

CENTRAL RETAIL CORP

CRC TB

THAILAND / COMMERCE

BUY

เข้าสู่ช่วงเทศกาลเฉลิมฉลอง

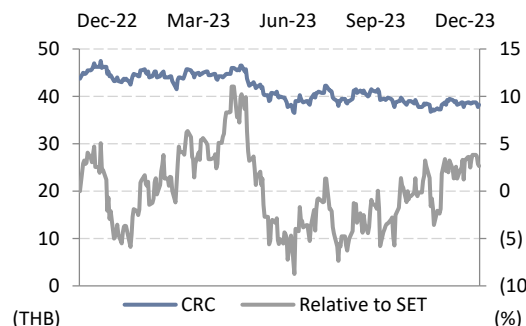
- 4Q23 เป็นจุดพีคของปี คาดกำไรปกติปี 2023 เท่ากับ 8.2พันลบ. (+14% y-y)
- ปี 2024 การเติบโตหนุนจากการฟื้นตัวของภาคบริโภคในประเทศ, จำนวนนักท่องเที่ยวฟื้นตัว, นโยบายกระตุ้นกำลังซื้อภาครัฐ, เศรษฐกิจเวียดนามฟื้นตัว
- Reinitiate ด้วยคำแนะนำซื้อ ราคาเป้าหมาย 48 บาท (DCF)

TARGET PRICE	THB48.00
CLOSE	THB38.25
UP/DOWNSIDE	+25.5%
TP vs CONSENSUS	+0.2%

KEY STOCK DATA

YE Dec (THB m)	2022	2023E	2024E	2025E
Revenue	236,031	248,115	272,189	297,576
Net profit	7,175	7,815	9,550	11,061
EPS (THB)	1.19	1.30	1.58	1.83
vs Consensus (%)	-	(3.1)	(2.8)	(2.5)
EBITDA	29,015	25,497	29,663	34,295
Recurring net profit	7,175	8,194	9,550	11,061
Core EPS (THB)	1.19	1.36	1.58	1.83
EPS growth (%)	11,985.2	14.2	16.6	15.8

Core P/E (x)	32.2	28.2	24.2	20.9
Dividend yield (%)	1.3	1.4	1.7	1.9
EV/EBITDA (x)	12.2	14.3	12.7	11.3
Price/book (x)	3.7	3.4	3.1	2.8
Net debt/Equity (%)	187.2	182.2	180.4	176.4
ROE (%)	12.1	12.6	13.4	14.1



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	0.0	(6.7)	(13.1)
Relative to country (%)	0.5	4.5	3.0
Mkt cap (USD m)	6,580		
3m avg. daily turnover (USD m)	12.6		
Free float (%)	55		
Major shareholder	Chirathivat family (67%)		
12m high/low (THB)	48.00/36.25		
Issued shares (m)	6,031.00		

Sources: Bloomberg consensus; FSSIA estimates

CRC หนึ่งในผู้นำธุรกิจค้าปลีกที่มีรูปแบบร้านค้าหลากหลาย

CRC ประกอบธุรกิจค้าปลีก แบ่งรายได้จากการขายเป็น 3 Segment 1. ธุรกิจแฟชั่น 2. กลุ่ม Hardline 3. กลุ่ม Food โดยสัดส่วนรายได้งวด 9M23 เท่ากับ 27%, 34% และ 39% ตามลำดับ โดยประกอบธุรกิจใน 3 ประเทศ ได้แก่ 1. ไทย 2. เวียดนาม 3. อิตาลี ซึ่งในงวด 9M23 มีสัดส่วนรายได้เท่ากับ 71%, 22% และ 7% ตามลำดับ

ยอดขายอยู่เหนือระดับ Pre-covid นโยบาย E-receipt หนุนการเติบโตใน 1Q24

ยอดขายในช่วง 9M23 ฟื้นตัวขึ้นจากในช่วง Pre-covid แล้วราว 15% (vs 2019) โดยกลุ่ม Hardline และ Food ฟื้นตัวเหนือระดับ Pre-covid ขณะที่กลุ่ม Fashion ยังฟื้นตัวไม่เต็มที่ สำหรับนโยบาย E-receipt ลดหย่อนภาษีสูงสุด 5 หมื่นบาท เชื่อว่าจะช่วยกระตุ้นกำลังซื้อในประเทศ และ CRC ที่มี Basket size ใหญ่และกลุ่มลูกค้าอยู่ในระบบฐานภาษีทำให้คาดว่าจะได้ประโยชน์ต่อนโยบายดังกล่าว

คาดการณ์กำไรปกติ 4Q23 เติบโตได้ทั้ง q-q และ y-y และเติบโตต่อเนื่องในปี 24-25

เราคาดการณ์กำไรปกติ 4Q23 จะเติบโตได้ทั้ง q-q และ y-y จากการเข้าสู่ช่วง High season แนวโน้ม SSSG เดือน Oct และ Nov ยังติดลบราว 1-2% โดย SSSG กลุ่ม Fashion ยังบวกได้ราว 2% ขณะที่ SSSG กลุ่ม Hardline ติดลบราว 5% และกลุ่ม Food ติดลบราว 3% จากภาพรวมเศรษฐกิจประเทศเวียดนามที่ยังชะลอตัว แต่เราเชื่อว่าจบไตรมาส SSSG ใน 4Q23 จะสามารถกลับมาทรงตัวถึงบวกได้ระดับต่ำ จากเดือน Dec ที่เป็นช่วงหน้าขายมากที่สุด

Reinitiate ด้วยคำแนะนำซื้อ ราคาเป้าหมายปี 2024 ที่ 48 บาท

Reinitiate ด้วยคำแนะนำซื้อ ราคาเป้าหมายปี 2024 ที่ 48 บาท (DCF) implied forward P/E ที่ 30 เท่า โดยเรคาดการณ์กำไรปกติของปี 2023 เติบโต 14% y-y และคาดเติบโตต่อเนื่องในปี 2024 และ 2025 ที่ 17% y-y และ 16% y-y ตามลำดับ หนุนจากการฟื้นตัวของภาคบริโภคในประเทศ จำนวนนักท่องเที่ยวกลับมาฟื้นตัว นโยบายกระตุ้นการบริโภคของภาครัฐ การฟื้นตัวของเศรษฐกิจเวียดนาม



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Investment thesis

CRC เป็นผู้นำในด้าน Multi-format (physical/online) และ Multi-category (fashion/hardline/food) นอกจากนี้ CRC ยังได้ขยายธุรกิจไปในประเทศอิตาลี และเวียดนาม CRC มีรูปแบบร้านค้าหลากหลาย โดยงวด 9M23 มีจำนวน Stores ทั้งสิ้น 1,937 stores แบ่งเป็น 84 Department stores, 94 Specialty stores, 357 Brand shops, 38 Hypermarkets, 725 Supermarkets & CVS, 77 Home DIY, 173 Electronics stores, 219 OFM & B2S, 72 Malls และ 98 Health&Wellness stores.

ทั้งนี้จากข้อมูลของ Euromonitor การเติบโตของขนาดตลาดของอุตสาหกรรมค้าปลีกและค้าส่งสินค้าอุปโภคบริโภคสมัยใหม่ในปี 2023-27 ทั้งไทยและเวียดนามมีศักยภาพในการเติบโตโดยเฉลี่ย 7.8% และ 9.4% CAGR ตามลำดับ โดยเวียดนามมีศักยภาพเติบโตสูงกว่าไทย ซึ่ง CRC มีสัดส่วนรายได้จากเวียดนามราว 20-25% ของรายได้จากการขาย

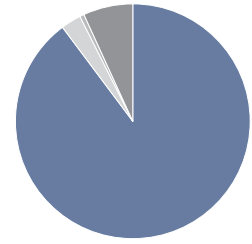
Company profile

บริษัทก่อตั้งเมื่อปี 1947 โดยครอบครัวจิราธิวัฒน์ ปัจจุบัน ดำเนินธุรกิจค้าปลีกสินค้าหลากหลายประเภทผ่านรูปแบบและช่องทางที่หลากหลายในไทย อิตาลี และเวียดนาม และเป็นผู้บุกเบิกธุรกิจค้าปลีกในรูปแบบ Omni-channel ในประเทศไทย ซึ่งช่วยเสริมสร้างเครือข่ายร้านค้าปลีกในการนำเสนอสินค้าและบริการแก่ผู้บริโภค

www.centralretail.com

Principal activities (revenue, 2022)

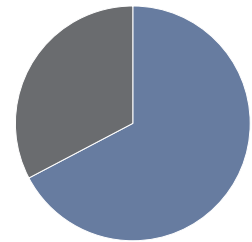
- Sales of goods - 89.8 %
- Rental services - 2.8 %
- Rendering services - 0.6 %
- Other income - 6.8 %



Source: Central Retail Corp

Major shareholders

- Chirathivat family - 67.3 %
- Others - 32.7 %



Source: Central Retail Corp

Catalysts

ปัจจัยบวกต่อราคาหุ้นได้แก่ 1) การฟื้นตัวของกำลังซื้อในประเทศ 2) จำนวนนักท่องเที่ยวฟื้นตัว 3) นโยบายการกระตุ้นการบริโภคของภาครัฐ 4) การฟื้นตัวของเศรษฐกิจเวียดนาม

Risks to our call

ความเสี่ยง 1) กำลังซื้อในประเทศลดลง 2) นักท่องเที่ยวฟื้นตัวน้อยกว่าที่คาด 3) ไม่มีนโยบายกระตุ้นเศรษฐกิจจากภาครัฐ 4) เศรษฐกิจเวียดนามฟื้นตัวช้ากว่าที่คาด

Event calendar

Date	Event
28 Feb 2024	4Q23 results announcement

Key assumptions

CRC	2023E (%)	2024E (%)	2025E (%)
SSSG Fashion	13.0	6.4	6.2
SSSG Hardline	(1.0)	4.8	4.7
SSSG Food	0.5	4.8	4.7
GPM from sales	26.6	26.8	26.9
SG&A to total revenue	28.0	27.9	27.8

Source: FSSIA estimates

Earnings sensitivity

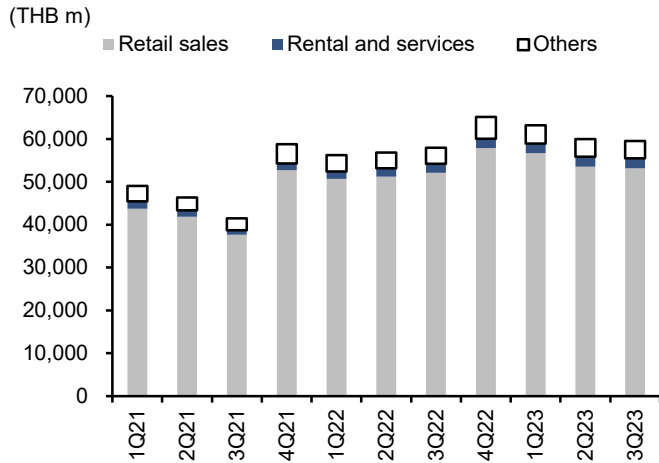
- For every 1% increase in SSSG, we estimate 2024 EPS would rise 0.7%, and vice versa, all else being equal.
- For every 0.1% increase in GPM, we estimate 2024 EPS would rise 2.0%, and vice versa, all else being equal.
- For every 0.1% increase in SG&A to sales, we estimate 2024 EPS would fall 2.3%, and vice versa, all else being equal.

Source: FSSIA estimates

CRC หนึ่งในผู้นำธุรกิจค้าปลีกที่มีรูปแบบร้านค้าหลากหลาย

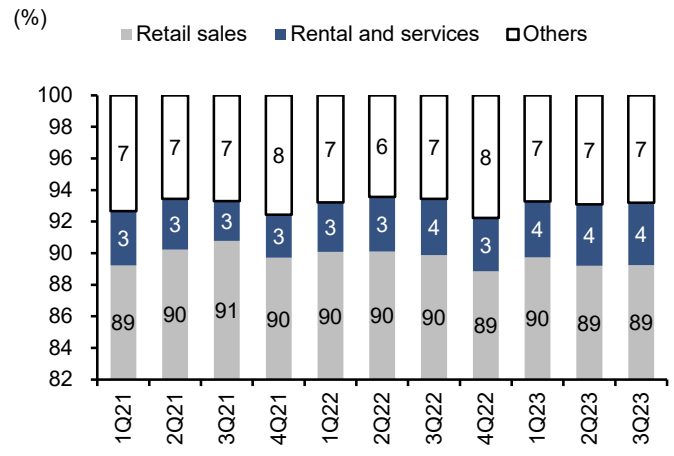
CRC ประกอบธุรกิจค้าปลีก แบ่งรายได้จากการขายเป็น 3 Segment 1. ธุรกิจแฟชั่น 2. กลุ่ม Hardline 3. กลุ่ม Food โดยสัดส่วนรายได้งวด 9M23 เท่ากับ 27%, 34% และ 39% ตามลำดับ โดยประกอบธุรกิจใน 3 ประเทศ ได้แก่ 1. ไทย 2. เวียดนาม 3. อิตาลี ซึ่งในงวด 9M23 มีสัดส่วนรายได้เท่ากับ 71%, 22% และ 7% ตามลำดับ

Exhibit 1: Revenue breakdown



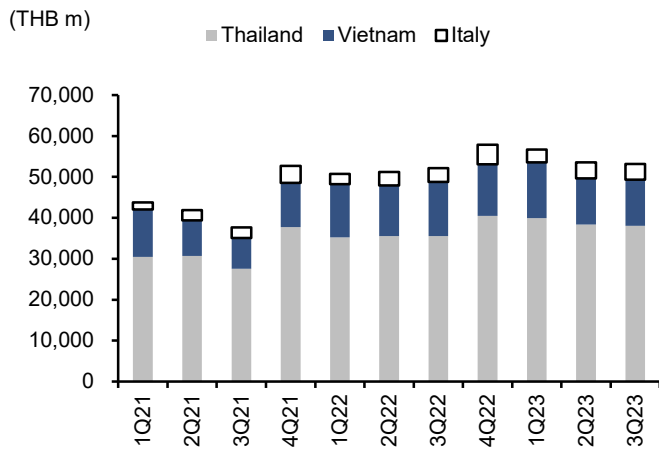
Sources: CRC; FSSIA's compilation

Exhibit 2: Revenue breakdown



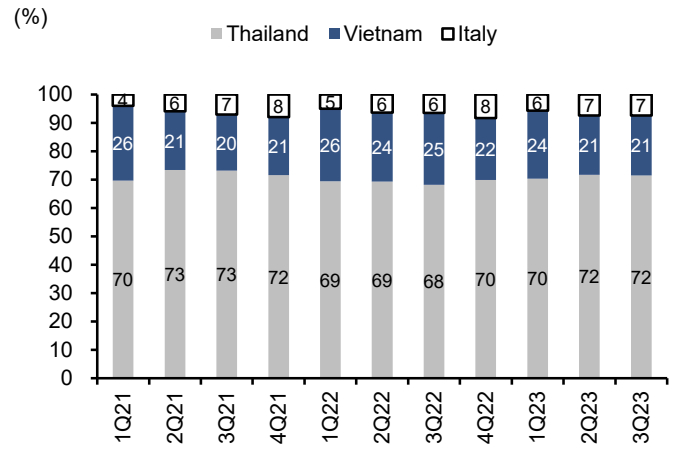
Sources: CRC; FSSIA's compilation

Exhibit 3: Retail sales breakdown by country



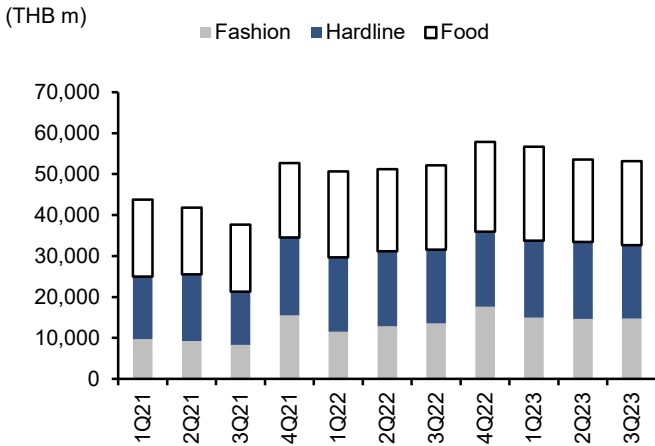
Sources: CRC; FSSIA's compilation

Exhibit 4: Retail sales breakdown by country



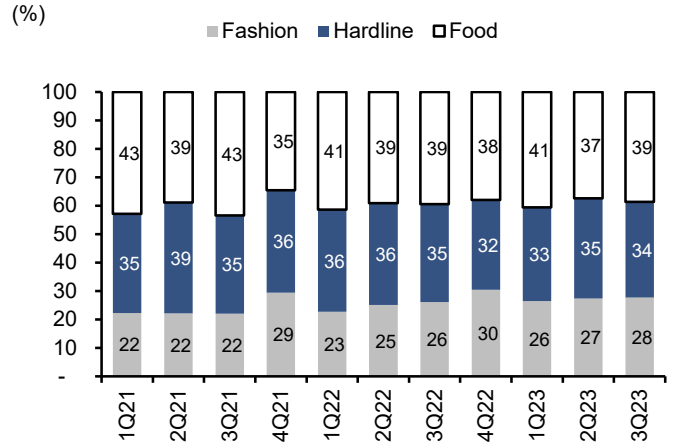
Sources: CRC; FSSIA's compilation

Exhibit 5: Retail sales breakdown by segments



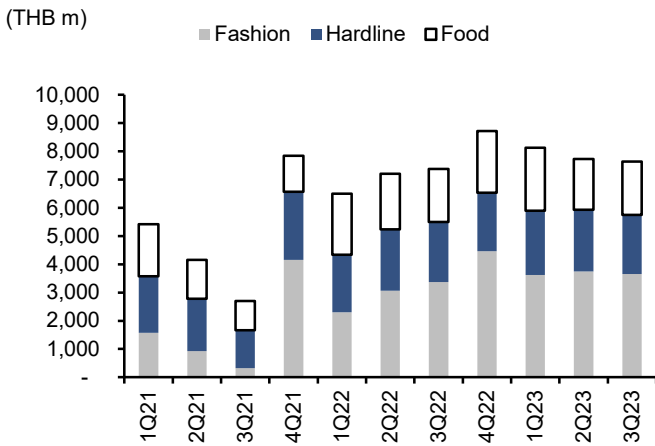
Sources: CRC; FSSIA's compilation

Exhibit 6: Retail sales breakdown by segments



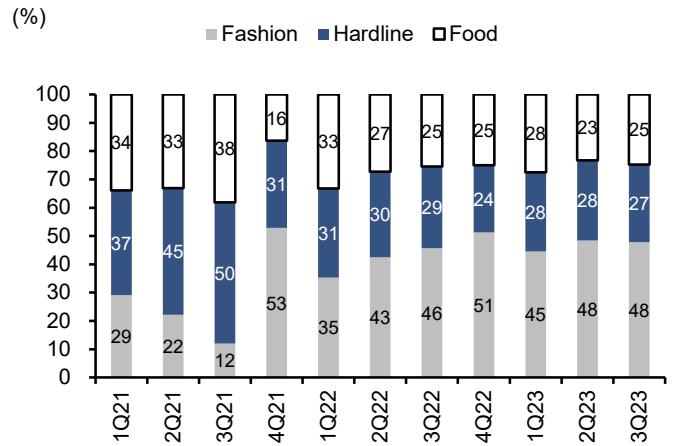
Sources: CRC; FSSIA's compilation

Exhibit 7: EBITDA breakdown by segments



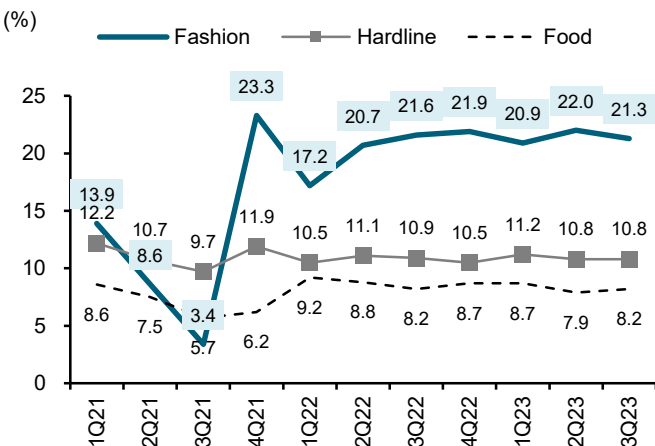
Sources: CRC; FSSIA's compilation

Exhibit 8: EBITDA breakdown by segments



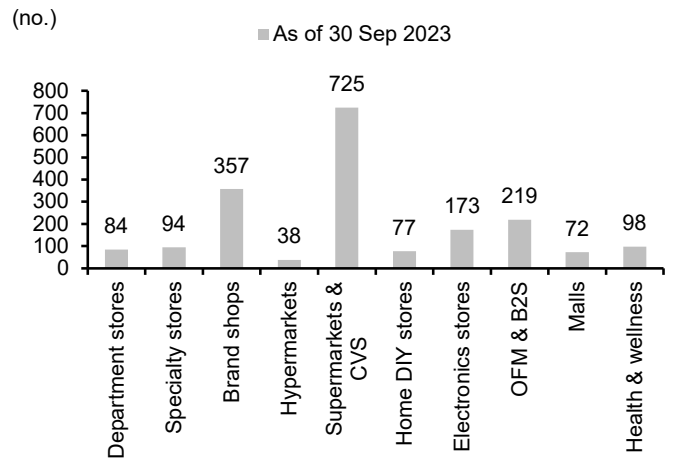
Sources: CRC; FSSIA's compilation

Exhibit 9: EBITDA margin breakdown by segments



Sources: CRC; FSSIA's compilation

Exhibit 10: Multi category format of 1,937 stores

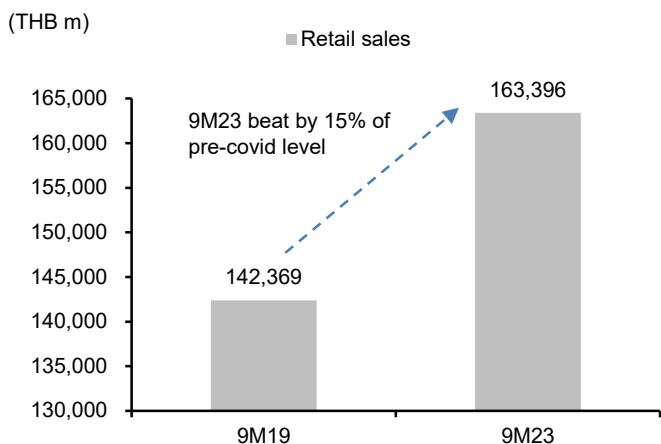


Sources: CRC; FSSIA's compilation

ยอดขายอยู่เหนือระดับ Pre-covid นโยบาย E-receipt หนุนการเติบโตใน 1Q24

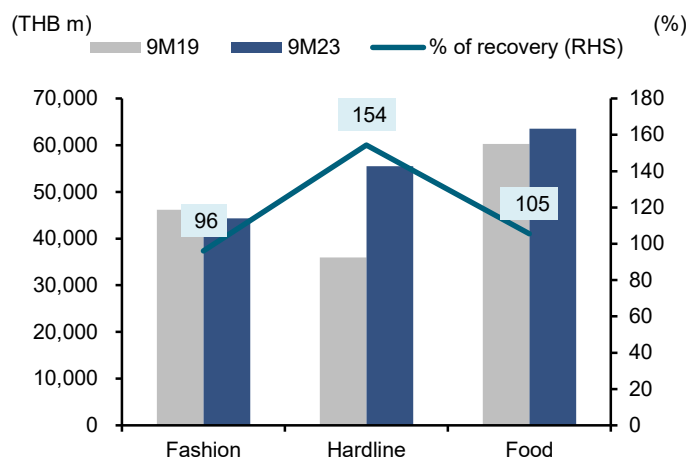
ยอดขายในช่วง 9M23 เพิ่มขึ้นจากในช่วง Pre-covid แล้วราว 15% (vs 2019) โดยกลุ่ม Hardline และ Food เพิ่มขึ้นเหนือระดับ Pre-covid ขณะที่กลุ่ม Fashion ยังฟื้นตัวไม่เต็มที่ สำหรับนโยบาย E-receipt ลดหย่อนภาษีสูงสุด 5 หมื่นบาท เชื่อว่าจะช่วยกระตุ้นกำลังซื้อในประเทศ และ CRC ที่มี Basket size ใหญ่และกลุ่มลูกค้าอยู่ในระบบฐานภาษีทำให้คาดว่าจะได้ประโยชน์ต่อนโยบายดังกล่าว

Exhibit 11: Retail sales beat pre-covid level by 15%



Sources: CRC; FSSIA's compilation

Exhibit 12: Hardline and Food segments beat pre-covid level



Sources: CRC; FSSIA's compilation

Exhibit 13: GDP would drive by private consumption

Annual percentage change	2022*	2023	2024	
			Exclude Digital Wallet	Include Digital Wallet
GDP growth	2.6	2.4	3.2	3.8
Domestic demand	4.1	3.7	2.9	3.7
Private consumption	6.3	7.1	3.2	4.5
Private investment	5.1	2.4	3.6	3.9
Government consumption	0.2	(4.0)	1.1	1.1
Public investment	(4.9)	0.5	2.7	2.7
Exports of goods and services	6.8	2.4	5.6	5.6
Imports of goods and services	4.1	(2.0)	5.9	5.2

*outturns

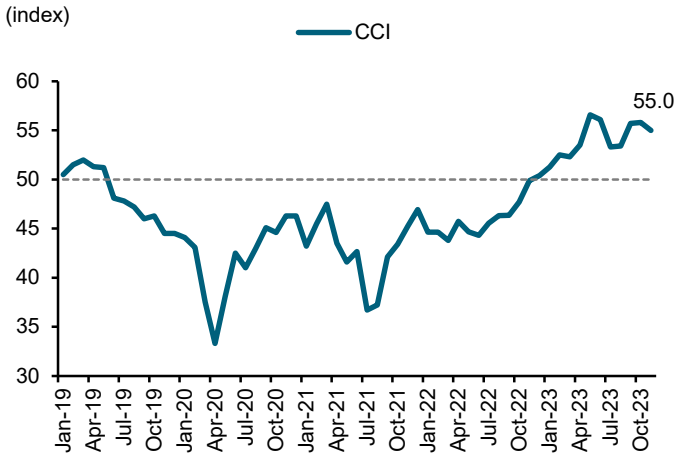
Source: Bank of Thailand (BoT)

Exhibit 14: Vietnam would gradually accelerate its recovery

GDP growth (%)	2023	2024	2025
China	5.2	4.5	4.4
Vietnam	4.7	6.0	6.6
Asia Ex. Japan	4.6	4.6	4.5
Thailand	2.5	3.5	3.4
World	2.9	2.7	3.0
US	2.4	1.2	1.7
Europe	0.6	1.0	1.7

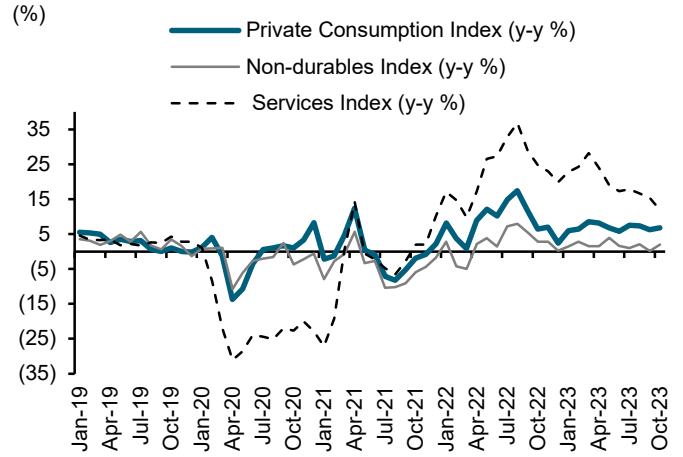
Sources: Bloomberg consensus; FSSIA's compilation (as of 13/12/2023)

Exhibit 15: Consumer confidence index continue improve



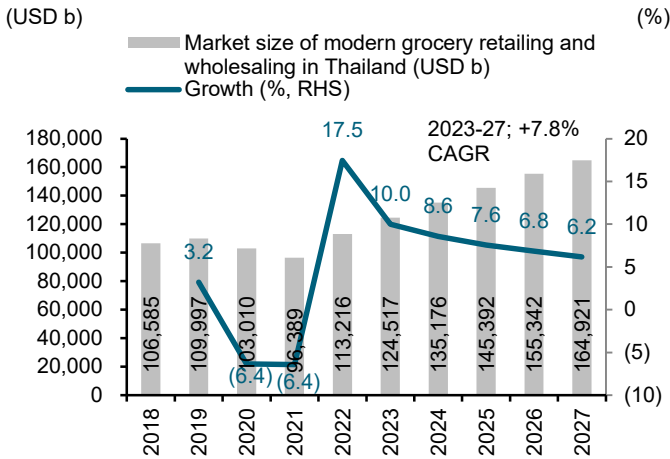
Source: Ministry of Commerce

Exhibit 16: Service sector is a key drive in PCI



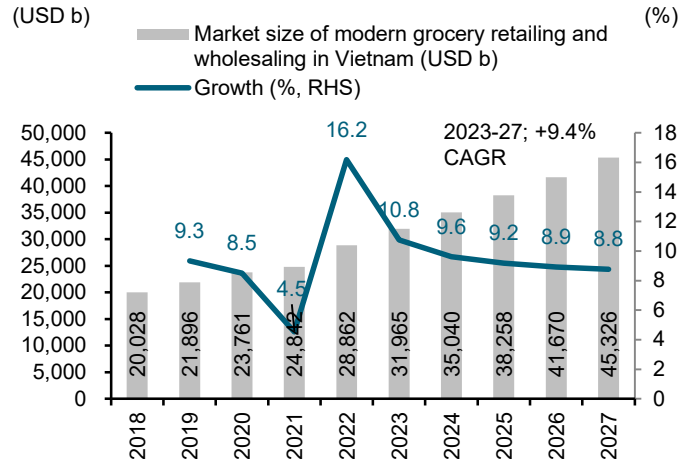
Source: BoT

Exhibit 17: Modern grocery retail & wholesaling in Thailand would grow by 7.8% CAGR in 2023-27



Source: Euromonitor

Exhibit 18: Modern grocery retail & wholesaling in Vietnam would grow by 9.4% CAGR in 2023-27

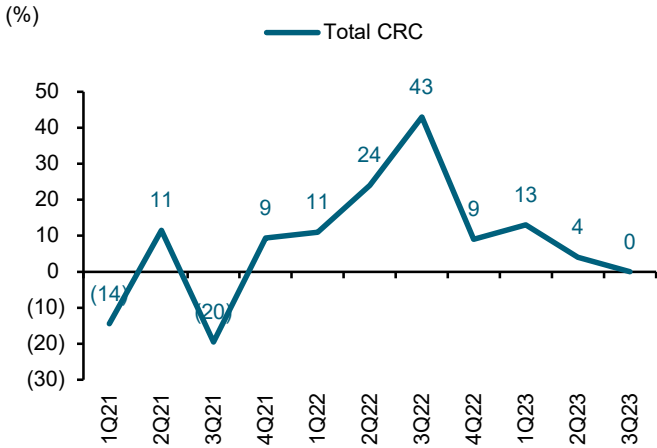


Source: Euromonitor

คาดการณ์กำไรปกติ 4Q23 เติบโตได้ทั้ง q-q และ y-y และเติบโตต่อเนื่องในปี 24-25

เราคาดการณ์กำไรปกติ 4Q23 จะเติบโตได้ทั้ง q-q และ y-y จากการเข้าสู่ช่วง High season แนวโน้ม SSSG เดือน Oct และ Nov ยังติดลบราว 1-2% โดย SSSG กลุ่ม Fashion ยังบวกได้ราว 2% ขณะที่ SSSG กลุ่ม Hardline ติดลบราว 5% และกลุ่ม Food ติดลบราว 3% จากภาพรวมเศรษฐกิจประเทศเวียดนามที่ยังชะลอตัว แต่เราเชื่อว่าจบไตรมาส SSSG ใน 4Q23 จะสามารถกลับมาทรงตัวถึงบวกได้ระดับต่ำ จากเดือน Dec ที่เป็นช่วงหน้าขายมากที่สุด

Exhibit 19: Same-store sales growth (%)



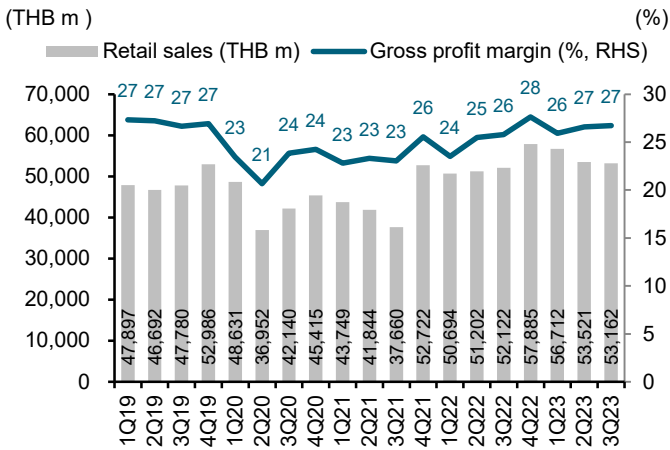
Sources: CRC; FSSIA's compilation

Exhibit 20: Same-store sales growth breakdown by segment



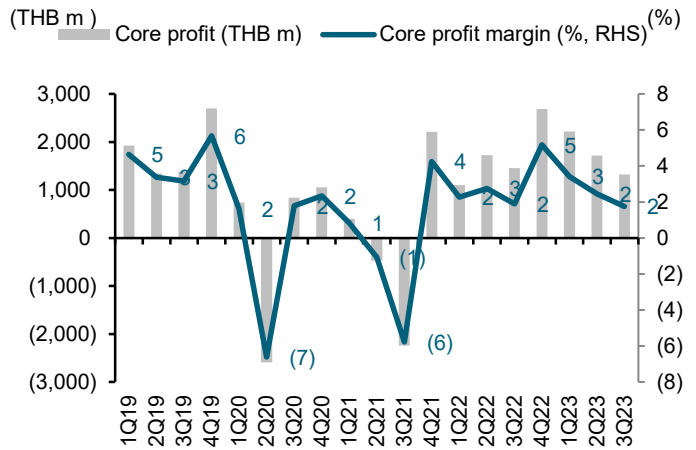
Sources: CRC; FSSIA's compilation

Exhibit 21: Quarterly revenue and GPM



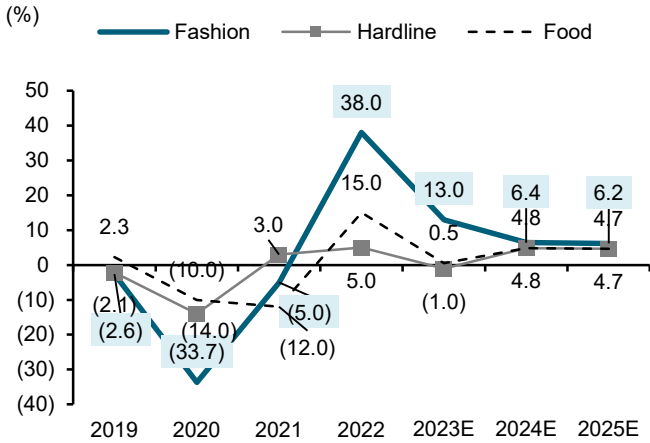
Sources: CRC; FSSIA's compilation

Exhibit 22: Quarterly core profit and core profit margin



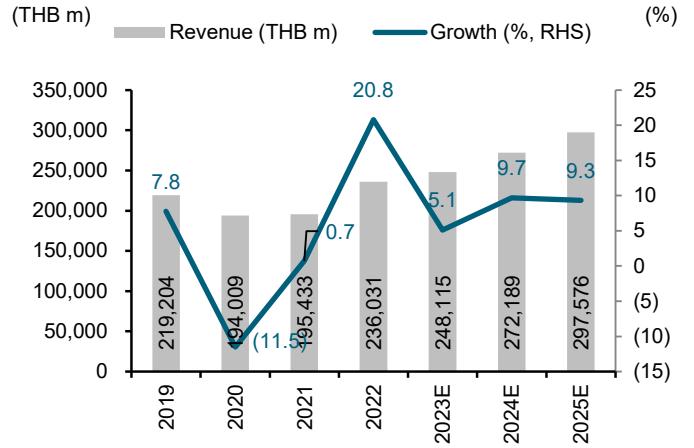
Sources: CRC; FSSIA's compilation

Exhibit 23: Expected SSSG to grow faster than GDP by 1.5-2.0% in 2024-25



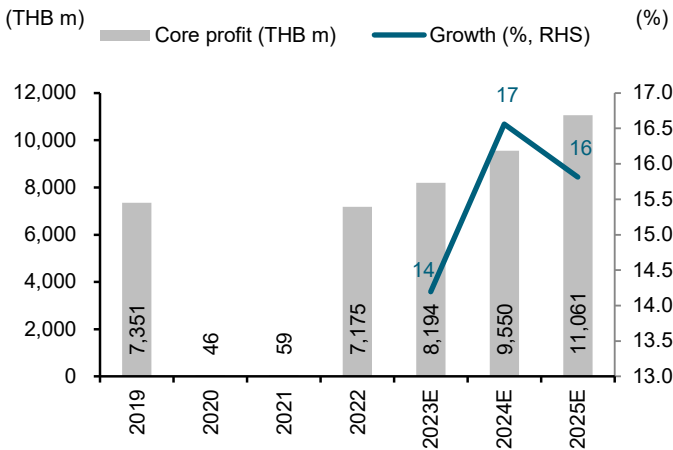
Sources: CRC; FSSIA estimates

Exhibit 24: Estimate revenue of 2023-25 grow by 8% CAGR



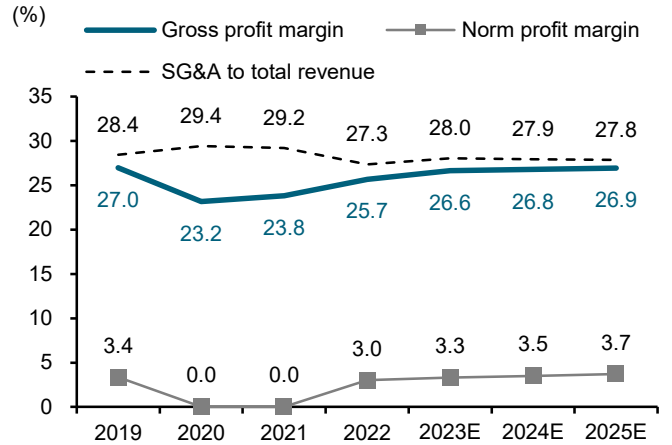
Sources: CRC; FSSIA estimates

Exhibit 25: Estimate core profit of 2023-25 grow by 15.5% CAGR



Sources: CRC; FSSIA estimates

Exhibit 26: GPM improve lead by fashion and SG&A expenses increase along with store expansion



Sources: CRC; FSSIA's compilation

Reinitiate ด้วยคำแนะนำซื้อ ราคาเป้าหมายปี 2024 ที่ 48 บาท

Reinitiate ด้วยคำแนะนำซื้อ ราคาเป้าหมายปี 2024 ที่ 48 บาท (DCF) implied forward P/E ที่ 30 เท่า โดยเรคาดกำไรปกติของปี 2023 เติบโต 14% y-y และคาดเติบโตต่อเนื่องในปี 2024 และ 2025 ที่ 17% y-y และ 16% y-y ตามลำดับ หนุนจากการฟื้นตัวของการบินในประเทศ จำนวนนักท่องเที่ยวกลับมาฟื้นตัว นโยบายกระตุ้นการบริโภคของภาครัฐ การฟื้นตัวของเศรษฐกิจเวียดนาม

Exhibit 27: 2024 DCF-based valuation

DCF-derived TP	(%)	(THB b)
Discount rate (WACC)	8.2	
Terminal growth	2.0	
NPV		128
Add: terminal value		308
Sum of PV		436
Add: investment		0
Less: debt		141
Less: minorities		4
Residual ordinary equity		291
No. of shares (m)		6,031
Residual ordinary equity (THB/share)		48.0

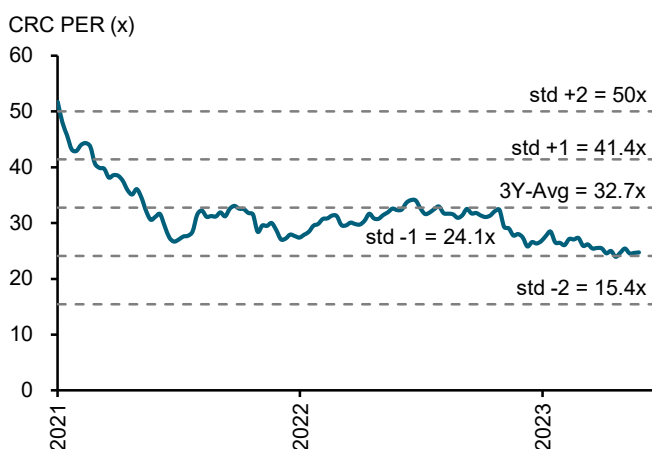
Source: FSSIA estimates

Exhibit 28: Sensitivity to 2024 target price

		Terminal Growth				
		1.0%	1.5%	2.0%	2.5%	3.0%
WACC	7.2%	54.0	59.0	65.0	73.0	82.0
	7.7%	47.0	51.0	56.0	62.0	69.0
	8.2%	41.0	44.0	48.0	53.0	59.0
	8.7%	35.0	38.0	42.0	46.0	50.0
	9.2%	31.0	33.0	36.0	39.0	43.0

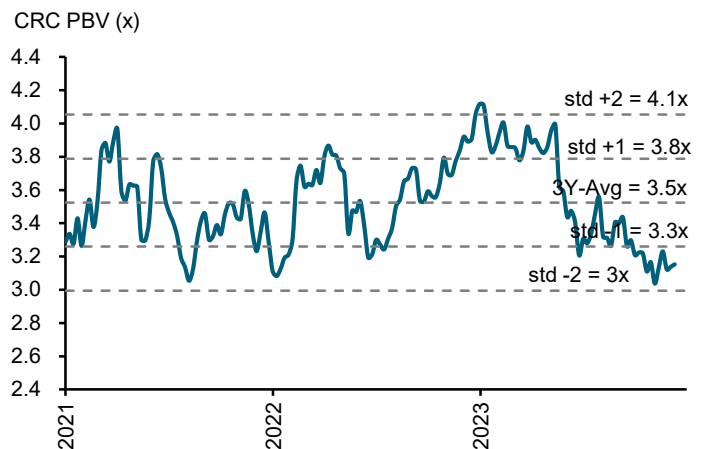
Source: FSSIA estimates

Exhibit 29: Rolling one-year forward P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 30: Rolling one-year forward P/BV band



Sources: Bloomberg; FSSIA estimates

Exhibit 31: Commerce peers as of 14 December 2023

Company	BBG	Rec	Share price			Market Cap (USD m)	PE		ROE		PBV		EV/EBITDA	
			Current (LCY)	Target (LCY)	Upside (%)		23E (x)	24E (x)	23E (%)	24E (%)	23E (x)	24E (x)	23E (x)	24E (x)
Consumer Staple														
CP All	CPALL TB	BUY	53.00	77.00	45	13,581	28.3	23.7	16.0	17.5	4.8	4.3	20.4	17.7
CP Aextra	CPAXT TB	BUY	26.25	35.00	33	7,923	34.4	27.7	2.8	3.4	0.9	0.9	10.2	9.6
Berli Jucker*	BJC TB	n/a	25.00	n/a	n/a	2,868	19.9	17.2	4.2	4.6	0.8	0.8	12.8	12.2
Consumer Staple average						24,372	27.5	22.9	7.7	8.5	2.2	2.0	14.5	13.1
Consumer Discretionary														
Com7	COM7 TB	BUY	22.10	30.00	36	1,504	16.9	15.2	41.6	41.7	6.7	6.0	12.0	10.9
Central Retail Corp	CRC TB	BUY	38.25	48.00	25	6,580	28.2	24.2	12.6	13.4	3.4	3.1	14.3	12.7
Home Improvement														
Index Living Mall	ILM TB	BUY	23.10	26.70	16	333	16.8	15.1	12.0	12.7	2.0	1.9	8.0	7.2
Home Product Center	HMPRO TB	BUY	11.90	16.00	34	4,464	23.8	21.5	26.4	27.7	6.1	5.8	14.0	12.9
Siam Global House	GLOBAL TB	BUY	16.20	18.00	11	2,311	29.4	26.8	12.1	12.2	3.4	3.2	22.0	20.2
Dohome	DOHOME TB	BUY	11.70	13.00	11	1,031	60.8	32.5	4.9	8.5	2.9	2.7	26.1	19.2
Home Improvement avg.						8,139	32.7	24.0	13.8	15.3	3.6	3.4	17.5	14.9
Consumer Discretionary avg.						16,223	29.3	22.6	18.3	19.4	4.1	3.8	16.1	13.8
Total average						40,595	28.7	22.7	14.7	15.8	3.5	3.2	15.5	13.6

Sources: Bloomberg; FSSIA estimates

Financial Statements

Central Retail Corp

Profit and Loss (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Revenue	195,433	236,031	248,115	272,189	297,576
Cost of goods sold	(135,847)	(159,647)	(164,838)	(180,450)	(196,804)
Gross profit	59,586	76,384	83,277	91,738	100,772
Other operating income	0	0	0	0	0
Operating costs	(57,068)	(64,540)	(69,543)	(76,042)	(82,864)
Operating EBITDA	19,559	29,015	25,497	29,663	34,295
Depreciation	(17,041)	(17,171)	(11,762)	(13,967)	(16,387)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	2,518	11,845	13,735	15,696	17,908
Net financing costs	(2,892)	(3,269)	(4,310)	(4,616)	(4,983)
Associates	279	820	1,148	1,205	1,266
Recurring non-operating income	279	824	1,148	1,205	1,266
Non-recurring items	0	0	(379)	0	0
Profit before tax	(95)	9,399	10,194	12,286	14,191
Tax	372	(1,794)	(1,885)	(2,216)	(2,585)
Profit after tax	277	7,605	8,309	10,070	11,606
Minority interests	(217)	(430)	(495)	(519)	(545)
Preferred dividends	0	0	0	0	0
Other items	0	0	0	0	0
Reported net profit	59	7,175	7,815	9,550	11,061
Non-recurring items & goodwill (net)	0	0	379	0	0
Recurring net profit	59	7,175	8,194	9,550	11,061
Per share (THB)					
Recurring EPS *	0.01	1.19	1.36	1.58	1.83
Reported EPS	0.01	1.19	1.30	1.58	1.83
DPS	0.30	0.48	0.52	0.64	0.74
Diluted shares (used to calculate per share data)	6,031	6,031	6,031	6,031	6,031
Growth					
Revenue (%)	0.7	20.8	5.1	9.7	9.3
Operating EBITDA (%)	5.5	48.3	(12.1)	16.3	15.6
Operating EBIT (%)	27.6	370.4	16.0	14.3	14.1
Recurring EPS (%)	28.3	11,985.2	14.2	16.6	15.8
Reported EPS (%)	28.3	11,985.2	8.9	22.2	15.8
Operating performance					
Gross margin inc. depreciation (%)	30.5	32.4	33.6	33.7	33.9
Gross margin exc. depreciation (%)	39.2	39.6	38.3	38.8	39.4
Operating EBITDA margin (%)	10.0	12.3	10.3	10.9	11.5
Operating EBIT margin (%)	1.3	5.0	5.5	5.8	6.0
Net margin (%)	0.0	3.0	3.3	3.5	3.7
Effective tax rate (%)	0.0	20.9	20.0	20.0	20.0
Dividend payout on recurring profit (%)	3,047.5	40.3	38.5	40.3	40.3
Interest cover (X)	1.0	3.9	3.5	3.7	3.8
Inventory days	108.8	102.7	105.4	102.3	102.2
Debtor days	8.8	7.9	8.2	8.1	8.1
Creditor days	105.2	98.3	96.0	93.0	92.8
Operating ROIC (%)	6.1	20.9	20.6	20.7	21.2
ROIC (%)	1.5	5.1	5.7	6.0	6.2
ROE (%)	0.1	12.1	12.6	13.4	14.1
ROA (%)	1.3	3.8	4.3	4.5	4.7
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
	2021	2022	2023E	2024E	2025E
Sales of goods	175,975	211,903	221,507	242,994	265,623
Rental services	4,990	6,583	7,855	8,557	9,321
Rendering services	826	1,411	1,475	1,618	1,769
Other income	13,641	16,133	17,278	19,020	20,863

Sources: Central Retail Corp; FSSIA estimates

Financial Statements

Central Retail Corp

Cash Flow (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Recurring net profit	59	7,175	8,194	9,550	11,061
Depreciation	17,041	17,171	11,762	13,967	16,387
Associates & minorities	154	(361)	0	0	0
Other non-cash items	531	762	410	656	586
Change in working capital	4,025	(2,748)	505	943	986
Cash flow from operations	21,810	21,998	20,870	25,116	29,019
Capex - maintenance	(18,745)	(22,856)	(20,000)	(22,000)	(24,090)
Capex - new investment	0	0	0	0	0
Net acquisitions & disposals	(19,032)	(1,949)	(6,560)	(12,254)	(12,918)
Other investments (net)	0	0	0	0	0
Cash flow from investing	(37,777)	(24,805)	(26,560)	(34,254)	(37,008)
Dividends paid	(1,809)	(2,895)	(3,153)	(3,853)	(4,463)
Equity finance	4,745	1,454	1,086	1,086	1,086
Debt finance	13,378	1,776	8,577	12,360	11,835
Other financing cash flows	0	0	0	0	0
Cash flow from financing	16,313	336	6,510	9,592	8,458
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	(379)	0	0
Movement in cash	346	(2,471)	441	455	468
Free cash flow to firm (FCFF)	(12,853.60)	672.19	(1,128.97)	(4,246.52)	(2,705.84)
Free cash flow to equity (FCFE)	(2,589.13)	(1,030.54)	2,508.75	3,222.37	3,845.43

Per share (THB)

FCFF per share	(2.13)	0.11	(0.19)	(0.70)	(0.45)
FCFE per share	(0.43)	(0.17)	0.42	0.53	0.64
Recurring cash flow per share	2.95	4.10	3.38	4.01	4.65

Balance Sheet (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Tangible fixed assets (gross)	102,023	102,023	122,023	144,023	168,113
Less: Accumulated depreciation	(58,664)	(52,978)	(64,741)	(78,708)	(95,095)
Tangible fixed assets (net)	43,359	49,045	57,282	65,315	73,018
Intangible fixed assets (net)	0	0	0	0	0
Long-term financial assets	0	0	0	0	0
Invest. in associates & subsidiaries	23,461	25,588	26,453	27,361	28,314
Cash & equivalents	18,088	15,617	16,058	16,513	16,981
A/C receivable	14,727	16,691	17,004	17,598	18,231
Inventories	36,516	43,675	44,724	48,554	52,512
Other current assets	587	548	576	632	691
Current assets	69,918	76,532	78,363	83,298	88,415
Other assets	126,491	124,820	131,210	143,941	157,367
Total assets	263,228	275,984	293,308	319,915	347,114
Common equity	56,388	62,123	67,870	74,653	82,337
Minorities etc.	2,693	2,762	3,257	3,776	4,322
Total shareholders' equity	59,081	64,885	71,127	78,429	86,658
Long term debt	78,817	89,032	92,881	101,301	103,606
Other long-term liabilities	13,668	13,579	14,274	15,659	17,120
Long-term liabilities	92,485	102,611	107,155	116,960	120,726
A/C payable	36,905	39,828	40,707	44,107	47,607
Short term debt	56,478	48,039	52,768	56,707	66,237
Other current liabilities	18,279	20,621	21,552	23,711	25,885
Current liabilities	111,662	108,488	115,026	124,525	139,729
Total liabilities and shareholders' equity	263,228	275,984	293,308	319,915	347,114
Net working capital	(3,354)	466	46	(1,033)	(2,059)
Invested capital	189,956	199,919	214,992	235,584	256,640

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

Per share (THB)

Book value per share	9.35	10.30	11.25	12.38	13.65
Tangible book value per share	9.35	10.30	11.25	12.38	13.65

Financial strength

Net debt/equity (%)	198.4	187.2	182.2	180.4	176.4
Net debt/total assets (%)	44.5	44.0	44.2	44.2	44.0
Current ratio (x)	0.6	0.7	0.7	0.7	0.6
CF interest cover (x)	0.1	0.7	1.6	1.7	1.8

Valuation	2021	2022	2023E	2024E	2025E
Recurring P/E (x) *	3,885.6	32.2	28.2	24.2	20.9
Recurring P/E @ target price (x) *	4,876.0	40.3	35.3	30.3	26.2
Reported P/E (x)	3,885.6	32.2	29.5	24.2	20.9
Dividend yield (%)	0.8	1.3	1.4	1.7	1.9
Price/book (x)	4.1	3.7	3.4	3.1	2.8
Price/tangible book (x)	4.1	3.7	3.4	3.1	2.8
EV/EBITDA (x) **	17.9	12.2	14.3	12.7	11.3
EV/EBITDA @ target price (x) **	20.9	14.3	16.6	14.7	13.0
EV/invested capital (x)	1.8	1.8	1.7	1.6	1.5

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

Sources: Central Retail Corp; FSSIA estimates

Central Retail Corporation PCL (CRC TB)

FSSIA ESG rating

64.49 /100
Exhibit 32: 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 33: 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
COM7	61.78	--	Y	Y	5.00	5.00	Certified	Low	47.75	--	--	52.68	21.00	4.40	43.59
CPALL	78.53	Y	Y	Y	5.00	5.00	Certified	Medium	47.38	A	34.00	59.95	82.00	3.74	--
CPAXT	59.46	--	--	--	5.00	5.00	Certified	Low	52.81	--	--	74.64	63.00	3.77	--
BJC	71.33	Y	Y	Y	4.00	4.00	--	Medium	55.09	A	--	65.19	89.00	2.16	--
CRC	64.49	--	Y	Y	5.00	5.00	Certified	Medium	--	BBB	--	60.98	73.00	2.90	47.27

Sources: [SETTRADE.com](https://www.settrade.com); FSSIA's compilation
Exhibit 34: ESG score by Bloomberg

FY ending Dec 31	FY 2019	FY 2020	FY 2021	FY 2022
ESG financial materiality scores - ESG score	1.77	2.38	2.17	2.90
BESG environmental pillar score	1.58	1.37	1.29	1.76
BESG social pillar score	0.78	2.04	2.18	3.41
BESG governance pillar score	3.20	3.99	3.16	3.68
ESG disclosure score	37.16	43.07	43.18	49.23
Environmental disclosure score	16.25	15.37	15.71	35.25
Social disclosure score	25.82	32.62	32.62	31.23
Governance disclosure score	69.30	81.10	81.10	81.10
Environmental				
Emissions reduction initiatives	Yes	Yes	Yes	Yes
Climate change policy	No	No	Yes	Yes
Climate change opportunities discussed	No	No	No	No
Risks of climate change discussed	No	No	No	No
GHG scope 1	47	7	40	34
GHG scope 2 location-based	469	518	385	472
GHG Scope 3	71	112	37	82
Carbon per unit of production	—	—	—	—
Biodiversity policy	No	Yes	Yes	Yes
Energy efficiency policy	Yes	Yes	Yes	Yes
Total energy consumption	1,046	—	—	1,122
Renewable energy use	—	—	—	79
Electricity used	946	1,081	1,250	1,033
Fuel used - natural gas	—	—	—	—

Sources: Bloomberg; FSSIA's compilation

Exhibit 35: ESG score by Bloomberg (cont.)

FY ending Dec 31	FY 2019	FY 2020	FY 2021	FY 2022
Fuel used - crude oil/diesel	No	No	No	No
Waste reduction policy	Yes	Yes	Yes	Yes
Hazardous waste	0	0	0	0
Total waste	6	72	68	49,573
Waste recycled	—	—	—	—
Waste sent to landfills	—	—	—	—
Environmental supply chain management	No	No	No	Yes
Water policy	No	No	No	No
Water consumption	6,869	6,731	6,623	12,501
Social				
Human rights policy	No	Yes	Yes	Yes
Policy against child labor	No	Yes	Yes	Yes
Quality assurance and recall policy	No	No	No	No
Consumer data protection policy	Yes	Yes	Yes	Yes
Equal opportunity policy	No	Yes	Yes	Yes
Gender pay gap breakout	No	No	No	No
Pct women in workforce	—	63	62	62
Pct disabled in workforce	1	1	1	0
Business ethics policy	No	Yes	Yes	Yes
Anti-bribery ethics policy	Yes	Yes	Yes	Yes
Health and safety policy	Yes	Yes	Yes	Yes
Lost time incident rate - employees	0	0	0	—
Total recordable incident rate - employees	—	—	—	—
Training policy	Yes	Yes	Yes	Yes
Fair remuneration policy	No	No	No	Yes
Number of employees – CSR	58,425	58,610	53,143	61,334
Employee turnover pct	50	48	31	—
Total hours spent by firm - employee training	391,448	527,020	739,473	920,010
Social supply chain management	No	No	No	No
Governance				
Board size	15	15	14	15
No. of independent directors (ID)	5	5	4	5
No. of women on board	4	4	3	3
No. of non-executive directors on board	14	13	12	14
Company conducts board evaluations	Yes	Yes	Yes	Yes
No. of board meetings for the year	13	11	10	9
Board meeting attendance pct	89	96	100	99
Board duration (years)	3	3	3	3
Director share ownership guidelines	No	No	No	No
Age of the youngest director	52	53	54	55
Age of the oldest director	79	80	79	80
No. of executives / company managers	6	7	7	5
No. of female executives	0	1	1	0
Executive share ownership guidelines	No	No	No	No
Size of audit committee	3	3	3	3
No. of ID on audit committee	3	3	3	3
Audit committee meetings	10	13	13	12
Audit meeting attendance %	97	100	100	100
Size of compensation committee	4	3	3	4
No. of ID on compensation committee	2	2	1	2
No. of compensation committee meetings	—	5	4	4
Compensation meeting attendance %	—	100	100	100
Size of nomination committee	4	3	3	4
No. of nomination committee meetings	—	5	4	4
Nomination meeting attendance %	—	100	100	100
Sustainability governance				
Verification type	No	No	No	No

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. 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. <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="0" style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: right;">AAA</td> <td>8.571-10.000</td> <td style="text-align: right;">Leader:</td> <td>leading its industry in managing the most significant ESG risks and opportunities</td> </tr> <tr> <td style="text-align: right;">AA</td> <td>7.143-8.570</td> <td></td> <td></td> </tr> <tr> <td style="text-align: right;">A</td> <td>5.714-7.142</td> <td></td> <td></td> </tr> <tr> <td style="text-align: right;">BBB</td> <td>4.286-5.713</td> <td style="text-align: right;">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 style="text-align: right;">BB</td> <td>2.857-4.285</td> <td></td> <td></td> </tr> <tr> <td style="text-align: right;">B</td> <td>1.429-2.856</td> <td></td> <td></td> </tr> <tr> <td style="text-align: right;">CCC</td> <td>0.000-1.428</td> <td style="text-align: right;">Laggard:</td> <td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td> </tr> </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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Company	Ticker	Price	Rating	Valuation & Risks
Central Retail Corp	CRC TB	THB 38.25	BUY	Downside risks to our DCF-based TP include 1) a decline in domestic purchasing power, 2) lower-than-expected tourist arrivals, 3) an absence of the government's stimulus, and 4) a slower-than-expected economic recovery in Vietnam.
CP All	CPALL TB	THB 53.00	BUY	The key downside risks to our DCF-derived TP include 1) lower-than-expected SSSG, 2) lower-than-expected gross margin, and 3) higher-than-expected SG&A to sales ratio.
CP Axtra	CPAXT TB	THB 26.25	BUY	The key downside risks to our DCF-based TP include: 1) lower-than-expected SSSG; 2) a lower-than-expected GPM improvement; and 3) operational losses from its overseas business.
Com7	COM7 TB	THB 22.10	BUY	Downside risks to our P/E-based TP include 1) lower consumption and domestic purchasing power, 2) store cannibalization, and 3) product shortages.
Index Living Mall	ILM TB	THB 23.10	BUY	Downside risks to our DCF-based TP include 1) lower-than-expected SSSG; 2) a lower-than-expected GPM; and 3) higher-than-expected SG&A.
Home Product Center	HMPRO TB	THB 11.90	BUY	The key downside risks to our DCF-based TP include: 1) lower-than-expected SSSG; 2) the slow recovery of tourist numbers; and 3) operating losses from its overseas business.
Siam Global House	GLOBAL TB	THB 16.20	BUY	The key downside risks to our DCF-based TP are volatile farm incomes and farm prices which could negatively impact purchasing power, especially in the provinces and a larger-than-expected impact on farm income from the El Nino effect.
Dohome PCL	DOHOME TB	THB 11.70	BUY	Downside risks to our DCF-based TP include 1) lower-than-expected SSSG; 2) a lower-than-expected GPM; 3) higher-than-expected SG&A; and 4) a worse-than-expected effect from El Nino.

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 14-Dec-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.