No: IDR 19/2026

Date: 13 August 2026

Re: Management Discussion and Analysis (MD&A) for the Second Quarter of 2026

To: The President
The Stock Exchange of Thailand

**Economic Overview**

Thailand's economy in the second quarter of 2026 (2Q26) expanded at a slower pace than in the previous quarter. Exports continued to grow, particularly in electronics and technology products, in line with global demand. Investment in digital infrastructure and data centers also helped sustain the country's manufacturing and investment sectors. However, export growth was not sufficient to fully offset the slowdown in domestic demand.

At the same time, elevated energy prices resulting from uncertainty surrounding conflicts in the Middle East increased business operating costs and the cost of living, affecting consumer confidence and purchasing power. Although the government's economic stimulus measures under the "Thai Chuay Thai Plus" program, which commenced in June 2026, contributed to improving the spending environment to some extent, consumers remained cautious in their spending and placed greater emphasis on value for money.

In the services sector, support from tourism began to slow following a decline in the number of foreign tourists from the Middle East and Europe, as well as from nearby countries, in line with reductions in airline flights in some countries due to higher energy costs. Nevertheless, the number of Chinese tourists continued to increase compared with the previous year, partially offsetting the impact.

Headline inflation accelerated due to higher energy prices, while core inflation increased as a result of cost pass-through in certain product categories. This reflected that the economic environment remained challenging. Retail operators therefore continued to focus on cost management, enhancing operational efficiency, and offering products that address consumers' greater focus on value for money in an environment where purchasing power remained fragile.

**Operating Results for the Second Quarter of 2026**

CP ALL Public Company Limited ("CPALL" or "the Company") would like to clarify operating results for the second quarter of 2026 in which the Company and its subsidiaries have reported a net profit of Baht 7,512 million. The main reasons are as follows:

**Total Revenues**

In 2Q26, the Company reported total revenues at Baht 265,760 million, increasing by 3.6 percent year-over-year (YoY).

Revenue from sale of goods and rendering of services amounted to Baht 257,098 million, representing a growth of 3.3 percent YoY. This resulted primarily from an increase in revenue from sale of goods in all business units, including convenience store business, wholesale and retail businesses and mall, and other supporting businesses. This could be attributed to continuous product strategy adjustments together with the Offline-to-Online (O2O) strategy of each business unit which continued to effectively meet customer needs and be another contributing factor to revenue growth.

**Gross Profit**

In the second quarter of 2026, the Company reported gross profit from sale of goods and rendering of services at Baht 58,669 million, increasing by 3.5 percent YoY, as a result of the YoY increase in revenue from sale of goods of convenience store business, wholesale and retail businesses and mall, and other supporting businesses. Consequently, the gross profit margin in the Company's consolidated financial statements remained at the same level as in 2Q25 at 22.8 percent.

**Distribution Costs and Administrative Expenses**

In 2Q26, CPALL reported proportion of distribution costs and administrative expenses as follows:

| Costs and Expenses | 2Q26 |
|---|---|
| Employee benefits | 33% |
| Store management fees | 13% |
| Rental and depreciation and amortization | 19% |
| Advertising and sales promotion | 11% |
| Utilities and others | 24% |
| **Total** | **100%** |

The distribution costs and administrative expenses were reported at Baht 53,803 million, increasing by 5.3 percent YoY. Distribution costs were reported at Baht 46,491 million, increasing by 7.2 percent YoY, whereas administrative expenses were reported at Baht 7,312 million, decreasing by 5.4 percent YoY. The increase in expenses could be attributed to the increase in employee benefits, store management fees, and advertising and sales promotion expenses, which grew in line with revenue growth. Regardless, all business units continued to manage distribution costs and administrative expenses to be appropriate to the prevailing circumstances, while continuing to exercise careful control over expenses.

**Profit Before Finance Costs and Income Tax Expense and Net Profit**

In 2Q26, the Company reported profit before finance costs and income tax expense at Baht 13,711 million, increasing by 3.9 percent YoY, and reported net profit at Baht 7,512 million, increasing by 11.0 percent YoY. This came as a consequence of improved performance mainly in convenience store business and other businesses, together with efficient cost control. The consolidated earnings per share for 2Q26 was reported at Baht 0.83 per share. The earnings per share is calculated based on the number of shares outstanding after subtracting the number of shares repurchased by the Company. For more information, please refer to Note 13 to the Financial Statements.

**Proportion of Total Revenues and Profit before Finance Costs and Income Tax Expense before Elimination**

During the first six months of 2026, the total revenues before elimination was contributed by the main businesses which are (Group 1) convenience store business and other businesses, accounting for 53 percent, and (Group 2) wholesale and retail businesses and mall, accounting for 47 percent. Revenue proportion of (Group 1) grew from the previous year mainly due to the growth in revenues from the convenience store business.

Profit before finance costs and income tax expense before elimination was contributed by the main businesses which are (Group 1) convenience store business and other businesses, accounting for 77 percent, and (Group 2) wholesale and retail businesses and mall, accounting for 23 percent. Profit proportion of (Group 1) increased from last year mostly from the higher growth in operating profit of convenience store business and other businesses.

**Operating Results of the Convenience Store Business**

In 2Q26, the convenience store business opened a total of 200 new stores. At the end of the quarter, CPALL had a total of 16,284 stores, divided into:

(1) 8,414 corporate stores (approximately 52 percent of total stores) or net new stores of 125 stores in this quarter

(2) 7,870 store business partner (SBP) and sub-area stores (approximately 48 percent of total stores) or net new stores of 75 stores in this quarter

The majority of the stores were stand-alone, accounting for 86 percent of total stores, while the remaining portion of total stores were in PTT gas stations.

In 2Q26, the convenience store business reported total revenue from sales and services at Baht 123,719 million, increasing by 5.1 percent YoY. The average sales per store per day in 2Q26 were at Baht 85,843, together with same-store sales growth (SSSG) which was reported at 0.8 percent YoY. The average spending per ticket was approximately Baht 90, and the average number of customers per store per day was 959 persons. The number of customers declined slightly from the corresponding quarter last year. During the quarter, the convenience store business continued to benefit from seasonal factors, particularly the continued hot weather since the beginning of the year. While the overall number of foreign tourists declined slightly, the number of Chinese tourists continued to increase. In addition, the convenience store business was impacted by its non-participation in the "Thai Chuay Thai Plus" program near the end of the quarter. Nevertheless, the convenience store business has used strategic plans aligned with the prevailing situations, focusing on both retaining the existing customer base and expanding new customer base by offering new products with promotions to attract customers in each period of time. Furthermore, the Company strived to improve the revenue generated from selling products through the O2O strategy, such as 7Delivery and All Online, which was consistently able to meet customers' needs well, contributing approximately 11 percent to total sales revenue.

In 2Q26, 77.5 percent of revenue from sale of goods originated from food categories and 22.5 percent from non-food categories. The contribution of food categories to the sales mix grew from the same period of last year due to consumers' spending behavior during the seasonal period, together with the launch of new products with promotional activities of the food and beverage categories which were able to attract more customers, both local and foreign, reflecting that 7-Eleven is the top-of-mind destination for food and beverages for all customer groups, anywhere and anytime.

Gross profit for the convenience store business in 2Q26 was at Baht 36,310 million, increasing by 5.3 percent YoY. Key supporting factors included the product strategies mentioned above and the emphasis on gross margin enhancement through the continued increase in the proportion of product categories with higher gross margins. Despite the impact of higher energy costs resulting from the conflict situation in the Middle East, the business maintained its gross margin at 29.3 percent, which was at the same level as in 2Q25, reflecting the ability to manage costs and maintain profitability effectively.

The convenience store business also recognized other income at Baht 7,879 million, increasing by 7.8 percent YoY, which could be mainly attributed to the utilization of store area, including revenue from renting space and others. Furthermore, dividend income from subsidiaries was recognized at the amount of Baht 5,398 million.

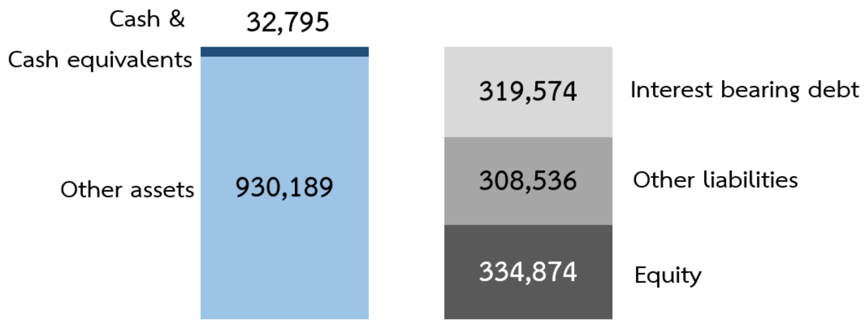
In 2Q26, distribution costs and administrative expenses were Baht 35,986 million, increasing by 4.5 percent YoY, mainly due to employee benefits, store management fees, and advertising and sales promotion, which rose in tandem with revenue growth and store expansion.

Nevertheless, the Company continuously endeavored to control expenses tightly and maximize efficiency, together with striving to expand 7-Eleven stores as planned and add more channels for customers to access products and services. The convenience store business continued to report an increase in operating profit to Baht 13,639 million, an increase of 11.0 percent YoY, and a net profit of Baht 10,392 million, an increase of 13.5 percent YoY. The Company's earnings per share from separate financial statements was reported at Baht 1.15 per share.

For overseas operations, as of 30 June 2026, the Company operated the convenience store business (7-Eleven) with a total of 32 stores in Lao PDR and 39 stores in Cambodia.

**Financial Position of the Company as of 30 June 2026**

**Compared to Financial Position as of 31 December 2025**




The Company had cash and cash equivalents of Baht 32,795 million, which represents a decrease of Baht 20,412 million or 38.4 percent, mainly due to cash disbursements to repay debentures and long-term borrowings from financial institutions.

Trade accounts receivable decreased by Baht 460 million or 8.8 percent to Baht 4,781 million. The decrease was in the trade accounts receivable in the convenience store business, and the wholesale and retail businesses and mall. The decrease was attributable to trade receivables with credit terms that are not overdue. As a consequence, the accounts receivable days decreased to 1.5 days.

Inventories decreased by Baht 5,702 million or 7.7 percent from the end of the previous year to Baht 68,442 million, with inventory days equaling 30.6 days.

Trade accounts payable decreased by Baht 16,887 million or 12.6 percent from the end of the previous year to Baht 117,537 million, with accounts payable days equaling 54.6 days.

Consequently, the Company and its subsidiaries reported cash cycle of approximately negative 23 days as of 30 June 2026.

Interest-bearing debt excluding lease liabilities decreased by Baht 6,696 million or 2.1 percent from the end of the previous year to Baht 319,574 million, largely due to the decrease in debentures outstanding. The Company reported net debt to adjusted equity at 0.82 times and was able to continuously comply with the bond covenant which requires the net debt to adjusted equity ratio to not exceed 2:1.

## Sustainability Goals in Business Operations of the Company

The Company is committed to continuous development and management of corporate sustainability and has specified 15 organizational sustainable development goals corresponding to the United Nations Sustainable Development Goals (SDGs) and the 10 United Nations Global Compact Principles (UNGC). In each year, the Company has continuously strived on taking action to achieve the sustainable development goals and realize the identified strategic plan. The progresses in 2026 will be disclosed in the 2026 Sustainability Report.

## Summary of Sustainability Goals and Performance Progresses in 2025

| Topic | Description | Goal | 2025 Performance |
|---|---|---|---|
| *Environmental: 7 Go Green* | | | |
| Climate Resilience* | To achieve Carbon Neutral by 2030 and Net Zero GHG Emissions by 2050 | Carbon neutral | 2.27 mt$CO_2$e |
| Efficient Use of Resources and Energy | To reduce the final energy consumption compared to business-as-usual (BAU) | 25% | 6.13% |
| Sustainable Packaging Management* | Private Brand utilizing plastic packaging must be reusable, recyclable, and compostable | 100% | 97.27% |
| Sustainable Waste and Surplus Food Management* | Reduce excess or leftover food volume requiring disposal and reduce waste volume originating from Company's operations requiring landfill disposal | 100% | 82.77% |
| Ecosystem & Biodiversity Protection | All areas of business operations have projects in collaboration with local and national stakeholders or independent third parties | 100% | 100% |
| *Social: 7 Go Together* | | | |
| Social Impact and Economic Contribution* | To develop skills and promote jobs to generate income for SMEs, small entrepreneurs, agriculturists, and vulnerable groups | 250,000 persons | 952,936 persons |
| Education and Lifelong Learning* | To support children, youth, adults and vulnerable groups to education-having access to necessary technical and professional skills | 500,000 persons | 590,721 persons |
| Good Health & Well-Being* | Increase the number of new health & nutrition products and services | 25% | 26.4% |
| Food and Water Security & Access to Well-being* | Support the underserved, impoverished, and vulnerable people in receiving access to safe food and water, and well-being | 5,000,000 persons | 5,269,922 persons |
| Stakeholder Engagement | All key stakeholder group engagement level | 80% | 86% |
| *Governance and Economic: 7 Go Right* | | | |
| Corporate Governance and Anti-Corruption | The Company's corporate governance rating is at excellence by an internationally recognized institute | Excellence | Excellence |
| Occupational Health and Safety & Labor Practices* | The Company has continuously conducted Human Rights Impact Assessment following UN Guidelines, of its operations and suppliers with high sustainability risks | 100% | 100% |
| Human Capital Development | All leaders and employees will be involved in the learning process and activities on sustainability | 100% | 100% |
| Innovation and Value Creation* | Income from products and services innovation and new businesses including process innovation | 20% | 11% |
| Responsible Supply Chain* | Significant Tier-1 Suppliers must be assessed and receive development and improvement | 100% | 100% |

*Significant material topics in 2025

Outlook for Convenience Store Business in 2026

| | |
|---|---|
| Store expansion | The Company plans to develop distribution channels for products and services on both online and offline platforms, together with new store rollout following the growth of communities, various infrastructures, tourist destinations and other high-potential areas to provide greater convenience and meet customer needs as effectively as possible. The Company plans to open about 700 new stores in Thailand and also aims to open new stores in Lao PDR in 2026. For Cambodia, the Company has refined its strategy to suit changing operational circumstances. |
| Sales and services revenue | Revenue growth of the convenience store business is driven by contribution from new stores, SSSG and sales through other channels including 7Delivery and All Online which are forecast to grow in line with the projected economic growth in Thailand (GDP growth). However, this is subject to other factors including inflation rate, raw material price, energy price and private consumption growth, etc. |
| Gross profit margin | Gross profit margin expansion is expected to continue on the back of product strategy in order to cater to consumer demand in each period of time. The Company also continues to drive higher sales participation of the higher-margin products mainly in food and beverage categories. |
| Capital expenditure (CAPEX) | CAPEX is projected to be approximately Baht 12,000 – 13,600 million with details as follows (unit: million Baht)<br>• Store expansion 3,800 – 4,600<br>• Store renovation 2,900 – 3,500<br>• Investment in new projects, subsidiaries and DC 4,000 – 4,100<br>• Fixed assets and IT system 1,300 – 1,400 |

Please be informed accordingly.

Sincerely yours,

Mr. Kriengchai Boonpoapichart

Chief Financial Officer

Authorized person to disclose information