CP ALL (CPALL TB)

Slight Positive Tone From Analyst Meeting

Highlights

- SSSG momentum remains positive. Management guided for qtd SSSG to maintain its positive momentum from 3Q26.
- We expect the overhang to ease and earnings momentum for both CPALL and CPAXT to improve from 4Q26 onward.
- Maintain BUY with a target price of Bt63.00, based on 2027F PE of 17x.

Analysis

- **SSSG momentum remains positive.** Management guided for qtd SSSG to maintain its positive momentum from 3Q26 (3Q26: +2.5% yoy), supported by a low base in 4Q25 which was impacted by the Half-half plus copayment scheme and flooding. Moreover, the more favourable weather conditions would support foot traffic to stores.
- **Strategy to drive ticket size and foot traffic.** The company focuses on product innovation by continuously expanding its product assortment and introducing new products to attract customers and encourage store visits. Meanwhile, marketing campaigns and promotions aim to increase basket size. Both strategies will remain key priorities in 2027.
- **Store expansion remains on track.** CPALL targets to open 700 new stores over the medium term, with greater format diversification, larger store formats, and more innovative offerings to attract customers. All Grocer categories continued to expand with over 5,000 stores currently, out of a total of 16,491 stores, with further expansion planned. New product launches are also supporting continued product margin growth.
- **Lower financing costs ahead.** CPALL's financing costs are expected to decline. The company has approximately Bt5bn in perpetual bonds carrying a 5% cost of debt, which it is highly likely to call and refinance through short-term borrowings or term loans at lower interest rates. Its latest bond issuance carried a coupon rate of 2.5%.

Essential

- **Overhang eased.** CPALL's share price has been pressured by CPAXT's weak earnings, which have weighed on CPALL's earnings and investor confidence. However, following the closure of 673 loss-making Lotus's Go Fresh stores, we expect the overhang to ease and earnings momentum for both CPALL and CPAXT to improve from 4Q26 onward.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	987,143.0	1,021,588.0	1,062,800.1	1,096,838.7	1,141,415.4
EBITDA	87,269.0	90,540.2	95,158.4	100,443.6	105,657.1
Operating profit	50,064.2	52,763.7	57,012.0	59,951.6	62,793.1
Net profit (rep./act.)	25,345.8	28,206.1	30,954.3	34,103.8	35,892.1
Net profit (adj.)	25,345.8	28,206.1	32,279.8	34,103.8	35,892.1
EPS	2.8	3.1	3.6	3.8	4.0
PE (x)	16.7	15.0	13.1	12.4	11.8
P/B (x)	3.3	3.1	2.7	2.4	2.2
EV/EBITDA (x)	11.3	11.1	10.3	9.8	9.2
Dividend yield (%)	2.9	3.5	3.9	4.3	4.5
Net margin (%)	2.6	2.8	2.9	3.1	3.1
Net debt/(cash) to equity(%)	291.6	281.4	234.5	208.7	184.8
Interest cover (x)	5.9	6.3	6.5	6.6	6.7
ROE (%)	21.3	21.3	20.9	18.4	18.5
Consensus net profit	n.a	n.a	30,863.9	33,345.4	36,441.2
UOBKH/Consensus (x)	n.a	n.a	1.0	1.0	1.0

Source: CP ALL, Bloomberg, UOB Kay Hian

Analyst(s)

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BUY (Maintained)

Share Price	Bt47.00
Target Price	Bt63.00
Upside	34.04%

Stock Data

Sector	Consumer Staples
Bloomberg ticker	CPALL TB
Shares issued (m)	8,911.5
Market cap (Btm)	416,612.8
Market cap (US$m)	12,683.8
3-mth avg daily t'over (US$m)	43.3

Price Performance (%)

52-week high/low				Bt54.5/Bt41.0
1mth	3mth	6mth	1yr	YTD
8.7	(2.6)	6.2	3.9	7.5

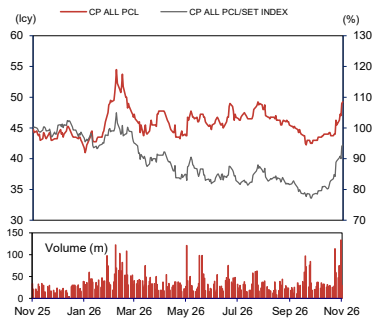
Major Shareholders (%)

CP ALL	34.92
MAKRO	25.01
CHAROENPOKPHAND HOLDING	15.96

Balance Sheet Metrics

FY26 NAV/Share (Bt)	17.6
FY26 Net Debt/Share (Bt)	41.3

Price Chart



Source: Bloomberg

Company Description

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

3Q26 Results Recap

Year to 31 Dec (Btm)	3Q25	2Q26	3Q26	yoy (%)	qoq (%)	2025	2026F	yoy (%)
Sales and services	242,599	257,098	252,925	4.3	(1.6)	990,663	1,026,928	3.7
Gross profit	55,241	58,669	58,435	5.8	(0.4)	225,117	234,994	4.4
SG&A	51,004	53,803	54,970	7.8	2.2	203,279	213,854	5.2
Other income	7,917	8,543	8,963	13.2	4.9	28,737	31,480	9.5
EBIT	12,033	13,299	12,345	2.6	(7.2)	52,764	57,012	8.1
Interest expense	3,592	3,605	3,648	1.6	1.2	14,894	14,603	(2.0)
Equity income	170	183	180	5.9	(1.4)	580	725	25.0
Net profit	**6,597**	**7,512**	**6,162**	**(6.6)**	**(18.0)**	**28,206**	**30,954**	**9.7**
Core profit	**6,597**	**7,512**	**7,487**	**13.5**	**(0.3)**	**28,206**	**32,280**	**14.4**
Percent	**3Q25**	**2Q26**	**3Q26**	**(ppts)**	**(ppts)**	**2025**	**2026**	**(ppts)**
Gross margin	22.8	22.8	23.1	0.3	0.3	22.7	22.9	0.2
SG&A to sales	21.0	20.9	21.7	0.7	0.8	20.5	20.8	0.3
Net profit margin	2.7	2.9	2.4	(0.3)	(0.5)	2.8	3.0	0.2

Source: CP All, UOB Kay Hian

- **Results recap.** CPALL reported 3Q26 net profit of Bt6.16b (-7% yoy, -18% qoq), in line with our and consensus estimates. Excluding CPAXT's one-off items, core profit came in at Bt7.08b, up 14% yoy and flat qoq.
- **Strong CVS performance.** Net profit from the convenience store (CVS) business grew 28% yoy, above our expectations. Key operating highlights in 3Q26 included: a) sales growth of 7% yoy, driven by SSSG of +2.5% yoy (spending per ticket growth of 3-4% yoy) and new store expansion; b) gross margin expansion of 18 bps yoy to 29.6%, supported by improved product margins in both food and non-food categories; c) SG&A-to-sales declining 21 bps yoy to 27.8%, reflecting well-controlled personnel expenses; d) other income reaching a new record high; and e) lower interest expenses. Overall, the CVS business delivered improvements in both sales growth and profitability.

Valuation/Recommendation

- **Maintain BUY with a target price of Bt63.00.** Our target price is based on 17x 2027F PE, or -1SD to its five-year average. Meanwhile, CPALL trades at an attractive valuation at 2027F PE of 13x, below sector peers.

Earnings Revision/Risk

- **No earnings revision.**

Share Price Catalyst

- Strong CVS performance, CPAXT's earnings recovery.

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.

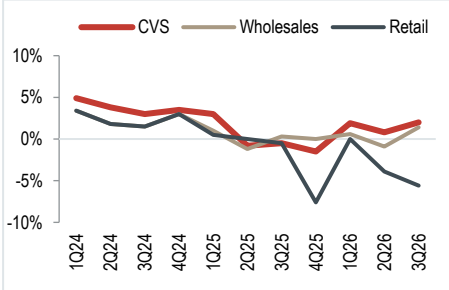
Social

- **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

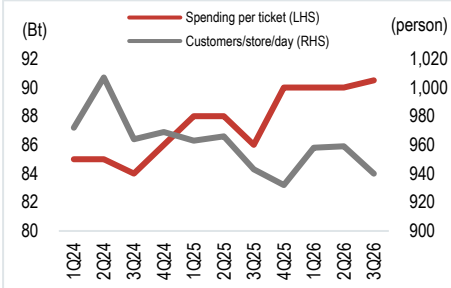
- **7 Go Right.** CPALL was certified for renewed membership in Thailand's Private Sector Collective Action Coalition Against Corruption for 2023-26.

Same-store Sales Growth



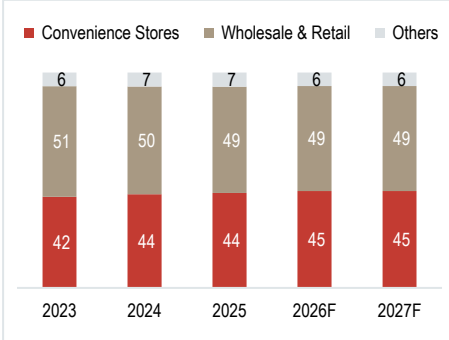
Source: CP All, CP Axtra, UOB Kay Hian

Traffic and Spending Per Ticket



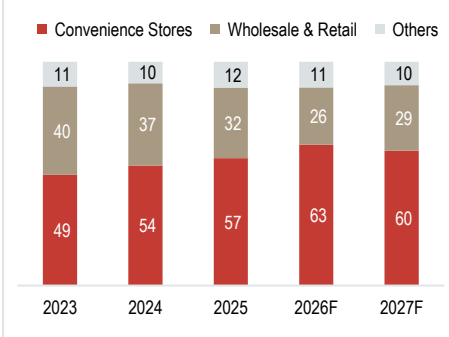
Source CP All, UOB Kay Hian

Sales Contribution Before Inter-transaction (%)



Source CP All, UOB Kay Hian

EBIT Contribution Before Inter-transaction (%)



Source CP All, UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	**1,021,588**	**1,062,800**	**1,096,839**	**1,141,415**
EBITDA	90,540	95,158	100,444	105,657
Deprec. & amort.	37,777	38,146	40,492	42,864
EBIT	52,764	57,012	59,952	62,793
Total other non-operating income	9	0	0	0
Associate contributions	580	725	732	740
Net interest income/(expense)	(14,347)	(14,603)	(15,250)	(15,748)
Pre-tax profit	**38,919**	**41,240**	**46,297**	**48,673**
Tax	(7,045)	(7,704)	(8,384)	(8,792)
Minorities	(3,669)	(2,582)	(3,809)	(3,989)
Net profit	**28,206**	**30,954**	**34,104**	**35,892**
Net profit (adj.)	28,206	32,280	34,104	35,892

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Fixed assets	803,684	816,376	827,584	837,490
Other LT assets	26,572	27,147	32,970	39,299
Cash/ST investment	53,561	70,433	73,657	82,107
Other current assets	98,997	92,906	97,468	103,547
Total assets	**982,814**	**1,006,862**	**1,031,679**	**1,062,443**
ST debt	75,885	75,885	75,885	75,885
Other current liabilities	174,694	182,761	186,236	194,371
LT debt	366,454	365,754	365,054	364,354
Other LT liabilities	34,236	36,256	36,813	38,358
Shareholders' equity	138,141	158,327	176,004	193,799
Minority interest	193,403	187,878	191,687	195,676
Total liabilities & equity	**982,814**	**1,006,862**	**1,031,679**	**1,062,443**

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	**74,255**	**85,840**	**77,317**	**84,802**
Pre-tax profit	38,919	41,240	46,297	48,673
Tax	(7,045)	(7,704)	(8,384)	(8,792)
Deprec. & amort.	37,777	38,146	40,492	42,864
Working capital changes	(8,655)	14,120	(1,389)	1,872
Non-cash items	89	37	302	185
Other operating cashflows	13,170	0	0	0
Investing	**(37,017)**	**(26,446)**	**(34,019)**	**(34,608)**
Capex (growth)	(59,493)	(50,838)	(51,699)	(52,770)
Investments	111	(290)	(293)	(296)
Others	22,366	24,682	17,973	18,458
Financing	**(38,370)**	**(42,522)**	**(40,073)**	**(41,744)**
Dividend payments	(12,128)	(18,876)	(16,426)	(18,098)
Issue of shares	0	0	0	0
Proceeds from borrowings	17,751	(700)	(700)	(700)
Others/interest paid	(43,993)	(22,947)	(22,947)	(22,947)
Net cash inflow (outflow)	**(1,131)**	**16,872**	**3,225**	**8,450**
Beginning cash & cash equivalent	**54,628**	**53,561**	**70,433**	**73,657**
Ending cash & cash equivalent	**53,497**	**70,433**	**73,657**	**82,107**

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	8.9	9.0	9.2	9.3
Pre-tax margin	3.8	3.9	4.2	4.3
Net margin	2.8	2.9	3.1	3.1
ROE	21.3	20.9	18.4	18.5
Growth				
Net profit (adj.)	11.3	14.4	5.6	5.2
Leverage				
Debt to total capital	133.4	127.6	119.9	113.0
Debt to equity	320.2	278.9	250.5	227.2
Net debt/(cash) to equity	281.4	234.5	208.7	184.8
Interest cover	6.3	6.5	6.6	6.7

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