Thaifoods Group (TFG TB)

3Q26 Earnings To Grow yoy And qoq

Highlights

- We expect TFG to report a 3Q26 core profit of Bt1,810m (+5.1% yoy, +20.7% qoq).
- TFG is well positioned to benefit from an earnings recovery theme on higher domestic livestock prices in 3Q26 thanks to high exposure to the Thai market.
- We reaffirm our positive view on TFG for both the short and long term on the back of the ongoing livestock price upcycle and continued retail revenue growth.
- Maintain BUY with a higher target price of Bt13.00.

3Q26 Results Preview

Year to 31 Dec (Btm)	3Q26F	3Q25	2Q26	yoy%	qoq%
Sales	18,829	18,191	18,351	3.5%	2.6%
Gross Profit	3,766	3,422	3,386	10.0%	11.2%
Pre-tax Profit	2,071	1,974	1,693	4.9%	22.3%
Net Profit	1,810	1,704	1,474	6.2%	22.8%
Core Profit	1,810	1,723	1,500	5.1%	20.7%
EPS (Bt)	0.31	0.29	0.25	6.2%	22.8%
(%)	**3Q26F**	**3Q25**	**2Q26**	**yoy%**	**qoq%**
Gross Margin (%)	20.0%	18.8%	18.5%	1.2%	1.5%
SG&A/revenue (%)	9.4%	8.0%	9.7%	1.4%	-0.3%
Net Margin (%)	9.5%	9.3%	7.9%	0.3%	1.6%

Source: Thaifoods Group Plc, UOB Kay Hian

Analysis

- **3Q26 earnings to grow yoy and qoq.** We expect Thaifoods Group (TFG) to report a 3Q26 core profit of Bt1,810m (+5.1% yoy, +20.7% qoq). The key drivers are expected to be revenue growth and resilient margins thanks to higher domestic livestock prices in 3Q26 yoy and qoq.
- **Top-line continues to grow yoy and qoq.** We expect TFG's 3Q26 revenue to reach Bt18.8b (+3.5% yoy, +2.6% qoq), attributable to: a) poultry revenue growth due to higher chicken ASPs with volume in Thailand and increased export volumes yoy and qoq; and b) retail revenue growth, attributable to continued store expansion and SSSG of around +3% in 3Q26. Retail revenue could indirectly benefit from the Thai Chuay Thai co-payment scheme, which is expected to boost sales in the food service segment. TFG had 790 retail stores in 3Q26, up from 533 in 3Q25 and 748 in 2Q26. However, we expect swine revenue to decline slightly both yoy and qoq due to lower ASPs, particularly in the Vietnam market, and lower external sales volume as a greater proportion of livestock is sold through the company's retail stores.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	65,481.7	72,810.4	79,974.8	83,582.2	86,570.0
EBITDA	8,374.4	13,308.0	13,449.5	13,979.1	14,551.6
Operating profit	4,755.7	9,689.6	9,501.1	10,019.6	10,475.2
Net profit (rep./act.)	3,143.8	7,440.8	7,439.6	7,911.4	8,330.1
Net profit (adj.)	3,465.5	7,577.7	7,231.8	7,703.6	8,122.2
EPS	0.6	1.3	1.2	1.3	1.4
PE (x)	16.8	7.7	8.0	7.6	7.2
P/B (x)	3.5	2.9	2.3	1.9	1.6
EV/EBITDA (x)	8.8	5.2	4.9	4.6	4.2
Dividend yield (%)	0.8	6.2	3.8	4.1	4.3
Net margin (%)	4.8	10.2	9.3	9.5	9.6
Net debt/(cash) to equity(%)	93.5	56.5	32.4	19.7	8.6
Interest cover (x)	8.3	17.3	13.9	15.0	16.3
ROE (%)	19.6	41.7	36.5	34.2	32.0
Consensus net profit	n.a	n.a	7,328.0	8,118.4	8,651.9
UOBKH/Consensus (x)	n.a	n.a	1.0	1.0	0.9

Source: Thaifoods Group Plc, Bloomberg, UOB Kay Hian

Analyst(s)

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BUY (Maintained)

Share Price	Bt9.55
Target Price	Bt13.00
Upside	36.13%
Previous TP	Bt12.40

Stock Data

Sector	Consumer Staples
Bloomberg ticker	TFG TB
Shares issued (m)	5,936.79
Market cap (Btm)	58,819.2
Market cap (US$m)	1,745.3
3-mth avg daily t'over (US$m)	6.5

Price Performance (%)

52-week high/low				Bt11.3/Bt4.4
1mth	**3mth**	**6mth**	**1yr**	**YTD**
5.2	14.1	114.9	105.3	126.5

Major Shareholders (%)

New Star Victor CO LTD	31.74
MR. WINAI TEAWSOMBOONKIJ	17.94

Balance Sheet Metrics

FY26 NAV/Share (Bt)	4.0
FY26 Net Debt/Share (Bt)	1.2

Price Chart



Source: Bloomberg

Company Description

TFG operates an integrated operation, producing and distributing frozen and chilled chicken products, as well as animal feed, in both the domestic and international markets.

- **Rising profitability due to higher livestock prices.** Gross profit margin is expected to come in at 20.0% in 3Q26 (vs. 18.8% in 3Q25 and 18.5% in 2Q26). The key earnings driver is expected to be from the high domestic livestock prices for both swine and chicken in 3Q26, which could partially offset lower livestock ASPs in Vietnam.
- **Retail expansion remains on track.** We remain positive about TFG's retail expansion strategy. The company maintains its retail expansion targets of 875 stores in 2026 and 1,000 stores in 2027. Continued expansion should remain a key earnings growth driver thanks to: a) higher revenue from increased sales volumes of its livestock and other products; and b) resilient margins amid sluggish livestock prices, with further upside potential from a higher sales contribution from other products that carry higher margins.
- **Reiterate positive 2H26 outlook on domestic livestock prices.** Domestic swine prices rebounded to Bt68/kg in late-Oct 26 (+6% mtd) after the low season and the Vegetarian Festival. Meanwhile, chicken prices normalised to Bt43/kg (-4% mtd). Looking ahead, we maintain our positive outlook for a domestic livestock price upcycle in 4Q26-1H27F, with the swine price upcycle expected to gain further momentum in 4Q26.
- **Short-term pressure on Vietnam operations, with recovery expected in late 4Q26-1H27.** Vietnamese swine prices declined to VND48,000/kg in Oct 26 (-19% mom). Nevertheless, we expect Vietnamese swine prices to bottom out in Oct 26 and gradually recover in late-4Q26-1H27, following a similar upcycle to Thailand's livestock market trend.

Valuation/Recommendation

- **Maintain BUY with a higher target price of Bt13.00 (previously Bt12.40).** Using a P/E-based valuation, we roll over our target price for TFG based on 2027F EPS and a target P/E of 10x, in line with its five-year historical average. We expect earnings to recover both yoy and qoq in 3Q26, on the back of higher domestic livestock prices and continued retail expansion.

Earnings Revision/Risk

- None. 9M26 core profit is expected to account for approximately 72.5% of our full-year 2026 forecast.

Share Price Catalyst

- Improvement in domestic swine and broiler ASPs in 2H26.
- Lower raw material costs for corn and soybean meal.
- Resumption of the retail expansion plan and a continuous improvement in the retail business' same-store sales growth.

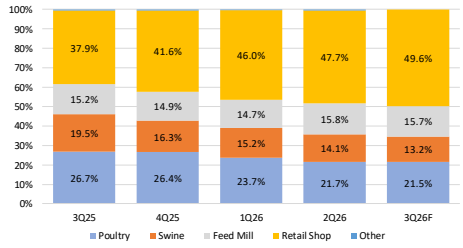
Environment, Social, Governance (ESG) Updates

CG Report: 5

SET ESG Rating: Non-rated.

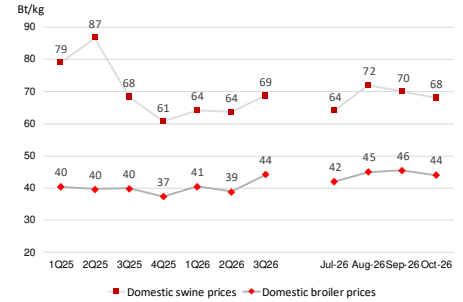
- **Environmental:** Net zero. TFG aims to be a Net Zero company by 2065. It conducts business with a commitment to the efficient use of resources, ensuring operations are environmentally friendly and comply with legal requirements.
- **Social:** TFG is working to improve many dimensions of social responsibility.
- **Governance:** The company has established a governance committee to ensure that its operations comply with applicable laws and international standards, while maintaining regular communication with stakeholders

Sales Contribution



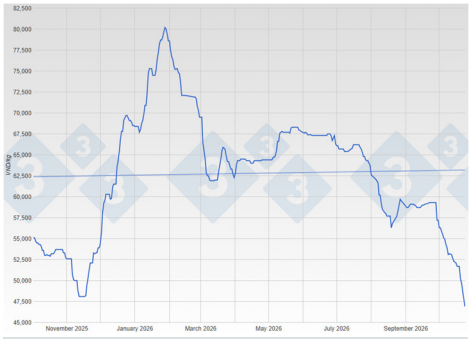
Source: TFG, UOB Kay Hian

Domestic Livestock Prices



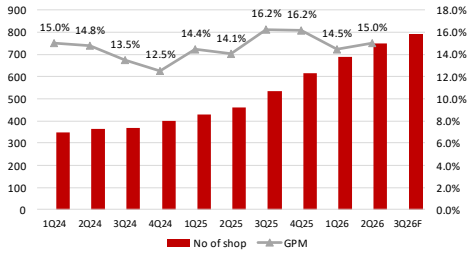
Source: UOB Kay Hian

Swine Prices In Vietnam



Source: Pig333

Number Of Retail Shops



Source: TFG, UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	**72,810**	**79,975**	**83,582**	**86,570**
EBITDA	13,308	13,449	13,979	14,552
Deprec. & amort.	3,618	3,948	3,960	4,076
EBIT	9,690	9,501	10,020	10,475
Total other non-operating income	0	0	0	0
Associate contributions	20	20	20	20
Net interest income/(expense)	(771)	(971)	(931)	(891)
Pre-tax profit	**8,939**	**8,550**	**9,109**	**9,604**
Tax	(1,364)	(1,366)	(1,452)	(1,529)
Minorities	(4)	(5)	(5)	(5)
Preferred dividends	0	0	0	0
Net profit	**7,441**	**7,440**	**7,911**	**8,330**
Net profit (adj.)	7,578	7,232	7,704	8,122

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Fixed assets	17,132	16,320	16,360	17,284
Other LT assets	8,848	9,876	9,964	10,037
Cash/ST investment	4,818	3,961	6,124	9,109
Other current assets	17,050	22,488	25,316	27,726
Total assets	**47,848**	**52,645**	**57,763**	**64,155**
ST debt	11,922	7,555	7,626	7,698
Other current liabilities	8,162	10,292	9,577	9,892
LT debt	4,251	4,558	4,558	4,558
Other LT liabilities	3,322	4,935	5,150	5,315
Shareholders' equity	20,086	25,189	30,730	36,565
Minority interest	(2)	(2)	(2)	(2)
Total liabilities & equity	**47,848**	**52,645**	**57,763**	**64,155**

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	**13,315**	**8,553**	**9,140**	**11,092**
Pre-tax profit	7,445	8,810	9,369	9,864
Tax	1,364	1,366	1,452	1,529
Deprec. & amort.	3,657	3,948	3,960	4,076
Associates	0	0	0	0
Working capital changes	(1,668)	(5,186)	(5,119)	(3,739)
Non-cash items	0	(395)	(521)	(638)
Other operating cashflows	2,517	10	0	0
Investing	**(3,250)**	**(4,000)**	**(4,000)**	**(5,000)**
Capex (growth)	(2,990)	(4,000)	(4,000)	(5,000)
Capex (maintenance)	0	0	0	0
Investments	0	0	0	0
Proceeds from sale of assets	0	0	0	0
Others	(259)	0	0	0
Financing	**(9,776)**	**(5,410)**	**(2,977)**	**(3,106)**
Dividend payments	(3,636)	(2,233)	(2,375)	(2,501)
Issue of shares	49	(108)	0	0
Proceeds from borrowings	(662)	307	0	0
Loan repayment	(621)	416	132	123
Others/interest paid	(4,907)	(3,792)	(735)	(728)
Net cash inflow (outflow)	**290**	**(857)**	**2,163**	**2,986**
Beginning cash & cash equivalent	**4,907**	**4,818**	**3,961**	**6,124**
Changes due to forex impact	(330)	0	0	0
Ending cash & cash equivalent	**4,867**	**3,961**	**6,124**	**9,109**

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	18.3	16.8	16.7	16.8
Pre-tax margin	12.3	10.7	10.9	11.1
Net margin	10.2	9.3	9.5	9.6
ROA	15.9	15.1	15.3	15.2
ROE	41.7	36.5	34.2	32.0
Growth				
Turnover	39.2	52.8	59.7	65.4
EBITDA	44.9	46.5	52.2	58.5
Pre-tax profit	47.1	40.7	49.9	58.0
Net profit	57.6	57.6	67.5	76.4
Net profit (adj.)	118.7	(4.6)	6.5	5.4
EPS	43.1	36.6	45.5	53.4
Leverage				
Debt to total capital	80.5	48.1	39.6	33.5
Debt to equity	80.5	48.1	39.6	33.5
Net debt/(cash) to equity	56.5	32.4	19.7	8.6
Interest cover	17.3	13.9	15.0	16.3

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