

T.A.C. CONSUMER TACC TB

THAILAND / AGRO & FOOD INDUSTRY

BUY

UNCHANGED

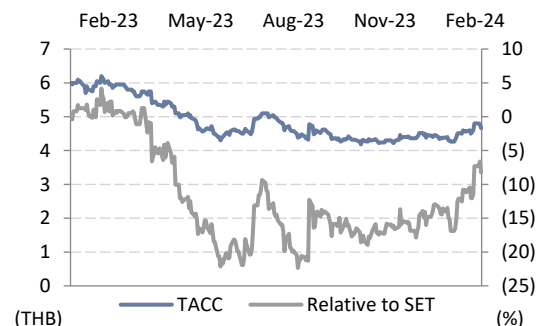
เครื่องดื่มโถกกลับมาเย็นสดชื่น

- กำไรปกติ 4Q23 ทำได้ดี ส่วนกำไรสุทธิรับรู้ด้วยค่าเงินลงทุน TCI ครบทั้งก้อนแล้ว ปัจจุบันอยู่ในกระบวนการซื้อขาย
- ผ่านกำไรต่ำสุดไปแล้ว คาดกำไรปี 2024 จะกลับมาโต 16%
- ยังแนะนำซื้อ ด้วยราคาเป้าหมายเดิม 7.8 บาท จ่ายปันผล 2H23 Yield 4%

TARGET PRICE	THB7.80
CLOSE	THB4.66
UP/DOWNSIDE	+67.4%
PRIOR TP	THB7.80
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	0.0%

KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	1,714	1,894	2,066	2,249
Net profit	207	240	266	295
EPS (THB)	0.34	0.39	0.44	0.48
vs Consensus (%)	-	14.7	12.8	9.1
EBITDA	308	338	381	428
Recurring net profit	217	240	266	295
Core EPS (THB)	0.36	0.39	0.44	0.48
Chg. In EPS est. (%)	nm	0.0	(0.1)	nm
EPS growth (%)	(6.1)	10.4	11.0	10.8
Core P/E (x)	13.0	11.8	10.6	9.6
Dividend yield (%)	7.7	8.0	8.5	9.4
EV/EBITDA (x)	7.5	6.8	6.0	5.2
Price/book (x)	4.0	3.9	3.8	3.6
Net debt/Equity (%)	(71.9)	(73.5)	(74.3)	(76.1)
ROE (%)	29.4	33.3	36.0	38.4



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	8.4	10.4	(23.6)
Relative to country (%)	7.9	11.2	(9.6)
Mkt cap (USD m)	78		
3m avg. daily turnover (USD m)	0.2		
Free float (%)	66		
Major shareholder	Mr.Chatchawe Vatanasuk (20%)		
12m high/low (THB)	6.25/4.18		
Issued shares (m)	608.00		

Sources: Bloomberg consensus; FSSIA estimates

กำไรปกติ 4Q23 ดีกว่าคาด 15% และทำจุดสูงสุดใหม่

กำไรสุทธิ 4Q23 เท่ากับ 59 ลบ. (+13.4% q-q, +32.6% y-y) หากไม่รวมการรับรู้ด้วยค่าเงินลงทุนใน TCI 17.4 ลบ. (สุทธิภาษีจะบวกกลับ 11.4 ลบ.) ซึ่งเป็น One time และ Non cash จะมีกำไรปกติอยู่ที่ 70 ลบ. (+35% q-q, +45% y-y) ดีกว่าคาด 15% และทำจุดสูงสุดใหม่ มาจากค่าใช้จ่ายที่น้อยกว่าคาด โดยค่าใช้จ่ายรวม (ไม่รวมด้วยค่า) ลดลง -7% q-q, -5.6% y-y โดยหลักมาจากค่าใช้จ่ายบริหารที่ลดลง -20% q-q ค่าสุดของปี คาดว่ามาจากการกลับค่าใช้จ่ายบางรายการที่ตั้งไว้ก่อนหน้านี้ในช่วง 9M23 แต่เป็นค่าใช้จ่ายที่กลับไปใกล้เคียงปี 2022

รายได้ทำนิวไฮ และจะรับรู้ส่วนแบ่งขาดทุนเป็นไตรมาสสุดท้าย

ในส่วนของผลการดำเนินงานหลัก 4Q23 ทำได้ดี โดยมีรายได้ทำจุดสูงสุดใหม่ 460 ลบ. +8% q-q และ +9.7% y-y มาจากรายได้ที่ขายผ่าน 7-Eleven เป็นหลักที่ยังเติบโตได้ดี เป็นตัวเลขสองหลัก ขณะที่อัตรากำไรขั้นต้นยังทรงตัวใกล้เคียง 3Q23 ที่ระดับ 33.1% แต่สูงขึ้นจาก 30.8% ใน 4Q22 สะท้อนว่าภาพรวมต้นทุนวัตถุดิบและบรรจุภัณฑ์ปรับลงจากปีก่อน รวมถึงผลบวกของการปรับขึ้นราคาขายด้วย และ 4Q23 จะเป็นไตรมาสสุดท้ายที่รับรู้ส่วนแบ่งขาดทุนจาก TCI ราว 2.5 ลบ. เนื่องจากอยู่ระหว่างขั้นตอนการซื้อขายโอนหุ้นกับผู้ซื้อ และได้มีการตั้งด้วยค่าก่อนการลงทุนทั้งหมดแล้ว จึงจะหยุดรับรู้ขาดทุน TCI ตั้งแต่ 1Q24 เป็นต้นไป และอาจรับรู้การกลับรายการด้วยค่าในอนาคต หากกระบวนการซื้อขายแล้วเสร็จ

ผ่านกำไรต่ำสุดปี 2023 คาดกำไรปี 2024 จะกลับมาโต 16%

จากผลประกอบการ 9M23 ที่ไม่สดใส ทำให้จบปี 2023 บริษัทมีกำไรสุทธิเท่ากับ 207 ลบ. (-12% y-y) และมีกำไรปกติ (ไม่รวมด้วยค่า) อยู่ที่ 217 ลบ. (-6% y-y) แต่มองผ่านกำไรต่ำสุดแล้ว ระยะสั้น คาดกำไรสุทธิ 1Q24 จะกลับมาฟื้นตัวดีทั้ง q-q และ y-y หลังไม่มีรายการด้วยค่า และไม่ต้องรับรู้ขาดทุนบริษัทรวมอีก กอปรกับฐานที่ต่ำมากใน 1Q23 ผู้บริหารตั้งเป้าการเติบโตของรายได้ในปี 2024 ราว 10% y-y ขณะที่ได้ล็อกราคาวัตถุดิบที่มีแนวโน้มปรับขึ้นอย่างกาแฟไว้ครอบคลุม 1H24 แล้ว เรายังคาดว่ากำไรปี 2024 กลับมาโตอีกครั้งราว 16% เป็น 240 ลบ.

4 เหตุผลที่เราแนะนำซื้อ TACC

คงราคาเป้าหมายที่ 7.8 บาท (อิง PE เดิม 20x) เรายังแนะนำซื้อ ด้วย 4 เหตุผล 1) ผ่านกำไรต่ำสุดไปแล้ว และมีการขายธุรกิจที่ไม่ทำกำไรออกไป 2) ฐานะทางการเงินแข็งแกร่ง D/E ต่ำเพียง 0.56x และ ROE 30% 3) จ่ายปันผลสูง 2H23 หุ้นละ 0.19 บาท คิดเป็น Yield 4% และ 4) Valuation ถูก ปัจจุบันเทรดบน P/E เพียง 12x



Sureeporn Teewasuwet

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

Investment thesis

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

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

Company profile

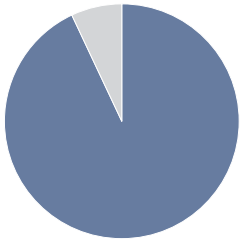
TACC เป็นผู้จัดหา ผลิต และจัดจำหน่ายเครื่องดื่ม ส่วนใหญ่เป็น ชา กาแฟ โดยเริ่มเป็นพันธมิตรกับ 7-Eleven ตั้งแต่ปี 2005 หลังจากนั้นมีการออกเครื่องดื่มแบรนด์ตนเอง Zenya วางขายในต่างประเทศ CLMV เป็นหลัก รวมถึงการเข้าสู่ธุรกิจ Character Business รับรู้รายได้ค่าลิขสิทธิ์ตัวการ์ตูน เช่น Rilakkuma, Jay the Rabbit,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

www.tacconsumer.com

Principal activities (revenue, 2023)

B2B sales - 93.0 %

B2C sales - 7.0 %

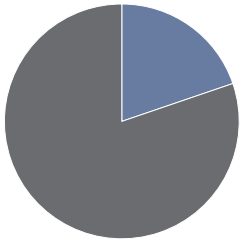


Source: T.A.C. Consumer

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) ต้นทุนวัตถุดิบปรับลง 4) การ Exit จากบริษัทร่วมขาดทุน

Risks to our call

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

Event calendar

Date	Event
May 2024	1Q24 results announcement

Key assumptions

	2024E (THB m)	2025E (THB m)	2026E (THB m)
B2B sales	1,755	1,913	2,082
B2C sales	139	152	168
Total sales growth (%)	10.5	9.1	8.9
Gross margin (%)	33.0	33.4	33.8
SG&A to sales (%)	17.5	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

2

FINANSIA

1 MARCH 2024

Exhibit 1: TACC - 4Q23 earnings results

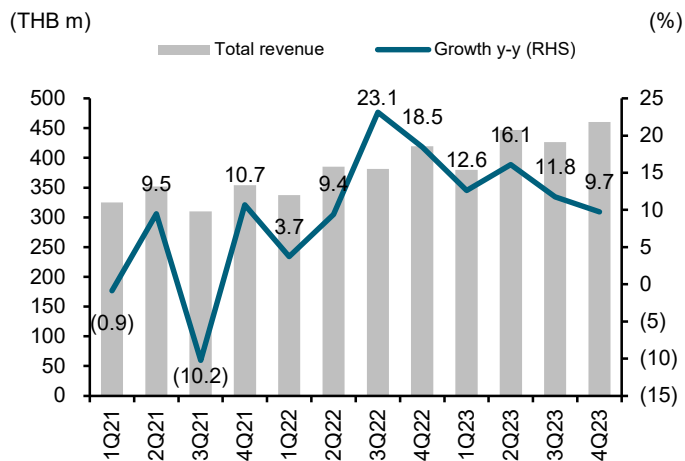
	4Q22	1Q23	2Q23	3Q23	4Q23	----- Change -----		2022	2023	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)
Sales	420	380	447	426	460	8.0	9.7	1,523	1,714	12.5
Cost	290	260	301	285	308	8.2	6.0	987	1,153	16.8
Gross profit	129	120	146	142	153	7.5	18.1	536	561	4.5
SG&A	75	65	79	76	70	(7.1)	(5.6)	253	290	14.7
- Selling expenses	54	29	45	44	45	2.5	(17.2)	169	162	(4.4)
- Admin expenses	21	36	34	32	26	(20.0)	24.9	84	128	53.3
Operating profit	61	57	69	68	90	31.7	48.5	293	284	nm
Profit (-loss) sharing	(0.4)	(2.4)	(2.4)	(2.5)	(2.5)	nm	nm	(1)	(10)	619.4
Tax expense	12	12	14	14	18	25.2	53.0	59	58	(2.3)
Reported net profit	44	42	54	52	59	13.4	32.6	235	207	(12.1)
Core profit	48	42	53	52	70	35.1	45.1	231	217	(6.1)

Key ratios (%)										
Gross margin	30.8	31.6	32.7	33.3	33.1	(0.1)	2.3	35.2	32.7	(2.5)
SG&A / Sales	17.8	17.1	17.7	17.8	15.3	(2.5)	(2.5)	16.6	16.9	0.3
Operating margin	14.4	15.0	15.4	16.0	19.5	3.5	5.1	19.3	16.6	(2.7)
Net margin	10.5	11.1	12.1	12.1	12.7	0.6	2.2	15.4	12.1	(3.4)
Core margin	11.5	11.1	11.9	12.1	15.2	3.1	3.7	15.2	12.7	(2.5)

Operating Statistics (THB m)										
B2B sales	390	350	416	392	436	11.3	11.9	1,417	1,594	12.5
B2C sales	29	30	31	34	24	(30.3)	(18.5)	107	120	12.5
Beverage	420	378	445	423	457	8.2	8.9	1,523	1,703	11.8
Health and wellness	0	2	2	4	3	(20.3)	nm	0	11	nm

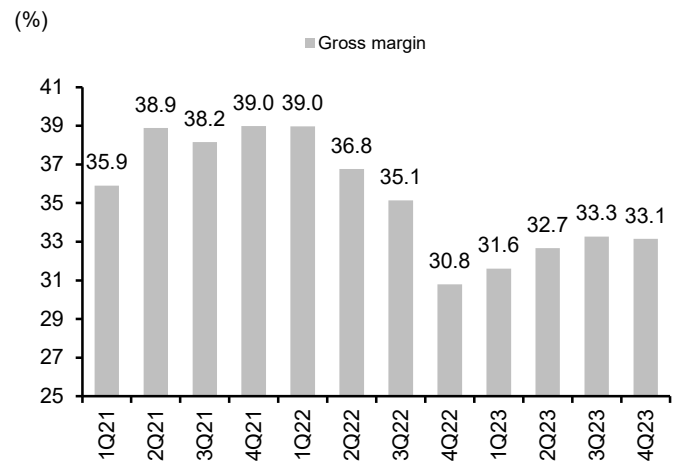
Sources: TACC, FSSIA's compilation

Exhibit 2: Total revenue and growth



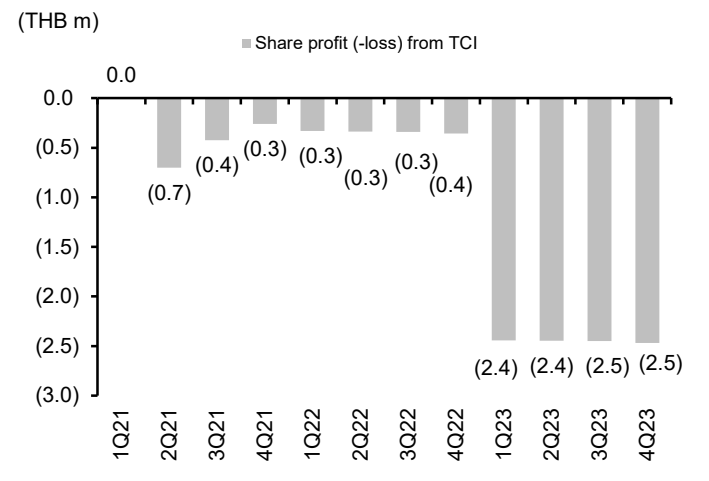
Sources: TACC, FSSIA's compilation

Exhibit 3: Gross margin



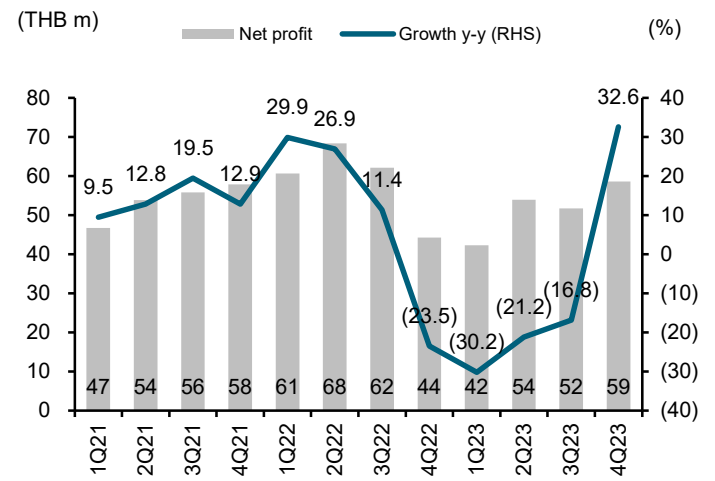
Sources: TACC, FSSIA's compilation

Exhibit 4: Share loss from TCI



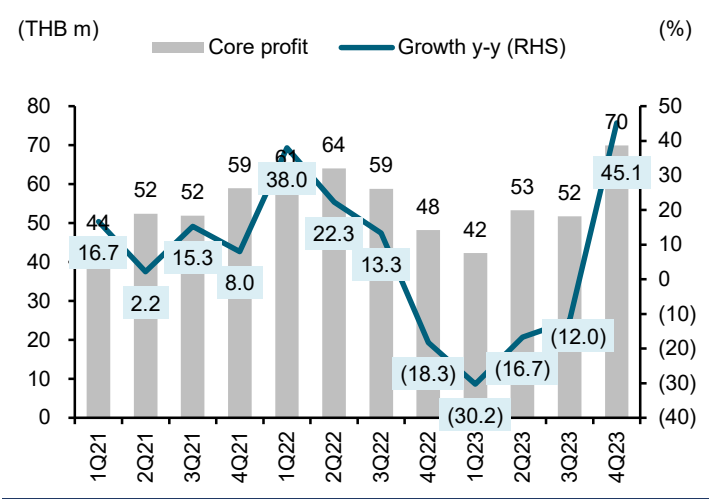
Sources: TACC, FSSIA's compilation

Exhibit 5: Net profit and growth



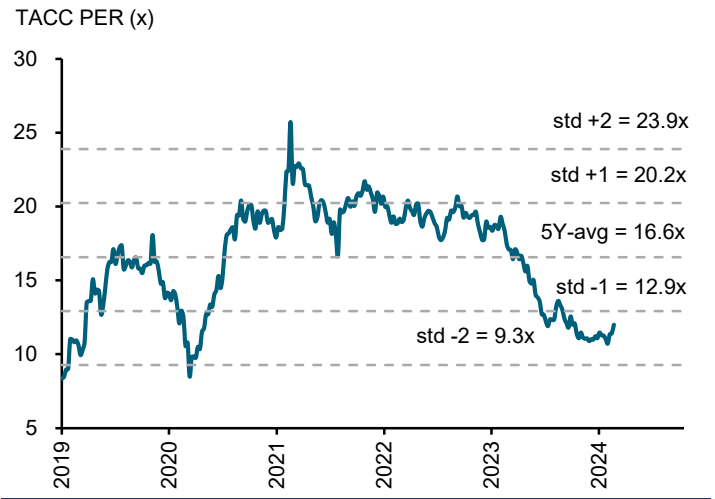
Sources: TACC, FSSIA's compilation

Exhibit 6: Core profit and growth



Sources: TACC, FSSIA's compilation

Exhibit 7: Historical P/E band



Sources: Bloomberg, FSSIA estiamtes

Financial Statements

T.A.C. Consumer

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	1,523	1,714	1,894	2,066	2,249
Cost of goods sold	(987)	(1,153)	(1,269)	(1,376)	(1,489)
Gross profit	536	561	625	690	760
Other operating income	10	14	7	7	8
Operating costs	(253)	(290)	(331)	(362)	(394)
Operating EBITDA	315	308	338	381	428
Depreciation	(22)	(24)	(38)	(46)	(54)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	293	284	300	336	375
Net financing costs	(1)	(1)	(1)	(1)	(1)
Associates	(1)	(10)	0	0	0
Recurring non-operating income	(1)	(10)	0	0	0
Non-recurring items	4	(11)	0	0	0
Profit before tax	295	263	299	335	373
Tax	(59)	(58)	(61)	(68)	(76)
Profit after tax	235	205	238	266	297
Minority interests	0	2	2	0	(2)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	235	207	240	266	295
Non-recurring items & goodwill (net)	(4)	11	0	0	0
Recurring net profit	231	217	240	266	295
Per share (THB)					
Recurring EPS *	0.38	0.36	0.39	0.44	0.48
Reported EPS	0.39	0.34	0.39	0.44	0.48
DPS	0.36	0.36	0.37	0.39	0.44
Diluted shares (used to calculate per share data)	608	608	608	608	608
Growth					
Revenue (%)	13.6	12.5	10.5	9.1	8.9
Operating EBITDA (%)	9.9	(2.1)	9.6	12.9	12.3
Operating EBIT (%)	11.6	(3.1)	5.6	11.8	11.6
Recurring EPS (%)	11.7	(6.1)	10.4	11.0	10.8
Reported EPS (%)	9.8	(12.1)	16.1	11.0	10.8
Operating performance					
Gross margin inc. depreciation (%)	35.2	32.7	33.0	33.4	33.8
Gross margin exc. depreciation (%)	36.6	34.1	35.0	35.6	36.2
Operating EBITDA margin (%)	20.7	18.0	17.8	18.5	19.0
Operating EBIT margin (%)	19.3	16.6	15.9	16.3	16.7
Net margin (%)	15.2	12.7	12.7	12.9	13.1
Effective tax rate (%)	20.2	22.1	20.4	20.4	20.4
Dividend payout on recurring profit (%)	94.6	100.7	95.0	90.0	90.0
Interest cover (X)	253.4	250.6	253.7	291.5	334.3
Inventory days	20.3	17.8	19.2	19.9	20.0
Debtor days	68.5	68.9	70.0	71.9	71.9
Creditor days	101.3	98.7	97.6	99.4	99.8
Operating ROIC (%)	178.8	152.6	136.3	164.2	184.8
ROIC (%)	131.8	114.3	104.9	117.5	130.9
ROE (%)	30.7	29.4	33.3	36.0	38.4
ROA (%)	20.7	18.8	20.6	21.6	22.9
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
B2B sales	1,417	1,594	1,755	1,913	2,082
B2C sales	107	120	139	152	168

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

Financial Statements

T.A.C. Consumer

Cash Flow (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Recurring net profit	231	217	240	266	295
Depreciation	22	24	38	46	54
Associates & minorities	1	10	0	0	0
Other non-cash items	4	4	(4)	0	0
Change in working capital	16	(30)	(12)	(8)	(9)
Cash flow from operations	274	224	263	304	340
Capex - maintenance	(17)	(63)	(52)	(42)	(42)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	-	-	-	-	-
Cash flow from investing	(17)	(63)	(52)	(42)	(42)
Dividends paid	(215)	(255)	(228)	(240)	(265)
Equity finance	0	0	0	0	0
Debt finance	(2)	(1)	0	(1)	(1)
Other financing cash flows	35	(28)	35	3	3
Cash flow from financing	(182)	(284)	(193)	(238)	(263)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	(4)	0	0	0	0
Movement in cash	72	(122)	18	25	35
Free cash flow to firm (FCFF)	258.31	162.44	211.89	263.48	299.27
Free cash flow to equity (FCFE)	286.31	133.14	246.03	264.16	300.19
Per share (THB)					
FCFF per share	0.42	0.27	0.35	0.43	0.49
FCFE per share	0.47	0.22	0.40	0.43	0.49
Recurring cash flow per share	0.42	0.42	0.45	0.51	0.57
Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Tangible fixed assets (gross)	212	236	255	275	297
Less: Accumulated depreciation	(99)	(102)	(130)	(156)	(192)
Tangible fixed assets (net)	113	134	125	119	105
Intangible fixed assets (net)	0	18	18	18	18
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	27	0	27	27	27
Cash & equivalents	655	533	551	576	610
A/C receivable	310	337	389	424	462
Inventories	50	60	70	75	82
Other current assets	6	11	8	8	9
Current assets	1,021	941	1,017	1,084	1,163
Other assets	17	23	19	21	22
Total assets	1,179	1,116	1,206	1,269	1,336
Common equity	763	714	726	753	782
Minorities etc.	0	4	0	0	0
Total shareholders' equity	763	718	726	753	782
Long term debt	12	9	12	11	10
Other long-term liabilities	27	29	34	37	40
Long-term liabilities	39	38	46	48	50
A/C payable	300	311	348	377	408
Short term debt	6	8	5	5	5
Other current liabilities	71	41	81	86	91
Current liabilities	377	360	434	468	504
Total liabilities and shareholders' equity	1,179	1,116	1,206	1,269	1,336
Net working capital	(4)	56	37	45	54
Invested capital	153	231	227	231	227
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	1.25	1.17	1.19	1.24	1.29
Tangible book value per share	1.25	1.14	1.16	1.21	1.26
Financial strength					
Net debt/equity (%)	(83.4)	(71.9)	(73.5)	(74.3)	(76.1)
Net debt/total assets (%)	(54.0)	(46.2)	(44.2)	(44.1)	(44.6)
Current ratio (x)	2.7	2.6	2.3	2.3	2.3
CF interest cover (x)	249.5	122.6	208.9	230.4	269.0
Valuation	2022	2023	2024E	2025E	2026E
Recurring P/E (x) *	12.2	13.0	11.8	10.6	9.6
Recurring P/E @ target price (x) *	20.5	21.8	19.8	17.8	16.1
Reported P/E (x)	12.0	13.7	11.8	10.6	9.6
Dividend yield (%)	7.7	7.7	8.0	8.5	9.4
Price/book (x)	3.7	4.0	3.9	3.8	3.6
Price/tangible book (x)	3.7	4.1	4.0	3.9	3.7
EV/EBITDA (x) **	7.0	7.5	6.8	6.0	5.2
EV/EBITDA @ target price (x) **	13.0	13.7	12.5	11.0	9.7
EV/invested capital (x)	14.4	10.0	10.1	9.9	9.8
* 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><tr><th>NEGL</th><th>Low</th><th>Medium</th><th>High</th><th>Severe</th></tr><tr><td>0-10</td><td>10-20</td><td>20-30</td><td>30-40</td><td>40+</td></tr></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><tr><td>AAA</td><td>8.571-10.000</td><td rowspan="3">Leader:</td><td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td></tr><tr><td>AA</td><td>7.143-8.570</td></tr><tr><td>A</td><td>5.714-7.142</td></tr><tr><td>BBB</td><td>4.286-5.713</td><td rowspan="3">Average:</td><td rowspan="3">a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td></tr><tr><td>BB</td><td>2.857-4.285</td></tr><tr><td>B</td><td>1.429-2.856</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></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

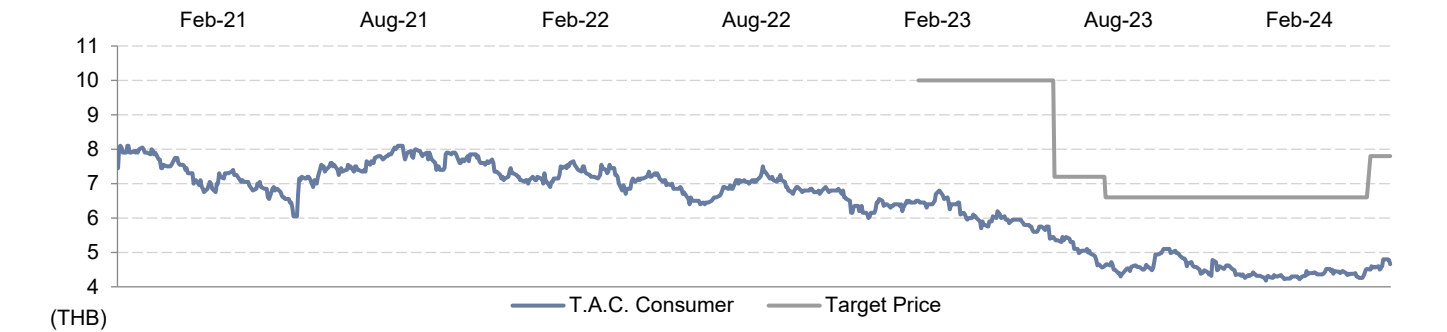
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

T.A.C. Consumer (TACC TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
18-Jan-2023	BUY	10.00	28-Jun-2023	BUY	6.60	-	-	-
15-May-2023	BUY	7.20	09-Feb-2024	BUY	7.80			

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 4.66	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 29-Feb-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.