

CP Aextra (CPAXT TB)

The Food Purveyor Acquisition

Highlights

- CPAXT signed a share purchase agreement to acquire 100% of shares in TFP, the premium supermarket in Malaysia.
- We have a neutral view and expect short-term sentiment pressure while we remain constructive over the long term.
- Maintain HOLD with a target price of Bt14.80.

Analysis

- **Acquisition of premium supermarket operator in Malaysia.** On 3 Mar 26, Lotus's Stores (Malaysia), a wholly owned indirect subsidiary of CP Aextra (CPAXT), signed a share sale and purchase agreement to acquire 100% of shares in The Food Purveyor (TFP) from Foodshop Capstone and minority shareholders. The sellers are not related parties to CPAXT.
- **Business profile of the target.** TFP operates premium supermarket brands in Malaysia, including 34 Village Grocer stores, six B.I.G. stores, one BSC Fine Foods store, three OTK stores and six The Food Merchant stores, with a total of 50 branches.
- **Investment size and valuation basis.** The total investment value is RM1,660m (approximately Bt13.5b). The valuation was determined through negotiation between buyer and sellers, referencing international valuation approaches, particularly EV/adjusted EBITDA multiples. The acquisition will be funded by operating cash flow and external financing.
- **Narrative.** Strategically, the transaction enhances CPAXT's presence in Malaysia, strengthens its position in the premium supermarket segment, and supports its long-term regional expansion strategy. The transaction is expected to be completed within 4Q26, subject to regulatory approvals and conditions precedent.
- **Competitive landscape.** TFP ranks no. 2 in the market with a 31% share (no. 1: 52%, no. 3: 10%). Over the past two years, TFP has lost market share to the market leader. However, its business has continued to grow. TFP delivered high single-digit growth in 2024.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	512,041.9	520,706.4	522,738.2	532,879.6	542,960.5
EBITDA	36,253.5	34,252.4	36,590.7	38,598.7	40,566.0
Operating profit	18,633.2	16,788.2	17,688.0	18,177.5	18,600.9
Net profit (rep./act.)	10,569.1	9,356.5	10,104.9	10,463.6	10,771.6
Net profit (adj.)	10,569.1	9,356.5	10,104.9	10,463.6	10,771.6
EPS	1.0	0.9	1.0	1.0	1.0
PE (x)	16.0	18.0	16.7	16.1	15.7
P/B (x)	0.6	0.6	0.6	0.6	0.6
EV/EBITDA (x)	8.4	9.6	8.9	8.4	8.0
Dividend yield (%)	4.4	4.4	4.2	4.3	4.5
Net margin (%)	2.1	1.8	1.9	2.0	2.0
Net debt/(cash) to equity(%)	44.1	52.6	50.6	50.4	50.0
Interest cover (x)	6.3	6.4	6.9	7.2	7.5
Consensus net profit	n.a	n.a	10,540.4	11,336.7	12,015.5
UOBKH/Consensus (x)	n.a	n.a	1.0	0.9	0.9

Source: CP Aextra, Bloomberg, UOB Kay Hian

HOLD (Maintained)

Share Price	Bt14.80
Target Price	Bt14.80
Upside	0.00%

Analyst(s)

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Stock Data

GICS sector	Consumer Staples
Bloomberg ticker:	CPAXT TB
Shares issued (m):	10,427.7
Market cap (Bt\$m):	157,457.7
Market cap (US\$m):	4,996.0
3-mth avg daily t'over (US\$m):	9.9

Price Performance (%)

52-week high/low					Bt28.5/Bt14.0
1mth	3mth	6mth	1yr	YTD	
0.0	(7.4)	(21.9)	(46.0)	(4.5)	

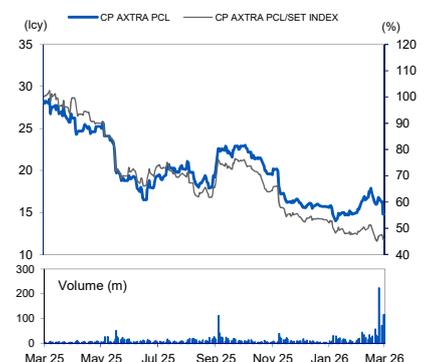
Major Shareholders

Shareholder	%
CP ALL	34.92
MAKRO	25.01
CHAROENPOKPHAND HOLDING	15.96

Balance Sheet Metrics

Metric	%
FY26 NAV/Share (Bt)	29.0
FY26 Net Debt/Share (Bt)	14.7

Price Chart



Source: Bloomberg

Company Description

Wholesale business under the brand name "Makro" and retail business under the brand name "Lotus's" and mall management

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	520,706	522,738	532,880	542,961
EBITDA	34,252	36,591	38,599	40,566
Deprec. & amort.	17,464	18,903	20,421	21,965
EBIT	16,788	17,688	18,178	18,601
Total other non-operating income	0	0	0	0
Associate contributions	580	586	592	598
Net interest income/(expense)	(5,398)	(5,335)	(5,367)	(5,398)
Pre-tax profit	11,970	12,938	13,402	13,800
Tax	(2,645)	(2,866)	(2,972)	(3,063)
Minorities	31	32	33	34
Net profit	9,356	10,105	10,464	10,772
Net profit (adj.)	9,356	10,105	10,464	10,772

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	21,052	35,510	32,528	33,711
Pre-tax profit	11,970	12,938	13,402	13,800
Tax	(2,645)	(2,866)	(2,972)	(3,063)
Deprec. & amort.	17,464	18,903	20,421	21,965
Working capital changes	(5,648)	6,455	1,594	924
Non-cash items	133	80	82	85
Other operating cashflows	(223)	0	0	0
Investing	(25,786)	(23,673)	(26,567)	(26,746)
Capex (growth)	(37,318)	(23,253)	(26,139)	(26,311)
Investments	(181)	(234)	(237)	(239)
Others	11,714	(185)	(191)	(196)
Financing	(169)	(9,404)	(6,073)	(6,324)
Dividend payments	(7,404)	(7,404)	(7,073)	(7,324)
Issue of shares	0	0	0	0
Proceeds from borrowings	21,248	(2,000)	1,000	1,000
Others/interest paid	(14,014)	0	0	0
Net cash inflow (outflow)	(4,903)	2,434	(112)	640
Beginning cash & cash equivalent	19,461	14,558	16,992	16,880
Ending cash & cash equivalent	14,558	16,992	16,880	17,521

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Fixed assets	469,827	474,178	479,896	484,241
Other LT assets	32,469	33,195	33,938	34,699
Cash/ST investment	14,558	16,992	16,880	17,521
Other current assets	59,817	48,515	49,442	50,542
Total assets	576,671	572,880	580,156	587,003
ST debt	37,257	37,257	37,257	37,257
Other current liabilities	93,988	89,221	91,824	93,933
LT debt	134,815	132,815	133,815	134,815
Other LT liabilities	10,224	10,530	10,846	11,172
Shareholders' equity	299,457	302,590	305,981	309,428
Minority interest	930	465	432	398
Total liabilities & equity	576,671	572,880	580,156	587,003

Key Metrics

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	6.6	7.0	7.2	7.5
Pre-tax margin	2.3	2.5	2.5	2.5
Net margin	1.8	1.9	2.0	2.0
Growth				
Net profit (adj.)	(11.5)	8.0	3.6	2.9
Leverage				
Debt to total capital	57.3	56.1	55.8	55.5
Debt to equity	57.5	56.2	55.9	55.6
Net debt/(cash) to equity	52.6	50.6	50.4	50.0
Interest cover	6.4	6.9	7.2	7.5

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