

Thai Beverage PLC

Coping with a challenging environment



StocksBnB.com

SINGAPORE | CONSUMER | UPDATE (Annual Information Meeting)

23 June 2025

- Spirits' decline in sales volume is due to weaker economic conditions. White spirits is facing more competition from local producers. However, brown spirits are harder for competitors due to their unique taste and distillation methodology.
- Chang has become the number one beer in Thailand. The brand has performed well in events, home consumption and the younger generations. A higher alcohol tax in Vietnam from the current 65% to 70% in 2027 will raise prices by around 2%, which will be passed on to consumers.
- Plans for a Beerco listing have not changed. However, we think the current market environment makes securing the valuations the company wants difficult. Our FY25e forecast and target price of S\$0.56 (based on 12x PE FY25e or 4-year average forward PE) are unchanged. We raise our recommendation from ACCUMULATE to BUY. The share price has underperformed due to tariff concerns, regulatory changes, and political uncertainty in Thailand. We find valuations at 9.5x PE and a yield of 5.8% attractive for a dominant food and beverage operator in the faster-growing SE Asia market. We expect consumer sentiment in Thailand will not be severely impacted by recent political turmoil. There is also upside in gross margins with falling molasses, malt, and aluminium costs.

Key Highlights

New products, new competition for spirits. White spirits are facing competition because they are easier to penetrate. In contrast, brown spirits taste has a "secret recipe" and a unique method of distillation. With the new regulations, many SMEs are expected to enter the spirits business. Will excite the spirits market with new products such as Ready to Drink Zato sparkling alcohol (launched Feb25) and premium single malt whisky Prakaan (Dec24). White Spirits needs to improve its packaging to engage the brand with new consumers better.

Thailand beer gained market share. Chang in Thailand has a 1.5% market share lead over the 2nd largest competitor. It has increased market share through stronger branding in events, home consumption and greater awareness from younger and new drinkers. The focus is on Chang Classic which has better scale and margins. It will also not confuse the market with Chang Cold Brew which is a smaller segment of the market.

Higher taxes in Vietnam. Any increases in taxes in Vietnam will be passed on to consumers. Alcohol demand has a low price elasticity. Higher taxes may lead to a more marketing focus on lower-priced beer in the portfolio (e.g., Bia LacViet). The impact of the increase in special consumption tax from 65% to 70% is a 2% increase in the selling price in 2027. The increase will be gradual, from 70% in 2027 to 90% in 2031.

Increase in regulations. Vietnam has faced a slew of rules, such as heavy penalties for drink driving in cars, bicycles, and motorbikes (decree 100/168), and now the increase in special consumption tax. Essential to work closely with authorities to proactively address the problems before they become law. In Thailand, there are 2 laws underway: the Ministerial Regulation on Alcohol Beverage Production to reduce barriers of entry to produce alcohol in the country and the Alcohol Control Bill that provides more flexibility to the hours alcohol can be sold and communicated (not advertised) to the public.

Vinamik stake. It is one of the most profitable dairy companies in the world. ThaiBev will look at cross-collaboration with Malaysia. We think ThaiBev is open to raising its stake if the opportunity arises.

BUY (Upgraded)

LAST CLOSE PRICE	SGD 0.445
FORECAST DIV	SGD 0.026
TARGET PRICE	SGD 0.560
TOTAL RETURN	31.7%

COMPANY DATA

BLOOMBERG CODE	THBEV SP
O/S SHARES (MN) :	25,130
MARKET CAP (USD mn / SGD mn) :	8783 / 11309
52 - WK HI/LO (SGD) :	0.6 / 0.43
3M Average Daily T/O (mn) :	28.94

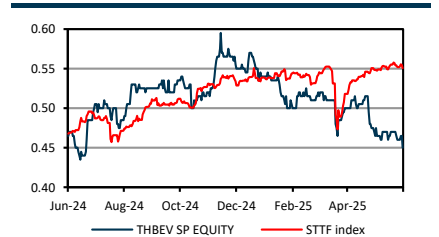
MAJOR SHAREHOLDERS

Siriwana Co Ltd	45.2%
Siriwanan Co Ltd	20.6%
MM Group Ltd	7.1%

TOTAL PERFORMANCE (%)

	1MTH	3MTH	YTD
COMPANY	(0.9)	(8.6)	(10.5)
STTF	0.7	2.6	6.3

PRICE VS STTF



Source: Bloomberg, PSR

KEY FINANCIALS

Y/E Sep	FY23	FY24	FY25e	FY26e
Revenue (THB bn)	332.9	340.3	361.9	383.3
EBITDA (THB bn)	49.5	52.3	55.2	58.2
NPAT, adj. (THB bn)	27.4	27.2	29.6	32.5
EPS, adj. (THB)	1.09	1.08	1.18	1.29
EPS, adj. (SCents)	4.25	4.01	4.71	4.97
PER, adj. (x)	10.5	11.1	9.5	8.9
P/BV, (x)	1.4	2.0	1.7	1.6
DPS (THB)	0.60	0.62	0.65	0.71
DPS (SCents)	2.33	2.30	2.59	2.74
Div Yield	5.2%	5.2%	5.8%	6.1%
ROE	13.5%	15.5%	19.0%	19.1%

Source: Company, PSR

Valuation Method

12x PE FY25e

Paul Chew (+65 6212 1851)

Head of Research

paulchewkl@phillip.com.sg

F&N listing status. The company prefers to have a pure-play entity in each of the respective businesses.

Beerco listing. Market conditions are not in favour of a Beerco listing. In most markets, beer consumption is declining. However, ASEAN is growing and remains one of the most attractive beer markets in the world. Vietnam has a large population, high rates of urbanisation, and beer consumption is high (~95% of the alcohol market).

Lower raw material costs. After the pandemic, there has been a higher cost of materials and interest rates. However, costs are stabilising. Molasses prices are declining 10-15% due to higher production in Thailand. Due to weighted average costing, we think any improvement in gross margins will be in 4QFY25. Raw materials such as malt, brown rice, and aluminium are also decreasing. It will be a good year in terms of cost.

Political turmoil. Politics won't affect the local sentiment in Thailand but the cross-border trade with Cambodia. Thai Beverage has been investing in Cambodia to complete its footprint in IndoChina.

Myanmar earthquake. The impact on the business has been limited. ThaiBev will push the beer market with Chang.

Upgrade to BUY from ACCUMULATE with an unchanged TP of S\$0.56

Financials

Income Statement

Y/E Sep, THB mn	FY22	FY23	FY24	FY25e	FY26e
Revenue	272,359	332,931	340,289	361,861	383,273
Gross profit	80,456	98,687	103,208	108,242	113,994
EBITDA	46,344	49,549	52,304	55,236	58,173
Depreciation & Amortisation	-7,761	-7,743	-11,338	-11,767	-12,402
EBIT	38,583	39,521	42,103	43,469	45,771
Associates & JVs	5,044	4,994	5,576	2,850	3,000
Other items	979	1,843	1,395	1,086	1,150
Net Finance Inc/(Exp)	-4,665	-5,116	-6,058	-5,968	-5,393
Profit Before Tax	39,941	41,242	43,016	41,436	44,528
Taxation	-5,436	-6,179	-7,746	-7,459	-8,015
Profit After Tax	34,505	35,063	35,270	33,978	36,513
- Non-controlling interest	4,399	7,629	8,055	4,417	4,016
Net profit, reported	30,106	27,434	27,216	29,561	32,496
Net profit, adj.	30,106	27,434	27,216	29,561	32,496

Per share data (THB)

Y/E Sep	FY22	FY23	FY24	FY25e	FY26e
EPS, reported	1.20	1.09	1.08	1.18	1.29
EPS, adj.	1.20	1.09	1.08	1.18	1.29
DPS	0.60	0.60	0.62	0.65	0.71
BVPS	8.19	8.00	5.94	6.47	7.05

Per share data (SGD Cents)

Y/E Sep	FY22	FY23	FY24	FY25e	FY26e
EPS, reported	4.66	4.25	4.01	4.71	4.97
EPS, adj.	4.66	4.25	4.01	4.71	4.97
DPS	2.33	2.33	2.30	2.59	2.74
BVPS	31.87	31.14	21.99	25.87	27.11

Cash Flow

Y/E Sep, THB mn	FY22	FY23	FY24	FY25e	FY26e
CFO					
EBIT	38,583	39,521	42,103	43,469	45,771
Depreciation & Amortisation	7,761	7,743	11,338	11,767	12,402
WC changes	-7,902	-5,169	-7,902	-498	2,243
Tax paid	-7,563	-7,563	-8,006	-7,459	-8,015
Others	1,394	2,286	1,685	1,086	1,150
Cashflow from ops	32,272	39,103	38,079	48,365	53,551
CFI					
CAPEX, net	-3,356	-8,526	-9,088	-6,152	-6,516
Others	-7,116	1,673	10,575	1,946	2,242
Cashflow from investments	-10,472	-6,852	1,487	-4,205	-4,274
CFE					
Share issuance, net	0	0	-18	0	0
Loans, net of repayments	-14,466	-10,230	-7,493	-15,915	-15,635
Dividends	-14,674	-20,099	-21,106	-18,258	-19,873
Others	-1,530	-1,879	-3,121	0	0
Cashflow from financing	-30,671	-32,208	-31,738	-34,173	-35,508
Net change in cash	-8,871	42	7,829	9,986	13,769
Effects of exchange rates	-1,049	906	-2,247	0	0
CCE, end	5,459	26,415	31,997	41,983	55,752

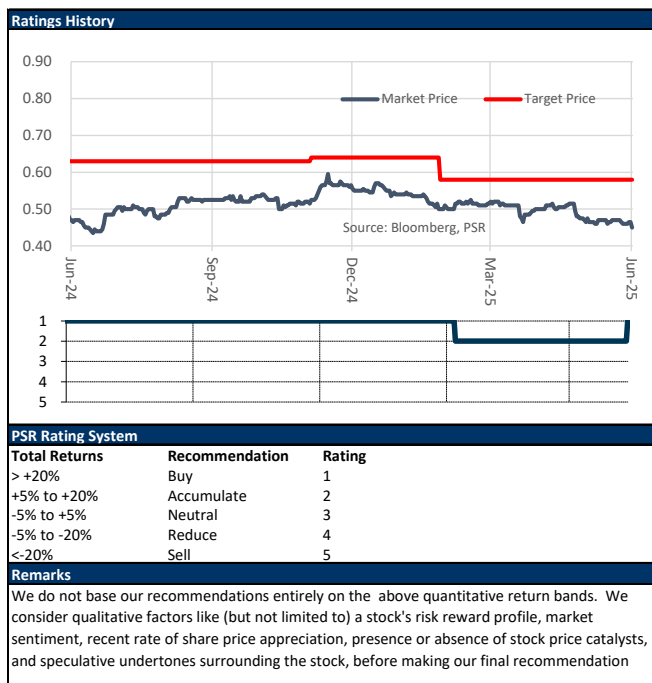
Source: Company, Phillip Securities Research (Singapore) Estimates

Balance Sheet

Y/E Sep, THB mn	FY22	FY23	FY24	FY25e	FY26e
ASSETS					
PPE	59,176	83,891	83,264	77,648	71,762
Intangibles	205,830	222,116	198,519	198,519	198,519
Investments in Assoc/JV	112,630	139,966	73,134	75,984	78,984
Others	19,460	26,036	27,539	27,539	27,539
Total non-current assets	397,096	472,009	382,457	379,691	376,805
Accounts receivables	6,719	18,023	19,290	20,577	12,007
Cash	51,867	57,253	54,065	64,052	77,821
Inventories	46,073	61,021	63,003	62,536	66,398
Others	6,035	4,088	8,778	8,778	8,778
Total current assets	110,693	140,386	145,136	155,943	165,003
Total Assets	507,789	612,395	527,593	535,634	541,808
LIABILITIES					
Accounts payables	24,126	34,806	35,124	35,446	32,980
Short term loans	57,122	73,590	64,420	56,420	48,420
Others	7,882	11,829	9,237	9,237	9,237
Total current liabilities	89,129	120,224	108,781	101,103	90,637
Long term loans	153,017	161,675	172,019	172,019	172,019
Others	16,254	17,459	17,739	17,739	17,739
Total non-current liabilities	169,271	179,134	189,757	189,757	189,757
Total Liabilities	258,400	299,358	298,538	290,860	280,394
EQUITY					
Non-controlling interests	43,640	111,938	79,847	82,264	84,280
Shareholder Equity	205,748	201,099	149,208	162,511	177,134

Valuation Ratios

Y/E Sep	FY22	FY23	FY24	FY25e	FY26e
P/E (X), adj.	9.5	10.5	11.1	9.5	8.9
P/B (X)	1.4	1.4	2.0	1.7	1.6
EV/EBITDA (X), adj.	4.4	5.9	5.0	4.5	3.9
Dividend Yield	5.2%	5.2%	5.2%	5.8%	6.1%
Growth & Margins					
Growth					
Revenue	13.2%	22.2%	2.2%	6.3%	5.9%
EBITDA	11.4%	6.9%	5.6%	5.6%	5.3%
EBIT	14.2%	2.4%	6.5%	3.2%	5.3%
Net profit, adj.	22.2%	-8.9%	-0.8%	8.6%	9.9%
Margins					
Gross margin	29.5%	29.6%	30.3%	29.9%	29.7%
EBITDA margin	17.0%	14.9%	15.4%	15.3%	15.2%
EBIT margin	14.2%	11.9%	12.4%	12.0%	11.9%
Net profit margin	11.1%	8.2%	8.0%	8.2%	8.5%
Key Ratios					
ROE	16.0%	13.5%	15.5%	19.0%	19.1%
ROA	6.1%	4.9%	4.8%	5.6%	6.0%
Net Debt/(Cash)	158,271	178,012	182,373	164,387	142,617
Net Gearing	63.5%	56.9%	79.6%	67.2%	54.6%



Contact Information (Singapore Research Team)		
Head of Research Paul Chew – paulchewkl@phillip.com.sg		Research Admin Qystina Azli - qystina@phillip.com.sg
Technical Analyst Zane Aw – zaneawyx@phillip.com.sg	Property REITs Darren Chan – darrenchanrx@phillip.com.sg	Property REITs Liu Miaomiao – liumm@phillip.com.sg
Banking Auto Glenn Thum – glennthumjc@phillip.com.sg	US Tech Hardware E-commerce ETF Helena Wang – helenawang@phillip.com.sg	Construction Semiconductors Yik Ban Chong (Ben) – chongyb@phillip.com.sg
Communications CRM Serena Lim - serenalimyq@phillip.com.sg	Software Services Alif Fahmi - aliffahmi.shakir@phillipcapital.com.my	
Contact Information (Regional Member Companies)		
SINGAPORE Phillip Securities Pte Ltd Raffles City Tower 250, North Bridge Road #06-00 Singapore 179101 Tel +65 6533 6001 Fax +65 6535 6631 Website: www.poems.com.sg	MALAYSIA Phillip Capital Management Sdn Bhd B-3-6 Block B Level 3 Megan Avenue II, No. 12, Jalan Yap Kwan Seng, 50450 Kuala Lumpur Tel +603 2162 8841 Fax +603 2166 5099 Website: www.poems.com.my	HONG KONG Phillip Securities (HK) Ltd 11/F United Centre 95 Queensway Hong Kong Tel +852 2277 6600 Fax +852 2868 5307 Websites: www.phillip.com.hk
JAPAN Phillip Securities Japan, Ltd. 4-2 Nihonbashi Kabuto-cho Chuo-ku, Tokyo 103-0026 Tel +81-3 3666 2101 Fax +81-3 3666 6090 Website: www.phillip.co.jp	INDONESIA PT Phillip Securities Indonesia ANZ Tower Level 23B, Jl Jend Sudirman Kav 33A Jakarta 10220 – Indonesia Tel +62-21 5790 0800 Fax +62-21 5790 0809 Website: www.phillip.co.id	CHINA Phillip Financial Advisory (Shanghai) Co Ltd No 550 Yan An East Road, Ocean Tower Unit 2318, Postal code 200001 Tel +86-21 5169 9200 Fax +86-21 6351 2940 Website: www.phillip.com.cn
THAILAND Phillip Securities (Thailand) Public Co. Ltd 15th Floor, Vorawat Building, 849 Silom Road, Silom, Bangrak, Bangkok 10500 Thailand Tel +66-2 6351700 / 22680999 Fax +66-2 22680921 Website www.phillip.co.th	FRANCE King & Shaxson Capital Limited 3rd Floor, 35 Rue de la Bienfaisance 75008 Paris France Tel +33-1 45633100 Fax +33-1 45636017 Website: www.kingandshaxson.com	UNITED KINGDOM King & Shaxson Capital Limited 6th Floor, Candlewick House, 120 Cannon Street, London, EC4N 6AS Tel +44-20 7426 5950 Fax +44-20 7626 1757 Website: www.kingandshaxson.com
UNITED STATES Phillip Capital Inc 141 W Jackson Blvd Ste 3050 The Chicago Board of Trade Building Chicago, IL 60604 USA Tel +1-312 356 9000 Fax +1-312 356 9005 Website: www.phillipusa.com	AUSTRALIA Phillip Capital Limited Level 10, 330 Collins Street Melbourne, Victoria 3000, Australia Tel +61-03 8633 9803 Fax +61-03 8633 9899 Website: www.phillipcapital.com.au	CAMBODIA Phillip Bank Plc Ground Floor of B-Office Centre, #61-64, Norodom Blvd Corner Street 306, Sangkat Boeung Keng Kang 1, Khan Chamkamorn, Phnom Penh, Cambodia Tel: 855 (0) 7796 6151/855 (0) 1620 0769 Website: www.phillipbank.com.kh
INDIA PhillipCapital (India) Private Limited No.1, 18th Floor, Urmi Estate 95, Ganpatrao Kadam Marg Lower Parel West, Mumbai 400-013 Maharashtra, India Tel: +91-22-2300 2999 / Fax: +91-22-2300 2969 Website: www.phillipcapital.in	TURKEY PhillipCapital Menkul Degerler Dr. Cemil Bengü Cad. Hak Is Merkezi No. 2 Kat. 6A Caglayan 34403 Istanbul, Turkey Tel: 0212 296 84 84 Fax: 0212 233 69 29 Website: www.phillipcapital.com.tr	DUBAI Phillip Futures DMCC Member of the Dubai Gold and Commodities Exchange (DGCX) Unit No 601, Plot No 58, White Crown Bldg, Sheikh Zayed Road, P.O.Box 212291 Dubai-UAE Tel: +971-4-3325052 / Fax: + 971-4-3328895

Important Information

This report is prepared and/or distributed by Phillip Securities Research Pte Ltd ("Phillip Securities Research"), which is a holder of a financial adviser's license under the Financial Advisers Act, Chapter 110 in Singapore.

By receiving or reading this report, you agree to be bound by the terms and limitations set out below. Any failure to comply with these terms and limitations may constitute a violation of law. This report has been provided to you for personal use only and shall not be reproduced, distributed or published by you in whole or in part, for any purpose. If you have received this report by mistake, please delete or destroy it, and notify the sender immediately.

The information and any analysis, forecasts, projections, expectations and opinions (collectively, the "Research") contained in this report has been obtained from public sources which Phillip Securities Research believes to be reliable. However, Phillip Securities Research does not make any representation or warranty, express or implied that such information or Research is accurate, complete or appropriate or should be relied upon as such. Any such information or Research contained in this report is subject to change, and Phillip Securities Research shall not have any responsibility to maintain or update the information or Research made available or to supply any corrections, updates or releases in connection therewith.

Any opinions, forecasts, assumptions, estimates, valuations and prices contained in this report are as of the date indicated and are subject to change at any time without prior notice. Past performance of any product referred to in this report is not indicative of future results.

This report does not constitute, and should not be used as a substitute for, tax, legal or investment advice. This report should not be relied upon exclusively or as authoritative, without further being subject to the recipient's own independent verification and exercise of judgment. The fact that this report has been made available constitutes neither a recommendation to enter into a particular transaction, nor a representation that any product described in this report is suitable or appropriate for the recipient. Recipients should be aware that many of the products, which may be described in this report involve significant risks and may not be suitable for all investors, and that any decision to enter into transactions involving such products should not be made, unless all such risks are understood and an independent determination has been made that such transactions would be appropriate. Any discussion of the risks contained herein with respect to any product should not be considered to be a disclosure of all risks or a complete discussion of such risks.

Nothing in this report shall be construed to be an offer or solicitation for the purchase or sale of any product. Any decision to purchase any product mentioned in this report should take into account existing public information, including any registered prospectus in respect of such product.

Phillip Securities Research, or persons associated with or connected to Phillip Securities Research, including but not limited to its officers, directors, employees or persons involved in the issuance of this report, may provide an array of financial services to a large number of corporations in Singapore and worldwide, including but not limited to commercial / investment banking activities (including sponsorship, financial advisory or underwriting activities), brokerage or securities trading activities. Phillip Securities Research, or persons associated with or connected to Phillip Securities Research, including but not limited to its officers, directors, employees or persons involved in the issuance of this report, may have participated in or invested in transactions with the issuer(s) of the securities mentioned in this report, and may have performed services for or solicited business from such issuers. Additionally, Phillip Securities Research, or persons associated with or connected to Phillip Securities Research, including but not limited to its officers, directors, employees or persons involved in the issuance of this report, may have provided advice or investment services to such companies and investments or related investments, as may be mentioned in this report.

Phillip Securities Research or persons associated with or connected to Phillip Securities Research, including but not limited to its officers, directors, employees or persons involved in the issuance of this report may, from time to time maintain a long or short position in securities referred to herein, or in related futures or options, purchase or sell, make a market in, or engage in any other transaction involving such securities, and earn brokerage or other compensation in respect of the foregoing. Investments will be denominated in various currencies including US dollars and Euro and thus will be subject to any fluctuation in exchange rates between US dollars and Euro or foreign currencies and the currency of your own jurisdiction. Such fluctuations may have an adverse effect on the value, price or income return of the investment.

To the extent permitted by law, Phillip Securities Research, or persons associated with or connected to Phillip Securities Research, including but not limited to its officers, directors, employees or persons involved in the issuance of this report, may at any time engage in any of the above activities as set out above or otherwise hold an interest, whether material or not, in respect of companies and investments or related investments, which may be mentioned in this report. Accordingly, information may be available to Phillip Securities Research, or persons associated with or connected to Phillip Securities Research, including but not limited to its officers, directors, employees or persons involved in the issuance of this report, which is not reflected in this report, and Phillip Securities Research, or persons associated with or connected to Phillip Securities Research, including but not limited to its officers, directors, employees or persons involved in the issuance of this report, may, to the extent permitted by law, have acted upon or used the information prior to or immediately following its publication. Phillip Securities Research, or persons associated with or connected to Phillip Securities Research, including but not limited its officers, directors, employees or persons involved in the issuance of this report, may have issued other material that is inconsistent with, or reach different conclusions from, the contents of this report.

The information, tools and material presented herein are not directed, intended for distribution to or use by, any person or entity in any jurisdiction or country where such distribution, publication, availability or use would be contrary to the applicable law or regulation or which would subject Phillip Securities Research to any registration or licensing or other requirement, or penalty for contravention of such requirements within such jurisdiction.

This report is intended for general circulation only and does not take into account the specific investment objectives, financial situation or particular needs of any particular person. The products mentioned in this report may not be suitable for all investors and a person receiving or reading this report should seek advice from a professional and financial adviser regarding the legal, business, financial, tax and other aspects including the suitability of such products, taking into account the specific investment objectives, financial situation or particular needs of that person, before making a commitment to invest in any of such products.

This report is not intended for distribution, publication to or use by any person in any jurisdiction outside of Singapore or any other jurisdiction as Phillip Securities Research may determine in its absolute discretion.

IMPORTANT DISCLOSURES FOR INCLUDED RESEARCH ANALYSES OR REPORTS OF FOREIGN RESEARCH HOUSES

Where the report contains research analyses or reports from a foreign research house, please note:

- (i) recipients of the analyses or reports are to contact Phillip Securities Research (and not the relevant foreign research house) in Singapore at 250 North Bridge Road, #06-00 Raffles City Tower, Singapore 179101, telephone number +65 6533 6001, in respect of any matters arising from, or in connection with, the analyses or reports; and
- (ii) to the extent that the analyses or reports are delivered to and intended to be received by any person in Singapore who is not an accredited investor, expert investor or institutional investor, Phillip Securities Research accepts legal responsibility for the contents of the analyses or reports.