

TTW Pcl.

August 14, 2025

# TTW

2Q25 earnings in line

## OUTPERFORM

Maintain Rating

Valuation: SOTP

Target Price/Upside:

**Bt9.80/8.29%**

Maintain Target Price

Price (Aug 13, 2025)

**Bt9.05**

Sector: Energy & Utilities

No. of shares on issue:

3,990mn

Market Cap: Bt36,110mn

CG Scoring (IOD-Y2023):

Excellent

30-day avg turnover: Bt13.04mn

Anti-Corruption Indicator:

N/A

## Investment fundamentals

Year end Dec 31	2024A	2025E	2026E	2027E
<b>Company Financials</b>				
Revenue (Btmn)	4,984	5,078	5,183	5,283
Core profit (Btmn)	2,790	2,994	3,111	3,221
Net profit (Btmn)	2,790	2,994	3,111	3,221
Net EPS (Bt)	0.70	0.75	0.78	0.81
DPS (Bt)	0.60	0.60	0.60	0.60
BVPS (Bt)	3.92	4.07	4.25	4.46
Net EPS growth (%)	-4.84	7.29	3.93	3.54
ROA (%)	13.69	15.03	15.98	16.52
ROE (%)	18.07	18.79	18.75	18.55
Net D/E (x)	0.03	N/A	N/A	N/A
<b>Valuation</b>				
P/E (x)	13.01	12.00	11.54	11.15
P/BV (x)	2.32	2.21	2.12	2.02
EV/EBITDA (x)	9.79	9.02	8.63	8.24
Dividend yield (%)	6.59	6.67	6.67	6.67

## Investment Topics

- **TTW reported 2Q25 earnings of Bt797mn (+28% YoY, +21% QoQ).** Earnings were in line with our forecast. The YoY and QoQ growth were mainly due to a strong share of profit from CKP of Bt152mn, up 7x YoY and 8x QoQ. This was supported by higher power output and FX gains from THB appreciation. Earnings in 1H25 accounted for 52% of our full-year forecast of Bt3.0bn.
- **GPM expansion with slight rise in sales.** Excluding CKP's contribution, earnings were Bt645mn, up 7% YoY but unchanged QoQ. The YoY growth was driven by a higher GPM of 81.4%, up 3.1 ppt YoY from lower electricity and chemical costs, while steady QoQ. Total water sales volume also rose to 78mn CUM, up 1% YoY and QoQ. Meanwhile, SG&A expenses were Bt81mn, up 3% YoY and 16% QoQ.
- **Expect 3Q25 earnings to rise YoY and QoQ.** We expect 3Q25 earnings to grow YoY and QoQ. This should be supported by higher CKP profit on the absence of a plant shutdown in 3Q24 and stronger power output from heavier rainfall.

## 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%.

## Analyst

**Jakapong Chawengsri**

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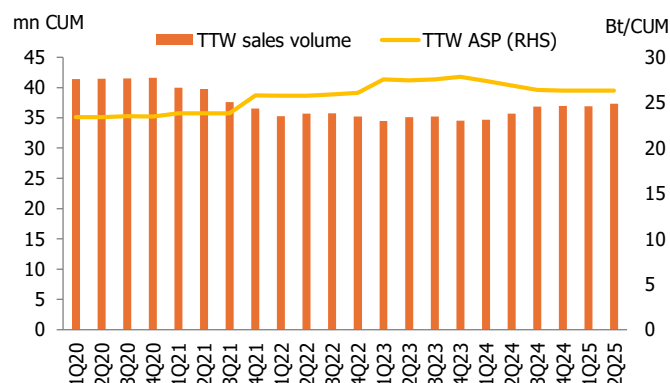
**Assistant Analyst**

**Chitsanupong Chaopaknam**

	2Q24	3Q24	4Q24	1Q25	2Q25	%YoY	%QoQ	2Q25E	% Var	%YTD2025	2025E
<b>Financials</b>											
Sales (Btmn)	1,248	1,258	1,258	1,251	1,268	1.6	1.4	1,268	0.0	49.6	5,078
EBITDA (Btmn)	930	946	951	982	986	6.0	0.4	1,005	-1.9	51.0	3,856
Operating profit (Btmn)	779	797	794	828	827	6.1	-0.1	862	-4.1	50.8	3,257
Core profit (Btmn)	623	916	750	660	797	28.1	20.9	832	-4.2	48.7	2,994
Net profit (Btmn)	623	916	750	660	797	28.1	20.9	832	-4.2	48.7	2,994
Net EPS (Bt)	0.16	0.23	0.19	0.17	0.20	28.0	20.8	0.21	-4.2	48.7	0.75
<b>Performance Drivers</b>											
Volume-TTW (mn CUM)	35.7	36.8	36.9	36.9	37.3	4.5	1.2	37.3	0.0	50.7	146
Volume-PTW (mn CUM)	39.9	39.8	39.7	38.6	38.6	-3.1	0.3	38.6	0.0	48.3	160
Share of profit (Btmn)	18	297	135	17	152	725.4	771.6	158	-3.5	34.7	490
<b>Ratios</b>											
						<b>Change</b>				<b>Avg YTD</b>	<b>2025E</b>
Gross margin (%)	78.3	78.2	80.3	81.5	81.4	3.1	-0.1	82.3	-0.9	81.4	79.3
EBITDA margin (%)	74.5	75.2	75.6	78.5	77.8	3.3	-0.7	79.3	-1.5	78.1	75.9
Optg. margin (%)	62.4	63.3	63.2	66.2	65.2	2.8	-1.0	68.0	-2.8	65.7	64.1
ROE (%)	16.2	24.4	19.5	16.8	19.5	3.3	2.7	20.3	-0.8	18.1	18.7

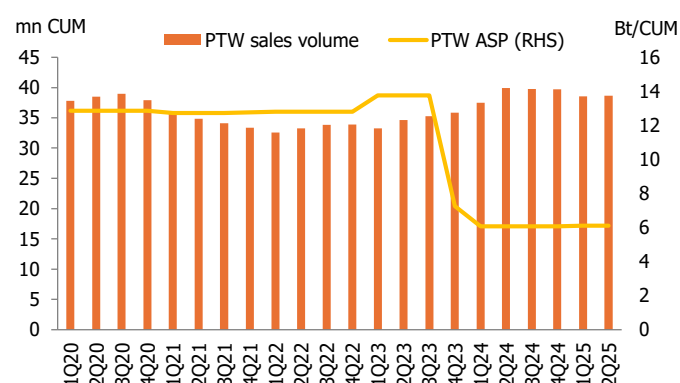
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**Fig 1 TTW's sales volume and average selling price**



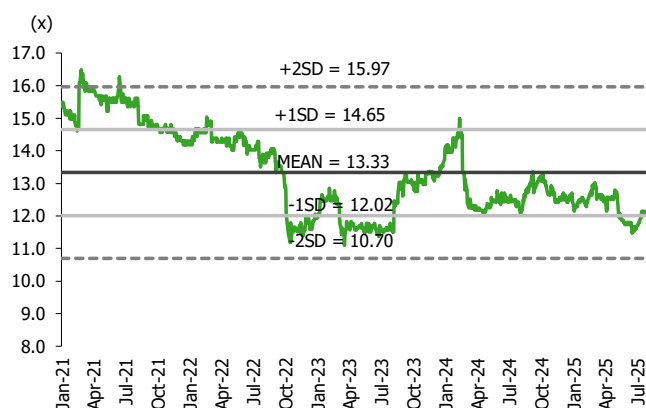
Source: Company Data, KS Research

**Fig 2 PTW's sales volume and average selling price**



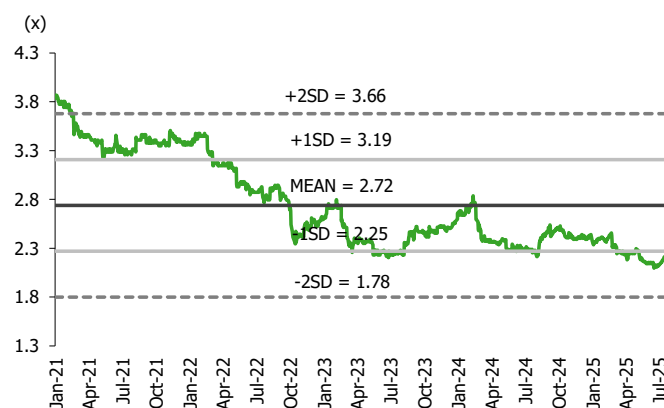
Source: Company Data, KS Research

**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



## Year-end 31 Dec

Income Statement (Btmn)	2023A	2024A	2025E	2026E	2027E
Revenue	5,709	4,984	5,078	5,183	5,283
Cost of sales and services	-1,040	-1,043	-1,053	-1,076	-1,097
<b>Gross Profit</b>	4,670	3,941	4,025	4,106	4,185
SG&A	-318	-302	-286	-292	-297
Other income	118	128	116	117	119
<b>EBIT</b>	3,689	3,547	3,765	3,855	3,961
<b>EBITDA</b>	4,469	3,767	3,856	3,932	4,007
Interest expense	-147	-131	-127	-77	-56
Equity earnings	365	336	490	519	565
<b>EBT</b>	3,542	3,415	3,638	3,778	3,905
Income tax	-596	-616	-629	-652	-668
<b>NPAT</b>	2,946	2,799	3,008	3,126	3,237
Minority Interest	-14	-9	-15	-15	-15
<b>Core Profit</b>	2,932	2,790	2,994	3,111	3,221
Extraordinary items	-	-	-	-	-
FX gain (loss)	-	-	-	-	-
<b>Reported net profit</b>	2,932	2,790	2,994	3,111	3,221

Balance Sheet (Btmn)	2023A	2024A	2025E	2026E	2027E
Cash & equivalents	595	1,278	209	567	402
Accounts receivable	467	408	415	424	432
Inventories	30	27	27	27	27
<b>Total current assets</b>	3,545	4,196	3,160	3,551	3,419
Investment in subs & others	6,827	6,990	7,277	7,593	7,954
Fixed assets-net	9,788	9,301	8,878	8,439	7,986
<b>Total assets</b>	20,277	20,605	19,432	19,701	19,477
Short-term debt	673	2,087	451	1,054	0
Accounts payable	153	134	137	139	142
<b>Total current liabilities</b>	1,115	2,510	877	1,482	431
Long-term debt	3,657	2,193	1,054	0	0
<b>Total liabilities</b>	4,996	4,927	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	9,752	10,352	11,069	11,897
Minority interests	42	42	42	42	42
<b>Total shareholders' equity</b>	15,282	15,678	16,278	16,995	17,822
<b>Total equity &amp; liabilities</b>	20,277	20,605	19,432	19,701	19,477

## 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	24.93	24.93	24.93	24.93

Cashflow (Btmn)	2023A	2024A	2025E	2026E	2027E
Net profit	2,932	2,790	2,994	3,111	3,221
Depreciation & amortization	1,177	643	599	614	629
Change in working capital	519	38	-5	-6	-5
Others	868	-24	-25	-25	-25
<b>CF from operation activities</b>	5,497	3,447	3,563	3,695	3,820
Capital expenditure	-525	-156	-176	-176	-176
Investment in subs and affiliates	-179	-163	-287	-316	-362
Others	-	-	-	-	-
<b>CF from investing activities</b>	-703	-320	-463	-492	-538
Cash dividend	-2,394	-2,394	-2,394	-2,394	-2,394
Net proceeds from debt	-1,666	-49	-1,775	-451	-1,054
Capital raising	-	-	-	-	-
Others	-	-	-	-	-
<b>CF from financing activities</b>	-4,060	-2,443	-4,169	-2,845	-3,448
<b>Net change in cash</b>	734	684	-1,069	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	3.92	4.07	4.25	4.46
EV	9.49	9.25	8.71	8.50	8.28
Free Cash Flow	0.18	0.17	-0.27	0.09	-0.04

### Valuation analysis

Reported P/E (x)	12.45	13.01	12.00	11.54	11.15
Core P/E (x)	8.88	10.57	10.00	9.64	9.33
P/BV (x)	2.40	2.32	2.21	2.12	2.02
EV/EBITDA (x)	8.47	9.79	9.02	8.63	8.24
Price/Cash flow (x)	49.77	53.11	-33.60	100.32	-217.25
Dividend yield (%)	6.56	6.59	6.67	6.67	6.67

### Profitability ratios

Gross margin (%)	81.79	79.08	79.27	79.23	79.23
EBITDA margin (%)	78.28	75.58	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	13.69	15.03	15.98	16.52
ROE (%)	19.58	18.07	18.79	18.75	18.55

### Liquidity ratios

Current ratio (x)	3.18	1.67	3.60	2.40	7.93
Quick ratio (x)	3.13	1.65	3.54	2.36	7.81

### Leverage Ratios

D/E ratio (x)	0.33	0.31	0.19	0.16	0.09
Net debt/EBITDA (x)	0.09	0.03	N/A	N/A	N/A
Net debt/equity (x)	0.29	0.14	N/A	N/A	N/A
Int. coverage ratio (x)	25.13	27.04	29.59	50.20	70.69

### Growth

Revenue (%)	2.41	-12.70	1.88	2.06	1.93
EBITDA (%)	-0.73	-15.71	2.36	1.98	1.90
Reported net profit (%)	-1.17	-4.84	7.29	3.93	3.54
Reported EPS (%)	-1.17	-4.84	7.29	3.93	3.54
Core profit (%)	-1.17	-4.84	7.29	3.93	3.54
Core EPS (%)	-1.17	-4.84	7.29	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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