

# Thailand Commerce

## Awaiting a trigger, valuations already compelling

- Although there are uncertainties in consumption for 2H25, we still foresee resilient earnings growth for consumer staple names.
- Sector outlook remains bumpy, but we expect limited downside: 1) -30% YTD sector index while positive NPAT growth; 2) unjustified discount on valuation; and 3) attractive dividend yield.
- Neutral weight on consumer staples, with CPALL and CRC as our top picks.

### Consumption outlook remains bumpy in 2H25

The BOT forecasts GDP and private consumption growth at a gradual pace of 2.3% and 2.0%, respectively, in 2025. The retail sales index for non-durable goods continues to have positive momentum. While lower-ticket and lifestyle products are experiencing improvement, demand in some durable goods segments has softened, such as cars and home appliances, reflecting cautious consumer spending aligned with subdued CCI. For 2H25, we still see ongoing challenges including: 1) the US tariff impact on Thai exports; 2) a slowdown in inbound tourism; and 3) concerns over political instability, which may impact fiscal stimulus and delay the 2026 fiscal budget.

### Expect an 8% y-y CAGR for 2025-27 sector earnings

We remain positive on the consumer staples retail segment, which continues to be relatively resilient in the sector. While SSSG of discretionary retailers has contracted for a third consecutive year, staples-focused retailers have managed to sustain growth. We project the sector's core profit to grow by 8% y-y CAGR over 2025–27, led by CPALL with a projected 9% CAGR, followed by BJC and CPAXT at 7% each, and CRC at 6%. In 2025, we expect the sector's earnings to increase by 8.4% y-y, led by CPALL with 12.4% y-y profit growth. However, CRC may see a slight earnings decline in 2025 due to ongoing losses from Go Wholesale and THB appreciation against the VND and EUR.

### Neutral weight on consumer staples with CPALL and CRC as our top picks

We are Neutral on the segment, as we see limited downside, supported by: 1) -30% YTD sector index, while earnings remain solid; 2) the sector's P/E is now at 13x, or -2.5 SD below the 5-year average and near the 2005–09 subprime-era mean; 3) low foreign ownership; and 4) attractive yields of 3.4–4.7%. Our top picks are CPALL and CRC. CPALL stands out with the strongest 2025E profit growth. CRC's 2025 earnings may decline 2.6% y-y due to Go Wholesale, but we expect growth to reaccelerate in 2026–27 to 8.2% and 11.9% y-y, respectively. Valuations remain compelling, with CPALL trading at a 3.3% discount and CRC trading at a 12.7% discount to the group's average 2025E P/E, and delivering superior ROEs of 21.2% and 11.9%, respectively, compared to 4% for BJC and CPAXT.

### FSSIA recommendations

Company	BBG code	share price	Rating		Target Price			
			Current	Previous	Current	Previous	%change	Up/downside
CP All	CPALL TB	44.00	BUY	-	65.00	83.00	-21.69%	+47.7%
CP Axtra	CPAXT TB	17.90	BUY	-	23.00	34.00	-32.35%	+28.5%
Central Retail Corp	CRC TB	17.70	BUY	-	26.00	38.00	-31.58%	+46.9%
Berli Jucker	BJC TB	19.10	BUY	-	24.00	31.00	-22.58%	+25.7%

Note: Priced at close of business 30/06/2025. Share prices and TPs are in listing currency.  
Source: FSSIA estimates



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## Investment thesis

We have a Neutral weight recommendation on the consumer staples segment given the current headwinds and tailwinds. The key headwinds lie in the sluggish consumer confidence, pressured by US tariffs and political unrest. However, we still expect consumer staples' SSSG to relatively outperform the sector. Additionally, the current valuation is already compelling at -2.5 SD below the 5-year average and near the 2005–09 subprime-era mean.

In 2025, we expect the sector's earnings to increase by 8.4% y-y, led by CPALL with 12.4% y-y profit growth. BJC and CPAXT are also expected to contribute positively. However, CRC may see a slight earnings decline in 2025 due to ongoing losses from Go Wholesale and THB appreciation against the VND and EUR, but we expect growth to reaccelerate in 2026–27 to 8.2% and 11.9%.

We maintain BUY ratings across the group, with CPALL and CRC as top picks. CPALL stands out with the strongest 2025E profit growth. CRC's 2025 earnings may decline, but we expect growth to reaccelerate in 2026–27. Valuations remain compelling, with CPALL trading at a 3.6% discount and CRC trading at a 12.6% discount to the group's average 2025E P/E, and delivering superior ROEs of 21.2% and 11.9%, respectively, compared to 4.3% for BJC and 3.9% for CPAXT.

## Catalysts

- Better weather conditions on a y-y basis.
- Lower interest expenses from the BOT easing rates.
- Unjustified discount on sector valuation.

Key potential catalysts for the sector in 2H25 include:

- Improving economy and consumption.
- Strong improvement in international tourist arrivals.
- Government stimulus packages.
- Stable political situation.

## Risks to our call

- Political unrest and a delay in the 2026 fiscal budget.
- An economic and consumption slowdown.
- Contraction of international tourist arrivals.
- Intensifying competition amid an economic downturn.

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## Event Calendar

Date	Event
August 2025	2Q25 earnings release
August 2025	2Q25 analyst meetings

### Company reports

CP ALL (CPALL TB, BUY, TP THB65)

CP AXTRA (CRC TB, BUY, TP THB23)

CENTRAL RETAIL CORP (CPAXT TB, BUY, TP THB26)

BERLI JUCKER (BJC TB, BUY, TP THB24)

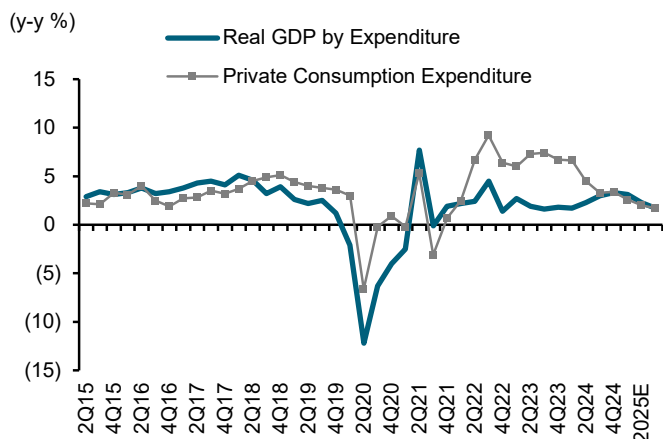
## Consumption remains bumpy, but still expect gradual growth

Thailand's overall consumption remains in modest growth territory, as reflected in the Bank of Thailand (BOT)'s latest GDP and private consumption forecast, which still projects positive 2.3% and 2.0% y-y growth for 2025. The overall retail sales continue to rise steadily (with 2019 used as the base year). Within the retail index, non-durable goods such as food and essential products continue to show consistent growth and appear to be relatively resilient segments, in line with the broader economic recovery since 2020.

However, growth in durable goods remains sluggish, particularly in big-ticket categories such as automobiles and general home appliances. On the other hand, the durable goods in lifestyle segments with lower-ticket items—such as IT products, gaming, and apparel—have shown stronger momentum.

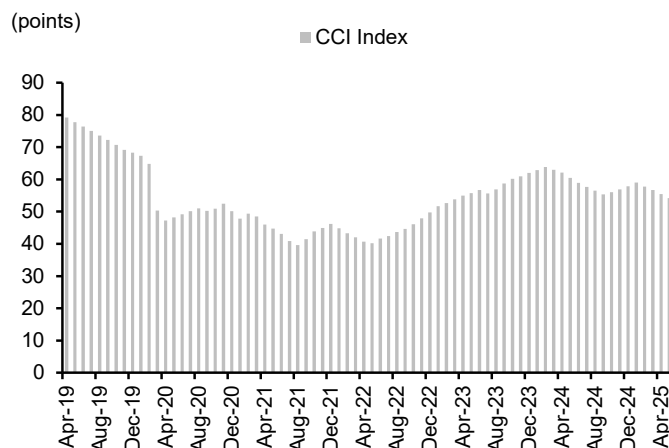
We believe that consumers' purchasing power remains resilient, as shown in an improvement in non-durable goods, smaller-ticket, and lifestyle-related non-durable goods. However, there has been a noticeable shift toward more cautious spending on high-priced items. This shift in behavior is consistent with the prolonged weakness in consumer confidence, shown in a subdued consumer confidence index (CCI) since the nationwide lockdown during the Covid-19 pandemic. As of May 2025, the CCI stands at 54.2 points, marking the fourth consecutive monthly decline since Jan-25.

**Exhibit 1: GDP and private consumption trend**



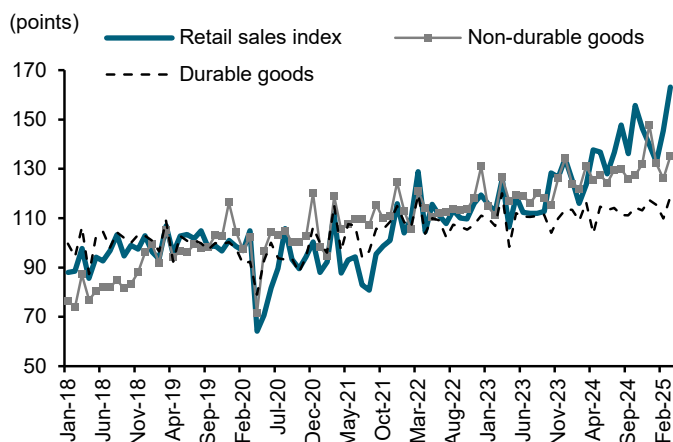
Sources: NESDC, BOT

**Exhibit 2: Thailand consumer confidence index (CCI)**



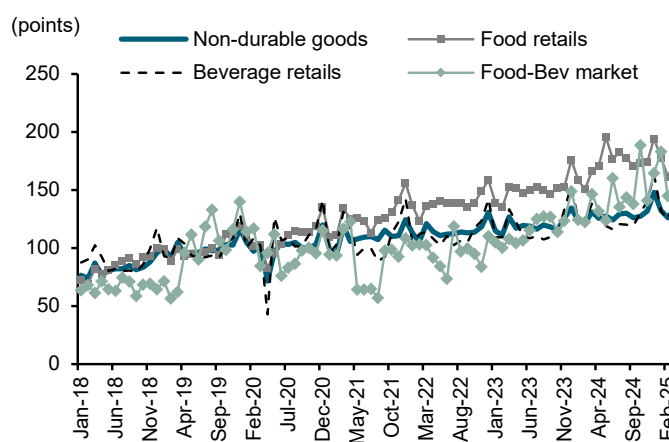
Sources: UTCC

**Exhibit 3: Retail sales index**

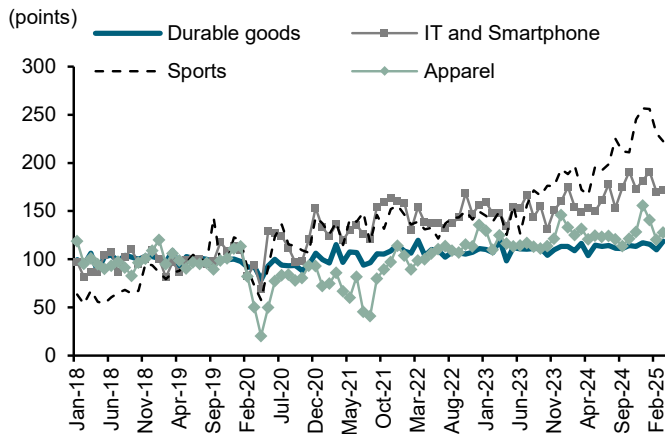


Sources: BOT, \*These indices are calculated by the BOT using 2019 as a base year.

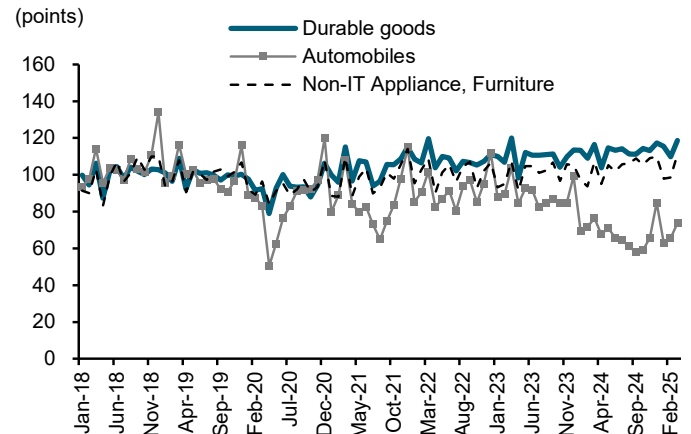
**Exhibit 4: Non-durable good indices**



Sources: BOT, \*These indices are calculated by the BOT using 2019 as a base year.

**Exhibit 5: Durable good indices – uptrend**

Sources: BOT, \*these indices are calculated by BOT using 2019 as a base year.

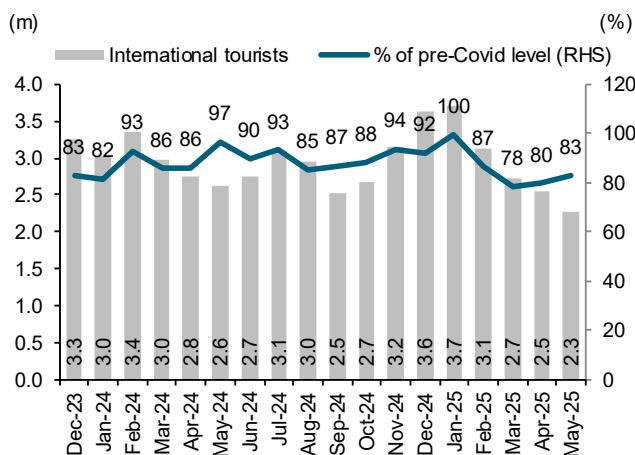
**Exhibit 6: Durable good indices – flattish and downtrend**

Sources: BOT, \*these indices are calculated by BOT using 2019 as a base year.

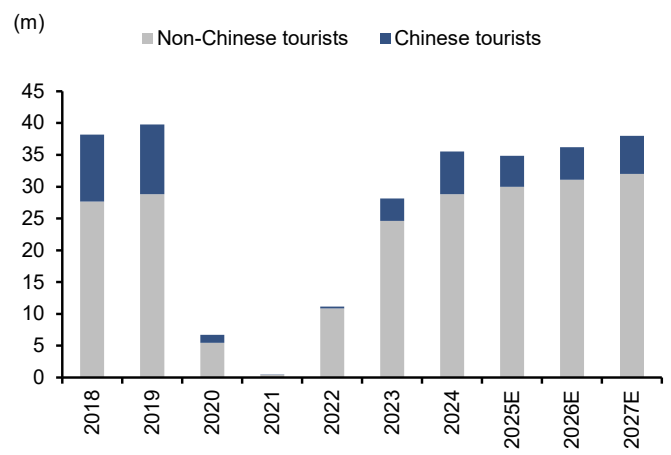
**2H25 consumption faces external and domestic headwinds**

In 2H25, we expect several challenges to weigh on Thailand's consumption outlook. On the external front, rising US tariffs on Thai exports and broader global trade uncertainties could impact Thailand's export-dependent industries. Exports to the US and global markets account for approximately 12% and 65% of GDP, respectively, and any further deterioration in trade conditions could dampen export sector performance. In addition, recent tensions along the Thai-Cambodian border present another downside factor. While exports to Cambodia represent only 3% of total Thai exports, they nonetheless add to the list of headwinds offsetting growth momentum.

Domestically, there are still several ongoing risks to monitor. First, while tourism figures remain relatively high compared to the post Covid-19 period, the overall trend is weakening. The BOT projects 35m tourist arrivals in 2025, a 1.4% decline from 2024. This decline especially comes from Chinese tourists, driven by concerns over safety in Thailand and intensifying competition from alternative destinations in the region.

**Exhibit 7: International tourist arrivals**

Source: Thailand Department of Tourism

**Exhibit 8: Chinese tourist arrivals**

Source: Thailand Department of Tourism

Another key domestic risk is the political uncertainty stemming from the government's declining parliamentary majority, which may hinder the smooth passage of economic stimulus and annual budget bills. This adds to concerns about potential delays in further government stimulus packages and the approval of the 2026 fiscal budget, which is a key item to watch. That said, the government recently approved a THB115b stimulus package, equivalent to approximately 0.6% of GDP, which is expected to provide some near-term liquidity and partially support domestic spending during 2H25.

## Growing competition amid higher modern trade market share

According to the Thai Retailers Association, the total value of Thailand's retail sector is projected to reach THB4.4t in 2025, accounting for approximately 23% of GDP, with 3-5% y-y growth expected. Based on our research, modern trade now accounts for around 55-60% of Thailand's combined retail and wholesale market. When aggregating total retail sales across all formats, CPALL holds the largest market share, followed by CRC, BJC, HMPRO, and others.

Modern trade now commands more than half of the total market, suggesting that competition will likely intensify, particularly in non-essential goods, which are experiencing slower growth amid Thailand's weak economic backdrop. This is reflected in retail sales trends for categories like non-IT appliances, which have contracted, in line with negative SSSG trends seen among home-focused retailers. However, the consumer staples segment continues to expand, albeit at a slower pace, but it is still in line with the broader, moderate economic growth in 2025.

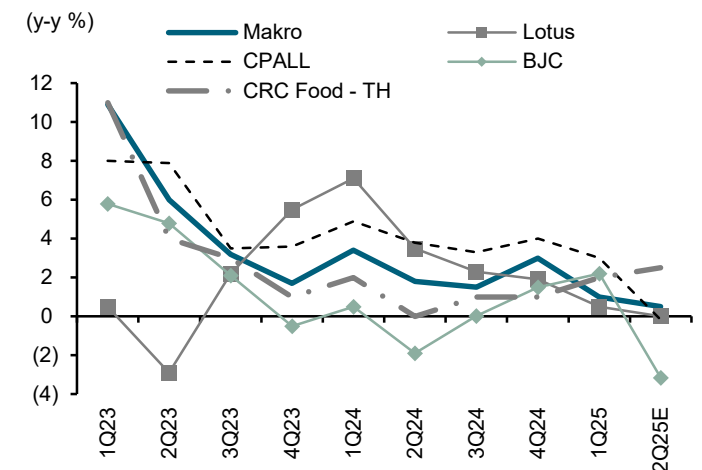
The SSSG slowdown seen in 2Q25 can be attributed to two main factors: 1) softening domestic consumption and tourism; and 2) unconventional seasonal effects on a y-y basis—due to heavier-than-usual rainfall during April–May 2025, which impacted sales of cooling-related items, such as beverages and air-cooling appliances (e.g., fans and air conditioners). We believe this seasonal impact will begin to subside starting in June, with a more normalized consumption trend expected in 2H25.

**Exhibit 9: Commerce sector's SSSG trend**



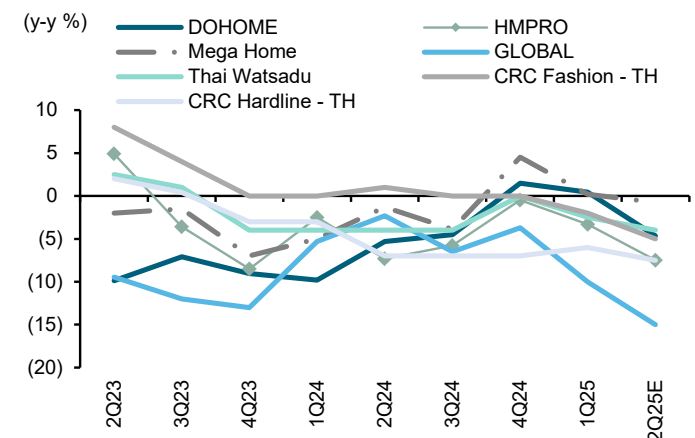
Sources: Respective companies, FSSIA estimate \*Average SSSG of BJC, CPALL, HMPRO, and Makro

**Exhibit 10: Consumer staples' SSSG by quarter**



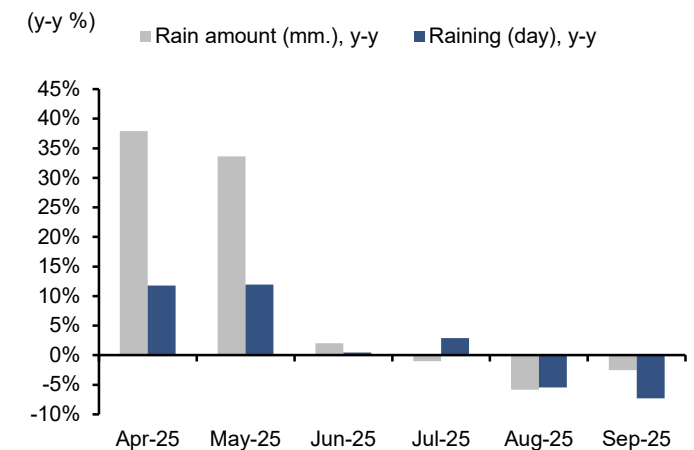
Sources: Respective companies, FSSIA estimate

**Exhibit 11: Home-related retailers' SSSG by quarter**



Sources: Respective companies, FSSIA estimate

**Exhibit 12: Year-on-year rainfall gap for 2Q-3Q25**



Sources: Thai Meteorological Department

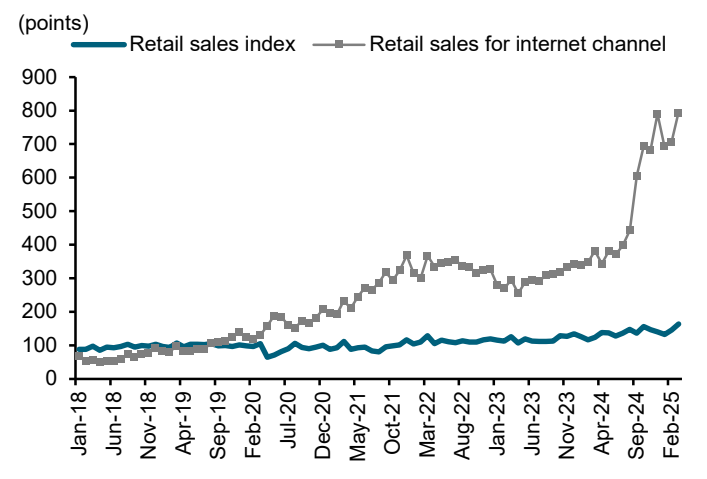
Food products remain resilient against e-commerce competition

Another key factor to monitor is the intensifying competition from e-commerce, as reflected in the BOT’s retail sales data, which shows continued growth in online and internet-based purchases following the Covid-19 pandemic. This trend underscores a structural shift in consumer behavior, some of which may also be driven by traditional modern trade players adapting their models to educate and encourage consumers to shop online.

We believe the segments most at risk from online disruption include: 1) low-price-point non-food items that do not require physical inspection, such as products in the softline category (e.g., apparel) and certain hardline goods; and 2) branded non-food categories, where producers are increasingly leveraging direct-to-consumer channels via e-commerce platforms—particularly in electronics and household consumer products.

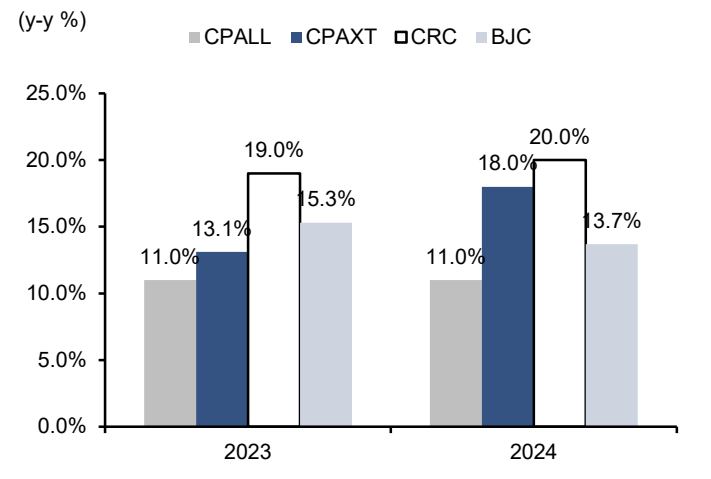
On the other hand, the impact on the food segment remains limited, especially in fresh food (FF), followed by dry food (DF). Over the past 2–3 years, we have seen continued efforts by consumer staples retailers to increase their FF exposure. This segment also benefits from omnichannel capability, as these players already operate physical store networks that support online fulfillment.

Exhibit 13: Retail sales index for internet channel



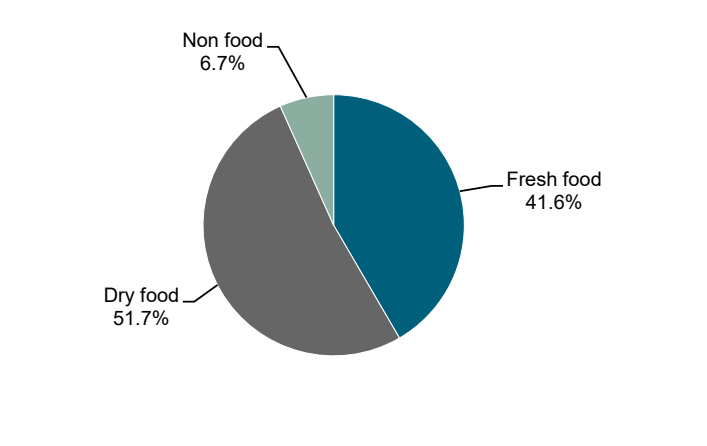
Sources: BOT \*These indices are calculated by the BOT using 2019 as a base year.

Exhibit 14: Omni-channel sales contribution of retailers



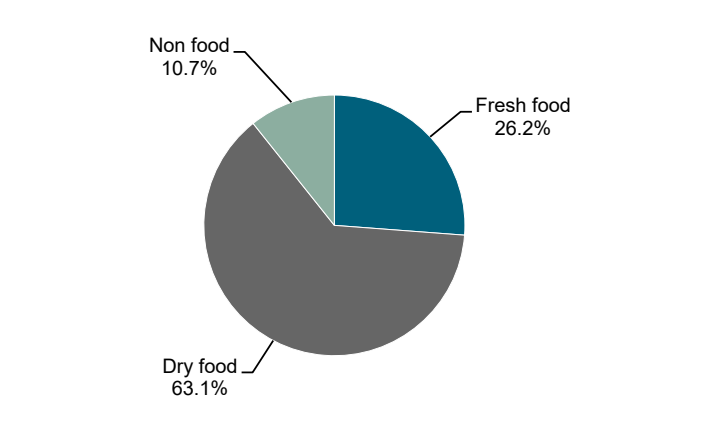
Source: Respective companies

Exhibit 15: Makro’s sales breakdown by products



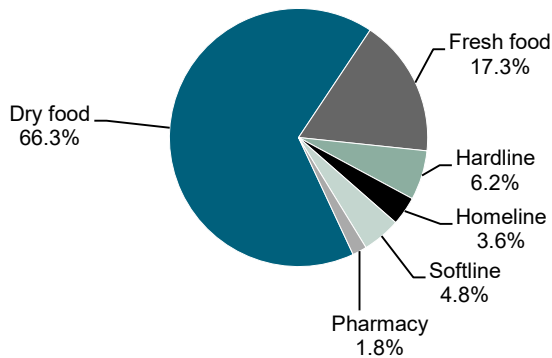
Source: CPAXT

Exhibit 16: Lotus’s sales breakdown by products



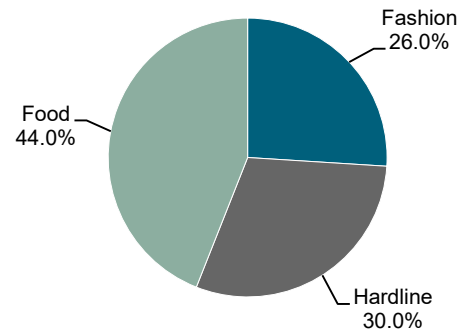
Source: CPAXT

Exhibit 17: Big C's sales breakdown by products



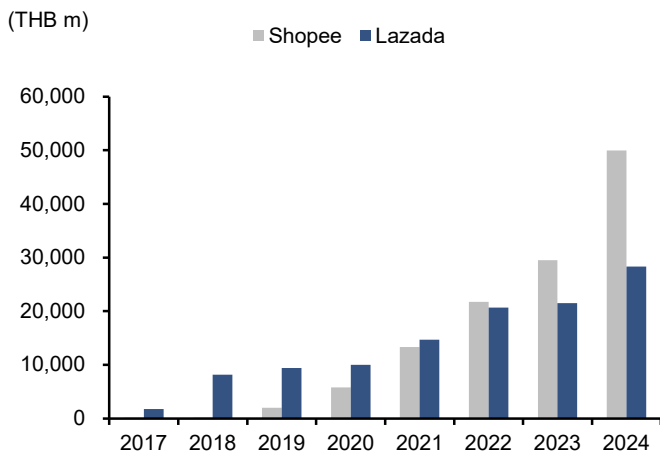
Sources: BJC

Exhibit 18: CRC's sales breakdown by products



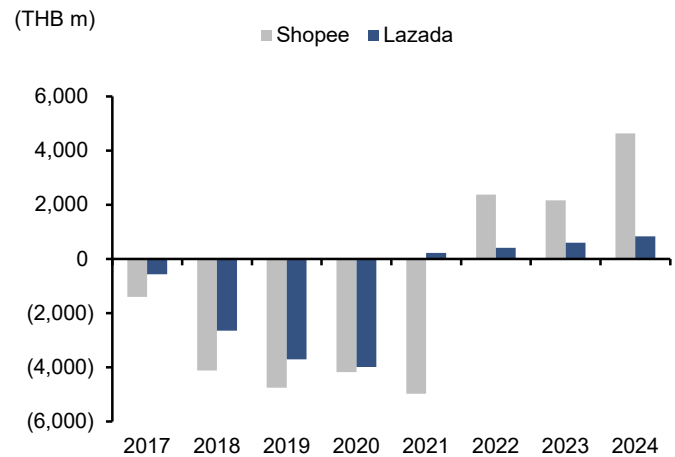
Sources: CRC

Exhibit 19: E-commerce players' top-line



Source: DBD datawarehouse

Exhibit 20: E-commerce players' bottom-line



Source: DBD datawarehouse

### Limited impact from Cambodia operations

We believe the ongoing border conflict with Cambodia poses limited downside risk to listed Thai consumer companies, given their relatively small store exposure in the country. As of the latest count: 1) CPALL (7-Eleven) operates 116 stores in Cambodia, accounting for only 0.7% of its total network; 2) BJC has 22 stores (3 large, 19 small), equal to 1.3% of its total store count; 3) Makro (CPAXT) has 3 stores, or 1.7% of the total; and 4) GLOBAL operates 2 stores, or 1.6% of its store count. In all cases, revenue contributions from Cambodia are less than 1%.

Even in a worst-case scenario—which we view as unlikely—such as an escalation into armed conflict requiring full asset impairment, the estimated impact would still be limited. Based on rough assumptions (e.g., full impairment of Cambodia capex), the potential earnings impact on CPALL, CPAXT, and BJC could be at 5%/8%/14%, respectively. However, if treated as a one-off charge, the EPS impact would be marginal, at just THB0.10–0.17/share, implying no material long-term effect.



## Wage hike in Bangkok has a limited impact on retailers

The Tripartite Wage Committee has approved a minimum wage increase to THB400/day (up 7.5% from THB372) for all occupations in Bangkok, and nationwide for selected sectors such as hotels (above 2 stars) and entertainment venues (e.g., karaoke), effective 1 July 2025. We expect the impact on the retail sector to be limited, as the THB400 wage applies only to Bangkok, which accounts for only one-third of total sector sales. Moreover, most large retailers already offer wages above the minimum, particularly in urban areas like Bangkok.

There may be a modest positive offset from improved consumer purchasing power in the capital, where the majority of the 700,000 expected beneficiaries (as estimated by the government) are located.

For retailers with manufacturing operations—such as CPALL (via CPRAM) and BJC (Packaging, Consumer)—we see a minimal impact, as most factories are located outside Bangkok, where the wage increase does not apply.



## 2025–27 sector profit expected to grow at an 8% y-y CAGR

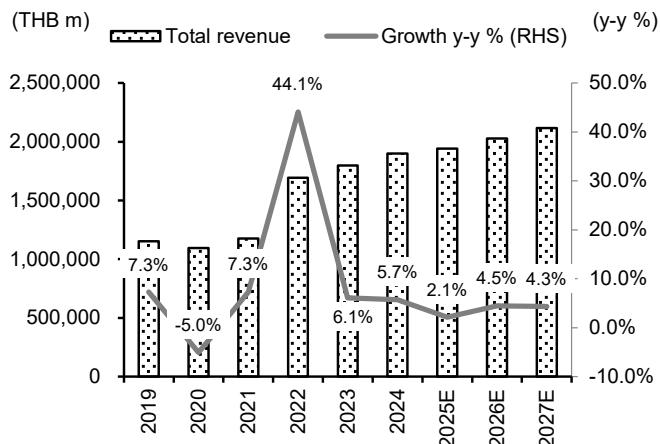
Given the resilient SSSG trends in the consumer staples group, despite a rising base effect, we remain positive on the sector's ability to sustain its growth momentum. We forecast core earnings to grow at an 8% CAGR during 2025–27, led by CPALL at 9%, followed by BJC and CPAXT at 7% each, and CRC at 6%.

Sector growth should continue to be driven by: 1) projected SSSG of 2–3% y-y, supported by GDP and private consumption expansion; 2) improved profitability on the back of increased contributions from high-margin products such as private brands and expanded food offerings; and 3) better cost management, particularly logistics optimization and efficient SG&A control.

For 2025, we expect the sector's profit to grow 8.4% y-y. Top-line growth should be supported by new store expansion, while SSSG is likely to grow only modestly. Another important driver will come from improved GPM, effective SG&A control, and lower interest expenses. We expect CPALL to post the strongest growth at 12.4% y-y, driven by continuous GPM improvement. BJC is projected to grow 11.5% y-y, supported by a GPM recovery from a low base in 1H24. CPAXT should see a 6.8% y-y increase, reflecting synergy benefits and new store contributions.

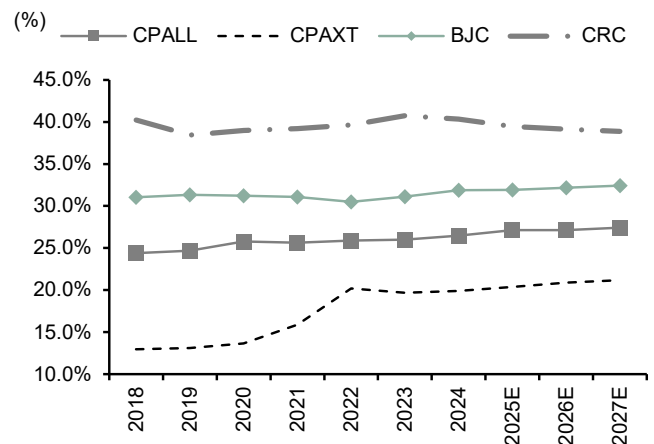
However, we expect CRC's profit to decline slightly by 2.6% y-y, due to: 1) a loss contribution from the ramp-up phase of the Go Wholesale business; and 2) FX pressure from a stronger THB against the VND and EUR, impacting earnings translation.

**Exhibit 21: Consumer staples' total revenue and growth**



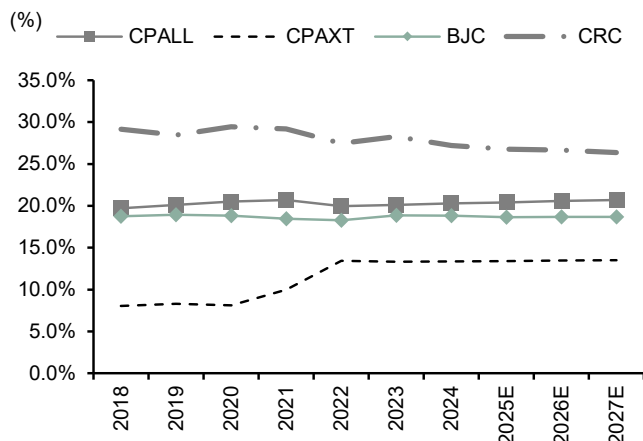
Sources: Respective companies, FSSIA estimates

**Exhibit 22: Consumer staples' GPM**



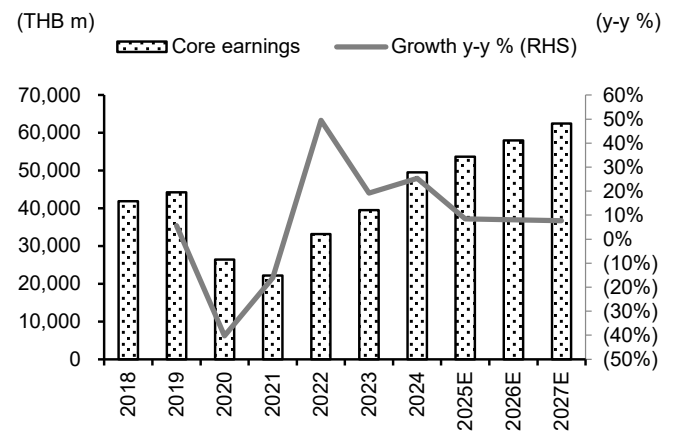
Sources: Respective companies, FSSIA estimates \*CPAXT consolidation of Lotus since 4Q21 onward.

**Exhibit 23: Consumer staples' SG&A/Sales**



Sources: Respective companies, FSSIA estimates \*CPAXT consolidation of Lotus since 4Q21 onward.

**Exhibit 24: Consumer staples' core profit and growth**



Sources: Respective companies, FSSIA estimates

## Exhibit 25: Consumer staples' 2025-27 operations forecast

	Actual			Forecast			Growth		
	2022 (THB m)	2023 (THB m)	2024 (THB m)	2025E (THB m)	2026E (THB m)	2027E (THB m)	2025E (THB m)	2026E (THB m)	2027E (THB m)
<b>Total revenue</b>	<b>1,694,783</b>	<b>1,798,045</b>	<b>1,901,099</b>	<b>1,941,817</b>	<b>2,029,100</b>	<b>2,117,065</b>	<b>2.1%</b>	<b>4.5%</b>	<b>4.3%</b>
CPALL	829,099	895,281	958,998	984,460	1,034,829	1,086,004	2.7%	5.1%	4.9%
CPAXT	466,082	486,472	508,745	520,300	539,722	558,509	2.3%	3.7%	3.5%
BJC	163,572	167,902	170,814	171,805	177,714	183,299	0.6%	3.4%	3.1%
CRC	236,031	248,391	262,542	265,252	276,835	289,253	1.0%	4.4%	4.5%
<b>Net profit</b>	<b>33,154</b>	<b>39,933</b>	<b>48,053</b>	<b>53,386</b>	<b>58,007</b>	<b>62,467</b>	<b>11.1%</b>	<b>8.7%</b>	<b>7.7%</b>
CPALL	13,272	18,482	25,346	28,455	30,927	33,112	12.3%	8.7%	7.1%
CPAXT	7,697	8,640	10,569	11,573	12,504	13,349	9.5%	8.1%	6.8%
BJC	5,010	4,795	4,001	4,968	5,358	5,691	24.2%	7.8%	6.2%
CRC	7,175	8,016	8,136	8,391	9,217	10,316	3.1%	9.9%	11.9%
<b>Core profit</b>	<b>33,144</b>	<b>39,491</b>	<b>49,503</b>	<b>53,682</b>	<b>58,007</b>	<b>62,467</b>	<b>8.4%</b>	<b>8.1%</b>	<b>7.7%</b>
CPALL	13,281	18,136	25,314	28,455	30,927	33,112	12.4%	8.7%	7.1%
CPAXT	7,922	8,777	10,837	11,573	12,504	13,349	6.8%	8.1%	6.8%
BJC	5,010	4,710	4,610	5,137	5,358	5,691	11.5%	4.3%	6.2%
CRC	6,930	7,868	8,742	8,518	9,217	10,316	-2.6%	8.2%	11.9%
<b>Key ratios, Interest</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>
<b>Gross margin</b>	<b>26.7%</b>	<b>26.8%</b>	<b>27.1%</b>	<b>27.4%</b>	<b>27.6%</b>	<b>27.8%</b>	<b>0.3%</b>	<b>0.1%</b>	<b>0.2%</b>
CPALL	25.9%	26.0%	26.5%	27.1%	27.1%	27.4%	0.7%	0.0%	0.3%
CPAXT	20.2%	19.7%	19.9%	20.4%	20.9%	21.2%	0.4%	0.5%	0.3%
BJC	30.5%	31.1%	31.9%	31.9%	32.2%	32.4%	0.1%	0.2%	0.3%
CRC	39.6%	40.7%	40.3%	39.5%	39.1%	38.9%	-0.9%	-0.3%	-0.3%
<b>SG&amp;A/Revenue</b>	<b>19.0%</b>	<b>19.3%</b>	<b>19.3%</b>	<b>19.2%</b>	<b>19.4%</b>	<b>19.4%</b>	<b>0.0%</b>	<b>0.1%</b>	<b>0.1%</b>
CPALL	20.0%	20.1%	20.3%	20.4%	20.6%	20.7%	0.1%	0.2%	0.1%
CPAXT	13.4%	13.3%	13.4%	13.4%	13.5%	13.5%	0.0%	0.1%	0.0%
BJC	18.3%	18.9%	18.8%	18.6%	18.7%	18.7%	-0.2%	0.1%	0.0%
CRC	27.4%	28.3%	27.2%	26.8%	26.6%	26.4%	-0.4%	-0.1%	-0.3%
<b>Interest expenses</b>	<b>32,185</b>	<b>32,856</b>	<b>31,894</b>	<b>30,438</b>	<b>29,927</b>	<b>28,957</b>	<b>-4.6%</b>	<b>-1.7%</b>	<b>-3.2%</b>
CPALL	16,832	16,558	15,495	15,002	14,599	13,731	-3.2%	-2.7%	-5.9%
CPAXT	7,122	6,319	5,735	5,623	5,700	5,681	-2.0%	1.4%	-0.3%
BJC	4,752	5,338	5,669	5,330	5,327	5,357	-6.0%	-0.1%	0.6%
CRC	3,479	4,642	4,995	4,483	4,301	4,189	-10.2%	-4.1%	-2.6%
<b>Net margin</b>	<b>2.0%</b>	<b>2.2%</b>	<b>2.5%</b>	<b>2.7%</b>	<b>2.9%</b>	<b>3.0%</b>	<b>0.2%</b>	<b>0.1%</b>	<b>0.1%</b>
CPALL	1.6%	2.1%	2.6%	2.9%	3.0%	3.0%	0.2%	0.1%	0.1%
CPAXT	1.7%	1.8%	2.1%	2.2%	2.3%	2.4%	0.1%	0.1%	0.1%
BJC	3.1%	2.9%	2.3%	2.9%	3.0%	3.1%	0.5%	0.1%	0.1%
CRC	3.0%	3.2%	3.1%	3.2%	3.3%	3.6%	0.1%	0.2%	0.2%
<b>Core margin</b>	<b>2.0%</b>	<b>2.2%</b>	<b>2.6%</b>	<b>2.8%</b>	<b>2.9%</b>	<b>3.0%</b>	<b>0.2%</b>	<b>0.1%</b>	<b>0.1%</b>
CPALL	1.6%	2.0%	2.6%	2.9%	3.0%	3.0%	0.3%	0.1%	0.1%
CPAXT	1.7%	1.8%	2.1%	2.2%	2.3%	2.4%	0.1%	0.1%	0.1%
BJC	3.1%	2.8%	2.7%	3.0%	3.0%	3.1%	0.3%	0.0%	0.1%
CRC	2.9%	3.2%	3.3%	3.2%	3.3%	3.6%	-0.1%	0.1%	0.2%

Sources: Respective companies, FSSIA estimates

## 2Q25 SSSG likely to slow; profit growth to be driven by margins

In the near term, SSSG is expected to soften in 2Q25 compared to 1Q25 on a y-y basis, pressured by higher-than-usual rainfall during April–May 2025, which weighed on sales of beverages and cooling appliances. As a result, we expect key earnings catalysts for the quarter to shift toward GPM expansion, SG&A-to-sales efficiency, and lower interest expenses.

Preliminary estimates suggest that BJC is likely to post both y-y and q-q earnings growth, while CPALL and CPAXT should continue to grow y-y but decline q-q. For CRC, we expect earnings to remain flat y-y, with a q-q decline in profit due to seasonal effect.

## Neutral weight with CPALL and CRC as our top picks

We have a Neutral recommendation on the consumer staples segment. While we still see long-term growth potential, we remain cautious given the ongoing slowdown in domestic consumption and heightened political uncertainty, which could weigh on near-term confidence and policy execution. Nonetheless, we believe the downside risk is already priced in, as reflected in:

- Although retail share prices have already corrected 30% YTD, led by CRC (-48%), followed by CPAXT, CPALL, and BJC (-31%/-21%/-16%), we still forecast core earnings to grow at an 8% CAGR over 2025–27;
- The sector is now trading at 13x P/E, which is -2.5 SD below its 5-year average, and in line with valuations during the 2008 subprime crisis;
- Foreign ownership availability has continuously increased, suggesting less room for a strong sell-off; and
- The sector's dividend yield has risen to an attractive range of 3.4–4.7% for 2025.

Our DCF-based target prices are: CPALL (THB65) and CPAXT (THB23), implying a 20x 2025E P/E, while BJC (THB24) and CRC (THB26)'s target prices are implied at 18.4-18.7x 2025E P/E, with lower implied multiples for BJC and CRC due to structural headwinds (i.e., long-term competition for BJC and slower-than-peers' earnings growth for CRC). While share prices have recently rallied 7–8%, reflecting a market view that prior mispricing was unjustified, we believe investors are still awaiting clearer catalysts, especially on the political front. We expect a relief rally if the political landscape begins to stabilize in 2H25.

For ESG, all of the consumer staple names received the 5-star IOD, equivalent to excellent governance. CPALL stands out with a AAA rating from the SET, while the rest received AA ratings. Therefore, we have applied no discount valuation to the sector. In terms of FSSIA's ESG scores, BJC ranks first with 79.24 points followed by CPALL and CRC with 75.48 and 74.92 points, respectively. CPAXT's score is 53.49 points. The ESG results support our fundamental call on CPALL and CRC as a top-tier ESG conglomerate.

Our top picks for consumer staples are CPALL and CRC. We like CPALL for its superior growth outlook with expected earnings growth of 12.4% y-y in 2025 and a 9.4% CAGR over 2025–27, underpinned by strong GPM and network expansion. We also like CRC for its long-term positioning, even though 2025 earnings may decline slightly (-2.6% y-y) due to upfront investments in its Go Wholesale platform and new retail formats. However, we forecast growth to accelerate in 2026–27, with earnings rising 8.2% and 11.9% y-y, respectively.

Valuations are also compelling. Currently, CPALL is trading at a 3.3% discount and CRC is trading at a 12.7% discount to the 2025E P/E sector average, and both companies can deliver superior ROE, estimated at 21.2% for CPALL and 11.9% for CRC, well above peers such as BJC (4.3%) and CPAXT (3.9%).

### Exhibit 26: Consumer staples ESG scoring comparison

	FSSIA	Domestic ratings						Global ratings						--- Bloomberg ---	
	ESG score	DJSI	SET ESG	SET ESG Rating	CG score	AGM level	Thai CAC	Morningstar ESG risk	ESG Book	MSCI	Moody's	Refinitiv	S&P Global	ESG score	Disclosure score
<b>SET100</b>	<b>69.20</b>	<b>5.34</b>	<b>4.4</b>	<b>4.4</b>	<b>4.76</b>	<b>4.65</b>	<b>3.84</b>	<b>Medium</b>	<b>51.76</b>	<b>BBB</b>	<b>20.87</b>	<b>58.72</b>	<b>63.91</b>	<b>3.72</b>	<b>28.17</b>
<b>Coverage</b>	<b>67.12</b>	<b>5.11</b>	<b>4.15</b>	<b>4.17</b>	<b>4.83</b>	<b>4.71</b>	<b>3.53</b>	<b>Medium</b>	<b>52.04</b>	<b>BB</b>	<b>16.97</b>	<b>56.85</b>	<b>62.09</b>	<b>3.4</b>	<b>31.94</b>
BJC	79.24	Y	Y	AA	5	4	--	Medium	72.74	AA	--	59.67	92	4.32	61.31
CPALL	75.48	Y	Y	AAA	5	4	Certified	Medium	67.76	A	34	64.69	88	--	--
CPAXT	53.49	--	Y	AA	5	5	Certified	--	--	BBB	--	--	84	3.9	67.2
CRC	74.92	--	Y	AA	5	5	Certified	Low	67.96	BBB	--	65.58	84	5.15	58.56

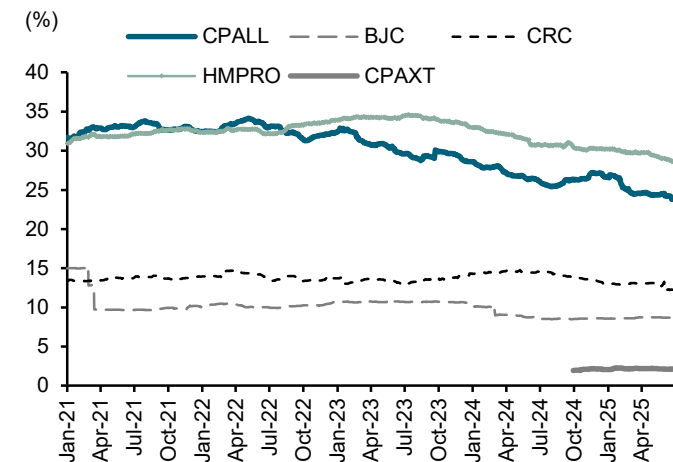
Sources: SETTRADE.com, FSSIA's compilation

Exhibit 27: Consumer staples valuation comparison as of 30 June 2025

Company	BBG	Rec	Share price			Market Cap	PE		ROE		PBV		EV/ EBITDA	
			Current (LCY)	Target (LCY)	Upside (%)		25E (x)	26E (x)	25E (%)	26E (%)	25E (x)	26E (x)	25E (x)	26E (x)
Thailand														
CP All	CPALL TB	BUY	44.00	65.00	48	12,114	13.9	12.8	21.2	20.8	3.0	2.7	15.0	14.5
CP Axta	CPAXT TB	BUY	17.90	23.00	28	5,744	16.1	14.9	3.9	4.1	0.6	0.6	6.8	6.0
Central Retail	CRC TB	BUY	17.70	26.00	47	3,285	12.5	11.6	11.9	12.0	1.4	1.3	7.0	6.7
Berli Jucker	BJC TB	BUY	19.10	24.00	26	2,356	14.9	14.3	4.3	4.4	0.6	0.6	10.5	10.3
Average						23,498	14.4	13.4	10.3	10.3	1.4	1.3	9.8	9.4

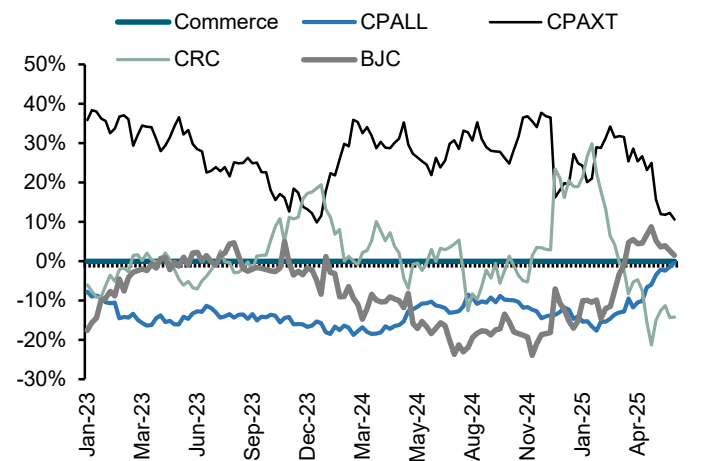
Source: FSSIA estimates

Exhibit 28: Foreign ownership trend



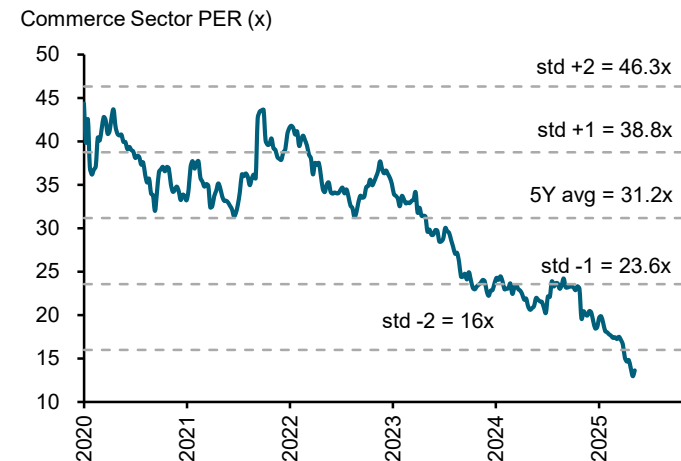
Source: Setsmart

Exhibit 29: Premium/discount of valuation to the sector



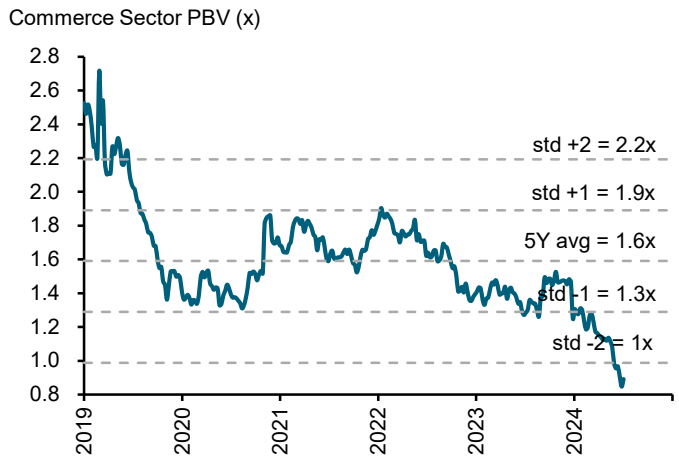
Source: FSSIA estimates

Exhibit 30: Commerce sector's historical P/E band



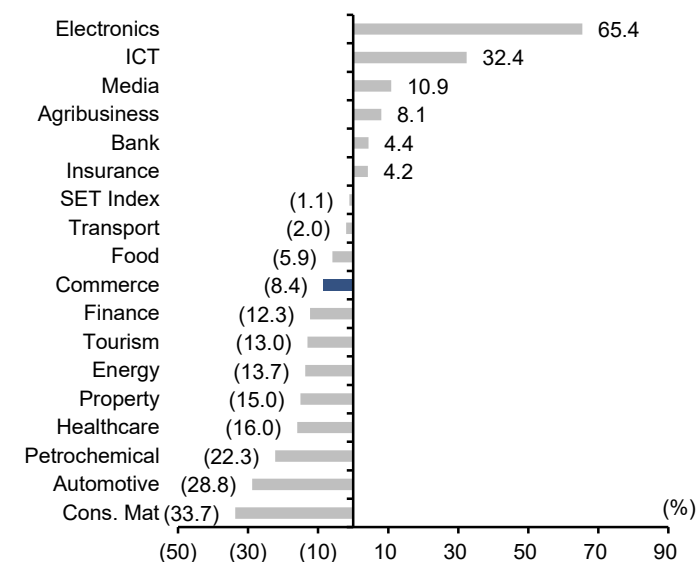
Sources: Bloomberg, FSSIA estimates

Exhibit 31: Commerce sector's historical P/BV band



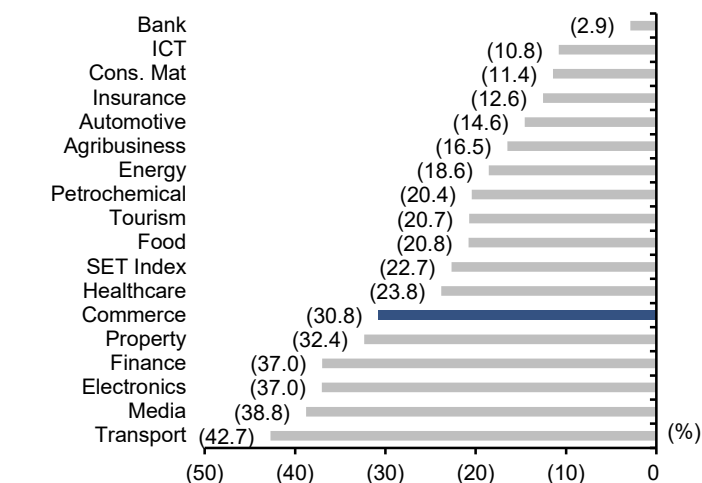
Sources: Bloomberg, FSSIA estimates

Exhibit 32: 2024 sector return performance



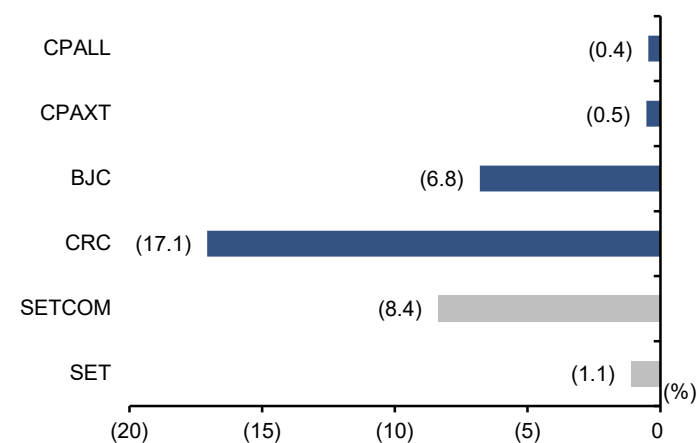
Sources: SET, FSSIA's compilation

Exhibit 33: YTD sector return performance



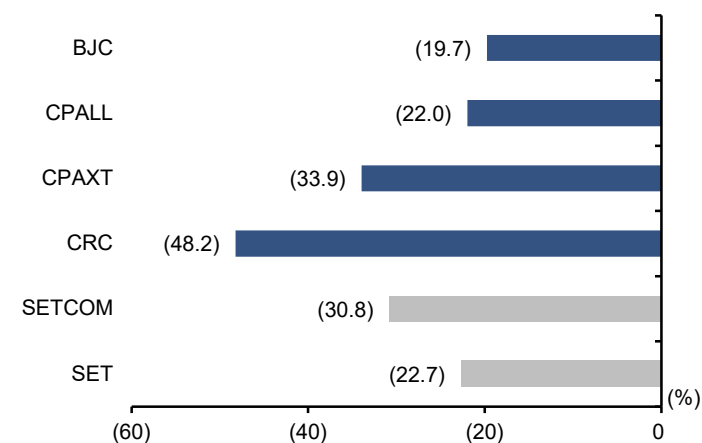
Sources: SET, FSSIA's compilation

Exhibit 34: 2024 commerce return performance



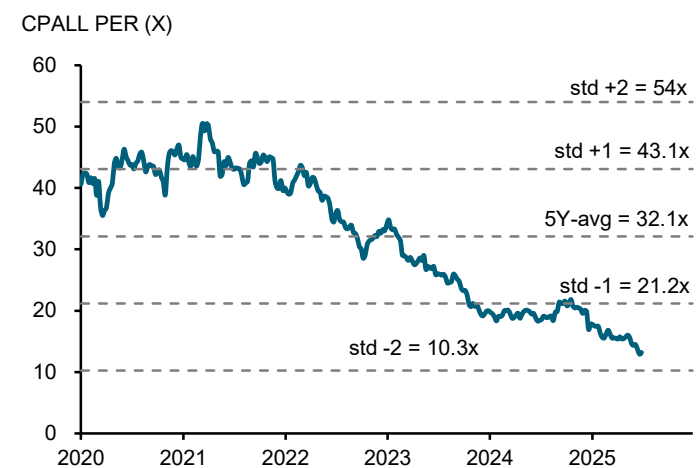
Sources: SET, FSSIA's compilation

Exhibit 35: YTD commerce return performance



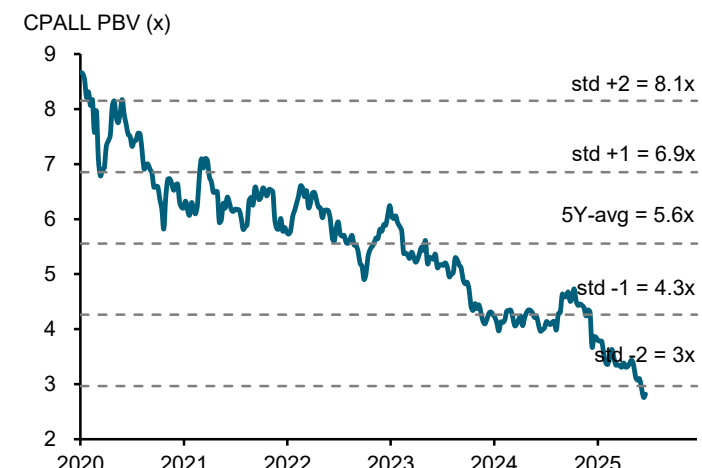
Sources: SET, FSSIA's compilation

Exhibit 36: CPALL's rolling one-year forward P/E band

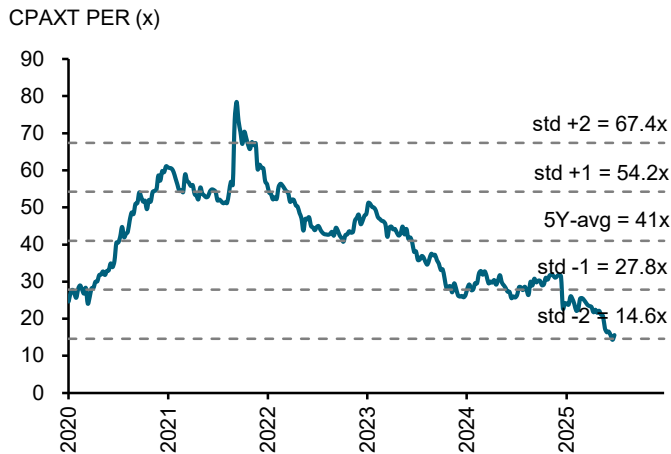


Sources: Bloomberg, FSSIA estimates

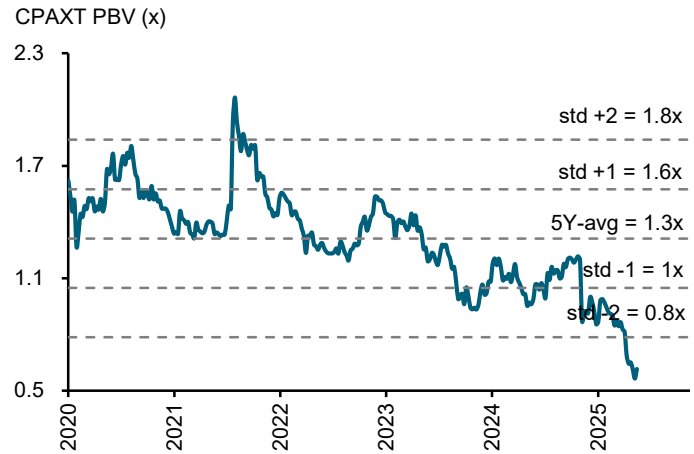
Exhibit 37: CPALL's rolling one-year forward P/BV band



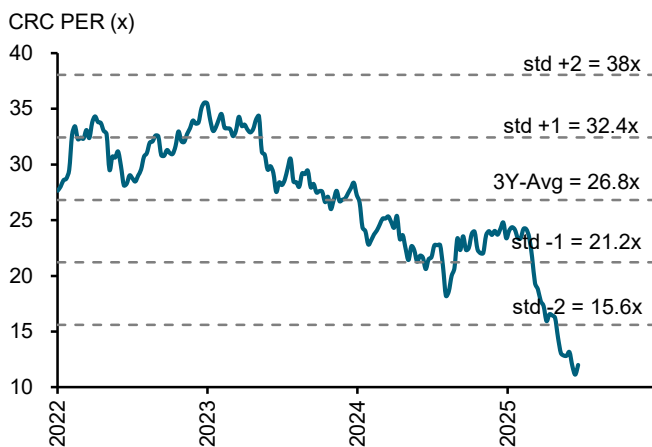
Sources: Bloomberg, FSSIA estimates

**Exhibit 38: CPAXT's rolling one-year forward P/E band**

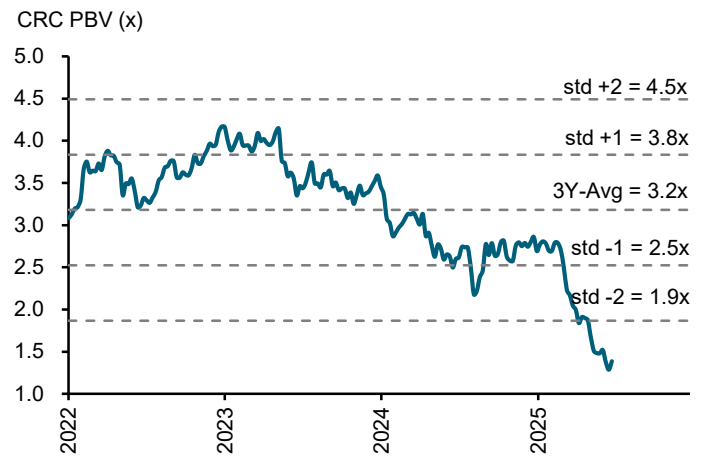
Sources: Bloomberg, FSSIA estimates

**Exhibit 39: CPAXT's rolling one-year forward P/BV band**

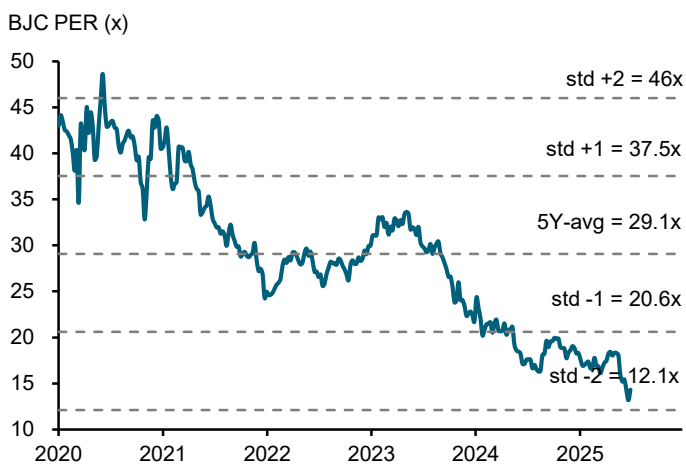
Sources: Bloomberg, FSSIA estimates

**Exhibit 40: CRC's rolling one-year forward P/E band**

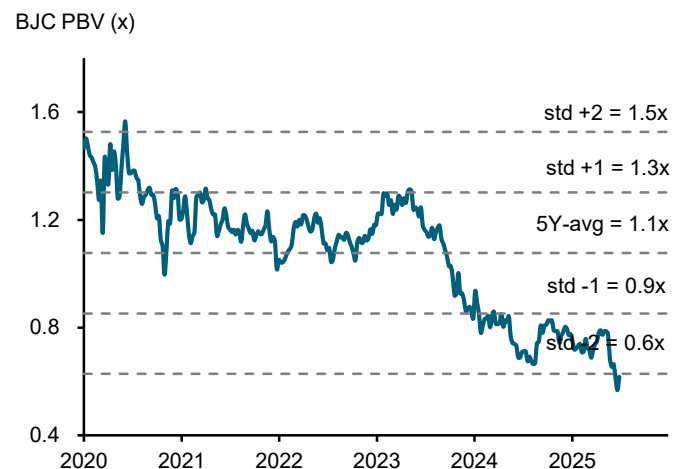
Sources: Bloomberg, FSSIA estimates

**Exhibit 41: CRC's rolling one-year forward P/BV band**

Sources: Bloomberg, FSSIA estimates

**Exhibit 42: BJC's rolling one-year forward P/E band**

Sources: Bloomberg, FSSIA estimates

**Exhibit 43: BJC's rolling one-year forward P/BV band**

Sources: Bloomberg, FSSIA estimates



1 JULY 2025

EQUITY RESEARCH - TRANSFER OF COVERAGE

**CP ALL CPALL TB**  
THAILAND / COMMERCE

## Mispricing opportunity

- CPALL is the largest modern trade conglomerate in ASEAN with unjustified valuations.
- Expect the strongest earnings growth for 2025 among peers.
- Maintain BUY with a revised DCF TP of THB65/shr.

### Most resilient Thailand retailer

CPALL is the largest modern trade operator in Thailand and a leader in convenience stores (7-11), wholesale (Makro), and hypermarkets (Lotus). The company's sales accounted for a 21.8% market share of total domestic retail sales and are expected to reach THB1t by 2026. Despite intensified competition in the three aforementioned markets, we still foresee strong competitiveness over challengers given the more-than-double top-line base compared to its second-ranked competitors.

### The strongest earnings growth in consumer staple plays

We expect CPALL to deliver impressive bottom-line growth of 9.4% y-y CAGR for 2025-27 on the back of both top-line and improved profitability. We estimate earnings for 2025 to grow 12.4% y-y, mainly driven by an improvement in the convenience store unit. We expect a strong y-y core earnings growth for convenience stores throughout 2Q-4Q25. We also foresee limited downside for consensus earnings in 2025.

### Plenty of room for growth

We maintain our positive view of CPALL due to strong long-term growth opportunities. Firstly, the company plans to add 700 stores of 7-11 per year until 2031, equivalent to a 4.1% y-y CAGR in store growth for 2024-31. Secondly, the nationwide store coverage strength would help CPALL become a trendsetter and create new S-curve growth through CPRAM, its in-house RTE manufacturer, introducing products such as functional foods that better penetrate specific groups of customers. Thirdly, we expect room for more than 4,000 stores each in additional store expansion in Cambodia and Laos, equivalent to almost 1/3 of the current 7-11 store count.

### Attractive accumulation level

CPALL's share price has dropped 21% YTD. We see it as a good entry for CPALL accumulation given 1) its implied 14x 2025E P/E, 2) valuation mismatch as CPALL is projected to deliver the strongest earnings growth in consumer staple but trading at a 5% discount to peers' 2025E P/E, and 3) an expected 3.6% yield and ROE of 21%. We reaffirm a BUY call with a revised DCF TP of THB65 (from THB83). With this report, we transfer the coverage of CPALL to Kampon Akaravarinchai.



**Kampon Akaravarinchai**

Fundamental Investment Analyst on Securities; License no. 115855  
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**FINANSIA**

FSS INTERNATIONAL INVESTMENT ADVISORY

FSSIA ESG rating



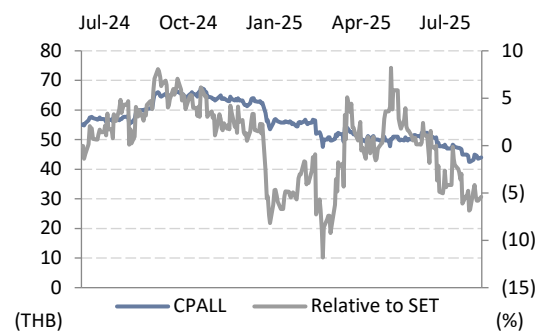
**BUY**

UNCHANGED

TARGET PRICE	THB65.00
CLOSE	THB44.00
UP/DOWNSIDE	+47.7%
PRIOR TP	THB83.00
CHANGE IN TP	-21.7%
TP vs CONSENSUS	-8.2%

### KEY STOCK DATA

YE Dec (THB m)	2024	2025E	2026E	2027E
Revenue	958,998	984,460	1,034,829	1,086,004
Net profit	25,346	28,455	30,927	33,112
EPS (THB)	2.82	3.17	3.44	3.69
vs Consensus (%)	-	0.7	(2.7)	(5.1)
EBITDA	59,159	66,232	67,873	72,868
Recurring net profit	25,314	28,455	30,927	33,112
Core EPS (THB)	2.82	3.17	3.44	3.69
Chg. In EPS est. (%)	-	2.3	(1.9)	(1.1)
EPS growth (%)	39.6	12.4	8.7	7.1
Core P/E (x)	15.6	13.9	12.8	11.9
Dividend yield (%)	3.1	3.6	3.9	4.2
EV/EBITDA (x)	16.4	15.0	14.5	13.3
Price/book (x)	3.4	3.0	2.7	2.4
Net debt/Equity (%)	115.8	116.0	105.0	94.5
ROE (%)	21.3	21.2	20.8	20.1



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(6.4)	(11.1)	(20.0)
Relative to country (%)	(1.3)	(5.5)	(4.5)
Mkt cap (USD m)	12,114		
3m avg. daily turnover (USD m)	48.9		
Free float (%)	58		
Major shareholder	CP Group (35%)		
12m high/low (THB)	68.00/41.50		
Issued shares (m)	8,983.10		

Sources: Bloomberg consensus; FSSIA estimates



Investment thesis

CPALL is the largest retail conglomerate in ASEAN. The company is a leader in all operated formats, including convenience stores, wholesale, and hypermarkets. CPALL’s and CPAXT’s online sales accounted for 11% and 20% of total sales in 2024, respectively, up from a low single-digit contribution in 2019.

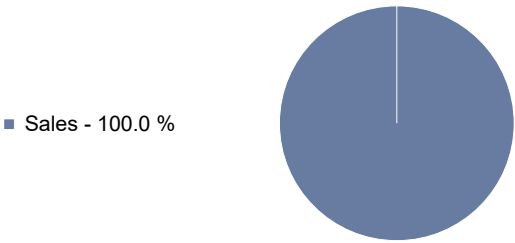
Our view on CPALL is that we expect 7-11 convenience stores to remain a key growth driver for the company, driven by both store expansion and GPM improvement, thanks to its in-house food manufacturers. In terms of CPAXT, we foresee intensified competition over the long term among modern trade players. However, as the traditional trade market accounts for almost 50% of its domestic retail market, we still expect room for expansion over the long run.

Company profile

CPALL is the operator and franchiser of CVS under the 7-Eleven trademark in Thailand, Cambodia, and Laos. It also invests in supporting businesses for CVS, such as ready-to-eat and bakery manufacturing and distribution. It has two key subsidiaries, i.e., CPAXT, a leading cash-and-carry business under MAKRO, and a hypermarket unit under Lotus.

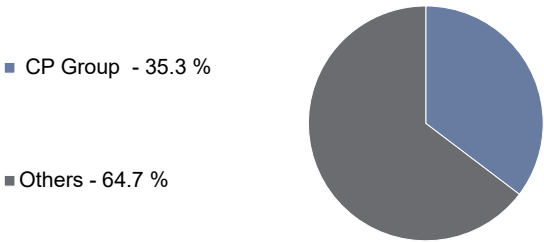
[www.cpall.co.th](http://www.cpall.co.th)

Principal activities (revenue, 2024)



Source: CP All

Major shareholders



Source: CP All

Catalysts

Key potential growth catalysts for CPALL in 2025-27 include: 1) better consumer confidence in the nationwide market, 2) a rise in international tourist arrivals and a recovery in Chinese visitors, 3) government economic stimulus packages, and 4) continued profitability improvement.

Risks to our call

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 lower-than-expected y-y gross profit margin improvement.

Event calendar

Date	Event
Aug 2025	2Q25 earnings release

Key assumptions

	Actual	Current			
	2024E	2025E	2026E	2027E	
SSSG CVS (%)	3.8	2.0	3.0	3.0	
SSSG Makro (%)	2.8	1.0	2.5	2.5	
SSSG Lotus-TH (%)	3.6	1.0	2.5	2.5	
SSSG Lotus-ML (%)	3.7	3.5	3.5	3.5	
New stores - CVS (no.)	700	700	700	700	
GPM - CVS (%)	29.0	29.4	29.5	29.6	
GPM - CPALL (%)	22.6	22.9	23.2	23.3	
SG&A to sales	20.3	20.4	20.6	20.7	

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in SSSG, we estimate 2025 EPS would rise 1.1%, and vice versa, all else being equal.
- For every 0.1% increase in GPM, we estimate 2025 EPS would rise 2.4%, and vice versa, all else being equal.
- For every 0.1% increase in SG&A to revenue, we estimate 2025 EPS would fall 2.4%, and vice versa, all else being equal.

Source: FSSIA estimates

## Valuations

After transferring coverage, we have revised our target price on CPALL to THB65 from THB83 per share, based on a DCF valuation method (7.4% WACC, 2.5% TG). We assume CPALL's terminal growth at 2.5%, higher than other consumer staple peers of 1.5-2.0%, to reflect its resilient convenience store business. Our new target price implied 20.5x 2025E P/E, equivalent to -1SD from CPALL's 5-year historical trading average.

CPALL's share price has tumbled 21% YTD. We reckon that the share price correction was due to the sector's P/E de-rating. However, we remain positive on CPALL thanks to its strongest earnings growth momentum for 2025 among peers. We see it as a good entry for CPALL accumulation given 1) its implied 14x 2025E P/E, 2) valuation mismatch as CPALL is projected to deliver the strongest earnings growth in consumer staple but trading at a 5% discount to peers' 2025E P/E, and 3) an expected 3.6% yield and ROE of 21%, higher than peers of 4-12%.

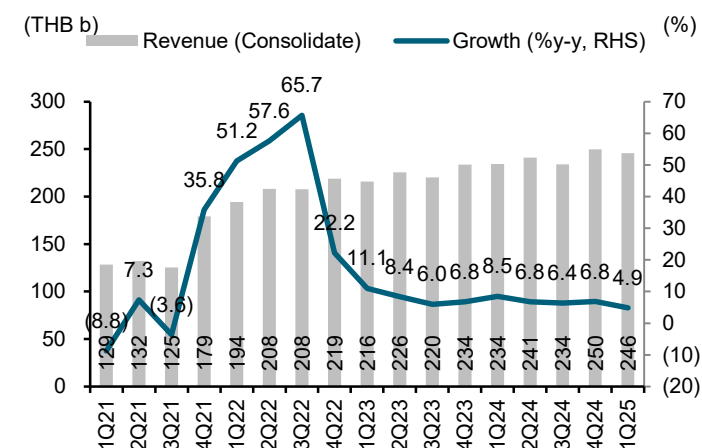
We reaffirm a BUY call on CPALL.

### Exhibit 44: DCF-derived TP

DCF-derived TP	(%)	(THB b)
Discount rate (WACC)	7.4%	
Terminal growth	2.0%	
NPV		291
Add: terminal value		858
Sum of PV		1,148
Add: investment		21
Less: Net debt		392
Less: minorities		197
Residual ordinary equity		580
No. of shares (m)		8,983
<b>Residual ordinary equity (THB/share)</b>		<b>65</b>

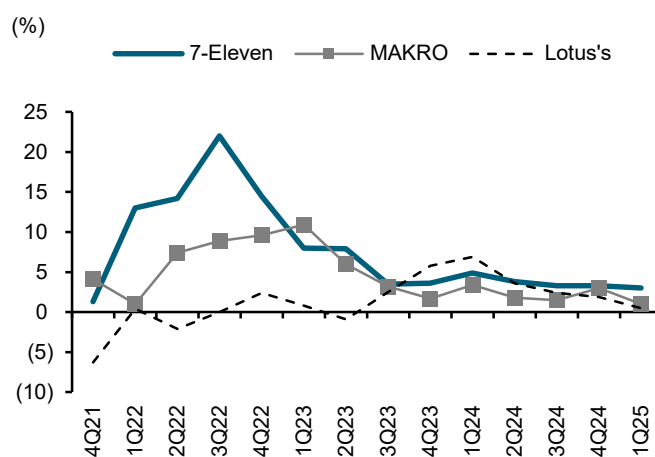
Source: FSSIA estimates

### Exhibit 45: CPALL's revenue and y-y growth



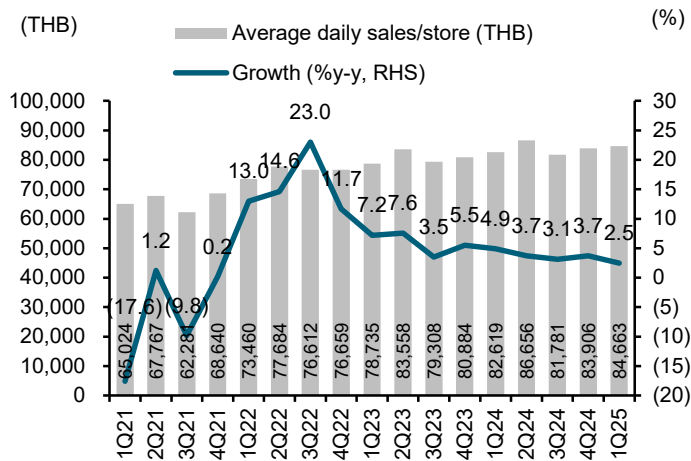
Source: CPALL

### Exhibit 46: Quarterly SSSG breakdown by business



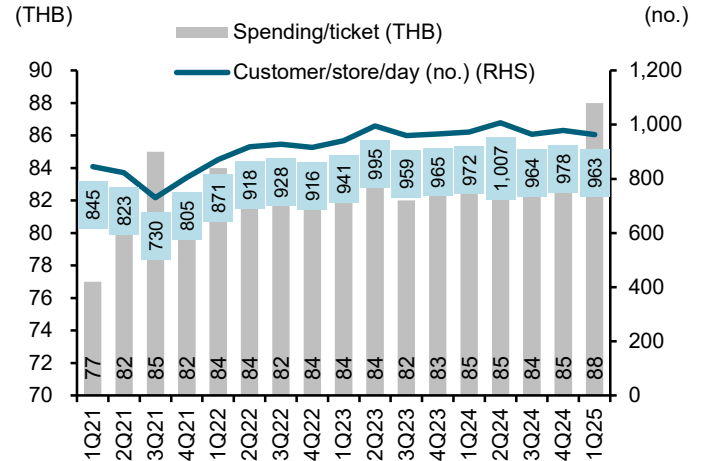
Sources: CPALL, CPAXT

Exhibit 47: Average daily sales/store



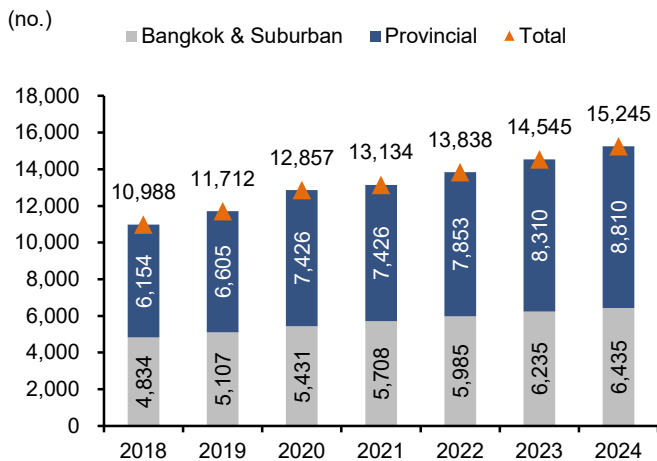
Source: CPALL

Exhibit 48: Spending ticket and customer foot traffic



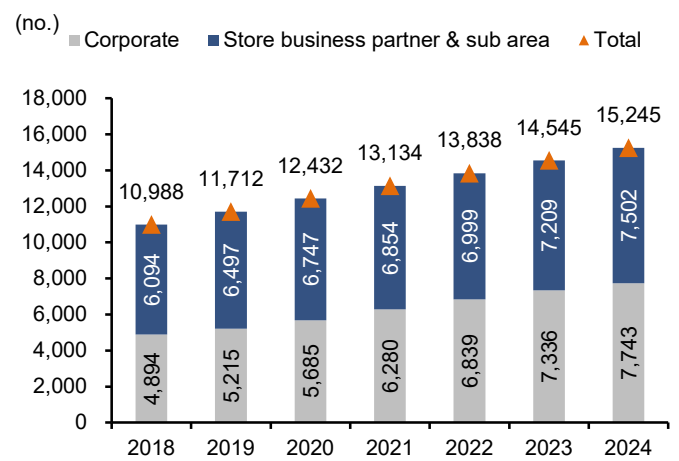
Source: CPALL

Exhibit 49: Store breakdown by region



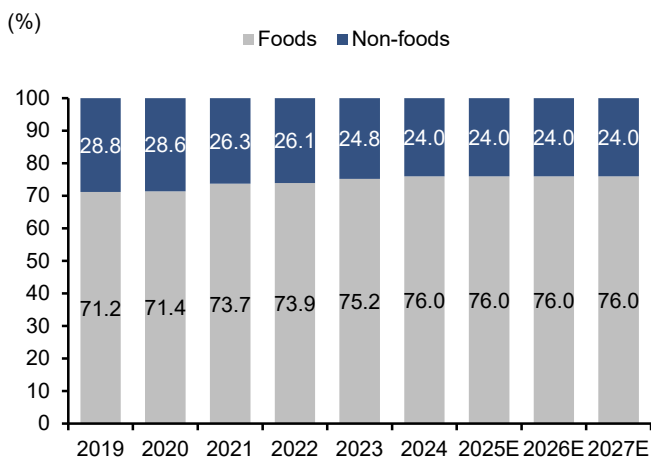
Source: CPALL

Exhibit 50: Store breakdown by format



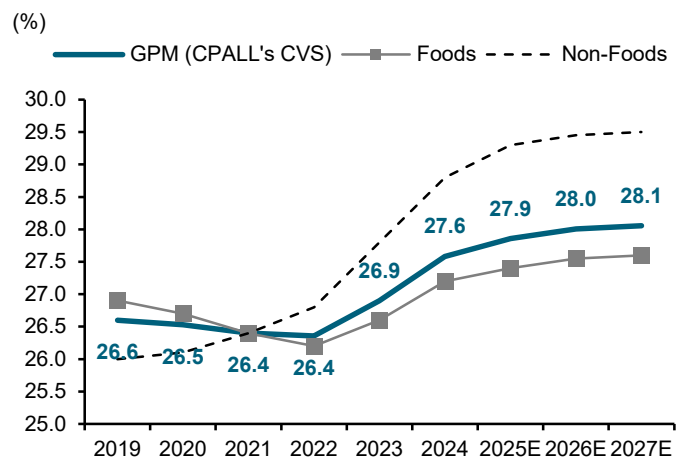
Source: CPALL

Exhibit 51: Sales contribution of CVS



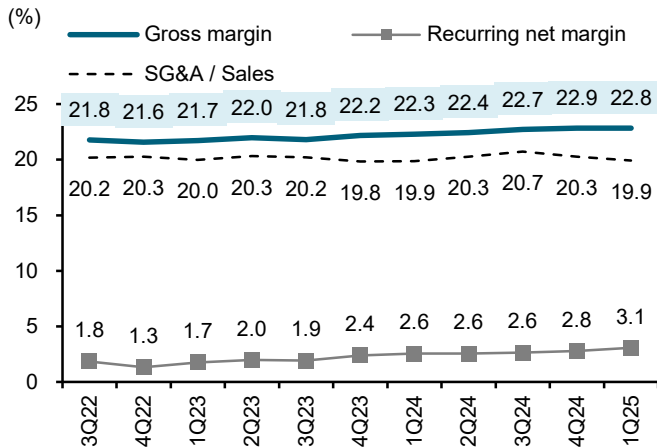
Sources: CPALL, FSSIA estimates

Exhibit 52: GPM breakdown of CVS by product



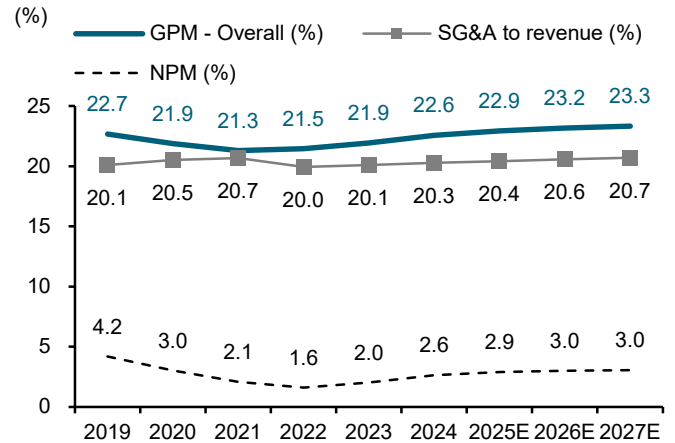
Sources: CPALL, FSSIA estimates

Exhibit 53: Quarterly operating margins



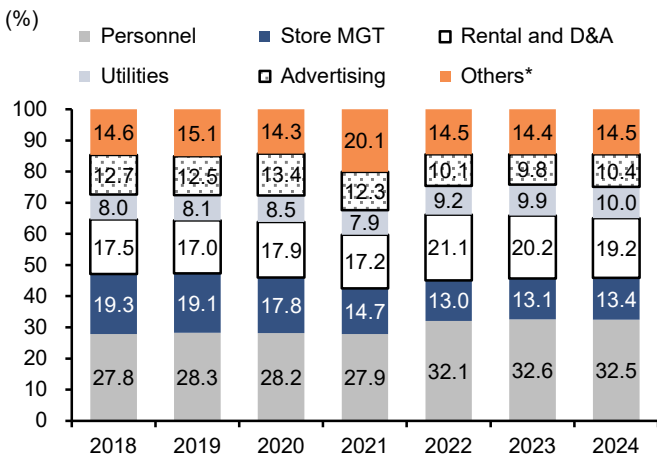
Source: CPALL

Exhibit 54: Yearly operating margins



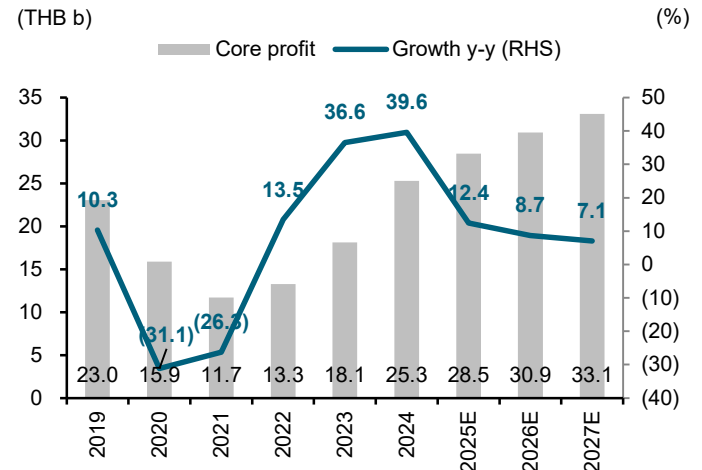
Sources: CPALL, FSSIA estimates

Exhibit 55: Yearly SG&amp;A breakdown of CPALL (consolidated)



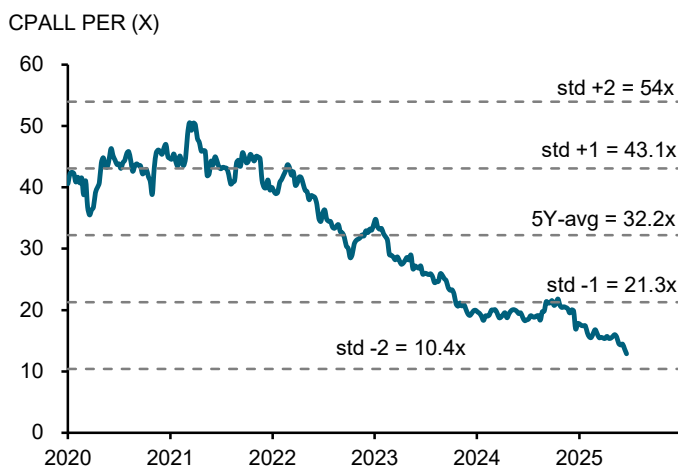
Source: CPALL

Exhibit 56: Yearly core profit growth



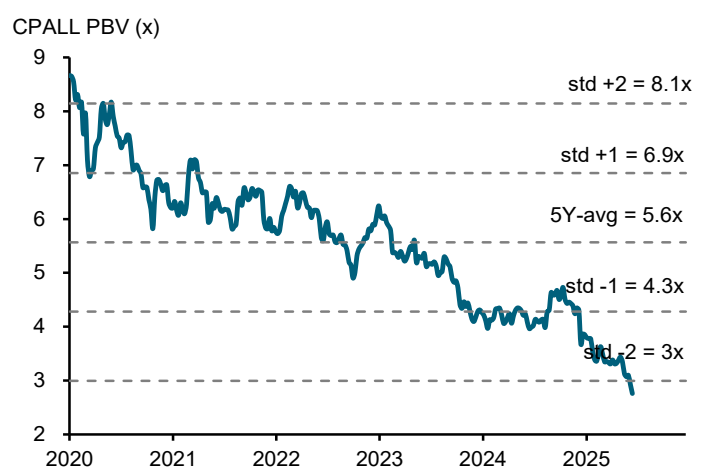
Sources: CPALL, FSSIA estimates

Exhibit 57: Rolling one-year forward P/E band



Sources: Bloomberg, FSSIA estimates

Exhibit 58: Rolling one-year forward P/BV band



Sources: Bloomberg, FSSIA estimates

## Financial Statements

CP All

Profit and Loss (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Revenue	895,281	958,998	984,460	1,034,829	1,086,004
Cost of goods sold	(699,010)	(742,490)	(758,727)	(795,138)	(832,700)
<b>Gross profit</b>	<b>196,271</b>	<b>216,507</b>	<b>225,733</b>	<b>239,692</b>	<b>253,304</b>
Other operating income	0	0	0	0	0
Operating costs	(179,912)	(194,553)	(200,854)	(212,996)	(224,916)
<b>Operating EBITDA</b>	<b>52,942</b>	<b>59,159</b>	<b>66,232</b>	<b>67,873</b>	<b>72,868</b>
Depreciation	(36,582)	(37,205)	(41,353)	(41,177)	(44,480)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>16,359</b>	<b>21,954</b>	<b>24,879</b>	<b>26,696</b>	<b>28,388</b>
Net financing costs	(16,090)	(14,904)	(14,465)	(13,800)	(13,336)
Associates	746	673	529	581	611
Recurring non-operating income	25,839	28,819	29,917	30,903	31,825
Non-recurring items	346	31	0	0	0
<b>Profit before tax</b>	<b>26,454</b>	<b>35,900</b>	<b>40,331</b>	<b>43,799</b>	<b>46,877</b>
Tax	(4,602)	(6,388)	(7,364)	(7,995)	(8,559)
<b>Profit after tax</b>	<b>21,852</b>	<b>29,512</b>	<b>32,968</b>	<b>35,804</b>	<b>38,318</b>
Minority interests	(3,370)	(4,166)	(4,513)	(4,877)	(5,206)
Preferred dividends	0	0	0	0	0
Other items	0	0	0	0	0
<b>Reported net profit</b>	<b>18,482</b>	<b>25,346</b>	<b>28,455</b>	<b>30,927</b>	<b>33,112</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>(346)</b>	<b>(31)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>18,136</b>	<b>25,314</b>	<b>28,455</b>	<b>30,927</b>	<b>33,112</b>
<b>Per share (THB)</b>					
Recurring EPS *	2.02	2.82	3.17	3.44	3.69
Reported EPS	2.06	2.82	3.17	3.44	3.69
DPS	1.00	1.35	1.58	1.72	1.84
Diluted shares (used to calculate per share data)	8,983	8,983	8,983	8,983	8,983
<b>Growth</b>					
Revenue (%)	8.0	7.1	2.7	5.1	4.9
Operating EBITDA (%)	7.8	11.7	12.0	2.5	7.4
Operating EBIT (%)	30.0	34.2	13.3	7.3	6.3
Recurring EPS (%)	36.6	39.6	12.4	8.7	7.1
Reported EPS (%)	39.3	37.1	12.3	8.7	7.1
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	21.9	22.6	22.9	23.2	23.3
Gross margin exc. depreciation (%)	26.0	26.5	27.1	27.1	27.4
Operating EBITDA margin (%)	5.9	6.2	6.7	6.6	6.7
Operating EBIT margin (%)	1.8	2.3	2.5	2.6	2.6
Net margin (%)	2.0	2.6	2.9	3.0	3.0
Effective tax rate (%)	18.1	18.2	18.5	18.5	18.5
Dividend payout on recurring profit (%)	49.5	47.9	50.0	50.0	50.0
Interest cover (X)	2.6	3.4	3.8	4.2	4.5
Inventory days	31.9	30.7	31.5	31.0	31.1
Debtor days	7.6	7.6	8.0	8.2	8.5
Creditor days	84.7	83.1	73.2	60.0	56.0
Operating ROIC (%)	10.2	13.9	13.7	13.1	14.0
ROIC (%)	5.0	5.9	6.0	6.1	6.3
ROE (%)	17.1	21.3	21.2	20.8	20.1
ROA (%)	3.7	4.5	4.7	5.0	5.2

\* Pre-exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2023	2024	2025E	2026E	2027E
Sales	895,281	958,998	984,460	1,034,829	1,086,004

Sources: CP All; FSSIA estimates

## Financial Statements

CP All

Cash Flow (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Recurring net profit	18,136	25,314	28,455	30,927	33,112
Depreciation	36,582	37,205	41,353	41,177	44,480
Associates & minorities	2,624	3,493	3,985	4,295	4,595
Other non-cash items	-	-	-	-	-
Change in working capital	12,711	(4,593)	(37,263)	(10,378)	(5,418)
<b>Cash flow from operations</b>	<b>70,053</b>	<b>61,420</b>	<b>36,529</b>	<b>66,022</b>	<b>76,769</b>
Capex - maintenance	0	0	0	0	0
Capex - new investment	(36,964)	(40,002)	(36,004)	(33,763)	(35,030)
Net acquisitions & disposals	(448)	(1,526)	(1,624)	(1,593)	(1,586)
Other investments (net)	(6,574)	(15,501)	(7,145)	518	(6,371)
<b>Cash flow from investing</b>	<b>(43,987)</b>	<b>(57,028)</b>	<b>(44,773)</b>	<b>(34,838)</b>	<b>(42,986)</b>
Dividends paid	(8,983)	(12,127)	(14,227)	(15,464)	(16,556)
Equity finance	(2,347)	(2,015)	0	0	0
Debt finance	(19,310)	(2,938)	14,280	(13,399)	(15,765)
Other financing cash flows	0	0	0	0	0
<b>Cash flow from financing</b>	<b>(30,640)</b>	<b>(17,080)</b>	<b>53</b>	<b>(28,863)</b>	<b>(32,321)</b>
Non-recurring cash flows	0	0	0	0	0
Other adjustments	0	0	0	0	0
<b>Net other adjustments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Movement in cash</b>	<b>(4,574)</b>	<b>(12,688)</b>	<b>(8,192)</b>	<b>2,321</b>	<b>1,462</b>
Free cash flow to firm (FCFF)	42,623.96	19,886.76	6,757.96	45,783.23	47,514.51
Free cash flow to equity (FCFE)	6,756.51	1,454.11	6,035.32	17,784.68	18,018.13

### Per share (THB)

FCFF per share	4.74	2.21	0.75	5.10	5.29
FCFE per share	0.75	0.16	0.67	1.98	2.01
Recurring cash flow per share	6.38	7.35	8.21	8.50	9.15

Balance Sheet (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Tangible fixed assets (gross)	319,191	336,628	370,152	401,311	433,607
Less: Accumulated depreciation	(105,399)	(120,039)	(158,912)	(197,486)	(239,231)
<b>Tangible fixed assets (net)</b>	<b>213,792</b>	<b>216,589</b>	<b>211,240</b>	<b>203,826</b>	<b>194,375</b>
<b>Intangible fixed assets (net)</b>	<b>360,641</b>	<b>360,641</b>	<b>360,641</b>	<b>360,641</b>	<b>360,641</b>
Long-term financial assets	0	0	0	0	0
Invest. in associates & subsidiaries	16,768	18,900	21,053	23,227	25,423
Cash & equivalents	67,317	54,628	46,437	48,758	50,220
A/C receivable	18,734	20,988	22,085	24,633	25,851
Inventories	57,501	61,269	62,609	65,614	68,713
Other current assets	247	266	274	288	302
<b>Current assets</b>	<b>143,798</b>	<b>137,153</b>	<b>131,404</b>	<b>139,291</b>	<b>145,086</b>
Other assets	191,492	210,838	218,689	220,337	228,663
<b>Total assets</b>	<b>926,491</b>	<b>944,120</b>	<b>943,027</b>	<b>947,323</b>	<b>954,189</b>
Common equity	110,995	126,860	141,088	156,551	173,107
Minorities etc.	190,600	192,750	197,264	202,141	207,347
<b>Total shareholders' equity</b>	<b>301,595</b>	<b>319,611</b>	<b>338,351</b>	<b>358,692</b>	<b>380,454</b>
Long term debt	353,745	359,000	373,331	370,634	350,164
Other long-term liabilities	32,954	33,134	34,013	35,754	37,522
<b>Long-term liabilities</b>	<b>386,699</b>	<b>392,133</b>	<b>407,344</b>	<b>406,388</b>	<b>387,686</b>
A/C payable	159,811	161,242	126,416	121,590	120,490
Short term debt	73,781	65,589	65,538	54,836	59,540
Other current liabilities	4,604	5,545	5,378	5,818	6,019
<b>Current liabilities</b>	<b>238,197</b>	<b>232,376</b>	<b>197,331</b>	<b>182,243</b>	<b>186,049</b>
<b>Total liabilities and shareholders' equity</b>	<b>926,491</b>	<b>944,120</b>	<b>943,027</b>	<b>947,323</b>	<b>954,189</b>
Net working capital	(87,935)	(84,263)	(46,825)	(36,874)	(31,643)
Invested capital	694,759	722,705	764,797	771,157	777,460

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

### Per share (THB)

Book value per share	11.25	13.01	14.60	16.32	18.16
Tangible book value per share	(28.90)	(27.13)	(25.55)	(23.83)	(21.98)

### Financial strength

Net debt/equity (%)	119.4	115.8	116.0	105.0	94.5
Net debt/total assets (%)	38.9	39.2	41.6	39.8	37.7
Current ratio (x)	0.6	0.6	0.7	0.8	0.8
CF interest cover (x)	3.7	3.8	3.9	4.7	5.0

Valuation	2023	2024	2025E	2026E	2027E
<b>Recurring P/E (x) *</b>	<b>21.8</b>	<b>15.6</b>	<b>13.9</b>	<b>12.8</b>	<b>11.9</b>
<b>Recurring P/E @ target price (x) *</b>	<b>32.2</b>	<b>23.1</b>	<b>20.5</b>	<b>18.9</b>	<b>17.6</b>
Reported P/E (x)	21.4	15.6	13.9	12.8	11.9
Dividend yield (%)	2.3	3.1	3.6	3.9	4.2
Price/book (x)	3.9	3.4	3.0	2.7	2.4
Price/tangible book (x)	(1.5)	(1.6)	(1.7)	(1.8)	(2.0)
EV/EBITDA (x) **	18.1	16.4	15.0	14.5	13.3
EV/EBITDA @ target price (x) **	21.6	19.6	17.9	17.3	15.9
EV/invested capital (x)	1.4	1.3	1.3	1.3	1.3

\* 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


**75.48 /100**

### Exhibit 59: 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	<b>A mixed track record of managing the most significant ESG risks and opportunities relative to industry peers.</b>
★★★	>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 60: ESG – peer comparison

	FSSIA ESG score	Domestic ratings						Global ratings					Bloomberg		
		DJSI	SET ESG	SET ESG Rating	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	79.24	Y	Y	AA	5.00	4.00	--	Medium	72.74	AA	--	59.67	92.00	4.32	61.31
CPALL	75.48	Y	Y	AAA	5.00	4.00	Certified	Medium	67.76	A	34.00	64.69	88.00	--	--
CPAXT	53.49	--	Y	AA	5.00	5.00	Certified	--	--	BBB	--	--	84.00	3.90	67.20
CRC	74.92	--	Y	AA	5.00	5.00	Certified	Low	67.96	BBB	--	65.58	84.00	5.15	58.56

Sources: [SETTRADE.com](https://www.settrade.com); FSSIA's compilation

### Exhibit 61: ESG score by Bloomberg

FY ending Dec 31	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
<b>ESG financial materiality scores - ESG score</b>	<b>2.14</b>	<b>2.35</b>	<b>2.64</b>	<b>3.62</b>	<b>4.51</b>	<b>3.79</b>	<b>3.95</b>	<b>—</b>
BESG environmental pillar score	1.58	1.62	2.24	4.32	5.59	2.56	3.17	—
BESG social pillar score	1.97	2.23	2.52	3.28	4.57	4.82	4.85	—
BESG governance pillar score	3.08	3.40	3.27	3.50	3.45	3.48	3.35	—
<b>ESG disclosure score</b>	<b>53.95</b>	<b>56.31</b>	<b>59.53</b>	<b>65.34</b>	<b>65.74</b>	<b>66.17</b>	<b>65.44</b>	<b>—</b>
Environmental disclosure score	45.09	45.42	47.39	52.73	56.12	56.78	56.78	—
Social disclosure score	35.55	36.03	43.74	55.83	53.66	54.29	52.09	—
Governance disclosure score	81.10	87.36	87.36	87.36	87.36	87.36	87.36	—
<b>Environmental</b>								
Emissions reduction initiatives	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Climate change policy	No	Yes	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	Yes	Yes	Yes
GHG scope 1	8	9	13	13	11	324	449	515
GHG scope 2 location-based	1,124	1,058	1,273	1,216	1,177	1,454	1,588	1,548
GHG Scope 3	—	—	—	1,275	1,413	13,132	13,192	15,186
Carbon per unit of production	—	—	—	—	—	—	—	—
Biodiversity policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Energy efficiency policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Total energy consumption	1,994	2,293	2,425	2,541	3,405	3,340	3,833	3,996
Renewable energy use	0	1	4	4	4	52	13	100
Electricity used	1,930	2,019	2,191	2,390	3,255	3,181	3,558	3,744
Fuel used - natural gas	441	1,050	1,423	1,554	59,257	57,213	1,782	1,638

Sources: Bloomberg; FSSIA's compilation



**Exhibit 62: ESG score by Bloomberg (cont.)**

FY ending Dec 31	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Fuel used - crude oil/diesel	No	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	22	74	135	174	82	219	214	58
Waste recycled	0	27	83	120	70	110	141	90
Waste sent to landfills	18	41	45	46	48	51	55	53
Environmental supply chain management	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Water policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Water consumption	—	—	—	—	15,199	14,470	7,360	8,010
<b>Social</b>								
Human rights policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Policy against child labor	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Quality assurance and recall policy	No	No	No	No	No	No	No	No
Consumer data protection policy	No	Yes	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	Yes	Yes
Pct women in workforce	66	66	64	61	65	64	65	65
Pct disabled in workforce	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	1	0	0
Total recordable incident rate - employees	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	Yes	Yes	Yes
Number of employees – CSR	71,072	75,842	92,692	122,894	191,480	190,008	167,401	181,108
Employee turnover pct	49	44	42	42	34	40	59	48
Total hours spent by firm - employee training	—	—	2,360,870	2,725,790	3,620,890	3,929,370	5,055,510	6,202,950
Social supply chain management	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<b>Governance</b>								
<b>Board size</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>16</b>	<b>16</b>	<b>16</b>
<b>No. of independent directors (ID)</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>6</b>	<b>6</b>	<b>6</b>
No. of women on board	0	0	1	1	1	1	1	1
No. of non-executive directors on board	10	10	10	10	10	11	11	11
Company conducts board evaluations	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
No. of board meetings for the year	7	6	8	7	10	9	8	9
Board meeting attendance pct	86	90	90	95	98	99	95	94
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	52	53	54	52	53	54	55	56
Age of the oldest director	84	85	80	81	82	83	84	85
<b>No. of executives / company managers</b>	<b>15</b>	<b>18</b>	<b>18</b>	<b>16</b>	<b>15</b>	<b>13</b>	<b>17</b>	<b>8</b>
No. of female executives	0	1	1	1	1	2	3	1
Executive share ownership guidelines	No	No	No	No	No	No	No	No
<b>Size of audit committee</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
No. of ID on audit committee	3	3	3	3	3	3	3	3
Audit committee meetings	13	12	12	12	13	13	12	13
Audit meeting attendance %	100	100	97	100	100	100	100	100
<b>Size of compensation committee</b>	<b>4</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
No. of ID on compensation committee	2	2	2	2	2	2	2	2
No. of compensation committee meetings	1	3	3	4	2	3	3	4
Compensation meeting attendance %	75	100	89	92	100	100	100	100
<b>Size of nomination committee</b>	<b>4</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
No. of nomination committee meetings	1	3	3	4	2	3	3	4
Nomination meeting attendance %	75	100	89	92	100	100	100	100
<b>Sustainability governance</b>								
Verification type	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Sources: Bloomberg; FSSIA's compilation

# CP AXTRA CPAXT TB

THAILAND / COMMERCE

**BUY**  
 UNCHANGED

## Resilient core, rising competition

- Still expect CPAXT to be a leader in its segments, but there is a more challenging growth outlook amid intensifying competition.
- Expect a slight earnings downside on consensus estimates.
- Maintain BUY with a revised DCF-TP of THB23/shr.

### Leading wholesale and hypermarket with some challengers

CPAXT is a leading player in domestic wholesale and hypermarket segments. It also operates in Cambodia, Myanmar, India, and Malaysia. However, we remain cautious on the competitive landscape in the hypermarket segment, particularly from Big C, which targets a similar customer base. In a low-growth economic environment, this competition is likely to intensify in fresh food, where players are more focused on offsetting softer sales in the softline and homeline categories.

### Expect a 7.2% y-y CAGR for 2025-27 earnings growth

We forecast CPAXT's net profit to grow at a CAGR of 7.2% y-y for 2025-2027, driven by new store openings and synergy benefits that support GPM uplift and OPEX savings. For 2025, earnings are expected to grow by 6.8% y-y, supported by contributions from new stores and improved profitability from synergies—helping to offset the impact of rising competition. However, we see a 5.5% downside risk to the market's 2025 profit estimates due to lower-than-expected rental income and synergy realization in 1H25. Additionally, loss contributions from the Happitat project are expected to increase in 2026.

### Standing tall amid intensifying competition

We maintain a positive outlook on CPAXT, supported by its competitive strengths in both the Makro and Lotus's platforms—particularly in scale advantages, implementation of a hybrid model, and strong omnichannel sales. However, we expect intensifying competition. For Makro, Go Wholesale (CRC) is targeting 25 stores by 2027, equivalent to 23% of Makro's large-store footprint. Lotus's is likely to continue facing pressure from Big C and rising competition in the middle-income segment.

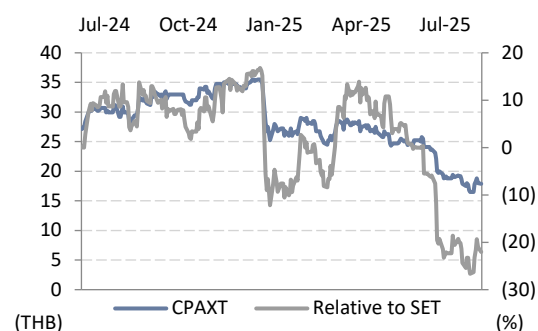
### Buy call on the overhang release

CPAXT's share price is down 31% YTD, pressured by P/E derating across the sector and investor concerns over potential financial support for its parent company, MQDC. However, the board has clearly reiterated that CPAXT will not engage in any financial support or investment with MQDC. Therefore, despite its P/E trading at a premium to peers, the recent correction and the absence of governance-related risks support our BUY call with a revised DCF-TP of THB23 (from THB34). With this report, we transfer coverage of CPAXT to Kampon Akaravarinchai.

TARGET PRICE	THB23.00
CLOSE	THB17.90
UP/DOWNSIDE	+28.5%
PRIOR TP	THB34.00
CHANGE IN TP	-32.4%
TP vs CONSENSUS	-20.3%

### KEY STOCK DATA

YE Dec (THB m)	2024	2025E	2026E	2027E
Revenue	508,745	520,300	539,722	558,509
Net profit	10,569	11,573	12,504	13,349
EPS (THB)	1.01	1.11	1.20	1.28
vs Consensus (%)	-	(5.5)	(10.0)	(14.2)
EBITDA	36,522	39,237	43,232	46,281
Recurring net profit	10,837	11,573	12,504	13,349
Core EPS (THB)	1.04	1.11	1.20	1.28
Chg. In EPS est. (%)	-	(9.9)	(12.4)	(8.9)
EPS growth (%)	23.5	6.8	8.1	6.8
Core P/E (x)	17.2	16.1	14.9	14.0
Dividend yield (%)	4.0	4.3	4.7	5.0
EV/EBITDA (x)	7.3	6.8	6.0	5.4
Price/book (x)	0.6	0.6	0.6	0.6
Net debt/Equity (%)	26.3	26.7	23.7	20.4
ROE (%)	3.7	3.9	4.1	4.3



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(4.8)	(31.2)	(35.3)
Relative to country (%)	0.4	(26.8)	(22.7)
Mkt cap (USD m)	5,744		
3m avg. daily turnover (USD m)	6.2		
Free float (%)	15		
Major shareholder	CP ALL (60%)		
12m high/low (THB)	35.50/16.10		
Issued shares (m)	10,427.66		

Sources: Bloomberg consensus; FSSIA estimates



**Kampon Akaravarinchai**

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## Investment thesis

CPAXT is the leading wholesale and hypermarket operator. The company is also one of the largest retail mall lessors in Thailand. Management guided that the company expects to realize THB2.5b and THB2.7b in synergistic value in 2025-26, respectively. 52% of this benefit would come from OPEX savings and another 48% from GPM uplift.

In our view, CPAXT should maintain its leading position in the wholesale and hypermarket segments over the long term. However, we foresee a more challenging growth expansion given the intensifying competition among conventional competitors in a slow-growth market, such as Go Wholesale and Big C hypermarket. We foresee an upside from the mispricing of CPAXT's share price following investors' concerns over the financial support for MQDC.

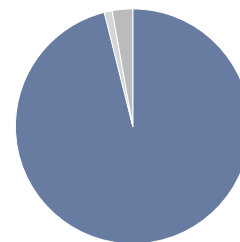
## Company profile

CPAXT operates a wholesale unit under Makro to distribute consumer products to SMEs, retailers, restaurant operators, freelancers, and various institutions. Also, it is in the food service business to import and distribute frozen and chilled food to restaurants and small retailers. Finally, it has retail and rental subsidiaries under Lotus's.

[www.cpaxtra.com](http://www.cpaxtra.com)

## Principal activities (revenue, 2024)

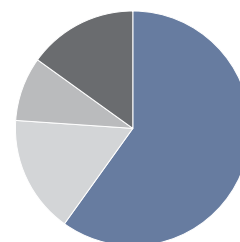
- Sales - 96.1 %
- Service income - 1.1 %
- Rental and rendering retail services - 2.8 %



Source: CP Aextra

## Major shareholders

- CP ALL - 59.9 %
- Charoen Pokphand Holdings - 16.2 %
- CP Merchandising - 8.9 %
- Others - 15.1 %



Source: CP Aextra

## Catalysts

Key potential growth catalysts for CPAXT in 2025-27 include: 1) better consumer confidence in the nationwide market; 2) a rise in international tourist arrivals; 3) government economic stimulus packages; and 4) a greater realization of synergy value, supporting profitability improvement.

## Risks to our call

Downside risks to our DCF-based TP include 1) a decline in domestic purchasing power; 2) lower-than-expected tourist arrivals; 3) the absence of government stimulus; 4) a lower-than-expected y-y gross profit margin improvement; and 5) a higher-than-expected loss contribution from the Happitat project.

## Event calendar

Date	Event
Aug 2025	2Q25 earnings release

## Key assumptions

CPAXT	Actual	Current		
	2024	2025E	2026E	2027E
SSSG MAKRO (%)	2.8	3.0	3.0	3.0
SSSG Lotus-TH (%)	3.6	3.0	3.0	3.0
SSSG Lotus-ML (%)	3.7	3.0	3.0	3.0
Makro stores growth (%)	4.6	2.3	2.2	2.1
Lotus's stores growth (%)	1.2	4.2	3.9	3.8
GPM from sales (%)	14.4	14.8	14.9	15.0
GPM (%)	55.2	55.0	55.0	55.0
SG&A to revenue (%)	13.3	13.3	13.4	13.4

Source: FSSIA estimates, \*we made an adjustment of some service income to COGS which impacted to GPM by +30bps a year (based on 1Q25). There is no impact on NPAT.

## Earnings sensitivity

- For every 1% increase in SSSG, we estimate 2025 EPS would rise 0.9%, and vice versa, all else being equal.
- For every 0.1% increase in GPM, we estimate 2025 EPS would rise 3.0%, and vice versa, all else being equal.
- For every 0.1% increase in SG&A to revenue, we estimate 2025 EPS would fall 3.0%, and vice versa, all else being equal.

Source: FSSIA estimates

## Valuation

After transferring coverage, we revise our target price on CPAXT to THB23 from THB34 per share, based on a DCF valuation method (7.9% WACC, 2% TG). Our new target price implies 20.7x 2025E P/E, equivalent to -1.5SD below CPAXT's 5-year historical trading average.

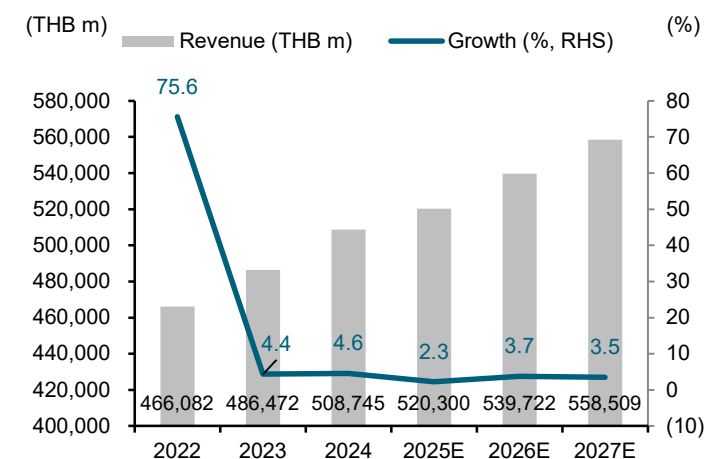
CPAXT's share price is down 31% YTD, pressured by P/E derating across the sector and investor concerns over potential financial support for its parent company, MQDC. However, the board has clearly reiterated that CPAXT will not engage in any financial support or investment with MQDC. Therefore, despite its P/E trading at a premium to peers, the recent correction and the absence of governance-related risks support our BUY call on CPAXT.

### Exhibit 63: DCF-derived TP

DCF-derived TP	(%)	(THB b)
Discount rate (WACC)	7.9	
Terminal growth	2.0	
NPV		116
Add: terminal value		206
Sum of PV		322
Add: investment		0
Less: debt		81
Less: minorities		0.9
Residual ordinary equity		240
No. of shares (m)		10,428
<b>Residual ordinary equity (THB/share)</b>		<b>23.0</b>

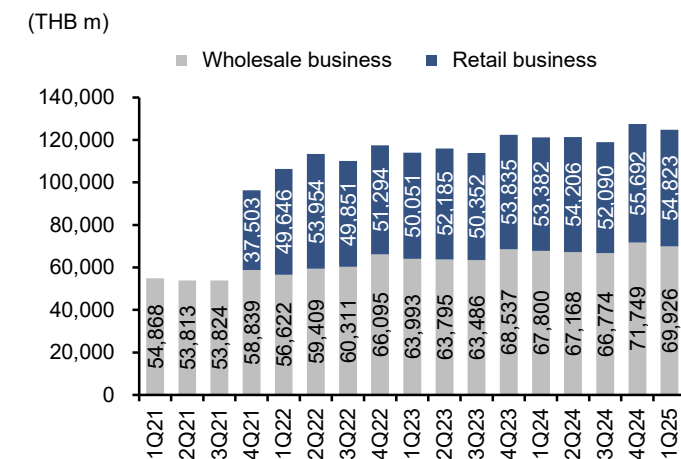
Sources: FSSIA estimates

### Exhibit 64: Revenue and growth



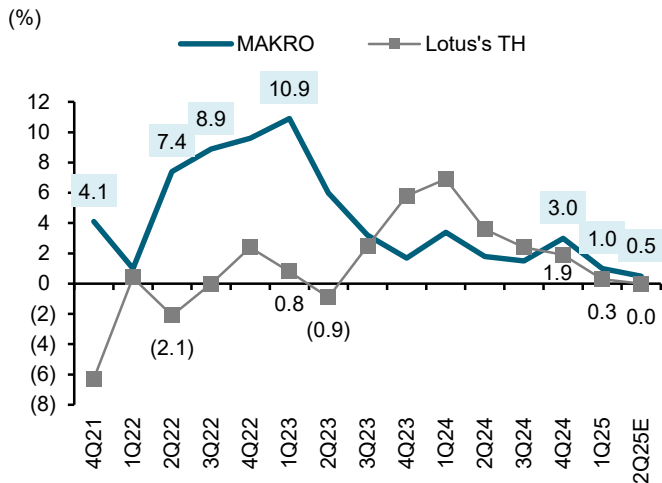
Sources: CPAXT, FSSIA estimates

### Exhibit 65: Wholesale and Retail sales



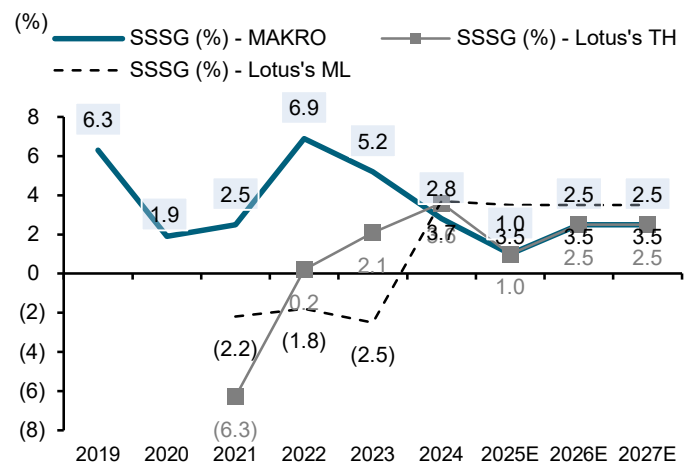
Source: CPAXT

Exhibit 66: Quarterly SSSG trend



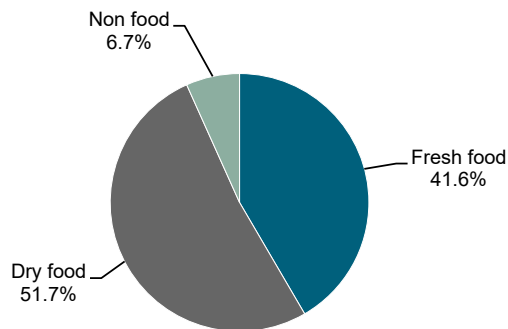
Sources: CPAXT, FSSIA estimates

Exhibit 67: Yearly SSSG trend



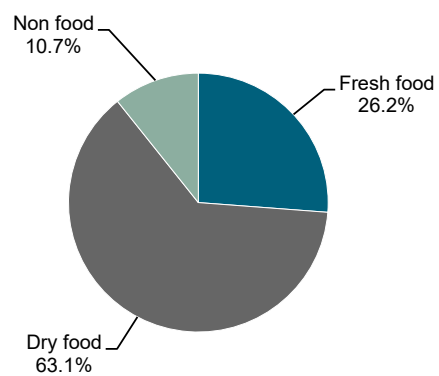
Sources: CPAXT, FSSIA estimates

Exhibit 68: MAKRO sales breakdown



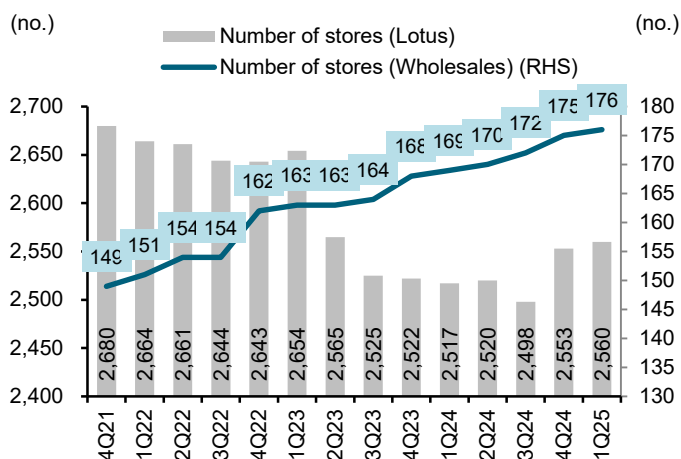
Source: CPAXT

Exhibit 69: Lotus's sales breakdown



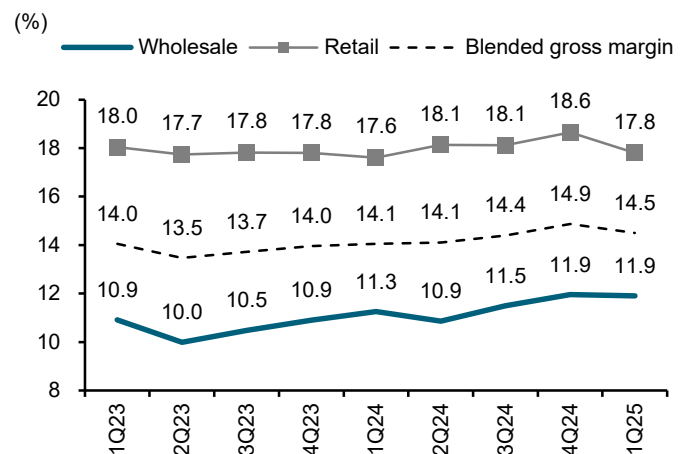
Source: CPAXT

Exhibit 70: Number of stores



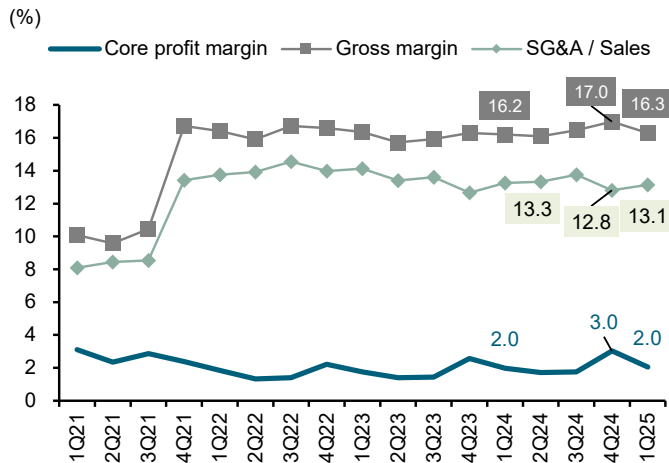
Source: CPAXT

Exhibit 71: GPM by format



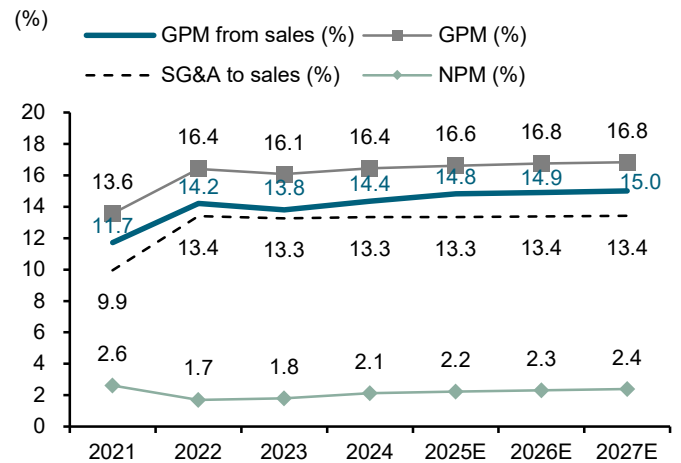
Source: CPAXT \*Excluding adjustment of service income to COGS, we expect blended GPM of 14.2% in 1Q25.

Exhibit 72: CPAXT's quarterly operating margins



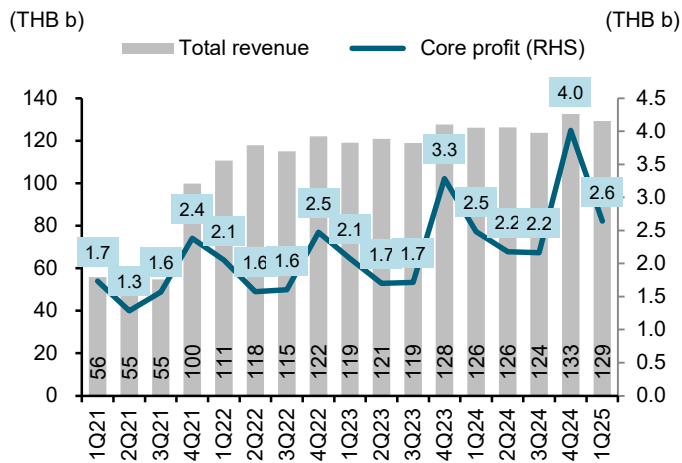
Source: CPAXT

Exhibit 73: CPAXT's yearly operating margins



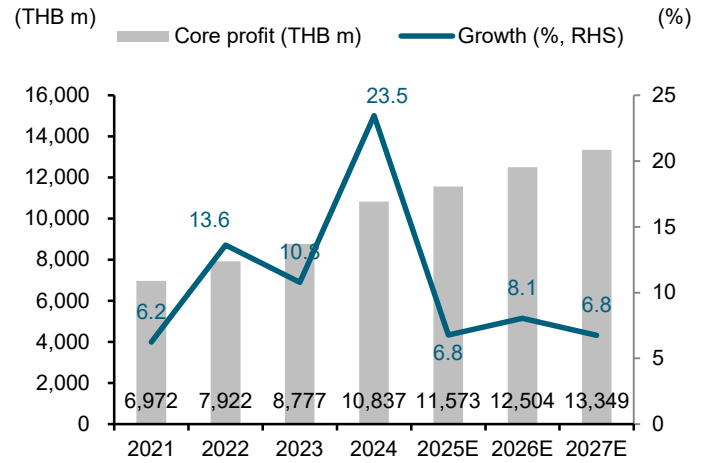
Source: CPAXT, FSSIA estimates \*We made an adjustment of some service income to COGS which impacted GPM by +30bps a year (based on 1Q25). There is no impact on NPAT.

Exhibit 74: Quarterly revenue and core profit



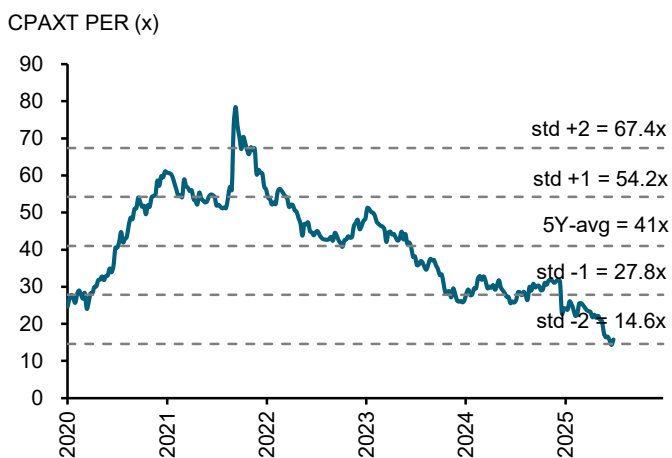
Source: CPAXT

Exhibit 75: Yearly core profit growth



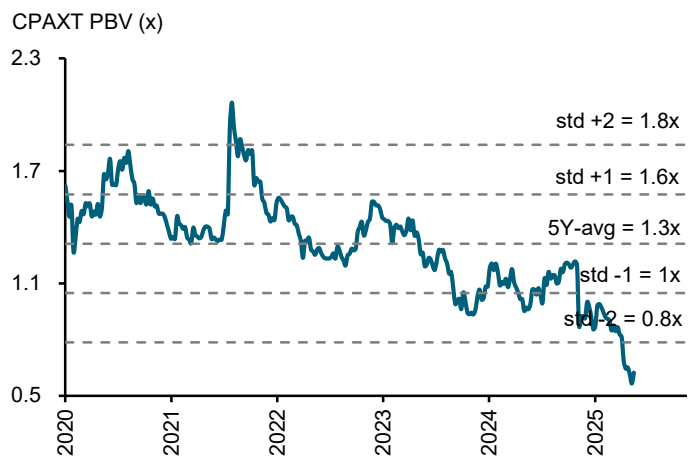
Sources: CPAXT, FSSIA estimates

Exhibit 76: Rolling one-year forward P/E band



Sources: Bloomberg, FSSIA estimates

Exhibit 77: Rolling one-year forward P/BV band



Sources: Bloomberg, FSSIA estimates

## Financial Statements

### CP Axtra

Profit and Loss (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Revenue	486,472	508,745	520,300	539,722	558,509
Cost of goods sold	(408,274)	(425,070)	(433,873)	(449,310)	(464,456)
<b>Gross profit</b>	<b>78,198</b>	<b>83,675</b>	<b>86,427</b>	<b>90,412</b>	<b>94,053</b>
Other operating income	3,477	3,297	3,112	3,224	3,336
Operating costs	(64,831)	(68,071)	(69,788)	(72,692)	(75,426)
<b>Operating EBITDA</b>	<b>34,456</b>	<b>36,522</b>	<b>39,237</b>	<b>43,232</b>	<b>46,281</b>
Depreciation	(17,612)	(17,620)	(19,487)	(22,288)	(24,317)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>16,844</b>	<b>18,901</b>	<b>19,751</b>	<b>20,945</b>	<b>21,964</b>
Net financing costs	(6,319)	(5,735)	(5,623)	(5,700)	(5,681)
Associates	746	673	529	581	611
Recurring non-operating income	746	673	529	581	611
Non-recurring items	(137)	(268)	0	0	0
<b>Profit before tax</b>	<b>11,134</b>	<b>13,571</b>	<b>14,657</b>	<b>15,827</b>	<b>16,894</b>
Tax	(2,535)	(3,026)	(3,108)	(3,354)	(3,582)
<b>Profit after tax</b>	<b>8,599</b>	<b>10,545</b>	<b>11,548</b>	<b>12,473</b>	<b>13,311</b>
Minority interests	41	24	24	32	37
Preferred dividends	0	0	0	0	0
Other items	0	0	0	0	0
<b>Reported net profit</b>	<b>8,640</b>	<b>10,569</b>	<b>11,573</b>	<b>12,504</b>	<b>13,349</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>137</b>	<b>268</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>8,777</b>	<b>10,837</b>	<b>11,573</b>	<b>12,504</b>	<b>13,349</b>
<b>Per share (THB)</b>					
Recurring EPS *	0.84	1.04	1.11	1.20	1.28
Reported EPS	0.83	1.01	1.11	1.20	1.28
DPS	0.58	0.71	0.78	0.84	0.90
Diluted shares (used to calculate per share data)	10,428	10,428	10,428	10,428	10,428
<b>Growth</b>					
Revenue (%)	4.4	4.6	2.3	3.7	3.5
Operating EBITDA (%)	(0.1)	6.0	7.4	10.2	7.1
Operating EBIT (%)	(0.5)	12.2	4.5	6.0	4.9
Recurring EPS (%)	10.8	23.5	6.8	8.1	6.8
Reported EPS (%)	12.3	22.3	9.5	8.1	6.8
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	16.1	16.4	16.6	16.8	16.8
Gross margin exc. depreciation (%)	19.7	19.9	20.4	20.9	21.2
Operating EBITDA margin (%)	7.1	7.2	7.5	8.0	8.3
Operating EBIT margin (%)	3.5	3.7	3.8	3.9	3.9
Net margin (%)	1.8	2.1	2.2	2.3	2.4
Effective tax rate (%)	24.4	23.5	22.0	22.0	22.0
Dividend payout on recurring profit (%)	68.7	68.3	70.0	70.0	70.0
Interest cover (X)	2.8	3.4	3.6	3.8	4.0
Inventory days	34.4	32.4	32.9	33.2	33.3
Debtor days	1.8	1.8	1.8	1.7	1.7
Creditor days	60.2	59.8	60.7	62.1	62.3
Operating ROIC (%)	17.6	20.3	20.1	21.0	23.4
ROIC (%)	3.2	3.5	3.6	3.8	4.0
ROE (%)	3.0	3.7	3.9	4.1	4.3
ROA (%)	2.5	2.8	2.9	3.0	3.1

\* Pre-exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2023	2024	2025E	2026E	2027E
Sales	466,234	488,862	501,907	520,035	538,093
Service income	5,935	5,563	4,266	4,420	4,574
Rental and rendering retail services	14,303	14,321	14,127	15,266	15,842

Sources: CP Axtra; FSSIA estimates



## Financial Statements

### CP Axta

Cash Flow (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Recurring net profit	8,777	10,837	11,573	12,504	13,349
Depreciation	17,612	17,620	19,487	22,288	24,317
Associates & minorities	13	413	0	0	0
Other non-cash items	(160)	(186)	(32)	25	(7)
Change in working capital	7,381	(1,682)	3,481	1,090	1,070
<b>Cash flow from operations</b>	<b>33,624</b>	<b>27,003</b>	<b>34,509</b>	<b>35,907</b>	<b>38,730</b>
Capex - maintenance	-	-	-	-	-
Capex - new investment	(13,319)	(17,846)	(27,685)	(17,500)	(18,500)
Net acquisitions & disposals	(6,765)	(22,523)	(4,112)	(4,361)	(4,632)
Other investments (net)	(2,166)	(1,570)	955	307	749
<b>Cash flow from investing</b>	<b>(22,250)</b>	<b>(41,938)</b>	<b>(30,842)</b>	<b>(21,554)</b>	<b>(22,383)</b>
Dividends paid	(6,031)	(7,404)	(8,101)	(8,753)	(9,344)
Equity finance	(35)	1,586	1,246	1,246	1,246
Debt finance	(13,704)	2,868	3,358	(656)	(364)
Other financing cash flows	0	0	0	0	0
<b>Cash flow from financing</b>	<b>(19,770)</b>	<b>(2,949)</b>	<b>(3,497)</b>	<b>(8,163)</b>	<b>(8,462)</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	5,651	0	0	0
<b>Net other adjustments</b>	<b>0</b>	<b>5,651</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Movement in cash</b>	<b>(8,396)</b>	<b>(12,233)</b>	<b>170</b>	<b>6,190</b>	<b>7,884</b>
Free cash flow to firm (FCFF)	17,693.27	(9,199.86)	9,289.70	20,052.19	22,027.21
Free cash flow to equity (FCFE)	(2,330.45)	(6,415.41)	7,025.03	13,696.78	15,982.58
<b>Per share (THB)</b>					
FCFF per share	1.70	(0.88)	0.89	1.92	2.11
FCFE per share	(0.22)	(0.62)	0.67	1.31	1.53
Recurring cash flow per share	2.52	2.75	2.98	3.34	3.61
<b>Balance Sheet (THB m) Year Ending Dec</b>					
Tangible fixed assets (gross)	150,596	160,169	187,854	205,354	223,854
Less: Accumulated depreciation	(35,022)	(42,474)	(59,875)	(79,869)	(101,663)
<b>Tangible fixed assets (net)</b>	<b>115,574</b>	<b>117,695</b>	<b>127,979</b>	<b>125,485</b>	<b>122,191</b>
<b>Intangible fixed assets (net)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Long-term financial assets	0	0	0	0	0
Invest. in associates & subsidiaries	14,783	15,895	15,895	15,895	15,895
Cash & equivalents	31,707	19,474	19,645	25,834	33,719
A/C receivable	2,304	2,625	2,464	2,556	2,645
Inventories	35,884	36,484	38,134	39,491	40,822
Other current assets	6,844	8,339	8,529	8,847	9,155
<b>Current assets</b>	<b>76,739</b>	<b>66,923</b>	<b>68,771</b>	<b>76,728</b>	<b>86,340</b>
Other assets	333,275	346,018	348,244	350,514	352,830
<b>Total assets</b>	<b>540,371</b>	<b>546,531</b>	<b>560,888</b>	<b>568,621</b>	<b>577,256</b>
Common equity	292,923	297,674	302,392	307,389	312,640
Minorities etc.	555	943	919	887	850
<b>Total shareholders' equity</b>	<b>293,477</b>	<b>298,617</b>	<b>303,311</b>	<b>308,276</b>	<b>313,489</b>
Long term debt	70,180	66,732	75,364	84,059	77,383
Other long-term liabilities	58,569	58,344	59,511	60,702	61,916
<b>Long-term liabilities</b>	<b>128,749</b>	<b>125,076</b>	<b>134,875</b>	<b>144,761</b>	<b>139,298</b>
A/C payable	67,136	66,376	71,346	73,884	76,375
Short term debt	26,005	31,425	25,183	14,845	20,151
Other current liabilities	25,003	25,036	26,173	26,855	27,943
<b>Current liabilities</b>	<b>118,145</b>	<b>122,838</b>	<b>122,702</b>	<b>115,585</b>	<b>124,468</b>
<b>Total liabilities and shareholders' equity</b>	<b>540,371</b>	<b>546,531</b>	<b>560,888</b>	<b>568,622</b>	<b>577,256</b>
Net working capital	(47,108)	(43,964)	(48,393)	(49,846)	(51,696)
Invested capital	416,524	435,644	443,725	442,048	439,220
* Includes convertibles and preferred stock which is being treated as debt					
<b>Per share (THB)</b>					
Book value per share	28.09	28.55	29.00	29.48	29.98
Tangible book value per share	28.09	28.55	29.00	29.48	29.98
<b>Financial strength</b>					
Net debt/equity (%)	22.0	26.3	26.7	23.7	20.4
Net debt/total assets (%)	11.9	14.4	14.4	12.9	11.1
Current ratio (x)	0.6	0.5	0.6	0.7	0.7
CF interest cover (x)	2.7	3.0	7.2	6.5	7.1
<b>Valuation</b>					
<b>Recurring P/E (x) *</b>	<b>21.3</b>	<b>17.2</b>	<b>16.1</b>	<b>14.9</b>	<b>14.0</b>
<b>Recurring P/E @ target price (x) *</b>	<b>27.3</b>	<b>22.1</b>	<b>20.7</b>	<b>19.2</b>	<b>18.0</b>
Reported P/E (x)	21.6	17.7	16.1	14.9	14.0
Dividend yield (%)	3.2	4.0	4.3	4.7	5.0
Price/book (x)	0.6	0.6	0.6	0.6	0.6
Price/tangible book (x)	0.6	0.6	0.6	0.6	0.6
EV/EBITDA (x) **	7.3	7.3	6.8	6.0	5.4
EV/EBITDA @ target price (x) **	8.8	8.7	8.2	7.3	6.6
EV/invested capital (x)	0.6	0.6	0.6	0.6	0.6
* Pre-exceptional, pre-goodwill and fully diluted    ** EBITDA includes associate income and recurring non-operating income					

Sources: CP Axta; FSSIA estimates

# CP Axtra PCL (CPAXT TB)

## FSSIA ESG rating


**53.49 /100**

### Exhibit 78: 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	<b>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.</b>
★★☆☆☆	>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 79: ESG – peer comparison

	FSSIA ESG score	Domestic ratings						Global ratings					Bloomberg		
		DJSI	SET ESG	SET ESG Rating	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	79.24	Y	Y	AA	5.00	4.00	--	Medium	72.74	AA	--	59.67	92.00	4.32	61.31
CPALL	75.48	Y	Y	AAA	5.00	4.00	Certified	Medium	67.76	A	34.00	64.69	88.00	--	--
CPAXT	53.49	--	Y	AA	5.00	5.00	Certified	--	--	BBB	--	--	84.00	3.90	67.20
CRC	74.92	--	Y	AA	5.00	5.00	Certified	Low	67.96	BBB	--	65.58	84.00	5.15	58.56

 Sources: [SETTRADE.com](https://www.settrade.com); FSSIA's compilation

### Exhibit 80: ESG score by Bloomberg

FY ending Dec 31	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
<b>ESG financial materiality scores - ESG score</b>	—	—	—	—	—	3.80	4.22	3.90
BESG environmental pillar score	—	—	—	—	—	3.80	4.30	4.50
BESG social pillar score	—	—	—	—	—	3.77	4.01	3.33
BESG governance pillar score	—	—	—	—	—	3.84	4.50	4.29
<b>ESG disclosure score</b>	<b>42.58</b>	<b>50.91</b>	<b>61.55</b>	<b>61.98</b>	<b>62.50</b>	<b>62.50</b>	<b>64.03</b>	<b>67.20</b>
Environmental disclosure score	17.85	32.89	45.12	48.51	48.51	48.51	51.98	51.98
Social disclosure score	28.66	29.84	43.29	41.17	42.74	42.74	48.88	58.40
Governance disclosure score	81.10	89.86	96.12	96.12	96.12	96.12	91.12	91.12
<b>Environmental</b>								
Emissions reduction initiatives	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Climate change policy	No	Yes	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	—	—	50	43	50	66	212	143
GHG scope 2 location-based	—	—	209	220	184	186	709	675
GHG Scope 3	—	—	—	5	58	59	7,099	7,981
Carbon per unit of production	—	—	—	—	—	—	—	—
Biodiversity policy	No	No	Yes	Yes	Yes	Yes	Yes	Yes
Energy efficiency policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Total energy consumption	329	347	730	390	395	419	1,359	1,575
Renewable energy use	0	0	0	3	18	36	9	13
Electricity used	—	—	360	377	367	371	1,290	1,300
Fuel used - natural gas	—	—	—	—	—	—	2	1

Sources: Bloomberg; FSSIA's compilation

**Exhibit 81: ESG score by Bloomberg (cont.)**

FY ending Dec 31	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Fuel used - crude oil/diesel	No	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
Total waste	52	61	62	91	62	68	173	174
Waste recycled	37	43	42	70	40	39	104	130
Waste sent to landfills	15	18	20	21	21	26	68	44
Environmental supply chain management	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Water policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Water consumption	—	—	—	—	—	—	5,464	5,144
<b>Social</b>								
Human rights policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Policy against child labor	No	No	No	Yes	Yes	Yes	Yes	Yes
Quality assurance and recall policy	No	No	No	No	No	No	No	No
Consumer data protection policy	No	No	No	Yes	Yes	Yes	Yes	Yes
Equal opportunity policy	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Gender pay gap breakout	No	No	No	No	No	No	Yes	Yes
Pct women in workforce	55	55	55	55	55	55	59	59
Pct disabled in workforce	—	—	—	—	0	0	0	0
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	1	0	1	1	1	1	0	0
Total recordable incident rate - employees	1	0	1	1	1	1	0	0
Training policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Fair remuneration policy	No	No	No	No	No	No	No	No
Number of employees – CSR	13,365	13,786	14,560	15,212	16,108	16,920	71,591	64,645
Employee turnover pct	36	39	35	31	17	16	43	32
Total hours spent by firm - employee training	—	—	130,626	162,366	231,049	249,570	2,305,950	3,057,710
Social supply chain management	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<b>Governance</b>								
<b>Board size</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>
<b>No. of independent directors (ID)</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>
No. of women on board	2	2	2	3	3	3	2	2
No. of non-executive directors on board	7	7	7	7	13	13	13	14
Company conducts board evaluations	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
No. of board meetings for the year	4	5	7	6	9	13	7	10
Board meeting attendance pct	95	92	94	96	99	98	99	97
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	53	54	—	—
Age of the oldest director	80	81	82	83	78	79	—	—
<b>No. of executives / company managers</b>	<b>12</b>	<b>13</b>	<b>11</b>	<b>11</b>	<b>6</b>	<b>6</b>	<b>7</b>	<b>6</b>
No. of female executives	2	3	3	2	1	2	1	1
Executive share ownership guidelines	No	No	No	No	No	No	No	No
<b>Size of audit committee</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
No. of ID on audit committee	5	5	5	3	3	3	3	3
Audit committee meetings	5	5	5	5	8	11	8	9
Audit meeting attendance %	—	92	96	100	100	100	100	96
<b>Size of compensation committee</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
No. of ID on compensation committee	2	2	2	2	2	2	2	2
No. of compensation committee meetings	3	2	2	4	2	3	2	2
Compensation meeting attendance %	100	100	100	100	100	100	100	100
<b>Size of nomination committee</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
No. of nomination committee meetings	3	2	2	4	2	3	2	2
Nomination meeting attendance %	100	100	100	100	100	100	100	100
<b>Sustainability governance</b>								
Verification type	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Sources: Bloomberg; FSSIA's compilation

1 JULY 2025

EQUITY RESEARCH - TRANSFER OF COVERAGE

# CENTRAL RETAIL CORP

THAILAND / COMMERCE

CRC TB

**FINANSIA**

FSS INTERNATIONAL INVESTMENT ADVISORY

FSSIA ESG rating



**BUY**

UNCHANGED

TARGET PRICE	THB26.00
CLOSE	THB17.70
UP/DOWNSIDE	+46.9%
PRIOR TP	THB38.00
CHANGE IN TP	-31.6%
TP vs CONSENSUS	+6.1%

## Turning the tide

- Optimistic on new CEO to reignite strategies and seek new S-curves of growth.
- Expect an earnings growth acceleration toward 2026-27.
- Maintain BUY with a revised DCF-TP of THB26/shr.

### Positive on CRC's long-term business direction

We are optimistic on CRC under the leadership of its new CEO, Mr. Suthisarn Chirathivat, since May. Management outlined the 2025–27 strategies, focusing on strengthening existing businesses through a multi-format retail approach and efficient cost control, while expanding into new S-curves, including Vietnam, the wholesale business, and scaling up synergies with Central Group. CRC aims to achieve 5% y-y growth in revenue and EBITDA for 2025–27. Management plans to cut 2025 CAPEX to THB15b from THB17–19b due to economic uncertainties, but also mentioned potential measures to enhance shareholder returns.

### Expect 5.7% y-y earnings growth for 2025-27

We estimate CRC's earnings growth momentum to gradually ramp up toward 2027. We expect the 2025 bottom-line to decline by 2.6% y-y, pressured by a slowdown in SSSG due to THB appreciation and a loss contribution from the Go Wholesale store expansion. However, core profits for 2026-27 are expected to improve by 8.2% and 11.9% y-y, respectively, on the back of an SSSG recovery, efficient cost control, and a reduced incremental loss from the Go Wholesale business.

### Plenty of long-term growth opportunities under multi-format

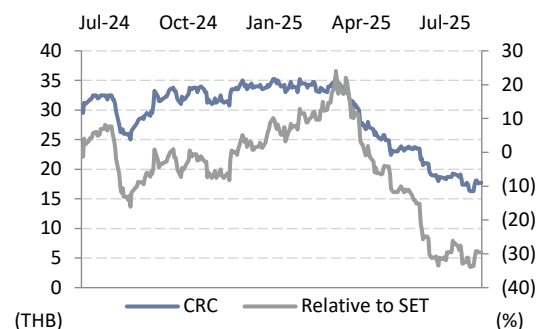
We remain optimistic on CRC's business outlook. In our view, the key drivers for the company will be: 1) the turnaround of the Go Wholesale business; 2) the expansion of Thai Watsadu; and 3) leveraging economic growth in Vietnam through Go Mall and Mini Go, with penetration into both upper-tier and lower-tier provinces. Management reiterates that CRC is ready to expand into the Vietnamese market; however, consumer behavior is not yet aligned with full-scale modern trade.

### BUY call on CRC on undemanding and unjustified valuation

CRC's share price is down 48% YTD, driven by a P/E de-rating due to a slight earnings contraction estimated for 2025. However, we still like CRC for its projected earnings growth acceleration through 2026-27, the undemanding valuation of 12.5x 2025E P/E, potential measures to enhance shareholder returns, and an expected 3.5% yield. We have a BUY call on CRC with a revised DCF-TP of THB26 (from THB38). With this report, we transfer coverage of CRC to Kampon Akaravarinchai.

### KEY STOCK DATA

YE Dec (THB m)	2024	2025E	2026E	2027E
Revenue	262,542	265,252	276,835	289,253
Net profit	8,136	8,391	9,217	10,316
EPS (THB)	1.35	1.39	1.53	1.71
vs Consensus (%)	-	(5.5)	(6.4)	(4.6)
EBITDA	34,506	33,659	34,607	36,157
Recurring net profit	8,742	8,518	9,217	10,316
Core EPS (THB)	1.45	1.41	1.53	1.71
Chg. In EPS est. (%)	-	(6.9)	(6.2)	(3.4)
EPS growth (%)	11.1	(2.6)	8.2	11.9
Core P/E (x)	12.2	12.5	11.6	10.3
Dividend yield (%)	3.4	3.5	3.8	4.3
EV/EBITDA (x)	7.0	7.0	6.7	6.3
Price/book (x)	1.5	1.4	1.3	1.3
Net debt/Equity (%)	182.1	158.7	142.5	127.7
ROE (%)	12.9	11.9	12.0	12.5



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(5.3)	(29.2)	(42.4)
Relative to country (%)	(0.2)	(24.7)	(31.3)
Mkt cap (USD m)	3,285		
3m avg. daily turnover (USD m)	15.3		
Free float (%)	58		
Major shareholder	Chirathivat family (67%)		
12m high/low (THB)	36.00/15.80		
Issued shares (m)	6,031.00		

Sources: Bloomberg consensus; FSSIA estimates



**Kampon Akaravarinchai**

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### Investment thesis

CRC is a leading multi-category (fashion/hardline/food) and well-diversified retailer business empire in Thailand, Italy, and Vietnam. The online sales channel accounted for 20% to total sales in 2024, up from 3% in 2019, reflecting CRC's successful integration into customers' shopping behavior.

We foresee challenges for CRC from online players, especially through price competition in hardline (Thai Watsadu and TWD) and softline products (Robinson and RBS). However, both formats have their own strengths. Although there is more competition in the hardline market, we believe TWD will continue to benefit from the expansion of the modern trade sector. RBS also maintains a strong competitive moat through its leased retail areas, supporting sustained foot-traffic. Undeniably, CRC's existing presence in the Vietnamese market presents huge opportunities for long-term growth.

### Company profile

Established in 1947 by the Chirathivat family, CRC is a multi-category retailer. It operates multi-store formats in Thailand, Italy, and Vietnam. Also, it is an omni-channel pioneer in Thailand, which helps strengthen its retail store network in offering products and services to consumers.

[www.centralretail.com](http://www.centralretail.com)

### Principal activities (revenue, 2024)

Sales of goods - 89.3 %

Rental services - 3.0 %

Rendering services - 0.7 %

Other income - 7.0 %

Source: Central Retail Corp

### Major shareholders

Chirathivat family - 67.3 %

Others - 32.7 %

Source: Central Retail Corp

Catalysts

Key growth catalysts for CRC in 2025-27 include: 1) better consumer confidence among middle- to high-income groups; 2) a rise in international tourist arrivals and a recovery in Chinese visitors; 3) government economic stimulus packages; and 4) improvement in the Go Wholesale business.

Risks to our call

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 growth in Vietnam and Thailand.

Event calendar

Date	Event
Aug 2025	2Q25 earnings release

Key assumptions

	Actual	Current-----			
	2024	2025E	2026E	2027E	
Revenue (THB m)	262,542	265,252	276,835	289,253	
SSSG Fashion (%)	1.0	(3.5)	1.5	1.5	
SSSG Hardline (%)	(7.0)	(5.1)	3.0	3.0	
SSSG Food (%)	0.0	(0.7)	3.3	3.5	
Gross margin (%)	26.5	25.6	25.5	25.4	
SG&A to sales (%)	27.4	26.8	26.6	26.4	
Net profit (THB m)	8,742	8,518	9,217	10,316	
Core EPS	1.45	1.41	1.53	1.71	

Source: FSSIA estimates \*We made adjustment to CRC's 2025 GPM and SG&A where CRC reclassified shrinkage from admin expenses to COGS since 1Q25 by -0.5% each.

Earnings sensitivity

- For every 1% increase in SSSG, we estimate 2025 EPS would rise 1%, and vice versa, all else being equal.
- For every 0.1% increase in GPM, we estimate 2025 EPS would rise 2.1%, and vice versa, all else being equal.
- For every 0.1% increase in SG&A to revenue, we estimate 2025 EPS would fall 2.4%, and vice versa, all else being equal.

Source: FSSIA estimates

Valuation

After transferring coverage, we revise our target price on CRC to THB26 from THB38 per share, based on a DCF valuation method (7.4% WACC, 2.0% TG). Our new target price implies 18.4x 2025E P/E, equivalent to -1.5SD from CRC’s 2022-25 historical trading average.

CRC’s share price is down 48% YTD, driven by a P/E de-rating due to a slight earnings contraction estimated for 2025. However, we still like CRC for its projected earnings growth acceleration through 2026-27, as we expect an improvement in the performance of the Go Wholesale business. Currently, CRC is trading at an undemanding valuation of 12.5x 2025E P/E, representing a 13% discount to large consumer staple peers’ 2025E P/E multiples. In addition, management noted that they are studying potential measures to enhance shareholder returns following CAPEX savings. Assuming THB3b saved on investments, this could provide a 2.8% dividend yield per year.

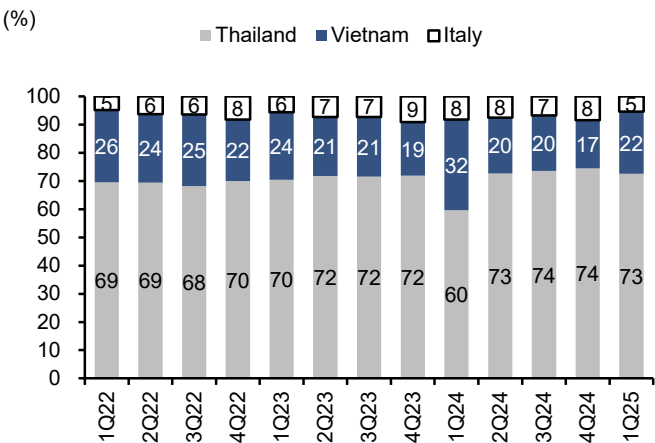
Therefore, we have a BUY recommendation on CRC.

Exhibit 82: DCF-derived TP

DCF-derived TP	(%)	(THB b)
Discount rate (WACC)	7.4%	
Terminal growth	2.0%	
NPV		118
Add: terminal value		166
Sum of PV		284
Add: investment		0
Less: debt		124
Less: minorities		4
Residual ordinary equity		156
No. of shares (m)		6,031
Residual ordinary equity (THB/share)		26.0

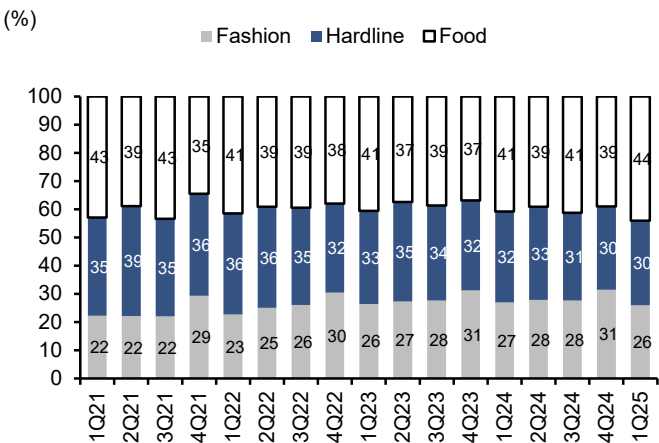
Source: FSSIA estimates

Exhibit 83: Sales breakdown by country



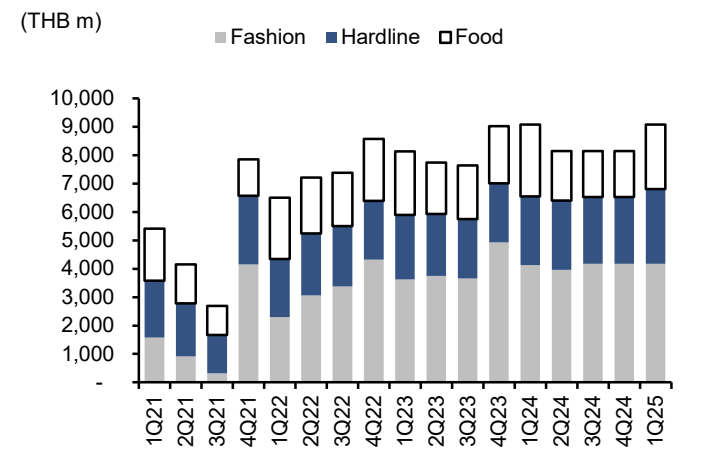
Source: CRC

Exhibit 84: Sales breakdown by category



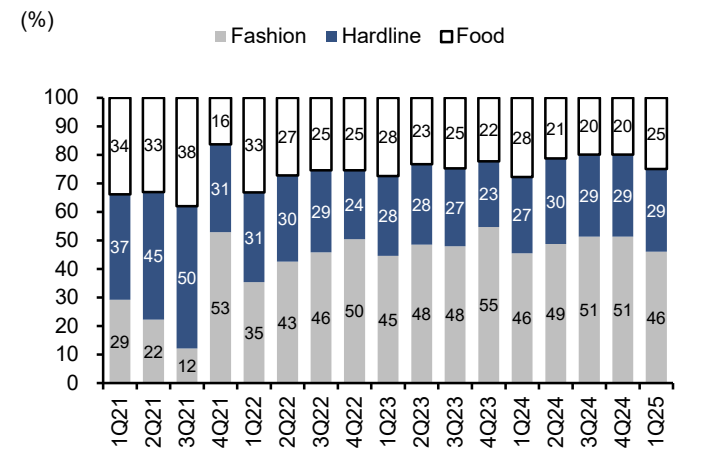
Source: CRC

Exhibit 85: EBITDA value breakdown by category



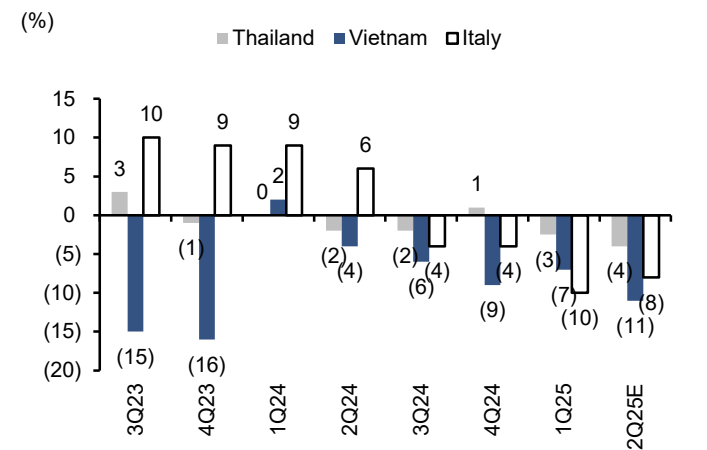
Source: CRC

Exhibit 86: EBITDA breakdown by category



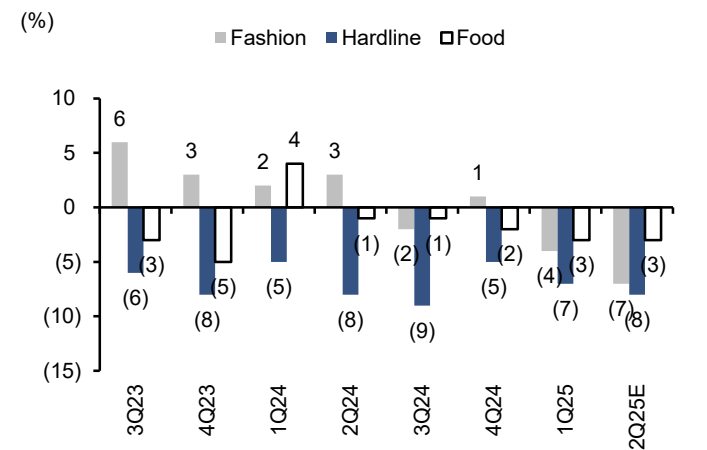
Source: CRC

Exhibit 87: SSSG by country



Sources: CRC, FSSIA estimates

Exhibit 88: SSSG by category



Sources: CRC, FSSIA estimates

Exhibit 89: VND currency trend



Source: Bloomberg

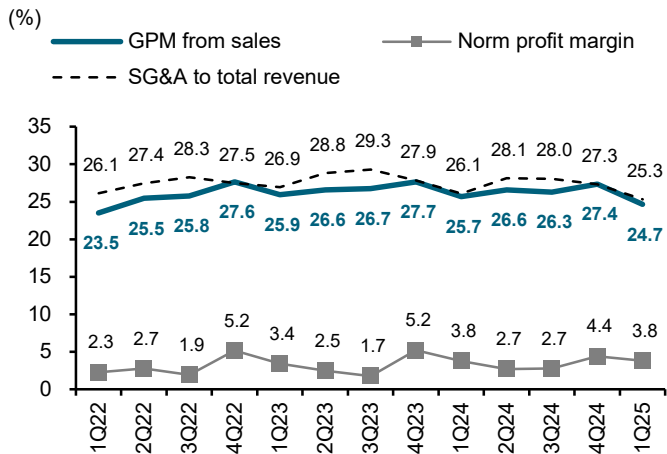
Exhibit 90: EUR currency trend



Source: Bloomberg

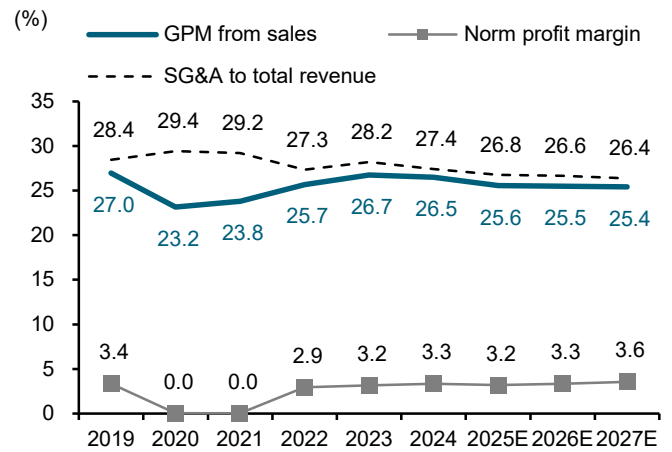


Exhibit 91: Quarterly operating margins



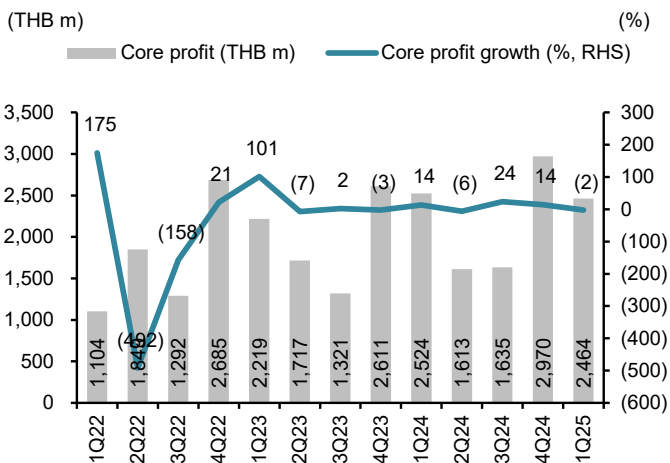
Source: CRC

Exhibit 92: Yearly operating margins



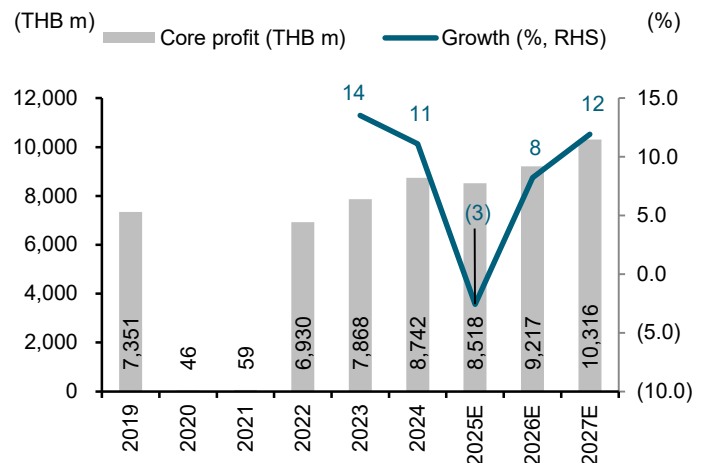
Sources: CRC, FSSIA estimates

Exhibit 93: Quarterly core profit and growth



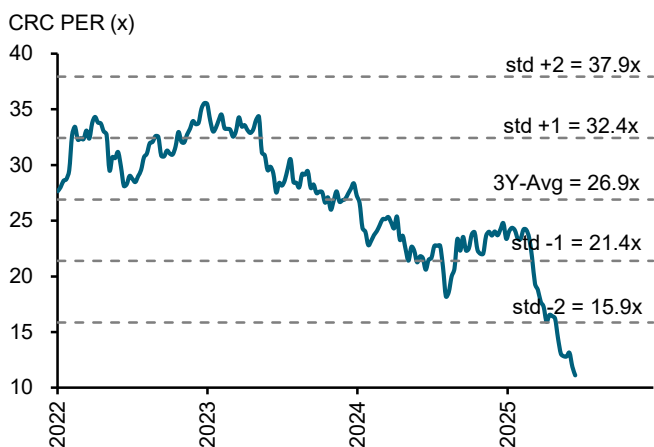
Source: CRC

Exhibit 94: Yearly core profit and growth



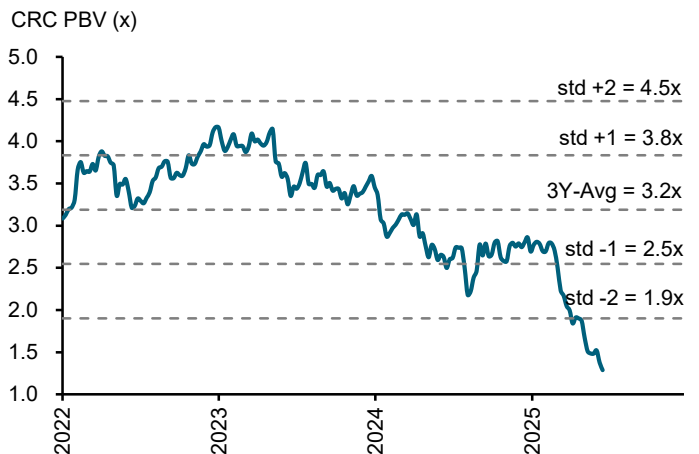
Sources: CRC, FSSIA estimates

Exhibit 95: Rolling one-year forward P/E band



Sources: Bloomberg, FSSIA estimates

Exhibit 96: Rolling one-year forward P/BV band



Sources: Bloomberg, FSSIA estimates

## Financial Statements

### Central Retail Corp

Profit and Loss (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Revenue	248,391	262,542	265,252	276,835	289,253
Cost of goods sold	(164,941)	(174,758)	(178,883)	(186,999)	(195,600)
<b>Gross profit</b>	<b>83,449</b>	<b>87,784</b>	<b>86,369</b>	<b>89,836</b>	<b>93,653</b>
Other operating income	0	0	0	0	0
Operating costs	(70,171)	(71,378)	(71,016)	(73,764)	(76,277)
<b>Operating EBITDA</b>	<b>31,000</b>	<b>34,506</b>	<b>33,659</b>	<b>34,607</b>	<b>36,157</b>
Depreciation	(17,722)	(18,100)	(18,306)	(18,536)	(18,781)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>13,278</b>	<b>16,406</b>	<b>15,354</b>	<b>16,071</b>	<b>17,376</b>
Net financing costs	(4,349)	(4,743)	(4,278)	(4,086)	(3,964)
Associates	990	215	500	510	520
Recurring non-operating income	995	226	500	510	520
Non-recurring items	148	(605)	(127)	0	0
<b>Profit before tax</b>	<b>10,072</b>	<b>11,283</b>	<b>11,449</b>	<b>12,495</b>	<b>13,932</b>
Tax	(1,550)	(2,646)	(2,547)	(2,757)	(3,085)
<b>Profit after tax</b>	<b>8,523</b>	<b>8,637</b>	<b>8,902</b>	<b>9,738</b>	<b>10,847</b>
Minority interests	(506)	(501)	(511)	(521)	(531)
Preferred dividends	0	0	0	0	0
Other items	0	0	0	0	0
<b>Reported net profit</b>	<b>8,016</b>	<b>8,136</b>	<b>8,391</b>	<b>9,217</b>	<b>10,316</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>(148)</b>	<b>605</b>	<b>127</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>7,868</b>	<b>8,742</b>	<b>8,518</b>	<b>9,217</b>	<b>10,316</b>
<b>Per share (THB)</b>					
Recurring EPS *	1.30	1.45	1.41	1.53	1.71
Reported EPS	1.33	1.35	1.39	1.53	1.71
DPS	0.55	0.60	0.62	0.68	0.76
Diluted shares (used to calculate per share data)	6,031	6,031	6,031	6,031	6,031
<b>Growth</b>					
Revenue (%)	5.2	5.7	1.0	4.4	4.5
Operating EBITDA (%)	7.8	11.3	(2.5)	2.8	4.5
Operating EBIT (%)	14.5	23.6	(6.4)	4.7	8.1
Recurring EPS (%)	13.5	11.1	(2.6)	8.2	11.9
Reported EPS (%)	11.7	1.5	3.1	9.9	11.9
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	33.6	33.4	32.6	32.5	32.4
Gross margin exc. depreciation (%)	40.7	40.3	39.5	39.1	38.9
Operating EBITDA margin (%)	12.5	13.1	12.7	12.5	12.5
Operating EBIT margin (%)	5.3	6.2	5.8	5.8	6.0
Net margin (%)	3.2	3.3	3.2	3.3	3.6
Effective tax rate (%)	17.1	23.9	23.0	23.0	23.0
Dividend payout on recurring profit (%)	42.2	41.4	43.8	44.5	44.5
Interest cover (X)	3.3	3.5	3.7	4.1	4.5
Inventory days	111.7	109.4	108.6	106.0	104.5
Debtor days	8.1	7.4	7.1	7.0	7.0
Creditor days	101.2	97.1	96.1	95.9	96.6
Operating ROIC (%)	20.3	19.2	17.2	19.1	21.8
ROIC (%)	5.8	5.9	5.6	5.9	6.3
ROE (%)	12.2	12.9	11.9	12.0	12.5
ROA (%)	4.3	4.4	4.2	4.4	4.6

\* Pre-exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2023	2024	2025E	2026E	2027E
Sales of goods	221,926	234,470	237,045	247,675	258,886
Rental services	7,785	7,889	7,980	8,150	8,405
Rendering services	1,727	1,841	1,802	1,883	1,968
Other income	16,952	18,342	18,425	19,128	19,994

Sources: Central Retail Corp; FSSIA estimates

## Financial Statements

### Central Retail Corp

Cash Flow (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Recurring net profit	7,868	8,742	8,518	9,217	10,316
Depreciation	17,722	18,100	18,306	18,536	18,781
Associates & minorities	(68)	(298)	0	0	0
Other non-cash items	539	850	492	577	569
Change in working capital	274	(1,681)	991	1,435	1,562
<b>Cash flow from operations</b>	<b>26,337</b>	<b>25,712</b>	<b>28,306</b>	<b>29,766</b>	<b>31,228</b>
Capex - maintenance	(26,174)	(27,796)	(15,000)	(16,500)	(17,325)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	(372)	1,264	(1,664)	(5,270)	(5,626)
Other investments (net)	0	0	0	0	0
<b>Cash flow from investing</b>	<b>(26,546)</b>	<b>(26,532)</b>	<b>(16,664)</b>	<b>(21,770)</b>	<b>(22,951)</b>
Dividends paid	(3,317)	(3,619)	(3,732)	(4,099)	(4,588)
Equity finance	237	(2,600)	302	302	302
Debt finance	2,486	2,002	(7,367)	(3,906)	(3,690)
Other financing cash flows	0	0	0	0	0
<b>Cash flow from financing</b>	<b>(594)</b>	<b>(4,217)</b>	<b>(10,797)</b>	<b>(7,704)</b>	<b>(7,976)</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
<b>Net other adjustments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Movement in cash</b>	<b>(803)</b>	<b>(5,036)</b>	<b>845</b>	<b>292</b>	<b>301</b>
Free cash flow to firm (FCFF)	4,432.31	4,175.30	16,125.33	12,297.34	12,465.71
Free cash flow to equity (FCFE)	2,276.66	1,182.62	4,274.73	4,089.83	4,587.02

#### Per share (THB)

FCFF per share	0.73	0.69	2.67	2.04	2.07
FCFE per share	0.38	0.20	0.71	0.68	0.76
Recurring cash flow per share	4.32	4.54	4.53	4.70	4.92

Balance Sheet (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Tangible fixed assets (gross)	128,631	140,550	155,550	172,050	189,375
Less: Accumulated depreciation	(71,134)	(73,357)	(91,663)	(110,199)	(128,980)
<b>Tangible fixed assets (net)</b>	<b>57,497</b>	<b>67,193</b>	<b>63,887</b>	<b>61,851</b>	<b>60,395</b>
<b>Intangible fixed assets (net)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Long-term financial assets	0	0	0	0	0
Invest. in associates & subsidiaries	26,190	27,233	27,801	28,387	28,990
Cash & equivalents	14,814	9,777	10,622	10,914	11,215
A/C receivable	18,238	18,262	18,315	18,542	18,785
Inventories	46,413	47,462	48,092	49,762	51,515
Other current assets	492	538	544	568	593
<b>Current assets</b>	<b>79,956</b>	<b>76,041</b>	<b>77,574</b>	<b>79,786</b>	<b>82,108</b>
Other assets	123,455	120,583	121,827	127,147	132,850
<b>Total assets</b>	<b>287,097</b>	<b>291,049</b>	<b>291,089</b>	<b>297,171</b>	<b>304,343</b>
Common equity	67,060	68,977	73,938	79,357	85,387
Minorities etc.	3,201	3,404	3,914	4,435	4,967
<b>Total shareholders' equity</b>	<b>70,260</b>	<b>72,381</b>	<b>77,852</b>	<b>83,793</b>	<b>90,354</b>
Long term debt	84,662	73,296	63,909	65,360	65,338
Other long-term liabilities	13,669	14,389	14,537	15,172	15,853
<b>Long-term liabilities</b>	<b>98,331</b>	<b>87,685</b>	<b>78,446</b>	<b>80,533</b>	<b>81,191</b>
A/C payable	41,831	41,544	43,015	45,478	48,106
Short term debt	54,895	68,264	70,283	64,926	61,258
Other current liabilities	21,779	21,176	21,366	22,314	23,307
<b>Current liabilities</b>	<b>118,505</b>	<b>130,984</b>	<b>134,664</b>	<b>132,718</b>	<b>132,671</b>
<b>Total liabilities and shareholders' equity</b>	<b>287,097</b>	<b>291,049</b>	<b>290,962</b>	<b>297,044</b>	<b>304,216</b>
Net working capital	1,532	3,543	2,571	1,079	(520)
Invested capital	208,673	218,552	216,087	218,464	221,714

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

#### Per share (THB)

Book value per share	11.12	11.44	12.26	13.16	14.16
Tangible book value per share	11.12	11.44	12.26	13.16	14.16

#### Financial strength

Net debt/equity (%)	177.5	182.1	158.7	142.5	127.7
Net debt/total assets (%)	43.5	45.3	42.5	40.2	37.9
Current ratio (x)	0.7	0.6	0.6	0.6	0.6
CF interest cover (x)	1.5	1.2	2.0	2.0	2.2

Valuation	2023	2024	2025E	2026E	2027E
<b>Recurring P/E (x) *</b>	<b>13.6</b>	<b>12.2</b>	<b>12.5</b>	<b>11.6</b>	<b>10.3</b>
<b>Recurring P/E @ target price (x) *</b>	<b>19.9</b>	<b>17.9</b>	<b>18.4</b>	<b>17.0</b>	<b>15.2</b>
Reported P/E (x)	13.3	13.1	12.7	11.6	10.3
Dividend yield (%)	3.1	3.4	3.5	3.8	4.3
Price/book (x)	1.6	1.5	1.4	1.3	1.3
Price/tangible book (x)	1.6	1.5	1.4	1.3	1.3
EV/EBITDA (x) **	7.6	7.0	7.0	6.7	6.3
EV/EBITDA @ target price (x) **	9.2	8.5	8.4	8.1	7.7
EV/invested capital (x)	1.1	1.1	1.1	1.1	1.0

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

Sources: Central Retail Corp; FSSIA estimates

# Central Retail Corporation PCL (CRC TB)

FSSIA ESG rating

★★★★

Exhibit 97: FSSIA ESG score implication

74.92 /100

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 98: ESG – peer comparison

	FSSIA	Domestic ratings						Global ratings					Bloomberg		
	ESG score	DJSI	SET ESG	SET ESG Rating	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	79.24	Y	Y	AA	5.00	4.00	--	Medium	72.74	AA	--	59.67	92.00	4.32	61.31
CPALL	75.48	Y	Y	AAA	5.00	4.00	Certified	Medium	67.76	A	34.00	64.69	88.00	--	--
CPAXT	53.49	--	Y	AA	5.00	5.00	Certified	--	--	BBB	--	--	84.00	3.90	67.20
CRC	74.92	--	Y	AA	5.00	5.00	Certified	Low	67.96	BBB	--	65.58	84.00	5.15	58.56

Sources: SETTRADE.com; FSSIA's compilation

Exhibit 99: ESG score by Bloomberg

FY ending Dec 31	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
ESG financial materiality scores - ESG score	1.77	2.38	2.17	5.19	5.15
BESG environmental pillar score	1.58	1.37	1.29	6.27	6.35
BESG social pillar score	0.78	2.04	2.18	5.69	5.54
BESG governance pillar score	3.20	3.99	3.16	3.77	3.70
ESG disclosure score	37.16	43.07	43.18	57.05	58.56
Environmental disclosure score	16.25	15.37	15.71	36.91	34.37
Social disclosure score	25.82	32.62	32.62	53.05	53.84
Governance disclosure score	69.30	81.10	81.10	81.10	87.36
Environmental					
Emissions reduction initiatives	Yes	Yes	Yes	Yes	Yes
Climate change policy	No	No	Yes	Yes	Yes
Climate change opportunities discussed	No	No	No	No	No
Risks of climate change discussed	No	No	No	No	No
GHG scope 1	47	7	40	46	48
GHG scope 2 location-based	469	518	385	321	335
GHG Scope 3	71	112	37	82	485
Carbon per unit of production	—	—	—	—	—
Biodiversity policy	No	Yes	Yes	Yes	Yes
Energy efficiency policy	Yes	Yes	Yes	Yes	Yes
Total energy consumption	1,046	—	—	757	776
Renewable energy use	—	—	—	—	—
Electricity used	946	1,081	1,250	702	670
Fuel used - natural gas	—	—	—	—	—

Sources: Bloomberg; FSSIA's compilation

**Exhibit 100: ESG score by Bloomberg (cont.)**

FY ending Dec 31	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Fuel used - crude oil/diesel	No	No	No	No	No
Waste reduction policy	Yes	Yes	Yes	Yes	Yes
Hazardous waste	0	0	0	0	0
Total waste	6	72	68	0	31
Waste recycled	—	—	—	10	—
Waste sent to landfills	—	—	—	—	—
Environmental supply chain management	No	No	No	Yes	Yes
Water policy	No	No	No	No	Yes
Water consumption	6,869	6,731	6,623	—	—
<b>Social</b>					
Human rights policy	No	Yes	Yes	Yes	Yes
Policy against child labor	No	Yes	Yes	Yes	Yes
Quality assurance and recall policy	No	No	No	No	No
Consumer data protection policy	Yes	Yes	Yes	Yes	Yes
Equal opportunity policy	No	Yes	Yes	Yes	Yes
Gender pay gap breakout	No	No	No	Yes	Yes
Pct women in workforce	—	63	62	62	62
Pct disabled in workforce	1	1	1	0	0
Business ethics policy	No	Yes	Yes	Yes	Yes
Anti-bribery ethics policy	Yes	Yes	Yes	Yes	Yes
Health and safety policy	Yes	Yes	Yes	Yes	Yes
Lost time incident rate - employees	0	0	0	0	0
Total recordable incident rate - employees	—	—	—	—	—
Training policy	Yes	Yes	Yes	Yes	Yes
Fair remuneration policy	No	No	No	Yes	Yes
Number of employees – CSR	58,425	58,610	53,143	61,334	60,507
Employee turnover pct	50	48	31	42	40
Total hours spent by firm - employee training	391,448	527,020	739,473	913,877	1,131,480
Social supply chain management	No	No	No	No	Yes
<b>Governance</b>					
<b>Board size</b>	<b>15</b>	<b>15</b>	<b>14</b>	<b>15</b>	<b>15</b>
<b>No. of independent directors (ID)</b>	<b>5</b>	<b>5</b>	<b>4</b>	<b>5</b>	<b>5</b>
No. of women on board	4	4	3	3	3
No. of non-executive directors on board	14	13	12	14	14
Company conducts board evaluations	Yes	Yes	Yes	Yes	Yes
No. of board meetings for the year	13	11	10	9	9
Board meeting attendance pct	89	96	100	99	99
Board duration (years)	3	3	3	3	3
Director share ownership guidelines	No	No	No	No	No
Age of the youngest director	52	53	54	55	56
Age of the oldest director	79	80	79	80	81
<b>No. of executives / company managers</b>	<b>6</b>	<b>7</b>	<b>7</b>	<b>6</b>	<b>6</b>
No. of female executives	0	1	1	0	0
Executive share ownership guidelines	No	No	No	No	No
<b>Size of audit committee</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
No. of ID on audit committee	3	3	3	3	3
Audit committee meetings	10	13	13	12	12
Audit meeting attendance %	97	100	100	100	100
<b>Size of compensation committee</b>	<b>4</b>	<b>3</b>	<b>3</b>	<b>4</b>	<b>4</b>
No. of ID on compensation committee	2	2	1	2	2
No. of compensation committee meetings	—	5	4	4	5
Compensation meeting attendance %	—	100	100	100	100
<b>Size of nomination committee</b>	<b>4</b>	<b>3</b>	<b>3</b>	<b>4</b>	<b>4</b>
No. of nomination committee meetings	—	5	4	4	5
Nomination meeting attendance %	—	100	100	100	100
<b>Sustainability governance</b>					
Verification type	No	No	No	No	Yes

Sources: Bloomberg; FSSIA's compilation

1 JULY 2025

EQUITY RESEARCH - TRANSFER OF COVERAGE

**BERLI JUCKER**

THAILAND / COMMERCE

**BJC TB**

## Low expectation with good yield

- Diversified business portfolio, but competition remains fierce.
- Expect 2025 earnings to grow 11.5% y-y, but with less exciting y-y momentum in 2Q-4Q25.
- Maintain BUY with a revised DCF-TP of THB24/shr.

### Diversified portfolio, but retail growth remains challenging

BJC operates a well-diversified business portfolio include packaging and consumer products manufacturing, medical products trading, and retail. This diversification helps mitigate sector-specific risks and supports a stable earnings base. However, we continue to see challenges in driving incremental growth, particularly in its core retail segment (accounting for 65% of sales and 50% of NPAT), which faces stiff competition from Lotus's. Meanwhile, international expansion remains gradual. As a result, we believe near-term growth is likely to remain modest.

### Less exciting earnings growth expected in 2Q-4Q25

We project BJC's net profit to grow at a CAGR of 7.3% y-y over 2025-27, driven by top-line growth and improving GPM. For 2025, earnings are expected to rise 11.5% y-y, supported by stronger GPM in the manufacturing segment, effective SGA control, and the divestment of the loss-making Thai-Scandic Steel business in 1Q25 (which typically contributed an annual loss of around THB130m). We expect y-y profit growth to be moderate in 2Q25-4Q25 following a higher base in 2024.

### Long-term upside from synergy, restructuring remains uncertain

Looking ahead, the longer-term growth story hinges on unlocking synergies with the THBEV group to expand across ASEAN in both retail and manufacturing businesses. We anticipate that BJC may eventually acquire MM Mega Market—a wholesale business in Vietnam currently owned by its parent company but already managed by BJC—in order to bring it fully under its own operations and strengthen its position in the Vietnamese market. However, the potential spin-off of the Big C retail business appears unlikely in the near term due to market valuation derating, and could be EPS-dilutive for BJC, as the proceeds may be limited and retail market competition remains fierce.

### Limited downside with a good dividend yield

BJC's share price is down 16% YTD. BJC now trades at 14.9x 2025E P/E, aligning with the sector average. Given the low expectations, we believe the downside risk to both earnings and share price is now limited. In addition, the current valuation offers an attractive dividend yield of 4.6%. We maintain BUY with a revised DCF-TP of THB24 (from THB31). With this report, we transfer coverage of BJC to Kampon Akaravarinchai.

**FINANSIA**

FSS INTERNATIONAL INVESTMENT ADVISORY

FSSIA ESG rating



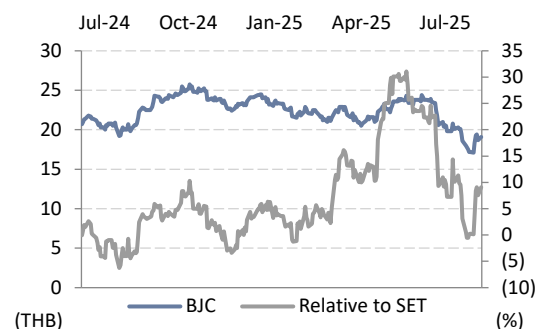
**BUY**

UNCHANGED

TARGET PRICE	THB24.00
CLOSE	THB19.10
UP/DOWNSIDE	+25.7%
PRIOR TP	THB31.00
CHANGE IN TP	-22.6%
TP vs CONSENSUS	-2.2%

### KEY STOCK DATA

YE Dec (THB m)	2024	2025E	2026E	2027E
Revenue	170,814	171,805	177,714	183,299
Net profit	4,001	4,968	5,358	5,691
EPS (THB)	1.00	1.24	1.34	1.42
vs Consensus (%)	-	(2.6)	(3.2)	(3.6)
EBITDA	22,292	22,848	23,948	25,205
Recurring net profit	4,610	5,137	5,358	5,691
Core EPS (THB)	1.15	1.28	1.34	1.42
Chg. In EPS est. (%)	-	(2.2)	(3.8)	(3.2)
EPS growth (%)	(2.1)	11.5	4.3	6.2
Core P/E (x)	16.6	14.9	14.3	13.5
Dividend yield (%)	3.7	4.6	5.0	5.3
EV/EBITDA (x)	10.7	10.5	10.3	10.0
Price/book (x)	0.6	0.6	0.6	0.6
Net debt/Equity (%)	123.8	121.5	123.5	124.7
ROE (%)	3.8	4.3	4.4	4.6



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(3.5)	(15.5)	(10.3)
Relative to country (%)	1.7	(10.2)	7.1
Mkt cap (USD m)	2,356		
3m avg. daily turnover (USD m)	2.8		
Free float (%)	25		
Major shareholder	TCC Corporation (74%)		
12m high/low (THB)	25.75/16.50		
Issued shares (m)	4,007.80		

Sources: Bloomberg consensus; FSSIA estimates



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## Investment thesis

BJC has a good diversified business portfolio ranging from can and glass manufacturing to consumer products. Additionally, the company is the second-largest hypermarket operator in Thailand.

In our opinion, we foresee challenging competition with CPAXT and other retailers amid the slowdown in economic expansion. In addition, the long-term synergy and restructuring (MM Mega Market acquisition and Big C IPO) remain uncertain. However, given the low expectations and limited earnings downside, we maintain our Buy call on the stock.

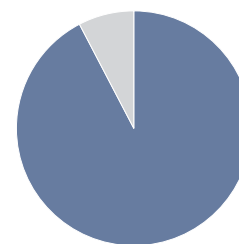
## Company profile

BJC is a fully-integrated consumer company with a presence in Thailand and ASEAN. It is part of TCC group, the largest beverage company in Thailand. Businesses include packaging, manufacturing consumer products, healthcare and modern trade. In 2016, it acquired 98% of Big C.

[www.bjc.co.th](http://www.bjc.co.th)

## Principal activities (revenue, 2024)

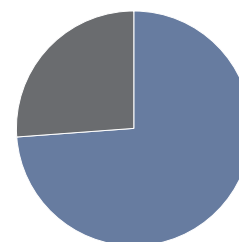
- Sales of goods/services - 92.3 %
- Other income - 7.7 %



Source: Berli Jucker

## Major shareholders

- TCC Corporation - 73.8 %
- Others - 26.2 %



Source: Berli Jucker

## Catalysts

Key potential growth catalysts for BJC in 2025-27 include: 1) better consumer confidence in the nationwide market; 2) a rise in international tourist arrivals; 3) government economic stimulus packages; and 4) a substantial decline in BJC's production costs such as aluminum, soda ash, cullet, and natural gas.

## Risks to our call

Downside risks to our DCF-based TP include 1) a decline in domestic purchasing power; 2) lower-than-expected tourist arrivals; 3) the absence of the government stimulus; 4) higher raw material costs; and 5) intensifying competition pressuring the retail business.

## Event calendar

Date	Event
Aug 2025	2Q25 earnings release

## Key assumptions

	Actual 2024	2025E	Current 2026E	2027E
Revenue growth (%)	1.7	0.6	3.4	3.1
- Packaging (%)	1.4	(5.0)	5.5	3.0
- Consumer (%)	1.3	3.0	3.0	3.0
- Healthcare (%)	2.2	(3.2)	2.5	3.0
- Modern retailing (Big C) (%)	2.4	2.4	3.4	3.3
Gross margin (%)	20.3	20.4	20.5	20.6
- Packaging (%)	21.6	22.3	22.3	22.3
- Consumer (%)	19.6	19.7	19.8	19.9
- Healthcare (%)	31.2	34.2	34.3	34.4
- Modern retailing (Big C) (%)	18.5	18.4	18.5	18.5
SG&A to sales (%)	20.4	20.2	20.1	20.1

Source: FSSIA estimates

## Earnings sensitivity

- For every 1% increase in SSSG, we estimate 2025 EPS would rise 0.7%, and vice versa, all else being equal.
- For every 0.1% increase in GPM, we estimate 2025 EPS would rise 2.5%, and vice versa, all else being equal.
- For every 0.1% increase in SG&A to revenue, we estimate 2025 EPS would fall 2.5%, and vice versa, all else being equal.

Source: FSSIA estimates



## Valuation

After transferring coverage, we revise our target price on BJC to THB24 from THB31 per share, based on a DCF valuation method (7.8% WACC, 1.5% TG). We assume BJC's terminal growth at 1.5% per year, reflecting the fierce competition in its core business and the uncertainty over long-term upside. Our new target price implies 18.7x 2025E P/E, equivalent to -1.25SD below BJC's 5-year historical trading average.

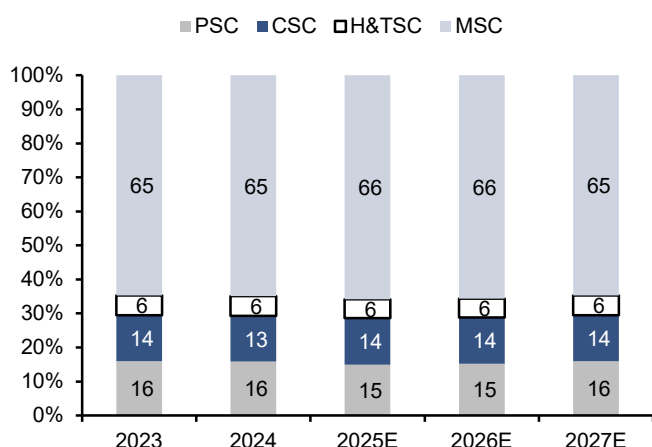
BJC's share price is down 16% YTD. BJC now trades at 14.9x 2025E P/E, aligning with the sector average. Given the low expectations, we believe the downside risk to both earnings and share price is now limited. In addition, the current valuation offers an attractive dividend yield of 4.6%. We maintain our BUY call on BJC.

### Exhibit 101: DCF-derived TP

DCF-derived TP	(%)	(THB b)
Discount rate (WACC)	7.8	
Terminal growth	1.5	
NPV		103
Add: terminal value		156
Sum of PV		259
Add: investment		0
Less: Net debt		156
Less: minorities		7
Residual ordinary equity		96
No. of shares (m)		4,008
<b>Residual ordinary equity (THB/share)</b>		<b>24.0</b>

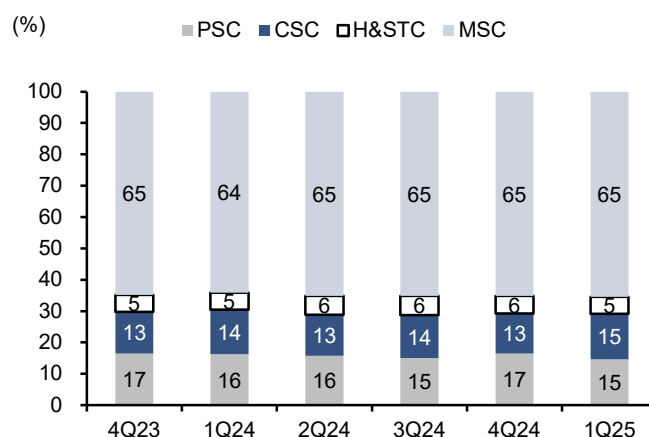
Source: FSSIA estimates

### Exhibit 102: BJC's yearly sales breakdown



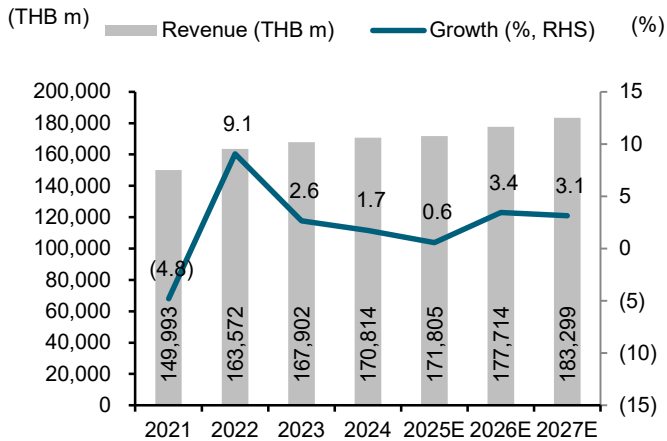
Sources: BJC, FSSIA estimates

### Exhibit 103: BJC's quarterly sales breakdown



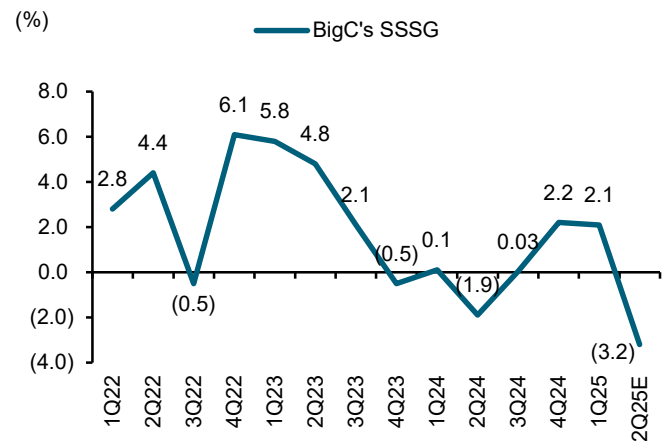
Source: BJC

Exhibit 104: Revenue and growth



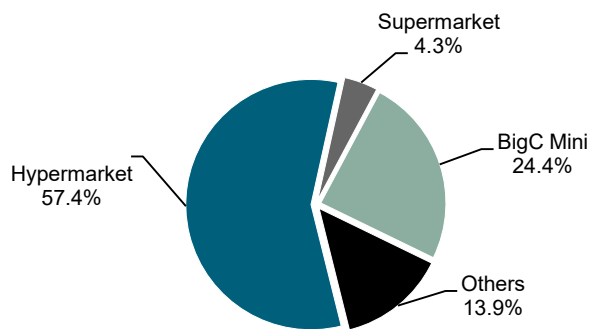
Sources: BJC, FSSIA estimates

Exhibit 105: Big C's SSSG momentum



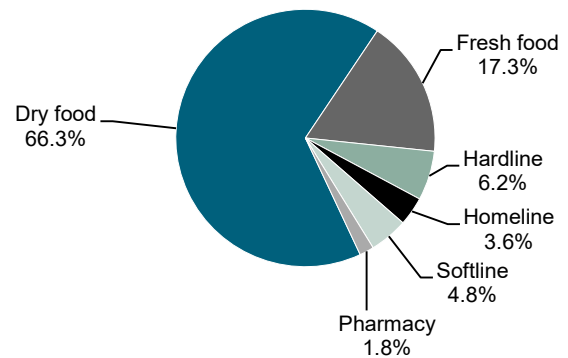
Sources: BJC, FSSIA estimates

Exhibit 106: Big C's sales breakdown by format



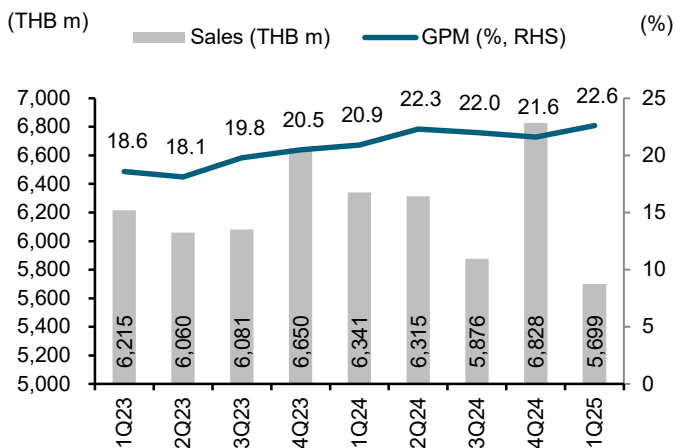
Sources: BJC, FSSIA estimates

Exhibit 107: Big C's sales breakdown by products



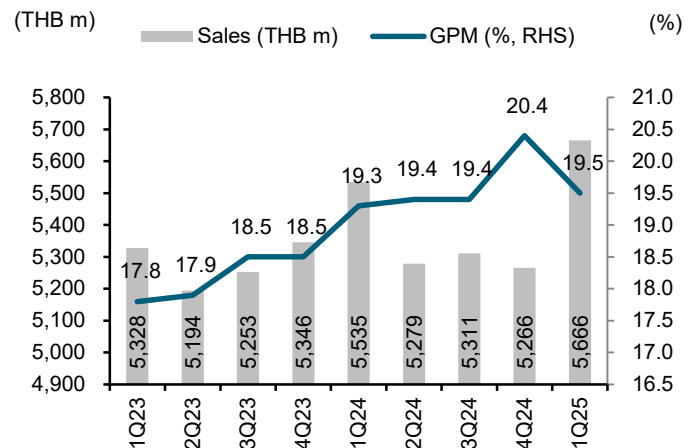
Sources: BJC, FSSIA estimates

Exhibit 108: Packaging business sales and GPM

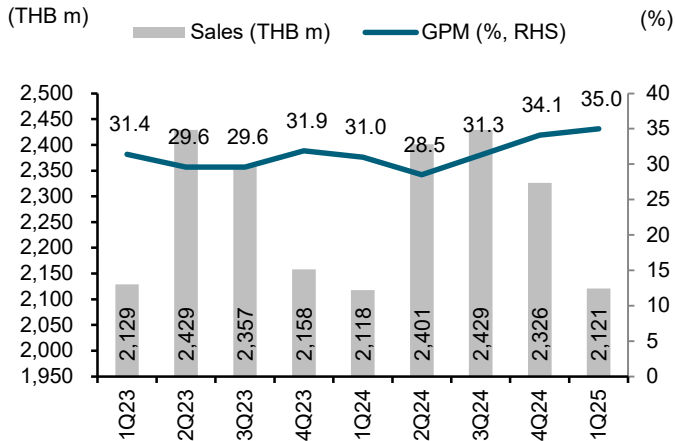


Source: BJC

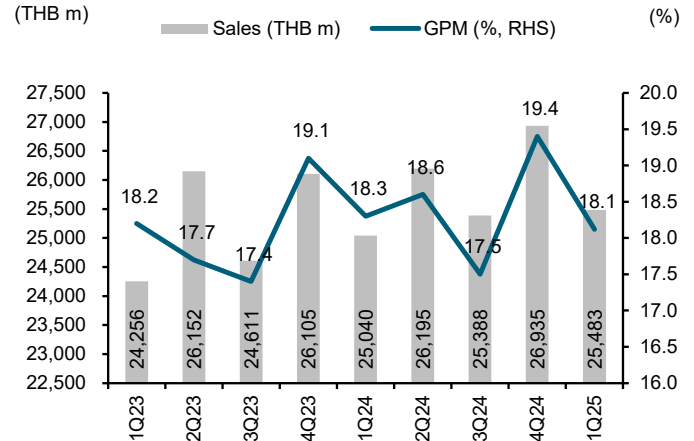
Exhibit 109: Consumer business sales and GPM



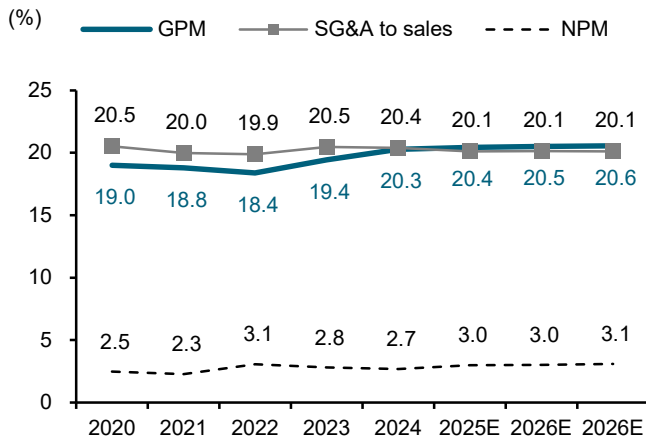
Source: BJC

**Exhibit 110: Healthcare and technical business sales and GPM**

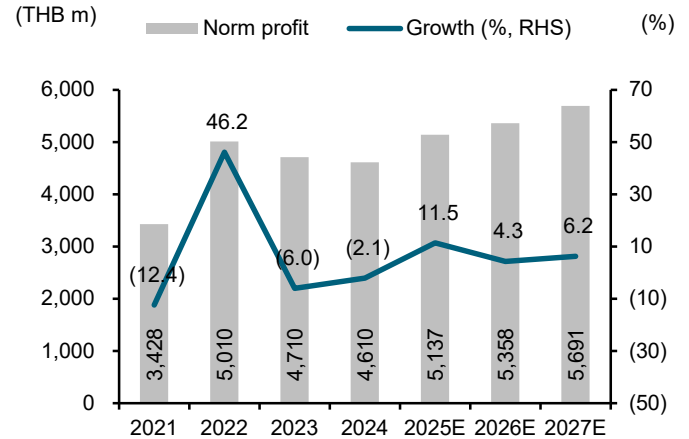
Source: BJC

**Exhibit 111: Modern trade business sales and GPM**

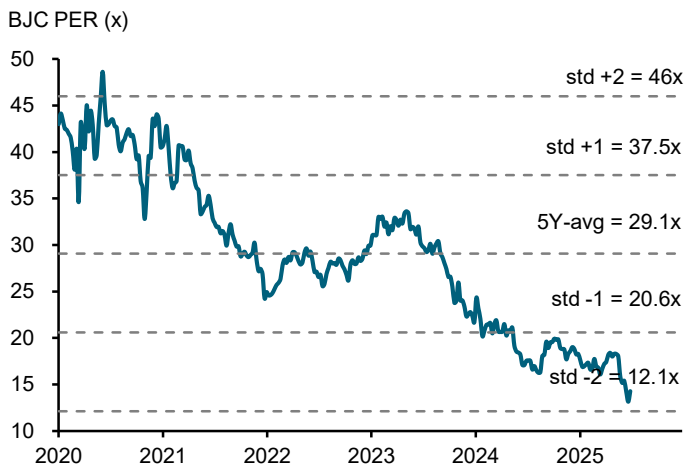
Source: BJC

**Exhibit 112: BJC's operating margins**

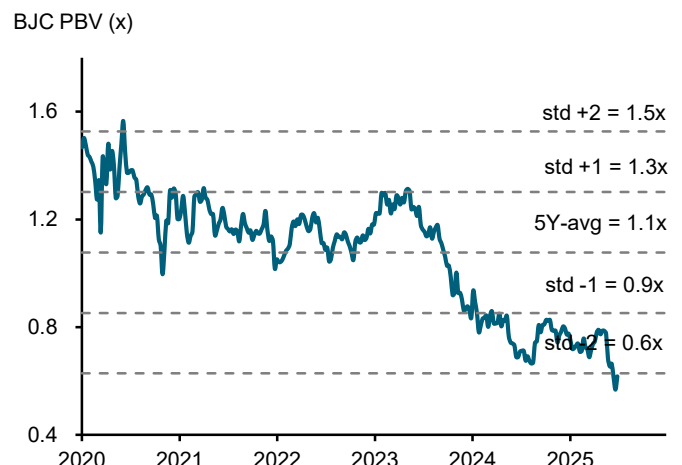
Sources: BJC, FSSIA estimates

**Exhibit 113: BJC's norm profit and growth**

Sources: BJC, FSSIA estimates

**Exhibit 114: Rolling one-year forward P/E band**

Sources: Bloomberg, FSSIA estimates

**Exhibit 115: Rolling one-year forward P/BV band**

Sources: Bloomberg, FSSIA estimates

## Financial Statements

Berli Jucker

Profit and Loss (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Revenue	167,902	170,814	171,805	177,714	183,299
Cost of goods sold	(124,628)	(125,764)	(126,701)	(131,090)	(135,225)
<b>Gross profit</b>	<b>43,274</b>	<b>45,050</b>	<b>45,104</b>	<b>46,624</b>	<b>48,073</b>
Other operating income	0	0	0	0	0
Operating costs	(31,650)	(32,146)	(32,012)	(33,226)	(34,251)
<b>Operating EBITDA</b>	<b>20,608</b>	<b>22,292</b>	<b>22,848</b>	<b>23,948</b>	<b>25,205</b>
Depreciation	(8,984)	(9,389)	(9,756)	(10,549)	(11,383)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>11,624</b>	<b>12,904</b>	<b>13,092</b>	<b>13,398</b>	<b>13,822</b>
Net financing costs	(5,295)	(5,603)	(5,253)	(5,275)	(5,305)
Associates	(200)	(84)	(21)	(11)	0
Recurring non-operating income	(200)	(84)	(21)	(11)	0
Non-recurring items	85	(608)	(169)	0	0
<b>Profit before tax</b>	<b>6,214</b>	<b>6,609</b>	<b>7,649</b>	<b>8,113</b>	<b>8,517</b>
Tax	(503)	(1,618)	(1,662)	(1,706)	(1,746)
<b>Profit after tax</b>	<b>5,712</b>	<b>4,990</b>	<b>5,987</b>	<b>6,407</b>	<b>6,771</b>
Minority interests	(917)	(989)	(1,018)	(1,049)	(1,080)
Preferred dividends	0	0	0	0	0
Other items	0	0	0	0	0
<b>Reported net profit</b>	<b>4,795</b>	<b>4,001</b>	<b>4,968</b>	<b>5,358</b>	<b>5,691</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>(85)</b>	<b>608</b>	<b>169</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>4,710</b>	<b>4,610</b>	<b>5,137</b>	<b>5,358</b>	<b>5,691</b>
<b>Per share (THB)</b>					
Recurring EPS *	1.18	1.15	1.28	1.34	1.42
Reported EPS	1.20	1.00	1.24	1.34	1.42
DPS	0.80	0.71	0.88	0.95	1.01
Diluted shares (used to calculate per share data)	4,008	4,008	4,008	4,008	4,008
<b>Growth</b>					
Revenue (%)	2.6	1.7	0.6	3.4	3.1
Operating EBITDA (%)	3.1	8.2	2.5	4.8	5.2
Operating EBIT (%)	5.9	11.0	1.5	2.3	3.2
Recurring EPS (%)	(6.0)	(2.1)	11.5	4.3	6.2
Reported EPS (%)	(4.3)	(16.5)	24.2	7.8	6.2
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	25.8	26.4	26.3	26.2	26.2
Gross margin exc. depreciation (%)	31.1	31.9	31.9	32.2	32.4
Operating EBITDA margin (%)	12.3	13.1	13.3	13.5	13.8
Operating EBIT margin (%)	6.9	7.6	7.6	7.5	7.5
Net margin (%)	2.8	2.7	3.0	3.0	3.1
Effective tax rate (%)	7.9	22.2	21.5	21.0	20.5
Dividend payout on recurring profit (%)	68.1	61.7	68.8	71.1	71.1
Interest cover (X)	2.2	2.3	2.5	2.5	2.6
Inventory days	73.7	69.1	68.0	67.3	67.7
Debtor days	41.3	41.5	41.5	41.0	41.0
Creditor days	105.0	104.7	105.9	104.9	105.5
Operating ROIC (%)	15.1	14.2	14.6	15.0	15.6
ROIC (%)	3.5	3.3	3.5	3.5	3.6
ROE (%)	4.0	3.8	4.3	4.4	4.6
ROA (%)	3.1	2.9	3.0	3.1	3.1

\* Pre-exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2023	2024	2025E	2026E	2027E
Sales of goods/services	154,672	157,727	159,221	164,916	170,224
Other income	13,230	13,086	12,584	12,798	13,075

Sources: Berli Jucker; FSSIA estimates

## Financial Statements

Berli Jucker

Cash Flow (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Recurring net profit	4,710	4,610	5,137	5,358	5,691
Depreciation	8,984	9,389	9,756	10,549	11,383
Associates & minorities	(544)	(1,016)	0	0	0
Other non-cash items	1,144	1,232	931	1,123	1,078
Change in working capital	1,559	1,420	15	(250)	(212)
<b>Cash flow from operations</b>	<b>15,853</b>	<b>15,634</b>	<b>15,839</b>	<b>16,780</b>	<b>17,939</b>
Capex - maintenance	(10,683)	(10,430)	(9,713)	(10,198)	(10,708)
Capex - new investment	0	0	0	0	0
Net acquisitions & disposals	(2,694)	4,009	(1,695)	(7,495)	(7,103)
Other investments (net)	0	0	0	0	0
<b>Cash flow from investing</b>	<b>(13,377)</b>	<b>(6,421)</b>	<b>(11,408)</b>	<b>(17,693)</b>	<b>(17,811)</b>
Dividends paid	(3,206)	(2,846)	(3,533)	(3,810)	(4,047)
Equity finance	(215)	(822)	(452)	(452)	(452)
Debt finance	1,639	(5,258)	(446)	5,175	4,370
Other financing cash flows	0	0	0	0	0
<b>Cash flow from financing</b>	<b>(1,782)</b>	<b>(8,926)</b>	<b>(4,432)</b>	<b>913</b>	<b>(128)</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
<b>Net other adjustments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Movement in cash</b>	<b>695</b>	<b>287</b>	<b>0</b>	<b>0</b>	<b>0</b>
Free cash flow to firm (FCFF)	7,814.37	14,882.22	9,761.44	4,413.53	5,485.06
Free cash flow to equity (FCFE)	4,115.69	3,954.43	3,985.18	4,262.04	4,498.78
<b>Per share (THB)</b>					
FCFF per share	1.95	3.71	2.44	1.10	1.37
FCFE per share	1.03	0.99	0.99	1.06	1.12
Recurring cash flow per share	3.57	3.55	3.95	4.25	4.53
Balance Sheet (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Tangible fixed assets (gross)	111,435	116,368	126,081	136,279	146,987
Less: Accumulated depreciation	(48,581)	(52,332)	(61,942)	(72,341)	(83,570)
<b>Tangible fixed assets (net)</b>	<b>62,854</b>	<b>64,037</b>	<b>64,139</b>	<b>63,937</b>	<b>63,417</b>
<b>Intangible fixed assets (net)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Long-term financial assets	0	0	0	0	0
Invest. in associates & subsidiaries	2,774	2,630	2,730	2,830	2,930
Cash & equivalents	4,857	5,144	5,144	5,144	5,144
A/C receivable	19,377	19,490	19,603	20,278	20,915
Inventories	22,338	21,701	21,863	22,620	23,334
Other current assets	843	759	762	778	794
<b>Current assets</b>	<b>47,416</b>	<b>47,094</b>	<b>47,371</b>	<b>48,820</b>	<b>50,186</b>
Other assets	225,926	223,252	224,548	232,271	239,570
<b>Total assets</b>	<b>338,970</b>	<b>337,012</b>	<b>338,788</b>	<b>347,858</b>	<b>356,104</b>
Common equity	119,665	119,999	120,983	122,078	123,270
Minorities etc.	6,230	6,203	7,221	8,270	9,350
<b>Total shareholders' equity</b>	<b>125,896</b>	<b>126,202</b>	<b>128,204</b>	<b>130,349</b>	<b>132,621</b>
Long term debt	129,749	128,320	123,990	133,198	138,093
Other long-term liabilities	11,880	13,856	13,878	14,355	14,807
<b>Long-term liabilities</b>	<b>141,629</b>	<b>142,176</b>	<b>137,868</b>	<b>147,554</b>	<b>152,900</b>
A/C payable	32,947	33,810	34,062	35,242	36,354
Short term debt	36,870	33,042	36,925	32,892	32,367
Other current liabilities	1,628	1,783	1,729	1,822	1,862
<b>Current liabilities</b>	<b>71,445</b>	<b>68,634</b>	<b>72,717</b>	<b>69,955</b>	<b>70,583</b>
<b>Total liabilities and shareholders' equity</b>	<b>338,970</b>	<b>337,012</b>	<b>338,788</b>	<b>347,858</b>	<b>356,104</b>
Net working capital	7,984	6,357	6,436	6,612	6,827
Invested capital	299,538	296,276	297,853	305,650	312,744
* Includes convertibles and preferred stock which is being treated as debt					
<b>Per share (THB)</b>					
Book value per share	29.86	29.94	30.19	30.46	30.76
Tangible book value per share	29.86	29.94	30.19	30.46	30.76
<b>Financial strength</b>					
Net debt/equity (%)	128.5	123.8	121.5	123.5	124.7
Net debt/total assets (%)	47.7	46.4	46.0	46.3	46.4
Current ratio (x)	0.7	0.7	0.7	0.7	0.7
CF interest cover (x)	1.8	1.7	1.8	1.8	1.8
Valuation	2023	2024	2025E	2026E	2027E
<b>Recurring P/E (x) *</b>	<b>16.3</b>	<b>16.6</b>	<b>14.9</b>	<b>14.3</b>	<b>13.5</b>
<b>Recurring P/E @ target price (x) *</b>	<b>20.4</b>	<b>20.9</b>	<b>18.7</b>	<b>18.0</b>	<b>16.9</b>
Reported P/E (x)	16.0	19.1	15.4	14.3	13.5
Dividend yield (%)	4.2	3.7	4.6	5.0	5.3
Price/book (x)	0.6	0.6	0.6	0.6	0.6
Price/tangible book (x)	0.6	0.6	0.6	0.6	0.6
EV/EBITDA (x) **	11.9	10.7	10.5	10.3	10.0
EV/EBITDA @ target price (x) **	12.8	11.6	11.3	11.1	10.7
EV/invested capital (x)	0.8	0.8	0.8	0.8	0.8
* Pre-exceptional, pre-goodwill and fully diluted    ** EBITDA includes associate income and recurring non-operating income					

Sources: Berli Jucker; FSSIA estimates

# Berli Jucker PCL (BJC TB)

## FSSIA ESG rating



### Exhibit 116: FSSIA ESG score implication

**79.24 /100**

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 117: ESG – peer comparison

	FSSIA ESG score	Domestic ratings						Global ratings					Bloomberg		
		DJSI	SET ESG	SET ESG Rating	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	79.24	Y	Y	AA	5.00	4.00	--	Medium	72.74	AA	--	59.67	92.00	4.32	61.31
CPALL	75.48	Y	Y	AAA	5.00	4.00	Certified	Medium	67.76	A	34.00	64.69	88.00	--	--
CPAXT	53.49	--	Y	AA	5.00	5.00	Certified	--	--	BBB	--	--	84.00	3.90	67.20
CRC	74.92	--	Y	AA	5.00	5.00	Certified	Low	67.96	BBB	--	65.58	84.00	5.15	58.56

 Sources: [SETTRADE.com](https://www.settrade.com); FSSIA's compilation

### Exhibit 118: ESG score by Bloomberg

FY ending Dec 31	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
<b>ESG financial materiality scores - ESG score</b>	<b>0.97</b>	<b>1.54</b>	<b>1.56</b>	<b>1.62</b>	<b>2.64</b>	<b>2.59</b>	<b>2.70</b>	<b>4.32</b>
BESG environmental pillar score	0.69	0.76	0.73	0.77	2.37	2.05	1.88	1.42
BESG social pillar score	0.16	1.08	1.11	1.25	2.34	2.34	2.71	6.99
BESG governance pillar score	3.19	3.48	3.54	3.42	3.48	3.62	3.61	3.81
<b>ESG disclosure score</b>	<b>30.47</b>	<b>43.34</b>	<b>48.52</b>	<b>50.41</b>	<b>62.23</b>	<b>61.10</b>	<b>59.71</b>	<b>61.31</b>
Environmental disclosure score	0.91	9.15	24.71	30.38	50.20	44.85	44.85	44.85
Social disclosure score	9.22	33.34	33.34	33.34	42.74	44.71	40.54	45.34
Governance disclosure score	81.10	87.36	87.36	87.36	93.62	93.62	93.62	93.62
<b>Environmental</b>								
Emissions reduction initiatives	No	No	No	No	Yes	Yes	Yes	Yes
Climate change policy	No	No	No	No	Yes	Yes	Yes	Yes
Climate change opportunities discussed	No	No	No	No	No	No	No	No
Risks of climate change discussed	No	No	No	Yes	Yes	Yes	Yes	Yes
GHG scope 1	—	357	466	483	417	503	660	623
GHG scope 2 location-based	—	699	699	715	603	616	617	607
GHG Scope 3	—	—	—	—	—	292	6,837	7,735
Carbon per unit of production	—	—	—	—	—	—	—	—
Biodiversity policy	No	No	No	No	No	Yes	Yes	Yes
Energy efficiency policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Total energy consumption	—	—	2,978	3,108	3,303	2,903	1,273	1,228
Renewable energy use	—	0	2	24	42	53	58	68
Electricity used	—	—	1,423	1,485	1,207	1,322	1,273	1,228
Fuel used - natural gas	—	—	—	—	—	—	—	—

Sources: Bloomberg; FSSIA's compilation

## Exhibit 119: ESG score by Bloomberg (cont.)

FY ending Dec 31	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Fuel used - crude oil/diesel	No	No	No	No	No	No	No	No
Waste reduction policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Hazardous waste	—	—	—	2	1	—	—	—
Total waste	—	121	129	137	73	100	84	76
Waste recycled	—	—	37	37	33	20	28	28
Waste sent to landfills	—	—	—	94	39	74	54	42
Environmental supply chain management	No	No	No	No	Yes	Yes	Yes	Yes
Water policy	No	No	No	No	Yes	Yes	Yes	Yes
Water consumption	—	—	2,380	3,106	4,550	3,840	4,150	4,250
<b>Social</b>								
Human rights policy	No	No	No	No	Yes	Yes	Yes	Yes
Policy against child labor	No	No	No	No	Yes	Yes	Yes	Yes
Quality assurance and recall policy	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Consumer data protection policy	No	No	No	No	Yes	Yes	Yes	Yes
Equal opportunity policy	No	No	No	No	Yes	Yes	Yes	Yes
Gender pay gap breakout	No	No	No	No	No	Yes	Yes	Yes
Pct women in workforce	—	56	57	59	60	61	60	60
Pct disabled in workforce	—	—	—	—	—	—	—	—
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	—	1	0	0	1	0	0	0
Total recordable incident rate - employees	—	—	—	—	—	—	—	—
Training policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Fair remuneration policy	No	No	No	No	No	No	No	Yes
Number of employees – CSR	10,597	37,954	40,294	40,491	35,400	37,980	42,405	45,373
Employee turnover pct	—	66	73	69	62	48	45	31
Total hours spent by firm - employee training	—	3,339,950	3,889,880	3,494,120	2,255,330	4,405,680	4,187,660	4,264,250
Social supply chain management	No	No	No	No	Yes	Yes	Yes	Yes
<b>Governance</b>								
Board size	15	15	16	16	16	16	17	15
No. of independent directors (ID)	6	8	8	8	8	8	9	8
No. of women on board	2	2	3	3	3	3	4	4
No. of non-executive directors on board	12	13	13	13	13	14	14	13
Company conducts board evaluations	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
No. of board meetings for the year	30	6	6	5	6	6	4	5
Board meeting attendance pct	89	93	96	97	99	99	99	98
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	39	41	42	43	45	46	46	47
Age of the oldest director	74	74	76	77	78	79	79	80
No. of executives / company managers	6	6	6	7	6	10	10	8
No. of female executives	2	1	1	1	1	5	5	4
Executive share ownership guidelines	No	No	No	No	No	No	No	No
Size of audit committee	3	3	3	3	3	4	4	4
No. of ID on audit committee	3	3	3	3	3	3	4	4
Audit committee meetings	8	7	5	5	5	8	6	6
Audit meeting attendance %	95	100	93	100	100	90	100	100
Size of compensation committee	3	3	3	3	3	3	3	3
No. of ID on compensation committee	1	2	2	1	2	2	2	2
No. of compensation committee meetings	5	4	2	3	3	3	3	3
Compensation meeting attendance %	93	100	100	100	100	100	100	100
Size of nomination committee	3	3	3	3	3	3	3	3
No. of nomination committee meetings	5	4	2	3	3	3	3	3
Nomination meeting attendance %	93	100	100	100	100	100	100	100
<b>Sustainability governance</b>								
Verification type	No	No	No	No	Yes	Yes	Yes	Yes

Sources: Bloomberg; FSSIA's compilation



## Disclaimer for ESG scoring

ESG score	Methodology	Rating																			
The Dow Jones Sustainability Indices ( <a href="#">DJSI</a> ) 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.																			
SET ESG Ratings List ( <a href="#">SETESG</a> ) by The Stock Exchange of Thailand ( <a href="#">SET</a> )	SET ESG 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 <b>SETESG inclusion</b> , 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. <b>SETESG Index</b> is extended from the SET ESG Ratings 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.																			
<b>CG Score</b> 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%).																			
<b>AGM level</b> 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&amp;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.																			
<a href="#">Thai CAC</a> 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.																			
<a href="#">Morningstar Sustainabilitys</a>	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 &amp; 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+																	
<a href="#">ESG Book</a>	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.																			
<a href="#">MSCI</a>	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><b>AAA</b></td><td>8.571-10.000</td><td rowspan="3"><b>Leader:</b></td><td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td></tr><tr><td><b>AA</b></td><td>7.143-8.570</td></tr><tr><td><b>A</b></td><td>5.714-7.142</td></tr><tr><td><b>BBB</b></td><td>4.286-5.713</td><td rowspan="3"><b>Average:</b></td><td rowspan="3">a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td></tr><tr><td><b>BB</b></td><td>2.857-4.285</td></tr><tr><td><b>B</b></td><td>1.429-2.856</td></tr><tr><td><b>CCC</b></td><td>0.000-1.428</td><td><b>Laggard:</b></td><td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td></tr></table>	<b>AAA</b>	8.571-10.000	<b>Leader:</b>	leading its industry in managing the most significant ESG risks and opportunities	<b>AA</b>	7.143-8.570	<b>A</b>	5.714-7.142	<b>BBB</b>	4.286-5.713	<b>Average:</b>	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	<b>BB</b>	2.857-4.285	<b>B</b>	1.429-2.856	<b>CCC</b>	0.000-1.428	<b>Laggard:</b>	lagging its industry based on its high exposure and failure to manage significant ESG risks
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<b>CCC</b>	0.000-1.428	<b>Laggard:</b>	lagging its industry based on its high exposure and failure to manage significant ESG risks																		
<a href="#">Moody's ESG solutions</a>	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.																				
<a href="#">Refinitiv ESG rating</a>	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; &gt;25 to 50 = satisfactory; &gt;50 to 75 = good; and &gt;75 to 100 = excellent.)</i>																				
<a href="#">S&amp;P Global</a>	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.																				
<b>Bloomberg</b>	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

Kampon Akaravarinchai FSS International Investment Advisory Securities Co., Ltd

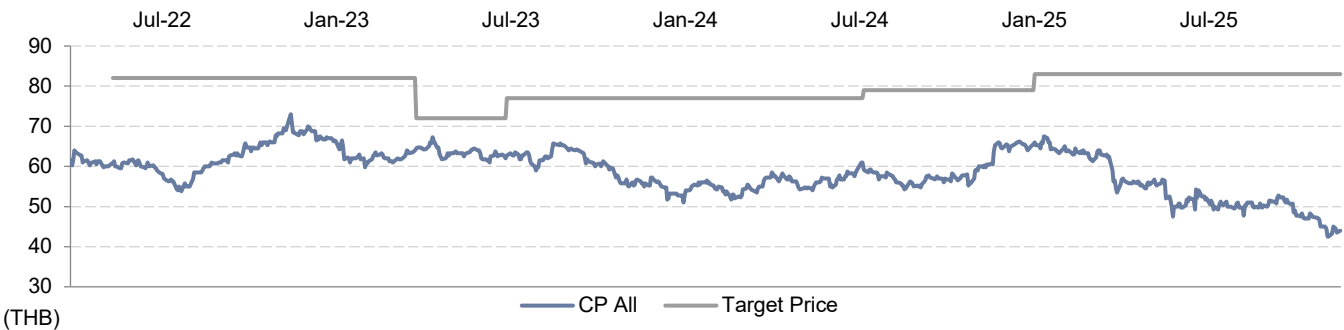
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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



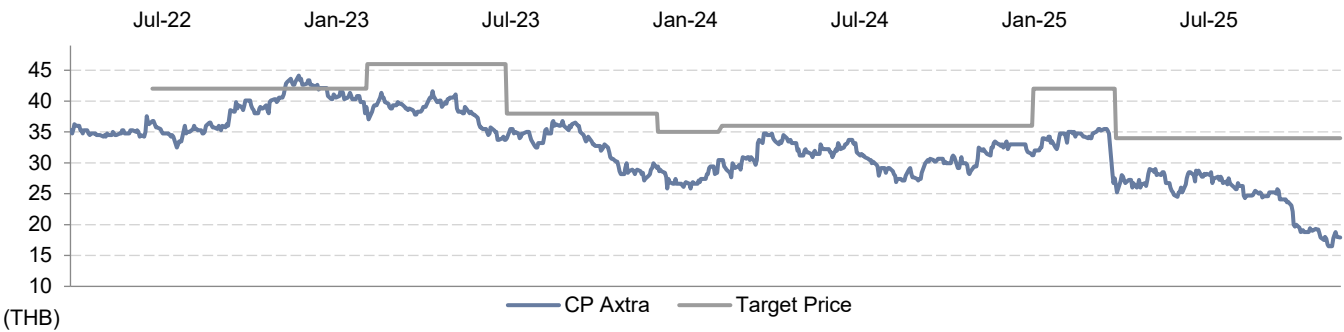
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
08-Aug-2022	BUY	82.00	13-Jul-2023	BUY	77.00	09-Oct-2024	BUY	83.00
26-Apr-2023	BUY	72.00	15-May-2024	BUY	79.00			

Kampon Akaravarinchai started covering this stock from 1-Jul-2025

Price and TP are in local currency

Source: FSSIA estimates

CP Aextra (CPAXT TB)



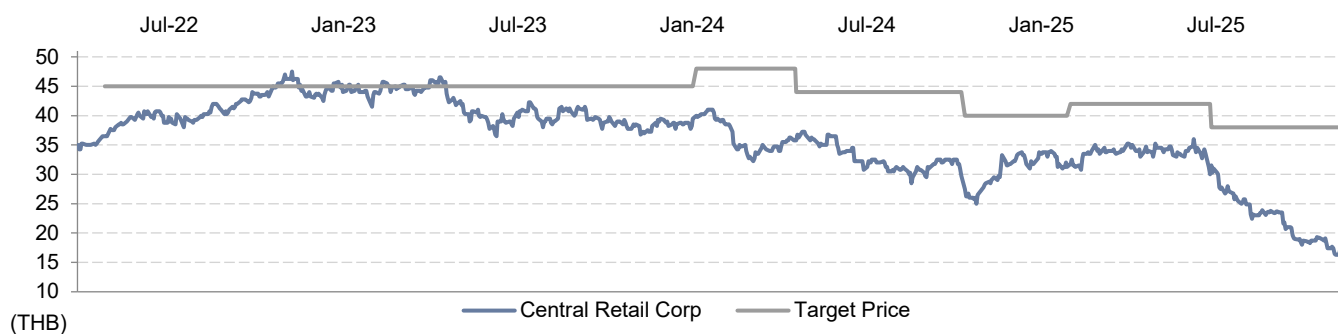
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
09-Sep-2022	BUY	42.00	20-Nov-2023	BUY	35.00	18-Dec-2024	BUY	34.00
15-Mar-2023	BUY	46.00	12-Jan-2024	BUY	36.00			
13-Jul-2023	BUY	38.00	08-Oct-2024	BUY	42.00			

Kampon Akaravarinchai started covering this stock from 1-Jul-2025

Price and TP are in local currency

Source: FSSIA estimates

## Central Retail Corp (CRC TB)



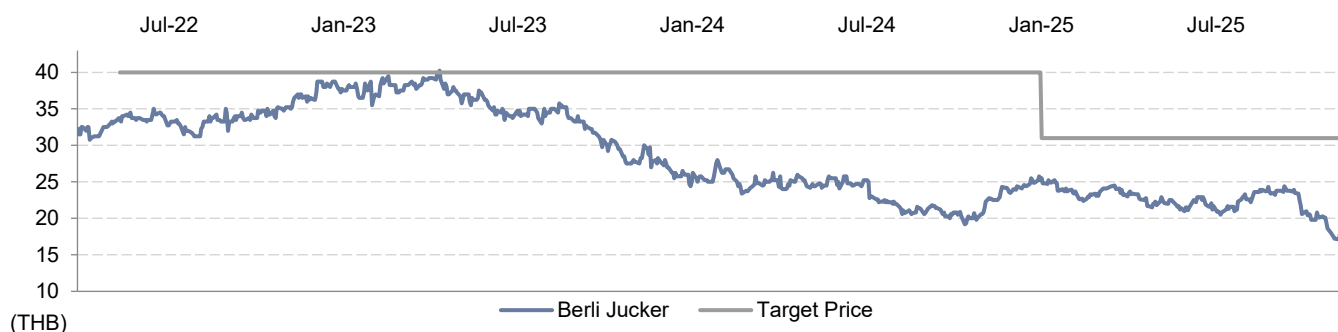
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
26-Jul-2022	BUY	45.00	12-Mar-2024	BUY	44.00	01-Nov-2024	BUY	42.00
15-Dec-2023	BUY	48.00	02-Aug-2024	BUY	40.00	04-Mar-2025	BUY	38.00

Kampon Akaravarinchai started covering this stock from 1-Jul-2025

Price and TP are in local currency

Source: FSSIA estimates

## Berli Jucker (BJC TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
08-Aug-2022	BUY	40.00	09-Oct-2024	BUY	31.00	-	-	-

Kampon Akaravarinchai started covering this stock from 1-Jul-2025

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
CP All	CPALL TB	THB 44.00	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 lower-than-expected y-y gross profit margin improvement.
CP Axtra	CPAXT TB	THB 17.90	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, 4) a lower-than-expected y-y gross profit margin improvement, and 5) a higher-than-expected loss contribution from Happitai project.
Central Retail Corp	CRC TB	THB 17.70	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 growth in Vietnam and Thailand.
Berli Jucker	BJC TB	THB 19.10	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, 4) a higher raw material cost, and 5) intensify competition pressuring retail business.

Source: FSSIA estimates

## Additional Disclosures

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finansia Syrus Securities Public Company Limited.

All share prices are as at market close on 30-Jun-2025 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.