

1Q26: The Opex Saves It

- NP beat by ~10% despite GPM compression, opex leverage.
- Wholesale EBIT +6.0% y-y; retail drags on inventory losses.
- GPM recovery toward 14.4–14.6% is the re-rating catalyst

Earnings Beat, Revenue In-Line

CPAXT's 1Q26 net profit came in at THB2.79b (+5.7% y-y, +8.9% q-q), beating the consensus estimate of THB2.54b by ~10%. Revenue of THB136.1b (+4.7% y-y) was in-line with the street's THB136.2b. Wholesale drove the top-line at +5.9% y-y on new store openings and Omni Channel momentum—digital platform sales (Makro PRO + Lotus's Smart App) surged 27.6% y-y, now 22% of goods revenue. Retail grew a softer +3.4% y-y, with Thailand flattish against the "Easy E-Receipt" high base and Malaysia outperforming on government stimulus. SSSG was muted at +0.6% for wholesale and flat for retail.

Thinner Margins, Fatter Bottom Line

GPM from sales compressed to 14.1% from 14.5%, hit by three concurrent drags: 1) commodity mix shift from mid-March Middle East stockpiling, 2) wholesale clearance activities, and 3) deferred inventory loss recognition from the 4Q25 IT security incident. Despite this, NPM expanded to 2.1% from 2.0%. The bridge is below the gross line, opex grew just +2.0% y-y against revenue +4.7%, more than absorbing the GPM damage. Finance costs fell 8.1% y-y (-THB114m), reflecting improved borrowing rates. Lucky Frozen performance recognition and THB130m FX gains provided additional cushion.

Wholesale Leads, Retail Lags

Wholesale delivered EBIT of THB2.53b (+6.0% y-y), underpinned by revenue growth and tight admin cost control, with opex ratio improving to 9.7% from 9.9%. Wholesale GPM dipped 30bps y-y to 11.7% on clearance activity but the damage was contained. Retail EBIT declined 2.2% y-y to THB2.32b—the 50bps y-y GPM decline to 17.1% (inventory losses, commodity mix) combined with higher depreciation from the aggressive store rollout (+109 net stores y-y) outweighed cost savings. Positively, retail GPM improved sequentially from 4Q25's trough, and rental income grew 3.8% y-y to THB3.62b.

GPM Recovery: Achievable, but Not Without Risk

Management's 2026 GPM guidance of 14.4–14.6% implies sequential improvement from Q2 onward. We view this as achievable if the commodity stockpiling dynamic fades. The Omni Channel push continues, targeting ~25% of total sales, leveraging 2,600+ stores as micro-fulfillment centers. Management also flagged AI-driven personalization. Key risks remain competition (Go Wholesale, Big C), fragile consumer purchasing power and elevated household debt.

Maintain HOLD with TP of THB17

We maintain HOLD with aTP of THB17, implying 17x 2026E P/E. At THB14.9, CPAXT trades at 15x 2026E P/E, in-line with staple peers (~15x). 1Q26 NP accounts for 27.4% of our THB10.2b estimate, slightly ahead of the ~25% seasonal norm, suggesting mild upside risk.

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ESG Rating : AA

CG Rating : ▲▲▲▲▲

HOLD

Target Price 12M (THB)	17.00
VS. BB Consensus TP (%)	+2.1%
Share Price (THB)	14.90
Upside/Downside	+14.1%

Share Data

Market Cap (THB m)	155,372.16
Par (THB)	1.00
Free Float (%)	15.26
Issued shares (m shares)	10,428

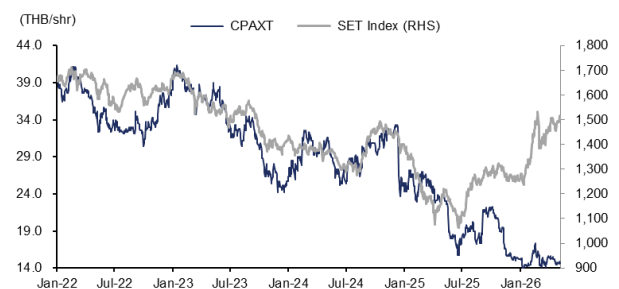
Financial forecast

YE Dec (THB m)	2025	2026E	2027E	2028E
Revenue	520,706	535,211	550,165	561,324
Net profit	9,509	10,199	10,842	11,092
Core net profit	9,509	10,199	10,842	11,092
vs Consensus (%)	-	1.7	0.0	(5.6)
Net profit growth (%)	(10.0)	7.3	6.3	2.3
Core net profit growth (%)	(10.0)	7.3	6.3	2.3
EPS (THB)	0.91	0.98	1.04	1.06
Core EPS (THB)	0.91	0.98	1.04	1.06
Chg in core EPS (%)	-	0.00	0.00	0.00
DPS (THB)	2.31	2.48	2.64	2.70
P/E (x)	30.98	15.23	14.33	14.01
P/BV (x)	1.01	0.56	0.59	0.63
ROE (%)	3.22	3.57	4.00	4.34
Dividend yield (%)	8.18	16.64	17.69	18.10

Source: Financial Statement and Globlex securities

Share Price Performance (%)

	1M	3M	6M	YTD
Stock	(5.10)	(3.25)	(25.87)	(5.10)
Market	(7.81)	(13.10)	(35.93)	(20.70)
12M High/Low (THB)	26.00 / 13.90			



Major Shareholders (%) as of 21 Apr 2026

CP ALL PUBLIC COMPANY LIMITED	34.92
SIAM MAKRO HOLDING	25.01
CHAROEN POKPHAND HOLDING	15.96

Company Profile

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

Source: SETSMART, SET

Globlex Securities Company Limited acts as one of the authorized sellers of MQDC debentures.
This declaration is made to ensure transparency and disclose any potential conflict of interest.

Exhibit 1: Summary of 1Q26/2026E operations

	1Q25	4Q25	1Q26		2025	2026E	chg.	
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)		(THB m)
Revenue	129,950	134,656	136,050	1	5	520,706	535,211	3
Makro revenue	69,926	75,857	74,045	(2)	6	283,531	293,738	4
Lotus's revenue	54,823	52,758	56,688	7	3	215,685	219,567	2
Rental revenue	3,488	3,789	3,622	(4)	4	13,834	14,249	3
Other revenue	1,713	2,252	1,695	(25)	(1)	7,656	7,656	0
Operating costs	(125,305)	(130,189)	(131,389)	1	5	(503,918)	(517,150)	3
EBITDA	8,942	8,938	8,570	(4)	(4)	34,252	35,370	3
EBITDA margin (%)	6.9	6.6	6.3	na	na	6.6	6.6	na
EBIT	4,645	4,467	4,662	4	0	16,788	18,061	8
Interest expense	(1,404)	(1,362)	(1,290)	(5)	(8)	(5,398)	(5,731)	6
Associates' contrib	106	160	180	12	70	580	580	0
Pretax profit	3,346	3,265	3,551	9	6	11,970	12,910	8
Tax	(708)	(716)	(794)	11	12	(2,645)	(2,711)	2
Tax rate (%)	21	22	22	na	na	21	20	na
Minority interests	5	13	36	na	na	31	0	na
Net profit	2,643	2,563	2,794	9	6	9,356	10,199	9
EPS (THB)	0.25	0.25	0.27	9	6	0.88	0.98	11

Sources: CPAXT, Globlex Research

Exhibit 2: 1Q26 Makro's Business

Wholesale Business (unit: million Baht)	Q1/26	Q1/25	YoY
Revenue from sale of goods	74,045	69,926	5.9%
Other revenue ⁽¹⁾	1,149	1,090	5.3%
Total revenue	75,194	71,016	5.9%
Gross profit from sales	8,687	8,415	3.2%
Gross profit margin from sales (%)	11.7	12.0	(0.3)
EBITDA	3,675	3,569	2.9%
EBIT	2,525	2,382	6.0%
Number of Stores (stores)	178	176	2
Thailand ⁽²⁾	168	166	2
Overseas ⁽³⁾	10	10	-

Sources: CPAXT

Exhibit 3: 1Q26 Lotus's Business

Retail Business (unit: million Baht)	Q1/26	Q1/25	YoY
Revenue from sale of goods	56,688	54,823	3.4%
Revenue from rental and rendering retail services	3,456	3,338	3.5%
Total revenue	60,856	58,934	3.3%
Gross profit from sales	9,694	9,668	0.3%
Gross profit margin from sales (%)	17.1	17.6	(0.5)
EBITDA	5,435	5,479	(0.8%)
EBIT	2,316	2,368	(2.2%)
Number of Stores ⁽¹⁾ (stores)	2,669	2,560	109
Lotus's Thailand	2,599	2,490	109
Lotus's Malaysia	70	70	-

Sources: CPAXT

Exhibit 4: 2026 Guidance

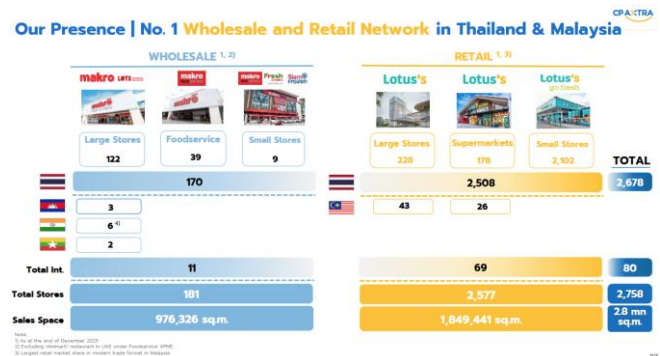
2026 | Guidance and Rationale

GUIDANCE 2026	
Sales Growth	Low - Mid SDG
New Store Openings	
- Large Format	~ 10 stores
- Small Format	~ 100 stores
Omni Channel Mix	~ 25% to total sales
GPM Improvement	+10 - 30 bps
Occupancy Rate	~ 92%
CAPEX	~ 18 billion Baht

KEY ASSUMPTIONS	
1	Sales expansion Driven by Omni Channel scaling, E-commerce, positive SSSG momentum and selective new store openings
2	Optimizing the store network Focused on high-return formats with a structurally lower cost-to-serve model and rebalance the store portfolio.
3	Margin improvement Driven by mix shift toward RTE, RTC, and innovation-led differentiated products, combined with direct global sourcing.
4	Discipline CAPEX allocation Reinforce the core business, prioritizing on high ROIC investment

Sources: CPAXT

Exhibit 5: Total number of stores



Sources: CPAXT

Balance sheet (THB m)						Profit & loss (THB m)					
Year ending Dec	2024	2025	2026E	2027E	2028E	Year ending Dec	2024	2025	2026E	2027E	2028E
Current assets						Revenue					
Cash & ST investment	19,461	15,558	3,204	(9,304)	(22,880)		512,042	520,706	535,211	550,165	561,324
Account receivable	4,558	5,080	5,615	6,166	6,729		(460,383)	(473,000)	(483,784)	(497,952)	(508,615)
Inventories	36,484	37,484	38,339	39,461	40,306	Gross profit	51,659	47,706	51,427	52,214	52,709
Others	6,420	6,528	6,710	6,898	7,038	Operating expenses	(15,406)	(13,454)	(16,056)	(16,505)	(16,840)
Non-current assets						Operating profit	36,254	34,252	35,370	35,709	35,870
Net fixed assets	117,695	117,308	116,262	114,558	112,195	EBIT	18,633	16,788	18,061	18,552	18,865
Others	361,913	361,913	361,913	361,913	361,913	Depreciation	(17,620)	(17,464)	(17,310)	(17,156)	(17,004)
Total Assets	546,531	543,871	532,043	519,692	505,300	EBITDA	36,254	34,252	35,370	35,709	35,870
Current liabilities						Non-operating income					
Account payable	78,205	80,348	82,180	84,587	86,398		0	0	0	0	0
ST borrowing	35,704	35,704	35,704	35,704	35,704	Other incomes	0	0	0	0	0
Others	8,928	9,079	9,332	9,593	9,787	Other non-op income	0	0	0	0	0
Long-term liabilities						Non-operating expense	(5,735)	(5,122)	(5,731)	(5,581)	(5,581)
Long-term debts	115,120	115,120	115,120	115,120	115,120	Interest expense	(5,735)	(5,122)	(5,731)	(5,581)	(5,581)
Others	9,956	9,956	9,956	9,956	9,956	Other non-op expense	0	0	0	0	0
Total liabilities	247,914	250,208	252,293	254,960	256,966	Equity income/(loss)	673	580	580	580	580
Paid-up capital	10,428	10,428	10,428	10,428	10,428	Pre-tax Profit	13,571	12,246	12,910	13,552	13,865
Retained earnings	36,340	31,355	17,442	2,424	(13,974)	Extraordinary items					
Others	250,906	250,906	250,906	250,906	250,906	Current taxation	(3,026)	(2,706)	(2,711)	(2,710)	(2,773)
Minority interest	943	975	975	975	975	Minorities	24	(31)	0	0	0
Shareholders' equity	298,617	293,663	279,750	264,732	248,334	Net Profit	10,569	9,509	10,199	10,842	11,092
Key ratios						Cash flow (THB m)					
Year ending Dec	2024	2025	2026E	2027E	2028E	Year ending Dec	2024	2025	2026E	2027E	2028E
Growth (%YoY)						Operating cash flow					
Sales	4.5	1.7	2.8	2.8	2.0		16,650	20,177	20,306	21,151	20,777
Operating profit	5.6	(5.5)	3.3	1.0	0.5	Net profit	10,569	9,509	10,199	10,842	11,092
EBITDA	5.6	(5.5)	3.3	1.0	0.5	Depre. & amortization	17,620	17,464	17,310	17,156	17,004
Net profit	22.3	(10.0)	7.3	6.3	2.3	Change in working capital	(3,193)	664	512	806	459
Core net profit	22.3	(10.0)	7.3	6.3	2.3	Others	(8,346)	(7,461)	(7,715)	(7,653)	(7,778)
EPS	24.1	(10.0)	7.3	6.3	2.3	Investment cash flow	(19,928)	(9,616)	(8,549)	(7,799)	(6,863)
Core EPS	24.1	(10.0)	7.3	6.3	2.3	Net CAPEX	(19,741)	(25,859)	(33,872)	(44,367)	(58,115)
Profitability (%)						Change in LT investment	(890)	10,592	11,757	13,352	13,914
Gross margin	10.1	9.2	9.6	9.5	9.4	Change in other assets	704	5,651	13,566	23,216	37,338
Operation margin	7.1	6.6	6.6	6.5	6.4	Free cash flow	(3,278)	10,561	11,757	13,352	13,914
EBITDA margin	7.1	6.6	6.6	6.5	6.4	Financing cash flow	(8,968)	(14,463)	(24,111)	(25,860)	(27,490)
Net margin	2.1	1.8	1.9	2.0	2.0	Change in share capital	5,138	0	0	0	0
ROE	3.6	3.2	3.6	4.0	4.3	Net change in debt	389	31	0	0	0
ROA	1.9	1.7	1.9	2.1	2.2	Dividend paid	(14,494)	(14,494)	(24,111)	(25,860)	(27,490)
Stability						Others					
Interest bearing debt/equity (x)	0.5	0.5	0.5	0.6	0.6	Net cash flow	(12,246)	(3,903)	(12,355)	(12,508)	(13,577)
Net debt/equity (x)	0.4	0.5	0.5	0.6	0.7	Per share (THB)					
Interest coverage (x)	3.2	3.3	3.2	3.3	3.4	EPS	1.01	0.91	0.98	1.04	1.06
Interest & ST debt coverage (x)	0.4	0.4	0.4	0.4	0.5	Core EPS	1.01	0.91	0.98	1.04	1.06
Cash flow interest coverage (x)	0.1	0.1	0.1	0.1	0.1	CFPS	2.66	2.59	2.64	2.68	2.69
Current ratio (x)	0.5	0.5	0.4	0.3	0.2	BVPS	28.13	28.07	26.73	25.29	23.72
Quick ratio (x)	0.2	0.2	0.1	(0.0)	(0.1)	Sales/share	48.40	49.94	51.33	52.76	53.83
Net debt (THB m)	131,364	135,266	147,621	160,128	173,705	EBITDA/share	3.43	3.28	3.39	3.42	3.44
Activity						DPS	2.57	2.31	2.48	2.64	2.70
Asset turnover (X)	0.9	1.0	1.0	1.6	3.3	Valuation					
Days receivables	3.2	3.6	3.8	4.1	4.4	P/E (x)	26.9	31.0	15.2	14.3	14.0
Days inventory	28.9	28.9	28.9	28.9	28.9	P/BV (x)	0.95	1.01	0.56	0.59	0.63
Days payable	62.0	62.0	62.0	62.0	62.0	Dividend yield (%)	9.43	8.18	16.64	17.69	18.10
Cash cycle days	(29.8)	(29.5)	(29.2)	(29.0)	(28.7)	Dividend payout ratio (%)	253.56	253.56	253.56	253.59	253.61

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Analyst Certification

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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.