

KCG Corporation Pcl (KCG TB) - BUY, Price Bt9.40, TP Bt11.30**Results Comment**

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Very good 4Q25 beat.

- Normal earnings were Bt196m, increasing by 24% y-y and 133% q-q due to the high-season impact. Earnings beat at the gross margin level.
- Sales increased by 9% y-y, despite weak consumption, thanks to KCG's success in new product launches. The 39% q-q increase was due to the festive impact in 4Q (high season).
- Gross margin increased to 32% in 4Q25, compared with 31% last year and 29% in 3Q25, due to the aforementioned product mix.
- SG&A to sales rose to 23.3% in 4Q25 from 22.9% in 4Q24, as KCG increased marketing expenses to support sales, but this was still offset by the higher gross margin. The ratio fell from 23.6% in 3Q25, mainly due to operating leverage impact.

Income Statement						Income Statement					
(consolidated)						12M as					
Yr-end Dec (Bt m)	4Q24	1Q25	2Q25	3Q25	4Q25	(Bt m)	q-q%	y-y%	% 2025F	2025A	2026F
Revenue	2,516	2,037	1,896	1,968	2,745	Revenue	39	9	100	8,645	9,333
Gross profit	779	633	578	576	881	Gross profit	53	13	101	2,668	2,875
SG&A	577	475	449	465	639	SG&A	38	11	101	2,028	2,175
Operating profit	202	157	129	111	242	Operating profit	117	20	101	640	700
EBITDA	260	213	186	172	304	EBITDA	77	17	101	875	947
Other income	8	5	5	6	10	Other income	57	15	107	26	25
Other expense	0	0	0	0	0	Other expense					
Interest expense	13	12	11	12	9	Interest expense	(20)	(30)	92	43	46
Profit before tax	197	151	124	106	242	Profit before tax	129	23	102	623	678
Income tax	39	32	25	22	46	Income tax	111	18	100	126	140
Equity & invest. income	0	0	0	0	0	Equity & invest. income					
Minority interests	0	0	0	0	(0)	Minority interests					
Extraordinary items	5	4	0	5	(2)	Extraordinary items	na	na	na	6	0
Net profit	163	122	99	89	193	Net profit	118	19	104	503	538
Normalized profit	158	119	99	84	196	Normalized profit	133	24	103	497	538
EPS (Bt)	0.30	0.22	0.18	0.16	0.35	EPS (Bt)	118	19	104	0.92	0.99
Normalized EPS (Bt)	0.29	0.22	0.18	0.15	0.36	Normalized EPS (Bt)	133	24	103	0.91	0.99
Balance Sheet						Financial Ratios					
(consolidated)						12M as					
Yr-end Dec (Bt m)	4Q24	1Q25	2Q25	3Q25	4Q25	(%)	4Q24	1Q25	2Q25	3Q25	4Q25
Cash & ST investment	64	147	103	116	68	Sales grow th	14.0	14.1	12.3	12.3	9.1
A/C receivable	1,866	1,356	1,170	1,231	1,912	Operating profit grow th	13.1	37.7	5.5	11.5	19.7
Inventory	1,174	1,485	1,766	1,669	1,423	EBITDA grow th	15.1	28.9	7.7	11.9	17.0
Other current assets	70	165	149	266	62	Norm profit grow th	13.0	38.0	8.5	19.9	24.0
Investment	0	0	0	0	0	Norm EPS grow th	13.0	38.0	8.5	19.9	24.0
Fixed assets	2,618	2,610	2,638	2,636	2,648	Gross margin	30.9	31.1	30.5	29.3	32.1
Other assets	201	195	189	194	202	Operating margin	8.0	7.7	6.8	5.7	8.8
Total assets	5,994	5,959	6,017	6,112	6,316	EBITDA margin	10.3	10.5	9.8	8.7	11.1
S-T debt	1,523	1,228	1,465	1,439	947	Norm net margin	6.3	5.8	5.2	4.3	7.1
A/C payable	1,141	1,258	1,242	1,298	1,722	D/E (x)	0.5	0.4	0.5	0.5	0.3
Other current liabilities	143	163	121	86	160	Net D/E (x)	0.5	0.4	0.5	0.4	0.3
L-T debt	0	0	0	0	0	Interest coverage (x)	19.5	18.1	17.5	14.7	32.5
Other liabilities	245	248	251	262	291	Interest rate	3.5	3.4	3.2	3.2	3.1
Minority interest	(0)	0	0	0	(0)	Effective tax rate	19.9	21.4	20.0	20.8	19.2
Shareholders' equity	2,941	3,062	2,938	3,027	3,197	ROA	10.8	7.9	6.6	5.5	12.6
Working capital	1,899	1,583	1,695	1,603	1,614	ROE	22.1	15.8	13.2	11.2	25.2
Total debt	1,523	1,228	1,465	1,439	947						
Net debt	1,459	1,081	1,361	1,324	879						

Sources: Company data, Thanachart estimates

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