FINANSIA
FSS INTERNATIONAL INVESTMENT ADVISORY

EQUITY RESEARCH - COMPANY REPORT

CENTRAL PATTANA   CPN TB
THAILAND / PROPERTY DEVELOPMENT

FSSIA ESG rating ★★★★★

BUY
UNCHANGED

TARGET PRICE	THB83.00
CLOSE	THB62.75
UP/DOWNSIDE	+32.3%
PRIOR TP	THB83.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+3.9%

คาดกำไร 3Q24 ชะลอตามยอดโอนอสังหาฯ

- แนวโน้มกำไร 3Q24 ชะลอตามยอดโอนอสังหาฯ อย่างไรก็ตาม คอนโดที่เปิดขายใหม่ในระหว่างไตรมาสยังมียอดจองที่ดี
- คาดกำไร 3Q24 ลดลง 11.3% q-q และ 3.2% y-y
- ประมาณการทั้งปียังเป็นไปได้แม้ยอดโอนอสังหาฯ จะชะลอใน 3Q24 ก็ตาม ยังคงคำแนะนำซื้อ

แนวโน้มกำไร 3Q24 ชะลอตามยอดโอนอสังหาฯ

แนวโน้มกำไร 3Q24 ชะลอ q-q, y-y โดยหลักเป็นไปตามตามยอดโอนอสังหาฯ ที่ลดลงเพราะโอนไปมากในช่วงก่อนหน้า ยอดโอนที่อยู่อาศัยในไตรมาสนี้คาดว่าจะลดลงราว 50% q-q และ y-y เหลือประมาณ 970 ล้านบาท แต่อัตรากำไรขั้นต้นคาดว่าจะเติบโตได้เล็กน้อยเพราะคอนโดที่โอนเป็นชั้นสูงๆ ธุรกิจอื่นทั้งค่าเช่าร้านค้า ฟู้ดคอร์ท โรงแรม ยังเห็นการเติบโต y-y แต่ลดลง q-q เพราะ season

คอนโดเปิดใหม่ใน 3Q24 ยังมียอดขายที่ดี

ในระหว่างไตรมาส ไม่มีศูนย์การค้าใหม่เปิด ยังคงมีทั้งหมด 42 แห่ง รวมถึงโรงแรมและออฟฟิศยังคงเท่าเดิม ยกเว้นธุรกิจ Residence ที่เปิดโครงการคอนโดใหม่ 2 แห่ง ภายใต้แบรนด์ ESCENT หาดใหญ่และภูเก็ต ยอด Presales ของ ESCENT หาดใหญ่ ซึ่งเปิดขายได้ 1 เดือน ได้ประมาณ 20% ของมูลค่าโครงการ 1.7 พันล้านบาท ขณะที่ ESCENT ภูเก็ต (มูลค่า 1.4 ล้านบาท) เปิด presales 10 วันเศษ ขายได้ 40% ถือเป็นระดับการขายที่ดี

คาดกำไร 3Q24 ลดลง 11% q-q, 4% y-y

เราคาดรายได้รวมใน 3Q24 -10.8% q-q, -3.7% y-y เป็น 11.5 พันล้านบาท อัตรากำไรขั้นต้นโดยรวมที่ดีขึ้นเป็น 57.9% ซึ่งหลัก ฯมาจากธุรกิจให้เช่าและบริการและธุรกิจที่อยู่อาศัยที่ทรงตัวสูง ช่วยลดผลกระทบของรายได้ที่ลดลงได้ นอกจากนี้ ค่าเงินบาทที่แข็งค่าอย่างรวดเร็วใน 3Q24 ทำให้คาดว่าจะเกิด FX loss เล็กน้อย เราจึงคาดกำไรสุทธิที่ 4.1 พันล้านบาท -11.3% q-q, -3.2% y-y

ประมาณการกำไรทั้งปียังเป็นไปได้ คงคำแนะนำซื้อ

กำไรสุทธิที่เราคาดในงวด 9M24 อยู่ที่ 12.7 พันล้านบาท +15% y-y คิดเป็น 75.8% ของประมาณการทั้งปีที่ 16.8 พันล้านบาท (+13.3% y-y) ส่วนต่างอีก 4 พันล้านบาท เชื่อว่าน่าจะเป็นไปได้แม้ว่ายอดโอนของที่อยู่อาศัยจะทำได้เพียงเท่ากับ 3Q24 ก็ตาม เรายังคงประมาณการเดิม และราคาเป้าหมาย 83 บาท คงคำแนะนำซื้อ

KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	45,613	49,716	52,923	55,254
Net profit	15,062	16,807	17,997	18,908
EPS (THB)	3.36	3.74	4.01	4.21
vs Consensus (%)	-	2.2	2.1	0.3
EBITDA	24,924	27,837	29,764	31,283
Recurring net profit	14,991	16,807	17,997	18,908
Core EPS (THB)	3.34	3.74	4.01	4.21
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	37.0	12.1	7.1	5.1
Core P/E (x)	18.8	16.8	15.6	14.9
Dividend yield (%)	2.9	3.0	3.2	3.4
EV/EBITDA (x)	16.4	15.0	14.0	13.3
Price/book (x)	3.1	2.8	2.6	2.4
Net debt/Equity (%)	117.1	117.7	107.1	99.6
ROE (%)	17.3	17.4	17.1	16.5
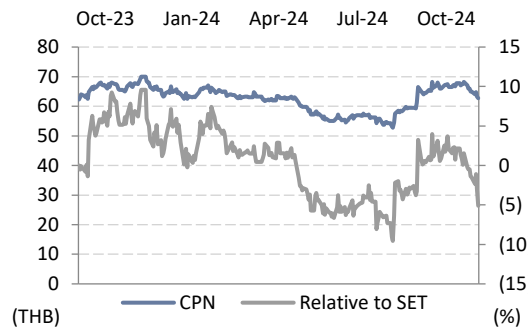
Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(6.3)	13.6	0.4
Relative to country (%)	(7.4)	2.3	(5.4)
Mkt cap (USD m)			8,344
3m avg. daily turnover (USD m)			15.0
Free float (%)			66
Major shareholder			Chirathivat Family (37%)
12m high/low (THB)			70.00/52.50
Issued shares (m)			4,488.00

Sources: Bloomberg consensus; FSSIA estimates

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บทวิเคราะห์ฉบับนี้แปลมาจากต้นฉบับภาษาอังกฤษ ที่ออกรายงานเมื่อวันที่ 31 ตุลาคม 2024

Investment thesis

CPN's 3Q24 performance should slow down both q-q and y-y, primarily due to lower property transfers, as most occurred in the previous quarters. The residential transfers in this quarter are anticipated to drop by around 50% q-q and y-y, totaling approximately THB97m (8% of total revenue vs 13% in 1H24).

However, the residential business's gross margin may rise slightly due to transfers of higher-floor condos. Others, including retail rentals, food courts, and hotels, should still experience growth y-y but decline q-q due to seasonal factors.

Company profile

Central Pattana PCL is Thailand's largest retail property developer, with over 40 years of experience. At the end of 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

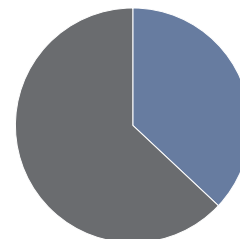## Principal activities (revenue, 2023)

- 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 %
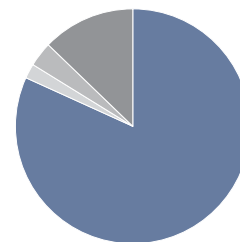
Source: Central Pattana

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
14 November 2024	3Q24 earnings announcement

Key assumptions

	2024E	2025E	2026E
NLA (sqm m)	2.60	2.69	2.75
Retail rental rate (THB/sqm/month)	1,416	1,473	1,532
Rental revenue (THB m)	39,900	43,086	45,912
Hotel revenue (THB m)	1,803	1,983	2,156
Residential revenue (THB m)	6,968	6,736	6,000
Total revenue (THB m)	49,716	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 2024 earnings to rise by 3%, and vice versa, all else being equal.

- For every 1% increase in occupancy rate, we project 2024 earnings to rise by 1%, and vice versa, all else being equal.

- For every 1% increase in SG&A to sales, we project 2024 earnings to drop by 2.8%, and vice versa, all else being equal.
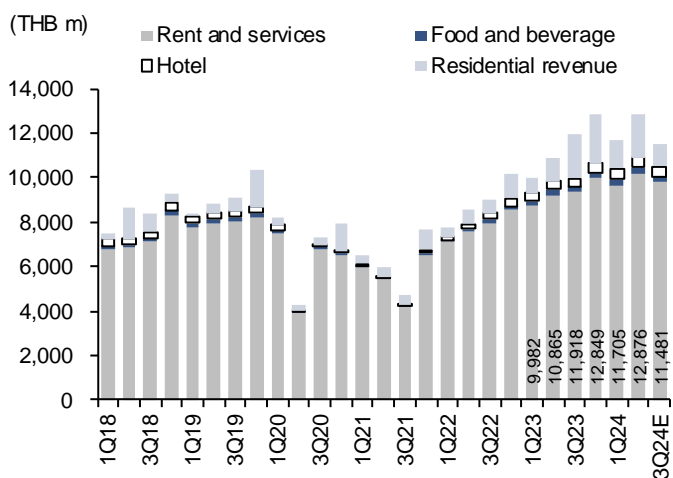
Source: FSSIA estimates

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Exhibit 1: CPN - 3Q24 earnings preview

| Year to Dec 31	3Q23	4Q23	1Q24	2Q24	3Q24E	------ Change ------		9M23	9M24E	Change	% of
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)	2024E
Total operating revenue	11,918	12,849	11,705	12,876	11,481	(10.8)	(3.7)	32,764	36,062	10.1	72.5
Cost of services	(5,764)	(5,715)	(5,308)	(5,916)	(4,831)	(18.3)	(16.2)	(15,794)	(16,055)	1.7	70.0
Gross profit	6,154	7,134	6,396	6,960	6,650	(4.4)	8.1	16,970	20,007	17.9	74.7
Operating costs	(1,754)	(2,501)	(1,998)	(2,001)	(2,055)	2.7	17.2	(5,225)	(6,054)	15.9	73.1
Operating profit	4,400	4,633	4,398	4,959	4,595	(7.3)	4.4	11,745	13,952	18.8	75.4
Operating EBITDA	**6,466**	**6,910**	**6,619**	**7,243**	**6,942**	**(4.1)**	**7.4**	**18,014**	**20,804**	**15.5**	**74.7**
Other income	359	240	529	606	280	(53.8)	(22.0)	936	1,416	51.2	83.4
Interest expense	(660)	(693)	(888)	(961)	(959)	(0.2)	45.2	(1,920)	(2,808)	46.3	75.0
Profit before tax	4,544	4,467	4,509	5,120	4,321	(15.6)	(4.9)	12,022	13,950	16.0	77.2
Tax	(908)	(986)	(899)	(1,042)	(864)	(17.1)	(4.8)	(2,475)	(2,805)	13.4	77.6
Associates	579	546	596	524	625	19.3	8.0	1,587	1,745	9.9	80.1
Reported net profit	**4,161**	**3,977**	**4,154**	**4,556**	**4,038**	**(11.4)**	**(3.0)**	**11,085**	**12,748**	**15.0**	**75.8**
Core profit	**4,163**	**3,972**	**4,152**	**4,206**	**4,038**	**(4.0)**	**(3.0)**	**11,019**	**12,396**	**12.5**	**73.8**
Reported EPS (THB)	0.93	0.89	0.93	1.01	1.01	0.0	8.6	2.48	2.95	18.6	78.7
Recurring EPS (THB)	0.93	0.89	0.93	0.94	0.90	(4.0)	(3.0)	2.46	2.76	12.5	73.8
Key Ratios	**(%)**	**(%)**	**(%)**	**(%)**	**(%)**	**(ppt)**	**(ppt)**	**(%)**	**(%)**	**(ppt)**	
Gross margin	51.6	55.5	54.6	54.1	57.9	3.9	6.3	51.8	55.5	3.7	
Operating margin	36.9	36.1	37.6	38.5	40.0	1.5	3.1	35.8	38.7	2.8	
EBITDA margin	54.3	53.8	56.6	56.2	60.5	4.2	6.2	55.0	57.7	2.7	
Core profit margin	34.9	30.9	35.5	32.7	35.2	2.5	0.2	33.6	34.4	0.7	
SG&A / Sales	14.7	19.5	17.1	15.5	17.9	2.4	3.2	15.9	16.8	0.8	
Revenue breakdown	**(THB m)**	**(THB m)**	**(THB m)**	**(THB m)**	**(THB m)**	**(q-q %)**	**(y-y %)**	**(THB m)**	**(THB m)**	**(y-y %)**	
Rental and services	9,358	9,965	9,659	10,179	9,779	(3.9)	4.5	27,338	29,616	8.3	
Food centre services	229	240	249	289	268	(7.3)	17.0	681	806	18.3	
Hotel operations	384	449	491	452	461	2.0	20.0	1,105	1,404	27.0	
Residential sales	1,947	2,195	1,306	1,957	973	(50.3)	(50.0)	3,640	4,236	16.4	
Gross margin by business	**(%)**	**(%)**	**(%)**	**(%)**	**(%)**	**(ppt)**	**(ppt)**	**(%)**	**(%)**	**(ppt)**	
Rental and services	54.8	59.4	56.5	57.1	60.0	2.9	5.2	53.7	57.9	4.1	
Food centre services	49.3	49.6	49.4	52.6	49.3	(3.3)	(0.0)	49.5	50.5	1.0	
Hotel operations	65.2	66.9	68.3	66.1	65.2	(1.0)	(0.0)	65.9	66.6	0.7	
Residential sales	34.0	36.1	37.1	35.5	36.0	0.5	2.0	33.4	36.1	2.7	

Sources: CPN, FSSIA estimates

Exhibit 2: Revenue structure

Sources: CPN, FSSIA estimates

Exhibit 3: Core profit and core profit margin
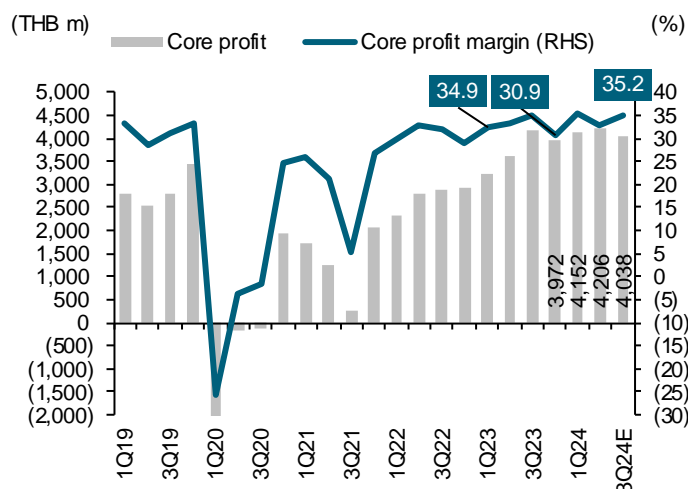
Sources: CPN, FSSIA estimates

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Financial Statements
Central Pattana

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	35,575	45,613	49,716	52,923	55,254
Cost of goods sold	(18,033)	(21,509)	(22,924)	(24,258)	(25,043)
Gross profit	**17,542**	**24,104**	**26,791**	**28,665**	**30,210**
Other operating income	-	-	-	-	-
Operating costs	(6,483)	(7,726)	(8,288)	(8,801)	(9,338)
Operating EBITDA	**19,608**	**24,924**	**27,837**	**29,764**	**31,283**
Depreciation	(8,550)	(8,546)	(9,333)	(9,900)	(10,410)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	**11,058**	**16,379**	**18,504**	**19,864**	**20,872**
Net financing costs	(2,204)	(2,613)	(3,743)	(3,722)	(3,705)
Associates	1,560	2,133	2,177	2,289	2,405
Recurring non-operating income	4,692	4,857	5,481	5,559	5,643
Non-recurring items	(186)	71	0	0	0
Profit before tax	**13,361**	**18,693**	**20,242**	**21,702**	**22,811**
Tax	(2,487)	(3,461)	(3,613)	(3,883)	(4,081)
Profit after tax	**10,874**	**15,233**	**16,629**	**17,819**	**18,730**
Minority interests	(114)	(171)	177	177	177
Preferred dividends	0	0	0	0	0
Other items	0	0	0	0	0
Reported net profit	**10,760**	**15,062**	**16,807**	**17,997**	**18,908**
Non-recurring items & goodwill (net)	**186**	**(71)**	**0**	**0**	**0**
Recurring net profit	**10,945**	**14,991**	**16,807**	**17,997**	**18,908**
Per share (THB)					
Recurring EPS *	2.44	3.34	3.74	4.01	4.21
Reported EPS	2.40	3.36	3.74	4.01	4.21
DPS	1.15	1.80	1.87	2.00	2.11
Diluted shares (used to calculate per share data)	4,488	4,488	4,488	4,488	4,488
Growth					
Revenue (%)	43.2	28.2	9.0	6.5	4.4
Operating EBITDA (%)	53.6	27.1	11.7	6.9	5.1
Operating EBIT (%)	138.2	48.1	13.0	7.4	5.1
Recurring EPS (%)	114.6	37.0	12.1	7.1	5.1
Reported EPS (%)	50.5	40.0	11.6	7.1	5.1
Operating performance					
Gross margin inc. depreciation (%)	49.3	52.8	53.9	54.2	54.7
Gross margin exc. depreciation (%)	73.3	71.6	72.7	72.9	73.5
Operating EBITDA margin (%)	55.1	54.6	56.0	56.2	56.6
Operating EBIT margin (%)	31.1	35.9	37.2	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	6.4	6.8	7.2
Inventory days	-	-	-	-	-
Debtor days	65.9	37.7	30.5	30.9	31.2
Creditor days	267.0	234.2	250.1	251.4	257.8
Operating ROIC (%)	5.0	7.2	8.0	8.3	8.5
ROIC (%)	5.0	6.6	7.1	7.2	7.5
ROE (%)	14.2	17.3	17.4	17.1	16.5
ROA (%)	4.8	6.2	6.7	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	39,900	43,086	45,912
Revenue from food and beverage	655	921	1,045	1,118	1,185
Revenue from hotel operation	918	1,554	1,803	1,983	2,156
Revenue from residential project	2,870	5,835	6,968	6,736	6,000

Sources: Central Pattana; FSSIA estimates

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Financial Statements

Central Pattana

Cash Flow (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Recurring net profit	10,945	14,991	16,807	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)	1,058	(1,320)	115
Cash flow from operations	**14,875**	**21,348**	**27,020**	**26,400**	**29,255**
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	(12,892)	578	(5,839)
Other investments (net)	(1,836)	-	-	-	-
Cash flow from investing	**(9,274)**	**(9,687)**	**(28,911)**	**(15,352)**	**(20,176)**
Dividends paid	(1,365)	(5,182)	(8,403)	(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)	-
Cash flow from financing	**(5,537)**	**(12,562)**	**1,733**	**(11,198)**	**(9,222)**
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	**0**	**(160)**	**0**	**0**	**0**
Movement in cash	**63**	**(1,061)**	**(158)**	**(151)**	**(143)**
Free cash flow to firm (FCFF)	7,804.31	14,273.65	1,851.49	14,769.22	12,783.72
Free cash flow to equity (FCFE)	7,591.13	10,614.75	8,245.26	8,847.61	9,311.01

Per share (THB)					
FCFF per share	1.74	3.18	0.41	3.29	2.85
FCFE per share	1.69	2.37	1.84	1.97	2.07
Recurring cash flow per share	4.28	5.58	5.78	6.18	6.49

Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
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)
Tangible fixed assets (net)	**172,707**	**175,798**	**182,484**	**188,514**	**192,441**
Intangible fixed assets (net)	**0**	**0**	**0**	**0**	**0**
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	4,901	4,750	4,607
A/C receivable	5,455	4,027	4,385	4,665	4,868
Inventories	0	0	0	0	0
Other current assets	13,667	16,459	17,940	19,097	19,938
Current assets	**25,242**	**25,546**	**27,225**	**28,512**	**29,413**
Other assets	33,436	36,247	44,247	40,037	35,530
Total assets	**272,692**	**279,873**	**302,209**	**306,426**	**307,857**
Common equity	81,475	92,273	100,676	109,675	119,128
Minorities etc.	8,145	8,309	8,131	7,954	7,776
Total shareholders' equity	**89,620**	**100,582**	**108,808**	**117,629**	**126,905**
Long term debt	98,522	83,656	105,315	108,623	108,816
Other long-term liabilities	42,517	41,767	42,846	40,323	31,087
Long-term liabilities	**141,040**	**125,423**	**148,160**	**148,946**	**139,903**
A/C payable	7,614	9,018	9,611	10,170	10,500
Short term debt	27,441	39,196	27,674	22,166	22,205
Other current liabilities	6,976	5,654	7,956	7,515	8,344
Current liabilities	**42,032**	**53,868**	**45,242**	**39,851**	**41,049**
Total liabilities and shareholders' equity	**272,691**	**279,873**	**302,210**	**306,426**	**307,857**
Net working capital	4,531	5,815	4,757	6,076	5,962
Invested capital	251,981	260,142	279,741	283,990	284,405
* Includes convertibles and preferred stock which is being treated as debt					

Per share (THB)					
Book value per share	18.15	20.56	22.43	24.44	26.54
Tangible book value per share	18.15	20.56	22.43	24.44	26.54
Financial strength					
Net debt/equity (%)	133.7	117.1	117.7	107.1	99.6
Net debt/total assets (%)	43.9	42.1	42.4	41.1	41.1
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

Valuation	2022	2023	2024E	2025E	2026E
Recurring P/E (x) *	**25.7**	**18.8**	**16.8**	**15.6**	**14.9**
Recurring P/E @ target price (x) *	**34.0**	**24.8**	**22.2**	**20.7**	**19.7**
Reported P/E (x)	26.2	18.7	16.8	15.6	14.9
Dividend yield (%)	1.8	2.9	3.0	3.2	3.4
Price/book (x)	3.5	3.1	2.8	2.6	2.4
Price/tangible book (x)	3.5	3.1	2.8	2.6	2.4
EV/EBITDA (x) **	20.9	16.4	15.0	14.0	13.3
EV/EBITDA @ target price (x) **	25.5	20.0	18.3	17.0	16.2
EV/invested capital (x)	1.6	1.6	1.5	1.5	1.5
* Pre-exceptional, pre-goodwill and fully diluted ** EBITDA includes associate income and recurring non-operating income					

Sources: Central Pattana; FSSIA estimates

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Central Pattana PCL (CPN TB)

Exhibit 4: 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 5: ESG – peer comparison

	FSSIA	------------------ Domestic ratings -----------------------						------------------------------------- Global ratings ------------------------					--- Bloomberg ---	
	ESG score	DJSI	SET THSI	THSI	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; FSSIA's compilation

Exhibit 6: ESG score by Bloomberg

FY ending Dec 31	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
ESG financial materiality scores - ESG score	**2.24**	**2.42**	**2.76**	**3.13**	**3.12**	**3.35**	**3.67**	**—**
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	—
ESG disclosure score	**50.21**	**53.42**	**57.94**	**58.14**	**59.45**	**60.66**	**60.66**	**—**
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	—
Environmental								
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

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Exhibit 7:   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	—
Social								
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
Governance								
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
Sustainability governance								
Verification type	No	No	Yes	Yes	Yes	Yes	Yes	Yes

Sources: Bloomberg; FSSIA's compilation

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Disclaimer for ESG scoring

ESG score	Methodology	Rating
The Dow Jones Sustainability Indices (DJSI) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.	Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.
Sustainability Investment List (THSI) by The Stock Exchange of Thailand (SET)	THSI quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria include: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years.	To be eligible for **THSI inclusion**, verified data must be scored at a minimum of 50% for each indicator, unless the company is a part of DJSI during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality. **SETTHSI Index** is extended from the THSI companies whose 1) market capitalization > THB5b (~USD150b); 2) free float >20%; and 3) liquidity >0.5% of paid-up capital for at least 9 out of 12 months. The SETTHSI Index is a market capitalisation-weighted index, cap 5% quarterly weight at maximum, and no cap for number of stocks.
CG Score by Thai Institute of Directors Association (Thai IOD)	An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.	Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (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%). (*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.*)	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. (*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.*)	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. *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.*	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>
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.	

MSCI rating 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	

ESG score	Methodology	Rating
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. *(Score ratings are 0 to 25 = poor; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.)*	
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

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GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

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History of change in investment rating and/or target price

Central Pattana (CPN TB)
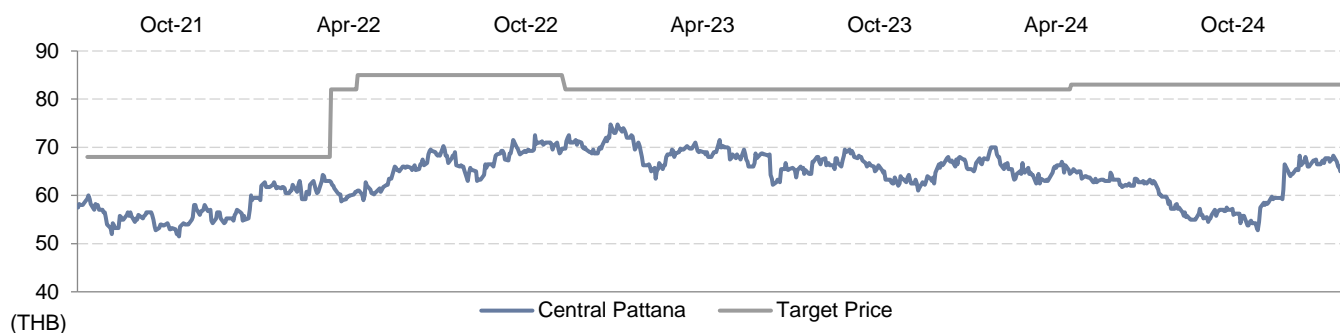
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
08-Nov-2021	BUY	68.00	29-Jun-2022	BUY	85.00	05-Mar-2024	BUY	83.00
06-Jun-2022	BUY	82.00	23-Dec-2022	BUY	82.00			

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 62.75	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 31-Oct-2024 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as (target price* - current price) / 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.

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