

MEGA LIFESCIENCES

MEGA TB

THAILAND / COMMERCE

HOLD

FROM BUY

Stabilising earnings outlook

- 4Q25E: Branded strength offsets Distribution weakness; earnings pressured.
- Outlook: Myanmar improving; earnings bottomed with solid balance sheet.
- TP raised to THB39, limited upside leads to downgrade to HOLD.

TARGET PRICE	THB39.00
CLOSE	THB39.75
UP/DOWNSIDE	-1.9%
PRIOR TP	THB33.00
CHANGE IN TP	+18.2%
TP vs CONSENSUS	+6.1%

KEY STOCK DATA

YE Dec (THB m)	2024	2025E	2026E	2027E
Revenue	15,344	14,182	15,003	15,588
Net profit	2,013	1,885	2,497	2,610
EPS (THB)	2.31	2.16	2.86	2.99
vs Consensus (%)	-	(11.5)	6.6	3.7
EBITDA	3,756	3,359	3,563	3,716
Recurring net profit	3,095	2,435	2,497	2,610
Core EPS (THB)	3.55	2.79	2.86	2.99
Chg. In EPS est. (%)	-	3.8	4.0	1.8
EPS growth (%)	14.7	(21.3)	2.5	4.5
Core P/E (x)	11.2	14.2	13.9	13.3
Dividend yield (%)	4.0	4.0	4.3	4.5
EV/EBITDA (x)	8.3	9.3	8.8	8.5
Price/book (x)	3.5	3.6	3.6	3.5
Net debt/Equity (%)	(33.6)	(34.7)	(32.5)	(30.5)
ROE (%)	32.3	25.1	26.0	26.6

Branded revenue growth offsets distribution weakness

Consumer spending in Asia continued to recover in 4Q25, supporting high-season growth in the Branded business, with revenue rising 4.9% y-y and 8.7% q-q for a seventh consecutive quarter of expansion. However, large advance orders in 3Q25 are likely to temporarily soften Distribution sales, which we expect to decline 5.4% q-q and 22.9% y-y to THB1.2b. Consequently, we forecast 4Q25 total revenue at THB3.7b (-4.6% q-q, +1.1% y-y).

Margin resilience amid earnings pressure

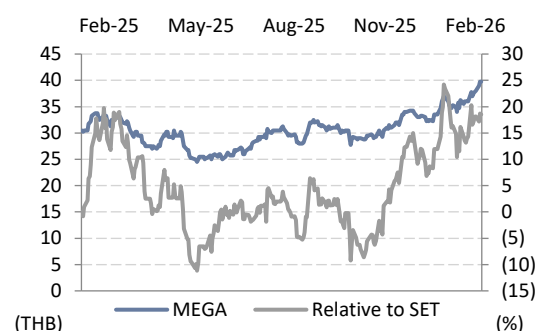
Branded and Distribution gross margins remain solid at 64–65% and 34–35%, respectively, lifting blended margin to 53.7% (vs. 52.3% in 3Q25). Seasonal SG&A increases are expected to weigh on 4Q25 core profit, which we forecast at THB586.1m (-27.7% q-q, -25.1% y-y), mainly due to a normalized tax rate post-BOI and a high Distribution base in 3Q25. A stronger baht should lead to an FX loss of c.TH36m, resulting in net profit of THB550.1m (+11.3% q-q, -14.0% y-y).

Myanmar recovery and earnings upgrade

Myanmar's situation is improving, while the Branded business continues to grow despite a stronger baht. We raise our 2026–27 earnings forecasts by 4.0% and 2.3% to THB2.5b (+2.5% y-y) and THB2.6b (+4.5% y-y), respectively. Growth in 2026 will be mainly organic, with new investments in Indonesia, Vietnam, and Myanmar contributing from 2028 onward. Although not a high-growth name, earnings have likely bottomed out. MEGA remains financially strong with a net cash position and cash of THB4.33/share (3Q25), supporting a dividend yield above 4%.

TP raise to THB39

We raise our target price to THB39, based on a DCF valuation (WACC 8.6%, LTG 3.0%). This implies 2026E P/E of 13.6x and 2026E P/BV of 3.5x, broadly in line with its historical averages. However, following the recent share price rally, upside appears limited. We therefore downgrade our rating to HOLD (from BUY).



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	8.2	33.6	30.3
Relative to country (%)	(3.9)	23.1	18.5
Mkt cap (USD m)	1,115		
3m avg. daily turnover (USD m)	1.2		
Free float (%)	40		
Major shareholder	Unistretch Co Ltd (50%)		
12m high/low (THB)	40.00/24.30		
Issued shares (m)	871.87		

Sources: Bloomberg consensus; FSSIA estimates


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Investment thesis

MEGA's earnings appear to have bottomed out, supported by a gradual recovery in Myanmar and continued growth in the Branded business. While 2026 growth will be largely organic, new investments in Indonesia, Vietnam, and Myanmar should provide incremental upside from 2028 onward. Despite pressure from a normalized tax rate and FX volatility, margins remain resilient. The company maintains a strong balance sheet with a net cash position and cash of THB4.33/share (3Q25), supporting a dividend yield above 4%. However, with limited near-term earnings acceleration and share price upside narrowing, we adopt a more neutral stance.

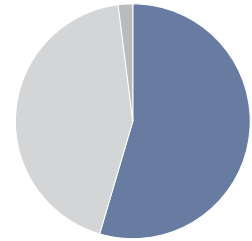
Company profile

MEGA is a leading manufacturer and distributor of pharmaceutical, nutraceutical products and fast-moving consumer goods (FMCG) in developing countries such as Myanmar, Vietnam and Cambodia. MEGA also develops, manufactures, and sells its nutraceutical products, generic prescription pharmaceutical products, and OTC products under Mega We Care brand through its distribution network and third-party distributors in 36 countries across the world.

www.megawecare.com

Principal activities (revenue, 2024)

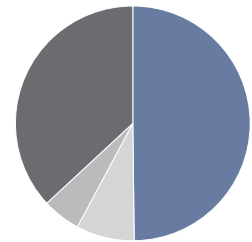
- Mega We Care - 54.6 %
- Maxxcare - 43.5 %
- OEM - 2.0 %



Source: Mega Lifesciences

Major shareholders

- Unistretch Co Ltd - 49.8 %
- Thai NVDR - 8.0 %
- Mr. Vivek Dhawan - 5.3 %
- Others - 36.9 %



Source: Mega Lifesciences

Catalysts

Key potential catalysts include 1) expedited medicine registrations and listings; 2) widespread medical events, such as the Covid-19 pandemic; and 3) the success of new products and markets.

Risks to our call

Downside risks to our DCF-based TP include 1) the delayed registration process in many countries; 2) more intensified competition; 3) failure in introducing new products; and 4) risks associated with doing business in Myanmar.

Event calendar

Date	Event
24 February 2026	4Q25/2025 earnings announcement

Key assumptions

	(unit)	2025E	2026E	2027E
Mega We Care	(THB m)	8,745	9,357	9,779
<i>Growth</i>	(%)	4.5	7.0	4.5
Gross margin	(%)	64.4	64.4	64.5
Maxxcare	(THB m)	5,151	5,357	5,518
<i>Growth</i>	(%)	(21.0)	4.0	3.0
Gross margin	(%)	32.9	32.1	32.0
SG&A to sales (%)	(%)	31.6	31.2	31.1

Source: FSSIA estimates

Earnings sensitivity

- For every 5% change in brand revenue, we project MEGA's 2026 net profit to change by 6%, all else being equal.
- For every 5% change in distribution revenue, we project MEGA's 2026 net profit to change by 1%, all else being equal.
- For every 1% change in overall gross margin, we project MEGA's 2026 net profit to change by 6%, all else being equal.

Source: FSSIA estimates

4Q25E stable margins; softer earnings

Consumer spending momentum across Asia continued to gradually recover in 4Q25. The final quarter of the year typically represents the high season for the Branded business, and we expect Branded revenue to extend its growth streak to the seventh consecutive quarter, rising 4.9% y-y and 8.7% q-q.

Despite continued progress in the easing of import licensing in Myanmar, substantial advance orders placed in 3Q25 are likely to result in a temporary moderation in 4Q25 sales. We therefore project Distribution revenue to decline 5.4% q-q and 22.9% y-y to THB1.2b. As a result, we forecast total revenue of THB3.7b in 4Q25 (-4.6% q-q, +1.1% y-y).

The Branded business continues to deliver a stable gross margin of 64–65%, while the Distribution segment is expected to maintain a healthy margin of 34–35%, broadly in line with 3Q25 and 4Q24 levels. As a result, we project blended gross margin to improve to 53.7%, up from 52.3% in 3Q25 and 53.5% in 4Q24.

SG&A expenses are likely to rise seasonally, driven by higher advertising and promotional spending as well as personnel-related costs. Consequently, we forecast 4Q25 core profit at THB586.1m (-27.7% q-q, -25.1% y-y). The contraction in core profit on both a quarterly and annual basis is primarily attributable to (i) a normalized effective tax rate following the expiration of BOI privileges, and (ii) the high Distribution revenue base in 3Q25.

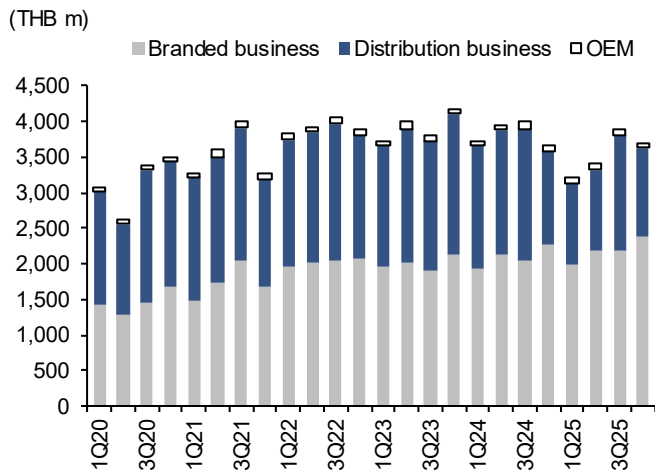
In addition, the appreciation of the Thai baht is expected to result in an FX loss of approximately THB36m. We therefore estimate 4Q25 net profit at THB550.1m (+11.3% q-q, -14.0% y-y).

Exhibit 1: MEGA – 4Q25 earnings preview

Year to Dec 31	4Q24	1Q25	2Q25	3Q25	4Q25E	----- Change -----		2024	2025E	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)
Sales	3,657	3,208	3,399	3,876	3,699	(4.6)	1.1	15,344	14,182	(7.6)
Cost of sales	(1,702)	(1,534)	(1,670)	(1,849)	(1,712)	(7.4)	0.6	(7,590)	(6,766)	(10.9)
Gross profit	1,955	1,673	1,729	2,027	1,987	(2.0)	1.6	7,754	7,417	(4.4)
Operating costs	(1,079)	(1,064)	(1,141)	(1,103)	(1,170)	6.1	8.4	(4,385)	(4,477)	2.1
Operating profit	876	610	589	924	817	(11.6)	(6.8)	3,370	2,939	(12.8)
Operating EBITDA	971	716	687	1,026	925	(9.9)	(4.7)	3,756	3,359	(10.6)
Other income	23	23	40	31	25	(19.4)	10.6	103	120	16.2
Interest expense	(14)	(9)	(13)	(15)	(15)	(3.2)	6.9	(38)	(52)	35.4
FX gain/loss	(143)	(91)	(106)	(317)	(36)	(88.6)	(74.9)	(1,082)	(550)	nm
Tax	(103)	(83)	(118)	(129)	(241)	86.9	134.6	(340)	(571)	68.2
Reported net profit	640	450	391	494	550	11.3	(14.0)	2,013	1,885	(6.3)
Core profit	783	541	497	811	586	(27.7)	(25.1)	2,237	2,435	8.9
Reported EPS (THB)	0.73	0.52	0.45	0.57	0.63	11.3	(14.0)	2.31	2.16	(6.3)
Core EPS (THB)	0.90	0.62	0.57	0.93	0.67	(27.7)	(25.1)	2.57	2.79	8.9
Key Ratios	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)	(%)	(ppt)
Gross margin	53.5	52.2	50.9	52.3	53.7	1.4	0.2	50.5	52.3	1.8
Operating margin	24.6	19.7	18.5	24.6	22.8	(1.9)	(1.8)	16.8	15.6	(1.1)
EBITDA margin	26.5	22.3	20.2	26.5	25.0	(1.5)	(1.5)	24.5	23.7	(0.8)
Net margin	17.5	14.0	11.5	12.7	14.9	2.1	(2.6)	13.1	13.3	0.2
SG&A / Sales	29.5	33.2	33.6	28.5	31.6	3.2	2.1	28.6	31.6	3.0
Revenue breakdown	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)
Branded business	2,268	1,984	2,193	2,189	2,380	8.7	4.9	8,371	8,745	4.5
Distribution business	1,320	1,155	1,128	1,619	1,249	(22.9)	(5.4)	6,667	5,151	(22.7)
OEM business	69	69	78	69	70	2.2	1.0	306	286	(6.7)
Gross margin by business unit	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)	(%)	(ppt)
Branded business	65.7	65.0	62.7	65.6	64.3	(1.3)	(1.4)	65.9	64.4	(1.5)
Distribution business	33.6	31.0	29.3	35.3	34.8	(0.5)	1.2	31.9	32.9	1.0
OEM business	31.5	38.1	30.0	30.0	30.0	0.0	(1.5)	34.7	32.0	(2.7)

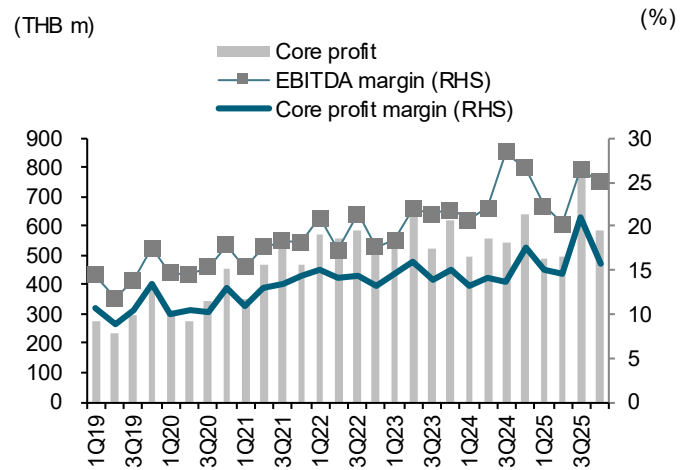
Sources: MEGA, FSSIA estimates

Exhibit 2: Revenue structure



Sources: MEGA, FSSIA estimates

Exhibit 3: Margins and core profit



Sources: MEGA, FSSIA estimates

In 2025, MEGA faced two key headwinds. First, the ongoing situation in Myanmar continued to weigh on the Distribution business, marking the second consecutive year of contraction, with Distribution revenue projected to decline by 21.0% y-y in 2025. Second, the expiration of BOI tax privileges since 4Q24 has led to a higher effective tax rate, putting additional pressure on earnings.

Despite the expected earnings contraction, we believe the company will be able to maintain its dividend at THB1.60 per share, unchanged from 2024, implying a payout ratio of 74%. This is supported by MEGA’s strong financial position and solid liquidity.

Myanmar recovery and earnings upgrade

The situation in Myanmar has shown clear signs of improvement, while the Branded business continues to deliver steady growth despite the headwind from a stronger Thai baht. We have revised up our earnings forecasts for 2026–27 by 4.0% and 2.3%, respectively, to THB2.5b (+2.5% y-y) in 2026 and THB2.6b (+4.5% y-y) in 2027.

The modest growth projected for 2026 reflects purely organic expansion. Incremental contributions from new investments in Indonesia, Vietnam, and Myanmar are expected to materialize from 2028 onwards. In the interim, while MEGA may not be positioned as a high-growth stock, we believe earnings have already bottomed out. The company maintains a strong balance sheet with a net cash position and cash on hand of THB4.33 per share as of 3Q25, supporting a dividend yield of over 4% per annum.

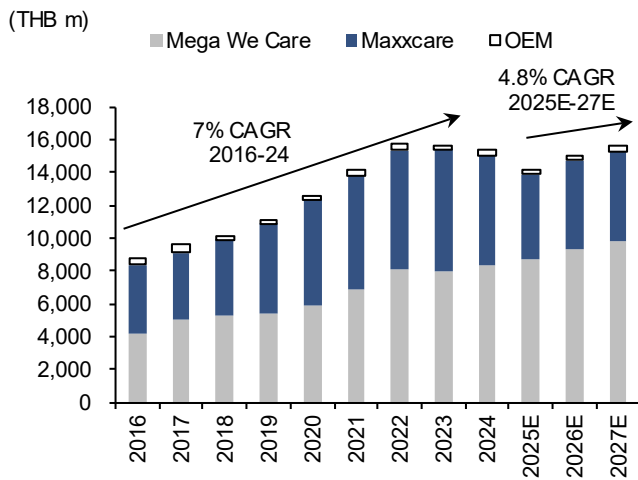
We raise our TP to THB39, based on a DCF valuation (WACC 8.6%, LTG 3.0%). This implies 2026E P/E of 13.6x and 2026E P/BV of 3.5x, broadly in line with its historical averages. However, following the recent share price rally, upside appears limited. We therefore downgrade our recommendation to HOLD (from BUY).

Exhibit 4: Key changes in assumptions

	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	14,182	15,003	15,635	14,357	14,808	15,281	(1.2)	1.3	2.3
Mega We Care	8,745	9,357	9,825	8,789	9,184	9,598	(0.5)	1.9	2.4
Maxxcare	5,151	5,357	5,518	5,267	5,320	5,373	(2.2)	0.7	2.7
OEM	286	289	291	301	304	310	(5.0)	(5.0)	(5.9)
Cost of goods sold	6,766	7,174	7,452	6,914	7,151	7,337	(2.1)	0.3	1.6
Gross profit	7,417	7,830	8,183	7,443	7,657	7,943	(0.4)	2.3	3.0
SG&A	4,477	4,678	4,862	4,522	4,620	4,783	(1.0)	1.3	1.7
EBITDA	3,359	3,563	3,735	3,347	3,427	3,562	0.4	4.0	4.8
Interest expense	52	52	52	41	40	40	27.7	32.5	32.5
Net profit	1,885	2,497	2,624	1,868	2,402	2,564	0.9	4.0	2.3
Core profit	2,435	2,497	2,624	2,345	2,402	2,564	3.8	4.0	2.3
Key ratios	(%)	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(ppt)
Gross margin	52.3	52.2	52.3	51.8	51.7	52.0	0.5	0.5	0.4
Mega We Care	64.4	64.4	64.5	64.5	65.0	65.0	(0.1)	(0.6)	(0.5)
Maxxcare	32.9	32.1	32.1	32.0	30	30	0.9	2.1	2.1
SG&A to sales	31.6	31.2	31.1	31.5	31.2	31.3	0.1	(0.0)	(0.2)
EBITDA margin	23.7	23.7	23.9	23.3	23.1	23.3	0.4	0.6	0.6
Net margin	13.3	16.6	16.8	13.0	16.2	16.8	0.3	0.4	0.0

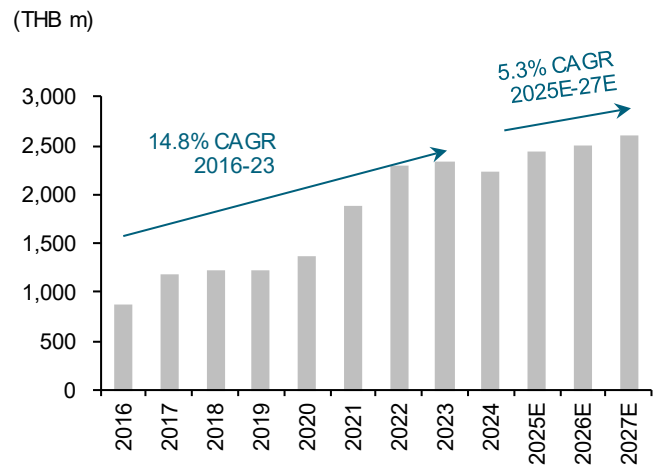
Source: FSSIA estimates

Exhibit 5: Revenue structure



Sources: MEGA, FSSIA estimates

Exhibit 6: Core profit



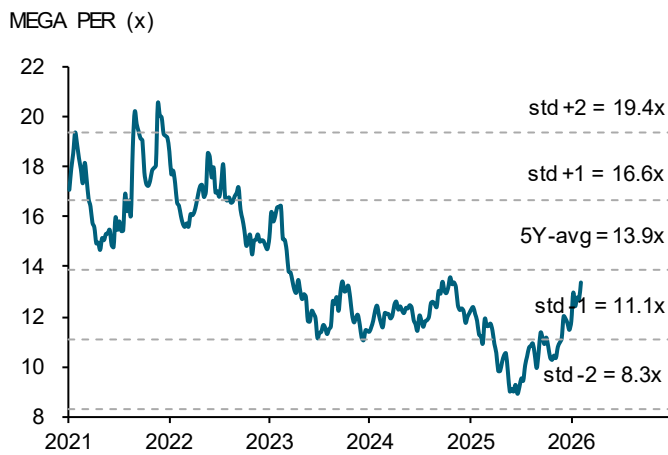
Sources: MEGA, FSSIA estimates

Exhibit 7: DCF-based valuation

Cost of equity assumption	(%)	Cost of debt assumption	(%)
Risk free rate	3.0	Pre-tax cost of debt	4.5
Market risk premium	10.5	Tax rate	22.0
Stock beta	0.9		
Cost of equity, Ke	10.5	Cost of debt, Kd	1.3
Weight applied	70.6	Weight applied	29.4
WACC	8.6		
Terminal growth	3.00		
(THB m)			
Sum of PV of FCF	9,626		
PV of Terminal value	24,968		
Enterprise value	34,594		
Net debt	(669)		
Equity value	33,925		
No. of shares	872		
Equity value per share	38.91		

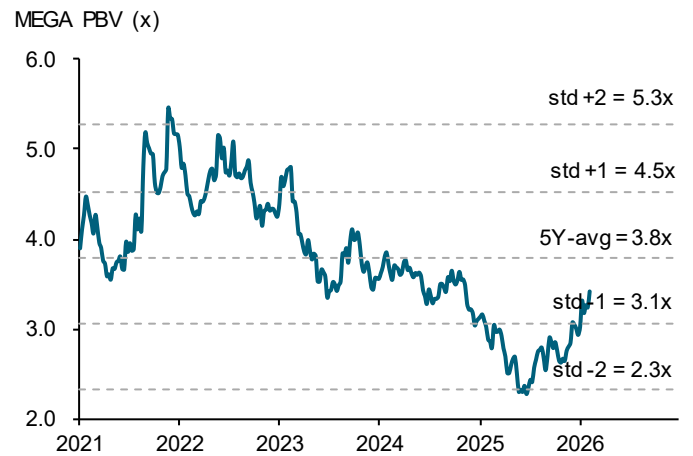
Source: FSSIA estimates

Exhibit 8: One-year rolling forward P/E band



Sources: Bloomberg, FSSIA estimates

Exhibit 9: One-year rolling forward P/BV band



Sources: Bloomberg, FSSIA estimates

Financial Statements

Mega Lifesciences

Profit and Loss (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Revenue	15,681	15,344	14,182	15,003	15,588
Cost of goods sold	(8,586)	(7,590)	(6,766)	(7,174)	(7,438)
Gross profit	7,095	7,754	7,417	7,830	8,150
Other operating income	95	103	120	102	97
Operating costs	(4,191)	(4,385)	(4,477)	(4,678)	(4,848)
Operating EBITDA	3,285	3,756	3,359	3,563	3,716
Depreciation	(286)	(283)	(300)	(309)	(318)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	2,999	3,473	3,059	3,254	3,398
Net financing costs	(31)	(38)	(52)	(52)	(52)
Associates	0	0	0	0	0
Recurring non-operating income	0	0	0	0	0
Non-recurring items	(707)	(1,082)	(550)	0	0
Profit before tax	2,262	2,352	2,456	3,201	3,346
Tax	(269)	(340)	(571)	(704)	(736)
Profit after tax	1,993	2,013	1,885	2,497	2,610
Minority interests	-	-	-	-	-
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	1,993	2,013	1,885	2,497	2,610
Non-recurring items & goodwill (net)	707	1,082	550	0	0
Recurring net profit	2,699	3,095	2,435	2,497	2,610
Per share (THB)					
Recurring EPS *	3.10	3.55	2.79	2.86	2.99
Reported EPS	2.29	2.31	2.16	2.86	2.99
DPS	1.60	1.60	1.60	1.72	1.80
Diluted shares (used to calculate per share data)	872	872	872	872	872
Growth					
Revenue (%)	0.0	(2.1)	(7.6)	5.8	3.9
Operating EBITDA (%)	8.3	14.3	(10.6)	6.1	4.3
Operating EBIT (%)	8.6	15.8	(11.9)	6.4	4.4
Recurring EPS (%)	13.4	14.7	(21.3)	2.5	4.5
Reported EPS (%)	(11.1)	1.0	(6.3)	32.4	4.5
Operating performance					
Gross margin inc. depreciation (%)	45.2	50.5	52.3	52.2	52.3
Gross margin exc. depreciation (%)	47.1	52.4	54.4	54.2	54.3
Operating EBITDA margin (%)	21.0	24.5	23.7	23.7	23.8
Operating EBIT margin (%)	19.1	22.6	21.6	21.7	21.8
Net margin (%)	17.2	20.2	17.2	16.6	16.7
Effective tax rate (%)	11.9	14.4	23.3	22.0	22.0
Dividend payout on recurring profit (%)	51.7	45.1	57.3	60.0	60.0
Interest cover (X)	96.0	90.2	58.7	62.1	64.9
Inventory days	164.6	160.1	160.4	144.7	144.7
Debtor days	80.9	81.3	81.0	74.4	73.1
Creditor days	157.6	140.2	138.8	133.4	127.2
Operating ROIC (%)	58.0	64.3	53.1	54.3	53.1
ROIC (%)	39.8	45.0	37.4	38.5	38.2
ROE (%)	29.9	32.3	25.1	26.0	26.6
ROA (%)	19.0	22.1	17.7	18.3	18.9
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Mega We Care	8,005	8,371	8,745	9,357	9,779
Maxxcare	7,397	6,667	5,151	5,357	5,518
OEM	280	306	286	289	291

Sources: Mega Lifesciences; FSSIA estimates

Financial Statements

Mega Lifesciences

Cash Flow (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Recurring net profit	2,699	3,095	2,435	2,497	2,610
Depreciation	286	283	300	309	318
Associates & minorities	0	0	0	0	0
Other non-cash items	671	(357)	(640)	(148)	22
Change in working capital	(1,023)	(509)	(84)	(831)	(1,058)
Cash flow from operations	2,633	2,512	2,011	1,827	1,892
Capex - maintenance	-	-	-	-	-
Capex - new investment	(294)	(230)	(578)	(440)	(390)
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	44	231	(2)	0	0
Cash flow from investing	(250)	1	(579)	(440)	(390)
Dividends paid	(1,439)	(1,395)	(1,395)	(1,498)	(1,566)
Equity finance	0	0	0	0	0
Debt finance	(237)	155	1	3	(3)
Other financing cash flows	(32)	(38)	(52)	(52)	(52)
Cash flow from financing	(1,708)	(1,277)	(1,446)	(1,547)	(1,621)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	(751)	(135)	0	0	0
Movement in cash	(76)	1,101	(14)	(160)	(119)
Free cash flow to firm (FCFF)	2,414.24	2,552.10	1,484.07	1,439.52	1,554.17
Free cash flow to equity (FCFE)	1,362.98	2,495.78	1,380.97	1,337.78	1,446.26

Per share (THB)

FCFF per share	2.77	2.93	1.70	1.65	1.78
FCFE per share	1.56	2.86	1.58	1.53	1.66
Recurring cash flow per share	4.19	3.46	2.40	3.05	3.38

Balance Sheet (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Tangible fixed assets (gross)	4,309	4,571	5,149	5,589	5,979
Less: Accumulated depreciation	(2,334)	(2,624)	(2,924)	(3,233)	(3,551)
Tangible fixed assets (net)	1,974	1,947	2,225	2,356	2,428
Intangible fixed assets (net)	1,318	1,319	1,262	1,324	1,295
Long-term financial assets	0	0	0	0	0
Invest. in associates & subsidiaries	221	40	40	40	40
Cash & equivalents	2,712	3,813	3,799	3,639	3,519
A/C receivable	3,570	3,264	3,031	3,083	3,160
Inventories	3,377	3,033	2,651	2,791	2,853
Other current assets	330	117	159	168	175
Current assets	9,990	10,227	9,639	9,680	9,707
Other assets	611	678	584	586	583
Total assets	14,115	14,210	13,750	13,986	14,054
Common equity	9,302	9,877	9,523	9,678	9,922
Minorities etc.	0	0	0	0	0
Total shareholders' equity	9,302	9,877	9,523	9,678	9,922
Long term debt	132	140	139	140	138
Other long-term liabilities	244	279	213	216	215
Long-term liabilities	376	419	352	356	353
A/C payable	3,197	2,416	2,502	2,516	2,446
Short term debt	120	351	354	356	354
Other current liabilities	1,119	1,146	1,019	1,081	978
Current liabilities	4,437	3,914	3,875	3,952	3,778
Total liabilities and shareholders' equity	14,115	14,210	13,750	13,986	14,053
Net working capital	2,961	2,851	2,318	2,445	2,764
Invested capital	7,086	6,834	6,429	6,751	7,111

* Includes convertibles and preferred stock which is being treated as debt

Per share (THB)

Book value per share	10.67	11.33	10.92	11.10	11.38
Tangible book value per share	9.16	9.82	9.47	9.58	9.89

Financial strength

Net debt/equity (%)	(26.4)	(33.6)	(34.7)	(32.5)	(30.5)
Net debt/total assets (%)	(17.4)	(23.4)	(24.0)	(22.5)	(21.5)
Current ratio (x)	2.3	2.6	2.5	2.4	2.6
CF interest cover (x)	54.0	71.8	38.6	35.0	36.1

Valuation	2023	2024	2025E	2026E	2027E
Recurring P/E (x) *	12.8	11.2	14.2	13.9	13.3
Recurring P/E @ target price (x) *	12.6	11.0	14.0	13.6	13.0
Reported P/E (x)	17.4	17.2	18.4	13.9	13.3
Dividend yield (%)	4.0	4.0	4.0	4.3	4.5
Price/book (x)	3.7	3.5	3.6	3.6	3.5
Price/tangible book (x)	4.3	4.0	4.2	4.1	4.0
EV/EBITDA (x) **	9.8	8.3	9.3	8.8	8.5
EV/EBITDA @ target price (x) **	9.6	8.2	9.1	8.7	8.3
EV/invested capital (x)	4.5	4.6	4.9	4.7	4.4

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

Sources: Mega Lifesciences; FSSIA estimates

MEGA LIFESCIENCES PCL (MEGA TB)

FSSIA ESG rating

★ ★ ★

56.39 /100

Exhibit 10: 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.

Source: FSSIA estimates

Exhibit 11: 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
BJC	78.20	Y	Y	AAA	5.00	4.00	--	Medium	68.83	AA	--	63.59	92.00	3.62	65.38
COM7	64.98	--	Y	AA	5.00	5.00	Certified	Low	50.61	--	--	55.64	32.00	5.80	59.98
CRC	84.99	Y	Y	AAA	5.00	5.00	Certified	Low	66.19	BBB	--	68.64	85.00	5.01	69.76
MEGA	56.39	--	Y	BBB	4.00	5.00	Certified	High	54.83	A	--	52.10	28.00	2.90	56.38

Sources: SETTRADE.com; FSSIA's compilation

Exhibit 12: ESG score by Bloomberg

FY ending Dec 31	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
ESG financial materiality scores - ESG score	—	2.29	2.27	2.42	2.90
BESG environmental pillar score	—	1.86	1.78	1.99	3.18
BESG social pillar score	—	1.06	1.04	1.20	1.25
BESG governance pillar score	—	4.54	4.66	4.66	4.54
ESG disclosure score	44.34	53.36	52.25	59.70	56.38
Environmental disclosure score	29.84	44.22	43.43	51.53	40.05
Social disclosure score	19.44	32.16	29.59	37.61	45.41
Governance disclosure score	83.59	83.59	83.59	89.86	83.59
Environmental					
Emissions reduction initiatives	Yes	Yes	Yes	Yes	Yes
Climate change policy	Yes	Yes	Yes	Yes	Yes
Climate change opportunities discussed	No	No	No	No	No
Risks of climate change discussed	No	No	No	No	No
GHG scope 1	—	—	1	2	2
GHG scope 2 location-based	—	—	6	7	6
GHG Scope 3	—	—	0	0	0
Carbon per unit of production	—	—	—	—	—
Biodiversity policy	No	No	No	No	No
Energy efficiency policy	Yes	Yes	Yes	Yes	Yes
Total energy consumption	24	24	23	27	29
Renewable energy use	1	1	1	2	2
Electricity used	12	13	12	15	15
Fuel used - natural gas	—	—	31,112	35,936	1,083

Sources: Bloomberg; FSSIA's compilation

Exhibit 13: ESG score by Bloomberg (cont.)

FY ending Dec 31	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Fuel used - crude oil/diesel	No	No	No	No	No
Waste reduction policy	Yes	Yes	Yes	Yes	Yes
Hazardous waste	—	—	0	0	0
Total waste	1	1	1	1	1
Waste recycled	0	0	—	—	—
Waste sent to landfills	—	—	—	—	—
Environmental supply chain management	Yes	Yes	Yes	Yes	Yes
Water policy	No	Yes	Yes	Yes	Yes
Water consumption	—	—	70	86	93
Social					
Human rights policy	Yes	Yes	Yes	Yes	Yes
Policy against child labor	Yes	Yes	Yes	Yes	Yes
Quality assurance and recall policy	No	Yes	Yes	Yes	Yes
Consumer data protection policy	Yes	Yes	Yes	Yes	Yes
Equal opportunity policy	Yes	Yes	Yes	Yes	Yes
Gender pay gap breakout	No	No	No	No	No
Pct women in workforce	56	56	56	56	58
Pct disabled in workforce	—	—	—	—	—
Business ethics policy	Yes	Yes	Yes	Yes	Yes
Anti-bribery ethics policy	Yes	Yes	Yes	Yes	Yes
Health and safety policy	Yes	Yes	Yes	Yes	Yes
Lost time incident rate - employees	0	0	1	0	0
Total recordable incident rate - employees	—	—	—	0	0
Training policy	Yes	Yes	Yes	Yes	Yes
Fair remuneration policy	No	No	No	No	No
Number of employees – CSR	5,714	6,021	5,767	5,513	5,313
Employee turnover pct	—	19	—	25	23
Total hours spent by firm - employee training	70,551	79,892	70,826	83,494	74,549
Social supply chain management	Yes	Yes	Yes	Yes	Yes
Governance					
Board size	10	10	10	11	11
No. of independent directors (ID)	4	4	4	5	5
No. of women on board	1	1	1	2	2
No. of non-executive directors on board	8	8	8	9	9
Company conducts board evaluations	Yes	Yes	Yes	Yes	Yes
No. of board meetings for the year	6	5	7	7	7
Board meeting attendance pct	100	96	94	89	98
Board duration (years)	3	3	3	3	3
Director share ownership guidelines	No	No	No	No	No
Age of the youngest director	32	33	34	35	36
Age of the oldest director	80	81	82	83	84
No. of executives / company managers	6	6	6	6	6
No. of female executives	1	1	1	1	1
Executive share ownership guidelines	No	No	No	No	No
Size of audit committee	3	3	3	3	3
No. of ID on audit committee	3	3	3	3	3
Audit committee meetings	4	4	4	4	4
Audit meeting attendance %	100	100	100	100	92
Size of compensation committee	3	3	3	3	3
No. of ID on compensation committee	1	1	1	1	1
No. of compensation committee meetings	2	2	2	2	2
Compensation meeting attendance %	100	100	100	100	100
Size of nomination committee	3	3	3	3	3
No. of nomination committee meetings	2	2	3	2	2
Nomination meeting attendance %	100	100	100	100	100
Sustainability governance					
Verification type	No	No	No	Yes	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 border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>NEGL</th> <th>Low</th> <th>Medium</th> <th>High</th> <th>Severe</th> </tr> </thead> <tbody> <tr> <td>0-10</td> <td>10-20</td> <td>20-30</td> <td>30-40</td> <td>40+</td> </tr> </tbody> </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 border="1" style="margin-left: auto; margin-right: auto;"> <tbody> <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> </tbody> </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) "SETESG". 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

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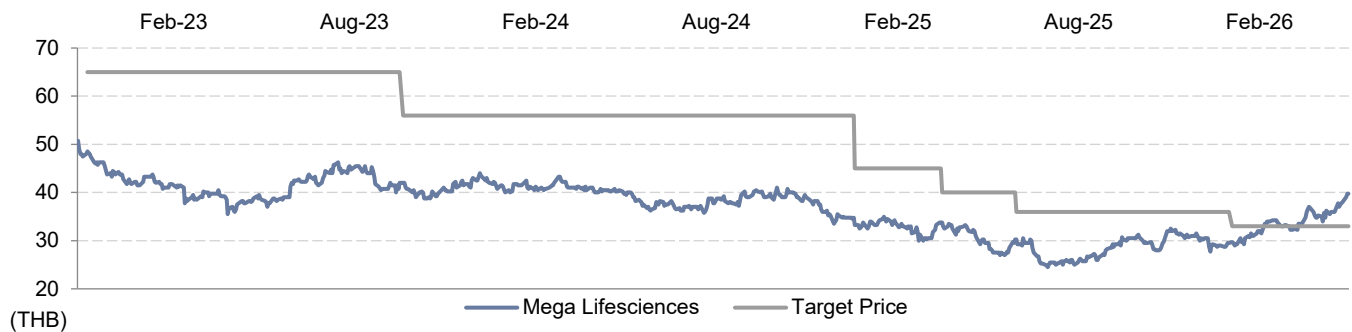
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History of change in investment rating and/or target price

Mega Lifesciences (MEGA TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
20-Feb-2023	BUY	65.00	12-Dec-2024	BUY	45.00	30-Apr-2025	BUY	36.00
17-Nov-2023	BUY	56.00	25-Feb-2025	BUY	40.00	31-Oct-2025	BUY	33.00

Jitra Amornthum started covering this stock from 20-Feb-2023

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Mega Lifesciences	MEGA TB	THB 39.75	HOLD	Downside risks to our DCF-based TP include 1) the delayed registration process in many countries; 2) more intensified competition; 3) failure in introducing new products; and 4) risks associated with doing business in Myanmar.

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 11-Feb-2026 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.