

A well-run risk management

- A well-planned, timely executed risk management for tariff risks
- Three new production plants on track in Thailand (2) and Brazil (1)
- Maintain BUY and a TP of THB7.9

A better and timely risk management strategy

We came back from an analyst meeting with a more positive view on CCET's net profit outlook given the tariff risk from the ongoing US-China war is likely to be greatly ameliorated from its well-planned factors, including 1) the operational flexibility to shift its productions from the high-tariff countries (Thailand?) to Philippines, Brazil, or even USA; 2) its plan to set up new production plants in USA; 3) CCET will soon start up its new production plant in Brazil; and 4) CCET is now has a high capability to operate an even "dark plant" with only robots working, ensuring that the production relocations will be effective.

Three new plants on track in 2025

CCET confirms its three new production plants to be run in 2025, including the new plants in Mahachai, Phetburi, and Sao Paulo Brazil. The plant in Mahachai will produce Solid State Drive (SSD), in Phetburi will produce laser printers, and in Brazil will produce SSD and other products. We believe these plants will not only financially grow revenue and net profit but also will strategically be the hedging facilities for the uncertain tariff risks.

Orders secured till end-2025

CCET has normally secured orders for all production plants one year in advance and will staggeringly fill the orders each month depending on the customers' orders. While 2025 is no exception to secure a one-year order in advance for all plants, including three new plants, we think the risk may emerge under the circumstance that the final US import tariff will be unfavorable or higher than current levels. Yet CCET believes the order and perhaps price adjustments will be sufficient to contain the risks and likely to retain current profitability and margins.

Limited margin risk from US tariff hike

We see limited risks from the US tariff hikes on CCET's net profits, considering that any margin downsides will be offset by higher efficiency from plant relocations to other existing locations (Thailand, Philippines, Brazil, US), new plants to accommodate the production shifts (Brazil, US), a dark factory with fully automated robots, and partial passthrough to customers.

Maintain BUY and a TP of THB7.9

We maintain BUY and our TP of THB7.9, based on 30x 2025E P/E. We think CCET is one of Thailand's electronics plays to benefit from the strong demand growths from AI industry boom while it should manage the margin and demand risks from US-China tariff war, thanks to its well-diversified production plant portfolio, nimble and efficient operations, and timely risk management strategy and growth.

ESG Rating : n.a.

CG Rating : n.a.

BUY

Target Price 12M (THB)	7.90
VS. BB Consensus TP (%)	+1.0%
Share Price (THB)	5.80
Upside/Downside	+36.2%

Share Data

Market Cap (THB m)	60,610.02
Par (THB)	1.00
Free Float (%)	32.74
Issued shares (m shares)	10,450

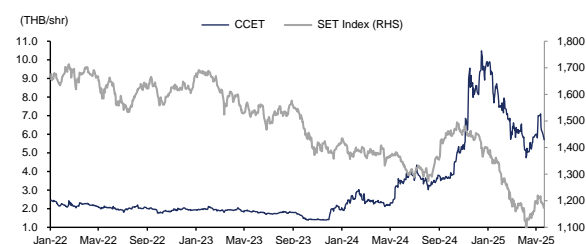
Financial forecast

YE Dec (THB m)	2024	2025E	2026E	2027E
Revenue	147,363	150,948	157,868	168,548
Net profit	2,603	3,290	3,588	3,854
Core net profit	2,603	3,290	3,588	3,854
vs Consensus (%)		(5.1)	(10.7)	(12.1)
Net profit growth (%)	133.3	26.4	9.0	7.4
Core net profit growth (%)	133.3	26.4	9.0	7.4
EPS (THB)	0.21	0.26	0.29	0.31
Core EPS (THB)	0.21	0.26	0.29	0.31
Chg from previous (%)		0.00	0.00	0.00
DPS (THB)	0.15	0.13	0.14	0.15
P/E (x)	48.41	21.99	20.17	18.77
P/BV (x)	4.86	2.57	2.40	2.25
ROE (%)	10.03	12.16	12.30	12.36
Dividend yield (%)	1.49	2.27	2.48	2.66

Source: Financial Statement and Globlex securities

Share Price Performance (%)

	1M	3M	6M	YTD
Stock	8.41	(16.55)	(33.71)	(42.57)
Market	5.70	(11.37)	(18.30)	(31.47)
12M High/Low (THB)				11.00 / 3.10



Major Shareholders (%) as of 20 Mar 2025

Kinpo Electronics. Inc.	49.99
Far Eastern International Bank	15.84
KGI Asia Limited	15.10

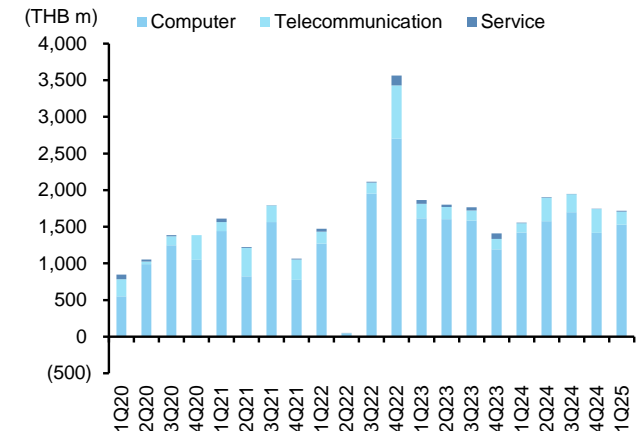
Company Profile

The manufacturer for the electronics products. Main products are computer peripheral and telecommunication products.

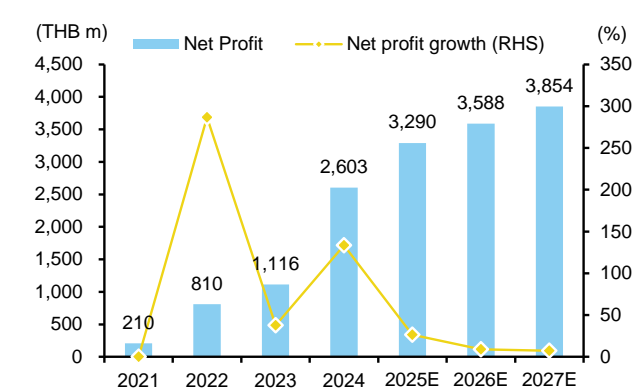
Source: SETSMART, SET

Analyst

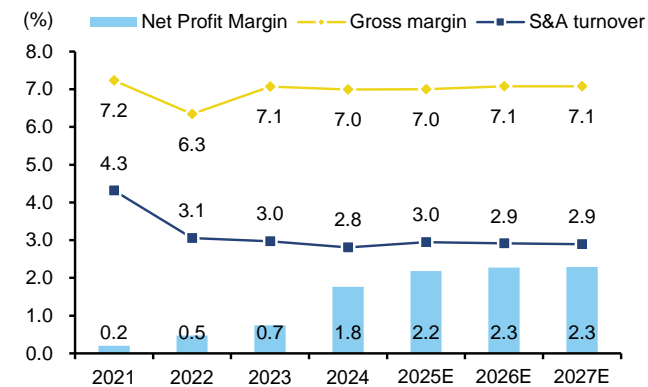
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Exhibit 1: Gross profit breakdown by segment

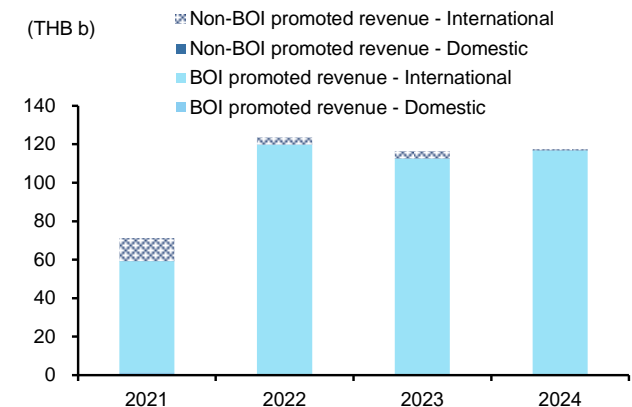
Sources: CCET

Exhibit 2: Net profit and net profit growth

Sources: CCET

Exhibit 3: Net profit margin breakdown by segment

Sources: CCET

Exhibit 4: Sales revenue breakdown by segment

Sources: CCET

Balance sheet (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2027E
Current assets					
Cash & ST investment	10,085	5,831	7,184	8,316	9,931
Account receivable	30,984	32,784	34,628	36,557	38,616
Inventories	15,290	15,590	15,969	16,686	17,815
Others	7,949	8,498	8,705	9,104	9,720
Non-current assets					
Net fixed assets	17,638	16,478	15,855	15,301	14,610
Others	3,891	3,831	3,831	3,831	3,831
Total Assets	85,838	83,012	86,172	89,795	94,523

Current liabilities					
Account payable	30,293	36,122	37,000	38,662	41,279
ST borrowing	12,727	5,998	5,998	5,998	5,998
Others	1,375	1,252	1,252	1,252	1,252
Long-term liabilities					
Long-term debts	14,776	12,352	12,352	12,352	12,352
Others	441	1,214	1,214	1,214	1,214
Total liabilities	59,611	56,938	57,815	59,477	62,094
Paid-up capital	10,450	10,450	10,450	10,450	10,450
Retained earnings	11,562	12,646	14,939	16,881	18,941
Others	4,003	2,805	2,805	2,805	2,805
Minority interest	212	172	162	181	232
Shareholders' equity	26,226	26,074	28,356	30,318	32,429

Key ratios					
Year ending Dec	2023	2024	2025E	2026E	2027E
Growth (%YoY)					
Sales	(12.4)	(2.0)	2.4	4.6	6.8
Operating profit	9.1	0.1	(0.9)	7.7	7.2
EBITDA	9.1	0.1	(0.9)	7.7	7.2
Net profit	37.7	133.3	26.4	9.0	7.4
Core net profit	37.7	133.3	26.4	9.0	7.4
EPS	37.7	133.3	26.4	9.0	7.4
Core EPS	37.7	133.3	26.4	9.0	7.4
Profitability (%)					
Gross margin	7.1	7.0	7.0	7.1	7.1
Operation margin	4.1	4.2	4.0	4.2	4.2
EBITDA margin	4.1	4.2	4.0	4.2	4.2
Net margin	0.7	1.8	2.2	2.3	2.3
ROE	5.0	10.0	12.2	12.3	12.4
ROA	1.2	3.1	3.9	4.1	4.2
Stability					
Interest bearing debt/equity (x)	1.0	0.7	0.6	0.6	0.6
Net debt/equity (x)	0.7	0.5	0.4	0.3	0.3
Interest coverage (x)	1.5	3.2	4.0	4.0	4.0
Interest & ST debt coverage (x)	0.2	0.5	0.5	0.6	0.6
Cash flow interest coverage (x)	0.2	0.1	0.1	0.1	0.1
Current ratio (x)	1.4	1.4	1.5	1.5	1.6
Quick ratio (x)	0.9	0.9	0.9	1.0	1.0
Net debt (THB m)	17,417	12,519	11,165	10,034	8,419
Activity					
Asset turnover (X)	1.8	1.7	1.7	1.7	1.8
Days receivables	75.2	81.2	83.7	84.5	83.6
Days inventory	39.9	41.5	41.5	41.5	41.5
Days payable	79.1	96.2	96.2	96.2	96.2
Cash cycle days	36.0	26.5	29.1	29.8	28.9

Profit & loss (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2027E
Revenue	150,441	147,363	150,948	157,868	168,548
Cost of goods sold	(139,807)	(137,053)	(140,382)	(146,688)	(156,618)
Gross profit	10,633	10,310	10,566	11,180	11,930
Operating expenses	(4,471)	(4,140)	(4,454)	(4,600)	(4,876)
Operating profit	6,163	6,170	6,113	6,580	7,054
EBIT	3,366	3,670	3,690	4,027	4,362
Depreciation	(2,796)	(2,500)	(2,423)	(2,554)	(2,692)
EBITDA	6,163	6,170	6,113	6,580	7,054
Non-operating income	491	74	674	748	781
Other incomes	372	257	281	320	316
Other non-op income	119	(183)	393	428	464
Non-operating expense	(2,407)	(1,022)	(922)	(1,007)	(1,091)
Interest expense	(2,264)	(1,136)	(922)	(1,007)	(1,091)
Other non-op expense	(143)	113	0	0	0
Equity income/(loss)	(59)	237	257	269	288
Pre-tax Profit	1,391	2,958	3,698	4,038	4,341
Extraordinary items					
Current taxation	(284)	(395)	(447)	(490)	(527)
Minorities	8	40	40	40	40
Net Profit	1,116	2,603	3,290	3,588	3,854
Core net profit	1,116	2,603	3,290	3,588	3,854
EPS (THB)	0.09	0.21	0.26	0.29	0.31
Core EPS (THB)	0.09	0.21	0.26	0.29	0.31

Cash flow (THB m)					
Year ending Dec	2023	2024	2025E	2026E	2027E
Operating cash flow	9,692	6,988	2,986	3,499	4,033
Net profit	1,116	2,603	3,290	3,588	3,854
Depre. & amortization	2,796	2,500	2,423	2,554	2,692
Change in working capital	7,174	3,058	(1,522)	(1,324)	(1,097)
Others	(1,394)	(1,173)	(1,205)	(1,318)	(1,416)
Investment cash flow	6,677	5,641	2,341	2,767	3,400
Net CAPEX	(1,784)	(1,339)	(10)	(10)	(9)
Change in LT investment	8,461	6,980	2,351	2,777	3,409
Change in other assets	0	0	0	0	0
Free cash flow	16,369	12,628	5,328	6,266	7,433
Financing cash flow	(13,288)	(16,883)	(3,974)	(5,134)	(5,818)
Change in share capital	7,378	0	0	0	0
Net change in debt	62	(40)	(10)	19	51
Dividend paid	(499)	(998)	(998)	(1,645)	(1,794)
Others	(20,229)	(15,845)	(2,966)	(3,508)	(4,075)
Net cash flow	3,081	(4,254)	1,353	1,132	1,615

Per share (THB)					
EPS	0.09	0.21	0.26	0.29	0.31
Core EPS	0.09	0.21	0.26	0.29	0.31
CFPS	0.31	0.41	0.45	0.49	0.52
BVPS	2.09	2.08	2.26	2.42	2.58
Sales/share	12.06	11.81	12.10	12.66	13.51
EBITDA/share	0.49	0.49	0.49	0.53	0.57
DPS	0.06	0.15	0.13	0.14	0.15
Valuation					
P/E (x)	na	48.41	21.99	20.17	18.77
P/BV (x)	na	4.86	2.57	2.40	2.25
Dividend yield (%)	na	1.49	2.27	2.48	2.66
Dividend payout ratio (%)	67.09	71.89	50.00	50.00	50.00

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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.