

## CP ALL

CP ALL  
Public Company Limited

## CPALL

Bloomberg CPALL TB  
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## Earnings have bottomed

**We estimate 4Q21F net profit at Bt10.2bn, +185% YoY and +582% QoQ. Excluding Bt7.5bn extra gains on EBT and sale of investment gives 4Q21 core earnings of Bt2.7bn, -29% YoY from weaker CVS unit and lower stake in MAKRO, but +85% QoQ from better CVS unit after the lockdown eased. We expect 2022F core earnings to grow 72% YoY; of this, 10% will come from lower interest expenses via debt refinancing related to the Lotus's deal in 2021, 23% from better MAKRO & Lotus's operations and the rest from a revived CVS unit. Outperform with an end-2022 DCF TP of Bt70.**

**Completion of EBT and MAKRO PO transactions.** On Oct 25, 2021, MAKRO completed the entire business transfer (EBT), offering 5,010mn new shares as a private placement (PP) in exchange for Lotus's business. CPALL received 2,004mn new shares in MAKRO in exchange for its 40% stake in Lotus's (holding via CPRD). On Dec 22, 2021, MAKRO completed the public offering (PO) of 1,100mn shares, consisting of 770mn new shares and 330mn existing shares (of this, 132mn shares came from CPALL). Pre transaction, CPALL held 93.1% in MAKRO and 40% in Lotus's (via CPRD). Post transaction, MAKRO holds 99.99% of Lotus's (via CPRD) and CPALL holds 60% of MAKRO.

**Outstanding 4Q21F.** We estimate 4Q21F net profit of Bt10.2bn, +185% YoY and +580% QoQ. Extra items: estimated at Bt7.5bn, from a Bt6.5bn gain on new MAKRO shares after EBT completion (tax exempt) plus Bt1.1bn gain on sale of investment (after tax) minus Bt170mn refinancing expense (based on CPALL's stake) in Lotus's before EBT completion. Core earnings: estimated at Bt2.7bn, -29% YoY but +85% QoQ. The YoY drop reflects 1) weaker convenience store (CVS) unit (more low-margin bulky product sales and continued high COVID prevention expenses for staff and stores that overwhelmed the SSS growth of 1% YoY); 2) lower contribution from MAKRO after CPALL's cut in stake to an average of 72% in 4Q21 (vs 93% in 4Q20 and 3Q21) on MAKRO's 4Q21F estimated at Bt2.09bn, -2% YoY but +33% QoQ; 3) CPALL's higher interest expenses for debt related to the Lotus's deal, booked since Dec 2020. The rise QoQ will reflect better sales and lower distribution center, replenishment & rerouting expenses after the lockdown lifted in CVS business.

**Robust 2022F growth.** We expect 2022F core earnings to grow 72% YoY to Bt15bn. Of this, 10% is estimated to come from lower interest expenses as CPALL refinanced its debt related to Lotus's deal from short-term bridging loans to long-term debentures in March and June 2021 (all-in funding costs at 3.3% p.a. in 2022 vs 4.6% p.a. in 2021), 23% from better contribution from MAKRO and Lotus's operations (organic growth and business synergy) under the new shareholding structure and the rest from revived CVS units, with better SSS and margin from a more favorable sales mix and lower expenses related to COVID.

## Forecasts and valuation

Year to 31 Dec	Unit	2019	2020	2021F	2022F	2023F
Revenue	(Btmn)	550,901	525,884	569,182	800,361	870,428
EBITDA	(Btmn)	45,410	48,276	47,252	60,256	69,596
Core profit	(Btmn)	22,887	16,276	8,623	14,690	19,547
Reported profit	(Btmn)	22,343	16,102	16,449	14,690	19,547
Core EPS	(Bt)	2.44	1.70	0.85	1.52	2.07
DPS	(Bt)	1.25	0.90	0.53	0.90	1.20
P/E, core	(x)	24.2	34.7	69.5	38.7	28.6
EPS growth, core	(%)	8.3	(30.2)	(50.1)	79.5	35.5
P/BV, core	(x)	4.9	4.7	2.4	2.3	2.2
ROE	(%)	22.0	14.8	5.2	6.6	8.3
Dividend yield	(%)	2.1	1.5	0.9	1.5	2.0
FCF yield	(x)	4.5	(11.0)	(50.8)	6.0	2.7
EV/EBIT	(x)	18.9	28.1	37.3	24.7	20.1
EBIT growth, core	(%)	5.2	(19.2)	(7.4)	46.6	21.9
EV/CE	(x)	2.4	3.2	1.3	1.3	1.2
ROCE	(%)	4.5	2.6	0.6	1.5	2.2
EV/EBITDA	(x)	14.2	16.1	20.2	15.4	13.2
EBITDA growth	(%)	5.7	6.3	(2.1)	27.5	15.5

Source: SCBS Investment Research

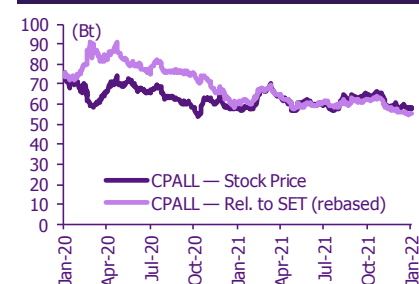
## Tactical: OUTPERFORM

(3-month)

## Stock data

Last close (Jan 24) (Bt)	59.00
Target price (Bt)	70.00
Mkt cap (Btbn)	530
Mkt cap (US\$mn)	16,061
Beta	L
Mkt cap (%) SET	2.73
Sector % SET	9.98
Shares issued (mn)	8,983
Par value (Bt)	1.00
12-m high / low (Bt)	70.3 / 56.3
Avg. daily 6m (US\$mn)	47.50
Foreign limit / actual (%)	49 / 32
Free float (%)	57.5
Dividend policy (%)	50

## Price performance



Source: SET, SCBS Investment Research

## Share performance

(%)	1M	3M	12M
Absolute	1.3	(8.2)	0.9
Relative to SET	1.1	(8.5)	(7.7)

Source: SET, SCBS Investment Research

## Analyst

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## Value proposition

CP ALL (CPALL) is Thailand's leading convenience store retailer with 12,432 convenience store stores at end-2020. It operates other related businesses such as bill payment collection service (Counter Service Co., Ltd.), manufacturing and sale of convenience food and bakery products (CPRAM Co., Ltd), an educational institution (Suksapiwat Co., Ltd.), and catalog sales and e-commerce (Twenty-Four Shopping Co., Ltd.), among others. In 2013, CPALL acquired Siam Makro PCL (MAKRO), which operates membership-based cash & carry trade centers in Thailand.

## Business outlook

Pre EBT and MAKRO PO transactions, CPALL held 93.1% in MAKRO and 40% in Lotus's (via C.P. Retail Development Co. Ltd, CPRD). Post transaction in 4Q21, MAKRO holds 99.99% in Lotus's (via CPRD) and CPALL holds 60% in MAKRO.

We expect 2022F core earnings to grow 72% YoY to Bt15bn. Of this, 10% will come from lower interest expenses as CPALL refinanced its debt related to Lotus's deal from short-term bridging loans into long-term debentures in March and June 2021 (all-in funding costs at 3.3% p.a. in 2022 vs 4.6% p.a. in 2021), 23% from better contribution from MAKRO and Lotus's operations (organic growth and business synergy) under the new shareholding structure post EBT and PO and the rest from revived CVS units, with better SSS and margin from a more favorable sales mix and lower expenses related to COVID.

### Bullish views

1. The resumption of domestic activities after easing government lockdown will boost SSS growth
2. More domestic and international travel will support SSS

### Bearish views

1. Weak purchasing power and adverse impact from recent government measures will pressure SSS
2. The prolonged drop in tourists will hurt SSS

## Key catalysts

Factor	Event	Impact	Comment
4Q21F earnings outlook	Gains from EBT transaction and sales of investment, lockdown eased, changing shareholding structure in MAKRO & Lotus's post EBT and PO	Net profit jump YoY and QoQ; Core earnings down YoY but up QoQ	We expect 4Q21F net profit of Bt10.2bn, +185% YoY and +582% QoQ. Excluding Bt7.5bn extra gains from gains from EBT and sale of investment, 4Q21 core earnings are set to be Bt2.7bn, -29% YoY from weaker CVS unit and lower stake in MAKRO, but +85% QoQ from better CVS unit after lockdown eased.
2022F earnings outlook	Improved operations from CVS, MAKRO and Lotus's, and lower interest expenses related to Lotus's deal	Earnings growth YoY	We expect 2022F core earnings to grow 72% YoY. Of this, 10% will come from lower interest expenses as CPALL refinanced its debt related to Lotus's deal from ST bridging loans into LT debentures in 2021, 23% from better contribution from MAKRO and Lotus's operations under the new shareholding structure post EBT and PO and the rest from stronger CVS units, with better SSS and margin from more favorable sales mix and lower expenses related to COVID.

## Sensitivity analysis

Factor	Earnings impact	TP impact
1% drop in SSS growth in CVS unit	1-2%	Bt1-2/sh.

## Financial statement

### Profit and Loss Statement

FY December 31	Unit	2016	2017	2018	2019	2020	2021F	2022F	2023F
Total revenue	(Btmn)	434,712	471,069	508,212	550,901	525,884	569,182	800,361	870,428
Cost of goods sold	(Btmn)	(339,688)	(366,002)	(394,632)	(426,063)	(410,880)	(446,749)	(627,418)	(679,012)
<b>Gross profit</b>	<b>(Btmn)</b>	<b>95,024</b>	<b>105,067</b>	<b>113,581</b>	<b>124,838</b>	<b>115,004</b>	<b>122,433</b>	<b>172,943</b>	<b>191,417</b>
SG&A	(Btmn)	(83,666)	(91,902)	(99,995)	(110,753)	(107,858)	(116,538)	(158,991)	(171,541)
Other income	(Btmn)	17,150	18,334	18,922	20,106	20,480	19,675	23,538	25,815
Interest expense	(Btmn)	(8,442)	(7,993)	(7,196)	(6,721)	(8,026)	(13,193)	(16,050)	(15,536)
<b>Pre-tax profit</b>	<b>(Btmn)</b>	<b>20,065</b>	<b>23,507</b>	<b>25,312</b>	<b>27,469</b>	<b>19,600</b>	<b>12,377</b>	<b>21,439</b>	<b>30,155</b>
Corporate tax	(Btmn)	(3,323)	(3,487)	(3,856)	(4,232)	(2,859)	(2,592)	(4,076)	(5,702)
Equity a/c profits	(Btmn)	0	0	0	0	(63)	(362)	0	0
Minority interests	(Btmn)	(143)	(111)	(253)	(351)	(400)	(801)	(2,673)	(4,905)
<b>Core profit</b>	<b>(Btmn)</b>	<b>16,599</b>	<b>19,908</b>	<b>21,203</b>	<b>22,887</b>	<b>16,276</b>	<b>8,623</b>	<b>14,690</b>	<b>19,547</b>
Extra-ordinary items	(Btmn)	77	(1)	(273)	(544)	(174)	7,826	0	0
<b>Net Profit</b>	<b>(Btmn)</b>	<b>16,677</b>	<b>19,908</b>	<b>20,930</b>	<b>22,343</b>	<b>16,102</b>	<b>16,449</b>	<b>14,690</b>	<b>19,547</b>
EBITDA	(Btmn)	36,822	41,057	42,952	45,410	48,276	47,252	60,256	69,596
<b>Core EPS (Bt)</b>	<b>(Btmn)</b>	<b>1.84</b>	<b>2.14</b>	<b>2.25</b>	<b>2.44</b>	<b>1.70</b>	<b>0.85</b>	<b>1.52</b>	<b>2.07</b>
Net EPS (Bt)	(Bt)	1.85	2.14	2.22	2.38	1.68	1.72	1.52	2.07
DPS (Bt)	(Bt)	1.00	1.10	1.20	1.25	0.90	0.53	0.90	1.20

### Balance Sheet

FY December 31	Unit	2016	2017	2018	2019	2020	2021F	2022F	2023F
Total current assets	(Btmn)	69,899	66,573	74,994	71,923	81,404	98,043	84,222	81,371
Total fixed assets	(Btmn)	282,369	293,725	298,748	303,694	441,950	758,518	782,754	801,259
<b>Total assets</b>	<b>(Btmn)</b>	<b>352,268</b>	<b>360,299</b>	<b>373,742</b>	<b>375,617</b>	<b>523,354</b>	<b>856,560</b>	<b>866,975</b>	<b>882,630</b>
Total loans	(Btmn)	189,005	166,920	154,157	145,612	285,567	441,444	404,120	388,561
Total current liabilities	(Btmn)	113,818	112,107	123,752	112,917	123,383	182,452	207,245	225,484
Total long-term liabilities	(Btmn)	178,847	167,963	150,171	154,333	288,377	455,385	431,061	417,008
<b>Total liabilities</b>	<b>(Btmn)</b>	<b>292,665</b>	<b>280,070</b>	<b>273,923</b>	<b>267,250</b>	<b>411,759</b>	<b>637,838</b>	<b>638,306</b>	<b>642,492</b>
Paid-up capital	(Btmn)	8,983	8,983	8,983	8,983	8,983	8,983	8,983	8,983
<b>Total equity</b>	<b>(Btmn)</b>	<b>59,603</b>	<b>80,229</b>	<b>99,819</b>	<b>108,368</b>	<b>111,595</b>	<b>218,723</b>	<b>228,670</b>	<b>240,138</b>
<b>BVPS (Bt)</b>	<b>(Bt)</b>	<b>6.64</b>	<b>8.93</b>	<b>11.11</b>	<b>12.06</b>	<b>12.42</b>	<b>24.35</b>	<b>25.46</b>	<b>26.73</b>

### Cash Flow Statement

FY December 31	Unit	2016	2017	2018	2019	2020	2021F	2022F	2023F
Core Profit	(Btmn)	16,599	19,908	21,203	22,887	16,276	8,623	14,690	19,547
Depreciation and amortization	(Btmn)	8,314	9,558	10,444	11,220	20,650	21,682	22,767	23,905
Operating cash flow	(Btmn)	37,939	46,156	41,227	40,477	39,148	69,896	78,959	56,778
Investing cash flow	(Btmn)	(18,794)	(20,380)	(15,354)	(16,584)	(97,405)	(338,970)	(47,001)	(42,411)
Financing cash flow	(Btmn)	(7,233)	(30,120)	(20,714)	(27,939)	68,959	246,556	(42,066)	(23,638)
<b>Net cash flow</b>	<b>(Btmn)</b>	<b>11,912</b>	<b>(4,344)</b>	<b>5,159</b>	<b>(4,045)</b>	<b>10,703</b>	<b>(22,518)</b>	<b>(10,108)</b>	<b>(9,271)</b>

### Key Financial Ratios

FY December 31	Unit	2016	2017	2018	2019	2020	2021F	2022F	2023F
Gross margin	(%)	21.9	22.3	22.3	22.7	21.9	21.5	21.6	22.0
Operating margin	(%)	2.6	2.8	2.7	2.6	1.4	1.0	1.7	2.3
EBITDA margin	(%)	8.5	8.7	8.5	8.2	9.2	8.3	7.5	8.0
EBIT margin	(%)	6.6	6.7	6.4	6.2	5.3	4.5	4.7	5.2
Net profit margin	(%)	3.8	4.2	4.1	4.1	3.1	2.9	1.8	2.2
ROE	(%)	32.8	28.5	23.6	22.0	14.8	5.2	6.6	8.3
ROA	(%)	4.9	5.6	5.8	6.1	3.6	1.2	1.7	2.2
Net D/E	(x)	2.6	1.7	1.2	1.1	2.2	1.9	1.7	1.6
Interest coverage	(x)	4.4	5.1	6.0	6.8	6.0	3.6	3.8	4.5
Debt service coverage	(x)	0.9	1.4	1.3	2.0	1.7	1.3	1.4	1.5
Payout Ratio	(%)	54.0	51.4	54.1	52.6	53.5	55.0	55.0	55.0

### Main Assumptions

FY December 31	Unit	2016	2017	2018	2019	2020	2021F	2022F	2023F
SSS growth - CPALL	(%)	2.4	1.6	3.2	1.7	(14.5)	(5.8)	5.0	4.5
No. of stores, ending - CPALL	(stores)	9,542	10,268	10,988	11,712	12,432	13,132	13,832	14,532
SSS growth - MAKRO: B2B	(%)	4.2	1.3	(0.1)	6.3	1.9	2.3	3.0	3.0
No. of stores, ending - MAKRO	(Stores)	115	124	132	140	144	148	180	217
SSS growth - MAKRO: B2C TH	(%)	n.a.	n.a.	n.a.	(2.5)	(6.4)	(6.0)	5.0	5.0
SSS growth - MAKRO: B2C MY	(%)	n.a.	n.a.	n.a.	2.2	0.7	(1.2)	3.5	3.5

## Financial statement

## Profit and Loss Statement

FY December 31	Unit	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21
Total revenue	(Btmn)	142,974	140,971	123,101	129,990	131,823	128,549	132,146	125,287
Cost of goods sold	(Btmn)	(110,139)	(109,789)	(96,659)	(101,422)	(103,010)	(101,269)	(104,083)	(99,023)
<b>Gross profit</b>	<b>(Btmn)</b>	<b>32,835</b>	<b>31,182</b>	<b>26,442</b>	<b>28,568</b>	<b>28,813</b>	<b>27,279</b>	<b>28,063</b>	<b>26,264</b>
SG&A	(Btmn)	(29,326)	(27,307)	(26,013)	(27,307)	(27,232)	(26,217)	(27,438)	(26,602)
Other income	(Btmn)	5,347	4,829	4,926	5,499	5,225	4,823	5,246	5,033
Interest expense	(Btmn)	(1,616)	(1,881)	(1,976)	(1,991)	(2,178)	(2,901)	(3,529)	(2,600)
<b>Pre-tax profit</b>	<b>(Btmn)</b>	<b>7,240</b>	<b>6,824</b>	<b>3,379</b>	<b>4,768</b>	<b>4,629</b>	<b>2,984</b>	<b>2,341</b>	<b>2,095</b>
Corporate tax	(Btmn)	(1,008)	(1,132)	(434)	(682)	(611)	(370)	(234)	(253)
Equity a/c profits	(Btmn)	0	0	(0)	0	(63)	36	(129)	(282)
Minority interests	(Btmn)	(132)	(102)	(55)	(99)	(144)	(110)	(72)	(91)
<b>Core profit</b>	<b>(Btmn)</b>	<b>6,100</b>	<b>5,589</b>	<b>2,890</b>	<b>3,987</b>	<b>3,811</b>	<b>2,540</b>	<b>1,906</b>	<b>1,469</b>
Extra-ordinary items	(Btmn)	69	56	(2)	11	(239)	59	284	24
<b>Net Profit</b>	<b>(Btmn)</b>	<b>6,168</b>	<b>5,645</b>	<b>2,887</b>	<b>3,998</b>	<b>3,572</b>	<b>2,599</b>	<b>2,190</b>	<b>1,493</b>
EBITDA	(Btmn)	11,524	13,488	10,279	11,755	12,000	11,067	11,168	10,018
<b>Core EPS (Bt)</b>	<b>(Btmn)</b>	<b>0.65</b>	<b>0.59</b>	<b>0.29</b>	<b>0.42</b>	<b>0.40</b>	<b>0.26</b>	<b>0.18</b>	<b>0.14</b>
Net EPS (Bt)	(Bt)	0.66	0.60	0.29	0.42	0.37	0.26	0.22	0.14

## Balance Sheet

FY December 31	Unit	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21
Total current assets	(Btmn)	71,923	69,973	66,285	86,984	81,404	76,822	70,587	68,576
Total fixed assets	(Btmn)	303,694	352,616	354,466	356,666	441,950	442,095	442,500	444,086
<b>Total assets</b>	<b>(Btmn)</b>	<b>375,617</b>	<b>422,589</b>	<b>420,752</b>	<b>443,650</b>	<b>523,354</b>	<b>518,917</b>	<b>513,087</b>	<b>512,662</b>
Total loans	(Btmn)	145,612	194,230	213,281	228,639	285,567	295,543	298,549	289,979
Total current liabilities	(Btmn)	112,917	128,994	131,054	127,217	123,383	115,529	113,697	110,765
Total long-term liabilities	(Btmn)	154,333	180,385	188,480	208,668	288,377	288,779	290,703	291,055
<b>Total liabilities</b>	<b>(Btmn)</b>	<b>267,250</b>	<b>309,379</b>	<b>319,533</b>	<b>335,885</b>	<b>411,759</b>	<b>404,308</b>	<b>404,400</b>	<b>401,821</b>
Paid-up capital	(Btmn)	8,983	8,983	8,983	8,983	8,983	8,983	8,983	8,983
<b>Total equity</b>	<b>(Btmn)</b>	<b>108,368</b>	<b>113,210</b>	<b>101,218</b>	<b>107,765</b>	<b>111,595</b>	<b>114,609</b>	<b>108,687</b>	<b>110,842</b>
<b>BVPS (Bt)</b>	<b>(Bt)</b>	<b>12.06</b>	<b>12.60</b>	<b>11.27</b>	<b>12.00</b>	<b>12.42</b>	<b>12.76</b>	<b>12.10</b>	<b>12.34</b>

## Cash Flow Statement

FY December 31	Unit	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21
Core Profit	(Btmn)	6,168	5,645	2,887	3,998	3,572	2,599	2,190	1,493
Depreciation and amortization	(Btmn)	2,953	4,980	5,131	5,169	5,369	5,369	5,491	5,518
Operating cash flow	(Btmn)	16,202	7,332	2,020	12,618	17,179	6,086	8,066	4,983
Investing cash flow	(Btmn)	(4,910)	(4,173)	(4,655)	(4,216)	(84,360)	(3,392)	(3,563)	(3,739)
Financing cash flow	(Btmn)	(7,024)	(3,808)	2,904	10,654	59,210	(6,803)	(10,010)	(6,230)
<b>Net cash flow</b>	<b>(Btmn)</b>	<b>4,268</b>	<b>(650)</b>	<b>269</b>	<b>19,055</b>	<b>(7,971)</b>	<b>(4,109)</b>	<b>(5,507)</b>	<b>(4,986)</b>

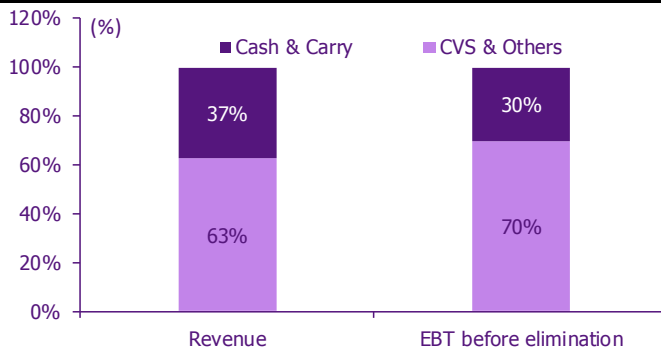
## Key Financial Ratios

FY December 31	Unit	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21
Gross margin	(%)	23.0	22.1	21.5	22.0	21.9	21.2	21.2	21.0
Operating margin	(%)	2.5	2.7	0.3	1.0	1.2	0.8	0.5	(0.3)
EBITDA margin	(%)	8.1	9.6	8.3	9.0	9.1	8.6	8.5	8.0
EBIT margin	(%)	6.2	6.2	4.4	5.2	5.2	4.6	4.4	3.7
Net profit margin	(%)	4.3	4.0	2.3	3.1	2.7	2.0	1.7	1.2
ROE	(%)	23.1	20.2	10.8	15.3	13.9	9.0	6.8	5.4
ROA	(%)	6.6	5.6	2.7	3.7	3.2	1.9	1.5	1.1
Net D/E	(x)	1.1	1.5	1.8	1.7	2.2	2.3	2.5	2.4
Interest coverage	(x)	7.1	7.2	5.2	5.9	5.5	3.8	3.2	3.9
Debt service coverage	(x)	2.7	2.3	0.9	0.8	0.9	1.4	1.0	1.0

## Main Assumptions

FY December 31	Unit	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21
SSS growth - CPALL	(%)	0.0	(4.0)	(20.2)	(14.3)	(18.0)	(17.1)	2.1	(9.2)
No. of stores, ending - CPALL	(stores)	11,712	11,983	12,089	12,225	12,432	12,587	12,743	12,882
SSS growth - MAKRO: B2B	(%)	6.2	7.0	(3.6)	3.9	0.6	(1.2)	6.1	1.3
No. of stores, ending - MAKRO	(Stores)	140	140	143	144	144	145	145	145
SSS growth - MAKRO: B2C TH	(%)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
SSS growth - MAKRO: B2C MY	(%)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

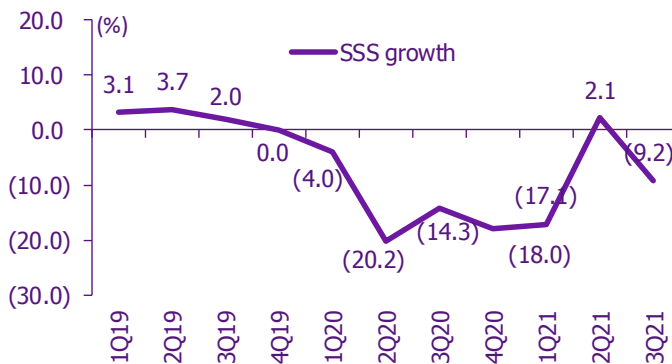
## Appendix

**Figure 1: Revenue and earnings before tax breakdown by business in 2020**

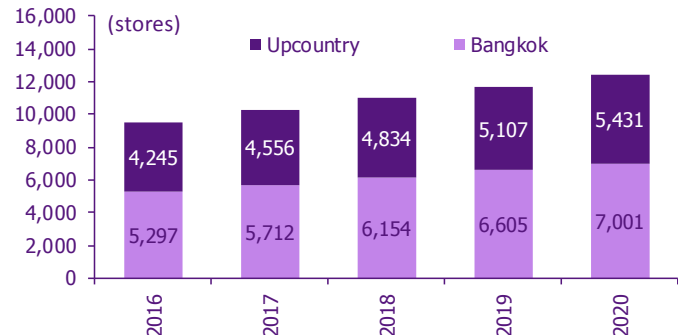
Source: SCBS Investment Research

**Figure 2: Yearly SSS growth for convenience store business**

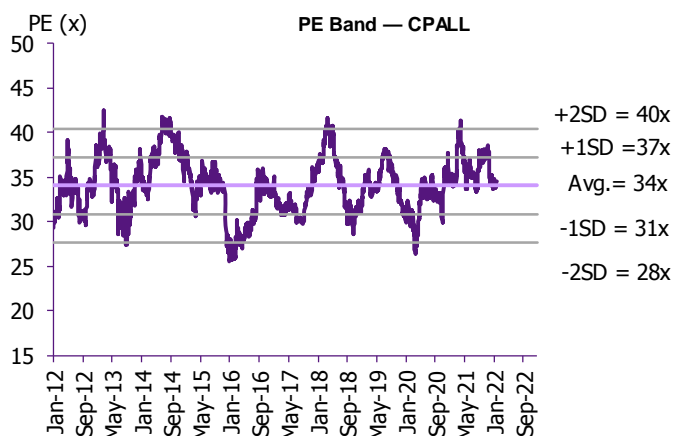
Source: SCBS Investment Research

**Figure 3: Quarterly SSS growth for convenience store business**

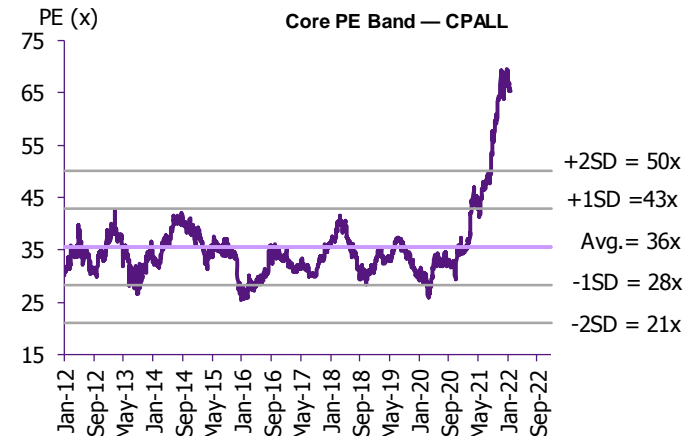
Source: SCBS Investment Research

**Figure 4: The number of convenience stores breakdown by location in Bangkok and upcountry**

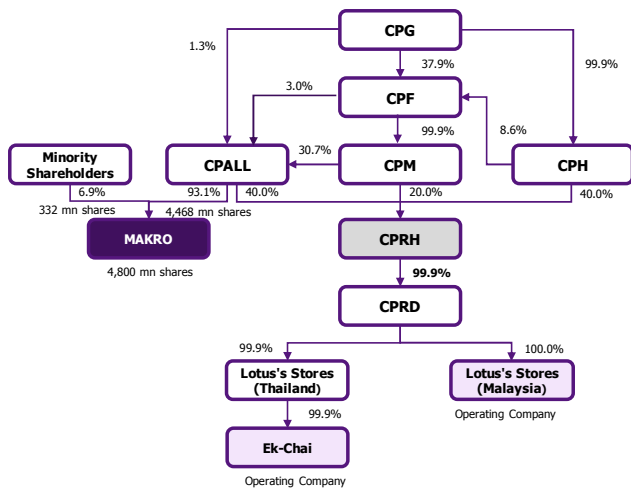
Source: SCBS Investment Research

**Figure 5: CPALL's historical PE band**

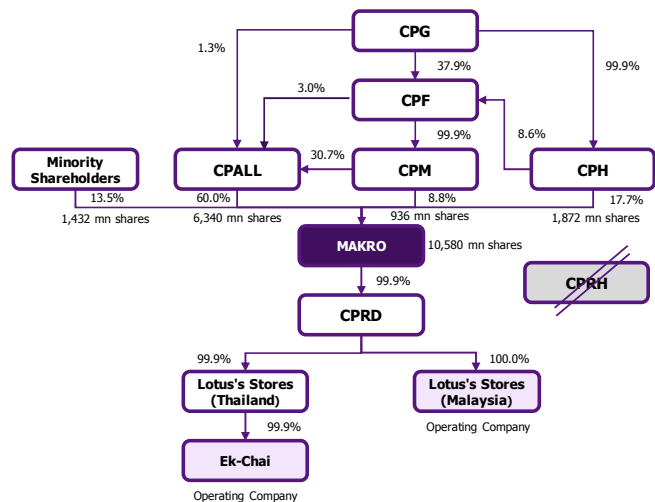
Source: SCBS Investment Research

**Figure 6: CPALL's historical core PE band**

Source: SCBS Investment Research

**Figure 7: Shareholding structure of MAKRO and Lotus's before the EBT and PO transactions**

Source: Company data and SCBS Investment Research (Note\* Information on the shareholding in (a) Makro on 25 Oct 2021 (after delivery of CPRH's shares in Makro to shareholders of CPRH proportionate to their existing shareholding); (b) CPALL based on the record date on 15 Sep 2021; and (c) CPF (before deducting the repurchased shares for financial management) based on the record date on 31 Aug 2021.)

**Figure 8: Shareholding structure of MAKRO and Lotus's after the EBT and PO transactions**

Source: Company data and SCBS Investment Research

**Figure 9: Valuation summary** (price as of Jan 24, 2022)

	Rating	Price (Bt/Sh)	Target (Bt/Sh)	ETR (%)	P/E (x)			EPS growth (%)			P/BV (x)			ROE (%)			Div. Yield (%)			EV/EBITDA (x)		
					20A	21F	22F	20A	21F	22F	20A	21F	22F	20A	21F	22F	20A	21F	22F	20A	21F	22F
BJC	Outperform	30.75	41.0	35.8	27.7	39.7	28.5	(38)	(30)	39	1.0	1.0	1.0	4	3	4	2.5	1.9	2.5	13.7	15.2	13.9
CPALL	Outperform	59.00	70.0	20.2	34.7	69.5	38.5	(30)	(50)	80	4.7	2.4	2.3	15	5	7	1.5	0.9	1.5	16.1	20.2	15.3
CRC	Outperform	33.50	41.0	23.0	n.m.	n.m.	64.1	n.m.	(94)	n.m.	3.5	3.9	3.7	(2)	(3)	6	1.2	0.0	0.6	16.7	17.2	12.4
GLOBAL	Neutral	19.90	25.0	27.1	47.5	28.3	26.9	(8)	68	5	5.3	4.7	4.2	12	18	17	0.9	1.4	1.5	28.0	19.8	18.6
HMPRO	Outperform	14.00	18.0	31.3	35.7	35.0	29.6	(17)	2	18	8.5	8.1	7.5	24	24	26	2.1	2.3	2.7	20.2	19.8	17.5
MAKRO	Outperform	38.50	50.0	32.1	28.2	32.5	33.2	5	(13)	(2)	8.1	1.4	1.4	30	4	4	2.6	2.2	2.3	14.8	21.4	13.9
<b>Average</b>					<b>34.8</b>	<b>41.0</b>	<b>36.8</b>	<b>(18)</b>	<b>(20)</b>	<b>28</b>	<b>5.2</b>	<b>3.6</b>	<b>3.4</b>	<b>14</b>	<b>8</b>	<b>11</b>	<b>1.8</b>	<b>1.5</b>	<b>1.8</b>	<b>18.2</b>	<b>18.9</b>	<b>15.3</b>

Source: SCBS Investment Research

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Tue, Jan 25, 2022



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**Companies with Good CG Scoring**

A, AI, AIE, AJ, AMC, APP, AQ, ARIN, AS, AU, B52, BEAUTY, BGT, BH, BIG, BLAND, BM, BROCK, BSBM, BSM, BYD\*, CCP, CITY, CMO, CPT, CSR, EKH, EP, FMT, GLOCON\*, GSC, HTECH, IHL, INGRS, JAK, JTS, KASET, KK, KWG, LEE, BTNC, CAZ, CGD, CMAN, CMR, CRANE, D, EMC, F&D, GIFT, GREEN, GTB, HUMAN, IIG, INOX, JR, JUBILE, KCM, KKC, KYE, LPH, MATI, M-CHAI, MCS, MDX, MJD, MORE, MUD, NC, NDR, NFC, NNCL, NOVA, NPK, NUSA, OCEAN, PAF, PF, PK, PLE, PPM, PRAKIT, PRAPAT, PRECHA, PTL, RCI\*, RJH, RP, RPH, RSP, SABUY, SF, SGP, SICT, SIMAT, SISB, SK, SMART, SOLAR, SPACK, SPG, SQ, SSP, STARK, STC, SUPER, SVOA, TC, TCCC, THMUI, TNH, TNR, TOPP, TPCH, TPIPL, TPIPP, TPLAS, TPOLY, TQR, TTI, TYCN, UKEM, UMS, UNIQ, UP, UREA, VIBHA, W, WIN, WORK, WPH, YGG, ZIGA

**Corporate Governance Report**

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To recognize well performers, the list of companies attaining "Good", "Very Good" and "Excellent" levels of recognition

(Not including listed companies qualified in the "no announcement of the results" clause from 1 January 2020 to 26 October 2021) is publicized.

<sup>1</sup> TIP was voluntarily delisted from the Stock Exchange of Thailand effectively on July 24, 2021

<sup>2</sup> RCI was voluntarily delisted from the Stock Exchange of Thailand, effectively on July 16, 2021

\* บริษัทหรือกรรมการหรือผู้บริหารของบริษัทที่มีข่าวด้านการกำกับดูแลกิจการ เช่น การกระทำความผิดเกี่ยวกับหลักทรัพย์ การทุจริต คอร์รัปชัน เป็นต้น ซึ่งการใช้ข้อมูล CGR ควรระมัดระวังข่าวดังกล่าวประกอบด้วย

**Anti-corruption Progress Indicator****Certified (ได้รับการรับรอง)**

2S, ADVANC, AF, AI, AIE, AIRA, AKP, ALPHAX, AMA, AMANAH, AMATA, AMATAV, AP, APCS, AQUA, ARROW, ASIAN, ASK, ASP, AWC, AYUD, B, BAFS, BAM, BANPU, BAY, BBL, BCH, BCP, BCPG, BEYOND, BGC, BGRIM, BJCHI, BKI, BLA, BPP, BROOK, BRR, BSBM, BTS, BWG, CEN, CENTEL, CFRESH, CGH, CHEWA, CHOTI, CHOW, CIG, CIMBT, CM, CMC, COM7, COLOR, CPALL, CPF, CPI, CPN, CSC, DCC, DELTA, DEMCO, DIMET, DRT, DTAC, DUSIT, EA, EASTW, ECL, EGCO, EP, EPG, ERW, ESTAR, ETE, FE, FNS, FPI, FPT, FSMART, FSS, FTE, GBX, GC, GCAP, GEL, GFPT, GGC, GJS, GPI, GPSC, GSTEEL, GUNKUL, HANA, HARN, HEMP, HMPRO, HTC, ICC, ICHI, IFEC, IFS, ILINK, INET, INSURE, INTUCH, IRC, IRPC, ITEL, IVL, JKN, K, KASET, KBANK, KBS, KCAR, KCE, KGI, KKP, KSL, KTB, KTC, KWC, KWI, L&E, LANNA, LH, LHFG, LHK, LPN, LRH, M, MAKRO, MALEE, MBAX, MBK, MC, MCOT, META, MFC, MFEC, MINT, MONO, MOONG, MSC, MST, MTC, MTI, NBC, NEP, NINE, NKI, NMG, NNCL, NOBLE, NOK, NSI, NWR, OCC, OGC, ORI, PAP, PATO, PB, PCSGH, PDG, PDJ, PE, PG, PHOL, PK, PL, PLANB, PLANET, PLAT, PM, PPP, PPM, PPS, PREB, PRG, PRINC, PRM, PROS, PSH, PSL, PSTC, PT, PTG, PTT, PTTEP, PTTCG, PYLON, Q-CON, QH, QLT, QTC, RATCH, RML, RWI, S & J, SAAM, SABINA, SAPPE, SAT, SC, SCB, SCC, SCCC, SCG, SCN, SEAOL, SE-ED, SELIC, SENA, SGP, SINGER, SIRI, SITHAI, SKR, SMIT, SMK, SMP, SNC, SNP, SORKON, SPACK, SPALI, SPC, SPI, SPRC, SRICHA, SSF, SSP, SSSC, SST, STA, STOWER, SUSCO, SVI, SYMC, SYNTec, TAE, TAKUNI, TASCO, TBSP, TCAP, TCMC, TFG, TFI, TFMAMA, TGH, THANI, THCOM, THIP, THRE, THREL, TIDLOR, TIPCO, TISCO, TKS, TKT, TMD, TMILL, TMT, TNITY, TNL, TNP, TNR, TOG, TOP, TOPP, TPA, TPP, TRU, TRUE, TSC, TSTE, TSTH, TTA, TTB, TTCL, TU, TVD, TVI, TVO, TWPC, U, UBE, UBIS, UEC, UKEM, UOBKH, UPF, UV, VGI, VIH, VNT, WACOAL, WHA, WHAUP, WICE, WIJK, XO, ZEN

**Declared (ประกาศเจตนารมณ์)**

7UP, ABICO, AJ, ALT, APCO, AS, BEC, BKD, CHG, CPL, CPR, CPW, CRC, DDD, DHOUSE, DOHOME, ECF, EKH, ETC, EVER, GULF, III, INOX, J, JMART, JMT, JR, KEX, KUMWEL, LDC, MAJOR, MATCH, MILL, NCL, NOVA, NRF, NUSA, PIMO, PR9, RS, SAK, SCGP, SCM, SIS, STAR, STECH, STGT, SUPER, TQM, TSI, VCOM, VIBHA, WIN, YUASA, ZIGA

**N/A**

3K-BAT, A, A5, AAV, ABM, ACAP, ACC, ACE, ACG, ADB, ADD, AEONTS, AFC, AGE, AH, AHC, AIT, AJA, AKR, ALL, ALLA, ALUCON, AMARIN, AMC, AMR, ANAN, AOT, APEX, APP, APURE, AQ, ARIN, ARIP, ASAP, ASEFA, ASIA, ASIMAR, ASN, ASW, ATP30, AU, AUCTION, B52, BA, BBIK, BC, BCT, BDMS, BE8, BEAUTY, BEM, BFIT, BGT, BH, BIG, BIZ, BJC, BLAND, BLISS, BM, BOL, BR, BRI, BROCK, BSM, BTNC, BTW, BUI, BYD, CAZ, CBG, CCET, CCP, CGD, CHARAN, CHAYO, CHO, CI, CITY, CK, CKP, CMAN, CMO, CMR, CNT, COLOR, COMAN, CPANEL, CPH, CPT, CRANE, CRD, CSP, CSR, CSS, CTW, CV, CWT, D, DCON, DITTO, DMT, DOD, DPAINT, DTCL, DV8, EASON, EE, EFORL, EMC, ESSO, F&D, FANCY, FLOYD, FMT, FN, FORTH, FVC, GENCO, GIFT, GL, GLAND, GLOBAL, GLOCON, GLORY, GRAMMY, GRAND, GREEN, GSC, GTB, GYT, HENG, HFT, HL, HPT, HTECH, HUMAN, HYDRO, ICN, IHL, IIG, ILM, IMH, IND, INGRS, INSET, IP, IRCP, IT, ITD, JAK, JAS, JCK, JCKH, JCT, JP, JSP, JTS, JUBILE, JUTHA, JWD, KAMART, KC, KCM, KDH, KIAT, KISS, KK, KKC, KOOL, KTIS, KUN, KWM, KYE, LALIN, LEE, LEO, LIT, LOXLEY, LPH, LST, MACO, MANRIN, MATI, MAX, M-CHAI, MCS, MDX, MEGA, MENA, METCO, MGT, MICRO, MIDA, MITSIB, MJD, MK, ML, MODERN, MORE, MPIC, MUD, MVP, NC, NCAP, NCH, NDR, NER, NETBAY, NEW, NEWS, NEX, NFC, NPK, NSL, NTV, NV, NVD, NYT, OHTL, OISHI, ONEE, OR, OSP, OTD, PACE, PACO, PAE, PERM, PF, PICO, PIN, PJW, PLE, PMTA, POLAR, POMPU, PORT, POST, PPM, PRAKIT, PRAPAT, PRECHA, PRIME, PRIN, PRO, PROEN, PROUD, PSG, PTL, RAM, RBF, RCL, RICHY, RJH, ROCK, ROH, ROJNA, RP, RPC, RPH, RSP, RT, S, S11, SA, SABUY, SAFARI, SALEE, SAM, SAMART, SAMCO, SAMTEL, SANKO, SAUCE, SAWAD, SAWANG, SCI, SCP, SDC, SE, SEAFCO, SECURE, SF, SFLEX, SFP, SFT, SGF, SHANG, SHR, SHAM, SICT, SIMAT, SISB, SK, SKE, SKN, SKY, SLM, SLP, SMART, SMD, SMT, SNPN, SO, SOLAR, SONIC, SPA, SPCG, SPG, SPVI, SQ, SR, SSC, STANLY, STARK, STC, STEC, STANG, STIAI, STI, STPI, SUC, SUN, SUTHA, SVH, SVOA, SVT, SWC, SYNEX, TACC, TAPAC, TC, TCC, TCCC, TCJ, TCOAT, TEAM, TEAMG, TFM, TGPRO, TH, THAI, THANA, THE, THG, THL, THMUI, TIGER, TIPI, TITLE, TK, TKC, TKN, TM, TMC, TMI, TMW, TNDT, TNH, TNPC, TOA, TPAC, TPBI, TPCH, TPCS, TPIPL, TPIPP, TPLAS, TPOLY, TPS, TQR, TR, TRC, TRITN, TRT, TRUBB, TRV, TSE, TSF, TSR, TTI, TTT, TTW, TVT, TWP, TWZ, TYCN, UAC, UMI, UMS, UNIQ, UP, UP, UPOIC, UREA, UT, UTP, UVAN, VARO, VL, VNG, VPO, VRANDA, W, WAVE, WFX, WGE, WINMED, WINNER, WORK, WORLD, WP, WPH, XPG, YGG

**Explanations**

Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of October 24, 2021) are categorised into: companies that have declared their intention to join CAC, and companies certified by CAC.