

CP ALL PLC

No. 105/2025
1 July 2025

CORPORATES

Company Rating:	AA-
Issue Ratings:	
Senior unsecured	AA-
Hybrid	A
Outlook:	Stable

Last Review Date: 23/06/25

Company Rating History:

Date	Rating	Outlook/Alert
05/07/24	AA-	Stable
05/07/23	A+	Positive
08/12/20	A+	Stable
13/03/20	AA-	Alert Negative
10/07/19	AA-	Stable
09/10/17	A+	Stable

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RATIONALE

TRIS Rating affirms the company rating on CP All PLC (CPALL) and the ratings on its outstanding senior unsecured debentures at “AA-”, and affirms the ratings on its subordinated capital debentures (hybrid debentures) at “A”. The outlook remains “stable”.

The ratings continue to reflect CPALL’s strong business profile, underpinned by its extensive nationwide store network, well-established support facilities and solid operating performance. CPALL’s competitive advantage is further enhanced by its subsidiaries, which hold strong positions in the wholesale and grocery retail markets. However, the ratings are constrained by intense competition within the retail industry and the looming threats of economic slowdown.

KEY RATING CONSIDERATIONS

Favorable revenue growth anticipated

We anticipate CPALL to maintain its growth trajectory over the next three years, driven by effective product and marketing strategies, as well as the continued success of its omni-channel efforts. This growth is further bolstered by the company’s ongoing expansion plan across various store formats.

During 2024 through the first quarter of 2025, CPALL reported solid revenue growth ranging from 5% to 7% year-on-year (y-o-y). The primary catalyst was the high single-digit growth of 7-Eleven convenience stores, spurred by the successful new product offerings, and optimized marketing campaigns. Furthermore, contributions from the e-commerce channel and the business-to-business (B2B) sales team facilitated continued revenue growth in the wholesale and retail sectors at low to mid-single digits, despite intense competition.

In our base-case forecasts, we project CPALL’s operating revenue to show minimal growth in 2025 due to threats of economic slowdown and uncertainty of government stimulus. However, revenue growth could increase by 5%-6% annually during 2026-2027, driven by mid-to-high single digit gains in convenience stores, coupled with mid-single digit sale growth in the wholesale and retail sector. The projected revenue growth continues to underscore the resilience and adaptability of CPALL’s diversified business model amidst economic downturns.

Satisfactory profit margin expected

With product mix improvements and cost control efforts, the company’s EBITDA margin rose to 9% in 2024 and further 9.3% in the first quarter of 2025, up from 8.6%-8.7% in 2022-2023. This, coupled with satisfactory revenue growth, resulted in an 11.6% y-o-y increase in EBITDA to THB88.9 billion in 2024, and a 7.2% y-o-y rise to THB23.6 billion in the first quarter of 2025.

Looking forward, we forecast gradual improvement in CPALL’s profitability. The company’s ability to swiftly adapt to changing customer demands through new product and service offerings, along with its omni-channel integration and technological investments, positions it well for continued growth. Also, cost reductions and enhanced synergies from subsidiary amalgamations are expected to further bolster profitability.

In our base case scenario, we project CPALL's EBITDA margin to stabilize at around 8%-9% between 2025 and 2027, translating to an annual EBITDA in the THB90-THB94 billion range during the same period.

Leverage ratio to decline steadily

With the expansion of earnings and cashflow, CPALL's leverage ratio has trended downward. The debt to EBITDA ratio significantly declined from 4.7 times in 2023 to 4.2-4.3 times in 2024 and the first quarter of 2025. Despite substantial investment and a tempered economic outlook, we anticipate further decline in CPALL's leverage ratio, underpinned by successful product strategies and increased market penetration.

To execute its growth strategy in omni-channel and multi-format retailing, CPALL is projected to allocate around THB37-THB42 billion annually for capital expenditure over the next three years. This investment includes THB13-THB14 billion per year for 7-Eleven stores, THB24 billion annually for Makro and Lotus's, plus THB6 billion in 2025 for the Happitat project, which is the investment made by its subsidiary.

Given the expected increase in revenue and earnings, we forecast CPALL's debt to EBITDA ratio to hover around 4.0-4.4 times from 2025 to 2027, with the debt to capitalization ratio projected to remain within 50%-55%.

Adequate liquidity

As of March 2025, its sources of funds comprised cash on hand and cash equivalents of THB49 billion, plus undrawn bank facility of about TH38 billion. We forecast funds from operations (FFO) to be around THB66 billion in 2025. Sources of funds should be sufficient to cover scheduled long-term debt repayments and capital spending in the next 12 months of THB45 billion and THB42 billion, respectively.

The financial covenant on CPALL's debenture obligations requires the company's net interest-bearing debt to equity ratio to stay below 2.0 times. As of March 2025, the ratio was 0.8 times. We expect CPALL to remain in compliance with the financial covenants over the next 12 to 18 months.

Debt structure

At the end of March 2025, CPALL's total outstanding debt, including the full amount of hybrid debentures but excluding financial leases, was THB321 billion, of which about THB94 billion was priority debt. This translates to a priority debt to total debt ratio of 29%.

Ratings underpinned by leading market position

CPALL's robust business profile is underscored by extensive nationwide store networks in the convenience store sector under the well-established "7-Eleven" brand. The company's market position is further strengthened by its subsidiary, CP Axta PLC (CPAXT), which operates wholesale businesses under the "Makro" brand and retail businesses under the "Lotus's" brand in Thailand and Malaysia. By integrating its subsidiaries, CPALL has bolstered its market presence, ensuring comprehensive market coverage, considerably expanding its customer base, and diversifying its distribution channels.

BASE-CASE ASSUMPTIONS

- CPALL's operating revenue to grow 3% in 2025 and rise by 5%-6% in 2026-2027.
- The adjusted EBITDA margin to hover around 8%-9% in 2025-2027.
- Total capital spending of around THB38-THB42 billion per year in 2025-2027, including investment in the Happitat project.

RATING OUTLOOK

The "stable" outlook reflects our expectation that CPALL will be able to maintain its leading position in the Thai retail market and sustain its competitive edges to deliver sound financial results. We expect its high level of cash balance and stable cash flow will continue to provide sufficient financial strength to support its future expansion plans.

RATING SENSITIVITIES

The ratings on CPALL could be revised upward if the company can maintain sound margin. While, improving its capital structure and cash flow protection such that the adjusted debt to EBITDA ratio fall below 3.5 times over a sustained period. Conversely, a downgrade could occur if its operating performance is materially weaker than expected or if CPALL makes any sizable debt-funded investments that materially weaken its balance sheet, such that the adjusted debt to EBITDA ratio sustained above 5 times.

COMPANY OVERVIEW

CPALL was established in 1988 by the Charoen Pokphand Group. CPALL has been granted exclusive rights from 7-Eleven, Inc., USA, under an Area License Agreement, to be the sole operator of 7-Eleven convenience stores in Thailand. As of March 2025, Charoen Pokphand Foods PLC (CPF) and its affiliates held approximately 34.5% of CPALL's shares.

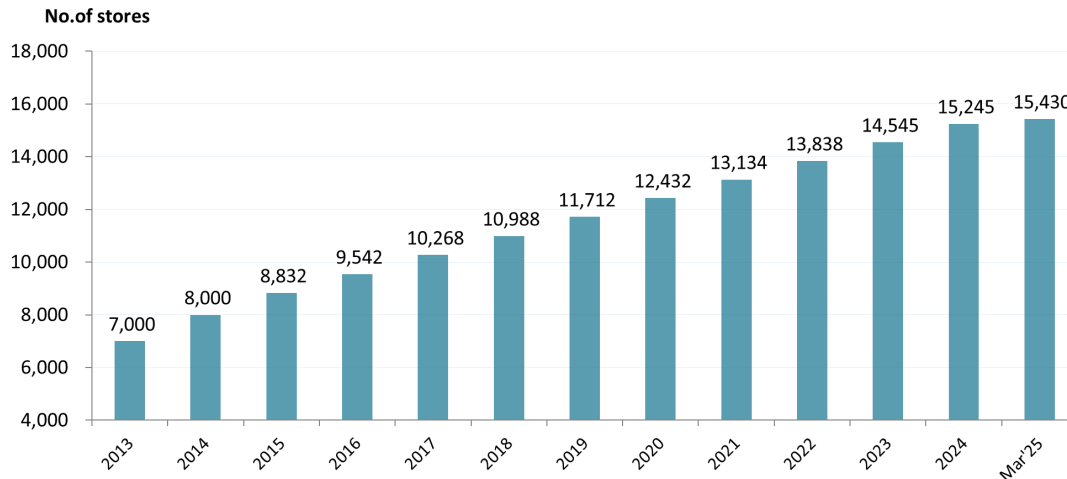
As of March 2025, CPALL had 15,430 stores nationwide. CPALL's competitive edge is enhanced by its supportive facilities run by its subsidiaries, such as food and bakery production, the logistics network, nationwide distribution centers, as well as colleges to provide staff training and other educational services. Apart from Thailand, CPALL has been granted franchising rights in the establishment and operation of 7-Eleven stores in Cambodia and Laos. As of March 2025, there were 116 stores in Cambodia and 15 stores in Laos.

CPALL's strong market presence is supported by the acquisition of CPAXT, formerly named Siam Makro PLC (MAKRO) in 2013 and the acquisition of Lotus's stores in Thailand and Malaysia during late-2020. CPAXT, a leading wholesaler in Thailand, operates a wholesale business under the "Makro" brand. As of March 2025, CPAXT owned 166 stores in Thailand, and 10 stores overseas (Cambodia, India, and Myanmar). Lotus's is a leading grocery retailer and mall operator in Thailand and Malaysia. As of March 2025, Lotus's owned 2,490 stores with 0.85 million square meters (sq.m.) of permanent leasable area in Thailand, and 70 stores with 0.33 million sq.m. of leasable area in Malaysia.

In December 2024, CPAXT, a subsidiary of CPALL, founded Aextra Growth Plus Co., Ltd. (AGP), holding 95% of the shares, with MQDC Town Corporation Ltd. holding the remaining 5%. AGP owns 100% of Aextra Happitat Co., Ltd. (AXTHP), formerly named Happitat at the Forestias Co., Ltd. (HATF), which runs project "Lotus's Mall Bangna" under the trademark "The Happitat" project, comprising of shopping malls, offices and a central utility. Total investment was approximately THB9 billion in 2024 with an additional THB6 billion anticipated in 2025.

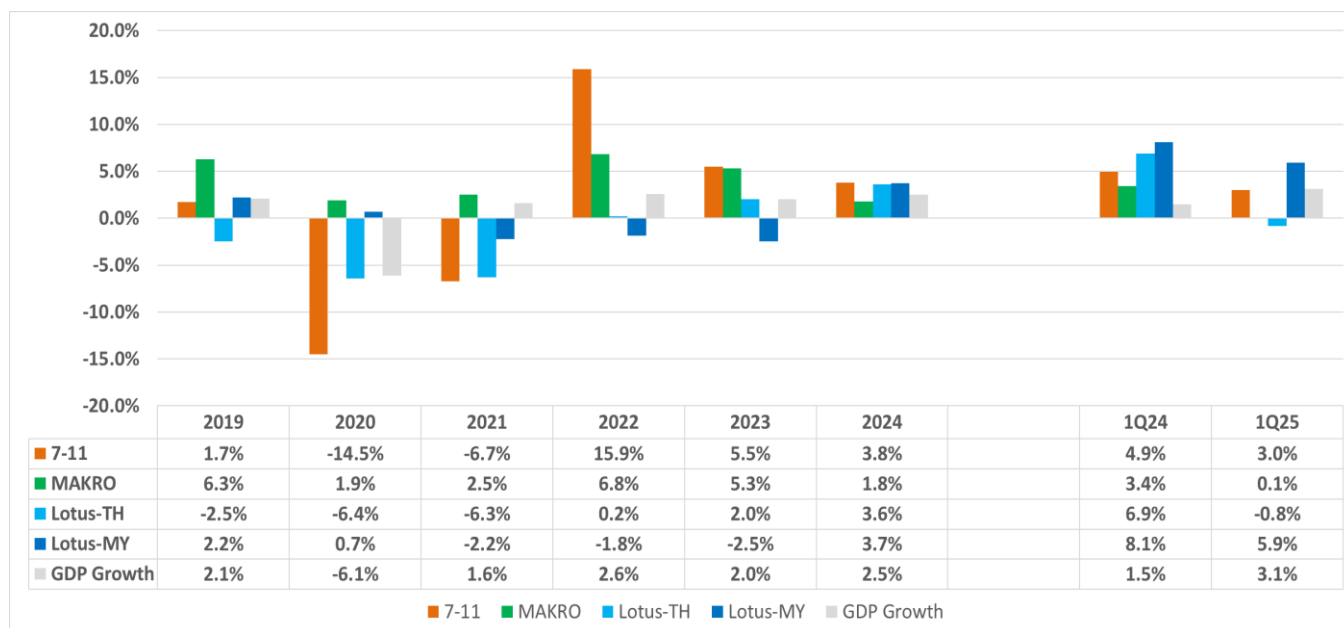
KEY OPERATING PERFORMANCE

Chart 1: 7-Eleven's Expansion



Source: CPALL

Chart 2: Gross Domestic Product (GDP) Growth and Same-Store-Sales Growth, (Y-O-Y)



Sources: 1) Bank of Thailand (BOT)

2) CPALL and CPAXT

FINANCIAL STATISTICS AND KEY FINANCIAL RATIOS*

Unit: Mil. THB

		-----Year Ended 31 December -----			
	Jan-Mar 2025	2024	2023	2022	2021
Total operating revenues	252,690	987,143	920,373	852,322	585,676
Earnings before interest and taxes (EBIT)	14,352	51,566	43,182	37,029	24,422
Earnings before interest, taxes, depreciation, and amortization (EBITDA) *	23,559	88,894	79,655	73,301	49,216
Funds from operations (FFO)	17,776	66,442	58,111	51,803	32,837
Adjusted interest expense	3,828	15,902	16,956	17,176	13,589
Capital expenditures	7,239	29,425	29,218	31,520	17,757
Total assets	937,529	944,120	926,491	924,061	931,893
Adjusted debt	383,819	385,495	377,505	392,122	391,723
Adjusted equity	323,454	314,633	296,618	285,324	277,874
Adjusted Ratios					
EBITDA margin (%)	9.3	9.0	8.7	8.6	8.4
Pretax return on permanent capital (%)	7.1 **	6.9	5.8	4.9	4.1
EBITDA interest coverage (times)	6.2	5.6	4.7	4.3	3.6
Debt to EBITDA (times)	4.2 **	4.3	4.7	5.3	8.0
FFO to debt (%)	17.7 **	17.2	15.4	13.2	8.4
Debt to capitalization (%)	54.3	55.1	56.0	57.9	58.5

* Pro forma consolidated financial statements

** Annualized with trailing 12 months

RELATED CRITERIA

- Issue Rating Criteria, 26 December 2024
- Hybrid Securities: Equity Content and Credit Rating Criteria , 20 December 2024
- Corporate Rating Methodology, 15 July 2022
- Key Financial Ratios and Adjustments for Corporate Issuers, 11 January 2022

CP ALL PLC (CPALL)

Company Rating:	AA-
Issue Ratings:	
CPALL263B: THB10,000 million senior unsecured debentures due 2026	AA-
CPALL266A: THB17,773 million senior unsecured debentures due 2026	AA-
CPALL268A: THB748 million senior unsecured debentures due 2026	AA-
CPALL271A: THB2,466 million senior unsecured debentures due 2027	AA-
CPALL272A: THB3,500 million senior unsecured debentures due 2027	AA-
CPALL275A: THB1,698.7 million senior unsecured debentures due 2027	AA-
CPALL275B: THB8,000 million senior unsecured debentures due 2027	AA-
CPALL278A: THB3,000 million senior unsecured debentures due 2027	AA-
CPALL278B: THB2,548.2 million senior unsecured debentures due 2027	AA-
CPALL27NA: THB9,000 million senior unsecured debentures due 2027	AA-
CPALL283B: THB6,800 million senior unsecured debentures due 2028	AA-
CPALL286A: THB7,376 million senior unsecured debentures due 2028	AA-
CPALL288A: THB4,851 million senior unsecured debentures due 2028	AA-
CPALL288B: THB1,500 million senior unsecured debentures due 2028	AA-
CPALL280A: THB6,119.2 million senior unsecured debentures due 2028	AA-
CPALL291A: THB1,920 million senior unsecured debentures due 2029	AA-
CPALL293A: THB4,500 million senior unsecured debentures due 2029	AA-
CPALL293B: THB8,640 million senior unsecured debentures due 2029	AA-
CPALL298A: THB9,738.6 million senior unsecured debentures due 2029	AA-
CPALL298B: THB4,500 million senior unsecured debentures due 2029	AA-
CPALL302A: THB3,930 million senior unsecured debentures due 2030	AA-
CPALL302B: THB1,500 million senior unsecured debentures due 2030	AA-
CPALL305A: THB2,169.3 million senior unsecured debentures due 2030	AA-
CPALL305B: THB2,350 million senior unsecured debentures due 2030	AA-
CPALL305C: THB8,500 million senior unsecured debentures due 2030	AA-
CPALL300A: THB1,493.5 million senior unsecured debentures due 2030	AA-
CPALL311A: THB5,614 million senior unsecured debentures due 2031	AA-
CPALL313A: THB3,600 million senior unsecured debentures due 2031	AA-
CPALL316A: THB21,351 million senior unsecured debentures due 2031	AA-
CPALL325A: THB3,632 million senior unsecured debentures due 2032	AA-
CPALL325B: THB960 million senior unsecured debentures due 2032	AA-
CPALL325C: THB2,500 million senior unsecured debentures due 2032	AA-
CPALL328A: THB899.8 million senior unsecured debentures due 2032	AA-
CPALL328B: THB2,500 million senior unsecured debentures due 2032	AA-
CPALL336A: THB7,000 million senior unsecured debentures due 2033	AA-
CPALL330A: THB5,387.3 million senior unsecured debentures due 2033	AA-
CPALL343A: THB3,200 million senior unsecured debentures due 2034	AA-
CPALL348A: THB4,500 million senior unsecured debentures due 2034	AA-
CPALL352A: THB4,570 million senior unsecured debentures due 2035	AA-
CPALL359A: THB3,450 million senior unsecured debentures due 2035	AA-
CPALL359B: THB2,500 million senior unsecured debentures due 2035	AA-
CPALL363A: THB1,500 million senior unsecured debentures due 2036	AA-
CPALL363B: THB2,200 million senior unsecured debentures due 2036	AA-
CPALL378A: THB1,386.5 million senior unsecured debentures due 2037	AA-
CPALL21PA: THB10,000 million subordinated capital debentures	A

Up to THB3,500 million senior unsecured debentures due within 12 years

AA-

Rating Outlook:

Stable

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