CP All Pcl (CPALL TB) - BUY, Price Bt48.75, TP Bt62.00

Results Comment

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Soft growth in 2Q26, in line

- CPALL reported Bt7.4bn net earnings in 2Q26. Excluding FX gains, normalized profit of Bt7.4bn grew 6% y-y but fell 17% q-q due to the weaker season. Earnings were in line with our expectations. The softer growth after 20% y-y growth in 1Q26 was mainly due to weak profits from 59.92%-owned CPAXT, the co-payment which began in June, and war-related expenses, e.g. higher transportation costs.
- Excluding profits from CPAXT, 7-Eleven and other businesses posted Bt6.3bn profit, up 12% y-y but down 14% q-q.
- CPALL-only businesses' key drivers were 4.9% y-y sales growth and gross margin expansion to 33.6% from 33.4% in 2Q25. Sales growth was mainly driven by the key 7-Eleven business, a 0.8% y-y Same-store sales growth (SSSG) and 689 new 7-Eleven stores y-y, bringing the total to 16,284 branches in Thailand. Gross margin expanded from a higher mix of higher-margin food and drink products at 7-Eleven, while CPRAM also generated a high margin. The margin expansion was lower than usual due to war-related expenses.
- 7-Eleven's SSSG was 0.8% y-y despite the negative impact from the co-payment scheme, with consumers switching purchases to eligible small street stores.

Income Statement					(consolidated)
Yr-end Dec (Bt m)	2Q25	3Q25	4Q25	1Q26	2Q26
Revenue	256,426	250,396	262,076	267,365	265,531
Gross profit	**64,256**	**63,037**	**65,744**	**66,979**	**67,102**
SG&A	51,115	51,004	52,208	51,309	53,803
Operating profit	13,141	12,033	13,536	15,670	13,299
EBITDA	**18,095**	**17,079**	**18,631**	**20,573**	**18,292**
Other income	148	123	118	116	116
Other expense	0	0	0	0	0
Interest expense	3,803	3,592	3,730	3,594	3,605
Profit before tax	**9,486**	**8,564**	**9,923**	**12,192**	**9,810**
Income tax	1,724	1,522	1,843	2,374	1,895
Equity & invest. income	144	170	160	180	183
Minority interests	(901)	(724)	(1,002)	(1,071)	(699)
Extraordinary items	(237)	109	18	192	113
Net profit	**6,768**	**6,597**	**7,256**	**9,118**	**7,512**
Normalized profit	**7,006**	**6,488**	**7,238**	**8,926**	**7,399**
EPS (Bt)	0.74	0.72	0.79	1.01	0.84
Normalized EPS (Bt)	0.77	0.71	0.79	0.99	0.82

Income Statement			6M as		
(Bt m)	q-q%	y-y%	% 2026F	2026F	2027F
Revenue	(1)	4	50	1,060,258	1,104,782
Gross profit	**0**	**4**	**50**	**266,511**	**281,946**
SG&A	5	5	50	209,008	218,481
Operating profit	(15)	1	50	57,503	63,465
EBITDA	**(11)**	**1**	**50**	**77,706**	**83,998**
Other income	0	(21)	41	565	646
Other expense					
Interest expense	0	(5)	50	14,380	14,275
Profit before tax	**(20)**	**3**	**50**	**43,688**	**49,836**
Income tax	(20)	10	53	7,995	9,120
Equity & invest. income	2	27	61	592	604
Minority interests	na	na	na	(4,199)	(4,621)
Extraordinary items	(41)	na	na	0	0
Net profit	**(18)**	**11**	**52**	**32,086**	**36,698**
Normalized profit	**(17)**	**6**	**51**	**32,086**	**36,698**
EPS (Bt)	(18)	13	53	3.52	4.03
Normalized EPS (Bt)	(17)	7	52	3.52	4.03

Balance Sheet					(consolidated)
Yr-end Dec (Bt m)	2Q25	3Q25	4Q25	1Q26	2Q26
Cash & ST investment	38,071	40,550	53,561	43,554	33,090
A/C receivable	3,409	4,460	5,241	4,948	4,781
Inventory	62,318	63,692	74,143	68,562	68,442
Other current assets	16,819	17,066	19,612	20,243	20,267
Investment	18,054	18,260	17,992	18,044	18,141
Fixed assets	216,005	218,839	223,119	223,107	223,764
Other assets	577,097	584,239	589,145	592,700	594,499
Total assets	**931,772**	**947,105**	**982,814**	**971,159**	**962,984**
S-T debt	84,452	76,359	64,066	62,675	61,785
A/C payable	115,612	115,711	134,424	123,606	117,537
Other current liabilities	46,168	49,538	52,089	49,678	48,953
L-T debt	231,699	244,837	262,205	250,905	257,789
Other liabilities	134,346	135,642	138,486	140,935	142,046
Minority interest	192,474	192,476	193,403	195,133	193,684
Shareholders' equity	**127,021**	**132,542**	**138,141**	**148,228**	**141,191**
Working capital	(49,886)	(47,559)	(55,039)	(50,096)	(44,314)
Total debt	316,150	321,196	326,271	313,580	319,574
Net debt	**278,079**	**280,646**	**272,710**	**270,026**	**286,485**

Financial Ratios					
(%)	2Q25	3Q25	4Q25	1Q26	2Q26
Sales growth	3.5	3.8	1.8	5.8	3.6
Operating profit growth	9.2	0.7	(4.0)	11.5	1.2
EBITDA growth	7.6	1.0	(2.9)	8.6	1.1
Norm profit growth	13.8	4.8	2.4	18.1	5.6
Norm EPS growth	14.1	4.9	2.5	19.9	7.4
Gross margin	25.1	25.2	25.1	25.1	25.3
Operating margin	5.1	4.8	5.2	5.9	5.0
EBITDA margin	7.1	6.8	7.1	7.7	6.9
Norm net margin	2.7	2.6	2.8	3.3	2.8
D/E (x)	1.0	1.0	1.0	0.9	1.0
Net D/E (x)	0.9	0.9	0.8	0.8	0.9
Interest coverage (x)	4.8	4.8	5.0	5.7	5.1
Interest rate	4.9	4.5	4.6	4.5	4.6
Effective tax rate	18.2	17.8	18.6	19.5	19.3
ROA	5.0	4.6	5.0	5.6	4.8
ROE	21.4	20.0	21.4	24.9	20.5

Sources: Company data, ttb wealth estimates

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