

Riding the Heat, Bracing for Costs

- 1Q26 net profit THB9.1b (+20.2% y-y) beat consensus ~13%
- 2Q26E faces oil, logistics and electricity cost headwinds.
- GPM/SG&A discipline should offset — maintain BUY, TP THB65.

A 1Q26 Clean Beat, Helped by the Weather

CPALL's analyst meeting reassured on the quality of the 1Q26 beat. Net profit of THB9.1b (+20.2% y-y, +25.7% q-q) came in ~13% above BB consensus, with net margin expanding ~30bps to 3.5%. Management attributed the upside to hotter-than-usual weather, which lifted store traffic and drove a strong beverage mix — a high-margin, high-velocity category for 7-Eleven. SSSG of +1.9%, but in the context of a soft consumer backdrop and tough base, the weather-driven beverage pull-through was a clean, operationally-led beat.

QTD Momentum Holding, But Moderating

The management confirmed QTD SSSG remains positive, again supported by continued hot weather into the early part of 2Q26. However, we expect the pace to moderate versus 1Q26 as the weather tailwind normalizes and the comparison base toughens. We model this deceleration into our 2Q26E, where the standout positive of 1Q — is unlikely to repeat at the same intensity. We view the QTD read as constructive but flag that the second quarter is shaping up to be a transition period where cost headwinds, rather than top-line momentum, dominate the narrative.

Cost Headwinds Building in 2Q26E

The clearer message from the meeting was on the cost side. The Middle East conflict has pushed oil prices higher, which feeds directly into higher logistics costs for CPALL's distribution network — an effect that should become visible in 2Q26E. Electricity costs are a parallel pressure point given the energy-intensive nature of the store base and cold-chain operations. While these are largely exogenous, they represent a genuine margin risk that was not present in 1Q26. We see 2Q26E gross and operating margins as the key swing factor to watch, and have tempered our near-term operating assumptions accordingly.

The Copay Scheme — A Familiar Drag

The government co-payment scheme starting 1-Jun-26 is the most specific near-term headwind. We expect it to slow CPALL traffic, consistent with the historical pattern — the "Kon La Krueng" scheme in 3Q25 dragged SSSG by roughly -0.5%. We therefore build a similar --0.5% SSSG impact into our 2H26 traffic assumptions. The mechanism is straightforward: the subsidy diverts a portion of everyday spending toward participating small merchants and away from modern trade.

Margin Discipline Offsets the Noise — Maintain BUY, TP THB65

We maintain our BUY rating and TP of THB 65.00. We view that the GPM/SG&A combination with financial cost tailwind, has been the consistent driver of CPALL's earnings beats, and we believe this lever is sufficient to offset the oil, electricity and copay pressures over 2H26.

Analyst

Siriluck Pinthusoonthorn
Siriluck@globlex.co.th,
+662 672 5806

Assistant Analyst

Peerayu Sirivorawong

ESG Rating : AAA

CG Rating : ▲▲▲▲▲

BUY

Target Price 12M (THB)	65.00
VS. BB Consensus TP (%)	+5.9%
Share Price (THB)	46.75
Upside/Downside	+39.0%

Share Data

Market Cap (THB m)	419,959.99
Par (THB)	1.00
Free Float (%)	64.31
Issued shares (m shares)	8,983

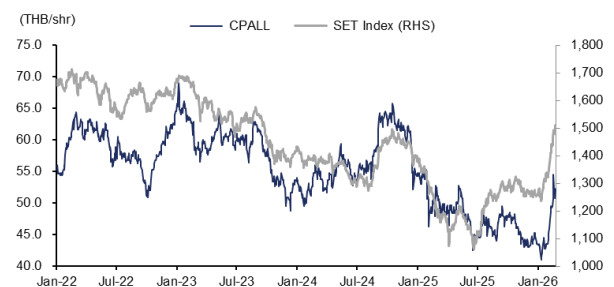
Financial forecast

YE Dec (THB m)	2025	2026E	2027E	2028E
Revenue	990,663	1,085,064	1,119,801	1,165,437
Net profit	28,206	30,876	33,248	35,054
Core net profit	28,206	30,876	33,248	35,054
vs Consensus (%)	-	0.1	(0.5)	0.0
Net profit growth (%)	11.3	9.5	7.7	5.4
Core net profit growth (%)	11.3	9.5	7.7	5.4
EPS (THB)	3.14	3.44	3.70	3.90
Core EPS (THB)	3.14	3.44	3.70	3.90
Chg in core EPS (%)	-	0.00	0.00	0.00
DPS (THB)	1.65	1.72	1.85	1.95
P/E (x)	13.86	13.60	12.63	11.98
P/BV (x)	2.83	2.72	2.44	2.21
ROE (%)	23.02	22.67	21.71	20.47
Dividend yield (%)	3.79	3.68	3.96	4.17

Source: Financial Statement and Globlex securities

Share Price Performance (%)

	1M	3M	6M	YTD
Stock	1.05	(10.51)	6.11	7.47
Market	(2.37)	(13.12)	(10.79)	(11.15)
12M High/Low (THB)	54.50 / 40.50			



Major Shareholders (%) as of 5 May 2026

C.P. Merchandising	30.42
Thai NVDR Company Limited	9.67
SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	3.59

Company Profile

The Company operates the convenience store business under the 7-Eleven trademark and franchises to other retailers in the territory of Thailand and has invested in supporting businesses such as manufacturing facility of food & bakery products, bill payment services and so on

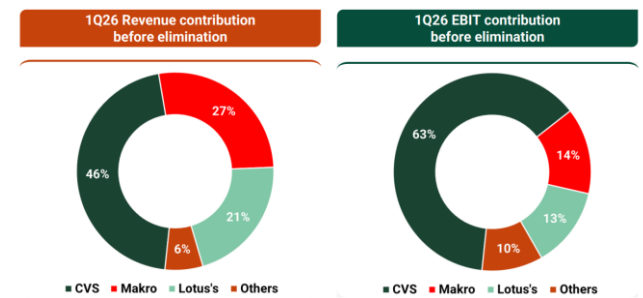
Source: SETSMART, SET

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	245,798	253,400	259,355	2	6	990,663	1,085,064	10
Operating costs	(238,636)	(248,540)	(251,695)	1	5	(968,824)	(1,060,648)	9
EBITDA	16,454	14,505	17,460	20	6	59,615	60,303	1
<i>EBITDA margin (%)</i>	6.7	5.7	6.7	na	na	6	6	na
EBIT	7,163	4,860	7,660	58	7	21,838	24,415	12
Interest expense	(3,769)	(3,730)	(3,594)	(4)	(5)	(14,894)	(15,269)	3
Exceptionals	7,188	8,945	8,497	(5)	18	31,975	33,408	4
Pretax profit	10,582	10,074	12,563	25	19	38,919	42,554	9
Tax	(1,955)	(1,816)	(2,374)	31	21	(7,045)	(7,660)	9
<i>Tax rate (%)</i>	18	18	19	na	na	18	18	na
Minority interests	(1,042)	(1,002)	(1,071)	na	na	(3,669)	(4,018)	na
Net profit	7,585	7,256	9,118	26	20	28,206	30,876	9
Non-recurring	25	(9)	192			(86)		
Core net profit	7,560	7,265	8,926	23	18	28,292	30,876	9
EPS (THB)	0.84	0.81	1.01	26	20	3.14	3.44	9
Core EPS (THB)	0.84	0.81	0.99	23	18	3.15	3.44	9

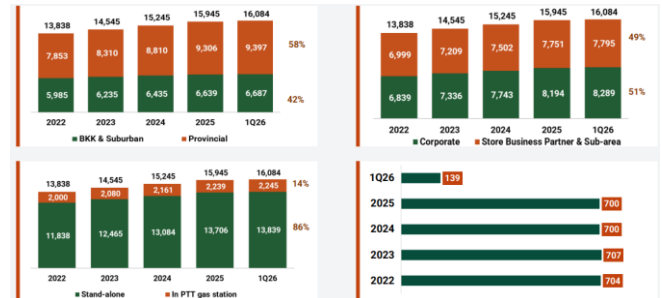
Sources: SET, Globlex Research

Exhibit 2: Business Segment Performance



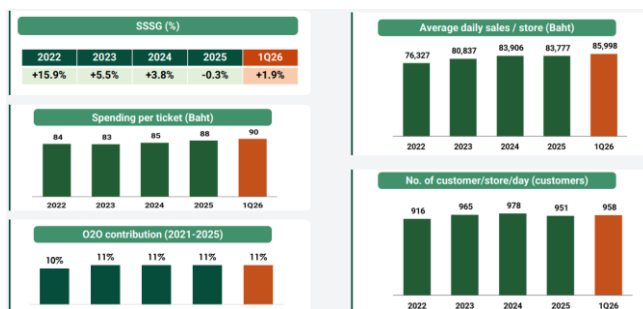
Sources: CPALL

Exhibit 3: Store Types Breakdown



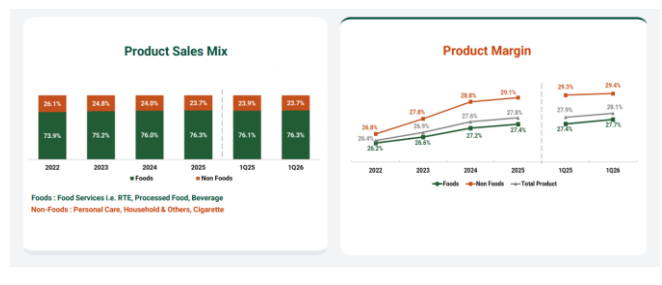
Sources: CPALL

Exhibit 4: SSSG



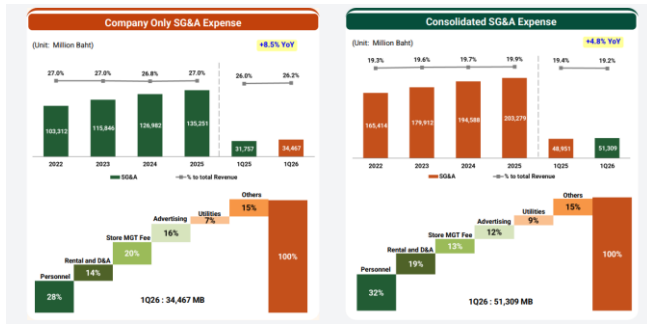
Sources: CPALL

Exhibit 5: Product Sales Mix and Gross Margin



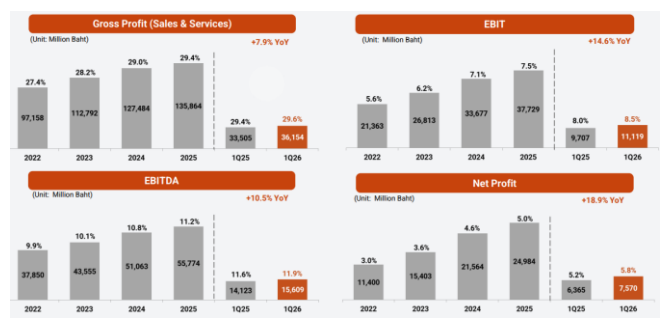
Sources: CPALL

Exhibit 6: SG&A Expenses



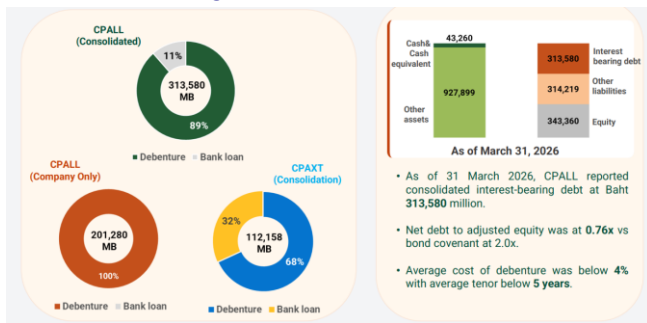
Sources: CPALL

Exhibit 7: Profitability Ratio – Company Only



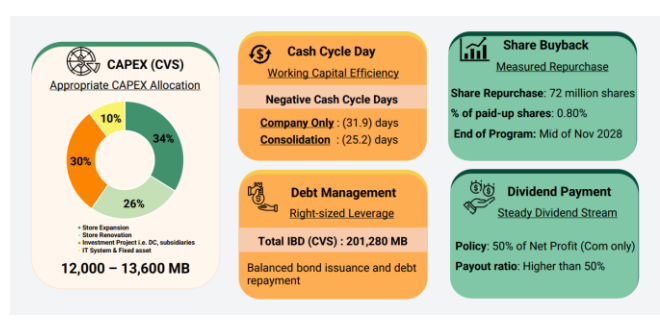
Sources: CPALL

Exhibit 8: Leverage Ratio



Sources: CPALL

Exhibit 9: Financial and Capital Allocation



Sources: CPALL

Balance sheet (THB m)					
Year ending Dec	2024	2025	2026E	2027E	2028E
Current assets					
Cash & ST investment	54,613	53,207	79,859	100,125	122,324
Account receivable	3,856	5,241	5,828	6,758	7,834
Inventories	61,269	74,143	85,053	87,692	91,129
Others	17,414	19,965	21,481	22,168	23,072
Non-current assets					
Net fixed assets	216,589	223,119	227,142	230,772	233,989
Others	590,379	607,138	607,138	607,138	607,138
Total Assets	944,120	982,814	1,026,500	1,054,654	1,085,486
Current liabilities					
Account payable	128,294	134,424	154,202	158,988	165,219
ST borrowing	65,589	75,885	75,885	75,885	75,885
Others	38,493	40,271	44,108	45,520	47,375
Long-term liabilities					
Long-term debts	359,000	366,454	366,454	366,454	366,454
Others	33,134	34,236	34,236	34,236	34,236
Total liabilities	624,510	651,269	674,885	681,083	689,169
Paid-up capital	8,983	8,983	8,983	8,983	8,983
Retained earnings	(488)	(958)	15,095	32,904	51,334
Others	118,365	130,116	130,116	130,116	130,116
Minority interest	192,750	193,403	197,421	201,568	205,883
Shareholders' equity	319,611	331,544	351,615	373,571	396,317

Key ratios					
Year ending Dec	2024	2025	2026E	2027E	2028E
Growth (%YoY)					
Sales	7.1	3.3	9.5	3.2	4.1
Operating profit	11.7	0.8	1.2	(0.9)	(1.7)
EBITDA	11.7	0.8	1.2	(0.9)	(1.7)
Net profit	37.1	11.3	9.5	7.7	5.4
Core net profit	37.1	11.3	9.5	7.7	5.4
EPS	37.1	11.3	9.5	7.7	5.4
Core EPS	37.1	11.3	9.5	7.7	5.4
Profitability (%)					
Gross margin	26.5	26.5	23.1	23.1	23.2
Operation margin	6.2	6.0	5.6	5.3	5.0
EBITDA margin	6.2	6.0	5.6	5.3	5.0
Net margin	2.6	2.8	2.8	3.0	3.0
ROE	23.3	23.0	22.7	21.7	20.5
ROA	2.7	2.9	3.1	3.2	3.3
Stability					
Interest bearing debt/equity (x)	1.3	1.3	1.3	1.2	1.1
Net debt/equity (x)	1.2	1.2	1.0	0.9	0.8
Interest coverage (x)	1.4	1.5	1.6	1.7	1.7
Interest & ST debt coverage (x)	0.3	0.2	0.3	0.3	0.3
Cash flow interest coverage (x)	0.1	0.1	0.1	0.1	0.1
Current ratio (x)	0.6	0.6	0.7	0.8	0.8
Quick ratio (x)	0.3	0.2	0.3	0.4	0.5
Net debt (THB m)	369,976	389,132	362,481	342,214	320,015
Activity					
Asset turnover (X)	1.0	1.0	1.0	1.6	3.1
Days receivables	1.2	1.3	0.0	0.0	0.0
Days inventory	29.4	30.1	0.0	0.0	0.0
Days payable	55.7	56.8	0.0	0.0	0.0
Cash cycle days	(25.1)	(25.4)	0.0	0.0	0.0

Profit & loss (THB m)					
Year ending Dec	2024	2025	2026E	2027E	2028E
Revenue from sales and services					
Revenue from sales and services	958,998	990,663	1,085,064	1,119,801	1,165,437
Cost of goods sold	(705,286)	(727,769)	(834,851)	(860,760)	(894,495)
Gross profit	253,712	262,893	250,212	259,041	270,942
Operating expenses	(194,588)	(203,279)	(189,909)	(199,259)	(212,161)
Operating profit	59,124	59,615	60,303	59,782	58,781
EBIT	21,919	21,838	24,415	25,689	26,392
Depreciation	(37,205)	(37,777)	(35,888)	(34,093)	(32,389)
EBITDA	59,124	59,615	60,303	59,782	58,781
Non-operating income	28,737	31,480	32,828	34,452	36,157
Other incomes	28,146	30,934	32,481	34,105	35,810
Other non-op income	591	546	347	347	347
Non-operating expense	(15,435)	(14,979)	(15,269)	(15,118)	(15,118)
Interest expense	(15,495)	(14,894)	(15,269)	(15,118)	(15,118)
Other non-op expense	59	(86)	0	0	0
Equity income/(loss)	673	580	580	580	580
Pre-tax Profit	35,893	38,919	42,554	45,603	48,011
Extraordinary items					
Current taxation	(6,381)	(7,045)	(7,660)	(8,209)	(8,642)
Minorities	(4,166)	(3,669)	(4,018)	(4,147)	(4,316)
Net Profit	25,346	28,206	30,876	33,248	35,054
Core net profit	25,346	28,206	30,876	33,248	35,054
EPS (THB)	2.82	3.14	3.44	3.70	3.90
Core EPS (THB)	2.82	3.14	3.44	3.70	3.90

Cash flow (THB m)					
Year ending Dec	2024	2025	2026E	2027E	2028E
Operating cash flow					
Operating cash flow	40,080	36,828	55,688	46,567	46,534
Net profit	25,346	28,206	30,876	33,248	35,054
Depre. & amortization	37,205	37,777	35,888	34,093	32,389
Change in working capital	(3,605)	(8,904)	10,605	1,940	2,670
Others	(18,866)	(20,251)	(21,680)	(22,715)	(23,578)
Investment cash flow	(42,725)	(24,062)	(18,231)	(15,009)	(12,027)
Net CAPEX	(40,002)	(44,307)	(409)	(418)	(427)
Change in LT investment	(10,921)	(12,981)	41,475	35,705	38,823
Change in other assets	8,198	33,226	(59,297)	(50,296)	(50,423)
Free cash flow	(2,645)	12,766	37,457	31,558	34,507
Financing cash flow	(9,976)	(14,172)	(10,806)	(11,291)	(12,308)
Change in share capital	0	0	0	0	0
Net change in debt	2,151	652	4,018	4,147	4,316
Dividend paid	(12,127)	(14,824)	(14,824)	(15,438)	(16,624)
Others					
Net cash flow	(12,621)	(1,406)	26,651	20,267	22,199
Per share (THB)					
EPS	2.82	3.14	3.44	3.70	3.90
Core EPS	2.82	3.14	3.44	3.70	3.90
CFPS	7.43	7.75	7.88	7.96	7.99
BVPS	14.12	15.38	17.16	19.15	21.20
Sales/share	106.76	110.28	120.78	124.66	129.74
EBITDA/share	6.58	6.64	6.71	6.65	6.54
DPS	1.35	1.65	1.72	1.85	1.95
Valuation					
P/E (x)	19.8	13.9	13.6	12.6	12.0
P/BV (x)	3.95	2.83	2.72	2.44	2.21
Dividend yield (%)	2.42	3.79	3.68	3.96	4.17
Dividend payout ratio (%)	47.85	52.56	50.00	50.00	50.00

GENERAL DISCLAIMER

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.