

**CP Axtra Pcl (CPAXT TB) - HOLD, Price Bt14.70, TP Bt16.00****Results Comment**

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**1Q26 norm earnings were in line**

- CPAXT reported net profits of Bt2.8bn. Excluding the Bt130m FX gain, normalized earnings were Bt2.6bn, up 1.6% y-y and 2.9% q-q, in line with our expectations.
- Wholesale business sales grew by 5.9% y-y. While same-store sales (SSS) increased only 0.6% y-y, there was support from stores opened earlier and the Lucky Frozen business (acquired in late August last year).
- Retail business Lotus's sales increased by 3.4% y-y on flat SSS and contributions from new stores.
- Product mix-wise, dry food saw abnormally high growth as consumers stocked up in March amid fears of shortages from the war.
- Gross margin fell to 15.8% from 16.3%, mainly due to the higher mix of low-margin dry food products. There were some miscellaneous positive and negative items, such as inventory provision reversal and product loss provision, which we believe were not key drivers of gross margin performance.
- SG&A to sales fell to 12.9% from 13.2% last year. Despite opening more stores, CPAXT continued to focus on cost savings, particularly in administrative expenses. There was also support from lower depreciation following a change in accounting assumptions to extend software useful life.
- Interest expenses fell by 8.1% y-y thanks to lower interest rates, while CPAXT was also able to refinance its debt successfully.

Income Statement						Income Statement					
(consolidated)						3M as					
Yr-end Dec (Bt m)	1Q25	2Q25	3Q25	4Q25	1Q26	(Bt m)	q-q%	y-y%	% 2026F	2026F	2027F
Revenue	129,300	128,448	126,475	133,579	135,364	Revenue	1	5	25	541,013	561,460
<b>Gross profit</b>	<b>21,068</b>	<b>20,650</b>	<b>20,342</b>	<b>21,205</b>	<b>21,394</b>	<b>Gross profit</b>	<b>1</b>	<b>2</b>	<b>24</b>	<b>88,021</b>	<b>91,902</b>
SG&A	17,073	17,023	17,470	17,815	17,418	SG&A	(2)	2	24	71,652	74,305
Operating profit	4,623	4,310	3,378	4,493	4,532	Operating profit	1	(2)	24	19,138	20,432
<b>EBITDA</b>	<b>7,002</b>	<b>6,716</b>	<b>5,810</b>	<b>6,944</b>	<b>6,843</b>	<b>EBITDA</b>	<b>(1)</b>	<b>(2)</b>	<b>19</b>	<b>35,970</b>	<b>38,045</b>
Other income	628	684	506	1,103	556	Other income	(50)	(11)	20	2,770	2,835
Other expense	0	0	0	0	0	Other expense					
Interest expense	1,404	1,422	1,211	1,362	1,290	Interest expense	(5)	(8)	23	5,600	5,542
<b>Profit before tax</b>	<b>3,219</b>	<b>2,889</b>	<b>2,168</b>	<b>3,131</b>	<b>3,241</b>	<b>Profit before tax</b>	<b>4</b>	<b>1</b>	<b>24</b>	<b>13,538</b>	<b>14,891</b>
Income tax	708	698	523	716	794	Income tax	11	12	24	3,268	3,557
Equity & invest. income	106	144	170	160	180	Equity & invest. income	12	70	32	565	576
Minority interests	5	3	11	13	36	Minority interests	174	686	27	137	137
Extraordinary items	22	(51)	39	(25)	130	Extraordinary items	na	505	na	0	0
<b>Net profit</b>	<b>2,643</b>	<b>2,286</b>	<b>1,864</b>	<b>2,563</b>	<b>2,794</b>	<b>Net profit</b>	<b>9</b>	<b>6</b>	<b>25</b>	<b>10,971</b>	<b>12,048</b>
<b>Normalized profit</b>	<b>2,622</b>	<b>2,337</b>	<b>1,825</b>	<b>2,588</b>	<b>2,664</b>	<b>Normalized profit</b>	<b>3</b>	<b>2</b>	<b>24</b>	<b>10,971</b>	<b>12,048</b>
EPS (Bt)	0.25	0.22	0.18	0.25	0.27	EPS (Bt)	9	6	25	1.05	1.16
Normalized EPS (Bt)	0.25	0.22	0.18	0.25	0.26	Normalized EPS (Bt)	3	2	24	1.05	1.16
Balance Sheet						Financial Ratios					
(consolidated)						3M as					
Yr-end Dec (Bt m)	1Q25	2Q25	3Q25	4Q25	1Q26	(%)	1Q25	2Q25	3Q25	4Q25	1Q26
Cash & ST investment	13,328	12,274	11,484	14,558	12,042	Sales growth	2.5	1.8	2.2	0.7	4.7
A/C receivable	2,411	2,449	3,387	4,044	3,834	Operating profit growth	5.7	3.5	(14.2)	(26.5)	(2.0)
Inventory	38,028	37,073	38,174	46,498	40,795	EBITDA growth	1.0	4.0	(9.1)	(19.6)	(2.3)
Other current assets	6,744	7,847	7,737	9,274	9,582	Norm profit growth	10.3	5.7	(17.1)	(30.8)	1.6
Investment	0	0	0	0	0	Norm EPS growth	10.3	5.7	(17.1)	(30.8)	1.6
Fixed assets	117,373	117,746	120,417	124,285	124,167	Gross margin	16.3	16.1	16.1	15.9	15.8
Other assets	362,010	367,048	373,884	378,011	381,122	Operating margin	3.6	3.4	2.7	3.4	3.3
<b>Total assets</b>	<b>539,893</b>	<b>544,438</b>	<b>555,082</b>	<b>576,671</b>	<b>571,543</b>	EBITDA margin	5.4	5.2	4.6	5.2	5.1
S-T debt	25,339	54,747	46,576	33,412	38,048	Norm net margin	2.0	1.8	1.4	1.9	2.0
A/C payable	55,769	50,251	52,302	62,981	62,790	D/E (x)	0.3	0.3	0.4	0.4	0.4
Other current liabilities	30,585	30,132	32,264	34,852	24,946	Net D/E (x)	0.3	0.3	0.3	0.3	0.3
L-T debt	68,295	48,208	62,088	79,450	74,110	Interest coverage (x)	5.0	4.7	4.8	5.1	5.3
Other liabilities	58,575	63,074	63,854	65,589	67,371	Interest rate	5.9	5.8	4.6	4.9	4.6
Minority interest	938	919	960	930	1,235	Effective tax rate	22.0	24.2	24.1	22.9	24.5
<b>Shareholders' equity</b>	<b>300,392</b>	<b>297,107</b>	<b>297,039</b>	<b>299,457</b>	<b>303,043</b>	ROA	3.0	2.8	2.2	2.8	2.7
Working capital	(15,331)	(10,729)	(10,741)	(12,438)	(18,161)	ROE	3.5	3.1	2.5	3.5	3.5
Total debt	93,633	102,955	108,664	112,862	112,158						
<b>Net debt</b>	<b>80,306</b>	<b>90,681</b>	<b>97,180</b>	<b>98,304</b>	<b>100,116</b>						

Sources: Company data, ttb wealth estimates

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