

CENTRAL RETAIL CORP

THAILAND / COMMERCE

CRC TB

BUY

UNCHANGED

TARGET PRICE	THB42.00
CLOSE	THB33.00
UP/DOWNSIDE	+27.3%
PRIOR TP	THB42.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+4.5%

A good start in 2025

- We estimate a 4Q24 core profit of THB2.77b (+70% q-q, +6% y-y). The y-y growth is supported by total sales and expense control.
- SSSG in Jan surged by 5-7%, primarily due to the calendar effect, with the Chinese New Year in Thailand and Tet holiday in Vietnam.
- Maintain BUY with TP of THB42.

4Q24E core profit in line with our previous outlook

We estimate a 4Q24 core profit (excluding FX G/L, disposal of assets G/L, derivative G/L, and tax benefits) of THB2.77b (+70% q-q, +6% y-y). The q-q growth is driven by seasonality, while the y-y growth is mainly supported by higher total sales and improved expense control. We anticipate SSSG in 4Q24 to remain slightly negative at -1.5%, mainly due to the hardline segment and the impact of a stronger THB, which softened sales in Italy and Vietnam. However, we expect total revenue to grow by c4% y-y, primarily from store expansions, while rental income is likely to decline by c5% y-y due to ongoing renovations in some parts of Robinson Lifestyle.

Lower expenses to offset lower mixed gross margin

We forecast the 4Q24 retail sales margin to decline by 30bps y-y to 27.4%, as the sales mix shifted toward the food and hardline segments, following the expansion of Go Wholesale and Thai Watsadu. Meanwhile, we expect SG&A to total revenue to decrease by 80bps y-y to 27.1%, as the new store opening expenses in the food and hardline segments were lower compared to the fashion segment. Additionally, depreciation expenses declined as Thai Watsadu acquired land instead of leasing.

Maintain 2024-25E core profit growth of 9% and 10%, respectively

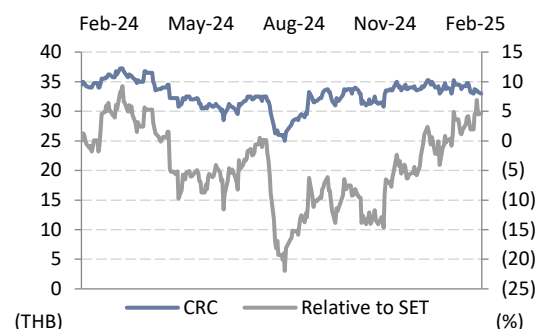
If 4Q24 core profit aligns with our expectations, it would suggest that full-year 2024 core profit is on track to meet our previous estimate of THB8.5b (+9% y-y), while 2025 core profit is projected at THB9.4b (+10% y-y).

Maintain BUY with TP of THB42

Maintain BUY with TP of THB42. SSSG in January surged 5-7%, rebounding strongly from a 1-2% decline in 4Q24, primarily due to the calendar effect, with the Chinese New Year in Thailand and Tet holiday in Vietnam shifting from February last year to January this year, driving food segment sales up by over 20% y-y. However, we anticipate SSSG in February to turn negative due to the same calendar effect. For 1Q25 SSSG, key factors to watch include: softening demand in Italy's fashion segment, post-Chinese New Year spending trends in the food segment, and positive contributions from the Easy E-Receipt scheme with the inclusion of SSSG from four Go Wholesale stores.

KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	248,391	261,178	280,470	300,503
Net profit	8,016	8,545	9,368	10,138
EPS (THB)	1.33	1.42	1.55	1.68
vs Consensus (%)	-	(1.7)	(5.3)	(10.7)
EBITDA	31,000	34,812	36,836	39,823
Recurring net profit	7,868	8,545	9,368	10,138
Core EPS (THB)	1.30	1.42	1.55	1.68
Chg. In EPS est. (%)	-	0.2	0.0	0.0
EPS growth (%)	13.5	8.6	9.6	8.2
Core P/E (x)	25.3	23.3	21.2	19.6
Dividend yield (%)	1.7	1.8	1.9	2.1
EV/EBITDA (x)	10.5	9.5	9.1	8.5
Price/book (x)	3.0	2.7	2.5	2.3
Net debt/Equity (%)	177.5	167.6	159.6	150.5
ROE (%)	12.2	12.2	12.4	12.4



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(2.9)	5.6	(1.5)
Relative to country (%)	4.5	21.1	7.6
Mkt cap (USD m)	5,869		
3m avg. daily turnover (USD m)	8.2		
Free float (%)	55		
Major shareholder	Chirathivat family (67%)		
12m high/low (THB)	37.75/24.20		
Issued shares (m)	6,031.00		

Sources: Bloomberg consensus; FSSIA estimates



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Investment thesis

CRC is a leading multi-format (physical/online) and multi-category (fashion/hardline/food) retailer. It has also expanded its business to Italy and Vietnam. In 2023, it had 1,969 stores, including 85 department stores, 114 specialty stores, 338 brand shops, 38 hypermarkets, 725 supermarkets & CVS's, four food wholesalers, 81 home DIYs, 171 electronics stores, 219 OFM & B2S, 72 malls, and 122 health & wellness stores.

According to Euromonitor, the projected market growth of the modern retail and wholesale industry in Thailand and Vietnam during 2023-27 equals 7.8% and 9.4% CAGR, respectively. In this regard, Vietnam has a higher growth potential than Thailand. Revenue from Vietnam accounted for 20-25% of sales.

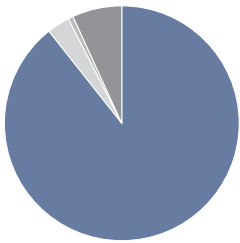
Company profile

Established in 1947 by the Chirathivat family, CRC is a multi-category retailer. It operates multi-store formats in Thailand, Italy, and Vietnam. Also, it is an omni-channel pioneer in Thailand, which helps strengthen its retail store network in offering products and services to consumers.

www.centralretail.com

Principal activities (revenue, 2023)

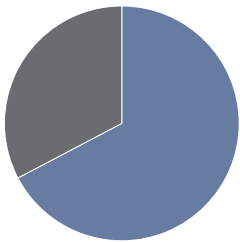
- Sales of goods - 89.3 %
- Rental services - 3.1 %
- Rendering services - 0.7 %
- Other income - 6.8 %



Source: Central Retail Corp

Major shareholders

- Chirathivat family - 67.3 %
- Others - 32.7 %



Source: Central Retail Corp

Catalysts

Thailand's economic recovery, increased consumer confidence, government stimulus packages, and policy rate cut.

Risks to our call

Downside risks to our DCF-based TP include 1) a decline in domestic purchasing power; 2) lower-than-expected tourist arrivals; 3) the absence of government stimulus; and 4) a slower-than-expected economic recovery in Vietnam.

Event calendar

Date	Event
27 Feb 2025	4Q24 results announcement

Key assumptions

	2024E	2025E	2026E
Revenue (THB m)	261,178	280,470	300,503
SSSG Fashion (%)	2.0	3.0	3.0
SSSG Hardline (%)	(2.2)	3.0	3.0
SSSG Food (%)	2.0	3.0	3.0
Gross margin (%)	26.5	26.3	26.2
SG&A to sales (%)	27.3	27.3	27.1
Net profit (THB m)	8,545	9,368	10,138
Core EPS	1.42	1.55	1.68

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in SSSG, we estimate 2025 EPS would rise 1%, and vice versa, all else being equal.
- For every 0.1% increase in GPM, we estimate 2025 EPS would rise 2.1%, and vice versa, all else being equal.
- For every 0.1% increase in SG&A to revenue, we estimate 2025 EPS would fall 2.4%, and vice versa, all else being equal.

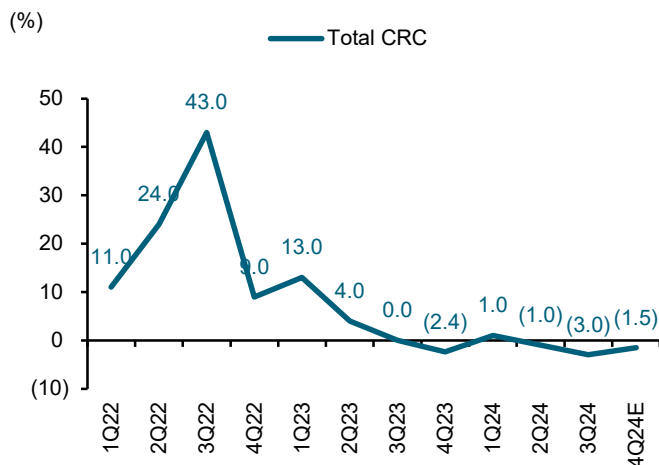
Source: FSSIA estimates

Exhibit 1: CRC – 4Q24 results preview

Profit & Loss Statement	4Q23	1Q24	2Q24	3Q24	4Q24E	----- Change -----		2023	2024E	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)
Retail sales	58,530	60,347	56,242	55,935	61,156	9	4	221,926	233,680	5
Rental and rendering services	2,573	2,416	2,476	2,404	2,457	2	(5)	9,512	9,753	3
Other income	4,711	4,440	4,194	4,381	4,731	8	0	16,952	17,745	5
Total revenue	65,814	67,203	62,912	62,720	68,343	9	4	248,391	261,178	5
Cost of retail sales	(42,340)	(44,849)	(41,284)	(41,227)	(44,416)	8	5	(162,590)	(171,777)	6
Cost of rental and rendering services	(612)	(611)	(596)	(608)	(620)	2	1	(2,351)	(2,434)	4
Gross profit	22,862	21,743	21,032	20,886	23,307	12	2	83,449	86,967	4
Investment income	90	52	90	48	44	(8)	(51)	292	234	(20)
Operating costs	(18,337)	(17,530)	(17,695)	(17,588)	(18,532)	5	1	(70,023)	(71,344)	2
Operating profit	4,615	4,266	3,427	3,345	4,819	44	4	13,719	15,857	16
Interest expense	(1,278)	(1,140)	(1,303)	(1,307)	(1,291)	(1)	1	(4,642)	(5,041)	9
Profit before tax	3,336	3,125	2,124	2,038	3,528	73	6	9,082	10,816	19
Tax	(156)	(760)	(555)	(436)	(791)	81	406	(1,550)	(2,542)	64
Associates	86	306	164	151	172	14	101	990	792	(20)
Minority interests	(128)	(147)	(121)	(117)	(136)	16	7	(506)	(521)	3
Non-recurring items	527	(353)	47	494	0	(100)	(100)	148	-	(100)
Reported net profit	3,138	2,171	1,660	2,129	2,773	30	(12)	8,016	8,545	7
Normalized profit	2,611	2,524	1,613	1,635	2,773	70	6	7,868	8,545	9
EPS (THB)	0.52	0.36	0.28	0.35	0.46	30	(12)	1.33	1.42	7
Normalized EPS (THB)	0.43	0.42	0.27	0.27	0.46	70	6	1.30	1.42	9
Key Ratios	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)	(%)	(ppt)
Retail sales margin	27.7	25.7	26.6	26.3	27.4	1.1	(0.3)	26.7	26.5	(0.2)
Rental and rendering services margin	76.2	74.7	75.9	74.7	74.8	0.1	(1.4)	75.3	75.0	(0.2)
EBIT margin	7.0	6.3	5.4	5.3	7.1	1.7	0.0	5.5	6.1	0.5
Recurring net margin	5.2	3.8	2.7	2.7	4.3	1.6	(0.9)	3.3	3.4	0.1
SG&A / revenue	27.9	26.1	28.1	28.0	27.1	(0.9)	(0.8)	28.2	27.3	(0.9)
Effective tax rate	4.7	24.3	26.1	21.4	22.4	1.0	17.7	17.1	23.5	6.4
Operational statistics	(%)	(%)	(%)	(%)				(%)	(%)	
SSSG										
Total SSSG	(2.4)	1.0	(1.0)	(3.0)				3.0	0.7	
---Fashion	3.0	2.0	3.0	(2.0)				12.0	2.0	
---Hardline	(8.0)	(5.0)	(8.0)	(9.0)				(4.0)	(2.2)	
---Food	(5.0)	4.0	(1.0)	(1.0)				(0.2)	2.0	

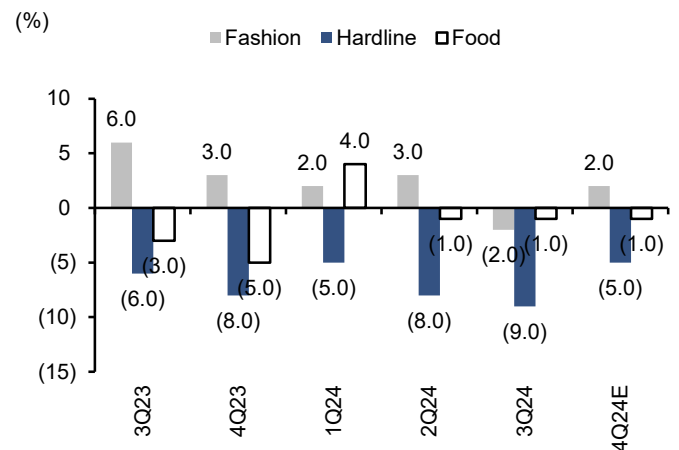
Sources: CRC; FSSIA estimates

Exhibit 2: Quarterly total SSSG



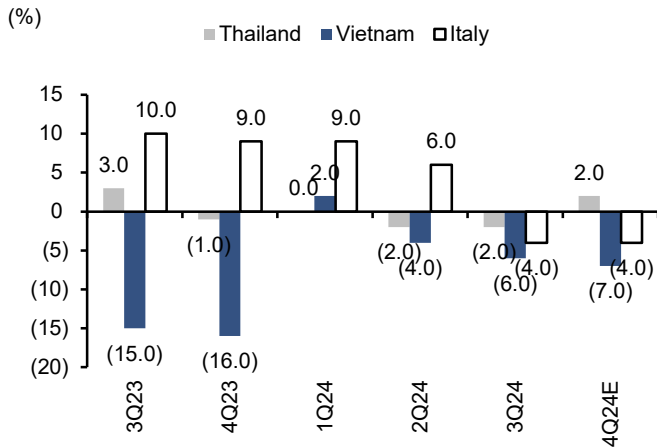
Sources: CRC; FSSIA estimates

Exhibit 3: SSSG by segment



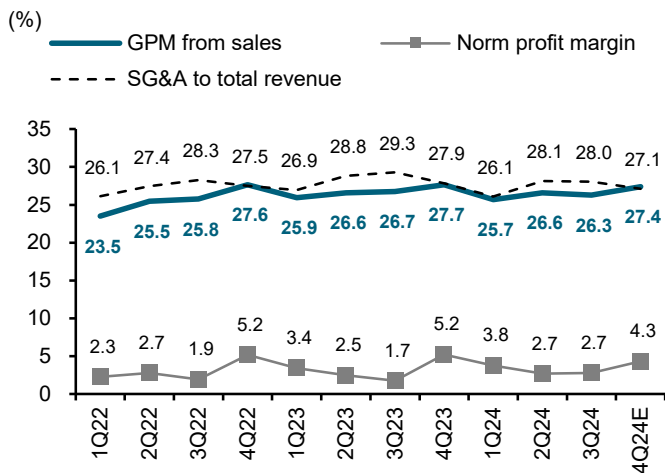
Sources: CRC; FSSIA estimates

Exhibit 4: SSSG by country



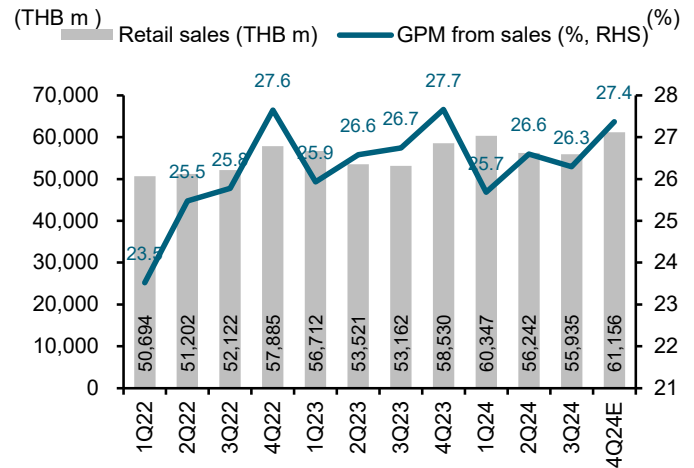
Sources: CRC; FSSIA estimates

Exhibit 6: Profitability



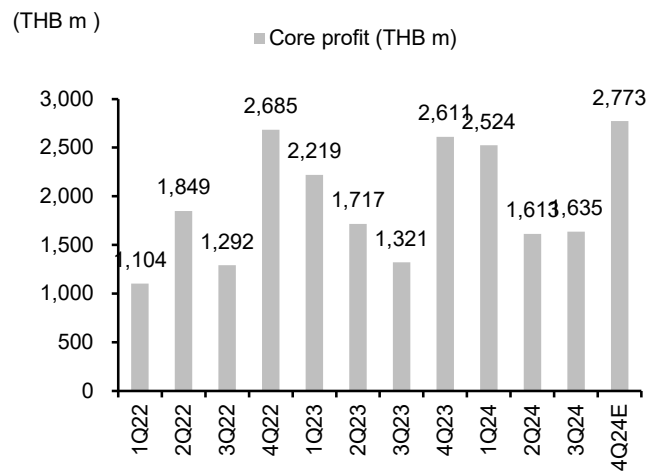
Sources: CRC; FSSIA estimates

Exhibit 5: Sales and GPM from sales



Sources: CRC; FSSIA estimates

Exhibit 7: Core profit



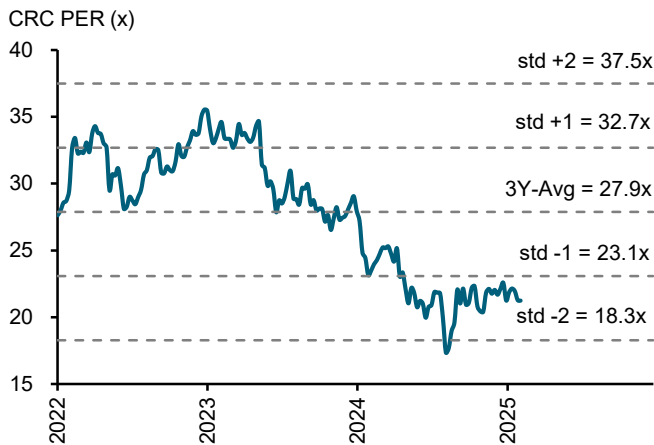
Sources: CRC; FSSIA estimates

Exhibit 8: Change in key assumptions

	Current			Previous			Change		
	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E
Revenue (THB m)	261,178	280,470	300,503	261,386	280,688	300,732	(0.1)	(0.1)	(0.1)
SSSG Fashion (%)	2.0	3.0	3.0	2.0	3.0	3.0	0.0	0.0	0.0
SSSG Hardline (%)	(2.2)	3.0	3.0	(2.0)	3.0	3.0	(0.2)	0.0	0.0
SSSG Food (%)	2.0	3.0	3.0	2.0	3.0	3.0	0.0	0.0	0.0
Gross margin (%)	26.5	26.3	26.2	26.5	26.3	26.2	0.0	0.0	0.0
SG&A to sales (%)	27.3	27.3	27.1	27.7	27.5	27.2	(0.4)	(0.1)	(0.1)
Net profit (THB m)	8,545	9,368	10,136	8,524	9,365	10,135	0.2	0.0	0.0
Core EPS	1.42	1.55	1.68	1.41	1.55	1.68	0.2	0.0	0.0

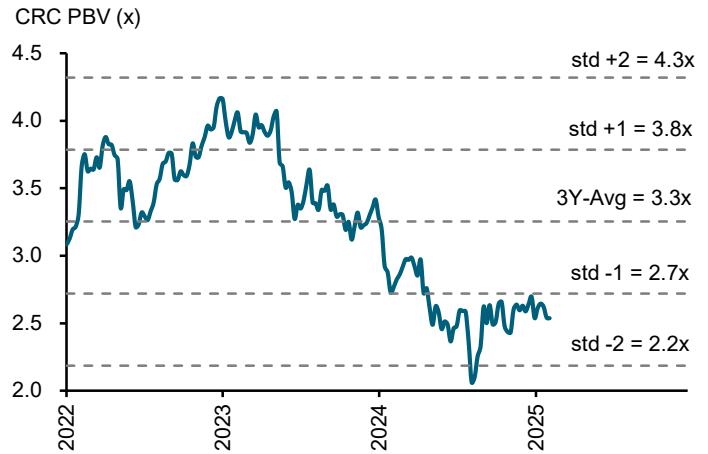
Source: FSSIA estimates

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



Sources: Bloomberg; FSSIA estimates

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



Sources: Bloomberg; FSSIA estimates

Exhibit 11: Commerce peers as of 10 Feb 2025

Company	BBG	Rec	Share price			Market Cap	PE		ROE		PBV		EV/EBITDA	
			Current	Target	Upside		24E	25E	24E	25E	24E	25E	24E	25E
			(LCY)	(LCY)	(%)		(USD m)	(x)	(x)	(%)	(%)	(x)	(x)	(x)
Consumer Staple														
CP All	CPALL TB	BUY	50.00	83.00	66	13,246	18.0	16.1	21.2	21.3	4.0	3.5	16.8	15.0
CP Aextra	CPAXT TB	BUY	24.50	34.00	39	7,534	23.3	19.9	3.7	4.3	0.9	0.8	8.6	7.8
Berli Jucker	BJC TB	BUY	21.00	31.00	48	2,482	18.4	16.0	3.8	4.3	0.7	0.7	11.4	11.0
Consumer Staple average						23,262	19.9	17.3	9.6	10.0	1.8	1.7	12.3	11.2
Consumer Discretionary														
Com7	COM7 TB	BUY	21.20	30.00	42	1,472	16.0	14.8	36.1	33.2	5.3	4.6	11.1	9.8
Central Retail Corp	CRC TB	BUY	33.00	42.00	27	5,869	23.3	21.3	12.2	12.4	2.7	2.5	9.8	9.2
Home Improvement														
Index Living Mall	ILM TB	BUY	13.90	22.00	58	207	9.3	8.5	12.4	13.1	1.1	1.1	6.0	5.6
Home Product Center	HMPRO TB	BUY	8.10	13.20	63	3,141	16.4	15.4	24.8	25.3	4.0	3.8	9.6	9.0
Siam Global House	GLOBAL TB	BUY	8.85	16.70	89	1,358	19.5	16.2	9.9	11.3	1.9	1.8	16.1	14.0
Dohome	DOHOME TB	BUY	6.45	10.50	63	614	31.1	22.5	5.3	7.0	1.6	1.5	15.4	13.4
Home Improvement avg.						5,320	19.1	15.6	13.1	14.2	2.2	2.0	11.8	10.5
Consumer Discretionary avg.						12,662	19.3	16.4	16.8	17.1	2.8	2.5	11.3	10.2
Total average						35,924	19.5	16.7	14.4	14.7	2.5	2.3	11.6	10.5

Source: FSSIA estimates

Financial Statements

Central Retail Corp

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	236,031	248,391	261,178	280,470	300,503
Cost of goods sold	(159,647)	(164,941)	(174,210)	(187,745)	(201,849)
Gross profit	76,384	83,449	86,967	92,725	98,654
Other operating income	0	0	0	0	0
Operating costs	(64,784)	(70,171)	(71,344)	(76,696)	(81,434)
Operating EBITDA	28,771	31,000	34,812	36,836	39,823
Depreciation	(17,171)	(17,722)	(19,189)	(20,808)	(22,603)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	11,600	13,278	15,623	16,029	17,220
Net financing costs	(3,269)	(4,349)	(4,807)	(4,644)	(4,858)
Associates	820	990	792	808	824
Recurring non-operating income	824	995	792	808	824
Non-recurring items	245	148	0	0	0
Profit before tax	9,399	10,072	11,608	12,193	13,185
Tax	(1,794)	(1,550)	(2,542)	(2,277)	(2,472)
Profit after tax	7,605	8,523	9,066	9,916	10,713
Minority interests	(430)	(506)	(521)	(547)	(575)
Preferred dividends	0	0	0	0	0
Other items	0	0	0	0	0
Reported net profit	7,175	8,016	8,545	9,368	10,138
Non-recurring items & goodwill (net)	(245)	(148)	0	0	0
Recurring net profit	6,930	7,868	8,545	9,368	10,138
Per share (THB)					
Recurring EPS *	1.15	1.30	1.42	1.55	1.68
Reported EPS	1.19	1.33	1.42	1.55	1.68
DPS	0.48	0.55	0.59	0.64	0.70
Diluted shares (used to calculate per share data)	6,031	6,031	6,031	6,031	6,031
Growth					
Revenue (%)	20.8	5.2	5.1	7.4	7.1
Operating EBITDA (%)	47.1	7.8	12.3	5.8	8.1
Operating EBIT (%)	360.7	14.5	17.7	2.6	7.4
Recurring EPS (%)	11,573.4	13.5	8.6	9.6	8.2
Reported EPS (%)	11,985.2	11.7	6.6	9.6	8.2
Operating performance					
Gross margin inc. depreciation (%)	32.4	33.6	33.3	33.1	32.8
Gross margin exc. depreciation (%)	39.6	40.7	40.6	40.5	40.4
Operating EBITDA margin (%)	12.2	12.5	13.3	13.1	13.3
Operating EBIT margin (%)	4.9	5.3	6.0	5.7	5.7
Net margin (%)	2.9	3.2	3.3	3.3	3.4
Effective tax rate (%)	20.9	17.1	23.5	20.0	20.0
Dividend payout on recurring profit (%)	41.8	42.2	41.4	41.4	41.4
Interest cover (X)	3.8	3.3	3.4	3.6	3.7
Inventory days	102.7	111.7	112.2	110.9	110.9
Debtor days	7.9	8.1	8.0	8.1	8.3
Creditor days	98.3	101.2	100.6	98.5	97.5
Operating ROIC (%)	20.5	20.3	19.8	20.5	21.6
ROIC (%)	5.0	5.8	5.9	6.0	6.1
ROE (%)	11.7	12.2	12.2	12.4	12.4
ROA (%)	3.7	4.3	4.3	4.4	4.5

* Pre-exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2022	2023	2024E	2025E	2026E
Sales of goods	211,903	221,926	233,680	251,442	269,903
Rental services	6,583	7,785	7,934	8,102	8,274
Rendering services	1,411	1,727	1,819	1,957	2,101
Other income	16,133	16,952	17,745	18,968	20,226

Sources: Central Retail Corp; FSSIA estimates

Financial Statements

Central Retail Corp

Cash Flow (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Recurring net profit	6,930	7,868	8,545	9,368	10,138
Depreciation	17,171	17,722	19,189	20,808	22,603
Associates & minorities	(361)	(68)	0	0	0
Other non-cash items	762	539	544	625	638
Change in working capital	(2,748)	274	(40)	147	86
Cash flow from operations	21,754	26,337	28,238	30,947	33,465
Capex - maintenance	(22,856)	(26,174)	(22,000)	(22,660)	(23,340)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	(1,704)	(372)	(6,182)	(9,073)	(9,418)
Other investments (net)	0	0	0	0	0
Cash flow from investing	(24,561)	(26,546)	(28,182)	(31,733)	(32,758)
Dividends paid	(2,895)	(3,317)	(3,536)	(3,876)	(4,195)
Equity finance	1,454	237	448	448	448
Debt finance	1,776	2,486	3,463	4,658	3,497
Other financing cash flows	0	0	0	0	0
Cash flow from financing	336	(594)	376	1,230	(250)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	(2,471)	(803)	431	444	457
Free cash flow to firm (FCFF)	672.19	4,432.31	5,096.45	4,109.59	5,835.30
Free cash flow to equity (FCFE)	(1,030.54)	2,276.66	3,518.62	3,872.32	4,204.32

Per share (THB)

FCFF per share	0.11	0.73	0.85	0.68	0.97
FCFE per share	(0.17)	0.38	0.58	0.64	0.70
Recurring cash flow per share	4.06	4.32	4.69	5.11	5.53

Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Tangible fixed assets (gross)	116,316	128,631	150,631	173,291	196,631
Less: Accumulated depreciation	(67,271)	(71,134)	(90,323)	(111,131)	(133,734)
Tangible fixed assets (net)	49,045	57,497	60,308	62,160	62,897
Intangible fixed assets (net)	0	0	0	0	0
Long-term financial assets	0	0	0	0	0
Invest. in associates & subsidiaries	25,588	26,190	26,720	27,267	27,830
Cash & equivalents	15,617	14,814	15,245	15,689	16,146
A/C receivable	16,691	18,238	18,644	19,213	19,817
Inventories	43,675	46,413	48,903	52,576	56,390
Other current assets	548	492	517	555	595
Current assets	76,532	79,956	83,309	88,033	92,948
Other assets	124,820	123,455	129,810	139,399	149,356
Total assets	275,984	287,097	300,147	316,859	333,031
Common equity	62,123	67,060	72,517	78,457	84,848
Minorities etc.	2,762	3,201	3,722	4,270	4,844
Total shareholders' equity	64,885	70,260	76,239	82,726	89,692
Long term debt	89,032	84,662	94,123	91,348	97,932
Other long-term liabilities	13,579	13,669	14,373	15,434	16,537
Long-term liabilities	102,611	98,331	108,496	106,782	114,469
A/C payable	39,828	41,831	43,637	46,439	49,296
Short term debt	48,039	54,895	48,898	56,331	53,244
Other current liabilities	20,621	21,779	22,878	24,580	26,329
Current liabilities	108,488	118,505	115,413	127,350	128,869
Total liabilities and shareholders' equity	275,984	287,097	300,147	316,859	333,031
Net working capital	466	1,532	1,549	1,325	1,176
Invested capital	199,919	208,673	218,387	230,151	241,259

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

Per share (THB)

Book value per share	10.30	11.12	12.02	13.01	14.07
Tangible book value per share	10.30	11.12	12.02	13.01	14.07

Financial strength

Net debt/equity (%)	187.2	177.5	167.6	159.6	150.5
Net debt/total assets (%)	44.0	43.5	42.6	41.7	40.5
Current ratio (x)	0.7	0.7	0.7	0.7	0.7
CF interest cover (x)	0.7	1.5	1.7	1.8	1.9

Valuation	2022	2023	2024E	2025E	2026E
Recurring P/E (x) *	28.7	25.3	23.3	21.2	19.6
Recurring P/E @ target price (x) *	36.5	32.2	29.6	27.0	25.0
Reported P/E (x)	27.7	24.8	23.3	21.2	19.6
Dividend yield (%)	1.5	1.7	1.8	1.9	2.1
Price/book (x)	3.2	3.0	2.7	2.5	2.3
Price/tangible book (x)	3.2	3.0	2.7	2.5	2.3
EV/EBITDA (x) **	11.2	10.5	9.5	9.1	8.5
EV/EBITDA @ target price (x) **	13.1	12.3	11.1	10.6	9.9
EV/invested capital (x)	1.6	1.6	1.5	1.5	1.4

* 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 12: 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 13: ESG – peer comparison

	FSSIA ESG score	Domestic ratings						Global ratings					Bloomberg		
		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
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 14: 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 15: 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.																			
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 Sustainabilitys	The Sustainabilitys' 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																		
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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 Jiracharoenying FSS International Investment Advisory Securities Co., Ltd

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Company	Ticker	Price	Rating	Valuation & Risks
Central Retail Corp	CRC TB	THB 33.00	BUY	Downside risks to our DCF-based TP include 1) a decline in domestic purchasing power; 2) lower-than-expected tourist arrivals; 3) the absence of government stimulus; and 4) a slower-than-expected economic recovery in Vietnam.
Com7	COM7 TB	THB 21.20	BUY	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.
CP All	CPALL TB	THB 50.00	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 24.50	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; 4) an operating loss from its overseas units; 5) lower-than-expected synergy value; and 6) lower-than-expected losses in Happitat project.
Berli Jucker	BJC TB	THB 21.00	BUY	Key downside risks to our DCF-based TP could come from 1) competition with Lotus which could impact its sales and gross margin; and 2) a higher in raw material prices.
Index Living Mall	ILM TB	THB 13.90	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 8.10	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 8.85	BUY	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	DOHOME TB	THB 6.45	BUY	Key risks to our DCF-based TP are 1) lower steel price and heavy clearance stock 2) lower farm income, which would affect purchasing power in the agricultural sector, 3) government disbursement, 4) a lower private brand mix and margin, and 5) higher expenses than expected.

Source: FSSIA estimates

Additional Disclosures

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finansia Syrus Securities Public Company Limited.

All share prices are as at market close on 10-Feb-2025 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.