OSOTSPA (OSP TB)

Gradual Revenue Growth In 2027

Highlights

- OSP reported 3Q26 core profit of Bt875m (+24.9% yoy, -20.5% qoq). International energy drink and personal care sales continued to show positive momentum, while gross profit margin remained resilient.
- We expect 4Q26 earnings to increase yoy but remain broadly flat qoq, supported by seasonal strength in personal care sales and a recovery in international markets, which should partially offset the impact of higher raw material costs.
- Maintain BUY with a target price of Bt22.00.

Analysis

- **We attended OSOTSPA's (OSP) analyst meeting after its 3Q26 results, and the tone of the meeting was neutral.**
- **2027 revenue is expected to gradually increase, driven primarily by growth in the personal care segment.** The company did not provide specific guidance for 2027 but indicated that revenue is expected to grow yoy. We maintain our forecast of 3% yoy revenue growth in 2027, primarily driven by the personal care segment, while the energy drink segment is expected to continue focusing on premiumisation. Nevertheless, we will continue to monitor competitive intensity in the Bt10 and premium segments, as well as the company's ability to expand its presence in the premium energy drink market.
- **International business has shown signs of improvement.** In the Myanmar market, progress in obtaining import licences has improved since 3Q26, although the recovery is expected to remain gradual. The company also plans to establish local production of glass-bottled energy drinks in Myanmar, which should help alleviate cost pressures and improve cost efficiency.
- **4Q26 earnings outlook.** We expect 4Q26 earnings to increase yoy but remain broadly flat qoq, due to an anticipated decline in gross profit margin from higher raw material costs. We expect profitability to improve as raw material cost pressures gradually ease amid easing tensions in the Middle East war. This should allow OSP to capture further benefits from cost restructuring, providing greater earnings visibility going forward.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	27,069.5	25,560.9	24,095.4	24,844.3	25,631.7
EBITDA	4,950.5	5,685.4	6,005.5	6,140.6	6,318.5
Operating profit	3,462.4	4,184.2	4,629.0	4,833.3	5,048.0
Net profit (rep./act.)	1,638.1	3,666.6	3,725.8	3,886.6	4,055.4
Net profit (adj.)	3,035.5	3,501.6	3,725.8	3,886.6	4,055.4
EPS	1.0	1.2	1.2	1.3	1.4
PE (x)	13.8	11.9	11.2	10.7	10.3
P/B (x)	2.7	2.5	2.3	2.1	2.0
EV/EBITDA (x)	8.5	6.9	6.3	5.9	5.5
Dividend yield (%)	4.3	5.8	5.8	6.1	6.4
Net margin (%)	6.0	14.3	15.5	15.6	15.8
Net debt/(cash) to equity(%)	0.4	(17.7)	(25.8)	(33.3)	(39.8)
Interest cover (x)	42.1	52.0	145.9	152.2	159.2
ROE (%)	9.3	20.0	19.6	19.7	19.8
Consensus net profit	n.a	n.a	3,716.0	3,874.9	4,024.6
UOBKH/Consensus (x)	n.a	n.a	1.0	1.0	1.0

Source: OSOTSPA, Bloomberg, UOB Kay Hian

Analyst(s)

Nichapa Ratchabandit

Nichapa@uobkh.co.th

+662 090 3366

BUY (Maintained)

Share Price	Bt18.75
Target Price	Bt22.00
Upside	17.33%

Stock Data

Sector	Consumer Staples
Bloomberg ticker	OSP TB
Shares issued (m)	3,003.8
Market cap (Btm)	49,862.2
Market cap (US$m)	1,482.7
3-mth avg daily t'over (US$m)	5.2

Price Performance (%)

52-week high/low				Bt18.8/Bt14.0
1mth	3mth	6mth	1yr	YTD
3.1	(7.3)	9.9	2.5	3.1

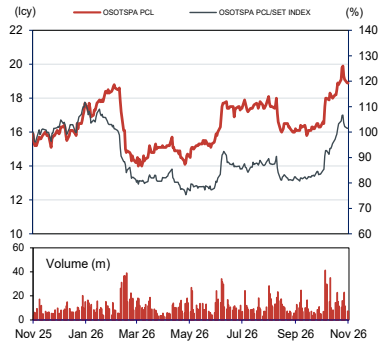
Major Shareholders (%)

Mr. Niti Osathanugrah	24.07
Bank Julius Baer & Co., Ltd, Singapore	8.69

Balance Sheet Metrics

FY26 NAV/Share (Bt)	6.0
FY26 Net Debt/Share (Bt)	(1.6)

Price Chart



Source: Bloomberg

Company Description

Osotspa core business is divided into three segments: a) beverages, b) personal care, and c) healthcare and confectionery. In addition, Osotspa engages in non-core businesses such as providing OEM services for contract products and packaging manufacturing.

3Q26 Results

Year to 31 Dec (Btm)	3Q26	3Q25	2Q26	yoy%	qoq%
Sales	5,741	5,604	6,115	2.5%	-6.1%
Gross Profit	2,325	2,157	2,617	7.8%	-11.2%
SG&A	1,359	1,367	1,377	-0.6%	-1.3%
EBIT	1,103	850	1,319	29.7%	-16.3%
Net Profit	946	700	1,100	35.1%	-14.0%
Core Profit	875	700	1,100	24.9%	-20.5%
EPS (Bt)	0.29	0.23	0.37	24.9%	-20.5%
(%)	**3Q26**	**3Q25**	**2Q26**	**yoy%**	**qoq%**
Gross Margin (%)	40.5%	38.5%	42.8%	2.0%	-2.3%
%SG&A/revenue	23.7%	24.4%	22.5%	-0.7%	1.2%
Net Margin (%)	16.5%	12.5%	18.0%	4.0%	-1.5%

Source: OSOTSPA, UOB Kay Hian

- **3Q26 results recap: Results in line.** OSP reported a 3Q26 net profit of Bt946m (+35.1% yoy, -14.0% qoq), Excluding one-off items (Bt71m from the clearance of its former factory site), 3Q26 core profit came in at Bt875m (+24.9% yoy, -20.5% qoq). The results are in line with both our expectations and consensus estimates. 3Q26 sales came in at Bt5.7b (+2.5% yoy, -6.1% qoq). Domestic beverage sales was Bt3.8b (+0.9% yoy, -2.5% qoq), while international beverage sales was Bt859m (-2.6% yoy, -26.5% qoq). Personal care sales came in at at796m (+19.8% yoy, +1.3% qoq). Gross profit margin was 40.5% in 3Q26 (vs 38.5% in 3Q25 and 42.8% in 2Q26). SG&A/sales in 3Q26 was 23.7%, up qoq, but down yoy.

Valuation/Recommendation

- **Maintain BUY with a target price of Bt22.00.** based on 2027 EPS. Using the PE valuation method, we value OSP at -1SD to its five-year PE band, implying a multiple of 18x.

Earnings Revision/Risk

- **None**. 9M26 earnings accounted for 84% of full-year earnings forecast in 2026F. We maintain our full-year earnings estimate, reflecting a conservative outlook for 4Q26 given the anticipated further pressure on gross profit margin.

Share Price Catalyst

- Lower costs of raw materials such as sugar, natural gas, and aluminium coil.
- Government stimulus measures to support domestic consumption.
- Easing of the import licence issue in Myanmar.

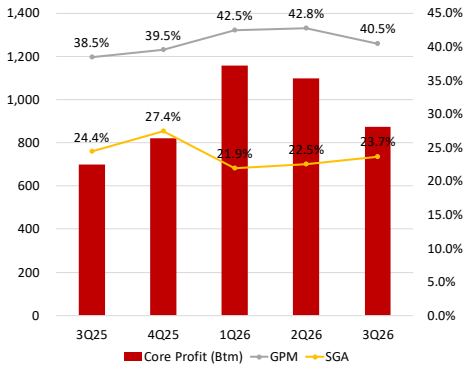
Environment, Social, Governance (ESG) Updates

CG Report: 5

SET ESG Rating: AAA

- **Environmental:** OSP embeds packaging sustainability in its environmental strategy through its “Zero Packaging Waste” ambition, focusing on circular packaging design and eco-friendly materials while setting KPIs to monitor and engage business partners on environmental performance.
- **Social:** OSP supports local communities through charitable donations, community engagement, and commercial initiatives to enhance quality of life and enable sustainable business growth.
- **Governance:** The company aims to conduct its business with transparency and fairness, while continuously improving operational efficiency to ensure long-term business sustainability.

Earnings Performance



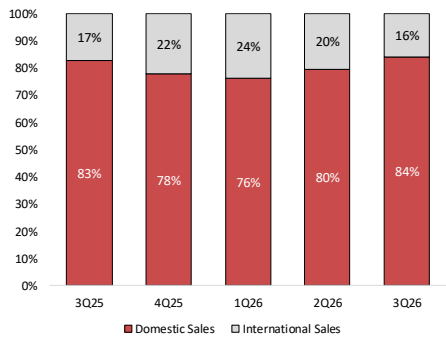
Source: OSP, UOB Kay Hian

9M Sales Breakdown By Product



Source: OSP

Domestic and International Sales



Source: OSP, UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	**25,561**	**24,095**	**24,844**	**25,632**
EBITDA	5,685	6,006	6,141	6,319
Deprec. & amort.	1,501	1,377	1,307	1,270
EBIT	4,184	4,629	4,833	5,048
Total other non-operating income	0	0	0	0
Associate contributions	146	166	166	166
Net interest income/(expense)	(109)	(41)	(40)	(40)
Pre-tax profit	**4,221**	**4,754**	**4,959**	**5,174**
Tax	(532)	(832)	(868)	(906)
Minorities	(187)	(196)	(205)	(213)
Net profit	**3,667**	**3,726**	**3,887**	**4,055**
Net profit (adj.)	3,502	3,726	3,887	4,055

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Fixed assets	11,471	10,895	10,587	10,317
Other LT assets	1,373	1,385	1,397	1,410
Cash/ST investment	3,321	5,020	6,826	8,659
Other current assets	8,419	8,708	8,992	9,290
Total assets	**24,584**	**26,008**	**27,802**	**29,675**
ST debt	114	103	92	83
Other current liabilities	6,255	6,180	6,376	6,581
LT debt	219	219	219	219
Other LT liabilities	204	204	204	204
Shareholders' equity	16,871	18,175	19,567	21,020
Minority interest	459	655	860	1,073
Total liabilities & equity	**24,584**	**26,011**	**27,808**	**29,684**

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	**6,193**	**4,945**	**5,322**	**5,457**
Pre-tax profit	4,386	4,754	4,959	5,174
Tax	(532)	(832)	(868)	(906)
Deprec. & amort.	1,501	1,377	1,307	1,270
Associates	0	0	0	0
Working capital changes	1,405	(345)	(68)	(73)
Non-cash items	(159)	(8)	(9)	(9)
Other operating cashflows	(409)	0	0	0
Investing	**(1,267)**	**(812)**	**(1,012)**	**(1,012)**
Capex (growth)	(764)	(812)	(1,012)	(1,012)
Capex (maintenance)	0	0	0	0
Investments	(1,260)	0	0	0
Proceeds from sale of assets	445	0	0	0
Others	312	0	0	0
Financing	**(4,205)**	**(2,434)**	**(2,505)**	**(2,612)**
Dividend payments	(2,102)	(2,422)	(2,494)	(2,602)
Issue of shares	0	0	0	0
Proceeds from borrowings	(1,665)	(11)	(10)	(9)
Loan repayment	(330)	0	0	0
Others/interest paid	(109)	0	0	0
Net cash inflow (outflow)	**720**	**1,699**	**1,805**	**1,833**
Beginning cash & cash equivalent	**2,190**	**3,321**	**5,020**	**6,826**
Changes due to forex impact	0	0	0	0
Ending cash & cash equivalent	**2,910**	**5,020**	**6,826**	**8,659**

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	22.2	24.9	24.7	24.6
Pre-tax margin	16.5	19.7	20.0	20.2
Net margin	14.3	15.5	15.6	15.8
ROA	14.2	14.0	14.2	14.3
ROE	20.0	19.6	19.7	19.8
Growth				
Turnover	(5.6)	(5.7)	3.1	3.2
EBITDA	14.8	5.6	2.2	2.9
Pre-tax profit	18.8	12.6	4.3	4.3
Net profit	123.8	1.6	4.3	4.3
Net profit (adj.)	15.4	6.4	4.3	4.3
EPS	15.4	6.4	4.3	4.3
Leverage				
Debt to total capital	1.9	1.7	1.5	1.4
Debt to equity	2.0	1.8	1.6	1.4
Net debt/(cash) to equity	(17.7)	(25.8)	(33.3)	(39.8)
Interest cover	52.0	145.9	152.2	159.2

IMPORTANT NOTICE - DISCLOSURES AND DISCLAIMERS

This report is provided subject to various disclosures and disclaimers (the "Disclosures / Disclaimers") which form an integral part of this report and are available at this link or by scanning the QR code below:

The Disclosures / Disclaimers contain important information, including without limitation, (a) exclusions of liability, (b) confidentiality obligations, (c) restrictions on publication, circulation, reproduction, distribution and use of the report, (d) potential conflicts of interest, and (e) disclosures and requirements specific to recipients in the United States and other applicable jurisdictions.

Specifically, this report is intended for general circulation and informational purposes only and does not take into account the specific investment objectives, financial situation, or particular needs of any individual person. It is not intended to constitute personal investment advice or a recommendation to buy or sell any investment product or security. You should independently evaluate the information and, where necessary, seek advice from a qualified financial adviser regarding the suitability of any investment, taking into account your specific objectives, financial situation and needs, before making any investment decision. Analyst certifications required under applicable regulations, including SEC Regulation AC (where relevant), are included in this report.

Recipients of this report must carefully read, review and understand the full Disclosures / Disclaimers before using or relying on any information in this report. By accessing, receiving or using this report, you acknowledge and confirm that you have read, understood, accepted and agreed to be bound by the Disclosures / Disclaimers (as may be amended or updated from time to time) in full.