

CP ALL (CPALL TB)

Consumer Cyclical - Retail

Market Cap: USD12,006m

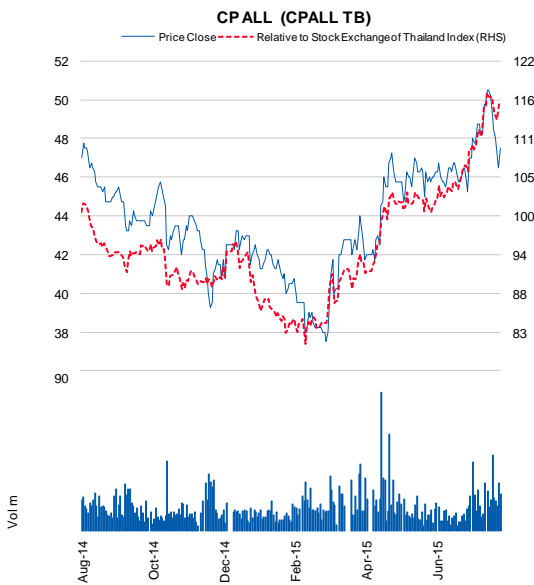
Sell (Maintained)

Target Price: THB38.00

Price: THB47.50

มูลค่าประเมินราคาแพงท่ามกลาง sentiment ที่ยังอ่อนแอ

Macro ◆◆
Risks ◆◆
Growth ◆◆◆
Value ◆



Source: Bloomberg

Avg Turnover (THB/USD)	595m/17.2m
Cons. Upside (%)	-0.8
Upside (%)	-20.0
52-wk Price low/high (THB)	37.5 - 50.5
Free float (%)	48
Share outstanding (m)	8,983
Shareholders (%)	
CP Merchandising	31.3
Charoen Pokphand Group	10.2
State Street Group	4.9

Share Performance (%)

	YTD	1m	3m	6m	12m
Absolute	11.8	2.2	2.7	17.3	2.2
Relative	23.4	10.2	14.9	34.0	17.5

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การเติบโตของกำไรที่แข็งแกร่งตั้งแต่ต้นปีได้รับอานิสงส์จากแผนการขยายสาขาเชิงรุก ทั้งจากร้าน 7-Eleven และ Siam Makro แต่ด้วยภาคการบริโภคในประเทศที่อ่อนแอ ในช่วงครึ่งปีหลังทำให้มีความเสี่ยงในการ downside ของประมาณการกำไรปี 2558 ยังคงแนะนำ "ขาย" ที่ราคาเป้าหมายคำนวณจากวิธี DCF เท่ากับ 38.00 บาท (เดิม 40.00 บาท, 18% downside)

◆ แผนการขยายสาขาในร้าน 7-Eleven ในปี 2558

รายได้ในรอบ 1H58 (+9.5% y-o-y, YTD) จากอานิสงส์การขยายแผนสาขาเชิงรุกถึง 342 แห่ง โดย SSSG ยังคงอ่อนแอเพียง 1.1% ในไตรมาส 2/58 ในขณะที่กำไรเติบโตแข็งแกร่ง (+33% y-o-y) จากมาร์จิ้นที่ดีและมาตรการควบคุมค่าใช้จ่าย ทั้งนี้ เนื่องจากไม่มีแผนในการเบิกจ่ายงบกระตุ้นเศรษฐกิจอย่างมีนัยสำคัญในรอบ 2H ทำให้เรามองว่าภาคการบริโภคจะยังคงไม่ฟื้นตัวโดดเด่น

◆ Siam Makro ได้รับผลกระทบเชิงลบกลุ่มโรงแรม ร้านอาหารและจัดเลี้ยง (HoReCa)

กลุ่มโรงแรม ร้านอาหารและจัดเลี้ยง (HoReCa) คิดเป็นสัดส่วน 23% ของรายได้ Siam Makro (MAKRO TB, NR) โดยบันทึกมาร์จิ้นที่ดีขึ้น โดยเรามองว่าจะได้รับผลดีจากภาคการท่องเที่ยวที่ฟื้นตัวแข็งแกร่งขึ้นในรอบ 1H58 แต่จะชะลอตัวลงใน 2H58 และบริษัทวางแผนเปิดสาขาใหม่ 14 แห่งในปี 2558 อีกทั้งการแย่งยอดขายของสาขา (Cannibalization) และค่าใช้จ่ายในการเปิดสาขาใหม่จะทำให้สัดส่วนค่าใช้จ่าย/รายได้เพิ่มขึ้นจากปัจจุบันที่ 6.8%

◆ สัดส่วนหนี้สินต่อทุนยังคงสูง

สัดส่วนหนี้สินต่อทุนยังคงสูงถึง 510% ณ ไตรมาส 2/58 แม้ว่าความเสี่ยงในระยะสั้น-กลางจะลดลง ในขณะที่แผนในการขายหุ้น Siam Makro ออกไปเรคาดว่า จะยังไม่เกิดขึ้นเนื่องจาก sentiment ยังคงไม่สู้ดีนัก

◆ มูลค่าประเมินแพง แนะนำ "ขาย"

เราได้ปรับประมาณการกำไรปี 2559-60 ลงราว 2-6% จุดให้ราคาเป้าหมายคำนวณจากวิธี DCF ลดลงเป็น 38.00 บาท ยังคงแนะนำ "ขาย" โดยอิงจากระดับ PE ปี 2559 ที่ 22.6x ซึ่งค่อนข้างแพงแม้ว่าแนวโน้มการเติบโตจะแข็งแกร่งกว่ากลุ่ม ในขณะที่ความเสี่ยงมาจากการเบิกจ่ายงบกระตุ้นบริโภคจากภาครัฐที่เร็วกว่าคาดช่วยหนุนการฟื้นตัวให้แข็งแกร่ง

Forecasts and Valuations	Dec-13	Dec-14	Dec-15F	Dec-16F	Dec-17F
Total turnover (THBm)	272,285	357,766	383,567	417,941	454,786
Reported net profit (THBm)	10,577	10,153	12,505	15,086	17,935
Recurring net profit (THBm)	10,577	10,153	12,505	15,086	17,935
Recurring net profit growth (%)	(4.3)	(4.0)	23.2	20.6	18.9
Recurring EPS (THB)	1.18	1.13	1.39	1.68	2.00
DPS (THB)	0.90	0.80	0.85	0.91	1.02
Recurring P/E (x)	40.3	42.0	34.1	28.3	23.8
P/B (x)	14.8	13.9	12.0	10.0	8.3
P/CF (x)	16.3	11.5	13.0	11.2	10.1
Dividend Yield (%)	1.9	1.7	1.8	1.9	2.1
EV/EBITDA (x)	(64.0)	(42.0)	(29.7)	(19.2)	(12.0)
Return on average equity (%)	37.9	34.1	37.6	38.6	38.2
Net debt to equity (%)	487.4	474.3	421.8	351.5	279.1
Our vs consensus EPS (adjusted) (%)			(4.2)	(8.2)	(10.9)

Source: Company data, RHB

Figure 1: DCF assumptions

	FY15F	FY16F	FY17F	FY18F	FY19F	FY20F	FY21F	FY22F	FY23F	FY24F
EBIT (1-T)	19,073	21,793	24,111	26,635	29,879	33,465	37,480	41,978	46,176	50,793
+ Non-cash charges	7,065	7,797	8,382	8,967	9,416	9,887	10,381	10,692	10,692	10,692
+ Fixed Capital Investment	(17,000)	(15,000)	(12,000)	(12,000)	(10,000)	(10,000)	(10,000)	(8,000)	(8,000)	(8,000)
+ Change in net working capital	2,381	3,537	4,020	4,583	5,041	5,546	6,100	6,710	7,381	8,119
FCFF	11,519	18,126	24,513	28,185	34,336	38,897	43,961	51,380	56,249	61,605
Terminal Value										714,039
PV	10,559	15,233	18,884	19,905	22,229	23,084	23,917	25,625	25,717	325,080
Total discounted FCFF	510,232									
Equity Value/Share	38.00									
WACC	9.1%									
Cost of Debt	4.2%									
Cost of equity	11.89%									
Risk free rate	2.65%									
Beta	0.910									
Market return	12.80%									
Terminal growth	3.00%									
Equity Value	341,358									
Debt Value	168,853									
Total Value	510,210									
Tax Rate	18.5%									

Source: Bloomberg, RHB

Financial Exhibits

Profit & Loss (THBm)	Dec-13	Dec-14	Dec-15F	Dec-16F	Dec-17F
Total turnover	272,285	357,766	383,567	417,941	454,786
Cost of sales	(210,657)	(281,444)	(302,463)	(329,256)	(359,019)
Gross profit	61,628	76,322	81,104	88,685	95,767
Gen & admin expenses	(58,879)	(68,809)	(72,355)	(77,982)	(83,246)
Selling expenses	11,835	12,920	13,927	15,312	16,314
Other operating costs	550	615	725	725	750
Operating profit	15,134	21,048	23,402	26,740	29,584
Operating EBITDA	19,834	27,358	30,467	34,536	37,966
Depreciation of fixed assets	(4,700)	(6,310)	(7,065)	(7,797)	(8,382)
Operating EBIT	15,134	21,048	23,402	26,740	29,584
Interest income	(2,214)	(8,518)	(7,955)	(8,129)	(7,496)
Pre-tax profit	12,920	12,530	15,447	18,611	22,088
Taxation	(2,255)	(2,258)	(2,842)	(3,424)	(4,053)
Minority interests	(88)	(119)	(100)	(100)	(100)
Profit after tax & minorities	10,577	10,153	12,505	15,086	17,935
Reported net profit	10,577	10,153	12,505	15,086	17,935
Recurring net profit	10,577	10,153	12,505	15,086	17,935

Source: Company data, RHB

Cash flow (THBm)	Dec-13	Dec-14	Dec-15F	Dec-16F	Dec-17F
Operating profit	15,134	21,048	23,402	26,740	29,584
Depreciation & amortisation	4,700	6,310	7,065	7,797	8,382
Change in working capital	3,631	1,279	2,381	3,537	4,020
Other operating cash flow	2,702	8,509	100	100	100
Operating cash flow	26,167	37,146	32,948	38,173	42,086
Cash flow from operations	26,167	37,146	32,948	38,173	42,086
Capex	(11,191)	(13,835)	(17,000)	(15,000)	(12,000)
Other new investments	(383)	(933)	-	-	-
Other investing cash flow	(179,835)	(1,190)	-	-	-
Cash flow from investing activities	(191,409)	(15,958)	(17,000)	(15,000)	(12,000)
Dividends paid	(8,084)	(8,085)	(7,628)	(8,147)	(9,147)
Increase in debt	181,022	12,718	(8,779)	(6,201)	(6,000)
Other financing cash flow	(1,761)	(7,464)	-	(0)	-
Cash flow from financing activities	171,177	(2,830)	(16,407)	(14,348)	(15,147)
Cash at beginning of period	23,085	24,632	32,204	20,849	18,021
Total cash generated	5,935	18,358	(459)	8,825	14,940
Forex effects	155	(11)	-	-	-
Implied cash at end of period	29,175	42,980	31,745	29,674	32,960

Source: Company data, RHB

Financial Exhibits

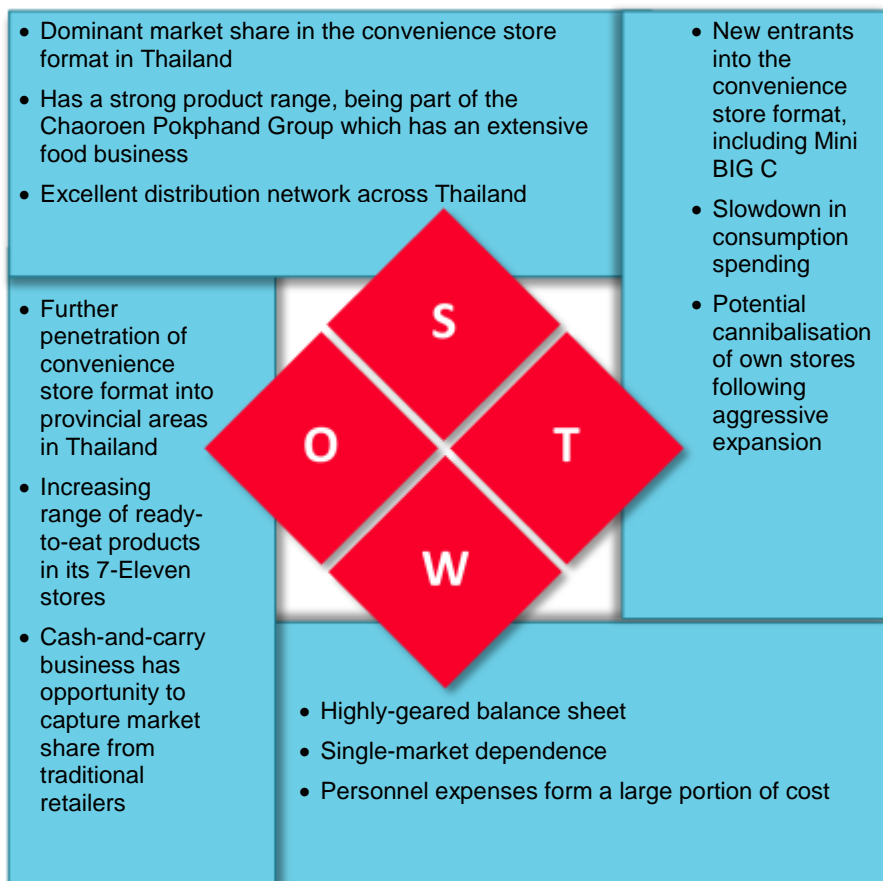
Balance Sheet (THBm)	Dec-13	Dec-14	Dec-15F	Dec-16F	Dec-17F
Total cash and equivalents	24,632	32,204	20,849	18,021	21,311
Inventories	19,916	22,167	23,119	25,191	27,412
Accounts receivable	2,425	2,718	2,942	3,206	3,489
Other current assets	6,990	7,595	7,500	7,500	7,500
Total current assets	53,963	64,684	54,410	53,918	59,711
Total investments	128,025	128,723	128,510	128,297	128,084
Tangible fixed assets	71,273	80,201	90,728	98,523	102,732
Intangible assets	48,330	49,665	49,286	48,908	48,529
Total other assets	2,417	3,136	3,136	3,136	3,136
Total non-current assets	250,045	261,726	271,660	278,864	282,482
Total assets	304,008	326,410	326,071	332,781	342,193
Short-term debt	135,171	19,701	19,701	18,500	17,500
Accounts payable	57,711	62,831	66,293	72,166	78,689
Other current liabilities	7,917	9,483	9,483	9,483	9,483
Total current liabilities	200,798	92,015	95,478	100,149	105,672
Total long-term debt	50,166	178,779	170,000	165,000	160,000
Other liabilities	20,074	20,558	20,558	20,558	20,558
Total non-current liabilities	70,239	199,337	190,558	185,558	180,558
Total liabilities	271,037	291,352	286,036	285,707	286,230
Other reserves	28,747	30,782	35,659	42,599	51,387
Shareholders' equity	28,747	30,782	35,659	42,599	51,387
Minority interests	4,223	4,276	4,376	4,476	4,576
Total equity	32,970	35,058	40,035	47,074	55,962
Total liabilities & equity	304,008	326,410	326,071	332,781	342,193

Source: Company data, RHB

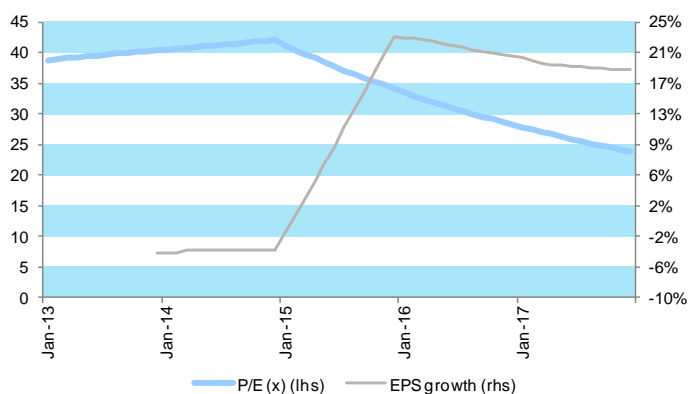
Key Ratios (THB)	Dec-13	Dec-14	Dec-15F	Dec-16F	Dec-17F
Revenue growth (%)	44.3	31.4	7.2	9.0	8.8
Operating profit growth (%)	8.2	39.1	11.2	14.3	10.6
Net profit growth (%)	(4.3)	(4.0)	23.2	20.6	18.9
EPS growth (%)	(4.3)	(4.0)	23.2	20.6	18.9
BVPS growth (%)	6.1	7.1	15.8	19.5	20.6
Operating margin (%)	5.6	5.9	6.1	6.4	6.5
Net profit margin (%)	3.9	2.8	3.3	3.6	3.9
Return on average assets (%)	5.6	3.2	3.8	4.6	5.3
Return on average equity (%)	37.9	34.1	37.6	38.6	38.2
Net debt to equity (%)	487.4	474.3	421.8	351.5	279.1
DPS	0.90	0.80	0.85	0.91	1.02
Recurrent cash flow per share	2.91	4.14	3.67	4.25	4.69

Source: Company data, RHB

SWOT Analysis

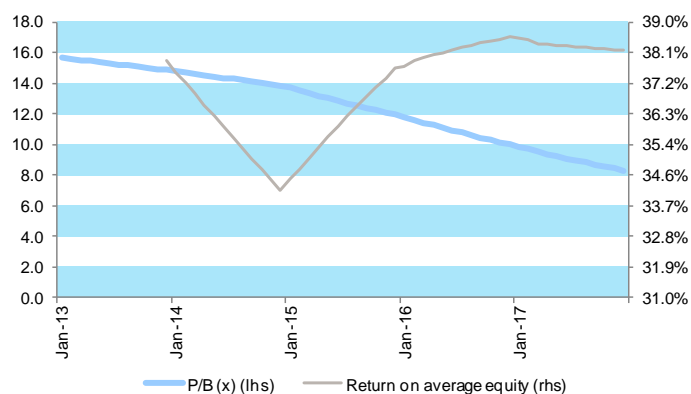


P/E (x) vs EPS growth



Source: Company data, RHB

P/BV (x) vs ROAE

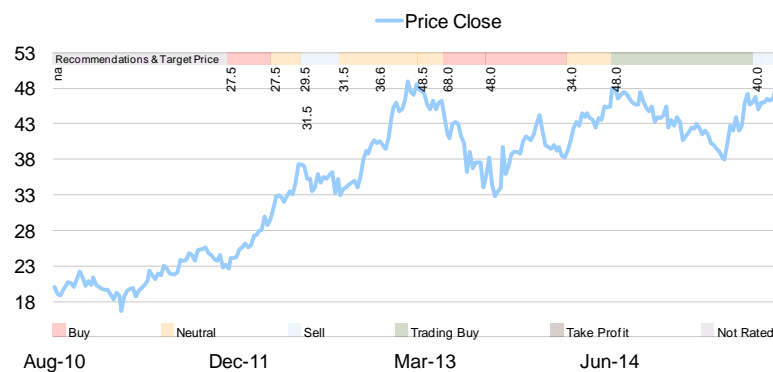


Source: Company data, RHB

Company Profile

CP ALL is the sole operator of 7-Eleven stores in Thailand with 53% market share. The company has more than 8,500 stores across the country and plans to expand to 10,000 stores by 2018. In 2013, the group acquired the country's biggest cash-and-carry retailer, Siam Makro.

Recommendation Chart



Source: RHB, Bloomberg

Date	Recommendation	Target Price	Price
2015-06-02	Sell	40.0	44.8
2014-06-17	Trading Buy	48.0	47.5
2014-02-26	Neutral	34.0	38.0
2013-08-08	Buy	48.0	36.0
2013-05-10	Buy	68.0	41.0
2013-04-24	Buy	68.0	39.0
2013-04-23	Neutral	48.5	43.5
2013-02-20	Neutral	48.5	52.0
2013-01-04	Neutral	36.6	44.8
2012-11-23	Neutral	36.6	40.0

Source : RHB, Bloomberg

RHB Guide to Investment Ratings

Buy: Share price may exceed 10% over the next 12 months

Trading Buy: Share price may exceed 15% over the next 3 months, however longer-term outlook remains uncertain

Neutral: Share price may fall within the range of +/- 10% over the next 12 months

Take Profit: Target price has been attained. Look to accumulate at lower levels

Sell: Share price may fall by more than 10% over the next 12 months

Not Rated: Stock is not within regular research coverage

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Thai Institute of Directors Association (IOD) – Corporate Governance Report Rating 2014



Excellent

BAFS	HANA	KTB	SAMART	SIM
BCP	INTUCH	MINT	SAMTEL	SPALI
BTS	IRPC	PSL	SAT	TISCO
CPN	IVL	PTT	SC	TMB
EGCO	KBANK	PTTEP	SCB	TOP
GRAMMY	KKP	PTTGC	SE-ED	



Very Good

AAV	BKI	DTAC	KSL	NMG	PS	SNP	TIPCO	UAC
ACAP	BLA	DTC	LANNA	NSI	PT	SPI	TK	VGI
ADVANC	BMCL	EASTW	LH	OCC	QH	SSF	TKT	VNT
ANAN	BROOK	EE	LHBANK	OFM	RATCH	SSI	TNITY	WACOAL
AOT	CENDEL	ERW	LOXLEY	PAP	ROBINS	SSSC	TNL	
ASIMAR	CFRESH	GBX	LPN	PE	RS	STA	TOG	
ASK	CIMBT	GC	MACO	PG	S&J	SVI	TRC	
ASP	CK	GFPT	MC	PHOL	SAMCO	TCAP	TRUE	
BANPU	CNT	GUNKUL	MCOT	PJW	SCC	TF	TSTE	
BAY	CPF	HEMRAJ	NBC	PM	SINGER	THAI	TSTH	
BBL	CSL	HMPRO	NCH	PPS	SIS	THANI	TTA	
BECL	DELTA	ICC	NINE	PR	SITHAI	THCOM	TTW	
BIGC	DRT	KCE	NKI	PRANDA	SNC	TIP	TVO	



Good

2S	AQUA	CCET	EA	IFS	MAKRO	NTV	PRG	SIAM	STPI	TIC	TUF
AF	ARIP	CGD	ESSO	IHL	MATCH	NUSA	PRIN	SIRI	SUC	TICON	TVD
AH	AS	CGS	FE	INET	MBK	NWR	PTG	SKR	SWC	TIW	TWFP
AHC	ASIA	CHOW	FORTH	IRC	MBKET	NYT	QLT	SMG	SYMC	TKS	UMI
AIT	AYUD	CI	FPI	IRCP	MEGA	OGC	QTC	SMK	SYNEX	TLUXE	UP
AJ	BEAUTY	CKP	GENCO	ITD	MFC	OISHI	RCL	SMP	SYNTEC	TMI	UPF
AKP	BEC	CM	GL	KBS	MFEC	PACE	SABINA	SMT	TASCO	TMT	UPOIC
AKR	BFIT	CMR	GLOBAL	KGI	MJD	PATO	SALEE	SOLAR	TBSP	TNDT	UT
AMANA	BH	CSC	GLOW	KKC	MODERN	PB	SCBLIF	SPC	TEAM	TPC	UV
AMARIN	BJC	CSP	GOLD	KTC	MONO	PDI	SCCC	SPCG	TFD	TPCORP	UWC
AMATA	BJCHI	CSS	HOTPOT	L&E	MOONG	PICO	SCG	SPPT	TFI	TRT	VIH
AP	BOL	DCC	HTC	LRH	MPG	PPM	SEAFSCO	SST	THANA	TRU	WAVE
APCO	BTNC	DEMCO	HTECH	LST	MTI	PPP	SEAOIL	STANLY	THIP	TSC	WHA
APCS	BWG	DNA	HYDRO	MAJOR	NC	PREB	SFP	STEC	THREL	TTCL	WIN
											WINNER
											YUASA
											ZMICO

ช่วงคะแนน	Score Range	สัญลักษณ์ Number of Logo	ความหมาย	Description
90 - 100	90 - 100	▲▲▲▲▲	ดีเลิศ	Excellent
80 - 89	80 - 89	▲▲▲▲	ดีมาก	Very Good
70 - 79	70 - 79	▲▲▲	ดี	Good
60 - 69	60 - 69	▲▲	ดีพอใช้	Satisfactory
50 - 59	50 - 59	▲	ผ่าน	Pass
ต่ำกว่า 50		No logo given	N/A	N/A
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อนึ่ง ผลการสำรวจดังกล่าว เป็นผลการสำรวจ ณ วันที่ปรากฏในรายงานการกำกับดูแลกิจการบริษัทจดทะเบียนไทยเท่านั้น ดังนั้นผลการสำรวจจึงอาจเปลี่ยนแปลงได้ภายหลังจากดังกล่าว ทั้งนี้บริษัทหลักทรัพย์ อาร์เอสบี โอเอส เค จำกัด (มหาชน) มิได้ยืนยันหรือรับรองถึงความถูกต้องของผลการสำรวจดังกล่าวแต่อย่างใด