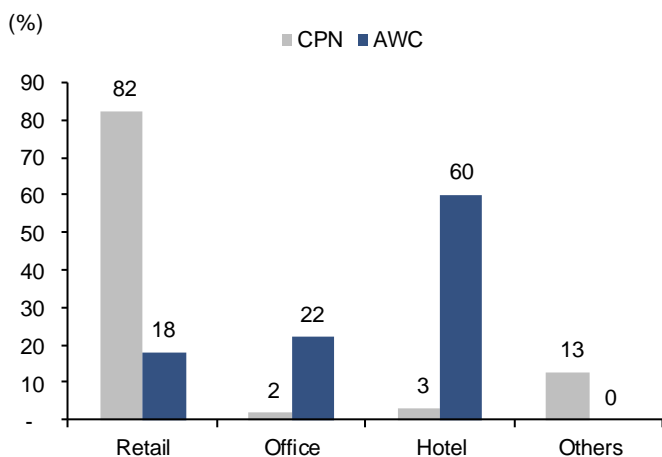
We reinstate our coverage of CPN with a BUY rating and a DCF-based TP of THB68 (7.1% WACC, 3% LTG), implying a 31x FY21E PE, or +0.5SD of its five-year average. We believe the key catalyst to drive CPN's share price is its net profit outlook, as investors gave a premium valuation to CPN in 2018 on its solid growth outlook. We expect its earnings to recover to double-digit growth by 2022 onward, backed by over 30% retail space growth and its second and third growth engines: residential sales and its hotel operations. We think CPN's earnings should be more resilient amid the weak purchasing outlook and the absence of tourist arrivals compare with other consumer companies.

### Exhibit 17: Resilient earnings compared with other consumer stocks



Sources: Company data; FSSIA's compilation

### Exhibit 18: Revenue structure (CPN vs AWC)



Sources: Company data; FSSIA's compilation

### Exhibit 19: GPM and EBITDA margin of each segment (CPN vs AWC)

	CPN		AWC	
	GPM	GPM	GPM	EBITDA margin
Retail	50.5	53.7	53.7	62
Office	69.4			75
Hotel	67.7		50.8	38

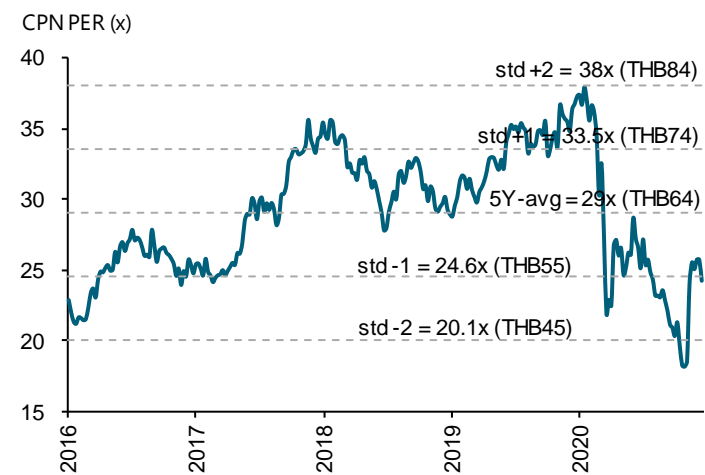
Sources: Company data; FSSIA's estimates

**Exhibit 20: DCF-derived TP**

	(%)	(THB b)
Discount rate (WACC)	7.1	
Terminal growth	3.0	
NPV		52
Add: terminal value		317
Sum of PV		368
Add: investment		0
Less: debt		55
Less: minorities		8
Residual ordinary equity		305
No. of shares (m)		4,488
Residual ordinary equity (THB/share)		68.0

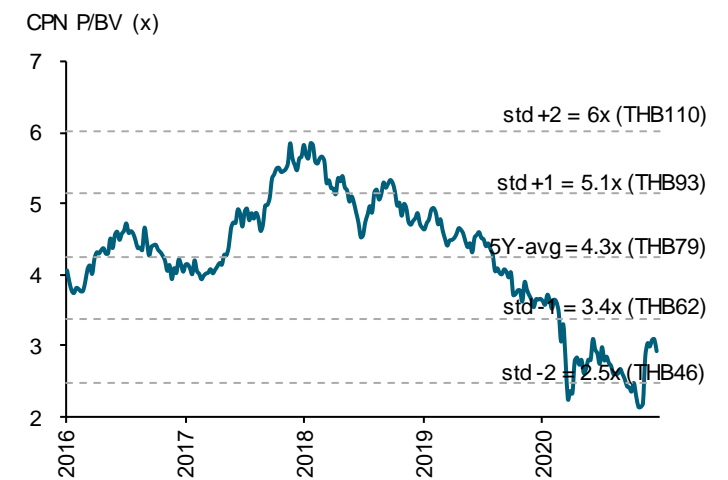
Sources: FSSIA estimates

**Exhibit 21: Rolling one-year forward P/E band**



Sources: Bloomberg; FSSIA estimates

**Exhibit 22: Rolling one-year forward P/BV band**



Sources: Bloomberg; FSSIA estimates

**Exhibit 23: Peer valuation comparison**

Company	BBG	Rec	Share price			Market Cap (USD m)	PE		DivYld		ROE		PBV	
			Current (LCY)	Target (LCY)	Upside (%)		20E (x)	21E (x)	20E (%)	21E (%)	20E (%)	21E (%)	20E (x)	21E (x)
Central Pattana	CPN TB	BUY	50.5	68	34.7	7,512	30.3	22.7	2.2	2.2	10.0	12.5	2.9	2.8
Siam Future Development	SF TB	n/a	4.94	n/a	n/a	350	11.0	9.6	2.1	3.2	8.6	9.0	0.7	0.7
Sm Prime Holdings Inc	SMPH PM	n/a	38.55	n/a	n/a	23,169	53.7	35.9	0.8	0.7	6.5	9.3	3.6	3.3
Uem Sunrise Bhd	UEMS MK	n/a	0.48	n/a	n/a	598	160.0	28.2	0.4	0.8	(0.1)	1.0	0.3	0.3
Average						31,629	63.7	24.2	1.4	1.7	6.3	7.9	1.9	1.8

Share prices as of 24 Dec 2020

Sources: Bloomberg; FSSIA estimates

## Financial Statements

### Central Pattana

Profit and Loss (THB m) Year Ending Sep	2018	2019	2020E	2021E	2022E
Revenue	33,728	36,719	27,954	34,474	40,173
Cost of goods sold	(10,557)	(10,969)	(7,473)	(8,950)	(10,219)
<b>Gross profit</b>	<b>23,171</b>	<b>25,750</b>	<b>20,481</b>	<b>25,524</b>	<b>29,954</b>
Other operating income	-	-	-	-	-
Operating costs	(6,114)	(6,708)	(5,255)	(6,343)	(7,352)
<b>Operating EBITDA</b>	<b>17,057</b>	<b>19,042</b>	<b>15,225</b>	<b>19,181</b>	<b>22,602</b>
Depreciation	(5,906)	(7,117)	(7,521)	(8,546)	(9,712)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>11,151</b>	<b>11,925</b>	<b>7,704</b>	<b>10,635</b>	<b>12,890</b>
Net financing costs	(426)	(811)	(1,850)	(1,887)	(1,925)
Associates	987	1,292	1,075	1,118	1,163
Recurring non operating income	2,322	2,864	3,116	3,255	3,600
Non recurring items	393	108	2,637	0	0
<b>Profit before tax</b>	<b>13,440</b>	<b>14,086</b>	<b>11,607</b>	<b>12,003</b>	<b>14,565</b>
Tax	(2,057)	(2,277)	(1,417)	(1,953)	(2,405)
<b>Profit after tax</b>	<b>11,383</b>	<b>11,809</b>	<b>10,190</b>	<b>10,049</b>	<b>12,160</b>
Minority interests	(168)	(71)	(71)	(71)	(71)
Preferred dividends	0	0	0	0	0
Other items	0	0	0	0	0
<b>Reported net profit</b>	<b>11,216</b>	<b>11,738</b>	<b>10,119</b>	<b>9,978</b>	<b>12,089</b>
<b>Non recurring items &amp; goodwill (net)</b>	<b>(393)</b>	<b>(108)</b>	<b>(2,637)</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>10,823</b>	<b>11,630</b>	<b>7,482</b>	<b>9,978</b>	<b>12,089</b>
<b>Per share (THB)</b>					
Recurring EPS *	2.41	2.59	1.67	2.22	2.69
Reported EPS	2.50	2.62	2.25	2.22	2.69
DPS	1.10	1.30	1.12	1.11	1.34
Diluted shares (used to calculate per share data)	4,488	4,488	4,488	4,488	4,488
<b>Growth</b>					
Revenue (%)	17.2	8.9	(23.9)	23.3	16.5
Operating EBITDA (%)	17.9	11.6	(20.0)	26.0	17.8
Operating EBIT (%)	21.8	6.9	(35.4)	38.0	21.2
Recurring EPS (%)	7.5	7.5	(35.7)	33.4	21.1
Reported EPS (%)	(17.3)	4.7	(13.8)	(1.4)	21.1
<b>Operating performance</b>					
Gross margin inc depreciation (%)	51.2	50.7	46.4	49.2	50.4
Gross margin of key business (%)	51.4	51.2	46.4	49.2	50.4
Operating EBITDA margin (%)	50.6	51.9	54.5	55.6	56.3
Operating EBIT margin (%)	33.1	32.5	27.6	30.8	32.1
Net margin (%)	32.1	31.7	26.8	28.9	30.1
Effective tax rate (%)	17.1	17.9	17.9	17.9	17.9
Dividend payout on recurring profit (%)	45.6	50.2	67.2	49.7	49.7
Interest cover (X)	31.6	18.2	5.8	7.4	8.6
Inventory days	-	-	-	-	-
Debtor days	46.5	46.8	57.1	44.7	45.8
Creditor days	254.6	258.9	324.2	265.9	268.2
Operating ROIC (%)	9.7	9.1	5.7	7.0	7.6
ROIC (%)	9.0	8.1	5.6	6.5	6.8
ROE (%)	17.0	16.9	10.0	12.5	14.2
ROA (%)	8.0	7.5	5.2	6.1	6.4
* Pre-exceptional, pre-goodwill and fully diluted					
<b>Revenue By Division (THB m)</b>					
Revenue from rent and services	29,026	31,843	25,298	30,955	35,530
Revenue from food and beverage	733	851	468	702	913
Revenue from hotel operation	3,970	4,025	2,187	2,816	3,730

Sources: Central Pattana; FSSIA estimates

## Financial Statements

### Central Pattana

Cash Flow (THB m) Year Ending Sep	2018	2019	2020E	2021E	2022E
Recurring net profit	10,823	11,630	7,482	9,978	12,089
Depreciation	5,906	7,117	7,521	8,546	9,712
Associates & minorities	6,203	(187)	0	0	0
Other non-cash items	168	71	71	71	71
Change in working capital	(2,824)	(2,491)	1,047	(583)	(155)
<b>Cash flow from operations</b>	<b>20,275</b>	<b>16,141</b>	<b>16,121</b>	<b>18,012</b>	<b>21,716</b>
Capex - maintenance	(29,316)	(3,158)	(18,000)	(23,000)	(23,700)
Capex - new investment	0	0	0	0	0
Net acquisitions & disposals	(6,832)	(10,470)	(6,529)	(1,727)	(2,126)
Other investments (net)	0	0	0	0	0
<b>Cash flow from investing</b>	<b>(36,148)</b>	<b>(13,629)</b>	<b>(24,529)</b>	<b>(24,727)</b>	<b>(25,826)</b>
Dividends paid	(4,937)	(5,834)	(5,030)	(4,960)	(6,009)
Equity finance	(2,354)	498	0	0	0
Debt finance	20,869	2,812	13,509	11,717	10,184
Other financing cash flows	0	0	0	0	0
<b>Cash flow from Financing</b>	<b>13,578</b>	<b>(2,524)</b>	<b>8,479</b>	<b>6,757</b>	<b>4,175</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
<b>Net other adjustments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Movement in cash</b>	<b>(2,295)</b>	<b>(12)</b>	<b>72</b>	<b>42</b>	<b>65</b>
Free cash flow to firm (FCFF)	(15,446.56)	3,323.65	(6,557.39)	(4,827.75)	(2,185.42)
Free cash flow to equity (FCFE)	4,995.95	5,324.08	5,101.34	5,002.16	6,073.62

#### Per share (THB)

FCFF per share	(3.44)	0.74	(1.46)	(1.08)	(0.49)
FCFE per share	1.11	1.19	1.14	1.11	1.35
Recurring cash flow per share	5.15	4.15	3.36	4.14	4.87

Balance Sheet (THB m) Year Ending Sep	2018	2019	2020E	2021E	2022E
Tangible fixed asset (gross)	140,891	141,570	159,570	182,570	206,270
Less: Accumulated depreciation	(30,833)	(35,470)	(42,991)	(51,537)	(61,249)
<b>Tangible fixed assets (Net)</b>	<b>110,059</b>	<b>106,100</b>	<b>116,578</b>	<b>131,033</b>	<b>145,021</b>
<b>Intangible fixed assets (Net)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Long-term financial assets	0	0	0	0	0
Invest. In associates & subsidiaries	16,499	21,399	26,299	31,199	36,099
Cash & equivalents	3,067	3,055	3,126	3,169	3,234
A/C receivable	4,447	4,962	3,778	4,659	5,429
Inventories	0	0	0	0	0
Other current assets	7,787	8,362	6,366	7,850	9,148
<b>Current assets</b>	<b>15,301</b>	<b>16,378</b>	<b>13,270</b>	<b>15,678</b>	<b>17,811</b>
Other assets	19,849	26,056	19,836	24,462	28,506
<b>Total assets</b>	<b>161,708</b>	<b>169,933</b>	<b>175,983</b>	<b>202,372</b>	<b>227,437</b>
Common equity	65,726	72,128	77,218	82,237	88,317
Minorities etc.	8,450	8,334	8,405	8,476	8,546
<b>Total Shareholders' equity</b>	<b>74,176</b>	<b>80,462</b>	<b>85,623</b>	<b>90,712</b>	<b>96,863</b>
Long term debt	19,522	24,471	29,795	37,268	43,763
Other long-term liabilities	43,397	43,925	33,440	41,239	48,056
<b>Long-term liabilities</b>	<b>62,919</b>	<b>68,396</b>	<b>63,235</b>	<b>78,507</b>	<b>91,819</b>
A/C payable	8,304	7,258	6,017	7,021	7,999
Short term debt	10,876	8,739	16,923	21,168	24,857
Other current liabilities	5,433	5,077	4,184	4,963	5,898
<b>Current liabilities</b>	<b>24,613</b>	<b>21,074</b>	<b>27,125</b>	<b>33,152</b>	<b>38,754</b>
<b>Total liabilities and shareholders' equity</b>	<b>161,707</b>	<b>169,933</b>	<b>175,982</b>	<b>202,372</b>	<b>227,436</b>
Net working capital	(1,502)	988	(58)	524	680
Invested capital	144,904	154,543	162,655	187,219	210,306

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

#### Per share (THB)

Book value per share	14.64	16.07	17.21	18.32	19.68
Tangible book value per share	14.64	16.07	17.21	18.32	19.68

#### Financial strength

Net debt/Equity (%)	36.8	37.5	50.9	60.9	67.5
Net debt/total assets (%)	16.9	17.7	24.8	27.3	28.7
Current ratio (x)	0.6	0.8	0.5	0.5	0.5
CF interest cover (x)	12.7	7.6	3.8	3.7	4.2

Valuation	2018	2019	2020E	2021E	2022E
<b>Recurring P/E (x) *</b>	<b>20.9</b>	<b>19.5</b>	<b>30.3</b>	<b>22.7</b>	<b>18.7</b>
<b>Recurring P/E @ target price (x) *</b>	<b>28.2</b>	<b>26.2</b>	<b>40.8</b>	<b>30.6</b>	<b>25.2</b>
Reported P/E (x)	20.2	19.3	22.4	22.7	18.7
Dividend yield (%)	2.2	2.6	2.2	2.2	2.7
Price/book (x)	3.4	3.1	2.9	2.8	2.6
Price/tangible book (x)	3.4	3.1	2.9	2.8	2.6
EV/EBITDA (x) **	15.4	13.9	18.3	15.1	13.3
EV/EBITDA @ target price (x) **	20.0	18.0	23.5	19.2	16.8
EV/invested capital (x)	1.8	1.7	1.7	1.6	1.4

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

Sources: Central Pattana; 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	NCL	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	CENTEL
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	KGI	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	PNR	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
WIIK	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

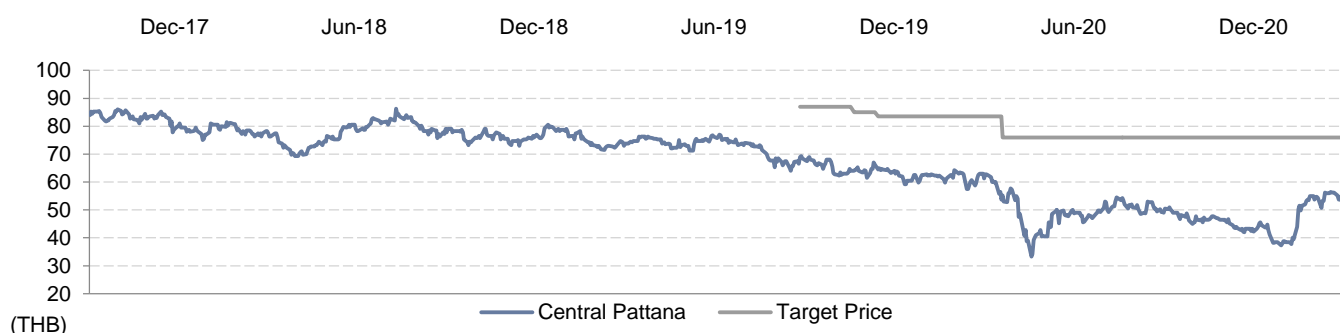
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#### History of change in investment rating and/or target price

##### Central Pattana (CPN TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
04-Sep-2019	BUY	87.00	11-Nov-2019	BUY	83.50	-	-	-
21-Oct-2019	BUY	85.00	27-Feb-2020	BUY	76.00			

Karun Intrachai started covering this stock from 25-Dec-2020

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Central Pattana	CPN TB	THB 50.50	BUY	Key downside risks to our DCF-derived TP are deviations to our estimates on rental rate, occupancy rate, returns on its new investments, capex and interest rate.

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 Finasia 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 Finasia Syrus Securities Public Company Limited, which is the parent company of FSSIA.

All share prices are as at market close on 24-Dec-2020 unless otherwise stated.

## RECOMMENDATION STRUCTURE

### Stock ratings

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