UOBKayHian

Country Daily | Thailand

Monday, 10 August 2026

Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	54036.9	0.3	3.0	2.7	12.4
S&P 500	7757.6	0.6	3.6	2.4	13.3
FTSE 100	10901.1	0.3	0.3	3.8	9.8
AS30	9445.1	(0.1)	3.4	4.9	4.7
CSI 300	4694.4	0.9	2.3	(1.8)	1.4
FSSTI	5698.4	1.1	1.2	4.2	22.6
HSCEI	8531.6	0.4	(0.9)	6.1	(4.3)
HSI	25668.0	0.5	(0.8)	6.2	0.1
JCI	6409.7	1.0	2.8	8.2	(25.9)
KLCI	1735.8	(0.1)	0.6	2.6	3.3
KOSPI	6258.8	(0.6)	(5.1)	(16.3)	48.5
Nikkei 225	65606.7	(0.1)	1.9	(4.3)	30.3
SET	1612.0	(0.2)	(0.7)	(0.6)	28.0
TWSE	44225.9	(0.4)	2.6	(2.5)	52.7
BDI	3089	1.0	13.1	4.9	64.6
CPO (RM/mt)	4515	(0.4)	0.4	0.9	14.8
Brent Crude (US$/bbl)	84	1.0	0.7	11.0	38.7

Source: Bloomberg

Corporate Events

	Venue	Begin	Close
Virtual Meeting with UOB-Kay Hian Holdings Ltd (UOBK SP)	Singapore	11 Aug	11 Aug
Hybrid Meeting with UltraGreen.ai Ltd (UGAI SP)	Singapore	13 Aug	13 Aug
Virtual Meeting on Indonesia Economic Outlook by Mr. Enrico Tanuwidjaja	Indonesia	19 Aug	19 Aug
Analyst Marketing by Julia Pan on Greater China Internet Sector	Singapore	07 Sep	08 Sep
Analyst Marketing by Julia Pan on Greater China Internet Sector	Malaysia	09 Sep	11 Sep

Corporate and Macro Calendar

Economic Indicator/Event	Date
July. Consumer Confidence	7-13 Aug
2Q GDP YoY	17 Aug
July. Customs Trade Balance (Export-Import)	21-26 Aug

Top Stories

Company Results | Bangchak Corporation (BCP TB/**BUY** Bt44.50/Target: Bt52.00)

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- BCP reported a strong 2Q26 core profit of Bt12.2b (+878% yoy, +25% qoq), broadly in line with our estimate, supported by resilient refining margins, a stronger marketing performance and the first commercial contribution from its SAF business. Despite temporary government intervention, core GRM remained robust at US$18.40/bbl, while BSRC synergies and diversified crude sourcing continued to support earnings resilience. We expect earnings to remain robust in 2H26. Maintain BUY with a target price of Bt52.00.

Company Results | Minor International (MINT TB/**HOLD**/Bt23.20/Target: Bt24.00)

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- MINT reported a 2Q26 core profit of Bt3.51b (+3.0% yoy), with margins pressured by higher costs and interest expenses. The postponed REIT launch will limit deleveraging and add around Bt300m in annual interest costs, while further perpetual conversions could increase the burden. We believe MINT's 2026 growth target is unlikely to be achieved, despite continued asset-light expansion and franchising. Given the rising interest burden and limited earnings growth, we maintain HOLD with a target price of Bt24.00.

Company Results | MR. D.I.Y. Thailand (MRDIYT TB/**BUY**/Bt9.85/Target: Bt11.00)

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- MRDIYT reported 2Q26 net profit of Bt757m (+19% yoy, +12% qoq), in line with our and market expectations. Earnings growth is expected to remain positive throughout 2H26, driven by continued store expansion. Maintain BUY with a target price of Bt11.00, or 12-month forward PE of 20x.

Company Update | Central Retail Corporation (CRC TB/**BUY**/Bt26.25/Target: Bt30.00)

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- CRC announced the acquisition of 100% of AEON (Thailand), which operates supermarkets under the Max Valu brand. The purchase price is lower than the cost of developing a greenfield operation. Management targets EBIT breakeven by 4Q27 and plans to rebrand the acquired stores under the Tops banner. We revise our 2026-27 earnings forecast by 13% to reflect strong earnings growth. Maintain BUY with a higher target price of Bt30.00 (from 25.50).

What's Inside

Company Results | CP Axtra (CPAXT TB/**HOLD**/Bt15.00/Target: Bt14.50)

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- CP Axtra (CPAXT) reported 2Q26 net profit of Bt1.87b, down 18% yoy and 33% qoq, in line with our and consensus expectation. Results broadly reflect weaker operations in both wholesale and retail. Maintain HOLD with a target price of Bt14.50.

Bangchak Corporation (BCP TB)

2Q26: Record Earnings Reinforce Our Positive View

Highlights

- BCP reported a core profit of Bt12.2b (+878% yoy, +25% qoq), driven by resilient refining margins, a stronger marketing performance and the first commercial contribution from its SAF business. Results were broadly in line with our estimates.
- We also anticipate earnings momentum remaining strong in 2H26.
- Maintain BUY with a target price of Bt52.00.

2Q26 Results

Year to 31 Dec (Btm)	2Q26	2Q25	1Q26	yoy	qoq	1H26	1H25	yoy
				%Chg	%Chg	(Btm)	(Btm)	%Chg
Turnover	183,553	125,581	142,528	*46*	29	326,081	259,811	*25.5*
core EBITDA	24,923	8,525	20,133	192	24	45,056	20,187	*123*
Inventory gain/(loss)	(141)	(3,969)	8,299	(96)	(102)	8,158	(3,750)	*(318)*
Net Profit	12,239	(2,560)	6,144	*N/A*	99	18,383	(445)	*(4,233)*
EPS	8.3	(1.9)	4.5	*N/A*	83	12.8	(0.3)	*(4,071)*
Core profit	12,202	1,247	9,755	*879*	*25*	21,957	2,998	*632*

Source: Bangchak Corporation, UOB Kay Hian

Analysis

- **Strong operational earnings driven by refining and SAF.** Bangchak Corporation (BCP) reported a record high core profit in 2Q26 at Bt12.2b (+879% yoy, +25% qoq), in line with our forecast, supported by a still-robust gross refinery margin (GRM) of US$18.40/bbl, higher marketing margin and first quarter contribution from the sustainable aviation fuel (SAF) business following commercial operations in May. The 1H26 results account for 64% of our full-year forecasts. All operating numbers are in line with our and market estimates.
- **Refinery performance remained the key driver for 2Q26.** Although refinery utilisation eased to 93% (from 95% in 1Q26) due to temporary diesel export restrictions, BCP maintained a strong core GRM of US$18.40/bbl (1Q26 US$18.60/bbl) supported by strong diesel and jet fuel cracks. Meanwhile, the marketing business improved as marketing margin rose to Bt1.26/litre (1Q26: Bt0.73/litre) partly offsetting lower sales volumes (-14% qoq).

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	589,877.4	507,569.9	601,980.6	628,008.5	745,010.4
EBITDA	46,554.0	26,408.8	90,144.8	54,657.3	52,465.3
Operating profit	26,498.0	8,300.7	73,644.8	38,157.3	34,965.3
Net profit (rep./act.)	2,184.1	2,879.7	34,125.7	11,899.2	13,250.3
Net profit (adj.)	6,120.1	10,239.7	34,125.7	11,899.2	13,250.3
EPS	4.4	7.4	23.2	8.1	9.0
PE (x)	10.1	6.0	1.9	5.5	5.0
P/B (x)	1.0	0.9	0.6	0.6	0.5
EV/EBITDA (x)	4.0	6.6	1.8	3.0	2.9
Dividend yield (%)	2.4	2.8	8.9	5.4	5.4
Net margin (%)	0.4	0.6	5.7	1.9	1.8
Net debt/(cash) to equity(%)	165.5	140.6	71.8	64.7	47.0
Interest cover (x)	6.6	4.2	10.6	6.6	6.5
ROE (%)	4.3	5.2	46.0	15.0	15.6

Source: BCP, Bloomberg, UOB Kay Hian

Analyst

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BUY (Maintained)

Share Price	Bt44.50
Target Price	Bt52.00
Upside	16.9%

Stock Data

Sector	Energy
Bloomberg ticker	BCP TB
Shares issued (m)	1470.0
Market cap (Bt m)	54,759.0
Market cap (US$m)	1672.4
3-mth avg daily t'over (US$m)	9.6

Price Performance (%)

52-week high/low				Bt40.0/Bt25
1mth	3mth	6mth	1yr	YTD
2.0	19.2	29.6	4.2	43.3

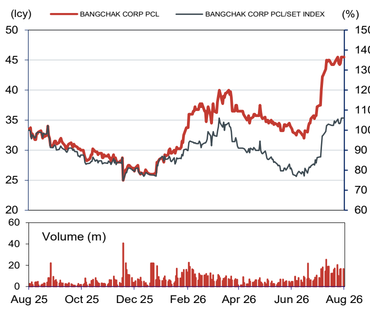
Major Shareholders (%)

Vayapak fund 1	19.8
Social Security Office (SSO)	15.1

Balance Sheet Metrics

FY26 NAV/Share (Bt)	71.6
FY26 Net Debt/Share (Bt)	51.4

Price Chart



Source: Bloomberg

Company Description

BCP is one of the refiners in Thailand. It operates a small complex refinery located in Bangkok with a capacity of 120,000 bbl/day, representing 10% of Thailand's refining capacity. BCP distributes products to clients through its service stations nationwide.

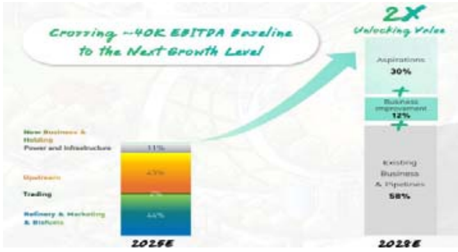
- **Government intervention had limited impact.** Lower refinery utilisation (93%) reflecting a temporary diesel price cap weighed on refining, but these were largely offset by a strong GRM, improved trading performance and growing contributions from the non-refining businesses. Note that we expect a minimal impact of Bt1.1b in 3Q26 from the second-round diesel cap (Jul-Aug 26)
- **Biofuel earnings improved in 2Q26.** The government's return to the B7 diesel blend from mid-March boosted biodiesel demand, with BCP's B100 sales volume rising 22% qoq to 115.5m litres. The higher blending requirement, together with improved biodiesel margins, supported BCP's biofuel EBITDA to Bt794m (+5,000% yoy and 95% qoq). We remain positive on the outlook in 3Q26, supported by the potential extension of the B7 mandate with the government's plan to promote B10 for passenger vehicles and B20 for heavy-duty trucks, which should provide further upside to biodiesel demand and margins.
- **SAF margins remain favourable.** We believe BCP's SAF business should benefit from a healthy SAF- Unconverted Oil (UCO) spread, which has remained above historical averages, allowing the plant to contribute impressive earnings in 2H26. We believe SAF is expected to become a meaningful long-term earnings contributor for BCP.

2Q26 Operating Statistics

	2Q26	2Q25	1Q26
US$/bbl			
GRM	18.4	4.45	18.6
Hedging	(1.1)	(1.22)	(13.8)
Inventory gain/(loss)	(0.2)	(4.75)	9.4
Total GRM	17.2	(1.52)	14.2

Source: BCP

Double EBITDA Target



Source: BCP

Valuation/Recommendation

- **Maintain BUY with a target price of Bt52.00.** Our target price is based on SOTP valuation, implying 1.0x 2026F P/B. Despite a 71% ytd share price gain, BCP still trades at only 1.9x 2026F PE and 0.6x P/B, which we believe does not fully reflect its structurally higher earnings base and SAF's commercialisation.

Earnings Revision/Risk

- **Earnings revision:** None.

Share Price Catalyst

- 3Q26: Stronger diesel and jet fuel margins.
- Strong contribution from SAF.
- Share buyback possibility.
- Potential rerating after Anti-Money Laundering Office overhang eases.

Environment, Social, Governance (ESG) Updates

Environmental

- BCP aims to achieve carbon neutrality by 2030 and net zero emission by 2050. To achieve this, BCP will improve overall production efficiency and utilise products that reduce emissions by 20% by 2024, and 30% by 2030.

Social

- Social development is part of BCP's business management. The corporate and employee culture is to engage in social development for sustainability.

Governance

- BCP maintains an annual "Excellent" CG score from the Thai Institute of Directors Association.

Profit & loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	507,570	601,981	628,008	745,010
EBITDA	26,409	90,145	54,657	52,465
Deprec. & amort.	18,108	16,500	16,500	17,500
EBIT	8,301	73,645	38,157	34,965
Total other non-op. income	2,607	420	420	450
Associate contributions	(6,296)	(8,522)	(8,301)	(8,100)
Net interest income/(expense)	4,612	65,543	30,276	27,315
Pre-tax profit	(2,167)	(26,217)	(15,138)	(12,565)
Tax	435	(5,200)	(3,239)	(1,500)
Minorities	2,880	34,126	11,899	13,250
Net profit	10,240	34,126	11,899	13,250
Net profit (adj.)	507,570	601,981	628,008	745,010

Balance Sheet

Year to 31 Dec (Btm	2025	2026F	2027F	2028F
Fixed assets	114,934	113,434	111,934	109,434
Other LT assets	88,960	117,352	118,945	122,276
Cash/ST investment	28,555	54,649	36,898	47,121
Other current assets	66,356	97,488	101,550	102,564
Total assets	298,805	382,922	369,327	381,395
ST debt	36,114	43,829	51,559	36,829
Other current liabilities	36,901	73,124	65,970	69,970
LT debt	86,584	86,584	60,354	70,354
Other LT liabilities	55,065	44,820	46,476	47,520
Shareholders' equity	66,936	105,566	115,968	127,722
Minority interest	17,205	29,000	29,000	29,000
Total liabilities & equity	298,805	382,922	369,327	381,395

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	14,892	39,323	18,046	33,424
Pre-tax profit	4,612	65,543	30,276	27,315
Tax	(2,167)	(26,217)	(15,138)	(12,565)
Deprec. & amort.	18,108	16,500	16,500	17,500
Associates	435	(5,200)	(3,239)	(1,500)
Working capital changes	231	(3,159)	(11,211)	2,769
Other operating cashflows	(6,326)	(8,144)	858	(95)
Investing	(14,463)	(25,447)	(15,800)	(16,975)
Capex (growth)	(17,293)	(15,000)	(15,000)	(15,000)
Others	2,830	(10,447)	(800)	(1,975)
Financing	135	12,218	(19,997)	(6,227)
Dividend payments	(639)	(1,997)	(1,997)	(1,997)
Issue of shares	0.0	1	0	0
Proceeds from borrowings	(4,812)	7,715	(18,500)	(4,730)
Others/interest paid	5,586	6,499	500	500
Net cash inflow (outflow)	564	26,093	(17,750)	10,223
Beginning cash & cash equivalent	28,626	28,555	54,649	36,898
Ending cash & cash equivalent	29,191	54,649	36,898	47,121

Key Metric

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	5.2	15.0	8.7	7.0
Pre-tax margin	0.9	10.9	4.8	3.7
Net margin	0.6	5.7	1.9	1.8
ROA	1.4	13.6	4.9	5.3
ROE	5.2	46.0	15.0	15.6
Growth (% yoy)				
Turnover	164.3	213.5	227.0	288.0
EBITDA	166.2	808.6	450.9	428.8
Pre-tax profit	23.7	1,658.1	712.1	632.7
Net profit	16.9	1,285.6	383.1	438.0
Net profit (adj.)	67.3	233.3	(65.1)	11.4
EPS	134.2	629.2	154.2	183.1
Leverage				
Debt to total capital	145.8	96.9	77.2	68.4
Debt to equity	183.3	123.5	96.5	83.9
Net debt/(cash) to equity	140.6	71.8	64.7	47.0
Interest cover (x)	4.2	10.6	6.6	6.5

Minor International (MINT TB)

2Q26: Reported Weak Core Profit Growth In Line

Highlights

- MINT reported a core profit of Bt3.51b (+3.0% yoy, +2,322.8% qoq), showing a weak yoy growth.
- MINT postponed its REIT launch, which will hamper the deleveraging plan and result in a higher interest burden.
- We expect MINT not to be able to achieve its growth target due to the weak performance in 1H26 and the asset-light expansion will not be able to offset the interest burden. Maintain HOLD with a target price of Bt24.00.

2Q26 Results

Year to 31 Dec (Btm)	2Q25	1Q26	2Q26	yoy (%)	qoq (%)	1H25	1H26	yoy (%)
Total revenue	42,083	37,346	43,335	3.0	16.0	77,651	80,681	3.9
Operating EBITDA	12,823	7,372	12,538	(2.2)	70.1	21,522	19,910	(7.5)
Core profit	3,411	145	3,513	3.0	2,322.8	3,461	3,658	5.7
Net profit	3,086	649	3,308	7.2	409.9	3,502	3,957	13.0
EPS (Bt)	0.54	0.12	0.58	7.2	406.6	0.62	0.70	13.0

(%)	2Q25	1Q26	2Q26	yoy (ppt)	qoq (ppt)	1H25	1H26	yoy (ppt)
Gross margin	45.0	40.3	45.3	0.4	5.0	43.0	43.0	(0.0)
SG&A to sales	31.6	35.7	30.6	(1.1)	(5.1)	33.6	33.0	(0.6)
EBITDA margin	30.5	19.7	28.9	(1.5)	9.2	27.7	24.7	(3.0)
Core profit margin	8.1	0.4	8.1	0.0	7.7	4.5	4.5	0.1
Net profit margin	7.3	1.7	7.6	0.3	5.9	10.5	11.4	0.9

Source: MINT, UOB Kay Hian

Analysis

Reported weak yoy core profit growth in 2Q26. Minor International (MINT) MINT reported a net profit of Bt3.31b (+7.2% yoy). Excluding extra items such as foreign exchange losses and derivatives losses, its 2Q26 core profit stands at Bt3.51b (+3.0% yoy), in line with our and consensus forecasts. The overall RevPar from MINT's hotels came in flat yoy at +1%, due to the war. Hotels in Europe, Thailand, Maldives, and Australia showed RevPar of +4%, +3%, -6%, and -3% yoy in local currency. Interest expense rose 6% yoy and 16% qoq due to the increasing syndicated loan amount from perpetual conversion. EBITDA margins declined 1.5ppt yoy due to cost pressure, as the food business saw packaging and logistics costs rising. 1H26 net profit accounts for 41% of our 2026 earnings forecast.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	164,224	165,936	173,871	182,220	190,979
EBITDA	42,684	44,396	41,481	43,842	45,907
Operating profit	21,236	22,844	22,255	24,232	25,909
Net profit (rep./act.)	7,750	9,009	9,633	10,315	11,202
Net profit (adj.)	8,391	9,699	9,633	10,315	11,202
EPS (Bt)	1.5	1.7	1.6	1.7	1.9
PE (x)	14.6	12.6	13.9	13.0	11.9
P/B (x)	1.4	1.2	1.3	1.2	1.1
EV/EBITDA (x)	6.1	5.9	7.0	6.6	6.3
Dividend yield (%)	2.6	3.3	3.2	3.4	3.7
Net margin (%)	4.7	5.4	5.5	5.7	5.9
Net debt/(cash) to equity (%)	187.6	133.5	159.8	142.2	123.4
Interest cover (x)	4.1	5.0	5.0	4.7	4.8
ROE (%)	9.4	9.5	10.3	10.2	10.4
Consensus net profit (Btm)	-	-	9,912	10,958	12,187
UOBKH/Consensus (x)	-	-	0.97	0.94	0.92

Source: Minor International, Bloomberg, UOB Kay Hian

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HOLD (Maintained)

Share Price	Bt23.20
Target Price	Bt24.00
Upside	+3.4%

Stock Data

Sector	Consumer Discretionary
Bloomberg ticker	MINT TB
Shares issued (m)	5,624.6
Market cap (Btm)	130,490.1
Market cap (US$m)	3,939.9
3-mth avg daily t'over (US$m)	28.3

Price Performance (%)

52-week high/low: Bt27.00/Bt19.60

1mth	3mth	6mth	1yr	YTD
(6.5)	12.1	(6.8)	(4.5)	(4.5)

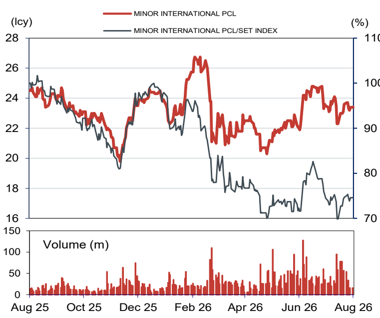
Major Shareholders (%)

Minor Group & Heinecke Family	34.0
Foreign Fund	27.0

Balance Sheet Metrics

FY26 NAV/Share (Bt)	17.29
FY26 Net Debt/ Share (Bt)	27.62

Price Chart



Source: Bloomberg

Company Description

MINT is one of the largest hospitality companies in the Asia-Pacific region. It also operates restaurants in Thailand and overseas and is involved in residential property development and retail trading.

- **REIT postponement adds to interest burden.** MINT has decided to postpone its REIT launch, which was initially planned for 2H26, due to weak demand and unfavourable market conditions. We view the delay as a significant negative for MINT's earnings outlook, as the company will be unable to meaningfully reduce its leverage in the near term. MINT's net IBD/E increased from 0.88x at end-1Q26 to 1.10x in 2Q26 following the conversion of the perpetual bond into a long-term loan of slightly over Bt10b. As a result, MINT will incur additional interest expenses of around Bt300m annually, creating a meaningful headwind to earnings growth. The REIT remains in MINT's pipeline and could be revisited once market conditions improve. In the meantime, MINT will focus on its food IPO and asset rotation initiatives, although the food IPO remains uncertain and is not included in our assumptions.
- **2026 growth guidance is unlikely to be achieved.** Management previously maintained its three-year guidance, targeting high single-digit annual revenue growth and profit growth of 15-20% p.a.. So far, the 1H26 core earnings have only shown a 5.7% yoy growth, which is way below the target. Given the increasing interest burden from the converted perpetuals, we believe that the target of 15-20% core profit growth is unlikely to be achieved this year. Meanwhile for Sep 27, there will be another tranche of perpetuals to be converted into loans and another in Feb 28. We think that this increasing interest burden could be a long-term overhang if the REIT cannot be launched.
- **MINT still focuses on asset-light expansion.** Given its relatively high leverage, MINT is prioritising asset-light hotel growth to ease balance sheet pressure. While revenue contribution per contract is relatively small, margins are attractive as the model requires limited capital investment, operating expenses, and ramp-up costs. As of 1Q26, MINT operated 643 hotels with 240 projects in the pipeline, targeting an asset-light share of 51% of total rooms by 2028, up from 34% currently. MINT aims to sign over 50 hotel contracts in 2026, with 30 targeted in 1H26. In the food business, MINT is also accelerating franchising to raise the franchise mix to 56% of total outlets, while expanding in high-growth markets such as Indonesia and India. However, we think that the asset-light strategy will not be able to offset the increasing interest burden.

Valuation/Recommendation

- **Maintain HOLD with a target price of Bt24.00.** Our valuation is based on 2026 EV/EBITDA multiple at 7.0x, 1SD below the three-year mean. We are still not optimistic about MINT as it deferred its REIT launch plan, and the increasing interest expense will hamper its earnings growth, resulting in the growth target for 2026 being unlikely to be achieved. Meanwhile, the asset-light expansion will not be able to offset the increasing interest burden. Hence, we prefer AWC and CENTEL as our sector top picks.

Environment, Social, Governance (ESG) Updates

Environmental

- **Pledge Net Zero by 2050.**
- **Strategy to conserve resources.** To reduce emissions and waste and protect biodiversity across the operations and supply chains.

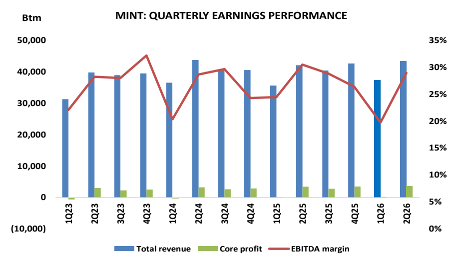
Social

- **Strict occupational health and safety guidelines.** Ensures supplier compliance with the safety guidelines.

Governance

- **CEO & senior management KPI.** Based on KPIs such as internal control compliance, sustainability and human resource management **The guidelines are reviewed annually** to incorporate changes in governance requirements, business operations, and applicable laws.

Quarterly Performance



Source: MINT, UOB Kay Hian

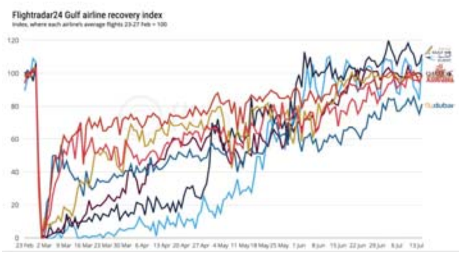
Debt Profile

Source: MINT

Growth Target

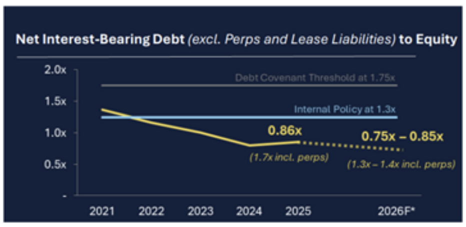
Source: MINT

Middle Eastern Airline Air Connectivity



Source: UOB Kay Hian

MINT'S Debt Covenant



Source: MINT

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	165,936	173,871	182,220	190,979
EBITDA	44,396	41,481	43,842	45,907
Deprec. & amort.	21,553	19,226	19,610	19,998
EBIT	22,844	22,255	24,232	25,909
Total other non-op. income	(2,242)	3	3	3
Associate contributions	1,436	932	1,025	1,127
Net interest income/(expense)	(8,817)	(8,231)	(9,255)	(9,664)
Pre-tax profit	13,221	14,959	16,005	17,375
Tax	(3,381)	(4,489)	(4,794)	(5,199)
Minorities	(830)	(838)	(897)	(974)
Net profit	9,009	9,633	10,315	11,202
Net profit (adj.)	9,699	9,633	10,315	11,202

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Fixed assets	283,129	277,104	277,311	275,481
Other LT assets	36,208	37,009	38,116	39,309
Cash/ST investment	9,596	35,961	52,822	67,898
Other current assets	28,397	30,165	31,609	33,144
Total assets	357,330	380,239	399,858	415,832
ST debt	24,346	37,149	53,649	63,649
Other current liabilities	38,162	40,537	42,478	44,542
LT debt	159,625	155,394	147,463	141,463
Other LT liabilities	38,211	40,590	42,534	44,600
Shareholders' equity	89,270	98,014	104,283	111,153
Minority interest	7,716	8,553	9,450	10,424
Total liabilities & equity	357,330	380,238	399,858	415,831

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	34,563	30,304	31,318	32,702
Pre-tax profit	13,221	14,959	16,005	17,375
Tax	(3,381)	(4,489)	(4,794)	(5,199)
Deprec. & amort.	21,553	19,226	19,610	19,998
Associates	(1,436)	(932)	(1,025)	(1,127)
Working capital changes	(1,485)	184	150	160
Non-cash items	4,656	424	346	368
Other operating cashflows	1,436	932	1,025	1,127
Investing	(36,141)	(8,826)	(18,981)	(17,294)
Capex (growth)	(36,620)	(6,201)	(19,818)	(18,168)
Investment	22,501	22,449	22,859	23,310
Others	(22,022)	(25,075)	(22,023)	(22,436)
Financing	(2,145)	4,887	4,523	(332)
Dividend payments	(3,227)	(3,685)	(4,046)	(4,332)
Proceeds from borrowings	5,846	8,572	8,569	4,000
Others/interest paid	(4,764)	-	-	-
Net cash inflow (outflow)	(3,722)	26,365	16,860	15,076
Beginning cash & cash equiv.	13,319	9,596	35,961	52,822
Ending cash & cash equiv.	9,596	35,961	52,822	67,898

Key Metric

Year to 31 Dec (S$m)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	26.8	23.9	24.1	24.0
Pre-tax margin	8.0	8.6	8.8	9.1
Net margin	5.4	5.5	5.7	5.9
ROA	2.6	2.6	2.6	2.7
ROE	10.2	10.3	10.2	10.4
Growth (% yoy)				
Turnover	1.0	4.8	4.8	4.8
EBITDA	4.0	(6.6)	5.7	4.7
Pre-tax profit	18.1	13.1	7.0	8.6
Net profit	16.2	6.9	7.1	8.6
Net profit (adj.)	15.6	(0.7)	7.1	8.6
EPS	15.6	(6.1)	7.1	8.6
Leverage				
Debt to total capital	65.5	64.4	63.9	62.8
Debt to equity	206.1	196.4	192.9	184.5
Net debt/(cash) to equity	195.3	159.8	142.2	123.4
Interest cover (x)	5.0	5.0	4.7	4.8

MR. D.I.Y. Thailand (MRDIYT TB)

2Q26: Results In Line; Strong Margin Expansion

Highlights

- MRDIYT reported 2Q26 net profit of Bt757m (+19% yoy, +12% qoq), in line with our and market expectations.
- Earnings growth is expected to remain positive throughout 2H26, driven by continued store expansion.
- Maintain BUY with a target price of Bt11.00, or 12-month forward PE of 20x.

2Q26 Results

Year to 31 Dec (S$m)	2Q26	1Q26	2Q25	qoq%	yoy%	2025	2026	yoy (%)
Sales and services	4,951	5,424	5,832	17.8	7.5	20,078	23,294	16.0
Gross profit	2,546	2,819	3,034	19.2	7.7	10,386	12,049	16.0
SG&A	(1,626)	(1,868)	(1,997)	22.8	6.9	(6,649)	(7,737)	16.4
EBIT	947	979	1,082	14.2	10.5	3,858	4,452	15.4
EBITDA	1,589	1,712	1,853	16.6	8.2	6,474	7,193	11.1
Equity income	(34)	(28)	(27)	n.a.	n.a.	(91)	(80)	n.a.
Net profit	634	678	757	19.4	11.6	2,631	3,104	17.9
Percent	2Q25	1Q26	2Q26	ppts	ppts	2025	2026	ppts
SSSG	5.0	1.3	(1.2)	(2.5)	(6.2)	51.7	51.7	0.0
Gross margin	51.4	52.0	52.0	0.60	0.1	33.1	33.2	0.1
SG&A to sales	32.8	34.4	34.2	1.39	(0.2)	13.1	13.3	0.2

Source: MR. D.I.Y. Thailand, UOB Kay Hian

Analysis

- **Results in line.** MR. D.I.Y. Thailand (MRDIYT) reported 2Q26 net profit of Bt757m, rising 19% yoy and 12% qoq, in line with our and consensus expectations, supported by revenue growth, higher gross margin, increased other income, and lower losses from KKV. 2Q26 SSSG was -1.2% yoy, mainly due to a high base in 2Q25, which benefitted from tax incentives for school supplies. The impact of the Thai Help Thai Plus copayment scheme was neutral for MRDIYT, with sales performing well in the first two weeks of Jun 26 before slowing thereafter. Gross margin in 2Q26 expanded by 60bps to 52.0%, reaching the upper end of the company's full-year target, with no impact from higher costs seen yet. SG&A-to-sales increased 139 bps to 34.2%, driven by store expansion and weaker SSSG. Losses from KKV are expected to decline to Bt28m.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	16,147.0	20,077.9	23,711.4	27,438.9	29,359.7
EBITDA	4,772.3	6,473.8	7,170.9	8,147.3	8,829.6
Operating profit	2,644.3	3,857.6	4,429.8	5,078.0	5,433.5
Net profit (rep./act.)	1,781.6	2,631.4	3,120.2	3,613.4	3,890.2
Net profit (adj.)	1,781.6	2,631.4	3,120.2	3,613.4	3,890.2
EPS	0.3	0.4	0.5	0.6	0.6
PE (x)	31.4	22.9	19.3	16.6	15.5
P/B (x)	11.8	6.2	5.2	4.4	3.8
EV/EBITDA (x)	14.3	10.0	9.0	7.8	7.0
Dividend yield (%)	1.2	2.1	2.5	2.8	3.1
Net margin (%)	11.0	13.1	13.2	13.2	13.2
Net debt/(cash) to equity(%)	171.5	49.8	36.8	25.7	13.3
Interest cover (x)	12.7	17.3	22.6	25.2	26.7
ROE (%)	42.7	36.4	29.3	28.6	26.3
Consensus net profit	n.a	n.a	3,084.5	3,620.4	4,139.4
UOBKH/Consensus (x)	n.a	n.a	1.0	1.0	0.9

Source: MR. D.I.Y. Thailand, Bloomberg, UOB Kay Hian

Analyst(s)

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BUY (Maintained)

Share Price	Bt9.85
Target Price	Bt11.00
Upside	11.68%

Stock Data

Sector	Consumer Discretionary
Bloomberg ticker	MRDIYT TB
Shares issued (m)	6,017.1
Market cap (Btm)	59,268.4
Market cap (US$m)	1,793.1
3-mth avg daily t'over (US$m)	3.0

Price Performance (%)

52-week high/low: Bt12.2/Bt7.6

1mth	3mth	6mth	1yr	YTD
(3.4)	10.7	8.8	n.a	13.2

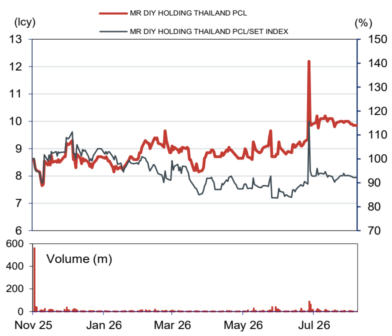
Major Shareholders (%)

MR. D.I.Y.	25.09
Jhomphong Tomongkhon	16.41
MDIH (Singapore) Pte. Ltd.	11.28

Balance Sheet Metrics

FY26 NAV/Share (Bt)	1.9
FY26 Net Debt/Share (Bt)	0.7

Price Chart



Source: Bloomberg

Company Description

Operates as a holding company which engages in the retail business of home decoration and lifestyle products under the "MR. D.I.Y." brand in Thailand.

Essential

- **Store expansion to remain the key earnings driver.** Looking ahead, we expect 3Q26 earnings to continue growing yoy, although growth should moderate due to a high base in the previous year. SSSG in the first two weeks of July recovered to slightly positive yoy, with momentum improving from June. Store expansion remains on track, with the company having secured locations and construction plans for 95% of its 2026 target of 210 new stores. Overall, we expect earnings growth to remain positive throughout 2H26, driven by continued store expansion.

Valuation/Recommendation

- **Maintain BUY with a target price of Bt11.00.** Our target price is based on a 12-month forward PE of 20x, in line with -1SD of the five-year average PE of home improvement peers. We continue to value MRDIYT on a PE basis, reflecting its high-growth, asset-light business model.

Earnings Revision/Risk

- **No earnings revision.**
- 1.0% Thai baht appreciation against the US dollar would reduce earnings by 0.8%.
- 1.0% increase in freight and logistics costs would reduce earnings by 0.07%.

Share Price Catalyst

- Store expansion; SSSG turning positive; strong earnings growth.

Environment, Social, Governance (ESG) Updates

CG Report: 5 | SET ESG Rating: AA

Environmental

- Ensures energy-efficient operations and waste reduction across retail formats.

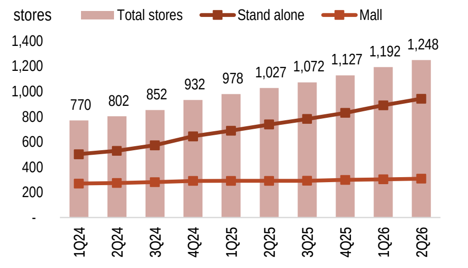
Social

- Prioritises diversity, inclusion, and fair labour practices across its regional workforce.

Governance

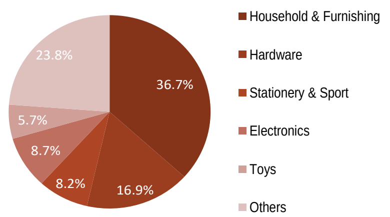
- Adheres to high governance standards under CRC's compliance framework.

Stores



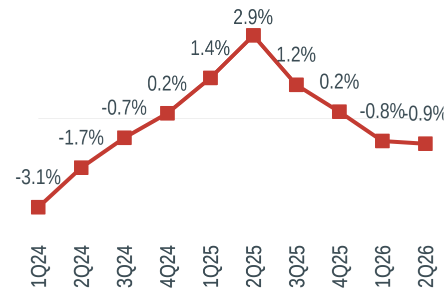
Source: UOB Kay Hian

Product Sales Mix



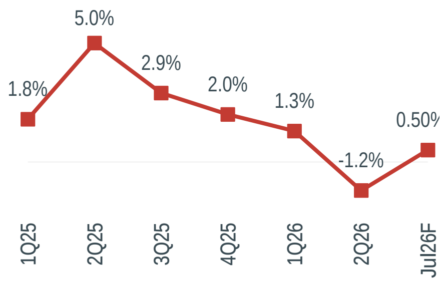
Source: UOB Kay Hian

Basket Sizes Change



Source: MR. D.I.Y. Thailand, UOB Kay Hian

Same-store Sales Growth



Source: Source: MR. D.I.Y. Thailand, UOB Kay Hian

Sensitivity On Logistic Cost

Freight and logistic cost change	Gross profit	SG&A	Net prof
30%	-0.5%	0.2%	-2.0%
20%	-0.3%	0.2%	-1.3%
10%	-0.2%	0.1%	-0.7%
0%	0.0%	0.0%	0.0%
-10%	0.2%	-0.1%	0.7%
-20%	0.3%	-0.2%	1.3%
-30%	0.5%	-0.2%	2.0%

Source: UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	20,078	23,711	27,439	29,360
EBITDA	6,474	7,171	8,147	8,830
Deprec. & amort.	2,616	2,741	3,069	3,396
EBIT	3,858	4,430	5,078	5,433
Total other non-operating income	0	0	0	0
Associate contributions	(91)	(100)	(95)	(90)
Net interest income/(expense)	(374)	(317)	(324)	(330)
Pre-tax profit	3,393	4,013	4,659	5,013
Tax	(761)	(892)	(1,046)	(1,123)
Minorities	0	0	0	0
Net profit	2,631	3,120	3,613	3,890
Net profit (adj.)	2,631	3,120	3,613	3,890

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Fixed assets	9,353	10,205	10,791	11,158
Other LT assets	1,518	1,208	1,319	1,360
Cash/ST investment	1,771	2,343	3,086	4,499
Other current assets	5,751	6,773	7,837	8,386
Total assets	18,393	20,529	23,034	25,402
ST debt	1,931	1,931	1,931	1,931
Other current liabilities	1,784	1,992	2,305	2,466
LT debt	4,674	4,674	4,674	4,674
Other LT liabilities	304	358	415	444
Shareholders' equity	9,700	11,573	13,708	15,886
Minority interest	0	0	0	0
Total liabilities & equity	18,393	20,529	23,034	25,402

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	5,389	5,048	5,931	6,899
Pre-tax profit	3,393	4,013	4,659	5,013
Tax	(761)	(892)	(1,046)	(1,123)
Deprec. & amort.	2,616	2,741	3,069	3,396
Working capital changes	(300)	(792)	(812)	(418)
Non-cash items	146	(22)	60	31
Other operating cashflows	295	0	0	0
Investing	(2,040)	(3,228)	(3,710)	(3,775)
Capex (growth)	(3,506)	(3,594)	(3,655)	(3,763)
Investments	(132)	40	38	36
Others	1,598	325	(93)	(48)
Financing	(2,363)	(1,247)	(1,478)	(1,712)
Dividend payments	(1,247)	(1,247)	(1,478)	(1,712)
Issue of shares	3,555	0	0	0
Proceeds from borrowings	(2,339)	0	0	0
Others/interest paid	(2,332)	0	0	0
Net cash inflow (outflow)	986	573	743	1,412
Beginning cash & cash equivalent	784	1,771	2,343	3,086
Ending cash & cash equivalent	1,771	2,343	3,086	4,499

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	32.2	30.2	29.7	30.1
Pre-tax margin	16.9	16.9	17.0	17.1
Net margin	13.1	13.2	13.2	13.2
ROA	15.6	16.0	16.6	16.1
ROE	36.4	29.3	28.6	26.3
Growth				
Turnover	24.3	18.1	15.7	7.0
EBITDA	35.6	10.8	13.6	8.4
Pre-tax profit	47.9	18.3	16.1	7.6
Net profit	47.7	18.6	15.8	7.7
Net profit (adj.)	47.7	18.6	15.8	7.7
EPS	37.4	18.6	15.8	7.7
Leverage				
Debt to total capital	68.1	57.1	48.2	41.6
Debt to equity	68.1	57.1	48.2	41.6
Net debt/(cash) to equity	49.8	36.8	25.7	13.3
Interest cover	17.3	22.6	25.2	26.7

UOBKayHian

Company – Update | Thailand

Monday, 10 August 2026

Central Retail Corporation (CRC TB)

The Acquisition Of AEON Thailand

Highlights

- CRC announced the acquisition of 100% of AEON (Thailand), which operates supermarkets under the Max Valu brand. The purchase price is lower than the cost of developing a greenfield operation.
- Management targets EBIT breakeven by 4Q27 and plans to rebrand the acquired stores under the Tops banner.
- Maintain BUY with a higher target price of Bt30.00 (from 25.50). We raise our 2026-27F earnings forecasts by 13%, reflecting strong earnings outlook.

Analysis

- **Positive over the long term.** Central Retail Corporation (CRC) announced the acquisition of 100% of AEON (Thailand), which operates supermarkets under the Max Valu brand. Management expects the transaction to be completed in Sep 26, funded by internal cash flow. The acquisition provides CRC with: a) land ownership, with the majority being freehold; b) 25 Max Valu supermarket stores with an average NSA of 1,200-1,500 sqm and five Max Valu Tan Jai stores; and c) a ready-to-eat (RTE) food production facility.
- **Purchase price is expected to be reasonable.** Management did not disclose the acquisition value but indicated that the purchase price is reasonable and lower than the cost of developing a greenfield operation, both in terms of capital requirements, eg capex and inventory, and investment duration.
- **Synergistic value.** CRC targets EBIT breakeven by 4Q27 and plans to rebrand the acquired stores under the **Tops** banner. Key benefits include: a) access to AEON's 0.9m customer base; b) stronger purchasing bargaining power; c) a larger store network to support product distribution; d) benefits from AEON's RTE food production facility, where RTE accounts for a higher proportion of sales than at Tops, d) a differentiated store format; e) improved distribution efficiency from adding 30 stores, with existing DC capacity sufficient to support the expansion; and f) potential synergies from shared back-office functions and other operating expenses.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	226,713.4	228,376.8	232,758.8	243,802.0	256,401.1
EBITDA	32,102.4	31,786.7	30,549.6	32,378.6	34,100.8
Operating profit	14,002.9	13,722.0	13,731.7	14,663.8	15,483.6
Net profit (rep./act.)	8,136.3	7,411.4	8,718.1	9,409.4	9,937.0
Net profit (adj.)	8,869.6	8,122.4	8,718.1	9,409.4	9,937.0
EPS	1.5	1.4	1.4	1.6	1.6
PE (x)	17.7	19.3	18.0	16.7	15.8
P/B (x)	2.3	2.4	2.4	2.2	2.0
EV/EBITDA (x)	5.2	4.1	4.1	3.8	3.4
Dividend yield (%)	2.1	5.0	4.3	2.4	2.6
Net margin (%)	3.6	3.2	3.8	3.9	3.9
Net debt/(cash) to equity(%)	190.8	147.8	135.8	118.1	100.6
Interest cover (x)	7.4	8.7	11.5	11.9	11.9
Consensus net profit	n.a	n.a	7,855.5	8,696.4	9,357.1
UOBKH/Consensus (x)	n.a	n.a	1.1	1.1	1.1

Source: Central Retail Corporation, Bloomberg, UOB Kay Hian

Analyst(s)

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BUY (Maintained)

Share Price	Bt26.25
Target Price	Bt30.00
Upside	14.29%
Previous TP	Bt25.50

Stock Data

Sector	Consumer Discretionary
Bloomberg ticker	CRC TB
Shares issued (m)	6,031.0
Market cap (Btm)	158,310.0
Market cap (US$m)	4,790.0
3-mth avg daily t'over (US$m)	11.6

Price Performance (%)

52-week high/low: Bt27.75/Bt16.5

1mth	3mth	6mth	1yr	YTD
(4.3)	(5.3)	(3.8)	(18.2)	3.1

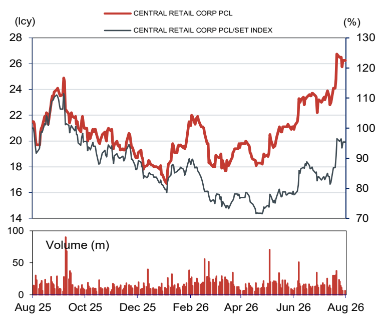
Major Shareholders (%)

HARNG CENTRAL DEPARTMENT STORE	35.06
DEUTSCHE BANK AG SINGAPORE PWM	4.61
SOCIAL SECURITY OFFICE	3.01

Balance Sheet Metrics

FY26 NAV/Share (Bt)	11.0
FY26 Net Debt/Share (Bt)	14.9

Price Chart



Source: Bloomberg

Company Description

Central Retail is the leading multi-format, multicategory retailing platform in Thailand. It is also growing internationally, securing leadership status in Italy and becoming one of the leaders in Vietnam.

Aeon Thailand Historical Performance

Year to 31 Dec (Btm)	FY21	FY22	FY23	FY24	FY25
Profit and Loss					
Sales	5,376	4,654	4,172	4,132	3,818
Gross Profit	1,003	840	714	679	660
Operating expenses	(1,198)	(1,157)	(1,151)	(1,106)	(1,143)
Operating profit (loss)	119	(30)	(167)	(175)	(249)
Net profit	105	(42)	(186)	(207)	(272)
Balance sheet					
Assets	1,527	1,470	1,430	1,367	1,133
Liabilties	1,323	1,308	1,453	1,592	1,624
Equity	204	162	(24)	(225)	(490)
Key statistics (%)					
Sales growth	n.a.	-13.4	-10.4	-1.0	-7.6
Gross margin	18.7	18.0	17.1	16.4	17.3
SG&A-to-sales	22.3	24.9	27.6	26.8	29.9
Net margin	1.8	-0.9	-4.2	-4.7	-6.6

Source: Department of Business Development, UOB Kay Hian

- **No materials impact on 2027 earnings forecast.** AEON Thailand reported a net loss of Bt266m in FY25 and accumulated shareholders' deficit of Bt490m. We expect limited impact on CRC's balance sheet, with current net IBD/E at 0.9x. AEON Thailand has total liabilities of Bt1.6b, equivalent to only 1% of CRC's total liabilities. On earnings, if CRC achieves its EBIT breakeven target by 4Q27, we expect no material impact on 2027 earnings forecast, although the acquired business could generate a small loss during 4Q26-2Q27 before turning profitable in 2H27. We also see potential for CRC to utilise AEON Thailand's tax loss carryforwards from 2028 once the business becomes profitable.

Valuation/Recommendation

- **Maintain BUY with a higher target price of Bt30.00 (from 25.50).** We roll over our valuation to 12-month forward EPS and maintain a 20x PE multiple. We remain confident that CRC is in a recovery phase in 2026, with stronger expansion expected in 2027. The 2H26 outlook remains bright, supported by improving economic conditions, the cessation of losses from Nguyen Kim following its divestment in 2Q25, and significantly lower interest expenses.

Earnings Revision/Risk

- **Revise up earnings forecasts.** We revise our 2026-27F earnings estimate up by 13% to reflect a stronger-than-expected earnings outlook. We raise our 2026-27F gross margin assumptions by around 30-40bps, while increasing SG&A-to-sales assumptions by 20-40bps. Our 1H26F earnings account for 50% of our full-year 2026 earnings forecast.

Share Price Catalyst

- The acquisition of Aeon (Thailand); and strongest balance sheet since IPO.

Environment, Social, Governance (ESG) Updates

CG Report: 5 / SET ESG Rating: AA

Environmental

- Ensures energy-efficient operations and waste reduction across retail formats.

Social

- Prioritises diversity, inclusion, and fair labour practices across its regional workforce.

Governance

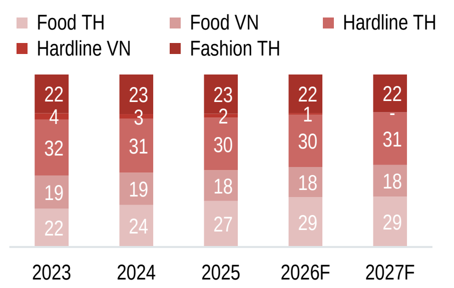
- Adheres to high governance standards under CRC's compliance framework.

Top Three Super Market Format

Supermarket stores	2023	2024	2025	2026F
Tops – CRC	168	165	172	206
Lotus's - CPAXT	175	178	178	180
BigC – BJC	48	50	53	55
Total	391	393	403	441

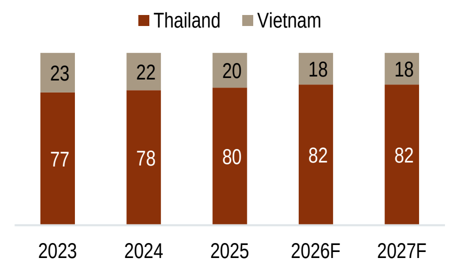
Source: Respective Companies, UOB Kay Hian

Sales Breakdown By Format



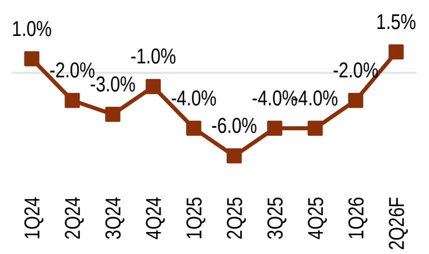
Source: Central Retail Corporation, UOB Kay Hian

Sales Breakdown By Countries



Source: Central Retail Corporation, UOB Kay Hian

Same-Store Sales Growth



Source: Central Retail Corporation, UOB Kay Hian

2Q26 Earnings Forecast

(Btm)	2Q25	2Q26F	yoy(%)
Sales	53,953	55,106	2.1
Gross profit	14,076	15,123	7.4
SG&A - core	16,272	16,697	2.6
Interest expense	975	697	(28.5)
Equity income	103	140	36.4
Core profit from continuing operation	944	1,492	58.0
Core profit	1,350	1,492	10.5
Net profit	1,142	1,492	30.7

Source: UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	228,377	232,759	243,802	256,401
EBITDA	31,787	30,550	32,379	34,101
Deprec. & amort.	18,065	16,818	17,715	18,617
EBIT	13,722	13,732	14,664	15,484
Total other non-operating income	22	22	22	22
Associate contributions	483	583	642	674
Net interest income/(expense)	(3,650)	(2,649)	(2,717)	(2,860)
Pre-tax profit	10,577	11,688	12,611	13,319
Tax	(3,482)	(2,610)	(2,813)	(2,972)
Minorities	(374)	(360)	(389)	(410)
Net profit	7,411	8,718	9,409	9,937
Net profit (adj.)	8,122	8,718	9,409	9,937

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Fixed assets	158,804	154,231	154,610	154,570
Other LT assets	17,750	19,494	20,368	21,007
Cash/ST investment	10,004	67,041	72,098	78,702
Other current assets	60,290	65,418	67,358	69,560
Total assets	246,848	306,183	314,434	323,838
ST debt	49,761	67,761	67,761	67,761
Other current liabilities	57,748	63,826	65,308	67,942
LT debt	56,978	88,978	88,978	88,978
Other LT liabilities	13,073	13,948	14,680	15,160
Shareholders' equity	65,469	66,036	71,685	77,564
Minority interest	3,819	5,633	6,022	6,432
Total liabilities & equity	246,848	306,183	314,434	323,838

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	32,216	26,847	27,054	29,397
Pre-tax profit	10,577	11,688	12,611	13,319
Tax	(3,482)	(2,610)	(2,813)	(2,972)
Deprec. & amort.	18,065	16,818	17,715	18,617
Working capital changes	(128)	3,315	(2,372)	227
Non-cash items	921	(2,364)	1,913	205
Other operating cashflows	6,264	0	0	0
Investing	1,669	(13,113)	(18,237)	(18,735)
Capex (growth)	14,677	(12,244)	(18,094)	(18,577)
Investments	4,078	(233)	(257)	(269)
Others	(17,086)	(636)	114	111
Financing	(32,834)	43,304	(3,760)	(4,058)
Dividend payments	(8,225)	(6,696)	(3,760)	(4,058)
Issue of shares	(615)	0	0	0
Proceeds from borrowings	(34,845)	50,000	0	0
Others/interest paid	10,851	0	0	0
Net cash inflow (outflow)	1,051	57,037	5,057	6,604
Beginning cash & cash equivalent	9,275	9,797	66,834	71,891
Ending cash & cash equivalent	10,326	66,834	71,891	78,495

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	13.9	13.1	13.3	13.3
Pre-tax margin	4.6	5.0	5.2	5.2
Net margin	3.2	3.8	3.9	3.9
Growth				
Net profit (adj.)	(8.4)	7.3	7.9	5.6
Leverage				
Debt to total capital	154.0	218.7	201.7	186.6
Debt to equity	163.0	237.4	218.6	202.1
Net debt/(cash) to equity	147.8	135.8	118.1	100.6
Interest cover	8.7	11.5	11.9	11.9

CP Axtra (CPAXT TB)

2Q26: Results In Line; Headwinds Persist

Highlights

- CPAXT reported 2Q26 net profit of Bt1.87b, down 18% yoy and 33% qoq, in line with our and consensus expectations.
- Results broadly reflect weaker operations in both wholesale and retail.
- Maintain HOLD with a target price of Bt14.50.

Analysis

- **Earnings within expectations.** CP Axtra (CPAXT) reported 2Q26 net profit of Bt1.87b, down 18% yoy and 33% qoq, in line with our and consensus expectations. Results broadly reflect weaker operations in both wholesale and retail businesses.
- **Wholesale EBIT was down 8% yoy to Bt1.6b.** Sales increased 3.5% yoy to Bt71.2b, supported by new stores, Omni Channel sales and stronger dry-food sales, while Lucky Frozen (LFG) also contributed following its acquisition. However, wholesale SSSG declined 0.9% yoy, mainly due to weaker overseas operations amid geopolitical tensions, despite stronger sales from Thai food retailers stocking up under the copayment scheme. Gross margin from sales declined 23 bps yoy to 11.2%, pressured by the higher mix of lower-margin dry food and price adjustments to support demand. SG&A-to-sales increased 34 bps yoy to 10.6%, mainly from higher Omni Channel distribution costs. Service and other income increased 24.9% yoy to Bt1.20b, mainly supported by data monetisation, which is a non-recurring item.
- **Retail EBIT was down 18% yoy to Bt2.2b.** Sales grew 0.4% yoy to Bt55.3b, while retail SSSG declined 3.9% yoy, reflecting the shift of consumer behaviour in Thailand following the copayment scheme, although Malaysia performed strongly from product mix and pricing initiatives. Gross margin from sales decreased slightly by 6 bps yoy to 17.7% while SG&A-to-sales materially increased 249 bps yoy to 19.1%, driven by higher Omni Channel costs, IT costs and pre-opening expenses for The Happitat. Other income and service income rose 36% yoy to Bt857m, mainly from higher promotional-related income. The increase in operating expenses, together with depreciation from new stores and The Happitat, weighed on EBIT despite relatively stable gross profit.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	512,041.9	520,706.4	538,562.7	547,905.2	557,365.9
EBITDA	36,253.5	34,252.4	35,083.2	36,865.0	38,675.5
Operating profit	18,633.2	16,788.2	16,574.6	16,814.9	17,058.5
Net profit (rep./act.)	10,569.1	9,356.5	9,568.9	9,741.4	9,916.6
Net profit (adj.)	10,569.1	9,356.5	9,568.9	9,741.4	9,916.6
EPS	1.0	0.9	0.9	0.9	1.0
PE (x)	14.8	16.7	16.4	16.1	15.8
P/B (x)	0.5	0.5	0.5	0.5	0.5
EV/EBITDA (x)	8.0	9.3	9.0	8.6	8.2
Dividend yield (%)	4.7	4.7	4.7	4.8	4.9
Net margin (%)	2.1	1.8	1.8	1.8	1.8
Net debt/(cash) to equity(%)	44.1	52.6	51.3	52.1	51.2
Interest cover (x)	6.3	6.4	6.7	7.0	7.3
Consensus net profit	n.a	n.a	9,851.0	10,570.6	11,545.7
UOBKH/Consensus (x)	n.a	n.a	1.0	0.9	0.9

Source: CP Axtra, Bloomberg, UOB Kay Hian

Analyst(s)

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HOLD (Maintained)

Share Price	Bt15.00
Target Price	Bt14.50
Upside	-3.3%

Stock Data

Sector	Consumer Staples
Bloomberg ticker	CPAXT TB
Shares issued (m)	10,427.7
Market cap (Btm)	156,414.9
Market cap (US$m)	4,732.2
3-mth avg daily t'over (US$m)	4.8

Price Performance (%)

52-week high/low: Bt23.0/Bt14.0

1mth	3mth	6mth	1yr	YTD
0.0	0.7	(2.6)	(28.2)	(4.5)

Major Shareholders (%)

CP ALL	34.92
MAKRO	25.01
CHAROENPOKPHAND HOLDING	15.96

Balance Sheet Metrics

FY26 NAV/Share (Bt)	29.0
FY26 Net Debt/Share (Bt)	14.9

Price Chart

Source: Bloomberg

Company Description

Wholesale business under the brand name "Makro" and retail business under the brand name "Lotus's" and mall management.

2Q26 Results

Year to 31 Dec (Btm)	2Q25	1Q26	2Q26	yoy (%)	qoq (%)	2025	2026F	yoy (%)
Sales and services	128,448	135,364	131,283	2.2	(3.0)	517,802	535,211	3.4
Gross profit	20,650	21,394	20,853	1.0	(2.5)	83,265	85,473	2.7
SG&A	(17,023)	(17,418)	(18,253)	7.2	4.8	(69,381)	(72,250)	4.1
Other income	633	686	1,001	58.1	45.9	2,905	3,352	15.4
EBIT	4,260	4,662	3,600	(15.5)	(22.8)	16,788	16,575	(1.3)
EBITDA	8,545	8,930	8,031	(6.0)	(10.1)	34,252	35,083	2.4
Interest expense	(1,422)	(1,290)	(1,323)	(6.9)	2.5	(5,398)	(5,248)	(2.8)
Equity income	144	180	183	27.1	1.9	580	754	30.0
Net profit	2,286	2,794	1,874	(18.0)	(32.9)	9,356	9,569	2.3
Percent	2Q25	1Q26	2Q26	(ppts)	(ppts)	2025	2026F	(ppts)
Gross margin	16.1	15.8	15.9	(0.2)	0.1	16.1	16.0	(0.1)
SG&A to sales	(13.3)	(12.9)	(13.9)	(0.7)	(1.0)	(13.4)	(13.5)	(0.1)
EBIT margin	4.0	4.1	3.3	(0.7)	(0.8)	3.2	3.1	(0.1)

Source: CP Axtra, UOB Kay Hian

- **Earnings in 3Q26 are expected to face headwinds.** Sales and gross margin are expected to remain under pressure from the copayment scheme and price investments. SG&A is expected to remain elevated, given the company's strategy to focus on Omni Channel sales. Meanwhile, fixed costs, including depreciation and interest expenses, are expected to remain high as Happitat's commercial area is scheduled to commence operations on 21 August. Management expects The Happitat to incur losses of about Bt200m per quarter in 3Q-4Q26 and continue to make losses in 2027. Moreover, the additional income from data monetisation may not recur in 3Q26.
- **Detail on the data monetisation.** CPAXT entered into an agreement with Egg Digital, a related party. Under the terms of the agreement, the company granted Egg Digital the right to access, use, and store CPAXT's historical sales data in accordance with the terms and conditions specified in the agreement. CPAXT retains full ownership of all rights to such data and receives a data licensing fee at the rate specified in the agreement as consideration.

Valuation/Recommendation

- **Maintain HOLD with a target price of Bt14.50.** We roll over our target price based on a 12-month forward PE of 15x, equivalent to -1.5SD to peers' five-year average PE and -2SD to BJC's five-year average PE. The current share price offers no upside to our target price.

Earnings Revision/Risk

- We revise down our 2026-27F earnings forecasts by 2.0% and 6.6%, respectively, to reflect the weaker-than-expected outlook. We have not yet incorporated the loss from The Happitat, which could pose about 4% downside risk to our 2026 earnings forecast.

Environment, Social, Governance (ESG) Updates

CG Report: 5, SET ESG Rating: AA*

Environmental

- Focuses on reducing energy consumption through green building design and renewable energy adoption.

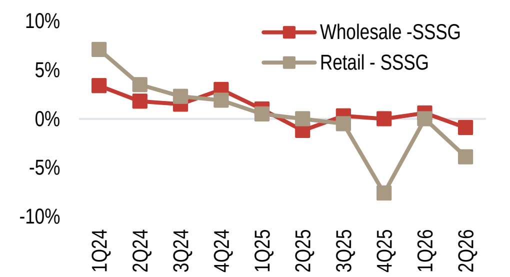
Social

- Supports SME development in its wholesale/retail ecosystem.

Governance

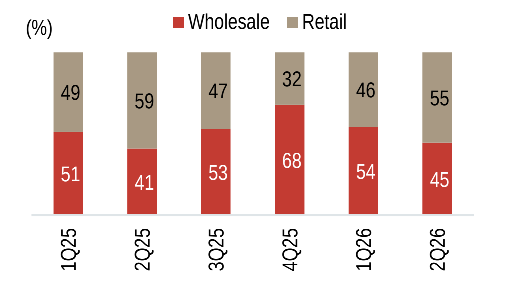
- Demonstrates strong corporate governance through transparent management practices and a well-structured board.

Same-store Sales Growth



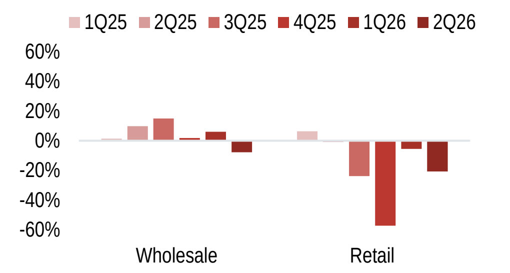
Source: CP Axtra, UOB Kay Hian

EBIT Contribution



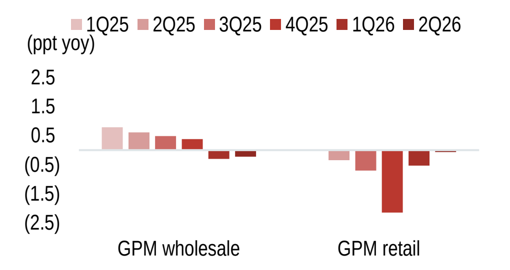
Source: CP Axtra, UOB Kay Hian

EBIT Change



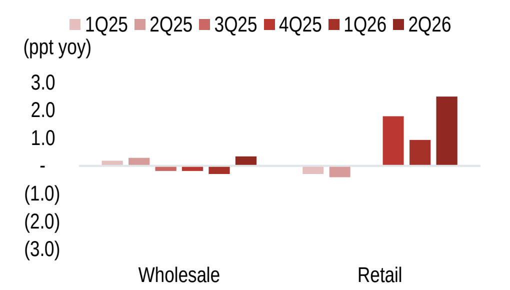
Source: UOB Kay Hian

Gross Margin Change



Source: UOB Kay Hian

SG&A-to-revenue Change



Source: UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	520,706	538,563	547,905	557,366
EBITDA	34,252	35,083	36,865	38,676
Deprec. & amort.	17,464	18,509	20,050	21,617
EBIT	16,788	16,575	16,815	17,058
Total other non-operating income	0	0	0	0
Associate contributions	580	754	762	769
Net interest income/(expense)	(5,398)	(5,248)	(5,279)	(5,309)
Pre-tax profit	11,970	12,081	12,298	12,519
Tax	(2,645)	(2,662)	(2,711)	(2,761)
Minorities	31	150	154	159
Net profit	9,356	9,569	9,741	9,917
Net profit (adj.)	9,356	9,569	9,741	9,917

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Fixed assets	469,827	476,587	482,037	486,151
Other LT assets	32,469	33,262	34,074	34,903
Cash/ST investment	14,558	16,987	14,488	16,976
Other current assets	59,817	49,758	53,114	51,669
Total assets	576,671	576,594	583,712	589,698
ST debt	37,257	37,257	37,257	37,257
Other current liabilities	93,988	91,589	95,173	97,577
LT debt	134,815	134,815	135,815	136,815
Other LT liabilities	10,224	10,530	10,846	11,172
Shareholders' equity	299,457	302,054	304,428	306,844
Minority interest	930	348	193	34
Total liabilities & equity	576,671	576,594	583,712	589,698

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	21,052	35,588	29,864	35,224
Pre-tax profit	11,970	12,081	12,298	12,519
Tax	(2,645)	(2,662)	(2,711)	(2,761)
Deprec. & amort.	17,464	18,509	20,050	21,617
Working capital changes	(5,648)	7,581	145	3,765
Non-cash items	133	80	82	85
Other operating cashflows	(223)	0	0	0
Investing	(25,786)	(25,756)	(25,995)	(26,235)
Capex (growth)	(37,318)	(25,269)	(25,500)	(25,731)
Investments	(181)	(302)	(305)	(308)
Others	11,714	(185)	(191)	(196)
Financing	(169)	(7,404)	(6,368)	(6,501)
Dividend payments	(7,404)	(7,404)	(7,368)	(7,501)
Issue of shares	0	0	0	0
Proceeds from borrowings	21,248	0	1,000	1,000
Others/interest paid	(14,014)	0	0	0
Net cash inflow (outflow)	(4,903)	2,429	(2,499)	2,488
Beginning cash & cash equivalent	19,461	14,558	16,987	14,488
Ending cash & cash equivalent	14,558	16,987	14,488	16,976

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	6.6	6.5	6.7	6.9
Pre-tax margin	2.3	2.2	2.2	2.2
Net margin	1.8	1.8	1.8	1.8
Growth				
Net profit (adj.)	(11.5)	2.3	1.8	1.8
Leverage				
Debt to total capital	57.3	56.9	56.8	56.7
Debt to equity	57.5	57.0	56.8	56.7
Net debt/(cash) to equity	52.6	51.3	52.1	51.2
Interest cover	6.4	6.7	7.0	7.3