

8 SEPTEMBER 2021

THAILAND / CONSUMER STAPLES

CP ALL CPALL TB

BUY

UNCHANGED

TARGET PRICE	THB76.00
CLOSE	THB62.75
UP/DOWNSIDE	+21.1%
PRIOR TP	THB76.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+12.2%

ผู้ชนะที่แท้จริงจากการปรับโครงสร้างธุรกิจ

มุมมองเชิงบวกจากการปรับโครงสร้างธุรกิจ

หลัง CP Group (CPG, not listed) ประกาศปรับโครงสร้างเมื่อวันที่ 31 ส.ค. โดยจะโอน Lotus (not listed) ให้แก่ Siam Makro (MAKRO TB, BUY, TP THB48) ราคาหุ้นของ MAKRO ได้ปรับตัวสูงขึ้นถึง 34% ในขณะที่ราคาหุ้นของ CPALL ปรับตัวลดลง 3% นับตั้งแต่วันที่ประกาศ เรามองว่าการปรับโครงสร้างดังกล่าวเป็นโอกาสที่ดีในการสะสมหุ้น CPALL เนื่องจากข้อตกลงดังกล่าวจะเป็นประโยชน์ต่อบริษัท ทั้งในระยะสั้นและระยะยาวดังต่อไปนี้: 1) กำไรจะไม่ลดลงในระยะสั้น โดยจะได้แรงหนุนจากการประหยัดดอกเบี้ยจากเงินที่ได้จากการเสนอขายหุ้นต่อประชาชนทั่วไป; 2) กำไรจะเพิ่มในระยะยาวหลังผลประกอบการของ Lotus พื้นตัว; และ 3) ฐานะการเงินจะดีขึ้นจากสัดส่วนหนี้สินต่อส่วนผู้ถือหุ้นที่ลดลงเหลือ 1.5x

CPALL: ไม่มีผลกระทบต่อการทำ / MAKRO: กำไรจะลดลง

เมื่อเปรียบเทียบผลกระทบต่อการทำของ CPALL และ MAKRO หลังทุกรายการสำเร็จเสร็จสิ้น เรามองว่าการทำของ CPALL จะลดลงเล็กน้อยหรือทรงตัว แม้ว่าสัดส่วนการถือหุ้นใน MAKRO จะลดลงจาก 93% เป็น 52% และสัดส่วนการถือหุ้นใน Lotus จะเพิ่มจาก 40% เป็น 52% ปัจจุบันดังกล่าวจะบรรเทาได้จากค่าใช้จ่ายดอกเบี้ยที่ลดลงจากเงินที่ได้จากรายการดังกล่าว สำหรับ MAKRO เราคาดว่ากำไรจะลดลง 16-30% ในปี 2022 โดยจะขึ้นอยู่กับอัตราการฟื้นตัวของผลประกอบการของ Lotus ทั้งสองบริษัทน่าจะมีฐานะทางการเงินที่ดีขึ้น เนื่องจากสัดส่วนหนี้สินต่อส่วนผู้ถือหุ้นของทั้ง CPALL และ MAKRO จะลดลงเหลือ 1.5x/0.2x จาก 1.8x/0.3x เมื่อสมมติให้บริษัทใช้เงินที่ได้ทั้งหมดเพื่อชำระหนี้

การเติบโตของยอดขายสาขาเดิม (SSSG) จะติดลบใน 3Q21 แต่เป็นไปตามคาด

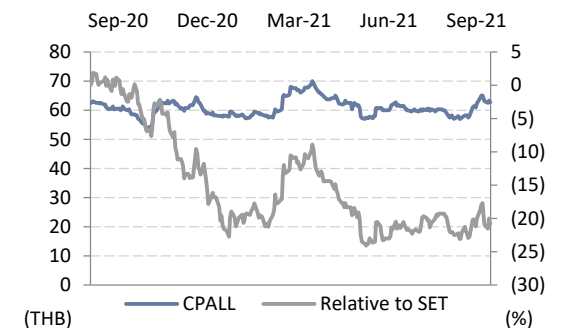
ในเดือน ก.ค. - ส.ค. 2021 SSSG ติดลบ 8-10% จากมาตรการปิดเมืองที่มีมาตั้งแต่วันที่ 20 ก.ค. เราคาดว่า SSSG ในเดือน ก.ย. จะปรับตัวดีขึ้นเล็กน้อยจากการผ่อนคลายมาตรการปิดเมืองที่มีมาตั้งแต่วันที่ 1 ก.ย. แต่จะยังถูกฉุดรั้งจากเคอร์ฟิวในจังหวัดสีแดงเข้ม ซึ่งทำให้ประมาณ 70% ของจำนวนสาขารวมยังเปิดดำเนินการได้แค่ระหว่างตี 4 ถึง 2 ทุ่ม เราคาดว่ากำไรสุทธิจากการดำเนินงานใน 3Q21 จะอยู่ที่ 2.2 พัน ลบ. (+12% q-q) CPALL ได้ผลตอบรับที่ดีจากสาขาแรกในพนมเปญ (กัมพูชา) ที่เปิดดำเนินการในวันที่ 30 ส.ค. เราคาดว่า CPALL จะเปิดสาขาใหม่ประมาณ 200-250 สาขาต่อปีในกัมพูชาเทียบกับ 700 สาขาในประเทศไทย

คงคำแนะนำซื้อที่ราคาเป้าหมาย 76 บาท

CPALL เป็นหุ้นเด่นของเราในกลุ่มค้าปลีกของไทยจาก 1) ราคาที่เคลื่อนไหวช้ากว่าบริษัทอื่น; 2) ประโยชน์จากการเปิดการท่องเที่ยวทั้งในและต่างประเทศ; 3) กำไรจะไม่ลดลงในระยะสั้นจากการปรับโครงสร้างดังกล่าว; และ 4) การสร้างประโยชน์ระยะยาวระหว่าง MAKRO และ Lotus ซึ่งน่าจะส่งผ่านไปยัง CPALL ได้โดยทางอ้อม ปัจจุบันหุ้นมีการซื้อขายที่ 33x ของค่า 2022E P/E เท่ากับค่าเฉลี่ย 5 ปีย้อนหลัง แต่อาจลดลงเหลือเพียง 25.5x เมื่อกำไรฟื้นตัวสู่ระดับก่อน Covid

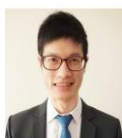
KEY STOCK DATA

YE Dec (THB m)	2020	2021E	2022E	2023E
Revenue	546,207	553,392	613,222	679,552
Net profit	16,102	10,406	17,014	21,288
EPS (THB)	1.79	1.16	1.89	2.37
vs Consensus (%)	-	(11.6)	(2.6)	(5.0)
EBITDA	39,116	35,902	42,388	48,220
Core net profit	15,876	10,406	17,014	21,288
Core EPS (THB)	1.77	1.16	1.89	2.37
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	(31.1)	(34.5)	63.5	25.1
Core P/E (x)	35.5	54.2	33.1	26.5
Dividend yield (%)	2.0	0.7	1.2	1.5
EV/EBITDA (x)	20.6	23.1	19.3	16.8
Price/book (x)	7.3	6.8	6.0	5.3
Net debt/Equity (%)	187.4	195.1	171.0	146.8
ROE (%)	16.7	10.4	15.7	17.8



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	10.1	4.6	0.0
Relative to country (%)	2.1	2.8	(21.1)
Mkt cap (USD m)	17,201		
3m avg. daily turnover (USD m)	45.7		
Free float (%)	40		
Major shareholder	CP Group (45%)		
12m high/low (THB)	70.25/53.50		
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 8 กันยายน 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 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 10-20 bps a 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% should rise on 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 and beverage spending. Note that 4-5% of CPALL's sales are derived from tourism.

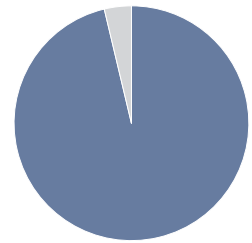
Company profile

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 93% of Siam Makro (MAKRO TB).

www.cpall.co.th

Principal activities (revenue, 2020)

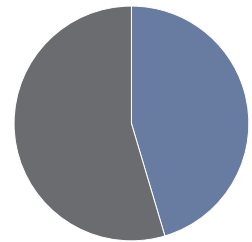
- Sales - 96.3 %
- Other income - 3.7 %



Source: CP All

Major shareholders

- CP Group - 45.4 %
- Others - 54.6 %



Source: CP All

Catalysts

Potential catalysts for CPALL are a 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
November 2021	3Q21 results announcement

Key assumptions

	2021E	2022E	2023E
	(%)	(%)	(%)
SSSG	(6.6)	6.0	8.0
New store growth	5.3	5.1	4.8
GPM (CVS only)	27.7	28.0	28.3
SG&A to sales	19.8	19.5	19.5

Source: FSSIA estimates

Earnings sensitivity

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

Source: FSSIA estimates

Details of Lotus' operations and performance

According to the 'Information Memorandum on the Acquisition of Lotus', announced via the Stock Exchange of Thailand on 31 Aug, Lotus' earnings were hard hit by the Covid outbreak and dropped to THB1.8b in 2020 from THB8.3b in 2019. Moreover, interest expenses of THB6.7b/6.8b in 2019/20 were attributed to the bridging loan of THB120b, implying a 5.6% cost of funds. Hence, we would not be surprised if Lotus continues to contribute a loss this year, due to 1) the lockdown measures which have impacted non-food sales (c44% of total sales) due to the closure of non-food areas; 2) the 30-40% discount rate provided to tenants which has affected rental revenue (6.7% of total revenue but with a higher GPM of 64% in 2019 vs a GPM of 19% from retail sales); 3) interest expenses incurred of THB6.8b from the bridging loan; and 4) high SG&A expenses (+14 y-y in 2020) due to extra expenses for business continuity management led by the resurgence of Covid-19.

Exhibit 1: Key pro forma consolidated P&L for CP Retail Development (CPRD, not listed – the holding company that is to have a 100% stake in Lotus) in 2019-20

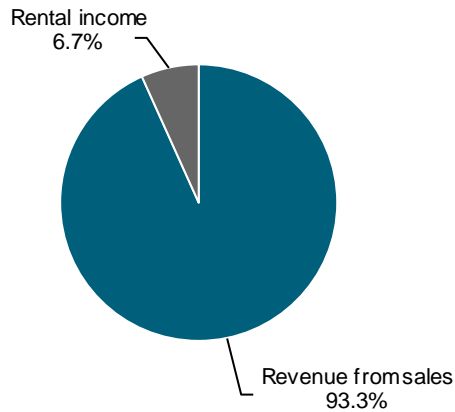
	2019	2020
	(THB b)	(THB b)
Revenue from sale of goods	205.2	197.5
Rental income and revenue from rendering services	14.8	11.2
Cost of sales	(166)	(161)
Cost of rental and cost of rendering of services	(5.4)	(5.5)
Gross profit from sales	39.0	36.8
Gross profit from rental	9.4	5.7
Total gross profit	48.4	42.5
GPM from sales (%)	19.0	18.6
GPM from rental (%)	63.8	50.6
Others income	3.1	2.4
SG&A expenses	(34.2)	(35.2)
Distribution costs	(28.6)	(28.7)
Administrative expenses	(5.6)	(6.4)
Operating profit	17.4	9.8
Interest expenses	(6.7)	(6.8)
Income tax expenses	(3.1)	(2.0)
Net profit	8.3	1.8

Source: CPALL

However, we think Lotus' pre-Covid performance was higher than BBG consensus had estimated. If we exclude net of tax interest expenses of THB5.4b in 2019, Lotus' net profit (NP) would be THB13.7b, which is significantly higher than previous consensus estimates for Lotus' 2019 NP at THB11b and Lotus' actual NP of THB7.5b/9.7b in 2017/18.

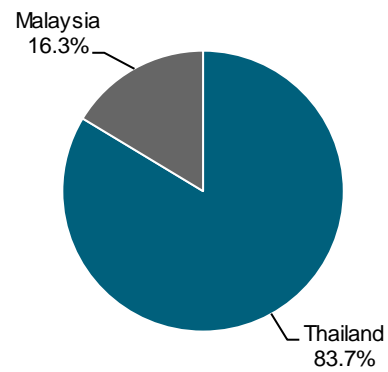
We currently have limited information about Lotus' financial statements and extra items. But from the pro forma P&L, we can see a probability for Lotus' earnings to recover and exceed MAKRO's earnings threshold of THB6.5b by 2023.

Exhibit 2: Total revenue breakdown by business in 2020



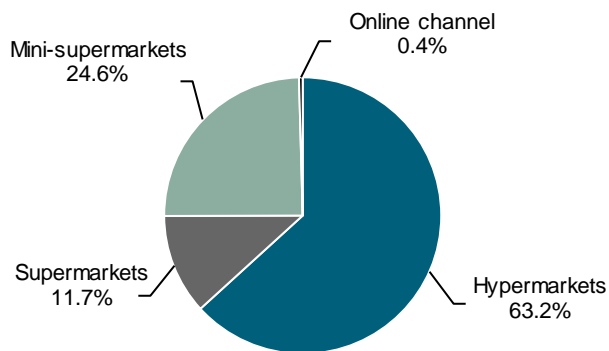
Sources: CPALL; FSSIA's compilation

Exhibit 3: Total revenue breakdown by country



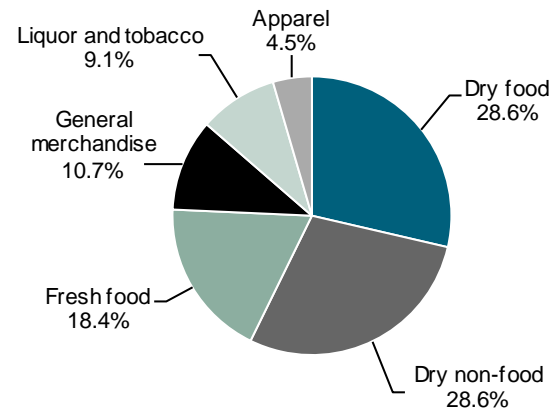
Sources: CPALL; FSSIA's compilation

Exhibit 4: Retail sales in Thailand, breakdown by format



Sources: CPALL; FSSIA's compilation

Exhibit 5: Retail sales in Thailand, breakdown by product segment



Sources: CPALL; FSSIA's compilation

Exhibit 6: Number of stores in Thailand and Malaysia

	Thailand as of Feb-20	Thailand as of Feb-21	Growth	Malaysia as of Feb-20	Malaysia as of Feb-21	Growth
	(no.)	(no.)	(%)	(no.)	(no.)	(%)
Hypermarkets	215	219	1.9	46	46	0.0
Supermarkets	178	196	10.1	14	16	14.3
Mini-supermarkets	1,595	1,679	5.3	9	0	n/a
Total	1,988	2,094		69	62	

Sources: CPALL; FSSIA's compilation

CPALL: no impact on earnings / MAKRO: earnings dilution

Comparing the impact on CPALL and MAKRO's earnings after all transactions are complete, we see no earnings dilution for CPALL, despite the lower stake in MAKRO from 93% to 52% and the higher stake in Lotus from 40% to 52%. This should be mitigated by the lower interest expenses from the cash proceeds. For MAKRO, we estimate an earnings dilution of 16-30% in 2022, depending on the pace of recovery of Lotus' performance.

Exhibit 7: MAKRO and CPALL's NP and EPS before restructuring

	2019	2020	2021E	2022E	2023E
	(THB b)	(THB b)	(THB b)	(THB b)	(THB b)
MAKRO's NP	6.2	6.6	6.5	7.3	8.3
No. of MAKRO's shares (m shares)	4,800	4,800	4,800	4,800	4,800
MAKRO's EPS (THB/share)	1.30	1.37	1.36	1.52	1.73
Lotus' NP	13.7	7.2	(1.4)	0.7	1.4
CPALL's NP	22.3	16.1	10.4	17.0	21.3
CVS NP	16.5	10.0	4.9	9.9	13.0
MAKRO's NP (93% stake)	5.8	6.1	6.1	6.8	7.7
Lotus' NP (40% stake)	0	0	(0.5)	0.3	0.6
No. of CPALL's shares (m shares)	8,983	8,983	8,983	8,983	8,983
CPALL's EPS (THB/share)	2.5	1.8	1.2	1.9	2.4

Source: FSSIA estimates

For a ballpark estimate of Lotus' earnings in 2022, we assume its earnings could fall into three cases as follows:

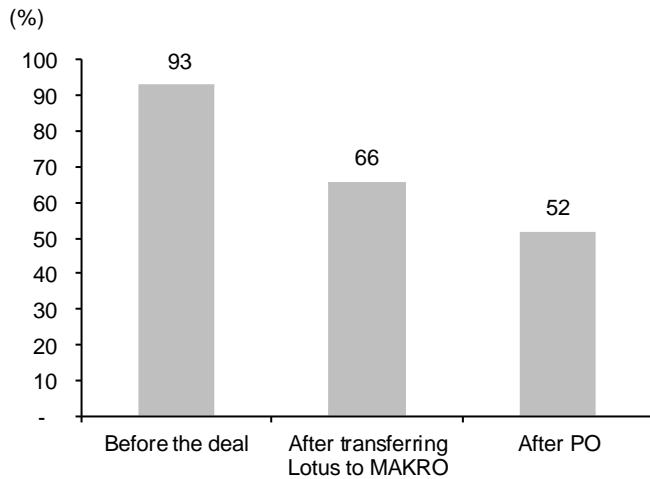
Case 1: Lotus' pre-deal 2022 NP at THB0.7b, which is currently our estimate and conservative in our view, and would amount to THB4.6b after all transactions are complete.

Case 2: Lotus' pre-deal 2022 NP at THB1.8b, which assumes a recovery to the 2020 level and would amount to THB5.7b after all transactions are complete.

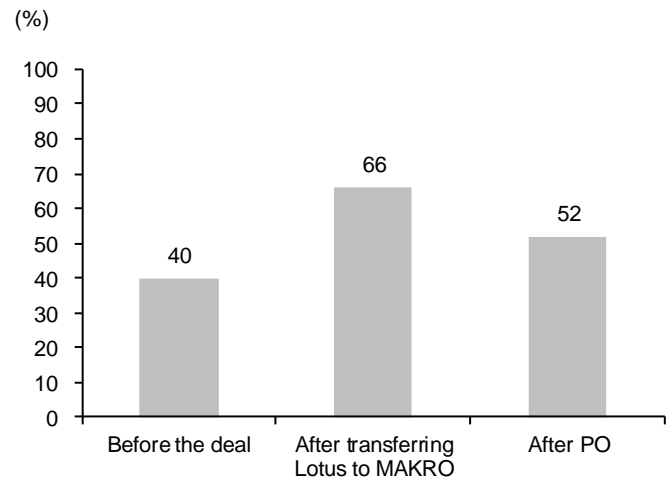
Case 3: Lotus' pre-deal 2022 NP at THB3.0b, which would still be at more than a 50% discount vs the pre-Covid level and would amount to THB6.9b after all transactions are complete.

Key assumptions for the public offering (PO) process

1. For MAKRO, assume cash proceeds from the PO (THB45) amounting to THB61b to repay debt in CPRD;
2. Remaining debt of THB59.0b with a cost of debt at 3%;
3. CPALL's stake in MAKRO to decrease to 52% from 93%;
4. CPALL's stake in Lotus to increase to 52% from 40%;
5. For CPALL, assume cash proceeds from selling its existing shares in MAKRO amounting to THB31.7b to repay CPALL's debt.

Exhibit 8: CPALL's stake in MAKRO

Source: FSSIA estimates

Exhibit 9: CPALL's stake in Lotus

Source: FSSIA estimates

Exhibit 10: Lotus' 2022E NP before and after all transactions in each case

Lotus 2022E	Case 1	Case 2	Case 3
	(THB b)	(THB b)	(THB b)
Lotus' NP before transferring to MAKRO	0.7	1.8	3.0
+ Interest savings	3.9	3.9	3.9
Lotus' NP after all transactions complete	4.6	5.7	6.9

Source: FSSIA estimates

Exhibit 11: MAKRO's 2022E EPS after all transactions in each case

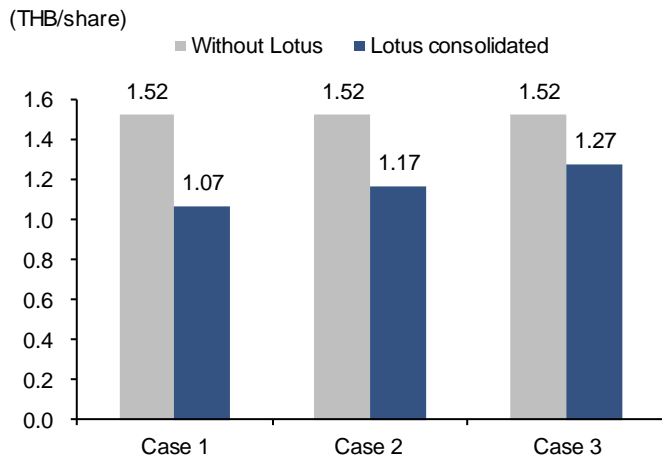
MAKRO 2022E	Case 1	Case 2	Case 3
	(THB b)	(THB b)	(THB b)
MAKRO's NP	7.3	7.3	7.3
MAKRO's NP after consolidating Lotus	11.9	13.0	14.2
No. of MAKRO's existing shares (m shares)	4,800	4,800	4,800
New issued shares for share swap with Lotus (m shares)	5,010	5,010	5,010
PO (m shares)	1,362	1,362	1,362
Total shares (m shares)	11,172	11,172	11,172
MAKRO's EPS (THB/share)	1.07	1.17	1.27

Source: FSSIA estimates

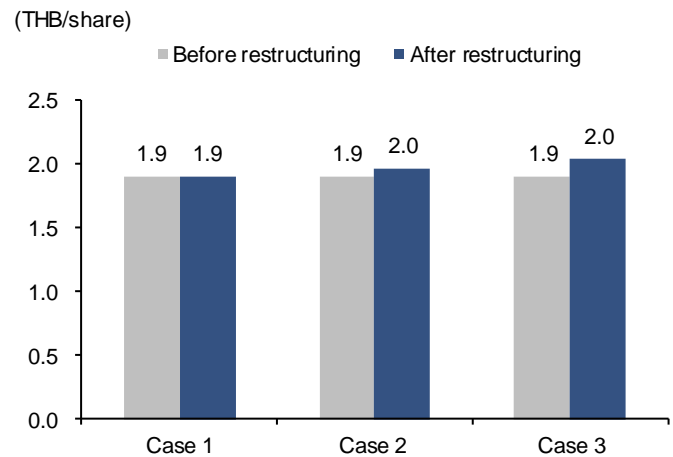
Exhibit 12: CPALL's 2022E EPS after all transactions in each case

CPALL 2022E	Case 1	Case 2	Case 3
	(THB b)	(THB b)	(THB b)
CVS NP	9.9	9.9	9.9
+ Interest savings	0.9	0.9	0.9
+ MAKRO's NP (52%)	6.2	6.8	7.4
CPALL's NP (after MAKRO consolidates Lotus)	17.0	17.6	18.2
No. of CPALL's shares (m shares)	8,983	8,983	8,983
EPS (THB/share)	1.9	2.0	2.0

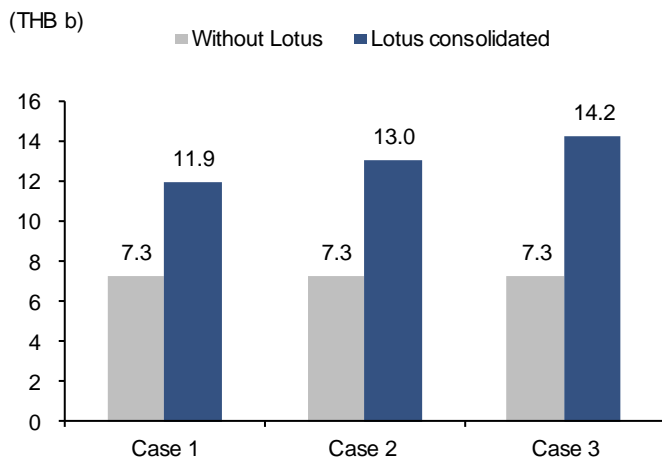
Source: FSSIA estimates

Exhibit 13: MAKRO – 2022E EPS comparison before and after transactions

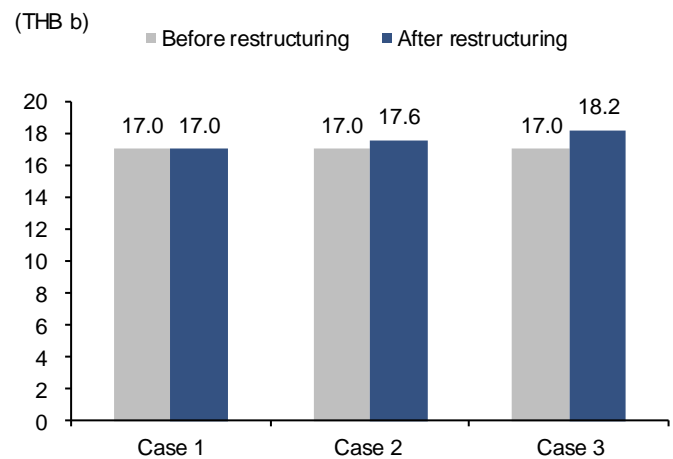
Source: FSSIA estimates

Exhibit 14: CPALL – 2022E EPS comparison before and after transactions

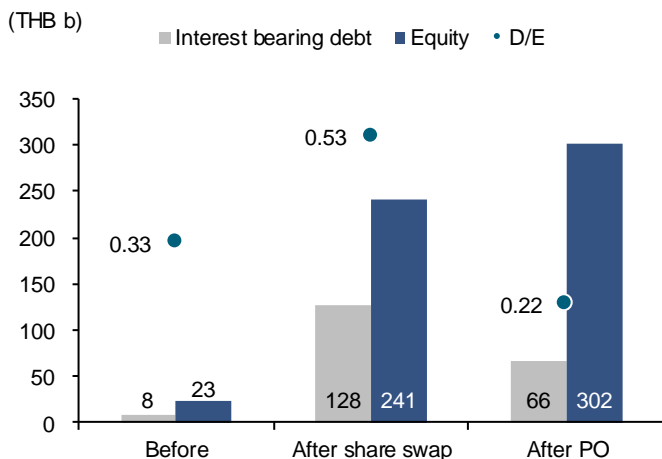
Source: FSSIA estimates

Exhibit 15: MAKRO – 2022E NP comparison before and after transactions

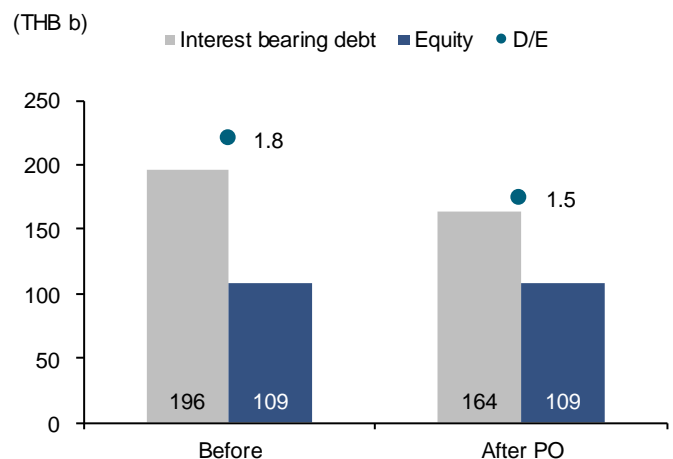
Source: FSSIA estimates

Exhibit 16: CPALL – 2022E NP comparison before and after transactions

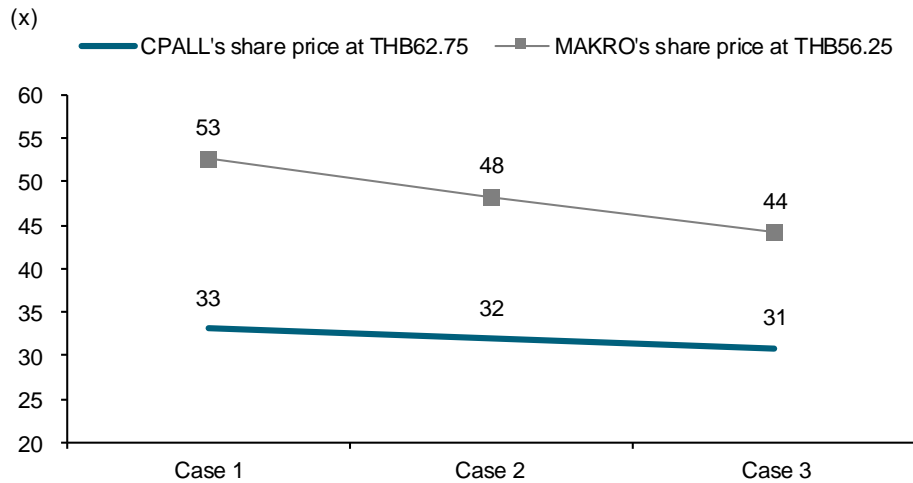
Source: FSSIA estimates

Exhibit 17: MAKRO – D/E comparison before and after transactions

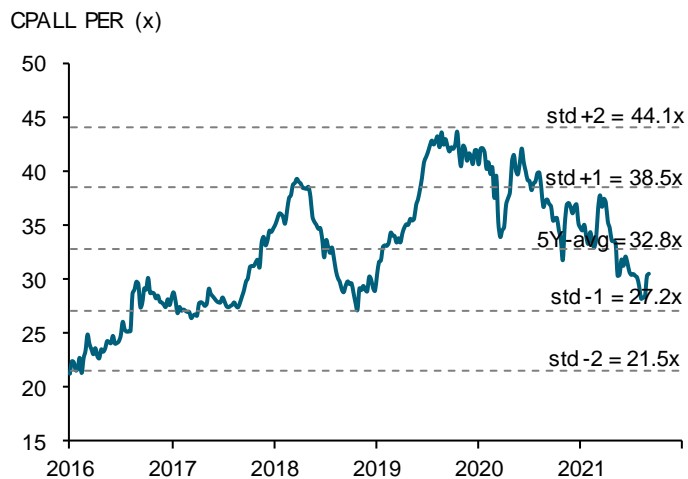
Source: FSSIA estimates

Exhibit 18: CPALL – D/E comparison before and after transactions

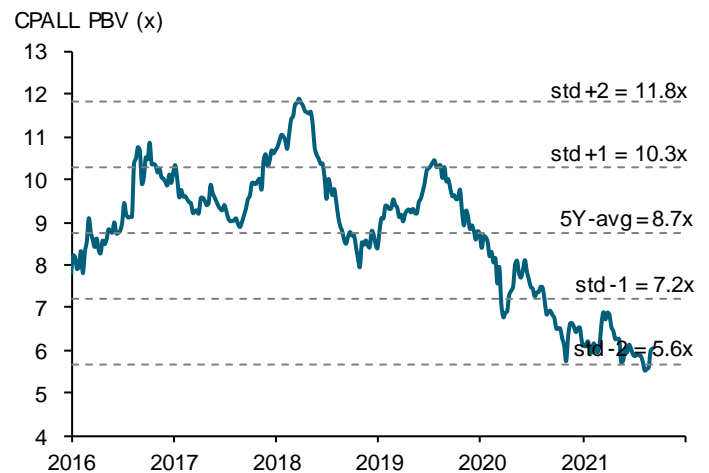
Source: FSSIA estimates

Exhibit 19: CPALL and MAKRO – 2022E P/E in each case

Share price as of 8 Sep 2021
Source: FSSIA estimates

Exhibit 20: Rolling one-year forward P/E band

Sources: Bloomberg; FSSIA estimates

Exhibit 21: 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	553,392	613,222	679,552
Cost of goods sold	(414,843)	(399,233)	(408,039)	(451,538)	(498,635)
Gross profit	155,868	146,974	145,353	161,684	180,916
Other operating income	0	0	0	0	0
Operating costs	(110,753)	(107,858)	(109,452)	(119,296)	(132,697)
Operating EBITDA	45,115	39,116	35,902	42,388	48,220
Depreciation	(11,220)	(11,647)	(10,248)	(11,169)	(12,158)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	33,896	27,469	25,653	31,219	36,062
Net financing costs	(6,427)	(8,369)	(11,411)	(9,710)	(9,479)
Associates	0	(63)	(547)	292	555
Recurring non-operating income	0	(63)	(547)	292	555
Non-recurring items	(705)	226	0	0	0
Profit before tax	26,764	19,262	13,695	21,801	27,138
Tax	(4,070)	(2,759)	(2,848)	(4,302)	(5,317)
Profit after tax	22,694	16,503	10,847	17,499	21,821
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	10,406	17,014	21,288
Non-recurring items & goodwill (net)	705	(226)	0	0	0
Recurring net profit	23,049	15,876	10,406	17,014	21,288
Per share (THB)					
Recurring EPS *	2.57	1.77	1.16	1.89	2.37
Reported EPS	2.49	1.79	1.16	1.89	2.37
DPS	1.25	1.25	0.46	0.76	0.95
Diluted shares (used to calculate per share data)	8,983	8,983	8,983	8,983	8,983
Growth					
Revenue (%)	8.3	(4.3)	1.3	10.8	10.8
Operating EBITDA (%)	6.2	(13.3)	(8.2)	18.1	13.8
Operating EBIT (%)	5.8	(19.0)	(6.6)	21.7	15.5
Recurring EPS (%)	10.3	(31.1)	(34.5)	63.5	25.1
Reported EPS (%)	6.8	(27.9)	(35.4)	63.5	25.1
Operating performance					
Gross margin inc. depreciation (%)	25.3	24.8	24.4	24.5	24.8
Gross margin of key business (%)	28.1	28.0	27.7	28.0	28.3
Operating EBITDA margin (%)	7.9	7.2	6.5	6.9	7.1
Operating EBIT margin (%)	5.9	5.0	4.6	5.1	5.3
Net margin (%)	4.0	2.9	1.9	2.8	3.1
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	2.2	3.2	3.9
Inventory days	26.9	28.9	28.6	27.3	27.3
Debtor days	6.0	6.1	5.9	5.6	5.6
Creditor days	83.2	83.2	72.9	63.9	63.7
Operating ROIC (%)	50.5	37.2	26.3	27.0	29.5
ROIC (%)	11.8	7.4	5.0	6.0	6.9
ROE (%)	25.8	16.7	10.4	15.7	17.8
ROA (%)	7.7	5.2	3.8	4.7	5.3

* Pre-exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2019	2020	2021E	2022E	2023E
Sales	550,901	525,884	533,647	591,342	655,306
Other income	19,811	20,323	19,745	21,880	24,246

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	10,406	17,014	21,288
Depreciation	11,220	11,647	10,248	11,169	12,158
Associates & minorities	351	464	987	192	(22)
Other non-cash items	-	-	-	-	-
Change in working capital	(2,112)	(6,528)	(12,712)	2,990	3,832
Cash flow from operations	32,508	21,459	8,929	31,366	37,256
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)	(549)	290	553
Other investments (net)	(185)	(2,567)	(6,528)	6,116	4,694
Cash flow from investing	(17,010)	(104,568)	(26,410)	(14,261)	(17,042)
Dividends paid	(11,229)	(11,229)	(4,162)	(6,806)	(8,515)
Equity finance	(710)	(193)	0	0	0
Debt finance	(8,530)	104,638	12,181	(9,878)	(15,363)
Other financing cash flows	0	0	0	0	0
Cash flow from financing	(20,469)	93,216	8,019	(16,684)	(23,878)
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)	(5,710.82)	27,128.71	29,990.03
Free cash flow to equity (FCFE)	6,967.48	21,528.55	(5,299.68)	7,226.77	4,851.32

Per share (THB)

FCFF per share	2.47	(8.30)	(0.64)	3.02	3.34
FCFE per share	0.78	2.40	(0.59)	0.80	0.54
Recurring cash flow per share	3.85	3.12	2.41	3.16	3.72

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	8,944	9,911	10,983
Inventories	31,538	31,749	32,092	35,500	39,189
Other current assets	419	202	204	226	251
Current assets	71,923	81,404	72,404	77,222	78,344
Other assets	59,480	108,067	110,885	113,844	116,951
Total assets	375,617	523,354	526,259	543,536	557,899
Common equity	93,739	96,759	103,002	113,211	125,984
Minorities etc.	14,629	14,836	15,277	15,761	16,294
Total shareholders' equity	108,368	111,595	118,279	128,972	142,278
Long term debt	129,193	221,503	234,711	225,216	210,091
Other long-term liabilities	25,139	66,874	65,692	72,794	80,668
Long-term liabilities	154,333	288,377	300,403	298,010	290,759
A/C payable	94,514	87,577	75,324	82,689	91,283
Short term debt	15,948	28,276	27,249	26,865	26,628
Other current liabilities	2,456	7,529	5,005	7,000	6,951
Current liabilities	112,917	123,383	107,578	116,554	124,862
Total liabilities and shareholders' equity	375,617	523,354	526,259	543,536	557,899
Net working capital	(55,565)	(54,328)	(39,089)	(44,051)	(47,811)
Invested capital	248,129	387,622	414,767	422,263	431,744

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

Per share (THB)

Book value per share	8.22	8.55	9.25	10.39	11.81
Tangible book value per share	(6.04)	(5.70)	(5.01)	(3.87)	(2.45)

Financial strength

Net debt/equity (%)	105.8	187.4	195.1	171.0	146.8
Net debt/total assets (%)	30.5	40.0	43.9	40.6	37.4
Current ratio (x)	0.6	0.7	0.7	0.7	0.6
CF interest cover (x)	4.6	5.5	2.2	3.9	3.9

Valuation	2019	2020	2021E	2022E	2023E
Recurring P/E (x) *	24.5	35.5	54.2	33.1	26.5
Recurring P/E @ target price (x) *	29.6	43.0	65.6	40.1	32.1
Reported P/E (x)	25.2	35.0	54.2	33.1	26.5
Dividend yield (%)	2.0	2.0	0.7	1.2	1.5
Price/book (x)	7.6	7.3	6.8	6.0	5.3
Price/tangible book (x)	(10.4)	(11.0)	(12.5)	(16.2)	(25.6)
EV/EBITDA (x) **	15.8	20.6	23.1	19.3	16.8
EV/EBITDA @ target price (x) **	18.4	23.7	26.4	22.1	19.2
EV/invested capital (x)	2.9	2.1	2.0	1.9	1.9

* 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	TTB	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	WIK	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	HL	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:

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* 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	TTB	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	WIJK	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)

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

GENERAL DISCLAIMER

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Karun Intrachai FSS International Investment Advisory Securities Co., Ltd

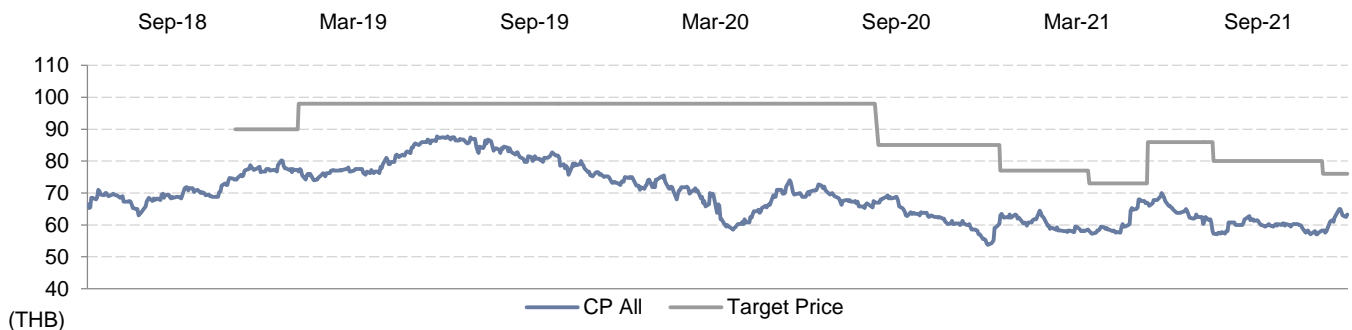
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History of change in investment rating and/or target price

CP All (CPALL TB)



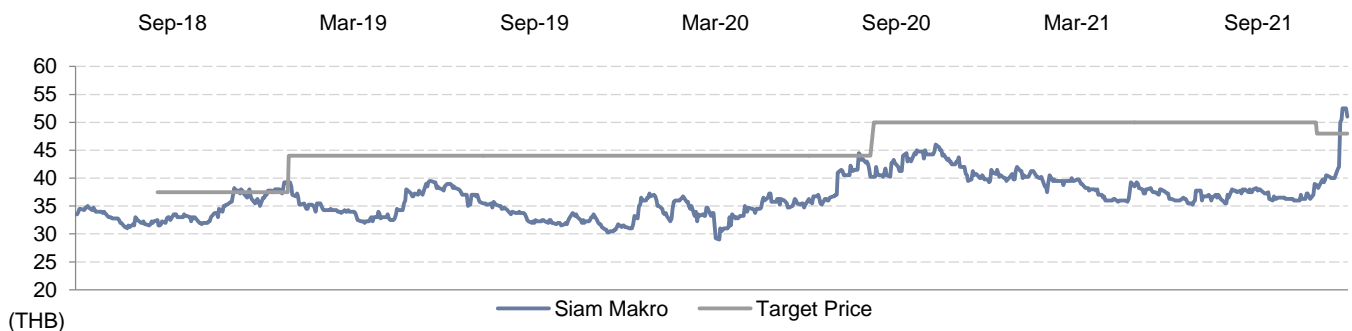
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
16-Jan-2019	BUY	90.00	19-Oct-2020	BUY	85.00	17-Mar-2021	BUY	86.00
12-Mar-2019	BUY	98.00	09-Nov-2020	BUY	77.00	17-Mar-2021	BUY	86.00
02-Apr-2020	BUY	98.00	13-Nov-2020	BUY	77.00	13-May-2021	BUY	80.00
24-Jul-2020	BUY	85.00	25-Jan-2021	BUY	73.00	16-Aug-2021	BUY	76.00
13-Aug-2020	BUY	85.00	23-Feb-2021	BUY	73.00			

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	24-Jul-2020	BUY	50.00	25-Mar-2021	BUY	50.00
12-Mar-2019	BUY	44.00	19-Nov-2020	BUY	50.00	12-May-2021	BUY	50.00
02-Apr-2020	BUY	44.00	25-Jan-2021	BUY	50.00	11-Aug-2021	BUY	48.00

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 62.75	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 56.25	BUY	The key downside risks to our DCF-based TP include: 1) lower-than-expected SSSG; 2) lower-than-expected GPM improvement; and 3) operation 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

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 08-Sep-2021 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.