

TTW Pcl.

October 28, 2025

TTW

Expect solid 3Q25 on core business and profit share



Highlights

- ▶ Expect 3Q25 earnings to rise YoY and QoQ on a higher share of profit from CKP and higher tap water sales volume, with GPM improving on lower electricity costs and better efficiency.
- ▶ We raise our 2025 earnings by 7% on higher share of profit from CKP but trim 2026/27 by 2%/4% on lower selling prices and increased interest expense for debenture issues to finance the acquisition of LPCL.
- ▶ Maintain Outperform and TP of Bt9.8. Despite lower selling prices and higher interest expense, we expect TTW to sustain a dividend of Bt0.6/share, indicating yield of 6-7%.

Investment Fundamentals

Year end Dec 31	2024A	2025E	2026E	2027E
Company Financials				
Revenue (Btmn)	4,985	5,108	5,097	5,183
Core profit (Btmn)	2,791	3,197	3,042	3,106
Net profit (Btmn)	2,791	3,197	3,042	3,106
Net EPS (Bt)	0.70	0.80	0.76	0.78
DPS (Bt)	0.60	0.60	0.60	0.60
BVPS (Bt)	3.93	4.07	4.23	4.41
Net EPS growth (%)	-4.83	14.58	-4.86	2.09
ROA (%)	13.83	16.21	15.57	15.87
ROE (%)	18.06	20.04	18.37	18.01
Net D/E (x)	0.06	N/A	N/A	N/A
Valuation				
P/E (x)	13.08	11.23	11.80	11.56
P/BV (x)	2.33	2.21	2.13	2.04
EV/EBITDA (x)	9.92	9.09	8.87	8.52
Dividend yield (%)	6.56	6.67	6.67	6.67

Analyst

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OUTPERFORM

Maintain Rating

Valuation: SOTP

Sector: Energy & Utilities

Market Cap: Bt35,910mn

30-day avg turnover: Bt17.94mn

Target Price/Upside:

Bt9.80/8.89%

Maintain Target Price

Price (Oct 27, 2025)

Bt9.00

No. of shares on issue:

3,990mn

CG Scoring (IOD-Y2023):

Excellent

Anti-Corruption Indicator:

N/A

Investment Highlights

We transfer coverage from Jakapong Chawengsri to Chitsanupong Chaopaknam.

- ▶ **Expect 3Q25 earnings of Bt1.0bn (+12% YoY and +28% QoQ).** We project earnings to grow YoY and QoQ mainly driven by 1) a higher share of profit from CKP as its electricity sales volume in the quarter increased resulting from strong rainfall; and 2) a higher water sales volume from an expansion of its water distribution network supported by improved water pressure at its water distribution stations. Given this, 9M25 earnings should come in at Bt2.5bn, which represents 78% of our full-year forecast.
- ▶ **Expect tap water earnings to rise YoY and QoQ.** Excluding CKP's profit contribution, we project earnings to rise to Bt668mn, up 7% YoY and 2% QoQ. The growth is driven by higher sales volume of 81mn CUM, up 3% YoY and 4% QoQ, following TTW's enhancement of its water distribution stations. Another factor behind our earnings growth forecast is the expectation GPM will widen to 81.4%, flat QoQ but up 3.1 ppt YoY, as TTW benefited from a lower electricity cost and improved operational efficiency.
- ▶ **2025 earnings forecasts revisions.** We raise our 2025 earnings forecast by 7% to Bt3.2bn as we increase our share of profit estimate from CKP for 2025 to Bt661mn, up 35% from our previous forecast of Bt490mn. Excluding this adjustment, we lower our 2026/27 earnings forecasts slightly by 2%/4%, as 1) we reduce our average selling price assumption to reflect Thailand's CPI decline of 0.7% YoY in July compared with our prior inflation-based growth assumption of 1.5%; and 2) we raise our interest expense estimates for 2025/2026/2027 by 2%/60%/116% to Bt130mn/Bt123mn/Bt121mn following TTW's issue of a new debenture to finance the acquisition of Luang Prabang Power Co., Ltd. (LCPL).
- ▶ **Details of new debentures.** TTW issued three debentures totaling Bt3bn on August 29 this year entailing 1) Bt1.5bn with a 5-year maturity at a fixed rate of 2.3% per year; 2) Bt500mn with a 3-year maturity and zero coupon rate; and 3) Bt1bn with a 3-year maturity at a fixed rate of 2% per year. TTW's acquisition of the LPCL project from CH. Karnchang (CK) was previously discussed in our report, "LPCL deal to have limited impact on valuation," dated March 28 this year.

Valuation and Recommendation

- ▶ **Maintain Outperform rating and TP of Bt9.8.** Our valuation is based on the dividend discount model using an 8% discount rate, resulting in a target price of Bt8.3 plus Bt1.5 from TTW's 25% stake in CKP. We expect TTW to maintain an annual dividend of Bt0.6, representing a payout ratio of 90% (excluding CKP's contribution) and provide dividend yield of 6-7%.

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

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Fig 1 3Q25 performance preview

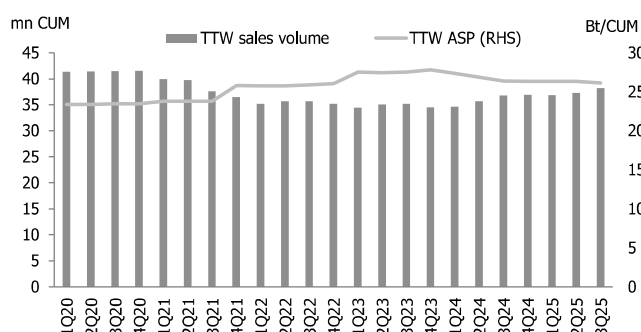
	3Q24	4Q24	1Q25	2Q25	3Q25E	%YoY	%QoQ	%YTD2025	2025E	% change
Financials										
Sales (Btmn)	1,258	1,258	1,251	1,268	1,295	2.9	2.1	74.7	5,108	2.5
EBITDA (Btmn)	946	951	982	986	1,008	6.5	2.2	75.6	3,937	4.3
Operating profit (Btmn)	797	794	828	827	854	7.2	3.3	75.9	3,306	4.2
Core profit (Btmn)	916	750	660	797	1,023	11.7	28.3	77.6	3,197	14.6
Net profit (Btmn)	916	750	660	797	1,023	11.7	28.3	77.6	3,197	14.6
Net EPS (Bt)	0.23	0.19	0.17	0.20	0.26	11.7	28.3	77.5	0.80	14.6
Performance Drivers										
Volume-TTW (mn CUM)	36.8	36.9	36.9	37.3	38.2	3.8	2.4	74.5	151	4.6
Volume-PTW (mn CUM)	39.8	39.7	38.6	38.6	40.6	2.0	5.0	74.4	158	1.0
Share of profit (Btmn)	297	135	17	152	355	19.2	132.7	79.3	661	96.9
Ratios										
						Change		Avg YTD	2025E	Change
Gross margin (%)	78.2	80.3	81.5	81.4	81.4	3.1	-0.1	81.4	81.1	2.4
EBITDA margin (%)	75.2	75.6	78.5	77.8	77.8	3.3	-0.7	78.0	77.1	1.8
Optg. margin (%)	63.3	63.2	66.2	65.2	66.0	2.8	-1.0	65.8	64.7	1.7
ROE (%)	24.4	19.5	16.8	19.5	25.5	3.3	2.7	20.6	20.0	11.0

Source: KS Research

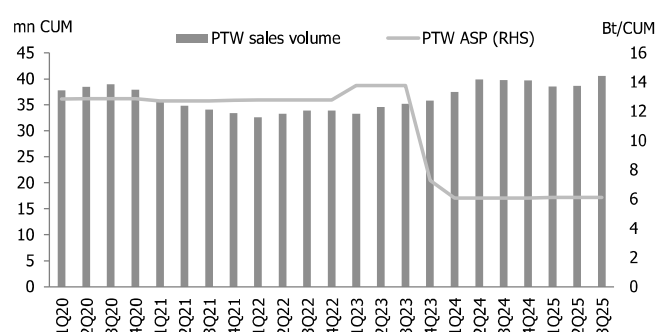
Fig 2 Earnings revisions

Unit: Btmn.	2025E			2026E			2027E		
Profit and loss statements	New	Previous	%Change	New	Previous	%Change	New	Previous	%Change
Total revenue	5,108	5,078	0.6	5,097	5,183	-1.7	5,183	5,283	-1.9
Cost of goods sold	966	1,053	-8.2	962	1,076	-10.6	982	1,097	-10.5
Gross profit	4,142	4,026	2.9	4,134	4,107	0.7	4,201	4,186	0.4
SG&A	321	286	12.4	321	292	9.9	326	297	9.7
Operating profit	3,306	3,257	1.5	3,280	3,318	-1.2	3,322	3,378	-1.7
EBITDA	3,937	3,856	2.1	3,931	3,932	-0.0	3,993	4,007	-0.3
EBIT	3,979	3,765	5.7	3,814	3,855	-1.1	3,885	3,961	-1.9
Core profit	3,197	2,994	6.8	3,042	3,112	-2.2	3,106	3,222	-3.6
Net profit	3,197	2,994	6.8	3,042	3,112	-2.2	3,106	3,222	-3.6
Key assumptions									
Volume (TTW)	151	146	3.1	152	148	3.1	154	149	3.1
Volume (PTW)	158	160	-1.0	160	163	-2.0	161	166	-3.0
Interest Expenses	130	127	2.0	123	77	60.2	121	56	116.3
Share of profit	661	490	34.9	522	519	0.6	550	565	-2.6
GPM (%)	81.1	79.3	1.8	81.1	79.2	1.9	81.0	79.2	1.8

Source: KS Research

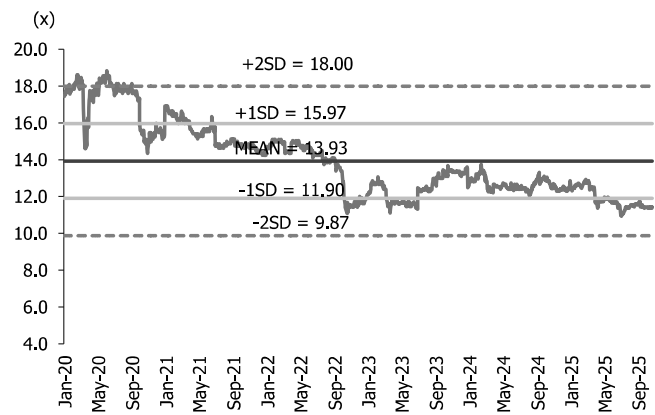
Fig 3 TTW's sales volume and average selling price


Source: Company data, KS Research

Fig 4 PTW's sales volume and average selling price


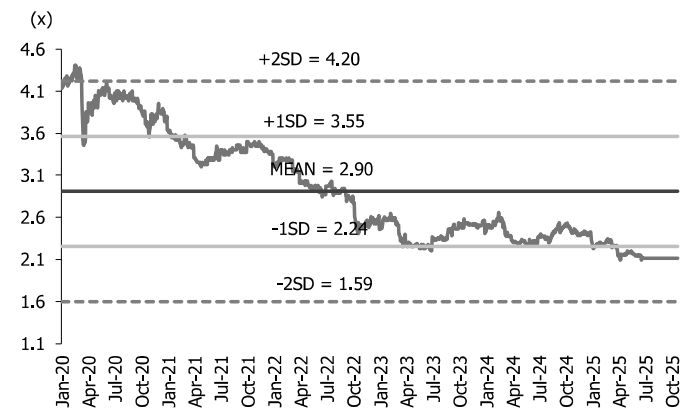
Source: Company data, KS Research

Fig 5 PER band



Source: Bloomberg

Fig 6 PBV band



Source: Bloomberg

Income Statement (Btmn)	2023A	2024A	2025E	2026E	2027E	Cashflow (Btmn)	2023A	2024A	2025E	2026E	2027E
Revenue	5,709	4,985	5,108	5,097	5,183	Net profit	2,932	2,791	3,197	3,042	3,106
Cost of sales and services	-1,040	-1,036	-966	-962	-982	Depreciation & amortization	1,177	603	631	651	671
Gross Profit	4,670	3,948	4,142	4,134	4,201	Change in working capital	519	81	-48	-1	-5
SG&A	-318	-302	-321	-321	-326	Others	868	-123	74	-25	-25
Other income	118	128	116	118	119	CF from operation activities	5,497	3,351	3,854	3,668	3,747
EBIT	3,689	3,547	3,979	3,814	3,885	Capital expenditure	-525	-508	185	-289	-226
EBITDA	4,469	3,774	3,937	3,931	3,993	Investment in subs and affiliates	-179	-198	-253	-313	-327
Interest expense	-147	-131	-130	-123	-121	Others	-	-	-	-	-
Equity earnings	365	336	661	522	550	CF from investing activities	-703	-706	-68	-602	-553
EBT	3,542	3,416	3,850	3,691	3,763	Cash dividend	-2,394	-2,394	-2,394	-2,394	-2,394
Income tax	-596	-616	-638	-634	-643	Net proceeds from debt	-1,666	-669	-1,155	-451	-1,054
NPAT	2,946	2,799	3,212	3,057	3,121	Capital raising	-	-	-	-	-
Minority Interest	-14	-9	-15	-15	-15	Others	-	-	-	-	-
Core Profit	2,932	2,791	3,197	3,042	3,106	CF from financing activities	-4,060	-3,063	-3,549	-2,845	-3,448
Extraordinary items	-	-	-	-	-	Net change in cash	734	-418	237	220	-253
FX gain (loss)	-	-	-	-	-	Key Statistics & Ratios					
Reported net profit	2,932	2,791	3,197	3,042	3,106	Per share (Bt)					
Balance Sheet (Btmn)						Reported EPS	0.73	0.70	0.80	0.76	0.78
Cash & equivalents	595	197	209	634	380	Core EPS	0.73	0.70	0.80	0.76	0.78
Accounts receivable	467	492	415	417	424	DPS	0.60	0.60	0.60	0.60	0.60
Inventories	30	28	27	27	27	BV	3.82	3.93	4.07	4.23	4.41
Total current assets	3,545	3,297	3,160	3,610	3,389	EV	9.49	9.39	8.96	8.74	8.53
Investment in subs & others	6,827	7,025	7,277	7,590	7,917	Free Cash Flow	0.18	-0.10	0.06	0.06	-0.06
Fixed assets-net	9,788	9,693	8,878	8,515	8,070	Valuation analysis					
Total assets	20,277	20,201	19,432	19,834	19,494	Reported P/E (x)	12.45	13.08	11.23	11.80	11.56
Short-term debt	673	2,073	451	1,054	0	Core P/E (x)	8.88	10.76	9.38	9.72	9.51
Accounts payable	153	261	137	137	139	P/BV (x)	2.40	2.33	2.21	2.13	2.04
Total current liabilities	1,115	2,670	877	1,480	428	EV/EBITDA (x)	8.47	9.92	9.09	8.87	8.52
Long-term debt	3,657	1,587	2,054	1,000	1,000	Price/Cash flow (x)	49.77	-87.31	151.28	163.21	-141.71
Total liabilities	4,996	4,490	3,154	2,703	1,652	Dividend yield (%)	6.56	6.56	6.67	6.67	6.67
Paid-up capital	3,990	3,990	3,990	3,990	3,990	Profitability ratios					
Share premium	2,638	2,638	2,638	2,638	2,638	Gross margin (%)	81.79	79.21	81.09	81.12	81.04
Retained earnings	9,356	9,753	10,352	11,000	11,712	EBITDA margin (%)	78.28	75.71	77.08	77.13	77.04
Minority interests	42	40	42	42	42	EBIT margin (%)	64.61	71.16	77.91	74.84	74.95
Total shareholders' equity	15,282	15,711	16,278	16,926	17,638	Net profit margin (%)	51.61	56.16	62.89	59.98	60.21
Total equity & liabilities	20,277	20,201	19,432	19,629	19,289	ROA (%)	14.11	13.83	16.21	15.57	15.87
Key Assumptions						ROE (%)	19.58	18.06	20.04	18.37	18.01
Tap Water Production						Liquidity ratios					
Capacity- Water (k CUM/day)	1,094	1,094	1,094	1,094	1,094	Current ratio (x)	3.18	1.23	3.60	2.44	7.91
Volume-water (k CUM/day)	783	843	867	876	885	Quick ratio (x)	3.13	1.22	3.54	2.40	7.79
Utilization rate (%)	71.54	77.09	79.29	80.09	80.89	Leverage Ratios					
Average Selling Price (Bt/CUM)						D/E ratio (x)	0.33	0.29	0.19	0.16	0.09
- TTW	27.59	26.64	26.22	25.90	26.01	Net debt/EBITDA (x)	0.09	0.06	N/A	N/A	N/A
- PTW	12.09	6.06	6.11	6.01	6.12	Net debt/equity (x)	0.29	0.24	N/A	N/A	N/A
- BIE	24.75	24.99	24.99	24.99	24.99	Int. coverage ratio (x)	25.13	27.05	30.71	30.91	32.08
						Growth					
						Revenue (%)	2.41	-12.69	2.47	-0.22	1.69
						EBITDA (%)	-0.73	-15.55	4.32	-0.15	1.58
						Reported net profit (%)	-1.17	-4.83	14.58	-4.86	2.09
						Reported EPS (%)	-1.17	-4.83	14.58	-4.86	2.09
						Core profit (%)	-1.17	-4.83	14.58	-4.86	2.09
						Core EPS (%)	-1.17	-4.83	14.58	-4.86	2.09

Source: Company, KS estimates

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