Thailand Commerce

ประเด็นหมูเถื่อน

- เรามองสาเหตุที่ราคาหุ้นปรับลงแรง 3 สาเหตุ 1) CPAXT เกี่ยวโยงหมูเถื่อน 2) ค่าไฟปรับขึ้น 3) ธปท. ปรับลดประมาณการ GDP
- เชื่อว่าประเด็น ESG สะท้อนไปในราคาหุ้นแล้ว
- ชอบ CPALL ในมุม Valuation ที่ถูกกว่า CPAXT

เรามองสาเหตุที่ราคาหุ้น CPALL และ CPAXT ปรับลงแรงจาก 3 ปัจจัย

เราเชื่อว่าสาเหตุที่ทำให้ราคาหุ้นของ CPALL และ CPAXT ปรับลงกว่า -5.9% และ -9.7% WTD มาจาก 3 ปัจจัยได้แก่ 1) ประเด็นข่าว CPAXT เกี่ยวโยงกับหมูเถื่อน 2) กกพ. ปรับขึ้นค่าไฟงวด ม.ค. – เม.ย. 2024 เป็น 4.68 บาทต่อหน่วย เพิ่มขึ้น 17% จากงวดก่อนหน้า แต่ปรับลง 12% y-y โดยทุกๆ 1% ของการเปลี่ยนแปลงของค่าไฟ กระทบกำไรปกติปี 2024 ของ CPALL และ CPAXT ที่ 0.7% และ1.2% ตามลำดับ 3) ธปท.ปรับลดประมาณการ GDP ลง โดยปี 23 คาดเติบโต +2.4% จากครั้งก่อน +2.8% ปี 24 คาดเติบโต +3.2% กรณีไม่รวม Digital Wallet และคาด +3.8% กรณีรวม Digital Wallet ลดลงจากครั้งก่อนที่คาด +4.4%

CPAXT. CPALL ราคาหุ้นสะท้อนประเด็น ESG ไปแล้ว

ย้อนกลับไปในช่วงปี 2016 จากกรณีคณะผู้บริหารบางรายอาศัยข้อมูลภายในซื้อหุ้นบมจ.สยามแม็คโคร โดยในปี 2016 CPAXT, CPALL ซื้อขายบน Forward P/E เฉลี่ยปี 2016 ที่ 30.3 เท่า และ 25.5 เท่า หากเปรียบเทียบกับปัจจุบัน CPAXT และ CPALL ซื้อขายบน Forward P/E ปี 2024 ที่ 26.9 เท่า และ 23.2 เท่า ซึ่งลงมาซื้อขายต่ำกว่าในช่วงที่มีประเด็นด้าน CG โดยกำไรปกติของ CPALL ในปี 2016 ที่ 16.6 พันลบ. ขณะที่ในปี 2023 เราคาด 16.8 พันลบ. ซึ่งสูงกว่ากำไรปกติของปี 2016

แนวโน้ม 4Q23 และปี 2024 เติบโตต่อเนื่อง

แนวโน้มกำไรปกติของ CPAXT เติบโตทั้ง q-q และ y-y ขณะที่ CPALL เติบโต y-y หนุนจากแนวโน้ม SSSG ของทั้ง 3 ธุรกิจที่ยังเติบโตต่อเนื่อง 4QTD SSSG ธุรกิจ CVS +3-4%, ธุรกิจ Wholesale +4-5% และธุรกิจ Retail +5-6% ขณะที่แนวโน้มค่าใช้จ่ายใน 4Q23 มีแนวโน้มปรับลงจากค่า FT ที่อยู่ในระดับ 3.99 บาท/หน่วย, ค่าใช้จ่ายดอกเบี้ยที่ลดลงของ CPAXT สำหรับแนวโน้ม 2024 คาดยังโตต่อเนื่องโดยเราคาดกำไรปกติ CPALL และ CPAXT เติบโต 19% และ 22% ตามลำดับ จากการฟื้นตัวของการบริโภคและภาคท่องเที่ยว รวมถึงนโยบายกระตุ้นการบริโภคของภาครัฐ

เรายังชอบ CPALL และเป็น Top pick ในกลุ่ม

CPAXT, CPALL ปัจจุบันลงมาซื้อขายบน Forward P/E ปี 2024 ที่ 26.9 เท่า (Avg-5Y forward P/E-1.1SD) และ 23.2 เท่า (Avg-5Y forward P/E-2.3SD) ตามลำดับ โดยเราชอบ CPALL (BUY; TP24 ที่ 77 บาท) มากกว่า CPAXT (BUY; TP24 ที่ 35 บาท) ในแง่ Valuation ที่ยังถูกกว่าโดยเปรียบเทียบ

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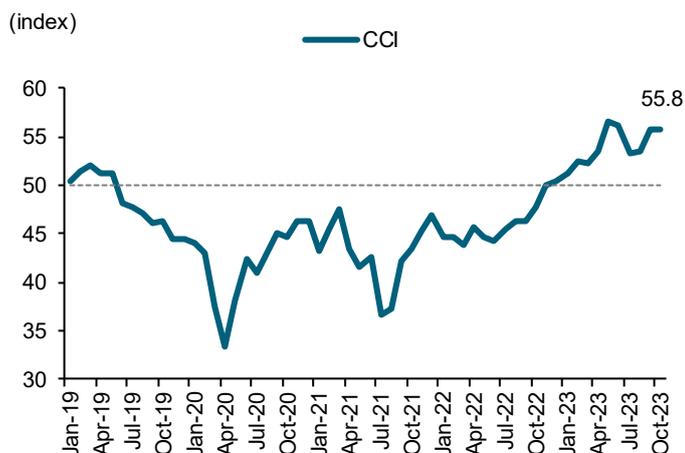jitra.a@fssia.com, +66 2646 9966

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

Exhibit 1: GDP would drive by private consumption

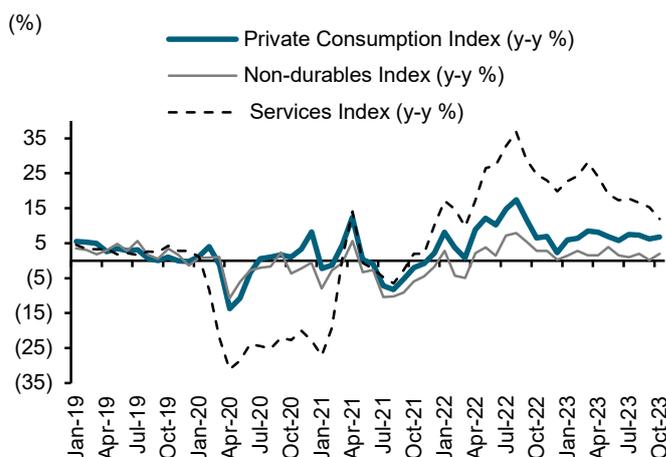| Annual percentage change	2022*	2023	----------------------- 2024 -----------------------	
			Exclude Digital Wallet	Include Digital Wallet
GDP growth	2.6	2.4	3.2	3.8
Domestic demand	4.1	3.7	2.9	3.7
Private consumption	**6.3**	**7.1**	**3.2**	**4.5**
Private investment	5.1	2.4	3.6	3.9
Government consumption	0.2	(4.0)	1.1	1.1
Public investment	(4.9)	0.5	2.7	2.7
Exports of goods and services	6.8	2.4	5.6	5.6
Imports of goods and services	4.1	(2)	5.9	5.2

*outturns
Sources: Bank of Thailand (BoT)

Exhibit 2: Consumer confidence index continue improve
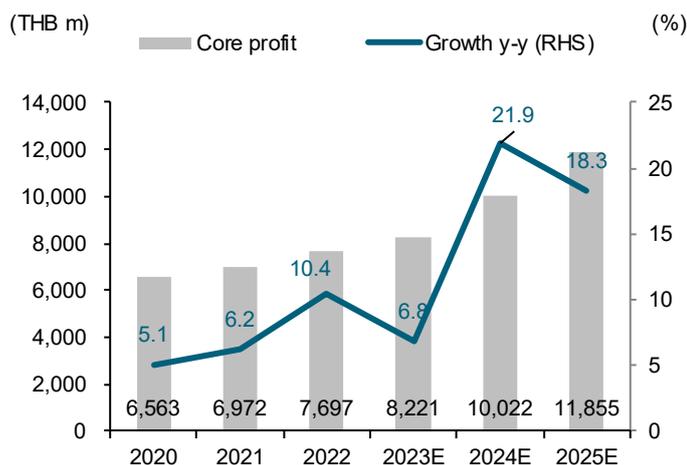

Sources: Ministry of Commerce

Exhibit 3: Service sector is a key drive in PCI
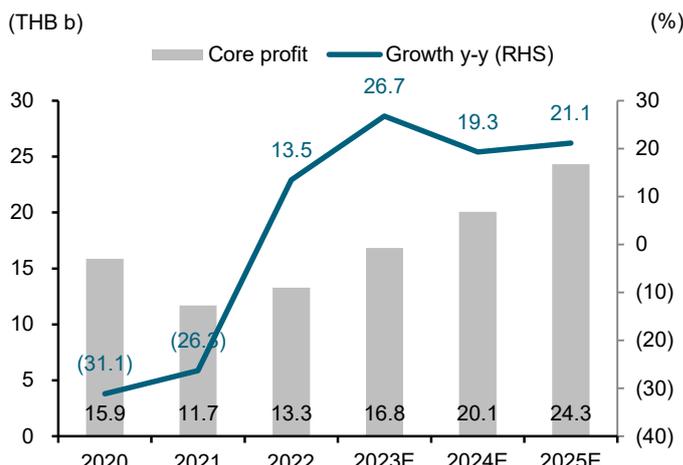

Source: Bank of Thailand

Exhibit 4: CPAXT - Core profit would continue to grow
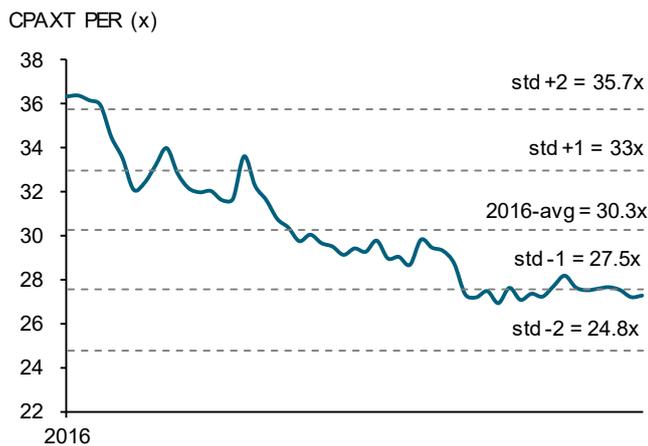

Sources: CPAXT; FSSIA estimates
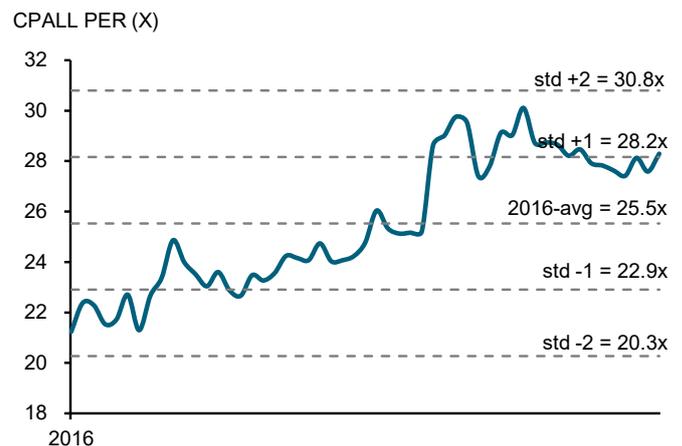
Exhibit 5: CPALL - Core profit would continue to grow

Sources: CPALL; FSSIA estimates

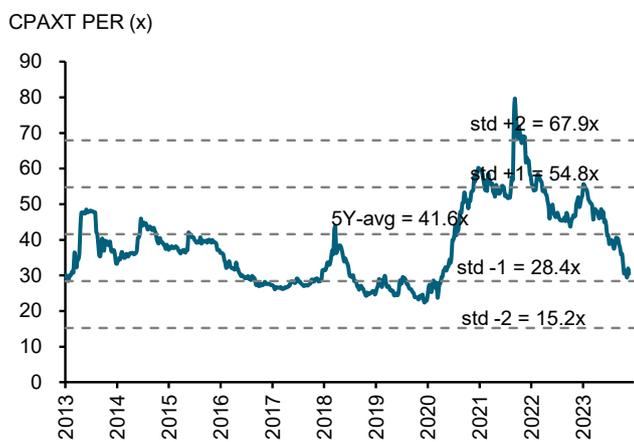**Exhibit 6: CPAXT; 2016-Rolling one-year forward P/E band**

CPAXT PER (x)

std +2 = 35.7x
std +1 = 33x
2016-avg = 30.3x
std -1 = 27.5x
std -2 = 24.8x

Sources: Bloomberg; FSSIA's compilation

Exhibit 7: CPALL; 2016-Rolling one-year forward P/E band

CPALL PER (X)

std +2 = 30.8x
std +1 = 28.2x
2016-avg = 25.5x
std -1 = 22.9x
std -2 = 20.3x

Sources: Bloomberg; FSSIA's compilation

Exhibit 8: CPAXT - Rolling one-year forward P/E band

CPAXT PER (x)

std +2 = 67.9x
std +1 = 54.8x
5Y-avg = 41.6x
std -1 = 28.4x
std -2 = 15.2x

Sources: Bloomberg; FSSIA estimates

Exhibit 9: CPALL - Rolling one-year forward P/E band

CPALL PER (X)

std +2 = 49.7x
std +1 = 43.5x
5Y-avg = 37.4x
std -1 = 31.3x
std -2 = 25.2x

Sources: Bloomberg; FSSIA estimates

Exhibit 10: Commerce peers as of 29 November 2023

Company	BBG	Rec	Share price			Market Cap	PE		ROE		PBV		EV/ EBITDA	
			Current (LCY)	Target (LCY)	Upside (%)	(USD m)	23E (x)	24E (x)	23E (%)	24E (%)	23E (x)	24E (x)	23E (x)	24E (x)
Consumer Staple														
CP All	CPALL TB	BUY	51.75	77.00	49	13,344	27.6	23.2	16.0	17.5	4.7	4.2	20.2	17.5
CP Axtra	CPAXT TB	BUY	25.50	35.00	37	7,745	33.4	26.9	2.8	3.4	0.9	0.9	9.9	9.3
Berli Jucker*	BJC TB	n/a	25.50	n/a	n/a	2,925	20.0	17.2	4.3	4.8	0.8	0.8	12.8	12.2
Consumer Staple average						**24,014**	**27.0**	**22.4**	**7.7**	**8.6**	**2.1**	**2.0**	**14.3**	**13.0**
Consumer Discretionary														
Com7	COM7 TB	BUY	22.80	30.00	32	1,561	17.4	15.6	41.6	41.7	6.9	6.2	12.3	11.2
Central Retail Corp*	CRC TB	n/a	38.75	n/a	n/a	6,646	28.6	23.6	12.5	13.7	3.5	3.1	11.5	10.5
Home Improvement														
Index Living Mall	ILM TB	BUY	23.50	26.70	14	341	17.1	15.4	12.0	12.7	2.0	1.9	8.1	7.3
Home Product Center	HMPRO TB	BUY	11.90	16.00	34	4,492	23.8	21.5	26.4	27.7	6.1	5.8	14.0	12.9
Siam Global House	GLOBAL TB	BUY	17.10	18.00	5	2,455	31.1	28.3	12.1	12.2	3.6	3.3	23.1	21.1
Dohome	DOHOME TB	BUY	12.30	13.00	6	1,091	63.9	34.2	4.9	8.5	3.1	2.8	27.0	19.8
Home Improvement avg.						**8,379**	**34.0**	**24.8**	**13.8**	**15.3**	**3.7**	**3.5**	**18.0**	**15.3**
Consumer Discretionary avg.						**16,586**	**30.3**	**23.1**	**18.2**	**19.4**	**4.2**	**3.9**	**16.0**	**13.8**
Total average						**40,600**	**29.2**	**22.9**	**14.7**	**15.8**	**3.5**	**3.2**	**15.4**	**13.5**

Sources: *Bloomberg; FSSIA estimates

Disclaimer for ESG scoring

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

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

ESG score	Methodology	Rating
ESG Book	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.	The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.
MSCI	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers.	

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

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

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

Source: FSSIA's compilation

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Jitra Amornthum FSS International Investment Advisory Securities Co., Ltd

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Company	Ticker	Price	Rating	Valuation & Risks
CP Axtra	CPAXT TB	THB 25.50	BUY	The key downside risks to our DCF-based TP include: 1) lower-than-expected SSSG; 2) a lower-than-expected GPM improvement; and 3) operational losses from its overseas business.
CP All	CPALL TB	THB 51.75	BUY	The key downside risks to our DCF-derived TP include 1) lower-than-expected SSSG, 2) lower-than-expected gross margin, and 3) higher-than-expected SG&A to sales ratio.
Com7	COM7 TB	THB 22.80	BUY	Downside risks to our P/E-based TP include 1) lower consumption and domestic purchasing power, 2) store cannibalization, and 3) product shortages.
Index Living Mall	ILM TB	THB 23.50	BUY	Downside risks to our DCF-based TP include 1) lower-than-expected SSSG; 2) a lower-than-expected GPM; and 3) higher-than-expected SG&A.
Home Product Center	HMPRO TB	THB 11.90	BUY	The key downside risks to our DCF-based TP include: 1) lower-than-expected SSSG; 2) the slow recovery of tourist numbers; and 3) operating losses from its overseas business.
Siam Global House	GLOBAL TB	THB 17.10	BUY	The key downside risks to our DCF-based TP are volatile farm incomes and farm prices which could negatively impact purchasing power, especially in the provinces and a larger-than-expected impact on farm income from the El Nino effect.
Dohome PCL	DOHOME TB	THB 12.30	BUY	Downside risks to our DCF-based TP include 1) lower-than-expected SSSG; 2) a lower-than-expected GPM; 3) higher-than-expected SG&A; and 4) a worse-than-expected effect from El Nino.

Source: FSSIA estimates

Additional Disclosures

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

All share prices are as at market close on 29-Nov-2023 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as (target price* - current price) / current price.

BUY (B). The upside is 10% or more.
HOLD (H). The upside or downside is less than 10%.
REDUCE (R). The downside is 10% or more.
Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

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

Industry Recommendations

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

Country (Strategy) Recommendations

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

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

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