

THAI FOODS GROUP
THAILAND / FOOD & BEVERAGE

TFG TB

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UNCHANGED

หุ้นพลิกมีกำไร 1Q24 เร็วสุดในกลุ่ม

- คาด 4Q23 จะขาดทุนมากขึ้น เป็นจุดต่ำสุดในปี 2023
- มีโอกาสที่ 1Q24 จะพลิกมีกำไรได้เร็วกว่ากลุ่มหมู หลังหมูเวียดนามฟื้นตัวดี และหุ้นหมูไทยพลิกมีกำไร หากราคายืนได้ดีในช่วงตรุษจีนเป็นต้นไป
- คงประมาณการกำไรและเป้า แต่เริ่มเห็น Upside ต่อการถูก Re-rate valuation

TARGET PRICE	THB4.00
CLOSE	THB3.70
UP/DOWNSIDE	+8.1%
PRIOR TP	THB4.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+5.9%

KEY STOCK DATA

YE Dec (THB m)	2022	2023E	2024E	2025E
Revenue	52,323	55,285	58,883	60,887
Net profit	4,722	(779)	2,097	2,331
EPS (THB)	0.84	(0.13)	0.34	0.38
vs Consensus (%)	-	nm	-	(12.2)
EBITDA	10,419	4,899	7,464	7,927
Recurring net profit	4,722	(358)	2,097	2,331
Core EPS (THB)	0.84	(0.06)	0.34	0.38
Chg. In EPS est. (%)	0.0	nm	(0.4)	(0.4)
EPS growth (%)	739.9	nm	nm	11.1
Core P/E (x)	4.4	(60.0)	10.9	9.8
Dividend yield (%)	10.8	-	4.6	5.1
EV/EBITDA (x)	4.3	9.0	6.0	5.5
Price/book (x)	1.3	1.4	1.4	1.3
Net debt/Equity (%)	150.8	147.6	136.7	119.5
ROE (%)	34.8	(2.3)	13.4	14.0

คาด 4Q23 จะขาดทุนมากขึ้น เป็นจุดต่ำสุดของปี 2023

คาด 4Q23 จะมีผลขาดทุนสุทธิอยู่ที่ -522 ลบ. แลลงจาก -446 ลบ. ใน 3Q23 ซึ่งจะเป็นจุดต่ำสุดของปี 2023 เนื่องจากราคาเนื้อสัตว์ที่ยังปรับลงทั้งราคาหมูไทย -4.2% q-q, -38.5% y-y และหมูเวียดนาม -17.4% q-q, -11% y-y ซึ่งเป็นระดับที่ต่ำกว่าต้นทุนการเลี้ยง แม้อัตราธุรกิจ Retail shop จะยังเติบโตและมีกำไรได้ แต่ยังไม่เพียงพอที่จะหักล้างผลขาดทุนของธุรกิจหมูได้ทั้งหมด ขณะที่คาดการณ์กำไรจะอ่อนตัวลง q-q เพราะเป็น low season ของธุรกิจ จึงคาดการณ์ได้รวม 4Q23 อาจอ่อนตัวลง q-q เล็กน้อย และคาดอัตรากำไรขั้นต้นยังอยู่ในระดับต่ำเพียง 4-5% ยังไม่สามารถครอบคลุม SG&A to sales ได้

มีโอกาที่ 1Q24 อาจพลิกมีกำไรได้เร็วสุดในกลุ่มเนื้อสัตว์

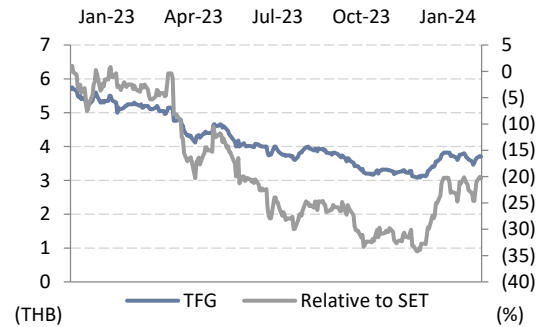
ในบรรดากลุ่มหมู เราเริ่มเห็นสัญญาณของ TFG ว่ามีโอกาสมากที่สุดที่ 1Q24 จะพลิกมีกำไรได้เร็วกว่ากลุ่ม เนื่องจากมีธุรกิจหมูอยู่ในไทยและเวียดนาม ที่แนวโน้มราคากำลังอยู่ในช่วงของการฟื้นตัว จากสถานการณ์หมูเถื่อนที่คลี่คลาย ส่งผลให้ราคาหมูไทยเริ่มขยับขึ้นสู่ระดับ 70 บาท/กก. +12% q-q แต่ยังคงต่ำกว่าปีก่อน -17% y-y บริษัทยังให้มุมมองเชิงบวกไปในทิศทางเดียวกับ CPF และ BTG โดยมองราคาหมูจะปรับขึ้นได้ต่อเนื่องในช่วงเทศกาลตรุษจีน และจาก Supply ที่ยังไม่ฟื้นกลับสู่ระดับก่อน ASF ได้เร็ว โดยคาดปริมาณหมูจะเพิ่มขึ้นใกล้เคียง 20 ล้านตัวอีกครั้งได้ใน 2H24 จากสิ้นปี 2023 ที่ 18 ล้านตัว ขณะที่ราคาหมูเวียดนามล่าสุดขยับขึ้นสู่ระดับ 5-5.2 หมื่นต่อ/กก. +6-10% q-q และเป็นระดับที่มีกำไรแล้ว

ปรับลดผลการดำเนินงานปี 2023 แต่ยังคงประมาณการกำไรปี 2024

จาก 4Q23 ที่อาจขาดทุนมากกว่าคาด เราได้ปรับลดผลการดำเนินงานปี 2023 เป็นขาดทุนสุทธิมากขึ้นที่ -473 ลบ. แต่ยังคงคาดมีกำไรปกติราว 101 ลบ. ลดลงจาก 5.3 พันลบ. ในปี 2022 อย่างไรก็ตาม เรายังคงประมาณการกำไรสุทธิปี 2024 ไว้ตามเดิมที่ 2 พันลบ. ทั้งนี้เรายังไม่เห็น Downside ต่อประมาณการของเรา เนื่องจาก TFG มีธุรกิจในด้านต่างประเทศที่เวียดนามเพียงประเทศเดียว และมีการฟื้นตัวของราคาเนื้อสัตว์ที่ดี

เริ่มเห็น Upside ต่อการถูก Re-rate valuation ในระยะถัดไป

เรายังคงราคาเป้าหมายสิ้นปี 2024 ที่ 4 บาท ตามเดิม โดยอิง PE 12x (-0.5 SD) และยังคงแนะนำถือ หรือ ซื้อเก็งกำไร ตามการฟื้นตัวของราคาเนื้อสัตว์ อย่างไรก็ตาม เราเริ่มเห็น Upside ต่อการ Re-rate valuation หากผลการดำเนินงาน 1Q24 สามารถฟื้นตัวพลิกเป็นกำไรได้เร็วกว่ากลุ่ม กอปรกับปัจจัยเสี่ยงของธุรกิจในต่างประเทศมีน้อยกว่าบริษัทอื่นในกลุ่มเนื้อสัตว์ ขณะที่ราคาหุ้นปัจจุบันเทรดที่ 2024E PE 11x ต่ำกว่า CPF และ BTG ที่ 25x และ 21x ตามลำดับ



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(3.1)	12.1	(31.5)
Relative to country (%)	(0.1)	14.0	(16.1)
Mkt cap (USD m)	591		
3m avg. daily turnover (USD m)	0.4		
Free float (%)	16		
Major shareholder	New Star Victor Co Ltd (28%)		
12m high/low (THB)	5.80/3.04		
Issued shares (m)	5,810.82		

Sources: Bloomberg consensus; FSSIA estimates



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Investment thesis

TFG ถือเป็นผู้ประกอบการ 3 อันดับแรกในการผลิตเนื้อไก่และสุกรมีชีวิตรายใหญ่ของไทย โดยบริษัทมีกำลังการผลิตไก่ราว 500,000 ตัวต่อวัน และมีปริมาณสุกรมากกว่า 100,000 ตัวต่อเดือน

เรามีมุมมองเป็นบวกมากขึ้นต่อแนวโน้มการเติบโตในปี 2024 คาดหวังผลประกอบการกลับมา Turnaround เป็นกำไรอีกครั้ง จากการฟื้นตัวของราคาเนื้อสัตว์ โดยเฉพาะราคาหมูในไทยที่ล่าสุดเริ่มเห็นการฟื้นตัวเข้าใกล้ต้นทุนการเลี้ยงอีกครั้ง นอกจากนี้ปัญหาหมูเถื่อนคลี่คลายแล้ว ยังได้อานิสงส์จากต้นทุนวัตถุดิบอาหารสัตว์ปรับลดลงทั้งข้าวโพดและกากถั่วเหลือง หลังปริมาณผลผลิตสูงขึ้น ขณะที่แนวโน้มธุรกิจไก่น่าจะกลับมาดีขึ้นตามการฟื้นตัวของราคาส่งออก กอปรกับคาดการณ์ว่าในประเทศจะขยับขึ้นไปในทิศทางเกี่ยวกับราคาหมู

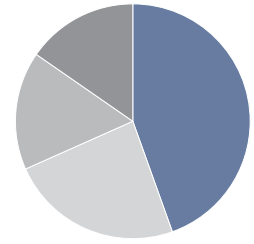
Company profile

TFG ก่อตั้งขึ้นในปี 1987 โดยคุณวินัย เตียวสมบุญธุรกิจ ปัจจุบันดำรงตำแหน่งประธานเจ้าหน้าที่บริหาร โดยเริ่มจากฟาร์มเลี้ยงไก่ในลพบุรี บริษัทดำเนินธุรกิจเป็นผู้ผลิตอาหารแบบครบวงจรที่มีความเชี่ยวชาญในการผลิตไก่และสุกร โดยมีฐานธุรกิจทั้งในไทยและเวียดนาม และมีการขยายธุรกิจไปยังปลายน้ำมากขึ้น โดยเข้าสู่ธุรกิจค้าปลีกเปิดร้าน Retail shop โดย 9M23 บริษัทมีสัดส่วนรายได้จากธุรกิจไก่, หมู, Retail shop และอาหารสัตว์ราว 32%, 21%, 29% และ 18% ตามลำดับ

www.tfg.co.th

Principal activities (revenue, 2022)

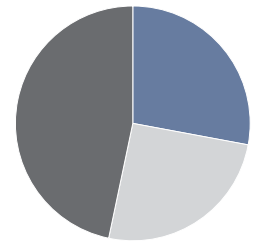
- Poultry - 44.5 %
- Swine - 23.8 %
- Feed - 16.3 %
- Retail Shop and other - 15.4 %



Source: Thai Foods Group

Major shareholders

- New Star Victor Co Ltd - 27.9 %
- Teawsomboonkij Family - 25.4 %
- Others - 46.7 %



Source: Thai Foods Group

Catalysts

ปัจจัยหนุนการเติบโตในปี 2024 คือ 1) การฟื้นตัวของภาคบริโภคจากทั้งในประเทศและตามการฟื้นตัวของภาคท่องเที่ยว 2) ราคาเนื้อสัตว์ปรับตัวสูงขึ้น 3) ต้นทุนวัตถุดิบอาหารสัตว์ปรับลดลง และ 4) การขยายสาขาของ Retail shop

Risks to our call

Downside และ Upside risks ต่อราคาเป้าหมายของเราคือ 1) กำลังซื้อฟื้นตัวช้ากว่าหรือเร็วกว่าคาด 2) ราคาเนื้อสัตว์ปรับขึ้นช้ากว่าหรือเร็วกว่าคาด 3) ต้นทุนวัตถุดิบปรับลงช้ากว่าหรือเร็วกว่าคาด และ 4) ค่าเงินบาทแข็งค่าหรืออ่อนค่ามากกว่าคาด

Event calendar

Date	Event
February 2024	4Q23 results announcement
March 2024	4Q23 analyst meeting

Key assumptions

	2023E	2024E	2025E
TFG's chicken asp (THB/kg)	56.0	54.0	54.0
TFG's swine asp (THB/kg)	67.6	75.0	75
Total Sales Growth (%)	5.7	6.5	3.4
Gross Margin (%)	7.8	11.7	12.0
SG&A to sales (%)	6.0	6.0	6.0

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in revenue, we estimate 2024 net profit to rise by 1.2%, and vice versa, all else being equal.
- For every 0.5% increase in GPM, we estimate 2024 net profit to rise by 5.1%, and vice versa, all else being equal.
- For every 0.5% increase in SG&A, we estimate 2024 net profit to fall by 4.7%, and vice versa, all else being equal.

Source: FSSIA estimates

Exhibit 1: 4Q23 earnings preview

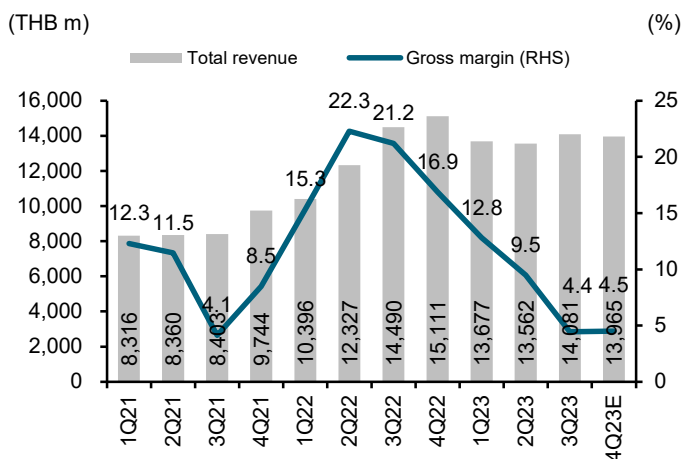
	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23E	Change	
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)
Sales	10,396	12,327	14,490	15,111	13,677	13,562	14,081	13,965	(0.8)	(7.6)
Cost of sales	8,804	9,581	11,420	12,562	11,925	12,276	13,457	13,336	(0.9)	6.2
Gross profit	1,592	2,746	3,070	2,548	1,751	1,286	624	628	0.7	(75.3)
SG&A	727	854	770	892	861	853	782	838	7.2	(6.1)
Operating profit	866	1,892	2,300	1,656	890	434	(157)	-209	nm	(112.6)
Interest expense	163	179	221	281	286	335	322	320	(0.5)	13.8
Tax expense	154	304	325	62	223	(18)	(112)	(58)	nm	nm
Other gain (loss)	(1)	(284)	(106)	(266)	(86)	(160)	(178)	(150)	nm	nm
Reported net profit	619	1,238	1,734	1,131	425	69	(446)	(522)	nm	nm
Core profit	620	1,522	1,840	1,397	511	229	(268)	(372)	nm	nm

Key ratios (%)									(ppt)	(ppt)
Gross margin	15.3	22.3	21.2	16.9	12.8	9.5	4.4	4.5	0.1	(12.4)
SG&A to sales	7.0	6.9	5.3	5.9	6.3	6.3	5.6	6.0	0.4	0.1
Operating margin	8.3	15.3	15.9	11.0	6.5	3.2	(1.1)	(1.5)	(0.4)	(12.5)
Net margin	5.9	10.0	12.0	7.5	3.1	0.5	(3.2)	(3.7)	(0.6)	(11.2)
Core margin	6.0	12.3	12.7	9.2	3.7	1.7	(1.9)	(2.7)	(0.8)	(11.9)

Operating Statistics (THB/kg)										
Domestic chicken price - TFG	52.6	59.1	66.1	67.0	59.7	59.6	54.6	55.0	0.7	(17.9)
Domestic swine price - TFG	89.3	99.8	104.6	97.5	81.2	69.6	59.5	65.0	9.2	(33.3)
Vietnam swine price (VND/kg)	52,809	55,387	62,760	52,819	50,400	55,095	57,023	47,082	(17.4)	(10.9)
Corn price	11.4	13.1	12.1	12.6	13.5	12.9	12.2	11.6	(5.3)	(8.3)
Soybean meal price	21.4	23.1	23.1	23.3	23.9	23.1	22.3	21.5	(3.6)	(7.7)
Poultry sales (THB m)	5,032	5,792	6,220	6,254	4,623	4,352	4,340	4,254	(2.0)	(32.0)
Swine sales (THB m)	2,597	3,017	3,470	3,372	3,116	2,822	2,626	2,495	(5.0)	(26.0)
Feed sales (THB m)	1,702	1,956	2,452	2,423	2,432	2,408	2,414	2,426	0.5	0.1
Retail shop sale value (THB m)	1,016	1,562	2,348	2,876	3,459	3,930	4,642	4,735	2.0	64.6

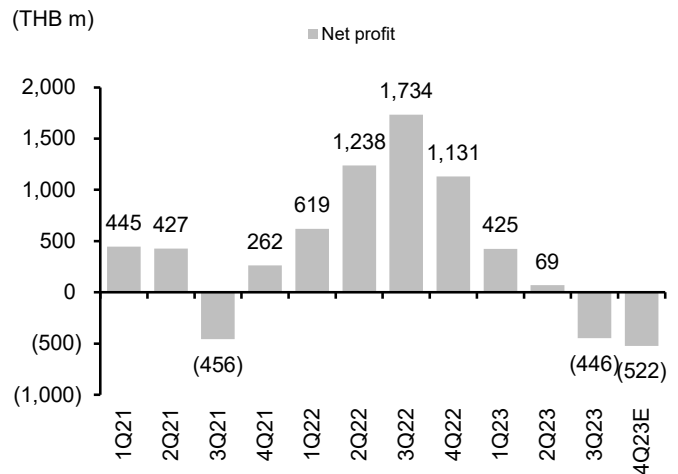
Sources: TFG, FSSIA estimates

Exhibit 2: Total revenue and gross margin



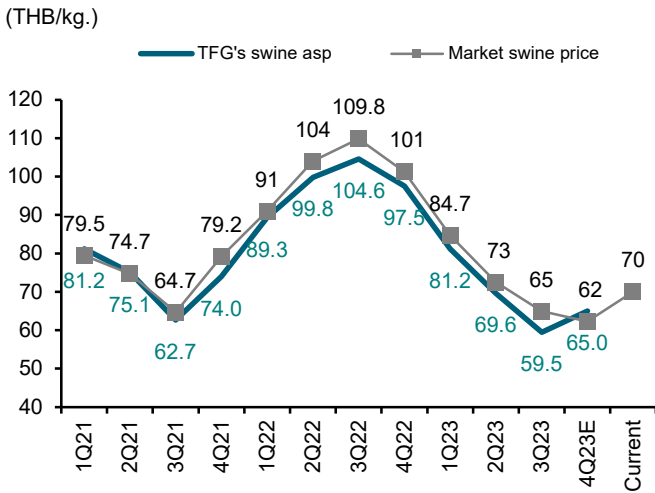
Sources: TFG, FSSIA estimates

Exhibit 3: Quarterly net profit/loss (-)



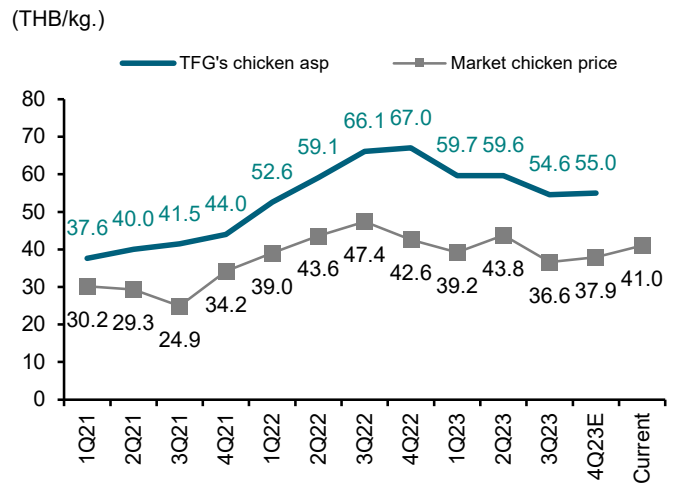
Sources: TFG, FSSIA estimates

Exhibit 4: TFG's swine price vs market price



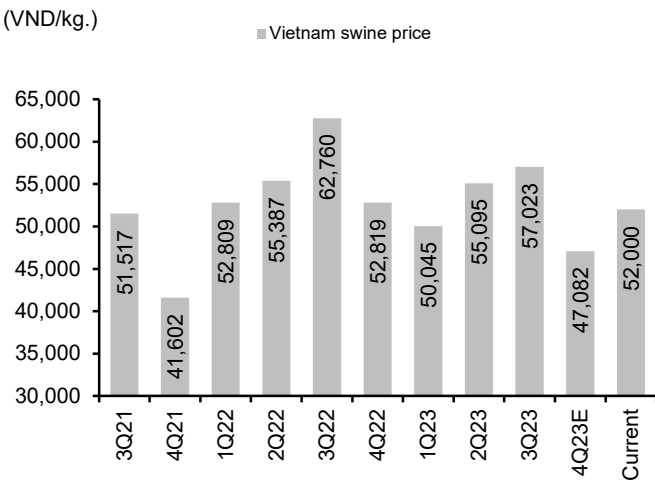
Sources: TFG, OAE, CPF, FSSIA estimates

Exhibit 5: TFG's chicken price vs market price



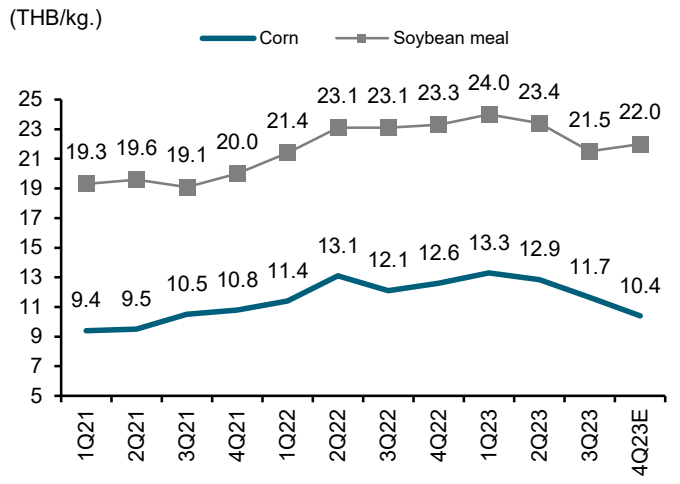
Sources: TFG, OAE, CPF, FSSIA estimates

Exhibit 6: Vietnam's swine price



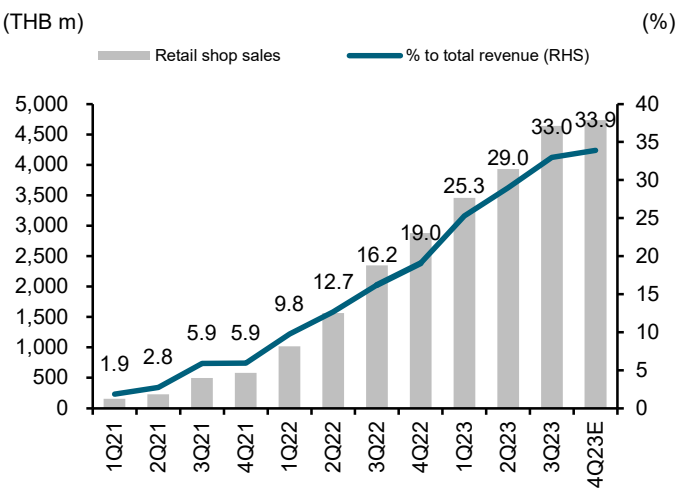
Sources: TFG, OAE, CPF, FSSIA estimates

Exhibit 7: Corn and soybean meal prices



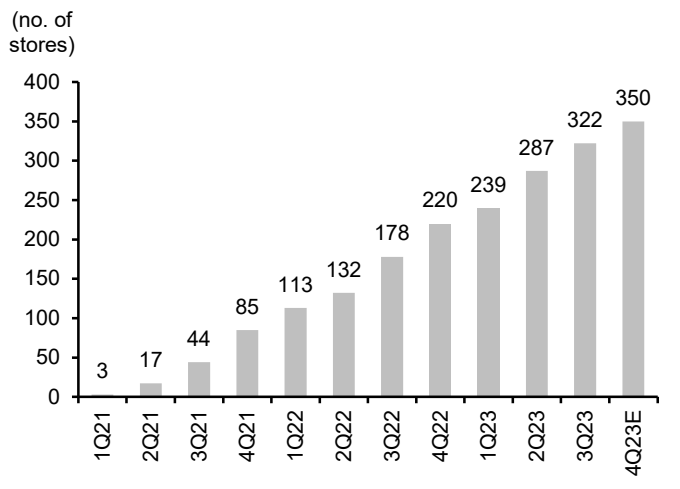
Sources: TFG, OAE, CPF, FSSIA estimates

Exhibit 8: Retail shop revenue and % of total revenue



Sources: TFG, FSSIA estimates

Exhibit 9: Number of retail shops



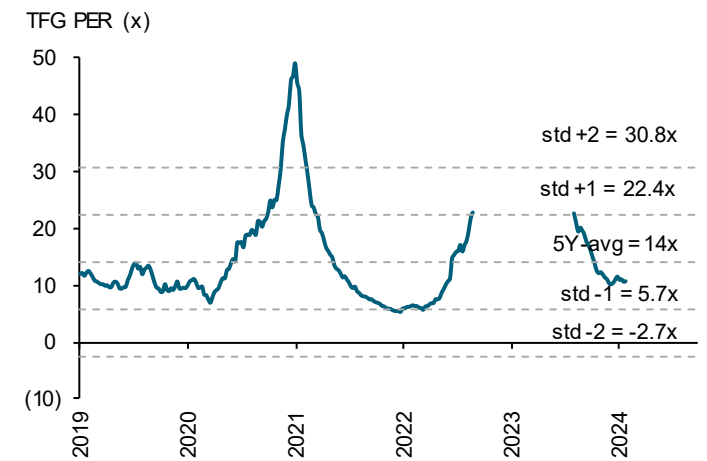
Sources: TFG, FSSIA estimates

Exhibit 10: Change of 2023 key assumptions for TFG

	Current			Previous			Change		
	2023E (THB m)	2024E (THB m)	2025E (THB m)	2023E (THB m)	2024E (THB m)	2025E (THB m)	2023E (%)	2024E (%)	2025E (%)
Total revenue	55,285	58,883	60,887	55,458	58,883	60,887	(0.3)	0.0	0.0
Costs	50,995	51,993	53,581	50,800	51,993	53,581	0.4	0.0	0.0
Gross profit	4,290	6,889	7,306	4,659	6,889	7,306	(7.9)	0.0	0.0
SG&A expenses	3,334	3,533	3,653	3,344	3,533	3,653	(0.3)	0.0	0.0
Reported net profit	(473.3)	2,097	2,331	(7.8)	2,097	2,331	nm	0.0	0.0
Core profit	101	2,097	2,331	148	2,097	2,331	(31.8)	0.0	0.0
Key ratios (%)									
Total revenue growth (%)	5.7	6.5	3.4	6.0	6.2	3.4			
Net profit growth (%)	nm	nm	11.1	nm	nm	11.1			
Core profit growth (%)	(98.1)	1977.6	11.1	(97.2)	1316.2	11.1			
Gross margin	7.8	11.7	12.0	8.4	11.7	12.0	(0.6)	0.0	0.0
SG&A to sales	6.0	6.0	6.0	6.0	6.0	6.0	(0.0)	0.0	0.0
Net margin	(0.9)	3.6	3.8	0.0	3.6	3.8	(0.8)	0.0	0.0
Core margin	0.2	3.6	3.8	0.3	3.6	3.8	(0.1)	0.0	0.0
Operating statistics (THB/kg)									
TFG's chicken ASP	56.0	54.0	54.0	56.0	54.0	54.0	0.0	0.0	0.0
TFG's swine ASP	67.6	75.0	75.0	67.6	75.0	75.0	0.0	0.0	0.0
Corn	12.2	11.5	11.0	12.2	11.5	11.0	0.0	0.0	0.0
Soybean meal	22.0	21.0	20.0	22.0	21.0	20.0	0.0	0.0	0.0
Retail shop stores (no.)	350	450	550	350	450	550	0.0	0.0	0.0
Retail shop sales (THB m)	16,767	18,002	18,902	16,767	18,002	18,902	0.0	0.0	0.0

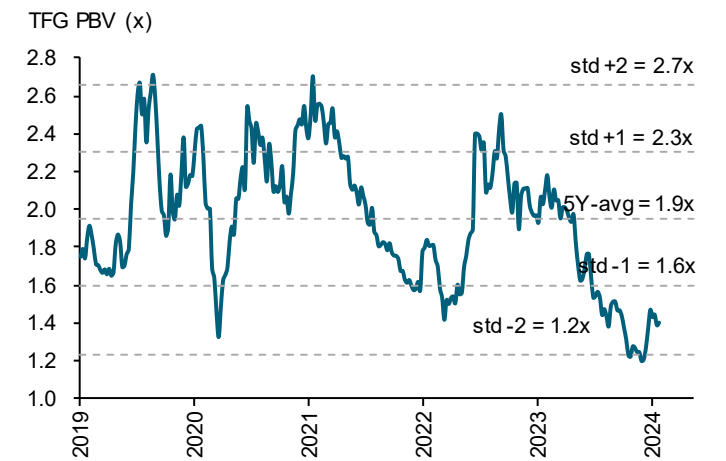
Source: FSSIA estimates

Exhibit 11: Historical P/E band



Sources: Bloomberg, FSSIA's compilation

Exhibit 12: Historical P/BV band



Sources: Bloomberg, FSSIA's compilation

Exhibit 13: Peers comparison as of 30 January 2024

Company	BBG	Rec	Share price			Market Cap (USD m)	PE		ROE		PBV		EV/EBITDA	
			Current (LCY)	Target (LCY)	Upside (%)		23E (x)	24E (x)	23E (%)	24E (%)	23E (x)	24E (x)	23E (x)	24E (x)
Thailand														
Thaifoods Group	TFG TB	HOLD	3.70	4.00	8	576	(60.0)	10.9	(2.3)	13.4	1.4	1.4	9.0	6.0
GFPT	GFPT TB	BUY	11.40	14.20	25	399	10.5	9.6	8.0	8.2	0.8	0.8	7.2	6.4
Thai Union Group	TU TB	BUY	15.20	19.00	25	2,002	14.3	12.8	7.1	9.1	1.2	1.1	9.7	9.3
Charoen Pokphand Foods	CPF TB	HOLD	18.80	20.00	6	4,201	(10.7)	24.9	(6.1)	2.7	0.7	0.7	15.5	11.6
Betagro	BTG TB	HOLD	22.00	23.00	5	1,280	(34.5)	20.7	(4.5)	7.5	1.5	1.5	14.8	7.6
Asian sea	ASIAN TB	n/a	6.70	n/a	n/a	154	14.6	9.7	5.9	8.5	0.8	0.8	7.4	5.3
Average						8,613	(11.0)	14.8	1.3	8.2	1.1	1.0	10.6	7.7

Sources: Bloomberg, FSSIA estimates

Financial Statements

Thai Foods Group

Profit and Loss (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Revenue	34,823	52,323	55,285	58,883	60,887
Cost of goods sold	(31,670)	(42,367)	(50,995)	(51,993)	(53,581)
Gross profit	3,153	9,956	4,290	6,889	7,306
Other operating income	251	369	455	471	487
Operating costs	(1,927)	(3,243)	(3,334)	(3,533)	(3,653)
Operating EBITDA	3,903	10,419	4,899	7,464	7,927
Depreciation	(2,425)	(3,337)	(3,487)	(3,637)	(3,787)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	1,477	7,082	1,412	3,827	4,140
Net financing costs	(596)	(1,082)	(1,148)	(1,354)	(1,392)
Associates	0	(9)	(17)	1	1
Recurring non-operating income	216	(429)	(706)	1	1
Non-recurring items	0	0	(421)	0	0
Profit before tax	1,097	5,571	(863)	2,474	2,749
Tax	(546)	(845)	(35)	(371)	(412)
Profit after tax	551	4,726	(898)	2,103	2,337
Minority interests	10	(4)	4	(6)	(6)
Preferred dividends	0	0	0	0	0
Other items	-	-	115	0	0
Reported net profit	561	4,722	(779)	2,097	2,331
Non-recurring items & goodwill (net)	0	0	421	0	0
Recurring net profit	561	4,722	(358)	2,097	2,331
Per share (THB)					
Recurring EPS *	0.10	0.84	(0.06)	0.34	0.38
Reported EPS	0.10	0.84	(0.13)	0.34	0.38
DPS	0.09	0.40	0.00	0.17	0.19
Diluted shares (used to calculate per share data)	5,644	5,654	5,811	6,168	6,168
Growth					
Revenue (%)	11.1	50.3	5.7	6.5	3.4
Operating EBITDA (%)	(28.3)	167.0	(53.0)	52.4	6.2
Operating EBIT (%)	(55.8)	379.5	(80.1)	171.1	8.2
Recurring EPS (%)	(78.2)	739.9	nm	nm	11.1
Reported EPS (%)	(78.2)	739.9	nm	nm	11.1
Operating performance					
Gross margin inc. depreciation (%)	9.1	19.0	7.8	11.7	12.0
Gross margin exc. depreciation (%)	16.0	25.4	14.1	17.9	18.2
Operating EBITDA margin (%)	11.2	19.9	8.9	12.7	13.0
Operating EBIT margin (%)	4.2	13.5	2.6	6.5	6.8
Net margin (%)	1.6	9.0	(0.6)	3.6	3.8
Effective tax rate (%)	49.7	15.2	(4.0)	15.0	15.0
Dividend payout on recurring profit (%)	90.5	47.9	-	50.0	50.0
Interest cover (X)	2.8	6.2	0.6	2.8	3.0
Inventory days	51.3	55.3	53.6	53.2	53.0
Debtor days	25.1	22.2	24.2	24.2	24.6
Creditor days	43.9	38.2	39.7	42.6	42.4
Operating ROIC (%)	5.2	18.4	3.4	9.4	10.2
ROIC (%)	5.1	15.0	1.4	7.9	8.6
ROE (%)	5.0	34.8	(2.3)	13.4	14.0
ROA (%)	3.3	13.8	1.2	7.0	7.6
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
	2021	2022	2023E	2024E	2025E
Poultry	16,642	23,298	17,742	18,927	19,495
Swine	9,518	12,457	11,059	11,986	12,226
Feed	6,958	8,533	9,680	9,753	10,045
Retail Shop and other	1,705	8,036	16,977	18,216	19,121

Sources: Thai Foods Group; FSSIA estimates

Financial Statements

Thai Foods Group

Cash Flow (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Recurring net profit	561	4,722	(358)	2,097	2,331
Depreciation	2,425	3,337	3,487	3,637	3,787
Associates & minorities	0	9	17	(1)	(1)
Other non-cash items	635	(184)	(804)	0	0
Change in working capital	(5,519)	252	46	(706)	(621)
Cash flow from operations	(1,897)	8,136	2,388	5,028	5,496
Capex - maintenance	(4,947)	(9,785)	(3,155)	(3,324)	(3,180)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	-	-	-	-	-
Cash flow from investing	(4,947)	(9,785)	(3,155)	(3,324)	(3,180)
Dividends paid	(588)	(797)	0	(1,049)	(1,165)
Equity finance	36	56	157	0	0
Debt finance	8,960	2,756	536	(510)	(1,185)
Other financing cash flows	(1,931)	36	(32)	(200)	0
Cash flow from financing	6,476	2,051	660	(1,759)	(2,351)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	(115)	0	0
Movement in cash	(368)	402	(223)	(55)	(36)
Free cash flow to firm (FCFF)	(6,350.87)	(803.37)	495.33	3,058.25	3,707.35
Free cash flow to equity (FCFE)	183.99	1,143.83	(379.27)	993.65	1,129.66

Per share (THB)	2021	2022	2023E	2024E	2025E
FCFF per share	(1.09)	(0.14)	0.09	0.53	0.64
FCFE per share	0.03	0.20	(0.07)	0.17	0.19
Recurring cash flow per share	0.64	1.39	0.40	0.93	0.99

Balance Sheet (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Tangible fixed assets (gross)	19,682	23,182	26,182	29,182	32,182
Less: Accumulated depreciation	(3,316)	(1,879)	(5,366)	(9,003)	(12,790)
Tangible fixed assets (net)	16,366	21,302	20,815	20,178	19,391
Intangible fixed assets (net)	179	213	179	179	179
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	704	605	605	605	605
Cash & equivalents	416	818	596	541	505
A/C receivable	2,829	3,531	3,787	4,033	4,170
Inventories	4,863	6,963	6,986	7,122	7,340
Other current assets	7,001	7,452	7,187	7,655	7,915
Current assets	15,109	18,764	18,555	19,351	19,931
Other assets	3,210	4,786	4,976	5,299	5,480
Total assets	35,567	45,670	45,130	45,612	45,585
Common equity	11,556	15,568	15,220	16,068	17,234
Minorities etc.	14	18	18	18	17
Total shareholders' equity	11,570	15,587	15,238	16,086	17,251
Long term debt	8,229	11,960	11,531	10,957	9,767
Other long-term liabilities	442	462	663	707	731
Long-term liabilities	8,670	12,422	12,194	11,664	10,498
A/C payable	3,434	4,733	5,588	5,698	5,872
Short term debt	11,734	12,370	11,556	11,576	11,356
Other current liabilities	159	557	553	589	609
Current liabilities	15,326	17,661	17,697	17,863	17,837
Total liabilities and shareholders' equity	35,567	45,670	45,130	45,612	45,585
Net working capital	11,100	12,655	11,818	12,523	12,945
Invested capital	31,559	39,562	38,392	38,785	38,599

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

Per share (THB)	2021	2022	2023E	2024E	2025E
Book value per share	2.05	2.75	2.62	2.60	2.79
Tangible book value per share	2.02	2.72	2.59	2.58	2.76

Financial strength	2021	2022	2023E	2024E	2025E
Net debt/equity (%)	168.9	150.8	147.6	136.7	119.5
Net debt/total assets (%)	55.0	51.5	49.8	48.2	45.2
Current ratio (x)	1.0	1.1	1.0	1.1	1.1
CF interest cover (x)	1.3	2.1	0.7	1.7	1.8

Valuation	2021	2022	2023E	2024E	2025E
Recurring P/E (x) *	37.2	4.4	(60.0)	10.9	9.8
Recurring P/E @ target price (x) *	40.2	4.8	(64.8)	11.8	10.6
Reported P/E (x)	37.2	4.4	(27.6)	10.9	9.8
Dividend yield (%)	2.4	10.8	-	4.6	5.1
Price/book (x)	1.8	1.3	1.4	1.4	1.3
Price/tangible book (x)	1.8	1.4	1.4	1.4	1.3
EV/EBITDA (x) **	10.4	4.3	9.0	6.0	5.5
EV/EBITDA @ target price (x) **	10.8	4.4	9.3	6.3	5.7
EV/invested capital (x)	1.3	1.1	1.1	1.2	1.1

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

Sources: Thai Foods 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 (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&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. 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.	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="0" style="margin-left: 20px;"> <tr> <td style="vertical-align: top;"> AAA 8.571-10.000 AA 7.143-8.570 A 5.714-7.142 BBB 4.286-5.713 BB 2.857-4.285 B 1.429-2.856 CCC 0.000-1.428 </td> <td style="vertical-align: top; padding-left: 10px;"> Leader: leading its industry in managing the most significant ESG risks and opportunities Average: a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers Laggard: lagging its industry based on its high exposure and failure to manage significant ESG risks </td> </tr> </table>	AAA 8.571-10.000 AA 7.143-8.570 A 5.714-7.142 BBB 4.286-5.713 BB 2.857-4.285 B 1.429-2.856 CCC 0.000-1.428	Leader: leading its industry in managing the most significant ESG risks and opportunities Average: a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers 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

Sureeporn Teewasuwet FSS International Investment Advisory Securities Co., Ltd

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History of change in investment rating and/or target price

Thai Foods Group (TFG TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
03-Feb-2023	BUY	8.00	08-May-2023	HOLD	5.20	27-Nov-2023	HOLD	4.00

Sureeporn 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
Thai Foods Group	TFG TB	THB 3.70	HOLD	Downside and upside risks to our P/E-based TP are 1) a slower or faster-than-expected consumption recovery; 2) a potential rise or fall in meat and raw material prices; 3) a stronger or weaker-than-expected THB against USD.

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 30-Jan-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.