

Sitting on the Sidelines

- The Court revoked Makro's permit, but earnings risk is at ~1%.
- Thai Chuay Thai creates offsetting effects for Makro and Lotus's.
- Strong OPEX discipline supports 1Q26.

Makro Pak Chong: Out of Bounds

On 16-Jun-2026, the Supreme Court reversed the lower court and ruled against Makro's Pak Chong branch, revoking the construction permit and use certificate for the portion exceeding 300 sqm. Given the ~9,857 sqm structure sits in a zone capped at 300 sqm, the remedy effectively covers almost the entire store; the court further deemed the permit void from the outset, treating the build as unauthorized. The branch still operates pending enforcement. Pak Chong is ~1% of wholesale revenue, so direct earnings risk is immaterial at 1–2%.

Thai Chuay Thai Plus: A Wash, Like Last Time

We read the new Thai Chuay Thai Plus co-payment scheme exactly as we read Khon La Khrueng Plus in 4Q25—a net wash for CPAXT. Makro should benefit slightly: the scheme channels purchasing power to registered SMEs and small merchants who restock at cash-and-carry, a modest indirect tailwind. Lotus's, however, is the drag—as a large-format retailer it is effectively excluded as a redemption channel, so the scheme diverts household spend away from its stores, pressuring retail SSSG just as it did last quarter. The two effects offset. We embed no net scheme benefit in our numbers and treat any 2H26 SSSG distortion as timing, not trend.

Opex Doing the Heavy Lifting

1Q26 confirmed the operating playbook: net profit of THB2.8b (+5.7% y-y), even as GPM compressed to 14.1% from 14.5% and deferred inventory loss from the 4Q25 IT incident. The bridge sits below the gross line—opex grew just +2.0% y-y against revenue +4.7%, more than absorbing the margin hit, lifting NPM to 2.1%. Omni-channel is the structural story—digital sales +27.6% y-y, now 22% of goods revenue. The quality of the performance is opex discipline, not demand strength.

2026 Outlook: GPM Recovery Is the Whole Thesis

The year hinges on margin normalization. Management guides FY26 GPM to 14.4–14.6%, implying sequential recovery from 2Q once the Middle East commodity-stockpiling distortion fades—achievable, in our view, but not risk-free. The omni-channel push toward ~25% of sales, leveraging 2,600+ stores as micro-fulfillment nodes, underpins the operating-leverage case, with AI-driven personalization a longer-dated optionality. Against this, fragile consumer purchasing power, and intensifying competition (Go Wholesale, Big C) cap the upside.

Maintain HOLD with TP of THB17

We maintain HOLD with a TP of THB17, implying 17x 2026E P/E. At THB14.9, CPAXT trades at 15x 2026E P/E, in-line with staple peers (~15x). The re-rating catalyst is clear—delivery on the 14.4–14.6% GPM guidance—but until that shows in the print. We stay on the sidelines awaiting margin signal.

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ESG Rating : AA

CG Rating : ▲▲▲▲▲

HOLD

| | |
|-------------------------------|--------------|
| Target Price 12M (THB) | 17.00 |
| VS. BB Consensus TP (%) | +2.1% |
| Share Price (THB) | 14.90 |
| Upside/Downside | +14.1% |

Share Data

| | |
|--------------------------|------------|
| Market Cap (THB m) | 155,372.16 |
| Par (THB) | 1.00 |
| Free Float (%) | 15.26 |
| Issued shares (m shares) | 10,428 |

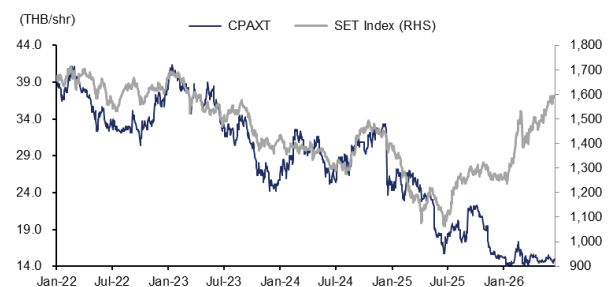
Financial forecast

| YE Dec (THB m) | 2025 | 2026E | 2027E | 2028E |
|----------------------------|---------|---------|---------|---------|
| Revenue | 520,706 | 535,211 | 550,165 | 561,324 |
| Net profit | 9,509 | 10,199 | 10,842 | 11,092 |
| Core net profit | 9,509 | 10,199 | 10,842 | 11,092 |
| vs Consensus (%) | - | 1.7 | 0.0 | (5.6) |
| Net profit growth (%) | (10.0) | 7.3 | 6.3 | 2.3 |
| Core net profit growth (%) | (10.0) | 7.3 | 6.3 | 2.3 |
| EPS (THB) | 0.91 | 0.98 | 1.04 | 1.06 |
| Core EPS (THB) | 0.91 | 0.98 | 1.04 | 1.06 |
| Chg in core EPS (%) | - | 0.00 | 0.00 | 0.00 |
| DPS (THB) | 2.31 | 2.48 | 2.64 | 2.70 |
| P/E (x) | 30.98 | 15.23 | 14.33 | 14.01 |
| P/BV (x) | 1.01 | 0.56 | 0.59 | 0.63 |
| ROE (%) | 3.22 | 3.57 | 4.00 | 4.34 |
| Dividend yield (%) | 8.18 | 16.64 | 17.69 | 18.10 |

Source: Financial Statement and Globlex securities

Share Price Performance (%)

| | 1M | 3M | 6M | YTD |
|--------------------|---------------|---------|---------|---------|
| Stock | 0.68 | (1.97) | (7.45) | (5.10) |
| Market | (3.77) | (13.27) | (26.53) | (24.72) |
| 12M High/Low (THB) | 23.40 / 13.90 | | | |



Major Shareholders (%) as of 21 Apr 2026

| | |
|-------------------------------|-------|
| CP ALL PUBLIC COMPANY LIMITED | 34.92 |
| SIAM MAKRO HOLDING | 25.01 |
| CHAROEN POKPHAND HOLDING | 15.96 |

Company Profile

Retail under the brand name "Makro" and wholesale business under the brand name "Lotus's" and mall management

Source: SETSMART, SET

Globlex Securities Company Limited acts as one of the authorized sellers of MQDC debentures.
This declaration is made to ensure transparency and disclose any potential conflict of interest.

| Balance sheet (THB m) | | | | | |
|------------------------------|----------------|----------------|----------------|----------------|----------------|
| Year ending Dec | 2024 | 2025 | 2026E | 2027E | 2028E |
| Current assets | | | | | |
| Cash & ST investment | 19,461 | 15,558 | 3,204 | (9,304) | (22,880) |
| Account receivable | 4,558 | 5,080 | 5,615 | 6,166 | 6,729 |
| Inventories | 36,484 | 37,484 | 38,339 | 39,461 | 40,306 |
| Others | 6,420 | 6,528 | 6,710 | 6,898 | 7,038 |
| Non-current assets | | | | | |
| Net fixed assets | 117,695 | 117,308 | 116,262 | 114,558 | 112,195 |
| Others | 361,913 | 361,913 | 361,913 | 361,913 | 361,913 |
| Total Assets | 546,531 | 543,871 | 532,043 | 519,692 | 505,300 |
| Current liabilities | | | | | |
| Account payable | 78,205 | 80,348 | 82,180 | 84,587 | 86,398 |
| ST borrowing | 35,704 | 35,704 | 35,704 | 35,704 | 35,704 |
| Others | 8,928 | 9,079 | 9,332 | 9,593 | 9,787 |
| Long-term liabilities | | | | | |
| Long-term debts | 115,120 | 115,120 | 115,120 | 115,120 | 115,120 |
| Others | 9,956 | 9,956 | 9,956 | 9,956 | 9,956 |
| Total liabilities | 247,914 | 250,208 | 252,293 | 254,960 | 256,966 |
| Paid-up capital | 10,428 | 10,428 | 10,428 | 10,428 | 10,428 |
| Retained earnings | 36,340 | 31,355 | 17,442 | 2,424 | (13,974) |
| Others | 250,906 | 250,906 | 250,906 | 250,906 | 250,906 |
| Minority interest | 943 | 975 | 975 | 975 | 975 |
| Shareholders' equity | 298,617 | 293,663 | 279,750 | 264,732 | 248,334 |

| Profit & loss (THB m) | | | | | |
|------------------------------|---------------|---------------|---------------|---------------|---------------|
| Year ending Dec | 2024 | 2025 | 2026E | 2027E | 2028E |
| Revenue | | | | | |
| Revenue | 512,042 | 520,706 | 535,211 | 550,165 | 561,324 |
| Cost of goods sold | (460,383) | (473,000) | (483,784) | (497,952) | (508,615) |
| Gross profit | 51,659 | 47,706 | 51,427 | 52,214 | 52,709 |
| Operating expenses | (15,406) | (13,454) | (16,056) | (16,505) | (16,840) |
| Operating profit | 36,254 | 34,252 | 35,370 | 35,709 | 35,870 |
| EBIT | 18,633 | 16,788 | 18,061 | 18,552 | 18,865 |
| Depreciation | (17,620) | (17,464) | (17,310) | (17,156) | (17,004) |
| EBITDA | 36,254 | 34,252 | 35,370 | 35,709 | 35,870 |
| Non-operating income | | | | | |
| Other incomes | 0 | 0 | 0 | 0 | 0 |
| Other non-op income | 0 | 0 | 0 | 0 | 0 |
| Non-operating expense | | | | | |
| Interest expense | (5,735) | (5,122) | (5,731) | (5,581) | (5,581) |
| Other non-op expense | 0 | 0 | 0 | 0 | 0 |
| Equity income/(loss) | 673 | 580 | 580 | 580 | 580 |
| Pre-tax Profit | 13,571 | 12,246 | 12,910 | 13,552 | 13,865 |
| Extraordinary items | | | | | |
| Current taxation | (3,026) | (2,706) | (2,711) | (2,710) | (2,773) |
| Minorities | 24 | (31) | 0 | 0 | 0 |
| Net Profit | 10,569 | 9,509 | 10,199 | 10,842 | 11,092 |
| Core net profit | 10,569 | 9,509 | 10,199 | 10,842 | 11,092 |
| EPS (THB) | 1.01 | 0.91 | 0.98 | 1.04 | 1.06 |
| Core EPS (THB) | 1.01 | 0.91 | 0.98 | 1.04 | 1.06 |

| Key ratios | | | | | |
|----------------------------------|---------|---------|---------|---------|---------|
| Year ending Dec | 2024 | 2025 | 2026E | 2027E | 2028E |
| Growth (%YoY) | | | | | |
| Sales | 4.5 | 1.7 | 2.8 | 2.8 | 2.0 |
| Operating profit | 5.6 | (5.5) | 3.3 | 1.0 | 0.5 |
| EBITDA | 5.6 | (5.5) | 3.3 | 1.0 | 0.5 |
| Net profit | 22.3 | (10.0) | 7.3 | 6.3 | 2.3 |
| Core net profit | 22.3 | (10.0) | 7.3 | 6.3 | 2.3 |
| EPS | 24.1 | (10.0) | 7.3 | 6.3 | 2.3 |
| Core EPS | 24.1 | (10.0) | 7.3 | 6.3 | 2.3 |
| Profitability (%) | | | | | |
| Gross margin | 10.1 | 9.2 | 9.6 | 9.5 | 9.4 |
| Operation margin | 7.1 | 6.6 | 6.6 | 6.5 | 6.4 |
| EBITDA margin | 7.1 | 6.6 | 6.6 | 6.5 | 6.4 |
| Net margin | 2.1 | 1.8 | 1.9 | 2.0 | 2.0 |
| ROE | 3.6 | 3.2 | 3.6 | 4.0 | 4.3 |
| ROA | 1.9 | 1.7 | 1.9 | 2.1 | 2.2 |
| Stability | | | | | |
| Interest bearing debt/equity (x) | 0.5 | 0.5 | 0.5 | 0.6 | 0.6 |
| Net debt/equity (x) | 0.4 | 0.5 | 0.5 | 0.6 | 0.7 |
| Interest coverage (x) | 3.2 | 3.3 | 3.2 | 3.3 | 3.4 |
| Interest & ST debt coverage (x) | 0.4 | 0.4 | 0.4 | 0.4 | 0.5 |
| Cash flow interest coverage (x) | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Current ratio (x) | 0.5 | 0.5 | 0.4 | 0.3 | 0.2 |
| Quick ratio (x) | 0.2 | 0.2 | 0.1 | (0.0) | (0.1) |
| Net debt (THB m) | 131,364 | 135,266 | 147,621 | 160,128 | 173,705 |
| Activity | | | | | |
| Asset turnover (X) | 0.9 | 1.0 | 1.0 | 1.6 | 3.3 |
| Days receivables | 3.2 | 3.6 | 3.8 | 4.1 | 4.4 |
| Days inventory | 28.9 | 28.9 | 28.9 | 28.9 | 28.9 |
| Days payable | 62.0 | 62.0 | 62.0 | 62.0 | 62.0 |
| Cash cycle days | (29.8) | (29.5) | (29.2) | (29.0) | (28.7) |

| Cash flow (THB m) | | | | | |
|-----------------------------|-----------------|----------------|-----------------|-----------------|-----------------|
| Year ending Dec | 2024 | 2025 | 2026E | 2027E | 2028E |
| Operating cash flow | | | | | |
| Operating cash flow | 16,650 | 20,177 | 20,306 | 21,151 | 20,777 |
| Net profit | 10,569 | 9,509 | 10,199 | 10,842 | 11,092 |
| Depre. & amortization | 17,620 | 17,464 | 17,310 | 17,156 | 17,004 |
| Change in working capital | (3,193) | 664 | 512 | 806 | 459 |
| Others | (8,346) | (7,461) | (7,715) | (7,653) | (7,778) |
| Investment cash flow | (19,928) | (9,616) | (8,549) | (7,799) | (6,863) |
| Net CAPEX | (19,741) | (25,859) | (33,872) | (44,367) | (58,115) |
| Change in LT investment | (890) | 10,592 | 11,757 | 13,352 | 13,914 |
| Change in other assets | 704 | 5,651 | 13,566 | 23,216 | 37,338 |
| Free cash flow | (3,278) | 10,561 | 11,757 | 13,352 | 13,914 |
| Financing cash flow | | | | | |
| Financing cash flow | (8,968) | (14,463) | (24,111) | (25,860) | (27,490) |
| Change in share capital | 5,138 | 0 | 0 | 0 | 0 |
| Net change in debt | 389 | 31 | 0 | 0 | 0 |
| Dividend paid | (14,494) | (14,494) | (24,111) | (25,860) | (27,490) |
| Others | 0 | 0 | 0 | 0 | 0 |
| Net cash flow | (12,246) | (3,903) | (12,355) | (12,508) | (13,577) |
| Per share (THB) | | | | | |
| EPS | 1.01 | 0.91 | 0.98 | 1.04 | 1.06 |
| Core EPS | 1.01 | 0.91 | 0.98 | 1.04 | 1.06 |
| CFPS | 2.66 | 2.59 | 2.64 | 2.68 | 2.69 |
| BVPS | 28.13 | 28.07 | 26.73 | 25.29 | 23.72 |
| Sales/share | 48.40 | 49.94 | 51.33 | 52.76 | 53.83 |
| EBITDA/share | 3.43 | 3.28 | 3.39 | 3.42 | 3.44 |
| DPS | 2.57 | 2.31 | 2.48 | 2.64 | 2.70 |
| Valuation | | | | | |
| P/E (x) | 26.9 | 31.0 | 15.2 | 14.3 | 14.0 |
| P/BV (x) | 0.95 | 1.01 | 0.56 | 0.59 | 0.63 |
| Dividend yield (%) | 9.43 | 8.18 | 16.64 | 17.69 | 18.10 |
| Dividend payout ratio (%) | 253.56 | 253.56 | 253.56 | 253.59 | 253.61 |

GENERAL DISCLAIMER

Analyst Certification

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RECOMMENDATION STRUCTURE

Stock Recommendations

Stock ratings are based on absolute upside or downside, which we define as $(\text{target price}^* - \text{current price}) / \text{current price}$.

- BUY:** Expected return of 10% or more over the next 12 months.
HOLD: Expected return between -10% and 10% over the next 12 months.
REDUCE: Expected return of -10% or worse over the next 12 months.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

Sector Recommendations

- Overweight:** The industry is expected to outperform the relevant primary market index over the next 12 months.
Neutral: The industry is expected to perform in line with the relevant primary market index over the next 12 months.
Underweight: The industry is expected to underperform the relevant primary market index over the next 12 months.

Country (Strategy) Recommendations

Overweight: Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Neutral: Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Underweight: Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.