

CP Axtra (CPAXT TB)

4Q25 Results Expected To Be Weak

Highlights

- We expect 4Q25 earnings of Bt2.8b, down 30% yoy. Key pressures came from weak SSSG and margin compression in the retail business.
- In the absence of government stimulus, coupled with a high base in 1Q25 and intense competition, we expect CPAXT's performance to remain unexciting.
- Downgrade to HOLD with a lower target price of Bt15.00.

Analysis

- Earnings expected to decline yoy.** We expect CP Axtra (CPAXT) to report 4Q25 earnings of Bt2.8b, down 30% yoy. Key pressures came from weak SSSG and margin compression in the retail business. On the positive side, the wholesale business continued to show positive momentum, supported by higher sales while maintaining its EBIT margin.
- Retail segment remained weak.** We expect operating profit from the retail business to decline sharply due to: a) weak SSSG of around -7% yoy in 4Q25 (vs our previous estimate of -2%). SSSG in 4Q25 was pressured by an IT system technical issue that significantly disrupted O2O sales, flooding in the southern region, and the Half-Half Plus co-payment scheme, which led to demand shifting from discount stores to traditional mom-and-pop shops, and b) gross margin contraction caused by an unfavourable product mix and intensified competition among retailers.
- Wholesale segment remained resilient.** We expect operating profit from the wholesale business to increase slightly yoy. The Half-Half Plus co-payment scheme supported wholesale SSSG, which remained flat yoy (vs peers at around -2% to -4% yoy). Moreover, service revenue increased qoq, driven by the full-quarter realisation of Renewed Hope. Gross margin increased yoy due to accounting reclassification, although product margin declined due to a higher contribution from low-margin dry food products.

Key Financials

Year to 31 Dec (Bt m)	2023	2024	2025F	2026F	2027F
Net turnover	489,949.2	512,041.9	517,098.0	525,073.0	535,255.7
EBITDA	34,319.2	36,253.5	34,899.5	37,642.8	40,189.7
Operating profit	16,706.8	18,633.2	16,876.6	18,188.8	19,255.2
Net profit (rep./act.)	8,640.1	10,569.1	9,569.3	10,332.8	11,244.6
Net profit (adj.)	8,640.1	10,569.1	9,569.3	10,332.8	11,244.6
EPS	0.8	1.0	0.9	1.0	1.1
PE (x)	18.2	14.7	16.2	15.0	13.8
P/B (x)	0.5	0.5	0.5	0.5	0.5
EV/EBITDA (x)	8.5	8.5	8.5	7.9	7.3
Dividend yield (%)	3.8	4.8	4.3	4.7	5.1
Net margin (%)	1.8	2.1	1.8	2.0	2.1
Net debt/(cash) to equity(%)	39.7	44.1	40.1	39.1	37.8
Interest cover (x)	5.4	6.3	6.7	6.7	7.2
Consensus net profit	-	-	10,732	11,748.7	12,737.0
UOBKH/Consensus (x)	-	-	0.89	0.88	0.88

Source: CPAXT TB, Bloomberg, UOB Kay Hian

HOLD (Downgraded)

Share Price	Bt14.90
Target Price	Bt15.00
Upside	0.7%
Previous TP	Bt24.00

Analyst(s)

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Stock Data

GICS Sector	Consumer Staples
Bloomberg ticker	CPAXT TB
Shares issued (m)	10,427.7
Market cap (Btm)	155,372.2
Market cap (US\$m)	4,948.6
3-mth avg daily t/over (US\$m)	5.3

Price Performance (%)

52-week high/low	Bt29.5/Bt13.9			
1mth	3mth	6mth	1yr	YTD
(7.5)	(31.7)	(27.0)	(43.2)	n.a

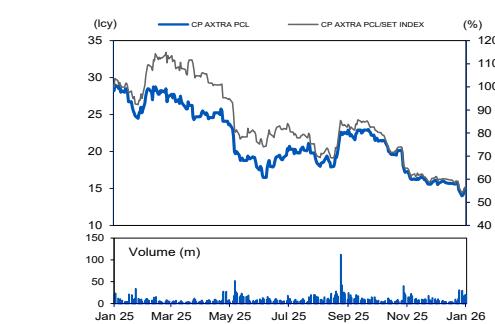
Major Shareholders

CP ALL	34.92
MAKRO	25.01
CHAROENPOKPHAND HOLDING	15.96

Balance Sheet Metrics

FY25 NAV/Share (Bt)	29.28
FY25 Net Debt/Share (Bt)	11.73

Price Chart



Source: Bloomberg

Company Description

CP Axtra operates a wholesale business under the Makro brand, a retail business under the Lotus's brand and a mall management business.

4Q25 Results Preview

Year to 31 Dec (Btm)	4Q24	3Q25	4Q25F	yoY (%)	qoq (%)	2024	2025F	yoY (%)
Sales and services	132,638	126,475	130,449	(1.7)	3.1	508,745	514,671	1.2
Gross profit	22,534	20,342	21,497	(4.6)	5.7	83,675	83,556	(0.1)
SG&A	17,185	17,470	17,540	2.1	0.4	68,339	69,106	1.1
Operating EBIT	6,336	3,417	4,556	(28.1)	33.3	18,633	16,877	(9.4)
Core profit	4,015	1,864	2,776	(30.9)	48.9	10,837	9,569	(11.7)
Net profit	3,960	1,864	2,776	(29.9)	48.9	10,569	9,569	(9.5)
Percent	4Q24	3Q25	4Q25F	(ppts)	(ppts)	2024	2025F	(ppts)
Gross margin	17.0	16.1	16.5	(0.5)	0.4	16.4	16.2	(0.2)
SG&A to sales	13.0	13.8	13.4	0.5	(0.4)	13.4	13.4	(0.0)
Net profit margin	3.0	1.5	2.1	(0.9)	0.7	2.1	1.9	(0.2)

Source: CPAXT, UOB Kay Hian

- Outlook remains lacklustre.** We expect 1H26 SSSG to recover from 4Q25 as the IT system technical issue has been resolved. However, in the absence of government stimulus, coupled with a high base in 1Q25 and intense competition, we expect CPAXT's performance to remain unexciting.

Valuation/Recommendation

- Downgrade to HOLD with a lower target price of Bt15.00 (from Bt24.00).** Our target price is based on a 2026F PE of 15x, equivalent to -1.5SD to peers' five-year average, and below peers' target valuations to reflect the weak outlook. While the share price has underperformed the SET Index, the lack of near-term positive catalysts leads us to downgrade the stock to HOLD.

Earnings Revision/Risk

- Revise earnings down.** We revise down 2025-26 earnings by 13% to reflect the weaker-than-expected earnings.

4Q25 Results Preview

(Bt m)	2025F			2026F		
	New	Previous	% Chg	New	Previous	% Chg
Total revenue	514,671	519,564	-0.9%	522,359	530,556	-1.5%
Net profit	9,569	10,992	-12.9%	10,333	11,835	-12.7%

Source: CPAXT, UOB Kay Hian

Share Price Catalyst

- Catalysts:** Election period may lift the sentiment.
- Risks:** Lower gross margin, negative SSSG.

Environment, Social, Governance (ESG) Updates

CG Report: 5

SET ESG Rating: AA

Environmental

- Focuses on reducing energy consumption through green building design and renewable energy adoption.

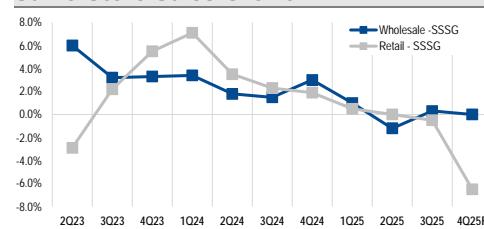
Social

- Supports SME development in its wholesale/retail ecosystem.

Governance

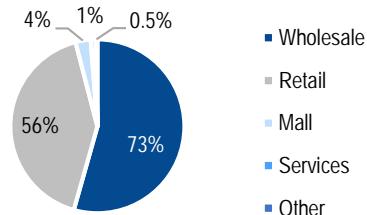
- Demonstrates strong corporate governance through transparent management practices and a well-structured board.

Same-Store Sales Growth



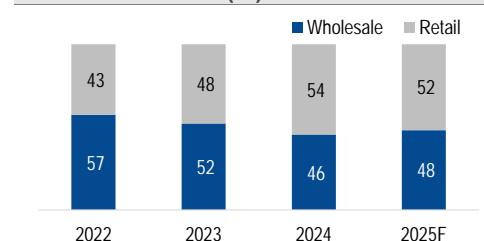
Source: CPAXT, UOB Kay Hian

2025 Sales contribution



Source: CPAXT, UOB Kay Hian

EBIT Contribution (%)



Source: UOB Kay Hian

Peers' PE Band

Peers	-2SD	-1SD	Mean	+1SD	+2SD
BJC	14.8	19.5	24.3	29.1	33.9
CPALL	9.3	20.0	30.7	41.4	52.2
CPAXT	12.0	23.6	35.2	46.7	58.3
CRC	10.3	16.5	22.8	29.1	35.3
DOHOME	-1.5	18.7	39.0	59.2	79.4
GLOBAL	14.5	21.7	28.9	36.1	43.3
HMPRO	12.5	18.9	25.3	31.6	38.0
Average	10.3	19.9	29.5	39.0	48.6

Source: Bloomberg, UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Net turnover	512,042	517,098	525,073	535,256
EBITDA	36,254	34,900	37,643	40,190
Deprec. & amort.	17,620	18,023	19,454	20,935
EBIT	18,633	16,877	18,189	19,255
Total other non-operating income	0	0	0	0
Associate contributions	673	597	627	658
Net interest income/(expense)	(5,735)	(5,235)	(5,617)	(5,541)
Pre-tax profit	13,571	12,239	13,198	14,372
Tax	(3,026)	(2,695)	(2,891)	(3,154)
Minorities	24	25	26	27
Net profit	10,569	9,569	10,333	11,245
Net profit (adj.)	10,569	9,569	10,333	11,245

Cash Flow

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Operating	24,163	30,636	30,401	32,095
Pre-tax profit	13,571	12,239	13,198	14,372
Tax	(3,026)	(2,695)	(2,891)	(3,154)
Deprec. & amort.	17,620	18,023	19,454	20,935
Working capital changes	(1,917)	789	1,594	(54)
Non-cash items	(1,276)	2,280	(955)	(4)
Other operating cashflows	(809)	0	0	0
Investing	(16,816)	(19,762)	(22,067)	(22,373)
Capex (growth)	(33,220)	(20,577)	(21,279)	(22,005)
Investments	(641)	(239)	(251)	(263)
Others	17,045	1,054	(537)	(105)
Financing	(19,593)	(2,877)	(8,699)	(9,233)
Dividend payments	(6,035)	(1,877)	(6,699)	(7,233)
Issue of shares	5,138	0	0	0
Proceeds from borrowings	2,899	(1,000)	(2,000)	(2,000)
Others/interest paid	(21,594)	0	0	0
Net cash inflow (outflow)	(12,246)	7,997	(364)	488
Beginning cash & cash equivalent	31,707	19,461	27,458	27,093
Ending cash & cash equivalent	19,461	27,458	27,093	27,582

Balance Sheet

Year to 31 Dec (Btm)	2024	2025F	2026F	2027F
Fixed assets	449,973	452,527	454,353	455,423
Other LT assets	29,635	30,252	30,876	31,235
Cash/ST investment	19,474	27,472	27,107	27,595
Other current assets	47,448	49,269	49,021	50,203
Total assets	546,531	559,519	561,356	564,456
ST debt	35,704	35,704	35,704	35,704
Other current liabilities	87,134	92,023	92,414	93,539
LT debt	115,120	114,120	112,120	110,120
Other LT liabilities	9,956	11,388	11,225	11,215
Shareholders' equity	297,674	305,366	309,000	313,012
Minority interest	943	918	892	866
Total liabilities & equity	546,531	559,519	561,356	564,456

Key Metrics

Year to 31 Dec (%)	2024	2025F	2026F	2027F
Profitability				
EBITDA margin	7.1	6.8	7.2	7.5
Pre-tax margin	2.6	2.4	2.5	2.7
Net margin	2.1	1.8	2.0	2.1
Growth				
Net profit (adj.)	22.3	(9.5)	8.0	8.8
Leverage				
Debt to total capital	50.5	48.9	47.7	46.5
Debt to equity	50.7	49.1	47.8	46.6
Net debt/(cash) to equity	44.1	40.1	39.1	37.8
Interest cover	6.3	6.7	6.7	7.2

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