BUY (Unchanged)

Change in Numbers

TP: Bt 75.00 (From: Bt 87.00)

Upside : 29.3%

20 AUGUST 2024

Central Pattana Pcl (CPN TB)

Dusit isn't a drag

PHANNARAI TIYAPITTAYARUT

662-779-9109

phannarai.von@thanachartsec.co.th

Despite market concerns, the new Dusit Central Park project isn't a meaningful drag on CPN's earnings. The project's condo is already 80% presold, implying a 4% earnings boost for CPN in 2026F. We reaffirm our BUY on CPN, seeing its 15x 2025F PE as attractive.

Thanachart Securities

Earnings upgrades; reaffirming BUY

CPN's 2Q24 earnings, which were up 24% y-y and 10% q-q, were better than we'd expected, and we raise our estimates by 3-5% p.a. in 2024-26F. Our SOTP-derived 12-month TP, rolled over to a 2025F base year, applying a higher WACC of 8.3%, is Bt75 (from Bt87). We reaffirm our BUY on CPN. ***First***, its core shopping mall rental business remains highly resilient, with a 93% occupancy rate and a new high gross margin of 57.5% in 2024F. ***Second***, the low-risk, resilient core businesses (malls, offices, hotels) will likely continue to account for around 90% of its earnings in future years. ***Third***, despite the market concerns, we do not see the new Dusit Central Park project due to open next month as much of an earnings drag with only a 1% impact on CPN's earnings in 2024F. ***Lastly***, after the 23% fall in its share price from last year's peak, CPN looks attractive to us as a high-quality rental asset company trading at 15.2x 2025F PE.

The new Dusit Central Park

Dusit Central Park is a mixed-use project located in the Bangkok CBD on the corner of Silom Road comprising a shopping mall (85% owned by CPN, due to open in late 2025), offices (100% owned, due to open in 2H25), a hotel (30% owned via a JV, due to open on 27 September 2024) and a residential condo (30% owned via a JV, due to be completed in late 2025). In our previous report, we factored CPN's stakes in the mall and offices into our projection, but we have just started incorporating its stakes in the hotel and condominium parts in this report.

The project isn't a drag

We estimate Dusit Central Park's hotel and condo will contribute -0.5/0.2/3.7% in 2024-26F to CPN's core earnings. Therefore, we don't see the project dragging CPN's earnings. The jump in contribution in 2026F is due to major transfers of the condo project, which was 80% presold by 2Q24. Despite much lower transfers in 2027F, we do not expect CPN's earnings to contract and still grow 6%. We like CPN's exposure in the mall and office parts of the project as the location is prime. CPN targets the occupancy rate at the opening to reach the profit breakeven level of 80% for the mall and 40-50% for the offices. We estimate the hotel's loss sharing to CPN at Bt82/22m or a mere 0.5/0.1% of CPN's core profit in 2024-25F with a profit contribution in 2026F.

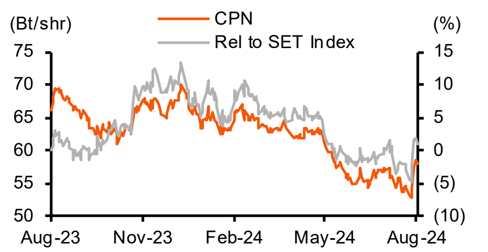
Still a high-quality asset play

CPN remains a high-quality, asset-based company despite now also selling some residential properties. We expect its highly resilient rental shopping mall, office building, and hotel businesses to continue contributing around 90% of core earnings in the future. We foresee its ROE stabilizing at around 16-17%.

COMPANY VALUATION

Y/E Dec (Bt m)	2023A	2024F	2025F	2026F
Sales	45,613	49,952	51,901	56,256
Net profit	15,062	17,340	18,138	20,119
Consensus NP	—	16,313	17,656	18,696
Diff frm cons (%)	—	*6.3*	*2.7*	*7.6*
Norm profit	13,916	15,852	17,125	20,119
Prev. Norm profit	—	15,031	16,574	19,180
Chg frm prev (%)	—	*5.5*	*3.3*	*4.9*
Norm EPS (Bt)	3.1	3.5	3.8	4.5
Norm EPS grw (%)	38.7	13.9	8.0	17.5
Norm PE (x)	18.7	16.4	15.2	12.9
EV/EBITDA (x)	13.4	12.0	11.3	10.2
P/BV (x)	2.8	2.6	2.4	2.2
Div yield (%)	3.1	3.3	3.5	3.9
ROE (%)	16.0	16.4	16.2	17.4
Net D/E (%)	73.1	70.9	67.5	65.3

PRICE PERFORMANCE



COMPANY INFORMATION

Price *as of* 20-Aug-24 (Bt)	58.00
Market Cap (US$ m)	7,610.1
Listed Shares (m shares)	4,488.0
Free Float (%)	68.7
Avg Daily Turnover (US$ m)	12.8
12M Price H/L (Bt)	70.00/52.75
Sector	PROP
Major Shareholder	Central Holding Co., Ltd 26.21%

Sources: Bloomberg, Company data, Thanachart estimates

ESG Summary Report ………………...…………….… P8

Earnings upgrades; reaffirming BUY

Earnings raised on higher mall margin and Dusit Central Park contribution

Following Central Pattana Pcl's (CPN) all-time-high 2Q24 core profit performance, rising 24% y-y and 10% q-q and driven by an expanding gross margin on shopping malls, we lift our mall gross margin to a record 57.5% this year and 58.7/59.9% in 2025-26F (from 55.9/57.2/59.3% in 2024-26F previously). Also, since the reopening of the Dusit Thani Bangkok Hotel is approaching fast, we have factored its 30% investment in this hotel and Dusit Residences condominium into our projections. We lift our normalized profit by 5/3/5% in 2024-26F. With our base year rolled over to 2025F and after assigning a higher WACC of 8.3% from 7.3% due to higher cost of debt and a rising beta, we lower our SOTP-derived 12-month TP by 14% to Bt75/share (from Bt87).

Ex 1: Key Assumption Changes

	2021	2022	2023	2024F	2025F	2026F	2027F
SS rental revenue growth (%) - unchanged	(8)	45	9	2	3	3	3
Rent discounts (increases) vs 2019 (%) - unchanged	39	12	4	2	(1)	(4)	(7)
No of shopping malls (YE) - unchanged	38	39	40	42	44	46	48
Real estate sales (Bt m) - unchanged	2,156	2,870	5,835	7,002	7,702	8,087	8,491
Gross margin - rent (%)							
New	40.8	51.6	55.3	57.5	58.7	59.9	60.5
Old	-	-	-	55.9	57.2	59.3	60.4
Change (bp)	-	-	-	*160*	*146*	*57*	*5*
Equity income from 30%-held Vimarn Suriya Co Ltd (Bt m)							
New	-	-	-	(82)	30	737	246
Old	-	-	-	-	-	-	-
Total equity income (Bt m)							
New	704	1,560	2,133	2,237	2,471	3,306	2,942
Old				2,320	2,442	2,569	2,696
Change (%)				*(3.6)*	*1.2*	*28.7*	*9.1*
Normalized profit (Bt m)							
New	3,379	10,030	13,916	15,852	17,125	20,119	21,250
Old				15,031	16,574	19,180	20,937
Change (%)				*5.5*	*3.3*	*4.9*	*1.5*

Sources: Company data, Thanachart estimates

Ex 2: Our Sum-of-the-parts Valuation

SOTP valuation			(Bt m)
Risk-free rate (Rf) (%)	2.5	**Total present value of FCF**	**394,773**
Market risk premium (Rm-Rf) (%)	8.0	Less: net debt	77,807
Beta	1.00	Less: minority interest	8,490
Cost of equity (Ke) (%)	10.5	**Equity value**	**308,476**
After-tax cost of debt (Kd) (%)	2.4	No of shares (end-2025F) (m)	4,488
Debt to total assets (%)	27.7	**Equity value/share (Bt/share)**	**68.73**
WACC (%)	8.3	plus **Value of CPNREIT (39.39%-owned) (Bt/CPN share)**	**3.53**
		Value of CPNCG (25%-owned) (Bt/CPN share)	**0.13**
		Value of six land plots (Bt/CPN share)	**2.61**
		CPN's SOTP-based target price (Bt/share)	**75.00**

Source: Thanachart estimates

A high-quality asset play

We reaffirm our BUY call on CPN for the following reasons:

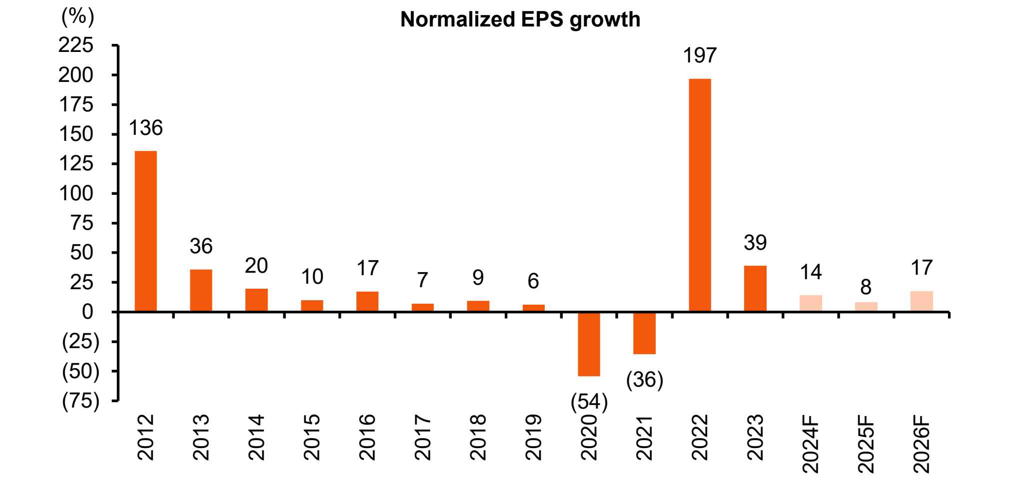
First, its core shopping mall rental business remains highly resilient, with a 93% average occupancy rate for 42 shopping malls and a new high gross margin of 57.5% in 2024F. Amid the weak economy, CPN's rent reversion stood at 2-3% in 1H24, fluctuating less compared with retailers overall.

Second, the low-risk, resilient core businesses (malls, offices, hotels) will likely continue to account for around 90% of its earnings in future years.

Third, despite the market concern, we do not see the new Dusit Central Park mixed-use project, where the hotel is due to open next month, being much of an earnings drag with less than a 1% hit to CPN's core earnings in 2024F and a profit contribution from 2025F.

Lastly, after the 23% fall in its share price from last year's peak, CPN looks attractive to us for a high-quality rental asset company at 15.2x 2025F PE vs. the sector average of 18.3x and based on its core EPS growth of 14/8/17% in 2024-26F.

Ex 3: Growth Profile



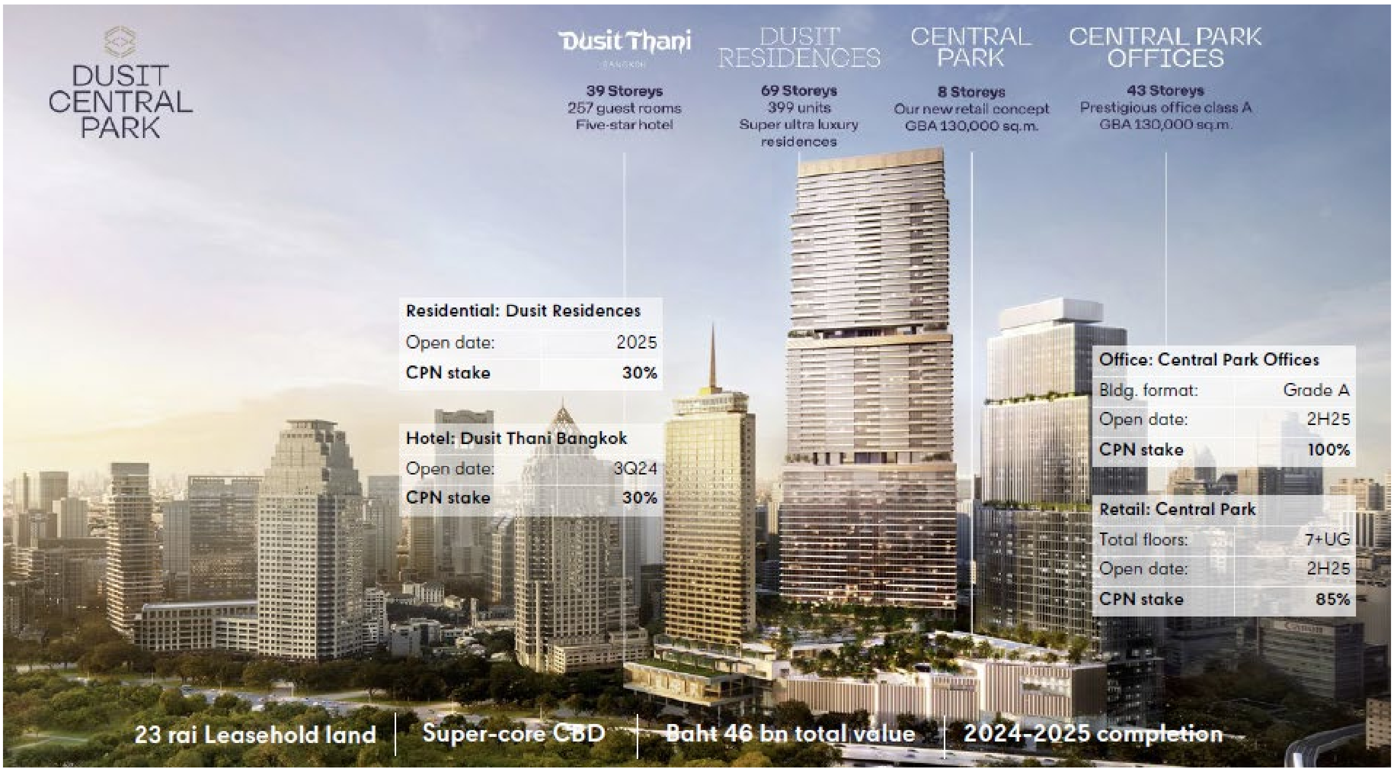
Sources: Company data, Thanachart estimates

Dusit Central Park isn't a drag

Four elements of a 5-star hotel, luxury condo, premium offices and mall

Dusit Central Park is a mixed-use project located in the Bangkok CBD at the corner of Silom Road comprising a shopping mall (85% owned by CPN, targeted to open in late 2025), an office building (100% owned, scheduled to open in 2H25), a hotel (due to open on 27 September 2024) and a residential condominium (scheduled to be completed in late 2025). The latter two (Dusit Thani Bangkok Hotel and Dusit Residences) are under a 30:70 (CPN: DUSIT TB – Dusit Thani Pcl, non-rated) JV called Vimarn Suriya Co Ltd. While we had factored in the mall and the office in our previous report on CPN, we now also include the hotel and the condominium in our numbers.

Ex 4: Dusit Central Park



Source: Company data

Mall and offices shouldn't be a concern

The mall and offices are not market concerns due to their strategic location in the heart of Bangkok's CBD. CPN targets the occupancy rate at their openings to reach the profit breakeven level of 80% for the mall and 40-50% for the offices.

We estimate Dusit Thani Bangkok to turn profitable in 2026F

Our assumptions suggest the hotel makes a Bt275m loss this year for three months of operations after opening in late September, a Bt73m loss in 2025F, before turning a profit in 2026F. We believe the hotel will be able to turn profitable faster than the typical three years for hotels given its prime location attracting business travelers and foreign and local tourists along with its mixed-use combination that should support a high room rate (we assume Bt10,000/night) and a high occupancy rate (we assume 50/67/72% for 2024-26F). Besides, we expect an F&B revenue mix of 52-60% pa vs. a room revenue mix of 40-48% due to the hotel's lengthy history as a venue for restaurant dining, events, and meetings.

Dusit Residences is not a worry as it is 80% presold

While we assume Bt17.2bn from Dusit Residences condominium (80% sold as of 2Q24) to be 5/70/20/2% transferred in 2025-28F, we estimate residential profit of Bt172m/2,406m/687m/69m in those years, implying shared profit from the condo project of Bt52m/Bt722m/206m/21m in 2025-28F, contributing 0.3/3.6/1.0/0.1% of CPN's core profit.

We estimate Dusit Central Park's hotel and condominium to contribute a Bt82m shared loss in 2024F and a shared profit of Bt30m/737m in 2025-26F or contribute -0.5/0.2/3.7% in 2024-26F to CPN's core earnings. Therefore, we don't see the project dragging CPN's earnings. The jump in contribution in 2026F is due to major transfers of the condo project. With a much lower transfer figure in 2027F, we do not expect CPN's earnings to contract and still grow by 6%.

Ex 5: Earnings Forecasts For CPN's 30% JV, Vimarn Suriya Co Ltd

A 30% JV, Vimarn Suriya Co Ltd	2024F	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F
Dusit Thani Bangkok Hotel (opening Sep 27th, 2024)												
Room	257	257	257	257	257	257	257	257	257	257	257	257
Occupancy (%)	50	67	72	76	76	76	76	76	76	76	76	76
Room rate (Bt/night/room)	10,000	10,300	10,609	10,927	11,255	11,593	11,941	12,299	12,668	13,048	13,439	13,842
growth (%)		3	3	3	3	3	3	3	3	3	3	3
F&B/room revenue ratio (%)	75	60	55	55	55	55	55	55	55	55	55	55
Other revenues (catering, meetings, spa)/room revenue ratio (%)	75	65	60	57	56	55	55	55	55	55	55	55
Revenues												
Room revenue (Bt m)	116	647	717	779	802	826	851	877	903	930	958	987
F&B revenue (Bt m)	87	388	394	428	441	455	468	482	497	512	527	543
Other revenues (catering, meetings, spa, laundry, etc) (Bt m)	87	421	430	444	449	455	468	482	497	512	527	543
Total revenues (Bt m)	289	1,457	1,541	1,652	1,693	1,736	1,788	1,841	1,897	1,953	2,012	2,072
GP (%)	45	55	62	65	65	65	65	65	65	65	65	65
SG&A/sales (%)	140	60	58	55	54	53	52	51	50	49	48	47
Net profit - Hotel (Bt m)	**(275)**	**(73)**	**49**	**132**	**149**	**167**	**186**	**206**	**228**	**250**	**274**	**298**
Dusit Residences (399 units, 80% sold as of June 2024)												
- Dusit Residences (30,489 sqm - net saleable area)												
- Dusit Parkside (20,054 sqm - net saleable area)												
Total net saleable area (sqm)	50,543	50,543	50,543	50,543	50,543	50,543	50,543	50,543	50,543	50,543	50,543	50,543
Avg selling price/sqm (Bt/sqm)	340,000	340,000	340,000	340,000	340,000	340,000	340,000	340,000	340,000	340,000	340,000	340,000
Sold (%) - YE	82	87	92	97	97	97	97	97	97	97	97	97
Transferred (%)		5	70	20	2	0	0	0	0	0	0	0
Residential revenue (Bt m)		859	12,029	3,437	344	0	0	0	0	0	0	0
GP (%)		38	38	38	38	38	38	38	38	38	38	38
NP (%)		20	20	20	20	20	20	20	20	20	20	20
Net profit - Residences (Bt m)		**172**	**2,406**	**687**	**69**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total net profit (Bt m)	**(275)**	**99**	**2,455**	**820**	**218**	**167**	**186**	**206**	**228**	**250**	**274**	**298**
CPN's shared profit (Bt m) (30%)	**(82)**	**30**	**737**	**246**	**65**	**50**	**56**	**62**	**68**	**75**	**82**	**90**

Source: Thanachart estimates

Valuation Comparison

Ex 6: Valuation Comparison With Regional Peers

			EPS growth		— PE —		— P/BV —		EV/EBITDA		— Div. yield —	
Name	**BBG code**	**Country**	**24F**	**25F**	**24F**	**25F**	**24F**	**25F**	**24F**	**25F**	**24F**	**25F**
Marks & Spencer	MKS LN	Britain	39.9	(1.8)	13.1	13.3	1.9	1.0	6.6	5.0	1.4	4.6
J Sainsbury PLC	SBRY LN	Britain	(3.2)	4.2	11.9	11.4	0.8	0.8	5.1	5.0	5.1	5.3
Tesco	TSCO LN	Britain	12.7	7.1	12.9	12.1	1.8	1.9	7.2	7.1	3.8	4.2
Carrefour SA	CA FP	France	15.1	18.0	7.7	6.5	0.9	0.8	5.3	5.0	6.4	6.7
Casino Guichard	CO FP	France	128.1	(141.4)	1.8	na	0.1	0.2	6.0	5.9	0.0	0.0
L'Oreal SA	OR FP	France	5.1	9.0	30.2	27.7	6.5	5.8	20.5	19.0	1.8	2.0
Alimentation Couche	ATD/B CN	Canada	(2.0)	6.6	na	na	na	na	12.5	11.3	na	na
Aeon	8267 JP	Japan	39.9	23.8	79.9	64.5	3.1	2.8	10.2	10.1	1.0	1.1
Kao Corporation	4452 JP	Japan	130.5	13.8	28.0	24.6	2.9	2.8	13.0	11.9	2.4	2.4
Lion Corporation	4912 JP	Japan	7.9	(1.0)	21.4	21.6	1.4	1.4	8.3	8.0	1.9	2.0
Shiseido Co. Ltd	4911 JP	Japan	36.9	160.5	58.0	22.3	2.2	2.1	13.5	10.3	1.7	1.8
Lawson	2651 JP	Japan	112.2	9.6	20.9	19.0	3.6	3.5	6.3	5.1	2.2	2.5
Seven & I Holdings	3382 JP	Japan	(15.7)	23.4	21.2	17.2	1.4	1.3	8.0	7.6	2.0	2.1
Lotte Corp	004990 KS	South Korea	(52.3)	na	79.8	7.8	0.4	0.4	8.7	8.9	6.3	7.3
Shinsegae	004170 KS	South Korea	3.1	12.7	4.7	4.2	0.3	0.3	6.5	6.2	2.8	3.0
Amore Pacific Group	002790 KS	South Korea	89.6	4.9	9.9	9.4	0.6	0.6	6.8	5.1	1.8	1.6
Best Buy Co Inc	BBY US	USA	(1.2)	10.5	14.0	12.7	5.4	5.4	7.1	6.6	4.4	4.6
Wal-Mart Stores	WMT US	USA	13.6	10.5	30.0	27.1	6.6	5.9	15.1	13.9	1.1	1.2
Home Depot Inc	HD US	USA	(0.6)	5.0	24.2	23.1	na	na	16.5	15.8	2.5	2.6
Levi Strauss & Co.	LEVI US	USA	14.5	15.4	15.5	13.4	3.5	3.0	9.8	8.8	2.6	2.8
Yonghui Superstores	601933 CH	China	119.7	na	na	46.9	3.4	3.2	13.5	13.3	0.0	0.9
Sa International	178 HK	Hong Kong	na	(17.2)	8.3	10.0	1.9	na	5.6	7.2	6.7	7.1
Dairy Farm Intl Hldgs	DFI SP	Hong Kong	35.4	20.3	12.4	10.3	2.4	2.1	7.2	6.7	5.1	6.3
President Chain Store	2912 TT	Taiwan	5.7	8.3	24.8	22.9	7.1	6.4	9.6	9.2	3.5	3.8
7-Eleven Malaysia	SEM MK	Malaysia	(1.5)	16.9	30.5	26.1	5.8	5.1	8.4	7.8	1.5	1.7
Berli Jucker *	BJC TB	Thailand	8.0	7.0	16.2	15.1	0.7	0.7	10.3	9.9	4.3	4.6
COM7 *	COM7 TB	Thailand	4.3	22.3	17.5	14.3	5.8	4.9	12.0	10.1	3.4	4.1
CP All *	CPALL TB	Thailand	33.3	17.5	22.6	19.2	4.3	3.8	9.2	8.3	2.2	2.6
CP Axtra *	CPAXT TB *	Thailand	24.7	18.0	28.5	24.1	1.0	1.0	11.6	10.8	2.5	2.9
Central Pattana *	CPN TB	Thailand	13.9	8.0	16.4	15.2	2.6	2.4	12.0	11.3	3.3	3.5
Central Retail Corp. *	CRC TB	Thailand	7.2	11.3	18.9	17.0	2.3	2.1	7.2	6.8	2.1	2.3
Dohome *	DOHOME TB	Thailand	47.8	41.0	44.4	31.5	2.7	2.5	23.5	20.1	0.1	0.1
Siam Global House *	GLOBAL TB	Thailand	11.2	16.0	24.9	21.5	2.9	2.7	19.5	17.2	1.4	1.6
Home Product*	HMPRO TB	Thailand	10.9	10.0	15.3	13.9	4.1	3.9	9.0	8.3	5.2	5.8
MC Group *	MC TB	Thailand	13.5	18.4	11.1	9.3	2.1	2.1	5.5	4.9	8.7	10.5
Moshi Moshi Retail*	MOSHI TB *	Thailand	24.5	42.7	28.5	20.0	6.3	5.3	14.4	10.9	1.7	2.5
Average			**26.7**	**12.7**	**23.7**	**19.3**	**2.9**	**2.7**	**10.3**	**9.4**	**2.9**	**3.4**

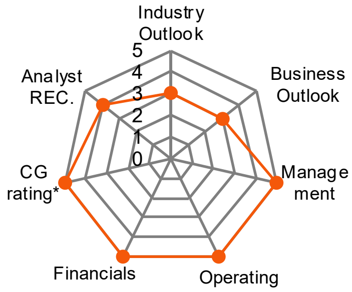
Sources: Bloomberg, Thanachart estimates
Note: * Thanachart estimates using normalized EPS growth,
Based on 20 August 2024 closing price

COMPANY DESCRIPTION

Central Pattana Pcl (CPN) is Thailand's largest shopping mall developer with over 30 years of experience. CPN currently manages 42 shopping malls, ten office buildings, nine hotels and 37 residential projects. The company is the leader in the retail development and management sector with the biggest share of Bangkok's retail market. It also invests in property fund/REITs with a 39.39% holding in CPNREIT and 25.0% in CPNCG.

Source: Thanachart

COMPANY RATING



Rating Scale	
Excellent	**5**
Good	**4**
Fair	**3**
Weak	**2**
Very Weak	**1**
None	**0**

Source: Thanachart; *CG Rating

THANACHART'S SWOT ANALYSIS

S — Strength

- Market leader with the most proactive expansion plans.
- The major shareholder, the Chirathivat family, has many businesses under its wing, mostly retail. Thus, a certain occupancy level is secured prior to project launches.
- Prime locations secured in Bangkok and first-tier provinces.

W — Weakness

- Highly capital-intensive business.
- Long payback period.

O — Opportunity

- Expansion into second-tier provinces and Bangkok's suburbs.
- Opportunities to expand shopping malls in markets abroad, particularly Southeast Asian countries.

T — Threat

- Indirect competition from hypermarkets, especially upcountry.
- Risk of leasehold projects not being renewed.

CONSENSUS COMPARISON

	Consensus	Thanachart	Diff
Target price (Bt)	80.03	75.00	-6%
Net profit 24F (Bt m)	16,313	17,340	6%
Net profit 25F (Bt m)	17,656	18,138	3%
Consensus REC	**BUY: 24**	**HOLD: 1**	**SELL: 0**

HOW ARE WE DIFFERENT FROM THE STREET?

- Our 2024-25F net profits are 3-6% above the Bloomberg consensus numbers, which we attribute to us having higher shopping mall gross margin assumptions.
- Our SOTP-derived TP is 6% below the Street's. We suspect this is because we have a higher WACC of 8.3%.

Sources: Bloomberg consensus, Thanachart estimates

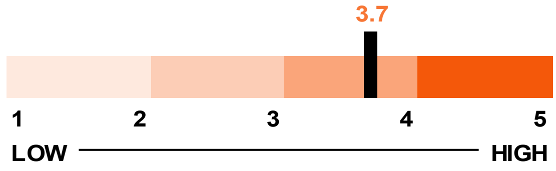
RISKS TO OUR INVESTMENT CASE

- A slow economy would affect purchasing power, CPN's ability to increase rental rates, occupancy, and branch expansion, and represents the key downside risk to our call.
- Future unexpected events, such as the closure and fire at CentralWorld in the past, would cause an earnings hiccup and present a secondary downside risk.

Source: Thanachart

CPN is Thailand's largest shopping mall developer, managing 42 shopping malls in Thailand and one in Malaysia. It also has office buildings for rent and hotel assets. By business nature, it doesn't release much greenhouse gas. CPN complies with many international environmental standards and attaches high importance to ESG issues with targets and plans. Our ESG score is, therefore, relatively high at 3.7.

Thanachart ESG Rating



	SET ESG Index	SET ESG (BBB-AAA)	DJSI Index	MSCI (CCC-AAA)	ESG Book (0-100)	Refinitiv (0-100)	S&P Global (0-100)	Moody's (0-100)	CG Rating (0-5)
CPN	YES	AA	YES	BBB	70.65	67.75	83.00	36.0	5.0

Sources: SETTRADE, SET ESG Index, SET ESG Rating, The Dow Jones Industrial Average (DJSI), MSCI ESG Research LLC, ESG Book, Refinitiv ESG Information, S&P Global Market Intelligence, Moody's ESG Solutions, Thai IOD (CG rating)
Note: Please see third party on "term of use" in the following back page.

Factors	Our Comments
ENVIRONMENT – **Environmental Policies & Guidelines** – **Energy Management** – **Carbon Management** – **Water Management** – **Waste Management**	▪ CPN's business doesn't create much greenhouse gas (GHG) by nature. However, it still targets to reduce Scope 1 and 2 GHG emission intensity by 20% from the 2015 level and become a net-zero emission organization by 2050. ▪ CPN complies with international standards of environmental management (ISO 14001), greenhouse gas management (ISO 14064-1), energy management (ISO 50001), and Leadership in Energy & Environmental Design (LEED). ▪ In 2023, CPN released scope 1 and 2 greenhouse gas (GHG) emissions of 0.28m tonnes of CO2 equivalent, reducing by 18% from the 2019 base year. ▪ CPN targets to increase the use of recycled water to 20% of total water consumption. ▪ CPN says it develops shopping centers to be " destinations of life" rather than places for shopping, and it creates excellence in resource and environmental management.
SOCIAL – **Human Rights** – **Staff Management** – **Health & Safety** – **Product Safety & Quality** – **Social Responsibility**	▪ CPN provides fair and proper treatment of employees in compensation, job assignments, job transfers, and competency development. It also says it ensures employee safety at its workplaces. ▪ In 2023, CPN hired 5,736 employees, 50:50 female and male, with diverse cultural backgrounds and hometowns in the Central, Northeast, South, North, East, and West regions of Thailand. ▪ In 2023, CPN conducted employee engagement surveys, with an 81% engagement score. It also implemented the Employer of Choice plan, including its Build & Buy program, which helped fill 30% of vacant positions through internal recruitment. ▪ In 2023, 5,321 employees were trained in various courses at a cost of Bt5,362/person.
GOVERNANCE & SUSTAINABILITY – **Board** – **Ethics & Transparency** – **Business Sustainability** – **Risk Management** – **Innovation**	▪ The Board of Directors (BOD) comprises 14 members, of whom four are independent directors. Eight of the board members are Chirathivat family members. ▪ The BOD chairman and President & CEO are two separate persons for a clear-cut segregation of roles and balance in the operation. ▪ CPN says it upholds ethics in all our business dealings, emphasizes good corporate governance, and promotes personnel responsibility in forging integrity and trustworthiness for themselves and others. ▪ The Risk Policy Committee reviews overall risk management, acknowledges key risks, and monitors suitable responses and comments on CPN's annual risk-management strategy analysis.

Sources: Thanachart, Company data

Record core profit continues with 14/8/17% growth in 2024-26F

An asset-based firm with shopping malls comprising the majority

INCOME STATEMENT

FY ending Dec (Bt m)	2022A	2023A	2024F	2025F	2026F
Sales	36,343	45,613	49,952	51,901	56,256
Cost of sales	18,033	21,509	22,692	23,279	24,578
Gross profit	**18,310**	**24,104**	**27,260**	**28,622**	**31,678**
% gross margin	50.4%	52.8%	54.6%	55.1%	56.3%
Selling & administration expenses	6,534	7,655	8,233	8,295	8,710
Operating profit	**11,776**	**16,450**	**19,027**	**20,327**	**22,969**
% operating margin	32.4%	36.1%	38.1%	39.2%	40.8%
Depreciation & amortization	8,550	8,546	9,178	9,935	10,801
EBITDA	**20,326**	**24,996**	**28,204**	**30,263**	**33,770**
% EBITDA margin	55.9%	54.8%	56.5%	58.3%	60.0%
Non-operating income	1,316	1,291	1,919	2,006	2,190
Non-operating expenses	0	0	0	0	0
Interest expense	(2,204)	(2,613)	(3,701)	(3,778)	(3,890)
Pre-tax profit	**10,889**	**15,128**	**17,244**	**18,555**	**21,268**
Income tax	2,304	3,175	3,449	3,711	4,254
After-tax profit	**8,585**	**11,953**	**13,795**	**14,844**	**17,014**
% net margin	23.6%	26.2%	27.6%	28.6%	30.2%
Shares in affiliates' Earnings	1,560	2,133	2,237	2,471	3,306
Minority interests	(114)	(171)	(181)	(191)	(201)
Extraordinary items	730	1,146	1,488	1,013	0
NET PROFIT	**10,760**	**15,062**	**17,340**	**18,138**	**20,119**
Normalized profit	**10,030**	**13,916**	**15,852**	**17,125**	**20,119**
EPS (Bt)	2.4	3.4	3.9	4.0	4.5
Normalized EPS (Bt)	2.2	3.1	3.5	3.8	4.5

BALANCE SHEET

FY ending Dec (Bt m)	2022A	2023A	2024F	2025F	2026F
ASSETS:					
Current assets:	25,242	25,546	28,619	30,426	33,434
Cash & cash equivalent	6,121	5,059	5,391	6,491	7,691
Account receivables	2,915	2,217	3,421	3,555	3,853
Inventories	0	0	0	0	0
Others	16,206	18,269	19,807	20,380	21,890
Investments & loans	41,306	42,282	42,282	42,282	42,282
Net fixed assets	172,707	175,798	188,220	202,584	219,983
Other assets	33,436	36,247	36,695	36,126	37,157
Total assets	**272,692**	**279,873**	**295,816**	**311,419**	**332,857**
LIABILITIES:					
Current liabilities:	42,032	53,868	45,520	47,475	50,583
Account payables	1,274	1,485	1,554	1,594	1,683
Bank overdraft & ST loans	13,310	13,972	12,480	13,045	13,889
Current LT debt	15,966	24,885	17,680	18,481	19,676
Others current liabilities	11,481	13,526	13,806	14,355	15,334
Total LT debt	**51,329**	**39,762**	**53,039**	**55,442**	**59,029**
Others LT liabilities	89,711	85,661	87,529	89,314	93,302
Total liabilities	**183,072**	**179,291**	**186,088**	**192,231**	**202,913**
Minority interest	8,145	8,309	8,490	8,681	8,882
Preferreds shares	0	0	0	0	0
Paid-up capital	2,244	2,244	2,244	2,244	2,244
Share premium	8,559	8,559	8,559	8,559	8,559
Warrants	0	0	0	0	0
Surplus	(326)	559	559	559	559
Retained earnings	**70,998**	**80,911**	**89,877**	**99,146**	**109,700**
Shareholders' equity	81,475	92,273	101,239	110,507	121,062
Liabilities & equity	**272,692**	**279,873**	**295,816**	**311,419**	**332,857**

Sources: Company data, Thanachart estimates

Despite high capex, we only expect net gearing of 0.65-0.71x in 2024-26F

CASH FLOW STATEMENT

FY ending Dec (Bt m)	2022A	2023A	2024F	2025F	2026F
Earnings before tax	10,889	15,128	17,244	18,555	21,268
Tax paid	(1,855)	(2,710)	(3,466)	(3,589)	(4,176)
Depreciation & amortization	8,550	8,546	9,178	9,935	10,801
Chg In w orking capital	1,854	909	(1,135)	(93)	(209)
Chg In other CA & CL / minorities	(3,103)	2,019	520	1,835	2,188
Cash flow from operations	**16,335**	**23,892**	**22,341**	**26,643**	**29,871**
Capex	(11,409)	(11,636)	(21,600)	(24,300)	(28,200)
Right of use	0	0	0	0	0
ST loans & investments	0	0	0	0	0
LT loans & investments	(268)	(976)	0	0	0
Adj for asset revaluation	0	0	0	0	0
Chg In other assets & liabilities	(1,091)	(6,090)	3,386	3,857	3,466
Cash flow from investments	**(12,768)**	**(18,703)**	**(18,214)**	**(20,443)**	**(24,734)**
Debt financing	(1,116)	(1,986)	4,579	3,770	5,627
Capital increase	0	0	0	0	0
Dividends paid	(2,709)	(5,182)	(8,374)	(8,869)	(9,564)
Warrants & other surplus	321	918	0	0	0
Cash flow from financing	**(3,503)**	**(6,250)**	**(3,795)**	**(5,100)**	**(3,938)**
Free cash flow	**4,925**	**12,255**	**741**	**2,343**	**1,671**

2025F PE is only half of its 30x five-year average from 2015-19

VALUATION

FY ending Dec	2022A	2023A	2024F	2025F	2026F
Normalized PE (x)	26.0	18.7	16.4	15.2	12.9
Normalized PE - at target price (x)	33.6	24.2	21.2	19.7	16.7
PE (x)	24.2	17.3	15.0	14.4	12.9
PE - at target price (x)	31.3	22.3	19.4	18.6	16.7
EV/EBITDA (x)	16.5	13.4	12.0	11.3	10.2
EV/EBITDA - at target price (x)	20.2	16.4	14.7	13.8	12.5
P/BV (x)	3.2	2.8	2.6	2.4	2.2
P/BV - at target price (x)	4.1	3.6	3.3	3.0	2.8
P/CFO (x)	15.9	10.9	11.7	9.8	8.7
Price/sales (x)	7.2	5.7	5.2	5.0	4.6
Dividend yield (%)	2.0	3.1	3.3	3.5	3.9
FCF Yield (%)	1.9	4.7	0.3	0.9	0.6
(Bt)					
Normalized EPS	2.2	3.1	3.5	3.8	4.5
EPS	2.4	3.4	3.9	4.0	4.5
DPS	1.2	1.8	1.9	2.0	2.2
BV/share	18.2	20.6	22.6	24.6	27.0
CFO/share	3.6	5.3	5.0	5.9	6.7
FCF/share	1.1	2.7	0.2	0.5	0.4

Sources: Company data, Thanachart estimates

Profitability uplift

FINANCIAL RATIOS

FY ending Dec	2022A	2023A	2024F	2025F	2026F
Growth Rate					
Sales (%)	48.2	25.5	9.5	3.9	8.4
Net profit (%)	50.5	40.0	15.1	4.6	10.9
EPS (%)	50.5	40.0	15.1	4.6	10.9
Normalized profit (%)	196.8	38.7	13.9	8.0	17.5
Normalized EPS (%)	196.8	38.7	13.9	8.0	17.5
Dividend payout ratio (%)	48.0	53.6	50.0	50.0	50.0
Operating performance					
Gross margin (%)	50.4	52.8	54.6	55.1	56.3
Operating margin (%)	32.4	36.1	38.1	39.2	40.8
EBITDA margin (%)	55.9	54.8	56.5	58.3	60.0
Net margin (%)	23.6	26.2	27.6	28.6	30.2
D/E (incl. minor) (x)	0.9	0.8	0.8	0.7	0.7
Net D/E (incl. minor) (x)	0.8	0.7	0.7	0.7	0.7
Interest coverage - EBIT (x)	5.3	6.3	5.1	5.4	5.9
Interest coverage - EBITDA (x)	9.2	9.6	7.6	8.0	8.7
ROA - using norm profit (%)	3.5	5.0	5.5	5.6	6.2
ROE - using norm profit (%)	13.0	16.0	16.4	16.2	17.4
DuPont					
ROE - using after tax profit (%)	11.1	13.8	14.3	14.0	14.7
- asset turnover (x)	0.1	0.2	0.2	0.2	0.2
- operating margin (%)	36.0	38.9	41.9	43.0	44.7
- leverage (x)	3.7	3.2	3.0	2.9	2.8
- interest burden (%)	83.2	85.3	82.3	83.1	84.5
- tax burden (%)	78.8	79.0	80.0	80.0	80.0
WACC (%)	8.3	8.3	8.3	8.7	8.7
ROIC (%)	6.2	8.3	9.2	9.1	9.6
NOPAT (Bt m)	9,284	12,998	15,221	16,262	18,375
invested capital (Bt m)	155,960	165,833	179,046	190,984	205,966

Sources: Company data, Thanachart estimates

ESG Information - Third Party Terms

www.Settrade.com
SETTRADE: You acknowledge that the use of data, information or service displayed and/or contained in this website may require third party's data, content or software which is subject to the terms of third party provider. By accessing and/or using of such certain data, you acknowledge and agree to comply with and be bound by the applicable third party terms specified below.

ESG Scores by Third Party data from www.SETTRADE.com
1. MSCI (CCC- AAA)
2. ESG Book (0-100)
3. Refinitiv (0-100)
4. S&P Global (0-100)
5. Moody's ESG Solutions (0-100)
6. SET ESG Rating (BBB-AAA)

SETESG Index (SETESG)
The SETESG Index reflects the price movement of stock of companies that have sustainable business practices which consider environmental, social and governance (ESG) aspect.

SET Index, SET50 Index, SET100 Index and all indices calculated by the Stock Exchange of Thailand ("SET") (collectively called "SET Index Series") are the registered trademarks/service marks solely owned by, and proprietary to SET. Any unauthorized use of SET Index Series is strictly prohibited. All information provided is for information purposes only and no warranty is made as to its fitness for purpose, satisfactory quality or otherwise. Every effort has been made to ensure that all information given is accurate, but no responsibility or liability (including in negligence) can be accepted by SET for errors or omissions or for any losses arising from the use of this information.

SET ESG Index (SET ESG)
Currently, long-term investment guidelines abroad are beginning to focus on investing in companies that have sustainable business practices. which considers environmental, social and governance factors (Environmental, Social and Governance or ESG) of the company in making investment decisions along with analyzing the company's financial data.

Stock Exchange Has prepared the results of evaluating sustainable stocks which are stocks of listed companies (SETESG Rating) as an alternative for investors who want to invest in stocks of listed companies that are outstanding in ESG, including to support listed companies with operations. sustainable business Taking into account all stakeholders in both social and environmental aspects. There is a management process to create sustainability for the organization, such as risk management. Supply chain management and innovation development. Therefore, the SETESG index was created to be an index that reflects the price movement of a group of securities. of companies with sustainable business operations that meet the required size and liquidity criteria

ESG Book's Disclaimer
Arabesque S-Ray GmbH, also trading as "ESG Book", is a limited liability company (Gesellschaft mit beschränkter Haftung) incorporated in Frankfurt am Main and organised under the laws of Germany with registered number HRB 113087 in the commercial register of the local court with its seat and business address at Zeppelinallee 15, 60325 Frankfurt am Main, Germany (hereinafter "ESG Book"). ESG Book, with its UK branch and local subsidiaries, is a provider of sustainability data and advisory services and operates the sustainability data platform ESG Book. ESG Book does not offer any regulated financial services nor products. This document is provided on a confidential basis by ESG Book and is for information purposes only; accordingly, it is not a solicitation or an offer to buy any security or instrument or to participate in any trading activities nor should it be construed as a recommendation or advice on the merits of investing in any financial product. THIRD PARTY INFORMATION. Certain information contained in this document has been obtained from sources outside ESG Book. While such information is believed to be reliable for the purposes used herein, no representations are made as to the accuracy or completeness thereof and neither ESG Book nor its affiliates take any responsibility for such information. To the extent this document contains any links to third party websites, such links are provided as a convenience and for informational purposes only; they do not constitute an endorsement or an approval by ESG Book of any of the products, services or opinions of the corporations or organization or individual operating such third party websites. ESG Book bears no responsibility for the accuracy, legality or content of the external site or for that of subsequent links. RELIANCE – ESG Book makes no representation or warranty, express or implied, as to the accuracy or completeness of the information contained herein, and accepts no liability for any loss, of whatever kind, howsoever arising, in relation thereto, and nothing contained herein should be relied upon. CONFIDENTIALITY. This document contains highly confidential information regarding ESG Book's strategy and organization. Your acceptance of this document constitutes your agreement to keep confidential all the information contained in this document, as well as any information derived by you from the information contained in this document and not disclose any such information to any other person. This document may not be copied, reproduced, in any way used or disclosed or transmitted, in whole or in part, to any other person.

MSCI ESG Research LLC
"Certain information @2021 MSCI ESG Research LLC. Reproduced by permission"
"Although [User ENTITY NAME's] information providers, including without limitation, MSCI ESG Research LLC and its affiliates (the "ESG Parties"), obtain information (the "Information") from sources they consider reliable, none of the ESG Parties warrants or guarantees the originality, accuracy and/or completeness, of any data herein and expressly disclaim all express or implied warranties, including those of merchantability and fitness for a particular purpose. The Information may only be used for your internal use, may not be reproduced or redisseminated in any form and may not be used as a basis for, or a component of, any financial instruments or products or indices. Further, non of the Information can in and of itself be used to determine which securities to buy or sell or when to buy or sell them. None of the ESG Parties shall have any liability for any errors or omissions in connection with any data herein, or any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages."

Score range	Description
CCC - B	**LAGGARD:** A company lagging its industry based on its high exposure and failure to manage significant ESG risks
BB - BBB - A	**AVERAGE :** A company with a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers
AA - AAA	**LEADER:** A company leading its industry in managing the most significant ESG risks and opportunities

The Dow Jones Sustainability Indices (DJSI)
The Dow Jones Sustainability Indices (DJSI) are a family of best-in-class benchmarks for investors who have recognized that sustainable business practices are critical to generating long-term shareholder value and who wish to reflect their sustainability convictions in their investment portfolios. The family was launched in 1999 as the first global sustainability benchmark and tracks the stock performance of the world's leading companies in terms of economic, environmental and social criteria. Created jointly by S&P Dow Jones Indices and SAM, the DJSI combine the experience of an established index provider with the expertise of a specialist in Sustainable Investing to select the most sustainable companies from across 61 industries. The indices serve as benchmarks for investors who integrate sustainability considerations into their portfolios, and provide an effective engagement platform for investors who wish to encourage companies to improve their corporate sustainability practices.

S&P Global Market Intelligence
Copyright © 2021, S&P Global Market Intelligence (and its affiliates as applicable). Reproduction of any information, opinions, views, data or material, including ratings ("Content") in any form is prohibited except with the prior written permission of the relevant party. Such party, its affiliates and suppliers ("Content Providers") do not guarantee the accuracy, adequacy, completeness, timeliness or availability of any Content and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such Content. In no event shall Content Providers be liable for any damages, costs, expenses, legal fees, or losses (including lost income or lost profit and opportunity costs) in connection with any use of the Content. A reference to a particular investment or security, a rating or any observation concerning an investment that is part of the Content is not a recommendation to buy, sell or hold such investment or security, does not address the suitability of an investment or security and should not be relied on as investment advice. Credit ratings are statements of opinions and are not statements of fact.
ESG risk combines the concepts of management and exposure to arrive at an absolute assessment of ESG risk. We identify five categories of ESG risk severity that could impact a company's enterprise value

Moody's ESG Solutions
© 2022 Moody's Corporation, Moody's Investors Service, Inc., Moody's Analytics, Inc. and/or their licensors and affiliates (collectively, "MOODY'S"). All rights reserved.
CREDIT RATINGS ISSUED BY MOODY'S CREDIT RATINGS AFFILIATES ARE THEIR CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES, AND MATERIALS, PRODUCTS, SERVICES AND INFORMATION PUBLISHED BY MOODY'S (COLLECTIVELY, "PUBLICATIONS") MAY INCLUDE SUCH CURRENT OPINIONS. MOODY'S DEFINES CREDIT RISK AS THE RISK THAT AN ENTITY MAY NOT MEET ITS CONTRACTUAL FINANCIAL OBLIGATIONS AS THEY COME DUE AND ANY ESTIMATED FINANCIAL LOSS IN THE EVENT OF DEFAULT OR IMPAIRMENT. SEE APPLICABLE MOODY'S RATING SYMBOLS AND DEFINITIONS PUBLICATION FOR INFORMATION ON THE TYPES OF CONTRACTUAL FINANCIAL OBLIGATIONS ADDRESSED BY MOODY'S CREDIT RATINGS. CREDIT RATINGS DO NOT ADDRESS ANY OTHER RISK, INCLUDING BUT NOT LIMITED TO: LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. CREDIT RATINGS, NON-CREDIT ASSESSMENTS ("ASSESSMENTS"), AND OTHER OPINIONS INCLUDED IN MOODY'S PUBLICATIONS ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. MOODY'S PUBLICATIONS MAY ALSO INCLUDE QUANTITATIVE MODEL-BASED ESTIMATES OF CREDIT RISK AND RELATED OPINIONS OR COMMENTARY PUBLISHED BY MOODY'S ANALYTICS, INC. AND/OR ITS AFFILIATES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS DO NOT CONSTITUTE OR PROVIDE INVESTMENT OR FINANCIAL ADVICE, AND MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS ARE NOT AND DO NOT PROVIDE RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS DO NOT COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. MOODY'S ISSUES ITS CREDIT RATINGS,

ASSESSMENTS AND OTHER OPINIONS AND PUBLISHES ITS PUBLICATIONS WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL, WITH DUE CARE, MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE.
MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS, AND PUBLICATIONS ARE NOT INTENDED FOR USE BY RETAIL INVESTORS AND IT WOULD BE RECKLESS AND INAPPROPRIATE FOR RETAIL INVESTORS TO USE MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS OR PUBLICATIONS WHEN MAKING AN INVESTMENT DECISION. IF IN DOUBT YOU SHOULD CONTACT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER.

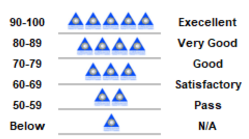
ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY LAW, INCLUDING BUT NOT LIMITED TO, COPYRIGHT LAW, AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT.
MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS ARE NOT INTENDED FOR USE BY ANY PERSON AS A BENCHMARK AS THAT TERM IS DEFINED FOR REGULATORY PURPOSES AND MUST NOT BE USED IN ANY WAY THAT COULD RESULT IN THEM BEING CONSIDERED A BENCHMARK.
All information contained herein is obtained by MOODY'S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, all information contained herein is provided "AS IS" without warranty of any kind. MOODY'S adopts all necessary measures so that the information it uses in assigning a credit rating is of sufficient quality and from sources MOODY'S considers to be reliable including, when appropriate, independent third-party sources. However, MOODY'S is not an auditor and cannot in every instance independently verify or validate information received in the rating process or in preparing its Publications.
To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability to any person or entity for any indirect, special, consequential, or incidental losses or damages whatsoever arising from or in connection with the information contained herein or the use of or inability to use any such information, even if MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers is advised in advance of the possibility of such losses or damages, including but not limited to: (a) any loss of present or prospective profits or (b) any loss or damage arising where the relevant financial instrument is not the subject of a particular credit rating assigned by MOODY'S.
To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability for any direct or compensatory losses or damages caused to any person or entity, including but not limited to by any negligence (but excluding fraud, willful misconduct or any other type of liability that, for the avoidance of doubt, by law cannot be excluded) on the part of, or any contingency within or beyond the control of, MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers, arising from or in connection with the information contained herein or the use of or inability to use any such information.
NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY CREDIT RATING, ASSESSMENT, OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER.
Moody's Investors Service, Inc., a wholly-owned credit rating agency subsidiary of Moody's Corporation ("MCO"), hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by Moody's Investors Service, Inc. have, prior to assignment of any credit rating, agreed to pay to Moody's Investors Service, Inc. for credit ratings opinions and services rendered by it fees ranging from $1,000 to approximately $5,000,000. MCO and Moody's Investors Service also maintain policies and procedures to address the independence of Moody's Investors Service credit ratings and credit rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold credit ratings from Moody's Investors Service and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually at www.moodys.com under the heading "Investor Relations — Corporate Governance — Director and Shareholder Affiliation Policy."
Additional terms for Australia only: Any publication into Australia of this document is pursuant to the Australian Financial Services License of MOODY'S affiliate, Moody's Investors Service Pty Limited ABN 61 003 399 657AFSL 336969 and/or Moody's Analytics Australia Pty Ltd ABN 94 105 136 972 AFSL 383569 (as applicable). This document is intended to be provided only to "wholesale clients" within the meaning of section 761G of the Corporations Act 2001. By continuing to access this document from within Australia, you represent to MOODY'S that you are, or are accessing the document as a representative of, a "wholesale client" and that neither you nor the entity you represent will directly or indirectly disseminate this document or its contents to "retail clients" within the meaning of section 761G of the Corporations Act 2001. MOODY'S credit rating is an opinion as to the creditworthiness of a debt obligation of the issuer, not on the equity securities of the issuer or any form of security that is available to retail investors.
Additional terms for Japan only: Moody's Japan K.K. ("MJKK") is a wholly-owned credit rating agency subsidiary of Moody's Group Japan G.K., which is wholly-owned by Moody's Overseas Holdings Inc., a wholly-owned subsidiary of MCO. Moody's SF Japan K.K. ("MSFJ") is a wholly-owned credit rating agency subsidiary of MJKK. MSFJ is not a Nationally Recognized Statistical Rating Organization ("NRSRO"). Therefore, credit ratings assigned by MSFJ are Non-NRSRO Credit Ratings. Non-NRSRO Credit Ratings are assigned by an entity that is not a NRSRO and, consequently, the rated obligation will not qualify for certain types of treatment under U.S. laws. MJKK and MSFJ are credit rating agencies registered with the Japan Financial Services Agency and their registration numbers are FSA Commissioner (Ratings) No. 2 and 3 respectively.
Additional terms for Hong Kong only: Any Second Party Opinion or other opinion that falls within the definition of "advising on securities" under the Hong Kong Securities and Futures Ordinance ("SFO") is issued by Vigeo Eiris Hong Kong Limited, a company licensed by the Hong Kong Securities and Futures Commission to carry out the regulated activity of advising on securities in Hong Kong. This Second Party Opinion or other opinion that falls within the definition of "advising on securities" under the SFO is intended for distribution only to "professional investors" as defined in the SFO and the Hong Kong Securities and Futures (Professional Investors) Rules. This Second Party Opinion or other opinion must not be distributed to or used by persons who are not professional investors.
MJKK or MSFJ (as applicable) hereby disclose that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by MJKK or MSFJ (as applicable) have, prior to assignment of any credit rating, agreed to pay to MJKK or MSFJ (as applicable) for credit ratings opinions and services rendered by it fees ranging from JPY125,000 to approximately JPY550,000,000.
MJKK and MSFJ also maintain policies and procedures to address Japanese regulatory requirements.

Refinitiv ESG
These Terms of Use govern your access or use of the ESG information and materials on the Refinitiv website and any AI powered voice assistance software ("Refinitiv ESG Information").

The Refinitiv ESG Information is for general informational and non-commercial purposes only. Reproduction, redistribution or any other form of copying or transmission of the Refinitiv ESG Information is prohibited without Refinitiv's prior written consent.
All warranties, conditions and other terms implied by statute or common law including, without limitation, warranties or other terms as to suitability, merchantability, satisfactory quality and fitness for a particular purpose, are excluded to the maximum extent permitted by applicable laws. The Refinitiv ESG Information is provided "as is" and Refinitiv makes no express or implied warranties, representations or guarantees concerning the accuracy, completeness or currency of the information in this service or the underlying Third Party Sources (as defined below). You assume sole responsibility and entire risk as to the suitability and results obtained from your use of the Refinitiv ESG Information.
The Refinitiv ESG Information does not amount to financial, legal or other professional advice, nor does it constitute: (a) an offer to purchase shares in the funds referred to; or (b) a recommendation relating to the sale and purchase of instruments; or (c) a recommendation to take any particular legal, compliance and/or risk management decision. Investors should remember that past performance is not a guarantee of future results.
The Refinitiv ESG Information will not be used to construct or calculate and index or a benchmark, used to create any derivative works or used for commercial purposes. Refinitiv's disclaimer in respect of Benchmark Regulations applies to the Refinitiv ESG Information.
No responsibility or liability is accepted by Refinitiv its affiliates, officers, employees or agents (whether for negligence or otherwise) in respect of the Refinitiv ESG Information, or for any inaccuracies, omissions, mistakes, delays or errors in the computation and compilation of the Refinitiv ESG Information (and Refinitiv shall not be obliged to advise any person of any error therein). For the avoidance of doubt, in no event will Refinitiv have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) relating to any use of the Refinitiv ESG Information.
You agree to indemnify, defend and hold harmless Refinitiv from and against any claims, losses, damages, liabilities, costs and expenses, including, without limitation, reasonable legal and experts' fees and costs, as incurred, arising in any manner out of your use of, or inability to use, any Information contained on the Refinitiv web site or obtained via any AI powered voice assistance software.
You represent to us that you are lawfully able to enter into these Terms of Use. If you are accepting these Terms of Use for and on behalf of an entity such as the company you work for, you represent to us that you have legal authority to bind that entity.
By accepting these Terms of Use you are also expressly agreeing to the following Refinitiv's website Terms of Use.
Refinitiv ESG scores are derived from third party publicly available sources ("Third Party Sources") and are formulated on the basis of Refinitiv own transparent and objectively applied methodology. Refinitiv's ESG Information methodology can be accessed here.

Score range	Description	
0 to 25	First Quartile	Scores within this range indicates poor relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly.
> 25 to 50	Second Quartile	Scores within this range indicates satisfactory relative ESG performance and moderate degree of transparency in reporting material ESG data publicly.
> 50 to 75	Third Quartile	Scores within this range indicates good relative ESG performance and above average degree of transparency in reporting material ESG data publicly.
> 75 to 100	Fourth Quartile	Score within this range indicates excellent relative ESG performance and high degree of transparency in reporting material ESG data publicly.

CG Report : by Thai Institute of Directors Association (Thai IOD), Established in December 1999, the Thai IOD is a membership organization that strives to promote professionalism in directorship. The Thai IOD offers directors certification and professional development courses, provides a variety of seminars, forums and networking events, and conducts research on board governance issues and practices. Membership comprises board members from companies ranging from large publicly listed companies to small private firms.



General Disclaimers And Disclosures:

This report is prepared and issued by Thanachart Securities Public Company Limited (TNS) as a resource only for clients of TNS, Thanachart Capital Public Company Limited (TCAP) and its group companies.

This report is prepared by analysts who are employed by the research department of TNS. While the information is from sources believed to be reliable, neither the information nor the forecasts shall be taken as a representation or warranty for which TNS or TCAP or its group companies or any of their employees incur any responsibility. This report is provided to you for informational purposes only and it is not, and is not to be construed as, an offer or an invitation to make an offer to sell or buy any securities. Neither TNS, TCAP nor its group companies accept any liability whatsoever for any direct or consequential loss arising from any use of this report or its contents.

The information and opinions contained herein have been compiled or arrived at from sources believed reliable. However, TNS, TCAP and its group companies make no representation or warranty, express or implied, as to their accuracy or completeness. Expressions of opinion herein are subject to change without notice. The use of any information, forecasts and opinions contained in this report shall be at the sole discretion and risk of the user.

TNS, TCAP and its group companies perform and seek to perform business with companies covered in this report. TNS, TCAP, its group companies, their employees and directors may have positions and financial interest in securities mentioned in this report. TNS, TCAP or its group companies may from time to time perform investment banking or other services for, or solicit investment banking or other business from, any entity mentioned in this report. Therefore, investors should be aware of conflict of interest that may affect the objectivity of this report.

Note: Thanachart Securities Public Company Limited act as a Market Maker and Derivative Warrants Issuer. At present, TNS has issued Derivative Warrants underlying securities before making investment decisions.

Note: Thanachart Capital Pcl (TCAP) holds an 89.96% of Thanachart Securities (TNS). TCAP holds a 100% of Thanachart SPV1 Co. Ltd. TCAP and Thanachart SPV1 combinedly hold a 60% stake in THANI.

Note: Thanachart Capital Public Company Limited (TCAP), TMBThanachart Bank Public Company Limited (TTB), are related companies to Thanachart Securities Public Company Limited (TNS). Thanachart Securities Pcl is a subsidiary of Thanachart Capital Pcl (TCAP) which holds 24.35% of the shareholding in TMBThanachart Bank Pcl.

Thanachart Capital Public Company Limited (TCAP), Ratchthani Leasing Public Company Limited (THANI), MBK PUBLIC COMPANY LIMITED (MBK) and PATUM RICE MILL AND GRANARY PUBLIC COMPANY LIMTED (PRG) are related companies to Thanachart Securities Public Company Limited (TNS) . Since TNS covers those securities in research report, consequently TNS incurs conflicts of interest.

Note: Thanachart Securities Public Company Limited (TNS) acts as an underwriter of “Debentures of Srisawad Corporation Public Company Limited (SAWAD) No. 4/2024 (B.E. 2567) tranche 1-3 which its maturity at 2027-29 (B.E. 2570-72), therefore investors need to be aware that there could be conflicts of interest in this research.

Note: Thanachart Securities Public Company Limited (TNS) acts as an underwriter of “Debentures of MUANGTHAI CAPITAL PUBLIC COMPANY LIMITED No. 7/2024 (B.E. 2567) tranche 1-3 which its maturity at 2026-28 (B.E. 2569-71)”, therefore investors need to be aware that there could be conflicts of interest in this research.

Disclosure of Interest of Thanachart Securities

Investment Banking Relationship

Within the preceding 12 months, Thanachart Securities has lead-managed public offerings and/or secondary offerings (excluding straight bonds) of the securities of the following companies: Euroasia Total Logistics Pcl (ETL TB).

Recommendation Structure:

Recommendations are based on absolute upside or downside, which is the difference between the target price and the current market price. If the upside is 10% or more, the recommendation is BUY. If the downside is 10% or more, the recommendation is SELL. For stocks where the upside or downside is less than 10%, the recommendation is HOLD. 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 the market price and the formal recommendation.

For sectors, an "Overweight" sector weighting is used when we have BUYs on majority of the stocks under our coverage by market cap. "Underweight" is used when we have SELLs on majority of the stocks we cover by market cap. "Neutral" is used when there are relatively equal weightings of BUYs and SELLs.

Thanachart Securities Pcl.

Research Team
18 Floor, MBK Tower
444 Phayathai Road, Pathumwan Road, Bangkok 10330
Tel: 662 - 779-9119
Email: thanachart.res@thanachartsec.co.th

Pimpaka Nichgaroon, CFA
Head of Research, Strategy
Tel: 662-779-9199
pimpaka.nic@thanachartsec.co.th

Nuttapop Prasitsuksant
Telecom, Utilities
Tel: 662-483-8296
nuttapop.pra@thanachartsec.co.th

Rata Limsuthiwanpoom
Auto, Industrial Estate, Media, Prop. Fund
Tel: 662-483-8297
rata.lim@thanachartsec.co.th

Siriporn Arunothai
Small Cap, Healthcare, Hotel
Tel: 662-779-9113
siriporn.aru@thanachartsec.co.th

Sittichet Rungrassameephat
Analyst, Retail Market Strategy
Tel: 662-483-8303
sittichet.run@thanachartsec.co.th

Adisak Phupiphathirungul
Retail Market Strategy
Tel: 662-779-9120
adisak.phu@thanachartsec.co.th

Pattadol Bunnak
Electronics, Food & Beverage, Shipping
Tel: 662-483-8298
pattadol.bun@thanachartsec.co.th

Saksid Phadthananarak
Construction, Transportation
Tel: 662-779-9112
saksid.pha@thanachartsec.co.th

Yupapan Polpornprasert
Energy, Petrochemical
Tel: 662-779-9110
yupapan.pol@thanachartsec.co.th

Thaloengsak Kucharoenpaisan
Analyst, Retail Market Strategy
Tel: 662-483-8304
thaloengsak.kuc@thanachartsec.co.th

Pattarawan Wangmingmat
Senior Technical Analyst
Tel: 662-779-9105
pattarawan.wan@thanachartsec.co.th

Phannarai Tiyapittayarut
Property, Retail
Tel: 662-779-9109
phannarai.von@thanachartsec.co.th

Sarachada Sornsong
Bank, Finance
Tel: 662-779-9106
sarachada.sor@thanachartsec.co.th

Witchanan Tambamroong
Technical Analyst
Tel: 662-779-9123
witchanan.tam@thanachartsec.co.th

Nariporn Klangpremchitt, CISA
Analyst, Retail Market Strategy
Tel: 662-779-9107
nariporn.kla@thanachartsec.co.th