

BUY (Unchanged)

TP: Bt 12.00 (From: Bt 11.30)

Change in Numbers
Upside : 23.1%

KCG Corporation Pcl. (KCG TB)

Strong 1Q26F in sight

We estimate KCG's 1Q26F earnings growth at 19% y-y, driven by new product launches and cost savings. We boost our earnings by 4% p.a. in 2026-28F and reiterate our BUY rating. KCG looks inexpensive to us at 9x 2026F PE vs. 13/10/9% growth and 6-7% dividend yields in 2026-28F.


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Strong 1Q26F and earnings hikes; BUY

We reiterate our BUY call on KCG with a higher DCF-based 12-month TP, using a 2026F base year, of Bt12.0 (from Bt11.3). **First**, we expect strong 1Q26F results, with 19% y-y growth. We regard the likely 28% q-q decline as normal, given strong festive season demand in 4Q25 (4Q normally accounts for about 40% of full-year earnings). Key drivers have been from sales and margin expansion. We raise our earnings estimates by 4% p.a. in 2026-28F. **Second**, KCG's business is bucking the trend, with limited impact from the Mideast war and weak domestic consumption. **Third**, margin expansion continues due to aggressive cost controls. **Lastly**, KCG's valuation looks attractive to us, trading at 9.5x 2026F PE against 13/10/9% EPS growth and 6-7% dividend yields in 2026-28F.

Bucking the trend

Despite weak consumption, KCG's sales likely grew 7% y-y in 1Q26F. KCG is seeing good growth from both the B2B and B2C customer segments. We attribute the success to its strong and proactive management team. KCG has been active and successful in identifying in-trend demand segments. In 1Q26, it developed formulas for trending products, e.g., Shio Pan (salt bread), varieties of croissants, and flavorful tarts, and sold cheese and butter, as ingredients to bakery makers. In 2025, it focused on in-trend buffet-based products. Its success comes from leveraging its in-house culinary school for product R&D and its large sourcing scale as Thailand's largest producer of cheese and butter, enabling it to offer lower costs to customers. We estimate 8/6/5% sales growth in 2026-28F.

Margin expansion

EBIT margin continued to expand to 8.5% in 1Q26F from 7.7% in 1Q25. KCG continues to automate its workforce and invests in R&D for product reformulation. Also, KCG has been enjoying the benefit of operating leverage from 2026F onward, driven by new production lines and a new warehouse in 2025. KCG expects its SG&A-to-sales ratio to continue to decline from 23% in 2025. We project its EBIT margin to widen to 8.0% in 2028F from 7.4% in 2025.

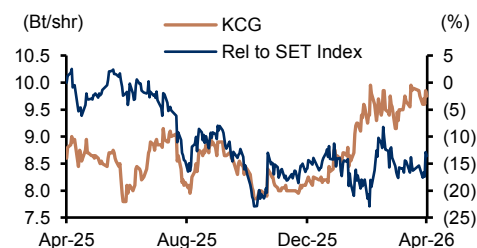
Limited Mideast war impact

KCG has not been affected much by the Middle East war. Food demand is resilient, and KCG focuses on in-trend, high-demand segments. On the supply side, there have been no product shortages so far. Its key raw materials, cheese and milk, are not related to the Mideast conflict, i.e., they are imported from other markets and do not rely on Middle East transportation routes. KCG expects some impact from rising packaging and transportation prices, but both account for about 3% of total costs.

COMPANY VALUATION

Y/E Dec (Bt m)	2025A	2026F	2027F	2028F
Sales	8,645	9,362	9,940	10,437
Net profit	503	560	616	671
Consensus NP	—	551	610	684
Diff frm cons (%)	—	1.6	1.1	(1.8)
Norm profit	497	560	616	671
Prev. Norm profit	—	538	593	643
Chg frm prev (%)	—	4.0	4.0	4.4
Norm EPS (Bt)	0.9	1.0	1.1	1.2
Norm EPS grw (%)	22.8	12.6	10.1	8.9
Norm PE (x)	10.7	9.5	8.6	7.9
EV/EBITDA (x)	7.1	6.4	5.7	5.1
P/BV (x)	1.7	1.5	1.4	1.3
Div yield (%)	5.2	5.8	6.4	7.2
ROE (%)	16.2	16.8	17.1	17.2
Net D/E (%)	27.5	21.1	15.0	9.2

PRICE PERFORMANCE



COMPANY INFORMATION

Price as of 24-Apr-26 (Bt)	9.75
Market Cap (US\$ m)	163.9
Listed Shares (m shares)	545.0
Free Float (%)	27.7
Avg. Daily Turnover (US\$ m)	4.8
12M Price H/L (Bt)	9.95/7.80
Sector	Food & Beverage
Major Shareholder	Kim Chua Trading Co Ltd 52.2%

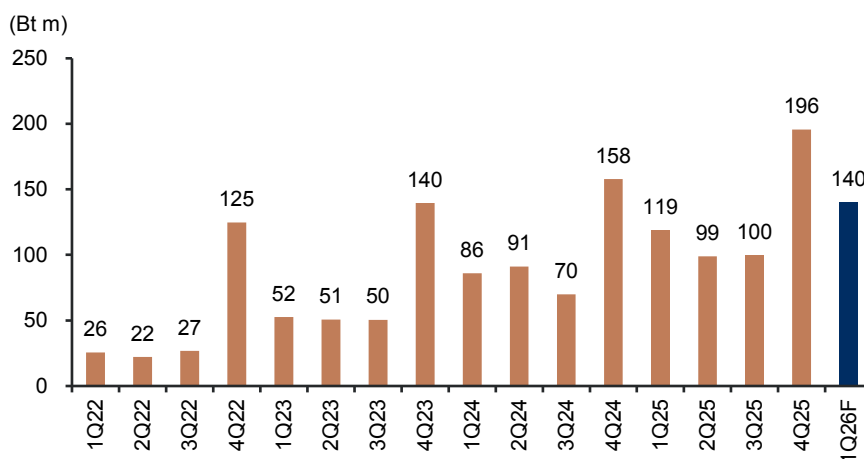
Sources: Bloomberg, Company data, ttb wealth estimates

Raising our earnings; reiterating BUY

1Q26F EPS growth likely to beat our previous expectation

We expect KCG Corporation Pcl (KCG TB) to report Bt140m in normalized profit in 1Q26F, growing 19% y-y. The likely 28% q-q decline is normal, in our view, due to strong festive season demand in 4Q25 (4Q normally accounts for about 40% of full-year earnings). Earnings appear likely to beat our previous expectation, and we have raised our estimates by 4% p.a. for 2026-28F.

Ex 1: Good Quarterly Earnings



Sources: Company data, ttb wealth estimates

Ex 2: Assumption Revisions

	2022	2023	2024	2025	2026F	2027F	2028F
Total sales growth (%)	17.4	16.2	8.2	11.6	8.3	6.2	5.0
- Dairy	13.4	13.6	9.1	13.6	8.0	7.0	5.0
- Bakery & food ingredients	25.0	18.9	5.9	15.6	9.0	5.0	5.0
- Branded biscuits	20.9	22.3	9.0	(4.1)	8.0	5.0	5.0
Gross margin (%)	28.7	30.0	30.9	30.9	31.0	31.1	31.2
SG&A to sales (%)	24.0	24.1	23.9	23.5	23.4	23.3	23.1
EBIT margin (%)	4.7	5.8	7.0	7.4	7.6	7.8	8.0

Sources: Company data, ttb wealth estimates

Sales growth and margin expansion

We attribute the good earnings growth to both sales and margin expansion. We estimate 7% y-y sales growth, driven by KCG's successful new product launches, with EBIT margin rising to 8.5% in 1Q26F from 7.7% in 1Q25, supported by KCG's cost-saving strategy.

Continuing to buck the trend

Proactive and successful in finding new demand amid a weak market

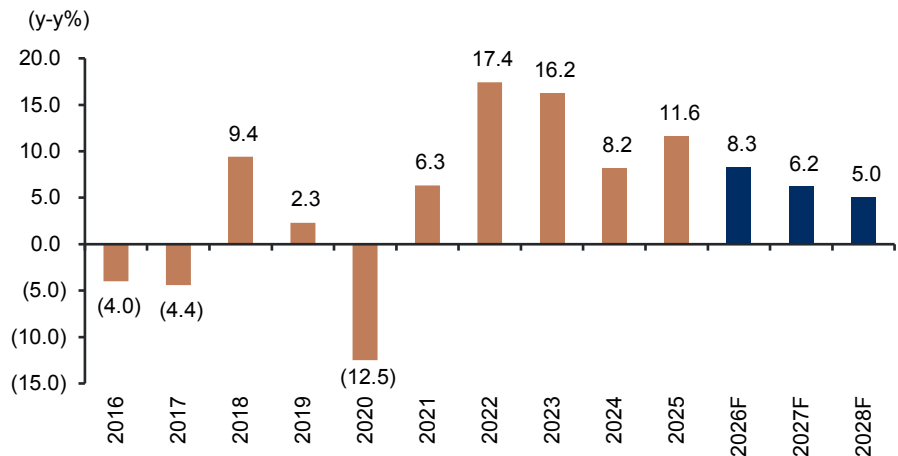
Despite Thailand’s prolonged period of weak consumption, KCG’s sales grew 8/11% in 2024-25 and look likely to grow another 7% y-y in 1Q26F. We attribute this success to a strong, proactive management team, with KCG active and successful in identifying in-trend demand segments. We recap here that KCG has shifted its core product focus from cheese and butter, primarily used in Western cuisine, toward FMCG-oriented products, believing that despite the soft growth in the food industry, there will still be attractive in-trend segments over time. The objective has been to integrate cheese and butter into everyday consumption and remain relevant amid rapidly changing food trends in Thailand. Over the years, KCG has identified the right demand trends, including: when younger generations favored BBQ grilling, KCG developed cheeses with higher melting points suitable for grilling; when younger generations embraced Korean food culture, KCG developed cheeses to pair with instant Korean noodles; when Thai parents focused more on health, KCG developed cheese snacks for children. Recently, in 1Q26, KCG has focused on developing cheese and butter for in-trend products such as Shio Pan (salt bread), various croissants, and flavorful tarts.

KCG sells products to both end consumers and food makers, with its business model focused on developing product formulas and then supplying cheese and butter as ingredients. KCG’s success is supported by leveraging its in-house certified culinary school for product R&D. As one of the largest producers of cheese and butter products in Thailand, its scale also allows for lower costs.

We project 8/6/5% sales growth in 2026-28F

We estimate 8/6/5% sales growth in 2026-28F.

Ex 3: Decent Sales Growth



Sources: Company data, ttb wealth estimates

Margin expansion

A focus on efficiency for margin expansion

Despite marketing efforts amid soft consumption, KCG’s EBIT margin rose from 5.8% in 2023 to 7.4% in 2025. KCG has also been proactive in cost savings. According to the company, there are many areas of low-hanging fruit, given its over 60 years of operations and historically limited focus on efficiency. We estimate its EBIT margin to increase to 8.0% in 2028F.

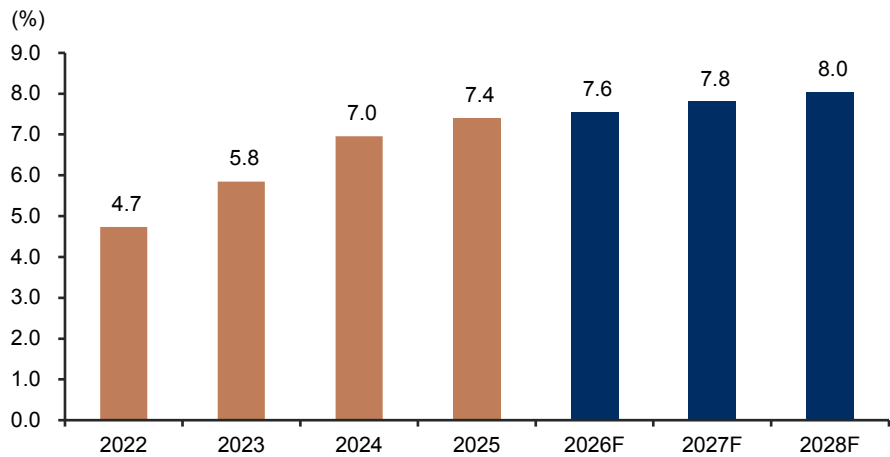
Key cost-saving areas include:

Purchasing in bulk at discounted rates, supported by KCG’s new warehouse facility. Previously, KCG rented warehouse space, but owning the facility allows it to stock more products. KCG’s raw materials likely require sophisticated inventory processes. Its warehouse is designed with advanced climate control systems that precisely regulate temperature and humidity for storing raw cheese and milk fat. Soft cheese requires higher humidity and slightly lower temperatures, while hard cheese needs drier conditions. Milk fat, being sensitive to temperature changes, requires constant refrigeration at specific temperatures to avoid spoilage. This setup minimizes waste and maintains product quality.

Replacing expensive raw materials with more cost-effective alternatives. KCG likely reduces butter usage by blending it with oils with lower melting points through emulsification, retaining rich flavors while lowering costs. This process ensures consistent texture and taste. Additionally, KCG has switched to a more affordable supplier for food flavorings and uses more cost-efficient packaging. By using thinner, high-quality, recyclable materials and leveraging advances in printing technology, KCG can deliver more intricate designs at a lower cost without compromising visual appeal.

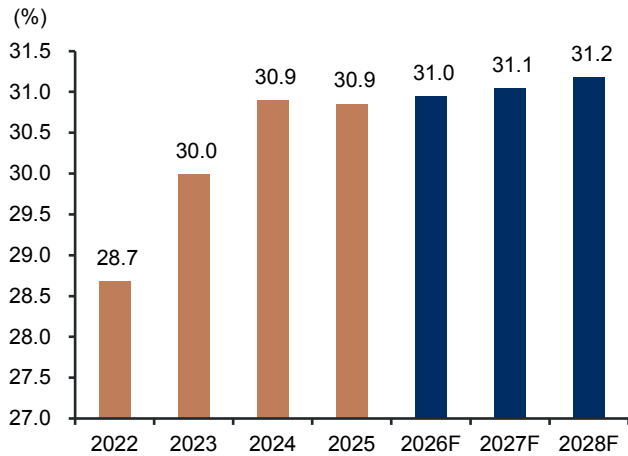
At the SG&A level, KCG is also actively reducing expenses by using software tools. An enterprise resource planning system automates administrative functions such as inventory tracking, purchase order generation, invoice processing, and payroll management. This reduces the need for manual intervention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

Ex 4: Good EBIT Margin ...



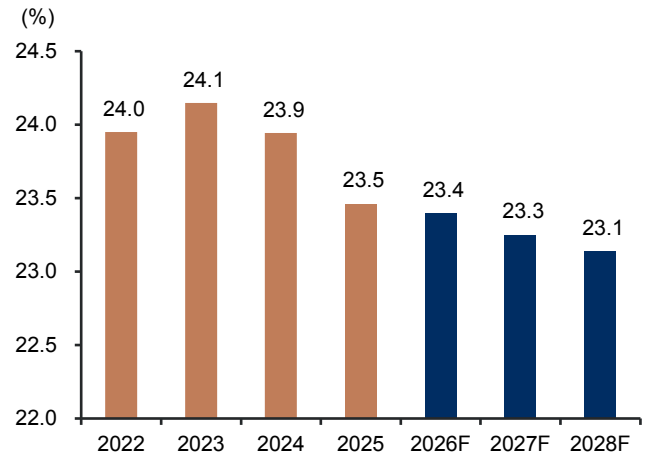
Sources: Company data, ttb wealth estimates

Ex 5: ... Supported By Gross Margin Expansion ...



Sources: Company data, ttb wealth estimates

Ex 6: ... And Improving SG&A



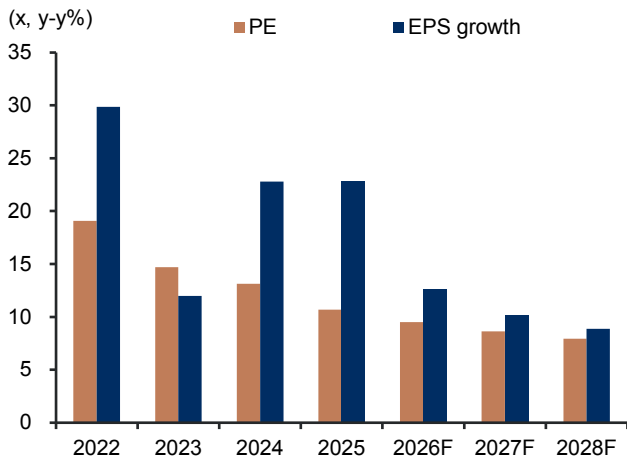
Sources: Company data, ttb wealth estimates

Attractive valuation, in our view

*9-13% EPS growth with
6-7% yields at a 9.5x 2026F
PE multiple*

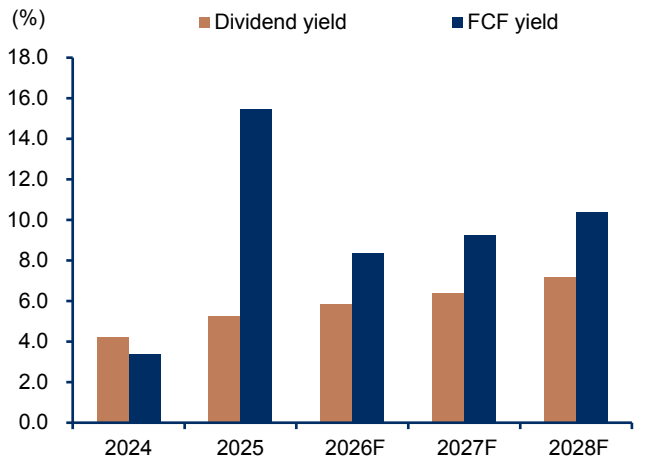
We view KCG as attractively valued, with EPS growth of 13/10/9% for 2026-28F and trading at a 9.5x PE multiple in 2026F. In addition to its earnings growth outlook for 2026-28F, KCG also offers solid dividend yields of 6-7% over the period.

Ex 7: PE Vs. EPS Growth



Sources: Company data, ttb wealth estimates

Ex 8: Good Dividend Supported By FCF



Sources: Company data, ttb wealth estimates

Ex 9: 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	951	1,034	1,114	1,164	1,207	1,251	1,274	1,311	1,312	1,311	1,310	—
Free cash flow	400	496	564	611	656	683	718	743	765	764	764	9,329
PV of free cash flow	399	413	428	423	414	393	377	356	334	304	277	3,089
Risk-free rate (%)	2.5											
Market risk premium (%)	8.0											
Beta	1.2											
WACC (%)	9.6											
Terminal growth (%)	2.0											
Enterprise value - add investments	7,437											
Net debt (2025)	879											
Minority interest	(0)											
Equity value	6,558											
# of shares (m)	545											
Target price/share (Bt)	12											

Sources: Company data, ttb wealth estimates

Valuation Comparison**Ex 10: Valuation Comparison With Regional Peers**

Name	BBG Code	Market	EPS growth		PE		P/BV		EV/EBITDA		Div Yield	
			26F (%)	27F (%)	26F (x)	27F (x)	26F (x)	27F (x)	26F (x)	27F (x)	26F (%)	27F (%)
Fonterra Co-operative	FSF NZ	New Zealand	(5.9)	(9.9)	10.2	11.3	1.9	1.8	6.5	7.6	8.6	6.8
Unilever Pcl	ULVR LN	UK	3.1	5.0	15.4	14.7	6.4	5.8	11.3	10.9	4.0	4.1
Saputo Inc	SAPIF US	US	32.9	14.8	20.5	17.8	2.5	2.4	10.7	10.1	2.1	2.3
Kraft Heinz	KHC US	US	(20.7)	4.0	10.7	10.2	0.6	0.6	8.7	8.6	7.3	7.4
NSL Foods Pcl	NSL TB	Thailand	4.5	13.6	10.4	9.1	8.5	2.3	8.0	6.5	5.2	5.1
Exotic Food Pcl	XO TB	Thailand	10.2	1.2	10.1	10.0	2.6	2.3	7.4	7.0	na	na
KCG Corporation Pcl	KCG TB*	Thailand	12.6	10.1	9.5	8.6	1.5	1.4	6.4	5.7	5.8	6.4
Srinanaporn Mkt. Pcl	SNNP TB*	Thailand	6.1	1.0	11.8	11.7	1.9	1.8	8.4	7.9	7.0	7.1
Taokaenoi Food & Mkt.	TKN TB*	Thailand	(1.5)	8.8	13.5	12.4	2.3	2.2	8.0	7.3	6.2	6.8
Average			4.6	5.4	12.5	11.8	3.1	2.3	8.4	8.0	5.8	5.8

Source: Bloomberg

Note: * ttb wealth estimates, using ttb wealth normalized EPS

Based on 24 April 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 owns three production factories, five distribution centers, one warehouse, and numerous distribution vans.

Source: ttb wealth

COMPANY RATING



Rating Scale

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

Source: ttb wealth; *CG Rating

TTB WEALTH'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	ttb wealth	Diff
Target price (Bt)	11.70	12.00	3%
Net profit 26F (Bt m)	551	560	2%
Net profit 27F (Bt m)	610	616	1%
Consensus REC	BUY: 5	HOLD: 0	SELL: 0

HOW ARE WE DIFFERENT FROM THE STREET?

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

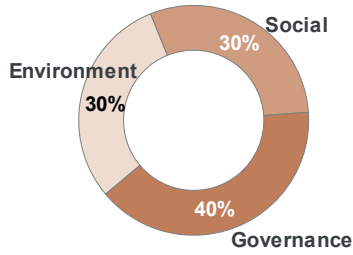
Sources: Bloomberg consensus, ttb wealth estimates

RISKS TO OUR INVESTMENT CASE

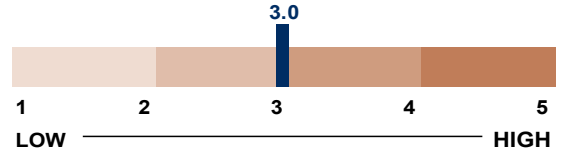
- Lower-than-expected growth of the food sectors in KCG's focus markets would pose a downside risk to our numbers.
- Failure to gain new orders and customers would pose another downside risk to our earnings forecasts.

Source: ttb wealth

ESG Weighting



ESG Rating



	SET ESG Index	SET ESG (BBB-AAA)	DJSI Index	ttb wealth 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.

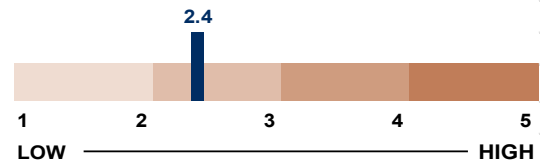


ESG Summary

- 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 the Governance (G) pillar, but this is offset by lower scores for the 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 roadmap for reduction. However, we believe 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.

Environment (E) Rating



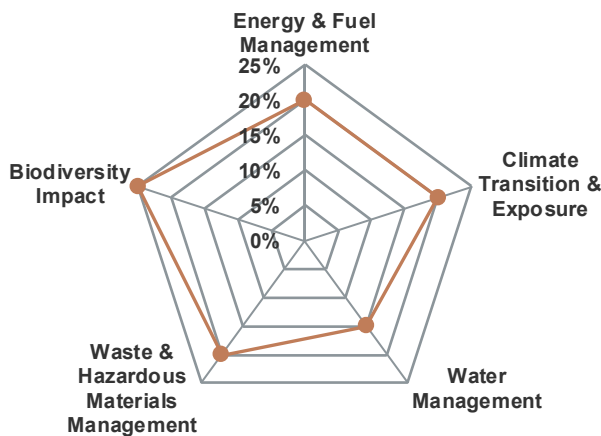
ENVIRONMENT

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 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 it 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 challenges for KCG in controlling and reducing Scope 3 emissions.
- **Energy management:** This is an area of weakness. Total electricity usage increased by 20% in 2024 from the 2022 base year. Electricity usage per tonne of production increased by 7%, implying higher energy intensity in KCG’s production process. We believe this is mainly due to KCG’s production lines remaining 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 rooftops) stood at only 7.4% of usage 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.

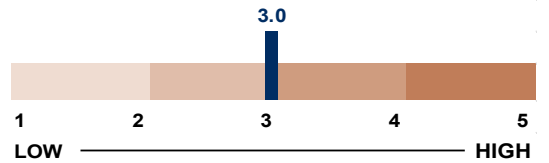
SCALE WEIGHTING



Sources: ttb wealth, 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, we believe it lacks a strong commitment to the broader social impact.

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. the 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 p.a. 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 shares, 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.

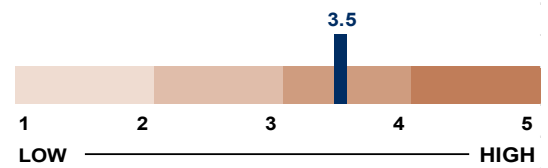
SCALE WEIGHTING



Sources: ttb wealth, 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.

Governance (G) Rating

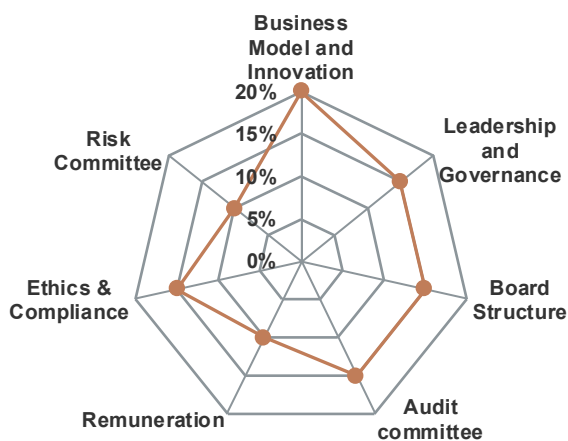


GOVERNANCE & SUSTAINABILITY **Our Comments**

- Business Model and Innovation
- Leadership and Governance
- Board Structure
- Audit committee
- Remuneration
- 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.
- **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: ttb wealth, Company data

INCOME STATEMENT

FY ending Dec (Bt m)	2024A	2025A	2026F	2027F	2028F
<i>Decent sales growth</i>					
Sales	7,743	8,645	9,362	9,940	10,437
Cost of sales	5,351	5,978	6,465	6,854	7,183
Gross profit	2,392	2,668	2,898	3,086	3,254
% gross margin	30.9%	30.9%	31.0%	31.1%	31.2%
Selling & administration expenses	1,854	2,028	2,191	2,311	2,415
Operating profit	538	640	707	775	839
% operating margin	7.0%	7.4%	7.6%	7.8%	8.0%
Depreciation & amortization	213	235	244	259	275
EBITDA	751	875	951	1,034	1,114
% EBITDA margin	9.7%	10.1%	10.2%	10.4%	10.7%
Non-operating income	25	26	26	26	26
Non-operating expenses	0	0	0	0	0
Interest expense	(53)	(43)	(32)	(30)	(25)
Pre-tax profit	510	623	701	772	840
Income tax	105	126	141	156	169
After-tax profit	405	497	560	616	671
% net margin	5.2%	5.7%	6.0%	6.2%	6.4%
Shares in affiliates' Earnings	0	0	0	0	0
Minority interests	0	(0)	(0)	(0)	(0)
Extraordinary items	1	6	0	0	0
NET PROFIT	406	503	560	616	671
Normalized profit	405	497	560	616	671
EPS (Bt)	0.7	0.9	1.0	1.1	1.2
Normalized EPS (Bt)	0.7	0.9	1.0	1.1	1.2

Margin expansion

BALANCE SHEET

FY ending Dec (Bt m)	2024A	2025A	2026F	2027F	2028F
ASSETS:					
Current assets:	3,175	3,465	4,077	4,302	4,493
Cash & cash equivalent	64	68	400	400	400
Account receivables	1,866	1,912	2,071	2,198	2,308
Inventories	1,174	1,423	1,539	1,632	1,710
Others	70	62	67	71	75
Investments & loans	0	0	0	0	0
Net fixed assets	2,618	2,648	2,705	2,746	2,784
Other assets	201	202	134	134	134
Total assets	5,994	6,316	6,916	7,181	7,411
LIABILITIES:					
Current liabilities:	2,808	2,829	3,147	3,106	3,014
Account payables	1,141	1,722	1,862	1,974	2,069
Bank overdraft & ST loans	1,518	947	1,129	963	772
Current LT debt	6	0	0	0	0
Others current liabilities	143	160	156	170	173
Total LT debt	0	0	0	0	0
Others LT liabilities	245	291	305	320	332
Total liabilities	3,052	3,119	3,453	3,426	3,346
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	1,673	1,670	1,670	1,670	1,670
Retained earnings	723	982	1,248	1,540	1,851
Shareholders' equity	2,941	3,197	3,463	3,755	4,065
Liabilities & equity	5,994	6,316	6,916	7,181	7,411

Sources: Company data, ttb wealth estimates

CASH FLOW STATEMENT

FY ending Dec (Bt m)	2024A	2025A	2026F	2027F	2028F
Earnings before tax	510	623	701	772	840
Tax paid	(77)	(113)	(139)	(149)	(166)
Depreciation & amortization	213	235	244	259	275
Chg In working capital	35	285	(134)	(108)	(94)
Chg In other CA & CL / minorities	43	56	(12)	3	(4)
Cash flow from operations	724	1,086	660	777	852
Capex	(477)	(265)	(300)	(300)	(313)
Right of use	(5)	(2)	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	(62)	3	83	14	12
Cash flow from investments	(544)	(264)	(217)	(286)	(301)
Debt financing	(292)	(570)	183	(167)	(190)
Capital increase	0	0	0	0	0
Dividends paid	(163)	(223)	(294)	(324)	(361)
Warrants & other surplus	5	(25)	0	0	0
Cash flow from financing	(451)	(818)	(111)	(491)	(551)
Free cash flow	180	822	443	491	551

Passed its heavy capex cycle

VALUATION

FY ending Dec	2024A	2025A	2026F	2027F	2028F
Normalized PE (x)	13.13	10.7	9.5	8.6	7.9
Normalized PE - at target price (x)	16.16	13.2	11.7	10.6	9.7
PE (x)	13.09	10.6	9.5	8.6	7.9
PE - at target price (x)	16.11	13.0	11.7	10.6	9.7
EV/EBITDA (x)	9.0	7.1	6.4	5.7	5.1
EV/EBITDA - at target price (x)	10.6	8.5	7.6	6.9	6.2
P/BV (x)	1.8	1.7	1.5	1.4	1.3
P/BV - at target price (x)	2.2	2.0	1.9	1.7	1.6
P/CFO (x)	7.3	4.9	8.1	6.8	6.2
Price/sales (x)	0.7	0.6	0.6	0.5	0.5
Dividend yield (%)	4.2	5.2	5.8	6.4	7.2
FCF Yield (%)	3.4	15.5	8.3	9.2	10.4
(Bt)					
Normalized EPS	0.7	0.9	1.0	1.1	1.2
EPS	0.7	0.9	1.0	1.1	1.2
DPS	0.4	0.5	0.6	0.6	0.7
BV/share	5.4	5.9	6.4	6.9	7.5
CFO/share	1.3	2.0	1.2	1.4	1.6
FCF/share	0.3	1.5	0.8	0.9	1.0

Sources: Company data, ttb wealth estimates

FINANCIAL RATIOS

FY ending Dec	2024A	2025A	2026F	2027F	2028F
Growth Rate					
Sales (%)	8.2	11.6	8.3	6.2	5.0
Net profit (%)	32.7	24.0	11.2	10.1	8.9
EPS (%)	7.7	24.0	11.2	10.1	8.9
Normalized profit (%)	38.0	22.8	12.6	10.1	8.9
Normalized EPS (%)	12.0	22.8	12.6	10.1	8.9
Dividend payout ratio (%)	55.1	55.2	55.2	55.0	57.0
Operating performance					
Gross margin (%)	30.9	30.9	31.0	31.1	31.2
Operating margin (%)	7.0	7.4	7.6	7.8	8.0
EBITDA margin (%)	9.7	10.1	10.2	10.4	10.7
Net margin (%)	5.2	5.7	6.0	6.2	6.4
D/E (incl. minor) (x)	0.5	0.3	0.3	0.3	0.2
Net D/E (incl. minor) (x)	0.5	0.3	0.2	0.1	0.1
Interest coverage - EBIT (x)	10.1	14.7	21.8	26.2	33.5
Interest coverage - EBITDA (x)	14.2	20.2	29.4	35.0	44.5
ROA - using norm profit (%)	6.8	8.1	8.5	8.7	9.2
ROE - using norm profit (%)	14.4	16.2	16.8	17.1	17.2
DuPont					
ROE - using after tax profit (%)	14.4	16.2	16.8	17.1	17.2
- asset turnover (x)	1.3	1.4	1.4	1.4	1.4
- operating margin (%)	7.3	7.7	7.8	8.1	8.3
- leverage (x)	2.1	2.0	2.0	2.0	1.9
- interest burden (%)	90.6	93.5	95.6	96.3	97.1
- tax burden (%)	79.3	79.8	79.8	79.8	79.8
WACC (%)	9.6	9.6	9.6	9.6	9.6
ROIC (%)	10.2	11.6	13.8	14.8	15.5
NOPAT (Bt m)	427	511	564	619	670
invested capital (Bt m)	4,401	4,076	4,192	4,318	4,438

Sources: Company data, ttb wealth estimates

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70-79		Good
60-69		Satisfactory
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Below		N/A

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