

CP Aextra (CPAXT TB)

1Q26 Preview: Dropping From A High Base

Highlights

- We expect 1Q26 earnings to decline 6.6% yoy due to a lower gross margin, following a higher contribution from the dry food segment.
- SSSG was flat yoy, softening in Jan-Feb 26 and picking up in Mar 26.
- The current share price offers no upside to our target price. Maintain HOLD with a target price of Bt14.80.

1Q26 Earnings Preview

Year to 31 Dec (Btm)	1Q25	4Q25	1Q26F	yoy (%)	qoq (%)
Sales and services	129,300	133,579	134,049	3.7	0.4
Gross profit	21,068	21,205	21,412	1.6	1.0
SG&A	17,073	17,815	17,690	3.6	(0.7)
Net profit	2,643	2,563	2,469	(6.6)	(3.7)
Percent	1Q25	4Q25	1Q26F	(ppts)	(ppts)
Gross margin	16.3	15.9	16.0	(0.3)	0.1
SG&A to sales	13.2	13.3	13.2	(0.0)	(0.1)
Net profit margin	2.0	1.9	1.8	(0.2)	(0.1)

Source: CP Aextra

Analysis

- **Earnings to decline.** We expect CP Aextra (CPAXT) to report 1Q26 earnings of Bt2.5b, down 6.6% yoy and 3.7% qoq. Performance in 1Q26 was driven by the wholesale business, while the retail segment declined at a slower pace. Sales are expected to grow 3.7% yoy, mainly driven by new store expansion. Gross margin is expected to contract by 30bp yoy due to a higher contribution from dry food sales. SG&A is also expected to increase, in line with higher O2O sales.
- **Flat SSSG.** We expect CPAXT SSSG to be flattish in 1Q26. The sentiment in Jan-Feb26 was negative due to the absence of the e-receipt tax rebate scheme and sluggish domestic consumption. SSSG turned positive in Mar 26 due to consumer stockpiling, especially in dry food categories, which boosted SSSG for both the wholesale and retail businesses, coming in flat yoy in 1Q26.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	512,041.9	520,706.4	522,738.2	532,879.6	542,960.5
EBITDA	36,253.5	34,252.4	36,196.5	38,227.6	40,217.9
Operating profit	18,633.2	16,788.2	17,688.0	18,177.5	18,600.9
Net profit (rep./act.)	10,569.1	9,356.5	10,104.9	10,463.6	10,771.6
Net profit (adj.)	10,569.1	9,356.5	10,104.9	10,463.6	10,771.6
EPS	1.0	0.9	1.0	1.0	1.0
PE (x)	15.5	17.5	16.2	15.6	15.2
P/B (x)	0.6	0.6	0.5	0.5	0.5
EV/EBITDA (x)	8.2	9.5	8.9	8.5	8.0
Dividend yield (%)	4.5	4.5	4.8	4.9	5.1
Net margin (%)	2.1	1.8	1.9	2.0	2.0
Net debt/(cash) to equity(%)	44.1	52.6	51.4	51.9	50.8
Interest cover (x)	6.3	6.4	6.8	7.1	7.4
Consensus net profit	n.a	n.a	10,487.6	11,261.3	11,929.4
UOBKH/Consensus (x)	n.a	n.a	1.0	0.9	0.9

Source: CP Aextra, Bloomberg, UOB Kay Hian

HOLD (Maintained)

Share Price	Bt15.70
Target Price	Bt14.80
Upside	-5.73%

Analyst(s)

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Stock Data

GICS sector	Consumer Staples
Bloomberg ticker:	CPAXT TB
Shares issued (m):	10,427.7
Market cap (Bt\$m):	165,799.8
Market cap (US\$m):	5,105.2
3-mth avg daily t'over (US\$m):	13.3

Price Performance (%)

52-week high/low Bt25.8/Bt14.0

1mth	3mth	6mth	1yr	YTD
6.0	0.6	(30.6)	(39.4)	1.3

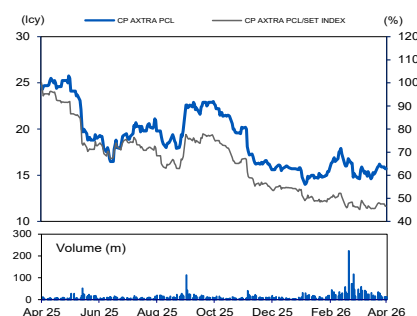
Major Shareholders

Shareholder	%
CP All	34.92
Siam Makro Holding	25.01
Charoen Pokphand Holding	15.96

Balance Sheet Metrics

Metric	%
FY26 NAV/Share (Bt)	29.0
FY26 Net Debt/Share (Bt)	14.9

Price Chart



Source: Bloomberg

Company Description

Wholesale business under the brand name "Makro" and retail business under the brand name "Lotus's".

- Wholesale business remains the key driver.** The wholesale segment remains on a positive trajectory. Sales are expected to increase yoy, supported by the full-quarter consolidation of Lucky Frozen and a slightly positive SSSG. However, gross margin is projected to decline yoy due to a higher contribution from the dry food segment. SG&A is expected to increase yoy, while the SG&A-to-revenue ratio should remain broadly flat. Overall, operating profit from the wholesale business is forecast to rise yoy in 1Q26.
- Retail business remains a drag.** Retail sales are expected to increase yoy, driven by store expansion (3 supermarkets and 92 Lotus's Go Fresh outlets added in 1Q26) and positive SSSG in Lotus's Malaysia, which offset the negative SSSG in Thailand. Gross margin is projected to decline yoy due to an unfavourable product mix (higher dry food contribution) and intense competition. SG&A is also expected to increase yoy, in line with higher O2O contribution. Overall, operating profit from the retail segment is forecast to decline yoy in 1Q26.

Essential

- Entering an uncertain phase in 2Q26.** We expect consumer stockpiling to continue into 2Q26. However, rising operating costs are likely to pressure profitability. While CPAXT may partially offset cost increases through price adjustments, intense competition is expected to limit its ability to fully pass through higher costs. In addition, The Happitat project, which is set to launch in Apr 26, is expected to contribute initial losses in 2Q26. Nevertheless, we expect a recovery to begin in 2H26, supported by a low base in 1H25.

Valuation/Recommendation

- Maintain HOLD with a target price of Bt14.80.** Our target price is based on a 2026F PE of 15x, equivalent to -1.5SD to peers' five-year average and equal to -2SD to BJC's five-year average. The current share price offers no upside to our target price.

Earnings Revision/Risk

- No earnings revision. Our 1Q26 earnings forecast accounts for 24.4% of 2026 full-year forecast.
- Every Bt1.0/litre increase in diesel prices will impact earnings by 0.2%.
- Every Bt0.10 increase in electricity prices will impact earnings by 1.4%.

Share Price Catalyst

- Catalysts:** Consumer stockpiling, improved SSSG.
- Risks:** Lower gross margin, rising oil and utility prices, product shortages.

Environment, Social, Governance (ESG) Updates

CG Report: 5

SET ESG Rating: AAA*

Environmental

- Focuses on reducing energy consumption through green building design and renewable energy adoption.

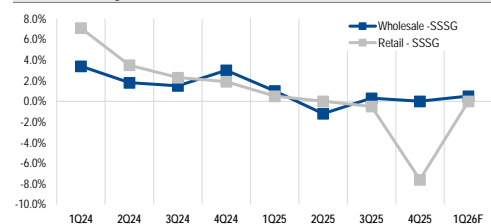
Social

- Supports SME development in its wholesale/retail ecosystem.

Governance

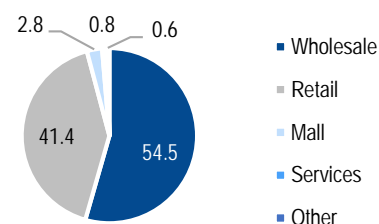
- Demonstrates strong corporate governance through transparent management practices and a well-structured board.

SSSG Improved In 1Q26



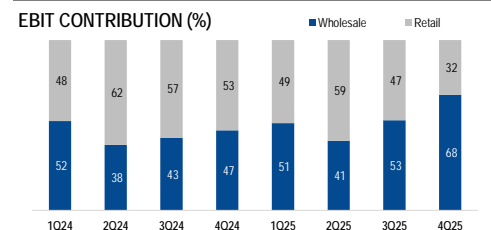
Source: CPAXT, UOB Kay Hian

2025 Revenue Contribution (%)



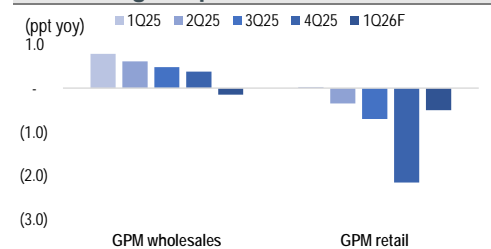
Source: CPAXT, UOB Kay Hian

Wholesale Remains The Key EBIT Contributor



Source: CPAXT, UOB Kay Hian

Gross Margin Squeezed in 1Q26



Source: CPAXT, UOB Kay Hian

Peers PE Band

Peers	-2SD	-1SD	Mean	+1SD	+2SD
BJC	14.8	19.5	24.3	29.1	33.9
CPALL	7.5	17.3	27.2	37.1	47.0
CPAXT	12.1	23.6	35.1	46.6	58.1
CRC	10.3	16.5	22.8	29.1	35.3
DOHOME	-1.5	18.7	39.0	59.2	79.4
GLOBAL	14.6	21.8	29.0	36.1	43.3
HMPRO	11.9	18.4	24.9	31.4	37.9
Average	9.9	19.4	28.9	38.4	47.9

Source: UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	520,706	522,738	532,880	542,961
EBITDA	34,252	36,197	38,228	40,218
Deprec. & amort.	17,464	18,509	20,050	21,617
EBIT	16,788	17,688	18,178	18,601
Total other non-operating income	0	0	0	0
Associate contributions	580	586	592	598
Net interest income/(expense)	(5,398)	(5,335)	(5,367)	(5,398)
Pre-tax profit	11,970	12,938	13,402	13,800
Tax	(2,645)	(2,866)	(2,972)	(3,063)
Minorities	31	32	33	34
Net profit	9,356	10,105	10,464	10,772
Net profit (adj.)	9,356	10,105	10,464	10,772

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	21,052	35,116	30,781	36,171
Pre-tax profit	11,970	12,938	13,402	13,800
Tax	(2,645)	(2,866)	(2,972)	(3,063)
Deprec. & amort.	17,464	18,509	20,050	21,617
Working capital changes	(5,648)	6,455	218	3,732
Non-cash items	133	80	82	85
Other operating cashflows	(223)	0	0	0
Investing	(25,786)	(25,688)	(25,927)	(26,166)
Capex (growth)	(37,318)	(25,269)	(25,500)	(25,731)
Investments	(181)	(234)	(237)	(239)
Others	11,714	(185)	(191)	(196)
Financing	(169)	(9,404)	(6,781)	(7,057)
Dividend payments	(7,404)	(7,404)	(7,781)	(8,057)
Issue of shares	0	0	0	0
Proceeds from borrowings	21,248	(2,000)	1,000	1,000
Others/interest paid	(14,014)	0	0	0
Net cash inflow (outflow)	(4,903)	24	(1,927)	2,948
Beginning cash & cash equivalent	19,461	14,558	14,583	12,656
Ending cash & cash equivalent	14,558	14,583	12,656	15,604

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Fixed assets	469,827	476,587	482,037	486,151
Other LT assets	32,469	33,195	33,938	34,699
Cash/ST investment	14,558	14,583	12,656	15,604
Other current assets	59,817	48,515	51,872	50,542
Total assets	576,671	572,880	580,503	586,996
ST debt	37,257	37,257	37,257	37,257
Other current liabilities	93,988	89,221	92,879	95,366
LT debt	134,815	132,815	133,815	134,815
Other LT liabilities	10,224	10,530	10,846	11,172
Shareholders' equity	299,457	302,590	305,273	307,988
Minority interest	930	465	432	398
Total liabilities & equity	576,671	572,880	580,503	586,996

Key Metrics

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	6.6	6.9	7.2	7.4
Pre-tax margin	2.3	2.5	2.5	2.5
Net margin	1.8	1.9	2.0	2.0
Growth				
Net profit (adj.)	(11.5)	8.0	3.6	2.9
Leverage				
Debt to total capital	57.3	56.1	56.0	55.8
Debt to equity	57.5	56.2	56.0	55.9
Net debt/(cash) to equity	52.6	51.4	51.9	50.8
Interest cover	6.4	6.8	7.1	7.4

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