9 JULY 2024

EQUITY RESEARCH - COMPANY REPORT

CP ALL   CPALL TB

THAILAND / COMMERCE

FINANSIA
FSS INTERNATIONAL INVESTMENT ADVISORY

FSSIA ESG rating ★★★★

BUY

UNCHANGED

TARGET PRICE	THB79.00
CLOSE	THB56.50
UP/DOWNSIDE	+39.8%
PRIOR TP	THB79.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+4.3%

กำไรปกติ 2Q24 เติบโตเด่น y-y

- คาดกำไรปกติ 2Q24 ที่ 5.8 พันลบ. (-3.3% q-q, +29.7% y-y) เติบโตเด่น y-y จากยอดขายที่สูงขึ้น และ Gross margin ของ CVS ที่ดีมากขึ้น
- คาดกำไรปกติ 2H24 ยังเติบโตได้ y-y ยังคงคาดกำไรปี 2024 เติบโต 30% y-y
- คงคำแนะนำ ซื้อ ราคาเป้าหมาย 79 บาท และเป็น Top pick ของกลุ่มค้าปลีก

คาดกำไรปกติ 2Q24 ที่ 5.8 พันลบ. (-3.3% q-q, +29.7% y-y)

คาดกำไรปกติ 2Q24 ที่ 5.8 พันลบ. ลดลง 3.3% q-q จากส่วนแบ่งกำไรของ CPAXT ที่ลดลง q-q จากผลของปัจจัยฤดูกาล แต่เพิ่มขึ้น 29.7% y-y จากยอดขายที่เพิ่มขึ้น 5.4% โดยคาด SSSG ของธุรกิจร้านสะดวกซื้อที่ 4% หนุนจากช่วงวันหยุดยาว และสภาพอากาศที่ร้อนช่วยหนุน Traffic ของร้านทยอยปรับเพิ่มสูงขึ้น รวมถึงคาด SSSG ของธุรกิจค้าส่งและค้าปลีกที่ 2% และ4% ตามลำดับ

GPM ยังหนุนจาก Product champion อย่าง RTE/Beverage/Personal care

อัตรากำไรขั้นต้นของ CVS คาดที่ 28.7% ใกล้เคียงกับ 1Q24 และเพิ่มขึ้น 30bps y-y หนุนจากสินค้าที่เกี่ยวข้องกับช่วงหน้าร้อนและการเดินทางท่องเที่ยวอย่างอาหารพร้อมทาน (RTE), เครื่องดื่ม และของใช้ส่วนตัว (Personal care) ที่ยังช่วยหนุน GPM ของ CVS ได้ รวมถึง GPM ของ CPAXT ที่ปรับดีขึ้นจากการผลักดันสินค้ากลุ่ม High margin อย่างอาหารสด ขณะที่ค่าใช้จ่ายปรับตัวขึ้นตามยอดขายที่สูงขึ้น

ยังคงมุมมองเชิงบวกในครึ่งปีหลัง คาดเติบโตได้ y-y

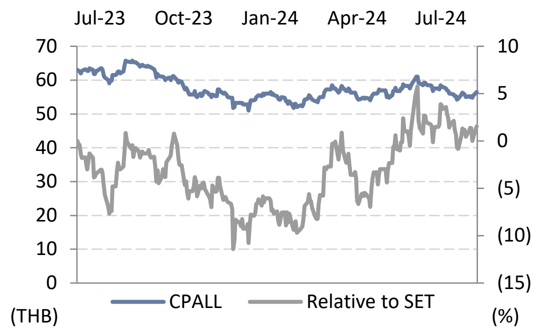
หากกำไรปกติ 2Q24 เป็นไปตามที่เราจะทำให้กำไรปกติ 1H24 คิดเป็น 50% ของประมาณการกำไรทั้งปี โดยยังคงคาดกำไรทั้งปี 2024 เติบโต 30% y-y แนวโน้ม 2H24 ยังคาดโต y-y แม้ใน 3Q24 จะยังมีผลของปัจจัยฤดูกาลบ้าง และจะเข้าช่วง High season ใน 4Q24 รวมถึงมาตรการกระตุ้นกำลังซื้อในช่วงปลายปี ประกอบกับส่วนแบ่งกำไรของ CPAXT ที่คาดว่าจะเพิ่มขึ้น y-y เช่นกัน

คงคำแนะนำ ซื้อ ราคาเป้าหมาย 79 บาท และเป็น Top pick ของกลุ่มค้าปลีก

ยังคำแนะนำ ซื้อ ราคาเป้าหมาย 79 บาท และยังเป็น Top pick ของกลุ่มในแง่การเติบโต y-y ใน 2Q24E ที่โดดเด่น และแนวโน้มการเติบโตของกำไรที่แข็งแกร่งต่อเนื่องของทั้ง CPALL และ CPAXT รวมถึงมีโอกาสที่จะได้รับผลบวกจากมาตรการกระตุ้นกำลังซื้อ Digital wallet ในช่วงปลายปี ในแง่ Valuation ปัจจุบันซื้อขายบน 2024E P/E แค่ราว 21 เท่า (ราว -2SD จากค่าเฉลี่ย 5 ปี)

KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	895,281	957,688	1,009,025	1,059,574
Net profit	18,482	23,640	27,447	30,900
EPS (THB)	2.06	2.63	3.06	3.44
vs Consensus (%)	-	3.8	5.9	6.1
EBITDA	52,942	60,271	68,745	76,753
Recurring net profit	18,136	23,640	27,447	30,900
Core EPS (THB)	2.02	2.63	3.06	3.44
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	36.6	30.3	16.1	12.6
Core P/E (x)	28.0	21.5	18.5	16.4
Dividend yield (%)	1.8	2.3	2.7	3.0
EV/EBITDA (x)	20.2	18.1	15.6	13.7
Price/book (x)	5.0	4.5	4.0	3.6
Net debt/Equity (%)	119.4	118.3	106.1	92.6
ROE (%)	17.1	20.2	21.2	21.4



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(2.6)	0.9	(10.0)
Relative to country (%)	(1.8)	4.9	1.5

Mkt cap (USD m)	13,922
3m avg. daily turnover (USD m)	42.7
Free float (%)	58
Major shareholder	CP Group (35%)
12m high/low (THB)	66.25/50.50
Issued shares (m)	8,983.10

Sources: Bloomberg consensus; FSSIA estimates

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Investment thesis

CPALL เป็นผู้ประกอบธุรกิจร้านสะดวกซื้อ (CVS) ที่ใหญ่ที่สุดในประเทศไทย และมีการขยายสาขาอย่างต่อเนื่อง รวมถึงการขยายสาขาไปในประเทศกัมพูชา และประเทศลาว ณ 2023 มีสาขาในประเทศไทยทั้งหมด 14,545 สาขา, ประเทศกัมพูชา 82 สาขา และประเทศลาว 3 สาขา

ภายหลังการรวมธุรกิจของ CPAXT (ซื้อ, ราคาเป้าหมาย 2024 ที่ 36 บาท) โดย CPALL ถือหุ้น 59.9% ทำให้ CPALL ดำเนินธุรกิจ 3 ธุรกิจหลักได้แก่ธุรกิจร้านสะดวกซื้อ,ธุรกิจค้าส่ง, ธุรกิจค้าปลีก

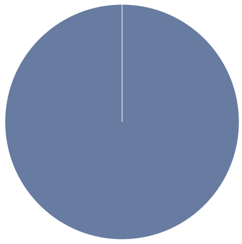
เราเชื่อว่า CPALL จะได้รับผลบวกจากการฟื้นตัวของการบริโภคในประเทศ รวมทั้งมาตรการกระตุ้นกำลังซื้อในประเทศ

Company profile

ดำเนินธุรกิจร้านสะดวกซื้อภายใต้เครื่องหมายการค้า 7-Eleven และให้สิทธิแก่ผู้ค้าปลีกรายอื่นในการดำเนินธุรกิจในประเทศไทย และลงทุนในธุรกิจสนับสนุนธุรกิจ CVS เช่น ผลิตและจำหน่ายอาหารสำเร็จรูปและเบเกอรี่ รวมถึงการลงทุนในธุรกิจศูนย์จำหน่ายสินค้าแบบชำระเงินสดและบริการตนเองภายใต้ชื่อ "แม็คโคร"

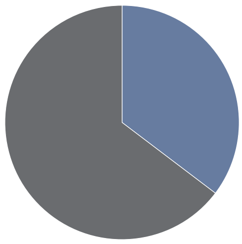
www.cpall.co.th

Principal activities (revenue, 2023)



Source: CP All

Major shareholders



Source: CP All

Catalysts

ปัจจัยบวกต่อราคาหุ้นได้แก่ 1) การบริโภคในประเทศและอุตสาหกรรมท่องเที่ยวฟื้นตัวกว่าที่คาด 2) ผลการดำเนินงานของธุรกิจค้าส่งและค้าปลีกดีกว่าที่คาด

Risks to our call

ความเสี่ยง 1) อัตราการเติบโตของยอดขายสาขาเดิม (SSSG) น้อยกว่าที่คาด 2) อัตรากำไรขั้นต้นน้อยกว่าที่คาด 3) ค่าใช้จ่ายในการขายและบริหารต่อยอดขายสูงกว่าที่คาด

Event calendar

Date	Event
13 Aug 2024	2Q24 results announcement
15 Aug 2024	Analyst meeting

Key assumptions

CPALL	2023A	2024E	2025E	2026E
SSSG CVS (%)	5.5	5.0	3.0	3.0
SSSG Makro (%)	5.3	3.0	3.0	3.0
SSSG Lotus-TH (%)	2.1	3.0	3.0	3.0
SSSG Lotus-ML (%)	(2.5)	3.0	3.0	3.0
New stores - CVS (no.)	707	700	700	700
GPM - CVS (%)	28.2	28.7	28.9	28.9
SG&A to sales	20.1	20.0	20.0	20.0

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in SSSG, we estimate 2024 EPS to rise 1.3%, and vice versa, all else being equal.
- For every 0.1% increase in GPM, we estimate 2024 EPS to rise 3.0%, and vice versa, all else being equal.
- For every 0.1% increase in SG&A to revenue, we estimate 2024 EPS to fall 3.1%, and vice versa, all else being equal.

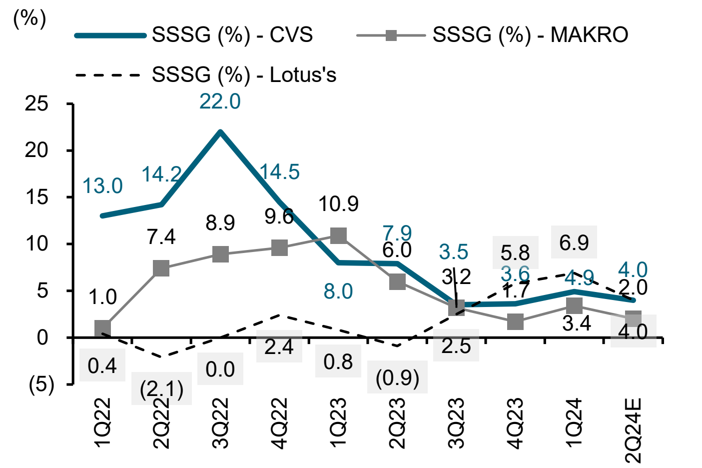
Source: FSSIA estimates

Exhibit 1: CPALL – 2Q24 results preview

Year to Dec 31	2Q23	3Q23	4Q23	1Q24	2Q24E	------ Change ------		---------------- 1H24E -------------			2024E	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(y-y%)	(%24E)	(THB m)	(y-y%)
Revenue	**225,603**	**220,051**	**233,732**	**234,315**	**237,677**	***1.4***	***5.4***	**471,992**	***7***	***49***	**957,688**	***7***
COGS	(176,041)	(172,085)	(181,901)	(182,093)	(184,675)	*1.4*	*4.9*	(366,768)	*6*	*49*	(745,950)	*7*
Gross profit	**49,561**	**47,966**	**51,831**	**52,223**	**53,002**	***1.5***	***6.9***	**105,225**	***9***	***50***	**211,738**	***8***
Other income	6,399	6,215	6,821	6,694	7,281	*8.8*	*13.8*	13,974	*12*	*49*	28,434	*11*
Operating costs	(45,867)	(44,486)	(46,381)	(46,541)	(48,357)	*3.9*	*5.4*	(94,898)	*7*	*50*	(191,078)	*6*
Operating profit	**10,094**	**9,695**	**12,272**	**12,375**	**11,926**	***(3.6)***	***18.2***	**24,301**	***22***	***49***	**49,094**	***17***
FX gain (loss)	(51)	161	(116)	298	0	*(100)*	*(100)*	298	*(1)*	*n/a*	0	*(100)*
Interest expense	(4,145)	(3,995)	(4,010)	(3,902)	(3,910)	*0.2*	*(5.7)*	(7,812)	*(9)*	*48*	(16,146)	*(2)*
Profit before tax	5,949	5,700	8,262	8,473	8,016	*(5.4)*	*34.8*	16,489	*45*	*50*	32,947	*30*
Tax	(1,073)	(970)	(1,517)	(1,643)	(1,554)	*(5.4)*	*44.9*	(3,197)	*51*	*53*	(5,978)	*30*
Equity income	201	185	168	174	172	*(1.0)*	*(14.4)*	346	*(12)*	*42*	826	*11*
Minority interests	(588)	(651)	(1,300)	(982)	(810)	*(17.5)*	*37.9*	(1,792)	*26*	*43*	(4,155)	*23*
Non-recurring items	(51)	161	(116)	298	0	*(100)*	*(100)*	298	*(1)*	*n/a*	0	*(100)*
Reported net profit	4,438	4,424	5,497	6,319	5,824	*(7.8)*	*31.2*	12,143	*42*	*51*	23,640	*28*
Recurring net profit	**4,490**	**4,264**	**5,612**	**6,022**	**5,824**	***(3.3)***	***29.7***	**11,846**	***43***	***50***	**23,640**	***30***
EPS (THB)	0.49	0.49	0.61	0.70	0.65	*(7.8)*	*31.2*	1.35	*42*	*51*	2.63	*28*
Recurring EPS (THB)	**0.50**	**0.47**	**0.62**	**0.67**	**0.65**	***(3.3)***	***29.7***	**1.32**	***43***	***50***	**2.63**	***30***
Key Ratios (%)	**(%)**	**(%)**	**(%)**	**(%)**	**(%)**	***(ppt)***	***(ppt)***	**(%)**	***(ppt)***		**(%)**	***(ppt)***
Gross margin-overall	22.0	21.8	22.2	22.3	22.3	*0.0*	*0.3*	22.3	*0.4*		22.1	*0.2*
Gross margin-CVS	28.4	27.9	28.7	28.7	28.7	*0.0*	*0.3*	28.7	*0.5*		28.7	*0.5*
Operating margin	4.5	4.4	5.3	5.3	5.0	*(0.3)*	*0.5*	5.1	*0.6*		5.1	*0.4*
Recurring net margin	2.0	1.9	2.4	2.6	2.5	*(0.1)*	*0.5*	2.5	*0.6*		2.5	*0.4*
SG&A / Sales	20.3	20.2	19.8	19.9	20.3	*0.5*	*0.0*	20.1	*(0.1)*		20.0	*(0.1)*
Operating statistics												
Expansion (no.)	168	176	154	185	180						700	*(1)*
Outstanding store (no.)	14,215	14,391	14,545	14,730	14,910						15,245	*5*
Average daily sales/store (THB)	83,558	79,308	80,884	82,619	n/a						n/a	
Spending per ticker (THB)	84	82	83	85	n/a						n/a	
Daily customer/store (no.)	995	959	965	972	n/a						n/a	
SSSG CVS (%)	7.9	3.5	3.6	4.9	4.0						5.0	
SSSG - MAKRO (%)	6.0	3.2	1.7	3.4	2.0						3.0	
SSSG - Lotus's TH (%)	(0.9)	2.5	5.8	6.9	4.0						3.0	
SSSG - Lotus's ML (%)	(12.2)	0.6	3.6	8.4	5.0						3.0	

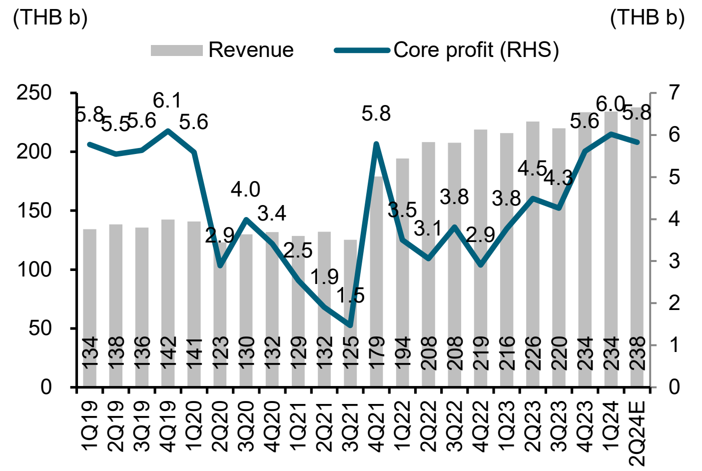
Sources: CPALL; FSSIA estimates

Exhibit 2: Solid SSSG for three business units



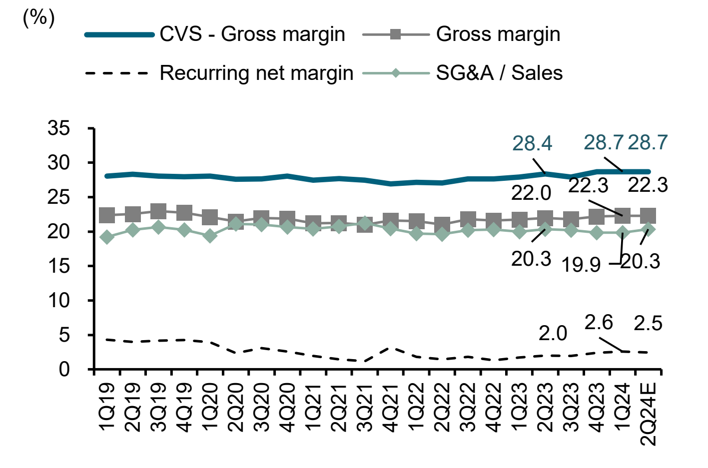
Sources: CPALL; FSSIA estimates

Exhibit 3: Revenue and recurring net profit



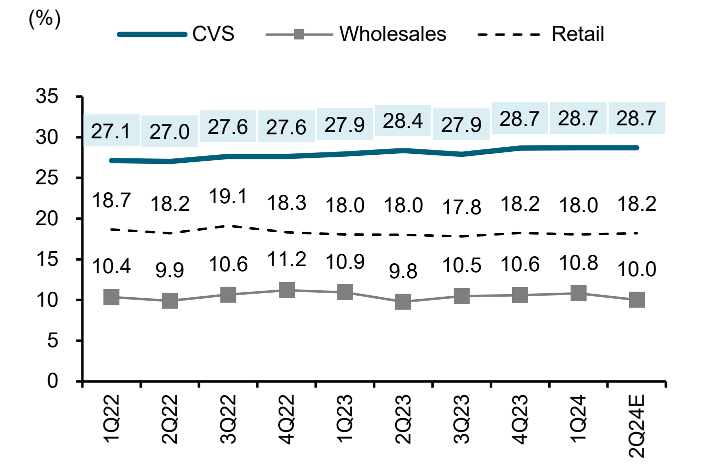
Sources: CPALL; FSSIA estimates

Exhibit 4: Profitability



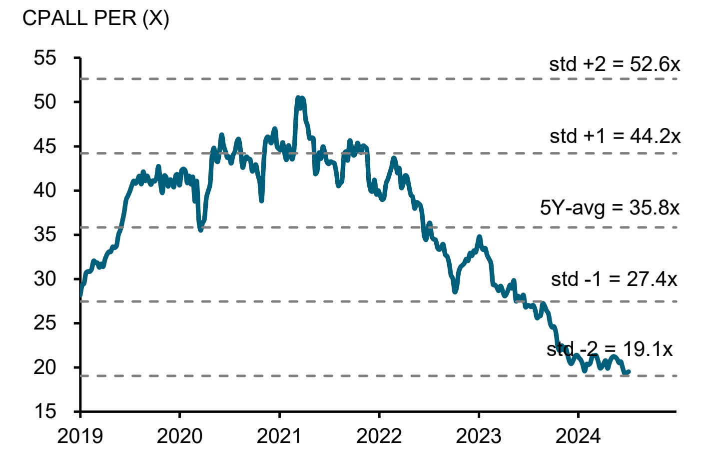
Sources: CPALL; FSSIA estimates

Exhibit 5: GPM from sales (%)



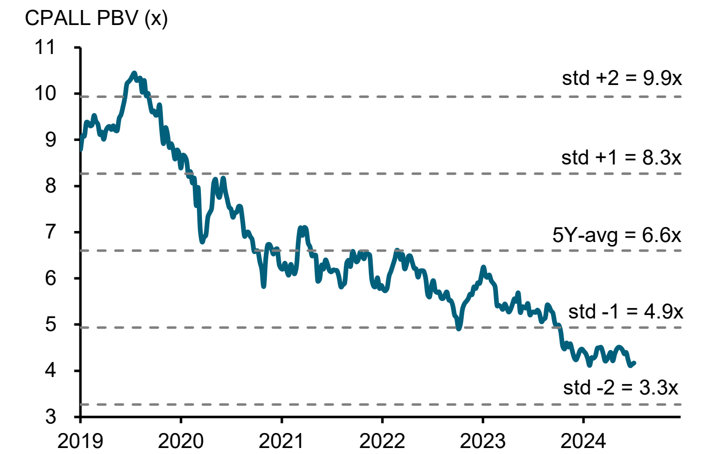
Sources: CPALL; FSSIA estimates

Exhibit 6: Rolling one-year forward P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 7: Rolling one-year forward P/BV band



Sources: Bloomberg; FSSIA estimates

Exhibit 8: Commerce peers as of 8 July 2024

Company	BBG	Rec	---------- Share price ----------			Market	----- PE -----		---- ROE ----		---- PBV ----		-- EV/ EBITDA --	
			Current (LCY)	Target (LCY)	*Upside (%)*	Cap (USD m)	24E (x)	25E (x)	24E (%)	25E (%)	24E (x)	25E (x)	24E (x)	25E (x)
Consumer Staple														
CP All	CPALL TB	BUY	56.50	79.00	*40*	13,922	21.5	18.5	20.2	21.2	4.5	4.0	18.1	15.6
CP Axtra	CPAXT TB	BUY	29.50	36.00	*22*	8,562	29.3	24.9	3.6	4.2	1.1	1.0	10.9	10.3
Berli Jucker*	BJC TB	n/a	21.80	n/a	*n/a*	2,399	18.3	15.8	3.9	4.4	0.7	0.7	11.5	11.0
Consumer Staple average						**24,883**	**23.0**	**19.8**	**9.3**	**9.9**	**2.1**	**1.9**	**13.5**	**12.3**
Consumer Discretionary														
Com7	COM7 TB	HOLD	21.00	20.00	*(5)*	1,370	17.4	15.8	33.5	31.8	5.4	4.7	11.5	10.1
Central Retail Corp	CRC TB	BUY	31.50	44.00	*40*	5,211	21.1	18.9	12.9	13.3	2.6	2.4	9.4	8.8
Home Improvement														
Index Living Mall	ILM TB	BUY	18.50	26.70	*44*	256	11.9	10.9	12.9	13.5	1.5	1.4	6.5	5.9
Home Product Center	HMPRO TB	BUY	9.25	13.60	*47*	3,337	17.8	16.8	26.1	26.4	4.5	4.3	10.5	10.0
Siam Global House	GLOBAL TB	HOLD	14.90	17.30	*16*	2,126	26.2	23.3	12.3	12.9	3.1	2.9	20.4	18.4
Dohome	DOHOME TB	BUY	10.70	11.80	*10*	948	35.2	27.5	7.7	9.2	2.6	2.4	17.8	15.6
Home Improvement avg.						**6,667**	**22.8**	**19.6**	**14.8**	**15.5**	**2.9**	**2.8**	**13.8**	**12.5**
Consumer Discretionary avg.						**13,248**	**21.6**	**18.9**	**17.6**	**17.8**	**3.3**	**3.0**	**12.7**	**11.5**
Total average						**38,131**	**22.1**	**19.2**	**14.8**	**15.2**	**2.9**	**2.7**	**13.0**	**11.7**

Sources: *Bloomberg; FSSIA estimates

Financial Statements

CP All

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	829,099	895,281	957,688	1,009,025	1,059,574
Cost of goods sold	(651,100)	(699,010)	(745,950)	(783,082)	(820,248)
Gross profit	**177,999**	**196,271**	**211,738**	**225,943**	**239,326**
Other operating income	0	0	0	0	0
Operating costs	(165,414)	(179,912)	(191,078)	(201,342)	(211,387)
Operating EBITDA	**49,129**	**52,942**	**60,271**	**68,745**	**76,753**
Depreciation	(36,544)	(36,582)	(39,611)	(44,143)	(48,814)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	**12,585**	**16,359**	**20,660**	**24,601**	**27,939**
Net financing costs	(16,549)	(16,090)	(15,600)	(15,979)	(16,259)
Associates	831	746	826	868	911
Recurring non-operating income	24,055	25,839	28,714	30,678	32,576
Non-recurring items	(9)	346	0	0	0
Profit before tax	**20,082**	**26,454**	**33,774**	**39,300**	**44,257**
Tax	(3,861)	(4,602)	(5,978)	(6,974)	(7,865)
Profit after tax	**16,221**	**21,852**	**27,795**	**32,326**	**36,391**
Minority interests	(2,949)	(3,370)	(4,155)	(4,880)	(5,491)
Preferred dividends	0	0	0	0	0
Other items	0	0	0	0	0
Reported net profit	**13,272**	**18,482**	**23,640**	**27,447**	**30,900**
Non-recurring items & goodwill (net)	**9**	**(346)**	**0**	**0**	**0**
Recurring net profit	**13,281**	**18,136**	**23,640**	**27,447**	**30,900**
Per share (THB)					
Recurring EPS *	1.48	2.02	2.63	3.06	3.44
Reported EPS	1.48	2.06	2.63	3.06	3.44
DPS	0.75	1.00	1.32	1.53	1.72
Diluted shares (used to calculate per share data)	8,983	8,983	8,983	8,983	8,983
Growth					
Revenue (%)	46.7	8.0	7.0	5.4	5.0
Operating EBITDA (%)	76.0	7.8	13.8	14.1	11.6
Operating EBIT (%)	267.8	30.0	26.3	19.1	13.6
Recurring EPS (%)	13.5	36.6	30.3	16.1	12.6
Reported EPS (%)	2.2	39.3	27.9	16.1	12.6
Operating performance					
Gross margin inc. depreciation (%)	21.5	21.9	22.1	22.4	22.6
Gross margin exc. depreciation (%)	25.9	26.0	26.2	26.8	27.2
Operating EBITDA margin (%)	5.9	5.9	6.3	6.8	7.2
Operating EBIT margin (%)	1.5	1.8	2.2	2.4	2.6
Net margin (%)	1.6	2.0	2.5	2.7	2.9
Effective tax rate (%)	20.0	18.1	18.1	18.1	18.1
Dividend payout on recurring profit (%)	50.7	49.5	50.0	50.0	50.0
Interest cover (X)	2.2	2.6	3.2	3.5	3.7
Inventory days	32.3	31.9	30.6	30.7	30.7
Debtor days	7.9	7.6	7.4	7.4	7.5
Creditor days	85.0	84.7	77.2	71.0	72.7
Operating ROIC (%)	7.4	10.2	12.2	13.5	16.4
ROIC (%)	4.2	5.0	5.7	6.2	6.8
ROE (%)	13.0	17.1	20.2	21.2	21.4
ROA (%)	3.2	3.7	4.3	4.8	5.2

* Pre-exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2022	2023	2024E	2025E	2026E
Sales	829,099	895,281	957,688	1,009,025	1,059,574

Sources: CP All; FSSIA estimates

Financial Statements

CP All

Cash Flow (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Recurring net profit	13,281	18,136	23,640	27,447	30,900
Depreciation	36,544	36,582	39,611	44,143	48,814
Associates & minorities	2,118	2,624	3,328	4,012	4,580
Other non-cash items	-	-	-	-	-
Change in working capital	(180)	12,711	(25,661)	6,109	6,443
Cash flow from operations	**51,763**	**70,053**	**40,919**	**81,711**	**90,737**
Capex - maintenance	0	0	0	0	0
Capex - new investment	(38,421)	(36,964)	(41,877)	(43,180)	(44,524)
Net acquisitions & disposals	(633)	(448)	7	41	76
Other investments (net)	(3,773)	(6,574)	(2,791)	(5,750)	(5,007)
Cash flow from investing	**(42,827)**	**(43,987)**	**(44,661)**	**(48,889)**	**(49,456)**
Dividends paid	(6,737)	(8,983)	(11,820)	(13,723)	(15,450)
Equity finance	(12,001)	(2,347)	0	0	0
Debt finance	(15,440)	(19,310)	17,579	(17,022)	(23,692)
Other financing cash flows	0	0	0	0	0
Cash flow from financing	**(34,179)**	**(30,640)**	**5,759**	**(30,745)**	**(39,142)**
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	**(25,243)**	**(4,574)**	**2,017**	**2,078**	**2,140**
Free cash flow to firm (FCFF)	25,767.66	42,623.96	12,404.34	49,364.32	58,119.40
Free cash flow to equity (FCFE)	(6,504.42)	6,756.51	13,837.24	15,800.85	17,589.83
Per share (THB)					
FCFF per share	2.87	4.74	1.38	5.50	6.47
FCFE per share	(0.72)	0.75	1.54	1.76	1.96
Recurring cash flow per share	5.78	6.38	7.41	8.42	9.38

Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Tangible fixed assets (gross)	307,562	319,191	358,743	399,482	441,442
Less: Accumulated depreciation	(94,152)	(105,399)	(142,686)	(184,388)	(230,639)
Tangible fixed assets (net)	**213,410**	**213,792**	**216,057**	**215,094**	**210,804**
Intangible fixed assets (net)	**360,641**	**360,641**	**360,641**	**360,641**	**360,641**
Long-term financial assets	0	0	0	0	0
Invest. in associates & subsidiaries	15,957	16,768	17,587	18,414	19,250
Cash & equivalents	71,891	67,317	69,334	71,411	73,551
A/C receivable	18,633	18,734	20,040	21,114	22,172
Inventories	58,183	57,501	60,948	63,547	66,108
Other current assets	249	247	264	278	292
Current assets	**148,955**	**143,798**	**150,585**	**156,351**	**162,123**
Other assets	185,097	191,492	198,347	205,544	213,101
Total assets	**924,061**	**926,491**	**943,218**	**956,044**	**965,919**
Common equity	100,724	110,995	122,816	136,539	151,989
Minorities etc.	189,577	190,600	194,754	199,634	205,126
Total shareholders' equity	**290,301**	**301,595**	**317,570**	**336,173**	**357,115**
Long term debt	393,871	353,745	420,252	375,236	377,847
Other long-term liabilities	32,446	32,954	35,251	37,140	39,001
Long-term liabilities	**426,317**	**386,699**	**455,503**	**412,377**	**416,848**
A/C payable	147,682	159,811	138,903	148,686	158,748
Short term debt	52,965	73,781	24,854	52,848	26,545
Other current liabilities	6,796	4,604	6,388	5,960	6,663
Current liabilities	**207,443**	**238,197**	**170,145**	**207,494**	**191,956**
Total liabilities and shareholders' equity	**924,061**	**926,491**	**943,218**	**956,044**	**965,919**
Net working capital	(77,413)	(87,935)	(64,039)	(69,706)	(76,838)
Invested capital	697,693	694,759	728,593	729,987	726,957
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	10.10	11.25	12.56	14.09	15.81
Tangible book value per share	(30.04)	(28.90)	(27.58)	(26.06)	(24.34)
Financial strength					
Net debt/equity (%)	129.2	119.4	118.3	106.1	92.6
Net debt/total assets (%)	40.6	38.9	39.8	37.3	34.3
Current ratio (x)	0.7	0.6	0.9	0.8	0.8
CF interest cover (x)	2.9	3.7	4.6	4.7	4.8

Valuation	2022	2023	2024E	2025E	2026E
Recurring P/E (x) *	**38.2**	**28.0**	**21.5**	**18.5**	**16.4**
Recurring P/E @ target price (x) *	**53.4**	**39.1**	**30.0**	**25.9**	**23.0**
Reported P/E (x)	38.2	27.5	21.5	18.5	16.4
Dividend yield (%)	1.3	1.8	2.3	2.7	3.0
Price/book (x)	5.6	5.0	4.5	4.0	3.6
Price/tangible book (x)	(1.9)	(2.0)	(2.0)	(2.2)	(2.3)
EV/EBITDA (x) **	22.0	20.2	18.1	15.6	13.7
EV/EBITDA @ target price (x) **	26.1	24.0	21.4	18.6	16.4
EV/invested capital (x)	1.6	1.5	1.5	1.5	1.4

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

Sources: CP All; FSSIA estimates

CP All PCL (CPALL TB)

FSSIA ESG rating

★★★★

78.53 /100

Exhibit 9: FSSIA ESG score implication

Rating	Score	Implication
★★★★★	>79-100	Leading its industry peers in managing the most significant ESG risks which not only better cost efficiency but also lead to higher profitability.
★★★★	>59-79	**A mixed track record of managing the most significant ESG risks and opportunities relative to industry peers.**
★★★	>39-59	Relevant ESG materiality matrix has been constructively addressed, well-managed and incorporated into day-to-day operations, in which targets and achievements are evaluated annually.
★★	>19-39	Relevant ESG materiality matrix has been identified with key management in charge for progress to be followed up on and to provide intensive disclosure. Most targets are conventional and achievable.
★	1-19	The company has adopted the United Nations Sustainable Development Goals (UN SDGs), established sustainability management guidelines and fully complies with regulations or ESG suggested guidance from related organizations such as the SET and SEC.

Sources: FSSIA estimates

Exhibit 10: ESG – peer comparison

	FSSIA	------------------ Domestic ratings ----------------------						------------------------------- Global ratings ------------------------						--- Bloomberg ---	
	ESG score	DJSI	SET THSI	THSI	CG score	AGM level	Thai CAC	Morningstar ESG risk	ESG Book	MSCI	Moody's	Refinitiv	S&P Global	ESG score	Disclosure score
SET100	69.20	5.34	4.40	4.40	4.76	4.65	3.84	Medium	51.76	BBB	20.87	58.72	63.91	3.72	28.17
Coverage	67.12	5.11	4.15	4.17	4.83	4.71	3.53	Medium	52.04	BB	16.97	56.85	62.09	3.40	31.94
BJC	71.33	Y	Y	Y	4.00	4.00	--	Medium	55.09	A	--	65.19	89.00	2.16	--
COM7	61.78	--	Y	Y	5.00	5.00	Certified	Low	47.75	--	--	52.68	21.00	4.40	43.59
CPALL	78.53	Y	Y	Y	5.00	5.00	Certified	Medium	47.38	A	34.00	59.95	82.00	3.74	--
CPAXT	59.46	--	--	--	5.00	5.00	Certified	Low	52.81	--	--	74.64	63.00	3.77	--
CRC	64.49	--	Y	Y	5.00	5.00	Certified	Medium	--	BBB	--	60.98	73.00	2.90	47.27

Sources: SETTRADE.com; FSSIA's compilation

Exhibit 11: ESG score by Bloomberg

FY ending Dec 31	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
ESG financial materiality scores - ESG score	**1.45**	**2.14**	**2.35**	**2.64**	**3.62**	**4.51**	**3.79**	**3.74**
BESG environmental pillar score	0.67	1.58	1.62	2.24	4.32	5.59	2.56	—
BESG social pillar score	1.22	1.97	2.23	2.52	3.28	4.57	4.82	—
BESG governance pillar score	2.87	3.08	3.40	3.27	3.50	3.45	3.48	—
ESG disclosure score	**41.90**	**53.95**	**56.31**	**59.53**	**65.34**	**65.74**	**66.17**	**—**
Environmental disclosure score	29.02	45.09	45.42	47.39	52.73	56.12	56.78	—
Social disclosure score	33.19	35.55	36.03	43.74	55.83	53.66	54.29	—
Governance disclosure score	63.40	81.10	87.36	87.36	87.36	87.36	87.36	—
Environmental								
Emissions reduction initiatives	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Climate change policy	No	No	Yes	Yes	Yes	Yes	Yes	Yes
Climate change opportunities discussed	No	No	No	No	No	No	No	No
Risks of climate change discussed	No	No	No	No	No	No	Yes	Yes
GHG scope 1	11	8	9	13	13	11	324	435
GHG scope 2 location-based	1,011	1,124	1,058	1,273	1,216	1,177	1,454	1,555
GHG Scope 3	—	—	—	—	1,275	1,413	13,132	13,192
Carbon per unit of production	—	—	—	—	—	—	—	—
Biodiversity policy	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Energy efficiency policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Total energy consumption	1,784	1,994	2,293	2,425	2,541	3,405	3,340	3,717
Renewable energy use	0	0	1	4	4	4	52	135
Electricity used	1,737	1,930	2,019	2,191	2,390	3,255	3,181	3,504
Fuel used - natural gas	64	441	1,050	1,423	1,554	59,257	57,213	13,143

Sources: Bloomberg; FSSIA's compilation

Exhibit 12: ESG score by Bloomberg *(cont.)*

FY ending Dec 31	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Fuel used - crude oil/diesel	--	No	No	No	No	No	No	No
Waste reduction policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Hazardous waste	0	0	0	0	0	0	0	0
Total waste	13	22	74	135	174	82	219	208
Waste recycled	0	0	27	83	120	70	110	140
Waste sent to landfills	11	18	41	45	46	48	51	54
Environmental supply chain management	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Water policy	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Water consumption	—	—	—	—	—	15,199	14,470	17,393
Social								
Human rights policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Policy against child labor	No	No	Yes	Yes	Yes	Yes	Yes	Yes
Quality assurance and recall policy	No	No	No	No	No	No	No	No
Consumer data protection policy	No	No	Yes	Yes	Yes	Yes	Yes	Yes
Equal opportunity policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Gender pay gap breakout	No	No	No	No	No	No	No	Yes
Pct women in workforce	65	66	66	64	61	65	64	65
Pct disabled in workforce	1	1	—	—	1	0	1	1
Business ethics policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Anti-bribery ethics policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Health and safety policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Lost time incident rate - employees	0	0	0	0	0	0	1	0
Total recordable incident rate - employees	1	1	0	1	0	0	1	0
Training policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Fair remuneration policy	No	No	No	No	No	No	Yes	Yes
Number of employees – CSR	63,654	71,072	75,842	92,692	122,894	191,480	190,008	167,401
Employee turnover pct	47	49	44	42	42	34	40	59
Total hours spent by firm - employee training	—	—	—	2,360,870	2,725,790	3,620,890	3,929,370	5,055,510
Social supply chain management	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Governance								
Board size	**15**	**15**	**15**	**15**	**15**	**15**	**16**	**16**
No. of independent directors (ID)	**5**	**5**	**5**	**5**	**5**	**5**	**6**	**6**
No. of women on board	0	0	0	1	1	1	1	1
No. of non-executive directors on board	10	10	10	10	10	10	11	11
Company conducts board evaluations	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
No. of board meetings for the year	11	7	6	8	7	10	9	8
Board meeting attendance pct	82	86	90	90	95	98	99	95
Board duration (years)	3	3	3	3	3	3	3	3
Director share ownership guidelines	No	No	No	No	No	No	No	No
Age of the youngest director	51	52	53	54	52	53	54	55
Age of the oldest director	83	84	85	80	81	82	83	84
No. of executives / company managers	**14**	**15**	**18**	**18**	**16**	**15**	**13**	**11**
No. of female executives	0	0	1	1	1	1	2	3
Executive share ownership guidelines	No	No	No	No	No	No	No	No
Size of audit committee	**3**	**3**	**3**	**3**	**3**	**3**	**3**	**3**
No. of ID on audit committee	3	3	3	3	3	3	3	3
Audit committee meetings	11	13	12	12	12	13	13	12
Audit meeting attendance %	100	100	100	97	100	100	100	100
Size of compensation committee	**0**	**4**	**3**	**3**	**3**	**3**	**3**	**3**
No. of ID on compensation committee	—	2	2	2	2	2	2	2
No. of compensation committee meetings	—	1	3	3	4	2	3	3
Compensation meeting attendance %	—	75	100	89	92	100	100	100
Size of nomination committee	**0**	**4**	**3**	**3**	**3**	**3**	**3**	**3**
No. of nomination committee meetings	—	1	3	3	4	2	3	3
Nomination meeting attendance %	—	75	100	89	92	100	100	100
Sustainability governance								
Verification type	No	No	Yes	Yes	Yes	Yes	Yes	Yes

Sources: Bloomberg; FSSIA's compilation

Disclaimer for ESG scoring

ESG score	Methodology	Rating
The Dow Jones Sustainability Indices (DJSI) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.	Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.
Sustainability Investment List (THSI) by The Stock Exchange of Thailand (SET)	THSI quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria include: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years.	To be eligible for **THSI inclusion**, verified data must be scored at a minimum of 50% for each indicator, unless the company is a part of DJSI during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality. **SETTHSI Index** is extended from the THSI companies whose 1) market capitalization > THB5b (~USD150b); 2) free float >20%; and 3) liquidity >0.5% of paid-up capital for at least 9 out of 12 months. The SETTHSI Index is a market capitalisation-weighted index, cap 5% quarterly weight at maximum, and no cap for number of stocks.
CG Score by Thai Institute of Directors Association (Thai IOD)	An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.	Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (60-69), and not rated for scores below 50. Weightings include: 1) the rights; 2) and equitable treatment of shareholders (weight 25% combined); 3) the role of stakeholders (25%); 4) disclosure & transparency (15%); and 5) board responsibilities (35%).
AGM level By Thai Investors Association (TIA) with support from the SEC	It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). (*The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.)*	The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.
Thai CAC By Thai Private Sector Collective Action Against Corruption (CAC)	The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. *(Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.)*	The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.
Morningstar Sustainalytics	The Sustainalytics' ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. *Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality & peer reviews.*	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. NEGL: 0-10; Low: 10-20; Medium: 20-30; High: 30-40; Severe: 40+
ESG Book	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.	The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.
MSCI	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers.	

NEGL	Low	Medium	High	Severe
0-10	10-20	20-30	30-40	40+

AAA	8.571-10.000	**Leader:**	leading its industry in managing the most significant ESG risks and opportunities
AA	7.143-8.570		
A	5.714-7.142		
BBB	4.286-5.713	**Average:**	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers
BB	2.857-4.285		
B	1.429-2.856		
CCC	0.000-1.428	**Laggard:**	lagging its industry based on its high exposure and failure to manage significant ESG risks

ESG score	Methodology	
Moody's ESG solutions	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.	
Refinitiv ESG rating	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. *(Score ratings are 0 to 25 = poor; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.)*	
S&P Global	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.	
Bloomberg	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.

Rating regarding the sustainable development of Thai listed companies, both on the SET and MAI, are publicly available on the website of the Securities and Exchange Commission of Thailand (SEC). Currently, ratings available are 1) "**CG Score**"; 2) "**AGM Level**"; 3) "**Thai CAC**"; and 4) **THSI**. The ratings are updated on an annual basis. FSSIA does not confirm nor certify the accuracy of such ratings.

Source: FSSIA's compilation

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Jitra Amornthum 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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 Investment in securities has risks. Investors are advised to consider carefully before making investment decisions.

Company	Ticker	Price	Rating	Valuation & Risks
CP All	CPALL TB	THB 56.50	BUY	The key downside risks to our DCF-derived TP include 1) lower-than-expected SSSG, 2) lower-than-expected gross margin, and 3) higher-than-expected SG&A to sales ratio.
CP Axtra	CPAXT TB	THB 29.50	BUY	Key downside risks to our DCF-based TP include 1) a lower-than-expected SSSG, 2) a lower-than-expected GPM, 3) higher-than-expected SG&A expenses, and 4) an operating loss from its overseas units.
Com7	COM7 TB	THB 21.00	HOLD	Risks to our P/E-based TP include 1) lower/higher domestic consumption and purchasing power, 2) store cannibalization/expansion, and 3) lower/higher-than-expected gross margin.
Central Retail Corp	CRC TB	THB 31.50	BUY	Downside risks to our DCF-based TP include 1) a decline in domestic purchasing power, 2) lower-than-expected tourist arrivals, 3) an absence of the government's stimulus, and 4) a slower-than-expected economic recovery in Vietnam.
Index Living Mall	ILM TB	THB 18.50	BUY	Risks to our DCF-based TP include 1) a lower-than-expected SSSG; 2) a lower-than-expected GPM; and 3) a higher-than-expected SG&A.
Home Product Center	HMPRO TB	THB 9.25	BUY	Key downside risks to our DCF-based TP include: 1) lower-than-expected SSSG; 2) slower-than-expected recovery in domestic consumption and tourist arrivals, and 3) operating losses from overseas units.
Siam Global House	GLOBAL TB	THB 14.90	HOLD	Key risks to our DCF-based TP are 1) lower/higher farm income, which would affect purchasing power in the agricultural sector, 2) government disbursement, 3) a lower/higher private brand mix and margin, 4) higher/lower expenses than expected, and 5) a higher/lower impact than expected from the El Nino.
Dohome PCL	DOHOME TB	THB 10.70	BUY	Key risks to our DCF-based TP are 1) lower/higher farm income, which would affect purchasing power in the agricultural sector, 2) government disbursement, 3) a lower/higher private brand mix and margin, 4) higher/lower expenses than expected, and 5) a higher/lower impact than expected from the El Nino.

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.

All share prices are as at market close on 08-Jul-2024 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.