

# CENTRAL PATTANA CPN TB

## THAILAND / PROPERTY DEVELOPMENT

# BUY

UNCHANGED

|                 |           |
|-----------------|-----------|
| TARGET PRICE    | THB82.00  |
| CLOSE           | THB61.50  |
| UP/DOWNSIDE     | +33.3%    |
| PRIOR TP        | THB82.00  |
| CHANGE IN TP    | UNCHANGED |
| TP vs CONSENSUS | +1.6%     |

## คาดกำไร 3Q23 สูงเป็นประวัติการณ์

- คาดกำไรปกติ 3Q23 เพิ่มขึ้น 11% q-q and 40% y-y หนุนจากธุรกิจอสังหาริมทรัพย์
- ปรับเพิ่มประมาณการกำไร 16%/12%/13% ในปี 2023-25
- ยืนยันคำแนะนำซื้อ ราคาเป้าหมาย 82 บาท

### เปิด Go! Hotel 2 แห่งใหม่ใน 3Q23

ใน 3Q23 ไม่มีการเพิ่มเติมสินทรัพย์ภายใต้การบริหารใหม่ ยกเว้นมีเปิดโรงแรมแบรนด์ Go! 2 แห่งที่ศรีราชาและชลบุรี และทำให้ CPN มีโรงแรมทั้งสิ้น 8 แห่ง รวม 1,338 ห้อง ณ สิ้น 3Q23 CPN ยังมีศูนย์การค้าทั้งหมด 38 แห่ง Community mall 17 แห่ง และศูนย์การค้าภายใต้ JV อีก 1 แห่ง พื้นที่ให้เช่าสุทธิรวม 2.3 ล้านตร.ม. นอกจากนี้ ยังมีออฟฟิศให้เช่าทั้งหมด 10 อาคาร โรงแรม 8 แห่ง และโครงการอสังหาริมทรัพย์และรอโอน 27 โครงการ

### ธุรกิจอสังหาริมทรัพย์โดดเด่น หนุนการเติบโตใน 3Q23

เรคาดกำไรปกติของ CPN ใน 3Q23 ที่ 4,025 ลบ. (+11% q-q, +40% y-y) การเติบโตหลักมาจากรายได้จากธุรกิจอสังหาริมทรัพย์ที่เติบโตสูงถึง 88% q-q และ 207% y-y เป็น 1,923 ลบ. (คิดเป็น 16% ของรายได้รวม) จากการโอน 3 โครงการที่อยู่อาศัยขนาดใหญ่ และภูเก็ต ในขณะที่ธุรกิจศูนย์การค้า มีจำนวนศูนย์การค้าเท่ากับไตรมาสก่อนแต่ Traffic ดีขึ้นทั้งในกรุงเทพฯ และต่างจังหวัด เราคาดรายได้ในธุรกิจนี้เติบโต 1% q-q และ 12% y-y ค่าไฟฟ้าอัตราใหม่ที่ลดลง 1.5% ในช่วงเดือน พ.ค.-ส.ค. 2023 เป็นบวกต่อมาร์จิ้นของบริษัท ในส่วนของรายได้จากธุรกิจโรงแรม เราคาดเพิ่มขึ้น 5% q-q และ 53% y-y จากการเปิดโรงแรม Go! บ่อวิน (4Q22) บ้านฉาง (2Q23) ศรีราชาและระยอง (3Q23)

### ปรับเพิ่มประมาณการกำไร 2023-25 หนุนโดยธุรกิจอสังหาริมทรัพย์

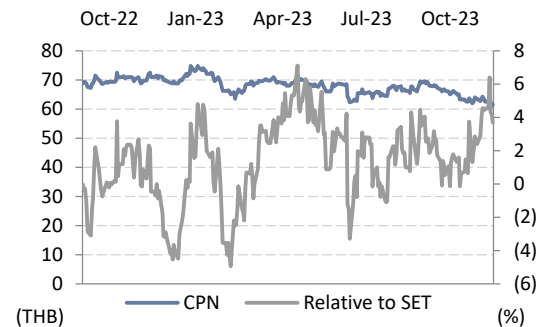
เนื่องจากกำไรปกติงวด 9M23 ต่ำกว่าที่คาดเดิมและแนวโน้มยังสดใส เราจึงปรับเพิ่มประมาณการกำไรปี 2023-25 ขึ้น 16%/12%/13% เป็นเติบโต 39%/6%/5% ตามลำดับ หลักๆ มาจากการปรับเพิ่มรายได้จากธุรกิจอสังหาริมทรัพย์ สำหรับปี 2023 ธุรกิจอสังหาริมทรัพย์โดดเด่นและเป็นพระเอกในการเติบโต ขณะที่ในปี 2024-25 ธุรกิจศูนย์การค้าและโรงแรมจะเป็นธุรกิจหลักขับเคลื่อนการเติบโต

### ยืนยันคำแนะนำซื้อ ราคาเป้าหมาย 82 บาท

เรายังคงแนะนำซื้อ คงราคาเป้าหมาย 82 บาท (DCF, 7.2% WACC, 3% LTG) ราคาหุ้นที่ปรับลดลงถึง 13% YTD ทำให้ปัจจุบันซื้อขายที่ 2024E P/E เพียง 17.5 เท่า คิดเป็น -1.5SD ของค่าเฉลี่ย P/E ในช่วง 5 ปีที่ผ่านมา

## KEY STOCK DATA

| YE Dec (THB m)       | 2022   | 2023E  | 2024E  | 2025E  |
|----------------------|--------|--------|--------|--------|
| Revenue              | 35,575 | 44,803 | 46,020 | 48,830 |
| Net profit           | 10,760 | 14,904 | 15,809 | 16,801 |
| EPS (THB)            | 2.40   | 3.32   | 3.52   | 3.74   |
| vs Consensus (%)     | -      | 16.6   | 10.5   | 8.5    |
| EBITDA               | 19,608 | 24,508 | 25,811 | 27,399 |
| Recurring net profit | 10,945 | 14,904 | 15,809 | 16,801 |
| Core EPS (THB)       | 2.44   | 3.32   | 3.52   | 3.74   |
| Chg. In EPS est. (%) | -      | 15.6   | 12.4   | 12.6   |
| EPS growth (%)       | 114.6  | 36.2   | 6.1    | 6.3    |
| Core P/E (x)         | 25.2   | 18.5   | 17.5   | 16.4   |
| Dividend yield (%)   | 1.5    | 2.0    | 2.2    | 2.3    |
| EV/EBITDA (x)        | 20.6   | 15.2   | 14.4   | 13.9   |
| Price/book (x)       | 3.4    | 3.0    | 2.7    | 2.5    |
| Net debt/Equity (%)  | 133.7  | 88.2   | 80.9   | 80.4   |
| ROE (%)              | 14.2   | 17.3   | 16.5   | 15.9   |



| Share price performance        | 1 Month | 3 Month                  | 12 Month    |
|--------------------------------|---------|--------------------------|-------------|
| Absolute (%)                   | (5.4)   | (8.2)                    | (9.9)       |
| Relative to country (%)        | 0.3     | 2.0                      | 4.2         |
| Mkt cap (USD m)                |         |                          | 7,619       |
| 3m avg. daily turnover (USD m) |         |                          | 11.5        |
| Free float (%)                 |         |                          | 66          |
| Major shareholder              |         | Chirathivat Family (37%) |             |
| 12m high/low (THB)             |         |                          | 75.50/60.50 |
| Issued shares (m)              |         |                          | 4,488.00    |

Sources: Bloomberg consensus; FSSIA estimates



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บทวิเคราะห์ฉบับนี้แปลมาจากต้นฉบับภาษาอังกฤษ ที่ออกรายงานเมื่อวันที่ 30 ตุลาคม 2023

## Investment thesis

We think CPN stands as one of the most attractive domestic plays with its solid five-year investment plan to develop mixed-use projects including shopping malls, office buildings, residential properties, and hotels, in addition to the acquisition of Siam Future Development (SF, not rated).

CPN has low exposure to high energy prices and rising interest rates. The company also has a long-term plan to achieve net-zero carbon emissions by reducing energy consumption by 50% and increasing the use of clean energy by 50%.

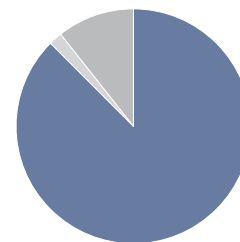
## Company profile

Central Pattana PCL is the largest retail property developer in Thailand with over 40 years of experience. At end-3Q22, CPN managed 38 shopping centres, 17 community malls and one super-regional mall in Malaysia, along with 10 office buildings, three hotels and 25 residential projects. Its retail net leasable area stands at 2.3m sqm with an average 90% occupancy rate.

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

## Principal activities (revenue, 2022)

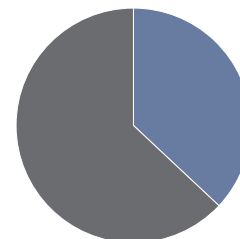
- Revenue from rent and services - 87.5 %
- Revenue from food and beverage - 1.8 %
- Revenue from hotel operation - 10.6 %



Source: Central Pattana

## Major shareholders

- Chirathivat Family - 37.0 %
- Others - 63.0 %



Source: Central Pattana

## Catalysts

Key catalysts include 1) stronger earnings growth from retail rents driven by the NLA expansion with new shopping malls, improving margins on gradually lower rental rate discounts, and higher occupancy rates for offices and hotels; 2) effective cost control to lower the variable cost portion; and 3) the acquisition of SF, which we expect will boost CPN's net profit by 10-20%, annually.

## Risks to our call

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

## Event calendar

| Date             | Event                      |
|------------------|----------------------------|
| 13 November 2023 | 3Q23 earnings announcement |

## Key assumptions

|                             | 2023E  | 2024E  | 2025E  |
|-----------------------------|--------|--------|--------|
|                             | (%)    | (%)    | (%)    |
| NLA                         | 2.13   | 2.24   | 2.27   |
| Retail rental rate          | 1,635  | 1,684  | 1,734  |
| Occupancy rate              | 90     | 90     | 91     |
| Revenue from malls (THB m)  | 36,988 | 40,236 | 42,847 |
| Revenue from hotels (THB m) | 1,497  | 1,502  | 1,623  |
| Residential revenue (THB m) | 5,500  | 3,500  | 3,000  |
| Blended GPM                 | 51.3   | 52.4   | 52.6   |
| SG&A to sales               | 16.3   | 16.6   | 16.5   |

Source: FSSIA estimates

## Earnings sensitivity

- For every 5% increase in rental rate, we project 2023 earnings to rise by 3%, and vice versa, all else being equal.
- For every 1% increase in SG&A to sales, we project 2023 earnings to drop by 2.8%, and vice versa, all else being equal.

Source: FSSIA estimates

## Exhibit 1: 3Q23 earnings preview

| Year to Dec 31                  | 3Q22           | 4Q22           | 1Q23           | 2Q23           | 3Q23E          | -----Change----- |                | 9M22           | 9M23E          | Change         |
|---------------------------------|----------------|----------------|----------------|----------------|----------------|------------------|----------------|----------------|----------------|----------------|
|                                 | (THB m)        | (THB m)        | (THB m)        | (THB m)        | (THB m)        | (q-q %)          | (y-y %)        | (THB m)        | (THB m)        | (y-y %)        |
| Total operating revenue         | 9,011          | 10,209         | 9,982          | 10,865         | 11,863         | 9.2              | 31.6           | 25,366         | 32,709         | 29.0           |
| Cost of services                | (4,523)        | (5,047)        | (4,755)        | (5,275)        | (5,757)        | 9.1              | 27.3           | (12,986)       | (15,786)       | 21.6           |
| Gross profit                    | 4,489          | 5,162          | 5,226          | 5,590          | 6,106          | 9.2              | 36.0           | 12,380         | 16,923         | 36.7           |
| Operating costs                 | (1,537)        | (2,159)        | (1,756)        | (1,716)        | (1,717)        | 0.1              | 11.7           | (4,325)        | (5,188)        | 20.0           |
| Operating profit                | 2,951          | 3,003          | 3,471          | 3,874          | 4,389          | 13.3             | 48.7           | 8,055          | 11,734         | 45.7           |
| Operating EBITDA                | 5,073          | 5,194          | 5,513          | 6,035          | 6,547          | 8.5              | 29.1           | 14,414         | 18,096         | 25.5           |
| Other income                    | 737            | 374            | 309            | 269            | 283            | 5.4              | (61.6)         | 2,352          | 860            | (63.4)         |
| Interest expense                | (551)          | (601)          | (596)          | (663)          | (665)          | 0.2              | 20.8           | (1,603)        | (1,925)        | 20.1           |
| Profit before tax               | 3,137          | 3,183          | 3,591          | 3,887          | 4,414          | 13.6             | 40.7           | 8,804          | 11,892         | 35.1           |
| Tax                             | (642)          | (651)          | (798)          | (769)          | (907)          | 18.0             | 41.3           | (1,836)        | (2,474)        | 34.8           |
| Associates                      | 399            | 434            | 477            | 532            | 556            | 4.5              | 39.3           | 1,126          | 1,564          | 38.9           |
| Minority interests              | (22)           | (27)           | (27)           | (36)           | (38)           | 5.2              | 73.2           | (88)           | (101)          | 15.1           |
| <b>Reported net profit</b>      | <b>2,872</b>   | <b>2,806</b>   | <b>3,246</b>   | <b>3,678</b>   | <b>4,025</b>   | <b>9.4</b>       | <b>40.1</b>    | <b>7,954</b>   | <b>10,949</b>  | <b>37.7</b>    |
| <b>Core profit</b>              | <b>2,872</b>   | <b>2,939</b>   | <b>3,242</b>   | <b>3,614</b>   | <b>4,025</b>   | <b>11.4</b>      | <b>40.1</b>    | <b>8,006</b>   | <b>10,882</b>  | <b>35.9</b>    |
| Reported EPS (THB)              | 0.64           | 0.63           | 0.73           | 0.82           | 0.90           | 9.4              | 40.1           | 1.77           | 2.45           | 38.5           |
| <b>Recurring EPS (THB)</b>      | <b>0.64</b>    | <b>0.65</b>    | <b>0.72</b>    | <b>0.81</b>    | <b>0.90</b>    | <b>11.4</b>      | <b>40.1</b>    | <b>1.78</b>    | <b>2.42</b>    | <b>35.9</b>    |
| <b>Key Ratios (%)</b>           | <b>(%)</b>     | <b>(%)</b>     | <b>(%)</b>     | <b>(%)</b>     | <b>(%)</b>     | <b>(ppt)</b>     | <b>(ppt)</b>   | <b>(%)</b>     | <b>(%)</b>     | <b>(ppt)</b>   |
| Gross margin                    | 49.8           | 50.6           | 52.4           | 51.5           | 51.5           | 0.0              | 1.7            | 48.8           | 51.7           | 2.9            |
| Operating margin                | 32.7           | 29.4           | 34.8           | 35.7           | 37.0           | 1.3              | 4.2            | 31.8           | 35.9           | 4.1            |
| EBITDA margin                   | 56.3           | 50.9           | 55.2           | 55.5           | 55.2           | (0.4)            | (1.1)          | 56.8           | 55.3           | (1.5)          |
| Core profit margin              | 31.9           | 28.8           | 32.5           | 33.3           | 33.9           | 0.7              | 2.1            | 31.6           | 33.3           | 1.7            |
| SG&A / Sales                    | 17.1           | 21.1           | 17.6           | 15.8           | 14.5           | (1.3)            | (2.6)          | 17.0           | 15.9           | (1.2)          |
| <b>Revenue breakdown</b>        | <b>(THB m)</b> | <b>(THB m)</b> | <b>(THB m)</b> | <b>(THB m)</b> | <b>(THB m)</b> | <b>(q-q %)</b>   | <b>(y-y %)</b> | <b>(THB m)</b> | <b>(THB m)</b> | <b>(y-y %)</b> |
| Rental and services             | 7,951          | 8,531          | 8,751          | 9,229          | 9,321          | 1.0              | 17.2           | 22,600         | 27,301         | 20.8           |
| Food centre services            | 182            | 198            | 207            | 245            | 233            | (5.0)            | 28.1           | 457            | 685            | 49.8           |
| Hotel operations                | 252            | 337            | 353            | 368            | 386            | 5.0              | 53.5           | 581            | 1,107          | 90.4           |
| Residential sales               | 627            | 1,143          | 670            | 1,023          | 1,923          | 88.0             | 206.7          | 1,727          | 3,616          | 109.4          |
| <b>Gross margin by business</b> | <b>(%)</b>     | <b>(%)</b>     | <b>(%)</b>     | <b>(%)</b>     | <b>(%)</b>     | <b>(ppt)</b>     | <b>(ppt)</b>   | <b>(%)</b>     | <b>(%)</b>     | <b>(ppt)</b>   |
| Rental and services             | 50.6           | 52.0           | 53.4           | 52.9           | 54.7           | 1.7              | 4.0            | 49.3           | 53.2           | 3.9            |
| Food centre services            | 44.6           | 47.6           | 47.3           | 51.4           | 46.4           | (5.0)            | 1.8            | 36.7           | 49.6           | 12.8           |
| Hotel operations                | 69.4           | 69.8           | 66.6           | 66.0           | 66.0           | 0.0              | (3.4)          | 70.2           | 66.3           | (3.9)          |
| Residential sales               | 32.8           | 34.5           | 32.4           | 32.8           | 33.6           | 0.8              | 0.7            | 30.9           | 32.6           | 1.7            |

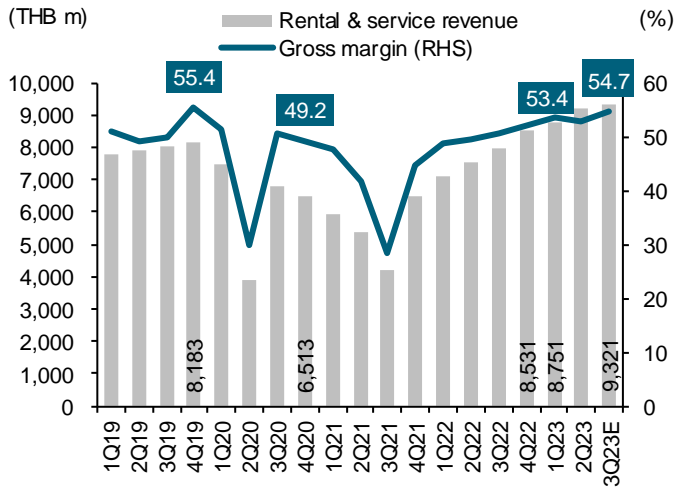
Sources: CPN, FSSIA estimates

## Exhibit 2: Key changes in our assumptions

|                              | ----- Current ----- |        |        | ----- Previous ----- |        |        | ----- Change ----- |       |       |
|------------------------------|---------------------|--------|--------|----------------------|--------|--------|--------------------|-------|-------|
|                              | 2023E               | 2024E  | 2025E  | 2023E                | 2024E  | 2025E  | 2023E              | 2024E | 2025E |
| Total revenues (THB m)       | 44,803              | 46,020 | 48,830 | 41,462               | 44,890 | 47,661 | 8.1                | 2.5   | 2.5   |
| NLA (sqm m)                  | 2.13                | 2.24   | 2.27   | 2.13                 | 2.24   | 2.27   | 0.0                | 0.0   | 0.0   |
| Retail rental rate (THB/sqm) | 1,635               | 1,684  | 1,734  | 1,635                | 1,684  | 1,734  | 0.0                | 0.0   | 0.0   |
| Occupancy rate (%)           | 90.0                | 90.0   | 91.0   | 90.0                 | 90.0   | 91.0   | 0.0                | 0.0   | 0.0   |
| Revenue from malls (THB m)   | 36,988              | 40,236 | 42,847 | 36,988               | 40,236 | 42,847 | 0.0                | 0.0   | 0.0   |
| Revenue from hotels (THB m)  | 1,497               | 1,502  | 1,623  | 1,249                | 1,392  | 1,514  | 19.9               | 7.9   | 7.2   |
| Residential revenue (THB m)  | 5,400               | 3,300  | 3,300  | 2,500                | 2,500  | 2,500  | 116.0              | 32.0  | 32.0  |
| Blended GPM (%)              | 51.4                | 52.4   | 52.5   | 49.6                 | 50.5   | 51.1   | 1.8                | 1.9   | 1.4   |
| SG&A to sales (%)            | 16.5                | 16.6   | 16.5   | 15.7                 | 15.8   | 16.2   | 0.8                | 0.8   | 0.3   |
| Net profit (THB m)           | 14,904              | 15,809 | 16,568 | 12,898               | 14,064 | 14,694 | 15.6               | 12.4  | 12.7  |

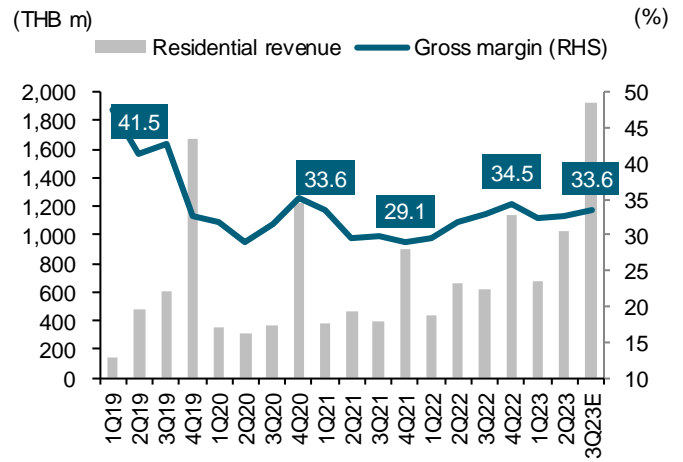
Sources: CPN, FSSIA estimates

**Exhibit 3: Rental revenue from shopping mall unit**



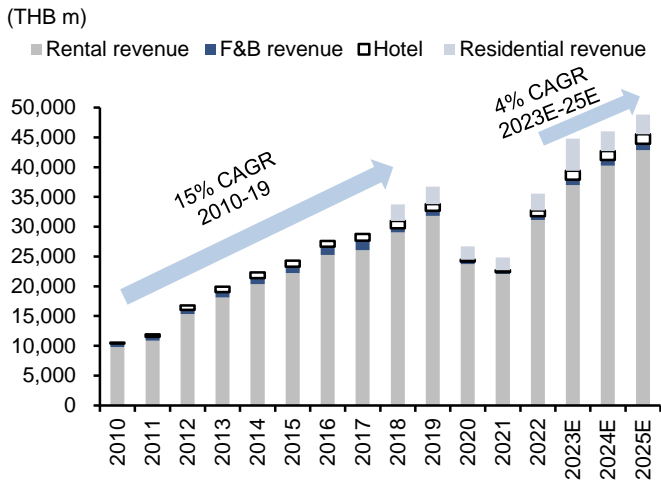
Sources: CPN, FSSIA estimates

**Exhibit 4: Revenue from residential business unit**



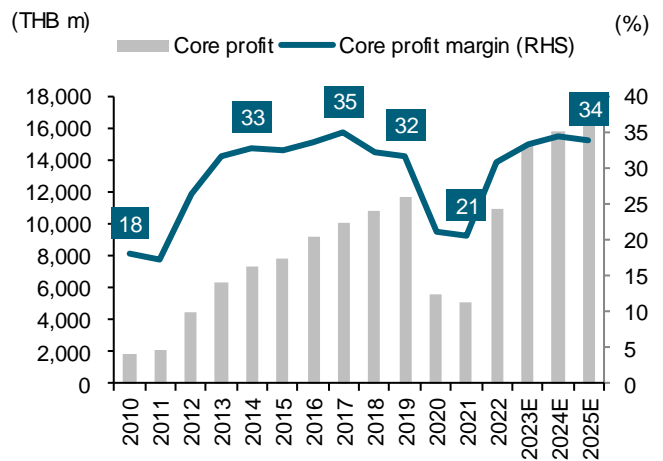
Sources: CPN, FSSIA estimates

**Exhibit 5: Revenue by business unit**



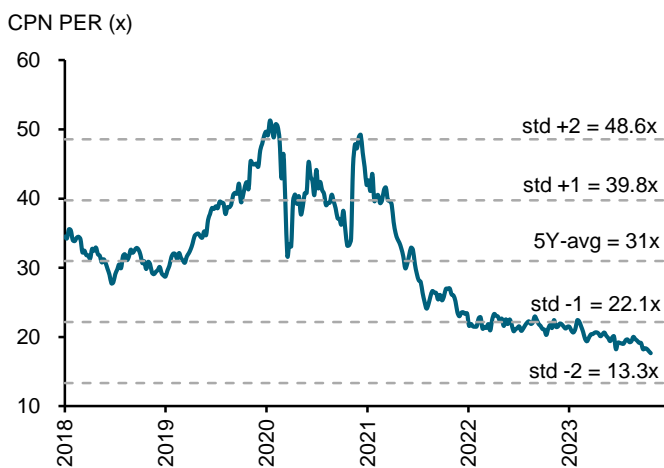
Sources: CPN, FSSIA estimates

**Exhibit 6: Core profit and core profit margin**



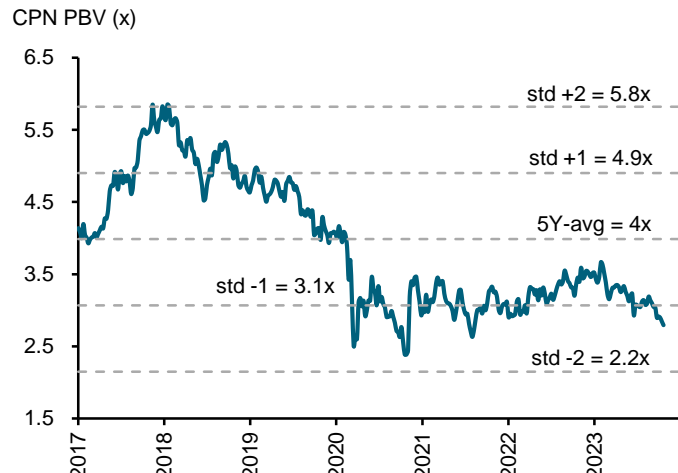
Sources: CPN, FSSIA estimates

**Exhibit 7: One-year rolling forward P/E band**



Sources: Bloomberg; FSSIA estimates

**Exhibit 8: One-year rolling forward P/BV band**



Sources: Bloomberg; FSSIA estimates

## Financial Statements

### Central Pattana

| Profit and Loss (THB m) Year Ending Dec           | 2021           | 2022          | 2023E         | 2024E         | 2025E         |
|---|----------------|---------------|---------------|---------------|---------------|
| Revenue   | 24,840         | 35,575        | 44,803        | 46,020        | 48,830        |
| Cost of goods sold                                | (14,784)       | (18,033)      | (21,793)      | (21,906)      | (23,191)      |
| <b>Gross profit</b>                               | <b>10,056</b>  | <b>17,542</b> | <b>23,010</b> | <b>24,114</b> | <b>25,639</b> |
| Other operating income                            | -              | -             | -             | -             | -             |
| Operating costs                                   | (5,414)        | (6,483)       | (7,392)       | (7,639)       | (8,057)       |
| <b>Operating EBITDA</b>                           | <b>12,766</b>  | <b>19,608</b> | <b>24,508</b> | <b>25,811</b> | <b>27,399</b> |
| Depreciation                                      | (8,124)        | (8,550)       | (8,891)       | (9,336)       | (9,817)       |
| Goodwill amortisation                             | 0              | 0             | 0             | 0             | 0             |
| <b>Operating EBIT</b>                             | <b>4,642</b>   | <b>11,058</b> | <b>15,617</b> | <b>16,475</b> | <b>17,582</b> |
| Net financing costs                               | (1,790)        | (2,204)       | (2,600)       | (2,553)       | (2,764)       |
| Associates  | 704            | 1,560         | 2,552         | 2,734         | 2,931         |
| Recurring non-operating income                    | 3,594          | 4,692         | 5,289         | 5,445         | 5,685         |
| Non-recurring items                               | 2,048          | (186)         | 0             | 0             | 0             |
| <b>Profit before tax</b>                          | <b>8,495</b>   | <b>13,361</b> | <b>18,306</b> | <b>19,367</b> | <b>20,503</b> |
| Tax   | (1,265)        | (2,487)       | (3,261)       | (3,410)       | (3,555)       |
| <b>Profit after tax</b>                           | <b>7,230</b>   | <b>10,874</b> | <b>15,045</b> | <b>15,957</b> | <b>16,948</b> |
| Minority interests                                | (81)           | (114)         | (140)         | (147)         | (147)         |
| Preferred dividends                               | 0              | 0             | 0             | 0             | 0             |
| Other items                                       | 0              | 0             | 0             | 0             | 0             |
| <b>Reported net profit</b>                        | <b>7,148</b>   | <b>10,760</b> | <b>14,904</b> | <b>15,809</b> | <b>16,801</b> |
| <b>Non-recurring items &amp; goodwill (net)</b>   | <b>(2,048)</b> | <b>186</b>    | <b>0</b>      | <b>0</b>      | <b>0</b>      |
| <b>Recurring net profit</b>                       | <b>5,100</b>   | <b>10,945</b> | <b>14,904</b> | <b>15,809</b> | <b>16,801</b> |
| <b>Per share (THB)</b>                            |                |               |               |               |               |
| Recurring EPS *                                   | 1.14           | 2.44          | 3.32          | 3.52          | 3.74          |
| Reported EPS                                      | 1.59           | 2.40          | 3.32          | 3.52          | 3.74          |
| DPS   | 0.60           | 0.90          | 1.25          | 1.33          | 1.39          |
| Diluted shares (used to calculate per share data) | 4,488          | 4,488         | 4,488         | 4,488         | 4,488         |
| <b>Growth</b>                                     |                |               |               |               |               |
| Revenue (%)                                       | (7.1)          | 43.2          | 25.9          | 2.7           | 6.1           |
| Operating EBITDA (%)                              | (5.7)          | 53.6          | 25.0          | 5.3           | 6.2           |
| Operating EBIT (%)                                | (17.5)         | 138.2         | 41.2          | 5.5           | 6.7           |
| Recurring EPS (%)                                 | (9.3)          | 114.6         | 36.2          | 6.1           | 6.3           |
| Reported EPS (%)                                  | (25.2)         | 50.5          | 38.5          | 6.1           | 6.3           |
| <b>Operating performance</b>                      |                |               |               |               |               |
| Gross margin inc. depreciation (%)                | 40.5           | 49.3          | 51.4          | 52.4          | 52.5          |
| Gross margin exc. depreciation (%)                | 73.2           | 73.3          | 71.2          | 72.7          | 72.6          |
| Operating EBITDA margin (%)                       | 51.4           | 55.1          | 54.7          | 56.1          | 56.1          |
| Operating EBIT margin (%)                         | 18.7           | 31.1          | 34.9          | 35.8          | 36.0          |
| Net margin (%)                                    | 20.5           | 30.8          | 33.3          | 34.4          | 34.4          |
| Effective tax rate (%)                            | 22.0           | 20.7          | 20.7          | 20.5          | 20.5          |
| Dividend payout on recurring profit (%)           | 52.8           | 37.0          | 37.7          | 37.7          | 37.1          |
| Interest cover (X)                                | 4.6            | 7.1           | 8.0           | 8.6           | 8.4           |
| Inventory days                                    | -              | -             | -             | -             | -             |
| Debtor days                                       | 94.8           | 65.9          | 50.2          | 55.2          | 54.4          |
| Creditor days                                     | 319.5          | 267.0         | 237.9         | 267.9         | 259.8         |
| Operating ROIC (%)                                | 2.1            | 5.0           | 6.9           | 7.1           | 7.4           |
| ROIC (%)  | 2.9            | 5.0           | 6.4           | 6.5           | 6.9           |
| ROE (%)   | 7.2            | 14.2          | 17.3          | 16.5          | 15.9          |
| ROA (%)   | 2.7            | 4.8           | 6.1           | 6.2           | 6.5           |
| * Pre-exceptional, pre-goodwill and fully diluted |                |               |               |               |               |
| <b>Revenue by Division (THB m)</b>                |                |               |               |               |               |
| Revenue from rent and services                    | 22,073         | 31,131        | 36,988        | 40,236        | 42,847        |
| Revenue from food and beverage                    | 325            | 655           | 917           | 982           | 1,060         |
| Revenue from hotel operation                      | 2,443          | 3,788         | 6,897         | 4,802         | 4,923         |

Sources: Central Pattana; FSSIA estimates

## Financial Statements

### Central Pattana

| Cash Flow (THB m) Year Ending Dec | 2021            | 2022           | 2023E           | 2024E           | 2025E           |
|-----------------------------------|-----------------|----------------|-----------------|-----------------|-----------------|
| Recurring net profit              | 5,100           | 10,945         | 14,904          | 15,809          | 16,801          |
| Depreciation                      | 8,124           | 8,550          | 8,891           | 9,336           | 9,817           |
| Associates & minorities           | 558             | (942)          | 0               | 0               | 0               |
| Other non-cash items              | 81              | 2,150          | 140             | 147             | 147             |
| Change in working capital         | (1,750)         | (4,317)        | (1,469)         | (413)           | (388)           |
| <b>Cash flow from operations</b>  | <b>12,114</b>   | <b>16,387</b>  | <b>22,467</b>   | <b>24,880</b>   | <b>26,377</b>   |
| Capex - maintenance               | (14,748)        | (11,409)       | (11,400)        | (15,000)        | (13,500)        |
| Capex - new investment            | 0               | 0              | 0               | 0               | 0               |
| Net acquisitions & disposals      | (32,648)        | (6,029)        | (3,011)         | (1,363)         | 930             |
| Other investments (net)           | 0               | 10,001         | 15,001          | 15,001          | 15,001          |
| <b>Cash flow from investing</b>   | <b>(47,396)</b> | <b>(7,438)</b> | <b>590</b>      | <b>(1,362)</b>  | <b>2,431</b>    |
| Dividends paid                    | (2,693)         | (2,709)        | (5,614)         | (5,955)         | (6,241)         |
| Equity finance                    | (144)           | 293            | 0               | 0               | 0               |
| Debt finance                      | 34,951          | 1,991          | (32,603)        | 28,629          | 8,800           |
| Other financing cash flows        | 0               | (8,445)        | 0               | 0               | 0               |
| <b>Cash flow from financing</b>   | <b>32,114</b>   | <b>(8,871)</b> | <b>(38,218)</b> | <b>22,674</b>   | <b>2,559</b>    |
| Non-recurring cash flows          | -               | -              | -               | -               | -               |
| Other adjustments                 | 0               | 0              | 14,999          | 0               | 0               |
| <b>Net other adjustments</b>      | <b>0</b>        | <b>(15)</b>    | <b>14,999</b>   | <b>(46,346)</b> | <b>(31,513)</b> |
| <b>Movement in cash</b>           | <b>(3,168)</b>  | <b>63</b>      | <b>(162)</b>    | <b>(154)</b>    | <b>(146)</b>    |
| Free cash flow to firm (FCFF)     | (33,492.06)     | 11,152.76      | 25,656.38       | 26,070.85       | 31,571.42       |
| Free cash flow to equity (FCFE)   | (331.39)        | 2,479.58       | 5,452.10        | 5,801.17        | 6,094.60        |

#### Per share (THB)

|                               |        |      |      |      |      |
|-------------------------------|--------|------|------|------|------|
| FCFF per share                | (7.46) | 2.49 | 5.72 | 5.81 | 7.03 |
| FCFE per share                | (0.07) | 0.55 | 1.21 | 1.29 | 1.36 |
| Recurring cash flow per share | 3.09   | 4.61 | 5.33 | 5.64 | 5.96 |

| Balance Sheet (THB m) Year Ending Dec             | 2021           | 2022           | 2023E          | 2024E          | 2025E          |
|---|----------------|----------------|----------------|----------------|----------------|
| Tangible fixed assets (gross)                     | 246,508        | 257,917        | 269,317        | 284,317        | 297,817        |
| Less: Accumulated depreciation                    | (76,660)       | (85,210)       | (94,101)       | (103,437)      | (113,254)      |
| <b>Tangible fixed assets (net)</b>                | <b>169,848</b> | <b>172,707</b> | <b>175,216</b> | <b>180,880</b> | <b>184,564</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              | 42,381         | 41,306         | 41,306         | 42,316         | 43,306         |
| Cash & equivalents                                | 6,057          | 6,121          | 5,958          | 5,804          | 5,658          |
| A/C receivable                                    | 7,395          | 5,455          | 6,870          | 7,057          | 7,488          |
| Inventories                                       | 0              | 0              | 0              | 0              | 0              |
| Other current assets                              | 10,062         | 13,667         | 17,212         | 17,679         | 18,759         |
| <b>Current assets</b>                             | <b>23,515</b>  | <b>25,242</b>  | <b>30,040</b>  | <b>30,540</b>  | <b>31,904</b>  |
| Other assets                                      | 27,677         | 33,436         | 42,110         | 38,929         | 35,109         |
| <b>Total assets</b>                               | <b>263,421</b> | <b>272,692</b> | <b>288,672</b> | <b>292,665</b> | <b>294,882</b> |
| Common equity                                     | 73,102         | 81,475         | 90,765         | 100,619        | 110,946        |
| Minorities etc.                                   | 8,973          | 8,145          | 8,286          | 8,433          | 8,581          |
| <b>Total shareholders' equity</b>                 | <b>82,075</b>  | <b>89,620</b>  | <b>99,051</b>  | <b>109,052</b> | <b>119,526</b> |
| Long term debt                                    | 94,176         | 98,522         | 70,921         | 72,669         | 79,354         |
| Other long-term liabilities                       | 43,677         | 42,517         | 78,180         | 71,300         | 54,122         |
| <b>Long-term liabilities</b>                      | <b>137,853</b> | <b>141,040</b> | <b>149,101</b> | <b>143,970</b> | <b>133,477</b> |
| A/C payable                                       | 6,259          | 7,614          | 9,202          | 9,250          | 9,792          |
| Short term debt                                   | 29,796         | 27,441         | 22,439         | 21,320         | 22,435         |
| Other current liabilities                         | 7,437          | 6,976          | 8,880          | 9,073          | 9,652          |
| <b>Current liabilities</b>                        | <b>43,492</b>  | <b>42,032</b>  | <b>40,520</b>  | <b>39,643</b>  | <b>41,879</b>  |
| <b>Total liabilities and shareholders' equity</b> | <b>263,420</b> | <b>272,691</b> | <b>288,672</b> | <b>292,665</b> | <b>294,882</b> |
| Net working capital                               | 3,762          | 4,531          | 6,000          | 6,413          | 6,801          |
| Invested capital                                  | 243,668        | 251,981        | 264,632        | 268,537        | 269,780        |

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

#### Per share (THB)

|                               |       |       |       |       |       |
|-------------------------------|-------|-------|-------|-------|-------|
| Book value per share          | 16.29 | 18.15 | 20.22 | 22.42 | 24.72 |
| Tangible book value per share | 16.29 | 18.15 | 20.22 | 22.42 | 24.72 |

#### Financial strength

|                           |       |       |      |      |      |
|---------------------------|-------|-------|------|------|------|
| Net debt/equity (%)       | 143.7 | 133.7 | 88.2 | 80.9 | 80.4 |
| Net debt/total assets (%) | 44.8  | 43.9  | 30.3 | 30.1 | 32.6 |
| Current ratio (x)         | 0.5   | 0.6   | 0.7  | 0.8  | 0.8  |
| CF interest cover (x)     | 0.8   | 2.1   | 3.1  | 3.3  | 3.2  |

| Valuation                                 | 2021        | 2022        | 2023E       | 2024E       | 2025E       |
|---|-------------|-------------|-------------|-------------|-------------|
| <b>Recurring P/E (x) *</b>                | <b>54.1</b> | <b>25.2</b> | <b>18.5</b> | <b>17.5</b> | <b>16.4</b> |
| <b>Recurring P/E @ target price (x) *</b> | <b>72.2</b> | <b>33.6</b> | <b>24.7</b> | <b>23.3</b> | <b>21.9</b> |
| Reported P/E (x)                          | 38.6        | 25.7        | 18.5        | 17.5        | 16.4        |
| Dividend yield (%)                        | 1.0         | 1.5         | 2.0         | 2.2         | 2.3         |
| Price/book (x)                            | 3.8         | 3.4         | 3.0         | 2.7         | 2.5         |
| Price/tangible book (x)                   | 3.8         | 3.4         | 3.0         | 2.7         | 2.5         |
| EV/EBITDA (x) **                          | 31.6        | 20.6        | 15.2        | 14.4        | 13.9        |
| EV/EBITDA @ target price (x) **           | 38.8        | 25.3        | 18.9        | 18.0        | 17.3        |
| EV/invested capital (x)                   | 1.7         | 1.6         | 1.4         | 1.4         | 1.4         |

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

Sources: Central Pattana; FSSIA estimates

# Central Pattana PCL (CPN TB)

**FSSIA ESG rating**

**81.38 /100**
**Exhibit 9: FSSIA ESG score implication**

| Rating | Score   | Implication  |
|--------|---------|--|
| ★★★★★  | >79-100 | Leading its industry peers in managing the most significant ESG risks which not only better cost efficiency but also lead to higher profitability.   |
| ★★★★   | >59-79  | A mixed track record of managing the most significant ESG risks and opportunities relative to industry peers.  |
| ★★★    | >39-59  | Relevant ESG materiality matrix has been constructively addressed, well-managed and incorporated into day-to-day operations, in which targets and achievements are evaluated annually.   |
| ★★     | >19-39  | Relevant ESG materiality matrix has been identified with key management in charge for progress to be followed up on and to provide intensive disclosure. Most targets are conventional and achievable.   |
| ★      | 1-19    | The company has adopted the United Nations Sustainable Development Goals (UN SDGs), established sustainability management guidelines and fully complies with regulations or ESG suggested guidance from related organizations such as the SET and SEC. |

Sources: FSSIA estimates

**Exhibit 10: ESG – peer comparison**

|          | FSSIA<br>ESG score | Domestic ratings |             |      |             |              |           | Global ratings          |             |      |         |           |               | Bloomberg    |                     |
|----------|--------------------|------------------|-------------|------|-------------|--------------|-----------|-------------------------|-------------|------|---------|-----------|---------------|--------------|---------------------|
|          |                    | DJSI             | SET<br>THSI | THSI | CG<br>score | AGM<br>level | Thai CAC  | Morningstar<br>ESG risk | ESG<br>Book | MSCI | Moody's | Refinitiv | S&P<br>Global | ESG<br>score | Disclosure<br>score |
| SET100   | 69.20              | 5.34             | 4.40        | 4.40 | 4.76        | 4.65         | 3.84      | Medium                  | 51.76       | BBB  | 20.87   | 58.72     | 63.91         | 3.72         | 28.17               |
| Coverage | 67.12              | 5.11             | 4.15        | 4.17 | 4.83        | 4.71         | 3.53      | Medium                  | 52.04       | BB   | 16.97   | 56.85     | 62.09         | 3.40         | 31.94               |
| AP       | 53.36              | --               | Y           | Y    | 5.00        | 5.00         | Certified | Low                     | 43.30       | --   | --      | 16.91     | 24.00         | 1.89         | 34.26               |
| AWC      | 71.74              | --               | Y           | Y    | 5.00        | 5.00         | Certified | Low                     | 55.63       | AA   | --      | 69.90     | 73.00         | 2.11         | 60.03               |
| CPN      | 81.38              | Y                | Y           | Y    | 5.00        | 5.00         | Certified | Low                     | 56.02       | BBB  | 35.00   | 69.83     | 81.00         | 3.67         | --                  |
| SIRI     | 66.14              | --               | Y           | Y    | 5.00        | 5.00         | Certified | Low                     | 43.82       | A    | --      | 57.85     | 23.00         | 3.00         | 61.14               |
| SPALI    | 59.80              | --               | Y           | Y    | 5.00        | 5.00         | Certified | Low                     | 52.93       | BB   | --      | 36.30     | 24.00         | 2.19         | 42.36               |

Sources: [SETTRADE.com](https://www.settrade.com); FSSIA's compilation
**Exhibit 11: ESG score by Bloomberg**

| FY ending Dec 31                                    | FY 2015      | FY 2016      | FY 2017      | FY 2018      | FY 2019      | FY 2020      | FY 2021      | FY 2022  |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|----------|
| <b>ESG financial materiality scores - ESG score</b> | <b>2.24</b>  | <b>2.42</b>  | <b>2.76</b>  | <b>3.13</b>  | <b>3.12</b>  | <b>3.35</b>  | <b>3.67</b>  | <b>—</b> |
| BESG environmental pillar score                     | 0.97         | 1.31         | 1.29         | 1.93         | 1.90         | 2.22         | 2.60         | —        |
| BESG social pillar score                            | 3.25         | 3.25         | 6.78         | 6.78         | 6.78         | 6.78         | 6.78         | —        |
| BESG governance pillar score                        | 4.03         | 3.91         | 3.95         | 3.86         | 3.90         | 4.01         | 4.31         | —        |
| <b>ESG disclosure score</b>                         | <b>50.21</b> | <b>53.42</b> | <b>57.94</b> | <b>58.14</b> | <b>59.45</b> | <b>60.66</b> | <b>60.66</b> | <b>—</b> |
| Environmental disclosure score                      | 40.65        | 52.85        | 54.82        | 52.85        | 56.78        | 56.78        | 56.78        | —        |
| Social disclosure score                             | 28.75        | 26.18        | 31.53        | 34.10        | 34.10        | 37.73        | 37.73        | —        |
| Governance disclosure score                         | 81.10        | 81.10        | 87.36        | 87.36        | 87.36        | 87.36        | 87.36        | —        |
| <b>Environmental</b>                                |              |              |              |              |              |              |              |          |
| Emissions reduction initiatives                     | Yes          | Yes          | Yes          | Yes          | Yes          | Yes          | Yes          | Yes      |
| Climate change policy                               | Yes          | Yes          | Yes          | Yes          | Yes          | Yes          | Yes          | Yes      |
| Climate change opportunities discussed              | No           | No           | No           | No           | No           | No           | No           | No       |
| Risks of climate change discussed                   | No           | Yes          | Yes          | Yes          | Yes          | Yes          | Yes          | Yes      |
| GHG scope 1   | 4            | 4            | 4            | 4            | 6            | 7            | 3            | 2        |
| GHG scope 2 location-based                          | 202          | 255          | 250          | 258          | 278          | 220          | 185          | 239      |
| GHG Scope 3   | 191          | 270          | 284          | 300          | 305          | 246          | 167          | 365      |
| Carbon per unit of production                       | 0            | 0            | 0            | 0            | 0            | 75           | 54           | 0        |
| Biodiversity policy                                 | Yes          | Yes          | Yes          | Yes          | Yes          | Yes          | Yes          | Yes      |
| Energy efficiency policy                            | Yes          | Yes          | Yes          | Yes          | Yes          | Yes          | Yes          | Yes      |
| Total energy consumption                            | 846          | 930          | 909          | 956          | 1,003        | 810          | 718          | 1,030    |
| Renewable energy use                                | 0            | 0            | 1            | 6            | 9            | 13           | 19           | 22       |
| Electricity used                                    | 846          | 923          | 904          | 951          | 998          | 806          | 715          | 922      |
| Fuel used - natural gas                             | —            | —            | —            | —            | —            | —            | —            | —        |

Sources: Bloomberg; FSSIA's compilation



## Exhibit 12: ESG score by Bloomberg (cont.)

| FY ending Dec 31                              | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 |
|---|---------|---------|---------|---------|---------|---------|---------|---------|
| Fuel used - crude oil/diesel                  | No      | No      | No      | No      | No      | No      | No      | No      |
| Waste reduction policy                        | Yes     | Yes     | Yes     | Yes     | Yes     | Yes     | Yes     | Yes     |
| Hazardous waste                               | —       | —       | 9       | —       | 0       | 0       | 0       | —       |
| Total waste                                   | 67      | 77      | 107     | 84      | 70      | 52      | 45      | 65      |
| Waste recycled                                | —       | 0       | 0       | 0       | 2       | 2       | 2       | 6       |
| Waste sent to landfills                       | —       | —       | —       | —       | 68      | 49      | 42      | 53      |
| Environmental supply chain management         | Yes     | Yes     | Yes     | Yes     | Yes     | Yes     | Yes     | No      |
| Water policy                                  | Yes     | Yes     | Yes     | Yes     | Yes     | Yes     | Yes     | Yes     |
| Water consumption                             | —       | 2,536   | 2,489   | 2,573   | 3,071   | 2,475   | 2,378   | —       |
| <b>Social</b>                                 |         |         |         |         |         |         |         |         |
| Human rights policy                           | Yes     | Yes     | Yes     | Yes     | Yes     | Yes     | Yes     | Yes     |
| Policy against child labor                    | Yes     | Yes     | Yes     | Yes     | Yes     | Yes     | Yes     | Yes     |
| Quality assurance and recall policy           | Yes     | Yes     | Yes     | Yes     | Yes     | Yes     | Yes     | Yes     |
| Consumer data protection policy               | No      | No      | No      | No      | No      | No      | No      | No      |
| Equal opportunity policy                      | Yes     | Yes     | Yes     | Yes     | Yes     | Yes     | Yes     | Yes     |
| Gender pay gap breakout                       | No      | No      | Yes     | Yes     | Yes     | Yes     | Yes     | No      |
| Pct women in workforce                        | 49      | 49      | 50      | 50      | 50      | 49      | 49      | —       |
| Pct disabled in workforce                     | —       | —       | —       | —       | —       | —       | —       | —       |
| Business ethics policy                        | Yes     | Yes     | Yes     | Yes     | Yes     | Yes     | Yes     | Yes     |
| Anti-bribery ethics policy                    | Yes     | Yes     | Yes     | Yes     | Yes     | Yes     | Yes     | Yes     |
| Health and safety policy                      | Yes     | Yes     | Yes     | Yes     | Yes     | Yes     | Yes     | Yes     |
| Lost time incident rate - employees           | —       | —       | —       | —       | —       | —       | —       | —       |
| Total recordable incident rate - employees    | —       | —       | 0       | 0       | 0       | 0       | 0       | —       |
| Training policy                               | Yes     | Yes     | Yes     | Yes     | Yes     | Yes     | Yes     | Yes     |
| Fair remuneration policy                      | No      | No      | No      | No      | No      | No      | No      | No      |
| Number of employees – CSR                     | 4,099   | 4,301   | 4,658   | 4,911   | 5,093   | 4,863   | 4,712   | 4,991   |
| Employee turnover pct                         | —       | —       | —       | —       | —       | —       | —       | —       |
| Total hours spent by firm - employee training | 81,980  | 90,321  | 116,450 | 132,597 | 122,232 | 53,593  | 117,800 | 49,910  |
| Social supply chain management                | Yes     | Yes     | Yes     | Yes     | Yes     | Yes     | Yes     | Yes     |
| <b>Governance</b>                             |         |         |         |         |         |         |         |         |
| Board size                                    | 12      | 12      | 11      | 11      | 11      | 12      | 12      | 14      |
| No. of independent directors (ID)             | 4       | 4       | 4       | 4       | 4       | 4       | 4       | 4       |
| No. of women on board                         | 2       | 1       | 1       | 1       | 1       | 2       | 3       | 4       |
| No. of non-executive directors on board       | 11      | 11      | 10      | 10      | 10      | 11      | 9       | 13      |
| Company conducts board evaluations            | Yes     | Yes     | Yes     | Yes     | Yes     | Yes     | Yes     | Yes     |
| No. of board meetings for the year            | 6       | 8       | 8       | 8       | 10      | 10      | 9       | 8       |
| Board meeting attendance pct                  | 96      | 86      | 90      | 99      | 90      | 96      | 98      | 99      |
| Board duration (years)                        | 3       | 3       | 3       | 3       | 3       | 3       | 3       | 3       |
| Director share ownership guidelines           | No      | No      | No      | No      | No      | No      | No      | No      |
| Age of the youngest director                  | 53      | 54      | 55      | 56      | 57      | 58      | 59      | —       |
| Age of the oldest director                    | 75      | 76      | 77      | 78      | 79      | 80      | 79      | —       |
| No. of executives / company managers          | 11      | 12      | 8       | 8       | 9       | 6       | 5       | 7       |
| No. of female executives                      | 6       | 5       | 5       | 5       | 5       | 2       | 2       | 2       |
| Executive share ownership guidelines          | No      | No      | No      | No      | No      | No      | No      | No      |
| Size of audit committee                       | 4       | 4       | 4       | 4       | 4       | 4       | 4       | 3       |
| No. of ID on audit committee                  | 4       | 4       | 4       | 4       | 4       | 4       | 4       | 3       |
| Audit committee meetings                      | 11      | 11      | 11      | 11      | 11      | 11      | 11      | 8       |
| Audit meeting attendance %                    | 97      | 98      | 95      | 100     | 100     | 100     | 100     | 96      |
| Size of compensation committee                | 3       | 3       | 3       | 3       | 3       | 3       | 5       | 3       |
| No. of ID on compensation committee           | 2       | 2       | 2       | 2       | 2       | 2       | 2       | 2       |
| No. of compensation committee meetings        | 3       | 3       | 2       | 3       | 4       | 3       | 5       | 4       |
| Compensation meeting attendance %             | 89      | 88      | 80      | 100     | 100     | 100     | 100     | 100     |
| Size of nomination committee                  | 3       | 3       | 3       | 3       | 3       | 3       | 5       | 3       |
| No. of nomination committee meetings          | 3       | 3       | 2       | 3       | 4       | 3       | 5       | 4       |
| Nomination meeting attendance %               | 89      | 88      | 80      | 100     | 100     | 100     | 100     | 100     |
| <b>Sustainability governance</b>              |         |         |         |         |         |         |         |         |
| Verification type                             | No      | No      | Yes     | Yes     | Yes     | Yes     | Yes     | Yes     |

Sources: Bloomberg; FSSIA's compilation



Disclaimer for ESG scoring

| ESG score   | Methodology  | Rating  |   |          |             |      |              |         |   |       |             |     |             |     |             |          |   |    |             |   |             |     |             |          |   |
|---|--|---|---|----------|-------------|------|--------------|---------|---|-------|-------------|-----|-------------|-----|-------------|----------|---|----|-------------|---|-------------|-----|-------------|----------|---|
| The Dow Jones Sustainability Indices (DJSI) By S&P Global                     | The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.   | Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.   |   |          |             |      |              |         |   |       |             |     |             |     |             |          |   |    |             |   |             |     |             |          |   |
| Sustainability Investment List (THSI) by The Stock Exchange of Thailand (SET) | THSI quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria include: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years.  | To be eligible for <b>THSI inclusion</b> , verified data must be scored at a minimum of 50% for each indicator, unless the company is a part of DJSI during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality.<br><b>SETTHSI Index</b> is extended from the THSI companies whose 1) market capitalization > THB5b (~USD150b); 2) free float >20%; and 3) liquidity >0.5% of paid-up capital for at least 9 out of 12 months. The SETTHSI Index is a market capitalisation-weighted index, cap 5% quarterly weight at maximum, and no cap for number of stocks. |   |          |             |      |              |         |   |       |             |     |             |     |             |          |   |    |             |   |             |     |             |          |   |
| CG Score by Thai Institute of Directors Association (Thai IOD)                | An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.   | Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (60-69), and not rated for scores below 50. Weightings include: 1) the rights; 2) and equitable treatment of shareholders (weight 25% combined); 3) the role of stakeholders (25%); 4) disclosure & transparency (15%); and 5) board responsibilities (35%).  |   |          |             |      |              |         |   |       |             |     |             |     |             |          |   |    |             |   |             |     |             |          |   |
| AGM level By Thai Investors Association (TIA) with support from the SEC       | It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). (The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.)   | The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.  |   |          |             |      |              |         |   |       |             |     |             |     |             |          |   |    |             |   |             |     |             |          |   |
| Thai CAC By Thai Private Sector Collective Action Against Corruption (CAC)    | The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years.<br>(Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.)   | The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.   |   |          |             |      |              |         |   |       |             |     |             |     |             |          |   |    |             |   |             |     |             |          |   |
| Morningstar Sustainalytics  | The Sustainalytics' ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality & peer reviews.  | A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored.<br><table border="1" style="margin: 10px auto; width: 80%;"><thead><tr><th>NEGL</th><th>Low</th><th>Medium</th><th>High</th><th>Severe</th></tr></thead><tbody><tr><td>0-10</td><td>10-20</td><td>20-30</td><td>30-40</td><td>40+</td></tr></tbody></table>  | NEGL  | Low      | Medium      | High | Severe       | 0-10    | 10-20   | 20-30 | 30-40       | 40+ |             |     |             |          |   |    |             |   |             |     |             |          |   |
| NEGL  | Low  | Medium  | High  | Severe   |             |      |              |         |   |       |             |     |             |     |             |          |   |    |             |   |             |     |             |          |   |
| 0-10  | 10-20  | 20-30   | 30-40   | 40+      |             |      |              |         |   |       |             |     |             |     |             |          |   |    |             |   |             |     |             |          |   |
| ESG Book  | The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.  | The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.   |   |          |             |      |              |         |   |       |             |     |             |     |             |          |   |    |             |   |             |     |             |          |   |
| MSCI  | MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers.<br><table border="1" style="margin: 10px auto; width: 80%;"><thead><tr><th>Rating</th><th>Score Range</th><th>Category</th><th>Description</th></tr></thead><tbody><tr><td>AAA</td><td>8.571-10.000</td><td rowspan="3">Leader:</td><td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td></tr><tr><td>AA</td><td>7.143-8.570</td></tr><tr><td>A</td><td>5.714-7.142</td></tr><tr><td>BBB</td><td>4.286-5.713</td><td rowspan="3">Average:</td><td rowspan="3">a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td></tr><tr><td>BB</td><td>2.857-4.285</td></tr><tr><td>B</td><td>1.429-2.856</td></tr><tr><td>CCC</td><td>0.000-1.428</td><td>Laggard:</td><td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td></tr></tbody></table> | Rating  | Score Range   | Category | Description | AAA  | 8.571-10.000 | Leader: | leading its industry in managing the most significant ESG risks and opportunities | AA    | 7.143-8.570 | A   | 5.714-7.142 | BBB | 4.286-5.713 | Average: | a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers | BB | 2.857-4.285 | B | 1.429-2.856 | CCC | 0.000-1.428 | Laggard: | lagging its industry based on its high exposure and failure to manage significant ESG risks |
| Rating  | Score Range  | Category  | Description   |          |             |      |              |         |   |       |             |     |             |     |             |          |   |    |             |   |             |     |             |          |   |
| AAA   | 8.571-10.000   | Leader:   | leading its industry in managing the most significant ESG risks and opportunities   |          |             |      |              |         |   |       |             |     |             |     |             |          |   |    |             |   |             |     |             |          |   |
| AA  | 7.143-8.570  |   |   |          |             |      |              |         |   |       |             |     |             |     |             |          |   |    |             |   |             |     |             |          |   |
| A   | 5.714-7.142  |   |   |          |             |      |              |         |   |       |             |     |             |     |             |          |   |    |             |   |             |     |             |          |   |
| BBB   | 4.286-5.713  | Average:  | a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers |          |             |      |              |         |   |       |             |     |             |     |             |          |   |    |             |   |             |     |             |          |   |
| BB  | 2.857-4.285  |   |   |          |             |      |              |         |   |       |             |     |             |     |             |          |   |    |             |   |             |     |             |          |   |
| B   | 1.429-2.856  |   |   |          |             |      |              |         |   |       |             |     |             |     |             |          |   |    |             |   |             |     |             |          |   |
| CCC   | 0.000-1.428  | Laggard:  | lagging its industry based on its high exposure and failure to manage significant ESG risks                                   |          |             |      |              |         |   |       |             |     |             |     |             |          |   |    |             |   |             |     |             |          |   |
| Moody's ESG solutions   | Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.  |   |   |          |             |      |              |         |   |       |             |     |             |     |             |          |   |    |             |   |             |     |             |          |   |
| Refinitiv ESG rating  | Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. (Score ratings are 0 to 25 = poor; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.)  |   |   |          |             |      |              |         |   |       |             |     |             |     |             |          |   |    |             |   |             |     |             |          |   |
| S&P Global  | The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.   |   |   |          |             |      |              |         |   |       |             |     |             |     |             |          |   |    |             |   |             |     |             |          |   |
| Bloomberg   | ESG Score  | Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.  |   |          |             |      |              |         |   |       |             |     |             |     |             |          |   |    |             |   |             |     |             |          |   |
| Bloomberg   | ESG Disclosure Score   | Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.  |   |          |             |      |              |         |   |       |             |     |             |     |             |          |   |    |             |   |             |     |             |          |   |

Source: FSSIA's compilation

## GENERAL DISCLAIMER

### ANALYST(S) CERTIFICATION

#### Jitra Amornthum FSS International Investment Advisory Securities Co., Ltd

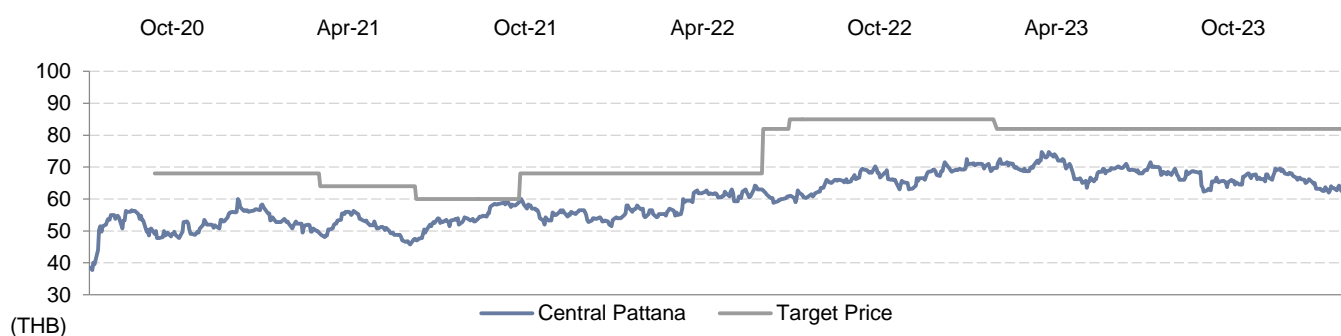
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) 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 |
|-------------|--------|--------------|-------------|--------|--------------|-------------|--------|--------------|
| 25-Dec-2020 | BUY    | 68.00        | 08-Nov-2021 | BUY    | 68.00        | 23-Dec-2022 | BUY    | 82.00        |
| 19-May-2021 | BUY    | 64.00        | 06-Jun-2022 | BUY    | 82.00        |             |        |              |
| 10-Aug-2021 | BUY    | 60.00        | 29-Jun-2022 | BUY    | 85.00        |             |        |              |

Jitra Amornthum started covering this stock from 23-Dec-2022

Price and TP are in local currency

Source: FSSIA estimates

| Company         | Ticker | Price     | Rating | Valuation & Risks  |
|-----------------|--------|-----------|--------|--|
| Central Pattana | CPN TB | THB 61.50 | BUY    | Key downside risks to our DCF-derived TP are deviations to our estimates on rental and occupancy rates, returns on its new investments, capex, and interest rates. |

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.

All share prices are as at market close on 27-Oct-2023 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.