

CP Axtra Plc (CPAXT TB) - BUY

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Earnings Preview**4Q25F will be weaker than expected**

- **We forecast 4Q25F net profit of Bt3.35bn, down 15% y-y.**
- **Lotus's business is expected to be a key drag.**
- **Good wholesale business, but below expectation.**
- **10% earnings downside to our 2025F.**

- We forecast CPAXT to deliver 4Q25F net profit of Bt3,354m, down by 15% y-y but increasing by 80% q-q on high season for wholesale business in 4Q.
- **Wholesale business:** We forecast wholesale sales to grow by 5.9% y-y to Bt75.9bn, despite flat SSSG expected, driven by new stores and a full-quarter contribution from Lucky Frozen acquired in late August (contributed Bt786m in sales and Bt46m profit in 3Q25). Gross margin is projected to increase by 30bp y-y to 12.2%. With rising sales, we expect its SG&A/sales to fall by 20bp y-y to 10.0%. Though wholesale business should continue to deliver good performance, it is below our expectation as we expect wholesale SSSG to be 4% in 4Q25F, driven by co-payment stimulus. We expect its flat SSSG to be brought down by negative SSSG of overseas stores while SSSG in TH should be slight positive.
- **Retail business:** We forecast Lotus's sales turning to negative growth by 2.0% y-y to Bt54.6bn on growing sales of Lotus's Malaysia and disappointing sales of Lotus's Thailand. Lostus's SSSG is projected at -4.2% from weak Thailand business. Apart from weak consumption, there was hiccup in My Lotus's application for around two weeks. Gross margin on sales should continue falling by 70bp y-y to 17.9% on price competition in weak consumption environment.
- We estimate 4Q25F net profit to come in 25% below our current Bt4.47bn forecast. This represents a 10% downside to our current 2025F net profit forecast.
- We will review our numbers. However, both wholesale and retail SSSG turned positive slightly MTD.

Key Valuations

Y/E Dec (Bt m)	2024A	2025F	2026F	2027F
Revenue	508,745	526,408	552,285	575,151
Net profit	10,569	11,263	12,983	14,547
Norm net profit	10,569	11,263	12,983	14,547
Norm EPS (Bt)	1.0	1.1	1.2	1.4
Norm EPS gr (%)	22.3	6.6	15.3	12.0
Norm PE (x)	14.7	13.8	12.0	10.7
EV/EBITDA (x)	7.2	6.9	6.3	5.9
P/BV (x)	0.5	0.5	0.5	0.5
Div. yield (%)	4.8	5.1	5.8	6.6
ROE (%)	3.6	3.7	4.2	4.6
Net D/E (%)	26.3	28.0	28.2	27.5

Source: Thanachart estimates

Stock Data

Closing price (Bt)	14.90
Target price (Bt)	25.00
Market cap (US\$ m)	4,949
Avg daily turnover (US\$ m)	7.3
12M H/L price (Bt)	29.00/14.00

Price Performance

Source: Bloomberg

Ex 1: 4Q25F Earnings Preview

Yr-end Dec (Bt m)	Income Statement					Change	
	4Q24	1Q25	2Q25	3Q25	4Q25F	(q-q%)	(y-y%)
Revenue	132,638	129,300	128,448	126,475	135,403	7	2
Gross profit	22,534	21,068	20,650	20,342	22,313	10	(1)
SG&A	17,185	17,073	17,023	17,470	17,605	1	2
Operating profit	6,336	4,645	4,260	3,417	5,508	61	(13)
EBITDA	9,837	7,957	7,677	6,893	9,108	32	(7)
Other income	987	649	633	545	800	47	(19)
Other expenses	0	0	0	0	0		
Interest expenses	1,438	1,404	1,422	1,211	1,386	14	(4)
Profit before tax	4,898	3,241	2,838	2,206	4,122	87	(16)
Income tax	1,119	708	698	523	948	81	(15)
Equity & invest. Income	177	106	144	170	172	1	(3)
Minority interest	3	5	3	11	8	(25)	142
Extraordinary items	0	0	0	0	0		
Net profit	3,960	2,643	2,286	1,864	3,354	80	(15)
Normalized profit	3,960	2,643	2,286	1,864	3,354	80	(15)

Sources: Company data, Thanachart estimates

Ex 2: Quarterly Performance

Quarterly performance	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25F
Wholesale								
SSSG (%)	3.4	1.8	1.8	3.0	1.0	(1.2)	0.3	0.0
Sales growth (%)	5.9	5.3	5.2	4.7	3.1	2.4	3.3	5.9
GP - Sales (%)	11.3	10.9	11.5	11.9	12.0	11.5	11.9	12.2
SG&A/sales (%)	10.2	10.4	11.0	10.2	10.1	10.5	10.5	10.0
Retail								
SSSG (%)	7.1	3.5	2.3	1.9	0.5	0.0	(0.5)	(4.2)
Sales growth (%)	6.7	3.9	3.5	3.4	2.7	1.7	1.7	(2.0)
GP - Sales (%)	17.6	18.1	18.1	18.6	17.6	17.8	17.4	17.9
SG&A/sales (%)	18.6	18.3	19.4	17.7	18.3	17.8	19.3	18.4

Sources: Company data, Thanachart estimates

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