

THAI FOODS GROUP
THAILAND / FOOD & BEVERAGE

TFG TB

BUY

UNCHANGED

Valuation ยังอยู่ในระดับที่น่าสนใจ

- คาดกำไร 3Q24 จะโต q-q และ y-y และทำสถิติสูงสุดในรอบ 8 ไตรมาส
- ราคาเนื้อสัตว์ในช่วง 4QTD กำลังเริ่มลดลง q-q เรามีมุมมองที่ Conservative มากขึ้นเกี่ยวกับแนวโน้มราคาสัตว์ในปี 2025
- ปรับราคาเป้าหมายเป็นปี 2025 ที่ 5.2 บาทหลังลด P/E เป้าหมายเพื่อสะท้อนอัตราการเติบโตที่ลดลงหลังรวมปัจจัยในด้าน ESG

TARGET PRICE	THB5.20
CLOSE	THB4.12
UP/DOWNSIDE	+26.2%
PRIOR TP	THB5.90
CHANGE IN TP	-11.9%
TP vs CONSENSUS	-7.6%

KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	55,871	62,854	66,405	70,172
Net profit	(809)	3,055	3,142	3,428
EPS (THB)	(0.14)	0.50	0.47	0.51
vs Consensus (%)	-	17.1	(1.1)	(1.5)
EBITDA	5,287	9,264	9,643	10,064
Recurring net profit	(496)	3,055	3,142	3,428
Core EPS (THB)	(0.09)	0.50	0.47	0.51
Chg. In EPS est. (%)	nm	-	(2.1)	(2.6)
EPS growth (%)	nm	nm	(6.0)	9.1
Core P/E (x)	(48.2)	8.3	8.9	8.1
Dividend yield (%)	0.7	5.4	5.1	5.5
EV/EBITDA (x)	9.2	5.3	5.1	4.6
Price/book (x)	1.7	1.6	1.5	1.4
Net debt/Equity (%)	179.5	147.1	115.1	95.6
ROE (%)	(3.4)	20.7	18.5	18.1

คาดการณ์กำไร 3Q24 จะแตะระดับสูงสุดในรอบ 8 ไตรมาส

เรคาดกำไรสุทธิ 3Q24 อยู่ที่ 1.27 พัน ลบ. (+49% q-q, พลิกจากที่เคยขาดทุนใน 3Q23) จากราคาเนื้อสัตว์ที่สูงขึ้นหลังราคาขายหมูไทยเฉลี่ยสูงขึ้น 3% q-q และ 6% y-y ในขณะที่ราคาหมูเวียดนามและไก่ไทยทรงตัว q-q สอดคล้องกับราคาลดลง เราคาดว่าปริมาณขายจะปรับขึ้นในอัตราที่สูงกว่าราคาอย่างมีนัยสำคัญโดยได้ปัจจัยหนุนจากการฟื้นตัวของยอดขายไก่ในประเทศและส่งออกรวมถึงยอดขายที่โตในเวียดนามจากความสามารถในการเลี้ยงที่สูงขึ้น นอกจากนี้รายได้จากธุรกิจค้าปลีกก็จะโต 7.9% q-q และ 35% y-y หลังเปิด 15 สาขาใหม่ซึ่งทำให้ตัวเลขสาขาเพิ่มเป็น 379 ณ ตอนสิ้นไตรมาส 3Q24

รายได้และอัตรากำไรขั้นต้นดูสดใสใน 3Q

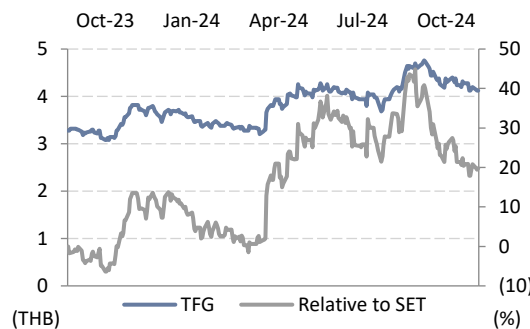
เรคาดว่ารายได้รวมใน 3Q24 จะโต 8% q-q และ 20% y-y เนื่องจากต้นทุนวัตถุดิบลดลงต่อเนื่องเรคาดว่าอัตรากำไรขั้นต้นจะอยู่ที่ 15.5% สูงที่สุดในรอบ 7 ไตรมาส อย่างไรก็ตาม ภาษีมูลค่าเพิ่มจะทรงตัวในระดับสูงจากการขยายธุรกิจค้าปลีกอย่างต่อเนื่องโดยคาดว่าจะมีส่วนค่าใช้จ่ายการขายและบริหารต่อยอดขายจะทรงตัวที่ 6.6% ใกล้กับในไตรมาส 2Q24

ราคาเนื้อสัตว์ในช่วง 4QTD กำลังเริ่มลดลงจาก Low season

กำไร 4Q24 มีแนวโน้มลดลง q-q จากปัจจัยด้านฤดูกาลพร้อมปริมาณขายที่คาดว่าจะลดลง ราคาไก่เฉลี่ยในช่วง 4QTD อยู่ที่ 39 บาท/กก. (-10% q-q) และราคาไก่ลดลงต่อเนื่องเป็น 36-37 บาท/กก. ในปัจจุบัน (จากข้อมูลของกรมการค้าภายใน กระทรวงพาณิชย์) ในขณะที่ราคาหมูไทยยังทรงตัวที่ 71-72 บาท/กก. เรคาดประมาณการกำไรสุทธิปี 2024 ของเราที่ 3.1 พัน ลบ. โดยคาดว่าจะฟื้นตัวจากที่เคยขาดทุนในปี 2023

ปรับลด P/E เป้าหมายเพื่อสะท้อนราคาสัตว์และ ESG

เรามีมุมมองที่ระมัดระวังมากขึ้นเกี่ยวกับแนวโน้มราคาสัตว์ในปี 2025 เนื่องจากปริมาณการเลี้ยงเพิ่มต่อเนื่องในขณะที่ราคาวัตถุดิบยังอยู่ในระดับต่ำ ดังนั้นเราจึงปรับลดสมมติฐานราคาสัตว์ในปี 2025-26 ของเราลงเฉลี่ย 3-4% เราปรับลดประมาณการกำไรสุทธิปี 2025 ลง 2% เหลือ 3.14 พัน ลบ. (+3% y-y) เรายังคาดว่าธุรกิจค้าปลีกจะช่วยหนุนการเติบโตอย่างต่อเนื่องโดยคาดสัดส่วนรายได้จะเพิ่มเป็น 40% ของรายได้รวมจาก 37% ใน 2024 เราปรับราคาเป้าหมายเป็นปี 2025 ที่ 5.2 บาท (รวมผลกระทบจากหุ้นที่เพิ่มขึ้นแล้ว) หลังปรับลด P/E เป้าหมายเป็น 11x จาก 14x เพื่อสะท้อนอัตราการเติบโตที่ลดลงและมุมมองของเราเกี่ยวกับความเสี่ยงในด้าน ESG แม้ว่าปัจจัยบวกกำลังหมดไป TFG ยังมี Valuation ในระดับที่น่าสนใจโดยมีการซื้อขายที่ค่า 2025E P/E ที่เพียง 9x



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(1.4)	3.5	24.8
Relative to country (%)	(1.3)	(6.4)	20.4
Mkt cap (USD m)	691		
3m avg. daily turnover (USD m)	1.1		
Free float (%)	16		
Major shareholder	New Star Victor Co Ltd (32%)		
12m high/low (THB)	4.84/3.04		
Issued shares (m)	5,810.82		

Sources: Bloomberg consensus; FSSIA estimates



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บทวิเคราะห์ฉบับนี้แปลมาจากต้นฉบับภาษาอังกฤษ ที่ออกรายงานเมื่อวันที่ 31 ตุลาคม 2024

Investment thesis

TFG is one of Thailand's top three chicken processors and live pig farmers, with a daily production capacity of 500,000 chickens and a monthly supply of over 100,000 hogs.

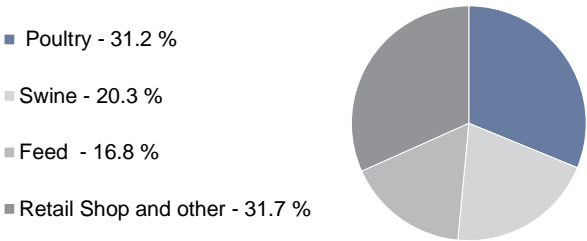
We maintain our bullish view of the 2024 growth outlook. Specifically, we anticipate a profit turnaround due to a meat price recovery, particularly pig prices in Thailand, which have recovered close to rising costs. Besides the easing of the illegal pork trade, TFG has also benefited from decreased raw material costs, such as for maize and soybean meal, after their output increased. The broiler unit should also improve, in line with exports, while domestic chicken price increases should follow after pigs.

Company profile

Thai Foods Group (TFG) was established in 1987 by Mr. Winai Teawsomboonkij, who currently serves as CEO. It started from a chicken farm in Lopburi before expanding to a vertically integrated food producer specializing in chicken and swine production, with operations in Thailand and Vietnam. Also, it expanded more into downstream businesses by entering the retail market through retail shops. In 2023, the revenue mix from poultry, swine, retail, and feed was 31%/20%/31%/17%, respectively.

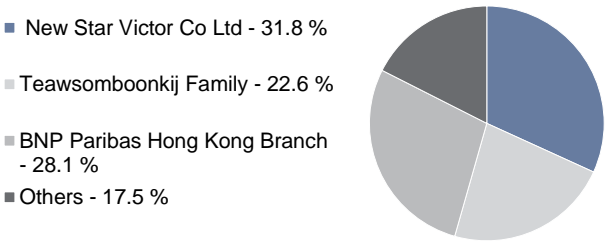
www.tfg.co.th

Principal activities (revenue, 2023)



Source: Thai Foods Group

Major shareholders



Source: Thai Foods Group

Catalysts

Potential catalysts for TFG’s earnings growth in 2024-25 are 1) revenue growth driven by sales volumes; 2) higher-than-expected meat prices; 3) declining raw material costs; and 4) its new Thai Foods Fresh Market store expansion.

Risks to our call

Downside risks to our P/E-based TP are 1) a slower-than-expected consumption recovery; 2) a potential rise in meat and raw material prices; and 3) a stronger-than-expected THB against USD.

Event calendar

Date	Event
13 November 2024	3Q24 results announcement

Key assumptions

	2024E	2025E	2026E
TFG’s chicken asp (THB/kg)	58.0	55.7	56.0
TFG’s swine asp (THB/kg)	68.0	68.0	68.0
Total sales growth (%)	12.5	5.6	5.7
Gross margin (%)	13.2	13.0	13.0
SG&A to sales (%)	6.9	6.8	6.8

Source: FSSIA estimates

Earnings sensitivity

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

Source: FSSIA estimates

Exhibit 1: Changes in key assumptions for TFG

	Current			Previous			Change		
	2024E (THB m)	2025E (THB m)	2026E (THB m)	2024E (THB m)	2025E (THB m)	2026E (THB m)	2024E (%)	2025E (%)	2026E (%)
Total revenue	62,854	66,405	70,172	62,854	67,526	71,249	0.0	(1.7)	(1.5)
Costs	54,558	57,773	61,050	54,558	58,748	61,986	0.0	(1.7)	(1.5)
Gross profit	8,297	8,633	9,122	8,297	8,778	9,262	0.0	(1.7)	(1.5)
SG&A expenses	4,337	4,516	4,772	4,337	4,592	4,845	0.0	(1.7)	(1.5)
Reported net profit	3,055	3,142	3,428	3,055	3,211	3,520	0.0	(2.1)	(2.6)
Core profit	3,055	3,142	3,428	3,055	3,211	3,520	0.0	(2.1)	(2.6)
Key ratios (%)									
Total revenue growth (%)	12.5	5.6	5.7	12.5	7.4	5.5			
Net profit growth (%)	nm	2.9	9.1	nm	5.1	9.6			
Core profit growth (%)	nm	2.9	9.1	nm	5.1	9.6			
Gross margin									
SG&A to sales	13.2	13.0	13.0	13.2	13.0	13.0	0.0	0.0	0.0
Net margin	6.9	6.8	6.8	6.9	6.8	6.8	0.0	0.0	0.0
Core margin	4.9	4.7	4.9	4.9	4.8	4.9	0.0	(0.0)	(0.1)
	4.9	4.7	4.9	4.9	4.8	4.9	0.0	(0.0)	(0.1)
Operating statistics (THB/kg)									
TFG's chicken ASP									
TFG's swine ASP	58.0	55.7	56.0	58.0	58.0	58.0	0.0	(4.0)	(3.4)
Corn	68.0	68.0	68.0	68.0	70.0	70.0	0.0	(2.9)	(2.9)
Soybean meal	11.5	11.0	10.5	11.5	11.0	10.5	0.0	0.0	0.0
	21.0	20.0	19.0	21.0	20.0	19.0	0.0	0.0	0.0
Retail shop stores (no.)									
Retail shop sales (THB m)	450	550	650	450	550	650	0.0	0.0	0.0

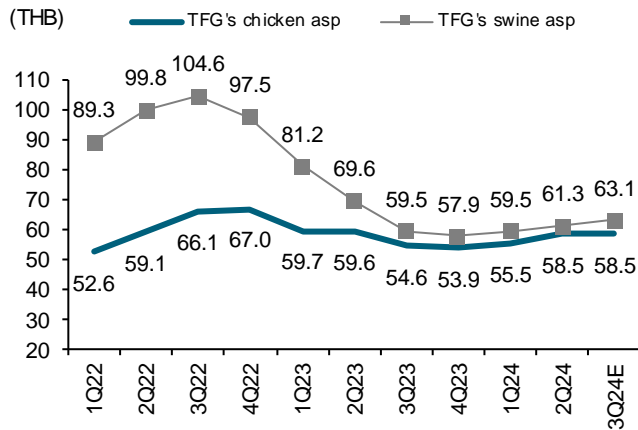
Source: FSSIA estimates

Exhibit 2: TFG – 3Q24 earnings preview

	3Q23 (THB m)	4Q23 (THB m)	1Q24 (THB m)	2Q24 (THB m)	3Q24E (THB m)	Change		9M24E (THB m)	Change (y-y%)	2024E (THB m)	Change (y-y%)	% 9M24E to 2024E
						(q-q%)	(y-y%)					
Sales	14,081	14,550	14,998	15,639	16,897	8.0	20.0	47,535	15.0	62,854	12.5	75.6
Cost of sales	13,457	14,427	13,712	13,382	14,278	6.7	6.1	41,372	9.9	54,558	4.7	75.8
Gross profit	624	123	1,286	2,257	2,619	16.0	319.6	6,163	68.3	8,297	119.2	74.3
SG&A	782	1,182	1,008	1,026	1,115	8.7	42.7	3,149	26.2	4,337	17.9	72.6
Operating profit	(157)	(1059)	278	1,232	1,504	22.1	nm	3,014	158.4	3,960	3596.6	76.1
Interest expense	322	178	270	264	265	0.2	(17.6)	800	(15.2)	1,132	1.0	70.6
Tax expense	(112)	(170)	(13)	(11)	96	nm	nm	71	(23.3)	128	nm	55.5
Other gain (loss)	(178)	111	82	(242)	20	nm	nm	(140)	nm	0	nm	nm
Reported net profit	(446)	(861)	174	855	1,274	49.0	nm	2,302	4,671.4	3,055	nm	75.4
Core profit	(268)	(972)	92	1,097	1,254	14.4	nm	2,442	416.9	3,055	nm	80.0
Key ratios (%)												
						(ppt)	(ppt)					
Gross margin	4.4	0.8	8.6	14.4	15.5	1.1	11.1	13.0	4.1	13.2	6.4	
SG&A to sales	5.6	8.1	6.7	6.6	6.6	0.0	1.0	6.6	0.6	6.9	0.3	
Operating margin	(1.1)	(7.3)	1.9	7.9	8.9	1.0	10.0	6.3	3.5	6.3	6.1	
Net margin	(3.2)	(5.9)	1.2	5.5	7.5	2.1	10.7	4.8	4.7	4.9	6.3	
Core margin	(1.9)	(6.7)	0.6	7.0	7.4	0.4	9.3	5.1	4.0	4.9	5.7	
Operating statistics (THB/kg)												
Domestic chicken price - TFG	54.6	53.9	55.5	58.5	58.5	0.1	7.1	57.5	(0.8)	58.0	1.8	
Domestic swine price - TFG	59.5	57.9	59.5	61.3	63.1	3.0	6.1	61.3	(12.5)	68.0	1.5	
Vietnam swine price (VND/kg)	57,023	47,082	53,400	64,055	65,000	1.5	14.0	60,818	12.3	60,613	15.9	
Corn price	11.7	10.4	10.4	10.9	12.5	14.4	6.8	11.3	(10.7)	11.5	(5.0)	
Soybean meal price	21.5	22.0	22.7	21.3	20.8	(2.2)	(3.3)	21.6	(6.0)	21.0	(7.5)	
Poultry sales (THB m)	4,340	4,106	4,449	4,191	4,678	11.6	7.8	13,318	0.0	17,536	0.7	75.9
Swine sales (THB m)	2,626	2,785	2,969	3,322	3,420	2.9	30.2	9,711	13.4	13,054	15.0	74.4
Feed sales (THB m)	2,414	2,143	2,075	2,254	2,462	9.2	2.0	6,792	(6.4)	8,641	(8.0)	78.6
Retail shop sale value (THB m)	4,642	5,464	5,438	5,807	6,267	7.9	35.0	17,512	45.6	23,394	33.7	74.9

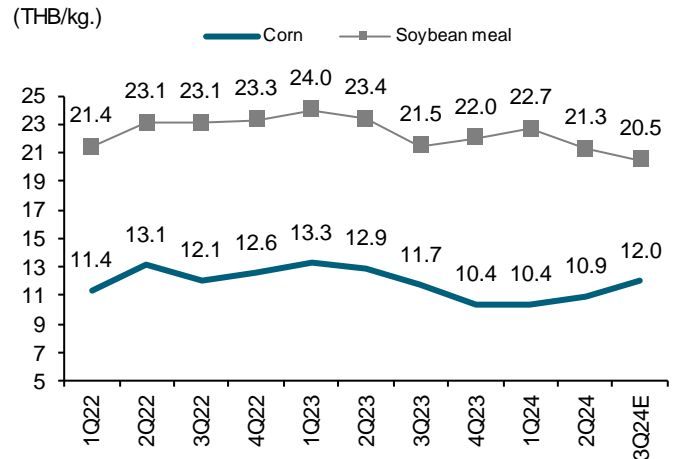
Sources: TFG, FSSIA estimates

Exhibit 3: TFG's quarterly meat prices



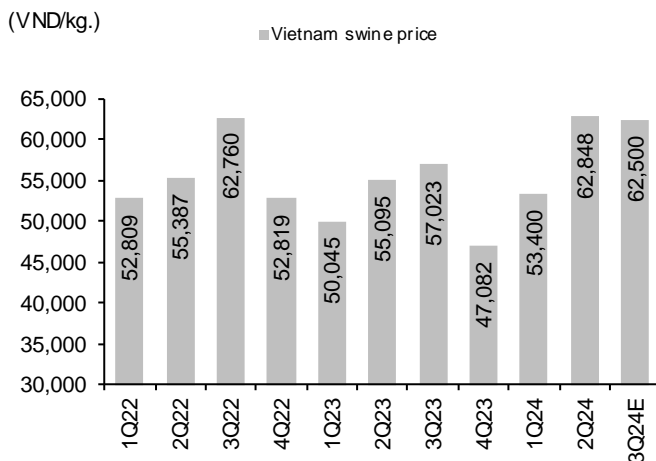
Sources: TFG, FSSIA estimates

Exhibit 4: Quarterly raw material prices



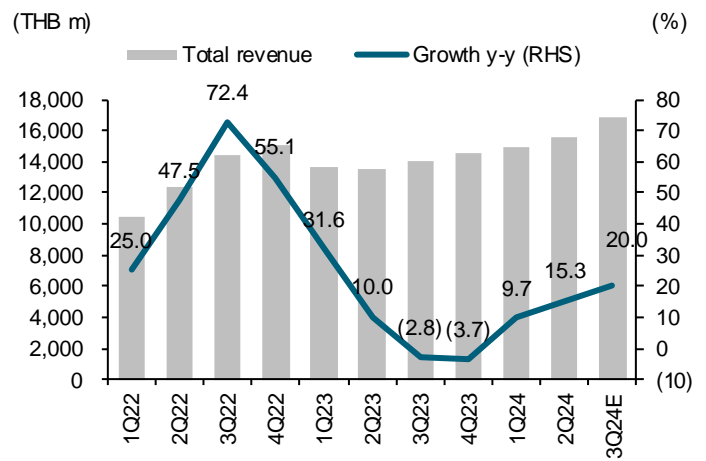
Sources: CPF, FSSIA estimates

Exhibit 5: Quarterly Vietnam swine price



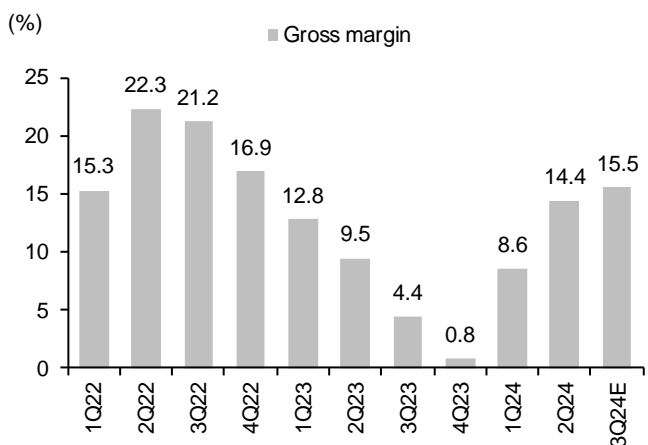
Sources: CPF, FSSIA estimates

Exhibit 6: Quarterly total revenue and growth



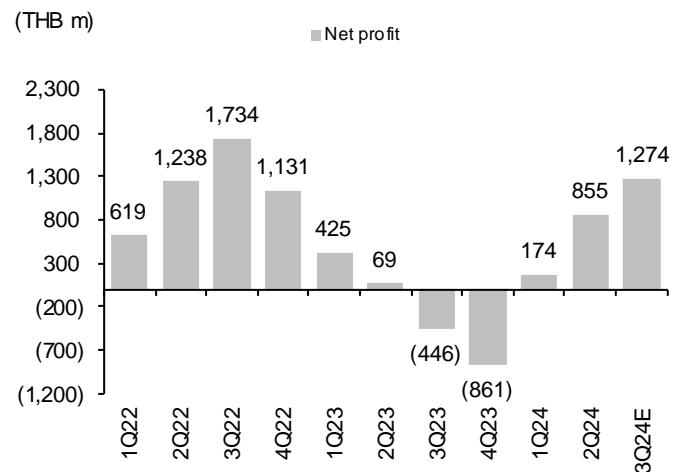
Sources: TFG, FSSIA estimates

Exhibit 7: Quarterly gross margin

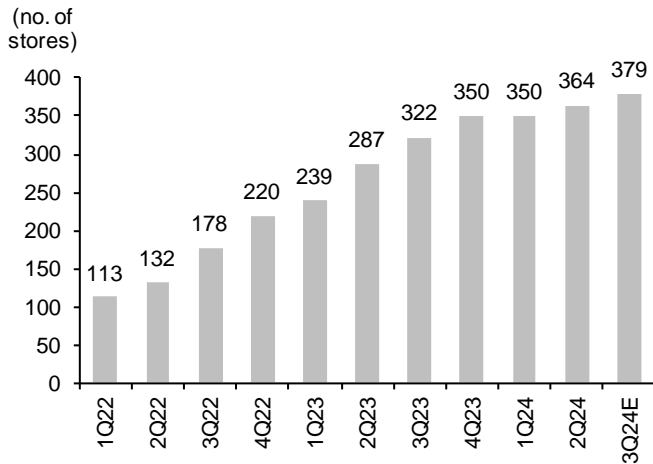


Sources: TFG, FSSIA estimates

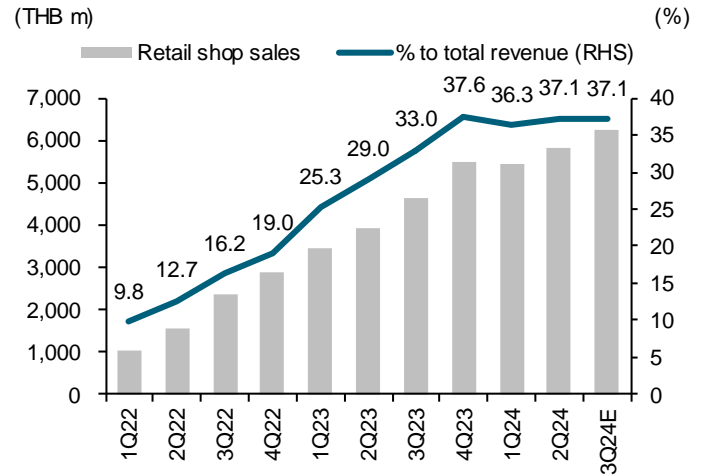
Exhibit 8: Quarterly net profit



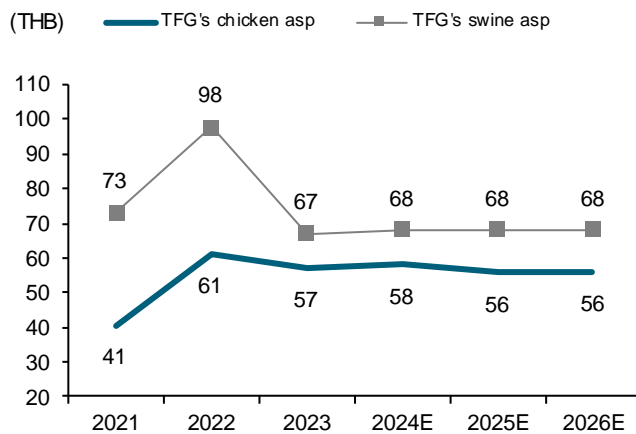
Sources: TFG, FSSIA estimates

Exhibit 9: Number of retail shops

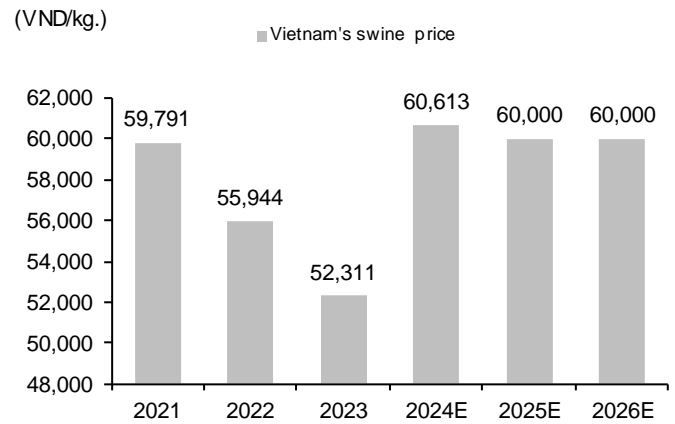
Sources: TFG, FSSIA estimates

Exhibit 10: Quarterly retail shop revenue

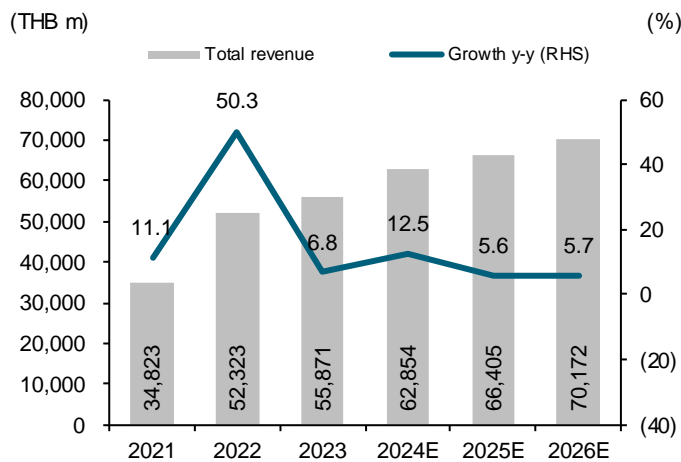
Sources: TFG, FSSIA estimates

Exhibit 11: TFG's yearly meat prices

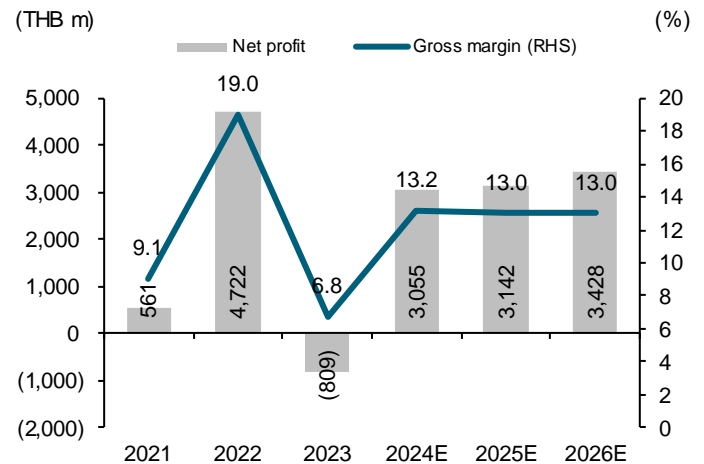
Sources: TFG, FSSIA estimates

Exhibit 12: Yearly Vietnam swine price

Sources: TFG, FSSIA estimates

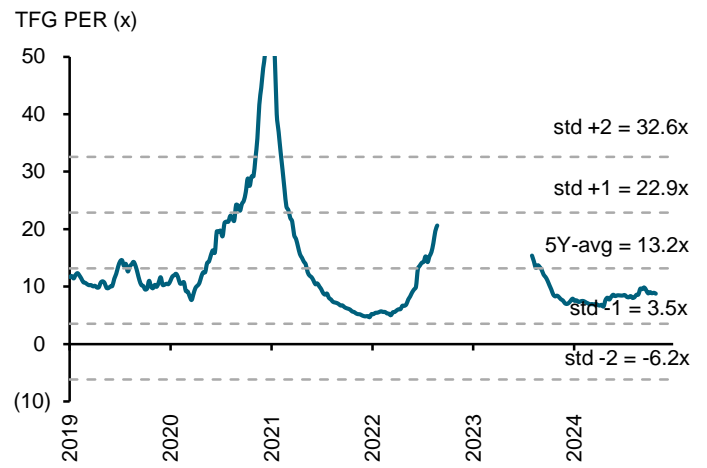
Exhibit 13: Yearly total revenue and growth

Sources: TFG, FSSIA estimates

Exhibit 14: Yearly net profit and gross margin

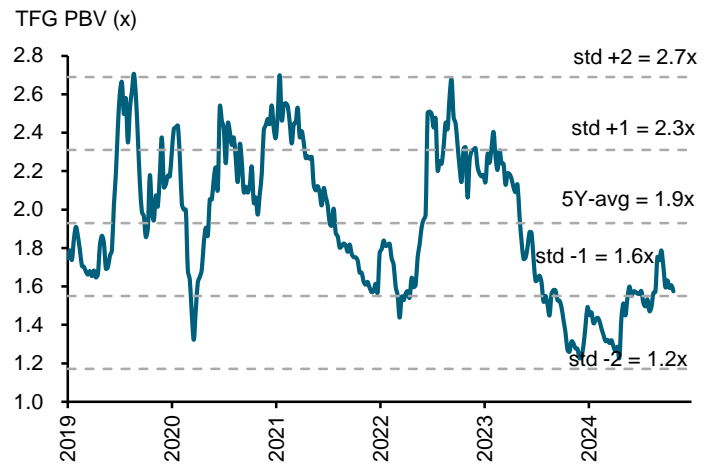
Sources: TFG, FSSIA estimates

Exhibit 15: Historical P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 16: Historical P/BV band



Sources: Bloomberg; FSSIA estimates

Financial Statements

Thai Foods Group

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	52,323	55,871	62,854	66,405	70,172
Cost of goods sold	(42,367)	(52,086)	(54,558)	(57,773)	(61,050)
Gross profit	9,956	3,785	8,297	8,633	9,122
Other operating income	369	453	377	398	386
Operating costs	(3,243)	(3,678)	(4,337)	(4,516)	(4,772)
Operating EBITDA	10,419	5,287	9,264	9,643	10,064
Depreciation	(3,337)	(4,727)	(4,927)	(5,127)	(5,327)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	7,082	560	4,337	4,516	4,737
Net financing costs	(845)	(1,117)	(1,132)	(1,032)	(944)
Associates	(9)	(20)	(35)	(7)	1
Recurring non-operating income	(9)	(20)	(35)	(7)	1
Non-recurring items	(657)	(313)	0	0	0
Profit before tax	5,571	(890)	3,170	3,477	3,793
Tax	(845)	77	(128)	(348)	(379)
Profit after tax	4,726	(813)	3,042	3,129	3,414
Minority interests	(4)	3	13	13	14
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
Reported net profit	4,722	(809)	3,055	3,142	3,428
Non-recurring items & goodwill (net)	657	313	0	0	0
Recurring net profit	5,379	(496)	3,055	3,142	3,428
Per share (THB)					
Recurring EPS *	0.95	(0.09)	0.50	0.47	0.51
Reported EPS	0.84	(0.14)	0.50	0.47	0.51
DPS	0.40	0.03	0.22	0.21	0.23
Diluted shares (used to calculate per share data)	5,654	5,811	6,168	6,749	6,749
Growth					
Revenue (%)	50.3	6.8	12.5	5.6	5.7
Operating EBITDA (%)	167.0	(49.3)	75.2	4.1	4.4
Operating EBIT (%)	379.5	(92.1)	674.9	4.1	4.9
Recurring EPS (%)	1,099.8	nm	nm	(6.0)	9.1
Reported EPS (%)	739.9	nm	nm	(6.0)	9.1
Operating performance					
Gross margin inc. depreciation (%)	19.0	6.8	13.2	13.0	13.0
Gross margin exc. depreciation (%)	25.4	15.2	21.0	20.7	20.6
Operating EBITDA margin (%)	19.9	9.5	14.7	14.5	14.3
Operating EBIT margin (%)	13.5	1.0	6.9	6.8	6.8
Net margin (%)	10.3	(0.9)	4.9	4.7	4.9
Effective tax rate (%)	15.2	8.7	4.0	10.0	10.0
Dividend payout on recurring profit (%)	42.0	(35.1)	45.0	45.0	45.0
Interest cover (X)	8.4	0.5	3.8	4.4	5.0
Inventory days	55.3	53.7	53.1	53.3	53.3
Debtor days	22.2	22.6	20.9	21.4	21.4
Creditor days	38.2	43.6	48.9	48.0	48.0
Operating ROIC (%)	18.5	1.4	10.9	11.3	12.0
ROIC (%)	16.0	1.1	8.8	9.1	9.6
ROE (%)	39.7	(3.4)	20.7	18.5	18.1
ROA (%)	14.9	0.8	8.3	8.2	8.6

* Pre-exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2022	2023	2024E	2025E	2026E
Poultry	23,298	17,421	17,536	17,676	18,653
Swine	12,457	11,349	13,054	13,061	13,453
Feed	8,533	9,397	8,641	8,900	9,167
Retail Shop and other	8,036	17,704	23,624	26,768	28,899

Sources: Thai Foods Group; FSSIA estimates

Financial Statements

Thai Foods Group

Cash Flow (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Recurring net profit	5,379	(496)	3,055	3,142	3,428
Depreciation	3,337	4,727	4,927	5,127	5,327
Associates & minorities	9	20	35	7	(1)
Other non-cash items	343	82	34	6	(1)
Change in working capital	(1,281)	1,421	(1,496)	(705)	(747)
Cash flow from operations	7,787	5,754	6,555	7,576	8,007
Capex - maintenance	(8,633)	(4,138)	(5,682)	(4,139)	(4,402)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	(34)	(19)	53	0	0
Other investments (net)	(1,854)	(2,266)	(343)	(332)	(376)
Cash flow from investing	(10,521)	(6,422)	(5,972)	(4,470)	(4,778)
Dividends paid	(797)	(1,815)	(1,375)	(1,414)	(1,543)
Equity finance	56	862	358	581	0
Debt finance	4,132	1,970	(1,496)	(2,175)	(1,904)
Other financing cash flows	20	78	89	36	38
Cash flow from financing	3,411	1,095	(2,424)	(2,972)	(3,409)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	1,643	102	203
Net other adjustments	0	0	1,643	102	203
Movement in cash	677	426	(199)	236	23
Free cash flow to firm (FCFF)	(1,888.67)	451.64	1,714.81	4,137.86	4,172.94
Free cash flow to equity (FCFE)	1,418.57	1,379.53	818.63	1,068.45	1,565.27
Per share (THB)					
FCFF per share	(0.33)	0.08	0.30	0.71	0.72
FCFE per share	0.24	0.24	0.14	0.18	0.27
Recurring cash flow per share	1.60	0.75	1.31	1.23	1.30
Balance Sheet (THB m) Year Ending Dec					
Tangible fixed assets (gross)	24,693	27,597	29,182	32,182	35,182
Less: Accumulated depreciation	(3,391)	(6,934)	(9,445)	(13,572)	(17,899)
Tangible fixed assets (net)	21,302	20,663	19,736	18,609	17,282
Intangible fixed assets (net)	213	232	179	179	179
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	605	1,092	1,092	1,092	1,092
Cash & equivalents	1,093	1,518	1,320	1,555	1,578
A/C receivable	3,531	3,398	3,788	4,003	4,230
Inventories	6,963	6,971	7,474	7,914	8,363
Other current assets	7,177	7,396	8,171	8,633	9,122
Current assets	18,764	19,284	20,753	22,105	23,293
Other assets	4,786	5,875	6,285	6,641	7,017
Total assets	45,670	47,146	48,045	48,625	48,863
Common equity	15,568	13,681	15,816	18,125	19,811
Minorities etc.	18	15	15	14	14
Total shareholders' equity	15,587	13,696	15,831	18,140	19,825
Long term debt	11,960	10,106	10,957	9,767	8,577
Other long-term liabilities	462	540	629	664	702
Long-term liabilities	12,422	10,646	11,586	10,431	9,279
A/C payable	4,733	6,584	6,726	7,123	7,527
Short term debt	12,370	15,998	13,651	12,666	11,952
Other current liabilities	557	222	251	266	281
Current liabilities	17,661	22,804	20,629	20,054	19,759
Total liabilities and shareholders' equity	45,670	47,146	48,045	48,625	48,863
Net working capital	12,381	10,960	12,456	13,161	13,908
Invested capital	39,287	38,821	39,748	39,681	39,478
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	2.75	2.35	2.56	2.69	2.94
Tangible book value per share	2.72	2.31	2.54	2.66	2.91
Financial strength					
Net debt/equity (%)	149.1	179.5	147.1	115.1	95.6
Net debt/total assets (%)	50.9	52.1	48.5	42.9	38.8
Current ratio (x)	1.1	0.8	1.0	1.1	1.2
CF interest cover (x)	2.7	2.2	1.7	2.0	2.7
Valuation					
Recurring P/E (x) *	4.3	(48.2)	8.3	8.9	8.1
Recurring P/E @ target price (x) *	5.5	(60.9)	10.5	11.2	10.2
Reported P/E (x)	4.9	(29.6)	8.3	8.9	8.1
Dividend yield (%)	9.7	0.7	5.4	5.1	5.5
Price/book (x)	1.5	1.7	1.6	1.5	1.4
Price/tangible book (x)	1.5	1.8	1.6	1.5	1.4
EV/EBITDA (x) **	4.5	9.2	5.3	5.1	4.6
EV/EBITDA @ target price (x) **	5.1	10.4	6.0	5.8	5.4
EV/invested capital (x)	1.2	1.3	1.2	1.2	1.2
* Pre-exceptional, pre-goodwill and fully diluted ** EBITDA includes associate income and recurring non-operating income					

Sources: Thai Foods Group; FSSIA estimates

Disclaimer for ESG scoring

ESG score	Methodology	Rating																				
The Dow Jones Sustainability Indices (DJSI) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.	Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.																				
Sustainability Investment List (THSI) by The Stock Exchange of Thailand (SET)	THSI quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria include: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years.	To be eligible for THSI inclusion , verified data must be scored at a minimum of 50% for each indicator, unless the company is a part of DJSI during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality. SETTHSI Index is extended from the THSI companies whose 1) market capitalization > THB5b (~USD150b); 2) free float >20%; and 3) liquidity >0.5% of paid-up capital for at least 9 out of 12 months. The SETTHSI Index is a market capitalisation-weighted index, cap 5% quarterly weight at maximum, and no cap for number of stocks.																				
CG Score by Thai Institute of Directors Association (Thai IOD)	An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.	Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (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 Sustainabilitys	The Sustainabilitys' 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="2">Average:</td><td rowspan="2">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><td rowspan="2">Laggard:</td><td rowspan="2">lagging its industry based on its high exposure and failure to manage significant ESG risks</td></tr><tr><td>CCC</td><td>0.000-1.428</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	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks	CCC	0.000-1.428
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B	1.429-2.856	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks																			
CCC	0.000-1.428																					
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

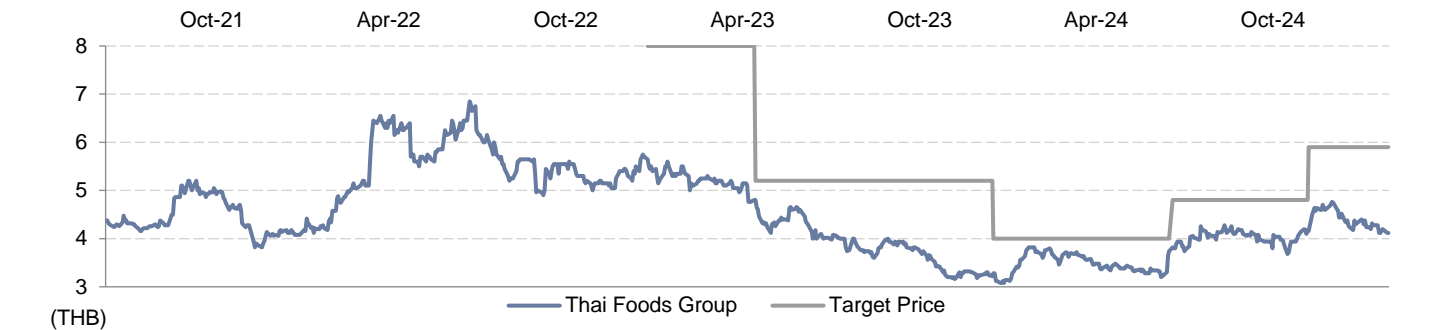
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

Thai Foods Group (TFG TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
03-Feb-2023	BUY	8.00	27-Nov-2023	HOLD	4.00	22-Aug-2024	BUY	5.90
08-May-2023	HOLD	5.20	26-Apr-2024	BUY	4.80			

Sureeporn Teewasuwet started covering this stock from 03-Feb-2023

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Thai Foods Group	TFG TB	THB 4.12	BUY	Downside risks to our P/E-based TP are 1) a slower-than-expected consumption recovery; 2) a potential rise in meat and raw material prices; 3) a stronger-than-expected THB against USD.

Source: FSSIA estimates

Additional Disclosures

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finansia Syrus Securities Public Company Limited.

All share prices are as at market close on 30-Oct-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.