

Thailand Commerce

แนวโน้ม SSSG ใน 2QTD พลิกเป็นลบเล็กน้อยตามสภาพอากาศเข้าสู่หน้าฝน

- แนวโน้ม SSSG ใน 2QTD เริ่มแผ่วจาก 1Q24 ตามการเข้าสู่ช่วงฤดูฝนในช่วงเดือน พ.ค.
- แนวโน้มกำไร 2Q24 ของกลุ่มค้าปลีกคาดว่าจะเติบโตได้ y-y แต่จะยังชะลอตัว q-q ตาม seasonal
- เลือก CPALL เป็น Top pick แนวโน้ม SSSG และกำไรปกติยังเติบโตต่อเนื่อง

แนวโน้ม SSSG 2QTD โดยรวมชะลอตัวลงจาก 1Q24 โดยกลุ่ม Staple ยังเป็นบวกได้แข็งแกร่ง

แนวโน้ม SSSG ในช่วง 2QTD กลุ่ม Consumer staple ยังเป็นกลุ่มที่เติบโต (ยกเว้น BJC) สอดคล้องกับการฟื้นตัวของภาคท่องเที่ยว ประกอบกับมีวันหยุดยาวมากกว่าปกติ ทำให้ SSSG ของกลุ่ม Staple ยังเติบโตได้ราว 2-3% ขณะที่กลุ่ม Consumer discretionary ยังเป็นลบอยู่ราว -3-4% จากการเบิกจ่ายงบประมาณที่ล่าช้าในช่วงเดือนเม.ย. อย่างไรก็ตามในเดือนพ.ค. กลับมาติดลบน้อยลงจากการเริ่มเบิกจ่ายงบประมาณที่อนุมัติในช่วงปลายเดือนเม.ย. ทำให้งบรายลงทุนภาครัฐขยับขึ้นเป็น 26% ของงบประมาณประจำปี อย่างไรก็ตามแนวโน้ม SSSG ช่วงปลายเดือนพ.ค. เริ่มแผ่วลงตามสภาพอากาศที่เข้าสู่ช่วงฤดูฝน ซึ่งเป็นปัจจัยที่ส่งผลกระทบต่อกลุ่มค้าปลีก รวมถึงภาพกำลังซื้อที่ยังฟื้นตัวช้า ทำให้ SSSG ในบางกลุ่มยังดูอ่อนแอ อย่าง BJC, HMPRO และ CRC

กำไรปกติ 1Q24 คิดเป็น 25% ของประมาณการทั้งปี โดยการเติบโตยังใกล้เคียงคาด

กำไรปกติ 1Q24 ของกลุ่มค้าปลีกลดลง 4% q-q เป็นผลจาก seasonality ที่เป็นช่วง High season ในช่วง 4Q ขณะที่เพิ่มขึ้น 20% y-y ตามภาพการฟื้นตัวของภาคท่องเที่ยว โดยเฉพาะสาขาในจังหวัดท่องเที่ยวเติบโตเด่น ประกอบกับนโยบายกระตุ้นการบริโภคอย่าง Easy E-receipt ที่เข้ามาในช่วงต้นปี รวมถึงยอดขายสาขาใหม่เข้ามาช่วยหนุนการเติบโต ขณะที่กลุ่มที่เน้นขายวัสดุก่อสร้างยังลดลง y-y จากการเบิกจ่ายงบประมาณล่าช้า แต่เพิ่มขึ้น q-q จากการเข้าสู่ช่วง High season ในครึ่งแรกของปี

แนวโน้ม 2H24 คาดว่ากำไรจะยังเติบโตได้ y-y ในทุกไตรมาส

แนวโน้มกำไรปกติครึ่งปีหลังของกลุ่มค้าปลีกคาดว่าจะเพิ่มขึ้น y-y ตามการฟื้นตัวของภาคท่องเที่ยว การเบิกจ่ายงบลงทุนภาครัฐ โดยคาด SSSG ของกลุ่ม Staple จะยังเป็นบวกได้ต่อเนื่อง และกลุ่ม Discretionary จะกลับมาเป็นบวกได้ โดยเฉพาะในกลุ่ม Home improvement ที่ได้รับอนิสต์จากการงบประมาณภาครัฐ

เลือก CPALL เป็น Top pick จากแนวโน้ม SSSG และกำไรปกติที่เติบโตต่อเนื่อง

เรายังเลือก CPALL เป็น Top pick ของกลุ่มจากแนวโน้มกำไรที่ยังเติบโตต่อเนื่อง และ SSSG ที่ยังเป็นบวกได้ทั้ง 3 ธุรกิจ รวมถึง Gross margin ที่ยังทรงตัวได้ในระดับสูงจาก Product mix ของกลุ่มสินค้า Margin สูงขายได้ดี และกลุ่ม Margin ต่ำยอดขายลดลง (บุหรี) ในแง่ Valuation เทรดบน 2024E P/E ที่ 22 (Average 5Y - 2SD) นอกจากนี้ยังแนะนำชื่อ CPAXT (TP THB36) จากการฟื้นตัวของ Lotus's, ดอกเบี้ยจ่ายลดจากการ Refinance เงินกู้ก้อนสุดท้ายในช่วง เม.ย. 2023, การรวมกิจการระหว่าง 2 ธุรกิจ และ Digital wallet



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Exhibit 1: SSSG trend for 2QTD returned to negative due to the rainy season

| SSSG (%) | 1Q23 | 2Q23 | 3Q23 | 4Q23 | 1Q24 | Apr-24 | May-24 | 2QTD |
|---------------------------------------|------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| CPALL | 8.0 | 7.9 | 3.5 | 3.6 | 4.9 | 4-5 | 3-4 | 3-4 |
| MAKRO | 10.9 | 6.0 | 3.2 | 1.7 | 3.4 | 2-3 | 2-3 | 2-3 |
| Lotus's | 0.8 | (0.9) | 2.5 | 5.5 | 7.1 | 4-5 | 4-5 | 4-5 |
| BJC | 5.8 | 4.8 | 2.1 | (0.5) | 0.1 | -1-2 | -1-2 | -1-2 |
| Consumer stable average | 6.4 | 4.5 | 2.8 | 2.6 | 3.9 | 2.5 | 2.3 | 2.4 |
| CRC | 13.0 | 4.0 | 0.0 | (2.4) | 1.0 | -1-2 | -1-2 | -1-2 |
| HMPRO | 5.8 | 4.9 | (3.6) | (8.5) | (2.0) | -4-5 | -4-5 | -4-5 |
| GLOBAL | (8.7) | (9.5) | (12.3) | (12.3) | (5.4) | -1-2 | -1-2 | -1-2 |
| DOHOME | (9.0) | (9.9) | (7.1) | (9.1) | (9.8) | -8-9 | -5-6 | -5-6 |
| ILM | 8.5 | 9.0 | 12.0 | 8.9 | 8.4 | -3-4 | 4-5 | 1-2 |
| Consumer discretionary average | 1.9 | (0.3) | (2.2) | (4.7) | (1.6) | (3.8) | (2.3) | (3.1) |
| Total average | 3.9 | 1.8 | 0.0 | (1.5) | 0.9 | (1.0) | (0.3) | (0.6) |

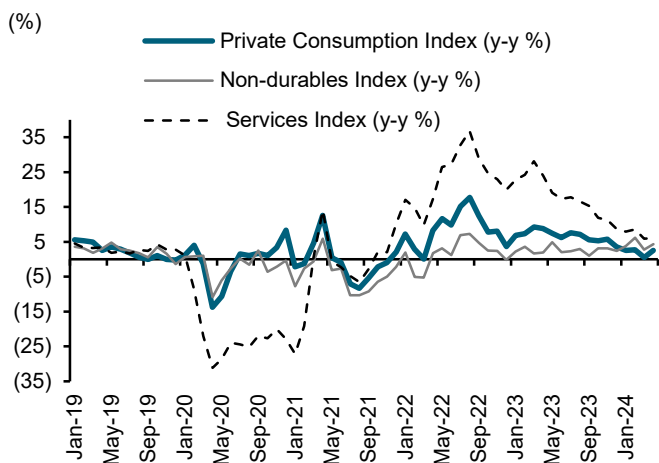
Sources: Company data; FSSIA compilation

Exhibit 2: 1Q24 results summary

| Core profit | 1Q23 | 2Q23 | 3Q23 | 4Q23 | 1Q24 | Change | | 2023 | 2024E | Change |
|--------------|---------------|---------------|---------------|---------------|---------------|-------------|-------------|---------------|---------------|-------------|
| | (THB m) | (THB m) | (THB m) | (THB m) | (THB m) | (q-q%) | (y-y%) | (THB m) | (THB m) | (%) |
| CPALL | 3,771 | 4,490 | 4,264 | 5,612 | 6,022 | 7.3 | 59.7 | 18,136 | 23,640 | 30.3 |
| CPAXT | 2,079 | 1,701 | 1,716 | 3,282 | 2,481 | -24.4 | 19.4 | 8,777 | 10,653 | 21.4 |
| BJC* | 1,209 | 1,159 | 669 | 1,673 | 989 | -40.8 | -18.1 | 4,710 | 4,764 | 1.1 |
| CRC | 2,219 | 1,717 | 1,321 | 2,611 | 2,524 | -3.3 | 13.7 | 7,868 | 9,021 | 14.7 |
| HMPRO | 1,611 | 1,620 | 1,533 | 1,677 | 1,713 | 2.1 | 6.3 | 6,442 | 6,839 | 6.2 |
| GLOBAL | 883 | 703 | 525 | 560 | 725 | 29.4 | -17.8 | 2,671 | 2,956 | 10.7 |
| DOHOME | 258 | 39 | 91 | 144 | 244 | 69.5 | -5.4 | 532 | 975 | 83.3 |
| ILM | 174 | 164 | 191 | 197 | 209 | 6.1 | 19.7 | 726 | 786 | 8.3 |
| COM7 | 874 | 704 | 611 | 668 | 822 | 23.0 | -5.9 | 2,857 | 2,903 | 1.6 |
| Total | 13,077 | 12,297 | 10,921 | 16,424 | 15,729 | -4.2 | 20.3 | 52,719 | 62,537 | 18.6 |

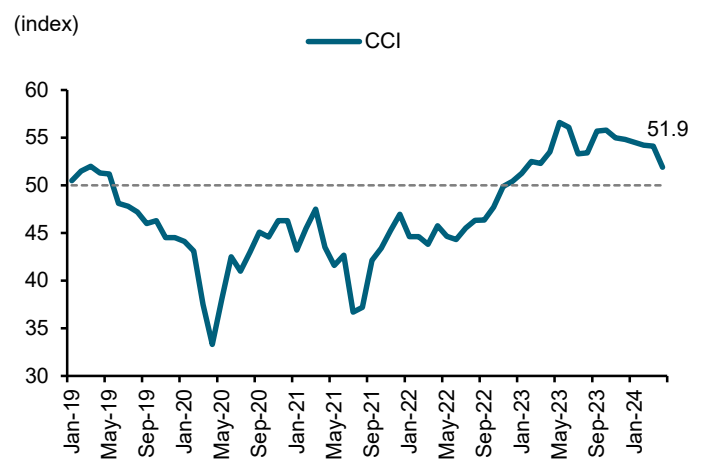
Sources: *Bloomberg; Company data; FSSIA compilation

Exhibit 3: Private consumption indicators



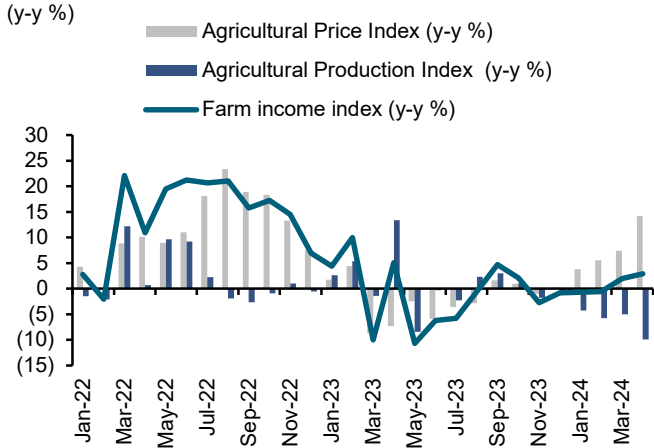
Source: BOT

Exhibit 4: Consumer confidence index



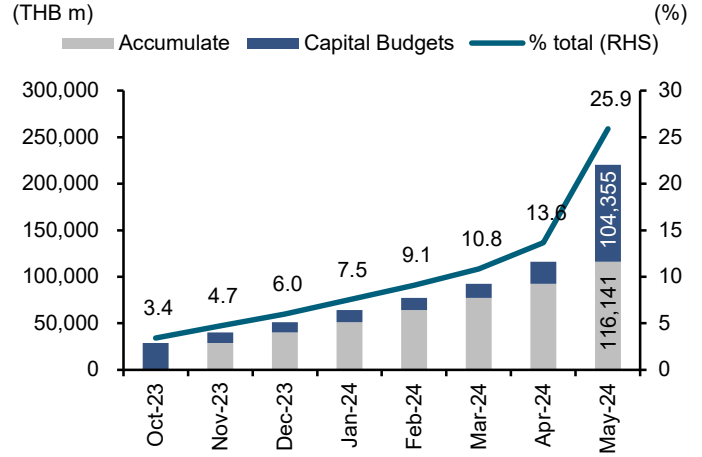
Source: MOC

Exhibit 5: Farm income expanded in Apr, May from higher agricultural prices



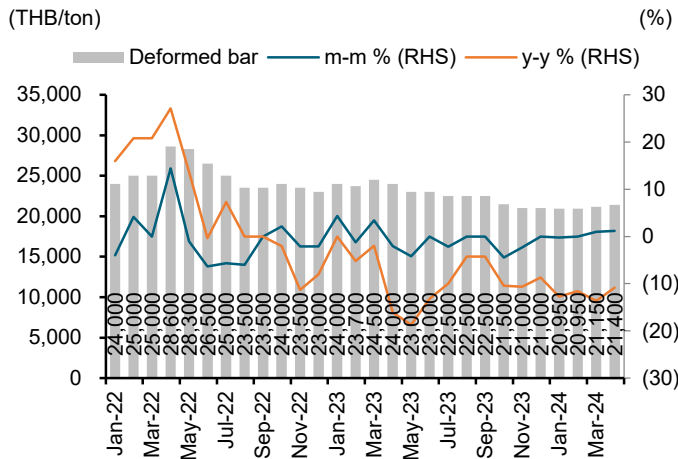
Source: Office of Agricultural Economics

Exhibit 6: Cumulative Capital Budgets



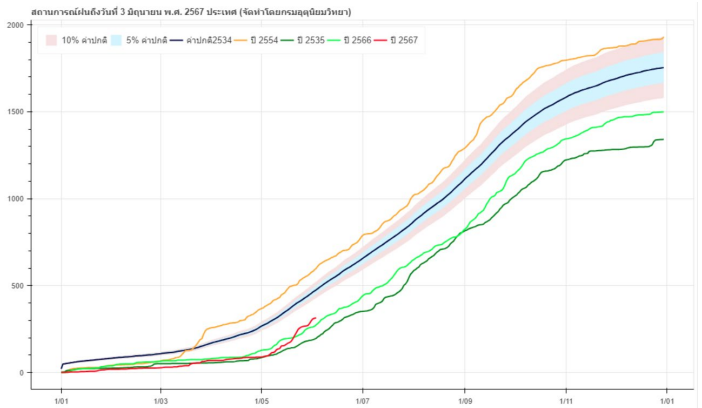
Source: Government Fiscal Management Information System

Exhibit 7: Domestic deformed bar price



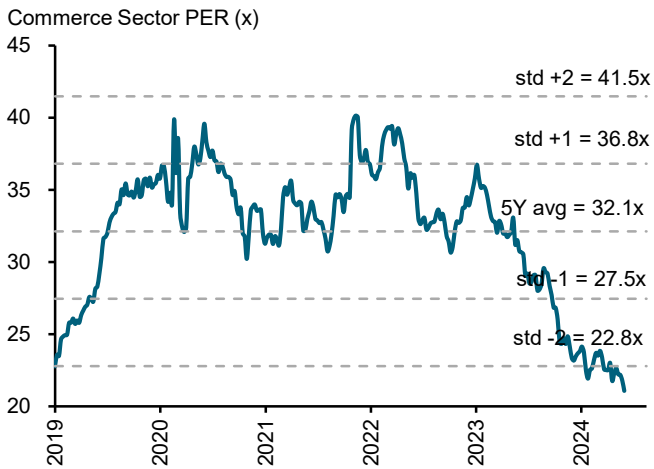
Sources: MOC

Exhibit 8: The rainfall would higher than last year



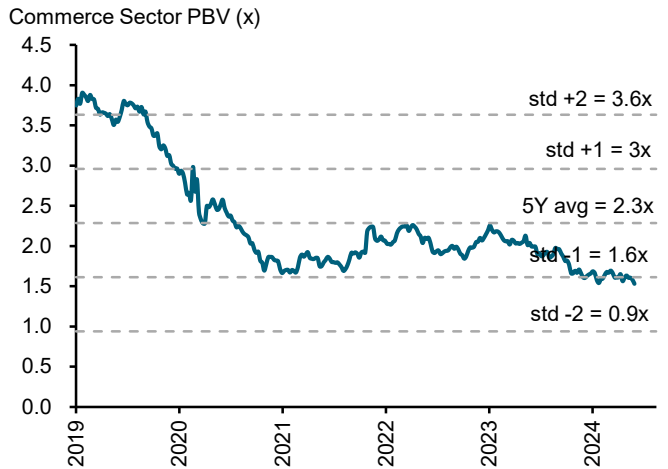
Sources: Thai Meteorological Department

Exhibit 9: Rolling one-year forward P/E band



Note: Included only under our coverage plus BJC
Sources: Bloomberg; FSSIA estimates

Exhibit 10: Rolling one-year forward P/BV band



Note: Included only under our coverage plus BJC
Sources: Bloomberg; FSSIA estimates

Exhibit 11: Commerce peers as of 6 June 2024

| Company | BBG | Rec | Share price | | | Market Cap (USD m) | PE | | ROE | | PBV | | EV/EBITDA | |
|------------------------------------|-----------|------|------------------|-----------------|---------------|-----------------------|-------------|-------------|-------------|-------------|------------|------------|-------------|-------------|
| | | | Current (LCY) | Target (LCY) | Upside (%) | | 24E (x) | 25E (x) | 24E (%) | 25E (%) | 24E (x) | 25E (x) | 24E (x) | 25E (x) |
| Consumer Staple | | | | | | | | | | | | | | |
| CP All | CPALL TB | BUY | 58.00 | 79.00 | 36 | 14,291 | 22.0 | 19.0 | 20.2 | 21.2 | 4.6 | 4.1 | 18.3 | 15.8 |
| CP Aextra | CPAXT TB | BUY | 28.75 | 36.00 | 25 | 8,343 | 28.6 | 24.3 | 3.6 | 4.2 | 1.0 | 1.0 | 10.7 | 10.0 |
| Berli Jucker* | BJC TB | n/a | 22.00 | n/a | n/a | 2,416 | 18.7 | 16.0 | 3.9 | 4.4 | 0.7 | 0.7 | 11.5 | 11.1 |
| Consumer Staple average | | | | | | 25,050 | 23.1 | 19.8 | 9.3 | 9.9 | 2.1 | 1.9 | 13.5 | 12.3 |
| Consumer Discretionary | | | | | | | | | | | | | | |
| Com7 | COM7 TB | HOLD | 16.90 | 20.00 | 18 | 1,106 | 14.0 | 12.7 | 33.5 | 31.8 | 4.4 | 3.7 | 9.5 | 8.3 |
| Central Retail Corp | CRC TB | BUY | 31.00 | 44.00 | 42 | 5,128 | 20.7 | 18.6 | 12.9 | 13.3 | 2.6 | 2.4 | 9.3 | 8.7 |
| Home Improvement | | | | | | | | | | | | | | |
| Index Living Mall | ILM TB | BUY | 20.10 | 26.70 | 33 | 278 | 12.9 | 11.9 | 12.9 | 13.5 | 1.6 | 1.6 | 6.8 | 6.3 |
| Home Product Center | HMPRO TB | BUY | 9.40 | 13.60 | 45 | 3,391 | 18.1 | 17.1 | 26.1 | 26.4 | 4.6 | 4.4 | 10.7 | 10.1 |
| Siam Global House | GLOBAL TB | HOLD | 16.50 | 17.30 | 5 | 2,354 | 29.0 | 25.8 | 12.3 | 12.9 | 3.4 | 3.2 | 22.3 | 20.1 |
| Dohome | DOHOME TB | HOLD | 11.10 | 11.80 | 6 | 983 | 36.8 | 28.6 | 7.7 | 9.2 | 2.7 | 2.5 | 18.4 | 16.0 |
| Home Improvement avg. | | | | | | 7,007 | 24.2 | 20.8 | 14.8 | 15.5 | 3.1 | 2.9 | 14.5 | 13.1 |
| Consumer Discretionary avg. | | | | | | 13,240 | 21.9 | 19.1 | 17.6 | 17.8 | 3.2 | 3.0 | 12.8 | 11.6 |
| Total average | | | | | | 38,291 | 22.3 | 19.3 | 14.8 | 15.2 | 2.9 | 2.6 | 13.0 | 11.8 |

Sources: *Bloomberg; FSSIA estimates

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 (50-59), 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+ | | | | | | | | | | | | | | | | | | |
| 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. <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 | |
| AAA | 8.571-10.000 | Leader: | leading its industry in managing the most significant ESG risks and opportunities | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| 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. <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 |
|---------------------|-----------|-----------|--------|---|
| CP All | CPALL TB | THB 58.00 | 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 28.75 | BUY | Key downside risks to our DCF-based TP include 1) a lower-than-expected SSSG, 2) a lower-than-expected GPM, 3) higher-than-expected SG&A expenses, and 4) an operating loss from its overseas units. |
| Com7 | COM7 TB | THB 16.90 | HOLD | Risks to our P/E-based TP include 1) lower/higher domestic consumption and purchasing power, 2) store cannibalization/expansion, and 3) lower/higher-than-expected gross margin. |
| Central Retail Corp | CRC TB | THB 31.00 | 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. |
| Index Living Mall | ILM TB | THB 20.10 | BUY | Risks to our DCF-based TP include 1) a lower-than-expected SSSG; 2) a lower-than-expected GPM; and 3) a higher-than-expected SG&A. |
| Home Product Center | HMPRO TB | THB 9.40 | BUY | Key downside risks to our DCF-based TP include: 1) lower-than-expected SSSG; 2) slower-than-expected recovery in domestic consumption and tourist arrivals, and 3) operating losses from overseas units. |
| Siam Global House | GLOBAL TB | THB 16.50 | HOLD | Key risks to our DCF-based TP are 1) lower/higher farm income, which would affect purchasing power in the agricultural sector, 2) government disbursement, 3) a lower/higher private brand mix and margin, 4) higher/lower expenses than expected, and 5) a higher/lower impact than expected from the El Nino. |
| Dohome PCL | DOHOME TB | THB 11.10 | HOLD | Key risks to our DCF-based TP are 1) lower/higher farm income, which would affect purchasing power in the agricultural sector, 2) government disbursement, 3) a lower/higher private brand mix and margin, 4) higher/lower expenses than expected, and 5) a higher/lower impact than expected from the 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 6-Jun-2024 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.