

25 JANUARY 2021

THAILAND / CONSUMER STAPLES

CP ALL CPALL TB

BUY

UNCHANGED

TARGET PRICE	THB73.00
CLOSE	THB58.00
UP/DOWNSIDE	+25.9%
PRIOR TP	THB77.00
CHANGE IN TP	-5.2%
TP vs CONSENSUS	-0.9%

## Playing a waiting game

### การเติบโตของยอดขายต่อสาขาเดิม (SSSG) อ่อนแอต่อเนื่อง

ธุรกิจร้านสะดวกซื้ออาจรายงาน SSSG อ่อนแอต่อเนื่องใน 4Q20 หลัง SSSG ปรับตัวลดลงจนติดลบในระดับสิบกลาง ๆ ในเดือน ต.ค. - พ.ย. (เทียบกับ -14.3% y-y ใน 3Q20) จากฤดูฝนที่ยาวนานและผลกระทบเล็กน้อยจากโครงการคนละครึ่งที่เริ่มเมื่อวันที่ 23 ต.ค. ในเดือน ธ.ค. 20 SSSG ติดลบเพิ่มขึ้นในระดับสูงจากฐานที่สูงซึ่งเกิดจากการใช้จ่ายของนักท่องเที่ยว (ประมาณ 5% ของยอดขายรวม) ผลกระทบที่มีมากขึ้นจากโครงการคนละครึ่งที่ได้รับความนิยมสูง ช่วงอากาศเย็นที่ยาวนานขึ้น และการแพร่ระบาด COVID ครั้งใหม่ ในภาพรวม เราคาดว่า SSSG จะอยู่ที่ -18% ใน 4Q20

### คาดการณ์ 4Q20 จะฟื้นตัว q-q แต่ยังคงลดลง y-y

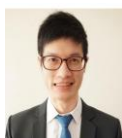
เราคาดว่า CPALL จะรายงานกำไร 4Q20 ที่ 4.3 พัน ลบ. (+6% q-q, -31% y-y) ใน 4Q20 รายได้อาจลดลง 10% y-y ตาม SSSG ที่ -18% ของธุรกิจร้านสะดวกซื้อ และ SSSG ที่ +1% ของ Siam Makro (MAKRO TB, BUY, TP THB50) (+1%) อัตรากำไรขั้นต้นอาจลดลง 50bps y-y มาอยู่ที่ 22.2% จากอัตราการใช้จ่ายกำลังการผลิตที่ลดลงของศูนย์กระจายสินค้า CPALL เริ่มบริการจัดส่งสินค้าใน 2Q20 ซึ่งสร้างยอดขายในอัตราเลขตัวเดียวในระดับกลางในปัจจุบัน บางสาขาต้องจ้างพนักงานเพิ่มเพื่อให้รองรับบริการจัดส่งสินค้า แต่ EBIT margin น่าจะไม่ได้รับผลกระทบเนื่องจากราคาเฉลี่ยต่อการซื้ออยู่ในระดับสูงที่ประมาณ 150 เทียบกับ 69 บาทใน 3Q20 นอกจากนี้สินค้าที่ใช้บริการจัดส่งมีส่วนอาหารและเครื่องดื่มซึ่งมีอัตรากำไรขั้นต้นที่สูง เช่น แซนวิช อาหารพร้อมรับประทาน ฯลฯ เทียบกับสินค้าอัตรากำไรต่ำที่อยู่ในร้าน เช่น เหล้าและเบียร์ (ประมาณ 20% ของยอดขายรวม)

### SSSG อาจพลิกเป็นบวกใน 2Q21 จากฐานที่ต่ำ

เราปรับลดประมาณการกำไรปี 2021-22 ของเราลง 11.7%/9.5% เพื่อสะท้อนกำลังซื้อที่ต่ำเกินคาดจากปัญหาการแพร่ระบาด COVID-19 รอบใหม่ 1Q21 SSSG อาจอ่อนแอ โดยคาดว่าจะติดลบในหลักสิบกลางถึงปลายจากสภาวะอากาศเย็น มาตรการปิดเมืองบางส่วน และความต้องการที่เปลี่ยนชั่วคราวไปหาร้านขายของชำตามโครงการคนละครึ่งและโครงการเราชนะ สาขาประมาณ 700 แห่ง (ประมาณ 5.6% ของสาขาทั้งหมด) ในชลบุรีและสมุทรสาครถูกจำกัดด้วยมาตรการเคอร์ฟิวในตลอดกลางคืน เราคาดว่า SSSG จะพลิกเป็นบวกได้เป็นครั้งแรกใน 5 ไตรมาสใน 2Q21 จากฐานที่ต่ำและอาจเร่งตัวขึ้นใน 4Q21 หลังการกลับมาของนักท่องเที่ยวในฤดูท่องเที่ยว

### คาดการณ์ถึงการฟื้นตัวที่ดีใน 2Q21

เราลดราคาเป้าหมายของเราเป็น 73 บาทเพื่อสะท้อนการปรับลดประมาณการกำไร เราคงมุมมองที่เป็นบวกในระยะยาวต่อบริษัท โดยยังมีโอกาสในการเติบโตของธุรกิจร้านสะดวกซื้อทั้งในและต่างประเทศ อย่างไรก็ตาม ราคาหุ้นอาจ underperform ในระยะสั้นจากแนวโน้ม SSSG ที่ติดลบในระดับสิบกลางถึงปลายและความคาดการณ์เกี่ยวกับกำไรที่จะฟื้นตัวช้ากว่าบริษัทอื่นในกลุ่มฯ

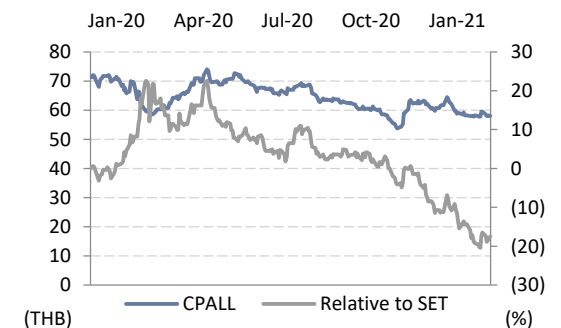


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## KEY STOCK DATA

YE Dec (THB m)	2019	2020E	2021E	2022E
Revenue	570,712	542,555	590,613	655,264
Net profit	22,343	16,783	18,254	22,272
EPS (THB)	2.49	1.87	2.03	2.48
vs Consensus (%)	-	(1.9)	(8.6)	(5.8)
EBITDA	45,115	39,061	41,798	47,447
Core net profit	23,049	16,718	18,254	22,272
Core EPS (THB)	2.57	1.86	2.03	2.48
Chg. In EPS est. (%)	-	0.2	(11.7)	(9.5)
EPS growth (%)	10.3	(27.5)	9.2	22.0
Core P/E (x)	22.6	31.2	28.5	23.4
Dividend yield (%)	2.2	1.3	1.4	1.7
EV/EBITDA (x)	14.9	17.2	15.8	13.7
Price/book (x)	7.1	6.2	5.5	4.8
Net debt/Equity (%)	105.8	96.8	80.5	63.1
ROE (%)	25.8	16.9	16.7	18.3



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(2.9)	1.8	(22.4)
Relative to country (%)	(7.7)	(17.6)	(18.4)
Mkt cap (USD m)	17,369		
3m avg. daily turnover (USD m)	79.0		
Free float (%)	40		
Major shareholder	CP Group (45%)		
12m high/low (THB)	76.00/53.50		
Issued shares (m)	8,983.10		

Sources: Bloomberg consensus; FSSIA estimates

## 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.

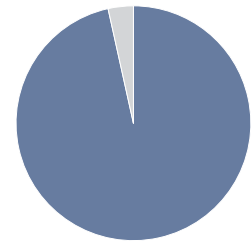
## Company profile

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](http://www.cpall.co.th)

## Principal activities (revenue, 2019)

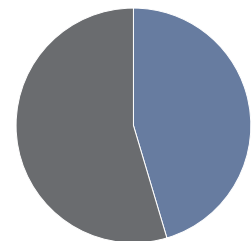
- Sales - 96.5 %
- Other income - 3.5 %



Source: CP All

## Major shareholders

- CP Group - 45.4 %
- Others - 54.6 %



Source: CP All

## Catalyst

Potential catalysts for CPALL include the recovery of Thailand's economy and increasing consumer confidence, as well as a higher proportion of food products to drive its 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) the slow recovery of tourist numbers.

## Event calendar

Date	Event
February 2021	4Q20 results announcement

## Key assumptions

	2020E	2021E	2022E
	(%)	(%)	(%)
SSSG	(13.0)	2.3	5.0
New store growth	5.6	5.3	5.1
GPM (CVS only)	27.6	28.5	28.7
SG&A to sales	19.8	19.8	19.6

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

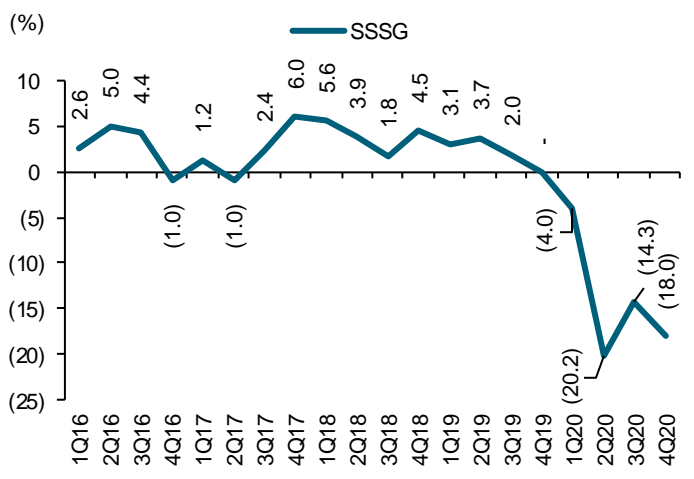


## Exhibit 1: CPALL – 4Q20E results preview

Year to Dec	4Q19	1Q20	2Q20	3Q20	4Q20E	Change		2020E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)
<b>Total revenue</b>	<b>147,722</b>	<b>145,758</b>	<b>127,989</b>	<b>135,457</b>	<b>133,352</b>	(2)	(10)	<b>542,555</b>
Retail sales	142,425	140,971	123,101	129,990	128,228	(1)	(10)	522,290
Other income	5,297	4,787	4,888	5,467	5,123	(6)	(3)	20,265
<b>Gross profit</b>	<b>37,669</b>	<b>35,969</b>	<b>31,330</b>	<b>34,034</b>	<b>33,611</b>	(1)	(11)	<b>134,944</b>
Operating costs	(28,864)	(27,307)	(26,013)	(27,307)	(26,636)	(2)	(8)	(107,262)
Operating profit	8,805	8,662	5,317	6,727	6,975	4	(21)	27,682
Other income	0	0	0	0	0	n/a	n/a	300
Interest expense	(1,616)	(1,881)	(1,976)	(1,991)	(2,082)	5	29	(7,930)
<b>Profit before tax</b>	<b>7,239</b>	<b>6,824</b>	<b>3,379</b>	<b>4,768</b>	<b>5,080</b>	7	(30)	<b>20,052</b>
Tax	(1,008)	(1,132)	(434)	(682)	(699)	2	(31)	(2,948)
Minority interests	(132)	(102)	(55)	(99)	(129)	31	(2)	(386)
Non-recurring items	69	56	(2)	11	0	(98)	(100)	65
<b>Reported net profit</b>	<b>6,167</b>	<b>5,645</b>	<b>2,887</b>	<b>3,998</b>	<b>4,252</b>	6	(31)	<b>16,783</b>
<b>Recurring net profit</b>	<b>6,099</b>	<b>5,589</b>	<b>2,890</b>	<b>3,987</b>	<b>4,252</b>	7	(30)	<b>16,718</b>
EPS (THB)	0.69	0.63	0.32	0.45	0.47	6	(31)	1.87
Recurring EPS (THB)	0.68	0.62	0.32	0.44	0.47	7	(30)	1.86
<b>Key Ratios</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>			<b>(%)</b>
Retail sales margin	22.7	22.1	21.5	22.0	22.2			22.0
Operating margin	6.0	5.9	4.2	5.0	5.2			5.1
Recurring net margin	4.1	3.8	2.3	2.9	3.2			3.1
SG&A / Sales	19.5	18.7	20.3	20.2	20.0			19.8
Effective tax rate	13.9	16.6	12.8	14.3	13.8			14.7
<b>Operating stat</b>								
SSSG (%)	0.0	(4.0)	(20.2)	(14.3)	(18.0)			(13.0)
Number of stores (no.)	11,712	11,983	12,089	12,225	12,412			12,412
New stores (%)	0.6	2.3	0.9	1.1	1.5			

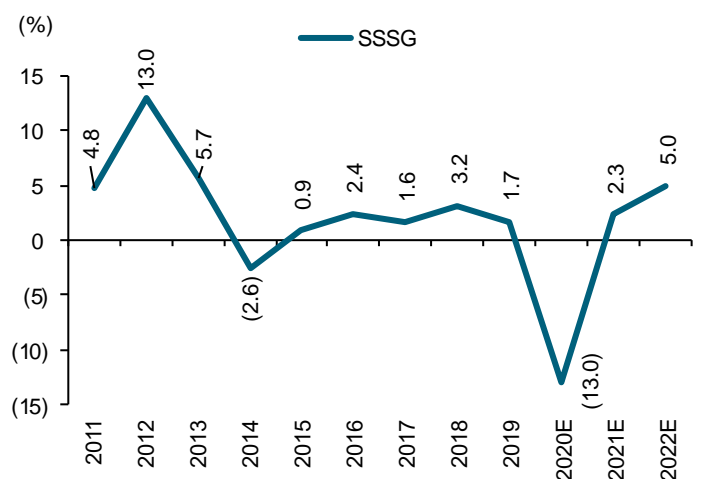
Sources: CPALL; FSSIA estimates

## Exhibit 2: Quarterly SSSG



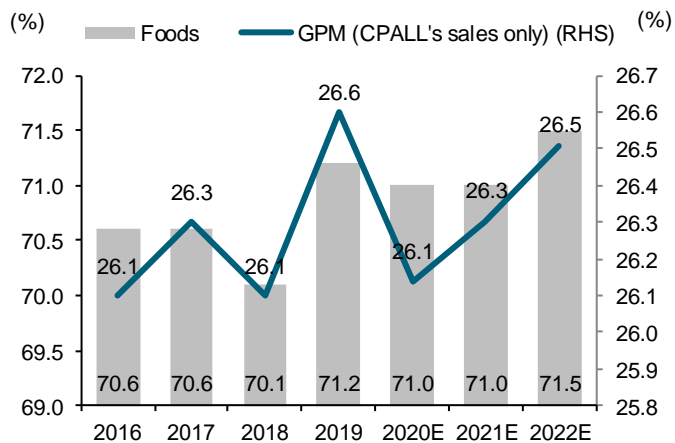
Sources: CPALL; FSSIA estimates

## Exhibit 3: Yearly SSSG



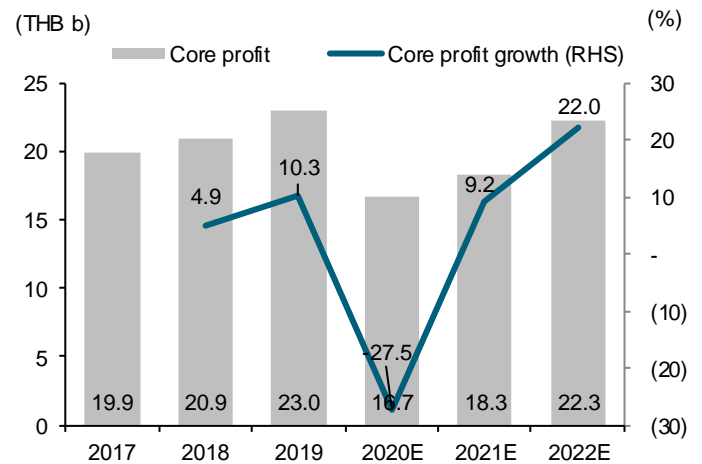
Sources: CPALL; FSSIA estimates

Exhibit 4: GPM could slightly recover in 2021



Sources: CPALL; FSSIA estimates

Exhibit 5: Expect 2021 earnings to recover to pre-COVID level



Sources: CPALL; FSSIA estimates

Exhibit 6: Assumption revisions

	Current			Previous			Change		
	2020E	2021E	2022E	2020E	2021E	2022E	2020E	2021E	2022E
	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Retail sales (THB m)	522,290	569,540	631,884	530,059	584,841	641,966	(1.5)	(2.6)	(1.6)
SSSG	(13.0)	2.3	5.0	(10.0)	5.2	3.0	(3.0)	(2.9)	2.0
Gross margin	27.6	27.8	28.0	28.1	28.5	28.7	(0.4)	(0.7)	(0.7)
No. of new stores (no.)	700	700	700	500	700	700	200	0	0
SG&A expenses to total revenue	19.8	19.8	19.6	20.1	20.0	19.7	(0.4)	(0.2)	(0.1)
Net profit (THB m)	16,783	18,254	22,272	16,692	20,664	24,606	0.5	(11.7)	(9.5)

Note: Change of items in percentage terms are represented in ppt change

Sources: CPALL; FSSIA estimates

Exhibit 7: DCF-derived TP

	(%)	(THB b)
Discount rate (WACC)	7.7	
Terminal growth	2.0	
NPV		226
Add: terminal value		553
Sum of PV		779
Add: investment		0
Less: debt		105
Less: minorities		15
Residual ordinary equity		659
No. of shares (m)		8,983
Residual ordinary equity (THB/share)		73

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	542,555	590,613	655,264
Cost of goods sold	(384,188)	(414,843)	(396,232)	(431,852)	(479,375)
<b>Gross profit</b>	<b>142,667</b>	<b>155,868</b>	<b>146,323</b>	<b>158,762</b>	<b>175,889</b>
Other operating income	0	0	0	0	0
Operating costs	(100,195)	(110,753)	(107,262)	(116,964)	(128,442)
<b>Operating EBITDA</b>	<b>42,472</b>	<b>45,115</b>	<b>39,061</b>	<b>41,798</b>	<b>47,447</b>
Depreciation	(10,444)	(11,220)	(11,379)	(12,402)	(13,496)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>32,028</b>	<b>33,896</b>	<b>27,682</b>	<b>29,396</b>	<b>33,951</b>
Net financing costs	(6,916)	(6,427)	(7,630)	(6,048)	(5,527)
Associates	0	0	0	0	0
Recurring non operating income	0	0	0	0	0
Non recurring items	40	(705)	65	0	0
<b>Profit before tax</b>	<b>25,152</b>	<b>26,764</b>	<b>20,117</b>	<b>23,348</b>	<b>28,424</b>
Tax	(3,969)	(4,070)	(2,948)	(4,670)	(5,685)
<b>Profit after tax</b>	<b>21,183</b>	<b>22,694</b>	<b>17,169</b>	<b>18,678</b>	<b>22,739</b>
Minority interests	(253)	(351)	(386)	(425)	(467)
Preferred dividends	0	0	0	0	0
Other items	0	0	0	0	0
<b>Reported net profit</b>	<b>20,930</b>	<b>22,343</b>	<b>16,783</b>	<b>18,254</b>	<b>22,272</b>
<b>Non recurring items &amp; goodwill (net)</b>	<b>(40)</b>	<b>705</b>	<b>(65)</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>20,890</b>	<b>23,049</b>	<b>16,718</b>	<b>18,254</b>	<b>22,272</b>
<b>Per share (THB)</b>					
Recurring EPS *	2.33	2.57	1.86	2.03	2.48
Reported EPS	2.33	2.49	1.87	2.03	2.48
DPS	1.10	1.25	0.75	0.81	0.99
Diluted shares (used to calculate per share data)	8,983	8,983	8,983	8,983	8,983
<b>Growth</b>					
Revenue (%)	7.7	8.3	(4.9)	8.9	10.9
Operating EBITDA (%)	4.0	6.2	(13.4)	7.0	13.5
Operating EBIT (%)	2.5	5.8	(18.3)	6.2	15.5
Recurring EPS (%)	4.9	10.3	(27.5)	9.2	22.0
Reported EPS (%)	5.1	6.8	(24.9)	8.8	22.0
<b>Operating performance</b>					
Gross margin inc depreciation (%)	25.1	25.3	24.9	24.8	24.8
Gross margin of key business (%)	27.6	28.1	27.6	27.8	28.0
Operating EBITDA margin (%)	8.1	7.9	7.2	7.1	7.2
Operating EBIT margin (%)	6.1	5.9	5.1	5.0	5.2
Net margin (%)	4.0	4.0	3.1	3.1	3.4
Effective tax rate (%)	15.8	14.8	14.7	20.0	20.0
Dividend payout on recurring profit (%)	47.3	48.7	40.2	40.0	40.0
Interest cover (X)	4.6	5.3	3.6	4.9	6.1
Inventory days	27.1	26.9	28.4	26.5	26.2
Debtor days	6.2	6.0	6.2	5.8	5.7
Creditor days	87.2	83.2	81.4	72.3	71.2
Operating ROIC (%)	51.1	50.5	34.1	29.6	33.0
ROIC (%)	11.2	11.8	9.4	9.1	10.4
ROE (%)	26.1	25.8	16.9	16.7	18.3
ROA (%)	7.3	7.7	6.3	6.2	7.0

\* Pre-exceptional, pre-goodwill and fully diluted

Revenue By Division (THB m)	2018	2019	2020E	2021E	2022E
Sales	508,212	550,901	522,290	569,540	631,884
Other income	18,642	19,811	20,265	21,073	23,380

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	16,718	18,254	22,272
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)	(10,502)	3,515	4,418
<b>Cash flow from operations</b>	<b>34,094</b>	<b>32,508</b>	<b>17,982</b>	<b>34,595</b>	<b>40,653</b>
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)	6,430	2,195	2,961
<b>Cash flow from investing</b>	<b>(16,146)</b>	<b>(17,010)</b>	<b>(11,659)</b>	<b>(17,141)</b>	<b>(17,708)</b>
Dividends paid	(9,881)	(11,229)	(6,713)	(7,301)	(8,909)
Equity finance	9,839	(710)	0	0	0
Debt finance	(12,679)	(8,530)	740	(9,236)	(13,615)
Other financing cash flows	0	0	0	0	0
<b>Cash flow from Financing</b>	<b>(12,722)</b>	<b>(20,469)</b>	<b>(5,973)</b>	<b>(16,538)</b>	<b>(22,524)</b>
Non-recurring cash flows	0	0	0	0	0
Other adjustments	0	0	0	0	0
<b>Net other adjustments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Movement in cash</b>	<b>5,226</b>	<b>(4,971)</b>	<b>349</b>	<b>917</b>	<b>421</b>
Free cash flow to firm (FCFF)	25,143.91	22,218.88	14,253.26	23,809.55	28,785.50
Free cash flow to equity (FCFE)	5,268.92	6,967.48	7,062.62	8,218.47	9,329.72

### Per share (THB)

FCFF per share	2.80	2.47	1.59	2.65	3.20
FCFE per share	0.59	0.78	0.79	0.91	1.04
Recurring cash flow per share	3.52	3.85	3.17	3.46	4.03

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)
<b>Tangible fixed assets (Net)</b>	<b>111,287</b>	<b>116,082</b>	<b>122,789</b>	<b>129,721</b>	<b>136,892</b>
<b>Intangible fixed assets (Net)</b>	<b>128,096</b>	<b>128,096</b>	<b>128,096</b>	<b>128,096</b>	<b>128,096</b>
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	8,981	9,776	10,847
Inventories	29,570	31,538	30,172	32,641	36,213
Other current assets	487	419	399	434	481
<b>Current assets</b>	<b>74,994</b>	<b>71,923</b>	<b>70,420</b>	<b>74,637</b>	<b>79,748</b>
Other assets	59,330	59,480	50,226	50,168	50,107
<b>Total assets</b>	<b>373,741</b>	<b>375,617</b>	<b>371,569</b>	<b>382,661</b>	<b>394,884</b>
Common equity	84,831	93,739	103,809	114,761	128,124
Minorities etc.	14,988	14,629	15,015	15,440	15,907
<b>Total Shareholders' equity</b>	<b>99,819</b>	<b>108,368</b>	<b>118,824</b>	<b>130,201</b>	<b>144,031</b>
Long term debt	126,894	129,193	15,694	17,263	20,084
Other long-term liabilities	23,277	25,139	22,325	24,302	26,962
<b>Long-term liabilities</b>	<b>150,171</b>	<b>154,333</b>	<b>38,019</b>	<b>41,565</b>	<b>47,046</b>
A/C payable	94,657	94,514	82,180	88,959	98,019
Short term debt	26,778	15,948	130,186	119,381	102,945
Other current liabilities	2,318	2,456	2,361	2,556	2,843
<b>Current liabilities</b>	<b>123,752</b>	<b>112,917</b>	<b>214,727</b>	<b>210,896</b>	<b>203,807</b>
<b>Total liabilities and shareholders' equity</b>	<b>373,742</b>	<b>375,617</b>	<b>371,569</b>	<b>382,661</b>	<b>394,884</b>
Net working capital	(57,471)	(55,565)	(44,989)	(48,663)	(53,321)
Invested capital	241,277	248,129	256,160	259,361	261,815

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

### Per share (THB)

Book value per share	7.23	8.22	9.34	10.56	12.05
Tangible book value per share	(7.03)	(6.04)	(4.92)	(3.70)	(2.21)

### Financial strength

Net debt/Equity (%)	118.4	105.8	96.8	80.5	63.1
Net debt/total assets (%)	31.6	30.5	31.0	27.4	23.0
Current ratio (x)	0.6	0.6	0.3	0.4	0.4
CF interest cover (x)	4.0	4.6	4.3	5.6	6.4

Valuation	2018	2019	2020E	2021E	2022E
<b>Recurring P/E (x) *</b>	<b>24.9</b>	<b>22.6</b>	<b>31.2</b>	<b>28.5</b>	<b>23.4</b>
<b>Recurring P/E @ target price (x) *</b>	<b>31.4</b>	<b>28.5</b>	<b>39.2</b>	<b>35.9</b>	<b>29.4</b>
Reported P/E (x)	24.9	23.3	31.0	28.5	23.4
Dividend yield (%)	1.9	2.2	1.3	1.4	1.7
Price/book (x)	8.0	7.1	6.2	5.5	4.8
Price/tangible book (x)	(8.2)	(9.6)	(11.8)	(15.7)	(26.2)
EV/EBITDA (x) **	15.9	14.9	17.2	15.8	13.7
EV/EBITDA @ target price (x) **	19.0	17.8	20.6	19.0	16.5
EV/invested capital (x)	2.8	2.7	2.6	2.5	2.5

\* Pre-exceptional &amp; 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	SEAOIL	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	PNR	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
WIKI	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:

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

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

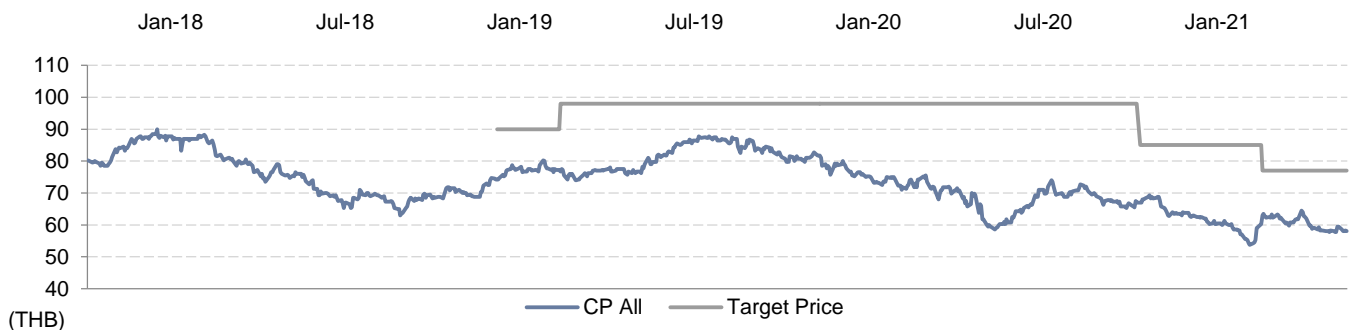
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed herein.

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### History of change in investment rating and/or target price

#### CP All (CPALL TB)



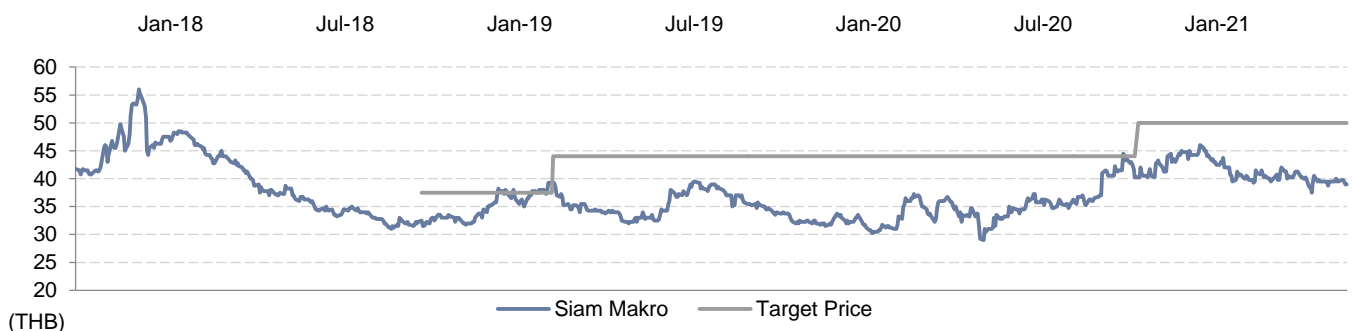
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
16-Jan-2019	BUY	90.00	24-Jul-2020	BUY	85.00	09-Nov-2020	BUY	77.00
12-Mar-2019	BUY	98.00	13-Aug-2020	BUY	85.00			
02-Apr-2020	BUY	98.00	19-Oct-2020	BUY	85.00			

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

Price and TP are in local currency

Source: FSSIA estimates

#### Siam Makro (MAKRO TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
19-Nov-2018	BUY	37.50	02-Apr-2020	BUY	44.00	-	-	-
12-Mar-2019	BUY	44.00	24-Jul-2020	BUY	50.00			

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 58.00	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) the slow recovery of tourist numbers.
Siam Makro	MAKRO TB	THB 39.00	BUY	The key downside risks to our DCF-based TP include: 1) lower-than-expected SSSG; 2) lower-than-expected GPM improvement; and 3) operational losses from its overseas business.

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 Finansia Syrus Securities Public Company Limited

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All share prices are as at market close on 22-Jan-2021 unless otherwise stated.

**RECOMMENDATION STRUCTURE****Stock ratings**

Stock ratings are based on absolute upside or downside, which we define as  $(\text{target price}^* - \text{current price}) / \text{current price}$ .

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.