

9 NOVEMBER 2020

THAILAND / CONSUMER STAPLES

CP ALL CPALL TB

BUY
UNCHANGED

TARGET PRICE	THB77.00
CLOSE	THB59.25
UP/DOWNSIDE	+30.0%
PRIOR TP	THB85.00
CHANGE IN TP	-9.4%
TP vs CONSENSUS	-0.3%

แข็งแกร่งขึ้นในระยะยาว

กขค. อนุมัติการซื้อกิจการ Tesco แบบมีเงื่อนไข

จากสำนักข่าว Bangkok Post เมื่อวันที่ 6 พ.ย. 2020 สำนักงานคณะกรรมการการแข่งขันทางการค้า (กขค.) ได้อนุมัติการซื้อกิจการ Tesco Asia มูลค่า USD10.6 พันล้านหรือ 340 พัน ลบ. อย่างมีเงื่อนไข โดยมีข้อสำคัญประกอบด้วย: 1) ห้าม CP Group ซื้อธุรกิจค้าปลีกสมัยใหม่ (Modern Trade) อื่นใด (ยกเว้นอีคอมเมิร์ซ) เป็นระยะเวลา 3 ปี; 2) CP Group จะต้องเพิ่มยอดขายสินค้า SME และโอท็อปของบริษัทฯ อย่างน้อย 10% ต่อปีเป็นระยะเวลา 5 ปี; 3) ห้ามเปลี่ยนแปลงเงื่อนไขสัญญากับผู้ขายหรือผู้จัดจำหน่ายเป็นระยะเวลาอย่างน้อย 2 ปี; และ 4) ห้ามเรียกกำหนดชำระเงินจาก OTOP และ SMEs เกิน 30 และ 45 วันตามลำดับ (เทียบกับหนี้การค้าที่มีระยะเวลา 60 วันใน 2Q20) เราเชื่อว่าข้อกำหนดดังกล่าวจะไม่ส่งผลกระทบต่ออย่างมีนัยสำคัญในแง่การดำเนินงานและการเงิน เนื่องจากอัตรากำไรขั้นต้นจาก SMEs และสินค้าอื่นๆ ไม่น่าจะแตกต่างกันมากนัก

กำไรจะลดลงในระยะสั้น

CPALL วางแผนลงทุน USD3 พันล้านหรือ 96 พัน ลบ. โดยใช้เงินจากกระแสเงินสดของบริษัทฯ และเงินกู้ยืม อย่างไรก็ตาม เราคาดว่าบริษัทฯ จะใช้สินเชื่อ 100% ที่อัตราดอกเบี้ย 3.3% ซึ่งจะก่อให้เกิดค่าใช้จ่ายดอกเบี้ย 3.2 พัน ลบ. นอกจากนี้ CP Retail Development ก็มีแผนกู้เพิ่มอีก 35 พัน ลบ. ซึ่งจะก่อให้เกิดค่าใช้จ่ายดอกเบี้ย 1.3 พัน ลบ. นำสังเกตว่า CPALL ได้ออกหุ้นกู้จำนวน 7.6 พัน ลบ. ในเดือน พ.ค. 2020 ที่อัตราดอกเบี้ย 2.90-3.59% หุ้นกู้ดังกล่าวมีอายุระหว่าง 7-12 ปี เราคาดว่ากำไรสุทธิของ Tesco ในปี 2021 จะอยู่ที่ 7.5 พัน ลบ. ดังนั้นการซื้อกิจการของ Tesco จะทำให้กำไรของบริษัทฯ ลดลง 3%

ลดประมาณการกำไรสุทธิเนื่องจากการเติบโตของรายได้ต่อสาขาที่ต่ำกว่า

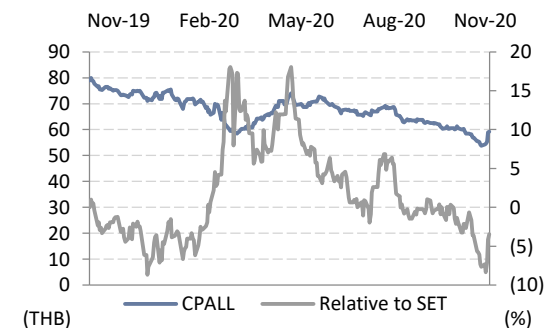
การเติบโตของรายได้ต่อสาขา (SSSG) ในเดือน ต.ค. ยังคงติดลบในระดับ 10 ตัน ๆ ซึ่งสะท้อนว่า SSSG ที่ต่ำกว่าคาดจากแนวโน้มเศรษฐกิจที่อ่อนแอและตัวเลขนักท่องเที่ยวที่ฟื้นตัวช้าเกินคาด ดังนั้นเราจึงปรับลดประมาณการกำไรสุทธิของเราในปี 2020-2022 ลง 9.4-11.8% หลังลดสมมติฐาน SSSG ในปี 2020 จาก -4% เป็น -10%

เสริมสร้างแนวโน้มการเติบโต

เราปรับลดราคาเป้าหมายของเราเหลือ 77 (จาก 85 บาท) เพื่อสะท้อนการปรับเป้าหมายการก่อก่อนหน้าอย่างไรก็ดี เรายังชอบการดำเนินงานของ CPALL และมีความมั่นใจในแนวโน้มระยะยาวของบริษัทฯ ภาครัฐที่สะดุดจากผลกระทบของ COVID-19 ควรอยู่ชั่วคราวเนื่องจากโอกาสในการเติบโตของร้านสะดวกซื้อยังมีอยู่ในขณะที่การซื้อกิจการ Tesco ควรก่อให้เกิด synergy และสร้างประโยชน์สำหรับธุรกิจค้าปลีกของบริษัทฯ ในระยะยาว

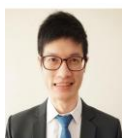
KEY STOCK DATA

YE Dec (THB m)	2019	2020E	2021E	2022E
Revenue	570,712	549,671	606,480	665,718
Net profit	22,343	16,692	20,664	24,606
EPS (THB)	2.49	1.86	2.30	2.74
vs Consensus (%)	-	(6.8)	(3.4)	0.0
EBITDA	45,115	38,488	44,838	50,330
Core net profit	23,049	16,692	20,664	24,606
Core EPS (THB)	2.57	1.86	2.30	2.74
Chg. In EPS est. (%)	-	(9.4)	(10.0)	(11.8)
EPS growth (%)	10.3	(27.6)	23.8	19.1
Core P/E (x)	23.1	31.9	25.8	21.6
Dividend yield (%)	2.1	1.3	1.6	1.8
EV/EBITDA (x)	15.1	17.8	15.0	13.1
Price/book (x)	7.2	6.3	5.5	4.8
Net debt/Equity (%)	105.8	98.2	79.3	61.1
ROE (%)	25.8	16.9	18.8	19.9



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(1.3)	(13.8)	(24.5)
Relative to country (%)	(2.0)	(8.8)	(2.7)
Mkt cap (USD m)	17,409		
3m avg. daily turnover (USD m)	49.8		
Free float (%)	40		
Major shareholder	CP Group (45%)		
12m high/low (THB)	81.00/53.50		
Issued shares (m)	8,983.10		

Sources: Bloomberg consensus; FSSIA estimates



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PREPARED BY FSS INTERNATIONAL INVESTMENT ADVISORY SECURITIES CO LTD (FSSIA). ANALYST CERTIFICATION AND IMPORTANT DISCLOSURES CAN BE FOUND AT THE END OF THIS REPORT

บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 9 พฤศจิกายน 2020

Investment thesis

The convenience store (CVS) format has the most resilient same-store sales growth (SSSG) in Thailand under varying economic conditions. The sector is far from saturation, in our view, and this suggests that CPALL can potentially achieve its target to expand its stores by 700 branches annually to 13,000 by the end of 2021.

On top of its SSSG growth and expansion plan, CPALL plans to increase its GPM by 10-20bps per year by focusing on high-margin ready-to-eat products and non-food high-margin products. We think CPALL's current retail sales GPM of 26-27% could rise from a greater high-margin product volume.

The key upside risk is the faster-than-expected recovery of the tourism industry. In 2019, tourists in Thailand spent THB1.9t, accounting for 12% of GDP, 20% of which (THB380b), was from food & beverage spending. Note that 4-5% of CPALL's sales are derived from tourism.

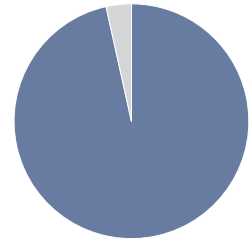
Company profile

CP All is the market leader in the convenience store segment, with at least a 50% market share in terms of store numbers. At the end of 2019, it operated 11,712 stores. It now owns 94% of Siam Makro (MAKRO TB).

www.cpall.co.th

Principal activities (revenue, 2019)

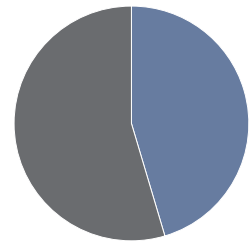
- Sales - 96.5 %
- Other income - 3.5 %



Source: CP All

Major shareholders

- CP Group - 45.4 %
- Others - 54.6 %



Source: CP All

Catalyst

The recovery of Thailand's economy and increasing consumer confidence, as well as a higher proportion of food products to drive GPM.

Risk to our call

The key downside risks to our DCF-derived TP are: 1) the higher-than-expected impact from a loss of service income from the convenience store business; 2) the worse-than-expected overseas performance of Makro; and 3) a slow recovery in tourist numbers.

Event calendar

Date	Event
11 Nov 2020	3Q20 results announcement

Key assumptions

	2020E	2021E	2022E
	(%)	(%)	(%)
SSSG	(10.0)	5.2	3.0
New store growth	5.7	5.4	5.1
GPM (CVS only)	28.1	28.5	28.7
SG&A to sales	20.1	20.0	19.7

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in SSSG we estimate 2021 EPS would rise 0.7%, and vice versa, all else being equal.
- For every 0.1% increase in GPM we estimate 2021 EPS would rise 1.1%, and vice versa, all else being equal.
- For every 1% increase in SG&A to sales we estimate 2021 EPS would fall 1.3%, and vice versa, all else being equal.

Source: FSSIA estimates

Recap of Tesco Asia's performance

Tesco Asia (Thailand and Malaysia) reported an operating profit at GBP426m in FY20 (end Feb-20) vs GBP319m in FY19, which grew 33.5% y-y at the actual exchange rate, or 24.8% y-y at the constant exchange rate. This was attributed to cost savings initiatives in Thailand, including a more efficient distribution operation and more focused and effective marketing activities. Note that there was an extra gain of GBP24m. If we exclude this item, its operating profit would be at GBP402m, or THB16.0b.

Exhibit 1: Tesco Asia financial data

	FY18	FY19	FY20
Revenue (GBP m)	4,947	4,873	5,218
Revenue (THB b)	199.9	196.9	210.8
Operating profit (GBP m)	299	319	426
Operating profit (THB b)	12.0	12.8	17.0
Net profit (THB b)	9.7	7.5	n/a

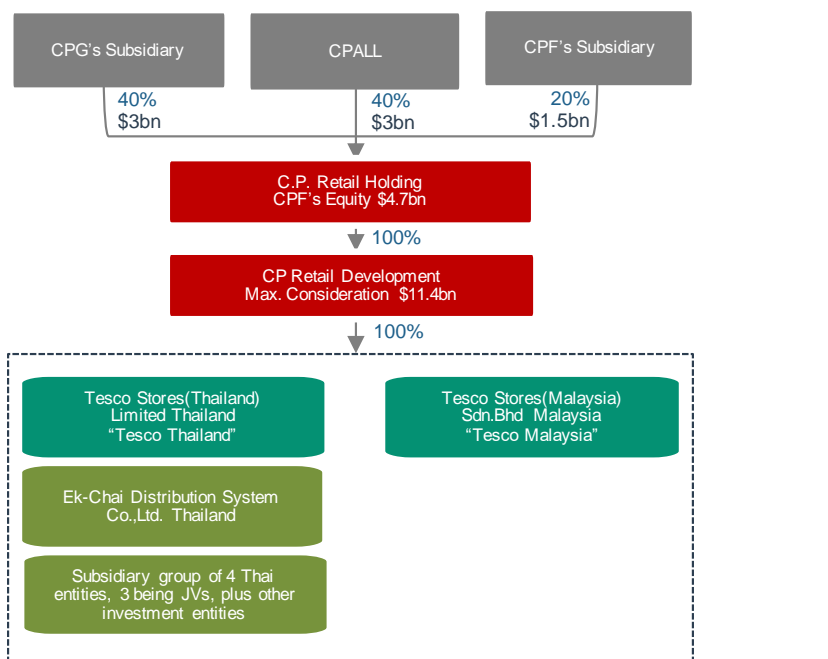
Sources: Tesco; CPALL

According to CPALL's presentation, Tesco Asia delivered THB9.7/THB7.5b net profit for FY18/FY19. Tesco Thailand's net profit was THB7.8b in FY19, while operations in Malaysia contributed a loss of about THB340m that fiscal year. We have limited information for the expected net profit in FY20, but if we assume the same interest and tax expense structure, FY20 net profit would be cTHB11b, in line with the operating profit growth.

Expect 3% earnings dilution from Tesco deal

CPALL plans to invest USD3b, or THB96b, funded by its internal cash flow and debt financing. We assume 100% debt financing with a 3.3% interest rate, which would incur interest expenses of THB3.2b, while CP Retail Development plans to raise additional debt of THB35b, which would incur interest expenses of THB1.2b. Note that CPALL issued a THB7.6b debenture in May-20 with a 2.90-3.59% cost of debt with 7-12 years to maturity. We estimate Tesco's net profit in 2021 at THB7.5b. Hence, the Tesco deal would result in an earnings dilution of 3%.

Exhibit 2: Investment structure in Tesco



Source: CPALL

Exhibit 3: CPALL's earnings dilution after acquiring Tesco

Scenarios	(30%)	(20%)	(10%)	Base case	10%	20%	30%
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)
Tesco profit in 2021E	5,250	6,000	6,750	7,500	8,250	9,000	9,750
CPALL's earnings in 2021E	20,664	20,664	20,664	20,664	20,664	20,664	20,664
Interest cost (%)	3.3	3.3	3.3	3.3	3.3	3.3	3.3
CPALL's additional debt	96,000	96,000	96,000	96,000	96,000	96,000	96,000
Incremental interest expenses	3,168	3,168	3,168	3,168	3,168	3,168	3,168
Tesco profit in 2021E	5,250	6,000	6,750	7,500	8,250	9,000	9,750
Interest cost (%)	3.3	3.3	3.3	3.3	3.3	3.3	3.3
CP Retail Development's additional debt	35,000	35,000	35,000	35,000	35,000	35,000	35,000
Incremental interest expenses	1,155	1,155	1,155	1,155	1,155	1,155	1,155
Net profit from Tesco	4,095	4,845	5,595	6,345	7,095	7,845	8,595
Equity income from Tesco (40%)	1,638	1,938	2,238	2,538	2,838	3,138	3,438
Net impact to CPALL's bottom line	(1,530)	(1,230)	(930)	(630)	(330)	(30)	270
Earnings dilution (%)	(7.4)	(6.0%)	(4.5)	(3.0)	(1.6)	(0.1)	1.3

Sources: CPALL; Tesco; FSSIA estimates

Net profit and TP revisions

SSSG in October remained in negative territory in the low teens, reflecting a slower-than-expected SSSG recovery due to the weak economic outlook and the slower-than-expected recovery in tourist numbers. Hence, we revise down our net profit forecast for 2020-22 by 9.4-11.8% after lowering our 2020 SSSG assumption from -4% to -10% and fine-tune our SG&A to sales and GPM assumptions for 2021-22. We lower our TP to THB77 (from THB85) to reflect our earnings cuts. However, we still like CPALL's operations and are positive on its long-term prospects. The earnings hiccup from COVID-19 should be temporary, given the resilient growth of the CVS format.

Exhibit 4: Assumption revisions

	Current			Previous			Change		
	2020E	2021E	2022E	2020E	2021E	2022E	2020E	2021E	2022E
	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Sales (THB m)	520,273	574,956	631,982	540,784	597,616	656,622	(3.8)	(3.8)	(3.8)
SSSG	(10.0)	5.2	3.0	(4.0)	5.2	3.0	(6.0)	0.0	0.0
Gross margin	28.1	28.5	28.7	28.1	28.5	28.9	0.0	0.0	(0.2)
No. of new stores (no.)	500	700	700	500	700	700	0	0	0
SG&A expenses to total revenue	20.1	20.0	19.7	20.1	19.9	19.7	(0.0)	0.1	0.1
Net profit (THB m)	16,692	20,664	24,606	18,433	22,954	27,900	(9.4)	(10.0)	(11.8)

Sources: FSSIA estimates

Exhibit 5: DCF valuation

DCF-derived TP	(%)	(THB b)
Discount rate (WACC)	7.7	
Terminal growth	2.0	
NPV		244
Add: terminal value		569
Sum of PV		812
Add: investment		0
Less: debt		104
Less: minorities		15
Residual ordinary equity		693
No. of shares (m)		8,983
Residual ordinary equity (THB/share)		77

Source: FSSIA estimates

Financial Statements

CP All

Profit and Loss (THB m) Year Ending Dec	2018	2019	2020E	2021E	2022E
Revenue	526,855	570,712	549,671	606,480	665,718
Cost of goods sold	(384,188)	(414,843)	(400,534)	(440,482)	(484,192)
Gross profit	142,667	155,868	149,138	165,998	181,526
Other operating income	0	0	0	0	0
Operating costs	(100,195)	(110,753)	(110,650)	(121,161)	(131,197)
Operating EBITDA	42,472	45,115	38,488	44,838	50,330
Depreciation	(10,444)	(11,220)	(11,379)	(12,402)	(13,496)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	32,028	33,896	27,109	32,435	36,834
Net financing costs	(6,916)	(6,427)	(6,282)	(6,074)	(5,492)
Associates	0	0	0	0	0
Recurring non operating income	0	0	0	0	0
Non recurring items	40	(705)	0	0	0
Profit before tax	25,152	26,764	20,826	26,361	31,342
Tax	(3,969)	(4,070)	(3,749)	(5,272)	(6,268)
Profit after tax	21,183	22,694	17,078	21,089	25,074
Minority interests	(253)	(351)	(386)	(425)	(467)
Preferred dividends	0	0	0	0	0
Other items	0	0	0	0	0
Reported net profit	20,930	22,343	16,692	20,664	24,606
Non recurring items & goodwill (net)	(40)	705	0	0	0
Recurring net profit	20,890	23,049	16,692	20,664	24,606
Per share (THB)					
Recurring EPS *	2.33	2.57	1.86	2.30	2.74
Reported EPS	2.33	2.49	1.86	2.30	2.74
DPS	1.10	1.25	0.74	0.92	1.10
Diluted shares (used to calculate per share data)	8,983	8,983	8,983	8,983	8,983
Growth					
Revenue (%)	7.7	8.3	(3.7)	10.3	9.8
Operating EBITDA (%)	4.0	6.2	(14.7)	16.5	12.2
Operating EBIT (%)	2.5	5.8	(20.0)	19.6	13.6
Recurring EPS (%)	4.9	10.3	(27.6)	23.8	19.1
Reported EPS (%)	5.1	6.8	(25.3)	23.8	19.1
Operating performance					
Gross margin inc depreciation (%)	25.1	25.3	25.1	25.3	25.2
Gross margin of key business (%)	27.6	28.1	28.1	28.5	28.7
Operating EBITDA margin (%)	8.1	7.9	7.0	7.4	7.6
Operating EBIT margin (%)	6.1	5.9	4.9	5.3	5.5
Net margin (%)	4.0	4.0	3.0	3.4	3.7
Effective tax rate (%)	15.8	14.8	18.0	20.0	20.0
Dividend payout on recurring profit (%)	47.3	48.7	40.0	40.0	40.0
Interest cover (X)	4.6	5.3	4.3	5.3	6.7
Inventory days	27.1	26.9	28.3	26.4	26.3
Debtor days	6.2	6.0	6.2	5.8	5.8
Creditor days	87.2	83.2	80.9	72.0	71.5
Operating ROIC (%)	51.1	50.5	32.2	32.9	36.1
ROIC (%)	11.2	11.8	8.8	10.0	11.2
ROE (%)	26.1	25.8	16.9	18.8	19.9
ROA (%)	7.3	7.7	5.9	6.8	7.5

* Pre-exceptional, pre-goodwill and fully diluted

Revenue By Division (THB m)	2018	2019	2020E	2021E	2022E
Sales	508,212	550,901	530,059	584,841	641,966
Other income	18,642	19,811	19,612	21,639	23,753

Sources: CP All; FSSIA estimates

Financial Statements

CP All

Cash Flow (THB m) Year Ending Dec	2018	2019	2020E	2021E	2022E
Recurring net profit	20,890	23,049	16,692	20,664	24,606
Depreciation	10,444	11,220	11,379	12,402	13,496
Associates & minorities	253	351	386	425	467
Other non-cash items	-	-	-	-	-
Change in working capital	2,507	(2,112)	(10,071)	3,915	4,018
Cash flow from operations	34,094	32,508	18,386	37,406	42,587
Capex - maintenance	0	0	0	0	0
Capex - new investment	(15,338)	(16,015)	(18,087)	(19,334)	(20,667)
Net acquisitions & disposals	83	(811)	(2)	(2)	(2)
Other investments (net)	(891)	(185)	4,344	2,469	2,596
Cash flow from investing	(16,146)	(17,010)	(13,744)	(16,866)	(18,073)
Dividends paid	(9,881)	(11,229)	(6,677)	(8,266)	(9,843)
Equity finance	9,839	(710)	0	0	0
Debt finance	(12,679)	(8,530)	2,384	(11,357)	(14,251)
Other financing cash flows	0	0	0	0	0
Cash flow from Financing	(12,722)	(20,469)	(4,293)	(19,623)	(24,093)
Non-recurring cash flows	0	0	0	0	0
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	5,226	(4,971)	349	917	421
Free cash flow to firm (FCFF)	25,143.91	22,218.88	11,225.11	26,921.03	30,319.24
Free cash flow to equity (FCFE)	5,268.92	6,967.48	7,026.12	9,182.70	10,263.58

Per share (THB)

FCFF per share	2.80	2.47	1.25	3.00	3.38
FCFE per share	0.59	0.78	0.78	1.02	1.14
Recurring cash flow per share	3.52	3.85	3.17	3.73	4.29

Balance Sheet (THB m) Year Ending Dec	2018	2019	2020E	2021E	2022E
Tangible fixed asset (gross)	169,822	181,036	198,172	216,507	236,125
Less: Accumulated depreciation	(58,535)	(64,954)	(75,382)	(86,786)	(99,233)
Tangible fixed assets (Net)	111,287	116,082	122,789	129,721	136,892
Intangible fixed assets (Net)	128,096	128,096	128,096	128,096	128,096
Long-term financial assets	0	0	0	0	0
Invest. In associates & subsidiaries	34	36	38	40	42
Cash & equivalents	35,490	30,519	30,869	31,786	32,207
A/C receivable	9,447	9,447	9,099	10,039	11,020
Inventories	29,570	31,538	30,490	33,275	36,567
Other current assets	487	419	404	445	489
Current assets	74,994	71,923	70,862	75,545	80,282
Other assets	59,330	59,480	52,565	52,624	52,686
Total assets	373,741	375,617	374,350	386,026	397,998
Common equity	84,831	93,739	103,754	116,152	130,916
Minorities etc.	14,988	14,629	15,015	15,440	15,907
Total Shareholders' equity	99,819	108,368	118,769	131,592	146,823
Long term debt	126,894	129,193	15,694	17,263	20,084
Other long-term liabilities	23,277	25,139	22,617	24,955	27,392
Long-term liabilities	150,171	154,333	38,311	42,218	47,477
A/C payable	94,657	94,514	83,047	90,687	98,977
Short term debt	26,778	15,948	131,830	118,904	101,832
Other current liabilities	2,318	2,456	2,392	2,624	2,889
Current liabilities	123,752	112,917	217,269	212,216	203,698
Total liabilities and shareholders' equity	373,742	375,617	374,350	386,026	397,998
Net working capital	(57,471)	(55,565)	(45,446)	(49,552)	(53,790)
Invested capital	241,277	248,129	258,042	260,928	263,925

* Includes convertibles and preferred stock which is being treated as debt

Per share (THB)

Book value per share	7.23	8.22	9.33	10.71	12.36
Tangible book value per share	(7.03)	(6.04)	(4.93)	(3.55)	(1.90)

Financial strength

Net debt/Equity (%)	118.4	105.8	98.2	79.3	61.1
Net debt/total assets (%)	31.6	30.5	31.2	27.0	22.5
Current ratio (x)	0.6	0.6	0.3	0.4	0.4
CF interest cover (x)	4.0	4.6	5.0	5.7	6.6

Valuation	2018	2019	2020E	2021E	2022E
Recurring P/E (x) *	25.5	23.1	31.9	25.8	21.6
Recurring P/E @ target price (x) *	33.1	30.0	41.4	33.5	28.1
Reported P/E (x)	25.4	23.8	31.9	25.8	21.6
Dividend yield (%)	1.9	2.1	1.3	1.6	1.8
Price/book (x)	8.2	7.2	6.3	5.5	4.8
Price/tangible book (x)	(8.4)	(9.8)	(12.0)	(16.7)	(31.1)
EV/EBITDA (x) **	16.1	15.1	17.8	15.0	13.1
EV/EBITDA @ target price (x) **	19.9	18.6	21.9	18.5	16.2
EV/invested capital (x)	2.8	2.7	2.7	2.6	2.5

* Pre-exceptional & pre-goodwill are fully diluted ** EBITDA includes associate income and recurring non operating income

Sources: CP All; FSSIA estimates

Corporate Governance report of Thai listed companies 2019

EXCELLENT LEVEL										
AAV	ADVANC	AIRA	AKP	AKR	AMA	AMATA	AMATAV	ANAN	AOT	AP
ARROW	BAFS	BANPU	BAY	BCP	BCPG	BOL	BRR	BTS	BTW	BWG
CFRESH	CHEWA	CHO	CK	CKP	CM	CNT	COL	COMAN	CPALL	CPF
CPI	CPN	CSS	DELTA	DEMCO	DRT	DTAC	DTC	EA	EASTW	ECF
EGCO	GBX	GC	GCAP	GEL	GGP	GGC	GOLD	GPSC	GRAMMY	GUNKUL
HANA	HARN	HMPRO	ICC	ICHI	III	ILINK	INTUCH	IRPC	IVL	JKN
JSP	K	KBANK	KCE	KKP	KSL	KTB	KTC	KTIS	LH	LHFG
LIT	LPN	MAKRO	MALEE	MBK	MBKET	MC	MCOT	MFEC	MINT	MONO*
MTC	NCH	NCL	NKI	NSI	NVD	NYT	OISHI	OTO	PAP	PCSGH
PDJ	PG	PHOL	PJW	PLANB	PLANET	PORT	PPS	PR9	PREB	PRG
PRM	PSH	PSL	PTG	PTT	PTTEP	PTTGC	PYLON	Q-CON	QH	QTC
RATCH	ROBINS**	RS	S	S & J	SABINA	SAMART	SAMTEL	SAT	SC	SCB
SCC	SCCC	SCN	SDC	SEAFCO	SEAOL	SE-ED	SELIC	SENA	SIS	SITHAI
SNC	SORKON	SPALI	SPI	SPRC	SSSC	STA	STEC	SVI	SYNTEC	TASCO
TCAP	THAI	THANA	THANI	THCOM	THIP	THREL	TIP	TISCO	TK	TKT
TMB	TMILL	TNDT	TOA	TOP	TRC	TRU	TRUE	TSC	TSR	TSTH
TTA	TTCL	TTW	TU	TVD	TVO	U	UAC	UV	VGI	VIH
WACOAL	WAVE	WHA	WHAUP	WICE	WINNER					
VERY GOOD LEVEL										
2S	ABM	ADB	AF	AGE	AH	AHC	AIT	ALLA	ALT	AMANA
AMARIN	APCO	APCS	AQUA	ARIP	ASAP	ASIA	ASIAN	ASIMAR	ASK	ASN
ASP	ATP30	AUCT	AYUD	B	BA	BBL	BDMS	BEC	BEM	BFIT
BGC	BGRIM	BIZ	BJC	BJCHI	BLA	BPP	BROOK	CBG	CEN	CENDEL
CGH	CHG	CHOTI	CHOW	CI	CIMBT	CNS	COLOR	COM7	COTTO	CRD
CSC	CSP	DCC	DCON	DDD	DOD	EASON	ECL	EE	EPG	ERW
ESTAR	ETE	FLOYD	FN	FNS	FORTH	FPI	FPT	FSMART	FSS	FVC
GENCO	GJS	GL	GLOBAL	GLOW**	GULF	HPT	HTC	HYDRO	ICN	IFS
INET	INSURE	IRC	IRCP	IT	ITD***	ITEL	J	JAS*	JCK	JCKH
JMART	JMT	JWD	KBS	KCAR	KBS	KIAT	KOOL	KWC	KWM	L&E
LALIN	LANNA	LDC	LHK	LOXLEY	LRH	LST	M	MACO	MAJOR	MBAX
MEGA	METCO	MFC	MK	MODERN	MOONG	MPG	MSC	MTI	NEP	NETBAY
NEX	NINE	NOBLE	NOK	NTV	NWR	OCC	OGC	ORI	OSP	PATO
PB	PDG	PDI	PL	PLAT	PM	PPP	PRECHA	PRIN	PRINC	PSTC
PT	QLT	RCL	RICHY	RML	RWI	S11	SAAM	SALEE	SAMCO	SANKO
SAPPE	SAWAD	SCG	SCI	SCP	SE	SFP	SIAM	SINGER	SIRI	SKE
SKR	SKY	SMIT	SMK	SMP	SMT	SNP	SONIC	SPA	SPC	SPCG
SPVI	SR	SRICHA	SSC	SSF	SST	STANLY	STPI	SUC	SUN	SUSCO
SUTHA	SWC	SYMC	SYNEX	T	TACC	TAE	TAKUNI	TBSP	TCC	TCMC
TEAM	TEAMG	TFG	TFMAMA	THG	THRE	TIPCO	TITLE	TIW	TKN	TKS
TM	TMC	TMD	TMI	TMT	TNITY	TNL	TNP	TNR	TOG	TPA
TPAC	TPBI	TPCORP	TPOLY	TRITN	TRT	TSE	TSTE	TVI	TVT	TWP
TWPC	UBIS	UEC	UMI	UOBKH	UP	UPF	UPOIC	UT	UWC	VNT
WIIK	XO	YUASA	ZEN	ZMICO						
GOOD LEVEL										
A	ABICO	ACAP***	AEC	AEONTS	AJ	ALUCON	AMC	APURE	AS	ASEFA
AU	B52	BCH	BEAUTY	BGT	BH	BIG	BLAND	BM	BR	BROCK
BSBM	BSM	BTNC	CCET	CCP	CGD	CHARAN	CHAYO	CITY	CMAN	CMC
CMO	CMR	CPL	CPT	CSR	CTW	CWT	D	DIMET	EKH	EMC
EPCO	ESSO	FE	FTE	GIFT	GLAND	GLOCON	GPI	GREEN	GTB	GYT
HTECH	HUMAN	IHL	INGRS	INOX	JTS	JUBILE	KASET	KCM	KKC	KWG
KYE	LEE	LPH	MATCH	MATI	M-CHAI	MCS	MDX	META	MGT	MJD
MM	MVP	NC	NDR	NER	NNCL	NPK	NUSA	OCEAN	PAF	PF
PICO	PIMO	PK	PLE	PMTA	POST	PPM	PROUD	PTL	RCI	RJH
ROJNA	RPC	RPH	SF	SGF	SGP	SKN	SLP	SMART	SOLAR	SPG
SQ	SSP	STI	SUPER	SVOA	TCCC	THE	THMUI	TIC	TIGER	TNH
TOPP	TPCH	TPIPP	TPLAS	TQM	TTI	TYCN	UTP	VCOM	VIBHA	VPO
WIN	WORK	WP	WPH	ZIGA						
Score Range	Number of Logo					Description				
90-100						Excellent				
80-89						Very Good				
70-79						Good				
60-69						Satisfactory				
50-59						Pass				
Less than 50	No logo given					-				

Disclaimer:

The disclosure of the survey results of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information.

The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey results may be changed after that date. FSS International Investment Advisory Company Limited does not confirm nor certify the accuracy of such survey results.

* CGR scoring should be considered with news regarding wrong doing of the company or director or executive of the company such unfair practice on securities trading, fraud, and corruption SEC imposed a civil sanction against insider trading of director and executive; ** delisted

Source: Thai Institute of Directors Association (IOD); FSSIA's compilation

Anti-corruption Progress Indicator

CERTIFIED										
ADVANC	AIE	AKP	AMANAHA	AP	APCS	AQUA	ARROW	ASK	ASP	AYUD
BAFS	BANPU	BAY	BBL	BCH	BCP	BCPG	BGRIM	BJCHI	BKI	BLA
BROOK	BRR	BSBM	BTS	BWG	CEN	CENTEL	CFRESH	CGH	CHEWA	CIG
CIMBT	CM	COM7	CPALL	CPF	CPI	CPN	CSC	DCC	DEMCO	DIMET
DRT	DTAC	DTC	EASTW	ECL	EGCO	FE	FNS	FSS	GBX	GC
GCAP	GEL	GFPT	GGC	GJS	GOLD	GPSC	GSTEEL	GUNKUL	HANA	HARN
HMPRO	HTC	ICC	IFS	INET	INSURE	INTUCH	IRPC	IVL	K	KASET
KBANK	KBS	KCAR	KCE	KGI	KKP	KSL	KTB	KTC	KWC	L&E
LANNA	LHK	LPN	LRH	M	MAKRO	MALEE	MBAX	MBK	MBKET	MC
MCOT	MFC	MINT	MONO	MOONG	MSC	MTI	NBC	NINE	NKI	NMG
NNCL	NSI	OCC	OCEAN	OGC	PAP	PATO	PB	PCSGH	PDG	PDI
PDJ	PE	PG	PHOL	PL	PLANB	PLANET	PLAT	PM	PPP	PPS
PREB	PRG	PRINC	PSH	PSTC	PT	PTG	PTT	PTTEP	PTTGC	PYLON
Q-CON	QH	QLT	QTC	RATCH	RML	S & J	SABINA	SAT	SC	SCB
SCC	SCCC	SCG	SCN	SE-ED	SELIC	SENA	SGP	SIRI	SIS	SITHAI
SMIT	SMK	SMPC	SNC	SNP	SORKON	SPACK	SPC	SPI	SPRC	SRICHA
SSF	SSI	SSSC	SST	STA	SUSCO	SVI	SYNTEC	TASCO	TCAP	TFG
TFI	TFMAMA	THANI	THCOM	THIP	THRE	THREL	TIP	TIPCO	TISCO	TKT
TMB	TMD	TMILL	TMT	TNITY	TNL	TNP	TNR	TOG	TOP	TPA
TPCORP	TRU	TRUE	TSC	TSTH	TTCL	TU	TVD	TVI	TWPC	U
UBIS	UEC	UKEM	UOBKH	VGI	VIH	VNT	WACOAL	WHA	WICE	WIIK
DECLARED										
2S	ABICO	AF	AI	AIRA	ALT	AMA	AMARIN	AMATA	ANAN	B
BM	BPP	BUI	CHG	CHO	CHOTI	CHOW	CI	CMC	COL	DDD
DELTA	EFORL	EPCO	ESTAR	ETE	FPI	FTE	ICHI	INOX	IRC	ITEL
JAS	JSP	JTS	KWG	LDC	LIT	META	MFEC	MPG	NEP	NOK
NWR	ORI	PRM	PSL	ROJNA	RWI	SAAM	SAPPE	SCI	SEOIL	SHANG
SKR	SPALI	STANLY	SYNEX	TAE	TAKUNI	TMC	TOPP	TPP	TRITN	TVO
UV	UWC	WHAUP	XO	YUASA	ZEN					

Level	
Certified	This level indicates practical participation with thoroughly examination in relation to the recommended procedures from the audit committee or the SEC's certified auditor, being a certified member of Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) or already passed examination to ensure independence from external parties.
Declared	This level indicates determination to participate in the Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC)

Disclaimer:

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Note: Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of June 24, 2019) are categorised into: 1) companies that have declared their intention to join CAC, and; 2) companies certified by CAC.

Source: The Securities and Exchange Commission, Thailand; * FSSIA's compilation

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Karun Intrachai FSS International Investment Advisory Securities Co., Ltd

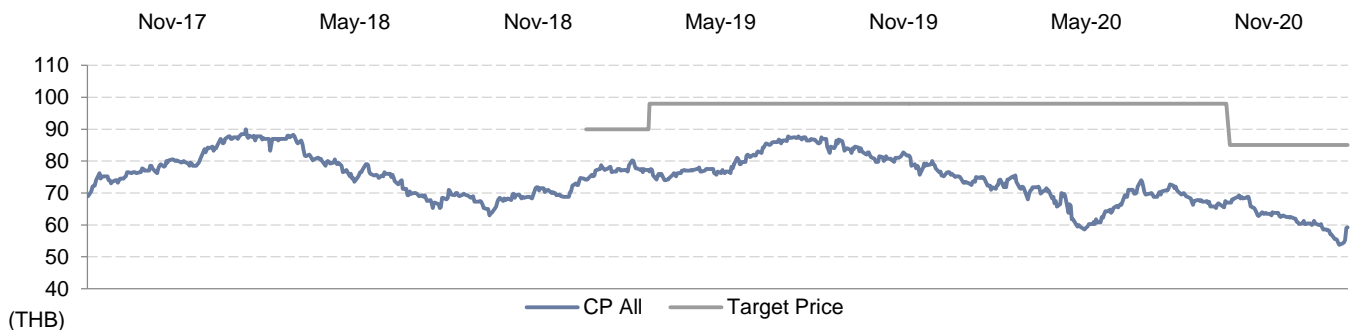
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History of change in investment rating and/or target price

CP All (CPALL TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
16-Jan-2019	BUY	90.00	02-Apr-2020	BUY	98.00	-	-	-
12-Mar-2019	BUY	98.00	24-Jul-2020	BUY	85.00			

Karun Intrachai started covering this stock from 24-Jul-2020

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
CP All	CPALL TB	THB 59.25	BUY	The key downside risks to our DCF-derived TP are: 1) the higher-than-expected impact from a loss of service income from the convenience store business; 2) the worse-than-expected overseas performance of Makro; and 3) a slow recovery in tourist numbers.

Source: FSSIA estimates

Additional Disclosures

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finasia Syrus Securities Public Company Limited

FSSIA may incorporate the recommendations and target prices of companies currently covered by FSS Research into equity research reports, denoted by an 'FSS' before the recommendation. FSS Research is part of Finasia Syrus Securities Public Company Limited, which is the parent company of FSSIA.

All share prices are as at market close on 06-Nov-2020 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as (target price* - current price) / current price.

BUY (B). The upside is 10% or more.

HOLD (H). The upside or downside is less than 10%.

REDUCE (R). The downside is 10% or more.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

Industry Recommendations

Overweight. The analyst expects the fundamental conditions of the sector to be positive over the next 12 months.

Neutral. The analyst expects the fundamental conditions of the sector to be maintained over the next 12 months.

Underweight. The analyst expects the fundamental conditions of the sector to be negative over the next 12 months.

Country (Strategy) Recommendations

Overweight (O). Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Neutral (N). Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Underweight (U). Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.