COMPANY UPDATE

# APPLE INC. (AAPL80 TB) (DR)

Globlex Securities Co., Ltd.

8 September 2026

## A New Era of Apple Management

- Engineering-led management could reignite Apple's innovation.
- iPhone Ultra may extend the global upgrade cycle.
- Services remain strong, but App Store regulation adds risk.

### A New Apple Is Taking Shape

Apple is entering a rare strategic transition. John Ternus is set to take over as CEO, Tim Cook is moving to Executive Chairman, and Johny Srouji has been elevated into a newly created Chief Hardware Officer role. We see this as more than succession planning. Apple appears to be separating product and engineering leadership from geopolitics, regulation and global operations. If executed well, this structure could preserve Cook's operational strengths while giving Apple more room to rebuild the product innovation engine that defined its earlier eras.

### The First Test: iPhone Ultra

The near-term catalyst is Apple's first foldable iPhone, expected to launch as the iPhone Ultra. We see the product as more than another premium SKU. Foldables are already gaining traction, especially in China, where consumers have shown stronger acceptance of premium new form factors. At a time when smartphone specifications are becoming harder to differentiate, a new design can create the "wow factor" needed to stimulate upgrades, lift ASPs and attract switchers from competing ecosystems.

### A New Upgrade Cycle

We do not expect another iPhone 17-style surge, but we believe the iPhone Ultra could help extend Apple's product momentum beyond the current cycle. The key is not necessarily unit volume alone, but whether the new design can increase mix, support pricing and improve replacement demand after years of relatively limited form-factor change. If Apple can sustain high-single-digit iPhone growth, that would already represent a meaningful improvement from the flatter growth profile seen in prior years.

### Even The Sweetest Fruit has a Blemish

Apple's Services business remains a major strength, but the App Store is becoming a visible pressure point. U.S. App Store revenue has moved lower, with regulation and the Epic Games case weakening Apple's ability to capture traditional commissions. The broader Services segment is still growing at a healthy pace, supported by subscriptions, iCloud, payments and advertising, but the App Store shows that monetization economics are no longer untouchable. Future commission-related headlines could therefore pressure sentiment even if the earnings impact remains manageable.

### Maintain a BUY and a TP of THB11.50 ($350, USD/THB at 33)

We maintain a BUY on AAPL80 with a target price of THB11.50, based on an underlying AAPL target price of $350, or 33x 28E P/E. The valuation already reflects quality, so the stock needs continued execution. Our thesis is that Apple now has both a near-term product catalyst and a potentially stronger long-term management structure.

**ESG Rating : n.a.**

**CG Rating :** ▲▲▲▲▲

## BUY

| | |
|---|---|
| **Target Price 12M (THB)** | **11.50** |
| VS. BB Consensus TP (%) | +6.1% |
| Share Price (THB) | 10.50 |
| Upside/Downside | +9.5% |

### Share Data

| | |
|---|---|
| Market Cap (USD m) | 4,669,700 |
| Par | - |
| Free Float (%) | 99.94 |
| Issued shares (m shares) | 14,594.18 |

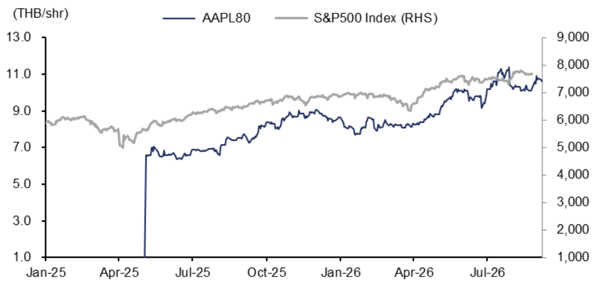
### Financial forecast

| YE Jan (USD m) | 2025 | 2026E | 2027E | 2028E |
|---|---|---|---|---|
| Revenue (USD m) | 416,161 | 476,002 | 519,458 | 560,081 |
| Net profit (USD m) | 112,010 | 128,715 | 139,319 | 148,911 |
| Core net profit (USD m) | 112,010 | 128,715 | 139,319 | 148,911 |
| vs Consensus (%) | - | (0.6) | 0.8 | (1.4) |
| Net profit growth (%) | 19.5 | 14.9 | 8.2 | 6.9 |
| Core net profit growth (%) | 19.5 | 14.9 | 8.2 | 6.9 |
| EPS (USD/share) | 7.58 | 8.77 | 9.70 | 10.61 |
| Core EPS (USD/share) | 7.58 | 8.77 | 9.70 | 10.61 |
| Chg from previous (%) | - | 287.03 | 279.06 | 254.78 |
| DPS (USD/share) | 1.26 | 1.48 | 1.64 | 1.80 |
| P/E (x) | 36.06 | 36.50 | 31.95 | 29.22 |
| P/BV (x) | 54.78 | 54.07 | 40.32 | 30.39 |
| ROE (%) | 171.42 | 160.27 | 141.23 | 117.44 |
| Dividend yield (%) | 0.46 | 0.46 | 0.53 | 0.58 |

Source: Financial Statement and Globlex securities

### Share Price Performance (%)

| | 1M | 3M | 6M | YTD |
|---|---|---|---|---|
| Stock | - | - | - | - |
| Market | - | - | - | - |
| 12M High/Low (THB) | | | | 11.10 / 7.30 |




### Major Shareholders (%) as of Jun 2026

| | |
|---|---|
| Blackrock Inc. | 7.97 |
| Vanguard Capital Management LLC | 6.57 |
| State Street Corporation | 4.21 |

### Company Profile

Apple Inc. is a global technology company that designs and sells consumer devices, software, and digital services. Its ecosystem centers on the iPhone, Mac, iPad, wearables, and a growing Services business, supported by tight integration of hardware, software, Apple silicon, and services.

Source: Yahoo! Finance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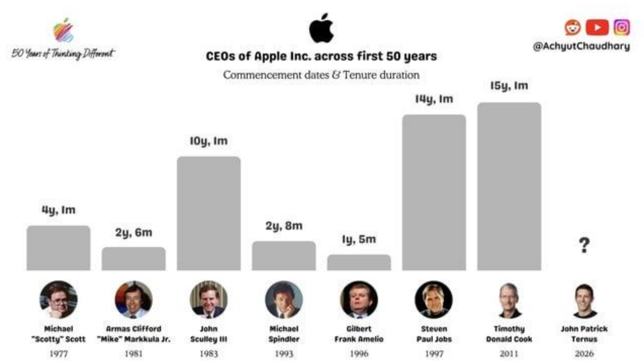
# A New Era of Apple Management

**Management Transition: From Operations to Engineering**

Apple is entering a new management era. On 20 April 2026, Apple announced that **John Ternus will become CEO effective 1 September 2026**, with **Tim Cook moving to Executive Chairman**. More importantly, this is not simply a change of CEO. Apple is also redesigning its senior management structure, suggesting a deliberate shift toward **product, engineering and hardware innovation**.

On the same day, Apple created a role it had never previously had: **Chief Hardware Officer**, with **Johny Srouji** appointed effective immediately. Srouji, the architect of Apple Silicon since 2008, will oversee hardware engineering and hardware technologies spanning silicon, displays, cameras, sensors, batteries, storage controllers and modems. The combination of Ternus as CEO and Srouji leading hardware represents a meaningful increase in engineering leadership at the top of Apple.

### Exhibit 1: CEO of Apple




Sources: @AchyutChaudhary

### Exhibit 2: Apple Market Cap


Sources: @WatcherGuru

**What the Cook Era Was—and Was Not**

Under Steve Jobs, Apple was primarily a product innovation company. Jobs created entirely new categories, including the Mac, iPod, iPhone and iPad.

Tim Cook led Apple in a fundamentally different way. From 2011 to 2026, he transformed Apple into an exceptional **scaling, operations and capital-allocation machine**. Market capitalization increased from roughly $350 billion to around $4 trillion, annual revenue grew from $108 billion to more than $416 billion, and Services developed into a business generating more than $100 billion in annual revenue.

Cook's greatest strength was not simply supply-chain optimization. He built a global operating system around Apple—managing suppliers, manufacturing, logistics, governments, tariffs and geopolitical risks across multiple markets. Apple maintained China as both a major production base and consumer market while gradually expanding manufacturing into India and Vietnam. This balancing act is particularly valuable as geopolitical complexity increases.

The limitation of the Cook era is different: **Apple has produced relatively few major new product categories.** Apple Watch and AirPods have been meaningful successes, while Vision Pro has yet to demonstrate broad consumer adoption. This does not diminish Cook's achievements. Rather, it highlights the different challenge facing Apple's next generation of leadership: **preserving Cook's operational discipline while increasing the pace and ambition of product innovation**.

**Why We Are Constructive?**

The most important signal is not simply that an engineer is becoming CEO. It is that **Apple is changing the organizational structure around the CEO.**

The new structure appears to divide responsibilities according to management strengths:

- **John Ternus:** product, engineering and overall company leadership
- **Johny Srouji:** hardware and Apple Silicon
- **Tim Cook:** global operations, geopolitics, and government relations

This could allow Apple to become more aggressive in product and technology development without abandoning the operational advantages that Cook built over the past 15 years.

We believe this matters particularly in the AI era. Apple's competitive advantage may not ultimately depend on developing the world's best standalone AI model. Instead, it could come from integrating **silicon, hardware, software and AI** into a single system. Apple controls almost the entire stack—from its own silicon to iOS/macOS and the devices themselves—allowing it to optimize the user experience end-to-end.

This becomes increasingly important as AI moves toward **on-device computing and new hardware form factors**. The next major computing platform may not simply be another generation of the iPhone. It could involve AI-enabled wearables, new interfaces, robotics or other categories that are difficult to predict today. A more engineering-led organization should, in theory, be better positioned to pursue these opportunities.

**Our Long-Term View**

We would not expect the management transition to immediately change Apple's financial results. Product development cycles, supply-chain commitments and major technology investments take years to influence reported earnings.

We therefore view this as a **5–10 year strategic change rather than a 1–2 year earnings story**.

The key question for investors is no longer whether Tim Cook was a successful CEO—he clearly was. The question is whether Apple can evolve from an exceptional **operator and scaler into a stronger product and technology innovator**, while preserving the operational discipline that made the company so successful.

So far, the organizational changes suggest that Apple is deliberately positioning itself for that transition. **We view this as a positive long-term development, but the thesis still needs to be validated by products, not organizational charts**.

**Early Evidence: MacBook Neo**

The **$599 MacBook Neo**, announced on 4 March 2026 and powered by an A18 Pro rather than an M-series chip, provides an early datapoint. The important aspect is not simply the lower price, but the trade-off Apple made to achieve it: using lower-cost smartphone silicon while protecting the display and trackpad experience—two elements customers directly perceive.

If sustained demand and supply constraints are confirmed, the Neo could indicate a willingness under the new product leadership to expand Apple's addressable market without materially compromising the premium user experience.

It is still far too early to treat one product as proof of a strategic transformation. However, **the Neo is consistent with the type of product and engineering decision we would expect from a more innovation-oriented Apple**.

**Near-Term Catalyst: The iPhone Ultra**

The first major catalyst for the new Apple era could arrive as soon as September: **Apple's first foldable iPhone, which we expect to be positioned as an ultra-premium iPhone priced above $2,000.** Bloomberg reports that the device is expected to feature a durable hinge, a large internal display with iPad-like app layouts and a design optimized for portability.

We view the foldable iPhone as more than another premium model. It is Apple's first genuinely new iPhone form factor in years, arriving at a time when smartphone differentiation is becoming increasingly difficult. With memory and component costs rising across the industry, simply adding more RAM, storage or incremental camera improvements is becoming a less compelling reason for consumers to upgrade. **A fundamentally different form factor creates a much stronger "wow factor."**

**The foldable market provides early validation**

The market evidence is encouraging. Samsung's Galaxy Z Fold and Flip 8 generated **1.44 million pre-orders in South Korea**, the highest pre-order figure for any Galaxy smartphone series and above the previous record of 1.38 million set by the Galaxy Note 10.

China is even more interesting. The country shipped approximately **10 million foldable smartphones in 2025**, accounting for more than half of global foldable shipments, while China's foldable market is expected to reach roughly **12 million units in 2026**.

This makes China particularly relevant to Apple. Chinese consumers have shown a stronger appetite for premium and innovative form factors, while Apple's position in China has faced increasing competition from Huawei and other domestic brands. Apple's Q4 2025 China smartphone share rebounded to **22%**, helped by strong iPhone 17 demand, suggesting the premium market remains highly responsive when Apple has a compelling product.

Apple is therefore entering a category that already has proven consumer demand, rather than attempting to create demand from zero. More importantly, Apple brings something Android manufacturers do not have at the same scale: **the iPhone brand, a massive installed base and a global ecosystem.** Millions of existing iPhone users who have never considered a foldable could now be exposed to the category.

**Potential impact on our estimates**

We do not expect the foldable iPhone to produce an iPhone 17-style acceleration. The iPhone 17 benefited from a broader product refresh and a large pent-up upgrade opportunity. The foldable will initially be supply-constrained, extremely expensive and targeted at a relatively small segment.

Instead, we view it as a **high-end mix and upgrade catalyst**.

**Exhibit 3: Number of Foldable iPhone units' sales to iPhone revenue**

| Foldable iPhone units | ASP | Revenue | % of ~$210B iPhone revenue |
|---|---|---|---|
| 3M | $2,000 | $6B | ~3% |
| 5M | $2,000 | $10B | ~5% |
| 8M | $2,000 | $16B | ~8% |
| 10M | $2,000 | $20B | ~10% |

Sources: Globlex Research estimates

Our model currently assumes **18% iPhone revenue growth in FY2026E and 9% in FY2027E**. We believe the more important question is whether the foldable can help Apple sustain **high-single-digit growth beyond the initial iPhone 17 upgrade cycle**.

For perspective, if Apple eventually sells **5–8 million foldable iPhones annually at an average selling price around $2,000**, that would represent approximately **$10–16 billion of annual revenue**. Not all of this would be incremental because some customers would otherwise have purchased a conventional iPhone. Nevertheless, even after allowing for meaningful cannibalization, the product could contribute several billion dollars of incremental revenue while lifting Apple's overall iPhone ASP.

We therefore see the foldable iPhone as **more important for demand and product-cycle momentum than for its absolute first-year revenue contribution.**

**Why the timing is particularly attractive**

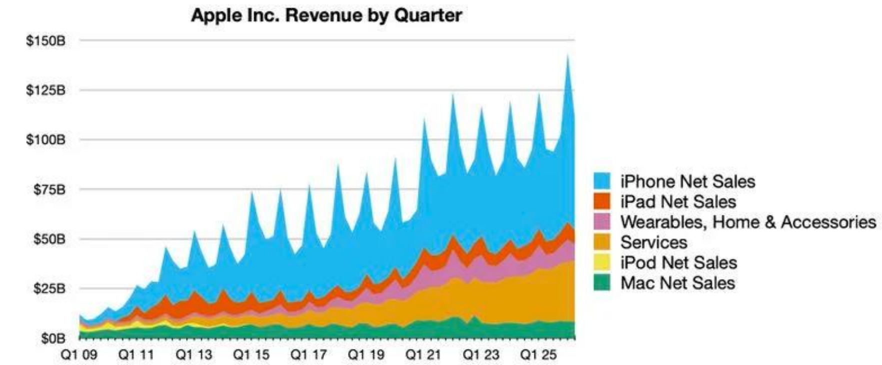
The timing is important. Smartphone specifications are becoming increasingly commoditized, while rising memory costs are making incremental hardware upgrades more expensive. At the same time, foldables are becoming more mature and are gaining traction in China and other premium markets.

Apple's entry could therefore create a new reason for existing iPhone users to upgrade or for high-end Android users to switch ecosystems.

**Our view:** the foldable iPhone should not be treated as a new billion-dollar product category on day one. Instead, we see it as a potentially powerful **halo product that can stimulate upgrades, raise ASPs, strengthen Apple's position in China's premium segment and reopen product excitement around the iPhone.**

This is why we believe **9% iPhone growth in FY2027E is achievable and potentially conservative if the foldable launch is successful.** We do not need another iPhone 17-style growth surge for the thesis to work. Sustaining high-single-digit iPhone growth for several years would already represent a meaningful reacceleration for Apple's largest business and could become a significant catalyst for the stock.

### Exhibit 4: Apple Revenue by Quarter




Sources: MacRumors

**Even the sweetest fruit has a blemish**

Apple's Services business remains one of its strongest assets, but recent App Store trends show that **not every part of the ecosystem is moving in the right direction**.

Services revenue reached **$30.7 billion in 3Q26, up around 12% y-y**, but declined slightly from $31.0 billion in the previous quarter. More importantly, management acknowledged that App Store business-model changes and weaker mobile gaming have started to affect growth.

**The U.S. App Store is losing momentum**

The clearest weakness is in the U.S. App Store. U.S. App Store revenue declined **10.4% y-y in August 2026**, while 3Q26-to-date growth is tracking at **-9.3%**, compared with **+9.2% in 3Q25**. Global App Store revenue was roughly flat in August on a reported basis and declined around **1% FX-neutral**. Gaming revenue, still the largest App Store category, also declined **10.4% y-y** in August.

**Exhibit 5: Global App Store y-y Growth**


Sources: Sensor Tower, Bloomberg

**Exhibit 6: US App Store y-y Growth**


Sources: Sensor Tower

The deterioration largely reflects the **Epic Games lawsuit and subsequent changes to App Store payment rules**. Developers in the U.S. have gained greater ability to direct users toward external payment options, reducing Apple's ability to capture its traditional commission on every transaction. Similar pressure is also emerging in Europe, where Apple is introducing lower commission structures for alternative payment methods and external purchase links.

**Our View**

We remain constructive on Apple Services. The broader segment continues to benefit from a large installed base, recurring subscriptions and deeper ecosystem engagement.

However, investors should no longer assume that App Store monetization can continue at historical economics indefinitely. The U.S. already provides clear evidence that commission pressure can materially weaken App Store growth, while similar regulatory changes are emerging in Europe.

We do not view this as a major fundamental risk to Apple at this stage, particularly as App Store weakness is being offset by growth elsewhere in Services. However, **future headlines around commission cuts, court rulings or additional regulatory restrictions could still weigh on investor sentiment and temporarily pressure AAPL's stock momentum**, even if the direct earnings impact remains limited. We therefore see Services as **still strong, but no longer flawless.**

**What We Are Watching**

The next 6–12 months should provide the first evidence on whether Apple's current transition is translating into stronger product momentum. The key catalyst is **iPhone Ultra demand**, particularly in China, where foldable smartphones already have stronger consumer acceptance. We will also monitor whether the new form factor can lift iPhone ASPs and sustain growth beyond the iPhone 17 cycle.

On the downside, the main risk remains **Services monetization**, especially further App Store commission changes in the U.S. and Europe. We will also watch gross-margin pressure from higher component costs and whether Apple's new engineering-led management structure results in a faster and more differentiated product pipeline.

## Maintain a BUY and a TP of THB11.50

We maintain a **BUY recommendation on AAPL80 with a target price of THB11.50**, based on an underlying AAPL target price of **US$350** and an assumed **USD/THB exchange rate of 33**.

Our US$350 target price is based on **33x 2028E P/E**. We believe this premium multiple remains justified by Apple's strong ecosystem, high-margin Services exposure, large installed base and improving product catalyst outlook. More importantly, we see the current management transition as a potential long-term inflection point, with Apple placing greater emphasis on product, hardware and innovation while retaining Tim Cook's operational and geopolitical expertise.

Near term, the **iPhone Ultra** provides the clearest upside catalyst. We do not expect another iPhone 17-style surge, but sustaining high-single-digit iPhone growth would already represent a meaningful improvement from the flat growth profile seen in prior years. At the same time, App Store regulation remains a sentiment risk, but we do not currently see it as large enough to derail the broader Services growth story.

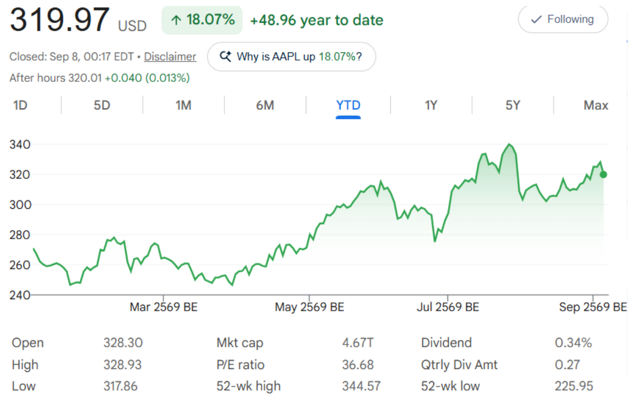
Overall, we believe Apple is entering a more attractive setup: **a stronger product cycle in the near term, combined with a potentially more innovation-led organization over the long term**. This supports our 33x 2028E P/E valuation and THB11.50 target price for AAPL80.

### Exhibit 7: AAPL80's Conversion Ratio

$$\text{AAPL80 Price (THB)} = \frac{\text{AAPL Price (USD)} \times \text{Exchange Rate (USD/THB)}}{1000}$$

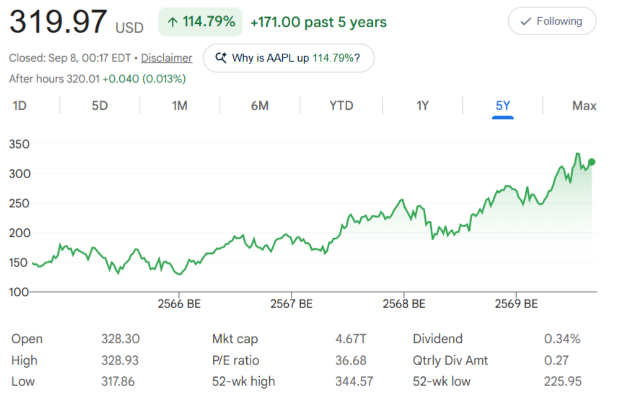
Sources: Globlex Research; SET

### Exhibit 8: AAPL YTD Return




Sources: Google

### Exhibit 9: AAPL 5 years Return




Sources: Google

| Balance sheet (USD m) | | | | | |
|---|---|---|---|---|---|
| **Year ending Sep** | **2024** | **2025** | **2026E** | **2027E** | **2028E** |
| **Current assets** | | | | | |
| Cash & ST investment | 65,171 | 54,697 | 77,261 | 108,859 | 148,823 |
| Account receivable | 32,833 | 33,180 | 33,577 | 34,010 | 34,477 |
| Inventories | 7,286 | 5,718 | 6,184 | 6,748 | 7,276 |
| Others | 47,697 | 54,362 | 56,459 | 57,982 | 59,406 |
| **Non-current assets** | | | | | |
| Net fixed assets | 45,680 | 49,834 | 53,999 | 58,178 | 62,376 |
| Others | 166,313 | 161,450 | 161,450 | 161,450 | 161,450 |
| **Total Assets** | **364,980** | **359,241** | **388,930** | **427,228** | **473,808** |
| | | | | | |
| **Current liabilities** | | | | | |
| Account payable | 68,960 | 69,860 | 75,549 | 82,446 | 88,893 |
| ST borrowing | 20,879 | 20,329 | 20,329 | 20,329 | 20,329 |
| Others | 86,553 | 75,442 | 86,290 | 94,168 | 101,532 |
| **Long-term liabilities** | | | | | |
| Long-term debts | 85,750 | 78,328 | 78,328 | 78,328 | 78,328 |
| Others | 45,888 | 41,549 | 41,549 | 41,549 | 41,549 |
| **Total liabilities** | **308,030** | **285,508** | **302,045** | **316,820** | **330,631** |
| Paid-up capital | 0 | 0 | 0 | 0 | 0 |
| Retained earnings | (19,154) | (14,264) | (1,112) | 22,411 | 55,180 |
| Others | 76,104 | 87,997 | 87,997 | 87,997 | 87,997 |
| Minority interest | 0 | 0 | 0 | 0 | 0 |
| **Shareholders' equity** | **56,950** | **73,733** | **86,885** | **110,408** | **143,177** |

| Profit & loss (USD m) | | | | | |
|---|---|---|---|---|---|
| **Year ending Sep** | **2024** | **2025** | **2026E** | **2027E** | **2028E** |
| **Revenue** | **391,035** | **416,161** | **476,002** | **519,458** | **560,081** |
| Cost of goods sold | (210,352) | (220,960) | (252,186) | (275,053) | (296,563) |
| **Gross profit** | **180,683** | **195,201** | **223,816** | **244,405** | **263,518** |
| Operating expenses | (57,467) | (62,151) | (70,648) | (78,300) | (86,044) |
| **Operating profit** | **123,216** | **133,050** | **153,168** | **166,106** | **177,475** |
| **EBIT** | **123,216** | **133,050** | **153,168** | **166,106** | **177,475** |
| Depreciation | (11,445) | (11,698) | (13,233) | (14,285) | (15,402) |
| **EBITDA** | **134,661** | **144,748** | **166,401** | **180,391** | **192,877** |
| **Non-operating income** | **269** | **(321)** | **(300)** | **(250)** | **(200)** |
| Other incomes | 0 | 0 | (300) | (250) | (200) |
| Other non-op income | 269 | (321) | 0 | 0 | 0 |
| **Non-operating expense** | **0** | **0** | **0** | **0** | **0** |
| Interest expense | 0 | 0 | 0 | 0 | 0 |
| Other non-op expense | 0 | 0 | 0 | 0 | 0 |
| **Equity income/(loss)** | 0 | 0 | 0 | 0 | 0 |
| **Pre-tax Profit** | **123,485** | **132,729** | **152,868** | **165,856** | **177,275** |
| Extraordinary items | | | | | |
| Current taxation | (29,749) | (20,719) | (24,153) | (26,537) | (28,364) |
| Minorities | 0 | 0 | 0 | 0 | 0 |
| **Net Profit** | **93,736** | **112,010** | **128,715** | **139,319** | **148,911** |
| **Core net profit** | **93,736** | **112,010** | **128,715** | **139,319** | **148,911** |
| **EPS (USD)** | **6.20** | **7.58** | **8.77** | **9.70** | **10.61** |
| **Core EPS (USD)** | **6.20** | **7.58** | **8.77** | **9.70** | **10.61** |

| Key ratios | | | | | |
|---|---|---|---|---|---|
| **Year ending Sep** | **2024** | **2025** | **2026E** | **2027E** | **2028E** |
| **Growth (%YoY)** | | | | | |
| Sales | 2.0 | 6.4 | 14.4 | 9.1 | 7.8 |
| Operating profit | 7.8 | 8.0 | 15.1 | 8.4 | 6.8 |
| EBITDA | 7.0 | 7.5 | 15.0 | 8.4 | 6.9 |
| Net profit | (3.4) | 19.5 | 14.9 | 8.2 | 6.9 |
| Core net profit | (3.4) | 19.5 | 14.9 | 8.2 | 6.9 |
| EPS | (0.6) | 22.3 | 15.6 | 10.7 | 9.3 |
| Core EPS | (0.6) | 22.3 | 15.6 | 10.7 | 9.3 |
| **Profitability (%)** | | | | | |
| Gross margin | 46.2 | 46.9 | 47.0 | 47.1 | 47.1 |
| Operation margin | 31.5 | 32.0 | 32.2 | 32.0 | 31.7 |
| EBITDA margin | 34.4 | 34.8 | 35.0 | 34.7 | 34.4 |
| Net margin | 24.0 | 26.9 | 27.0 | 26.8 | 26.6 |
| ROE | 157.4 | 171.4 | 160.3 | 141.2 | 117.4 |
| ROA | 26.1 | 30.9 | 34.4 | 34.1 | 33.1 |
| **Stability** | | | | | |
| Interest bearing debt/equity (x) | 1.9 | 1.3 | 1.1 | 0.9 | 0.7 |
| Net debt/equity (x) | 0.7 | 0.6 | 0.2 | n.a. | n.a. |
| Interest coverage (x) | na | na | na | na | na |
| Interest & ST debt coverage (x) | 5.9 | 6.5 | 7.5 | 8.2 | 8.7 |
| Cash flow interest coverage (x) | 0.4 | 0.4 | 0.5 | 0.5 | 0.5 |
| Current ratio (x) | 0.9 | 0.9 | 1.0 | 1.1 | 1.2 |
| Quick ratio (x) | 0.6 | 0.5 | 0.6 | 0.7 | 0.9 |
| Net debt (USD m) | 41,458 | 43,960 | 21,396 | (10,202) | (50,166) |
| **Activity** | | | | | |
| Asset turnover (X) | 1.1 | 1.0 | 1.1 | 1.7 | 3.5 |
| Days receivables | 30.6 | 29.1 | 25.7 | 23.9 | 22.5 |
| Days inventory | 12.6 | 9.4 | 9.4 | 9.4 | 9.4 |
| Days payable | 119.7 | 115.4 | 115.4 | 115.4 | 115.4 |
| Cash cycle days | (76.4) | (76.9) | (80.2) | (82.1) | (83.5) |

| Cash flow (USD m) | | | | | |
|---|---|---|---|---|---|
| **Year ending Sep** | **2024** | **2025** | **2026E** | **2027E** | **2028E** |
| **Operating cash flow** | **125,708** | **105,315** | **155,525** | **165,858** | **175,706** |
| Net profit | 93,736 | 112,010 | 128,715 | 139,319 | 148,911 |
| Depre.& amortization | 11,445 | 11,698 | 13,233 | 14,285 | 15,402 |
| Change in working capital | 20,207 | (15,655) | 13,577 | 12,254 | 11,393 |
| Others | 320 | (2,738) | 0 | 0 | 0 |
| **Investment cash flow** | **(18,059)** | **5,476** | **(17,398)** | **(18,464)** | **(19,600)** |
| Net CAPEX | (13,410) | (15,852) | (17,398) | (18,464) | (19,600) |
| Change in LT investment | (3,638) | 16,465 | 0 | 0 | 0 |
| Change in other assets | (1,011) | 4,863 | 0 | 0 | 0 |
| **Free cash flow** | **107,649** | **110,791** | **138,127** | **147,394** | **156,106** |
| **Financing cash flow** | **(107,671)** | **(104,800)** | **(115,563)** | **(115,795)** | **(116,142)** |
| Change in share capital | 9,464 | 10,292 | 0 | 0 | 0 |
| Net change in debt | (4,459) | (7,972) | 0 | 0 | 0 |
| Dividend paid | (12,440) | (18,971) | (15,563) | (15,795) | (16,142) |
| Others | (100,236) | (88,149) | (100,000) | (100,000) | (100,000) |
| **Net cash flow** | **(22)** | **5,991** | **22,564** | **31,598** | **39,964** |
| | | | | | |
| **Per share (USD)** | | | | | |
| EPS | 6.20 | 7.58 | 8.77 | 9.70 | 10.61 |
| Core EPS | 6.20 | 7.58 | 8.77 | 9.70 | 10.61 |
| CFPS | 6.76 | 8.18 | 9.61 | 10.46 | 11.44 |
| BVPS | 3.66 | 4.88 | 5.88 | 7.52 | 9.97 |
| Sales/share | 25.15 | 27.53 | 32.22 | 35.38 | 39.00 |
| EBITDA/share | 8.66 | 9.58 | 11.26 | 12.29 | 13.43 |
| DPS | 0.81 | 1.26 | 1.48 | 1.64 | 1.80 |
| **Valuation** | | | | | |
| P/E (x) | 41.2 | 36.1 | 36.5 | 32.0 | 29.2 |
| P/BV (x) | 67.84 | 54.78 | 54.07 | 40.32 | 30.39 |
| Dividend yield (%) | 0.32 | 0.46 | 0.46 | 0.53 | 0.58 |
| Divdend payout ratio (%) | 13.02 | 16.68 | 16.94 | 16.94 | 16.94 |

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# GENERAL DISCLAIMER

## Analyst Certification

Suwat Sinsadok, Register No. 020799, Globlex Securities Public Company Limited

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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.