FUNDAMENTAL SYNOPSIS

CPALL Outperform

3Q25 profit down qoq (low season) but up yoy

Current Price (B)	48.50
Target Price (B)	72.00
Upside (%)	48.5
Dividend Yield (%)	3.2

Flash Points

3Q25 net profit is estimated at B6.45bn, falling 5%qoq but growing 15%yoy.

Sales and service revenue is expected to fall 3%qoq in rainy season (low season for spending), and other income is expected to drop, while SG&A/sales is projected to increase.

Total sales are projected to grow 3%yoy. Same store sales (SSS) from every business – convenience store (7-Eleven), wholesale (MAKRO), and retail (Lotus's) – are expected to stay flat. Sales would be mainly driven by new stores. CPALL is expected to have almost 16,000 7-Eleven stores, growing 5%yoy. Gross margin is projected to rise from 22.7% in 3Q24 to 23% in 3Q25, driven by larger high-margin ready-to-eat (RTE) sales mix.

Impact Insight

If 3Q25 profit is as expected, 9M25 profit is projected to make up 77% of our 2025 forecast of B27bn.

4Q25 profit is projected to grow qoq and yoy thanks to high season for all businesses. 4Q (end-year festive season) is a high season for spending and tourism (strong sales in tourist areas). Also, Khon La Khrueng Plus will boost purchasing power and support small businesses that buy their goods or ingredients from MAKRO (wholesale) and Lotus's (retail).

We maintain our forecast at B27bn (growing 7%yoy) in 2025 and B29bn (growing 9%yoy) in 2026, having 2-3% upside.

Execution

2026 fair value is B72.00 (P/E ratio of 22x (-1.5SD). We reiterate Outperform.

3Q25 profit already passed the bottom. 4Q25 profit should grow strong thanks to high season for all businesses. CPALL is inexpensive with 2026 P/E ratio of only 14.8 (-2.4SD).

Technical Chart

Price Trend: Sideways Up
Support: 47.00
Resist : 51.25

Source: ASPS Research

Consensus Analysis

EPS (B)	ASPS	IAA Cons	% diff
2025F	3.02	3.09	-2%
2026F	3.28	3.38	-3%

Source: ASPS Research

Global Peers

Stock	PE		P/BV	
	2025F	2026F	2025F	2026F
PRESIDENT CHAIN	21.61	19.97	5.87	5.53
AEON CO LTD	44.71	98.45	1.48	4.11
SM INVESTMENTS	10.15	9.21	1.28	1.15
PHILIPP SEVEN	24.00	21.40	5.40	4.23
ALIMEN COUCHE	19.28	18.17	3.47	3.21
CANADIAN TIRE-A	13.92	12.62	1.47	1.42
DFI RETAIL GROUP	17.10	16.42	25.58	10.71

Source: Bloomberg

Key Financial Forecast

Ending Dec 31	2024	2025F	2026F	2027F
Sales	958,998	1,004,381	1,061,963	1,133,441
Net Profit	25,346	27,156	29,477	32,710
Normalized Profit	25,286	27,156	29,477	32,710
EPS (B)	2.82	3.02	3.28	3.64
DPS (B)	1.35	1.45	1.58	1.75
PER (x)	17.2	16.0	14.8	13.3
Dividend Yield (%)	2.8%	3.0%	3.2%	3.6%
PBV (x)	1.4	1.3	1.2	1.1

Source: ASPS Research

ESG Assessment

SET ESG Ratings	AAA
CG Score	Excellent
Anti-corruption Certificate	yes

Source: SET

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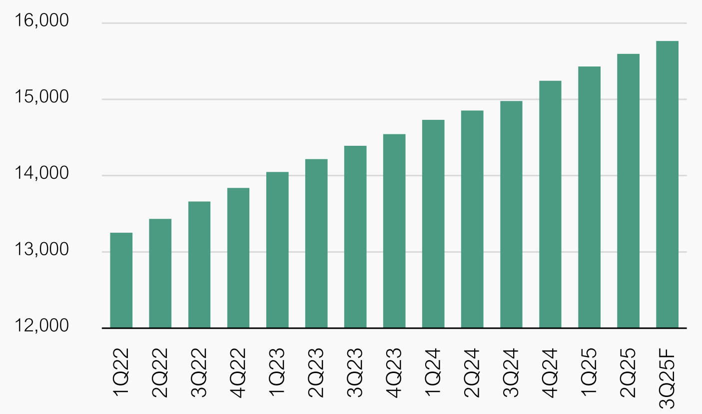
Earnings Results by Quarter

Million B	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25F	QoQ (%)	YoY (%)	9M24	9M25F	YoY (%)
Sales & Service Revenue	**234,315**	**240,948**	**234,044**	**249,691**	**245,798**	**248,865**	**240,632**	**-3.3%**	**2.8%**	**709,307**	**735,295**	**3.7%**
Cost of Sales & Service	(182,093)	(186,899)	(180,869)	(192,630)	(189,685)	(192,170)	(185,370)	-3.5%	2.5%	(549,860)	(567,225)	3.2%
Gross Profit	52,223	54,049	53,175	57,061	56,113	56,695	55,262	-2.5%	3.9%	159,447	168,070	5.4%
SG&A	(46,541)	(48,836)	(48,565)	(50,646)	(48,951)	(51,115)	(49,931)	-2.3%	2.8%	(143,942)	(149,997)	4.2%
Other Income	6,694	6,994	7,238	7,810	7,058	7,709	7,358	-4.6%	1.6%	20,926	22,125	5.7%
Normalized Profit	**6,022**	**6,155**	**6,190**	**6,948**	**7,560**	**7,006**	**6,452**	**-7.9%**	**4.2%**	**18,367**	**21,018**	**14.4%**
Extraordinary Items	298	84	(582)	231	25	(237)	-	NM	-100.0%	(200)	(212)	6.2%
Net Profit	**6,319**	**6,239**	**5,608**	**7,179**	**7,585**	**6,768**	**6,452**	**-4.7%**	**15.1%**	**18,167**	**20,806**	**14.5%**
EPS (B)	0.70	0.69	0.62	0.80	0.84	0.75	0.72	-4.7%	15.1%	2.02	2.32	14.5%
Gross Profit Margin (%)	22.3%	22.4%	22.7%	22.9%	22.8%	22.8%	23.0%			22.5%	22.9%	
SG&A/Sales (%)	19.9%	20.3%	20.8%	20.3%	19.9%	20.5%	20.8%			20.3%	20.4%	
Net Profit Margin (%)	2.7%	2.6%	2.4%	2.9%	3.1%	2.7%	2.7%			2.6%	2.8%	
Normalized Profit Margin (%)	2.6%	2.6%	2.6%	2.8%	3.1%	2.8%	2.7%			2.6%	2.9%	

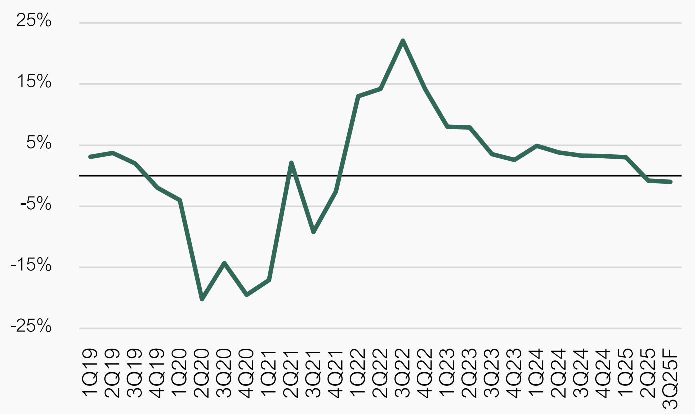
Source: ASPS Research

No. of Stores (7-Eleven)



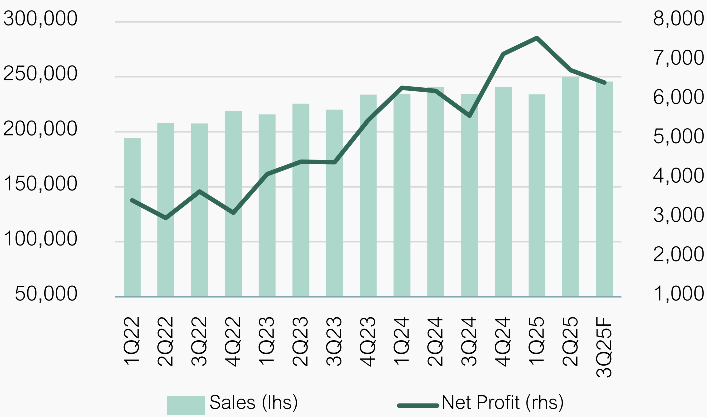
Source: CPALL, ASPS Research

Sames Store Sales (SSS) Growth



Source: CPALL, ASPS Research

Sales & Service Revenue & Gross Margin



Source: CPALL, ASPS Research

Key Risk

1. Economic deceleration and declining purchasing power due to inflation
2. Competition in core business (retail)
3. Cannibalism among stores in the same area

Source: ASPS Research

2025-2027 Earnings Forecast

Statement of Income (Million B)

Ended Dec31	2024	2025F	2026F	2027F
Sales	958,998	1,004,381	1,061,963	1,133,441
Cost of sales	(742,490)	(774,941)	(820,418)	(879,445)
Gross profit	216,507	229,440	241,545	253,996
SG&A	(194,588)	(205,478)	(216,990)	(230,460)
Operating profit	21,919	23,962	24,555	23,536
Shared profit from associates	673	713	735	757
Other income/expense	28,737	30,325	32,566	34,820
Interest expense	(15,495)	(14,699)	(13,825)	(11,221)
Earnings before tax	35,893	40,300	44,031	47,893
Income tax	(6,381)	(8,060)	(8,806)	(9,579)
Earnings before minority interest	29,512	32,240	35,225	38,314
Minority interest	(4,166)	(5,084)	(5,747)	(5,604)
Net profit	25,346	27,156	29,477	32,710
Normalized profit	25,286	27,156	29,477	32,710
EPS	1.41	1.51	1.64	1.82
Normalized EPS	1.41	1.51	1.64	1.82
Sales growth (yoy)	7.1%	4.7%	5.7%	6.7%
Operating profit growth (yoy)	34.0%	9.3%	2.5%	-4.1%
Gross margin	22.6%	22.8%	22.7%	22.4%
Net profit margin	2.3%	2.4%	2.3%	2.1%

Statement of Cash Flows (Million B)

Ended Dec31	2024	2025F	2026F	2027F
Cash flows from operating activities				
Net profit	25,346	27,156	29,477	32,710
Adjustments :	36,413	13,235	13,963	14,541
Depreciation and amortisation	22,219	23,519	24,669	25,819
Unrealized Fx gain/loss	-	-	-	-
Increase/decrease in operating assets	(11,974)	2,722	399	12,328
Net cash flows from operating activities	**76,169**	**71,717**	**74,256**	**91,002**
Cash flows from investing activities				
Increase/decrease in short-term investments	68	2	1	1
Increase/decrease in fixed assets	(25,574)	(44,000)	(36,500)	(33,500)
Others	(3,117)	2,618	2,472	2,334
Net cash flows from investing activies	**(28,623)**	**(41,381)**	**(34,026)**	**(31,165)**
Cash flows from financing activities				
Increase/decrease in loans	(4,245)	1,726	(4,038)	-
Increase/decrease in other liabilities	(34,477)	(36,862)	(43,970)	(34,893)
Increase/decrease in capital & share premium	-	-	-	-
Increase/decrease in shareholders' equity	-	-	-	-
Dividend paid	(8,982)	(12,127)	(13,035)	(14,149)
Net cash flows from financing activities	**(47,704)**	**(47,263)**	**(61,043)**	**(49,042)**
Increase/decrease in net cash	(158)	(16,926)	(20,814)	10,795
Net cash flow	**54,613**	**37,686**	**16,873**	**27,668**

Statement of Income (Million B)

Quarterly	3Q24	4Q24	1Q25	2Q25
Sales	234,044	249,691	245,798	248,865
Cost of sales	(180,869)	(192,630)	(189,685)	(192,170)
Gross profit	53,175	57,061	56,113	56,695
SG&A	(48,565)	(50,646)	(48,951)	(51,115)
Operating profit	7,238	7,810	7,058	7,709
Shared profit from associates	173	177	106	144
Earnings before tax	7,607	10,779	10,582	9,393
Income tax	(1,234)	(2,029)	(1,955)	(1,724)
Earnings before minority interest	6,373	8,750	8,627	7,669
Minority interest	(765)	(1,571)	(1,042)	(901)
Net profit	5,608	7,179	7,585	6,768
Extraordinary items	(582)	231	25	(237)
Normalized profit	6,190	6,948	7,560	7,006
Sales growth (qoq)	-2.9%	6.7%	-1.6%	1.2%
Gross profit growth (qoq)	-1.6%	7.3%	-1.7%	1.0%
Operating profit growth (qoq)	-11.6%	39.1%	11.7%	-22.1%

Financial Ratio

Ended Dec31	2024	2025F	2026F	2027F
Current ratio	0.6	0.5	0.4	0.4
Quick ratio	0.3	0.2	0.2	0.2
Account receivables turnover	267.0	255.1	257.0	258.1
Inventory turnover	12.5	12.3	12.4	12.9
Account payables turnover	5.8	5.9	6.0	6.0
Debt to Equity ratio	2.0	1.8	1.5	1.4
Gearing ratio	0.3	0.3	0.4	0.3
ROAA	2.7%	2.9%	3.2%	3.6%
ROAE	8.2%	8.3%	8.4%	8.8%

Statement of Financial Position

Ended Dec31	2024	2025F	2026F	2027F
Cash and cash equivalents	54,628	37,700	16,885	27,679
Account receivables	3,856	4,018	4,248	4,534
Inventories	61,269	64,280	67,966	68,006
Other current assets	17,399	15,343	16,218	15,034
Net PP&E	216,589	217,723	215,773	212,844
Other non-current assets	590,379	592,812	589,120	581,840
Total assets	**944,120**	**931,876**	**910,209**	**909,938**
Account payables	128,294	133,583	140,179	153,015
Other current liabilities	80,189	81,634	71,781	74,774
Short-term interest-bearing debt (1yr)	23,893	37,102	33,914	34,739
Long-term interest-bearing debt	263,132	213,389	178,496	139,887
Other non-current liabilities	129,002	127,463	125,964	124,503
Total liabilities	**624,510**	**593,171**	**550,334**	**526,917**
Paid-up share capital	8,983	8,983	8,983	8,983
Share premium	1,684	1,684	1,684	1,684
Retained earnings	106,726	120,736	136,159	153,701
Total shareholders' equity	**319,611**	**338,705**	**359,875**	**383,021**
Total liabilities and shareholders' equity	**944,120**	**931,876**	**910,209**	**909,938**

Assumption

Ended Dec31	2024	2025F	2026F	2027F
Sales & service revenue				
- Convenience store	444,105	475,344	514,241	562,999
- Wholesale	273,491	284,431	297,230	312,092
- Retail	215,370	219,677	225,169	231,924
Gross margin	22.6%	22.8%	22.7%	22.4%
No. of 7-Eleven stores	15,245	15,945	16,645	17,345

Source: ASPS Research