

**Public Company Limited** 



Bloomberg CPALL TB Reuters CPALL.BK



## 2H24F earnings looking strong

Its 2H24F growth is expected to beat peers YoY, backed by solid growth from sales and margin improvement at both CVS and CPAXT. To date in 3Q24, its SSS at CVS and CPAXT is outperforming peers. The new government will send its version of the welfare card and digital wallet schemes to Cabinet for approval on September 17. This version carries no spending limit on product or store type or locations. The target payment timeline will run from Sep 2024 through 2025. This plus the expected cut in market interest rate adds upside to earnings. CPALL is now trading at a compelling level of 25x 2024PE (-2S.D. over its 10-year PE). We maintain Outperform with an end-2024 DCF TP (WACC 7%, LT growth 2.5%) of Bt77.

**Solid 2H24F earnings.** In 3Q24TD, SSS growth at the convenience store (CVS) unit (+2.5-3% YoY) and CPAXT (+2-3% YoY in the B2B & B2C units) is outdoing peers and we expect this to give it better YoY growth than peers in 3Q24F (though, like peers, earnings will slip QoQ from seasonality). At the CVS, we expect better sales and margin YoY on more tourists, more impulse buying, a satisfactory response to this year's stamp campaign running August 24 to November 23 (customers can use stamps gained from their first purchase to discount their next purchase or can collect the stamps to exchange for "Doraemon" cartoon character products later), and more high-margin items i.e., RTE and RTD products. At CPAXT, we expect better sales and margin YoY, contributed by both B2B and B2C units. Earnings in 4Q24F will grow both YoY and QoQ to this year's high.

**Upside from new government stimulus.** The new government is focusing on ways to boost local consumption. On September 9, newspapers report that Deputy Prime Minister Phumtham Wechayachai said the government is considering first enacting an urgent new measure of a Bt10,000 cash handout for 14.5mn vulnerable persons under the welfare card scheme, budgeted at Bt145bn, hopefully starting on September 20 or within this month, as a part of the digital wallet, where Bt450bn will be budgeted to give Bt10,000 to 50mn Thais. The digital wallet scheme will start with Bt5,000 in either cash or as a digital wallet in 4Q24F, with the other Bt5,000 provided via the digital wallet in 2025F. The conditions are likely to be more flexible than originally envisioned, not placing limits on products and store types or on store locations. The measure will be sent to Cabinet for approval on September 17. The revised conditions, if they are as reported in the press, will benefit all retailers under coverage, including CPALL. Though we have not yet included earnings upside from these measures, a sensitivity analysis shows that each 1% rise in SSS in will boost CPALL's earnings by 1%.

**Upside from lower interest rate.** On August 22, CPALL issued new debentures worth Bt13bn (3.44% p.a. cost of funds) to refinance its existing debentures (5% p.a.). The interest cost savings would add Bt160mn to earnings (+1% of annualized earnings); we have not put this in our forecast as yet. For the potential cut in market interest rate over a year, our sensitivity analysis suggests that each 25bps cut in market interest rate would boost CPALL's annualized earnings by 1%.

**Key risks** are changes in purchasing power and government policies. Key ESG risks are energy management, sustainable products (E), and labor/employment practices (S).

#### Forecasts and valuation

Year to 31 Dec	Unit	2022	2023	2024F	2025F	2026F
Revenue	(Btmn)	829,099	895,281	955,276	1,016,884	1,081,019
EBITDA	(Btmn)	72,636	78,541	86,457	92,288	98,322
Core profit	(Btmn)	13,416	18,278	23,713	27,327	31,308
Reported profit	(Btmn)	13,272	18,482	23,713	27,327	31,308
Core EPS	(Bt)	1.41	1.98	2.59	2.99	3.43
DPS	(Bt)	0.75	1.01	1.32	1.52	1.74
P/E, core	(x)	46.9	33.3	25.5	22.1	19.2
EPS growth, core	(%)	63.8	41.0	30.5	15.5	14.8
P/BV, core	(x)	5.9	5.3	4.7	4.2	3.7
ROE	(%)	13.1	17.3	20.0	20.5	20.9
Dividend yield	(%)	1.1	1.5	2.0	2.3	2.6
EV/EBITDA	(x)	13.2	12.0	10.8	9.9	9.1

Source: InnovestX Research

#### **Tactical: OUTPERFORM**

#### (3-month)

Stock data	
Last close (Sep 9) (Bt)	66.00
Target price (Bt)	77.00
Mkt cap (Btbn)	593
Mkt cap (US\$mn)	17,515
Beta	L
Mkt cap (%) SET	3.34
Sector % SET	9.85
Shares issued (mn)	8,983
Par value (Bt)	1.00
12-m high / low (Bt)	66.8 / 50.5
Avg. daily 6m (US\$mn)	47.73
Foreign limit / actual (%)	49 / 26
Free float (%)	64.3
Dividend policy (%)	~ 50

Share performance						
(%)	1M	3M	12M			
Absolute	14.3	14.8	2.7			
Relative to SET	3.6	5.8	11.1			

Source: SET, InnovestX Research

### 2023 Sustainability/2022 ESG Score

SET ESG Ratings

AA

1

# ESG Bloomberg Rank in the sector ESG Score Rank 1/34 Environmental Score Rank 1/34 Social Score Rank 2/34 Governance Score Rank 4/34

#### **ESG** comment

CPALL has the sector's best ESG score, with the best environmental score and above-average social and governance scores vs. peers in the sector in 2022.

Source: Bloomberg Finance L.P.

#### Analyst

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#### Value proposition

CP ALL (CPALL) is Thailand's leading convenience store (CVS) retailer with 14,545 convenience stores in Thailand, 82 stores in Cambodia and three stores in Laos at end-2023. It operates other related businesses such as a bill payment collection service (Counter Service Co., Ltd.), the manufacture 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) - renamed CP Axtra PCL (CPAXT) in June 2023 - which operates membership-based cash & carry trade centers in Thailand. After an entire business transfer (EBT) and a public offering (PO) by MAKRO in 4Q21, CPALL holds 60% in MAKRO and MAKRO holds 99.99% in Lotus's (via C.P. Retail Development Co. Ltd, CPRD). Before the transaction, CPALL held 93.1% in MAKRO and 40% in Lotus's (via CPRD).

#### **Business outlook**

Of 2023 SSS growth (+5.5%), 5% came from traffic at 965 persons/store/day (19% below 2019, before COVID) amid stable contribution YoY from ticket size at Bt83/ticket (19% below 2019, pre-COVID). Looking ahead, while traffic will tend to recover in tandem with the return of stronger economic activities and more tourists, ticket size is expected to continue to be higher than 2019 from more 7-Eleven delivery sales (free delivery on purchases above Bt100 starting in 2020), more large-pack product sales (starting in 2020) and higher product prices from higher costs.

In 2024, CPALL plans to continue to introduce new products to boost sales growth, with premium products including: 1) *All Select*, a new premium fresh coffee brand with starting price at Bt55 in select locations, to allow customers with high purchasing power to level up their coffee choice from the existing fresh coffee brand under *All Café* (starting price at Bt35), targeting availability in 200 stores at end-2024; 2) adding differentiated products, such as Japanese and Korean RTE foods, foods in cooperation with premium brands i.e., Chef Cares, and available only at 7-Eleven.

O2O sales (7-Eleven delivery and All Online) grew to 11% of sales in 2023 from 10% in 2022, 8% in 2021 and 3% in 2020. It aims to raise O2O sales further in 2024, focusing on shortening delivery time for items in 7-Eleven stores (delivery within 30 minutes) and items unavailable in 7-Eleven stores (same day for large items, and next day for hardline and soft line items).

In terms of expansion, CPALL plans to open 700 CVS stores p.a. in 2024 and for the next 3-5 years. Overseas, after opening its first CVS store in Cambodia in Aug 2021 and Laos in 4Q23, it plans to open 40 stores in Cambodia and seven stores in Laos in 2024.

Bullish views	Bearish views
1. Resumption of local activities from revived economic activity and government stimulus will boost SSS growth	Weak purchasing power will pressure SSS
More domestic and international travel will support SSS	2. Slow return of tourists, especially from China, will delay the return of its SSS to pre-COVID level in 2019

#### **Key catalysts**

Factor	Event	Impact	Comment
3Q24F earnings	Better CVS and CPAXT contribution YoY	Earnings up YoY but down QoQ	We expect 3Q24F core earnings to grow YoY on better CVS sales and margin and more contribution from CPAXT but slip QoQ on seasonality.
4Q24F earnings	Better CVS and CPAXT contribution YoY	Earnings up YoY and QoQ	Its 4Q24F earnings will grow both YoY on better sales and margin from CVS and CPAXT and QoQ to this year's high from seasonality.

#### **Sensitivity Analysis**

Factor	Earnings impact	TP impact
1% change in SSS growth in CVS and CPAXT	1%	Bt1-2/sh.



#### **Our view on ESG**

We view that CPALL is in the leading position compared to peers, providing concrete targets on key environmental issues (i.e., energy management and sustainable products) and social issues (i.e., labor/employment practices) with a committed timeline and performance progresses relative to targets. While CPALL's board and management reflect their expertise and experience in the business, we view that it is in the lagging position compared to peers on director roles and board diversity for the board composition, and the incentive structure for the executive compensation. Key ESG risks are energy management, sustainable products, and labor/employment practices.

#### **ESG Disclosure Score**

Bloomberg ESG Score	65.44 (2022)
Rank in Sector	1/34

#### Environmental Issue (E)

- CPALL has committed to being carbon neutral by 2030 with net zero GHG emissions by 2050 (vs 1.93mt Co2 in 2022).
- By 2030, CPALL targets to reduce final energy consumption compared to the business-as-usual case (BAU) by 25% (vs 3.67% in 2022), achieve a private brand with 100% reusable, recyclable or compostable plastic packaging (vs 97.94% in 2022), a 100% reduction in excess or leftover food requiring disposal and in waste generated by operations (vs 79.78% in 2022) and 100% collaboration in all areas of business operations with local and national stakeholders or independent third parties for biodiversity protection (vs 100% in 2022).
- We view that CPALL is in the leading position compared to peers for providing information on energy management and sustainable products, with concrete targets, committed timeline, and actual performance relative to its targets. However, it is in the lagging position for providing water management policy without the concrete target.

#### Governance Issue (G)

- In 2022, it achieved 100% of employees and suppliers communicating about anti-corruption policy.
- In 2022, CPALL had nomination & remuneration, audit, and sustainable & corporate governance committees.
- In 2022, CPALL's board of directors consists of 16 directors.
   Of total, 11 were non-executive directors (69% of the entire board), 6 were independent directors (35% of the entire board), and one was a female member (6% of the entire board).
- In 2022, CG rating (Corporate Governance Report of Thai Listed Companies: CGR) was excellent, and anti-corruption progress indicator was certified.
- We view CPALL's board and management reflect their expertise and experience in the business. However, we view that it is in the lagging position compared to peers on director roles and diversity for the board composition, and the incentive structure for the executive compensation.

	CG Rating	DJSI	SETESG	SET ESG Ratings
CPALL	5	Yes	Yes	AAA

Source: Thai Institute of Directors (IOD), SET

#### Social Issue (S)

- By 2030, CPALL aims to develop skills and promote jobs to generate income for SMEs and vulnerable groups at 250,000 persons (vs 291,255 persons in 2022), support education for children and vulnerable groups, with access to technical and professional skills necessary for their profession at 500,000 persons (vs 358,482 persons in 2022), support access by 5mn underserved and vulnerable people to safe food and water (vs 2.34mn persons in 2022), conduct human rights impact assessment following UN guidelines at 100% (vs 100% in 2022).
- By 2030, CPALL targets to increase the number of new health & nutrition products and services by 25% (vs 26.5% in 2022) and generate income from products and services innovation at 20% (vs 10.4% in 2022).
- We view that CPALL is in the leading position compared to peers for providing information on labor and employment practices, product quality and supply chain management, together with data security and customer privacy.

#### **ESG Disclosure Score**

	2021	2022
ESG Disclosure Score	66.82	65.44
Environment	56.78	56.78
GHG Scope 1 ('000 metric tonnes)	324.36	435.38
GHG Scope 2 Location-Based ('000 metric tonnes)	1,454.37	1,555.36
GHG Scope 3 ('000 metric tonnes)	13,131.50	13,191.70
Electricity Used ('000 MWh)	3,181.41	3,504.06
Self Generated Renewable Electricity ('000 MWh)	3.73	13.31
Total Waste ('000 metric tonnes)	219.41	207.70
Waste Recycled('000 metric tonnes)	149.41	139.99
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Social	56.26	52.09
Pct Women in Management (%)	38.71	36.84
Pct Women in Workforce (%)	65.58	64.54
Lost Time Incident Rate - Employees (per 100 employees)	0.55	0.33
Number of Employees - CSR (persons)	190,008	167,401
Employee Turnover Pct (%)	40.35	58.66
Total Hours Spent by Firm - Employee Training (hours)	3,929,3705	,022,030

Governance	87.36	87.36
Size of the Board (persons)	16	16
Number of Non Executive Directors on Board (persons)	11	11
Number of Board Meetings for the Year (times)	9	8
Board Meeting Attendance Pct (%)	99	95
Number of Female Executives (persons)	2	3
Number of Women on Board (persons)	1	1

Source: Bloomberg Finance L.P.

#### Disclaimer

Bloomberg ESG Disclosure Scores rate companies on their level of disclosure of ESG data. Bloomberg offers four disclosure scores, for overall ESG, as well as Environmental, Social, and Governance. To review the fully transparent methodology, calculate disclosure scores for any company, and compare a company's scores vs its peers, see ESG Disclosure Score Model in Bloomberg.



#### **Financial statement**

#### **Profit and Loss Statement**

FY December 31	Unit	2019	2020	2021	2022	2023	2024F	2025F	2026F
Total revenue	(Btmn)	550,901	525,884	565,207	829,099	895,281	955,276	1,016,884	1,081,019
Cost of goods sold	(Btmn)	(426,063)	(410,880)	(444,838)	(651,100)	(699,010)	(742,302)	(788,016)	(835,529)
Gross profit	(Btmn)	124,838	115,004	120,369	177,999	196,271	212,974	228,868	245,491
SG&A	(Btmn)	(110,753)	(107,858)	(116,867)	(165,414)	(179,873)	(193,369)	(206,984)	(221,271)
Other income	(Btmn)	20,106	20,480	20,665	23,506	25,560	29,172	31,594	34,128
Interest expense	(Btmn)	(6,721)	(8,026)	(12,643)	(16,607)	(16,162)	(15,935)	(15,732)	(15,458)
Pre-tax profit	(Btmn)	27,469	19,600	11,524	19,485	25,797	32,843	37,746	42,890
Corporate tax	(Btmn)	(4,232)	(2,859)	(1,693)	(3,861)	(4,572)	(5,827)	(6,399)	(6,843)
Equity a/c profits	(Btmn)	0	(63)	(226)	831	746	819	881	949
Minority interests	(Btmn)	(351)	(400)	(888)	(3,039)	(3,693)	(4,121)	(4,901)	(5,688)
Core profit	(Btmn)	22,887	16,276	8,716	13,416	18,278	23,713	27,327	31,308
Extra-ordinary items	(Btmn)	(544)	(174)	4,269	(144)	204	0	0	0
Net Profit	(Btmn)	22,343	16,102	12,985	13,272	18,482	23,713	27,327	31,308
EBITDA	(Btmn)	45,410	48,276	48,653	72,636	78,541	86,457	92,288	98,322
Core EPS (Bt)	(Btmn)	2.44	1.70	0.86	1.41	1.98	2.59	2.99	3.43
Net EPS (Bt)	(Bt)	2.38	1.68	1.33	1.39	2.01	2.59	2.99	3.43
DPS (Bt)	(Bt)	1.25	0.90	0.60	0.75	1.01	1.32	1.52	1.74

#### **Balance Sheet (Btmn)**

FY December 31	Unit	2019	2020	2021	2022	2023	2024F	2025F	2026F
Total current assets	(Btmn)	71,923	81,426	165,773	148,955	143,798	150,154	159,127	164,992
Total fixed assets	(Btmn)	303,694	441,929	766,119	775,106	782,693	786,974	790,344	792,782
Total assets	(Btmn)	375,617	523,354	931,893	924,061	926,491	937,128	949,471	957,774
Total loans	(Btmn)	145,612	285,567	452,334	436,630	415,928	410,913	394,679	371,709
Total current liabilities	(Btmn)	112,917	123,275	215,072	207,443	238,197	230,489	243,102	242,833
Total long-term liabilities	(Btmn)	154,333	288,485	424,013	426,317	386,699	390,313	374,573	365,501
Total liabilities	(Btmn)	267,250	411,759	639,085	633,760	624,896	620,803	617,675	608,334
Paid-up capital	(Btmn)	8,983	8,983	8,983	8,983	8,983	8,983	8,983	8,983
Total equity	(Btmn)	108,368	111,595	292,807	290,301	301,595	316,325	331,796	349,440
BVPS (Bt)	(Bt)	10.44	10.77	11.59	11.21	12.36	14.00	15.72	17.68

#### **Cash Flow Statement (Btmn)**

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FY December 31	Unit	2019	2020	2021	2022	2023	2024F	2025F	2026F
Core Profit	(Btmn)	22,887	16,276	8,716	13,416	18,278	23,713	27,327	31,308
Depreciation and amortization	(Btmn)	11,220	20,650	24,486	36,544	36,582	37,680	38,810	39,974
Operating cash flow	(Btmn)	40,477	39,148	46,319	69,873	87,172	61,585	74,177	79,643
Investing cash flow	(Btmn)	(16,584)	(97,405)	1,878	(30,506)	(28,067)	(45,982)	(42,180)	(42,413)
Financing cash flow	(Btmn)	(27,939)	68,959	7,510	(64,312)	(62,988)	(13,997)	(28,091)	(36,634)
Net cash flow	(Rtmn)	(4 045)	10 703	55 707	(24 945)	(3.883)	1 605	3 907	597

#### **Key Financial Ratios**

FY December 31	Unit	2019	2020	2021	2022	2023	2024F	2025F	2026F
Gross margin	(%)	22.7	21.9	21.3	21.5	21.9	22.3	22.5	22.7
Operating margin	(%)	2.6	1.4	0.6	1.5	1.8	2.1	2.2	2.2
EBITDA margin	(%)	8.2	9.2	8.6	8.8	8.8	9.1	9.1	9.1
EBIT margin	(%)	6.2	5.3	4.3	4.4	4.7	5.1	5.3	5.4
Net profit margin	(%)	4.1	3.1	2.3	1.6	2.1	2.5	2.7	2.9
ROE	(%)	25.6	17.1	8.7	13.1	17.3	20.0	20.5	20.9
ROA	(%)	6.1	3.6	1.2	1.4	2.0	2.5	2.9	3.3
Net D/E	(x)	1.1	2.2	1.2	1.3	1.2	1.1	1.0	0.9
Interest coverage	(x)	6.8	6.0	3.8	4.4	4.9	5.4	5.9	6.4
Debt service coverage	(x)	2.0	1.7	0.7	1.2	1.0	1.2	1.3	1.6
Payout Ratio	(%)	52.6	53.5	45.0	53.9	49.8	50.0	50.0	50.0

#### **Main Assumptions**

FY December 31	Unit	2019	2020	2021	2022	2023	2024F	2025F	2026F
SSS growth - CPALL	(%)	1.7	(14.5)	(6.7)	15.9	5.5	3.3	3.0	3.0
No. of stores, ending - CPALL	(stores)	11,712	12,432	13,134	13,838	14,545	15,245	15,945	16,645
SSS growth - CPAXT: B2B	(%)	6.3	1.9	2.5	6.8	5.3	3.5	3.0	3.0
No. of stores, ending - CPAXT: B2B	(Stores)	140	144	149	162	168	176	184	192
SSS growth - CPAXT: B2C TH	(%)	(2.5)	(6.4)	(6.3)	0.2	2.1	3.5	3.0	3.0
SSS growth - CPAXT: B2C MY	(%)	2.2	0.7	(2.2)	(1.8)	(2.5)	3.5	3.0	3.0



#### **Financial statement**

<b>Profit</b>	and	عوم ا	State	ment

FY December 31	Unit	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24
Total revenue	(Btmn)	207,617	218,863	215,895	225,603	220,051	233,732	234,315	240,948
Cost of goods sold	(Btmn)	(162,429)	(171,615)	(168,983)	(176,041)	(172,085)	(181,901)	(182,093)	(186,899)
Gross profit	(Btmn)	45,188	47,248	46,913	49,561	47,966	51,831	52,223	54,049
SG&A	(Btmn)	(41,916)	(44,398)	(43,178)	(45,867)	(44,447)	(46,381)	(46,541)	(48,836)
Other income	(Btmn)	6,191	6,548	6,125	6,399	6,215	6,821	6,694	6,994
Interest expense	(Btmn)	(4,283)	(4,522)	(4,197)	(3,960)	(3,995)	(4,010)	(3,902)	(3,878)
Pre-tax profit	(Btmn)	5,180	4,876	5,662	6,134	5,739	8,262	8,473	8,329
Corporate tax	(Btmn)	(987)	(996)	(1,013)	(1,073)	(970)	(1,517)	(1,643)	(1,476)
Equity a/c profits	(Btmn)	230	175	193	201	185	168	174	149
Minority interests	(Btmn)	(614)	(1,013)	(1,064)	(662)	(667)	(1,300)	(982)	(847)
Core profit	(Btmn)	3,810	3,042	3,778	4,601	4,287	5,612	6,022	6,155
Extra-ordinary items	(Btmn)	(133)	96	344	(162)	137	(116)	298	84
Net Profit	(Btmn)	3,677	3,138	4,123	4,438	4,424	5,497	6,319	6,239
EBITDA	(Btmn)	16,595	17,840	18,327	18,652	18,365	19,094	20,938	20,742
Core EPS (Bt)	(Btmn)	0.40	0.33	0.41	0.50	0.46	0.61	0.66	0.67
Net EPS (Bt)	(Bt)	0.39	0.34	0.45	0.48	0.48	0.60	0.69	0.68

#### Balance Sheet (Btmn)

FY December 31	Unit	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24
Total current assets	(Btmn)	124,177	148,955	120,357	114,429	120,181	143,798	134,352	127,848
Total fixed assets	(Btmn)	775,371	775,106	775,979	777,578	780,072	782,693	787,009	660,114
Total assets	(Btmn)	899,547	924,061	896,336	892,007	900,254	926,491	921,361	787,962
Total loans	(Btmn)	452,169	436,630	432,501	438,517	430,757	415,928	424,121	428,775
Total current liabilities	(Btmn)	166,499	207,443	212,083	218,145	217,462	238,197	221,948	229,628
Total long-term liabilities	(Btmn)	445,590	426,317	389,074	382,029	386,444	386,699	391,073	379,519
Total liabilities	(Btmn)	612,089	633,760	601,157	600,174	603,906	624,896	613,021	609,147
Paid-up capital	(Btmn)	8,983	8,983	8,983	8,983	8,983	8,983	8,983	8,983
Total equity	(Btmn)	287,459	290,301	295,179	291,833	296,348	301,595	308,340	306,662
BVPS (Bt)	(Bt)	10.98	11.21	11.67	11.38	11.89	12.36	13.15	12.86

#### Cash Flow Statement (Btmn)

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FY December 31	Unit	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24
Core Profit	(Btmn)	3,677	3,138	4,123	4,438	4,424	5,497	6,319	6,239
Depreciation and amortization	(Btmn)	7,572	11,032	8,984	9,103	9,201	9,293	9,135	9,097
Operating cash flow	(Btmn)	6,883	33,955	4,479	15,785	28,778	38,130	11,342	15,140
Investing cash flow	(Btmn)	(7,271)	(7,177)	(7,529)	(5,957)	(6,677)	(7,903)	(9,155)	(5,637)
Financing cash flow	(Btmn)	(11,566)	(4,159)	(24,696)	(12,761)	(15,985)	(9,546)	(13,544)	(11,927)
Net cash flow	(Btmn)	(11.954)	22.619	(27.746)	(2.933)	6.116	20.681	(11.357)	(2.425)

#### **Key Financial Ratios**

FY December 31	Unit	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24
Gross margin	(%)	21.8	21.6	21.7	22.0	21.8	22.2	22.3	22.4
Operating margin	(%)	1.6	1.3	1.7	1.6	1.6	2.3	2.4	2.2
EBITDA margin	(%)	8.0	8.2	8.5	8.3	8.3	8.2	8.9	8.6
EBIT margin	(%)	4.6	4.3	4.6	4.5	4.4	5.3	5.3	5.1
Net profit margin	(%)	1.8	1.4	1.9	2.0	2.0	2.4	2.7	2.6
ROE	(%)	15.0	12.2	14.7	17.8	16.4	20.6	21.0	21.1
ROA	(%)	1.7	1.3	1.7	2.1	1.9	2.5	2.6	2.9
Net D/E	(x)	1.4	1.3	1.3	1.4	1.3	1.2	1.2	1.2
Interest coverage	(x)	3.9	3.9	4.4	4.7	4.6	4.8	5.4	5.3
Debt service coverage	(x)	1.0	1.2	1.2	8.0	0.7	0.8	1.1	1.0

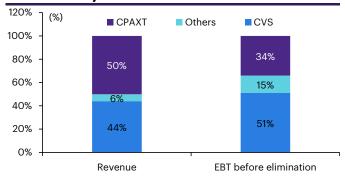
#### **Main Assumptions**

FY December 31	Unit	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24
SSS growth - CPALL	(%)	22.1	15.0	8.0	7.9	3.5	3.6	4.9	3.8
No. of stores, ending - CPALL	(stores)	13,660	13,838	14,047	14,215	14,391	14,545	14,730	14,854
SSS growth - CPAXT: B2B	(%)	8.9	9.6	10.9	6.0	3.2	1.7	3.4	1.8
No. of stores, ending - CPAXT: B2B	(Stores)	154	162	163	163	164	168	169	170
SSS growth - CPAXT: B2C TH	(%)	0.0	2.4	0.8	(0.9)	2.5	5.8	6.9	3.6
SSS growth - CPAXT: B2C MY	(%)	(3.7)	(2.4)	(0.9)	(12.2)	0.6	3.6	8.4	3.1



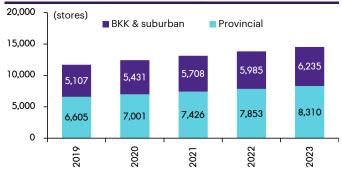
#### **Appendix**

Figure 1: Revenue and earnings before tax breakdown by business in 2023



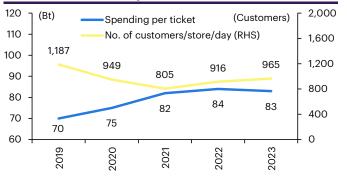
Source: Company data and InnovestX Research

Figure 3: The number of convenience stores breakdown by location in Bangkok and upcountry



Source: Company data and InnovestX Research

Figure 5: Spending per ticket and the number of customers/store/day in CVS business



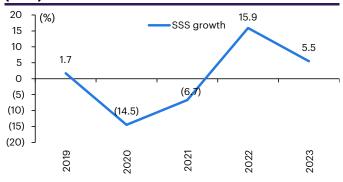
Source: Company data and InnovestX Research

Figure 7: Valuation summary (price as of Sep 9, 2024)

Rating Price Target EPS growth (%) P/BV(x) **ROE (%)** Div. Yield (%) EV/EBITDA(x) (Bt/Sh) (Bt/Sh) (%) 23A 24F 25F 24F 25F 23A 24F 25F 23A 24F 25F 23A 24F 25F 24F 23A BJC Neutral 24.20 24.0 20.1 21.4 19.0 0.8 0.8 0.8 3.2 12.4 11.7 2.0 (2) (6) 12 4 4 4 3.3 2.8 11.1 **CPALL** Outperform 66.00 33.3 25.5 22.1 77.0 41 31 16 5.3 4.7 4.2 17 20 20 1.5 2.0 2.3 12.0 10.8 9.9 **CPAXT** Outperform 32.50 39.0 21.5 39.2 33.4 28.1 11 17 13.5 12.3 19 1.2 1.2 1.1 3 3 4 1.8 1.5 1.8 11.2 32.25 CRC Neutral 31.0 (2.2)24.4 23.9 21.3 14 12 2.9 2.7 2.5 12 11 12 1.7 1.7 1.9 9.9 9.5 8.9 GLOBAL 15.30 18.8 29.7 31.4 27.1 (27)Outperform 18.0 (5) 16 3.4 3.2 3.0 12 10 11 1.2 1.1 1.3 19.4 20.3 18.2 **HMPRO** Outperform 10.70 12.0 15.8 21.8 21.2 19.2 5.5 5.2 4.8 26 25 26 3.7 3.6 3.6 13.3 12.7 11.8 4 10 Average 28.1 26.1 22.8 14 3.2 3.0 2.7 12 12 13 2.2 2.1 2.3 13.4 12.9 11.9

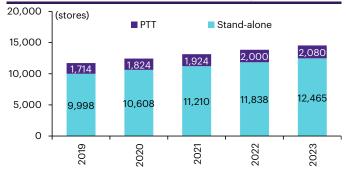
Source: InnovestX Research

Figure 2: Yearly SSS growth for convenience store (CVS) business



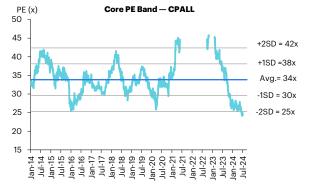
Source: Company data and InnovestX Research

Figure 4: The number of convenience stores for standalone and stores located in PTT gas stations



Source: Company data and InnovestX Research

Figure 6: CPALL's historical core PE band



Source: InnovestX Research



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#### CG Rating 2023 Companies with CG Rating

#### Companies with Excellent CG Scoring

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2S, A5, AAI, AIE, ALUCON, AMR, APURE, ARIN, AS, ASIA, ASIAN, ASIMAR, ASN, AURA, BR, BSBM, BSRC, BTG, CEN, CGH, CH, CHIC, CI, CIG, CMC, COMAN, CSP, DOD, DPAINT, DV8, EFORL, EKH, ESTAR, EVER, FORTH, FSMART, FTI, GEL, GPI, HEALTH, HUMAN, IFS, INSET, IT, J, JCKH, JDF, JKN, JMART, JUBILE, K, KCAR, KGI, KIAT, KISS, KK, KTIS, KWC, KWM, LDC, LEO, LHK, MACO, METCO, MICRO, MK, MVP, NCAP, NOVA, NTSC, PACO, PIN, PQS, PREB, PRI, PRIME, PROEN, PROS, PROUD, PSTC, PTECH, PYLON, RCL, SALEE, SANKO, SCI, SCN, SE, SE-ED, SFLEX, SINGER, SKN, SONIC, SORKON, SPVI, SSP, SST, STANLY, STP, SUPER, SVOA, SWC, TCC, TEKA, TFM, TMILL, TNP, TPLAS, TPOLY, TRC, TRU, TRUBB, TSE, VRANDA, WAVE. WFX. WIIK. WIN. WP, XO

#### Companies with Good CG Scoring

24CS, AMANAH, AMARC, AMC, APP, ASAP, BCT, BE8, BIG, BIOTEC, BLESS, BSM, BVG, CAZ, CCET, CHARAN, CHAYO, CHOTI, CITY, CMAN, CMR, CRANE, CWT, DHOUSE, DTCENT, EASON, FNS, FTE, GIFT, GJS, GTB, GTV, GYT, HL, HTECH, HYDRO, IIG, INGRS, INSURE, IRCP, ITD, ITNS, JCK, JMT, JR, JSP, KBS, KGEN, KJL, L&E, LEE, MASTER, MBAX, MEB, MENA, META, MGT, MITSIB, MJD, MOSHI, MUD, NATION, NNCL, NPK, NSL, NV, OGC, PAF, PCC, PEACE, PICO, PK, PL, PLANET, PLE, PMTA, PPM, PRAKIT, PRAPAT, PRECHA, PRIN, PSG, RABBIT, READY, RJH, RSP, RWI, S11, SAAM, SAF, SAMCO, SAWAD, SCAP, SCP, SIAM, SKE, SKY, SMART, SMD, SMIT, SOLAR, SPA, STECH, STPI, SVR, TC, TCCC3, TEAM, TFI, TIGER, TITLE, TKC, TMI, TNH, TPA, TPAC, TRITN, UBA, UMI, UMS, UTP, VARO, VPO, W, WARRIX, WORK, WPH, YONG, ZIGA

#### **Corporate Governance Report**

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The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey result may be changed after that date. InnovestX

Securities Company Limited does not conform nor certify the accuracy of such survey result.

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 2022 to 31 October 2023) is publicized.

OISHI was voluntarily delisted from the Stock Exchange of Thailand, effectively on September 6, 2023

<sup>2</sup>SFP was voluntarily delisted from the Stock Exchange of Thailand, effectively on July 19, 2023

<sup>3</sup>TCCC was voluntarily delisted from the Stock Exchange of Thailand effectively on August 25, 2023

#### Anti-corruption Progress Indicator

#### Certified (ได้รับการรับรอง)

2S, AAI, ADB, ADVANC, AE, AF, AH, AI, AIE, AIRA, AJ, AKP, AMA, AMANAH, AMATA, AMATAV, AP, APCS, AS, ASIAN, ASK, ASP, ASW, AWC, AYUD, B, BAFS, BAM, BANPU, BAY, BBGI, BBL, BCH, BCP, BCPG, BE8, BEC, BEYOND, BGC, BGRIM, BLA, BPP, BRI, BRR, BSBM, BTC, BTG, BTS, BWG, CBG, CEN, CENTEL, CFRESH, CGH, CHEWA, CHOTI, CHOW, CI, CIG, CIMBT, CM, CMC, COM7, CPALL, CPAXT, CPF, CPI, CPL, CPN, CPW, CRC, CREDIT, CSC, DCC, DELTA, DEMCO, DIMET, DMT, DOHOME, DRT, DUSIT, EA, EASTW, ECF, EGCO, FP, FPG, ERW, ETC, ETE, FNS, FPI, FPT, FSMART, FSX, FTE, GBS, GC, GCAP, GEL, GFPT, GGC, GJS, GLOBAL, GPI, GPSC, GSTEEL, GULF, GUNKUL, HANA, HARN, HEALTH, HENG, HMPRO, HTC, ICC, ICCI, IFS, III, ILINK, ILM, INET, INOX, INSURE, INTUCH, IRPC, ITEL, IVL, JAS, JR, JTS, KASET, KBANK, KCAR, KCC, KCE, KGEN, KGI, KKP, KSL, KTB, KTC, L&E, LANNA, LHFG, LHK, LPN, LFH, M, MAJOR, MALEE, MATCH, MBAX, MBK, MC, MCOT, MEGA, MENA, META, MFC, MFEC, MILL, MINT, MODERN, MONO, MOONG, MSC, MTC, MTI, NATION, NCAP, NEP, NKI, NOBLE, NRF, NWR, OCC, OGC, OR, ORI, OSP, PAP, PATO, PB, PCSGH, PDG, PDJ, PG, PHOL, PIMO, PK, PL, PLANB, PLANET, PLAT, PM, PPP, PPPM, PPS, PR9, PREB, PRG, PRINC, PRM, PROS, PSH, PSL, PSTC, PT, PTECH, PTG, PTT, PTTEP, PTTGC, PYLON, Q-CON, QH, QLT, QTC, RABBIT, RATCH, RBF, RML, RS, RWI, S&J, SA, SAAM, SABINA, SAK, SAPPE, SAT, SC, SCB, SCC, SCCC, SCG, SCGP, SCM, SCN, SEAOIL, SE-ED, SELIC, SENA, SENX, SFLEX, SGC, SGP, SIRI, SITHAI, SKR, SM, SMIT, SMPC, SNC, SNP, SORKON, SPACK, SPALI, SPC, SPI, SPRC, SRICHA, SSF, SSP, SSSC, SST, STA, STGT, STOWER, SUSCO, SVI, SVOA, SVT, SYMC, SYNTEC, TAE, TAKUNI, TASCO, TCAP, TCMC, TEGH, TFG, TFI, TFMAMA, TGE, TGH, THANI, THC, TTA, TTB, TTCL, TU, TURTLE, TVDH, TVO, TWPC, UBE, UBIS, UEC, UKEM, UPF, UV, VCOM, VGI, VIBHA, VIH, WACOAL, WHA, WHAUP, WICE, WIIK, XO, YUASA, ZEN, ZIGA, ZEN, ZIGA

#### Declared (ประกาศเจตนารมณ์)

ACE, ADVICE, ALT, AMARIN, AMC, ANI, APCO, B52, BLAND, BPS, BYD, CAZ, CHASE, CHG, CV, DEXON, DITTO, ECL, EKH, EVER, FLOYD, GREEN, HL, HUMAN, ICN, IHL, IP, ITC, JDF, JMART, K, KJL, LDC, LH, LIT, MITSIB, MJD, MOSHI, NER, NEX, PLE, PLUS, POLY, PQS, PRI, PRIME, PROEN, PROUD, PRTR, PTC, RT, S, SANKO, SAWAD, SCAP, SCGD, SFT, SHR, SINGER, SINO, SIS, SJWD, SKE, SNNP, SOLAR, SONIC, SUPER, TBN, TMI, TPAC, TPP, TQM, UREKA, VNG, WELL, WIN, WPH, XPG

#### N/A

24CS, 3K-BAT, A, A5, AAV, ABM, ACAP, ACC, ACG, ADD, AEONTS, AFC, AGE, AHC, AIT, AJA, AKR, AKS, ALLA, ALPHAX, ALUCON, AMARC, AMR, ANAN, AOT, APEX, APO, APP, APURE, AQUA, ARIN, ARIP, ARROW, ASAP, ASEFA, ASIA, ASIMAR, ASN, ATP30, AU, AUCT, AURA, BA, BBIK, BC, BCT, BDMS, BEAUTY, BEM, BGT, BH, BIG, BIOTEC, BIS, BIZ, BJC, BJCHI, BKD, BKGI, BKIH, BLC, BLESS, BLISS, BM, BOL, BR, BROCK, BSM, BSRC, BTNC, BTW, BUI, BVG, CCET, CCP, CEYE, CFARM, CGD, CH, CHAO, CHARAN, CHAYO, CHIC, CHO, CITY, CIVIL, CK, CKP, CMAN, CMO, CMR, CNT, COCOCO, COLOR, COMAN, CPANEL, CPH, CPR, CPT, CRANE, CRD, CSP, CSR, CSS, CTW, CWT, D, DCON, DDD, DHOUSE, DOD, DPAINT, DTCENT, DTCI, DV8, EASON, EE, EFORL, EMC, ESTAR, ETL, EURO, F&D, FANCY, FE, FM, FMT, FN, FORTH, FTI, FVC, GABLE, GENCO, GFC, GIFT, GL, GLAND, GLOCON, GLORY, GRANMD, GSC, GTB, GTV, GYT, HFT, HPT, HTECH, HYDRO, I2, IIG, IIMH, IND, INGRS, INSET, IRC, IRCP, IT, ITD, ITNS, ITTHI, J, JAK, JCK, JCKH, JCT, JKN, JMT, JPARK, JSP, JUBILE, KAMART, KBS, KC, KCG, KCM, KOH, KEX, KIAT, KISS, KK, KKC, KLINIQ, KOOL, KTIS, KTMS, KUMWEL, KUN, KWC, KWI, KWM, KYE, LALIN, LEE, LEO, LOXLEY, LPH, LST, LTS, MAGURO, MANRIN, MASTER, MATI, MCA, M-CHAI, MCS, MDX, MEB, METCO, MGC, MGI, MGT, MICRO, MIDA, MK, ML, MORE, MST, MTW, MUD, MVP, NAM, NAT, NC, NCH, NCL, NCP, NDR, NEO, NETBAY, NEW, NEWS, NFC, NL, NNCL, NOK, NOVA, NPK, NSL, NTSC, NTV, NUSA, NV, NVD, NYT, OHTL, ONEE, ORN, PACO, PAF, PANEL, PCC, PEACE, PEER, PERM, PF, PHG, PICO, PIN, PJW, PLT, PMTA, POLAR, PORT, PPM, PRAKIT, PRAPAT, PRECHA, PRIN, PRO, PSG, PSP, PTL, QTCG, RAM, RCL, READY, RICHY, RJH, ROCK, ROCTEC, ROH, ROJNA, RP, RPC, RPH, RSP, STI, SABUY, SAF, SAFARI, SAFE, SALEE, SAM, SAMART, SAMCO, SAMTEL, SAUCE, SAV, SAWANG, SBNEXT, SCI, SCC, SCP, SDC, SE, SEAFCO, SECURE, SGF, SHANG, SIAM, SICT, SIMAT, SISB, SK, SKN, SKY, SLM, SLP, SMART, SMD, SMK, SMT, SO, SPA, SPCG, SPG, SPC, SPC, SPC, SPC, STANLY, STI, THAI, TTHAI, THANA, THE, THG, THMUI, TIGER, TITLE, TK, KC, TLI, TM, TMC, TMW, TNDT, TNH, TNPC, TOA, TAPAC, TC, TC, TCOAT, TEAM, TEAM, TEAM, TEAM, TERA, TFRM

#### Explanations

Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of June 30, 2024) are categorised into: companies that have declared their intention to join CAC, and companies certified by CAC.