



# CP ALL Public Company Limited

2Q17 Operating Results

August 2017



Unit : Million Baht	2Q16	2Q17	% Chg	1H16	1H17	% Chg
<b><i>Company Only</i></b>						
Total Revenue	72,943	77,049	+5.6%	137,886	146,742	+6.4%
Net Profit	5,281	5,931	+12.3%	7,714	8,616	+11.7%

Unit : Million Baht	2Q16	2Q17	% Chg	1H16	1H17	% Chg
<b><i>Consolidated</i></b>						
Total Revenue	114,629	120,652	+5.3%	223,414	238,159	+6.6%
Net Profit	4,196	4,647	+10.8%	8,261	9,412	+13.9%

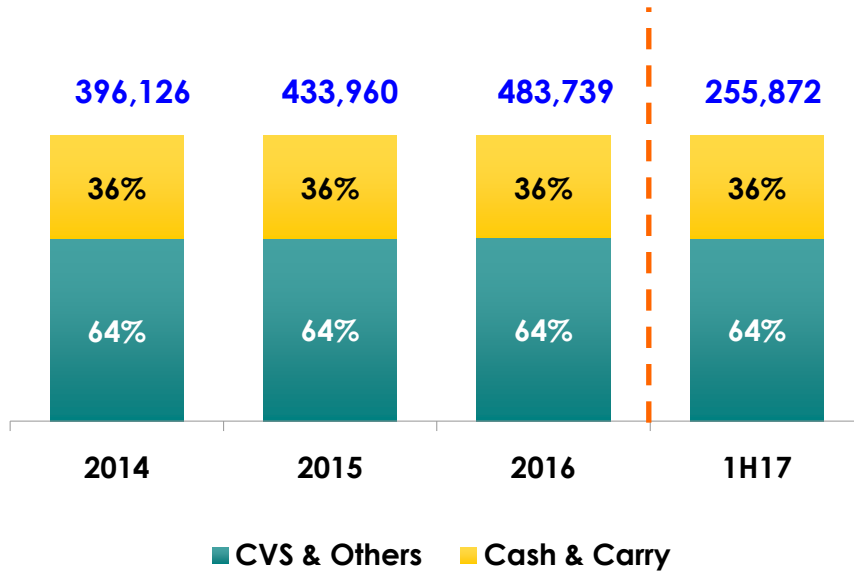
# Business Segment Performance

CVS & Others and Cash & Carry



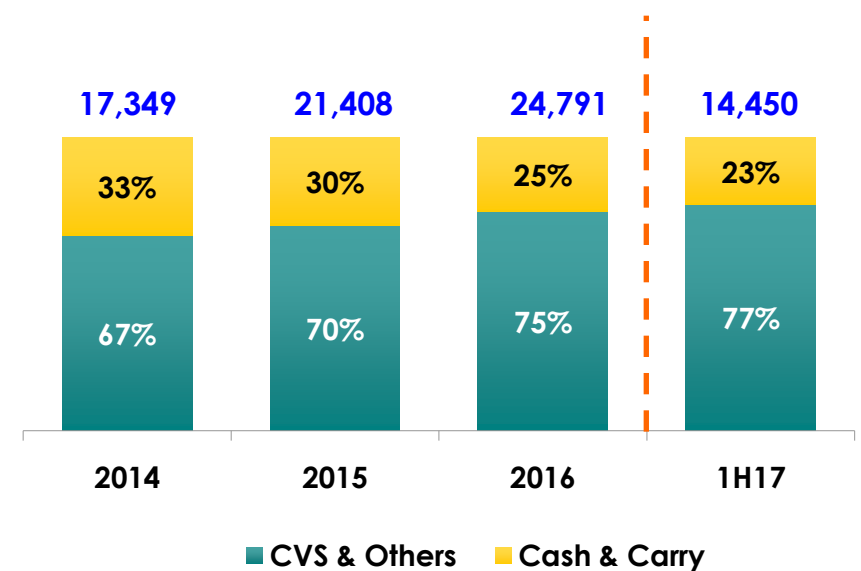
## Revenue Contribution Before Elimination

(Unit: Million Baht)



## Earnings Before Tax Contribution Before Elimination

(Unit: Million Baht)



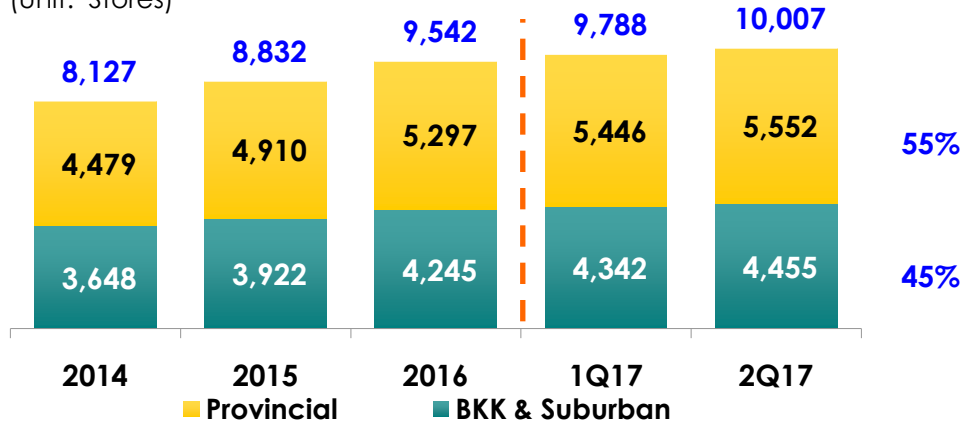
# Store Types Breakdown

Store expansion on track



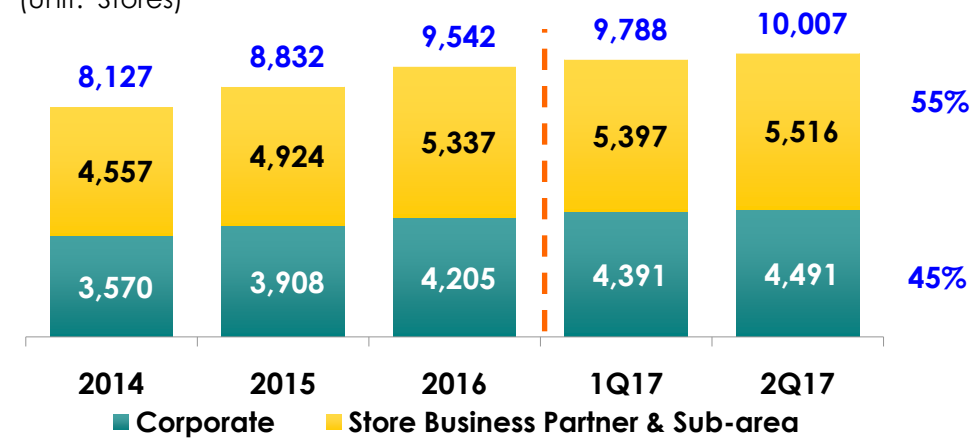
## BKK & Suburban / Provincial

(Unit: Stores)



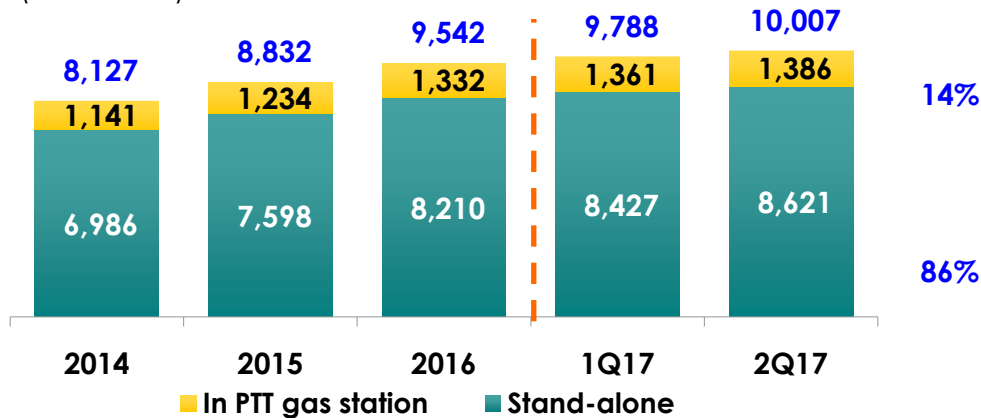
## Corporate / Store Business Partner & Sub-area

(Unit: Stores)



## Stand-alone / In PTT gas station

(Unit: Stores)



Store / Year	2014	2015	2016	1H17
Expansion	+698	+705	+710	+465

# Same Store Sales Growth

SSSG declined from subdued spending sentiment



**2Q17**  
**Average daily sales / store 79,613 Baht**

	2014	2015	2016	1Q17	2Q17
<b>SSS Growth</b>	<b>-2.6%</b>	<b>+0.9%</b>	<b>+2.4%</b>	<b>+1.2%</b>	<b>-1.0%</b>

	2016	1Q16	2Q16	1Q17	2Q17
<b>Spending per ticket (Baht)</b>	<b>65</b>	<b>63</b>	<b>64</b>	<b>66</b>	<b>67</b>
<b>No. of customer per store per day (Customers)</b>	<b>1,216</b>	<b>1,217</b>	<b>1,259</b>	<b>1,175</b>	<b>1,194</b>

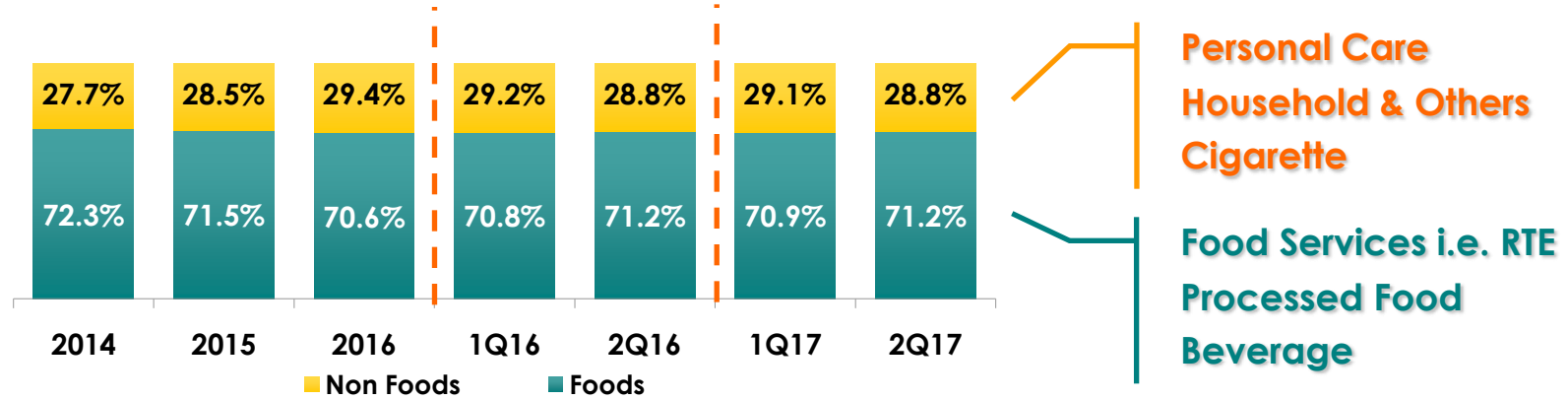
- Spending per ticket increased at a CAGR of 4.3% from 2010-2015.
- No. of customers per store per day increased at a CAGR of 0.7% from 2010-2015.
- Spending per ticket and no. of customers per store per day have been rebased from 2015 onwards.

# Product Sales Mix and Gross Margin

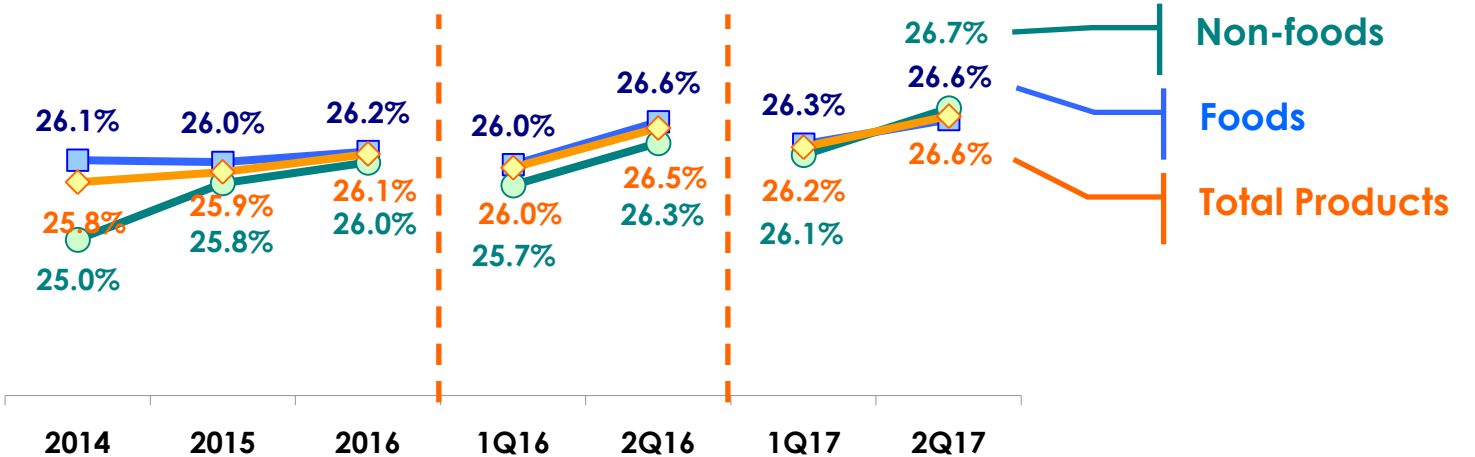
Product margin improved YoY



## Product Sales Mix (excl. T&E)



## Gross Margin (excl. T&E)



# SG&A Expenses

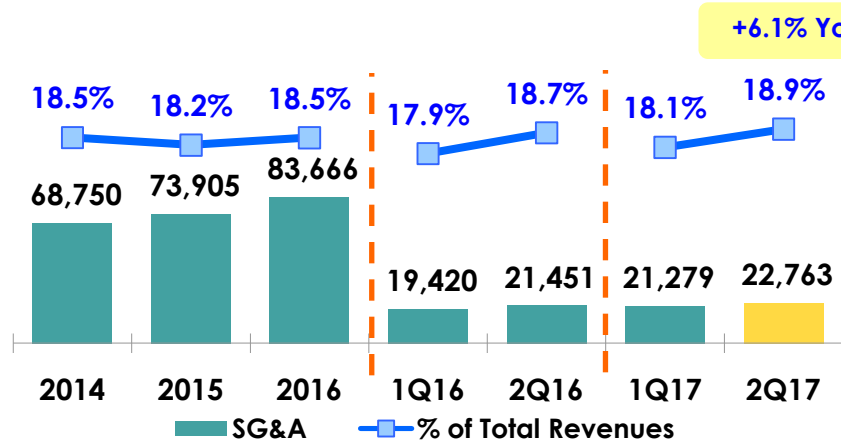
Well-controlled SG&A expenses



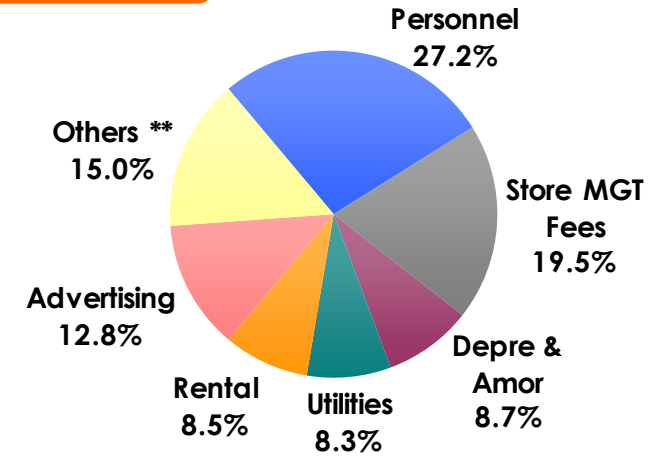
## 2Q17 SG&A Expenses-to-Total Revenue

(Unit: Million Baht)

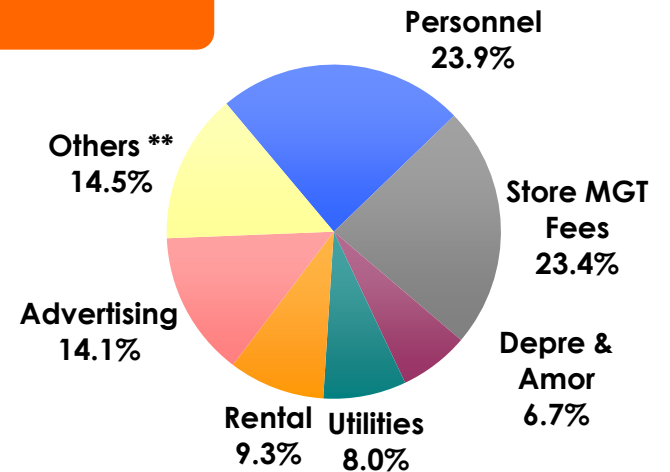
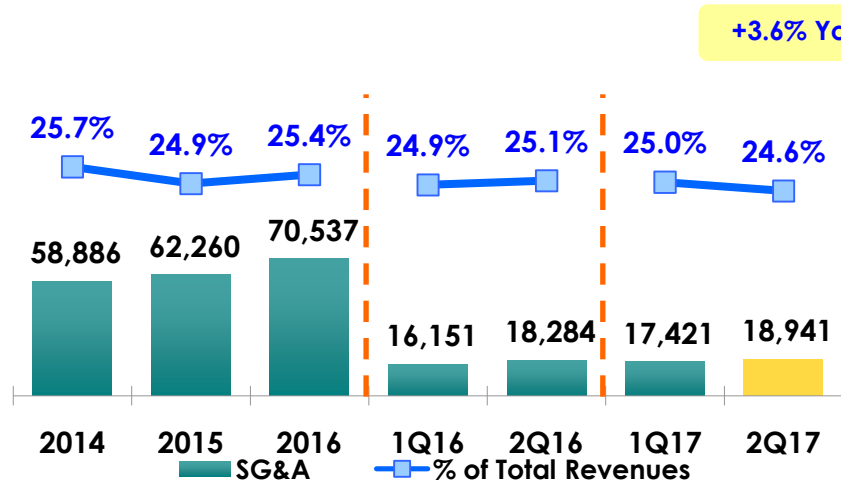
### Consolidated



## 2Q17 SG&A Expenses Breakdown



### Company Only



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

# Financial Performance - Consolidated

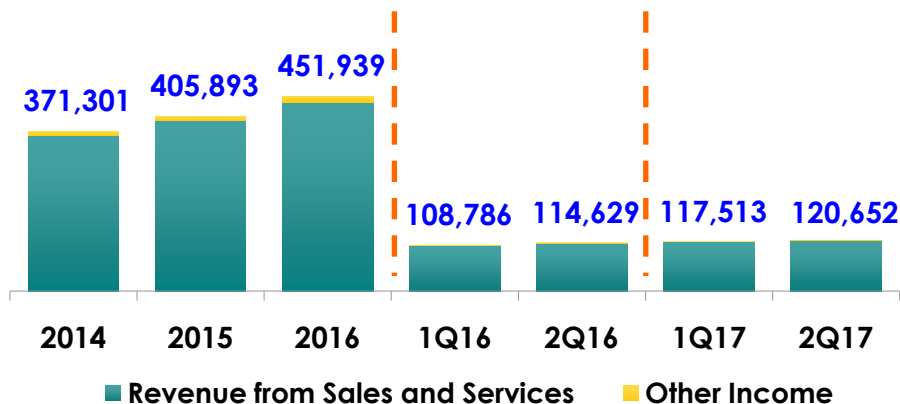
Posting decent growth



## Total Revenue

(Unit: Million Baht)

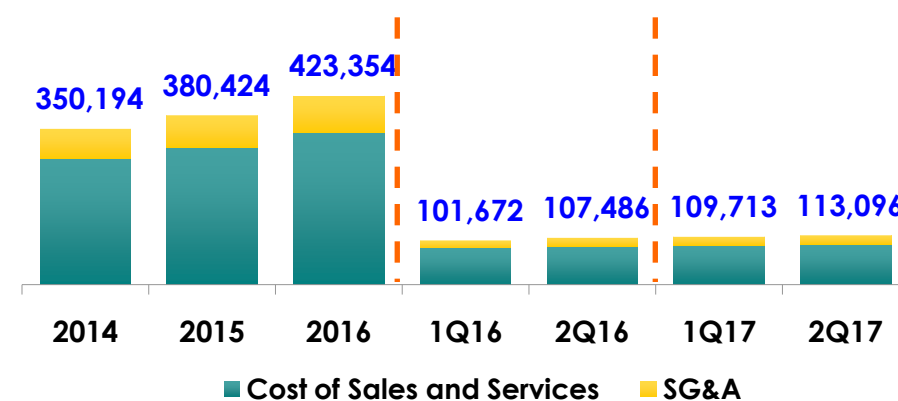
+5.3% YoY



## Total Costs

(Unit: Million Baht)

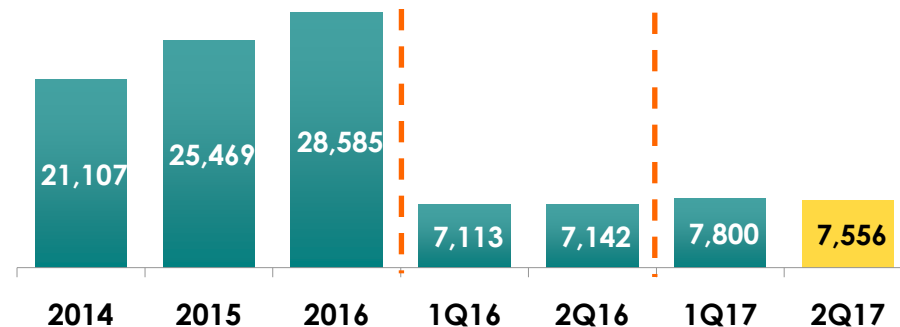
+5.2% YoY



## Operating Profits

(Unit: Million Baht)

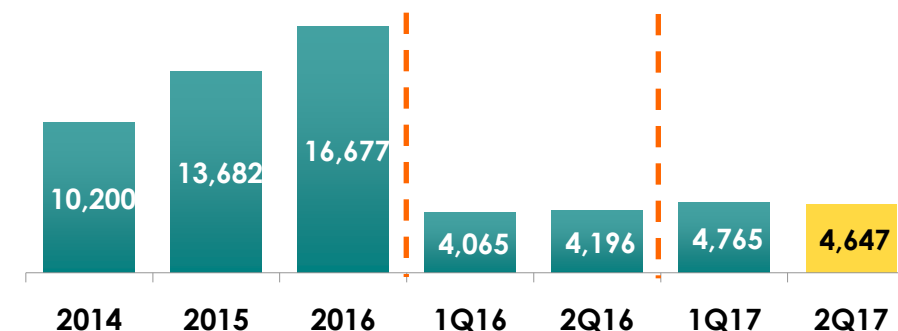
+5.8% YoY



## Net Profits

(Unit: Million Baht)

+10.8% YoY



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



# Financial Performance – Company Only

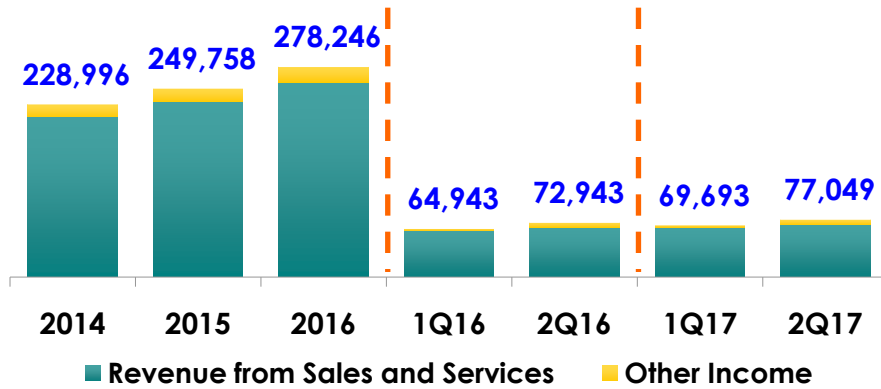
Posting decent growth



## Total Revenue

(Unit: Million Baht)

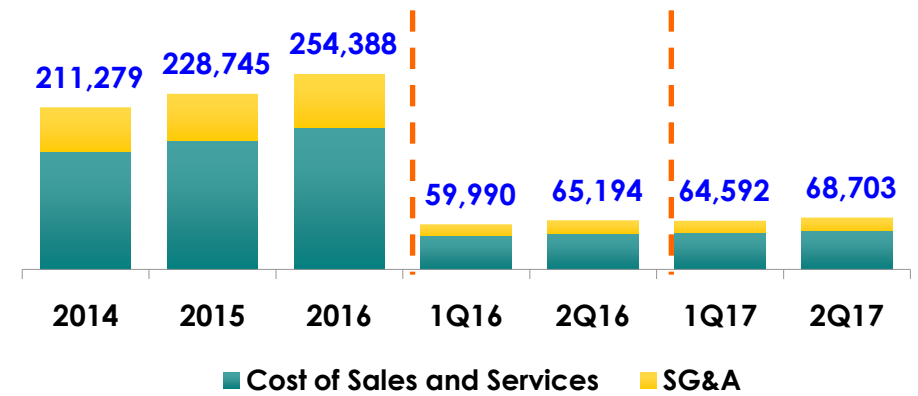
+5.6% YoY



## Total Costs

(Unit: Million Baht)

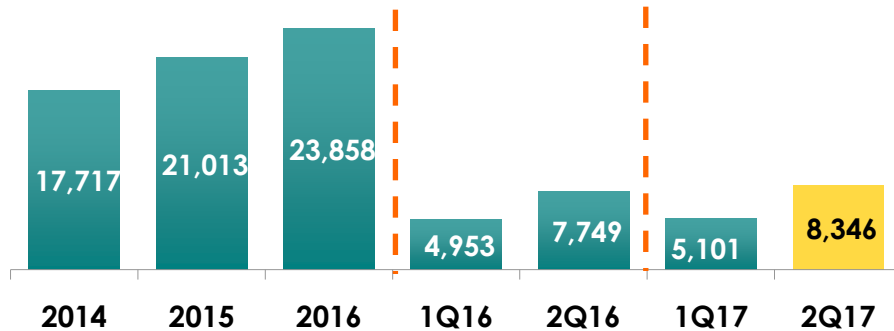
+5.4% YoY



## Operating Profits

(Unit: Million Baht)

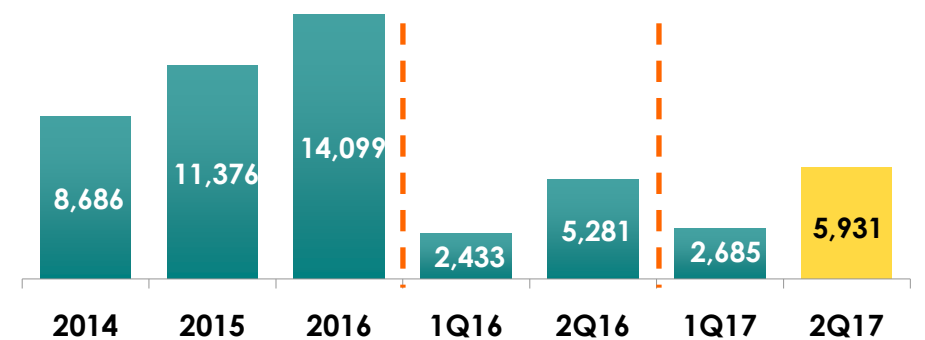
+7.7% YoY



## Net Profits

(Unit: Million Baht)

+12.3% YoY



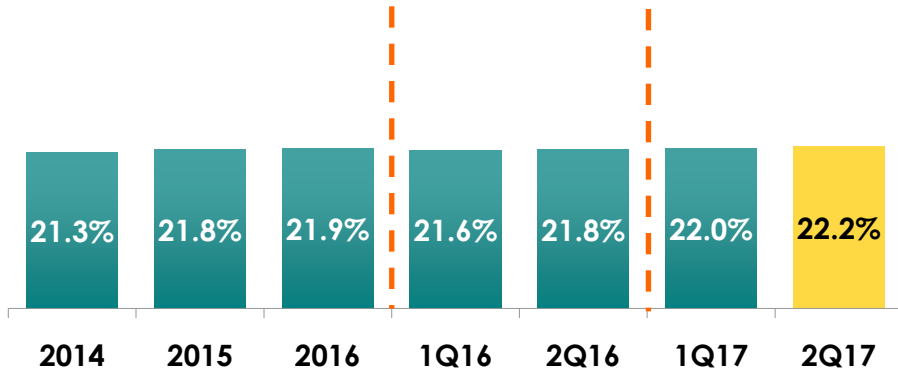
Note : Other income is comprising of interest income, net foreign exchange gain, sale promotion income, royalties fee and others.

# Profitability Ratios - Consolidated

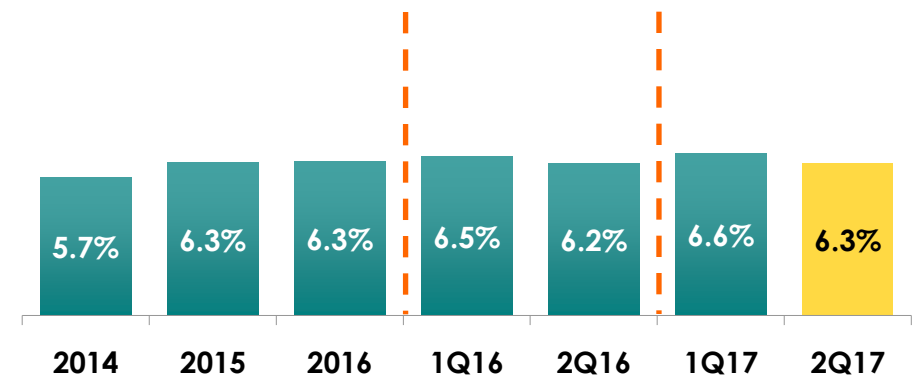
Improving margins



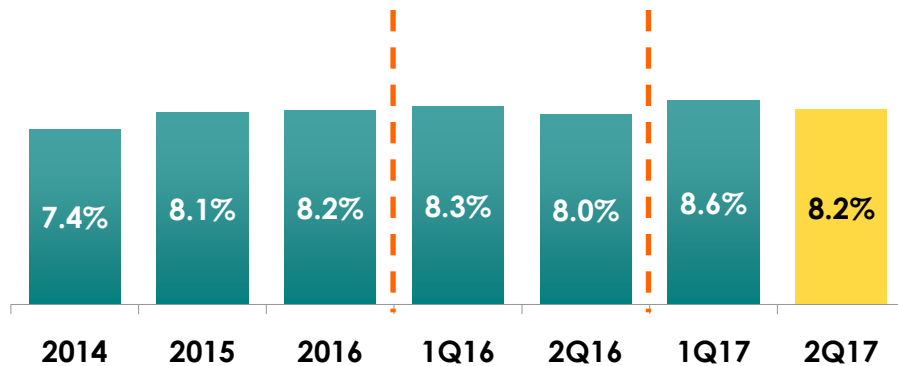
## Gross Margin (Sales & Services)



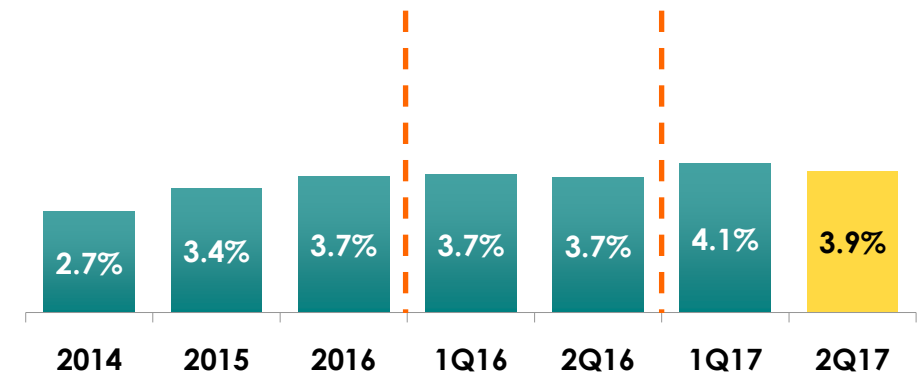
## EBIT Margin



## EBITDA Margin



## Net Margin

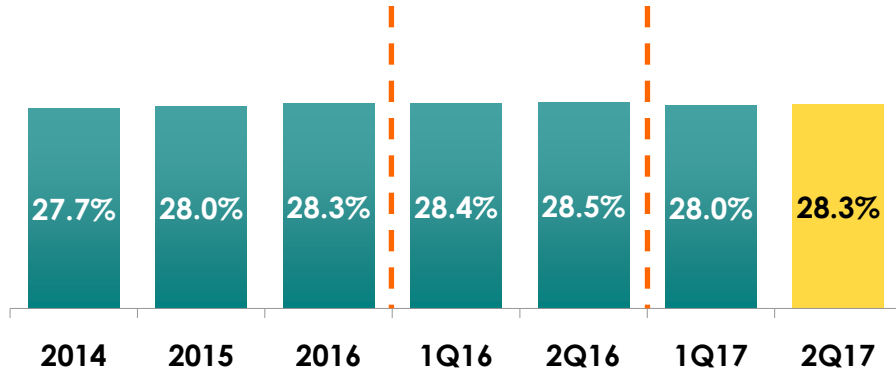


# Profitability Ratios – Company Only

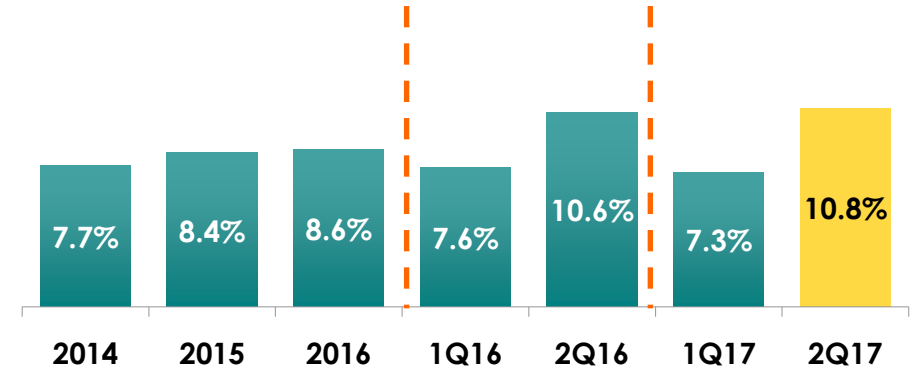
Margins remained at decent level



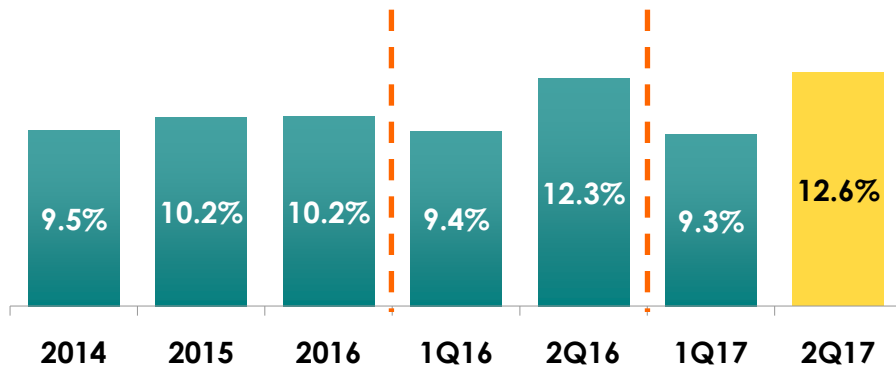
## Gross Margin (Sales & Services)



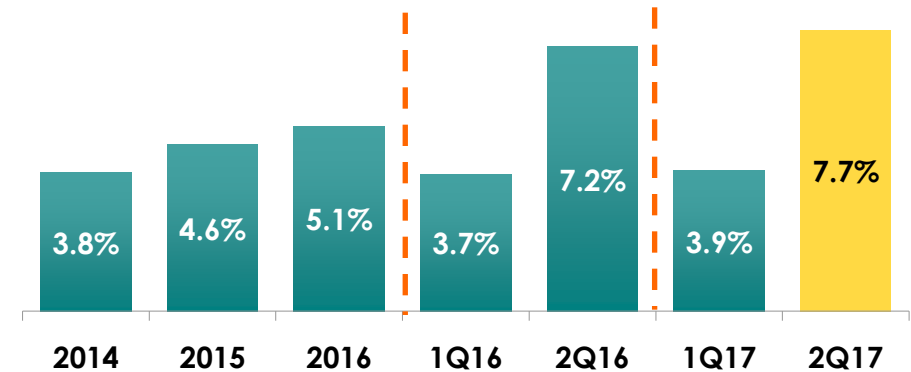
## EBIT Margin



## EBITDA Margin



## Net Margin

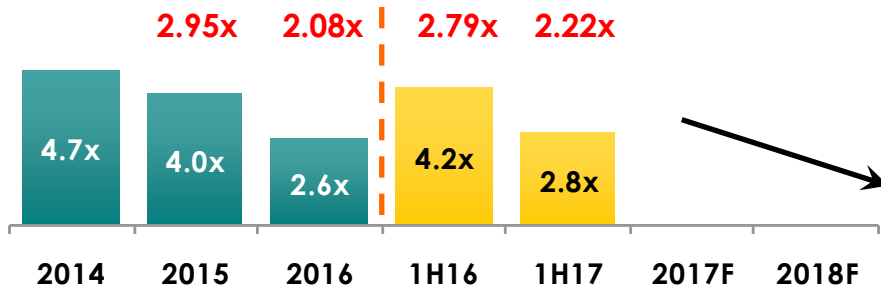


# Leverage Ratios – Consolidated

Comfortably maintained below Bond Covenants



## Net Debt to Equity



• Adjusted net debt to equity per definition of bond covenant are marked in red above

## Bond Covenants \*

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

Equity as per Bond Covenants shall be adjusted with deferred taxes

- According to the definition of bond covenants, net debt to adjusted equity was at **2.22x** as of 30 June 2017 vs. bond covenant at 2.5x in 2017.
- As of 30 June 2017, debenture maturing within one year were Baht 14,851 million.

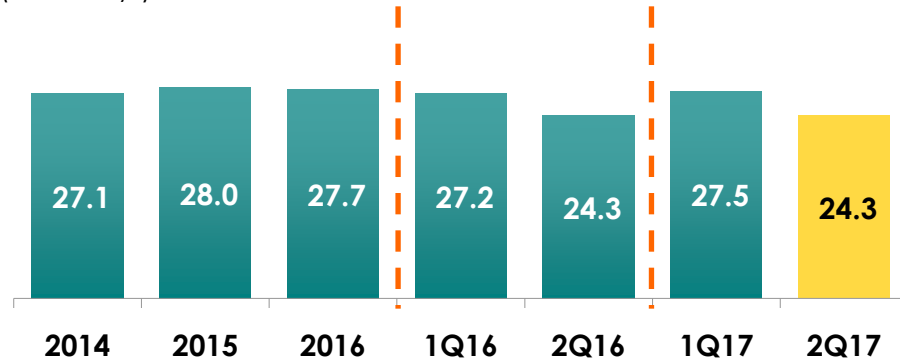
# Working Capital – Consolidated

## Negative cash cycle days



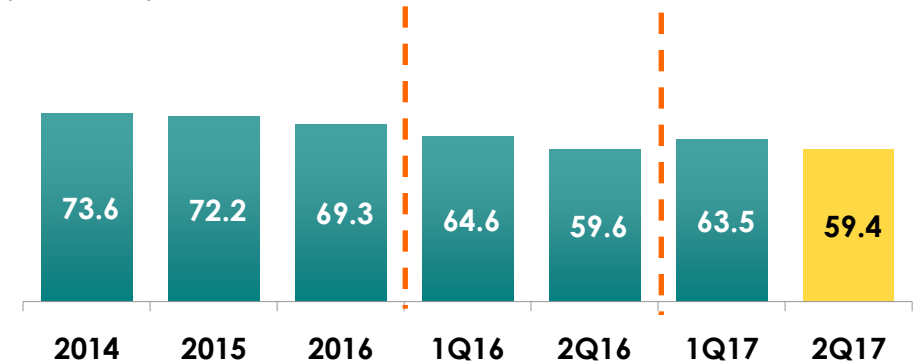
### Inventory Days

(Unit: Days)



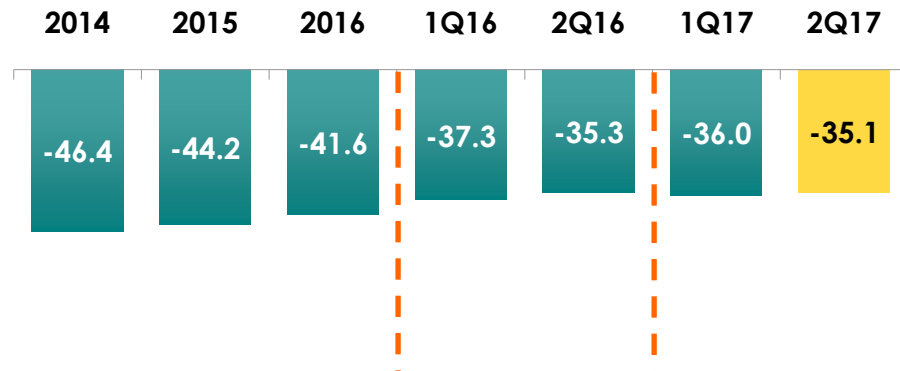
### Account Payable Days

(Unit: Days)



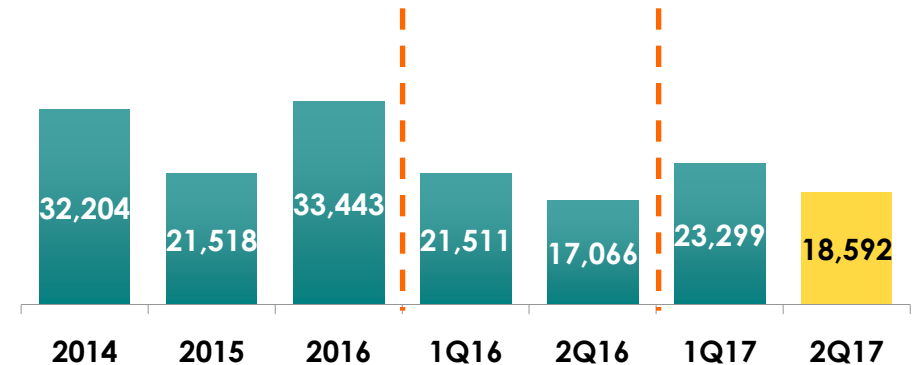
### Cash Cycle Days

(Unit: Days)



### Cash

(Unit: Million Baht)



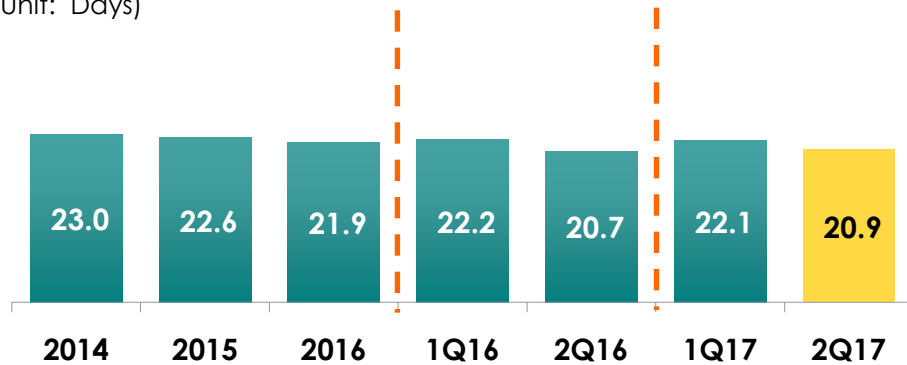
# Working Capital – Company Only

## Negative cash cycle days



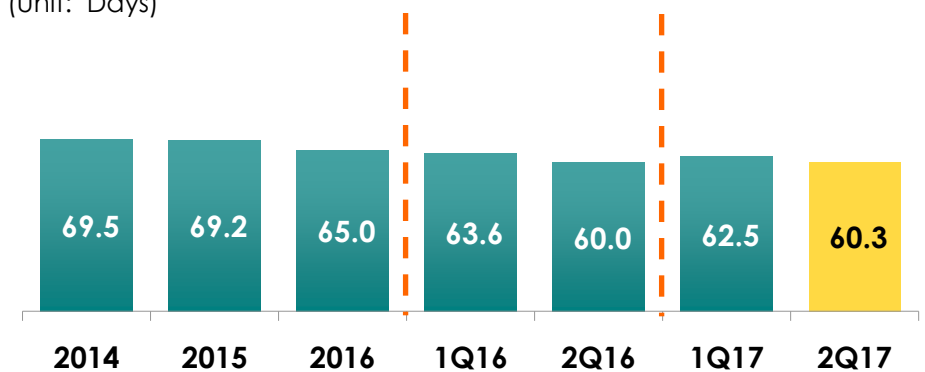
### Inventory Days

(Unit: Days)



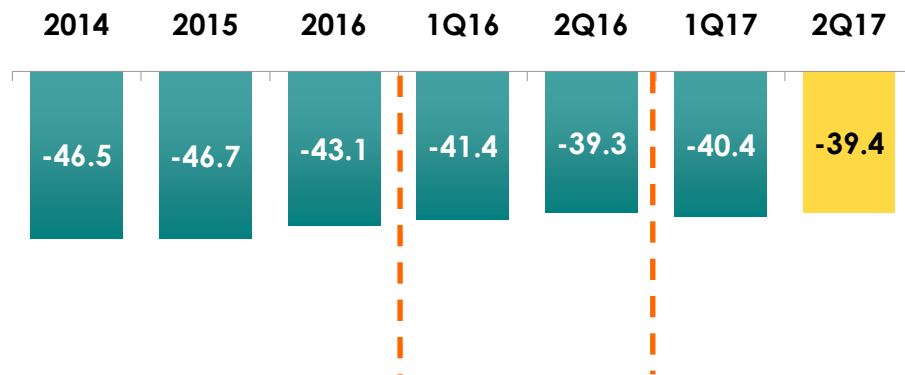
### Account Payable Days

(Unit: Days)



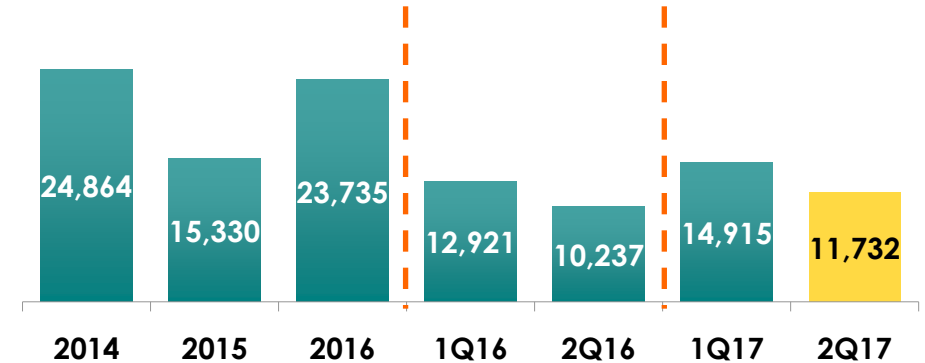
### Cash Cycle Days

(Unit: Days)



### Cash

(Unit: Million Baht)



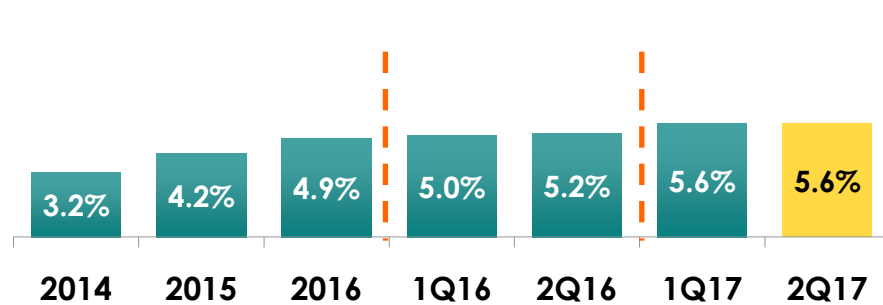
# Key Performance Ratios

Enlarged equity base from a perpetual bond

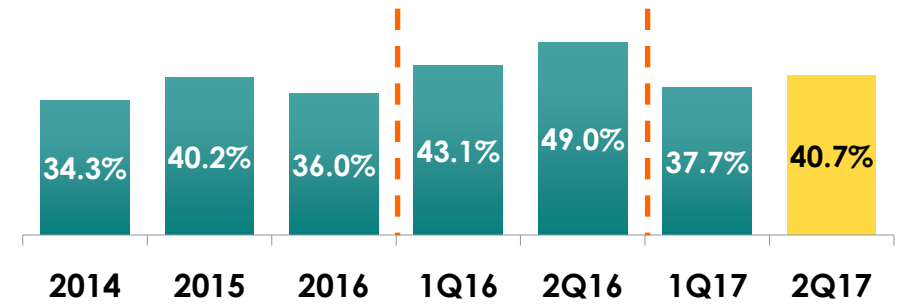


## Consolidated Statement

### ROAA

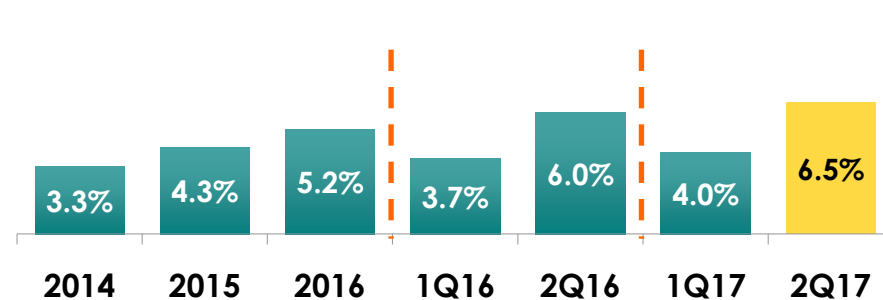


### ROAE

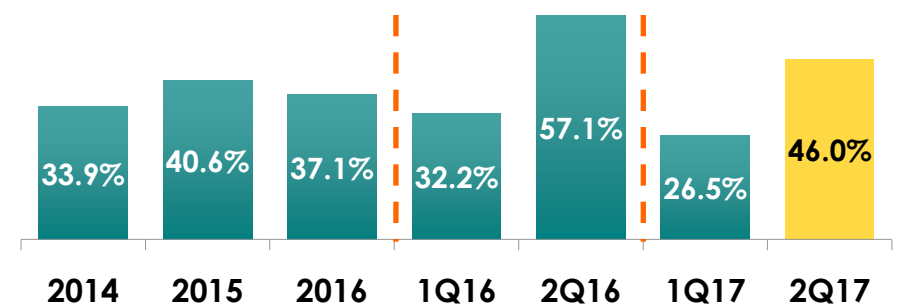


## Company Only Statement

### ROAA



### ROAE



Note: ROAA and ROAE are annualized figures.  
ROAE = Net Income / Equity Holders of the Company

# 7 – Eleven Future and CAPEX plan

## Continued store expansion and supporting infrastructure



### 7-Eleven Stores Expansion

- Continue to expand around 700 stores in 2017
- Milestone: 13,000 stores by 2021

### 2017 Projected CAPEX

	MB
▪ Stores expansion	3,400 – 3,600
▪ Stores renovation	2,300 – 2,400
▪ Investment in new projects, subsidiaries & DC	3,000 – 3,100
▪ Fixed assets & IT system	<u>800 – 900</u>
Total	<u><u>9,500 – 10,000</u></u>





# Appendix



<b>Price (Aug 3, 2017)</b>	<b>: Bt 61.25</b>
<b>Hi/Low (12-month)</b>	<b>: Bt 65.75 / 51.75 per share</b>
<b>Avg. daily turnover</b>	<b>: 1,188 MB</b>
<b>No. of shares</b>	<b>: 8,983,101,348 (Par Bt 1)</b>
<b>Market capitalization</b>	<b>: 550,215 MB</b>

## Major Shareholders (as of May 3, 2017)

- CPF (subsidiaries)	35.4%
- Charoen Pokphand Group	2.8%
- Thai NVDR	6.8%
- Chase Nominees Limited	5.2%
- Littledown Nominees Limited	4.5%
- State Street Bank & Trust Company	3.9%

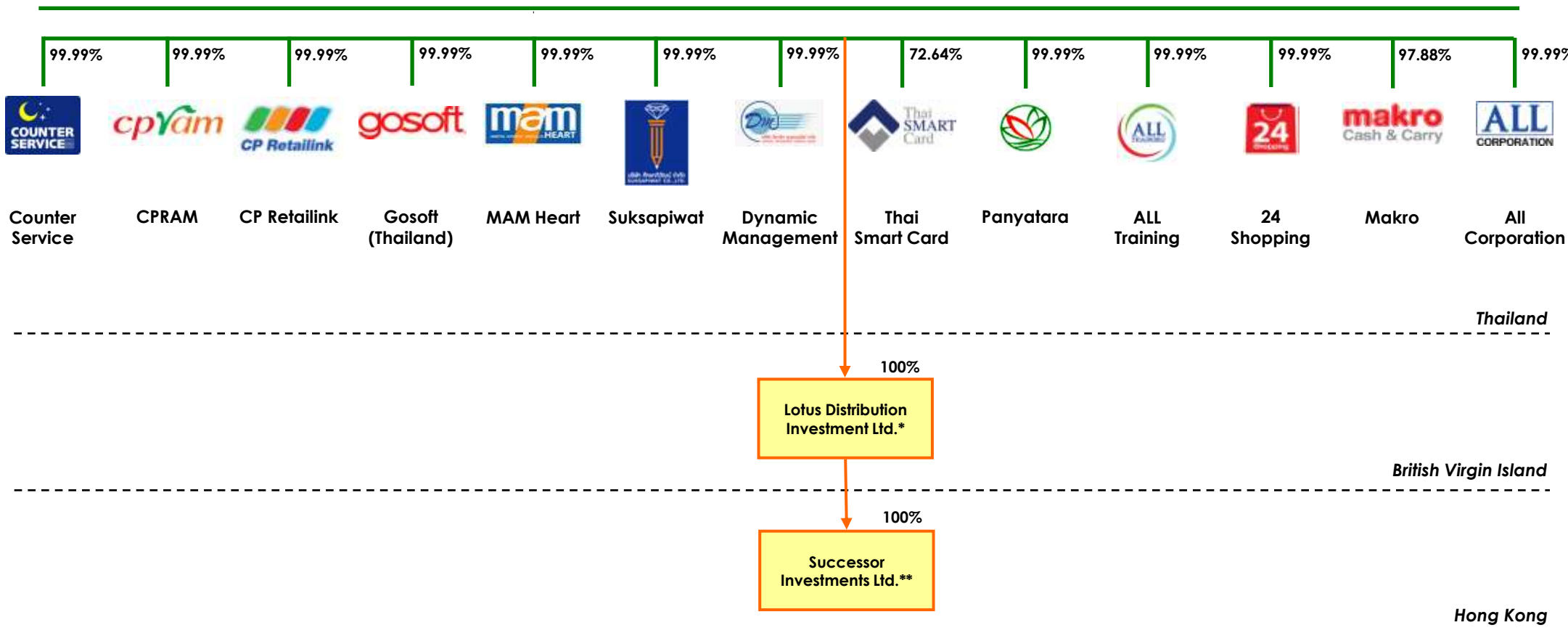
**First trade date** Oct 14, '03

Dividend Payment	2010	2011	2012	2013	2014	2015	2016
Dividend payment (Bt/share)	Bt 1.40	Bt 2.25	Bt 0.90	Bt 0.90	Bt 0.80	Bt 0.90	Bt 1.00
Payout ratio (%)	102%	139%	81%	79%	83%	71%	64%
Based on financial statement	Company Only	Company Only	Company Only	Company Only	Company Only	Company Only	Company Only

# Group Structure of CPALL



As of March 31, 2017



\* 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 Unit : Million Baht	2014	2015	2016	2Q16	2Q17
Cash	32,204	21,518	33,443	17,066	18,592
Inventory	22,167	25,072	26,705	23,561	24,297
Other current assets	10,313	10,382	9,751	9,708	9,300
Fixed assets	80,534	89,781	99,460	93,921	102,748
Other assets	181,192	182,329	182,909	182,511	186,498
<b>Total assets</b>	<b>326,410</b>	<b>329,083</b>	<b>352,268</b>	<b>326,767</b>	<b>341,435</b>
Account payable	59,312	62,624	66,959	57,788	59,311
Other current liabilities	13,063	14,785	15,406	13,875	14,759
Bank loan	57,942	15,881	8,101	12,197	13,798
Bond	140,000	173,000	180,159	180,000	171,073
Other liabilities	21,036	21,117	22,040	21,392	22,535
<b>Total liabilities</b>	<b>291,352</b>	<b>287,407</b>	<b>292,665</b>	<b>285,252</b>	<b>281,475</b>
Total equity of major S/H	30,782	37,349	55,196	37,168	55,225
Minority interest	4,276	4,326	4,407	4,347	4,734
<b>Total equity</b>	<b>35,058</b>	<b>41,676</b>	<b>59,603</b>	<b>41,516</b>	<b>59,959</b>

# Balance Sheet – Company Only



Balance Sheet Unit : Million Baht	2014	2015	2016	2Q16	2Q17
Cash	24,864	15,330	23,735	10,237	11,732
Inventory	10,242	10,622	11,769	10,579	11,939
Other current assets	6,346	6,599	5,430	5,907	4,799
Fixed assets	20,036	22,441	25,639	23,496	26,556
Other assets	205,696	209,628	214,299	212,629	214,011
<b>Total assets</b>	<b>267,184</b>	<b>264,620</b>	<b>280,872</b>	<b>262,848</b>	<b>269,038</b>
Account payable	31,216	32,807	33,621	31,630	33,292
Other current liabilities	13,732	15,666	16,534	14,117	14,501
Bank loans	52,215	9,000	-	3,100	-
Bond	140,000	173,000	180,159	180,000	171,073
Other liabilities	4,081	4,110	4,646	4,336	4,874
<b>Total liabilities</b>	<b>241,244</b>	<b>234,583</b>	<b>234,959</b>	<b>233,182</b>	<b>223,740</b>
Total equity of major S/H	25,940	30,037	45,913	29,666	45,298
Minority interest	-	-	-	-	-
<b>Total equity</b>	<b>25,940</b>	<b>30,037</b>	<b>45,913</b>	<b>29,666</b>	<b>45,298</b>

# Income Statement and Cash flow Statement - Consolidated



Income Statement									
Unit : Million Baht	2014	2015	2016	2Q16	2Q17	% YOY Growth	1H16	1H17	% YOY Growth
Revenue from Sales & Services	357,766	391,817	434,712	109,998	116,134	5.6%	214,966	229,463	6.7%
Other Income	13,535	14,076	17,227	4,631	4,518	(2.4%)	8,448	8,697	2.9%
<b>Total revenue</b>	<b>371,301</b>	<b>405,893</b>	<b>451,939</b>	<b>114,629</b>	<b>120,652</b>	<b>5.3%</b>	<b>223,414</b>	<b>238,159</b>	<b>6.6%</b>
Cost of Sales & Services	281,443	306,519	339,688	86,035	90,333	5.0%	168,288	178,768	6.2%
Total SG&A	68,750	73,905	83,666	21,451	22,763	6.1%	40,870	44,036	7.7%
EBIT	21,107	25,469	28,585	7,142	7,556	5.8%	14,256	15,356	7.7%
<b>Net profit</b>	<b>10,200</b>	<b>13,682</b>	<b>16,677</b>	<b>4,196</b>	<b>4,647</b>	<b>10.8%</b>	<b>8,261</b>	<b>9,412</b>	<b>13.9%</b>
EBITDA	27,417	32,827	36,899	9,184	9,921	8.0%	18,237	20,007	9.7%
Cashflow Statement									
	2014	2015	2016				1H16	1H17	
CFO	26,371	31,419	37,939				13,044	13,315	
CFI	(15,958)	(17,409)	(18,794)				(8,503)	(10,862)	
CFF	(2,830)	(24,780)	(7,233)				(8,947)	(17,195)	

# Income Statement and Cash flow Statement – Company Only



Income Statement									
Unit : Million Baht	2014	2015	2016	2Q16	2Q17	% YOY Growth	1H16	1H17	% YOY Growth
Revenue from Sales & Services	210,776	231,149	256,401	65,652	69,377	5.7%	126,870	134,922	6.3%
Other Income	18,220	18,609	21,845	7,291	7,672	5.2%	11,017	11,821	7.3%
<b>Total revenue</b>	<b>228,996</b>	<b>249,758</b>	<b>278,246</b>	<b>72,943</b>	<b>77,049</b>	<b>5.6%</b>	<b>137,886</b>	<b>146,742</b>	<b>6.4%</b>
Cost of Sales & Services	152,394	166,485	183,850	46,910	49,761	6.1%	90,749	96,933	6.8%
Total SG&A	58,886	62,260	70,537	18,284	18,941	3.6%	34,435	36,362	5.6%
EBIT	17,717	21,013	23,858	7,749	8,346	7.7%	12,702	13,447	5.9%
<b>Net profit</b>	<b>8,686</b>	<b>11,376</b>	<b>14,099</b>	<b>5,281</b>	<b>5,931</b>	<b>12.3%</b>	<b>7,714</b>	<b>8,616</b>	<b>11.7%</b>
EBITDA	21,700	25,429	28,415	8,973	9,735	8.5%	14,899	15,968	7.2%
Cashflow Statement									
	2014	2015	2016				1H16	1H17	
CFO	16,484	21,422	25,162				10,172	9,727	
CFI	215	(5,419)	(8,762)				(4,325)	570	
CFF	(7,478)	(25,537)	(7,995)				(10,939)	(22,299)	

# Key Performance Ratios – Consolidated



Financial Ratios		2014	2015	2016	2Q16	2Q17	1H16	1H17
Gross margin (sales & service)	(%)	21.3%	21.8%	21.9%	21.8%	22.2%	21.7%	22.1%
Operating margin	(%)	5.7%	6.3%	6.3%	6.2%	6.3%	6.4%	6.4%
EBITDA margin	(%)	7.4%	8.1%	8.2%	8.0%	8.2%	8.2%	8.4%
Net margin	(%)	2.7%	3.4%	3.7%	3.7%	3.9%	3.7%	4.0%
ROAA	(%)	3.2%	4.2%	4.9%	5.2%	5.6%	5.2%	5.6%
ROAE (exc. MI)	(%)	34.3%	40.2%	36.0%	49.0%	40.7%	49.0%	40.7%
Inventory days		27.1	28.0	27.7	24.3	24.3	24.3	24.3
Account payable days		73.6	72.2	69.3	59.6	59.4	59.6	59.4
Cash cycle days		(46.4)	(44.2)	(41.6)	(35.3)	(35.1)	(35.3)	(35.1)
Earnings per share	(Bt.)	1.1	1.5	1.9	0.5	0.5	0.9	1.0
Book value per share	(Bt.)	3.4	4.2	6.1	4.1	6.1	4.1	6.1



# Key Performance Ratios – Company Only



Financial Ratios		2014	2015	2016	2Q16	2Q17	1H16	1H17
Gross margin (sales & service)	(%)	27.7%	28.0%	28.3%	28.5%	28.3%	28.5%	28.2%
Operating margin	(%)	7.7%	8.4%	8.6%	10.6%	10.8%	9.2%	9.2%
EBITDA margin	(%)	9.5%	10.2%	10.2%	12.3%	12.6%	10.8%	10.9%
Net margin	(%)	3.8%	4.6%	5.1%	7.2%	7.7%	5.6%	5.9%
ROAA	(%)	3.3%	4.3%	5.2%	6.0%	6.5%	6.0%	6.5%
ROAE (exc. MI)	(%)	33.9%	40.6%	37.1%	57.1%	46.0%	57.1%	46.0%
Inventory days		23.0	22.6	21.9	20.7	20.9	20.7	20.9
Account payable days		69.5	69.2	65.0	60.0	60.3	60.0	60.3
Cash cycle days		(46.5)	(46.7)	(43.1)	(39.3)	(39.4)	(39.3)	(39.4)
Earnings per share	(Bt.)	1.0	1.3	1.6	0.6	0.7	0.9	1.0
Book value per share	(Bt.)	2.9	3.3	5.1	3.3	5.0	3.3	5.0

Balance Sheet Unit : Million Baht	2014	2015	2016	2Q16	2Q17
Cash	4,564	2,230	2,550	931	1,664
Inventory	10,628	12,954	13,485	11,426	10,895
Other current assets	2,214	2,142	2,493	1,970	2,533
Fixed assets	23,655	27,039	30,319	28,750	30,835
Other assets	2,605	3,545	4,012	3,818	6,937
<b>Total assets</b>	<b>43,666</b>	<b>47,910</b>	<b>52,859</b>	<b>46,895</b>	<b>52,864</b>
Account payable	20,629	22,164	24,458	19,400	18,856
Other current liabilities	4,120	3,906	3,824	3,563	4,243
Bank loan	5,226	6,614	7,423	8,439	11,539
Bond	-	-	-	-	-
Other liabilities	903	1,019	1,413	1,059	1,688
<b>Total liabilities</b>	<b>30,879</b>	<b>33,703</b>	<b>37,118</b>	<b>32,461</b>	<b>36,326</b>
Total equity of major S/H	12,787	14,207	15,721	14,433	16,215
Minority interest	-	-	20	-	323
<b>Total equity</b>	<b>12,787</b>	<b>14,207</b>	<b>15,742</b>	<b>14,433</b>	<b>16,538</b>

# Income Statement and Cash flow Statement – Makro



Income Statement Unit : Million Baht	2014	2015	2016	2Q16	2Q17	% YOY Growth	1H16	1H17	% YOY Growth
Revenue from Sales & Services	141,828	155,217	172,092	42,903	45,204	5.4%	85,273	91,518	7.3%
Other Income	704	700	698	169	226	33.6%	378	1,453	284.3%
<b>Total revenue</b>	<b>142,532</b>	<b>155,917</b>	<b>172,790</b>	<b>43,072</b>	<b>45,430</b>	<b>5.5%</b>	<b>85,651</b>	<b>91,993</b>	<b>7.4%</b>
Cost of Sales & Services	126,771	137,937	153,722	38,641	40,329	4.4%	76,559	81,264	6.1%
Total SG&A	9,386	10,930	12,044	2,955	3,519	19.1%	5,966	7,047	18.1%
EBIT	6,375	7,050	7,024	1,476	1,582	7.2%	3,126	3,681	17.8%
<b>Net profit</b>	<b>4,922</b>	<b>5,378</b>	<b>5,412</b>	<b>1,132</b>	<b>1,231</b>	<b>8.7%</b>	<b>2,387</b>	<b>2,854</b>	<b>19.6%</b>
EBITDA	7,816	8,920	9,125	1,986	2,179	9.7%	4,130	4,853	17.5%

Cashflow Statement	2014	2015	2016	1H16	1H17
CFO	7,661	6,701	9,071	2,016	2,083
CFI	(6,967)	(6,371)	(5,544)	(2,914)	(4,235)
CFF	(1,140)	(2,665)	(3,207)	(401)	1,265

# Key Performance Ratios – Makro



Financial Ratios		2014	2015	2016	2Q16	2Q17	1H16	1H17
Gross margin (sales)	(%)	9.0%	9.6%	9.2%	8.5%	9.5%	8.7%	9.8%
Gross margin (Total revenue)	(%)	11.1%	11.5%	11.0%	10.3%	11.2%	10.6%	11.7%
Operating margin	(%)	4.5%	4.5%	4.1%	3.4%	3.5%	3.6%	4.0%
EBITDA margin	(%)	5.5%	5.7%	5.3%	4.6%	4.8%	4.8%	5.3%
Net profit margin	(%)	3.5%	3.4%	3.1%	2.6%	2.7%	2.8%	3.1%
ROA	(%)	12.3%	11.7%	10.7%	11.5%	11.8%	11.5%	11.8%
ROE (exc. MI)	(%)	41.3%	39.8%	36.1%	36.2%	38.4%	36.2%	38.4%
Inventory days		28.4	29.9	29.9	27.8	26.5	28.1	26.3
Account payable days		55.1	55.8	54.6	48.4	48.3	48.9	48.0
Cash cycle days		(26.7)	(25.9)	(24.7)	3.4	4.3	3.4	4.2
Earnings per share	(Bt.)	1.0	1.1	1.1	0.2	0.3	0.5	0.6
Book value per share	(Bt.)	2.7	3.0	3.3	3.0	3.4	3.0	3.4

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CPALL Investor Relations  
investor@cpall.co.th  
+(662)071 2501

