

Taokaenoi Food & Mkting Pcl (TKN TB) - SELL, Price Bt7.6, TP Bt6.2 Results Comment

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Weak 1Q25 missed expectations

- Normalized profit of Bt92m fell by 67% y-y and 29% q-q. Despite the expected weakness from the full-quarter impact of new expensive seaweed inventory, results came in below our expectations on weak export sales and rising SG&A to support soft demand.
- Export sales fell by 13% y-y, with weaknesses across markets due to weak global purchasing power.
- Domestic sales increased by 16% y-y, thanks to new products.
- Domestic sales increased by 16% y-y, thanks to new product launches and likely more intense marketing activities.
- EBIT margin fell to 8.2% from 21% last year, mainly due to rising seaweed prices.
- We see downside to our earnings and maintain our SELL rating on TKN.

Income Statement						Income Statement					
(consolidated)						3M as					
Yr-end Dec (Bt m)	1Q24	2Q24	3Q24	4Q24	1Q25	(Bt m)	q-q%	y-y%	% 2025F	2025F	2026F
Revenue	1,367	1,416	1,460	1,469	1,337	Revenue	(9)	(2)	24	5,683	6,023
Gross profit	543	514	439	406	361	Gross profit	(11)	(33)	22	1,657	1,853
SG&A	258	257	257	254	251	SG&A	(1)	(3)	23	1,071	1,131
Operating profit	284	257	182	152	110	Operating profit	(27)	(61)	19	586	722
EBITDA	322	296	223	194	154	EBITDA	(20)	(52)	21	753	899
Other income	5	3	2	7	3	Other income	(54)	(38)	22	15	15
Other expense	0	0	0	0	0	Other expense					
Interest expense	3	6	6	4	4	Interest expense	13	71	28	16	6
Profit before tax	287	254	179	155	109	Profit before tax	(30)	(62)	19	585	731
Income tax	11	2	6	25	17	Income tax	(34)	55	71	23	88
Equity & invest. income	(0)	(0)	(0)	(0)	(0)	Equity & invest. income					
Minority interests	(1)	(0)	0	(0)	0	Minority interests					
Extraordinary items	19	17	(39)	10	7	Extraordinary items	(31)	(66)	na	0	0
Net profit	294	268	134	139	99	Net profit	(29)	(67)	18	561	643
Normalized profit	275	251	173	129	92	Normalized profit	(29)	(67)	16	561	643
EPS (Bt)	0.21	0.19	0.10	0.10	0.07	EPS (Bt)	(29)	(67)	18	0.41	0.47
Normalized EPS (Bt)	0.20	0.18	0.13	0.09	0.07	Normalized EPS (Bt)	(29)	(67)	16	0.41	0.47

Balance Sheet						Financial Ratios					
(consolidated)						1Q24 2Q24 3Q24 4Q24 1Q25					
Yr-end Dec (Bt m)	1Q24	2Q24	3Q24	4Q24	1Q25	(%)	1Q24	2Q24	3Q24	4Q24	1Q25
Cash & ST investment	262	249	477	416	414	Sales grow th	9.9	8.6	1.6	9.7	(2.2)
A/C receivable	1,008	863	760	882	1,127	Operating profit grow th	63.2	35.2	(16.3)	(22.2)	(61.3)
Inventory	902	1,666	1,381	956	999	EBITDA grow th	48.1	27.2	(14.0)	(17.1)	(52.1)
Other current assets	96	94	36	13	10	Norm profit grow th	65.4	37.3	(13.8)	(30.0)	(66.6)
Investment	16	15	15	15	15	Norm EPS grow th	65.4	37.3	(13.8)	(30.0)	(66.6)
Fixed assets	884	897	913	923	915	Gross margin	39.7	36.3	30.1	27.6	27.0
Other assets	282	281	277	290	366	Operating margin	20.8	18.1	12.5	10.3	8.2
Total assets	3,450	4,064	3,858	3,495	3,845	EBITDA margin	23.6	20.9	15.3	13.2	11.5
S-T debt	55	678	787	266	759	Norm net margin	20.1	17.7	11.9	8.8	6.9
A/C payable	625	733	709	707	576	D/E (x)	0.1	0.3	0.4	0.1	0.3
Other current liabilities	72	60	54	72	78	Net D/E (x)	(0.1)	0.2	0.1	(0.1)	0.1
L-T debt	76	0	0	0	0	Interest coverage (x)	124.5	50.8	40.2	49.4	34.9
Other liabilities	92	87	86	93	101	Interest rate	7.7	5.8	3.0	3.0	3.4
Minority interest	3	0	0	0	0	Effective tax rate	3.7	0.8	3.1	16.3	15.2
Shareholders' equity	2,527	2,507	2,221	2,357	2,332	ROA	33.0	26.7	17.5	14.1	10.0
Working capital	1,285	1,796	1,431	1,132	1,549	ROE	46.3	39.9	29.3	22.6	15.7
Total debt	131	678	787	266	759						
Net debt	(132)	429	310	(150)	344						

Sources: Company data, Thanachart estimates

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