

Omni-channel growth balances SSSG

- 1Q25 results came in line with expectations.
- Makro achieved a SSSG of 1%, while Lotus's SSSG of 0.5%.
- Maintain HOLD with a revised TP of THB27.5

CPAXT maintains margins despite slower top-line growth

CPAXT reported 1Q25 results in line with consensus estimates, with revenue of THB130b (-3% q-q, +2% y-y), driven by steady SSSG of 1% y-y for Makro and 0.5% y-y for Lotus's, along with the addition of 6 new Makro stores compared to the previous year. GPM improved to 14.5%, up from 14.1% in 1Q24, reflecting a continued focus on fresh food and higher-margin products across both businesses, while remaining consistent with the 14.4% achieved in FY2024. As a result, net profit stood at THB2.6b (-33% q-q, +7% y-y), supported by stronger profitability and enhanced operational efficiency.

Adding 8 new Makro and 9 Lotus's in 2025E

As of 1Q25, CPAXT continued to expand its store network, adding 7 new Makro stores y-y, comprising 6 in Thailand and 1 in India, bringing the total Makro store count to 176. In contrast, the number of Lotus's larger-format stores remained stable at 403, while the smaller Lotus's Go Fresh format expanded by 42 stores, representing a 2% increase in total store count. For 2025E, CPAXT targets the opening of an additional 8 Makro stores and 9 Lotus's stores.

Digital Drive: Targeting omni-channel sale of 22% in 2025E

CPAXT's growth momentum continues to be driven by its expanding omni-channel, which now accounts for 20.2% of total sales, up from an average of 18% in 2024. The company has set ambitious targets, aiming for 22% of sales by 2025E and 50% by 2029E, reflecting its focus on digital integration and online sales growth. Given the current trajectory, we believe the target of 22% omni-channel sales contribution in 2025E is achievable, supported by ongoing investments in digital infrastructure and customer engagement.

CPAXT's upside capped?

We believe CPAXT's current valuation is fair, as the stock is trading at 23x 2025E P/E, aligning with expected SSSG of 2-3% over the next 2-3 years. While GPM improvements remain a positive factor, the valuation appears reasonable when compared to the broader SET market climate and other commerce peers, such as CPALL, which is trading at a more attractive sub-20x P/E. Given these factors, we see limited upside potential at current levels and view CPAXT's valuation as fairly reflecting its growth prospects and market position.

Maintain HOLD with revised TP of THB27.5

We maintain a HOLD on CPAXT, with a revised TP of THB27.5, down from THB32.5, implying a 2025E P/E of 25x, reflecting our more cautious outlook on the company's growth, driven by slower-than-expected top-line growth. While synergies between Makro and Lotus's are progressing, we do not anticipate these benefits to significantly impact the bottom line within the next 1-2 years.

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ESG Rating : AA

CG Rating : ▲▲▲▲▲

HOLD

Target Price 12M (THB)	27.50
VS. BB Consensus TP (%)	-12.7%
Share Price (THB)	25.50
Upside/Downside	+7.8%

Share Data

Market Cap (THB m)	265,905.38
Par (THB)	1.00
Free Float (%)	15.26
Issued shares (m shares)	10,428

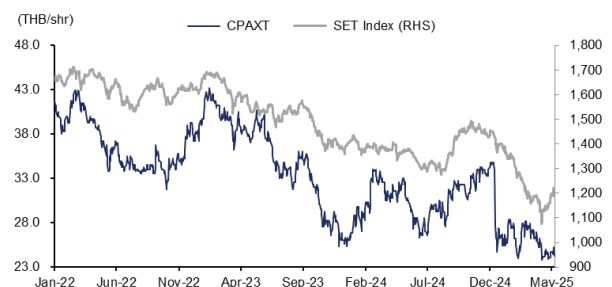
Financial forecast

YE Dec (THB m)	2024	2025E	2026E	2027E
Revenue	512,042	529,132	544,688	560,735
Net profit	10,569	11,573	12,211	12,967
Core net profit	10,569	11,573	12,211	12,967
vs Consensus (%)	-	(8.2)	(15.6)	(19.8)
Net profit growth (%)	22.3	9.5	5.5	6.2
Core net profit growth (%)	22.3	9.5	5.5	6.2
EPS (THB)	1.01	1.11	1.17	1.24
Core EPS (THB)	1.01	1.11	1.17	1.24
Chg in core EPS (%)	-	0.51	(0.43)	0.00
DPS (THB)	2.57	2.81	2.97	3.15
P/E (x)	26.89	22.98	21.78	20.51
P/BV (x)	0.95	0.90	0.96	1.02
ROE (%)	3.58	3.91	4.27	4.83
Dividend yield (%)	9.43	11.04	11.64	12.37

Source: Financial Statement and Globlex securities

Share Price Performance (%)

	1M	3M	6M	YTD
Stock	3.24	2.82	(27.14)	(6.42)
Market	(8.06)	9.26	(11.56)	8.59
12M High/Low (THB)	35.50 / 23.60			



Major Shareholders (%) as of 12 Mar 2025

CP ALL PUBLIC COMPANY LIMITED	30.78
THAI NVDR COMPANY LIMITED	13.20
SOCIAL SECURITY OFFICE	3.13

Company Profile

Retail under the brand name "Makro" and wholesale business under the brand name "Lotus's" and mall management

Source: SETSMART, SET

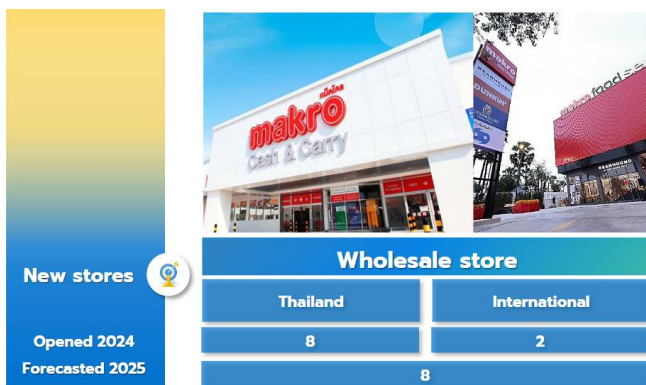
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This declaration is made to ensure transparency and disclose any potential conflict of interest.

Exhibit 1: Summary of 1Q25/2025E operations

	1Q24	4Q24	----- 1Q25 -----			2024	2025E	chg.
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	
Revenue	127,020	133,625	129,950	(3)	2	512,042	529,132	3
Makro revenue	67,800	71,749	69,926	(3)	3	273,491	286,290	5
Lotus's revenue	53,382	55,692	54,823	(2)	3	215,370	219,247	2
Rental revenue	3,523	3,627	3,488	(4)	(1)	13,797	14,211	3
Other revenue	2,315	2,557	1,713	(33)	(26)	9,384	9,384	0
Operating costs	(122,541)	(127,289)	(125,305)	(2)	2	(493,409)	(509,198)	3
EBITDA	8,839	10,875	8,942	(18)	1	36,254	37,562	4
EBITDA margin (%)	7.0	8.1	6.9	na	na	7.1	7.1	na
EBIT	4,479	6,336	4,645	(27)	4	18,633	19,934	7
Interest expense	(1,414)	(1,438)	(1,404)	(2)	(1)	(5,735)	(5,958)	4
Associates' contrib	174	177	106	(40)	(39)	673	673	0
Pretax profit	3,239	5,075	3,346	(34)	3	13,571	14,649	8
Tax	(765)	(1,119)	(708)	(37)	(7)	(3,026)	(3,076)	2
Tax rate (%)	24	22	21	na	na	21	20	na
Minority interests	7	3	5	na	na	24	0	na
Net profit	2,481	3,960	2,643	(33)	7	10,545	11,573	10
EPS (THB)	0.24	0.38	0.25	(33)	7	1.00	1.11	11

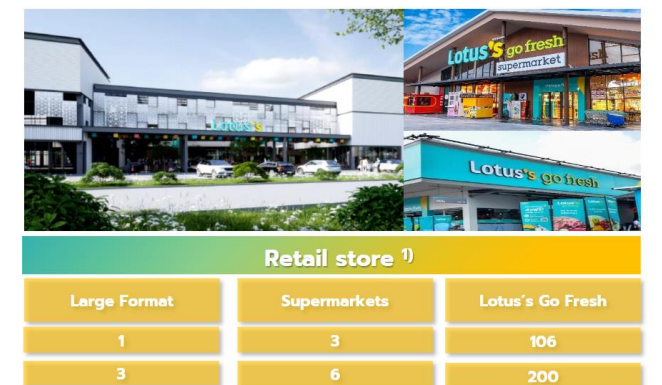
Sources: CPAXT, Globlex Research

Exhibit 2: Makro expansion plan in 2025E



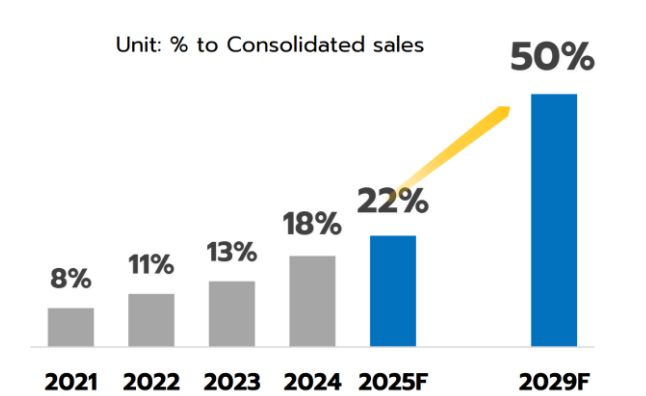
Sources: CPAXT

Exhibit 3: Lotus's expansion plan in 2025E



Sources: CPAXT

Exhibit 4: Omni-channel sales target



Sources: CPAXT

Exhibit 5: CPAXT's 5 years target



Sources: CPAXT

Balance sheet (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2027E
Current assets					
Cash & ST investment	31,707	19,461	17,868	2,626	(12,793)
Account receivable	4,045	4,558	5,088	5,633	6,195
Inventories	35,884	36,484	37,698	38,847	40,032
Others	5,102	6,420	6,634	6,829	7,030
Non-current assets					
Net fixed assets	115,574	117,695	117,308	116,262	114,558
Others	348,059	361,913	361,913	361,913	361,913
Total Assets	540,371	546,531	546,508	532,110	516,935

Current liabilities					
Account payable	79,009	78,205	80,806	83,269	85,810
ST borrowing	30,253	35,704	35,704	35,704	35,704
Others	8,887	8,928	9,226	9,497	9,777
Long-term liabilities					
Long-term debts	117,672	115,120	115,120	115,120	115,120
Others	11,077	9,956	9,956	9,956	9,956
Total liabilities	246,899	247,914	250,813	253,547	256,368
Paid-up capital	5,290	10,428	10,428	10,428	10,428
Retained earnings	31,410	36,340	33,418	16,286	(1,710)
Others	256,217	250,906	250,906	250,906	250,906
Minority interest	555	943	943	943	943
Shareholders' equity	293,473	298,617	295,695	278,563	260,567

Key ratios					
Year ending Dec	2023	2024	2025E	2026E	2027E
Growth (%YoY)					
Sales	4.4	4.5	3.3	2.9	2.9
Operating profit	0.2	5.6	3.6	1.6	1.6
EBITDA	0.2	5.6	3.6	1.6	1.6
Net profit	12.3	22.3	9.5	5.5	6.2
Core net profit	12.3	22.3	9.5	5.5	6.2
EPS	12.3	24.1	9.5	5.5	6.2
Core EPS	12.3	24.1	9.5	5.5	6.2
Profitability (%)					
Gross margin	10.0	10.1	10.1	10.0	9.9
Operation margin	7.0	7.1	7.1	7.0	6.9
EBITDA margin	7.0	7.1	7.1	7.0	6.9
Net margin	1.8	2.1	2.2	2.2	2.3
ROE	3.0	3.6	3.9	4.3	4.8
ROA	1.6	1.9	2.1	2.3	2.5
Stability					
Interest bearing debt/equity (x)	0.5	0.5	0.5	0.5	0.6
Net debt/equity (x)	0.4	0.4	0.4	0.5	0.6
Interest coverage (x)	2.6	3.2	3.3	3.6	3.8
Interest & ST debt coverage (x)	0.5	0.4	0.5	0.5	0.5
Cash flow interest coverage (x)	0.1	0.1	0.1	0.1	0.1
Current ratio (x)	0.6	0.5	0.5	0.4	0.3
Quick ratio (x)	0.3	0.2	0.2	0.1	(0.1)
Net debt (THB m)	116,218	131,364	132,957	148,199	163,618
Activity					
Asset turnover (X)	0.9	0.9	1.0	1.0	2.2
Days receivables	3.0	3.2	3.5	3.8	4.0
Days inventory	29.7	28.9	28.9	28.9	28.9
Days payable	65.4	62.0	62.0	62.0	62.0
Cash cycle days	(32.7)	(29.8)	(29.6)	(29.3)	(29.0)

Profit & loss (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2027E
Revenue					
Revenue	489,949	512,042	529,132	544,688	560,735
Cost of goods sold	(441,024)	(460,383)	(475,696)	(490,196)	(505,152)
Gross profit	48,925	51,659	53,436	54,493	55,583
Operating expenses	(14,606)	(15,406)	(15,874)	(16,341)	(16,822)
Operating profit	34,319	36,254	37,562	38,152	38,761
EBIT	16,707	18,633	19,934	20,516	21,117
Depreciation	(17,612)	(17,620)	(17,628)	(17,636)	(17,644)
EBITDA	34,319	36,254	37,562	38,152	38,761
Non-operating income					
Other incomes	0	0	0	0	0
Other non-op income	0	0	0	0	0
Non-operating expense					
Interest expense	(6,319)	(5,735)	(5,958)	(5,731)	(5,581)
Other non-op expense	0	0	0	0	0
Equity income/(loss)	746	673	673	673	673
Pre-tax Profit	11,134	13,571	14,649	15,457	16,209
Extraordinary items					
Current taxation	(2,535)	(3,026)	(3,076)	(3,246)	(3,242)
Minorities	41	24	0	0	0
Net Profit	8,640	10,569	11,573	12,211	12,967
Core net profit	8,640	10,569	11,573	12,211	12,967
EPS (THB)	0.82	1.01	1.11	1.17	1.24
Core EPS (THB)	0.82	1.01	1.11	1.17	1.24

Cash flow (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2027E
Operating cash flow					
Net profit	8,640	10,569	11,573	12,211	12,967
Depre. & amortization	17,612	17,620	17,628	17,636	17,644
Change in working capital	4,150	(3,193)	942	845	872
Others	(7,597)	(8,346)	(8,536)	(8,785)	(8,716)
Investment cash flow	(27,047)	(19,928)	(8,705)	(7,806)	(7,224)
Net CAPEX	(15,071)	(19,741)	(25,859)	(33,872)	(44,367)
Change in LT investment	8,988	(890)	12,901	14,102	15,544
Change in other assets	(20,964)	704	4,252	11,964	21,600
Free cash flow	(4,242)	(3,278)	12,901	14,102	15,544
Financing cash flow	(4,154)	(8,968)	(14,494)	(29,344)	(30,963)
Change in share capital	0	5,138	0	0	0
Net change in debt	(28)	389	0	0	0
Dividend paid	(4,126)	(14,494)	(14,494)	(29,344)	(30,963)
Others					
Net cash flow	(8,396)	(12,246)	(1,593)	(15,242)	(15,419)

Per share (THB)					
EPS	0.82	1.01	1.11	1.17	1.24
Core EPS	0.82	1.01	1.11	1.17	1.24
CFPS	2.48	2.66	2.80	2.86	2.94
BVPS	27.69	28.13	28.27	26.62	24.90
Sales/share	46.31	48.40	50.74	52.23	53.77
EBITDA/share	3.24	3.43	3.60	3.66	3.72
DPS	0.57	2.57	2.81	2.97	3.15
Valuation					
P/E (x)	33.1	26.9	23.0	21.8	20.5
P/BV (x)	0.98	0.95	0.90	0.96	1.02
Dividend yield (%)	2.11	9.43	11.04	11.64	12.37
Dividend payout ratio (%)	69.80	253.56	253.56	253.56	253.59

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Analyst Certification

Siriluck Pinthusoonthorn, Register No. 119539, Globlex Securities Public Company Limited

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RECOMMENDATION STRUCTURE

Stock Recommendations

Stock ratings are based on absolute upside or downside, which we define as $(\text{target price}^* - \text{current price}) / \text{current price}$.

- BUY:** Expected return of 10% or more over the next 12 months.
HOLD: Expected return between -10% and 10% over the next 12 months.
REDUCE: Expected return of -10% or worse over the next 12 months.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

Sector Recommendations

- Overweight:** The industry is expected to outperform the relevant primary market index over the next 12 months.
Neutral: The industry is expected to perform in line with the relevant primary market index over the next 12 months.
Underweight: The industry is expected to underperform the relevant primary market index over the next 12 months.

Country (Strategy) Recommendations

Overweight: Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Neutral: Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Underweight: Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.