Somboon Advance Tech. (SAT TB) - BUY, Price Bt16.2, TP Bt17.0

Results Comment

Rata Limsuthiwanpoom | Email: rata.lim@ttbwealth.co.th

Decent 2Q26, in-line

- SAT reported normalized profit Bt161m, up 5% y-y but down 23% q-q, in line with our expectations.
- q-q earnings declined due to seasonality, while y-y growth was driven by higher gross margin, supported by favorable product mix and cost efficiency.
- Revenue declined 7% y-y and 16% q-q to Bt1.5bn. On a y-y basis, tractors (-21% y-y, 17% of revenue) and passenger cars (-27% y-y, 7%) were the key drags, while pickup trucks (flat y-y, 76%) remained resilient.
- Gross margin improved to 21.0% in 2Q26, from 19.8% in 1Q26 and 17.1% in 2Q25, mainly due to product mix and cost efficiency.
- 6M26 normalized profit accounted for 51% of our 2026 forecast. We maintain our earnings projections.

Income Statement					(consolidated)
Yr-end Dec (Bt m)	**2Q25**	**3Q25**	**4Q25**	**1Q26**	**2Q26**
Revenue	1,640	1,668	1,694	1,823	1,532
Gross profit	**281**	**313**	**360**	**361**	**322**
SG&A	161	171	210	181	171
Operating profit	120	142	149	180	151
EBITDA	**242**	**268**	**277**	**305**	**273**
Other income	30	38	36	20	22
Other expense	0	0	0	0	0
Interest expense	1	1	1	1	1
Profit before tax	**149**	**180**	**184**	**199**	**173**
Income tax	11	3	20	13	33
Equity & invest. income	13	16	25	22	21
Minority interests	3	1	8	1	1
Extraordinary items	(4)	1	(0)	3	(5)
Net profit	**149**	**195**	**197**	**212**	**156**
Normalized profit	**153**	**194**	**197**	**209**	**161**
EPS (Bt)	0.35	0.46	0.46	0.50	0.37
Normalized EPS (Bt)	0.36	0.46	0.46	0.49	0.38

Income Statement			6M as		
(Bt m)	**q-q%**	**y-y%**	**% 2026F**	**2026F**	**2027F**
Revenue	(16)	(7)	49	6,825	6,972
Gross profit	**(11)**	**15**	**52**	**1,306**	**1,338**
SG&A	(6)	6	50	707	722
Operating profit	(16)	26	55	599	616
EBITDA	**(11)**	**13**	**52**	**1,108**	**1,134**
Other income	12	(25)	33	130	132
Other expense			na		
Interest expense	(11)	(22)	49	3	3
Profit before tax	**(13)**	**16**	**51**	**725**	**745**
Income tax	150	198	63	74	83
Equity & invest. income	(4)	67	76	56	56
Minority interests	(52)	(79)	14	13	14
Extraordinary items	na	na	na	0	0
Net profit	**(26)**	**5**	**51**	**721**	**731**
Normalized profit	**(23)**	**5**	**51**	**721**	**731**
EPS (Bt)	(26)	5	51	1.70	1.72
Normalized EPS (Bt)	(23)	5	51	1.70	1.72

Balance Sheet					(consolidated)
Yr-end Dec (Bt m)	**2Q25**	**3Q25**	**4Q25**	**1Q26**	**2Q26**
Cash & ST investment	2,781	2,744	1,260	1,486	1,095
A/C receivable	1,165	1,153	1,093	1,284	1,094
Inventory	740	709	674	612	691
Other current assets	745	914	2,570	2,676	2,641
Investment	1,155	1,152	1,176	1,149	1,288
Fixed assets	2,977	2,911	2,889	2,815	2,762
Other assets	327	324	349	348	368
Total assets	**9,890**	**9,907**	**10,012**	**10,370**	**9,939**
S-T debt	12	12	6	5	4
A/C payable	844	811	827	900	769
Other current liabilities	498	519	432	514	566
L-T debt	0	0	0	0	0
Other liabilities	404	409	407	402	408
Minority interest	(11)	(13)	(21)	(22)	(23)
Shareholders' equity	**8,144**	**8,169**	**8,360**	**8,572**	**8,214**
Working capital	1,061	1,051	939	997	1,016
Total debt	12	12	6	5	4
Net debt	**(2,769)**	**(2,732)**	**(1,254)**	**(1,481)**	**(1,091)**

Financial Ratios					
(%)	**2Q25**	**3Q25**	**4Q25**	**1Q26**	**2Q26**
Sales growth	(4.2)	(10.0)	(6.9)	(0.2)	(6.6)
Operating profit growth	16.2	(0.8)	(17.3)	(1.9)	26.1
EBITDA growth	6.2	(1.6)	(10.4)	(1.0)	12.9
Norm profit growth	9.6	21.1	(7.3)	10.7	5.4
Norm EPS growth	9.6	21.1	(7.3)	10.7	5.4
Gross margin	17.1	18.8	21.2	19.8	21.0
Operating margin	7.3	8.5	8.8	9.8	9.9
EBITDA margin	14.8	16.1	16.4	16.8	17.8
Norm net margin	9.3	11.6	11.6	11.4	10.5
D/E (x)	0.0	0.0	0.0	0.0	0.0
Net D/E (x)	(0.3)	(0.3)	(0.2)	(0.2)	(0.1)
Interest coverage (x)	246.4	273.3	308.5	355.6	356.6
Interest rate	30.9	32.5	39.8	58.7	64.5
Effective tax rate	7.4	1.7	10.8	6.7	19.1
ROA	6.0	7.8	7.9	8.2	6.4
ROE	7.3	9.5	9.5	9.9	7.7

Sources: Company data, ttb wealth estimates

General Disclaimers And Disclosures:

This report is prepared by analysts who are employed by the research department of ttb wealth. 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 ttb wealth 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 ttb wealth, 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, ttb wealth, 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.

ttbwealth, TTB and its group companies perform and seek to perform business with companies covered in this report. ttb wealth, TTB, its group companies, their employees and directors may have positions and financial interest in securities mentioned in this report. ttb wealth, 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.

Note: ttb wealth securities public company limited (ttb wealth) acts as an underwriter of “Debentures of MUANGTHAI CAPITAL PUBLIC COMPANY LIMITED No. 3/2026 (B.E. 2569), therefore investors need to be aware that there could be conflicts of interest in this research.

Note: ttb wealth securities public company limited (ttb wealth) acts as an underwriter of “Debentures of IRPC PUBLIC COMPANY LIMITED No. 1/2026 (B.E. 2569), therefore investors need to be aware that there could be conflicts of interest in this research.

Disclosure of Interest of ttb wealth securities public company limited

Investment Banking Relationship

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