

# CP ALL CPALL TB

THAILAND / COMMERCE

## BUY

UNCHANGED

|                 |           |
|-----------------|-----------|
| TARGET PRICE    | THB77.00  |
| CLOSE           | THB56.75  |
| UP/DOWNSIDE     | +35.7%    |
| PRIOR TP        | THB77.00  |
| CHANGE IN TP    | UNCHANGED |
| TP vs CONSENSUS | +3.1%     |

## GPM ของธุรกิจ CVS สูงกว่าที่คาด แนวโน้ม 4Q23 โต y-y

- แนวโน้ม 4Q23 คาดโต y-y จาก Low base ของค่าใช้จ่ายพนักงาน
- ปรับประมาณการกำไรปกติปี 2023-25 ขึ้น 2.7%-3.3% จากอัตรากำไรขั้นต้นของธุรกิจ CVS สูงกว่าที่คาด
- คงคำแนะนำซื้อ และคงราคาเป้าหมายปี 2024 ที่ 77 บาท

### กำไรปกติ 3Q23 เติบโต y-y หนุนจากยอดขายและ GPM ของธุรกิจ CVS

CPALL มีกำไรสุทธิ 3Q23 เท่ากับ 4,424 ลบ. หากไม่รวม Fx gain 161 ลบ. จะมีกำไรปกติ 4,264 ลบ. (-5% q-q, +12% y-y) หนุนจากยอดขายที่เติบโต 6% y-y และอัตรากำไรขั้นต้นของ CVS ที่ปรับสูงขึ้น 30 bps y-y

### แนวโน้ม 4Q23 เติบโต y-y จาก low base ของค่าใช้จ่ายพนักงาน

9M23 กำไรปกติเท่ากับ 12,834 ลบ. (+24% y-y) คิดเป็น 76% ของประมาณการกำไรของเราทั้งปี แนวโน้ม 4Q23 เราเชื่อว่าสามารถโตได้ y-y จาก Low base ในปีที่แล้ว จากค่าใช้จ่ายที่เกี่ยวข้องกับพนักงานในธุรกิจ CVS โดยปีนี้คาดว่าจะทยอยรับรู้ในทุกๆ ไตรมาสไปแล้ว ขณะที่ SSSG ในงวด 4QTD ธุรกิจ CVS ยังเป็นบวกได้ราว 3% ธุรกิจ Wholesale บวกได้ 4% และธุรกิจ Retail บวกได้ 5%

### ปรับกำไรปกติปี 2023-25 ขึ้น 2.7-3.3% จาก GPM ของธุรกิจ CVS ที่ดีกว่าคาด

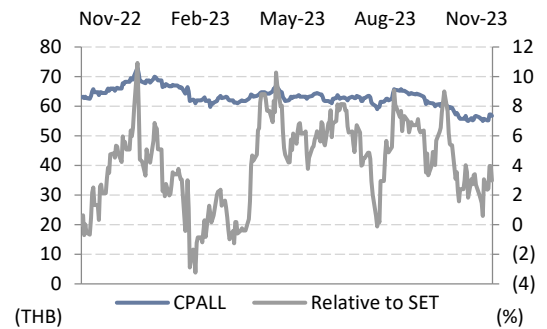
เราปรับประมาณการกำไรปกติ CPALL ปี 2023-25 ขึ้น 2.7%-3.3% จากอัตรากำไรขั้นต้นของธุรกิจ CVS ที่ดีกว่าที่เราคาด จากผลของการปรับราคาสินค้าขึ้น และ Product mix ที่ดีกว่าที่คาดโดยสัดส่วนสินค้าที่มี Margin สูง เช่น Ready-to-eat, Personal care, Beverage มีสัดส่วนการขายสูงขึ้น ขณะที่สัดส่วนสินค้าที่มี Margin ต่ำอย่างบุหรี่ยอดขายลดลง สำหรับธุรกิจ CVS ในกัมพูชาและลาว บริษัทยังขยายสาขาอย่างระมัดระวัง โดยใน 9M23 มีสาขาในกัมพูชาจำนวน 72 สาขา และลาว 1 สาขา

### คงราคาเป้าหมายปี 2024 ที่ 77 บาท แนะนำซื้อ

เรายังคงราคาเป้าหมาย CPALL ที่ 77 บาท (DCF) implied forward P/E ที่ 35 เท่า แนวโน้มปี 2024 เราคาดว่ากำไรปกติ CPALL จะยังโตได้ 19% หนุนจากทั้ง 3 ธุรกิจ ที่คาดว่า SSSG จะยังเป็นบวกต่อเนื่อง รวมถึงมาตรการกระตุ้นการบริโภคภาครัฐทั้งโครงการ Digital wallet และ E-refund จะช่วยกระตุ้นกำลังซื้อในประเทศ รวมถึงค่าไฟที่ปรับลงและดอกเบี้ยจ่ายที่ลดลงของ CPAXT โดยปัจจุบัน CPALL ซื้อขายที่ Forward P/E 25 เท่า อยู่บริเวณค่าเฉลี่ย 5ปี Forward P/E -2SD

## KEY STOCK DATA

| YE Dec (THB m)       | 2022    | 2023E   | 2024E   | 2025E     |
|----------------------|---------|---------|---------|-----------|
| Revenue              | 829,099 | 889,629 | 954,952 | 1,026,183 |
| Net profit           | 13,272  | 16,984  | 20,077  | 24,317    |
| EPS (THB)            | 1.48    | 1.89    | 2.23    | 2.71      |
| vs Consensus (%)     | -       | (0.8)   | (5.8)   | (1.3)     |
| EBITDA               | 49,129  | 51,524  | 59,058  | 66,975    |
| Recurring net profit | 13,281  | 16,833  | 20,077  | 24,317    |
| Core EPS (THB)       | 1.48    | 1.87    | 2.23    | 2.71      |
| Chg. In EPS est. (%) | -       | 2.7     | 3.3     | 3.1       |
| EPS growth (%)       | 13.5    | 26.7    | 19.3    | 21.1      |
| Core P/E (x)         | 38.4    | 30.3    | 25.4    | 21.0      |
| Dividend yield (%)   | 1.3     | 1.6     | 1.9     | 2.3       |
| EV/EBITDA (x)        | 22.1    | 21.1    | 18.2    | 15.9      |
| Price/book (x)       | 5.6     | 5.1     | 4.6     | 4.2       |
| Net debt/Equity (%)  | 129.2   | 123.4   | 114.1   | 102.7     |
| ROE (%)              | 13.0    | 16.0    | 17.5    | 19.3      |



| Share price performance        | 1 Month        | 3 Month | 12 Month |
|--------------------------------|----------------|---------|----------|
| Absolute (%)                   | (1.7)          | (9.2)   | (9.2)    |
| Relative to country (%)        | (0.5)          | (2.0)   | 3.6      |
| Mkt cap (USD m)                | 14,538         |         |          |
| 3m avg. daily turnover (USD m) | 40.2           |         |          |
| Free float (%)                 | 58             |         |          |
| Major shareholder              | CP Group (35%) |         |          |
| 12m high/low (THB)             | 73.75/53.50    |         |          |
| Issued shares (m)              | 8,983.10       |         |          |

Sources: Bloomberg consensus; FSSIA estimates



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## Investment thesis

CPALL เป็นผู้ประกอบธุรกิจร้านสะดวกซื้อ (CVS) ที่ใหญ่ที่สุดในประเทศไทย และมีการขยายสาขาอย่างต่อเนื่อง รวมถึงการขยายสาขาไปในประเทศกัมพูชา และประเทศลาว ณ 2Q23 มีสาขาในประเทศไทยทั้งหมด 14,215 สาขา, ประเทศกัมพูชา 66 สาขา และเปิดสาขาแรกในลาวเมื่อวันที่ 7 ก.ย. 2023

ภายหลังการรวมธุรกิจของ CPAXT (ซื้อ, ราคาเป้าหมาย 2024 ที่ 38 บาท) โดย CPALL ถือหุ้น 59.9% ทำให้ CPALL ดำเนินธุรกิจ 3 ธุรกิจหลักได้แก่ธุรกิจร้านสะดวกซื้อ, ธุรกิจค้าส่ง, ธุรกิจค้าปลีก

เราเชื่อว่า CPALL จะได้รับผลบวกจากการฟื้นตัวของบริโภคในประเทศ รวมทั้งมาตรการกระตุ้นกำลังซื้อในประเทศ โดยเราคาดว่าไปรษณีย์ปี 2023-25 เติบโตเฉลี่ย 22% CAGR

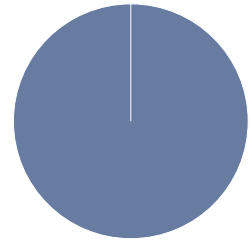
## Company profile

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

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

## Principal activities (revenue, 2022)

■ Sales - 100.0 %

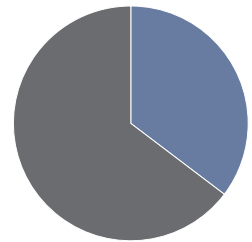


Source: CP All

## Major shareholders

■ CP Group - 35.3 %

■ Others - 64.7 %



Source: CP All

## Catalysts

ปัจจัยบวกต่อราคาหุ้นได้แก่ 1) การบริโภคในประเทศและอุตสาหกรรมท่องเที่ยวฟื้นตัวกว่าที่คาด 2) ผลการดำเนินงานของธุรกิจค้าส่งและค้าปลีกดีกว่าที่คาด

## Risks to our call

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

## Event calendar

| Date       | Event                     |
|------------|---------------------------|
| March 2024 | 4Q23 results announcement |

## Key assumptions

| CPALL             | 2023E | 2024E | 2025E |
|-------------------|-------|-------|-------|
| SSSG CVS (%)      | 8.0   | 5.0   | 5.0   |
| SSSG Makro (%)    | 6.0   | 3.0   | 3.0   |
| SSSG Lotus-TH (%) | (0.5) | 3.0   | 3.0   |
| SSSG Lotus-ML (%) | (1.0) | 1.0   | 3.0   |
| New stores (no.)  | 700   | 700   | 700   |
| GPM (%)           | 28.1  | 28.3  | 28.4  |
| SG&A to sales     | 20.0  | 20.1  | 20.2  |

Source: FSSIA estimates

## Earnings sensitivity

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

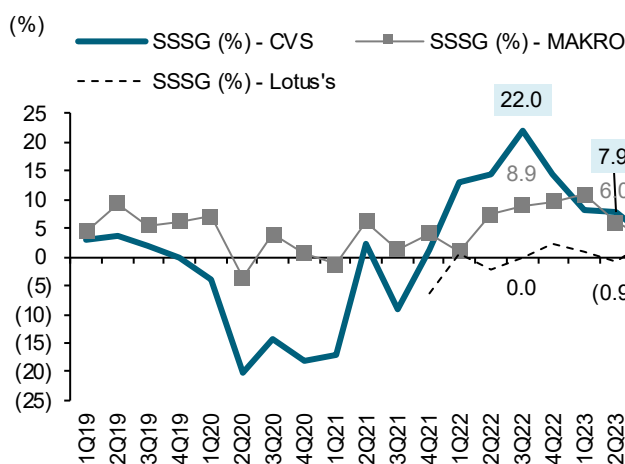
Source: FSSIA estimates

## Exhibit 1: 3Q23 results summary

| Year to Dec 31               | 3Q22       | 4Q22       | 1Q23       | 2Q23       | 3Q23       | Change        |               | 9M23       |              |            | 2023E        | Change       |
|------------------------------|------------|------------|------------|------------|------------|---------------|---------------|------------|--------------|------------|--------------|--------------|
|                              | (THB m)    | (THB m)    | (THB m)    | (THB m)    | (THB m)    | (q-q%)        | (y-y%)        | (THB m)    | (y-y%)       | (%23E)     | (THB m)      | (y-y%)       |
| Total revenue                | 207,617    | 218,863    | 215,895    | 225,603    | 220,051    | (2.5)         | 6.0           | 661,548    | 8            | 74         | 889,629      | 7            |
| Retail sales                 | 207,617    | 218,863    | 215,895    | 225,603    | 220,051    | (2.5)         | 6.0           | 661,548    | 8            | 74         | 889,629      | 7            |
| COGS                         | (162,429)  | (171,615)  | (168,983)  | (176,041)  | (172,085)  | (2.2)         | 5.9           | (517,109)  | 8            | 74         | (697,668)    | 7            |
| Gross profit                 | 45,188     | 47,248     | 46,913     | 49,561     | 47,966     | (3.2)         | 6.1           | 144,440    | 10           | 75         | 191,961      | 8            |
| Other income                 | 6,191      | 6,548      | 6,125      | 6,399      | 6,215      | (2.9)         | 0.4           | 18,739     | 10           | 70         | 26,597       | 15           |
| Operating costs              | (41,916)   | (44,398)   | (43,178)   | (45,867)   | (44,486)   | (3.0)         | 6.1           | (133,531)  | 10           | 75         | (178,363)    | 8            |
| Operating profit             | 9,463      | 9,397      | 9,859      | 10,094     | 9,695      | (4.0)         | 2.4           | 29,648     | 11           | 74         | 40,195       | 12           |
| FX gain (loss)               | (133)      | 231        | 352        | (51)       | 161        | (413)         | (221)         | 461        | (292)        | n/a        | 0            | (100)        |
| Interest expense             | (4,283)    | (4,747)    | (4,408)    | (4,145)    | (3,995)    | (4)           | (7)           | (12,547)   | 4            | 77         | (16,209)     | (4)          |
| Profit before tax            | 5,180      | 4,651      | 5,451      | 5,949      | 5,700      | (4)           | 10            | 17,100     | 17           | 71         | 23,986       | 25           |
| Tax                          | (987)      | (996)      | (1,043)    | (1,073)    | (970)      | (10)          | (2)           | (3,085)    | 8            | 64         | (4,797)      | 24           |
| Equity income                | 230        | 175        | 193        | 201        | 185        | (8)           | (20)          | 579        | nm           | 74         | 787          | (5)          |
| Minority interests           | (614)      | (923)      | (831)      | (588)      | (651)      | 11            | 6             | (2,070)    | 2            | 66         | (3,143)      | 7            |
| Non-recurring items          | (133)      | 231        | 42         | (51)       | 161        | (413)         | (221)         | 152        | (163)        | 100        | 152          | (1,729)      |
| Reported net profit          | 3,677      | 3,138      | 4,123      | 4,438      | 4,424      | (0.3)         | 20            | 12,985     | 28           | 76         | 16,984       | 28           |
| Recurring net profit         | 3,810      | 2,907      | 4,080      | 4,490      | 4,264      | (5.0)         | 11.9          | 12,834     | 24           | 76         | 16,833       | 27           |
| EPS (THB)                    | 0.41       | 0.35       | 0.46       | 0.49       | 0.49       | (0)           | 20            | 1.45       | 28           | 79         | 1.84         | 32           |
| Recurring EPS (THB)          | 0.42       | 0.32       | 0.42       | 0.50       | 0.47       | (5.0)         | 11.9          | 1.39       | 21           | 76         | 1.82         | 31           |
| <b>Key Ratios (%)</b>        | <b>(%)</b> | <b>(%)</b> | <b>(%)</b> | <b>(%)</b> | <b>(%)</b> | <b>(ppt)</b>  | <b>(ppt)</b>  | <b>(%)</b> | <b>(ppt)</b> | <b>(%)</b> | <b>(ppt)</b> | <b>(ppt)</b> |
| Gross margin-overall         | 21.8       | 21.6       | 21.7       | 22.0       | 21.8       | (0.2)         | 0.0           | 21.8       | 0.4          |            | 21.6         | 0.1          |
| Gross margin-CVS             | 27.6       | 27.6       | 27.9       | 28.4       | 27.9       | (0.5)         | 0.3           | 28.1       | 0.8          |            | 28.1         | 0.7          |
| Operating margin             | 4.6        | 4.3        | 4.6        | 4.5        | 4.4        | (0.1)         | (0.2)         | 4.5        | 0.1          |            | 4.5          | 0.2          |
| Recurring net margin         | 1.8        | 1.3        | 1.9        | 2.0        | 1.9        | (0.1)         | 0.1           | 1.9        | 0.2          |            | 1.9          | 0.3          |
| SG&A / Sales                 | 20.2       | 20.3       | 20.0       | 20.3       | 20.2       | (0.1)         | 0.0           | 20.2       | 0.4          |            | 20.0         | 0.1          |
| <b>Operating statistics</b>  |            |            |            |            |            | <b>(q-q%)</b> | <b>(y-y%)</b> |            |              |            |              |              |
| Expansion (no.)              | 227        | 178        | 209        | 168        | 176        | 4.8           | (22.5)        | 553        | 5.1          |            | 700          | (1)          |
| Outstanding store (no.)      | 13,660     | 13,838     | 14,047     | 14,215     | 14,391     | 1.2           | 5.4           | 14,391     | 5.4          |            | 14,538       | 5            |
| Avg. daily sales/store (THB) | 76,612     | 76,659     | 78,735     | 83,558     | 79,308     | (5.1)         | 3.5           |            |              |            | n/a          |              |
| Spending per ticker (THB)    | 82         | 84         | 84         | 84         | 82         | (2.4)         | 0.0           |            |              |            | n/a          |              |
| Daily customer/store (no.)   | 928        | 916        | 941        | 995        | 959        | (3.6)         | 3.3           |            |              |            | n/a          |              |
| SSSG CVS (%)                 | 22.1       | 14.5       | 8.0        | 7.9        | 3.5        |               |               |            |              |            | 8.0          |              |
| SSSG - MAKRO (%)             | 8.9        | 9.6        | 10.9       | 6.0        | 3.2        |               |               |            |              |            | 6.0          |              |
| SSSG - Lotus's TH (%)        | 0.0        | 2.4        | 0.8        | (0.9)      | 2.5        |               |               |            |              |            | (0.5)        |              |
| SSSG - Lotus's ML (%)        | (3.7)      | (2.4)      | (0.9)      | (12.2)     | 0.6        |               |               |            |              |            | (1.0)        |              |

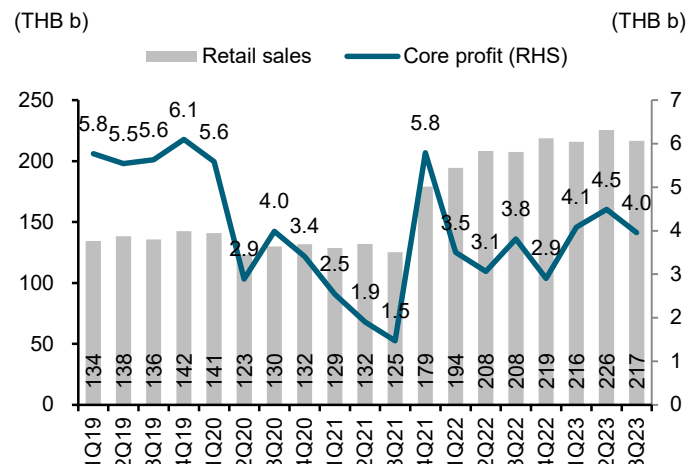
Sources: CPALL; FSSIA estimates

## Exhibit 2: CPALL's SSSG breakdown by business unit



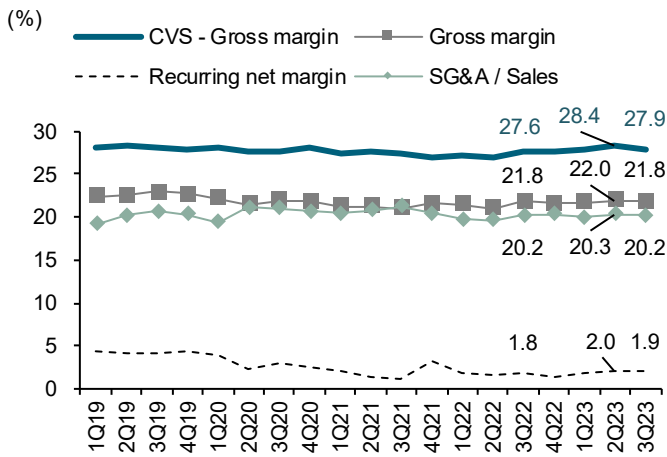
Sources: CPALL; FSSIA's compilation

## Exhibit 3: CPALL's performance by quarter



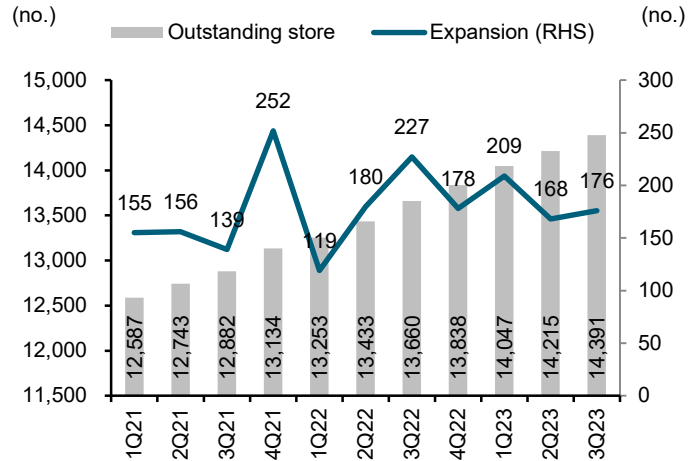
Sources: CPALL; FSSIA's compilation

**Exhibit 4: CPALL's profitability**



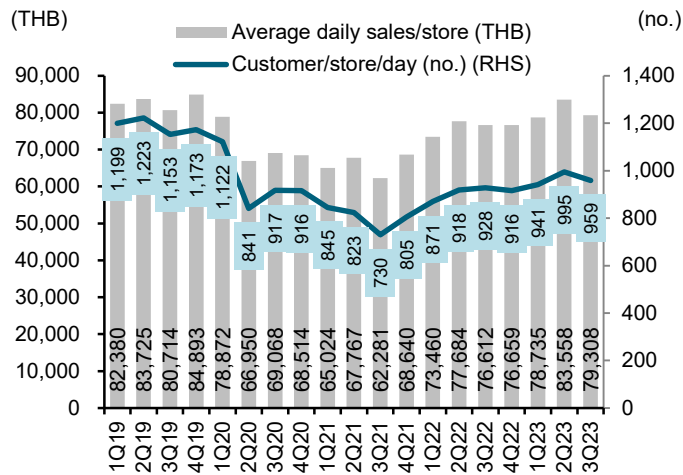
Sources: CPALL; FSSIA's compilation

**Exhibit 5: CPALL's convenience stores**



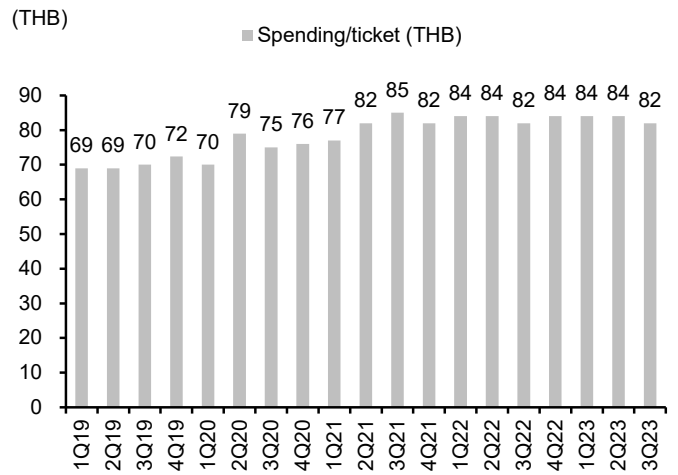
Sources: CPALL; FSSIA's compilation

**Exhibit 6: Store performance and traffic**



Sources: CPALL; FSSIA's compilation

**Exhibit 7: Spending per ticket**



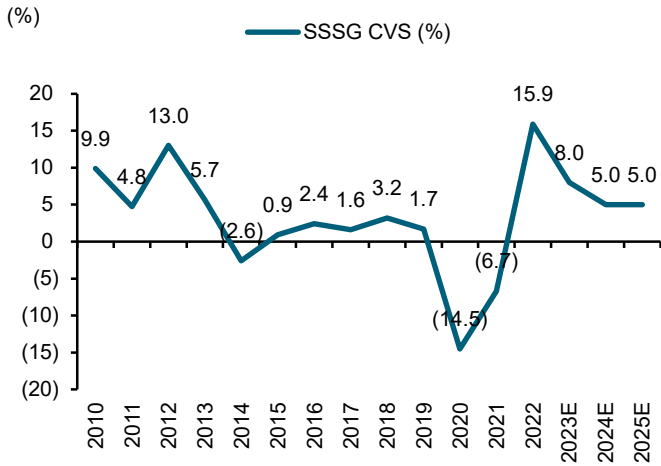
Sources: CPALL; FSSIA's compilation

**Exhibit 8: Key assumption for CPALL**

|                      | Current |         |           | Previous |         |           | Change |       |       |
|----------------------|---------|---------|-----------|----------|---------|-----------|--------|-------|-------|
|                      | 2023E   | 2024E   | 2025E     | 2023E    | 2024E   | 2025E     | 2023E  | 2024E | 2025E |
| Revenues (THB m)     | 889,629 | 954,952 | 1,026,183 | 902,362  | 975,667 | 1,060,793 | (1.4)  | (2.1) | (3.3) |
| SSSG CVS (%)         | 8.0     | 5.0     | 5.0       | 8.0      | 5.0     | 5.0       | 0.0    | 0.0   | 0.0   |
| SSSG MAKRO (%)       | 6.0     | 3.0     | 3.0       | 6.0      | 3.0     | 3.0       | 0.0    | 0.0   | 0.0   |
| SSSG Lotus-TH (%)    | (0.5)   | 3.0     | 3.0       | (0.5)    | 2.0     | 3.0       | 0.0    | 1.0   | 0.0   |
| SSSG Lotus-ML (%)    | (1.0)   | 1.0     | 3.0       | (1.0)    | 1.0     | 3.0       | 0.0    | 0.0   | 0.0   |
| CVS Gross margin (%) | 28.1    | 28.3    | 28.4      | 27.7     | 27.8    | 27.9      | 0.4    | 0.5   | 0.6   |
| Consolidated GPM (%) | 21.6    | 21.9    | 22.1      | 21.5     | 21.7    | 21.8      | 0.1    | 0.2   | 0.3   |
| No. of new stores    | 700     | 700     | 700       | 700      | 700     | 700       | 0      | 0     | 0     |
| SG&A to sales (%)    | 20.0    | 20.1    | 20.2      | 20.1     | 20.0    | 19.9      | (0.0)  | 0.1   | 0.3   |
| Core profit (THB m)  | 16,833  | 20,077  | 24,317    | 16,396   | 19,434  | 23,582    | 2.7    | 3.3   | 3.1   |

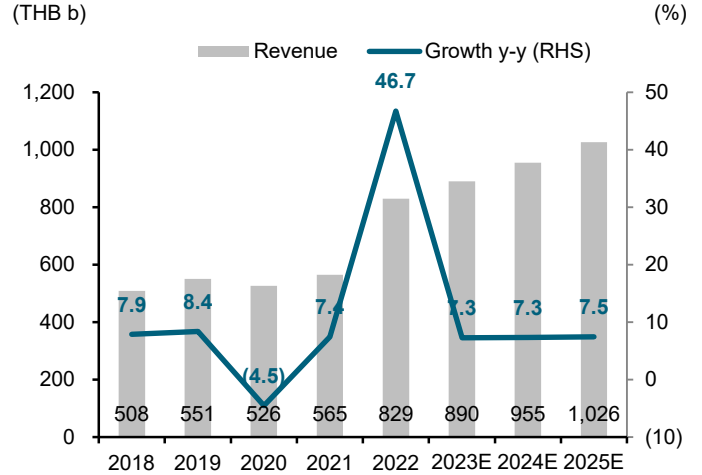
Source: FSSIA estimates

**Exhibit 9: Yearly SSSG for CVS**



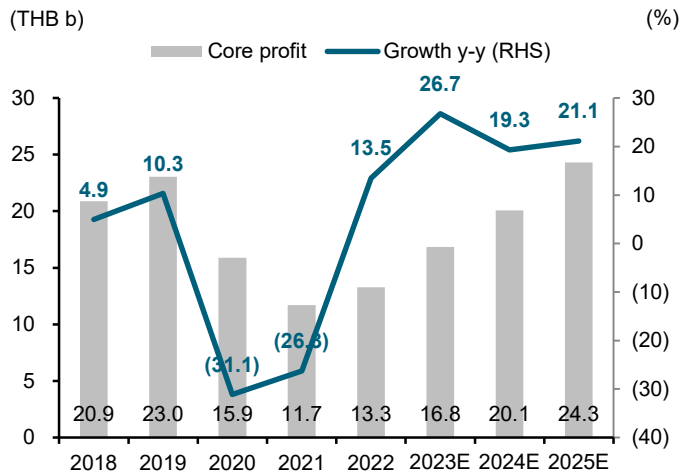
Sources: CPALL; FSSIA estimates

**Exhibit 10: Yearly revenue**



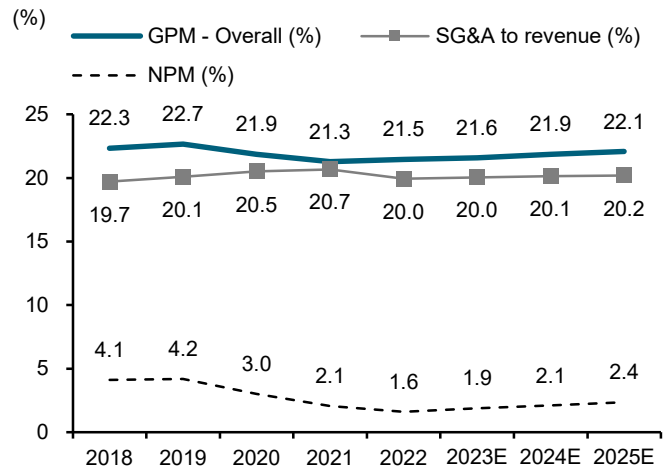
Sources: CPALL; FSSIA estimates

**Exhibit 11: Yearly core profit**



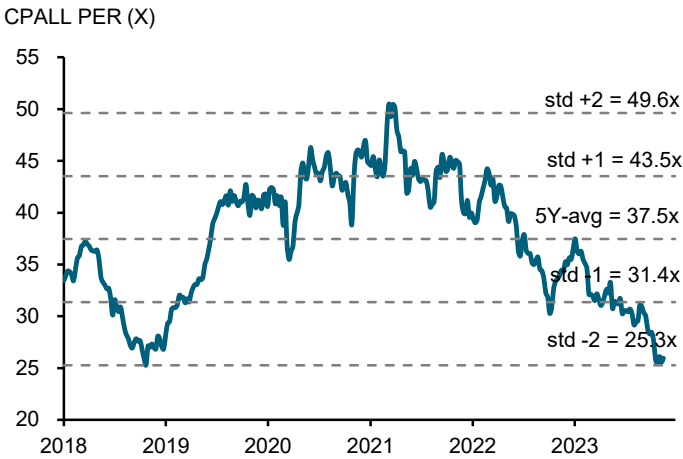
Sources: CPALL; FSSIA estimates

**Exhibit 12: Profitability**



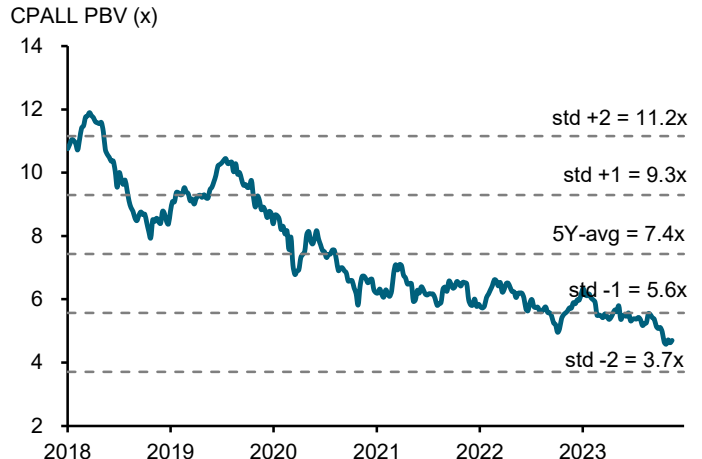
Sources: CPALL; FSSIA estimates

**Exhibit 13: Rolling one-year forward P/E band**



Sources: Bloomberg; FSSIA estimates

**Exhibit 14: Rolling one-year forward P/BV band**



Sources: Bloomberg; FSSIA estimates

## Exhibit 15: Commerce peers as of 17 November 2023

| Company                            | BBG       | Rec | Share price      |                 |               | Market Cap<br>(USD m) | PE          |             | ROE         |             | PBV        |            | EV/ EBITDA  |             |
|------------------------------------|-----------|-----|------------------|-----------------|---------------|-----------------------|-------------|-------------|-------------|-------------|------------|------------|-------------|-------------|
|                                    |           |     | Current<br>(LCY) | Target<br>(LCY) | Upside<br>(%) |                       | 23E<br>(x)  | 24E<br>(x)  | 23E<br>(%)  | 24E<br>(%)  | 23E<br>(x) | 24E<br>(x) | 23E<br>(x)  | 24E<br>(x)  |
| <b>Consumer Staple</b>             |           |     |                  |                 |               |                       |             |             |             |             |            |            |             |             |
| CP All                             | CPALL TB  | BUY | 56.75            | 77.00           | 36            | 14,538                | 30.3        | 25.4        | 16.0        | 17.5        | 5.1        | 4.6        | 21.1        | 18.2        |
| CP Aextra                          | CPAXT TB  | BUY | 29.50            | 35.00           | 19            | 8,901                 | 38.6        | 31.1        | 2.8         | 3.4         | 1.1        | 1.1        | 11.2        | 10.5        |
| Berli Jucker*                      | BJC TB    | n/a | 27.75            | n/a             | n/a           | 3,138                 | 21.3        | 18.4        | 4.3         | 4.8         | 0.9        | 0.9        | 13.2        | 12.5        |
| <b>Consumer Staple average</b>     |           |     |                  |                 |               | <b>26,577</b>         | <b>30.1</b> | <b>25.0</b> | <b>7.7</b>  | <b>8.6</b>  | <b>2.4</b> | <b>2.2</b> | <b>15.2</b> | <b>13.8</b> |
| <b>Consumer Discretionary</b>      |           |     |                  |                 |               |                       |             |             |             |             |            |            |             |             |
| Com7                               | COM7 TB   | BUY | 23.00            | 30.00           | 30            | 1,564                 | 17.5        | 15.8        | 41.6        | 41.7        | 7.0        | 6.2        | 12.4        | 11.3        |
| Central Retail Corp*               | CRC TB    | n/a | 39.50            | n/a             | n/a           | 6,697                 | 28.9        | 23.8        | 12.6        | 13.9        | 3.5        | 3.2        | 11.7        | 10.7        |
| <b>Home Improvement</b>            |           |     |                  |                 |               |                       |             |             |             |             |            |            |             |             |
| Index Living Mall                  | ILM TB    | BUY | 23.70            | 26.70           | 13            | 341                   | 17.2        | 15.5        | 12.0        | 12.7        | 2.0        | 1.9        | 8.1         | 7.4         |
| Home Product Center                | HMPRO TB  | BUY | 12.20            | 16.00           | 31            | 4,575                 | 24.4        | 22.1        | 26.4        | 27.7        | 6.3        | 6.0        | 14.3        | 13.2        |
| Siam Global House                  | GLOBAL TB | BUY | 17.10            | 18.00           | 5             | 2,439                 | 31.1        | 28.3        | 12.1        | 12.2        | 3.6        | 3.3        | 23.1        | 21.1        |
| Dohome                             | DOHOME TB | BUY | 12.20            | 13.00           | 7             | 1,075                 | 63.4        | 33.9        | 4.9         | 8.5         | 3.0        | 2.8        | 26.9        | 19.7        |
| <b>Home Improvement avg.</b>       |           |     |                  |                 |               | <b>8,430</b>          | <b>34.0</b> | <b>24.9</b> | <b>13.8</b> | <b>15.3</b> | <b>3.7</b> | <b>3.5</b> | <b>18.1</b> | <b>15.3</b> |
| <b>Consumer Discretionary avg.</b> |           |     |                  |                 |               | <b>16,692</b>         | <b>30.4</b> | <b>23.2</b> | <b>18.3</b> | <b>19.4</b> | <b>4.2</b> | <b>3.9</b> | <b>16.1</b> | <b>13.9</b> |
| <b>Total average</b>               |           |     |                  |                 |               | <b>43,269</b>         | <b>30.3</b> | <b>23.8</b> | <b>14.7</b> | <b>15.8</b> | <b>3.6</b> | <b>3.3</b> | <b>15.8</b> | <b>13.8</b> |

Sources: \*Bloomberg; FSSIA estimates

## Financial Statements

CP All

| Profit and Loss (THB m) Year Ending Dec           | 2021           | 2022           | 2023E          | 2024E          | 2025E          |
|---|----------------|----------------|----------------|----------------|----------------|
| Revenue   | 565,060        | 829,099        | 889,629        | 954,952        | 1,026,183      |
| Cost of goods sold                                | (444,771)      | (651,100)      | (697,668)      | (746,153)      | (799,519)      |
| <b>Gross profit</b>                               | <b>120,289</b> | <b>177,999</b> | <b>191,961</b> | <b>208,798</b> | <b>226,664</b> |
| Other operating income                            | 0              | 0              | 0              | 0              | 0              |
| Operating costs                                   | (116,867)      | (165,414)      | (178,363)      | (192,330)      | (207,174)      |
| <b>Operating EBITDA</b>                           | <b>27,908</b>  | <b>49,129</b>  | <b>51,524</b>  | <b>59,058</b>  | <b>66,975</b>  |
| Depreciation                                      | (24,486)       | (36,544)       | (37,926)       | (42,591)       | (47,486)       |
| Goodwill amortisation                             | 0              | 0              | 0              | 0              | 0              |
| <b>Operating EBIT</b>                             | <b>3,422</b>   | <b>12,585</b>  | <b>13,598</b>  | <b>16,468</b>  | <b>19,490</b>  |
| Net financing costs                               | (12,514)       | (16,549)       | (15,923)       | (15,281)       | (14,718)       |
| Associates  | (226)          | 831            | 787            | 826            | 868            |
| Recurring non-operating income                    | 20,389         | 24,055         | 27,098         | 28,573         | 31,170         |
| Non-recurring items                               | 1,280          | (9)            | 152            | 0              | 0              |
| <b>Profit before tax</b>                          | <b>12,577</b>  | <b>20,082</b>  | <b>24,925</b>  | <b>29,760</b>  | <b>35,941</b>  |
| Tax   | (525)          | (3,861)        | (4,797)        | (5,787)        | (7,015)        |
| <b>Profit after tax</b>                           | <b>12,052</b>  | <b>16,221</b>  | <b>20,127</b>  | <b>23,973</b>  | <b>28,926</b>  |
| Minority interests                                | 933            | (2,949)        | (3,143)        | (3,896)        | (4,609)        |
| Preferred dividends                               | 0              | 0              | 0              | 0              | 0              |
| Other items                                       | 0              | 0              | 0              | 0              | 0              |
| <b>Reported net profit</b>                        | <b>12,985</b>  | <b>13,272</b>  | <b>16,984</b>  | <b>20,077</b>  | <b>24,317</b>  |
| <b>Non-recurring items &amp; goodwill (net)</b>   | <b>(1,280)</b> | <b>9</b>       | <b>(152)</b>   | <b>0</b>       | <b>0</b>       |
| <b>Recurring net profit</b>                       | <b>11,706</b>  | <b>13,281</b>  | <b>16,833</b>  | <b>20,077</b>  | <b>24,317</b>  |
| <b>Per share (THB)</b>                            |                |                |                |                |                |
| Recurring EPS *                                   | 1.30           | 1.48           | 1.87           | 2.23           | 2.71           |
| Reported EPS                                      | 1.45           | 1.48           | 1.89           | 2.23           | 2.71           |
| DPS   | 0.60           | 0.75           | 0.92           | 1.09           | 1.33           |
| Diluted shares (used to calculate per share data) | 8,983          | 8,983          | 8,983          | 8,983          | 8,983          |
| <b>Growth</b>                                     |                |                |                |                |                |
| Revenue (%)                                       | 7.4            | 46.7           | 7.3            | 7.3            | 7.5            |
| Operating EBITDA (%)                              | 0.4            | 76.0           | 4.9            | 14.6           | 13.4           |
| Operating EBIT (%)                                | (52.1)         | 267.8          | 8.0            | 21.1           | 18.4           |
| Recurring EPS (%)                                 | (26.3)         | 13.5           | 26.7           | 19.3           | 21.1           |
| Reported EPS (%)                                  | (19.4)         | 2.2            | 28.0           | 18.2           | 21.1           |
| <b>Operating performance</b>                      |                |                |                |                |                |
| Gross margin inc. depreciation (%)                | 21.3           | 21.5           | 21.6           | 21.9           | 22.1           |
| Gross margin exc. depreciation (%)                | 25.6           | 25.9           | 25.8           | 26.3           | 26.7           |
| Operating EBITDA margin (%)                       | 4.9            | 5.9            | 5.8            | 6.2            | 6.5            |
| Operating EBIT margin (%)                         | 0.6            | 1.5            | 1.5            | 1.7            | 1.9            |
| Net margin (%)                                    | 2.1            | 1.6            | 1.9            | 2.1            | 2.4            |
| Effective tax rate (%)                            | 4.6            | 20.0           | 20.0           | 20.0           | 20.0           |
| Dividend payout on recurring profit (%)           | 46.0           | 50.7           | 49.1           | 48.9           | 49.1           |
| Interest cover (X)                                | 1.9            | 2.2            | 2.6            | 2.9            | 3.4            |
| Inventory days                                    | 35.7           | 32.3           | 33.3           | 33.5           | 33.4           |
| Debtor days                                       | 8.4            | 7.9            | 7.9            | 7.9            | 7.9            |
| Creditor days                                     | 98.2           | 85.0           | 83.2           | 82.1           | 82.2           |
| Operating ROIC (%)                                | 3.2            | 7.4            | 7.9            | 9.5            | 11.7           |
| ROIC (%)  | 4.2            | 4.2            | 4.6            | 5.1            | 5.7            |
| ROE (%)   | 11.7           | 13.0           | 16.0           | 17.5           | 19.3           |
| ROA (%)   | 3.1            | 3.2            | 3.6            | 3.9            | 4.3            |

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

| Revenue by Division (THB m) | 2021    | 2022    | 2023E   | 2024E   | 2025E     |
|-----------------------------|---------|---------|---------|---------|-----------|
| Sales                       | 565,060 | 829,099 | 889,629 | 954,952 | 1,026,183 |

Sources: CP All; FSSIA estimates

## Financial Statements

CP All

| Cash Flow (THB m) Year Ending Dec | 2021             | 2022            | 2023E           | 2024E           | 2025E           |
|-----------------------------------|------------------|-----------------|-----------------|-----------------|-----------------|
| Recurring net profit              | 11,706           | 13,281          | 16,833          | 20,077          | 24,317          |
| Depreciation                      | 24,486           | 36,544          | 37,926          | 42,591          | 47,486          |
| Associates & minorities           | (707)            | 2,118           | 2,356           | 3,070           | 3,741           |
| Other non-cash items              | -                | -               | -               | -               | -               |
| Change in working capital         | 24,046           | (180)           | (290)           | 4,826           | 5,765           |
| <b>Cash flow from operations</b>  | <b>59,531</b>    | <b>51,763</b>   | <b>56,825</b>   | <b>70,564</b>   | <b>81,309</b>   |
| Capex - maintenance               | 0                | 0               | 0               | 0               | 0               |
| Capex - new investment            | (115,821)        | (38,421)        | (42,348)        | (44,589)        | (46,651)        |
| Net acquisitions & disposals      | 71,299           | (633)           | (344)           | (316)           | (286)           |
| Other investments (net)           | (297,198)        | (3,773)         | (3,889)         | (3,671)         | (3,994)         |
| <b>Cash flow from investing</b>   | <b>(341,720)</b> | <b>(42,827)</b> | <b>(46,581)</b> | <b>(48,577)</b> | <b>(50,930)</b> |
| Dividends paid                    | (5,390)          | (6,737)         | (8,262)         | (9,808)         | (11,929)        |
| Equity finance                    | 174,772          | (12,001)        | 0               | 0               | 0               |
| Debt finance                      | 169,315          | (15,440)        | (30,551)        | (10,893)        | (17,126)        |
| Other financing cash flows        | 0                | 0               | 0               | 0               | 0               |
| <b>Cash flow from financing</b>   | <b>338,697</b>   | <b>(34,179)</b> | <b>(38,814)</b> | <b>(20,702)</b> | <b>(29,055)</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>56,508</b>    | <b>(25,243)</b> | <b>(28,570)</b> | <b>1,286</b>    | <b>1,324</b>    |
| Free cash flow to firm (FCFF)     | (269,546.20)     | 25,767.66       | 26,452.71       | 37,703.15       | 45,545.54       |
| Free cash flow to equity (FCFE)   | (112,874.06)     | (6,504.42)      | (20,307.36)     | 11,094.06       | 13,252.79       |

### Per share (THB)

|                               |         |        |        |      |      |
|-------------------------------|---------|--------|--------|------|------|
| FCFF per share                | (30.01) | 2.87   | 2.94   | 4.20 | 5.07 |
| FCFE per share                | (12.57) | (0.72) | (2.26) | 1.23 | 1.48 |
| Recurring cash flow per share | 3.95    | 5.78   | 6.36   | 7.32 | 8.41 |

| Balance Sheet (THB m) Year Ending Dec             | 2021           | 2022           | 2023E          | 2024E          | 2025E          |
|---|----------------|----------------|----------------|----------------|----------------|
| Tangible fixed assets (gross)                     | 292,181        | 307,562        | 348,042        | 390,670        | 435,261        |
| Less: Accumulated depreciation                    | (80,648)       | (94,152)       | (130,210)      | (170,840)      | (216,266)      |
| <b>Tangible fixed assets (net)</b>                | <b>211,533</b> | <b>213,410</b> | <b>217,832</b> | <b>219,830</b> | <b>218,996</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              | 14,838         | 15,957         | 17,088         | 18,231         | 19,384         |
| Cash & equivalents                                | 97,134         | 71,891         | 43,321         | 44,606         | 45,931         |
| A/C receivable                                    | 17,085         | 18,633         | 19,993         | 21,461         | 23,062         |
| Inventories                                       | 50,535         | 58,183         | 62,344         | 66,677         | 71,008         |
| Other current assets                              | 1,019          | 249            | 267            | 287            | 308            |
| <b>Current assets</b>                             | <b>165,773</b> | <b>148,955</b> | <b>125,926</b> | <b>133,032</b> | <b>140,309</b> |
| Other assets                                      | 179,107        | 185,097        | 191,662        | 198,555        | 205,793        |
| <b>Total assets</b>                               | <b>931,893</b> | <b>924,061</b> | <b>913,149</b> | <b>930,289</b> | <b>945,123</b> |
| Common equity                                     | 104,134        | 100,724        | 109,446        | 119,715        | 132,103        |
| Minorities etc.                                   | 188,673        | 189,577        | 192,720        | 196,616        | 201,226        |
| <b>Total shareholders' equity</b>                 | <b>292,807</b> | <b>290,301</b> | <b>302,166</b> | <b>316,331</b> | <b>333,329</b> |
| Long term debt                                    | 390,277        | 393,871        | 300,496        | 381,696        | 336,130        |
| Other long-term liabilities                       | 33,921         | 32,446         | 34,814         | 37,371         | 40,158         |
| <b>Long-term liabilities</b>                      | <b>424,197</b> | <b>426,317</b> | <b>335,311</b> | <b>419,067</b> | <b>376,289</b> |
| A/C payable                                       | 138,666        | 147,682        | 152,913        | 163,540        | 175,237        |
| Short term debt                                   | 72,000         | 52,965         | 115,789        | 23,696         | 52,135         |
| Other current liabilities                         | 4,222          | 6,796          | 6,970          | 7,655          | 8,132          |
| <b>Current liabilities</b>                        | <b>214,888</b> | <b>207,443</b> | <b>275,672</b> | <b>194,891</b> | <b>235,505</b> |
| <b>Total liabilities and shareholders' equity</b> | <b>931,893</b> | <b>924,061</b> | <b>913,149</b> | <b>930,289</b> | <b>945,123</b> |
| Net working capital                               | (74,248)       | (77,413)       | (77,278)       | (82,770)       | (88,991)       |
| Invested capital                                  | 691,871        | 697,693        | 709,945        | 714,488        | 715,822        |

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

### Per share (THB)

|                               |         |         |         |         |         |
|-------------------------------|---------|---------|---------|---------|---------|
| Book value per share          | 9.38    | 10.10   | 11.08   | 12.22   | 13.60   |
| Tangible book value per share | (30.77) | (30.04) | (29.07) | (27.93) | (26.55) |

### Financial strength

|                           |       |       |       |       |       |
|---------------------------|-------|-------|-------|-------|-------|
| Net debt/equity (%)       | 124.7 | 129.2 | 123.4 | 114.1 | 102.7 |
| Net debt/total assets (%) | 39.2  | 40.6  | 40.8  | 38.8  | 36.2  |
| Current ratio (x)         | 0.8   | 0.7   | 0.5   | 0.7   | 0.6   |
| CF interest cover (x)     | 1.2   | 2.9   | 2.4   | 4.6   | 5.1   |

| Valuation                                 | 2021        | 2022        | 2023E       | 2024E       | 2025E       |
|---|-------------|-------------|-------------|-------------|-------------|
| <b>Recurring P/E (x) *</b>                | <b>43.6</b> | <b>38.4</b> | <b>30.3</b> | <b>25.4</b> | <b>21.0</b> |
| <b>Recurring P/E @ target price (x) *</b> | <b>59.1</b> | <b>52.1</b> | <b>41.1</b> | <b>34.5</b> | <b>28.4</b> |
| Reported P/E (x)                          | 39.3        | 38.4        | 30.0        | 25.4        | 21.0        |
| Dividend yield (%)                        | 1.1         | 1.3         | 1.6         | 1.9         | 2.3         |
| Price/book (x)                            | 6.1         | 5.6         | 5.1         | 4.6         | 4.2         |
| Price/tangible book (x)                   | (1.8)       | (1.9)       | (2.0)       | (2.0)       | (2.1)       |
| EV/EBITDA (x) **                          | 38.8        | 22.1        | 21.1        | 18.2        | 15.9        |
| EV/EBITDA @ target price (x) **           | 45.3        | 25.8        | 24.6        | 21.3        | 18.6        |
| EV/invested capital (x)                   | 1.6         | 1.6         | 1.5         | 1.5         | 1.5         |

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

Sources: CP All; FSSIA estimates



# CP AII PCL (CPALL TB)

## FSSIA ESG rating



**78.53 /100**

### Exhibit 16: 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.   |
| ★★★★★  | <b>&gt;59-79</b> | <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 17: ESG – peer comparison

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

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

### Exhibit 18: ESG score by Bloomberg

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

Sources: Bloomberg; FSSIA's compilation

## Exhibit 19: ESG score by Bloomberg (cont.)

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

Sources: Bloomberg; FSSIA's compilation

## Disclaimer for ESG scoring

| ESG score   | Methodology  | Rating  |   |                |   |           |             |      |       |          |             |     |  |            |             |                 |   |           |             |  |  |          |             |  |  |            |             |                 |   |  |
|---|--|---|---|----------------|---|-----------|-------------|------|-------|----------|-------------|-----|--|------------|-------------|-----------------|---|-----------|-------------|--|--|----------|-------------|--|--|------------|-------------|-----------------|---|--|
| The Dow Jones Sustainability Indices (DJSI) By S&P Global                         | The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.   | Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.   |   |                |   |           |             |      |       |          |             |     |  |            |             |                 |   |           |             |  |  |          |             |  |  |            |             |                 |   |  |
| Sustainability Investment List (THSI) by The Stock Exchange of Thailand (SET)     | THSI quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria include: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years.  | To be eligible for <b>THSI 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.<br><b>SETTHSI Index</b> 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. |   |                |   |           |             |      |       |          |             |     |  |            |             |                 |   |           |             |  |  |          |             |  |  |            |             |                 |   |  |
| <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.  |   |                |   |           |             |      |       |          |             |     |  |            |             |                 |   |           |             |  |  |          |             |  |  |            |             |                 |   |  |
| <b>Thai CAC</b> 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.<br><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.   |   |                |   |           |             |      |       |          |             |     |  |            |             |                 |   |           |             |  |  |          |             |  |  |            |             |                 |   |  |
| <b>Morningstar Sustainalytics</b>   | 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. <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 border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>NEGL</th> <th>Low</th> <th>Medium</th> <th>High</th> <th>Severe</th> </tr> </thead> <tbody> <tr> <td>0-10</td> <td>10-20</td> <td>20-30</td> <td>30-40</td> <td>40+</td> </tr> </tbody> </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+            |   |           |             |      |       |          |             |     |  |            |             |                 |   |           |             |  |  |          |             |  |  |            |             |                 |   |  |
| <b>ESG Book</b>   | 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.   |   |                |   |           |             |      |       |          |             |     |  |            |             |                 |   |           |             |  |  |          |             |  |  |            |             |                 |   |  |
| <b>MSCI</b>   | 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 border="1" style="margin-left: auto; margin-right: auto;"> <tbody> <tr> <td><b>AAA</b></td> <td>8.571-10.000</td> <td><b>Leader:</b></td> <td>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> <td></td> <td></td> </tr> <tr> <td><b>A</b></td> <td>5.714-7.142</td> <td></td> <td></td> </tr> <tr> <td><b>BBB</b></td> <td>4.286-5.713</td> <td><b>Average:</b></td> <td>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> <td></td> <td></td> </tr> <tr> <td><b>B</b></td> <td>1.429-2.856</td> <td></td> <td></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> </tbody> </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 |  |
| <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                                   |                |   |           |             |      |       |          |             |     |  |            |             |                 |   |           |             |  |  |          |             |  |  |            |             |                 |   |  |
| <b>Moody's ESG solutions</b>  | 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.  |   |   |                |   |           |             |      |       |          |             |     |  |            |             |                 |   |           |             |  |  |          |             |  |  |            |             |                 |   |  |
| <b>Refinitiv ESG rating</b>   | 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>  |   |   |                |   |           |             |      |       |          |             |     |  |            |             |                 |   |           |             |  |  |          |             |  |  |            |             |                 |   |  |
| <b>S&amp;P Global</b>   | 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

#### Jitra Amornthum FSS International Investment Advisory Securities Co., Ltd

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| Company             | Ticker    | Price     | Rating | Valuation & Risks  |
|---------------------|-----------|-----------|--------|--|
| CP All              | CPALL TB  | THB 56.75 | 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.  |
| CP Aextra           | CPAXT TB  | THB 29.50 | 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.   |
| Com7                | COM7 TB   | THB 23.00 | 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 23.70 | 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 12.20 | 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 12.20 | 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 17-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.