

BUY (Unchanged)

Change in Numbers

TP: Bt 11.30

(From: Bt 11.00)

Upside : 22.8%

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.



PATTADOL BUNNAK

662-779-9119

pattadol.bun@thanachartsec.co.th

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.

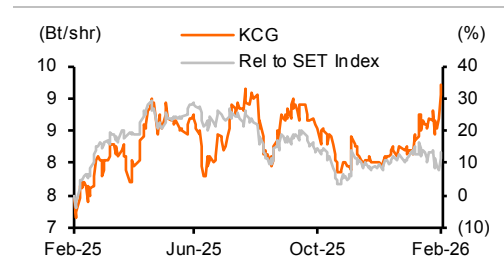
Enjoying the operating leverage effect

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

ESG Summary Report P8

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											
Target price/share (Bt)	11.3											

Sources: Company data, Thanachart estimates

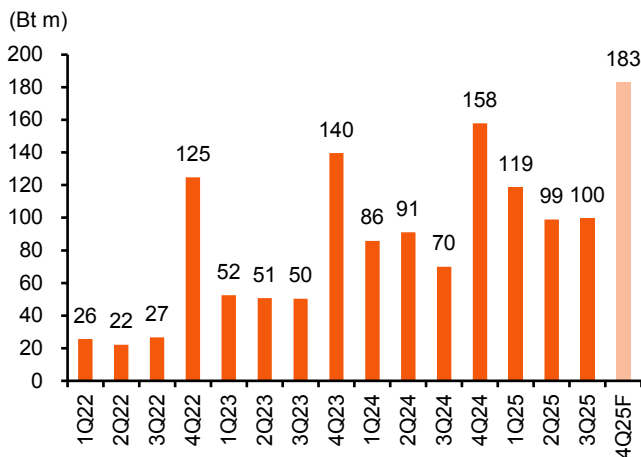
We see good 4Q25F acting as a good catalyst

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.

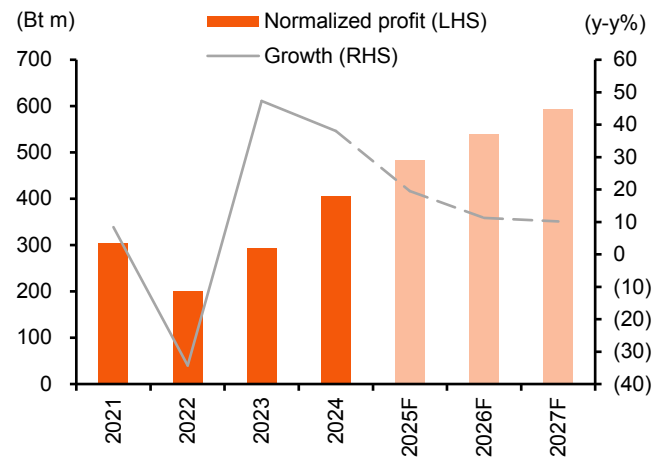
In the bigger picture, we estimate KCG to offer 11/10/8% EPS growth in 2026-28F.

Ex 3: Good Quarterly Momentum...



Sources: Company data, Thanachart estimates

Ex 4: ...And Yearly Momentum



Sources: Company data, Thanachart estimates

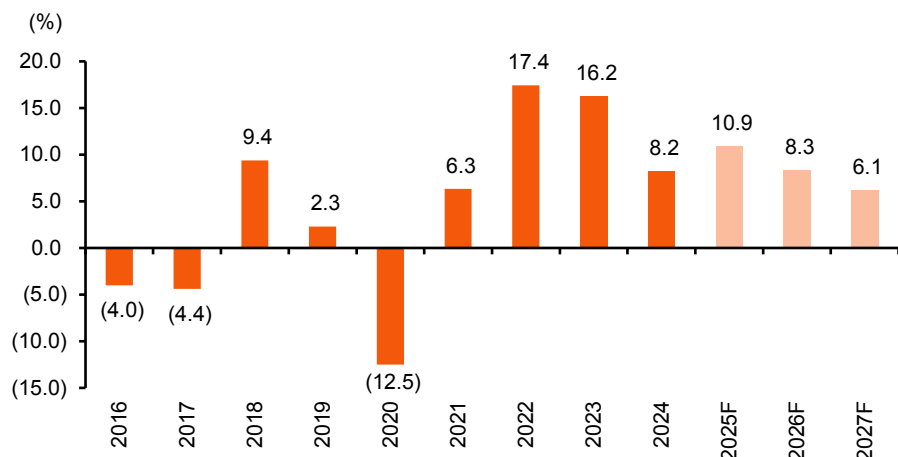
Resilient domestic food factors

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.

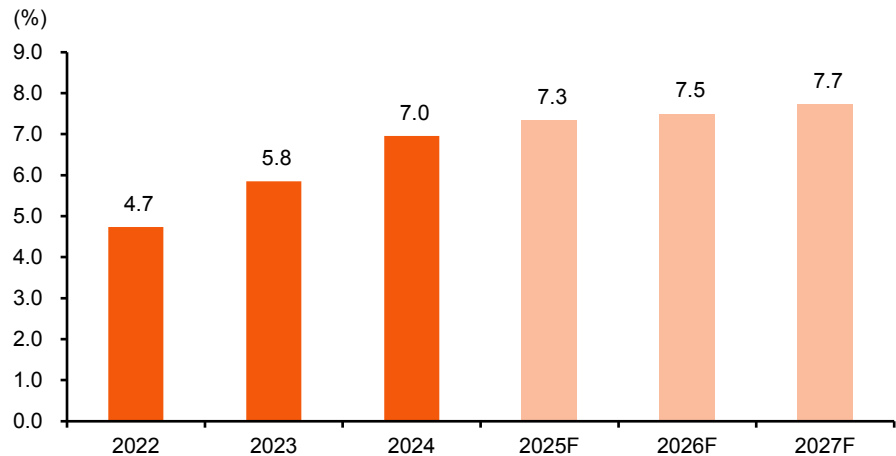
Ex 5: Decent Sales Growth



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.

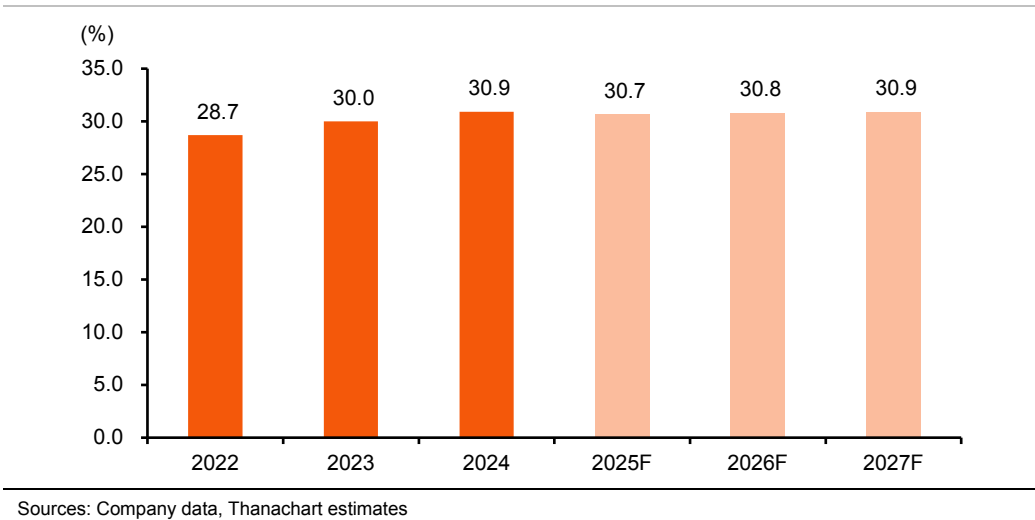
Ex 6: EBIT Margin Improvement

Sources: Company data, Thanachart estimates

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

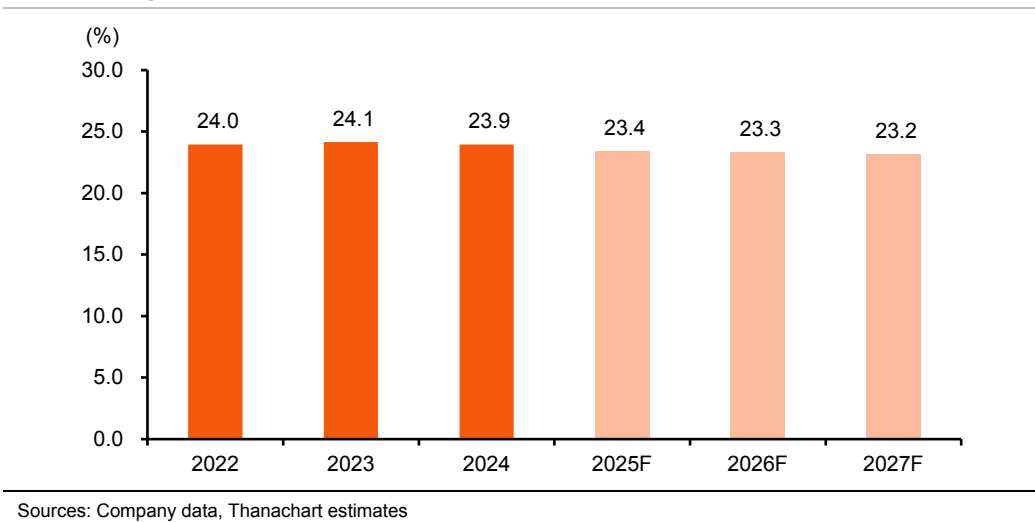
- Stocking up on raw materials earlier when prices were lower.
- Purchasing in bulk at discounted rates. This is thanks to KCG's new warehouse facility. Previously, KCG rented warehouse space, but owning the facility allows it to stock more products. KCG's raw materials normally require a sophisticated 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



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

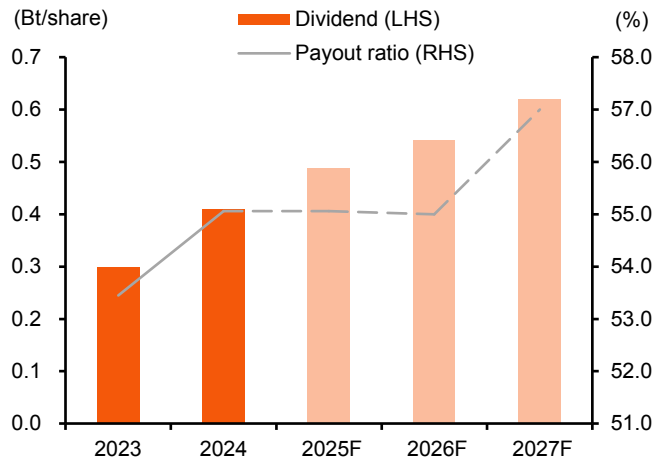


KCG looks inexpensive to us and offers decent yields

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.

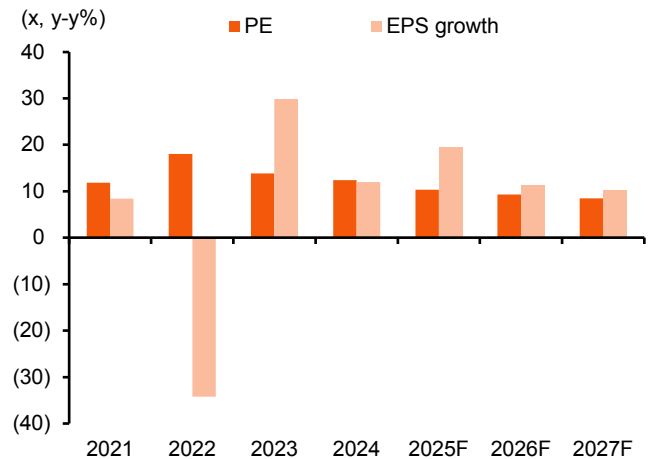
In addition to the decent EPS growth in 2025-27F, KCG offers decent dividend yields of 5.9-6.7% in those years.

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
Srinanoporn 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
Average			(8.3)	3.9	13.9	13.3	2.8	2.6	9.2	8.9	4.8	4.9

Source: Bloomberg

Note: *Thanachart estimates, using Thanachart normalized EPS

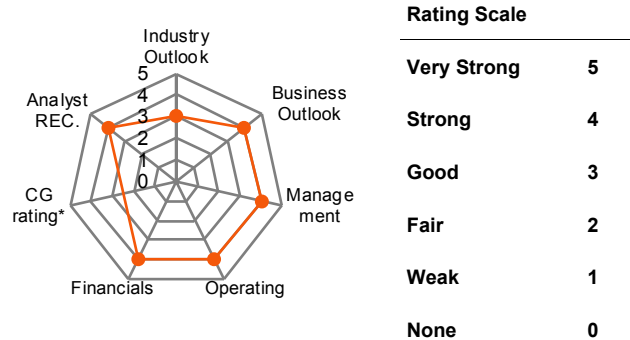
Based on 11 February 2026 closing prices

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



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.

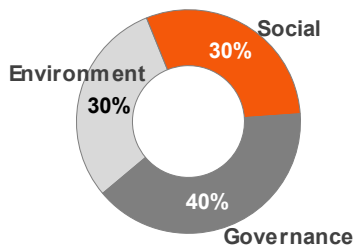
RISKS TO OUR INVESTMENT CASE

- 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.

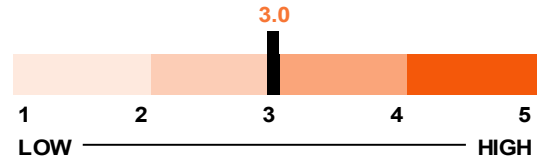
Sources: Bloomberg consensus, Thanachart estimates

Source: Thanachart

ESG Weighting



Thanachart ESG Rating



	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.

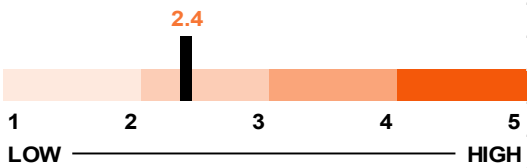


ESG Summary

- 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 CO₂ 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.

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

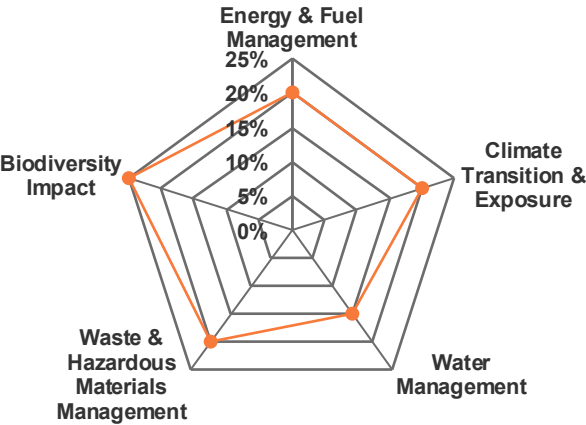


ENVIRONMENT

Our Comments

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

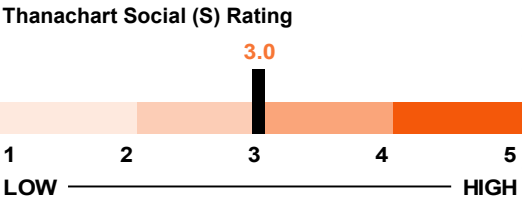
SCALE WEIGHTING



- 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 CO₂ 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 CO₂ 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.

Sources: Thanachart, Company data

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.



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.

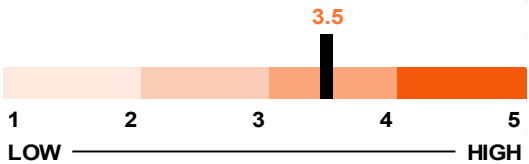
SCALE WEIGHTING



Sources: Thanachart, Company data

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

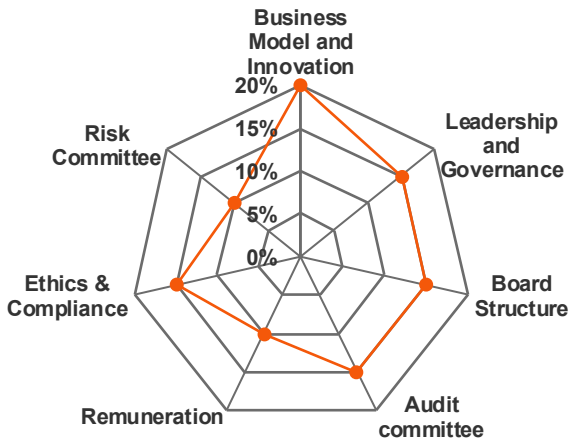


GOVERNANCE & SUSTAINABILITY

Our Comments

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

SCALE WEIGHTING



Sources: Thanachart, Company data

- 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.

INCOME STATEMENT

Decent sales growth

Margin expansion

FY ending Dec (Bt m)	2023A	2024A	2025F	2026F	2027F
Sales	7,157	7,743	8,619	9,333	9,907
Cost of sales	5,010	5,351	5,973	6,458	6,846
Gross profit	2,147	2,392	2,646	2,875	3,061
% 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
Operating profit	418	538	632	700	767
% operating margin	5.8%	7.0%	7.3%	7.5%	7.7%
Depreciation & amortization	181	213	230	247	262
EBITDA	600	751	862	947	1,028
% EBITDA margin	8.4%	9.7%	10.0%	10.1%	10.4%
Non-operating income	35	25	25	25	25
Non-operating expenses	0	0	0	0	0
Interest expense	(80)	(53)	(47)	(46)	(44)
Pre-tax profit	374	510	610	678	747
Income tax	80	105	126	140	154
After-tax profit	293	405	484	538	593
% 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
NET PROFIT	306	406	484	538	593
Normalized profit	293	405	484	538	593
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

BALANCE SHEET

A decent balance sheet, in our view

FY ending Dec (Bt m)	2023A	2024A	2025F	2026F	2027F
ASSETS:					
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
Total assets	5,872	5,994	6,586	6,924	7,188
LIABILITIES:					
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
Total LT debt	5	0	0	0	2
Others LT liabilities	248	245	264	281	295
Total liabilities	3,178	3,052	3,406	3,487	3,475
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
Retained earnings	481	723	962	1,219	1,495
Shareholders' equity	2,694	2,941	3,180	3,437	3,713
Liabilities & equity	5,872	5,994	6,586	6,924	7,188

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)
Cash flow from operations	354	724	490	615	712
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
Cash flow from investments	(619)	(544)	(312)	(283)	(283)
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
Cash flow from financing	225	(451)	(43)	(332)	(429)
Free cash flow	(299)	247	90	315	415

Passed its heavy capex cycle

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
(Bt)					
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
Growth Rate					
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
Operating performance					
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
DuPont					
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

ESG Information - Third Party Terms

www.Settrade.com

SETTRADE: You acknowledge that the use of data, information or service displayed and/or contained in this website may require third party's data, content or software which is subject to the terms of third party provider. By accessing and/or using of such certain data, you acknowledge and agree to comply with and be bound by the applicable third party terms specified below.

ESG Scores by Third Party data from www.SETTRADE.com

1. MSCI (CCC- AAA)
2. ESG Book (0-100)
3. SET ESG Rating (BBB-AAA)

SETESG Index (SETESG)

The SETESG Index reflects the price movement of stock of companies that have sustainable business practices which consider environmental, social and governance (ESG) aspect.

SET Index, SET50 Index, SET100 Index and all indices calculated by the Stock Exchange of Thailand ("SET") (collectively called "SET Index Series") are the registered trademarks/service marks solely owned by, and proprietary to SET. Any unauthorized use of SET Index Series is strictly prohibited. All information provided is for information purposes only and no warranty is made as to its fitness for purpose, satisfactory quality or otherwise. Every effort has been made to ensure that all information given is accurate, but no responsibility or liability (including in negligence) can be accepted by SET for errors or omissions or for any losses arising from the use of this information.

SET ESG Index (SET ESG)

Currently, long-term investment guidelines abroad are beginning to focus on investing in companies that have sustainable business practices. which considers environmental, social and governance factors (Environmental, Social and Governance or ESG) of the company in making investment decisions along with analyzing the company's financial data.

Stock Exchange Has prepared the results of evaluating sustainable stocks which are stocks of listed companies (SETESG Rating) as an alternative for investors who want to invest in stocks of listed companies that are outstanding in ESG, including to support listed companies with operations. sustainable business Taking into account all stakeholders in both social and environmental aspects. There is a management process to create sustainability for the organization, such as risk management. Supply chain management and innovation development. Therefore, the SETESG index was created to be an index that reflects the price movement of a group of securities. of companies with sustainable business operations that meet the required size and liquidity criteria

ESG Book's Disclaimer

Arabesque S-Ray GmbH, also trading as "ESG Book", is a limited liability company (Gesellschaft mit beschränkter Haftung) incorporated in Frankfurt am Main and organised under the laws of Germany with registered number HRB 113087 in the commercial register of the local court with its seat and business address at Zeppelinallee 15, 60325 Frankfurt am Main, Germany (hereinafter "ESG Book"). ESG Book, with its UK branch and local subsidiaries, is a provider of sustainability data and advisory services and operates the sustainability data platform ESG Book. ESG Book does not offer any regulated financial services nor products. This document is provided on a confidential basis by ESG Book and is for information purposes only; accordingly, it is not a solicitation or an offer to buy any security or instrument or to participate in any trading activities nor should it be construed as a recommendation or advice on the merits of investing in any financial product. **THIRD PARTY INFORMATION.** Certain information contained in this document has been obtained from sources outside ESG Book. While such information is believed to be reliable for the purposes used herein, no representations are made as to the accuracy or completeness thereof and neither ESG Book nor its affiliates take any responsibility for such information. To the extent this document contains any links to third party websites, such links are provided as a convenience and for informational purposes only; they do not constitute an endorsement or an approval by ESG Book of any of the products, services or opinions of the corporations or organization or individual operating such third party websites. ESG Book bears no responsibility for the accuracy, legality or content of the external site or for that of subsequent links. **RELIANCE –** ESG Book makes no representation or warranty, express or implied, as to the accuracy or completeness of the information contained herein, and accepts no liability for any loss, of whatever kind, howsoever arising, in relation thereto, and nothing contained herein should be relied upon. **CONFIDENTIALITY.** This document contains highly confidential information regarding ESG Book's strategy and organization. Your acceptance of this document constitutes your agreement to keep confidential all the information contained in this document, as well as any information derived by you from the information contained in this document and not disclose any such information to any other person. This document may not be copied, reproduced, in any way used or disclosed or transmitted, in whole or in part, to any other person.

MSCI ESG Research LLC

"Certain information @2021 MSCI ESG Research LLC. Reproduced by permission"

"Although information providers, including without limitation, MSCI ESG Research LLC and its affiliates (the "ESG Parties"), obtain information (the "Information") from sources they consider reliable, none of the ESG Parties warrants or guarantees the originality, accuracy and/or completeness, of any data herein and expressly disclaim all express or implied warranties, including those of merchantability and fitness for a particular purpose. The Information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for, or a component of, any financial instruments or products or indices. Further, none of the Information can in and of itself be used to determine which securities to buy or sell or when to buy or sell them. None of the ESG Parties shall have any liability for any errors or omissions in connection with any data herein, or any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages."

Score range	Description
CCC - B	LAGGARD: A company lagging its industry based on its high exposure and failure to manage significant ESG risks
BB - BBB - A	AVERAGE : A company with a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers
AA - AAA	LEADER: A company leading its industry in managing the most significant ESG risks and opportunities

The Dow Jones Sustainability Indices (DJSI)

The Dow Jones Sustainability Indices (DJSI) are a family of best-in-class benchmarks for investors who have recognized that sustainable business practices are critical to generating long-term shareholder value and who wish to reflect their sustainability convictions in their investment portfolios. The family was launched in 1999 as the first global sustainability benchmark and tracks the stock performance of the world's leading companies in terms of economic, environmental and social criteria. Created jointly by S&P Dow Jones Indices and SAM, the DJSI combine the experience of an established index provider with the expertise of a specialist in Sustainable Investing to select the most sustainable companies from across 61 industries. The indices serve as benchmarks for investors who integrate sustainability considerations into their portfolios, and provide an effective engagement platform for investors who wish to encourage companies to improve their corporate sustainability practices.

CG Report : by Thai Institute of Directors Association (Thai IOD), Established in December 1999, the Thai IOD is a membership organization that strives to promote professionalism in directorship. The Thai IOD offers directors certification and professional development courses, provides a variety of seminars, forums and networking events, and conducts research on board governance issues and practices. Membership comprises board members from companies ranging from large publicly listed companies to small private firms.

90-100	▲▲▲▲▲	Excellent
80-89	▲▲▲▲	Very Good
70-79	▲▲▲	Good
60-69	▲▲	Satisfactory
50-59	▲	Pass
Below		N/A

General Disclaimers And Disclosures:

This report is prepared and issued by Thanachart Securities Public Company Limited (TNS) which is owned 99.97% by TMBThanachart Bank Public Company Limited (TTB) as a resource only for clients of TNS, TMBThanachart Bank Public Company Limited (TTB) and its group companies. Copyright © Thanachart Securities Public Company Limited. All rights reserved. The report may not be reproduced in whole or in part or delivered to other persons without our written consent.

This report is prepared by analysts who are employed by the research department of TNS. While the information is from sources believed to be reliable, neither the information nor the forecasts shall be taken as a representation or warranty for which TNS or TTB or its group companies or any of their employees incur any responsibility. This report is provided to you for informational purposes only and it is not, and is not to be construed as, an offer or an invitation to make an offer to sell or buy any securities. Neither TNS, TTB nor its group companies accept any liability whatsoever for any direct or consequential loss arising from any use of this report or its contents.

The information and opinions contained herein have been compiled or arrived at from sources believed reliable. However, TNS, TTB and its group companies make no representation or warranty, express or implied, as to their accuracy or completeness. Expressions of opinion herein are subject to change without notice. The use of any information, forecasts and opinions contained in this report shall be at the sole discretion and risk of the user.

TNS, TTB and its group companies perform and seek to perform business with companies covered in this report. TNS, TTB, its group companies, their employees and directors may have positions and financial interest in securities mentioned in this report. TNS, TTB or its group companies may from time to time perform investment banking or other services for, or solicit investment banking or other business from, any entity mentioned in this report. Therefore, investors should be aware of conflict of interest that may affect the objectivity of this report.

Disclosure of Interest of Thanachart Securities**Investment Banking Relationship**

Within the preceding 12 months, Thanachart Securities has lead-managed public offerings and/or secondary offerings (excluding straight bonds) of the securities of the following companies:

Note: Thanachart Securities Public Company Limited (TNS) acts as an underwriter of “Debentures of Charoen Pokphand Food Public Co. Ltd.(CPF) No. 1/2026 (B.E. 2569) tranche 1-3”, therefore investors need to be aware that there could be conflicts of interest in this research.

Recommendation Structure:

Recommendations are based on absolute upside or downside, which is the difference between the target price and the current market price. If the upside is 10% or more, the recommendation is BUY. If the downside is 10% or more, the recommendation is SELL. For stocks where the upside or downside is less than 10%, the recommendation is HOLD. Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a temporary mismatch between upside/downside for a stock based on the market price and the formal recommendation.

For sectors, an "Overweight" sector weighting is used when we have BUYs on majority of the stocks under our coverage by market cap. "Underweight" is used when we have SELLs on majority of the stocks we cover by market cap. "Neutral" is used when there are relatively equal weightings of BUYs and SELLs.

Thanachart Securities Pcl.

Research Team

18 Floor, MBK Tower

444 Phayathai Road, Pathumwan Road, Bangkok 10330

Tel: 662 - 779-9119

Email: thanachart.res@thanachartsec.co.th

Pimpaka Nichgaroon, CFA

Head of Research, Strategy
pimpaka.nic@thanachartsec.co.th

Nuttapop Prasitsuksant

Telecom, Utilities
nuttapop.pra@thanachartsec.co.th

Rata Limsuthiwanpoom

Auto, Industrial Estate, Media, Prop. Fund
rata.lim@thanachartsec.co.th

Siriporn Arunothai

Small Cap, Healthcare, Hotel
siriporn.aru@thanachartsec.co.th

Sittichet Rungrassameephat

Analyst, Retail Market Strategy
sittichet.run@thanachartsec.co.th

Adisak Phupiphathirungul, CFA

Retail Market Strategy
adisak.phu@thanachartsec.co.th

Pattadol Bunnak

Electronics, Food & Beverage, Shipping
pattadol.bun@thanachartsec.co.th

Rawisara Suwanumphai

Bank, Finance
rawisara.suw@thanachartsec.co.th

Yupapan Polpornprasert

Energy, Petrochemical
yupapan.pol@thanachartsec.co.th

Thaloengsak Kucharoenpaisan

Analyst, Retail Market Strategy
thaloengsak.kuc@thanachartsec.co.th

Pattarawan Wangmingmat

Senior Technical Analyst
pattarawan.wan@thanachartsec.co.th

Phannarai Tiypittayarat

Property, Retail
phannarai.von@thanachartsec.co.th

Saksid Phadthananarak

Construction, Transportation
saksid.pha@thanachartsec.co.th

Witchanan Tambamroong

Technical Analyst
witchanan.tam@thanachartsec.co.th

Nariporn Klangpremchitt, CISA

Analyst, Retail Market Strategy
nariporn.kla@thanachartsec.co.th