

13 NOVEMBER 2023

EQUITY RESEARCH – RESULTS FLASH

CENTRAL PATTANA CPN TB

THAILAND / PROPERTY DEVELOPMENT



FSS INTERNATIONAL INVESTMENT ADVISORY

FSSIA ESG rating



BUY

UNCHANGED

3Q23 results at first glance

TARGET PRICE	THB82.00
CLOSE	THB64.75
UP/DOWNSIDE	+26.6%
TP vs CONSENSUS	+0.6%

CPN achieved a record profit in 3Q23 as expected

Highlights

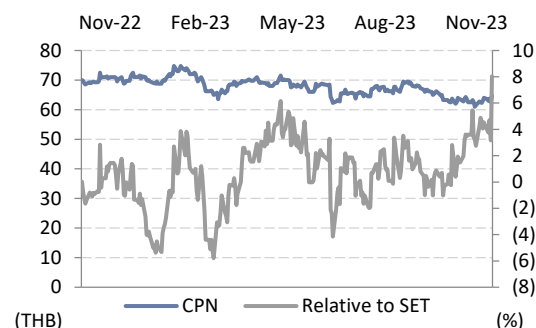
- CPN reported a record core profit of THB4.2b in 3Q23 (+15% q-q, +45% y-y) as expected due to a 2% q-q and 14% y-y surge in total operating revenue and efficient cost control.
- Revenue continued to grow in almost all business units except for the revenue from food center services, which slightly decreased 7% q-q (but grew 26% y-y).
- The main growth contribution in 3Q23 came from its residential business unit whose revenue skyrocketed 90% q-q and 211% y-y to THB1.9b, accounting for 16% of total operating revenue due to the transfers of its Escent condo in Hat Yai and Phyll condo in Phuket. The gross margin of the residential unit reached 34.0% in 3Q23, increasing by around 120-130 bps both q-q and y-y.
- Rental revenue (79% of total revenue) rose 1% q-q and 18% y-y in line with mall traffic. In 3Q23, the number of malls was unchanged at 38 shopping malls and 17 community malls with a total NLA of 2.3m sqm. The gross margin for malls escalated to 54.8% in 3Q23 due to the tariff cut on electricity bills during May-Aug 2023.
- CPN's capital structure has been solid with a net IBD/E at 0.76x in 3Q23, improving from 0.85x in 2Q23, and an interest coverage ratio at 10.5x, increasing from 9.6x in 2Q23.

Outlook

- CPN's 9M23 core profit solidly rose by 38% y-y, accounting for 74% of our full-year profit forecast. In 4Q23, the company plans to open Central Westville, Centara Ayutthaya, and launch five new residential projects.
- From 2024 onwards, CPN will open Central shopping malls in Nakorn Sawan, Nakorn Pathom, and Krabi, plus two new hotels. The company still plans to grow its revenue at a 14-16% CAGR during 2023-27, leveraging its strength in the retail property business and expand into hotels, residences, and offices to diversify its concentration risk in shopping malls.
- We maintain our BUY rating and DCF-based TP of THB82 (7.2% WACC, 3% LTG). CPN's share price is currently trading at 18.4x 2024E P/E, -1.5SD of its five-year historical average.

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 (%)	-	13.2	8.9	5.0
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
EPS growth (%)	114.6	36.2	6.1	6.3
Core P/E (x)	26.5	19.5	18.4	17.3
Dividend yield (%)	1.4	1.9	2.0	2.1
EV/EBITDA (x)	21.3	15.8	15.0	14.4
Price/book (x)	3.6	3.2	2.9	2.6
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 (%)	3.6	(3.0)	(7.5)
Relative to country (%)	6.9	7.0	7.8
Mkt cap (USD m)	8,092		
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



Jitra Amornthum

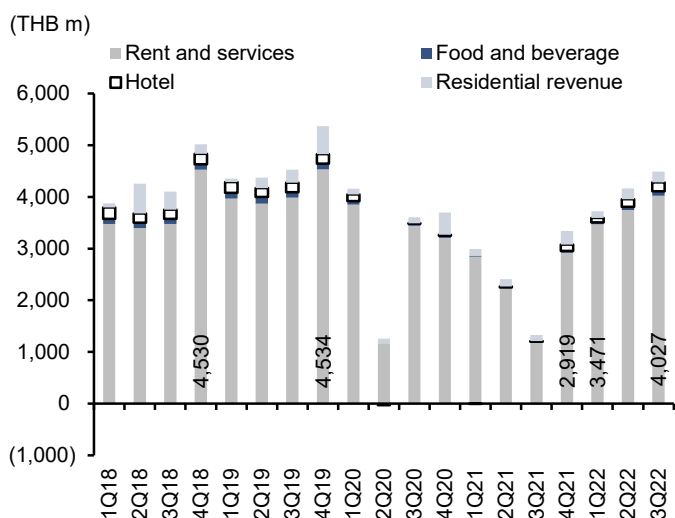
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Exhibit 1: 3Q23 results summary

Year to Dec 31	3Q22	4Q22	1Q23	2Q23	3Q23	-----Change-----		9M23	Change	% of	2023E	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(y-y %)	2023E	(THB m)	(y-y %)
Total operating revenue	9,011	10,209	9,982	10,865	11,918	9.7	32.3	32,764	29.2	73.1	44,803	25.9
Cost of services	(4,523)	(5,047)	(4,755)	(5,275)	(5,764)	9.3	27.4	(15,794)	21.6	72.5	(21,793)	20.9
Gross profit	4,489	5,162	5,226	5,590	6,154	10.1	37.1	16,970	37.1	73.8	23,010	31.2
Operating costs	(1,537)	(2,159)	(1,756)	(1,716)	(1,754)	2.2	14.1	(5,225)	20.8	70.7	(7,392)	14.0
Operating profit	2,951	3,003	3,471	3,874	4,400	13.6	49.1	11,745	45.8	75.2	15,617	41.2
Operating EBITDA	5,073	5,194	5,513	6,035	6,466	7.1	27.5	18,014	25.0	73.5	24,508	25.0
Other income	737	374	309	269	359	33.6	(51.3)	936	(60.2)	81.2	1,154	-27.0
Interest expense	(551)	(601)	(596)	(663)	(660)	(0.5)	19.9	(1,920)	19.8	73.8	(2,600)	18.0
Profit before tax	3,137	3,183	3,591	3,887	4,544	16.9	44.8	12,022	36.5	76.3	15,754	31.4
Tax	(642)	(651)	(798)	(769)	(908)	18.1	41.4	(2,475)	34.8	75.9	(3,261)	31.1
Associates	399	434	477	532	579	8.9	45.1	1,587	41.0	62.2	2,552	63.6
Minority interests	(22)	(27)	(27)	(36)	(53)	45.6	139.7	(116)	31.7	82.3	(140)	22.7
Reported net profit	2,872	2,806	3,246	3,678	4,161	13.1	44.9	11,085	39.4	74.4	14,904	38.5
Core profit	2,872	2,939	3,242	3,614	4,163	15.2	44.9	11,019	37.6	73.9	14,904	36.2
Reported EPS (THB)	0.64	0.63	0.73	0.82	0.93	13.5	45.3	2.48	40.4	74.8	3.32	38.5
Recurring EPS (THB)	0.64	0.65	0.72	0.81	0.93	15.2	44.9	2.46	37.6	73.9	3.32	36.2
Key Ratios (%)	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)	(ppt)	(%)	(ppt)	(ppt)
Gross margin	49.8	50.6	52.4	51.5	51.6	0.2	1.8	51.8	3.0		51.4	2.0
Operating margin	32.7	29.4	34.8	35.7	36.9	1.3	4.2	35.8	4.1		34.9	3.8
EBITDA margin	56.3	50.9	55.2	55.5	54.3	(1.3)	(2.0)	55.0	(1.8)		54.7	(0.4)
Core profit margin	31.9	28.8	32.5	33.3	34.9	1.7	3.1	33.6	2.1		33.3	2.5
SG&A / Sales	17.1	21.1	17.6	15.8	14.7	(1.1)	(2.3)	15.9	(1.1)		16.5	(1.7)
Revenue breakdown	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(y-y %)		(THB m)	(THB m)
Rental and services	7,951	8,531	8,751	9,229	9,358	1.4	17.7	27,338	21.0	73.9	36,988	18.8
Food center services	182	198	207	245	229	(6.5)	26.1	681	48.9	74.2	917	40.0
Hotel operations	252	337	353	368	384	4.5	52.7	1,105	90.1	73.8	1,497	63.1
Residential sales	627	1,143	670	1,023	1,947	90.3	210.5	3,640	110.7	67.4	5,400	88.2
Gross margin by business	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)	(ppt)		(%)	(ppt)
Rental and services	50.6	52.0	53.4	52.9	54.8	1.9	4.2	53.2	3.9		53.6	3.2
Food center services	44.6	47.6	47.3	51.4	49.3	(2.1)	4.7	49.6	12.8		48.0	5.8
Hotel operations	69.4	69.8	66.6	66.0	65.2	(0.8)	(4.3)	66.3	(3.9)		66.2	(3.6)
Residential sales	32.8	34.5	32.4	32.8	34.0	1.3	1.2	32.6	1.7		32.8	0.0

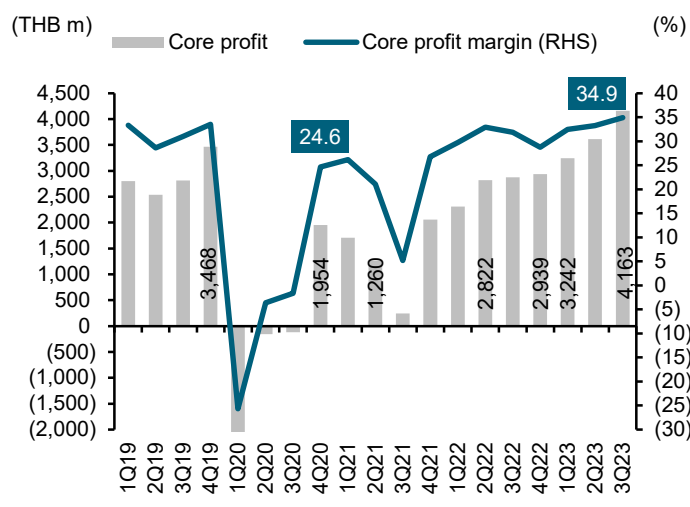
Sources: CPN, FSSIA's compilation

Exhibit 2: Revenue breakdown



Sources: CPN, FSSIA's compilation

Exhibit 3: Core profit and core profit margin



Sources: CPN, FSSIA's compilation

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)
Gross profit	10,056	17,542	23,010	24,114	25,639
Other operating income	-	-	-	-	-
Operating costs	(5,414)	(6,483)	(7,392)	(7,639)	(8,057)
Operating EBITDA	12,766	19,608	24,508	25,811	27,399
Depreciation	(8,124)	(8,550)	(8,891)	(9,336)	(9,817)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	4,642	11,058	15,617	16,475	17,582
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
Profit before tax	8,495	13,361	18,306	19,367	20,503
Tax	(1,265)	(2,487)	(3,261)	(3,410)	(3,555)
Profit after tax	7,230	10,874	15,045	15,957	16,948
Minority interests	(81)	(114)	(140)	(147)	(147)
Preferred dividends	0	0	0	0	0
Other items	0	0	0	0	0
Reported net profit	7,148	10,760	14,904	15,809	16,801
Non-recurring items & goodwill (net)	(2,048)	186	0	0	0
Recurring net profit	5,100	10,945	14,904	15,809	16,801
Per share (THB)					
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
Growth					
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
Operating performance					
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					
Revenue by Division (THB m)					
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)
Cash flow from operations	12,114	16,387	22,467	24,880	26,377
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
Cash flow from investing	(47,396)	(7,438)	590	(1,362)	2,431
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
Cash flow from financing	32,114	(8,871)	(38,218)	22,674	2,559
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	14,999	0	0
Net other adjustments	0	(15)	14,999	(46,346)	(31,513)
Movement in cash	(3,168)	63	(162)	(154)	(146)
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)
Tangible fixed assets (net)	169,848	172,707	175,216	180,880	184,564
Intangible fixed assets (net)	0	0	0	0	0
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
Current assets	23,515	25,242	30,040	30,540	31,904
Other assets	27,677	33,436	42,110	38,929	35,109
Total assets	263,421	272,692	288,672	292,665	294,882
Common equity	73,102	81,475	90,765	100,619	110,946
Minorities etc.	8,973	8,145	8,286	8,433	8,581
Total shareholders' equity	82,075	89,620	99,051	109,052	119,526
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
Long-term liabilities	137,853	141,040	149,101	143,970	133,477
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
Current liabilities	43,492	42,032	40,520	39,643	41,879
Total liabilities and shareholders' equity	263,420	272,691	288,672	292,665	294,882
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
Recurring P/E (x) *	57.0	26.5	19.5	18.4	17.3
Recurring P/E @ target price (x) *	72.2	33.6	24.7	23.3	21.9
Reported P/E (x)	40.7	27.0	19.5	18.4	17.3
Dividend yield (%)	0.9	1.4	1.9	2.0	2.1
Price/book (x)	4.0	3.6	3.2	2.9	2.6
Price/tangible book (x)	4.0	3.6	3.2	2.9	2.6
EV/EBITDA (x) **	32.7	21.3	15.8	15.0	14.4
EV/EBITDA @ target price (x) **	38.8	25.3	18.9	18.0	17.3
EV/invested capital (x)	1.7	1.7	1.5	1.4	1.5

* 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 4: 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 5: ESG – peer comparison

	FSSIA ESG score	Domestic ratings						Global ratings					Bloomberg		
		DJSI	SET THSI	THSI	CG score	AGM level	Thai CAC	Morningstar ESG risk	ESG Book	MSCI	Moody's	Refinitiv	S&P Global	ESG score	Disclosure 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; FSSIA's compilation

Exhibit 6: ESG score by Bloomberg

FY ending Dec 31	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
ESG financial materiality scores - ESG score	2.24	2.42	2.76	3.13	3.12	3.35	3.67	—
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	—
ESG disclosure score	50.21	53.42	57.94	58.14	59.45	60.66	60.66	—
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	—
Environmental								
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 7: 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	—
Social								
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
Governance								
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
Sustainability governance								
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 THSI inclusion , 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. SETTHSI Index 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%). <i>(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.)</i>	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. <i>(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.)</i>	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. <i>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.</i>	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. <table border="1" style="margin-left: auto; margin-right: auto;"> <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+																	
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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. <table border="1" style="margin-left: auto; margin-right: auto;"> <tbody> <tr> <td>AAA</td> <td>8.571-10.000</td> <td>Leader:</td> <td>leading its industry in managing the most significant ESG risks and opportunities</td> </tr> <tr> <td>AA</td> <td>7.143-8.570</td> <td></td> <td></td> </tr> <tr> <td>A</td> <td>5.714-7.142</td> <td></td> <td></td> </tr> <tr> <td>BBB</td> <td>4.286-5.713</td> <td>Average:</td> <td>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> <td></td> <td></td> </tr> <tr> <td>B</td> <td>1.429-2.856</td> <td></td> <td></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>	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
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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. <i>(Score ratings are 0 to 25 = poor; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.)</i>																												
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.																											

Rating regarding the sustainable development of Thai listed companies, both on the SET and MAI, are publicly available on the website of the Securities and Exchange Commission of Thailand (SEC). Currently, ratings available are 1) "CG Score"; 2) "AGM Level"; 3) "Thai CAC"; and 4) "THSI". The ratings are updated on an annual basis. FSSIA does not confirm nor certify the accuracy of such ratings.

Source: FSSIA's compilation

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Jitra Amornthum FSS International Investment Advisory Securities Co., Ltd

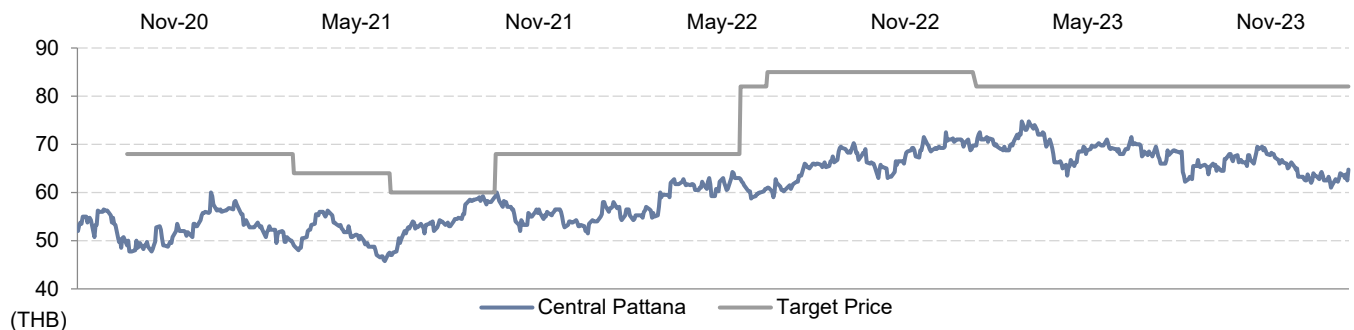
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History of change in investment rating and/or target price

Central Pattana (CPN TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
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 64.75	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 10-Nov-2023 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

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

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

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

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

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

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

Industry Recommendations

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

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

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

Country (Strategy) Recommendations

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

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

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