

T.A.C. CONSUMER TACC TB
THAILAND / AGRO & FOOD INDUSTRY

BUY

UNCHANGED

กำไรฟื้น และ Valuation ถูก

- คาดกำไรปกติ 4Q23 สูงสุดรอบ 6 ไตรมาส แต่กำไรสุทธิจะลงเพราะมีการตั้งต้อยค่า
- จะหยุดรับรื้อขาดทุน TCI ตั้งแต่ 1Q24 และอาจมีการกลับรายการต้อยค่า หากธุรกรรมการขายแล้วเสร็จ
- แนะนำซื้อ เป้าใหม่ 7.8 บาท ชอบที่ Valuation ถูก และเป็นผลสูง

TARGET PRICE	THB7.80
CLOSE	THB4.50
UP/DOWNSIDE	+73.3%
PRIOR TP	THB6.60
CHANGE IN TP	+18.2%
TP vs CONSENSUS	+20.7%

KEY STOCK DATA

YE Dec (THB m)	2022	2023E	2024E	2025E
Revenue	1,523	1,726	1,894	2,068
Net profit	235	191	240	267
EPS (THB)	0.39	0.31	0.39	0.44
vs Consensus (%)	-	(6.1)	(4.9)	(4.3)
EBITDA	315	305	338	382
Recurring net profit	231	209	240	267
Core EPS (THB)	0.38	0.34	0.39	0.44
Chg. In EPS est. (%)	-	3.7	(2.8)	(5.3)
EPS growth (%)	11.7	(9.8)	15.0	11.1
Core P/E (x)	11.8	13.1	11.4	10.3
Dividend yield (%)	8.0	7.0	7.9	8.8
EV/EBITDA (x)	6.7	7.0	6.3	5.5
Price/book (x)	3.6	3.6	3.5	3.4
Net debt/Equity (%)	(83.4)	(78.1)	(77.8)	(78.4)
ROE (%)	30.7	27.4	31.0	33.3

คาดการณ์กำไรปกติ 4Q23 สูงสุดรอบ 6 ไตรมาส ส่วนรายได้ล้นทำกำไร

คาดการณ์กำไรปกติ 4Q23 อยู่ที่ 61 ลบ. (+18.5% q-q, +27.2% y-y) ถือเป็นกำไรฟื้นตัวได้ดี ส่วนหนึ่งมาจากช่วง High season ของธุรกิจ และยังมีเครื่องสำอางที่มรสชาติใหม่ (Seasonal flavor) ต่อเนื่อง เช่น ชาพีช, อัญชันน้ำผึ้งมะนาว และ Berry Christmas Series คาดช่วยหนุนให้รายได้รวม +11% q-q, +12.7% y-y โตสูงกว่า SSSG ของ 7-Eleven ที่ FSSIA คาดไว้ +3.5% y-y และด้วยภาพรวมต้นทุนวัตถุดิบก่อนไปในทางทรงตัว จึงคาดอัตรากำไรขั้นต้นจะทรงตัวที่ 33.3% ใกล้เคียง 3Q23 แต่ปรับขึ้นจาก 30.8% ใน 4Q22 ถือเป็นกำไรปกติสูงสุดรอบ 6 ไตรมาส

เผชิญต้อยค่าเงินลงทุน เป็น One time และ Non cash

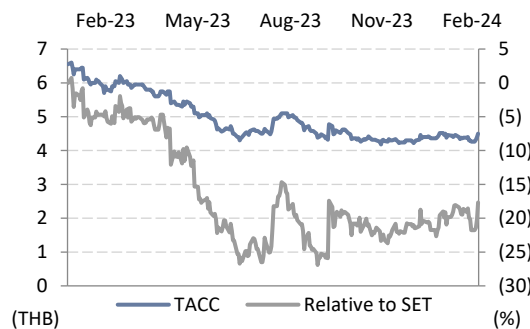
แต่คาดการณ์กำไรสุทธิ 4Q23 จะต่ำกว่าอยู่ที่ 43 ลบ. (-16.3% q-q, -2% y-y) จากการรับรู้ต้อยค่าเงินลงทุนใน TCI ราว 30 ลบ. (เท่ากับมูลค่าลงทุนครั้งแรกในปี 2021) ซึ่งเป็น One time และ Non cash แม้บริษัทได้ทำสัญญาขายหุ้นให้แก่อัยการรายหนึ่งใน 3Q23 ปัจจุบันอยู่ระหว่างรอรับชำระเงินค่าหุ้นและโอนหุ้นให้แก่อัยการ แต่เนื่องจากขั้นตอนยังไม่แล้วเสร็จ เพื่อความ Conservative บริษัทจึงได้ตั้งต้อยค่าเงินลงทุนทั้งจำนวนใน 4Q23 นั้น หมายถึงบริษัทจะไม่ต้องรับรู้ส่วนแบ่งขาดทุนจาก TCI ตั้งแต่ 1Q24 เป็นต้นไป ที่ผ่านมามีส่วนแบ่งขาดทุนอยู่ที่ราว 10 ลบ./ปี จะเป็นบวกต่อกำไรของ TACC ในปี 2024 ราว 4% อย่างไรก็ตาม หากขั้นตอนการซื้อขายแล้วเสร็จ คาดเกิดในช่วงปี 2024 ซึ่งจะเกิดการกลับรายการต้อยค่าดังกล่าว ตามมูลค่าที่มีการซื้อขายตกลงกัน

คาดการณ์กำไรปี 2024 จะกลับมาโตอีกครั้ง

ผู้บริหารตั้งเป้ารายได้ปี 2024 เติบโตราว 10% ยังมาจากการเติบโตตาม SSSG และการขยายสาขาของ 7-Eleven และคาดหวังการฟื้นตัวของธุรกิจ Character แม้ต้นทุนน้ำตาลและกาแฟมีแนวโน้มสูงขึ้น แต่บริษัทถือราคากาแฟไว้ครอบคลุม 1H24 และคาดถูกหักล้างด้วยราคาคาแฟเทียมที่ปรับลง เราปรับสมมติฐานอัตรากำไรขั้นต้นปี 2024-25 ลง 1-1.1% เพื่อสะท้อนต้นทุนที่ใกล้เคียงปี 2023 แต่ปรับลดส่วนแบ่งขาดทุน TCI ออกไป และคาดหวัง HIP ขาดทุนลดลง จึงปรับลดกำไรปกติปี 2024-25 เล็กน้อย 2-5% เป็น 240 ลบ. (กลับมาโต +15% y-y) และ 267 ลบ. (+11.1% y-y) ตามลำดับ

แนะนำซื้อ ด้วยเป้าหมายที่สูงขึ้นเป็น 7.8 บาท

ปรับใช้เป้าหมายปี 2024 ที่ 7.8 บาท (อิง PE เดิม 20x) สิ่งที่ดีคือ ผ่านกำไรต่ำสุดแล้วในปี 2023 และขายธุรกิจที่ไม่ทำกำไรออกไป จะเป็นบวกต่อกำไรปี 2024 และฐานะทางการเงินแข็งแกร่งมีสถานะเป็น Net cash และ ROE 31% ขณะที่ราคาหุ้นปัจจุบันเทรดเพียง 11x 2024E P/E และคาด Dividend yield ราว 7-8% ต่อปี แนะนำ ซื้อ



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(0.4)	4.2	(32.8)
Relative to country (%)	1.7	5.9	(19.2)
Mkt cap (USD m)	75		
3m avg. daily turnover (USD m)	0.1		
Free float (%)	66		
Major shareholder	Mr.Chatchawe Vatanasuk (20%)		
12m high/low (THB)	6.75/4.18		
Issued shares (m)	608.00		

Sources: Bloomberg consensus; FSSIA estimates



Sureeporn Teewasuwet

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

Investment thesis

TACC รายได้หลักราว 93% มาจากการจัดหาและจำหน่ายเครื่องดื่มประเภทชาให้กับ 7-Eleven ซึ่งถือเป็นพันธมิตรหลัก และเป็นผู้นำในตลาด Convenience Store ของไทย ถือเป็นข้อได้เปรียบในการแข่งขันของ TACC ที่มีช่องทางการจำหน่ายสินค้าผ่านสาขาของ 7-Eleven มากถึง 15,000 สาขาทั่วประเทศไทย นอกจากนี้เรายังชอบความแข็งแกร่งของฐานะทางการเงิน เพราะไม่มีภาระหนี้สินที่มีดอกเบี้ยจ่ายจากสถาบันการเงิน ขณะที่เงินสดในมือสูง

แม้ในช่วงปี 2022-23 บริษัทจะเผชิญกับแรงกดดันด้านต้นทุนวัตถุดิบที่ปรับตัวสูงขึ้น และบริษัทร่วม TCI ที่ประสบผลขาดทุนมากขึ้น เราคาดหวังผลประกอบการจะทยอยฟื้นตัวตั้งแต่ 2H23 จากต้นทุนวัตถุดิบที่เริ่มปรับลดลง และปี 2024 น่าจะฟื้นได้มากขึ้น หลังบริษัทขายเงินลงทุนใน TCI ทั้งนี้จะหยุดรับซื้อขาดทุนจาก TCI ตั้งแต่ 1Q24 เป็นต้นไป

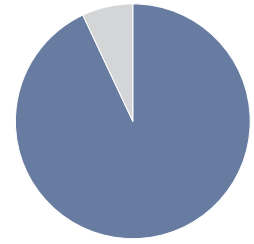
Company profile

TACC เป็นผู้จัดหา ผลิต และจัดจำหน่ายเครื่องดื่ม ส่วนใหญ่เป็น ชา กาแฟ โดยเริ่มเป็นพันธมิตรกับ 7-Eleven ตั้งแต่ปี 2005 หลังจากนั้นมีการออกเครื่องดื่มแบรนด์ตนเอง Zenya วางขายในต่างประเทศ CLMV เป็นหลัก รวมถึงการเข้าสู่ธุรกิจ Character Business รับรู้รายได้ค่าลิขสิทธิ์ตัวการ์ตูน เช่น Rilakkuma, Jay the Rabbit, หม่าจ๋า, Warbie Yama, Line Character และ Bellygom เป็นต้น โดยปี 2022 มีสัดส่วนรายได้จาก B2B และ B2C สัดส่วน 93% และ 7% ตามลำดับ

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Principal activities (revenue, 2022)

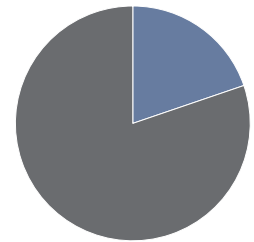
- B2B sales - 93.0 %
- B2C sales - 7.0 %



Source: T.A.C. Consumer

Major shareholders

- Mr.Chatchawe Vatanasuk - 19.8 %
- Others - 80.2 %



Source: T.A.C. Consumer

Catalysts

ปัจจัยหนุนการเติบโตในปี 2024 คือ 1) การเติบโตตามการขยายสาขาของ 7-Eleven ทั้งในไทยและต่างประเทศ 2) การออกสินค้าใหม่ 3) ต้นทุนวัตถุดิบปรับลดลง 4) การ Exit จากบริษัทร่วมขาดทุน

Risks to our call

ความเสี่ยงคือ 1) กำลังซื้อฟื้นตัวช้ากว่าคาด 2) สภาพอากาศหนาวเย็นกว่าปกติ 3) ออกสินค้าได้ต่ำกว่าแผน 4) ราคาวัตถุดิบปรับลดลงช้ากว่าคาด และ 5) การเปลี่ยนแปลงกฎหมาย กฎระเบียบต่างๆ ของภาครัฐ

Event calendar

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

Key assumptions

	2023E (THB m)	2024E (THB m)	2025E (THB m)
B2B sales	1,596	1,749	1,901
B2C sales	130	146	168
Total sales growth (%)	13.3	9.7	9.2
Gross margin (%)	32.8	33.0	33.4
SG&A to sales (%)	17.4	17.5	17.5

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in revenue, we estimate 2024 net profit to rise by 0.9%, and vice versa, all else being equal.
- For every 0.2% increase in GPM, we estimate 2024 net profit to rise by 1.0%, and vice versa, all else being equal.
- For every 0.5% increase in SG&A to sales, we estimate 2024 net profit to fall by 2.5%, and vice versa, all else being equal.
- For every 10% increase in sugar cost, we estimate 2024 net profit to fall by 1.2%, and vice versa, all else being equal.

Source: FSSIA estimates

Exhibit 1: 4Q23 earnings preview

	4Q22	1Q23	2Q23	3Q23	4Q23E	----- Change -----		2022	2023E	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)
Sales	420	380	447	426	473	10.9	12.7	1,523	1,726	13.3
Cost	290	260	301	285	316	10.9	8.7	987	1,161	17.6
Gross profit	129	120	146	142	157	10.9	21.8	536	565	5.4
SG&A	75	65	79	76	80	5.4	7.1	253	300	18.4
Operating profit	61	57	69	68	81	18.1	33.2	(1)	(10)	nm
Profit (-loss) sharing	(0.4)	(2.4)	(2.4)	(2.5)	(2.5)	nm	nm	1	1	(1.0)
Tax expense	12	12	14	14	17	19.0	45.4	59	57	(3.9)
Reported net profit	44	42	54	52	43	(16.3)	(2.1)	235	191	(18.7)
Core profit	48	42	53	52	61	18.5	27.2	231	209	(9.8)
Key ratios (%)										
Gross margin	30.8	31.6	32.7	33.3	33.3	0.6	(1.9)	35.2	32.8	(2.4)
SG&A / Sales	17.8	17.1	17.7	17.8	16.9	0.1	1.7	16.6	17.4	0.7
Operating margin	14.4	15.0	15.4	16.0	17.0	0.6	(3.6)	(0.1)	(0.6)	(0.5)
Net margin	10.5	11.1	12.1	12.1	9.2	0.1	(4.2)	15.4	11.1	(4.4)
Core margin	11.5	11.1	11.9	12.1	13.0	0.2	(3.3)	15.2	12.1	(3.1)
Operating Statistics (THB m)										
B2B sales	390	350	416	392	439	11.9	12.5	1,417	1,452	2.5
B2C sales	29	30	31	34	34	(0.8)	16.0	107	113	6.4

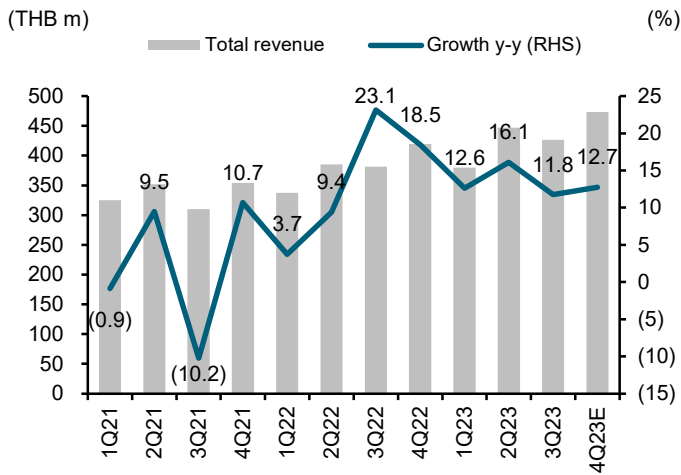
Sources: TACC, FSSIA estimates

Exhibit 2: Change of key assumptions for TACC

	----- Current -----			----- Previous -----			----- Change -----			
	2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E	
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(%)	(%)	(%)	
Total sale value	1,726	1,894	2,068	1,672	1,845	2,039	3.2	2.7	1.4	
Costs	1,161	1,269	1,378	1,129	1,218	1,336	2.9	4.2	3.1	
Gross profit	565	625	691	543	627	703	4.0	(0.4)	(1.8)	
SG&A expenses	300	332	362	286	317	351	4.8	4.5	3.2	
Interest expense	1.1	1.2	1.2	1.2	1.2	1.2	(6.1)	0.0	0.0	
Profit sharing	(9.8)	0.0	0.0	(10.0)	(5.0)	(5.0)	nm	nm	nm	
Reported net profit	191	240	267	201	247	281	(5.0)	(2.8)	(5.3)	
Core profit	209	240	267	201	247	281	3.7	(2.8)	(5.3)	
Key ratios (%)										
Total revenue growth	13.3	9.7	9.2	9.8	10.3	10.5	3.6	(0.6)	(1.3)	
Net profit growth	(18.7)	25.4	11.1	(14.4)	22.6	14.0	(4.3)	2.8	(2.9)	
Core profit growth	(9.8)	15.0	11.1	(13.0)	22.6	14.0	3.2	(7.7)	(2.9)	
Gross margin	32.8	33.0	33.4	32.5	34.0	34.5	0.3	(1.0)	(1.1)	
SG&A to sales	17.4	17.5	17.5	17.1	17.2	17.2	0.3	0.3	0.3	
Net margin	11.1	12.7	12.9	12.0	13.4	13.8	(1.0)	(0.7)	(0.9)	
Core margin	12.1	12.7	12.9	12.0	13.4	13.8	0.0	(0.7)	(0.9)	
Operating statistics (THB m)										
B2B sales	1,596	1,749	1,901	1,544	1,692	1,863	3.4	3.4	2.1	
B2C sales	130	146	168	128	154	177	1.7	(5.1)	(5.1)	

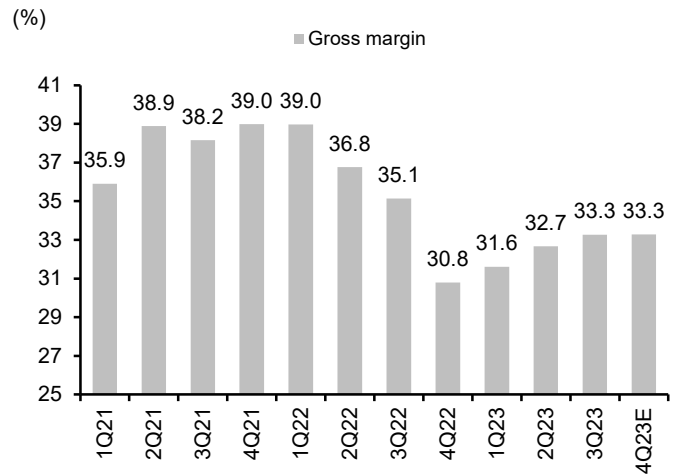
Source: FSSIA estimates

Exhibit 3: Total revenue and growth



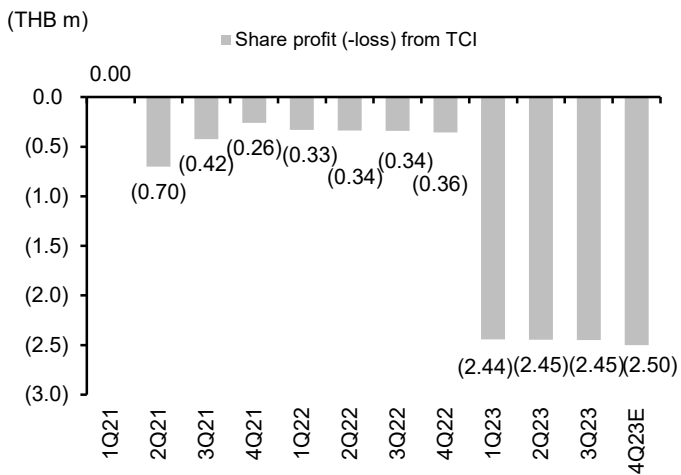
Sources: TACC, FSSIA estimates

Exhibit 4: Gross margin



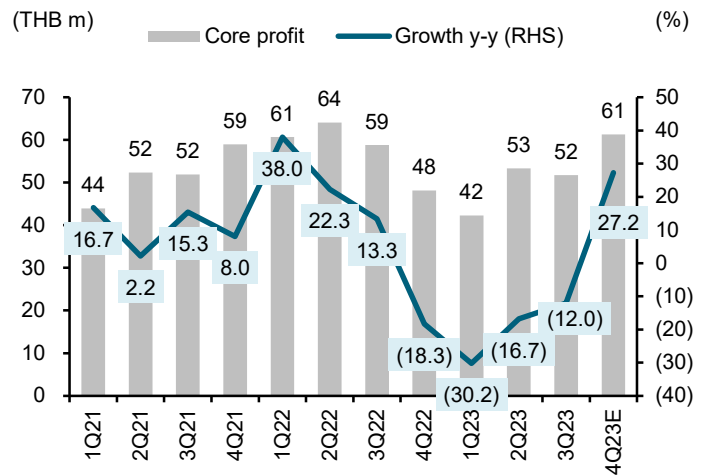
Sources: TACC, FSSIA estimates

Exhibit 5: Profit/loss (-) sharing



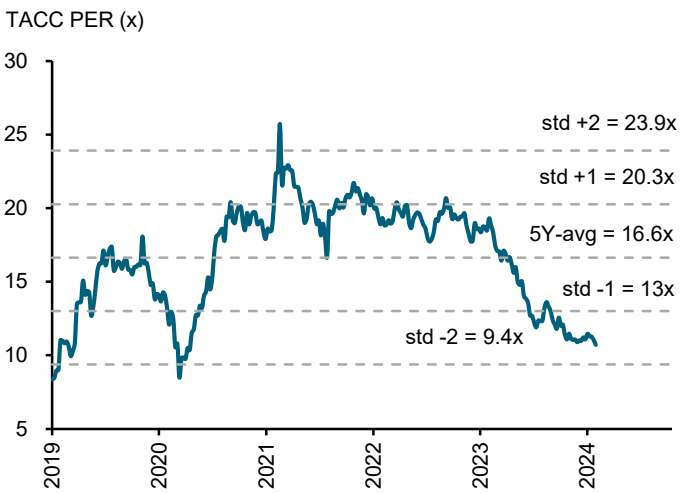
Sources: TACC, FSSIA estimates

Exhibit 6: Core profit and growth



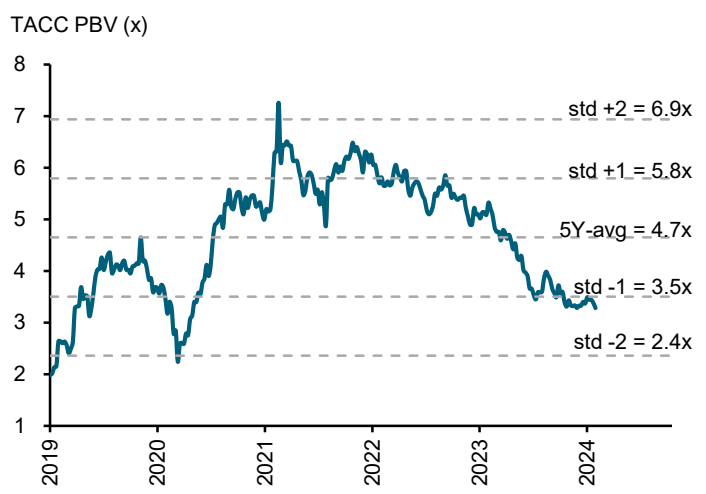
Sources: TACC, FSSIA estimates

Exhibit 7: Historical P/E band



Sources: Bloomberg, FSSIA estimates

Exhibit 8: Historical P/BV band



Sources: Bloomberg, FSSIA estimates

Financial Statements

T.A.C. Consumer

Profit and Loss (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Revenue	1,341	1,523	1,726	1,894	2,068
Cost of goods sold	(831)	(987)	(1,161)	(1,269)	(1,378)
Gross profit	510	536	565	625	691
Other operating income	5	10	9	7	7
Operating costs	(252)	(253)	(300)	(332)	(362)
Operating EBITDA	287	315	305	338	382
Depreciation	(24)	(22)	(30)	(38)	(46)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	263	293	275	300	336
Net financing costs	(1)	(1)	(1)	(1)	(1)
Associates	(1)	(1)	(10)	0	0
Recurring non-operating income	(1)	(1)	(10)	0	0
Non-recurring items	7	4	(17)	0	0
Profit before tax	267	295	247	299	335
Tax	(53)	(59)	(57)	(61)	(68)
Profit after tax	214	235	189	238	267
Minority interests	0	0	2	2	0
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	214	235	191	240	267
Non-recurring items & goodwill (net)	(7)	(4)	17	0	0
Recurring net profit	207	231	209	240	267
Per share (THB)					
Recurring EPS *	0.34	0.38	0.34	0.39	0.44
Reported EPS	0.35	0.39	0.31	0.39	0.44
DPS	0.33	0.36	0.31	0.36	0.39
Diluted shares (used to calculate per share data)	608	608	608	608	608
Growth					
Revenue (%)	2.0	13.6	13.3	9.7	9.2
Operating EBITDA (%)	12.6	9.9	(3.3)	10.9	13.0
Operating EBIT (%)	11.4	11.6	(6.3)	9.2	11.9
Recurring EPS (%)	9.9	11.7	(9.8)	15.0	11.1
Reported EPS (%)	13.7	9.8	(18.7)	25.4	11.1
Operating performance					
Gross margin inc. depreciation (%)	38.0	35.2	32.8	33.0	33.4
Gross margin exc. depreciation (%)	39.8	36.6	34.5	35.0	35.6
Operating EBITDA margin (%)	21.4	20.7	17.7	17.8	18.5
Operating EBIT margin (%)	19.6	19.3	15.9	15.9	16.3
Net margin (%)	15.5	15.2	12.1	12.7	12.9
Effective tax rate (%)	19.9	20.2	23.2	20.4	20.4
Dividend payout on recurring profit (%)	96.8	94.6	91.7	90.0	90.0
Interest cover (X)	243.0	253.4	232.6	253.8	291.8
Inventory days	20.8	20.3	18.4	19.7	19.9
Debtor days	68.5	68.5	70.3	71.7	71.8
Creditor days	101.9	101.3	99.7	98.7	99.4
Operating ROIC (%)	138.7	178.8	168.2	152.1	164.3
ROIC (%)	115.2	131.8	120.9	118.2	127.6
ROE (%)	28.3	30.7	27.4	31.0	33.3
ROA (%)	20.0	20.7	17.4	19.3	20.6
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
B2B sales	1,301	1,417	1,596	1,749	1,901
B2C sales	40	107	130	146	168

Sources: T.A.C. Consumer; FSSIA estimates

Financial Statements

T.A.C. Consumer

Cash Flow (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Recurring net profit	207	231	209	240	267
Depreciation	24	22	30	38	46
Associates & minorities	1	1	10	0	0
Other non-cash items	0	4	0	0	0
Change in working capital	(11)	16	(35)	(7)	(8)
Cash flow from operations	221	274	213	271	304
Capex - maintenance	(53)	(21)	(67)	(42)	(42)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	-	-	-	-	-
Cash flow from investing	(53)	(21)	(67)	(42)	(42)
Dividends paid	(195)	(215)	(191)	(216)	(240)
Equity finance	0	0	0	0	0
Debt finance	7	(2)	(2)	1	(1)
Other financing cash flows	3	35	4	3	3
Cash flow from financing	(185)	(182)	(188)	(212)	(238)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	(17)	72	(43)	17	25
Free cash flow to firm (FCFF)	168.99	254.52	146.97	230.23	263.70
Free cash flow to equity (FCFE)	177.60	286.52	148.67	233.14	264.42

Per share (THB)

FCFF per share	0.28	0.42	0.24	0.38	0.43
FCFE per share	0.29	0.47	0.24	0.38	0.43
Recurring cash flow per share	0.38	0.42	0.41	0.46	0.51

Balance Sheet (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Tangible fixed assets (gross)	192	207	224	242	261
Less: Accumulated depreciation	(79)	(95)	(101)	(117)	(142)
Tangible fixed assets (net)	113	113	123	125	119
Intangible fixed assets (net)	1	0	0	0	0
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	29	27	27	27	27
Cash & equivalents	583	655	612	630	654
A/C receivable	262	310	355	389	425
Inventories	57	50	64	70	75
Other current assets	2	6	7	8	8
Current assets	905	1,021	1,038	1,096	1,163
Other assets	17	17	17	19	21
Total assets	1,065	1,179	1,205	1,267	1,330
Common equity	742	763	763	787	814
Minorities etc.	0	0	0	0	0
Total shareholders' equity	742	763	763	787	814
Long term debt	15	12	11	12	11
Other long-term liabilities	21	27	31	34	37
Long-term liabilities	36	39	42	46	48
A/C payable	236	300	318	348	377
Short term debt	6	6	5	5	5
Other current liabilities	44	71	77	81	86
Current liabilities	286	377	400	434	468
Total liabilities and shareholders' equity	1,065	1,179	1,205	1,267	1,330
Net working capital	41	(4)	31	37	46
Invested capital	201	153	198	209	213

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

Per share (THB)

Book value per share	1.22	1.25	1.25	1.29	1.34
Tangible book value per share	1.22	1.25	1.25	1.29	1.34

Financial strength

Net debt/equity (%)	(75.8)	(83.4)	(78.1)	(77.8)	(78.4)
Net debt/total assets (%)	(52.8)	(54.0)	(49.5)	(48.3)	(48.0)
Current ratio (x)	3.2	2.7	2.6	2.5	2.5
CF interest cover (x)	166.1	249.7	131.4	198.0	230.6

Valuation	2021	2022	2023E	2024E	2025E
Recurring P/E (x) *	13.2	11.8	13.1	11.4	10.3
Recurring P/E @ target price (x) *	22.9	20.5	22.7	19.8	17.8
Reported P/E (x)	12.8	11.6	14.3	11.4	10.3
Dividend yield (%)	7.3	8.0	7.0	7.9	8.8
Price/book (x)	3.7	3.6	3.6	3.5	3.4
Price/tangible book (x)	3.7	3.6	3.6	3.5	3.4
EV/EBITDA (x) **	7.6	6.7	7.0	6.3	5.5
EV/EBITDA @ target price (x) **	14.6	13.0	13.6	12.2	10.7
EV/invested capital (x)	10.8	13.7	10.8	10.2	9.9

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

Sources: T.A.C. Consumer; 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="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

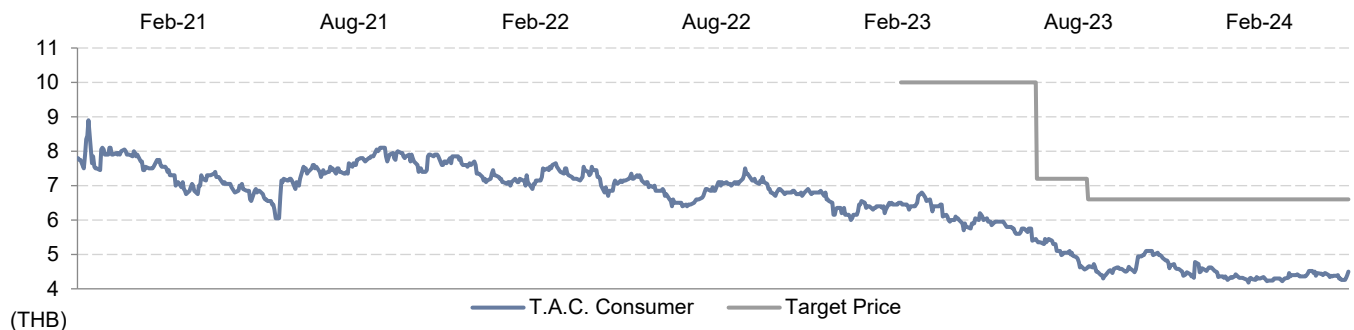
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) 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

T.A.C. Consumer (TACC TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
18-Jan-2023	BUY	10.00	15-May-2023	BUY	7.20	28-Jun-2023	BUY	6.60

Sureeporn Teewasuwet started covering this stock from 18-Jan-2023

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
T.A.C. Consumer	TACC TB	THB 4.50	BUY	Downside risks to our P/E-based TP include 1) a slower-than-expected recovery in purchasing power, 2) unusually cold weather, 3) lower new product launches than planned, 4) a slower-than-expected decrease in raw material prices, and 5) changes in laws and regulations.

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 08-Feb-2024 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as (target price* - current price) / 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.