

8 NOVEMBER 2021

THAILAND / REAL ESTATE

# CENTRAL PATTANA CPN TB

## BUY

UNCHANGED

|                 |          |
|-----------------|----------|
| TARGET PRICE    | THB68.00 |
| CLOSE           | THB58.00 |
| UP/DOWNSIDE     | +17.2%   |
| PRIOR TP        | THB60.00 |
| CHANGE IN TP    | +13.3%   |
| TP vs CONSENSUS | +12.5%   |

## Shopping time is near

### 3Q21 results hit by the lockdown

CPN booked a net profit of THB229m in 3Q21 (-86% q-q, -91% y-y), missing BGC's consensus estimate by 41%. Excluding non-recurring items such as the rental waiver for Hilton Pattaya, an FX gain, and extra tax expenses (totalling THB103m in all), core profit was THB126m. 9M21 core earnings account for 67% of our 2021 full-year estimate of THB4.3b.

### Higher discount rate at 56% was the key drag in 3Q21

The average rental discount was higher at 56% in 3Q21 (vs 41% in 2Q21 and 24% in 3Q20) due to the closure of shopping malls in dark red zones (c65% of total stores) since 12 July to 31 August. This resulted in a sharp drop in rental income by 38% y-y to THB4.2b. The occupancy (OCC) rate at shopping malls was flat at 91%, while the office OCC rate slightly dropped to 90% in 3Q21 (vs 92% in 3Q20). GPM plunged to 28.1% in 3Q21 (vs 40.2% in 2Q21), similar to 2Q20 at 28.6% when it had to close its department stores. Profit contributed from Siam Future Development PCL (SF TB, NR) had no significant impact after 1 month of consolidation since Sep-21 due to the impact from the lockdown measures.

### Strong recovery expected in 4Q21

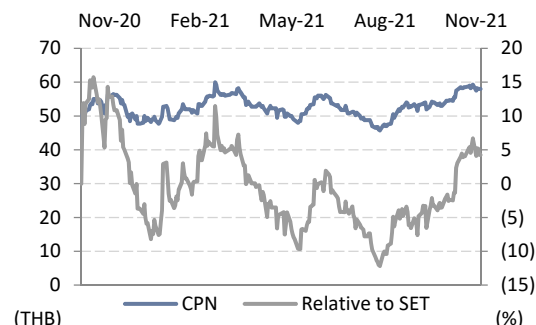
4Q21 earnings should strongly rebound to THB1.5b-1.7b, at a similar level to 4Q20-1Q21. CPN saw a satisfactory traffic rate at c70-75% in Oct-21 and expects it to rise to c80-85% by Dec-21. Thus, we expect the tenant discount rate to be at 27-30% in 4Q21. SF's performance should recover in 4Q21 on the back of a lower discount rate. The OCC rate at Mega Bangna and SF's other malls remains high at 98%/90%. CPN has two malls opening in 4Q21 – Central Sriracha (opened late Oct-21) and Central Ayutthaya (Nov-21) – which have OCC rates of 80%, above the breakeven level of 60%. Moreover, the renovation of Isetan (total area of 27k sqm) will be completed soon (c80% OCC rate). CPN plans to open phase by phase starting in late Dec-21 to 4Q21.

### Passed the bottom; on track to a recovery

We revise up our 2022-23E earnings by 5.6-6.0% after incorporating SF into our model. We raise our TP to THB68 (from THB60) after rolling forward our valuation to 2022 and incorporating SF's value into our model (THB4.0). CPN is trading at 30.8x 2022E P/E, or at its 5-year average, but we expect it to drop to 23.4x after its 2023E earnings recover to the pre-Covid level at THB11b. CPN should be able to ride the benefits from the tourism reopening which started on 1 November.

## KEY STOCK DATA

| YE Dec (THB m)       | 2020   | 2021E  | 2022E  | 2023E  |
|----------------------|--------|--------|--------|--------|
| Revenue              | 26,730 | 25,572 | 34,241 | 41,120 |
| Net profit           | 9,557  | 4,341  | 8,461  | 11,125 |
| EPS (THB)            | 2.13   | 0.97   | 1.89   | 2.48   |
| vs Consensus (%)     | -      | (37.9) | (10.6) | (1.5)  |
| EBITDA               | 13,531 | 14,932 | 20,426 | 24,440 |
| Core net profit      | 5,621  | 4,341  | 8,461  | 11,125 |
| Core EPS (THB)       | 1.25   | 0.97   | 1.89   | 2.48   |
| Chg. In EPS est. (%) | -      | -      | 5.6    | 6.0    |
| EPS growth (%)       | (51.7) | (22.8) | 94.9   | 31.5   |
| Core P/E (x)         | 46.3   | 60.0   | 30.8   | 23.4   |
| Dividend yield (%)   | 1.2    | 0.5    | 1.1    | 1.4    |
| EV/EBITDA (x)        | 25.8   | 23.9   | 17.4   | 14.4   |
| Price/book (x)       | 3.8    | 3.6    | 3.4    | 3.1    |
| Net debt/Equity (%)  | 103.5  | 109.8  | 100.1  | 89.9   |
| ROE (%)              | 8.0    | 6.2    | 11.3   | 13.7   |



| Share price performance        | 1 Month | 3 Month                  | 12 Month    |
|--------------------------------|---------|--------------------------|-------------|
| Absolute (%)                   | 6.4     | 26.1                     | 45.0        |
| Relative to country (%)        | 6.3     | 18.4                     | 12.7        |
| Mkt cap (USD m)                |         |                          | 7,787       |
| 3m avg. daily turnover (USD m) |         |                          | 18.0        |
| Free float (%)                 |         |                          | 47          |
| Major shareholder              |         | Chirathivat Family (37%) |             |
| 12m high/low (THB)             |         |                          | 60.25/38.00 |
| Issued shares (m)              |         |                          | 4,488.00    |

Sources: Bloomberg consensus; FSSIA estimates



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## Investment thesis

CPN is currently trading at an undemanding 30.8x 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.

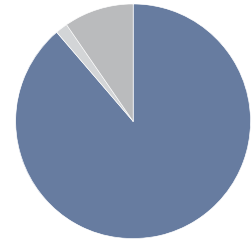
## Company profile

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](http://www.centralpattana.co.th)

## Principal activities (revenue, 2020)

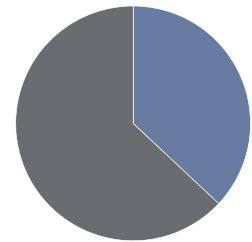
- Revenue from rent and services - 88.7 %
- Revenue from food and beverage - 1.7 %
- Revenue from hotel operation - 9.6 %



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                     |
|---------------|---------------------------|
| February 2022 | 4Q21 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 | 1,009 | 1,346 | 1,547 |
| Occupancy rate (%)                 | 91.3  | 88.0  | 90.0  | 92.0  |
| Residential sales (THB m)          | 2,904 | 2,200 | 2,700 | 3,500 |
| Blended GPM (%)                    | 45.1  | 39.6  | 46.7  | 49.0  |
| SG&A to sales (%)                  | 24.5  | 24.5  | 22.0  | 21.0  |

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

## 3Q21 results hit by the lockdown

CPN booked a net profit of THB229m in 3Q21 (-86% q-q, -91% y-y), missing BBG's consensus estimate by 41%. Excluding non-recurring items such as the rental waiver for Hilton Pattaya from CPN Retail Growth Leasehold REIT (CPNREIT TB, NR), an FX gain, and extra tax expenses (totalling THB103m in all), core profit was THB126m. 9M21 core earnings account for 67% of our 2021 full-year estimate of THB4.3b.

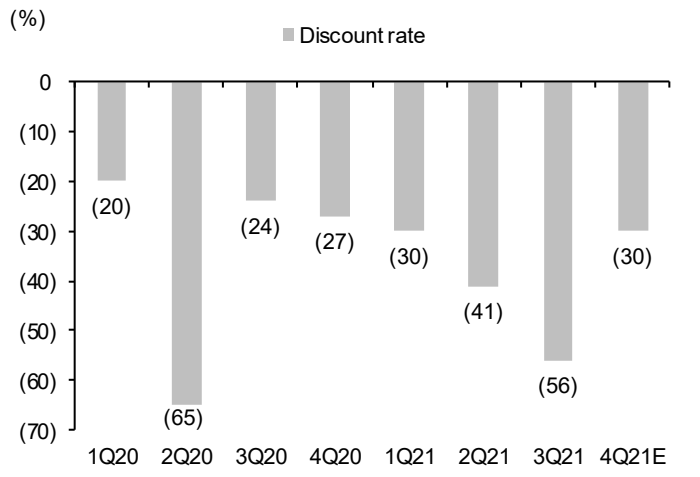
The average rental discount was higher at 56% in 3Q21 (vs 41% in 2Q21 and 24% in 3Q20), resulting in a sharp drop in rental income by 38% y-y to THB4.2b. The OCC rate at shopping malls was flat at 91%, while the office OCC rate slightly dropped to 90% in 3Q21 (vs 92% in 3Q20). Residential sales dropped 15% q-q to THB0.4b from lower transfers due to the restriction measures. Revenue from hotel operations dropped 23% q-q to THB36m following the low OCC rate at 18% in 3Q21 (vs 23% in 3Q20 and 22% in 2Q21). Food centre operations turned to a loss at THB12m following the closure of shopping malls in dark red zones (c65% of total stores) since 12 July to 31 August. GPM plunged to 28.1% in 3Q21 (vs 40.2% in 2Q21), similar to 2Q20 at 28.6% when it had to close its department stores.

### Exhibit 1: 3Q21 results summary

| Year to Dec 31                            | 3Q20         | 4Q20         | 1Q21         | 2Q21         | 3Q21         | Change        |               |           | 2021E         | Change       |
|---|--------------|--------------|--------------|--------------|--------------|---------------|---------------|-----------|---------------|--------------|
|   | (THB m)      | (THB m)      | (THB m)      | (THB m)      | (THB m)      | (q-q %)       | (y-y %)       | %21E      | (THB m)       | (y-y %)      |
| <b>Sales</b>                              | <b>7,318</b> | <b>8,065</b> | <b>6,511</b> | <b>5,981</b> | <b>4,676</b> | <b>(22)</b>   | <b>(36)</b>   | <b>18</b> | <b>25,572</b> | <b>(4)</b>   |
| Cost of sales                             | 3,708        | 4,235        | 3,519        | 3,574        | 3,360        | (6)           | (9)           | 22        | 15,436        | (3)          |
| <b>Gross profit</b>                       | <b>3,609</b> | <b>3,830</b> | <b>2,992</b> | <b>2,407</b> | <b>1,316</b> | <b>(45)</b>   | <b>(64)</b>   | <b>13</b> | <b>10,137</b> | <b>(6)</b>   |
| Operating costs                           | 1,037        | 1,532        | 1,272        | 1,335        | 1,274        | (5)           | 23            | 20        | 6,265         | 22           |
| Operating profit                          | 2,572        | 2,298        | 1,720        | 1,072        | 42           | (96)          | (98)          | 1         | 3,872         | (31)         |
| <b>Operating EBITDA</b>                   | <b>4,625</b> | <b>4,196</b> | <b>3,688</b> | <b>3,023</b> | <b>2,056</b> | <b>(32)</b>   | <b>(56)</b>   | <b>14</b> | <b>14,932</b> | <b>10</b>    |
| Other income                              | 506          | 196          | 595          | 637          | 540          | (15)          | 7             | 36        | 1,507         | 41           |
| Interest expense                          | 436          | 458          | 392          | 422          | 436          | 3             | (0)           | 23        | 1,908         | 174          |
| <b>Profit before tax</b>                  | <b>2,641</b> | <b>2,036</b> | <b>1,923</b> | <b>1,287</b> | <b>146</b>   | <b>(89)</b>   | <b>(94)</b>   | <b>4</b>  | <b>4,100</b>  | <b>(33)</b>  |
| Tax                                       | 448          | 426          | 471          | 269          | 109          | (59)          | (76)          | 13        | 818           | (33)         |
| Associates                                | 187          | 170          | 167          | 152          | 78           | (48)          | (58)          | 7         | 1,118         | 45           |
| Minority interests                        | (20)         | (44)         | (2)          | (16)         | 11           | (170)         | (158)         | (19)      | (60)          | 0            |
| Reported net profit                       | 2,481        | 1,996        | 4,368        | 1,585        | 229          | (86)          | (91)          | 5         | 4,341         | (55)         |
| <b>Core profit</b>                        | <b>2,361</b> | <b>1,736</b> | <b>1,617</b> | <b>1,154</b> | <b>126</b>   | <b>(89)</b>   | <b>(95)</b>   | <b>3</b>  | <b>4,341</b>  | <b>(23)</b>  |
| Reported EPS (THB)                        | 0.53         | 0.39         | 0.36         | 0.26         | 0.03         | (89)          | (95)          | 3         | 0.97          | (55)         |
| <b>Recurring EPS (THB)</b>                | <b>0.55</b>  | <b>0.44</b>  | <b>0.97</b>  | <b>0.35</b>  | <b>0.05</b>  | <b>(86)</b>   | <b>(91)</b>   | <b>5</b>  | <b>0.97</b>   | <b>(23)</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>49.3</b>  | <b>47.5</b>  | <b>46.0</b>  | <b>40.2</b>  | <b>28.1</b>  | <b>(12.1)</b> | <b>(21.2)</b> |           | <b>39.6</b>   | <b>(0.6)</b> |
| Operating margin                          | 35.1         | 28.5         | 26.4         | 17.9         | 0.9          | (17.0)        | (34.2)        |           | 15.1          | (5.9)        |
| <b>EBITDA margin</b>                      | <b>63.2</b>  | <b>52.0</b>  | <b>56.6</b>  | <b>50.5</b>  | <b>44.0</b>  | <b>(6.6)</b>  | <b>(19.2)</b> |           | <b>58.4</b>   | <b>7.8</b>   |
| Recurring net margin                      | 32.3         | 21.5         | 24.8         | 19.3         | 2.7          | (16.6)        | (29.6)        |           | 17.0          | (4.1)        |
| SG&A / Sales                              | 14.2         | 19.0         | 19.5         | 22.3         | 27.2         | 4.9           | 13.1          |           | 24.5          | 5.3          |
| <b>Key operating stat</b>                 |              |              |              |              |              |               |               |           |               |              |
| Total retail leasable area (m sqm)        | 1.59         | 1.59         | 1.56         | 1.56         | 1.72         |               |               |           |               |              |
| Occupancy rate (%)                        | 91           | 91           | 90           | 90           | 91           |               |               |           |               |              |
| Revenue from rent and services (THB m)    | 6,792        | 6,647        | 5,964        | 5,396        | 4,199        |               |               |           |               |              |
| Revenue from hotel operations (THB m)     | 31           | 68           | 67           | 47           | 36           |               |               |           |               |              |
| Revenue from food centre services (THB m) | 122          | 126          | 95           | 72           | 43           |               |               |           |               |              |
| Revenue from real estate sales (THB m)    | 374          | 1,224        | 385          | 466          | 397          |               |               |           |               |              |
| GPM from rent and services (%)            | 50.6         | 50.2         | 47.6         | 41.6         | 28.5         |               |               |           |               |              |
| GPM from hotel operations (%)             | 25.1         | 20.5         | (3.6)        | 44.7         | 32.3         |               |               |           |               |              |
| GPM from food centre services (%)         | 37.9         | 37.1         | 24.7         | 4.9          | (27.1)       |               |               |           |               |              |
| GPM from real estate sales (%)            | 31.5         | 35.1         | 33.6         | 29.7         | 29.8         |               |               |           |               |              |

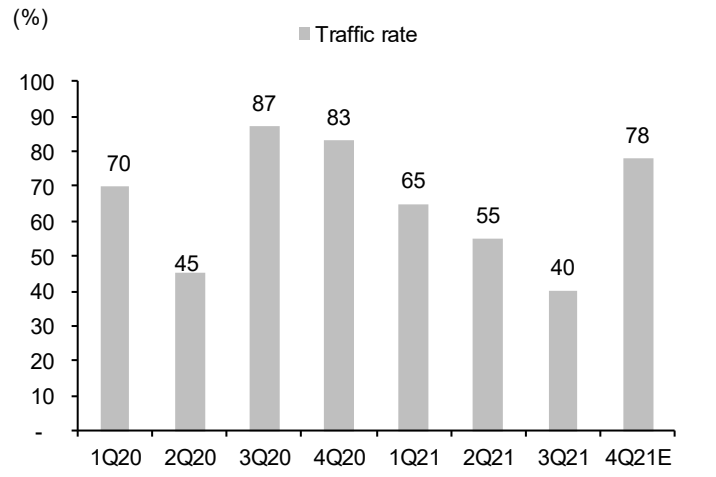
Sources: CPN; FSSIA estimates

**Exhibit 2: Average discount rate given to tenants**



Sources: CPN; FSSIA estimates

**Exhibit 3: Traffic rate trend**



Sources: CPN; FSSIA estimates

## Net profit and target price revisions

We revise up our 2022-23E earnings by 5.6-6.0% after incorporating SF into our model. We revise our 2022-23E revenue up by 3.6% to reflect the revenue contribution from SF. Note that on 18 October, CPN completed the tender offer process for a total stake in SF of 96.2%. The company also plans to delist SF from the Stock Exchange of Thailand. SF's core profit in 2019 (pre-covid level) was THB0.6b, of which THB0.5b was contributed from Mega Bangna.

We raise our TP to THB68 (from THB60) after rolling forward our valuation to 2022 and incorporating SF's value into our model (THB4.0). CPN is trading at 30.8x 2022E P/E, or at its 5-year average, but we expect it to drop to 23.4x after its 2023E earnings recover to the pre-Covid level at THB11b. CPN is one of the stocks that should be able to ride the benefits from the tourism reopening which started on 1 November.

### Exhibit 4: Assumption revisions

|                              | Current |        |        | Previous |         |         | Change (%) |       |       |
|------------------------------|---------|--------|--------|----------|---------|---------|------------|-------|-------|
|                              | 2021E   | 2022E  | 2023E  | 2021E    | 2022E   | 2023E   | 2021E      | 2022E | 2023E |
| Revenue (THB m)              | 25,572  | 34,241 | 41,120 | 25,572   | 33,041  | 39,680  | 0.0        | 3.6   | 3.6   |
| NLA (m sqm)                  | 1.8     | 1.9    | 2.0    | 1.8      | 1.9     | 2.0     | 0.0        | 0.0   | 0.0   |
| Retail rental rate (THB/sqm) | 1,009   | 1,346  | 1,547  | 1,009.2  | 1,345.6 | 1,547.4 | 0.0        | 0.0   | 0.0   |
| Occupancy rate (%)           | 88.0    | 90.0   | 92.0   | 88.0     | 90.0    | 92.0    | 0.0        | 0.0   | 0.0   |
| Residential sales (THB m)    | 2,200   | 2,700  | 3,500  | 2,200    | 2,700   | 3,500   | 0.0        | 0.0   | 0.0   |
| Blended GPM (%)              | 39.6    | 46.7   | 49.0   | 39.6     | 46.6    | 48.9    | 0.0        | 0.0   | 0.0   |
| SG&A to sales (%)            | 24.5    | 22.0   | 21.0   | 24.5     | 22.0    | 21.0    | 0.0        | 0.0   | 0.0   |
| Earnings (THB m)             | 4,341   | 8,461  | 11,125 | 4,341    | 8,016   | 10,490  | 0.0        | 5.6   | 6.0   |

Note: Change of items in percentage terms are represented in ppt change

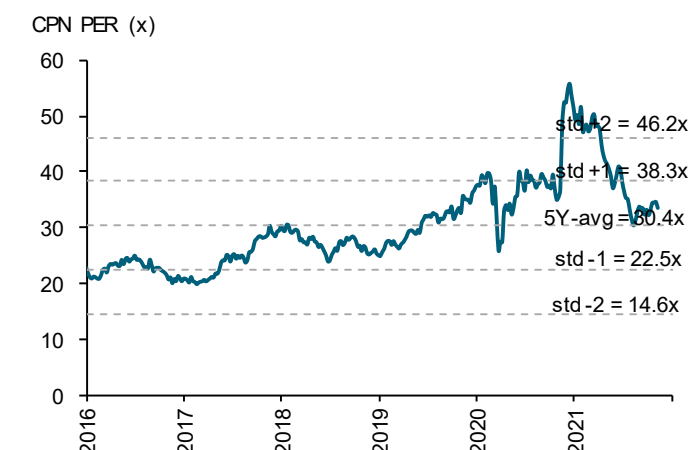
Sources: CPN; FSSIA estimates

### Exhibit 5: DCF-derived TP

|   | (%) | (THB b)     |
|---|-----|-------------|
| Discount rate (WACC)                        | 7.1 |             |
| Terminal growth                             | 3.0 |             |
| NPV   |     | 86          |
| Add: terminal value                         |     | 312         |
| Sum of PV                                   |     | 398         |
| Less: debt                                  |     | 86          |
| Less: minorities                            |     | 8           |
| Residual ordinary equity                    |     | 304         |
| No. of shares (m)                           |     | 4,488       |
| <b>Residual ordinary equity (THB/share)</b> |     | <b>68.0</b> |

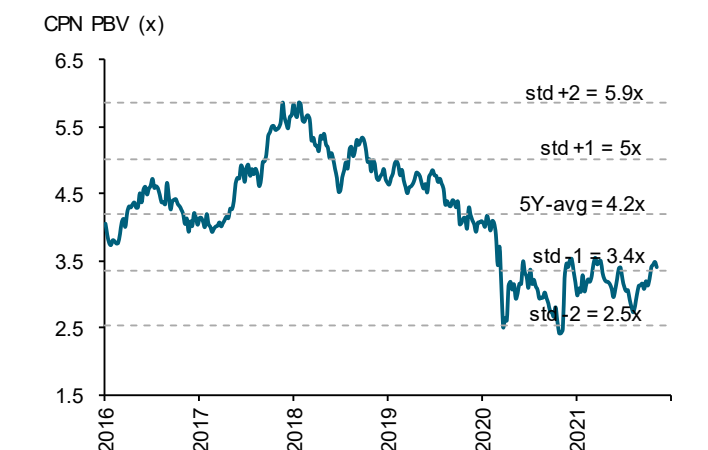
Source: FSSIA estimates

### Exhibit 6: Rolling one-year forward P/E band



Sources: Bloomberg; FSSIA estimates

### Exhibit 7: Rolling one-year forward P/BV band



Sources: Bloomberg; FSSIA estimates

## Financial Statements

### Central Pattana

| Profit and Loss (THB m) Year Ending Dec           | 2019          | 2020           | 2021E         | 2022E         | 2023E         |
|---|---------------|----------------|---------------|---------------|---------------|
| Revenue   | 36,719        | 26,730         | 25,572        | 34,241        | 41,120        |
| Cost of goods sold                                | (10,969)      | (8,063)        | (4,375)       | (6,282)       | (8,045)       |
| <b>Gross profit</b>                               | <b>25,750</b> | <b>18,667</b>  | <b>21,198</b> | <b>27,959</b> | <b>33,075</b> |
| Other operating income                            | -             | -              | -             | -             | -             |
| Operating costs                                   | (6,708)       | (5,137)        | (6,265)       | (7,533)       | (8,635)       |
| <b>Operating EBITDA</b>                           | <b>19,042</b> | <b>13,531</b>  | <b>14,932</b> | <b>20,426</b> | <b>24,440</b> |
| Depreciation                                      | (7,117)       | (7,906)        | (11,061)      | (11,985)      | (12,941)      |
| Goodwill amortisation                             | 0             | 0              | 0             | 0             | 0             |
| <b>Operating EBIT</b>                             | <b>11,925</b> | <b>5,624</b>   | <b>3,872</b>  | <b>8,441</b>  | <b>11,498</b> |
| Net financing costs                               | (811)         | (696)          | (1,908)       | (1,936)       | (2,037)       |
| Associates  | 1,292         | 772            | 1,118         | 1,363         | 1,508         |
| Recurring non-operating income                    | 2,864         | 1,976          | 3,255         | 3,800         | 4,134         |
| Non-recurring items                               | 108           | 3,936          | 0             | 0             | 0             |
| <b>Profit before tax</b>                          | <b>14,086</b> | <b>10,840</b>  | <b>5,218</b>  | <b>10,304</b> | <b>13,596</b> |
| Tax   | (2,277)       | (1,223)        | (818)         | (1,784)       | (2,412)       |
| <b>Profit after tax</b>                           | <b>11,809</b> | <b>9,617</b>   | <b>4,400</b>  | <b>8,520</b>  | <b>11,184</b> |
| Minority interests                                | (71)          | (60)           | (60)          | (60)          | (60)          |
| Preferred dividends                               | 0             | 0              | 0             | 0             | 0             |
| Other items                                       | 0             | 0              | 0             | 0             | 0             |
| <b>Reported net profit</b>                        | <b>11,738</b> | <b>9,557</b>   | <b>4,341</b>  | <b>8,461</b>  | <b>11,125</b> |
| <b>Non-recurring items &amp; goodwill (net)</b>   | <b>(108)</b>  | <b>(3,936)</b> | <b>0</b>      | <b>0</b>      | <b>0</b>      |
| <b>Recurring net profit</b>                       | <b>11,630</b> | <b>5,621</b>   | <b>4,341</b>  | <b>8,461</b>  | <b>11,125</b> |
| <b>Per share (THB)</b>                            |               |                |               |               |               |
| Recurring EPS *                                   | 2.59          | 1.25           | 0.97          | 1.89          | 2.48          |
| Reported EPS                                      | 2.62          | 2.13           | 0.97          | 1.89          | 2.48          |
| DPS   | 1.30          | 0.70           | 0.32          | 0.62          | 0.81          |
| Diluted shares (used to calculate per share data) | 4,488         | 4,488          | 4,488         | 4,488         | 4,488         |
| <b>Growth</b>                                     |               |                |               |               |               |
| Revenue (%)                                       | 8.9           | (27.2)         | (4.3)         | 33.9          | 20.1          |
| Operating EBITDA (%)                              | 11.6          | (28.9)         | 10.4          | 36.8          | 19.7          |
| Operating EBIT (%)                                | 6.9           | (52.8)         | (31.2)        | 118.0         | 36.2          |
| Recurring EPS (%)                                 | 7.5           | (51.7)         | (22.8)        | 94.9          | 31.5          |
| Reported EPS (%)                                  | 4.7           | (18.6)         | (54.6)        | 94.9          | 31.5          |
| <b>Operating performance</b>                      |               |                |               |               |               |
| Gross margin inc. depreciation (%)                | 50.7          | 40.3           | 39.6          | 46.7          | 49.0          |
| Gross margin of key business (%)                  | 51.2          | 45.1           | 39.6          | 46.7          | 49.0          |
| Operating EBITDA margin (%)                       | 51.9          | 50.6           | 58.4          | 59.7          | 59.4          |
| Operating EBIT margin (%)                         | 32.5          | 21.0           | 15.1          | 24.7          | 28.0          |
| Net margin (%)                                    | 31.7          | 21.0           | 17.0          | 24.7          | 27.1          |
| Effective tax rate (%)                            | 17.9          | 19.9           | 19.9          | 19.9          | 19.9          |
| Dividend payout on recurring profit (%)           | 50.2          | 55.9           | 32.9          | 32.9          | 32.9          |
| Interest cover (X)                                | 18.2          | 10.9           | 3.7           | 6.3           | 7.7           |
| Inventory days                                    | -             | -              | -             | -             | -             |
| Debtor days                                       | 46.8          | 72.3           | 78.6          | 67.1          | 70.4          |
| Creditor days                                     | 258.9         | 296.1          | 477.8         | 357.1         | 324.8         |
| Operating ROIC (%)                                | 9.1           | 3.3            | 1.8           | 3.7           | 4.8           |
| ROIC (%)  | 8.1           | 3.4            | 2.8           | 4.5           | 5.3           |
| ROE (%)   | 16.9          | 8.0            | 6.2           | 11.3          | 13.7          |
| ROA (%)   | 7.5           | 3.2            | 2.6           | 4.2           | 4.9           |
| * Pre-exceptional, pre-goodwill and fully diluted |               |                |               |               |               |
| <b>Revenue by Division (THB m)</b>                |               |                |               |               |               |
| Revenue from rent and services                    | 31,843        | 23,716         | 22,054        | 29,598        | 35,534        |
| 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          | 5,621           | 4,341           | 8,461           | 11,125          |
| 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)         | (1,352)         | (1,014)         | (1,828)         |
| <b>Cash flow from operations</b>  | <b>16,141</b>   | <b>12,503</b>   | <b>14,109</b>   | <b>19,492</b>   | <b>22,298</b>   |
| 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)        | 15,781          | (799)           | 5,985           | 4,750           |
| Other investments (net)           | 0               | 0               | 0               | 0               | 0               |
| <b>Cash flow from investing</b>   | <b>(13,629)</b> | <b>(49,249)</b> | <b>(20,799)</b> | <b>(14,715)</b> | <b>(16,650)</b> |
| Dividends paid                    | (5,834)         | (3,142)         | (1,427)         | (2,781)         | (3,657)         |
| Equity finance                    | 498             | (9,754)         | 0               | 0               | 0               |
| Debt finance                      | 2,812           | 55,812          | 8,261           | (1,775)         | (2,370)         |
| Other financing cash flows        | 0               | 0               | 0               | 0               | 0               |
| <b>Cash flow from financing</b>   | <b>(2,524)</b>  | <b>42,917</b>   | <b>6,834</b>    | <b>(4,556)</b>  | <b>(6,027)</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>(12)</b>     | <b>6,170</b>    | <b>144</b>      | <b>221</b>      | <b>(379)</b>    |
| Free cash flow to firm (FCFF)     | 3,323.65        | (36,050.39)     | (4,782.08)      | 6,712.98        | 7,684.82        |
| Free cash flow to equity (FCFE)   | 5,324.08        | 19,065.78       | 1,571.22        | 3,002.06        | 3,277.72        |

#### Per share (THB)

|                               |      |        |        |      |      |
|-------------------------------|------|--------|--------|------|------|
| FCFF per share                | 0.74 | (8.03) | (1.07) | 1.50 | 1.71 |
| FCFE per share                | 1.19 | 4.25   | 0.35   | 0.67 | 0.73 |
| Recurring cash flow per share | 4.15 | 3.01   | 3.44   | 4.57 | 5.38 |

| 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)      |
| <b>Tangible fixed assets (net)</b>                | <b>106,100</b> | <b>163,224</b> | <b>172,163</b> | <b>180,878</b> | <b>189,337</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              | 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          | 5,385          | 7,210          | 8,659          |
| Inventories                                       | 0              | 0              | 0              | 0              | 0              |
| Other current assets                              | 8,362          | 9,032          | 8,641          | 11,570         | 13,895         |
| <b>Current assets</b>                             | <b>16,378</b>  | <b>23,886</b>  | <b>23,395</b>  | <b>28,371</b>  | <b>31,765</b>  |
| Other assets                                      | 26,056         | 24,522         | 23,460         | 31,413         | 37,724         |
| <b>Total assets</b>                               | <b>169,933</b> | <b>221,774</b> | <b>229,160</b> | <b>250,803</b> | <b>268,967</b> |
| Common equity                                     | 72,128         | 68,790         | 71,704         | 77,383         | 84,851         |
| Minorities etc.                                   | 8,334          | 8,333          | 8,393          | 8,452          | 8,512          |
| <b>Total shareholders' equity</b>                 | <b>80,462</b>  | <b>77,123</b>  | <b>80,097</b>  | <b>85,836</b>  | <b>93,363</b>  |
| Long term debt                                    | 24,471         | 71,117         | 77,717         | 76,299         | 74,406         |
| Other long-term liabilities                       | 43,925         | 42,979         | 41,118         | 55,055         | 66,117         |
| <b>Long-term liabilities</b>                      | <b>68,396</b>  | <b>114,096</b> | <b>118,834</b> | <b>131,355</b> | <b>140,522</b> |
| A/C payable                                       | 7,258          | 5,824          | 5,630          | 6,663          | 7,654          |
| Short term debt                                   | 8,739          | 17,905         | 19,566         | 19,210         | 18,733         |
| Other current liabilities                         | 5,077          | 6,824          | 5,032          | 7,740          | 8,694          |
| <b>Current liabilities</b>                        | <b>21,074</b>  | <b>30,554</b>  | <b>30,228</b>  | <b>33,612</b>  | <b>35,081</b>  |
| <b>Total liabilities and shareholders' equity</b> | <b>169,933</b> | <b>221,773</b> | <b>229,160</b> | <b>250,803</b> | <b>268,967</b> |
| Net working capital                               | 988            | 2,012          | 3,364          | 4,378          | 6,206          |
| Invested capital                                  | 154,543        | 199,900        | 209,129        | 226,810        | 243,408        |

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

#### Per share (THB)

|                               |       |       |       |       |       |
|-------------------------------|-------|-------|-------|-------|-------|
| Book value per share          | 16.07 | 15.33 | 15.98 | 17.24 | 18.91 |
| Tangible book value per share | 16.07 | 15.33 | 15.98 | 17.24 | 18.91 |

#### Financial strength

|                           |      |       |       |       |      |
|---------------------------|------|-------|-------|-------|------|
| Net debt/equity (%)       | 37.5 | 103.5 | 109.8 | 100.1 | 89.9 |
| Net debt/total assets (%) | 17.7 | 36.0  | 38.4  | 34.3  | 31.2 |
| Current ratio (x)         | 0.8  | 0.8   | 0.8   | 0.8   | 0.9  |
| CF interest cover (x)     | 7.6  | 28.4  | 1.8   | 2.6   | 2.6  |

| Valuation                                 | 2019        | 2020        | 2021E       | 2022E       | 2023E       |
|---|-------------|-------------|-------------|-------------|-------------|
| <b>Recurring P/E (x) *</b>                | <b>22.4</b> | <b>46.3</b> | <b>60.0</b> | <b>30.8</b> | <b>23.4</b> |
| <b>Recurring P/E @ target price (x) *</b> | <b>26.2</b> | <b>54.3</b> | <b>70.3</b> | <b>36.1</b> | <b>27.4</b> |
| Reported P/E (x)                          | 22.2        | 27.2        | 60.0        | 30.8        | 23.4        |
| Dividend yield (%)                        | 2.2         | 1.2         | 0.5         | 1.1         | 1.4         |
| Price/book (x)                            | 3.6         | 3.8         | 3.6         | 3.4         | 3.1         |
| Price/tangible book (x)                   | 3.6         | 3.8         | 3.6         | 3.4         | 3.1         |
| EV/EBITDA (x) **                          | 15.7        | 25.8        | 23.9        | 17.4        | 14.4        |
| EV/EBITDA @ target price (x) **           | 18.0        | 29.1        | 26.9        | 19.6        | 16.3        |
| EV/invested capital (x)                   | 1.9         | 1.7         | 1.7         | 1.6         | 1.4         |

\* 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    | PG     | PHOL   | PLANB |
| 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    | TTB    | TMILL  | TNDT  |
| TNL             | TOA    | TOP    | TPBI  | TQM   | TRC   | TRC    | TSC    | TSR    | TSTE   | TSTH  |
| 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    | TTB    | 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

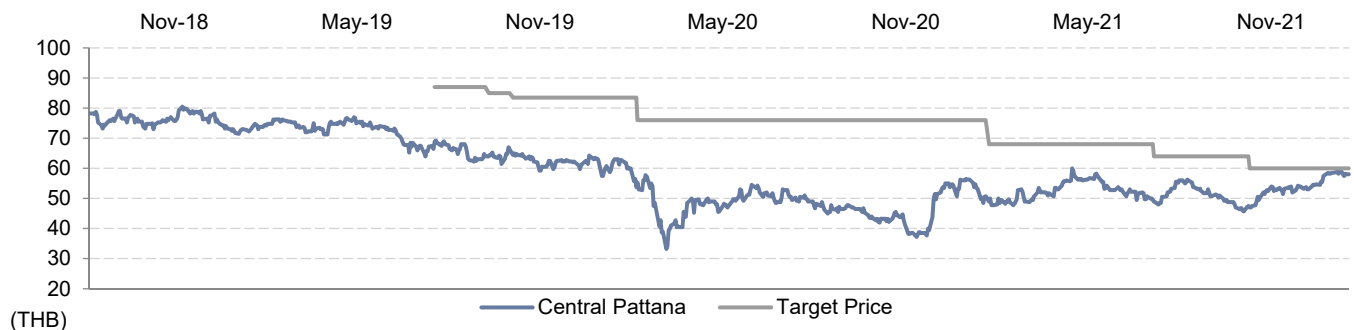
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#### History of change in investment rating and/or target price

##### Central Pattana (CPN TB)



| Date        | Rating | Target price | Date        | Rating | Target price | Date        | Rating | Target price |
|-------------|--------|--------------|-------------|--------|--------------|-------------|--------|--------------|
| 04-Sep-2019 | BUY    | 87.00        | 02-Apr-2020 | BUY    | 76.00        | 19-May-2021 | BUY    | 64.00        |
| 21-Oct-2019 | BUY    | 85.00        | 25-Dec-2020 | BUY    | 68.00        | 06-Jul-2021 | BUY    | 64.00        |
| 11-Nov-2019 | BUY    | 83.50        | 22-Jan-2021 | BUY    | 68.00        | 23-Jul-2021 | BUY    | 64.00        |
| 27-Feb-2020 | BUY    | 76.00        | 02-Apr-2021 | BUY    | 68.00        | 10-Aug-2021 | BUY    | 60.00        |

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 58.00 | 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 Finansia Syrus Securities Public Company Limited

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All share prices are as at market close on 05-Nov-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.