

TTW Pcl.

July 24, 2025

TTW

Expect strong 2Q25 on CKP profit share

OUTPERFORM

Maintain Rating

Valuation: SOTP

Sector: Energy & Utilities

Market Cap: Bt35,910mn

30-day avg turnover: Bt13.96mn

Target Price/Upside:
Bt9.80/8.89%

Maintain Target Price

Price (Jul 23, 2025)
Bt9.00

No. of shares on issue:

3,990mn

CG Scoring (IOD-Y2023):

Excellent

Anti-Corruption Indicator:

N/A

Investment fundamentals

| Year end Dec 31 | 2024A | 2025E | 2026E | 2027E |
|---------------------------|-------|-------|-------|-------|
| Company Financials | | | | |
| Revenue (Btmn) | 4,985 | 5,078 | 5,183 | 5,283 |
| Core profit (Btmn) | 2,791 | 2,994 | 3,112 | 3,222 |
| Net profit (Btmn) | 2,791 | 2,994 | 3,112 | 3,222 |
| Net EPS (Bt) | 0.70 | 0.75 | 0.78 | 0.81 |
| DPS (Bt) | 0.60 | 0.60 | 0.60 | 0.60 |
| BVPS (Bt) | 3.93 | 4.07 | 4.25 | 4.46 |
| Net EPS growth (%) | -4.83 | 7.28 | 3.93 | 3.54 |
| ROA (%) | 13.83 | 15.18 | 15.98 | 16.52 |
| ROE (%) | 18.06 | 18.77 | 18.75 | 18.55 |
| Net D/E (x) | 0.06 | N/A | N/A | N/A |
| Valuation | | | | |
| P/E (x) | 13.08 | 11.99 | 11.54 | 11.15 |
| P/BV (x) | 2.33 | 2.21 | 2.12 | 2.02 |
| EV/EBITDA (x) | 9.92 | 9.02 | 8.63 | 8.24 |
| Dividend yield (%) | 6.56 | 6.67 | 6.67 | 6.67 |

Analyst

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Investment Topics

- **Expect 2Q25 earnings of Bt832mn (+34% YoY, +24% QoQ).** We expect the YoY and QoQ increases to be driven by an estimated share of profit from CKP of Bt158mn. This should be supported by higher power output from increased water flow and FX gains from THB appreciation, which lowered the value of net foreign debt.
- **Expect tap water earnings to rise YoY and QoQ.** Excluding profit contributions from CKP, we project earnings to increase to Bt674mn, up 12% YoY and 3% QoQ. This growth should be supported by an improved GPM of 82.3% (+4.0 ppt YoY and +0.8 ppt QoQ) thanks to the lower electricity and chemical costs.
- **Expect 3Q25 earnings to be stronger.** We expect TTW's 3Q25 earnings to increase YoY and QoQ, driven by a higher share of profit from CKP due to the absence of a plant shutdown impact in 3Q24 and greater power output from heavier rainfall after the start of the rainy season and storms in the South China Sea.

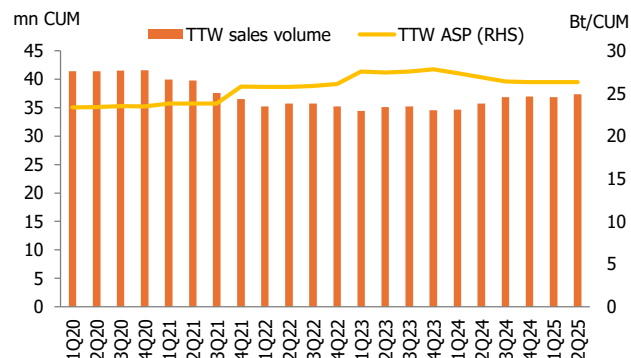
Valuation and Recommendation

- **Maintain Outperform rating with unchanged mid-2026 TP of Bt9.8.** Our valuation uses a dividend discount model with an 8% discount rate, yielding a target price of Bt8.3 plus Bt1.5 from TTW's 25% stake in CKP. We expect the company to sustain an annual dividend of Bt0.6, reflecting a 90% payout ratio (excluding profit contributions from CKP), implying an annual dividend yield of 6-7%.

| | 2Q24 | 3Q24 | 4Q24 | 1Q25 | 2Q25E | %YoY | %QoQ | %YTD2025 | 2025E |
|----------------------------|-------|-------|-------|-------|-------|---------------|----------------|--------------|-------|
| Financials | | | | | | | | | |
| Sales (Btmn) | 1,248 | 1,258 | 1,258 | 1,251 | 1,268 | 1.6 | 1.4 | 50.5 | 5,078 |
| EBITDA (Btmn) | 930 | 946 | 951 | 982 | 1,005 | 8.1 | 2.4 | 52.6 | 3,856 |
| Operating profit (Btmn) | 779 | 797 | 794 | 839 | 862 | 10.7 | 2.8 | 53.6 | 3,257 |
| Core profit (Btmn) | 623 | 916 | 750 | 671 | 832 | 33.6 | 24.1 | 53.8 | 2,994 |
| Net profit (Btmn) | 623 | 916 | 750 | 671 | 832 | 33.6 | 24.1 | 53.8 | 2,994 |
| Net EPS (Bt) | 0.16 | 0.23 | 0.19 | 0.17 | 0.21 | 33.6 | 24.0 | 53.8 | 0.75 |
| Performance Drivers | | | | | | | | | |
| Volume-TTW (mn CUM) | 36 | 37 | 37 | 37 | 37 | 4.5 | 1.2 | 51.5 | 146 |
| Volume-PTW (mn CUM) | 40 | 40 | 40 | 39 | 39 | -3.1 | 0.3 | 49.2 | 160 |
| Share of profit (Btmn) | 18 | 297 | 135 | 17 | 158 | 755.0 | 802.9 | 52.2 | 490 |
| Ratios | | | | | | Change | Avg YTD | 2025E | |
| Gross margin (%) | 78.3 | 78.2 | 80.3 | 81.5 | 82.3 | 4.0 | 0.8 | 81.9 | 79.3 |
| EBITDA margin (%) | 74.5 | 75.2 | 75.6 | 78.5 | 79.3 | 4.8 | 0.8 | 78.9 | 75.9 |
| Optg. margin (%) | 62.4 | 63.3 | 63.2 | 67.1 | 68.0 | 5.6 | 0.9 | 67.5 | 64.1 |
| ROE (%) | 16.2 | 24.4 | 19.5 | 17.1 | 20.3 | 4.1 | 3.3 | 18.7 | 18.7 |

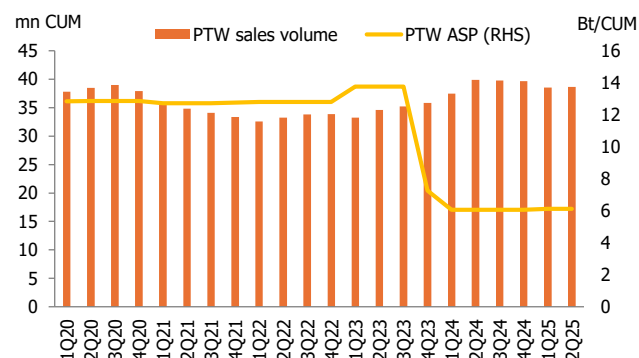
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Fig 1 TTW's sales volume and average selling price



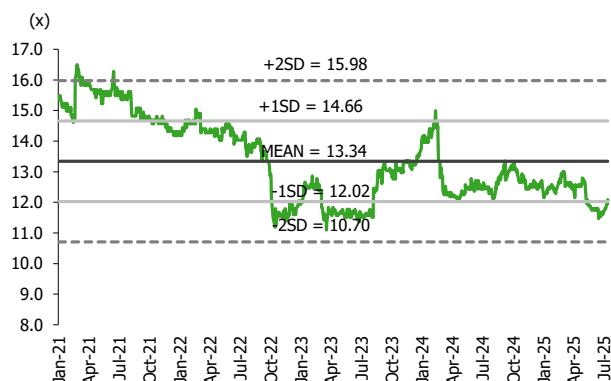
Source: Company data, KS Research

Fig 2 PTW's sales volume and average selling price



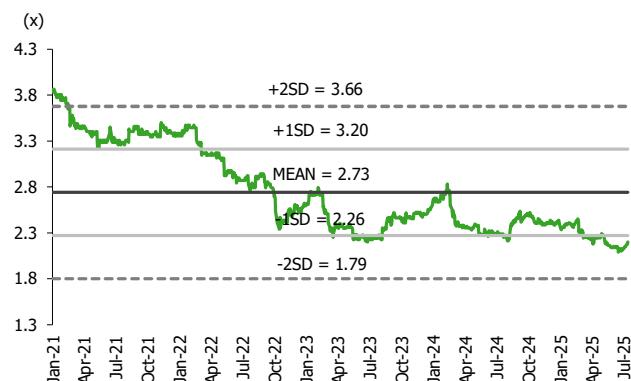
Source: Company data, KS Research

Fig 3 PER band



Source: LSEG

Fig 4 PBV band



Source: LSEG

KS ESG analysis: TTW PCL

LSEG ESG score: C Source: LSEG
SETESG score: AA
THSI certified: No
DJSI certified: No

2023 Awards

- Sustainability Disclosure Award 2023
- Quality persons of the year 2023
- Certified as a level 3 green industry

Company overview

- TTW Public Company Limited is a Thailand-based company, which is engaged in the production and sale of treated water to the Provincial Waterworks Authority (PWA) in the vicinity of West Bangkok.

Analyst opinion

- TTW has shown fair governance but still has areas to improve in both environmental and social aspects. The company does well in water management but needs to get better at managing energy use and reducing greenhouse gas emissions. On the social side, the company takes good care of its employees, with no injuries causing lost time and more money spent on employee training.

Environmental

(LSEG E score: C-)

| | unit | 2022 | 2023 |
|-----------------------------------|--------|--------|--------|
| 1. Water passed standard | % | 100 | 100 |
| 2. Water recycling | mn.m3 | 6.66 | 7.46 |
| 3. Energy intensity | kWH/m3 | 0.52 | 0.61 |
| 4. Violated of environmental laws | case | 0 | 0 |
| 5. Greenhouse gas emission | tCO2e | 83,229 | 92,965 |

Analyst comment

- TTW has proven to be a reliable water producer, with 100% of its water meeting quality standards and no violations of environmental laws. The company has increased water recycling by almost 15% in 2023, which not only demonstrates environmental responsibility but also boosts revenue through its water treatment operations. However, the company has faced challenges with worsening energy intensity and higher greenhouse gas emissions.

Social

(LSEG S score: C)

| | unit | 2022 | 2023 |
|---------------------------|---------------|------|------|
| 1. Staff age > 50 years | % | 3 | 4 |
| 2. Employee turnover rate | % | 0 | 0 |
| 3. Gender diversity | % female | 17 | 17 |
| 4. Permanent employees | % | 100 | 100 |
| 5. Employee investment | k.baht/person | 512 | 546 |

Analyst comment

- The percentage of aging employees is relatively low compared to other companies. Gender diversity is around one-fifth, which is consistent with the nature of the business. The company employs 100% permanent staff, helping to stabilize employee income. Additionally, it continues to increase investment in employee training.

Governance

(LSEG G score: B-)

| | unit | 2022 | 2023 |
|-------------------------------|-----------------|------------|------------|
| 1. % of independent directors | % | 33 | 33 |
| 2. Lost time injury workforce | cases/mn work h | 0 | 0 |
| 3. CEO duality | | FALSE | FALSE |
| 4. Data breach | case | 0 | 0 |
| 5. CGR rating | | Excellence | Excellence |

Analyst comment

- The company has a low proportion of independent board members. However, it strictly complies with all relevant laws and regulations, as evidenced by its record of zero data breaches. Lost-time injury cases have remained at zero. Furthermore, the CEO does not hold the position of chairman of the board, helping to reduce potential conflicts of interest.

Materiality assessment



Source: Company, KS estimates

Year-end 31 Dec

| Income Statement (Btmn) | 2023A | 2024A | 2025E | 2026E | 2027E |
|----------------------------|--------|--------|--------|--------|--------|
| Revenue | 5,709 | 4,985 | 5,078 | 5,183 | 5,283 |
| Cost of sales and services | -1,040 | -1,036 | -1,053 | -1,076 | -1,097 |
| Gross Profit | 4,670 | 3,948 | 4,026 | 4,107 | 4,186 |
| SG&A | -318 | -302 | -286 | -292 | -297 |
| Other income | 118 | 128 | 116 | 117 | 119 |
| EBIT | 3,689 | 3,547 | 3,765 | 3,855 | 3,961 |
| EBITDA | 4,469 | 3,774 | 3,856 | 3,932 | 4,007 |
| Interest expense | -147 | -131 | -127 | -77 | -56 |
| Equity earnings | 365 | 336 | 490 | 519 | 565 |
| EBT | 3,542 | 3,416 | 3,638 | 3,778 | 3,905 |
| Income tax | -596 | -616 | -630 | -652 | -668 |
| NPAT | 2,946 | 2,799 | 3,008 | 3,126 | 3,237 |
| Minority Interest | -14 | -9 | -15 | -15 | -15 |
| Core Profit | 2,932 | 2,791 | 2,994 | 3,112 | 3,222 |
| Extraordinary items | - | - | - | - | - |
| FX gain (loss) | - | - | - | - | - |
| Reported net profit | 2,932 | 2,791 | 2,994 | 3,112 | 3,222 |

| Balance Sheet (Btmn) | 2023A | 2024A | 2025E | 2026E | 2027E |
|---------------------------------------|--------|--------|--------|--------|--------|
| Cash & equivalents | 595 | 197 | 209 | 568 | 403 |
| Accounts receivable | 467 | 492 | 415 | 424 | 432 |
| Inventories | 30 | 28 | 27 | 27 | 27 |
| Total current assets | 3,545 | 3,297 | 3,160 | 3,552 | 3,420 |
| Investment in subs & others | 6,827 | 7,025 | 7,277 | 7,593 | 7,954 |
| Fixed assets-net | 9,788 | 9,693 | 8,878 | 8,439 | 7,986 |
| Total assets | 20,277 | 20,201 | 19,432 | 19,702 | 19,478 |
| Short-term debt | 673 | 2,073 | 451 | 1,054 | 0 |
| Accounts payable | 153 | 261 | 137 | 139 | 142 |
| Total current liabilities | 1,115 | 2,670 | 877 | 1,482 | 431 |
| Long-term debt | 3,657 | 1,587 | 1,054 | 0 | 0 |
| Total liabilities | 4,996 | 4,490 | 3,154 | 2,706 | 1,655 |
| Paid-up capital | 3,990 | 3,990 | 3,990 | 3,990 | 3,990 |
| Share premium | 2,638 | 2,638 | 2,638 | 2,638 | 2,638 |
| Retained earnings | 9,356 | 9,753 | 10,352 | 11,070 | 11,897 |
| Minority interests | 42 | 40 | 42 | 42 | 42 |
| Total shareholders' equity | 15,282 | 15,711 | 16,278 | 16,995 | 17,823 |
| Total equity & liabilities | 20,277 | 20,201 | 19,432 | 19,701 | 19,478 |

Key Assumptions

Tap Water Production

| | | | | | |
|-----------------------------|-------|-------|-------|-------|-------|
| Capacity- Water (k CUM/day) | 1,094 | 1,094 | 1,094 | 1,094 | 1,094 |
| Volume-water (k CUM/day) | 783 | 846 | 861 | 874 | 887 |
| Utilization rate (%) | 71.54 | 77.30 | 78.66 | 79.87 | 81.10 |

Average Selling Price (Bt/CUM)

| | | | | | |
|-------|-------|-------|-------|-------|-------|
| - TTW | 27.59 | 26.64 | 26.70 | 26.94 | 27.18 |
| - PTW | 12.09 | 6.06 | 6.11 | 6.15 | 6.15 |
| - BIE | 24.75 | 24.99 | 24.99 | 24.99 | 24.99 |

| Cashflow (Btmn) | 2023A | 2024A | 2025E | 2026E | 2027E |
|-------------------------------------|--------|--------|--------|--------|--------|
| Net profit | 2,932 | 2,791 | 2,994 | 3,112 | 3,222 |
| Depreciation & amortization | 1,177 | 603 | 599 | 614 | 629 |
| Change in working capital | 519 | 81 | -48 | -6 | -5 |
| Others | 868 | -123 | 74 | -25 | -25 |
| CF from operation activities | 5,497 | 3,351 | 3,619 | 3,695 | 3,820 |
| Capital expenditure | -525 | -508 | 217 | -176 | -176 |
| Investment in subs and affiliates | -179 | -198 | -253 | -316 | -362 |
| Others | - | - | - | - | - |
| CF from investing activities | -703 | -706 | -36 | -492 | -538 |
| Cash dividend | -2,394 | -2,394 | -2,394 | -2,394 | -2,394 |
| Net proceeds from debt | -1,666 | -669 | -1,155 | -451 | -1,054 |
| Capital raising | - | - | - | - | - |
| Others | - | - | - | - | - |
| CF from financing activities | -4,060 | -3,063 | -3,549 | -2,845 | -3,448 |
| Net change in cash | 734 | -418 | 34 | 358 | -165 |

Key Statistics & Ratios

Per share (Bt)

| | | | | | |
|----------------|------|-------|------|------|-------|
| Reported EPS | 0.73 | 0.70 | 0.75 | 0.78 | 0.81 |
| Core EPS | 0.73 | 0.70 | 0.75 | 0.78 | 0.81 |
| DPS | 0.60 | 0.60 | 0.60 | 0.60 | 0.60 |
| BV | 3.82 | 3.93 | 4.07 | 4.25 | 4.46 |
| EV | 9.49 | 9.39 | 8.71 | 8.50 | 8.27 |
| Free Cash Flow | 0.18 | -0.10 | 0.01 | 0.09 | -0.04 |

Valuation analysis

| | | | | | |
|---------------------|-------|--------|-------|--------|---------|
| Reported P/E (x) | 12.45 | 13.08 | 11.99 | 11.54 | 11.15 |
| Core P/E (x) | 8.88 | 10.76 | 9.99 | 9.64 | 9.32 |
| P/BV (x) | 2.40 | 2.33 | 2.21 | 2.12 | 2.02 |
| EV/EBITDA (x) | 8.47 | 9.92 | 9.02 | 8.63 | 8.24 |
| Price/Cash flow (x) | 49.77 | -87.31 | ### | 100.24 | -217.69 |
| Dividend yield (%) | 6.56 | 6.56 | 6.67 | 6.67 | 6.67 |

Profitability ratios

| | | | | | |
|-----------------------|-------|-------|-------|-------|-------|
| Gross margin (%) | 81.79 | 79.21 | 79.27 | 79.23 | 79.23 |
| EBITDA margin (%) | 78.28 | 75.71 | 75.93 | 75.87 | 75.85 |
| EBIT margin (%) | 64.61 | 71.16 | 74.14 | 74.38 | 74.97 |
| Net profit margin (%) | 51.61 | 56.16 | 59.24 | 60.32 | 61.27 |
| ROA (%) | 14.11 | 13.83 | 15.18 | 15.98 | 16.52 |
| ROE (%) | 19.58 | 18.06 | 18.77 | 18.75 | 18.55 |

Liquidity ratios

| | | | | | |
|-------------------|------|------|------|------|------|
| Current ratio (x) | 3.18 | 1.23 | 3.60 | 2.40 | 7.94 |
| Quick ratio (x) | 3.13 | 1.22 | 3.54 | 2.36 | 7.81 |

Leverage Ratios

| | | | | | |
|-------------------------|-------|-------|-------|-------|-------|
| D/E ratio (x) | 0.33 | 0.29 | 0.19 | 0.16 | 0.09 |
| Net debt/EBITDA (x) | 0.09 | 0.06 | N/A | N/A | N/A |
| Net debt/equity (x) | 0.29 | 0.24 | N/A | N/A | N/A |
| Int. coverage ratio (x) | 25.13 | 27.05 | 29.60 | 50.20 | 70.70 |

Growth

| | | | | | |
|-------------------------|-------|--------|------|------|------|
| Revenue (%) | 2.41 | -12.69 | 1.88 | 2.06 | 1.93 |
| EBITDA (%) | -0.73 | -15.55 | 2.18 | 1.98 | 1.90 |
| Reported net profit (%) | -1.17 | -4.83 | 7.28 | 3.93 | 3.54 |
| Reported EPS (%) | -1.17 | -4.83 | 7.28 | 3.93 | 3.54 |
| Core profit (%) | -1.17 | -4.83 | 7.28 | 3.93 | 3.54 |
| Core EPS (%) | -1.17 | -4.83 | 7.28 | 3.93 | 3.54 |

Source: Company, KS estimates

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Outperform: Expected total return of 10% or more within a 12-month period

Neutral: Expected total return between -10% and 10% within a 12-month period

Underperform: Expected total return of -10% or worse within a 12-month period

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