

KCG CORPORATION

THAILAND / FOOD & BEVERAGE

KCG TB

BUY

UNCHANGED

แนวโน้ม 2H24 ยังสดใส

- ปรับเพิ่มประมาณการกำไรสุทธิปี 2024 ขึ้น 6% เพื่อสะท้อนงบ 2Q24 ดีกว่าคาดและแนวโน้ม 2H24 ดีต่อ จาก High Season และออกสินค้าใหม่ ขณะที่ Margin ยังยืนสูง
- กำไรสุทธิปี 2024 คาดเติบโต 27% y-y ทำสถิติสูงสุดเป็นประวัติการณ์
- Valuation ถูก ราคาเป้าหมายใหม่ 13 บาท อิง PE 18.3 เท่า เฉลี่ยกลุ่มอาหาร&เครื่องดื่ม

TARGET PRICE	THB13.00
CLOSE	THB10.30
UP/DOWNSIDE	+26.2%
PRIOR TP	THB12.80
CHANGE IN TP	+1.6%
TP vs CONSENSUS	+3.4%

KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	7,157	8,143	9,364	10,768
Net profit	306	388	447	514
EPS (THB)	0.56	0.71	0.82	0.94
vs Consensus (%)	-	1.4	0.2	6.5
EBITDA	599	694	778	871
Recurring net profit	293	369	428	495
Core EPS (THB)	0.54	0.68	0.79	0.91
Chg. In EPS est. (%)	-	6.50	6.40	6.40
EPS growth (%)	5.3	25.8	16.1	15.7
Core P/E (x)	19.2	15.2	13.1	11.3
Dividend yield (%)	2.9	3.5	4.0	4.6
EV/EBITDA (x)	12.1	10.3	9.0	7.8
Price/book (x)	2.1	1.9	1.8	1.6
Net debt/Equity (%)	59.8	53.3	43.3	33.3
ROE (%)	15.1	13.2	14.1	15.0

เราปรับเพิ่มประมาณการกำไรสุทธิปี 2024-26 เพิ่มเฉลี่ยปีละ 6%

เราปรับเพิ่มประมาณการกำไรสุทธิปี 2024 ขึ้น 6% เป็น 388 ล้านบาท เติบโต 27% y-y เพื่อสะท้อนผลการดำเนินงาน 2Q24 ที่ดีกว่าเราคาด จากอัตรากำไรขั้นต้นที่อยู่ในระดับสูงและยังมีแนวโน้มดีต่อเนื่องใน 2H24 ดังนั้นเราจึงปรับสมมติฐานอัตรากำไรขั้นต้นขึ้นเล็กน้อย และเป็นช่วง High Season ของธุรกิจ ใน 4Q24 มีการออกสินค้าใหม่ที่มี Margin สูง รวมถึงอัตราการใช้กำลังการผลิตที่ปรับเพิ่มต่อเนื่อง ทำให้เกิดการประหยัดเนื่องจากขนาด บวกกับ SG&A มีแนวโน้มลดลงราว 0.3-0.5% ของยอดขายต่อปี จากโครงการ Logistic Park เปิดดำเนินงานตั้งแต่เดือนก.ค. ที่ผ่านมา สำหรับระยะยาวแนวโน้มการเติบโตของกำไรสุทธิในช่วงปี 2024-26 จะเติบโตเฉลี่ยปีละ 19% CAGR จากความต้องการเนยและชีสยังเติบโตต่อเนื่องเฉลี่ย 5-7% ต่อปี ซึ่งคนไทยนิยมบริโภคมากขึ้น โดยเฉพาะเป็นวัตถุดิบในอาหารหลักประเภทบิง ย่าง ซาบู หรือสูกี้ เป็นต้น และนักท่องเที่ยวต่างชาติที่เพิ่มขึ้นก็จะช่วยหนุนความต้องการเนยชีสที่ต่างชาตินิยมทานด้วย

บริษัทยังเชื่อมั่นรายได้ 2H24 จะเพิ่มขึ้นจาก 1H24 และคงเป้าเติบโตเลขสองหลัก

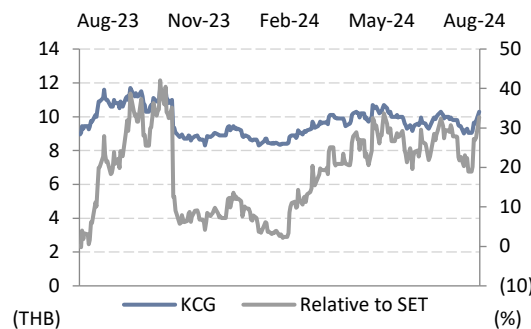
KCG ตั้งเป้ารายได้ปี 2024 เติบโต double-digit เน้นขยายลูกค้า B2B และ B2C กลุ่มลูกค้ารายใหญ่ 25 รายแรก และการออกสินค้าใหม่ และคาดหวัง Gross Margin ไม่ต่ำกว่าระดับ 30% ซึ่งเป็นระดับภาวะปกติของบริษัทจากการใช้กำลังผลิตที่เพิ่มขึ้น โดยรายได้รวม 1H24 เติบโต 6% y-y จากการเติบโตของยอดขายในกลุ่มผลิตภัณฑ์ที่ทำจากนมและบิสกิต แนวโน้มยอดขายใน 2H24 จะเร่งขึ้นจากการออกสินค้าใหม่ใน 3Q24 และเข้าสู่ Festive Season ใน 4Q24

แม้ราคาเนยปรับขึ้นแต่วัตถุดิบอื่นปรับลงและบาทแข็ง สุทธิต้นทุนปรับขึ้นจำกัด

แม้ปัจจุบันราคา Butter oil ที่ปรับขึ้นราว 15% YTD แต่แนวโน้ม 4Q24 มีโอกาสปรับตัวลงเนื่องจากเป็นฤดูกาลที่มีอุปทานนมในตลาดมากกว่าปกติ แนวโน้มราคาวัตถุดิบยังอยู่ที่ระดับสูงในช่วง 3Q24 อาจกดดันให้อัตรากำไรขั้นต้นอ่อนตัว q-q อย่างไรก็ดีตามสัดส่วนเนยคิดเป็น 15% ของต้นทุนวัตถุดิบรวม ขณะที่วัตถุดิบอื่นปรับลงและได้ซื้อวัตถุดิบล่วงหน้าไปแล้ว บาทแข็งค่าทำให้นำเข้าได้ราคาถูกลง จึงทำให้ต้นทุนเฉลี่ยโดยรวมปรับขึ้นไม่มาก ทั้งนี้แนวโน้มภาพรวมราคาสินค้าวัตถุดิบเฉลี่ยทั้งปี 2024 ยังมีทิศทางสูงขึ้นเมื่อเทียบกับปีก่อน

Valuation ถูก เทรต PE 15 เท่า ต่ำกว่า 18 เท่าของค่าเฉลี่ยกลุ่มอาหารและเครื่องดื่ม

เรายังแนะนำ ซื้อ ราคาเป้าหมายใหม่ 13 บาท อิงค่าเฉลี่ย PE ปี 2024 ของกลุ่มอาหารและเครื่องดื่ม ราคาหุ้นปัจจุบันเทรด P/E ปี 2024 ที่ 15 เท่า ต่ำกว่าค่าเฉลี่ย 18 เท่า ของกลุ่มอาหารและเครื่องดื่ม ซึ่ง KCG เป็นผู้นำตลาดเนยและชีส เติบโตดีต่อเนื่อง ดังนั้นจึงเชื่อว่าราคาหุ้นควรเทรดในระดับเดียวกับกลุ่มอาหารและเครื่องดื่ม



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	3.0	(2.8)	15.1
Relative to country (%)	2.5	1.5	32.1
Mkt cap (USD m)	163		
3m avg. daily turnover (USD m)	0.5		
Free float (%)	27		
Major shareholder	Family of founders (72%)		
12m high/low (THB)	12.30/8.25		
Issued shares (m)	545.00		

Sources: Bloomberg consensus; FSSIA estimates



Songklod Wongchai

Fundamental Investment Analyst on Securities; License no. 018086
songklod.won@fssia.com, +66 2646 9970

Exhibit 1: Earnings Revision

Key assumptions	New			Previous			% change		
	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E
Net profits (THB m)	401	462	532	365	421	485	10	10	10
Core profits (THB m)	382	443	513	346	402	466	10	10	10
Gross profit margin (%)	30.5	30.5	30.5	30.0	30.0	30.0	0.5	0.5	0.5
SG&A to sales (%)	24.4	24.4	24.4	24.4	24.4	24.4	-	-	-

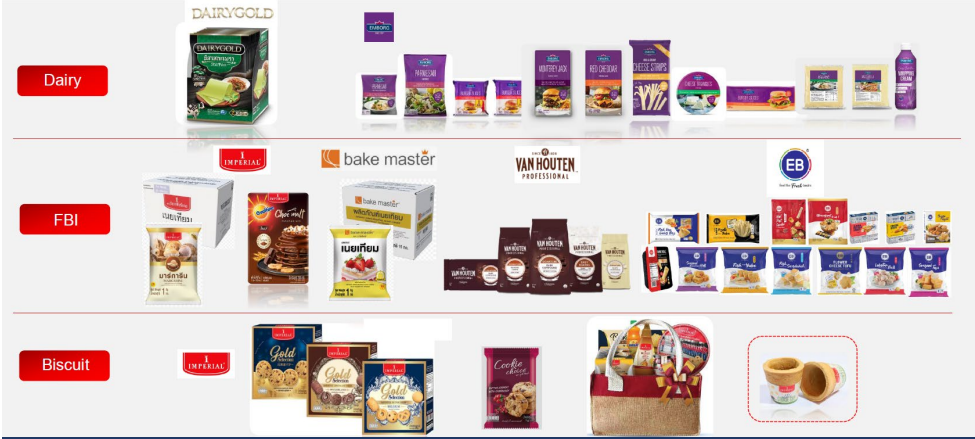
Source: FSSIA estimates

Exhibit 2: Valuation and Peers as of 19 Aug 2024

Company	BBG	Market	----- EPS growth -----		----- PE -----		----- ROE -----		----- PBV -----		----- DivYld -----	
		Cap	24E	25E	24E	25E	24E	25E	24E	25E	24E	25E
		(USD m)	(%)	(%)	(x)	(x)	(%)	(%)	(x)	(x)	(x)	(x)
Beverage												
Carabao Group	CBG TB	2,002	39.5	7.9	25.7	23.8	21.8	20.9	5.3	4.7	1.9	2.1
Osotspa	OSP TB	1,944	36.2	8.2	22.6	20.9	17.6	18.3	3.9	3.8	4.0	4.3
Sappe	SAPPE TB	684	20.1	10.0	18.1	16.5	32.7	33.2	5.7	5.2	4.1	4.6
Ichitan Group	ICHI TB	539	22.7	5.0	13.8	13.1	23.4	25.1	3.3	3.3	8.0	8.4
Beverage average		5,170	27.4	8.6	20.1	18.6	23.9	24.4	4.5	4.3	4.5	4.8
Food												
Thai union Group	TU TB	1,914	(136.2)	10.9	14.3	12.9	8.7	9.5	1.3	1.2	3.8	4.3
R&B Food Supply	RBF TB	319	0.6	20.8	16.4	13.6	13.6	15.4	2.2	2.0	3.4	4.0
Srinanaporn Marketing	SNNP TB	351	4.7	14.2	18.2	15.9	20.3	22.3	3.6	3.5	3.9	4.4
NSL Food	NSL TB	252	30.2	17.1	20.0	17.1	26.3	27.5	5.0	4.5	2.9	3.4
KCG Corporation	KCG TB	163	25.8	16.1	15.2	13.1	13.2	14.1	1.9	1.8	3.5	4.0
Taokaenoi Food&Marketing*	TKN TB	386	6.9	11.8	18.0	14.4	35.2	35.6	5.4	5.1	11.8	10.8
EXOTIC Food*	XO TB	320	(1.7)	(1.9)	18.5	13.9	37.7	28.8	5.0	4.2	10.8	10.3
Food average		3,705	(1,654.9)	14.9	17.2	14.4	22.1	21.9	3.5	3.2	5.7	5.9
Total average		8,875	(53.6)	10.8	18.3	15.9	22.8	22.8	3.9	3.6	5.3	5.5

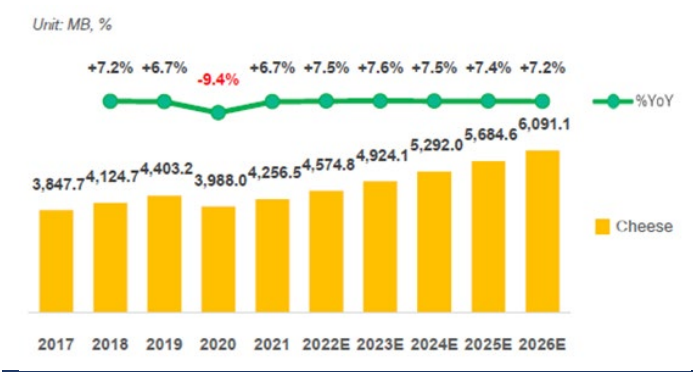
Sources: *Bloomberg consensus, FSSIA estimates

Exhibit 3: 2024 New Product Highlights



Source: KCG

Exhibit 4: คาดการณ์มูลค่ายอดขายของตลาดเนยและการเติบโตของไทย



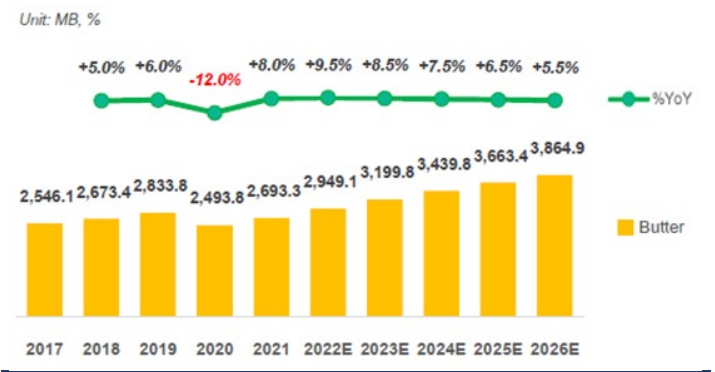
Sources: Euromonitor, KCG

Exhibit 6: B2C Innovation/Health/Convenience



Source: KCG

Exhibit 5: คาดการณ์มูลค่ายอดขายของตลาดชีสและการเติบโตของไทย



Sources: Euromonitor, KCG

Exhibit 7: B2B Products: Solution Provider



Source: KCG

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)	(5,659)	(6,508)	(7,484)
Gross profit	1,766	2,146	2,483	2,856	3,284
Other operating income	0	0	0	0	0
Operating costs	(1,475)	(1,728)	(1,987)	(2,285)	(2,628)
Operating EBITDA	476	599	694	778	871
Depreciation	(185)	(181)	(197)	(207)	(214)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	291	418	497	571	657
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	489	564	650
Tax	(74)	(80)	(101)	(117)	(136)
Profit after tax	241	306	388	447	514
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	388	447	514
Non-recurring items & goodwill (net)	(42)	(13)	(19)	(19)	(19)
Recurring net profit	199	293	369	428	495
Per share (THB)					
Recurring EPS *	0.51	0.54	0.68	0.79	0.91
Reported EPS	0.62	0.56	0.71	0.82	0.94
DPS	1.35	0.30	0.36	0.41	0.47
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	15.8	12.2	11.9
Operating EBIT (%)	(29.9)	43.5	18.8	15.0	15.0
Recurring EPS (%)	(34.2)	5.3	25.8	16.1	15.7
Reported EPS (%)	(20.5)	(9.3)	26.9	15.3	15.0
Operating performance					
Gross margin inc. depreciation (%)	28.7	30.0	30.5	30.5	30.5
Gross margin exc. depreciation (%)	31.7	32.5	32.9	32.7	32.5
Operating EBITDA margin (%)	7.7	8.4	8.5	8.3	8.1
Operating EBIT margin (%)	4.7	5.8	6.1	6.1	6.1
Net margin (%)	3.2	4.1	4.5	4.6	4.6
Effective tax rate (%)	27.0	21.5	21.5	21.5	21.5
Dividend payout on recurring profit (%)	263.5	55.8	52.6	52.2	51.9
Interest cover (X)	6.2	5.7	6.9	7.8	8.9
Inventory days	108.7	106.5	86.1	74.6	64.7
Debtor days	72.5	74.6	77.8	77.4	77.4
Creditor days	97.7	79.9	69.5	68.7	68.5
Operating ROIC (%)	6.6	8.3	8.9	10.0	11.4
ROIC (%)	6.8	8.4	9.4	10.4	11.6
ROE (%)	14.9	15.1	13.2	14.1	15.0
ROA (%)	4.7	6.2	7.1	7.6	8.0
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
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	369	428	495
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)	(80)	(118)	(120)
Cash flow from operations	168	41	486	517	589
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)	(194)	(224)	(257)
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	(176)	(202)	(235)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	42	13	19	19	19
Net other adjustments	42	13	19	19	19
Movement in cash	21	(40)	50	181	219
Free cash flow to firm (FCFF)	(646.65)	(153.89)	287.79	443.52	514.59
Free cash flow to equity (FCFE)	569.66	(1,244.50)	219.39	379.32	450.93
Per share (THB)					
FCFF per share	(1.19)	(0.28)	0.53	0.81	0.94
FCFE per share	1.05	(2.28)	0.40	0.70	0.83
Recurring cash flow per share	0.98	0.87	1.04	1.17	1.30
Balance Sheet (THB m) Year Ending Dec					
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	384	565	784
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	3,589	4,057	4,607
Other assets	326	210	239	275	316
Total assets	5,540	5,871	6,260	6,707	7,234
Common equity	1,184	2,695	2,913	3,162	3,444
Minorities etc.	0	0	0	0	0
Total shareholders' equity	1,184	2,695	2,913	3,162	3,444
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	1,103	1,268	1,459
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	3,077	3,246	3,457
Total liabilities and shareholders' equity	5,540	5,872	6,261	6,708	7,235
Net working capital	1,738	1,929	2,009	2,126	2,246
Invested capital	3,946	4,493	4,680	4,776	4,874
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	3.03	4.94	5.35	5.80	6.32
Tangible book value per share	3.03	4.94	5.35	5.80	6.32
Financial strength					
Net debt/equity (%)	219.2	59.8	53.3	43.3	33.3
Net debt/total assets (%)	46.8	27.4	24.8	20.4	15.9
Current ratio (x)	0.9	1.1	1.2	1.2	1.3
CF interest cover (x)	11.8	(14.6)	3.7	5.7	6.6
Valuation					
Recurring P/E (x) *	20.2	19.2	15.2	13.1	11.3
Recurring P/E @ target price (x) *	25.5	24.2	19.2	16.6	14.3
Reported P/E (x)	16.7	18.4	14.5	12.6	10.9
Dividend yield (%)	13.1	2.9	3.5	4.0	4.6
Price/book (x)	3.4	2.1	1.9	1.8	1.6
Price/tangible book (x)	3.4	2.1	1.9	1.8	1.6
EV/EBITDA (x) **	13.9	12.1	10.3	9.0	7.8
EV/EBITDA @ target price (x) **	16.1	14.5	12.5	10.9	9.5
EV/invested capital (x)	1.7	1.6	1.5	1.5	1.4
* 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 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

Songklod Wongchai FSS International Investment Advisory Securities Co., Ltd

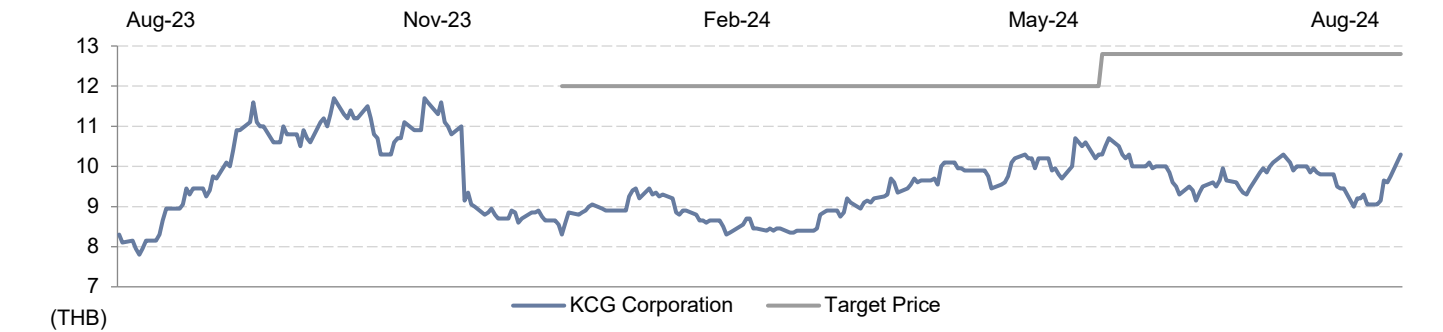
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

KCG Corporation (KCG TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
12-Dec-2023	BUY	12.00	21-May-2024	BUY	12.80	-	-	-

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 10.30	BUY	1) ราคาวัตถุดิบปรับขึ้นมากกว่าคาด 2) ค่าเงินบาทอ่อนค่าจะกระทบต่อต้นทุนนำเข้าสินค้าและวัตถุดิบที่สูงขึ้น 3) แผนการขยายกำลังผลิตไม่เป็นไปตามแผน

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 19-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.