3 OCTOER 2025

EQUITY RESEARCH - IPO REPORT

88(THAILAND) 88TH TB

THAILAND / CONSUMER PRODUCTS - MAI

Beauty in growth

TARGET PRICE	THB10.00
IPO PRICE	THB5.45

- LYO คือเสาหลักของ 88TH เป็นการขยายจากกลุ่ม Anti-Hair Loss ไปสู่ Hair Color และ Herbal
- คาดรายได้และกำไรเติบโต 29% และ 41% CAGR ในปี 2025E–27E ตามลำดับ
- ราคาเป้าหมาย 10 บาท (อิง 15x 2026E P/E) สะท้อนการอยู่ในช่วงการเติบโตสูง

การพัฒนากลยุทธ์และการสร้างแบรนด์

บริษัท 88(ไทยแลนด์) จำกัด (มหาชน) (88TH) ก่อตั้งขึ้นในปี 2015 เริ่มต้นจากแบรนด์เครื่องสำอาง ver.88 ก่อนจะขยายเข้าสู่กลุ่มผลิตภัณฑ์สุขภาพและความงามที่กว้างขึ้น การเข้าซื้อแบรนด์ LYO ในปี 2020 ซึ่งถือเป็นจุดเปลี่ยนสำคัญ ทำให้ LYO กลายเป็นเสาหลักของธุรกิจและผู้นำในตลาดผลิตภัณฑ์ดูแลเส้นผม ปัจจุบัน LYO มีผลิตภัณฑ์ครบตั้งแต่กลุ่มลดผมขาดร่วง แชมพูปิดผมขาว ไปจนถึงผลิตภัณฑ์แชมพูสมุนไพร เสริมด้วยกลยุทธ์การสร้างแบรนด์ที่แข็งแรง และการกระจายสินค้าครอบคลุมทั้งออฟไลน์และออนไลน์

รายได้เติบโตอย่างแข็งแกร่ง

ในปี 2022–24 รายได้ของบริษัทเติบโตจาก 269 ล้านบาทเป็น 478 ล้านบาท คิดเป็นการเติบโตเฉลี่ย 33.3% CAGR โดยมีแรงหนุนหลักจาก LYO Hair Color ที่เติบโต 194% y-y ในปี 2023 ขณะที่ LYO Herbal ซึ่งเปิดตัวในปี 2024 สร้างรายได้ 57 ล้านบาทในปีแรก แบรนด์ Hone Skincare ช่วยเสริมการเติบโตแม้จะชะลอเล็กน้อยในปี 2024 ส่วนเครื่องสำอางภายใต้ ver.88 ยังมีสัดส่วนไม่มากนัก แรงส่งดังกล่าวต่อเนื่องมาถึง 1H25 ที่มีรายได้ 307 ล้านบาท คิดเป็น 64% ของรายได้ทั้งปี 2024 จากความแข็งแกร่งของ LYO Hair Color และการเติบโตอย่างรวดเร็วของ LYO Herbal ซึ่งทำรายได้สูงกว่ารายได้ทั้งปี 2024 ไปแล้ว

ความสามารถในการทำกำไรแข็งแกร่ง พร้อมด้วยฐานะการเงินที่แข็งแรง

บริษัทมีความสามารถในการทำกำไรโดดเด่น โดยมีอัตรากำไรขั้นต้น 67%–72% ในช่วงปี 2022–24 สูงที่สุดในกลุ่มอุตสาหกรรมจากโครงสร้างธุรกิจแบบ asset-light อัตรากำไรสุทธิเพิ่มขึ้นจาก 4.9% ในปี 2022 เป็น 11.6% ในปี 2024 จากการใช้ประโยชน์จาก operating leverage และการควบคุม SG&A ที่มีประสิทธิภาพ แม้จะมีค่าใช้จ่ายด้านการตลาดสูงก็ตาม ในงวด 1H25 บริษัทมีกำไรสุทธิ 51 ล้านบาท คิดเป็น 89% ของกำไรทั้งปี 2024 โดยมีอัตรากำไรสุทธิเพิ่มขึ้นเป็น 16.4% จากการลงทุนด้านการตลาดที่เริ่มส่งผลเชิงบวก ทั้งนี้ ด้วยการไม่มีหนี้สถาบันการเงิน และ Cash cycle ที่ปรับตัวดีขึ้น ทำให้งบดุลของ 88TH แข็งแกร่งและมีความยืดหยุ่นรองรับการขยายธุรกิจในอนาคต

แนวโน้มการเติบโตและการประเมินราคาเป้าหมาย

เราคาดรายได้และกำไรสุทธิเติบโต 29% และ 41% CAGR ในช่วงปี 2025–27 จากความแข็งแกร่งของกลุ่ม Hair Care การรับรู้รายได้เต็มปีจาก LYO Herbal และการออกสินค้าใหม่ในกลุ่ม Skincare และ Cosmetics เราประเมินราคาเป้าหมายที่ 10 บาท อิง P/E ปี 2026E ที่ 15 เท่า แม้จะสูงกว่าค่าเฉลี่ยของคู่แข่ง แต่สะท้อนศักยภาพการเติบโตและความแข็งแรงของแบรนด์ ด้วยปัจจัยพื้นฐานที่แข็งแรงและแบรนด์ชั้นนำ 88TH อยู่ในตำแหน่งที่เหมาะสมสำหรับการเติบโตระยะยาวในตลาดสุขภาพและและความงามของไทย

KEY STOCK DATA

YE Dec (THB m)	2024	2025E	2026E	2027E
Revenue	478	688	877	1,028
Net profit	56	96	141	156
EPS (THB)	0.33	0.45	0.66	0.73
vs Consensus (%)	-	-	-	-
EBITDA	57	55	91	117
Recurring net profit	56	96	141	156
Core EPS (THB)	0.33	0.45	0.66	0.73
Core EPS growth (%)	89.9	37.7	47.0	10.3
Core P/E (x)	16.6	12.1	8.2	7.4
Dividend yield (%)	3.7	4.1	6.1	6.7
EV/EBITDA (x)	10.6	6.8	4.8	4.1
Price/book (x)	4.2	2.3	2.0	1.8
Net debt/Equity (%)	(36.6)	(57.8)	(48.0)	(48.3)
ROE (%)	27.9	26.8	26.5	25.5

Sources: Bloomberg; FSSIA estimates

88TH's IPO summary

Details	
Pre-IPO shares	170.0m shares
Share offering	59.5m shares (28.00% of the post-IPO shares), comprising of 1) 42.5m newly issued shares and 2) 17.0m existing shares
Use of proceeds	1) Development of new products under the company's brands, expansion of distribution channels, and marketing/advertising & publicity expenses 2) Working capital
Financial advisor	Pioneer Advisory Co., Ltd.

NOTE: FINANSIA SYRUS SECURITIES PUBLIC COMPANY LIMITED JOIN AS A CO-UNDERWRITER OF THE INITIAL PUBLIC OFFERING (IPO) OF 88(THAILAND) PUBLIC COMPANY LIMITED

ALL RECIPIENTS HEREOF, TO THE EXTENT THAT THEY ARE CONSIDERING MAKING AN INVESTMENT IN UNITS OF 88TH BUSINESS, SHOULD READ THE PROSPECTUS PREPARED BY PIONEER ADVISORY

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88(Thailand) at a first glace

Company profile and development

88(Thailand) Public Company Limited, or “88TH”, was founded on 28 July 2015 by Khun Nopparat Malaiwong and a group of co-founders with an initial registered capital of THB2.0m. The company operates in the health and beauty (Health & Beauty) segment, beginning with cosmetics under the brand “ver.88”. Over time, it expanded into a broader range of health and beauty products while also diversifying distribution channels—from a nationwide agent-based system to modern trade retail outlets—to reach a wider customer base and respond to evolving consumer needs.

In 2020, the company expanded into the Hair Care segment under the brand “LYO”, by acquiring the brand and proprietary formulas for anti-hair loss shampoo and conditioner developed by a professional pharmacist. LYO’s growth was fueled by stronger marketing campaigns, particularly through out-of-home media, and broader distribution channels across both offline and online platforms. This strategy helped the LYO brand achieve significant recognition in the market.

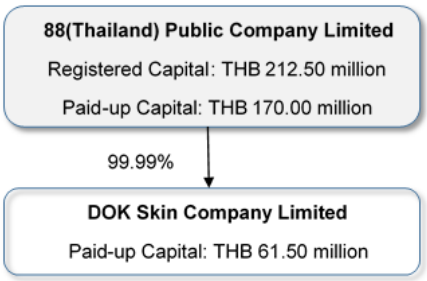
To strengthen and extend its business, in 2022 the company acquired 99.99% of the shares in DOK Skin Co., Ltd. (“DOK”), a company specializing in full-service OEM/ODM manufacturing and product design for cosmetics. DOK provides end-to-end services, including R&D formulation tailored to customer requirements, product registration, and manufacturing. This acquisition not only supported the company’s future growth and production capabilities but also enhanced its competitiveness in the beauty industry. In the same year, 88TH launched LYO Hair Color, a shampoo for gray hair coverage, and further expanded into the Skincare segment with the brand “Hone.”

The company’s products have gained wide recognition and received numerous awards in recent years. Notably, LYO was awarded:

- “Best Star Anti-Hair Fall Shampoo” at the ELLE Beauty Star Awards 2021 (ELLE Thailand)
- “Best Star Hair Tonic” at the ELLE Beauty Star Awards 2021 (ELLE Thailand)
- “Best Selling Hair Loss Shampoo” at the Watsons HWB Awards 2023
- “Best of Hair Color” at the Sudsapda Beauty Awards 2024

These accolades underscore the strong brand equity and consumer trust that 88TH has built within the competitive health and beauty industry.

Exhibit 1: Company group structure



Sources: 88TH’s filing, FSSIA’s compilation

Exhibit 2: 88TH's key milestones

Year	88TH's key milestones
2015	▪ 88(Thailand) Co., Ltd. was incorporated on 28 July 2015 with an initial paid-up registered capital of THB2.0m (par value of THB100 per share) by Khun Nopparat Malaiwong together with a group of co-founders. The company was established to operate in the health and beauty (Health & Beauty) industry, initially launching its cosmetics line under the **"ver.88"** brand.
2018	▪ The company expanded its distribution channels into Modern Trade retail stores to broaden consumer reach.
2020	▪ In July 2020, the company **acquired the "LYO" brand**, along with the proprietary formulas for anti-hair loss shampoo and conditioner, from Mr. Prawit Tantisuwitkul, the original formulator. ▪ In October 2020, the company officially launched the LYO Shampoo & Conditioner (Anti-Hair Loss) under the LYO brand. The company also invested in R&D for LYO Hair Tonic (Anti-Hair Loss), developed by its in-house product development team in collaboration with professional pharmacists.
2022	▪ In April 2022, the company **acquired a 99.99% stake in DOK Skin Co., Ltd. ("DOK")**, an OEM/ODM manufacturer that provides full-service cosmetic production, including product formulation, registration, and design. This acquisition not only enhanced 88TH's manufacturing flexibility and quality control but also diversified revenue streams through OEM services for external clients. ▪ **Launched the LYO Hair Color Shampoo**, targeting the mass market with effective gray hair coverage products. The launch was well received by consumers and significantly expanded the LYO product portfolio. ▪ Entered the skincare segment under the **"Hone"** brand, introducing its first products: Hone Serum and Hone Sunscreen, both developed with natural extracts to address the growing demand for clean and safe skincare solutions ▪ In December 2022, **Ikano Pte. Ltd. acquired a 20.0% stake** in 88TH from one of the existing shareholders.
2023	▪ Launched its **sunscreen product under the "Hone" brand** in December 2022.
2024	▪ Launched its **herbal-based hair care products under the "LYO Herbal"** line in March 2024, further strengthening its presence in the Hair Care segment. ▪ The company was awarded **the Thailand Trust Mark (T-Mark)** by the Department of International Trade Promotion, Ministry of Commerce. The certification endorses the quality of Thai products and services, recognizing outstanding production processes, commitment to environmental and social responsibility (CSR/Green Industry), and adherence to fair labor standards.

Sources: 88TH's filing, FSSIA's compilation

Revenue Structure

At present, 88TH engages in the distribution of health and beauty products, which are divided into three main categories: 1) hair care products under the brand “LYO”; 2) skincare products under the brand “Hone”; and 3) cosmetics products under the brand “ver.88”.

The company distributes its products through three primary sales channels: 1) agents; 2) modern trade retail stores; and home shopping. In addition, the company has expanded into 3) online channels, further strengthening accessibility and enhancing sales coverage.

88TH’s product categories

Hair Care products

The LYO brand represents the company’s comprehensive hair and scalp care product line, offering a full range of solutions that cater to diverse consumer needs. Its portfolio includes: shampoo and conditioner, anti-hair loss hair tonic (LYO Anti-Hair Loss), hair color shampoo for gray hair coverage (LYO Hair Color), herbal-based hair care products (LYO Herbal) made from natural extracts. This extensive product lineup positions LYO as a holistic hair care brand, enhancing its competitiveness in the health and beauty market while addressing both functional and lifestyle-driven consumer demands.

Skincare products

The Hone brand represents the company’s facial skincare product line, developed with natural extracts to meet the growing consumer demand for gentle and effective skincare solutions. Its product portfolio currently includes: Hone Serum – a facial serum formulated to nourish and revitalize the skin. Hone Sunscreen – a protective sunscreen designed to shield the skin from UV rays while maintaining skin health.

With its positioning in the natural skincare segment, Hone caters to the rising trend of consumers seeking clean, safe, and nature-inspired beauty products, supporting the company’s strategy to diversify beyond hair care and strengthen its presence in the broader Health & Beauty market.

Cosmetics products

The ver.88 brand marked the company’s first entry into the cosmetics market in 2015. Its most popular product is the Bounce Up Pact (putty foundation powder), which the company was the first to introduce in Thailand. The brand has since expanded into a wider cosmetics portfolio, including liquid foundation, blush, lipstick, eyeliner, and eyebrow pencils, among others.

Sources: 88TH’s filing, FSSIA’s compilation

Over the past three years (2022–24), the majority of 88TH’s revenue has been derived from the Hair Care segment, contributing 79%–88% of total sales revenue. Within this segment, the LYO Anti-Hair Loss line was the key revenue driver in 2022–23, accounting for 49%–63% of Hair Care revenue. However, its contribution declined to 38% in 2024 as the company launched additional products across other hair and scalp care categories.

The Skincare segment accounted for 7%–11% of total sales revenue, while the Cosmetics segment contributed 2%–7% during the same period.

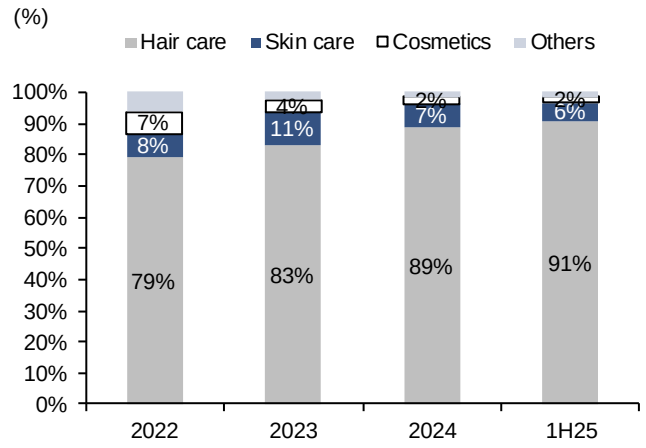
The revenue mix in 1H25 remained consistent with the past three years, with the Hair Care segment continuing to dominate, accounting for 91% of total revenue. This was followed by Skincare at 6% and Cosmetics at 2%.

Distribution Channels

The company initially distributed its products primarily through appointed agents, which served as the main channel to distribute products nationwide. Over time, 88TH expanded its distribution network in line with evolving consumer behavior, moving into Modern Trade (MT) channels, including convenience stores (7-Eleven), large-scale retailers such as Top's, The Mall, Villa Market, CJ MORE, Lotus's, Big C, Makro, Watsons, Maxvalu, and King Power, as well as Home Shopping platforms.

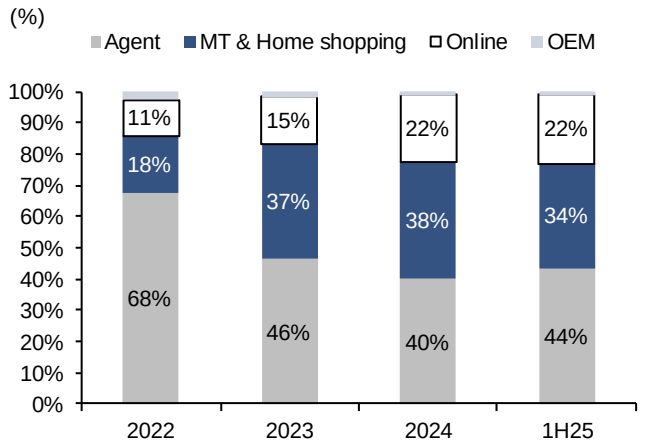
In 2024, the company had established a network of over 70 agents, contributing 40% of total sales revenue, which increased to 44% in 1H25. Revenue contribution from Modern Trade and Home Shopping channels represented 38% in 2024 but declined slightly to 34% in 1H25. Meanwhile online channels—including the company's website, social media platforms, and marketplaces such as LINE, Shopee, Lazada, and TikTok—contributed a stable 22% during 2024–1H25. Both MT and online channels have expanded rapidly in line with shifting consumer behavior, and 88TH's presence across all major channels ensures comprehensive access to consumers nationwide.

Exhibit 3: Revenue breakdown by product type



Sources: 88TH's filing, FSSIA's compilation

Exhibit 4: Revenue breakdown by distribution channel



Sources: 88TH's filing, FSSIA's compilation

Manufacturing and supply chain

The company develops its own formulations and outsources production to domestic Original Equipment Manufacturers (OEMs) and Original Design Manufacturers (ODMs) with proven expertise, compliance with quality standards, and qualifications that meet the company's requirements.

At the end of 2024, 88TH engages five domestic OEM partners, with significant reliance on one of them. During 2022–24, purchases from this major OEM accounted for 34%, 38%, and 42% of total procurement, respectively. To mitigate this dependency risk, the company requires contractual partners to maintain strict confidentiality of proprietary formulations and other trade secrets throughout the contract period.

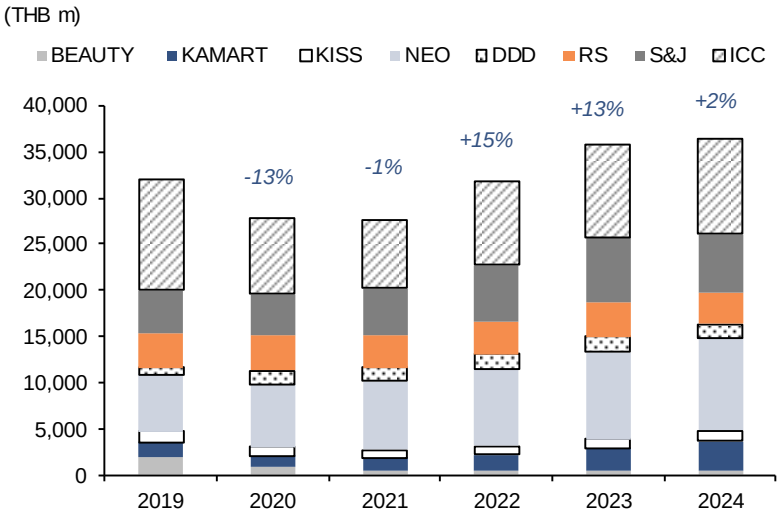
In addition, 88TH assigns part of its production to its subsidiary, which manufactures LYO Anti-Hair Loss and LYO Herbal products. The subsidiary operates a factory located in Samut Sakhon Province, equipped with mixing machines, semi-finished product filling machines, and shrink film packaging machines. In 2024, the mixing and filling machines had utilization rates of 25%–26%, while the shrink film machine operated at 51% utilisation. This indicates that the subsidiary still has ample production capacity available for the coming years without requiring immediate expansion.

A fast-growing industry amid intense competition

The health and beauty industry in Thailand is one of the fastest-growing and most resilient consumer sectors, supported by both structural factors and evolving consumer behavior. Within this industry, the hair care and skincare categories—where 88TH operates—are of particular importance, as these are everyday essentials that require regular repurchasing. Unlike discretionary goods, products such as shampoo, conditioner, hair treatments, facial serums, and sunscreen are consumables, which provide stability and recurring demand for the industry, even during periods of economic slowdown.

One clear indication of the industry's sustained growth is reflected in the sales performance of eight listed companies in the Thai stock market (BEAUTY, DDD, KAMART, KISS, ICC, NEO, RS, S&J) that operate in the beauty and personal care sector. Although these companies were affected during the COVID-19 period in 2020–21, they rebounded strongly in 2022. By 2023, their combined revenue had already surpassed the levels recorded in 2019, prior to the pandemic.

Exhibit 5: Aggregate revenue of beauty and personal care companies



Sources: SET, FSSIA's compilation

Thailand's beauty market is underpinned by the growing emphasis on personal health, grooming, and appearance. Younger generations, particularly Gen Z and Millennials, are increasingly health- and image-conscious, heavily influenced by social media, KOLs, and celebrity brand ambassadors. Hair care is no longer perceived as a matter of hygiene alone but is strongly tied to self-confidence, image, and lifestyle. Skincare has evolved from a basic necessity into a lifestyle-driven segment, where consumers demand both visible performance and values aligned with their lifestyles—such as safety, eco-friendliness, and natural ingredients.

That said, competition in this industry remains intense due to its relatively low barriers to entry, which have encouraged the entry of both small local entrepreneurs and large multinational players. Thai consumers now have access to a wide spectrum of products, ranging from mass-market to premium. Global brands such as L'Oréal, Unilever, and Procter & Gamble compete directly alongside regional and domestic players like KAMART, KISS, and NEO. For 88TH, this highly competitive environment represents both opportunity and challenge. On one hand, companies must continuously innovate and differentiate in order to capture consumer attention. On the other, the rapid growth of e-commerce, modern trade, and omnichannel distribution has created significant opportunities for agile, well-positioned brands to scale rapidly.

A key trend shaping Thailand's beauty industry is the shift toward "Clean Beauty" and products based on natural or herbal ingredients. Consumers increasingly demand products that are safe, environmentally friendly, and socially responsible, reflecting a global megatrend that is also highly relevant in Thailand. This creates a unique advantage for Thai brands, which can leverage the country's heritage of herbal wisdom and natural resources as a key differentiator. For 88TH, this aligns perfectly with its product development strategy, particularly with LYO Herbal and Hone Skincare, both of which emphasize natural extracts. By doing so, the company is tapping into one of the fastest-growing sub-segments in the industry.

The outlook for Thailand's health and beauty market remains promising, driven by multiple factors: rising consumer awareness of health and personal image, the expansion of diverse sales channels, the growing influence of digital marketing, and the strong momentum of online commerce. Despite fierce competition, the essential nature of beauty and personal care products ensures recurring demand. For 88TH, operating in this sector means participating in a large, expanding market with ample opportunities for brand-building, product innovation, and potential international expansion.

Financial Highlights

Over the past three years (2022–24), 88TH's revenue grew at a strong CAGR of 33%, rising from THB269m in 2022 to THB478m in 2024. Growth was primarily driven by the Hair Care segment, particularly the LYO Hair Color line, which was first launched in 3Q22 and received strong consumer response. This product delivered a full-year contribution in 2023, with revenue from LYO Hair Color surging +194% y-y. In late 1Q24, the company launched another new product line, LYO Herbal, which generated THB57m in revenue in its first year of sales (2024).

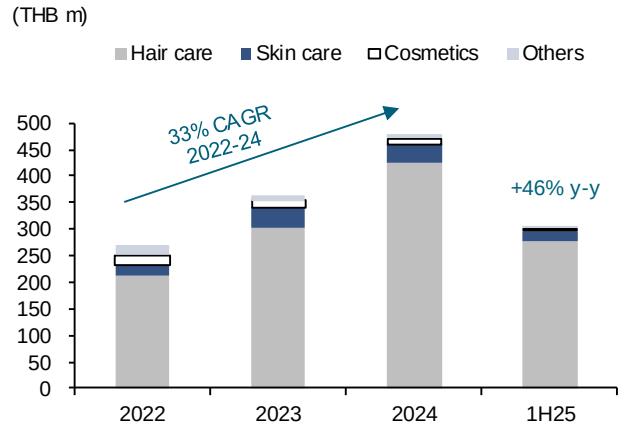
The LYO Anti-Hair Loss line, launched in 4Q20, has remained a stable revenue contributor. While growth was moderate, it remained resilient, posting +4% y-y in 2023 and +3% y-y in 2024. As a result, total revenue from the Hair Care segment grew strongly by +42% y-y in 2023 and +41% y-y in 2024.

For the Skincare segment, revenue reached THB20m in 2022 following the launch of the Hone brand in 2Q22, aimed at diversifying the company's portfolio and expanding its consumer base. Revenue surged 92% y-y to THB39m in 2023, before moderating slightly to THB36m in 2024 (-9% y-y) due to economic conditions and intensified competition.

In contrast, the Cosmetics segment generated THB19m in 2022, but revenue declined 26% y-y to THB14m in 2023 as a result of a reduced SKU portfolio. The downtrend continued in 2024, with revenue falling 27% y-y to THB10m, reflecting ongoing economic challenges and competitive pressures.

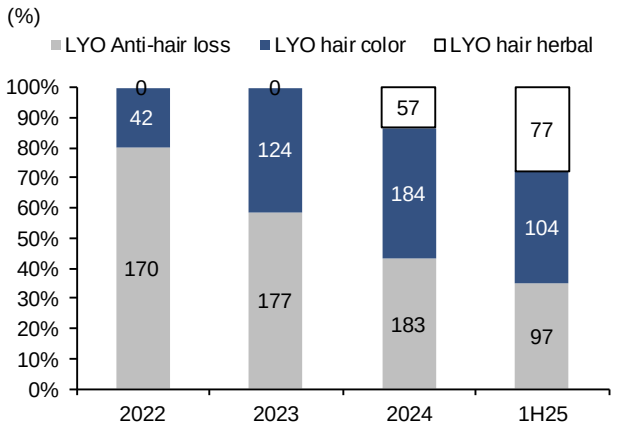
Revenue in 1H25 reached THB307m (+46% y-y), already accounting for 64% of full-year 2024 revenue. Growth continued to be driven primarily by the Hair Care segment, especially LYO Hair Color, which maintained strong popularity, and LYO Hair Herbal, which has already generated higher revenue than its full-year 2024 performance.

Exhibit 6: Revenue structure



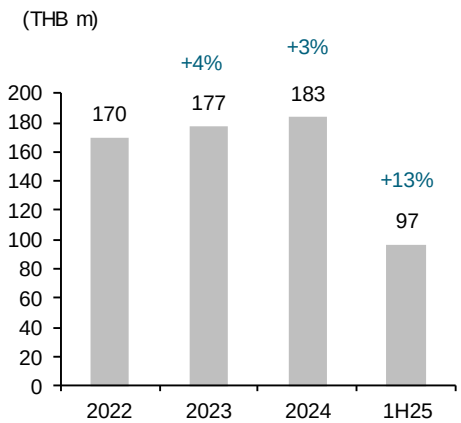
Sources: 88TH's filing, FSSIA's compilation

Exhibit 7: Revenue from hair care products



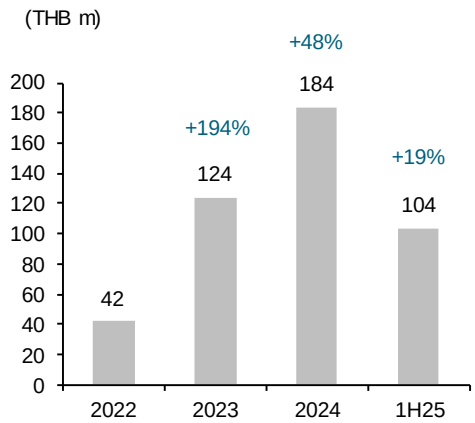
Sources: 88TH's filing, FSSIA's compilation

Exhibit 8: Revenue form anti-hair loss



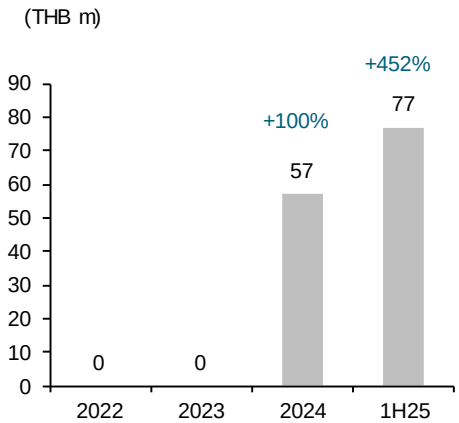
Source: 88TH's filing, FSSIA's compilation

Exhibit 9: Revenue form hair color



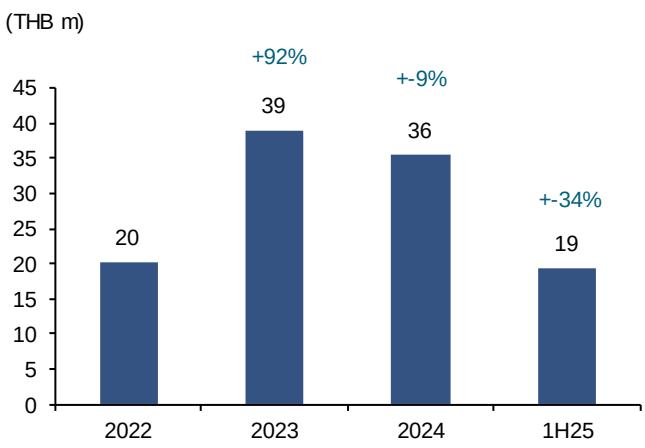
Source: 88TH's filing, FSSIA's compilation

Exhibit 10: Revenue form hair herbal



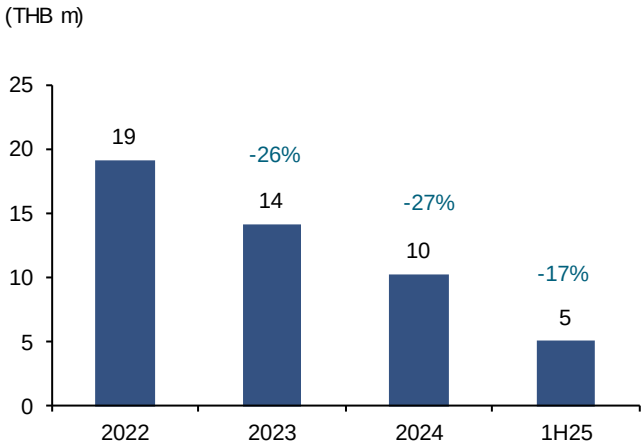
Source: 88TH's filing, FSSIA's compilation

Exhibit 11: Revenue from skin care



Sources: 88TH's filing, FSSIA's compilation

Exhibit 12: Revenue from cosmetics



Sources: 88TH's filing, FSSIA's compilation

Since 88TH operates as a distributor with its own brands while outsourcing manufacturing to third-party OEMs, alongside production from its subsidiary, the company's primary cost structure consists mainly of finished goods and packaging, accounting for 58%–73% of total cost of sales and services. This is followed by raw materials (20%–31%), labor costs (5%–7%), and depreciation (1%–3%).

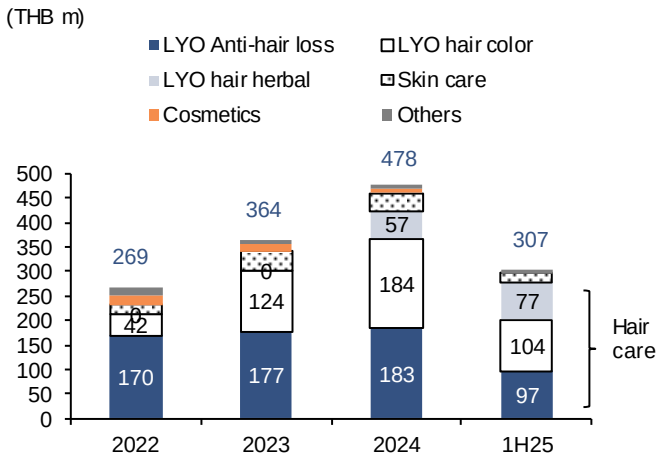
The company's gross margin stood at 71.7% in 2022, 67.3% in 2023, 68.7% in 2024, and 67.3% in 1H25. The margin contraction in 2023–1H25 was largely attributable to a product mix, as the company launched new Hair Care and Skincare products that carried lower margins compared to its existing portfolio. Moreover, the strategic shift towards the mass market segment—with greater emphasis on Modern Trade, Home Shopping, and Online channels—also influenced cost structures, as each channel carries different cost dynamics.

SG&A expenses increased consistently in line with sales activities, rising 11.2% y-y in 2022, 19.2% y-y in 2023, and 22.3% y-y in 2024. However, SG&A as a percentage of revenue declined from 65.8% in 2022 to 57.9% in 2023, and further to 53.9% in 2024, reflecting improved operating efficiency. Notably, 61%–65% of SG&A expenses were marketing-related, aimed at building strong brand awareness. The SG&A to sales ratio in 1H25 continued to decline, reflecting the benefits of economies of scale.

With rapid topline growth during 2022–24, effective cost management, and no outstanding bank loans (finance costs were only from lease liabilities), net profit surged significantly. Net profit rose 96.3% y-y to THB25.9m in 2023, and further expanded 115.2% y-y to THB55.8m in 2024, with the net margin improving from 4.9% in 2022 to 7.1% in 2023 and 11.7% in 2024.

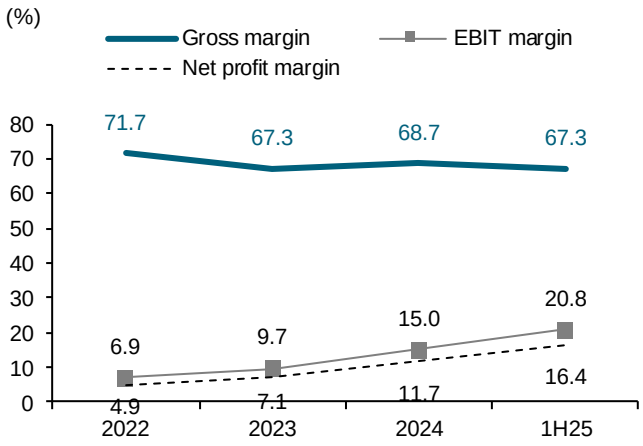
In 1H25, the company recorded a net profit of THB51m. While the gross margin moderated, the impact of previously incurred marketing expenses began to take effect. As a result, 1H25 net profit already accounted for 89% of full-year 2024 earnings, with the net margin improving to 16.4%.

Exhibit 13: Revenue structure



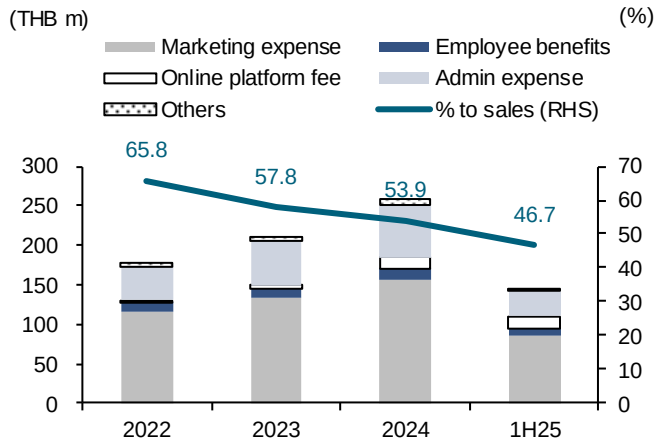
Sources: 88TH's filing, FSSIA's compilation

Exhibit 14: Margins



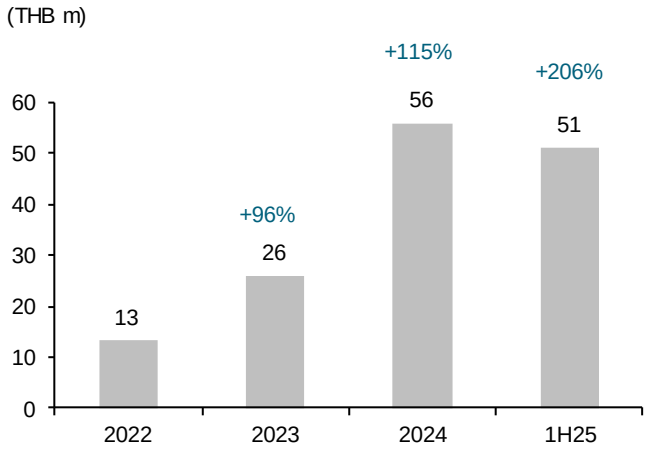
Sources: 88TH's filing, FSSIA's compilation

Exhibit 15: SG&A expenses



Sources: 88TH's filing, FSSIA's compilation

Exhibit 16: Net profit



Sources: 88TH's filing, FSSIA's compilation

Strong capital structure

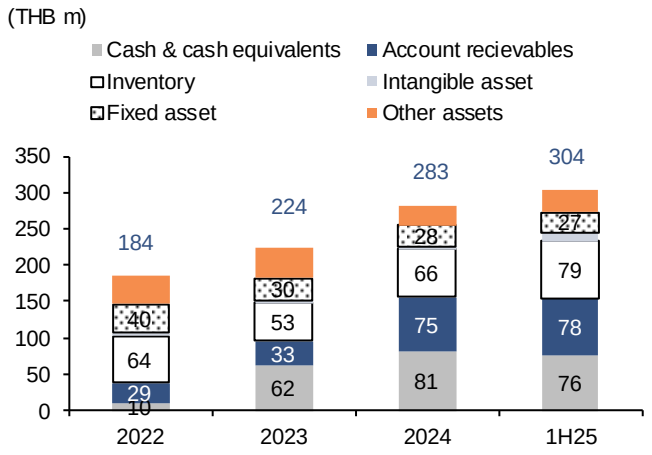
88TH maintains a sound and solid capital structure. The company's total assets increased from THB184m in 2022 to THB304m in 1H25, in line with business expansion. Approximately half of total assets comprised trade receivables and inventories. The average collection period was 31–34 days during 2022–23, rising to 44 days in 2024, reflecting a higher contribution from Modern Trade channels, which generally have a credit term of around 45-60 days. Most receivables were not yet due, with overdue accounts (more than 3 months) accounting for only 3% in 2024, down from 7% in 2022.

The company's inventories mainly consisted of finished goods, with the average inventory turnover period improving significantly from 174 days in 2022 to 98 days in 2024, and further to 77 days in 1H25.

On the liability side, the company has no bank borrowings, with more than 60% of total liabilities represented by trade payables. The company typically receives 15–30 days of credit terms from suppliers.

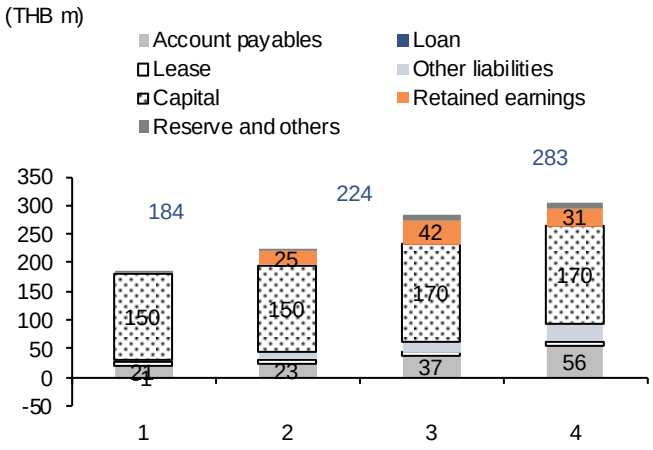
88TH maintains a solid financial position, with net D/E ratio at only 0.1x in 1H25. The company's cash cycle shortened to 90 days in 1H25, compared to 184 days in 2022, driven by more efficient inventory management.

Exhibit 17: Assets



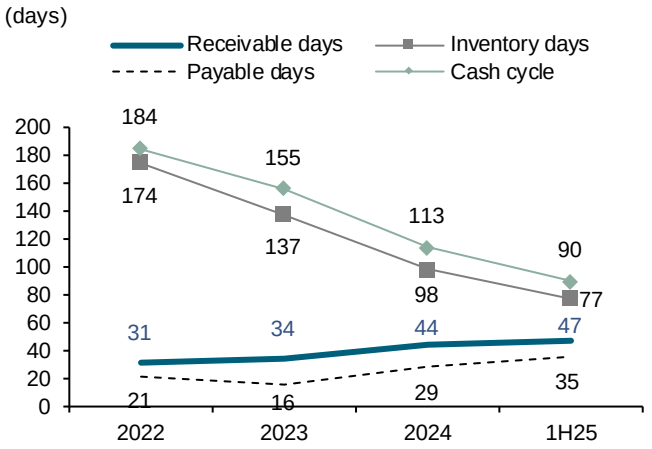
Sources: 88TH's filing, FSSIA's compilation

Exhibit 18: Liabilitites and equities



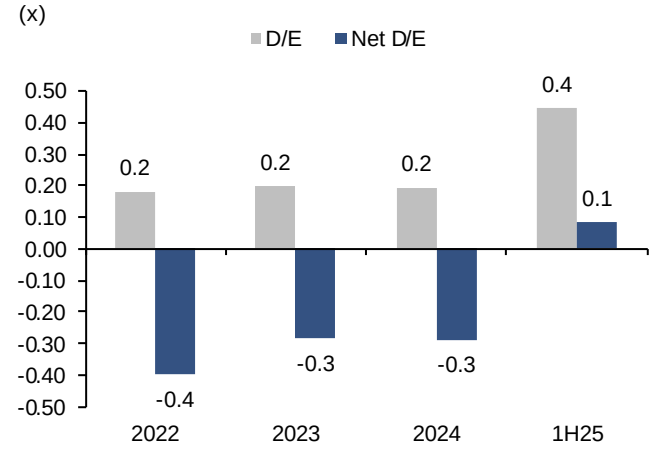
Sources: 88TH's filing, FSSIA's compilation

Exhibit 19: Cash cycle



Sources: 88TH's filing, FSSIA's compilation

Exhibit 20: D/E and Net D/E ratios



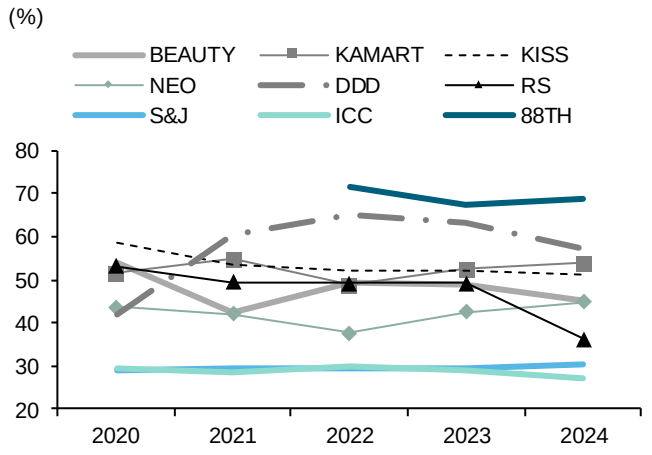
Sources: 88TH's filing, FSSIA's compilation

Profitability in line with industry peers

88TH, operating for 10 years and preparing to list as a newcomer on the Stock Exchange of Thailand, reported revenue in 2024 that ranked second lowest among the eight peer companies in our study (BEAUTY, DDD, KAMART, KISS, ICC, NEO, RS, S&J). However, the company's profitability is noteworthy. Its gross margin averaged 67%–72% during 2022–24, the highest in the group compared to the peer average of 43%–45%. That said, direct comparison is not entirely appropriate due to differences in business models: 88TH primarily outsources production, while some peers operate their own factories, and others import finished products for distribution.

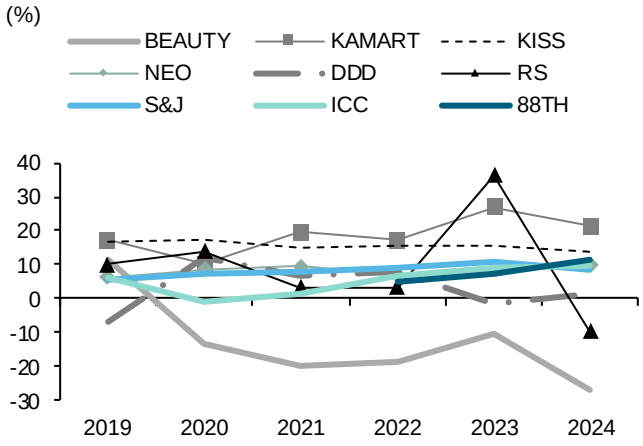
Nonetheless, 88TH bears relatively higher selling and distribution expenses as a percentage of revenue, reflecting its significant marketing and brand-building efforts. The company's net margin of 7%–12% is broadly in line with industry peers. When combined with its ROE, 88TH positions itself among the more efficient players in the sector, alongside NEO, KAMART, and KISS. Even after factoring in dilution from the upcoming capital increase, we estimate the company's 2025 ROE at 19.4%, which remains above the peer group average.

Exhibit 21: Gross margins



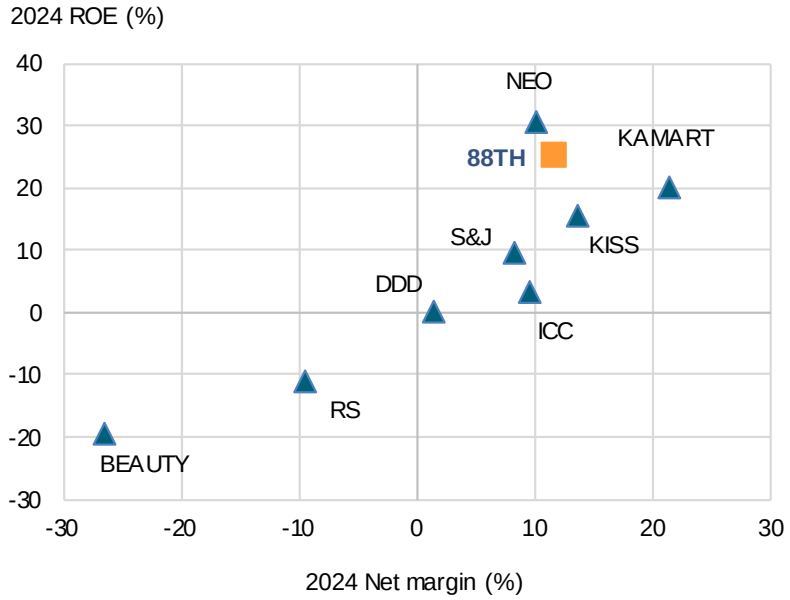
Source: Company data

Exhibit 22: Net profit margins



Source: Company data

Exhibit 23: Net profit margin vs ROE comparison



Sources: SET, 88(Thailand) PLC, FSSIA's compilation

Investment Highlights

Strong and fast-growing LYO brand

The LYO brand has become the backbone of 88TH's business. The company has successfully expanded its product portfolio from Anti-Hair Loss treatments to Hair Color shampoos, and most recently to Herbal-based hair care products, catering to diverse consumer needs. This consistent portfolio expansion demonstrates the company's ability to capture emerging trends and translate consumer demand into successful products. The brand's strength is further reinforced by leveraging top-tier celebrities as presenters, enhancing brand image and marketing effectiveness. Along with multiple industry awards recognising quality and popularity, LYO has not only strengthened its brand equity but also created effective entry barriers against new competitors in the Hair Care market.

Well-diversified revenue structure

88TH maintains a balanced revenue structure. While LYO contributes the largest portion of revenue, the presence of Hone (Skincare) and ver.88 (Cosmetics) provides diversification and business resilience, ensuring the company is not overdependent on a single product category. Another competitive strength lies in the company's multi-channel distribution strategy, balancing Modern Trade for mass consumer reach with rapidly growing online platforms. This enhances customer acquisition, repeat purchase opportunities, and overall revenue stability in the long run.

Synergies from subsidiary operatoins

Another key advantage is the presence of its subsidiary, DOK Skin, which operates as an OEM/ODM manufacturer. This not only reduces reliance on a single external producer but also increases flexibility in quality control and cost management. Moreover, providing OEM services to third-party clients generates additional revenue streams. Having its own production base highlights the company's strategic investment, which strengthens competitiveness and provides a solid platform for future business expansion.

Growth potential

88TH has strong growth potential, particularly in the Hair Care and Skincare markets, which continue to expand in Thailand and across Asia. Rising consumer demand for Herbal-based and Clean Beauty products further supports growth opportunities, particularly among younger demographics. The company also plans to expand into international markets, which, if successful, would be a significant driver of sustainable revenue growth. At the same time, 88TH's effective marketing strategy through KOLs and social media platforms enables the company to maintain high consumer engagement and broad market reach.

Operating in a growing, everyday-use industry

Despite the highly competitive landscape of Thailand's health and beauty industry, the sector continues to exhibit long-term growth. This is underpinned by rising consumer awareness of personal health, beauty, and appearance—factors that have become integral to daily life. Products such as hair care, skincare, and cosmetics are consumables that require frequent repurchasing, ensuring recurring demand.

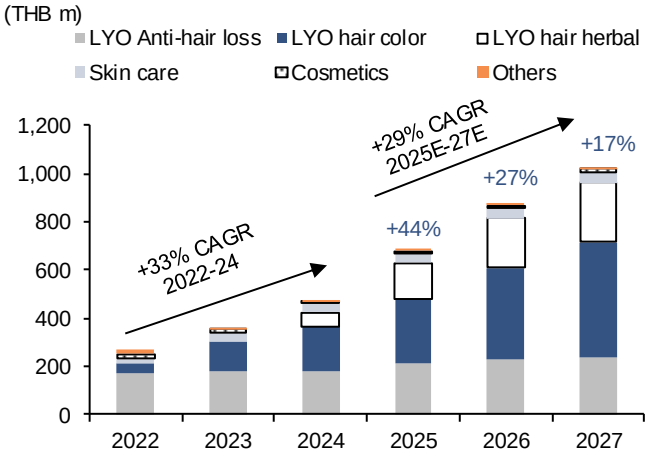
Growth is further supported by increasing beauty-conscious younger consumers, rapid expansion of e-commerce channels, and global trends toward clean, safe, and environmentally friendly products. With its strong brands such as LYO and Hone, 88TH is well-positioned to capture this demand, leveraging its established brand recognition and customer base for repeat purchases and cross-selling opportunities. This enables the company to remain competitive and sustain long-term growth, even amid pressure from new entrants and international players.

Forecast: 2025-27 Earnings to Grow at 41% CAGR

The company plans to allocate proceeds from the IPO to fund continuous R&D and new product launches, with an assumption of 3–4 new products per year across the LYO, Hone, and ver.88 brands. Based on this, we forecast revenue and net profit to grow at a three-year CAGR of 29% and 41%, respectively, during 2025E–27E, under the following assumptions:

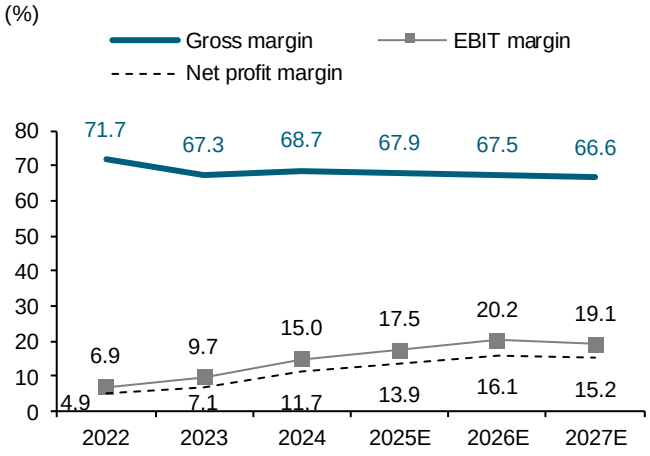
- **Hair Care to remain the key growth driver.** We expect revenue from the Hair Care segment to continue driving growth, supported by the strong LYO brand and enhanced visibility through celebrity presenters. Within this segment, LYO Hair Color has delivered rapid growth over the past three years. Currently, the product is available in only four basic shades (Natural Black, Dark Brown, Golden Brown, and Reddish Brown). We expect the company to expand into additional fashionable colors, which are widely popular in the market. Meanwhile, LYO Herbal, launched in March 2024, will generate a full-year contribution from 2025 onward. We forecast Hair Care revenue to grow at a 31% CAGR during 2025E–27E.
- **Skincare and Cosmetics to recover modest growth.** Following a decline in 2024, we expect both segments to return to growth, supported by new SKUs and targeted marketing campaigns. We forecast Skincare and Cosmetics revenue to grow at an average 7% CAGR each over 2025E–27E.
- **Margin assumptions.** We anticipate the gross margin at 67%–68% during 2025E–26E, slightly lower than the past three years but still in line with industry averages. We believe intense competition will limit further margin expansion. We expect the SG&A-to-sales ratio to decline gradually from 53.9% in 2024 to 47.8% in 2027E, as non-marketing expenses will not grow in proportion to sales and certain expenses have already been front-loaded in anticipation of future expansion. Marketing expenses will remain the largest component, continuing to rise in order to support revenue growth.
- **Balance sheet strength.** Finance costs in our forecast are limited to lease liabilities, as IPO proceeds are sufficient to fund business expansion. We therefore expect 88TH to remain a net cash company over the next three years without the need for bank borrowings.
- **Net profit outlook.** Based on these assumptions, we forecast net profit at THB96m in 2025E (+72% y-y), THB114m in 2026E (+47% y-y), and THB156m in 2027E (+11% y-y), implying a three-year CAGR of 41%. Corresponding we estimate net margins at 13.9%, 16.1%, and 15.2%, respectively.

Exhibit 24: Revenue structure



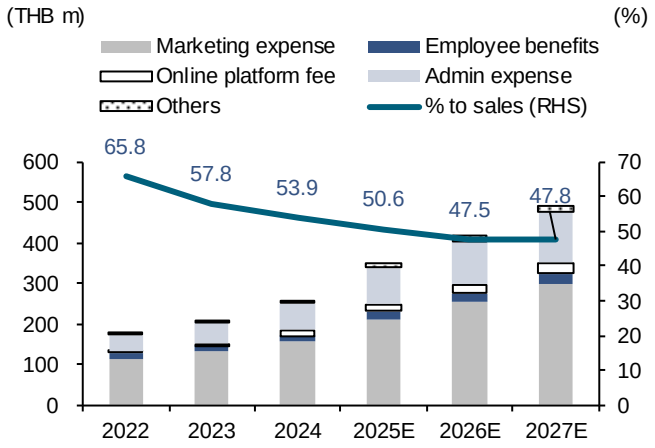
Sources: 88TH, FSSIA estimates

Exhibit 25: Margins



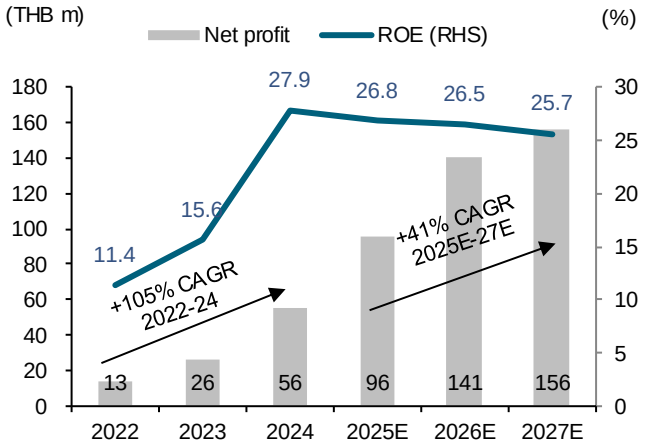
Sources: 88TH, FSSIA estimates

Exhibit 26: SG&A expenses



Sources: 88TH, FSSIA estimates

Exhibit 27: Net profit and ROE



Sources: 88TH, FSSIA estimates

Exhibit 28: Key assumptions

	Actual	Forecast		
	2024	2025E	2026E	2027E
	(THB m)	(THB m)	(THB m)	(THB m)
Total revenue	478	688	877	1,028
Hair care	425	630	816	964
- LYO Anti-hair loss	183	209	226	237
- LYO hair color	184	267	382	477
- LYO hair herbal	57	154	208	250
Skin care	36	39	41	43
Cosmetics	10	11	12	13
Others	7	8	8	8
Growth	**(y-y%)**	**(y-y%)**	**(y-y%)**	**(y-y%)**
Total revenue	31.3	44.1	27.3	17.2
Hair care	40.8	48.4	29.4	18.2
- LYO Anti-hair loss	3.4	14.0	8.0	5.0
- LYO hair color	48.2	45.0	43.0	25.0
- LYO hair herbal	0.0	170.0	35.0	20.0
Skin care	(8.9)	10.0	5.0	5.0
Cosmetics	(27.5)	12.0	5.0	5.0
Others	(20.0)	2.0	2.0	2.0
Key ratios	**(%)**	**(%)**	**(%)**	**(%)**
Gross margin	68.7	67.9	67.5	66.6
SG&A to sales	53.9	50.6	47.5	47.8
Net profit margin	11.7	13.9	16.1	15.1

Sources: 88TH, FSSIA estimates

Valuation

We adopt a P/E approach to value 88TH, as it is most suitable for businesses with stable profitability, high earnings visibility, and relatively low volatility, where earnings largely track economic conditions. Moreover, 88TH does not require heavy investment in fixed assets that would otherwise result in significant depreciation, which would necessitate the use of an EBITDA-based approach instead.

We therefore derive a TP of 88TH at THB10 per share, based on a target P/E multiple of 15x 2026E EPS. The peer group comprises leading Thai consumer companies with health & beauty portfolios and well-established brands, including KAMART, KISS, and NEO.

KAMART and KISS primarily distribute imported products while outsourcing domestic production, with the majority of sales generated locally and only a small portion from exports. In contrast, In contrast, 88TH currently has no export revenue. All of its products are developed and formulated in-house, with no reliance on importing finished goods from abroad for distribution. KAMART has a more diversified product portfolio, while KISS focuses primarily on derma-cosmetics for facial skincare. Meanwhile, NEO operates a large in-house factory with a revenue mix dominated by household products (~40%) and baby products (~30%), with personal care accounting for only ~27% of revenue.

The three Thai peers trade at an average 2026E P/E of 10.0x. However, given that both KAMART and NEO have significantly larger revenue and profit bases but slower growth profiles, we believe 88TH deserves a P/E premium as it remains in the high-growth stage.

Relative to sector benchmarks, the Commerce sector trades at 16.3x P/E, while Personal Products & Pharmaceuticals trades at 13.8x P/E. Hence, we view a target multiple of 15x as reasonable, positioning 88TH between the two benchmarks — not too aggressive, yet reflecting growth potential.

For comparison, eight international listed peers trade at an average 2026E P/E of 19.4x. However, those companies are significantly larger in scale, have longer operating histories, and hold stronger regional or global market positions. As such, we believe 88TH should trade at a discount to global players.

Our TP of THB10 implies a 2026E P/BV of 3.7x and an EV/EBITDA of 10.1x, which is higher than the average of Thai peers but broadly in line with international comparables. We believe 88TH is entering a high-growth phase over the next 2–3 years. While part of this growth is attributable to its relatively small earnings base, a key driver will be the new equity capital raised through the IPO, which carries no financing cost and provides the company with resources to expand more rapidly than peers. Moreover, the LYO brand has gained strong recognition and widespread acceptance in Thailand's Hair Care market in recent years, positioning the company advantageously before the segment matures. On this basis, we view a target P/E multiple of 15x as appropriate.

Exhibit 29: Peers comparison of beauty and personal care companies

Company	BBG	----- EPS growth ----		---------- PE ----------		--------- PBV ----------		--------- ROE ---------		----- EV/ EBITDA ----	
		25E (%)	26E (%)	25E (x)	26E (x)	25E (x)	26E (x)	25E (%)	26E (%)	25E (x)	26E (x)
Thailand											
Kamarts	KAMART TB	19.2	16.8	12.4	10.6	2.6	2.3	22.0	22.8	10.1	8.9
Rojukiss International	KISS TB	(14.2)	8.0	13.2	11.6	1.6	1.6	13.5	13.7	7.7	6.8
Neo Corporate*	NEO TB	(38.2)	31.0	10.2	7.8	1.2	1.1	12.0	14.5	7.1	6.2
Thailand average		**(11.1)**	**18.6**	**11.8**	**10.0**	**1.9**	**1.7**	**13.0**	**17.0**	**7.5**	**7.3**
Regional & Global											
Unilever PLC	ULVR LN	17.3	7.6	18.1	17.0	6.3	5.8	34.7	34.1	12.7	12.2
Henkel AG & CO. KGaA	HEN GR	4.6	4.5	12.3	11.6	1.3	1.3	10.1	10.2	8.5	8.2
Kao Corp	4452 JP	13.5	10.5	25.5	22.9	2.8	2.7	12.2	12.7	12.2	11.4
Shiseido Co. Ltd	4911 JP	nm	365.4	123.6	27.1	1.6	1.5	5.7	6.9	12.2	9.7
ELF Beauty	ELF US	4.5	25.6	34.1	27.0	24.6	29.7	7.6	6.0	19.7	16.1
COTY Inc.	COTY US	nm	16.5	8.6	7.5	0.8	0.8	9.9	10.4	7.3	7.4
Kose Corp	4922 JP	73.2	15.0	25.6	22.7	1.2	1.2	5.4	6.0	9.4	8.5
Unicharm Corp	8133 JP	-1.0	2.9	20.8	19.3	2.2	2.1	11.0	11.4	9.7	8.9
Regional&Global average		**18.7**	**56.0**	**33.5**	**19.4**	**5.1**	**5.6**	**12.1**	**12.2**	**11.5**	**10.3**
Overall average		**8.8**	**45.8**	**27.6**	**16.8**	**4.2**	**4.5**	**13.1**	**13.5**	**10.6**	**9.5**
88TH		**34.6**	**47.0**					**19.0**	**24.8**		

Note: *FSSIA's coverage, share price as of 11 August 2025; Sources: Bloomberg, FSSIA's compilation

Shareholding structure and dividend policy

Prior to the IPO, 88TH had a registered capital of THB212.5m, with THB170.0m paid-up capital, divided into 170.0m common shares at a par value of THB1.00 per share.

In this initial public offering (IPO), the company will offer up to 59.5m common shares, comprising:

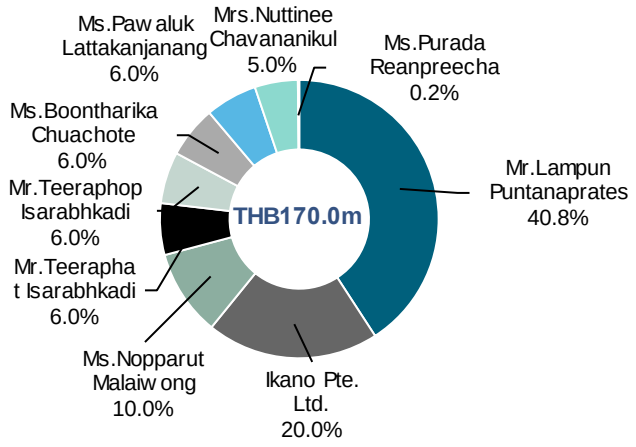
1. Newly issued shares of up to 42.5m shares (par value THB1.00), representing no more than 20.0% of the total paid-up shares after the IPO.
2. Existing shares held by Ilkano Pte. Ltd. of up to 17.0m shares (par value THB1.00), representing no more than 8.0% of the total paid-up shares after the IPO.

Objectives of the Capital Increase

The objectives of the capital increase from this IPO are as follows:

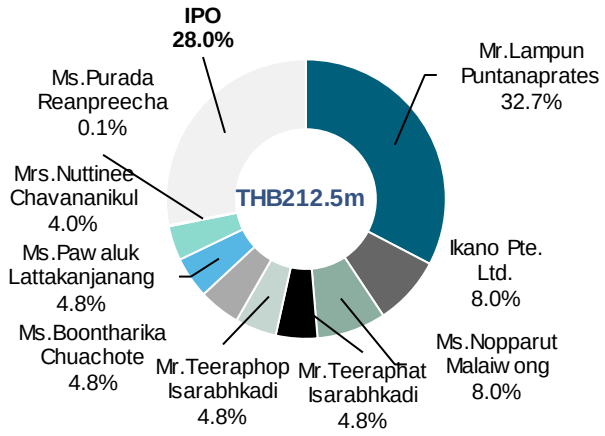
1. The Company plans to further develop its existing products and create new products under its own brand, as well as expand distribution channels. The proceeds will also be used for marketing, advertising, and promotional expenses.
2. To be reserved as working capital for the Group

Exhibit 30: Pre-IPO shareholding structure (Paid-up cap THB170.0m)



Sources: 88TH, FSSIA's compilation

Exhibit 31: Post-IPO shareholding structure (Paid-up cap THB212.5m)



Sources: 88TH, FSSIA's compilation

Dividend policy

The company has a payout ratio policy at a rate of not less than 50% of net profit from the separate financial statements, after deduction of corporate income tax, statutory reserves, and other reserves (if any).

However, the dividend payment will depend on the company's performance and financial position, cash flow, liquidity, business expansion plans, future requirements, and other relevant factors related to the company's management.

Sustainability management obectives

88TH is committed to growing its business in tandem with sustainability. The company's vision is to deliver health and beauty products for a better life for everyone, operating under an ESG framework. The Board of Directors reviews and updates related policies annually to ensure alignment with changing circumstances. The company has set the following goals:

1) Occupational health, safety, and working environment: safeguard employee well-being and maintain a safe, healthy workplace.
2) Water reuse and reduced external withdrawals: increase water recycling to lessen reliance on external sources and avoid impacts on local communities. Target: reduce external water use per unit of production by 3% BAU (a business-as-usual basis) versus the 2022 base year by 2025.
3) Waste management: ensure proper disposal and minimize waste generated from production processes.
4) Energy efficiency and cost reduction: implement scheduled on/off controls for electrical equipment and air-conditioning. Target: reduce electricity consumption per unit of production by 10% (BAU) versus the 2022 base year by 2025.
5) Greenhouse gas (GHG) management: engage an external party to assess GHG emissions and prepare annual GHG inventories (in place since 2022). Medium-term target (2027): reduce GHG emissions by 15% versus 2022. Long-term target (2029): reduce by 20% versus 2022.

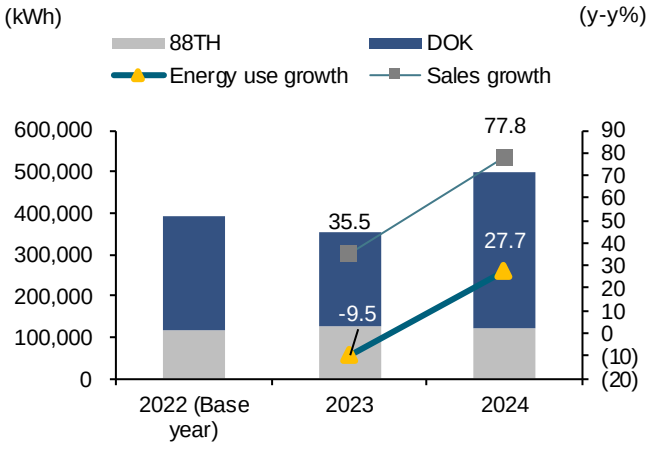
In 2023, Scope 1 and Scope 2 GHG emissions and overall energy consumption decreased. However, following the introduction of the new LYO Herbal product line—manufactured in 4Q23 in preparation for launch in late 1Q24—the company's 2024 GHG emissions, energy use, and water consumption increased relative to the 2022 baseline. Nevertheless, these increases were in line with revenue growth and rose at a lower rate than revenue.

Exhibit 32: Greenhouse gas emission source

	Greenhouse Gas Emissions		
	2022 (base year) (Ton CO2e)	2023 (Ton CO2e)	2024 (Ton CO2e)
Scope 1 Greenhouse Gas Emissions	59	28	46
Scope 2 Greenhouse Gas Emissions	139	161	234
Total	**198**	**189**	**280**

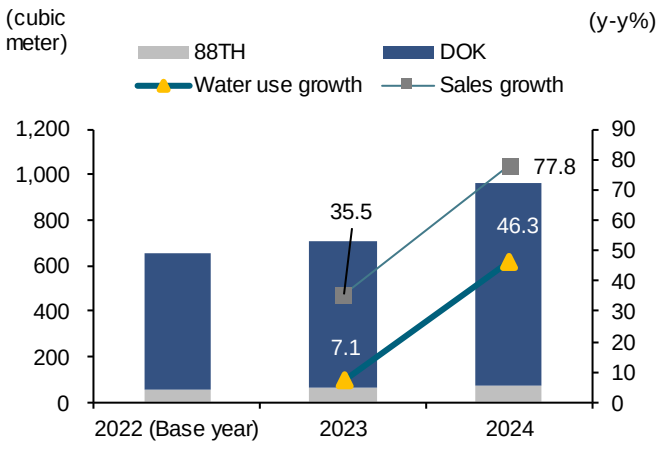
Source: 88TH

Exhibit 33: Energy Consumption



Source: 88TH

Exhibit 34: Average Monthly Water Consumption



Source: 88TH

In terms of internal management, 88TH has adopted technology-based communications to support various operations and enhance efficiency. For procurement, the company has an operating manual to ensure transparency, including the preparation of procurement plans and budgets, site visits to manufacturing facilities, and evaluations of factory performance and quality to ensure that products distributed by the company meet required standards.

The company recognises the importance of its employees and continuously develops its people to enhance capabilities and strengthen job-related skills. Examples of training courses offered across the group include, among others: negotiation and persuasion techniques for closing sales; advertising via TikTok; accounting knowledge and accounting standards; cosmetics manufacturing; employee rules, regulations, and workplace safety; and chemical management and control. For 2022-24, the number of courses and the average training hours per employee are as follows:

Exhibit 35: Training courses for employees

	2022	2023	2024
Number of training courses (courses)	13	19	24
Average training hours per employee (hours)	13.85	11.29	13.51

Source: 88TH

In addition, to uphold product standards and safety—and to ensure accountability to consumers—the company registers all products with the Food and Drug Administration (FDA, Thailand) and markets only products that have obtained the requisite approvals. The company also requires that all contract manufacturing facilities be duly licensed as manufacturing sites, certified to Good Manufacturing Practice (GMP) standards, and hold all licenses and certifications pertinent to each product category produced on the company's behalf.

Risk factors

Risk from dependence on online influencers (KOLs/Influencers)

The company relies heavily on marketing strategies through Key Opinion Leaders (KOLs) and influencers, especially for the “LYO” and “Hone” brands, which have consistently engaged specific individuals since 2020 and 2022, respectively. Together, these two brands contributed more than 96% of total revenue in 2024. Therefore, any incident affecting the reputation of the associated influencers—such as negative publicity, contract termination, or sudden discontinuation of cooperation—may directly impact the company’s brand image and sales.

Nevertheless, the company has recognized this risk and mitigated it by diversifying its selection of KOLs and influencers for each campaign, while simultaneously strengthening brand identity through product-driven communication and brand awareness initiatives.

Risk from intense competition in the health & beauty industry

The health and beauty industry in Thailand has a low barrier to entry, resulting in a large number of players including small businesses, new entrants, and international companies competing in the same market. Consumers therefore have more choices, and maintaining market share requires brand strength, in-depth consumer behavior research, and speed in new product development.

Although the company is classified among the large-scale operators (with annual revenue above THB300m and three consecutive years of profitability) — of which only 30 out of 4,752 operators in the country qualify — intense competition remains a major pressure on gross margins and future growth.

Risk from unsuccessful new product development

Rapid changes in consumer trends require accurate market insights, efficient cost management, and well-planned marketing campaigns for new product launches. If new products fail to meet consumer expectations, the company may incur high sunk costs without generating sufficient revenue.

To address this, the company invests annually in product research and development, continuously studies market and consumer trends, and applies strategic analysis tools, including Internal Rate of Return (IRR) assessments, before introducing new products.

Risk from dependence on a major OEM manufacturer

The company relies on a single major OEM manufacturer, which accounted for 33.7%–42.4% of outsourced production orders during 2022–2024. This concentration poses risks if the manufacturer faces issues such as production delays, operational disruptions, or quality failures.

The company mitigates this risk by conducting regular audits and evaluations of its OEM partners, as well as leveraging its own subsidiary engaged in OEM operations to diversify risks and enhance flexibility in production management.

Risk from obsolete or impaired inventory

As the company’s products have a shelf life of approximately 2–3 years, overproduction could result in excess stock that expires or becomes unsellable.

The company has implemented strict inventory management through regular aging stock reports and has improved efficiency by reducing the average days to sell finished goods from 174 days in 2022 to only 97 days in 2024.

Risk from product imitation and intellectual property infringement

Given the company’s strong brand recognition, there is a risk of product imitation, including formulation or packaging replication. To mitigate this, the company enforces non-disclosure agreements (NDAs) with manufacturers and conducts strict packaging verification processes.

Risk from regulatory changes

The company operates under domestic and international regulations relating to the manufacturing and distribution of cosmetics, which may change over time. Accordingly, the company continuously monitors regulatory developments and adapts its operations to ensure compliance.

Financial Statements

88 (Thailand)

Profit and Loss (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Revenue	364	478	688	877	1,028
Cost of goods sold	(119)	(150)	(221)	(285)	(343)
Gross profit	**245**	**328**	**467**	**592**	**684**
Other operating income	1	1	1	2	2
Operating costs	(211)	(258)	(348)	(416)	(491)
Operating EBITDA	**48**	**57**	**55**	**91**	**20417**
Depreciation	7	9	10	11	12
Goodwill amortisation	0	0	0	0	0
Operating EBIT	**35**	**72**	**1206**	**177**	**195**
Net financing costs	0	(1)	(1)	(1)	(1)
Associates	0	0	0	0	0
Recurring non-operating income	0	0	0	0	0
Non-recurring items	0	0	0	0	0
Profit before tax	**35**	**71**	**120**	**176**	**195**
Tax	(9)	(15)	(24)	(35)	(39)
Profit after tax	**26**	**56**	**96**	**141**	**156**
Minority interests	0	0	0	0	0
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	**26**	**56**	**96**	**141**	**156**
Non-recurring items & goodwill (net)	**0**	**0**	**0**	**0**	**0**
Recurring net profit	**26**	**56**	**96**	**141**	**156**
Per share (THB)					
Recurring EPS *	0.17	0.33	0.45	0.66	0.73
Reported EPS	0.17	0.33	0.45	0.66	0.73
DPS	0.00	0.20	0.23	0.33	0.37
Diluted shares (used to calculate per share data)	150	170	213	213	213
Growth					
Revenue (%)	35.5	31.3	44.1	27.3	17.2
Operating EBITDA (%)	49.0	20.0	61.4	64.4	28.3
Operating EBIT (%)	89.8	102.5	67.8	47.0	10.3
Recurring EPS (%)	73.3	89.9	37.7	47.03	10.30
Reported EPS (%)	73.3	89.9	37.7	47.03	10.30
Operating performance					
Gross margin inc. depreciation (%)	67.35	68.74	67.93	67.53	66.63
Gross margin exc. depreciation (%)	69.6	70.4	69.1	68.5	67.5
Operating EBITDA margin (%)	27.6	16.75	18.71	29.3	19.91
Operating EBIT margin (%)	9.7	15.0	17.5	20.2	19.0
Net margin (%)	7.1	11.7	13.9	16.1	15.1
Effective tax rate (%)	26.3	21.7	20.0	20.0	20.0
Dividend payout on recurring profit (%)	69.5	68.3	50.0	50.0	50.0
Interest cover (X)	122.2	131.3	237.7	261.1	257.0
Inventory days	193.6	154.0	160.8	193.5	201.6
Debtor days	30.8	41.1	48.3	54.9	59.2
Creditor days	71.8	77.4	79.8	80.6	77.3
Operating ROIC (%)	23.9	52.7	64.0	63.3	55.3
ROIC (%)	19.3	41.8	53.2	54.0	47.5
ROE (%)	15.6	27.9	26.8	26.5	25.5
ROA (%)	12.8	22.2	22.2	22.4	21.4

* Pre-exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2023	2024	2025E	2026E	2027E
Hair care	302	425	630	816	964
Skin care	39	36	39	41	43
Cosmetics	14	10	11	12	13
Others	9	7	8	8	8

Sources: 88(Thailand); FSSIA estimates

Financial Statements

88 (Thailand)

Cash Flow (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Recurring net profit	26	56	96	141	156
Depreciation	8	8	8	9	9
Associates & minorities	0	0	0	0	0
Other non-cash items	10	(9)	(38)	(23)	(36)
Change in working capital	13	(21)	(45)	(53)	1
Cash flow from operations	**58**	**34**	**21**	**74**	**130**
Capex - maintenance	-	-	-	-	-
Capex - new investment	(1)	(2)	(15)	(19)	(14)
Net acquisitions & disposals	4	5	-	-	-
Other investments (net)	-	-	-	-	-
Cash flow from investing	**3**	**3**	**(15)**	**(19)**	**(14)**
Dividends paid	0	(34)	(48)	(71)	(78)
Equity finance	0	20	245	0	0
Debt finance	0	0	0	0	0
Other financing cash flows	(4)	(4)	2	4	3
Cash flow from financing	**(4)**	**(18)**	**199**	**(67)**	**(75)**
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	**(4)**	**0**	**0**	**0**	**0**
Movement in cash	**53**	**19**	**205**	**(12)**	**41**
Free cash flow to firm (FCFF)	61	37	6	56	116
Free cash flow to equity (FCFE)	53	32	8	58	118
Per share (THB)					
FCFF per share	0.29	0.17	0.03	0.26	0.55
FCFE per share	0.25	0.15	0.04	0.28	0.56
Recurring cash flow per share	0.30	0.32	0.31	0.60	0.61

Balance Sheet (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Tangible fixed assets (gross)	49	40	48	56	65
Less: Accumulated depreciation	(20)	(11)	(20)	(28)	(37)
Tangible fixed assets (net)	**30**	**28**	**28**	**28**	**27**
Intangible fixed assets (net)	**17**	**18**	**23**	**31**	**35**
Long-term financial assets	2	2	2	2	2
Invest. in associates & subsidiaries	-	-	-	-	-
Cash & equivalents	62	81	286	274	313
A/C receivable	33	75	108	156	177
Inventories	53	66	121	172	197
Other current assets	17	5	8	10	12
Current assets	**166**	**227**	**522**	**611**	**700**
Other assets	10	7	9	11	12
Total assets	**224**	**283**	**584**	**682**	**776**
Common equity	179	221	494	570	649
Minorities etc.	0	0	0	0	0
Total shareholders' equity	**179**	**221**	**494**	**570**	**649**
Long term debt	0	0	0	0	0
Other long-term liabilities	7	5	8	12	14
Long-term liabilities	**7**	**5**	**8**	**12**	**14**
A/C payable	23	37	56	66	75
Short term debt	0	0	0	0	0
Other current liabilities	15	19	26	34	38
Current liabilities	**38**	**57**	**82**	**101**	**113**
Total liabilities and shareholders' equity	**224**	**283**	**584**	**682**	**776**
Net working capital	65	90	155	237	273
Invested capital	124	145	217	308	349
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	1.19	1.30	2.33	2.68	3.05
Tangible book value per share	1.08	1.20	2.22	2.54	2.89
Financial strength					
Net debt/equity (%)	(34.7)	(36.6)	(57.8)	(48.0)	(48.3)
Net debt/total assets (%)	(27.8)	(28.6)	(48.9)	(40.1)	(40.4)
Current ratio (x)	4.3	4.0	6.4	6.1	6.2
CF interest cover (x)	185.3	63.7	46.3	115.3	175.7

Valuation	2023	2024	2025E	2026E	2027E
Recurring P/E (x) *	**31.5**	**16.6**	**12.1**	**8.2**	**7.4**
Recurring P/E @ target price (x) *	**57.94**	**30.54**	**22.19**	**15.150**	**13.73**
Reported P/E (x)	31.5	16.6	12.1	8.2	7.4
Dividend yield (%)	-	3.7	4.1	6.1	6.7
Price/book (x)	4.6	4.2	2.3	2.0	1.8
Price/tangible book (x)	5.0	4.6	2.5	2.1	1.9
EV/EBITDA (x) **	17.3	10.6	6.8	4.8	4.1
EV/EBITDA @ target price (x) **	32.9	20.36	14.33	10.07	8.99
EV/invested capital (x)	6.1	5.8	4.0	2.9	2.4

* Pre-exceptional, pre-goodwill and fully diluted ** EBITDA includes associate income and recurring non-operating income

Sources: 88(Thailand); FSSIA estimates

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%). (*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.)*	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. *(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.)*	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. *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.*	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored.
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.

NEGL	Low	Medium	High	Severe
0-10	10-20	20-30	30-40	40+

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.

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	**Average:**	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers
BBB	4.286-5.713		
BB	2.857-4.285		
B	1.429-2.856	**Laggard:**	lagging its industry based on its high exposure and failure to manage significant ESG risks
CCC	0.000-1.428		

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. *(Score ratings are 0 to 25 = poor; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.)*	
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

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All share prices are as at market close on, unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as (target price* - current price) / 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.