

Climbing back to the growth ground

- 1Q25E net profit of THB64m (+64% q-q, +49% y-y) would prove OKJ's resilient earnings power
- Oh! Juice's profitability would point to a rosy growth
- Maintain BUY and a TP of THB16.4

Abysmal 4Q24 is behind; audacious 1Q25 is beginning

After its highly disappointing 4Q24 result of THB39m vs THB60m expected by the market due to multiple one-time expenses including flood damage, IPO, pre-opening cost, marketing, and higher raw material cost, we expect OKJ to post a solid, back-to-normal net profit of THB64m, up 64% q-q and 49% y-y. The key drivers are the net profit growths from new branches opened in 4Q24, lower raw material cost, better product mix, and rising net profit from Oh! Juice.

Margin back to 45% for gross and 9%+ for net profit

Against its weak 5.6% net profit margin and 43.9% gross profit margin in 4Q24, we project OKJ's gross profit margin to return to its healthy levels in 1Q25E with 45% (vs 43.9% in 4Q24) gross profit margin and 9.3% net profit margin (vs 5.6% in 4Q24) as SG&A expense normalizes to 28% selling to sales and 6% administrative to sales.

Estimate SSSG at 3% in 1Q25

In 1Q25 OKJ operates 41 branches for Ohkajhu, 17 branches for Oh! Juice (+2 in 1Q25), and 1 branch for Oh! Wrap and Roll. Unlike in 4Q24 when OKJ added 12 new branches (8 Oh! Juice and 4 Ohkajhu), only 2 branches of Oh! Juice are added in 1Q25 as OKJ prepares to launch a new brand "Joe Wing" in April 2025.

Oh! Juice sales remain strong

Contrary to investors' concern, the daily sales volume of Oh! Juice brand has stayed high at over 500 cups per branch despite OKJ's incessant opening of new branches since 2Q24 (+2 branches), 3Q24 (+5), 4Q24 (+8), and 1Q25 (+2), bringing total number of branches to 17 for Oh! Juice. On top of that, the average selling price per ticket remains at THB180, indicating that demand for Oh! Juice's products remain brisk with its value proposition worth purchasing for customers. We estimate revenue from Oh! Juice to exceed THB100m in 1Q25 on 17 operating branches, THB180 per ticket, and 500 daily cups sold.

Rebuilding confidence by re-growing profitability

We maintain BUY and a TP of THB16.4. We think OKJ's share price collapse post the 4Q24 disappointing result will be gradually faded, replaced by investors' piecemeal rise in confidence on OKJ's profitability and net profit outlook in 2025.

Analyst

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ESG Rating : n.a.

CG Rating : ▲▲▲▲▲

BUY

Target Price 12M (THB)	16.40
VS. BB Consensus TP (%)	+23.2%
Share Price (THB)	8.50
Upside/Downside	+92.9%

Share Data

Market Cap (THB m)	5,176.50
Par (THB)	0.50
Free Float (%)	29.72
Issued shares (m shares)	609

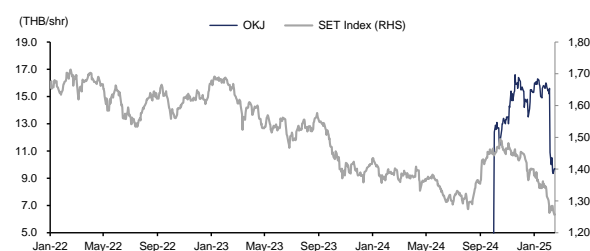
Financial forecast

YE Dec (THB m)	2024	2025E	2026E	2027E
Revenue	2,444	3,342	4,185	5,044
Net profit	202	332	401	539
Core net profit	224	332	401	539
vs Consensus (%)		2.1	(5.7)	0.1
Net profit growth (%)	43.4	64.7	20.6	34.7
Core net profit growth (%)	59.4	48.2	20.6	34.7
EPS (THB)	0.33	0.55	0.66	0.89
Core EPS (THB)	0.37	0.55	0.66	0.89
Chg from previous (%)		0.00	0.00	0.00
DPS (THB)	0.16	0.22	0.26	0.35
P/E (x)	46.20	15.58	12.92	9.60
P/BV (x)	5.36	2.62	2.31	1.98
ROE (%)	19.4	17.9	19.0	22.2
Dividend yield (%)	1.05	2.57	3.10	4.17

Source: Financial Statement and Globlex securities

Share Price Performance (%)

	1M	3M	6M	YTD
Stock	(35.33)	(34.01)	-	(36.60)
Market	(31.00)	(24.24)	-	(29.35)
12M High/Low (THB)				17.00 / 9.05



Major Shareholders (%) as of

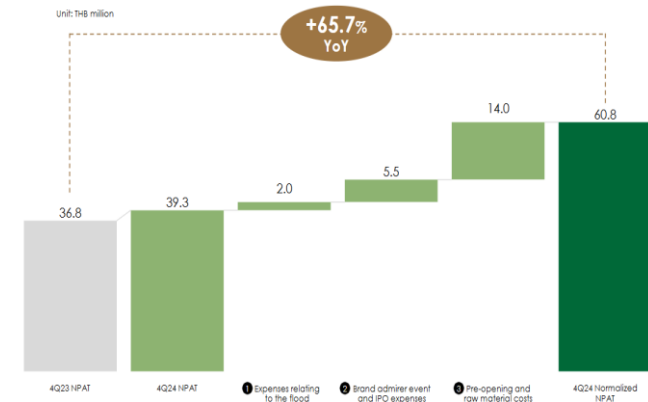
Mr. Chalakon Eakchaipatanakul	25.09
Mr. Jirayuth Puwapoonpol	16.55
Modulus Venture Company Limited	14.78

Company Profile

A business operator providing services and healthy cuisine including food, beverages, and other products.

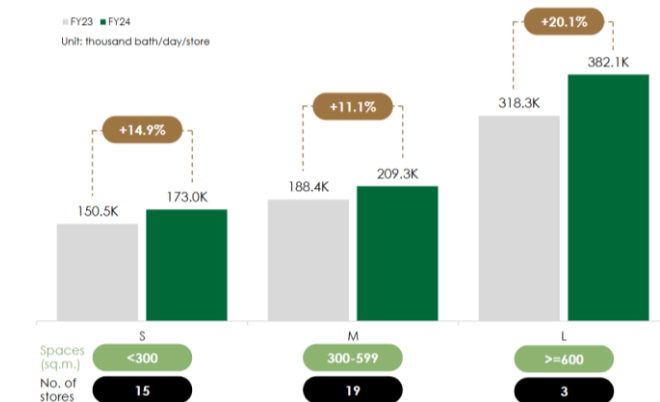
Source: SETSMART, SET

Exhibit 1: 4Q24 normalized net profit



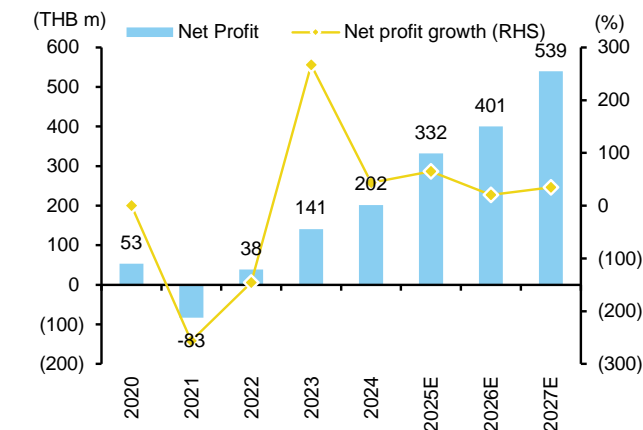
Sources: OKJ; Globlex Research

Exhibit 2: Branch size



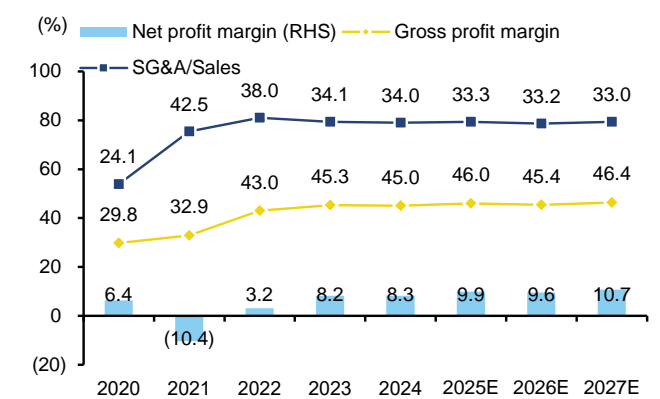
Sources: OKJ; Globlex Research

Exhibit 3: Net profit vs net profit growth



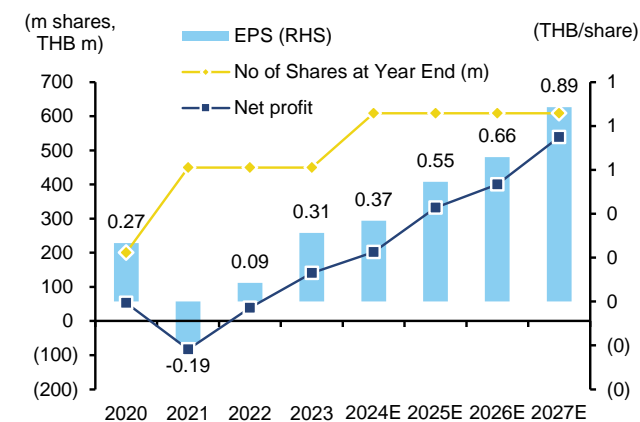
Sources: OKJ; Globlex Research

Exhibit 4: Profitability



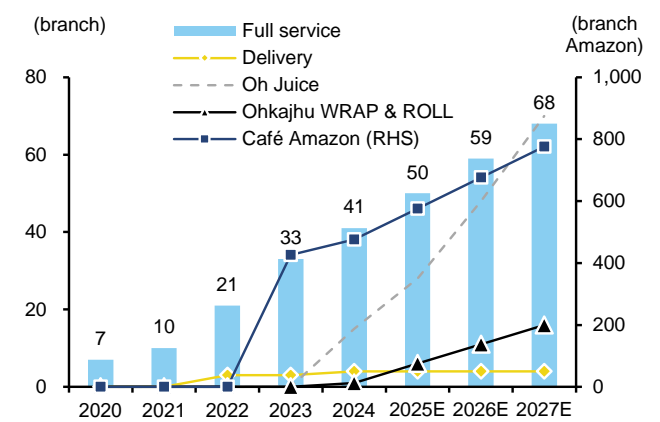
Sources: OKJ; Globlex Research

Exhibit 5: EPS and net profit



Sources: OKJ; Globlex Research

Exhibit 6: Number of branches by brand



Sources: OKJ; Globlex Research

Balance sheet (THB m)						Profit & loss (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2027E	Year ending Dec	2023	2024	2025E	2026E	2027E
Current assets						Revenue					
Cash & ST investment	194	1,199	1,141	1,066	1,041	Cost of goods sold	-939	-1,343	-1,804	-2,285	-2,704
Account receivable	9	14	21	29	39	Gross profit	777	1,101	1,538	1,900	2,340
Inventories	78	135	181	230	272	Operating expenses	-586	-831	-1,113	-1,389	-1,664
Others	36	64	88	110	133	Operating profit	191	270	425	511	676
Non-current assets						EBIT	191	270	425	511	676
Net fixed assets	710	842	1,229	1,666	2,153	Depreciation	-143	-176	-278	-348	-420
Others	322	437	437	437	437	EBITDA	49	94	147	162	256
Total Assets	1,350	2,691	3,096	3,537	4,074	Non-operating income	0	0	0	0	0
Current liabilities						Other incomes	0	0	0	0	0
Account payable	227	352	473	600	709	Other non-op income	0	0	0	0	0
ST borrowing	76	59	59	59	59	Non-operating expense	-19	-21	-10	-10	-10
Others	123	136	186	233	281	Interest expense	-19	-21	-10	-10	-10
Long-term liabilities						Other non-op expense	0	0	0	0	0
Long-term debts	103	81	81	81	81	Equity income/(loss)	0	0	0	0	0
Others	243	323	323	323	323	Pre-tax Profit	173	249	415	501	666
Total liabilities	772	952	1,123	1,296	1,453	Extraordinary items	-32	-47	-83	-100	-127
Paid-up capital	225	305	305	305	305	Current taxation	0	0	0	0	0
Retained earnings	185	308	543	811	1,190	Minorities	0	0	0	0	0
Others	168	1,126	1,126	1,126	1,126	Net Profit	141	202	332	401	539
Minority interest	0	0	0	0	0	Core net profit	141	224	332	401	539
Shareholders' equity	578	1,739	1,974	2,241	2,621	EPS (THB)	0.31	0.33	0.55	0.66	0.89
Core EPS (THB)						Core EPS (THB)	0.31	0.37	0.55	0.66	0.89
Key ratios						Cash flow (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2027E	Year ending Dec	2023	2024	2025E	2026E	2027E
Growth (%YoY)						Operating cash flow					
Sales	41.3	42.4	36.7	25.2	20.5	Net profit	141	202	332	401	539
Operating profit	216.0	40.8	57.7	20.1	32.4	Depre. & amortization	143	176	278	348	420
EBITDA	188.6	92.6	56.9	10.5	57.8	Change in working capital	127	48	94	94	83
Net profit	267.1	43.4	64.7	20.6	34.7	Others	-72	-102	-170	-204	-257
Core net profit	267.1	59.4	48.2	20.6	34.7	Investment cash flow	-16	-205	30	49	127
EPS	267.1	6.0	64.7	20.6	34.7	Net CAPEX	-231	-308	-10	-9	-8
Core EPS	267.1	17.8	48.2	20.6	34.7	Change in LT investment	216	103	40	58	135
Profitability (%)						Change in other assets					
Gross margin	45.3	45.0	46.0	45.4	46.4	Free cash flow	323	119	564	688	912
Operation margin	11.2	11.0	12.7	12.2	13.4	Financing cash flow	-183	886	-622	-763	-937
EBITDA margin	2.8	3.8	4.4	3.9	5.1	Change in share capital	0	1,003	0	0	0
Net margin	8.2	8.3	9.9	9.6	10.7	Net change in debt	0	0	0	0	0
ROE	27.5	19.4	17.9	19.0	22.2	Dividend paid	-79	-97	-97	-133	-160
ROA	12.0	11.1	11.5	12.1	14.2	Others	-105	-20	-525	-630	-777
Stability						Net cash flow	140	1,005	-58	-75	-25
Interest bearing debt/equity (x)	0.3	0.1	0.1	0.1	0.1	Per share (THB)					
Net debt/equity (x)	n.a.	n.a.	n.a.	n.a.	n.a.	EPS	0.31	0.33	0.55	0.66	0.89
Interest coverage (x)	10.3	12.9	43.3	52.0	68.9	Core EPS	0.31	0.37	0.55	0.66	0.89
Interest & ST debt coverage (x)	2.0	3.4	6.2	7.4	9.8	CFPS	0.63	0.84	1.00	1.23	1.57
Cash flow interest coverage (x)	0.4	0.3	0.5	0.5	0.5	BVPS	1.28	3.86	3.24	3.68	4.30
Current ratio (x)	0.7	2.6	2.0	1.6	1.4	Sales/share	3.82	5.43	5.49	6.87	8.28
Quick ratio (x)	0.5	2.2	1.6	1.2	1.0	EBITDA/share	0.11	0.21	0.24	0.27	0.42
Net debt (THB m)	-15	-1,059	-1,001	-926	-901	DPS	0.18	0.16	0.22	0.26	0.35
Activity						Valuation					
Asset turnover (X)	0.8	0.8	0.9	1.1	2.5	P/E (x)	n/a	46.2	15.6	12.9	9.6
Days receivables	2.0	2.1	2.2	2.5	2.8	P/BV (x)	n/a	5.36	2.62	2.31	1.98
Days inventory	30.2	36.7	36.7	36.7	36.7	Dividend yield (%)	n/a	1.05	2.57	3.10	4.17
Days payable	88.3	95.8	95.8	95.8	95.8	Dividend payout ratio (%)	56.03	48.31	40.00	40.00	40.00
Cash cycle days	-56	-57	-57	-57	-56						

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Analyst Certification

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RECOMMENDATION STRUCTURE

Stock Recommendations

Stock ratings are based on absolute upside or downside, which we define as (target price* - current price) / current price.

BUY: Expected return of 10% or more over the next 12 months.
HOLD: Expected return between -10% and 10% over the next 12 months.
REDUCE: Expected return of -10% or worse over the next 12 months.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

Sector Recommendations

Overweight: The industry is expected to outperform the relevant primary market index over the next 12 months.
Neutral: The industry is expected to perform in line with the relevant primary market index over the next 12 months.
Underweight: The industry is expected to underperform the relevant primary market index over the next 12 months.

Country (Strategy) Recommendations

Overweight: Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Neutral: Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Underweight: Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

14 March 2025

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