

CP ALL (CPALL TB)

Reaching A New Historical High

Highlights

- We expect CPALL's 1Q26 core earnings to come in at Bt8.0b, increasing 6.0% yoy and 10.3% qoq to reach a new historical high.
- CPALL is expected to be the only grocery retailer under our coverage to deliver positive earnings growth in 1Q26.
- Maintain BUY with a target price of Bt62.00.

1Q26 Earnings Forecasts

Year to 31 Dec (Btm)	1Q25	4Q25	1Q26F	yoy (%)	qoq (%)	2025	2026	yoy (%)
Sales and services	245,798	253,400	254,893	3.7	0.6	990,663	1,001,475	1.1
Gross profit	56,113	57,068	58,190	3.7	2.0	225,117	228,575	1.5
SG&A	48,951	52,208	51,399	5.0	(1.5)	203,279	205,746	1.2
EBIT	14,054	13,536	14,437	2.7	6.7	52,764	55,301	4.8
Core profit	7,560	7,265	8,014	6.0	10.3	27,712	29,600	6.8
Net profit	7,585	7,256	8,014	5.6	10.4	28,206	30,180	7.0
Percent	1Q25	4Q25	1Q26F	(ppts)	(ppts)	2025	2026	(ppts)
Gross margin	22.8	22.5	22.8	0.00	0.31	22.7	22.8	0.1
SG&A to sales	19.9	20.6	20.2	0.25	(0.44)	20.5	20.5	0.0
Net profit margin	3.1	2.9	3.1	0.06	0.28	2.8	3.0	0.2

Source: CP ALL, UOB Kay Hian

Analysis

- **Earnings to outpace peers'. We expect CP ALL's (CPALL) 1Q26 core earnings to come in at Bt8.0b, increasing 6.0% yoy and 10.3% qoq to reach a new historical high. The key driver is the convenience store (CVS) segment, with earnings expected to grow 11% yoy. Meanwhile, CP Aextra (CPAXT) remains a drag, with earnings projected to decline 7% qoq. Sales are projected at Bt254b, up 3.7% yoy and reaching an all-time high, driven by slightly positive SSSG and contributions from new store openings. Gross margin in 1Q26 is expected to remain flat yoy at 22.8%, as an improvement in CVS margin is offset by a decline in CPAXT margin. SG&A-to-sales is expected to decline by 25bp yoy, despite higher advertising expenses. Overall, CPALL is expected to be the only grocery retailer under our coverage to deliver positive earnings growth in 1Q26.**

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	100,698.1
Operating profit	50,064.2	52,763.7	55,300.5	56,369.4	57,834.1
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	3.6
PE (x)	16.0	14.2	13.3	12.9	12.1
P/B (x)	3.1	2.8	2.5	2.3	2.1
EV/EBITDA (x)	11.0	10.8	10.2	9.9	9.1
Dividend yield (%)	3.1	3.8	4.1	4.2	4.1
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	193.1
Interest cover (x)	5.9	6.3	6.7	6.9	7.1
ROE (%)	21.3	21.3	20.4	17.2	17.1
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	4.1

Source: CP ALL, Bloomberg, UOB Kay Hian

BUY (Maintained)

Share Price	Bt47.25
Target Price	Bt62.00
Upside	31.22%

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):	409,929.2
Market cap (US\$m):	12,650.6
3-mth avg daily t'over (US\$m):	58.9

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	

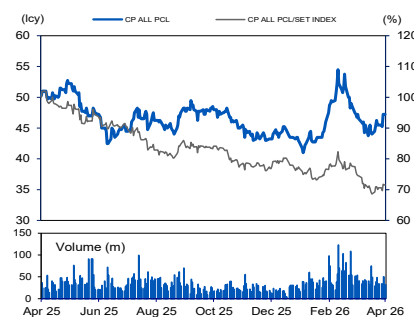
Major Shareholders

Shareholder	%
CPF	30.78
NVDR	13.20
SOUTH EAST EUROPE LIMITED	3.13

Balance Sheet Metrics

Metric	%
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

- CVS segment outperforms.** We expect CVS earnings to increase 10.9% yoy, driven by 1.5% SSSG growth, new store expansion, and margin expansion. Sales of ready-to-eat (RTE) food and beverages outperformed, while the hot weather also boosted foot traffic and spending per ticket. CVS gross margin in 1Q26 is expected to increase by 15bp yoy, supported by a favourable sales mix (higher RTE contribution). However, SG&A-to-sales is expected to increase by 25bp yoy due to higher advertising expenses. Overall, earnings momentum for the CVS segment remains strong.
- Retail segment remains a drag.** We expect CP Axta (CPAXT) to report 1Q26 earnings of Bt2.5b, down 6.6% yoy and 3.7% qoq. Performance was driven by the wholesale segment, while the retail segment declined at a slower pace. Sales are expected to grow 3.7% yoy, mainly supported by the addition of new stores. Gross margin is projected to contract by 30bp yoy due to higher contribution from lower-margin dry food sales. SG&A is also expected to increase, in line with higher O2O sales.

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 14x PE, below sector peers, while the 2025 annual dividend will go ex-dividend on 30 April, providing a dividend yield of 3.49%. Hence, we maintain our BUY recommendation.

Earnings Revision/Risk

- No earnings revision.** CPALL's reported 1Q26 earnings should account for 27% of our 2026 full-year forecast.

Share Price Catalyst

- Catalysts:** Higher contribution from high-margin products, attractive valuation, earnings announcement on 13 May 26.
- Risks:** Intense competition, weak purchasing power.

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.

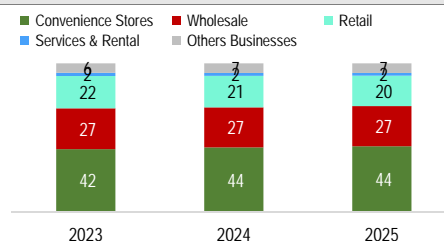
Social

- 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

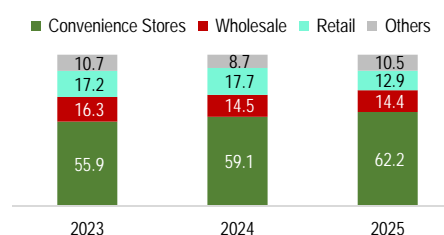
- 7 Go Right.** CPALL was certified for renewed membership in Thailand's Private Sector Collective Action Coalition Against Corruption for 2023-26.

Sales Contribution Before Elimination



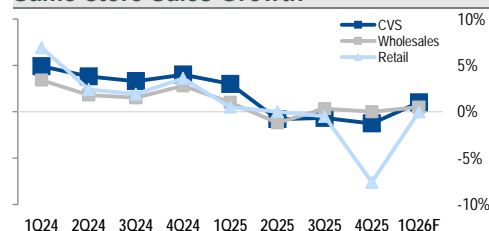
Source: CPALL, UOB Kay Hian

EBIT Contribution Before Elimination



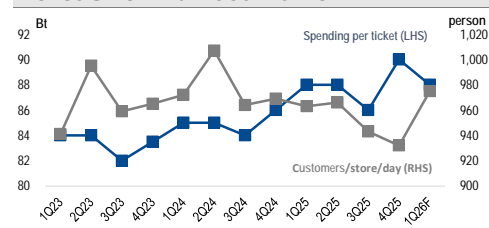
Source: CPALL, UOB Kay Hian

Same-store Sales Growth



Source: CPALL, UOB Kay Hian

Ticket Size And Foot Traffic



Source: CPALL, 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	1,021,588	1,033,947	1,064,134	1,111,500
EBITDA	90,540	93,447	96,861	100,698
Deprec. & amort.	37,777	38,146	40,492	42,864
EBIT	52,764	55,301	56,369	57,834
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	44,489
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	32,060
Net profit (adj.)	27,712	29,600	30,362	31,468

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

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

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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