



CP ALL Public Company Limited

2Q16 : Presentation Results

August 2016



Financial Highlights



Unit : Million Baht	2Q15	2Q16	% Chg	1H15	1H16	% Chg
Company Only						
Total Revenue	63,506	72,943	+14.9%	121,956	137,886	+13.1%
Net Profit	3,599	5,281	+46.7%	5,610	7,714	+37.5%
Unit : Million Baht	2Q15	2Q16	% Chg	1H15	1H16	% Chg
Consolidated						
Total Revenue	100,676	114,629	+13.9%	199,457	223,414	+12.0%
Net Profit	3,140	4,196	+33.6%	6,548	8,261	+26.2%

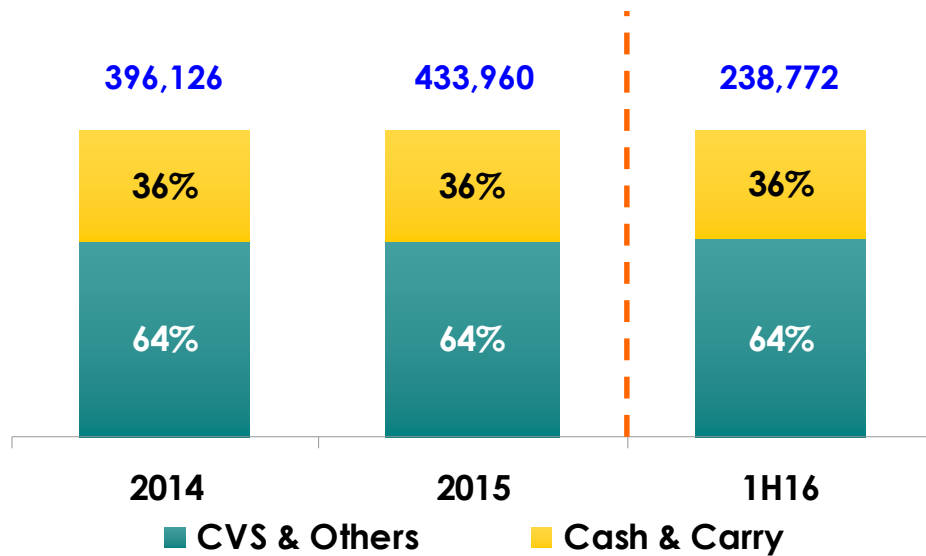
Business Segment Performance

CVS & Others and Cash & Carry



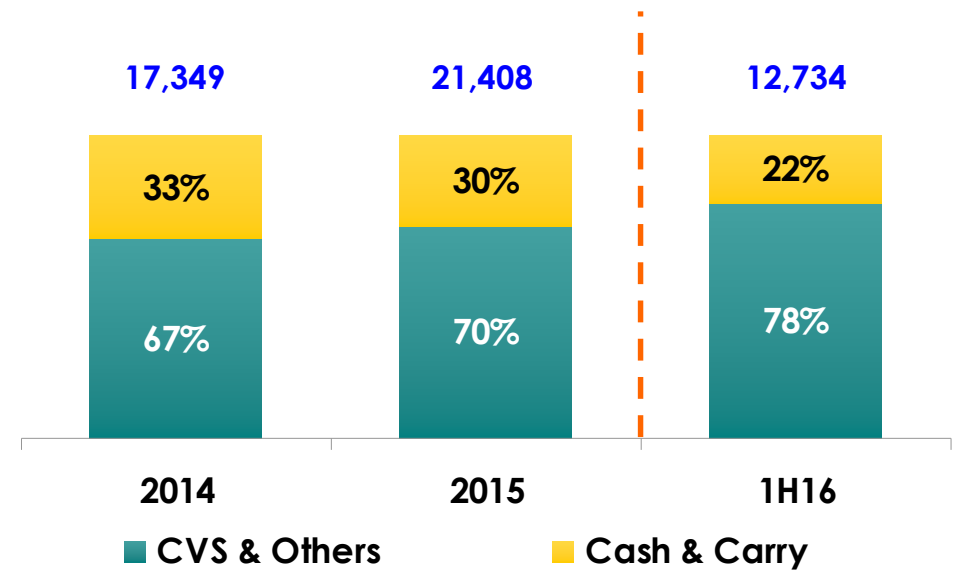
Revenue Contribution before elimination

(Unit: Million Baht)



Earnings Before Tax Contribution before elimination

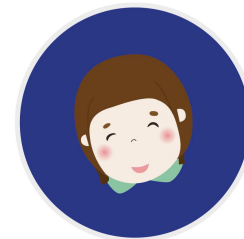
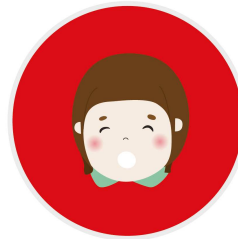
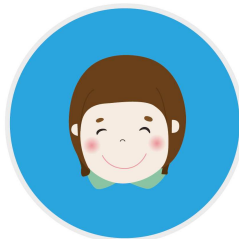
(Unit: Million Baht)





we **care** for every trust

we share success through **giving back**



we **cherish** the quality of convenience food

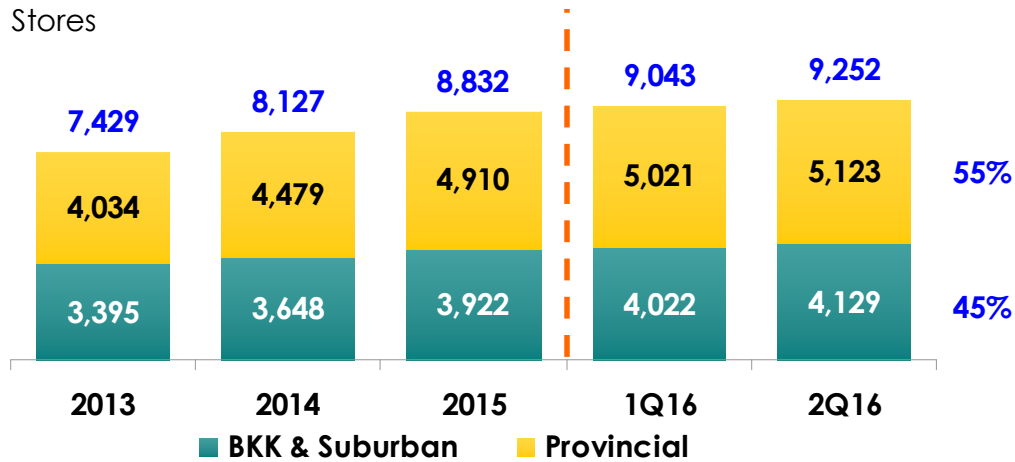
we have **engagement** with Thai society

Store Types Breakdown

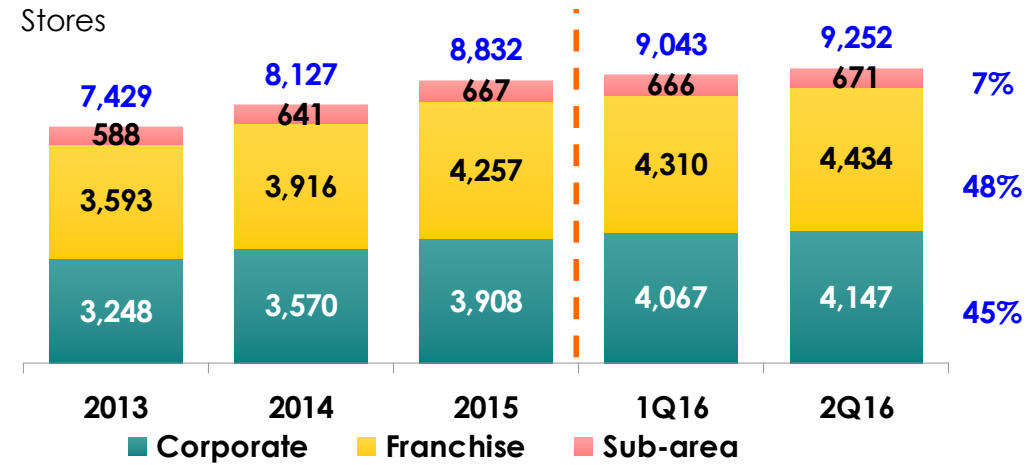
Continued to expand with approximately 700 stores in 2016



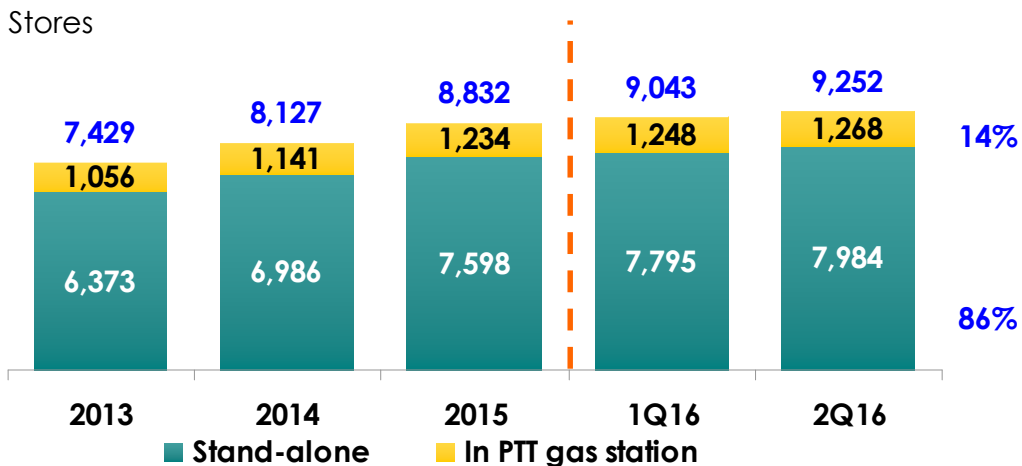
BKK & Suburban / Provincial



Corporate / Franchise / Sub-area



Stand-alone / In PTT gas station



Store / Year	2013	2014	2015	1H16
Expansion	+607	+698	+705	+420

Same store sales growth

Positive SSSG is sustained



2Q16

Average daily sales / store **81,212 Baht**

	2013	2014	2015	1Q16	2Q16
SSS Growth	+5.7%	-2.6%	+0.9%	+2.6%	+5.0%

	2015	1Q15	2Q15	1Q16	2Q16
Spending per ticket (Baht)	62	63	63	63	64
No.of customer per store per day (Customers)	1,230	1,191	1,228	1,217	1,259

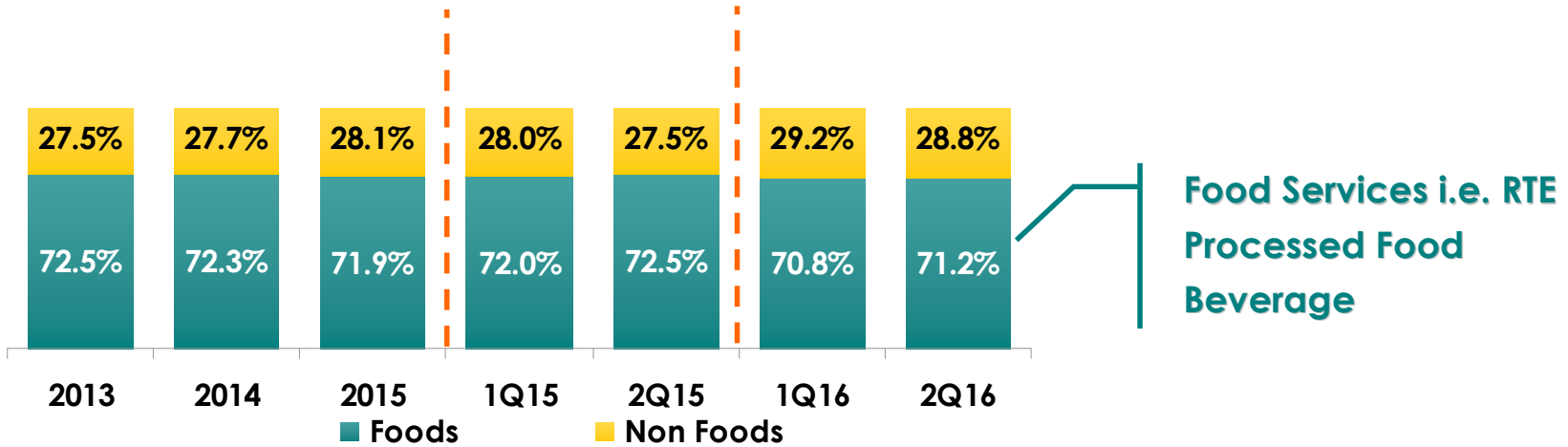
- Spending per ticket increased at a CAGR of 4.3% from 2010-2015.
- No. of customers per store per day increased at a CAGR of 0.7% from 2010-2015.

Product Sales Mix and Gross Margin Mix

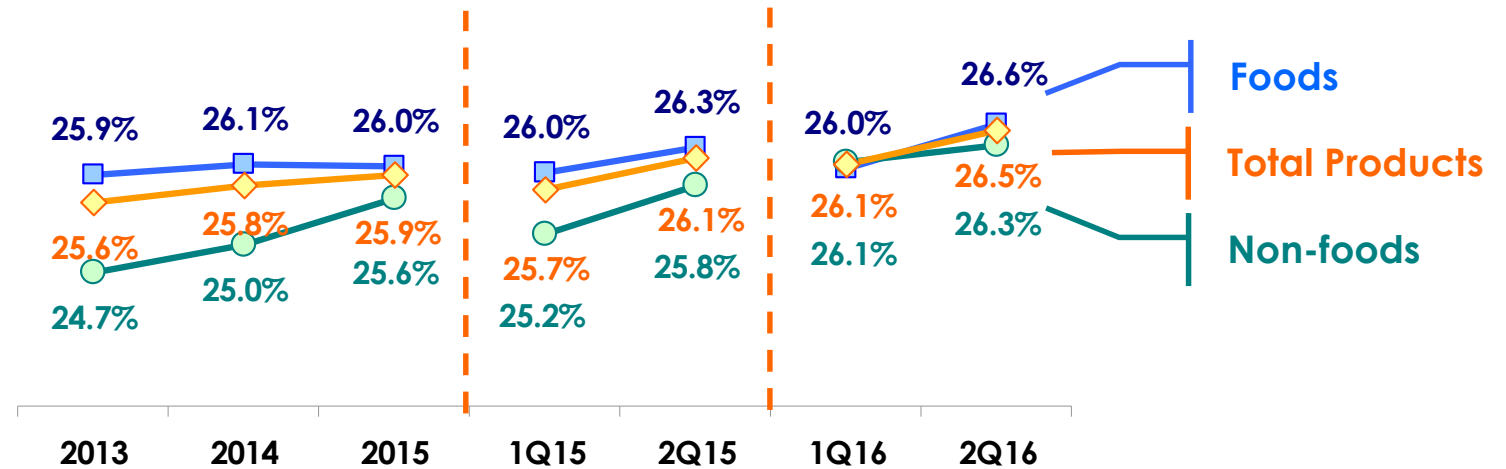
Overall gross margin improved YOY



Product Sales Mix (excl. T&E)



Gross Margin Mix (excl. T&E)



SG&A Expenses

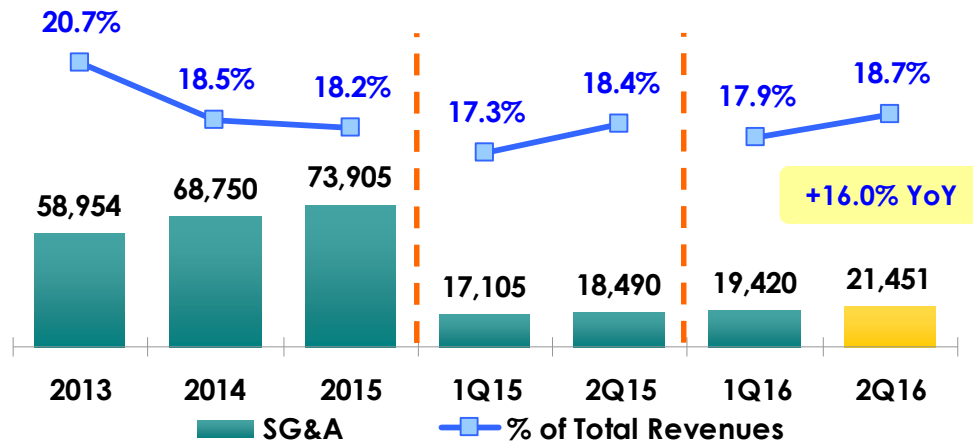
An increase of CVS marketing expenses well offset by other operating income



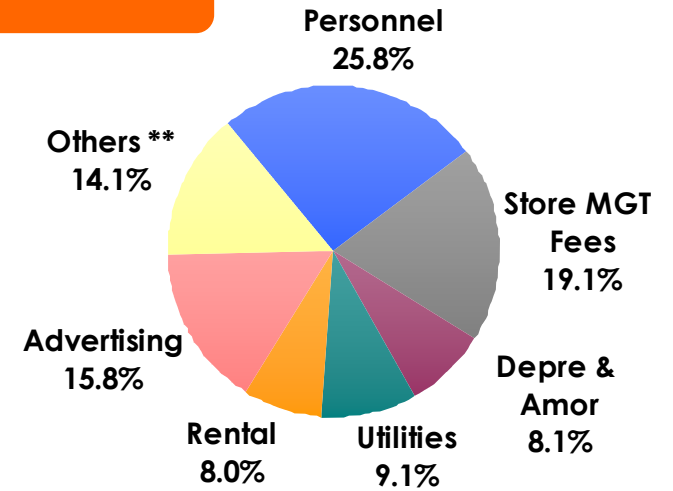
2Q16 SG&A Expenses-to-Total Revenue

(Unit: Million Baht)

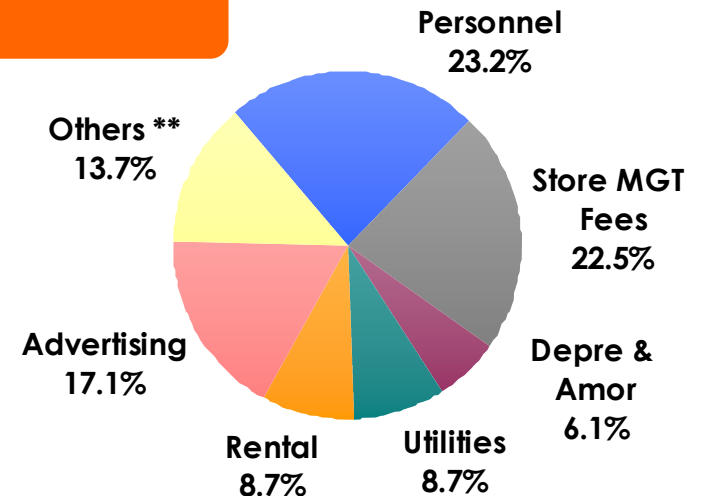
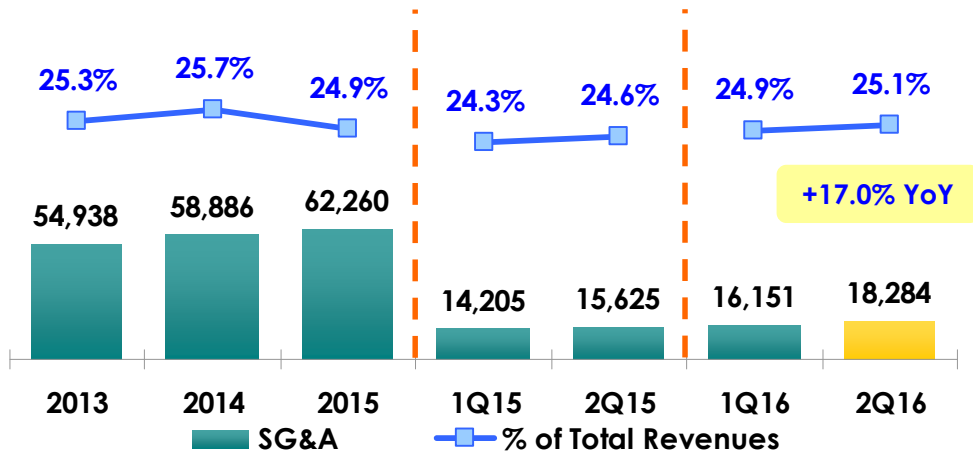
Consolidated



2Q16 SG&A Expenses Breakdown



Company Only



** Others are comprised of royalty fee, professional fee, R&D and acquisition cost of Makro

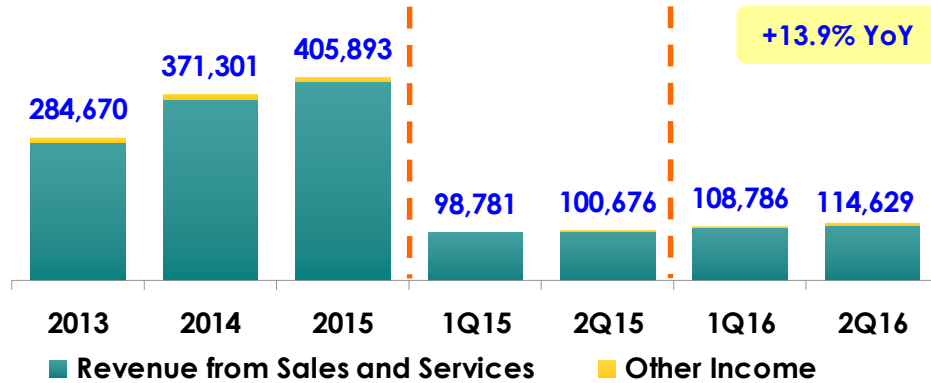
Financial Performance - Consolidated

Net profit growth mainly driven by CVS operation and lower interest expenses



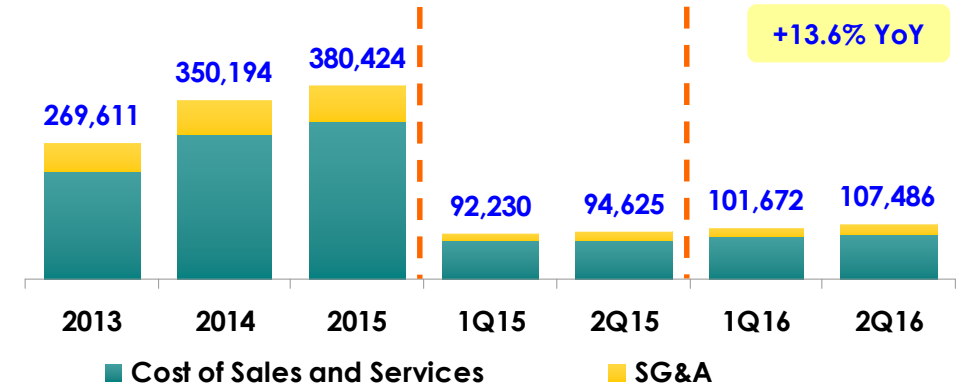
Total Revenue

(Unit: Million Baht)



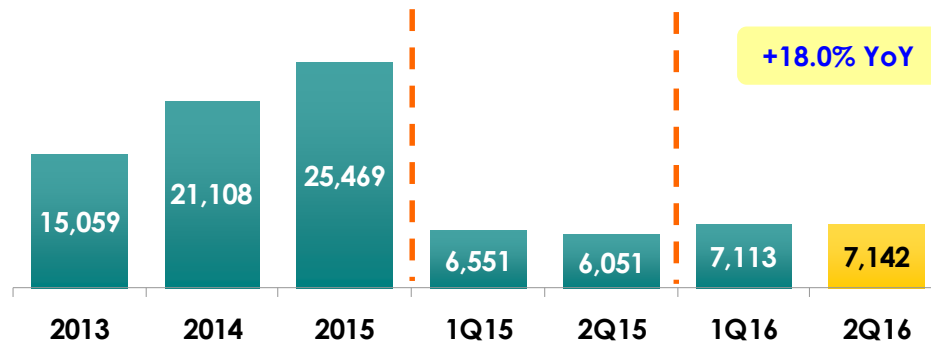
Total Costs

(Unit: Million Baht)



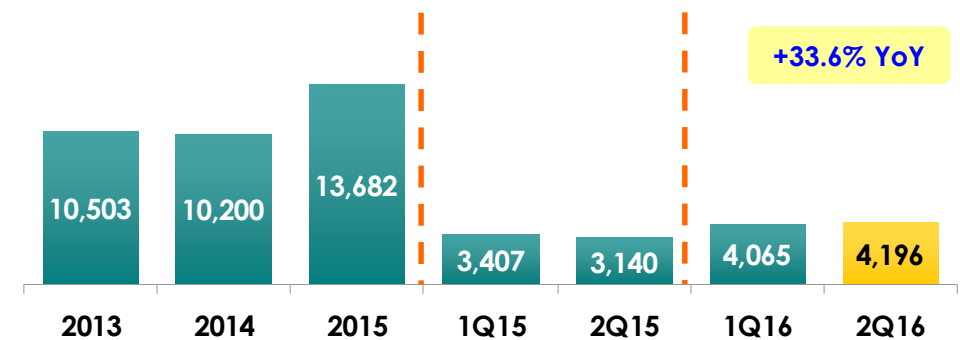
Operating Profits

(Unit: Million Baht)



Net Profits

(Unit: Million Baht)



Note : Other income is comprising of interest income, net foreign exchange gain, sale promotion income, royalties fee and others.

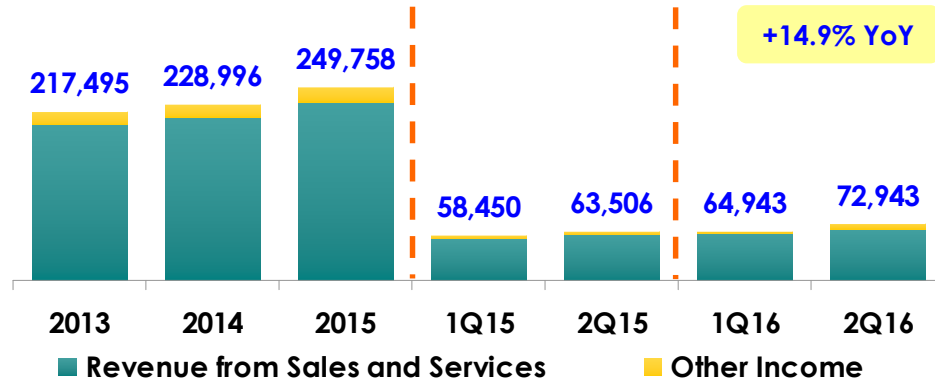
Financial Performance – Company Only

Decent profits growth and lower interest expenses



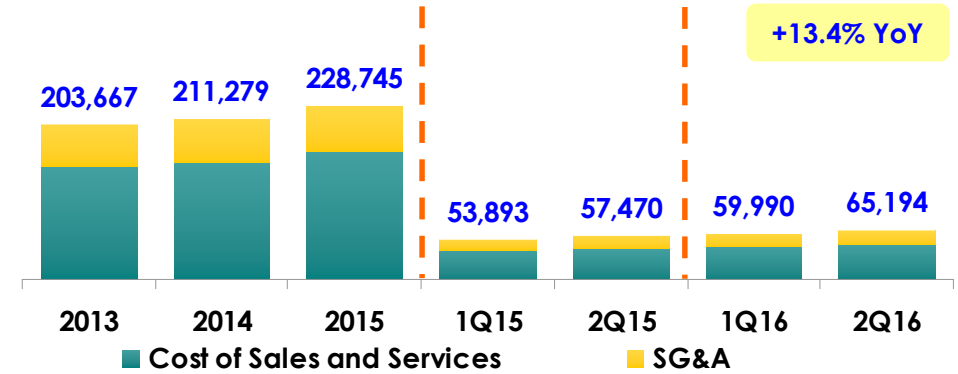
Total Revenue

(Unit: Million Baht)



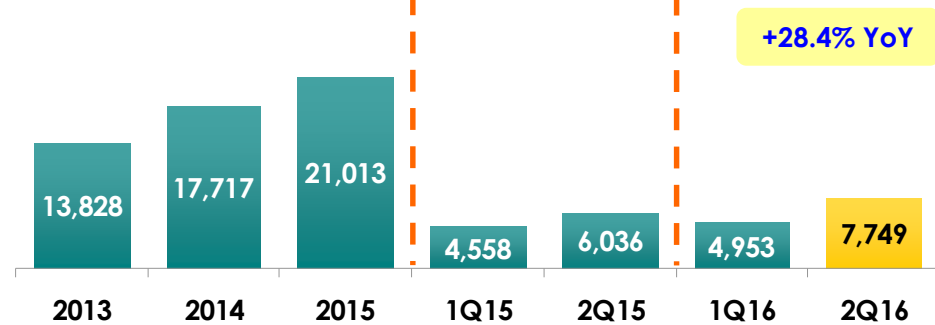
Total Costs

(Unit: Million Baht)



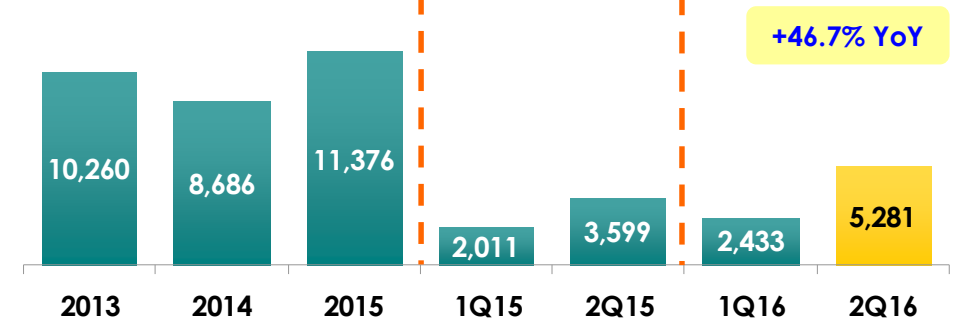
Operating Profits

(Unit: Million Baht)



Net Profits

(Unit: Million Baht)



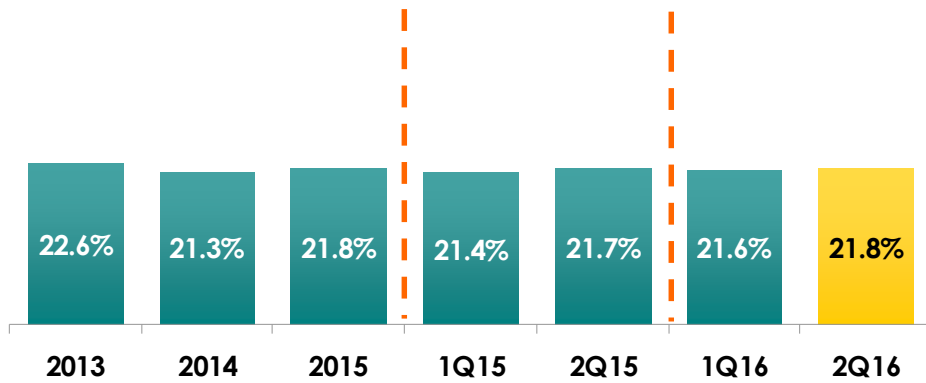
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Profitability Ratios - Consolidated

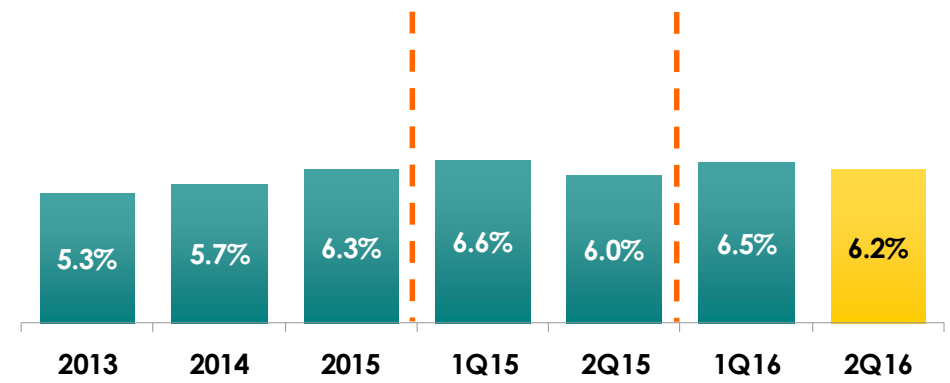
Improved gross margin and net margin YOY



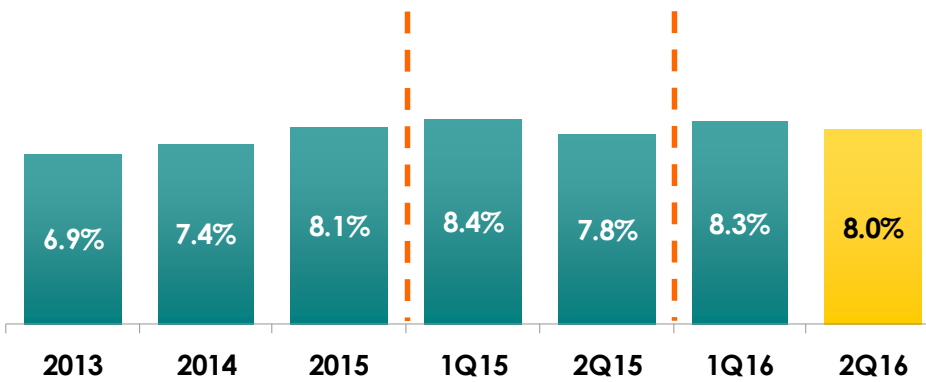
Gross Margin (Sales & Services)



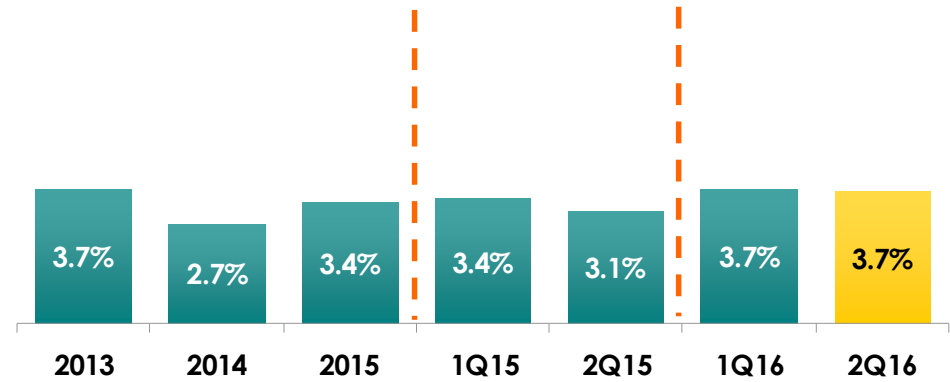
EBIT Margin



EBITDA Margin



Net Margin

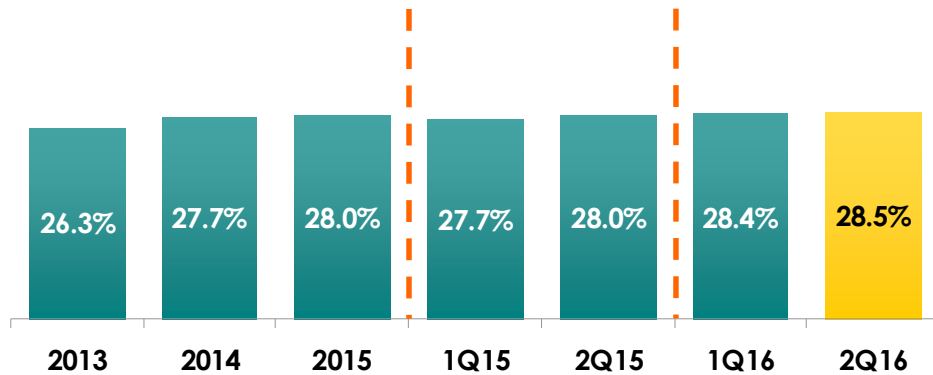


Profitability Ratios – Company Only

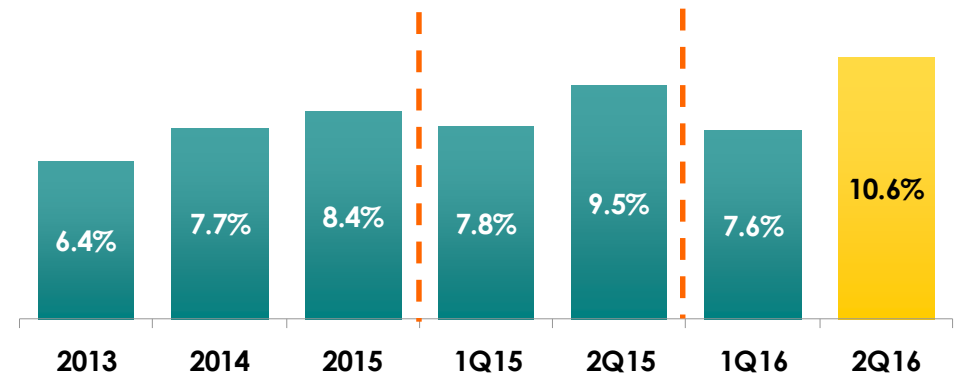
Improved gross margin and net margin YOY



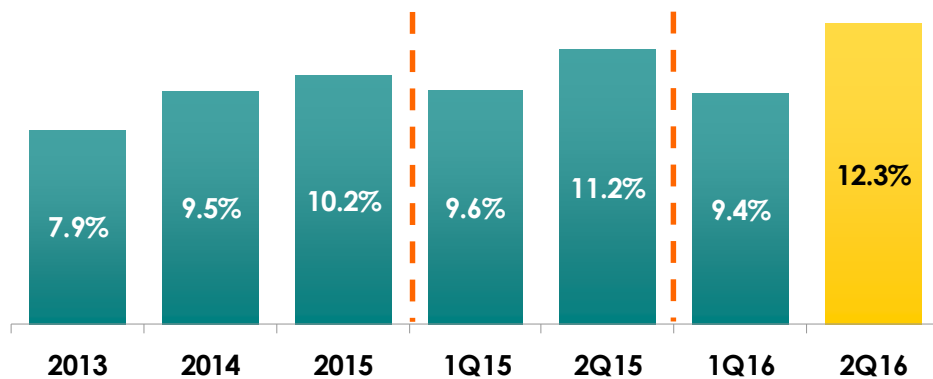
Gross Margin (Sales & Services)



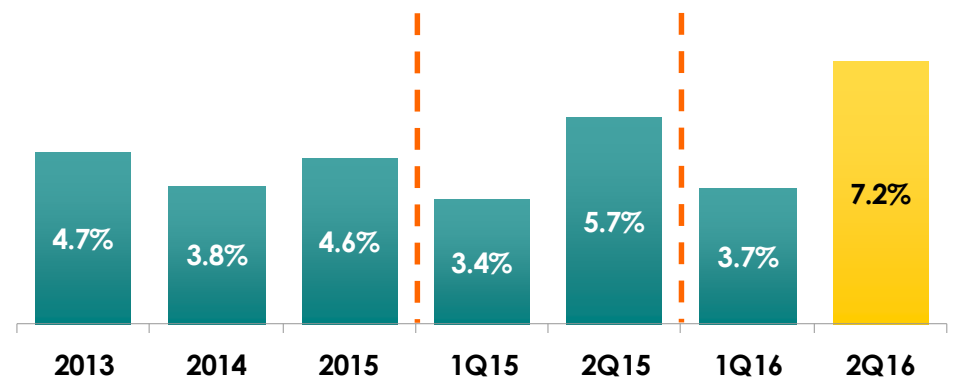
EBIT Margin



EBITDA Margin



Net Margin

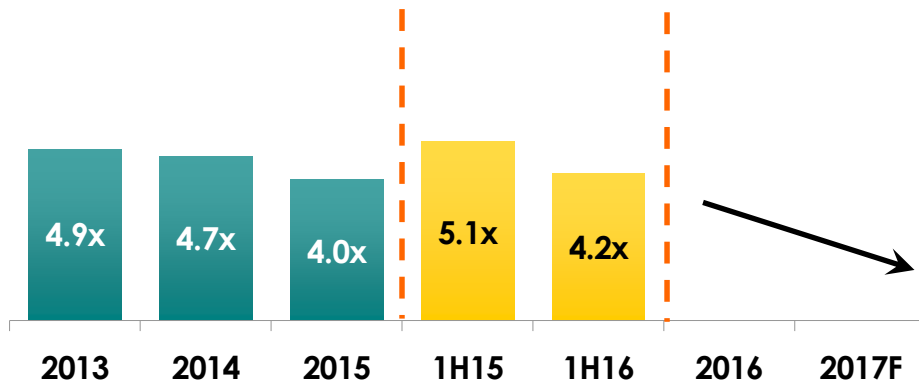


Leverage Ratios – Consolidated

Moved downward due to equity growth and cashflow improvement



Net Debt to Equity



Bond Covenants *

Year	Net Debt to Equity
2015	5.0x
2016	3.5x
2017	2.5x
2018 - 2022	2.0x

* Equity as per Bond Covenants shall be adjusted with deferred taxes.

- According to definition of Bond Covenants, Net Debt to Equity was at 2.95 in 2015 and 3.11 in 1H16.
- The Company's 3-year bonds with the maturity date on October 31, 2016 amount to Baht 11,841 million. An issuance of new senior unsecured bonds during 3Q16 totaling up to Baht 5,000 million will be used to refinance a part of this retired bonds. Fitch Ratings (Thailand) rates this new issuance at A(Tha) National Long-Term Rating.

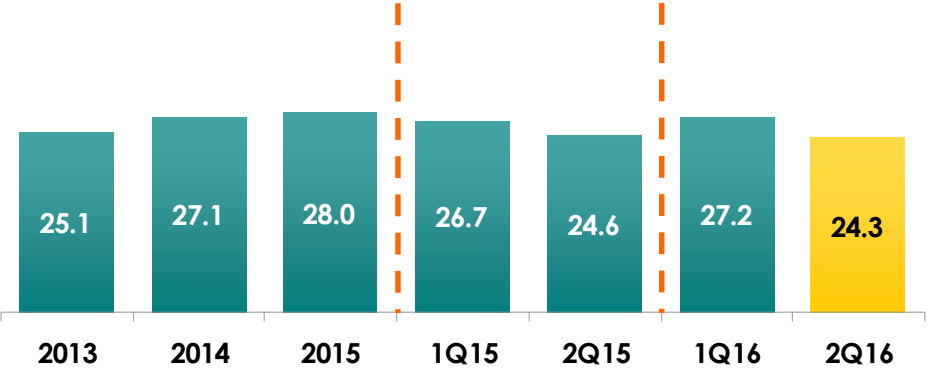
Working Capital – Consolidated

Negative cash cycle days



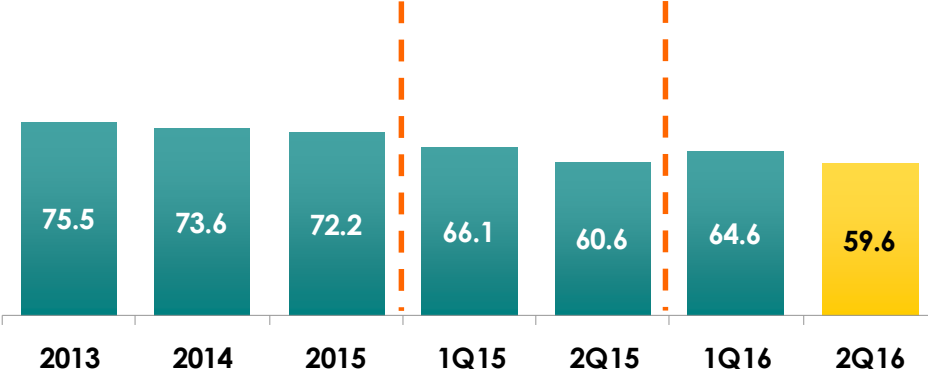
Inventory Days

(Unit: Days)



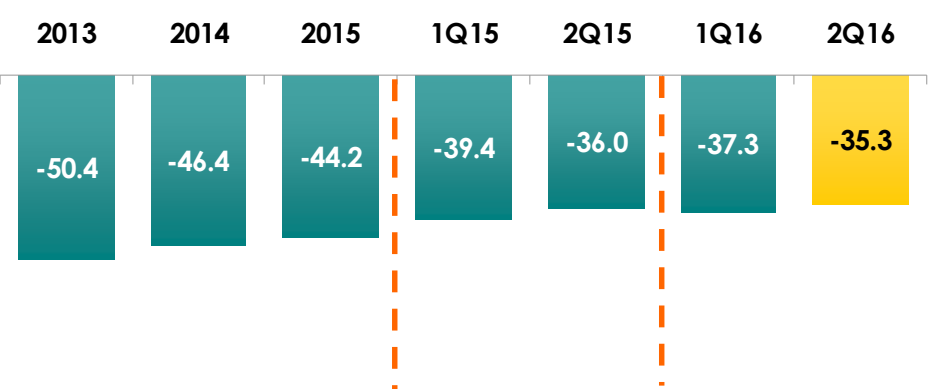
Account Payable Days

(Unit: Days)



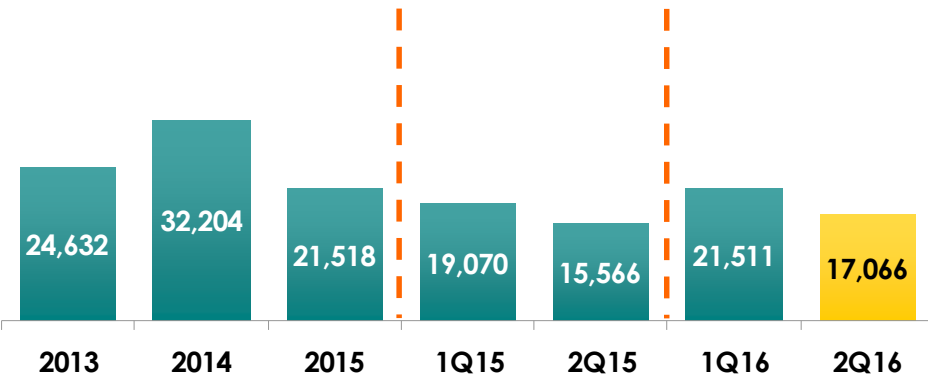
Cash Cycle Days

(Unit: Days)



Cash

(Unit: Million Baht)



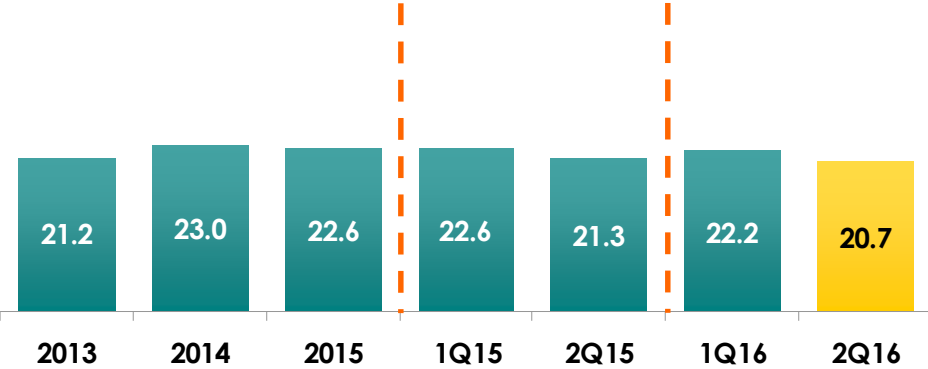
Working Capital – Company Only

Negative cash cycle days



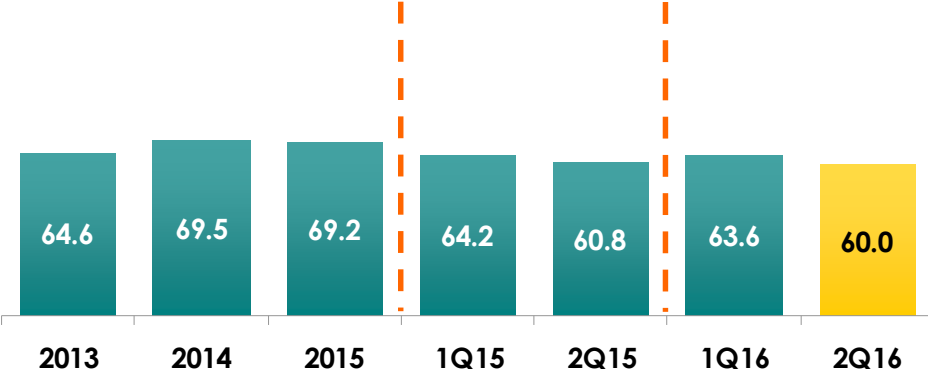
Inventory Days

(Unit: Days)



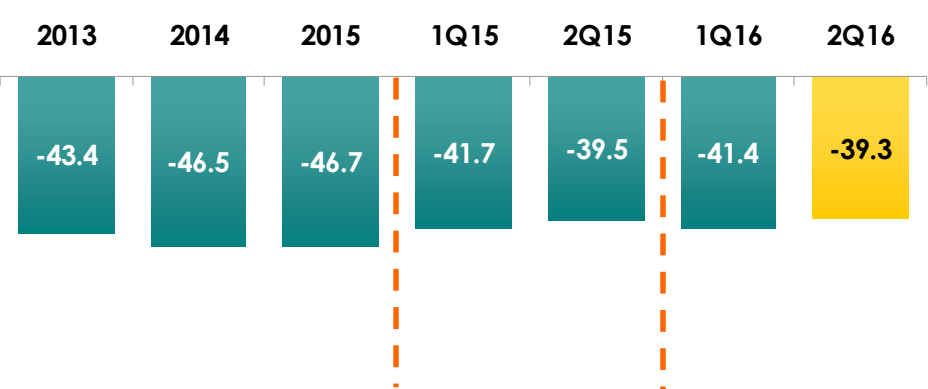
Account Payable Days

(Unit: Days)



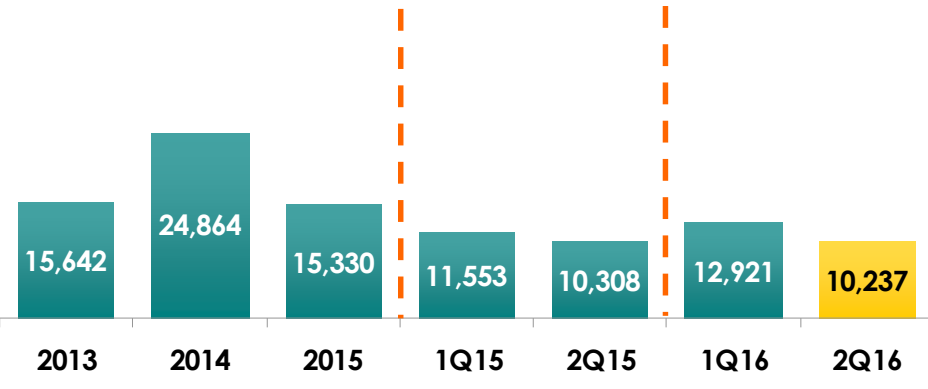
Cash Cycle Days

(Unit: Days)



Cash

(Unit: Million Baht)

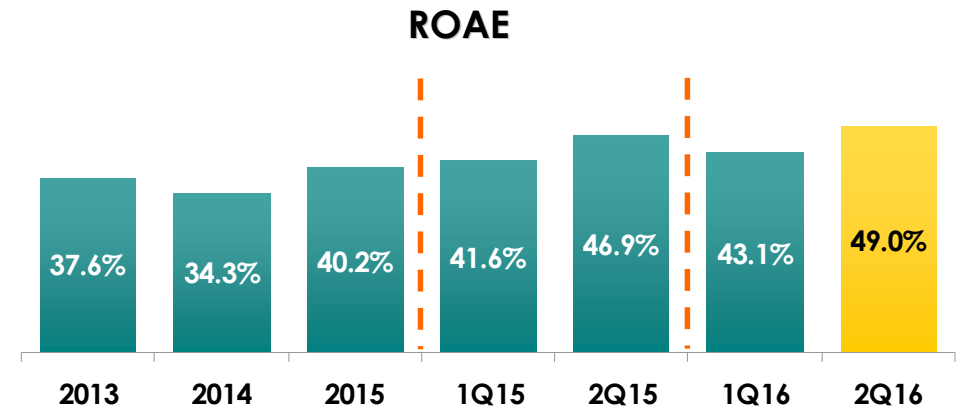
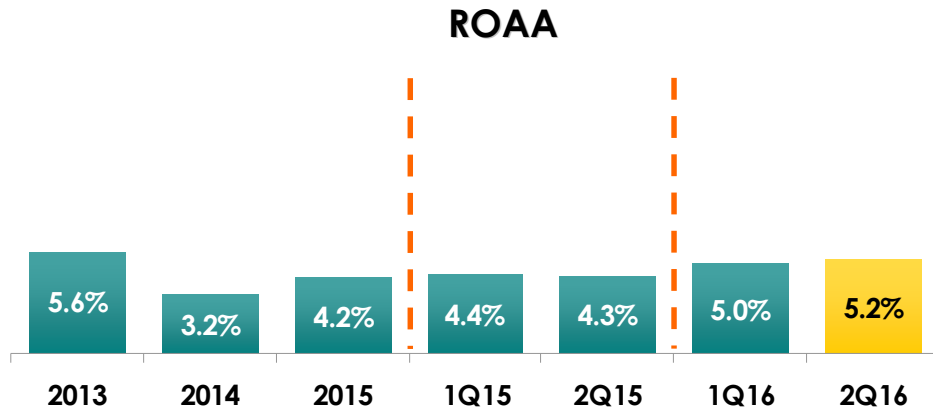


Key Performance Ratios

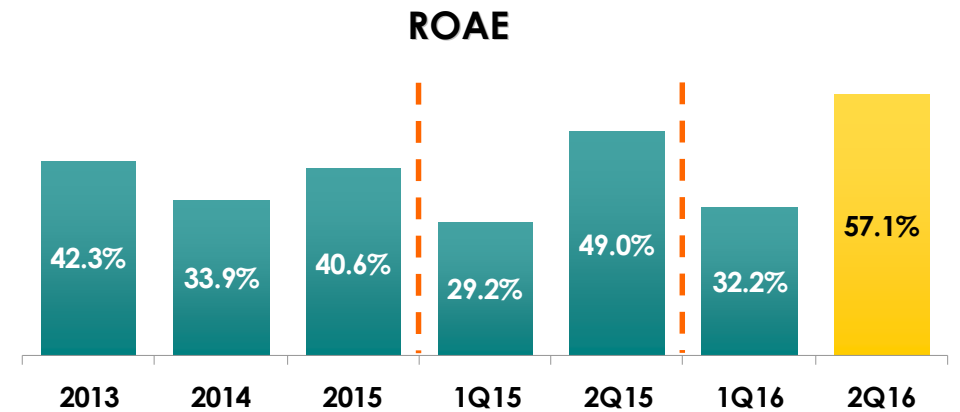
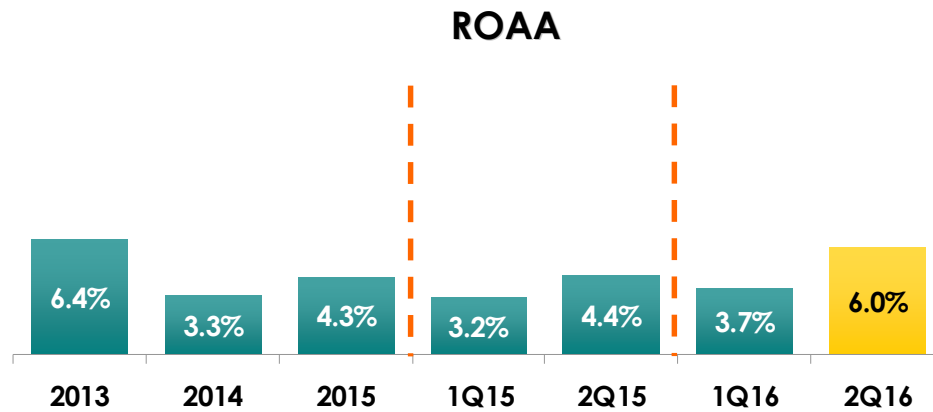
Improved ROAA and ROAE



Consolidated Statement



Company Only Statement



Note: ROAA and ROAE are annualized figures.

7 – Eleven Future and CAPEX plan

Continued store expansion and supporting infrastructure



7-Eleven Stores Expansion

- Continue to expand around 700 stores in 2016
- Milestone: 10,000 stores by 2018

2016 Projected CAPEX

	MB
▪ Stores expansion	3,000 – 3,200
▪ Stores renovation	1,300 – 1,400
▪ Investment in subsidiaries & DC	4,300 – 4,400
▪ Fixed assets & IT system	<u>900 – 1,000</u>
Total	<u><u>9,500 – 10,000</u></u>

7-Eleven New Project

- E – Commerce and E - Payment
- All Café (Coffee Corner)
- Health & Beauty Products



Appendix



Share Capital Information



Price (Aug 3, 2016) : Bt 52.00
Hi/Low (12-month) : Bt 53.00 / 39.00 per share
Avg. daily turnover : 1,421 MB
No. of shares : 8,983,101,348 (Par Bt 1)
Market capitalization : 467,121 MB

Major Shareholders (as of May 4, 2016)

- CPF (subsidiaries)	32.8%
- Thai NVDR	7.1%
- Charoen Pokphand Group	5.8%
- Chase Nominees Limited	4.3%
- State Street Bank Europe Limited	3.7%
- Norbax Inc.	3.6%

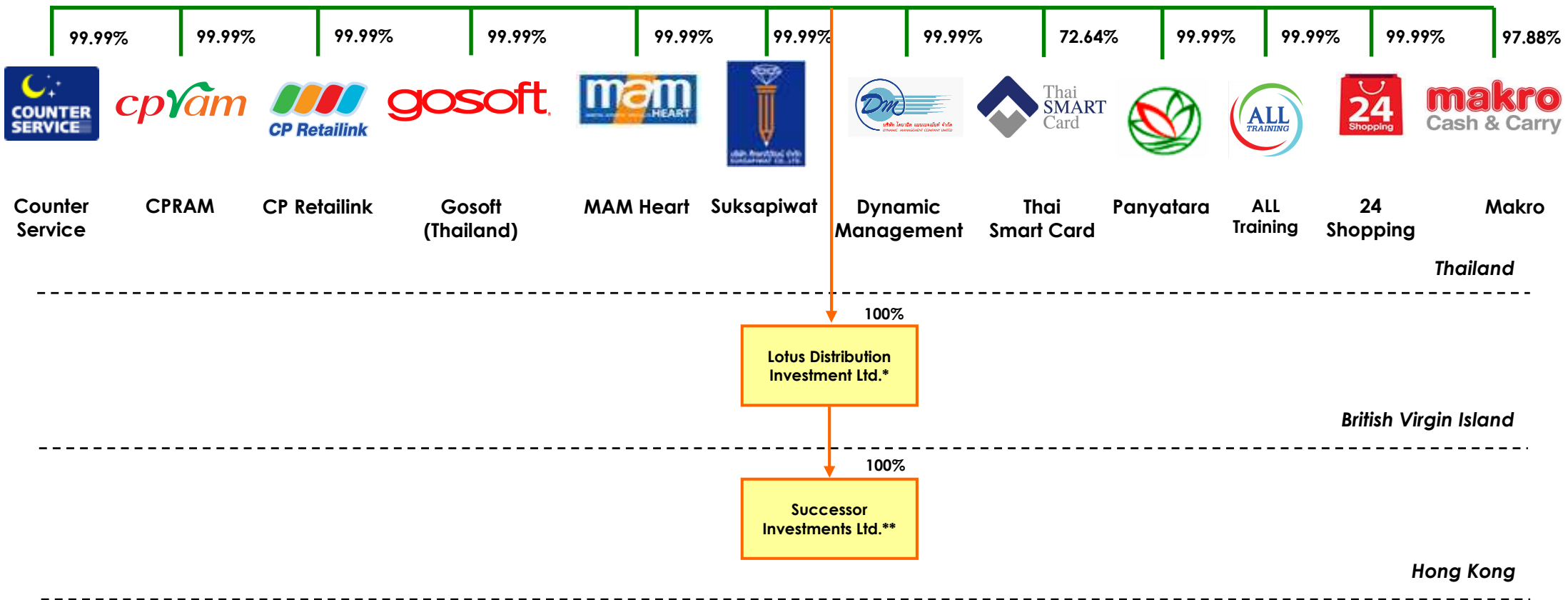
Free Float 59.7%
First trade date Oct 14, '03

Dividend Payment	2009	2010	2011	2012	2013	2014	2015
Dividend payment (Bt/share)	Bt 0.80	Bt 1.40	Bt 2.25	Bt 0.90	Bt 0.90	Bt 0.80	Bt 0.90
Payout ratio (%)	78%	102%	139%	81%	79%	83%	71%
Based on financial statement	Company Only	Company Only	Company Only	Company Only	Company Only	Company Only	Company Only

Group Structure of CPALL



As of June 30, 2016



* As of October 31, 2008, the restructuring of supercenter business in the PRC was completed.

** LDI has invested 100% in Successor Investments Limited ("SI") on September 9, 2010

Balance Sheet – Consolidated



Balance Sheet	2013	2014	2015	2Q15	2Q16
Unit : Million Baht					
Cash	24,632	32,204	21,518	15,566	17,066
Inventory	19,916	22,167	25,072	21,415	23,561
Other current assets	9,414	10,313	10,382	9,923	9,708
Fixed assets	71,606	80,534	89,781	84,043	93,921
Other assets	178,439	181,192	182,329	181,774	182,511
Total assets	304,008	326,410	329,083	312,721	326,767
Account payable	54,734	59,312	62,624	52,710	57,788
Other current liabilities	10,921	13,063	14,785	12,418	13,875
Bank loan	135,143	57,942	15,881	18,736	12,197
Bond	50,000	140,000	173,000	173,000	180,000
Other liabilities	20,239	21,036	21,117	21,293	21,392
Total liabilities	271,037	291,352	287,407	278,157	285,252
Total equity of major S/H	28,747	30,782	37,349	30,265	37,168
Minority interest	4,223	4,276	4,326	4,299	4,347
Total equity	32,970	35,058	41,676	34,564	41,516

Balance Sheet – Company Only



Balance Sheet Unit : Million Baht	2013	2014	2015	2Q15	2Q16
Cash	15,642	24,864	15,330	10,308	10,237
Inventory	9,219	10,242	10,622	10,303	10,579
Other current assets	6,124	6,346	6,599	5,670	5,907
Fixed assets	18,343	20,036	22,441	20,982	23,496
Other assets	206,801	205,696	209,628	206,101	212,629
Total assets	256,129	267,184	264,620	253,365	262,848
Account payable	27,618	31,216	32,807	28,898	31,630
Other current liabilities	17,311	13,732	15,666	12,764	14,117
Bank loans	131,977	52,215	9,000	10,000	3,100
Bond	50,000	140,000	173,000	173,000	180,000
Other liabilities	3,877	4,081	4,110	4,338	4,336
Total liabilities	230,782	241,244	234,583	229,001	233,182
Total equity of major S/H	25,347	25,940	30,037	24,364	29,666
Minority interest	-	-	-	-	-
Total equity	25,347	25,940	30,037	24,364	29,666

Income Statement and Cash flow Statement - Consolidated



Income Statement Unit : Million Baht	2013	2014	2015	2Q15	2Q16	% YOY Growth	1H15	1H16	% YOY Growth
Net sales	266,008	349,464	383,254	95,227	107,674	13.1%	188,595	210,356	11.5%
Services income	6,277	8,302	8,563	2,065	2,324	12.5%	4,251	4,610	8.5%
Other operating income	11,835	12,920	13,871	3,333	4,574	37.2%	6,495	8,287	27.6%
Other income	550	615	205	51	57	12.6%	115	161	39.5%
Total revenue	284,670	371,301	405,893	100,676	114,629	13.9%	199,457	223,414	12.0%
Cost of sales	208,153	279,029	303,895	75,522	85,291	12.9%	150,022	166,868	11.2%
Cost of service	2,504	2,415	2,623	612	744	21.5%	1,238	1,420	14.7%
Total SG&A	58,954	68,750	73,905	18,490	21,451	16.0%	35,595	40,870	14.8%
EBIT	15,059	21,108	25,469	6,051	7,142	18.0%	12,602	14,256	13.1%
Net profit	10,503	10,200	13,682	3,140	4,196	33.6%	6,548	8,261	26.2%
EBITDA	19,760	27,417	32,827	7,842	9,184	17.1%	16,097	18,237	13.3%

Cashflow Statement	2013	2014	2015	2Q15	2Q16	1H15	1H16
CFO	21,624	26,371	31,419	0	0	8,915	13,044
CFI	(191,409)	(15,958)	(17,409)	0	0	(7,886)	(8,503)
CFF	171,177	(2,830)	(24,780)	0	0	(17,710)	(8,947)

Income Statement and Cash flow Statement – Company Only



Income Statement									
Unit : Million Baht	2013	2014	2015	2Q15	2Q16	% YOY Growth	1H15	1H16	% YOY Growth
Net sales	199,247	208,015	228,412	57,443	64,971	13.1%	111,607	125,513	12.5%
Services income	2,422	2,761	2,738	686	681	(0.7%)	1,380	1,357	(1.7%)
Other operating income	11,958	13,049	13,987	3,379	4,594	36.0%	6,563	8,263	25.9%
Other income	3,868	5,171	4,623	1,998	2,697	35.0%	2,407	2,754	14.4%
Total revenue	217,495	228,996	249,758	63,506	72,943	14.9%	121,956	137,886	13.1%
Cost of sales	148,728	152,394	166,485	41,845	46,910	12.1%	81,533	90,749	11.3%
Cost of service	-	-	-	-	-	-	-	-	-
Total SG&A	54,938	58,886	62,260	15,625	18,284	17.0%	29,830	34,435	15.4%
EBIT	13,828	17,717	21,013	6,036	7,749	28.4%	10,593	12,702	19.9%
Net profit	10,260	8,686	11,376	3,599	5,281	46.7%	5,610	7,714	37.5%
EBITDA	17,229	21,700	25,429	7,124	8,973	26.0%	12,722	14,899	17.1%

Cashflow Statement	2013	2014	2015	2Q15	2Q16	1H15	1H16
CFO	14,292	16,484	21,422	0	0	6,739	10,172
CFI	(190,498)	215	(5,419)	0	0	(731)	(4,325)
CFF	172,452	(7,478)	(25,537)	0	0	(20,564)	(10,939)

Key Performance Ratios – Consolidated



Financial Ratios		2013	2014	2015	2Q15	2Q16	1H15	1H16
Gross margin (sales & service)	(%)	22.6%	21.3%	21.8%	21.7%	21.8%	21.6%	21.7%
Operating margin	(%)	5.3%	5.7%	6.3%	6.0%	6.2%	6.3%	6.4%
EBITDA margin	(%)	6.9%	7.4%	8.1%	7.8%	8.0%	8.1%	8.2%
Net margin	(%)	3.7%	2.7%	3.4%	3.1%	3.7%	3.3%	3.7%
ROAA	(%)	5.6%	3.2%	4.2%	4.3%	5.2%	4.3%	5.2%
ROAE (exc. MI)	(%)	37.6%	34.3%	40.2%	46.9%	49.0%	47.0%	49.0%
Inventory days		25.1	27.1	28.0	24.6	24.3	24.6	24.3
Account payable days		75.5	73.6	72.2	60.6	59.6	60.6	59.6
Cash cycle days		(50.4)	(46.4)	(44.2)	(36.0)	(35.3)	(36.0)	(35.3)
Earnings per share	(Bt.)	1.2	1.1	1.5	0.3	0.5	0.7	0.9
Book value per share	(Bt.)	3.2	3.4	4.2	3.4	4.1	3.4	4.1

Key Performance Ratios – Company Only



Financial Ratios		2013	2014	2015	2Q15	2Q16	1H15	1H16
Gross margin (sales & service)	(%)	26.3%	27.7%	28.0%	28.0%	28.5%	27.8%	28.5%
Operating margin	(%)	6.4%	7.7%	8.4%	9.5%	10.6%	8.7%	9.2%
EBITDA margin	(%)	7.9%	9.5%	10.2%	11.2%	12.3%	10.4%	10.8%
Net margin	(%)	4.7%	3.8%	4.6%	5.7%	7.2%	4.6%	5.6%
ROAA	(%)	6.4%	3.3%	4.3%	4.4%	6.0%	4.4%	6.0%
ROAE (exc. MI)	(%)	42.3%	33.9%	40.6%	49.0%	57.1%	49.0%	57.1%
Inventory days		21.2	23.0	22.6	21.3	20.7	21.3	20.7
Account payable days		64.6	69.5	69.2	60.8	60.0	60.8	60.0
Cash cycle days		(43.4)	(46.5)	(46.7)	(39.5)	(39.3)	(39.5)	(39.3)
Earnings per share	(Bt.)	1.1	1.0	1.3	0.4	0.6	0.6	0.9
Book value per share	(Bt.)	2.8	2.9	3.3	2.7	3.3	2.7	3.3

Balance Sheet – Makro



Balance Sheet Unit : Million Baht	2013	2014	2015	2Q15	2Q16
Cash	5,011	4,564	2,230	1,260	931
Inventory	9,792	10,628	12,954	9,621	11,426
Other current assets	1,633	2,214	2,142	1,721	1,970
Fixed assets	18,211	23,767	27,039	25,286	28,750
Other assets	1,458	2,492	3,545	3,074	3,818
Total assets	36,104	43,666	47,910	40,960	46,895
Account payable	18,177	20,629	22,164	17,016	19,400
Other current liabilities	3,169	4,059	3,906	3,718	3,563
Bank loan	3,195	5,287	6,614	5,854	8,439
Bond	-	-	-	-	-
Other liabilities	543	903	1,019	894	1,059
Total liabilities	25,083	30,879	33,703	27,482	32,461
Total equity of major S/H	11,021	12,787	14,207	13,479	14,433
Minority interest	-	-	-	-	-
Total equity	11,021	12,787	14,207	13,479	14,433

Income Statement and Cash flow Statement – Makro



Income Statement Unit : Million Baht	2013	2014	2015	2Q15	2Q16	% YOY Growth	1H15	1H16	% YOY Growth
Net sales	126,638	139,271	152,604	37,324	42,247	13.2%	76,178	83,870	10.1%
Services income	2,449	2,558	2,613	611	656	7.5%	1,345	1,403	4.4%
Other operating income	-	-	-	-	-	-	-	-	-
Other income	694	704	700	155	169	9.0%	343	377	9.9%
Total revenue	129,781	142,532	155,917	38,090	43,072	13.1%	77,866	85,651	10.0%
Cost of sales	115,673	126,771	137,937	33,945	38,641	13.8%	68,956	76,558	11.0%
Cost of service	-	-	-	-	-	-	-	-	-
Total SG&A	8,598	9,386	10,930	2,620	2,955	12.8%	5,362	5,967	11.3%
EBIT	5,510	6,375	7,050	1,525	1,476	(3.2%)	3,548	3,126	(11.9%)
Net profit	4,299	4,922	5,378	1,169	1,132	(3.1%)	2,708	2,387	(11.9%)
EBITDA	6,841	7,816	8,920	1,976	1,986	0.5%	4,426	4,130	(6.7%)

Cashflow Statement	2013	2014	2015	2Q15	2Q16	1H15	1H16
CFO	5,306	7,661	6,701	(25)	1,073	1,611	2,016
CFI	(3,239)	(6,967)	(6,371)	(1,251)	(1,647)	(3,475)	(2,914)
CFF	(3,112)	(1,140)	(2,665)	(1,439)	(1,071)	(1,441)	(401)

Key Performance Ratios – Makro



Financial Ratios		2013	2014	2015	2Q15	2Q16	1H15	1H16
Gross margin (sales)	(%)	8.7%	9.0%	9.6%	9.1%	8.5%	9.5%	8.7%
Gross margin (Total revenue)	(%)	10.9%	11.1%	11.5%	10.9%	10.3%	11.4%	10.6%
Operating margin	(%)	4.2%	4.5%	4.5%	4.0%	3.4%	4.6%	3.6%
EBITDA margin	(%)	5.3%	5.5%	5.7%	5.2%	4.6%	5.7%	4.8%
Net profit margin	(%)	3.3%	3.5%	3.4%	3.1%	2.6%	3.5%	2.8%
ROA	(%)	12.6%	12.3%	11.7%	13.8%	11.5%	13.8%	11.5%
ROE (exc. MI)	(%)	39.3%	41.3%	39.8%	41.5%	36.2%	41.5%	36.2%
Inventory days		26.2	28.4	29.9	26.3	27.8	25.9	28.1
Account payable days		52.8	55.1	55.8	49.9	48.4	49.1	48.9
Cash cycle days		(26.5)	(26.7)	(26.0)	(23.6)	(20.6)	(23.2)	(20.8)
Earnings per share	(Bt.)	0.9	1.0	1.1	0.2	0.2	0.6	0.5
Book value per share	(Bt.)	2.3	2.7	3.0	2.8	3.0	2.8	3.0

Corporate Governance Committee	External Consultant	Shareholder Acknowledgement
<ul style="list-style-type: none"> ▪ Consist of independent directors with main duties and responsibilities as follows; <ul style="list-style-type: none"> ▪ Define scope, policy, and procedure ▪ Review with directors and executives compliance with CG guidelines ▪ Revise CG guidelines to ensure alignment with international standards ▪ CG Committee meeting shall be held at least once a quarter and report to the Board of Director at least 2 times a year 	<ul style="list-style-type: none"> ▪ Assess the current state of CG ▪ Identify and analyze the gaps with reference to relevant standard i.e. OECD, ASEAN CG Scorecard, ISO38500 and COSO ▪ Recommendations on improvement opportunities and potential initiatives ▪ Co-develop the roadmap with CG Committee ▪ Revise of CG policy and structure 	<ul style="list-style-type: none"> ▪ Formally on AGM agenda to report on the progress of elevating CPALL CG ▪ At AGM, Mr. Chairasmisak, Vice Chairman, sincerely made an apology to the recent incident and affirmed CG is an important foundation for management and business operations for CPALL ▪ The Chairman launched an open letter to shareholder to affirm his intention to enhance CG for both CPALL and parent company level ▪ All AGM agendas were approved as proposed, together with all corporate actions were organized with full equitable right to minority shareholder

The External Consultant evaluated CPALL CG by conducting gap analysis since 1Q16 in various areas e.g. CG policy, conflict of interest, code of ethics/conduct, risk management policy, insider trading policy, and public disclosure.

Following the recommendation, the Corporate Governance Committee decide to implement 4 prioritized areas as below;

1. Revise rule books, code of ethics as well as corporate governance policy in compliance with industry best practice.
2. Strengthen the organization structure to ensure long term sustainable development.
3. Enhance IT system to accommodate effective and efficient CG compliance.
4. Raise the firmwide staff awareness on the best practice of good corporate governance, and strict compliance as part of human resource development program .

In 2Q16, new edition of Corporate Governance Policy and Business Ethics have been established, these are a quick tool to govern the Company in regard to the use of insider information for securities trading.