

CENTRAL PATTANA CPN TB
THAILAND / REAL ESTATE

BUY

UNCHANGED

แนวโน้มการเติบโตในรอบ 5 ปียังคงอยู่

- ตั้งเป้ารายได้โต 14-16% CAGR ในช่วงปี 2021-26
- คาดพื้นที่เช่าสุทธิ (NLA) จะโต 23% เป็น 2.7 ล้าน ตรม. ในปี 2026; โครงการที่อยู่อาศัยน่าจะเป็นหนึ่งในปัจจัยหนุนการเติบโตสำคัญในอีก 2-3 ปีข้างหน้า
- คงแนะนำซื้อที่ราคาเป้าหมาย 68 บาท (DCF)

TARGET PRICE	THB68.00
CLOSE	THB53.50
UP/DOWNSIDE	+27.1%
PRIOR TP	THB68.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+8.3%

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 (%)	-	(26.1)	(8.7)	(0.2)
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. (%)	-	-	-	-
EPS growth (%)	(51.7)	(22.8)	94.9	31.5
Core P/E (x)	42.7	55.3	28.4	21.6
Dividend yield (%)	1.3	0.6	1.2	1.5
EV/EBITDA (x)	24.3	22.5	16.4	13.6
Price/book (x)	3.5	3.3	3.1	2.8
Net debt/Equity (%)	103.5	109.8	100.1	89.9
ROE (%)	8.0	6.2	11.3	13.7

แนวโน้มระยะยาวยังดี

CPN จัดงาน CEO forum เมื่อวันที่ 28 ม.ค. เพื่อเปิดเผยแผนการลงทุน 5 ปีและแนวโน้มปี 2022 CPN ตั้งเป้าให้รายได้โต 14-16% CAGR ในช่วงปี 2021-26 ซึ่งคิดเป็น 10% CAGR จากฐานรายได้ในปี 2019 เรามีความมั่นใจในเป้าดังกล่าวเนื่องจากการเติบโตของรายได้น่าจะสามารฟพื้นที่ใกล้เคียงระดับก่อน Covid ที่ 10.3% CAGR (ในช่วงปี 2015-19) อย่างไรก็ดี CPN จะมุ่งเน้นที่กลยุทธ์การกระจายความเสี่ยง สัดส่วนรายได้จากธุรกิจค้าปลีกในปี 2026 อาจลดลงเหลือ 72% จาก 82% ของรายได้รวมในปี 2019

NLA ยังมีโอกาสโตอีกมาก

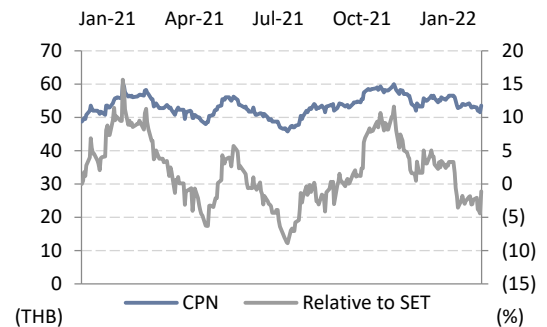
ผู้บริหารตั้งเป้าเพิ่ม NLA อีก 23% เป็นกว่า 2.7 ล้าน ตรม. ในปี 2026 จาก 2.2 ล้าน ตรม. ในปี 2021 โดยอาจได้ปัจจัยหนุนจาก 1) Central Chantaburi (NLA ประมาณ 20,000 ตรม., กำหนดเปิดในช่วง 1H22); 2) Duist Central Park (80,000 ตรม., 2H23); 3) อีกกว่า 10 โครงการที่ยังไม่ได้ประกาศ; และ 4) การขยายธุรกิจต่างประเทศไปยังเวียดนามด้วยเป้าหมายเปิดภายในปี 2024 สำหรับธุรกิจที่ไม่ใช่ค้าปลีก โครงการที่อยู่อาศัยน่าจะเป็นหนึ่งในปัจจัยหนุนสำคัญ CPN ตั้งเป้าเปิด 5-8 โครงการทุกปีและอาจมีจำนวนโครงการรวมสูงถึง 60 โครงการภายในปี 2026 จาก 22 ในปัจจุบัน เราเชื่อว่าบริษัท มีข้อได้เปรียบเหนือคู่แข่ง เนื่องจากโครงการดังกล่าวจะตั้งอยู่ใกล้ศูนย์การค้าโดยจะมีต้นทุนที่ดินที่ต่ำกว่าจากการพ่วงซื้อที่ดินของ CPN ในตอนที่พัฒนาศูนย์การค้า

รายได้ที่น่าจะโตในปี 2022; ยังต่ำกว่าช่วงก่อน Covid อยู่ 10-18%

สำหรับเป้าประมาณการปี 2022 CPN ตั้งเป้ารายได้ค่าเช่าพื้นที่ 20-30% y-y แต่ยังคงต่ำกว่าในปี 2019 อยู่ 10% ถึง 18% ซึ่งหมายความว่ารายได้ค่าเช่าจะอยู่ที่ 25.0-27.4 พัน ลบ. เมื่อเทียบกับประมาณการของเราที่ 28.0 พัน ลบ. ส่วนลดค่าเช่าน่าจะลดลง 15-20% ในปี 2022 เทียบกับประมาณการปี 2021 ของเราที่ประมาณ 40% โดยจะได้ปัจจัยหนุนจากการฟื้นตัวของตัวเลขผู้ใช้บริการจนสูงกว่า 80%

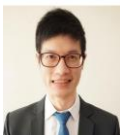
ปีแห่งการฟื้นตัว

ปัจจุบัน CPN มีการซื้อขายที่ 28x ของค่า 2022E P/E ใกล้ -0.5SD ของค่าเฉลี่ย 5 ปี อย่างไรก็ดีเราคาดว่าตัวเลขดังกล่าวจะลดลงเหลือ 21.6x หลังกำไรปี 2023 ที่คาดว่าจะฟื้นตัวสู่ระดับก่อน Covid ที่ 11 พัน ลบ. CPN น่าจะสามารถเกาะกระแสการได้ประโยชน์จากการฟื้นตัวของอุตสาหกรรมท่องเที่ยว ซึ่งเราคาดว่าจะอยู่ในช่วง 2H22 เราเห็น Upside risk จากการขยายธุรกิจต่างประเทศไปยังเวียดนามที่ CPN วางแผนเปิดศูนย์การค้าแห่งแรกภายในปี 2024



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(4.0)	(8.9)	9.2
Relative to country (%)	(3.0)	(9.8)	(2.3)
Mkt cap (USD m)	7,157		
3m avg. daily turnover (USD m)	15.5		
Free float (%)	47		
Major shareholder	Chirathivat Family (37%)		
12m high/low (THB)	60.25/45.25		
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 31 มกราคม 2022

Investment thesis

CPN is currently trading at an undemanding 28x 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 23% 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.

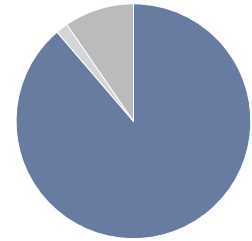
Company profile

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)

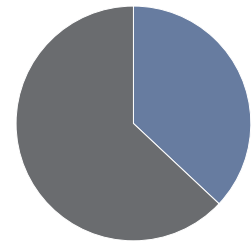
- Revenue from rent and services - 88.7 %
- Revenue from food and beverage - 1.7 %
- Revenue from hotel operation - 9.6 %



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

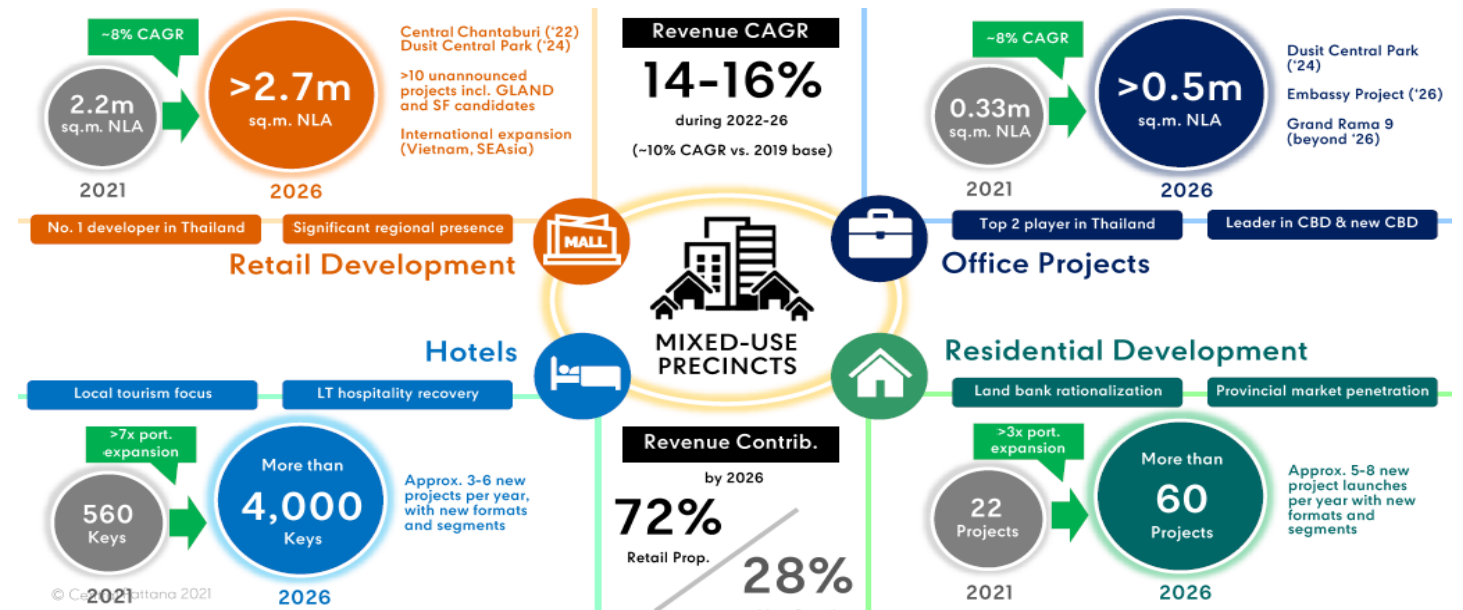
Source: FSSIA estimates

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.

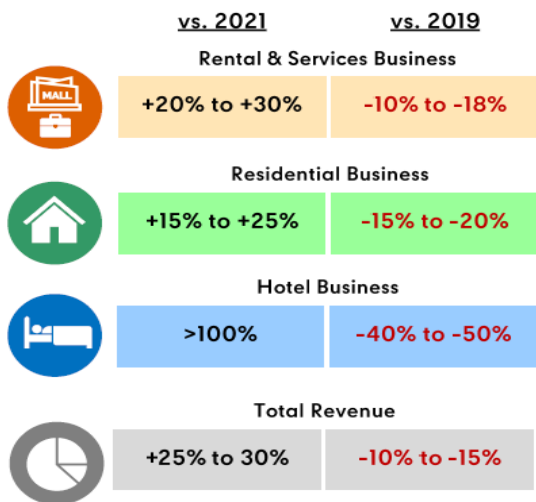
Source: FSSIA estimates

Exhibit 1: 5-year investment plan



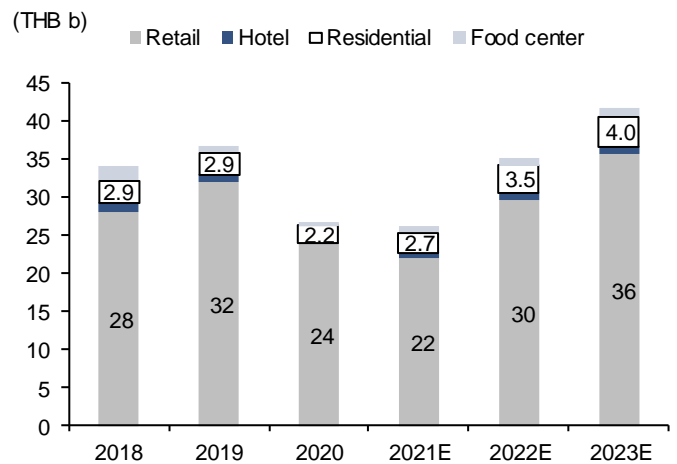
Source: CPN

Exhibit 2: 2022 revenue guidance for each business unit



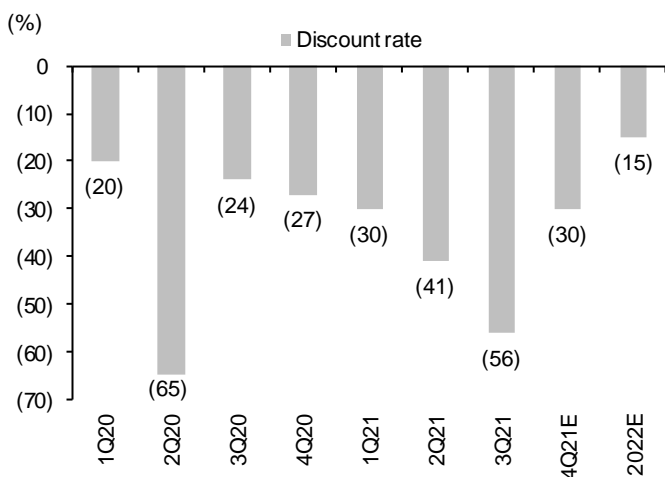
Source: CPN

Exhibit 3: Revenue breakdown by business unit



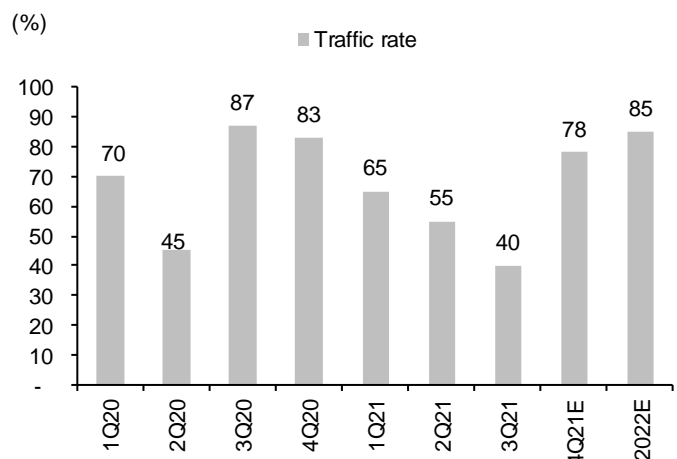
Sources: CPN; FSSIA estimates

Exhibit 4: Average discount rate given to tenants



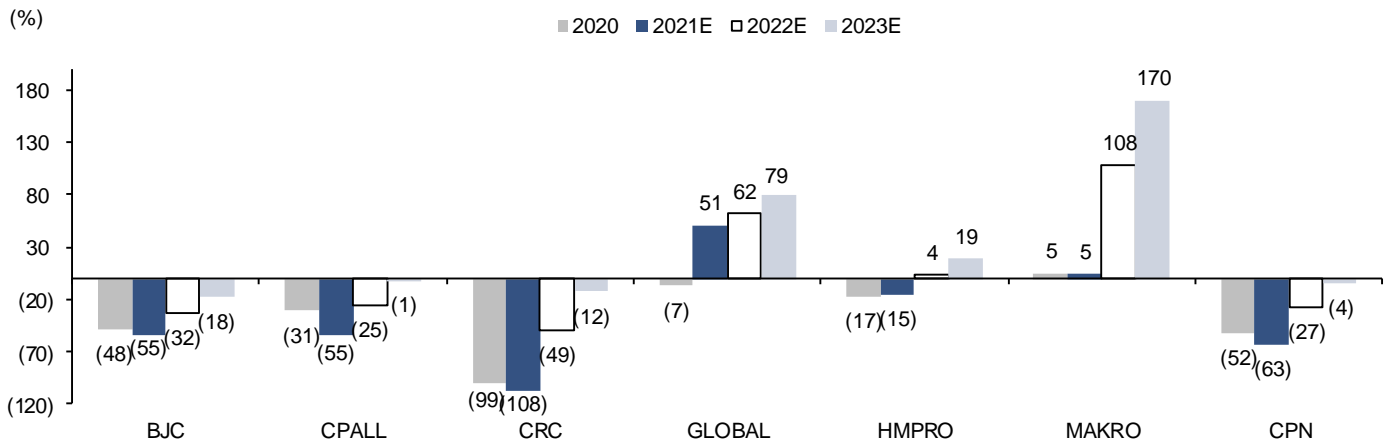
Sources: CPN; FSSIA estimates

Exhibit 5: Traffic rate trend



Sources: CPN; FSSIA estimates

Exhibit 6: Expect earnings to return to pre-Covid level by 2023



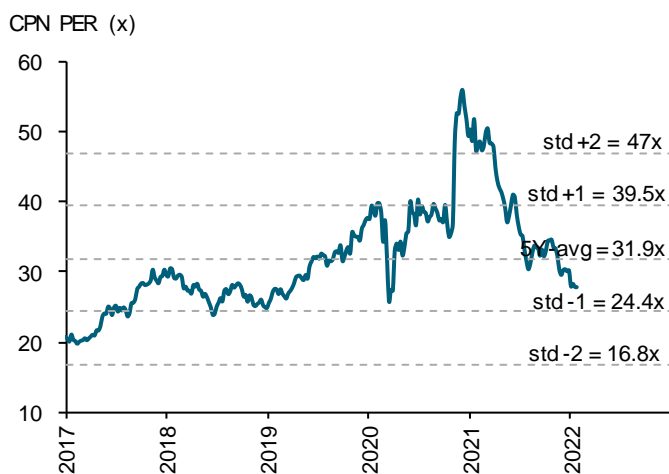
Sources: CPN; FSSIA estimates

Exhibit 7: Valuation comparison

	CPALL	MAKRO	BJC	CRC	HMPRO	GLOBAL	CPN
Current price (THB)	61.5	39.8	31.5	33.3	14.0	18.7	53.5
TP (THB)	82.0	52.0	38.0	40.0	18.3	27.0	68.0
Upside (%)	33	31	21	20	31	44	27
No. of share (m shares)	8,983	11,172	4,008	6,031	13,151	4,602	4,488
2021E NP (THB m)	10,406	6,533	3,428	(590)	5,255	2,887	4,341
2022E NP (THB m)	17,239	12,750	5,115	3,766	6,402	3,214	8,461
2023E NP (THB m)	22,767	16,918	6,228	6,434	7,353	3,605	11,125
2021E EPS (THB/share)	1.16	0.58	0.86	(0.10)	0.40	0.63	0.97
2022E EPS (THB/share)	1.92	1.14	1.28	0.62	0.49	0.70	1.89
2023E EPS (THB/share)	2.53	1.51	1.55	1.07	0.56	0.78	2.48
2021E P/E (x)	53.1	68.0	36.8	n/a	35.0	29.8	55.3
2022E P/E (x)	32.0	34.8	24.7	53.3	28.8	26.8	28.4
2023E P/E (x)	24.3	26.2	20.3	31.2	25.0	23.9	21.6
5-Year Average (x)	35.2	29.3	29.5	40.0	34.5	37.2	26.3
2022E EPS growth (%)	65.7	95.2	49.2	n/a	21.8	11.3	94.9
2023E EPS growth (%)	32.1	32.7	21.8	70.9	14.9	12.2	31.5

Sources: Company Data; FSSIA estimates

Exhibit 8: Rolling one-year forward P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 9: 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)
Gross profit	25,750	18,667	21,198	27,959	33,075
Other operating income	-	-	-	-	-
Operating costs	(6,708)	(5,137)	(6,265)	(7,533)	(8,635)
Operating EBITDA	19,042	13,531	14,932	20,426	24,440
Depreciation	(7,117)	(7,906)	(11,061)	(11,985)	(12,941)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	11,925	5,624	3,872	8,441	11,498
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
Profit before tax	14,086	10,840	5,218	10,304	13,596
Tax	(2,277)	(1,223)	(818)	(1,784)	(2,412)
Profit after tax	11,809	9,617	4,400	8,520	11,184
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	4,341	8,461	11,125
Non-recurring items & goodwill (net)	(108)	(3,936)	0	0	0
Recurring net profit	11,630	5,621	4,341	8,461	11,125
Per share (THB)					
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
Growth					
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
Operating performance					
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					
Revenue by Division (THB m)					
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)
Cash flow from operations	16,141	12,503	14,109	19,492	22,298
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
Cash flow from investing	(13,629)	(49,249)	(20,799)	(14,715)	(16,650)
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
Cash flow from financing	(2,524)	42,917	6,834	(4,556)	(6,027)
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	(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)
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	5,385	7,210	8,659
Inventories	0	0	0	0	0
Other current assets	8,362	9,032	8,641	11,570	13,895
Current assets	16,378	23,886	23,395	28,371	31,765
Other assets	26,056	24,522	23,460	31,413	37,724
Total assets	169,933	221,774	229,160	250,803	268,967
Common equity	72,128	68,790	71,704	77,383	84,851
Minorities etc.	8,334	8,333	8,393	8,452	8,512
Total shareholders' equity	80,462	77,123	80,097	85,836	93,363
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
Long-term liabilities	68,396	114,096	118,834	131,355	140,522
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
Current liabilities	21,074	30,554	30,228	33,612	35,081
Total liabilities and shareholders' equity	169,933	221,773	229,160	250,803	268,967
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
Recurring P/E (x) *	20.6	42.7	55.3	28.4	21.6
Recurring P/E @ target price (x) *	26.2	54.3	70.3	36.1	27.4
Reported P/E (x)	20.5	25.1	55.3	28.4	21.6
Dividend yield (%)	2.4	1.3	0.6	1.2	1.5
Price/book (x)	3.3	3.5	3.3	3.1	2.8
Price/tangible book (x)	3.3	3.5	3.3	3.1	2.8
EV/EBITDA (x) **	14.6	24.3	22.5	16.4	13.6
EV/EBITDA @ target price (x) **	18.0	29.1	26.9	19.6	16.3
EV/invested capital (x)	1.8	1.6	1.6	1.5	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	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	SEOIL	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	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	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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Company	Ticker	Price	Rating	Valuation & Risks
Central Pattana	CPN TB	THB 53.50	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.
CP All	CPALL TB	THB 61.50	BUY	The key downside risks to our DCF-derived TP are: 1) the higher-than-expected impact from a loss of service income from the convenience store business; 2) the worse-than-expected overseas performance of Makro; and 3) the slow recovery of tourist numbers.
Siam Makro	MAKRO TB	THB 39.75	HOLD	The key downside risks to our DCF-based TP include: 1) lower-than-expected SSSG; 2) lower-than-expected GPM improvement; and 3) operational losses from its overseas business. The key upside risks include: 1) the faster-than-expected recovery of Lotus' performance; and 2) a more aggressive expansion plan.
Berli Jucker	BJC TB	THB 31.50	HOLD	Key downside risks to our DCF-based TP could come from 1) competition with Lotus which could impact its sales and gross margin; and 2) a lower-than-expected utilisation rate and profit margin from its packaging unit after losing major customers in Thailand. The key upside risk is from easing competition in the hypermarket segment
Central Retail Corp	CRC TB	THB 33.25	BUY	The key downside risks to our DCF-based TP include 1) new waves of Covid-19; and 2) lower-than-expected sales from the high-margin fashion business.
Home Product Center	HMPRO TB	THB 14.00	BUY	The key downside risks to our DCF-based TP include: 1) lower-than-expected SSSG; 2) the slow recovery of tourist numbers; and 3) operating losses from its overseas business.
Siam Global House	GLOBAL TB	THB 18.70	BUY	The key downside risks to our DCF-based TP are volatile farm incomes and farm prices which could negatively impact purchasing power, especially in the provinces.

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 28-Jan-2022 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.