

CP AXTRA CPAXT TB

THAILAND / COMMERCE

BUY

UNCHANGED

TARGET PRICE THB42.00
CLOSE THB34.75
UP/DOWNSIDE +20.9%
TP vs CONSENSUS +11.0%

Investment in Happitat project

- CPAXT has announced the establishment of a new subsidiary, Aextra Growth Plus, in which it holds a 95% stake, investing in Happitat, a mixed-use project.
- We have a slightly negative view, impacted by the higher interest rate, and expect some losses on this project continuing until 2028.

Slight short-term negative impact from higher interest

CPAXT has announced the establishment of a new subsidiary, Aextra Growth Plus, in which it holds a 95% stake, with the remaining 5% owned by MQDC Town. The total investment amounts to THB8.39b, fully funded through long-term loans. Aextra Growth Plus holds a 100% stake in Happitat at the Forestias, a mixed-use development project under the The Happitat initiative.

The project consists of three buildings, including one with a 10-story office tower. The three buildings will collectively provide 43,000 sqm of retail space and 24,000 sqm of office space. Additionally, the project includes plans to construct a flagship Lotus's store with a 5,000 sqm area located at the front of The Forestias project on Bangna-Trad Road, KM 5-6. Construction is approximately 80% complete, and operations are expected to commence in 1Q26, with the company targeting an initial retail space occupancy rate of 85%.

Implications

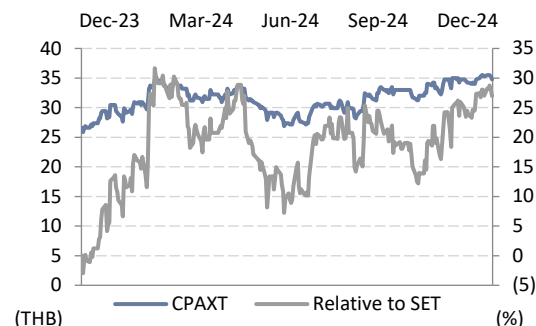
Short-term view: The higher interest expenses from this project represent a slight short-term negative impact. However, the initial investment of THB7.97b is not likely to significantly alter the company's interest-bearing debt (IBD) position, as partial debt repayments were made during the period. According to CPAXT, the IBD/E ratio is projected to remain below 0.35 by the end of 2024, similar to the 9M24 level.

Additional funding required: With about 20% of the project yet to be completed, we expect an additional THB4b would likely be needed, of which approximately 70% is expected to come from loans, according to management. This would increase interest expenses in 2025, impacting projected earnings for 2025 by approximately 4%.

Long-term outlook: The company anticipates the project to break even at the EBITDA level in 2026, at the EBIT level in 2027, to cover interest costs by 2028, and to achieve net profitability by 2029.

KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	486,472	510,179	529,349	548,909
Net profit	8,640	10,434	12,984	14,783
EPS (THB)	0.83	1.00	1.25	1.42
vs Consensus (%)	-	(0.1)	7.0	6.0
EBITDA	34,456	35,878	40,526	44,259
Recurring net profit	8,777	10,434	12,984	14,783
Core EPS (THB)	0.84	1.00	1.25	1.42
EPS growth (%)	10.8	18.9	24.4	13.9
Core P/E (x)	41.3	34.7	27.9	24.5
Dividend yield (%)	1.7	2.0	2.5	2.9
EV/EBITDA (x)	12.5	11.8	10.3	9.2
Price/book (x)	1.2	1.2	1.2	1.2
Net debt/Equity (%)	23.4	20.2	18.0	14.9
ROE (%)	3.0	3.5	4.3	4.9



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(0.7)	7.0	33.0
Relative to country (%)	0.7	6.5	26.2
Mkt cap (USD m)	10,617		
3m avg. daily turnover (USD m)	6.2		
Free float (%)	15		
Major shareholder	CP ALL (60%)		
12m high/low (THB)	35.50/25.62		
Issued shares (m)	10,580.32		

Sources: Bloomberg consensus; FSSIA estimates


Thada Jirachoenying

Fundamental Investment Analyst on Securities; License no. 054189
thada.j@fssia.com, +66 2646 9964

Exhibit 1: Investment structure



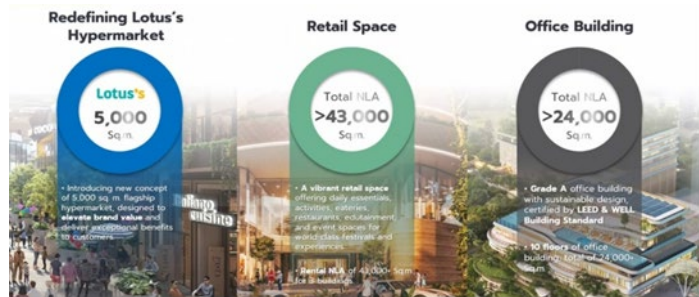
Source: CPAXT

Exhibit 2: Location



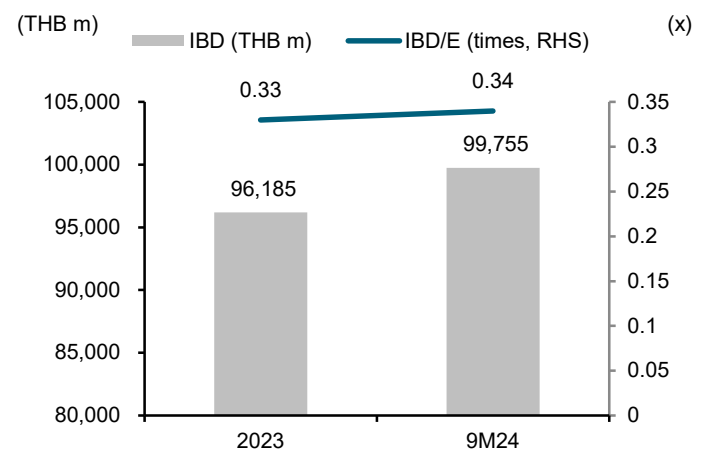
Source: CPAXT

Exhibit 3: Space



Source: CPAXT

Exhibit 4: Capital structure



Source: CPAXT

Financial Statements

CP Axtra

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	466,082	486,472	510,179	529,349	548,909
Cost of goods sold	(389,588)	(408,274)	(427,093)	(442,048)	(457,496)
Gross profit	76,494	78,198	83,085	87,302	91,412
Other operating income	3,050	3,477	3,407	3,537	3,670
Operating costs	(62,617)	(64,831)	(68,319)	(69,704)	(72,056)
Operating EBITDA	34,477	34,456	35,878	40,526	44,259
Depreciation	(17,551)	(17,612)	(17,704)	(19,392)	(21,233)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	16,926	16,844	18,173	21,134	23,027
Net financing costs	(7,122)	(6,319)	(5,729)	(5,410)	(4,998)
Associates	831	746	811	835	860
Recurring non-operating income	831	746	811	835	860
Non-recurring items	(225)	(137)	0	0	0
Profit before tax	10,411	11,134	13,255	16,559	18,889
Tax	(2,729)	(2,535)	(2,862)	(3,617)	(4,147)
Profit after tax	7,682	8,599	10,393	12,943	14,742
Minority interests	15	41	41	41	41
Preferred dividends	0	0	0	0	0
Other items	0	0	0	0	0
Reported net profit	7,697	8,640	10,434	12,984	14,783
Non-recurring items & goodwill (net)	225	137	0	0	0
Recurring net profit	7,922	8,777	10,434	12,984	14,783
Per share (THB)					
Recurring EPS *	0.76	0.84	1.00	1.25	1.42
Reported EPS	0.74	0.83	1.00	1.25	1.42
DPS	0.52	0.58	0.70	0.87	0.99
Diluted shares (used to calculate per share data)	10,428	10,428	10,428	10,428	10,428
Growth					
Revenue (%)	75.6	4.4	4.9	3.8	3.7
Operating EBITDA (%)	107.4	(0.1)	4.1	13.0	9.2
Operating EBIT (%)	61.3	(0.5)	7.9	16.3	9.0
Recurring EPS (%)	15.3	10.8	18.9	24.4	13.9
Reported EPS (%)	(42.9)	12.3	20.8	24.4	13.9
Operating performance					
Gross margin inc. depreciation (%)	16.4	16.1	16.3	16.5	16.7
Gross margin exc. depreciation (%)	20.2	19.7	19.8	20.2	20.5
Operating EBITDA margin (%)	7.4	7.1	7.0	7.7	8.1
Operating EBIT margin (%)	3.6	3.5	3.6	4.0	4.2
Net margin (%)	1.7	1.8	2.0	2.5	2.7
Effective tax rate (%)	28.5	24.4	23.0	23.0	23.0
Dividend payout on recurring profit (%)	68.1	68.7	70.0	70.0	70.0
Interest cover (X)	2.5	2.8	3.3	4.1	4.8
Inventory days	34.2	34.4	32.7	33.0	33.1
Debtor days	1.9	1.8	1.7	1.7	1.7
Creditor days	59.9	60.2	61.2	61.7	61.9
Operating ROIC (%)	15.6	16.7	20.0	24.7	28.3
ROIC (%)	3.0	3.2	3.5	4.1	4.4
ROE (%)	2.7	3.0	3.5	4.3	4.9
ROA (%)	2.3	2.5	2.7	3.1	3.4

* Pre exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2022	2023	2024E	2025E	2026E
Sales	447,182	466,234	489,698	508,260	527,495
Service income	5,422	5,935	5,741	5,914	5,801
Rental and rendering retail services	13,477	14,303	14,739	15,175	15,613

Sources: CP Axtra; FSSIA estimates

Financial Statements

CP Axtra

Cash Flow (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Recurring net profit	7,922	8,777	10,434	12,984	14,783
Depreciation	17,551	17,612	17,704	19,392	21,233
Associates & minorities	96	13	0	0	0
Other non-cash items	(412)	(160)	19	(9)	2
Change in working capital	(4,400)	7,381	1,328	1,054	1,090
Cash flow from operations	20,757	33,624	29,485	33,421	37,107
Capex - maintenance	-	-	-	-	-
Capex - new investment	(15,872)	(13,319)	(14,351)	(15,544)	(17,037)
Net acquisitions & disposals	(5,027)	(6,765)	(3,676)	(3,904)	(4,152)
Other investments (net)	815	(3,255)	2,952	(607)	1,189
Cash flow from investing	(20,085)	(23,339)	(15,076)	(20,055)	(20,000)
Dividends paid	(5,396)	(6,031)	(7,304)	(9,089)	(10,348)
Equity finance	5,721	(35)	620	620	620
Debt finance	(23,753)	(12,616)	5,647	(14,728)	(7,510)
Other financing cash flows	0	0	0	0	0
Cash flow from financing	(23,427)	(18,681)	(1,036)	(23,196)	(17,237)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	(5,672)	0	0	0	0
Movement in cash	(28,427)	(8,396)	13,373	(9,830)	(130)
Free cash flow to firm (FCFF)	7,794.01	16,604.38	20,138.30	18,775.81	22,105.79
Free cash flow to equity (FCFE)	(28,752.25)	(2,330.45)	20,055.79	(1,361.79)	9,597.75

Per share (THB)

FCFF per share	0.74	1.57	1.90	1.77	2.09
FCFE per share	(2.72)	(0.22)	1.90	(0.13)	0.91
Recurring cash flow per share	2.41	2.52	2.70	3.10	3.45

Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Tangible fixed assets (gross)	148,498	150,596	164,947	180,491	197,528
Less: Accumulated depreciation	(30,383)	(35,022)	(50,800)	(68,071)	(86,972)
Tangible fixed assets (net)	118,115	115,574	114,147	112,419	110,555
Intangible fixed assets (net)	0	0	0	0	0
Long-term financial assets	0	0	0	0	0
Invest. in associates & subsidiaries	14,961	14,783	14,783	14,783	14,783
Cash & equivalents	40,103	31,707	45,080	35,250	35,120
A/C receivable	2,431	2,304	2,416	2,507	2,599
Inventories	37,820	35,884	37,538	38,852	40,210
Other current assets	7,001	6,844	7,178	7,447	7,723
Current assets	87,355	76,739	92,211	84,056	85,652
Other assets	328,213	333,275	335,246	337,256	339,307
Total assets	548,643	540,371	556,388	548,515	550,297
Common equity	290,348	292,923	296,673	301,189	306,244
Minorities etc.	583	555	514	473	432
Total shareholders' equity	290,930	293,477	297,187	301,661	306,675
Long term debt	110,025	70,180	89,627	55,756	73,611
Other long-term liabilities	56,925	58,569	59,740	60,935	62,153
Long-term liabilities	166,949	128,749	149,367	116,691	135,765
A/C payable	61,818	67,136	70,231	72,690	75,230
Short term debt	4,796	30,253	15,504	33,678	7,325
Other current liabilities	24,148	20,755	24,100	23,795	25,302
Current liabilities	90,763	118,145	109,835	130,163	107,857
Total liabilities and shareholders' equity	548,643	540,371	556,388	548,515	550,297
Net working capital	(38,715)	(42,860)	(47,199)	(47,679)	(50,000)
Invested capital	422,573	420,772	416,977	416,780	414,645

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

Per share (THB)

Book value per share	27.84	28.09	28.45	28.88	29.37
Tangible book value per share	27.84	28.09	28.45	28.88	29.37

Financial strength

Net debt/equity (%)	25.7	23.4	20.2	18.0	14.9
Net debt/total assets (%)	13.6	12.7	10.8	9.9	8.3
Current ratio (x)	1.0	0.6	0.8	0.6	0.8
CF interest cover (x)	(0.8)	2.7	7.0	3.6	6.3

Valuation	2022	2023	2024E	2025E	2026E
Recurring P/E (x) *	45.7	41.3	34.7	27.9	24.5
Recurring P/E @ target price (x) *	55.3	49.9	42.0	33.7	29.6
Reported P/E (x)	47.1	41.9	34.7	27.9	24.5
Dividend yield (%)	1.5	1.7	2.0	2.5	2.9
Price/book (x)	1.2	1.2	1.2	1.2	1.2
Price/tangible book (x)	1.2	1.2	1.2	1.2	1.2
EV/EBITDA (x) **	12.7	12.5	11.8	10.3	9.2
EV/EBITDA @ target price (x) **	14.9	14.7	13.9	12.2	10.9
EV/invested capital (x)	1.0	1.0	1.0	1.0	1.0

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

Sources: CP Axtra; FSSIA estimates

CP Axtra PCL (CPAXT TB)

FSSIA ESG rating

★★★★

Exhibit 5: FSSIA ESG score implication

59.46 /100

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 6: ESG – peer comparison

	FSSIA	Domestic ratings						Global ratings					Bloomberg		
	ESG score	DJSI	SET ESG	SET ESG Rating	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
BJC	71.33	Y	Y	Y	4.00	4.00	--	Medium	55.09	A	--	65.19	89.00	2.16	--
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	3.80	--
CRC	64.49	--	Y	Y	5.00	5.00	Certified	Medium	--	BBB	--	60.98	73.00	2.90	47.27

Sources: SETTRADE.com; FSSIA's compilation

Exhibit 7: 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	—	—	—	—	—	—	3.80	—
BESG environmental pillar score	—	—	—	—	—	—	3.80	—
BESG social pillar score	—	—	—	—	—	—	3.77	—
BESG governance pillar score	—	—	—	—	—	—	3.84	—
ESG disclosure score	33.03	42.58	50.91	61.55	61.98	62.50	62.50	—
Environmental disclosure score	7.64	17.85	32.89	45.12	48.51	48.51	48.51	—
Social disclosure score	7.68	28.66	29.84	43.29	41.17	42.74	42.74	—
Governance disclosure score	83.59	81.10	89.86	96.12	96.12	96.12	96.12	—
Environmental								
Emissions reduction initiatives	No	No	Yes	Yes	Yes	Yes	Yes	Yes
Climate change policy	No	No	Yes	Yes	Yes	Yes	Yes	No
Climate change opportunities discussed	No	No	No	No	No	No	No	No
Risks of climate change discussed	No	No	No	No	No	No	No	No
GHG scope 1	—	—	—	50	43	50	66	147
GHG scope 2 location-based	—	—	—	209	220	184	186	571
GHG Scope 3	—	—	—	—	5	58	59	136
Carbon per unit of production	—	—	—	—	—	—	—	—
Biodiversity policy	No	No	No	Yes	Yes	Yes	Yes	No
Energy efficiency policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Total energy consumption	—	329	347	730	390	395	419	442
Renewable energy use	—	0	0	0	3	18	36	40
Electricity used	—	—	—	360	377	367	371	390
Fuel used - natural gas	—	—	—	—	—	—	—	—

Sources: Bloomberg; FSSIA's compilation

Exhibit 8: 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	—	—	—	—	0	0	0	0
Total waste	40	52	61	62	91	62	68	85
Waste recycled	33	37	43	42	70	40	39	59
Waste sent to landfills	7	15	18	20	21	21	26	23
Environmental supply chain management	No	No	Yes	Yes	Yes	Yes	Yes	Yes
Water policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Water consumption	—	—	—	—	—	—	—	994
Social								
Human rights policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Policy against child labor	No	No	No	No	Yes	Yes	Yes	Yes
Quality assurance and recall policy	No	No	No	No	No	No	No	No
Consumer data protection policy	No	No	No	No	Yes	Yes	Yes	Yes
Equal opportunity policy	No	No	Yes	Yes	Yes	Yes	Yes	Yes
Gender pay gap breakout	No	No	No	No	No	No	No	No
Pct women in workforce	—	55	55	55	55	55	55	52
Pct disabled in workforce	—	—	—	—	—	0	0	0
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	—	1	0	1	1	1	1	0
Total recordable incident rate - employees	—	1	0	1	1	1	1	1
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	—	13,365	13,786	14,560	15,212	16,108	16,920	23,280
Employee turnover pct	—	36	39	35	31	17	16	42
Total hours spent by firm - employee training	—	—	—	130,626	162,366	231,049	249,570	778,018
Social supply chain management	No	No	Yes	Yes	Yes	Yes	Yes	Yes
Governance								
Board size	18	15	15	15	15	15	15	15
No. of independent directors (ID)	6	5	5	5	5	5	5	5
No. of women on board	2	2	2	2	3	3	3	2
No. of non-executive directors on board	10	7	7	7	7	13	13	13
Company conducts board evaluations	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
No. of board meetings for the year	4	4	5	7	6	9	13	7
Board meeting attendance pct	83	95	92	94	96	99	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	48	51	52	53	54	53	54	—
Age of the oldest director	79	80	81	82	83	78	79	—
No. of executives / company managers	12	12	13	11	11	6	6	7
No. of female executives	2	2	3	3	2	1	2	1
Executive share ownership guidelines	No	No	No	No	No	No	No	No
Size of audit committee	5	5	5	5	3	3	3	3
No. of ID on audit committee	5	5	5	5	3	3	3	3
Audit committee meetings	5	5	5	5	5	8	11	8
Audit meeting attendance %	96	—	92	96	100	100	100	100
Size of compensation committee	3	3	3	3	3	3	3	3
No. of ID on compensation committee	2	2	2	2	2	2	2	2
No. of compensation committee meetings	1	3	2	2	4	2	3	2
Compensation meeting attendance %	100	100	100	100	100	100	100	100
Size of nomination committee	3	3	3	3	3	3	3	3
No. of nomination committee meetings	1	3	2	2	4	2	3	2
Nomination meeting attendance %	100	100	100	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.																				
SET ESG Ratings List (SETESG) by The Stock Exchange of Thailand (SET)	SET ESG 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 SETESG 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. SETESG Index is extended from the SET ESG Ratings 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 Sustainabilitycs	The Sustainabilitycs' 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><tr><th>NEGL</th><th>Low</th><th>Medium</th><th>High</th><th>Severe</th></tr><tr><td>0-10</td><td>10-20</td><td>20-30</td><td>30-40</td><td>40+</td></tr></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><tr><td>AAA</td><td>8.571-10.000</td><td rowspan="3">Leader:</td><td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td></tr><tr><td>AA</td><td>7.143-8.570</td></tr><tr><td>A</td><td>5.714-7.142</td></tr><tr><td>BBB</td><td>4.286-5.713</td><td rowspan="3">Average:</td><td rowspan="3">a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td></tr><tr><td>BB</td><td>2.857-4.285</td></tr><tr><td>B</td><td>1.429-2.856</td></tr><tr><td>CCC</td><td>0.000-1.428</td><td>Laggard:</td><td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td></tr></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																			
AA	7.143-8.570																					
A	5.714-7.142																					
BBB	4.286-5.713	Average:	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers																			
BB	2.857-4.285																					
B	1.429-2.856																					
CCC	0.000-1.428	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks																			
Moody's ESG solutions	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.																					
Refinitiv ESG rating	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. <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

Thada Jiracharoenyong FSS International Investment Advisory Securities Co., Ltd

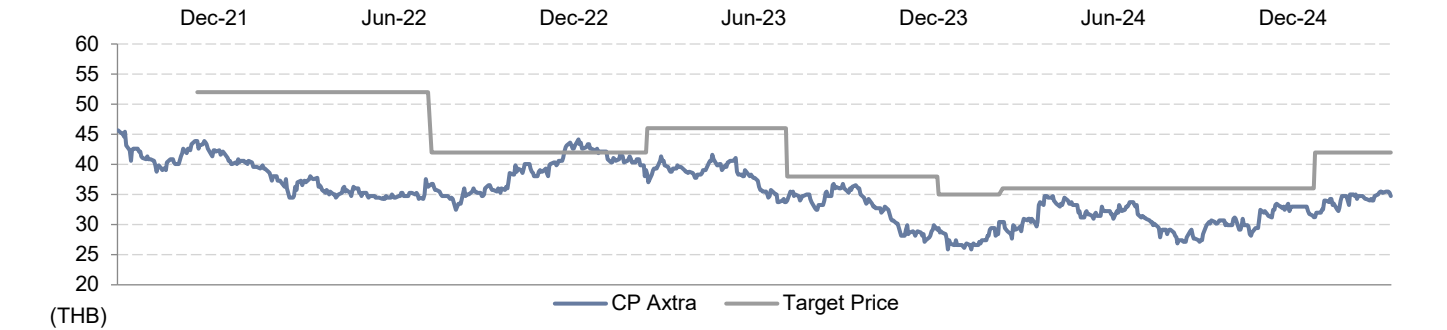
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed herein.

This report has been prepared by FSS International Investment Advisory Securities Company Limited (FSSIA). The information herein has been obtained from sources believed to be reliable and accurate; however FSSIA makes no representation as to the accuracy and completeness of such information. Information and opinions expressed herein are subject to change without notice. FSSIA has no intention to solicit investors to buy or sell any security in this report. In addition, FSSIA does not guarantee returns nor price of the securities described in the report nor accept any liability for any loss or damage of any kind arising out of the use of such information or opinions in this report. Investors should study this report carefully in making investment decisions. All rights are reserved.

This report may not be reproduced, distributed or published by any person in any manner for any purpose without permission of FSSIA. Investment in securities has risks. Investors are advised to consider carefully before making investment decisions.

History of change in investment rating and/or target price

CP Aextra (CPAXT TB)



Thada Jiracharoenyong started covering this stock from 15-Mar-2023

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
CP Aextra	CPAXT TB	THB 34.75	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.

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 13-Dec-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.