

OSP

NEUTRAL

Current price (B)

15.20

Upside (%)

20.4

Target price (B)

18.30

Dividend yield (%)

6.6

Profit to grow qoq, yoy as gross margin rises

Flash Points

1Q25 net profit is estimated at B1,168m, growing 106%qoq and 41%yoy. Following the sale of investment in glass bottom business in Myanmar in 2024, net extraordinary profit (after financial procedure) is expected at B250m.

1Q25 normalized profit is estimated at B918m, growing 49%qoq and 11%yoy. Gross margin is projected to make a record high, and SG&A is expected to decrease.

Impact Insight

Domestic energy drink market share dropped to 44.8% in 1Q25 from 45.0% in 4Q24. However, it has rebounded with positive momentum since the beginning of 2025, so sales should recover in the future.

2Q25 normal profit is expected to drop slightly qoq and yoy due to low season in other countries, which will be partly offset by domestic sales growth.

Execution

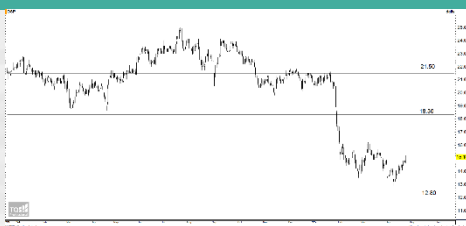
We are more positive in the short term. 1Q25 profit is expected to grow strong qoq and yoy, and domestic energy drink market share is improving.

We maintain 2025 net profit forecast at B3bn, reiterate Neutral, and keep 2025 fair value at B18.30. In 2025, purchasing power may weaken due to economic slowdown in Thailand and the earthquake in Myanmar.



Source: OSP

Technical Chart



Source: ASPS Research

Consensus Analysis

EPS (B)	ASPS	IAA Cons	% diff
2025F	1.00	0.98	2%
2026F	1.04	1.91	-46%

Source: ASPS Research

Global Peers

Stock	P/E		P/BV	
	2025F	2026F	2025F	2026F
VITA COCO CO INC	28.3	23.0	5.3	4.2
VITASOY INTL HLD	46.8	30.9	3.4	3.2
CHENG DE LOLO -A	14.3	12.6	2.8	2.6
FEVERTREE DRINKS	32.6	27.3	3.8	3.5
SOC FRIGORIFIQUE	11.1	10.9	2.2	2.1
MONSTER BEVERAGE	32.2	28.9	8.2	6.9
ZEVIA PBC-A	NA	NA	2.2	1.9

Source: Bloomberg

Key Financial Forecast

Ending Dec 31	2022	2023	2024	2025F	2026F
Sales	27,266	26,062	27,069	27,767	28,148
Net Profit	1,934	2,402	1,638	3,005	3,120
Normalized Profit	1,934	2,181	3,038	3,005	3,120
EPS (B)	0.6	0.8	0.5	1.0	1.0
Core EPS (B)	0.6	0.7	1.0	1.0	1.0
DPS (B)	0.9	0.9	0.6	1.0	1.0
Dividend Yield (%)	5.9%	5.6%	3.9%	6.6%	6.8%
PER (x)	34.7	28.7	27.9	15.2	14.6
BVS (B)	6.1	5.5	5.3	5.6	5.5
PBV (x)	4.7	4.1	3.8	3.6	3.6

ESG Assessment

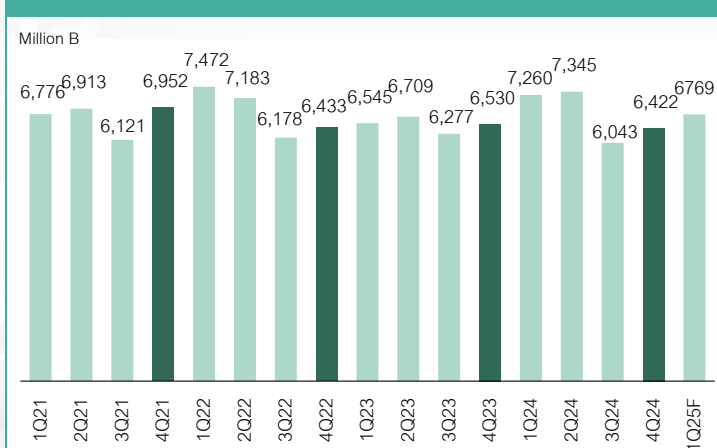
SET ESG Ratings	AA
CG Score	Excellent
Anti-corruption Certification	Yes
Source: SET	

Earnings Results by Quarter

Million B	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25F	QoQ (%)	YoY (%)
Sales & Service Revenue	6,545	6,709	6,277	6,530	7,260	7,345	6,043	6,422	6,769	5.4%	-6.8%
Cost of Sales & Service	(4,360)	(4,428)	(4,058)	(4,213)	(4,613)	(4,541)	(3,863)	(3,950)	(4,075)	3.2%	-11.7%
Gross Profit	2,186	2,281	2,220	2,317	2,647	2,804	2,180	2,472	2,694	9.0%	1.8%
SG&A	(1,703)	(1,661)	(1,624)	(1,782)	(1,797)	(1,765)	(1,572)	(1,818)	(1,692)	-6.9%	-5.8%
Other Income	347	58	117	60	68	29	324	37	38	3.4%	-43.8%
Extraordinary Items	300	-	80	(159)	-	(319)	(1,033)	(48)	250	NA	NA
Normalized Profit	478	549	562	592	828	923	672	615	918	49.3%	10.9%
Net Profit	778	549	642	433	828	604	(361)	567	1,168	106.2%	41.0%
Normalized EPS	0.16	0.18	0.19	0.20	0.28	0.31	0.22	0.20	0.31	49.3%	10.9%
EPS	0.26	0.18	0.21	0.14	0.28	0.20	-0.12	0.19	0.39	106.2%	41.0%
Gross Profit Margin (%)	33.4%	34.0%	35.4%	35.5%	36.5%	38.2%	36.1%	38.5%	39.8%		
SG&A/Sales (%)	26.0%	24.8%	25.9%	27.3%	24.7%	24.0%	26.0%	28.3%	25.0%		
Net Profit Margin (%)	11.9%	8.2%	10.2%	6.6%	11.4%	8.2%	-6.0%	8.8%	17.3%		
Normalized Profit Margin (%)	7.3%	8.2%	9.0%	9.1%	11.4%	12.6%	11.1%	9.6%	13.6%		

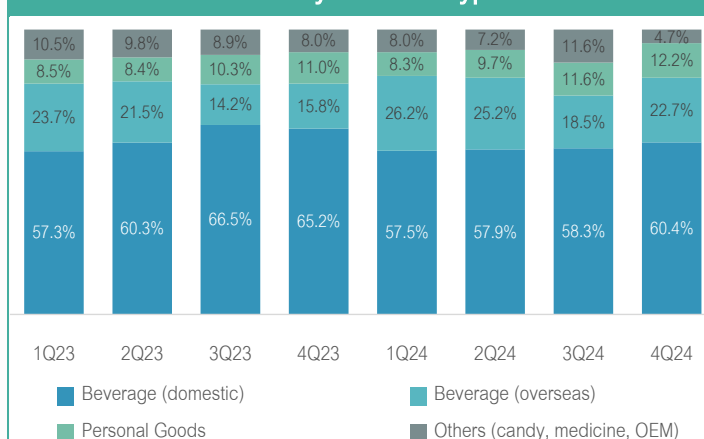
Source: ASPS Research

Sales & Service Revenue



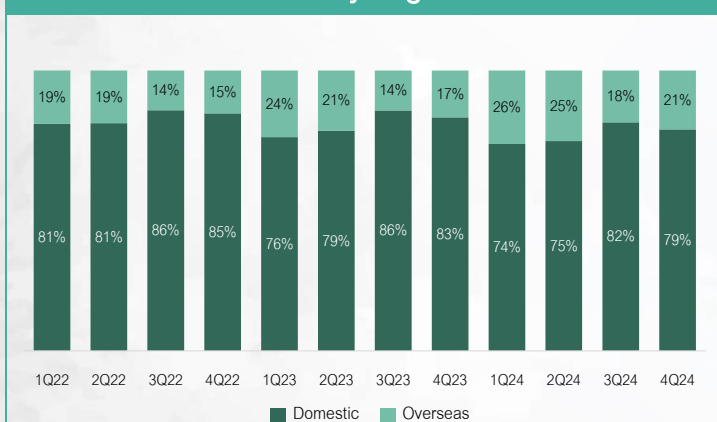
Source: OSP

Sales by Product Type



Source: OSP

Sales by Regions



Source: ASPS Research

Key Risk

1. Competition in the energy drink market is intense, with both existing and new players
2. Fluctuation in raw material prices (sugar, glass scrap) affects operating profit.
3. Political uncertainty in Myanmar (OSP's main overseas market) may affect supply chain, which may cause lack of raw materials in Myanmar.
4. OSP's main customer base (laborers) is affected by change in consumer behavior, selling price hike, and ageing society.

Source: ASPS Research

2024-2026 Earnings Forecast of OSP

Income Statement (Million B)					Cash Flows Statement (Million B)				
Ended 31 Dec.	2023	2024	2025F	2026F	Ended 31 Dec.	2023	2024	2025F	2026F
Sales	26,062	27,069	27,767	28,148	Cash flows from operating activities				
Cost of sales	(17,059)	(16,966)	(17,271)	(17,452)	Net profit	2,402	1,638	3,005	3,120
Gross profit	9,003	10,103	10,496	10,696	Adjustments for :	330	545	533	547
SG&A	(6,769)	(6,952)	(7,136)	(7,206)	Depreciation and amortisation	1,548	1,488	1,490	1,586
Operating profit	2,233	3,151	3,360	3,490	Unrealized Fx gain/loss				
Shared profit from associates	146	208	214	223	Increase / Decrease in operating assets	(2,418)	(1,618)	(1,286)	(648)
Other incomes	582	458	250	250	Net Cash flows from operating activities	1,863	2,053	3,742	4,805
Interest expenses	(108)	(118)	(87)	(83)	Cash flows from investing activities				
Earnings before taxes	2,854	2,156	3,737	3,880	Increase / Decrease in short-term investment	161	10	-	-
Income taxes	(431)	(398)	(710)	(737)	Increase / Decrease in fixed assets	(1,228)	(880)	(1,000)	(1,000)
Earnings before minority interest	2,402	1,638	3,005	3,120	Others	3,939	761	215	215
Minority interest	21	120	22	24	Net cash flows from investing activities	2,872	(109)	(785)	(785)
Net profit	2,423	1,638	3,005	3,120	Cash flows from financing activities				
Normalized profit	2,181	3,038	3,005	3,120	Increase / Decrease in loans	796	(39)	200	(34)
EPS	0.8	0.5	1.0	1.0	Increase / Decrease in other liabilities	(241)	(212)	(87)	(83)
Normalized EPS	0.7	1.0	1.0	1.0	Increase / Decrease in capitals & share premium	-	-	-	-
Sales growth (%)	-4.4%	3.9%	2.6%	1.4%	Change in shareholders' equity	-	-	-	-
Operating profit growth (%)	20.7%	41.1%	6.6%	3.9%	Dividends paid	(4,956)	(2,253)	(2,103)	(3,363)
Gross margin (%)	34.5%	37.3%	37.8%	38.0%	Net cash flows from financing activities	(4,401)	(2,503)	(1,990)	(3,480)
Operating profit margin (%)	8.6%	11.6%	12.1%	12.4%	Increase / Decrease in net cash	334	(560)	967	340
					Net cash flow	1,339	2,190	3,179	3,542
Quarter Income Statement (Million B)					Balance Sheet (Million B)				
	2Q24	3Q24	4Q24	1Q25F	Ended 31 Dec.	2023	2024	2025F	2026F
Sales	7,345	6,043	6,422	6,769	Cash and cash equivalents	1,339	2,190	3,179	3,542
Cost of sales	(4,541)	(3,863)	(3,950)	(4,075)	Trade receivables	3,696	4,214	4,443	4,504
Gross profit	2,804	2,180	2,472	2,694	Inventories	3,627	3,696	3,887	3,941
SG&A	(1,765)	(1,572)	(1,818)	(1,692)	Other current assets	715	1,092	716	644
Interest expenses	29	324	37	38	Net PP&E	13,020	12,426	12,123	11,385
Other incomes	59	49	40	55	Other non-current assets	2,006	1,516	1,693	1,921
Earnings before taxes	786	(284)	705	1,310	Total assets	24,402	25,135	26,041	25,937
Income taxes	(143)	(59)	(114)	(101)	Trade payables	2,092	3,093	2,777	2,815
Earnings before minority interest	644	(343)	591	1,209	Other current liabilities	2,592	3,108	3,259	3,416
Minority interest	(40)	(18)	(25)	(41)	Short-term (one-year) loans	2,168	1,992	2,220	2,211
Normalized profit	604	(361)	567	1,168	Long-term interest-bearing debt	520	639	611	585
Extraordinary items	(319)	(1,033)	(48)	250	Other non-current liabilities	520	511	459	413
Net profit	923	672	615	918	Total liabilities	7,892	9,343	9,325	9,441
Sales growth (QoQ%)	1.2%	-17.7%	6.3%	5.4%	Paid-up share capital	3,004	3,004	3,004	3,004
Gross profit growth (QoQ%)	5.9%	-22.2%	13.4%	9.0%	Share premium	11,848	11,848	11,848	11,848
Operating profit growth (QoQ%)	22.2%	-41.5%	7.6%	53.2%	Retained earnings	300	300	300	300
Financial Ratio					Shareholders' equity	16,510	15,792	16,716	16,496
Ended 31 Dec.	2023	2024	2025F	2026F	Total liabilities and shareholders' equity	24,402	25,135	26,041	25,937
Current Ratio (X)	1.4	1.4	1.5	1.5	Financial Assumption				
Quick Current Ratio (X)	0.8	0.9	1.0	1.0	Ended 31 Dec.	2023	2024	2025F	2026F
A/C Receivable Turnover (X)	7.3	6.8	6.4	6.3	Sales	26,062	27,069	27,767	28,148
Inventory Turnover (X)	5.0	4.6	4.6	4.5	- Domestic	21,083	20,584	21,184	21,477
A/C Payable Turnover (X)	7.4	6.5	5.9	6.2	- Overseas	4,979	6,486	6,583	6,671
Debt to Equity (X)	0.5	0.6	0.6	0.6	Gross margin	34.5%	37.3%	37.8%	38.0%
Net Gearing	0.1	0.0	Net cash	Net cash	SG&A/Sales (%)	26.0%	25.7%	25.7%	25.6%
ROAA (%)	9.6%	6.6%	11.7%	12.0%					
ROAE (%)	13.9%	10.1%	18.5%	18.8%					

Source: ASPS Research