

6 JULY 2021

THAILAND / REAL ESTATE

CENTRAL PATTANA CPN TB

BUY

UNCHANGED

TARGET PRICE	THB64.00
CLOSE	THB51.75
UP/DOWNSIDE	+23.7%
PRIOR TP	THB64.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+10.2%

SF จะช่วยเสริมสร้างการเติบโตในระยะยาวให้ดีมากยิ่งขึ้น

ถือหุ้น 30.4% ใน SF จาก MAJOR

CPN ประกาศซื้อหุ้น 30.36% หรือ 647 ล้านหุ้นใน Siam Future Development (SF TB, not rated) จากผู้ถือหุ้นใหญ่ กล่าวคือ Major Cineplex Group (MAJOR TB, BUY, THB22 TP) ที่ราคา 12 บาท/หุ้นเป็นจำนวนเงิน 7.8 พัน ลบ. บริษัทฯ คาดว่ารายการดังกล่าวจะสำเร็จเสร็จสิ้นในเดือน ส.ค. 21 กระบวนการทำคำเสนอซื้อหุ้นที่เหลือทั้งหมดจะเริ่มภายในสิ้นไตรมาส 3Q21 CPN ยังไม่ได้ตัดสินใจว่าจะถอด SF ออกจากตลาดฯ หรือไม่

มุมมองเชิงบวกจากการเข้าซื้อ SF

ผู้บริหารได้จัดประชุมนักวิเคราะห์ในเช้าวันนี้และให้ความกระจ่างเกี่ยวกับเหตุผลในด้านการลงทุนสำคัญไว้ดังต่อไปนี้: 1) เพื่อเสริมพอร์ตศูนย์การค้าระดับภูมิภาคด้วย Mega Bangna; 2) เพื่อกระจายความเสี่ยงสู่กิจการค้าปลีกขนาดเล็ก; 3) เพื่อให้ได้ที่ดินที่มีศักยภาพ (ผ่านกิจการร่วมค้ากับ IKEA) ที่บางนา บางใหญ่ และรังสิต; และ 4) เพื่อให้ได้ประโยชน์สูงสุดจากโครงสร้างเงินทุน CPN จะซื้อดังกล่าวด้วยเงินกู้ที่ต้นทุนเฉลี่ยใกล้เคียงกับต้นทุนปัจจุบันของ CPN ที่ 2.06% ยิ่งไปกว่านั้นเราเห็นความเสี่ยงขาขึ้นจากประสิทธิภาพในการดำเนินงานที่ดีขึ้น ในอดีตประสิทธิภาพในการดำเนินงานของ Grand Canal Land (GLAND TB, not rated) ดีขึ้น 25% และต้นทุนค่าใช้จ่ายการขายและการบริหารลดลง 30-40% หลัง CPN ซื้อกิจการในปี 2018 นอกจากนี้ SF มีเงินกุ่มีดอกเบี้ยอยู่ 3.0 พัน ลบ. ที่ต้นทุนเฉลี่ย 3.0% เทียบกับ CPN ที่ 2.06% คิดเป็นดอกเบี้ยจ่ายที่จะประหยัดได้ 30 ลบ. ถ้ามีการเปลี่ยนวงเงินกู้ของ SF หลังการควมรวมในภาพรวมอัตราผลตอบแทนภายใน (IRR) ขั้นต้นจะอยู่ที่ 8-9% และอาจเพิ่มเป็น 11-12% ใกล้เคียงกับเป้า IRR สำหรับการไปซื้อกิจการอื่นของบริษัท (เทียบกับ 14-15% ของโครงการใหม่)

เพิ่มกำไรให้ CPN

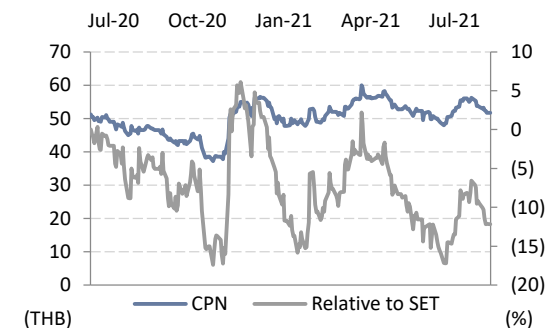
เรามองการซื้อดังกล่าวเป็นบวกและเชื่อว่า SF มีความเหมาะสมในทางยุทธศาสตร์ต่อพอร์ตสินทรัพย์ของ CPN จาก 1) ประมาณการของตลาดที่คาดว่า SF มีอัตรากำไรขั้นต้นในระดับสูงถึง 59-61% ในปี 2021-22 และผลตอบแทนต่อส่วนผู้ถือหุ้น (ROE) ในระดับสูงถึง 8.6-10.1% เทียบกับ ROE ของ CPN ที่ 8.5%; 2) กำไรต่อหุ้นที่จะเพิ่ม 5-9% จากกำไรจากการดำเนินงานของ SF ที่ 800-1,200 ลบ. เมื่อถือหุ้นเต็ม 100%; และ 3) การขยายพอร์ตศูนย์การค้าระดับภูมิภาคของ CPN ด้วยสินทรัพย์หลักของ SF กล่าวคือ Mega Bangna และทำเลที่ตั้งที่จับความต้องการในกรุงเทพฯ ที่มีการเติบโตของที่อยู่อาศัยที่ค่อนข้างสูง

คงคำแนะนำซื้อที่ราคาเป้าหมาย 64 บาท

เราไม่ได้รวม SF ไว้ในการประเมินมูลค่าของ CPN จนกว่ากระบวนการทำคำเสนอซื้อหุ้นจะสำเร็จ เราคาดว่า SF จะเพิ่มมูลค่า 3.2-4.5 บาทให้แก่ CPN โดยมีสมมติฐานจากการถือหุ้น 100% ปัจจุบันหุ้นมีระดับการประเมินมูลค่าอยู่ในระดับต่ำที่เพียง 25x ของค่า 2022E P/E เทียบกับค่าเฉลี่ย 5 ปีย้อนหลังที่ 29x

KEY STOCK DATA

YE Dec (THB m)	2020	2021E	2022E	2023E
Revenue	27,862	28,867	34,850	41,306
Net profit	9,557	6,021	9,397	12,283
EPS (THB)	2.13	1.34	2.09	2.74
vs Consensus (%)	-	(28.8)	(9.4)	4.3
EBITDA	15,196	17,032	21,845	26,261
Core net profit	9,557	6,021	9,397	12,283
Core EPS (THB)	2.13	1.34	2.09	2.74
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	(17.8)	(37.0)	56.1	30.7
Core P/E (x)	24.3	38.6	24.7	18.9
Dividend yield (%)	1.4	0.9	1.3	1.7
EV/EBITDA (x)	21.1	19.1	14.9	12.3
Price/book (x)	3.4	3.2	2.9	2.7
Net debt/Equity (%)	103.5	105.2	96.3	85.1
ROE (%)	13.6	8.5	12.4	14.8



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(2.8)	(6.8)	(1.9)
Relative to country (%)	(0.8)	(6.7)	(14.8)
Mkt cap (USD m)	7,201		
3m avg. daily turnover (USD m)	17.8		
Free float (%)	47		
Major shareholder	Chirathivat Family (37%)		
12m high/low (THB)	60.25/36.25		
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 6 กรกฎาคม 2021

Investment thesis

CPN is currently trading at an undemanding 25x 2022E P/E vs its premium valuation in 2018 (36x 2017 P/E). Its business model is strong, proven by its occupancy rate of over 90% during the pandemic. We also believe CPN's solid long-term outlook remains intact. It plans to add over 30% net leasable area (NLA) growth over the next five years. 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.

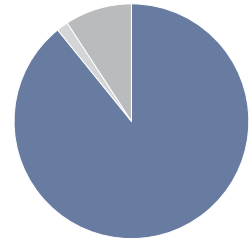
Company profile

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, ten office buildings, two hotels and one residential project. CPN is the flagship company of the Central Group (not listed).

www.centralpattana.co.th

Principal activities (revenue, 2020)

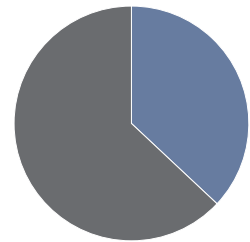
- Revenue from rent and services - 89.2 %
- Revenue from food and beverage - 1.6 %
- Revenue from hotel operation - 9.2 %



Source: Central Pattana

Major shareholders

- Chirathivat Family - 37.0 %
- Others - 63.0 %



Source: Central Pattana

Catalysts

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 rollout of Covid-19 vaccines.

Risks 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
August 2021	2Q21 results announcement

Key assumptions

	2020	2021E	2022E	2023E
	(%)	(%)	(%)	(%)
NLA (m sqm.)	1.81	1.85	1.92	2.01
NLA growth (%)	0.0	2.1	3.7	4.7
Retail rental rate (THB/sqm/month)	1,126	1,177	1,430	1,644
Occupancy rate (%)	91.3	91.5	91.7	92.0
Residential sales (THB m)	2,904	2,200	2,700	3,500
Blended GPM (%)	45.1	45.2	50.3	50.7
SG&A to sales (%)	24.5	24.5	22.0	18.5

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

SF at a glance

SF has a total leasable area of 431k sqm, of which 47%, or 201k sqm, is at the super-regional mall, Mega Bangna, while the remaining 17 malls are operated under Esplanade, J Avenue, La Villa, The Avenue, and Market Place. The average SF mall occupancy rate was 94% in 2020, slightly above CPN's average mall occupancy rate of 90-92%. Mega Bangna has a high occupancy rate of 98% as of 1Q21, while others in the small retail format have an average occupancy rate of 85-90%. The average rental rate of Mega Bangna would be similar to CPN's rental rate of THB1,600-1,700/sqm/month in normal periods, and could be revised up by 3-5% per year.

Exhibit 1: SF's portfolio



Source: SF

Exhibit 2: SF's leasable area and occupancy rate

Format	2018		2019		2020		Average size (sq.m.)
	No. of centers	GLA (sq.m.)	No. of centers	GLA (sq.m.)	No. of centers	GLA (sq.m.)	
Lifestyle Center	6	77,984	6	79,092	6	79,159	13,000
Power Center	3	70,076	3	70,541	2	61,436	30,000
Entertainment Center	1	42,733	1	42,876	1	42,532	40,000
Neighborhood Center	6	43,164	7	46,288	7	45,544	6,000
Convenience Center	-	-	-	-	-	-	-
Automotive Service center	2	871	2	871	1	466	400
Super Regional	1	191,216	1	201,491	1	201,491	200,000
Total	19	426,044	20	441,158	18	430,628	
Occupancy rate		92%		96%		94%	

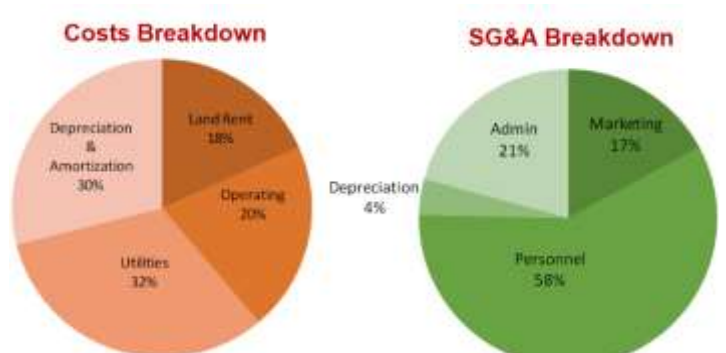
Source: SF

Exhibit 3: SF's rental structure (2020)



Source: SF

Exhibit 4: SF's cost breakdown (2020)



Source: SF

Acquiring SF for strategic purposes

Management hosted an analyst briefing this morning and clarified the key investment rationale as follows: 1) to enhance its super-regional mall portfolio with Mega Bangna; 2) to diversify into the small retail format; 3) to gain access to potential freehold land banks (JV with IKEA) at Bangna, Bangyai, and Rangsit; and 4) optimise its capital structure by funding the transaction with debt financing for an average cost of debt similar to CPN's current cost at 2.06%. We see an upside risk from improving operational efficiency. GLAND's operating efficiency improved by 25% and its SG&A cost dropped by 30-40% after it was acquired by CPN in 2018. Moreover, SF has interest bearing debt of THB3.0b with average of debt of 3.0% vs CPN's 2.06%, implying THB30m in savings after rolling over SF's debt. Overall, the initial IRR would be 8-9% and could improve to 11-12%, comparable with a brownfield IRR target (vs 14-15% IRR of greenfield projects).

We remain positive on this deal and believe SF is a strategic fit to CPN's asset portfolio, based on 1) SF could generate a high GPM of 59-61% in 2021-22 and a high ROE (8.6-10.1%), based on BBG consensus, vs CPN's ROE at 8.5%; 2) EPS accretion of 5-9% on SF's core profit of THB800m-1,200m, based on a 100% acquisition; and 3) expanding CPN's super-regional mall portfolio with SF's key asset, Mega Bangna, and its strategic location to capture the demand from eastern Bangkok.

Exhibit 5: Earnings accretion after acquiring SF

Case1 SF's earnings of THB800m							
Equity stake (%)	CPN's 2021E net profit (THB m)	SF's 2021E net profit (THB m)	Combined profit (THB m)	Debt (THB m)	Interest expense (THB m)	Earnings accretion (THB m)	Earnings accretion (%)
30	6,021	243	6,264	7,767	179	100	1.7
50	6,021	400	6,421	12,792	294	165	2.7
75	6,021	600	6,621	19,188	441	247	4.1
100	6,021	800	6,821	25,584	588	329	5.5
Case2 SF's earnings of THB1,000m							
Equity stake (%)	CPN's 2021E net profit (THB m)	SF's 2021E net profit (THB m)	Combined profit (THB m)	Debt (THB m)	Interest expense (THB m)	Earnings accretion (THB m)	Earnings accretion (%)
30	6,021	304	6,324	7,767	179	161	2.7
50	6,021	500	6,521	12,792	294	265	4.4
75	6,021	750	6,771	19,188	441	397	6.6
100	6,021	1,000	7,021	25,584	588	529	8.8

Source: FSSIA estimates

Short-term outlook impacted by the third wave of Covid

CPN's outlook remains shaky due to the third wave of Covid. CPN provided a 30-40% rental discount to tenants vs 30% in 1Q21. The average 30-40% discount will likely continue in 3Q21 amid the stringent anti-Covid measures, including a ban on dining in at restaurants in Bangkok and five surrounding provinces. Hence, we see a downside risk to our average 30% rental discount forecast in 2021.

Financial Statements

Central Pattana

Profit and Loss (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Revenue	36,719	27,862	28,867	34,850	41,306
Cost of goods sold	(10,969)	(7,131)	(4,763)	(5,338)	(7,404)
Gross profit	25,750	20,731	24,104	29,512	33,903
Other operating income	-	-	-	-	-
Operating costs	(6,708)	(5,536)	(7,072)	(7,667)	(7,642)
Operating EBITDA	19,042	15,196	17,032	21,845	26,261
Depreciation	(7,117)	(7,906)	(11,061)	(11,985)	(12,941)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	11,925	7,289	5,971	9,860	13,320
Net financing costs	(811)	(1,865)	(1,902)	(1,925)	(2,021)
Associates	1,292	1,042	1,118	1,163	1,208
Recurring non-operating income	2,864	6,341	3,255	3,600	3,834
Non-recurring items	108	0	0	0	0
Profit before tax	14,086	11,765	7,323	11,535	15,133
Tax	(2,277)	(2,148)	(1,243)	(2,078)	(2,790)
Profit after tax	11,809	9,617	6,080	9,457	12,343
Minority interests	(71)	(60)	(60)	(60)	(60)
Preferred dividends	0	0	0	0	0
Other items	0	0	0	0	0
Reported net profit	11,738	9,557	6,021	9,397	12,283
Non-recurring items & goodwill (net)	(108)	0	0	0	0
Recurring net profit	11,630	9,557	6,021	9,397	12,283
Per share (THB)					
Recurring EPS *	2.59	2.13	1.34	2.09	2.74
Reported EPS	2.62	2.13	1.34	2.09	2.74
DPS	1.30	0.70	0.44	0.69	0.90
Diluted shares (used to calculate per share data)	4,488	4,488	4,488	4,488	4,488
Growth					
Revenue (%)	8.9	(24.1)	3.6	20.7	18.5
Operating EBITDA (%)	11.6	(20.2)	12.1	28.3	20.2
Operating EBIT (%)	6.9	(38.9)	(18.1)	65.1	35.1
Recurring EPS (%)	7.5	(17.8)	(37.0)	56.1	30.7
Reported EPS (%)	4.7	(18.6)	(37.0)	56.1	30.7
Operating performance					
Gross margin inc. depreciation (%)	50.7	46.0	45.2	50.3	50.7
Gross margin of key business (%)	51.2	45.1	45.2	50.3	50.7
Operating EBITDA margin (%)	51.9	54.5	59.0	62.7	63.6
Operating EBIT margin (%)	32.5	26.2	20.7	28.3	32.2
Net margin (%)	31.7	34.3	20.9	27.0	29.7
Effective tax rate (%)	17.9	20.0	20.0	20.0	20.0
Dividend payout on recurring profit (%)	50.2	32.9	32.9	32.9	32.9
Interest cover (X)	18.2	7.3	4.8	7.0	8.5
Inventory days	-	-	-	-	-
Debtor days	46.8	69.4	72.5	67.4	68.0
Creditor days	258.9	334.8	458.0	438.9	359.6
Operating ROIC (%)	9.1	4.3	2.8	4.4	5.6
ROIC (%)	8.1	6.2	3.6	4.9	5.9
ROE (%)	16.9	13.6	8.5	12.4	14.8
ROA (%)	7.5	5.7	3.3	4.6	5.4
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Revenue from rent and services	31,843	24,848	25,348	30,207	35,720
Revenue from food and beverage	851	446	702	913	1,005
Revenue from hotel operation	4,025	2,568	2,816	3,730	4,582

Sources: Central Pattana; FSSIA estimates

Financial Statements

Central Pattana

Cash Flow (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Recurring net profit	11,630	9,557	6,021	9,397	12,283
Depreciation	7,117	7,906	11,061	11,985	12,941
Associates & minorities	(187)	(60)	0	0	0
Other non-cash items	71	60	60	60	60
Change in working capital	(2,491)	(1,024)	(1,518)	(492)	(1,368)
Cash flow from operations	16,141	16,439	15,623	20,950	23,916
Capex - maintenance	(3,158)	(65,031)	(20,000)	(20,700)	(21,400)
Capex - new investment	0	0	0	0	0
Net acquisitions & disposals	(10,470)	11,845	666	3,963	4,277
Other investments (net)	0	0	0	0	0
Cash flow from investing	(13,629)	(53,185)	(19,334)	(16,737)	(17,123)
Dividends paid	(5,834)	(3,142)	(1,979)	(3,089)	(4,038)
Equity finance	498	(9,754)	0	0	0
Debt finance	2,812	55,812	5,834	(904)	(3,134)
Other financing cash flows	0	0	0	0	0
Cash flow from financing	(2,524)	42,917	3,855	(3,993)	(7,172)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	(12)	6,170	144	221	(379)
Free cash flow to firm (FCFF)	3,323.65	(34,881.39)	(1,808.73)	6,138.53	8,814.19
Free cash flow to equity (FCFE)	5,324.08	19,065.78	2,123.48	3,309.87	3,658.62

Per share (THB)

FCFF per share	0.74	(7.77)	(0.40)	1.37	1.96
FCFE per share	1.19	4.25	0.47	0.74	0.82
Recurring cash flow per share	4.15	3.89	3.82	4.78	5.63

Balance Sheet (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Tangible fixed assets (gross)	141,549	233,513	253,513	274,213	295,613
Less: Accumulated depreciation	(35,449)	(70,289)	(81,350)	(93,335)	(106,276)
Tangible fixed assets (net)	106,100	163,224	172,163	180,878	189,337
Intangible fixed assets (net)	0	0	0	0	0
Long-term financial assets	0	0	0	0	0
Invest. in associates & subsidiaries	21,399	10,141	10,141	10,141	10,141
Cash & equivalents	3,055	9,225	9,369	9,590	9,211
A/C receivable	4,962	5,629	5,832	7,040	8,344
Inventories	0	0	0	0	0
Other current assets	8,362	9,032	9,358	11,298	13,391
Current assets	16,378	23,886	24,559	27,928	30,946
Other assets	26,056	24,522	25,407	30,673	36,355
Total assets	169,933	221,774	232,270	249,621	266,780
Common equity	72,128	68,790	72,832	79,140	87,385
Minorities etc.	8,334	8,333	8,393	8,452	8,512
Total shareholders' equity	80,462	77,123	81,224	87,592	95,897
Long term debt	24,471	71,117	75,778	75,056	72,552
Other long-term liabilities	43,925	42,979	44,529	53,758	63,718
Long-term liabilities	68,396	114,096	120,307	128,815	136,270
A/C payable	7,258	5,824	6,129	6,710	7,880
Short term debt	8,739	17,905	19,078	18,897	18,266
Other current liabilities	5,077	6,824	5,531	7,607	8,465
Current liabilities	21,074	30,554	30,738	33,213	34,612
Total liabilities and shareholders' equity	169,933	221,773	232,270	249,620	266,779
Net working capital	988	2,012	3,530	4,022	5,390
Invested capital	154,543	199,900	211,241	225,714	241,223

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

Per share (THB)

Book value per share	16.07	15.33	16.23	17.63	19.47
Tangible book value per share	16.07	15.33	16.23	17.63	19.47

Financial strength

Net debt/equity (%)	37.5	103.5	105.2	96.3	85.1
Net debt/total assets (%)	17.7	36.0	36.8	33.8	30.6
Current ratio (x)	0.8	0.8	0.8	0.8	0.9
CF interest cover (x)	7.6	11.2	2.1	2.7	2.8

Valuation	2019	2020	2021E	2022E	2023E
Recurring P/E (x) *	20.0	24.3	38.6	24.7	18.9
Recurring P/E @ target price (x) *	24.7	30.1	47.7	30.6	23.4
Reported P/E (x)	19.8	24.3	38.6	24.7	18.9
Dividend yield (%)	2.5	1.4	0.9	1.3	1.7
Price/book (x)	3.2	3.4	3.2	2.9	2.7
Price/tangible book (x)	3.2	3.4	3.2	2.9	2.7
EV/EBITDA (x) **	14.2	21.1	19.1	14.9	12.3
EV/EBITDA @ target price (x) **	17.1	24.7	22.4	17.4	14.4
EV/invested capital (x)	1.8	1.6	1.5	1.4	1.3

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

Sources: Central Pattana; FSSIA estimates

Corporate Governance report of Thai listed companies 2020

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

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

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

Description

Score Range

Excellent

90-100

Very Good

80-89

Good

70-79

Disclaimer:

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 2020

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

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

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

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

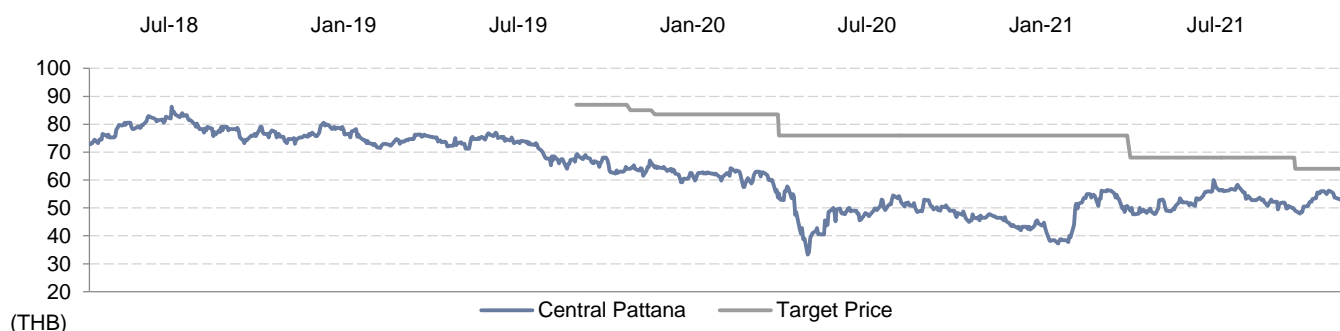
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) 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

Central Pattana (CPN TB)



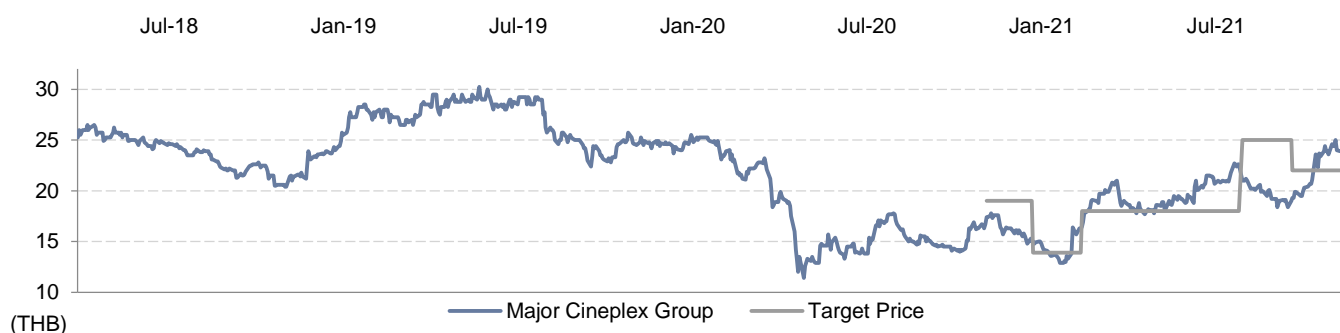
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
04-Sep-2019	BUY	87.00	27-Feb-2020	BUY	76.00	22-Jan-2021	BUY	68.00
21-Oct-2019	BUY	85.00	02-Apr-2020	BUY	76.00	02-Apr-2021	BUY	68.00
11-Nov-2019	BUY	83.50	25-Dec-2020	BUY	68.00	19-May-2021	BUY	64.00

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

Price and TP are in local currency

Source: FSSIA estimates

Major Cineplex Group (MAJOR TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
27-Aug-2020	BUY	19.00	05-Nov-2020	HOLD	13.90	02-Apr-2021	BUY	25.00
02-Sep-2020	HOLD	19.00	17-Nov-2020	HOLD	18.00	17-May-2021	BUY	22.00
06-Oct-2020	HOLD	13.90	27-Jan-2021	HOLD	18.00			

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

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Central Pattana	CPN TB	THB 51.75	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.
Major Cineplex Group	MAJOR TB	THB 25.25	BUY	The key downside risks to our P/E-based TP are a slower-than-expected recovery in domestic consumption, the growing popularity of online movies, a delay in the implementation of a Covid-19 vaccine, and further waves of infections.

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 05-Jul-2021 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

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

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

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

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

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

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

Industry Recommendations

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

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

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

Country (Strategy) Recommendations

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

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

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