

13 MAY 2021

THAILAND / CONSUMER STAPLES

CP ALL CPALL TB

BUY

UNCHANGED

TARGET PRICE	THB80.00
CLOSE	THB58.00
UP/DOWNSIDE	+37.9%
PRIOR TP	THB86.00
CHANGE IN TP	-7.0%
TP vs CONSENSUS	+10.3%

สรุปจากการซื้อ Lotus

ผลประกอบการ 1Q21 อ่อนแอจากรายได้จากการลงทุนในระดับต่ำจาก Lotus

CPALL รายงานกำไรสุทธิ (NP) 1Q21 ที่ 2.6 พัน ลบ. (-27% q-q, -54%-y-y) ต่ำกว่าที่ตลาดคาด 26% จากค่าใช้จ่ายดอกเบี้ยที่สูงเกินคาดและส่วนแบ่งกำไรของ Lotus ที่ต่ำกว่าคาด ใน 1Q21 การเติบโตของยอดขายจากสาขาเดิม (SSSG) อยู่ที่ -17.1% (เทียบกับ -18% ใน 4Q20) สัดส่วนผลิตภัณฑ์กลุ่มอาหารเพิ่มมาอยู่ที่ 72.8% (จาก 70.8% ใน 1Q20) จากยอดขายบูทหรือผลิตภัณฑ์รักษาความสะอาดส่วนบุคคลและสินค้าเครื่องใช้ภายในบ้านที่ลดลงเนื่องจากอำนาจในการจับจ่ายใช้สอยอ่อนแอ ในขณะที่ความต้องการเปลี่ยนไปสู่อุปกรณ์ป้องกันโรคโควิด-19 ในท้องถิ่นจากการขาดการช่วยเหลือของรัฐบาล อัตรากำไรขั้นต้นลดลงเหลือ 21.2% (เทียบกับ 22.1% ใน 1Q20) เนื่องจากบริษัท ขายผลิตภัณฑ์อาหารที่มีราคาต่ำลง ในขณะที่ส่วนแบ่งกำไรจาก MAKRO เพิ่มขึ้น

ค่าใช้จ่ายพิเศษจากการต่อสินเชื่อบริษัทใน 2Q21

ผู้บริหารให้ข้อมูลว่าใน 1Q21 SSSG ของ Lotus ตีลบในระดับ 12-13% ซึ่งตีลบน้อยกว่าบริษัทในกลุ่ม กล่าวคือ SSSG ของ CPALL อยู่ที่ -17.1% ในขณะที่ SSSG ของ Big C อยู่ที่ -21.6% ดังนั้นเราจึงเชื่อว่ารายได้จากการลงทุนที่อ่อนแออาจเกิดจากค่าใช้จ่ายพิเศษในช่วงเปลี่ยนผ่าน เช่น ค่าใช้จ่ายในการ rebranding. นอกจากนี้ CPALL วางแผน rollover ตัวหนี้ bridging loan ที่เหลืออีก 62.1 พัน ลบ. ภายใน 2Q21 ซึ่งอาจทำให้เกิดค่าใช้จ่ายครั้งเดียวรวมอยู่ในค่าใช้จ่ายดอกเบี้ย ซึ่งจะก่อให้เกิดต้นทุนกู้ยืมในระดับสูงจากสินเชื่อบริษัทที่ 5.5% ใน 2Q21 กล่าวโดยสรุปค่าใช้จ่ายดอกเบี้ยอาจพุ่งสูงสุดใน 2Q21 ไปอยู่ที่ 3.2 พัน ลบ. และลดลงเหลือ 2.5-2.6 พัน ลบ. ต่อไตรมาสในช่วง 2H21

คาดการณ์ 2Q21 จะลดลง q-q

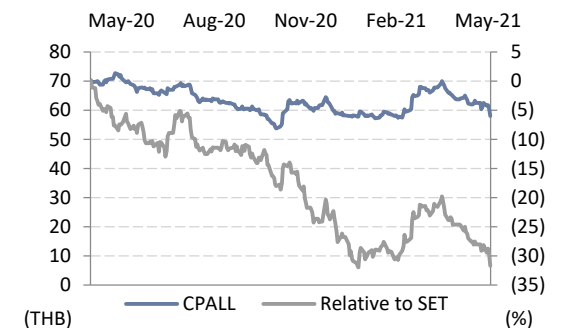
ในเดือน เม.ย. SSSG ยังเป็นบวกและดีขึ้น m-m แต่แนวโน้มในเดือน พ.ค.-มิ.ย. ยังท้าทาย ดังนั้น SSSG ใน 2Q21 อาจเป็นบวกอยู่ในระดับหนึ่งหลักต่ำ (เทียบกับประมาณการก่อนหน้านี้ที่ประมาณ +10%) โดยจะถูกฉุดรั้งจากการแพร่ระบาด Covid-19 ในรอบที่ 3 ตัวเลขที่เป็นบวกเล็กน้อยดังกล่าวจะไม่สามารถชดเชยค่าดอกเบี้ยพิเศษในการต่อหนี้ระยะสั้น เราคาดว่ากำไร 2Q21 อาจลดลง q-q CPALL ยังคงเปิดการขยาย 700 สาขาใหม่แต่อาจปรับตัวเลขลงได้ขึ้นอยู่กับสถานการณ์

ความเสี่ยงระยะสั้นจากแนวโน้ม 2Q21 ที่อ่อนแอ

เราปรับลดประมาณการกำไร 2021-23 ลง 6.5-13.9% เพื่อสะท้อนผลประกอบการ 1Q21 ที่ตกต่ำ อำนาจการซื้อที่อ่อนแอจากการแพร่ระบาด Covid ในรอบที่ 3 และการฟื้นตัวของกลุ่มท่องเที่ยวที่ช้ากว่าคาด เราปรับลดราคาเป้าหมายเป็น 80 บาท จาก 86 บาท (DCF) หลังการปรับลดประมาณการกำไร ในระยะสั้นบรรยากาศอาจถูกแรงกดดันจากแนวโน้ม 2Q21 ที่อ่อนแอ เรามองว่า CPALL ยังน่าสนใจในระยะยาวจากโอกาสในการขยายสาขาทั้งในไทยและต่างประเทศ

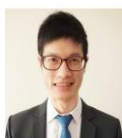
KEY STOCK DATA

YE Dec (THB m)	2020	2021E	2022E	2023E
Revenue	546,207	568,290	629,878	689,677
Net profit	16,102	15,067	20,361	23,774
EPS (THB)	1.79	1.68	2.27	2.65
vs Consensus (%)	-	(13.0)	(4.1)	(6.5)
EBITDA	39,116	39,218	44,511	49,114
Core net profit	15,876	15,067	20,361	23,774
Core EPS (THB)	1.77	1.68	2.27	2.65
Chg. In EPS est. (%)	-	(13.9)	(6.8)	(6.5)
EPS growth (%)	(31.1)	(5.1)	35.1	16.8
Core P/E (x)	32.8	34.6	25.6	21.9
Dividend yield (%)	2.2	1.2	1.6	1.8
EV/EBITDA (x)	19.6	19.9	17.3	15.4
Price/book (x)	6.8	6.1	5.3	4.6
Net debt/Equity (%)	187.4	186.1	158.9	135.0
ROE (%)	16.7	14.9	18.2	19.0



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(9.0)	(0.9)	(19.2)
Relative to country (%)	(9.4)	(3.4)	(32.4)
Mkt cap (USD m)	16,606		
3m avg. daily turnover (USD m)	62.5		
Free float (%)	40		
Major shareholder	CP Group (45%)		
12m high/low (THB)	73.75/53.50		
Issued shares (m)	8,983.10		

Sources: Bloomberg consensus; FSSIA estimates



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บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 13 พฤษภาคม 2021

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 a 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.

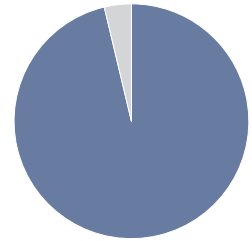
Company profile

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, 2020)

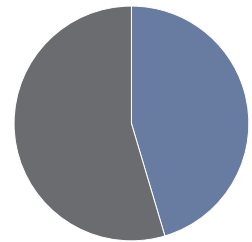
- Sales - 96.3 %
- Other income - 3.7 %



Source: CP All

Major shareholders

- CP Group - 45.4 %
- Others - 54.6 %



Source: CP All

Catalysts

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.

Risks 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
August 2021	2Q21 results announcement

Key assumptions

	2021E	2022E	2023E
	(%)	(%)	(%)
SSSG	(2.0)	6.0	6.0
New store growth	5.3	5.1	4.8
GPM (CVS only)	27.8	28.0	28.3
SG&A to sales	19.5	19.4	19.4

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

Weak 1Q21 results dragged down by interest expenses and Lotus

CPALL reported a 1Q21 NP of THB2.6b (-27% q-q, -54%-y-y), missing BBG's consensus estimate by 26% due to the higher-than-expected interest expense and lower-than-expected profit contribution from Lotus. 1Q21 SSSG was -17.1% (vs -18% in 4Q20). Its product mix shifted toward the food segment to 72.8% (vs 70.8% in 1Q20) due to lower sales from cigarettes, personal care, cosmetics, and household products amid weak purchasing power and a demand shift toward local grocery stores. 1Q21 GPM dropped to 21.2% (vs 22.1% in 1Q20) due to more budget food products sold and a higher contribution from MAKRO.

The weak 1Q21 results can be attributed to two issues: 1) interest expenses; and 2) the lower-than-expected equity income from Lotus. CPALL's 1Q21 interest expense rose 54% y-y to THB2.9b from THB1.9b in 1Q20 due to the THB84.0b bridging loan which incurred a cost of debt at 4.6-4.7% and from the THB21.9b debenture with an average cost of debt at 3.3% to replace bridging loan in late Mar-21.

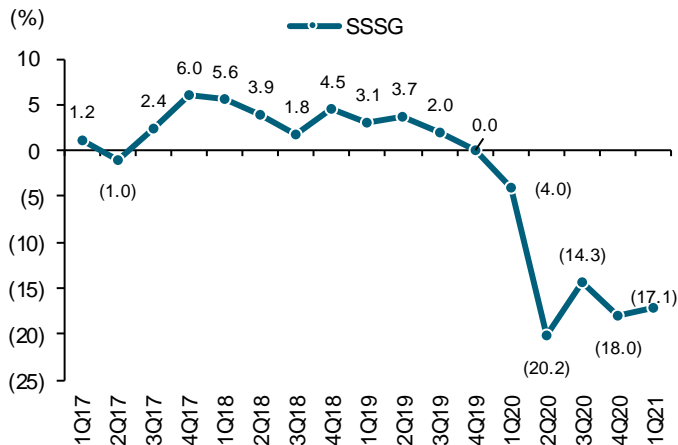
CPALL guided that it plans to roll over its bridging loan by 2Q21 (the remaining bridging loan value of THB62.1b) which could incur a one-off fixed charge cost blended into its interest expense, resulting in a high cost of debt from bridging at 5.5% in 2Q21. To summarize, its interest expense could peak in 2Q21 to THB3.2b and drop to THB2.5b-2.6b per quarter in 2H21.

Management guided that Lotus's 1Q21 SSSG was in the negative low teens, which is in line with our expectation and stronger than its peers' (CPALL's SSSG at -17.1% and Big C's SSSG at -21.6%). Hence, we believe the weak equity income could be attributed to some extra expenses in the transition period, e.g. rebranding costs, apart from Lotus' weak operations.

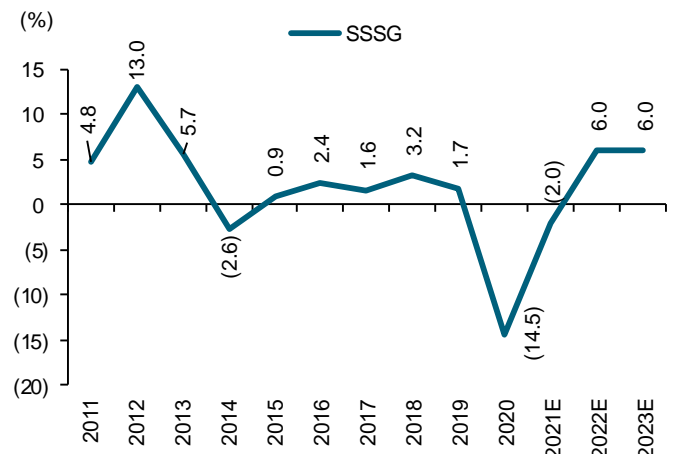
Exhibit 1: 1Q21 results summary

Year to Dec 31	1Q20	2Q20	3Q20	4Q20	1Q21	----- Change -----		2020	2021E	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)
Total revenue	145,758	127,989	135,457	137,004	133,339	(3)	(9)	546,207	568,290	4
Retail sales	140,971	123,101	129,990	131,823	128,549	(2)	(9)	525,884	548,013	4
Other income	4,787	4,888	5,467	5,181	4,790	(8)	0	20,323	20,276	(0)
Gross profit	35,969	31,330	34,034	33,994	32,070	(6)	(11)	135,327	139,859	3
Operating costs	(27,307)	(26,013)	(27,307)	(27,232)	(26,217)	(4)	(4)	(107,858)	(110,889)	3
Operating profit	8,662	5,317	6,727	6,763	5,852	(13)	(32)	27,469	28,970	5
Other income	42	38	32	44	33	(25)	(23)	157	359	129
Interest expense	(1,881)	(1,976)	(1,991)	(2,678)	(2,901)	8	54	(8,526)	(11,011)	29
Profit before tax	6,824	3,379	4,768	4,129	2,984	(28)	(56)	19,100	18,318	(4)
Tax	(1,132)	(434)	(682)	(511)	(370)	(28)	(67)	(2,759)	(3,664)	33
Equity income	0	(0)	(1)	(63)	36	(157)	n/a	(63)	853	(1,445)
Minority interests	(102)	(55)	(99)	(144)	(110)	(23)	8	(400)	(441)	10
Non-recurring items	56	(2)	11	161	59	(63)	6	226	0	(100)
Reported net profit	5,645	288	3,998	3,573	2,599	(27)	(54)	16,102	15,067	(6)
Recurring net profit	5,589	2,890	3,986	3,411	2,540	(26)	(55)	15,876	15,067	(5)
EPS (THB)	0.63	0.32	0.45	0.40	0.29	(27)	(54)	1.79	1.68	(6)
Recurring EPS (THB)	0.62	0.32	0.44	0.38	0.28	(26)	(55)	1.77	1.68	(5)
Key Ratios	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)	(%)	(ppt)
Retail sales margin	22.1	21.5	22.0	21.9	21.2	(0.6)	(0.9)	21.9	21.8	0.0
Operating margin	5.9	4.2	5.0	4.9	4.4	(0.5)	(1.6)	5.0	5.1	(0.1)
Recurring net margin	3.8	2.3	2.9	2.5	1.9	(0.6)	(1.9)	2.9	2.7	0.3
SG&A / Sales	18.7	20.3	20.2	19.9	19.7	(0.2)	0.9	19.7	19.5	0.2
Effective tax rate	16.6	12.8	14.3	12.4	12.4	0.0	(4.2)	14.4	20.0	(5.6)
Operating statistics										
SSSG (%)	(4.0)	(20.2)	(14.3)	(18.0)	(17.1)					
Number of stores (no.)	11,983	12,089	12,225	12,432	12,587					
New stores (%)	2.3	0.9	1.1	1.7	1.2					
Average daily sales/store (THB)	78,872	66,950	69,068	68,514	65,024					
Spending/ticket (THB)	70	79	75	76	77					
Customers/store/day (no.)	1,122	841	917	916	845					

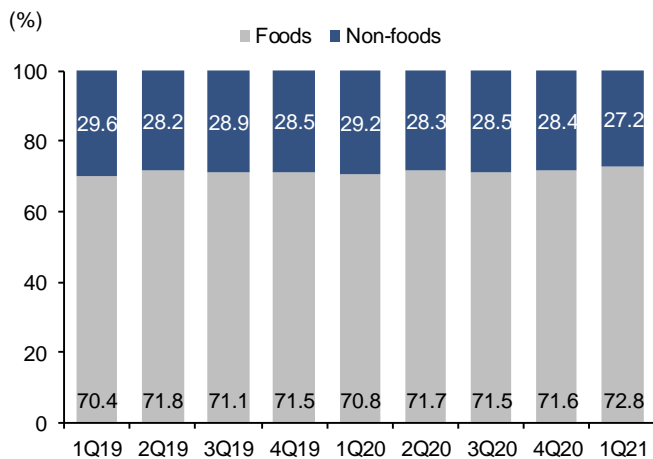
Sources: CPALL; FSSIA estimates

Exhibit 2: Quarterly SSSG

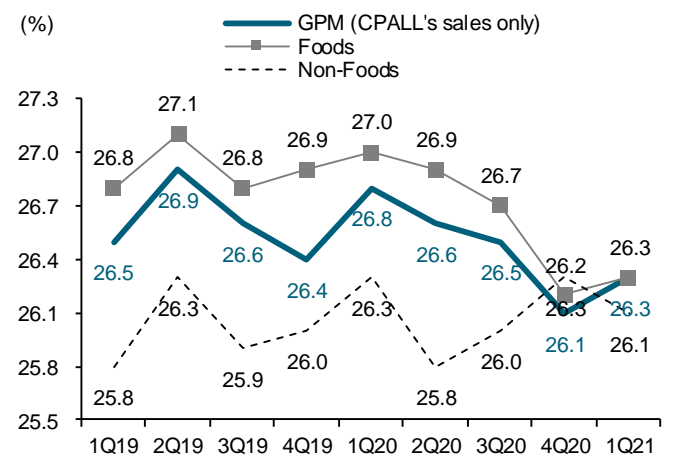
Sources: CPALL; FSSIA estimates

Exhibit 3: Yearly SSSG

Sources: CPALL; FSSIA estimates

Exhibit 4: Product sales mix

Sources: CPALL; FSSIA estimates

Exhibit 5: GPM of each product

Sources: CPALL; FSSIA estimates

Challenging outlook in 2Q21

SSSG in April remained positive and improved m-m but its outlook in May-June remains challenging. Hence, SSSG in 2Q21E could be at a low single-digit positive (vs our previous estimate of c+10%) dragged by the 3rd wave of Covid-19. Around c70% of its total stores are located in red zone areas in which operating hours are reduced to 17-18 hours per day. CPALL's sales in the night session account for c10% of its total sales. Hence, the impact of the restriction measures could contract its SSSG by 7-8%. Moreover, the new stimulus packages from the government, such as an extended "Rao Cha Na" and "Rao Rak Gun" to Jun-21 from May-21, and Co-pay phase 3 in 2H21, will likely shift demand from the modern trade format to local grocery stores. Overall, the slightly positive SSSG in 2Q21 would not be able to offset the one-off expense related to the bridging loan rollover. We estimate that 2Q21 earnings could drop q-q. CPALL maintains its 700-store expansion plan but could revise it down depending on the situation.

NP and TP revisions

We revise down our 2021-23E NP by 6.5-13.9% to reflect the weak 1Q21 results, weak purchasing power on the 3rd wave of Covid and the tourism sector's slower-than-expected recovery. We lower our 2021E equity income from Lotus by 58.4% to reflect the extra expenses in the transition period, e.g. rebranding costs. We lower our DCF-based TP to THB80 (from THB86) following our earnings downgrade. Near-term sentiment could be pressured by its weak 2Q21 outlook. We think CPALL's long-term

investment horizon is attractive, given its undemanding valuation and resilient CVS format.

Exhibit 6: Revised assumptions

	Current			Previous			Change		
	2021E	2022E	2023E	2021E	2022E	2023E	2021E	2022E	2023E
Retail sales (THB m)	548,013	607,404	666,354	561,443	622,419	683,096	(2.4)	(2.4)	(2.5)
SSSG (%)	(2.0)	6.0	6.0	2.3	6.0	6.0	(4.3)	0.0	0.0
Gross margin (%)	27.8	28.0	28.3	27.8	28.0	28.3	0.0	0.0	0.0
No. of new stores (no.)	700	700	700	700	700	700	0	0	0
SG&A to sales (%)	19.5	19.4	19.4	19.7	19.6	19.6	(0.2)	(0.2)	(0.2)
Interest expenses (THB m)	11,011	9,763	9,454	10,044	9,337	8,988	9.6	4.6	5.2
Equity income (THB m)	853	1,732	2,067	2,053	2,332	2,697	(58.4)	(25.7)	(23.4)
Net profit (THB m)	15,067	20,361	23,774	17,503	21,857	25,433	(13.9)	(6.8)	(6.5)

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

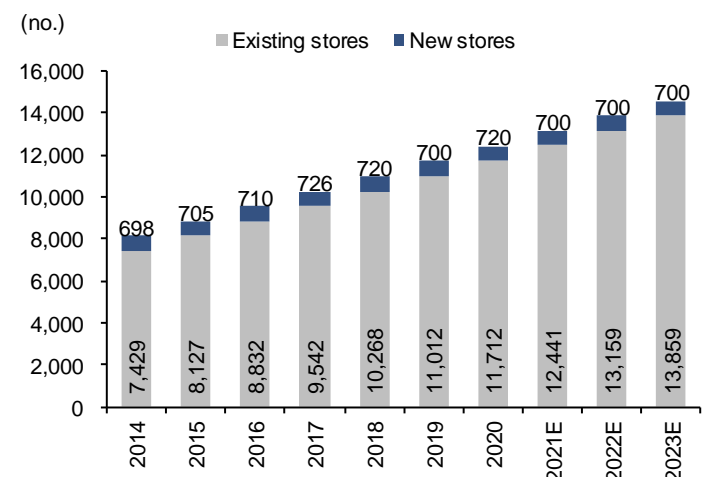
Source: FSSIA estimates

Exhibit 7: DCF-derived TP

DCF-derived TP	(%)	(THB b)
Discount rate (WACC)	7.0	
Terminal growth	2.0	
NPV		274
Add: terminal value		583
Sum of PV		857
Add: investment		86
Less: debt		213
Less: minorities		16
Residual ordinary equity		721
No. of shares (m)		8,983
Residual ordinary equity (THB/share)		80

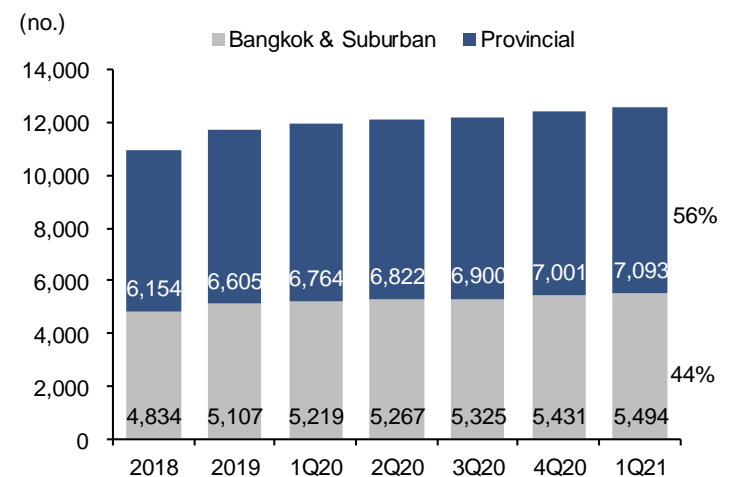
Source: FSSIA estimates

Exhibit 8: New store opening plan



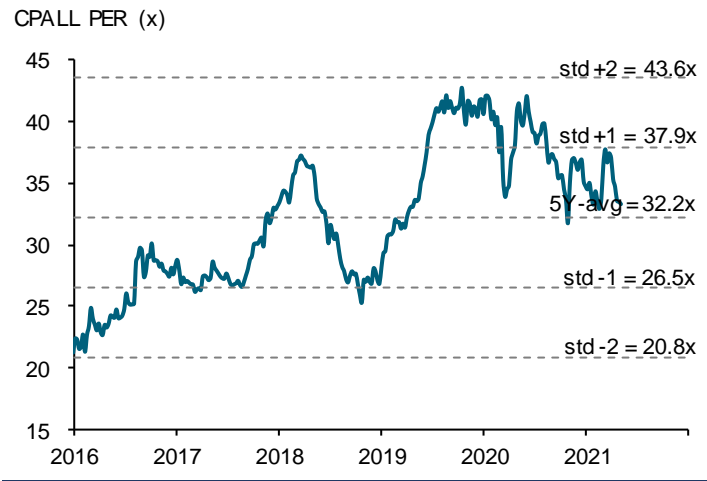
Sources: CPALL; FSSIA estimates

Exhibit 9: Store breakdown by location



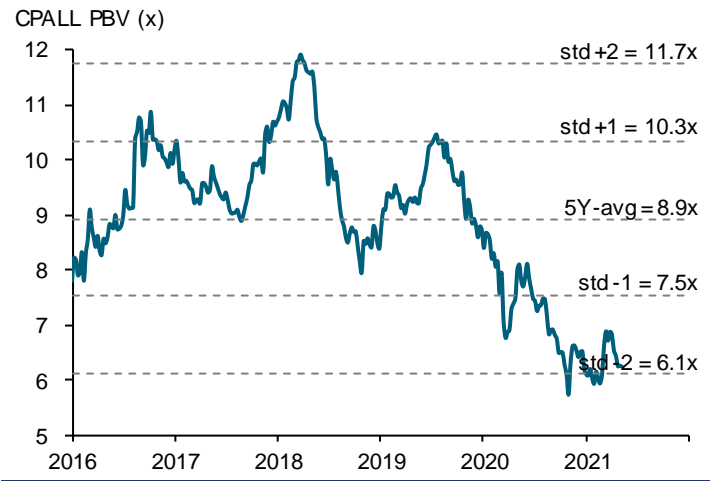
Sources: CPALL; FSSIA estimates

Exhibit 10: Rolling one-year forward P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 11: Rolling one-year forward P/BV band



Sources: Bloomberg; FSSIA estimates

Financial Statements

CP All

Profit and Loss (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Revenue	570,712	546,207	568,290	629,878	689,677
Cost of goods sold	(414,843)	(399,233)	(418,183)	(463,102)	(506,560)
Gross profit	155,868	146,974	150,107	166,777	183,116
Other operating income	0	0	0	0	0
Operating costs	(110,753)	(107,858)	(110,889)	(122,266)	(134,002)
Operating EBITDA	45,115	39,116	39,218	44,511	49,114
Depreciation	(11,220)	(11,647)	(10,248)	(11,169)	(12,158)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	33,896	27,469	28,970	33,342	36,957
Net financing costs	(6,427)	(8,369)	(10,652)	(9,450)	(9,156)
Associates	0	(63)	853	1,732	2,067
Recurring non-operating income	0	(63)	853	1,732	2,067
Non-recurring items	(705)	226	0	0	0
Profit before tax	26,764	19,262	19,171	25,624	29,867
Tax	(4,070)	(2,759)	(3,664)	(4,778)	(5,560)
Profit after tax	22,694	16,503	15,507	20,846	24,307
Minority interests	(351)	(400)	(441)	(485)	(533)
Preferred dividends	0	0	0	0	0
Other items	0	0	0	0	0
Reported net profit	22,343	16,102	15,067	20,361	23,774
Non-recurring items & goodwill (net)	705	(226)	0	0	0
Recurring net profit	23,049	15,876	15,067	20,361	23,774
Per share (THB)					
Recurring EPS *	2.57	1.77	1.68	2.27	2.65
Reported EPS	2.49	1.79	1.68	2.27	2.65
DPS	1.25	1.25	0.67	0.91	1.06
Diluted shares (used to calculate per share data)	8,983	8,983	8,983	8,983	8,983
Growth					
Revenue (%)	8.3	(4.3)	4.0	10.8	9.5
Operating EBITDA (%)	6.2	(13.3)	0.3	13.5	10.3
Operating EBIT (%)	5.8	(19.0)	5.5	15.1	10.8
Recurring EPS (%)	10.3	(31.1)	(5.1)	35.1	16.8
Reported EPS (%)	6.8	(27.9)	(6.4)	35.1	16.8
Operating performance					
Gross margin inc. depreciation (%)	25.3	24.8	24.6	24.7	24.8
Gross margin of key business (%)	28.1	28.0	27.8	28.0	28.3
Operating EBITDA margin (%)	7.9	7.2	6.9	7.1	7.1
Operating EBIT margin (%)	5.9	5.0	5.1	5.3	5.4
Net margin (%)	4.0	2.9	2.7	3.2	3.4
Effective tax rate (%)	14.8	14.4	20.0	20.0	20.0
Dividend payout on recurring profit (%)	48.7	70.7	40.0	40.0	40.0
Interest cover (X)	5.3	3.3	2.8	3.7	4.3
Inventory days	26.9	28.9	28.2	27.3	27.4
Debtor days	6.0	6.1	5.8	5.6	5.6
Creditor days	83.2	83.2	71.9	63.8	63.9
Operating ROIC (%)	50.5	37.2	29.9	29.2	30.5
ROIC (%)	11.8	7.4	6.0	6.7	7.3
ROE (%)	25.8	16.7	14.9	18.2	19.0
ROA (%)	7.7	5.2	4.6	5.3	5.7

* Pre-exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2019	2020	2021E	2022E	2023E
Sales	550,901	525,884	548,013	607,404	666,354
Other income	19,811	20,323	20,276	22,474	23,322

Sources: CP All; FSSIA estimates

Financial Statements

CP All

Cash Flow (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Recurring net profit	23,049	15,876	15,067	20,361	23,774
Depreciation	11,220	11,647	10,248	11,169	12,158
Associates & minorities	351	464	(413)	(1,248)	(1,534)
Other non-cash items	-	-	-	-	-
Change in working capital	(2,112)	(6,528)	(11,905)	3,093	3,566
Cash flow from operations	32,508	21,459	12,998	33,375	37,964
Capex - maintenance	0	0	0	0	0
Capex - new investment	(16,015)	(15,763)	(19,334)	(20,667)	(22,289)
Net acquisitions & disposals	(811)	(86,238)	851	1,730	2,065
Other investments (net)	(185)	(2,567)	(4,630)	6,379	3,835
Cash flow from investing	(17,010)	(104,568)	(23,112)	(12,558)	(16,390)
Dividends paid	(11,229)	(11,229)	(6,027)	(8,145)	(9,510)
Equity finance	(710)	(193)	0	0	0
Debt finance	(8,530)	104,638	6,679	(12,252)	(15,729)
Other financing cash flows	0	0	0	0	0
Cash flow from financing	(20,469)	93,216	653	(20,397)	(25,238)
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	(4,971)	10,107	(9,462)	421	(3,664)
Free cash flow to firm (FCFF)	22,218.88	(74,583.44)	895.91	30,580.70	31,028.11
Free cash flow to equity (FCFE)	6,967.48	21,528.55	(3,435.42)	8,565.52	5,845.53
Per share (THB)					
FCFF per share	2.47	(8.30)	0.10	3.40	3.45
FCFE per share	0.78	2.40	(0.38)	0.95	0.65
Recurring cash flow per share	3.85	3.12	2.77	3.37	3.83
Balance Sheet (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Tangible fixed assets (gross)	181,036	192,440	210,775	230,394	251,581
Less: Accumulated depreciation	(64,954)	(72,241)	(81,491)	(91,612)	(102,668)
Tangible fixed assets (net)	116,082	120,199	129,284	138,782	148,913
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	36	85,588	85,590	85,592	85,594
Cash & equivalents	30,519	40,626	31,164	31,585	27,921
A/C receivable	9,447	8,828	9,185	10,180	11,147
Inventories	31,538	31,749	32,870	36,387	39,797
Other current assets	419	202	210	232	254
Current assets	71,923	81,404	73,428	78,384	79,119
Other assets	59,480	108,067	110,885	113,844	116,951
Total assets	375,617	523,354	527,284	544,699	558,674
Common equity	93,739	96,759	105,799	118,016	132,280
Minorities etc.	14,629	14,836	15,277	15,761	16,294
Total shareholders' equity	108,368	111,595	121,076	133,777	148,574
Long term debt	129,193	221,503	229,759	218,128	202,673
Other long-term liabilities	25,139	66,874	67,460	74,771	81,870
Long-term liabilities	154,333	288,377	297,220	292,899	284,543
A/C payable	94,514	87,577	77,151	84,756	92,699
Short term debt	15,948	28,276	26,699	26,078	25,804
Other current liabilities	2,456	7,529	5,140	7,190	7,055
Current liabilities	112,917	123,383	108,989	118,023	125,557
Total liabilities and shareholders' equity	375,617	523,354	527,284	544,699	558,674
Net working capital	(55,565)	(54,328)	(40,026)	(45,146)	(48,555)
Invested capital	248,129	387,622	413,830	421,169	431,000
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	8.22	8.55	9.56	10.92	12.51
Tangible book value per share	(6.04)	(5.70)	(4.70)	(3.34)	(1.75)
Financial strength					
Net debt/equity (%)	105.8	187.4	186.1	158.9	135.0
Net debt/total assets (%)	30.5	40.0	42.7	39.0	35.9
Current ratio (x)	0.6	0.7	0.7	0.7	0.6
CF interest cover (x)	4.6	5.5	2.5	4.1	4.1
Valuation	2019	2020	2021E	2022E	2023E
Recurring P/E (x) *	22.6	32.8	34.6	25.6	21.9
Recurring P/E @ target price (x) *	31.2	45.3	47.7	35.3	30.2
Reported P/E (x)	23.3	32.4	34.6	25.6	21.9
Dividend yield (%)	2.2	2.2	1.2	1.6	1.8
Price/book (x)	7.1	6.8	6.1	5.3	4.6
Price/tangible book (x)	(9.6)	(10.2)	(12.3)	(17.4)	(33.1)
EV/EBITDA (x) **	14.9	19.6	19.9	17.3	15.4
EV/EBITDA @ target price (x) **	19.2	24.6	25.0	21.7	19.5
EV/invested capital (x)	2.7	2.0	1.9	1.8	1.8
* Pre-exceptional, pre-goodwill and fully diluted ** EBITDA includes associate income and recurring non-operating income					

Sources: CP All; FSSIA estimates

Corporate Governance report of Thai listed companies 2020

EXCELLENT LEVEL										
AAV	ADVANC	AF	AIRA	AKP	AKR	ALT	AMA	AMATA	AMATAV	ANAN
AOT	AP	ARIP	ARROW	ASP	BAFS	BANPU	BAY	BCP	BCPG	BDMS
BEC	BEM	BGRIM	BIZ	BKI	BLA	BOL	BPP	BRR	BTS	BWG
CENTEL	CFRESH	CHEWA	CHO	CIMBT	CK	CKP	CM	CNT	COL	COMAN
COTTO	CPALL	CPF	CPI	CPN	CSS	DELTA	DEMCO	DRT	DTAC	DTC
DV8	EA	EASTW	ECF	ECL	EGCO	EPG	ETE	FNS	FPI	FPT
FSMART	GBX	GC	GCAP	GEL	GFPT	GGC	GPSC	GRAMMY	GUNKUL	HANA
HARN	HMPRO	ICC	ICHI	III	ILINK	INTUCH	IRPC	IVL	JKN	JSP
JWD	K	KBANK	KCE	KKP	KSL	KTB	KTC	LANNA	LH	LHFG
LIT	LPN	MAKRO	MALEE	MBK	MBKET	MC	MCOT	METCO	MFEC	MINT
MONO	MOONG	MSC	MTC	NCH	NCL	NEP	NKI	NOBLE	NSI	NVD
NYT	OISHI	ORI	OTO	PAP	PCSGH	PDJ	PG	PHOL	PLANB	PLANET
PLAT	PORT	PPS	PR9	PREB	PRG	PRM	PSH	PSL	PTG	PTT
PTTEP	PTTGC	PYLON	Q-CON	QH	QTC	RATCH	RS	S	S & J	SAAM
SABINA	SAMART	SAMTEL	SAT	SC	SCB	SCC	SCCC	SCG	SCN	SDC
SEAFCO	SEOIL	SE-ED	SELIC	SENA	SIRI	SIS	SITHAI	SMK	SMPC	SNC
SONIC	SORKON	SPALI	SPI	SPRC	SPVI	SSSC	SST	STA	SUSCO	SUTHA
SVI	SYMC	SYNTEC	TACC	TASCO	TCAP	TFMAMA	THANA	THANI	THCOM	THG
THIP	THRE	THREL	TIP	TIPCO	TISCO	TK	TKT	TMB	TMILL	TNDT
TNL	TOA	TOP	TPBI	TQM	TRC	TSC	TSR	TSTE	TSTH	TTA
TTCL	TTW	TU	TVD	TVI	TVO	TWPC	U	UAC	UBIS	UV
VGI	VIH	WACOAL	WAVE	WHA	WHAUP	WICE	WINNER	TRUE		

VERY GOOD LEVEL										
2S	ABM	ACE	ACG	ADB	AEC	AEONTS	AGE	AH	AHC	AIT
ALLA	AMANAHA	AMARIN	APCO	APCS	APURE	AQUA	ASAP	ASEFA	ASIA	ASIAN
ASIMAR	ASK	ASN	ATP30	AUCT	AWC	AYUD	B	BA	BAM	BBL
BFIT	BGC	BJC	BJCHI	BROOK	BTW	CBG	CEN	CGH	CHARAN	CHAYO
CHG	CHOTI	CHOW	CI	CIG	CMC	COLOR	COM7	CPL	CRC	CRD
CSC	CSP	CWT	DCC	DCON	DDD	DOD	DOHOME	EASON	EE	ERW
ESTAR	FE	FLOYD	FN	FORTH	FSS	FTE	FVC	GENCO	GJS	GL
GLAND	GLOBAL	GLOCON	GPI	GULF	GYT	HPT	HTC	ICN	IFS	ILM
IMH	INET	INSURE	IRC	IRCP	IT	ITD	ITEL	J	JAS	JCK
JCKH	JMART	JMT	KBS	KCAR	KGI	KIAT	KOOL	KTIS	KWC	KWM
L&E	LALIN	LDC	LHK	LOXLEY	LPH	LRH	LST	M	MACO	MAJOR
MBAX	MEGA	META	MFC	MGT	MILL	MITSI	MK	MODERN	MTI	MVP
NETBAY	NEX	NINE	NTV	NWR	OCC	OGC	OSP	PATO	PB	PDG
PDI	PICO	PIMO	PJW	PL	PM	PPP	PRIN	PRINC	PSTC	PT
QLT	RCL	RICHY	RML	RPC	RWI	S11	SALEE	SAMCO	SANKO	SAPPE
SAWAD	SCI	SCP	SE	SEG	SFP	SGF	SHR	SIAM	SINGER	SKE
SKR	SKY	SMIT	SMT	SNP	SPA	SPC	SPCG	SR	SRICHA	SSC
SSF	STANLY	STI	STPI	SUC	SUN	SYNEX	T	TAE	TAKUNI	TBSP
TCC	TCMC	TEAM	TEAMG	TFG	TIGER	TITLE	TKN	TKS	TM	TMC
TMD	TMI	TMT	TNITY	TNP	TNR	TOG	TPA	TPAC	TPCORP	TPOLY
TPS	TRITN	TRT	TRU	TSE	TVT	TWP	UEC	UMI	UOBKH	UP
UPF	UPOIC	UT	UTP	UWC	VL	VNT	VPO	WIIK	WP	XO
YUASA	ZEN	ZIGA	ZMICO							

GOOD LEVEL										
7UP	A	ABICO	AJ	ALL	ALUCON	AMC	APP	ARIN	AS	AU
B52	BC	BCH	BEAUTY	BGT	BH	BIG	BKD	BLAND	BM	BR
BROCK	BSBM	BSM	BTNC	CAZ	CCP	CGD	CITY	CMAN	CMO	CMR
CPT	CPW	CRANE	CSR	D	EKH	EP	ESSO	FMT	GIFT	GREEN
GSC	GTB	HTECH	HUMAN	IHL	INOX	INSET	IP	JTS	JUBILE	KASET
KCM	KKC	KUMWEL	KUN	KWG	KYE	LEE	MATCH	MATI	M-CHAI	MCS
MDX	MJD	MM	MORE	NC	NDR	NER	NFC	NNCL	NPK	NUSA
OCEAN	PAF	PF	PK	PLE	PMTA	POST	PPM	PRAKIT	PRECHA	PRIME
PROUD	PTL	RBF	RCI	RJH	ROJNA	RP	RPH	RSP	SF	SFLEX
SGP	SISB	SKN	SLP	SMART	SOLAR	SPG	SQ	SSP	STARK	STC
SUPER	SVOA	TC	TCCC	THMUI	TIW	TNH	TOPP	TPCH	TIPIP	TPLAS
TTI	TYCN	UKEM	UMS	VCOM	VRANDA	WIN	WORK	WPH		

Description

Score Range

Excellent

90-100

Very Good

80-89

Good

70-79

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 2020

CERTIFIED										
2S	ADVANC	AI	AIE	AIRA	AKP	AMA	AMANA	AP	AQUA	ARROW
ASK	ASP	AYUD	B	BAFS	BANPU	BAY	BBL	BCH	BCP	BCPG
BGC	BGRIM	BJCHI	BKI	BLA	BPP	BROOK	BRR	BSBM	BTS	BWG
CEN	CENEL	CFRESH	CGH	CHEWA	CHOTI	CHOW	CIG	CIMBT	CM	CMC
COL	COM7	CPALL	CPF	CPI	CPN	CSC	DCC	DELTA	DEMCO	DIMET
DRT	DTAC	DTC	EASTW	ECL	EGCO	FE	FNS	FPI	FPT	FSS
FTE	GBX	GC	GCAP	GEL	GFPT	GGC	GJS	GPSC	GSTEEL	GUNKUL
HANA	HARN	HMPRO	HTC	ICC	ICHI	IFS	INET	INSURE	INTUCH	IRPC
ITEL	IVL	K	KASET	KBANK	KBS	KCAR	KCE	KGI	KKP	KSL
KTB	KTC	KWC	L&E	LANNA	LHFG	LHK	LPN	LRH	M	MAKRO
MALEE	MBAX	MBK	MBKET	MC	MCOT	MFC	MFEC	MINT	MONO	MOONG
MPG	MSC	MTC	MTI	NBC	NEP	NINE	NKI	NMG	NNCL	NSI
NWR	OCC	OCEAN	OGC	ORI	PAP	PATO	PB	PCSGH	PDG	PDI
PDJ	PE	PG	PHOL	PL	PLANB	PLANET	PLAT	PM	PPP	PPPM
PPS	PREB	PRG	PRINC	PRM	PSH	PSL	PSTC	PT	PTG	PTT
PTTEP	PTTGC	PYLON	Q-CON	QH	QLT	QTC	RATCH	RML	RWI	S & J
SABINA	SAT	SC	SCB	SCC	SCCC	SCG	SCN	SEAOL	SE-ED	SELIC
SENA	SGP	SIRI	SITHAI	SMIT	SMK	SMPC	SNC	SNP	SORKON	SPACK
SPC	SPI	SPRC	SRICHA	SSF	SSSC	SST	STA	SUSCO	SVI	SYNTEC
TAE	TAKUNI	TASCO	TBSP	TCAP	TCMC	TFG	TFI	TFMAMA	THANI	THCOM
THIP	THRE	THREL	TIP	TIPCO	TISCO	TKT	TMB	TMD	TMILL	TMT
TNITY	TNL	TNP	TNR	TOG	TOP	TPA	TPCORP	TPP	TRU	TSC
TSTH	TTCL	TU	TVD	TVI	TVO	TWPC	U	UBIS	UEC	UKEM
UOBKH	UWC	VGI	VIH	VNT	WACOAL	WHA	WHAUP	WICE	WIIC	XO
ZEN	TRUE									
DECLARED										
7UP	ABICO	AF	ALT	AMARIN	AMATA	AMATAV	ANAN	APURE	B52	BKD
BM	BROCK	BUI	CHO	CI	COTTO	DDD	EA	EFORL	EP	ERW
ESTAR	ETE	EVER	FSMART	GPI	ILINK	IRC	J	JKN	JMART	JMT
JSP	JTS	KWG	LDC	MAJOR	META	NCL	NOBLE	NOK	PK	PLE
ROJNA	SAAM	SAPPE	SCI	SE	SHANG	SINGER	SKR	SPALI	SSP	STANLY
SUPER	SYNEX	THAI	TKS	TOPP	TRITN	TTA	UPF	UV	WIN	ZIGA

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

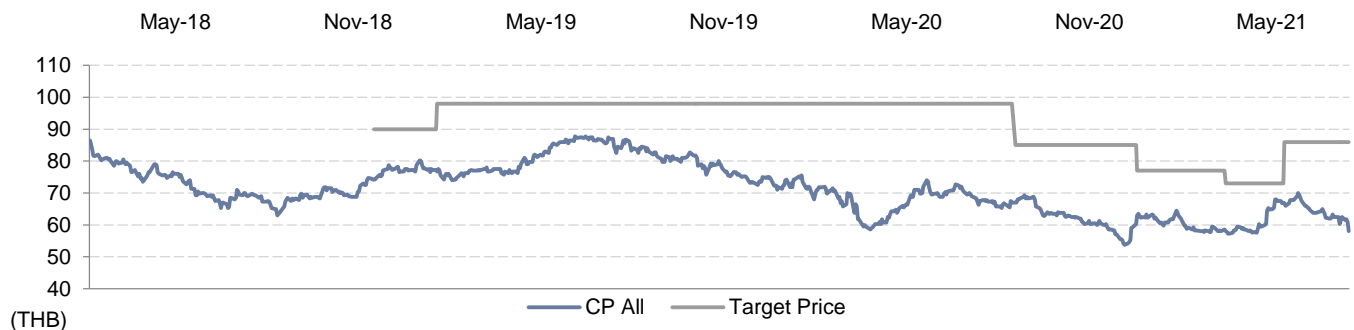
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) 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	13-Aug-2020	BUY	85.00	25-Jan-2021	BUY	73.00
12-Mar-2019	BUY	98.00	19-Oct-2020	BUY	85.00	23-Feb-2021	BUY	73.00
02-Apr-2020	BUY	98.00	09-Nov-2020	BUY	77.00	17-Mar-2021	BUY	86.00
24-Jul-2020	BUY	85.00	13-Nov-2020	BUY	77.00			

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.

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

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 Finansia Syrus Securities Public Company Limited, which is the parent company of FSSIA.

All share prices are as at market close on 13-May-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.