

Thailand Morning Cuppa

Top Story

CP All (CPALL TB, BUY, TP: THB75.50)

3Q23 Results In Line; Still BUY

Results Review

Still BUY and THB75.50 TP (DCF), 35% upside and c.2% yield. 3Q23 core profit was 2023's weakest quarter – in line with our forecast – but we expect numbers to seasonally improve YoY and QoQ in 4Q23. CP All may also benefit from local consumption boost schemes as near-term catalysts.

Analyst: Vatcharut Vacharawongsith +66 2088 9736

Today's Report: [CP All : 3Q23 Results In Line; Still BUY \(13 Nov 2023\)](#)

Previous Report: [CP All : A Better 4Q Ahead; Maintain BUY \(11 Oct 2023\)](#)

Thematics / Ground Checks

- ◆ [Ageing ASEAN : All That Glitters In The Silver Economy \(8 Nov 2023\)](#)
- ◆ [Energy : Carbon Trading In The Era Of Decarbonisation \(31 Jul 2023\)](#)
- ◆ [Regional Market Strategy : ASEAN On the Mend \(26 Jul 2023\)](#)
- ◆ [Construction : Net Zero Construction \(25 Jul 2023\)](#)
- ◆ [Airports of Thailand : Ground Checks: BKK Free Zone Site Visit KTA; Keep BUY \(15 Jun 2023\)](#)
- ◆ [PTT : Ground Checks: KTAs From East Coast Site Visit; Keep BUY \(12 Jun 2023\)](#)
- ◆ [RHB Top 20 Thailand Small Cap Companies Jewels 2023 \(2023 Edition\)](#)
- ◆ [Regional Thematic : ESG – Envisioning a Better Future: Change In Methodology \(2 May 2023\)](#)
- ◆ [Telecommunications : The Rise Of Data Centres In ASEAN \(13 Apr 2023\)](#)
- ◆ [ESG Diamonds In The Rough : Our Best Investment Ideas \(14 Feb 2023\)](#)
- ◆ [Logistics : The Future Of ASEAN Logistics \(29 Nov 2022\)](#)

Recent Stories

[Thailand Morning Cuppa : 10 November 2023 Home Product Center : Seeking Rebounds; Still BUY](#)

[Star Petroleum Refining : Solid 3Q23 From High GRM; Keep BUY](#)

[Thailand Morning Cuppa : 9 November 2023 Berli Jucker : Bottoming Out In 3Q23; Keep BUY Thai Oil : Strong 3Q23 Due To High GRM; BUY](#)

[Thailand Morning Cuppa : 8 November 2023 – Mid-Morning Edition](#)

[Thailand Morning Cuppa : 8 November 2023 Expert Speaker Series - TDRI : KTA: Thailand's Economic Outlook For 2023-2024](#)

[Health Care Facilities & Svcs : All That Glitters In The Silver Economy](#)

[AP \(Thailand\) : 3Q23 Earnings Growth Against Industry Trend](#)

[Land and Houses : Brighter Sky On The Horizon; Maintain BUY](#)

[Thailand Morning Cuppa : 6 November 2023 Charoen Pokphand Foods : Expect Weak 3Q23, Recovery In 4Q And 2024](#)

[Minor International : Hotel Business Continues Improvement; Keep BUY](#)

[Thailand Morning Cuppa : 7 November 2023 Thai Union Group : Product Rightsizing Leads To Strong 3Q23; BUY](#)

Top BUYs

	TP (THB)	Upside (%)	Catalysts
Advanced Info Service (ADVANC TB)	252	13.51	<ul style="list-style-type: none"> A further recovery in mobile revenue from higher roaming and prepaid sales (increased tourist flows). The earlier removal of fixed speed unlimited plans should mitigate the pressure on ARPU from weaker economic sentiment Sustained double-digit growth in the fixed broadband or FBB segment on higher homes passed (strengthened further by the acquisition of TTT Broadband) The potential monetisation of its tower assets looks to be share price catalyst in the mid- to longer-term Key downside risks are competition, weaker than expected earnings and political/economic headwinds
Airports of Thailand (AOT TB)	84	24.44	<ul style="list-style-type: none"> The peak air travel period in 1QFY24-2QFY24F (Sep), should strengthen 1H earnings. Suvarnabhumi airport's new Satellite Terminal opening in Sep 2023 should help drive AOT's earnings and limit the erosion from additional opex (c.THB2.4bn pa) on the project from 1QFY24F onwards. The Government's tourism stimulus policies, including a visa-free scheme, may attract visitors. A possible change in Suvarnabhumi Airport's duty-free concession fee mechanism to the more lucrative minimum guarantee basis from the current revenue sharing/head (if its passenger numbers hit 66m pa) should boost revenue from its concession business. Expect 4QFY23F core profit of THB4.21bn – pointing to a turnaround YoY from the loss of THB1.06bn (+29% QoQ) in the period a year before.
AP (Thailand) (AP TB)	14.70	31.25	<ul style="list-style-type: none"> AP should be one of the major residential developers to record a quarterly earnings uptrend for FY23 – from the weakest quarter in 1Q23 to the strongest in 4Q23. So far, its transfers of housing units within its low-rise projects and the condominium segment are progressing smoothly. Based on AP's strong performance in accelerating presales on YTD basis, its 3Q23 presales was quite strong at THB11.7bn – 72% of it from the low-rise project segment, especially in its key strength area of mid- to high-end market. While AP is seeking a recovery of its condominium presales from FY22's low base, we expect the company to achieve its FY23 presales target of THB58bn (+15%YoY) based on its current 9M23 presales of THB35.3bn has accounted for 61% of the full-year target.
Bangkok Dusit Medical Services (BDMS TB)	35.25	31.78	<ul style="list-style-type: none"> 4Q23 earnings may still expand YoY, on the continued return of Thai and foreign patients to its hospitals. On foreign patients, BDMS may see growing numbers from the Middle East and China. Fly-in China patients should benefit the Thai Government's visa-free scheme, aside from the solid income already coming from hospital billings for China expatriates. The growing performance due to Thai patients will be driven by revenue intensity and annualised year-end health check-up programmes. Expect core profit to rise 6% YoY to THB13.31bn in 2023, then by a further 7% in 2024. 2023 profit growth would be based on 6% YoY revenue growth (guidance: +6-8% YoY), its Thai and foreign patient revenue mix of 28:72, stable bed occupancy rates, and a decent EBITDA margin of c.24%.
Central Pattana (CPN TB)	85	31.27	<ul style="list-style-type: none"> Malls' occupancy rates may gradually increase via a plan to ramp-up activities in common areas, while seeking more global brands' flagship store tenants at key properties. New malls were secured in 2H23-2024. Central WestVille may see a c.80% occupancy rate on opening day in late Nov 2023, while three in Nakhon Sawan, Nakhon Pathom, and Krabi will open in 1Q24, 2Q24, and 4Q24. 33% and 45% of a total THB6.5bn backlog for residential rental business (9% sales mix) will be transferred in 2H23 and 2024, while the launches of two high-rise and four low-rise projects in 2H23 may help sustain the housing rental topline over the next two years. 4Q23 – a high season for malls, hotels, and residential businesses could propel 2023F earnings to beat 2019 levels by 11%.
Central Retail Corp (CRC TB)	54	41.18	<ul style="list-style-type: none"> Performance of fashion and leasable property segments to bring revenue back to pre-pandemic levels, and improve the profit margin expansions. Sales from international tourists is at >10%, beating 2019's c.5%, and this momentum may improve throughout the rest of 2023, to be driven by an increasing Chinese arrivals. A better outlook for the hardline unit in 2H23F on the aggressive opening of 10 Thai Watsadu stores, healthier sales momentum of Ngyuen Kim appliance stores in Vietnam post its business restructuring, and utility costs optimisation. CRC's penetration into the wholesale store format may capture growth in food-related businesses and help drive earnings in the longer term, while its synergies with parent Central Group may secure the platform's expansion and optimise profit margin. Expect a better 2H23 performance than 1H23; 3Q23F earnings may expand YoY, before improving both YoY and QoQ in 4Q – a high season for retailers.

Top BUYs

	TP (THB)	Upside (%)	Catalysts
CP All (CPALL TB)	75.50	35.43	<ul style="list-style-type: none"> An indirect beneficiary of planned stimulus measures, as traditional retailers may visit CPAXT's wholesale stores more frequently to replenish their stocks as their sales increase due to the scheme. Resumption of 7-Eleven annual stamp campaign may improve its CVS traffic and maintain the average momentum of sales in 4Q23F. 4Q23F core profit may expand YoY and QoQ to record the highest quarterly earnings this year, driven by the CVS, Makro, and Lotus's businesses, as it is the high season for retailers. It should also benefit from electricity price cuts and declining interest expenses. Its subsidiary CPAXT should see better SSSG, although opex may increase from Lotus's promotional campaigns, new stores' pre-opening costs, and online wholesale facility expansions.
The Erawan Group (ERW TB)	6.10	22.00	<ul style="list-style-type: none"> Success in diversifying its top source market portfolio with an improving outlook, including China (16% revenue contribution), Thailand (13% revenue contribution), the US (10%), Singapore (7%) and India (5%). The strong demand and higher room rates would support ERW's hotels in the mid-scale and economy segments (c.37% of group revenue in total) to deliver RevPAR growth of 62% and 88% YoY in 2023, which may be higher than that of luxury (+44%) and budget hotels (+11%) in Thailand. Amid negative sentiment over recent incidents and the Thai Government's attempt to boost tourism, ERW may continue gaining strong earnings momentum during a typical high tourism season in 4Q23. Expect a 2023 core profit turnaround to THB778m, exceeding the 2019 levels, and printing a record high. Long-term expansion of the network of Hop Inn budget hotels and as well as the hotels abroad (ie in the Philippines and Japan).
PTT (PTT TB)	44	33.33	<ul style="list-style-type: none"> PTT's movement into the EV venture is not emphasize merely growth, but it also aims on strategic move to diversify and position itself on the industry megatrend of green energy to grow out of its traditional energy. Inflation in Thailand fell to 0.30% in September from 0.88% in August, due mainly to lower prices of energy (backed by government subsidies) and food. After the price subsidies come to expire and without further extension periods. Inflation can come back again and may be spike in 1Q24. It is suitable to have defensive stock against inflation. PTT is expected to continuously pay an attractive dividend yield of 5% in 2023. Continue on several new businesses with high margin such as pharmaceutical and life science products.
PTT Exploration & Production (PTTEP TB)	191	18.27	<ul style="list-style-type: none"> Hamas' attack on Israel has raised geopolitical tensions. Both are not a major oil producers. However, there is a concern that the conflict can be elaborated to be higher regional tension. Saudi Arabia and Russia are largely in control. The recent rally is largely led by Saudi Arabia's and Russia's extension of their voluntary oil output cuts until the end of this year. This is should enhance oil prices in 2023. Gas sales volumes in 2023 are likely to improve. The Erawan G1/61 site, which previously had issues with site access, is now seeing more developments, as the company has sited eight production rigs there. Production should therefore increase from 200mmcf/d in 2022 to 800mmcf/d in April 2024.
Thai Union Group (TU TB)	17.50	25.00	<ul style="list-style-type: none"> TU Management expects tuna price in 2H23 to dwindle from the USD1,900/tonne level in 1H23. Tuna price in Jul and Aug 2023 were USD1,900/tonne and USD1,800/tonnes, respectively, The September tuna price is continuously lower at USD1,700/tonne. lower than expensive point of USD2,000/tonne – and is likely to decrease to move around c.USD1,700/ tonne in 4Q23, due to end of the FAD fishing ban. Thai Union Group is expected to manifest a better 2H23 after see recovery momentum of Thai export after soft 1Q-2Q23 due to lower volume on higher inventory and raw material costs earlier. TU is expected to continuously pay an attractive dividend yield of 4% in 2023.

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

Investment Research Disclaimers

RHB has issued this report for information purposes only. This report is intended for circulation amongst RHB and its affiliates' clients generally or such persons as may be deemed eligible by RHB to receive this report and does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may receive this report. This report is not intended, and should not under any circumstances be construed as, an offer or a solicitation of an offer to buy or sell the securities referred to herein or any related financial instruments.

This report may further consist of, whether in whole or in part, summaries, research, compilations, extracts or analysis that has been prepared by RHB's strategic, joint venture and/or business partners. No representation or warranty (express or implied) is given as to the accuracy or completeness of such information and accordingly investors should make their own informed decisions before relying on the same.

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to the applicable laws or regulations. By accepting this report, the recipient hereof (i) represents and warrants that it is lawfully able to receive this document under the laws and regulations of the jurisdiction in which it is located or other applicable laws and (ii) acknowledges and agrees to be bound by the limitations contained herein. Any failure to comply with these limitations may constitute a violation of applicable laws.

All the information contained herein is based upon publicly available information and has been obtained from sources that RHB believes to be reliable and correct at the time of issue of this report. However, such sources have not been independently verified by RHB and/or its affiliates and this report does not purport to contain all information that a prospective investor may require. The opinions expressed herein are RHB's present opinions only and are subject to change without prior notice. RHB is not under any obligation to update or keep current the information and opinions expressed herein or to provide the recipient with access to any additional information. Consequently, RHB does not guarantee, represent or warrant, expressly or impliedly, as to the adequacy, accuracy, reliability, fairness or completeness of the information and opinion contained in this report. Neither RHB (including its officers, directors, associates, connected parties, and/or employees) nor does any of its agents accept any liability for any direct, indirect or consequential losses, loss of profits and/or damages that may arise from the use or reliance of this research report and/or further communications given in relation to this report. Any such responsibility or liability is hereby expressly disclaimed.

Whilst every effort is made to ensure that statement of facts made in this report are accurate, all estimates, projections, forecasts, expressions of opinion and other subjective judgments contained in this report are based on assumptions considered to be reasonable and must not be construed as a representation that the matters referred to therein will occur. Different assumptions by RHB or any other source may yield substantially different results and recommendations contained on one type of research product may differ from recommendations contained in other types of research. The performance of currencies may affect the value of, or income from, the securities or any other financial instruments referenced in this report. Holders of depositary receipts backed by the securities discussed in this report assume currency risk. Past performance is not a guide to future performance. Income from investments may fluctuate. The price or value of the investments to which this report relates, either directly or indirectly, may fall or rise against the interest of investors.

This report may contain comments, estimates, projections, forecasts and expressions of opinion relating to macroeconomic research published by RHB economists of which should not be considered as investment ratings/advice and/or a recommendation by such economists on any securities discussed in this report.

This report does not purport to be comprehensive or to contain all the information that a prospective investor may need in order to make an investment decision. The recipient of this report is making its own independent assessment and decisions regarding any securities or financial instruments referenced herein. Any investment discussed or recommended in this report may be unsuitable for an investor depending on the investor's specific investment objectives and financial position. The material in this report is general information intended for recipients who understand the risks of investing in financial instruments. This report does not take into account whether an investment or course of action and any associated risks are suitable for the recipient. Any recommendations contained in this report must therefore not be relied upon as investment advice based on the recipient's personal circumstances. Investors should make their own independent evaluation of the information contained herein, consider their own investment objective, financial situation and particular needs and seek their own financial, business, legal, tax and other advice regarding the appropriateness of investing in any securities or the investment strategies discussed or recommended in this report.

This report may contain forward-looking statements which are often but not always identified by the use of words such as "believe", "estimate", "intend" and "expect" and statements that an event or result "may", "will" or "might" occur or be achieved and other similar expressions. Such forward-looking statements are based on assumptions made and information currently available to RHB and are subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievement to be materially different from any future results, performance or achievement, expressed or implied by such forward-looking statements. Caution should be taken with respect to such statements and recipients of this report should not place undue reliance on any such forward-looking statements. RHB expressly disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or circumstances after the date of this publication or to reflect the occurrence of unanticipated event

The use of any website to access this report electronically is done at the recipient's own risk, and it is the recipient's sole responsibility to take precautions to ensure that it is free from viruses or other items of a destructive nature. This report may also provide the addresses of, or contain hyperlinks to, websites. RHB takes no responsibility for the content contained therein. Such addresses or hyperlinks (including addresses or hyperlinks to RHB own website material) are provided solely for the recipient's convenience. The information and the content of the linked site do not in any way form part of this report. Accessing such website or following such link through the report or RHB website shall be at the recipient's own risk.

This report may contain information obtained from third parties. Third party content providers do not guarantee the accuracy, completeness, timeliness or availability of any information and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such content. Third party content providers give no express or implied warranties, including, but not limited to, any warranties of merchantability or fitness for a particular purpose or use. Third party content providers shall not be liable for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including lost income or profits and opportunity costs) in connection with any use of their content.

The research analysts responsible for the production of this report hereby certifies that the views expressed herein accurately and exclusively reflect his or her personal views and opinions about any and all of the issuers or securities analysed in this report and were prepared independently and autonomously. The research analysts that authored this report are precluded by RHB in all circumstances from trading in the securities or other financial instruments referenced in the report, or from having an interest in the company(ies) that they cover.

The contents of this report is strictly confidential and may not be copied, reproduced, published, distributed, transmitted or passed, in whole or in part, to any other person without the prior express written consent of RHB and/or its affiliates. This report has been delivered to RHB and its affiliates' clients for information purposes only and upon the express understanding that such parties will use it only for the purposes set forth above. By electing to view or accepting a copy of this report, the recipients have agreed that they will not print, copy, videotape, record, hyperlink, download, or otherwise attempt to reproduce or re-transmit (in any form including hard copy or electronic distribution format) the contents of this report. RHB and/or its affiliates accepts no liability whatsoever for the actions of third parties in this respect.

The contents of this report are subject to copyright. Please refer to Restrictions on Distribution below for information regarding the distributors of this report. Recipients must not reproduce or disseminate any content or findings of this report without the express permission of RHB and the distributors.

The securities mentioned in this publication may not be eligible for sale in some states or countries or certain categories of investors. The recipient of this report should have regard to the laws of the recipient's place of domicile when contemplating transactions in the securities or other financial instruments referred to herein. The securities discussed in this report may not have been registered in such jurisdiction. Without prejudice to the foregoing, the recipient is to note that additional disclaimers, warnings or qualifications may apply based on geographical location of the person or entity receiving this report.

The term "RHB" shall denote, where appropriate, the relevant entity distributing or disseminating the report in the particular jurisdiction referenced below, or, in every other case, RHB Investment Bank Berhad and its affiliates, subsidiaries and related companies.

RESTRICTIONS ON DISTRIBUTION

Malaysia

This report is issued and distributed in Malaysia by RHB Investment Bank Bhd. The views and opinions in this report are our own as of the date hereof and is subject to change. If the Financial Services and Markets Act of the United Kingdom or the rules of the Financial Conduct Authority apply to a recipient, our obligations owed to such recipient therein are unaffected. RHB Investment Bank Bhd has no obligation to update its opinion or the information in this report.

Thailand

This report is issued and distributed in the Kingdom of Thailand by RHB Securities (Thailand) PCL, a licensed securities company that is authorised by the Ministry of Finance, regulated by the Securities and Exchange Commission of Thailand and is a member of the Stock Exchange of Thailand. The Thai Institute of Directors Association has disclosed the Corporate Governance Report of Thai Listed Companies made pursuant to the policy of the Securities and Exchange Commission of Thailand. RHB Securities (Thailand) PCL does not endorse, confirm nor certify the result of the Corporate Governance Report of Thai Listed Companies.

Indonesia

This report is issued and distributed in Indonesia by PT RHB Sekuritas Indonesia. This research does not constitute an offering document and it should not be construed as an offer of securities in Indonesia. Any securities offered or sold, directly or indirectly, in Indonesia or to any Indonesian citizen or corporation (wherever located) or to any Indonesian resident in a manner which constitutes a public offering under Indonesian laws and regulations must comply with the prevailing Indonesian laws and regulations.

Singapore

This report is issued and distributed in Singapore by RHB Bank Berhad (through its Singapore branch) which is an exempt capital markets services entity and an exempt financial adviser regulated by the Monetary Authority of Singapore. RHB Bank Berhad (through its Singapore branch) may distribute reports produced by its respective foreign entities, affiliates or other foreign research houses pursuant to an arrangement under Regulation 32C of the Financial Advisers Regulations. Where the report is distributed in Singapore to a person who is not an Accredited Investor, Expert Investor or an Institutional Investor, RHB Bank Berhad (through its Singapore branch) accepts legal responsibility for the contents of the report to such persons only to the extent required by law. Singapore recipients should contact RHB Bank Berhad (through its Singapore branch) in respect of any matter arising from or in connection with the report.

United States

This report was prepared by RHB is meant for distribution solely and directly to "major" U.S. institutional investors as defined under, and pursuant to, the requirements of Rule 15a-6 under the U.S. Securities and Exchange Act of 1934, as amended (the "Exchange Act") via a registered U.S. broker-dealer as appointed by RHB from time to time. Accordingly, any access to this report via Bursa Marketplace or any other Electronic Services Provider is not intended for any party other than "major" US institutional investors (via a registered U.S broker-dealer), nor shall be deemed as solicitation by RHB in any manner. RHB is not registered as a broker-dealer in the United States and currently has not appointed a U.S. broker-dealer. Additionally, RHB does not offer brokerage services to U.S. persons. Any order for the purchase or sale of all securities discussed herein must be placed with and through a registered U.S. broker-dealer as appointed by RHB from time to time as required by the Exchange Act Rule 15a-6. For avoidance of doubt, RHB reiterates that it has not appointed any U.S. broker-dealer during the issuance of this report. This report is confidential and not intended for distribution to, or use by, persons other than the recipient and its employees, agents and advisors, as applicable. Additionally, where research is distributed via Electronic Service Provider, the analysts whose names appear in this report are not registered or qualified as research analysts in the United States and are not associated persons of any registered U.S. broker-dealer as appointed by RHB from time to time and therefore may not be subject to any applicable restrictions under Financial Industry Regulatory Authority ("FINRA") rules on communications with a subject company, public appearances and personal trading. Investing in any non-U.S. securities or related financial instruments discussed in this research report may present certain risks. The securities of non-U.S. issuers may not be registered with, or be subject to the regulations of, the U.S. Securities and Exchange Commission. Information on non-U.S. securities or related financial instruments may be limited. Foreign companies may not be subject to audit and reporting standards and regulatory requirements comparable to those in the United States. The financial instruments discussed in this report may not be suitable for all investors. Transactions in foreign markets may be subject to regulations that differ from or offer less protection than those in the United States.

Please refer to the following link ([RHB Research Conflict Disclosures - Nov 2023](#)) and the Disclosure of Conflict of Interest in each of the research reports provided in this email for more details.

Kuala Lumpur

RHB Investment Bank Bhd
Level 3A, Tower One, RHB Centre
Jalan Tun Razak
Kuala Lumpur
Malaysia
Tel : +(60) 3 9280 8888
Fax : +(60) 3 9200 2216

Singapore

RHB Bank Berhad (Singapore branch)
90 Cecil Street
#04-00 RHB Bank Building
Singapore 069531
Fax: +65 6509 0470

Jakarta

PT RHB Sekuritas Indonesia
Revenue Tower, 11th Floor, District 8 - SCBD
Jl. Jendral Sudirman Kav 52-53
Jakarta 12190
Indonesia
Tel : +6221 509 39 888
Fax : +6221 509 39 777

Bangkok

RHB Securities (Thailand) PCL
10th Floor, Sathorn Square Office Tower
98, North Sathorn Road, Silom
Bangrak, Bangkok 10500
Thailand
Tel: +(66) 2 088 9999
Fax : +(66) 2 088 9799