

## KCG CORPORATION

THAILAND / FOOD &amp; BEVERAGE

## KCG TB

BUY

UNCHANGED

## 1Q24 results at first glance

TARGET PRICE	THB12.00
CLOSE	THB10.00
UP/DOWNSIDE	+20.0%
TP vs CONSENSUS	-1.6%

กำไรสุทธิ 1Q24 -49%q-q, +23%y-y ดีกว่าคาด 5%

## Highlights

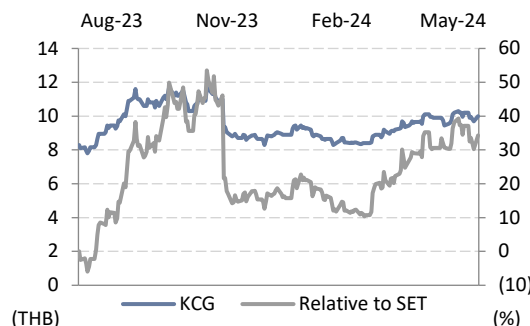
- กำไรสุทธิ 1Q24 ที่ 72 ลบ. -49% q-q ตามฤดูกาล, +23% y-y ดีกว่าเราและตลาดคาด 5-10% หากไม่รวมรายการพิเศษจากขาดทุนจากด้อยค่าของเครื่องจักรและอุปกรณ์ 21 ลบ. จะมีกำไรปกติ 88 ลบ. ถือว่าแข็งแกร่งมาก
- โดยรายได้รวม -19% q-q ตามฤดูกาล และ +5% y-y จากการเติบโตของยอดขายในกลุ่มผลิตภัณฑ์ที่ทำจากนมและบิสกิต
- อัตรากำไรขั้นต้นยังยืนอยู่ที่ระดับสูง 30% จากต้นทุนวัตถุดิบที่ปรับลงและการใช้เครื่องจักรใหม่ทำให้มีประสิทธิภาพการผลิตดีขึ้น แต่ที่ต่ำกว่าคาดคือค่าใช้จ่ายในการขายและบริหารลดลง 21% q-q แต่เพิ่มขึ้น 14% y-y จากค่าโฆษณาและส่งเสริมการขาย ค่าขนส่ง ค่าเช่าคลังสินค้าและค่าสาธารณูปโภคลดลง q-q อย่างมีนัยสำคัญ

## Outlook

- แนวโน้มยอดขายในไตรมาสที่เหลือของปีจะเร่งขึ้น จากการออกสินค้าใหม่จะเริ่มทยอยออกสู่ตลาดมากขึ้น ประกอบกับแนวโน้มราคาวัตถุดิบยังมีแนวโน้มลดลง y-y ใน 2Q24 แต่จะปรับขึ้นเล็กน้อย q-q ทั้งนี้แนวโน้มภาพรวมราคาต้นทุนวัตถุดิบเฉลี่ยทั้งปี 2024 ยังมีทิศทางทรงตัวเมื่อเทียบกับปี 2023 นอกจากนี้ในช่วงต้นเดือนเม.ย. 2024 บริษัทได้เปิดใช้งานศูนย์กระจายสินค้าและคลังสินค้า KCG Logistics Park แล้ว 2 อาคาร โดยอีก 4 อาคารที่เหลือคืบหน้าตามแผน ซึ่งจะช่วยลดต้นทุนได้ตั้งแต่มิถุนายนนี้เป็นต้นไป
- กำไรสุทธิ 1Q24 คิดเป็น 20% ของประมาณการกำไรทั้งปี อย่างไรก็ตามเชื่อว่ากำไรจะเร่งตัวขึ้นในช่วงที่เหลือของปีตามฤดูกาล เรามีโอกาสปรับเพิ่มประมาณการปี 2024 จากรายการด้อยค่าเครื่องจักรที่เกิดขึ้นครั้งเดียว และกำไรปกติที่ดีกว่าคาด โดยจะทบทวนประมาณการอีกครั้งหลังประชุมนักวิเคราะห์ คงราคาเป้าหมาย 12 บาท Valuation ไม่แพง เทรด PE 2024 ที่ 16.5 เท่า ต่ำกว่า 18-20 เท่าของค่าเฉลี่ยในกลุ่มอาหารเครื่องดื่ม ยังแนะนำ “ซื้อ”

## KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	7,157	8,143	9,364	10,768
Net profit	306	349	403	464
EPS (THB)	0.56	0.64	0.74	0.85
vs Consensus (%)	-	(9.0)	(3.5)	(2.6)
EBITDA	599	645	722	806
Recurring net profit	293	330	384	445
Core EPS (THB)	0.54	0.61	0.70	0.82
EPS growth (%)	5.3	12.8	16.2	15.8
Core P/E (x)	18.6	16.5	14.2	12.3
Dividend yield (%)	2.3	2.6	3.0	3.4
EV/EBITDA (x)	11.8	10.9	9.5	8.2
Price/book (x)	2.0	1.9	1.7	1.6
Net debt/Equity (%)	59.8	54.3	45.1	35.5
ROE (%)	15.1	11.8	12.8	13.7



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	1.0	18.3	n/a
Relative to country (%)	2.8	20.0	n/a
Mkt cap (USD m)			148
3m avg. daily turnover (USD m)			0.6
Free float (%)			27
Major shareholder		Family of founders (72%)	
12m high/low (THB)			12.30/7.65
Issued shares (m)			545.00

Sources: Bloomberg consensus; FSSIA estimates



Songklod Wongchai

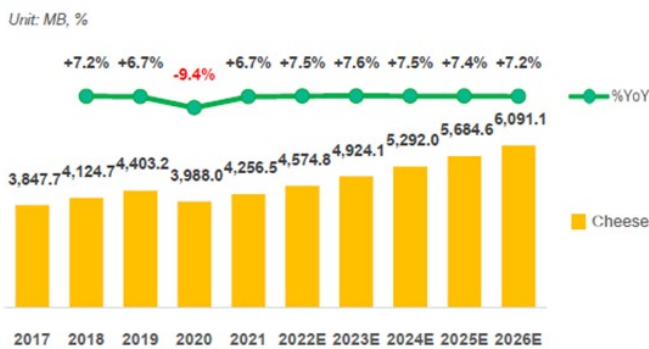
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**Exhibit 1: KCG - 1Q24 results summary**

Profit & Loss Statement	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	----- Change -----	
Year to Dec 31	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)
Revenue	1,297	1,356	1,573	1,931	1,708	1,561	1,681	2,207	1,786	(19)	5
Gross profit	398	381	421	566	461	463	502	721	545	(24)	18
Operating costs	367	335	374	398	379	383	424	543	431	(21)	14
Operating profit	31	46	47	168	82	80	78	178	114	(36)	40
Other income	23	23	32	(2)	15	10	13	31	12	(61)	(21)
Interest expense	11	12	13	18	23	23	18	16	14	(9)	(37)
Profit before tax	43	57	66	149	74	67	73	160	91	(43)	23
Tax	11	12	16	35	16	16	17	31	20	(38)	24
Reported net profit	32	45	50	114	58	51	55	141	72	(49)	23
<b>Key Ratios (%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>	<b>(ppt)</b>
Gross margin	30.7	28.1	26.7	29.3	27.0	29.6	29.9	32.7	30.5	(2.1)	3.5
SG&A / Sales	28.3	24.7	23.8	20.6	22.2	24.5	25.2	24.6	24.1	(0.5)	1.9
Effective tax rate	24.7	21.6	24.2	23.4	21.2	23.8	23.8	19.6	21.4	1.8	0.2

Sources: KCG; FSSIA estimates

**Exhibit 2: คาดการณ์มูลค่ายอดขายของตลาดเนยและการเติบโตของไทย**



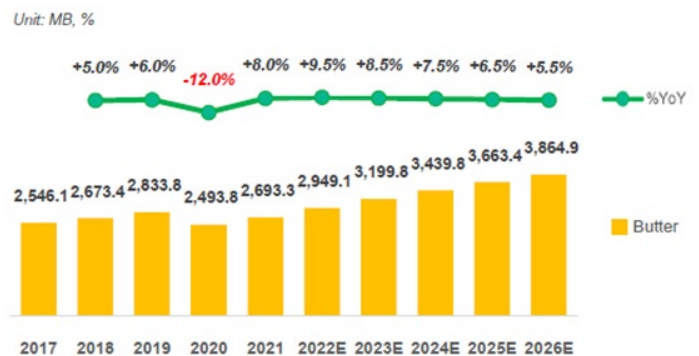
Sources: Euromonitor, KCG

**Exhibit 4: B2C Innovation/Health/Convenience**



Source: KCG

**Exhibit 3: คาดการณ์มูลค่ายอดขายของตลาดชีสและการเติบโตของไทย**



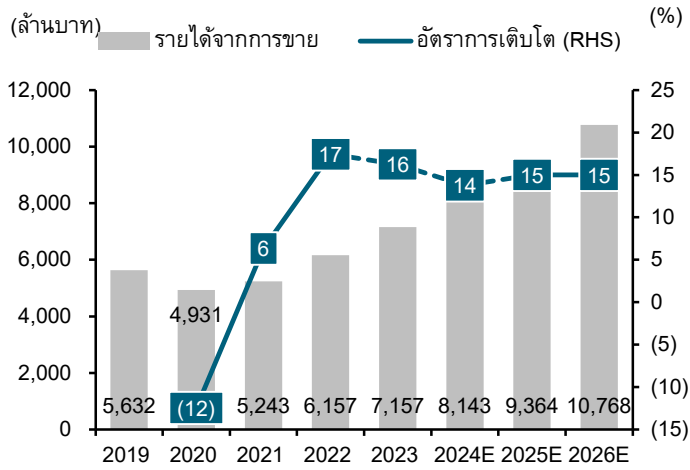
Sources: Euromonitor, KCG

**Exhibit 5: B2B Products: Solution Provider**



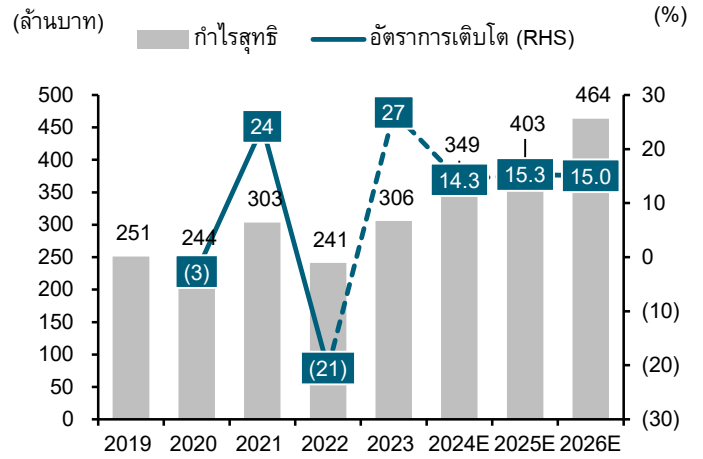
Source: KCG

**Exhibit 6: รายได้และอัตราการเติบโต**



Sources: KCG, FSSIA estimate

**Exhibit 7: กำไรสุทธิและอัตราการเติบโต**



Sources: KCG, FSSIA estimate

## Financial Statements

### KCG Corporation

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	6,157	7,157	8,143	9,364	10,768
Cost of goods sold	(4,391)	(5,010)	(5,700)	(6,555)	(7,538)
<b>Gross profit</b>	<b>1,766</b>	<b>2,146</b>	<b>2,443</b>	<b>2,809</b>	<b>3,231</b>
Other operating income	0	0	0	0	0
Operating costs	(1,475)	(1,728)	(1,995)	(2,294)	(2,638)
<b>Operating EBITDA</b>	<b>476</b>	<b>599</b>	<b>645</b>	<b>722</b>	<b>806</b>
Depreciation	(185)	(181)	(197)	(207)	(214)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>291</b>	<b>418</b>	<b>448</b>	<b>515</b>	<b>592</b>
Net financing costs	(53)	(80)	(80)	(80)	(80)
Associates	0	0	0	0	0
Recurring non-operating income	34	35	53	54	54
Non-recurring items	42	13	19	19	19
<b>Profit before tax</b>	<b>315</b>	<b>386</b>	<b>440</b>	<b>508</b>	<b>585</b>
Tax	(74)	(80)	(91)	(105)	(122)
<b>Profit after tax</b>	<b>241</b>	<b>306</b>	<b>349</b>	<b>403</b>	<b>464</b>
Minority interests	0	0	0	0	0
Preferred dividends	0	0	0	0	0
Other items	0	0	0	0	0
<b>Reported net profit</b>	<b>241</b>	<b>306</b>	<b>349</b>	<b>403</b>	<b>464</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>(42)</b>	<b>(13)</b>	<b>(19)</b>	<b>(19)</b>	<b>(19)</b>
<b>Recurring net profit</b>	<b>199</b>	<b>293</b>	<b>330</b>	<b>384</b>	<b>445</b>
<b>Per share (THB)</b>					
Recurring EPS *	0.51	0.54	0.61	0.70	0.82
Reported EPS	0.62	0.56	0.64	0.74	0.85
DPS	1.35	0.23	0.26	0.30	0.34
Diluted shares (used to calculate per share data)	390	545	545	545	545
<b>Growth</b>					
Revenue (%)	17.4	16.2	13.8	15.0	15.0
Operating EBITDA (%)	(19.5)	25.8	7.6	12.0	11.7
Operating EBIT (%)	(29.9)	43.5	7.1	15.0	15.0
Recurring EPS (%)	(34.2)	5.3	12.8	16.2	15.8
Reported EPS (%)	(20.5)	(9.3)	14.3	15.3	15.0
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	28.7	30.0	30.0	30.0	30.0
Gross margin exc. depreciation (%)	31.7	32.5	32.4	32.2	32.0
Operating EBITDA margin (%)	7.7	8.4	7.9	7.7	7.5
Operating EBIT margin (%)	4.7	5.8	5.5	5.5	5.5
Net margin (%)	3.2	4.1	4.1	4.1	4.1
Effective tax rate (%)	27.0	21.5	21.5	21.5	21.5
Dividend payout on recurring profit (%)	263.5	42.3	42.3	42.0	41.7
Interest cover (X)	6.2	5.7	6.3	7.1	8.1
Inventory days	108.7	106.5	85.4	74.1	64.2
Debtor days	72.5	74.6	77.8	77.4	77.4
Creditor days	97.7	79.9	69.2	68.7	68.4
Operating ROIC (%)	6.6	8.3	8.1	9.1	10.3
ROIC (%)	6.8	8.4	8.6	9.5	10.5
ROE (%)	14.9	15.1	11.8	12.8	13.7
ROA (%)	4.7	6.2	6.5	6.9	7.3
* Pre exceptional, pre-goodwill and fully diluted					
<b>Revenue by Division (THB m)</b>					
Daily products	3,598	4,087	4,886	5,618	6,461
Food and bakery ingredients	1,734	2,061	2,280	2,622	3,015
Biscuits	825	1,009	977	1,124	1,292

Sources: KCG Corporation; FSSIA estimates

## Financial Statements

### KCG Corporation

Cash Flow (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Recurring net profit	199	293	330	384	445
Depreciation	185	181	197	207	214
Associates & minorities	0	0	0	0	0
Other non-cash items	0	0	0	0	0
Change in working capital	(216)	(433)	(72)	(116)	(119)
<b>Cash flow from operations</b>	<b>168</b>	<b>41</b>	<b>456</b>	<b>475</b>	<b>540</b>
Capex - maintenance	(200)	(653)	(275)	(150)	(150)
Capex - new investment	0	0	0	0	0
Net acquisitions & disposals	(666)	379	(3)	(4)	(4)
Other investments (net)	0	0	0	0	0
<b>Cash flow from investing</b>	<b>(867)</b>	<b>(275)</b>	<b>(278)</b>	<b>(154)</b>	<b>(154)</b>
Dividends paid	(525)	(124)	(140)	(161)	(185)
Equity finance	(24)	1,328	(15)	(15)	(15)
Debt finance	1,227	(1,023)	(8)	(3)	(3)
Other financing cash flows	0	0	0	0	1
<b>Cash flow from financing</b>	<b>679</b>	<b>181</b>	<b>(162)</b>	<b>(179)</b>	<b>(202)</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	42	13	19	19	18
<b>Net other adjustments</b>	<b>42</b>	<b>13</b>	<b>19</b>	<b>19</b>	<b>18</b>
<b>Movement in cash</b>	<b>21</b>	<b>(40)</b>	<b>35</b>	<b>161</b>	<b>202</b>
Free cash flow to firm (FCFF)	(646.65)	(153.89)	257.38	400.62	465.24
Free cash flow to equity (FCFE)	569.66	(1,244.50)	188.98	336.41	401.59

#### Per share (THB)

FCFF per share	(1.19)	(0.28)	0.47	0.74	0.85
FCFE per share	1.05	(2.28)	0.35	0.62	0.74
Recurring cash flow per share	0.98	0.87	0.97	1.08	1.21

Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Tangible fixed assets (gross)	3,525	4,055	4,330	4,480	4,630
Less: Accumulated depreciation	(1,643)	(1,701)	(1,898)	(2,105)	(2,319)
<b>Tangible fixed assets (net)</b>	<b>1,881</b>	<b>2,354</b>	<b>2,432</b>	<b>2,375</b>	<b>2,311</b>
<b>Intangible fixed assets (net)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Long-term financial assets	0	0	0	0	0
Invest. in associates & subsidiaries	0	0	0	0	0
Cash & equivalents	375	334	369	530	732
A/C receivable	1,302	1,623	1,846	2,123	2,442
Inventories	1,531	1,288	1,288	1,288	1,288
Other current assets	125	61	70	80	92
<b>Current assets</b>	<b>3,332</b>	<b>3,307</b>	<b>3,574</b>	<b>4,022</b>	<b>4,555</b>
Other assets	326	210	239	275	316
<b>Total assets</b>	<b>5,540</b>	<b>5,871</b>	<b>6,245</b>	<b>6,672</b>	<b>7,182</b>
Common equity	1,184	2,695	2,890	3,117	3,380
Minorities etc.	0	0	0	0	0
<b>Total shareholders' equity</b>	<b>1,184</b>	<b>2,695</b>	<b>2,890</b>	<b>3,117</b>	<b>3,380</b>
Long term debt	283	65	58	54	51
Other long-term liabilities	168	188	214	246	283
<b>Long-term liabilities</b>	<b>450</b>	<b>253</b>	<b>271</b>	<b>300</b>	<b>334</b>
A/C payable	1,137	977	1,111	1,278	1,469
Short term debt	2,686	1,881	1,881	1,881	1,881
Other current liabilities	83	67	93	97	117
<b>Current liabilities</b>	<b>3,906</b>	<b>2,924</b>	<b>3,084</b>	<b>3,256</b>	<b>3,467</b>
<b>Total liabilities and shareholders' equity</b>	<b>5,540</b>	<b>5,872</b>	<b>6,245</b>	<b>6,672</b>	<b>7,182</b>
Net working capital	1,738	1,929	2,001	2,117	2,236
Invested capital	3,946	4,493	4,672	4,767	4,863

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

#### Per share (THB)

Book value per share	3.03	4.94	5.30	5.72	6.20
Tangible book value per share	3.03	4.94	5.30	5.72	6.20

#### Financial strength

Net debt/equity (%)	219.2	59.8	54.3	45.1	35.5
Net debt/total assets (%)	46.8	27.4	25.1	21.1	16.7
Current ratio (x)	0.9	1.1	1.2	1.2	1.3
CF interest cover (x)	11.8	(14.6)	3.4	5.2	6.0

Valuation	2022	2023	2024E	2025E	2026E
<b>Recurring P/E (x) *</b>	<b>19.6</b>	<b>18.6</b>	<b>16.5</b>	<b>14.2</b>	<b>12.3</b>
<b>Recurring P/E @ target price (x) *</b>	<b>23.5</b>	<b>22.3</b>	<b>19.8</b>	<b>17.0</b>	<b>14.7</b>
Reported P/E (x)	16.2	17.8	15.6	13.5	11.8
Dividend yield (%)	13.5	2.3	2.6	3.0	3.4
Price/book (x)	3.3	2.0	1.9	1.7	1.6
Price/tangible book (x)	3.3	2.0	1.9	1.7	1.6
EV/EBITDA (x) **	13.6	11.8	10.9	9.5	8.2
EV/EBITDA @ target price (x) **	15.3	13.6	12.6	11.0	9.6
EV/invested capital (x)	1.6	1.6	1.5	1.4	1.4

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

Sources: KCG Corporation; FSSIA estimates

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 <b>THSI inclusion</b> , 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. <b>SETTHSI Index</b> 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 (50-59), 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&amp;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 &amp; 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+									
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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><b>AAA</b></td> <td>8.571-10.000</td> <td rowspan="3"><b>Leader:</b></td> <td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td> </tr> <tr> <td><b>AA</b></td> <td>7.143-8.570</td> </tr> <tr> <td><b>A</b></td> <td>5.714-7.142</td> </tr> <tr> <td><b>BBB</b></td> <td>4.286-5.713</td> <td rowspan="3"><b>Average:</b></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><b>BB</b></td> <td>2.857-4.285</td> </tr> <tr> <td><b>B</b></td> <td>1.429-2.856</td> </tr> <tr> <td><b>CCC</b></td> <td>0.000-1.428</td> <td><b>Laggard:</b></td> <td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td> </tr> </tbody> </table>	<b>AAA</b>	8.571-10.000	<b>Leader:</b>	leading its industry in managing the most significant ESG risks and opportunities	<b>AA</b>	7.143-8.570	<b>A</b>	5.714-7.142	<b>BBB</b>	4.286-5.713	<b>Average:</b>	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	<b>BB</b>	2.857-4.285	<b>B</b>	1.429-2.856	<b>CCC</b>	0.000-1.428	<b>Laggard:</b>	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; &gt;25 to 50 = satisfactory; &gt;50 to 75 = good; and &gt;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

#### Songklod Wongchai FSS International Investment Advisory Securities Co., Ltd

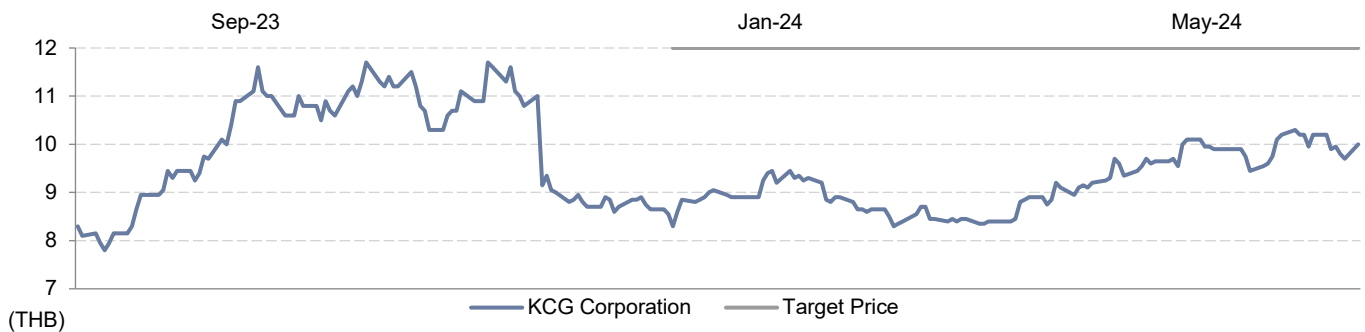
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed herein.

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### History of change in investment rating and/or target price

#### KCG Corporation (KCG TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
12-Dec-2023	BUY	12.00	-	-	-	-	-	-

Songklod Wongchai started covering this stock from 12-Dec-2023

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
KCG Corporation	KCG TB	THB 10.00	BUY	1) ราคาวัตถุดิบปรับขึ้นมากกว่าคาด 2) ค่าเงินบาทอ่อนค่าจะกระทบต่อต้นทุนนำเข้าสินค้าและวัตถุดิบที่สูงขึ้น 3) แผนการขยายกำลังผลิตไม่เป็นไปตามแผน

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 Finansia Syrus Securities Public Company Limited.

All share prices are as at market close on 13-May-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.