BUY (Unchanged)

Change in Numbers

TP: Bt 25.00 (From: Bt 26.00)

Upside : 16.8%

21 OCTOBER 2025

CP Axtra Pcl (CPAXT TB)

Weak 3Q25F is not a trend

We expect disappointing 3Q25F from Lotus's gross margin. But this is not a declining earnings trend as we estimate 4Q25F profit to grow 10% y-y backed by stimulus and continued EPS growth of 15/12% in 2026-27F. We maintain our BUY call with a lower TP of Bt25.0.

PHANNARAI TIYAPITTAYARUT
662-779-9119
phannarai.von@thanachartsec.co.th

Thanachart Securities

Cutting our earnings and TP

We cut our earnings for CPAXT by 2/6/6% in 2025-27F to factor in weaker-than-expected gross margin at Lotus's and the announcement of its cash-and-carry business expansion to the Philippines, though we lift Makro's same-store sales growth (SSSG) to 4% in 4Q25F due to the co-payment plus scheme and tourism stimuli. Our DCF-based 12-month TP (2026F base year) falls to Bt25.0 from Bt26. We maintain our BUY call on CPAXT. ***First,*** the hiccup in 3Q25F core earnings is not a trend, as we project an earnings turnaround of 10% y-y in 4Q25F. ***Second,*** we estimate EPS growth of 15/12% in 2026-27F, driven by SSSG, store expansion, fatter gross margin, and profit contribution from food importer Lucky Frozen in Malaysia (acquired in September). ***Third,*** its 17.2/15.3x 2026-27F PE multiples look inexpensive to us for a long-term growth stock with organic drivers for its domestic business and overseas growth opportunities.

3Q25F likely to disappoint

We project 3Q25F net profit of Bt1.99bn, up by 2% y-y. This is below the consensus estimate of Bt2.2-2.3bn. Adjusting for one-time expenses of Bt458m in 3Q24 from amalgamation costs and a FX loss, we expect 3Q25F core profit to fall by 18% y-y. A key drag is likely to be a disappointing gross margin. We expect gross margin on sales of 14.4%, flat y-y. Excluding the wholesale business's supplier support accounting reclassification, gross margin will likely fall by 30bp y-y due to a flat wholesale gross margin y-y and a 60bp y-y decline at Lotus's caused by a falling non-food sales mix due to weak spending and a high gross margin base in 3Q24 from the digital wallet scheme stimulus.

Stimulus to drive a turnaround from 4Q25F

We expect 4Q25F net profit of Bt4.3bn, up 10% y-y and 119% q-q, on the back of 7% y-y sales growth vs. 3% in 9M25F, a 19bp y-y sales gross margin expansion (+63bp y-y for wholesale, the same pace as in 9M25F, and -30bp y-y for Lotus's), and a full quarter's profit from Lucky Frozen (driving 2% profit growth y-y). Our 7% sales growth assumption is based on SSSG of 4% for wholesale and 1% for Lotus's in 4Q25F from flat SSSG in 9M25F.

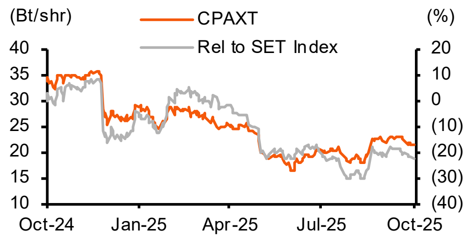
Overseas expansion

In 3Q25, CPAXT was running 10 overseas Makro branches in Cambodia (three), Myanmar (one), and India (six). On 15 October, it launched its second store in Myanmar with a plan to open its first Philippines store late next year. We see the Myanmar expansion as a good move as the first store generated higher sales/sqm vs. stores in other countries, including Thailand, with a faster profit breakeven period of two years. We estimate overseas losses of Bt217/318/314/296m in 2025-28F or 2% of profit in those years, falling from 6% in 2022.

COMPANY VALUATION

Y/E Dec (Bt m)	2024A	2025F	2026F	2027F
Sales	508,745	526,408	552,285	575,151
Net profit	10,569	11,263	12,983	14,547
Consensus NP	—	11,509	13,022	14,258
Diff frm cons (%)	—	*(2.1)*	*(0.3)*	*2.0*
Norm profit	10,569	11,263	12,983	14,547
Prev. Norm profit	—	11,548	13,791	15,556
Chg frm prev (%)	—	*(2.5)*	*(5.9)*	*(6.5)*
Norm EPS (Bt)	1.0	1.1	1.2	1.4
Norm EPS grw (%)	22.3	6.6	15.3	12.0
Norm PE (x)	21.1	19.8	17.2	15.3
EV/EBITDA (x)	9.3	8.8	8.1	7.5
P/BV (x)	0.7	0.7	0.7	0.7
Div yield (%)	3.3	3.5	4.1	4.6
ROE (%)	3.6	3.7	4.2	4.6
Net D/E (%)	26.3	28.0	28.2	27.5

PRICE PERFORMANCE



COMPANY INFORMATION

Price *as of* 21-Oct-25 (Bt)	21.40
Market Cap (US$ m)	6,807.6
Listed Shares (m shares)	10,427.7
Free Float (%)	15.3
Avg Daily Turnover (US$ m)	7.6
12M Price H/L (Bt)	35.50/16.50
Sector	Commerce
Major Shareholder	CP All 59.93%

Sources: Bloomberg, Company data, Thanachart estimates

Cutting our earnings and TP

Lowering our TP by 4% to Bt25.0

We estimate CP Axtra Pcl's (CPAXT) 3Q25F performance to come in weaker than we'd expected earlier as we project the gross margin on sales at its Lotus's business to contract further, pressured by intensifying market competition and the high gross margin base in 3Q24 due to high-margin product sales (mainly small electrical appliances) from the Bt10,000 digital wallet handout scheme. We therefore lower our gross margin assumptions for Lotus's by 30/40/40bp in 2025-27F to a 30bp decline y-y to 17.83% this year, a further drop of 5bp y-y to 17.78% in 2026F, before projection a 5bp expansion to 17.83% in 2027F. We also factor in its recent announcement of the expansion of its Makro cash-and-carry business to the Philippines, with the first branch tentatively scheduled to open in 4Q26F.

On a positive note, we raise our same-store sales growth assumption for the wholesale business to 4% (from 1% previously) for 4Q25F as we expect it to benefit from the government's co-payment plus scheme and tourism stimuli, driving our SSSG on wholesale assumptions to 1.0/1.5/2.0% in 2025-27F (from 0.3/1.5/2.0%), though we maintain them for Lotus's at 1% SSSG in 4Q25F, or 0.4/1.5/2.0% in 2025-27F. Following this, our earnings projections are revised down by 2/6/6% in 2025-27F. Our DCF-based 12-month TP (2026F base year) is lowered by 4% to Bt25.0/share (from Bt26.0 earlier).

Ex 1: Key Assumption Changes

	2022	2023	2024	2025F	2026F	2027F
Blended gross margin on sales (%)						
New	14.2	13.8	14.4	14.5	14.6	14.7
Old				14.7	14.8	14.9
Change (bp)				*(15.6)*	*(20.9)*	*(21.8)*
Wholesale business						
SSS growth (%)						
New	6.8	5.3	2.8	1.0	1.5	2.0
Old				0.3	1.5	2.0
Gross margin on sales - Thailand (%) - unchanged	10.5	10.7	11.4	12.0	12.2	12.3
Retail business						
SSS growth (%)						
New	(0.2)	1.3	3.6	0.4	1.5	2.0
Old				0.5	1.5	2.0
Gross margin on sales (%)						
New	18.6	17.7	18.1	17.8	17.8	17.8
Old				18.1	18.2	18.2
Overseas stores (YE)	10	8	10	11	12	12
Cambodia	3	3	3	3	3	3
India	4	4	6	6	6	6
China	2	0	0	0	0	0
Myanmar	1	1	1	2	2	2
Philippines	0	0	0	0	1	1
Normalized profit (Bt m)						
New	7,697	8,640	10,569	11,263	12,983	14,547
Old				11,548	13,791	15,556
Change (%)				*(2.5)*	*(5.9)*	*(6.5)*

Sources: Company data, Thanachart estimates

Ex 2: 12-month DCF-based TP Calculation, Using A Base Year Of 2026F

(Bt m)		2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F	2036F	Terminal Value
EBITDA		31,516	33,921	36,310	39,069	41,876	43,228	45,833	48,331	49,326	51,888	54,578	
Free cash flow		9,802	12,249	14,167	18,041	20,438	21,412	30,162	36,335	36,987	39,190	41,499	552,497
PV of free cash flow		9,775	10,188	10,743	12,475	12,888	12,312	15,811	17,369	16,123	15,579	15,039	200,227
Risk-free rate (%)	2.5												
Market risk premium (%)	8.0												
Beta	0.9												
WACC (%)	9.7												
Terminal growth (%)	2.0												
Enterprise value	348,531												
Net debt (2025F)	86,869												
Minority interest	931												
Equity value	260,732												
# of shares (m)	10,428												
Equity value/share (Bt)	**25.00**												

Sources: Company data, Thanachart estimates

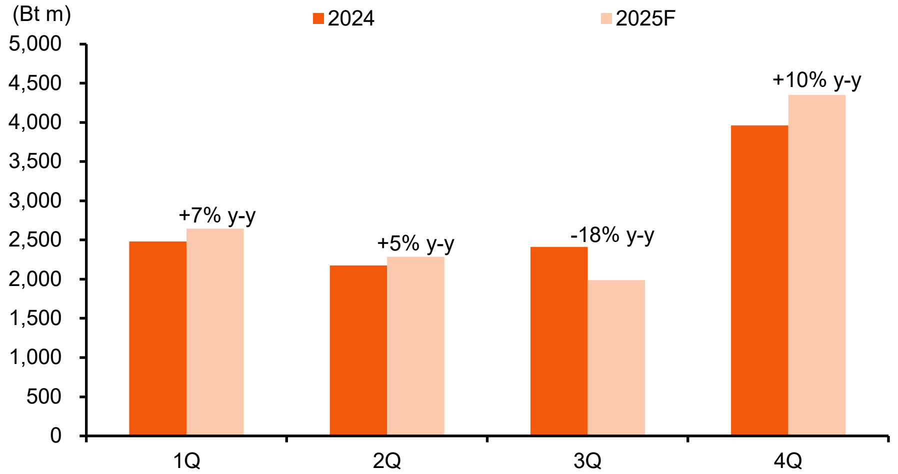
We reaffirm our BUY call

We reaffirm our BUY call on CPAXT given 17% potential share price upside to our new TP.

1) Weak 3Q25F is not a trend, in our view

First, the hiccup in 3Q25F core earnings is not a trend in our view, as we estimate an earnings turnaround of 10% y-y in 4Q25F. With economic stimulus measures in 4Q25F, we expect CPAXT to deliver 7% y-y sales growth in 4Q25F, improving from 3% growth in 9M25F. Without the high gross margin base for Lotus's as in 3Q24 when it benefited from the government's digital wallet cash handout scheme, and given our expectation of improved spending sentiment in 4Q25F, we estimate Lotus's gross margin to decline by just 30bp y-y in 4Q25F vs. a 60bp fall in 3Q25F.

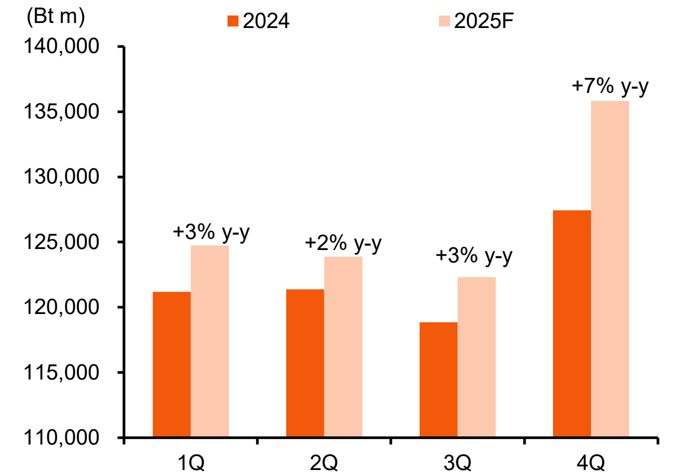
Ex 3: Quarterly Core Profit



Sources: Company data, Thanachart estimates

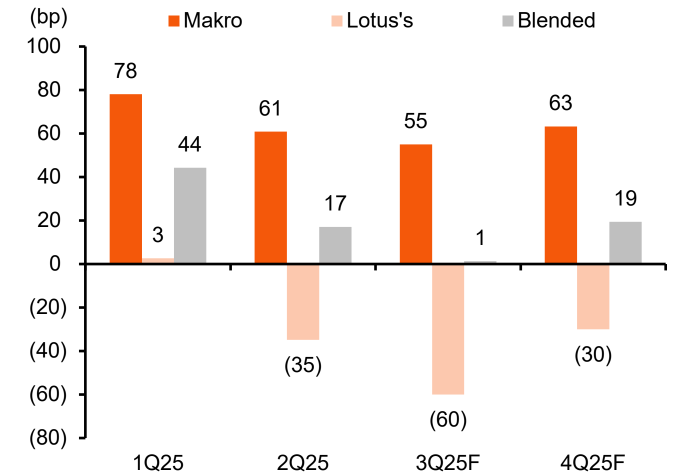
Note: 3Q24 core profit is adjusted for Bt458m in one-time expenses from amalgamation and an FX loss

Ex 4: Sales Growth



Sources: Company data, Thanachart estimates

Ex 5: Expansion Of Gross Margin On Sales



Sources: Company data, Thanachart estimates

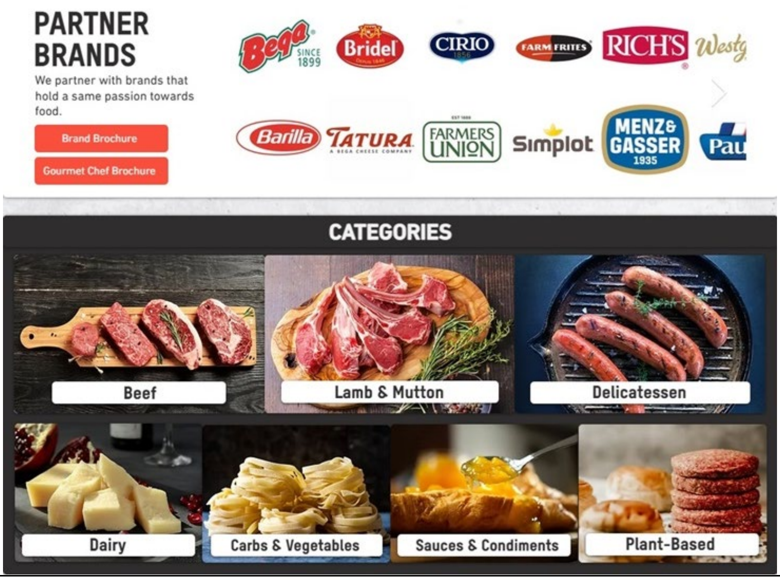
2) 15/12/10% EPS growth in 2026-28F

Second, we estimate EPS growth at 15/12/10% in 2026-28F, driven by 1.5/2.0/2.0% SSSG, 2% p.a. store expansion, 8/9/9bp gross margin expansion, and profit contribution from the food importer Lucky Frozen in Malaysia, which was acquired in September this year.

We estimate Lucky Frozen to contribute 2.6% to CPAXT's 2026F profit

Lucky Frozen acquisition. On 29 August 2025, CPAXT's 99.99% subsidiary, Siam Food Services Co Ltd (SFS), bought a 100% stake in Renewed Hope Pte Ltd, a registered company in Singapore, which is a holding company (with nine subsidiaries) holding shares in Lucky Frozen worth MYR1.05bn (Bt8.1bn). Lucky Frozen is a food importer, producer, and distributor for the hotel, restaurant, retail, and wholesale sectors in Malaysia. This move strengthened and expanded CPAXT's food service business overseas. Last year, SFS contributed 1-2% of CPAXT's sales and net profit. For the fiscal year from July 2024 to June 2025, Lucky Frozen posted MYR1.1bn in sales with around a 6% net profit margin. We believe the acquisition price at 1x price-to-sales was fair for a stable and profitable company established over 40 years ago. We expect some earnings accretion to CPAXT's 2025F profit with profit contribution from September, net of 2% interest costs and one-time expenses related to the acquisition to be booked in 3Q-4Q25F. For 2026F, we assume Bt8.6bn in revenues and a Bt344m profit contribution (net of interest costs), or 2.6% of CPAXT's 2026F net profit. Future synergies could be with CPAXT's Lotus's business in Malaysia.

Ex 6: Lucky Frozen In Malaysia



Source: www.luckyfrozen.com.my

2% p.a. store expansion in 2026-28F

Branch expansion. We assume CPAXT opens six new large-format wholesale branches (classic + eco plus) to reach a total of 117 stores this year and four Lotus's hypermarket and supermarket branches. From next year, we expect it to resume opening eight wholesale stores p.a. in 2026-28F and three Lotus's hypermarkets p.a. in Thailand (from 228 at end-2025F), along with a combined five supermarkets p.a. in Thailand and Malaysia (207 at end-2025F) as we see room for it to gain market share from traditional stores. We estimate store space growth of c. 2% p.a. in 2026-28F.

Ex 7: Store Network

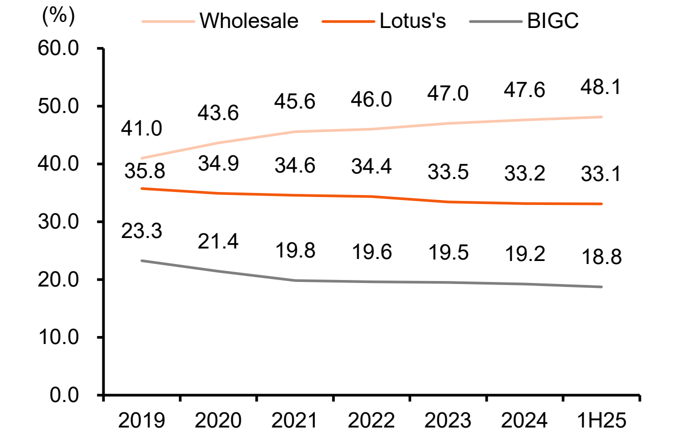
	2022	2023	2024	2025F	2026F	2027F	2028F
Wholesale							
Thailand (YE)	**152**	**160**	**165**	**169**	**177**	**185**	**193**
Classic + Eco Plus	96	103	111	117	125	133	141
Foodservice	42	45	45	45	45	45	45
Food shop	4	4	4	4	4	4	4
Frozen shop	7	5	3	1	1	1	1
Fresh@Makro	3	3	2	2	2	2	2
Overseas (YE)	**10**	**8**	**10**	**11**	**11**	**11**	**11**
Retail							
Thailand (YE)	**2,578**	**2,454**	**2,483**	**2,537**	**2,592**	**2,647**	**2,702**
Hypermarkets	223	226	226	228	231	234	237
Supermarkets	202	178	178	180	182	184	186
Mini-supermarkets	2,153	2,050	2,079	2,129	2,179	2,229	2,279
Malaysia (YE)	**65**	**68**	**70**	**70**	**73**	**76**	**79**
Hypermarkets	46	43	43	43	43	43	43
Supermarkets	19	25	27	27	30	33	36

Sources: Company data, Thanachart estimates

Omnichannel sales, a growth engine

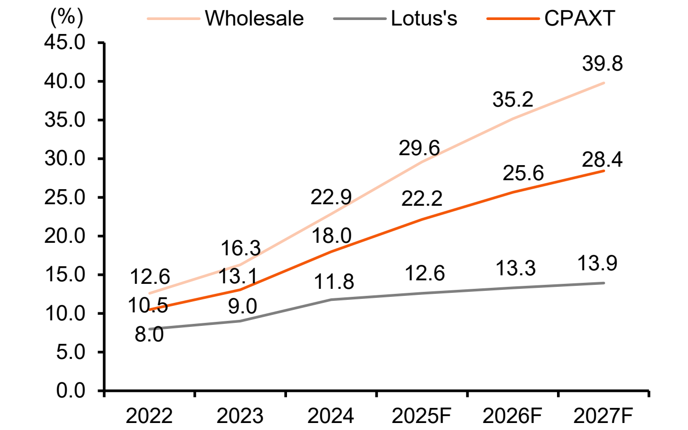
In addition to market share gains from traditional trade, CPAXT's successful omnichannel strategy, particularly for its Makro business, with its omnichannel sales mix reaching 30% in 3Q25F, allows it to gain market share from modern trade peers. CPAXT's online sales mix rose to 18% in 2024 (Makro and Lotus's combined) from 8% in 2021, boosted by the Makro PRO and Lotus's online apps that were launched in 2022. In 1H25, its e-commerce sales grew by 25% y-y to Bt51bn and drove its mix further to 20.4% of sales. Strong omnichannel sales helped to support 1% SSSG in 1H25. We estimate its online sales mix will rise to 28.4% in 2027F, compared to CPAXT's five-year target of 50%. Online channels help CPAXT grow its customer base, too. Among modern trade players, Makro and Lotus's saw their aggregate sales share grow from 76.8% in 2019 to 81.2% in 1H25.

Ex 8: CPAXT's Market Share Gain



Sources: Company data, Thanachart estimates

Ex 9: Omnichannel Sales Mix



Sources: Company data, Thanachart estimates

The Happitat is due to commence operation fully in April next year

The Happitat project. The commercial property at the Happitat project (Lotus's Bangna mall), acquired in December last year, looks on track to open some zones late this year, with full commercial operation targeted by April next year. Of its three shopping mall buildings, namely Bloominas (Zone 1), Wonderwild (Zone 2), and Festie Town (Zone 3), two (zones 2 and 3) and a 10-floor Hilltop office building (located in Zone 2) are due to commence operation by the end of this year. Zone 3 is a festive town with event space, while Zone 2 houses the offices, a premium supermarket, restaurants and cafes. Zone 1, scheduled to open next year, is intended as a retail hub and lifestyle shopping center, featuring leasing space for a fitness center, swimming pool, and sports activity area. We assume a mall occupancy rate of 85% in 2026F, in line with the company's latest guidance, and project the mall's rental rate at Bt1,300/sqm/month in 2026F. Our net loss estimates for the project are Bt347/446/382/323m in 2025-28F.

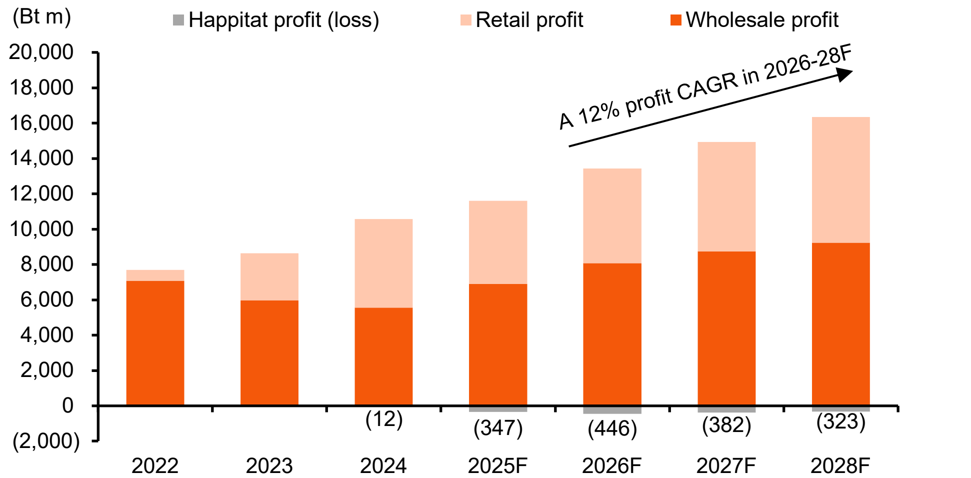
Ex 10: The Happitat Commercial Project

Source: Company data

Ex 11: The Happitat's Three Zones

Source: Company data

Ex 12: A 12% Profit CAGR In 2026-28F



Sources: Company data, Thanachart estimates

3) A long-term growth stock with a not-too-excessive valuation, in our view

Third, we believe CPAXT's PE multiples of 17.2/15.3x in 2026-27F are inexpensive for a long-term growth stock with organic drivers for its domestic business and overseas growth opportunities.

3Q25F likely to disappoint

We expect 3Q25F core profit to fall by 18% y-y

We estimate 3Q25F net profit of Bt1.99bn, increasing by 2% y-y. This is below the Bloomberg consensus estimate of Bt2.2-2.3bn. Adjusting for one-time expenses of Bt458m in 3Q24 from amalgamation costs and an FX loss, we expect 3Q25F core profit to fall by 18% y-y from Bt2,410m in 3Q24. With flat SSSG for both the wholesale and retail (Lotus's) businesses, we project sales to grow by 2.9% y-y to Bt122.3bn (57% wholesale, 43% retail). A key drag is likely to be a disappointing gross margin due to price competition and a falling high-margin non-food sales mix caused by the sluggish economy. We expect gross margin on sales of 14.4%, flat y-y. Excluding the wholesale business's supplier support accounting reclassification, gross margin looks set to fall by 30bp y-y due to a flat wholesale gross margin y-y (no organic margin expansion) and a 60bp y-y decline at Lotus's caused by a drop in its non-food sales mix due to weak spending and the high gross margin base in 3Q24 from the government's digital wallet stimulus program. Note that the company applied an accounting classification for its wholesale business by shifting partner sales support from revenue from the rendering of services to a reduction in cost of goods sold from 1Q25, so we estimate revenue from the rendering of services to fall by 25% y-y to Bt945m in 3Q25F.

Ex 13: 3Q25F Preview

Yr-end Dec (Bt m)	Income Statement					Change	
	3Q24	4Q24	1Q25	2Q25	3Q25F	(q-q%)	(y-y%)
Revenue	123,727	132,638	129,300	128,448	126,909	*(1)*	*3*
Gross profit	**20,371**	**22,534**	**21,068**	**20,650**	**20,592**	***(0)***	***1***
SG&A	17,397	17,185	17,073	17,023	17,428	*2*	*0*
Operating profit	3,688	6,336	4,645	4,260	3,728	*(12)*	*1*
EBITDA	**7,107**	**9,837**	**7,957**	**7,677**	**7,204**	***(6)***	***1***
Other income	714	987	649	633	564	*(11)*	*(21)*
Other expenses	0	0	0	0	0		
Interest expenses	1,434	1,438	1,404	1,422	1,434	*1*	*-*
Profit before tax	**2,255**	**4,898**	**3,241**	**2,838**	**2,294**	***(19)***	***2***
Income tax	480	1,119	708	698	482	*(31)*	*0*
Equity & invest. Income	173	177	106	144	170	*18*	*(2)*
Minority interest	4	3	5	3	4	*50*	*(6)*
Extraordinary items	0	0	0	0	0		
Net profit	**1,952**	**3,960**	**2,643**	**2,286**	**1,987**	***(13)***	***2***

Sources: Company data, Thanachart estimates

Ex 14: Quarterly Performance

Quarterly performance	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25F
Wholesale							
SSSG (%)	3.4	1.8	1.8	3.0	1.0	(1.2)	0.0
Sales growth (%)	5.9	5.3	5.2	4.7	3.1	2.4	4.0
GP - Sales (%)	11.3	10.9	11.5	11.9	12.0	11.5	12.0
SG&A/sales (%)	10.2	10.4	11.0	10.1	10.1	10.5	10.6
Retail							
SSSG (%)	7.1	3.5	2.3	1.9	0.5	0.0	0.0
Sales growth (%)	6.7	3.9	3.5	3.4	2.7	1.7	1.5
GP - Sales (%)	17.6	18.1	18.1	18.6	17.6	17.8	17.5
SG&A/sales (%)	18.6	18.3	19.3	17.8	18.3	17.8	19.1

Sources: Company data, Thanachart estimates

Stimulus to drive a turnaround from 4Q25F

CPAXT looks set to benefit from economic stimulus measures

We expect 4Q25F net profit of Bt4.3bn, up 10% y-y and 119% q-q, on the back of 7% y-y sales growth vs. 3% in 9M25F, a 19bp y-y sales gross margin expansion (+63bp y-y for wholesale, the same pace as in 9M25F, and -30bp y-y for Lotus's), and a full quarter's profit from Lucky Frozen (driving 2% profit growth y-y). Our 7% sales growth assumption is based on SSSG of 4% for wholesale and 1% for Lotus's in 4Q25F from flat SSSG in 9M25F.

We expect the stronger sales growth in 4Q25F to be a result of the new government's initiatives to boost the economy in 4Q25 with "quick big win" stimulus measures. The co-payment plus scheme is the first program to be implemented with a spending period from 29 October to 31 December this year. The scheme involves the government allocating a Bt44.4bn budget to 20m Thai people to spend on day-to-day living, such as food & drinks, general goods, transportation costs, etc., with daily spending capped at Bt200 at small merchants (modern trade stores are not included). We expect the Makro wholesale business, with 22% of sales from food retailers, to be an indirect beneficiary of this scheme. The government is also coming up with a tourism stimulus measure allowing individuals to claim a tax deduction of up to Bt20,000 on travel expenses. This deduction would be set at 1x for travel to major cities, but at 1.5x for travel to promote secondary cities. The program is to be effective from 29 October to 15 December this year.

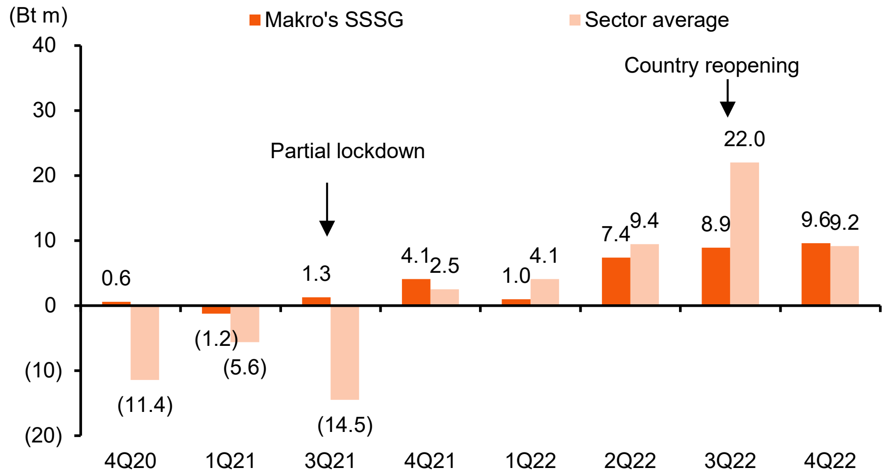
During the co-payment campaign from 4Q20-4Q22, Makro's SSSG outperformed the sector average for most of the scheme period, except for those quarters with a base effect from the lockdown period (where Makro was able to open stores, but had to close the non-food section that accounted for less than 10% of sales) and the country reopening impact.

Ex 15: Co-payment & Co-payment Plus

	Period	Eligible persons (m)	Budget/person (Bt)	Government budget (Bt m)
Co-payment				
- 1st phase	Oct-Dec 2020	10	3,000	29,940
- 2nd phase	Jan-Mar 2021	5	3,500	17,500
		10	500	4,990
- 3rd phase	Jul-Dec 2021	31	4,500	139,500
- 4th phase	Feb-Apr 2022	29	1,200	34,800
- 5th phase	Sep-Oct 2022	27	800	21,200
Total				**247,930**
Co-payment plus				
Tax payers	29Oct-31Dec 2025	11	2,400	26,400
Non-tax payers	29Oct-31Dec 2025	9	2,000	18,000
Total				**44,400**

Source: Thanachart compilation

Ex 16: Makro's SSSG Outperformed During The Previous Co-Payment Scheme



Sources: Company data, Thanachart estimates

Overseas expansion

Plans to expand to the Philippines next year

Makro launched its first overseas store in Cambodia under a 70% joint venture with a Cambodian partner in 2017. This was followed by stores in India, China, and Myanmar, where all are wholly owned. However, due to the lack of scale benefits from a smaller store format than in other countries, it exited the Chinese market in late 2022.

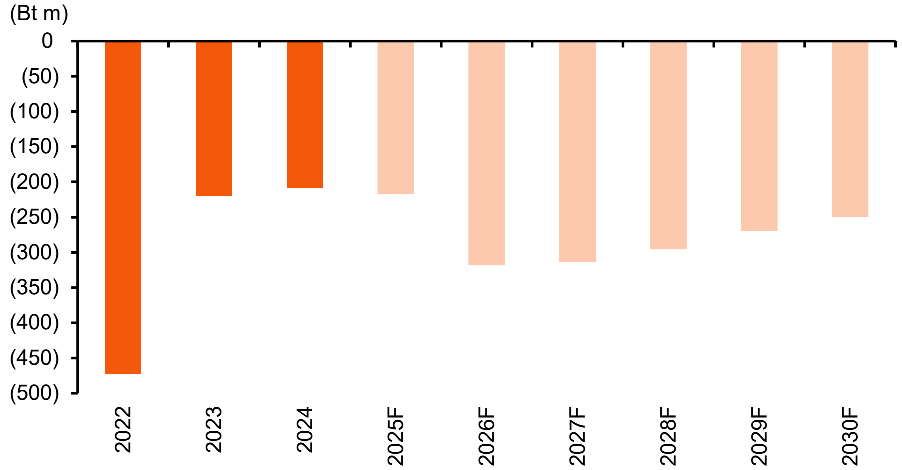
In 1H25, Cambodia and Myanmar made a profit, while India made a loss. Due to the border conflict in 2H25F, the company expects Cambodia to break even or incur a slight loss this year. In 3Q25, CPAXT was operating 10 overseas Makro branches: in Cambodia (three branches), Myanmar (one), and India (six). On 15 October, it launched its second store in Myanmar, while it plans to open its first store in the Philippines late next year. We see the Myanmar expansion as a good move as the first store generated higher sales/sqm vs. stores in other countries, including Thailand, with a faster profit breakeven period of two years. We estimate overseas losses of Bt217/318/314/296m in 2025-28F or 2% of profit in those years, falling from 6% in 2022. Despite loss contributions at present, we foresee decent growth prospects in many markets that could become material over the long run.

Ex 17: Overseas Stores

Stores	2017	2018	2019	2020	2021	2022	2023	2024	2025F	2026F	2027F	2028F
Cambodia	1	1	2	2	2	3	3	3	3	3	3	3
India	0	2	3	3	3	4	4	6	6	6	6	6
China	0	0	1	1	1	2	0	0	0	0	0	0
Myanmar	0	0	0	1	1	1	1	1	2	2	2	2
Philippines	0	0	0	0	0	0	0	0	0	1	1	1
Total	**1**	**3**	**6**	**7**	**7**	**10**	**8**	**10**	**11**	**12**	**12**	**12**

Sources: Company data, Thanachart estimates

Ex 18: Overseas Wholesale Stores' Profit (Loss)



Sources: Company data, Thanachart estimates

Valuation Comparison

Ex 19: Valuation Comparison With Regional Peers

Name	BBG code	Market	EPS growth 25F	EPS growth 26F	PE 25F	PE 26F	P/BV 25F	P/BV 26F	EV/EBITDA 25F	EV/EBITDA 26F	Div. yield 25F	Div. yield 26F
Marks & Spencer	MKS LN	UK	25.0	(17.2)	12.7	15.3	2.2	2.2	6.7	7.4	1.3	1.2
J Sainsbury PLC	SBRY LN	UK	3.7	1.3	13.7	13.5	1.0	1.0	5.1	5.1	4.4	6.5
Tesco	TSCO LN	UK	12.1	4.1	15.1	14.5	2.4	2.5	8.2	8.1	3.3	3.6
Carrefour SA	CA FP	France	(12.1)	12.5	8.8	7.8	0.8	0.8	4.9	4.7	7.1	8.1
Casino Guichard	CO FP	France	(141.5)	63.8	na	na	0.2	0.3	4.8	4.0	0.0	na
L'Oreal SA	OR FP	France	5.0	8.0	30.8	28.5	6.0	5.5	20.1	19.1	1.8	1.9
Alimentation Couche	ATD/B CN	Canada	(4.1)	6.2	na	na	na	na	10.5	9.9	na	na
Aeon	8267 JP	Japan	(8.7)	(53.0)	55.0	na	1.8	5.1	13.9	12.7	1.8	0.6
Kao Corporation	4452 JP	Japan	15.3	12.4	24.0	21.4	2.7	2.6	11.6	10.8	2.4	2.4
Lion Corporation	4912 JP	Japan	29.7	(5.0)	16.9	17.8	1.4	1.3	7.3	7.0	1.9	2.0
Shiseido Co. Ltd	4911 JP	Japan	7.5	na	na	30.3	1.8	1.7	13.8	10.8	1.5	1.7
Seven & I Holdings	3382 JP	Japan	(27.3)	55.0	30.5	19.7	1.4	1.3	9.1	9.4	1.9	2.5
Lotte Corp	004990 KS	South Korea	na	na	na	13.1	0.6	0.5	9.1	8.6	4.2	4.7
Shinsegae	004170 KS	South Korea	(3.8)	30.3	8.5	6.5	0.4	0.4	8.4	7.9	2.7	2.8
Amore Pacific Group	002790 KS	South Korea	(53.2)	(9.2)	14.8	16.3	na	na	5.3	5.3	1.2	1.1
Best Buy Co Inc	BBY US	USA	0.4	8.0	13.0	12.1	5.4	5.4	6.4	6.3	4.7	5.0
Wal-Mart Stores	WMT US	USA	5.0	12.8	41.0	36.3	8.8	7.9	20.3	18.5	0.9	0.9
Home Depot Inc	HD US	USA	(0.9)	8.8	26.0	23.9	na	na	17.3	16.3	2.4	2.5
Levi Strauss & Co.	LEVI US	USA	7.5	10.6	15.5	14.0	3.7	3.3	9.1	8.4	2.7	2.8
Yonghui Superstores	601933 CH	China	40.0	na	na	75.1	9.8	8.7	43.3	18.9	0.0	0.3
Sa Sa International	178 HK	Hong Kong	(62.1)	18.2	18.8	15.9	1.6	na	5.5	10.6	5.0	5.5
Dairy Farm Intl Hldgs	DFI SP	Hong Kong	27.8	4.1	17.9	17.2	na	11.2	6.0	6.0	16.1	3.7
President Chain Store	2912 TT	Taiwan	0.4	8.2	21.5	19.9	5.8	5.5	9.0	8.5	3.9	4.2
7-Eleven Malaysia	SEM MK	Malaysia	(6.9)	13.0	37.0	32.8	5.6	5.0	8.7	8.4	2.8	3.1
Berli Jucker *	BJC TB	Thailand	(0.8)	3.7	17.2	16.6	0.6	0.6	9.5	9.4	3.9	4.2
CP All *	CPALL TB	Thailand	12.8	15.9	15.1	13.1	3.0	2.7	7.5	6.7	3.3	3.8
CP Axtra *	CPAXT TB	Thailand	6.6	15.3	19.8	17.2	0.7	0.7	8.8	8.1	3.5	4.1
Central Pattana *	CPN TB	Thailand	(5.7)	15.7	15.6	13.5	2.2	2.1	10.7	9.7	3.9	4.3
Central Retail Corp. *	CRC TB	Thailand	(10.7)	(4.9)	16.0	16.8	1.7	1.6	5.7	6.0	8.7	2.4
Dohome *	DOHOME TB	Thailand	(2.7)	(13.8)	21.2	24.6	1.0	1.0	13.3	14.0	1.2	1.0
Siam Global House *	GLOBAL TB	Thailand	(21.5)	4.4	23.3	22.3	1.7	1.6	14.1	13.6	1.7	1.8
Home Product*	HMPRO TB	Thailand	(7.1)	3.9	15.1	14.6	3.4	3.2	8.5	8.1	5.3	5.5
MC Group *	MC TB	Thailand	5.6	6.4	11.6	10.9	2.4	2.3	5.2	5.1	8.6	9.2
Moshi Moshi Retail*	MOSHI TB	Thailand	32.7	28.4	17.3	13.5	4.4	3.7	8.8	7.1	2.9	3.8
Average			**(4.0)**	**8.6**	**20.5**	**19.8**	**2.8**	**3.1**	**10.5**	**9.4**	**3.5**	**3.3**

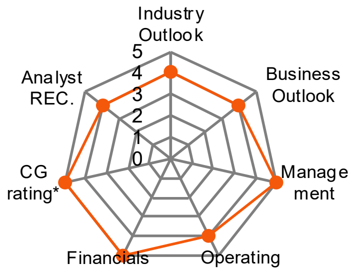
Sources: Bloomberg, Thanachart estimates
Note: * Thanachart estimates using normalized EPS growth,
Based on 21 October 2025 closing price

COMPANY DESCRIPTION

CP Axtra Pcl (CPAXT) operates the Makro discount store chain, selling food and consumer products to its registered customers, which comprise wholesalers, retailers, small businesses, caterers, and private individuals. It was operating 169 Makro stores as of 2Q25 (including small food-service stores, food shops, frozen shops, Fresh@Makro) in Thailand, three wholesale stores in Cambodia, six eco-plus branches in India, and one branch in Myanmar. It divested its China stores in 3Q23. In 4Q21, Lotus's in Thailand and Malaysia became a wholly owned subsidiary of CPAXT.

Source: Thanachart

COMPANY RATING



Rating Scale	
Excellent	5
Good	4
Fair	3
Weak	2
Very Weak	1
None	0

Source: Thanachart; *CG Rating

THANACHART'S SWOT ANALYSIS

S — Strength

- The cash-and-carry wholesale king in Thailand, selling food and non-food products to registered customers.
- Strong product niche with premium food and frozen foods targeting professional customers.
- A significantly higher grocery market share after the Lotus's acquisition.

W — Weakness

- Low concentration of retail customers and end-users.
- Very efficient inventory management is required given its thin net margin.

O — Opportunity

- Expanding its customer base via omnichannel platforms.
- Further product assortment changes geared toward higher-margin items, i.e., fresh food, private labels.
- Hybrid store model to increase asset utilization.

T — Threat

- Risks and challenges in overseas market penetration.
- New food wholesale competitor, GO Wholesale.

CONSENSUS COMPARISON

	Consensus	Thanachart	Diff
Target price (Bt)	24.80	25.00	1%
Net profit 25F (Bt m)	11,509	11,263	-2%
Net profit 26F (Bt m)	13,022	12,983	0%
Consensus REC	**BUY: 15**	**HOLD: 6**	**SELL: 2**

HOW ARE WE DIFFERENT FROM THE STREET?

- Our 2025F net profit is 2% below the Bloomberg consensus estimate, likely because we factor in the lower-than-expected Lotus's gross margin YTD.
- However, our TP is largely in line with the consensus number.

Sources: Bloomberg consensus, Thanachart estimates

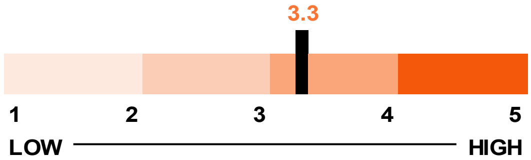
RISKS TO OUR INVESTMENT CASE

- The key downside risk to our earnings forecasts would be a weaker domestic economy and tourism recovery that could dampen overall consumption.
- Another downside risk would be lower-than-expected amalgamation synergies.
- If competitor GO Wholesale expands more quickly than we expect and is highly successful.

Source: Thanachart

CPAXT runs 169 cash & carry stores in Thailand and 10 branches in Cambodia, India, and Myanmar. It also owns 2,500 Lotus's hypermarkets, supermarkets, and small-format stores in Thailand and 70 in Malaysia. CPAXT was ranked 4th in the world's food & staples retailing sector by S&P Global CSA Score in 2024. However, with its recent CG issue, we rate its governance at 2.3/5.0, weighing down its overall ESG score to 3.26.

Thanachart ESG Rating



	SET ESG Index	SET ESG (BBB-AAA)	DJSI Index	MSCI (CCC-AAA)	ESG Book (0-100)	Refinitiv (0-100)	S&P Global (0-100)	Moody's (0-100)	CG Rating (0-5)
CPAXT	3.26	AA **	-	BBB	-	-	84.00	-	5.0

Sources: SETTRADE, SET ESG Index, SET ESG Rating, The Dow Jones Industrial Average (DJSI), MSCI ESG Research LLC, ESG Book, Refinitiv ESG Information, S&P Global Market Intelligence, Moody's ESG Solutions, Thai IOD (CG rating)
Note: Please see third party on "terms of use" in the following back page.

Factors	Our Comments

ENVIRONMENT

- Environmental Policies & Guidelines
- Energy Management
- Carbon Management
- Water Management
- Waste Management

▪ We assign CPAXT a good 4.0 E score. CPAXT's business nature doesn't create many issues or concerns about overall environmental aspects. Its scope 1 and 2 greenhouse gas (GHG) emissions were only 0.8m tonnes of CO2 equivalent in 2024.
▪ Despite that, CPAXT targets carbon neutrality by 2030 and net zero by 2050.
▪ Due to more solar rooftops at its stores and distribution centers and the use of solar thermal for water heater systems and solar tubes at the head office, its renewable energy usage increased to 16% of total energy consumption in 2024 vs. 4/6/9/13% in 2020-23.
▪ In 2024, total energy efficiency increased by 6%, with Bt94m of cost savings.
▪ CPAXT is committed to using packaging that can be reduced, reused, recycled, and upcycled.

SOCIAL

- Human Rights
- Staff Management
- Health & Safety
- Product Safety & Quality
- Social Responsibility

▪ We assign a good S score of 3.8 to CPAXT. CPAXT respects human rights and labor practices in all the countries where it operates and it adheres to the Universal Declaration of Human Rights (UDHR), the Ten Principles of the United Nations Global Compact (UN Global Compact), the UN Guiding Principles on Business and Human Rights (UNGPs), and the Declaration on Fundamental Principles and Rights at Work of the International Labor Organization (ILO).
▪ For health & safety purposes, 50% of B2B/B2C sales helped promote health and wellbeing in 2024, beating its 47% target. Its long-term target is to reach 70% by 2030.
▪ CPAXT strives to ensure food safety throughout the supply chain, and it has appointed a committee on food quality and safety.

GOVERNANCE & SUSTAINABILITY

- Board
- Ethics & Transparency
- Business Sustainability
- Risk Management
- Innovation

▪ CPAXT doesn't have an ideal board structure for a high "governance" (G) score, in our view. There are 18 members of its board of directors (BOD), but only six (<2/3 ideal ratio) are independent. Two are female. The BOD chair is also the same person as the executive board chair, which yields a low G score.
▪ On the positive side, CPAXT has audit, remuneration, and risk management committees with independent chairs.
▪ The recent investment in CP Group's commercial property project, the Happitat, creates concern over corporate governance. We assign a score of 1/5 for governance and ethics. This brings down the "governance" aspect to a score of 2.3/5.0.

Source: Thanachart, Company data

We project a 12% EPS CAGR over 2026-28F

INCOME STATEMENT

FY ending Dec (Bt m)	2023A	2024A	2025F	2026F	2027F
Sales	486,472	508,745	526,408	552,285	575,151
Cost of sales	408,274	425,070	439,615	460,887	479,317
Gross profit	**78,198**	**83,675**	**86,793**	**91,398**	**95,834**
% gross margin	16.1%	16.4%	16.5%	16.5%	16.7%
Selling & administration expenses	64,968	68,339	69,535	72,206	74,708
Operating profit	**16,707**	**18,633**	**19,964**	**21,962**	**23,961**
% operating margin	3.4%	3.7%	3.8%	4.0%	4.2%
Depreciation & amortization	13,971	13,686	15,372	16,472	17,271
EBITDA	**30,678**	**32,320**	**35,336**	**38,434**	**41,231**
% EBITDA margin	6.3%	6.4%	6.7%	7.0%	7.2%
Non-operating income	3,477	3,297	2,706	2,770	2,835
Non-operating expenses	0	0	0	0	0
Interest expense	(6,319)	(5,735)	(5,857)	(5,745)	(5,754)
Pre-tax profit	**10,388**	**12,898**	**14,107**	**16,216**	**18,207**
Income tax	2,535	3,026	3,356	3,876	4,316
After-tax profit	**7,853**	**9,872**	**10,751**	**12,340**	**13,890**
% net margin	1.6%	1.9%	2.0%	2.2%	2.4%
Shares in affiliates' Earnings	746	673	500	510	520
Minority interests	41	24	13	133	136
Extraordinary items	0	0	0	0	0
NET PROFIT	**8,640**	**10,569**	**11,263**	**12,983**	**14,547**
Normalized profit	**8,640**	**10,569**	**11,263**	**12,983**	**14,547**
EPS (Bt)	0.8	1.0	1.1	1.2	1.4
Normalized EPS (Bt)	0.8	1.0	1.1	1.2	1.4

BALANCE SHEET

FY ending Dec (Bt m)	2023A	2024A	2025F	2026F	2027F
ASSETS:					
Current assets:	76,739	66,923	67,235	69,833	73,397
Cash & cash equivalent	31,721	19,474	17,758	17,953	19,426
Account receivables	2,304	2,625	2,308	2,421	2,521
Inventories	35,884	36,484	38,542	40,406	42,022
Others	6,830	8,339	8,629	9,053	9,428
Investments & loans	14,783	15,020	23,107	23,107	23,107
Net fixed assets	115,574	117,695	129,967	135,849	140,733
Other assets	333,275	346,893	335,957	338,476	339,414
Total assets	**540,371**	**546,531**	**556,266**	**567,265**	**576,651**
LIABILITIES:					
Current liabilities:	118,150	122,838	117,416	122,045	126,077
Account payables	60,193	58,905	60,221	63,135	65,660
Bank overdraft & ST loans	2,382	9,418	20,925	21,308	21,431
Current LT debt	23,623	22,007	4,185	4,262	4,286
Others current liabilities	31,951	32,507	32,084	33,340	34,701
Total LT debt	**70,180**	**66,732**	**79,516**	**80,972**	**81,436**
Others LT liabilities	58,569	58,344	49,335	49,885	49,999
Total liabilities	**246,899**	**247,914**	**246,267**	**252,902**	**257,513**
Minority interest	555	943	931	798	662
Preferred shares	0	0	0	0	0
Paid-up capital	5,290	10,428	10,428	10,428	10,428
Share premium	263,882	263,882	263,882	263,882	263,882
Warrants	0	0	0	0	0
Surplus	(7,664)	(12,976)	(5,201)	(5,201)	(5,201)
Retained earnings	**31,410**	**36,340**	**39,960**	**44,456**	**49,368**
Shareholders' equity	292,918	297,674	309,068	313,565	318,476
Liabilities & equity	**540,371**	**546,531**	**556,266**	**567,265**	**576,651**

Sources: Company data, Thanachart estimates

CASH FLOW STATEMENT

FY ending Dec (Bt m)	2023A	2024A	2025F	2026F	2027F
Earnings before tax	10,388	12,898	14,107	16,216	18,207
Tax paid	(2,518)	(2,918)	(3,352)	(3,806)	(4,277)
Depreciation & amortization	13,971	13,686	15,372	16,472	17,271
Chg In w orking capital	6,389	(2,209)	(424)	936	809
Chg In other CA & CL / minorities	366	(327)	(216)	1,271	1,468
Cash flow from operations	**28,596**	**21,130**	**25,487**	**31,089**	**33,476**
Capex	(7,448)	(11,948)	(23,090)	(17,400)	(16,800)
Right of use	(6,565)	(5,189)	(5,000)	(5,000)	(5,000)
ST loans & investments	0	0	0	0	0
LT loans & investments	177	(237)	(8,087)	0	0
Adj for asset revaluation	0	0	0	0	0
Chg In other assets & liabilities	(1,596)	(12,162)	2,373	(1,924)	(1,178)
Cash flow from investments	**(15,432)**	**(29,535)**	**(33,804)**	**(24,324)**	**(22,978)**
Debt financing	(15,476)	1,972	6,469	1,916	611
Capital increase	0	5,138	0	0	0
Dividends paid	(5,396)	(6,031)	(7,644)	(8,486)	(9,635)
Warrants & other surplus	(674)	(4,920)	7,775	0	0
Cash flow from financing	**(21,546)**	**(3,842)**	**6,600**	**(6,570)**	**(9,025)**
Free cash flow	**21,148**	**9,183**	**2,397**	**13,689**	**16,676**

PE multiples are falling and appear justified by strong EPS growth

VALUATION

FY ending Dec	2023A	2024A	2025F	2026F	2027F
Normalized PE (x)	25.8	21.1	19.8	17.2	15.3
Normalized PE - at target price (x)	30.2	24.7	23.1	20.1	17.9
PE (x)	25.8	21.1	19.8	17.2	15.3
PE - at target price (x)	30.2	24.7	23.1	20.1	17.9
EV/EBITDA (x)	9.4	9.3	8.8	8.1	7.5
EV/EBITDA - at target price (x)	10.6	10.5	9.8	9.1	8.5
P/BV (x)	0.8	0.7	0.7	0.7	0.7
P/BV - at target price (x)	0.9	0.9	0.8	0.8	0.8
P/CFO (x)	7.8	10.6	8.8	7.2	6.7
Price/sales (x)	0.5	0.4	0.4	0.4	0.4
Dividend yield (%)	2.7	3.3	3.5	4.1	4.6
FCF Yield (%)	9.5	4.1	1.1	6.1	7.5
(Bt)					
Normalized EPS	0.8	1.0	1.1	1.2	1.4
EPS	0.8	1.0	1.1	1.2	1.4
DPS	0.6	0.7	0.8	0.9	1.0
BV/share	28.1	28.5	29.6	30.1	30.5
CFO/share	2.7	2.0	2.4	3.0	3.2
FCF/share	2.0	0.9	0.2	1.3	1.6

Sources: Company data, Thanachart estimates

We estimate double-digit EPS growth for 2026-27F

More debt room given its loan covenant at 2x D/E

FINANCIAL RATIOS

FY ending Dec	2023A	2024A	2025F	2026F	2027F
Growth Rate					
Sales (%)	4.4	4.6	3.5	4.9	4.1
Net profit (%)	12.3	22.3	6.6	15.3	12.0
EPS (%)	12.3	22.3	6.6	15.3	12.0
Normalized profit (%)	12.3	22.3	6.6	15.3	12.0
Normalized EPS (%)	12.3	22.3	6.6	15.3	12.0
Dividend payout ratio (%)	69.8	70.1	70.0	70.0	70.0
Operating performance					
Gross margin (%)	16.1	16.4	16.5	16.5	16.7
Operating margin (%)	3.4	3.7	3.8	4.0	4.2
EBITDA margin (%)	6.3	6.4	6.7	7.0	7.2
Net margin (%)	1.6	1.9	2.0	2.2	2.4
D/E (incl. minor) (x)	0.3	0.3	0.3	0.3	0.3
Net D/E (incl. minor) (x)	0.2	0.3	0.3	0.3	0.3
Interest coverage - EBIT (x)	2.6	3.2	3.4	3.8	4.2
Interest coverage - EBITDA (x)	4.9	5.6	6.0	6.7	7.2
ROA - using norm profit (%)	1.6	1.9	2.0	2.3	2.5
ROE - using norm profit (%)	3.0	3.6	3.7	4.2	4.6
DuPont					
ROE - using after tax profit (%)	2.7	3.3	3.5	4.0	4.4
- asset turnover (x)	0.9	0.9	1.0	1.0	1.0
- operating margin (%)	3.4	3.7	3.8	4.0	4.2
- leverage (x)	1.9	1.8	1.8	1.8	1.8
- interest burden (%)	62.2	69.2	70.7	73.8	76.0
- tax burden (%)	75.6	76.5	76.2	76.1	76.3
WACC (%)	9.7	9.7	9.7	9.7	9.7
ROIC (%)	3.5	4.0	4.0	4.2	4.5
NOPAT (Bt m)	12,630	14,262	15,215	16,712	18,280
invested capital (Bt m)	357,382	376,356	395,936	402,154	406,203

Sources: Company data, Thanachart estimates

ESG Information - Third Party Terms

www.Settrade.com
SETTRADE: You acknowledge that the use of data, information or service displayed and/or contained in this website may require third party's data, content or software which is subject to the terms of third party provider. By accessing and/or using of such certain data, you acknowledge and agree to comply with and be bound by the applicable third party terms specified below.

ESG Scores by Third Party data from www.SETTRADE.com
1. MSCI (CCC- AAA)
2. ESG Book (0-100)
3. Refinitiv (0-100)
4. S&P Global (0-100)
5. Moody's ESG Solutions (0-100)
6. SET ESG Rating (BBB-AAA)

SETESG Index (SETESG)
The SETESG Index reflects the price movement of stock of companies that have sustainable business practices which consider environmental, social and governance (ESG) aspect.

SET Index, SET50 Index, SET100 Index and all indices calculated by the Stock Exchange of Thailand ("SET") (collectively called "SET Index Series") are the registered trademarks/service marks solely owned by, and proprietary to SET. Any unauthorized use of SET Index Series is strictly prohibited. All information provided is for information purposes only and no warranty is made as to its fitness for purpose, satisfactory quality or otherwise. Every effort has been made to ensure that all information given is accurate, but no responsibility or liability (including in negligence) can be accepted by SET for errors or omissions or for any losses arising from the use of this information.

SET ESG Index (SET ESG)
Currently, long-term investment guidelines abroad are beginning to focus on investing in companies that have sustainable business practices. which considers environmental, social and governance factors (Environmental, Social and Governance or ESG) of the company in making investment decisions along with analyzing the company's financial data.

Stock Exchange Has prepared the results of evaluating sustainable stocks which are stocks of listed companies (SETESG Rating) as an alternative for investors who want to invest in stocks of listed companies that are outstanding in ESG, including to support listed companies with operations. sustainable business Taking into account all stakeholders in both social and environmental aspects. There is a management process to create sustainability for the organization, such as risk management. Supply chain management and innovation development. Therefore, the SETESG index was created to be an index that reflects the price movement of a group of securities. of companies with sustainable business operations that meet the required size and liquidity criteria

ESG Book's Disclaimer
Arabesque S-Ray GmbH, also trading as "ESG Book", is a limited liability company (Gesellschaft mit beschränkter Haftung) incorporated in Frankfurt am Main and organised under the laws of Germany with registered number HRB 113087 in the commercial register of the local court with its seat and business address at Zeppelinallee 15, 60325 Frankfurt am Main, Germany (hereinafter "ESG Book"). ESG Book, with its UK branch and local subsidiaries, is a provider of sustainability data and advisory services and operates the sustainability data platform ESG Book. ESG Book does not offer any regulated financial services nor products. This document is provided on a confidential basis by ESG Book and is for information purposes only; accordingly, it is not a solicitation or an offer to buy any security or instrument or to participate in any trading activities nor should it be construed as a recommendation or advice on the merits of investing in any financial product. THIRD PARTY INFORMATION. Certain information contained in this document has been obtained from sources outside ESG Book. While such information is believed to be reliable for the purposes used herein, no representations are made as to the accuracy or completeness thereof and neither ESG Book nor its affiliates take any responsibility for such information. To the extent this document contains any links to third party websites, such links are provided as a convenience and for informational purposes only; they do not constitute an endorsement or an approval by ESG Book of any of the products, services or opinions of the corporations or organization or individual operating such third party websites. ESG Book bears no responsibility for the accuracy, legality or content of the external site or for that of subsequent links. RELIANCE – ESG Book makes no representation or warranty, express or implied, as to the accuracy or completeness of the information contained herein, and accepts no liability for any loss, of whatever kind, howsoever arising, in relation thereto, and nothing contained herein should be relied upon. CONFIDENTIALITY. This document contains highly confidential information regarding ESG Book's strategy and organization. Your acceptance of this document constitutes your agreement to keep confidential all the information contained in this document, as well as any information derived by you from the information contained in this document and not disclose any such information to any other person. This document may not be copied, reproduced, in any way used or disclosed or transmitted, in whole or in part, to any other person.

MSCI ESG Research LLC
"Certain information @2021 MSCI ESG Research LLC. Reproduced by permission"
"Although [User ENTITY NAME's] information providers, including without limitation, MSCI ESG Research LLC and its affiliates (the "ESG Parties"), obtain information (the "Information") from sources they consider reliable, none of the ESG Parties warrants or guarantees the originality, accuracy and/or completeness, of any data herein and expressly disclaim all express or implied warranties, including those of merchantability and fitness for a particular purpose. The Information may only be used for your internal use, may not be reproduced or redisseminated in any form and may not be used as a basis for, or a component of, any financial instruments or products or indices. Further, non of the Information can in and of itself be used to determine which securities to buy or sell or when to buy or sell them. None of the ESG Parties shall have any liability for any errors or omissions in connection with any data herein, or any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages."

Score range	Description
CCC - B	**LAGGARD:** A company lagging its industry based on its high exposure and failure to manage significant ESG risks
BB - BBB - A	**AVERAGE :** A company with a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers
AA - AAA	**LEADER:** A company leading its industry in managing the most significant ESG risks and opportunities

The Dow Jones Sustainability Indices (DJSI)
The Dow Jones Sustainability Indices (DJSI) are a family of best-in-class benchmarks for investors who have recognized that sustainable business practices are critical to generating long-term shareholder value and who wish to reflect their sustainability convictions in their investment portfolios. The family was launched in 1999 as the first global sustainability benchmark and tracks the stock performance of the world's leading companies in terms of economic, environmental and social criteria. Created jointly by S&P Dow Jones Indices and SAM, the DJSI combine the experience of an established index provider with the expertise of a specialist in Sustainable Investing to select the most sustainable companies from across 61 industries. The indices serve as benchmarks for investors who integrate sustainability considerations into their portfolios, and provide an effective engagement platform for investors who wish to encourage companies to improve their corporate sustainability practices.

S&P Global Market Intelligence
 Such party, its affiliates and suppliers ("Content Providers") do not guarantee the accuracy, adequacy, completeness, timeliness or availability of any Content and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such Content. In no event shall Content Providers be liable for any damages, costs, expenses, legal fees, or losses (including lost income or lost profit and opportunity costs) in connection with any use of the Content. A reference to a particular investment or security, a rating or any observation concerning an investment that is part of the Content is not a recommendation to buy, sell or hold such investment or security, does not address the suitability of an investment or security and should not be relied on as investment advice. Credit ratings are statements of opinions and are not statements of fact.
ESG risk combines the concepts of management and exposure to arrive at an absolute assessment of ESG risk. We identify five categories of ESG risk severity that could impact a company's enterprise value

Moody's ESG Solutions

CREDIT RATINGS ISSUED BY MOODY'S CREDIT RATINGS AFFILIATES ARE THEIR CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES, AND MATERIALS, PRODUCTS, SERVICES AND INFORMATION PUBLISHED BY MOODY'S (COLLECTIVELY, "PUBLICATIONS") MAY INCLUDE SUCH CURRENT OPINIONS. MOODY'S DEFINES CREDIT RISK AS THE RISK THAT AN ENTITY MAY NOT MEET ITS CONTRACTUAL FINANCIAL OBLIGATIONS AS THEY COME DUE AND ANY ESTIMATED FINANCIAL LOSS IN THE EVENT OF DEFAULT OR IMPAIRMENT. SEE APPLICABLE MOODY'S RATING SYMBOLS AND DEFINITIONS PUBLICATION FOR INFORMATION ON THE TYPES OF CONTRACTUAL FINANCIAL OBLIGATIONS ADDRESSED BY MOODY'S CREDIT RATINGS. CREDIT RATINGS DO NOT ADDRESS ANY OTHER RISK, INCLUDING BUT NOT LIMITED TO: LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. CREDIT RATINGS, NON-CREDIT ASSESSMENTS ("ASSESSMENTS"), AND OTHER OPINIONS INCLUDED IN MOODY'S PUBLICATIONS ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. MOODY'S PUBLICATIONS MAY ALSO INCLUDE QUANTITATIVE MODEL-BASED ESTIMATES OF CREDIT RISK AND RELATED OPINIONS OR COMMENTARY PUBLISHED BY MOODY'S ANALYTICS, INC. AND/OR ITS AFFILIATES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS DO NOT CONSTITUTE OR PROVIDE INVESTMENT OR FINANCIAL ADVICE, AND MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS ARE NOT AND DO NOT PROVIDE RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS DO NOT COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. MOODY'S ISSUES ITS CREDIT RATINGS,

ASSESSMENTS AND OTHER OPINIONS AND PUBLISHES ITS PUBLICATIONS WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL, WITH DUE CARE, MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE.
MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS, AND PUBLICATIONS ARE NOT INTENDED FOR USE BY RETAIL INVESTORS AND IT WOULD BE RECKLESS AND INAPPROPRIATE FOR RETAIL INVESTORS TO USE MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS OR PUBLICATIONS WHEN MAKING AN INVESTMENT DECISION. IF IN DOUBT YOU SHOULD CONTACT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER.

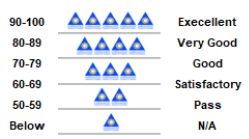
ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY LAW, INCLUDING BUT NOT LIMITED TO, COPYRIGHT LAW, AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT.
MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS ARE NOT INTENDED FOR USE BY ANY PERSON AS A BENCHMARK AS THAT TERM IS DEFINED FOR REGULATORY PURPOSES AND MUST NOT BE USED IN ANY WAY THAT COULD RESULT IN THEM BEING CONSIDERED A BENCHMARK.
All information contained herein is obtained by MOODY'S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, all information contained herein is provided "AS IS" without warranty of any kind. MOODY'S adopts all necessary measures so that the information it uses in assigning a credit rating is of sufficient quality and from sources MOODY'S considers to be reliable including, when appropriate, independent third-party sources. However, MOODY'S is not an auditor and cannot in every instance independently verify or validate information received in the rating process or in preparing its Publications.
To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability to any person or entity for any indirect, special, consequential, or incidental losses or damages whatsoever arising from or in connection with the information contained herein or the use of or inability to use any such information, even if MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers is advised in advance of the possibility of such losses or damages, including but not limited to: (a) any loss of present or prospective profits or (b) any loss or damage arising where the relevant financial instrument is not the subject of a particular credit rating assigned by MOODY'S.
To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability for any direct or compensatory losses or damages caused to any person or entity, including but not limited to by any negligence (but excluding fraud, willful misconduct or any other type of liability that, for the avoidance of doubt, by law cannot be excluded) on the part of, or any contingency within or beyond the control of, MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers, arising from or in connection with the information contained herein or the use of or inability to use any such information.
NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY CREDIT RATING, ASSESSMENT, OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER.
Moody's Investors Service, Inc., a wholly-owned credit rating agency subsidiary of Moody's Corporation ("MCO"), hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by Moody's Investors Service, Inc. have, prior to assignment of any credit rating, agreed to pay to Moody's Investors Service, Inc. for credit ratings opinions and services rendered by it fees ranging from $1,000 to approximately $5,000,000. MCO and Moody's Investors Service also maintain policies and procedures to address the independence of Moody's Investors Service credit ratings and credit rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold credit ratings from Moody's Investors Service and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually at www.moodys.com under the heading "Investor Relations — Corporate Governance — Director and Shareholder Affiliation Policy."
Additional terms for Australia only: Any publication into Australia of this document is pursuant to the Australian Financial Services License of MOODY'S affiliate, Moody's Investors Service Pty Limited ABN 61 003 399 657AFSL 336969 and/or Moody's Analytics Australia Pty Ltd ABN 94 105 136 972 AFSL 383569 (as applicable). This document is intended to be provided only to "wholesale clients" within the meaning of section 761G of the Corporations Act 2001. By continuing to access this document from within Australia, you represent to MOODY'S that you are, or are accessing the document as a representative of, a "wholesale client" and that neither you nor the entity you represent will directly or indirectly disseminate this document or its contents to "retail clients" within the meaning of section 761G of the Corporations Act 2001. MOODY'S credit rating is an opinion as to the creditworthiness of a debt obligation of the issuer, not on the equity securities of the issuer or any form of security that is available to retail investors.
Additional terms for Japan only: Moody's Japan K.K. ("MJKK") is a wholly-owned credit rating agency subsidiary of Moody's Group Japan G.K., which is wholly-owned by Moody's Overseas Holdings Inc., a wholly-owned subsidiary of MCO. Moody's SF Japan K.K. ("MSFJ") is a wholly-owned credit rating agency subsidiary of MJKK. MSFJ is not a Nationally Recognized Statistical Rating Organization ("NRSRO"). Therefore, credit ratings assigned by MSFJ are Non-NRSRO Credit Ratings. Non-NRSRO Credit Ratings are assigned by an entity that is not a NRSRO and, consequently, the rated obligation will not qualify for certain types of treatment under U.S. laws. MJKK and MSFJ are credit rating agencies registered with the Japan Financial Services Agency and their registration numbers are FSA Commissioner (Ratings) No. 2 and 3 respectively.
Additional terms for Hong Kong only: Any Second Party Opinion or other opinion that falls within the definition of "advising on securities" under the Hong Kong Securities and Futures Ordinance ("SFO") is issued by Vigeo Eiris Hong Kong Limited, a company licensed by the Hong Kong Securities and Futures Commission to carry out the regulated activity of advising on securities in Hong Kong. This Second Party Opinion or other opinion that falls within the definition of "advising on securities" under the SFO is intended for distribution only to "professional investors" as defined in the SFO and the Hong Kong Securities and Futures (Professional Investors) Rules. This Second Party Opinion or other opinion must not be distributed to or used by persons who are not professional investors.
MJKK or MSFJ (as applicable) hereby disclose that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by MJKK or MSFJ (as applicable) have, prior to assignment of any credit rating, agreed to pay to MJKK or MSFJ (as applicable) for credit ratings opinions and services rendered by it fees ranging from JPY125,000 to approximately JPY550,000,000.
MJKK and MSFJ also maintain policies and procedures to address Japanese regulatory requirements.

Refinitiv ESG
These Terms of Use govern your access or use of the ESG information and materials on the Refinitiv website and any AI powered voice assistance software ("Refinitiv ESG Information").

The Refinitiv ESG Information is for general informational and non-commercial purposes only. Reproduction, redistribution or any other form of copying or transmission of the Refinitiv ESG Information is prohibited without Refinitiv's prior written consent.
All warranties, conditions and other terms implied by statute or common law including, without limitation, warranties or other terms as to suitability, merchantability, satisfactory quality and fitness for a particular purpose, are excluded to the maximum extent permitted by applicable laws. The Refinitiv ESG Information is provided "as is" and Refinitiv makes no express or implied warranties, representations or guarantees concerning the accuracy, completeness or currency of the information in this service or the underlying Third Party Sources (as defined below). You assume sole responsibility and entire risk as to the suitability and results obtained from your use of the Refinitiv ESG Information.
The Refinitiv ESG Information does not amount to financial, legal or other professional advice, nor does it constitute: (a) an offer to purchase shares in the funds referred to; or (b) a recommendation relating to the sale and purchase of instruments; or (c) a recommendation to take any particular legal, compliance and/or risk management decision. Investors should remember that past performance is not a guarantee of future results.
The Refinitiv ESG Information will not be used to construct or calculate and index or a benchmark, used to create any derivative works or used for commercial purposes. Refinitiv's disclaimer in respect of Benchmark Regulations applies to the Refinitiv ESG Information.
No responsibility or liability is accepted by Refinitiv its affiliates, officers, employees or agents (whether for negligence or otherwise) in respect of the Refinitiv ESG Information, or for any inaccuracies, omissions, mistakes, delays or errors in the computation and compilation of the Refinitiv ESG Information (and Refinitiv shall not be obliged to advise any person of any error therein). For the avoidance of doubt, in no event will Refinitiv have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) relating to any use of the Refinitiv ESG Information.
You agree to indemnify, defend and hold harmless Refinitiv from and against any claims, losses, damages, liabilities, costs and expenses, including, without limitation, reasonable legal and experts' fees and costs, as incurred, arising in any manner out of your use of, or inability to use, any Information contained on the Refinitiv web site or obtained via any AI powered voice assistance software.
You represent to us that you are lawfully able to enter into these Terms of Use. If you are accepting these Terms of Use for and on behalf of an entity such as the company you work for, you represent to us that you have legal authority to bind that entity.
By accepting these Terms of Use you are also expressly agreeing to the following Refinitiv's website Terms of Use.
Refinitiv ESG scores are derived from third party publicly available sources ("Third Party Sources") and are formulated on the basis of Refinitiv own transparent and objectively applied methodology. Refinitiv's ESG Information methodology can be accessed here.

Score range	Description	
0 to 25	First Quartile	Scores within this range indicates poor relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly.
> 25 to 50	Second Quartile	Scores within this range indicates satisfactory relative ESG performance and moderate degree of transparency in reporting material ESG data publicly.
> 50 to 75	Third Quartile	Scores within this range indicates good relative ESG performance and above average degree of transparency in reporting material ESG data publicly.
> 75 to 100	Fourth Quartile	Score within this range indicates excellent relative ESG performance and high degree of transparency in reporting material ESG data publicly.

CG Report : by Thai Institute of Directors Association (Thai IOD), Established in December 1999, the Thai IOD is a membership organization that strives to promote professionalism in directorship. The Thai IOD offers directors certification and professional development courses, provides a variety of seminars, forums and networking events, and conducts research on board governance issues and practices. Membership comprises board members from companies ranging from large publicly listed companies to small private firms.



General Disclaimers And Disclosures:

This report is prepared and issued by Thanachart Securities Public Company Limited (TNS) which is owned 99.97% by TMBThanachart Bank Public Company Limited (TTB) as a resource only for clients of TNS, TMBThanachart Bank Public Company Limited (TTB) and its group companies.

This report is prepared by analysts who are employed by the research department of TNS. While the information is from sources believed to be reliable, neither the information nor the forecasts shall be taken as a representation or warranty for which TNS or TTB or its group companies or any of their employees incur any responsibility. This report is provided to you for informational purposes only and it is not, and is not to be construed as, an offer or an invitation to make an offer to sell or buy any securities. Neither TNS, TTB nor its group companies accept any liability whatsoever for any direct or consequential loss arising from any use of this report or its contents.

The information and opinions contained herein have been compiled or arrived at from sources believed reliable. However, TNS, TTB and its group companies make no representation or warranty, express or implied, as to their accuracy or completeness. Expressions of opinion herein are subject to change without notice. The use of any information, forecasts and opinions contained in this report shall be at the sole discretion and risk of the user.

TNS, TTB and its group companies perform and seek to perform business with companies covered in this report. TNS, TTB, its group companies, their employees and directors may have positions and financial interest in securities mentioned in this report. TNS, TTB or its group companies may from time to time perform investment banking or other services for, or solicit investment banking or other business from, any entity mentioned in this report. Therefore, investors should be aware of conflict of interest that may affect the objectivity of this report.

Disclosure of Interest of Thanachart Securities

Investment Banking Relationship

Within the preceding 12 months, Thanachart Securities has lead-managed public offerings and/or secondary offerings (excluding straight bonds) of the securities of the following companies:

Note: Thanachart Securities Public Company Limited (TNS) acts as an underwriter of “Debentures of Banpu Public Co. Ltd. No. 2/2025 (B.E. 2568) tranche 1-3”, therefore investors need to be aware that there could be conflicts of interest in this research.

Note: Thanachart Securities Public Company Limited (TNS) acts as an underwriter of “Debentures of Gulf Development Public Co. Ltd. No. 1/2025 (B.E. 2568) tranche 1-4”, therefore investors need to be aware that there could be conflicts of interest in this research.

Recommendation Structure:

Recommendations are based on absolute upside or downside, which is the difference between the target price and the current market price. If the upside is 10% or more, the recommendation is BUY. If the downside is 10% or more, the recommendation is SELL. For stocks where the upside or downside is less than 10%, the recommendation is HOLD. Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a temporary mismatch between upside/downside for a stock based on the market price and the formal recommendation.

For sectors, an “Overweight” sector weighting is used when we have BUYs on majority of the stocks under our coverage by market cap. “Underweight” is used when we have SELLs on majority of the stocks we cover by market cap. “Neutral” is used when there are relatively equal weightings of BUYs and SELLs.

Thanachart Securities Pcl.

Research Team
18 Floor, MBK Tower
444 Phayathai Road, Pathumwan Road, Bangkok 10330
Tel: 662 - 779-9119
Email: thanachart.res@thanachartsec.co.th

Pimpaka Nichgaroon, CFA
Head of Research, Strategy
pimpaka.nic@thanachartsec.co.th

Nuttapop Prasitsuksant
Telecom, Utilities
nuttapop.pra@thanachartsec.co.th

Rata Limsuthiwanpoom
Auto, Industrial Estate, Media, Prop. Fund
rata.lim@thanachartsec.co.th

Siriporn Arunothai
Small Cap, Healthcare, Hotel
siriporn.aru@thanachartsec.co.th

Sittichet Rungrassameephat
Analyst, Retail Market Strategy
sittichet.run@thanachartsec.co.th

Adisak Phupiphathirungul, CFA
Retail Market Strategy
adisak.phu@thanachartsec.co.th

Pattadol Bunnak
Electronics, Food & Beverage, Shipping
pattadol.bun@thanachartsec.co.th

Rawisara Suwanumphai
Bank, Finance
rawisara.suw@thanachartsec.co.th

Yupapan Polpornprasert
Energy, Petrochemical
yupapan.pol@thanachartsec.co.th

Thaloengsak Kucharoenpaisan
Analyst, Retail Market Strategy
thaloengsak.kuc@thanachartsec.co.th

Pattarawan Wangmingmat
Senior Technical Analyst
pattarawan.wan@thanachartsec.co.th

Phannarai Tiyapittayarut
Property, Retail
phannarai.von@thanachartsec.co.th

Saksid Phadthananarak
Construction, Transportation
saksid.pha@thanachartsec.co.th

Witchanan Tambamroong
Technical Analyst
witchanan.tam@thanachartsec.co.th

Nariporn Klangpremchitt, CISA
Analyst, Retail Market Strategy
nariporn.kla@thanachartsec.co.th