

SYNNEX (THAILAND) SYNEX TB

THAILAND / INFORMATION&COMM TECH

BUY
UNCHANGED

Prolonged robust growth despite GPM pressure

- SYNNEX set a sales growth target of 13% to reach a record high of THB47b with projected strength across all segments.
- We cut our 2025-26E earnings forecast by 12% due to GPM. Apple remains the product champion but carries a low margin.
- Maintain BUY rating at a lower TP of THB15/shr.

TARGET PRICE	THB15.00
CLOSE	THB11.50
UP/DOWNSIDE	+30.4%
PRIOR TP	THB17.60
CHANGE IN TP	-14.8%
TP vs CONSENSUS	-4.3%

KEY STOCK DATA

YE Dec (THB m)	2024	2025E	2026E	2027E
Revenue	41,904	46,987	51,674	55,364
Net profit	628	635	703	759
EPS (THB)	0.74	0.75	0.83	0.90
vs Consensus (%)	-	(6.6)	(6.0)	-
EBITDA	812	963	1,031	1,110
Recurring net profit	511	635	703	759
Core EPS (THB)	0.60	0.75	0.83	0.90
Chg. In EPS est. (%)	nm	(10.4)	(10.1)	nm
EPS growth (%)	18.0	24.3	10.7	8.0
Core P/E (x)	19.1	15.3	13.9	12.8
Dividend yield (%)	3.1	3.9	4.3	4.6
EV/EBITDA (x)	21.0	16.6	15.9	15.1
Price/book (x)	2.2	2.1	2.0	1.8
Net debt/Equity (%)	164.1	131.7	132.5	131.4
ROE (%)	12.0	13.9	14.5	14.8

A neutral view on the meeting, target 13% sales growth

We have a neutral view of the meeting on 5 Mar. SYNNEX set a 2025 sales target of THB47.3b (+12.8% y-y), aligning closely with our estimate (+12%). Potential drivers behind this growth include Apple and Smartphone & Wearable, benefiting from new product launches and expanded sales channels, including Honor, Huawei, and Samsung. The Gaming segment should see growth from Nintendo, while Commercial & Enterprise Solutions would expand through Network Security and its role as an AWS distributor. Additionally, IT Consumer could recover following Microsoft ending its support for Windows 10 by 14 Oct 2025 and the anticipated launch of Windows 12.

4Q24 core profit misses due to ECL despite record-high revenue

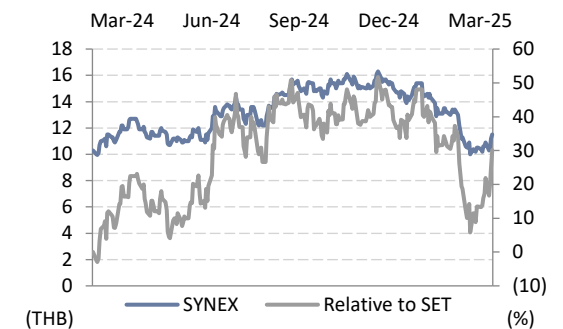
The 4Q24 core profit of THB116m (-15% y-y) missed our estimate due to increased provisions, leading to a 53% y-y increase in SG&A expenses and SG&A to sales of 2.9% (+60bps y-y). Despite 22% y-y revenue growth, reaching a record-high THB11.6b (+22% y-y), and a stable 4.0% gross margin, the profit saw pressure from higher SG&A. In 2024, SYNNEX achieved record-high revenue of THB41.9b (+15% y-y), mainly from Apple, Smartphone & Wearable, and Commercial & Enterprise Solutions, resulting in a core profit of THB511m (+18% y-y).

Cut earnings forecast as challenges loom

We slashed our 2025-26E earnings forecast by 12% due to more anticipated challenges around the gross margin. Apple remains the product champion but carries a low margin. However, SYNNEX is working to offset this by focusing on high-margin products, such as IT Secured Network and Cloud solutions as an AWS authorized distributor. Hence, we expect a 2025 core profit of THB635m (+24% y-y), with revenue expected to reach an all-time high of THB47b (+12% y-y) and control measures put in place for employee and warehouse expenses.

Maintain BUY rating at a lower TP of THB15/shr

We maintain our BUY rating despite a lower target price of THB15/shr (20x P/E target). In the short run, SYNNEX remains on track, with sales growth of c10% in the first two months of 2025, driven by Phones, Gaming, and Commercial after commercial project inflows gaining momentum. Management was confident that 4Q24 provisions for doubtful accounts were sufficient.



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	4.4	(21.3)	16.8
Relative to country (%)	12.0	(4.4)	34.2
Mkt cap (USD m)	297		
3m avg. daily turnover (USD m)	0.7		
Free float (%)	20		
Major shareholder	TKS Technology PCL (39%)		
12m high/low (THB)	16.70/9.80		
Issued shares (m)	847.36		

Sources: Bloomberg consensus; FSSIA estimates



Thada Jirachoenying

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

Investment thesis

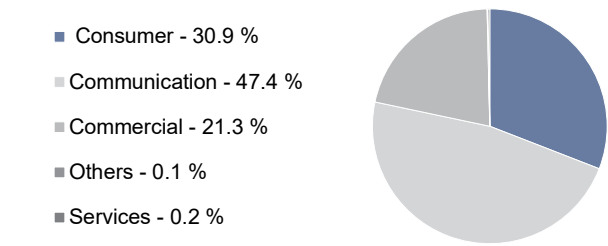
SYNEX is a leading IT distributor. It has been in the business for more than 30 years. SYNEX aims to become a leading one-stop service distributor of IT products and services, leading to sustainable and stable growth under its No.1 IT ecosystem strategy. We expect 2025-27 core profit growth of c14% CAGR due to a recovery in consumer electronics, the AI implementation in NPU (neural processing unit) to help improve efficiency, a focus on the high-value gaming market, and aggressive marketing in the software market, generating recurring income with a healthy margin. Also, the communication segment should see continued growth due to Apple and the solid gains of Honor and Huawei, for which SYNEX is an exclusive distributor.

Company profile

SYNEX distributes computers, computer peripherals, software, IT systems, and computer-related supplies. Its customer base includes retailers and wholesalers nationwide, local-branded computer manufacturers, department stores, and superstores.

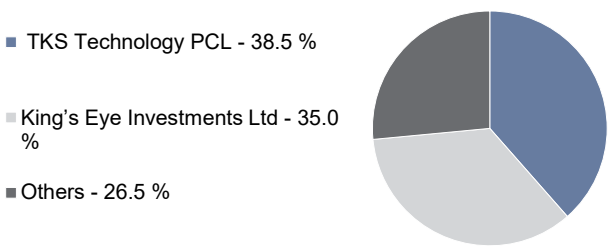
www.synnex.co.th

Principal activities (revenue, 2024)



Source: Synnex (Thailand)

Major shareholders



Source: Synnex (Thailand)

Catalysts

Key catalysts for SYNEX include 1) a domestic purchasing power recovery; 2) government stimulus measures; 3) IT investments in the public and private sectors, which would help stimulate commercial sales (8% of sales were government-based); and 4) new technological developments, such as AI processors.

Risks to our call

Downside risks to our P/E-based TP include 1) a slower-than-expected PC recovery; 2) later-than-expected government budget disbursement; and 3) slower-than-expected AI-capable PC/smartphone adoption.

Event calendar

Date	Event
May 2025	1Q25 results announcement

Key assumptions

	Actual	Current		
	2024	2025E	2026E	2027E
Revenues (THB m)	41,802	46,874	51,550	55,230
- Consumer growth (%)	(6.4)	0.4	0.4	0.4
- Communication growth (%)	36.2	22.1	16.1	10.0
- Commercial growth (%)	9.0	6.9	7.3	7.8
Gross margin (%)	4.0	4.0	4.0	4.0
SG&A to sales (%)	2.4	2.3	2.3	2.3
Core profit (THB m)	511	635	703	759

Source: FSSIA estimates

Earnings sensitivity

- For every 1.0% increase in revenue, we estimate 2025 core profit to rise by 1.0%, and vice versa, all else being equal.
- For every 0.1% increase in GPM, we estimate 2025 core profit to rise by 5.1%, and vice versa, all else being equal.
- For every 0.1% increase in SG&A to sales, we estimate 2025 core profit to fall by 5.1%, and vice versa, all else being equal.

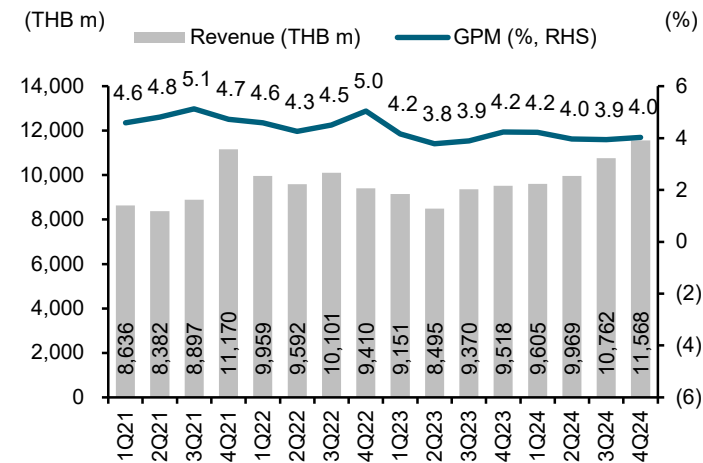
Source: FSSIA estimates

Exhibit 1: SYNEX – 4Q24 results summary

Year to Dec 31	4Q23 (THB m)	1Q24 (THB m)	2Q24 (THB m)	3Q24 (THB m)	4Q24 (THB m)	Change		2023 (THB m)	2024 (THB m)	Change
						(q-q%)	(y-y%)			(y-y%)
Revenue	9,518	9,605	9,969	10,762	11,568	7	22	36,534	41,904	15
COGS	(9,115)	(9,200)	(9,573)	(10,338)	(11,101)	7	22	(35,063)	(40,211)	15
Gross profit	403	405	396	424	466	10	16	1,470	1,692	15
Operating costs	(217)	(227)	(228)	(230)	(331)	44	53	(906)	(1,016)	12
Operating profit	186	178	168	195	135	(30)	(27)	564	677	20
Other income	20	20	20	22	25	16	29	85	87	3
FX Gain (Loss)	12	30	30	27	31	16	162	80	117	45
Interest expense	(42)	(43)	(47)	(50)	(44)	(11)	7	(145)	(185)	27
Profit before tax	176	184	171	193	147	(24)	(16)	584	696	19
Tax	(38)	(38)	(23)	(39)	(26)	(32)	(31)	(134)	(126)	(6)
Associates	10	5	12	14	26	78	167	63	57	(9)
Minority interests	0.3	0.2	0.2	0.2	0.2	(5)	(25)	1	1	(11)
Non-recurring items	12	30	30	27	31	16	162	80	117	45
Reported net profit	148	152	160	169	147	(13)	(1)	513	628	22
Recurring net profit	136	122	130	142	116	(19)	(15)	433	511	18
EPS (THB)	0.17	0.18	0.19	0.20	0.17	(13)	(1)	0.61	0.74	22
Recurring EPS (THB)	0.16	0.14	0.15	0.17	0.14	(19)	(15)	0.51	0.60	18
Key Ratios (%)	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)	(%)	(ppt)
Gross margin	4.2	4.2	4.0	3.9	4.0	0.1	(0.2)	4.0	4.0	0.0
Operating margin	2.0	1.9	1.7	1.8	1.2	(0.6)	(0.8)	1.5	1.6	0.1
Recurring net margin	1.4	1.3	1.3	1.3	1.0	(0.3)	(0.4)	1.2	1.2	0.0
SG&A / Sales	2.3	2.4	2.3	2.1	2.9	0.7	0.6	2.5	2.4	(0.1)

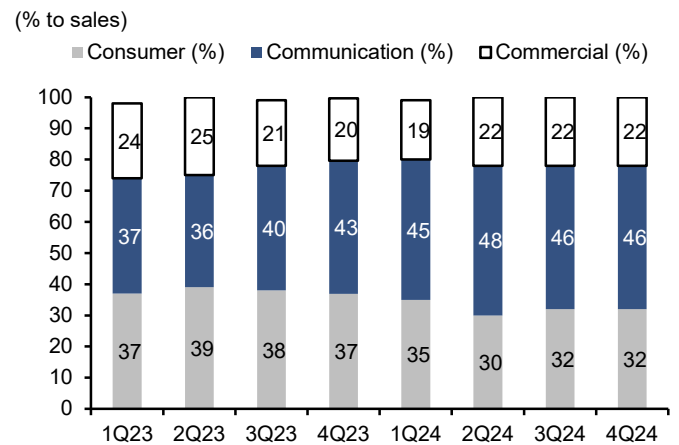
Sources: SYNEX; FSSIA estimates

Exhibit 2: Quarterly revenue and %GPM



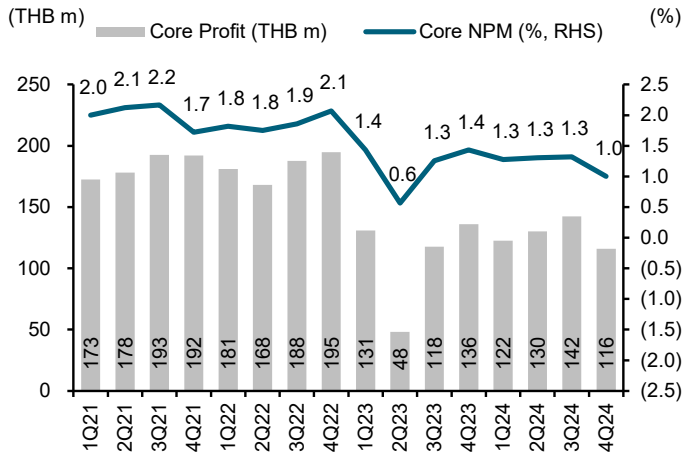
Sources: SYNEX; FSSIA estimates

Exhibit 3: Product mix (% to sales)



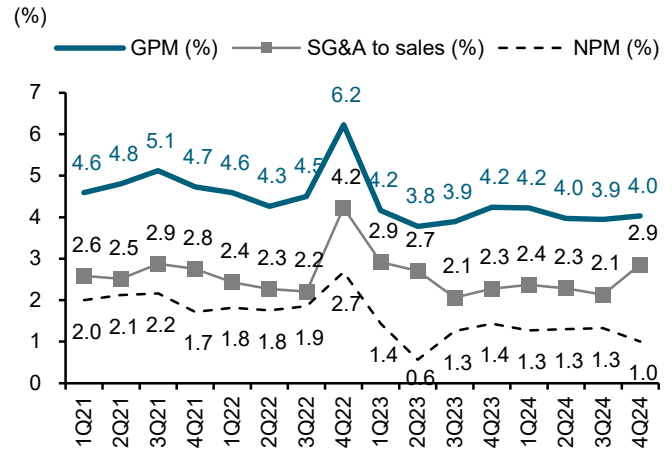
Sources: SYNEX; FSSIA estimates

Exhibit 4: Quarterly core profit and % margin



Sources: SYNEX; FSSIA estimates

Exhibit 5: Profitability



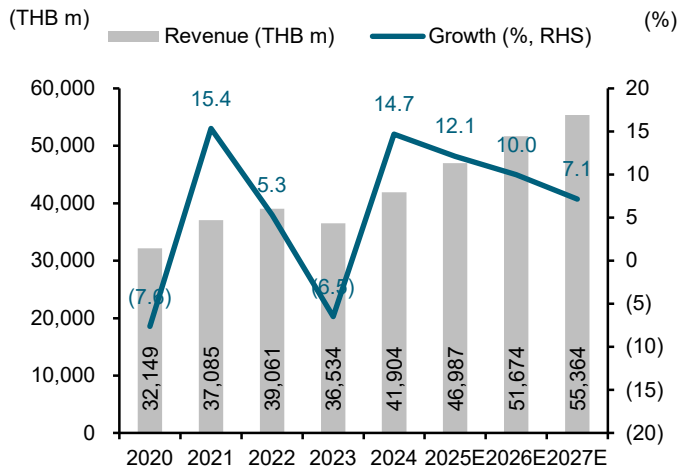
Sources: SYNEX; FSSIA estimates

Exhibit 6: Changes in key assumptions

	Current			Previous			Change		
	2025E	2026E	2027E	2025E	2026E	2027E	2025E	2026E	2027E
Revenues (THB m)	46,874	51,550	55,230	45,594	47,663	55,230	2.8	8.2	nm
- Consumer growth (%)	0.4	0.4	0.4	7.9	5.0	0.4	(7.5)	(4.6)	nm
- Communication growth (%)	22.1	16.1	10.0	10.0	5.0	10.0	12.1	11.1	nm
- Commercial growth (%)	6.9	7.3	7.8	5.0	3.0	7.8	1.9	4.3	nm
Gross margin (%)	4.0	4.0	4.0	4.2	4.3	4.0	(0.1)	(0.3)	nm
SG&A to sales (%)	2.3	2.3	2.3	2.2	2.2	2.3	0.2	0.2	nm
Core profit (THB m)	635	703	759	722	797	759	(12.0)	(11.8)	nm

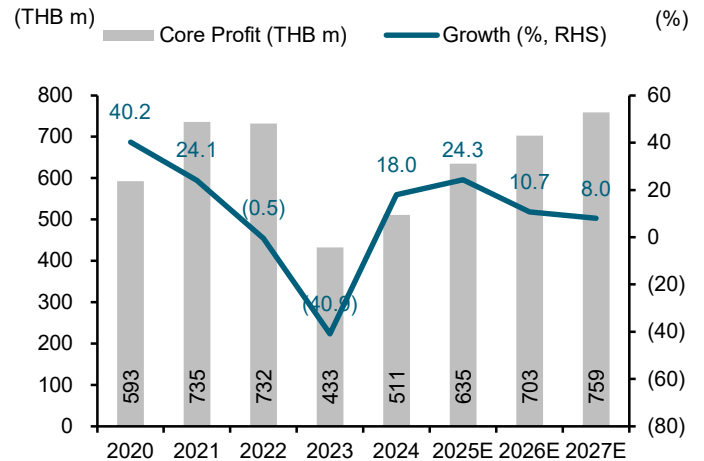
Source: FSSIA estimates

Exhibit 7: Yearly revenue



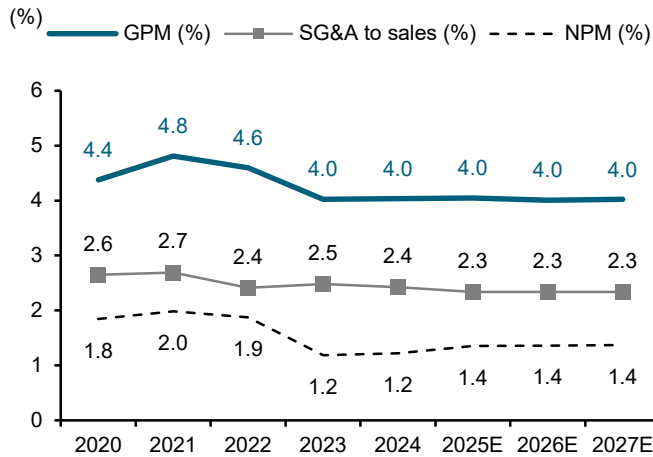
Sources: SYNEX; FSSIA estimates

Exhibit 8: Yearly core profit



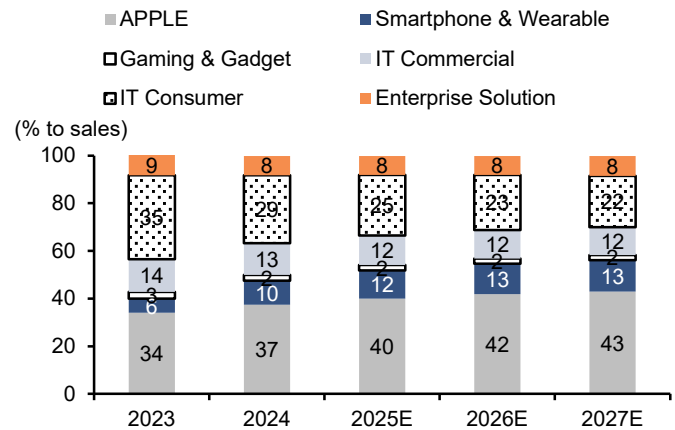
Sources: SYNEX; FSSIA estimates

Exhibit 9: Profitability



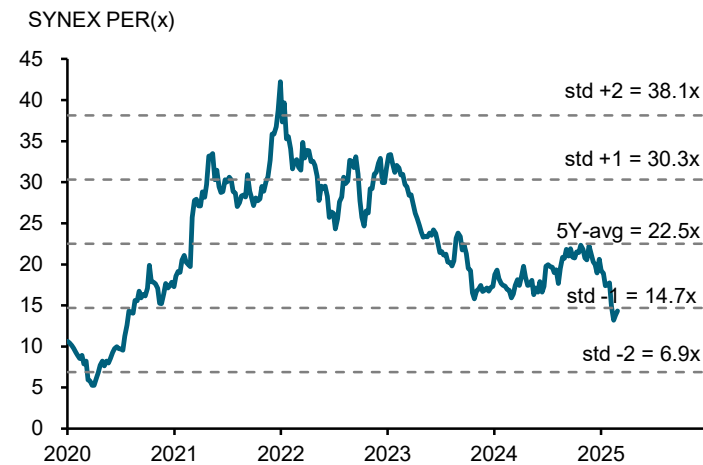
Sources: SYNEX; FSSIA estimates

Exhibit 10: Product mix



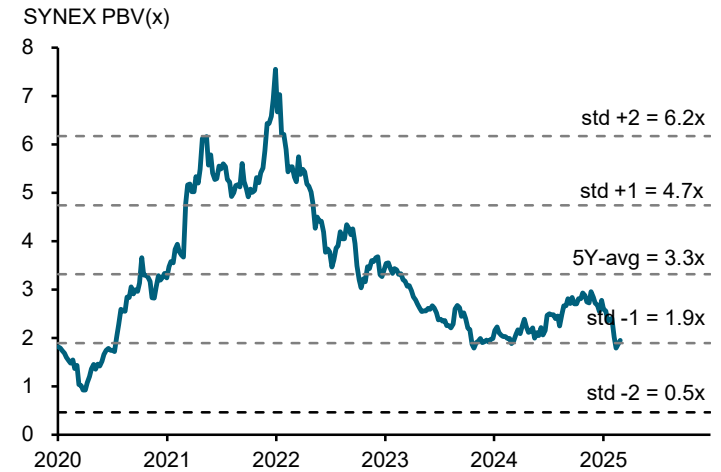
Sources: SYNEX; FSSIA estimates

Exhibit 11: Rolling one-year forward P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 12: Rolling one-year forward P/BV band



Sources: Bloomberg; FSSIA estimates

Exhibit 13: Commerce peers as of 6 March 2025

Company	BBG	Rec	Share price			Market Cap	PE		ROE		PBV		- EV/ EBITDA -	
			Current	Target	Upside		25E	26E	25E	26E	25E	26E	25E	26E
			(LCY)	(LCY)	(%)	(USD m)	(x)	(x)	(%)	(%)	(x)	(x)	(x)	(x)
Consumer Staple														
CP All	CPALL TB	BUY	51.75	83.00	60	13,763	16.7	14.7	20.8	21.2	3.6	3.2	16.0	15.2
CP Aextra	CPAXT TB	BUY	28.00	34.00	21	8,644	22.7	20.4	4.3	4.7	1.0	0.9	9.1	8.0
Berli Jucker	BJC TB	BUY	21.20	31.00	46	2,516	16.2	15.3	4.4	4.6	0.7	0.7	10.9	10.6
Consumer Staple average						25,006	18.2	16.3	11.1	11.5	1.9	1.8	11.6	10.8
Consumer Discretionary														
Com7	COM7 TB	BUY	21.20	30.00	42	1,478	14.8	13.7	36.6	34.5	5.1	4.4	10.2	9.2
Synnex Thailand	SYNEX TB	BUY	11.50	15.00	30	289	15.3	13.9	13.9	14.5	2.1	2.0	16.6	15.9
Central Retail Corp	CRC TB	BUY	30.25	38.00	26	5,401	19.9	18.6	12.8	12.7	2.5	2.3	9.2	8.8
Consumer Discretionary avg.						7,168	16.7	15.4	21.1	20.6	3.2	2.9	12.0	11.3
Home Improvement														
Index Living Mall	ILM TB	BUY	14.00	17.00	21	209	8.7	8.2	12.8	13.1	1.1	1.1	5.6	5.3
Home Product Center	HMPRO TB	BUY	7.90	13.20	67	3,076	15.0	14.2	25.4	26.0	3.7	3.6	8.8	8.4
Siam Global House	GLOBAL TB	HOLD	6.80	9.70	43	1,088	14.0	12.9	10.3	10.5	1.4	1.3	12.1	11.0
Dohome	DOHOME TB	BUY	6.40	9.50	48	641	23.3	17.2	6.9	8.7	1.6	1.4	13.9	11.9
Home Improvement avg.						5,014	15.3	13.1	13.9	14.6	1.9	1.9	10.1	9.1
Total average						37,188	16.7	14.9	14.8	15.1	2.3	2.1	11.2	10.3

Source: FSSIA estimates

Financial Statements

Synnex (Thailand)

Profit and Loss (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Revenue	36,534	41,904	46,987	51,674	55,364
Cost of goods sold	(35,063)	(40,211)	(45,085)	(49,603)	(53,137)
Gross profit	1,470	1,692	1,902	2,072	2,227
Other operating income	85	87	99	109	116
Operating costs	(906)	(1,016)	(1,097)	(1,206)	(1,292)
Operating EBITDA	697	812	963	1,031	1,110
Depreciation	(48)	(48)	(60)	(57)	(60)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	648	764	904	974	1,051
Net financing costs	(65)	(68)	(186)	(175)	(186)
Associates	63	57	60	63	66
Recurring non-operating income	63	57	60	63	66
Non-recurring items	0	0	0	0	0
Profit before tax	646	753	778	862	931
Tax	(134)	(126)	(144)	(160)	(173)
Profit after tax	512	627	634	702	758
Minority interests	1	1	1	1	1
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	513	628	635	703	759
Non-recurring items & goodwill (net)	(80)	(117)	0	0	0
Recurring net profit	433	511	635	703	759
Per share (THB)					
Recurring EPS *	0.51	0.60	0.75	0.83	0.90
Reported EPS	0.61	0.74	0.75	0.83	0.90
DPS	0.62	0.36	0.45	0.49	0.53
Diluted shares (used to calculate per share data)	847	847	847	847	847
Growth					
Revenue (%)	(6.5)	14.7	12.1	10.0	7.1
Operating EBITDA (%)	(29.0)	16.5	18.7	7.0	7.7
Operating EBIT (%)	(30.7)	17.8	18.3	7.8	7.9
Recurring EPS (%)	(40.9)	18.0	24.3	10.7	8.0
Reported EPS (%)	(37.1)	22.3	1.1	10.7	8.0
Operating performance					
Gross margin inc. depreciation (%)	4.0	4.0	4.0	4.0	4.0
Gross margin exc. depreciation (%)	4.2	4.2	4.2	4.1	4.1
Operating EBITDA margin (%)	1.9	1.9	2.1	2.0	2.0
Operating EBIT margin (%)	1.8	1.8	1.9	1.9	1.9
Net margin (%)	1.2	1.2	1.4	1.4	1.4
Effective tax rate (%)	20.8	16.7	18.5	18.5	18.6
Dividend payout on recurring profit (%)	121.4	59.7	59.4	59.4	59.4
Interest cover (X)	11.0	12.1	5.2	5.9	6.0
Inventory days	37.9	34.3	31.1	29.9	30.3
Debtor days	58.9	54.2	50.5	48.9	49.5
Creditor days	26.3	20.2	20.4	24.6	25.3
Operating ROIC (%)	6.4	6.7	7.7	8.4	8.5
ROIC (%)	5.7	5.9	6.7	7.3	7.4
ROE (%)	10.6	12.0	13.9	14.5	14.8
ROA (%)	3.6	4.0	5.3	5.3	5.3
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Consumer	13,825	12,946	12,997	13,051	13,107
Communication	14,593	19,873	24,272	28,188	31,007
Commercial	8,191	8,930	9,545	10,246	11,047
Others	(163)	53	60	65	70

Sources: Synnex (Thailand); FSSIA estimates

Financial Statements

Synnex (Thailand)

Cash Flow (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Recurring net profit	433	511	635	703	759
Depreciation	48	48	60	57	60
Associates & minorities	(63)	(57)	(60)	(63)	(66)
Other non-cash items	(74)	(28)	111	111	107
Change in working capital	(519)	(1,275)	788	(766)	(712)
Cash flow from operations	(174)	(802)	1,534	42	148
Capex - maintenance	-	-	-	-	-
Capex - new investment	(44)	(21)	(59)	(47)	(49)
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	(214)	(212)	0	0	0
Cash flow from investing	(258)	(233)	(59)	(47)	(49)
Dividends paid	(523)	(298)	(377)	(418)	(451)
Equity finance	(1)	(1)	0	0	0
Debt finance	725	1,091	(1,100)	461	396
Other financing cash flows	(17)	66	5	5	4
Cash flow from financing	185	858	(1,472)	48	(50)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	80	117	0	0	0
Movement in cash	(167)	(59)	2	44	48
Free cash flow to firm (FCFF)	(287.09)	(849.46)	1,660.02	170.39	284.34
Free cash flow to equity (FCFE)	356.90	239.72	379.15	461.45	499.08

Per share (THB)

FCFF per share	(0.34)	(1.00)	1.96	0.20	0.34
FCFE per share	0.42	0.28	0.45	0.54	0.59
Recurring cash flow per share	0.41	0.56	0.88	0.95	1.01

Balance Sheet (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Tangible fixed assets (gross)	1,050	1,071	1,115	1,159	1,203
Less: Accumulated depreciation	(690)	(732)	(783)	(839)	(898)
Tangible fixed assets (net)	359	338	332	320	305
Intangible fixed assets (net)	37	32	37	39	44
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	1,328	1,383	1,383	1,383	1,383
Cash & equivalents	137	78	80	124	172
A/C receivable	6,548	7,744	8,107	8,931	9,592
Inventories	3,734	3,816	3,863	4,250	4,553
Other current assets	1,109	594	649	699	743
Current assets	11,528	12,233	12,699	14,005	15,060
Other assets	564	653	664	674	683
Total assets	13,817	14,639	15,116	16,421	17,474
Common equity	4,073	4,446	4,704	4,989	5,297
Minorities etc.	5	5	5	5	5
Total shareholders' equity	4,079	4,451	4,709	4,994	5,302
Long term debt	471	253	144	68	68
Other long-term liabilities	102	83	94	105	114
Long-term liabilities	573	336	238	173	182
A/C payable	2,880	2,301	3,553	4,049	4,344
Short term debt	5,820	7,129	6,138	6,674	7,070
Other current liabilities	466	422	478	531	576
Current liabilities	9,165	9,852	10,169	11,254	11,991
Total liabilities and shareholders' equity	13,817	14,639	15,116	16,421	17,474
Net working capital	8,045	9,432	8,588	9,301	9,968
Invested capital	10,334	11,838	11,005	11,718	12,382

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

Per share (THB)

Book value per share	4.81	5.25	5.55	5.89	6.25
Tangible book value per share	4.76	5.21	5.51	5.84	6.20

Financial strength

Net debt/equity (%)	150.9	164.1	131.7	132.5	131.4
Net debt/total assets (%)	44.5	49.9	41.0	40.3	39.9
Current ratio (x)	1.3	1.2	1.2	1.2	1.3
CF interest cover (x)	7.2	4.8	3.4	3.9	4.0

Valuation	2023	2024	2025E	2026E	2027E
Recurring P/E (x) *	22.5	19.1	15.3	13.9	12.8
Recurring P/E @ target price (x) *	29.4	24.9	20.0	18.1	16.8
Reported P/E (x)	19.0	15.5	15.3	13.9	12.8
Dividend yield (%)	5.4	3.1	3.9	4.3	4.6
Price/book (x)	2.4	2.2	2.1	2.0	1.8
Price/tangible book (x)	2.4	2.2	2.1	2.0	1.9
EV/EBITDA (x) **	22.8	21.0	16.6	15.9	15.1
EV/EBITDA @ target price (x) **	27.1	24.7	19.6	18.7	17.7
EV/invested capital (x)	1.5	1.4	1.4	1.4	1.3

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

Sources: Synnex (Thailand); FSSIA estimates

Synnex (Thailand) PCL (SYNEX TB)

FSSIA ESG rating


35.18 /100

Exhibit 14: 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 15: 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 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
ITEL	38.30	--	--	Y	5.00	5.00	Certified	--	40.60	--	--	41.18	--	2.05	39.11
ILINK	37.92	--	--	Y	5.00	5.00	Certified	--	57.40	--	--	45.96	--	--	--
SYNEX	35.18	--	Y	Y	4.00	4.00	--	--	53.33	--	--	27.64	--	--	41.24
ADVANC	84.07	Y	Y	Y	5.00	5.00	Certified	Medium	59.80	AA	40.00	73.60	90.00	3.62	59.09
FORTH	23.00	--	--	--	4.00	4.00	--	Low	--	--	--	--	--	--	--

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

Exhibit 16: ESG score by Bloomberg

FY ending Dec 31	FY 2021	FY 2022
ESG financial materiality scores - ESG score	—	—
BESG environmental pillar score	—	—
BESG social pillar score	—	—
BESG governance pillar score	4.06	4.01
ESG disclosure score	42.99	41.24
Environmental disclosure score	21.41	14.59
Social disclosure score	23.82	25.39
Governance disclosure score	83.59	83.59
Environmental		
Emissions reduction initiatives	Yes	Yes
Climate change policy	Yes	Yes
Climate change opportunities discussed	No	No
Risks of climate change discussed	No	No
GHG scope 1	714	622
GHG scope 2 location-based	—	—
GHG Scope 3	—	—
Carbon per unit of production	—	—
Biodiversity policy	No	No
Energy efficiency policy	Yes	Yes
Total energy consumption	1	1
Renewable energy use	0	—
Electricity used	1	1
Fuel used - natural gas	—	—

Sources: Bloomberg; FSSIA's compilation

Exhibit 17: ESG score by Bloomberg (cont.)

FY ending Dec 31	FY 2021	FY 2022
Fuel used - crude oil/diesel	No	No
Waste reduction policy	Yes	Yes
Hazardous waste	0	0
Total waste	0	0
Waste recycled	—	—
Waste sent to landfills	—	—
Environmental supply chain management	No	No
Water policy	Yes	Yes
Water consumption	11	14
Social		
Human rights policy	Yes	Yes
Policy against child labor	No	No
Quality assurance and recall policy	Yes	Yes
Consumer data protection policy	Yes	Yes
Equal opportunity policy	Yes	Yes
Gender pay gap breakout	No	No
Pct women in workforce	—	—
Pct disabled in workforce	—	1
Business ethics policy	Yes	Yes
Anti-bribery ethics policy	Yes	Yes
Health and safety policy	Yes	Yes
Lost time incident rate - employees	0	0
Total recordable incident rate - employees	—	—
Training policy	Yes	Yes
Fair remuneration policy	No	No
Number of employees – CSR	698	704
Employee turnover pct	—	—
Total hours spent by firm - employee training	17,450	14,784
Social supply chain management	No	No
Governance		
Board size	12	12
No. of independent directors (ID)	4	4
No. of women on board	4	4
No. of non-executive directors on board	9	10
Company conducts board evaluations	Yes	Yes
No. of board meetings for the year	4	4
Board meeting attendance pct	100	100
Board duration (years)	3	3
Director share ownership guidelines	No	No
Age of the youngest director	40	41
Age of the oldest director	71	72
No. of executives / company managers	13	11
No. of female executives	6	6
Executive share ownership guidelines	No	No
Size of audit committee	3	3
No. of ID on audit committee	3	3
Audit committee meetings	5	5
Audit meeting attendance %	100	100
Size of compensation committee	3	3
No. of ID on compensation committee	1	1
No. of compensation committee meetings	2	2
Compensation meeting attendance %	100	100
Size of nomination committee	3	3
No. of nomination committee meetings	2	2
Nomination meeting attendance %	100	100
Sustainability governance		
Verification type	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 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
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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

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Thada Jiracharoenyng FSS International Investment Advisory Securities Co., Ltd

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Company	Ticker	Price	Rating	Valuation & Risks
Synnex (Thailand)	SYNEX TB	THB 11.50	BUY	Downside risks to our P/E-based TP include 1) a slower-than-expected PC recovery, 2) product shortages, and 3) currency fluctuations.
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.
Central Retail Corp	CRC TB	THB 30.25	BUY	Downside risks to our DCF-based TP include 1) a decline in domestic purchasing power, 2) lower-than-expected tourist arrivals, 3) an absence of the government's stimulus, and 4) a slower-than-expected economic recovery in Vietnam.
CP All	CPALL TB	THB 51.75	BUY	The key downside risks to our DCF-derived TP include 1) lower-than-expected SSSG, 2) lower-than-expected gross margin, and 3) higher-than-expected SG&A to sales ratio.
CP Axtra	CPAXT TB	THB 28.00	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 21.20	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 14.00	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 7.90	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 6.80	HOLD	Key risks to our DCF-based TP are 1) lower/higher farm income, which would affect purchasing power in the agricultural sector, 2) government disbursement, 3) a lower/higher private brand mix and margin, 4) higher/lower expenses than expected, and 5) a higher/lower impact than expected from the El Nino.
Dohome	DOHOME TB	THB 6.40	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 06-Mar-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.