

CP ALL (CPALL TB)

Resilient Outlook Amid Uncertainty

Highlights

- The market is overly concerned about war-related risks, and the current valuation has been discounted, trading at a 2026F PE of 13.3x,
- Under a low probability worst case scenario, the total earnings downside would be 6.9%, vs a sharp 15% mtd share price decline.
- Maintain BUY with a target price of Bt62.00.

Analysis

- The market is overly concerned about war-related risks, and the current valuation has been discounted, trading at a 2026F PE of 13.3x, which implies a dividend yield of 3.8%.
- **The direct impact is expected to be manageable.** There are three key risks that could directly affect CP ALL (CPALL): a) energy price hikes. CPALL incurs logistics costs, including mid-mile and last-mile delivery, as well as utility expenses, both of which could increase; b) shortages of packaging materials and rising food prices which could impact CPALL's food manufacturing business (CPRAM). However, the impact should be limited, as CPRAM contributes only around 4% of CPALL's earnings; and c) rising bond yields. Corporate bond yields have increased by around 30bp ytd, based on ThaiBMA data. CPALL has approximately Bt18.5b of bonds to roll over (around 6% of its total debentures).
- **The share price decline exceeds the worst-case impact.** Under a low-probability worst-case scenario where: a) diesel prices rise to Bt40 (2.2% impact); b) Ft is at Bt4.59 (3.5% impact); c) CPRAM earnings fall 30% (1.1% impact); and d) bond yields increase 30bp (0.1% impact), the total earnings downside would be 6.9%, vs a sharp 15% mtd share price decline.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	987,143.0	1,021,588.0	1,033,946.7	1,064,133.6	1,111,499.9
EBITDA	87,269.0	90,540.2	93,446.9	96,861.4	100,698.5
Operating profit	50,064.2	52,763.7	55,300.5	56,369.4	57,834.5
Net profit (rep./act.)	25,345.8	28,206.1	30,180.4	30,948.1	32,059.6
Net profit (adj.)	24,613.6	27,711.8	29,600.3	30,362.2	31,467.8
EPS	2.7	3.1	3.3	3.4	3.5
PE (x)	16.0	14.2	13.3	12.9	12.5
P/B (x)	3.1	2.8	2.5	2.3	2.1
EV/EBITDA (x)	11.0	10.8	10.2	9.9	9.5
Dividend yield (%)	3.1	3.8	4.1	4.2	4.3
Net margin (%)	2.6	2.8	2.9	2.9	2.9
Net debt/(cash) to equity(%)	291.6	281.4	237.0	215.5	193.3
Interest cover (x)	5.9	6.3	6.7	6.9	7.2
ROE (%)	21.3	21.3	20.4	17.2	17.0
Consensus net profit	n.a	n.a	31,012.0	33,708.0	36,763.6
UOBKH/Consensus (x)	n.a	n.a	1.0	0.9	0.9

Source: CP ALL, Bloomberg, UOB Kay Hian

BUY (Maintained)

Share Price	Bt43.75
Target Price	Bt62.00
Upside	+41.71%

Analyst(s)

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Stock Data

GICS sector	Consumer Staples
Bloomberg ticker:	CPALL TB
Shares issued (m):	8,911.5
Market cap (Bt\$m):	389,878.3
Market cap (US\$m):	11,801.6
3-mth avg daily t'over (US\$m):	59.2

Price Performance (%)

52-week high/low	Bt54.5/Bt41.0				
1mth	3mth	6mth	1yr	YTD	
(12.0)	5.8	(5.6)	(8.9)	5.8	

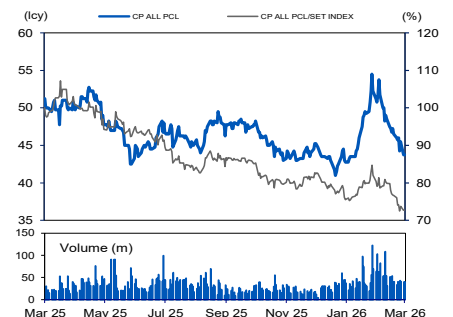
Major Shareholders

	%
CPF	30.78
NVDR	13.20
SOUTH EAST EUROPE LIMITED	3.13

Balance Sheet Metrics

	%
FY26 NAV/Share (Bt)	17.5
FY26 Net Debt/Share (Bt)	41.6

Price Chart



Source: Bloomberg

Company Description

Operator of Thai 7-Eleven stores, controlling more than 50% share of convenience store market in Thailand.

Essential

- 1Q26 outlook is expected to outperform.** We expect 1Q26 earnings to outperform its peers, supported by positive same-store sales (SSSG) at 7-Eleven and an increasing contribution from ready-to-eat food, which should support gross margins. We expect SSSG in Mar 26 to remain in positive territory, driven by consumers panic buying amid shortage concerns, while increased traffic at gas stations should also benefit 7-Eleven traffic in 1Q26.
- Mild impact from Thai Chuay Thai measure.** The Ministry of Commerce is preparing to launch the “Thai Chuay Thai – Cost of Living Relief” programme and is currently in discussions with retailers and suppliers to select and promote essential household products at special prices, with a focus on house brands and second-tier brands. The programme will primarily target consumer staple products and is expected to commence in April, with a duration of two months. We believe CPALL, whose convenience store business relies more on products from third-party manufacturers, will be less impacted than its peers.

Valuation/Recommendation

- Maintain BUY with a target price of Bt62.00.** Our target price is based on 18x 2026F PE, or -1SD to its five-year average. The stock is trading at an undemanding 13.3x PE, below sector peers, while the 2025 annual dividend will go ex-dividend on 30 April, providing a dividend yield of 3.8%. Hence, we maintain our BUY recommendation.

Earnings Revision/Risk

- No earnings revision.

Share Price Catalyst

- Catalysts:** Higher contribution from high-margin products, attractive valuation.
- Risks:** Intense competition, weak purchasing power.
- Dividend announcement.** The company announced a dividend of Bt1.65 per share, implying a 3.75% dividend yield and a higher dividend payout ratio. XD date: 30 Apr 26.

Environment, Social, Governance (ESG) Updates

CG Report: 5

SET ESG Rating: AAA

Environment

- 7 Go Green.** CPALL plans to achieve carbon neutrality by 2030 and to achieve net zero greenhouse gas emissions by 2050.
- CPALL is keen to improve sustainable developments such as green packaging management and food waste management.

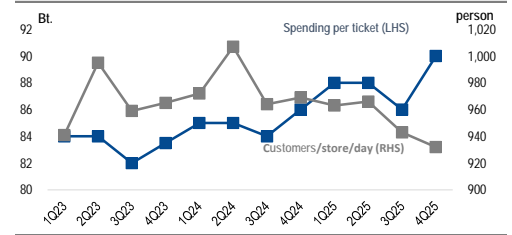
Social

- 7 Go Together.** CPALL supports social development through various initiatives, such as supporting SMEs and increasing the number of new health and nutrition products and services.

Governance

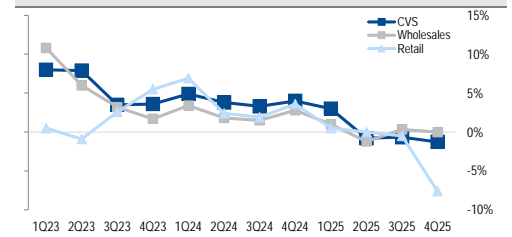
- 7 Go Right.** CPALL was certified for renewed membership in Thailand’s Private Sector Collective Action Coalition Against Corruption for 2023-26.

Ticket Size And Foot Traffic



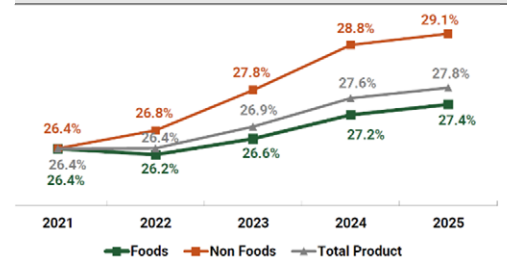
Source: CPALL, UOB Kay Hian

Same-store Sales Growth



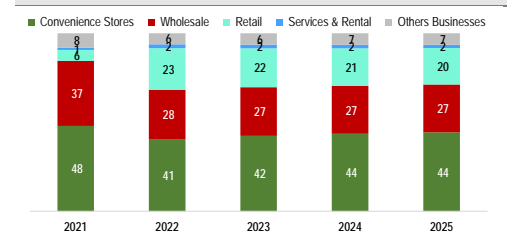
Source: CPALL, UOB Kay Hian

Product Margin



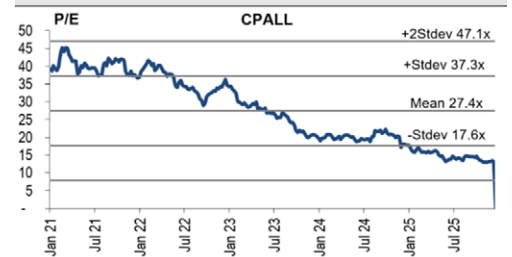
Source: CPALL, UOB Kay Hian

Sales Contribution Before Elimination



Source: CPALL, UOB Kay Hian

PE Band



Source: Bloomberg, UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	1,021,588	1,033,947	1,064,134	1,111,500
EBITDA	90,540	93,447	96,861	228,354
Deprec. & amort.	37,777	38,146	40,492	42,864
EBIT	52,764	55,301	56,369	185,490
Total other non-operating income	9	0	0	0
Associate contributions	580	580	586	592
Net interest income/(expense)	(14,347)	(14,022)	(13,980)	(13,937)
Pre-tax profit	38,919	41,859	42,976	172,144
Tax	(7,045)	(7,637)	(7,842)	(8,121)
Minorities	(3,669)	(4,042)	(4,185)	(4,309)
Net profit	28,206	30,180	30,948	159,715
Net profit (adj.)	27,712	29,600	30,362	159,123

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Fixed assets	803,684	816,376	827,584	837,490
Other LT assets	26,572	26,889	32,514	38,745
Cash/ST investment	53,561	68,251	69,294	76,653
Other current assets	98,997	90,603	95,032	101,553
Total assets	982,814	1,002,119	1,024,424	1,054,441
ST debt	75,885	75,885	75,885	75,885
Other current liabilities	174,694	178,231	181,582	190,628
LT debt	366,454	365,754	365,054	364,354
Other LT liabilities	34,236	35,358	35,893	37,619
Shareholders' equity	138,141	157,553	172,486	188,122
Minority interest	193,403	189,338	193,523	197,832
Total liabilities & equity	982,814	1,002,119	1,024,424	1,054,441

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	74,255	84,299	74,547	81,758
Pre-tax profit	38,919	41,859	42,976	44,489
Tax	(7,045)	(7,637)	(7,842)	(8,121)
Deprec. & amort.	37,777	38,146	40,492	42,864
Working capital changes	(8,655)	12,027	(1,371)	2,312
Non-cash items	89	(97)	293	214
Other operating cashflows	13,170	0	0	0
Investing	(37,017)	(27,087)	(33,842)	(34,329)
Capex (growth)	(59,493)	(50,838)	(51,699)	(52,770)
Investments	111	(232)	(234)	(237)
Others	22,366	23,984	18,092	18,678
Financing	(38,370)	(42,522)	(39,662)	(40,070)
Dividend payments	(12,128)	(18,876)	(16,016)	(16,423)
Issue of shares	0	0	0	0
Proceeds from borrowings	17,751	(700)	(700)	(700)
Others/interest paid	(43,993)	(22,947)	(22,947)	(22,947)
Net cash inflow (outflow)	(1,131)	14,690	1,043	7,359
Beginning cash & cash equivalent	54,628	53,561	68,251	69,294
Ending cash & cash equivalent	53,497	68,251	69,294	76,653

Key Metrics

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	8.9	9.0	9.1	9.1
Pre-tax margin	3.8	4.0	4.0	4.0
Net margin	2.8	2.9	2.9	2.9
ROE	21.3	20.4	17.2	17.0
Growth				
Net profit (adj.)	12.6	6.8	2.6	3.6
Leverage				
Debt to total capital	133.4	127.3	120.5	114.1
Debt to equity	320.2	280.3	255.6	234.0
Net debt/(cash) to equity	281.4	237.0	215.5	193.3
Interest cover	6.3	6.7	6.9	7.2

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