

Thailand Beverage Sector

แนวโน้ม 2H25 ไม่สดใส กดดันด้วยเครื่องดื่มชูกำลัง

- คาดกำไรกลุ่มเครื่องดื่ม 2H25 จะอ่อนลงจาก 1H25 หลังตลาดเครื่องดื่มชูกำลังแข่งขันในประเทศแรงขึ้น เพราะกำลังซื้อชะลอและตลาดกัมพูชาลดลงมาก มีเพียงตลาดซาเซียวที่กลับมาฟื้นเล็กน้อย
- ปัจจัยบวกที่รออยู่คือ มาตรการคนละครึ่ง มองบวกต่อ ICHI มากกว่า OSP และ CBG ส่วนปีหน้าตามดูการปรับสูตรคำนวณค่าก๊าซ
- ปรับลดน้ำหนักลงทุนใน 2H25 เป็น Neutral แลเลือก ICHI เป็น Top Pick

ตลาดเครื่องดื่มชูกำลังแข่งขันแรงขึ้น ส่วนซาเซียวกลับมาฟื้นเล็กน้อย

มูลค่าตลาดเครื่องดื่มชูกำลัง 3QTD (ก.ค.-ส.ค.) เริ่มชะลอตัว -0.1% y-y หลังจากปรับขึ้นใน 13 ไตรมาสที่ผ่านมา เพราะกำลังซื้อชะลอตัว FSSIA ปรับลดคาดการณ์มูลค่าตลาดปี 2025 เหลือโต 1% y-y จากเดิม 3% y-y กอปรกับตลาดกัมพูชามีปัญหา CBG จึงหันมาโฟกัสในประเทศมากขึ้น ทำให้การแข่งขันด้านราคารุนแรงขึ้น ล่าสุด OSP นำ 10 บาท ฝ่าเหลืองเข้า 7-Eleven ตั้งแต่ 1 ก.ย. ที่ผ่านมามีการลดราคาเครื่องดื่มชูกำลังเริ่มปรับลงใน 2H25 ขณะที่ตลาดซาเซียวพร้อมดื่มกลับมาโต y-y ได้อีกครั้งในเดือน ก.ค. คาดกำไรกลุ่ม 3Q25 ลดลง 16.4% q-q และ 4% y-y นำโดย CBG OSP และ SAPPE คาดมีเพียง ICHI ที่กำไรปกติจะกลับมาฟื้น q-q และ y-y

ปรับลดกำไรปี 2025 กลุ่มเครื่องดื่ม ปัจจัยที่รออยู่คือ คนละครึ่ง และการปรับสูตรคำนวณค่าก๊าซ

เราปรับลดกำไรปี 2025-26 กลุ่มเครื่องดื่มราว 3.4% และ 2.9% ตามลำดับ โดยปรับลงทั้ง OSP, CBG และ SAPPE มีเพียง ICHI ที่เราปรับกำไรปกติปี 2025 ขึ้น 16% y-y โดยคาดการณ์กำไรปกติปี 2025 ของกลุ่ม (ไม่รวมกำไรพิเศษของ OSP และ ICHI) จะเติบโตเพียง 1.3% y-y และคาดว่าจะโตมากขึ้นเป็น 6.4% y-y ในปี 2026 ส่วนภาพกำไรระยะสั้น คาดจะมี ICHI เพียงคนเดียวที่จะมีกำไร 2H25 เติบโตจาก 1H25 ได้ ส่วนมาตรการคนละครึ่ง หากอิงข้อมูลในอดีตช่วง 4Q20-4Q22 พบว่ารายได้ซาเซียวปรับขึ้นเฉลี่ย 13.9% y-y ส่วนรายได้เครื่องดื่มชูกำลังในประเทศลดลงราว 2.2-2.5% y-y สรุปได้ว่าเป็นบวกต่อ ICHI มากกว่า OSP และ CBG นอกจากนี้ต้องติดตามนโยบายของภาครัฐในการเปลี่ยนสูตรคำนวณต้นทุนค่าก๊าซสำหรับภาคอุตสาหกรรมจากการอ้างอิง Single Pool Gas เป็นราคาซื้อขายนำเข้า LNG (ปัจจุบันสูงกว่า Single Pool Gas ราว 30%) ซึ่งหากมีการปรับสูตร จะกระทบกำไรสุทธิปี 2026 ของ OSP และ CBG ราว 7.7% และ 4.3% ตามลำดับ

ปรับลดกำไรปี 2025 ปรับลดน้ำหนัก และเลือก ICHI เป็น Top Pick

เราปรับลดน้ำหนักการลงทุนกลุ่มเครื่องดื่มในช่วง 2H25 เป็น Neutral โดยให้คำแนะนำ HOLD สำหรับ OSP CBG และ SAPPE จาก 1) แนวโน้มกำไรในช่วง 2H25 ที่ไม่สดใส และ 2) ยังมี Negative factor จากการแข่งขันแรงขึ้นในตลาดเครื่องดื่มชูกำลัง, รายได้ต่างประเทศชะลอตัว และค่าเงินบาทแข็งค่า กระทบต่อ SAPPE ทั้งนี้เราแนะนำ BUY สำหรับ ICHI (TP of THB14) เพียงบริษัทเดียวในกลุ่มเครื่องดื่ม ด้วย 4 ปัจจัยหลัก 1) คาดกำไร 2H25 จะเติบโต h-h 2) รายได้หลักมาจากในประเทศ 85-90% ไม่ถูกกระทบจาก US tariff และอาจมี Upside จากมาตรการคนละครึ่ง 3) Valuation ไม่แพง ปัจจุบันเทรดที่ 2025-26 PE ที่ 12.7x และ 11.8x เท่า และ 4) คาด Dividend yield สูงสุดในกลุ่มที่ 9-10% ต่อปี

FSSIA recommendations

Company	BBG code	share price	Rating		Target Price			
			Current	Previous	Current	Previous	%change	Up/downside
Carabao Group	CBG TB	56.50	HOLD	BUY	64.00	-	-	+13.3%
Osotspa	OSP TB	18.10	HOLD	BUY	20.00	24.00	-16.67%	+10.5%
Ichitan Group	ICHI TB	12.70	BUY	-	14.00	-	-	+10.2%
Sappe	SAPPE TB	33.00	HOLD	-	36.00	-	-	+9.1%

Note: Priced at close of business 22/09/2025. Share prices and TPs are in listing currency.



Sureeporn Teewasuwet

Fundamental Investment Analyst on Securities; License no. 040694
sureeporn.t@fssia.com, +66 2646 9972

Investment thesis

We downgrade our sector view to Neutral in 2H25, given the softer earnings outlook, particularly for the energy drink segment, which has been significantly impacted by weakness in the Cambodian market. This has forced players to refocus on domestic sales, intensifying price competition. We recommend HOLD for OSP and CBG, as well as SAPPE, whose export markets have yet to recover and which also faces FX headwinds from THB appreciation, leading the company to postpone its new factory expansion to late 2026.

ICHI is the only BUY in our beverage coverage. With the RTD green tea market recovering in 3QTD and new product expansion (Tan Power) through TT channels, we expect core profit in 2H25 to grow h-h, bucking the sector trend. Combined with its attractive valuation and the highest expected dividend yield in the sector, we select ICHI as our Top Pick for 2H25

Catalyst

- A consumption recovery;
- Declining raw material prices;
- Lower energy costs;
- Hot weather, or entering an El Nino condition;
- The recovery of the export market.

Risk to our call

- A slower-than-expected consumption recovery;
- Cooler-than-usual weather;
- Higher-than-expected raw material prices;
- Higher-than-expected energy costs;
- A higher competition;
- Changing regulation in Thailand and CLMV.

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CARABAO GROUP (CBG TB, HOLD TP THB64.00)	
OSOTSPA (OSP TB, HOLD TP THB20.00)	
ICHITAN GROUP (ICHI TB,BUY TP THB14.00)	
SAPPE (SAPPE TB, HOLD TP THB36.00)	

Event Calendar

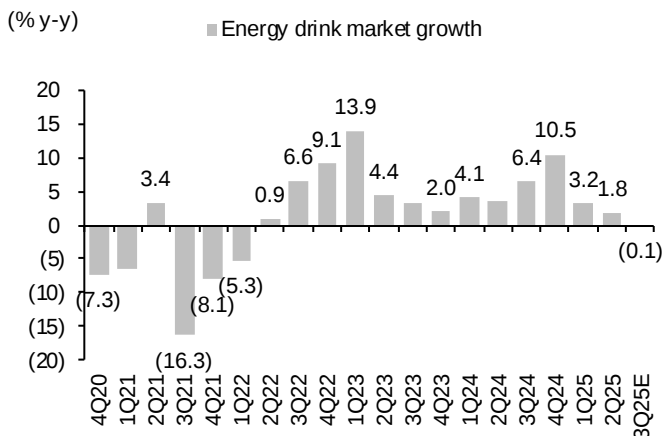
Date	Event
November 2025	3Q25 results announcement 3Q25 analyst meeting
February 2026	4Q25 results announcement
March 2026	4Q25 analyst meeting

The energy drink market is showing signs of a slowdown

Energy drink market value in 3QTD (Jul–Aug) began to slow, down -0.1% y-y, after rising for the past 13 consecutive quarters. If the slowdown extends into September, 3Q25 could mark the first y-y contraction in 14 quarters, with further downside risk in 4Q25 due to a high base last year and intensifying price competition, which may pressure the average selling price in 2H25. We preliminarily expect the market value in 2H25 to decline by around 1–1.5% y-y. On a quarterly basis, the energy drink market value grew by about 3.2% y-y in 1Q25 and 1.8% y-y in 2Q25.

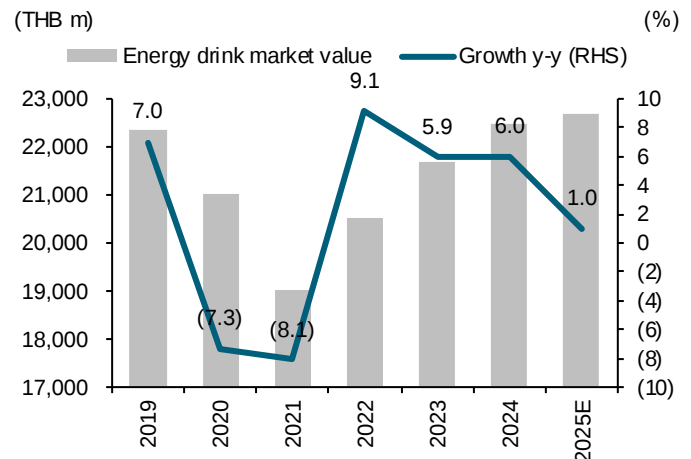
FSSIA forecasts full-year 2025 market value growth at only 1% y-y, decelerating from 6.1% y-y growth in 2024.

Exhibit 1: Quarterly energy drink market growth



Sources: OSP, FSSIA estimates

Exhibit 2: Yearly energy drink market growth



Sources: OSP, FSSIA estimates

OSP held the leading position in 1H25

Since early 2025, OSP launched its new product “M-150 Yellow Cap” at THB10, distributed exclusively through TT channels and MAKRO. This has intensified competition to some extent, but also helped OSP’s market share climb to its 2025 peak of 45.2% in July, up from 44.5% in December (+0.7% pts), compared with OSP’s target to regain 1–2% market share by end-2025. It can be noted that while OSP’s market share in the THB12 segment declined, the drop was smaller than the gain in the THB10 segment, implying limited cannibalization impact.

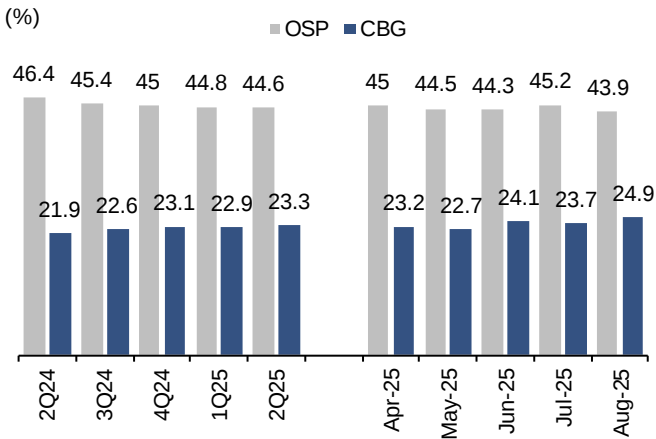
As a result, OSP’s total market share still rose, and gross margin concerns did not materialize. In fact, OSP’s gross margin reached a new high of 41.1% in 1H25, vs 37.3% in 1H24. Meanwhile, CBG’s volume market share in July stood at 26.1%, slightly up from 26% in December (+0.1% pts).

CBG regained the lead in August, amid intensifying competition

In August, CBG’s volume market share surged to a new high of 27.3% (+1.2% m-m), while OSP’s value market share declined -1.3% m-m to a new low of 43.9%. The No. 3 player, KTD, also saw a slight drop of -0.2% m-m, while a new entrant, ICHI’s Tan Power, gained initial traction with a 0.2–0.3% share of the energy drink market value.

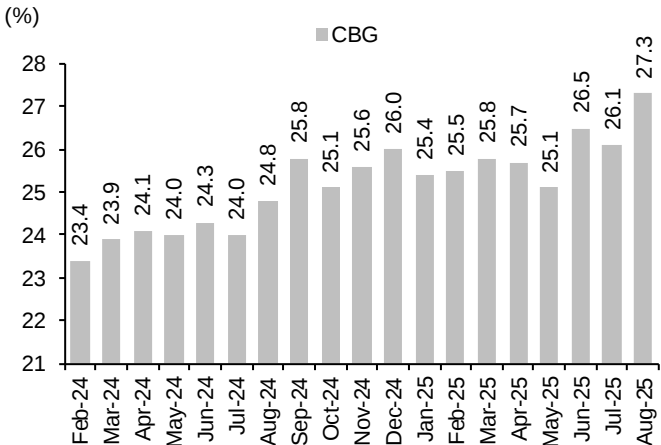
CBG’s market share expansion across both MT and TT channels was mainly driven by significantly more aggressive price promotions. We believe this was partly due to a notable decline in its Cambodia revenue (c.13% of total revenue), which has been materially impacted by border closures since June. CBG’s Cambodia revenue could fall as much as 30% q-q in 3Q25. To mitigate this impact and sustain its production utilization rate, CBG has shifted its focus toward domestic sales.

Exhibit 3: Monthly energy drink market share by value



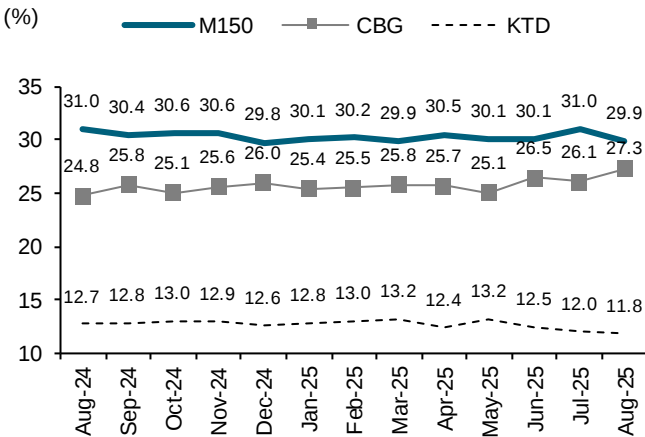
Source: OSP, FSSIA's compilation

Exhibit 4: Monthly energy drink market share by volume



Source: CBG, FSSIA's compilation

Exhibit 5: Energy drink market share by volume by brand



Sources: CBG, FSSIA's compilation

Expected 3Q25 earnings for energy drink players to soften

For OSP, we forecast 3Q25 net profit at THB698m (-31% q-q, turning positive from a loss in 3Q24), below our earlier estimate of THB 750–800m, as overseas revenue may soften more than expected. In addition to the seasonal decline in Myanmar, we expect Indonesia to weaken due to economic challenges, while Personal Care revenue should decline both q-q and y-y, pressured by weaker consumer purchasing power and tightening liquidity among TT customers, prompting the company to take a more cautious sales approach. Although gas costs remain lower, this is insufficient to offset the unfavorable product mix, leading us to expect GPM to fall to 39% (from 41.9% in 2Q25), though still higher than 36.1% in 3Q24.

For CBG, we forecast 3Q25 net profit at THB713m (-11% q-q, -4% y-y), also below our previous expectation. Despite achieving a new high in domestic market share and revenue from domestic energy drinks, this came at the expense of more aggressive price promotions. Meanwhile, sharply weaker Cambodian revenue—a high-margin contributor—further dragged profitability. As a result, we expect CBG's GPM to decline, with 3Q25 earnings softening both q-q and y-y.

Exhibit 6: Beverage sector – 3Q25 earnings preview

	3Q24	4Q24	1Q25	2Q25	3Q25E	----- Change -----		2024	2025E	Change	% 9M25E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)	to 2025E
OSP (core)	672	615	970	1,010	698	(30.9)	3.9	3,038	3,388	11.5	79.1
CBG	741	783	760	801	713	(10.9)	(3.8)	2,843	3,004	5.7	75.7
ICHI (core)	357	269	245	322	360	11.9	0.9	1,343	1,299	(3.3)	71.4
SAPPE	300	189	224	248	218	(12.1)	(27.4)	1,253	877	(30.0)	78.6
Total	2,070	1,855	2,200	2,380	1,990	(16.4)	(3.9)	8,476	8,567	1.1	76.7

Source: FSSIA estimates

Exhibit 7: OSP – 3Q25 earnings preview

	3Q24	4Q24	1Q25	2Q25	3Q25E	---- Change ---		9M24	9M25E	Change	2024	2025E	Change	% 9M25E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)	(THB m)	(THB m)	(y-y%)	to 2025E
Sales	6,043	6,422	6,831	6,807	5,895	(13.4)	(2.4)	20,648	19,534	(5.4)	27,069	25,618	(5.4)	76.3
Cost of sales	3,863	3,950	4,080	3,953	3,596	(9.0)	(6.9)	13,016	11,629	(10.7)	16,966	15,345	(9.6)	75.8
Gross profit	2,180	2,472	2,752	2,854	2,299	(19.4)	5.5	7,632	7,905	3.6	10,103	10,273	1.7	76.9
SG&A	1,572	1,822	1,692	1,660	1,503	(9.5)	(4.4)	5,130	4,856	(5.3)	6,952	6,404	(7.9)	75.8
Operating profit	727	748	1,133	1,242	866	(30.3)	19.2	2,717	3,241	19.3	3,465	4,131	19.2	78.5
Interest expense	27	35	36	28	36	26.4	34.4	82	100	21.6	118	136	15.7	73.5
Tax expense	59	114	99	182	122	(32.9)	104.7	284	402	41.6	398	537	34.9	75.0
Profit (loss) sharing	49	40	37	33	40	21.8	(19.2)	168	110	(34.4)	179	115	(36.0)	96.1
Reported net profit	(361)	567	1,265	1,010	698	(30.9)	nm	1,071	2,973	177.5	1,638	3,682	124.8	80.7
Core profit	672	615	970	1,010	698	(30.9)	3.9	2,424	2,678	10.5	3,038	3,388	11.5	79.1

Key Ratios (%)						(ppt)	(ppt)			(ppt)			(ppt)
Gross margin	36.1	38.5	40.3	41.9	39.0	(2.9)	2.9	37.0	40.5	3.5	37.3	40.1	2.8
SG&A to sales	26.0	28.4	24.8	24.4	25.5	1.1	(0.5)	24.8	24.9	0.0	25.7	25.0	(0.7)
Operating margin	12.0	11.6	16.6	18.2	14.7	(3.6)	2.7	13.2	16.6	3.4	12.8	16.1	3.3
Net margin	(6.0)	8.8	18.5	14.8	11.8	(3.0)	17.8	5.2	15.2	10.0	2.5	4.5	2.0
Core margin	11.1	9.6	14.2	14.8	11.8	(3.0)	0.7	11.7	13.7	2.0	6.1	14.4	8.3

Operating statistics (THB m)														
Beverage sales	4,639	5,334	5,821	5,697	4,870	(14.5)	5.0	16,820	16,388	(2.6)	22,154	21,443	(3.2)	76.4
Domestic	3,605	3,878	3,552	3,686	3,870	5.0	7.4	12,078	11,108	(8.0)	15,955	15,564	(2.5)	71.4
Overseas	1,034	1,456	2,269	2,011	1,000	(50.3)	(3.3)	4,742	5,280	11.4	6,199	7,611	22.8	69.4
Personal care	702	783	666	725	685	(5.6)	(2.5)	2,021	2,075	2.7	2,804	2,765	(1.4)	75.0
Other	702	304	344	386	340	(11.9)	(51.5)	1,807	1,070	(40.8)	2,111	1,410	(33.2)	75.9
Energy drink's market share (%)	45.4	45.0	44.8	44.5	44.5	0.0	(0.9)	46.1	44.6	(1.5)	45.8	44.6	(1.2)	
Pool gas price (THB/MMBtu)	314.7	297.5	312.5	298.6	277.3	(7.1)	(11.9)	312.3	296.2	(5.2)	308.6	306.0	(0.8)	

Sources: OSP, FSSIA estimates

Exhibit 8: CBG – 3Q25 earnings preview

	3Q24	4Q24	1Q25	2Q25	3Q25E	----- Change -----		9M24	9M25E	Change	2024	2025E	Change	% 9M25E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)	(THB m)	(THB m)	(y-y%)	to 2025E
Sales	5,098	5,978	5,328	5,577	5,373	(3.7)	5.4	14,987	16,278	8.6	20,964	21,813	4.0	74.6
Cost of sales	3,667	4,381	3,866	4,073	3,981	(2.3)	8.6	10,863	11,920	9.7	15,243	16,036	5.2	74.3
Gross profit	1,431	1,597	1,462	1,504	1,392	(7.5)	(2.8)	4,124	4,358	5.7	5,721	5,777	1.0	75.4
SG&A	576	663	537	553	551	(0.4)	(4.4)	1,686	1,640	(2.7)	2,349	2,205	(6.1)	74.4
Operating profit	932	977	965	1,001	891	(11.0)	(4.4)	2,595	2,857	10.1	3,572	3,762	5.3	75.9
Interest expense	33	31	25	17	17	(1.4)	(48.0)	115	59	(48.8)	146	73	(50.0)	80.8
Tax expense	168	171	191	198	175	(11.3)	4.3	449	563	25.6	619	739	19.4	76.2
Reported net profit	741	783	760	800	713	(10.9)	(3.8)	2,060	2,274	10.4	2,843	3,004	5.7	75.7
Core profit	741	783	760	800	713	(10.9)	(3.8)	2,060	2,274	10.4	2,843	3,004	5.7	75.7
Key Ratios (%)						(ppt)	(ppt)							
Gross margin	28.1	26.7	27.4	27.0	25.9	(1.1)	(2.2)	27.5	26.8	(0.7)	27.3	26.5	(0.8)	
SG&A / Sales	11.3	11.1	10.1	9.9	10.3	0.3	(1.1)	11.2	10.1	(1.2)	11.2	10.1	(1.1)	
Operating margin	18.3	16.3	18.1	17.9	16.6	(1.4)	(1.7)	17.3	17.6	0.2	17.0	17.2	0.2	
Net margin	14.5	13.1	14.3	14.4	13.3	(1.1)	(1.3)	13.7	14.0	0.2	13.6	13.8	0.2	
Core margin	14.5	13.1	14.3	14.4	13.3	(1.1)	(1.3)	13.7	14.0	0.2	13.6	13.8	0.2	
Operating Statistics (THB m)														
Branded Own sales	3,020	3,432	3,009	3,216	3,100	(3.6)	2.6	8,758	9,325	6.5	12,190	12,400	1.7	75.2
Branded Own - domestic	1,827	2,045	1,699	1,789	2,101	17.4	15.0	4,590	5,589	21.8	6,635	7,689	15.9	72.7
Branded Own - overseas	1,193	1,387	1,310	1,427	999	(30.0)	(16.3)	4,168	3,736	(10.4)	5,555	4,711	(15.2)	79.3
Branded OEM sales	79	72	59	68	68	0.0	(13.9)	221	195	(11.8)	293	263	(10.2)	74.1
3rd party sales	1,824	2,251	2,062	2,104	2,015	(4.2)	10.5	5,370	6,181	15.1	7,621	8,353	9.6	74.0
Other (packaging)	175	222	198	189	190	0.5	8.6	638	577	(9.6)	860	797	(7.3)	72.4
CBG's market share (%)	24.9	25.6	25.6	25.8	26.7	0.9	1.8	24.1	26.0	1.9	24.5	26.4	1.9	
Domestic sales (% of total sales)	76.6	76.8	75.4	74.4	81.4	7.0	4.8	72.2	77.0	4.9	73.2	78.4	5.2	
Overseas sales (% of total sales)	23.4	23.2	24.6	25.6	18.6	(7.0)	(4.8)	27.8	23.0	(4.9)	26.8	21.6	(5.2)	
Domestic sales (THB m)	3,905	4,590	4,018	4,150	4,374	5.4	12.0	10,818	12,542	15.9	15,352	17,102	11.4	73.3
Overseas sales (THB m)	1,193	1,387	1,310	1,427	999	(30.0)	(16.3)	4,168	3,736	(10.4)	5,612	4,711	(16.1)	79.3
Aluminum price (USD per tonne)	2,421	2,604	2,625	2,455	2,615	6.5	8.0	2,409	2,565	6.5	2,458	2,500	1.7	
Sugar price (US cent per pound)	19.8	21.5	19.4	17.4	16.2	(6.8)	(17.9)	20.6	17.7	(14.3)	20.7	19.5	(5.8)	

Sources: CBG, FSSIA estimates

SAPPE's export market recovery remain sluggish

Although we expect SAPPE's Europe revenue to continue recovering in 3Q25, both q-q and y-y, as the destocking issue has ended, this recovery will likely be insufficient to offset the weakness in other export markets. Indonesia remains under pressure due to ongoing distributor changes and macroeconomic challenges, while the US market has been impacted by tariffs. Although retail price hikes are expected to be fully passed through, near-term order momentum will likely soften in 2H25. In addition, the company faces FX headwinds from a stronger THB. With exports accounting for around 70% of SAPPE's total revenue—the highest among beverage peers under our coverage—we forecast 3Q25 net profit at THB218m (-10% q-q, -24% y-y), with recovery trends still to be monitored.

Meanwhile, the company has postponed the expansion of its new factory capacity to late 2026 (from 1Q26 previously), awaiting clearer signs of order recovery, while current utilization remains at just 50%.

Exhibit 9: SAPPE – 3Q25 earnings preview

	3Q24	4Q24	1Q25	2Q25	3Q25E	--- Change ---		9M24	9M25E	Change	2024	2025E	Change	% 9M25E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)	(THB m)	(THB m)	(y-y%)	to 2025E
Sales	1,566	1,377	1,142	1,548	1,393	(10.0)	(11.1)	5,398	4,083	(24.4)	6,775	5,504	(18.8)	74.2
Cost of sales	846	739	617	862	776	(10.0)	(8.3)	2,893	2,255	(22.1)	3,632	3,027	(16.6)	74.5
Gross profit	720	638	526	686	617	(10.0)	(14.3)	2,505	1,828	(27.0)	3,144	2,477	(21.2)	73.8
SG&A	422	475	289	422	383	(9.3)	(9.2)	1,380	1,094	(20.7)	1,854	1,547	(16.6)	70.7
Operating profit	367	221	273	295	265	(10.2)	(27.7)	1,327	833	(37.2)	1,548	1,068	(31.0)	78.0
Other income	69	57	37	32	31	(2.1)	(54.9)	201	99	(50.7)	258	138	(46.7)	72.1
Interest expense	0.50	0.46	0.44	0.40	0.40	0.5	(19.2)	2	1	(22.1)	2	3	32.6	45.5
Tax expense	73	31	48	47	43	(9.0)	(41.8)	267	137	(48.6)	298	171	(42.6)	80.2
Profit (loss) sharing	(0)	(3)	0	1	1	0.0	nm	1	2	nm	(1)	3	nm	72.5
Reported net profit	300	189	224	248	218	(12.1)	(27.4)	1,063	690	(35.1)	1,253	877	(30.0)	78.6
Core profit	289	180	221	243	218	(10.4)	(24.4)	1,053	682	(35.2)	1,233	877	(28.9)	77.8
Key ratios (%)						(ppt)	(ppt)							
Gross margin	46.0	46.4	46.0	44.3	44.3	0.0	(1.7)	46.4	40.8	(5.6)	46.4	45.0	(1.4)	
SG&A to sales	26.9	34.5	25.3	27.3	27.5	0.2	0.6	25.6	29.9	4.4	27.4	28.1	0.7	
Operating margin	23.4	16.1	23.9	19.1	19.0	(0.0)	(4.4)	24.6	18.2	(6.4)	22.8	19.4	(3.4)	
Net margin	19.2	13.7	19.6	16.0	15.7	(0.4)	(3.5)	19.7	14.3	(5.4)	18.5	15.9	(2.6)	
Core margin	18.4	13.1	19.3	15.7	15.7	(0.1)	(2.8)	19.5	14.6	(4.9)	18.2	15.9	(2.3)	
Operating statistics (THB m)														
Domestic revenue	372	350	395	443	428	(3.4)	15.0	1,023	1,266	23.8	1,369	1,685	23.1	75.1
Overseas revenue	1,194	1,027	747	1,104	965	(12.5)	(19.2)	4,375	2,816	(35.6)	5,407	3,819	(29.4)	73.7
Asia	586	545	455	567	415	(26.7)	(29.1)	1,983	1,436	(27.6)	2,527	1,868	(26.1)	76.9
Europe	282	102	113	255	300	17.5	6.4	1,156	668	(42.2)	1,260	969	(23.1)	69.0
America	138	91	58	93	50	(46.2)	(63.7)	355	201	(43.4)	447	271	(39.4)	74.2
Middle East and others	188	289	122	189	200	5.9	6.4	881	511	(42.0)	1,172	711	(39.3)	71.9
Revenue contribution (%)														
Domestic revenue	23.8	25.4	34.6	28.6	30.7	2.1	7.0				20.2	30.6	10.4	
Overseas revenue	76.2	74.6	65.4	71.3	69.3	(2.0)	(6.9)				79.8	69.4	(10.4)	

Sources: SAPPE, FSSIA estimates

ICHI's 3Q25 earnings are expected to grow, in contrast to the sector's weakness

For ICHI, although 3Q is typically a low season, the relatively low base in 1H25 (due to cooler-than-usual weather), together with management's guidance that revenue recovery has started—particularly in MT channels—supports stronger performance in 3Q25. This aligns with the ready-to-drink green tea market, which grew +2.1% y-y in July, the first positive growth in four months, while 7MTD remained weak at -2.95% y-y. We expect ICHI's 3Q25 total revenue to grow both q-q and y-y. Looking ahead, the company plans to ramp up marketing efforts in TT channels in 4Q25, especially the distribution of Tan Power at the THB10 price point, which could push revenue to a full-year peak in 4Q25.

We preliminarily forecast 3Q25 core profit at THB360m (+12% q-q, +1% y-y), which is stronger than our earlier expectation of a q-q decline.

Exhibit 10: ICHI – 3Q25 earnings preview

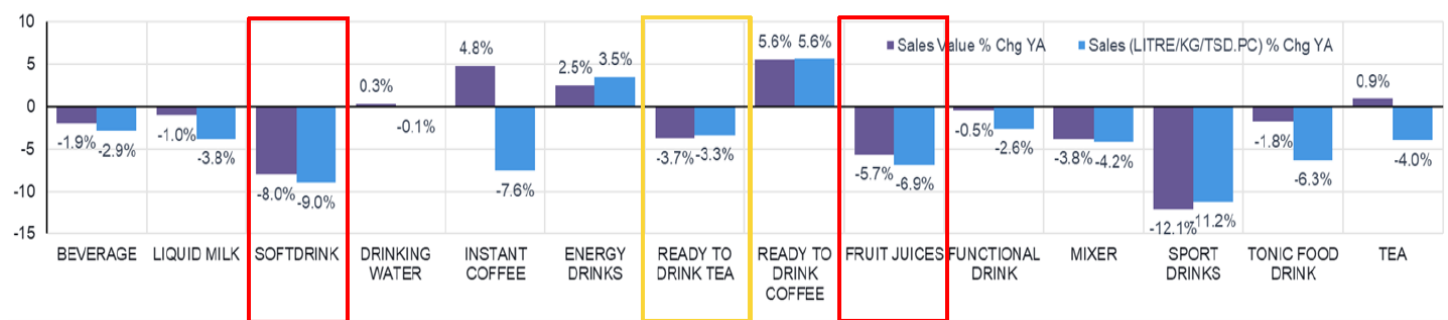
	3Q24	4Q24	1Q25	2Q25	3Q25E	Change		9M24	9M25E	Change	2024	2025E	Change	% 9M25E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)	(THB m)	(THB m)	(y-y%)	to 2025E
Sales	2,142	2,008	1,746	2,234	2,417	8.2	12.8	6,586	6,397	(2.9)	8,594	9,006	4.8	71.0
Cost of sales	1,592	1,513	1,334	1,691	1,832	8.3	15.1	4,869	4,858	(0.2)	6,382	6,827	7.0	71.2
Gross profit	550	495	411	543	585	7.7	6.3	1,717	1,539	(10.4)	2,212	2,180	(1.5)	70.6
SG&A	112	165	121	152	145	(4.6)	29.2	417	418	0.2	582	603	3.8	69.2
Operating profit	446	343	299	399	448	12.2	0.4	1,331	1,146	(13.9)	1,674	1,609	(3.9)	71.2
Interest expense	0.4	0.3	0.3	0.4	0.4	0.0	(4.9)	1	1	(13.3)	1.5	1.4	(9.8)	74.4
Tax expense	89	69	60	81	90	11.9	1.0	270	230	(14.7)	339	324	(4.6)	71.2
Profit (loss) sharing	1	(4)	6	4	3	(25.0)	225.7	14	13	(2.4)	9	15	65.1	87.2
Reported net profit	357	206	245	418	360	(13.8)	0.9	1,100	1,024	(6.9)	1,306	1,395	6.8	73.4
Core profit	357	269	245	322	360	11.9	0.9	1,074	928	(13.6)	1,343	1,299	(3.3)	71.4

Key Ratios (%)	(ppt)		(ppt)		(ppt)		(ppt)		(ppt)		(ppt)		(ppt)	
Gross margin	25.7	24.6	23.6	24.3	24.2	0.7	(2.1)	26.1	24.1	(2.0)	25.7	24.2	(1.5)	
SG&A to sales	5.2	8.2	6.9	6.8	6.0	(0.1)	(0.7)	6.3	6.5	0.2	6.8	6.7	(0.1)	
Operating margin	20.8	17.1	17.1	17.9	18.5	0.7	(1.4)	20.2	17.9	(2.3)	19.5	17.9	(1.6)	
Net margin	16.7	10.3	14.0	18.7	14.9	4.7	2.3	16.7	16.0	(0.7)	15.2	15.5	0.3	
Core margin	16.7	13.4	14.0	14.4	14.9	0.4	(0.9)	16.3	14.5	(1.8)	15.6	14.4	(1.2)	

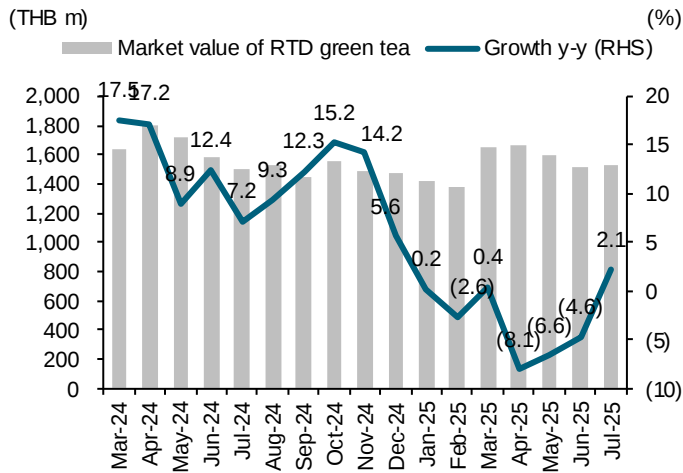
Operating statistics (THB m)														
Domestic	2,037	1,905	1,630	1,956	2,152	10.0	5.6	6,189	5,739	(7.3)	8,093	8,106	0.2	70.8
Overseas (incl OEM)	105	103	115	278	265	(4.7)	152.7	397	658	65.7	502	900	79.6	73.1
Utilisation rate (%)	79.0	71.0	64.0	67.0	70.0			78.0	67.0		76.0	71.0		

Sources: ICHI, FSSIA estimates

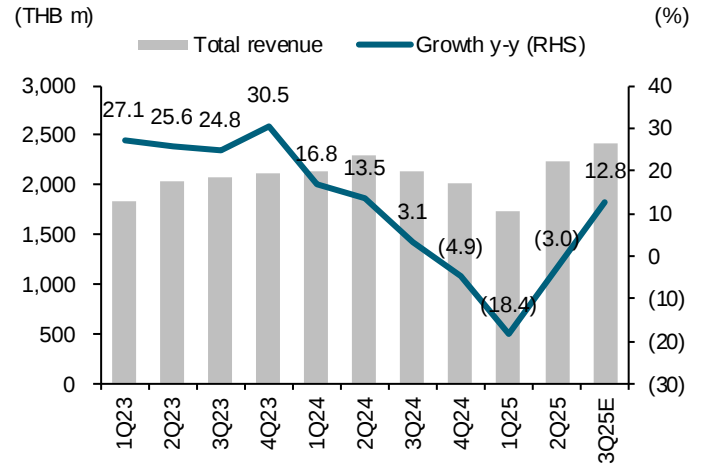
Exhibit 11: Market value growth of non-alcoholic beverages (Jul 24 – Jun 25)



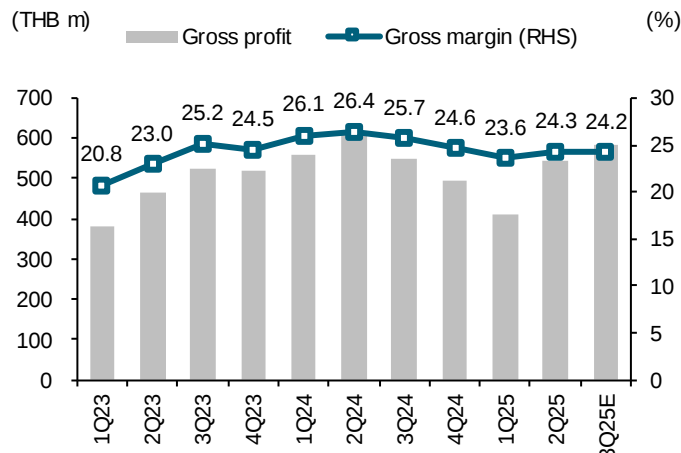
Source: ICHI's 2Q25 presentation (AC Nielsen)

Exhibit 12: Monthly market value of RTD green tea and growth

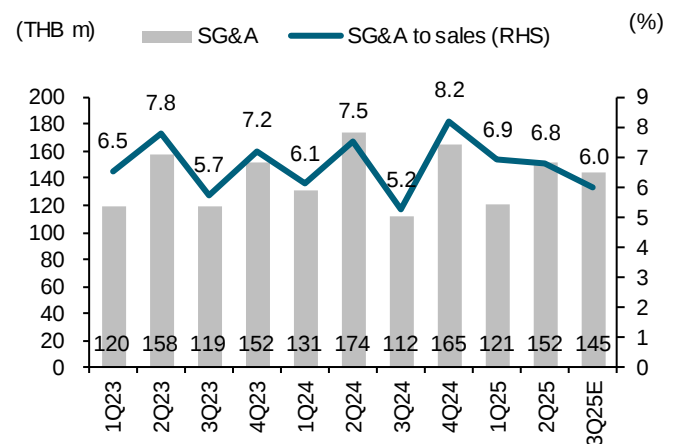
Sources: ICHI, FSSIA estimates

Exhibit 13: Quarterly total revenue and growth

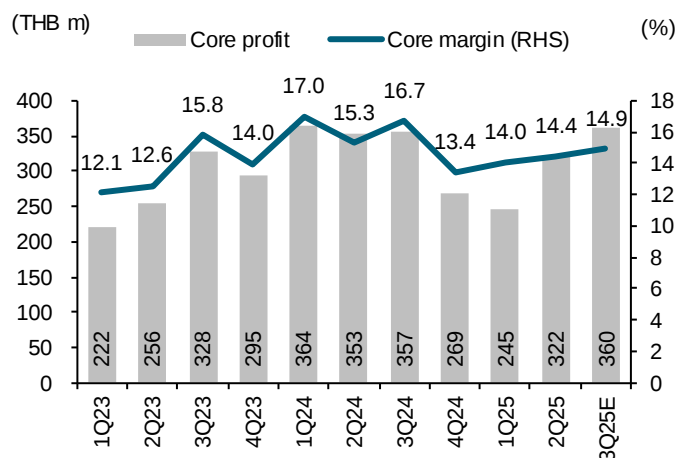
Sources: ICHI, FSSIA estimates

Exhibit 14: Quarterly gross margin

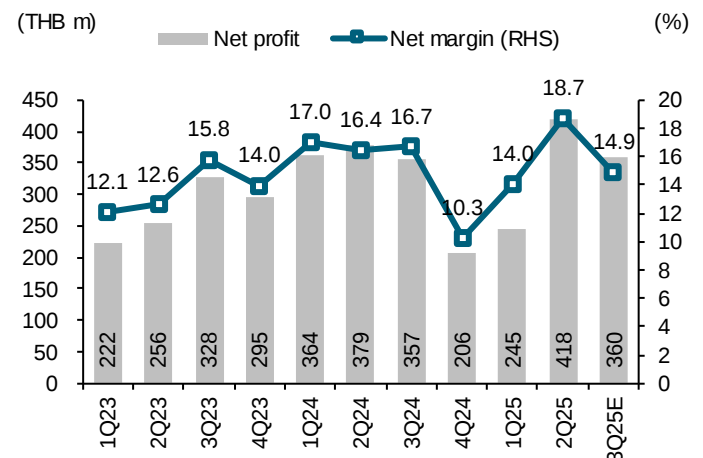
Sources: ICHI, FSSIA estimates

Exhibit 15: Quarterly SG&A to sales

Sources: ICHI, FSSIA estimates

Exhibit 16: Quarterly core profit and core margin

Sources: ICHI, FSSIA estimates

Exhibit 17: Quarterly net profit and net margin

Sources: ICHI, FSSIA estimates

Co-payment scheme flavors RTD green tea over energy drinks

The new government under Prime Minister Anutin Charnvirakul has begun signaling potential purchasing-power stimulus measures toward the end of the year, notably mentioning the co-payment scheme. This could provide a positive sentiment for the beverage sector, particularly for companies with high domestic exposure and TT channel sales such as OSP, CBG, and ICHI.

Historical statistics across six quarters when the co-payment scheme was implemented—namely 4Q20–1Q21, 3Q21–1Q22, and 4Q22—show that ICHI's domestic ready-to-drink (RTD) green tea revenue grew in every quarter during those periods, averaging +13.9% y-y, except in 3Q21, when it dipped slightly by -2.9% y-y.

By contrast, the domestic energy drink market value contracted by an average of -5.7% y-y during the same periods, with declines in five out of six quarters. Looking at OSP and CBG's domestic beverage revenues (energy drinks only) over the same timeframe, both also saw declines, averaging -2.2% y-y and -2.5% y-y, respectively, with revenue falling in 3–4 out of the six quarters. This aligns with the market trend.

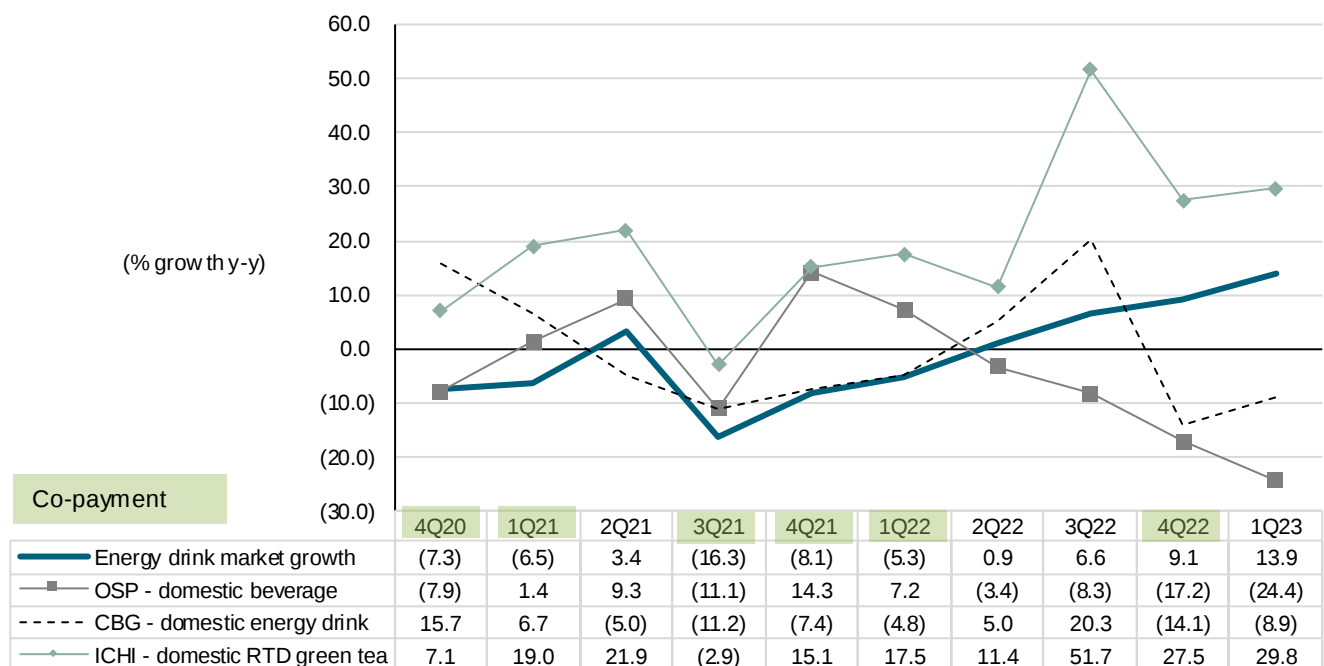
We believe this is mainly due to the unique characteristics of energy drinks: they are already a necessity product for their core labor-focused consumer base; consumption is constrained by health guidance not to exceed two bottles per day; and they are relatively less sensitive to weather but more exposed to macroeconomic purchasing power. In addition, OSP and CBG's domestic

Exhibit 18: Historical Periods of Co-payment Scheme

Co-payment	Phase 1	Phase 2	Phase 3			Phase 4	Phase 5
			round 1	round 2	round 3		
Timeline	23 Oct - Dec 20	Jan - Mar 21	Jul - Dec 21	Oct - Dec 21	Nov - Dec 21	Feb - Apr 22	Sep - Oct 22
Total day	70	90	184	92	61	89	61
Amount (THB)	3,000	3,500 / 500	1,500	1,500	1,500	1,200	800
Eligible (m ppl.)	10	5 / 10 = 15		28		26	24
Gov budget (THB m)	30,000	22,500		126,000		31,200	19,200

Source: FSSIA's compilation (by Mr. Kampon, FSSIA's commerce analyst)

Exhibit 19: Energy drinks & RTD green tea revenue growth during co-payment scheme



Sources: OSP, CBG, ICHI, FSSIA's compilation

2025 earnings cut for energy drink peers; only ICHI revised up

CBG still targets increasing its domestic market share to 29% by end-2025. However, given the muted outlook for exports, the company is prioritizing domestic sales. Meanwhile, OSP recently adjusted its strategy by placing the THB10 “Yellow Cap” product in 7-Eleven, after previously stating it would be sold only through TT and MAKRO. This shift came as OSP continued to lose market share, coupled with softening consumer purchasing power. We therefore see competition in the energy drink segment remaining intense, and adopt a more cautious stance toward 2H25 earnings for the group.

Accordingly, we revise down 2025E net profit for OSP and CBG by 4.6% and 6%, respectively. Even so, both still show growth of around 11.5% y-y and 5.7% y-y, supported by strong 1H25 results, which we view as the peak for this year. Earnings in 2H25 are expected to weaken h-h and could even decline y-y.

Similarly, for SAPPE, we cut our 2025E net profit by 12% to THB877m (-30% y-y), based on our August 22, 2025 note, due to weak export markets (-29% y-y). We expect revenue to soften across all export markets, with only domestic revenue growing strongly at 23% y-y, supported by a new distributor and continuous new product launches. Nevertheless, we expect no meaningful earnings recovery in 2H25 vs 1H25, with export recovery potentially starting in 1H26.

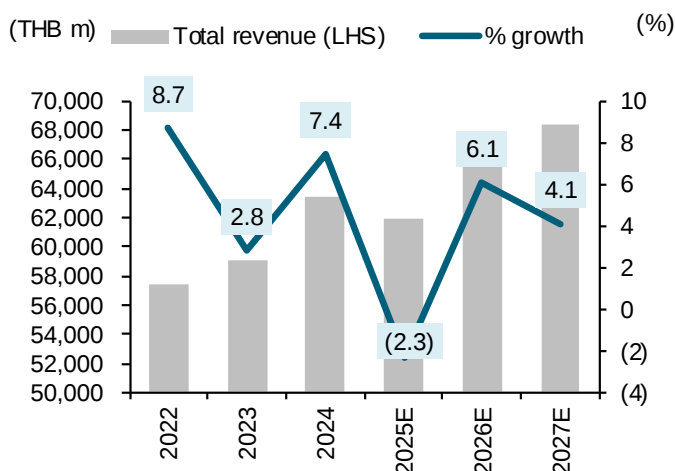
ICHI is the only name for which we revise up 2025E core profit by 15% to THB1.3bn (-3.3% y-y), based on our August 26, 2025 note. The y-y decline in 2025 is due to weak 1H25 results, hit by unusually cool weather. However, we believe earnings have already bottomed out, with a recovery trend in 2H25 and normalized earnings expected to grow by 7.2% y-y in 2026.

Exhibit 20: Changes in 2025-27 net profit forecast for beverage sector

	Current			Previous			Change		
	2025E (THB m)	2026E (THB m)	2027E (THB m)	2025E (THB m)	2026E (THB m)	2027E (THB m)	2025E (%)	2026E (%)	2027E (%)
OSP (core)	3,388	3,478	3,589	3,552	3,684	3,812	(4.6)	(5.6)	(5.8)
CBG	3,004	3,175	3,489	3,199	3,298	3,603	(6.1)	(3.7)	(3.2)
ICHI (core)	1,299	1,393	1,455	1,120	1,238	1,301	15.9	12.5	11.8
SAPPE	877	1,067	1,121	995	1,168	1,256	(11.8)	(8.7)	(10.8)
Total	8,568	9,113	9,654	8,866	9,388	9,972	(3.4)	(2.9)	(3.2)

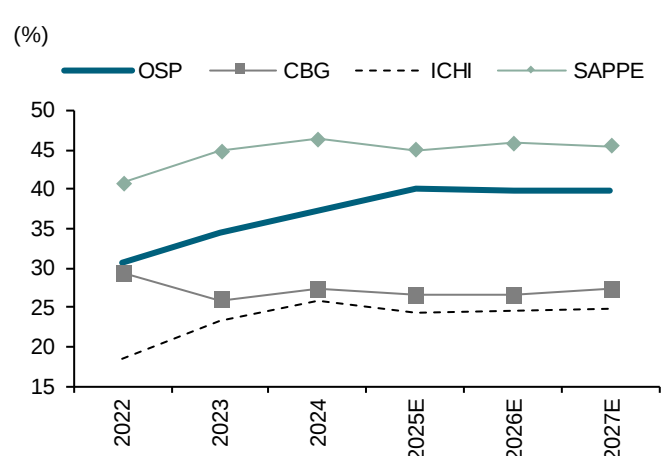
Source: FSSIA estimates

Exhibit 21: Sector's total revenue and growth



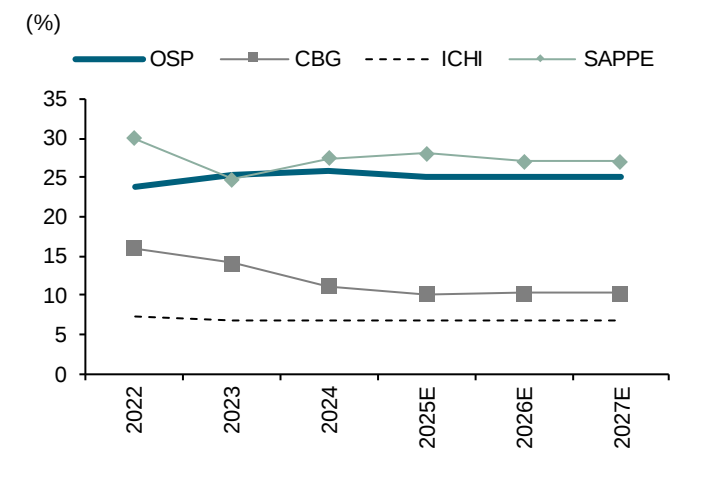
Sources: Company data; FSSIA estimates

Exhibit 22: Sector's gross margin



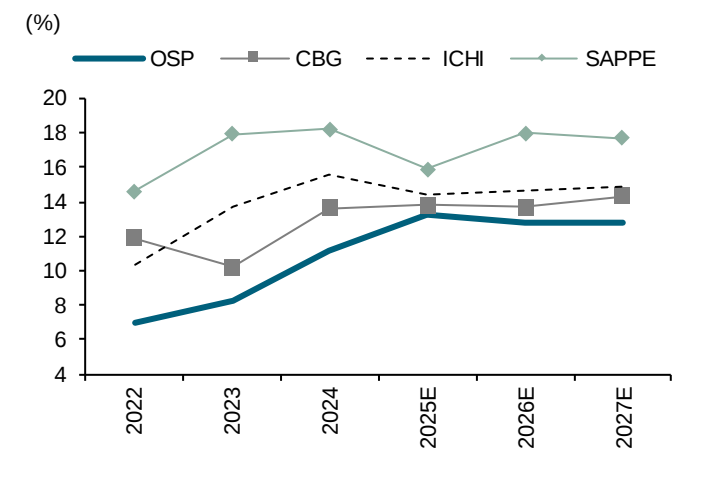
Sources: Company data; FSSIA estimates

Exhibit 23: Sector's SG&A to sales



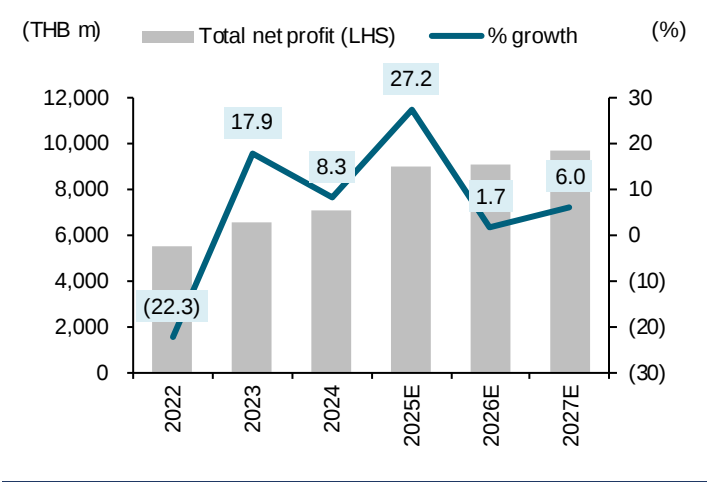
Sources: Company data; FSSIA estimates

Exhibit 24: Sector's core margin



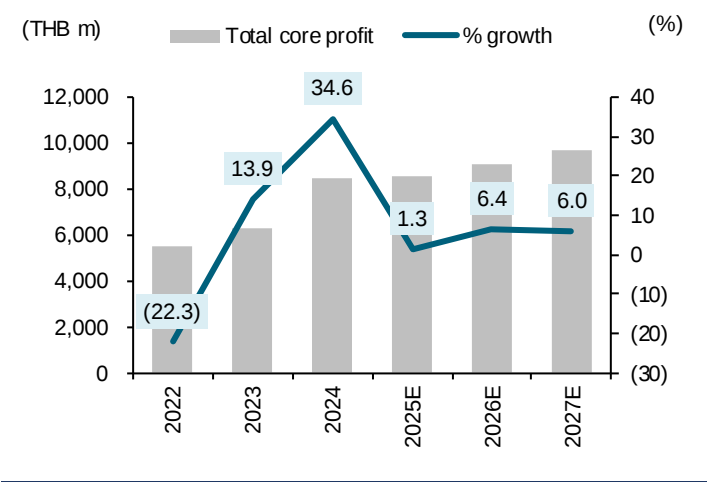
Sources: Company data; FSSIA estimates

Exhibit 25: Sector's net profit and growth



Sources: Company data; FSSIA estimates

Exhibit 26: Sector's core profit and growth



Sources: Company data; FSSIA estimates

Exhibit 27: Beverage sector – 2025-27 operations forecast

	Actual			Forecast			Growth		
	2022 (THB m)	2023 (THB m)	2024 (THB m)	2025E (THB m)	2026E (THB m)	2027E (THB m)	2025E (%)	2026E (%)	2027E (%)
Total revenue	57,388	59,017	63,404	61,941	65,720	68,433	(2.3)	6.1	4.1
OSP	27,266	26,062	27,069	25,618	27,146	27,976	(5.4)	6.0	3.1
CBG	19,215	18,853	20,964	21,813	23,162	24,339	4.0	6.2	5.1
ICHI	6,340	8,050	8,594	9,006	9,470	9,789	4.8	5.2	3.4
SAPPE	4,566	6,053	6,775	5,504	5,941	6,329	(18.8)	7.9	6.5
Reported net profit	5,515	6,501	7,040	8,958	9,112	9,655	27.2	1.7	6.0
OSP	1,934	2,402	1,638	3,682	3,478	3,589	124.8	(5.6)	3.2
CBG	2,286	1,924	2,843	3,004	3,175	3,489	5.7	5.7	9.9
ICHI	642	1,100	1,306	1,395	1,393	1,455	6.8	(0.2)	4.5
SAPPE	653	1,074	1,253	877	1,067	1,121	(30.0)	21.6	5.1
Core profit	5,516	6,285	8,457	8,567	9,112	9,655	1.3	6.4	6.0
OSP	1,914	2,175	3,038	3,388	3,478	3,589	11.5	2.7	3.2
CBG	2,286	1,924	2,843	3,004	3,175	3,489	5.7	5.7	9.9
ICHI	651	1,100	1,343	1,299	1,393	1,455	(3.3)	7.2	4.5
SAPPE	666	1,085	1,233	877	1,067	1,121	(28.9)	21.6	5.1
Key ratios (%)									
Gross margin									
OSP	30.6	34.5	37.3	40.1	39.8	39.8	2.8	(0.3)	0.0
CBG	29.3	25.9	27.3	26.5	26.5	27.3	(0.8)	0.0	0.8
ICHI	18.5	23.4	25.7	24.2	24.5	24.7	(1.5)	0.3	0.2
SAPPE	40.8	44.8	46.4	45.0	45.8	45.5	(1.4)	0.8	(0.3)
SG&A to sales									
OSP	23.8	25.4	25.7	25.0	25.0	25.0	(0.7)	0.0	0.0
CBG	16.0	14.1	11.2	10.1	10.3	10.3	(1.1)	0.2	0.0
ICHI	7.3	6.8	6.8	6.7	6.7	6.7	(0.1)	0.0	0.0
SAPPE	29.9	24.8	27.4	28.1	27.0	27.0	0.7	(1.1)	0.0
Net margin									
OSP	7.1	9.2	6.1	14.4	12.8	12.8	8.3	(1.6)	0.0
CBG	11.9	10.2	13.6	13.8	13.7	14.3	0.2	(0.1)	0.6
ICHI	10.1	13.7	15.2	15.5	14.7	14.9	0.3	(0.8)	0.2
SAPPE	14.3	17.7	18.5	15.9	18.0	17.7	(2.6)	2.1	(0.3)
Core margin									
OSP	7.0	8.3	11.2	13.2	12.8	12.8	2.0	(0.4)	0.0
CBG	11.9	10.2	13.6	13.8	13.7	14.3	0.2	(0.1)	0.6
ICHI	10.3	13.7	15.6	14.4	14.7	14.9	(1.2)	0.3	0.2
SAPPE	14.6	17.9	18.2	15.9	18.0	17.7	(2.3)	2.1	(0.3)

Sources: Company data; FSSIA estimates

A revision of the gas price formula could be the next negative issue for the energy drink sector

In addition to monitoring competitive dynamics and overseas conditions—particularly in Cambodia and Myanmar—we also highlight the need to track potential government policy changes regarding the formula for calculating industrial gas costs. The current Single Pool Gas reference may be replaced with imported LNG prices, which are currently about 30% higher. Such a shift would raise energy costs for OSP and CBG, as both companies use natural gas to produce glass bottles, accounting for roughly 6.5% and 3.5% of total costs, respectively.

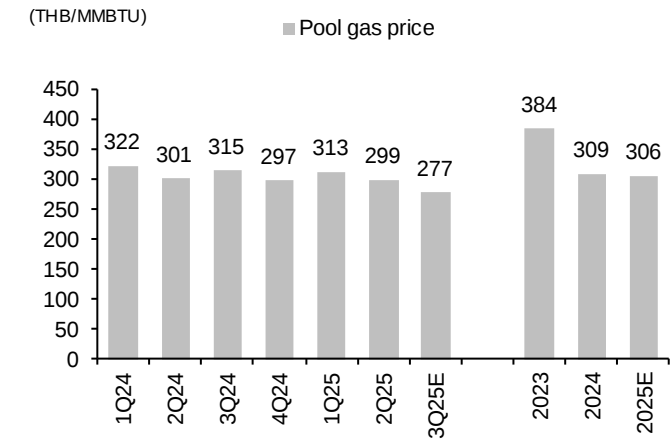
Based on FSSIA’s sensitivity analysis, if gas costs rise by around 30% (LNG price at THB400/MMBTU vs. Single Pool Gas at THB310/MMBTU), OSP and CBG’s 2026 net profit would be negatively impacted by approximately 7.7% and 4.3%, respectively.

Exhibit 28: Sensitivity of 2026E net profit to a 30% gas price increase (energy drink sector)

	FSSIA's current forecast				If gas price increase 30%			
	Gas price (pool) (THB/MMBTU)	Gas cost (% total cost)	Gross margin (%)	Net profit (THB m)	Gas price (LNG) (THB/MMBTU)	Gross margin (%)	Net profit (THB m)	% change (%)
OSP	310	6.5	39.8	3,684	400	38.6	3,399	-7.7
CBG	310	3.5	28.0	3,446	400	27.2	3,298	-4.3

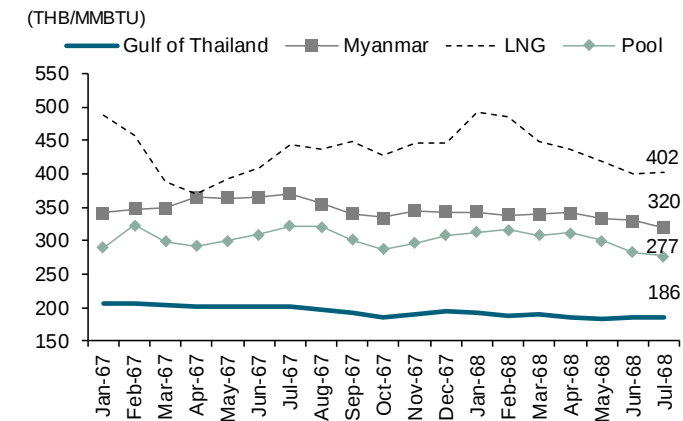
Source: FSSIA estimates

Exhibit 29: Quarterly and yearly Pool Gas Prices



Source: EPPO, FSSIA estimates

Exhibit 30: Monthly Pool Gas Prices vs Imported LNG Prices



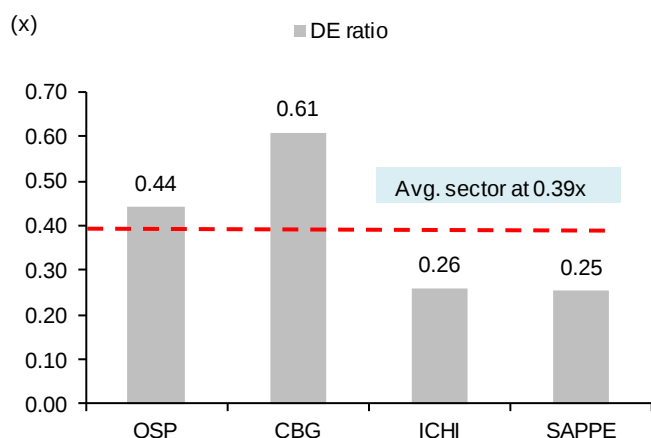
Source: EPPO, FSSIA estimates

The beverage sector's financial position is very strong

Although the beverage business is capital-intensive, with continuous capacity expansion in both packaging and beverage production lines, it remains a high-margin industry, with an average gross margin of 25–40% and net margin of 13–17%. In addition, earnings volatility is lower than in the food sector, reflected in the group's 3-year average ROE and ROA of 18.7% and 13%, respectively. We forecast the beverage sector's ROE to rise to 21.5% in 2025, from 20.9% in 2024, with ICHI expected to deliver the highest ROE in the group at 24.8%.

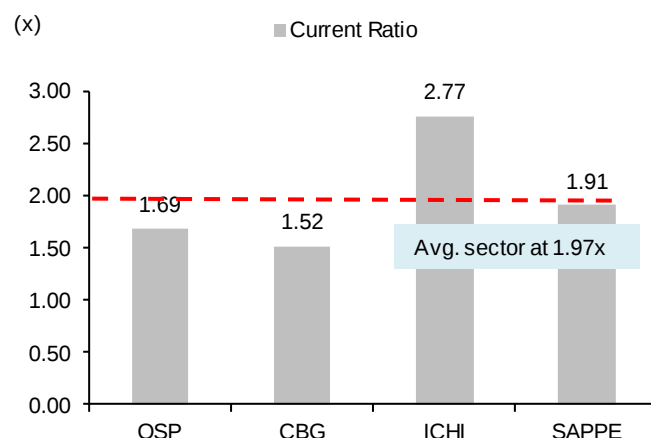
The beverage business also generates relatively fast cash flow, with the sector's average current ratio projected at 1.97x in 2025, improving from 1.84x in 2024. ICHI is expected to post the strongest liquidity with a current ratio of 2.77x. Meanwhile, the sector's DE ratio in 2025 is projected to remain low at around 0.39x, broadly unchanged from 2024.

Exhibit 31: Sector's DE ratio forecast for 2025



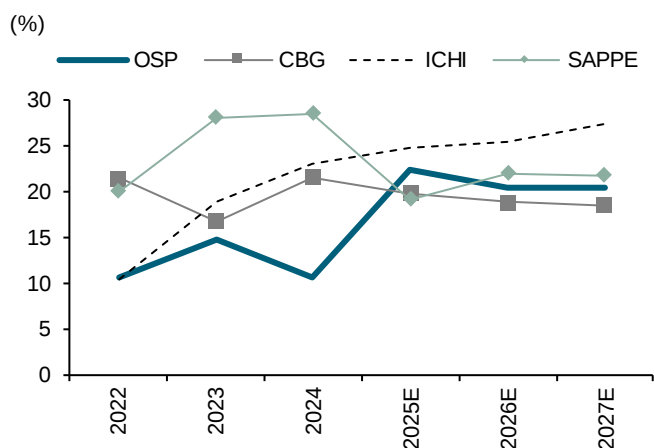
Sources: Company data; FSSIA estimates

Exhibit 32: Sector's current ratio forecast for 2025



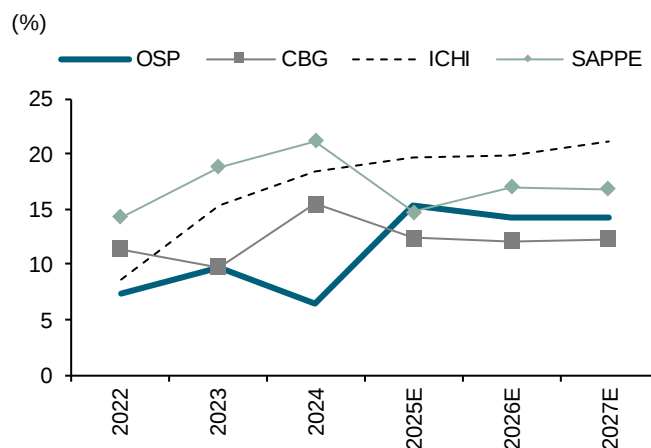
Sources: Company data; FSSIA estimates

Exhibit 33: Sector's ROE forecast



Sources: Company data; FSSIA estimates

Exhibit 34: Sector's ROA forecast



Sources: Company data; FSSIA estimates

Beverage Sector: Strong ESG progress with SET ESG Rating

Companies in the beverage sector — OSP, CBG, ICHI, and SAPPE — have all been awarded SET ESG Ratings. In 2024, OSP and CBG received AA ratings, while ICHI and SAPPE were rated A. Among these, OSP stands out with the strongest ESG performance, being recognized as an Industry Mover in the S&P Global Sustainability Yearbook 2024 and achieving a global ESG score of 83/100 from the S&P Global CSA.

Overall, all four companies have demonstrated meaningful ESG progress, supported by:

1. Comprehensive and consistent ESG disclosures
2. Clear targets toward Carbon Neutrality and Net Zero
3. Concrete short-term goals across multiple dimensions, including GHG reduction, energy efficiency, water conservation, waste minimization, and sustainable packaging
4. Commitment to product and consumer safety
5. Focus on human rights and labor standards
6. Integration of ESG requirements across stakeholders in the supply chain
7. Transparent business operations and strong corporate governance

All four companies have assessed their organizational carbon footprints and initiated strategies to reduce GHG emissions. Additionally, OSP, ICHI, and SAPPE are developing innovative beverages with a focus on consumer health. For example, OSP targets to reduce sugar content to below 6% in 100% of its beverage portfolio by 2025, while SAPPE and ICHI continue to expand their sugar-free product lines. CBG, meanwhile, is in the process of reformulating to reduce sugar content by 26%, with sugar-free or low-sugar energy drinks expected to launch by 2026.

Based on FSSIA’s assessment, ESG scores for the beverage sector are as follows:

- OSP: 67.45 points (★★★★) — highest in the group
- CBG: 62.25 points (★★★★)
- ICHI: 55.12 points (★★★)
- SAPPE: 40.63 points (★★★)

These represent solid ESG scores, positioning the group as investable under the ESG theme.

Nevertheless, we expect further ESG improvements from all four companies — particularly in achieving GHG reduction targets to mitigate risks from carbon taxation under Thailand’s upcoming Climate Change Act (expected within 1–2 years) and from international carbon tax mechanisms such as the EU-CBAM. Notably, SAPPE is most exposed, with export sales to Europe accounting for 10–13% of total revenue.

Exhibit 35: Beverage Sector: SET ESG Rating vs FSSIA ESG Scores

Exhibit 36: Details of GHG Emissions

	SET ESG Rating		FSSIA ESG Scores		Company Target	
	2023	2024	Scores	Rating	Carbon Neutral	Net Zero
OSP	AA	AA	67.45	★★★★	2050	2065
CBG	A	AA	62.25	★★★★	2050	2065
ICHI	A	A	55.12	★★★	2050	2065
SAPPE	BBB	A	40.63	★★★	2050	2065

	(tCO2e)	Scope 1		Scope 2		Scope 3	
		2023	2024	2023	2024	2023	2024
OSP		153,645	122,149	84,581	70,208	327,831	388,433
CBG		81,550	72,848	38,330	3,730	296,78	196,221
ICHI		22,348	20,963	22,180	24,273	100,240	104,156
SAPPE		5,286	5,049	12,700	13,491	52,051	44,574

Sources: SET, Company sustainability report, FSSIA’s compilation

Sources: Company sustainability report, FSSIA’s compilation

Exhibit 37: ESG – peer comparison

	FSSIA	Domestic ratings						Global ratings						Bloomberg	
	ESG score	DJSI	SET ESG	SET ESG Rating	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	3.4	31.94
CBG	62.25	--	Y	AA	5	5	Certified	Medium	63.94	B	--	32.92	79.00	2.68	64.30
ICHI	55.12	--	Y	A	5	4	Certified	Medium	--	BB	--	51.33	29.00	2.98	43.42
OSP	67.45	--	Y	AA	5	5	Certified	Medium	66.40	BB	--	65.37	83.00	2.90	68.03
SAPPE	40.63	--	Y	A	4	5	Certified	High	--	--	--	36.29	--	2.23	44.71
SNNP	30.00	--	Y	A	5	5	Certified	--	--	--	--	--	--	--	--

Source: SETTRADE.COM, FSSIA's compilation

Exhibit 38: 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 39: OSP – Details of ESG scores

FY ending Dec 31	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
ESG financial materiality scores - ESG score	1.58	2.89	2.91	3.16	2.99	2.90
BESG environmental pillar score	0.67	2.96	2.83	3.21	3.13	2.88
BESG social pillar score	0.84	1.57	1.78	1.76	1.77	1.77
BESG governance pillar score	4.15	4.38	4.36	4.76	4.21	4.26
ESG disclosure score	40.25	52.25	60.06	68.93	67.80	68.03
Environmental disclosure score	13.38	36.18	50.56	58.17	54.79	55.09
Social disclosure score	26.69	39.36	48.46	61.19	61.19	61.58
Governance disclosure score	80.52	81.10	81.10	87.36	87.36	87.36

Sources: Bloomberg; FSSIA's compilation

Exhibit 40: CBG – Details of ESG scores

FY ending Dec 31	FY 2020	FY 2021	FY 2022	FY 2023
ESG financial materiality scores - ESG score	1.42	2.14	2.73	2.68
BESG environmental pillar score	0.67	1.92	2.89	2.74
BESG social pillar score	0.74	0.78	0.94	0.89
BESG governance pillar score	3.60	4.25	4.82	4.98
ESG disclosure score	34.38	41.92	61.53	64.30
Environmental disclosure score	20.27	31.89	55.90	69.98
Social disclosure score	19.20	30.20	56.32	45.53
Governance disclosure score	63.58	63.58	72.34	77.33

Sources: Bloomberg; FSSIA's compilation

Exhibit 41: ICHI – Details of ESG scores

FY ending Dec 31	FY 2021	FY 2022	FY 2023
ESG financial materiality scores - ESG score	2.15	2.49	2.98
BESG environmental pillar score	1.97	2.01	2.40
BESG social pillar score	0.43	0.82	1.57
BESG governance pillar score	4.89	5.60	5.72
ESG disclosure score	42.09	40.10	43.42
Environmental disclosure score	38.12	27.27	32.38
Social disclosure score	26.15	33.40	38.85
Governance disclosure score	61.92	59.54	58.97

Sources: Bloomberg; FSSIA's compilation

Exhibit 42: SAPPE – Details of ESG scores

FY ending Dec 31	FY 2021	FY 2022	FY 2023
ESG financial materiality scores - ESG score	2.05	2.11	2.23
BESG environmental pillar score	1.90	1.81	2.14
BESG social pillar score	0.72	1.13	1.13
BESG governance pillar score	4.05	3.79	3.70
ESG disclosure score	31.34	43.95	44.71
Environmental disclosure score	10.60	42.25	44.55
Social disclosure score	13.63	19.83	19.83
Governance disclosure score	69.66	69.66	69.66

Sources: Bloomberg; FSSIA's compilation

Downgrade to Neutral for beverage; with ICHI as our Top Pick

We downgrade our sector view on beverages to Neutral for 2H25, with HOLD recommendations on OSP, CBG, and SAPPE. This reflects: 1) the lackluster earnings outlook for 2H25, with profits expected to decline from 1H25 levels, and 2) persistent negative factors including intensifying competition in the energy drink market, slowing overseas revenue growth, and THB appreciation, which weighs on SAPPE.

ICHI is the only BUY in our beverage coverage (TP at THB14), supported by the following factors:

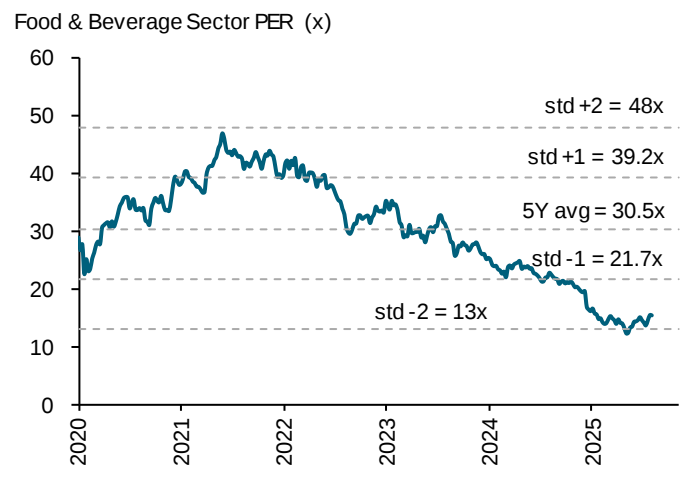
1. **Earnings recovery:** We expect 1H25 to mark the earnings trough, with profit growth resuming h-h in 2H25.
2. **Domestic-driven revenue:** Domestic sales account for 85–90% of revenue. Export sales (10–15%) are mainly OEM coconut water under the “IF” brand for shipment to China, with orders remaining solid in 2H25. This is supported by sharply lower coconut costs and immunity to US tariffs, with firm orders secured through year-end 2025.
3. **Attractive valuation:** The stock trades at 12.7x and 11.8x 2025–26 P/E, respectively, below its historical average of 17.5x.
4. **Strong dividend yield:** Expected annual dividend yield of 9–10%, the highest in the beverage sector (ICHI pays twice a year).

Exhibit 43: Peer comparison as of 22 Sep 2025

Company	BBG	Rec	----- Share price -----			Market Cap	----- PE -----		----- ROE -----		----- PBV -----		- EV/ EBITDA -	
			Current	Target	Upside		25E	26E	25E	26E	25E	26E	25E	26E
			(LCY)	(LCY)	(%)	(USD m)	(x)	(x)	(%)	(%)	(x)	(x)	(x)	(x)
Thailand														
Carabao Group*	CBG TB	HOLD	56.50	64.00	13	1,778	18.8	17.8	21.2	19.8	3.7	3.3	12.9	12.2
Osotspa*	OSP TB	HOLD	18.10	20.00	10	1,711	16.0	15.6	21.2	20.8	3.3	3.2	9.2	8.8
Sappe*	SAPPE TB	HOLD	33.00	36.00	9	318	11.6	9.5	19.5	22.6	2.2	2.1	6.8	5.8
Ichitan Group*	ICHI TB	BUY	12.70	14.00	10	519	12.7	11.9	22.9	25.1	2.9	3.0	7.0	6.6
TAC Consumer*	TACC TB	BUY	4.80	6.30	31	91	11.6	10.4	34.0	36.7	3.9	3.7	6.5	5.7
Thailand average						4,416	14.2	13.0	23.8	25.0	3.2	3.1	8.5	7.8
Global														
Tata Consumer Products	TATACONS IN	n/a	1,130.10	n/a	n/a	12,559	82.6	66.4	7.4	8.0	5.7	5.2	44.9	39.8
Eastroc Beverage Group	605499 CH	n/a	287.85	n/a	n/a	20,549	32.2	25.3	45.8	44.0	13.9	10.6	24.1	19.2
Cheng Du Lolo	000848 CH	n/a	8.48	n/a	n/a	1,231	12.9	11.7	17.9	17.8	2.3	2.1	6.6	6.0
Nongfu Spring	9633 HK	n/a	53.65	n/a	n/a	75,371	36.2	31.7	40.1	39.3	13.5	11.5	23.9	21.1
Monster Beverage Corp	MNST US	n/a	63.98	n/a	n/a	62,472	33.5	29.9	27.2	24.8	8.4	7.2	24.3	22.0
PepsiCo Inc	PEP US	n/a	141.03	n/a	n/a	193,081	17.6	16.6	57.9	54.4	9.8	8.6	13.2	12.5
Coca-Cola Co/The	KO US	n/a	66.21	n/a	n/a	284,946	22.2	20.8	47.9	48.0	10.6	9.5	19.8	18.5
National Beverage Corp	FIZZ US	n/a	37.54	n/a	n/a	3,515	18.9	18.4	37.2	35.3	7.9	5.5	12.8	12.6
Dutch Bros Inc	BROS US	n/a	55.26	n/a	n/a	9,091	83.1	61.5	16.8	17.6	11.1	9.2	33.6	26.2
Celsius Holdings Inc	CELH US	n/a	51.34	n/a	n/a	13,243	47.8	35.7	21.0	24.5	10.9	7.6	26.8	20.8
Global average						676,057	38.7	31.8	31.9	31.4	9.4	7.7	23.0	19.9
Total average						680,473	30.5	25.5	29.2	29.2	7.4	6.2	18.2	15.8

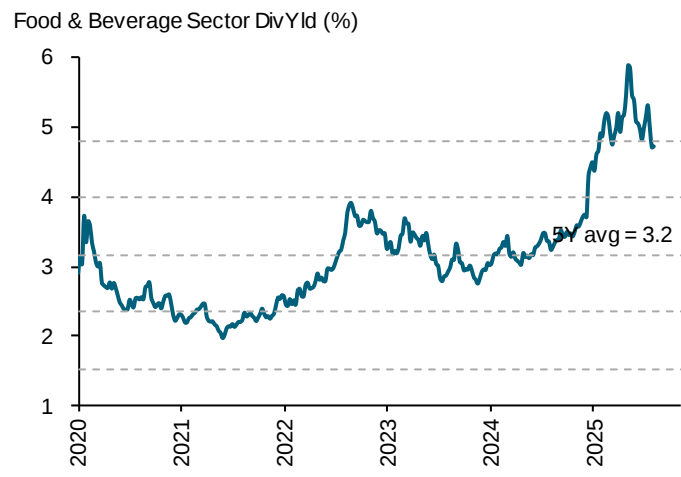
Sources: Bloomberg; *FSSIA estimates

Exhibit 44: Beverage's historical P/E band



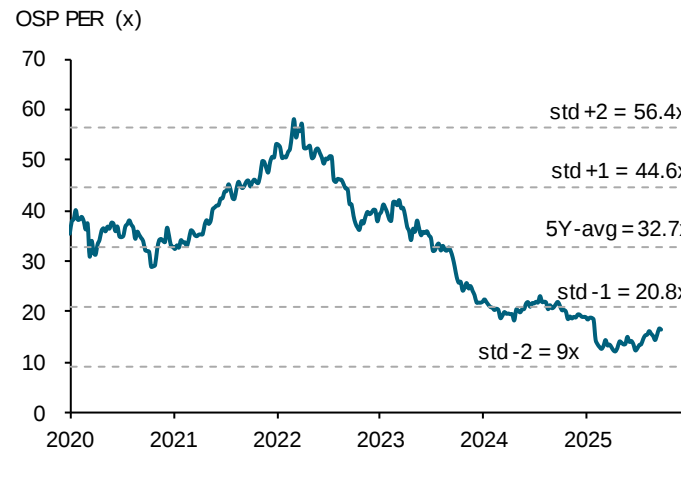
Sources: Bloomberg, FSSIA estimates

Exhibit 45: Beverage's historical dividend yield



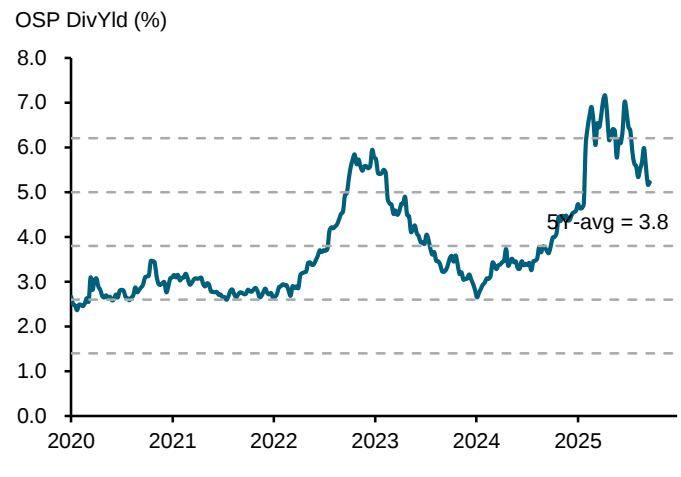
Sources: Bloomberg, FSSIA estimates

Exhibit 46: OSP's historical P/E band



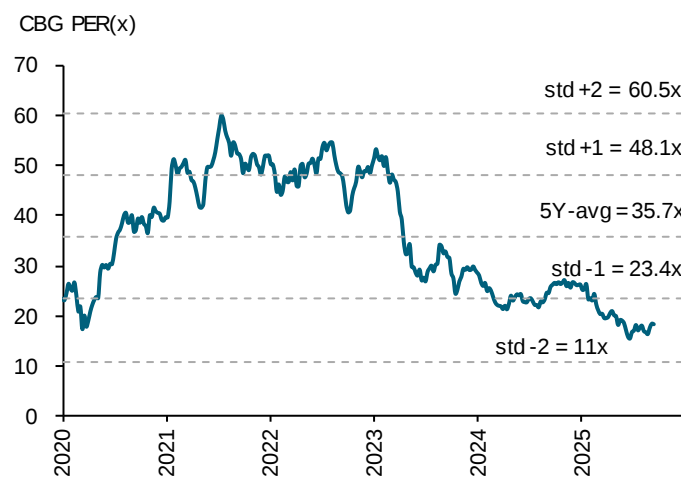
Sources: Bloomberg, FSSIA estimates

Exhibit 47: OSP's historical dividend yield



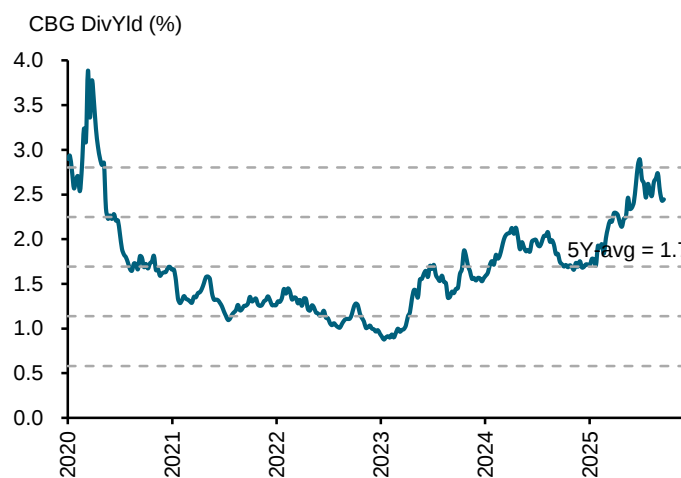
Sources: Bloomberg, FSSIA estimates

Exhibit 48: CBG's historical P/E band



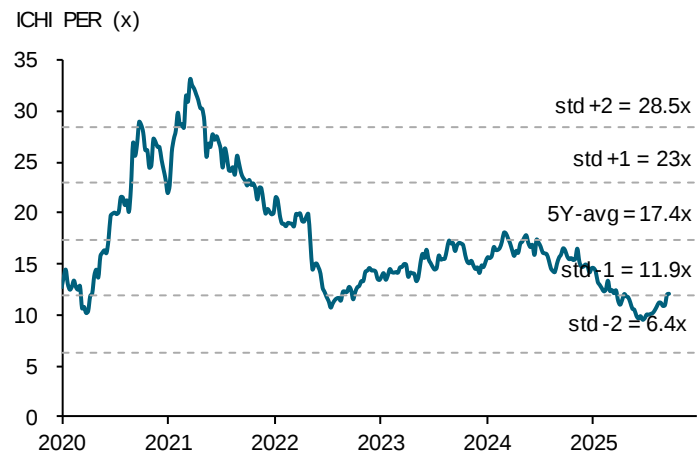
Sources: Bloomberg, FSSIA estimates

Exhibit 49: CBG's historical dividend yield



Sources: Bloomberg, FSSIA estimates

Exhibit 50: ICHI’s historical P/E band



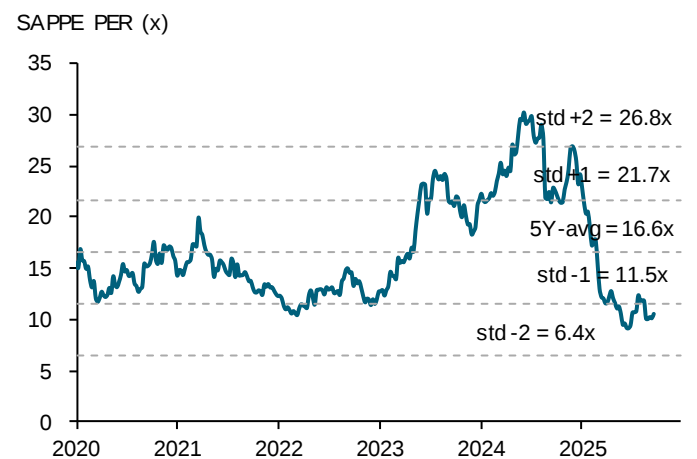
Sources: Bloomberg, FSSIA estimates

Exhibit 51: ICHI’s historical dividend yield



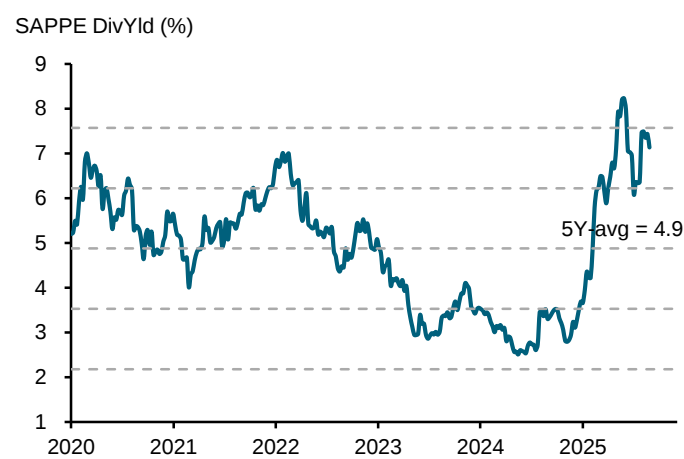
Sources: Bloomberg, FSSIA estimates

Exhibit 52: SAPPE’s historical P/E band



Sources: Bloomberg, FSSIA estimates

Exhibit 53: SAPPE’s historical dividend yield



Sources: Bloomberg, FSSIA estimates

CARABAO GROUP

THAILAND / FOOD & BEVERAGE

CBG TB

HOLD

FROM BUY

TARGET PRICE	THB64.00
CLOSE	THB56.50
UP/DOWNSIDE	+13.3%
PRIOR TP	THB64.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	-1.6%

Entering Survival Mode

- Market share surged to a new high in Aug, driven by heavier price competition in both MT and TT.
- However, this is unlikely to offset weaker Cambodia sales, with 2H25 earnings expected to slow.
- Downgrade to HOLD and roll forward our 2026 TP to THB64.

Market share hit new high in August

CBG's energy drink volume share rose to a record 27.3% in Aug (+1.2% m-m), gaining in both MT and TT channels through heavier price promotions. This lifted its 3QTD average share to 26.7% (+0.9% q-q). We expect domestic energy drink revenue in 3Q25 to also reach a record high (+17% q-q, +15% y-y). The company targets to raise share to 29% by end-2025 (vs 26% in 2024), which would surpass M-150 (29.9%) as #1. However, margins remain a concern as share gains are largely price-driven.

Earnings likely weaker in 3Q25

Despite strong domestic revenue, we expect 3Q25 total revenue to soften due to weaker Cambodia sales, hit by border closures and potential backlash against Thai products. To elaborate, we project 3Q25 total revenue to fall 3.7% q-q but rise 5.4% y-y, with overseas revenue contribution down to 18.6% from 25.6% in 2Q25. In addition, we expect 3Q25 gross margin to drop to 25.9% (vs 27.0% in 2Q25 and 28.1% in 3Q24) from lower Cambodia sales and intensified domestic competition. We estimate 3Q25 net profit at THB713m (-11% q-q, -4% y-y), c.13% below our prior forecast.

2025 forecast cut; Cambodian remains key risk

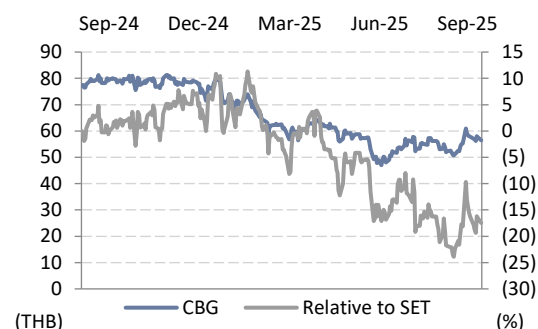
We cut our 2025E net profit by 6% to THB3b (+5.7% y-y). 4Q25 earnings outlook remains weak given unresolved Cambodia issues. The Myanmar plant has started operations, but it is low season, while a new Cambodia plant is under construction, with operation expected by Dec-2025 or early 2026. We will monitor whether CBG adjusts its brand strategy should consumer backlash in Cambodia worsen. Domestic competition is another downside risk that could pressure 2H25 earnings through higher costs and expenses.

Downgrade to HOLD; roll forward TP to 2026 at THB64

We roll forward our TP to 2026 at THB64, based on a lower target PE of 20x (-1.25 SD), and downgrade our rating to HOLD given intensifying competition, slower-than-expected recovery in Cambodia, and sustained pricing pressure. While CBG's market share has risen, it comes at the expense of lower margins. A potential new growth story could come from re-entering the China energy drink market with a local partner, with more clarity and contribution possible from 2026 onwards, which we have yet to factor into our estimates

KEY STOCK DATA

YE Dec (THB m)	2024	2025E	2026E	2027E
Revenue	20,964	21,813	23,162	24,339
Net profit	2,843	3,004	3,175	3,489
EPS (THB)	2.84	3.00	3.18	3.49
vs Consensus (%)	-	(4.4)	(5.9)	(5.2)
EBITDA	4,425	4,630	4,864	5,275
Recurring net profit	2,843	3,004	3,175	3,489
Core EPS (THB)	2.84	3.00	3.18	3.49
Chg. In EPS est. (%)	-	(6.1)	(7.9)	(3.2)
EPS growth (%)	47.7	5.7	5.7	9.9
Core P/E (x)	19.9	18.8	17.8	16.2
Dividend yield (%)	2.3	2.4	2.5	2.8
EV/EBITDA (x)	13.1	12.9	12.2	11.2
Price/book (x)	4.3	3.7	3.3	3.0
Net debt/Equity (%)	13.0	22.5	19.2	15.4
ROE (%)	23.0	21.2	19.8	19.5



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	8.1	15.3	(26.1)
Relative to country (%)	5.7	(4.0)	(16.4)
Mkt cap (USD m)	1,778		
3m avg. daily turnover (USD m)	7.0		
Free float (%)	29		
Major shareholder	Sathienthamholding Co Ltd (25%)		
12m high/low (THB)	82.00/46.50		
Issued shares (m)	1,000.00		

Sources: Bloomberg consensus; FSSIA estimates



Sureeporn Teewasuwet

Fundamental Investment Analyst on Securities; License no. 040694
sureeporn.t@fssia.com, +66 2646 9972

Investment thesis

We expect the 2025 energy drink market to record a moderate growth rate of 3-5% y-y. Meanwhile, management has set a domestic revenue growth target of 20-30% y-y, aiming to increase its market share to 29% by the end of 2025, up from 26% at the end of 2024. We view the goal as aggressive amid increasing competition. In addition, CBG will begin launching several projects in 2025, including 1) a new sugar tax-exempted beverage formula, 2) reducing raw material usage by developing thinner packaging, and 3) a beverage factory in Myanmar and Cambodia. However, CBG has started to be affected by the closure of the Cambodian border and the growing backlash against Thai products.

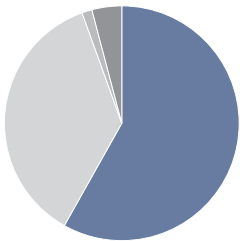
Company profile

Established in 2002, CBG is a joint investment of Mr. Sathien Sathientham, Ms. Nutchamai Thanombooncharoen, and Mr. Yeunyong Opakul (Add Carabao). It is a holding company with investments in subsidiaries that manufacture, market, and distribute energy drinks and other beverages in domestic and overseas markets. Its core product is the Carabao Dang energy drink.

www.carabaogroup.com

Principal activities (revenue, 2024)

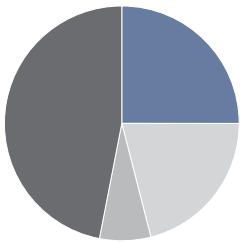
- Branded own - 58.1 %
- 3rd party distribution - 36.4 %
- Branded OEM - 1.4 %
- Others (Packaging) - 4.1 %



Source: Carabao Group

Major shareholders

- Sathienthamholding Co Ltd - 25.0 %
- Ms Nutchamai Thanombooncharoen - 21.0 %
- Mr Yuenyong Opakul - 7.1 %
- Others - 46.9 %



Source: Carabao Group

Catalysts

Potential catalysts for CBG’s earnings growth in 2026 are 1) revenue growth driven by rising market share, 2) lower packaging and raw material costs, 3) successful new product launches, and 4) successful production lines in Myanmar.

Risks to our call

Downside and upside risks to our P/E-based TP are 1) a slower or faster-than-expected recovery in consumption; 2) higher or lower competition in the domestic energy drink market; 3) a potential rise or drop in packaging and raw material costs; and 4) regulatory risks from domestic and international markets.

Event calendar

Date	Event
November 2025	3Q25 results announcement

Key assumptions

	2025E	2026E	2027E
Branded Own growth (%)	1.7	6.2	5.2
Branded OEM growth (%)	(10.2)	10.0	10.0
3rd party growth (%)	9.6	6.2	4.8
Other-packaging (%)	(7.3)	5.0	5.0
Total revenue growth (%)	4.0	6.2	5.1
Gross margin (%)	26.5	26.5	27.3

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in revenue, we estimate 2026 net profit to rise by 1.3%, and vice versa, all else being equal.
- For every 0.5% increase in GPM, we estimate 2026 net profit to rise by 4.2%, and vice versa, all else being equal.
- For every 0.2% increase in SG&A, we estimate 2026 net profit to fall by 1.7%, and vice versa, all else being equal.

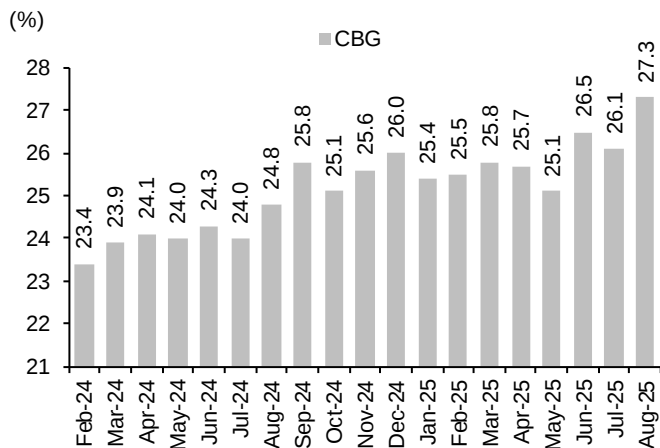
Source: FSSIA estimates

Exhibit 54: CBG – 3Q25 earnings preview

	3Q24	4Q24	1Q25	2Q25	3Q25E	----- Change -----		9M24	9M25E	Change	2024	2025E	Change	% 9M25E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)	(THB m)	(THB m)	(y-y%)	to 2025E
Sales	5,098	5,978	5,328	5,577	5,373	(3.7)	5.4	14,987	16,278	8.6	20,964	21,813	4.0	74.6
Cost of sales	3,667	4,381	3,866	4,073	3,981	(2.3)	8.6	10,863	11,920	9.7	15,243	16,036	5.2	74.3
Gross profit	1,431	1,597	1,462	1,504	1,392	(7.5)	(2.8)	4,124	4,358	5.7	5,721	5,777	1.0	75.4
SG&A	576	663	537	553	551	(0.4)	(4.4)	1,686	1,640	(2.7)	2,349	2,205	(6.1)	74.4
Operating profit	932	977	965	1,001	891	(11.0)	(4.4)	2,595	2,857	10.1	3,572	3,762	5.3	75.9
Interest expense	33	31	25	17	17	(1.4)	(48.0)	115	59	(48.8)	146	73	(50.0)	80.8
Tax expense	168	171	191	198	175	(11.3)	4.3	449	563	25.6	619	739	19.4	76.2
Reported net profit	741	783	760	800	713	(10.9)	(3.8)	2,060	2,274	10.4	2,843	3,004	5.7	75.7
Core profit	741	783	760	800	713	(10.9)	(3.8)	2,060	2,274	10.4	2,843	3,004	5.7	75.7
Key Ratios (%)						(ppt)	(ppt)							
Gross margin	28.1	26.7	27.4	27.0	25.9	(1.1)	(2.2)	27.5	26.8	(0.7)	27.3	26.5	(0.8)	
SG&A / Sales	11.3	11.1	10.1	9.9	10.3	0.3	(1.1)	11.2	10.1	(1.2)	11.2	10.1	(1.1)	
Operating margin	18.3	16.3	18.1	17.9	16.6	(1.4)	(1.7)	17.3	17.6	0.2	17.0	17.2	0.2	
Net margin	14.5	13.1	14.3	14.4	13.3	(1.1)	(1.3)	13.7	14.0	0.2	13.6	13.8	0.2	
Core margin	14.5	13.1	14.3	14.4	13.3	(1.1)	(1.3)	13.7	14.0	0.2	13.6	13.8	0.2	
Operating Statistics (THB m)														
Branded Own sales	3,020	3,432	3,009	3,216	3,100	(3.6)	2.6	8,758	9,325	6.5	12,190	12,400	1.7	75.2
Branded Own - domestic	1,827	2,045	1,699	1,789	2,101	17.4	15.0	4,590	5,589	21.8	6,635	7,689	15.9	72.7
Branded Own - overseas	1,193	1,387	1,310	1,427	999	(30.0)	(16.3)	4,168	3,736	(10.4)	5,555	4,711	(15.2)	79.3
Branded OEM sales	79	72	59	68	68	0.0	(13.9)	221	195	(11.8)	293	263	(10.2)	74.1
3rd party sales	1,824	2,251	2,062	2,104	2,015	(4.2)	10.5	5,370	6,181	15.1	7,621	8,353	9.6	74.0
Other (packaging)	175	222	198	189	190	0.5	8.6	638	577	(9.6)	860	797	(7.3)	72.4
CBG's market share (%)	24.9	25.6	25.6	25.8	26.7	0.9	1.8	24.1	26.0	1.9	24.5	26.4	1.9	
Domestic sales (% of total sales)	76.6	76.8	75.4	74.4	81.4	7.0	4.8	72.2	77.0	4.9	73.2	78.4	5.2	
Overseas sales (% of total sales)	23.4	23.2	24.6	25.6	18.6	(7.0)	(4.8)	27.8	23.0	(4.9)	26.8	21.6	(5.2)	
Domestic sales (THB m)	3,905	4,590	4,018	4,150	4,374	5.4	12.0	10,818	12,542	15.9	15,352	17,102	11.4	73.3
Overseas sales (THB m)	1,193	1,387	1,310	1,427	999	(30.0)	(16.3)	4,168	3,736	(10.4)	5,612	4,711	(16.1)	79.3
Aluminum price (USD per tonne)	2,421	2,604	2,625	2,455	2,615	6.5	8.0	2,409	2,565	6.5	2,458	2,500	1.7	
Sugar price (US cent per pound)	19.8	21.5	19.4	17.4	16.2	(6.8)	(17.9)	20.6	17.7	(14.3)	20.7	19.5	(5.8)	

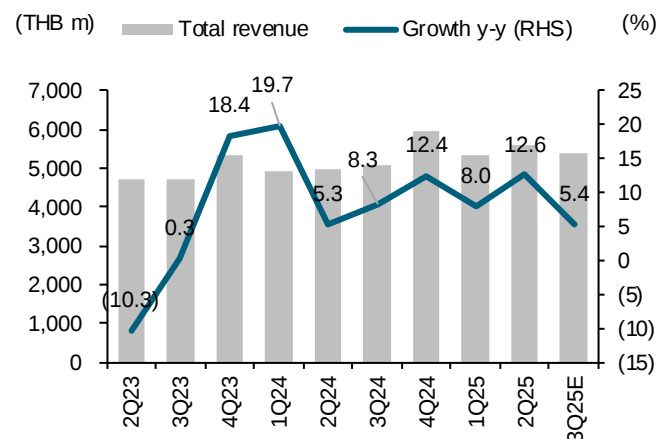
Sources: CBG, FSSIA estimates

Exhibit 55: CBG's energy drink market share by volume

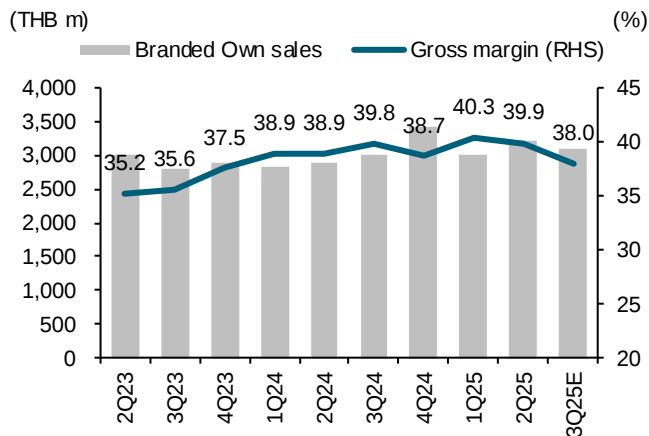


Sources: CBG, FSSIA's compilation

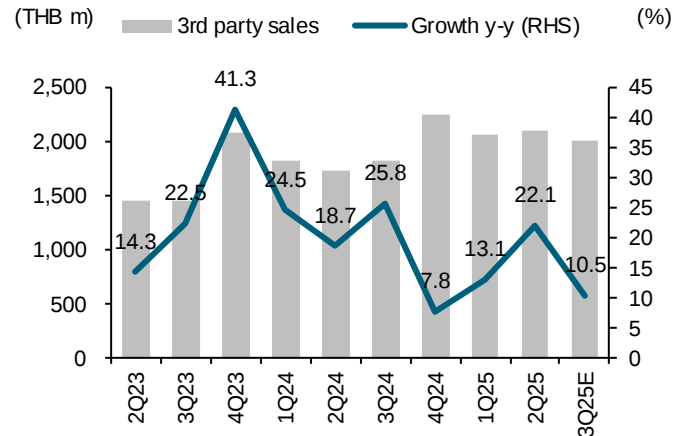
Exhibit 56: Quarterly total revenue and growth



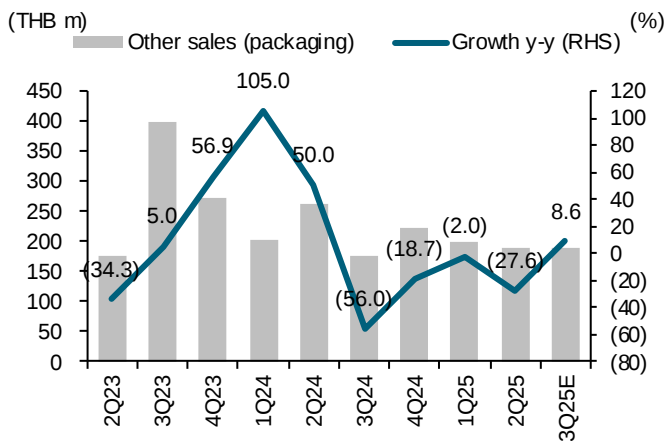
Sources: CBG, FSSIA estimates

Exhibit 57: Quarterly revenue from Branded Own and margin

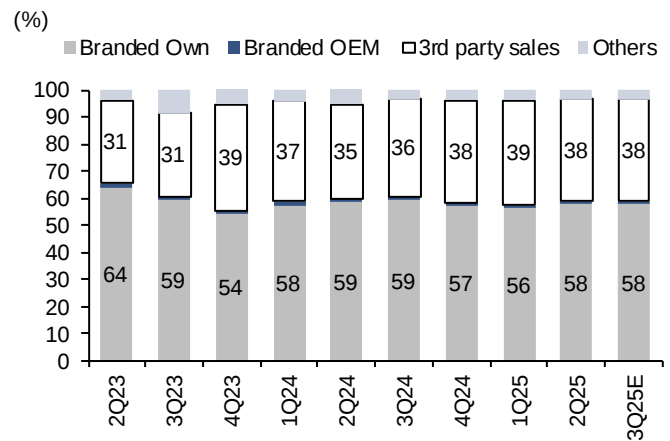
Sources: CBG, FSSIA estimates

Exhibit 58: Quarterly revenue from 3rd party and growth

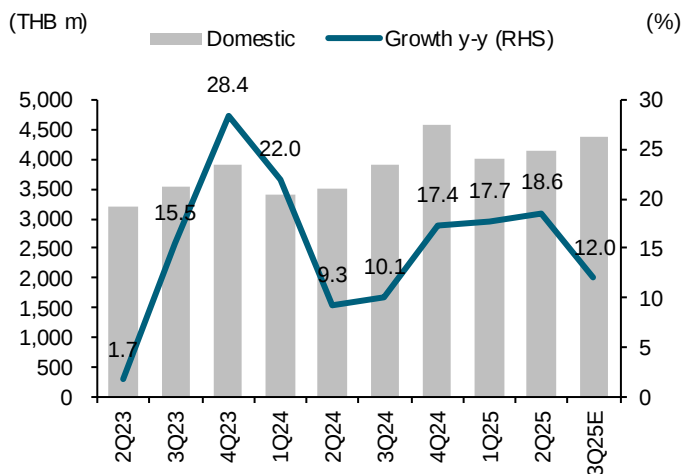
Sources: CBG, FSSIA estimates

Exhibit 59: Quarterly revenue from Packaging and growth

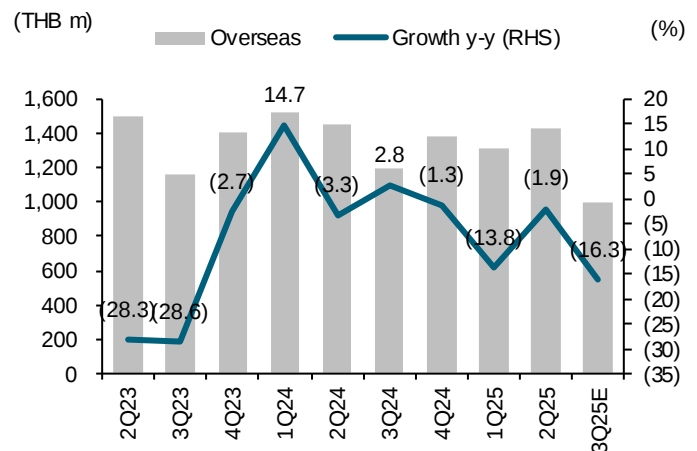
Sources: CBG, FSSIA estimates

Exhibit 60: Revenue breakdown by product segment

Sources: CBG, FSSIA estimates

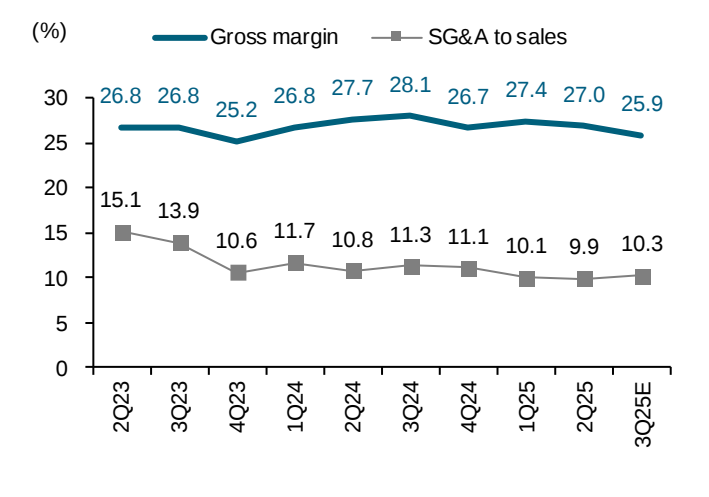
Exhibit 61: Domestic revenue and growth

Sources: CBG, FSSIA estimates

Exhibit 62: Overseas revenue and growth

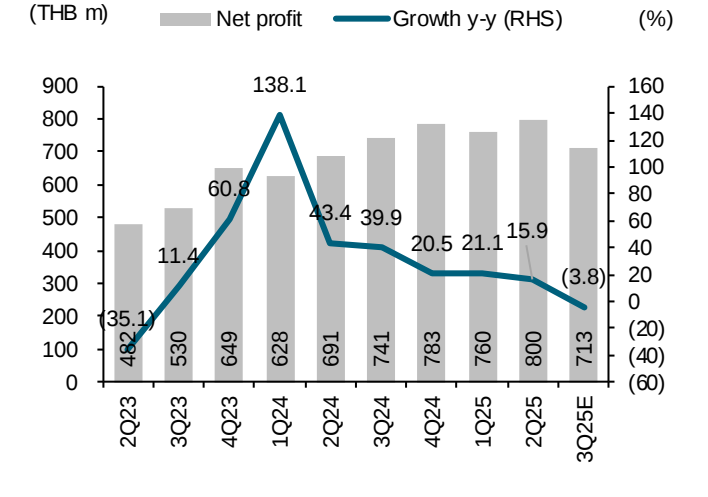
Sources: CBG, FSSIA estimates

Exhibit 63: Quarterly gross margin and SG&A to sales



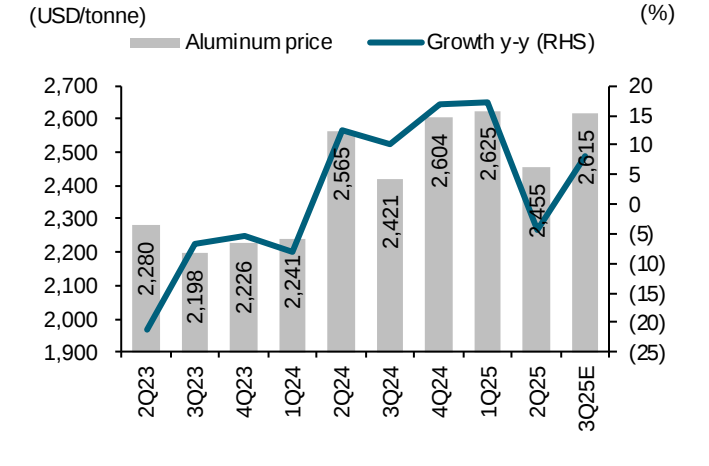
Sources: CBG, FSSIA estimates

Exhibit 64: Quarterly net profit and growth



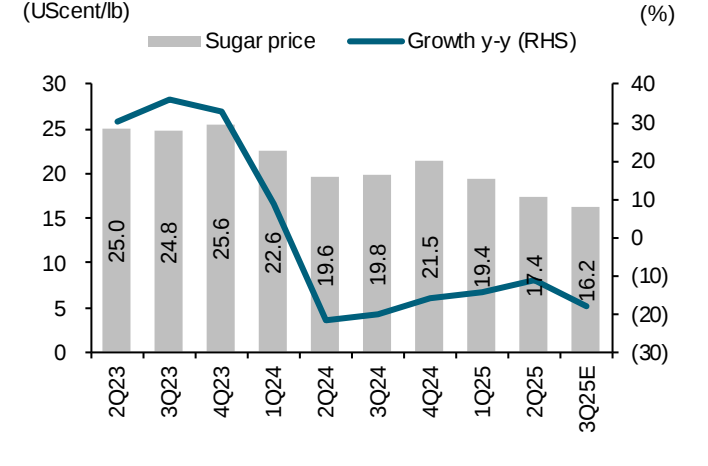
Sources: CBG, FSSIA estimates

Exhibit 65: Aluminium price



Sources: Bloomberg, FSSIA estimates

Exhibit 66: Sugar price



Sources: Bloomberg, FSSIA estimates

Exhibit 67: Changes in key assumptions for CBG

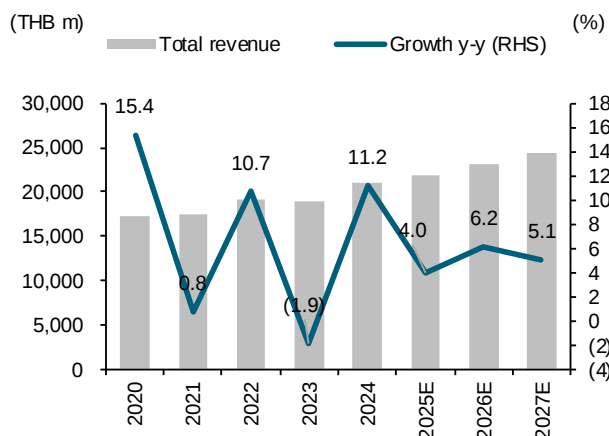
	Current			Previous			Change		
	2025E (THB m)	2026E (THB m)	2027E (THB m)	2025E (THB m)	2026E (THB m)	2027E (THB m)	2025E (%)	2026E (%)	2027E (%)
Total revenue	21,813	23,162	24,339	22,526	23,826	24,931	(3.2)	(2.8)	(2.4)
Costs	16,036	17,027	17,699	16,269	17,342	17,967	(1.4)	(1.8)	(1.5)
Gross profit	5,777	6,135	6,640	6,257	6,484	6,964	(7.7)	(5.4)	(4.7)
SG&A expense	2,205	2,386	2,507	2,478	2,597	2,717	(11.0)	(8.1)	(7.8)
Interest expense	73	72	73	156	157	158	(53.4)	(54.2)	(54.2)
Profit sharing	30	25	23	21	21	23	48.0	19.0	0.0
Reported net profit	3,004	3,175	3,489	3,199	3,298	3,603	(6.1)	(3.7)	(3.2)
Core profit	3,004	3,175	3,489	3,199	3,298	3,603	(6.1)	(3.7)	(3.2)

Key ratios (%)									
Total revenue growth	4.0	6.2	5.1	7.5	5.8	4.6			
Net profit growth	5.7	5.7	9.9	12.5	3.1	9.3			
Core profit growth	5.7	5.7	9.9	12.5	3.1	9.3			
Gross margin	26.5	26.5	27.3	27.8	27.2	27.9	(1.3)	(0.7)	(0.7)
SG&A to sales	10.1	10.3	10.3	11.0	10.9	10.9	(0.9)	(0.6)	(0.6)
Net margin	13.8	13.7	14.3	14.2	13.8	14.5	(0.4)	(0.1)	(0.1)
Core margin	13.8	13.7	14.3	14.2	13.8	14.5	(0.4)	(0.1)	(0.1)

Operating statistics (THB m)									
Branded Own sales	12,400	13,165	13,844	12,980	13,652	14,248	(4.5)	(3.6)	(2.8)
Branded OEM sales	263	289	318	322	355	390	(18.4)	(18.4)	(18.4)
3rd party sales	8,353	8,871	9,298	8,321	8,871	9,298	0.4	0.0	0.0
Other (packaging) sales	797	837	879	903	948	996	(11.7)	(11.7)	(11.7)
GM - Branded Own (%)	39.1	39.5	39.5	39.8	40.3	40.3	(0.7)	(0.8)	(0.8)
GM - Branded OEM (%)	16.5	16.0	16.0	16.0	16.0	16.0	0.5	0.0	0.0
GM - 3rd party (%)	8.2	8.2	8.2	9.7	9.7	9.7	(1.4)	(1.5)	(1.5)
GM - Packaging (%)	24.6	25.0	25.0	26.0	26.0	26.0	(1.4)	(1.0)	(1.0)
Domestic sales (THB m)	17,102	18,071	18,972	16,513	17,489	18,364	3.6	3.3	3.3
Overseas sales (THB m)	4,711	5,091	5,367	6,013	6,337	6,567	(21.7)	(19.7)	(18.3)
Domestic sales (% of total sales)	78.4	78.0	78.0	73.3	73.4	73.7	5.1	4.6	4.3
Overseas sales (% of total sales)	21.6	22.0	22.0	26.7	26.6	26.3	(5.1)	(4.6)	(4.3)

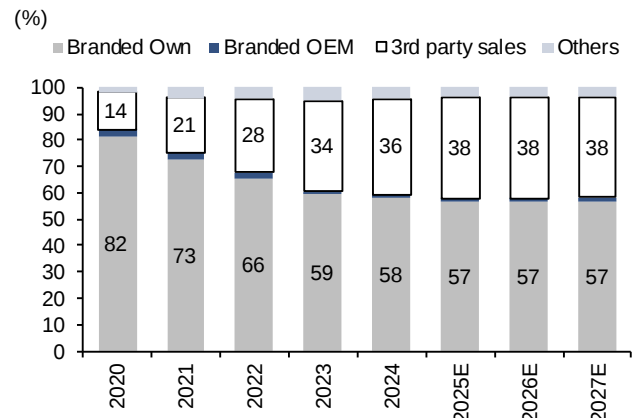
Sources: CBG, FSSIA estimates

Exhibit 68: Yearly total revenue and growth

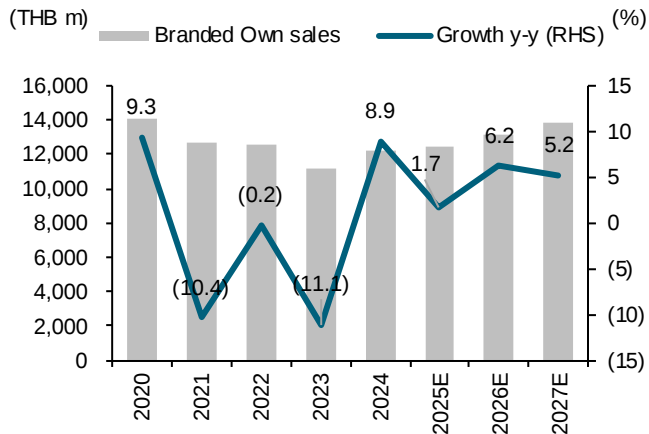


Sources: CBG, FSSIA estimates

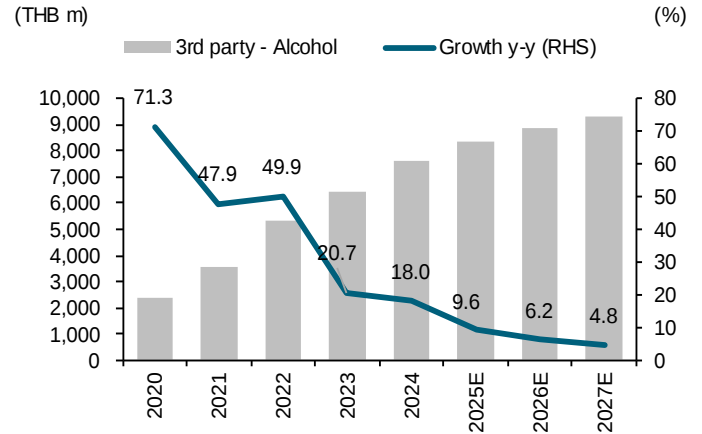
Exhibit 69: Yearly revenue breakdown by segment



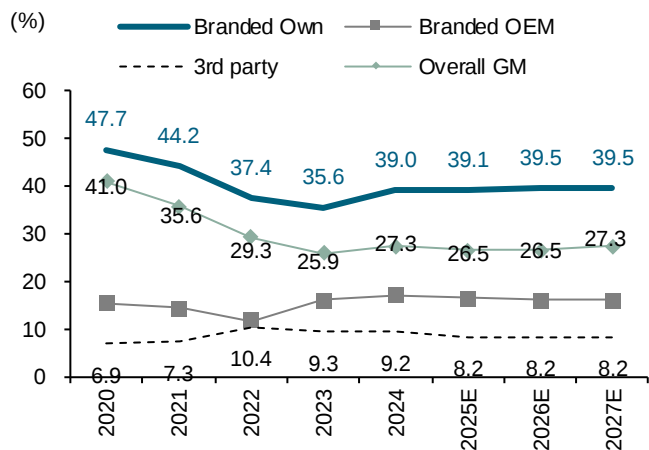
Sources: CBG, FSSIA estimates

Exhibit 70: Yearly revenue from own-branded products

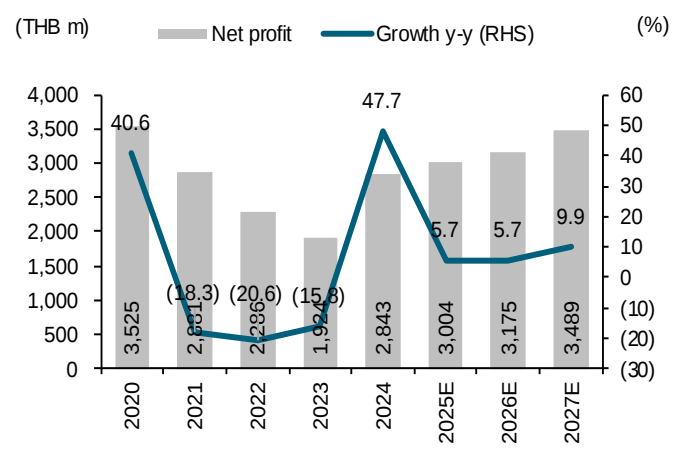
Sources: CBG, FSSIA estimates

Exhibit 71: Yearly revenue from 3rd party and growth

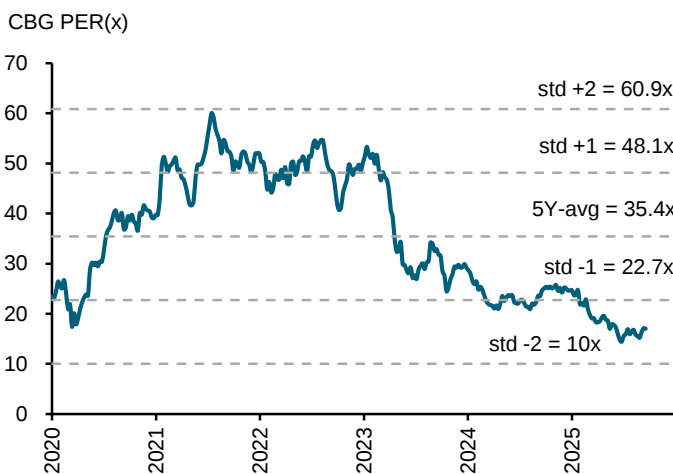
Sources: CBG, FSSIA estimates

Exhibit 72: Yearly gross margin breakdown by segment

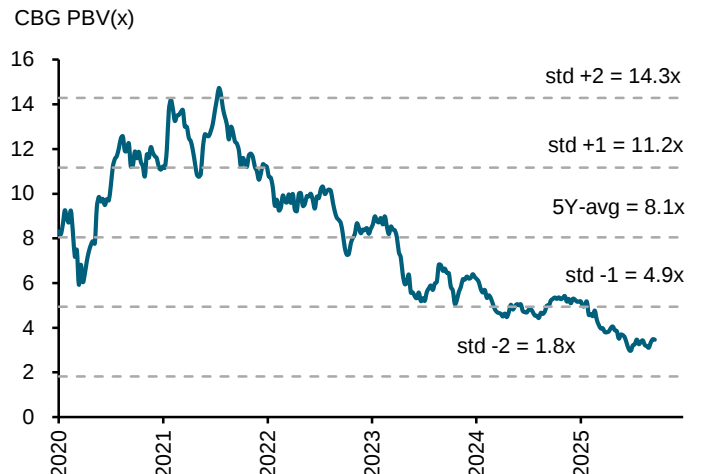
Sources: CBG, FSSIA estimates

Exhibit 73: Yearly net profit and growth

Sources: CBG, FSSIA estimates

Exhibit 74: Historical P/E band

Sources: Bloomberg, FSSIA estimates

Exhibit 75: Historical P/BV band

Sources: Bloomberg, FSSIA estimates

Financial Statements

Carabao Group

Profit and Loss (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Revenue	18,853	20,964	21,813	23,162	24,339
Cost of goods sold	(13,974)	(15,243)	(16,036)	(17,027)	(17,699)
Gross profit	4,879	5,721	5,777	6,135	6,640
Other operating income	188	200	189	232	243
Operating costs	(2,660)	(2,349)	(2,205)	(2,386)	(2,507)
Operating EBITDA	3,245	4,425	4,630	4,864	5,275
Depreciation	(838)	(853)	(868)	(883)	(898)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	2,407	3,572	3,762	3,981	4,376
Net financing costs	(178)	(140)	(65)	(65)	(66)
Associates	8	14	16	18	18
Recurring non-operating income	8	14	16	18	18
Non-recurring items	0	0	0	0	0
Profit before tax	2,237	3,447	3,713	3,933	4,329
Tax	(337)	(619)	(739)	(783)	(862)
Profit after tax	1,900	2,827	2,973	3,150	3,467
Minority interests	24	15	30	25	23
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
Reported net profit	1,924	2,843	3,004	3,175	3,489
Non-recurring items & goodwill (net)	-	-	-	-	-
Recurring net profit	1,924	2,843	3,004	3,175	3,489
Per share (THB)					
Recurring EPS *	1.92	2.84	3.00	3.18	3.49
Reported EPS	1.92	2.84	3.00	3.18	3.49
DPS	0.90	1.30	1.35	1.43	1.57
Diluted shares (used to calculate per share data)	1,000	1,000	1,000	1,000	1,000
Growth					
Revenue (%)	(1.9)	11.2	4.0	6.2	5.1
Operating EBITDA (%)	(10.0)	36.4	4.6	5.1	8.4
Operating EBIT (%)	(13.8)	48.4	5.3	5.8	9.9
Recurring EPS (%)	(15.8)	47.7	5.7	5.7	9.9
Reported EPS (%)	(15.8)	47.7	5.7	5.7	9.9
Operating performance					
Gross margin inc. depreciation (%)	25.9	27.3	26.5	26.5	27.3
Gross margin exc. depreciation (%)	30.3	31.4	30.5	30.3	31.0
Operating EBITDA margin (%)	17.2	21.1	21.2	21.0	21.7
Operating EBIT margin (%)	12.8	17.0	17.2	17.2	18.0
Net margin (%)	10.2	13.6	13.8	13.7	14.3
Effective tax rate (%)	15.1	18.0	19.9	19.9	19.9
Dividend payout on recurring profit (%)	46.8	45.7	45.0	45.0	45.0
Interest cover (X)	13.5	25.6	58.3	61.4	67.0
Inventory days	69.6	57.3	58.5	61.4	62.0
Debtor days	45.7	31.6	32.0	38.8	39.0
Creditor days	54.2	45.5	46.5	54.3	54.8
Operating ROIC (%)	12.2	19.4	18.8	17.1	17.4
ROIC (%)	11.6	18.4	17.9	16.5	16.7
ROE (%)	17.4	23.0	21.2	19.8	19.5
ROA (%)	10.3	15.5	14.2	12.7	12.9
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Branded own	11,196	12,190	12,400	13,165	13,844
3rd party distribution	6,458	7,621	8,353	8,871	9,298
Branded OEM	232	293	263	289	318
Others (Packaging)	967	860	797	837	879

Sources: Carabao Group; FSSIA estimates

Financial Statements

Carabao Group

Cash Flow (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Recurring net profit	1,924	2,843	3,004	3,175	3,489
Depreciation	838	853	868	883	898
Associates & minorities	-	-	-	-	-
Other non-cash items	(61)	60	(36)	(12)	(12)
Change in working capital	992	617	(841)	(164)	(139)
Cash flow from operations	3,694	4,372	2,994	3,882	4,236
Capex - maintenance	(822)	(372)	(3,334)	(2,296)	(2,335)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	(26)	3	33	(4)	(3)
Cash flow from investing	(848)	(369)	(3,301)	(2,300)	(2,338)
Dividends paid	(1,156)	(1,106)	(1,352)	(1,429)	(1,570)
Equity finance	0	0	0	0	0
Debt finance	(1,438)	(2,750)	3,421	43	43
Other financing cash flows	(5)	53	(14)	15	13
Cash flow from financing	(2,598)	(3,803)	2,056	(1,371)	(1,514)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	248	200	1,748	211	383
Free cash flow to firm (FCFF)	3,029.30	4,149.33	(234.68)	1,654.25	1,970.15
Free cash flow to equity (FCFE)	1,403.93	1,306.34	3,100.09	1,639.97	1,953.50
Per share (THB)					
FCFF per share	3.03	4.15	(0.23)	1.65	1.97
FCFE per share	1.40	1.31	3.10	1.64	1.95
Recurring cash flow per share	2.70	3.76	3.84	4.05	4.38
Balance Sheet (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Tangible fixed assets (gross)	16,929	17,208	18,945	20,711	22,507
Less: Accumulated depreciation	(4,054)	(4,832)	(3,789)	(4,142)	(4,501)
Tangible fixed assets (net)	12,875	12,376	15,156	16,569	18,006
Intangible fixed assets (net)	629	607	598	599	600
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	173	189	189	189	189
Cash & equivalents	1,184	1,384	3,133	3,344	3,727
A/C receivable	2,192	1,434	2,390	2,538	2,667
Inventories	2,295	2,224	2,636	2,799	2,909
Other current assets	131	97	109	116	122
Current assets	5,802	5,139	8,268	8,797	9,425
Other assets	65	67	44	46	49
Total assets	19,543	18,378	24,254	26,200	28,269
Common equity	11,491	13,209	15,175	16,921	18,841
Minorities etc.	(178)	(119)	(155)	(167)	(179)
Total shareholders' equity	11,312	13,091	15,020	16,754	18,662
Long term debt	3,747	849	3,558	3,407	3,256
Other long-term liabilities	201	254	240	255	268
Long-term liabilities	3,948	1,102	3,798	3,662	3,524
A/C payable	2,045	1,540	2,328	2,472	2,570
Short term debt	2,095	2,243	2,955	3,149	3,343
Other current liabilities	143	402	153	162	170
Current liabilities	4,283	4,185	5,436	5,784	6,083
Total liabilities and shareholders' equity	19,543	18,378	24,254	26,200	28,269
Net working capital	2,430	1,813	2,654	2,819	2,958
Invested capital	16,171	15,052	18,640	20,221	21,801
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	11.49	13.21	15.18	16.92	18.84
Tangible book value per share	10.86	12.60	14.58	16.32	18.24
Financial strength					
Net debt/equity (%)	41.2	13.0	22.5	19.2	15.4
Net debt/total assets (%)	23.8	9.3	13.9	12.3	10.2
Current ratio (x)	1.4	1.2	1.5	1.5	1.5
CF interest cover (x)	8.9	10.3	48.9	26.2	30.8
Valuation	2023	2024	2025E	2026E	2027E
Recurring P/E (x) *	29.4	19.9	18.8	17.8	16.2
Recurring P/E @ target price (x) *	33.3	22.5	21.3	20.2	18.3
Reported P/E (x)	29.4	19.9	18.8	17.8	16.2
Dividend yield (%)	1.6	2.3	2.4	2.5	2.8
Price/book (x)	4.9	4.3	3.7	3.3	3.0
Price/tangible book (x)	5.2	4.5	3.9	3.5	3.1
EV/EBITDA (x) **	18.8	13.1	12.9	12.2	11.2
EV/EBITDA @ target price (x) **	21.1	14.8	14.5	13.8	12.6
EV/invested capital (x)	3.8	3.9	3.2	2.9	2.7
* Pre-exceptional, pre-goodwill and fully diluted ** EBITDA includes associate income and recurring non-operating income					

Sources: Carabao Group; FSSIA estimates

Carabao Group PCL (CBG TB)

FSSIA ESG rating


62.25 /100

Exhibit 76: 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 77: ESG – peer comparison

	FSSIA ESG score	Domestic ratings						Global ratings					Bloomberg		
		DJSI	SET ESG	SET ESG Rating	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
CBG	62.25	--	Y	AA	5.00	5.00	Certified	Medium	63.94	B	--	32.92	79.00	2.68	64.30
ICHI	55.12	--	Y	A	5.00	4.00	Certified	Medium	--	BB	--	51.33	29.00	2.98	43.42
OSP	67.45	--	Y	AA	5.00	5.00	Certified	Medium	66.40	BB	--	65.37	83.00	2.90	68.03
SAPPE	40.63	--	Y	A	4.00	5.00	Certified	High	--	--	--	36.29	--	2.23	44.71
SNNP	30.00	--	Y	A	5.00	5.00	Certified	--	--	--	--	--	--	--	--

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

Exhibit 78: ESG score by Bloomberg

FY ending Dec 31	FY 2020	FY 2021	FY 2022	FY 2023
ESG financial materiality scores - ESG score	1.42	2.14	2.73	2.68
BESG environmental pillar score	0.67	1.92	2.89	2.74
BESG social pillar score	0.74	0.78	0.94	0.89
BESG governance pillar score	3.60	4.25	4.82	4.98
ESG disclosure score	34.38	41.92	61.53	64.30
Environmental disclosure score	20.27	31.89	55.90	69.98
Social disclosure score	19.20	30.20	56.32	45.53
Governance disclosure score	63.58	63.58	72.34	77.33
Environmental				
Emissions reduction initiatives	Yes	Yes	Yes	Yes
Climate change policy	Yes	Yes	Yes	Yes
Climate change opportunities discussed	No	No	No	No
Risks of climate change discussed	Yes	Yes	Yes	Yes
GHG scope 1	—	16	82	82
GHG scope 2 location-based	—	43	42	38
GHG Scope 3	—	1	74	296
Carbon per unit of production	—	—	—	—
Biodiversity policy	No	No	Yes	Yes
Energy efficiency policy	Yes	Yes	Yes	Yes
Total energy consumption	90	135	436	427
Renewable energy use	—	6	7	7
Electricity used	90	88	83	84
Fuel used - natural gas	—	—	30,487	28,987

Sources: Bloomberg; FSSIA's compilation

Exhibit 79: ESG score by Bloomberg (cont.)

FY ending Dec 31	FY 2020	FY 2021	FY 2022	FY 2023
Fuel used - crude oil/diesel	No	No	No	No
Waste reduction policy	Yes	Yes	Yes	Yes
Hazardous waste	—	0	1	1
Total waste	5	7	47	61
Waste recycled	4	7	44	53
Waste sent to landfills	—	0	1	1
Environmental supply chain management	No	No	Yes	Yes
Water policy	Yes	Yes	Yes	Yes
Water consumption	3,070,910	1,110,020	650	—
Social				
Human rights policy	Yes	Yes	Yes	Yes
Policy against child labor	No	No	Yes	Yes
Quality assurance and recall policy	Yes	Yes	Yes	Yes
Consumer data protection policy	No	No	Yes	Yes
Equal opportunity policy	No	No	No	Yes
Gender pay gap breakout	No	No	Yes	Yes
Pct women in workforce	33	34	34	36
Pct disabled in workforce	—	—	1	1
Business ethics policy	No	Yes	Yes	Yes
Anti-bribery ethics policy	No	Yes	Yes	Yes
Health and safety policy	Yes	Yes	Yes	Yes
Lost time incident rate - employees	0	0	0	1
Total recordable incident rate - employees	—	—	—	—
Training policy	Yes	Yes	Yes	Yes
Fair remuneration policy	No	No	No	No
Number of employees – CSR	2,993	3,232	3,325	2,756
Employee turnover pct	—	—	42	50
Total hours spent by firm - employee training	38,150	33,137	54,471	99,685
Social supply chain management	No	No	Yes	Yes
Governance				
Board size	11	13	13	12
No. of independent directors (ID)	5	6	6	5
No. of women on board	4	4	4	4
No. of non-executive directors on board	6	7	8	7
Company conducts board evaluations	Yes	Yes	Yes	Yes
No. of board meetings for the year	7	6	6	5
Board meeting attendance pct	91	100	95	100
Board duration (years)	—	—	—	—
Director share ownership guidelines	No	No	No	No
Age of the youngest director	—	—	—	35
Age of the oldest director	—	—	—	71
No. of executives / company managers	7	7	6	6
No. of female executives	2	2	1	1
Executive share ownership guidelines	No	No	No	No
Size of audit committee	3	3	3	3
No. of ID on audit committee	3	3	3	3
Audit committee meetings	5	5	5	5
Audit meeting attendance %	100	100	100	100
Size of compensation committee	4	4	4	5
No. of ID on compensation committee	2	2	2	2
No. of compensation committee meetings	2	4	2	2
Compensation meeting attendance %	100	100	100	100
Size of nomination committee	4	4	4	5
No. of nomination committee meetings	2	4	2	2
Nomination meeting attendance %	100	100	100	100
Sustainability governance				
Verification type	No	No	Yes	Yes

Sources: Bloomberg; FSSIA's compilation

OSOTSPA OSP TB

THAILAND / FOOD & BEVERAGE

HOLD

FROM BUY

TARGET PRICE	THB20.00
CLOSE	THB18.10
UP/DOWNSIDE	+10.5%
PRIOR TP	THB24.00
CHANGE IN TP	-16.7%
TP vs CONSENSUS	-1.5%

Three Growth Engines Slowing

- August market share fell sharply to a new low 43.9% amid fierce price competition and softer demand.
- Overseas and personal care are slowing, likely pressuring 2H25 earnings.
- Downgrade to HOLD, with earnings cut and TP reduced to THB20.

Market share fell to a new low in August

OSP's value share in energy drinks fell 1.3% m-m to 43.9% in Aug, a new low. While the THB10 SKU gained share, the THB12 SKU lost more, likely due to heavier price promotions by CBG across MT and TT. OSP also shifted strategy, launching the THB10 yellow-cap SKU in 7-Eleven, vs earlier management plans for TT and Makro only, reflecting heightened competition. We see weak exports prompting greater domestic focus, while another factor is softer demand. Energy drink market value turned slightly negative at -0.1% y-y in 3QTD vs +2.5% y-y in 1H25.

3Q25 earnings may decline more than previously expected

We expect 3Q25 net profit at THB698m (-31% q-q, turning from loss in 3Q24), below the prior estimate of THB750m-800m. The shortfall stems from weaker overseas revenue: seasonal softness in Myanmar and slower Indonesia on economic headwinds. Personal care revenue should also fall q-q and y-y on softer demand and TT customers' liquidity issues, prompting more cautious sales. While gas costs continue to decline, product mix impact should outweigh, lowering gross margin to 39% from 41.9% in 2Q25, though still above 36.1% in 3Q24.

Earnings forecast revised down

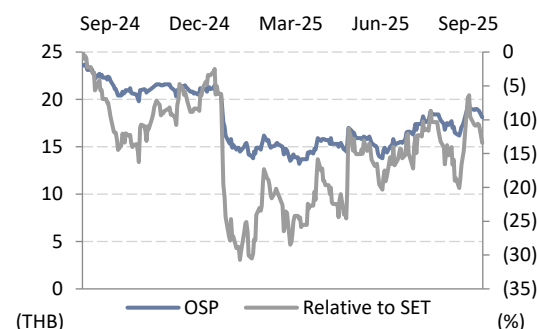
We cut our 2025 earnings forecast by 4.6% to THB 3.38b (+11.5% y-y) due to weaker-than-expected export and personal care sales. We also turn more cautious on domestic competition, as CBG has intensified price promotions to offset weakness in Cambodia, while OSP's expansion of the THB10 yellow-cap SKU into CVS, which carries lower margins than TT, raises cannibalization risk and potential gross margin pressure beyond management's expectations amid soft consumption. Overall, this should weigh on 2H25 earnings, while we forecast 2026 core earnings to grow only slightly by 2.7% y-y.

Downgrade to HOLD and cut TP to THB20

We roll forward out TP to 2026 at THB20 and lower our target PE to 18x (-1.25 SD) from 23x (-1.0 SD), reflecting a more negative outlook driven by intensifying competition, softer consumption, and weakening support from overseas and personal care. Accordingly, we downgrade our call to HOLD and will monitor OSP's strategy adjustments to defend its domestic energy drink business.

KEY STOCK DATA

YE Dec (THB m)	2024	2025E	2026E	2027E
Revenue	27,069	25,618	27,146	27,976
Net profit	1,638	3,682	3,478	3,589
EPS (THB)	0.55	1.23	1.16	1.19
vs Consensus (%)	-	1.9	(4.2)	(6.2)
EBITDA	4,953	5,686	5,911	6,108
Recurring net profit	3,038	3,388	3,478	3,589
Core EPS (THB)	1.01	1.13	1.16	1.19
Chg. In EPS est. (%)	-	(4.6)	(5.6)	(5.8)
EPS growth (%)	39.7	11.5	2.7	3.2
Core P/E (x)	17.9	16.0	15.6	15.1
Dividend yield (%)	3.3	5.4	5.4	5.6
EV/EBITDA (x)	11.1	9.2	8.8	8.5
Price/book (x)	3.5	3.3	3.2	3.1
Net debt/Equity (%)	2.8	(13.3)	(13.2)	(14.5)
ROE (%)	19.1	21.2	20.8	20.8



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	4.6	29.3	(24.3)
Relative to country (%)	2.2	7.6	(14.3)
Mkt cap (USD m)	1,711		
3m avg. daily turnover (USD m)	5.6		
Free float (%)	52		
Major shareholder	Osathanugrah Family (39%)		
12m high/low (THB)	23.90/12.90		
Issued shares (m)	3,003.75		

Sources: Bloomberg consensus; FSSIA estimates



Sureeporn Teewasuwet

Fundamental Investment Analyst on Securities; License no. 040694
sureeporn.t@fssia.com, +66 2646 9972

Investment thesis

OSP has a very long history of over 132 years. We are impressed with OSP's growth over the last century via innovative products that have evolved according to changing consumer needs, organizational advancements, and marketing breakthroughs. We think OSP conducts its business with good governance and responsibility to all stakeholders.

The company continues to focus on cost efficiency via its Fast Forward 10x program, whose five pillars for transformation are cost, process, function, hybrid workforce, and assets. It targets THB5b in cost savings in 5-7 years (2022-28).

Company profile

Osotspa was established in 1891 as a pharmaceutical company, OSP is now one of Thailand's largest consumer product companies. It generates revenue from beverages (81% of sales), personal care (9% of sales), and others (10%). About 17% of its sales come from overseas markets, such as Myanmar, Laos, and Cambodia, nearly all of which are from the energy drinks segment. It was listed in October 2018

www.osotspa.com

Principal activities (revenue, 2024)

Beverage - 81.8 %

Personal care - 10.4 %

Other (OEM) - 7.8 %

Source: Osotspa

Major shareholders

Osathanugrah Family - 38.7 %

Others - 61.4 %

Source: Osotspa

Catalysts

Potential catalysts for OSP's earnings growth in 2026 are 1) revenue growth driven by sales volumes; 2) gaining more domestic energy drink market share; 3) declining energy costs; 4) successfully improving production efficiency; and 5) the success of new product launches.

Risks to our call

Downside and upside risks to our P/E-based TP include 1) a slower or higher-than-expected consumption recovery, 2) higher or lower-than-expected competition, 3) high or lower volatility in energy costs, and 4) changing regulations in Thailand and Myanmar.

Event calendar

Date	Event
November 2025	3Q25 results announcement

Key assumptions

	2025E	2026E	2027E
Beverage revenue growth (%)	(3.2)	6.5	3.0
Personal care revenue growth (%)	(1.4)	5.0	5.0
Total revenue growth (%)	0.0	6.0	3.1
Gross margin (%)	0.0	39.8	39.8
SG&A to sales (%)	25.0	25.0	25.0

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in revenue, we estimate 2026 net profit to rise by 1.2%, and vice versa, all else being equal.
- For every 0.2% increase in GPM, we estimate 2026 net profit to rise by 2.0%, and vice versa, all else being equal.
- For every 0.2% increase in SG&A, we estimate 2026 net profit to fall by 1.9%, and vice versa, all else being equal.

Source: FSSIA estimates

Exhibit 80: OSP – 3Q25 earnings preview

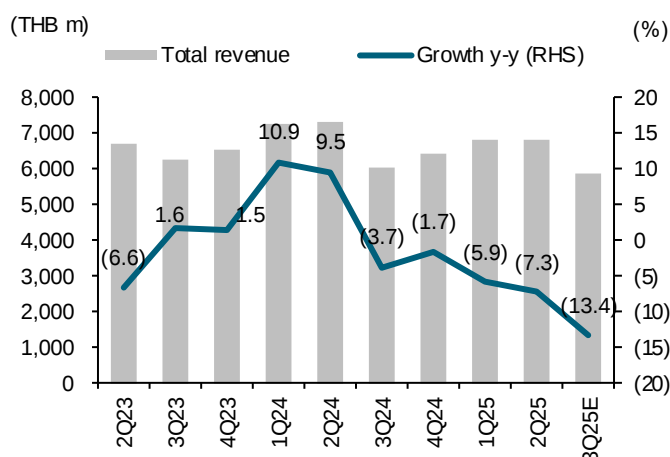
	3Q24	4Q24	1Q25	2Q25	3Q25E	---- Change ---		9M24	9M25E	Change	2024	2025E	Change	% 9M25E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)	(THB m)	(THB m)	(y-y%)	to 2025E
Sales	6,043	6,422	6,831	6,807	5,895	(13.4)	(2.4)	20,648	19,534	(5.4)	27,069	25,618	(5.4)	76.3
Cost of sales	3,863	3,950	4,080	3,953	3,596	(9.0)	(6.9)	13,016	11,629	(10.7)	16,966	15,345	(9.6)	75.8
Gross profit	2,180	2,472	2,752	2,854	2,299	(19.4)	5.5	7,632	7,905	3.6	10,103	10,273	1.7	76.9
SG&A	1,572	1,822	1,692	1,660	1,503	(9.5)	(4.4)	5,130	4,856	(5.3)	6,952	6,404	(7.9)	75.8
Operating profit	727	748	1,133	1,242	866	(30.3)	19.2	2,717	3,241	19.3	3,465	4,131	19.2	78.5
Interest expense	27	35	36	28	36	26.4	34.4	82	100	21.6	118	136	15.7	73.5
Tax expense	59	114	99	182	122	(32.9)	104.7	284	402	41.6	398	537	34.9	75.0
Profit (loss) sharing	49	40	37	33	40	21.8	(19.2)	168	110	(34.4)	179	115	(36.0)	96.1
Reported net profit	(361)	567	1,265	1,010	698	(30.9)	nm	1,071	2,973	177.5	1,638	3,682	124.8	80.7
Core profit	672	615	970	1,010	698	(30.9)	3.9	2,424	2,678	10.5	3,038	3,388	11.5	79.1

Key Ratios (%)						(ppt)	(ppt)			(ppt)			(ppt)
Gross margin	36.1	38.5	40.3	41.9	39.0	(2.9)	2.9	37.0	40.5	3.5	37.3	40.1	2.8
SG&A to sales	26.0	28.4	24.8	24.4	25.5	1.1	(0.5)	24.8	24.9	0.0	25.7	25.0	(0.7)
Operating margin	12.0	11.6	16.6	18.2	14.7	(3.6)	2.7	13.2	16.6	3.4	12.8	16.1	3.3
Net margin	(6.0)	8.8	18.5	14.8	11.8	(3.0)	17.8	5.2	15.2	10.0	2.5	4.5	2.0
Core margin	11.1	9.6	14.2	14.8	11.8	(3.0)	0.7	11.7	13.7	2.0	6.1	14.4	8.3

Operating statistics (THB m)														
Beverage sales	4,639	5,334	5,821	5,697	4,870	(14.5)	5.0	16,820	16,388	(2.6)	22,154	21,443	(3.2)	76.4
Domestic	3,605	3,878	3,552	3,686	3,870	5.0	7.4	12,078	11,108	(8.0)	15,955	15,564	(2.5)	71.4
Overseas	1,034	1,456	2,269	2,011	1,000	(50.3)	(3.3)	4,742	5,280	11.4	6,199	7,611	22.8	69.4
Personal care	702	783	666	725	685	(5.6)	(2.5)	2,021	2,075	2.7	2,804	2,765	(1.4)	75.0
Other	702	304	344	386	340	(11.9)	(51.5)	1,807	1,070	(40.8)	2,111	1,410	(33.2)	75.9
Energy drink's market share (%)	45.4	45.0	44.8	44.5	44.5	0.0	(0.9)	46.1	44.6	(1.5)	45.8	44.6	(1.2)	
Pool gas price (THB/MMBtu)	314.7	297.5	312.5	298.6	277.3	(7.1)	(11.9)	312.3	296.2	(5.2)	308.6	306.0	(0.8)	

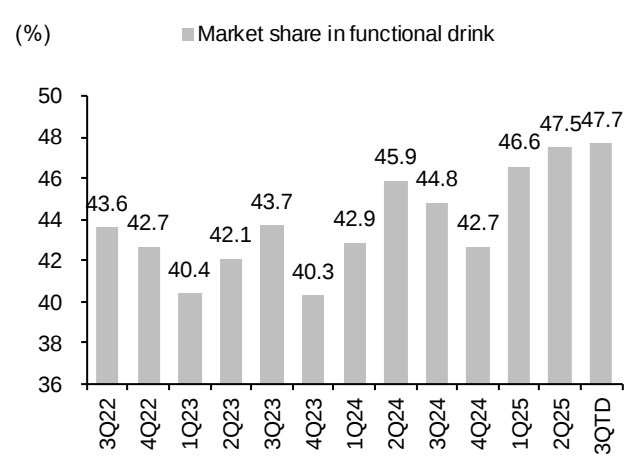
Sources: OSP, FSSIA estimates

Exhibit 81: Quarterly total revenue and growth

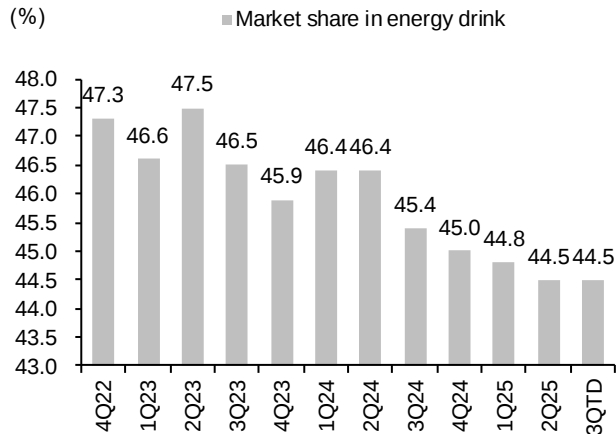


Sources: OSP, FSSIA estimates

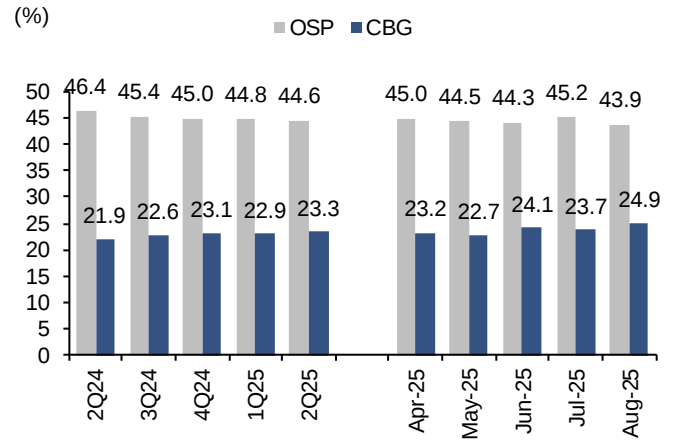
Exhibit 82: Quarterly functional drink market share



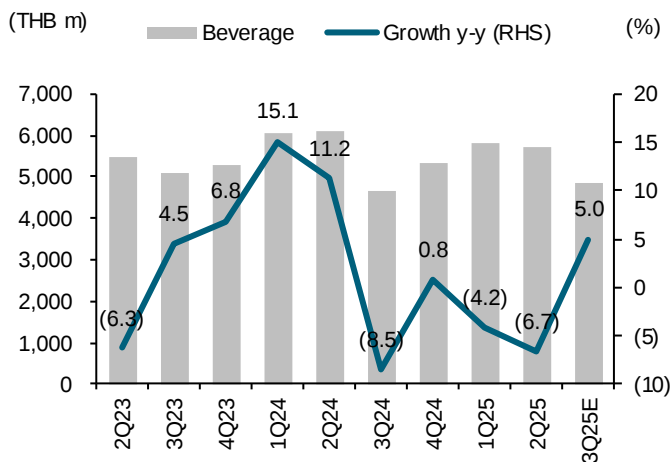
Sources: OSP, FSSIA estimates

Exhibit 83: Quarterly energy drink market share

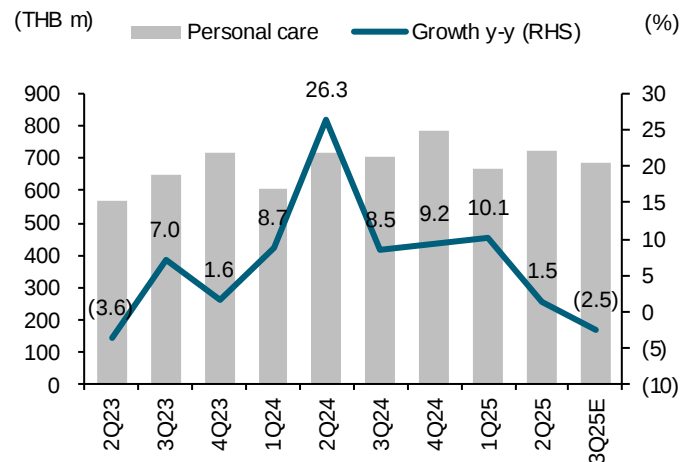
Sources: OSP, FSSIA estimates

Exhibit 84: Monthly energy drink market share

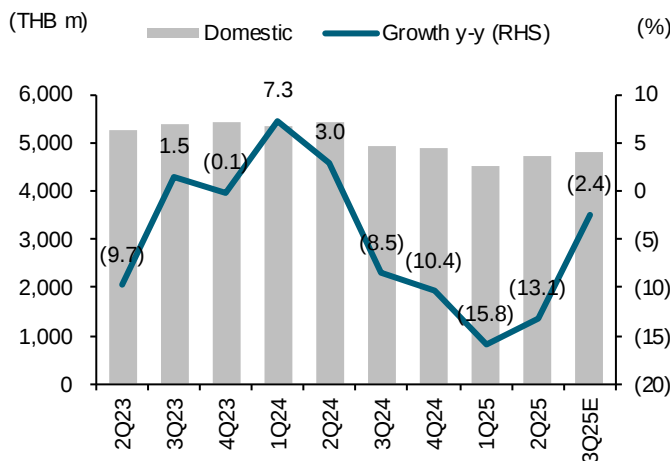
Sources: OSP, FSSIA estimates

Exhibit 85: Quarterly beverage revenue and growth

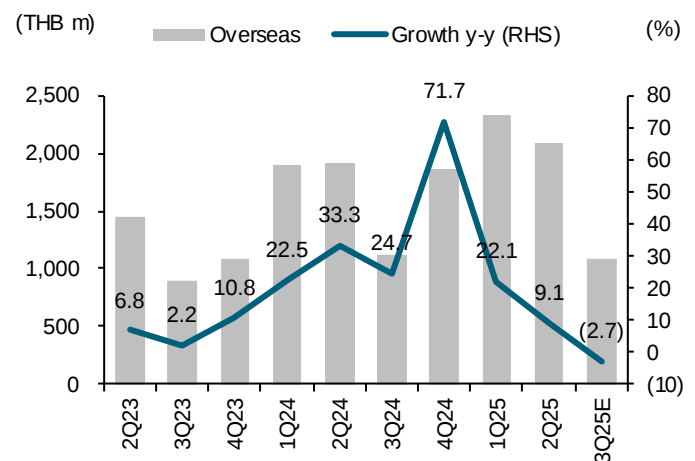
Sources: OSP, FSSIA estimates

Exhibit 86: Quarterly personal care revenue and growth

Sources: OSP, FSSIA estimates

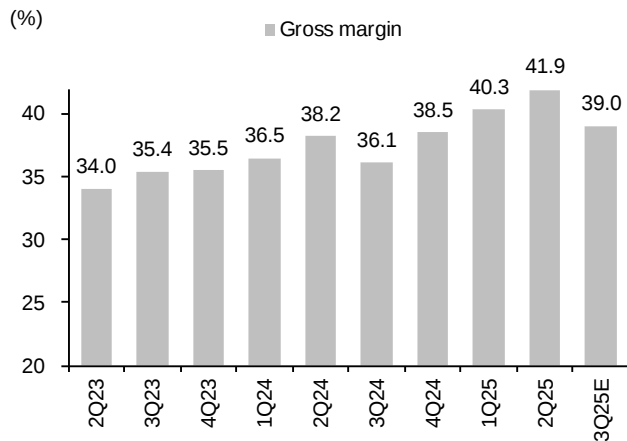
Exhibit 87: Quarterly domestic revenue and growth

Sources: OSP, FSSIA estimates

Exhibit 88: Quarterly overseas revenue and growth

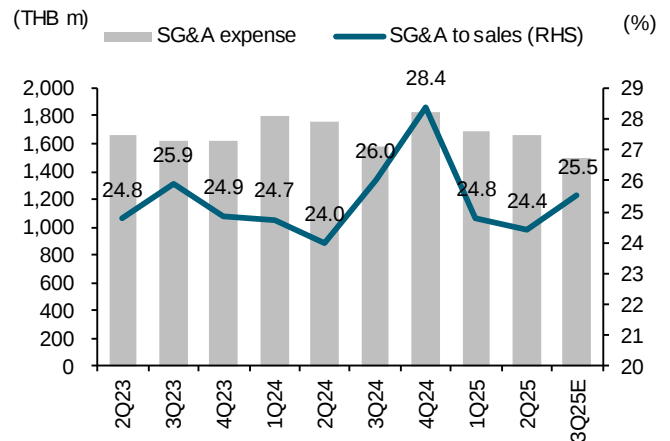
Sources: OSP, FSSIA estimates

Exhibit 89: Quarterly gross margin



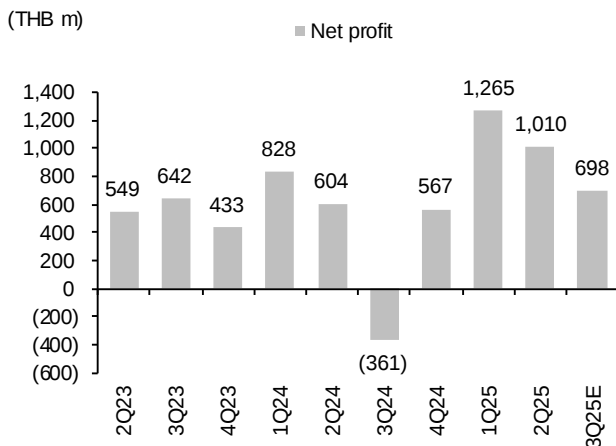
Sources: OSP, FSSIA estimates

Exhibit 90: Quarterly SG&A to sales



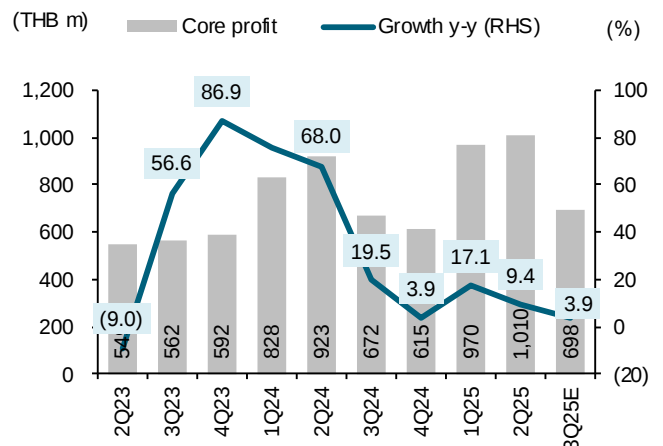
Sources: OSP, FSSIA estimates

Exhibit 91: Quarterly net profit



Sources: OSP, FSSIA estimates

Exhibit 92: Quarterly core profit

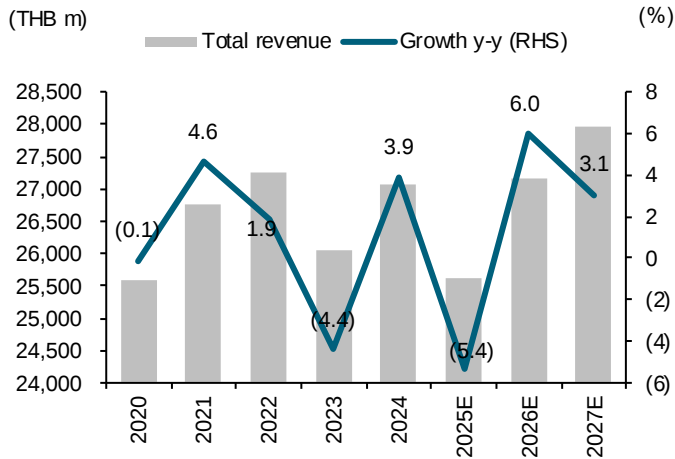


Sources: OSP, FSSIA estimates

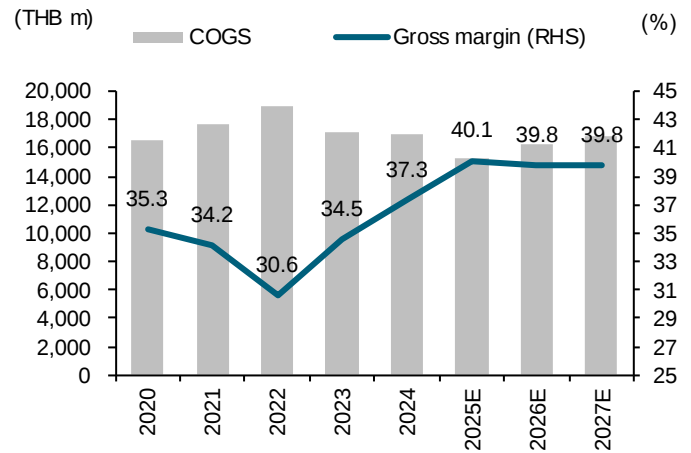
Exhibit 93: Change in key assumptions for OSP

	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 revenue	25,618	27,146	27,976	27,336	28,522	29,468	(6.3)	(4.8)	(5.1)
Cost of sales	15,345	16,342	16,842	16,456	17,170	17,740	(6.8)	(4.8)	(5.1)
Gross profit	10,273	10,804	11,135	10,880	11,352	11,728	(5.6)	(4.8)	(5.1)
SG&A expenses	6,404	6,787	6,994	6,834	7,130	7,367	(6.3)	(4.8)	(5.1)
Operating profit	4,131	4,289	4,420	4,333	4,506	4,656	(4.7)	(4.8)	(5.1)
Interest expense	136	137	135	144	137	135	(5.2)	0.0	0.0
Profit sharing	150	163	168	153	200	206	(2.0)	(18.4)	(18.6)
Reported net profit	3,682	3,478	3,589	3,846	3,684	3,812	(4.3)	(5.6)	(5.8)
Core profit	3,388	3,478	3,589	3,552	3,684	3,812	(4.6)	(5.6)	(5.8)
Key ratios (%)									
Total revenue growth	(5.4)	6.0	3.1	1.0	4.3	3.3			
Net profit growth	124.8	(5.6)	3.2	134.8	(4.2)	3.5			
Core profit growth	11.5	2.7	3.2	16.9	3.7	3.5			
Gross margin	40.1	39.8	39.8	39.8	39.8	39.8	0.3	0.0	0.0
SG&A to sales	25.0	25.0	25.0	25.0	25.0	25.0	0.0	0.0	0.0
Net margin	14.4	12.8	12.8	14.1	12.9	12.9	0.3	(0.1)	(0.1)
Core margin	13.2	12.8	12.8	13.0	12.9	12.9	0.2	(0.1)	(0.1)
Operating statistics (THB m)									
Beverage revenue	21,443	22,833	23,518	23,027	23,998	24,717	(6.9)	(4.9)	(4.9)
Personal care revenue	2,765	2,904	3,049	2,944	3,092	3,246	(6.1)	(6.1)	(6.1)
Others revenue	1,410	1,410	1,410	1,364	1,432	1,504	3.4	(1.6)	(6.3)

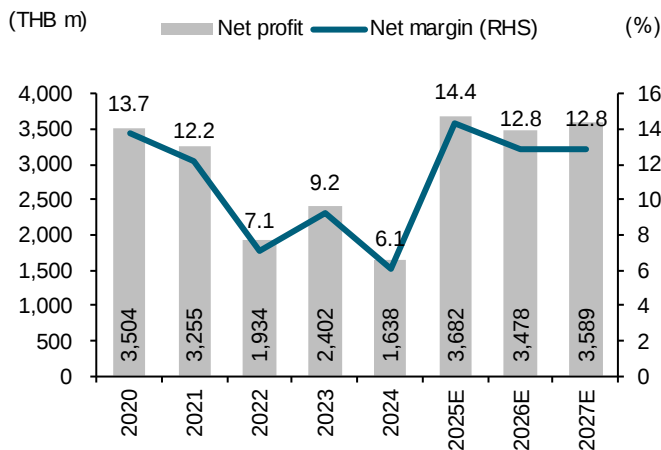
Source: FSSIA estimates

Exhibit 94: Yearly total revenue and growth

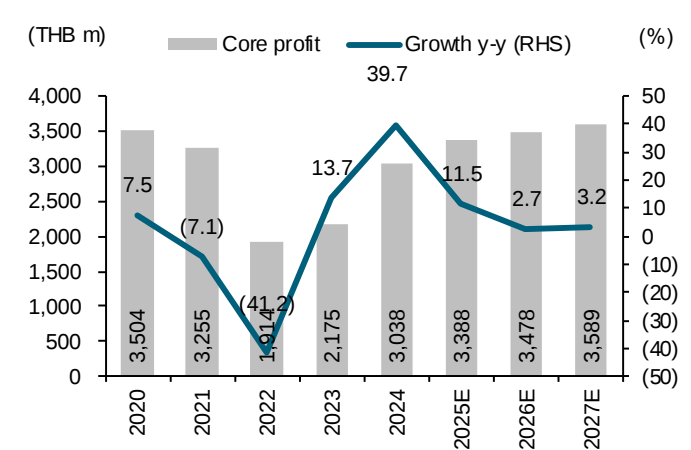
Sources: OSP, FSSIA estimates

Exhibit 95: Yearly gross margin

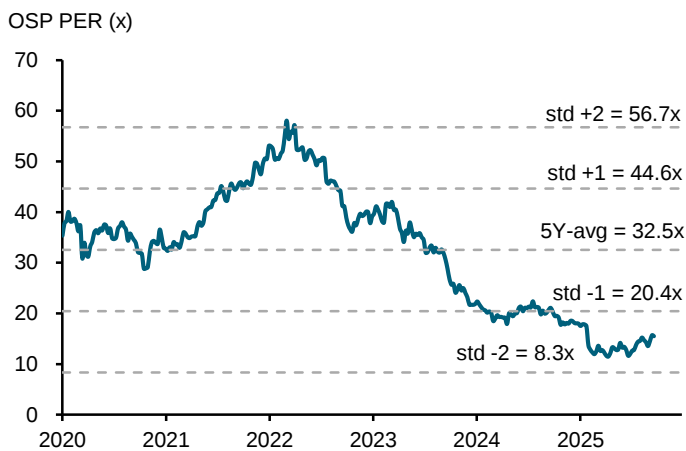
Sources: OSP, FSSIA estimates

Exhibit 96: Yearly net profit and margin

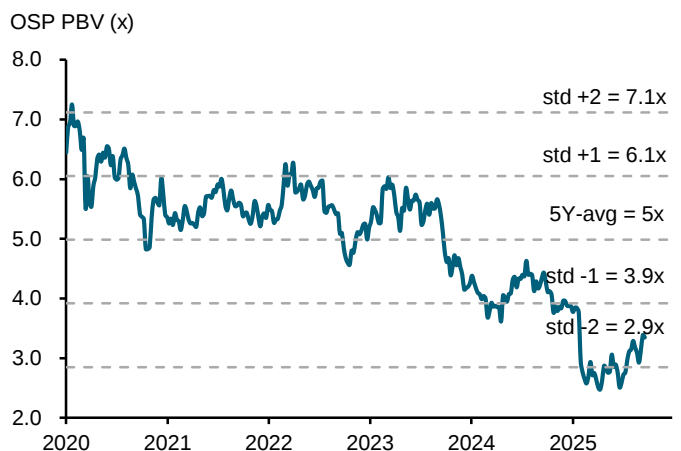
Sources: OSP, FSSIA estimates

Exhibit 97: Yearly core profit and growth

Sources: OSP, FSSIA estimates

Exhibit 98: Historical P/E band

Sources: Bloomberg, FSSIA's compilation

Exhibit 99: Historical P/BV band

Sources: Bloomberg, FSSIA's compilation

Financial Statements

Osotspa

Profit and Loss (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Revenue	26,062	27,069	25,618	27,146	27,976
Cost of goods sold	(17,059)	(16,966)	(15,345)	(16,342)	(16,842)
Gross profit	9,003	10,103	10,273	10,804	11,135
Other operating income	197	314	263	271	280
Operating costs	(6,610)	(6,952)	(6,404)	(6,787)	(6,994)
Operating EBITDA	4,137	4,953	5,686	5,911	6,108
Depreciation	(1,548)	(1,488)	(1,555)	(1,621)	(1,688)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	2,589	3,465	4,131	4,289	4,420
Net financing costs	(108)	(118)	(136)	(137)	(135)
Associates	146	208	150	163	168
Recurring non-operating income	146	208	150	163	168
Non-recurring items	227	(1,400)	295	0	0
Profit before tax	2,854	2,156	4,440	4,315	4,453
Tax	(431)	(398)	(537)	(647)	(668)
Profit after tax	2,423	1,758	3,903	3,668	3,785
Minority interests	(21)	(120)	(221)	(190)	(196)
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
Reported net profit	2,402	1,638	3,682	3,478	3,589
Non-recurring items & goodwill (net)	(227)	1,400	(295)	0	0
Recurring net profit	2,175	3,038	3,388	3,478	3,589
Per share (THB)					
Recurring EPS *	0.72	1.01	1.13	1.16	1.19
Reported EPS	0.80	0.55	1.23	1.16	1.19
DPS	1.65	0.60	0.98	0.98	1.02
Diluted shares (used to calculate per share data)	3,004	3,004	3,004	3,004	3,004
Growth					
Revenue (%)	(4.4)	3.9	(5.4)	6.0	3.1
Operating EBITDA (%)	13.5	19.7	14.8	4.0	3.3
Operating EBIT (%)	26.5	33.8	19.2	3.8	3.1
Recurring EPS (%)	13.7	39.7	11.5	2.7	3.2
Reported EPS (%)	24.2	(31.8)	124.8	(5.6)	3.2
Operating performance					
Gross margin inc. depreciation (%)	34.5	37.3	40.1	39.8	39.8
Gross margin exc. depreciation (%)	40.5	42.8	46.2	45.8	45.8
Operating EBITDA margin (%)	15.9	18.3	22.2	21.8	21.8
Operating EBIT margin (%)	9.9	12.8	16.1	15.8	15.8
Net margin (%)	8.3	11.2	13.2	12.8	12.8
Effective tax rate (%)	15.1	18.5	12.1	15.0	15.0
Dividend payout on recurring profit (%)	227.8	59.3	87.0	85.0	85.0
Interest cover (X)	25.4	31.3	31.5	32.4	33.9
Inventory days	79.7	86.3	79.5	59.2	60.2
Debtor days	59.1	63.3	62.2	51.7	52.3
Creditor days	54.0	61.1	66.0	48.4	49.3
Operating ROIC (%)	12.9	17.5	22.5	23.7	23.5
ROIC (%)	11.4	16.7	21.4	23.0	23.1
ROE (%)	12.5	19.1	21.2	20.8	20.8
ROA (%)	9.0	13.1	15.2	15.6	15.7
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Beverage	21,130	22,154	21,443	22,833	23,518
Personal care	2,486	2,804	2,765	2,904	3,049
Other (OEM)	2,446	2,111	1,410	1,410	1,410

Sources: Osotspa; FSSIA estimates

Financial Statements

Osotspa

Cash Flow (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Recurring net profit	2,175	3,038	3,388	3,478	3,589
Depreciation	1,548	1,488	1,555	1,621	1,688
Associates & minorities	48	(93)	(277)	(146)	(151)
Other non-cash items	-	1,400	(295)	0	0
Change in working capital	(1,072)	49	1,382	(326)	(148)
Cash flow from operations	2,699	5,882	5,753	4,627	4,978
Capex - maintenance	(3,102)	(1,199)	(1,589)	(2,023)	(2,023)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	2,740	(702)	808	355	364
Cash flow from investing	(362)	(1,901)	(781)	(1,668)	(1,659)
Dividends paid	(2,585)	(2,253)	(2,946)	(2,956)	(3,051)
Equity finance	0	0	0	0	0
Debt finance	892	533	(1,186)	(86)	(86)
Other financing cash flows	(392)	(9)	334	50	27
Cash flow from financing	(2,084)	(1,730)	(3,797)	(2,991)	(3,109)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	295	0	0
Net other adjustments	0	(1,400)	295	0	0
Movement in cash	253	851	1,469	(32)	210
Free cash flow to firm (FCFF)	2,444.79	4,097.97	5,107.42	3,096.72	3,454.16
Free cash flow to equity (FCFE)	2,837.30	3,103.74	4,414.99	2,923.93	3,260.38
Per share (THB)					
FCFF per share	0.81	1.36	1.70	1.03	1.15
FCFE per share	0.94	1.03	1.47	0.97	1.09
Recurring cash flow per share	1.26	1.94	1.45	1.65	1.71
Balance Sheet (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Tangible fixed assets (gross)	28,149	28,798	30,798	32,798	34,798
Less: Accumulated depreciation	(15,130)	(16,371)	(17,926)	(19,548)	(21,236)
Tangible fixed assets (net)	13,019	12,427	12,872	13,250	13,562
Intangible fixed assets (net)	267	226	226	226	226
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	1,387	939	800	600	400
Cash & equivalents	1,339	2,190	3,659	3,627	3,836
A/C receivable	4,390	4,993	3,738	3,950	4,075
Inventories	3,627	3,696	2,312	2,462	2,538
Other current assets	21	313	128	244	280
Current assets	9,376	11,192	9,837	10,283	10,729
Other assets	352	352	128	136	140
Total assets	24,402	25,135	23,863	24,495	25,056
Common equity	16,326	15,493	16,440	16,962	17,500
Minorities etc.	184	299	172	189	206
Total shareholders' equity	16,510	15,792	16,612	17,151	17,706
Long term debt	520	639	589	539	489
Other long-term liabilities	520	511	845	896	923
Long-term liabilities	1,040	1,150	1,434	1,434	1,412
A/C payable	4,467	6,059	4,858	4,981	5,042
Short term debt	2,168	1,992	856	820	784
Other current liabilities	216	142	102	109	112
Current liabilities	6,852	8,193	5,816	5,909	5,938
Total liabilities and shareholders' equity	24,402	25,135	23,863	24,495	25,056
Net working capital	3,354	2,801	1,218	1,567	1,738
Invested capital	18,379	16,744	15,244	15,779	16,066
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	5.44	5.16	5.47	5.65	5.83
Tangible book value per share	5.35	5.08	5.40	5.57	5.75
Financial strength					
Net debt/equity (%)	8.2	2.8	(13.3)	(13.2)	(14.5)
Net debt/total assets (%)	5.5	1.8	(9.3)	(9.3)	(10.2)
Current ratio (x)	1.4	1.4	1.7	1.7	1.8
CF interest cover (x)	27.3	27.4	33.5	22.3	25.1
Valuation	2023	2024	2025E	2026E	2027E
Recurring P/E (x) *	25.0	17.9	16.0	15.6	15.1
Recurring P/E @ target price (x) *	27.6	19.8	17.7	17.3	16.7
Reported P/E (x)	22.6	33.2	14.8	15.6	15.1
Dividend yield (%)	9.1	3.3	5.4	5.4	5.6
Price/book (x)	3.3	3.5	3.3	3.2	3.1
Price/tangible book (x)	3.4	3.6	3.4	3.2	3.1
EV/EBITDA (x) **	13.5	11.1	9.2	8.8	8.5
EV/EBITDA @ target price (x) **	14.9	12.3	10.2	9.8	9.4
EV/invested capital (x)	3.0	3.3	3.4	3.3	3.2
* Pre-exceptional, pre-goodwill and fully diluted ** EBITDA includes associate income and recurring non-operating income					

Sources: Osotspa; FSSIA estimates

Osotspa PCL (OSP TB)

FSSIA ESG rating

★★★★

Exhibit 100: FSSIA ESG score implication

67.45 /100

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 101: ESG – peer comparison

	FSSIA	Domestic ratings						Global ratings					Bloomberg		
	ESG score	DJSI	SET ESG	SET ESG Rating	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
CBG	62.25	--	Y	AA	5.00	5.00	Certified	Medium	63.94	B	--	32.92	79.00	2.68	64.30
ICHI	55.12	--	Y	A	5.00	4.00	Certified	Medium	--	BB	--	51.33	29.00	2.98	43.42
OSP	67.45	--	Y	AA	5.00	5.00	Certified	Medium	66.40	BB	--	65.37	83.00	2.90	68.03
SAPPE	40.63	--	Y	A	4.00	5.00	Certified	High	--	--	--	36.29	--	2.23	44.71
SNNP	30.00	--	Y	A	5.00	5.00	Certified	--	--	--	--	--	--	--	--

Sources: SETTRADE.com; FSSIA's compilation

Exhibit 102: ESG score by Bloomberg

FY ending Dec 31	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
ESG financial materiality scores - ESG score	1.58	2.89	2.91	3.16	2.99	2.90
BESG environmental pillar score	0.67	2.96	2.83	3.21	3.13	2.88
BESG social pillar score	0.84	1.57	1.78	1.76	1.77	1.77
BESG governance pillar score	4.15	4.38	4.36	4.76	4.21	4.26
ESG disclosure score	40.25	52.25	60.06	68.93	67.80	68.03
Environmental disclosure score	13.38	36.18	50.56	58.17	54.79	55.09
Social disclosure score	26.69	39.36	48.46	61.19	61.19	61.58
Governance disclosure score	80.52	81.10	81.10	87.36	87.36	87.36
Environmental						
Emissions reduction initiatives	No	Yes	Yes	Yes	Yes	Yes
Climate change policy	No	Yes	Yes	Yes	Yes	Yes
Climate change opportunities discussed	No	No	No	No	No	No
Risks of climate change discussed	No	No	No	No	No	No
GHG scope 1	—	125	151	183	186	154
GHG scope 2 location-based	—	90	91	88	98	85
GHG Scope 3	—	—	—	286	275	328
Carbon per unit of production	0	0	0	0	0	—
Biodiversity policy	No	No	No	Yes	Yes	Yes
Energy efficiency policy	Yes	Yes	Yes	Yes	Yes	Yes
Total energy consumption	—	839	913	983	936	936
Renewable energy use	28	50	32	34	36	35
Electricity used	—	148	158	178	201	178
Fuel used - natural gas	—	60,675	67,626	75,722	82,707	70,761

Sources: Bloomberg; FSSIA's compilation

Exhibit 103: ESG score by Bloomberg (cont.)

FY ending Dec 31	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Fuel used - crude oil/diesel	No	No	No	No	No	No
Waste reduction policy	Yes	Yes	Yes	Yes	Yes	Yes
Hazardous waste	—	0	1	1	1	1
Total waste	—	8	13	11	12	11
Waste recycled	—	—	—	10	10	9
Waste sent to landfills	—	—	—	0	0	0
Environmental supply chain management	No	No	Yes	Yes	Yes	Yes
Water policy	Yes	Yes	Yes	Yes	Yes	Yes
Water consumption	3,031	3,109	3,077	3,117	—	2,015
Social						
Human rights policy	Yes	Yes	Yes	Yes	Yes	Yes
Policy against child labor	Yes	Yes	Yes	Yes	Yes	Yes
Quality assurance and recall policy	No	Yes	Yes	Yes	Yes	Yes
Consumer data protection policy	Yes	Yes	Yes	Yes	Yes	Yes
Equal opportunity policy	Yes	Yes	Yes	Yes	Yes	Yes
Gender pay gap breakout	No	No	No	No	No	Yes
Pct women in workforce	—	—	42	43	43	44
Pct disabled in workforce	—	—	—	—	—	—
Business ethics policy	Yes	Yes	Yes	Yes	Yes	Yes
Anti-bribery ethics policy	Yes	Yes	Yes	Yes	Yes	Yes
Health and safety policy	Yes	Yes	Yes	Yes	Yes	Yes
Lost time incident rate - employees	0	0	0	0	0	0
Total recordable incident rate - employees	—	0	0	1	0	0
Training policy	Yes	Yes	Yes	Yes	Yes	Yes
Fair remuneration policy	No	No	No	No	No	No
Number of employees – CSR	3,656	3,590	3,792	3,621	3,542	3,171
Employee turnover pct	—	—	9	20	19	21
Total hours spent by firm - employee training	—	30,731	36,451	40,333	65,740	61,169
Social supply chain management	No	No	Yes	Yes	Yes	Yes
Governance						
Board size	15	15	15	17	17	17
No. of independent directors (ID)	5	5	5	6	6	7
No. of women on board	4	4	5	5	5	6
No. of non-executive directors on board	11	11	10	12	12	10
Company conducts board evaluations	No	Yes	Yes	Yes	Yes	Yes
No. of board meetings for the year	12	12	13	12	13	15
Board meeting attendance pct	89	91	89	99	94	92
Board duration (years)	3	3	3	3	3	3
Director share ownership guidelines	No	No	No	No	No	No
Age of the youngest director	45	46	47	48	34	35
Age of the oldest director	86	87	88	89	90	76
No. of executives / company managers	6	13	5	8	8	11
No. of female executives	2	5	2	3	3	3
Executive share ownership guidelines	No	No	No	No	No	No
Size of audit committee	3	3	3	3	3	4
No. of ID on audit committee	3	3	3	3	3	4
Audit committee meetings	10	8	9	8	8	10
Audit meeting attendance %	97	100	100	100	96	100
Size of compensation committee	3	3	3	3	3	3
No. of ID on compensation committee	2	2	2	2	2	2
No. of compensation committee meetings	8	9	11	15	6	10
Compensation meeting attendance %	100	100	100	100	100	100
Size of nomination committee	3	3	3	3	3	3
No. of nomination committee meetings	8	9	11	15	6	10
Nomination meeting attendance %	100	100	100	100	100	100
Sustainability governance						
Verification type	No	No	No	No	No	No

Sources: Bloomberg; FSSIA's compilation

ICHITAN GROUP

THAILAND / FOOD & BEVERAGE

ICHI TB

BUY

FROM HOLD

RTD green tea market is returning

- ICHI expressed confidence in 2H25 recovery, following signs of rebound in the RTD green tea market during 3QTD.
- Expect 3Q25 core profit to grow both q-q and y-y, which is better than previously expected.
- Rating upgraded to BUY with 2026 TP at THB14.

TARGET PRICE	THB14.00
CLOSE	THB11.70
UP/DOWNSIDE	+19.7%
PRIOR TP	THB11.20
CHANGE IN TP	+25.0%
TP vs CONSENSUS	+18.8%

KEY STOCK DATA

YE Dec (THB m)	2024	2025E	2026E	2027E
Revenue	8,594	9,006	9,470	9,789
Net profit	1,306	1,395	1,393	1,455
EPS (THB)	1.00	1.07	1.07	1.12
vs Consensus (%)	-	18.6	9.2	6.7
EBITDA	2,246	2,195	2,325	2,418
Recurring net profit	1,343	1,299	1,393	1,455
Core EPS (THB)	1.03	1.00	1.07	1.12
Chg. In EPS est. (%)	-	15.9	12.5	11.8
EPS growth (%)	22.0	(3.3)	7.2	4.5
Core P/E (x)	11.3	11.7	10.9	10.5
Dividend yield (%)	9.4	10.6	10.1	10.5
EV/EBITDA (x)	6.4	6.5	6.0	5.8
Price/book (x)	2.7	2.7	2.8	2.9
Net debt/Equity (%)	(14.9)	(18.7)	(20.9)	(23.9)
ROE (%)	23.2	22.9	25.1	26.9

The beverage market has started to recover in 3Q25

We have a positive view of the analyst meeting. The green tea market value in July grew by 2.1% y-y, the first in four months. Meanwhile, the 7MTD figure still shows -2.95% y-y. Management stated that they began to see signs of a recovery in the beverage market. Most recently, revenue in July continued to recover q-q and remain positive in August, even though 3Q is typically the low season. However, this year's irregular weather conditions and current backlog of pre-orders have made management confident that 2H25 performance will be better than 1H25.

A strong recovery outlook for 2H25

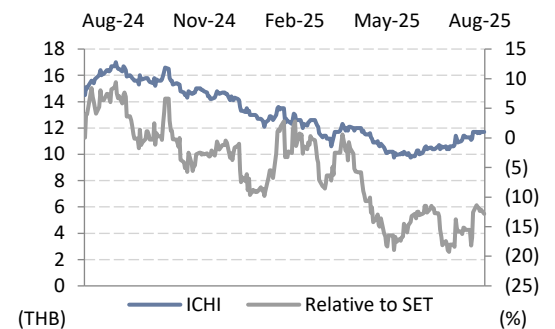
Management maintained its 2025 revenue target at THB9.5b (+10% y-y). With 1H25 down 10% y-y, this implies that 2H25 revenue must grow by 20% y-y. The gross margin target is set at 24%, down from 25.7% in 2024, mainly due to a higher contribution of OEM revenue. However, the overall cost of raw materials and packaging has decreased compared to last year. The company targeted a net margin of no less than 16%, higher than 15.2% in 2024, because OEM sales have lower expenses than its own brands.

Expect 2H25 core profit to grow h-h, breaking seasonality

We expect 3Q25 revenue to grow both q-q and y-y, due to higher revenue from the CVS channel (+45-50% y-y). In 4Q25, the company plans to ramp up marketing strategies in the traditional trade channel, which may push revenues to reach their peak for the year in 4Q25. We project 3Q25 core profit at THB360m (+12% q-q, +1% y-y), which is better than our previous forecast for a q-q decline. As a result, we revise up our 2025E core profit by 15% to THB1.3 (-3.3% y-y) and expect a recovery of 7.2% y-y in 2026.

Rating upgraded to BUY with a higher TP of THB14

We roll forward TP to 2026 at THB14 (based on an unchanged PE of 13x) and upgrade our rating to BUY (from hold), as signs suggest the company has already passed the lowest profit point in 1Q25, and the 2H25 earnings outlook is better than expected. The current share price is trading at a 2025-26E PE of 10-11x, with an estimated dividend yield of 10% per year. The company announced a 1H25 DPS of THB0.55/shr, implying a 4.7% yield, with the stock going XD on August 27.



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	10.4	8.3	(18.8)
Relative to country (%)	6.4	0.9	(12.8)
Mkt cap (USD m)	469		
3m avg. daily turnover (USD m)	2.5		
Free float (%)	53		
Major shareholder	Passakornnatee Family (42%)		
12m high/low (THB)	17.00/9.40		
Issued shares (m)	1,300.00		

Sources: Bloomberg consensus; FSSIA estimates



Sureeporn Teewasuwet

Fundamental Investment Analyst on Securities; License no. 040694
sureeporn.t@fssia.com, +66 2646 9972

Investment thesis

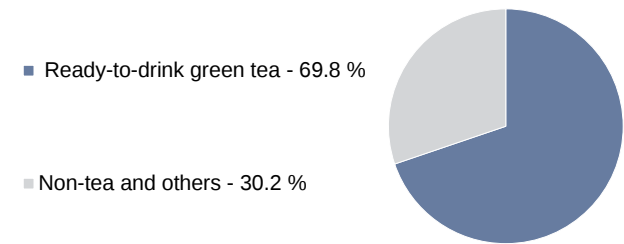
ICHI manufactures and distributes ICHITAN ready-to-drink green tea, “Yen Yen” herbal drink, and green tea with chewy coconut cubes named “ICHITAN Chew Chew”, along with other beverages. In 2023, 91.7% of ICHI’s revenue came from domestic sales, with overseas sales accounting for just 8.3%. ICHI’s factory is located in Rojana Industrial Park, Ayutthaya. It has seven bottle production lines and two UHT box product lines with an annual total capacity of 1,500 million bottles and 200 million boxes. Recently, ICHI increased its capacity to 1,700 million bottles in 1Q25.

Company profile

Ichitan Group manufactures its own-branded beverages and sells ready-to-drink green tea beverages, herbal drinks, and low-sugar ready-to-drink tea beverages to the local and CLMV markets. In 2014, ICHI engaged in a joint venture with the Indonesian company PT Atri Pasifik to produce and sell its products in Indonesia.

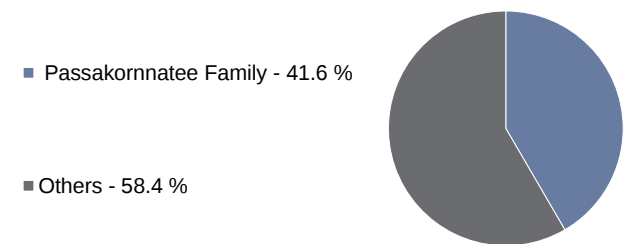
www.ichitangroup.com

Principal activities (revenue, 2024)



Source: Ichitan Group

Major shareholders



Source: Ichitan Group

Catalysts

Potential catalysts for ICHI’s earnings growth in 2025 are 1) revenue growth, driven by rising sales volumes; 2) declining packaging costs; 3) successful new product launches; and 4) successful original equipment manufacturer (OEM) customer products.

Risks to our call

Downside and upside risks to our P/E-based TP include 1) a slower or faster-than-expected consumption recovery, 2) high or low volatility in packaging costs, and 3) increased or decreased competition and government policy changes such as excise taxes for sugary drinks.

Event calendar

Date	Event
November 2025	3Q25 result announcement

Key assumptions

	2025E	2026E	2027E
Domestic revenue (THB m)	8,106	8,533	8,824
Overseas revenue (THB m)	900	937	966
Total revenue (THB m)	9,006	9,470	9,789
Total revenue growth (%)	4.8	5.2	3.4
Gross margin (%)	24.2	24.5	24.7
SG&A to sales (%)	6.7	6.7	6.7

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in revenue, we estimate 2025 net profit to rise by 1%, and vice versa, all else being equal.
- For every 0.5% increase in GPM, we estimate 2025 net profit to rise by 3.8%, and vice versa, all else being equal.
- For every 0.5% increase in SG&A to sales, we estimate 2025 net profit to fall by 2%, and vice versa, all else being equal.

Source: FSSIA estimates

Exhibit 104: ICHI – 3Q25 earnings preview

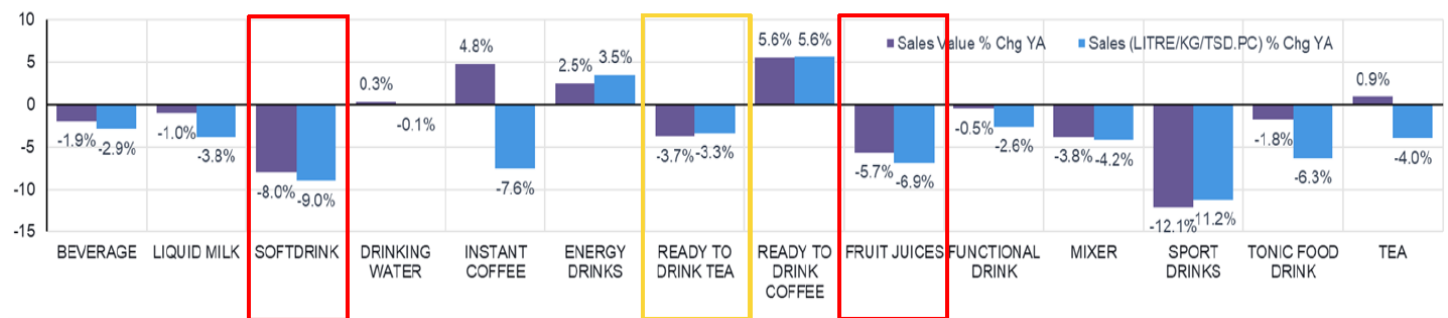
	3Q24	4Q24	1Q25	2Q25	3Q25E	----- Change -----		9M24	9M25E	Change	2024	2025E	Change	% 9M25E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)	(THB m)	(THB m)	(y-y%)	to 2025E
Sales	2,142	2,008	1,746	2,234	2,417	8.2	12.8	6,586	6,397	(2.9)	8,594	9,006	4.8	71.0
Cost of sales	1,592	1,513	1,334	1,691	1,832	8.3	15.1	4,869	4,858	(0.2)	6,382	6,827	7.0	71.2
Gross profit	550	495	411	543	585	7.7	6.3	1,717	1,539	(10.4)	2,212	2,180	(1.5)	70.6
SG&A	112	165	121	152	145	(4.6)	29.2	417	418	0.2	582	603	3.8	69.2
Operating profit	446	343	299	399	448	12.2	0.4	1,331	1,146	(13.9)	1,674	1,609	(3.9)	71.2
Interest expense	0.4	0.3	0.3	0.4	0.4	0.0	(4.9)	1	1	(13.3)	1.5	1.4	(9.8)	74.4
Tax expense	89	69	60	81	90	11.9	1.0	270	230	(14.7)	339	324	(4.6)	71.2
Profit (loss) sharing	1	(4)	6	4	3	(25.0)	225.7	14	13	(2.4)	9	15	65.1	87.2
Reported net profit	357	206	245	418	360	(13.8)	0.9	1,100	1,024	(6.9)	1,306	1,395	6.8	73.4
Core profit	357	269	245	322	360	11.9	0.9	1,074	928	(13.6)	1,343	1,299	(3.3)	71.4

Key Ratios (%)	(ppt)		(ppt)		(ppt)		(ppt)		(ppt)		(ppt)		(ppt)	
Gross margin	25.7	24.6	23.6	24.3	24.2	0.7	(2.1)	26.1	24.1	(2.0)	25.7	24.2	(1.5)	
SG&A to sales	5.2	8.2	6.9	6.8	6.0	(0.1)	(0.7)	6.3	6.5	0.2	6.8	6.7	(0.1)	
Operating margin	20.8	17.1	17.1	17.9	18.5	0.7	(1.4)	20.2	17.9	(2.3)	19.5	17.9	(1.6)	
Net margin	16.7	10.3	14.0	18.7	14.9	4.7	2.3	16.7	16.0	(0.7)	15.2	15.5	0.3	
Core margin	16.7	13.4	14.0	14.4	14.9	0.4	(0.9)	16.3	14.5	(1.8)	15.6	14.4	(1.2)	

Operating statistics (THB m)														
Domestic	2,037	1,905	1,630	1,956	2,152	10.0	5.6	6,189	5,739	(7.3)	8,093	8,106	0.2	70.8
Overseas (incl OEM)	105	103	115	278	265	(4.7)	152.7	397	658	65.7	502	900	79.6	73.1
Utilisation rate (%)	79.0	71.0	64.0	67.0	70.0			78.0	67.0		76.0	71.0		

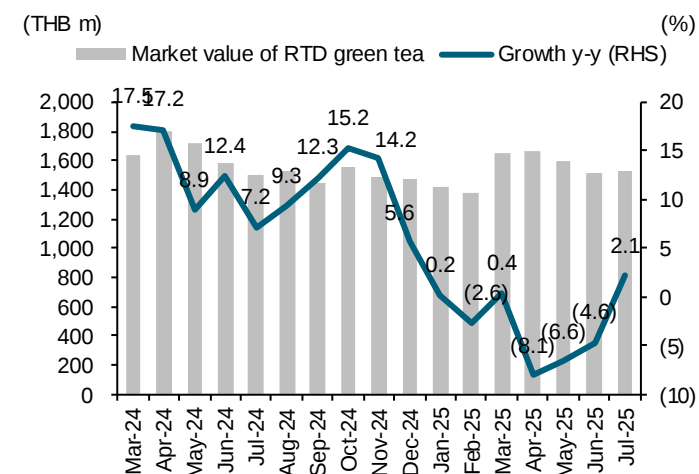
Sources: ICHI, FSSIA estimates

Exhibit 105: Market value growth of non-alcoholic beverages (Jul 24 – Jun 25)



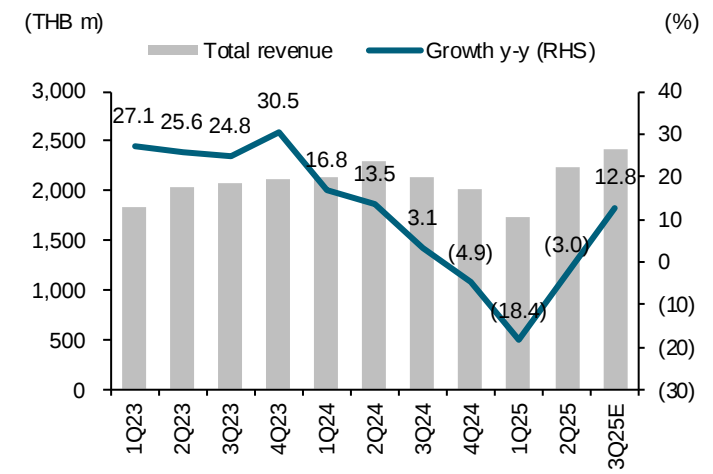
Sources: ICHI's 2Q25 presentation (AC Nielsen)

Exhibit 106: Monthly market value of RTD green tea and growth



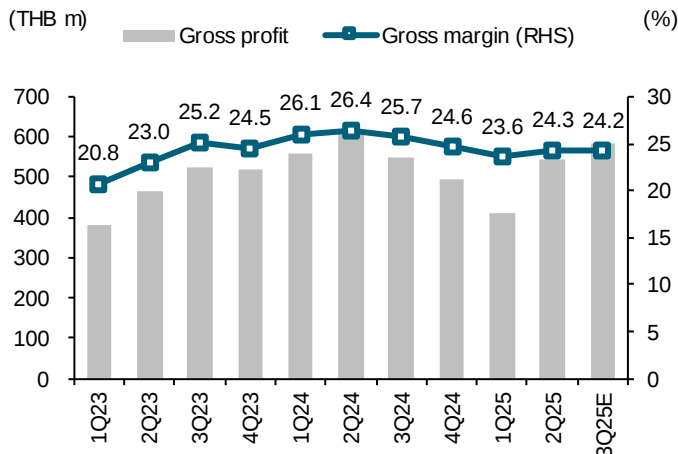
Sources: ICHI, FSSIA estimates

Exhibit 107: Quarterly total revenue and growth



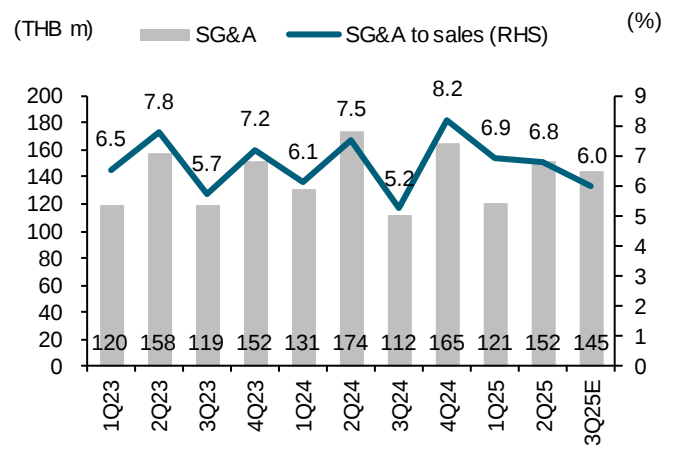
Sources: ICHI, FSSIA estimates

Exhibit 108: Quarterly gross margin



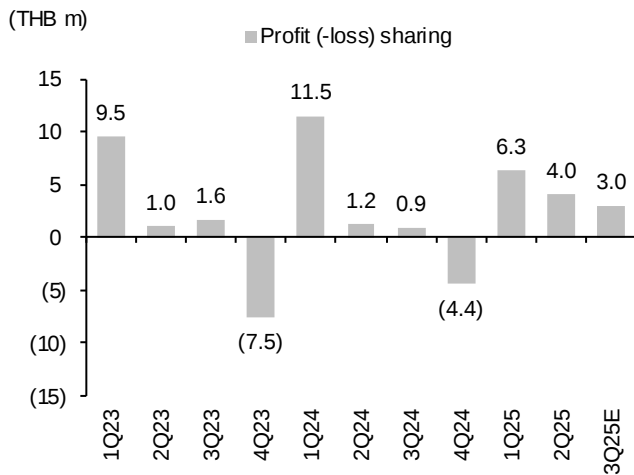
Sources: ICHI, FSSIA estimates

Exhibit 109: Quarterly SG&A to sales



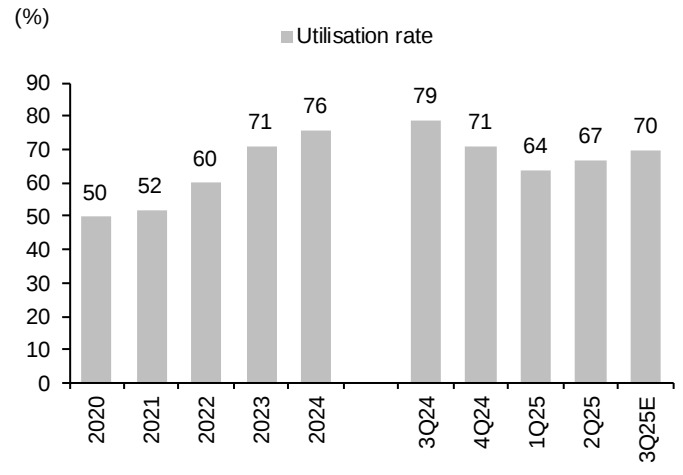
Sources: ICHI, FSSIA estimates

Exhibit 110: Quarterly profit sharing from associate in Indonesia



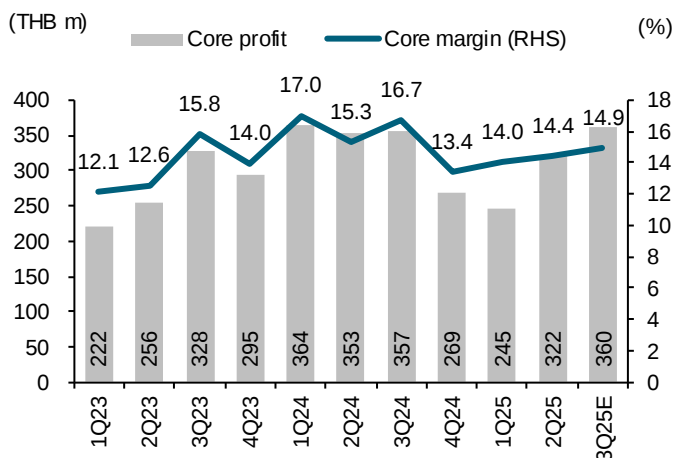
Sources: ICHI, FSSIA estimates

Exhibit 111: Utilization rate



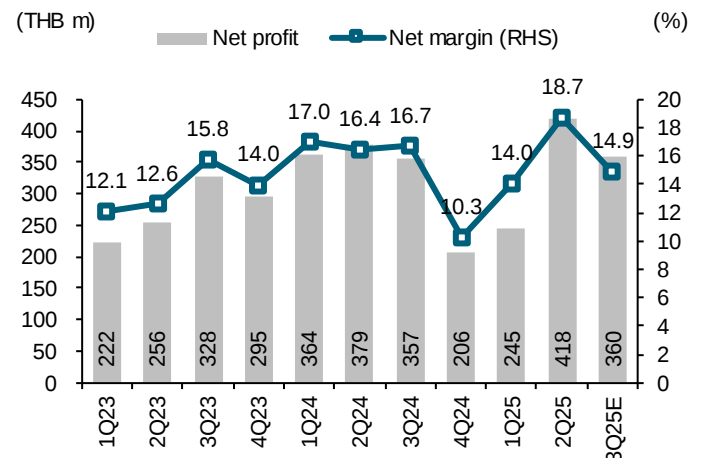
Sources: ICHI, FSSIA estimates

Exhibit 112: Quarterly core profit and core margin



Sources: ICHI, FSSIA estimates

Exhibit 113: Quarterly net profit and net margin



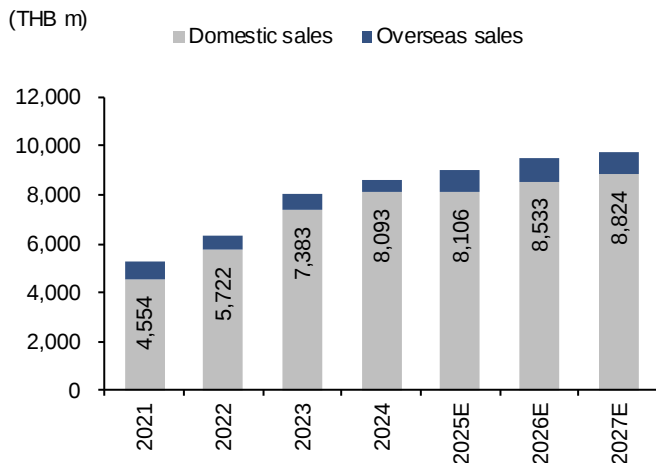
Sources: ICHI, FSSIA estimates

Exhibit 114: Changes in key assumptions for ICHI

	Current			Previous			Change		
	2025E (THB m)	2026E (THB m)	2027E (THB m)	2025E (THB m)	2026E (THB m)	2027E (THB m)	2025E (%)	2026E (%)	2027E (%)
Sales	9,006	9,470	9,789	7,922	8,329	8,528	13.7	13.7	14.8
Cost of sales	6,827	7,150	7,371	6,045	6,288	6,396	12.9	13.7	15.3
Gross profit	2,180	2,320	2,418	1,878	2,041	2,132	16.1	13.7	13.4
SG&A	603	635	656	523	541	554	15.4	17.2	18.3
Operating profit	1,609	1,724	1,801	1,386	1,532	1,612	16.0	12.5	11.8
Interest expense	1	2	2	2	2	2	(23.9)	0.0	0.0
Tax expense	324	348	364	280	309	325	15.6	12.5	11.8
Profit (loss) sharing	15	19	20	16	17	17	(3.4)	13.7	14.8
Reported net profit	1,395	1,393	1,455	1,216	1,238	1,301	14.7	12.5	11.8
Core profit	1,299	1,393	1,455	1,120	1,238	1,301	15.9	12.5	11.8
Key ratios (%)									
Total revenue growth	4.8	5.2	3.4	(7.8)	5.1	2.4			
Net profit growth	6.8	(0.2)	4.5	(6.9)	1.8	5.1			
Core profit growth	(3.3)	7.2	4.5	(16.6)	10.5	5.1			
Gross margin	24.2	24.5	24.7	23.7	24.5	25.0	0.5	0.0	(0.3)
SG&A to sales	6.7	6.7	6.7	6.6	6.5	6.5	0.1	0.2	0.2
Net margin	15.5	14.7	14.9	15.4	14.9	15.3	0.1	(0.2)	(0.4)
Norm margin	14.4	14.7	14.9	14.1	14.9	15.3	0.3	(0.2)	(0.4)
Operating statistics (THB m)									
Domestic revenue	8,606	9,058	9,364	7,585	7,982	8,170	13.5	13.5	14.6
Overseas revenue	400	412	425	337	347	357	18.9	18.9	18.9

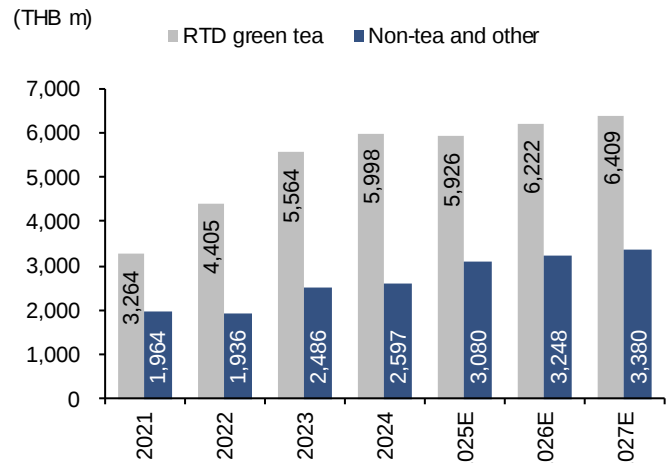
Source: FSSIA estimates

Exhibit 115: Yearly revenue by destination



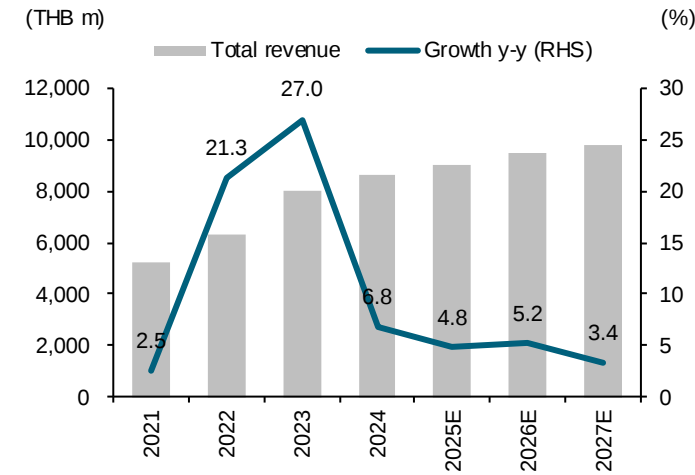
Sources: ICHI, FSSIA estimates

Exhibit 116: Yearly revenue by segment



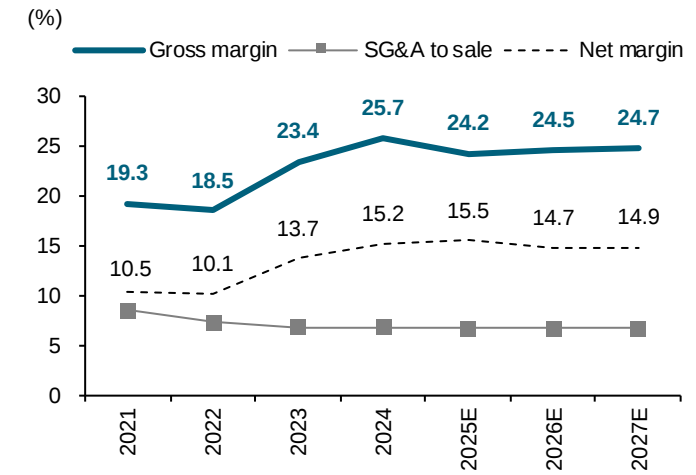
Sources: ICHI, FSSIA estimates

Exhibit 117: Yearly total revenue and growth



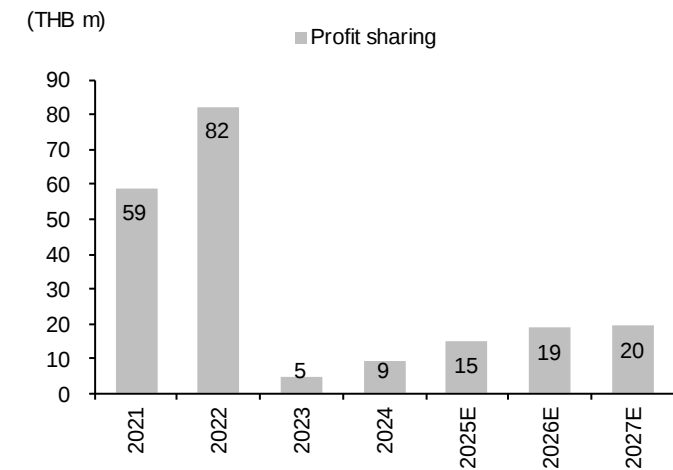
Sources: ICHI, FSSIA estimates

Exhibit 118: Yearly gross margin and net margin



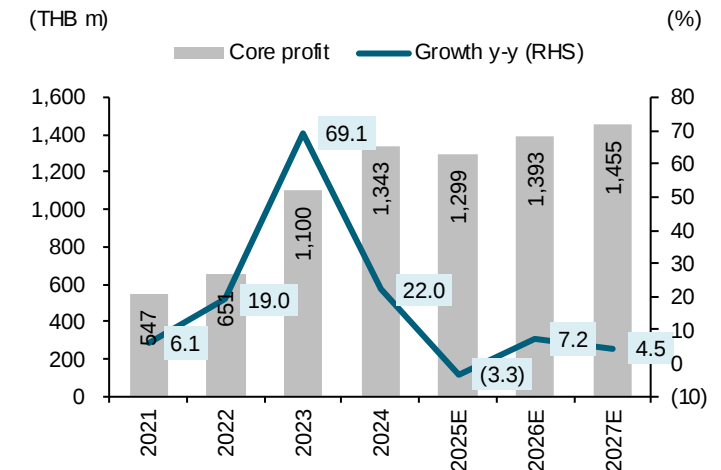
Sources: ICHI, FSSIA's compilation

Exhibit 119: Yearly profit sharing from associate in Indonesia



Sources: ICHI, FSSIA estimates

Exhibit 120: Yearly core profit and growth



Sources: ICHI, FSSIA estimates

Exhibit 121 : Historical P/E band



Sources: Bloomberg, FSSIA estimates

Exhibit 122: Historical P/BV band



Sources: Bloomberg, FSSIA estimates

Financial Statements

Ichitan Group

Profit and Loss (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Revenue	8,050	8,594	9,006	9,470	9,789
Cost of goods sold	(6,163)	(6,382)	(6,827)	(7,150)	(7,371)
Gross profit	1,887	2,212	2,180	2,320	2,418
Other operating income	35	44	32	38	39
Operating costs	(550)	(582)	(603)	(635)	(656)
Operating EBITDA	1,942	2,246	2,195	2,325	2,418
Depreciation	(570)	(571)	(586)	(601)	(616)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	1,372	1,674	1,609	1,724	1,801
Net financing costs	(2)	(2)	(1)	(2)	(2)
Associates	5	9	15	19	20
Recurring non-operating income	5	9	15	19	20
Non-recurring items	0	(37)	96	0	0
Profit before tax	1,375	1,646	1,718	1,741	1,819
Tax	(275)	(339)	(324)	(348)	(364)
Profit after tax	1,100	1,306	1,395	1,393	1,455
Minority interests	0	0	0	0	0
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
Reported net profit	1,100	1,306	1,395	1,393	1,455
Non-recurring items & goodwill (net)	0	37	(96)	0	0
Recurring net profit	1,100	1,343	1,299	1,393	1,455
Per share (THB)					
Recurring EPS *	0.85	1.03	1.00	1.07	1.12
Reported EPS	0.85	1.00	1.07	1.07	1.12
DPS	1.00	1.10	1.24	1.18	1.23
Diluted shares (used to calculate per share data)	1,300	1,300	1,300	1,300	1,300
Growth					
Revenue (%)	27.0	6.8	4.8	5.2	3.4
Operating EBITDA (%)	49.8	15.7	(2.3)	5.9	4.0
Operating EBIT (%)	89.1	22.0	(3.9)	7.2	4.5
Recurring EPS (%)	69.1	22.0	(3.3)	7.2	4.5
Reported EPS (%)	71.5	18.7	6.8	(0.2)	4.5
Operating performance					
Gross margin inc. depreciation (%)	23.4	25.7	24.2	24.5	24.7
Gross margin exc. depreciation (%)	30.5	32.4	30.7	30.9	31.0
Operating EBITDA margin (%)	24.1	26.1	24.4	24.6	24.7
Operating EBIT margin (%)	17.0	19.5	17.9	18.2	18.4
Net margin (%)	13.7	15.6	14.4	14.7	14.9
Effective tax rate (%)	20.0	20.6	18.8	20.0	20.0
Dividend payout on recurring profit (%)	118.1	106.5	124.0	110.0	110.0
Interest cover (X)	752.0	1,108.4	1,185.3	917.1	910.4
Inventory days	35.8	38.6	42.8	42.7	43.0
Debtor days	61.1	62.8	62.7	63.4	63.9
Creditor days	53.2	54.7	52.3	53.4	53.7
Operating ROIC (%)	22.4	28.8	28.6	32.5	36.1
ROIC (%)	20.9	27.2	27.3	31.0	34.3
ROE (%)	18.3	23.2	22.9	25.1	26.9
ROA (%)	15.1	18.8	18.4	19.8	21.0
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Ready-to-drink green tea	5,564	5,998	5,926	6,222	6,409
Non-tea and others	2,486	2,597	3,080	3,248	3,380

Sources: Ichitan Group; FSSIA estimates

Financial Statements

Ichitan Group

Cash Flow (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Recurring net profit	1,100	1,343	1,299	1,393	1,455
Depreciation	570	571	586	601	616
Associates & minorities	(5)	(9)	(15)	(19)	(20)
Other non-cash items	-	-	-	-	-
Change in working capital	(252)	(202)	(81)	(65)	(45)
Cash flow from operations	1,413	1,703	1,789	1,910	2,007
Capex - maintenance	-	-	-	-	-
Capex - new investment	0	(359)	(221)	(300)	(301)
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	78	48	131	18	19
Cash flow from investing	78	(311)	(90)	(282)	(282)
Dividends paid	(1,430)	(1,430)	(1,500)	(1,532)	(1,601)
Equity finance	0	0	0	0	0
Debt finance	(6)	(17)	19	0	0
Other financing cash flows	6	2	(3)	2	2
Cash flow from financing	(1,431)	(1,444)	(1,485)	(1,529)	(1,599)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	165	0	0	0	0
Net other adjustments	165	0	0	0	0
Movement in cash	225	(52)	213	98	126
Free cash flow to firm (FCFF)	1,492.92	1,393.83	1,699.85	1,629.45	1,726.80
Free cash flow to equity (FCFE)	1,655.48	1,377.85	1,713.51	1,629.87	1,726.39
Per share (THB)					
FCFF per share	1.15	1.07	1.31	1.25	1.33
FCFE per share	1.27	1.06	1.32	1.25	1.33
Recurring cash flow per share	1.28	1.47	1.44	1.52	1.58
Balance Sheet (THB m) Year Ending Dec					
Tangible fixed assets (gross)	8,951	9,309	9,609	9,909	10,209
Less: Accumulated depreciation	(5,337)	(5,949)	(6,535)	(7,137)	(7,753)
Tangible fixed assets (net)	3,614	3,360	3,074	2,772	2,456
Intangible fixed assets (net)	8	6	10	10	10
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	225	250	225	225	225
Cash & equivalents	960	908	1,122	1,220	1,346
A/C receivable	1,533	1,592	1,634	1,717	1,774
Inventories	511	717	748	784	808
Other current assets	239	231	243	256	264
Current assets	3,243	3,449	3,747	3,976	4,192
Other assets	114	16	18	19	20
Total assets	7,205	7,081	7,074	7,002	6,903
Common equity	5,842	5,711	5,614	5,475	5,329
Minorities etc.	0	0	0	0	0
Total shareholders' equity	5,842	5,711	5,614	5,475	5,329
Long term debt	55	39	60	60	60
Other long-term liabilities	46	49	45	47	49
Long-term liabilities	102	88	105	107	109
A/C payable	890	852	935	979	1,010
Short term debt	17	16	14	14	14
Other current liabilities	355	415	405	426	441
Current liabilities	1,262	1,283	1,354	1,420	1,464
Total liabilities and shareholders' equity	7,205	7,081	7,074	7,002	6,903
Net working capital	1,038	1,274	1,285	1,350	1,396
Invested capital	5,000	4,907	4,612	4,376	4,107
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	4.49	4.39	4.32	4.21	4.10
Tangible book value per share	4.49	4.39	4.31	4.20	4.09
Financial strength					
Net debt/equity (%)	(15.2)	(14.9)	(18.7)	(20.9)	(23.9)
Net debt/total assets (%)	(12.3)	(12.0)	(14.8)	(16.4)	(18.4)
Current ratio (x)	2.6	2.7	2.8	2.8	2.9
CF interest cover (x)	905.1	1,144.5	1,413.0	1,016.7	1,014.7
Valuation					
Recurring P/E (x) *	13.8	11.3	11.7	10.9	10.5
Recurring P/E @ target price (x) *	16.5	13.6	14.0	13.1	12.5
Reported P/E (x)	13.8	11.6	10.9	10.9	10.5
Dividend yield (%)	8.5	9.4	10.6	10.1	10.5
Price/book (x)	2.6	2.7	2.7	2.8	2.9
Price/tangible book (x)	2.6	2.7	2.7	2.8	2.9
EV/EBITDA (x) **	7.4	6.4	6.5	6.0	5.8
EV/EBITDA @ target price (x) **	8.9	7.7	7.8	7.3	7.0
EV/invested capital (x)	2.9	2.9	3.1	3.2	3.4
* Pre-exceptional, pre-goodwill and fully diluted ** EBITDA includes associate income and recurring non-operating income					

Sources: Ichitan Group; FSSIA estimates

ICHITAN GROUP PCL (ICHI TB)

FSSIA ESG rating



55.12 /100

Exhibit 123: 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 124: ESG – peer comparison

	FSSIA ESG score	Domestic ratings						Global ratings					Bloomberg		
		DJSI	SET ESG	SET ESG Rating	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
CBG	62.25	--	Y	AA	5.00	5.00	Certified	Medium	63.94	B	--	32.92	79.00	2.68	64.30
ICHI	55.12	--	Y	A	5.00	4.00	Certified	Medium	--	BB	--	51.33	29.00	2.98	43.42
OSP	67.45	--	Y	AA	5.00	5.00	Certified	Medium	66.40	BB	--	65.37	83.00	2.90	68.03
SAPPE	40.63	--	Y	A	4.00	5.00	Certified	High	--	--	--	36.29	--	2.23	44.71
SNP	30.00	--	Y	A	5.00	5.00	Certified	--	--	--	--	--	--	--	--

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

Exhibit 125: ESG score by Bloomberg

FY ending Dec 31	FY 2021	FY 2022	FY 2023
ESG financial materiality scores - ESG score	2.15	2.49	2.98
BESG environmental pillar score	1.97	2.01	2.40
BESG social pillar score	0.43	0.82	1.57
BESG governance pillar score	4.89	5.60	5.72
ESG disclosure score	42.09	40.10	43.42
Environmental disclosure score	38.12	27.27	32.38
Social disclosure score	26.15	33.40	38.85
Governance disclosure score	61.92	59.54	58.97
Environmental			
Emissions reduction initiatives	No	No	No
Climate change policy	No	Yes	Yes
Climate change opportunities discussed	No	No	No
Risks of climate change discussed	No	Yes	Yes
GHG scope 1	15	20	22
GHG scope 2 location-based	19	19	22
GHG Scope 3	83	93	100
Carbon per unit of production	—	—	—
Biodiversity policy	No	No	No
Energy efficiency policy	No	No	No
Total energy consumption	107	115	113
Renewable energy use	3	—	6
Electricity used	103	42	50
Fuel used - natural gas	6,592	7,275	6,257

Sources: Bloomberg; FSSIA's compilation

Exhibit 126: ESG score by Bloomberg (cont.)

FY ending Dec 31	FY 2021	FY 2022	FY 2023
Fuel used - crude oil/diesel	No	No	No
Waste reduction policy	No	Yes	Yes
Hazardous waste	0	0	0
Total waste	2	3	2
Waste recycled	—	—	—
Waste sent to landfills	—	—	—
Environmental supply chain management	No	No	No
Water policy	Yes	Yes	Yes
Water consumption	858	—	1,105
Social			
Human rights policy	Yes	Yes	Yes
Policy against child labor	Yes	Yes	Yes
Quality assurance and recall policy	Yes	Yes	Yes
Consumer data protection policy	Yes	Yes	Yes
Equal opportunity policy	No	Yes	Yes
Gender pay gap breakout	Yes	Yes	Yes
Pct women in workforce	25	31	31
Pct disabled in workforce	—	—	—
Business ethics policy	Yes	Yes	Yes
Anti-bribery ethics policy	Yes	Yes	Yes
Health and safety policy	Yes	Yes	Yes
Lost time incident rate - employees	—	1	0
Total recordable incident rate - employees	—	—	—
Training policy	No	Yes	Yes
Fair remuneration policy	Yes	Yes	Yes
Number of employees – CSR	379	362	379
Employee turnover pct	2	2	1
Total hours spent by firm - employee training	3,032	3,032	3,032
Social supply chain management	No	Yes	Yes
Governance			
Board size	8	9	9
No. of independent directors (ID)	3	3	3
No. of women on board	1	2	3
No. of non-executive directors on board	3	3	3
Company conducts board evaluations	Yes	Yes	No
No. of board meetings for the year	6	—	—
Board meeting attendance pct	—	—	—
Board duration (years)	3	3	3
Director share ownership guidelines	No	No	No
Age of the youngest director	46	47	48
Age of the oldest director	71	72	73
No. of executives / company managers	8	10	8
No. of female executives	4	4	3
Executive share ownership guidelines	No	No	No
Size of audit committee	3	3	3
No. of ID on audit committee	3	3	3
Audit committee meetings	—	—	—
Audit meeting attendance %	—	—	—
Size of compensation committee	3	3	3
No. of ID on compensation committee	3	3	3
No. of compensation committee meetings	—	—	—
Compensation meeting attendance %	—	—	—
Size of nomination committee	3	3	3
No. of nomination committee meetings	—	—	—
Nomination meeting attendance %	—	—	—
Sustainability governance			
Verification type	No	No	No

Sources: Bloomberg; FSSIA's compilation

SAPPE SAPPE TB

THAILAND / FOOD & BEVERAGE

HOLD

UNCHANGED

2H25 outlook remains weak

- 2H25 profit may weaken due to continued weakness in the US and Indonesia markets.
- New plant launch postponed to late 2026.
- 2025E net profit slashed and TP cut to THB36.

3Q25 profit expected to soften again

We have a negative outlook from the analyst meeting. Although management maintained its 2025 revenue target to drop by 10-20% y-y (1H25 -30% y-y), they mentioned that performance had already peaked in 2Q25. This is due to a slowdown in order volumes in 3Q25, contrary to previous expectations for a continued q-q recovery from 2Q25. As a result, SAPPE has decided to postpone the operation of its new factory to the end of 2026 (previously planned for 1Q26) to wait for a clearer recovery, as production capacity utilization is currently at only 50%.

EU market showing signs of recovery

We saw a recovery in EU revenue in 2Q25 (+126% q-q, -50% y-y) following the end of the destocking situation in the UK and France. A continued q-q and y-y recovery is expected into 3Q25, though the growth is likely to be gradual. Meanwhile, revenue from the Middle East is expected to grow slightly due to a low base in 1Q25 and 3Q24. However, recovery is still slow due to the ongoing war and intermittent port closures. We expect 2H25 domestic revenue to soften from 1H25 due to seasonality, but y-y growth is still projected to be strong.

US and Indonesia remain sluggish

Key challenges remain in the US, which is facing a 19% tariff. SAPPE is adjusting its strategy with its distributor. Initially, a retail price increase is expected, as current selling prices in the US are still relatively lower than those of competitors. Another issue is in Indonesia, which began showing signs of trouble last year due to changes in leadership at the main distributor. The problem has not yet been resolved, leading to an expected revenue slowdown of over 30% in 2025. Recently, the company appointed a new distributor, but product distribution will only start in 2Q26.

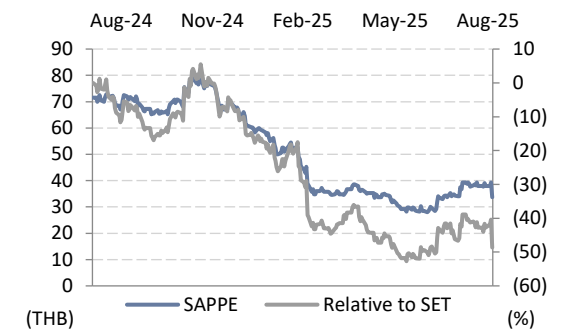
Maintain HOLD with TP of THB36

We estimate 3Q25 net profit at THB218m (-12% q-q, -27% y-y). 4Q25 is also expected to remain sluggish as it is a low season for the business, and typically involves higher-than-usual expenses in the last quarter of the year. We have cut our 2025E net profit by 12% to THB877 (-30% y-y), and lowered our TP to THB36 (based on the same 12.5x PE). We retain a HOLD call, awaiting a clearer recovery. The company has repurchased 2 million shares at an average price of THB32.7, with 3 million shares remaining available for repurchase before the deadline of December 19, 2025.

TARGET PRICE	THB36.00
CLOSE	THB33.75
UP/DOWNSIDE	+6.7%
PRIOR TP	THB40.00
CHANGE IN TP	-10.0%
TP vs CONSENSUS	-3.7%

KEY STOCK DATA

YE Dec (THB m)	2024	2025E	2026E	2027E
Revenue	6,775	5,504	5,941	6,329
Net profit	1,253	877	1,067	1,121
EPS (THB)	4.06	2.84	3.46	3.64
vs Consensus (%)	-	(12.2)	(2.4)	(3.8)
EBITDA	1,785	1,355	1,618	1,708
Recurring net profit	1,233	877	1,067	1,121
Core EPS (THB)	4.00	2.84	3.46	3.64
Chg. In EPS est. (%)	-	(11.8)	(8.7)	(10.8)
EPS growth (%)	13.7	(28.9)	21.6	5.1
Core P/E (x)	8.4	11.9	9.8	9.3
Dividend yield (%)	9.0	6.3	7.7	8.1
EV/EBITDA (x)	4.9	7.0	5.9	5.5
Price/book (x)	2.4	2.3	2.1	2.0
Net debt/Equity (%)	(38.4)	(23.2)	(20.4)	(22.1)
ROE (%)	30.0	19.5	22.6	22.5



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(0.7)	3.8	(55.3)
Relative to country (%)	(3.7)	(1.6)	(52.0)
Mkt cap (USD m)	318		
3m avg. daily turnover (USD m)	1.2		
Free float (%)	25		
Major shareholder	Ruckariyapong Family (65%)		
12m high/low (THB)	83.00/27.50		
Issued shares (m)	308.29		

Sources: Bloomberg consensus; FSSIA estimates



Sureeporn Teewasuwet

Fundamental Investment Analyst on Securities; License no. 040694
 sureeporn.t@fssia.com, +66 2646 9972

Investment thesis

SAPPE is a leader in the Thai functional drink market. It has been exporting to overseas markets over the past ten years with product champions like Mogu Mogu and Aloe Vera. They received such favorable responses that it resulted in continued increases in the export sales mix. According to the latest data in 2023, exports stood at 81% of total revenue, with solid growth in all key markets, including Asia (Indonesia, the Philippines, and South Korea), Europe (France and the UK), the US, and the Middle East.

Company profile

SAPPE manufactures and distributes healthy food and beverages, with Mogu Mogu, fruit juice with nata de coco, as its first beverage in 2001. Later, it expanded product lines and brands, including Beauti Drink, Aloe Vera, and Preaw Coffee. In 2016, SAPPE invested in All Coco coconut juice. In 2019, it partnered with Danone to set up Danone Sappe Beverage to introduce beverages under the B'BLUE brand.

www.sappe.com

Principal activities (revenue, 2024)

Domestic revenue - 20.2 %

Overseas revenue - 79.8 %

Source: Sappe

Major shareholders

Ruckariyapong Family - 65.4 %

Others - 34.6 %

Source: Sappe

Catalysts

Potential catalysts for SAPPE’s earnings growth in 2025 include 1) overseas market growth, especially new or low-base markets, such as France, the UK, the US, India, and the Middle East; 2) successful new products; 3) lower plastic pellet costs; and 4) capacity expansion.

Risks to our call

Downside and upside risks to our P/E-based TP include 1) lower or higher purchasing power, 2) higher or lower raw material and packaging costs, 3) Baht strength or weakness, and 4) increased or decreased competition and product infringement.

Event calendar

Date	Event
November 2025	3Q25 results announcement

Key assumptions

	2025E	2026E	2027E
Domestic revenue (THB m)	1,685	1,854	1,960
Overseas revenue (THB m)	3,819	4,088	4,370
Total revenue (THB m)	5,504	5,941	6,329
Total revenue growth (%)	(18.8)	7.9	6.5
Gross margin (%)	45.0	45.8	45.5
SG&A to sale (%)	28.1	27.0	27.0

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in revenue, we estimate 2025 net profit will rise by 0.8%, and vice versa, all else being equal.
- For every 0.5% increase in GPM, we estimate 2025 net profit will rise by 2.9%, and vice versa, all else being equal.
- For every 0.5% increase in SG&A, we estimate 2025 net profit will fall by 2.8%, and vice versa, all else being equal.

Source: FSSIA estimates

2Q25 net profit would be the peak of the year

SAPPE reported 2Q25 net profit at THB248m (+11% q-q, -40% y-y), showing q-q recovery across all regions, especially the EU, which rebounded to THB255m (+126% q-q, -50% y-y) after destocking ended. However, it still declined y-y due to EU revenue peaking at THB508m in 2Q24. On a y-y basis, all regions saw declines except domestic revenue, which continued to grow (+12% q-q, +31% y-y), increasing its contribution to 31% from 17% in 2Q24.

2Q25 gross margin declined to 44.3% from 46% in 1Q25 and 47.1% in 2Q24, mainly due to lower revenue and a stronger baht. Meanwhile, total expenses rose q-q as planned, pushing SG&A to sales up to 27.3% from 25.3% in 1Q25 and 25% in 2Q24.

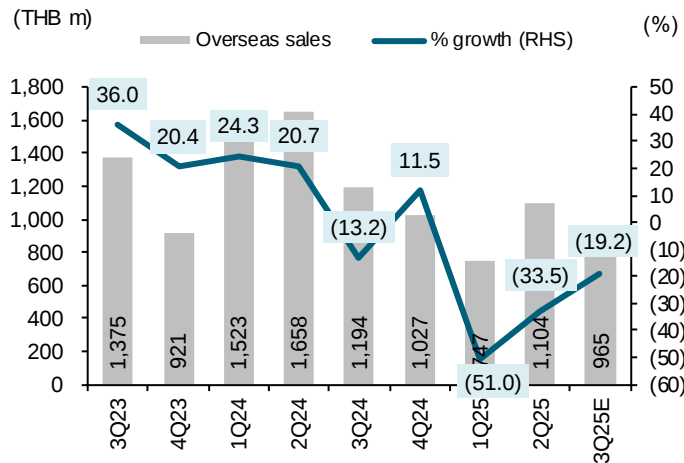
The company reported a 1H25 net profit of THB472m, down 38% y-y.

We expect 3Q25 profit to be THB218m (-12% q-q, -27% y-y), weakening again despite it being the high season for the business. Although the destocking issue in the EU ended, and orders are beginning to recover, challenges remain in the US, where the company is adjusting its strategy to cope with a 19% tariff, and in Indonesia, where distributor issues persist. The company has recently appointed a new distributor, but product distribution will only start in 2Q26.

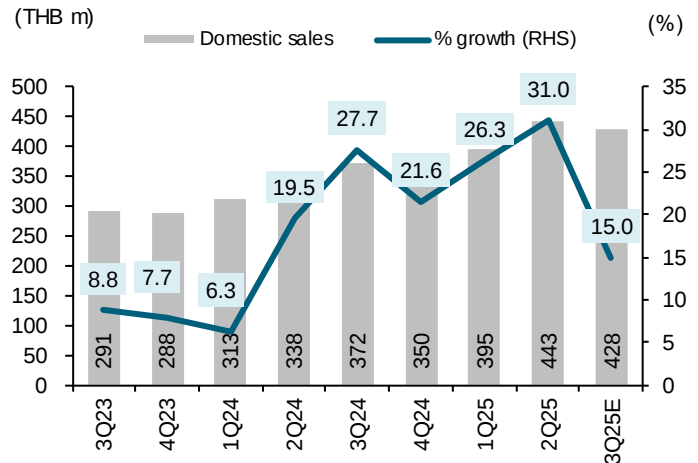
Exhibit 127: SAPPE – 3Q25 earnings preview

	3Q24	4Q24	1Q25	2Q25	3Q25E	--- Change ---		9M24	9M25E	Change	2024	2025E	Change	% 9M25E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)	(THB m)	(THB m)	(y-y%)	to 2025E
Sales	1,566	1,377	1,142	1,548	1,393	(10.0)	(11.1)	5,398	4,083	(24.4)	6,775	5,504	(18.8)	74.2
Cost of sales	846	739	617	862	776	(10.0)	(8.3)	2,893	2,255	(22.1)	3,632	3,027	(16.6)	74.5
Gross profit	720	638	526	686	617	(10.0)	(14.3)	2,505	1,828	(27.0)	3,144	2,477	(21.2)	73.8
SG&A	422	475	289	422	383	(9.3)	(9.2)	1,380	1,094	(20.7)	1,854	1,547	(16.6)	70.7
Operating profit	367	221	273	295	265	(10.2)	(27.7)	1,327	833	(37.2)	1,548	1,068	(31.0)	78.0
Other income	69	57	37	32	31	(2.1)	(54.9)	201	99	(50.7)	258	138	(46.7)	72.1
Interest expense	0.50	0.46	0.44	0.40	0.40	0.5	(19.2)	2	1	(22.1)	2	3	32.6	45.5
Tax expense	73	31	48	47	43	(9.0)	(41.8)	267	137	(48.6)	298	171	(42.6)	80.2
Profit (loss) sharing	(0)	(3)	0	1	1	0.0	nm	1	2	nm	(1)	3	nm	72.5
Reported net profit	300	189	224	248	218	(12.1)	(27.4)	1,063	690	(35.1)	1,253	877	(30.0)	78.6
Core profit	289	180	221	243	218	(10.4)	(24.4)	1,053	682	(35.2)	1,233	877	(28.9)	77.8
Key ratios (%)														
						(ppt)	(ppt)							
Gross margin	46.0	46.4	46.0	44.3	44.3	0.0	(1.7)	46.4	40.8	(5.6)	46.4	45.0	(1.4)	
SG&A to sales	26.9	34.5	25.3	27.3	27.5	0.2	0.6	25.6	29.9	4.4	27.4	28.1	0.7	
Operating margin	23.4	16.1	23.9	19.1	19.0	(0.0)	(4.4)	24.6	18.2	(6.4)	22.8	19.4	(3.4)	
Net margin	19.2	13.7	19.6	16.0	15.7	(0.4)	(3.5)	19.7	14.3	(5.4)	18.5	15.9	(2.6)	
Core margin	18.4	13.1	19.3	15.7	15.7	(0.1)	(2.8)	19.5	14.6	(4.9)	18.2	15.9	(2.3)	
Operating statistics (THB m)														
Domestic revenue	372	350	395	443	428	(3.4)	15.0	1,023	1,266	23.8	1,369	1,685	23.1	75.1
Overseas revenue	1,194	1,027	747	1,104	965	(12.5)	(19.2)	4,375	2,816	(35.6)	5,407	3,819	(29.4)	73.7
Asia	586	545	455	567	415	(26.7)	(29.1)	1,983	1,436	(27.6)	2,527	1,868	(26.1)	76.9
Europe	282	102	113	255	300	17.5	6.4	1,156	668	(42.2)	1,260	969	(23.1)	69.0
America	138	91	58	93	50	(46.2)	(63.7)	355	201	(43.4)	447	271	(39.4)	74.2
Middle East and others	188	289	122	189	200	5.9	6.4	881	511	(42.0)	1,172	711	(39.3)	71.9
Revenue contribution (%)														
Domestic revenue	23.8	25.4	34.6	28.6	30.7	2.1	7.0				20.2	30.6	10.4	
Overseas revenue	76.2	74.6	65.4	71.3	69.3	(2.0)	(6.9)				79.8	69.4	(10.4)	

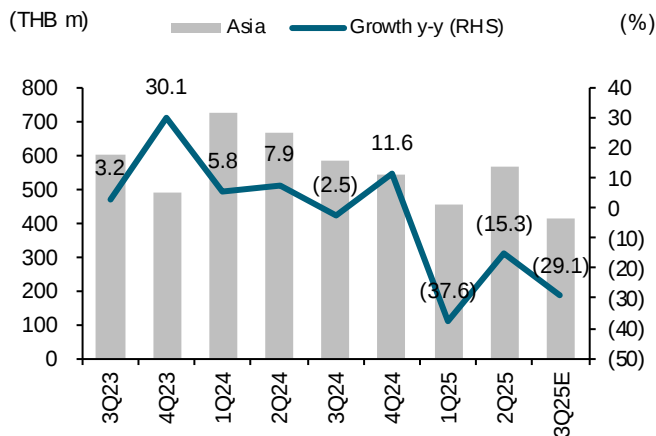
Sources: SAPPE, FSSIA estimates

Exhibit 128: Quarterly overseas revenue and growth


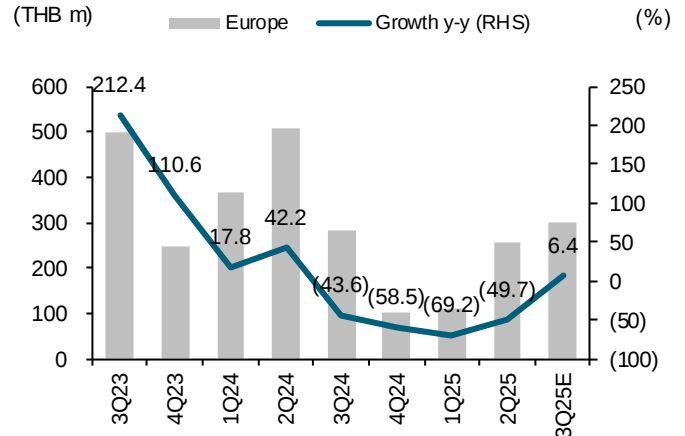
Sources: SAPPE, FSSIA estimates

Exhibit 129: Quarterly domestic revenue and growth


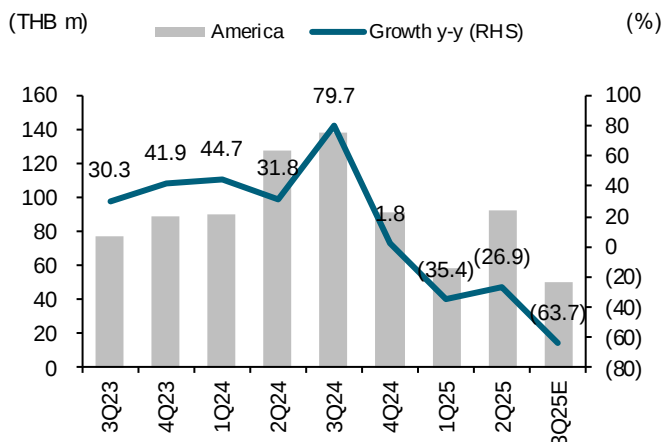
Sources: SAPPE, FSSIA estimates

Exhibit 130: Quarterly Asia revenue and growth


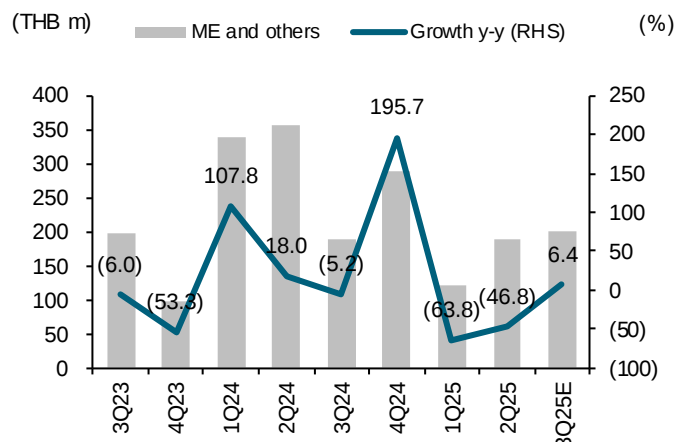
Sources: SAPPE, FSSIA estimates

Exhibit 131: Quarterly Europe revenue and growth


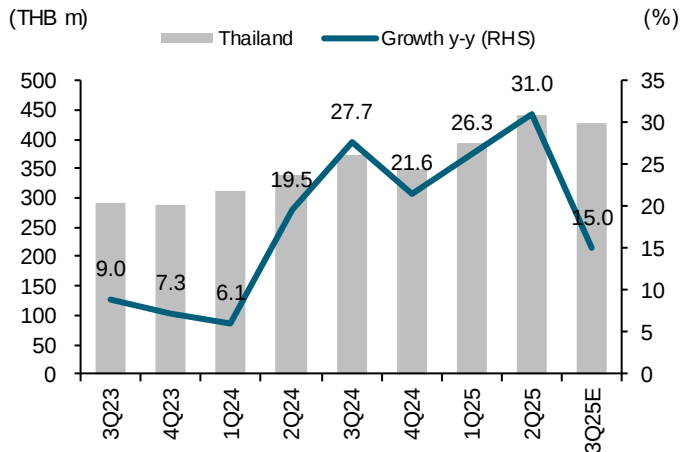
Sources: SAPPE, FSSIA estimates

Exhibit 132: Quarterly America revenue and growth


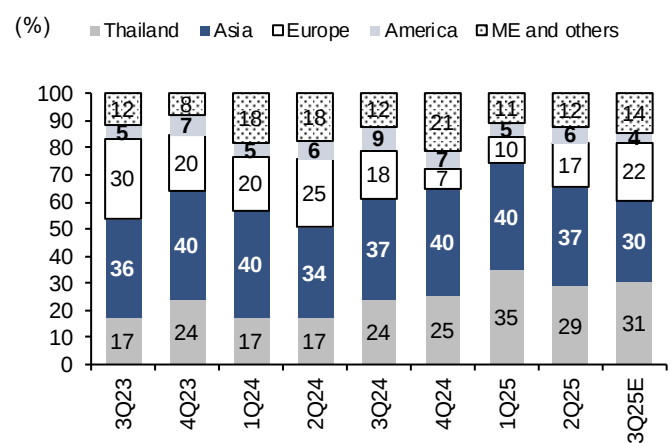
Sources: SAPPE, FSSIA estimates

Exhibit 133: Quarterly Middle East and others revenue and growth


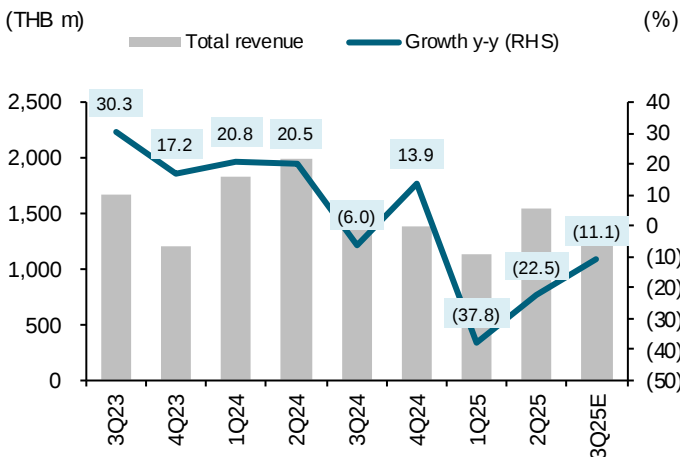
Sources: SAPPE, FSSIA estimates

Exhibit 134: Quarterly Thailand revenue and growth


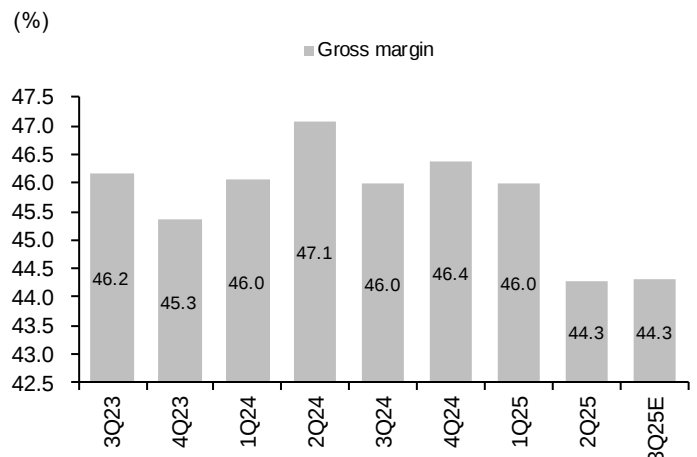
Sources: SAPPE, FSSIA estimates

Exhibit 135: Quarterly revenue breakdown by destination


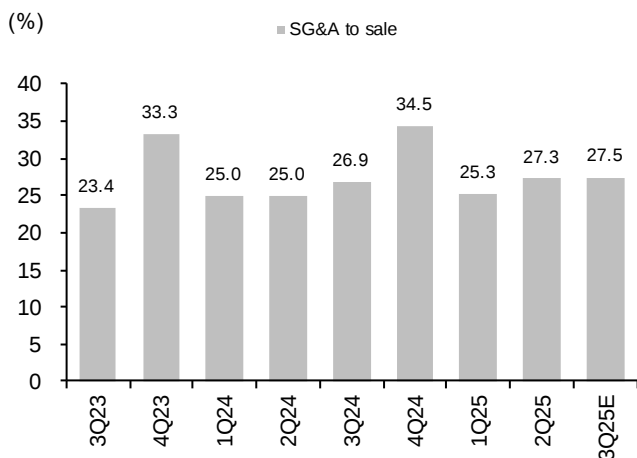
Sources: SAPPE, FSSIA estimates

Exhibit 136: Quarterly total revenue and growth


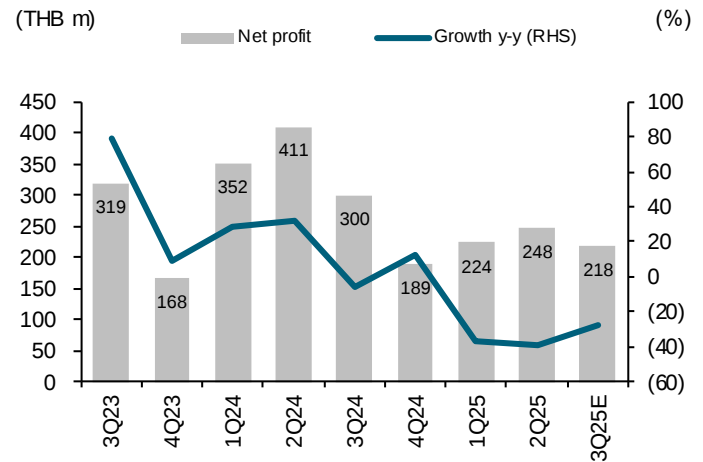
Sources: SAPPE, FSSIA estimates

Exhibit 137: Quarterly gross margin


Sources: SAPPE, FSSIA estimates

Exhibit 138: Quarterly SG&A to sales


Sources: SAPPE, FSSIA estimates

Exhibit 139: Quarterly net profit and growth


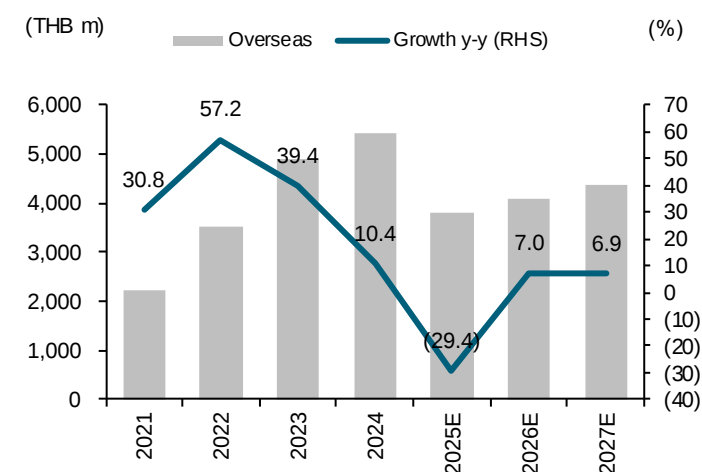
Sources: SAPPE, FSSIA estimates

Exhibit 140: Change in key assumptions for SAPPE

	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)	5,504	5,941	6,329	6,136	6,603	7,035	(10.3)	(10.0)	(10.0)
Costs	3,027	3,220	3,450	3,375	3,579	3,799	(10.3)	(10.0)	(9.2)
Gross profit	2,477	2,721	2,880	2,761	3,024	3,236	(10.3)	(10.0)	(11.0)
SG&A expense	1,547	1,604	1,709	1,718	1,783	1,899	(10.0)	(10.0)	(10.0)
Interest expense	3	3	3	3	3	3	0.0	0.0	0.0
Reported net profit	877	1,067	1,121	995	1,168	1,256	(11.8)	(8.7)	(10.8)
Core profit	877	1,067	1,121	995	1,168	1,256	(11.8)	(8.7)	(10.8)
Key ratios (%)									
Total revenue growth	(18.8)	7.9	6.5	(9.4)	7.6	6.5	(9.3)	0.3	(0.0)
Net profit growth	(30.0)	21.6	5.1	(20.6)	17.4	7.5	(9.4)	4.2	(2.5)
Core profit growth	(28.9)	21.6	5.1	(19.3)	17.4	7.5	(9.6)	4.2	(2.5)
Gross margin	45.0	45.8	45.5	45.0	45.8	46.0	0.0	0.0	(0.5)
SG&A to sales	28.1	27.0	27.0	28.0	27.0	27.0	0.1	0.0	0.0
Net margin	15.9	18.0	17.7	16.2	17.7	17.9	(0.3)	0.3	(0.1)
Core margin	15.9	18.0	17.7	16.2	17.7	17.9	(0.3)	0.3	(0.1)
Operating statistics (no.)									
Domestic revenue	1,685	1,854	1,960	1,300	1,430	1,512	29.6	29.6	29.6
Overseas revenue	3,819	4,088	4,370	4,836	5,173	5,523	(21.0)	(21.0)	(20.9)
Domestic revenue growth	23.1	10.0	5.7	(5.0)	10.0	5.7	28.1	0.0	0.0
Overseas revenue growth	(29.4)	7.0	6.9	(10.6)	7.0	6.8	(18.8)	0.1	0.1
Domestic revenue portion	30.6	31.2	31.0	21.2	21.7	21.5	9.4	9.5	9.5
Overseas revenue portion	69.4	68.8	69.0	78.8	78.3	78.5	0.0	(9.5)	1.0

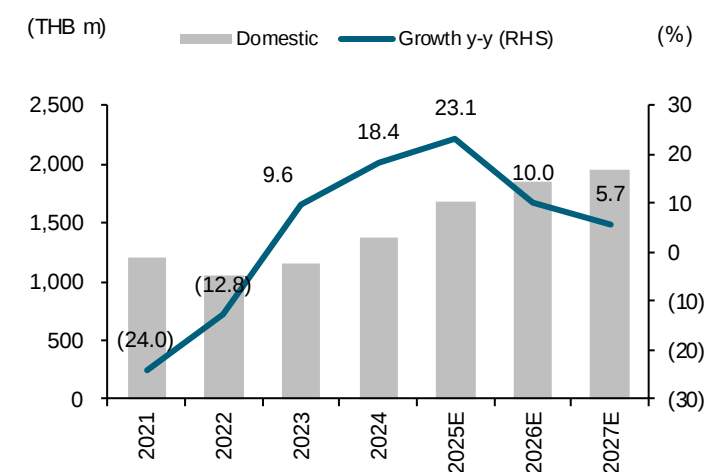
Source: FSSIA estimates

Exhibit 141: Yearly overseas revenue and growth

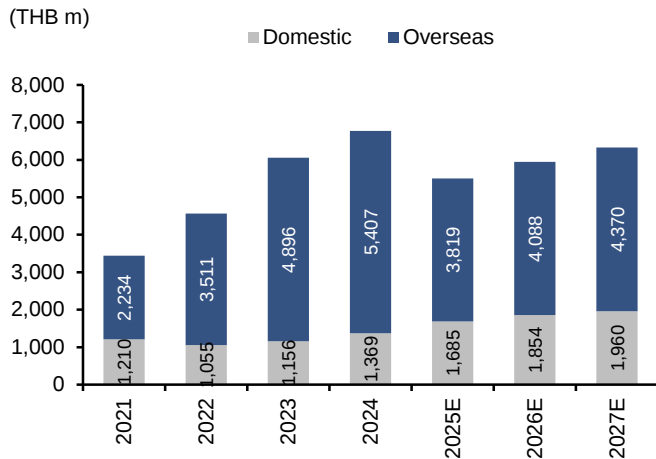


Sources: SAPPE, FSSIA estimates

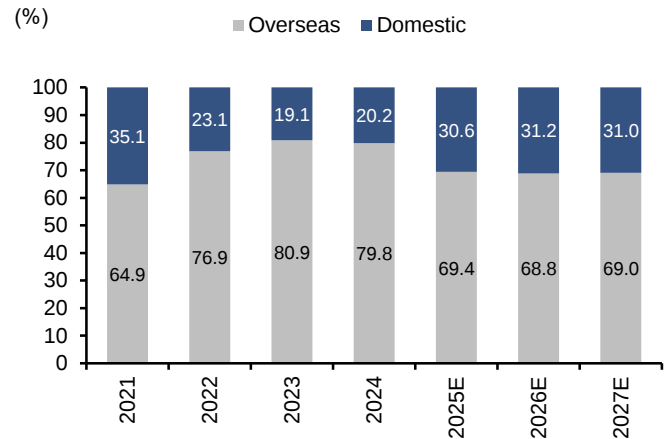
Exhibit 142: Yearly domestic revenue and growth



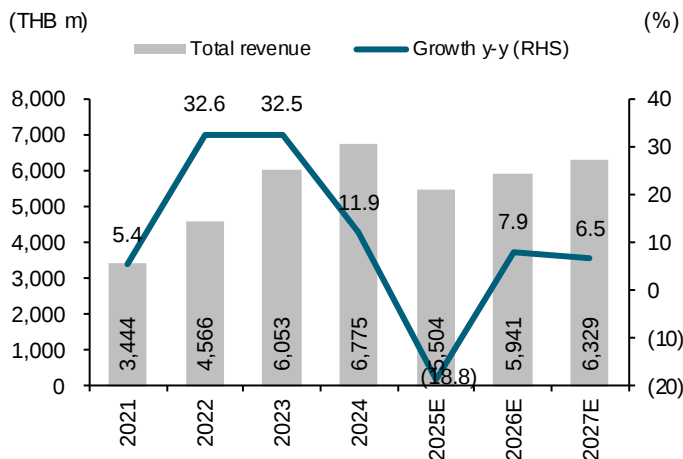
Sources: SAPPE, FSSIA estimates

Exhibit 143: Yearly revenue breakdown by destination


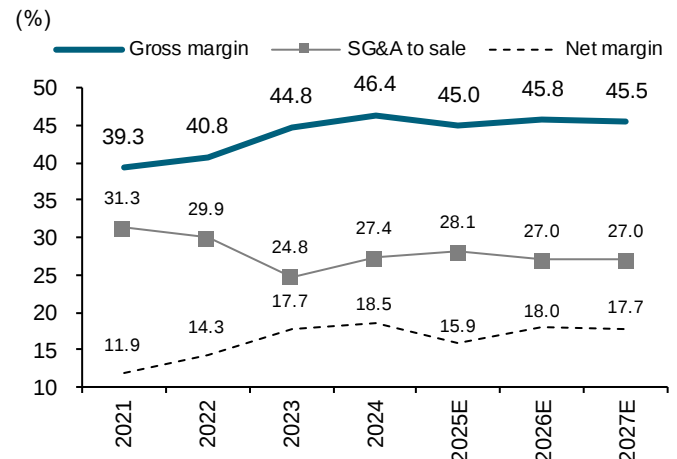
Sources: SAPPE, FSSIA estimates

Exhibit 144: Yearly revenue contribution by destination


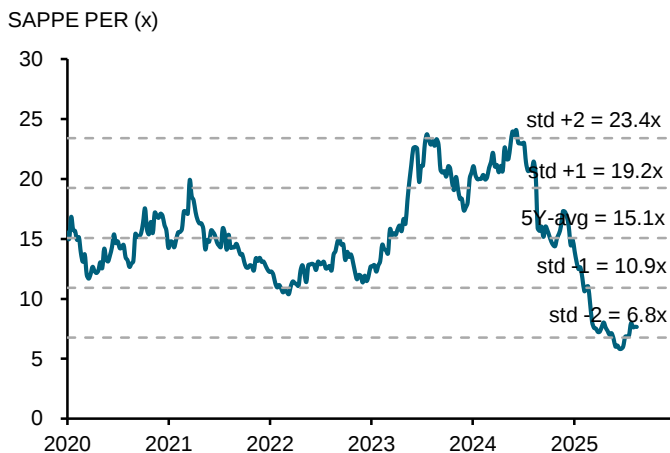
Sources: SAPPE, FSSIA estimates

Exhibit 145: Yearly total revenue and growth


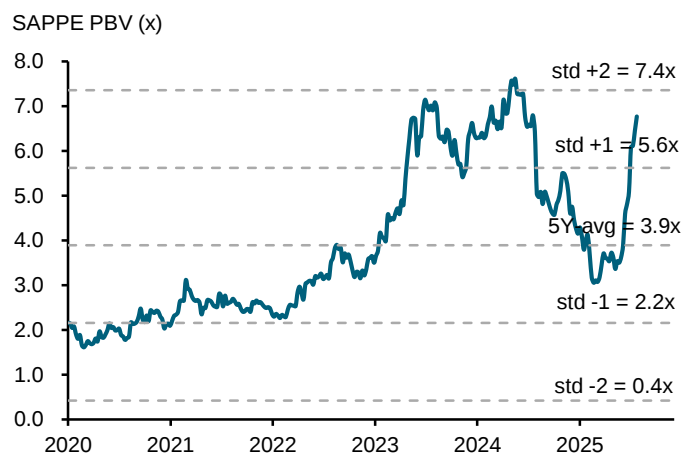
Sources: SAPPE, FSSIA estimates

Exhibit 146: Yearly gross margin and SG&A to sales


Sources: SAPPE, FSSIA estimates

Exhibit 147: Historical P/E band


Sources: Bloomberg; FSSIA estimates

Exhibit 148: Historical P/BV band


Sources: Bloomberg; FSSIA estimates

Financial Statements

Sappe

Profit and Loss (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Revenue	6,053	6,775	5,504	5,941	6,329
Cost of goods sold	(3,341)	(3,632)	(3,027)	(3,220)	(3,450)
Gross profit	2,711	3,144	2,477	2,721	2,880
Other operating income	146	258	138	178	190
Operating costs	(1,499)	(1,854)	(1,547)	(1,604)	(1,709)
Operating EBITDA	1,536	1,785	1,355	1,618	1,708
Depreciation	(178)	(237)	(287)	(322)	(347)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	1,358	1,548	1,068	1,295	1,361
Net financing costs	(3)	(2)	(3)	(3)	(3)
Associates	(20)	(1)	3	4	4
Recurring non-operating income	(20)	(1)	3	4	4
Non-recurring items	(10)	19	0	0	0
Profit before tax	1,325	1,564	1,068	1,296	1,362
Tax	(275)	(298)	(171)	(207)	(218)
Profit after tax	1,051	1,266	897	1,089	1,144
Minority interests	24	(13)	(20)	(22)	(23)
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
Reported net profit	1,074	1,253	877	1,067	1,121
Non-recurring items & goodwill (net)	10	(19)	0	0	0
Recurring net profit	1,085	1,233	877	1,067	1,121
Per share (THB)					
Recurring EPS *	3.52	4.00	2.84	3.46	3.64
Reported EPS	3.48	4.06	2.84	3.46	3.64
DPS	2.18	3.05	2.13	2.59	2.73
Diluted shares (used to calculate per share data)	308	308	308	308	308
Growth					
Revenue (%)	32.5	11.9	(18.8)	7.9	6.5
Operating EBITDA (%)	51.0	16.2	(24.1)	19.4	5.6
Operating EBIT (%)	63.6	13.9	(31.0)	21.3	5.1
Recurring EPS (%)	63.1	13.7	(28.9)	21.6	5.1
Reported EPS (%)	64.5	16.6	(30.0)	21.6	5.1
Operating performance					
Gross margin inc. depreciation (%)	44.8	46.4	45.0	45.8	45.5
Gross margin exc. depreciation (%)	47.7	49.9	50.2	51.2	51.0
Operating EBITDA margin (%)	25.4	26.3	24.6	27.2	27.0
Operating EBIT margin (%)	22.4	22.8	19.4	21.8	21.5
Net margin (%)	17.9	18.2	15.9	18.0	17.7
Effective tax rate (%)	20.7	19.0	16.0	16.0	16.0
Dividend payout on recurring profit (%)	62.0	76.2	75.0	75.0	75.0
Interest cover (X)	524.4	753.6	393.8	461.2	468.8
Inventory days	50.9	36.1	40.5	48.5	48.4
Debtor days	19.7	19.3	22.9	19.3	19.4
Creditor days	28.9	25.3	24.4	21.6	21.5
Operating ROIC (%)	96.7	65.5	28.6	28.9	28.4
ROIC (%)	73.7	56.4	26.0	26.6	26.2
ROE (%)	30.7	30.0	19.5	22.6	22.5
ROA (%)	20.8	21.5	15.2	17.9	17.8
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Domestic revenue	1,156	1,369	1,685	1,854	1,960
Overseas revenue	4,896	5,407	3,819	4,088	4,370

Sources: Sappe; FSSIA estimates

Financial Statements

Sappe

Cash Flow (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Recurring net profit	1,085	1,233	877	1,067	1,121
Depreciation	178	237	287	322	347
Associates & minorities	20	1	(3)	(4)	(4)
Other non-cash items	(24)	20	66	10	10
Change in working capital	581	(245)	(309)	24	17
Cash flow from operations	1,840	1,247	919	1,419	1,491
Capex - maintenance	-	-	-	-	-
Capex - new investment	(935)	(1,319)	(854)	(700)	(500)
Net acquisitions & disposals	4	(19)	0	0	0
Other investments (net)	(1)	25	(11)	(4)	(4)
Cash flow from investing	(931)	(1,314)	(864)	(704)	(504)
Dividends paid	(521)	(701)	(658)	(800)	(841)
Equity finance	0	0	0	0	0
Debt finance	(2)	1	33	3	3
Other financing cash flows	18	11	(16)	7	6
Cash flow from financing	(506)	(689)	(641)	(790)	(832)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	403	(756)	(587)	(76)	156
Free cash flow to firm (FCFF)	911.11	(65.34)	57.08	717.44	990.28
Free cash flow to equity (FCFE)	924.28	(55.33)	71.21	724.18	996.19
Per share (THB)					
FCFF per share	2.96	(0.21)	0.19	2.33	3.21
FCFE per share	3.00	(0.18)	0.23	2.35	3.23
Recurring cash flow per share	4.08	4.84	3.98	4.52	4.78
Balance Sheet (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Tangible fixed assets (gross)	3,121	4,467	5,467	6,167	6,667
Less: Accumulated depreciation	(1,403)	(1,544)	(1,832)	(2,154)	(2,501)
Tangible fixed assets (net)	1,718	2,923	3,635	4,013	4,166
Intangible fixed assets (net)	124	143	143	143	143
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	140	113	116	120	124
Cash & equivalents	2,532	1,775	1,189	1,113	1,268
A/C receivable	642	602	342	366	387
Inventories	438	234	373	397	425
Other current assets	45	86	55	59	63
Current assets	3,656	2,698	1,959	1,935	2,144
Other assets	43	44	55	59	63
Total assets	5,680	5,921	5,909	6,271	6,641
Common equity	3,818	4,392	4,585	4,851	5,131
Minorities etc.	78	99	165	175	185
Total shareholders' equity	3,896	4,491	4,750	5,026	5,316
Long term debt	49	39	51	54	57
Other long-term liabilities	88	99	83	89	95
Long-term liabilities	137	138	134	143	152
A/C payable	271	200	166	176	189
Short term debt	21	13	34	34	34
Other current liabilities	1,356	1,079	826	891	949
Current liabilities	1,647	1,292	1,025	1,102	1,172
Total liabilities and shareholders' equity	5,680	5,921	5,909	6,271	6,641
Net working capital	(502)	(357)	(222)	(246)	(263)
Invested capital	1,522	2,866	3,728	4,090	4,234
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	12.38	14.25	14.87	15.74	16.64
Tangible book value per share	11.98	13.78	14.41	15.27	16.18
Financial strength					
Net debt/equity (%)	(63.2)	(38.4)	(23.2)	(20.4)	(22.1)
Net debt/total assets (%)	(43.3)	(29.1)	(18.7)	(16.3)	(17.7)
Current ratio (x)	2.2	2.1	1.9	1.8	1.8
CF interest cover (x)	729.4	617.1	341.0	506.7	514.8
Valuation	2023	2024	2025E	2026E	2027E
Recurring P/E (x) *	9.6	8.4	11.9	9.8	9.3
Recurring P/E @ target price (x) *	10.2	9.0	12.7	10.4	9.9
Reported P/E (x)	9.7	8.3	11.9	9.8	9.3
Dividend yield (%)	6.5	9.0	6.3	7.7	8.1
Price/book (x)	2.7	2.4	2.3	2.1	2.0
Price/tangible book (x)	2.8	2.4	2.3	2.2	2.1
EV/EBITDA (x) **	5.2	4.9	7.0	5.9	5.5
EV/EBITDA @ target price (x) **	5.7	5.3	7.5	6.3	5.9
EV/invested capital (x)	5.3	3.1	2.5	2.3	2.2
* Pre-exceptional, pre-goodwill and fully diluted ** EBITDA includes associate income and recurring non-operating income					

Sources: Sappe; FSSIA estimates

SAPPE PCL (SAPPE TB)

FSSIA ESG rating



40.63 /100

Exhibit 149: 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 150: ESG – peer comparison

	FSSIA ESG score	Domestic ratings						Global ratings						Bloomberg	
		DJSI	SET ESG	SET ESG Rating	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
CBG	62.25	--	Y	AA	5.00	5.00	Certified	Medium	63.94	B	--	32.92	79.00	2.68	64.30
ICHI	55.12	--	Y	A	5.00	4.00	Certified	Medium	--	BB	--	51.33	29.00	2.98	43.42
OSP	67.45	--	Y	AA	5.00	5.00	Certified	Medium	66.40	BB	--	65.37	83.00	2.90	68.03
SAPPE	40.63	--	Y	A	4.00	5.00	Certified	High	--	--	--	36.29	--	2.23	44.71
SNNP	30.00	--	Y	A	5.00	5.00	Certified	--	--	--	--	--	--	--	--

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

Exhibit 151: ESG score by Bloomberg

FY ending Dec 31	FY 2021	FY 2022	FY 2023
ESG financial materiality scores - ESG score	2.05	2.11	2.23
BESG environmental pillar score	1.90	1.81	2.14
BESG social pillar score	0.72	1.13	1.13
BESG governance pillar score	4.05	3.79	3.70
ESG disclosure score	31.34	43.95	44.71
Environmental disclosure score	10.60	42.25	44.55
Social disclosure score	13.63	19.83	19.83
Governance disclosure score	69.66	69.66	69.66
Environmental			
Emissions reduction initiatives	No	No	Yes
Climate change policy	No	Yes	Yes
Climate change opportunities discussed	No	No	No
Risks of climate change discussed	No	Yes	Yes
GHG scope 1	—	4	5
GHG scope 2 location-based	—	12	13
GHG Scope 3	—	32	52
Carbon per unit of production	—	—	—
Biodiversity policy	No	No	No
Energy efficiency policy	Yes	Yes	Yes
Total energy consumption	—	76	116
Renewable energy use	—	—	—
Electricity used	20	27	28
Fuel used - natural gas	—	—	—

Sources: Bloomberg; FSSIA's compilation

Exhibit 152: ESG score by Bloomberg (cont.)

FY ending Dec 31	FY 2021	FY 2022	FY 2023
Fuel used - crude oil/diesel	No	No	No
Waste reduction policy	No	Yes	Yes
Hazardous waste	0	0	0
Total waste	1	1	0
Waste recycled	0	0	0
Waste sent to landfills	—	—	—
Environmental supply chain management	No	Yes	Yes
Water policy	Yes	Yes	Yes
Water consumption	—	707	845
Social			
Human rights policy	Yes	Yes	Yes
Policy against child labor	No	Yes	Yes
Quality assurance and recall policy	No	No	No
Consumer data protection policy	Yes	Yes	Yes
Equal opportunity policy	Yes	Yes	Yes
Gender pay gap breakout	Yes	Yes	Yes
Pct women in workforce	54	55	52
Pct disabled in workforce	—	—	—
Business ethics policy	Yes	Yes	Yes
Anti-bribery ethics policy	Yes	Yes	Yes
Health and safety policy	Yes	Yes	Yes
Lost time incident rate - employees	—	0	0
Total recordable incident rate - employees	—	—	—
Training policy	Yes	Yes	Yes
Fair remuneration policy	No	No	No
Number of employees – CSR	564	562	549
Employee turnover pct	—	—	—
Total hours spent by firm - employee training	—	12,540	15,012
Social supply chain management	No	Yes	Yes
Governance			
Board size	10	9	9
No. of independent directors (ID)	5	4	4
No. of women on board	3	2	2
No. of non-executive directors on board	6	5	5
Company conducts board evaluations	Yes	Yes	Yes
No. of board meetings for the year	9	8	8
Board meeting attendance pct	97	97	96
Board duration (years)	3	3	3
Director share ownership guidelines	No	No	No
Age of the youngest director	43	44	45
Age of the oldest director	78	79	79
No. of executives / company managers	7	8	7
No. of female executives	2	3	3
Executive share ownership guidelines	No	No	No
Size of audit committee	3	3	3
No. of ID on audit committee	3	3	3
Audit committee meetings	4	4	4
Audit meeting attendance %	100	100	100
Size of compensation committee	0	0	0
No. of ID on compensation committee	—	—	—
No. of compensation committee meetings	—	—	—
Compensation meeting attendance %	—	—	—
Size of nomination committee	0	0	0
No. of nomination committee meetings	—	—	—
Nomination meeting attendance %	—	—	—
Sustainability governance			
Verification type	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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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

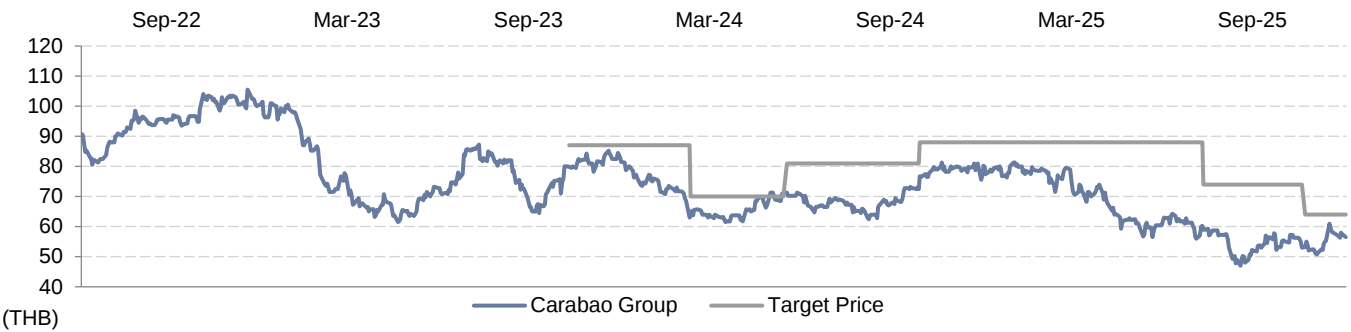
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed herein.

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History of change in investment rating and/or target price

Carabao Group (CBG TB)



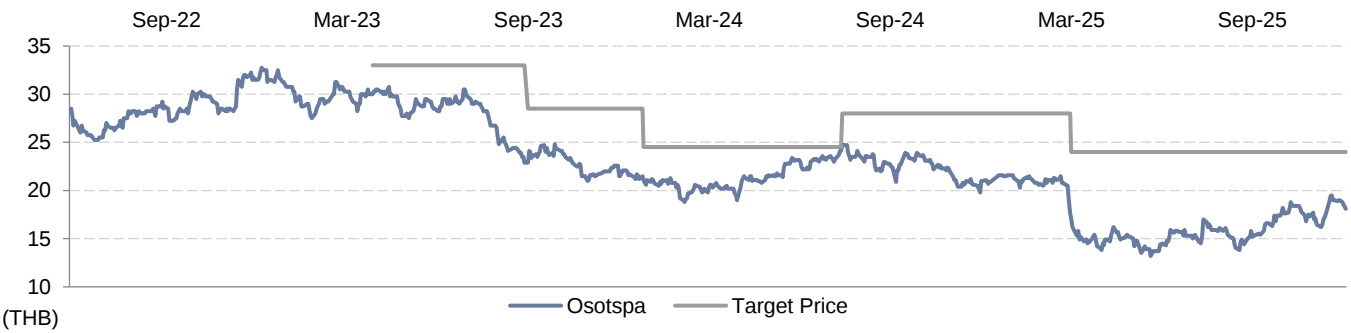
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
20-Nov-2023	HOLD	87.00	24-May-2024	BUY	81.00	15-Aug-2025	BUY	64.00
19-Feb-2024	BUY	87.00	18-Sep-2024	BUY	88.00			
04-Mar-2024	BUY	70.00	21-May-2025	BUY	74.00			

Sureeporn Teewasuwet started covering this stock from 20-Nov-2023

Price and TP are in local currency

Source: FSSIA estimates

Osotspa (OSP TB)



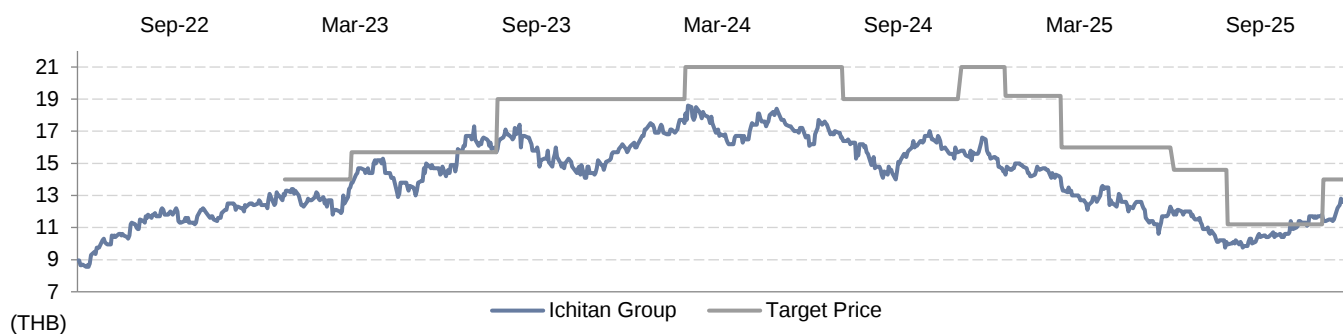
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
09-Jun-2023	BUY	33.00	29-Jan-2024	BUY	24.50	29-Jan-2025	BUY	24.00
20-Oct-2023	BUY	28.50	17-Jul-2024	BUY	28.00			

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

Price and TP are in local currency

Source: FSSIA estimates

Ichitan Group (ICHI TB)



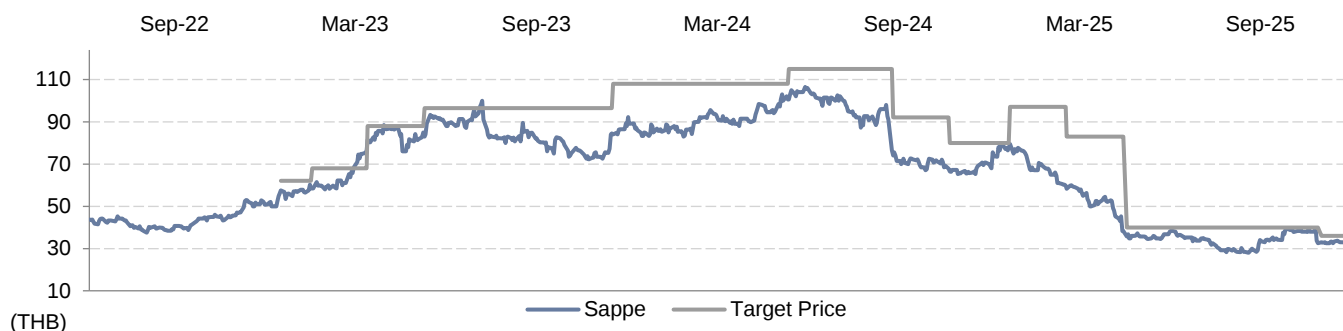
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
21-Mar-2023	BUY	14.00	11-Jul-2024	BUY	19.00	18-Apr-2025	BUY	14.60
17-May-2023	BUY	15.70	18-Oct-2024	BUY	21.00	05-Jun-2025	HOLD	11.20
15-Jun-2023	HOLD	15.70	27-Nov-2024	BUY	19.20	26-Aug-2025	BUY	14.00
19-Sep-2023	BUY	19.00	14-Jan-2025	HOLD	16.00			
27-Feb-2024	BUY	21.00	06-Mar-2025	BUY	16.00			

Sureeporn Teewasuwet started covering this stock from 21-Mar-2023

Price and TP are in local currency

Source: FSSIA estimates

Sappe (SAPPE TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
09-Mar-2023	BUY	62.00	21-Dec-2023	BUY	108.00	28-Nov-2024	BUY	97.00
05-Apr-2023	BUY	68.00	21-May-2024	BUY	115.00	16-Jan-2025	BUY	83.00
23-May-2023	BUY	88.00	19-Aug-2024	BUY	92.00	07-Mar-2025	HOLD	40.00
11-Jul-2023	BUY	96.50	07-Oct-2024	BUY	80.00	22-Aug-2025	HOLD	36.00

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

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Carabao Group	CBG TB	THB 56.50	HOLD	Downside and upside risks to our P/E-based TP are 1) a slower or faster-than-expected recovery in consumption; 2) higher or lower competition in the domestic energy drink market; 3) a potential rise or drop in packaging and raw material costs; and 4) regulatory risks from domestic and international markets.
Osotspa	OSP TB	THB 18.10	HOLD	Downside and upside risks to our P/E-based TP include 1) a slower or higher-than-expected consumption recovery, 2) higher or lower-than-expected competition, 3) high or lower volatility in energy costs, and 4) changing regulations in Thailand and Myanmar.
Ichitan Group	ICHI TB	THB 12.70	BUY	Downside and upside risks to our P/E-based TP include 1) a slower or faster-than-expected consumption recovery, 2) high or low volatility in packaging costs, and 3) increased or decreased competition and government policy changes such as excise taxes for sugary drinks.
Sappe	SAPPE TB	THB 33.00	HOLD	Downside and upside risks to our P/E-based TP include 1) lower or higher purchasing power, 2) higher or lower raw material and packaging costs, 3) Baht strength or weakness, and 4) increased or decreased competition and product infringement.

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 22-Sep-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.