

**DISCOUNTED CASH FLOW VALUATION OF
ROBINSON DEPARTMENT STORE
PUBLIC COMPANY LIMITED**



**A THEMATIC PAPER SUBMITTED IN PARTIAL
FULFILLMENT OF THE REQUIREMENTS FOR
THE DEGREE OF MASTER OF MANAGEMENT
COLLEGE OF MANAGEMENT
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2015**

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Thematic paper
entitled
**DISCOUNTED CASH FLOW VALUATION OF
ROBINSON DEPARTMENT STORE
PUBLIC COMPANY LIMITED**

was submitted to the College of Management, Mahidol University
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DISCOUNTED CASH FLOW VALUATION OF ROBINSON DEPARTMENT STORE PUBLIC COMPANY LIMITED

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ABSTRACT

This thematic paper demonstrated how to value the stock price of Robinson Department Store Public Company Limited (ROBINS) which applied the concept of discounted cash flow to firm model, creating a forecast and calculating a reasonable valuation of the firm's share price and at the end making decision whether to buy/hold/sell the company's stock.

Robinson Department Store Public Company Limited (ROBINS) is the one of the largest and leading department store operator with more than 50% market share nationwide. As the company is able to successfully occupy strategic location in each regional area, particularly those situated along economic borders and expansion plan into the neighbour countries. The interesting point is how the changing economic landscape from the ASEAN integration will benefit their department stores and whether their investment plans will be able to maintain the market leader position; both of which will affect to their stock price and the overall value of the company.

The result from this paper shows the 5 years' future value of ROBINS share price is expected to be valued higher than the current share price by 45%. This results lead to my recommendation of "buy" because the current share price is considered to be undervalued.

KEY WORDS: ROBINS / Valuation / Discounted Cash Flow / Services / Commerce

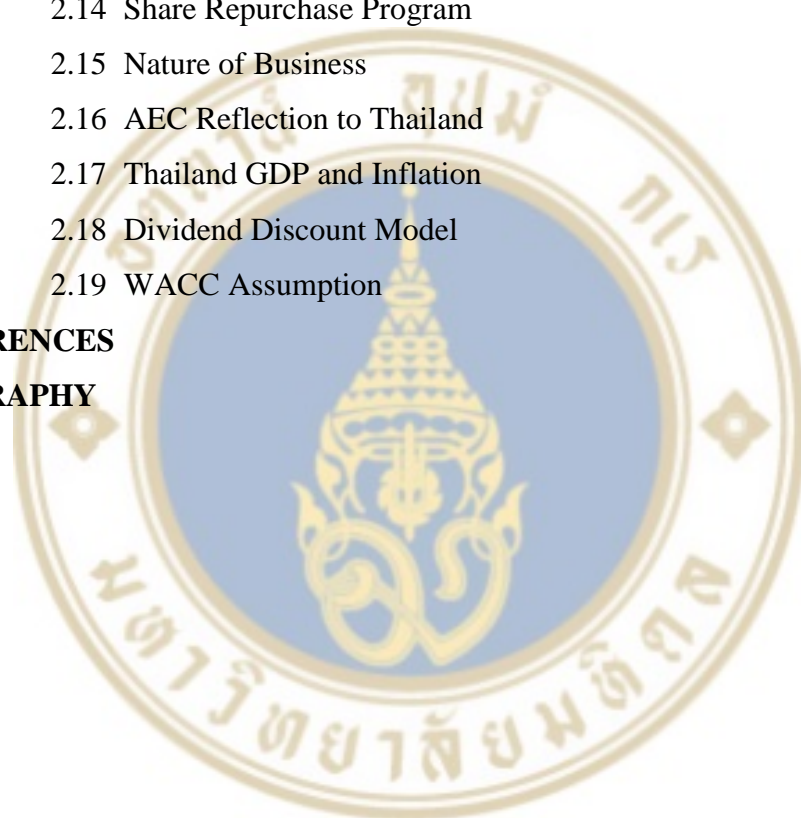
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LIST OF ABBREVIATIONS

BV	Book value
CAGR	Compound Annual Growth Rate
CAPEX	Capital Expenditure
CCI	Consumer Confidence Index
COGS	Cost of Goods Sold
D/E	Debt/Equity
EBIT	Earnings before Interest and Taxes
EBITDA	Earnings before Interest, Taxes and Depreciation
EM	Emerging Market
EPS	Earning per share
EV	Enterprise value
GDP	Gross Domestic Products
N/I	Net Income
NOPAT	Net Operating Profit after Taxes
NOWC	Net Operating Working Capital
P/E	Price/Earning
QE	Quantitative Easing
QoQ	Quarter on Quarter
Rf	Risk free
ROA	Return on Assets
ROE	Return on Equity
SET	Stock Exchange of Thailand
SG&A	Selling, General and Administrative Expense
SSSG	Same Store Sales Growth
SWOT	Strength, Weakness, Opportunity and Threats
WACC	Weighted Average Cost of Capital
YoY	Year on Year

CHAPTER I VALUATION

1.1 Highlights

Share outstanding (billion shares): 1.111

Free float: 39.54%

Price Performance

52 week high/low 51.75/36.75

52 week return (%) 40.82%



Date 23Nov2015

Ticker: SET: ROBINS

Recommendation: BUY

Price: THB 43.75

Target Price: THB 63.50

Upside: 45%

Figure 1.1 ROBINS stock performance

- Robinson Department Store is continuously introduced the latest trends and fashionable lifestyles to locals across the Kingdom. The year 2014 saw the Company's achievement of total 41 operating stores, 39 stores and 2 stores in Vietnam. Featuring over 450,000 sq. m. of department store area, Robinson has not only thrived to become Thailand's most popular department store, but also boasted the highest number of stores.

- Robinson Department Store has announced a share buyback program from 26 December 2014 to 25 June 2015. We do not expect this to help support its shares much but view it as a signal that its share price is too low.

- Robinson Department Store is able to successfully occupy strategic locations in each regional area, particularly those situated along economic borders which are believed to enjoy a jump growth following an arrival of the ASEAN Economic Community

- Robinson Department Store has announced it plans to launch two more stores in Vietnam next year and we expected 3 stores for Domestic.

- Current valuation of Robinson Department Store looks cheap. It trades at a PER only at 21x approximately which PER industry trades at 28x approximately, FY15 and we believe its performance has already bottomed out and its growth profile is improving by increasing revenue every year constantly.

- The same-store-sales growth (SSSG) rate is likely to be positive this year and thank to a new store launch and renovation of six existing branches that will support and increases in total revenues. We expect that 2015 net profit turns to growing, positive outlooks from the commerce industry's high season which planned new launch and resumption of renovated stores. Two planned new launches (i.e. Si Saman and Mae Sot). Nevertheless, we project that ROBINS'2016 will grow at 12.40% Y.Y. and turn to jump which purchasing power that has bottomed out this year.

- We believe that ROBINS’s long-term growth story of upcountry branch penetration remains complete given still low exposure with a total of 77 provinces in Thailand (as of 2014, it was operating 39 domestic department store branches and 2 stores in Vietnam). It is maintaining its target to open three to five new branches each year with more in the format of lifestyle malls that will attract and serve customer satisfaction which can create customer loyalty and come back. Generally, we predict the company’s net profit to grow in Q4 from the commerce industry’s high season, planned new launch and resumption of renovated stores.

1.2 Financial Summary

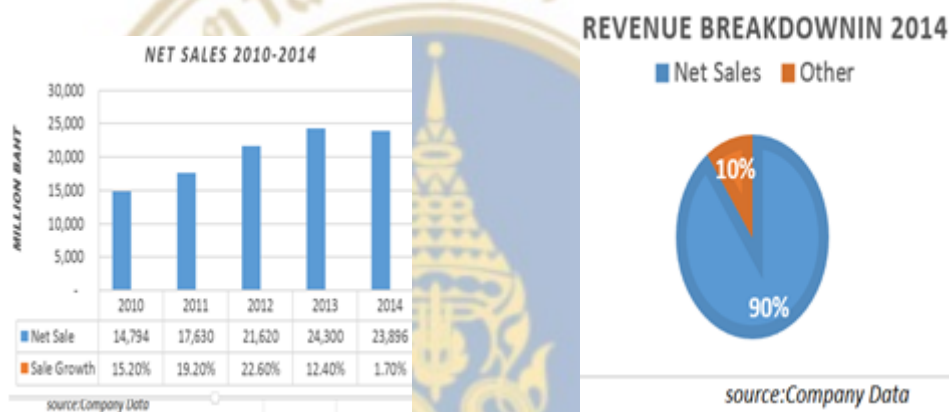
Table 1.1 ROBINS – Key financial indicators

Financial Summary						
FY Ended 31 Dec	2012A	2013A	2014A	2015F	2016F	2017F
Sales Revenue (btm)	23,907	26,754	27,018	30,369	34,135	38,368
Gross Profit (btm)	7,596	8,368	8,623	9,692	10,894	12,245
Net Profit (btm)	2,298	2,226	2,390	2,595	2,932	3,312
EPS (Bt)	2.07	2.00	2.15	2.34	2.64	2.98
Dividend (Bt)	0.65	0.90	0.86	0.93	1.06	1.19
ROA (%)	18.08%	15.03%	12.58%	13.99%	14.20%	14.39%
ROE (%)	23.40%	19.72%	17.16%	18.78%	18.95%	19.09%
D/E (x)	0.60	0.57	0.77	0.75	0.73	0.71

1.3 Business Description

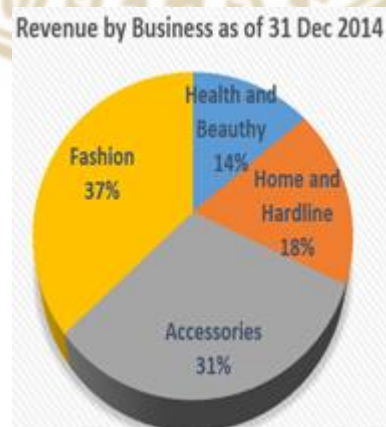
Robinson Department Store Public Company Limited (ROBINS) operates department stores under the name “Robinson” since 1980. Robinson Department Store opened its first branch at Victory Monument. The company has 39 branches around the country, featuring over 450,000 sq. m. department store areas, comprising 11 in Bangkok and Greater Bangkok and 28 in the provinces, and 2 stores in Vietnam. In terms of store network, ROBINS is the No.1 operator with more than a 50% market share nationwide. The No.2 player is Central department store. Both are department

arms of the Central Group with the Chirathivat family as their ultimate shareholder. The company offers lines of products, which include soft line products and hard line products. Soft line store products include ladies' wear, men's wear, cosmetics and accessories and children's wear. Hard line products include home decoration and household apparatus and gifts and toys. Therefore, the company has developed its own product design as well, which can be divided into private brand, whose brands are developed by the company itself in order to be presented throughout all stores. The exclusive brand which are international brands which are imported and exclusively available at Robinson and one price just buy.



Source: Company data

Figure 1.2 Revenue structure



Source: Company data

Figure 1.3 Revenues by business

1.3.1 Vision and mission

To profitably grow market, share and to be locally in merchandising offering and shopping experience and increase sales by attracting new customers, expanding customer base, increasing customer spend. To invest in future growth of stores and people.

1.3.2 Business goal

As a leading retail operator and try to be the most preferred department store with widest market coverage in Thailand with innovative store format and services.

1.3.3 Nature of business

Soft line emphasizes on brand name, modernity, quality, variety, and fashion. The nature of product has rapid change. Customers' purchase decisions depend on the current trend.

Hard line is a product line emphasizes on quality, functionality, feature, variety and modernity. Customers' purchase decisions depend on product features, functions and prices.

The product above has provided not only the leading brands that are preferred by the customers but the company has also industrialized its own product design, which is different from general products available in the market. The company has chosen new products with attractive feature and designs in order to upsurge product variety and differentiate from their competitors and these products are accessible only at Robinson department store as;

Private label. The company considers and selects only the products demanded by customer and provided them at reasonable price which emphasizes on a good quality and modern styles.

Exclusive brand. The well-known international brands which are imported and exclusively available at Robinson.

One price 'Just buy'. The diversity of products which are sold at 40 Baht and 60 Baht, comprising of products for teenagers and young professionals. Furthermore, the company provided consumer goods such as accessories,

cosmetics, stationaries, gifts and home products, included with one price 'Just Buy'.

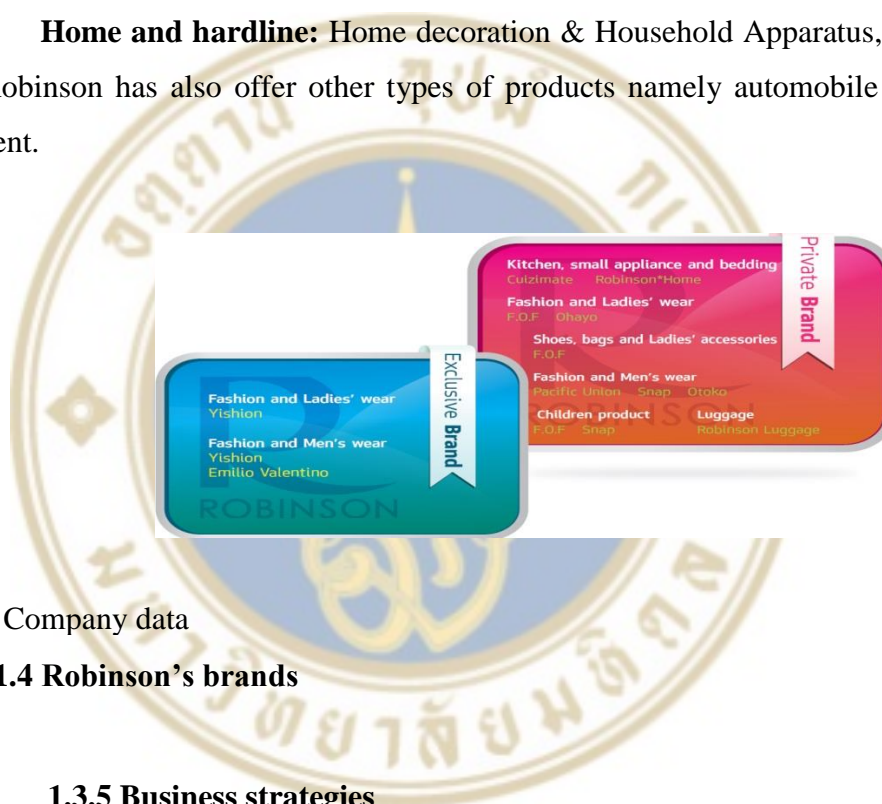
1.3.4 Product type

Health and beauty: Skincare products, Perfumes, health and beauty products.

Fashion: Ladies' Fashion and Lingerie's, Men's Fashion, Jean and Unisex.

Accessories: Jewelries and accessories also children's wear.

Home and hardline: Home decoration & Household Apparatus, Gifts and Toys, Robinson has also offer other types of products namely automobile tools and equipment.



Source: Company data

Figure 1.4 Robinson's brands

1.3.5 Business strategies

The Company has paid attention to its main strategy and creation of **competitiveness** - by presenting the unique product and new brand by introducing products matching the customers' lifestyle plus the value-added service. The Company also emphasized on the marketing activities in both Bangkok stores and provincial stores so as to promote marketing in the area and to be memorable. Furthermore, the Company deeply analyzed consumer's spending behavior so as to introduce promotion campaign better matching each group as well as continuously publicized the marketing to expand the member base. Apart from increasing sales, it builds good image and customer loyalty to Robinson Department Store.

Brand for growth, Robinson will expand the market by creating brands and distributing the products nationwide. - Robinson plan to bring these international brands to store locations outside of Bangkok to answer customer of purchasing power and lifestyles of those provincial residents. Those brands will be available as stand-alone retailers at Model Lifestyle Centre locations and as shop-in-shop at other locations within the department store. Each product offering must excellently fulfill customer's needs in each area and provide products with good quality in an affordable price. Products that the Company aims for their growth are shoes, health and beauty product, jeans and denims, home category, lingerie, young fashion apparel, and luggage.

New store expansion - the company aims to expand its stores within a country continuously in order to be located in a prospective area and become the first mover. Robinson Store expansion strategy also served the economic expansion and urbanization in each location. In 2014, the Company opened 5 new lifestyle centers such provinces as Prachinburi, Roi-Et, Chachoengsao, Samutprakan and Mukdahan.

Achievement Vietnam opportunity - Robinson has extended its investment to foreign market which has trade opportunity to succeed its domestic store expansion. In 2014, Robinson has expanded to Vietnam under the department store named "Robins Department Store". One store is in Hanoi and another is in Ho Chi Minh City. Robinson has a plan to continue to invest in Vietnam so as to fully create business opportunity there.

To add branding value of "Robinson" - Robinson implements effective marketing strategies in customer relationship management (the 1 Card member customers, the Robinson - Kbank credit card and the Robinson - Kbank debit card) and public relation via media and online channels. Displaying product in an attractive way in each store is also another strategy. These strategies pressure the appearance of Robinson as modern department store. In every season, each store displays marketing and promotional activities to attract customers and increase their expending

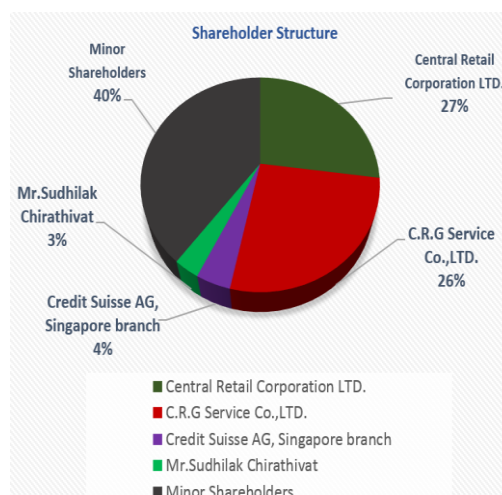


Source: Company

Figure 1.5 Robison department store areas

1.3.6 Shareholder structure

The Company's crucial shareholder, a group of major shareholders, by situations, having a significant influence over the policy making or operation of the company, is Central Retail Group (Chirathivat Family), which comprises of Central Retail Corporation Co., Ltd. currently owned 27% and C.R.G Service Co., Ltd. owned 26%. There is 4% owned by institution named Credit Suisse and persons in Chirathivat family which is chairman, Mr. Sudhilak Chirathivat holding 3%. They jointly hold the Company's shares in aggregation of 60% approximately. Therefore, the free float in minor shareholder is 40% approximately in public. The Company is one of the businesses of the Central Group. A policy of the group is to encourage affordability by investing in associated businesses including shopping center expansion, retail space rental, and importation, production and delivery of fashionable cloth and personal items. Another related business is management in a centralization style on supporting retail business. This creates economy of scale and expertise as well as increases potential in operation.



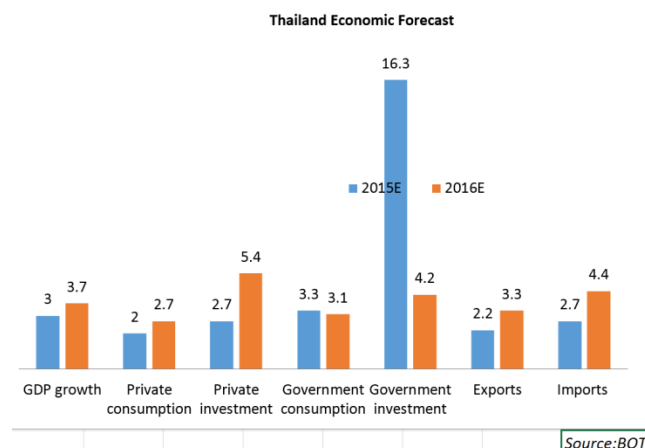
Source: Company

Figure 1.6 Shareholder structure

1.4 Macro-Economic Analysis

1.4.1 GDP forecast breakdown.

The global economic deceleration caused Bank of Thailand to decrease estimation in economic expansion rate for the current and following year by 2.7 % and 3.7 % respectively. The expenditures for the government sector and tourism were the major factor in the expansion but the investment in the private sector still decelerated. Due to the slowdown of the economy worldwide, BOT has decreased the forecasted target for Thailand's GDP growth outlook for 2015 to 3%. However, the Bank of Thailand also forecast that GDP growth will be strong in 2016 and rise to 3.7% as government supports the fiscal boost and better economic outlook which will drive the overall economy and support business's extension.

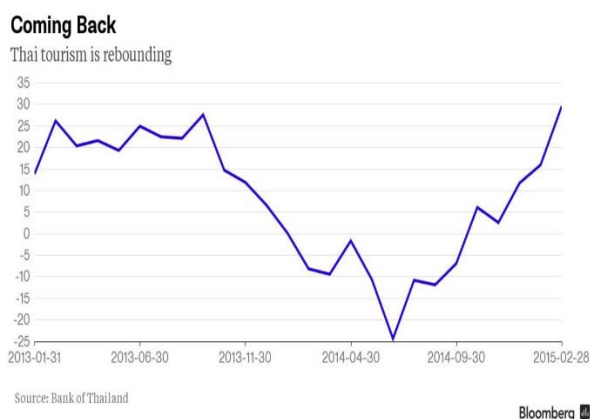


Source: BOT

Figure 1.7 Thailand economic forecast

1.4.2 Number of foreign tourist arrivals

Bank of Thailand indicated that tourism industry apparently recovered from the previous year. Despite the recession during the incident in the blast in Ratchaprasong, the tourism industry relatively grew when compared to the same period in the previous year. That is to say, before the incident on 17-18 August 2015, the average number of foreign tourists was 53,034 people, increasing by 33 % from the previous year. After the incident, the average number of the foreign tourists was 34,578 people, increasing by 5.8% YoY. However, the number of tourists throughout this quarter expanded mainly from the Chinese tourists. Overall retail market also had no sign of recovery. Consumers were cautious in their spending due to weak economy condition. Meanwhile, retailers continue to use sales promotion to boost their sales revenue.



Source: Bloomberg

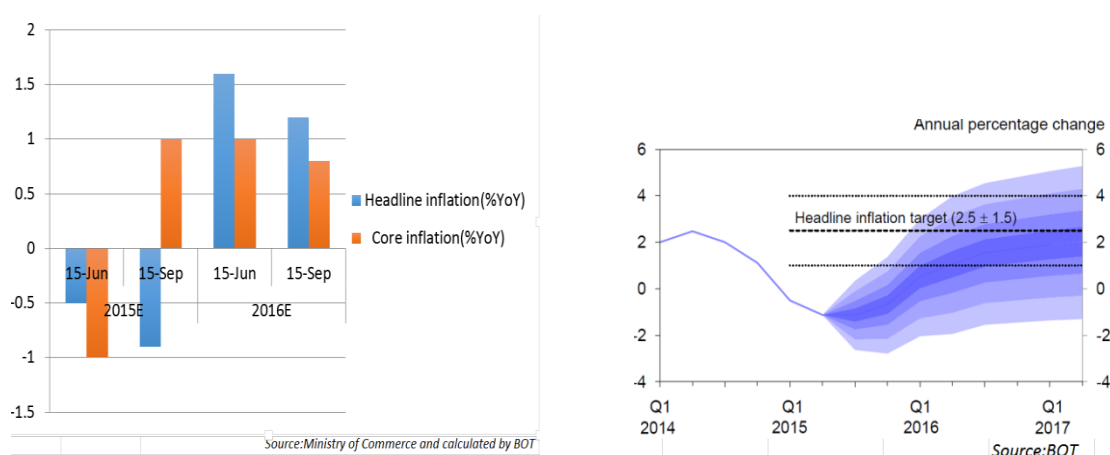
Figure 1.8 Thai tourism is rebounding

1.4.3 Inflation rate

The oil price slightly declined due to a factor in decrease in inflation but decrease in the domestic and global oil demands caused Bank of Thailand to subtly decrease the basic inflation rate. Between June and September, Bank of Thailand adjusted the inflation rate from -0.5% to -0.9% in 2015 and from 1.6% to 1.2% in 2016. This was slightly adjusted only in the inflation rate estimation without adjusting in the numbers. However, in 2016, the slight adjustment by 2 % was the reflection of Bank of Thailand that the price would recover and inflation rate would elevate.

It is estimated that the demand and inflation will recover but the positive effect on investment in the private sector is limited, including the high costs of maintaining financial stability. Although the inflation rate in this year is seemingly lower than targeted, between 2.5+/-1.5%, next year's numbers will remain the same range. It is predicted that next year's GDP will remain at 3.7%, slightly decreased by 4%.

As from Bank of Thailand Governor's remarks acknowledged that Thailand will have to cope with increased volatility from QE exit and divergent monetary policies and the slow growth, low commodity prices and sluggish EM exports. The BOT see low inflationary pressure giving room for monetary policy to remain accommodative. BOT is optimistic that Thailand's long-term reforms will gain traction.



Source: Ministry of Commerce and BOT

Figure 1.9 Headline inflation and Core inflation

1.4.4 Consumer confidence continues to recover

The University of the Thai Chamber of Commerce (UTCC) found that the consumer confidence index (CCI) for November rose to 74.6 from 73.4 in October, the optimism overview regarding growth through to next year and stable politics. The adjustment marked the second consecutive month adjustment.

Thailand encountered an economic recession subsequent to a markedly low growth rate of 1% in private consumption. Indeed, the figure went in the similar direction as a slowdown in domestic economic growth rate. The main culprit for this unfortunate circumstance is a string of the government's economic stimulus policies in the previous year which has later translated into people's rising expenses and debt burden which, in turns, reduced their spending power and domestic consumption. The situation was also further aggravated by consumers' deep anxiety over economic trends following reducing prices of agricultural products, lower-than-expected exports growth rate, along with volatile political climate. These aforementioned factors, backed by the Consumer Confidence Index (CCI) which constantly plunged throughout the year 2014.



Source: University of the Thai Chamber of Commerce

Figure 1.10 Thailand consumer confidence

1.4.5 Impact from Asian Economic Community (AEC)

Since Thailand is in the center of ASEAN, the positive impact of AEC is that the support facilitates investment and trading activities in other ASEAN members as it is now more freely and easier. Furthermore, Thailand will become the center of the transportation and tourism which will help tourism industry grow bigger. Thailand can be the center of national conferences, meeting exhibitions and telecommunication. Therefore, AEC benefits Thailand investment opportunities as money will easily flow among ASEAN members. The mutual goal for the AEC is to achieve the single market and production bases for the ASEAN community, thus allowing free movement in 5 areas including products, services, investment, skilled labor and capital. With no tariffs and tax barriers, tax-free products and services from other countries could come into Thailand, thus putting Thai entrepreneurs in a more downward pressure. The advent of the AEC also allows the Company to expand or transfer its production base to other ASEAN countries with abundant raw materials.

1.4.5.1 AEC comes with the railways development projects

which will connect the Greater Mekong, Sub-region, East-West Economic corridor connecting Vietnam, Laos, Thailand and Myanmar. This can match our business connecting in Vietnam and boost cash flow to the business

subsidiary. We are going to be a part of AEC that we need to be prepared for this situation. It is the bigger market to get along with the intense competition.

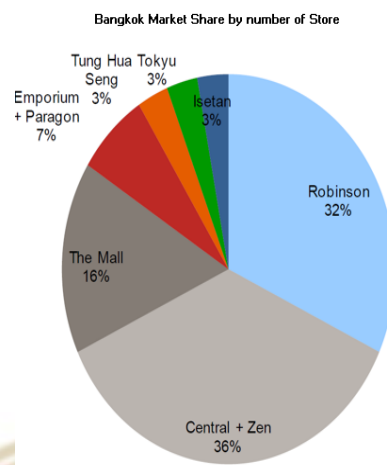


Source: ASEAN

Figure 1.11 The ASEAN Economic Community (AEC)

1.5 Industry Analysis

The whole retail business in 2014 was continuously affected from weak economy in the previous year. With regard to consumer behavior, consumers became more cautious in spending in this economic situation while most business operators tried to launch sales promotion in order to secure their market share. Nevertheless, retail business operators secured their business opportunity by establishing new branches in big communities and provinces due to dispersing population and expanded economy



Source: Company Data

Figure 1.12 Thailand's department store market share

1.5.1 Strong influence of social media and e-tailing platforms.

Development in communication technology, namely 3G/4G was fast and consumers could access to any activities without space and time constraint. The E-commerce market had its value around Baht 1.32-1.35 hundred billion, expanding by 25-30 percent from the value in 2012 and likely to grow rapidly in 2014. New retail business operators such as department stores, convenient marts, specialized stores, hypermarkets or e-shopping websites has developed their sales channel through online system in order to prepare for consumer's need and serves service for customer satisfactory. Consumers tend to change their behavior to online shopping. The company strategy has to be able to quickly reach the target group and to properly respond to their behavior in order to obtain the biggest part in market share.

The affection for department store business, there was more competition than the previous year not only in Bangkok but also in big city in upcountry. Nevertheless, department store operators have still expanded their business by launching new stores in many areas or renovating existing ones. Some operators expanded to new markets in order to grab the business opportunity particularly in ASEAN region. Robinson Department Store expanded 5 stores in Thailand, all of which were lifestyle center stores. They were located in upcountry which was a small market and low competition. Moreover, it established 2 stores in Vietnam. Central Department Store expanded 1 branch in greater Bangkok and 1 branch in another

province. There was another branch in Indonesia. On the other hand, The Mall Group did not expand any new store. Instead, it renovated its Bangkok stores to be more competitive. All three operators started in online business. They presented their products and launched promotion campaigns through their website in order to target customers who prefer to shop online and want more convenient.

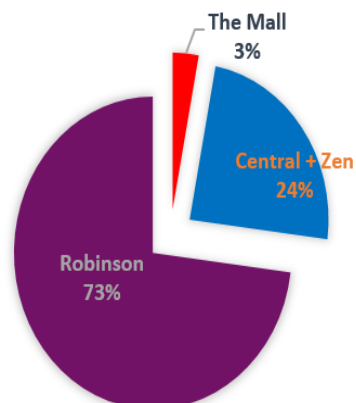
1.5.2 Upcountry consumer market for the new growth driver in Thai retailing.

The interested of emerging consumer markets that have lower penetration of modern retail and higher growth potential than Bangkok retailers have extended operation to the upcountry provinces. Therefore, Robinson Department Store has established for 28 stores covering upcountry provinces (11 stores in Bangkok's area and 2 stores in Vietnam) such as Udon Thani, Ubonrachathani and Mukdahan. This can lead to support the ASEAN Economic Community (AEC) that will happen by the end of 2015 and will creates a regional integration effort that facilitates the free flow of goods, capital and labor across ASEAN as can boot consumer spending. As a result, Thailand's border provinces particularly the Northeast region are becoming popular destinations for both Thai and Foreign investors. Because of the inflow of foreign direct - investment during 2009-2014 flow into the northeast region surged with a high number if compare to overall FDI growth of the entire country in the same period.

1.5.2.1 Key players in retail market.

There are two type of retail business operating in Thailand which are traditional trade and modern trade. Therefore, a department store in a retail establishment which specializes in selling a whole range of personal and residential product. The department store segment is dominated by two major players which are Central Retail Corporation (CRP) which operates Robinson and The Mall Group.

UPCOUNTRY MARKET SHARE



Source: Company

Figure 1.13 Upcountry market share



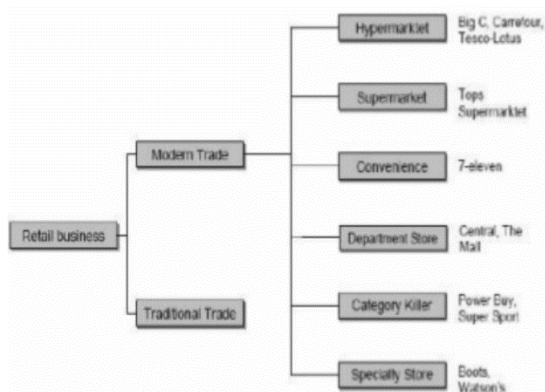
Source: Euromonitor international

Figure 1.14 Retail sales (by format)

1.6 Competition Analysis

As the company's direct competitor in terms of sharing a similar target group, The Mall Group, has a total of 9 branches with development projects for large-scale luxury shopping malls on Sukhumvit Road, The Emquartier (1 branch) and Siam Paragon (1 branch) both located in Bangkok. The Mall Group Operator Market & Retail Business manages shopping mall and department store under the brands of The Mall. There are 7 of The Mall branches which is 6 in Bangkok and 1 in regional area. Central Group, meanwhile, has inaugurated new stores in Chiang Mai and Hat Yai with an aim to better cater to consumers' high spending power and inbound tourists. Moreover, three more Central outlets are also scheduled to open in 2015 (Central West Gate). Central Department Store targets at customers who have high purchasing power and admire luxury. A total of 18 Central Department Store are divided into 11 in Bangkok and 7 in regional areas. As another competitor which is located just 1 branch in Bangkok, Zen Department Store targets at teenagers and new generation with high purchasing power and luxury. Other department store operators include Tang Hua Seng Department Store, Tokyu Department Store, Isetan, and local department store operators of each regional area.

As for Robinson Department Store, five new stores have been launched in two consecutive years. Taking lifestyle center as its theme, it is noted that these new stores are installed in regional areas. Unlike the aggressive situation in Bangkok, the regional market is comparatively smaller with less intense business competition. Robinson, as a long-term upcountry penetration story, has a main strategy and makes its company increasingly thriving in the future.



Thai Retail Business Structure (Source: Thai Retailers Association)

Source: Thai Retailers Association

Figure 1.15 Thai retail business structure

1.6.1 Competitive positioning

Rivalry indicates less impact on Robinson. Porter's Five Force analysis (Data 2.7) shows strong and aggressively competitive environment in the market. Robinson lays a safe platform as the company specific upcountry area and creates more distribution channels and promotions for its business. Since the company has been dealing with its suppliers for years, Robins has the bargain power with its suppliers. Consequently, *Threat of potential new entrants* and *Bargaining Power of Suppliers* has minimal impact. *Threat of Substitute Products/Service* has low impact because Robins created its own unique products and services. The high *Bargaining Power of Buyer* with more variety of distributions to service consumers such as e-commerce leads the company to offer low price and a choice of price for customers that eventually could become a price war in the near future. Robins encounter fierce competition in the market as these groups of customers are exposed to various choices of distribution channel and offers. However, Robins has created the online order and delivery services to their customers from the company website. ROBINS targets customer in upcountry and accesses to its customers by such strategy as a "Life style center".

Porter's Five Force Analysis

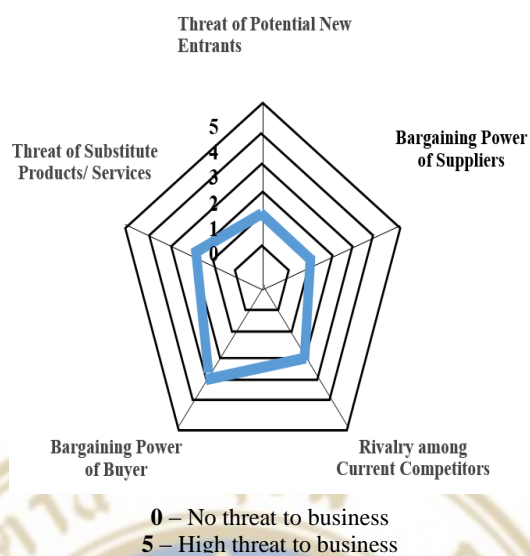
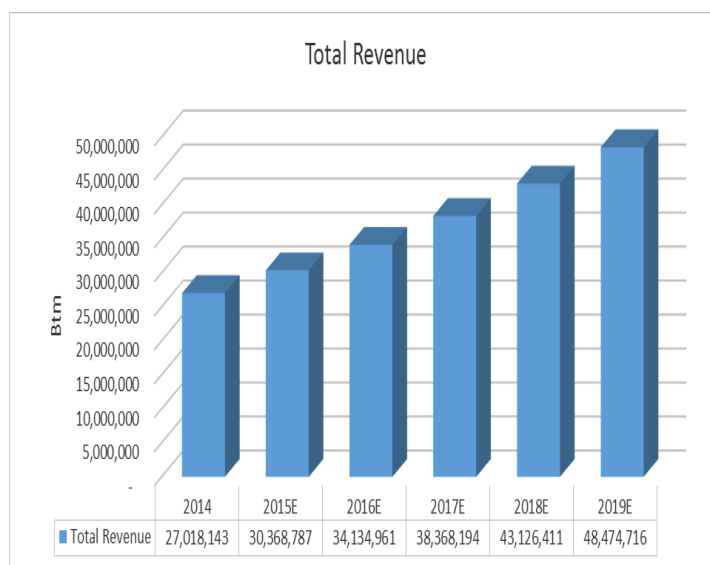


Figure 1.16 Five-force analysis

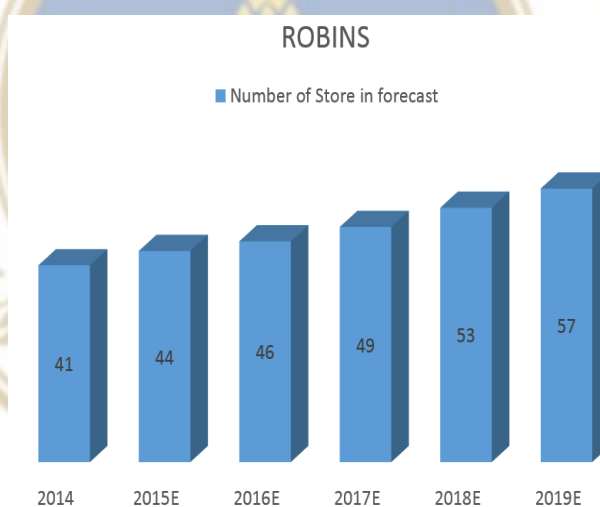
1.7 Investment Summary

With our analysis and assumptions, we expect an upside gain of 45% at the target price of 63.50 THB. Under the DCF model (10.16% WACC, 12.40% CAGR and 3% terminal growth). We are positive in ROBINS position in regards to the market and economy. Thus, we recommend a BUY investment move.



Source: Company

Figure 1.17 Annual revenue



Source: Company

Figure 1.18 Number of store in forecast

1.7.1 Governmental support on a policy of inject cash to rural area

Robinson Department Store PCL would be a major beneficiary of the government's upcoming policy to inject fresh cash through local administrations to boost purchasing power of farmers and low-income earners, particularly in rural areas as the government announced plans to revive the One Tambon One Product (OTOP) and village Fund scheme.

1.7.2 Interest free loans for grass-root economy boosting spending power in rural area

ROBINS now operates 39 stores nationwide and two store in Vietnam. Last year, the company expanded rental areas by 32% to 310K sq. m. to diversify business risks amidst weak consumption. These increase in the area will contribute full year revenues for 2015 and in the coming years. The company also plans to open 3 new Lifestyle Centers in Buriram, Mae Sod and Srisaman in the second half year of 2015 which will boost revenue and profit margin as well as new government support for grass-root economy boosting spending power in rural areas including interest-free-loans for the first two years to be provided to people through 59,000 Village Funds with a budget of Bt59bn. Grants of Bt 5m/each will be made to 7,000 tambons nationwide for construction and repair works which can lead to boost ROBINS growth.

1.7.3 Store expansion and Store renovation boosts revenue.

The company has prepared budget for store expansion around 800-900 million per store. In respond to business expansion, ROBINS plans to open new stores at least 4-5 stores each year which will cover all provinces that can have more expansion. Also, the renovation plan is on track, the company plans to renovate top 20 stores by 2016 in order to align them with its new store concept as a modern and lifestyle center. There are 2 stores located in Rangsit and Fashion Island which have completed their renovations, while another 4 stores, Si Racha, Nakhon Si Thammarat, Jungceylon (Phuket) and Trang, are scheduled to complete their refurbishment in 2015 before spending season starts. Mr. Alan Thomson (President of Management) said that normally sales rise more than 10% after renovations but by the current weak consumption the growth is expected to be slightly lower in 2015 but will boost more in our forecasted year 2016 by a better view of economic and stable politic. Encouraging private label is another factor to boost profit through margin expansion in the middle to long run is to increase the retailer's proportion of private label sales. The company launched exclusive international brands have been well accepted by customers.

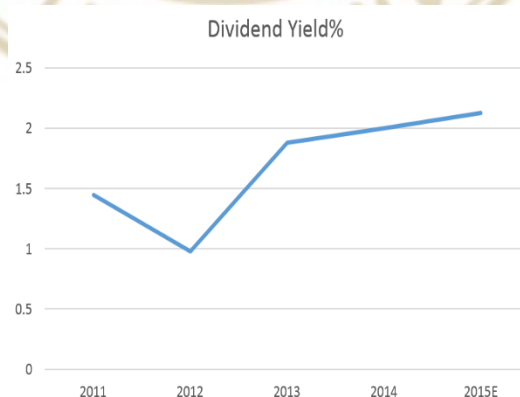


Source: Company

Figure 1.19 Same store sales

1.7.4 Superior profitability and dividend paid

ROBINS results in the high earning as policy to pay dividend at 40% of the net profit from normal operation according to consolidated financial statement after tax of revenue and legal reserve. However, the actual payment will be under the Board of Director which is considered appropriate and Company's cash flow in each fiscal year. Company's investment plan may lead to pay less dividend by supporting company's project.



Source: Company

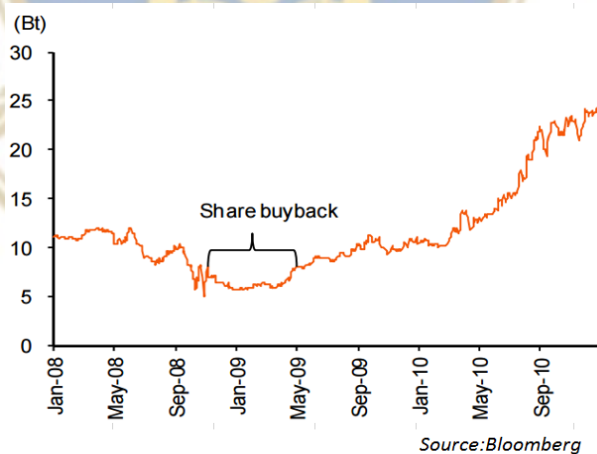
Figure 1.21 Dividend yield%

1.7.5 A boost from 2015E

Besides our expectation of SSS turning positive at 1% in 2015 and volume growth from continued mall expansion of four to five a year, 2014 was the initial year of aggressive expansion via the lifestyle format. From its first lifestyle mall in 4Q10 to a total of six at end 2013, plus five in 2H14 and reaching 11 by end 2014, we expect profit breakeven for its lifestyle malls in 2015. The move to be a mall developer with rental space, from just a department store operator, should increase the recurring-rental-income and shorten the period to breakeven to less than a year for lifestyle malls versus an average of three years for its normal department store format.

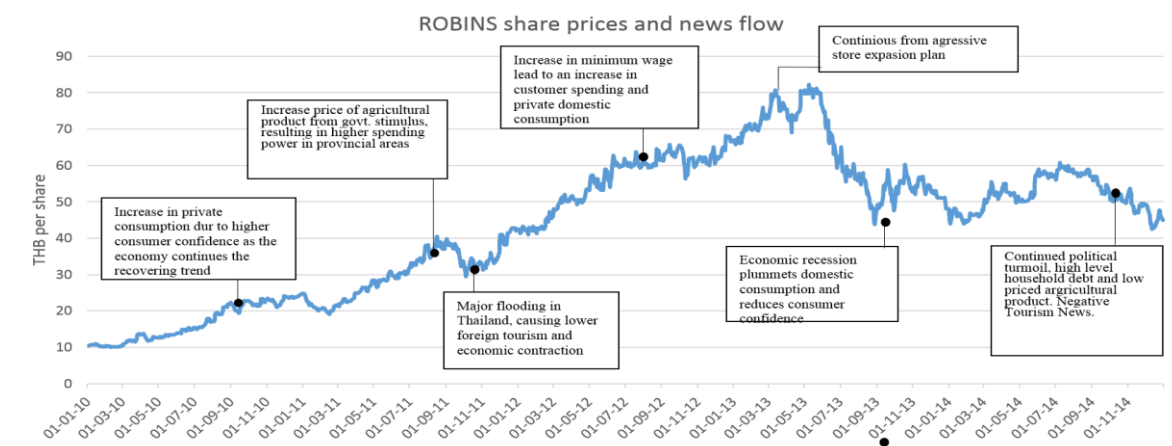
1.7.6 Most attractive valuation

On our forecasts, we see ROBINS's share price as overly punished, down 40% from last year's peak. The current price suggests an inexpensive entry point, in our view, as the stock is trading at the lowest PE among modern-trade peers. It also trades at a 21x. ROBINS announced a share buyback program from 26 December 2014 to 25 June 2015. We do not expect this to help support its shares much but view it as a signal that its share price is too low.



Source: Bloomberg

Figure 1.21 Share buyback program



Source: Bloomberg

Figure 1.22 ROBINS share prices and news flow

1.8 Valuation

This paper uses **Discounted Cash Flow Model: FCFF (DCF)** to determine the appropriated intrinsic value of ROBINS.

1.8.1 Discounted Cash Flow Model: FCFF

We are convinced that this combination yields a well-rounded valuation of ROBINS. Discount Cash

Flow shows company growth potential under the situation in the economy and its respective industry. This Method is suitable under the assumed length of timeframe. We used the discounted Free Cash Flow to Firm (DCF) method to arrive at the value per common share of THB 63.36 and adjusted to THB 63.50. The target price is THB 63.50, so the recommendation is “BUY”.

The primary elements of our FCFF model are completed of forecasting the firm’s value and using the value of debt to adjust for equity value of the firm. In the mythology of calculate DCF, we analyze by forecasting the core business that generates sales for ROBINS as using a two stage growth model. Therefore, the first state is included a detailed year-to-year from 2015E until 2019E base as assumed for SSSG and increases in a number of store in its expansion, growing market demand

into upcountry. As a result, following a terminal value of 3% as a second stage of stable growth will use from year 2020 onward

Table 1.2 Target price breakdown

	Value(THB),000
Enterprise Value	73,020,544.15
Debt	2,653,505.81
Equity	70,367,038.34
No. of Shares	1,110,661
Target price	63.5

As of 23/11/2015

As of 23 November, 2015

1.8.2 Key assumptions

1.8.1.1 Five-years forecast cash flow assumption.

Life style center - In view of sales improvement over course of the year, growing rental income forms an increase of “Lifestyle formatted store”, thanks to stores expanded and drive to enhance gross profit margin from good product mix. Meanwhile, sales growth which was in line with our forecasted as a sentiment still causes SSSG to slightly decrease. Going forward, we expect the opening of new stores in 2015, Measod, Srisaman in October and Tak in November and the reopening in 2015 of renovated stores in Nakhon Sri Thammarat, Jungceylon, Sriacha and Trung to boost earning remain higher supporting our forecasted.

We believe ROBINS’s long-term growth story of upcountry branch penetration remains intact given still low exposure in 29 out of the total 77 provinces in Thailand (as of 2014, it was operating 39 domestic department store branches and two stores in Vietnam). It is maintaining its target to open four to five new branches each year with more in the format of lifestyle malls (comprising an 8,000-9,000 sq. m. Robinson department store along with 15,000 sq. m. of rental area), rather than its traditional department stores, in smaller provinces with a shorter profit break-even period. According to our assumption for the number of new branches to be

opened in 2015 for 5 store as ROBINS has announced it plans to launch two more stores in Vietnam next year and 3 stores in local.

We have SSS growth assumption which is -6% in 2014. Our 2015 SSS growth assumption is at 1%, back on par with the 2013 level and in line with our GDP growth forecast.

Increasing revenue as a government injection cash into rural area and the grass-root people. Supporting from New government for economy will boost spending power injecting money into system including interest-free- loans for the first two years to be provided to people through 59,000 Village Funds. And government supporting tourism industry put more advertisements for our attractions in Thailand. The hospitality and accommodation in Thailand are developed to draw foreign tourism. As a result, from the government supported grass-roots economy, farmer consumption rises and sales will be boosted arriving 5 years projected. Marketing plan to new product launch together selling direct to customer by online distribution and an exclusive brand which is fashionable that stand alone only at Robinson also contribute to revenue. Better sentiment in the retail market should help support good earnings for our projection onward. Therefore, we maintain a rating with our target price with 45% upside.

As of 90% revenue breakdown comes from its retail business and 10% as of investment operation and other income. So we focus on the amount that generates sales volume and its main supporting to business which will definitely reflect the value of the firm mainly from the main business operation.

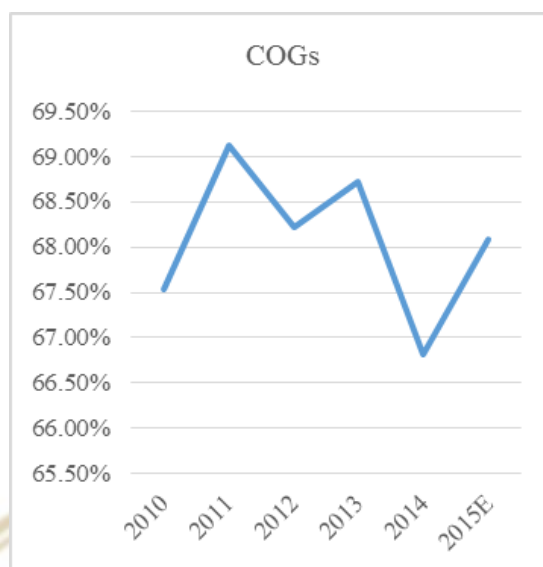


Figure 1.23 Change in COGs

1.8.1.2 Volume growth & price adjustment

As of key store expansion and government support, we compared with the past five years CAGR at 12.79%, company total's revenues and forecast the next five year's sales growth rate target comparing with the expected store number increasing to 57 stores by 2019. In our assumption, we have CAGR for the forecast of the next five years to be 12.40%, from increasing of store number and focus towards in Vietnam market expansion. We expected that increasing store number will be able to meet the customer needs and we expected that the better trend of economic is expected to remain our sale growth for our first stage growth. The target price is THB63.36 and adjusted to THB63.50.

Table 1.3 Growth per year assumptions

(,000)	2015E	2016E	2017E	2018E	2019E
Target Revenues	30,368,787.34	34,134,960.62	38,368,194.41	43,126,411.03	48,474,716.03
Store number	44	46	49	53	57
Sales Growth per year	3.38%	12.77%	13.94%	15.73%	16.71%
CAGR	12.40%				

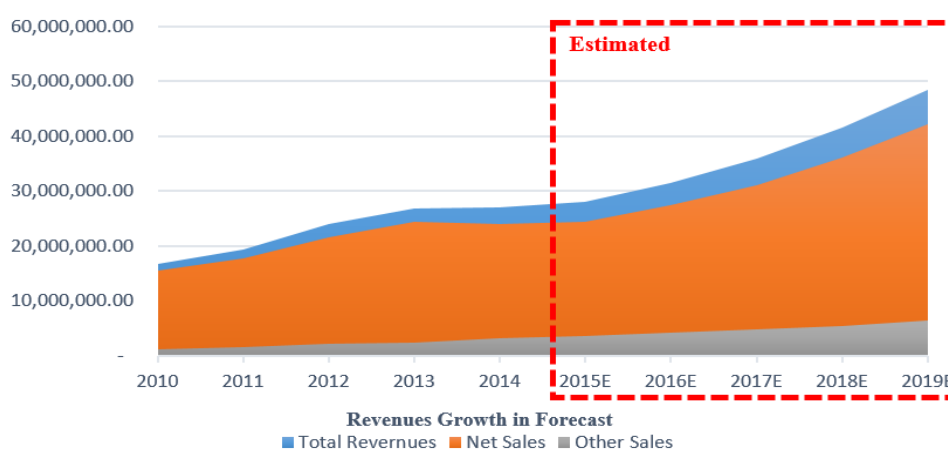


Figure 1.24 Revenue growth in forecast

1.8.1.3 Terminal value component assumptions.

The perpetual growth of 3% is derived an assumption from our long-term expectation of inflation at 2% and the expectation of population rate at 1%. Inflation speaks of household consumptions and increasing of population is a strong indicator for ROBINS. Since ROBINS moves along with the inflation and population so we account of the firm value using TV at 3%.

1.8.1.4 Constant change in capital expenditure, CAPEX

The positive capital investment in the near future in term of store expansion and an increases a number of store achieve corporate strategies. As a result, we assume consistent CAPEX components growth. Therefore, as our forecast is that we have high revenue growth annually that should have more net working capital to support the growth. PPE increases significantly every year until 2019 to generate sale following the growth as we forecast based on the expansion plan.

1.8.1.5 Weighted average cost of capital, WACC

The cost of equity is calculated by CAPM; we assume risk-free-rate from 10-year government bond index at 2.79% (as of December 23, 2015). The expected 8.15% risk premium (source: Damodaran) and the Beta is 0.94 take out from Bloomberg Consequently, we come with 10.45% cost of equity, 6% cost of debt and 20% tax rate. The weight of debt is 5.18% and 94.82% for the weight of equity. Then WACC is 10.16%.

Table 1.4 WACC computation

Weighted Average Cost of Capital	
Risk Free Rate	2.79%
ROBINS Beta	0.94
Mkt Risk Premium	8.15%
Cost of Equity (Ke)	10.45%
Cost of Debt	6.00%
Tax Rate	20%
After-Tax Cost of Debt (Kd)	0.25%
Weight of Debt (Wd)	5.18%
Weight of Equity (We)	94.82%
WACC	10.16%
Terminal Growth	3%

FCFF (,000)	Year	1	2	3	4	5
	2014	2015E	2016E	2017E	2018E	2019E
EBIT		3,402,754.42	3,824,745.68	4,299,070.02	4,832,217.51	5,431,483.07
EBIT*(1-t)		2,722,203.54	3,059,796.54	3,439,256.02	3,865,774.01	4,345,186.46
Add Depreciation&Amortization		1,312,676.06	1,537,278.69	1,687,013.79	1,911,616.42	2,211,086.61
Operating Cash Flow		4,034,879.59	4,597,075.24	5,126,269.80	5,777,390.43	6,556,273.06
-Increase in CA		334,655.73	376,157.93	422,807.01	475,241.25	534,178.11
+Increase in CL		890,707.70	1,001,168.47	1,125,327.98	1,264,885.09	1,421,749.32
-Increase in Fixed Asset		1,281,446.04	192,136.24	907,108.61	1,547,213.44	1,247,743.26
FCFF		3,309,485.52	5,029,949.54	4,921,682.16	5,019,820.83	6,196,101.02
Terminal Value						89,153,946.88
Total Cash Flow		3,309,485.52	5,029,949.54	4,921,682.16	5,019,820.83	95,350,047.89
Present Value		3,004,297.38	4,145,037.81	3,681,805.71	3,408,928.97	58,780,474.28
Enterprise Value		73,020,544.15				
Market Value of Debt		2,653,505.81				
Equity Value		70,367,038.34				
No of Share (,000)	1,110,661					
Value per share		63.36				

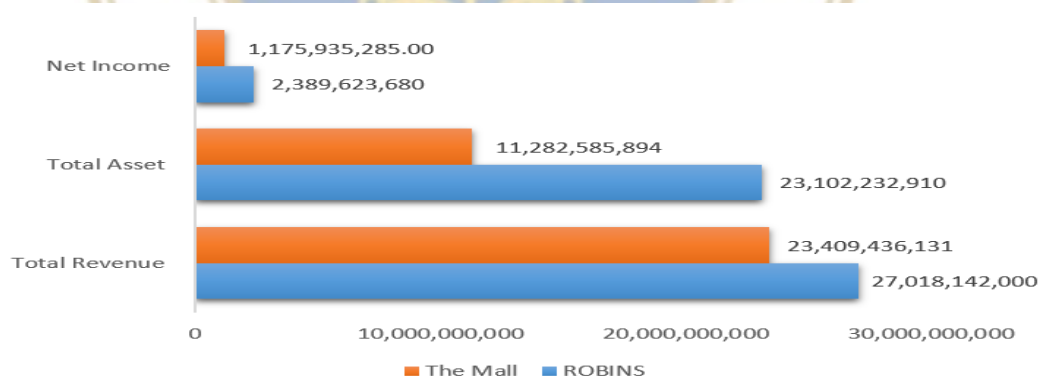
WACC	10.16%
Terminal Growth	3.00%

Figure 1.25 Discounted cash flow model

1.9 Financial Statement Analysis

1.9.1 Summary figures from financial statements (Size analysis)

The recent performance of ROBINS, 2014 and the future growth opportunity reinforces ROBINS financial strength. Size of ROBINS compares peer of company The Mall Group. In 2014, ROBINS had a total revenue of THB 27,018 million while The Mall had generated lower revenue at THB 23,409 million. Moreover, the net income of ROBINS in 2014 was at THB 2,389 million which was higher than The Mall, which the net profit of The Mall was just THB 1,175 Million in that year. However, the overall revenue and net profit of ROBINS seemed to be significantly higher than The Mall because there was a more number of store over the country due to different in capacity of asset size for these two companies. The total asset of ROBINS was THB 23,102 million while The Mall had a total asset of THB 11,282 million. Therefore, the asset size between ROBINS and The Mall Group was more different, so we took The Mall to compare with ROBINS for financial analysis since The Mall group has been a leader and our competitor for a long time. As a result, The Mall group would be a good benchmark to compare to the firm in this industry.



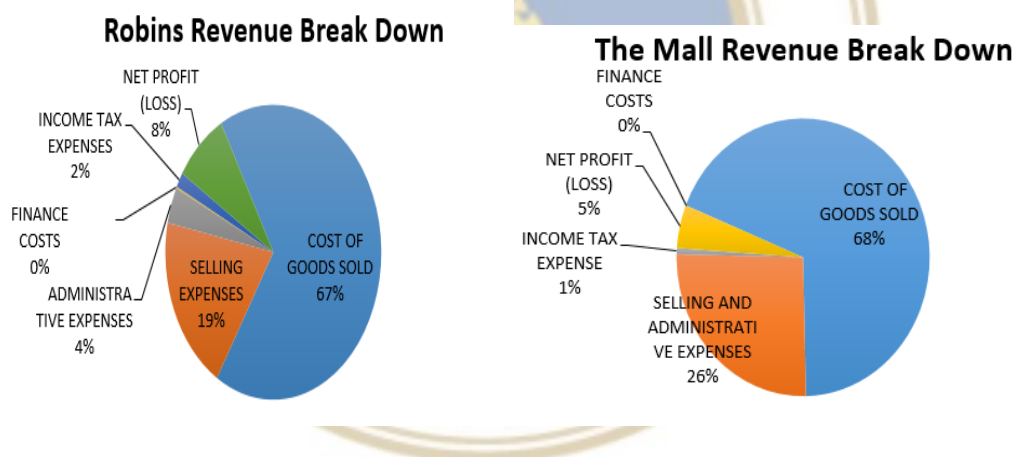
Source: SET and Bloomberg

Figure 1.26 Summary figures from financial statements (Size analysis)

1.9.2 Common size analysis

1.9.2.1 Income statement

As a consequence of successful reduction of raw material costs, in 2014, ROBINS had 67% proportion of COGs, compared to total revenues, which was close to The Mall. Since, ROBINS had greater economy of scale than The Mall, ROBINS performed well in managing the COGs. ROBINS had a lower proportion of SG&A than The Mall which significantly reflected from positive in fixed assets and human resource utilization. The income tax expense of ROBINS was higher than The Mall at 1% difference. ROBINS had a small financial cost and almost the same as The Mall which mean that ROBINS and The Mall have a strong financial cash flow. Finally, proportion of net income between ROBINS and The Mall were different about 3% since ROBINS can manage better net profit at 8%, compared to total asset while The Mall net profit was at 5%.



Source: SET and Bloomberg

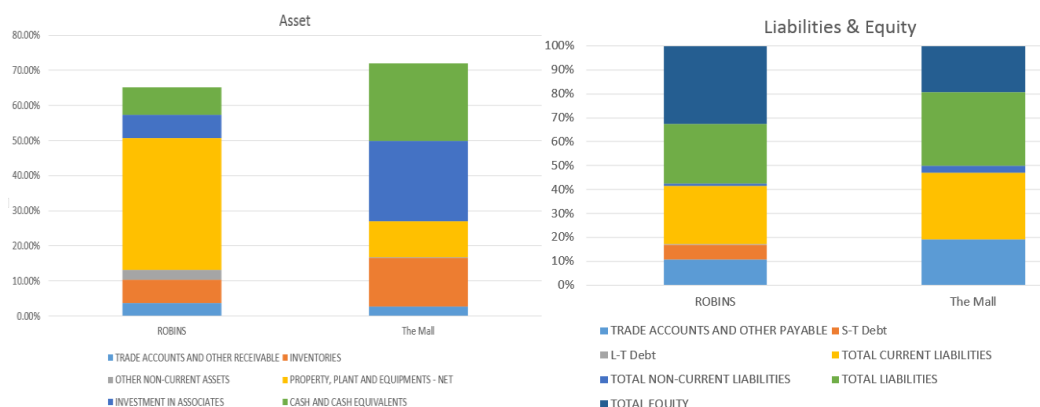
Figure 1.27 Common size - Income statement

1.9.2.2 Balance sheet

Balanced sheet (assets): Properties, plants and equipment were the biggest proportion of ROBINS's assets part, consequently this kind of asset was the most important for the firm. Since the company's business highly depended on the size of PPE, difference of PPE size would mainly influence the enterprise's business. Furthermore, ROBINS had absolutely lower proportion of cash

& cash-equivalent than The Mall which had 22.12% while ROBINS had 7.94% compared to total assets of each firm, as ROBINS did not have much access to cash. Since ROBINS was in high growth period, excess cash were needed to reinvest in working capital and fixed assets. On the other hand, as ROBINS was the firm in mature state and a growth, the company must invest in its expansion. Regarding PPE, ROBINS had significantly higher proportion of PPE than The Mall because the production inside the ROBINS business required more space and increase a number of store and location due to a strategy of 'Life Style Center'. As a final point, size of other non-current asset was slightly different, ROBINS 2% and The Mall 0.2%.

Balanced sheet (liabilities and equities): ROBINS's source of funds was fundamentally different, compared to The Mall. Specifically, for the proportion of interest bearing debts and equity, ROBINS had 0.34% of L-T debts and 11.14% of S-T debts (Total IBDs = 11.48%), while The Mall had amount of IBD equal to 0.27% only which they do not have a short term debt. Since The Mall had been already in established company state growth with good business performance in the past, The Mall had not put much more invest on store expansion but as for renovation to reach the high network customer needs. The Emquartier was developed from The Emporium in the expansion of store space across the street. However, ROBINS is in a high growth period and needed huge capital to respond the company market plans. Thus, ROBINS create more debts in 2014 and it did not happen backward for year 2010 until 2014. ROBINS had to finance its future growth greater than The Mall. In terms of trade account and other payable, ROBINS was a lower than The Mall at 18.38% and 38.05% with a lower proportion compare to its total assets. Additionally, the proportion of total equity looked higher in significance for ROBINS.



Source: SET and Bloomberg

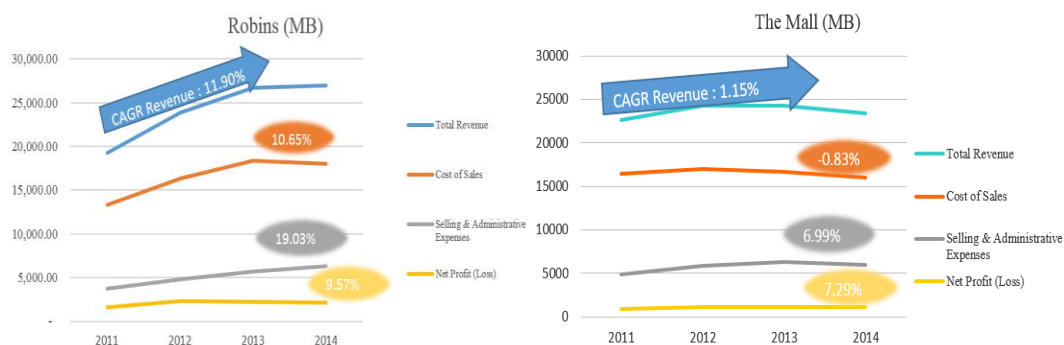
Figure 1.28 Common Size – Balance sheet

1.9.3 Trend analysis

1.9.3.1 Income statement

The two companies have managed the opposite direction of its total revenue during 4 years (The mall is not listed company and we can get the information of financial statement just 4 years), which ROBINs had managed in uptrend in either way The Mall has managed it slow downtrend. From the previous commitment on ROBINs 2015 vision & mission, the company planned to profitably grow market share and to be local in merchandising offering and shopping experience and to increase sales by attracting new customers, expanding customer base, increasing customer spend. To invest in future growth of stores and people which add more number of store in every year. During 2011 until 2014, the revenue of ROBINs grows with CAGR of 11.90% as a new store opened during that time and development of exclusive brand and lifestyle center format of company marketing plans which highly contribute the company growth. COGS increase in correlation to sales at 10.65% of CAGR, while The Mall has managed it downtrend of selling and administrative expenses with minus 0.83% related to The Mall total revenue which has decreased. It might be a reason from economic recession and The Mall had not managed the risk of macro economy well. The selling and administrative expenses gently increases the expansion number of store to Vietnam and Upcountry in order to provide to reach a full capacity of the firm which manages 19.03% CAGR of selling and administrative expenses. Finally, we see the CAGR for net profit between

ROBINS and The Mall is about 9.57% and 7.29% which a different event. ROBINS have been investing in store expansion but they can still manage a good profit with uptrend.

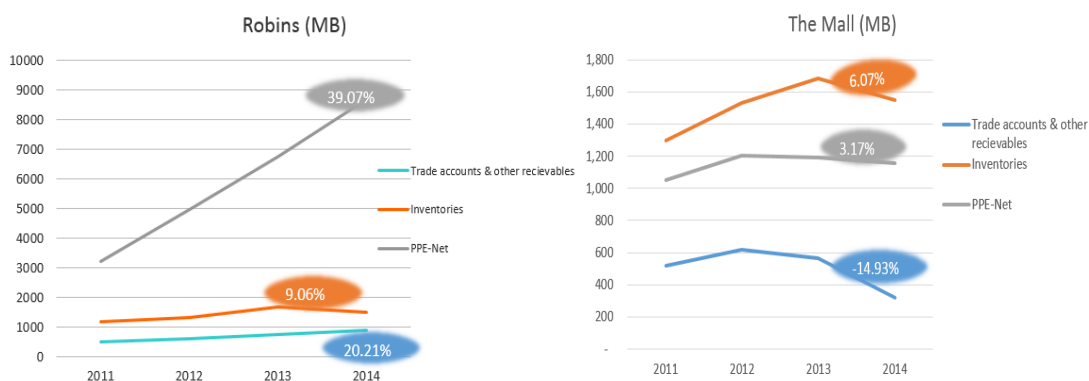


Source: SET and Bloomberg

Figure 1.29 Income statement - Trend analysis

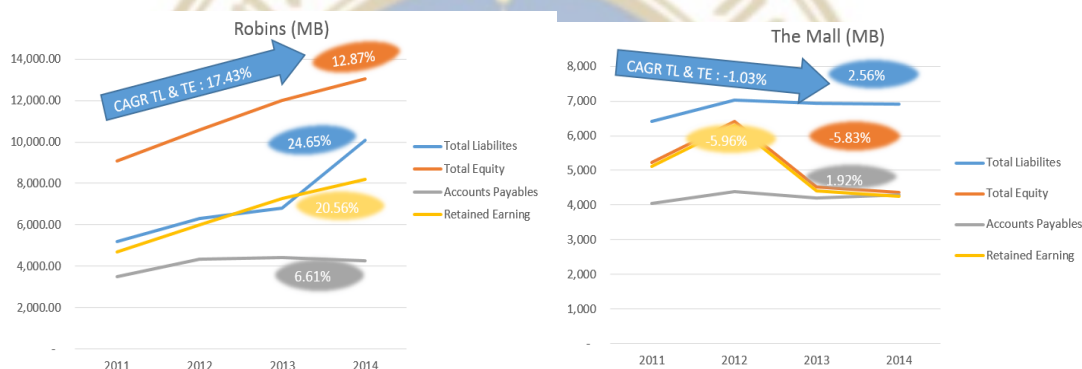
1.9.3.2 Balance sheet

According to trend of assets, trade account and other receivables, inventories, and PPE are a component to calculate the relationship among the financial performance and the firm's assets. The uptrend of PPE for ROBINS is significantly go indirect with of 39.07% in PPE unless The Mall CAGR just 3.17% which not much increasing in PPE during 4 years. The trend of ROBINS's inventories go down as of The Mall go down as well, reason from a better management of inventory and improved its inventory operation. ROBINS CAGR of trade accounts and other receivables increase with CAGR of 9.06% but The Mall has decreased to minus 14.93% that mean lower efficiency to collect to bill.



Source: SET and Bloomberg

Figure 1.30 Balance sheet trend analysis - Assets

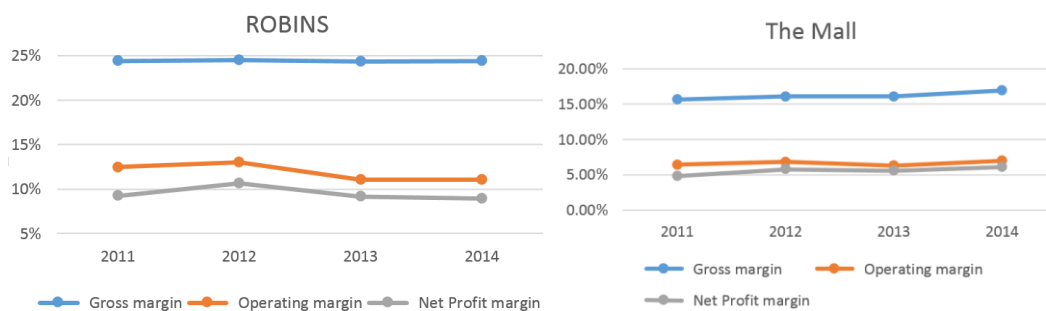


Source: SET and Bloomberg

Figure 1.31 Balance sheet trend analysis – Liabilities and Equity

1.9.4 Financial ratios - Return

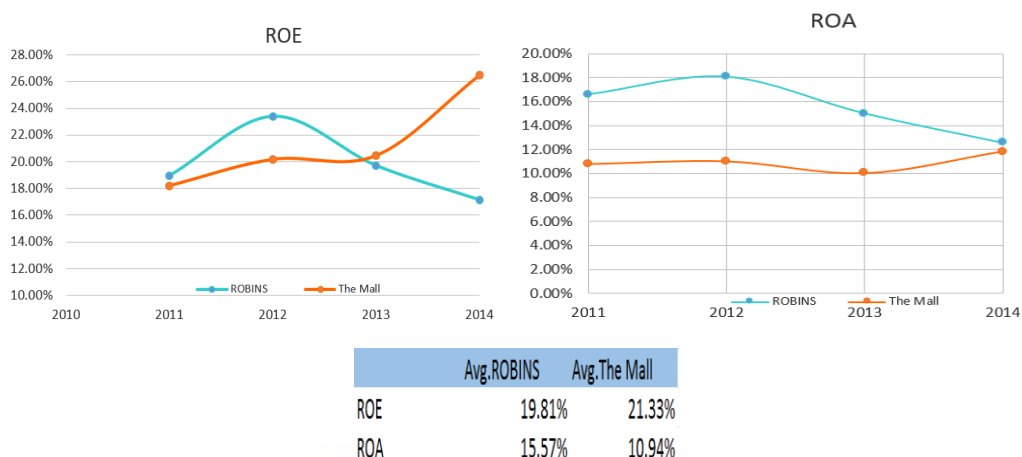
The Profitability ratio is interpreted gross profit margin, operating margin and net profit margin between two firm, ROBINS and The Mall. Gross margin as of 2014 was about 24.5% and 16.9% for The Mall. The operating margin of ROBINS and The Mall are at 11.0% and 7.0% in 2014. Therefore, the net profit margin of ROBINS was at 9% and 6.1% for The Mall. The overall performance for both firms looked like ROBINS which has managed profitability in a more efficient and better return on operating better than The Mall.



Source: SET and Bloomberg

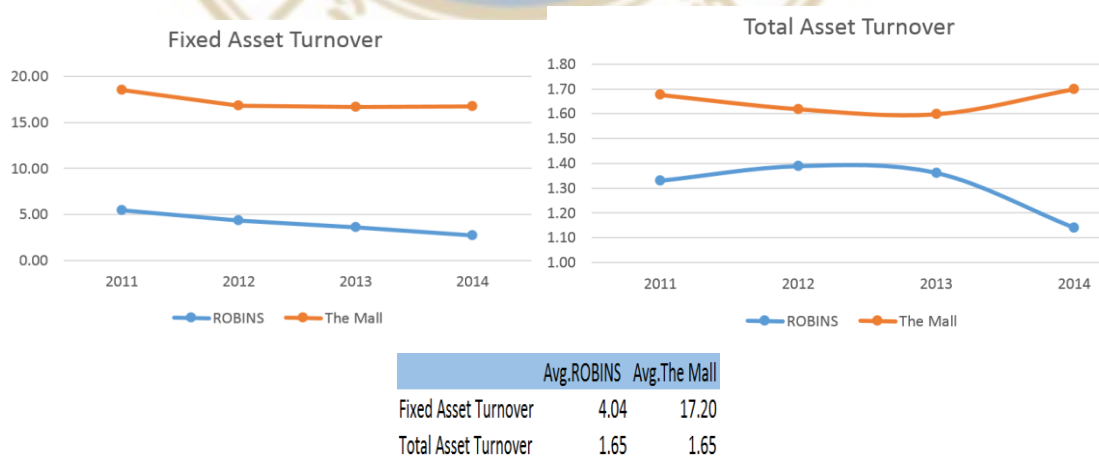
Figure 1.32 Profitability ratios

Efficient ratios of company show how the company manage its operation. In year 2014, ROBINS had its ROE around 17.16% while The Mall had 26.47% but the average of overall from year 2010 until 2014 approximately at 19.81% and The mall showed the percentage of 21.33. Breaking down the components of ROE, net profit margin indicates that ROBINS outperforms The Mall, but as their new department stores have not been fully utilized, the asset turnover is lower than competitor. Overall, downturn ROE. As a result, ROA was considering on the average which is higher than the competitor. ROA is predicted to have very small difference from the recent golden years due to the future investment and opportunity of the retail component market. Thank you to a good performance of ROBINS's ROA, it represents the high return per unit of its asset.



Source: SET and Bloomberg
Figure 1.33 Efficiency ratios

Fixed assets turnover and total assets turnover are moving in the same direction but if compared to the competitors, it would show the difference of a percentage because ROBINS has a larger proportion in fixed asset than The Mall. Both ratios are to explain the efficiency of assets to generate sales. The average of total asset turnover of both firm are in the same percentage of 1.65%. The ratio seemed inefficient as the increasing number of store will accept the revenue in the year later because of some store had opened in Q3 and Q4.

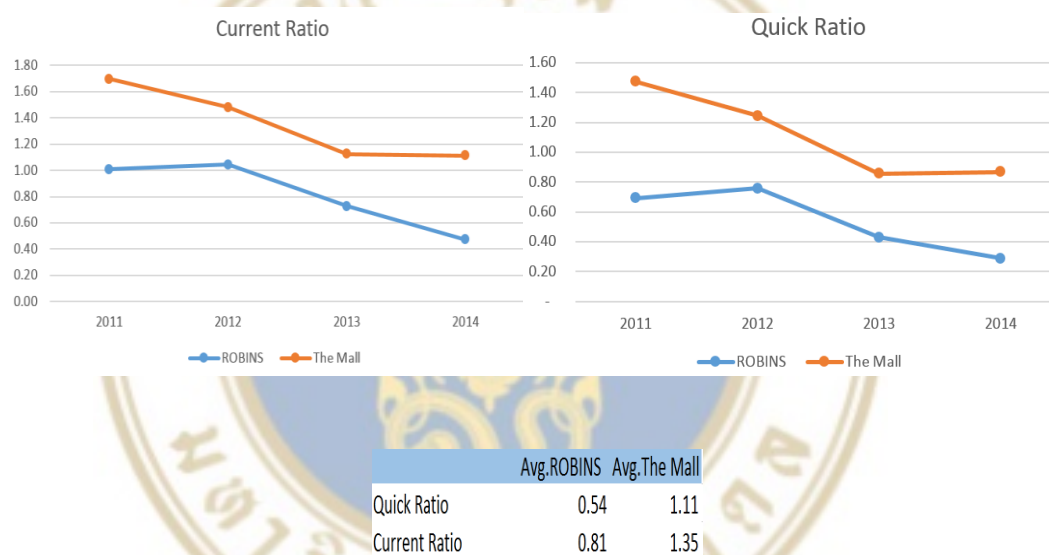


Source: SET and Bloomberg
Figure 1.34 Turnover ratios

1.9.5 Financial ratios - Risk

1.9.5.1 Short-term liquidity risk

Liquidity Ratio: ROBINS had lower quick and current ratio than The Mall. This implied that ROBINS has a higher liquidity risk than The Mall. As a result, ROBINS is financed by short-term debt with institute in year 2014 for operating in store expansion and renovating as generate the same store sale growth; the revenue has not been reported this year but will generate sale in long run. For the CCC, ROBINS has shown favorable trend with greater inventory management that they have for 44 days and stable good performance with its CCC.



Source: SET and Bloomberg

Figure 1.35 Liquidity ratios

1.9.5.2 Long-term solvency risk

Long-Term Solvency Risk: D/E of ROBINS approximately 0.77 while The Mall show about 0.61. ROBINS and The Mall are on low risk of solvency which not carry large inventory. According to the interest coverage ratio of ROBINS that just happened in year 2014 which cost of borrowing is quite low covering for 65.46 which is pretty lower than competitor. However, ROBINS can generate enough profit to cover its interest expense on outstanding debt

Table 1.5 Leverage ratio

Leverage Ratios	2011		2012		2013		2014	
	ROBINS	The Mall	ROBINS	The Mall	ROBINS	The Mall	ROBINS	The Mall
Debt to Equity Ratio	0.50	0.55	0.60	0.52	0.57	0.61	0.77	0.61
Interest Coverage Ratio		164,986.34		46,832.56		3920.54	65.46	1167.22
Equity Multiplier	1.50	2.23	1.59	2.16	1.58	2.28	1.67	2.56

Source: SET and Bloomberg

1.10 Investment Risks and Downside Possibilities

Probability and consequences of the following risks are presented in Table 1.6.

Table 1.6 Risk matrix

C o n s e q u e n c e	Probability				
	<i>Rare</i>	<i>Unlikely</i>	<i>Possible</i>	<i>Likely</i>	<i>Almost Certain</i>
<i>Critical</i>					
<i>Major</i>	Natural disasters hit on site		Economic slow down		
<i>Moderate</i>			Labour shortage		
<i>Minor</i>					
<i>Insignificant</i>		Risk from competitors			

1.10.1 Risks from competitors

Many of competitors have influenced advantages comparative to us in terms of strong sources of financial support from foreign business partners, progressive production technology as well as new and well-run R&D centers. Such as Lazada entranced into E-Tail business and grow market share which meet consumer needs with a lower price of product. And the easier to order its customer service. The Company has a policy to compete with our competitors in terms of good product quality, best service, exclusive brand as stand-alone at only Robinson Department

Store, strategy of “Lifestyle Center” when customers come to our department store as we serve verities of service. The company also have an advertising and promotional campaigns, and various marketing campaigns. The Company supplies products with high quality to its customers, invests in launching exclusive brand and customer can find lonely at Robinson that could generate returns and profitability, launches marketing campaigns with reasonable return on investment, as well as distributes company products via variety distribution channels to ensure we could reach our target customers efficiently.

1.10.2 Natural disasters hit on site

Enterprise’s operation will be greatly influenced natural and man-made disasters, fire, floods or tsunamis which we have a store in Phuket which generate sale significantly. All outlets business nationwide is a double-sword under hazards. Company diversifies natural disaster risks which Robinson target customer in provinces which there are less competitor but will fact the traditional retail market. In conclusion, ROBINS concludes possibility of hazardous scenarios and prepare contingency plans for each occasion. As well as a company establishes insurance for every single one of its branches.

1.10.3 Economic slowdown

An economic slowdown would lead to downside risk to our earnings projections. As SET index signals a negative of economic outlook with dramatically fall lately. Investors are defenseless to feel in less confidence in the economy. This could result in fund flow and slower growth of cyclical industries. If the level of impact is high and continued, ROBINS may strongly gain its market share in the retail industry market.

1.10.4 Labor shortage risk

As each department store requires many of employees to service customers and proficiently skills of service mind. Therefore, the company has major concerns regarding how to maintain its current labor force as well as searching for new generation and kindly service to our customers. The labor shortages would directly

result in underperforming of store operates in upcountry which there are a room to fill in this situation.

1.10.5 Sensitivity analysis on the identified investment risks

To determine the power of side effect risk on the value of ROBINS. Firstly, we put the emphasis on how much change in the risk variable would speedy a move in our recommendation price. In additional this analysis, we assessed the effect of change in variables way to our forecast target price.

Table 1.7 The changes in sales growth and WACC effect to target share price

	WACC					
	63.36	9.50%	10.00%	10.16%	10.50%	11.00%
Sales Growth	-10.00%	57.31	52.81	51.52	48.91	45.51
	0.00%	63.12	58.21	56.80	53.96	50.25
	12.40%	70.33	64.91	63.36	60.22	56.12
	15.00%	71.84	66.32	64.73	61.54	57.36
	20.00%	74.74	69.02	67.37	64.06	59.73

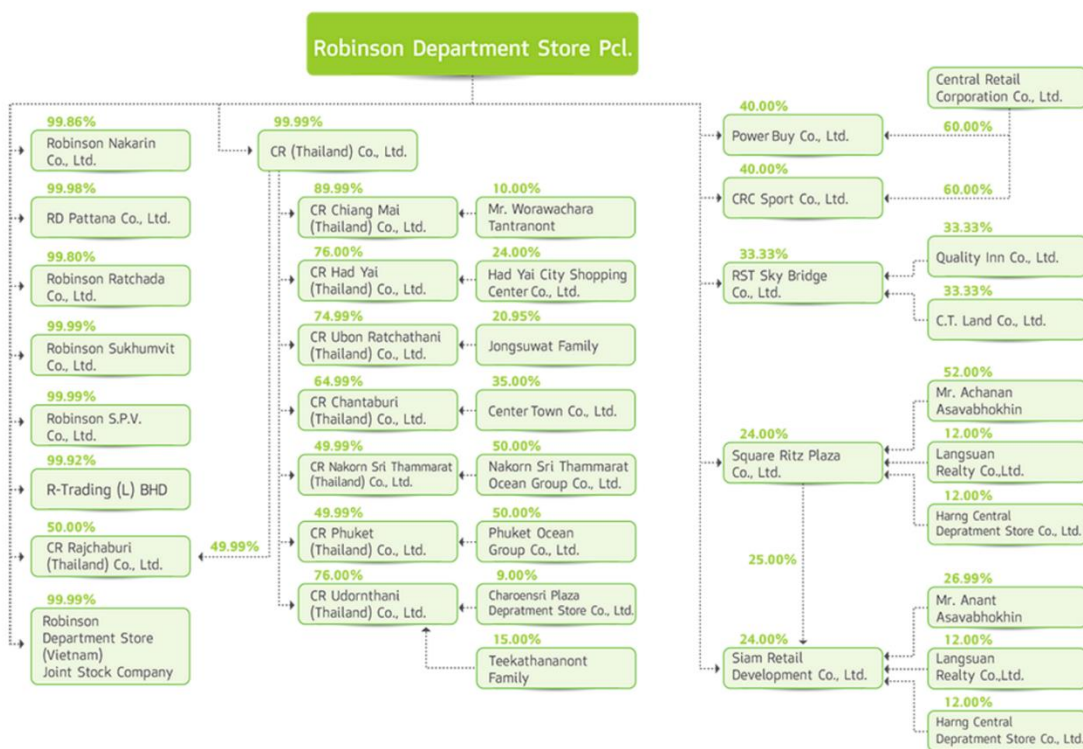
Sales Growth	Sales	EBIT	Net Income	EPS	Stock Price
-10.00%	24,316,328.62	2,724,590.01	2,052,303.73	1.85	51.52
0.00%	27,018,142.91	3,027,322.24	2,294,489.51	2.07	56.80
12.40%	30,368,787.34	3,402,754.42	2,594,835.26	2.34	63.36
15.00%	31,070,864.35	3,481,420.57	2,657,768.18	2.39	64.73
20.00%	32,421,771.49	3,632,786.69	2,778,861.07	2.50	67.37

Table 1.8 The changes in Sales Growth and Terminal Growth effect to Target Share Price

		Terminal Growth				
	63.36	1.00%	2.00%	3.00%	4.00%	5.00%
Sale Growth	-10.00%	41.90	46.12	51.52	58.66	68.58
	0.00%	46.32	50.92	56.80	64.59	75.41
	12.40%	51.80	56.87	63.36	71.95	83.88
	15.00%	52.95	58.12	64.73	73.49	85.65
	20.00%	55.15	60.51	67.37	76.46	89.06

CHAPTER II DATA

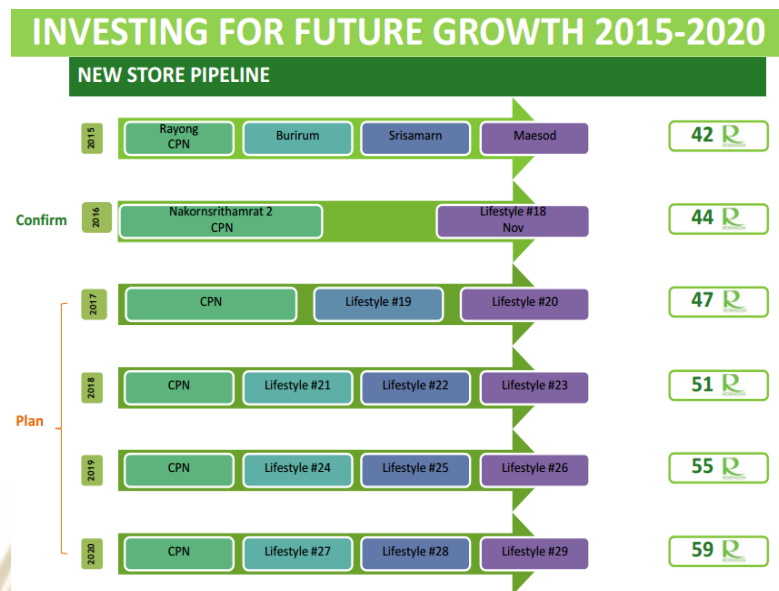
2.1 Business Structure (ROBINS)



Source: Company

Figure 2.1 Business structure (ROBINS)

2.2 Investing for Future Growth 2015-2020 (ROBINS)



Source: Company

Figure 2.2 New store pipeline



2.3 Major Shareholders and Free Float

Table 2.1 Major shareholders and free float

Free Float As of 11/03/2015	
Minor Shareholders (Free float)	4,721
% Shares in Minor Shareholders (% Free float)	39.54

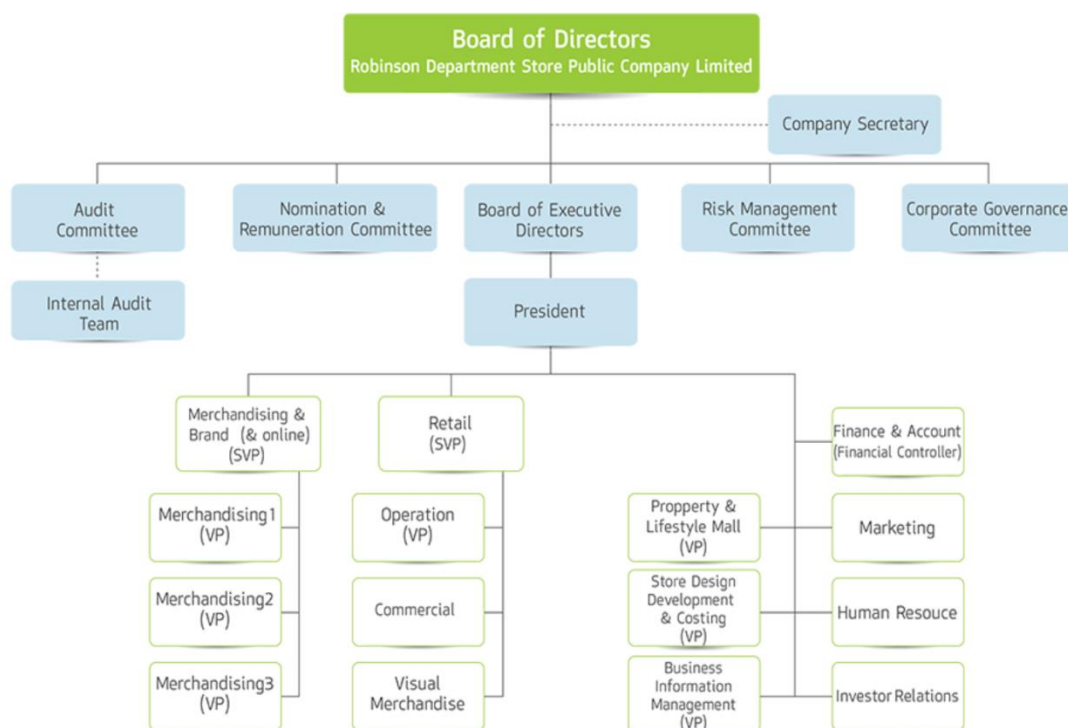
Remark: Updated as of the latest book closing date.

Overview As of 11/03/2015 Rights Type : XM	
Total Shareholders	5,175
% Shares in Scripless Holding	73.56

Rank	Major Shareholders	# Shares	% Shares
1.	บริษัท เซ็นทรัล รีเทล คอร์ปอเรชั่น จำกัด	308,162,660	27.75
2.	บริษัท ซี.อาร์.จี.บริการ จำกัด	289,645,488	26.08
3.	CREDIT SUISSE AG, SINGAPORE BRANCH	43,644,765	3.93
4.	STATE STREET BANK EUROPE LIMITED	37,757,161	3.40
5.	นายสุทธิศักดิ์ จิราธิวัฒน์	33,032,696	2.97
6.	THE BANK OF NEW YORK MELLON	28,005,900	2.52
7.	บริษัท ไทยเอ็นวีดีอาร์ จำกัด	26,502,337	2.39
8.	HSBC (SINGAPORE) NOMINEES PTE LTD	23,638,235	2.13
9.	CHASE NOMINEES LIMITED 1	21,774,800	1.96
10.	สำนักงานประกันสังคม (2 กรณี)	17,164,400	1.55
11.	VIELLA ASSETS LTD.	14,578,677	1.31
12.	CACEIS BANK FRANCE	8,659,794	0.78
13.	CHASE NOMINEES LIMITED 15	6,101,300	0.55
14.	CHASE NOMINEES LIMITED 188	5,818,700	0.52

Source: SET

2.4 Management and organizational chart



Source: Company

Figure 2.3 Management and organizational chart

2.5 Corporate Governance (CG)

The Company issued a written good corporate governance policy and code of conduct in 2006. The content covers structure, duties and responsibilities of the Board of Directors and sub-committees including right and equality of shareholders, roles of the Company to stakeholders, transparent disclosure of information. The Corporate Governance Committee is responsible for making the policy on corporate governance and Business Code of Conduct which are followed by the Committee in order to strictly adhere to. The Committee also regularly reviews, revises the corporate governance policy and submits to the Board of Directors for consideration so as to be in compliance with the international principle and good practice. The Company complies with the Company's good corporate governance policy as well as promotes its employees in every level to strictly comply with code of conduct. In 2014, the

Company revised and updated its good corporate governance policy and code of conduct in order to be in line with the Company's operation and the guidelines concerning corporate governance laid down by the Stock Exchange of Thailand and cover the principle of ASEAN CG Scorecard. Hence, employees in every level can strictly abide with the policy and code.

The right of Shareholders. The Company has been striving to enhance the efficiency of distribution of necessary news and information procedure to ensure that shareholders will receive sufficient and accurate information on the Company in a timely manner. Shareholders can use their rights to protect their interests by asking, commenting, recommending and voting in the Meeting of Shareholders. The Company places an emphasis on arranging the Annual General Meeting of Shareholders, including the Extraordinary Meeting of Shareholders by adhering to and following the practical guidelines of the AGM Checklist provided by the Securities and Exchange Commission (SEC). The Company Secretary informs the schedule, date and time of the meeting to each director in advance in order to enable all directors to allocate time for the meeting especially the chairman, chairman of the sub-committee and president unless such director is unable to attend due to reasonable cause.

The rights to receive information. The Company clearly and adequately provides shareholders with meeting notices that contain all agenda details, facts and reasons in each agenda along with the board of directors' opinions such as:

Regarding the directors' remuneration, the Company proposes the shareholders for approval every year as well as submits the clear policy and criteria on remuneration with details showing remuneration by position, types of remuneration and comparing to the paid amount of the previous year to the shareholders for acknowledgement.

Regarding the director's appointment, the Company presents the director candidates' resume together with the invitation letter to the shareholders' meeting. In voting for director, the Company allows the shareholders to be able to vote individual person.

Regarding auditor appointment and audit fee consideration, the Company presents adequate information of the auditor in order to demonstrate the independence, a number of appointed years (in case of appointing the existing auditor) including

opinion of the audit committee, audit fee and compare with the audit fee of the previous year.

Regarding dividend payment, the Company gives adequate and clear details, facts and reasons on the proposed amount asked for approval including comparing with the dividend payment of the previous year.

All supporting documents both in Thai and English versions along with the proxy forms, Forms A, B and C, are also posted on the Company's website at least 30 days in advance of meeting. Such documents are also sent to shareholders at least 21 days prior to the meeting.

Arranging the meeting. The Company supports all types of shareholders, including institutional investors to attend the shareholders' meeting with no restriction on the right to attend the meetings for shareholders who show up late. The Company has a policy to equally treat every shareholder as well as facilitates shareholders to attend the meetings both in terms of necessary documents for registration including revenue stamp, venue, food and beverages preparation as well as proper time setting. The shareholders have 2-hour registration period before the meeting. The Company uses computer and bar code system for registration and vote counting for the acceleration and reliability of information. Additionally, independent persons are responsible for vote counting

During the meeting. Before the meeting formally began, Chairman of the Board will explain detail of making up a quorum, voting right, voting procedures and vote counting clearly to shareholders, whereby, one share is for one vote. In case where the meeting considers approving the connected transaction, connected person and shareholder who is interested party shall not have a right to vote. By this, the Company's meeting notice shall provide sufficient information together with financial advisor's opinion regarding the reason of entering into such transaction as supporting information for shareholder. Voting in every agenda is conducted through computer and bar code systems for shareholders and proxy holders. With transparency and verification, separate voting slips are provided for each agenda item. In every Meeting, shareholders are allowed to freely express their opinions, give suggestions, raise questions on any agenda item, and timely discussion. Each query shall be considered materially where chairman and management answer clearly with sufficient detailed

information on the matters. After that, chairman shall convene the meeting agenda accordingly. After the meeting is adjourned, the Company will keep all ballots as reference.

Board of Directors' Sub-committees. Four committees appointed by the Board to study and review specific matters. They are the Executive Committee; the Audit Committee; the Nomination and Remuneration Committee and the Risk Management Committee.

2.6 SWOT Analysis

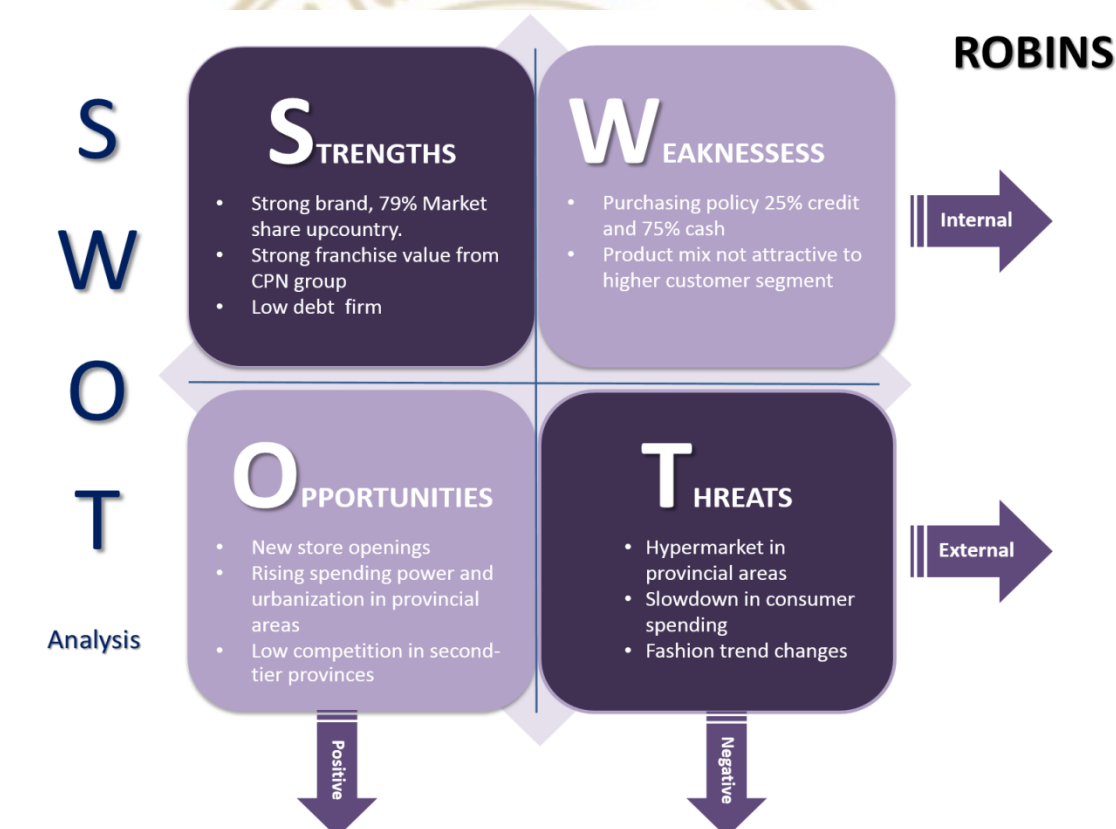


Figure 2.4 SWOT analysis

2.7 Five Forces Analysis

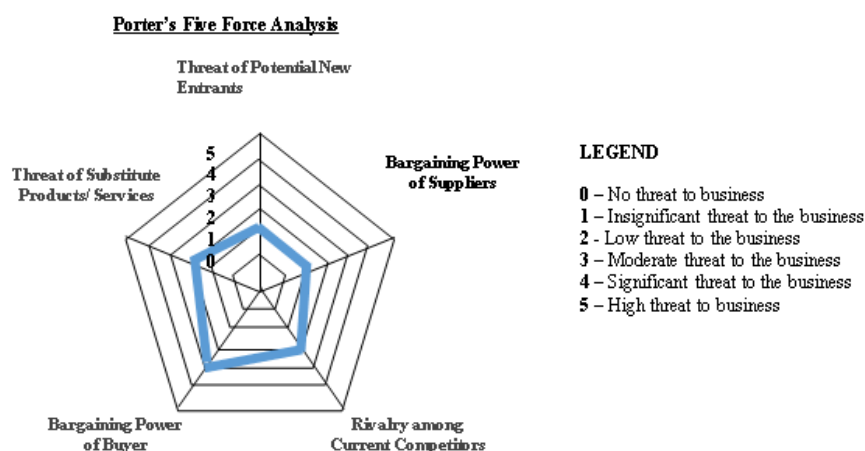


Figure 2.5 Five-force analysis

In order to construct a five force analysis diagram, the model have decided a score factor for each forces with 0 being no threat to business, while a 5 indicates a high threat to the business.

2.7.1 Threat of potential new entrants: Score 1

Threat of potential new entrants is low for Robinson Department Store due to market share by a number of store in upcountry. The Mall is planning to its expansion business into upcountry and if compare with market share that Robinson is stand at high level of its market share. The private investment such as community mall have been increasing over the years with a specific area and most are in uptown. Which they can move to upcountry in the near future. This will increase the level of competition. Thailand Government very emphasis on private investment to boot the scale of economic and boot GDP growth rate. Foreign retail chain giants came to Thailand such as TESCO which is already present in the Thailand's market. This will increase the level of competition for Robinsons as well.

2.7.2 Threat of substitute products/ services: Score 2

Robinson have a strategy as creating a life style center and variety of products and brands to answer customer of purchasing power and lifestyles of those provincial residents. Those brands will be available as stand-alone retailers at model

lifestyle center locations and as shop-in-shop at other locations within the department store. Each product offering must excellently fulfill the need of customers in each area and providing products with good quality in an affordable price. Products that the company have are mostly available at Robinson and will not be happen for threat of substitute products/ services in term of low opportunity.

2.7.3 Bargaining power of supplier: Score 1

Suppliers to the retail industry are becoming increasingly competitive, with some of them going forward to start their own distribution channel. Therefore, Robinson Department Store have been established for years and have more power of bargaining. There will low threat of bargaining power due to its supplier.

2.7.4 Bargaining power of buyers: Score 3

Thailand also faces large household indebtedness. The Thailand buyer is brand mindful, at the same time they are price-sensitive too. With the increase in the number of retail business such as, hypermarkets and specialty stores, there is increasing pressure to decrease the margin to attract more buyers. Moreover, Thailand consumers are very attracted by promotions and sales. To attract the consumers through sales and promotion also cuts into the retailer's margins.

2.7.5 Rivalry among current competitors: Score 2

Competitive rivalry is within particular environmental area. The emerging Thai E-commerce market is attractive nowadays. This may lead to the price conflict among the department store business and E-commerce venders, such as Lazada online shopping which is become more popular. The competitive rivalry now is reserved, but it will be not effect to Robinson much because the company has its own strategy to create another distribution channel by customer can make an order by company website and will deliver product to customer's hand with a fast shipping to destination. Also Robinson has its launch promotion many times a year by attracting customer with seasonal product and trend.

2.8 Income Statement including Projections

Table 2.2 Income statement including projections

Items	Yearly/2010 (31/12/2010)	Yearly/2011 (31/12/2011)	Yearly/2012 (31/12/2012)	Yearly/2013 (31/12/2013)	Yearly/2014 (31/12/2014)
	'000 Baht	'000 Baht	'000 Baht	'000 Baht	'000 Baht
Income Statement					
REVENUES FROM SALE OF GOODS AND RENDERING OF SERVICES	15,542,136.08	17,630,127.67	21,619,595.40	24,299,956.12	23,895,980.49
REVENUES FROM SALES	14,794,388.10	0	0	24,299,956.12	23,895,980.49
REVENUES FROM RENDERING OF SERVICES	747,747.98	-	-	-	-
OTHER INCOME	898,312.88	1,445,245.63	1,891,974.31	2,095,946.29	2,718,050.31
INTEREST INCOME	151,336.13	-	-	-	-
OTHER INCOMES - OTHERS	746,976.75	-	-	2,095,946.29	2,718,050.31
SHARES OF PROFITS FROM INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD	252,940.28	205,036.60	394,982.69	358,415.91	404,112.11
TOTAL REVENUES	16,693,389.24	19,280,409.90	23,906,552.41	26,754,318.32	27,018,142.91
COST OF SALE OF GOODS AND RENDERING OF SERVICES	11,274,871.00	13,326,550.00	16,310,242.12	18,386,170.75	18,052,602.20
COST OF GOODS SOLD	11,274,871.00	13,326,550.00	16,310,242.12	18,386,170.75	18,052,602.20
GROSS PROFIT	5,418,518.24	5,953,859.90	7,596,310.29	8,368,147.57	8,965,540.71
SELLING AND ADMINISTRATIVE EXPENSES	3,241,529.00	3,751,743.59	4,781,698.23	5,685,964.04	6,327,840.15
SELLING EXPENSES	2,622,698.83	2,962,095.37	3,876,898.48	4,653,241.94	5,255,323.26
ADMINISTRATIVE EXPENSES	618,830.18	789,648.22	904,799.76	1,032,722.10	1,072,516.90
MANAGEMENT AND DIRECTORS' REMUNERATION	48,079.79	-	-	-	-
Total Selling and Admin	3,289,608.79	3,751,743.59	4,781,698.23	5,685,964.04	6,327,840.15
TOTAL EXPENSES	14,564,479.79	17,078,293.60	21,091,940.35	24,072,134.79	24,380,442.36
PROFIT (LOSS) BEFORE FINANCE COSTS AND INCOME TAX EXPENSES	2,128,909.46	2,202,116.30	2,814,612.06	2,682,183.53	2,637,700.55
FINANCE COSTS	-	6.00	-	-	40,292.64
INCOME TAX EXPENSES	343,181.74	568,258.69	516,308.08	455,834.02	448,371.81
NET PROFIT (LOSS)	1,785,727.71	1,633,851.62	2,298,303.98	2,226,349.50	2,149,036.10
PROFIT (LOSS) ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	1,706,866.97	1,452,968.24	2,063,224.28	1,985,707.47	1,927,488.23
PROFIT (LOSS) ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	78,860.74	180,883.38	235,079.70	240,642.04	221,547.87

DIVIDEND PAID	487,068.96	724,802.60	777,649.88	1,090,326.48	1,117,101.49	
Dividend Payout Ratio	28.54%	49.88%	37.69%	54.91%	57.96%	AVG.
Sales Growth		15.50%	23.99%	11.91%	0.99%	13.10%
Cogs/Sales	67.54%	69.12%	68.22%	68.72%	66.82%	68.08%
SG&A/Sales	19.42%	19.46%	20.00%	21.25%	23.42%	20.71%

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Table 2.2 Income statement including projections (cont.)

(,000)	2014	2015E	2016E	2017E	2018E	2019E
Total Revenue	27,018,142.91	30,368,787.34	34,134,960.62	38,368,194.41	43,126,411.03	48,474,716.03
COGS	18,395,270.55	20,676,552.84	23,240,747.45	26,122,939.65	29,362,565.80	33,003,952.91
Gross Profit	8,622,872.36	9,692,234.50	10,894,213.17	12,245,254.76	13,763,845.24	15,470,763.12
SG&A	3,890,489.45	4,976,804.02	5,532,188.80	6,259,170.95	7,020,011.31	7,828,193.44
Depreciation	1,705,060.67	1,312,676.06	1,537,278.69	1,687,013.79	1,911,616.42	2,211,086.61
EBIT	3,027,322.24	3,402,754.42	3,824,745.68	4,299,070.02	4,832,217.51	5,431,483.07
Financial Cost	40,292.64	159,210.35	159,210.35	159,210.35	159,210.35	159,210.35
EBT	2,987,029.60	3,243,544.07	3,665,535.33	4,139,859.67	4,673,007.16	5,272,272.72
Tax	597,405.92	648,708.81	733,107.07	827,971.93	934,601.43	1,054,454.54
NET Income	2,389,623.68	2,594,835.26	2,932,428.27	3,311,887.74	3,738,405.73	4,217,818.18
Dividend Paid	955,849.47	1,037,934.10	1,172,971.31	1,324,755.09	1,495,362.29	1,687,127.27
Retained Earning	1,433,774.21	1,556,901.15	1,759,456.96	1,987,132.64	2,243,043.44	2,530,690.91
EPS	2.15	2.34	2.64	2.98	3.37	3.80

2.9 Balance Sheet including Projections

Table 2.3 Balance sheet including projections

Items	Yearly/2010	Yearly/2011	Yearly/2012	Yearly/2013	Yearly/2014
	'000 Baht	'000 Baht	'000 Baht	'000 Baht	'000 Baht
CASH AND CASH EQUIVALENTS	3,513,185.53	2,383,741.59	3,022,777.76	1,881,817.20	1,833,262.65
SHORT-TERM INVESTMENTS	-	622,339.70	1,039,789.07	218,503.57	88,271.94
TRADE ACCOUNTS AND OTHER RECEIVABLE	459,955.85	504,982.83	604,461.21	738,862.72	877,294.80
INVENTORIES	940,614.25	1,163,358.22	1,325,340.55	1,667,446.54	1,508,877.43
OTHER SHORT-TERM ACCOUNT RECEIVABLES - NET	-	254,405.54	242,619.18	126,367.68	133,560.50
OTHER CURRENT ASSETS	349,766.35	174,851.41	176,155.56	177,465.84	178,785.87
TOTAL CURRENT ASSETS	5,263,521.98	5,103,679.29	6,411,143.34	4,810,463.55	4,620,053.18
INVESTMENT IN ASSOCIATES JOINT VENTURES AND/OR JOINTLY-CONTROL ENTITIES, EQUITY METHOD	1,428,320.59	1,620,313.25	629,535.94	1,102,433.23	1,507,045.97
INVESTMENT ACCOUNTED FOR USING COST METHOD	29,093.46	29,093.46	158,093.46	196,218.57	211,163.68
INVESTMENT PROPERTIES - NET	-	808,215.14	1,097,824.32	2,380,370.67	4,279,273.37
PROPERTY, PLANT AND EQUIPMENTS - NET	2,586,455.90	3,223,548.27	4,965,186.18	6,751,882.29	8,670,893.30
GOODWILL - NET	45,397.38	45,397.38	45,397.38	45,397.38	45,397.38
LEASEHOLD RIGHT - NET	2,558,568.22	3,059,859.18	2,988,850.89	2,767,018.04	2,878,094.76
DEFERRED TAX ASSETS	-	-	-	231,316.73	217,372.95
OTHER NON-CURRENT ASSETS	340,061.28	374,587.49	576,466.25	545,091.14	672,938.31
TOTAL NON-CURRENT ASSETS	6,987,896.83	9,161,014.15	10,461,354.42	14,019,728.06	18,482,179.73
TOTAL ASSETS	12,251,418.81	14,264,693.44	16,872,497.76	18,830,191.61	23,102,232.91
BANK OVERDRAFTS AND SHORT-TERM BORROWINGS FROM FINANCIAL INSTITUTIONS	-	-	-	-	2,574,497.62
TRADE ACCOUNTS AND OTHER PAYABLE	2,876,845.44	3,503,829.00	4,347,218.43	4,407,316.06	4,245,248.04
OTHER SHORT-TERM ACCOUNT PAYABLES - NET	-	-	-	2,077,157.98	2,798,463.25
OTHER CURRENT LIABILITIES	1,169,322.31	1,560,315.58	1,799,880.13	144,768.10	138,569.16
CORPORATE INCOME TAX PAYABLE	187,796.82	270,566.70	200,526.58	144,768.10	138,569.16
OTHER CURRENT LIABILITIES - OTHERS	981,525.50	1,289,748.88	1,599,353.55	-	-
TOTAL CURRENT LIABILITIES	4,046,167.75	5,064,144.57	6,147,098.56	6,629,242.13	9,756,778.06
NET OF CURRENT PORTION OF LONG-TERM LIABILITIES	-	-	-	-	79,008.19
NET OF CURRENT PORTION OF DEFERRED INCOME	38,371.15	33,339.21	28,307.28	23,442.02	43,669.98
NET OF CURRENT PORTION OF POST EMPLOYEE BENEFIT OBLIGATIONS	-	84,967.81	112,515.73	146,489.09	162,102.98
DEFERRED TAX LIABILITIES	-	-	-	6,978.51	10,021.86
OTHER NON-CURRENT LIABILITIES	13,199.20	12,699.20	12,099.20	11,499.20	10,899.20
TOTAL NON-CURRENT LIABILITIES	51,570.35	131,006.22	152,922.21	188,408.82	305,702.20
TOTAL LIABILITIES	4,097,738.10	5,195,150.79	6,300,020.78	6,817,650.95	10,062,480.27
AUTHORIZED SHARE CAPITAL	3,942,847.02	3,942,847.02	3,942,847.02	3,942,847.02	3,942,847.02
ISSUED AND FULLY PAID-UP SHARE CAPITAL	3,942,847.02	3,942,847.02	3,942,847.02	3,942,847.02	3,942,847.02
RETAINED EARNINGS (DEFICIT)	3,989,454.36	4,668,417.53	6,009,747.92	7,251,948.63	8,179,878.85
RETAINED EARNINGS - APPROPRIATED	327,004.92	366,111.00	394,285.00	394,285.00	394,285.00
LEGAL AND STATUTORY RESERVES	305,608.00	366,111.00	394,285.00	394,285.00	394,285.00
TREASURY SHARES RESERVE	21,396.92	-	-	-	-
RETAINED EARNINGS (DEFICIT) - UNAPPROPRIATED	3,662,449.44	4,302,306.53	5,615,462.92	6,857,663.63	7,785,593.85
TREASURY SHARES / SHARES OF THE COMPANY HELD BY SUBSIDIARIES	21,396.92	-	-	-	-
NUMBER OF TREASURY SHARES (UNIT : SHARE)	3,674,800.00	-	-	-	-
TREASURY SHARES	21,396.92	-	-	-	-
OTHER COMPONENTS OF EQUITY	52,318.50	127,716.23	111,756.92	147,963.12	143,240.49
OTHER SURPLUS (DEFICIT)	52,318.50	125,376.53	125,376.53	146,637.11	146,637.11
PREMIUM (DISCOUNT) ON TREASURY SHARES	52,318.50	125,376.53	125,376.53	125,376.53	125,376.53
ORDINARY SHARES	-	125,376.53	125,376.53	-	-
REVALUATION SURPLUS ON INVESTMENTS	-	-	-	-	-
UNREALISED GAIN (LOSS) FROM CHANGES IN INVESTMENTS INTEREST	-	-	-	21,260.57	21,260.57
OTHER ITEMS	-	2,339.70	(13,619.61)	1,326.02	(3,396.61)
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT	7,963,222.97	8,738,980.79	10,064,351.87	11,342,758.78	12,265,966.36
NON-CONTROLLING INTERESTS	190,457.74	330,561.86	508,125.11	669,781.88	773,786.28
TOTAL EQUITY	8,153,680.71	9,069,542.65	10,572,476.98	12,012,540.66	13,039,752.64

Table 2.3 Balance sheet including projections (cont.)

(,000)	2014	2015E	2016E	2017E	2018	2019
Cash	1,921,534.59	2,753,041.37	4,945,372.63	6,727,917.64	8,213,391.47	10,383,910.33
Account Receivable	877,294.80	986,092.17	1,108,382.01	1,245,837.57	1,400,339.63	1,574,002.20
Inventory	1,508,877.43	1,696,000.27	1,906,329.08	2,142,741.74	2,408,473.02	2,707,158.86
Other Current	312,346.37	351,081.88	394,621.17	443,559.95	498,567.87	560,397.57
Total Current Asset	4,620,053.19	5,786,215.70	8,354,704.89	10,560,056.90	12,520,771.99	15,225,468.96
Investment in Associate/JV	5,997,483.02	5,997,483.02	5,997,483.02	5,997,483.02	5,997,483.02	5,997,483.02
Property Plant Equipment Net	8,670,893.30	9,952,339.34	10,144,475.58	11,051,584.20	12,598,797.64	13,846,540.90
Other Long Term Asset	3,813,803.40	3,813,803.40	3,813,803.40	3,813,803.40	3,813,803.40	3,813,803.40
Total Fixed	18,482,179.72	19,763,625.76	19,955,762.00	20,862,870.62	22,410,084.06	23,657,827.32
Total Asset	23,102,232.91	25,549,841.47	28,310,466.89	31,422,927.52	34,930,856.05	38,883,296.28
Trade Account and Other Payable	4,245,248.04	4,771,720.82	5,363,483.91	6,028,634.26	6,776,272.98	7,616,629.83
Other S-T Account Payable	2,798,463.25	3,145,513.58	3,535,603.21	3,974,069.66	4,466,912.35	5,020,874.74
Other Current Liabilities	138,569.16	155,753.76	175,069.50	196,780.68	221,184.36	248,614.45
S-T Bank Borrowing	2,574,497.62	2,574,497.62	2,574,497.62	2,574,497.62	2,574,497.62	2,574,497.62
Total Current Liabilities	9,756,778.07	10,647,485.77	11,648,654.24	12,773,982.22	14,038,867.32	15,460,616.64
L-T Borrowing	79,008.19	79,008.19	79,008.19	79,008.19	79,008.19	79,008.19
Other L-T Debt	226,694.02	226,694.02	226,694.02	226,694.02	226,694.02	226,694.02
Total Debt	10,062,480.27	10,953,187.98	11,954,356.45	13,079,684.43	14,344,569.53	15,766,318.85
Equity	3,942,847.02	3,942,847.02	3,942,847.02	3,942,847.02	3,942,847.02	3,942,847.02
Retained Earning	8,179,878.85	9,736,780.00	11,496,236.96	13,483,369.61	15,726,413.04	18,257,103.95
Other Equity	917,026.77	917,026.77	917,026.77	917,026.77	917,026.77	917,026.77
Total Equity	13,039,752.64	14,596,653.79	16,356,110.75	18,343,243.40	20,586,286.83	23,116,977.74
Total Debt and Equity	23,102,232.91	25,549,841.47	28,310,466.89	31,422,927.52	34,930,856.05	38,883,296.28

2.10 Statement of Cash Flow including Projections

Table 2.4 Statement of cash flow including projections

Items	Yearly/2010 (31/12/2010)		Yearly/2011 (31/12/2011)		Yearly/2012 (31/12/2012)		Yearly/2013 (31/12/2013)		Yearly/2014 (31/12/2014)	
	'000 Baht	%Change	'000 Baht	%Change	'000 Baht	%Change	'000 Baht	%Change	'000 Baht	%Change
PERIOD NET PROFIT (LOSS) ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT	1,785,727.71	70.31	1,633,851.62	-8.5	2,298,303.98	40.67	2,226,349.50	-3.13	2,149,036.10	-3.47
DEPRECIATION AND AMORTISATION	717,752.87	11.85	785,298.32	9.41	1,057,851.50	34.71	1,418,312.20	34.07	1,705,060.67	20.22
BAD DEBT AND DOUBTFUL ACCOUNTS (REVERSAL)	-324,907.08	-	1,574.27	-	7,102.04	351.13	10,007.25	40.31	359.65	-96.41
LOSS ON OBSOLESCENCE	16,097.04	43.29	41,153.83	155.66	28,335.98	-31.15	-8,257.23	-	-18,919.63	-
SHARE OF (PROFIT) LOSS FROM INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD	-252,940.28	-	-205,036.60	-	-394,982.69	-	-358,415.91	-	-404,112.11	-
UNREALISED (GAIN) LOSS ON FOREIGN CURRENCY EXCHANGE	-	-	-	-	-	-	-	-	-6,103.78	-
IMPAIRMENT LOSS OF INVESTMENTS (REVERSAL)	-	-	-	-	-	-	-35,000.00	-	-1,820.00	-
(GAIN) LOSS ON DISPOSAL OF OTHER INVESTMENTS	-16,700.97	-	-1,568.84	-	-16,466.44	-	-16,133.82	-	-1,576.87	-
(GAIN) LOSS ON DISPOSAL OF FIXED ASSETS	18,983.39	-	-3,527.43	-	-50,284.96	-	8,337.07	-	4,861.10	-41.69
(GAIN) LOSS ON FAIR VALUE ADJUSTMENTS OF INVESTMENTS	-	-	-	-	-119,000.00	-	-	-	-	-
FINANCE COSTS	-	-	6	-	-	-	-	-	40,292.64	-
INCOME TAX EXPENSES	343,181.74	14.33	568,258.69	65.59	516,308.08	-9.14	455,834.02	-11.71	448,371.81	-1.64
OTHER RECONCILIATION ITEMS	-159,853.25	-	-74,296.07	-	-45,793.45	-	-7,479.08	-	-17,210.03	-
OPERATIONS BEFORE CHANGES IN OPERATING ASSETS AND LIABILITIES	2,127,541.18	19.77	2,745,713.78	29.06	3,281,374.03	19.51	3,693,554.02	12.56	3,898,239.57	5.54
(INCREASE) DECREASE IN OPERATING ASSETS	-199,758.64	-	-601,545.07	-	-504,540.55	-	-352,205.37	-	-128,833.89	-
(INCREASE) DECREASE IN TRADE ACCOUNT AND OTHER RECEIVABLES - OTHER PARTIES	23,534.58	-	-46,581.25	-	-106,580.42	-	-143,483.97	-	-138,792.54	-
(INCREASE) DECREASE IN OTHER RECEIVABLES - OTHER PARTIES	-	-	-	-	-	-	115,737.68	-	-5,417.64	-
(INCREASE) DECREASE IN INVENTORIES	-147,639.14	-	-263,897.81	-	-190,318.30	-	-333,848.76	-	177,488.74	-
(INCREASE) DECREASE IN OTHER CURRENT ASSETS	-76,007.96	-	-94,660.26	-	-123,401.56	-	-	-	-	-
(INCREASE) DECREASE IN OTHER NON-CURRENT ASSETS	353.87	-	-196,405.76	-	-84,240.26	-	9,389.68	-	-162,112.45	-
INCREASE (DECREASE) IN OPERATING LIABILITIES	174,252.86	-19.38	861,817.95	394.58	988,650.15	14.72	348,695.51	-64.73	145,898.73	-58.16
(INCREASE) DECREASE IN TRADE ACCOUNT AND OTHER PAYABLES - OTHER PARTIES	108,504.58	-68.29	626,983.56	477.84	843,389.44	34.52	60,097.62	-92.87	-162,068.02	-
(INCREASE) DECREASE IN OTHER PAYABLES - OTHER PARTIES	-	-	-	-	-	-	289,933.22	-	280,421.73	-3.28
(INCREASE) DECREASE IN OTHER CURRENT LIABILITIES	65,248.28	-	236,313.34	263.1	146,835.99	-38.02	-	-	30,030.01	-
(INCREASE) DECREASE IN OTHER NON-CURRENT LIABILITIES	500	-	-2,078.95	-	-1,575.28	-	-1,335.33	-	-2,485.00	-

Table 2.4 Statement of cash flow including projections (cont.)

CASH GENERATED FROM	2,102,035.40	-10.41	3,005,986.66	43	3,765,483.63	25.27	3,690,044.16	-2	3,915,304.41	6.1
INCOME TAX PAID	-279,419.57	-	-486,161.01	-	-586,348.93	-	-493,950.52	-	-439,109.39	-
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	1,822,615.83	-11.36	2,519,825.65	38.25	3,179,134.70	26.16	3,190,093.63	0.34	3,476,195.02	8.97
(INCREASE) DECREASE IN SHORT-TERM INVESTMENTS	366,934.74	-	-618,431.16	-	-400,900.12	-	849,922.64	-	133,175.33	-84.33
(INCREASE) DECREASE IN LONG-TERM INVESTMENTS	-2,843.46	-	-	-	-10,000.00	-	-13,125.11	-	-13,125.11	-
(INCREASE) IN LONG-TERM INVESTMENTS	-2,843.46	-	-	-	-10,000.00	-	-13,125.11	-	-13,125.11	-
(INCREASE) DECREASE IN INVESTMENT IN SUBSIDIARIES AND ASSOCIATES	-	-	-	-	-	-	-45,817.60	-	-	-
SUBSIDIARIES AND/OR ASSOCIATES	-	-	-	-	-	-	-45,817.60	-	-	-
(INCREASE) DECREASE IN OTHER LOAN - RELATED PARTIES	324,881.55	-	-	-	-	-	-	-	-	-
DECREASE IN OTHER LOAN - RELATED PARTIES	324,881.55	-	-	-	-	-	-	-	-	-
PROPERTY, PLANT AND EQUIPMENTS	-765,701.58	-	-1,792,749.76	-	-2,640,014.29	-	-4,066,470.55	-	-4,945,762.09	-
PROPERTY, PLANT AND EQUIPMENTS	2,105.40	-53.47	5,084.92	141.52	67,389.44	1,225.28	7,171.18	-89.36	12,708.50	77.22
PURCHASES OF PROPERTY, PLANT AND EQUIPMENTS	-767,806.98	-	-1,797,834.68	-	-2,707,403.72	-	-4,073,641.73	-	-4,958,470.59	-
(INCREASE) DECREASE IN INTANGIBLE ASSETS	-	-	-702,430.00	-	-149,186.25	-	-	-	-	-
(INCREASE) IN INTANGIBLE	-	-	-702,430.00	-	-149,186.25	-	-	-	-	-
DIVIDENDS RECEIVED	262.5	-96.82	262.5	-	1,386,022.50	527,908.57	262.5	-99.98	884.12	236.81
INTEREST RECEIVED	150,946.46	707.46	77,003.95	-48.99	51,629.50	-32.95	35,500.41	-31.24	20,661.83	-41.8
OTHER ITEMS	-67,390.00	-	-	-	-	-	-1,000.00	-	-217,025.75	-
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	7,090.21	-	-3,036,344.47	-	-1,762,448.65	-	-3,240,727.71	-	-5,021,191.68	-
INCREASE (DECREASE) IN SHORT-TERM BORROWINGS FROM FINANCIAL INSTITUTIONS	-	-	-	-	-	-	-	-	2,574,497.62	-
INCREASE (DECREASE) IN LONG-TERM BORROWINGS FROM FINANCIAL INSTITUTIONS	-	-	-	-	-	-	-	-	79,008.19	-
INCREASE IN LONG-TERM BORROWINGS FROM FINANCIAL INSTITUTIONS	-	-	-	-	-	-	-	-	79,008.19	-
PURCHASE OF TREASURY SHARES	-	-	-	-	-	-	-	-	-	-
PROCEEDS FROM DISPOSAL OF TREASURY SHARES	52,883.02	-	111,883.47	111.57	-	-	-	-	-	-
DIVIDEND PAID	-487,068.96	-	-724,802.60	-	-777,649.88	-	-1,090,326.48	-	-1,117,101.49	-
INTEREST PAID	-	-	-	-	-	-	-	-	-39,962.21	-
OTHER ITEMS	-	-	-6	-	-	-	-	-	-	-
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	-434,185.94	-	-612,925.13	-	-777,649.88	-	-1,090,326.48	-	1,496,442.10	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENT	1,395,520.10	144.71	-1,129,443.95	-	639,036.17	-	-1,140,960.56	-	-48,554.55	-
CASH AND CASH EQUIVALENTS, BEGINNING BALANCE	2,117,665.43	36.85	3,513,185.53	65.9	2,383,741.58	-32.15	3,022,777.76	26.81	1,881,817.20	-37.75
CASH AND CASH EQUIVALENTS, ENDING BALANCE	3,513,185.53	65.9	2,383,741.58	-32.15	3,022,777.76	26.81	1,881,817.20	-37.75	1,833,262.65	-2.58

Table 2.4 Statement of cash flow including projections (cont.)

(,000)	2015E	2016E	2017E	2018E	2019E
CFO					
NI	2,594,835.26	2,932,428.27	3,311,887.74	3,738,405.73	4,217,818.18
Add Depreciation	1,312,676.06	1,537,278.69	1,687,013.79	1,911,616.42	2,211,086.61
-Chg in CA	334,655.73	376,157.93	422,807.01	475,241.25	534,178.11
+Chg in CL	890,707.70	1,001,168.47	1,125,327.98	1,264,885.09	1,421,749.32
Net CF After CFO	4,463,563.29	5,094,717.50	5,701,422.50	6,439,665.99	7,316,476.00
CFI					
-Investment in Fixed	2,594,122.40	1,729,414.93	2,594,122.40	3,458,829.87	3,458,829.87
Total	(2,594,122.40)	(1,729,414.93)	(2,594,122.40)	(3,458,829.87)	(3,458,829.87)
Net CF After CFI	1,869,440.89	3,365,302.57	3,107,300.10	2,980,836.12	3,857,646.13
CFF					
Add Borrowing	-	-	-	-	-
Less Dividend	(1,037,934.10)	(1,172,971.31)	(1,324,755.09)	(1,495,362.29)	(1,687,127.27)
Total	(1,037,934.10)	(1,172,971.31)	(1,324,755.09)	(1,495,362.29)	(1,687,127.27)
Change in Cash	831,506.78	2,192,331.26	1,782,545.01	1,485,473.83	2,170,518.86
Beginning Cash	1,921,534.59	2,753,041.37	4,945,372.63	6,727,917.64	8,213,391.47
Add Change in Cash	831,506.78	2,192,331.26	1,782,545.01	1,485,473.83	2,170,518.86
Ending Cash	2,753,041.37	4,945,372.63	6,727,917.64	8,213,391.47	10,383,910.33

Table 2.5 Statement of PPE including projections (cont.)

	2014	2015	2016	2017	2018	2019
Gross PPE Beginning	12,170,386	15,161,186	17,755,308	19,484,723	22,078,846	25,537,676
Investment	2,990,800	2,594,122	1,729,415	2,594,122	3,458,830	3,458,830
Gross PPE Ending	15,161,186	17,755,308	19,484,723	22,078,846	25,537,676	28,996,505
Accumulate Depreciation Beginning	5,418,504	6,490,293	7,802,969	9,340,248	11,027,262	12,938,878
Depreciation	1,071,789	1,312,676	1,537,279	1,687,014	1,911,616	2,211,087
Accumulate Depreciation Ending	6,490,293	7,802,969	9,340,248	11,027,262	12,938,878	15,149,965
Net PPE Beginning	6,751,882	8,670,893	9,952,339	10,144,476	11,051,584	12,598,798
Net PPE Ending	8,670,893	9,952,339	10,144,476	11,051,584	12,598,798	13,846,541



2.12 Financial Ratios

Table 2.6 Summary of ratios analysis

Key Financial Ratio		2010	2011	2012	2013	2014	2015E	2016E	2017E	2018E
Solvency Ratio										
Debt Ratio	ROBINS	33.45%	36.42%	37.34%	36.21%	43.56%	42.87%	42.23%	41.62%	41.07%
	THE MALL GROUP	n/a	55.09%	52.37%	60.54%	61.30%				
Debt to Equity Ratio (x)	ROBINS	0.50	0.57	0.60	0.57	0.77	0.75	0.73	0.71	0.70
	THE MALL GROUP	n/a	1.23	1.10	1.53	1.58				
Equity Multiply (x)	ROBINS	1.50	1.54	1.59	1.58	1.67	1.75	1.73	1.71	1.70
	THE MALL GROUP	n/a	2.23	2.16	2.28	2.56				
Long Term Debt Ratio (%)	ROBINS	0.42%	0.92%	0.91%	1.00%	1.32%	0.31%	0.28%	0.25%	0.23%
	THE MALL GROUP	n/a	4.44%	4.08%	5.47%	5.47%				
Interest Coverage Ratio (x)	ROBINS	n/a	367019.38	n/a	n/a	65.46	21.37	24.02	27.00	30.35
	THE MALL GROUP	n/a	164986.34	46832.56	3920.54	1167.22				
Liquidity Ratio(s)										
Quick Ratio		0.98	0.69	0.76	0.43	0.29	1.47	1.24	0.86	0.87
Current Ratio		1.30	1.01	1.04	0.73	0.47	1.69	1.48	1.12	1.11
Efficiency Ratios										
Account Receivable Turnover		36.29	38.18	39.55	36.21	30.80	43.80	39.05	42.65	73.62
Average Collection Period		10.06	9.56	9.23	10.08	11.85	8.33	9.35	8.56	4.96
Inventory Turnover		11.99	11.46	12.31	11.03	11.96	12.69	11.10	9.89	10.37
Inventory Day		30.45	31.86	29.66	33.10	30.51	28.76	32.87	36.92	35.18
Account Payable Turnover		3.92	3.80	3.75	4.17	4.25	4.06	3.87	3.98	3.74
Average Payment Period(Day)		93.13	95.97	97.28	87.49	85.83	89.99	94.25	91.79	97.67
Cash Conversion Cycle		(52.62)	(54.54)	(58.40)	(44.31)	(43.47)	(52.90)	(52.03)	(46.31)	(57.53)
Total Asset Turnover		1.27	1.33	1.39	1.36	1.14	1.68	1.62	1.60	1.70
Fixed Asset Turnover		6.01	5.47	4.35	3.60	2.76	18.5	16.8	16.7	16.7
Profitability Ratios(%)										
ROE(%)		21.90%	18.97%	23.40%	19.72%	17.16%	18.21%	20.18%	20.46%	26.47%
ROA(%)		17.97%	16.61%	18.08%	15.03%	12.58%	10.81%	11.03%	10.06%	11.85%
Gross margin		27.46%	24.41%	24.56%	24.34%	24.45%	15.66%	16.10%	16.10%	16.92%
Operating margin		13.70%	12.49%	13.02%	11.04%	11.04%	6.45%	6.82%	6.30%	6.97%
Net Profit margin		11.49%	9.27%	10.63%	9.16%	8.99%	4.88%	5.78%	5.62%	6.09%
Leverage Ratios										
Debt to Equity Ratio		0.50	0.57	0.60	0.57	0.77	0.55	0.52	0.61	0.61
Interest Coverage Ratio		n/a	367019.38	n/a	n/a	65.46	164986.34	46832.56	3920.54	1167.22
Equity Multiplier		1.50	1.54	1.59	1.58	1.67	2.23	2.16	2.28	2.56
Market Ratio										
Dividend Payout		27.28%	44.36%	33.84%	48.97%	51.98%				
BV(bt)		7.17	7.87	9.06	10.21	11.04	52278.5	64009.5	45180.4	43659.7
EPS		1.54	1.31	1.86	1.79	1.74	9520.9	11731.0	11170.9	11759.4
P/E										
M/B										
No. of Shares (Thousand)		1110661	1110661	1110661	1110661	1110661	100,000	100,000	100,000	100,000
Sales growth			13.4%	22.6%	12.4%	-1.7%		4.0%	-2.0%	-2.9%
Operating growth			0.9%	23.4%	11.4%	-1.2%		16.9%	4.7%	-2.5%
Operating EBITDA growth							no da			
Net profit growth			-8.5%	40.7%	-3.1%	-3.5%		23.2%	-4.8%	5.3%
Operating performance(%)										
EBITDA margin		18.32%	16.94%	17.91%	16.87%	18.17%	no da			
D/E (incl.minor)(x)		0.50	0.57	0.60	0.57	0.77	0.55	0.52	0.61	0.61
Current ratio(x)		1.30	1.01	1.04	0.73	0.47	1.69	1.48	1.12	1.11
Gearing ratio(x)										
Interest coverage(x)	n/a	367019.38	n/a	n/a	65.46358218		164986.34	46832.56	3920.54	1167.22
Dupont										
ROE		21.90%	18.97%	23.40%	19.72%	17.16%	18.21%	20.18%	20.46%	26.47%
-Net Profit Margin(%)		11.49%	9.27%	10.63%	9.16%	8.99%	4.88%	5.78%	5.62%	6.09%
-Total Asset Turnover(x)		1.27	1.33	1.39	1.36	1.14	1.68	1.62	1.60	1.70
-Equity Multiplier(x)		1.50	1.54	1.59	1.58	1.67	2.23	2.16	2.28	2.56
WACC(%)		10.23	10.94	10.67	12.02	10.71				
ROIC(%)		10.96%	8.45%	9.98%	9.52%	7.97%	16.15%	18.08%	17.73%	18.69%
NOPAT		1,785,727.72	1,633,857.61	2,298,303.98	2,226,349.51	2,189,328.74	952,097,407	1,173,125,602	1,117,409,725	1,177,088,675

Table 2.7 Summary of trend analysis

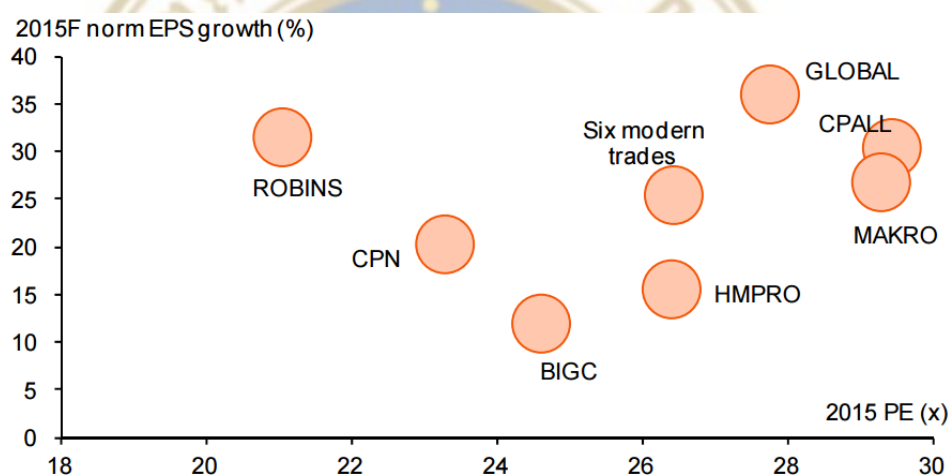
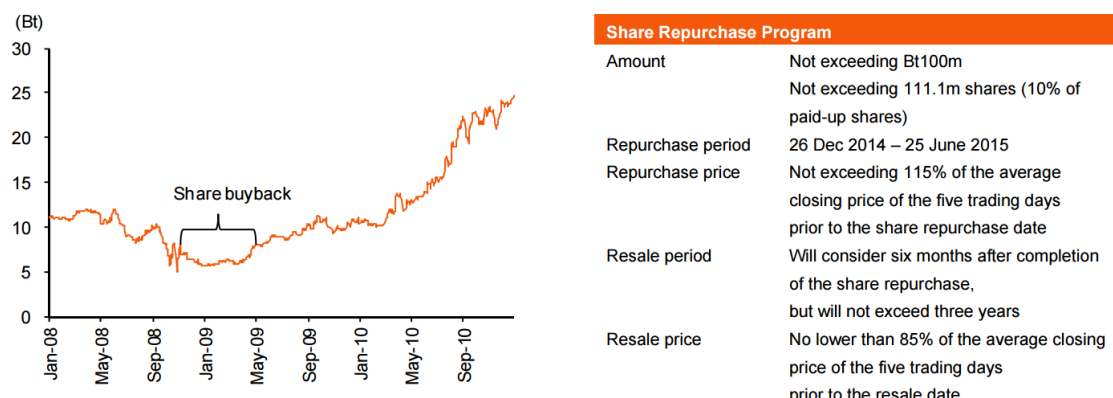
Items	ROBINS					The Mall Group			
	2010	2011	2012	2013	2014	2011	2012	2013	2014
Income Statement									
REVENUES FROM SALE OF GOODS AND RENDERING OF SERVICES	100%	113%	139%	156%	154%	100%	107%	107%	103%
COST OF SALE OF GOODS AND RENDERING OF SERVICES	100%	118%	145%	163%	165%	100%	103%	101%	98%
GROSS PROFIT	100%	110%	140%	154%	165%	100%	117%	122%	119%
SELLING AND ADMINISTRATIVE EXPENSES	100%	116%	148%	175%	195%	100%	119%	128%	122%
PROFIT (LOSS) BEFORE FINANCE COSTS AND INCOME TAX EXPENSES	100%	103%	132%	126%	124%	100%	110%	100%	107%
FINANCE COSTS		100%	0%	0%	671544%	100%	388%	4187%	15130%
INCOME TAX EXPENSES	100%	166%	150%	133%	131%	100%	69%	44%	55%
NET PROFIT (LOSS)	100%	91%	129%	125%	120%	100%	123%	117%	124%
Items									
CASH AND CASH EQUIVALENTS	100%	68%	86%	54%	52%	100%	131%	266%	530%
SHORT-TERM INVESTMENTS		100%	167%	35%	14%	100%	105%	46%	23%
TRADE ACCOUNTS AND OTHER RECEIVABLE	100%	110%	131%	161%	191%	100%	120%	110%	62%
INVENTORIES	100%	124%	141%	177%	160%	100%	118%	130%	119%
OTHER SHORT-TERM ACCOUNT RECEIVABLES - NET		100%	95%	50%	52%	100%	10%	74%	157%
OTHER CURRENT ASSETS	100%	50%	50%	51%	51%	100%	53%	36%	27%
TOTAL CURRENT ASSETS	100%	97%	122%	91%	88%	100%	96%	71%	70%
INVESTMENT IN ASSOCIATES JOINT VENTURES AND/OR JOINTLY-CONTROL ENTITIES, EQUITY METHOD	100%	113%	44%	77%	106%	100%	1906%	2243%	2252%
INVESTMENT PROPERTIES - NET		100%	136%	295%	529%	100%	96%	93%	69%
PROPERTY, PLANT AND EQUIPMENTS - NET	100%	125%	192%	261%	335%	100%	115%	113%	110%
LEASEHOLD RIGHT - NET	100%	120%	117%	108%	112%			100%	152%
OTHER NON-CURRENT ASSETS	100%	110%	170%	160%	198%	100%	53%	124%	55%
TOTAL NON-CURRENT ASSETS	100%	131%	150%	201%	264%	100%	233%	264%	259%
TOTAL ASSETS	100%	116%	138%	154%	189%	100%	115%	98%	97%
TRADE ACCOUNTS AND OTHER PAYABLE	100%	122%	151%	153%	148%	100%	108%	103%	106%
CORPORATE INCOME TAX PAYABLE	100%	144%	107%	77%	74%	100%	21%	0%	29%
OTHER CURRENT LIABILITIES - OTHERS	100%	131%	163%			100%	111%	102%	100%
TOTAL CURRENT LIABILITIES	100%	125%	152%	164%	241%	100%	110%	107%	107%
NET OF CURRENT PORTION OF DEFERRED INCOME	100%	87%	74%	61%	114%	100%	109%	113%	66%
NET OF CURRENT PORTION OF POST EMPLOYEE BENEFIT OBLIGATIONS		100%	132%	172%	191%	100%	109%	118%	123%
OTHER NON-CURRENT LIABILITIES	100%	96%	92%	87%	83%	100%	103%	114%	113%
TOTAL NON-CURRENT LIABILITIES	100%	254%	297%	365%	593%	100%	106%	121%	119%
TOTAL LIABILITIES	100%	127%	154%	166%	246%	100%	110%	108%	108%
ISSUED AND FULLY PAID-UP SHARE CAPITAL	100%	100%	100%	100%	100%	100%	100%	100%	100%
LEGAL AND STATUTORY RESERVES	100%	120%	129%	129%	129%	100%	100%	100%	100%
RETAINED EARNINGS (DEFICIT) - UNAPPROPRIATED	100%	117%	153%	187%	213%	100%	123%	86%	83%
TOTAL EQUITY	100%	111%	130%	147%	160%	100%	122%	86%	84%

2.13 Assumption of Sales Growth

Table 2.9 Projection of sales growth

(,000)	2010	2011	2012	2013	2014	2015E	2016E	2017E	2018E	2019E
Total Revenues	16,693,389.24	19,280,409.90	23,906,552.41	26,754,318.32	27,018,142.91	27,930,811.26	31,497,668.39	35,889,893.73	41,533,996.18	48,474,716.03
Net Sales	15,542,136.08	17,630,127.67	21,619,595.40	24,299,956.12	23,895,980.49	24,333,102.08	27,351,980.38	31,112,762.44	36,029,244.41	42,131,517.54
Other Sales	1,151,253.16	1,650,282.23	2,286,957.01	2,454,362.20	3,122,162.42	3,597,709.18	4,145,688.01	4,777,131.29	5,504,751.76	6,343,198.49
Same store sales	7.90%	12.00%	10.30%	2.90%	-5.80%					
Store number	24.00	27	29	34	41	44	46	49	53	57
						0.00%				
Rental space(sq.m.)	164,000	166,000	186,000	234,000	450,000	482,927	504,878	537,805	581,707	625,610
Rental space growth		1%	11%	21%	48%	7%	4%	6%	8%	7%
Rev per sq.m.	101.79	116.15	128.53	114.33	60.04	50.39	54.18	57.85	61.94	67.34
Sale space growth		12.36	9.63	(12.42)	(90.43)	(19.16)	6.99	6.35	6.60	8.03
Sales Growth						3.38%	12.77%	13.94%	15.73%	16.71%
CAGR						12.40%				
CAGR OtherSale					15.23%					
DATA		2011	2012	2013	2014	9M15				
Net Sale		17,630	21,620	24,300	23,896	17,927				
		16,677	20,530	23,000	22,038	16,043				
Gross Profit		4,304	5,309	5,914	5,843	4,374				
Total store sales	15.20%	19.20%	22.60%	12.40%	-1.70%					
GPM		24.4%	24.6%	24.3%	24.5%	24.4%				
Investment Income		953	1090	1300	1858	1884				
Rental area (sq.m.)		166000	186000	234000	310000	323000				
Rental per sq.m.		5740.963855	5860.215054	5555.555556	5993.548387	5832.817337				
Associates income (PB&SS)		205	402	358	404	300				
				6882.352941	7560.97561					
Branch	24	27	29	34	41	44	46	49	53	57
BKK				10	11					
UPC				24	28					
VN					2					
Sales per store	647,589.00	652,967.69	745,503.29	714,704.59	582,828.79					
			14.17%	-4.13%	-18.45%					
Average sales per store						582,828.79	614,651.24	665,513.63	720,584.89	780,213.29
Average SSSG	5.46%						5.46%	8.28%	8.28%	8.28%
New store Sales						145,707.20	153,662.81	166,378.41	180,146.22	195,053.32

2.14 Share Repurchase Program



Source: Aspen

Figure 2.6 Share repurchase program

2.15 Nature of Business

Soft Line is emphasized brand name, modernity, quality, variety, and fashion. The nature of product has rapid change. Customers' purchase decisions depend on current trends.

Hard Line is a product line emphasizes quality, functionality, feature, variety and modernity. Customers' purchase decisions depend on product features, functions and prices.

The product above has provided not only the leading brands that are preferred by the customers but the company has also industrialized its own product design, which is different from general products available on the market. The company has chosen new products with attractive feature and designs in order to upsurge product variety and differentiate from their competitors and these products are accessible only at Robinson department store as,

2.15.1 Private label

The company considers and selects only the products demanded by customer and provided them at reasonable price which emphasis on a good quality and modern styles.

Table 2.10 Private label

Category	Brand name		
Kitchen and bedding	R*Home	Home Genius	Cuizimate
	Ella	Decorative Home	Marushi
Fashion and ladies 'wear	FOF	Ohayo	Chee
	Vivienne Robinson	Tasha	Taj
Luggage	Luggage		
Ladies' shoes and bag	FOF		
Men's wear	Pacific Union	Snap	True Blue
	Otoko	Beyond Basis	Jeans Studio
Children product	Teeny Tiny	Pumpkin Pie	Beyond
	Bon Bon Choo		Basis

Source: Company

2.15.2 Exclusive brand

The well-known international brand which are imported and exclusively available at Robinson.

Table 2.11 Exclusive brand

Category	Brand name		
Fashion and ladies 'wear	Yishion	Centro Moda	I.E
	Ermis	Yin & Yang	Esensual
Fashion and Men's wear	Yishion	Emillio Valentino	
Cosmetics	David Jones		

Source: Company

2.15.3 One price 'Just Buy'

The diversity of products which are sold at 40 Baht and 60 Baht, comprising with product for teenagers and young professionals. In other hand, the company provided consumer product such as accessories, cosmetic, stationary, gift and home products are included with one price 'Just Buy'.

2.15.4 Product Type

Health and Beauty: Skincare products, Perfumes, health and beauty products.

Fashion: Ladies' Fashion and Lingerie's, Men's Fashion, Jean and Unisex.

Accessories: Jewelries and accessories also children's wear.

Home and Hardline: Home decoration & Household Apparatus, Gifts and Toys, Robinson has also offer other types of products namely automobile tools and equipment.



Source: Company

Figure 2.7 Robinson Department Store

2.16 AEC Reflection to Thailand

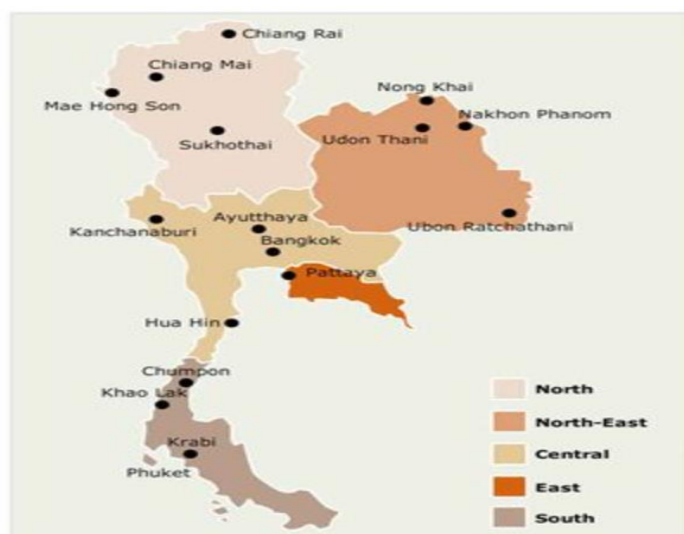
2.16.1 Industry analysis.

Home to about half of Thailand's 68 million people, the North and Northeast regions (also known as "upcountry" areas) have attracted many of the country's leading retailers in recent years. During 2007-2014, the economy of the Northeast region expanded by 25%, higher than the 16% growth of Bangkok and its vicinity. Robust growth was mainly driven by the expansion in manufacturing activities, such as food processing, electronics and rubber products. Eyeing the emerging consumer markets that have lower penetration of modern retail and higher growth potential than Bangkok, retailers have extended their operations to the upcountry provinces. For example, the Central Group has established its Robinson Department Stores in Chiang Mai, Udon Thani and Mukdahan. The formation of the ASEAN Economic Community (AEC) by the end of 2015 is creating a regional integration endeavor that facilitates the free flow of goods, capital and labor across

ASEAN. As a result, Thailand's border provinces, particularly the Northeast region, are becoming popular destinations for both Thai and foreign investors. During 2009-2014, the inflow of foreign direct investment (FDI) into the Northeast region surged at a CAGR of 49%, more than double the overall FDI

Experiencing its own robust economic growth, neighboring Laos's demand for Thai imports, and hence bilateral border trade, has grown significantly along with the accelerated infrastructure development. Since the launch of the Second Thai-Laos Friendship Bridge in 2006, bilateral trade grew by more than threefold to total US\$5.4 billion in 2014. Thailand's exports to Laos grew at a CAGR of 17% during 2007-2014 to reach US\$4 billion, making it Laos's largest import source. Growing investment and trade activities in the border areas have also attracted Thai companies that are seeking to capitalize on the opportunities to serve the locals, tourists and consumers from neighboring countries. Targeting wholesalers, retailers and catering operators in the surrounding areas, cash-and-carry chain Makro is actively strengthening its presence in the border areas, with six megastores launched in the North and Northeast regions just over the past two years.

Due to their favorable location – connecting Thailand with Laos – cities in the Northeast region are considered the fastest growing consumer markets in the country. For example, Udon Thani and Nong Khai have become popular transit hubs and tourist destinations for Thai visitors, as well as for foreign visitors who travel in Thailand and make trips to Laos. Leading retailers such as Central Plaza and hypermarket chains, Tesco Lotus and Big C, have already established a presence there.



Map of Thailand, by region

Source: Business insider

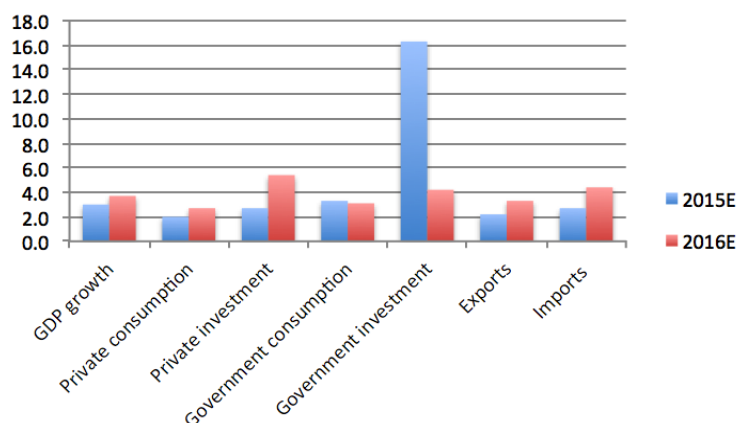
Figure 2.8 Map of Thailand, by region

2.17 Thailand GDP and Inflation

Table 2.12 GDP growth breakdown

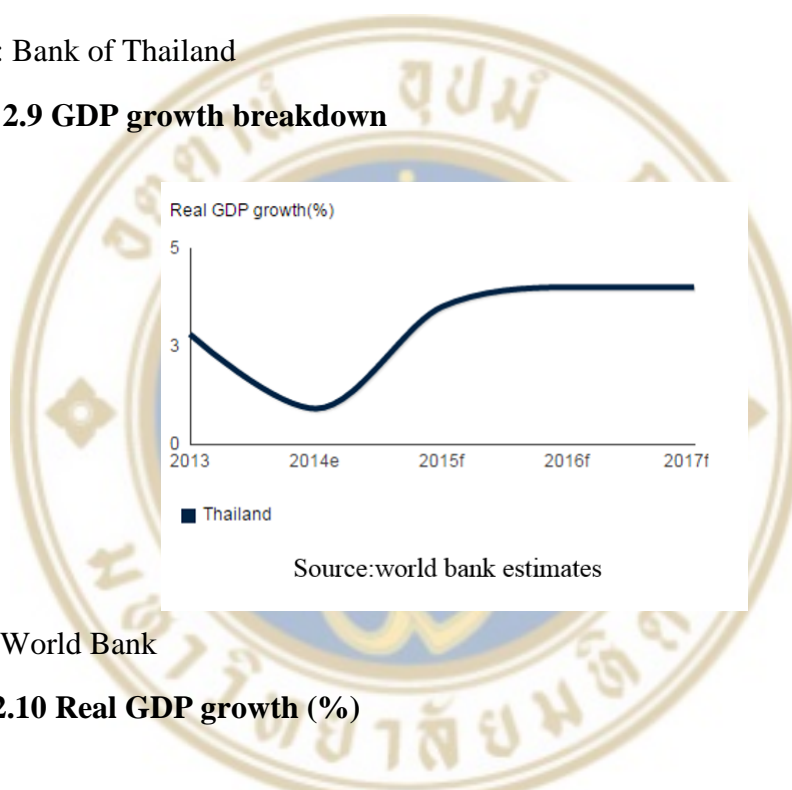
	2015E	2016E
GDP growth	3.0	3.7
Private consumption	2.0	2.7
Private investment	2.7	5.4
Government consumption	3.3	3.1
Government investment	16.3	4.2
Exports	2.2	3.3
Imports	2.7	4.4

Source: Bank of Thailand



Source: Bank of Thailand

Figure 2.9 GDP growth breakdown



Source: World Bank

Figure 2.10 Real GDP growth (%)

2.17.1 GDP forecast breakdown.

The global economic deceleration caused Bank of Thailand to decrease estimation in economic expansion rate for the current and following year by 2.7 % and 3.7 % respectively. The expenditures for the government sector and tourism were the major factor in the Inflation Rate. The oil price slightly declined due to a factor in decrease in inflation but decrease in the domestic and global oil demands caused Bank of Thailand to subtly decrease the basic inflation rate. Between June and September, Bank of Thailand adjusted the inflation rate from -0.5% to -0.9% in 2015 and from 1.6% to 1.2% in 2016. This was slightly adjusted only in the inflation rate estimation without adjusting in the numbers. However, in 2016, the slight adjustment by 2 % was

the reflection of Bank of Thailand that the price would recover and inflation rate would elevate expansion but the investment in the private sector still decelerated.

Table 2.13 Headline inflation and Core inflation

	2015E		2016E	
	15-Jun	15-Sep	15-Jun	15-Sep
Headline inflation(%YoY)	-0.5	-0.9	1.6	1.2
Core inflation(%YoY)	-1.0	1.0	1.0	0.8

Source: Ministry of Commerce and Bank of Thailand

2.18 Dividend Discount Model

Table 2.14 Dividend discount model

Dividend Discount Model	Year	1	2	3	4	5
(,000)	2014	2015E	2016E	2017E	2018E	2019E
Dividend		933,468.92	1,041,711.65	1,176,555.55	1,352,837.40	1,571,636.12
Dividend per share		0.84	0.94	1.06	1.22	1.42
Terminal						19.56
Present Value		0.76	0.77	0.79	0.82	0.86
Price	15.90					11.90

2.19 WACC Assumption

Table 2.15 WACC assumption

WACC			
	Weight	Cost	After-tax WACC
Debt	5.18%	6.00%	0.25%
Equity	94.82%	10.45%	9.91%
			10.16%
CAPM			
Kf	2.79%	<i>Sources : ThaiBma 10Y Zero coupon bond</i>	
Km-Kf	8.15%	<i>Sources : Stern.nyu</i>	
Beta	0.94		
Ks	10.45%		
Capital Structure (Millions of THB)			
Market Cap		49,702.10	93.40%
ST Debt		2,452.50	4.60%
LT Debt		1,079.01	2.00%
Total		53,235.60	100%
			<i>Sources : Bloomberg</i>

TTM (Yrs.)	Yield (%)
1	1.50
2	1.58
3	1.75
4	2.00
5	2.27
6	2.47
7	2.59
8	2.66
9	2.69
10	2.79

sources:ThaiBMA

Source: ThaiBma, Stern.nyu, and Bloomberg

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