

CP ALL CPALL TB

THAILAND / COMMERCE

BUY
 UNCHANGED

3Q24 core profit to grow impressively y-y

- เราคาดว่ากำไรสุทธิ 3Q24 อยู่ที่ 5.9 พัน ลบ. (-4.1% q-q, +38% y-y) โดยได้ปัจจัยหนุนจากการเติบโตของยอดขายและอัตรากำไรขั้นต้นในทั้ง 3 ธุรกิจ
- เราปรับเพิ่มประมาณการกำไรสุทธิปี 2024-26 ของเราขึ้น 3.6%/1%/1.5% เพื่อสะท้อนอัตรากำไรขั้นต้นที่ดีกว่าคาดและประโยชน์ที่ได้จากการควบรวมกิจการ
- คงคำแนะนำซื้อหลังปรับราคาเป้าหมายเป็นปี 2025 ที่ 83 บาท (DCF)

คาดการณ์กำไรสุทธิ 3Q24 จะโตต่อเนื่อง y-y

เราคาดว่ากำไรสุทธิ 3Q24 อยู่ที่ 5.7 พัน ลบ. (-8.2% q-q, +29% y-y) เมื่อหักรายการพิเศษจาก CPAXT ที่ 174 ลบ. กำไรดำเนินงานจะอยู่ที่ 5.9 พัน ลบ. ลดลง 4.1% q-q จากปัจจัยด้านฤดูกาล แต่เพิ่มขึ้น 38% y-y โดยได้ปัจจัยผลักดันจากการเติบโตของยอดขายในทั้ง 2 ธุรกิจ ทั้งนี้เราคาดว่ายอดขายจากธุรกิจร้านสะดวกซื้อ (CVS) จะโต 7.9% y-y โดยยอดขายจากสาขาเดิมจะโต 3% และการเปิด 700 สาขา ร้านสะดวกซื้อใหม่ภายในปีนี้จะช่วยหนุนการเติบโตทั้งนี้ SSSG ทั้งในธุรกิจค้าส่งและค้าปลีกยังโตต่อเนื่อง ในขณะที่ผลกระทบจากอุทกภัยมีจำกัดในอดีตสาขาของ 7-Eleven ที่ได้รับผลกระทบจากน้ำท่วมจนถูกปิดจะอยู่ที่ไม่เกิน 50 สาขาซึ่งโดยปกติจะกลับมาเปิดได้ภายใน 2-3 วัน

RTE ยังเป็น Product champion ที่ช่วยหนุนอัตรากำไรขั้นต้น

เราคาดว่าอัตรากำไรขั้นต้น (GPM) ใน 3Q24 สำหรับธุรกิจร้านสะดวกซื้อ (CVS) จะปรับขึ้นเป็น 28.4% (+50bps y-y) จากยอดขายที่ดีต่อเนื่องของสินค้าพร้อมรับประทานและแนวโน้มยอดขายที่ลดลงในสินค้าที่มีอัตรากำไรต่ำ อาทิเช่น บุหรี่ อย่างไรก็ตามเราคาดว่าอัตรากำไรขั้นต้นจะลดลง 60bps q-q จากฤดูฝนและ Low season ของธุรกิจท่องเที่ยวซึ่งทำให้ตัวเลขนักท่องเที่ยวที่ใช้บริการและยอดขายสินค้าประเภทเครื่องสำอางและ Personal care ลดลงค่าใช้จ่ายการขายและบริหารน่าจะเพิ่ม 5% y-y สอดคล้องกับการเติบโตของยอดขายและการขยายสาขา อย่างไรก็ตามบริษัทฯ จะยังคงไม่ให้เกิดสูงกว่าการเติบโตของยอดขาย

ปรับเพิ่มประมาณการกำไรสุทธิปี 2024-26 ของเราขึ้น 3.6%/1%/1.5%

เราปรับเพิ่มประมาณการกำไรสุทธิปี 2024 ของเราขึ้น 3.6% จากอัตรากำไรขั้นต้นที่ดีกว่าคาดซึ่งทำให้คาดการณ์กำไรสุทธิปี 2024 อยู่ที่ 24.5 พัน ลบ. (+35% y-y) นอกจากนี้เรายังปรับเพิ่มประมาณการกำไรปี 2025-26 ของเราขึ้น 1% และ 1.5% ตามลำดับเพื่อสะท้อนประโยชน์ที่ได้จากการควบรวมกิจการกับ CPAXT อันประกอบด้วยค่าใช้จ่ายการขายและบริหารและค่าใช้จ่ายในการลงทุนที่ลดลงซึ่งทำให้คาดว่ากำไรสุทธิจะโต 13% y-y ทั้งในปี 2025 และปี 2026

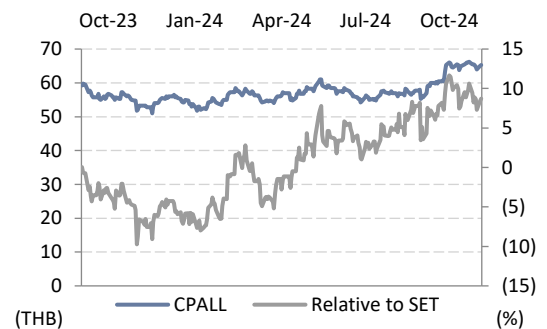
คงคำแนะนำซื้อหลังปรับราคาเป้าหมายเป็นปี 2025 ที่ 83 บาท (DCF)

เราคงคำแนะนำซื้อหลังปรับราคาเป้าหมายเป็นปี 2025 ที่ 83 บาท (DCF) เทียบเท่าค่า 2025E P/E ที่ 27x เราคาดว่าหุ้นจะได้แรงหนุนจากมาตรการกระตุ้นเศรษฐกิจของรัฐบาลและประโยชน์จากการควบรวมกิจการกับ CPAXT นอกจากนี้เรายังคาดว่าจะกำไรสุทธิมีแนวโน้มเร่งตัวขึ้นใน 4Q24 ทั้ง q-q และ y-y

TARGET PRICE	THB83.00
CLOSE	THB65.25
UP/DOWNSIDE	+27.2%
PRIOR TP	THB79.00
CHANGE IN TP	+5.1%
TP vs CONSENSUS	+5.3%

KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	895,281	957,718	1,009,392	1,059,728
Net profit	18,482	24,480	27,722	31,376
EPS (THB)	2.06	2.73	3.09	3.49
vs Consensus (%)	-	5.7	4.8	6.6
EBITDA	52,942	60,001	67,368	74,001
Recurring net profit	18,136	24,480	27,722	31,376
Core EPS (THB)	2.02	2.73	3.09	3.49
Chg. In EPS est. (%)	-	3.6	1.0	1.5
EPS growth (%)	36.6	35.0	13.2	13.2
Core P/E (x)	32.3	23.9	21.1	18.7
Dividend yield (%)	1.5	2.1	2.4	2.7
EV/EBITDA (x)	21.7	19.3	16.9	15.1
Price/book (x)	5.8	5.2	4.6	4.1
Net debt/Equity (%)	119.4	115.6	101.7	87.4
ROE (%)	17.1	20.9	21.3	21.6



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	0.0	15.5	7.0
Relative to country (%)	(1.7)	5.1	5.9
Mkt cap (USD m)	17,506		
3m avg. daily turnover (USD m)	56.1		
Free float (%)	58		
Major shareholder	CP Group (35%)		
12m high/low (THB)	67.00/50.50		
Issued shares (m)	8,983.10		

Sources: Bloomberg consensus; FSSIA estimates



Jitra Amorntum

Fundamental Investment Analyst on Securities; License no. 014530
 jitra.a@fssia.com, +66 2646 9966

Thada Jirachoenying

Research Assistant
 thada.j@fssia.com, +66 2646 9964

Investment thesis

CPALL is the #1 convenience store (CVS) operator in Thailand. It is expanding in Thailand, Cambodia, and Laos. At end-2Q23, it had 14,545, 82, and three branches in the three countries, respectively.

After the consolidation of CPAXT (BUY, 2025 TP THB42), in which CPALL holds a 59.9% stake, CPALL has three main businesses. They include CVS, wholesale, and retail.

We believe CPALL will benefit from a domestic consumption recovery and the government measures to stimulate domestic purchasing power.

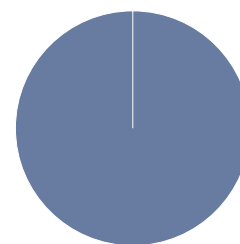
Company profile

CPALL is the operator and franchiser of CVS under the 7-Eleven trademark in Thailand. It also invests in CVS-supporting businesses, such as the manufacturing and distribution of ready-to-eat food and bakery products and a cash-and-carry business under MAKRO.

www.cpall.co.th

Principal activities (revenue, 2023)

■ Sales - 100.0 %

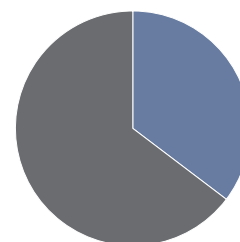


Source: CP All

Major shareholders

■ CP Group - 35.3 %

■ Others - 64.7 %



Source: CP All

Catalysts

Potential catalysts for CPALL are 1) a higher-than-expected recovery in domestic consumption and the tourism industry; and 2) better-than-expected wholesale and retail operating performance.

Risks to our call

The key downside risks to our DCF-derived TP include 1) lower-than-expected SSSG; 2) a lower-than-expected gross margin; 3) a higher-than-expected SG&A to sales ratio; and 4) a lower-than-expected synergy value of CPAXT.

Event calendar

Date	Event
13 Nov 2024	3Q24 results announcement
19 Nov 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	29.0
SG&A to sales	20.1	20.0	19.9	19.9

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in SSSG, we estimate 2025 EPS to rise 1.2%, and vice versa, all else being equal.
- For every 0.1% increase in GPM, we estimate 2025 EPS to rise 2.4%, and vice versa, all else being equal.
- For every 0.1% increase in SG&A to revenue, we estimate 2025 EPS to fall 2.4%, and vice versa, all else being equal.

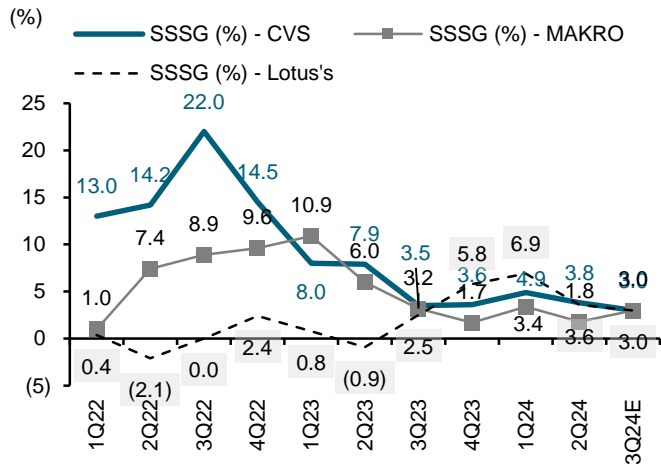
Source: FSSIA estimates

Exhibit 1: CPALL – 3Q24 results preview

Year to Dec 31	3Q23 (THB m)	4Q23 (THB m)	1Q24 (THB m)	2Q24 (THB m)	3Q24E (THB m)	----- Change ----- (q-q%) (y-y%)		----- 9M24E ----- (THB m) (y-y%) (%24E)			2024E (THB m)	Change (y-y%)
Revenue	220,051	233,732	234,315	240,948	232,645	(3.4)	5.7	707,908	7	74	957,718	7
COGS	(172,085)	(181,901)	(182,093)	(186,899)	(180,898)	(3.2)	5.1	(549,889)	6	74	(745,535)	7
Gross profit	47,966	51,831	52,223	54,049	51,747	(4.3)	7.9	158,019	9	74	212,183	8
Other income	6,215	6,821	6,694	6,994	6,984	(0.1)	12.4	20,672	10	73	28,232	10
Operating costs	(44,486)	(46,381)	(46,541)	(48,836)	(46,945)	(3.9)	5.5	(142,322)	7	74	(191,143)	6
Operating profit	9,695	12,272	12,375	12,207	11,787	(3.4)	21.6	36,369	23	74	49,271	18
FX gain (loss)	161	(116)	298	84	0	(100)	(100)	382	(17)	n/a	0	(100)
Interest expense	(3,995)	(4,010)	(3,902)	(3,878)	(3,862)	(0.4)	(3.3)	(11,642)	(7)	76	(15,384)	(7)
Profit before tax	5,700	8,262	8,473	8,329	7,924	(4.9)	39.0	24,727	45	73	33,887	34
Tax	(970)	(1,517)	(1,643)	(1,476)	(1,404)	(4.9)	44.8	(4,523)	47	74	(6,149)	34
Equity income	185	168	174	149	150	0.7	(18.8)	473	nm	58	811	9
Minority interests	(651)	(1,300)	(982)	(847)	(767)	(9.5)	17.7	(2,596)	25	64	(4,069)	21
Non-recurring items	161	(116)	298	84	(174)	(306)	(208)	208	(55)	n/a	0	(100)
Reported net profit	4,424	5,497	6,319	6,239	5,729	(8.2)	29.5	18,288	41	75	24,480	32
Recurring net profit	4,264	5,612	6,022	6,155	5,904	(4.1)	38.5	18,080	44	74	24,480	35
EPS (THB)	0.49	0.61	0.70	0.69	0.64	(8.2)	29.5	2.04	41	75	2.73	32
Recurring EPS (THB)	0.47	0.62	0.67	0.69	0.66	(4.1)	38.5	2.01	44	74	2.73	35
Key ratios (%)	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)	(ppt)		(%)	(ppt)
Gross margin-overall	21.8	22.2	22.3	22.4	22.2	(0.2)	0.4	22.3	0.5		22.2	0.2
Gross margin-CVS	27.9	28.7	28.7	29.0	28.4	(0.6)	0.5	28.7	0.6		28.7	0.5
Operating margin	4.4	5.3	5.3	5.1	5.1	(0.0)	0.7	5.1	0.7		5.1	0.5
Recurring net margin	1.9	2.4	2.6	2.6	2.5	(0.0)	0.6	2.6	0.7		2.6	0.5
SG&A / Sales	20.2	19.8	19.9	20.3	20.2	(0.1)	(0.0)	20.1	(0.1)		20.0	(0.1)
Operating statistics						(q-q%)	(y-y%)					
Expansion (no.)	176	154	185	124	196			505	(8.7)		700	(1)
Outstanding store (no.)	14,391	14,545	14,730	14,854	14,926	0	4	14,926	(3.7)		15,245	5
Average daily sales/store (THB)	79,308	80,884	82,619	86,656	n/a	n/a	n/a				n/a	
Spending per ticker (THB)	82	83	85	85	n/a	n/a	n/a				n/a	
Daily customer/store (no.)	959	965	972	1,007	n/a	n/a	n/a				n/a	
SSSG CVS (%)	3.5	3.6	4.9	3.8	3.0						5.0	
SSSG - MAKRO (%)	3.2	1.7	3.4	1.8	3.0						3.0	
SSSG - Lotus's TH (%)	2.5	5.8	6.9	3.6	3.0						3.0	
SSSG - Lotus's ML (%)	0.6	3.6	8.4	3.1	3.0						3.0	
Product sales mix												
Food (%)	75.4	75.4	75.2	76.3								
Non-Food (%)	24.6	24.6	24.8	23.7								
Product margin (excl T&E)												
Food (%)	26.7	26.7	27.1	27.3		0.2	0.4					
Non-Food (%)	27.9	27.9	28.5	28.8		0.3	1.0					
Total product (%)	27.0	27.0	27.4	27.7		0.3	0.6					

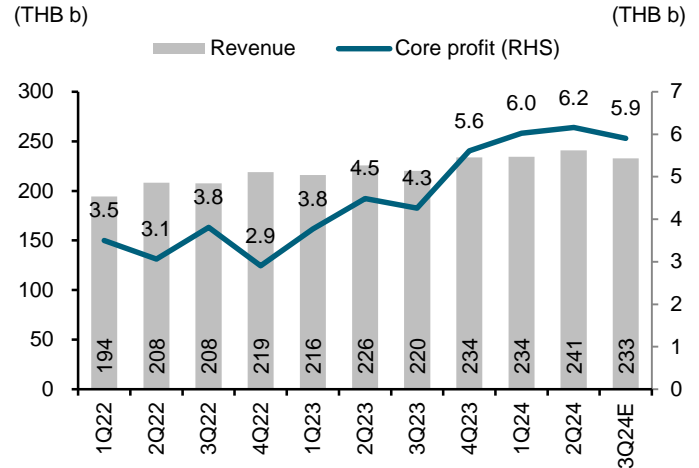
Sources: CPALL; FSSIA estimates

Exhibit 2: Solid SSSG for three business units



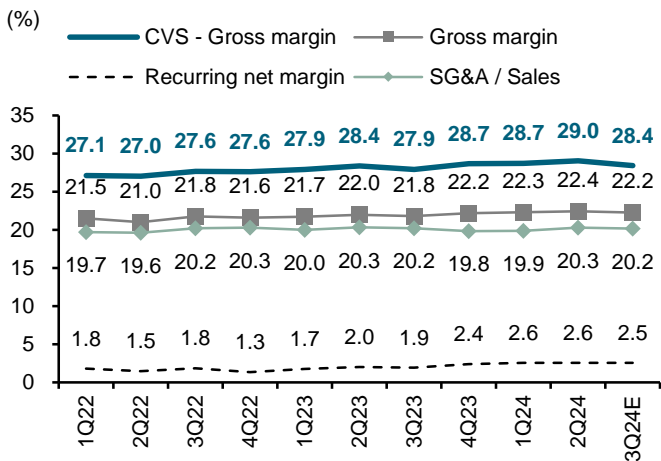
Sources: CPALL; FSSIA estimates

Exhibit 3: Revenue and recurring net profit



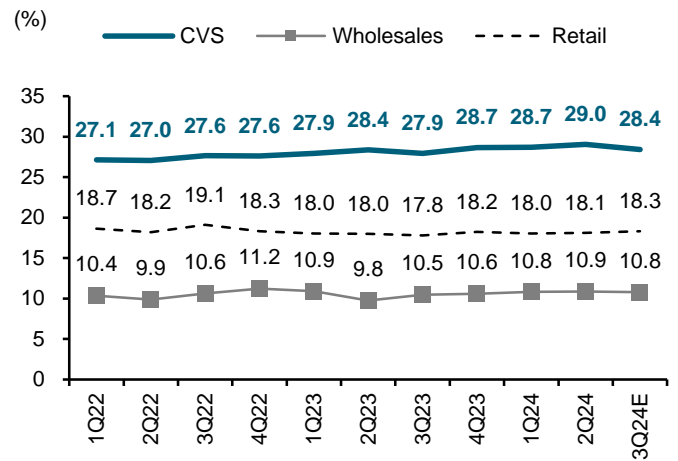
Sources: CPALL; FSSIA estimates

Exhibit 4: Profitability



Sources: CPALL; FSSIA estimates

Exhibit 5: GPM from sales (%)



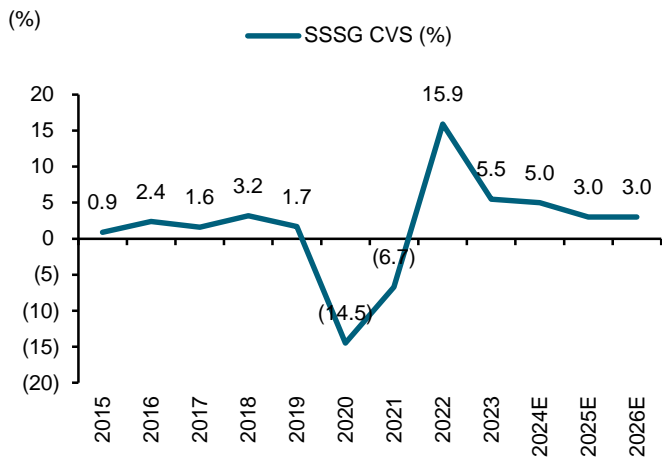
Sources: CPALL; FSSIA estimates

Exhibit 6: Changes in key assumptions

	Current			Previous			Change		
	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E
Revenue (THB m)	957,718	1,009,392	1,059,728	957,688	1,009,025	1,059,574	0.0	0.0	0.0
SSSG CVS (%)	5.0	3.0	3.0	5.0	3.0	3.0	0.0	0.0	0.0
SSSG MAKRO (%)	3.0	3.0	3.0	3.0	3.0	3.0	0.0	0.0	0.0
SSSG Lotus-TH (%)	3.0	3.0	3.0	3.0	3.0	3.0	0.0	0.0	0.0
SSSG Lotus-ML (%)	3.0	3.0	3.0	3.0	3.0	3.0	0.0	0.0	0.0
CVS Gross margin (%)	28.7	28.9	29.0	28.7	28.9	28.9	0.0	0.0	0.0
Consolidated GPM (%)	22.2	22.4	22.6	22.1	22.4	22.6	0.1	0.0	0.0
No. of new stores	700	700	700	700	700	700	0.0	0.0	0.0
SG&A to sales (%)	20.0	19.9	19.9	20.0	20.0	20.0	0.0	(0.0)	(0.0)
Core profit (THB m)	24,480	27,722	31,376	23,640	27,447	30,900	3.6	1.0	1.5

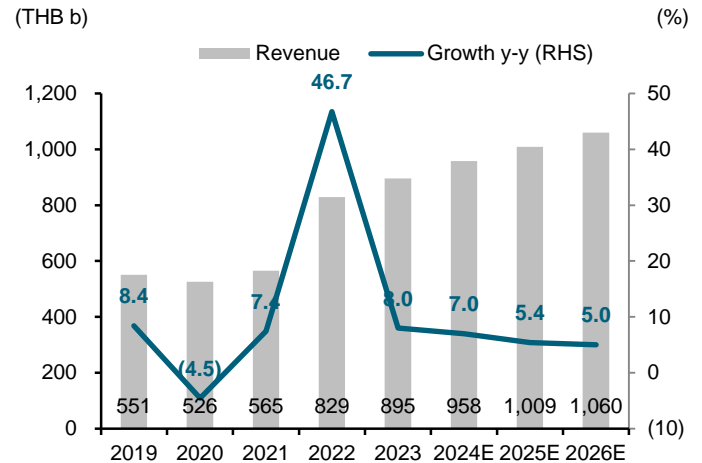
Source: FSSIA estimates

Exhibit 7: Yearly SSSG



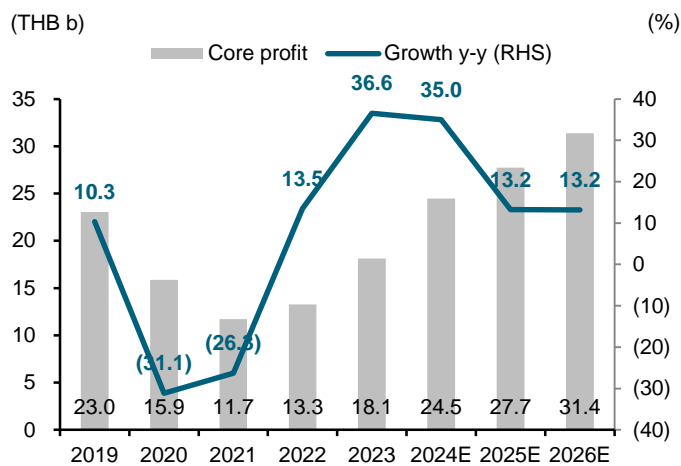
Sources: CPALL; FSSIA estimates

Exhibit 8: Yearly revenue



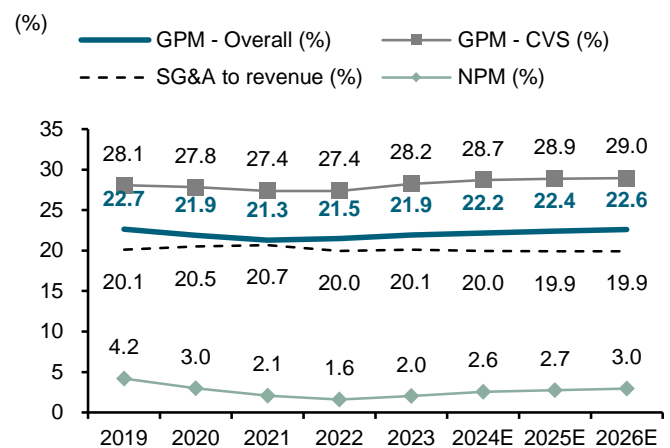
Sources: CPALL; FSSIA estimates

Exhibit 9: Yearly core profit



Sources: CPALL; FSSIA estimates

Exhibit 10: Profitability



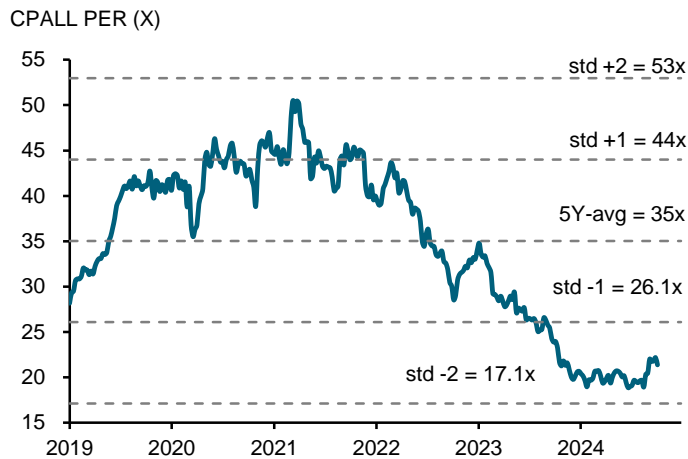
Sources: CPALL; FSSIA estimates

Exhibit 11: DCF-derived TP for 2025

DCF-derived TP	(%)	(THB b)
Discount rate (WACC)	6.9	
Terminal growth	2.0	
NPV		373
Add: terminal value		900
Sum of PV		1,273
Add: investment		18
Less: Net debt		343
Less: minorities		200
Residual ordinary equity		749
No. of shares (m)		8,983
Residual ordinary equity (THB/share)		83

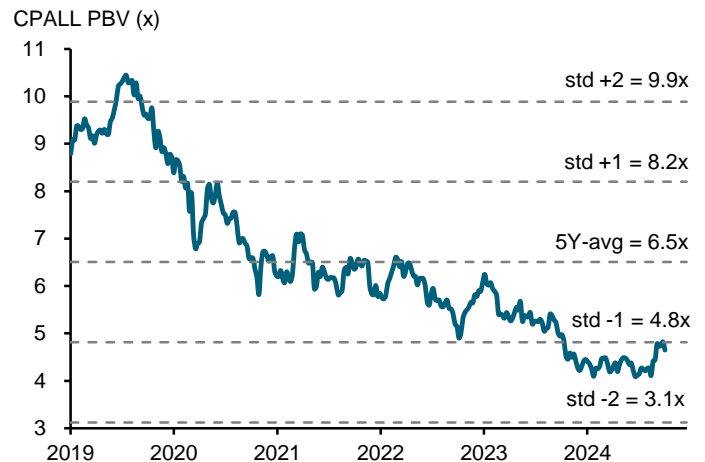
Source: FSSIA estimates

Exhibit 12: Rolling one-year forward P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 13: Rolling one-year forward P/BV band



Sources: Bloomberg; FSSIA estimates

Exhibit 14: Commerce peers as of 8 October 2024

Company	BBG	Rec	Share price			Market Cap	PE		ROE		PBV		EV/EBITDA	
			Current	Target	Upside		24E	25E	24E	25E	24E	25E	24E	25E
			(LCY)	(LCY)	(%)	(USD m)	(x)	(x)	(%)	(%)	(x)	(x)	(x)	(x)
Consumer Staple														
CP All	CPALL TB	BUY	65.25	83.00	27	17,506	23.9	21.1	20.9	21.3	5.2	4.6	19.3	16.9
CP Axtra	CPAXT TB	BUY	31.25	42.00	34	9,732	31.2	25.1	3.5	4.3	1.1	1.1	10.8	9.4
Berli Jucker	BJC TB	BUY	25.75	31.00	20	3,082	23.4	20.2	3.7	4.2	0.9	0.8	12.4	12.0
Consumer Staple average						30,320	26.2	22.1	9.4	9.9	2.4	2.2	14.2	12.8
Consumer Discretionary														
Com7	COM7 TB	BUY	25.50	24.00	(6)	1,794	19.2	17.8	36.1	33.2	6.4	5.5	13.1	11.6
Central Retail Corp	CRC TB	BUY	33.75	40.00	19	6,079	23.9	21.7	12.2	12.4	2.8	2.6	9.9	9.3
Home Improvement														
Index Living Mall	ILM TB	BUY	18.20	26.70	47	274	11.7	10.8	12.9	13.5	1.5	1.4	6.4	5.9
Home Product Center	HMPRO TB	BUY	10.70	13.60	27	4,203	20.6	19.4	26.1	26.4	5.2	5.0	12.0	11.4
Siam Global House	GLOBAL TB	BUY	16.90	16.00	(5)	2,626	31.5	28.3	11.6	12.1	3.5	3.3	23.8	21.4
Dohome	DOHOME TB	BUY	10.50	11.80	12	1,013	34.6	27.0	7.7	9.2	2.6	2.4	17.6	15.5
Home Improvement avg.						8,115	24.6	21.4	14.6	15.3	3.2	3.0	14.9	13.5
Consumer Discretionary avg.						15,988	23.6	20.8	17.8	17.8	3.7	3.4	13.8	12.5
Total average						46,308	24.4	21.3	15.0	15.2	3.2	3.0	13.9	12.6

Source: FSSIA estimates

Financial Statements

CP All

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	829,099	895,281	957,718	1,009,392	1,059,728
Cost of goods sold	(651,100)	(699,010)	(745,535)	(783,290)	(820,350)
Gross profit	177,999	196,271	212,183	226,102	239,378
Other operating income	0	0	0	0	0
Operating costs	(165,414)	(179,912)	(191,143)	(200,989)	(211,158)
Operating EBITDA	49,129	52,942	60,001	67,368	74,001
Depreciation	(36,544)	(36,582)	(38,962)	(42,254)	(45,781)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	12,585	16,359	21,040	25,114	28,220
Net financing costs	(16,549)	(16,090)	(14,838)	(15,699)	(15,361)
Associates	831	746	811	835	860
Recurring non-operating income	24,055	25,839	28,496	30,454	32,326
Non-recurring items	(9)	346	0	0	0
Profit before tax	20,082	26,454	34,698	39,869	45,185
Tax	(3,861)	(4,602)	(6,149)	(7,083)	(8,043)
Profit after tax	16,221	21,852	28,549	32,786	37,142
Minority interests	(2,949)	(3,370)	(4,069)	(5,064)	(5,765)
Preferred dividends	0	0	0	0	0
Other items	0	0	0	0	0
Reported net profit	13,272	18,482	24,480	27,722	31,376
Non-recurring items & goodwill (net)	9	(346)	0	0	0
Recurring net profit	13,281	18,136	24,480	27,722	31,376
Per share (THB)					
Recurring EPS *	1.48	2.02	2.73	3.09	3.49
Reported EPS	1.48	2.06	2.73	3.09	3.49
DPS	0.75	1.00	1.36	1.54	1.75
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	13.3	12.3	9.8
Operating EBIT (%)	267.8	30.0	28.6	19.4	12.4
Recurring EPS (%)	13.5	36.6	35.0	13.2	13.2
Reported EPS (%)	2.2	39.3	32.5	13.2	13.2
Operating performance					
Gross margin inc. depreciation (%)	21.5	21.9	22.2	22.4	22.6
Gross margin exc. depreciation (%)	25.9	26.0	26.2	26.6	26.9
Operating EBITDA margin (%)	5.9	5.9	6.3	6.7	7.0
Operating EBIT margin (%)	1.5	1.8	2.2	2.5	2.7
Net margin (%)	1.6	2.0	2.6	2.7	3.0
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	3.3	3.5	3.9
Inventory days	32.3	31.9	30.7	31.0	31.1
Debtor days	7.9	7.6	7.4	7.4	7.5
Creditor days	85.0	84.7	76.4	68.7	69.0
Operating ROIC (%)	7.4	10.2	12.8	14.9	18.5
ROIC (%)	4.2	5.0	5.7	6.3	6.9
ROE (%)	13.0	17.1	20.9	21.3	21.6
ROA (%)	3.2	3.7	4.4	4.9	5.3

* Pre-exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2022	2023	2024E	2025E	2026E
Sales	829,099	895,281	957,718	1,009,392	1,059,728

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	24,480	27,722	31,376
Depreciation	36,544	36,582	38,962	42,254	45,781
Associates & minorities	2,118	2,624	3,258	4,229	4,905
Other non-cash items	-	-	-	-	-
Change in working capital	(180)	12,711	(28,850)	2,705	2,663
Cash flow from operations	51,763	70,053	37,850	76,910	84,726
Capex - maintenance	0	0	0	0	0
Capex - new investment	(38,421)	(36,964)	(30,066)	(32,443)	(34,472)
Net acquisitions & disposals	(633)	(448)	(8)	8	25
Other investments (net)	(3,773)	(6,574)	(2,790)	(5,736)	(5,016)
Cash flow from investing	(42,827)	(43,987)	(32,864)	(38,171)	(39,464)
Dividends paid	(6,737)	(8,983)	(12,240)	(13,861)	(15,688)
Equity finance	(12,001)	(2,347)	0	0	0
Debt finance	(15,440)	(19,310)	9,271	(22,800)	(27,434)
Other financing cash flows	0	0	0	0	0
Cash flow from financing	(34,179)	(30,640)	(2,969)	(36,661)	(43,122)
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	20,369.77	55,000.44	61,202.42
Free cash flow to equity (FCFE)	(6,504.42)	6,756.51	14,256.96	15,938.65	17,828.04

Per share (THB)

FCFF per share	2.87	4.74	2.27	6.12	6.81
FCFE per share	(0.72)	0.75	1.59	1.77	1.98
Recurring cash flow per share	5.78	6.38	7.43	8.26	9.14

Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Tangible fixed assets (gross)	307,562	319,191	346,932	376,934	408,843
Less: Accumulated depreciation	(94,152)	(105,399)	(142,036)	(181,849)	(225,066)
Tangible fixed assets (net)	213,410	213,792	204,896	195,085	183,777
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	21,122	22,175
Inventories	58,183	57,501	61,328	64,433	67,482
Other current assets	249	247	264	278	292
Current assets	148,955	143,798	150,966	157,244	163,500
Other assets	185,097	191,492	198,347	205,544	213,101
Total assets	924,061	926,491	932,437	936,929	940,269
Common equity	100,724	110,995	123,235	137,097	152,785
Minorities etc.	189,577	190,600	194,669	199,732	205,498
Total shareholders' equity	290,301	301,595	317,904	336,829	358,282
Long term debt	393,871	353,745	411,926	361,118	359,986
Other long-term liabilities	32,446	32,954	35,252	37,154	39,007
Long-term liabilities	426,317	386,699	447,178	398,272	398,992
A/C payable	147,682	159,811	136,095	142,987	149,752
Short term debt	52,965	73,781	24,872	52,880	26,578
Other current liabilities	6,796	4,604	6,388	5,962	6,664
Current liabilities	207,443	238,197	167,355	201,829	182,994
Total liabilities and shareholders' equity	924,061	926,491	932,437	936,929	940,269
Net working capital	(77,413)	(87,935)	(60,851)	(63,116)	(66,467)
Invested capital	697,693	694,759	720,620	716,569	710,302

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

Per share (THB)

Book value per share	10.10	11.25	12.61	14.15	15.90
Tangible book value per share	(30.04)	(28.90)	(27.54)	(25.99)	(24.25)

Financial strength

Net debt/equity (%)	129.2	119.4	115.6	101.7	87.4
Net debt/total assets (%)	40.6	38.9	39.4	36.6	33.3
Current ratio (x)	0.7	0.6	0.9	0.8	0.9
CF interest cover (x)	2.9	3.7	4.0	4.1	4.4

Valuation	2022	2023	2024E	2025E	2026E
Recurring P/E (x) *	44.1	32.3	23.9	21.1	18.7
Recurring P/E @ target price (x) *	56.1	41.1	30.5	26.9	23.8
Reported P/E (x)	44.2	31.7	23.9	21.1	18.7
Dividend yield (%)	1.1	1.5	2.1	2.4	2.7
Price/book (x)	6.5	5.8	5.2	4.6	4.1
Price/tangible book (x)	(2.2)	(2.3)	(2.4)	(2.5)	(2.7)
EV/EBITDA (x) **	23.6	21.7	19.3	16.9	15.1
EV/EBITDA @ target price (x) **	26.9	24.7	22.0	19.3	17.2
EV/invested capital (x)	1.7	1.7	1.6	1.6	1.6

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

Sources: CP All; FSSIA estimates

CP AII PCL (CPALL TB)

FSSIA ESG rating


78.53 /100

Exhibit 15: 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 16: ESG – peer comparison

	FSSIA ESG score	Domestic ratings						Global ratings					Bloomberg		
		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](https://www.settrade.com); FSSIA's compilation

Exhibit 17: 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 18: 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%). <i>(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.)</i>	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. <i>(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.)</i>	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 Sustainabilitys	The Sustainabilitys' 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. <i>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.</i>	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. <table><tr><th>NEGL</th><th>Low</th><th>Medium</th><th>High</th><th>Severe</th></tr><tr><td>0-10</td><td>10-20</td><td>20-30</td><td>30-40</td><td>40+</td></tr></table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+										
NEGL	Low	Medium	High	Severe																		
0-10	10-20	20-30	30-40	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. <table><tr><td>AAA</td><td>8.571-10.000</td><td rowspan="3">Leader:</td><td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td></tr><tr><td>AA</td><td>7.143-8.570</td></tr><tr><td>A</td><td>5.714-7.142</td></tr><tr><td>BBB</td><td>4.286-5.713</td><td rowspan="2">Average:</td><td rowspan="2">a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td></tr><tr><td>BB</td><td>2.857-4.285</td></tr><tr><td>B</td><td>1.429-2.856</td><td rowspan="2">Laggard:</td><td rowspan="2">lagging its industry based on its high exposure and failure to manage significant ESG risks</td></tr><tr><td>CCC</td><td>0.000-1.428</td></tr></table>		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	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks	CCC	0.000-1.428
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	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks																			
CCC	0.000-1.428																					
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. <i>(Score ratings are 0 to 25 = poor; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.)</i>																					
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.

This report has been prepared by FSS International Investment Advisory Securities Company Limited (FSSIA). The information herein has been obtained from sources believed to be reliable and accurate; however FSSIA makes no representation as to the accuracy and completeness of such information. Information and opinions expressed herein are subject to change without notice. FSSIA has no intention to solicit investors to buy or sell any security in this report. In addition, FSSIA does not guarantee returns nor price of the securities described in the report nor accept any liability for any loss or damage of any kind arising out of the use of such information or opinions in this report. Investors should study this report carefully in making investment decisions. All rights are reserved.

This report may not be reproduced, distributed or published by any person in any manner for any purpose without permission of FSSIA. 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 65.25	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 Aextra	CPAXT TB	THB 31.25	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 25.50	BUY	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 33.75	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 18.20	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 10.70	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 16.90	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.
Dohome PCL	DOHOME TB	THB 10.50	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-Oct-2024 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

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

BUY (B). The upside is 10% or more.

HOLD (H). The upside or downside is less than 10%.

REDUCE (R). The downside is 10% or more.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

Industry Recommendations

Overweight. The analyst expects the fundamental conditions of the sector to be positive over the next 12 months.

Neutral. The analyst expects the fundamental conditions of the sector to be maintained over the next 12 months.

Underweight. The analyst expects the fundamental conditions of the sector to be negative over the next 12 months.

Country (Strategy) Recommendations

Overweight (O). Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Neutral (N). Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Underweight (U). Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.