COMPANY UPDATE

CP AXTRA (CPAXT TB)

THAILAND / SET / COMMERCE

Globlex Securities Co., Ltd.

7 September 2026

More light at a lucrative Malaysia

- Acquisition of Food Purveyor will strengthen CPAXT's foothold in its lucrative retail market in Malaysia
- Expect a q-q weak 3Q26 result before a y-y and q-q stronger 4Q26
- Maintain HOLD and a TP of THB17.0

Completing acquisition of Food Purveyor in Malaysia

On 2 Sep-26, CPAXT announced the completion of its acquisition of 100% stake in Food Purveyor, a premium supermarket chain with 50 stores under five brands of Village Grocer, B.I.G., BSC Fine Foods, OTK, and Food Merchant. The final acquisition cost is RMB1,597 (THB12.8b), lower than the previously announced amount of RMB1,660 (THB13.5b) after the successful negotiation to reduce the final price ticket.

Strengthening Malaysia's retail market position

We are positive on CPAXT's acquisition of Food Purveyor (FP), considering that 1) FP is expected to add 4% of revenue in 2027, estimated to be THB9b annually (4% of CPAXT's retail revenue) and enhance EBIT margin of retail business by 10bps to 3.8%, which could translated to THB0.2b or 1%-1.2% EBIT to CPAXT; 2) CPAXT would strengthen its distribution channel in Malaysia, CPAXT's lucrative market, adding revenue to 25% of CPAXT's retail revenue, up by 4%. FP will also increase CPAXT's number of retail stores from 71 to 121.

Expect a weak 3Q26 on multiple headwinds

We project 3Q26 net profit to remain weak, likely to decline q-q below the 3Q25/2Q26 net profits of THB1.9b, given 1) lingering negative aftermath of the government's Copay scheme; 2) seasonally weak demands; and 3) potential impairment of a store closure in Cambodia.

Seeing light at the end of tunnel by 4Q26

Starting from 4Q26 onwards, we forecast CPAXT's net profit and margins, both GPM and NPM, to recover meaningfully, based on 1) seasonally higher demands; 2) absence of the copay consequence; 3) the partial increase in earnings from FP; 4) the seasonally low base 4Q25 earnings of THB2.6b, diluted by stock loss and price investment due to the inventory management system malfunction and the copay impact that erode GPM by -1.6% pts to retail's GPM, resulting the abnormally low 4Q overall GPM at 13.9% in 4Q25.

Still Hold on a weak 3Q26 outlook

We maintain HOLD and our TP of THB17, based on 17x 2026E P/E. We think CPAXT's share price is likely to stay in doldrums until it announces a weak 3Q26 net profit outlook and investors will shift the focus to CPAXT's strong 4Q26 net profit forecast. Multiple headwinds, including government's copay, seasonally low demands, and potential store impairment for Cambodia store closure, should still be the milestones for CPAXT's weak quarterly performance that will cap CPAXT's share price, in our view.

Analyst

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ESG Rating : AA

CG Rating : ▲▲▲▲▲

HOLD

Target Price 12M (THB)	**17.00**
VS. BB Consensus TP (%)	+10.2%
Share Price (THB)	14.80
Upside/Downside	+14.9%

Share Data

Market Cap (THB m)	154,329.39
Par (THB)	1.00
Free Float (%)	15.26
Issued shares (m shares)	10,428

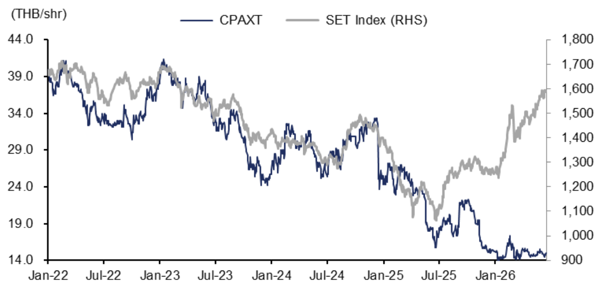
Financial forecast

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 from previous (%)	-	0.00	0.00	0.00
DPS (THB)	2.31	2.48	2.64	2.70
P/E (x)	30.98	15.13	14.24	13.92
P/BV (x)	1.01	0.55	0.59	0.62
ROE (%)	3.22	3.57	4.00	4.34
Dividend yield (%)	8.18	16.76	17.81	18.22

Source: Financial Statement and Globlex securities

Share Price Performance (%)

	1M	3M	6M	YTD
Stock	(0.67)	0.68	(9.76)	(5.73)
Market	(0.84)	(7.01)	(21.64)	(26.90)
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

Exhibit 1: CPAXT's strong presence in Malaysia with 71 stores

As of June 2026

STORES	WHOLESALE [1]	RETAIL [2]	TOTAL
THAILAND	167	2,579 [3]	2,746
OVERSEA	10	71	81
CAMBODIA	3	-	3
INDIA	5	-	5
MALAYSIA	-	71	71
MYANMAR	2	-	2
TOTAL	177	2,650	2,827
SALES SPACE (SQ.M.)	973K	1,892K	2,865K

MALLS [4]	TOTAL
THAILAND	880K
MALAYSIA	330K
LEASABLE SPACE (SQ.M.)	1,210K

Note:
[1] Excluding minimart/ restaurant in UAE under Foodservice APME
[2] Largest retail market share in modern trade format in Malaysia
[3] Composing 228 large stores, 178 supermarkets and 2,173 Lotus's go fresh (small format)
[4] Excluding 25% stake in AXTRART which operates 24 malls in Thailand with permanent NLA of 336K sq.m.

Sources: CPAXT

Exhibit 2: 2026 store and mall expansion (+2 new stores and +2 store improvement in Malaysia)

NEW STORE OPENING	1H/26	2H/26	2026
WHOLESALE	-	3	3
THAILAND	-	2	2
PHILIPPINES	-	1	1
RETAIL	127	12	139
THAILAND	125	9	134
LARGE FORMAT	-	2	2
SUPERMARKET	2	2	4
GO FRESH	123	5	128
MALAYSIA	2	3	5
TOTAL	127	15	142

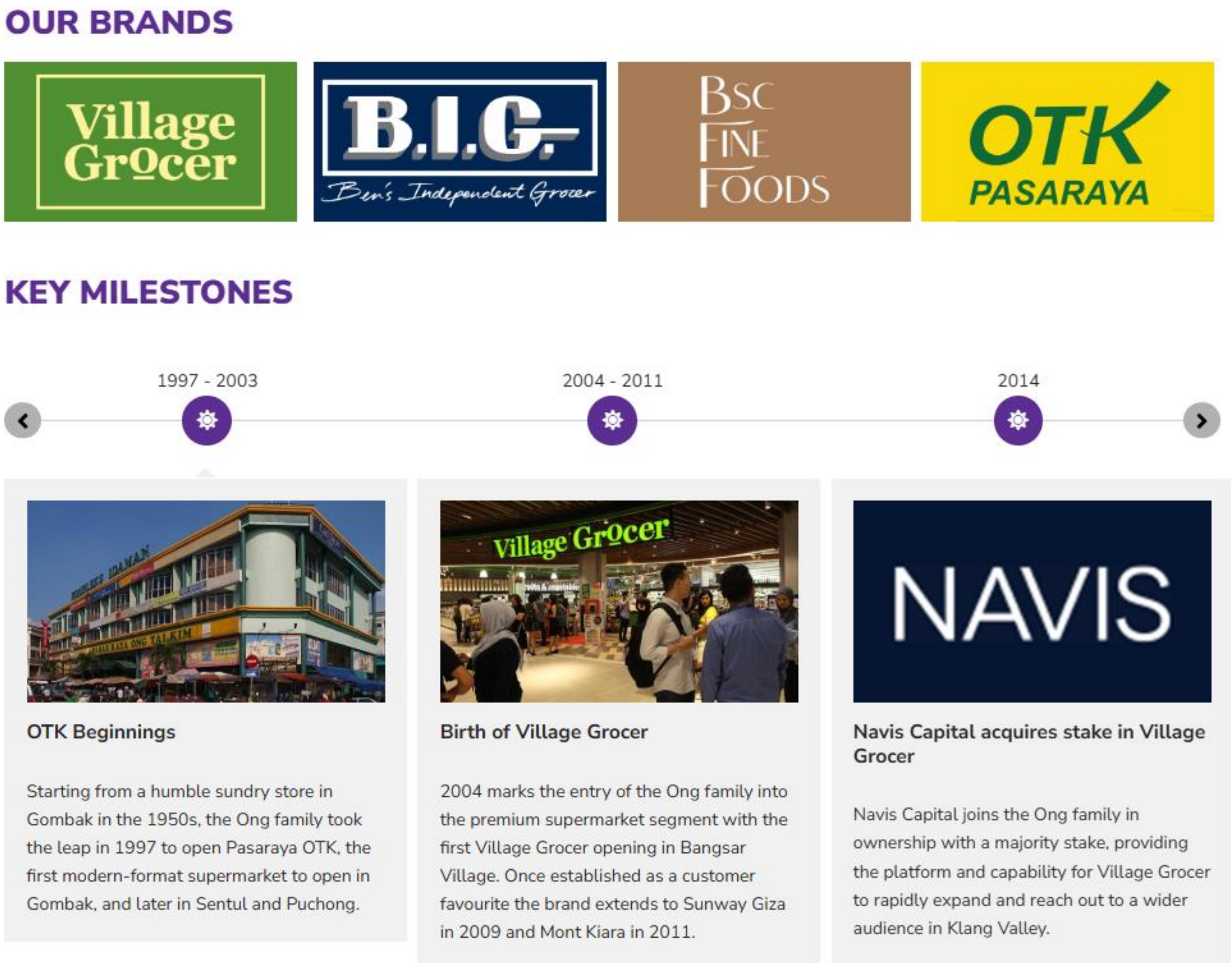
INCREMENTAL
NET SALABLE AREA ("NSA")
+3%
from 2,826 K SQ.M. on 31 Dec 25

MALL PROGRAM	1H/26	2H/26	2026
THAILAND	4	12	16
IMPROVEMENT	3	3	6
NEW & EXTENSION	1	9	10
MALAYSIA	2	2	4
IMPROVEMENT	2	0	2
NEW & EXTENSION	0	2	2
TOTAL	6	14	20

INCREMENTAL
NET LEASABLE AREA ("NLA")
+9%
from 1,185 K SQ.M. on 31 Dec 25

Sources: CPAXT

Exhibit 3: Food Purveyor's major brands, milestones, and premium store formats



Sources: https://thefoodpurveyor.com/

Balance sheet (THB m)					
Year ending Dec	**2024**	**2025**	**2026E**	**2027E**	**2028E**
Current assets					
Cash & ST investment	19,461	15,558	20,659	26,872	33,196
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**	**549,498**	**555,868**	**561,377**
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	34,897	38,599	42,102
Others	250,906	250,906	250,906	250,906	250,906
Minority interest	943	975	975	975	975
Shareholders' equity	**298,617**	**293,663**	**297,205**	**300,908**	**304,411**

Profit & loss (THB m)					
Year ending Dec	**2024**	**2025**	**2026E**	**2027E**	**2028E**
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	**0**	**0**	**0**	**0**	**0**
Other incomes	0	0	0	0	0
Other non-op income	0	0	0	0	0
Non-operating expense	**(5,735)**	**(5,122)**	**(5,731)**	**(5,581)**	**(5,581)**
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	3.5	3.6	3.7
ROA	1.9	1.7	1.9	2.0	2.0
Stability					
Interest bearing debt/equity (x)	0.5	0.5	0.5	0.5	0.5
Net debt/equity (x)	0.4	0.5	0.4	0.4	0.4
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	0.6	0.6	0.7
Quick ratio (x)	0.2	0.2	0.2	0.3	0.3
Net debt (THB m)	131,364	135,266	130,166	123,953	117,628
Activity					
Asset turnover (X)	0.9	1.0	1.0	1.5	3.0
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	**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	**(8,968)**	**(14,463)**	**(6,656)**	**(7,139)**	**(7,589)**
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)	(6,656)	(7,139)	(7,589)
Others					
Net cash flow	**(12,246)**	**(3,903)**	**5,100**	**6,213**	**6,324**

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	28.41	28.76	29.10
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	0.64	0.68	0.73	0.74
Valuation					
P/E (x)	26.9	31.0	15.1	14.2	13.9
P/BV (x)	0.95	1.01	0.52	0.51	0.51
Dividend yield (%)	9.43	2.26	4.63	4.92	5.03
Divdend payout ratio (%)	253.56	70.00	70.00	70.01	70.01

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ESG Analysis

ESG Assessment	SET ESG	Bloomberg
Environment CP Axtra's most material environmental exposures are energy/refrigerant use across its Makro and Lotus's cold-chain retail network and food waste from perishables. Total Scope 1-2 GHG emissions (market-based) rose to 909,830 tCO2e in 2025 (+5.2% y-y), reversing a 2022-2024 downtrend, driven partly by a 20% jump in refrigerant-related emissions (119,954 tCO2e vs 99,791 in 2024) as the network expanded into Myanmar and Cambodia. Renewable energy share improved to 16.23% of the mix (up from 13.96% in 2024), but overall energy intensity edged up to 13.08 GJ/million THB revenue. On waste, total waste generated rose to 182,122 tons (+5.7% y-y), but the utilization (recycling/reuse) ratio improved sharply to 81.8% from 70.8%, and food waste fell 10.6% y-y to 37,954 tons with the food-waste-utilization ratio jumping to 42.2% from 14.2%, aided by discounted-product programs that now redirect more food than is wasted. Plastic packaging usage fell 25% y-y to 13,773 tons, with recycled content in own packaging rising to 47.1%.	AA	5.89
Social With ~75,200 full-time employees (43:57 male:female) across Thailand, Malaysia, Myanmar and Cambodia, labor and workplace safety are the Company's most material social issues. Voluntary turnover rose to 26.47% in 2025 from 24.10% in 2024, and workplace safety metrics deteriorated: employee LTIFR climbed to 1.57 (from 1.35 in 2022), and employee work-related fatalities rose to 3 in 2025 (plus 2 among contractors) versus 1 (and 1) in 2024 and zero in 2022-2023 — a trend that coincides with, but is not fully explained by, geographic expansion. On the positive side, CP Axtra supported 18,469 SME vendors and 799 farmers directly in 2025, with SME/farmer subsidiary workers reaching 57,446 and vendor workers rising 29% y-y to 102,279, reflecting the Group's stated "Food Security & Access to Nutrition" and responsible supply chain priorities. On data protection — material given its retail POS and loyalty data footprint — the Company reports 100% employee PDPA training completion and 100% internal audit coverage of its privacy compliance program, appointing a dedicated DPO; no specific count of substantiated customer-data complaints (GRI 418-1) was disclosed in the sources reviewed.		4.25
Governance CP Axtra received an "Excellent" (5-star) Thai IOD Corporate Governance rating and describes itself as a certified CAC (Thailand's Private Sector Collective Action Against Corruption) member, with 100% of board members, executives and employees trained annually on the Code of Conduct and anti-corruption policy, and 100% of whistleblowing cases investigated. A board-level CG & Sustainable Development Committee (chaired by an independent director) oversees compliance, CAC, environment and social-impact sub-committees, and all Code of Conduct complaints are reportedly investigated within two weeks with quarterly reporting to the Audit and Risk Management Committee. Board composition detail (independent director count, major shareholding structure) was not available in the sustainability report/appendix reviewed and would need to be sourced from the 56-1 One Report.		4.26
Overall | CG Score: Excellent (5-star) | CAC: Certified	**AA**	**4.68**

SET ESG Rating as of 9 January 2026.
Sources: CP Axtra Sustainability Report 2025, CP Axtra Attachment #9 (GRI Performance Data 2022-2025), Globlex Securities Research.

GENERAL DISCLAIMER

Analyst Certification

Suwat Sinsadok, Register No. 020799, Globlex Securities Public Company Limited

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RECOMMENDATION STRUCTURE

Stock Recommendations

Stock ratings are based on absolute upside or downside, which we define as (target price* - current price) / 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.