

Company Update

Tuesday, June 10, 2025



I V Global Securities Public Company Limited

CP Aextra Pcl (CPAXT)

Rating: BUY

Fair price: Bt25.3

Latest price: Bt19.2

Synergy benefits offset slow sales growth

Company Information

Ticker:	CPAXT TB
Sector:	Commerce
Shares outstanding (m):	10,427.661
Market capitalization (Btm):	201,253.87
Trading vol/day (Btm):	223.64
Free float (%):	15.26
Beta:	1.58

Major Shareholders

CPALL Pcl	34.92%
Siam Makro Holding (Thailand)	25.01%
CP Holding	15.96%
CP Merchandising	8.85%
Thai NVDR	3.86%

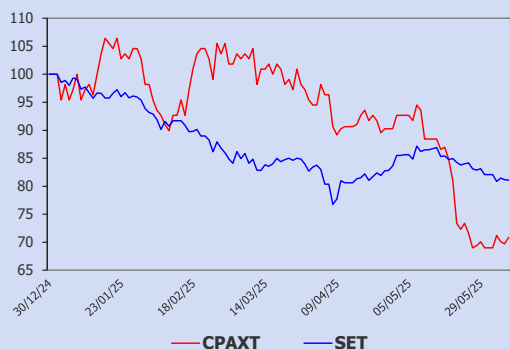
Consensus Bloomberg

2025F EPS (Bt):	1.18
Target price (Bt):	29.56

Price Performance

52 Wk high/low:	35.50 / 18.70
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	1M	3M	1Y	YTD
Absolute (%)	-19.9	-31.7	-32.9	-29.2
Relative (%)	-13.7	-26.1	-18.1	-10.3



Rating	CGR	Thai CAC	SET ESG
CPAXT		Certified	AA

- The 2Q25F outlook for consumer companies may not impress with slow purchasing demand, particularly in April, with negative same-store sales (negative low single digits) and improved sentiment in May. The operating performance in 2Q25F is expected to fall QoQ but still rise YoY due to marginal growth in overall sales and improving gross profit margins YoY.
- The latest events in Cambodia have thus far had no impact on operating performance. The number of stores in Cambodia made up 1.7% of the total stores. The group has three Makro stores (one classic-size store and two in the eco-plus format) in Cambodia. The company has a total of 166 MAKRO stores in Thailand and ten abroad, with a total sales area of 944,078 sqm. Meanwhile, there are 2,490 stores in Thailand and 70 stores in Malaysia (under the Lotus's brand) with 1.3m sqm of sales space. For Makro internationally, Cambodia (three) and Myanmar (one) stores are currently profitable, while the operation in India (six stores) remains loss-making. The Lotus's retail store operations are in Thailand and Malaysia.
- In terms of synergy benefits, the group targets to achieve a total synergy value of Bt2.5bn this year, namely gross profit of Bt1.2bn and operating expense (distribution cost) savings of Bt1.3bn. During 1Q25, the company already achieved 23% of the total budget. The synergy target translates into a 25bps better total profit margin, in addition to organic margin growth of 35bps.
- Omnichannel sales will be the key growth driver, contributing 20.2% of group sales during 1Q25. Online sales are primarily driven by strong app-based and B2B sales, powered by AI insights and high-quality services that meet customer demand. Omnichannel sales grew by 27.2% YoY during 1Q25 to about Bt25.2bn (compared with 16.4% in 1Q24). Both the B2B and B2C business omnichannel platforms earned the No.1 ranking in Thailand's grocery e-commerce market by Euromonitor, with a leading share of 59% in 2024.
- In terms of product mix sales breakdown, dry food sales accounted for 55.7% of the total, followed by fresh food sales at 36.6%, and non-food sales at 7.7%. Fresh food sales outperformed others, up 10.1% YoY, while private label and exclusive brand sales rose 4.4% YoY, at 15.4% of total sales.
- Maintain BUY.** We prefer to maintain our earnings estimate and BUY rating with a new price target of Bt25.3 (from Bt32.3), based on a rolling P/E multiple of 22x for 2025F, to be in line with peers. The stock trades at 16.7x our 2025F earnings. We believe the current share price has already factored in concerns over investments in the property business. Downside risks would be if there were higher-than-expected operating expenses and a slower-than-expected recovery in economic activity.

Investment summary

FY Dec 31	2022	2023	2024	2025F	2026F	2027F
Revenues (Btm)	447,182	466,234	488,862	506,636	529,690	551,506
Change (%)	72.9	4.3	4.9	3.6	4.6	4.1
Net profit (Btm)	7,697	8,640	10,569	12,020	13,197	13,878
Change (%)	(43.8)	12.3	22.3	13.7	9.8	5.2
EPS (Bt)	0.73	0.82	1.01	1.15	1.27	1.33
Change (%)	(43.8)	12.3	24.1	13.7	9.8	5.2
P/E (x)	26.5	23.6	19.0	16.7	15.3	14.5
EV/EBITDA (x)	7.9	7.7	7.6	7.4	7.0	6.7
DPS (Bt)	0.51	0.57	0.71	0.81	0.89	0.93
Yield (%)	2.6	3.0	3.7	4.2	4.6	4.8
BVPS (Bt)	27.44	27.69	28.55	28.99	29.45	29.89
P/BV (x)	0.7	0.7	0.7	0.7	0.7	0.6
ROE (%)	2.7	3.0	3.6	4.0	4.3	4.5
ROA (%)	1.4	1.6	1.9	2.2	2.5	2.6
Net DE ratio (%)	24.6	22.0	26.4	28.5	25.7	22.9

Source: Company and IVG estimates

Analyst

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Results

(Btm)	1Q25	1Q24	% YoY	4Q24	% QoQ	2024	2023	% YoY
Sales	124,749	121,182	2.9	127,441	-2.1	488,862	466,234	4.9
Gross profit	18,083	17,031	6.2	18,956	-4.6	70,213	64,341	9.1
Other income	1,713	2,315	-26.0	2,557	-33.0	8,860	9,412	-5.9
SG&A	(17,073)	(16,838)	1.4	(17,185)	-0.7	(68,339)	(64,968)	5.2
EBITDA	9,048	9,013	0.4	11,051	-18.1	36,926	35,065	5.3
Interest expenses	(1,404)	(1,414)	-0.7	(1,438)	-2.4	(5,735)	(6,319)	-9.2
Pre-tax profit	3,346	3,239	3.3	5,075	-34.1	13,571	11,394	19.1
Tax	(708)	(765)	-7.4	(1,119)	-36.7	(3,026)	(2,535)	19.4
Net profit	2,643	2,481	6.5	3,960	-33.2	10,569	8,640	22.3
EPS (Bt)	0.25	0.23	6.5	0.37	-33.2	1.00	0.82	22.3

Source: Company and IVG estimates

Financial ratios

(%)	1Q24	2Q24	3Q24	4Q24	1Q25
Total income YoY	6.3	4.7	4.4	4.1	2.9
Gross margin (%)	14.1	14.1	14.4	14.9	14.5
SG&A as % of sales	13.9	13.9	14.6	13.5	13.7
EBITDA margin	7.3	6.8	6.7	8.3	7.0
Net margin	2.0	1.8	1.6	3.1	2.1
Net profit growth YoY	2.3	43.5	16.4	20.7	6.5
Net DE ratio (%)	25.2	27.5	27.2	26.4	26.7
SSSG (Makro)	3.4	1.8	1.5	3.0	1.0
SSSG (Lotus's)	7.1	3.5	2.3	1.9	0.5

Source: Company and IVG estimates

Quarterly performance

(Btm)	1Q24	2Q24	3Q24	4Q24	1Q25
Sales	121,182	121,374	118,864	127,441	124,749
Gross profit	17,031	17,120	17,107	18,956	18,083
Other income	2,315	2,008	1,979	2,557	1,713
SG&A	(16,838)	(16,919)	(17,397)	(17,185)	(17,073)
EBITDA	9,013	8,556	8,306	11,051	9,013
Interest expenses	(1,414)	(1,449)	(1,434)	(1,438)	(1,404)
Pre-tax profit	3,239	2,830	2,428	5,075	3,346
Tax	(765)	(663)	(480)	(1,119)	(708)
Net profit	2,481	2,176	1,952	3,960	2,643
EPS (Bt)	0.23	0.21	0.18	0.37	0.25

Source: Company and IVG estimates

Financial ratios

(%)	2021	2022	2023	2024
Total income YoY	20.8	72.9	4.3	4.9
Gross margin (%)	11.7	14.2	13.8	14.4
SG&A as % of sales	10.2	14.1	13.9	14.0
EBITDA margin	6.2	7.5	7.2	7.2
Net margin	5.3	1.7	1.9	2.2
Net profit growth YoY	108.6	(43.8)	12.3	22.3
Net DE ratio (%)	23.5	24.6	22.0	26.4
SSSG (Makro)	2.5	6.8	5.3	2.8
SSSG (Lotus Thai)	n.a.	0.2	2.1	3.6
SSSG (Lotus Malaysia)	n.a.	(1.8)	(2.5)	3.7

Source: Company and IVG estimates

CPAXT

E: Environmental

CPAXT values environmentally friendly business operations, efficient resource utilization, and minimizing the environmental impact from the supply chain on ecosystems and biodiversity to ensure the sufficiency of natural resources for our future generation.

S: Social

CPAXT contributes economic value to society through economic growth for business partners, promoting access to nutrition, and delivering products with high quality and food safety. Innovation, continuous development of products and services, and stakeholder engagement are key. The company meets expectations and connects customers, operators, and business partners on the path of sustainability to create long-term value contributions for communities.

G: Governance

To ensure the sustainable growth of the business and the country's development, CPAXT prioritizes internal operational efficiency, legal and regulatory provisions, adhering to business ethics, professional conduct, respect for human rights, and human capital development. People empowerment is key to reducing social inequality and preparing organizational readiness for digital transformation, cybersecurity management, and data protection.

Comment

CPAXT has been awarded a SET ESG rating of AAA, indicating a strong commitment to environmental, social, and governance (ESG) practices and clear long-term objectives in this regard. Furthermore, the company demonstrates the ability to execute short-term goals effectively.

Source: Company and IVG estimates

I V Global Investment Research – Recommendation Definitions

Sector Recommendations

OVERWEIGHT: The industry, as defined by the analyst's coverage universe, is expected to outperform the relevant primary market index by at least 10% over the next 12 months.

NEUTRAL: The industry, as defined by the analyst's coverage universe, is expected to perform in line with the relevant primary market index over the next 12 months.

UNDERWEIGHT: The industry, as defined by the analyst's coverage universe, is expected to underperform the relevant primary market index by 10% over the next 12 months.

Stock Recommendations

BUY: Expecting positive total returns of 15% or more over the next 12 months.



HOLD: Expecting total returns of not more than -10% to +10% over the next 3 months.

SELL: Expecting negative total returns of 15% or more over the next 12 months.

Anti-corruption Progress Indicator Definitions

Level 5 Extended	Extension of the anti-corruption policy to business partners in the supply chain, and disclosure of any current investigations, prosecutions or closed cases
Level 4 Certified	Audit engagement by audit committee or auditors approved by the office of SEC, and receiving certification or assurance by independent external assurance providers (CAC etc.)
Level 3 Established	Carrying out preventive measures, risk assessment, communication and training for all employees, including consistent monitoring and review processes. (3A: Established by Declaration of Intent, 3B: Established by Internal Commitment and Policy)
Level 2 Declared	Public declaration statement to participate in Thailand's private sector Collective Action Coalition Against Corruption (CAC) or equivalent initiatives
Level 1 Committed	Organization's statement or board's resolution to work against corruption and to be in compliance with all relevant laws
Partially progress	Insufficient or not clearly defined policy
No progress	Data not available / no policy

Corporate Governance Report (CGR)

	Excellent
	Very good
	Good

Disclaimers

The disclosure of the survey result of corporate governance, which is surveyed by the Thai Institute of Directors Association ("IOD"), and the Anti-Corruption Progress Indicators, which is assessed by Thaipat Institute, are the disclosure of the survey or assessment result based on the information received from the listed company that was stipulated in the form for Annual Corporate Governance Report of Thai Listed Companies (CGR) and the form for the assessment of Anti-corruption that refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2) or other relevant documents or reports of such listed company (as the case may be). The survey or assessment result is based on the information of the listed company, which is disclosed to the public and can be accessed by all investors and is made in order to comply with the policy of the Office of the Stock Exchange of Thailand.

Nevertheless, the survey or assessment result is made from the perspective of the IOD or Thaipat Institute that are the third party only. It is not an assessment of operation of the listed company and is not based on any inside information."

Since this survey or assessment result is only the survey or assessment result as of the date appearing in the survey or assessment result only, it may be changed after that date or when there is any change to the relevant information. Nevertheless, I V Global Securities Plc. (IVG) does not confirm, verify, or certify the accuracy and completeness of the survey or assessment result.



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