

Bad News Priced In, Recovery Still to Prove

- Closure charges should push 3Q26E earnings to the trough.
- Much downside appears priced in; recovery remains uncertain.
- Maintain HOLD; steady earnings growth is needed for re-rating.

A difficult quarter, but limited surprise

We expect CPAXT to report 3Q26E net profit of THB687m (-63% y-y, -63% q-q), marking the year's earnings trough. Store closures, impairment charges and acquisition expenses should weigh heavily on reported earnings. In our view, much of this weakness appears priced in, consistent with the relatively limited share-price response to the company update. However, reduced downside expectations should not be confused with evidence of a sustained fundamental recovery.

Makro improves, while Thai retail remains weak

We forecast revenue of THB128.3b (+1% y-y, -3% q-q). Makro SSSG should recover to approximately +1%, supported by improving HoReCa demand and fresh-food pricing, with wholesale revenue growing 1.5% y-y. Lotus's Thailand remains under pressure, with SSSG estimated at -6%. Management indicated that Thai Chuay Thai's negative impact on Lotus's outweighs the modest benefit to Makro. Malaysia and initial Food Purveyor contributions should provide an offset, although acquisition fees will constrain earnings.

Cost pressure extends beyond exceptional charges

We estimate core profit of THB1.43b, excluding exceptional charges and normalising tax. Modest gross-margin improvement from logistics efficiency should support gross profit, but higher DC&A intensity remains the main operating challenge. We assume THB1.15b of closure and impairment charges, principally from unprofitable Lotus's small-format stores and one Makro store in Siem Reap. A positive tax contribution should cushion reported profit, although its magnitude remains uncertain.

A cleaner base, with recovery still to prove

Management expects EBIT margin improvement from 4Q26E as loss-making operations are removed. We expect reported earnings to rebound in 4Q26E and improve in 2027E as exceptional charges subside and store rationalisation reduces recurring losses. Nevertheless, the timing and strength of underlying recovery remain unclear. A sustainable turnaround requires stabilising Thai retail sales, stronger cost control and consistent profit growth. Clearance of losses improves the earnings base, but does not itself restore growth.

Maintain HOLD with TP of THB17

At approximately 16x P/E and a 5% dividend yield, CPAXT offers income support but requires stronger operating momentum to justify a re-rating. We maintain HOLD and our unchanged target price. Valuation could remain around current levels if growth stays subdued. A steady earnings recovery, supported by improving retail sales and recurring margins, could support a move towards THB16–17. We await clearer operating evidence before adopting a more constructive stance.

ESG Rating : AAA

CG Rating : ▲▲▲▲▲

HOLD

Target Price 12M (THB)	17.00
VS. BB Consensus TP (%)	+9.8%
Share Price (THB)	14.50
Upside/Downside	+17.2%

Share Data

Market Cap (THB m)	151,201.10
Par (THB)	1.00
Free Float (%)	15.25
Issued shares (m shares)	10,428

Financial forecast

YE Dec (THB m)	2025	2026E	2027E	2028E
Revenue	520,706	525,450	537,350	548,268
Net profit	9,509	8,771	10,119	10,356
Core net profit	9,509	8,771	10,119	10,356
vs Consensus (%)	-	(7.5)	(1.6)	(7.0)
Net profit growth (%)	(10.0)	(7.8)	15.4	2.3
Core net profit growth (%)	(10.0)	(7.8)	15.4	2.3
EPS (THB)	0.91	0.84	0.97	0.99
Core EPS (THB)	0.91	0.84	0.97	0.99
Chg in core EPS (%)	-	(14.00)	(6.66)	0.00
DPS (THB)	0.82	0.77	0.86	0.88
P/E (x)	30.98	17.24	14.94	14.60
P/BV (x)	0.98	0.50	0.50	0.50
ROE (%)	3.18	2.92	3.36	3.42
Dividend yield (%)	2.90	5.30	5.93	6.04

Source: Financial Statement and Globlex securities

Share Price Performance (%)

	1M	3M	6M	YTD
Stock	(2.03)	(5.23)	(8.81)	(7.64)
vs SET	(0.84)	(3.13)	(15.89)	(26.20)
12M High/Low (THB)	23.40 / 13.90			



Major Shareholders (%) as of 21 Aug 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: SET. Quote 6 Oct 2026 14:26; statistics 5 Oct. 1M/3M/6M: 20/60/120 trading days; vs SET: relative. Free float: 9 Mar 2026; chart: 6 Oct 2026.

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Exhibit 1: Summary of 3Q26E/2026E operations

	3Q25	2Q26	----- 3Q26E -----			2025	2026E	chg.
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)
Revenue	127,019	132,284	128,333	(3)	1	520,706	525,450	1
Makro revenue	68,987	71,150	70,022	(2)	2	283,531	292,604	3
Lotus's revenue	52,972	55,344	53,111	(4)	0	215,685	210,940	(2)
Rental revenue	3,598	3,736	3,700	(1)	3	13,834	14,249	3
Other revenue	1,462	2,054	1,500	(27)	3	7,656	7,656	0
Operating costs	(123,602)	(128,684)	(126,636)	(2)	2	(503,918)	(509,196)	1
EBITDA	7,828	8,391	6,197	(26)	(21)	34,252	33,563	(2)
EBITDA margin (%)	6.2	6.3	4.8	na	na	6.6	6.4	na
EBIT	3,417	3,600	1,697	(53)	(50)	16,788	16,253	(3)
Interest expense	(1,211)	(1,323)	(1,250)	(6)	3	(5,398)	(5,731)	6
Associates' contrib	170	183	150	(18)	(12)	580	580	0
Pretax profit	2,377	2,460	597	(76)	(75)	11,970	11,102	(7)
Tax	(523)	(626)	100	(116)	(119)	(2,645)	(2,331)	(12)
Tax rate (%)	22	25	(17)	na	na	21	20	na
Minority interests	11	40	(10)	na	na	31	0	na
Net profit	1,864	1,874	687	(63)	(63)	9,356	8,771	(6)
EPS (THB)	0.18	0.18	0.07	(63)	(63)	0.88	0.84	(5)

Sources: CPAXT, Globlex Research

Exhibit 2: 2026 store and mall expansion (+2 new stores and +2 store improvement in Malaysia)

NEW STORE OPENING		1H/26	2H/26	2026
WHOLESALE		-	3	3
THAILAND		-	2	2
PHILIPPINES		-	1	1
RETAIL		127	12	139
THAILAND		125	9	134
LARGE FORMAT		-	2	2
SUPERMARKET		2	2	4
GO FRESH		123	5	128
MALAYSIA		2	3	5
TOTAL		127	15	142
INCREMENTAL NET SALABLE AREA ("NSA") +3% from 2,826 K SQ.M. on 31 Dec 25				
MALL PROGRAM		1H/26	2H/26	2026
THAILAND		4	12	16
IMPROVEMENT		3	3	6
NEW & EXTENSION		1	9	10
MALAYSIA		2	2	4
IMPROVEMENT		2	0	2
NEW & EXTENSION		0	2	2
TOTAL		6	14	20
INCREMENTAL NET LEASABLE AREA ("NLA") +9% from 1,185 K SQ.M. on 31 Dec 25				

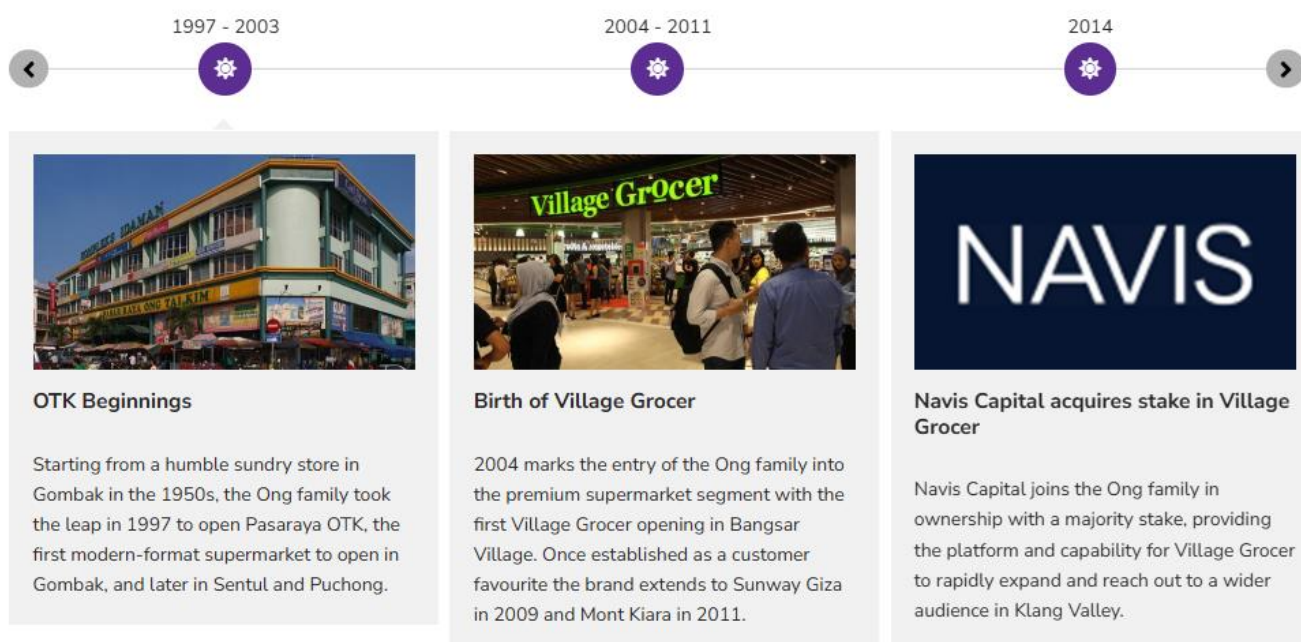
Sources: CPAXT

Exhibit 3: Food Purveyor's major brands, milestones, and premium store formats

OUR BRANDS



KEY MILESTONES



Sources: <https://thefoodpurveyor.com/>

Balance sheet (THB m)					
Year ending Dec	2024	2025	2026E	2027E	2028E
Current assets					
Cash & ST investment	19,461	22,649	23,712	27,973	32,182
Account receivable	4,558	5,080	5,606	6,144	6,693
Inventories	36,484	37,484	37,732	38,548	39,376
Others	6,420	6,528	6,588	6,737	6,874
Non-current assets					
Net fixed assets	117,695	117,308	116,262	114,558	112,195
Others	361,913	361,913	361,913	361,913	361,913
Total Assets	546,531	550,962	551,812	555,872	559,233
Current liabilities					
Account payable	78,205	80,348	80,879	82,629	84,403
ST borrowing	35,704	35,704	35,704	35,704	35,704
Others	8,928	9,079	9,162	9,369	9,560
Long-term liabilities					
Long-term debts	115,120	115,120	115,120	115,120	115,120
Others	9,956	9,956	9,956	9,956	9,956
Total liabilities	247,914	250,208	250,821	252,778	254,743
Paid-up capital	10,428	10,428	10,428	10,428	10,428
Retained earnings	36,340	38,445	38,683	40,786	42,181
Others	250,906	250,906	250,906	250,906	250,906
Minority interest	943	975	975	975	975
Shareholders' equity	298,617	300,754	300,991	303,094	304,489

Key ratios					
Year ending Dec	2024	2025	2026E	2027E	2028E
Growth (%YoY)					
Sales	4.5	1.7	0.9	2.3	2.0
Operating profit	5.6	(5.5)	(2.0)	3.7	0.4
EBITDA	5.6	(5.5)	(2.0)	3.7	0.4
Net profit	22.3	(10.0)	(7.8)	15.4	2.3
Core net profit	22.3	(10.0)	(7.8)	15.4	2.3
EPS	24.1	(10.0)	(7.8)	15.4	2.3
Core EPS	24.1	(10.0)	(7.8)	15.4	2.3
Profitability (%)					
Gross margin	10.1	9.2	9.4	9.5	9.4
Operation margin	7.1	6.6	6.4	6.5	6.4
EBITDA margin	7.1	6.6	6.4	6.5	6.4
Net margin	2.1	1.8	1.7	1.9	1.9
ROE	3.6	3.2	2.9	3.4	3.4
ROA	1.9	1.7	1.6	1.8	1.9
Stability					
Interest bearing debt/equity (x)	0.5	0.5	0.5	0.5	0.5
Net debt/equity (x)	0.4	0.4	0.4	0.4	0.4
Interest coverage (x)	3.2	3.3	2.8	3.2	3.2
Interest & ST debt coverage (x)	0.4	0.4	0.4	0.4	0.4
Cash flow interest coverage (x)	0.1	0.1	0.1	0.1	0.1
Current ratio (x)	0.5	0.6	0.6	0.6	0.7
Quick ratio (x)	0.2	0.2	0.2	0.3	0.3
Net debt (THB m)	131,364	128,175	127,112	122,851	118,642
Activity					
Asset turnover (X)	0.9	0.9	0.9	1.4	2.9
Days receivables	3.2	3.6	3.9	4.2	4.5
Days inventory	28.9	28.9	28.9	28.9	28.9
Days payable	62.0	62.0	62.0	62.0	62.0
Cash cycle days	(29.8)	(29.5)	(29.2)	(28.9)	(28.6)

Profit & loss (THB m)					
Year ending Dec	2024	2025	2026E	2027E	2028E
Revenue					
Cost of goods sold	(460,383)	(473,000)	(476,123)	(486,423)	(496,871)
Gross profit	51,659	47,706	49,326	50,926	51,397
Operating expenses	(15,406)	(13,454)	(15,763)	(16,120)	(16,448)
Operating profit	36,254	34,252	33,563	34,806	34,949
EBIT	18,633	16,788	16,253	17,650	17,945
Depreciation	(17,620)	(17,464)	(17,310)	(17,156)	(17,004)
EBITDA	36,254	34,252	33,563	34,806	34,949
Non-operating income					
Other incomes	0	0	0	0	0
Other non-op income	0	0	0	0	0
Non-operating expense	(5,735)	(5,122)	(5,731)	(5,581)	(5,581)
Interest expense	(5,735)	(5,122)	(5,731)	(5,581)	(5,581)
Other non-op expense	0	0	0	0	0
Equity income/(loss)	673	580	580	580	580
Pre-tax Profit	13,571	12,246	11,102	12,649	12,945
Extraordinary items	(3,026)	(2,706)	(2,331)	(2,530)	(2,589)
Current taxation	24	(31)	0	0	0
Minorities	0	0	0	0	0
Net Profit	10,569	9,509	8,771	10,119	10,356
Core net profit	10,569	9,509	8,771	10,119	10,356
EPS (THB)	1.01	0.91	0.84	0.97	0.99
Core EPS (THB)	1.01	0.91	0.84	0.97	0.99

Cash flow (THB m)					
Year ending Dec	2024	2025	2026E	2027E	2028E
Operating cash flow					
Net profit	10,569	9,509	8,771	10,119	10,356
Depre.& amortization	17,620	17,464	17,310	17,156	17,004
Change in working capital	(3,193)	664	(220)	454	451
Others	(8,346)	(7,461)	(6,955)	(7,292)	(7,410)
Investment cash flow	(28,896)	(9,616)	(9,308)	(8,160)	(7,231)
Net CAPEX	(19,741)	(25,859)	(33,872)	(44,367)	(58,115)
Change in LT investment	(9,858)	10,592	9,596	12,277	13,170
Change in other assets	704	5,651	14,967	23,930	37,714
Free cash flow	(12,246)	10,561	9,596	12,277	13,170
Financing cash flow					
Change in share capital	5,138	0	0	0	0
Net change in debt	389	31	0	0	0
Dividend paid	(5,527)	(7,404)	(8,533)	(8,016)	(8,961)
Others	0	0	0	0	0
Net cash flow	(12,246)	3,188	1,063	4,261	4,209
Per share (THB)					
EPS	1.01	0.91	0.84	0.97	0.99
Core EPS	1.01	0.91	0.84	0.97	0.99
CFPS	2.66	2.59	2.50	2.62	2.62
BVPS	28.13	28.75	28.77	28.97	29.10
Sales/share	48.40	49.94	50.39	51.53	52.57
EBITDA/share	3.43	3.28	3.22	3.34	3.35
DPS	0.71	0.82	0.77	0.86	0.88
Valuation					
P/E (x)	26.9	31.0	17.2	14.9	14.6
P/BV (x)	0.95	0.98	0.50	0.50	0.50
Dividend yield (%)	2.61	2.90	5.30	5.93	6.04
Dividend payout ratio (%)	70.05	89.74	91.40	88.56	88.14

CP Aextra (CPAXT TB) | THAILAND / SET / COMMERCE
ESG Analysis

ESG Assessment	SET ESG	Bloomberg
Environment CP Aextra's most material environmental exposures are energy/refrigerant use across its Makro and Lotus's cold-chain retail network and food waste from perishables. Total Scope 1-2 GHG emissions (market-based) rose to 909,830 tCO ₂ e in 2025 (+5.2% y-y), reversing a 2022-2024 downtrend, driven partly by a 20% jump in refrigerant-related emissions (119,954 tCO ₂ e vs 99,791 in 2024) as the network expanded into Myanmar and Cambodia. Renewable energy share improved to 16.23% of the mix (up from 13.96% in 2024), but overall energy intensity edged up to 13.08 GJ/million THB revenue. On waste, total waste generated rose to 182,122 tons (+5.7% y-y), but the utilization (recycling/reuse) ratio improved sharply to 81.8% from 70.8%, and food waste fell 10.6% y-y to 37,954 tons with the food-waste-utilization ratio jumping to 42.2% from 14.2%, aided by discounted-product programs that now redirect more food than is wasted. Plastic packaging usage fell 25% y-y to 13,773 tons, with recycled content in own packaging rising to 47.1%.	AAA	5.89
Social With ~75,200 full-time employees (43:57 male:female) across Thailand, Malaysia, Myanmar and Cambodia, labor and workplace safety are the Company's most material social issues. Voluntary turnover rose to 26.47% in 2025 from 24.10% in 2024, and workplace safety metrics deteriorated: employee LTIFR climbed to 1.57 (from 1.35 in 2022), and employee work-related fatalities rose to 3 in 2025 (plus 2 among contractors) versus 1 (and 1) in 2024 and zero in 2022-2023 — a trend that coincides with, but is not fully explained by, geographic expansion. On the positive side, CP Aextra supported 18,469 SME vendors and 799 farmers directly in 2025, with SME/farmer subsidiary workers reaching 57,446 and vendor workers rising 29% y-y to 102,279, reflecting the Group's stated "Food Security & Access to Nutrition" and responsible supply chain priorities. On data protection — material given its retail POS and loyalty data footprint — the Company reports 100% employee PDPA training completion and 100% internal audit coverage of its privacy compliance program, appointing a dedicated DPO; no specific count of substantiated customer-data complaints (GRI 418-1) was disclosed in the sources reviewed.		4.25
Governance CP Aextra received an "Excellent" (5-star) Thai IOD Corporate Governance rating and describes itself as a certified CAC (Thailand's Private Sector Collective Action Against Corruption) member, with 100% of board members, executives and employees trained annually on the Code of Conduct and anti-corruption policy, and 100% of whistleblowing cases investigated. A board-level CG & Sustainable Development Committee (chaired by an independent director) oversees compliance, CAC, environment and social-impact sub-committees, and all Code of Conduct complaints are reportedly investigated within two weeks with quarterly reporting to the Audit and Risk Management Committee. Board composition detail (independent director count, major shareholding structure) was not available in the sustainability report/appendix reviewed and would need to be sourced from the 56-1 One Report.		4.26
Overall CG Score: Excellent (5-star) CAC: Certified	AAA	4.68

SET ESG Rating as of 9 January 2026.

Sources: CP Aextra Sustainability Report 2025, CP Aextra Attachment #9 (GRI Performance Data 2022-2025), Globlex Securities Research.

GENERAL DISCLAIMER

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.