

Siam Makro

(MAKRO.BK/MAKRO TB)

Neutral Downgraded

Price as of 20 Feb 2023	40.25
12M target price (Bt/shr)	42.00
Unchanged/Revised up(down)(%)	5.0
Upside/downside (%)	4.3

Key messages

แม้ว่าผลการดำเนินงานของ MAKRO จะดีขึ้น และทำให้เราปรับสมมติฐาน และประมาณการกำไรเล็กน้อย แต่ราคาหุ้นปิดต่ำสุดเหลือ upside จำกัด ดังนั้น เราจึงปรับลดคำแนะนำจาก “ซื้อ” เป็น “ถือ” และประเมินราคาเป้าหมายสิ้นปี 2566 ที่ 42 บาท อิงจาก PER ที่ 35.0x (ค่าเฉลี่ยในอดีตของ MAKRO และ C.P. All (CPALL.BK/CPALL TB)* +1.0 S.D.)

Trading data

Mkt cap (Btbn/US\$m)	425/10,646		
Outstanding shares (mn)	10,580		
Foreign ownership (mn)	241		
3M avg. daily trading (mn)	13		
52-week trading range (Bt)	32.0 – 43.5		
Performance (%)	3M	6M	12M
Absolute	6.6	15.8	-6.9
Relative	3.9	14.0	-4.8

Quarterly EPS

	1Q	2Q	3Q	4Q
2020	0.35	0.25	0.33	0.44
2021	0.36	0.27	0.33	1.42
2022	0.19	0.15	0.15	0.23

Share price chart



Source: SET

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ผลประกอบการ 4Q65: กำไรดีขึ้น

Event

กำไรปกติของ MAKRO ใน 4Q65 อยู่ที่ 2.5 พันล้านบาท (+4% YoY, +54% QoQ) ซึ่งเป็นไปตามที่ตลาดคาดเอาไว้ ส่งผลให้กำไรจากธุรกิจหลักในปี 2565 อยู่ที่ 7.7 พันล้านบาท (+10% YoY) สูงกว่าประมาณการเต็มปีของเรา 8% ทั้งนี้ คณะกรรมการของบริษัทได้อนุมัติจ่ายเงินปันผล 0.33 บาท/หุ้น (กำหนดขึ้น XD วันที่ 27 เมษายน กำหนดจ่ายเงินปันผลวันที่ 17 พฤษภาคม 2566) และเปลี่ยนชื่อบริษัท เป็น CP Aextra PCL พร้อมทั้งเปลี่ยนสัญลักษณ์หลักทรัพย์ของบริษัท เป็น CPAXT

ธุรกิจค้าส่ง: SSSG ใน 4Q65 อยู่ระดับเลขตัวเดียวสูง ๆ

ยอดขายใน 4Q65 อยู่ที่ 6.61 หมื่นล้านบาท (+12% YoY, +10% QoQ) ส่งผลให้ยอดขายในปี 2565 เพิ่มขึ้นเป็น 2.42 แสนล้านบาท (+10% YoY) จากการฟื้นตัวของกิจกรรมทางธุรกิจ ในขณะที่ SSSG ใน 4Q65 อยู่ที่ 11.2% (ทรงตัว YoY, +60bps QoQ) เพราะปัจจัยฤดูกาล ซึ่งทำให้อัตรากำไรขั้นต้นในปี 2565 อยู่ที่ 10.5% (เป็นไปตามประมาณการของเรา) สัดส่วน SG&A ต่อยอดขายอยู่ที่ 8.6% ใน 4Q65 (จาก 9.4% ใน 3Q65 และ 8.6% ใน 4Q64) ทั้งนี้ บริษัทเปิดสาขาใหม่เพิ่มอีก 8 สาขาใน 4Q65 ทำให้จำนวนสาขาทั้งหมดเพิ่มขึ้นเป็น 162 สาขา (ในประเทศไทย 152 สาขา และ ในต่างประเทศ 10 สาขา) โดยสรุปแล้ว กำไรสุทธิในปี 2565 ของธุรกิจค้าส่งอยู่ที่ 7 พันล้านบาท (+8% YoY)

ธุรกิจค้าปลีก: SG&A และต้นทุนทางการเงินยังคงกดดัน

ยอดขายปลีกใน 4Q65 อยู่ที่ 5.13 หมื่นล้านบาท ส่งผลให้ยอดขายในปี 2565 อยู่ที่ 2.05 แสนล้านบาท (+449% YoY) สำหรับการดำเนินงานในช่วง 25 ตุลาคม – 31 ธันวาคม 2565 โดยอัตรากำไรขั้นต้นใน 4Q65 อยู่ที่ 18.1% ทำให้อัตรากำไรขั้นต้นในปี 2565 อยู่ที่ 18.6% (จาก 19.8% ในปี 2564) ทั้งนี้ Occupancy rate ของพื้นที่เช่า คู่มือเหมือนจะกลับมาอยู่ระดับใกล้เคียงปกติแล้วที่ 90% ในกรณีของ Lotus's ในประเทศไทย และ 93.2% ในกรณีของ Lotus's มาเลเซีย ในขณะเดียวกัน ค่าใช้จ่าย SG&A อยู่ที่ 4.12 หมื่นล้านบาท ซึ่งมาจากค่าใช้จ่ายที่เกี่ยวข้องกับการขยายสาขา, ระบบ IT ใหม่ และต้นทุนในการริเบรนด โดยสรุปแล้ว กำไรสุทธิของธุรกิจค้าปลีกในปี 2565 อยู่ที่ 623 ล้านบาท

ปรับสมมติฐาน และประมาณการกำไรปี 2566 เล็กน้อย

เราได้ทบทวนสมมติฐานปี 2566-2567 ใหม่ ประกอบด้วย SSSG (เพื่อสะท้อนแนวโน้มบวกจากจำนวนนักท่องเที่ยวต่างชาติที่คาดว่าจะเพิ่มขึ้นเป็น 28 ล้านคนในปี 2566 และเป็น 38 ล้านคนในปี 2567) อัตรากำไรขั้นต้น พื้นที่ปล่อยเช่า และ occupancy rate (ดังแสดงใน Figure 2) ดังนั้น เราจึงปรับประมาณการกำไรปี 2566 ประมาณ 4% ซึ่งจะทำให้กำไรในปี 2566 โต 64% และปี 2567 โต 13%

Valuation & action

เราปรับเพิ่มราคาเป้าหมายสิ้นปี 2566 จาก 40.00 บาท เป็น 42.00 บาท อิงจาก PER ที่ 35.0x (ค่าเฉลี่ยในอดีตของ MAKRO และ C.P. All (CPALL.BK/CPALL TB)* +1.0 S.D.) ทั้งนี้ เนื่องจากเหลือ upside ถึงราคาเป้าหมายของเราอีกไม่มากแล้ว เราจึงปรับลดคำแนะนำจาก “ซื้อ” เป็น “ถือ”

Risks

เศรษฐกิจชะลอตัวลง, ราคาสินค้าเกษตรลดลง, ขยายสาขาได้น้อยกว่าแผนที่กำหนดไว้, disruption ที่เกิดจากเทคโนโลยีใหม่, ความเสี่ยงด้านกฎเกณฑ์ของทางการ และค่าใช้จ่ายเพิ่มขึ้นจากการขยายกิจการในต่างประเทศ

Key financials and valuations

Year end Dec 31	Dec-18A	Dec-19A	Dec-20A	Dec-21A	Dec-22A	Dec-23F	Dec-24F
Revenue (Btmn)	191,997	209,772	218,259	265,398	466,082	493,503	508,990
Gross profit (Btmn)	18,944	21,168	22,124	30,292	63,577	67,804	70,709
SG&A (Btmn)	15,481	17,410	17,731	26,490	62,842	62,592	64,024
Net profit (Btmn)	5,942	6,245	6,563	13,687	7,697	12,582	14,165
Normalized profit (Btmn)	5,942	6,245	6,563	6,972	7,697	12,582	14,165
EPS (Bt)	1.24	1.30	1.37	1.29	0.73	1.19	1.34
Normalized EPS (Btmn)	1.24	1.30	1.37	0.66	0.73	1.19	1.34
DPS (Btmn)	1.0	1.0	1.0	0.9	0.5	0.5	0.5
EPS growth (%)	(3.8)	5.1	5.1	(5.4)	(43.8)	63.5	12.6
Normalized EPS growth (%)	(3.8)	5.1	5.1	(51.8)	10.4	63.5	12.6
P/E (X)	25.8	24.6	29.6	63.7	55.3	33.8	30.1
P/B (X)	8.0	7.4	1.8	1.5	1.5	1.4	1.4
EV/EBITDA (X)	15.5	14.8	17.1	35.8	17.9	17.4	16.2
Net debt to Equity (%)	9.9	10.6	(3.2)	14.8	24.0	24.6	23.9
Dividend yield (%)	3.0	3.0	2.5	2.1	1.3	1.2	1.3
Return on Equity (%)	31.9	31.2	10.2	6.9	2.7	4.3	4.7

Source: Company data, KGI Securities Research

Figure 1: MAKRO's 4Q22 earnings review

Consolidated	unit	2022	2021	Chg YoY
Sales	Btmn	447,182	258,630	72.9
Wholesales	Btmn	242,437	221,344	9.5
Retail	Btmn	204,745	37,286	449.1
Revenue from rental and rendering services	Btmn	13,477	2,631	412.2
Total revenue	Btmn	469,131	266,367	76.1
Gross profit from sales	Btmn	63,577	30,292	109.9
Gross margin from sales	Btmn	14.2	11.7	21.4
EBITDA	Btmn	35,084	16,770	109.2
Finance cost	Btmn	7,122	1,557	357.4
Net profit	Btmn	7,697	13,687	(43.8)
Gain on step acquisition	Btmn	N.A.	6,714	N.A.
Net profit (excl. gain on step acquisition)	Btmn	7,697	6,973	10.4
Wholesales	Btmn	7,074	6,576	7.6
Retail	Btmn	623	397	56.9
EPS	Btmn	0.73	2.38	(69.3)

Wholesales	unit	2022	2021	Chg YoY
Sales	Btmn	242,437	221,344	9.5
Other revenue	Btmn	5,741	4,914	16.8
Total revenue	Btmn	248,178	226,258	9.7
Gross profit from sales	Btmn	25,569	22,920	11.6
Gross margin from sales	Percent	10.5	10.4	1.9
EBITDA	Btmn	13,452	12,553	7.2
Net profit	Btmn	7,074	6,576	7.6
Number of stores		162	149	8.7
Thailand	stores	152	142	7.0
Overseas	stores	10	7	42.9
Sales spaces		854,891	819,815	4.3
Thailand	sqm	811,622	785,869	3.3
Overseas	sqm	43,269	33,946	27.5

Retail business	unit	2022	2021	Chg YoY
Sales	Btmn	204,745	37,286	449.1
Revenue from rental and rendering retail services	Btmn	13,034	2,284	470.7
Total revenue	Btmn	221,052	40,109	451.1
Gross profit from sales	Btmn	38,008	7,372	415.6
Gross margin from sales	Btmn	18.6	19.8	(6.1)
EBITDA	Btmn	21,731	4,217	415.3
Net profit	Btmn	623	397	56.9
Number of stores		2,643	2,680	(1.4)
Lotus's Thailand	stores	2,578	2,618	(1.5)
Lotus's Malaysia	stores	65	62	4.8
Sales spaces		1,822,303	1,813,696	0.5
Lotus's Thailand	sqm	1,531,317	1,519,227	0.8
Lotus's Malaysia	sqm	290,986	294,469	(1.2)
Permanent net leasable area		1,061,683	1,017,786	4.3
Lotus's Thailand	sqm	745,249	717,224	3.9
Occupancy rate	percent	90	90	0.0
Lotus's Malaysia	sqm	316,434	300,562	5.3
Occupancy rate	percent	93	92	1.2

Source: Company data, KGI Securities Research

Figure 2: Earnings Revision

	2023F		
	Revised	Previous	Chg
Revenue	493,503	456,547	8.1
Gross profit	67,804	66,384	2.1
SG&A	62,592	61,485	1.8
EBIT	22,921	21,000	9.1
Net profit	12,582	12,133	3.7
Normalized profit	12,582	12,133	3.7
	Revised	Previous	Chg
GPM	13.7	14.5	(0.8)
SG&A to sales	12.7	13.5	(0.8)
EBIT margin	4.6	4.6	0.0
Ney margin	2.5	2.7	(0.1)
	Revised	Previous	Chg
SSSG			
Wholesales	5.0	3.0	2.0
Retail: Thailand	3.0	3.0	0.0
Retail: Malaysia	2.0	3.0	(1.0)
GPM:			
Wholesales	10.7	10.8	(0.1)
Retail	18.7	18.9	(0.2)
Rental area:			
Thailand	805,249	1,017,224	(20.8)
Malaysia	326,434	330,562	(1.2)
Occupancy rate:			
Thailand	92.0	90.0	2.0
Malaysia	95.0	95.0	0.0
GPM rental	58.0	65.0	(7.0)

Source: Company data, KGI Securities Research

Figure 3: Assumptions

	unit	2019	2020	2021	2022	2023F	2024F
SSSG							
Wholesales	%	6.3	1.9	2.5	6.8	5.0	3.0
Retail-Thailand	%	0.0	0.0	(6.3)	0.2	3.0	2.0
Retail-Malaysia	%	0.0	0.0	(2.2)	(1.8)	2.0	2.0
Occupancy Rate							
Thailand	%	0.0	0.0	90.0	90.0	92.0	95.0
Malaysia	%	0.0	0.0	92.1	93.2	95.0	95.0
Gross margin							
Wholesales	%	0.0	10.3	10.4	10.5	10.7	10.8
Retail	%	0.0	0.0	19.8	18.6	18.7	18.8
Rental	%	0.0	0.0	54.2	54.1	58.0	60.0

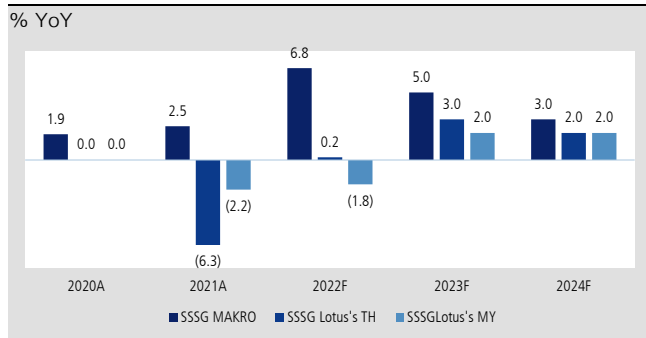
Source: Company data, KGI Securities Research

Figure 3: Company profile

Siam Makro Public Company Limited (MAKRO) was established in 1998 with Bt750mn capital and listed in SET in August 1994 with total registered share capital of 4,800mn shares. The company operates member-based wholesale store under the Makro store name. It has since expanded to provide a wide range of products to professional members and business operators nationwide, including retailers, restaurants, catering business, and others business operators. Currently, it offers a five stores platform: i) Classic stores, ii) Makro Food service, iii) Eco-plus store, iv) Makro Food shop, and v) Siam Frozen Food.

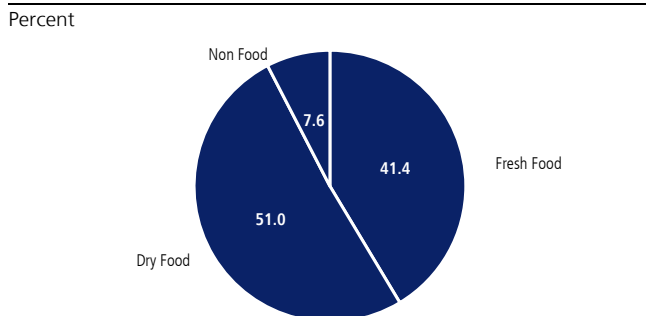
Source: Company data

Figure 5: SSSG fo MAKRO



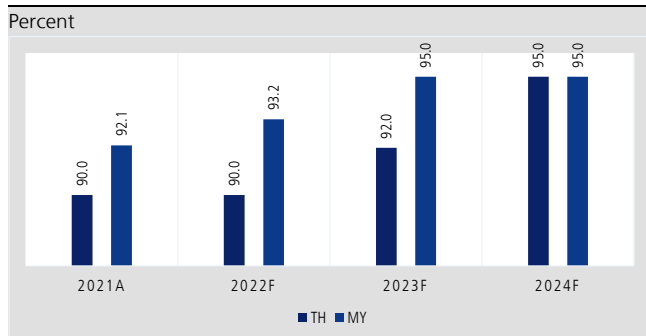
Source: Company data, KGI Securities Research

Figure 7: Revenue breakdown MAKRO



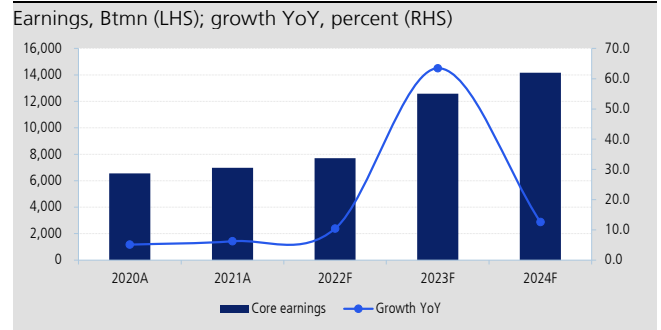
Source: Company data, KGI Securities Research

Figure 9: Occupancy rate



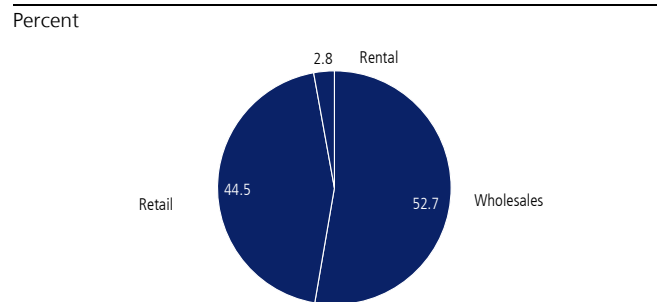
Source: KGI Securities Research

Figure 4: Earnings performance



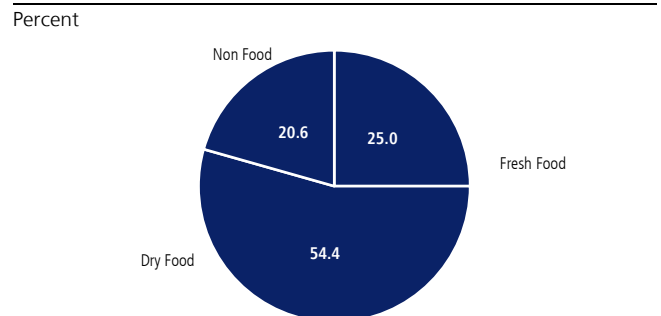
Source: Company data, KGI Securities Research

Figure 6: Revenue breakdown



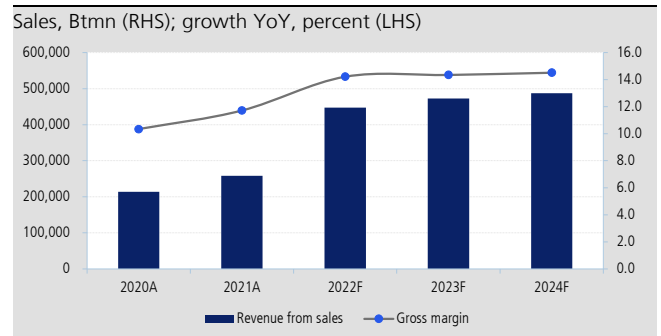
Source: Company data, KGI Securities Research

Figure 8: Revenue breakdown Lotus



Source: Company data, KGI Securities Research

Figure 10: Sales



Source: KGI Securities Research

Quarterly Income Statement

	Mar-20A	Jun-20A	Sep-20A	Dec-20A	Dec-21A	Dec-21A	Dec-21A	Dec-21A	Mar-22A	Jun-22A	Sep-22A	Dec-22A
Income Statement (Btmn)												
Revenue	56,148	51,079	53,871	57,161	55,969	54,811	54,813	99,805	110,777	117,933	114,963	122,409
Cost of good sold	49,612	45,451	47,282	49,728	49,349	48,661	48,198	83,176	92,514	99,170	95,731	102,173
Gross profit	6,536	5,628	6,589	7,432	6,619	6,150	6,615	16,629	18,263	18,763	19,232	20,235
Operating expense	4,413	4,151	4,617	4,551	4,427	4,544	4,600	12,919	14,616	15,776	16,031	16,419
Other income	159	151	204	(13)	129	144	157	539	439	530	597	1,483
Operating profit	2,283	1,628	2,177	2,869	2,321	1,751	2,173	4,249	4,087	3,517	3,798	5,299
Depreciation of fixed asset	565	564	570	570	545	553	552	1,671	2,642	2,538	2,470	2,561
Operating EBITDA	2,847	2,193	2,746	3,439	2,867	2,303	2,725	5,921	6,729	6,055	6,268	7,860
Non-Operating income	0	0	0	0	0	0	0	0	0	0	0	0
Interest income	0	0	0	0	0	0	0	0	0	0	0	0
Other non-op. income	0	0	0	0	0	0	0	0	0	0	0	0
Non-Operating expense	(147)	(173)	(154)	(146)	(129)	(142)	(137)	(1,148)	(1,494)	(1,598)	(1,826)	(2,204)
Interest expense	(147)	(173)	(154)	(146)	(129)	(142)	(137)	(1,148)	(1,494)	(1,598)	(1,826)	(2,204)
Other non-op. expense	0	0	0	0	0	0	0	0	0	0	0	0
Equity income	0	0	0	(63)	36	(129)	(282)	149	224	202	230	175
Pre-tax profit	2,136	1,455	2,023	2,659	2,228	1,479	1,754	3,250	2,817	2,122	2,202	3,270
Current taxation	(464)	(297)	(462)	(590)	(461)	(331)	(473)	(862)	(767)	(549)	(603)	(810)
Minorities	(8)	(21)	(11)	(62)	33	(139)	(291)	9	(0)	(0)	(3)	(11)
Extra items	0	0	0	0	0	0	0	6,714	0	0	0	0
Net profit	1,681	1,180	1,572	2,130	1,734	1,287	1,572	9,094	2,050	1,573	1,602	2,471
Normalized profit	1,681	1,180	1,572	2,130	1,734	1,287	1,572	2,380	2,050	1,573	1,602	2,471
EPS (Bt)	0.35	0.25	0.33	0.44	0.36	0.27	0.33	0.86	0.19	0.15	0.15	0.23
Normalized EPS (Bt)	0.35	0.25	0.33	0.44	0.36	0.27	0.33	0.22	0.19	0.15	0.15	0.23
Margin (%)												
Gross profit margin	11.6	11.0	12.2	13.0	11.8	11.2	12.1	16.7	16.5	15.9	16.7	16.5
Operating EBIT margin	4.1	3.2	4.0	5.0	4.1	3.2	4.0	4.3	3.7	3.0	3.3	4.3
Operating EBITDA margin	5.1	4.3	5.1	6.0	5.1	4.2	5.0	5.9	6.1	5.1	5.5	6.4
Net profit margin	3.0	2.3	2.9	3.7	3.1	2.3	2.9	9.1	1.9	1.3	1.4	2.0
Growth (%YoY)												
Revenue growth	10.8	0.1	8.1	4.6	(0.3)	7.3	1.7	74.6	97.9	115.2	109.7	22.6
Operating EBIT growth	14.8	5.8	9.9	6.4	1.7	7.5	(0.2)	48.1	76.1	100.9	74.8	24.7
Operating EBITDA growth	11.3	3.7	7.2	4.6	0.7	5.0	(0.8)	72.2	134.7	162.9	130.0	32.8
Net profit growth	10.7	(0.4)	6.1	3.5	3.1	9.1	(0.0)	326.9	18.3	22.2	1.9	(72.8)
Normalized profit growth	10.7	(0.4)	6.1	3.5	3.1	9.1	(0.0)	11.7	18.3	22.2	1.9	3.9

Source: Company data, KGI Securities Research

Balance Sheet

As of 31 Dec (Btmn)	2020	2021	2022	2023F	2024F
Total Assets	159,587	569,490	548,643	557,788	566,602
Current Assets	28,251	110,000	87,355	86,678	88,270
Cash&ST Investment	10,484	64,555	40,103	36,789	36,893
Inventories	14,478	31,967	37,820	39,907	41,082
Account Receivable	945	2,301	2,431	2,569	2,649
Other	2,345	11,177	7,001	7,413	7,646
Non-current Assets	131,336	459,490	461,288	471,110	478,332
LT Investment	0	0	0	0	0
Net Fixed Assets	30,564	118,444	118,115	122,403	126,501
Others	100,771	341,046	343,173	348,706	351,831
Total Liabilities	51,324	280,992	257,713	260,031	259,999
Current liabilities	40,475	118,211	90,763	95,582	98,337
Account Payable	25,804	54,845	55,867	58,915	60,670
ST borrowing	0	0	0	0	0
Others	14,671	63,366	34,896	36,667	37,667
Long-term liabilities	10,848	162,781	166,949	164,449	161,662
Long-term debts	2,002	105,120	110,025	110,025	110,025
Others	8,847	57,661	56,925	54,425	51,638
Shareholders' Equity	108,263	288,498	290,931	297,756	306,603
Common stock	2,400	5,290	5,290	5,290	5,290
Capital surplus	3,290	263,882	263,882	263,882	263,882
retained earnings	16,511	25,460	27,627	34,452	43,300
Preferred stock					

Source: KGI Securities Research

Key Ratios

Year to 31 Dec	2020	2021	2022	2023F	2024F
Growth (%YoY)					
Sales	3.9	20.8	72.9	5.7	3.1
OP	9.2	17.2	59.1	32.0	8.5
EBITDA	6.1	21.7	104.2	3.2	7.3
NP	5.1	108.5	(43.8)	63.5	12.6
Normalized profit	5.1	6.2	10.4	63.5	12.6
EPS	5.1	(5.4)	(43.8)	63.5	12.6
Normalized EPS	5.1	(51.8)	10.4	63.5	12.6
Profitability (%)					
Gross margin	10.3	11.7	14.2	14.3	14.5
Operating margin	4.2	4.1	3.7	4.7	4.9
EBITDA margin	5.2	5.3	6.2	6.1	6.3
Net margin	3.1	5.3	1.7	2.7	2.9
ROAA	5.9	3.8	1.4	2.3	2.5
ROAE	10.2	6.9	2.7	4.3	4.7
Stability					
Gross debt/equity (%)	47.4	97.4	88.6	87.3	84.8
Net debt/equity (%)	(3.2)	14.8	24.0	24.6	23.9
Interest coverage (x)	14.4	6.6	2.5	4.3	4.9
Interest&ST debt coverage (x)	14.4	6.6	2.5	4.3	4.9
Cash flow interest coverage (x)	5.5	(165.1)	1.5	2.9	3.7
Cash flow/interest&ST debt (x)	5.5	(165.1)	1.5	2.9	3.7
Current ratio (x)	0.7	0.9	1.0	0.9	0.9
Quick ratio (x)	0.3	0.7	0.5	0.5	0.5
Net debt (Btmn)	(3,481)	42,567	69,922	73,235	73,131
Per share data (Bt)					
EPS	1.4	1.3	0.7	1.2	1.3
Normalized EPS	1.4	0.7	0.7	1.2	1.3
CFPS	0.7	(24.3)	1.0	1.5	1.8
BVPS	22.6	27.3	27.5	28.1	29.0
Sales/share	45.5	25.1	44.1	46.6	48.1
EBITDA/share	2.3	1.3	2.6	2.7	2.9
DPS	1.0	0.9	0.5	0.5	0.5
Activity					
Asset turnover (x)	1	0	1	1	1
Days of receivables	2	3	2	2	2
Days of inventory	28	51	35	35	35
Days of payable	49	87	52	52	52
Cash cycle	(20)	(33)	(15)	(15)	(15)

Source: KGI Securities Research

Profit & Loss

Year to Dec 31 (Btmn)	2020	2021	2022	2023F	2024F
Revenue	218,259	265,398	466,082	493,503	508,990
Cost of good sold	192,072	229,384	389,588	410,844	423,078
Gross profit	22,124	30,292	63,577	67,804	70,709
Operating expense	17,731	26,490	62,842	62,592	64,024
Other income	502	970	3,050	1,974	2,036
Operating Profit	8,957	10,494	16,701	22,041	23,924
Depreciation of fixed asset	2,269	3,321	10,211	5,711	5,903
Operating EBITDA	11,225	13,815	26,912	27,752	29,826
Non-operating income	0	0	0	0	0
Interest income	0	0	0	0	0
Other non-op income	0	0	0	0	0
Non-operating expense	(619)	(1,557)	(7,122)	(5,360)	(5,025)
Interest expense	(619)	(1,557)	(7,122)	(5,360)	(5,025)
Other non-op expense	0	0	0	0	0
Equity income/(loss)	(63)	(226)	831	880	908
Pretax profit	8,274	8,711	10,411	17,561	19,807
Current taxation	(1,812)	(2,128)	(2,729)	(5,004)	(5,670)
Minorities	(102)	(389)	(15)	(25)	(28)
Extra item	0	6,714	0	0	0
Net profit	6,563	13,687	7,697	12,582	14,165
Normalized profit	6,563	6,972	7,697	12,582	14,165
EPS (Bt)	1.4	1.3	0.7	1.2	1.3
Normalized EPS (Bt)	1.4	0.7	0.7	1.2	1.3

Source: KGI Securities Research

Cash Flow

Year to Dec 31 (Btmn)	2020	2021	2022	2023F	2024F
Operating cash flow	3,416	(256,966)	10,850	15,605	18,583
Net profit	6,563	13,687	7,697	12,582	14,165
Depreciation&Amortization	2,269	3,321	10,211	5,711	5,903
Change in working capital	(5,416)	(273,974)	(7,058)	(2,688)	(1,485)
Others					
Investment cash flow	(86,395)	(23,635)	(6,285)	(10,003)	(10,002)
Net CAPEX	(1,254)	(91,201)	(9,882)	(10,000)	(10,000)
Change in LT investment	(85,552)	71,538	(373)	0	0
Change in other assets	412	(3,972)	3,970	(3)	(2)
Free cash flow	(82,979)	(280,601)	4,565	5,602	8,581
Financing cash flow	88,663	334,672	(29,017)	(8,916)	(8,477)
Change in share capital	0	2,890	0	0	0
Net change in debt	7,697	168,123	(23,753)	(3,159)	(3,159)
Change in other liabs	80,965	163,659	(5,265)	(5,756)	(5,318)
Net cash flow	5,684	54,071	(24,452)	(3,314)	104

Source: KGI Securities Research

Rates of Return on Invested Capital

Year	1 - $\frac{\text{COGS}}{\text{Revenue}}$	+ $\frac{\text{Depreciation}}{\text{Revenue}}$	+ $\frac{\text{Operating expense}}{\text{Revenue}}$	=	Operating margin
2020	88.0%	1.0%	8.1%		2.8%
2021	86.4%	1.3%	10.0%		2.3%
2022	83.6%	2.2%	13.5%		0.7%
2023F	83.3%	1.2%	12.7%		2.9%
2024F	83.1%	1.2%	12.6%		3.1%
Year	1/ $\frac{\text{Working capital}}{\text{Revenue}}$	+ $\frac{\text{Net PPE}}{\text{Revenue}}$	+ $\frac{\text{Other assets}}{\text{Revenue}}$	=	Capital Turnover
2020	(0.0)	0.1	0.6		1.4
2021	(1.0)	0.4	1.7		0.9
2022	(0.0)	0.3	0.9		0.9
2023F	(0.0)	0.2	0.9		0.9
2024F	(0.0)	0.2	0.9		0.9
Year	1/ $\frac{\text{Operating margin}}{\text{Capital turnover}}$	x	$\frac{\text{Cash}}{\text{tax rate}}$	=	After-tax return on Inv. capital
2020	2.8%	1.4	21.9%		0.9%
2021	2.3%	0.9	24.4%		0.5%
2022	0.7%	0.9	26.2%		0.2%
2023F	2.9%	0.9	28.5%		0.7%
2024F	3.1%	0.9	28.6%		0.8%

Source: KGI Securities Research

Siam Makro- Recommendation & target price history



Source: KGI Securities Research

Corporate Governance Report of Thai Listed Companies



Companies with Excellent CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	EGCO	ELECTRICITY GENERATING	PTTEP	PTT EXPLORATION AND PRODUCTION
ADVANC	ADVANCED INFO SERVICE	GFPT	GFPT	PTTGC	PTT GLOBAL CHEMICAL
AMA	AMA MARINE	GGC	GLOBAL GREEN CHEMICALS	PYLON	PYLON
AMATA	AMATA CORPORATION	GPSC	GLOBAL POWER SYNERGY	QH	QUALITY HOUSES
ANAN	ANANDA DEVELOPMENT	HANA	HANA MICROELECTRONICS	RATCH	RATCHABURI ELECTRICITY GENERATING HOLDING
AOT	AIRPORTS OF THAILAND	HMPRO	HOME PRODUCT CENTER	RS	RS
AP	ASIAN PROPERTY DEVELOPMENT	INTUCH	SHIN CORPORATION	SCB	THE SIAM COMMERCIAL BANK
BANPU	BANPU	IRPC	IRPC	SCC	THE SIAM CEMENT
BCP	THE BANGCHAK PETROLEUM	IVL	INDORAMA VENTURES	SCCC	SIAM CITY CEMENT
BCPG	BCPG	KBANK	KASIKORN BANK	SEAFCO	SEAFCO
BDMS	BANGKOK DUSIT MEDICAL SERVICES	KCE	KCE ELECTRONICS	SMPC	SAHAMITR PRESSURE CONTAINER
BEC	BEC WORLD	KKP	KIATNAKIN BANK	SPALI	SUPALAI
BEM	BANGKOK EXPRESSWAY AND METRO	KTB	KRUNG THAI BANK	SPRC	STAR PETROLEUM REFINING
BGRIM	B. GRIMM POWER	KTC	KRUNGTHAI CARD	SVI	SVI
BPP	BANPU POWER	LH	LAND AND HOUSES	TACC	T.A.C. CONSUMER
BTS	BTS GROUP HOLDINGS	LPN	L.P.N. DEVELOPMENT	TCAP	THANACHART CAPITAL
CENDEL	CENTRAL PLAZA HOTEL	MAKRO	SIAM MAKRO	THCOM	THAICOM
CK	CH. KARNCHANG	MBK	MBK	TISCO	TISCO FINANCIAL GROUP
CKP	CK POWER	MINT	MINOR INTERNATIONAL	TOP	THAI OIL
CPALL	CP ALL	MTC	MUANGTHAI CAPITAL	TRUE	TRUE CORPORATION
CPF	CHARDEN POKPHAND FOODS	PLANB	PLAN B MEDIA	TTB	TMBTHANACHART BANK
CPN	CENTRAL PATTANA	PSH	PRUKSA HOLDING	VGI	VGI GLOBAL MEDIA
DELTA	DELTA ELECTRONICS (THAILAND)	PTG	PTG ENERGY	WHA	WHA CORPORATION
DTAC	TOTAL ACCESS COMMUNICATION	PTT	PTT	WHAUP	



Companies with Very Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
BAM	BANGKOK COMMERCIAL ASSET MANAGEMENT	GULF	GULF ENERGY DEVELOPMENT	SAPPE	SAPPE
BBL	BANGKOK BANK	JMT	JMT NETWORK SERVICES	SAWAD	SRIAWAD POWER 1979
CBG	CARABAO GROUP	LPH	LADPRAO GENERAL HOSPITAL	SINGER	SINGER THAILAND
CHG	CHULARAT HOSPITAL	M	MK RESTAURANT GROUP	SPA	SIAM WELLNESS GROUP
COM7	COM7	MAJOR	MAJOR CINEPLEX GROUP	TFG	THAIFOODS GROUP
DOHOME	DOHOME	MEGA	MEGA LIFESCIENCES	TKN	TAOKAENOI FOOD & MARKETING
ERW	THE ERAWAN GROUP	NETBAY	NETBAY	ZEN	ZEN CORPORATION GROUP
GLOBAL	SIAM GLOBAL HOUSE	OSP	OSOTSPA		



Companies with Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
BCH	BANGKOK CHAIN HOSPITAL	ESSO	ESSO (THAILAND)	SF	SIAM FUTURE DEVELOPMENT
BH	BUMRUNGRAD HOSPITAL	HUMAN	HUMANICA	SISB	SISB
EKH	EKACHAI MEDICAL CARE	RBF	R&B FOOD SUPPLY	TPCH	TPC POWER HOLDING

Companies classified Not in the three highest score groups

Stock	Company name	Stock	Company name	Stock	Company name
IIG	I&I GROUP	OR	PTT OIL AND RETAIL BUSINESS	STGT	SRI TRANG GLOVES (THAILAND)
KEX	KERRY EXPRESS (THAILAND)	STEC	SINDO-THAI ENGINEERING AND CONSTRUCTION		

Source: www.thai-iod.com

Disclaimer: The disclosure of the survey result of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an assessment of operation and is not based on inside information. 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 or when there is any change to the relevant information. Nevertheless, KGI Securities (Thailand) Public Company Limited (KGI) does not confirm, verify, or certify the accuracy and completeness of such survey result.

Anti-corruption Progress Indicator

Level 5: Extended

Stock	Company name	Stock	Company name	Stock	Company name
ADVANC	ADVANCED INFO SERVICE	GLOBAL	SIAM GLOBAL HOUSE	QH	QUALITY HOUSES
ANAN	ANANDA DEVELOPMENT	GPSC	GLOBAL POWER SYNERGY	RATCH	RATCHABURI ELECTRICITY GENERATING HOLDING
BBL	BANGKOK BANK	HMPRO	HOME PRODUCT CENTER	ROBINS	ROBINSON DEPARTMENT STORE
BCH	BANGKOK CHAIN HOSPITAL	IRPC	IRPC	SCC	THE SIAM CEMENT
BDMS	BANGKOK DUSIT MEDICAL SERVICES	KBANK	KASIKORNBANK	SIRI	SANSIRI
BIGC	BIG C SUPERCENTER	KCE	KCE ELECTRONICS	SPALI	SUPALAI
CK	CH. KARNCHANG	KKP	KIATNAKIN BANK	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION
DCC	DYNASTY CERAMIC	KTB	KRUNG THAI BANK	TCAP	THANACHART CAPITAL
DELTA	DELTA ELECTRONICS (THAILAND)	LPH	LADPRAO GENERAL HOSPITAL	TISCO	TISCO FINANCIAL GROUP
DRT	DIAMOND ROOFING TILES	PACE	PACE DEVELOPMENT CORPORATION	TMT	THAI METAL TRADE
EGCO	ELECTRICITY GENERATING	PTT	PTT	TOP	THAI OIL
GFPT	GFPT	PTTGC	PTT GLOBAL CHEMICAL		

Level 4: Certified

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	ERW	THE ERAWAN GROUP	SAPPE	SAPPE
AP	ASIAN PROPERTY DEVELOPMENT	GLOW	GLOW ENERGY	SAWAD	SRSAWAD POWER 1979
BA	BANGKOK AIRWAYS	GUNKUL	GUNKUL ENGINEERING	SCB	THE SIAM COMMERCIAL BANK
BANPU	BANPU	ILINK	INTERLINK COMMUNICATION	SCN	SCAN INTER
BCP	THE BANGCHAK PETROLEUM	KTC	KRUNGTHAI CARD	SEAFCO	SEAFCO
BH	BUMRUNGRAD HOSPITAL	LH	LAND AND HOUSES	SVI	SVI
BJCHI	BJC HEAVY INDUSTRIES	LPN	L.P.N. DEVELOPMENT	TASCO	TIPCO ASPHALT
CBG	CARABAO GROUP	MAKRO	SIAM MAKRO	TKN	TAOKAENOI FOOD & MARKETING
CENTEL	CENTRAL PLAZA HOTEL	MALEE	MALEE SAMPRAN	TMB	TMB BANK
CHG	CHULARAT HOSPITAL	MINT	MINOR INTERNATIONAL	TRT	TIRATHAI
CKP	CK POWER	MODERN	MODERNFORM GROUP	TRUE	TRUE CORPORATION
CPF	CHAROEN POKPHAND FOODS	NOK	NOK AIRLINES	TVO	THAI VEGETABLE OIL
CPN	CENTRAL PATTANA	PTTEP	PTT EXPLORATION AND PRODUCTION		
DTAC	TOTAL ACCESS COMMUNICATION	PYLON	PYLON		

Level 3: Established

Stock	Company name	Stock	Company name	Stock	Company name
BEM	BANGKOK EXPRESSWAY AND METRO	MTLS	MUANGTHAI LEASING	SPRC	STAR PETROLEUM REFINING
CPALL	CP ALL	SCI	SCI ELECTRIC		

No progress

Stock	Company name	Stock	Company name	Stock	Company name
AOT	AIRPORTS OF THAILAND	BPP	BANPU POWER	FN	FN FACTORY OUTLET
BPCG	BPCG	BTS	BTS GROUP HOLDINGS	TPCH	TPC POWER HOLDING

Source: www.cgthailand.org

Disclaimer: The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by the relevant institution as disclosed by the Office of the Securities and Exchange Commission, is made in order to comply with the policy and sustainable development plan for the listed companies. The relevant institution made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, KGI Securities (Thailand) Public Company Limited (KGI) does not confirm, verify, or certify the accuracy and completeness of the assessment result.

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KGI's Ratings

Rating	Definition
Outperform (OP)	The stock's excess return over the next twelve months is ranked in the top 40% of KGI's coverage universe in the related market (e.g. Taiwan)..
Neutral (N)	The stock's excess return over the next twelve months is ranked in the range between the top 40% and the bottom 40% of KGI's coverage universe in the related market (e.g. Taiwan)
Under perform (U)	The stock's excess return over the next twelve months is ranked in the bottom 40% of KGI's coverage universe in the related market (e.g. Taiwan).
Not Rated (NR)	The stock is not rated by KGI.
Restricted (R)	KGI policy and/or applicable law regulations preclude certain types of communications, including an investment recommendation, during the course of KGI's engagement in an investment banking transaction and in certain other circumstances. <i>Excess return = 12M target price/current price-</i>
Note	When an analyst publishes a new report on a covered stock, we rank the stock's excess return with those of other stocks in KGI's coverage universe in the related market. We will assign a rating based on its ranking. If an analyst does not publish a new report on a covered stock, its rating will not be changed automatically.

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