



BUY (Unchanged)

Change in Numbers

TP: Bt 11.30

Upside : 22.8%

(From: Bt 11.00)

11 FEBRUARY 2026

Small Cap Research

# KCG Corporation Pcl. (KCG TB)

## Doing very well

We retain our BUY call on KCG for its resilient earnings growth of 11/10% in 2026-27F from growing product demand and continued cost savings. We also expect 4Q25F to be a beat with 16% y-y earnings growth. At 9.3x 2026F PE, KCG's valuation is attractive in our view.



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### A strong domestic food play; reaffirm BUY

We reaffirm our BUY call on KCG with a higher DCF-based TP (2026F base year) of Bt11.3 (from Bt11.0). *First*, KCG offers resilient EPS growth of 11/10/8% in 2026-28F, driven by rising butter and cheese consumption and cost savings. We also expect strong 4Q25F earnings with 16% y-y and 116% q-q growth, and lift our estimates by 2-3% in 2025-28F. *Second*, despite the weak economy, we project KCG's sales growth at 5-8% p.a. in 2026-28F. Demand for cheese and butter in food products has been rising, and KCG's new product launches have succeeded. *Third*, ongoing cost-saving measures should help lift EBIT margin to 7.9% in 2028F from 7.0% in 2024. *Lastly*, we see KCG's valuation as attractive at 9.3x 2026F PE vs. 11/10% EPS growth and 5.9/6.7% yields in 2026-27F. The full-year Bt0.5 DPS for 2025F implies a 5.3 % yield for a four-month holding period.

### Likely strong 4Q25F

We expect KCG to report earnings of Bt183m in 4Q25F, up 16% y-y and 116% q-q. The q-q jump is due to the festive season. The strong y-y growth would slightly beat our earlier expectations for both sales and margin. Our sales growth estimate of 8% y-y in 4Q25F is driven by successful new product launches in the B2C segment and new orders and customers in the B2B segment. We project EBIT margin to have expanded to 8.6% in 4Q25F from 8.0% in 4Q24, driven by a better product mix, operating leverage, and cost savings.

### Resilient sales growth

KCG offers a resilient outlook for sales growth. We project 5-8% p.a. sales growth in 2026-28F after 16/8/10% growth in 2023-25F amid the weak economy. KCG controls a over 50/30% share of the butter and cheese market. It has expanded over the past few years from traditional shelf products to FMCG and restaurant exposure through its B2B customer base. That is to capture the trend of butter and cheese being integrated more into everyday consumption, e.g., cheese for Thai food, butter with ingredient infusions for specific Thai menus, as well as cheese snacks for kids that are perceived as healthier than crispy snacks.

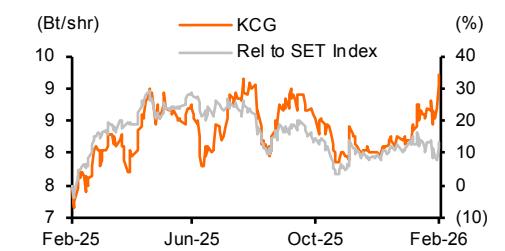
### Enjoying the operating leverage effect

KCG's EBIT margin is on a rising trend, and we estimate it to improve from 7.0% in 2024 to 7.9% in 2028F. Automation is increasingly used in its production, and R&D on product reformulations has improved margins. Also, KCG expects to benefit from operating leverage from 2026 onward, driven by its new production lines and a new warehouse completed in 2025. KCG also plans to reduce SG&A-to-sales from 23% in 2025F to a more in-line level with the food industry average of below 20%.

### COMPANY VALUATION

Y/E Dec (Bt m)	2024A	2025F	2026F	2027F
Sales	7,743	8,619	9,333	9,907
Net profit	406	484	538	593
Consensus NP	—	473	531	586
Diff frm cons (%)	—	2.3	1.3	1.1
Norm profit	405	484	538	593
Prev. Norm profit	—	474	529	575
Chg frm prev (%)	—	2.0	1.8	3.1
Norm EPS (Bt)	0.7	0.9	1.0	1.1
Norm EPS grw (%)	12.0	19.5	11.2	10.2
Norm PE (x)	12.4	10.4	9.3	8.5
EV/EBITDA (x)	8.6	7.6	6.9	6.2
P/BV (x)	1.7	1.6	1.5	1.4
Div yield (%)	4.5	5.3	5.9	6.7
ROE (%)	14.4	15.8	16.3	16.6
Net D/E (%)	49.6	48.0	42.9	36.7

### PRICE PERFORMANCE



### COMPANY INFORMATION

Price as of 11-Feb-26 (Bt)	9.20
Market Cap (US\$ m)	161.4
Listed Shares (m shares)	545.0
Free Float (%)	27.7
Avg Daily Turnover (US\$ m)	5.0
12M Price H/L (Bt)	9.15/7.15
Sector	Food & Beverage
Major Shareholder	Kim Chua Trading Co Ltd 52.2%

Sources: Bloomberg, Company data, Thanachart estimates

## Reaffirming BUY

We reaffirm our **BUY** rating on KCG

We reaffirm our BUY rating on KCG Corporation Pcl (KCG TB) with a DCF-based TP, using a 2026F base year, of Bt11.3/share (from Bt11.0).

### Ex 1: Our Assumptions

	2022	2023	2024	2025F	2026F	2027F
Total sales growth (%)	17.4	16.2	8.2	10.9	8.3	6.1
Gross margin (%)	28.7	30.0	30.9	30.7	30.8	30.9
SG&A to sales (%)	24.0	24.1	23.9	23.4	23.3	23.2
EBIT margin (%)	4.7	5.8	7.0	7.3	7.5	7.7

Sources: Company data, Thanachart estimates

### Ex 2: 12-month DCF-based TP Calculation Using A Base Year Of 2026F

(Bt m)	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	2035F	2036F	Terminal value
EBITDA	947	1,028	1,104	1,152	1,194	1,238	1,260	1,296	1,332	1,370	1,409	—
Free cash flow	349	454	521	570	619	645	685	709	733	758	749	10,837
PV of free cash flow	293	350	368	370	368	352	342	325	308	292	265	3,832
Risk-free rate (%)	2.5											
Market risk premium (%)	8.0											
Beta	1.1											
WACC (%)	9.0											
Terminal growth (%)	2.0											
Enterprise value - add investments	7,604											
Net debt (2025F)	1,459											
Minority interest	(0)											
Equity value	6,145											
# of shares (m)	545											
<b>Target price/share (Bt)</b>	<b>11.3</b>											

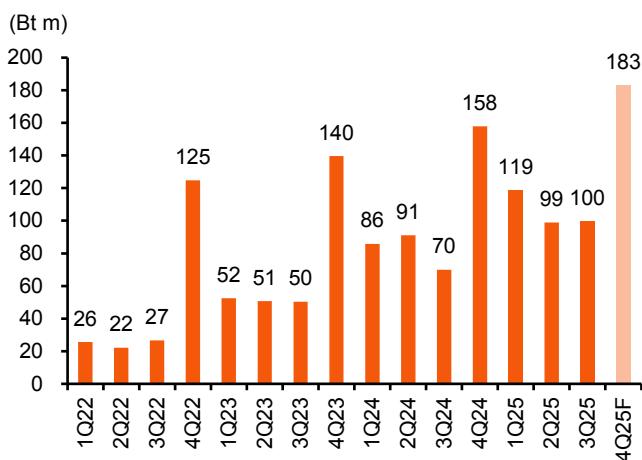
Sources: Company data, Thanachart estimates

We see good 4Q25F acting as a good catalyst

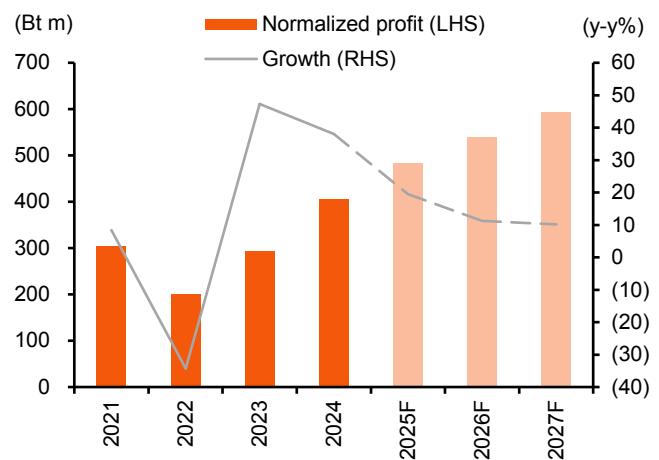
**First**, we view KCG as a resilient domestic food play. Despite soft domestic consumption, we estimate 4Q25F earnings of Bt183m, up 16% y-y and 116% q-q, slightly above our previous expectation.

The strong y-y growth is driven by both sales and margin expansion. Sales likely grew by 8% y-y in 4Q25F, supported by successful product launches in both the B2C and B2B segments. We also expect KCG's EBIT margin to expand to 8.6% from 8.0% in 4Q24, driven by cost-saving initiatives, including product reformulations toward cheaper raw materials and automation transformation, which improves production efficiency and reduces labor requirements.

In the bigger picture, we estimate KCG to offer 11/10/8% EPS growth in 2026-28F.

**Ex 3: Good Quarterly Momentum...**

Sources: Company data, Thanachart estimates

**Ex 4: ...And Yearly Momentum**

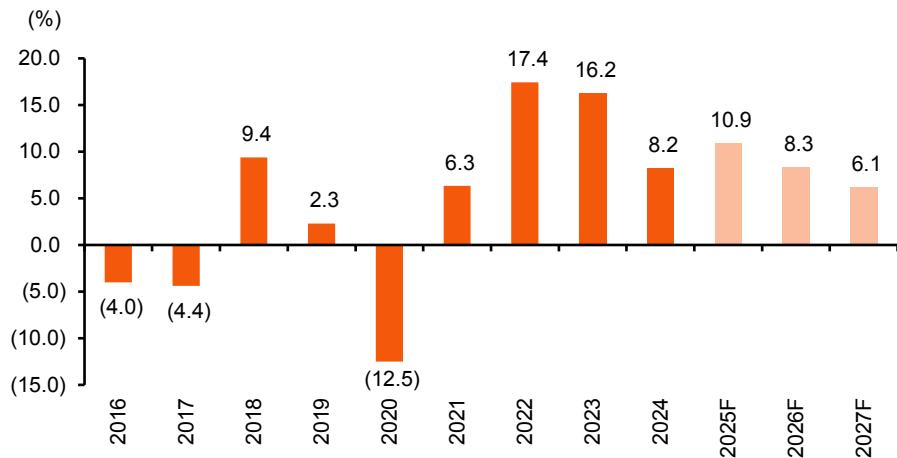
Sources: Company data, Thanachart estimates

**Resilient domestic food factors**

**Second**, resilient sales growth: We like KCG as a defensive domestic growth play, with the ability to grow sales by 8–11% in 2024–25F despite soft domestic consumption. We estimate 5–8% sales growth in 2026–28F.

Over the past five years, KCG's second-generation management team has shifted its core product focus from cheese and butter, primarily used in Western cuisine, toward FMCG-oriented products. The objective has been to integrate cheese and butter into people's everyday consumption and remain relevant amid rapidly changing food trends in Thailand. This includes developing cheese with higher melting points for BBQ grilling, a popular practice in Thailand's social dining culture, as well as health-focused cheese snacks for modern parents.

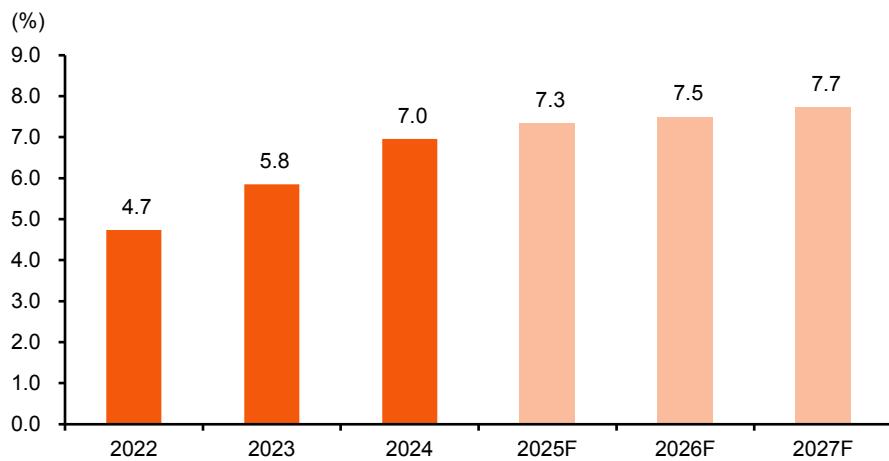
KCG also serves B2B customers, including restaurant chains and snack manufacturers. The company leverages its in-house culinary school to develop bakery formulations for clients, thereby driving butter product sales. KCG also develops customized butter products tailored to specific restaurant clients.

**Ex 5: Decent Sales Growth**

Sources: Company data, Thanachart estimates

**Cost savings also help**

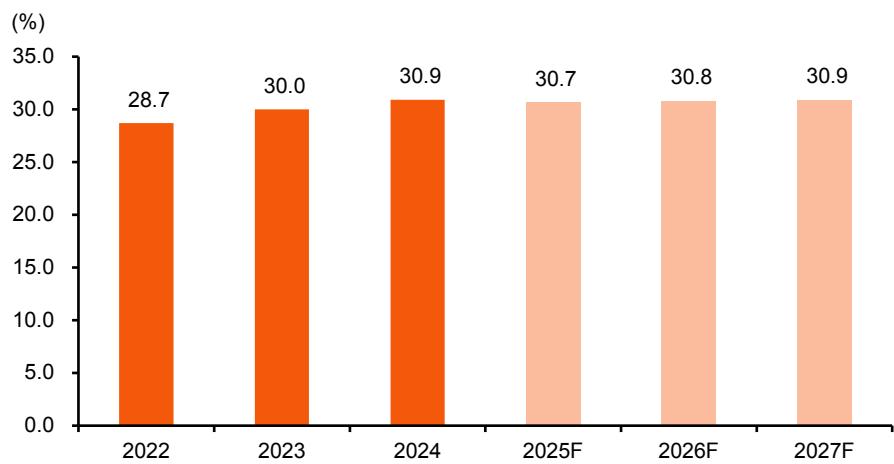
Thirdly, cost savings continue. KCG has also been focusing on cost reduction. Its EBIT margin expanded to 7.3% in 2025F from 5.8% in 2023. We estimate its EBIT margin to expand to 7.9% in 2028F.

**Ex 6: EBIT Margin Improvement**

Sources: Company data, Thanachart estimates

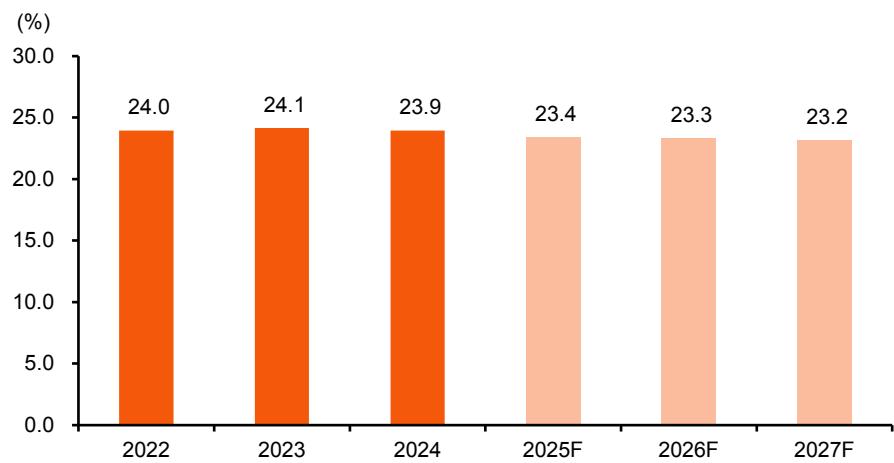
At the cost of goods sold level, KCG's cost-management strategies include:

- Stocking up on raw materials earlier when prices were lower.
- Purchasing in bulk at discounted rates. This is thanks to KCG's new warehouse facility. Previously, KCG rented warehouse space, but owning the facility allows it to stock more products. KCG's raw materials normally require a sophisticated inventory process. The warehouse is designed with advanced climate control systems that precisely regulate temperature and humidity, tailored for storing raw cheese and milk fat. Soft cheese requires higher humidity and slightly lower temperatures, while hard cheese needs drier conditions. Being sensitive to temperature changes, milk fat needs constant refrigeration at specific temperatures to avoid spoilage. This setup minimizes waste and maintains the quality of these products.
- Replaced expensive raw materials with more cost-effective alternatives. KCG reduces butter usage by blending it with oils with lower melting points through emulsification, which retains the rich flavor while lowering costs. This process ensures consistent texture and taste. Additionally, KCG has switched to a more affordable supplier for food flavorings and now uses more cost-efficient packaging. By using thinner, high-quality, recyclable materials that retain durability and leveraging advances in printing technology, KCG can deliver more intricate designs at a lower cost without compromising visual appeal.
- Shifting to producing lower-volume OEM products.

**Ex 7: Gross Margin Is Also Expanding**

Sources: Company data, Thanachart estimates

At the SG&A level, KCG is also actively reducing its SG&A expenses by using software tools. An enterprise resource planning system automates several administrative functions, such as inventory tracking, purchase order generation, invoice processing, and payroll management. This reduces the need for human intervention in repetitive tasks, freeing up employees for more strategic activities and improving overall efficiency.

**Ex 8: Falling SG&A Trend**

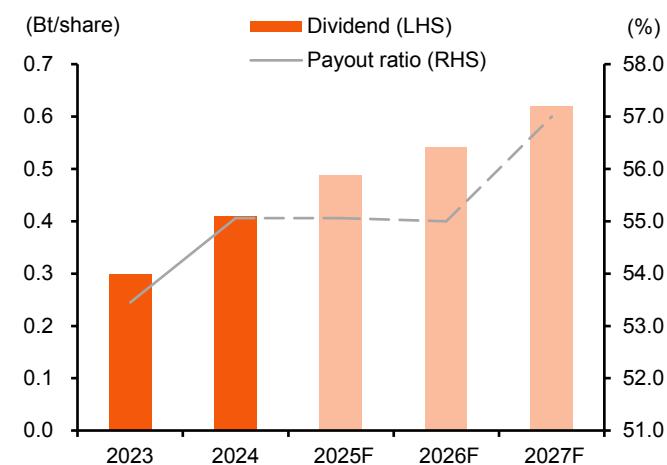
Sources: Company data, Thanachart estimates

**KCG looks inexpensive to us and offers decent yields**

**Lastly**, we view KCG as attractively valued, with EPS growth of 11/10/8% for 2026-28F and trading at 9.3x PE multiples in 2026F.

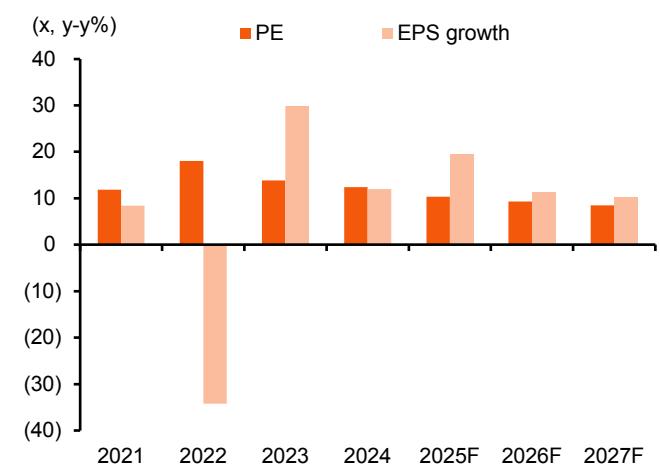
In addition to the decent EPS growth in 2025-27F, KCG offers decent dividend yields of 5.9-6.7% in those years.

### Ex 9: Our Dividend Yield Forecasts



Sources: Company data, Thanachart estimates

### Ex 10: PE Vs. EPS Growth



Sources: Company data, Thanachart estimates

## Valuation Comparison

### Ex 11: Valuation Comparison With Regional Peers

Name	BBG code	Country	EPS growth		PE		P/BV		EV/EBITDA		Div. yield	
			25F (%)	26F (%)	25F (x)	26F (x)	25F (x)	26F (x)	25F (x)	26F (x)	25F (%)	26F (%)
Fonterra Co-operative	FSF NZ	New Zealand	(18.9)	1.4	13.8	13.6	2.1	2.1	8.0	7.7	5.3	5.7
Unilever Pcl	ULVR LN	UK	(10.2)	5.8	20.3	19.2	6.6	6.1	13.7	13.7	3.0	3.2
Saputo Inc	SAPIF US	US	33.6	15.8	21.2	18.3	2.6	2.5	11.0	10.3	1.9	2.1
Kraft Heinz	KHC US	US	(17.3)	(1.3)	9.8	10.0	0.7	0.7	8.3	8.5	6.4	6.5
NSL Foods Pcl	NSL TB	Thailand	11.1	9.1	11.8	10.8	3.2	2.7	7.5	6.6	3.6	3.5
Exotic Food Pcl	XO TB	Thailand	(33.5)	5.7	12.0	11.3	3.3	2.8	8.9	8.6	na	na
KCG Corporation Pcl	KCG TB*	Thailand	19.5	11.2	10.4	9.3	1.6	1.5	7.6	6.9	5.3	5.9
Srinanaporn Mkt. Pcl	SNNP TB*	Thailand	(9.3)	(6.8)	11.7	12.5	2.1	2.0	8.9	8.9	7.1	6.6
Taokaenoi Food & Mkt.	TKN TB*	Thailand	(49.4)	(5.7)	14.2	15.1	2.6	2.6	8.8	9.0	5.9	5.6
<b>Average</b>			<b>(8.3)</b>	<b>3.9</b>	<b>13.9</b>	<b>13.3</b>	<b>2.8</b>	<b>2.6</b>	<b>9.2</b>	<b>8.9</b>	<b>4.8</b>	<b>4.9</b>

Source: Bloomberg

Note: \*Thanachart estimates, using Thanachart normalized EPS

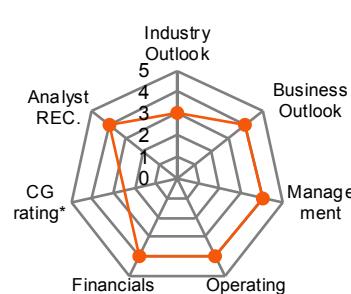
Based on 11 February 2026 closing prices

## COMPANY DESCRIPTION

KCG Corporation Pcl (KCG) produces and distributes cheese & butter, bakery ingredients, and branded biscuits, catering both to household and corporate food customers in Thailand. KCG operates two factories, one warehouse and three distribution centers in Thailand.

Source: Thanachart

## COMPANY RATING



## Rating Scale

Very Strong	5
Strong	4
Good	3
Fair	2
Weak	1
None	0

Source: Thanachart; \*No CG Rating

## THANACHART'S SWOT ANALYSIS

## S — Strength

- Being a leading producer of its key products in Thailand.
- Offering more product SKUs than local competitors.
- Offering a one-stop service.

## O — Opportunity

- Penetrating new customers.
- Mergers and acquisitions.

## W — Weakness

- The food market in Thailand is saturated with only low organic growth.
- Heavy reliance on food customers who have strong bargaining power.

## T — Threat

- Currency fluctuations.
- Domestic consumption and economic conditions.

## CONSENSUS COMPARISON

	Consensus	Thanachart	Diff
Target price (Bt)	11.00	11.30	3%
Net profit 25F (Bt m)	473	484	2%
Net profit 26F (Bt m)	531	538	1%
Consensus REC	BUY: 4	HOLD: 0	SELL: 0

## HOW ARE WE DIFFERENT FROM THE STREET?

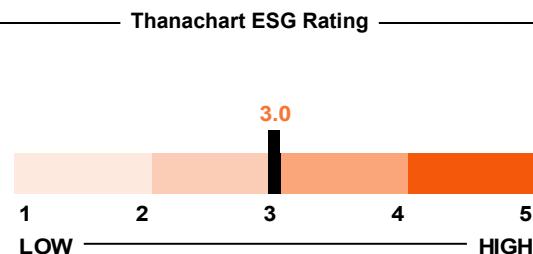
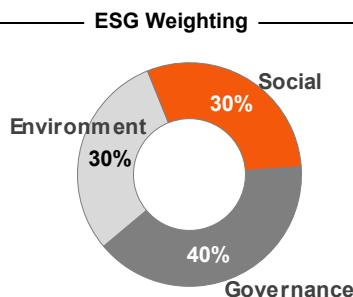
- Our earnings estimates are higher than the Bloomberg consensus numbers, which we attribute to us being more aggressive about KCG's potential success with new product introductions.

## RISKS TO OUR INVESTMENT CASE

- Lower-than-expected growth of the food sectors in KCG's focus markets would pose downside risk to our numbers.
- Failure to gain new orders and customers would pose another downside risk to our earnings forecasts.

Sources: Bloomberg consensus, Thanachart estimates

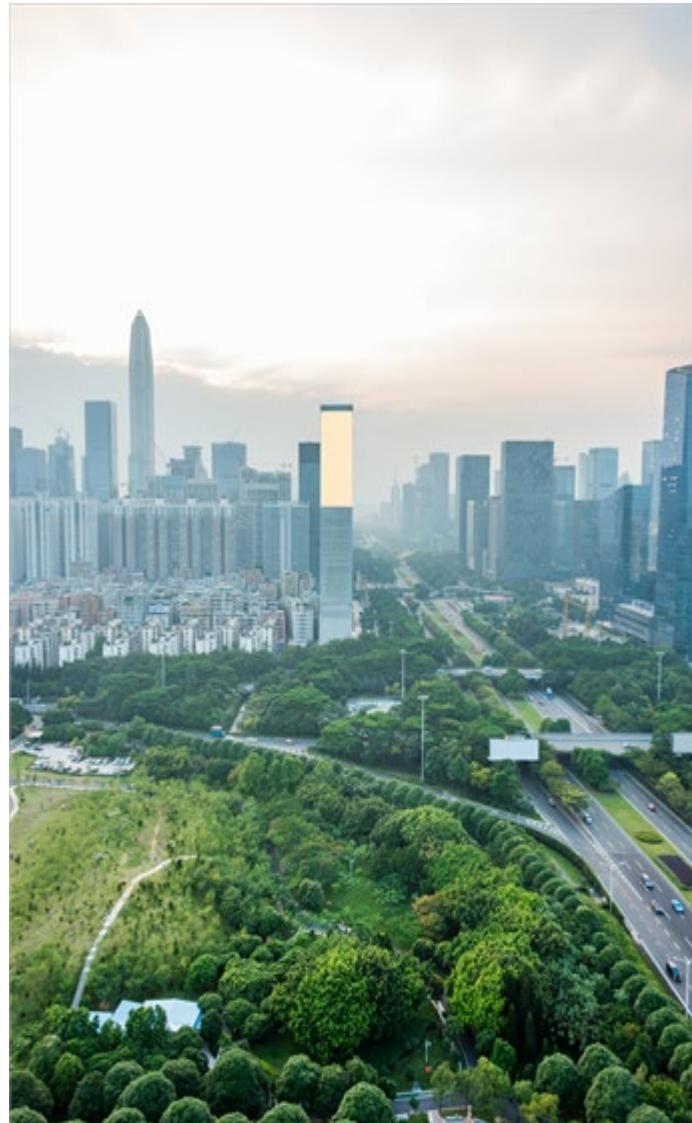
Source: Thanachart



	SET ESG Index	SET ESG (BBB-AAA)	DJSI Index	Thanachart ESG Rating (1.0-5.0)	MSCI (CCC-AAA)	ESG Book (0-100)	CG Rating (0-5)
KCG	-	AAA	-	3.01	0	-	5.0

Sources: SETTRADE, SET ESG Index, SET ESG Rating, The Dow Jones Industrial Average (DJSI)  
MSCI ESG Research LLC, ESG Book, Thai IOD (CG rating)

Note: Please see third party on "terms of use" toward the back of this report.



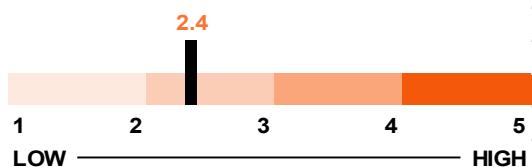
## ESG Summary

- KCG is the largest manufacturer of cheese and butter in Thailand, selling its products to both retail and business customers. KCG operates two factories, one warehouse and three distribution centers in Thailand.
- We assign a decent 3.0 ESG score to KCG and do not view KCG as an ESG play. KCG is strong in Governance (G) pillar which is being offset by lower scores on Environmental (E) and Social (S) pillars.
- We assign a low 2.4 E score to KCG. The company's CO<sub>2</sub> emissions have increased over the years and it lacks a long-term reduction roadmap. However, good water and waste management are decent.
- We assign a decent S score of 3.0 to KCG. While the company performs well in employee well-being and product quality, it lacks clear and structured social commitment plans.
- KCG's G score is decent at 3.5 KCG, reflecting its good practices in business sustainability and innovation. It meets required standards in other areas, although not yet at best-practice levels.

## Sector: Agro &amp; Food Industry | Food &amp; Beverage

We assign KCG a low E score of 2.4, compared with the sector average of 3.2. KCG's carbon emissions have increased over the years, and it lacks a clear roadmap for environmental improvement. However, it has established effective water and waste management systems.

## Thanachart Environment (E) Rating



## ENVIRONMENT

## Our Comments

- Energy & Fuel Management
- Climate Transition & Exposure
- Water Management
- Waste & Hazardous Materials Management
- Biodiversity Impact

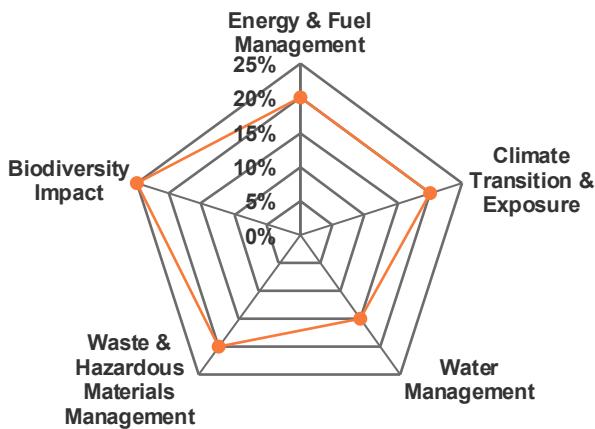
▪ We assign a low E score of 2.4 for KCG. KCG has set a net-zero target by 2050. However, its pollution emissions and energy usage have increased over the years, while KCG lacks a clear environmental roadmap for carbon and energy management. These are crucial factors for the E pillar and more than offset KCG's strengths in water and waste management.

▪ **Carbon management:** KCG's CO<sub>2</sub> emissions in 2024 increased by 17% from the 2022 base year. We see challenges for KCG in meeting its long-term reduction target. Breaking down, KCG has low Scope 1 emissions (direct emissions from combustion), accounting for 9% of total CO<sub>2</sub> emissions, due to its business nature, which relies more on electricity than combustion processes. However, Scope 2 emissions (from electricity usage), which account for 11% of total emissions, have increased as KCG consumes a large amount of electricity, while renewable power accounted for only 7% of total electricity consumption in 2024. Scope 3 emissions are the KCG's largest contributor, accounting for 80% of total emissions and have also increased. This reflects KCG's reliance on third-party suppliers for raw materials used in cheese and butter production, as well as third-party temperature-controlled transportation for its products. As many of these suppliers are non-listed companies, we see KCG's challenges IN controlling and reducing Scope 3 emissions.

▪ **Energy management:** This is another area of weakness. Total electricity usage increased by 20% in 2024 from the 2022 base year. Electricity usage per ton of production also increased by 7%, implying higher energy intensity in KCG's production process. We believe this is mainly due to KCG's production lines remaining relatively outdated, requiring higher power input and generating more production waste, although KCG is in the process of replacing equipment with newer machinery. Renewable energy (e.g., solar rooftop) was only 7.4% in 2024, which remains insignificant. KCG does not have a clear plan to materially increase renewable electricity usage.

▪ **Water and waste management:** This is a strong area for KCG. Water withdrawal declined by 10% in 2024 compared with 2022, while water discharged fell by 74%, indicating lower water usage in production and reduced wastewater discharge due to its closed-loop water recycling system. KCG has established recycling technology for, and its recycling rate improved from 82% in 2022 to 84% in 2024.

## SCALE WEIGHTING



Sources: Thanachart, Company data

## Sector: Agro &amp; Food Industry | Food &amp; Beverage

We assign a moderate S score of 3.0 to KCG, vs. the sector average of 3.2. While KCG demonstrates strengths in employee well-being, talent management, and product quality, it lacks a strong commitment to the broader social impact.

Thanachart Social (S) Rating



## SOCIAL

## Our Comments

- Human Rights & Community Relations
- Access & Affordability
- Customer Welfare
- Product Quality & Safety
- Fair Product Marketing & Labelling
- Social Supply Chain Management
- Labor Relations
- Fair Labor Practices
- Health, Safety & Well-being
- Diversity & Inclusion
- Recruitment, Development & Retention

- We assign a decent S score of 3.0, vs. sector average of 3.2. KCG focuses on improving employee well-being and training, even as it increases automation. However, its monetary contribution to society remains limited and insufficient to drive meaningful social impact, in our view.
- **Employee well-being and management:** This is KCG's strongest social area. KCG integrates employee well-being into its remuneration structure, with explicit targets related to healthcare improvement for its workforce. KCG also increased employee training hours to 16 hours per annum in 2024, above its target of 12 hours. Despite its focus on automation, KCG does not pursue workforce reductions, with employee turnover declining to 25% in 2024 from 40% in 2022.
- **Product safety and quality:** This is another strong area for KCG. KCG is the largest provider of butter and cheese products in Thailand, commanding over 50% and 30% market share, with operations spanning over 60 years. KCG also supplies milk-based raw materials to leading restaurants in Thailand. KCG focuses on cost efficiency by developing alternative raw materials through a thorough R&D process, without compromising product quality.
- **Social responsibility:** In our view, KCG does not demonstrate a strong commitment to social support. KCG provides some mandatory initiatives, such as knowledge-sharing activities and limited flood relief support. However, total monetary donations amounted to only Bt2.5m in 2024, representing just 0.03% of total revenue.

## SCALE WEIGHTING

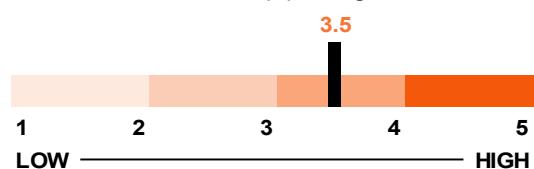


Sources: Thanachart, Company data

## Sector: Agro &amp; Food Industry | Food &amp; Beverage

We assign a good G score of 3.5 to KCG, vs. the sector average of 2.8. KCG receives a high score for business sustainability, and business risk management. It also meets required standards in other governance areas, although these do not reach best-practice levels.

## Thanachart Governance (G) Rating



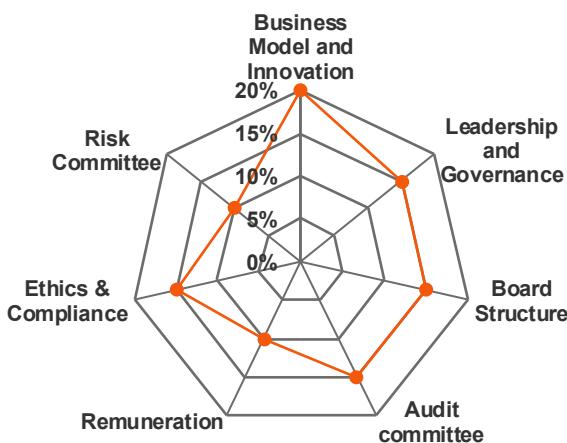
## GOVERNANCE &amp; SUSTAINABILITY

## Our Comments

- Business Model and Innovation
- Leadership and Governance
- Board Structure
- Audit committee
- Renumeration
- Ethics & Compliance
- Risk Committee

- We assign a decent G score of 3.5, higher than the sector average of 2.8. The score reflects KCG's active efforts to improve its product portfolio, which supports customer base expansion. In other areas, KCG meets governance standards, though not yet at best-practice levels.
- **Business sustainability and innovation:** This is KCG's strongest governance area. KCG commands the largest market share in cheese, butter, and festive-focused biscuit products in Thailand, with nationwide distribution across modern and traditional trade channels. While traditional cheese and butter consumption continues to grow faster than the Thailand food average due to a low base, KCG has expanded into FMCG cheese and butter products, such as cheese snacks. KCG has also successfully expanded into business customers, including restaurant chains, by developing customized food and snack formulations, leveraging its in-house certified culinary food school.
- **Risk management:** This area is closely linked to business sustainability. While overall consumption of Western-based food products that require cheese and butter remains relatively low in Thailand, new revenue streams from FMCG cheese and butter products, as well as KCG's expansion into business customers, help reduce overall business risk.
- **Board structure:** KCG's board structure is not ideal but not weak, in our view. The board chairman is an independent director and is separate from the CEO role. However, only 42% of its 12-member board are independent directors, below the ideal ratio of two-thirds.
- **Committees:** KCG has the required committees in place, including audit, risk management, and remuneration committees.
- **Ethics and transparency:** KCG has a clean compliance record, with zero reported cases of corruption, conflicts of interest, or code of conduct violations in 2024. The Audit Committee identified no internal control deficiencies, and external auditors raised no concerns.

## SCALE WEIGHTING



Sources: Thanachart, Company data

INCOME STATEMENT						
	FY ending Dec (Bt m)	2023A	2024A	2025F	2026F	2027F
<b>Decent sales growth</b>	Sales	7,157	7,743	8,619	9,333	9,907
	Cost of sales	5,010	5,351	5,973	6,458	6,846
	<b>Gross profit</b>	<b>2,147</b>	<b>2,392</b>	<b>2,646</b>	<b>2,875</b>	<b>3,061</b>
	% gross margin	30.0%	30.9%	30.7%	30.8%	30.9%
	Selling & administration expenses	1,728	1,854	2,014	2,175	2,295
	<b>Operating profit</b>	<b>418</b>	<b>538</b>	<b>632</b>	<b>700</b>	<b>767</b>
	% operating margin	5.8%	7.0%	7.3%	7.5%	7.7%
	Depreciation & amortization	181	213	230	247	262
	<b>EBITDA</b>	<b>600</b>	<b>751</b>	<b>862</b>	<b>947</b>	<b>1,028</b>
	% EBITDA margin	8.4%	9.7%	10.0%	10.1%	10.4%
<b>Margin expansion</b>	Non-operating income	35	25	25	25	25
	Non-operating expenses	0	0	0	0	0
	Interest expense	(80)	(53)	(47)	(46)	(44)
	<b>Pre-tax profit</b>	<b>374</b>	<b>510</b>	<b>610</b>	<b>678</b>	<b>747</b>
	Income tax	80	105	126	140	154
	<b>After-tax profit</b>	<b>293</b>	<b>405</b>	<b>484</b>	<b>538</b>	<b>593</b>
	% net margin	4.1%	5.2%	5.6%	5.8%	6.0%
	Shares in affiliates' Earnings	0	0	0	0	0
	Minority interests	0	0	0	0	0
	Extraordinary items	13	1	0	0	0
<b>A decent balance sheet, in our view</b>	<b>NET PROFIT</b>	<b>306</b>	<b>406</b>	<b>484</b>	<b>538</b>	<b>593</b>
	<b>Normalized profit</b>	<b>293</b>	<b>405</b>	<b>484</b>	<b>538</b>	<b>593</b>
	EPS (Bt)	0.7	0.7	0.9	1.0	1.1
	Normalized EPS (Bt)	0.7	0.7	0.9	1.0	1.1
	<b>BALANCE SHEET</b>					
	FY ending Dec (Bt m)	2023A	2024A	2025F	2026F	2027F
	<b>ASSETS:</b>					
	Current assets:	3,307	3,175	3,666	3,951	4,180
	Cash & cash equivalent	334	64	200	200	200
	Account receivables	1,623	1,866	2,077	2,249	2,387
	Inventories	1,288	1,174	1,311	1,417	1,502
	Others	61	70	78	85	90
	Investments & loans	0	0	0	0	0
	Net fixed assets	2,354	2,618	2,789	2,842	2,877
	Other assets	211	201	131	131	131
	<b>Total assets</b>	<b>5,872</b>	<b>5,994</b>	<b>6,586</b>	<b>6,924</b>	<b>7,188</b>
<b>A decent balance sheet, in our view</b>	<b>LIABILITIES:</b>					
	Current liabilities:	2,925	2,808	3,142	3,206	3,178
	Account payables	977	1,141	1,274	1,377	1,460
	Bank overdraft & ST loans	1,826	1,518	1,719	1,668	1,557
	Current LT debt	6	6	6	6	3
	Others current liabilities	116	143	143	155	158
	<b>Total LT debt</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>
	Others LT liabilities	248	245	264	281	295
	<b>Total liabilities</b>	<b>3,178</b>	<b>3,052</b>	<b>3,406</b>	<b>3,487</b>	<b>3,475</b>
	Minority interest	(0)	(0)	(0)	(0)	(0)
	Preferreds shares	0	0	0	0	0
	Paid-up capital	545	545	545	545	545
	Share premium	0	0	0	0	0
	Warrants	0	0	0	0	0
	Surplus	1,668	1,673	1,673	1,673	1,673
	<b>Retained earnings</b>	<b>481</b>	<b>723</b>	<b>962</b>	<b>1,219</b>	<b>1,495</b>
	Shareholders' equity	2,694	2,941	3,180	3,437	3,713
	<b>Liabilities &amp; equity</b>	<b>5,872</b>	<b>5,994</b>	<b>6,586</b>	<b>6,924</b>	<b>7,188</b>

Sources: Company data, Thanachart estimates

## CASH FLOW STATEMENT

FY ending Dec (Bt m)	2023A	2024A	2025F	2026F	2027F
Earnings before tax	374	510	610	678	747
Tax paid	(67)	(77)	(134)	(128)	(155)
Depreciation & amortization	181	213	230	247	262
Chg In working capital	(238)	35	(215)	(175)	(141)
Chg In other CA & CL / minorities	105	43	(1)	(7)	(1)
<b>Cash flow from operations</b>	<b>354</b>	<b>724</b>	<b>490</b>	<b>615</b>	<b>712</b>
 <i>Passed its heavy capex cycle</i>					
Capex	(654)	(477)	(400)	(300)	(297)
Right of use	30	(5)	0	0	0
ST loans & investments	0	0	0	0	0
LT loans & investments	0	0	0	0	0
Adj for asset revaluation	0	0	0	0	0
Chg In other assets & liabilities	4	(62)	88	17	14
<b>Cash flow from investments</b>	<b>(619)</b>	<b>(544)</b>	<b>(312)</b>	<b>(283)</b>	<b>(283)</b>
Debt financing	(980)	(292)	202	(51)	(112)
Capital increase	155	0	0	0	0
Dividends paid	(125)	(163)	(245)	(281)	(317)
Warrants & other surplus	1,174	5	0	0	0
<b>Cash flow from financing</b>	<b>225</b>	<b>(451)</b>	<b>(43)</b>	<b>(332)</b>	<b>(429)</b>
 <b>Free cash flow</b>	<b>(299)</b>	<b>247</b>	<b>90</b>	<b>315</b>	<b>415</b>

## VALUATION

FY ending Dec	2023A	2024A	2025F	2026F	2027F
Normalized PE (x)	13.9	12.4	10.4	9.3	8.5
Normalized PE - at target price (x)	17.0	15.2	12.7	11.4	10.4
PE (x)	13.3	12.4	10.4	9.3	8.5
PE - at target price (x)	16.3	15.2	12.7	11.4	10.4
EV/EBITDA (x)	9.3	8.6	7.6	6.9	6.2
EV/EBITDA - at target price (x)	10.8	10.1	8.9	8.1	7.3
P/BV (x)	1.9	1.7	1.6	1.5	1.4
P/BV - at target price (x)	2.3	2.1	1.9	1.8	1.7
P/CFO (x)	11.5	6.9	10.2	8.1	7.0
Price/sales (x)	0.7	0.6	0.6	0.5	0.5
Dividend yield (%)	3.3	4.5	5.3	5.9	6.7
FCF Yield (%)	(7.4)	4.9	1.8	6.3	8.3
 <b>(Bt)</b>					
Normalized EPS	0.7	0.7	0.9	1.0	1.1
EPS	0.7	0.7	0.9	1.0	1.1
DPS	0.3	0.4	0.5	0.5	0.6
BV/share	4.9	5.4	5.8	6.3	6.8
CFO/share	0.8	1.3	0.9	1.1	1.3
FCF/share	(0.7)	0.5	0.2	0.6	0.8

Sources: Company data, Thanachart estimates

## FINANCIAL RATIOS

FY ending Dec	2023A	2024A	2025F	2026F	2027F
<b>Growth Rate</b>					
Sales (%)	16.2	8.2	11.3	8.3	6.1
Net profit (%)	26.9	32.7	19.2	11.2	10.2
EPS (%)	11.9	7.7	19.2	11.2	10.2
Normalized profit (%)	47.3	38.0	19.5	11.2	10.2
Normalized EPS (%)	29.9	12.0	19.5	11.2	10.2
Dividend payout ratio (%)	53.4	55.1	55.1	55.0	57.0
<b>Operating performance</b>					
Gross margin (%)	30.0	30.9	30.7	30.8	30.9
Operating margin (%)	5.8	7.0	7.3	7.5	7.7
EBITDA margin (%)	8.4	9.7	10.0	10.1	10.4
Net margin (%)	4.1	5.2	5.6	5.8	6.0
D/E (incl. minor) (x)	0.7	0.5	0.5	0.5	0.4
Net D/E (incl. minor) (x)	0.6	0.5	0.5	0.4	0.4
Interest coverage - EBIT (x)	5.2	10.1	13.4	15.1	17.4
Interest coverage - EBITDA (x)	7.5	14.2	18.3	20.5	23.3
ROA - using norm profit (%)	5.1	6.8	7.7	8.0	8.4
ROE - using norm profit (%)	15.1	14.4	15.8	16.3	16.6
<b>DuPont</b>					
ROE - using after tax profit (%)	15.1	14.4	15.8	16.3	16.6
- asset turnover (x)	1.3	1.3	1.4	1.4	1.4
- operating margin (%)	6.3	7.3	7.6	7.8	8.0
- leverage (x)	2.9	2.1	2.1	2.0	2.0
- interest burden (%)	82.4	90.6	92.8	93.6	94.4
- tax burden (%)	78.5	79.3	79.3	79.3	79.3
WACC (%)	9.0	9.0	9.0	9.0	9.0
ROIC (%)	9.0	10.2	11.4	11.8	12.4
NOPAT (Bt m)	328	427	502	555	608
invested capital (Bt m)	4,197	4,401	4,706	4,911	5,075

Sources: Company data, Thanachart estimates

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80-89	▲▲▲▲	Very Good
70-79	▲▲▲	Good
60-69	▲▲	Satisfactory
50-59	▲▲	Pass
Below	▲	N/A

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