

# Thailand Company Update

## Central Pattana

Bloomberg: CPN TB | Reuters: CPN.BK

Refer to important disclosures at the end of this report

DBS Group Research . Equity

7 Jul 2021

### BUY

Last Traded Price (6 Jul 2021): Bt53.00 (SET : 1,591.43)

Price Target 12-mth: Bt58.00 (9% upside)

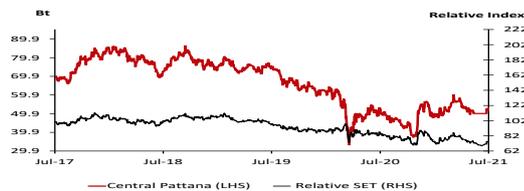
#### Analyst

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#### What's New

- Signed an MOU to acquire 30% stake in SF from MAJOR at Bt12 per share
- To make a tender offer thereafter for the remaining SF shares
- Although not cheap, this is a strategic investment for CPN; net gearing to remain below 1x
- Maintain BUY with a DCF-based TP of Bt58

#### Price Relative



#### Forecasts and Valuation

FY Dec (Btm)	2019A	2020A	2021F	2022F
Revenue	36,719	27,862	26,277	33,419
EBITDA	21,887	17,642	17,795	22,653
Pre-tax Profit	14,146	11,206	11,278	12,137
Net Profit	11,738	9,557	9,867	10,072
Net Pft (Pre Ex.)	11,738	7,320	7,116	10,072
Net Pft Gth (Pre-ex) (%)	4.7	(37.6)	(2.8)	41.5
EPS (Bt)	2.62	2.13	2.20	2.24
EPS Pre Ex. (Bt)	2.62	1.63	1.59	2.24
EPS Gth Pre Ex (%)	5	(38)	(3)	42
Diluted EPS (Bt)	2.62	2.13	2.20	2.24
Net DPS (Bt)	0.80	0.70	0.88	0.90
BV Per Share (Bt)	17.9	17.2	18.7	20.0
PE (X)	20.3	24.9	24.1	23.6
PE Pre Ex. (X)	20.3	32.5	33.4	23.6
P/Cash Flow (X)	10.9	31.1	17.2	12.0
EV/EBITDA (X)	12.7	16.1	16.3	13.2
Net Div Yield (%)	1.5	1.3	1.7	1.7
P/Book Value (X)	3.0	3.1	2.8	2.6
Net Debt/Equity (X)	0.4	0.5	0.5	0.6
ROAE (%)	17.0	13.6	13.7	12.8
<b>Earnings Rev (%)</b>			0	0
<b>Consensus EPS (Bt):</b>			1.94	2.36
<b>Other Broker Recs:</b>		B: 19	S: 1	H: 4

Source of all data on this page: Company, DBSVTH, Bloomberg Finance L.P.

### Another strategic move

#### Investment Thesis:

**Strong cashflow-generating capacity from 34 successful shopping malls.** In 2019, these malls generated cashflow from operations amounting to Bt20bn for Central Pattana (CPN). Despite the near-term hiccup from the COVID-19 pandemic, these malls are still enjoying a high occupancy rate of 90%, thanks to their superb locations throughout Thailand. We expect net profit and cashflow to improve strongly in 2022 when rental discounts given to tenants trickle down to a halt by end-2022.

**Clear expansion plan.** CPN targets to grow revenue by at least a 10% CAGR during 2019-2025. This will be achieved by organic growth and asset enhancement, opening of 2-3 new malls p.a., and expansion into other businesses e.g. residential, office, hotels, etc. that complement its shopping mall business.

#### More frequent asset divestments in the next five years.

These should not only bring in fresh funds for future expansion, but also result in potential asset divestment gains.

#### Valuation:

We value CPN at Bt58, based on DCF (WACC of 7.6%).

#### Where we differ:

Our 2021F EPS is above consensus as we factor in gain from divestment of two assets to CPNREIT in our forecast.

#### Key Risks to Our View:

A strong surge in COVID-19 cases leading to national lockdown, slowing economy, threat from online shopping.

#### At A Glance

Issued Capital (m shrs)	4,471
Mkt. Cap (Btm/US\$m)	236,955 / 7,380
Major Shareholders (%)	
Central Holding Co., Ltd.	26.2
Thai NVDR Co., Ltd.	6.2
BBHISL Nominees Ltd.	2.2
Free Float (%)	62.3
3m Avg. Daily Val (US\$m)	13.9

**GIC Industry** : Real Estate / Real Estate Management &



Live more, Bank less

## WHAT'S NEW

### Set to acquire up to 100% of SF shares

**To acquire a 30% stake in SF from MAJOR.** CPN last night announced that the company will acquire a 30.36% stake in Siam Future Development (SF) from Major Cineplex (MAJOR) at Bt12 apiece, totalling Bt7.76bn. The payment will be made by 30 August 2021.

### SF's major shareholders

Name	m shares	%
<b>Major Cineplex Plc.</b>	<b>647.2</b>	<b>30.4%</b>
Lucky Securities Inc.	172.4	8.1%
Mr. Nopporn Vitoonchart	131.8	8.0%
Mr. Pongkit Suthapong	122.8	5.8%
Mr. Suthiluck Chirathivat	93.8	4.4%
Morgan Stanley & Co. Inter	70.8	3.3%
Miss Thanjira Pojkasemsin	50.9	2.4%
Thai NVDR Co., Ltd.	40.3	1.9%
Mrs. Kesinee Vitoonchart	37.7	1.8%
Mrs. Paopilas Hemvachiravarakorn	34.0	1.6%
Top 10	1,401.7	67.6%
Others	730.2	32.4%
<b>Total</b>	<b>2,131.9</b>	<b>100.0%</b>

Source: Company, DBSVTH

**This will trigger a tender offer for the remaining SF shares.** After the completion of this transaction, the company is required to do a tender offer for the remaining shares of SF at the same price of Bt12, totalling Bt17.82bn. The founding members of SF will also sell their stakes at the tender.

### Total investment in SF shares will be funded by loans.

The combined amount of the transaction and the tender offer is Bt25.58bn. This will be funded entirely by bank loans. CPN expects the cost of borrowing to be slightly higher than its current cost of debt at 2.06%. Note that its net gearing will rise from 0.4x currently to c 0.8x post the transactions, but still below its internal threshold of 1.0x and below its debt covenant of 1.75x.

### This investment is on top of Bt17bn capex planned for this year.

Looking forward, annual capex will be at Bt20bn+ p.a. CPN is not too worried about its gearing. If need be, the company can monetise its assets by divesting more assets into CPNREIT.

### Rationale for the transaction

- To strengthen its foothold in the second super regional mall – Mega Bangna (the other is Central WestGate)
- To build on successful models with IKEA at new locations
- To diversify into small retail format (community malls). Note that majority of CPN's malls are currently in the bigger formats.
- To access SF's high potential land bank for mixed-use projects
- Immediate revenue and cashflow contribution
- Well-managed capital structure post transaction.

**What's so enticing about SF?** SF operates 18 retail malls in various formats mostly in Bangkok, with a total NLA of 430,628 sqm. This will boost CPN's total retail NLA by 24% from 1.81m sqm to 2.3m sqm. SF's blended occupancy rate has been quite high, hovering at 90%+ during the past few years. SF also possesses three plots of land bank in Bangna, Bangyai and Rangsit, which could be developed in the future.

### SF's current portfolio

Type	Stores	Name of mall	By NLA
<b>Retail properties</b>			
Super Regional Mall	1	Mega Bangna (a JV with Ikea)	47%
Lifestyle Centre	6	J Avenue Thonglor, La Villa Aree, The Avenue Chaeng Wattana, Pattaya Avenue, The Avenue Ratchayothin, Navamin City Avenue	18%
Power Center	2	Petchkasem Power Center, Ekamai Power Center	14%
Neighborhood Center	7	Market Place Bangbon, Pracha-Utis, Sukhapiban, etc.	11%
Entertainment Center	1	Esplanade Ratchada	10%
Standalone Retail Store	1	Mengjai	0%
<b>Total</b>	<b>18</b>		<b>100%</b>
<b>Land bank</b>			
Bangna	1	via a JV	
Bangyai	1	via a JV	
Rangsit	1	via a JV	

Source: Company, DBSVTH

## Central Pattana

**We believe the bulk of value lies in Mega Bangna.** We believe the majority (say 80-90%) of the value that CPN will pay for SF shares lies in its 49% stake in Mega Bangna. This is a JV between SF and IKEA. It is a very successful super regional mall located on a freehold land in the eastern part of Bangkok. The daily traffic count at the mall is very high at 150,000-170,000 shoppers during pre-COVID times. The remaining 10-20% value is for the other 17 malls (most of which are leasehold) and the three plots of land.

### SF's financial summary

Unit: Btm	2018	2019	2020
Rental income	1,391	1,499	1,102
Operating expenses	(542)	(1,099)	(192)
<b>Operating profit</b>	<b>849</b>	<b>401</b>	<b>910</b>
Associate income	1,222	1,768	1,523
Other income	72	51	39
<b>EBIT</b>	<b>2,143</b>	<b>2,220</b>	<b>2,473</b>
Interest expenses	(75)	(96)	(90)
Income tax	(172)	(72)	(170)
Minority interest	(243)	(21)	(130)
<b>Net profit</b>	<b>1,654</b>	<b>2,031</b>	<b>2,083</b>
<b>Profit exc revaluation gain</b>	<b>482</b>	<b>616</b>	<b>388</b>

Source: Company, DBSVTH

### Mega Bangna's financial summary (100%)

Unit: Btm	2019	2020	y-o-y
Rental revenue	2,681	2,184	-19%
Cost of rents	(692)	(415)	-40%
Gross profit	1,989	1,769	-11%
SG&A	(313)	(232)	-26%
<b>Operating profit</b>	<b>1,676</b>	<b>1,537</b>	<b>-8%</b>
Other income	5	1	-74%
Asset revaluation gain	2,890	2,448	-15%
Interest income	210	128	-39%
Interest expenses	(246)	(230)	-7%
Pretax profit	4,534	3,885	-14%
Income tax	(905)	(777)	-14%
Minority Interest	(2)	(2)	-21%
<b>Net profit</b>	<b>3,627</b>	<b>3,106</b>	<b>-14%</b>

Source: Company, DBSVTH

**At Bt12 apiece, SF's valuation is not cheap.** Note that SF's net asset value (marked to market NAV) was Bt14.8bn or Bt6.95 per share. The acquisition price represents a hefty premium of 1.7x over its NAV. Note that the discount rates used by the appraiser were 10.5-11.5%, which are quite high.

**Though not cheap, this is a strategic investment for CPN...** Note that it is not only CPN which is interested in SF shares. Asset World Corporation (AWC) was reportedly also keen on this investment. This has probably resulted in the high final price of Bt12 a share.

**... which CPN cannot afford to lose to its competitors.** CPN already has one super regional mall in the western part of Bangkok called Central WestGate, which has proved to be very successful. On the eastern part, it only has Central Bangna, which is less successful. Acquiring 100% of SF will give CPN a 49% holding in Mega Bangna, which should serve as a firm foothold on the eastern part of Bangkok. Thus, it cannot afford to lose Mega Bangna to AWC or its other competitors.

**Will SF be consolidated into CPN?** In 3Q21, SF will be equity accounted into CPN. But after the tender offer, if CPN manages to secure more than 50% of SF shares, it will be consolidated into CPN's books.

**How's the accounting treatment, given the different accounting methods?** CPN currently uses cost accounting, while SF uses market value. Nonetheless, CPN will still use cost accounting for its investment in SF. This means CPN will not revalue its assets every year or every quarter. The investment in SF will be based on CPN's cost of investment (Bt25bn if it secures a 100% stake) and will not be changed.

**Our take.** Although not cheap, we see this as a strategic investment for CPN. The returns may be relatively low as compared to its greenfield investments at the initial stage, given the relatively high price paid. Nonetheless, the returns should still be above its cost of debt of 2%-3%. In addition, the returns should increase over time, once CPN steps in to manage the assets in SF's portfolio, improve operating efficiency, bring down costs and expenses, and develop projects on the three plots of land. We have yet to factor in the acquisition of SF into our forecasts, pending more details on the percentage of holding and more details on SF.



**Central Pattana**

**Recommendation**

**Maintain BUY.** We like CPN for its strong cashflow-generating capacity from its 34 successful shopping malls, competent management, clear expansion plan, and solid balance sheet. We maintain our BUY call with a DCF-based TP of Bt58.

**Company Background**

**CPN is Thailand's leading shopping mall developer.** The company owns and manages 34 shopping centres, seven office buildings, two hotels and one residential condominium. CPN holds a 30.28% stake in CPNREIT and a 25.0% stake in CPN Commercial Growth Leasehold Property Fund (CPNCG).

**CPN has a 67.53% stake in GLAND.** CPN made a tender offer to purchase up to 100% stake in GLAND Office Leasehold Real Estate Investment Trust (GLAND) at an offer price of Bt3.10 between 25 September and 31 October 2018. The company eventually acquired a 17.10% stake, boosting its total ownership in GLAND to 67.53%.

**Investments in DTC, Bayswater and Grab Thailand.**

CPN now has a 17.58% stake in Dusit Thani (DTC). The company acquired a 50% stake in Bayswater Co. Ltd. from BTS for Bt7.7bn. It also invested US\$65.8m (33% stake) in a joint venture (JV) with Central Retail Group for a significant non-controlling stake in Grab Thailand which has the largest market share in the food delivery segment in Thailand. The company's services include Grab Car, Grab Bike, Grab Food, Grab Delivery and Grab Groceries.

**Historical PE and PB band [Pls always check if PE/ PB band is correctly represented]**



Source: Bloomberg Finance L.P., DBSVTH estimates



Source: Bloomberg Finance L.P., DBSVTH estimates

## Central Pattana

### Key Assumptions

FY Dec	2018A	2019A	2020A	2021F	2022F
Retail NLA (sqm)	1.5	1.6	1.6	1.7	1.7
Occupancy	90%	90%	91%	88%	90%
Avg rents (Bt/sqm/month)	1,745	1,832	1,924	2,020	2,121
Retail rents	28,078	30,434	23,563	25,754	31,639
Gross margin					
Retail	50.7%	50.5%	46.1%	45.0%	50.0%
Office	68.4%	69.4%	73.3%	70.0%	70.3%
Hotel	65.0%	66.2%	45.7%	2.0%	55.0%
F&B	54.7%	53.7%	31.9%	25.0%	50.0%
Residential	43.3%	36.9%	33.2%	33.1%	33.1%
SGA/sales	18.1%	18.6%	19.9%	19.0%	18.3%

### Segmental Breakdown

FY Dec	2018A	2019A	2020A	2021F	2022F
<b>Revenues (Btm)</b>					
Retail rents	28,078	30,433	23,563	21,742	28,131
Office rents	948	1,410	1,285	1,286	1,311
Hotel	1,208	1,121	306	273	536
F&B	733	851	446	375	450
Residential	2,762	2,904	2,262	2,601	2,991
Total	33,729	36,719	27,862	26,277	33,419

### Revenue Breakdown:

Retail rents	83%	83%	85%	83%	84%
Office rents	3%	4%	5%	5%	4%
Hotel	4%	3%	1%	1%	2%
F&B	2%	2%	2%	1%	1%
Residential	8%	8%	8%	10%	9%
Total	100%	100%	100%	100%	100%

### Income Statement (Btm)

FY Dec	2018A	2019A	2020A	2021F	2022F
Revenue	33,728	36,719	27,862	26,277	33,419
Cost of Goods Sold	(16,463)	(18,086)	(15,037)	(14,632)	(16,921)
<b>Gross Profit</b>	<b>17,265</b>	<b>18,633</b>	<b>12,825</b>	<b>11,645</b>	<b>16,498</b>
Other Opng (Exp)/Inc	(6,114)	(6,839)	(5,536)	(4,993)	(6,099)
<b>Operating Profit</b>	<b>11,151</b>	<b>11,794</b>	<b>7,289</b>	<b>6,653</b>	<b>10,399</b>
Other Non Opg (Exp)/Inc	1,613	1,683	1,404	1,418	1,433
Associates & JV Inc	987	1,292	1,042	1,106	1,250
Net Interest (Exp)/Inc	(311)	(624)	(766)	(649)	(944)
Exceptional Gain/(Loss)	0.0	0.0	2,237	2,751	0.0
<b>Pre-tax Profit</b>	<b>13,440</b>	<b>14,146</b>	<b>11,206</b>	<b>11,278</b>	<b>12,137</b>
Tax	(2,057)	(2,336)	(1,589)	(1,336)	(1,960)
Minority Interest	(168)	(70.9)	(59.6)	(76.0)	(106)
Preference Dividend	0.0	0.0	0.0	0.0	0.0
<b>Net Profit</b>	<b>11,216</b>	<b>11,738</b>	<b>9,557</b>	<b>9,867</b>	<b>10,072</b>
Net Profit before Except.	11,216	11,738	7,320	7,116	10,072
EBITDA	19,657	21,887	17,642	17,795	22,653

### Growth

Revenue Gth (%)	17.2	8.9	(24.1)	(5.7)	27.2
EBITDA Gth (%)	12.7	11.3	(19.4)	0.9	27.3
Opg Profit Gth (%)	21.8	5.8	(38.2)	(8.7)	56.3
Net Profit Gth (Pre-ex) (%)	13.4	4.7	(37.6)	(2.8)	41.5

### Margins & Ratio

Gross Margins (%)	51.2	50.7	46.0	44.3	49.4
Opg Profit Margin (%)	33.1	32.1	26.2	25.3	31.1
Net Profit Margin (%)	33.3	32.0	34.3	37.5	30.1
ROAE (%)	17.6	17.0	13.6	13.7	12.8
ROA (%)	7.9	7.1	4.9	4.4	4.3
ROCE (%)	7.4	6.4	3.4	2.8	4.0
Div Payout Ratio (%)	44.0	30.6	32.9	40.0	40.0
Net Interest Cover (x)	35.8	18.9	9.5	10.2	11.0

Source: Company, DBSVTH

## Central Pattana

### Quarterly Income Statement (Btm)

FY Dec	1Q2020	2Q2020	3Q2020	4Q2020	1Q2021
Revenue	8,200	4,279	7,318	8,065	6,511
Cost of Goods Sold	(4,038)	(3,055)	(3,708)	(4,235)	(3,519)
<b>Gross Profit</b>	<b>4,162</b>	<b>1,224</b>	<b>3,609</b>	<b>3,830</b>	<b>2,992</b>
Other Oper. (Exp)/Inc	(1,724)	(1,205)	(1,044)	(1,563)	(1,272)
<b>Operating Profit</b>	<b>2,438</b>	<b>18.8</b>	<b>2,566</b>	<b>2,267</b>	<b>1,720</b>
Other Non Opg (Exp)/Inc	427	452	281	244	263
Associates & JV Inc	581	104	187	170	167
Net Interest (Exp)/Inc	(445)	(120)	(85.7)	(116)	(60.2)
Exceptional Gain/(Loss)	2,237	0.0	0.0	0.0	2,218
<b>Pre-tax Profit</b>	<b>5,238</b>	<b>455</b>	<b>2,948</b>	<b>2,565</b>	<b>4,308</b>
Tax	(618)	(19.7)	(448)	(504)	(471)
Minority Interest	(27.9)	32.0	(19.7)	(44.1)	(2.5)
<b>Net Profit</b>	<b>4,592</b>	<b>467</b>	<b>2,481</b>	<b>2,017</b>	<b>3,835</b>
Net profit bef Except.	2,355	467	2,481	2,017	1,617
EBITDA	5,471	2,505	5,086	4,579	4,117

### Growth

Revenue Gth (%)	(20.8)	(47.8)	71.0	10.2	(19.3)
EBITDA Gth (%)	(9.7)	(54.2)	103.0	(10.0)	(10.1)
Opg Profit Gth (%)	(28.9)	(99.2)	13,543.7	(11.6)	(24.1)
Net Profit Gth (Pre-ex) (%)	(35.3)	(80.2)	430.9	(18.7)	(19.9)

### Margins

Gross Margins (%)	50.8	28.6	49.3	47.5	46.0
Opg Profit Margins (%)	29.7	0.4	35.1	28.1	26.4
Net Profit Margins (%)	56.0	10.9	33.9	25.0	58.9

### Balance Sheet (Btm)

FY Dec	2018A	2019A	2020A	2021F	2022F
Net Fixed Assets	124,144	126,883	163,224	167,206	176,879
Invts in Associates & JVs	11,981	12,167	8,185	13,915	17,015
Other LT Assets	10,281	14,505	26,478	27,762	29,046
Cash & ST Invts	3,067	3,055	9,225	3,613	3,099
Inventory	1,279	1,356	3,571	1,893	1,613
Debtors	0.0	0.0	0.0	0.0	0.0
Other Current Assets	10,956	11,968	11,090	11,090	11,090
<b>Total Assets</b>	<b>161,708</b>	<b>169,933</b>	<b>221,773</b>	<b>225,479</b>	<b>238,743</b>
ST Debt	10,876	8,739	17,905	18,739	18,739
Creditor	1,782	1,694	911	939	967
Other Current Liab	11,925	10,641	11,738	12,062	12,062
LT Debt	19,522	25,164	28,355	28,355	36,355
Other LT Liabilities	43,427	43,232	85,741	81,537	80,646
Shareholder's Equity	65,726	72,128	68,790	75,515	81,640
Minority Interests	8,450	8,334	8,333	8,333	8,333
<b>Total Cap. &amp; Liab.</b>	<b>161,708</b>	<b>169,933</b>	<b>221,773</b>	<b>225,480</b>	<b>238,742</b>
Non-Cash Wkg. Capital	(1,472)	988	2,012	(18.6)	(326)
Net Cash/(Debt)	(27,332)	(30,848)	(37,035)	(43,481)	(51,995)
Debtors Turn (avg days)	N/A	N/A	N/A	N/A	N/A
Creditors Turn (avg days)	49.9	57.8	66.7	56.1	47.3
Inventory Turn (avg days)	44.7	43.8	126.1	165.8	87.1
Asset Turnover (x)	0.2	0.2	0.1	0.1	0.1
Current Ratio (x)	0.6	0.8	0.8	0.5	0.5
Quick Ratio (x)	0.1	0.1	0.3	0.1	0.1
Net Debt/Equity (X)	0.4	0.4	0.5	0.5	0.6
Net Debt/Equity ex MI (X)	0.4	0.4	0.5	0.6	0.6
Capex to Debt (%)	39.5	30.4	17.1	25.2	39.4
Z-Score (X)	2.2	2.3	1.9	1.9	1.9

Source: Company, DBSVTH

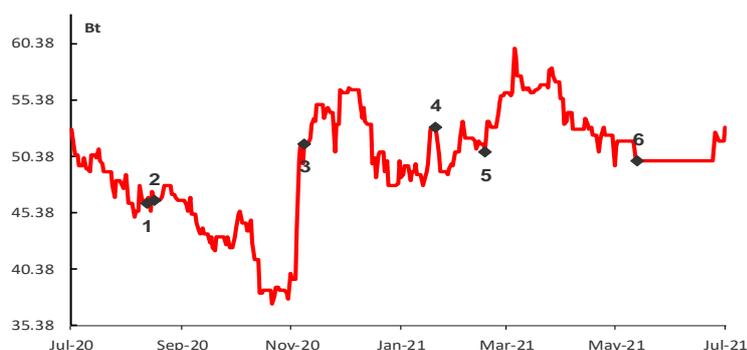
## Central Pattana

## Cash Flow Statement (Btm)

FY Dec	2018A	2019A	2020A	2021F	2022F
Pre-Tax Profit	13,440	14,146	11,206	11,278	12,137
Dep. & Amort.	5,906	7,117	7,907	8,618	9,571
Tax Paid	(2,057)	(2,336)	(1,589)	(1,336)	(1,960)
Assoc. & JV Inc/(loss)	(987)	(1,292)	(1,042)	(1,106)	(1,250)
Chg in Wkg.Cap.	(1,523)	844	(7,310)	(2,355)	(1,059)
Other Operating CF	2,361	3,324	1,053	1,501	2,367
<b>Net Operating CF</b>	<b>17,139</b>	<b>21,802</b>	<b>7,656</b>	<b>13,850</b>	<b>19,807</b>
Capital Exp.(net)	(12,013)	(10,297)	(7,901)	(11,871)	(21,700)
Other Invts.(net)	(2,589)	(4,929)	(732)	0.0	0.0
Invts in Assoc. & JV	0.0	0.0	0.0	(4,624)	(1,850)
Div from Assoc & JV	(4,384)	(543)	0.0	0.0	0.0
Other Investing CF	537	(127)	901	368	453
<b>Net Investing CF</b>	<b>(18,450)</b>	<b>(15,896)</b>	<b>(7,732)</b>	<b>(16,128)</b>	<b>(23,096)</b>
Div Paid	(6,282)	(5,015)	(3,633)	(3,142)	(3,947)
Chg in Gross Debt	1,824	(1,681)	6,471	(193)	6,723
Capital Issues	0.0	0.0	0.0	0.0	0.0
Other Financing CF	6,371	(177)	2,404	0.0	0.0
<b>Net Financing CF</b>	<b>1,913</b>	<b>(6,873)</b>	<b>5,241</b>	<b>(3,334)</b>	<b>2,776</b>
Currency Adjustments	0.0	0.0	0.0	0.0	0.0
Chg in Cash	602	(967)	5,165	(5,612)	(514)
Opg CFPS (Bt)	4.16	4.67	3.33	3.61	4.65
Free CFPS (Bt)	1.14	2.56	(0.1)	0.44	(0.4)

Source: Company, DBSVTH

## Target Price &amp; Ratings History



S.No.	Date of Report	Closing Price	12-mth Target Price	Rating
1:	17 Aug 20	46.25	52.00	BUY
2:	21 Aug 20	46.50	52.00	BUY
3:	13 Nov 20	51.50	55.00	BUY
4:	25 Jan 21	53.00	58.00	BUY
5:	22 Feb 21	50.75	58.00	BUY
6:	18 May 21	50.00	58.00	BUY

Note: Share price and Target price are adjusted for corporate actions.

Source: DBSVTH

Analyst: Chanpen SIRITHANARATTANAKUL

THAI-CAC (as of Jun 2020)

Corporate Governance CG Rating (as of Oct 2019)

**THAI-CAC** is Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of May 2018) are categorised into:

**Corporate Governance CG Rating** is based on Thai Institute of Directors (IOD)'s annual assessment of corporate governance practices of listed companies. The assessment covers 235 criteria in five categories including board responsibilities (35% weighting), disclosure and transparency (20%), role of stakeholders (20%), equitable treatment of shareholders (10%) and rights of shareholders (15%). The IOD then assigns numbers of logos to each company based on their scoring as follows:

Certified



Score	Description	
Declared	Companies that have declared their intention to join CAC	
Certified	Companies certified by CAC.	
Score	Range Number of Logo	Description
90-100		Excellent
80-89		Very Good
70-79		Good
60-69		Satisfactory
50-59		Pass
<50	No logo given	N/A

DBSVTH recommendations are based on an Absolute Total Return\* Rating system, defined as follows:

**STRONG BUY** (>20% total return over the next 3 months, with identifiable share price catalysts within this time frame)

**BUY** (>15% total return over the next 12 months for small caps, >10% for large caps)

**HOLD** (-10% to +15% total return over the next 12 months for small caps, -10% to +10% for large caps)

**FULLY VALUED** (negative total return, i.e., > -10% over the next 12 months)

**SELL** (negative total return of > -20% over the next 3 months, with identifiable share price catalysts within this time frame)

\*Share price appreciation + dividends

Completed Date: 7 Jul 2021 06:08:55 (THA)

Dissemination Date: 7 Jul 2021 06:11:09 (THA)

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