

ZEN CORPORATION GROUP
THAILAND / FOOD & BEVERAGE

ZEN TB

BUY
UNCHANGED

3Q23 results at first glance

TARGET PRICE	THB15.50
CLOSE	THB9.95
UP/DOWNSIDE	+55.8%
TP vs CONSENSUS	+8.6%

กำไร 3Q23 ต่ำกว่าคาดถึง 18% ลดลงทั้ง q-q, y-y

Highlights

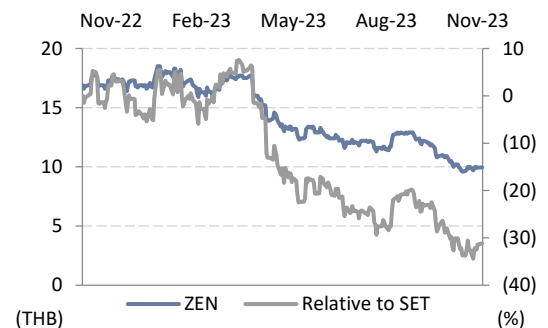
- ZEN กำไรสุทธิ 3Q23 เท่ากับ 40 ลบ. (-12.5% q-q, -21.3% y-y) ต่ำกว่าคาดถึง 18% มาจากอัตรากำไรขั้นต้นที่ต่ำกว่าคาด และค่าใช้จ่ายที่มากกว่าคาด
- รายได้รวมทำได้ดีกว่าคาดโดยเติบโต +4% q-q, +11% y-y แม้ SSSG พลิกเป็น -4.5% y-y จาก +3.1% y-y ใน 3Q23 แต่ด้วยรายได้ที่ดีของสาขาใหม่ ทำให้รายได้ร้านอาหารยังโตสวนทางฤดูกาล +2.9% q-q, +11% y-y กอปรกับรายได้ของธุรกิจค้าปลีกยังเร่งขึ้นต่อเนื่อง +21% q-q, +57% y-y ทำให้สัดส่วนรายได้ค้าปลีกขยับขึ้นเป็น 15% จาก 10.7% ของรายได้รวมใน 3Q22
- อัตรากำไรขั้นต้นต่ำกว่าคาด 60 bps อยู่ที่ 43.1% เป็นการลดลงทั้ง q-q และ y-y ส่วนหนึ่งเป็นผลจาก Product Mix เพราะสัดส่วนรายได้ค้าปลีกที่มีมาร์จิ้นต่ำกว่าสูงขึ้น และยังถูกกระทบจากต้นทุนวัตถุดิบอาหารที่ปรับตัวสูงขึ้น
- ค่าใช้จ่ายในการขายและบริหารยังปรับขึ้น +5.5% q-q, +4.9% y-y มาจากการเพิ่มขึ้นของค่าเช่า ค่าสาธารณูปโภค และค่าใช้จ่ายพนักงาน ทำให้ SG&A to sales อยู่ที่ 37.2% สูงขึ้นจาก 36.6% ใน 2Q23 แต่ลดลงจาก 39.3% ใน 3Q22 เพราะรายได้สูงขึ้น

Outlook

- บริษัทมีกำไรสุทธิ 9M23 เท่ากับ 120 ลบ. +21% y-y คิดเป็น 70% ของประมาณการทั้งปี แนวโน้มกำไร 4Q23 น่าจะกลับมาฟื้นตัว q-q แต่อาจทรงถึงปรับลง y-y เพราะฐานสูงในปีก่อน โดยการฟื้น q-q ถือว่าสอดคล้องกับปัจจัยฤดูกาล ที่เป็น High Season ของทั้งธุรกิจร้านอาหารและค้าปลีก รวมถึงคาดหวังเห็นต้นทุนวัตถุดิบเริ่มปรับลง โดยเฉพาะปลาแซลมอน หลังใช้สต็อกราคาสูงหมดไป
- เรายังคงประมาณการกำไรสุทธิปี 2023-24 ไว้ตามเดิม 172 ลบ. (+12% y-y) และ 200 ลบ. (+16% y-y) ตามลำดับ ราคาหุ้นปัจจุบันเทรดที่ PE2024 เพียง 15x

KEY STOCK DATA

YE Dec (THB m)	2022	2023E	2024E	2025E
Revenue	3,383	3,815	4,139	4,420
Net profit	154	172	200	217
EPS (THB)	0.51	0.57	0.67	0.72
vs Consensus (%)	-	(2.6)	(1.9)	(1.8)
EBITDA	594	687	779	864
Recurring net profit	154	172	200	217
Core EPS (THB)	0.51	0.57	0.67	0.72
EPS growth (%)	nm	11.9	16.0	8.8
Core P/E (x)	19.4	17.3	14.9	13.7
Dividend yield (%)	1.6	1.7	2.0	2.2
EV/EBITDA (x)	6.0	5.3	4.5	3.9
Price/book (x)	2.3	2.1	1.9	1.8
Net debt/Equity (%)	39.5	38.2	26.2	17.1
ROE (%)	12.8	12.8	13.6	13.4



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(8.7)	(14.2)	(40.4)
Relative to country (%)	(4.5)	(5.0)	(30.2)
Mkt cap (USD m)	83		
3m avg. daily turnover (USD m)	0.0		
Free float (%)	27		
Major shareholder	AGB Sibling Holdings (25%)		
12m high/low (THB)	19.20/9.50		
Issued shares (m)	300.00		

Sources: Bloomberg consensus; FSSIA estimates



Sureeporn Teewasuwet

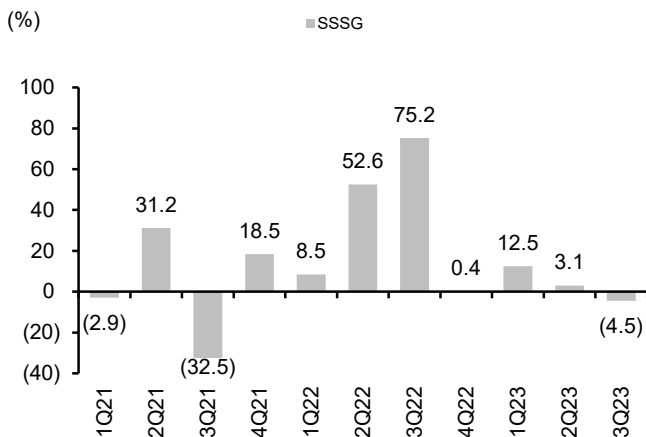
Fundamental Investment Analyst on Securities; License no. 040694
sureeporn.t@fssia.com, +66 2646 9972

Exhibit 1: ZEN - 3Q23 results summary

	3Q22	4Q22	1Q23	2Q23	3Q23	----- Change -----		9M22	9M23	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)
Sales	900	938	907	961	999	4.0	11.0	2,445	2,867	17.2
Cost of sales	480	513	509	543	569	4.8	18.5	1,324	1,621	22.4
Gross profit	420	425	397	418	430	2.9	2.5	1,121	1,246	11.1
SG&A	354	351	347	352	371	5.5	4.9	978	1,071	9.5
Operating profit	76	81	57	72	63	(11.8)	(17.5)	165	191	15.8
Interest expense	8	7	10	10	11	4.8	29.1	26	30	17.6
Tax expense	13	13	8	12	7	(40.5)	(48.3)	26	27	3.2
Reported net profit	51	55	34	46	40	(12.5)	(21.3)	99	120	20.8
Core profit	51	55	34	46	40	(12.5)	(21.3)	99	120	20.8
Key ratios (%)						(ppt)				
Gross margin	46.6	45.3	43.8	43.5	43.1	(0.5)	(3.6)	45.8	43.5	(2.4)
SG&A to sales	39.3	37.5	38.3	36.6	37.2	0.5	(2.2)	40.0	37.4	(2.7)
Operating margin	8.5	8.6	6.2	7.4	6.3	(1.1)	(2.2)	6.7	6.7	(0.1)
Net margin	5.6	5.8	3.8	4.8	4.0	(0.8)	(1.6)	4.1	4.2	0.1
Core margin	5.6	5.8	3.8	4.8	4.0	(0.8)	(1.6)	4.1	4.2	0.1
Operating statistics										
SSSG (%)	75.2	0.4	12.5	3.1	(4.5)			39.9	3.1	
Total stores (no.)	356	345	339	327	329	0.6	(7.6)	356	329	(7.6)
Restaurant sales (THB m)	683	728	706	735	756	2.9	10.7	1,784	2,197	23.2
Franchise sales (THB m)	58	60	52	56	51	(8.9)	(12.1)	171	159	(7.0)
Delivery and catering (THB m)	64	52	47	45	41	(8.9)	(35.9)	199	133	(33.2)
Retail sales (THB m)	96	98	101	125	151	20.8	57.3	291	377	29.6

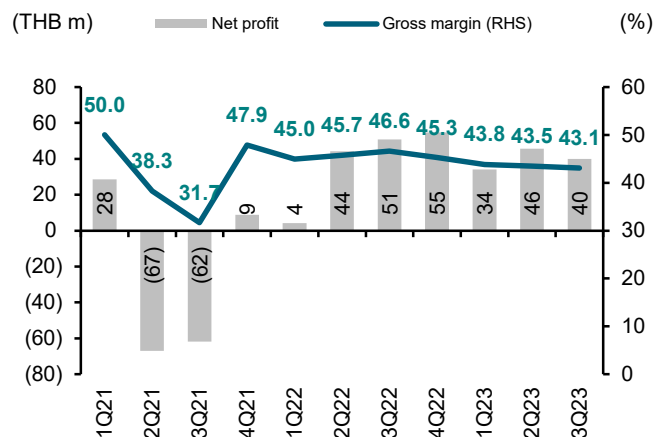
Sources: ZEN; FSSIA's compilation

Exhibit 2: Quarterly same-store-sale growth



Sources: ZEN; FSSIA's compilation

Exhibit 3: Quarterly net profit and gross margin



Sources: ZEN; FSSIA's compilation

Financial Statements

Zen Corporation Group

Profit and Loss (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Revenue	2,209	3,383	3,815	4,139	4,420
Cost of goods sold	(1,243)	(1,838)	(2,137)	(2,309)	(2,453)
Gross profit	966	1,546	1,679	1,829	1,967
Other operating income	47	30	31	33	35
Operating costs	(1,072)	(1,330)	(1,431)	(1,552)	(1,666)
Operating EBITDA	304	594	687	779	864
Depreciation	(363)	(348)	(408)	(468)	(528)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	(59)	246	279	310	336
Net financing costs	(38)	(33)	(44)	(40)	(37)
Associates	(2)	(2)	0	0	0
Recurring non-operating income	(2)	(2)	0	0	0
Non-recurring items	(13)	0	0	0	0
Profit before tax	(112)	211	234	270	299
Tax	23	(39)	(43)	(49)	(60)
Profit after tax	(89)	172	191	221	239
Minority interests	(3)	(18)	(19)	(21)	(22)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	(92)	154	172	200	217
Non-recurring items & goodwill (net)	13	0	0	0	0
Recurring net profit	(78)	154	172	200	217
Per share (THB)					
Recurring EPS *	(0.26)	0.51	0.57	0.67	0.72
Reported EPS	(0.31)	0.51	0.57	0.67	0.72
DPS	0.00	0.16	0.17	0.20	0.22
Diluted shares (used to calculate per share data)	300	300	300	300	300
Growth					
Revenue (%)	(3.3)	53.2	12.8	8.5	6.8
Operating EBITDA (%)	(13.0)	95.4	15.6	13.4	11.0
Operating EBIT (%)	nm	nm	13.3	11.5	8.2
Recurring EPS (%)	nm	nm	11.9	16.0	8.8
Reported EPS (%)	nm	nm	11.9	16.0	8.8
Operating performance					
Gross margin inc. depreciation (%)	43.7	45.7	44.0	44.2	44.5
Gross margin exc. depreciation (%)	60.2	56.0	54.7	55.5	56.4
Operating EBITDA margin (%)	13.8	17.6	18.0	18.8	19.5
Operating EBIT margin (%)	(2.7)	7.3	7.3	7.5	7.6
Net margin (%)	(3.5)	4.5	4.5	4.8	4.9
Effective tax rate (%)	20.8	18.4	18.3	18.3	20.0
Dividend payout on recurring profit (%)	-	31.2	30.0	30.0	30.0
Interest cover (X)	(1.6)	7.5	6.3	7.7	9.2
Inventory days	43.8	46.6	54.9	54.3	55.7
Debtor days	11.0	8.0	8.2	6.7	5.8
Creditor days	118.4	80.3	72.7	72.4	74.2
Operating ROIC (%)	(3.4)	16.9	21.1	23.2	25.2
ROIC (%)	(2.5)	10.0	10.7	11.6	12.4
ROE (%)	(6.7)	12.8	12.8	13.6	13.4
ROA (%)	(1.7)	7.4	7.9	8.6	8.7
* Pre exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Restaurant	1,582	2,510	2,900	3,135	3,350
Franchise	206	231	229	252	266
Delivery & Catering	321	252	184	193	203
Retail	100	390	503	558	602

Sources: Zen Corporation Group; FSSIA estimates

Financial Statements

Zen Corporation Group

Cash Flow (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Recurring net profit	(78)	154	172	200	217
Depreciation	363	348	408	468	528
Associates & minorities	2	2	0	0	0
Other non-cash items	37	29	2	1	1
Change in working capital	14	(102)	28	32	9
Cash flow from operations	338	431	610	701	755
Capex - maintenance	-	-	-	-	-
Capex - new investment	(158)	0	(480)	(480)	(550)
Net acquisitions & disposals	(42)	(390)	(83)	(32)	(28)
Other investments (net)	-	-	-	-	-
Cash flow from investing	(199)	(390)	(563)	(512)	(578)
Dividends paid	-	0	(52)	(60)	(65)
Equity finance	0	0	0	0	0
Debt finance	(141)	6	(54)	(70)	(70)
Other financing cash flows	2	2	(24)	9	8
Cash flow from financing	(139)	8	(129)	(121)	(127)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	11	0	0	0
Net other adjustments	0	11	0	0	0
Movement in cash	(1)	60	(82)	68	50
Free cash flow to firm (FCFF)	175.84	73.98	91.50	229.03	213.85
Free cash flow to equity (FCFE)	(1.01)	60.15	(30.61)	127.96	115.41

Per share (THB)

FCFF per share	0.59	0.25	0.31	0.76	0.71
FCFE per share	0.00	0.20	(0.10)	0.43	0.38
Recurring cash flow per share	1.08	1.78	1.94	2.23	2.49

Balance Sheet (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Tangible fixed assets (gross)	2,445	2,124	2,246	2,311	2,388
Less: Accumulated depreciation	(972)	(1,006)	(1,057)	(1,110)	(1,165)
Tangible fixed assets (net)	1,472	1,118	1,190	1,201	1,223
Intangible fixed assets (net)	290	353	353	353	353
Long-term financial assets	4	326	326	326	326
Invest. in associates & subsidiaries	-	-	-	-	-
Cash & equivalents	268	327	245	313	363
A/C receivable	61	88	84	68	73
Inventories	124	256	263	285	302
Other current assets	42	57	46	50	53
Current assets	495	729	638	716	791
Other assets	296	299	382	414	442
Total assets	2,557	2,824	2,888	3,010	3,136
Common equity	1,122	1,281	1,401	1,541	1,693
Minorities etc.	37	66	67	68	69
Total shareholders' equity	1,159	1,346	1,469	1,610	1,763
Long term debt	650	535	485	415	345
Other long-term liabilities	133	135	111	120	128
Long-term liabilities	784	670	596	536	474
A/C payable	319	337	351	380	403
Short term debt	202	324	320	320	320
Other current liabilities	93	147	153	166	177
Current liabilities	614	808	824	865	900
Total liabilities and shareholders' equity	2,557	2,824	2,888	3,010	3,136
Net working capital	(185)	(83)	(111)	(143)	(152)
Invested capital	1,878	2,013	2,140	2,152	2,193

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

Per share (THB)

Book value per share	3.74	4.27	4.67	5.14	5.64
Tangible book value per share	2.77	3.09	3.49	3.96	4.47

Financial strength

Net debt/equity (%)	50.5	39.5	38.2	26.2	17.1
Net debt/total assets (%)	22.9	18.8	19.4	14.0	9.6
Current ratio (x)	0.8	0.9	0.8	0.8	0.9
CF interest cover (x)	5.2	2.8	11.1	16.0	19.2

Valuation	2021	2022	2023E	2024E	2025E
Recurring P/E (x) *	(38.1)	19.4	17.3	14.9	13.7
Recurring P/E @ target price (x) *	(59.4)	30.2	27.0	23.3	21.4
Reported P/E (x)	(32.6)	19.4	17.3	14.9	13.7
Dividend yield (%)	-	1.6	1.7	2.0	2.2
Price/book (x)	2.7	2.3	2.1	1.9	1.8
Price/tangible book (x)	3.6	3.2	2.8	2.5	2.2
EV/EBITDA (x) **	11.9	6.0	5.3	4.5	3.9
EV/EBITDA @ target price (x) **	17.3	8.8	7.7	6.6	5.8
EV/invested capital (x)	1.9	1.8	1.7	1.6	1.5

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

Sources: Zen Corporation Group; 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 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>Leader:</td> <td>leading its industry in managing the most significant ESG risks and opportunities</td> </tr> <tr> <td>AA</td> <td>7.143-8.570</td> <td></td> <td></td> </tr> <tr> <td>A</td> <td>5.714-7.142</td> <td></td> <td></td> </tr> <tr> <td>BBB</td> <td>4.286-5.713</td> <td>Average:</td> <td>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> <td></td> <td></td> </tr> <tr> <td>B</td> <td>1.429-2.856</td> <td></td> <td></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	
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																											
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

Sureeporn Teewasuwet FSS International Investment Advisory Securities Co., Ltd

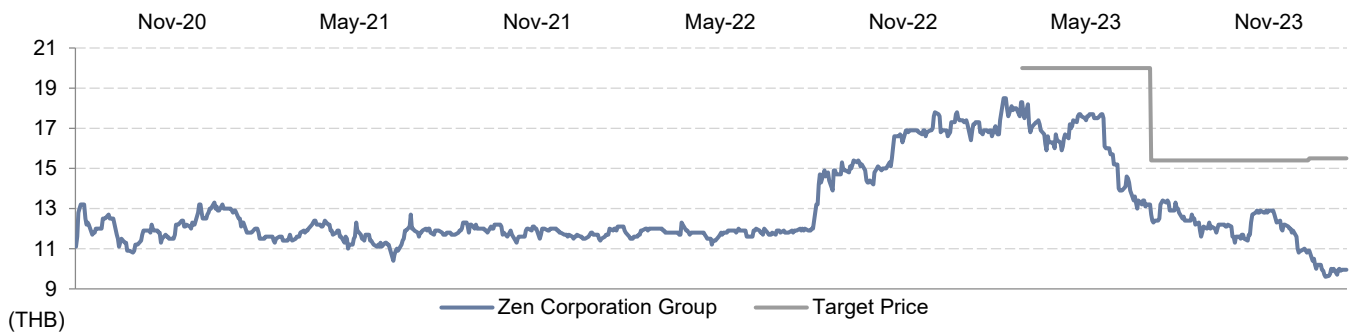
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

This report has been prepared by FSS International Investment Advisory Securities Company Limited (FSSIA). The information herein has been obtained from sources believed to be reliable and accurate; however FSSIA makes no representation as to the accuracy and completeness of such information. Information and opinions expressed herein are subject to change without notice. FSSIA has no intention to solicit investors to buy or sell any security in this report. In addition, FSSIA does not guarantee returns nor price of the securities described in the report nor accept any liability for any loss or damage of any kind arising out of the use of such information or opinions in this report. Investors should study this report carefully in making investment decisions. All rights are reserved.

This report may not be reproduced, distributed or published by any person in any manner for any purpose without permission of FSSIA. Investment in securities has risks. Investors are advised to consider carefully before making investment decisions.

History of change in investment rating and/or target price

Zen Corporation Group (ZEN TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
07-Feb-2023	BUY	20.00	29-May-2023	BUY	15.40	12-Oct-2023	BUY	15.50

Sureeporn Teewasuwet started covering this stock from 07-Feb-2023

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Zen Corporation Group	ZEN TB	THB 9.95	BUY	Downside risks to our P/E-based TP include 1) a slower-than-expected consumption recovery; 2) a potential rise in raw material costs; 3) lower-than-expected new store expansion; and 4) a minimum wage increase and labour shortages.

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 14-Nov-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.