

# Company Update

Tuesday, July 08, 2025



I V Global Securities Public Company Limited

## CP Aextra Pcl (CPAXT)

Rating: BUY

Fair price: Bt25.3

Latest price: Bt19.5

### 2Q25F will rise YoY, but fall QoQ

#### Company Information

Ticker:	CPAXT TB
Sector:	Commerce
Shares outstanding (m):	10,427.661
Market capitalization (Btm):	203,339.41
Trading vol/day (Btm):	211.57
Free float (%):	15.26
Beta:	1.65

#### Major Shareholders

CPALL Pcl	34.92%
Siam Makro Holding (Thailand)	25.01%
CP Holding	15.96%
CP Merchandising	8.85%
Thai NVDR	3.88%

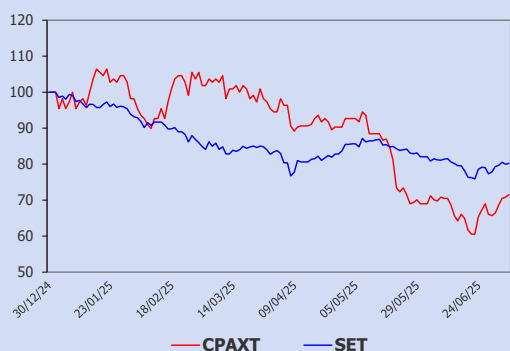
#### Consensus Bloomberg

2025F EPS (Bt):	1.16
Target price (Bt):	27.78

#### Price Performance

52 Wk high/low:	35.50 / 16.10
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	1M	3M	1Y	YTD
Absolute (%)	2.6	-25.7	-30.4	-28.4
Relative (%)	3.8	-25.5	-16.0	-8.6



Rating	CGR	Thai CAC	SET ESG
CPAXT		Certified	AA

- We estimate CPAXT's 2Q25F earnings to come in at about Bt2.37bn (+8.8% YoY, -10.5% QoQ) on seasonality. Consolidated sales are estimated to rise by 2.4% YoY and come in flat QoQ at Bt124bn, thanks to a combination of flat same-store sales (SSSG) growth YoY and new store openings for its MAKRO wholesale business (B2B) and the Lotus's retail (B2C) business. We project 1H25F earnings to rise by 7.6% YoY to Bt5bn. The 1H25F DPS is estimated to be flat YoY at Bt0.18, offering a yield of 0.9%. The majority of the dividend will be paid in the final dividend.
- We project consolidated sales in 2Q25F to grow by 2.4% YoY to Bt124bn, from low single-digit growth in total sales from both the B2B and B2C businesses, assuming flat growth for same-store sales at B2B and B2C. However, excluding the impact from slow sales of cooling items (such as electric fans and soft drinks), same-store sales growth for the B2B business will likely see low-single-digit growth during 2Q25, while the B2C business will also see SSG of -1-0%. Omnichannel sales, a rapidly growing area, contribute approximately 20% of total sales, growing at a double-digit rate. Fresh food sales growth (including meats, seafood, and rice) has outperformed growth in other categories. MAKRO had a total of 176 stores at the end of March 2025, with 166 in Thailand and 10 abroad. Lotus's had a total of 2,560 stores (2,490 stores in Thailand and 70 in Malaysia).
- We estimate consolidated gross margin to come in at 14.3% for 2Q25F, up by 15bps from 14.1% in 2Q24. Gross margin for the wholesale business is 11.0% versus 18.2% for Lotus's. The synergy cost savings from amalgamation and efforts to improve selling activities will help boost gross margin by a further 40bps for the wholesale business but the retail business may see flat performance during 2Q25F. The gross margin improvement stems from the classification of sales support from partners, which shifted from revenue from the provision of services to a reduction in the cost of goods sold by Makro Thailand, resulting in an elevated gross profit margin for the wholesale business due to the synergistic value post-amalgamation.
- SG&A expenses are estimated to rise by 1% YoY and flat QoQ to Bt17.1bn, from expenses related to rising online sales and new stores opening in the wholesale business.
- We estimate EBITDA to increase 3.7% YoY to Bt8.9bn for 2Q25F.
- Total interest expenses are expected to fall marginally by 0.6% YoY and rise 2.6% QoQ to Bt1.44bn during the quarter on declining debts.
- Net D/E ratio should remain low at 0.3x at end-2Q25.
- Maintain BUY.** We prefer to maintain our earnings estimates and BUY rating with a price target of Bt25.3, based on a rolling P/E multiple of 22x for 2025F. The stock trades at 16.9x 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)	26.8	23.9	19.2	16.9	15.4	14.7
EV/EBITDA (x)	7.9	7.7	7.6	7.5	7.0	6.7
DPS (Bt)	0.51	0.57	0.71	0.81	0.89	0.93
Yield (%)	2.6	2.9	3.6	4.1	4.5	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	0.7
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

Rattana Leenutaphong  
rattana@ivglobal.co.th  
Tel: 662-658-5787

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## Results preview

(Btm)	2Q25F	2Q24	% YoY	1Q25	% QoQ	1H25F	1H24	% YoY
Sales	124,344	121,374	2.4	124,749	-0.3	249,093	242,556	2.7
Gross profit	17,719	17,120	3.5	18,083	-2.0	35,802	34,150	4.8
Other income	1,720	2,008	-14.4	1,713	0.4	3,433	4,323	-20.6
SG&A	(17,097)	(16,919)	1.1	(17,073)	0.1	(34,170)	(33,757)	1.2
EBITDA	8,872	8,556	3.7	9,048	-1.9	17,920	17,569	2.0
Interest expenses	(1,440)	(1,449)	-0.6	(1,404)	2.6	(2,844)	(2,864)	-0.7
Pre-tax profit	3,027	2,830	7.0	3,346	-9.6	6,373	6,068	5.0
Tax	(660)	(663)	-0.5	(708)	-6.8	(1,368)	(1,428)	-4.2
<b>Net profit</b>	<b>2,367</b>	<b>2,176</b>	<b>8.8</b>	<b>2,643</b>	<b>-10.5</b>	<b>5,010</b>	<b>4,657</b>	<b>7.6</b>
EPS (Bt)	0.22	0.21	8.8	0.25	-10.5	0.47	0.44	7.6

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

<b>Level 5 Extended</b>	Extension of the anti-corruption policy to business partners in the supply chain, and disclosure of any current investigations, prosecutions or closed cases
<b>Level 4 Certified</b>	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.)
<b>Level 3 Established</b>	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)
<b>Level 2 Declared</b>	Public declaration statement to participate in Thailand's private sector Collective Action Coalition Against Corruption (CAC) or equivalent initiatives
<b>Level 1 Committed</b>	Organization's statement or board's resolution to work against corruption and to be in compliance with all relevant laws
<b>Partially progress</b>	Insufficient or not clearly defined policy
<b>No progress</b>	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.



IV Global Securities Public Company Limited

18<sup>th</sup> Floor, Mercury Tower, 540 Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330

Telephone: +66 (0) 2658-5800 Fax: +66 (0) 2658-5799