

# CENTRAL PATTANA CPN TB

## THAILAND / PROPERTY DEVELOPMENT

# BUY

UNCHANGED

TARGET PRICE	THB83.00
CLOSE	THB53.25
UP/DOWNSIDE	+55.9%
PRIOR TP	THB83.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+5.6%

## 4Q24E continuing to grow q-q, y-y

- Expect 4Q24 core profit to grow q-q and y-y due to seasonality.
- 2023-24 have been strong years, however, we expect slower profit growth in 2025 due to challenges in the property business.
- Valuations cheaper than during the lockdown easing period in 2022. Reiterate our BUY rating.

### Expect 4Q24 core profit to grow q-q and y-y due to seasonality

We expect CPN's 4Q24 core profit to be at THB4.1b (+0.5% q-q, +4.3% y-y), slightly exceeding our previous estimate by 1%. This should bring its full-year 2024 core profit to THB17b (+14.1% y-y). The continued profit growth in 4Q24 should be driven by seasonal effect across all business segments, including rental income from all 42 shopping malls, office buildings, food courts, and the hotel business. Even the real estate revenue, which saw a sharp decline in 3Q24, is expected to recover to THB1.9b-2.0b this quarter due to accelerated property transfers.

### Margins slightly lower due to competition in property business

However, we expect the overall gross margin to slow down to 53.9% in 4Q24 from 56.8% in 3Q24, mainly due to the real estate segment, which, despite strong revenue, has faced intense competition that pressures its margins – consistent with industry trends. Additionally, marketing and advertising expenses are likely to be higher than in other quarters due to seasonal factors. However, these impacts could be offset by higher investment income, resulting in continued 4Q24 core profit growth.

### 2025 will present challenges to the property business

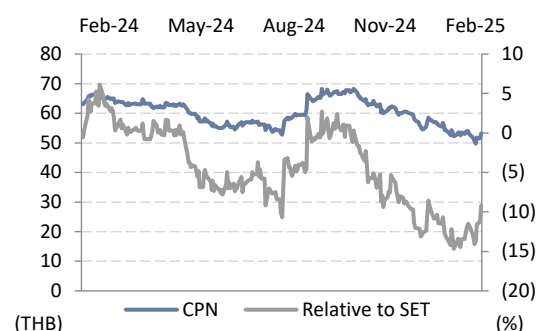
2023-24 have been strong years for CPN, driven by a robust recovery in domestic spending and a surge in tourist arrivals. We expect the total revenue and core profit in 2024 to grow by 9.9% y-y and 14.1% y-y, respectively. However, the real estate business, which was previously a standout performer, has faced increasing challenges since 2H24, a trend we expect to persist into 2025. This is a key reason why we believe its profit growth is likely to slow down in 2025. We maintain our 2025 profit forecast at +6.3% y-y, before expecting a stronger acceleration in the following years.

### Valuations cheaper than during lockdown easing period in 2022

CPN's share price has declined to levels similar to those in 2022 when Thailand began easing lockdown measures after the Covid-19 situation improved. At that time, CPN still offered rental discounts of around 20-30% to tenants and had 36 shopping malls with a total rental space of 1.9m sq.m., generating a core profit of THB5b (core profit margin of 21%). Currently, CPN has expanded to 42 shopping malls with a total rental space of 2.3m sq.m., and its profit has grown more than threefold to THB17b (core profit margin close to 34%). Its share price trades at a 2025E P/E of only 13.3x, compared to 22x in 2022. We maintain our BUY rating with a TP of THB83 (DCF, 7.4% WACC, 2% LTG).

## KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	45,613	50,111	52,923	55,254
Net profit	15,062	16,925	17,997	18,908
EPS (THB)	3.36	3.77	4.01	4.21
vs Consensus (%)	-	1.9	0.5	(1.7)
EBITDA	24,924	27,785	29,764	31,283
Recurring net profit	14,991	16,924	17,997	18,908
Core EPS (THB)	3.34	3.77	4.01	4.21
Chg. In EPS est. (%)	-	0.7	-	-
EPS growth (%)	37.0	12.9	6.3	5.1
Core P/E (x)	15.9	14.1	13.3	12.6
Dividend yield (%)	3.4	3.5	3.8	4.0
EV/EBITDA (x)	14.6	13.5	12.5	11.9
Price/book (x)	2.6	2.4	2.2	2.0
Net debt/Equity (%)	117.1	117.8	107.1	99.5
ROE (%)	17.3	17.5	17.1	16.5



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(1.8)	(15.5)	(16.1)
Relative to country (%)	4.6	(4.1)	(9.3)
Mkt cap (USD m)	7,018		
3m avg. daily turnover (USD m)	11.8		
Free float (%)	66		
Major shareholder	Chirathivat Family (37%)		
12m high/low (THB)	68.75/49.25		
Issued shares (m)	4,488.00		

Sources: Bloomberg consensus; FSSIA estimates



Jitra Amornthum

Fundamental Investment Analyst on Securities; License no. 014530  
jitra.a@fssia.com, +66 2646 9966

## Investment thesis

2023-24 have been strong years for CPN, driven by a robust recovery in domestic spending and a surge in tourist arrivals. We expect the total revenue and core profit in 2024 to grow by 9.9% y-y and 14.1% y-y, respectively. However, the real estate business, which was previously a standout performer, has faced increasing challenges since 2H24, a trend we expect to persist into 2025. This is a key reason why we believe its profit growth is likely to slow down in 2025. We maintain our 2025 profit forecast at +6.3% y-y, before expecting a stronger acceleration in the following years.

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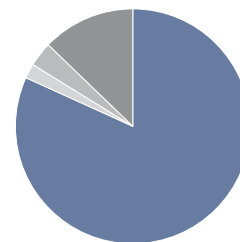
## Company profile

Central Pattana PCL is the largest retail property developer in Thailand, with over 40 years of experience. At end-2Q24, CPN managed 42 shopping centers and 17 community malls, seven office buildings, nine hotels, and 35 residential projects. It has a net retail leasable area of 2.3m sqm. with an average 90% occupancy rate.

[www.centralpattana.co.th](http://www.centralpattana.co.th)

## Principal activities (revenue, 2023)

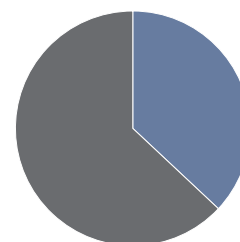
- Revenue from rent and services - 81.8 %
- Revenue from food and beverage - 2.0 %
- Revenue from hotel operation - 3.4 %
- Revenue from residential project - 12.8 %



Source: Central Pattana

## Major shareholders

- Chirathivat Family - 37.0 %
- Others - 63.0 %



Source: Central Pattana

## Catalysts

Key potential catalysts include 1) NLA expansions with new shopping malls; 2) effective cost control or the ability to pass through increased costs to tenants; and 3) the success of its housing projects.

## Risks to our call

Key downside risks to our DCF-derived TP are deviations from our estimates on rental and occupancy rates, returns on its new investments, capex, and interest rates.

## Event calendar

Date	Event
28 February 2025	4Q24 earnings announcement

## Key assumptions

	2024E	2025E	2026E
NLA (sqm m)	2.30	2.60	2.75
Retail rental rate (THB/sqm/month)	2,293	2,500	2,600
Rental revenue (THB m)	40,918	43,086	45,912
Hotel revenue (THB m)	1,893	1,983	2,156
Residential revenue (THB m)	6,968	6,736	6,000
Total revenue (THB m)	50,111	52,923	55,254
Blended GPM (%)	53.9	54.2	54.7
SG&A to sales (%)	16.7	16.6	16.9

Source: FSSIA estimates

## Earnings sensitivity

- For every 5% increase in rental rates, we project 2025 earnings to rise by 3%, and vice versa, all else being equal.
- For every 1% increase in occupancy rate, we project 2025 earnings to rise by 1%, and vice versa, all else being equal.
- For every 1% increase in SG&A to sales, we project 2025 earnings to drop by 2.8%, and vice versa, all else being equal.

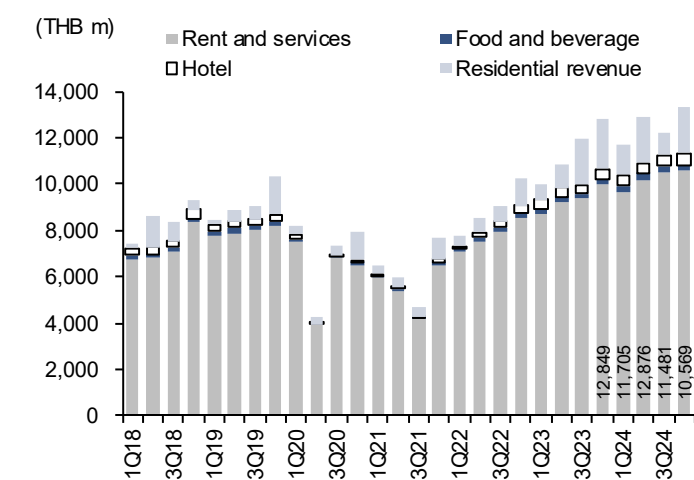
Source: FSSIA estimates

## Exhibit 1: CPN - 4Q24 earnings preview

Year to Dec 31	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 %)
Total operating revenue	12,849	11,705	12,876	12,243	13,287	8.5	3.4	45,613	50,111	9.9
Cost of services	(5,715)	(5,308)	(5,916)	(5,292)	(6,123)	15.7	7.1	(21,509)	(22,639)	5.3
Gross profit	7,134	6,396	6,960	6,951	7,165	3.1	0.4	24,104	27,472	14.0
Operating costs	(2,501)	(1,998)	(2,001)	(1,987)	(2,533)	27.4	1.3	(7,726)	(9,020)	16.7
Operating profit	4,633	4,398	4,959	4,964	4,632	(6.7)	(0.0)	16,379	18,953	15.7
Operating EBITDA	6,910	6,619	7,194	7,220	6,951	(3.7)	0.6	24,924	27,785	11.5
Other income	527	999	1,122	550	950	72.7	80.3	2,723	3,601	32.2
Interest expense	(693)	(888)	(961)	(969)	(935)	(3.5)	34.9	(2,613)	(3,753)	43.6
Profit before tax	4,467	4,509	5,120	4,545	4,647	2.2	4.0	16,489	18,821	14.1
Tax	(986)	(899)	(1,042)	(980)	(1,033)	5.3	4.8	(3,461)	(3,955)	14.3
Associates	546	596	524	633	536	(15.3)	(1.8)	2,133	2,289	7.3
<b>Reported net profit</b>	<b>3,977</b>	<b>4,154</b>	<b>4,556</b>	<b>4,126</b>	<b>4,144</b>	<b>0.4</b>	<b>4.2</b>	<b>15,062</b>	<b>16,925</b>	<b>12.4</b>
<b>Core profit</b>	<b>3,972</b>	<b>4,152</b>	<b>4,206</b>	<b>4,125</b>	<b>4,144</b>	<b>0.5</b>	<b>4.3</b>	<b>14,991</b>	<b>16,924</b>	<b>12.9</b>
Reported EPS (THB)	0.89	0.93	1.01	0.92	1.01	9.8	14.0	3.36	3.77	12.2
Recurring EPS (THB)	0.89	0.93	0.94	0.92	0.92	0.5	4.3	3.34	3.77	12.9
<b>Key ratios (%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>	<b>(ppt)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>
Gross margin	55.5	54.6	54.1	56.8	53.9	(2.9)	(1.6)	52.8	54.8	2.0
Operating margin	36.1	37.6	38.5	40.5	34.9	(5.7)	(1.2)	35.9	37.8	1.9
EBITDA margin	53.8	56.6	55.9	59.0	52.3	(6.7)	(1.5)	54.6	55.4	0.8
Core profit margin	30.9	35.5	32.7	33.7	31.2	(2.5)	0.3	32.5	33.8	1.3
SG&A / Sales	19.5	17.1	15.5	16.2	19.1	2.8	(0.4)	16.9	18.0	1.1
<b>Revenue breakdown</b>	<b>(THB m)</b>	<b>(THB m)</b>	<b>(THB m)</b>	<b>(THB m)</b>	<b>(THB m)</b>	<b>(q-q %)</b>	<b>(y-y %)</b>	<b>(THB m)</b>	<b>(THB m)</b>	<b>(y-y %)</b>
Rental and services	9,965	9,659	10,179	10,511	10,569	0.5	6.1	37,303	40,918	9.7
Food centre services	240	249	289	268	268	0.0	11.7	921	1,074	16.6
Hotel operations	449	491	452	472	479	1.4	6.6	1,554	1,893	21.8
Residential sales	2,195	1,306	1,957	991	1,971	98.8	(10.2)	5,835	6,226	6.7
<b>Gross margin by business</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>	<b>(ppt)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>
Rental and services	59.4	56.5	57.1	58.4	57.9	(0.5)	(1.5)	55.3	57.5	2.2
Food centre services	49.6	49.4	52.6	50.4	45.4	(5.0)	(4.2)	49.5	49.5	(0.0)
Hotel operations	66.9	68.3	66.1	66.4	66.3	(0.1)	(0.6)	66.2	66.8	0.6
Residential sales	36.1	37.1	35.5	36.7	30.7	(6.1)	(5.4)	34.4	34.5	0.1

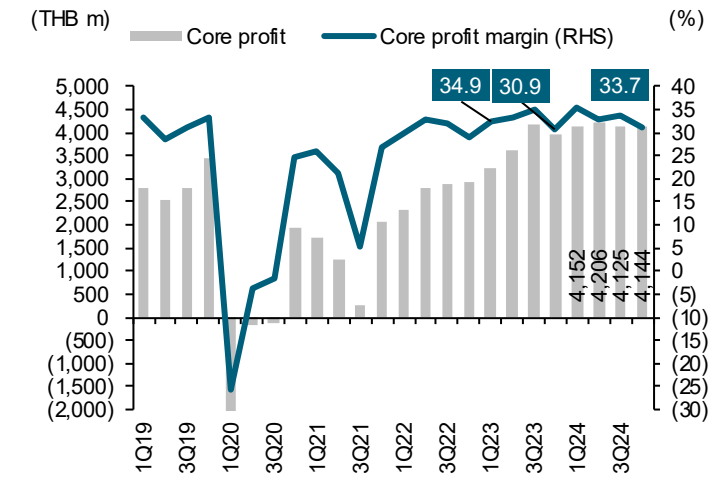
Sources: CPN, FSSIA estimates

## Exhibit 2: Revenue structure

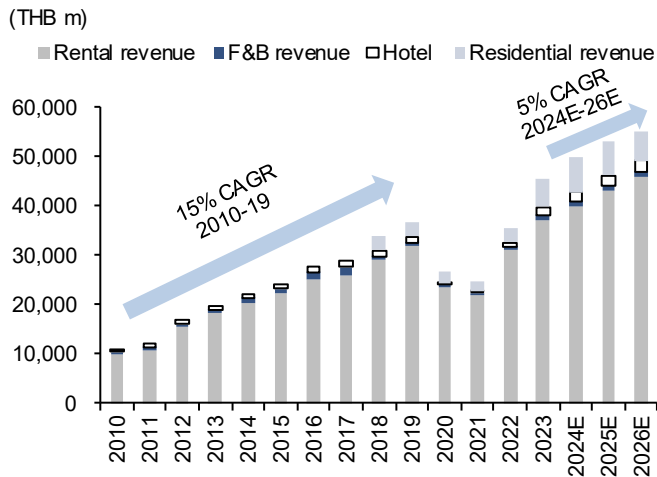


Sources: CPN, FSSIA estimates

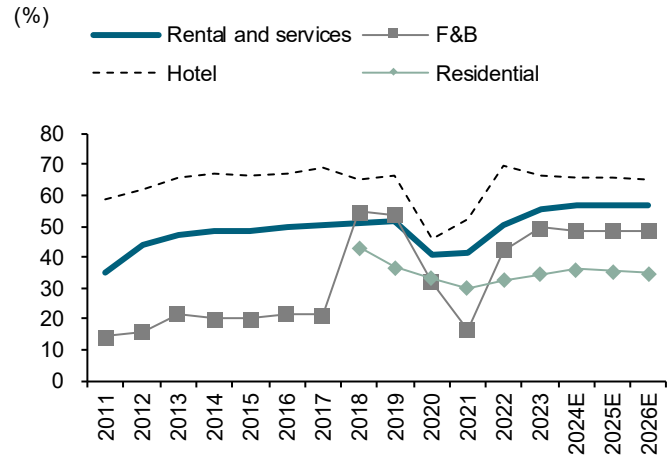
## Exhibit 3: Core profit and core profit margin



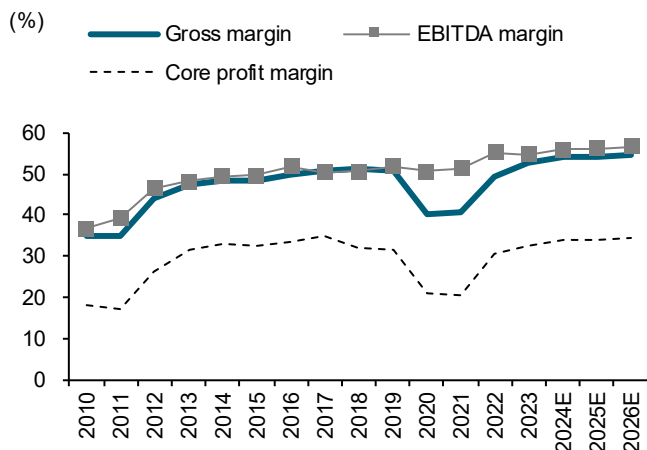
Sources: CPN, FSSIA estimates

**Exhibit 4: Revenue structure**

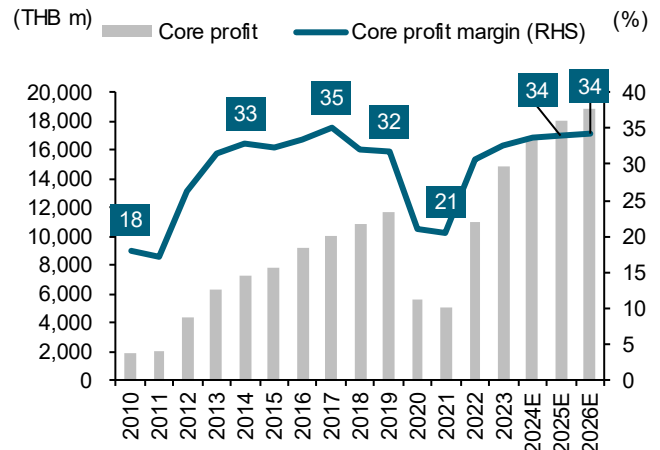
Sources: CPN, FSSIA estimates

**Exhibit 5: Margins by business**

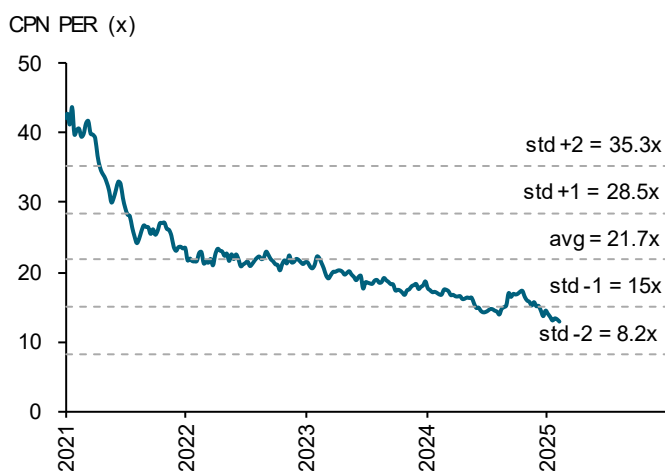
Sources: CPN, FSSIA estimates

**Exhibit 6: Margins**

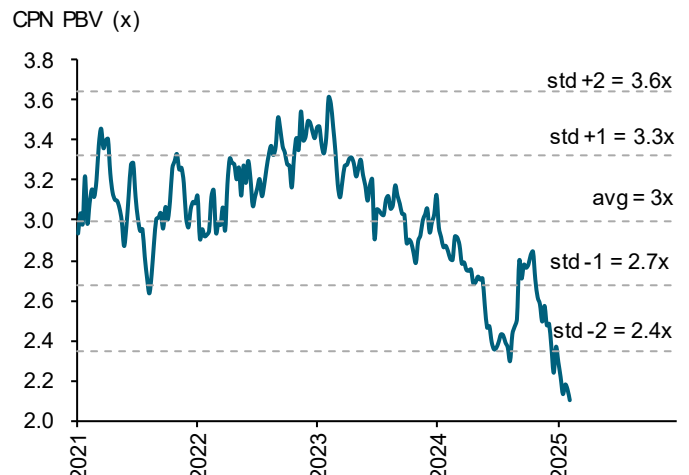
Sources: CPN, FSSIA estimates

**Exhibit 7: core profit**

Sources: CPN, Bloomberg, FSSIA estimates

**Exhibit 8: One-year rolling forward P/E band**

Sources: Bloomberg, FSSIA estimates

**Exhibit 9: One-year rolling forward P/BV band**

Sources: Bloomberg, FSSIA estimates

## Financial Statements

### Central Pattana

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	35,575	45,613	50,111	52,923	55,254
Cost of goods sold	(18,033)	(21,509)	(22,639)	(24,258)	(25,043)
<b>Gross profit</b>	<b>17,542</b>	<b>24,104</b>	<b>27,472</b>	<b>28,665</b>	<b>30,210</b>
Other operating income	-	-	-	-	-
Operating costs	(6,483)	(7,726)	(9,020)	(8,801)	(9,338)
<b>Operating EBITDA</b>	<b>19,608</b>	<b>24,924</b>	<b>27,785</b>	<b>29,764</b>	<b>31,283</b>
Depreciation	(8,550)	(8,546)	(9,333)	(9,900)	(10,410)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>11,058</b>	<b>16,379</b>	<b>18,452</b>	<b>19,864</b>	<b>20,872</b>
Net financing costs	(2,204)	(2,613)	(3,753)	(3,722)	(3,705)
Associates	1,560	2,133	2,289	2,289	2,405
Recurring non-operating income	4,692	4,857	5,890	5,559	5,643
Non-recurring items	(186)	71	1	0	0
<b>Profit before tax</b>	<b>13,361</b>	<b>18,693</b>	<b>20,591</b>	<b>21,702</b>	<b>22,811</b>
Tax	(2,487)	(3,461)	(3,843)	(3,883)	(4,081)
<b>Profit after tax</b>	<b>10,874</b>	<b>15,233</b>	<b>16,747</b>	<b>17,819</b>	<b>18,730</b>
Minority interests	(114)	(171)	177	177	177
Preferred dividends	0	0	0	0	0
Other items	0	0	0	0	0
<b>Reported net profit</b>	<b>10,760</b>	<b>15,062</b>	<b>16,925</b>	<b>17,997</b>	<b>18,908</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>186</b>	<b>(71)</b>	<b>(1)</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>10,945</b>	<b>14,991</b>	<b>16,924</b>	<b>17,997</b>	<b>18,908</b>
<b>Per share (THB)</b>					
Recurring EPS *	2.44	3.34	3.77	4.01	4.21
Reported EPS	2.40	3.36	3.77	4.01	4.21
DPS	1.15	1.80	1.89	2.00	2.11
Diluted shares (used to calculate per share data)	4,488	4,488	4,488	4,488	4,488
<b>Growth</b>					
Revenue (%)	43.2	28.2	9.9	5.6	4.4
Operating EBITDA (%)	53.6	27.1	11.5	7.1	5.1
Operating EBIT (%)	138.2	48.1	12.7	7.7	5.1
Recurring EPS (%)	114.6	37.0	12.9	6.3	5.1
Reported EPS (%)	50.5	40.0	12.4	6.3	5.1
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	49.3	52.8	54.8	54.2	54.7
Gross margin exc. depreciation (%)	73.3	71.6	73.4	72.9	73.5
Operating EBITDA margin (%)	55.1	54.6	55.4	56.2	56.6
Operating EBIT margin (%)	31.1	35.9	36.8	37.5	37.8
Net margin (%)	30.8	32.9	33.8	34.0	34.2
Effective tax rate (%)	20.7	21.0	20.0	20.0	20.0
Dividend payout on recurring profit (%)	47.2	53.9	50.0	50.0	50.0
Interest cover (X)	7.1	8.1	6.5	6.8	7.2
Inventory days	-	-	-	-	-
Debtor days	65.9	37.7	30.4	31.0	31.2
Creditor days	267.0	234.2	253.9	249.9	257.8
Operating ROIC (%)	5.0	7.2	7.9	8.3	8.5
ROIC (%)	5.0	6.6	7.1	7.2	7.5
ROE (%)	14.2	17.3	17.5	17.1	16.5
ROA (%)	4.8	6.2	6.8	6.8	7.1

\* Pre-exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2022	2023	2024E	2025E	2026E
Revenue from rent and services	31,131	37,303	40,918	43,086	45,912
Revenue from food and beverage	655	921	1,074	1,118	1,185
Revenue from hotel operation	918	1,554	1,893	1,983	2,156
Revenue from residential project	2,870	5,835	6,226	6,736	6,000

Sources: Central Pattana; FSSIA estimates

## Financial Statements

### Central Pattana

Cash Flow (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Recurring net profit	10,945	14,991	16,924	17,997	18,908
Depreciation	8,550	8,546	9,333	9,900	10,410
Associates & minorities	(942)	0	0	0	0
Other non-cash items	638	1,505	(177)	(177)	(177)
Change in working capital	(4,317)	(3,694)	824	(1,086)	115
<b>Cash flow from operations</b>	<b>14,875</b>	<b>21,348</b>	<b>26,903</b>	<b>26,633</b>	<b>29,255</b>
Capex - maintenance	(7,273)	(13,447)	(16,019)	(15,930)	(14,337)
Capex - new investment	0	0	-	0	0
Net acquisitions & disposals	(165)	3,760	(12,924)	598	(5,838)
Other investments (net)	(1,836)	-	-	-	-
<b>Cash flow from investing</b>	<b>(9,274)</b>	<b>(9,687)</b>	<b>(28,944)</b>	<b>(15,332)</b>	<b>(20,175)</b>
Dividends paid	(1,365)	(5,182)	(8,462)	(8,998)	(9,454)
Equity finance	(6,163)	(6,494)	0	0	0
Debt finance	1,991	(33,111)	29,137	8,800	232
Other financing cash flows	-	32,225	(19,000)	(11,000)	-
<b>Cash flow from financing</b>	<b>(5,537)</b>	<b>(12,562)</b>	<b>1,674</b>	<b>(11,198)</b>	<b>(9,222)</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
<b>Net other adjustments</b>	<b>0</b>	<b>(160)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Movement in cash</b>	<b>63</b>	<b>(1,061)</b>	<b>(366)</b>	<b>103</b>	<b>(142)</b>
Free cash flow to firm (FCFF)	7,804.31	14,273.65	1,712.45	15,022.54	12,784.57
Free cash flow to equity (FCFE)	7,591.13	10,614.75	8,096.22	9,100.93	9,311.86
<b>Per share (THB)</b>					
FCFF per share	1.74	3.18	0.38	3.35	2.85
FCFE per share	1.69	2.37	1.80	2.03	2.07
Recurring cash flow per share	4.28	5.58	5.81	6.18	6.49
<b>Balance Sheet (THB m) Year Ending Dec</b>					
Tangible fixed assets (gross)	257,917	269,554	285,573	301,503	315,840
Less: Accumulated depreciation	(85,210)	(93,756)	(103,089)	(112,989)	(123,399)
<b>Tangible fixed assets (net)</b>	<b>172,707</b>	<b>175,798</b>	<b>182,484</b>	<b>188,514</b>	<b>192,441</b>
<b>Intangible fixed assets (net)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Long-term financial assets	0	0	0	0	0
Invest. in associates & subsidiaries	41,306	42,282	48,253	49,363	50,473
Cash & equivalents	6,121	5,059	4,693	4,796	4,654
A/C receivable	5,455	4,027	4,419	4,665	4,868
Inventories	0	0	0	0	0
Other current assets	13,667	16,459	18,082	19,097	19,938
<b>Current assets</b>	<b>25,242</b>	<b>25,546</b>	<b>27,195</b>	<b>28,557</b>	<b>29,459</b>
Other assets	33,436	36,247	44,599	40,037	35,530
<b>Total assets</b>	<b>272,692</b>	<b>279,873</b>	<b>302,530</b>	<b>306,471</b>	<b>307,903</b>
Common equity	81,475	92,273	100,735	109,734	119,188
Minorities etc.	8,145	8,309	8,131	7,954	7,776
<b>Total shareholders' equity</b>	<b>89,620</b>	<b>100,582</b>	<b>108,867</b>	<b>117,688</b>	<b>126,964</b>
Long term debt	98,522	83,656	105,315	108,623	108,816
Other long-term liabilities	42,517	41,767	43,164	40,309	31,074
<b>Long-term liabilities</b>	<b>141,040</b>	<b>125,423</b>	<b>148,478</b>	<b>148,932</b>	<b>139,890</b>
A/C payable	7,614	9,018	9,492	10,170	10,500
Short term debt	27,441	39,196	27,674	22,166	22,205
Other current liabilities	6,976	5,654	8,020	7,515	8,344
<b>Current liabilities</b>	<b>42,032</b>	<b>53,868</b>	<b>45,186</b>	<b>39,851</b>	<b>41,049</b>
<b>Total liabilities and shareholders' equity</b>	<b>272,691</b>	<b>279,873</b>	<b>302,531</b>	<b>306,471</b>	<b>307,903</b>
Net working capital	4,531	5,815	4,990	6,076	5,962
Invested capital	251,981	260,142	280,326	283,990	284,405
* Includes convertibles and preferred stock which is being treated as debt					
<b>Per share (THB)</b>					
Book value per share	18.15	20.56	22.45	24.45	26.56
Tangible book value per share	18.15	20.56	22.45	24.45	26.56
<b>Financial strength</b>					
Net debt/equity (%)	133.7	117.1	117.8	107.1	99.5
Net debt/total assets (%)	43.9	42.1	42.4	41.1	41.0
Current ratio (x)	0.6	0.5	0.6	0.7	0.7
CF interest cover (x)	4.4	5.1	3.2	3.4	3.5
<b>Valuation</b>					
<b>Recurring P/E (x) *</b>	<b>21.8</b>	<b>15.9</b>	<b>14.1</b>	<b>13.3</b>	<b>12.6</b>
<b>Recurring P/E @ target price (x) *</b>	<b>34.0</b>	<b>24.8</b>	<b>22.0</b>	<b>20.7</b>	<b>19.7</b>
Reported P/E (x)	22.2	15.9	14.1	13.3	12.6
Dividend yield (%)	2.2	3.4	3.5	3.8	4.0
Price/book (x)	2.9	2.6	2.4	2.2	2.0
Price/tangible book (x)	2.9	2.6	2.4	2.2	2.0
EV/EBITDA (x) **	18.7	14.6	13.5	12.5	11.9
EV/EBITDA @ target price (x) **	25.5	20.0	18.3	17.0	16.2
EV/invested capital (x)	1.5	1.4	1.3	1.3	1.3
* Pre-exceptional, pre-goodwill and fully diluted    ** EBITDA includes associate income and recurring non-operating income					

Sources: Central Pattana; FSSIA estimates

# Central Pattana PCL (CPN TB)

## FSSIA ESG rating


**81.38 /100**

### Exhibit 10: 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 11: 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
AP	53.36	--	Y	Y	5.00	5.00	Certified	Low	43.30	--	--	16.91	24.00	1.89	34.26
AWC	71.74	--	Y	Y	5.00	5.00	Certified	Low	55.63	AA	--	69.90	73.00	2.11	60.03
CPN	81.38	Y	Y	Y	5.00	5.00	Certified	Low	56.02	BBB	35.00	69.83	81.00	3.67	--
SIRI	66.14	--	Y	Y	5.00	5.00	Certified	Low	43.82	A	--	57.85	23.00	3.00	61.14
SPALI	59.80	--	Y	Y	5.00	5.00	Certified	Low	52.93	BB	--	36.30	24.00	2.19	42.36

Sources: [SETTRADE.com](https://www.settrade.com); FSSIA's compilation

### Exhibit 12: ESG score by Bloomberg

FY ending Dec 31	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
<b>ESG financial materiality scores - ESG score</b>	<b>2.24</b>	<b>2.42</b>	<b>2.76</b>	<b>3.13</b>	<b>3.12</b>	<b>3.35</b>	<b>3.67</b>	<b>—</b>
BESG environmental pillar score	0.97	1.31	1.29	1.93	1.90	2.22	2.60	—
BESG social pillar score	3.25	3.25	6.78	6.78	6.78	6.78	6.78	—
BESG governance pillar score	4.03	3.91	3.95	3.86	3.90	4.01	4.31	—
<b>ESG disclosure score</b>	<b>50.21</b>	<b>53.42</b>	<b>57.94</b>	<b>58.14</b>	<b>59.45</b>	<b>60.66</b>	<b>60.66</b>	<b>—</b>
Environmental disclosure score	40.65	52.85	54.82	52.85	56.78	56.78	56.78	—
Social disclosure score	28.75	26.18	31.53	34.10	34.10	37.73	37.73	—
Governance disclosure score	81.10	81.10	87.36	87.36	87.36	87.36	87.36	—
<b>Environmental</b>								
Emissions reduction initiatives	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Climate change policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Climate change opportunities discussed	No	No	No	No	No	No	No	No
Risks of climate change discussed	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
GHG scope 1	4	4	4	4	6	7	3	2
GHG scope 2 location-based	202	255	250	258	278	220	185	239
GHG Scope 3	191	270	284	300	305	246	167	365
Carbon per unit of production	0	0	0	0	0	75	54	0
Biodiversity policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Energy efficiency policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Total energy consumption	846	930	909	956	1,003	810	718	1,030
Renewable energy use	0	0	1	6	9	13	19	22
Electricity used	846	923	904	951	998	806	715	922
Fuel used - natural gas	—	—	—	—	—	—	—	—

Sources: Bloomberg; FSSIA's compilation



## Exhibit 13: ESG score by Bloomberg (cont.)

FY ending Dec 31	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Fuel used - crude oil/diesel	No	No	No	No	No	No	No	No
Waste reduction policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Hazardous waste	—	—	9	—	0	0	0	—
Total waste	67	77	107	84	70	52	45	65
Waste recycled	—	0	0	0	2	2	2	6
Waste sent to landfills	—	—	—	—	68	49	42	53
Environmental supply chain management	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
Water policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Water consumption	—	2,536	2,489	2,573	3,071	2,475	2,378	—
<b>Social</b>								
Human rights policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Policy against child labor	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Quality assurance and recall policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Consumer data protection policy	No	No	No	No	No	No	No	No
Equal opportunity policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Gender pay gap breakout	No	No	Yes	Yes	Yes	Yes	Yes	No
Pct women in workforce	49	49	50	50	50	49	49	—
Pct disabled in workforce	—	—	—	—	—	—	—	—
Business ethics policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Anti-bribery ethics policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Health and safety policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Lost time incident rate - employees	—	—	—	—	—	—	—	—
Total recordable incident rate - employees	—	—	0	0	0	0	0	—
Training policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Fair remuneration policy	No	No	No	No	No	No	No	No
Number of employees – CSR	4,099	4,301	4,658	4,911	5,093	4,863	4,712	4,991
Employee turnover pct	—	—	—	—	—	—	—	—
Total hours spent by firm - employee training	81,980	90,321	116,450	132,597	122,232	53,593	117,800	49,910
Social supply chain management	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<b>Governance</b>								
Board size	12	12	11	11	11	12	12	14
No. of independent directors (ID)	4	4	4	4	4	4	4	4
No. of women on board	2	1	1	1	1	2	3	4
No. of non-executive directors on board	11	11	10	10	10	11	9	13
Company conducts board evaluations	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
No. of board meetings for the year	6	8	8	8	10	10	9	8
Board meeting attendance pct	96	86	90	99	90	96	98	99
Board duration (years)	3	3	3	3	3	3	3	3
Director share ownership guidelines	No	No	No	No	No	No	No	No
Age of the youngest director	53	54	55	56	57	58	59	—
Age of the oldest director	75	76	77	78	79	80	79	—
No. of executives / company managers	11	12	8	8	9	6	5	7
No. of female executives	6	5	5	5	5	2	2	2
Executive share ownership guidelines	No	No	No	No	No	No	No	No
Size of audit committee	4	4	4	4	4	4	4	3
No. of ID on audit committee	4	4	4	4	4	4	4	3
Audit committee meetings	11	11	11	11	11	11	11	8
Audit meeting attendance %	97	98	95	100	100	100	100	96
Size of compensation committee	3	3	3	3	3	3	5	3
No. of ID on compensation committee	2	2	2	2	2	2	2	2
No. of compensation committee meetings	3	3	2	3	4	3	5	4
Compensation meeting attendance %	89	88	80	100	100	100	100	100
Size of nomination committee	3	3	3	3	3	3	5	3
No. of nomination committee meetings	3	3	2	3	4	3	5	4
Nomination meeting attendance %	89	88	80	100	100	100	100	100
<b>Sustainability governance</b>								
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 <b>SETESG inclusion</b> , 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. <b>SETESG Index</b> 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&amp;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 &amp; 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
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Moody's ESG solutions	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.																					
Refinitiv ESG rating	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. <i>(Score ratings are 0 to 25 = poor; &gt;25 to 50 = satisfactory; &gt;50 to 75 = good; and &gt;75 to 100 = excellent.)</i>																					
S&P Global	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.																					
Bloomberg	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.																				
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.																				

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

Source: FSSIA's compilation

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Jitra Amornthum FSS International Investment Advisory Securities Co., Ltd

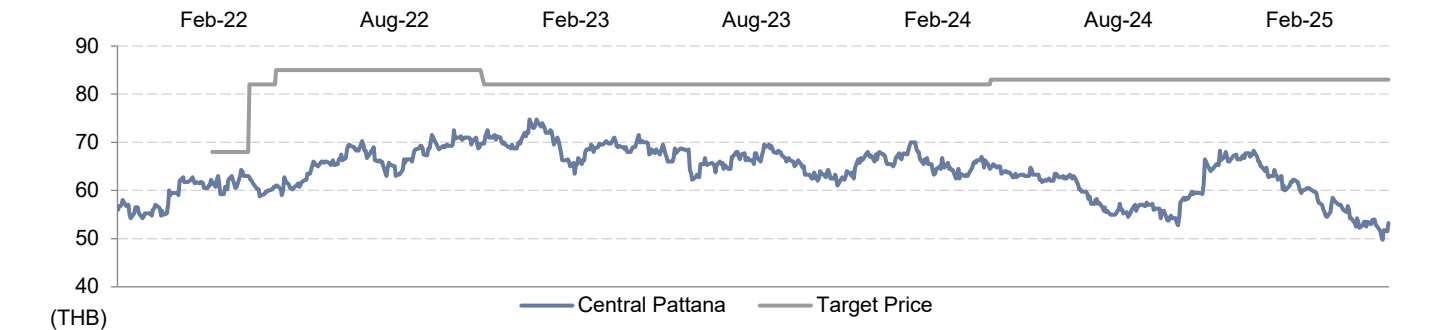
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History of change in investment rating and/or target price

Central Pattana (CPN TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
05-May-2022	BUY	68.00	29-Jun-2022	BUY	85.00	05-Mar-2024	BUY	83.00
06-Jun-2022	BUY	82.00	23-Dec-2022	BUY	82.00			

Jitra Amornthum started covering this stock from 23-Dec-2022

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Central Pattana	CPN TB	THB 53.25	BUY	Key downside risks to our DCF-derived TP are deviations from our estimates on rental and occupancy rates, returns on its new investments, capex, and interest rates.

Source: FSSIA estimates

Additional Disclosures

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

All share prices are as at market close on 11-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.