

KCG CORPORATION

THAILAND / FOOD & BEVERAGE

KCG TB

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UNCHANGED

2Q24 results at first glance

กำไรสุทธิ 2Q24 +32%q-q, +68%y-y ดีกว่าเราและตลาดคาด 25%

Highlights

- กำไรสุทธิ 2Q24 ที่ 94.5 ล้านบาท เพิ่มขึ้น 32% q-q และ 68% y-y ดีกว่าที่เราและตลาดคาด 25% หลักๆ มาจากรายได้รวมที่สูงกว่าคาดและค่าใช้จ่ายในการบริหารน้อยกว่าคาด
- รายได้จากการขายชะลอตัว 5% q-q จากปัจจัยฤดูกาล โดยในไตรมาส 2 จะเป็นช่วงที่มียอดขายต่ำสุดของปี แต่เพิ่มขึ้น 8% y-y จากการเติบโตของยอดขายในทุกกลุ่มผลิตภัณฑ์และทุกช่องทางการจัดจำหน่าย เนื่องจากความต้องการเนยชีสที่เพิ่มขึ้นต่อเนื่องทั้งของหวานและอาหารคาว ดีกว่าที่เราคาด
- อัตรากำไรขั้นต้นทำได้ดีตามคาดที่ 31.8% เพิ่มขึ้นจาก 30.5% ใน 1Q24 และ 29.6% ใน 2Q23 แม้ราคาวัตถุดิบปรับขึ้น แต่เนื่องจากการใช้กำลังผลิตที่สูงขึ้น และการบริหารจัดการต้นทุนการผลิตที่มีประสิทธิภาพ
- ส่วนค่าใช้จ่ายในการขายและบริหารลดลง 4% q-q, +9% y-y อยู่ที่ 415 ล้านบาท อีกทั้งภาระดอกเบี้ยจ่ายปรับลดลง

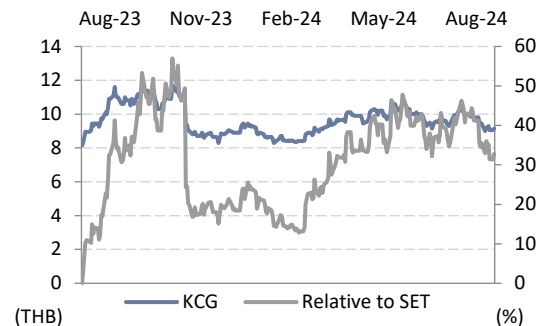
Outlook

- แนวโน้มกำไร 1H24 อยู่ที่ 166 ล้านบาท +30% y-y คิดเป็น 45% ของประมาณการทั้งปี 2024 และเรายังคงประมาณการกำไรสุทธิปี 2024 ที่ 365 ล้านบาท +18% y-y
- แนวโน้มกำไร 2H24 จะดีขึ้นจากช่วง High Season ของธุรกิจ ประกอบกับโครงการ Logistic Park จะเปิดดำเนินการใน 2H24 ซึ่งจะช่วยลดต้นทุนการขนส่งและลดค่าเช่าในการจัดเก็บสต็อกสินค้าและยังสามารถชดเชยต้นทุนวัตถุดิบที่ปรับขึ้นได้หมด ส่วนการปรับขึ้นของราคาเนยในปัจจุบันอาจทำให้ต้นทุนวัตถุดิบปรับขึ้นจำกัด เพราะบริษัทได้ซื้อล่วงหน้าและล็อกราคาของปีนี้ไว้หมดแล้ว ทำให้สามารถบริหารจัดการต้นทุนได้มีประสิทธิภาพ
- เรายังแนะนำ ซื้อ จากแนวโน้มการเติบโตของกำไรที่แข็งแกร่งต่อเนื่อง และ Valuation ถูก ด้วยราคาหุ้นปัจจุบันเทรดที่ P/E ปี 2024 เพียง 14.4 เท่า ต่ำกว่าค่าเฉลี่ย 20 เท่า ของกลุ่มอาหารและเครื่องดื่ม และราคาเป้าหมาย 12.80 บาท

TARGET PRICE THB12.80
CLOSE THB9.15
UP/DOWNSIDE +39.9%
TP vs CONSENSUS +2.0%

KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	7,157	8,143	9,364	10,768
Net profit	306	365	421	485
EPS (THB)	0.56	0.67	0.77	0.89
vs Consensus (%)	-	(6.0)	(5.3)	0.8
EBITDA	599	665	745	833
Recurring net profit	293	346	402	466
Core EPS (THB)	0.54	0.64	0.74	0.85
EPS growth (%)	5.3	18.2	16.1	15.8
Core P/E (x)	17.0	14.4	12.4	10.7
Dividend yield (%)	3.3	3.7	4.2	4.9
EV/EBITDA (x)	11.0	9.8	8.5	7.4
Price/book (x)	1.9	1.7	1.6	1.5
Net debt/Equity (%)	59.8	53.7	44.2	34.6
ROE (%)	15.1	12.4	13.3	14.2



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(9.4)	(8.5)	12.3
Relative to country (%)	(7.0)	(3.3)	32.8
Mkt cap (USD m)	142		
3m avg. daily turnover (USD m)	0.5		
Free float (%)	27		
Major shareholder	Family of founders (72%)		
12m high/low (THB)	12.30/8.15		
Issued shares (m)	545.00		

Sources: Bloomberg consensus; FSSIA estimates



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Exhibit 1: KCG - 2Q24 results summary

Profit & Loss Statement	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	----- Change -----		1H24
Year to Dec 31	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(%24E)
Revenue	1,708	1,561	1,681	2,207	1,786	1,689	(5)	8	43
Gross profit	461	463	502	721	545	537	(1)	16	44
Operating costs	379	383	424	543	431	415	(4)	9	43
Operating profit	82	80	78	178	114	122	7	53	50
Other income	15	10	13	31	12	10	(22)	(1)	25
Interest expense	23	23	18	16	14	12	(20)	(50)	32
Profit before tax	74	67	73	160	91	120	32	80	48
Tax	16	16	17	31	20	26	32	62	48
Reported net profit	58	51	55	141	72	94	32	86	45
Key Ratios (%)	(%)	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	
Gross margin	27.0	29.6	29.9	32.7	30.5	31.8	1.3	2.2	
SG&A / Sales	22.2	24.5	25.2	24.6	24.1	24.6	0.5	0.1	
Effective tax rate	21.2	23.8	23.8	19.6	21.4	21.4	0.0	(2.4)	

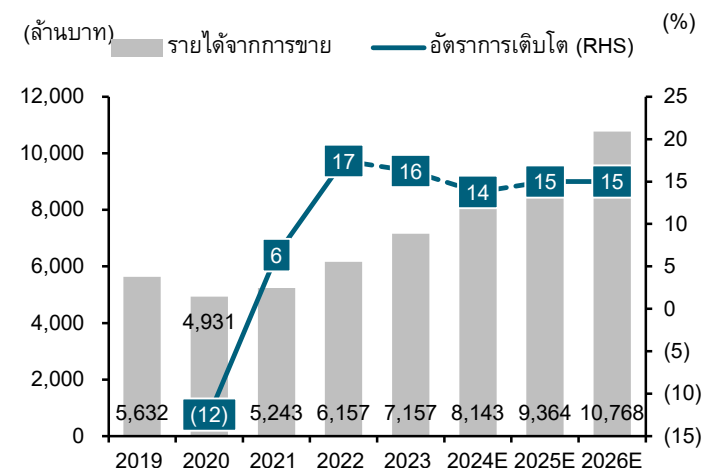
Sources: KCG; FSSIA estimates

Exhibit 2: B2C Innovation/Health/Convenience



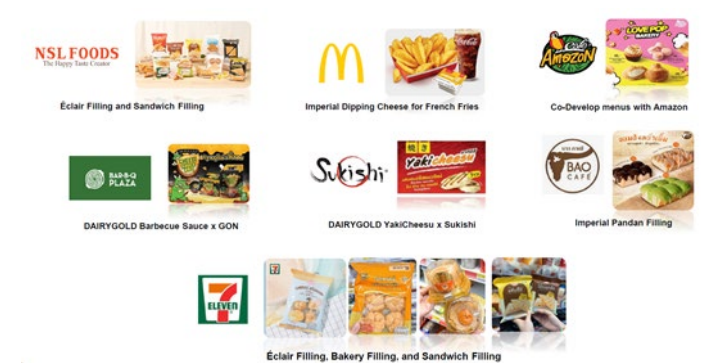
Source: KCG

Exhibit 4: รายได้และอัตราการเติบโต



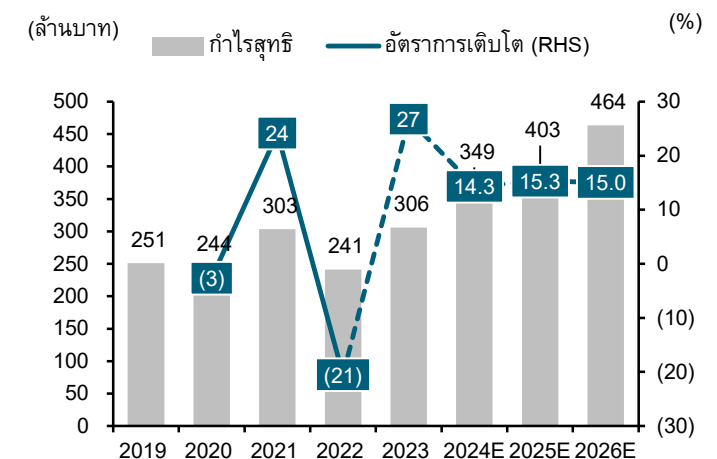
Sources: KCG, FSSIA estimate

Exhibit 3: B2B Products: Solution Provider



Source: KCG

Exhibit 5: กำไรสุทธิและอัตราการเติบโต



Sources: KCG, FSSIA estimate

Financial Statements

KCG Corporation

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	6,157	7,157	8,143	9,364	10,768
Cost of goods sold	(4,391)	(5,010)	(5,688)	(6,541)	(7,522)
Gross profit	1,766	2,146	2,455	2,823	3,247
Other operating income	0	0	0	0	0
Operating costs	(1,475)	(1,728)	(1,987)	(2,285)	(2,628)
Operating EBITDA	476	599	665	745	833
Depreciation	(185)	(181)	(197)	(207)	(214)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	291	418	468	538	619
Net financing costs	(53)	(80)	(80)	(80)	(80)
Associates	0	0	0	0	0
Recurring non-operating income	34	35	53	54	54
Non-recurring items	42	13	19	19	19
Profit before tax	315	386	460	532	612
Tax	(74)	(80)	(95)	(110)	(128)
Profit after tax	241	306	365	421	485
Minority interests	0	0	0	0	0
Preferred dividends	0	0	0	0	0
Other items	0	0	0	0	0
Reported net profit	241	306	365	421	485
Non-recurring items & goodwill (net)	(42)	(13)	(19)	(19)	(19)
Recurring net profit	199	293	346	402	466
Per share (THB)					
Recurring EPS *	0.51	0.54	0.64	0.74	0.85
Reported EPS	0.62	0.56	0.67	0.77	0.89
DPS	1.35	0.30	0.34	0.39	0.44
Diluted shares (used to calculate per share data)	390	545	545	545	545
Growth					
Revenue (%)	17.4	16.2	13.8	15.0	15.0
Operating EBITDA (%)	(19.5)	25.8	11.0	12.1	11.8
Operating EBIT (%)	(29.9)	43.5	12.0	15.0	15.0
Recurring EPS (%)	(34.2)	5.3	18.2	16.1	15.8
Reported EPS (%)	(20.5)	(9.3)	19.5	15.3	15.0
Operating performance					
Gross margin inc. depreciation (%)	28.7	30.0	30.2	30.2	30.2
Gross margin exc. depreciation (%)	31.7	32.5	32.6	32.4	32.1
Operating EBITDA margin (%)	7.7	8.4	8.2	8.0	7.7
Operating EBIT margin (%)	4.7	5.8	5.8	5.8	5.8
Net margin (%)	3.2	4.1	4.3	4.3	4.3
Effective tax rate (%)	27.0	21.5	21.5	21.5	21.5
Dividend payout on recurring profit (%)	263.5	55.8	52.7	52.4	52.0
Interest cover (X)	6.2	5.7	6.5	7.4	8.4
Inventory days	108.7	106.5	85.6	74.2	64.3
Debtor days	72.5	74.6	77.8	77.4	77.4
Creditor days	97.7	79.9	69.3	68.7	68.5
Operating ROIC (%)	6.6	8.3	8.4	9.5	10.7
ROIC (%)	6.8	8.4	8.9	9.8	11.0
ROE (%)	14.9	15.1	12.4	13.3	14.2
ROA (%)	4.7	6.2	6.7	7.2	7.6

* Pre exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2022	2023	2024E	2025E	2026E
Daily products	3,598	4,087	4,886	5,618	6,461
Food and bakery ingredients	1,734	2,061	2,280	2,622	3,015
Biscuits	825	1,009	977	1,124	1,292

Sources: KCG Corporation; FSSIA estimates

Financial Statements

KCG Corporation

Cash Flow (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Recurring net profit	199	293	346	402	466
Depreciation	185	181	197	207	214
Associates & minorities	0	0	0	0	0
Other non-cash items	0	0	0	0	0
Change in working capital	(216)	(433)	(74)	(117)	(119)
Cash flow from operations	168	41	469	493	560
Capex - maintenance	(200)	(653)	(275)	(150)	(150)
Capex - new investment	0	0	0	0	0
Net acquisitions & disposals	(666)	379	(3)	(4)	(4)
Other investments (net)	0	0	0	0	0
Cash flow from investing	(867)	(275)	(278)	(154)	(154)
Dividends paid	(525)	(164)	(183)	(211)	(242)
Equity finance	(24)	1,368	25	25	25
Debt finance	1,227	(1,023)	(8)	(3)	(3)
Other financing cash flows	0	0	0	0	0
Cash flow from financing	679	181	(165)	(189)	(220)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	42	13	19	19	19
Net other adjustments	42	13	19	19	19
Movement in cash	21	(40)	45	169	205
Free cash flow to firm (FCFF)	(646.65)	(153.89)	270.98	418.63	485.96
Free cash flow to equity (FCFE)	569.66	(1,244.50)	202.57	354.43	422.31
Per share (THB)					
FCFF per share	(1.19)	(0.28)	0.50	0.77	0.89
FCFE per share	1.05	(2.28)	0.37	0.65	0.77
Recurring cash flow per share	0.98	0.87	1.00	1.12	1.25
Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Tangible fixed assets (gross)	3,525	4,055	4,330	4,480	4,630
Less: Accumulated depreciation	(1,643)	(1,701)	(1,898)	(2,105)	(2,319)
Tangible fixed assets (net)	1,881	2,354	2,432	2,375	2,311
Intangible fixed assets (net)	0	0	0	0	0
Long-term financial assets	0	0	0	0	0
Invest. in associates & subsidiaries	0	0	0	0	0
Cash & equivalents	375	334	379	548	753
A/C receivable	1,302	1,623	1,846	2,123	2,442
Inventories	1,531	1,288	1,288	1,288	1,288
Other current assets	125	61	70	80	92
Current assets	3,332	3,307	3,584	4,040	4,576
Other assets	326	210	239	275	316
Total assets	5,540	5,871	6,255	6,690	7,203
Common equity	1,184	2,695	2,902	3,138	3,405
Minorities etc.	0	0	0	0	0
Total shareholders' equity	1,184	2,695	2,902	3,138	3,405
Long term debt	283	65	58	54	51
Other long-term liabilities	168	188	214	246	283
Long-term liabilities	450	253	271	300	334
A/C payable	1,137	977	1,109	1,275	1,466
Short term debt	2,686	1,881	1,881	1,881	1,881
Other current liabilities	83	67	93	97	117
Current liabilities	3,906	2,924	3,082	3,253	3,464
Total liabilities and shareholders' equity	5,540	5,872	6,256	6,691	7,203
Net working capital	1,738	1,929	2,003	2,120	2,239
Invested capital	3,946	4,493	4,674	4,770	4,866
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	3.03	4.94	5.33	5.76	6.25
Tangible book value per share	3.03	4.94	5.33	5.76	6.25
Financial strength					
Net debt/equity (%)	219.2	59.8	53.7	44.2	34.6
Net debt/total assets (%)	46.8	27.4	24.9	20.7	16.4
Current ratio (x)	0.9	1.1	1.2	1.2	1.3
CF interest cover (x)	11.8	(14.6)	3.5	5.4	6.3
Valuation	2022	2023	2024E	2025E	2026E
Recurring P/E (x) *	17.9	17.0	14.4	12.4	10.7
Recurring P/E @ target price (x) *	25.1	23.8	20.1	17.3	15.0
Reported P/E (x)	14.8	16.3	13.6	11.8	10.3
Dividend yield (%)	14.7	3.3	3.7	4.2	4.9
Price/book (x)	3.0	1.9	1.7	1.6	1.5
Price/tangible book (x)	3.0	1.9	1.7	1.6	1.5
EV/EBITDA (x) **	12.9	11.0	9.8	8.5	7.4
EV/EBITDA @ target price (x) **	15.9	14.3	12.8	11.2	9.8
EV/invested capital (x)	1.6	1.5	1.4	1.3	1.3
* Pre-exceptional, pre-goodwill and fully diluted ** EBITDA includes associate income and recurring non-operating income					

Sources: KCG Corporation; 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 Sustainability	The Sustainability's 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

Songklod Wongchai FSS International Investment Advisory Securities Co., Ltd

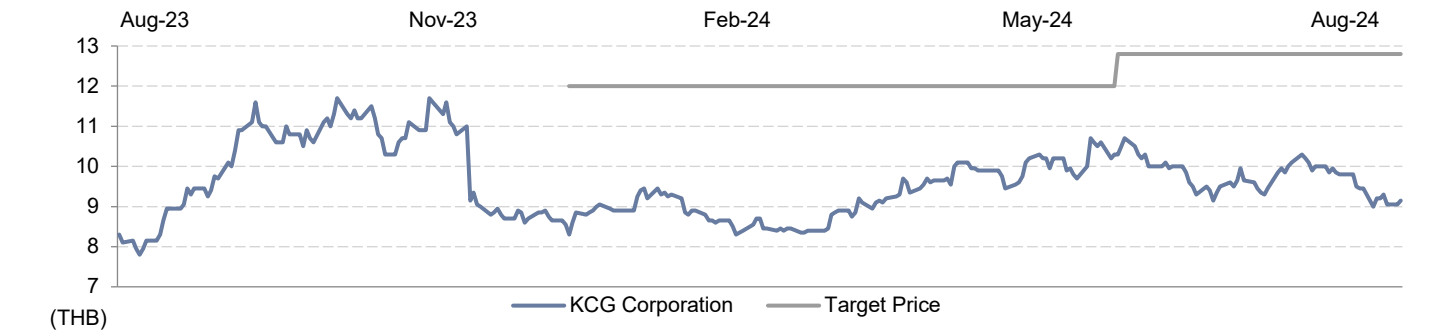
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History of change in investment rating and/or target price

KCG Corporation (KCG TB)



Songklod Wongchai started covering this stock from 12-Dec-2023

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
KCG Corporation	KCG TB	THB 9.15	BUY	1) ราคาวัตถุดิบปรับขึ้นมากกว่าคาด 2) ค่าเงินบาทอ่อนค่าจะกระทบต่อต้นทุนนำเข้าสินค้าและวัตถุดิบที่สูงขึ้น 3) แผนการขายกำลังผลิตไม่เป็นไปตามแผน

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 13-Aug-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.