

## CP All (CPALL TB)

### Strong Core Business Growth Momentum

#### Highlights

- We expect 4Q25 net profit of Bt7.3b, flat yoy driven by margin expansion and continued strength in the CVS segment
- We are impressed that the CVS segment has been able to expand gross margins despite the negative impact from the Half-Half Plus Copayment scheme.
- Maintain BUY with a lower target price of Bt60.00 (previously Bt65.00).

#### 4Q25 Results Preview

Year to 31 Dec (Btm)	4Q24	3Q25	4Q25F	yoY (%)	qoq (%)	2024	2025F	yoY (%)
Sales and services	249,691	242,599	252,188	1.0	4.0	958,998	989,450	3.2
Gross profit	57,061	55,241	58,003	1.7	5.0	216,507	226,052	4.4
Operating EBIT	14,104	12,033	14,123	0.1	17.4	50,064	53,350	6.6
Core profit	6,948	6,285	7,280	4.8	15.8	24,614	27,408	11.4
Net profit	7,179	6,597	7,280	1.4	10.4	25,346	27,931	10.2
Percent	4Q24	3Q25	4Q25F	(ppts)	(ppts)	2024	2025F	(ppts)
Gross margin	22.9	22.8	23.0	0.15	0.23	22.6	22.8	0.3
SG&A to sales	20.3	21.0	20.4	0.12	(0.62)	20.3	20.5	0.2
Net profit margin	2.9	2.7	2.9	0.01	0.17	2.6	2.8	0.2

Source: CP All, UOB Kay Hian

#### Analysis

- 4Q25 earnings expected to be flat yoy.** We expect CP ALL (CPALL) to report 4Q25 net profit of Bt7.3b, flat yoy but up 10% qoq. Excluding one-off items, core profit is expected to rise 5% yoy and 16% qoq. Earnings growth will be driven by margin expansion and continued strength in the convenience store (CVS) segment, offsetting weak earnings contributions from CP Axta (CPAXT).
- Top-line growth supported by new store openings.** We expect 4Q25 revenue to grow 1% yoy, driven by a 2.5% yoy sales growth in the CVS segment, supported by new 7-Eleven store openings. Meanwhile, CVS SSSG is expected to be -1.3% yoy, pressured by weak domestic consumption, the mourning period, flooding in the south, and the Half-Half Copayment scheme. Meanwhile, with CPAXT sales expected to decline yoy, we forecast consolidated sales growth of 1% yoy.

#### Key Financials

Year to 31 Dec (Btm)	2023	2024	2025F	2026F	2027F
Net turnover	920,373	987,143	1,019,265	1,035,110	1,065,081
EBITDA	73,930	82,869	88,009	92,159	95,412
Operating profit	41,451	50,064	53,350	55,533	56,906
Net profit (rep./act.)	18,482	25,346	27,931	30,151	30,864
Net profit (adj.)	17,390	24,614	27,408	29,524	30,864
EPS	2.1	2.8	3.1	3.4	3.5
PE (x)	20.4	14.9	13.5	12.5	12.2
P/B (x)	3.4	3.0	2.7	2.4	2.2
EV/EBITDA (x)	12.4	11.1	10.4	10.0	9.6
Dividend yield (%)	2.4	3.2	3.7	4.0	4.1
Net margin (%)	2.0	2.6	2.7	2.9	2.9
Net debt/(cash) to equity(%)	324.5	291.6	241.5	206.1	179.7
Interest cover (x)	4.6	5.6	6.2	6.6	6.8
Consensus net profit	-	-	28,106.9	31,040.4	33,796.0
UOBKH/Consensus (x)	-	-	0.98	0.95	0.91

Source: CP ALL, Bloomberg, UOB Kay Hian

Share Price	Bt42.25
Target Price	Bt60.00
Upside	42.0%
Previous TP	Bt65.00

**Analyst(s)**  
Tanapon Cholkandidamrongkul  
tanapon.c@uobkayhian.co.th  
662 090 3359

#### Stock Data

GICS Sector	Consumer Staples
Bloomberg ticker	CPALL TB
Shares issued (m)	8,911.5
Market cap (Btm)	376,511.0
Market cap (US\$m)	11,998.8
3-mth avg daily t/over (US\$m)	31.6

#### Price Performance (%)

52-week high/low	Bt56.8/Bt41.0
1mth	YTD
(5.6)	(2.9)

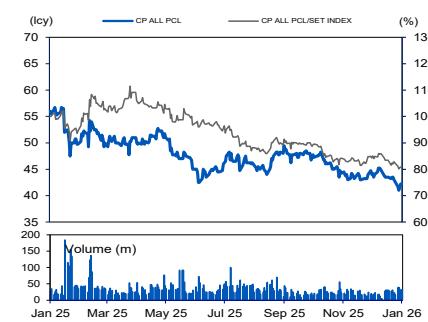
#### Major Shareholders

CPF	30.78
NVDR	13.20
SOUTH EAST EUROPE LIMITED	3.13

#### Balance Sheet Metrics

FY25 NAV/Share (Bt)	15.88
FY25 Net Debt/Share (Bt)	38.35

#### Price Chart



Source: Bloomberg

#### Company Description

Operator of Thai 7-Eleven stores, controlling more than 50% share of convenience store market in Thailand.

- Gross margin maintained.** 4Q25 gross margin is expected to come in at 23.0%, up from 22.9% in 4Q24, driven by: a) a higher contribution from high-margin products such as ready-to-eat food at 7-Eleven stores, and b) margin improvement at CPAXT following accounting reclassification. These positives would be partly offset by a decline in the retail segment's gross margin due to an unfavourable product mix and intensified competition.
- Most resilient performance among peers.** The CVS segment will be the key earnings driver in 2026. We are impressed that the CVS segment has been able to expand gross margins despite intense competition and the negative impact from the Half-Half Copayment scheme. The higher contribution of ready-to-eat products reflects the outperformance of CPALL's team, positioning CPALL as a sector winner. We also expect the CVS segment to face the least negative impact from the absence of the Shop for Nation tax rebate scheme in 1Q26, which should make CPALL's earnings the most resilient among its peers.

## Valuation/Recommendation

- Maintain BUY with a lower target price of Bt60.00.** Our target price is based on 18x 2025F PE, or -1SD to its five-year average. We continue to favour CPALL given its superior operating performance relative to retail peers and its ability to expand gross margins despite negative SSSG. At the current valuation of just 12.5x PE, near the trough of its historical trading range, we see an attractive risk-reward profile.

## Earnings Revision/Risk

- Revise up earnings.** We revise our earnings forecasts for 2025-26 up by 2% and 5% respectively.

### 4Q25 Results Preview

(Btm)	2025F			2026F		
	New	Previous	Change	New	Previous	Change
Total revenue	989,450	980,856	0.9%	1,005,380	1,021,660	-1.6%
Net profit	27,931	27,381	2.0%	30,151	28,808	4.7%

Source: CP All, UOB Kay Hian

## Share Price Catalyst

- Catalysts:** Higher contribution from high-margin products, attractive valuation
- 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.

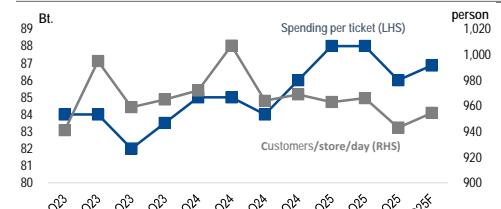
### Social

- 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

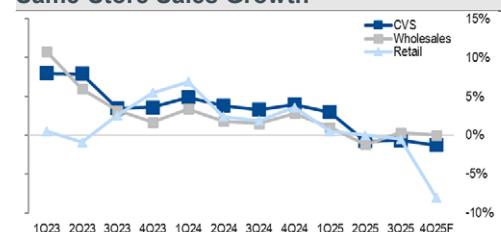
- 7 Go Right.** CPALL was certified for renewed membership in Thailand's Private Sector Collective Action Coalition Against Corruption for 2023-26.

### Ticket Size and Foot Traffic



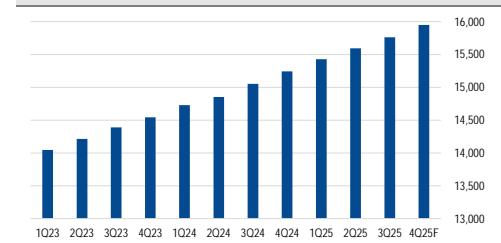
Source: CP ALL, UOB Kay Hian

### Same-Store Sales Growth



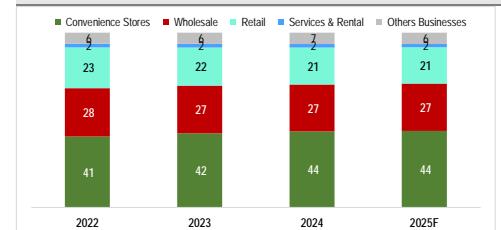
Source: CP ALL, UOB Kay Hian

### No. of Convenience Stores



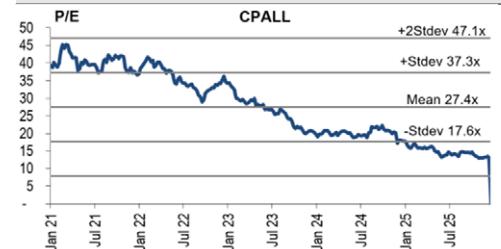
Source: CP ALL, UOB Kay Hian

### Sales Contribution Before Elimination



Source: CP ALL, UOB Kay Hian

### PE Band



Source: Bloomberg, UOB Kay Hian

### Profit & Loss

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Net turnover	987,143	1,019,265	1,035,110	1,065,081
EBITDA	82,869	88,009	92,159	95,412
Deprec. & amort.	32,805	34,659	36,626	38,507
EBIT	50,064	53,350	55,533	56,906
Total other non-operating income	59	(68)	0	0
Associate contributions	673	600	627	658
Net interest income/(expense)	(14,903)	(14,275)	(13,981)	(14,062)
Pre-tax profit	35,893	39,607	42,179	43,502
Tax	(6,381)	(7,411)	(7,895)	(8,140)
Minorities	(4,166)	(4,265)	(4,133)	(4,498)
Net profit	25,346	27,931	30,151	30,864
Net profit (adj.)	24,614	27,408	29,524	30,864

### Cash Flow

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Operating	76,170	74,743	72,333	74,872
Pre-tax profit	35,893	39,607	42,179	43,502
Tax	(6,381)	(7,411)	(7,895)	(8,140)
Deprec. & amort.	32,805	34,659	36,626	38,507
Working capital changes	(4,593)	7,160	1,919	628
Non-cash items	921	728	(497)	375
Other operating cashflows	17,525	0	0	0
Investing	(28,951)	(37,161)	(41,270)	(46,169)
Capex (growth)	(54,863)	(40,036)	(40,732)	(41,359)
Investments	(2,132)	(240)	(251)	(263)
Others	28,044	3,115	(286)	(4,546)
Financing	(59,907)	(31,934)	(7,166)	(12,275)
Dividend payments	(8,983)	(12,127)	(13,966)	(15,075)
Issue of shares	0	0	0	0
Proceeds from borrowings	(2,938)	(19,807)	6,800	2,800
Others/interest paid	(47,986)	0	0	0
Net cash inflow (outflow)	(12,688)	5,648	23,898	16,428
Beginning cash & cash equivalent	67,317	54,628	60,276	84,174
Ending cash & cash equivalent	54,628	60,276	84,174	100,601

### Balance Sheet

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Fixed assets	781,968	787,345	791,451	794,304
Other LT assets	25,000	25,433	25,786	31,415
Cash/ST investment	54,628	60,276	84,174	100,601
Other current assets	82,524	87,213	87,007	89,975
Total assets	944,120	960,268	988,417	1,016,296
ST debt	65,589	71,089	77,589	80,089
Other current liabilities	166,787	179,365	180,581	184,553
LT debt	359,000	333,693	333,993	334,293
Other LT liabilities	33,134	36,442	36,257	37,077
Shareholders' equity	126,860	142,664	158,849	174,638
Minority interest	192,750	197,016	201,149	205,647
Total liabilities & equity	944,120	960,268	988,417	1,016,296

### Key Metrics

Year to 31 Dec (%)	2024	2025F	2026F	2027F
Profitability				
EBITDA margin	8.4	8.6	8.9	9.0
Pre-tax margin	3.6	3.9	4.1	4.1
Net margin	2.6	2.7	2.9	2.9
Growth				
Net profit (adj.)	41.5	11.4	7.7	4.5
Leverage				
Debt to total capital	57.1	54.4	53.3	52.1
Debt to equity	334.7	283.7	259.1	237.3
Net debt/(cash) to equity	291.6	241.5	206.1	179.7
Interest cover	5.6	6.2	6.6	6.8

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