

BUY (Unchanged)

Change in Numbers

TP: Bt 62.00 (From: Bt 60.00)

Upside : 36.3%

CP ALL Public Co Ltd (CPALL TB)

Growing with risks priced in

We maintain our **BUY** call on CPALL. While earnings growth looks sustainable with an 14% EPS CAGR over 2026-28F, its low valuation at 13x 2026F PE has priced in the risk factors, in our view. We expect 13% EPS growth this year despite the co-payment scheme.


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Growing with a low valuation; maintain BUY

This report marks a coverage transfer to a new analyst. We maintain our BUY call on CPALL, with a higher DCF-based 12-month TP (2026F base year) of Bt62 (up from Bt60). **First**, we project decent EPS growth of 13/15/14% in 2026-28F. This follows 1-2% p.a. hikes due to strong 1Q26 profits, which grew 20% y-y. **Second**, we expect a limited impact from the government's co-payment stimulus scheme due to an offsetting factor from the program's benefit to its 59.93%-owned CP Aextra Pcl (CPAXT TB, HOLD Bt14.6), and CPALL's better preparedness strategy. **Third**, despite flat SSSG this year, we project 13% EPS growth due to CPALL's continued aggressive branch expansion and better product mix management. **Lastly**, we believe that at 13x 2026F PE, CPALL's valuation already prices in the risks of the recent virtual bank-related business for Thailand's best-run and growing CVS company with a decent, sustainable growth outlook.

13% EPS growth despite co-payment scheme

We expect CPALL to post 13.6% EPS growth this year despite the co-payment scheme (June to September), which allows only traditional trade and street vendors to participate. Due to its better preparedness for new product launches and product margin management, and the benefit from rising inflation, we expect CPALL's SSSG in 3Q26F, the full co-payment spending period, to decline by less than the 1.5% y-y fall in the last co-payment phase in 4Q25. Note that CPALL's profits rose 2.5% y-y in 4Q25 and 11.5% in 2025 on -0.3% SSSG despite the weak economy and the co-payment program due to branch expansion and its product margin mix strategy. We expect flat SSSG this year and 13.6% EPS growth. We project 3.5% SSSG and 14.6% profit growth in 2027F due to the low base effect for the co-payment stimulus and a recovering economy.

Expansion continues to support growth

CPALL is continuing with ~700 branch openings a year from 15,945 branches in 2025, implying about 4% p.a. growth. So, branch expansions continue to be a key driver for earnings, allowing them to grow despite the past two years of SSS contraction. As the mix of branches in Bangkok and its vicinity remains large at 42% of total branches, we still see plenty of room for branch openings for many years ahead.

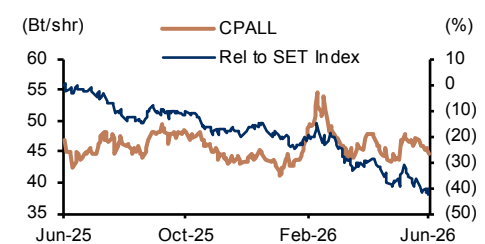
Risk factors

There are two key market concerns for CPALL. The latest is the uncertainty around regulatory requirements for CPALL's transfer of CPAXT, Counter Service, and Thai Smart Card to CP Group's (CP) virtual bank business. This is despite CPALL's minority shareholders voting against the transfers. The other concern, which isn't new, is CPALL and CPAXT's future investments in other businesses. We discuss inside.

COMPANY VALUATION

Y/E Dec (Bt m)	2025A	2026F	2027F	2028F
Sales	1,021,588	1,060,258	1,104,782	1,151,710
Net profit	28,206	32,086	36,698	41,831
Consensus NP	—	30,988	33,635	36,537
Diff frm cons (%)	—	3.5	9.1	14.5
Norm profit	28,292	32,086	36,698	41,831
Prev. Norm profit	—	31,825	36,524	41,214
Chg frm prev (%)	—	0.8	0.5	1.5
Norm EPS (Bt)	3.10	3.52	4.03	4.61
Norm EPS grw (%)	11.4	13.6	14.6	14.2
Norm PE (x)	14.7	12.9	11.3	9.9
EV/EBITDA (x)	9.4	8.6	7.8	7.0
P/BV (x)	3.0	2.6	2.3	2.1
Div yield (%)	3.6	3.9	4.4	5.1
ROE (%)	21.4	21.9	22.3	22.6
Net D/E (%)	82.3	73.7	64.8	55.7

PRICE PERFORMANCE



COMPANY INFORMATION

Price as of 12-Jun-26 (Bt)	45.50
Market Cap (US\$ m)	12,509.0
Listed Shares (m shares)	8,983.1
Free Float (%)	62.9
Avg. Daily Turnover (US\$ m)	52.5
12M Price H/L (Bt)	54.50/41.00
Sector	Commerce
Major Shareholder	C.P. Merchandising 30.4%

Sources: Bloomberg, Company data, ttb wealth estimates

Growing with risks priced in

We maintain our BUY call with a higher TP of Bt62

We maintain our BUY call on CP All Pcl (CPALL TB) with a higher DCF-based TP (2026F base year) of Bt62 (from Bt60).

Ex 1: Our Assumption

	2023	2024	2025	2026F	2027F	2028F
7-Eleven's SSSG (%)	5.5	3.8	(0.3)	0.0	3.5	3.0
Branch expansion (implied % sales growth)	7.1	6.3	5.3	3.4	3.0	3.5
Branch expansion (stores)	14,545	15,245	15,945	16,645	17,345	18,045
CPALL-only gross margin* (%)	31.1	31.9	33.2	35.0	35.4	35.6
CPALL-only SG&A to sales* (%)	26.6	26.5	26.7	26.6	26.5	26.3

Sources: Company data, ttb wealth estimates

Note:* Exclude subsidiaries, e.g., CPAXT.

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

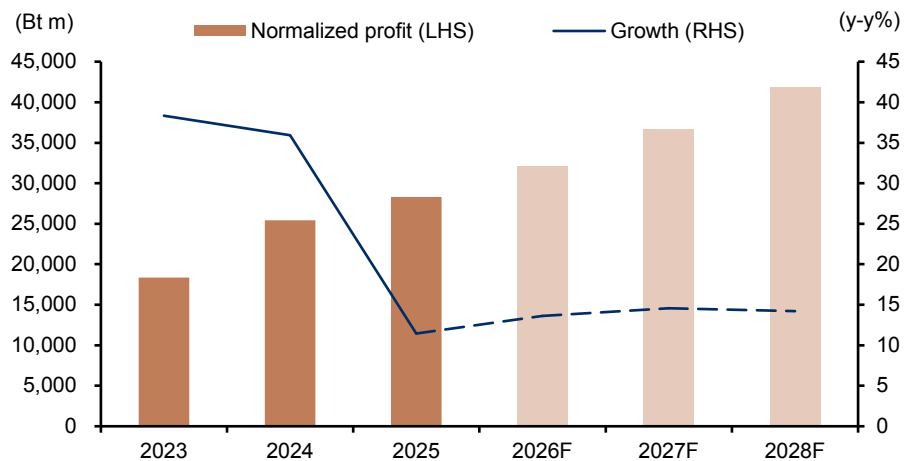
(Bt m)	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F	2036F	Terminal value
EBITDA	73,183	79,455	86,033	90,586	96,422	102,524	109,337	116,322	123,616	131,333	139,475	—
Free cash flow	46,347	39,954	46,317	51,311	55,572	60,451	70,968	80,578	86,416	92,591	100,099	1,594,609
PV of free cash flow	46,220	33,614	35,729	36,301	36,057	35,972	38,721	40,320	39,658	38,970	38,629	564,367
Risk-free rate (%)	2.5											
Market risk premium (%)	8.0											
Beta	1.0											
WACC (%)	9.0											
Terminal growth (%)	2.0											
Enterprise value - add investments	1,023,492											
Net debt (2025)	272,710											
Minority interest	193,403											
Equity value	557,379											
# of shares (m)	8,983											
Target price/share (Bt)	62											

Sources: Company data, ttb wealth estimates

Much higher EPS growth than peers

First, we estimate CPALL to deliver 13-14% EPS growth in 2026–28F. We view this growth as strong compared with other large-cap commerce stocks, which continue to face pressure from a weak economy and rising inflation. We also raise our earnings estimates by 1-2% for 2026-28F to reflect better-than-expected 1Q26 profits, which grew 20% y-y.

Ex 3: Good Earnings Growth Trend



Sources: Company data, ttb wealth estimates

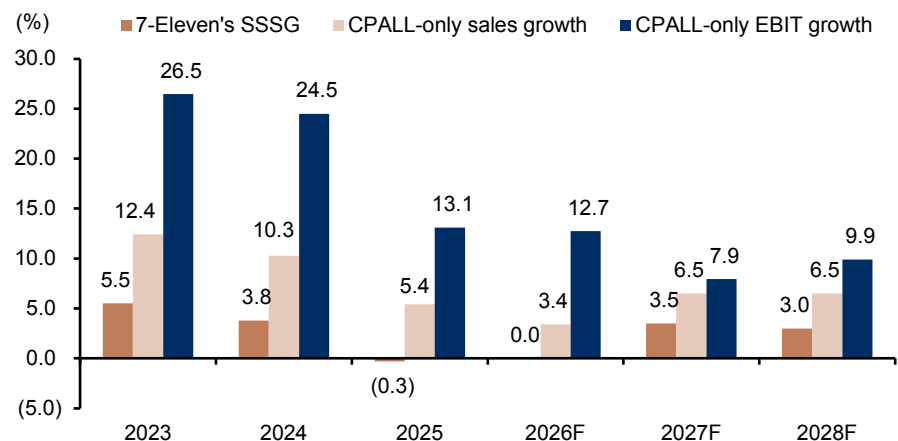
EPS growth still at 13% despite the co-payment scheme

Second, we expect a limited impact from the government’s co-payment stimulus scheme on CPALL’s earnings. First, we expect its 59.93%-owned CP Axtra Pcl’s (CPAXT TB, HOLD, Bt14.6) wholesale business to be a net beneficiary of the program. Second, CPALL has experience in and is well-prepared for product management, including plans to launch products not available at eligible traditional trade stores and street vendors, allowing it to focus on non-overlapping demand. Third, rising inflation is also a positive factor, as it allows CPALL to raise product prices. As a result, we expect its same-store sales growth (SSSG) to decline by less than the 1.5% y-y fall recorded during the previous co-payment phase in 4Q25. Lastly, CPALL’s continued branch expansion and product mix management toward higher-margin products should more than offset these headwinds, in our view. Note that CPALL’s profit rose 2.5% y-y despite a 1.5% SSSG decline in 4Q25 and increased 11.5% y-y despite a 0.3% SSSG decline in 2025, driven by these factors.

13% EPS growth despite flat SSSG

Third, despite flat SSSG this year, we estimate 13.6% EPS growth. CPALL’s continued branch openings allow its sales to grow faster than SSSG, and improved margins from product mix management allow its margins to expand and profits to grow faster than sales. We estimate 3.5% SSSG and 14.6% EPS growth in 2027F, driven by a low base effect from the co-payment stimulus period and an economic recovery. Note that we have already factored higher costs from rising utility expenses and oil prices related to the Middle East conflict into our forecasts.

Ex 4: SSSG Vs. Sales Growth Vs. Profit Growth

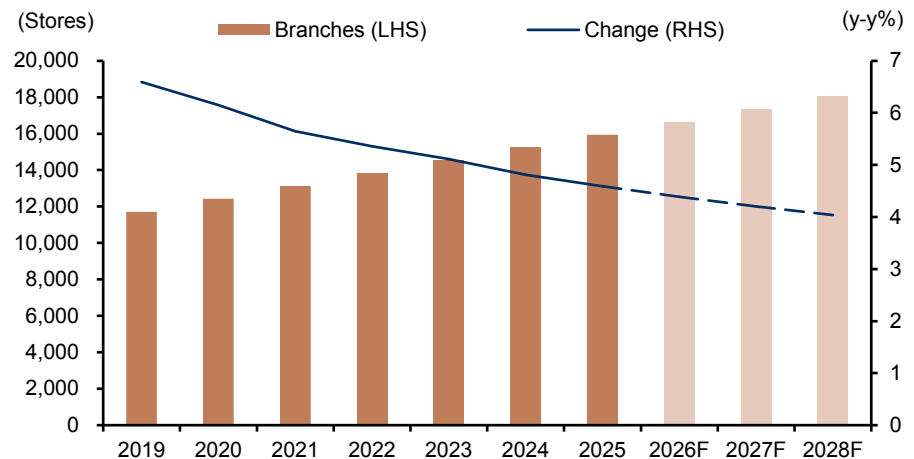


Sources: Company data, ttb wealth estimates

Higher sales growth than SSSG from new branch openings

Branch openings: CPALL continues to open approximately 700 new branches per year from 15,945 branches in 2025, implying around 4% annual growth. Branch expansion, therefore, remains a key earnings driver, enabling earnings growth despite SSS contractions over the past two years. As branches in Bangkok and surrounding areas still account for a sizeable 42% of total branches, we continue to see significant room for expansion for many years ahead.

Ex 5: Continued Branch Openings



Sources: Company data, ttb wealth estimates

Higher profit growth than sales growth from margin expansion

Margin improvement: CPALL-only gross margin widened to 34.5% in 1Q26 from 33.2% in 2025. CPALL continues to successfully develop its ready-to-eat and ready-to-drink (RTE-D) products. These products generate higher gross margins than other products. They accounted for about 30% of total product sales in 1Q26. We believe this success stems from the fact that food and beverages are not only essential products but also highly impulse-driven when presentation and taste appeal to consumers. CPALL has developed offerings that closely resemble freshly prepared food and beverages, while also collaborating with well-known restaurants to further enhance product appeal. As these products are fast-moving and innovation-driven, CPALL can also raise selling prices more easily as new and improved products are introduced.

Risks appear to be already priced in

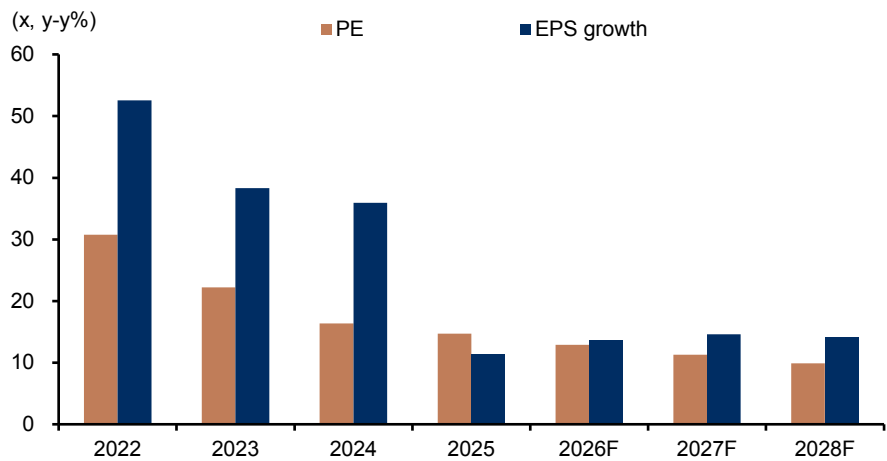
Lastly, there are two key market concerns for CPALL. The latest one is an uncertain regulatory requirement regarding CPALL's transfer of CPAXT, Counter Service, and Thai Smart Card to CP Group's (CP) virtual bank business. This is despite CPALL's minority shareholders voting against the transfers.

We recap that CPAXT (finance-related service, e.g., bill payment), Counter Service, and Thai Smart Card businesses have been subject to potential integration under ACM Holding, CP's virtual bank entity, to comply with the Bank of Thailand's (BoT) requirement that finance-related businesses within the group be placed under the virtual bank license holder. CPALL stated that the proposal was solely to comply with BoT regulations, that it has no plans to change its business direction, and that it respects minority shareholders' decision to reject the proposal. However, there is still no clear guidance from regulators following the rejection.

Another concern, though not new, is CPALL and CPAXT’s investments in new businesses. While we believe these investments are intended to expand the group’s business platform over the long term, they may not align with investors’ shorter-term investment horizons. Historically, some of CPALL’s long-term investments have created near-term earnings pressure through higher leverage before the benefits became visible.

That said, we believe CPALL’s derated PE has already reflected the government-related risks.

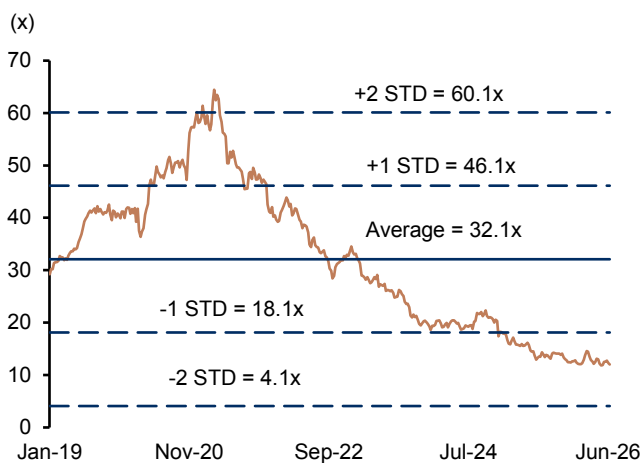
Ex 6: PE Vs. EPS Growth



Sources: Company data, ttb wealth estimates

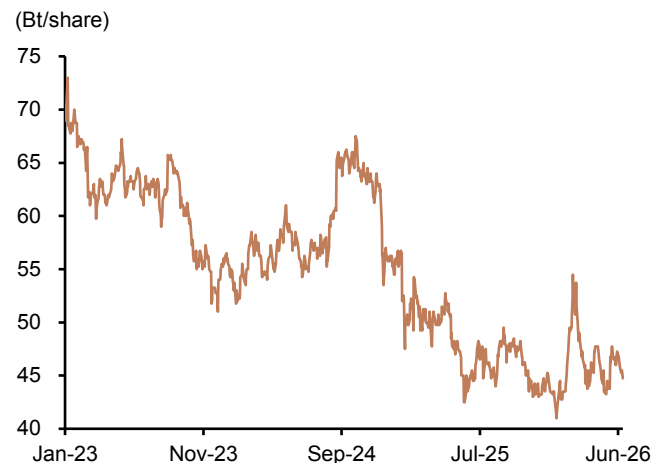
Trading at 13x PE, CPALL looks inexpensive to us relative to 13-14% EPS growth in 2026-28F.

Ex 7: PE Has Been De-rated...



Sources: Bloomberg, ttb wealth estimates

Ex 8: ...As Its Share Price Has Been Punished



Source: Bloomberg

Valuation Comparison

Ex 9: Valuation Comparison With Regional Peers

Name	BBG code	Market	EPS growth		— PE —		— P/BV —		EV/EBITDA		— Div. yield —	
			26F	27F	26F	27F	26F	27F	26F	27F	26F	27F
Marks & Spencer	MKS LN	UK	(18.6)	41.8	14.6	10.3	2.2	1.8	7.3	5.9	1.3	2.2
J Sainsbury PLC	SBRY LN	UK	0.0	7.2	12.7	11.9	1.0	1.0	5.7	5.5	7.1	4.9
Tesco	TSCO LN	UK	6.7	9.1	14.9	13.7	2.6	2.3	8.3	8.0	3.4	3.7
Carrefour SA	CA FP	France	15.8	7.3	9.6	8.9	1.0	1.0	4.8	4.6	6.4	6.8
Casino Guichard	CO FP	France	na	57.1	na	na	0.1	0.1	3.9	3.8	na	na
L'Oreal SA	OR FP	France	6.4	8.4	28.7	26.5	5.6	5.3	18.8	17.6	2.0	2.1
Alimentation Couche	ATD/B CN	Canada	6.6	10.1	na	na	na	na	10.8	10.3	na	na
Aeon	8267 JP	Japan	78.2	20.3	57.9	48.1	2.9	2.8	10.5	9.3	1.0	1.0
Kao Corporation	4452 JP	Japan	12.6	7.8	20.2	18.7	2.4	2.3	9.8	9.5	2.6	2.6
Lion Corporation	4912 JP	Japan	(1.8)	2.2	18.1	17.7	1.4	1.3	7.7	7.5	2.0	2.2
Shiseido Co. Ltd	4911 JP	Japan	na	26.7	25.4	20.1	1.7	1.6	10.2	9.4	2.3	2.5
Seven & I Holdings	3382 JP	Japan	66.3	3.8	17.7	17.0	1.3	1.3	9.3	9.7	2.6	3.0
Lotte Corp	004990 KS	South Korea	na	na	na	na	0.4	0.4	10.4	11.3	4.7	4.7
Shinsegae	004170 KS	South Korea	na	16.4	19.1	16.4	1.4	1.2	10.6	10.2	0.8	0.9
Amore Pacific Group	002790 KS	South Korea	6.2	36.6	7.7	5.6	0.5	0.4	5.2	4.7	1.8	2.0
Best Buy Co Inc	BBY US	USA	4.0	7.3	11.7	10.9	4.8	4.4	5.9	5.7	5.0	5.2
Wal-Mart Stores	WMT US	USA	11.5	11.8	41.1	36.7	9.0	8.1	20.6	18.8	0.8	0.9
Home Depot Inc	HD US	USA	3.3	7.3	21.7	20.2	18.2	16.1	14.9	14.1	2.9	3.0
Levi Strauss & Co.	LEVI US	USA	13.1	11.9	16.1	14.4	3.9	3.4	9.4	8.6	2.4	2.4
Yonghui Superstores	601933 CH	China	114.2	na	na	46.5	12.0	9.5	24.0	16.0	0.1	0.5
Sa Sa International	178 HK	Hong Kong	60.6	34.0	15.7	11.7	2.1	2.1	8.1	7.7	5.4	6.7
Dairy Farm Intl Hldgs	DFI SP	Hong Kong	9.7	9.8	17.5	15.9	13.0	9.9	6.3	6.0	4.0	4.3
President Chain Store	2912 TT	Taiwan	3.4	6.8	19.9	18.6	5.2	4.5	8.5	8.2	4.1	4.3
7-Eleven Malaysia	SEM MK	Malaysia	(41.7)	39.3	70.4	50.5	6.0	5.6	8.6	8.2	0.8	1.0
Berli Jucker *	BJC TB	Thailand	(5.5)	3.9	13.8	13.3	0.5	0.5	8.5	8.3	5.1	5.3
CP All *	CPALL TB	Thailand	13.6	14.6	12.9	11.3	2.6	2.3	8.6	7.8	3.9	4.4
CP Axtra *	CPAXT TB	Thailand	17.3	9.8	13.9	12.6	0.5	0.5	6.7	6.3	5.0	5.5
Central Pattana *	CPN TB	Thailand	15.8	13.4	15.2	13.4	2.5	2.3	11.0	9.5	3.9	4.5
Central Retail Corp. *	CRC TB	Thailand	6.0	8.8	16.2	14.9	1.9	1.8	5.8	5.5	3.1	3.4
Dohome *	DOHOME TB	Thailand	(7.8)	25.4	20.7	16.5	0.8	0.8	13.0	12.4	1.2	1.5
Siam Global House *	GLOBAL TB	Thailand	20.8	10.1	15.0	13.6	1.3	1.3	12.2	11.2	3.3	3.7
Home Product*	HMPRO TB	Thailand	5.8	7.3	12.4	11.6	3.0	2.8	7.4	6.9	6.4	6.9
MC Group *	MC TB	Thailand	6.4	8.6	10.9	10.0	2.3	2.3	5.1	4.9	9.2	10.0
Moshi Moshi Retail*	MOSHI TB	Thailand	25.5	19.1	14.4	12.1	3.9	3.4	7.8	6.6	4.2	5.0
Mr. D.I.Y.Holding (TH)*	MRDIYT TB	Thailand	8.0	19.6	17.6	14.8	4.5	3.8	10.2	8.3	2.3	2.7
Average			14.9	15.9	20.1	18.3	3.6	3.2	9.6	8.8	3.4	3.6

Source: Bloomberg

Note: * ttb wealth estimates, using ttb wealth normalized EPS

Based on 12 June 2026 closing prices

COMPANY DESCRIPTION

C.P. All Pcl (CPALL) is a Thailand-based company that operates convenience stores (CVS) under the 7-Eleven trademark and owns a 59.93% stake in the cash-and-carry operator CP Axtra Pcl (CPAXT) that has Lotus's grocery in Thailand and Malaysia as a wholly-owned subsidiary. The company also engages in related businesses, including bill-payment collection through its subsidiary, Counter Service Co., Ltd., and the manufacture and sale of ready-to-eat foods and bakery items through C.P. Retailing and Marketing Co., Ltd.

Source: ttb wealth

TTB WEALTH'S SWOT ANALYSIS

S — Strength

- Thai CVS market leader that has a natural monopoly with a 70% market share.
- A cash-cow stock operating 7-Eleven stores in Thailand – a very stable and secure business.
- Successful franchise.

O — Opportunity

- The Thai CVS market hasn't matured yet, while the competitive landscape isn't that fierce.
- Opportunities to open more stores upcountry and also in Bangkok, along with mass-transit expansion.
- CLMV expansion.

CONSENSUS COMPARISON

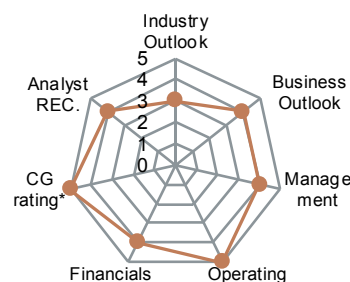
	Consensus	ttb wealth	Diff
Target price (Bt)	61.60	62.00	1%
Net profit 26F (Bt m)	30,988	32,086	4%
Net profit 27F (Bt m)	33,635	36,698	9%
Consensus REC	BUY: 30	HOLD: 1	SELL: 0

HOW ARE WE DIFFERENT FROM THE STREET?

- Our earnings forecasts are relatively higher than the consensus which we attribute to us having a slightly more positively view on continued market share gain and margin improvement of Seven Eleven business.

Sources: Bloomberg consensus, ttb wealth estimates

COMPANY RATING



Rating Scale

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

Source: ttb wealth; *CG Rating

W — Weakness

- Too swift expansion may lead to staff shortages.
- Loss in the early years from CPAXT's overseas expansion in India with a plan to open stores in the Philippines in 2026F. It has turned profitable in Cambodia and Myanmar.
- Rising debt from investment in Lotus's via CPAXT.

T — Threat

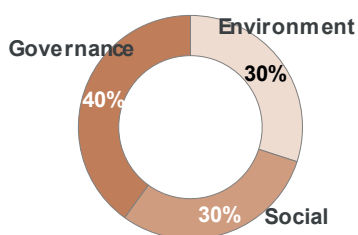
- CPAXT's rising food wholesale competition from a new player, GO Wholesale.
- Risk of natural disasters.
- Risk of theft.

RISKS TO OUR INVESTMENT CASE

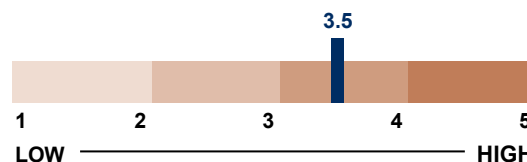
- A weaker-than-expected economy would have a direct negative impact on the performance of the 7-Eleven/wholesale/retail businesses, as it is highly leveraged to domestic consumption, and this presents the key downside risk to our call.
- If other competitors, i.e., Tops, and mini BIGC, expand faster than we currently anticipate and are more successful than we expect now, this would represent a secondary downside risk to our call.
- If its subsidiary CPAXT fails in its ventures abroad and generates larger losses than we currently expect.

Source: ttb wealth

ESG Weighting



ESG Rating



	SET ESG Index	SET ESG (BBB-AAA)	DJSI Index	ttb wealth ESG Rating (1.0-5.0)	MSCI (CCC-AAA)	ESG Book (0-100)	CG Rating (0-5)
CPALL	YES	AAA	YES	3.52	A	66.08	5.0

Sources: SETTRADE, SET ESG Index, SET ESG Rating, The Dow Jones Industrial Average (DJSI)
 MSCI ESG Research LLC, ESG Book, Thai IOD (CG rating)
 Note: Please see third party on “terms of use” toward the back of this report.

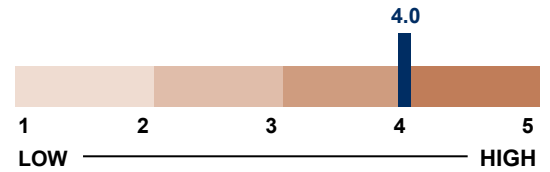


ESG Summary

- CPALL operates 16,084 7-Eleven branches in Thailand and owns 59.93% of CPAXT, which runs 168 cash & carry stores in Thailand and 10 branches in Cambodia, India, and Myanmar. CPAXT also owned 2,599 Lotus’s supermarkets, supermarkets, and small-format stores in Thailand and 70 in Malaysia as of 1Q26
- We assign a decent ESG score of 3.5 to CPALL, with high Environmental (E) and Social (S) scores outweighing its Governance (G) score. Reflecting its strong commitment to sustainability, CPALL has been a member of the Dow Jones Best-in-Class Emerging Markets Index for eight consecutive years (2017-24), the Dow Jones Best-in-Class World Index for seven consecutive years (2018-24) in the Food & Staples Retailing industry, and the global FTSE4Good Index’s Food Retailers & Wholesalers category for seven consecutive years. It achieved a high score in the S&P Global CSA and was ranked A by MSCI ESG in 2024.
- We assign CPALL a strong 4.0 E and a very strong 4.4 S score. As an organization that provides convenience to the community and well-being and happiness to society, CPALL aims to elevate its operational approach to achieve 15 organizational sustainability goals, aligning with the United Nations Sustainable Development Goals (SDGs) and the 10 Principles of the United Nations Global Compact (UNGC).
- We assign a moderate 2.5 G Score. Its board structure is not ideal, and its past major investments resulted in outcomes that were not aligned with minority shareholders’ investment preferences and time horizons. CPALL invested in the CPAXT business in 2013 and in acquiring Tesco Lotus in 2020, which significantly increased its debt level, with deleveraging taken many years. The virtual bank business requirement is another area of uncertainty.

We assign CPALL a high Environmental score of 4.0. It prioritizes environmental sustainability through the “7 Go Green” policy, ensuring environmental care at all hours to foster a sustainable, environmentally friendly society.

Environment (E) Rating

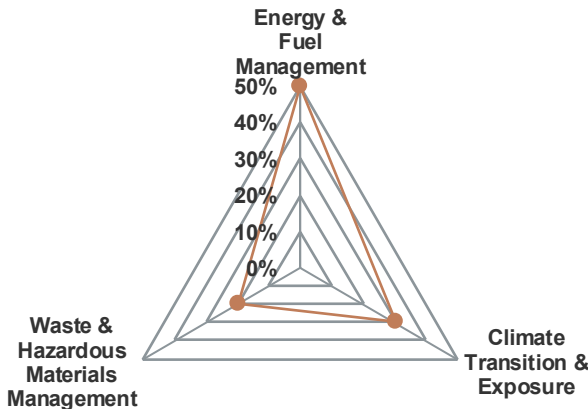


ENVIRONMENT **Our Comments**

- Energy & Fuel Management
- Climate Transition & Exposure
- Waste & Hazardous Materials Management

- We assign a high E score of 4.0 to CPALL due to its strong commitment to enhancing environmental sustainability for communities, society, and the nation.
- CPALL targets carbon neutrality by 2030 and net zero greenhouse gas (GHG) emissions by 2050.
- Its GHG emissions (scope 1 & 2) fell from 3.10 tonnes of CO2 per revenue unit in 2021 to 2.32/2.24/2.12 in 2022-24. This was achieved through initiatives including reducing energy consumption, increasing the use of renewable energy, adopting environmentally friendly refrigerants, optimizing transportation and distribution systems, and transitioning to eco-friendly packaging.
- Its “7 Go Green” strategy for 24-hour environmental sustainability outlines four key eco-friendly initiatives: the “GREENStores” energy-saving convenience store model, “GREENLogistics” with environmentally friendly alternative energy systems, “GREENPackaging” with the 3Rs concept (Reduce-Reuse-Recycle), and “GREENLiving” that focuses on the environmental impact on communities.
- CPALL has taken action to combat climate change. It has joined the Thailand Carbon Neutral Network (TCNN) to drive sustainable development goals across the private sector, government, and local communities and is a co-founding member of the Global Compact Network Thailand (GCNT).
- CPALL is committed to addressing risks and opportunities associated with potential climate change in accordance with the Task Force on Climate-related Financial Disclosure (TCFD) framework. In 2024, it identified critical risks and opportunities, both physical risks and transition risks, to evaluate the impact and devise mitigation measures. An example is the risk from floods. It has designed the structure of 7-Eleven stores to withstand flood damage under the “Flood Resistant Store” concept using elevated barriers, specialized floorings and doors designed to withstand water pressure, drainage systems, and water pumps.
- As a leading CVS operator with an extensive store network nationwide, it has adopted sustainable packaging management throughout its supply chain. It has set a target that 100% of its controlled packaging must be reusable, recyclable, or biodegradable.
- To minimize plastic waste, it collaborates with partners to produce carry bags for use in 7-Eleven stores with a thickness of 36 microns. These bags are made from recycled plastic, offering durability and ability to be reused multiple times, thereby reducing single-use plastic bags.

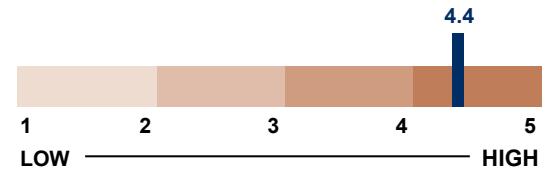
SCALE WEIGHTING



Sources: ttb wealth, Company data

We assign a very high Social score of 4.4 to CPALL, reflecting its strong contributions to job creation and supply chain demand in communities, quality products that are affordable and accessible, customer satisfaction, staff well-being, and strong operations.

Social (S) Rating



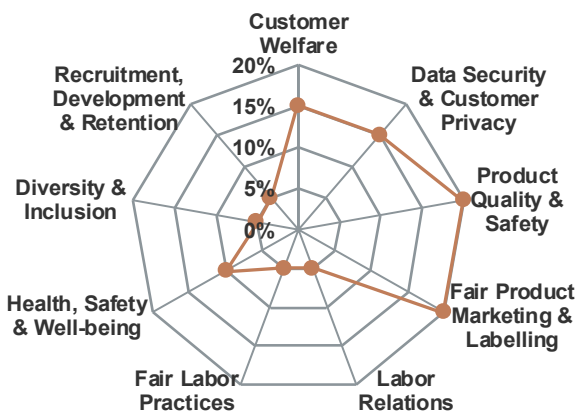
SOCIAL

Our Comments

- Customer Welfare
- Data Security & Customer Privacy
- Diversity & Inclusion
- Fair Labor Practices
- Fair Product Marketing & Labelling
- Health, Safety & Well-being
- Labor Relations
- Product Quality & Safety
- Recruitment, Development & Retention

- CPALL has a very high S score of 4.4. We see CPALL as a strong contributor across most areas of the Social pillar. It creates jobs in communities, drives demand for supply chain and product sourcing, increases product accessibility, affordability, and variety, supplies high-quality products, and has strong operations.
- CPALL values employees as a key pillar to drive business success and it has adopted human rights and labor practices, including suppliers and business partners, in accordance with the UN Guiding Principles on Business and Human Rights (UNGP) and the International Labor Organization (ILO).
- In 2024, it developed sales and customer service skills among 7-Eleven store staff with average training of 29.5 hours/person/year. 100% of employees at all levels received “Human Rights” knowledge and awareness training.
- Key achievements in 2024: 174,374 SMEs, 3,803 farmers, and 7,745 people in vulnerable groups received vocational skills development, enabling increased income. Some 44,540 (57.15%) local workers were employed to work in 7-Eleven stores.
- CPRAM Co Ltd, its subsidiary, is committed to creating confidence for consumers by comprehensively applying international standards in production. In 2024, production standards were raised through the application of GMP, HACCP, BAP and BRCGS in sourcing raw materials and ensuring stringent production control at every plant to ensure consumers receive high-quality, safe and reliable products.
- CPALL targets sales of health & nutrition products at 25% by 2030 (26.1% achieved in 2024 with 1,135 new SKUs, beating the 2030 target).
- In 2024, it was granted “Healthy Choice” (Thai Healthier Logo) health product certification from the Institute of Nutrition Mahidol University for over 900 items.
- CPALL specifies details of key components and safe usage through product labels in accordance with laws or standard practices, such as energy values per serving, fat, sugar, and sodium. In 2024, operations were implemented to cover 100% of ready-to-eat food and beverage SKUs.
- CPALL ensures the safety of products with efficient and strong business operations throughout the supply chain by establishing quality control standards from cultivation, production, receiving products, arranging and distributing products, sales and services to guarantee confidence in the safety and reliability of offered products and services.

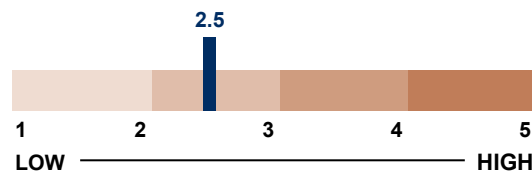
SCALE WEIGHTING



Sources: ttb wealth, Company data

We assign CPALL a moderate G score of 2.5, reflecting a non-ideal board structure, concerns about intercompany transactions within the CP Group, and past investments that significantly increased debt. The strongest areas of the G pillar are its business model and sustainability.

Governance (G) Rating



GOVERNANCE & SUSTAINABILITY

Our Comments

- Audit committee
- Board Structure
- Business Model and Innovation
- Ethics & Compliance
- Leadership and Governance
- Remuneration
- Risk Committee

- We assign a G score of 2.5 to CPALL, its lowest ESG scoring area. This reflects a non-ideal board structure, past investments that led to significant debt creation, concerns about future investments, and recently, the virtual bank concern.
- CPALL’s board chair is not independent, being a founding family member. The 16-member BOD has only six independent directors, compared with the 2/3 ideal ratio. The BOD has only one female member.
- CP Group and CPALL’s past M&As have created investor concerns over minority shareholders’ interests. The past investments also happened in tandem with debt financing that weakened its balance sheet at those times.
- Over the past two decades, CPALL has been involved in investing in the Makro cash & carry business in 2013 and acquiring Tesco Lotus in 2020, both at high valuations which raised its debt level significantly. This turned it from a net cash company operating the strong cash flow 7-Eleven CVS business into a retail giant with two more businesses: B2B and B2C grocery formats.
- A new uncertainty has emerged this year from a regulatory requirement of the virtual bank owned by the CP group to include all financial services businesses into the bank. This includes CPALL’s CPAXT’s financed related business, e.g, bill payment, Counter Service and Thai Smart Card businesses. CPALL’s minority shareholders have already voted to disapprove the business transfers but the concern remains as there is still no clear guidance from the Bank of Thailand following the vote.
- CPALL has all necessary committees; an audit committee, a remuneration and nomination committee, a corporate sustainable development and governance committee, and a risk management committee.
- On the positive front, we assign a top score of 5 for the sustainability, model, and innovation of its strong 7-Eleven business with consistent adjustments to products, services, and store formats for competitiveness to meet the rapidly changing needs of consumers and create differentiation.
- CP FoodLab Co Ltd was established to endorse research development and food innovations, which cultivates customer well-being, adds value to products for market competitiveness, and allows organizational growth while benefiting society and the environment.

SCALE WEIGHTING



Sources: ttb wealth, Company data

INCOME STATEMENT

FY ending Dec (Bt m)	2024A	2025A	2026F	2027F	2028F
Sales	987,143	1,021,588	1,060,258	1,104,782	1,151,710
Cost of sales	742,490	765,546	793,747	822,836	854,111
Gross profit	244,653	256,042	266,511	281,946	297,599
% gross margin	24.8%	25.1%	25.1%	25.5%	25.8%
Selling & administration expenses	194,353	203,279	209,008	218,481	227,404
Operating profit	50,299	52,764	57,503	63,465	70,194
% operating margin	5.1%	5.2%	5.4%	5.7%	6.1%
Depreciation & amortization	32,805	33,583	34,269	35,261	35,740
EBITDA	70,156	72,748	77,706	83,998	90,850
% EBITDA margin	7.1%	7.1%	7.3%	7.6%	7.9%
Non-operating income	591	555	565	646	782
Non-operating expenses	0	0	0	0	0
Interest expense	(15,495)	(14,894)	(14,380)	(14,275)	(14,435)
Pre-tax profit	35,396	38,425	43,688	49,836	56,541
Income tax	6,394	7,045	7,995	9,120	10,347
After-tax profit	29,002	31,380	35,693	40,716	46,194
% net margin	2.9%	3.1%	3.4%	3.7%	4.0%
Shares in affiliates' Earnings	673	580	592	604	616
Minority interests	(4,241)	(3,669)	(4,199)	(4,621)	(4,979)
Extraordinary items	(88)	(86)	0	0	0
NET PROFIT	25,346	28,206	32,086	36,698	41,831
Normalized profit	25,434	28,292	32,086	36,698	41,831
EPS (Bt)	2.77	3.09	3.52	4.03	4.61
Normalized EPS (Bt)	2.78	3.10	3.52	4.03	4.61

We project EPS growth at a 14% CAGR over 2026-28F

BALANCE SHEET

FY ending Dec (Bt m)	2024A	2025A	2026F	2027F	2028F
ASSETS:					
Current assets:	137,153	152,557	148,905	163,733	184,397
Cash & cash equivalent	54,628	53,561	58,954	70,354	87,354
Account receivables	3,856	5,241	4,357	4,540	4,733
Inventories	61,269	74,143	65,240	67,630	70,201
Others	17,399	19,612	20,354	21,209	22,110
Investments & loans	18,570	17,992	17,992	17,992	17,992
Net fixed assets	216,589	223,119	231,596	239,143	245,568
Other assets	571,809	589,145	583,253	590,273	596,937
Total assets	944,120	982,814	981,746	1,011,142	1,044,895
LIABILITIES:					
Current liabilities:	232,376	250,579	235,968	239,766	243,373
Account payables	128,294	134,424	137,003	139,769	142,742
Bank overdraft & ST loans	9,446	17,935	15,927	15,709	15,599
Current LT debt	43,955	46,131	30,261	29,847	29,638
Others current liabilities	50,682	52,089	52,777	54,440	55,394
Total LT debt	263,132	262,205	272,351	268,626	266,741
Others LT liabilities	129,002	138,486	121,154	126,352	131,207
Total liabilities	624,510	651,269	629,472	634,745	641,320
Minority interest	192,750	193,403	197,602	202,223	207,201
Preferreds shares	0	0	0	0	0
Paid-up capital	8,983	8,983	8,983	8,983	8,983
Share premium	1,684	1,684	1,684	1,684	1,684
Warrants	0	0	0	0	0
Surplus	9,467	5,638	5,638	5,638	5,638
Retained earnings	106,726	121,836	138,366	157,869	180,067
Shareholders' equity	126,860	138,141	154,672	174,174	196,373
Liabilities & equity	944,120	982,814	981,746	1,011,142	1,044,895

High debt burden from its investment in Lotus's in late-2020

Sources: Company data, ttb wealth estimates

CASH FLOW STATEMENT

FY ending Dec (Bt m)	2024A	2025A	2026F	2027F	2028F
Earnings before tax	35,396	38,425	43,688	49,836	56,541
Tax paid	(5,782)	(7,038)	(7,870)	(9,038)	(10,230)
Depreciation & amortization	19,857	19,984	20,203	20,533	20,655
Chg In working capital	(4,100)	(8,130)	12,367	193	209
Chg In other CA & CL / minorities	(2,511)	(5,625)	(1,186)	(256)	(1,052)
Cash flow from operations	42,860	37,617	67,202	61,268	66,123
Capex	(22,654)	(26,514)	(28,680)	(28,080)	(27,080)
Right of use	(7,687)	(8,149)	(7,682)	(7,021)	(6,664)
ST loans & investments	0	0	0	0	0
LT loans & investments	(1,804)	578	0	0	0
Adj for asset revaluation	0	0	0	0	0
Chg In other assets & liabilities	(3,296)	2,674	(2,160)	6,785	6,459
Cash flow from investments	(35,440)	(31,412)	(38,522)	(28,316)	(27,285)
Debt financing	(10,627)	9,652	(7,732)	(4,356)	(2,205)
Capital increase	0	0	0	0	0
Dividends paid	(8,982)	(12,128)	(15,556)	(17,196)	(19,632)
Warrants & other surplus	(499)	(4,797)	0	0	0
Cash flow from financing	(20,108)	(7,273)	(23,288)	(21,552)	(21,837)
Free cash flow	7,420	6,205	28,680	32,952	38,837

Business generates strong free cash flows

VALUATION

FY ending Dec	2024A	2025A	2026F	2027F	2028F
Normalized PE (x)	16.37	14.7	12.9	11.3	9.9
Normalized PE - at target price (x)	22.30	20.0	17.6	15.4	13.5
PE (x)	16.42	14.73	12.9	11.3	9.9
PE - at target price (x)	22.38	20.07	17.6	15.4	13.5
EV/EBITDA (x)	9.6	9.4	8.6	7.8	7.0
EV/EBITDA - at target price (x)	11.7	11.4	10.5	9.5	8.6
P/BV (x)	3.2	3.0	2.6	2.3	2.1
P/BV - at target price (x)	4.4	4.0	3.6	3.2	2.8
P/CFO (x)	9.5	10.9	6.1	6.7	6.2
Price/sales (x)	0.4	0.4	0.4	0.4	0.4
Dividend yield (%)	3.0	3.6	3.9	4.4	5.1
FCF Yield (%)	1.8	1.5	7.0	8.1	9.5
(Bt)					
Normalized EPS	2.78	3.10	3.52	4.03	4.61
EPS	2.77	3.09	3.52	4.03	4.61
DPS	1.35	1.65	1.76	2.02	2.30
BV/share	14.12	15.38	17.22	19.39	21.86
CFO/share	4.77	4.19	7.48	6.82	7.36
FCF/share	0.83	0.69	3.19	3.67	4.32

Sources: Company data, ttb wealth estimates

FINANCIAL RATIOS

FY ending Dec	2024A	2025A	2026F	2027F	2028F
Growth Rate					
Sales (%)	7.3	3.5	3.8	4.2	4.2
Net profit (%)	37.1	11.3	13.8	14.4	14.0
EPS (%)	34.6	11.5	14.0	14.6	14.2
Normalized profit (%)	38.4	11.2	13.4	14.4	14.0
Normalized EPS (%)	35.9	11.4	13.6	14.6	14.2
Dividend payout ratio (%)	48.7	53.4	50.0	50.0	50.0
Operating performance					
Gross margin (%)	24.8	25.1	25.1	25.5	25.8
Operating margin (%)	5.1	5.2	5.4	5.7	6.1
EBITDA margin (%)	7.1	7.1	7.3	7.6	7.9
Net margin (%)	2.9	3.1	3.4	3.7	4.0
D/E (incl. minor) (x)	1.0	1.0	0.9	0.8	0.8
Net D/E (incl. minor) (x)	0.8	0.8	0.7	0.6	0.6
Interest coverage - EBIT (x)	3.2	3.5	4.0	4.4	4.9
Interest coverage - EBITDA (x)	4.5	4.9	5.4	5.9	6.3
ROA - using norm profit (%)	2.7	2.9	3.3	3.7	4.1
ROE - using norm profit (%)	21.4	21.4	21.9	22.3	22.6
DuPont					
ROE - using after tax profit (%)	24.4	23.7	24.4	24.8	24.9
- asset turnover (x)	1.1	1.1	1.1	1.1	1.1
- operating margin (%)	5.2	5.2	5.5	5.8	6.2
- leverage (x)	7.9	7.3	6.7	6.1	5.5
- interest burden (%)	69.6	72.1	75.2	77.7	79.7
- tax burden (%)	81.9	81.7	81.7	81.7	81.7
WACC (%)	9.0	9.0	9.0	9.0	9.0
ROIC (%)	11.1	11.1	11.4	12.5	13.7
NOPAT (Bt m)	41,214	43,090	46,980	51,851	57,349
invested capital (Bt m)	388,764	410,851	414,257	418,003	420,997

Sources: Company data, ttb wealth estimates

*We forecast
profitability to head
upward*

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

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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

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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.

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90-100		Excellent
80-89		Very Good
70-79		Good
60-69		Satisfactory
50-59		Pass
Below		N/A

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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.

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