GFPT (GFPT TB)

2Q26 Results Preview: Earnings To Increase QOQ

HOLD (Maintained)	
Share Price	Bt9.70
Target Price	Bt10.00
Upside	3.09%

Highlights

- We expect GFPT to report a 2Q26 core profit of Bt562m, (-15.3% yoy but +15.6% qoq), outperforming swine players and our previous expectation.
- Qoq improvement is expected to be driven by higher export volumes following seasonality and raw material cost lock-in.
- However, we project that the earnings momentum in 2H26 will remain unexciting due to higher raw material costs and a high base in 3Q25.
- Maintain HOLD with a target price of Bt10.00.

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Analysis

2Q26 Results Preview

Year to 31 Dec (Btm)	2Q26F	2Q25	1Q26	yoy(%)	qoq(%)
Revenue	4,567	4,881	4,268	-6.4%	7.0%
Gross profit	764	816	625	-6.4%	22.2%
SG&A	352	344	316	2.2%	11.4%
EBIT	504	564	399	-10.6%	26.3%
Net profit	582	642	517	-9.4%	12.5%
Core profit	562	664	486	-15.3%	15.6%
Core EPS (Bt)	0.46	0.51	0.41	-9.4%	12.5%
Gross Margin (%)	16.7%	16.7%	14.6%	0.0%	2.1%
%SG&A/revenue	7.7%	7.0%	7.4%	0.7%	0.3%
Net Margin (%)	12.7%	13.2%	12.1%	-0.4%	0.6%

Source: GFPT, UOB Kay Hian

- **2Q26 earnings expected to grow qoq but decline yoy.** We expect GFPT to report a 2Q26 core profit of Bt562m, (-15.3% yoy but +15.6% qoq), outperforming swine players and our previous expectation. The yoy decline is mainly attributable to lower export volumes and higher SGA/sales expenses. However, qoq improvement is forecast to be driven by higher export volumes following seasonality and raw material cost lock-in.

Key Financials

Year to 31 Dec (Btm)	2024	2025	2026F	2027F	2028F
Net turnover	19,314.1	18,840.1	18,353.4	20,019.2	21,605.3
EBITDA	2,781.9	3,345.5	3,045.0	3,255.7	3,478.0
Operating profit	1,099.0	1,612.1	1,247.7	1,361.8	1,491.3
Net profit (rep./act.)	1,973.8	2,439.4	2,016.9	2,175.1	2,374.4
Net profit (adj.)	1,973.8	2,439.4	2,016.9	2,175.1	2,374.4
EPS	1.6	2.0	1.6	1.7	1.9
PE (x)	6.4	5.2	6.3	5.8	5.3
P/B (x)	0.6	0.6	0.5	0.5	0.5
EV/EBITDA (x)	5.5	4.2	4.1	3.5	2.8
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0
Net margin (%)	10.2	13.0	11.0	10.9	11.0
Net debt/(cash) to equity(%)	13.2	4.9	(1.7)	(6.3)	(11.3)
Interest cover (x)	23.3	32.8	26.7	27.3	29.1
ROE (%)	12.4	14.3	11.3	11.5	11.9
Consensus net profit	n.a	n.a	2,162.0	2,249.4	2,392.3
UOBKH/Consensus (x)	n.a	n.a	0.9	1.0	1.0

Source: GFPT., Bloomberg, UOB Kay Hian

Stock Data

GICS sector	Consumer Staples
Bloomberg ticker:	GFPT TB
Shares issued (m):	1,253.8
Market cap (Bt$m):	11,347.1
Market cap (US$m):	346.6
3-mth avg daily t'over (US$m):	0.9

Price Performance (%)

52-week high/low: Bt10.7/Bt8.4

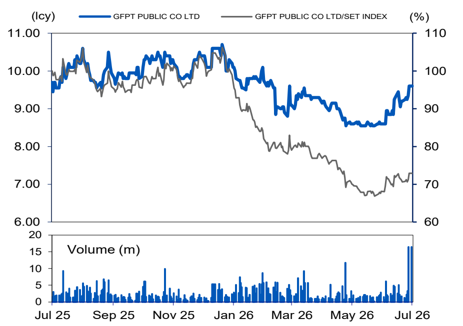
1mth	3mth	6mth	1yr	YTD
(3.2)	(7.6)	(13.8)	(12.1)	(14.6)

Major Shareholders	%
Sirimongkolsasem Family	50.83
Nichirei Food	4.52
Mr. Anucha Kittanamongkolchai	4.02

Balance Sheet Metrics

FY26 NAV/Share (Bt)	18.5
FY26 Net Debt/Share (Bt)	(0.3)

Price Chart



Source: Bloomberg

Company Description

GFPT produces and distributes frozen and cooked chicken products. Subsidiaries are engaged in broiler farming, and the production and distribution of feed mill.

- **2Q26 gross profit margin projected to remain flat yoy but rise qoq.** We expect gross margin to come in at 16.7% in 2Q26, improving from 14.6% in 1Q26 but remaining flat yoy. The qoq improvement is expected to be driven by: a) raw material cost lock-ins, b) higher export volumes in higher margin markets, and c) stronger ASPs.
- **Lower export volumes yoy in 2Q26.** We project that direct chicken export volume will reach 8,000 tonnes in 2Q26 (-6% yoy, +7% qoq). The yoy decline is likely to be driven by weak demand from the China market, while export volumes to the EU and the UK are expected to continue growing. The qoq increase is due to seasonality.
- **Lower share of profit yoy and qoq.** We expect share of profit in 2Q26 to decline to Bt132m (-33% yoy, -10.4% qoq), mainly due to a lower contribution from GFPT Nichirei (Thailand), driven by weaker chicken by-product prices amid an oversupply in the domestic market.
- **Unexciting 2H26 earnings outlook.** We forecast 2H26 earnings increasing slightly hoh but declining yoy. The hoh improvement is likely to be driven by higher chicken ASPs and seasonality in 3Q26. The company indicated that direct export volumes should continue to grow in 3Q26, supported by solid demand from the EU and the UK, while the China market has yet to recover. However, we expect earnings momentum in 2H26 to remain unexciting for chicken producers due to: a) higher raw material input costs, particularly corn prices; and b) a high base in 3Q25.

Valuation/Recommendation

- **Maintain HOLD with a target price of Bt10.00,** based on 2026 EPS and a target PE of 6.5x, with GFPT's five-year average PE at -1SD.

Earnings Revision/Risk

- **Earnings revision:** None.

Share Price Catalyst

- Lower commodity costs, stronger-than-expected chicken export volume, increase in domestic chicken prices.

Environmental, Social, Governance (ESG)

CG Report: 5
SET ESG Rating: Non-rated

Environmental

- **Zero greenhouse gas target.** GFPT aims to be a carbon neutral organisation by 2030 and achieve net zero carbon emissions by 2050.

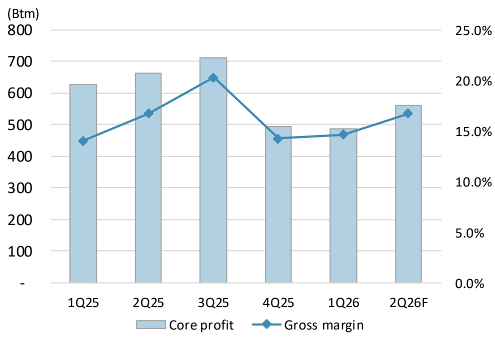
Social

- GFPT complies with the sustainability targets for the Sustainable Development Goals which include gender equality, quality education, and decent work and economic growth.

Governance

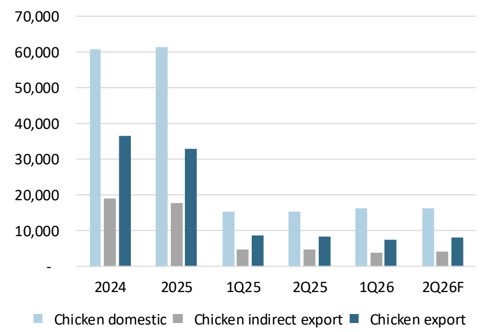
- **Good governance practice.** The company manages risk related to fraud and corruption by establishing an anti-fraud and corruption policy for the Board of Director's consideration and declaration. The company was certified as a member of the (Thai Private Sector Collective Action Against Corruption: CAC) in 2017 and has been renewed twice, in 2020 and 2023. The certification is valid for three years, expiring on 31 Dec 26.

Earnings Performance



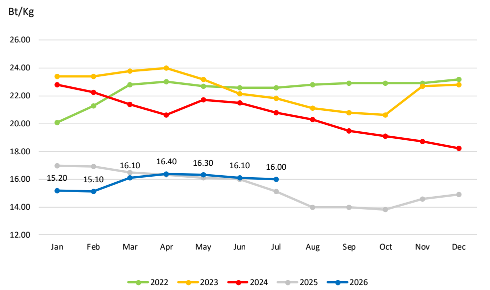
Source: GFPT, UOB Kay Hian

Chicken Volume (MT)



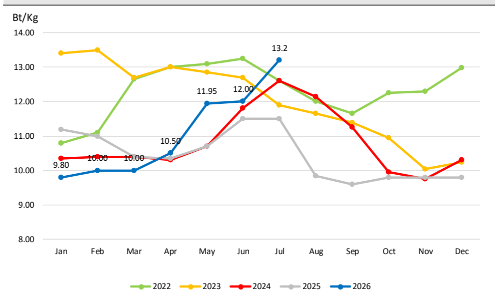
Source: GFPT, UOB Kay Hian

Soybean Prices



Source: CPF, DIT, UOB Kay Hian

Corn Prices



Source: CPF, DIT, UOB Kay Hian

Profit & Loss

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Net turnover	18,840	18,353	20,019	21,605
EBITDA	3,345	3,045	3,256	3,478
Deprec. & amort.	1,733	1,797	1,894	1,987
EBIT	1,612	1,248	1,362	1,491
Total other non-operating income	365	360	400	432
Associate contributions	825	720	760	820
Net interest income/(expense)	(102)	(114)	(119)	(119)
Pre-tax profit	2,701	2,214	2,403	2,624
Tax	(245)	(190)	(209)	(229)
Minorities	(15)	(17)	(19)	(20)
Net profit	2,439	2,017	2,175	2,374
Net profit (adj.)	2,439	2,017	2,175	2,374

Balance Sheet

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Fixed assets	13,176	13,628	13,984	14,247
Other LT assets	6,230	6,230	6,230	6,230
Cash/ST investment	3,530	4,983	6,174	7,659
Other current assets	4,927	5,020	5,469	5,897
Total assets	27,863	29,861	31,858	34,032
ST debt	1,118	1,118	1,118	1,118
Other current liabilities	819	1,100	1,159	1,215
LT debt	3,470	3,470	3,470	3,470
Other LT liabilities	760	760	760	760
Shareholders' equity	21,536	23,236	25,155	27,253
Minority interest	160	177	196	216
Total liabilities & equity	27,863	29,861	31,858	34,032

Cash Flow

Year to 31 Dec (Btm)	2025	2026F	2027F	2028F
Operating	3,140	2,752	2,429	2,740
Pre-tax profit	2,701	2,214	2,403	2,624
Tax	(245)	(190)	(209)	(229)
Deprec. & amort.	1,733	1,797	1,894	1,987
Associates	825	720	760	820
Working capital changes	(263)	188	(391)	(371)
Non-cash items	(342)	(1,250)	(1,250)	(1,250)
Other operating cashflows	(1,269)	(727)	(779)	(840)
Investing	(758)	(1,000)	(1,000)	(1,000)
Capex (growth)	(807)	(1,000)	(1,000)	(1,000)
Investments	0	0	0	0
Others	49	0	0	0
Financing	(953)	(300)	(238)	(256)
Dividend payments	(251)	(317)	(256)	(276)
Loan repayment	(625)	0	0	0
Others/interest paid	(77)	17	19	20
Net cash inflow (outflow)	1,429	1,453	1,191	1,484
Beginning cash & cash equivalent	2,101	3,530	4,983	6,174
Ending cash & cash equivalent	3,530	4,983	6,174	7,659

Key Metrics

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	17.8	16.6	16.3	16.1
Pre-tax margin	14.3	12.1	12.0	12.2
Net margin	13.0	11.0	10.9	11.0
ROA	10.6	8.4	8.7	9.1
ROE	14.3	11.3	11.5	11.9
Growth				
Turnover	13.2	10.2	20.3	29.8
EBITDA	46.0	32.9	42.1	51.8
Pre-tax profit	107.6	70.2	84.7	101.7
Net profit	135.0	94.3	109.6	128.8
Net profit (adj.)	23.6	(17.3)	7.8	9.2
EPS	135.0	94.3	109.6	128.8
Leverage				
Debt to total capital	21.2	19.6	18.1	16.7
Debt to equity	21.3	19.8	18.2	16.8
Net debt/(cash) to equity	4.9	(1.7)	(6.3)	(11.3)
Interest cover	32.8	26.7	27.3	29.1