

KCE ELECTRONICS KCE TB
THAILAND / ELECTRONIC COMPONENT

HOLD

UNCHANGED

มองบวกมากขึ้นต่อแนวโน้มระยะยาว

- กำไรสุทธิ 2Q25 น่าจะออกมาต่ำกว่าที่เคยคาดจากค่าเงินบาทที่แข็งตัวขึ้น
- วงจรธุรกิจอิเล็กทรอนิกส์ของไกลส์สิ้นสุดแต่ยังต้องจับตาอุปสงค์ภายในนำเข้าของสหรัฐฯ ที่เรียกเก็บจากไทยและไต้หวัน (คู่แข่งในธุรกิจ PCB)
- แม้ว่าแนวโน้มจะเป็นบวกมากยิ่งขึ้นราคาหุ้นกลับพุ่งขึ้นไปแล้วถึง 45%

TARGET PRICE	THB20.00
CLOSE	THB21.70
UP/DOWNSIDE	-7.8%
PRIOR TP	THB20.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+14.9%

KEY STOCK DATA

YE Dec (THB m)	2024	2025E	2026E	2027E
Revenue	14,833	14,066	14,770	15,508
Net profit	1,648	1,176	1,680	1,908
EPS (THB)	1.39	1.00	1.42	1.61
vs Consensus (%)	-	(8.5)	10.7	14.9
EBITDA	2,883	2,484	3,172	3,522
Recurring net profit	1,587	1,146	1,680	1,908
Core EPS (THB)	1.34	0.97	1.42	1.61
Chg. In EPS est. (%)	-	(13.7)	(5.3)	(4.6)
EPS growth (%)	1.1	(27.8)	46.6	13.5
Core P/E (x)	16.2	22.4	15.3	13.4
Dividend yield (%)	4.8	3.4	4.9	5.6
EV/EBITDA (x)	8.8	10.4	8.4	7.7
Price/book (x)	1.9	1.8	1.8	1.7
Net debt/Equity (%)	(2.9)	0.5	6.5	8.5
ROE (%)	11.6	8.2	11.8	13.0

กำไร 2Q25 น่าจะฟื้นตัวต่ำกว่าที่เคยคาด

เรคาดกำไรสุทธิ 2Q25 อยู่ที่ 221 ลบ. (-3.8% q-q, -65% y-y) ต่ำกว่าที่เคยคาดจากค่าเงินบาทที่แข็งตัว 1.7% q-q และ 9% y-y แม้เราคาดว่าจะรายได้ในรูปเงินเหรียญสหรัฐฯ จะสูงขึ้น 2% q-q แต่ลดลง 9.4% y-y รายได้ในรูปเงินบาทน่าจะเพิ่มขึ้นเพียง 0.8% q-q แต่ลดลง 16.5% y-y ตัวเลขที่เพิ่มขึ้นเล็กน้อย q-q น่าจะเกิดจากสินค้าคงคลังที่อยู่ในระดับต่ำของลูกค้านั้นสิ้นเดือน พ.ค. ยอดขายรถยนต์ของโลกยังทรงตัว y-y แต่ยอดขาย EV กลับสูงขึ้น 24% y-y ในขณะที่ตัวเลขรถยนต์จดทะเบียนใหม่ในยุโรปสูงขึ้น 1.6% y-y เป็นเดือนที่สองติดต่อกัน

คาดตัวเลขการฟื้นตัวที่ดีขึ้นในช่วง 2H25

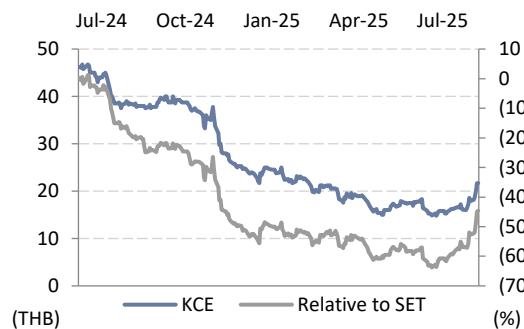
เรคาดว่าคำสั่งซื้อจะฟื้นตัวในช่วง 2H25 บางส่วนจาก High season และฐานที่ต่ำในช่วงก่อนหน้า นอกจากนี้ยอดขายรถยนต์ของโลกยังดูทรงตัว ในเบื้องต้นเรคาดว่ารายได้จะฟื้นตัวต่อเนื่องใน 3Q-4Q25 ที่ประมาณ 10% q-q และ 5% q-q ตามลำดับ ทั้งนี้โดยปกติ 4Q จะเป็น Low season และบริษัท อาจหยุดเดินสายการผลิตเพื่อซ่อมบำรุงประจำปี นอกจากนี้เรายังคาดด้วยว่าอัตรากำไรขั้นต้นจะฟื้นตัวเป็น 20% ในช่วง 2H25 เมื่อบริษัท เสร็จราคาต้นทุนวัตถุดิบกับผู้จัดการจำหน่ายแล้วเสร็จและในขณะที่อัตราการใช้กำลังการผลิตปรับตัวสูงขึ้น

จับตาภาษีนำเข้าของสหรัฐฯ ที่เรียกเก็บจากไทยและไต้หวัน

อย่างไรก็ตามกำไรที่คาดว่าจะฟื้นตัวต่ำกว่าคาดใน 2Q25 เราปรับลดประมาณการกำไรสุทธิปี 2025 ของเรลง 11% เป็น 1.18 พัน ลบ. (-29% y-y) เรามองว่าบริษัท อาจผ่านจุดต่ำสุดไปแล้วในช่วง 1H25 แต่ความกังวลเกี่ยวกับการฟื้นตัวยังคงอยู่โดยเฉพาะในส่วนที่เกี่ยวข้องกับผลกระทบจากภาษีนำเข้าของสหรัฐฯ เรคาดว่าไทยจะต้องจ่ายภาษีนำเข้าต่ำกว่าคู่แข่งสำคัญอย่างจีน อย่างไรก็ตามก็ยังจำเป็นต้องจับตามองสถานการณ์ของไต้หวัน ถ้าไทยต้องจ่ายภาษีนำเข้าสูงกว่าไต้หวัน ปัจจัยดังกล่าวอาจกระทบความสามารถในการแข่งขันของ KCE (ณ วันที่ 6 ก.ค. 2025 การเจรจาภาษีนำเข้าของไต้หวันกับสหรัฐฯ ยังไม่สิ้นสุด ในรอบแรกสหรัฐฯ เสนอให้เก็บภาษีนำเข้า 32% จากไต้หวัน) ทั้งนี้ KCE ได้รับ 21% ของรายได้รวมในปี 2024 จากตลาดสหรัฐฯ

มองบวกในระยะยาวมากขึ้น แต่ราคาหุ้นปรับขึ้นแรง

เรคาดราคาเป้าหมายปี 2025 ของเราที่ 20 บาทแม้ว่าจะปรับลดประมาณการกำไร ทั้งนี้มุมมองระยะกลางถึงยาวของเราเป็นบวกมากยิ่งขึ้นเนื่องจากเราเชื่อว่าวงจรธุรกิจชิ้นส่วนอิเล็กทรอนิกส์ของไกลส์จะสิ้นสุด (สอดคล้องกับมุมมองของผู้บริหาร) ดังนั้นเราจึงปรับเพิ่ม Target P/E เป็น 20x (จาก 18x) อย่างไรก็ตามก็ควรคำนึงถึงการปรับขึ้นแรงถึง 45% ในช่วง 3 เดือนที่ผ่านมาส่วนหนึ่งมาจากบรรยากาศเชิงบวกหลังมีรายงานว่าผู้บริหารเข้ามาสะสมหุ้น เราคำนวณแนะนำถือ หรือ หายยสะสมเมื่ออ่อนตัว และติดตามการฟื้นตัวใน 2H25 รวมถึงผลสรุปเกี่ยวกับภาษีนำเข้าของสหรัฐฯ



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	41.8	40.9	(50.1)
Relative to country (%)	43.4	41.6	(42.0)
Mkt cap (USD m)	793		
3m avg. daily turnover (USD m)	6.0		
Free float (%)	0		
Major shareholder	Ongkosit Group (34%)		
12m high/low (THB)	47.75/13.70		
Issued shares (m)	1,182.06		

Sources: Bloomberg consensus; FSSIA estimates



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Investment thesis

Management maintains their 2025 revenue guidance of flat y-y, despite a 7.5% y-y decline in 1Q25. However, the gross margin guidance was revised down to 21-22% (from the previous 24-25%) after achieving only 17.4% in 1Q25, due to weak order visibility and tariff uncertainties. As a result, the plan to build a new factory in Rojana has been postponed. The HDI machinery upgrade will proceed gradually, as existing capacity is still sufficient.

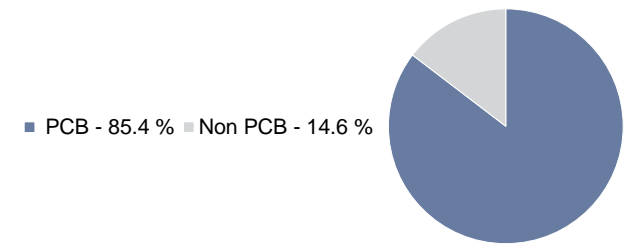
However, we expect a recovery in purchase orders in 2H25, partly due to the high season and a low base from the prior period, and global car sales appear to be stabilizing. We believe KCE may have already passed its bottom in 1H25, but concerns about the recovery remain—especially regarding the impact of US tariffs.

Company profile

KCE produces and distributes printed circuit boards (PCB). Its key customer base comes from manufacturers of automotive electronic equipment, which accounted for 70% of total revenue in 2024. In particular, KCE is a supplier to the fast-growing electric vehicle (EV) market. Its crucial export markets include Europe (52.6% of total revenue in 2024), followed by the US (21.4%), China (10.1%), and Asia (4.6%), with Thailand representing 11.4%.

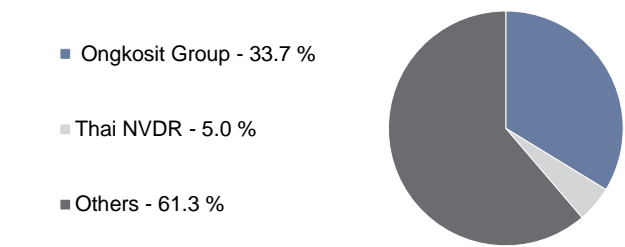
www.kcethai.in.th

Principal activities (revenue, 2024)



Source: KCE Electronics

Major shareholders



Source: KCE Electronics

Catalysts

Potential catalysts for KCE’s earnings growth in 2025 include 1) a global economic recovery and a faster global auto sales recovery than expected; 2) a decline in raw material prices; 3) higher production efficiency due to an increased utilization rate; and 4) successful capacity expansion as planned.

Risks to our call

Downside and upside risks to our P/E-based TP include 1) slower or faster-than-expected global economic and car sales recoveries; 2) higher or lower-than-expected decrease in raw material costs; 3) baht strength or weakness; and 4) a minimum wage increase or a labor shortage.

Event calendar

Date	Event
13 August 2025	2Q25 results announcement

Key assumptions

	2025E	2026E	2027E
Sales volume (sq.ft.mn)	29.6	33.1	36.0
ASP (USD per sq.ft.)	13.5	13.7	13.8
Total revenue (USD m)	426	448	470
Gross margin (%)	19.4	22.0	23.0

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in USD revenue, we estimate 2025 net profit to rise by 0.9%, and vice versa, all else being equal.
- For every THB1/USD increase, we estimate 2025 net profit to fall by 6.5%, and vice versa, all else being equal.
- For every 0.5% increase in GPM, we estimate 2025 net profit to rise by 3.4%, and vice versa, all else being equal.
- For every 0.2% increase in SG&A to sales, we estimate 2025 net profit to fall by 1.8%, and vice versa, all else being equal.

Source: FSSIA estimates

Exhibit 1: KCE – 2Q25 earnings preview

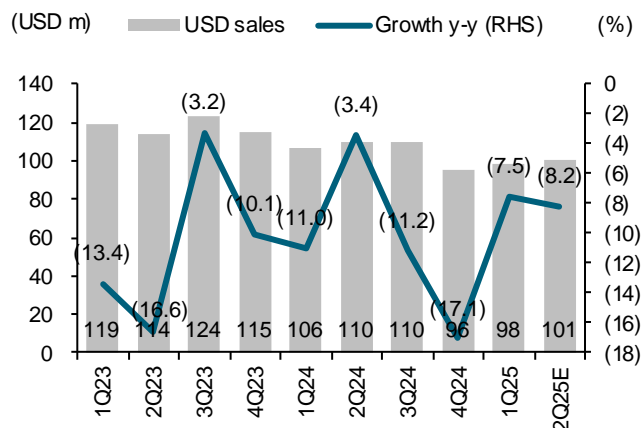
	2Q24	3Q24	4Q24	1Q25	2Q25E	----- Change -----		2025E	Change	1H25E	Change	% 1H25E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(y-y%)	(THB m)	(y-y%)	to 2025E
Sales	4,012	3,802	3,239	3,324	3,350	0.8	(16.5)	14,066	(5.2)	6,674	(14.3)	47.4
Cost of sales	3,018	3,033	2,615	2,745	2,724	(0.8)	(9.7)	11,337	(2.0)	5,469	(7.7)	48.2
Gross profit	994	769	624	579	626	8.2	(37.0)	2,729	(16.3)	1,205	(35.5)	44.2
SG&A	461	418	455	410	409	(0.4)	(11.3)	1,646	(6.3)	819	(7.2)	49.8
Operating profit	533	351	169	168	218	29.3	(59.2)	1,083	(28.1)	386	(60.8)	35.6
Interest expense	18	10	10	8	9	3.2	(52.3)	35	(31.9)	17	(48.3)	47.5
Tax expense	28	0	28	29	25	(12.0)	(9.6)	131	9.6	54	(41.5)	41.1
Other gain (Loss)	107	(170)	30	50	(20)	nm	nm	30	(54.1)	30	(85.0)	100.9
Reported net profit	635	216	282	230	221	(3.8)	(65.2)	1,176	(28.6)	451	(60.8)	38.3
Core profit	528	386	252	180	241	34.2	(54.4)	1,146	(27.8)	421	(55.7)	36.7

Key ratios (%)					(ppt)	(ppt)						
Gross margin	24.8	20.2	19.3	17.4	18.7	1.3	(6.1)	19.4	(2.6)	18.1	(5.9)	
SG&A to Sales	11.5	11.0	14.0	12.3	12.2	(0.1)	0.7	11.7	(0.1)	12.3	0.9	
Operating margin	13.3	9.2	5.2	5.1	6.5	1.4	(6.8)	7.7	(2.5)	5.8	(6.9)	
Net margin	15.8	5.7	8.7	6.9	6.6	(0.3)	(9.2)	8.4	(2.8)	6.8	(8.0)	
Core margin	13.2	10.2	7.8	5.4	7.2	1.8	(6.0)	8.2	(2.6)	6.3	(5.9)	

Operating statistics (USD m)												
PCB sales	94.7	90.8	80.0	84.1	85.8	2.0	(9.4)	362.9	0.8	280	(6.2)	46.8
Non-PCB sales	15.0	19.1	15.7	14.2	15.0	5.4	(0.1)	63.3	2.7	46	(20.9)	46.2
Total sales	109.7	109.9	95.7	98.3	100.8	2.5	(8.2)	426.3	1.1	326	(8.6)	46.7

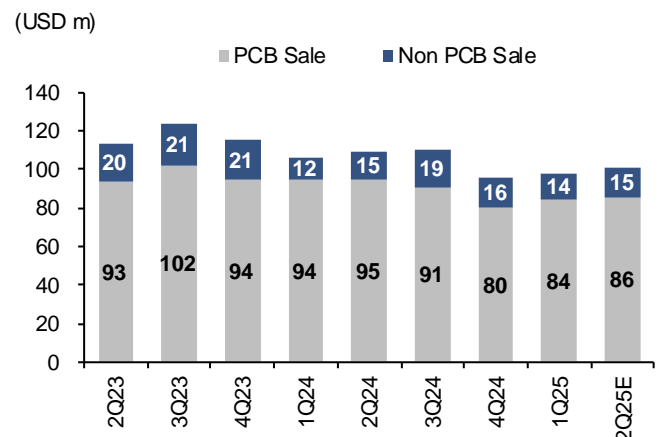
Sources: KCE; FSSIA estimates

Exhibit 2: Quarterly USD revenue and growth



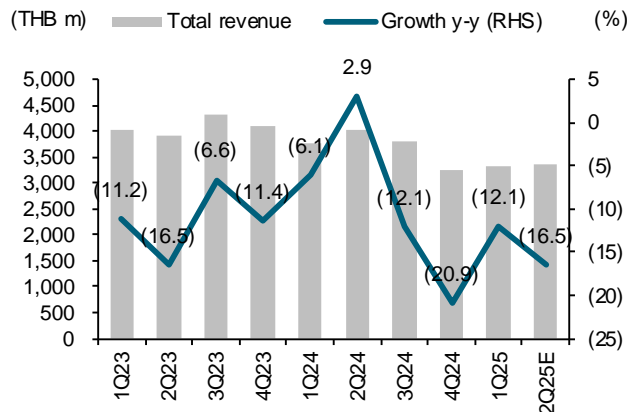
Sources: KCE; FSSIA estimates

Exhibit 3: Quarterly sales volumes and average selling price



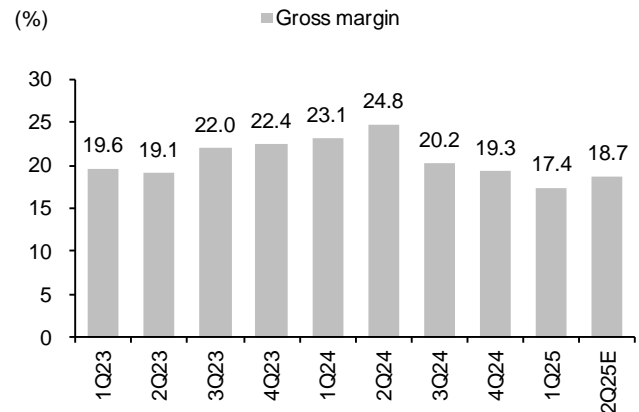
Sources: KCE; FSSIA estimates

Exhibit 4: Quarterly total revenue and growth



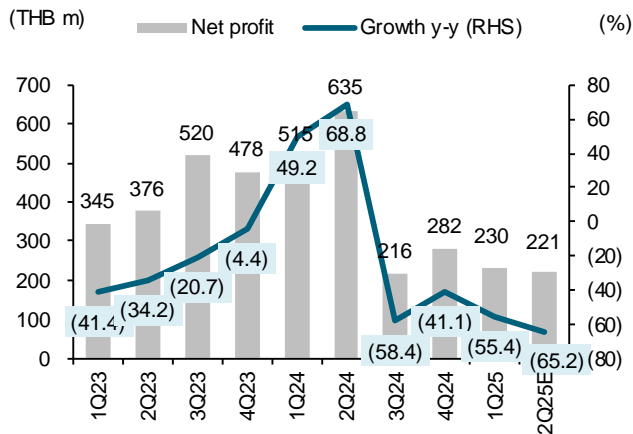
Sources: KCE; FSSIA estimates

Exhibit 5: Quarterly gross margin



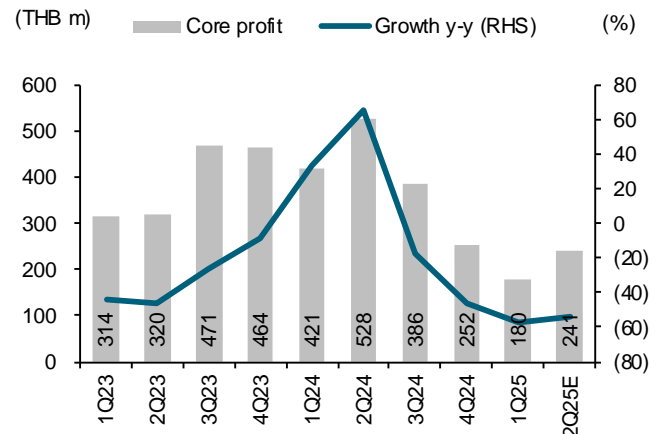
Sources: KCE; FSSIA estimates

Exhibit 6: Quarterly net profit and growth



Sources: KCE; FSSIA estimates

Exhibit 7: Quarterly core profit and growth



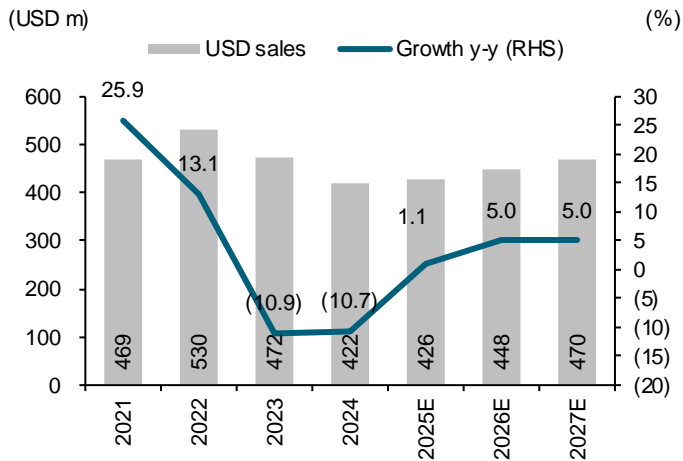
Sources: KCE; FSSIA estimates

Exhibit 8: Changes in key assumptions for KCE

	Current			Previous			Change		
	2025E (THB m)	2026E (THB m)	2027E (THB m)	2025E (THB m)	2026E (THB m)	2027E (THB m)	2025E (%)	2026E (%)	2027E (%)
Total sale value (THB m)	14,066	14,770	15,508	13,556	14,234	14,946	3.8	3.8	3.8
Costs	11,337	11,520	11,941	10,777	10,960	11,359	5.2	5.1	5.1
Gross profit	2,729	3,249	3,567	2,779	3,274	3,587	(1.8)	(0.8)	(0.6)
SG&A expense	1,646	1,625	1,706	1,559	1,566	1,644	5.6	3.8	3.8
Interest expense	35	56	62	35	56	62	0.0	0.0	0.0
Reported net profit	1,176	1,680	1,908	1,328	1,774	1,999	(11.4)	(5.3)	(4.6)
Core profit	1,146	1,680	1,908	1,328	1,774	1,999	(13.7)	(5.3)	(4.6)
Key ratios (%)									
Total revenue growth	(5.2)	5.0	5.0	(8.6)	5.0	5.0			
Net profit growth	(28.6)	42.8	13.5	(19.5)	33.6	12.7			
Core profit growth	(27.8)	46.6	13.5	(16.4)	33.6	12.7			
Gross margin	19.4	22.0	23.0	20.5	23.0	24.0	(1.1)	(1.0)	(1.0)
SG&A to sales	11.7	11.0	11.0	11.5	11.0	11.0	0.2	0.0	0.0
Net margin	8.4	11.4	12.3	9.8	12.5	13.4	(1.4)	(1.1)	(1.1)
Core margin	8.2	11.4	12.3	9.8	12.5	13.4	(1.6)	(1.1)	(1.1)
Operating statistics									
Total revenue (USD m)	426	448	470	411	431	453	3.8	3.8	3.8
FX rate (THB/USD)	33.0	33.0	33.0	33.0	33.0	33.0	0.0	0.0	0.0

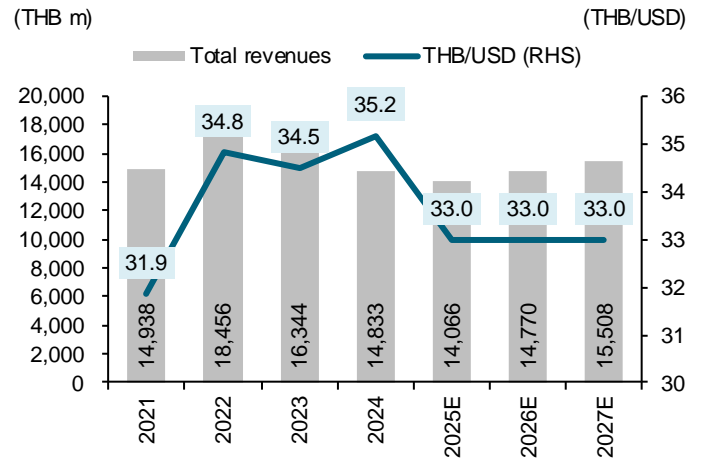
Source: FSSIA estimates

Exhibit 9: USD sales and growth



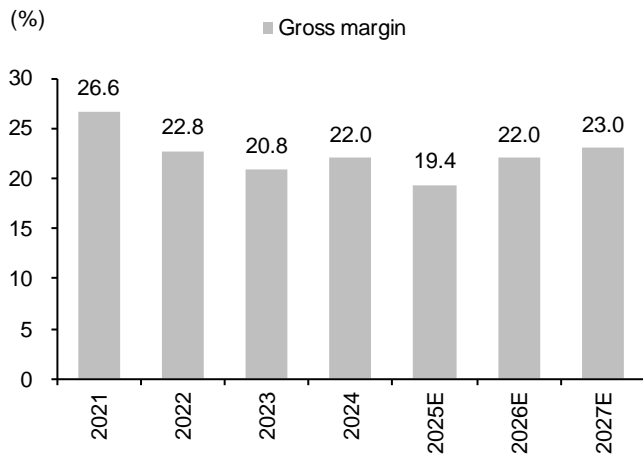
Sources: KCE; FSSIA estimates

Exhibit 10: Total revenue and THB/USD



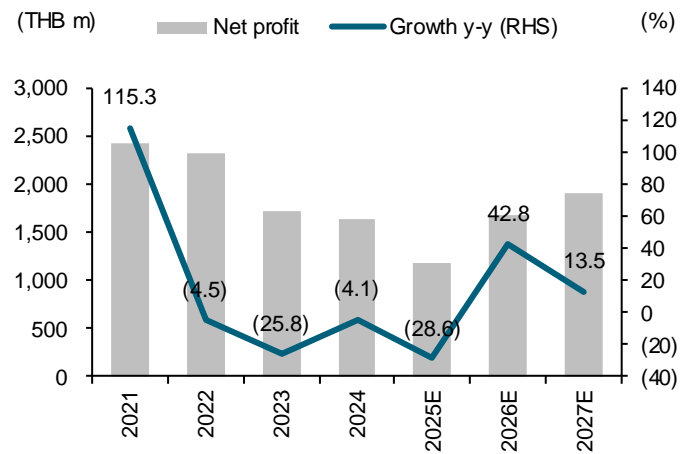
Sources: KCE; FSSIA estimates

Exhibit 11: Yearly gross margin



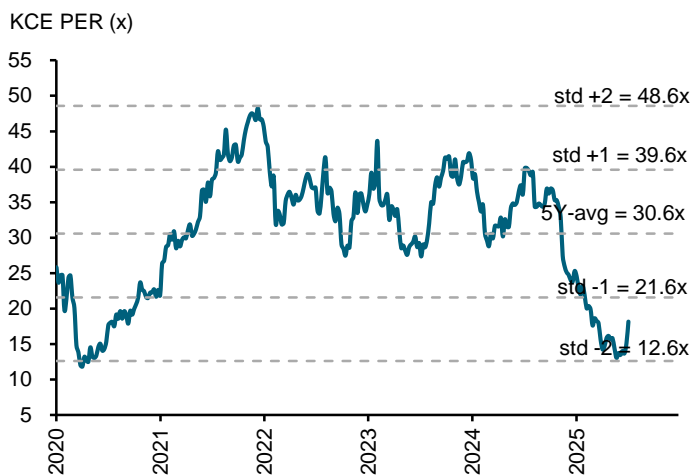
Sources: KCE; FSSIA estimates

Exhibit 12: Yearly net profit and growth



Sources: KCE; FSSIA estimates

Exhibit 13: Historical P/E band



Sources: Bloomberg, FSSIA estimates

Exhibit 14: Historical P/BV band



Sources: Bloomberg, FSSIA estimates

Financial Statements

KCE Electronics

Profit and Loss (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Revenue	16,344	14,833	14,066	14,770	15,508
Cost of goods sold	(12,941)	(11,571)	(11,337)	(11,520)	(11,941)
Gross profit	3,403	3,262	2,729	3,249	3,567
Other operating income	190	265	239	266	279
Operating costs	(1,774)	(1,756)	(1,646)	(1,625)	(1,706)
Operating EBITDA	2,944	2,883	2,484	3,172	3,522
Depreciation	(1,126)	(1,112)	(1,162)	(1,282)	(1,382)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	1,818	1,772	1,322	1,891	2,140
Net financing costs	(104)	(52)	(35)	(56)	(62)
Associates	14	17	12	15	19
Recurring non-operating income	14	17	12	15	19
Non-recurring items	150	61	30	0	0
Profit before tax	1,879	1,798	1,329	1,849	2,097
Tax	(131)	(120)	(131)	(147)	(166)
Profit after tax	1,747	1,678	1,198	1,703	1,931
Minority interests	(28)	(30)	(21)	(22)	(23)
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
Reported net profit	1,720	1,648	1,176	1,680	1,908
Non-recurring items & goodwill (net)	(150)	(61)	(30)	0	0
Recurring net profit	1,569	1,587	1,146	1,680	1,908
Per share (THB)					
Recurring EPS *	1.33	1.34	0.97	1.42	1.61
Reported EPS	1.45	1.39	1.00	1.42	1.61
DPS	1.11	1.05	0.75	1.07	1.21
Diluted shares (used to calculate per share data)	1,182	1,182	1,182	1,182	1,182
Growth					
Revenue (%)	(11.4)	(9.2)	(5.2)	5.0	5.0
Operating EBITDA (%)	(18.7)	(2.1)	(13.8)	27.7	11.0
Operating EBIT (%)	(27.5)	(2.6)	(25.4)	43.0	13.2
Recurring EPS (%)	(31.2)	1.1	(27.8)	46.6	13.5
Reported EPS (%)	(25.8)	(4.1)	(28.6)	42.8	13.5
Operating performance					
Gross margin inc. depreciation (%)	20.8	22.0	19.4	22.0	23.0
Gross margin exc. depreciation (%)	27.7	29.5	27.7	30.7	31.9
Operating EBITDA margin (%)	18.0	19.4	17.7	21.5	22.7
Operating EBIT margin (%)	11.1	11.9	9.4	12.8	13.8
Net margin (%)	9.6	10.7	8.2	11.4	12.3
Effective tax rate (%)	7.0	6.7	9.9	7.9	7.9
Dividend payout on recurring profit (%)	83.3	77.9	77.0	75.0	75.0
Interest cover (X)	17.7	34.5	37.8	33.7	34.7
Inventory days	134.4	130.3	127.2	122.8	122.2
Debtor days	103.6	98.7	92.3	87.9	87.9
Creditor days	92.3	97.2	101.1	100.5	100.0
Operating ROIC (%)	10.0	11.0	8.9	12.3	12.8
ROIC (%)	9.4	10.0	7.5	10.0	10.6
ROE (%)	11.6	11.6	8.2	11.8	13.0
ROA (%)	8.4	8.8	6.5	9.1	9.8

* Pre-exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2023	2024	2025E	2026E	2027E
PCB	13,554	12,664	11,977	12,576	13,205
Non PCB	2,790	2,169	2,089	2,194	2,303

Sources: KCE Electronics; FSSIA estimates

Financial Statements

KCE Electronics

Cash Flow (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Recurring net profit	1,569	1,587	1,146	1,680	1,908
Depreciation	1,126	1,112	1,162	1,282	1,382
Associates & minorities	-	-	-	-	-
Other non-cash items	(14)	(22)	(12)	(15)	(19)
Change in working capital	832	631	390	(183)	(205)
Cash flow from operations	3,513	3,309	2,687	2,763	3,065
Capex - maintenance	-	-	-	-	-
Capex - new investment	(402)	(661)	(1,000)	(2,400)	(2,000)
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	76	(797)	(1,216)	(7)	(7)
Cash flow from investing	(325)	(1,458)	(2,216)	(2,407)	(2,007)
Dividends paid	(1,419)	(1,551)	(882)	(1,260)	(1,431)
Equity finance	4	0	0	0	0
Debt finance	(1,150)	(476)	(49)	626	350
Other financing cash flows	(1)	(29)	(1)	(1)	(1)
Cash flow from financing	(2,566)	(2,056)	(933)	(635)	(1,082)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	4	0	0	0
Net other adjustments	0	4	0	0	0
Movement in cash	622	(201)	(463)	(279)	(24)
Free cash flow to firm (FCFF)	3,291.81	1,902.67	505.66	412.80	1,119.72
Free cash flow to equity (FCFE)	2,036.57	1,349.72	419.85	981.53	1,406.68
Per share (THB)					
FCFF per share	2.78	1.61	0.43	0.35	0.95
FCFE per share	1.72	1.14	0.36	0.83	1.19
Recurring cash flow per share	2.27	2.27	1.94	2.49	2.77
Balance Sheet (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Tangible fixed assets (gross)	18,912	19,019	20,019	22,419	24,419
Less: Accumulated depreciation	(10,758)	(11,315)	(12,477)	(13,759)	(15,140)
Tangible fixed assets (net)	8,154	7,704	7,542	8,661	9,279
Intangible fixed assets (net)	284	1,082	1,082	1,082	1,082
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	554	524	1,750	1,750	1,750
Cash & equivalents	1,767	1,566	1,104	825	801
A/C receivable	4,379	3,646	3,468	3,642	3,824
Inventories	3,793	3,675	3,417	3,472	3,599
Other current assets	141	68	70	74	78
Current assets	10,079	8,955	8,059	8,012	8,301
Other assets	122	151	141	148	155
Total assets	19,193	18,416	18,574	19,652	20,567
Common equity	13,689	13,756	14,050	14,470	14,947
Minorities etc.	61	62	61	60	58
Total shareholders' equity	13,749	13,818	14,111	14,530	15,005
Long term debt	515	85	80	450	755
Other long-term liabilities	367	527	422	443	465
Long-term liabilities	882	612	502	893	1,220
A/C payable	2,728	2,843	2,796	2,841	2,944
Short term debt	1,748	1,078	1,095	1,315	1,319
Other current liabilities	85	65	70	74	78
Current liabilities	4,562	3,986	3,961	4,229	4,341
Total liabilities and shareholders' equity	19,193	18,416	18,574	19,652	20,567
Net working capital	5,499	4,482	4,090	4,273	4,478
Invested capital	14,613	13,942	14,604	15,913	16,744
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	11.58	11.64	11.89	12.24	12.64
Tangible book value per share	11.34	10.72	10.97	11.33	11.73
Financial strength					
Net debt/equity (%)	3.6	(2.9)	0.5	6.5	8.5
Net debt/total assets (%)	2.6	(2.2)	0.4	4.8	6.2
Current ratio (x)	2.2	2.2	2.0	1.9	1.9
CF interest cover (x)	24.5	39.8	41.3	60.9	55.8
Valuation	2023	2024	2025E	2026E	2027E
Recurring P/E (x) *	16.3	16.2	22.4	15.3	13.4
Recurring P/E @ target price (x) *	15.1	14.9	20.6	14.1	12.4
Reported P/E (x)	14.9	15.6	21.8	15.3	13.4
Dividend yield (%)	5.1	4.8	3.4	4.9	5.6
Price/book (x)	1.9	1.9	1.8	1.8	1.7
Price/tangible book (x)	1.9	2.0	2.0	1.9	1.9
EV/EBITDA (x) **	8.9	8.8	10.4	8.4	7.7
EV/EBITDA @ target price (x) **	8.2	8.1	9.6	7.8	7.1
EV/invested capital (x)	1.8	1.8	1.8	1.7	1.6
* Pre-exceptional, pre-goodwill and fully diluted ** EBITDA includes associate income and recurring non-operating income					

Sources: KCE Electronics; FSSIA estimates

KCE Electronics PCL (KCE TB)

FSSIA ESG rating


45.77 /100

Exhibit 15: FSSIA ESG score implication

Rating	Score	Implication
★★★★★	>79-100	Leading its industry peers in managing the most significant ESG risks which not only better cost efficiency but also lead to higher profitability.
★★★★★	>59-79	A mixed track record of managing the most significant ESG risks and opportunities relative to industry peers.
★★★	>39-59	Relevant ESG materiality matrix has been constructively addressed, well-managed and incorporated into day-to-day operations, in which targets and achievements are evaluated annually.
★★	>19-39	Relevant ESG materiality matrix has been identified with key management in charge for progress to be followed up on and to provide intensive disclosure. Most targets are conventional and achievable.
★	1-19	The company has adopted the United Nations Sustainable Development Goals (UN SDGs), established sustainability management guidelines and fully complies with regulations or ESG suggested guidance from related organizations such as the SET and SEC.

Sources: FSSIA estimates

Exhibit 16: ESG – peer comparison

	FSSIA ESG score	Domestic ratings							Global ratings					Bloomberg	
		DJSI	SET THSI	THSI	CG score	AGM level	Thai CAC	Morningstar ESG risk	ESG Book	MSCI	Moody's	Refinitiv	S&P Global	ESG score	Disclosure score
SET100	69.20	5.34	4.40	4.40	4.76	4.65	3.84	Medium	51.76	BBB	20.87	58.72	63.91	3.72	28.17
Coverage	67.12	5.11	4.15	4.17	4.83	4.71	3.53	Medium	52.04	BB	16.97	56.85	62.09	3.40	31.94
DELTA	87.59	Y	Y	Y	5.00	5.00	Certified	Low	68.81	AA	--	91.19	74.00	4.15	--
HANA	56.35	--	Y	Y	5.00	5.00	Certified	Negligible	56.93	BBB	--	44.01	31.00	1.81	--
KCE	45.77	--	--	--	5.00	5.00	Certified	Medium	52.70	--	--	61.53	16.00	2.16	52.98

Sources: [SETTRADE.com](https://www.settrade.com); FSSIA's compilation

Exhibit 17: ESG score by Bloomberg

FY ending Dec 31	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
ESG financial materiality scores - ESG score	1.34	1.35	1.35	1.36	1.37	1.70	2.06	2.16
BESG environmental pillar score	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00
BESG social pillar score	0.80	0.80	0.80	0.80	0.80	1.44	1.45	1.58
BESG governance pillar score	4.64	4.67	4.67	4.77	4.83	4.83	4.71	4.90
ESG disclosure score	40.30	41.69	40.30	40.64	46.82	53.50	54.91	52.98
Environmental disclosure score	19.21	19.21	19.21	19.21	33.59	49.50	53.76	52.13
Social disclosure score	20.44	24.61	20.44	21.46	25.63	29.78	29.78	25.60
Governance disclosure score	81.10	81.10	81.10	81.10	81.10	81.10	81.10	81.10
Environmental								
Emissions reduction initiatives	No	No	No	No	No	No	No	Yes
Climate change policy	No	No	No	No	No	No	No	No
Climate change opportunities discussed	No	No	No	No	No	No	No	No
Risks of climate change discussed	No	No	No	No	No	No	No	No
GHG scope 1	—	—	—	—	—	—	3	3
GHG scope 2 location-based	—	—	—	—	—	—	64	70
GHG Scope 3	—	—	—	—	—	—	—	—
Carbon per unit of production	—	—	—	—	—	—	4	4
Biodiversity policy	No	No	No	No	No	No	No	No
Energy efficiency policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Total energy consumption	—	—	—	—	—	121	152	163
Renewable energy use	—	—	—	—	—	1	2	4
Electricity used	—	—	—	—	—	112	140	152
Fuel used - natural gas	—	—	—	—	—	850	1,100	1,130

Sources: Bloomberg; FSSIA's compilation

Exhibit 18: ESG score by Bloomberg (cont.)

FY ending Dec 31	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Fuel used - crude oil/diesel	No	No	No	No	No	No	No	No
Waste reduction policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Hazardous waste	6	8	9	12	8	3	5	—
Total waste	7	11	13	15	12	13	17	20
Waste recycled	—	—	—	—	—	11	15	16
Waste sent to landfills	—	—	—	—	—	2	3	3
Environmental supply chain management	No	No	No	No	Yes	Yes	Yes	Yes
Water policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Water consumption	—	—	—	—	—	1,650	2,232	2,612
Social								
Human rights policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Policy against child labor	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Quality assurance and recall policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Consumer data protection policy	No	No	No	Yes	Yes	Yes	Yes	Yes
Equal opportunity policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Gender pay gap breakout	No	No	No	No	No	No	No	No
Pct women in workforce	—	—	—	—	—	52	46	52
Pct disabled in workforce	—	—	—	—	—	—	—	—
Business ethics policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Anti-bribery ethics policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Health and safety policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Lost time incident rate - employees	—	—	—	—	—	—	—	1
Total recordable incident rate - employees	3	1	1	1	1	1	1	—
Training policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Fair remuneration policy	No	No	No	No	No	No	No	No
Number of employees – CSR	2,388	2,696	1,021	1,042	1,019	984	974	1,049
Employee turnover pct	—	—	—	—	—	11	10	11
Total hours spent by firm - employee training	176,855	198,156	187,310	229,906	83,545	33,247	44,164	67,795
Social supply chain management	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Governance								
Board size	9	9	9	9	9	9	9	9
No. of independent directors (ID)	3	3	3	3	3	3	3	3
No. of women on board	4	3	3	3	3	3	3	3
No. of non-executive directors on board	6	6	6	6	6	6	6	6
Company conducts board evaluations	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
No. of board meetings for the year	12	12	12	12	12	13	12	12
Board meeting attendance pct	99	97	97	94	95	96	99	99
Board duration (years)	3	3	3	3	3	3	3	3
Director share ownership guidelines	No	No	No	No	No	No	No	No
Age of the youngest director	35	36	37	38	39	40	41	42
Age of the oldest director	78	79	80	81	82	74	75	76
No. of executives / company managers	9	9	10	10	10	10	10	11
No. of female executives	2	2	2	3	3	3	3	3
Executive share ownership guidelines	No	No	No	No	No	No	No	No
Size of audit committee	3	3	3	3	3	3	3	3
No. of ID on audit committee	3	3	3	3	3	3	3	3
Audit committee meetings	4	4	5	5	6	5	4	5
Audit meeting attendance %	100	92	100	100	83	100	75	93
Size of compensation committee	3	3	3	3	3	3	3	3
No. of ID on compensation committee	2	2	2	2	2	2	2	2
No. of compensation committee meetings	2	2	2	2	3	2	3	1
Compensation meeting attendance %	100	100	100	83	89	100	100	100
Size of nomination committee	3	3	3	3	3	3	3	3
No. of nomination committee meetings	2	2	2	2	3	2	3	1
Nomination meeting attendance %	100	100	100	83	89	100	100	100
Sustainability governance								
Verification type	No	No	No	No	No	No	No	No

Sources: Bloomberg; FSSIA's compilation

Disclaimer for ESG scoring

ESG score	Methodology	Rating																				
The Dow Jones Sustainability Indices (DJSI) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.	Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.																				
SET ESG Ratings List (SETESG) by The Stock Exchange of Thailand (SET)	SET ESG quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria include: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years.	To be eligible for SETESG inclusion , verified data must be scored at a minimum of 50% for each indicator, unless the company is a part of DJSI during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality. SETESG Index is extended from the SET ESG Ratings companies whose 1) market capitalization > THB5b (~USD150b); 2) free float >20%; and 3) liquidity >0.5% of paid-up capital for at least 9 out of 12 months. The SETTHSI Index is a market capitalisation-weighted index, cap 5% quarterly weight at maximum, and no cap for number of stocks.																				
CG Score by Thai Institute of Directors Association (Thai IOD)	An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.	Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (60-69), and not rated for scores below 50. Weightings include: 1) the rights; 2) and equitable treatment of shareholders (weight 25% combined); 3) the role of stakeholders (25%); 4) disclosure & transparency (15%); and 5) board responsibilities (35%).																				
AGM level By Thai Investors Association (TIA) with support from the SEC	It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). <i>(The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.)</i>	The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.																				
Thai CAC By Thai Private Sector Collective Action Against Corruption (CAC)	The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. <i>(Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.)</i>	The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.																				
Morningstar Sustainalytics	The Sustainalytics' ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. <i>Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality & peer reviews.</i>	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. <table><tr><th>NEGL</th><th>Low</th><th>Medium</th><th>High</th><th>Severe</th></tr><tr><td>0-10</td><td>10-20</td><td>20-30</td><td>30-40</td><td>40+</td></tr></table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+										
NEGL	Low	Medium	High	Severe																		
0-10	10-20	20-30	30-40	40+																		
ESG Book	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.	The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.																				
MSCI	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. <table><tr><td>AAA</td><td>8.571-10.000</td><td rowspan="3">Leader:</td><td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td></tr><tr><td>AA</td><td>7.143-8.570</td></tr><tr><td>A</td><td>5.714-7.142</td></tr><tr><td>BBB</td><td>4.286-5.713</td><td rowspan="3">Average:</td><td rowspan="3">a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td></tr><tr><td>BB</td><td>2.857-4.285</td></tr><tr><td>B</td><td>1.429-2.856</td></tr><tr><td>CCC</td><td>0.000-1.428</td><td>Laggard:</td><td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td></tr></table>	AAA	8.571-10.000	Leader:	leading its industry in managing the most significant ESG risks and opportunities	AA	7.143-8.570	A	5.714-7.142	BBB	4.286-5.713	Average:	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	BB	2.857-4.285	B	1.429-2.856	CCC	0.000-1.428	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks	
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B	1.429-2.856																					
CCC	0.000-1.428	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks																			
Moody's ESG solutions	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.																					
Refinitiv ESG rating	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. <i>(Score ratings are 0 to 25 = poor; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.)</i>																					
S&P Global	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.																					
Bloomberg	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.																				
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.																				

[Rating](#) regarding the sustainable development of Thai listed companies, both on the SET and MAI, are publicly available on the website of the Securities and Exchange Commission of Thailand (SEC). Currently, ratings available are 1) "**CG Score**"; 2) "**AGM Level**"; 3) "**Thai CAC**"; and 4) **THSI**. The ratings are updated on an annual basis. FSSIA does not confirm nor certify the accuracy of such ratings.

Source: FSSIA's compilation

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Sureeporn Teewasuwet FSS International Investment Advisory Securities Co., Ltd

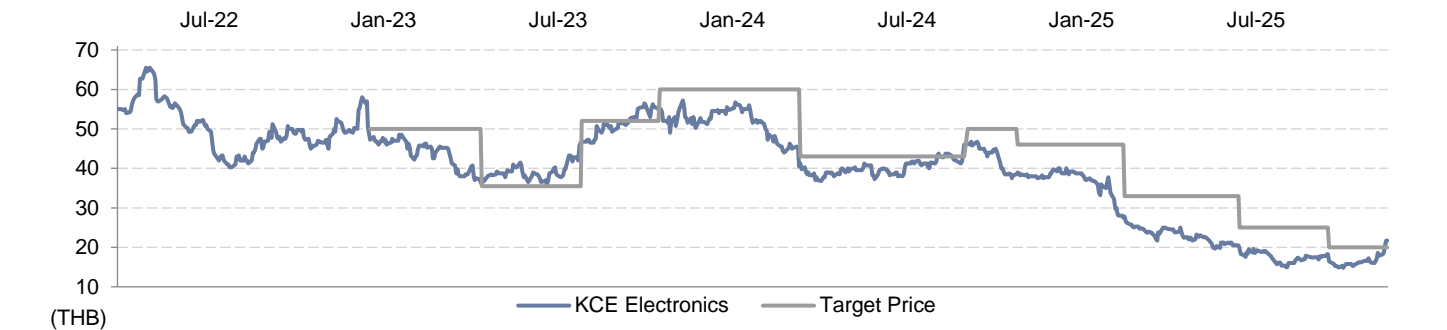
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History of change in investment rating and/or target price

KCE Electronics (KCE TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
09-Feb-2023	HOLD	50.00	14-Feb-2024	HOLD	43.00	26-Feb-2025	HOLD	25.00
16-May-2023	HOLD	35.50	05-Jul-2024	BUY	50.00	14-May-2025	HOLD	20.00
10-Aug-2023	BUY	52.00	19-Aug-2024	BUY	46.00			
16-Oct-2023	HOLD	60.00	19-Nov-2024	BUY	33.00			

Sureeporn Teewasuwet started covering this stock from 09-Feb-2023

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
KCE Electronics	KCE TB	THB 21.70	HOLD	Downside and upside risks to our P/E-based TP include 1) slower or faster-than-expected global economic and car sales recoveries; 2) higher or lower-than-expected decrease in raw material costs; 3) baht strength or weakness; and 4) a minimum wage increase or a labor shortage.

Source: FSSIA estimates

Additional Disclosures

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finansia Syrus Securities Public Company Limited.

All share prices are as at market close on 04-Jul-2025 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as $(\text{target price}^* - \text{current price}) / \text{current price}$.

BUY (B). The upside is 10% or more.

HOLD (H). The upside or downside is less than 10%.

REDUCE (R). The downside is 10% or more.

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 market price and the formal recommendation.

* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

Industry Recommendations

Overweight. The analyst expects the fundamental conditions of the sector to be positive over the next 12 months.

Neutral. The analyst expects the fundamental conditions of the sector to be maintained over the next 12 months.

Underweight. The analyst expects the fundamental conditions of the sector to be negative over the next 12 months.

Country (Strategy) Recommendations

Overweight (O). Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Neutral (N). Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Underweight (U). Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.