

14 OCTOBER 2021

THAILAND / CONSUMER STAPLES

CP ALL CPALL TB

BUY

UNCHANGED

TARGET PRICE	THB82.00
CLOSE	THB64.00
UP/DOWNSIDE	+28.1%
PRIOR TP	THB76.00
CHANGE IN TP	+7.9%
TP vs CONSENSUS	+19.5%

ขาแรกของการฟื้นตัว

กำไร 3Q21 ได้รับผลกระทบจากมาตรการปิดเมือง

ใน 3Q21 เราคาดว่าอัตราการเติบโตของยอดขายจากสาขาเดิม (SSSG) ของ CPALL จะอยู่ที่ -10% (เทียบกับ +2.1% ใน 2Q21 และ -14.3% ใน 3Q20) เนื่องจากมาตรการปิดเมืองลดชั่วโมงการเปิดของร้านสะดวกซื้อในเขตสีแดงเข้ม (ประมาณ 70% ของสาขารวม) ซึ่งเปิดให้บริการระหว่างที่ 4 - 2 ทุ่ม เราคาดว่าอัตรากำไรขั้นต้นจะลดลง y-y เหลือ 21.3% จาก 22.0% ใน 3Q20 จากสัดส่วนที่ลดลงของสินค้าอัตรากำไรสูง เช่น ผลิตภัณฑ์ส่วนบุคคล ค่าใช้จ่ายดอกเบี้ยน่าจะลดลงอย่างมีนัยสำคัญระดับปกติที่ประมาณ 2.8 พัน ลบ. หลังรับรู้ค่าใช้จ่ายพิเศษจากการต่อสินเชื่อบริษัทที่ 0.7 พัน ลบ. ใน 2Q21 เราคาดว่า CPALL จะรายงานกำไรสุทธิที่ 2 พัน ลบ. ใน 3Q21

ตลาดในประเทศจะนำการฟื้นตัวใน 4Q21

SSSG ใน 2 อาทิตย์แรกของเดือน ต.ค. 21 ยังเป็นลบเป็นเลขหลักเดียวในระดับสูง อย่างไรก็ตาม SSSG ปรับตัวดีขึ้นจากการผ่อนคลายมาตรการปิดเมืองที่มีมาตั้งแต่ 1 ต.ค. หลังชั่วโมงการเปิดดำเนินงานเพิ่มขึ้นอีก 1 ชั่วโมงเป็น 4 - 3 ทุ่ม เราคาดว่า SSSG จะพลิกเป็นบวกในเดือน พ.ย. 21 โดยได้แรงหนุนจากกิจกรรมที่เพิ่มขึ้นจากการเดินทางในประเทศ การเปิดโรงเรียนและการกลับมาทำงานที่สำนักงานของพนักงาน นอกจากนี้เราคาดว่ากิจกรรมในเวลากลางคืนจะเพิ่มขึ้นในเดือน ธ.ค. 21 เนื่องจากรัฐบาลวางแผนอนุญาตให้สถานประกอบการต่าง ๆ กลับมาเปิดในเวลากลางคืน ในด้านลบอัตรากำไรขั้นต้นของ CPALL น่าจะยังอยู่ภายใต้แรงกดดันจากสัดส่วนผลิตภัณฑ์ที่ไม่เปลี่ยนอย่างมีนัยสำคัญ ดังนั้นเราจึงคาดในขั้นต้นว่ากำไร 4Q21 จะอยู่ที่ 3 พัน ลบ.

ปรับเพิ่มประมาณการกำไรหลังการปรับโครงสร้าง

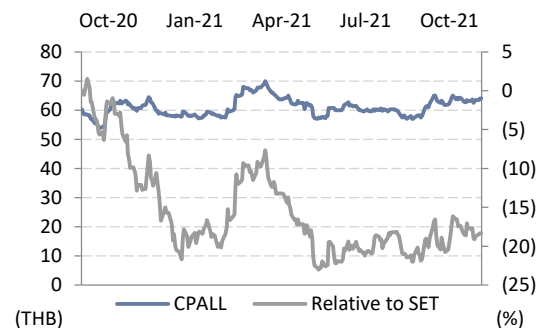
การถ่ายโอน Lotus (not listed) ให้แก่ Siam Makro (MAKRO TB, HOLD, TP THB52) ได้รับความอนุมัติจากที่ประชุมวิสามัญของ CPALL เมื่อวันที่ 12 ต.ค. ดังนั้นเราจึงรวมรายการปรับโครงสร้างนี้ไว้ในแบบจำลองการประเมินมูลค่าของ CPALL เราคาดว่ากำไรจะเพิ่มขึ้นในปี 2022 แม้ว่าหุ้นใน MAKRO จะลดลงจาก 93% เหลือ 52% จาก 1) กำไรปี 2022 ของ Lotus ที่คาดว่าจะฟื้นตัวมาอยู่ที่ 5.5 พัน ลบ.; และ 2) การชำระหนี้โดยใช้เงินสด 31.6 พัน ลบ. โดยสมมติให้ราคาเสนอขายหุ้นให้แก่สาธารณะอยู่ที่ 45 บาท/หุ้น ฐานะทางการเงินของ CPALL น่าจะดีขึ้นเนื่องจากสัดส่วนหนี้สินต่อส่วนผู้ถือหุ้นน่าจะลดลงเหลือ 1.4x จาก 1.8x ใน 2Q21

คงแนะนำซื้อหลังปรับราคาเป้าหมายขึ้นเป็น 82 บาท

เราปรับเพิ่มกำไรสุทธิปี 2022-23E อีก 1.3-6.9% หลังรวมการถ่ายโอน Lotus ให้แก่ MAKRO เราชอบ CPALL เนื่องจากบริษัท น่าจะเป็นผู้ได้ประโยชน์สำคัญจากการผ่อนคลายมาตรการปิดเมืองและการกลับมาเปิดการท่องเที่ยวทั้งในและต่างประเทศ ปัจจุบันหุ้นมีการซื้อขายที่ 33x ของค่า 2022E P/E ใกล้เคียงกับค่าเฉลี่ย 5 ปีย้อนหลัง แต่อาจลดลงเหลือเพียงที่ 25.5x เมื่อกำไรฟื้นตัวสู่ระดับก่อน Covid

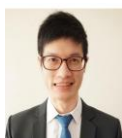
KEY STOCK DATA

YE Dec (THB m)	2020	2021E	2022E	2023E
Revenue	546,207	553,392	861,710	951,381
Net profit	16,102	10,406	17,239	22,767
EPS (THB)	1.79	1.16	1.92	2.53
vs Consensus (%)	-	(4.7)	3.1	4.8
EBITDA	39,116	35,902	55,691	66,504
Core net profit	15,876	10,406	17,239	22,767
Core EPS (THB)	1.77	1.16	1.92	2.53
Chg. In EPS est. (%)	-	-	1.3	6.9
EPS growth (%)	(31.1)	(34.5)	65.7	32.1
Core P/E (x)	36.2	55.2	33.3	25.3
Dividend yield (%)	2.0	0.7	1.2	1.6
EV/EBITDA (x)	20.9	23.4	19.1	15.8
Price/book (x)	7.5	6.9	6.2	5.4
Net debt/Equity (%)	187.4	195.1	115.8	99.1
ROE (%)	16.7	10.4	15.9	18.9



Share price performance	1 Month	3 Month	12 Month	
Absolute (%)		3.2	5.8	6.7
Relative to country (%)		2.6	1.1	(17.4)
Mkt cap (USD m)				17,323
3m avg. daily turnover (USD m)				49.0
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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บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 14 ตุลาคม 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.

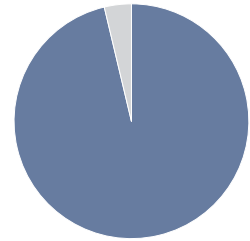
Company profile

CP All is the market leader in the CVS segment, with at least a 50% market share in terms of store numbers. As of end-2020, it operated 12,432 stores. It currently owns 93% of Siam Makro (MAKRO TB), which will reduce to 52% post completion of the transaction.

www.cpall.co.th

Principal activities (revenue, 2020)

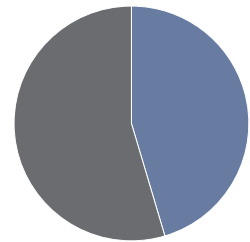
- Sales - 96.3 %
- Other income - 3.7 %



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)	21.6	22.8	23.2
SG&A to sales	19.8	19.7	19.7

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.

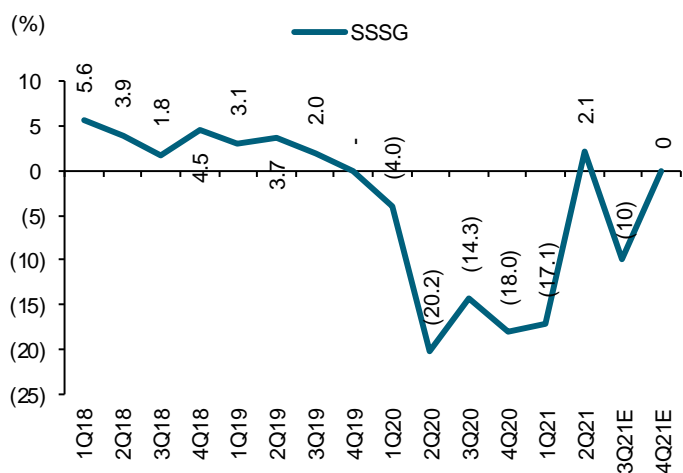
Source: FSSIA estimates

Exhibit 1: CPALL – 3Q21E results preview

	3Q20	4Q20	1Q21	2Q21	3Q21E	--- Change ---		----- 9M21E -----			2021E	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(y-y%)	(%21E)	(THB m)	(y-y%)
Total revenue	135,457	137,004	133,339	137,370	127,670	(7)	(6)	398,378	(3)	72	553,392	1
Retail sales	129,990	131,823	128,549	132,146	122,914	(7)	(5)	383,608	(3)	72	533,647	1
Other income	5,467	5,181	4,790	5,224	4,756	(9)	(13)	14,771	(2)	75	19,745	(3)
Gross profit	34,034	33,994	32,070	33,287	30,936	(7)	(9)	96,293	(5)	71	135,105	(0)
Operating costs	(27,307)	(27,232)	(26,217)	(27,438)	(25,566)	(7)	(6)	(79,221)	(2)	72	(109,452)	1
Operating profit	6,727	6,763	5,852	5,849	5,370	(8)	(20)	17,072	(18)	67	25,653	(7)
Other income	32	44	33	22	20	(7)	(38)	74	(34)	21	359	129
Interest expense	(1,991)	(2,678)	(2,901)	(3,529)	(2,750)	(22)	38	(9,180)	57	78	(11,770)	38
Profit before tax	4,768	4,129	2,984	2,341	2,640	13	(45)	7,966	(47)	56	14,242	(25)
Tax	(682)	(511)	(370)	(234)	(442)	89	(35)	(1,047)	(53)	37	(2,848)	3
Equity income	(1)	(63)	36	(129)	(185)	43	nm	(278)	nm	nm	(547)	762
Minority interests	(99)	(144)	(110)	(72)	(50)	(30)	(50)	(232)	(10)	53	(441)	10
Non recurring items	11	161	59	284	0	(100)	nm	343	429	nm	0	nm
Reported net profit	3,998	3,573	2,599	2,190	1,963	(10)	(51)	6,752	(46)	65	10,406	(35)
Recurring net profit	3,986	3,411	2,540	1,906	1,963	3	(51)	6,409	(49)	62	10,406	(34)
EPS (THB)	0.45	0.40	0.29	0.24	0.22	(10)	(51)	0.75	(46)	65	1.16	(35)
Recurring EPS (THB)	0.44	0.38	0.28	0.21	0.22	3	(51)	0.71	(49)	62	1.16	(34)
Key Ratios	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)			(%)	(ppt)
Gross margin	22.0	21.9	21.2	21.2	21.3	0.1	(0.7)	21.3			21.6	0.3
Operating margin	5.0	4.9	4.4	4.3	4.2	(0.1)	(0.8)	4.3			4.6	0.4
Recurring net margin	2.9	2.5	1.9	1.4	1.5	0.2	(1.4)	1.6			1.9	1.0
SG&A / Sales	20.2	19.9	19.7	20.0	20.0	0.1	(0.1)	19.9			19.8	(0.0)
Effective tax rate	14.3	12.4	12.4	10.0	16.7	6.7	2.4	13.1			20.0	(5.6)
Operating statistics												
SSSG (%)	(14.3)	(18.0)	(17.1)	2.1	(10.0)							
Number of stores (no.)	12,225	12,432	12,587	12,743	12,843							
New stores (%)	1.1	1.7	1.2	1.2	0.8							

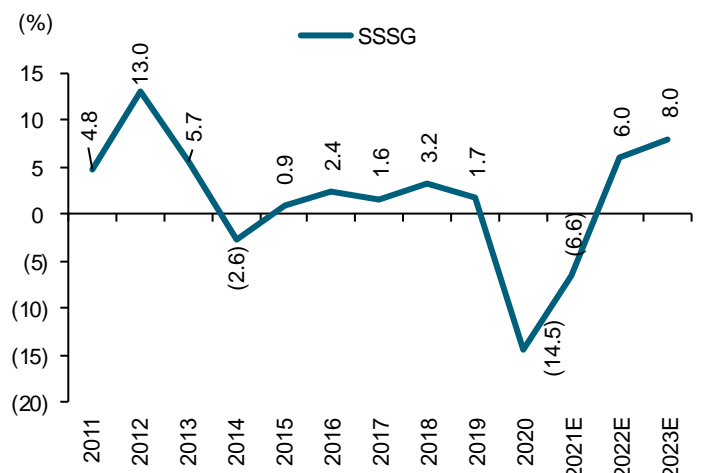
Sources: CPALL; FSSIA estimates

Exhibit 2: Quarterly SSSG of CVS format



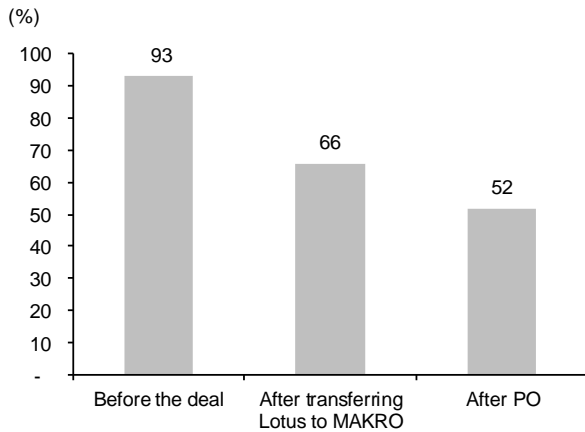
Sources: CPALL; FSSIA estimates

Exhibit 3: Yearly SSSG of CVS format



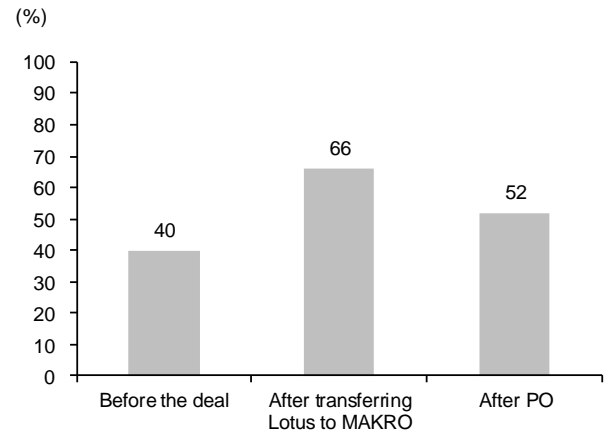
Sources: CPALL; FSSIA estimates

Exhibit 4: CPALL's stake in MAKRO



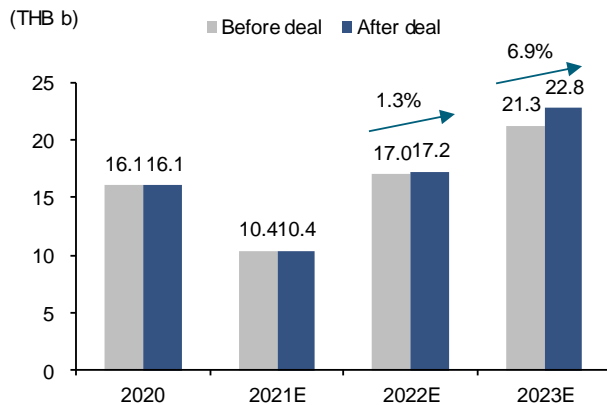
Source: FSSIA estimates

Exhibit 5: CPALL's stake in Lotus



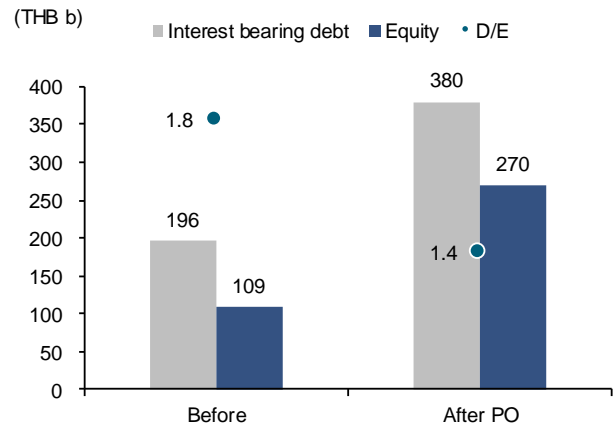
Source: FSSIA estimates

Exhibit 6: CPALL's net profit before and after the restructuring deal



Source: FSSIA estimates

Exhibit 7: D/E comparison before and after the restructuring deal



Source: CPALL; FSSIA estimates

Exhibit 8: Expect Lotus to turn a profit in 2022

Lotus P&L	2020	2021E	2022E	2023E
	(THB b)	(THB b)	(THB b)	(THB b)
Retail sales Thailand		166.0	195.3	211.6
Rental revenue Thailand		9.1	11.8	13.0
Retail sales Malaysia		34.5	39.4	44.7
Rental revenue Malaysia		1.5	2.0	2.5
Total revenue	211.3	211.1	248.5	271.8
COGS retail sales		155.4	181.2	196.6
COGS rental		5.2	5.4	4.7
Gross profit	54.2	50.4	61.9	70.6
SG&A	45.0	43.5	50.9	55.5
EBIT	9.2	6.9	11.0	15.1
Interest expenses	6.6	6.6	4.8	4.6
Tax	0.8	0.7	1.4	2.1
Minorities	0.0	0.0	0.0	0.0
Net profit	1.8	(0.4)	5.5	8.5
Assumptions	2020	2021E	2022E	2023E
Sales growth			(%)	(%)
Retail sales Thailand			17.7	8.3
Rental revenue Thailand			29.0	11.0
Retail sales Malaysia			14.2	13.5
Rental revenue Malaysia			31.0	26.0
GPM			(%)	(%)
GPM retail sales			23.1	23.3
GPM rental			61.0	70.0
SG&A to sales (%)			20.5	20.4

Sources: CPALL; FSSIA estimates

Exhibit 9: Revised assumptions factored in the restructuring deal

	Current			Previous			Change		
	2021E	2022E	2023E	2021E	2022E	2023E	2021E	2022E	2023E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(%)	(%)	(%)
Retail sales	533,647	839,830	927,135	533,647	591,342	655,306	0.0	42.0	41.5
SSSG (%)	(6.6)	6.0	8.0	(6.6)	6.0	8.0	0.0	0.0	0.0
CVS gross margin (%)	27.7	28.0	28.3	27.7	28.0	28.3	0.0	0.0	0.0
Consolidated GPM (%)*	21.6	22.8	23.2	21.6	21.8	22.1	(0.0)	1.0	1.1
No. of new stores (no.)	700	700	700	700	700	700	0	0	0
SG&A to sales (%)*	19.8	19.7	19.7	19.8	19.5	19.5	0.0	0.2	0.1
Interest expenses	11,770	16,317	16,139	11,770	10,024	9,776	0.0	62.8	65.1
Equity income	(547)	-	-	(547)	292	555	0.0	nm	nm
Net profit	10,406	17,239	22,767	10,406	17,014	21,288	0.0	1.3	6.9

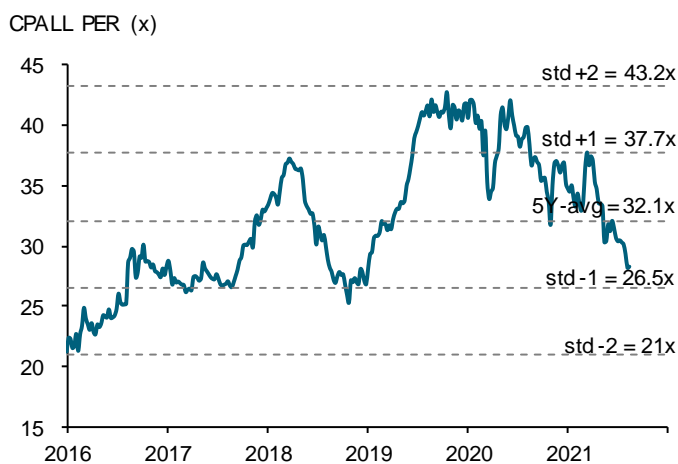
Note: * Change of items in percentage terms are represented in ppt change

Source: FSSIA estimates

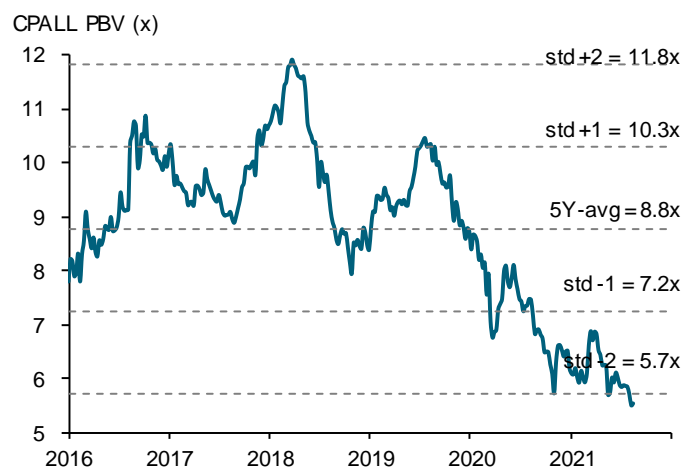
Exhibit 10: DCF-derived TP

DCF-derived TP	(%)	(THB b)
Discount rate (WACC)	7.0	
Terminal growth	2.0	
NPV		353
Add: terminal value		749
Sum of PV		1,103
Add: investment		86
Less: debt		313
Less: minorities		157
Residual ordinary equity		734
No. of shares (m)		8,983
Residual ordinary equity (THB/share)		82

Source: FSSIA estimates

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

Sources: Bloomberg; FSSIA estimates

Exhibit 12: 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	861,710	951,381
Cost of goods sold	(414,843)	(399,233)	(408,039)	(636,513)	(697,675)
Gross profit	155,868	146,974	145,353	225,197	253,706
Other operating income	0	0	0	0	0
Operating costs	(110,753)	(107,858)	(109,452)	(169,506)	(187,202)
Operating EBITDA	45,115	39,116	35,902	55,691	66,504
Depreciation	(11,220)	(11,647)	(10,248)	(12,078)	(14,355)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	33,896	27,469	25,653	43,613	52,149
Net financing costs	(6,427)	(8,369)	(11,411)	(16,003)	(15,842)
Associates	0	(63)	(547)	0	0
Recurring non-operating income	0	(63)	(547)	0	0
Non-recurring items	(705)	226	0	0	0
Profit before tax	26,764	19,262	13,695	27,609	36,307
Tax	(4,070)	(2,759)	(2,848)	(4,141)	(5,446)
Profit after tax	22,694	16,503	10,847	23,468	30,861
Minority interests	(351)	(400)	(441)	(6,229)	(8,094)
Preferred dividends	0	0	0	0	0
Other items	0	0	0	0	0
Reported net profit	22,343	16,102	10,406	17,239	22,767
Non-recurring items & goodwill (net)	705	(226)	0	0	0
Recurring net profit	23,049	15,876	10,406	17,239	22,767
Per share (THB)					
Recurring EPS *	2.57	1.77	1.16	1.92	2.53
Reported EPS	2.49	1.79	1.16	1.92	2.53
DPS	1.25	1.25	0.46	0.77	1.01
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	55.7	10.4
Operating EBITDA (%)	6.2	(13.3)	(8.2)	55.1	19.4
Operating EBIT (%)	5.8	(19.0)	(6.6)	70.0	19.6
Recurring EPS (%)	10.3	(31.1)	(34.5)	65.7	32.1
Reported EPS (%)	6.8	(27.9)	(35.4)	65.7	32.1
Operating performance					
Gross margin inc. depreciation (%)	25.3	24.8	24.4	24.7	25.2
Gross margin of key business (%)	22.7	21.9	21.6	22.8	23.2
Operating EBITDA margin (%)	7.9	7.2	6.5	6.5	7.0
Operating EBIT margin (%)	5.9	5.0	4.6	5.1	5.5
Net margin (%)	4.0	2.9	1.9	2.0	2.4
Effective tax rate (%)	14.8	14.4	20.0	15.0	15.0
Dividend payout on recurring profit (%)	48.7	70.7	40.0	40.0	40.0
Interest cover (X)	5.3	3.3	2.2	2.7	3.3
Inventory days	26.9	28.9	28.6	25.5	31.2
Debtor days	6.0	6.1	5.9	6.9	9.5
Creditor days	83.2	83.2	72.9	52.2	58.5
Operating ROIC (%)	50.5	37.2	26.3	38.5	42.2
ROIC (%)	11.8	7.4	5.0	6.7	6.4
ROE (%)	25.8	16.7	10.4	15.9	18.9
ROA (%)	7.7	5.2	3.8	5.5	5.3
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Sales	550,901	525,884	533,647	839,830	927,135
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	17,239	22,767
Depreciation	11,220	11,647	10,248	12,078	14,355
Associates & minorities	351	464	987	6,229	8,094
Other non-cash items	-	-	-	-	-
Change in working capital	(2,112)	(6,528)	(12,712)	(8,142)	2,410
Cash flow from operations	32,508	21,459	8,929	27,404	47,626
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)	(2)	(2)
Other investments (net)	(185)	(2,567)	(6,528)	(216,642)	7,401
Cash flow from investing	(17,010)	(104,568)	(26,410)	(237,311)	(14,890)
Dividends paid	(11,229)	(11,229)	(4,162)	(6,896)	(9,107)
Equity finance	(710)	(193)	0	135,000	0
Debt finance	(8,530)	104,638	12,181	82,224	(27,293)
Other financing cash flows	0	0	0	0	0
Cash flow from financing	(20,469)	93,216	8,019	210,328	(36,400)
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)	(193,590.36)	48,874.73
Free cash flow to equity (FCFE)	6,967.48	21,528.55	(5,299.68)	(127,683.29)	5,442.90

Per share (THB)

FCFF per share	2.47	(8.30)	(0.64)	(21.55)	5.44
FCFE per share	0.78	2.40	(0.59)	(14.21)	0.61
Recurring cash flow per share	3.85	3.12	2.41	3.96	5.03

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)	(92,520)	(105,775)
Tangible fixed assets (net)	116,082	120,199	129,284	137,873	145,807
Intangible fixed assets (net)	128,096	128,096	128,096	383,096	383,096
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	23,608	26,065
Inventories	31,538	31,749	32,092	56,863	62,425
Other current assets	419	202	204	318	351
Current assets	71,923	81,404	72,404	112,374	116,761
Other assets	59,480	108,067	110,885	113,844	116,951
Total assets	375,617	523,354	526,259	832,780	848,210
Common equity	93,739	96,759	103,002	113,346	127,006
Minorities etc.	14,629	14,836	15,277	156,506	164,599
Total shareholders' equity	108,368	111,595	118,279	269,851	291,606
Long term debt	129,193	221,503	234,711	308,108	282,246
Other long-term liabilities	25,139	66,874	65,692	102,291	112,936
Long-term liabilities	154,333	288,377	300,403	410,399	395,181
A/C payable	94,514	87,577	75,324	106,618	117,046
Short term debt	15,948	28,276	27,249	36,076	34,645
Other current liabilities	2,456	7,529	5,005	9,836	9,732
Current liabilities	112,917	123,383	107,578	152,529	161,423
Total liabilities and shareholders' equity	375,617	523,354	526,259	832,780	848,210
Net working capital	(55,565)	(54,328)	(39,089)	(35,664)	(37,937)
Invested capital	248,129	387,622	414,767	684,742	693,511

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

Per share (THB)

Book value per share	8.22	8.55	9.25	10.40	11.92
Tangible book value per share	(6.04)	(5.70)	(5.01)	(32.24)	(30.72)

Financial strength

Net debt/equity (%)	105.8	187.4	195.1	115.8	99.1
Net debt/total assets (%)	30.5	40.0	43.9	37.5	34.1
Current ratio (x)	0.6	0.7	0.7	0.7	0.7
CF interest cover (x)	4.6	5.5	2.2	(5.7)	2.8

Valuation	2019	2020	2021E	2022E	2023E
Recurring P/E (x) *	24.9	36.2	55.2	33.3	25.3
Recurring P/E @ target price (x) *	32.0	46.4	70.8	42.7	32.4
Reported P/E (x)	25.7	35.7	55.2	33.3	25.3
Dividend yield (%)	2.0	2.0	0.7	1.2	1.6
Price/book (x)	7.8	7.5	6.9	6.2	5.4
Price/tangible book (x)	(10.6)	(11.2)	(12.8)	(2.0)	(2.1)
EV/EBITDA (x) **	16.0	20.9	23.4	19.1	15.8
EV/EBITDA @ target price (x) **	19.6	25.1	27.9	22.0	18.2
EV/invested capital (x)	2.9	2.1	2.0	1.6	1.5

* 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	ICI	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	PAP	PCSGH	PDJ	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	SEAOIL	SE-ED	SELIC	SENA	SIRI	SIS	SITHAI	SMK	SMPC	SNC
SONIC	SORKON	SE-ED	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	MITSIB	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	WIJK	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	AMANAH	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	CENTEL	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	SEAOIL	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)

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

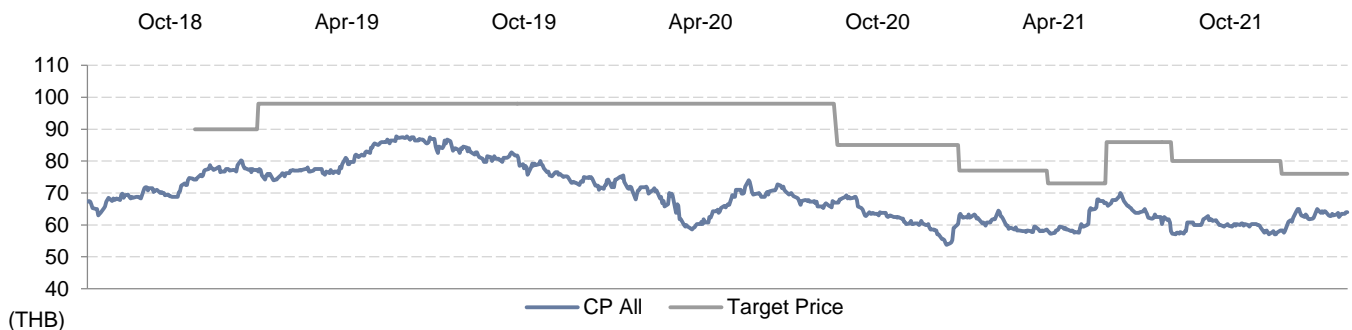
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) 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)



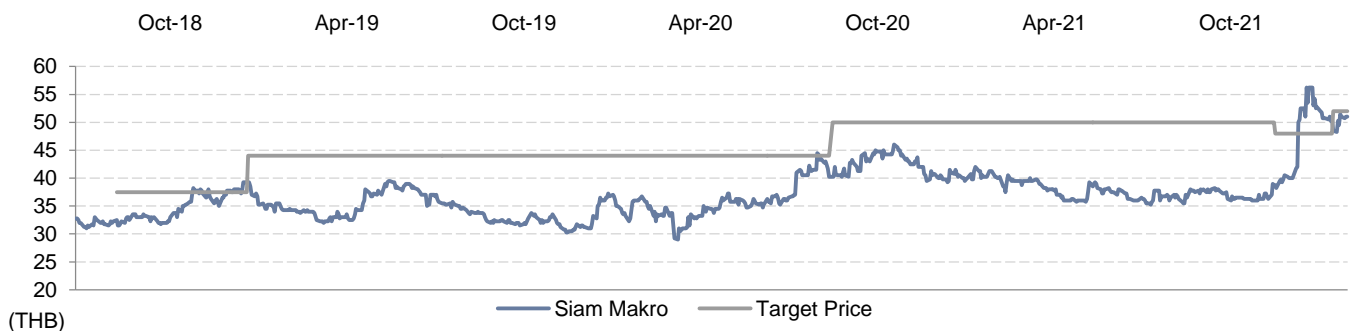
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
16-Jan-2019	BUY	90.00	19-Oct-2020	BUY	85.00	17-Mar-2021	BUY	86.00
12-Mar-2019	BUY	98.00	09-Nov-2020	BUY	77.00	17-Mar-2021	BUY	86.00
02-Apr-2020	BUY	98.00	13-Nov-2020	BUY	77.00	13-May-2021	BUY	80.00
24-Jul-2020	BUY	85.00	25-Jan-2021	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	19-Nov-2020	BUY	50.00	11-Aug-2021	BUY	48.00
12-Mar-2019	BUY	44.00	25-Jan-2021	BUY	50.00	01-Sep-2021	BUY	48.00
02-Apr-2020	BUY	44.00	25-Mar-2021	BUY	50.00	30-Sep-2021	HOLD	52.00
24-Jul-2020	BUY	50.00	12-May-2021	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 64.00	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 51.00	HOLD	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. The key upside risks include: 1) the faster-than-expected recovery of Lotus' performance; and 2) a more aggressive expansion plan.

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 12-Oct-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.