Thaifoods Group (TFG TB)

3Q26: Earnings Up yoy And qoq

Highlights

- TFG reported a 3Q26 core profit of Bt1,987m (+15.4% yoy, +32.5% qoq). The earnings are in line with the market's projection but beat our forecast by 8% due to better-than-expected gross profit margin and sales.
- We maintain our positive outlook for 4Q26-1H27, underpinned by a domestic livestock price upcycle and continued retail store expansion.
- Maintain BUY with a target price of Bt13.00.

3Q26 Results

Year to 31 Dec (Btm)	3Q26	3Q25	2Q26	yoy%	qoq%
Sales	20,167	18,191	18,351	10.9%	9.9%
Gross Profit	4,235	3,422	3,386	23.7%	25.1%
Pre-tax Profit	2,297	1,974	1,693	16.4%	35.7%
Net Profit	2,024	1,704	1,474	18.8%	37.3%
Core Profit	1,987	1,723	1,500	15.4%	32.5%
EPS (Bt)	0.35	0.29	0.25	18.8%	37.3%
(%)	**3Q26**	**3Q25**	**2Q26**	**yoy%**	**qoq%**
Gross Margin (%)	21.0%	18.8%	18.5%	2.2%	2.5%
SG&A/revenue (%)	9.9%	8.0%	9.7%	1.9%	0.2%
Net Margin (%)	9.9%	9.3%	7.9%	0.6%	2.0%

Source: Thaifoods Group Plc, UOB Kay Hian

Analysis

- **Earnings up yoy and qoq.** Thaifoods Group (TFG) reported a 3Q26 net profit of Bt2,024m (+18.8% yoy, +37.3% qoq). Excluding one-off items, 3Q26 core profit came in at Bt1,987m (+15.4% yoy, +32.5% qoq). The earnings are in line with the market but beat our forecast by 8% due to better-than-expected gross profit margin.
- **Sales returned to yoy and qoq growth.** 3Q26 revenue came in at Bt20,167m (+10.9% yoy, +9.9% qoq). The poultry business reported sales of Bt4.7b (-3.4% yoy, +18% qoq), while the swine business' sales came in at Bt2.9b (-18.3% yoy, +12.2% qoq). The yoy decline in poultry and swine sales was due to: a) lower ASPs, and b) lower sales volumes as a greater proportion of production was allocated to the retail business. Feed sales was reported at Bt2.9b (+4% yoy, -0.7% qoq).

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, Bloomberg, UOB Kay Hian

Analyst(s)

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BUY (Maintained)

Share Price	Bt9.65
Target Price	Bt13.00
Upside	31.09%

Stock Data

Sector	Consumer Staples
Bloomberg ticker	TFG TB
Shares issued (m)	5,823.7
Market cap (Btm)	55,033.8
Market cap (US$m)	1,629.2
3-mth avg daily t'over (US$m)	4.0

Price Performance (%)

52-week high/low				Bt11.3/Bt4.4
1mth	3mth	6mth	1yr	YTD
(3.1)	(5.5)	8.0	104.6	111.9

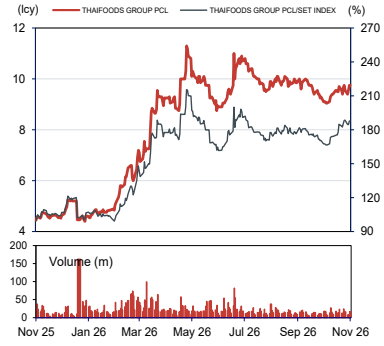
Major Shareholders (%)

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.

- **Strong growth from retail business.** Retail sales increased strongly to Bt9.5b (+38.5% yoy and +9% qoq), driving the retail sales contribution to 47.3% of total revenue. The number of branches reached 787 in 3Q26, vs 533 and 748 stores in 3Q25 and 2Q26 respectively.
- **Profitability rebound.** Gross profit margin came in at 21% in 3Q26 (vs 18.8% in 3Q25 and 18.5% in 2Q26). The yoy improvement was attributable to higher sales volumes of chicken and pork in Thailand, continued expansion of retail outlets, and lower raw material costs. Meanwhile, the qoq improvement was mainly driven by higher ASPs of livestock.
- TFG announced a dividend of Bt0.10/share, implying a dividend yield of 1.03%. The ex-dividend date is 25 Nov 26.
- **4Q26 earnings expected to rise yoy but remain flat qoq.** Looking ahead, we maintain our positive outlook for 4Q26–1H27, supported by a domestic livestock price upcycle. The swine price upcycle is expected to gain further momentum in 4Q26. Domestic swine prices have continued to rise in Nov 26, reaching Bt74/kg (+16% mom, +19% yoy), while chicken prices have normalised to Bt43/kg (-1.2% mom, +16.4% yoy). On the cost side, we expect both corn and soybean meal prices to increase qoq and yoy. However, we expect the company to maintain its margins by passing on higher livestock prices. In addition, retail store expansion is expected to be a key revenue growth driver in 2026-27, with the company targeting 875 and 1,000 stores by the end of 2026 and 2027 respectively. Improving retail store profitability should also help cushion the impact of higher raw material costs, alongside an increasing contribution from higher-margin products sold through its retail outlets.

Valuation/Recommendation

- **Maintain BUY with a target price of Bt13.00.** We use a PE-based valuation, based on 2027F EPS and a target PE of 10x, in line with its five-year historical average. TFG is currently trading at an attractive 2027F PE of 7.4x, while its 4Q26 outlook remains promising. Continued retail expansion is expected to drive sales growth for the long term and help cushion the impact of rising raw material costs, thus resulting in greater earnings resilience than upstream farm operators.

Earnings Revision/Risk

- None. 9M26 earnings accounted for 75% of our 2026 full-year forecast.

Share Price Catalyst

- Improvement in domestic swine and broiler ASPs in 4Q26-1H27.
- Lower raw material costs.
- 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.

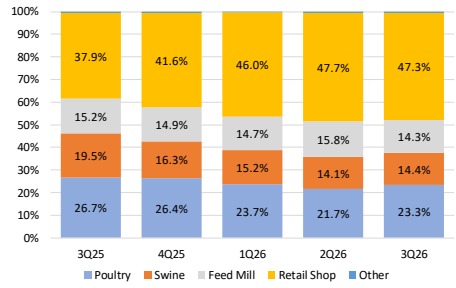
Social

- TFG is working to improve many dimensions of social responsibility.

Governance

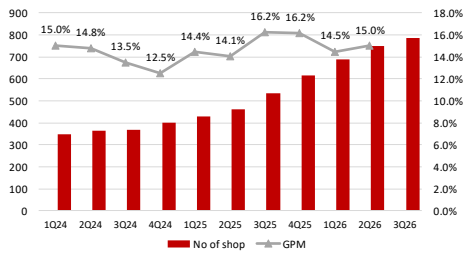
- The company has established a governance committee to ensure that its operations comply with applicable laws and international standards, while maintaining regular communication with stakeholders

Sales Contribution



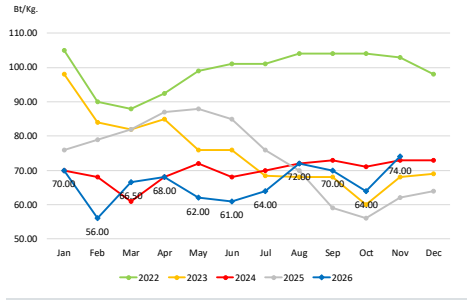
Source: TFG, UOB Kay Hian

Retail Business



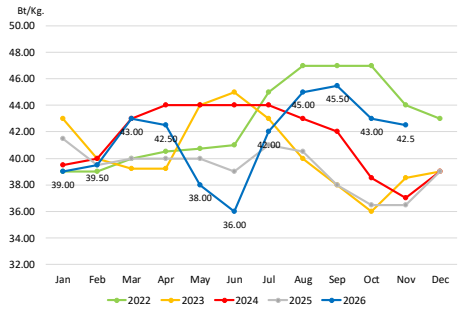
Source: TFG, UOB Kay Hian

Domestic Swine Prices



Source: CPF, UOB Kay Hian

Domestic Chicken Prices



Source: CPF, 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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