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THAILAND / AGRIBUSINESS

BUY

UNCHANGED

คาดการณ์ 1Q24 สูงสุดในรอบ 5 ไตรมาส

TARGET PRICE	THB14.20
CLOSE	THB11.70
UP/DOWNSIDE	+21.4%
PRIOR TP	THB14.20
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	-0.4%

- ปัจจัยหนุนกำไร 1Q24 มาจากการส่งออกไก่ที่ดี, ราคาไก่พื้น และส่วนแบ่งกำไรจากบริษัทร่วมแข่งแกร่งต่อเนื่อง
- แนวโน้มกำไร 2Q24 ยังมีทิศทางเป็นขาขึ้น และคาดว่าจะจุดสูงสุดของปีใน 3Q24
- ยังแนะนำซื้อ ด้วยราคาเป้าหมายเดิม 14.2 บาท

คาดการณ์ 1Q24 โตทั้ง q-q และ y-y เป็นระดับสูงสุดในรอบ 5 ไตรมาส

คาดการณ์กำไรสุทธิ 1Q24 อยู่ที่ 418 ลบ. (+2% q-q, +40% y-y) ดูดีกว่าเดิมที่เคยคาดว่าจะอาจอ่อนลง q-q ปัจจัยหนุนมาจากการปริมาณการส่งออกไก่ที่คาดโตต่อ +8% q-q, +20% y-y เป็น 8.3 พันตัน โดยตลาดที่ดีคือ ยุโรป จากระดับสต็อกของลูกค้าที่ค่อนข้างต่ำ แต่คาดถูกหักล้างด้วยปริมาณขายไก่ในประเทศ (ชิ้นส่วนไก่) และอาหารสัตว์ที่น่าจะลด q-q สำหรับราคาไก่ในประเทศเฉลี่ย +12% q-q, +10% y-y เป็น 42.5 บาท/กก. แต่คาดการณ์ส่งออกอาจปรับลง -4.4% q-q, -8.4% y-y มาจากฝั่งลูกค้าญี่ปุ่นที่เผชิญค่าเงินเยนอ่อนค่า จึงขอปรับลดราคา เบื้องต้นคาดการณ์รายได้รวม 1Q24 จะทรงตัว y-y และอัตรากำไรขั้นต้นจะขยับขึ้นเป็น 12.5% จาก 10.4% ใน 1Q23 จากราคาวัตถุดิบที่ปรับลดลง คาดส่วนแบ่งกำไรจากบริษัทร่วม (GFN, McKey) ยังดีต่อเนื่อง +3% q-q, +88% y-y จะทะลุระดับ 200 ลบ.ต่อไตรมาสได้อีกครั้ง

แนวโน้มกำไร 2Q24 ยังดูดี และคาดว่าจะจุดสูงสุดของปีใน 3Q24

ราคาไก่ในประเทศล่าสุดเดือน เม.ย. ยังปรับขึ้นต่อ +6% q-q อยู่ที่ 45 บาท/กก. สูงกว่าต้นทุนการเลี้ยงของอุตสาหกรรมพอควร ส่วนราคาโครงไก่ยังทรงตัวดีที่ 16-16.5 บาท/กก. และคาดปริมาณส่งออกไก่จะเพิ่มขึ้นต่อเนื่อง เริ่มเข้าช่วง high season ของญี่ปุ่นอีกครั้ง และปกติปริมาณการส่งออกมักทำจุดสูงสุดของปีใน 3Q ขณะที่ภาพรวมราคาวัตถุดิบยังทรงตัวต่ำ โดยราคาข้าวโพดอยู่ที่ราว 10.4 บาท/กก. และราคากากถั่วเหลืองอยู่ในรอบ 21-22 บาท/กก. และด้วยแนวโน้มราคาหมูไทยที่เริ่มกลับมาฟื้นตัวอีกครั้ง และยังมีทิศทางดีขึ้นต่อในช่วง 2H24 น่าจะเป็นอีกปัจจัยที่หนุนให้ราคาไก่ในประเทศทรงตัวอยู่ในรอบ 44-46 บาทได้ต่อเนื่องในช่วง 2H24 เช่นกัน

คงประมาณการกำไรปี 2024 จะกลับมาเติบโตอีกครั้ง

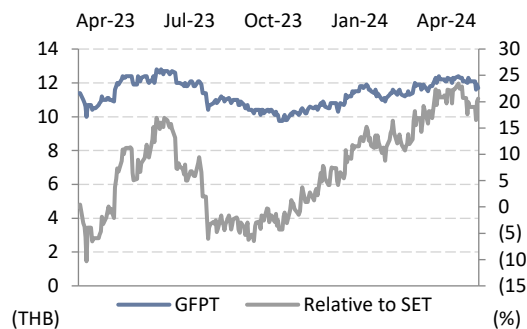
หากกำไร 1Q24 เป็นไปตามคาด จะคิดเป็น 28% ของประมาณการทั้งปี เรายังคงมุมมองเชิงบวกต่อแนวโน้มกำไร 2Q-3Q24 น่าจะเติบโตดี y-y เพราะฐานต่ำปีก่อน และคาดยังโตเล็กน้อย q-q ก่อนจะอ่อนตัวลงใน 4Q24 จากปัจจัยฤดูกาล ขณะที่ปัญหาเส้นทางการขนส่งทางเรือค่อนข้างไปในทางทรงตัว และเริ่มเห็นการวางเรือตู้คอนเทนเนอร์อ่อนตัวลงเป็นลำดับ สถานการณ์โดยรวมยังสอดคล้องกับประมาณการของเรา ดังนั้นจึงยังคงประมาณการกำไรสุทธิปี 2024 ไว้ตามเดิมที่ 1,478 ลบ. +7.4% y-y

ยังแนะนำซื้อ ด้วยราคาเป้าหมายเดิม 14.2 บาท

คงราคาเป้าหมายปี 2024 ที่ 14.2 บาท (อิง PE เดิมที่ 12x) ยังมี Upside 21% และราคาหุ้นปัจจุบันเทรดที่ 2024E P/E เพียง 10x เรายังชอบโมเมนตัมของกำไรในช่วงที่เหลือของปีนี้ และการส่งออกไก่ของไทยที่ฟื้นตัวได้ดี ช่วยหนุนราคาไก่ให้ปรับขึ้นได้

KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	18,963	19,911	20,866	21,826
Net profit	1,377	1,478	1,588	1,683
EPS (THB)	1.10	1.18	1.27	1.34
vs Consensus (%)	-	(1.8)	(4.2)	(1.6)
EBITDA	2,577	2,860	3,063	3,223
Recurring net profit	1,377	1,478	1,588	1,683
Core EPS (THB)	1.10	1.18	1.27	1.34
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	(32.7)	7.4	7.4	6.0
Core P/E (x)	10.7	9.9	9.2	8.7
Dividend yield (%)	1.4	2.5	2.7	2.9
EV/EBITDA (x)	7.1	6.3	5.7	5.0
Price/book (x)	0.8	0.8	0.7	0.7
Net debt/Equity (%)	20.1	16.6	13.6	6.7
ROE (%)	8.1	8.1	8.2	8.2



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(4.1)	3.5	1.7
Relative to country (%)	(0.5)	7.5	20.7
Mkt cap (USD m)			398
3m avg. daily turnover (USD m)			0.8
Free float (%)			58
Major shareholder	Sirimongkolkasem Family (52%)		
12m high/low (THB)	13.10/9.70		
Issued shares (m)	1,253.82		

Sources: Bloomberg consensus; FSSIA estimates



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Investment thesis

GFPT อยู่ระหว่างขยายกำลังการผลิตโรงเชือดเพิ่มขึ้นอีกเท่าตัวจากปัจจุบัน 1.5 แสนตัวต่อวัน เป็น 3 แสนตัวต่อวัน คาดจะเริ่ม Operate ได้ในช่วง 2H24 เป็นต้นไป ส่วนหนึ่งเพื่อเป็นการรองรับการขยายกำลังการผลิตของบริษัทร่วมอย่าง McKey ที่มีการขยายกำลังการผลิตแปรรูปไก่มาในช่วงก่อนหน้า และ GFPT ก็เตรียมขยายโรงแปรรูปในลำดับถัดไป เพื่อรองรับการเติบโตของตลาดส่งออก ซึ่งกำลังการผลิตปัจจุบันถูกใช้เต็มอยู่

แม้เราจะมีมุมมองระยะยาวต่อแนวโน้มราคาไก่ในปี 2024 รวมถึงราคาวัตถุดิบที่อาจถูกกระทบจาก El Nino เราจึงใช้สมมติฐานคาดการณ์ผลกระทบที่ค่อนข้าง Conservative แต่ด้วยการกระจายความเสี่ยงจากการส่งออกชิ้นส่วนไก่ที่มีมูลค่าส่วนเพิ่ม จึงคาดว่าในปี 2024-25 จะเติบโตราว 9.3%/7.4% ตามลำดับ ขณะที่ราคาหุ้นปัจจุบันอยู่ในโซนต่ำมาก เทรดบน PE เพียง 8-9 เท่า

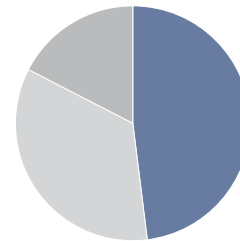
Company profile

GFPT ดำเนินธุรกิจเกษตรแบบครบวงจร เริ่มตั้งแต่ธุรกิจอาหารสัตว์ ฟาร์มเลี้ยงไก่ปักษ์พันธุ์ ฟาร์มเลี้ยงไก่พ่อแม่พันธุ์ ฟาร์มเลี้ยงไก่เนื้อ ต่อเนื่องไปจนถึงธุรกิจชำแหละและแปรรูปผลิตภัณฑ์จากเนื้อไก่ โดยสินค้าหลักของบริษัทคือ ผลิตภัณฑ์จากเนื้อไก่ เนื้อไก่สด อาหารแปรรูปจากเนื้อไก่ อาหารปรุงสุกพร้อมทาน รวมถึงอาหารสัตว์บดและอาหารสัตว์น้ำ

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Principal activities (revenue, 2023)

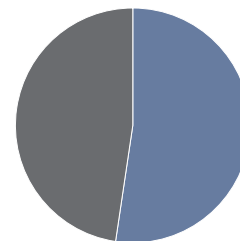
- Food - 48.0 %
- Farm - 34.5 %
- Feed - 17.4 %



Source: GFPT

Major shareholders

- Sirimongkolkasem Family - 52.4 %
- Others - 47.7 %



Source: GFPT

Catalysts

ปัจจัยหนุนการเติบโตในปี 2024 คือ 1) การเติบโตของปริมาณการส่งออกไก่ 2) แนวโน้มราคาไก่ที่อาจสูงขึ้นมากกว่าคาด 3) การเริ่ม Operate โรงเชือดแห่งใหม่ และ 4) ต้นทุนวัตถุดิบลดลง

Risks to our call

ความเสี่ยง 1) กำลังซื้อฟื้นตัวช้ากว่าคาด 2) ราคาไก่ปรับลดลงและต่ำกว่าต้นทุนการเลี้ยง 3) ต้นทุนวัตถุดิบปรับลดลงช้ากว่าคาด 4) ค่าเงินบาทแข็งค่า และ 5) การปรับขึ้นค่าแรงขั้นต่ำ หรือขาดแคลนแรงงานที่มีทักษะ

Event calendar

Date	Event
9 May 2024	1Q24 results announcement 1Q24 analyst meeting

Key assumptions

	2024E	2025E	2026E
Live chicken price (THB/kg)	41.0	42.0	43.0
Chicken carcass price (THB/kg)	13.0	13.0	13.0
Total sales growth (%)	5.0	4.8	4.6
Gross margin (%)	12.5	12.7	12.8
SG&A to sales (%)	8.0	8.0	8.0

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in revenue, we estimate 2024 net profit to rise by 0.8%, and vice versa, all else being equal.
- For every 0.5% increase in GPM, we estimate 2024 net profit to rise by 4.1%, and vice versa, all else being equal.
- For every 0.5% increase in SG&A, we estimate 2024 net profit to fall by 3.8%, and vice versa, all else being equal.

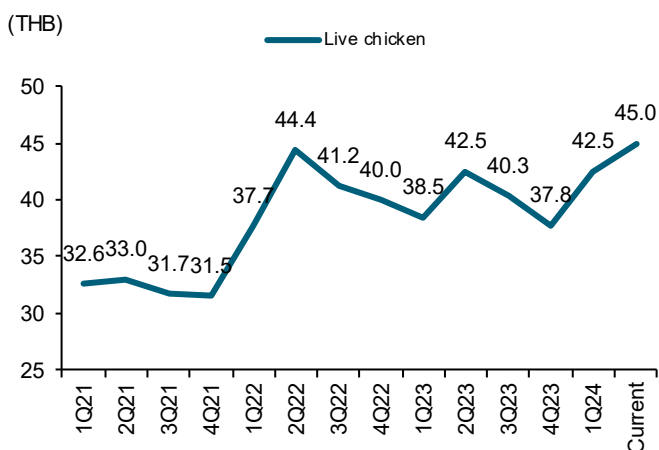
Source: FSSIA estimates

Exhibit 1: GFPT – 1Q24 earnings preview

	1Q23	2Q23	3Q23	4Q23	1Q24E	----- Change -----		2024E	Change	% 1Q24E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(y-y%)	to 2024E
Sales	4,542	4,853	4,771	4,797	4,542	(5.3)	0.0	19,911	5.0	22.8
Cost of sales	4,070	4,284	4,194	4,201	3,974	(5.4)	(2.4)	17,422	4.0	22.8
Gross profit	472	569	577	596	568	(4.7)	20.3	2,489	12.5	22.8
SG&A	366	374	378	378	377	(0.2)	3.1	1,593	6.5	23.7
Operating profit	106	194	199	218	191	(12.5)	79.4	896	24.8	21.3
Profit sharing	108	118	111	198	203	2.6	88.1	498	(6.9)	40.8
McKey	119	102	58	133	133	(0.1)	11.6	425	3.0	31.3
GFN	(11)	15	53	65	70	8.3	nm	128	5.0	54.6
Interest expense	25	29	29	27	28	1.8	11.5	114	3.1	24.7
Tax expense	33	42	54	63	32	(50.0)	(4.7)	174	(9.5)	18.1
Other gain (loss)	61	15	1	8	(5)	nm	nm	0	nm	nm
Reported net profit	298	349	319	410	418	1.9	40.3	1,478	7.4	28.3
Core profit	237	334	318	403	423	5.0	78.3	1,478	14.4	28.6
Key ratios (%)						(ppt)	(ppt)			
Gross margin	10.4	11.7	12.1	12.4	12.5	0.1	2.1	12.5	0.8	
SG&A to sales	8.0	7.7	7.9	7.9	8.3	0.4	0.3	8.0	0.1	
Operating margin	2.3	4.0	4.2	4.5	4.2	(0.3)	1.9	4.5	0.7	
Net margin	6.6	7.2	6.7	8.6	9.2	0.7	2.6	7.4	0.2	
Core margin	5.2	6.9	6.7	8.4	9.3	0.9	4.1	7.4	0.6	
Operating statistics (THB/kg)										
Live chicken	38.5	42.5	40.3	37.8	42.5	12.4	10.4	41.0	3.9	
Chicken carcass	19.5	14.5	11.5	13.5	16.5	22.2	(15.4)	13.0	(12.2)	
Chicken export price (USD/tonne)	4,750	4,500	4,400	4,550	4,350	(4.4)	(8.4)	4,450	(2.2)	
Corn	13.3	12.9	11.7	10.5	10.4	(1.0)	(21.8)	11.0	(8.7)	
Soybean meal	24.0	23.4	20.6	21.2	22.0	3.8	(8.3)	20.5	(9.8)	
Chicken export volume (tonnes)	6,900	8,300	6,600	7,700	8,300	7.8	20.3	31,351	7.0	26.5
Indirect export volume (tonnes)	4,200	4,200	4,900	4,700	5,000	6.4	19.0	19,153	7.0	26.1
Chicken domestic volume (tonnes)	14,900	13,900	16,300	16,100	15,000	(6.8)	0.7	62,220	2.0	24.1

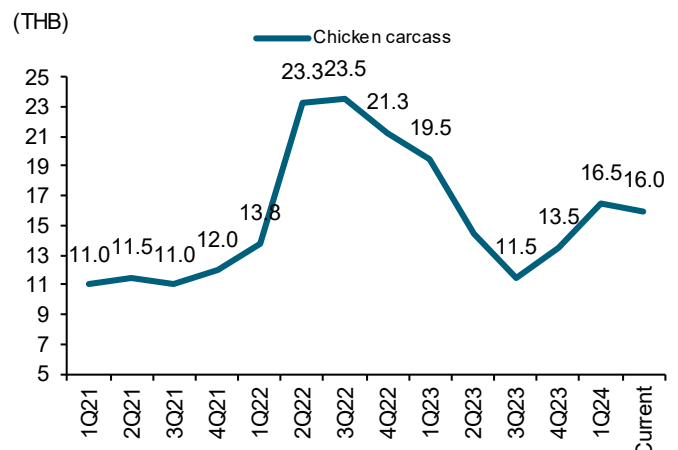
Source: GFPT

Exhibit 2: Quarterly live chicken price (THB/kg)



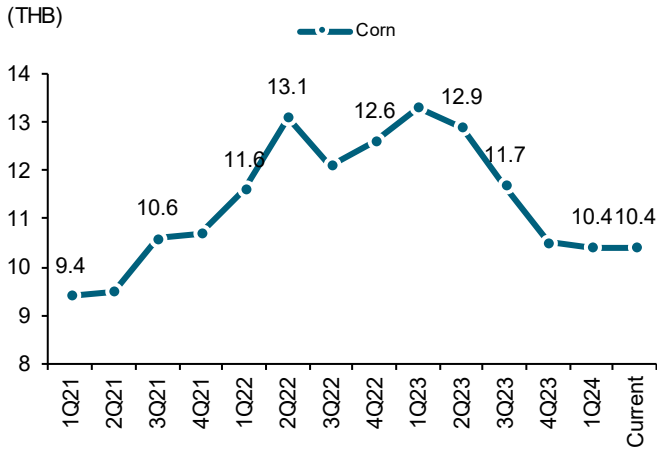
Sources: GFPT, FSSIA's compilation

Exhibit 3: Quarterly chicken carcass price (THB/kg)



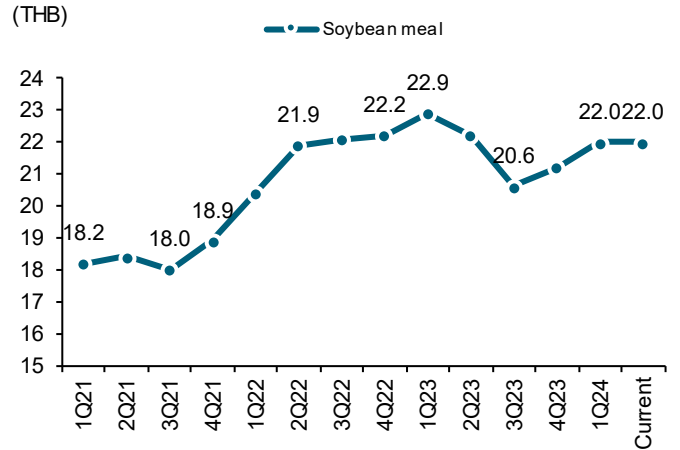
Sources: GFPT, FSSIA's compilation

Exhibit 4: Quarterly corn prices



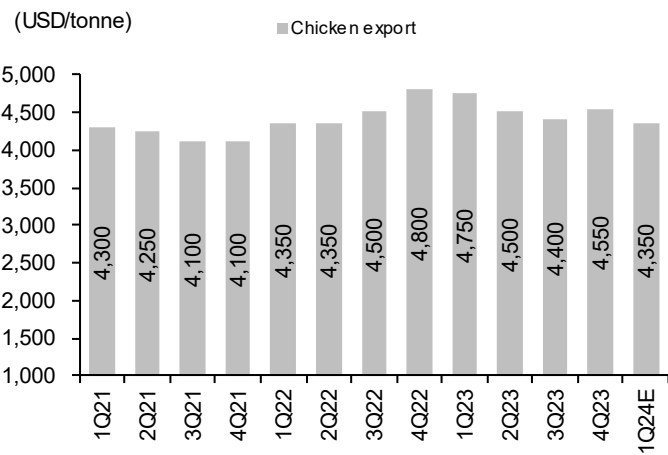
Source: GFPT

Exhibit 5: Quarterly soybean meal prices



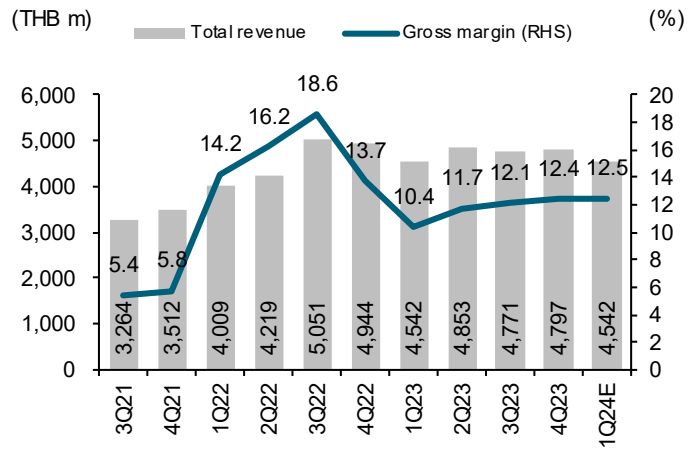
Source: GFPT

Exhibit 6: Quarterly chicken export volumes



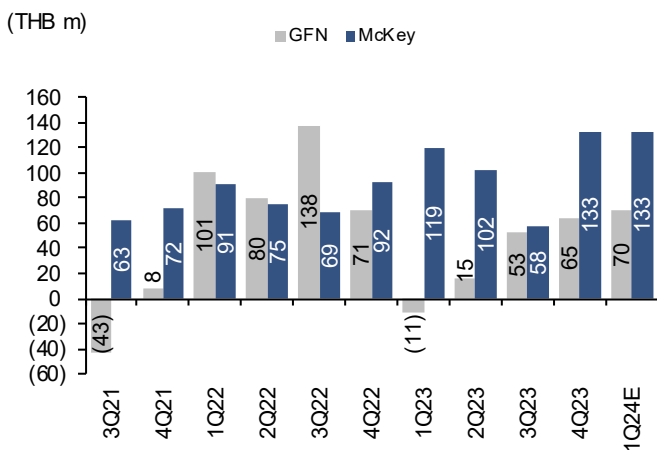
Source: GFPT, FSSIA estimates

Exhibit 7: Quarterly total revenue and gross margin



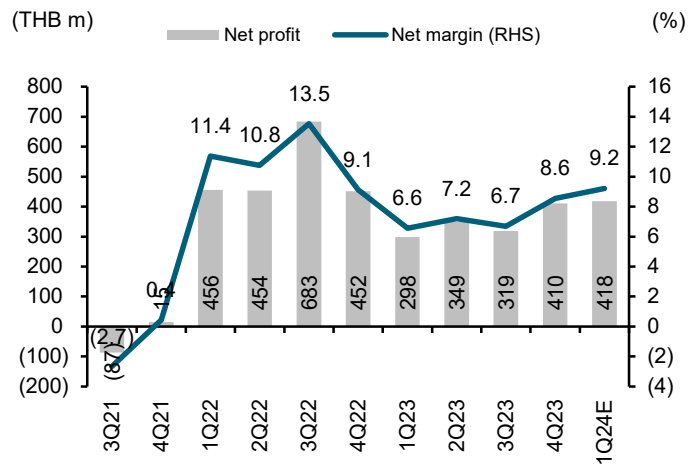
Source: GFPT, FSSIA estimates

Exhibit 8: Profit sharing from associate company



Source: GFPT, FSSIA estimates

Exhibit 9: Quarterly net profit and net margin



Sources: GFPT, FSSIA estimates

Financial Statements

GFPT

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	18,222	18,963	19,911	20,866	21,826
Cost of goods sold	(15,354)	(16,749)	(17,422)	(18,216)	(19,033)
Gross profit	2,868	2,213	2,489	2,650	2,794
Other operating income	342	349	378	396	415
Operating costs	(1,559)	(1,495)	(1,593)	(1,669)	(1,746)
Operating EBITDA	2,973	2,577	2,860	3,063	3,223
Depreciation	(1,322)	(1,511)	(1,586)	(1,686)	(1,761)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	1,651	1,067	1,274	1,377	1,462
Net financing costs	(148)	4	(114)	(115)	(116)
Associates	718	535	498	522	546
Recurring non-operating income	753	505	498	522	546
Non-recurring items	0	0	0	0	0
Profit before tax	2,256	1,575	1,659	1,784	1,892
Tax	(209)	(192)	(174)	(189)	(202)
Profit after tax	2,047	1,383	1,484	1,595	1,690
Minority interests	(2)	(6)	(6)	(6)	(7)
Preferred dividends	-	-	-	-	-
Other items	-	-	0	0	0
Reported net profit	2,044	1,377	1,478	1,588	1,683
Non-recurring items & goodwill (net)	0	0	0	0	0
Recurring net profit	2,044	1,377	1,478	1,588	1,683
Per share (THB)					
Recurring EPS *	1.63	1.10	1.18	1.27	1.34
Reported EPS	1.63	1.10	1.18	1.27	1.34
DPS	0.20	0.16	0.29	0.32	0.34
Diluted shares (used to calculate per share data)	1,254	1,254	1,254	1,254	1,254
Growth					
Revenue (%)	32.2	4.1	5.0	4.8	4.6
Operating EBITDA (%)	139.7	(13.3)	11.0	7.1	5.2
Operating EBIT (%)	26,304.0	(35.4)	19.5	8.1	6.2
Recurring EPS (%)	1,100.2	(32.7)	7.4	7.4	6.0
Reported EPS (%)	1,100.2	(32.7)	7.4	7.4	6.0
Operating performance					
Gross margin inc. depreciation (%)	15.7	11.7	12.5	12.7	12.8
Gross margin exc. depreciation (%)	23.0	19.6	20.5	20.8	20.9
Operating EBITDA margin (%)	16.3	13.6	14.4	14.7	14.8
Operating EBIT margin (%)	9.1	5.6	6.4	6.6	6.7
Net margin (%)	11.2	7.3	7.4	7.6	7.7
Effective tax rate (%)	9.3	12.2	10.5	10.6	10.7
Dividend payout on recurring profit (%)	12.1	14.6	25.0	25.0	25.0
Interest cover (X)	16.2	(391.6)	15.6	16.5	17.3
Inventory days	88.7	85.8	91.0	94.4	97.0
Debtor days	18.0	19.9	19.7	19.5	19.6
Creditor days	28.8	31.8	31.6	26.9	27.0
Operating ROIC (%)	8.7	5.3	6.2	6.4	6.7
ROIC (%)	9.7	5.9	6.4	6.6	6.9
ROE (%)	13.2	8.1	8.1	8.2	8.2
ROA (%)	9.7	5.7	6.2	6.6	6.8
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Food	9,875	9,107	9,608	10,137	10,694
Farm	5,314	6,549	6,831	7,147	7,428
Feed	3,034	3,306	3,472	3,583	3,704

Sources: GFPT; FSSIA estimates

Financial Statements

GFPT

Cash Flow (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Recurring net profit	2,044	1,377	1,478	1,588	1,683
Depreciation	1,322	1,511	1,586	1,686	1,761
Associates & minorities	(718)	(535)	(498)	(522)	(546)
Other non-cash items	97	(144)	0	0	0
Change in working capital	(1,484)	23	(643)	(453)	(218)
Cash flow from operations	1,261	2,231	1,923	2,300	2,681
Capex - maintenance	(2,945)	(2,651)	(1,520)	(2,044)	(1,544)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	-	-	-	-	-
Cash flow from investing	(2,945)	(2,651)	(1,520)	(2,044)	(1,544)
Dividends paid	(125)	(251)	(370)	(397)	(421)
Equity finance	0	0	0	0	0
Debt finance	2,103	1,016	(167)	(78)	(192)
Other financing cash flows	2	6	(3)	(3)	(3)
Cash flow from financing	1,980	772	(539)	(477)	(616)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	296	352	(136)	(221)	521
Free cash flow to firm (FCFF)	(1,597.64)	(310.00)	516.98	370.63	1,252.21
Free cash flow to equity (FCFE)	421.20	602.26	234.01	175.65	941.48

Per share (THB)

FCFF per share	(1.27)	(0.25)	0.41	0.30	1.00
FCFE per share	0.34	0.48	0.19	0.14	0.75
Recurring cash flow per share	2.19	1.76	2.05	2.20	2.31

Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Tangible fixed assets (gross)	21,803	23,142	24,728	26,414	28,174
Less: Accumulated depreciation	(9,914)	(10,617)	(12,289)	(13,661)	(15,682)
Tangible fixed assets (net)	11,889	12,525	12,439	12,753	12,492
Intangible fixed assets (net)	673	58	59	61	62
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	4,275	4,774	4,774	4,774	4,774
Cash & equivalents	1,259	1,610	1,475	1,253	1,774
A/C receivable	1,012	1,057	1,091	1,143	1,196
Inventories	3,320	3,840	4,057	4,492	4,693
Other current assets	730	591	597	626	655
Current assets	6,321	7,098	7,220	7,514	8,317
Other assets	257	877	896	939	982
Total assets	23,415	25,333	25,389	26,041	26,628
Common equity	16,480	17,605	18,714	19,905	21,168
Minorities etc.	127	133	130	127	125
Total shareholders' equity	16,606	17,738	18,844	20,033	21,293
Long term debt	3,292	3,373	3,173	2,573	1,956
Other long-term liabilities	687	686	577	605	633
Long-term liabilities	3,979	4,058	3,750	3,178	2,589
A/C payable	1,113	1,545	1,193	1,248	1,304
Short term debt	1,540	1,798	1,422	1,395	1,246
Other current liabilities	177	193	179	188	196
Current liabilities	2,830	3,536	2,794	2,830	2,746
Total liabilities and shareholders' equity	23,415	25,333	25,389	26,041	26,628
Net working capital	3,772	3,750	4,373	4,826	5,044
Invested capital	20,866	21,985	22,542	23,353	23,354

* Includes convertibles and preferred stock which is being treated as debt

Per share (THB)

Book value per share	13.14	14.04	14.93	15.88	16.88
Tangible book value per share	12.61	13.99	14.88	15.83	16.83

Financial strength

Net debt/equity (%)	21.5	20.1	16.6	13.6	6.7
Net debt/total assets (%)	15.3	14.1	12.3	10.4	5.4
Current ratio (x)	2.2	2.0	2.6	2.7	3.0
CF interest cover (x)	3.8	(149.1)	3.1	2.5	9.1

Valuation	2022	2023	2024E	2025E	2026E
Recurring P/E (x) *	7.2	10.7	9.9	9.2	8.7
Recurring P/E @ target price (x) *	8.7	12.9	12.0	11.2	10.6
Reported P/E (x)	7.2	10.7	9.9	9.2	8.7
Dividend yield (%)	1.7	1.4	2.5	2.7	2.9
Price/book (x)	0.9	0.8	0.8	0.7	0.7
Price/tangible book (x)	0.9	0.8	0.8	0.7	0.7
EV/EBITDA (x) **	6.2	7.1	6.3	5.7	5.0
EV/EBITDA @ target price (x) **	7.2	8.3	7.4	6.7	6.0
EV/invested capital (x)	0.9	0.8	0.8	0.7	0.7

* Pre-exceptional, pre-goodwill and fully diluted ** EBITDA includes associate income and recurring non-operating income

Sources: GFPT; FSSIA estimates

GFPT (GFPT TB)

FSSIA ESG rating

★ ★ ★

53.67 /100

Exhibit 10: FSSIA ESG score implication

Rating	Score	Implication
★★★★★	>79-100	Leading its industry peers in managing the most significant ESG risks which not only better cost efficiency but also lead to higher profitability.
★★★★★	>59-79	A mixed track record of managing the most significant ESG risks and opportunities relative to industry peers.
★★★	>39-59	Relevant ESG materiality matrix has been constructively addressed, well-managed and incorporated into day-to-day operations, in which targets and achievements are evaluated annually.
★★	>19-39	Relevant ESG materiality matrix has been identified with key management in charge for progress to be followed up on and to provide intensive disclosure. Most targets are conventional and achievable.
★	1-19	The company has adopted the United Nations Sustainable Development Goals (UN SDGs), established sustainability management guidelines and fully complies with regulations or ESG suggested guidance from related organizations such as the SET and SEC.

Sources: FSSIA estimates

Exhibit 11: ESG – peer comparison

	FSSIA ESG score	Domestic ratings						Global ratings						Bloomberg	
		DJSI	SET THSI	THSI	CG score	AGM level	Thai CAC	Morningstar ESG risk	ESG Book	MSCI	Moody's	Refinitiv	S&P Global	ESG score	Disclosure score
SET100	69.20	5.34	4.40	4.40	4.76	4.65	3.84	Medium	51.76	BBB	20.87	58.72	63.91	3.72	28.17
Coverage	67.12	5.11	4.15	4.17	4.83	4.71	3.53	Medium	52.04	BB	16.97	56.85	62.09	3.40	31.94
BTG	8.00	--	--	--	--	--	Declared	--	--	--	--	--	--	--	--
CPF	78.94	Y	Y	Y	5.00	5.00	Certified	High	50.25	BBB	43.00	70.21	85.00	4.08	62.09
GFPT	53.67	--	Y	Y	5.00	5.00	Certified	High	56.79	--	--	61.87	19.00	--	55.41
TU	68.12	Y	--	--	5.00	5.00	Certified	High	44.49	A	35.00	66.15	87.00	2.99	--
TFG	33.01	--	--	Y	4.00	5.00	Certified	High	--	--	--	42.11	--	--	--

Sources: SETTRADE.com; FSSIA's compilation

Exhibit 12: ESG score by Bloomberg

FY ending Dec 31	FY 2021	FY 2022
ESG financial materiality scores - ESG score	—	—
BESG environmental pillar score	—	—
BESG social pillar score	—	—
BESG governance pillar score	4.20	4.24
ESG disclosure score	53.03	55.41
Environmental disclosure score	44.79	49.35
Social disclosure score	30.59	33.16
Governance disclosure score	83.59	83.59
Environmental		
Emissions reduction initiatives	Yes	Yes
Climate change policy	Yes	Yes
Climate change opportunities discussed	No	No
Risks of climate change discussed	Yes	Yes
GHG scope 1	—	21
GHG scope 2 location-based	—	31
GHG Scope 3	—	—
Carbon per unit of production	—	—
Biodiversity policy	No	No
Energy efficiency policy	Yes	Yes
Total energy consumption	—	—
Renewable energy use	—	—
Electricity used	63	63
Fuel used - natural gas	—	—

Sources: Bloomberg; FSSIA's compilation

Exhibit 13: ESG score by Bloomberg (cont.)

FY ending Dec 31	FY 2021	FY 2022
Fuel used - crude oil/diesel	No	No
Waste reduction policy	Yes	Yes
Hazardous waste	0	0
Total waste	22	21
Waste recycled	—	—
Waste sent to landfills	—	—
Environmental supply chain management	Yes	Yes
Water policy	Yes	Yes
Water consumption	—	—
Social		
Human rights policy	Yes	Yes
Policy against child labor	Yes	Yes
Quality assurance and recall policy	Yes	Yes
Consumer data protection policy	Yes	Yes
Equal opportunity policy	Yes	Yes
Gender pay gap breakout	No	No
Pct women in workforce	54	54
Pct disabled in workforce	1	1
Business ethics policy	Yes	Yes
Anti-bribery ethics policy	Yes	Yes
Health and safety policy	Yes	Yes
Lost time incident rate - employees	2	2
Total recordable incident rate - employees	—	—
Training policy	Yes	Yes
Fair remuneration policy	No	No
Number of employees – CSR	4,906	5,367
Employee turnover pct	3	2
Total hours spent by firm - employee training	490,610	719,841
Social supply chain management	Yes	Yes
Governance		
Board size	9	9
No. of independent directors (ID)	3	3
No. of women on board	2	2
No. of non-executive directors on board	6	6
Company conducts board evaluations	Yes	Yes
No. of board meetings for the year	9	9
Board meeting attendance pct	100	99
Board duration (years)	3	3
Director share ownership guidelines	No	No
Age of the youngest director	51	52
Age of the oldest director	81	82
No. of executives / company managers	10	10
No. of female executives	4	4
Executive share ownership guidelines	No	No
Size of audit committee	3	3
No. of ID on audit committee	3	3
Audit committee meetings	4	4
Audit meeting attendance %	100	100
Size of compensation committee	5	5
No. of ID on compensation committee	3	3
No. of compensation committee meetings	2	2
Compensation meeting attendance %	100	100
Size of nomination committee	5	5
No. of nomination committee meetings	2	2
Nomination meeting attendance %	100	100
Sustainability governance		
Verification type	No	No

Sources: Bloomberg; FSSIA's compilation

Disclaimer for ESG scoring

ESG score	Methodology	Rating																			
The Dow Jones Sustainability Indices (DJSI) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.	Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.																			
Sustainability Investment List (THSI) by The Stock Exchange of Thailand (SET)	THSI quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria include: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years.	To be eligible for THSI inclusion , verified data must be scored at a minimum of 50% for each indicator, unless the company is a part of DJSI during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality. SETTHSI Index is extended from the THSI companies whose 1) market capitalization > THB5b (~USD150b); 2) free float >20%; and 3) liquidity >0.5% of paid-up capital for at least 9 out of 12 months. The SETTHSI Index is a market capitalisation-weighted index, cap 5% quarterly weight at maximum, and no cap for number of stocks.																			
CG Score by Thai Institute of Directors Association (Thai IOD)	An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.	Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (60-69), and not rated for scores below 50. Weightings include: 1) the rights; 2) and equitable treatment of shareholders (weight 25% combined); 3) the role of stakeholders (25%); 4) disclosure & transparency (15%); and 5) board responsibilities (35%).																			
AGM level By Thai Investors Association (TIA) with support from the SEC	It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). <i>(The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.)</i>	The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.																			
Thai CAC By Thai Private Sector Collective Action Against Corruption (CAC)	The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. <i>(Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.)</i>	The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.																			
Morningstar Sustainalytics	The Sustainalytics' ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. <i>Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality & peer reviews.</i>	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>NEGL</th> <th>Low</th> <th>Medium</th> <th>High</th> <th>Severe</th> </tr> </thead> <tbody> <tr> <td>0-10</td> <td>10-20</td> <td>20-30</td> <td>30-40</td> <td>40+</td> </tr> </tbody> </table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+									
NEGL	Low	Medium	High	Severe																	
0-10	10-20	20-30	30-40	40+																	
ESG Book	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.	The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.																			
MSCI	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. <table border="1" style="margin-left: auto; margin-right: auto;"> <tbody> <tr> <td>AAA</td> <td>8.571-10.000</td> <td rowspan="3">Leader:</td> <td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td> </tr> <tr> <td>AA</td> <td>7.143-8.570</td> </tr> <tr> <td>A</td> <td>5.714-7.142</td> </tr> <tr> <td>BBB</td> <td>4.286-5.713</td> <td rowspan="3">Average:</td> <td rowspan="3">a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td> </tr> <tr> <td>BB</td> <td>2.857-4.285</td> </tr> <tr> <td>B</td> <td>1.429-2.856</td> </tr> <tr> <td>CCC</td> <td>0.000-1.428</td> <td>Laggard:</td> <td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td> </tr> </tbody> </table>	AAA	8.571-10.000	Leader:	leading its industry in managing the most significant ESG risks and opportunities	AA	7.143-8.570	A	5.714-7.142	BBB	4.286-5.713	Average:	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	BB	2.857-4.285	B	1.429-2.856	CCC	0.000-1.428	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks
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Moody's ESG solutions	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.																				
Refinitiv ESG rating	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. <i>(Score ratings are 0 to 25 = poor; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.)</i>																				
S&P Global	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.																				
Bloomberg	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.																			
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.																			

Rating regarding the sustainable development of Thai listed companies, both on the SET and MAI, are publicly available on the website of the Securities and Exchange Commission of Thailand (SEC). Currently, ratings available are 1) **CG Score**; 2) **AGM Level**; 3) **Thai CAC**; and 4) **THSI**. The ratings are updated on an annual basis. FSSIA does not confirm nor certify the accuracy of such ratings.

Source: FSSIA's compilation

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

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History of change in investment rating and/or target price

GFPT (GFPT TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
03-Feb-2023	BUY	18.00	03-Jul-2023	BUY	15.20	-	-	-
08-May-2023	BUY	12.40	18-Oct-2023	BUY	14.20			

Sureporm Teewasuwet started covering this stock from 03-Feb-2023

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
GFPT	GFPT TB	THB 11.70	BUY	Downside risks to our P/E-based TP include 1) a slower-than-expected consumption recovery; 2) high volatility in chicken and raw material prices; 3) a stronger THB than expected; and 4) a minimum wage increase and/or a labour shortage.

Source: FSSIA estimates

Additional Disclosures

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finasia Syrus Securities Public Company Limited.

All share prices are as at market close on 19-Apr-2024 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as $(\text{target price}^* - \text{current price}) / \text{current price}$.

BUY (B). The upside is 10% or more.

HOLD (H). The upside or downside is less than 10%.

REDUCE (R). The downside is 10% or more.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a 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.

Industry Recommendations

Overweight. The analyst expects the fundamental conditions of the sector to be positive over the next 12 months.

Neutral. The analyst expects the fundamental conditions of the sector to be maintained over the next 12 months.

Underweight. The analyst expects the fundamental conditions of the sector to be negative over the next 12 months.

Country (Strategy) Recommendations

Overweight (O). 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 (N). 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 (U). 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.