

**TOA Paint (Thailand) (TOA TB) - BUY, Price Bt15.80, TP Bt16.00****Results Comment**

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**Strong 4Q25 results beat us**

- TOA posted 4Q25 normalized earnings of Bt926m, up 89% y-y and 27% q-q, exceeding our expectations. The strong earnings growth was mainly driven by higher sales and lower TiO<sub>2</sub> and oil-related raw material costs. Including a Bt89m forex loss and a Bt7m gain from the fair value of financial assets, it reported a net profit of Bt844m in 4Q25, up 87% y-y and 23% q-q.
- Despite the stronger-than-expected 4Q25 results, we are concerned about rising oil prices, which could lead to higher costs for oil-related raw materials and TiO<sub>2</sub>. As a result, we are placing our earnings forecast and target price under review.
- Even though we like TOA's fundamentals which are supported by its dominant 50% market share, 18–20% ROE, 5–6% dividend yield, and net cash position, the recent share price increase to near our TP also leads us to put our recommendation under review.
- TOA's total sales increased by 6% y-y in 4Q25. Although its domestic sales (81% of total revenue) were flat y-y amid a continued weak domestic economy and sluggish property market, overseas sales, particularly in Myanmar and Vietnam, rose 38% y-y, driven by a recovery in infrastructure and property projects in those countries.
- A y-y decline in TiO<sub>2</sub> and oil-related raw material prices, together with efficient cost management, lifted its gross margin to 40% in 4Q25 from 34% in 4Q24, while SG&A expenses remained flat y-y.

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	5,232	5,425	5,367	5,265	5,532	Revenue	5	6	103	21,589	21,556
<b>Gross profit</b>	<b>1,780</b>	<b>2,016</b>	<b>2,037</b>	<b>1,997</b>	<b>2,236</b>	<b>Gross profit</b>	<b>12</b>	<b>26</b>	<b>104</b>	<b>8,286</b>	<b>8,140</b>
SG&A	1,173	1,053	1,127	1,129	1,170	SG&A	4	(0)	100	4,479	4,527
Operating profit	606	963	910	867	1,066	Operating profit	23	76	109	3,807	3,613
<b>EBITDA</b>	<b>796</b>	<b>1,147</b>	<b>1,093</b>	<b>1,059</b>	<b>1,251</b>	<b>EBITDA</b>	<b>18</b>	<b>57</b>	<b>107</b>	<b>4,550</b>	<b>4,391</b>
Other income	60	42	56	39	53	Other income	37	(11)	93	190	205
Other expense	0	0	0	0	0	Other expense					
Interest expense	13	12	11	11	10	Interest expense	(7)	(24)	79	43	56
<b>Profit before tax</b>	<b>653</b>	<b>993</b>	<b>956</b>	<b>896</b>	<b>1,109</b>	<b>Profit before tax</b>	<b>24</b>	<b>70</b>	<b>109</b>	<b>3,954</b>	<b>3,762</b>
Income tax	154	189	173	158	178	Income tax	13	15	91	697	752
Equity & invest. income	0	0	0	0	0	Equity & invest. income					
Minority interests	(10)	(7)	(11)	(7)	(5)	Minority interests	na	na	na	(29)	(62)
Extraordinary items	(38)	(64)	(121)	(44)	(82)	Extraordinary items	na	na	na	(310)	0
<b>Net profit</b>	<b>451</b>	<b>733</b>	<b>652</b>	<b>688</b>	<b>844</b>	<b>Net profit</b>	<b>23</b>	<b>87</b>	<b>104</b>	<b>2,917</b>	<b>2,948</b>
<b>Normalized profit</b>	<b>489</b>	<b>797</b>	<b>773</b>	<b>731</b>	<b>926</b>	<b>Normalized profit</b>	<b>27</b>	<b>89</b>	<b>115</b>	<b>3,227</b>	<b>2,948</b>
EPS (Bt)	0.22	0.36	0.32	0.34	0.42	EPS (Bt)	23	87	104	1.44	1.45
Normalized EPS (Bt)	0.24	0.39	0.38	0.36	0.46	Normalized EPS (Bt)	27	89	115	1.59	1.45

  

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	7,304	7,440	7,601	7,431	8,632	Sales grow th	(9.5)	(0.2)	(0.6)	3.8	5.7
A/C receivable	3,212	3,257	3,187	3,089	3,212	Operating profit grow th	(24.4)	10.5	24.3	41.3	75.9
Inventory	3,171	3,095	3,213	3,200	2,901	EBITDA grow th	(19.8)	8.0	17.7	31.8	57.1
Other current assets	432	511	525	416	402	Norm profit grow th	(28.1)	21.8	30.1	33.0	89.5
Investment	0	0	0	0	0	Norm EPS grow th	(28.1)	21.8	30.1	33.0	89.5
Fixed assets	4,183	4,147	4,172	4,282	4,283	Gross margin	34.0	37.2	38.0	37.9	40.4
Other assets	2,453	2,310	2,244	2,197	2,094	Operating margin	11.6	17.7	17.0	16.5	19.3
<b>Total assets</b>	<b>20,756</b>	<b>20,759</b>	<b>20,942</b>	<b>20,615</b>	<b>21,524</b>	EBITDA margin	15.2	21.1	20.4	20.1	22.6
S-T debt	189	174	186	234	193	Norm net margin	9.3	14.7	14.4	13.9	16.7
A/C payable	4,192	3,920	4,199	4,013	4,173	D/E (x)	0.0	0.0	0.0	0.0	0.0
Other current liabilities	541	756	662	521	634	Net D/E (x)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)
L-T debt	107	175	181	146	112	Interest coverage (x)	61.9	95.8	101.3	100.5	127.3
Other liabilities	1,356	1,325	1,321	1,305	1,223	Interest rate	17.2	14.9	12.1	11.3	11.5
Minority interest	709	663	677	684	690	Effective tax rate	23.6	19.0	18.1	17.6	16.0
<b>Shareholders' equity</b>	<b>13,661</b>	<b>13,747</b>	<b>13,716</b>	<b>13,712</b>	<b>14,499</b>	ROA	9.6	15.4	14.8	14.1	17.6
Working capital	2,191	2,432	2,201	2,277	1,940	ROE	14.5	23.3	22.5	21.3	26.3
Total debt	296	348	367	380	304						
<b>Net debt</b>	<b>(7,008)</b>	<b>(7,092)</b>	<b>(7,234)</b>	<b>(7,050)</b>	<b>(8,328)</b>						

Sources: Company data, Thanachart estimates

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