

Siam Makro

Siam Makro
Public Company Limited

MAKRO

Bloomberg
Reuters
MAKRO TB
MAKRO.BK



Two together are much stronger than one

The combo of MAKRO and Lotus's after the EBT made it Southeast Asia's largest modern grocery wholesale and retail player in 2020 based on retail sales. MAKRO's goals are to build a fresh food-focused omnichannel retail platform in South & Southeast Asia, improve operations in Thailand and Malaysia, extend its leadership position in online sales with a focus on fresh food and grocery products in Thailand, raise supply chain capabilities and realize business synergy. At this price, MAKRO's share price has not yet factored in its core earnings CAGR of 60% in 2021-23F from organic growth and business synergy. We rate Outperform with end-2022 DCF TP of Bt50.

Completion of EBT and PO. After completing the entire business transfer (EBT) and public offering (PO) in 4Q21, MAKRO holds 99.99% in C.P. Retail Development Co. Ltd. (CPRD, holding Lotus's), its free float rose to 13.5% from 6.9% pre-transaction and it received net PO proceeds of Bt33bn (50% is set to be used for debt repayment and the rest for investment and working capital). Its free float and PO proceeds are below our earlier estimates as fewer PO shares were offered than expected (1,100mn shares with 770mn new shares were offered in Dec 2021 vs the first filing in Oct 2021 of up to 2,270mn shares with up to 1,362mn new shares), but we view its financial status as manageable. Better operating cash flow and net DE at 0.4x at end-2021F will allow additional investment and/or borrowing. We do not expect MAKRO to have to offer more new shares to raise its free float in the near term. To comply with the SET's criteria (not less than 15% free float), MAKRO will inform the SET later of any progress on an increase in its free float.

Well-positioned in high-growth markets. In 2021-25F, *Euromonitor* forecasts grocery wholesaling CAGR at 7-10% in Thailand, Malaysia, India and China, with grocery retailing at a 6-9% CAGR in Thailand, Malaysia, Cambodia, Myanmar, India and China, backed by a rise in disposable income in tandem with GDP growth, growing population, rising urbanization and a growing middle class. Penetration rate for modern groceries in countries in which its stores are located is well below developed countries, implying ample room for further growth.

Robust 2021-23F earnings growth. After the consolidation of Lotus's upon the completion of the EBT on October 25, 2021, we estimate MAKRO's core earnings CAGR at 60% in 2021-23F. Of this, 45% will come from organic growth via higher revenue as the economy revives post pandemic, with business expansion and adjustments in brick-and-mortar stores, online channels and new business initiatives, coupled with margin expansion with a more favorable sales mix brought by market recovery, more high-margin-focused businesses and 15% from the realization of Bt2.7bn from business synergy in 2022-23F. Of its growth in 2021-23F, 15% is expected to come from B2B and 45% from B2C.

Forecasts and valuation

Year to 31 Dec	Unit	2019	2020	2021F	2022F	2023F
Revenue	(Btmn)	206,180	214,140	257,834	457,485	495,467
EBITDA	(Btmn)	10,948	12,534	15,961	37,308	43,702
Core profit	(Btmn)	6,265	6,563	6,683	12,263	17,009
Reported profit	(Btmn)	6,245	6,563	6,683	12,263	17,009
Core EPS	(Bt)	1.31	1.37	1.19	1.16	1.61
DPS	(Bt)	0.96	1.00	0.87	0.87	1.13
P/E, core	(x)	29.9	28.5	32.9	33.6	24.3
EPS growth, core	(%)	5.4	4.8	(13.3)	(2.3)	38.7
P/BV, core	(x)	9.0	8.2	0.8	1.5	1.4
ROE	(%)	31.3	30.2	4.4	4.3	5.9
Dividend yield	(%)	2.5	2.6	2.2	2.2	2.9
FCF yield	(x)	3.8	5.9	(171.2)	5.5	2.6
EV/EBIT	(x)	23.2	21.0	34.0	26.5	20.7
EBIT growth, core	(%)	5.3	8.9	13.2	95.0	27.9
EV/CE	(x)	6.1	5.3	0.8	1.2	1.2
ROCE	(%)	9.4	9.5	0.9	2.3	3.1
EV/EBITDA	(x)	17.4	15.0	21.6	14.0	11.9
EBITDA growth	(%)	5.7	14.5	27.3	133.7	17.1

Source: SCBS Investment Research

Tactical: OUTPERFORM

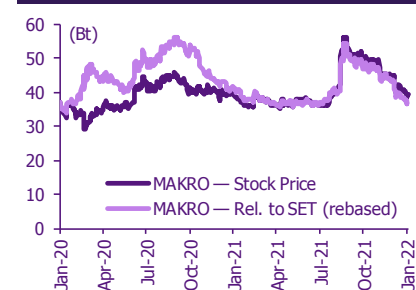
(3-month)

Stock data

Last close (Jan 24) (Bt)	38.50
Target price (Bt)	50.00
Mkt cap (Btbn)	407.34
Mkt cap (US\$mn)	12,344

Beta	L
Mkt cap (%) SET	2.10
Sector % SET	9.98
Shares issued (mn)	10,580
Par value (Bt)	0.50
12-m high / low (Bt)	57.3 / 35
Avg. daily 6m (US\$mn)	15.57
Foreign limit / actual (%)	49 / 3
Free float (%)	6.9
Dividend policy (%)	≥ 40

Price performance



Source: SET, SCBS Investment Research

Share performance

(%)	1M	3M	12M
Absolute	(9.4)	(20.6)	0.7
Relative to SET	(9.6)	(20.9)	(7.9)

Source: SET, SCBS Investment Research

Analyst

Sirima Dissara, CFA
Fundamental Investment
Analyst on Securities
(66-2) 949-1004
sirima.dissara@scb.co.th

Value proposition

Siam Makro PCL (MAKRO) is a membership-based cash & carry trade center registered under the "Makro" banner in Thailand, Cambodia, China, and Myanmar and the "LOTS Wholesale Solutions" banner in India, to sell groceries and consumer products and engage in the import, export and distribution of frozen and chilled food products as well as provide storage and delivery services for the food service business.

C.P. Retail Development Co. Ltd (CPRD) holds: 1) 99.9% in Lotus's Stores (Thailand) Co., Ltd. which holds 99.9% of Ek-Chai Distribution System Co., Ltd., which operates a retail business under the name Lotus's in Thailand; 2) 100% of Lotus's Stores (Malaysia) Sdn. Bhd., which operates a retail business under the name Lotus's in Malaysia (collectively referred to "Lotus's"). Lotus's is a leading fresh food and grocery retailer in Thailand and Malaysia, with Lotus's branded hypermarkets, supermarkets, and mini-supermarkets, and an operator of a leading network of malls anchored by Lotus's hypermarkets in Thailand and Malaysia. After the October 25, 2021 completion of the EBT via offering new MAKRO shares to Lotus's shareholders in exchange for Lotus's business instead of cash, MAKRO held 99.99% in CPRD.

According to *Euromonitor*, MAKRO (B2B, business-to-business unit) and Lotus's (B2C, business-to-consumer unit) combined made it the largest modern grocery wholesale & retail player in Southeast Asia, based on retail sales in 2020.

Business outlook

After the consolidation of Lotus's on Oct 25, 2021, we estimate MAKRO's core earnings CAGR at 60% in 2021-23F. Of this, 45% will come from organic operational improvement from a rise in revenue as the economy revives post pandemic, with business expansion and adjustment in brick-and-mortar stores, online channels and new business initiatives, coupled with margin expansion with a more favorable sales mix brought by market recovery, more high-margin-focused businesses and 15% from the realization of Bt2.7bn from business synergy in 2022-23F. Of its growth in 2021-23F, 15% is expected to come from B2B and 45% from B2C.

In the medium to long term, MAKRO's strategies are to build a fresh food-focused omnichannel retail platform in South and Southeast Asia, improve operations in Thailand and Malaysia, extend its leadership position in online sales with a focus on fresh food and grocery products in Thailand, raise supply chain capabilities and realize business synergy.

Bullish views	Bearish views
1. Resumption of domestic activities after lockdown	1. Prolonged government measures to control COVID-19
2. Rental income to revive as it reduces rent discount/waiver for tenants after the lockdown is lifted	2. Rental income to come back slowly from a continued rent discount in response to social distancing requirements
3. More domestic and international travel will support SSS	3. The prolonged drop in tourists will hurt SSS

Key catalysts

Factor	Event	Impact	Comment
Debt repayment from PO proceeds at end-1Q22	Lower interest cost	Earnings up	We expect MAKRO to use Bt16.5bn from PO proceeds for debt repayment at end-1Q22, implying interest cost savings (after tax) of ~Bt300mn in 2022F.
Realization of business synergy in 2H22-2023	Lower cost of sales and SG&A expenses	Earnings up	We expect MAKRO to realize business synergy via a Bt2.7bn reduction in cost of sales and SG&A expenses from both B2B and B2C, consisting of Bt1.35bn in 2H22F and Bt1.35bn in 2023F.
Completion of Lotus's store rebranding in 2022	Sales and margin improvement	Earnings up	We expect Lotus's to complete its store rebranding/renovation, starting in 2021, within 2022, boosting sales and margin from better sales mix.

Sensitivity analysis

Factor	Earnings impact	TP impact
1% drop in SSS growth in B2B & B2C unit	1% and 3%	Bt0.5-1.5/sh.

Financial statement

Profit and Loss Statement

FY December 31	Unit	2016	2017	2018	2019	2020	2021F	2022F	2023F
Total revenue	(Btmn)	169,226	182,753	188,583	206,180	214,140	257,834	457,485	495,467
Cost of goods sold	(Btmn)	(153,722)	(164,352)	(169,639)	(185,012)	(192,016)	(227,939)	(386,124)	(414,814)
Gross profit	(Btmn)	15,504	18,401	18,944	21,168	22,124	29,895	71,362	80,653
SG&A	(Btmn)	(12,043)	(14,395)	(15,481)	(17,390)	(17,788)	(24,864)	(59,238)	(63,826)
Other income	(Btmn)	3,564	4,001	4,347	4,447	4,621	5,104	7,638	8,452
Interest expense	(Btmn)	(279)	(348)	(336)	(310)	(619)	(1,605)	(5,685)	(5,337)
Pre-tax profit	(Btmn)	6,745	7,658	7,474	7,915	8,337	8,530	14,077	19,941
Corporate tax	(Btmn)	(1,334)	(1,511)	(1,601)	(1,710)	(1,813)	(2,015)	(2,972)	(4,170)
Equity a/c profits	(Btmn)	0	0	0	0	0	128	1,122	1,212
Minority interests	(Btmn)	1	31	69	60	39	39	36	26
Core profit	(Btmn)	5,413	6,178	5,942	6,265	6,563	6,683	12,263	17,009
Extra-ordinary items	(Btmn)	0	0	0	(20)	0	0	0	0
Net Profit	(Btmn)	5,413	6,178	5,942	6,245	6,563	6,683	12,263	17,009
EBITDA	(Btmn)	9,125	10,407	10,361	10,948	12,534	15,961	37,308	43,702
Core EPS (Bt)	(Btmn)	1.13	1.29	1.24	1.31	1.37	1.19	1.16	1.61
Net EPS (Bt)	(Bt)	1.13	1.29	1.24	1.30	1.37	1.19	1.16	1.61
DPS (Bt)	(Bt)	0.85	0.96	0.96	0.96	1.00	0.87	0.87	1.13

Balance Sheet

FY December 31	Unit	2016	2017	2018	2019	2020	2021F	2022F	2023F
Total current assets	(Btmn)	18,529	20,413	22,999	23,333	28,251	64,351	90,894	91,401
Total fixed assets	(Btmn)	34,331	38,563	39,067	39,308	45,783	453,066	470,389	481,934
Total assets	(Btmn)	52,859	58,976	62,065	62,641	74,034	517,417	561,283	573,335
Total loans	(Btmn)	8,167	9,038	11,177	8,395	11,180	151,465	156,581	151,581
Total current liabilities	(Btmn)	33,704	37,118	34,094	32,749	40,555	71,687	102,956	110,678
Total long-term liabilities	(Btmn)	3,413	3,848	8,714	9,158	10,769	164,330	173,824	170,344
Total liabilities	(Btmn)	37,118	40,965	42,809	41,907	51,324	236,017	276,780	281,022
Paid-up capital	(Btmn)	2,400	2,400	2,400	2,400	2,400	5,586	5,586	5,586
Total equity	(Btmn)	15,742	18,011	19,257	20,734	22,711	281,400	284,502	292,313
BVPS (Bt)	(Bt)	3.28	3.75	4.01	4.32	4.73	26.60	26.89	27.63

Cash Flow Statement

FY December 31	Unit	2016	2017	2018	2019	2020	2021F	2022F	2023F
Core Profit	(Btmn)	5,413	6,178	5,942	6,265	6,563	6,683	12,263	17,009
Depreciation and amortization	(Btmn)	2,100	2,401	2,551	2,723	3,577	5,826	17,546	18,424
Operating cash flow	(Btmn)	9,071	11,928	6,012	10,270	13,353	36,888	57,626	40,899
Investing cash flow	(Btmn)	(5,544)	(6,468)	(2,866)	(3,130)	(2,288)	(413,074)	(34,869)	(29,970)
Financing cash flow	(Btmn)	(3,207)	(3,649)	(2,411)	(7,402)	(5,413)	392,291	(4,044)	(14,198)
Net cash flow	(Btmn)	321	1,811	735	(262)	5,653	16,105	18,713	(3,268)

Key Financial Ratios

FY December 31	Unit	2016	2017	2018	2019	2020	2021F	2022F	2023F
Gross margin	(%)	9.2	10.1	10.0	10.3	10.3	11.6	15.6	16.3
Operating margin	(%)	2.0	2.2	1.8	1.8	2.0	2.0	2.7	3.4
EBITDA margin	(%)	5.4	5.7	5.5	5.3	5.9	6.2	8.2	8.8
EBIT margin	(%)	4.2	4.4	4.1	4.0	4.2	3.9	4.3	5.1
Net profit margin	(%)	3.2	3.4	3.2	3.0	3.1	2.6	2.7	3.4
ROE	(%)	36.1	36.6	31.9	31.3	30.2	4.4	4.3	5.9
ROA	(%)	10.7	11.0	9.8	10.0	9.6	2.3	2.3	3.0
Net D/E	(x)	0.4	0.3	0.3	0.2	0.0	0.4	0.4	0.4
Interest coverage	(x)	32.7	29.9	30.9	35.3	20.2	9.9	6.6	8.2
Debt service coverage	(x)	1.6	1.6	2.6	9.5	5.8	5.2	5.5	6.8
Payout Ratio	(%)	75.4	74.6	77.5	73.8	73.1	73.0	75.0	70.0

Main Assumptions

FY December 31	Unit	2016	2017	2018	2019	2020	2021F	2022F	2023F
SSS growth (%) - B2B	(%)	4.2	1.3	(0.1)	6.3	1.9	2.3	3.0	3.0
No. of stores, ending - B2B	(Stores)	115	124	132	140	144	148	180	217
SSS growth (%) -B2C TH	(%)	n.a.	n.a.	n.a.	(2.5)	(6.4)	(6.0)	5.0	5.0
No. of stores, ending - B2C TH	(Stores)	n.a.	n.a.	n.a.	1,988	2,094	2,308	2,548	2,813
SSS growth (%) -B2C MY	(%)	n.a.	n.a.	n.a.	2.2	0.7	(1.2)	3.5	3.5
No. of stores, ending - B2C MY	(Stores)	n.a.	n.a.	n.a.	69	62	72	82	92

Financial statement

Profit and Loss Statement

FY December 31	Unit	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21
Total revenue	(Btmn)	54,630	55,159	50,290	52,925	55,765	54,868	53,813	53,824
Cost of goods sold	(Btmn)	(48,585)	(49,612)	(45,451)	(47,282)	(49,672)	(49,334)	(48,644)	(48,182)
Gross profit	(Btmn)	6,045	5,547	4,840	5,644	6,093	5,534	5,168	5,642
SG&A	(Btmn)	(4,551)	(4,413)	(4,151)	(4,617)	(4,607)	(4,442)	(4,560)	(4,616)
Other income	(Btmn)	1,203	1,148	940	1,150	1,383	1,229	1,143	1,147
Interest expense	(Btmn)	(78)	(147)	(173)	(154)	(146)	(129)	(142)	(137)
Pre-tax profit	(Btmn)	2,619	2,136	1,455	2,023	2,722	2,192	1,608	2,036
Corporate tax	(Btmn)	(565)	(464)	(297)	(462)	(591)	(461)	(331)	(473)
Equity a/c profits	(Btmn)	0	0	0	0	0	0	0	0
Minority interests	(Btmn)	5	8	21	11	(2)	3	10	10
Core profit	(Btmn)	2,059	1,681	1,180	1,572	2,130	1,734	1,287	1,572
Extra-ordinary items	(Btmn)	0	0	0	0	0	0	0	0
Net Profit	(Btmn)	2,059	1,681	1,180	1,572	2,130	1,734	1,287	1,572
EBITDA	(Btmn)	3,286	3,075	2,432	2,978	3,686	3,101	2,545	2,971
Core EPS (Bt)	(Btmn)	0.43	0.35	0.25	0.33	0.44	0.36	0.27	0.33
Net EPS (Bt)	(Bt)	0.43	0.35	0.25	0.33	0.44	0.36	0.27	0.33

Balance Sheet

FY December 31	Unit	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21
Total current assets	(Btmn)	23,333	24,739	24,512	21,817	28,251	29,241	24,200	22,384
Total fixed assets	(Btmn)	39,308	46,778	46,373	46,131	45,783	45,900	45,931	46,285
Total assets	(Btmn)	62,641	71,517	70,885	67,949	74,034	75,141	70,131	68,669
Total loans	(Btmn)	8,379	16,130	21,556	16,359	11,180	16,186	11,744	14,956
Total current liabilities	(Btmn)	32,749	35,917	37,178	36,447	40,555	36,485	32,939	31,504
Total long-term liabilities	(Btmn)	9,158	12,888	12,702	10,723	10,769	14,141	14,335	14,586
Total liabilities	(Btmn)	41,907	48,805	49,880	47,169	51,324	50,627	47,274	46,091
Paid-up capital	(Btmn)	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400
Total equity	(Btmn)	20,734	22,712	21,005	20,779	22,711	24,515	22,857	22,578
BVPS (Bt)	(Bt)	4.32	4.73	4.38	4.33	4.73	5.11	4.76	4.70

Cash Flow Statement

FY December 31	Unit	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21
Core Profit	(Btmn)	2,059	1,681	1,180	1,572	2,130	1,734	1,287	1,572
Depreciation and amortization	(Btmn)	701	878	892	894	913	886	897	905
Operating cash flow	(Btmn)	5,428	3,346	442	4,111	5,454	2,769	(1,020)	2,366
Investing cash flow	(Btmn)	(990)	(663)	(643)	(453)	(528)	(432)	(593)	(772)
Financing cash flow	(Btmn)	(2,184)	(357)	2,747	(7,400)	(404)	(597)	(3,774)	(3,236)
Net cash flow	(Btmn)	2,254	2,326	2,546	(3,742)	4,523	1,741	(5,387)	(1,642)

Key Financial Ratios

FY December 31	Unit	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21
Gross margin	(%)	11.1	10.1	9.6	10.7	10.9	10.1	9.6	10.5
Operating margin	(%)	2.7	2.1	1.4	1.9	2.7	2.0	1.1	1.9
EBITDA margin	(%)	6.0	5.6	4.8	5.6	6.6	5.7	4.7	5.5
EBIT margin	(%)	4.9	4.1	3.2	4.1	5.1	4.2	3.3	4.0
Net profit margin	(%)	3.8	3.0	2.3	3.0	3.8	3.2	2.4	2.9
ROE	(%)	41.7	31.0	21.6	30.1	39.2	29.4	21.7	27.7
ROA	(%)	13.7	10.0	6.6	9.1	12.0	9.3	7.1	9.1
Net D/E	(x)	0.2	0.4	0.6	0.5	0.0	0.2	0.4	0.4
Interest coverage	(x)	41.9	21.0	14.1	19.4	25.2	24.0	17.9	21.6
Debt service coverage	(x)	3.8	8.7	2.0	1.1	2.0	6.0	2.7	3.8

Main Assumptions

FY December 31	Unit	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21
SSS growth (%) - B2B	(%)	6.2	7.0	(3.6)	3.9	0.6	(1.2)	6.1	1.3
No. of stores, ending - B2B	(Stores)	140	140	143	144	144	145	145	145
SSS growth (%) -B2C TH	(%)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
No. of stores, ending - B2C TH	(Stores)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
SSS growth (%) -B2C MY	(%)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
No. of stores, ending - B2C MY	(Stores)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

I. Completion of EBT and PO transactions

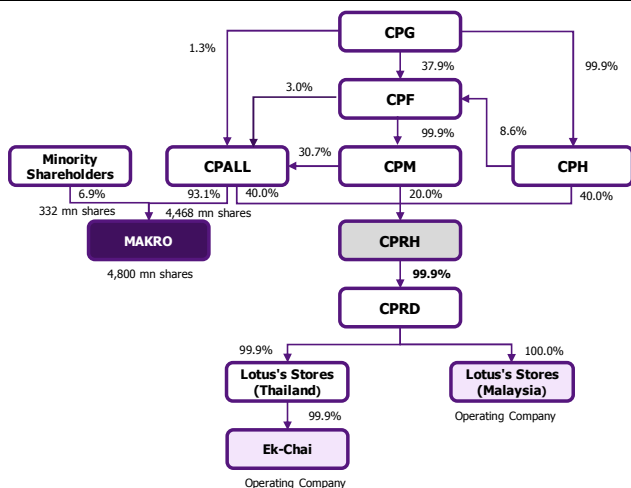
Completion of EBT and PO transactions. On October 25, 2021, MAKRO completed the entire business transfer (EBT) transaction, offering 5,010mn new MAKRO shares for Bt43.5/share as private placement (PP) instead of cash with Lotus's shareholders (CPALL, CPH, and CPM who held CPRH, which in turn held 99.9% of CPRD; CPRH was dissolved after the EBT) in exchange for Lotus's business valued at Bt218bn. On December 22, 2021, MAKRO completed the public offering (PO), offering 1,100mn shares at a price of Bt43.5/share. This consisted of 770mn new shares and 330mn existing shares (132mn shares from CPALL, 132mn shares from CPH and 66mn shares from CPM).

Shareholding structure post-transaction. Pre EBT and PO transactions, MAKRO had paid-up capital of 4,800mn shares, 93.1% held by CPALL and 6.9% held by minority interest. Post EBT and PO transactions, MAKRO has paid-up capital of 10,580mn shares, 60% held by CPALL, 17.7% held by CPH, 8.8% held by CPM and 13.5% held by minority interest.

PO proceeds and MAKRO's free float post transaction. Post transaction, MAKRO's free float increased to 13.5% from 6.9%, but remains below the SET requirement of not less than 15% of paid-up capital. MAKRO received net PO proceeds of Bt33bn; of this, 50% is expected to be used for debt repayment at end-1Q22 and the rest for more investment and as working capital.

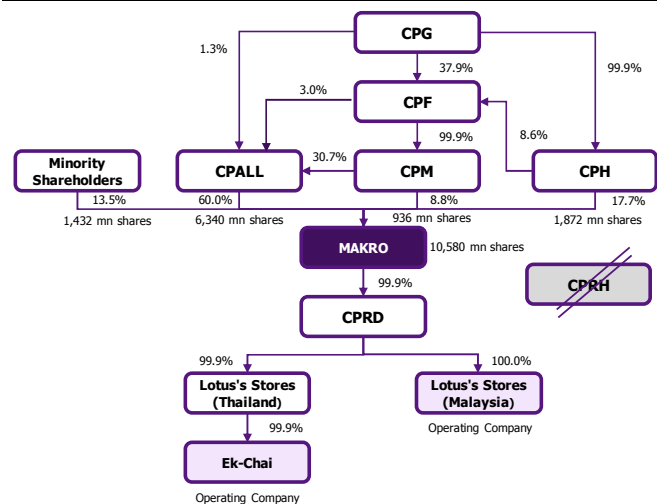
Its free float and PO proceeds are lower than we had anticipated because it offered fewer PO shares than anticipated (it offered 1,100mn shares with 770mn new shares rather than the plan in the first filing in Oct 2021 of up to 2,270mn shares with up to 1,362mn new shares). However, we view its financial status as still manageable. Operating cash flow will be improved by the combination of the B2B and B2C businesses and its net DE at 0.4x at end-2021F will help to support more investment and/or borrowing. We do not expect MAKRO to have to offer the remaining new shares to raise its free float in the near term to comply with SET criteria. MAKRO will inform the SET later on progress in increasing its free float.

Figure 1: Shareholding structure of MAKRO before the EBT and PO transactions



Source: Company data and SCBS Investment Research (Note* Information on the shareholding in (a) Makro on 25 Oct 2021 (after delivery of CPRH shares in Makro to shareholders of CPRH proportionate to their existing shareholding); (b) CPALL based on the record date on 15 Sep 2021; and (c) CPF (before deducting the repurchased shares for financial management) based on the record date on 31 Aug 2021.)

Figure 2: Shareholding structure of MAKRO after the EBT and PO transactions

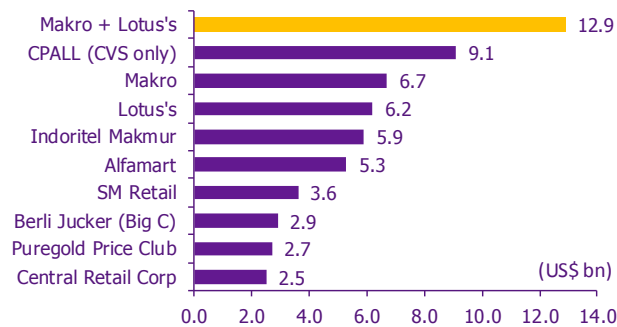


Source: Company data and SCBS Investment Research

II. Industry prospects

SE Asia's largest modern grocery wholesale & retail player. According to *Euromonitor*, MAKRO and Lotus's combined is the largest modern grocery wholesale & retail player in Southeast Asia, based on retail sales in 2020.

Figure 3: The biggest modern grocery wholesale & retail player in SE Asia in 2020

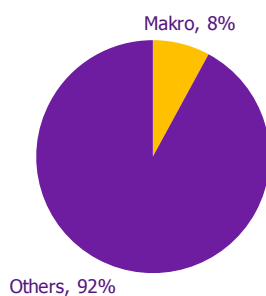


Source: Euromonitor

A leading player in grocery retailing & wholesaling in Thailand and Malaysia. *Euromonitor* notes that based on retail sales in 2020, MAKRO and Lotus's combined was Thailand's largest player with an 8% market share in B2B grocery wholesaling and the second largest player with 9% of the market in B2C grocery retailing. According to *Euromonitor*, broken down by segment in B2C grocery retailing, it was Thailand's largest player with a 54% market share in hypermarket and the second largest player with a 9% market share in supermarkets and small retail formats. One of Lotus's large B2C competitors is Big C in Thailand.

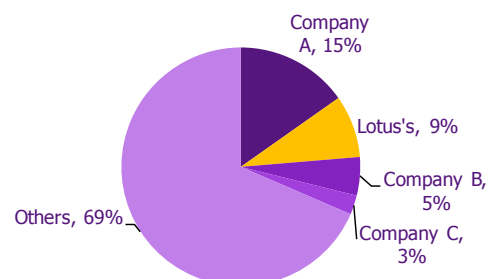
According to *Euromonitor*, in 2020, it was Malaysia's second largest player with a 6% market share in B2C grocery retailing. Broken down by segment in B2C grocery retailing, it was Malaysia's largest player with a 28% market share in hypermarket and the third largest player with a 7% market share in supermarkets. Of the lead five players in the B2C grocery retailing market in Malaysia, three are local players and the other two are multinational. Lotus's large B2C competitors in Malaysia are 99 Speedmart and Eonsave.

Figure 4: B2B grocery wholesaling market share in Thailand in 2020



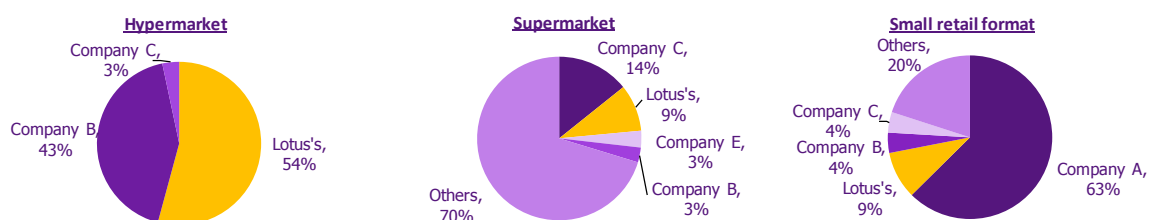
Source: Euromonitor

Figure 5: B2C grocery retailing market share in Thailand in 2020

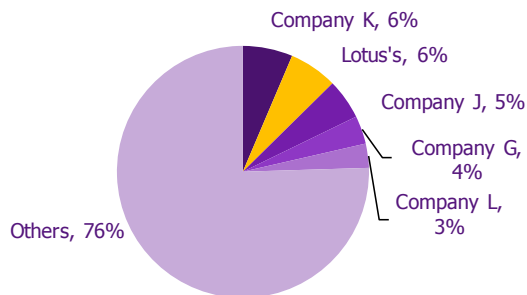


Source: Euromonitor

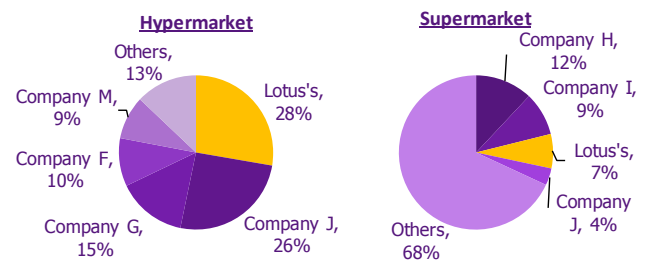
Figure 6: B2C: Hypermarket, supermarket and small retail format market share in Thailand in 2020



Source: Euromonitor

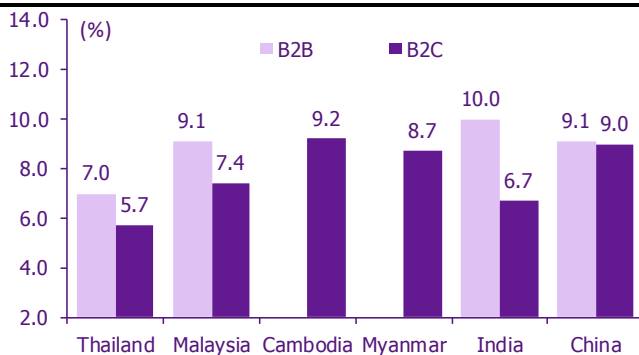
Figure 7: B2C grocery retailing market share in Malaysia in 2020

Source: Euromonitor

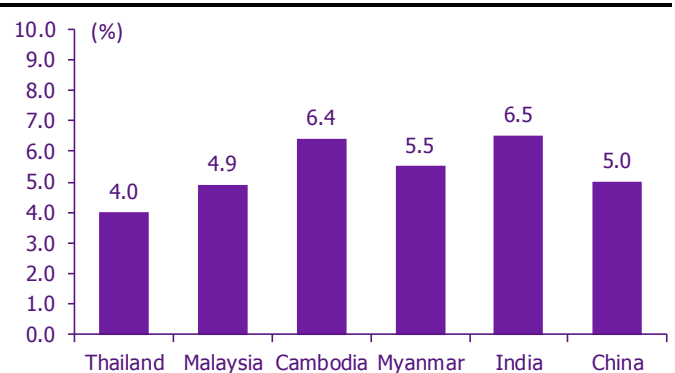
Figure 8: B2C: Hypermarket and supermarket market share in Malaysia in 2020

Source: Euromonitor

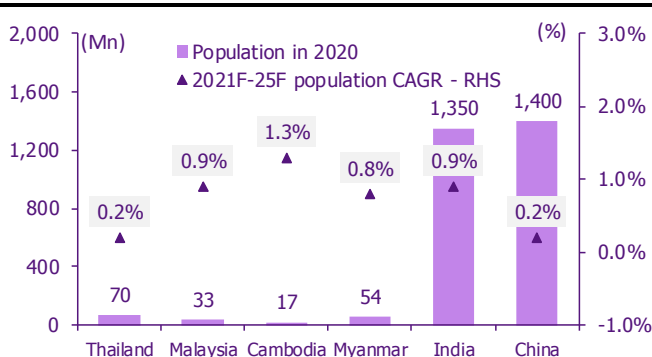
Industry trend #1: High growth potential for grocery retailing & wholesaling in SE Asia, India and China. Focusing on countries in which it already has a presence in 2021-25F *Euromonitor* forecasts B2B grocery wholesaling CAGR of 7-10% in Thailand, Malaysia, India and China. B2C grocery retailing is forecasted at a 6-9% CAGR in Thailand, Malaysia, Cambodia, Myanmar, India and China. Underwriting this will be a rise in disposable income in tandem with GDP growth, growing population, rising urbanization and a higher standard of living for the middle class.

Figure 9: Grocery retailing & wholesaling CAGR in SE Asia, India and China in 2021-25F

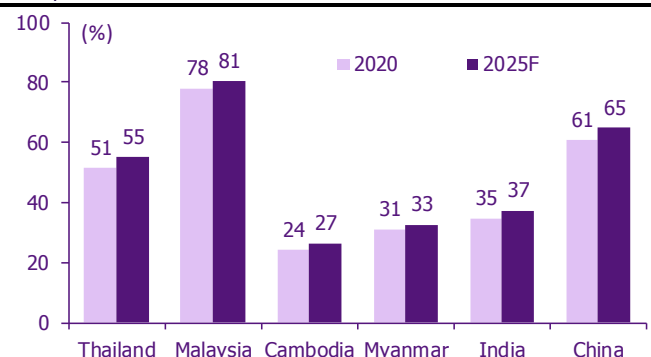
Source: Euromonitor

Figure 10: Real GDP CAGR in SE Asia, India and China in 2021-25F

Source: Euromonitor

Figure 11: Population CAGR in SE Asia, India and China in 2021-25F

Source: Euromonitor

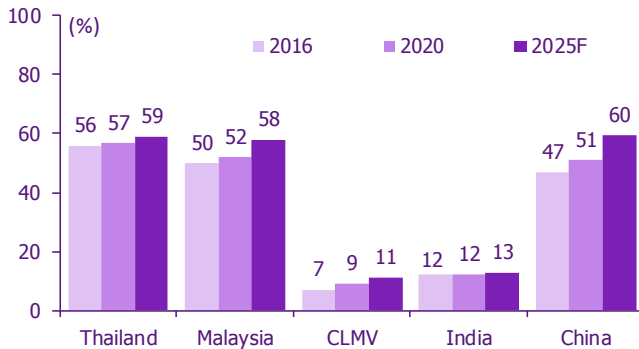
Figure 12: Portion of urban population to rise in SE Asia, India and China from 2020 to 2025F

Source: Euromonitor

Industry trend #2: Rising penetration of modern trade. Modern trade is expected to continue to take share from traditional. From 2020 to 2025F, *Euromonitor* forecasts modern grocery penetration (modern B2C grocery retailing and B2B organized wholesaling value divided by total B2B and B2C grocery retailing and wholesaling value) to rise from 57% to 59% in Thailand, 52% to 58% in Malaysia, 9% to 11% in CLMV, 12% to 13% in India, and 51% to 60% in China. Despite this growth, these areas still lag far behind developed nations (Japan, South

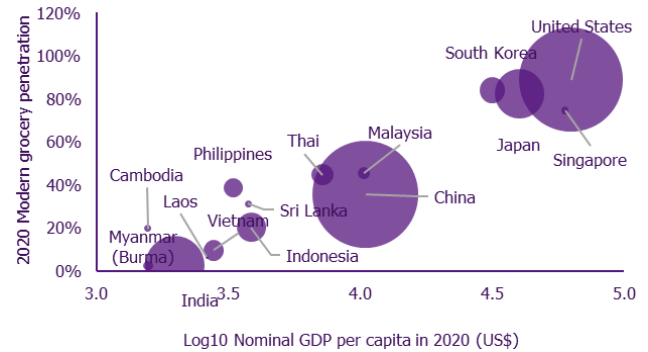
Korea, Singapore and the US) as modern trade penetration tends to move in tandem with higher GDP per capita. This means there is room for modern trade to grow in SE Asia, India and China.

Figure 13: Modern grocery (B2B & B2C) penetration to rise in SE Asia, India and China



Source: Euromonitor

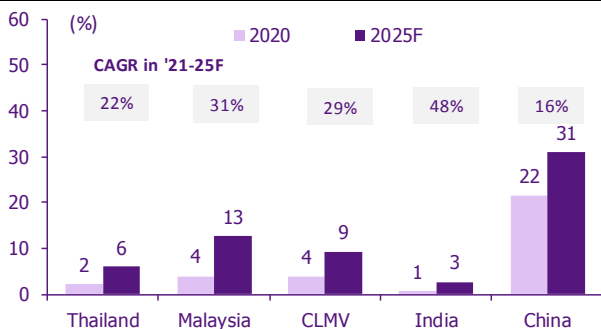
Figure 14: Modern B2C grocery penetration growing in tandem with the rise in GDP per capita



Source: Euromonitor

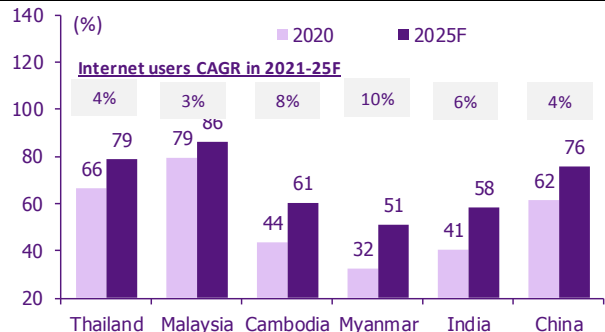
Industry trend #3: Accelerating online grocery retailing & wholesaling. Euromonitor reports grocery retailing & wholesaling online penetration of only 2% in Thailand, 4% in Malaysia and CLMV, 1% in India, and 22% in China in 2020. With the increase in internet penetration, in 2021-25F, grocery retailing & wholesaling online penetration is forecast at a 22% CAGR in Thailand, 31% in Malaysia, 29% in CLMV, 48% in India, and 16% in China.

Figure 15: Grocery retailing & wholesaling online penetration in SE Asia, India and China in 2021-25F



Source: Euromonitor

Figure 16: Online penetration to rise in SE Asia, India and China from 2020 to 2025F

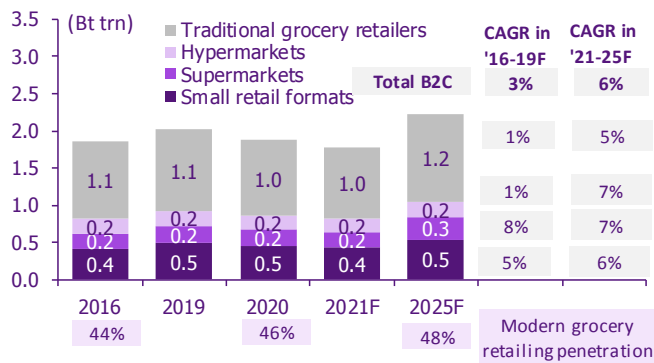


Source: Euromonitor

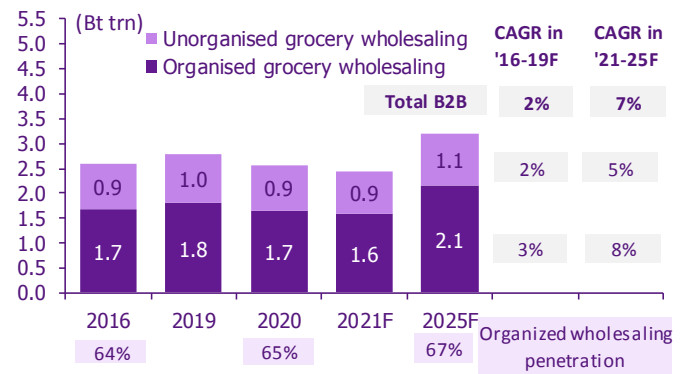
Thailand: Growth in B2B and B2C sub-segment. Euromonitor estimates total value of Thailand's grocery retailing and wholesaling industry at Bt4.2trn in 2021F. Of this, 58% (Bt2.4trn) is expected to come from the B2B grocery retailing industry and 42% (Bt1.8trn) from the B2C grocery wholesaling industry.

Breaking the B2C grocery retailing industry down by segment shows CAGR of 6% in small retail formats, 7% in supermarkets, 7% in hypermarkets and 5% in traditional grocery retailers. The penetration of modern grocery retailing (value of small retail formats, supermarkets and hypermarket, divided by total value of B2C grocery retailing industry) is forecast to rise from 46% in 2021F to 48% in 2025F.

Breaking the B2B grocery wholesaling down by segment shows CAGR of 8% in organized grocery wholesaling and 5% in unorganized grocery wholesaling. The B2B organized wholesaling penetration (value of B2B organized wholesaling divided by total value of the B2B grocery wholesaling industry) is forecast to rise from 65% in 2021F to 67% in 2025F.

Figure 17: Value of Thailand's B2C grocery retailing industry broken down by business

Source: Euromonitor

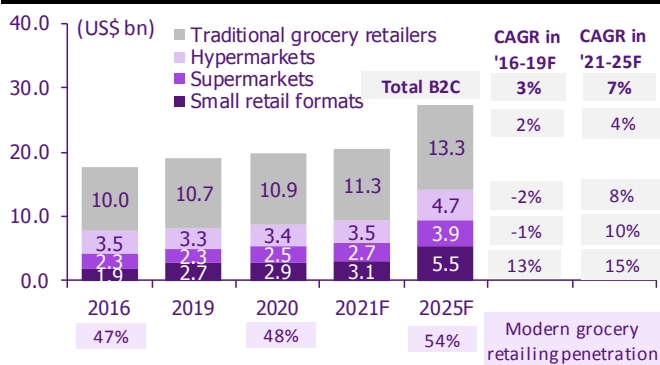
Figure 18: Value of Thailand's B2B grocery wholesale industry broken down by business

Source: Euromonitor

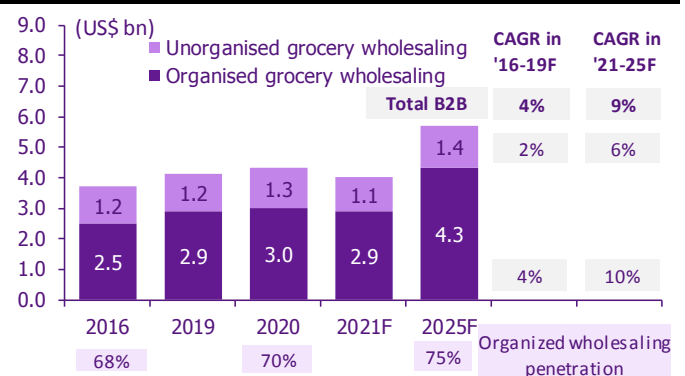
Malaysia: Growth in B2B and B2C sub-segment. Euromonitor estimates total value of Malaysia's grocery retailing and wholesaling industry at US\$23.5bn in 2021F. Of this, 17% (US\$4bn) is expected to come from B2B grocery retailing and 83% (US\$19.5bn) from B2C grocery wholesaling.

Breaking the B2C grocery retailing industry down by segment shows CAGR forecast at 15% in small retail formats, 10% in supermarkets, 8% in hypermarkets and 4% in traditional grocery retailers. The penetration of modern grocery retailing (small retail formats, supermarkets and hypermarkets) is forecast to rise from 48% in 2021F to 54% in 2025F.

Breaking the B2B grocery wholesaling down by segment shows forecast CAGR of 10% in organized grocery wholesaling and 6% in unorganized grocery wholesaling. B2B organized wholesaling penetration is forecast to rise from 70% in 2021F to 75% in 2025F.

Figure 19: Value of Malaysia's B2C grocery retailing industry broken down by business

Source: Euromonitor

Figure 20: Value of Malaysia's B2B grocery wholesale industry broken down by business

Source: Euromonitor

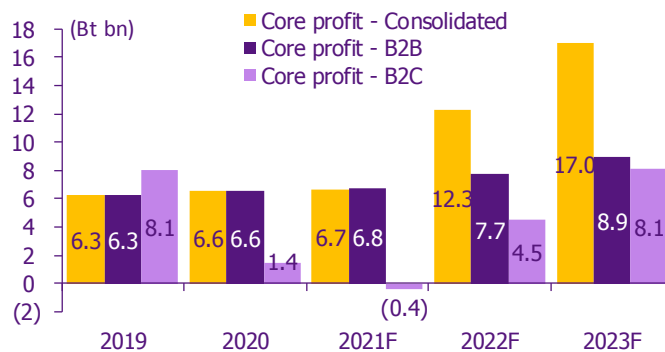
III. Earnings outlook.

CPRD acquired Lotus's in December 2020. To make financials comparable, we show Lotus's operations through CPRD's pro-forma financial statement in 2019-2020, assuming the acquisition of Lotus's was completed on January 1, 2019. The figures provided below are based on MAKRO's and Lotus's historical data in 2019-20 and SCBS forecast for 2021-23F.

2021-23F earnings outlook. Consolidating Lotus's after the completion of EBT on October 25, 2021 leads us to expect MAKRO's consolidated core earnings CAGR of 60% from Bt6.7bn in 2021F to Bt17bn in 2023F. This will be backed by B2B core earnings CAGR of 15% from Bt6.8bn in 2021F to Bt8.9bn in 2023F and B2C core earnings turnaround from about -Bt400mn in 2021F to Bt8.1bn in 2023F.

The major earnings driver is a consolidated revenue CAGR of 39% arising from the revival of the economy after the pandemic, business expansion and adjustment of brick-and-mortar stores, online channels and new initiatives, coupled with consolidated margin expansion via a more favorable sales mix as the market recovers, with a greater focus on high-margin business, plus the realization of Bt2.7bn in business synergy in 2022-23F.

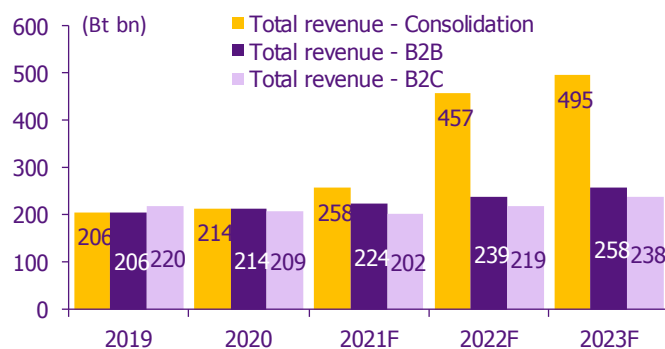
Figure 21: Consolidated core profit CAGR of 60% in 2021-23F



Source: Company data and SCBS Investment Research

Revenue outlook. We estimate MAKRO's consolidated total revenue (excluding other and service income) CAGR at 39%, rising from Bt258bn in 2021F to Bt495bn in 2023F. This will be backed by a revenue increase of 7% CAGR in the B2B business, lifting it from Bt224bn in 2021F to Bt258bn in 2023F and 8% CAGR in the B2C business, rising from Bt202bn in 2021F to Bt238bn in 2023F.

Figure 22: MAKRO's consolidated total revenue (excluding other & service income)



Source: Company data and SCBS Investment Research

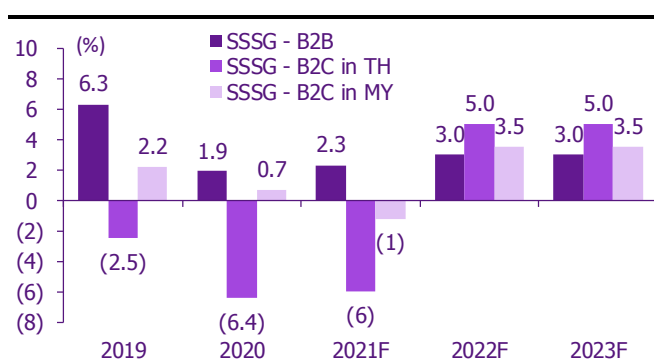
B2B revenue. Our key assumptions on B2B revenue are as follows. First, we expect SSS to grow 2.3% in 2021F, 3.0% in 2022F and 3.0% in 2023F as the economy revives after the pandemic, plus greater contribution from fresh food and private brand products and more contribution from new initiatives such as the MRA Plus program. Second, we expect store numbers to rise from 148 stores in 2021F to 217 stores in 2023F, representing CAGR of 21%, including the expansion of Eco Plus and Foodservice stores and more aggressive expansion of Fresh @ Makro stores in Thailand and new stores overseas. Third, we expect revived revenue

contribution from the food service business off the low base during COVID-19 and more omnichannel sales contribution.

B2C revenue. For the retail business, our key assumptions are as follows. First, we expect SSS in Thailand to drop 6% YoY in 2021F but grow 5% YoY in 2022F and 5% YoY in 2023F and SSS in Malaysia to slip 1.2% YoY in 2021F but rise 3.5% YoY in 2022F and 3.5% YoY in 2023F. This will be backed by revived economic growth after the pandemic, store rebranding, higher sales of fresh food and private brand products and more omnichannel sales. Second, we expect store numbers to grow from 2,308 stores in 2021F to 2,813 stores in 2023F in Thailand, representing CAGR of 10%, with expansion of hypermarkets and supermarkets and aggressive expansion of mini-supermarkets, and from 72 stores in 2021F to 92 stores in 2023F in Malaysia, representing CAGR of 13%, on an aggressive expansion of supermarkets.

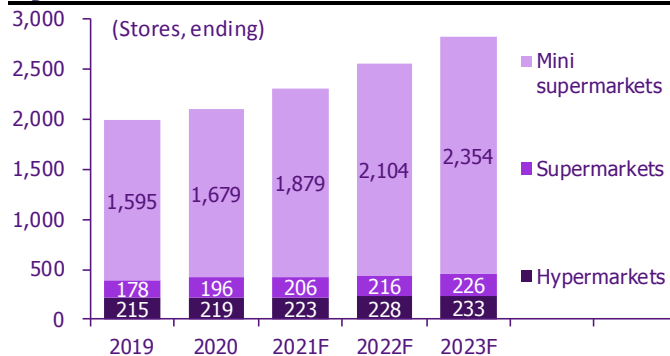
For the mall business in Thailand and Malaysia, we expect occupancy rates to return to pre-COVID level (2019) in 2023F and rental rates to return to pre-COVID level (2019) in early 2024F, undergirded by revived economic growth and better management of tenant mix.

Figure 23: SSS growth to improve in 2020-23F



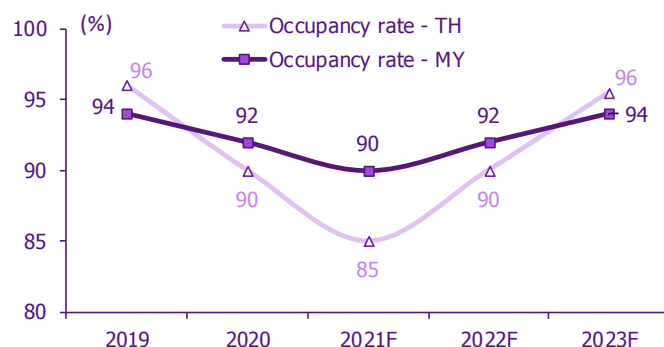
Source: Company data and SCBS Investment Research

Figure 25: Number of B2C stores in Thailand



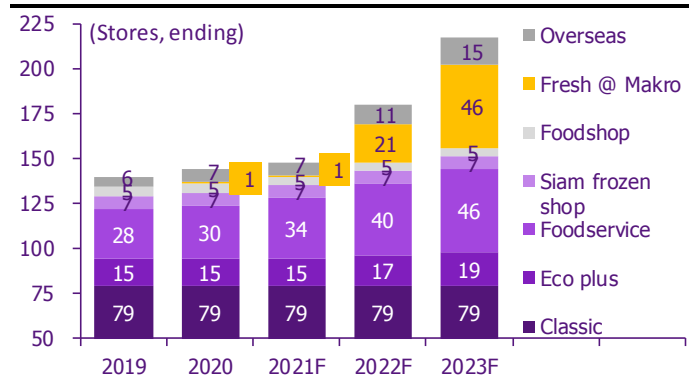
Source: Company data and SCBS Investment Research

Figure 27: Occupancy rate for permanent NLA in Thailand and Malaysia



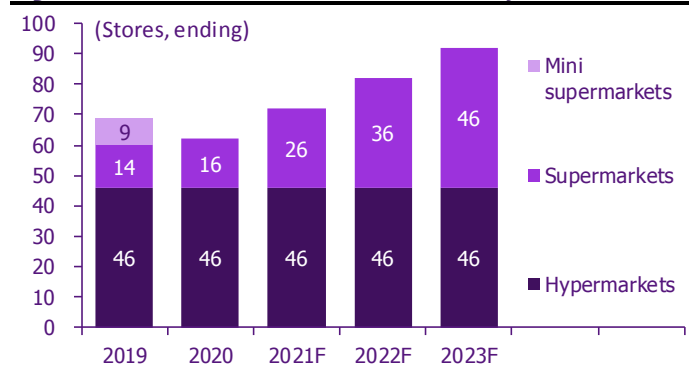
Source: Company data and SCBS Investment Research

Figure 24: Number of B2B stores in Thailand and overseas



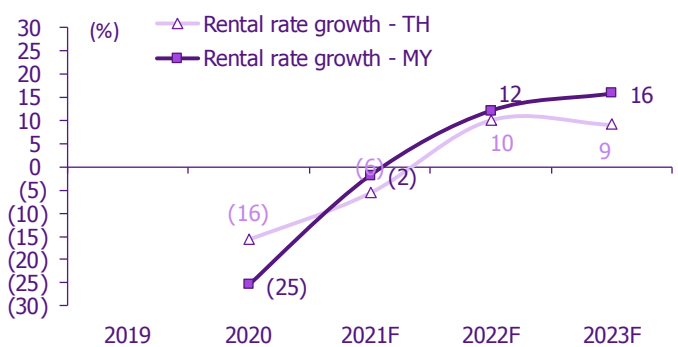
Source: Company data and SCBS Investment Research

Figure 26: Number of B2C stores in Malaysia



Source: Company data and SCBS Investment Research

Figure 28: Rental income growth rate for permanent NLA in Thailand and Malaysia



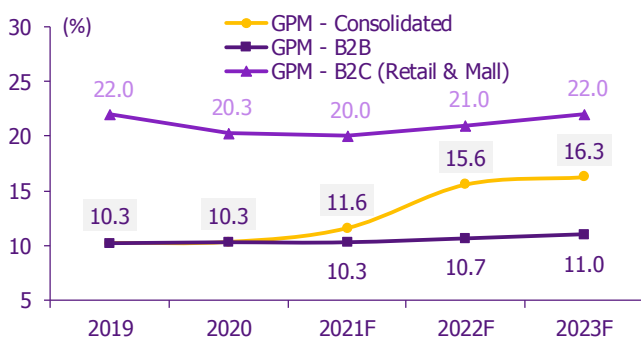
Source: Company data and SCBS Investment Research

Gross margin outlook. We expect MAKRO's consolidated gross margin to rise from 11.6% in 2021F to 16.3% in 2023F.

For the wholesale and retail business, we expect gross margin for B2B to widen from 10.3% in 2021F to 11.0% in 2023F and gross margin for B2C (retail business only) to widen from 18.6% in 2021F to 19.4% in 2023F, with greater contribution from more high-margin fresh food and private brand sales, more high-margin small store format expansion and cost reduction from efficiency improvement synergy in its value chain and at its farmers and SME suppliers. Of total consolidated synergy in cost of sales of Bt1.8bn in 2022-23F, 50% is assumed to come from B2B and 50% from B2C.

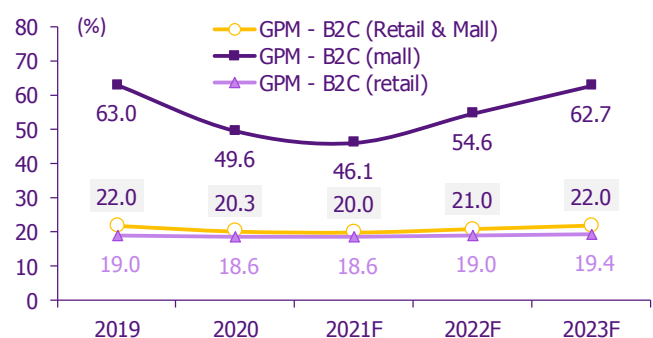
For the mall business in the B2C unit, we expect gross margin in Thailand and Malaysia to return to close to pre-COVID level (2019) in 2023F.

Figure 29: MAKRO's consolidated gross margin broken down by B2B and B2C (retail & mall units)



Source: Company data and SCBS Investment Research

Figure 30: B2C unit: Gross margin broken down by retail and mall business

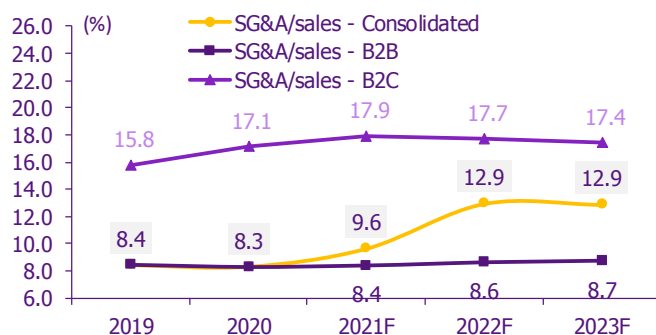


Source: Company data and SCBS Investment Research

SG&A/sales outlook. We expect MAKRO's consolidated SG&A/sales to rise to 12.9% in 2023F from 9.6% in 2021F. We incorporate higher SG&A expenses to accommodate the more aggressive store expansion and business adjustment. We also take into account Bt900mn in business synergy from back-office savings and greater logistics efficiency (assuming 50% from B2B and 50% from B2C) and lower SG&A expenses related to the IT system migration and rebranding of B2C in 2022F and 2023F.

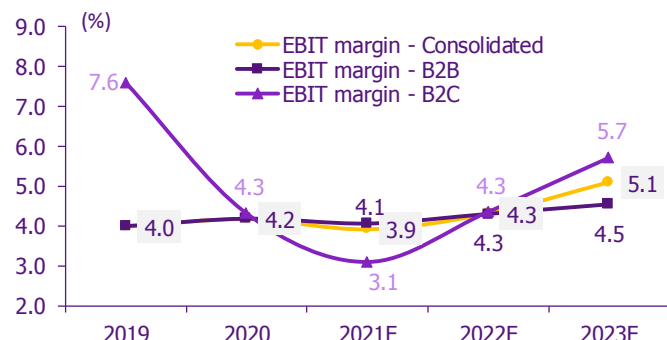
EBIT margin outlook. We expect MAKRO's consolidated EBIT margin to widen to 5.1% in 2023F from 3.9% in 2021F, backed by a better gross margin, higher other and service income (including new initiatives such as B2B Marketplace from 2022F onwards) that will offset the higher SG&A to sales.

Figure 31: Consolidated SG&A to sales



Source: Company data and SCBS Investment Research

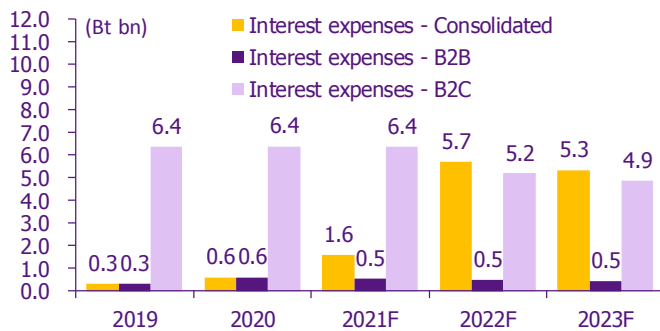
Figure 32: Consolidated EBIT margin



Source: Company data and SCBS Investment Research

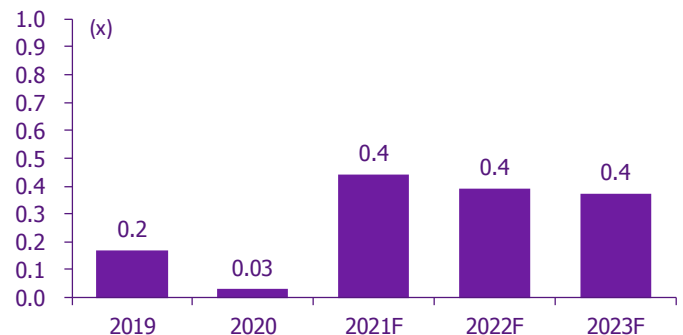
Interest expenses outlook. We expect MAKRO's consolidated interest expenses to rise to Bt5.3bn in 2023F from Bt1.6bn in 2021F as it took on CPRD's interest-bearing debt to fund the acquisition of Lotus's. For CPRD, we expect interest expenses to fall to Bt4.9bn in 2023F from Bt6.4bn in 2021F on 1) refinancing a bridging loan giving average cost of funds of 4.3% p.a. with lower-cost debt giving an average cost of funds of 3.2-3.3% p.a. in October 2021; and 2) Bt16.5bn from the PO proceeds used as partial debt repayment at end-1Q22F. We expect MAKRO's consolidated net DE to rise from 0.03x at end-2020 to 0.4x at end-2023F.

Figure 33: Consolidated interest expenses



Source: Company data and SCBS Investment Research

Figure 34: Consolidated net DE



Source: Company data and SCBS Investment Research

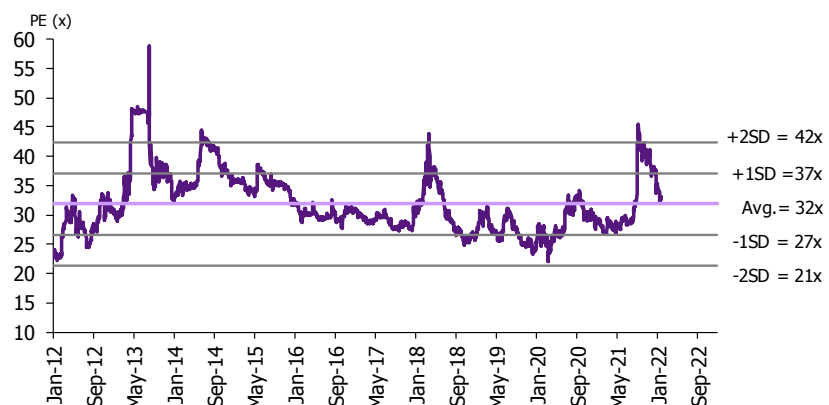
4Q21F earnings outlook. After the consolidation of Lotus's on October 25, 2021, we estimate MAKRO's 4Q21F earnings at Bt2.09bn, -2% YoY but +33% QoQ. The slight drop YoY will come from a slightly softer B2C unit from retail and rental businesses (SSS in Thailand at -5% YoY in 4Q21F vs -6.3% YoY in 9M21, SSS in Malaysia at +1% YoY in 4Q21F vs -1.9% YoY in 9M21, and lower rental income YoY), outstripping the slightly better B2B unit from stronger retail sales (SSS growth of 3% YoY in 4Q21F vs +0.6% YoY in 4Q20 and +1.3% in 3Q21). The improvement QoQ will be backed by a seasonally better B2B unit and a stronger B2C unit off improving rental income after the lockdown was eased. MAKRO's results will be released on February 18.

IV.Valuation and recommendation

Outperform with end-2022 DCF TP of Bt50. We rate MAKRO as Outperform. Our end-2022 discounted cash flow (DCF) price target is Bt50, based on 1) weighted average cost of capital (WACC) of 7.0% (risk-free rate of 3.0%, equity risk premium [ERP] of 5.0%, and beta of 0.85x), and 2) terminal growth of 2.5%.

Key risks are industry competition, changes in consumer behavior, changes in the economy, laws and regulations, foreign currency fluctuations and litigation.

Figure 35: MAKRO's historical PE band



Source: Company data

Figure 36: Valuation summary (price as of Jan 24, 2022)

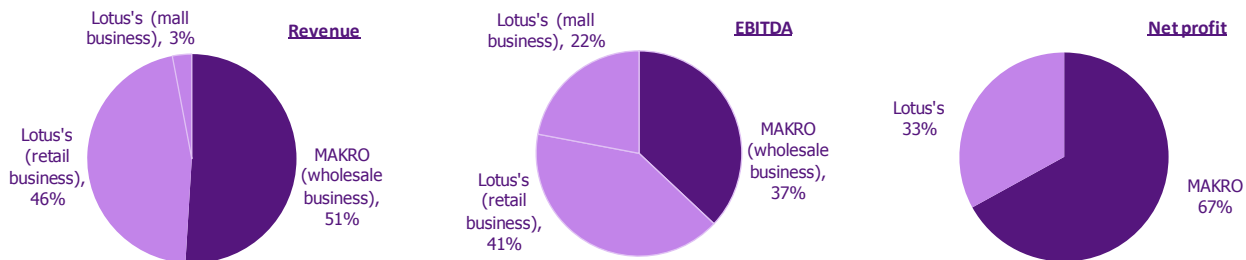
	Rating	Price (Bt/Sh)	Target (Bt/Sh)	ETR (%)	P/E (x)			EPS growth (%)			P/BV (x)			ROE (%)			Div. Yield (%)			EV/EBITDA (x)		
					20A	21F	22F	20A	21F	22F	20A	21F	22F	20A	21F	22F	20A	21F	22F	20A	21F	22F
BJC	Outperform	30.75	41.0	35.8	27.7	39.7	28.5	(38)	(30)	39	1.0	1.0	1.0	4	3	4	2.5	1.9	2.5	13.7	15.2	13.9
CPALL	Outperform	59.00	70.0	20.2	34.7	69.5	38.5	(30)	(50)	80	4.7	2.4	2.3	15	5	7	1.5	0.9	1.5	16.1	20.2	15.3
CRC	Outperform	33.50	41.0	23.0	n.m.	n.m.	64.1	n.m.	(94)	n.m.	3.5	3.9	3.7	(2)	(3)	6	1.2	0.0	0.6	16.7	17.2	12.4
GLOBAL	Neutral	19.90	25.0	27.1	47.5	28.3	26.9	(8)	68	5	5.3	4.7	4.2	12	18	17	0.9	1.4	1.5	28.0	19.8	18.6
HMPRO	Outperform	14.00	18.0	31.3	35.7	35.0	29.6	(17)	2	18	8.5	8.1	7.5	24	24	26	2.1	2.3	2.7	20.2	19.8	17.5
MAKRO	Outperform	38.50	50.0	32.1	28.2	32.5	33.2	5	(13)	(2)	8.1	1.4	1.4	30	4	4	2.6	2.2	2.3	14.8	21.4	13.9
Average					34.8	41.0	36.8	(18)	(20)	28	5.2	3.6	3.4	14	8	11	1.8	1.5	1.8	18.2	18.9	15.3

Source: SCBS Investment Research

Appendix

Post-EBT: MAKRO and Lotus's pro-forma revenue and earnings breakdown. After the completion of the EBT, Lotus's contributed 49% of revenue, 63% of EBITDA and 33% of net profit to MAKRO's pro-forma FY2020 financial statements, after purchase price allocation (PPA) adjustments (based on MAKRO's financial statements for 2020 and Lotus's financial statements for FY2020 [March 2020-February 2021]).

Figure 37: Post-EBT MAKRO and Lotus's pro-forma revenue, EBITDA and net profit by business after PPA adjustments in FY2020

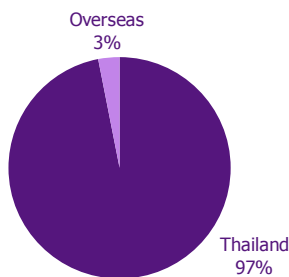


Source: Company data (Note* MAKRO's financial statements end 31 December 2020, whereas Lotus's financial statements end 28 February 2021. This excludes Lotus's share of profit from investment in JVs and an associate and finance income. EBITDA is defined as profit for the year, adding back financing costs and income tax expense and is not a measure of financial performance under TFRS, MFRS, or IFRS)

Pre-EBT: Wholesale (B2B) and retail (B2C) units

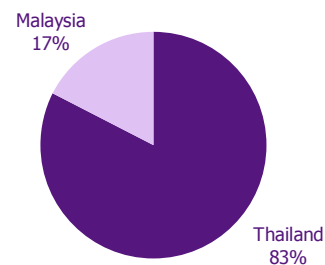
Sales breakdown by country. Of MAKRO's total cash & carry sales in 2020, 97% came from Thailand and 3% from overseas. Of Lotus's total retail sales in FY2020, 83% came from Thailand and 17% from Malaysia.

Figure 38: MAKRO's total cash & carry sales broken down by country in 2020



Source: Company data

Figure 39: Lotus's total retail sales broken down by country in FY2020

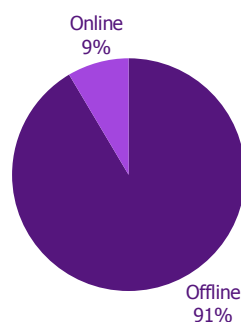


Source: Company data

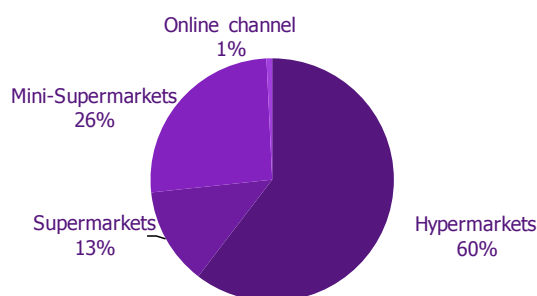
Sales channels. For the B2B business, of MAKRO's cash & carry sales in 2020, 91% came from its stores and 9% from online.

For the B2C business, of Lotus's retail sales in Thailand in FY2020, 99% came from its stores and 1% from the online channel. Of Lotus's total retail sales in Malaysia in FY2020, 96% came from its stores and 4% from the online channel.

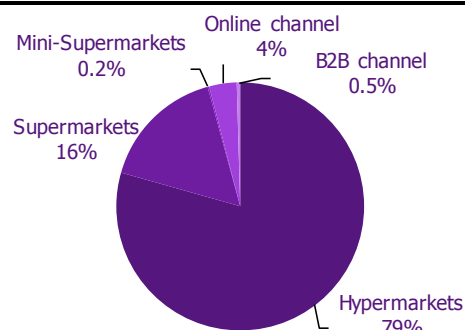
Figure 40: MAKRO's total revenue broken down by sales channel in 2020



Source: Company data

Figure 41: Lotus's retail sales in Thailand broken down by sales channel in FY2020

Source: Company data

Figure 42: Lotus's retail sales in Malaysia broken down by sales channel in FY2020

Source: Company data (Note Lotus's operated nine mini-supermarket stores but the format was discontinued in Sep 2020 when its partnership with local partner ended)

Offline sales channel (brick-and-mortar stores). For the B2B business, as of June 30, 2021, it had 145 stores in six store formats, consisting of 80 classic stores, 20 Eco Plus stores, 32 Foodservice stores, 5 Foodshop stores, 7 Siam Frozen stores, and a Fresh@Makro store, covering net saleable area of more than 800K sq.m. By country, it had 138 stores in Thailand and 7 stores overseas (a classic store and an Eco Plus store in Cambodia, 3 Eco Plus stores in India, a Foodservice store in China, and an Eco Plus store in Myanmar). MAKRO operates the cash & carry business under the "Makro" banner in Thailand, Cambodia, China and Myanmar, and the "LOTS Wholesale Solutions" banner in India.




For the B2C business, as of February 28, 2021, Lotus's had 2,156 stores in three store formats: 265 hypermarkets, 212 supermarkets and 1,679 mini-supermarkets covering net saleable area of more than 1.7mn sq.m. By country, it had 2,094 stores (219 hypermarkets, 196 supermarkets and 1,679 mini-supermarkets) in Thailand, covering net saleable area of more than 1.4mn sq.m., and 62 stores (46 hypermarkets and 16 supermarkets), in Malaysia covering net saleable area of more than 0.3mn sq.m.

Figure 43: MAKRO's B2B stores broken down by store format as of June 30, 2021

Store format	Classic	Eco Plus	Foodservice	Foodshop	Small formats	
Banners						
Number of stores	80	20	32	5	1	7
- Thailand	79	15	31	5	1	7
- Overseas	1	5	1			
Average floor area (sqm.)	5,500-12,000	5,000-7,000	1,000-5,000	Below 1,000	800	80-260
Average sales*/ sq.m. (Bt/year)	244,000 – 266,000	233,000 – 248,000	248,000 – 263,000	236,000 – 308,000	187,000	292,000 – 305,000
Format details	Cash & carry stores provide a comprehensive range of products including fresh food, dry food and non-food products at reasonable prices	Eco Plus stores developed from the classic stores, but with more space for fresh food	Foodservice stores focus on fresh and dry foods	Foodshop was designed and developed as an extension of the Foodservice store format	Fresh@Makro stores is a new type of store focused on fresh food	Siam Frozen shops are smaller-scale shops focused on frozen and dry foods
Target customers	Caters to a broad spectrum of customers, with food retailers as primary customers	Food retailers and HoReCa	Specifically designed and developed as a one-stop outlet for HoReCa	Small and medium-sized HoReCa	Small and medium-sized HoReCa	Small- and medium-sized restaurant operators

Source: Company data (Note* Based on sales in 2018-20 in other formats, and last-twelve-month sales ended June 2021 for Fresh@Makro format)

Figure 44: Lotus's B2C stores broken down by store format as of February 28, 2021

Store format	Hypermarkets	Supermarkets	Mini-supermarkets
Banners			
Number of stores	265	212	1,679
- Thailand	219	196	1,679
- Malaysia	46	16	-
Average floor area (sqm.)			
- Thailand	4,500	725	170
- Malaysia	4,000+	2,000-4,000	-
Format details	One-stop shopping complexes with emphasis on fresh food and groceries; malls help meet needs of customers in the neighborhood	Mid-sized stores located in busy commercial areas and smaller towns	Small-format stores in a variety of locations, from residential and commercial areas to gas stations
Target customers	Caters to a broad spectrum of customer needs	Positioned as a local neighborhood store	Primarily caters to customers who shop for ingredients for daily meals and top-up needs; play an increasingly important role in online sales

Source: Company data

Store expansion plan in Thailand and Malaysia. It plans to expand smaller-format stores in both B2B and B2C businesses to increase market access and match changes in consumer lifestyle to give them greater convenience.

B2B in Thailand: It targets to open 8-10 mid-sized stores (Foodservice and Eco Plus stores) per year over the next three years and plans to open 75 smaller format stores (such as Fresh@Makro) within the next three years and reach 150-225 stores over the longer term.

B2C in Thailand: Each year in the next three years it plans to add 4-6 new hypermarket stores, 10 new supermarket stores and 250 new mini-supermarket stores.

B2C in Malaysia: It targets to add 10 new supermarket stores p.a. over the next three years.

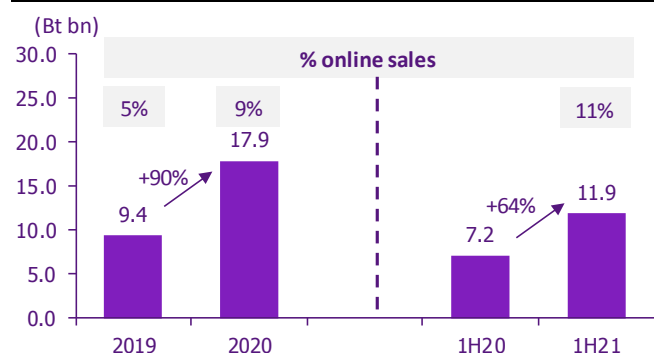
B2C store rebranding: It plans to complete the rebranding of its B2C stores to "Lotus's" hypermarkets, "Go Fresh" supermarkets, and "Lotus's Go Fresh" mini-supermarkets in Thailand and "Lotus's" hypermarkets and supermarkets in Malaysia within 2022. "Go Fresh" stores will focus on fresh food offerings using the "Winning with Fresh" and "modern wet market" concepts.

Plans to improve in-store customer experience with digitization and analytics for the retail business. It plans to improve the in-store customer experience through one-stop shopping with products and services offered, invest in in-store digital technology such as artificial intelligence (AI) to set prices, digital self-checkouts, touchless payment and e-wallet and use data analytics for more personalized customer engagement and an improved supply chain system.

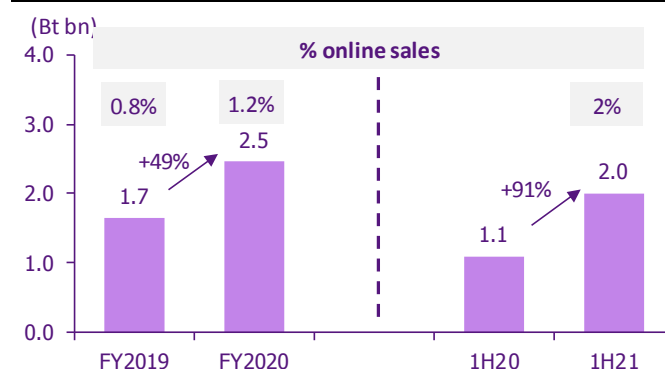
Store expansion in other countries. It plans to utilize its strong multi-format B2B and B2C business and its business expertise in Thailand to build a fresh food-focused grocery omnichannel retail platform in Asia, mainly focusing on South and Southeast Asia, where modern grocery penetration rate is low. It targets 4-6 new B2B stores p.a. in Cambodia, India and Myanmar over the next three years and 10 new B2C stores p.a. in Malaysia. It also plans to look for growth opportunities in both B2B and B2C businesses. Current high-potential markets are Cambodia (expanding B2B and entering B2C market), Malaysia (expanding B2C and new store formats) and India (expanding B2B). Its new high-potential market is Vietnam, where it is studying entering B2B and B2C markets. Markets with long-term partnership opportunities are the Philippines and Indonesia; it is currently studying forming partnerships to enter B2B and B2C markets in those countries.

Online sales channel. For the B2B business, sales contribution from the online channel (sales from its website and application and e-commerce partners) leapt 90% YoY in 2020 and 64% in 1H21. Online sales contributed 9% of MAKRO's total cash & carry sales in 2020 and 11% in 1H21.

For the B2C business, the contribution to Lotus's retail sales (Thailand and Malaysia combined) from the online channel rose 49% YoY in 2020 and 91% in 1H21 and online sales contributed 1% of Lotus's total retail sales in 2020 and 2% in 1H21.

Figure 45: MAKRO's online channel sales grew dramatically in 2020 and 1H21

Source: Company data

Figure 46: Lotus's online channel sales grew significantly in 2020 and 1H21

Source: Company data

Online sales target. It targets to achieve an online sales contribution to total sales of 15-20% through multiple strategic initiatives as detailed below.

- **B2B.** It targets increasing the number of B2B stores to serve as order fulfillment centers from 100 cash & carry stores now, and its small format will provide on-demand and next-day delivery, as well as last-mile delivery. In 2022, it plans to launch the B2B Marketplace platform, offering more than 15,000 SKUs for a variety of exclusive products and value-added services from a wide range of producers and distributors in Thailand and overseas. This will provide a one-stop shopping service for HoReCa clients, food retailers, SME customers and the service sector, generating commissions from logistics and order fulfillment. Within 2023, its sales will be supported by the use of data analytics and AI to offer personalized products and services to customers, integrate information through the supply chain with real-time information, and digitize back-office processes.
- **B2C.** Lotus's is in the process of an IT system upgrade that includes a customer application, an order management system and a warehouse and transport management system. It expects this to be gradually completed in 2021-23. This upgrade will support its plan to expand the number of stores that serve online sales to over 2,000 stores in all store formats in Thailand within 1Q22 from 89 hypermarkets in June 2021. It plans to use big-box stores as warehouses, distribution centers and fulfillment centers, and to use smaller stores for servicing on-demand and next-day deliveries. In Malaysia, it also plans to expand the use of hypermarkets as fulfillment hubs from nine stores currently. It plans to launch a new B2C project for e-commerce and a member card under "My Lotus's Card" in early 2022 and use data analytics to improve marketing campaigns and merchandise management.
- **B2B2C ecosystem.** To build the Business-to-Business-to-Customer (B2B2C) ecosystem, it plans to work with small business partners (mom-and-pop stores, mall tenants, restaurants and other small business owners) to modernize and digitize their businesses and connect them with last-mile logistics, improving their business capabilities.

Figure 47: Details on B2B marketplace, B2C platform, and B2B2C ecosystem

	B2B marketplace	B2C platform	B2B2C ecosystem
For	HoReCa, food retailers, SME customers and service sector	Consumers	Mom-and-pop stores, mall tenants, restaurants and other small business owners
Value proposition	<ul style="list-style-type: none"> - To be the #1 platform in Thailand for category leading sellers and SMEs - Offering unique digital-only products & services 	<ul style="list-style-type: none"> - Plans to increase store coverage for online sales from 89 hypermarkets to over 2,000 stores with a full range of offerings for nationwide on-demand express delivery, next-day delivery and click-and-collect basis by 1Q22 	<ul style="list-style-type: none"> - Business partner to help modernize and digitize stores and increase turnover and profitability - Connecting business owners with last-mile logistics capabilities

Source: Company data

Customer type. For the B2B business, of MAKRO's total cash & carry sales in 2020, 25% came from food retailers (grocery stores, mom-and-pop shops and minimarts), 25% from HoReCa (hotels, restaurants and catering business operators), 7% from service (government agencies and businesses in various sectors such as schools and hospitals), 7% from distributors (small

to medium-scale wholesalers), and 36% from others (small professional customers, street vendors, non-food retailers and end-users with large cooking needs).

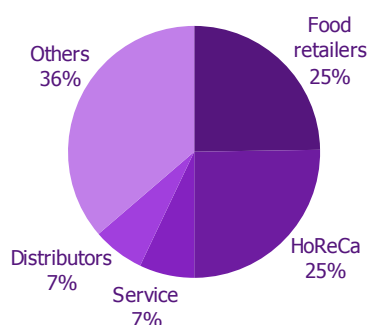
For the B2C business, its retail customers are varied, extending across age groups, income demographics and household sizes.

Membership & customer engagement programs. In the B2B business, MAKRO had more than 3.6mn registered customers as of end-June 2021. The Makro Retailer Alliance (MRA) program helps share knowledge of retail shop management with small retailer customers through activities such as “Makro Retailer Expo” and assist entrepreneurs to open new mom-and-pop stores. To help local retailer clients to become more competitive and sustainable, in 2021, it established the MRA Plus program and introduced a new point-of-sale system for retailer clients to replenish inventories directly from MAKRO.

For the B2C business, as of Feb 28, Lotus's had about 23mn loyalty program members (ClubCard members), consisting of 20mn in Thailand and 3mn in Malaysia.

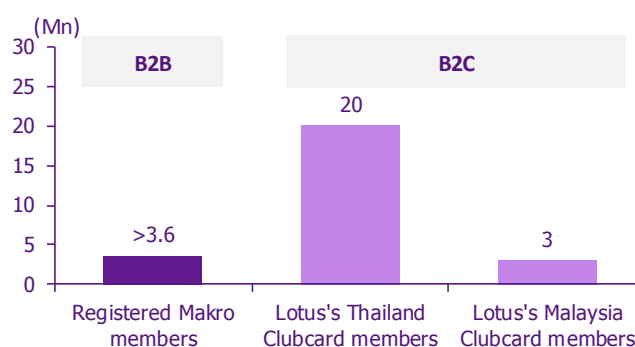
Target contribution from MRA and B2B marketplace. It hopes that its new initiatives such as the Makro Retailer Alliance (MRA) program and the B2B marketplace platform will generate Bt25bn in sales over the medium term.

Figure 48: MAKRO's total revenue broken down by customer in 2020



Source: Company data

Figure 49: Membership numbers for MAKRO as of June 30 and Lotus's as of February 28



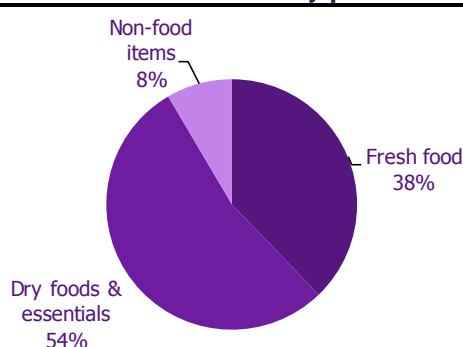
Source: Company data

Product offering. For the B2B business, of total cash & carry sales in 2020, 54% came from dry foods, 38% from fresh food and 8% from non-food items.

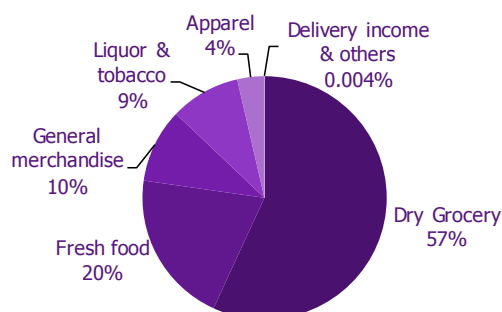
For the B2C business, of Lotus's total retail sales in Thailand in FY2020, 57% came from dry grocery, 20% from fresh food, 10% from general merchandise, 9% from liquor and tobacco, and 4% from apparel. Of Lotus's total retail sales in Malaysia in FY2020, 69% came from dry grocery, 19% from fresh food, 9% from general merchandise and 3% from apparel.

Product mix strategy. It is focusing on increasing fresh food sales growth through extending selling space for fresh food products in stores, increasing product offerings and improving supply chain efficiency. It aims to extend its leadership in fresh food products by cross-selling between Makro and Lotus's. For the B2C business in Thailand, its supermarkets and mini-supermarkets are rebranding to “Go Fresh”, focusing on the “Winning with Fresh” concept.

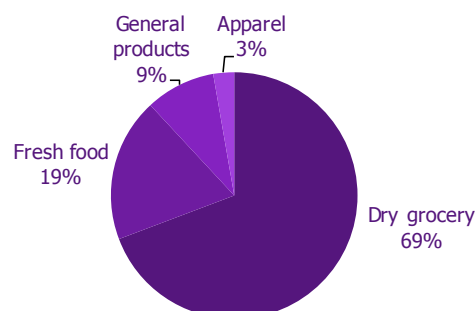
Figure 50: MAKRO's total revenue broken down by product in 2020



Source: Company data

Figure 51: Lotus's retail sales in Thailand broken down by product in FY2020

Source: Company data

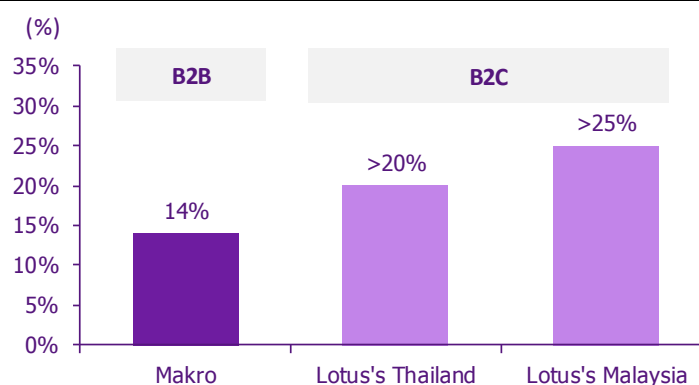
Figure 52: Lotus's retail sales in Malaysia broken down by product in FY2020

Source: Company data

Private brands. For the B2B business, of total cash & carry sales in 2020, 14% was contributed by its private brand under the trademarks "Aro", "Savepak" and "Q-Biz".

For the B2C business, in FY2020, private label products accounted for more than 20% of revenue from sale of goods in Thailand, under the trademarks "Lotus's", "Khumka" and "Prestigo" and more than 25% of revenue from sale of goods in Malaysia under the trademarks "Tesco" and "Value".

Private brand strategy. It plans to continue to drive sales and contribution and profit margin from private label items. For B2B, it plans to develop more affordable private brand products used as raw materials so HoReCa customers can save time via one-stop shopping. For B2C, it is gradually changing labelling of private brands from "Tesco" to "Lotus's". It intends to unify its product strategy in the retail business in Thailand and Malaysia for cross-market private label products and jointly source products without compromising the needs specific to each market.

Figure 53: Portion of private brands to sales for MAKRO in 2020 and Lotus's in FY2020

Source: Company data

Distribution centers. For the B2B business, as of June 30, 2021 it had five distribution centers (DCs) in Thailand with total space of 99,172 sq.m.

For the B2C business, as of Feb 28, 2021 Lotus's had eight DCs in Thailand with an aggregate building floor space of 277,000 sq.m. and an online fulfilment center with building floor space of 10,364 sq.m. It has two owned DCs and one rented frozen food distribution center in Malaysia with aggregate storage space of 108,136 sq.m.

Plans to improve supply chain capability. For B2B, it plans to improve product distribution capabilities through: 1) establishing new fresh food hubs upcountry to support local farmers and SMEs; 2) building a new 88,000 sqm DC (focusing on fresh foods, dry goods and order fulfilment) in Wangnoi, in central Thailand, targeted to complete by 2023 to replace two existing dry goods DCs (Wangnoi 1 and Wangnoi 2). This will raise its handling capacity by 40-120%, enhance capabilities for mid-mile delivery (distributing products to stores) and last-mile delivery (distributing products to end customers) and reduce operating costs from

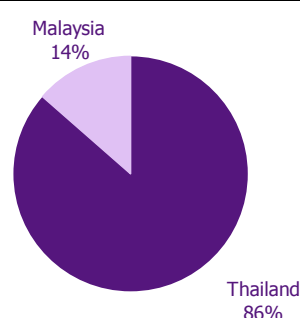
better operational efficiency via the installation of new technology such as twin high-speed sortation, auto weighting and labelling and ASRS.

Business synergy realization through optimization and streamlining. It targets synergistic value from combining the two businesses of Bt2.7bn by mid-2022 to end-2023. Of this, Bt1.8bn will come from improvement in value chain efficiency and product sourcing (such as leveraging MAKRO's scale in fresh food to increase efficiency) and efficiency improvement in farmers and SME suppliers (such as supporting exports of their products and expansion regionally) and Bt900mn in cost savings from back-office operations and logistics efficiency improvement for mid-mile and last-mile delivery.

Pre-EBT: Mall unit

Sales breakdown by country. Of total mall revenue in FY2020, 86% came from Thailand and 14% from Malaysia.

Figure 54: Lotus's mall revenue broken down by country in FY2020



Source: Company data

Number of malls. As of February 28, 2021, Lotus's had 253 malls (excluding LPF malls), representing permanent net lettable area (NLA) of approximately 1.01mn sq.m. in Thailand and Malaysia.

- In Thailand, it had 196 malls (excluding LPF malls) representing permanent NLA of approximately 715,000 sq.m. (mainly occupied by Lotus's hypermarkets). Of these, 66 malls (34% of the total) were owned by Lotus's under freehold for land and building. It also holds a 25% interest in LPF (a listed property fund) that holds 23 malls across Thailand with permanent NLA of about 337,000 sq.m.
- In Malaysia, it had 57 malls representing permanent NLA of approximately 296,000 sq.m. Of these, 40 malls (70%) were owned by Lotus's under freehold or long-term leasehold for title.

Mall formats. As of February 28, 2021, it had 35 family malls (12 malls in Thailand and 23 malls in Malaysia) which are family-oriented destinations that provide a wide range of shopping and leisure activities with emphasis on food, 103 neighborhood malls (85 malls in Thailand and 18 malls in Malaysia) which are mid-sized malls for quicker visits, and 115 service malls (99 malls in Thailand and 16 malls in Malaysia) which are smaller malls aimed at providing a one-stop shopping space that is well-suited for everyday retail and service needs.

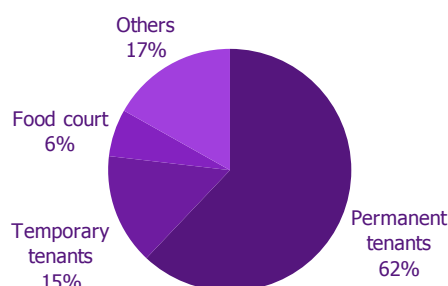
Figure 55: Lotus's malls broken down by mall format as of February 28, 2021

Mall format	Family Mall	Neighborhood Mall	Service Mall
Number of malls (malls)	35	103	115
- Thailand	12	85	99
- Malaysia	23	18	16
Average permanent NLA/mall (sq.m.)			
- Thailand	Over 5,000	2,000-5,000	Below 2,000
- Malaysia	Over 6,000	3,000-6,000	Below 3,000
Aggregate permanent NLA (sq.m.)	333,000	517,000	161,000
- Thailand	136,000	444,000	135,000
- Malaysia	197,000	73,000	26,000
Format details	Family-oriented destinations that provide a wide range of shopping and leisure activities.	Mid-sized malls for quicker visits, with emphasis on food.	Smaller malls aimed at providing a one-stop shopping space that is well-suited for everyday retail and service needs.

Source: Company data

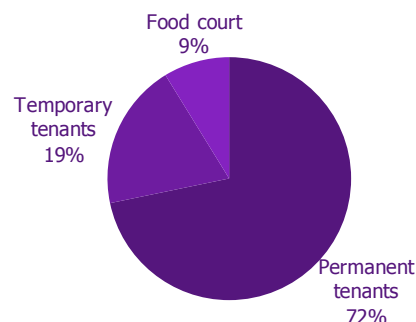
Mall tenants. In FY2020, of total mall revenue in Thailand, 62% came from permanent tenants (tenancy of more than one year of monthly rent), 15% from temporary tenants (tenancy of less than one year, with fast turnover), 6% from food court (service agreements with concessionaires for food courts, with the average term of one year) and 17% from others (service charge tenants, pylon income, LPF property agent fees and other related revenue). Of total mall revenue in Malaysia, 72% came from permanent tenants, 19% from temporary tenants, and 9% from food courts.

Figure 56: Lotus's mall revenue in Thailand broken down by tenant in FY2020



Source: Company data

Figure 57: Lotus's mall revenue in Malaysia broken down by tenant in FY2020



Source: Company data

Plans to transform its one-stop shopping complexes into smart community hubs. It plans to repurpose the excess retail space to rental space to generate more rental income and repurpose the space within the retail store to focus more on fresh food and food. The excess area will be utilized to support online sales and nearby stores to serve the growing e-commerce business. It will optimize the tenant mix to accommodate local customer needs. It plans to offer new business models, such as cloud kitchens, to small SMEs and community kitchens for its professional customers. For mixed-use redevelopment opportunities, it is undertaking a feasibility study for at least two properties (hypermarkets and malls located on freehold land and long-term lease areas). It plans to leverage Lotus's property management expertise to add value to MAKRO's property in Thailand and overseas.

Investment in LPF. It holds a 25% equity interest in LPF (a listed property fund in Thailand), making it the largest unitholder. As of February 28, 2021, LPF owned 23 malls across Thailand, comprising 11 family malls, 11 neighborhood malls and one service mall, with an aggregate permanent NLA of approximately 337,000 sq.m. and 97% average occupancy rates in FY2020.

CPRD derives two streams of income from LPF: 1) as property manager, it collects property management fees from LPF for services rendered at the LPF malls, including rental collection income, property management fees, incentive fees, and commission income; 2) as unitholder, CPRD receives dividends from LPF based on its unitholding percentage. The dividends have a minimum pay-out ratio of 90% of LPF's quarterly net adjusted profit.

CAPEX budget. It has a capex budget of Bt54.2bn in 2022-23 for investments as detailed below.

- Wholesale business. Bt15.5bn in 2022-23 for store expansion in Thailand of mid-sized stores (Foodservice and Eco Plus) and small-sized stores (Fresh@Makro), international store expansion and business initiatives such as MRA.
- Retail business. Bt14.4bn in 2022-23 for store expansion in Thailand and Malaysia, store rebranding and new business such as Coffee Café, "Jungle Café" and "Arabithia".
- Online-to-Offline (O2O) development. Bt1.9bn in 2022-23 for investment related to B2B, B2C and B2B2C ecosystem.
- Other projects. Bt22.4bn in 2022-23 for other projects such as store renovation and maintenance.

Figure 58: Targeted CAPEX of Bt54bn in 2022-23

Future projects (Bt mn)	2022	2023	Total 2022-23	Target
1 Wholesale business	7,310	8,210	15,520	
- Domestic expansion: Foodservice stores and Eco Plus stores			5,680	Adding 8-10 stores p.a. over the next 3 years
- Domestic expansion: small format such as Fresh@Makro			7,070	Adding 75 stores within the next 3 years
- International expansion			2,690	Adding 4-6 stores p.a. over the next 3 years
- Business initiatives and customer engagement: e.g., MRA			80	
2 Retail business	7,310	7,060	14,370	
- Domestic expansion: hypermarkets, supermarkets and mini-supermarkets			11,250	Adding 4-6 hypermarkets p.a., 10 supermarkets p.a., 250 mini-supermarkets p.a. over the next 3 years
- Expansion in Malaysia: supermarkets and rebranding			1,770	Adding 10 supermarkets p.a. over the next 3 years
- Rebranding of Go-Fresh			800	
- New businesses: Jungle Café and Arabitua			550	
3 Online-to-Offline: B2B, B2C, and B2B2C	1,170	740	1,910	
4 Other: e.g., store renovation and maintenance	13,640	8,780	22,420	
Total	29,430	24,790	54,220	

Source: Company data

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CG Rating 2021 Companies with CG Rating**Companies with Excellent CG Scoring**

AAV, ADVANC, AF, AH, AIRA, AKP, AKR, ALT, AMA, AMATA, AMATAV, ANAN, AOT, AP, ARIP, ARROW, ASP, AUCTION, AWC, AYUD, BAFS, BANPU, BAY, BBL, BCP, BCPG, BDMS, BEM, BGC, BGRIM, BIZ, BKI, BOL, BPP, BRR, BTS, BTW, BWG, CENTEL, CFRESH, CHEWA, CHO, CIMBT, CK, CKP, CM, CNT, COM7, COMAN, COTTO, CPALL, CPF, CPI, CPN, CRC, CSS, DDD, DELTA, DEMCO, DRT, DTAC, DUSIT, EA, EASTW, ECF, ECL, EE, EGCO, EPG, ETC, FPI, FPT, FSMART, GBX, GC, GCAP, GFPT, GGC*, GLAND, GLOBAL, GPI, GPSC, GRAMMY, GULF, GUNKUL, HANA, HARN, HMPRO, ICC, ICHI, III, ILINK, ILM, INTUCH, IP, IRPC, ITTEL, IVL, JSP, JWD, K, KBANK, KCE, KKP, KSL, KTB, KTC, LALIN, LANNA, LH, LHFG, LIT, LPN, MACO, MAJOR, MAKRO, MALEE, MBK, MBKET, MC, MCOT, METCO, MFEC, MINT, MONO, MOONG, MSC, MTC, MVP, NCL, NEP, NER, NKI, NOBLE, NSI, NVD, NWR, NYT, OISHI, OR, ORI, OSP, OTO, PAP, PCSGH, PDG, PDJ, PG, PHOL*, PLANB, PLANET, PLAT, PORT, PPS, PR9, PREB, PRG, PRM, PROUD, PSH, PSL, PTG, PTT, PTTEP, PTTCG, PYLON, Q-CON, QH, QTC, RATCH, RS, S, S & J, SAAM, SABINA, SAMART, SAMTEL, SAT, SC, SCB, SCC, SCCC, SCG, SCGP, SCM, SDC, SEAFCO, SEAOL, SE-ED, SELIC, SENA, SHR, SIRI, SIS, SITHAI, SMK, SMPK, SNC, SONIC, SPALI, SPI, SPRC, SPVI, SSSC, SST, STA, STEC*, STI, SUN, SUSCO, SUTHA, SVI*, SYMC, SYNTec, TACC, TASCO, TCAP, TEAMG, TFMAMA, TGH, THANA, THANI, THCOM, THG, THIP, THRE, THREL, TIP*, TIPCO, TISCO, TK, TKT, TMT, TNDT, TNITY, TOA, TOP, TPBI, TQM, TRC, TRU, TRUE, TSC, TSR, TSTE, TSTH, TTA, TTB, TTCL, TU, TVD, TVI, TVO, TWPC, U, UAC, UBIS, UV, VGI, VIH, WACOAL, WAVE, WHA, WHAUP, WICE, WINNER, ZEN

Companies with Very Good CG Scoring

2S, 7UP, ABICO, ABM, ACE, ACG, ADB, AEONTS, AGE, AHC, AIT, ALL, ALLA, ALUCON, AMANAH, AMARIN, APCO, APCS, APURE, AQUA, ASEFA, ASIAN, ASK, ATP30, BA, BC, BEC, BFIT, BJCHI, BR, CBG, CGH, CHAYO, CHOTI, CI, CMC, CPL, CRD, CSP, DCC, ASAP, ASIA, ASIMAR, ASN, B, BAM, BCH, BEYOND, BJC, BLA, BROOK, CEN, CHARAN, CHG, CHOW, CIG, COLOR, CPW, CSC, CWT, DCON, DHOUSE, DOD, DOHOME, DV8, EASON, EFORL, ERW, ESSO, ESTAR, ETE, FE, FLOYD, FN, FNS, FORTH, FSS, FTE, FVC, GEL, GENCO, GJS, GYT, HEMP, HPT, HTC, HYDRO, ICN, IFS, IMH, IND, INET, INSET, INSURE, IRC, IRCP, IT, ITD*, J, JAS, JCK, JCKH, JMART, JMT, KBS, KCAR, KEX, KGI, KIAT*, KISS, KOOL, KTIS, KUMWEL, KUN, KWC, KWM, L&E, LDC, LEO, LHK, LOXLEY, LRH, LST, M, MATCH, MBAX, MEGA, META, MFC*, MGT, MICRO, MILL, MITSIB, MK, MODERN, MTI, NBC, NCA, NETBAY, NEX, NINE, NRF, NTV, OGC, PATO, PB, PICO, PIMO, PJW, PL, PM, PMTA, PPP, PPPM, PRIME, PRIN, PRINC, PSTC, PT, QLT, RBF, RCL, RICHY, RML, ROJNA, RPC, RT, RWI, S11, SA, SAK, SALEE, SAMCO, SANKO, SAPPE, SAWAD, SCI, SCN, SCP, SE, SFLEX, SFP, SFT, SGF, SIAM, SINGER, SKE, SKN, SKR, SKY, SLP, SMIT, SMT, SNP, SO, SORKON, SPA, SPC, SPCG, SR, SRICHA, SSC, SSF, STANLY, STGT, STOWER*, STPI, SUC, SWC, SYNEX, T, TAE, TAKUNI, TBSP, TCC, TCMC, TEAM, TFG, TFI, TIGER, TITLE, TKN, TKS, TM, TMC, TMD, TMI, TMILL, TNL, TNP, TOG, TPA, TPAC, TPCS, TPS, TRITN, TRT, TSE, TVT, TWP, UEC, UMI, UOBKH, UP, UPF, UPOIC, UTP, VCOM, VL, VNT, VPO, VRANDA, WGE, WIJK, WP, XO, XPG, YUASA

Companies with Good CG Scoring

A, AI, AIE, AJ, AMC, APP, AQ, ARIN, AS, AU, B52, BEAUTY, BGT, BH, BIG, BLAND, BM, BROCK, BSBM, BSM, BYD*, CCP, CITY, CMO, CPT, CSR, EKH, EP, FMT, GLOCON*, GSC, HTECH, IHL, INGRS, JAK, JTS, KASET, KK, KWG, LEE, BTNC, CAZ, CGD, CMAN, CMR, CRANE, D, EMC, F&D, GIFT, GREEN, GTB, HUMAN, IIG, INOX, JR, JUBILE, KCM, KKC, KYE, LPH, MATI, M-CHAI, MCS, MDX, MJD, MORE, MUD, NC, NDR, NFC, NNCL, NOVA, NPK, NUSA, OCEAN, PAF, PF, PK, PLE, PPM, PRAKIT, PRAPAT, PRECHA, PTL, RCI*, RJH, RP, RPH, RSP, SABUY, SF, SGP, SICT, SIMAT, SISB, SK, SMART, SOLAR, SPACK, SPG, SQ, SSP, STARK, STC, SUPER, SVOA, TC, TCCC, THMUI, TNH, TNR, TOPP, TPCH, TPIPL, TPIPP, TPLAS, TPOLY, TQR, TTI, TYCN, UKEM, UMS, UNIQ, UPA, UREKA, VIBHA, W, WIN, WORK, WPH, YGG, ZIGA

Corporate Governance Report

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The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey result may be changed after that date. SCB Securities Company Limited does not conform nor certify the accuracy of such survey result.

To recognize well performers, the list of companies attaining "Good", "Very Good" and "Excellent" levels of recognition

(Not including listed companies qualified in the "no announcement of the results" clause from 1 January 2020 to 26 October 2021) is publicized.

¹ TIP was voluntarily delisted from the Stock Exchange of Thailand effectively on July 24, 2021

² RCI was voluntarily delisted from the Stock Exchange of Thailand, effectively on July 16, 2021

* บริษัทหรือกรรมการหรือผู้บริหารของบริษัทที่มีข่าวด้านการกำกับดูแลกิจการ เช่น การกระทำความผิดเกี่ยวกับหลักทรัพย์ การทุจริต คอร์รัปชัน เป็นต้น ซึ่งการใช้ข้อมูล CGR ควรระมัดระวังข่าวดังกล่าวประกอบด้วย

Anti-corruption Progress Indicator**Certified (ได้รับการรับรอง)**

2S, ADVANC, AF, AI, AIE, AIRA, AKP, ALPHAX, AMA, AMANAH, AMATA, AMATAV, AP, APCS, AQUA, ARROW, ASIAN, ASK, ASP, AWC, AYUD, B, BAFS, BAM, BANPU, BAY, BBL, BCH, BCP, BCPG, BEYOND, BGC, BGRIM, BJCHI, BKI, BLA, BPP, BROOK, BRR, BSBM, BTS, BWG, CEN, CENTEL, CFRESH, CGH, CHEWA, CHOTI, CHOW, CIG, CIMBT, CM, CMC, COM7, COLOR, CPALL, CPF, CPI, CPN, CSC, DCC, DELTA, DEMCO, DIMET, DRT, DTAC, DUSIT, EA, EASTW, ECL, EGCO, EP, EPG, ERW, ESTAR, ETE, FE, FNS, FPI, FPT, FSMART, FSS, FTE, GBX, GC, GCAP, GEL, GFPT, GGC, GJS, GPI, GPSC, GSTEEL, GUNKUL, HANA, HARN, HEMP, HMPRO, HTC, ICC, ICHI, IFEC, IFS, ILINK, INET, INSURE, INTUCH, IRC, IRPC, ITTEL, IVL, JKN, K, KASET, KBANK, KBS, KCAR, KCE, KGI, KKP, KSL, KTB, KTC, KWC, KWI, L&E, LANNA, LH, LHFG, LHK, LPN, LRH, M, MAKRO, MALEE, MBAX, MBK, MC, MCOT, META, MFC, MFEC, MINT, MONO, MOONG, MSC, MST, MTC, MTI, NBC, NEP, NINE, NKI, NMG, NNCL, NOBLE, NOK, NSI, NWR, OCC, OGC, ORI, PAP, PATO, PB, PCSGH, PDG, PDJ, PE, PG, PHOL, PK, PL, PLANB, PLANET, PLAT, PM, PPP, PPPM, PPS, PREB, PRG, PRINC, PRM, PROS, PSH, PSL, PSTC, PT, PTG, PTT, PTTEP, PTTCG, PYLON, Q-CON, QH, QLT, QTC, RATCH, RML, RWI, S & J, SAAM, SABINA, SAPPE, SAT, SC, SCB, SCC, SCCC, SCG, SCN, SEAOL, SE-ED, SELIC, SENA, SGP, SINGER, SIRI, SITHAI, SKR, SMIT, SMK, SMPK, SNC, SNP, SORKON, SPACK, SPALI, SPC, SPI, SPRC, SRICHA, SSF, SSP, SSSC, SST, STA, STOWER, SUSCO, SVI, SYMC, SYNTec, TAE, TAKUNI, TASCO, TBSP, TCAP, TCMC, TFG, TFI, TFMAMA, TGH, THANI, THCOM, THIP, THRE, THREL, TIDLOR, TIPCO, TISCO, TKS, TKT, TMD, TMILL, TMT, TNITY, TNL, TNP, TNR, TOG, TOP, TOPP, TPA, TPP, TRU, TRUE, TSC, TSTE, TSTH, TTA, TTB, TTCL, TU, TVD, TVI, TVO, TWPC, U, UBE, UBIS, UEC, UKEM, UOBKH, UPF, UV, VGI, VIH, VNT, WACOAL, WHA, WHAUP, WICE, WIJK, XO, ZEN

Declared (ประกาศเจตนารมณ์)

7UP, ABICO, AJ, ALT, APCO, AS, BEC, BKD, CHG, CPL, CPR, CPW, CRC, DDD, DHOUSE, DOHOME, ECF, EKH, ETC, EVER, GULF, III, INOX, J, JMART, JMT, JR, KEX, KUMWEL, LDC, MAJOR, MATCH, MILL, NCL, NOVA, NRF, NUSA, PIMO, PR9, RS, SAK, SCGP, SCM, SIS, STAR, STECH, STGT, SUPER, TQM, TSI, VCOM, VIBHA, WIN, YUASA, ZIGA

N/A

3K-BAT, A, A5, AAV, ABM, ACAP, ACC, ACE, ACG, ADB, ADD, AEONTS, AFC, AGE, AH, AHC, AIT, AJA, AKR, ALL, ALLA, ALUCON, AMARIN, AMC, AMR, ANAN, AOT, APEX, APP, APURE, AQ, ARIN, ARIP, ASAP, ASEFA, ASIA, ASIMAR, ASN, ASW, ATP30, AU, AUCTION, B52, BA, BBIK, BC, BCT, BDMS, BE8, BEAUTY, BEM, BFIT, BGT, BH, BIG, BIZ, BJC, BLAND, BLISS, BM, BOL, BR, BRI, BROCK, BSM, BTNC, BTW, BUI, BYD, CAZ, CBG, CCET, CCP, CGD, CHARAN, CHAYO, CHO, CI, CITY, CK, CKP, CMAN, CMO, CMR, CNT, COLOR, COMAN, CPANEL, CPH, CPT, CRANE, CRD, CSP, CSR, CSS, CTW, CV, CWT, D, DCON, DITTO, DMT, DOD, DPAINT, DTCL, DV8, EASON, EE, EFORL, EMC, ESSO, F&D, FANCY, FLOYD, FMT, FN, FORTH, FVC, GENCO, GIFT, GL, GLAND, GLOBAL, GLOCON, GLORY, GRAMMY, GRAND, GREEN, GSC, GTB, GYT, HENG, HFT, HL, HPT, HTECH, HUMAN, HYDRO, ICN, IHL, IIG, ILM, IMH, IND, INGRS, INSET, IP, IRCP, IT, ITD, JAK, JAS, JCK, JCKH, JCT, JP, JSP, JTS, JUBILE, JUTHA, JWD, KAMART, KC, KCM, KDH, KIAT, KISS, KK, KKC, KOOL, KTIS, KUN, KWM, KYE, LALIN, LEE, LEO, LIT, LOXLEY, LPH, LST, MACO, MANRIN, MATI, MAX, M-CHAI, MCS, MDX, MEGA, MENA, METCO, MGT, MICRO, MIDA, MITSIB, MJD, MK, ML, MODERN, MORE, MPIC, MUD, MVP, NC, NCA, NCH, NDR, NER, NETBAY, NEW, NEWS, NEX, NFC, NPK, NSL, NTV, NV, NVD, NYT, OHTL, OISHI, ONEE, OR, OSP, OTD, PACE, PACO, PAE, PERM, PF, PICO, PIN, PJW, PLE, PMTA, POLAR, POMPU, PORT, POST, PPM, PRAKIT, PRAPAT, PRECHA, PRIME, PRIN, PRO, PROEN, PROUD, PSG, PTL, RAM, RBF, RCL, RICHY, RJH, ROCK, ROH, ROJNA, RP, RPC, RPH, RSP, RT, S, S11, SA, SABUY, SAFARI, SALEE, SAM, SAMART, SAMCO, SAMTEL, SANKO, SAUCE, SAWAD, SAWANG, SCI, SCP, SDC, SE, SEAFCO, SECURE, SF, SFLEX, SFP, SFT, SGF, SHANG, SHR, SIAM, SICT, SIMAT, SISB, SK, SKE, SKN, SKY, SLM, SLP, SMART, SMD, SMT, SNPN, SO, SOLAR, SONIC, SPA, SPCG, SPG, SPVI, SQ, SR, SSC, STANLY, STARK, STC, STEC, STANG, STAI, STI, STPI, SUC, SUN, SUTHA, SVH, SVOA, SVT, SWC, SYNEX, TACC, TAPAC, TC, TCC, TCCC, TCJ, TCOAT, TEAM, TEAMG, TFM, TGPOR, TH, THAI, THANA, THE, THG, THL, THMUI, TIGER, TIPI, TITLE, TK, TKC, TKN, TM, TMC, TMI, TMW, TNDT, TNH, TNPC, TOA, TPAC, TPBI, TPCH, TPCS, TPIPL, TPIPP, TPLAS, TPOLY, TPS, TQR, TR, TRC, TRITN, TRT, TRUBB, TRV, TSE, TSF, TSR, TTI, TTT, TTW, TVT, TWP, TWZ, TYCN, UAC, UMI, UMS, UNIQ, UP, UPA, UPOIC, UREKA, UT, UTP, UVAN, VARO, VL, VNG, VPO, VRANDA, W, WAVE, WFX, WGE, WINMED, WINNER, WORK, WORLD, WP, WPH, XPG, YGG

Explanations

Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of October 24, 2021) are categorised into: companies that have declared their intention to join CAC, and companies certified by CAC.