

THAI UNION GROUP TU TB

THAILAND / FOOD & BEVERAGE

BUY

UNCHANGED

Hard situation for Red Lobster

- We have a slightly negative view from the analyst meeting; we expect its 1Q23 revenue and gross margin to drop q-q and y-y.
- A challenging year for TU on the Red Lobster issue.
- Maintain BUY call on cheap valuation.

TARGET PRICE	THB24.00
CLOSE	THB16.10
UP/DOWNSIDE	+49.1%
PRIOR TP	THB24.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+9.5%

KEY STOCK DATA

YE Dec (THB m)	2022	2023E	2024E	2025E
Revenue	155,586	155,245	163,784	170,826
Net profit	7,138	6,430	6,914	7,413
EPS (THB)	1.50	1.35	1.45	1.55
vs Consensus (%)	-	(10.7)	(7.1)	(9.9)
EBITDA	13,508	14,487	15,352	16,046
Core net profit	6,571	6,230	6,914	7,413
Core EPS (THB)	1.38	1.31	1.45	1.55
Chg. In EPS est. (%)	nm	0.0	0.1	nm
EPS growth (%)	8.3	(5.2)	11.0	7.2
Core P/E (x)	11.7	12.3	11.1	10.4
Dividend yield (%)	5.4	4.8	5.0	5.1
EV/EBITDA (x)	9.8	7.9	7.4	7.1
Price/book (x)	1.0	0.9	0.9	0.8
Net debt/Equity (%)	54.6	32.5	31.1	28.3
ROE (%)	9.4	7.6	8.1	8.4

In-line 4Q22 net profit

TU reported a 4Q22 net profit of THB1.24b (-51% q-q, -36% y-y), in line our estimate. Excluding an FX loss of THB468m, its core profit was equal to THB1.7b (-1.9% q-q, -8.5% y-y), due to the low season. TU's total revenue in 4Q22 decreased by 2.7% q-q to USD1.09b. Revenue growth y-y came from ambient sales and the pet food business, but frozen business sales dropped both q-q and y-y. TU's 4Q22 gross margin dropped to 17.3% (vs 18.2% in 3Q22 and 4Q21), due to a lower utilisation rate and the stronger THB. On a full-year basis, TU booked a 2022 net profit of THB7.14b (-11% y-y).

Likely to be softer in the short term

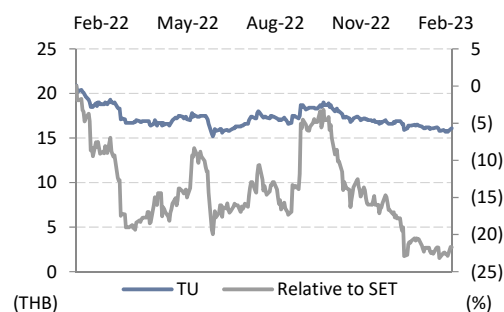
We have a slightly negative view from the analyst meeting on 21 Feb-23. In the short term, some customers have slowed purchases due to overstocking earlier. We expect TU's 1Q23 revenue and gross margin to drop q-q and y-y. Management has set conservative 2023 targets, which include 1) total revenue growth at 5%-6% y-y; 2) a gross margin at 18%-18.5%; and 3) SG&A to sales at 11%-12%. The pet food business should have strong growth this year. Meanwhile, management intends to focus on profitability with the goal of improving the frozen business' USD60m loss in 2022 to the breakeven point in 2023.

The decision year for Red Lobster – stay or leave?

Management aims to turn Red Lobster (RL) around with 1Q-2Q23 EBITDA of USD30m per quarter, which is one of the conditions of the financial covenant for TU to provide a USD65m guaranteed portion of RL's credit facility. If RL's EBITDA does not reach the target, TU is at risk of booking a one-time provision for RL's credit guarantee. This may prompt management to sell the RL business.

Maintain our forecast and recommendation

We maintain our 2023 profit forecast of THB6.43b (-9.9% y-y) and SoTP-based TP of THB24, implying 18.4x 2023E P/E, in line with its peers. TU's strength is its inexpensive valuation, with its shares currently trading at only 12.3x 2023E P/E. TU announced a 2H22 DPS of THB0.44, implying a dividend yield of 2.7%.



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(1.8)	(7.5)	(23.0)
Relative to country (%)	(1.3)	(10.2)	(21.8)
Mkt cap (USD m)	2,229		
3m avg. daily turnover (USD m)	9.9		
Free float (%)	65		
Major shareholder	Chansiri Family (12%)		
12m high/low (THB)	21.10/15.20		
Issued shares (m)	4,771.82		

Sources: Bloomberg consensus; FSSIA estimates



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Investment thesis

TU is one of the world’s largest seafood players. It produces and exports frozen and canned seafood such as tuna, shrimp, sardines, mackerel, etc. Its subsidiary i-Tail Corporation (ITC TB, BUY, TP THB32) is also a major pet food manufacturer in Thailand. Its overseas subsidiaries include the owner of Chicken of the Sea, the third-ranked canned seafood brand in the US, and TUE Group (formerly MW Brands) which operates a variety of canned seafood brands in Europe including John West, Petit Navire, Paramentier, King Oscar and Mareblu.

In 2020, TU began expanding its innovative product business with the aim of increasing its revenue exposure from this aspect to 10% of total revenue by 2025 with an EBITDA target of USD450m-550m, up from USD470m in 2021.

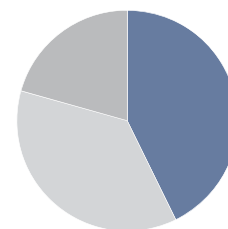
Company profile

Thai Union was founded in 1977 as a canned tuna processor and exporter. It is now an international OEM business with a global portfolio of consumer-favourite brands. At the end of 2022, TU had 18 brands, five strategic partnerships and key joint ventures, and eight overseas sales offices. TU has 13 production locations in 12 countries and two innovation and R&D centres. In 2021, its revenue contributions from the USA, Europe, Thailand, and Japan were 43%/28%/10%/5%, respectively.

www.thaiunion.com

Principal activities (revenue, 2022)

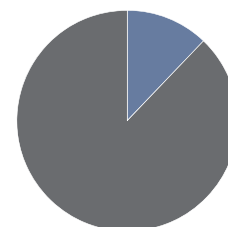
- Ambient seafood - 42.7 %
- Frozen & chilled seafood - 36.6 %
- Pet food & others - 20.6 %



Source: Thai Union Group

Major shareholders

- Chansiri Family - 12.1 %
- Others - 87.9 %



Source: Thai Union Group

Catalysts

Potential catalysts for ITC’s earnings growth in 2023 are 1) revenue growth driven by new customers and industry growth; 2) its capacity expansion plan; and 3) declining raw material costs and an end to the shipping container shortage.

Risks to our call

Downside risks to our SoTP-based TP include 1) a stronger-than-expected THB against the USD; 2) the high volatility of raw material prices; 3) labour shortages; and 4) tariff and non-tariff barriers in international trade.

Event calendar

Date	Event
May 2023	1Q23 results announcement

Key assumptions

	2023E	2024E	2025E
Total revenue (USD m)	4,704	4,963	5,177
USD/THB	33	33	33
Ambient sales (THB m)	64,954	68,655	71,337
Frozen, chilled sales (THB m)	55,255	57,465	59,189
Pet care, value-added sales (THB m)	35,036	37,664	40,300
Tuna price (USD/tonne)	1,600	1,600	1,600
Gross margin (%)	17.7	17.7	17.7

Source: FSSIA estimates

Earnings sensitivity

- For every THB1/USD increase, we estimate 2023 net profit to fall by 7%, and vice versa, all else being equal.
- For every 1% increase in the tuna price, we estimate 2023 net profit to fall by 5.8%, and vice versa, all else being equal.
- For every 5% increase in the minimum wage, we estimate 2023 net profit to fall by 4.3%, and vice versa, all else being equal.

Source: FSSIA estimates

Exhibit 1: 4Q22 earnings results

	4Q21	1Q22	2Q22	3Q22	4Q22	Change		2021	2022	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)
Sales in USD m	1,153	1,097	1,132	1,119	1,089	(2.7)	(5.6)	4,406	4,409	0.1
Sales in THB m	38,501	36,272	38,946	40,756	39,613	(2.8)	2.9	141,048	155,586	10.3
Cost of sales	31,478	29,917	32,361	33,357	32,744	(1.8)	4.0	115,321	128,380	11.3
Gross profit	7,023	6,355	6,584	7,399	6,868	(7.2)	(2.2)	25,727	27,206	5.8
SG&A	5,047	4,688	4,920	5,064	4,484	(11.4)	(11.2)	17,471	19,156	9.6
Operating profit	2,202	1,943	1,891	2,523	2,668	5.8	21.2	9,024	9,703	7.5
Profit sharing	(161)	(177)	(283)	(256)	(313)	22.4	94.4	(1,030)	(246)	(76.2)
Interest expense	455	445	465	517	571	10.4	25.5	1,998	1,824	(8.7)
Tax expense	61	(188)	(346)	(136)	(170)	24.8	(379.1)	(840)	394	(146.9)
FX gain (loss)	136	(47)	475	792	(468)	(159.1)	(444.1)	922	752	(18.4)
Reported net profit	1,930	1,746	1,624	2,530	1,238	(51.1)	(35.9)	8,013	7,138	(10.9)
Core profit	1,865	1,716	1,768	1,738	1,706	(1.9)	(8.5)	6,067	6,571	8.3
Core profit excl. other gain (loss)	1,865	1,716	1,768	1,738	1,706	(1.9)	(8.5)	7,431	6,928	(6.8)
Key ratios (%)						(ppt)	(ppt)			
Gross margin	18.2	17.5	16.9	18.2	17.3	(0.8)	(0.9)	18.2	17.5	(0.8)
SG&A / sales	13.1	12.9	12.6	12.4	11.3	(1.1)	(1.8)	12.4	12.3	(0.1)
Operating margin	5.7	5.4	4.9	6.2	6.7	0.5	1.0	6.4	5.8	(0.6)
Net margin	5.0	4.8	4.2	6.2	3.1	(3.1)	(1.9)	5.7	4.6	(1.1)
Core margin	4.8	4.7	4.5	4.3	4.3	0.0	(0.5)	5.3	4.5	(0.8)
Operating statistics (THB m)										
Ambient sales	15,149	15,527	16,912	16,985	17,086	0.6	12.8	58,955	66,510	12.8
Frozen, chilled seafood sales	16,628	13,790	13,900	14,820	14,453	(2.5)	(13.1)	58,417	56,964	(2.5)
Pet food, value-added sales	6,724	6,955	8,133	8,951	8,073	(9.8)	20.1	23,675	32,113	35.6
USD/THB	33.4	33.1	34.4	36.4	36.4	(0.0)	9.0	32.0	36.4	13.7
EUR/THB	38.2	37.1	36.6	36.7	37.1	1.1	(2.9)	37.9	36.9	(2.6)
GBP/THB	45.0	44.4	43.2	42.8	42.6	(0.4)	(5.3)	44.0	43.3	(1.7)
Tuna price (USD/tonne)	1,617	1,717	1,608	1,667	1,660	(0.4)	2.7	1,406	1,663	18.3
Shrimp 60 pcs/kg (THB/kg)	131	182	154	157	154	(1.9)	17.6	138	165	19.6
Salmon (NOK/kg)	61	78	97	73	73	0.0	19.7	59	80	35.6

Source: TU

Exhibit 2: Key assumptions for TU

Assumptions	Actual	Forecast			% Growth		
	2022	2023E	2024E	2025E	2023E	2024E	2025E
Total revenue (USD m)	4,409	4,704	4,963	5,177	6.7	5.5	4.3
FX rate (THB/USD)	34.9	33.0	33.0	33.0	(5.3)	0.0	0.0
Total sales value (THB m)	155,586	155,245	163,784	170,826	(0.2)	5.5	4.3
Ambient	66,510	64,954	68,655	71,337	(2.3)	5.7	3.9
Frozen, chilled	56,964	55,255	57,465	59,189	(3.0)	4.0	3.0
Pet care, value-added, other	32,113	35,036	37,664	40,300	9.1	7.5	7.0
Gross profit (THB m)	27,206	27,478	28,990	30,236	1.0	5.5	4.3
Gross margin (%)	17.5	17.7	17.7	17.7	0.2	0.0	0.0
SG&A expenses (THB m)	19,156	18,629	19,654	20,499	(2.7)	5.5	4.3
SG&A to sales (%)	12.3	12.0	12.0	12.0	(0.3)	0.0	0.0
Profit sharing	(1030)	(246)	(110)	102	<i>nm</i>	<i>nm</i>	<i>nm</i>
Reported net profit (THB m)	7,138	6,430	6,914	7,413	(9.9)	7.5	7.2
Net margin (%)	4.6	4.1	4.2	4.3	(0.4)	0.1	0.1
Core profit (THB m)	6,928	6,430	6,914	7,413	(7.2)	7.5	7.2
Norm margin (%)	4.5	4.1	4.2	4.3	(0.3)	0.1	0.1

Source: FSSIA estimates

Financial Statements

Thai Union Group

Profit and Loss (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Revenue	141,048	155,586	155,245	163,784	170,826
Cost of goods sold	(111,137)	(123,896)	(122,983)	(129,760)	(135,306)
Gross profit	29,910	31,690	32,262	34,024	35,520
Other operating income	811	974	854	983	1,025
Operating costs	(17,471)	(19,156)	(18,629)	(19,654)	(20,499)
Operating EBITDA	13,250	13,508	14,487	15,352	16,046
Depreciation	(4,184)	(4,484)	(4,784)	(5,034)	(5,284)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	9,066	9,024	9,703	10,318	10,762
Net financing costs	(1,730)	(1,998)	(1,824)	(1,717)	(1,717)
Associates	(269)	(1,030)	(246)	(110)	102
Recurring non-operating income	(269)	(1,030)	(246)	(110)	102
Non-recurring items	1,946	567	200	0	0
Profit before tax	9,013	6,564	7,833	8,491	9,147
Tax	(742)	840	(394)	(430)	(452)
Profit after tax	8,272	7,403	7,439	8,061	8,694
Minority interests	(259)	(265)	(1,009)	(1,146)	(1,281)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	8,013	7,138	6,430	6,914	7,413
Non-recurring items & goodwill (net)	(1,946)	(567)	(200)	0	0
Recurring net profit	6,067	6,571	6,230	6,914	7,413
Per share (THB)					
Recurring EPS *	1.27	1.38	1.31	1.45	1.55
Reported EPS	1.68	1.50	1.35	1.45	1.55
DPS	0.95	0.88	0.77	0.80	0.82
Diluted shares (used to calculate per share data)	4,772	4,772	4,772	4,772	4,772
Growth					
Revenue (%)	6.5	10.3	(0.2)	5.5	4.3
Operating EBITDA (%)	(1.8)	1.9	7.2	6.0	4.5
Operating EBIT (%)	(4.9)	(0.5)	7.5	6.3	4.3
Recurring EPS (%)	(3.6)	8.3	(5.2)	11.0	7.2
Reported EPS (%)	28.3	(10.9)	(9.9)	7.5	7.2
Operating performance					
Gross margin inc. depreciation (%)	18.2	17.5	17.7	17.7	17.7
Gross margin of key business (%)	18.2	17.5	17.7	17.7	17.7
Operating EBITDA margin (%)	9.4	8.7	9.3	9.4	9.4
Operating EBIT margin (%)	6.4	5.8	6.2	6.3	6.3
Net margin (%)	4.3	4.2	4.0	4.2	4.3
Effective tax rate (%)	8.2	(12.8)	5.0	5.1	4.9
Dividend payout on recurring profit (%)	74.7	63.5	58.8	55.0	53.0
Interest cover (X)	5.1	4.0	5.2	5.9	6.3
Inventory days	139.9	146.2	140.4	121.4	122.1
Debtor days	38.3	39.7	40.5	38.8	39.0
Creditor days	66.4	63.9	66.4	65.8	66.1
Operating ROIC (%)	11.2	9.5	10.4	11.8	12.0
ROIC (%)	5.6	4.6	5.4	6.1	6.3
ROE (%)	10.9	9.4	7.6	8.1	8.4
ROA (%)	5.0	4.8	4.8	5.3	5.5
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
	2021	2022	2023E	2024E	2025E
Ambient seafood	58,955	66,510	64,954	68,655	71,337
Frozen & chilled seafood	58,417	56,964	55,255	57,465	59,189
Pet food & others	23,675	32,113	35,036	37,664	40,300

Sources: Thai Union Group; FSSIA estimates

Financial Statements

Thai Union Group

Cash Flow (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Recurring net profit	6,067	6,571	6,230	6,914	7,413
Depreciation	4,184	4,484	4,784	5,034	5,284
Associates & minorities	(269)	(1,030)	(246)	(110)	102
Other non-cash items	3,892	1,134	400	0	0
Change in working capital	(9,944)	(8,270)	13,278	(2,016)	(1,662)
Cash flow from operations	3,929	2,890	24,446	9,823	11,137
Capex - maintenance	(5,850)	(6,146)	(6,000)	(5,000)	(5,000)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	(6,243)	23,560	323	228	242
Other investments (net)	830	(1,731)	793	(1,964)	(1,620)
Cash flow from investing	(11,263)	15,683	(4,884)	(6,735)	(6,378)
Dividends paid	(4,470)	(4,281)	(3,502)	(3,645)	(3,777)
Equity finance	0	0	0	0	1
Debt finance	12,626	(10,684)	(11,053)	(2,888)	1
Other financing cash flows	1,915	(389)	2,465	657	542
Cash flow from financing	10,070	(15,354)	(12,091)	(5,876)	(3,233)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	2,737	3,218	7,472	(2,788)	1,526
Free cash flow to firm (FCFF)	(5,603.61)	20,570.44	21,386.64	4,804.76	6,476.38
Free cash flow to equity (FCFE)	7,206.59	7,499.62	10,973.78	857.13	5,302.24

Per share (THB)					
FCFF per share	(1.17)	4.31	4.48	1.01	1.36
FCFE per share	1.51	1.57	2.30	0.18	1.11
Recurring cash flow per share	2.91	2.34	2.34	2.48	2.68

Balance Sheet (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Tangible fixed assets (gross)	57,314	60,730	67,030	72,280	77,530
Less: Accumulated depreciation	(28,957)	(30,711)	(35,795)	(41,079)	(46,613)
Tangible fixed assets (net)	28,357	30,020	31,236	31,202	30,918
Intangible fixed assets (net)	0	0	0	0	0
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	28,615	28,425	28,425	28,425	28,425
Cash & equivalents	9,023	12,241	19,713	16,925	18,451
A/C receivable	16,308	17,525	16,928	17,859	18,627
Inventories	46,636	52,622	42,006	44,316	46,221
Other current assets	2,896	5,236	3,813	4,284	4,426
Current assets	74,863	87,625	82,460	83,384	87,725
Other assets	34,769	36,500	35,706	37,670	39,290
Total assets	166,604	182,569	177,827	180,681	186,358
Common equity	59,319	80,642	83,570	86,839	90,476
Minorities etc.	2,894	7,489	7,607	8,025	8,370
Total shareholders' equity	62,213	88,131	91,177	94,865	98,847
Long term debt	46,431	48,125	37,648	34,064	34,064
Other long-term liabilities	9,878	9,489	11,954	12,611	13,154
Long-term liabilities	56,309	57,614	49,602	46,675	47,218
A/C payable	21,351	22,018	22,753	24,004	25,037
Short term debt	24,610	12,232	11,656	12,352	12,353
Other current liabilities	2,121	2,574	2,639	2,784	2,904
Current liabilities	48,081	36,824	37,048	39,141	40,294
Total liabilities and shareholders' equity	166,604	182,569	177,827	180,681	186,358
Net working capital	42,368	50,792	37,354	39,670	41,333
Invested capital	134,110	145,736	132,722	136,967	139,967

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

Per share (THB)					
Book value per share	12.43	16.90	17.51	18.20	18.96
Tangible book value per share	12.43	16.90	17.51	18.20	18.96

Financial strength					
Net debt/equity (%)	99.7	54.6	32.5	31.1	28.3
Net debt/total assets (%)	37.2	26.4	16.6	16.3	15.0
Current ratio (x)	1.6	2.4	2.2	2.1	2.2
CF interest cover (x)	5.2	4.8	7.0	1.5	4.1

Valuation	2021	2022	2023E	2024E	2025E
Recurring P/E (x) *	12.7	11.7	12.3	11.1	10.4
Recurring P/E @ target price (x) *	18.9	17.4	18.4	16.6	15.4
Reported P/E (x)	9.6	10.8	11.9	11.1	10.4
Dividend yield (%)	5.9	5.4	4.8	5.0	5.1
Price/book (x)	1.3	1.0	0.9	0.9	0.8
Price/tangible book (x)	1.3	1.0	0.9	0.9	0.8
EV/EBITDA (x) **	10.7	9.8	7.9	7.4	7.1
EV/EBITDA @ target price (x) **	13.5	12.6	10.5	9.9	9.4
EV/invested capital (x)	1.1	0.9	0.9	0.8	0.8

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

Sources: Thai Union Group; FSSIA estimates

Corporate Governance report of Thai listed companies 2022

EXCELLENT LEVEL – Score range 90-100

AAV	BAM	CIMBT	ECL	HENG	LALIN	NEP	PRG	SCC	SPRC	THRE	TTW
ADVANC	BANPU	CK	EE	HMPRO	LANNA	NER	PRM	SCCC	SPVI	THREL	TU
AF	BAY	CKP	EGCO	ICC	LHFG	NKI	PSH	SCG	SSC	TIPCO	TVDH
AH	BBIK	CM	EPG	ICHI	LIT	NOBLE	PSL	SCGP	SSSC	TISCO	TVI
AIRA	BBL	CNT	ETC	III	LOXLEY	NSI	PTG	SCM	SST	TK	TVO
AJ	BCP	COLOR	ETE	ILINK	LPN	NVD	PTA	SCN	STA	TKN	TPWC
AKP	BCPG	COM7	FN	ILM	LRH	NYT	PTTEP	SDC	STEC	TKS	UAC
AKR	BDMS	COMAN	FNS	IND	LST	OISHI	PTTGC	SEAFCO	STGT	TKT	UBIS
ALLA	BEM	COTTO	FPI	INTUCH	MACO	OR	PYLON	SEAOIL	STI	TMILL	UPOIC
ALT	BEYOND	CPALL	FPT	IP	MAJOR	ORI	Q-CON	SE-ED	SUN	TMT	UV
AMA	BGC	CPF	FSMART	IRC	MAKRO	OSP	QH	SELIC	SUSCO	TNDT	VCOM
AMARIN	BGRIM	CPI	FVC	IRPC	MALEE	OTO	QTC	SENA	SUTHA	TNITY	VGI
AMATA	BIZ	CPN	GC	ITEL	MBK	PAP	RABBIT	SENAJ	SVI	TOA	VIH
AMATAV	BKI	CRC	GEL	IVL	MC	PCSGH	RATCH	SGF	SYMC	TOP	WACOAL
ANAN	BOL	CSS	GFPT	JTS	MCOT	PDG	RBF	SHR	SYNTEC	TPBI	WAVE
AOT	BPP	DDD	GGC	JWD	METCO	PDJ	RS	SICT	TACC	TQM	WHA
AP	BRR	DELTA	GLAND	K	MFEC	PG	S	SIRI	TASCO	TRC	WHAUP
APURE	BTS	DEMCO	GLOBAL	KBANK	MINT	PHOL	S&J	SIS	TCAP	TRUE	WICE
ARIP	BTW	DOHOME	GPI	KCE	MONO	PLANB	SAAM	SITHAI	TEAMG	TSC	WINNER
ASP	BWG	DRT	GPSC	KEX	MOONG	PLANET	SABINA	SMPC	TFMAMA	TSR	XPG
ASW	CENTEL	DTAC	GRAMMY	KGI	MSC	PLAT	SAMART	SNC	THANA	TSTE	ZEN
AUCT	CFRESH	DUSIT	GULF	KKP	MST	PORT	SAMTEL	SONIC	THANI	TSTH	
AWC	CGH	EA	GUNKUL	KSL	MTC	PPS	SAT	SORKON	THCOM	TTA	
AYUD	CHEWA	EASTW	HANA	KTB	MVP	PR9	SC	SPALI	THG	TTB	
BAFS	CHO	ECF	HARN	KTC	NCL	PREB	SCB	SPI	THIP	TTCL	

VERY GOOD LEVEL – Score range 80-89

2S	ASIMAR	CHOTI	ESSO	INSURE	LH	NRF	PROEN	SCI	SR	TMC	UMI
7UP	ASK	CHOW	ESTAR	IRCP	LHK	NTV	PROS	SCP	SRICHA	TMD	UOBKH
ABM	ASN	CI	FE	IT	M	NUSA	PROUD	SE	SSF	TMI	UP
ACE	ATP30	CIG	FLOYD	ITD	MATCH	NWR	PSG	SECURE	SSP	TNL	UPF
ACG	B	CITY	FORTH	J	MBAX	OCC	PSTC	SFLEX	STANLY	TNP	UTP
ADB	BA	CIVIL	FSS	JAS	MEGA	OGC	PT	SFP	STC	TNR	VIBHA
ADD	BC	CMC	FTE	JCK	META	ONEE	PTC	SFT	STPI	TOG	VL
AEONTS	BCH	CPL	GBX	JCKH	MFC	PACO	QLT	SGP	SUC	TPA	VPO
AGE	BE8	CPW	GCAP	JMT	MGT	PATO	RCL	SIAM	SVOA	TPAC	VRANDA
AHC	BEC	CRANE	GENCO	JR	MICRO	PB	RICHY	SINGER	SVT	TPCS	WGE
AIE	BH	CRD	GJS	KBS	MILL	PICO	RJH	SKE	SWC	TIPLI	WIHK
AIT	BIG	CSC	GTB	KCAR	MTSIB	PIMO	ROJNA	SKN	SYNEX	TIPIP	WIN
ALUCON	BJC	CSP	GYT	KGEN	MK	PIN	RPC	SKR	TAE	TPLAS	WINMED
AMANAH	BJCHI	CV	HEMP	KIAT	MODERN	PJW	RT	SKY	TAKUNI	TPS	WORK
AMR	BLA	CWT	HPT	KISS	MTI	PL	RWI	SLP	TCC	TQR	WP
APCO	BR	DCC	HTC	KK	NATION	PLE	S11	SMART	TCCM	TRITN	XO
APCS	BRI	DHOUSE	HUMAN	KOOL	NCAP	PM	SA	SMD	TFG	TRT	YUASA
AQUA	BROOK	DITTO	HYDRO	KTIS	NCH	PMTA	SABUY	SMIT	TFI	TRU	ZIGA
ARIN	BSM	DMT	ICN	KUMWEL	NDR	PPP	SAK	SMT	TFM	TRV	
ARROW	BYD	DOD	IFS	KUN	NETBAY	PPPM	SALEE	SNNP	TGH	TSE	
AS	CBG	DPAINT	IIG	KWC	NEX	PRAPAT	SAMCO	SNP	TIDLOR	TVT	
ASAP	CEN	DV8	IMH	KWM	NINE	PRECHA	SANKO	SO	TIGER	TWP	
ASEFA	CHARAN	EASON	INET	L&E	NNCL	PRIME	SAPPE	SPA	TIPH	UBE	
ASIA	CHAYO	EFORL	INGRS	LDC	NOVA	PRIN	SAWAD	SPC	TITLE	UEC	
ASIAN	CHG	ERW	INSET	LEO	NPK	PRINC	SCAP	SPCG	TM	UKEM	

GOOD LEVEL – Score range 70-79

A	BEAUTY	CMAN	EMC	HL	KWI	MORE	PF	RSP	SUPER	TOPP	VARO
A5	BGT	CMO	EP	HTECH	KYE	MPIC	PK	SIMAT	TC	TPCH	W
AI	BLAND	CMR	EVER	IHL	LEE	MUD	PPM	SISB	TCCC	TPOLY	WFX
ALL	BM	CPANEL	F&D	INOX	LPH	NC	PRAKIT	SK	TCJ	TRUBB	WPH
ALPHAX	BROCK	CPT	FMT	JAK	MATI	NEWS	PTECH	SOLAR	TEAM	TTI	YGG
AMC	BSBM	CSR	GIFT	JMART	M-CHAI	NFC	PTL	SPACK	THE	TYCN	
APP	BTNC	CTW	GLOCON	JSP	MCS	NSL	RAM	SPG	THMUI	UMS	
AQ	CAZ	D	GLORY	JUBILE	MDX	NV	ROCK	SQ	TKC	UNIQ	
AU	CCP	DCON	GREEN	KASET	MENA	PAF	RP	STARK	TNH	UPA	
B52	CGD	EKH	GSC	KCM	MJD	PEACE	RPH	STECH	TNPC	UREKA	

Disclaimer:

The disclosure of the survey results of the Thai Institute of Directors Association ('IOD') regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information.

The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey results may be changed after that date. FSS International Investment Advisory Company Limited does not confirm nor certify the accuracy of such survey results.

* CGR scoring should be considered with news regarding wrong doing of the company or director or executive of the company such unfair practice on securities trading, fraud, and corruption SEC imposed a civil sanction against insider trading of director and executive

Sources: Thai Institute of Directors Association (IOD); FSSIA's compilation; data as of 26 October 2021

Anti-corruption Progress Indicator

CERTIFIED										
2S	BCPG	CPI	GCAP	JR	MCOT	PHOL	RABBIT	SNC	THANI	TTCL
7UP	BE8	CPL	GEL	K	META	PK	RATCH	SNP	THCOM	TU
ADVANC	BEC	CPN	GFPT	KASET	MFC	PL	RML	SORKON	THIP	TVDH
AF	BEYOND	CRC	GGC	KBANK	MFEC	PLANB	RWI	SPACK	THRE	TVI
AI	BGC	CSC	GJS	KBS	MILL	PLANET	S&J	SPALI	THREL	TVO
AIE	BGRIM	DCC	GPI	KCAR	MINT	PLAT	SAAM	SPC	TIDLOR	TWPC
AIRA	BKI	DELTA	GPSC	KCE	MONO	PM	SABINA	SPI	TIPCO	UBE
AJ	BLA	DEMCO	GSTEEL	KGEN	MOONG	PPP	SAPPE	SPRC	TISCO	UBIS
AKP	BPP	DIMET	GULF	KGI	MSC	PPPM	SAT	SRICHA	TKS	UEC
AMA	BROOK	DRT	GUNKUL	KKP	MST	PPS	SC	SSF	TKT	UKEM
AMANAHA	BRR	DTAC	HANA	KSL	MTC	PR9	SCB	SSP	TMILL	UOBKH
AMATA	BSBM	DUSIT	HARN	KTB	MTI	PREB	SCC	SSSC	TMT	UPF
AMATAV	BTS	EA	HEMP	KTC	NEP	PRG	SCCC	SST	TNITY	UV
AP	BWG	EASTW	HENG	KWI	NINE	PRINC	SCG	STA	TNL	VGI
APCS	CEN	EGCO	HMPRO	L&E	NKI	PRM	SCGP	STGT	TNP	VIH
AS	CENDEL	EP	HTC	LANNA	NOBLE	PROS	SCM	STOWER	TNR	WACOAL
ASIAN	CFRESH	EPG	ICC	LH	NOK	PSH	SCN	SUSCO	TOG	WHA
ASK	CGH	ERW	ICHI	LHFG	NSI	PSL	SEAOIL	SVI	TOP	WHAUP
ASP	CHEWA	ESTAR	IFS	LHK	NWR	PSTC	SE-ED	SYMC	TOPP	WICE
AWC	CHOTI	ETE	III	LPN	OCC	PT	SELIC	SYNTEC	TPA	WIIK
AYUD	CHOW	FE	ILINK	LRH	OGC	PTG	SENA	TAE	TPCS	XO
B	CIG	FNS	INET	M	ORI	PTT	SGP	TAKUNI	TPP	YUASA
BAFS	CIMBT	FPI	INSURE	MAJOR	PAP	PTTEP	SINGER	TASCO	TRU	ZEN
BAM	CM	FPT	INTUCH	MAKRO	PATO	PTTGC	SIRI	TCAP	TRUE	ZIGA
BANPU	CMC	FSMART	IRC	MALEE	PB	PYLON	SITHAI	TCMC	TSC	
BAY	COM7	FSS	IRPC	MATCH	PCSGH	Q-CON	SKR	TFG	TSTE	
BBL	COTTO	FTE	ITEL	MBAX	PDG	QH	SMIT	TFI	TSTH	
BCH	CPALL	GBX	IVL	MBK	PDJ	QLT	SMK	TFMAMA	TTA	
BCP	CPF	GC	JKN	MC	PG	QTC	SMPC	TGH	TTB	

DECLARED										
AH	CHG	DHOUSE	EVER	J	KUMWEL	NRF	RS	SUPER	TQM	VIBHA
ALT	CI	DOHOME	FLOYD	JMART	LDC	NUSA	SAK	SVT	TRT	W
APCO	CPR	ECF	GLOBAL	JMT	MEGA	OR	SIS	TKN	TSI	WIN
ASW	CPW	EKH	ILM	JTS	NCAP	PIMO	SSS	TMD	VARO	
B52	DDD	ETC	INOX	KEX	NOVA	PLE	STECH	TMI	VCOM	

Level	
Certified	This level indicates practical participation with thoroughly examination in relation to the recommended procedures from the audit committee or the SEC's certified auditor, being a certified member of Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) or already passed examination to ensure independence from external parties.
Declared	This level indicates determination to participate in the Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC)

Disclaimer:

The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by Thaipat Institute, is made in order to comply with the policy and sustainable development plan for the listed companies of the Office of the Securities and Exchange Commission. Thaipat Institute made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of Thaipat Institute that is a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, FSS International Investment Advisory Company Limited does not confirm, verify, or certify the accuracy and completeness of the assessment results.

Note: Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of 26 October 2021) are categorised into: 1) companies that have declared their intention to join CAC, and; 2) companies certified by CAC.

Sources: The Securities and Exchange Commission, Thailand; * FSSIA's compilation

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Sureeporn Teewasuwet FSS International Investment Advisory Securities Co., Ltd

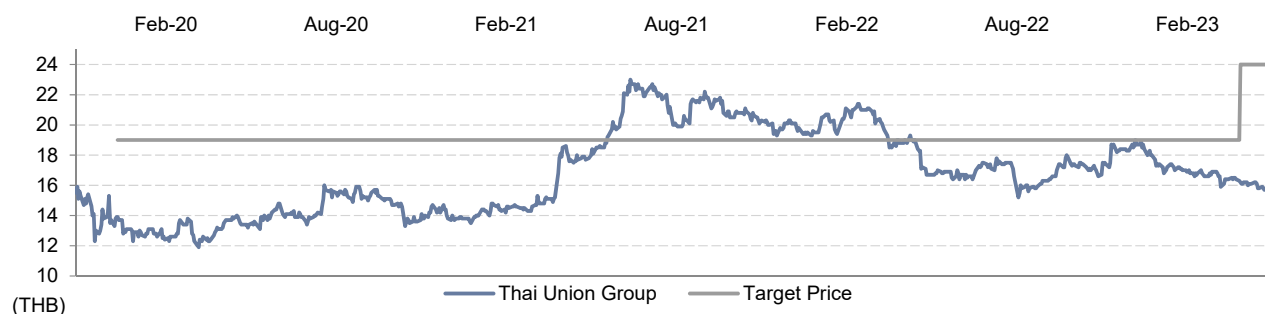
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History of change in investment rating and/or target price

Thai Union Group (TU TB)



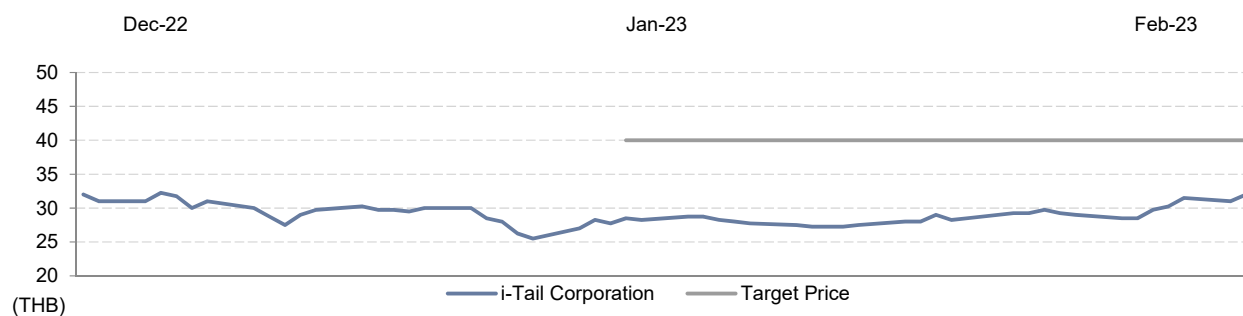
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
02-Apr-2020	BUY	19.00	23-Jan-2023	BUY	24.00	-	-	-

Sureeporn Teewasuwet started covering this stock from 23-Jan-2023

Price and TP are in local currency

Source: FSSIA estimates

i-Tail Corporation (ITC TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
11-Jan-2023	BUY	40.00	-	-	-	-	-	-

Sureeporn Teewasuwet started covering this stock from 11-Jan-2023

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Thai Union Group	TU TB	THB 16.10	BUY	Downside risks to our SoTP-based TP include 1) a stronger-than-expected THB against the USD; 2) the high volatility of raw material prices; 3) labour shortages; and 4) tariff and non-tariff barriers in international trade.
i-Tail Corporation	ITC TB	THB 32.00	BUY	Downside risks to our PE-based TP include 1) a stronger-than-expected THB against USD; 2) the high volatility of raw material prices; 3) labour shortages; and 4) changing consumer demand and lifestyles.

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

FSSIA may incorporate the recommendations and target prices of companies currently covered by FSS Research into equity research reports, denoted by an 'FSS' before the recommendation. FSS Research is part of Finansia Syrus Securities Public Company Limited, which is the parent company of FSSIA.

All share prices are as at market close on 21-Feb-2023 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.