

GFPT GFPT TB

THAILAND / AGRIBUSINESS

HOLD

UNCHANGED

TARGET PRICE	THB12.50
CLOSE	THB10.80
UP/DOWNSIDE	+15.7%
PRIOR TP	THB12.50
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	-13.3%

Lack of catalysts in the short term

- Domestic chicken prices started to decline in Sep, 4QTD live chicken prices are down by 9% and chicken carcass prices are down by 24%.
- We have a more cautious view on chicken prices in 2025.
- Maintain HOLD call with TP of THB12.5.

3Q24 profit performed well, but chicken prices starting to decline

GFPT's net profit for 3Q24 was THB542m (-7% q-q, +70% y-y). Excluding an FX gain and a derivative loss, its core profit was THB564m (flat q-q, +77% y-y), which was in line with our estimate. GFPT's core operations performed well, driven by an increased chicken export volume to 9,500 tonnes (+5.6% q-q, +44% y-y), combined with low costs that supported both revenue (+4.4% q-q, +6% y-y) and an improvement in the gross margin to 15.5%, up from 14.2% in 2Q24.

Profit sharing has decreased significantly

However, domestic chicken prices began to decline in September, impacting GFPT's associate, GFN, which saw its share of profit drop by 59% q-q. As a result, GFPT's share of profits from associates decreased by 26% q-q to THB206m (+85% y-y). Currently, domestic chicken prices in 4QTD are continuing to decrease, with live chicken prices down by 9% q-q and chicken carcass prices down by 24% q-q. We expect the 4Q24 export volume to decrease seasonally to 9,000 tonnes (-5.3% q-q), which suggests that 4Q24 profit will weaken q-q but still grow y-y.

More conservative view on chicken prices in 2025

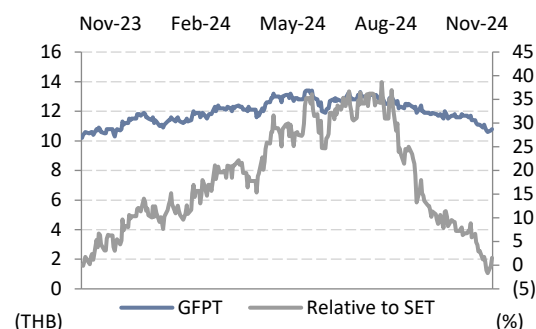
We have a more cautious view on chicken prices in 2025, with Thailand's production expected to increase by around 2-4% due to favorable prices in 2024. Meanwhile, the low cost of raw materials will likely keep chicken prices stable at a low level. Our forecast for the chicken price in 2025 is THB40/kg (-5% y-y). Upside risks to chicken prices include demand from exports and domestic consumption. However, if demand is weaker than expected, chicken prices could decline more than anticipated. Investors should continue to monitor chicken price movements.

Passing the peak profit in 2024, maintain HOLD call

We are looking past the peak profit in 2024 and expect a 23% decline in net profit for 2025 to THB1.56b. We maintain our 2025 TP at THB12.5, based on a P/E of 10x (-0.5 SD). Despite the lack of a catalyst from the slowing profit momentum and a sharp decline in short-term chicken prices, GFPT's stock currently trades at a 2025E P/E of only 8.7x. With its strong financial position (current ratio of 2x and a D/E ratio of just 0.34x), we recommend a HOLD rating.

KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	18,963	19,219	18,777	19,640
Net profit	1,377	2,026	1,564	1,660
EPS (THB)	1.10	1.62	1.25	1.32
vs Consensus (%)	-	3.2	(16.2)	(14.0)
EBITDA	2,577	3,045	2,888	3,037
Recurring net profit	1,377	2,026	1,564	1,660
Core EPS (THB)	1.10	1.62	1.25	1.32
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	(32.7)	47.2	(22.8)	6.2
Core P/E (x)	9.8	6.7	8.7	8.2
Dividend yield (%)	1.5	3.7	2.9	3.1
EV/EBITDA (x)	6.7	5.3	5.4	4.7
Price/book (x)	0.8	0.7	0.7	0.6
Net debt/Equity (%)	20.1	13.0	8.8	2.4
ROE (%)	8.1	11.0	7.9	7.9



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(6.9)	(13.6)	2.9
Relative to country (%)	(5.3)	(22.4)	(1.1)
Mkt cap (USD m)	389		
3m avg. daily turnover (USD m)	1.1		
Free float (%)	58		
Major shareholder	Sirimongkolkasem Family (52%)		
12m high/low (THB)	13.40/10.10		
Issued shares (m)	1,253.82		

Sources: Bloomberg consensus; FSSIA estimates


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Investment thesis

GFPT is doubling the capacity of its slaughterhouse from 150,000 to 300,000 chickens per day. It should begin operating from 2H24 onwards, partly to cope with the processing capacity expansion of its associate McKey. GFPT is also preparing to expand its processing plant to cope with export growth since it currently runs at a 100% utilization rate.

The situation for chicken exports in 2024 appears to be quite optimistic, supporting both the volume of exports of GFPT and its associates, such as GFN and McKey. However, we have relatively conservative assumptions for our 2025 net profit forecast, partly because we have started seeing price decreases in live chicken and chicken carcasses. We will also need to monitor the chicken price trends.

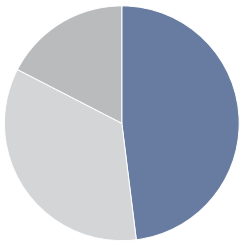
Company profile

GFPT operates a vertical, fully integrated poultry business covering feed production, grandparent farms, breeder farms, broiler farms, the production and distribution of chicken meat, cooked chicken products, and other chicken-related products under its own and customers’ brands for both domestic and export markets. In 2022, GFPT had a chicken processing capacity of 150,000 tonnes/year and a cooked chicken product capacity of 30,000 tonnes/year.

www.gfpt.co.th

Principal activities (revenue, 2023)

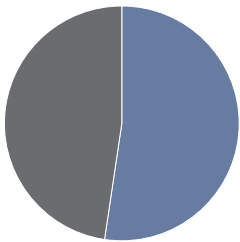
- Food - 48.0 %
- Farm - 34.5 %
- Feed - 17.4 %



Source: GFPT

Major shareholders

- Sirimongkolasem Family - 52.4 %
- Others - 47.7 %



Source: GFPT

Catalysts

Potential catalysts for GFPT’s earnings growth in 2024-25 are 1) chicken export volume growth; 2) a higher-than-expected chicken price; 3) the operation of a new slaughterhouse; and 4) lower raw material costs.

Risks to our call

Downside and upside risks to our P/E-based TP include 1) a slower or faster-than-expected consumption recovery; 2) a slower or faster-than-expected decrease in feed costs; 3) a stronger or weaker-than-expected THB; and 4) a minimum wage increase and/or a labour shortage.

Event calendar

Date	Event
February 2025	4Q24 results announcement

Key assumptions

	2024E	2025E	2026E
Live chicken price (THB/kg)	42.1	40.0	40.0
Chicken carcass price (THB/kg)	14.4	13.0	13.0
Total sales growth (%)	1.4	(2.3)	4.6
Gross margin (%)	13.9	12.7	12.8
SG&A to sales (%)	8.1	8.1	8.1

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in revenue, we estimate 2025 net profit to rise by 0.8%, and vice versa, all else being equal.
- For every 0.5% increase in GPM, we estimate 2025 net profit to rise by 4.1%, and vice versa, all else being equal.
- For every 0.5% increase in SG&A, we estimate 2025 net profit to fall by 3.8%, and vice versa, all else being equal.

Source: FSSIA estimates

3Q24 profit performed well, but chicken prices starting to decline

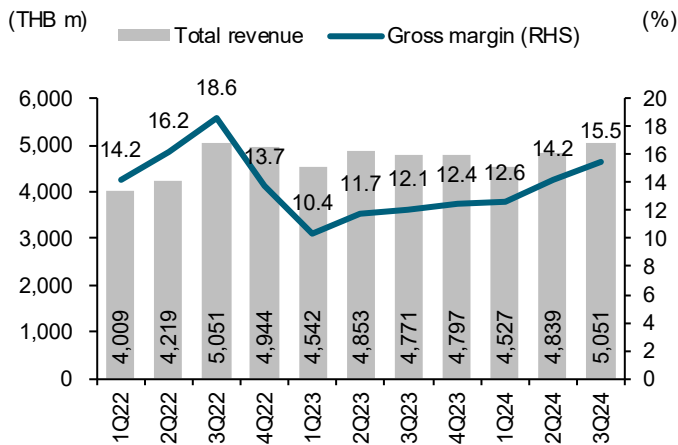
GFPT's net profit for 3Q24 was THB542m (-7% q-q, +70% y-y). Excluding an FX gain and a derivative loss, its core profit was THB564m (flat q-q, +77% y-y), which was in line with both our estimate and the market's expectations. GFPT's core operations performed well, with total revenue increasing by 4.4% q-q and 6% y-y, driven by a higher chicken export volume and low costs. This resulted in an improvement in the gross margin to 15.5%, up from 14.2% in 2Q24.

Negative factors included higher expenses, which rose 7% q-q and 9% y-y, mainly due to increased transportation costs. As a result, 3Q24 SG&A to sales increased to 8.2%, up from 7.9% in both 2Q24 and 3Q23. Additionally, GFPT's share of profits from associates decreased by 26% q-q to THB206m (+85% y-y), mainly due to a sharp 59% q-q drop in GFN's profit, which was impacted by the rapid decline in domestic chicken part prices. However, the share of profit from McKey remained strong.

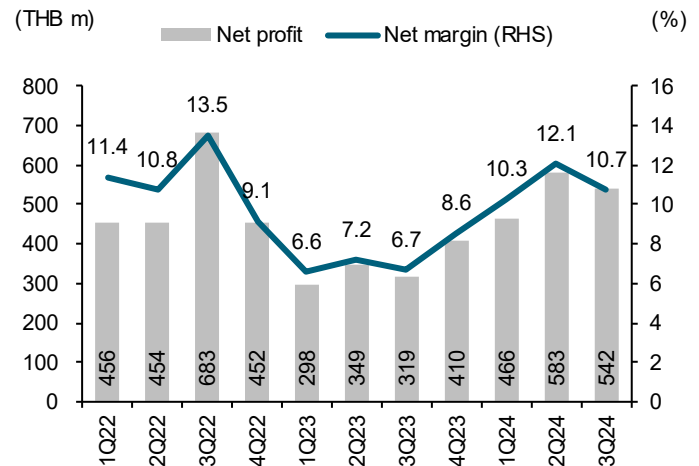
Exhibit 1: GFPT – 3Q24 earnings results

	3Q23	4Q23	1Q24	2Q24	3Q24	----- Change -----		9M24	Change	2024E	Change	% 9M24
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(y-y%)	(THB m)	(y-y%)	to 9M24E
Sales	4,771	4,797	4,527	4,839	5,051	4.4	5.9	14,416	1.8	19,219	1.4	75.0
Cost of sales	4,194	4,201	3,959	4,149	4,266	2.8	1.7	12,374	(1.4)	16,547	(1.2)	74.8
Gross profit	577	596	568	689	785	13.8	36.0	2,042	26.3	2,671	20.7	76.4
SG&A	378	378	369	384	413	7.4	9.3	1,166	4.3	1,557	4.1	74.9
Operating profit	199	218	199	305	372	21.8	86.5	876	75.2	1,115	55.3	78.6
Profit sharing	111	198	232	278	206	(25.7)	85.4	716	112.5	898	67.9	79.8
McKey	58	133	141	141	150	6.3	158.8	432	54.5	563	36.4	76.7
GFN	53	65	91	137	57	(58.6)	5.8	284	394.3	336	174.8	84.7
Interest expense	29	27	29	31	31	(1.9)	7.7	92	11.1	125	13.4	73.5
Tax expense	54	63	51	69	66	(4.3)	22.5	186	44.0	200	4.0	93.0
Other gain (loss)	1	8	25	21	(22)	nm	nm	24	(68.3)	0	nm	nm
Reported net profit	319	410	466	583	542	(7.1)	69.8	1,591	64.7	2,026	47.2	78.5
Core profit	318	403	441	562	564	0.4	77.4	1,566	76.1	2,026	56.8	77.3
Key ratios (%)						(ppt)	(ppt)					
Gross margin	12.1	12.4	12.6	14.2	15.5	1.3	3.4	14.2	2.7	13.9	2.2	
SG&A to sales	7.9	7.9	8.2	7.9	8.2	0.2	0.3	8.1	0.2	8.1	0.2	
Operating margin	4.2	4.5	4.4	6.3	7.4	1.1	3.2	6.1	2.5	5.8	2.0	
Net margin	6.7	8.6	10.3	12.1	10.7	(1.3)	4.0	11.0	4.2	10.5	3.3	
Core margin	6.7	8.4	9.7	11.6	11.2	(0.4)	4.5	10.9	4.6	10.5	3.7	
Operating statistics (THB/kg)												
Live chicken	40.3	37.8	42.5	44.0	43.0	(2.3)	6.6	43.2	6.7	42.1	6.7	
Chicken carcass	11.5	13.5	16.5	16.0	14.5	(9.4)	26.1	15.7	3.3	14.4	(2.7)	
Chicken export price (USD/tonne)	4,400	4,550	4,350	4,300	4,400	2.3	0.0	4,350	(4.4)	4,294	(5.6)	
Corn	11.7	10.5	10.4	11.1	11.8	6.3	0.9	11.1	(12.1)	10.9	(9.5)	
Soybean meal	20.6	21.2	21.4	20.7	19.3	(6.8)	(6.3)	20.5	(9.7)	20.4	(10.3)	
Chicken export volume (tonnes)	6,600	7,700	8,300	9,000	9,500	5.6	43.9	26,800	22.9	35,000	19.5	49.4
Indirect export volume (tonnes)	4,900	4,700	5,100	4,600	4,900	6.5	0.0	14,600	9.8	19,250	7.5	50.4
Chicken domestic volume (tonnes)	16,300	16,100	15,000	15,100	15,700	4.0	(3.7)	45,800	1.6	61,200	0.3	49.2

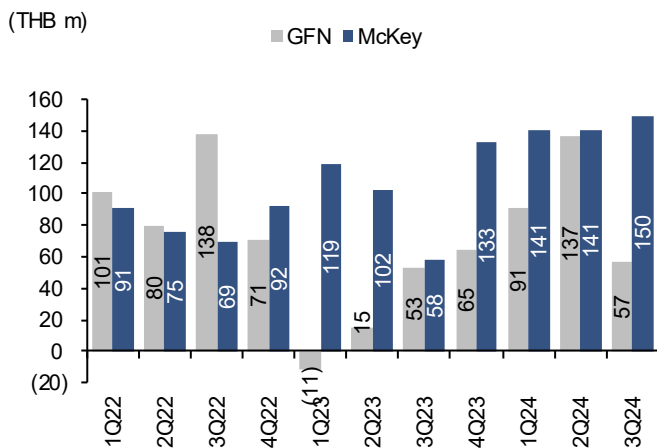
Sources: GFPT, FSSIA's compilation

Exhibit 2: Total revenue and gross margin

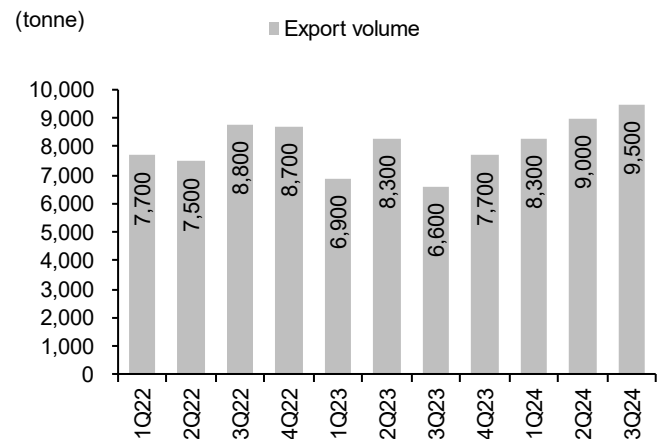
Sources: GFPT, FSSIA's compilation

Exhibit 3: Net profit and net margin

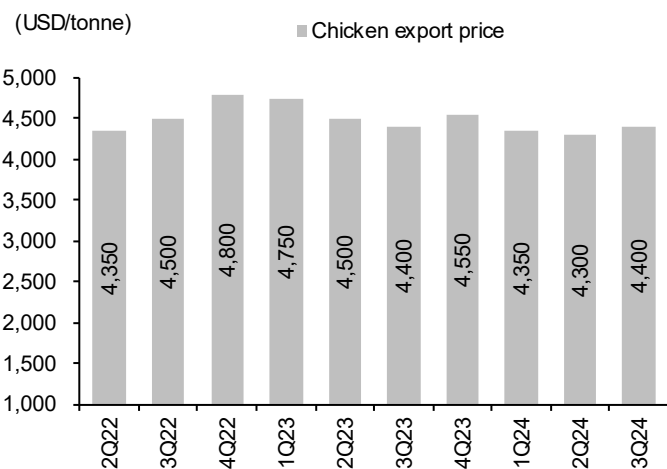
Sources: GFPT, FSSIA's compilation

Exhibit 4: Profit sharing from GFN and McKey

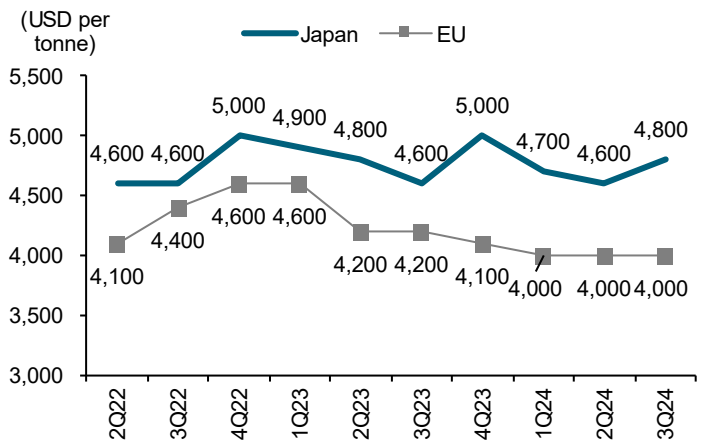
Sources: GFPT, FSSIA's compilation

Exhibit 5: Chicken export volumes

Sources: GFPT, FSSIA's compilation

Exhibit 6: Chicken export price (USD/tonne)

Sources: GFPT, FSSIA's compilation

Exhibit 7: Chicken export prices (USD/tonne)

Sources: GFPT, FSSIA's compilation

More conservative view on chicken prices in 2025

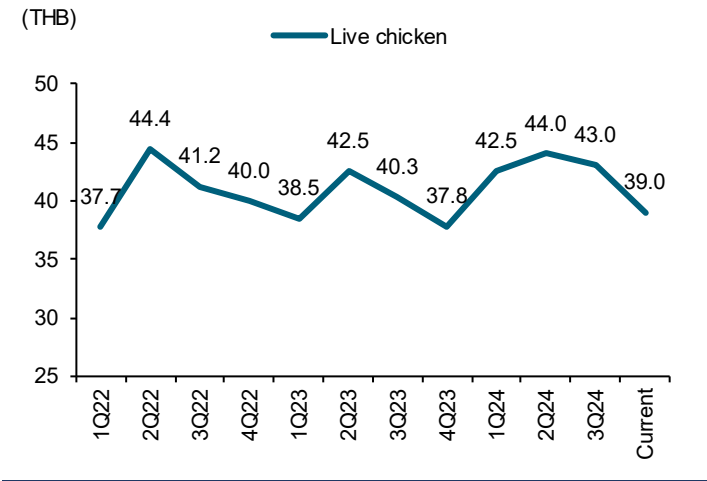
We have a more cautious view on the chicken prices in 2025, assuming that the domestic price of whole live chicken will be THB40/kg (-5% y-y). This price decrease is mainly due to two factors: 1) an increase in day-old-chick production across the country, expected to rise to around 37-38 million birds per week from 36-37 million birds per week in 2024, driven by favorable chicken prices in 2024, which led to an expansion in farming; and 2) we expect a slight decrease in raw material costs in 2025. We forecast that corn prices will remain low at THB10/kg, while soybean meal prices are expected to decrease by 2-4% to THB19-20/kg. Overall, we estimate the breakeven cost of raising chickens in 2025 to be THB37-38/kg, down by 5% y-y.

For 4QTD, the average price of live chicken has decreased to THB37-38/kg, from THB43/kg in 3Q24, which is close to the breakeven cost. We believe this price drop is likely temporary, as it coincides with the low season for exports and has also been impacted by flooding and the heavy rainfall in September and October, which resulted in a higher supply. Going forward, we expect chicken prices to increase in 1Q-2Q25, approaching our price assumption, but still at a level lower than in 1H24.

Although the export volume base for GFPT in 2024 is relatively high, we expect it to reach a new high of 35,900 tonnes (+22.5% y-y), driven by low inventory levels with European and Japanese customers, coupled with transportation issues, which have led to accelerated purchasing throughout 2024.

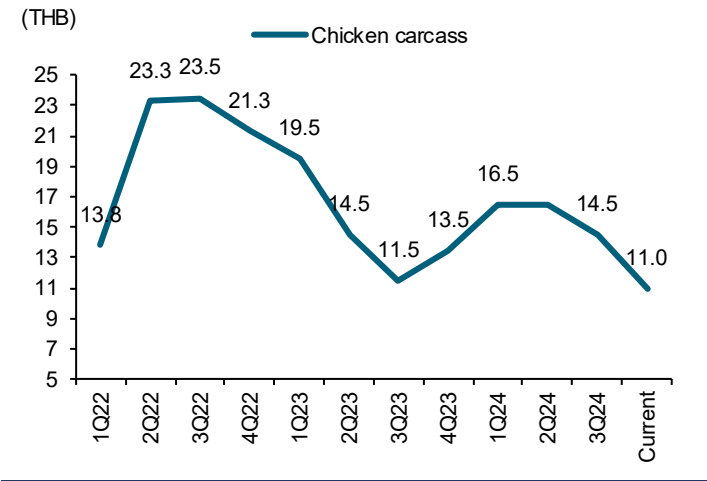
However, we expect export volumes in 2025 to remain stable at similar levels to 2024, in line with GFPT's target, which suggests that sales volumes should remain steady. Nevertheless, the company typically receives orders with a short lead time of around three months. If demand weakens more than expected, it could lead to a larger-than-expected decline in chicken prices. Investors should continue to monitor the movement of meat prices closely.

Exhibit 8: Domestic live chicken price (THB/kg)

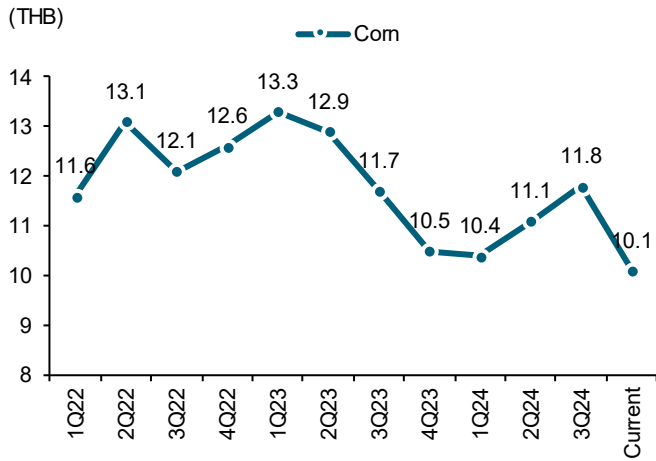


Sources: GFPT, FSSIA's compilation

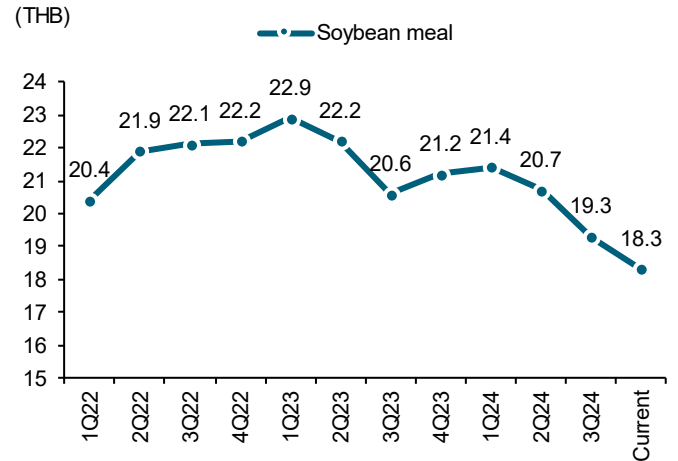
Exhibit 9: Domestic chicken carcass price (THB/kg)



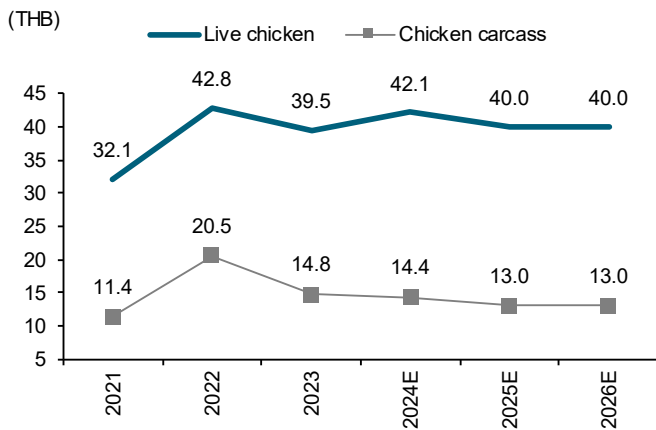
Sources: GFPT, FSSIA's compilation

Exhibit 10: Domestic corn price (THB/kg)

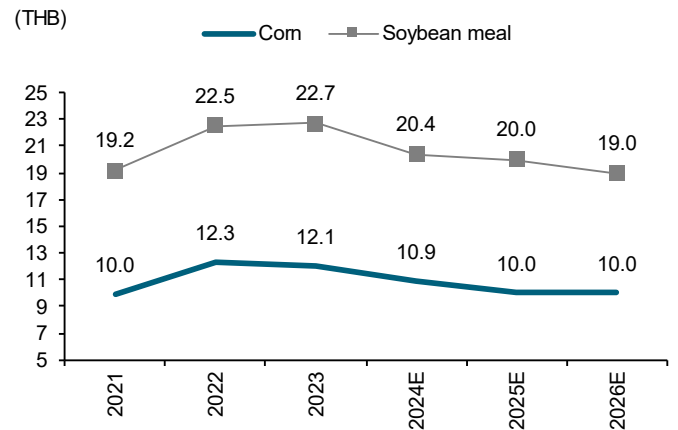
Sources: GFPT, FSSIA's compilation

Exhibit 11: Domestic soybean meal price (THB/kg)

Sources: GFPT, FSSIA's compilation

Exhibit 12: Yearly domestic chicken price (THB/kg)

Sources: GFPT, FSSIA estimates

Exhibit 13: Yearly raw material prices

Sources: GFPT, FSSIA estimates

Passing the peak profit in 2024, maintain HOLD call

We maintain the view that GFPT has likely passed its peak profit for this cycle in 3Q24. In the short term, we expect 4Q24 earnings to weaken seasonally, compounded by the decline in chicken prices in 4QTD, with live chicken prices down 9% q-q and chicken carcass prices down 24% q-q. We continue to forecast the 2024 net profit at THB2b (+47% y-y) and expect a 23% y-y decline in 2025 net profit to THB1.56b, mainly due to the expectation of lower chicken selling prices. As a result, we anticipate that the gross margin in 2025 may not be as strong as in 2024.

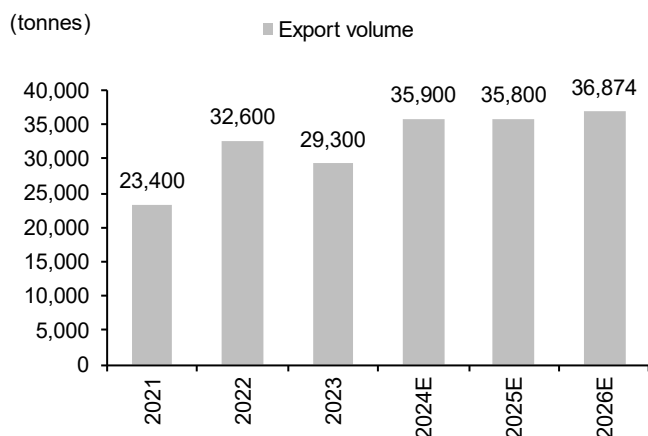
We maintain our 2025 target price at THB12.5, based on the same P/E multiple of 10x (-0.5 SD). Although GFPT's share price lacks a catalyst from the earnings momentum, which we expect to slow down in 2025, and chicken prices may decrease sharply in the short term, the stock is currently trading at a 2025E P/E of only 8.7x. Furthermore, GFPT has a strong financial position, with a current ratio of 2x and a low D/E ratio of 0.34x. Therefore, we recommend a HOLD rating.

Exhibit 14: Maintain key assumptions for GFPT

	Current			Growth		
	2024E (THB m)	2025E (THB m)	2026E (THB m)	2024E (%)	2025E (%)	2026E (%)
Total revenue	19,219	18,777	19,640	1.4	(2.3)	4.6
Costs	16,547	16,392	17,126	(1.2)	(0.9)	4.5
Gross profit	2,671	2,385	2,514	20.7	(10.7)	5.4
SG&A expenses	1,557	1,521	1,591	4.1	(2.3)	4.6
Profit sharing	898	657	687	67.9	(26.8)	4.6
Reported net profit	2,026	1,564	1,660	47.2	(22.8)	6.2
Core profit	2,026	1,564	1,660	56.8	(22.8)	6.2
Key ratios (%)						
Gross margin	13.9	12.7	12.8	2.2	(1.2)	0.1
SG&A to sales	8.1	8.1	8.1	0.2	0.0	0.0
Net margin	10.5	8.3	8.5	3.3	(2.2)	0.1
Operating statistics (THB/kg)						
Live chicken	42.1	40.0	40.0	6.7	(5.0)	0.0
Chicken carcass	14.4	13.0	13.0	(2.7)	(9.7)	0.0
Corn	10.9	10.0	10.0	(9.5)	(8.3)	0.0
Soybean meal	20.4	20.0	19.0	(10.3)	(2.0)	(5.0)

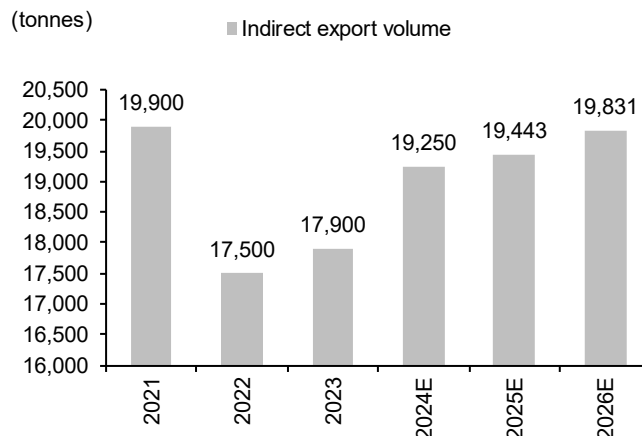
Source: FSSIA estimates

Exhibit 15: Yearly chicken export volume



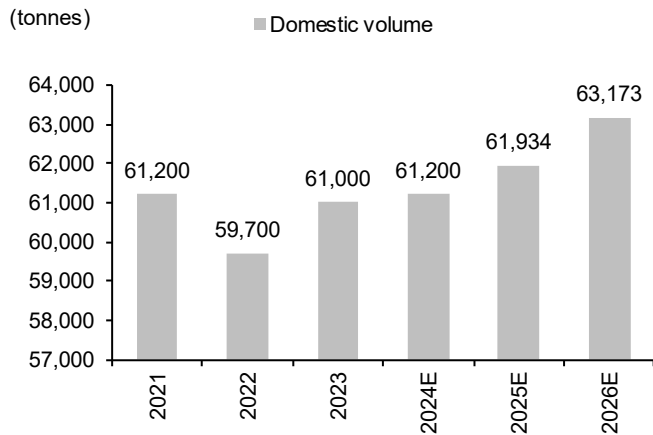
Sources: GFPT, FSSIA estimates

Exhibit 16: Yearly chicken indirect export volume



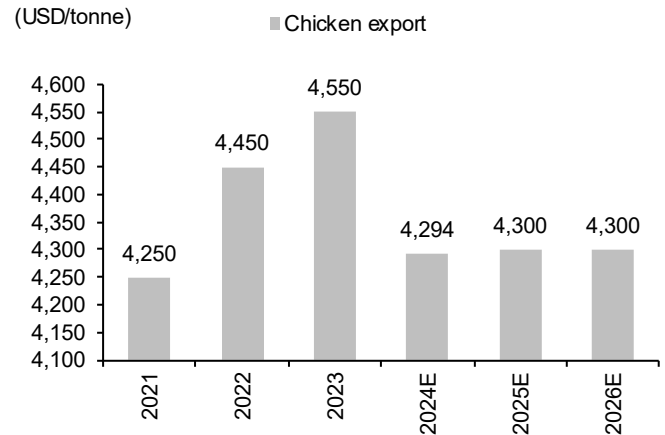
Sources: GFPT, FSSIA estimates

Exhibit 17: Yearly chicken domestic volume



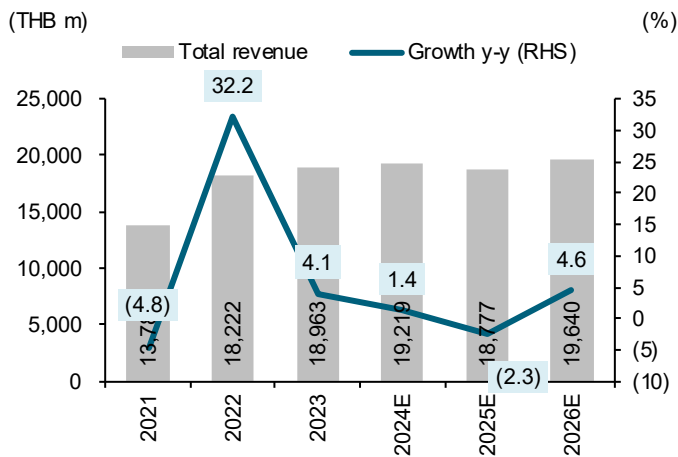
Sources: GFPT, FSSIA estimates

Exhibit 18: Yearly chicken export price



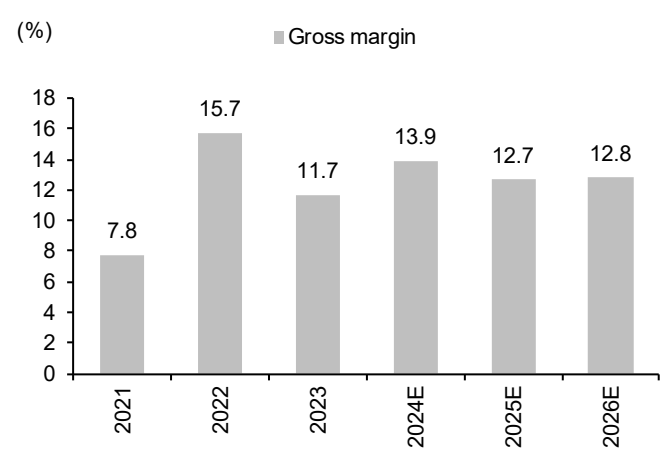
Sources: GFPT, FSSIA estimates

Exhibit 19: Yearly total revenue and growth



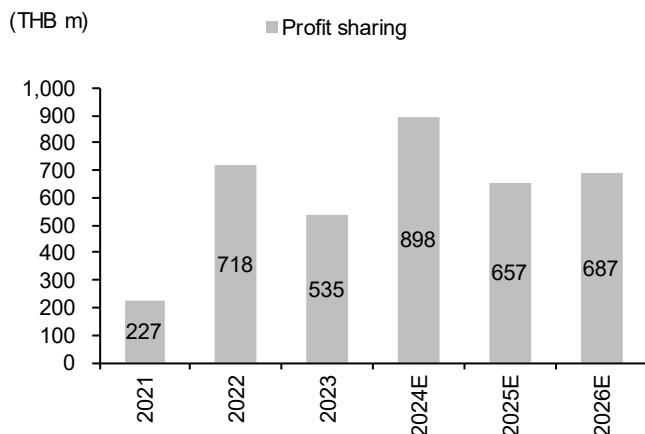
Sources: GFPT, FSSIA estimates

Exhibit 20: Yearly gross margin



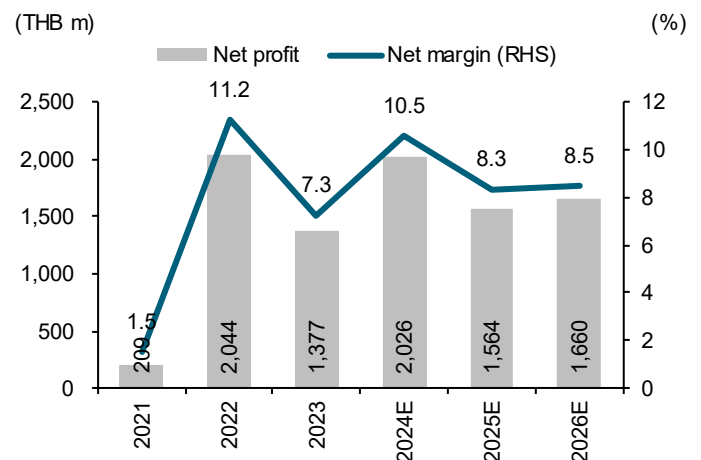
Sources: GFPT, FSSIA estimates

Exhibit 21: Yearly profit sharing from associate companies



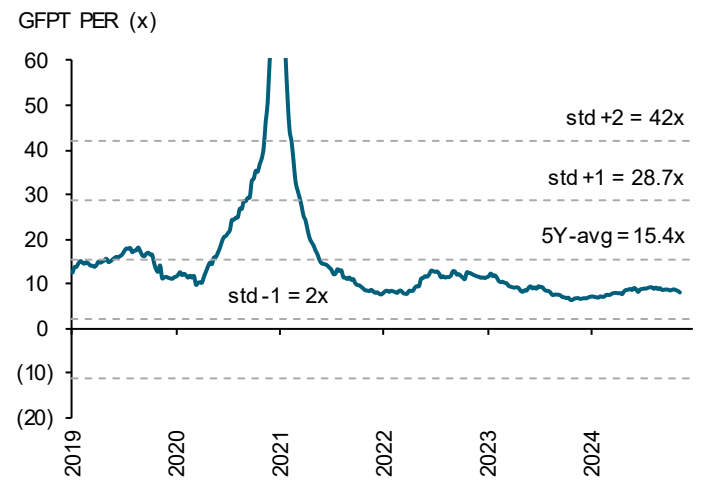
Sources: GFPT, FSSIA estimates

Exhibit 22: Yearly net profit and net margin



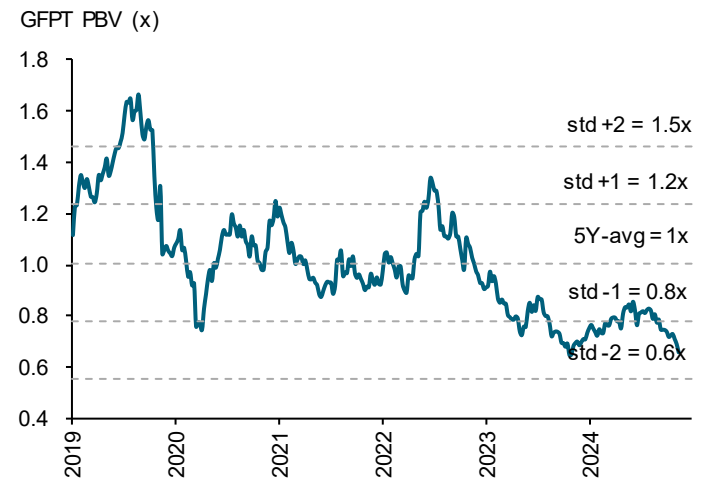
Sources: GFPT, FSSIA estimates

Exhibit 23: Historical P/E band



Sources: Bloomberg, FSSIA estimates

Exhibit 24: Historical P/BV band



Sources: Bloomberg, FSSIA estimates

Exhibit 25: Peers comparisons as of 12 Nov 2024

Company	BBG	Rec	Share price			Market	PE		ROE		PBV		EV/EBITDA	
			Current	Target	Upside		Cap	24E	25E	24E	25E	24E	25E	24E
			(LCY)	(LCY)	(%)	(USD m)	(x)	(x)	(%)	(%)	(x)	(x)	(x)	(x)
Thailand														
Charoen Pokphand Foods	CPF TB	BUY	24.30	28.00	15	5,755	11.8	14.5	7.1	5.6	0.8	0.8	11.7	12.9
Thai Union Group	TU TB	BUY	14.20	19.40	37	1,736	13.1	11.8	8.7	9.5	1.1	1.1	9.7	9.2
Betagro	BTG TB	HOLD	20.10	23.50	17	1,117	19.0	15.2	8.2	9.7	1.5	1.4	6.7	6.0
Thaifoods Group	TFG TB	BUY	3.84	5.20	35	624	7.8	8.2	20.7	18.5	1.5	1.4	5.1	4.9
GFPT	GFPT TB	HOLD	10.80	12.50	16	389	6.7	8.7	11.0	7.9	0.7	0.7	5.3	5.4
Asian Sea	ASIAN TB	n/a	8.90	n/a	n/a	207	8.7	8.6	13.3	12.2	1.1	1.0	4.7	4.7
Average						9,828	11.2	11.2	11.5	10.6	1.1	1.1	7.2	7.2

Sources: Bloomberg, FSSIA estimates

Financial Statements

GFPT

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	18,222	18,963	19,219	18,777	19,640
Cost of goods sold	(15,354)	(16,749)	(16,547)	(16,392)	(17,126)
Gross profit	2,868	2,213	2,671	2,385	2,514
Other operating income	342	349	345	338	354
Operating costs	(1,559)	(1,495)	(1,557)	(1,521)	(1,591)
Operating EBITDA	2,973	2,577	3,045	2,888	3,037
Depreciation	(1,322)	(1,511)	(1,586)	(1,686)	(1,761)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	1,651	1,067	1,460	1,202	1,277
Net financing costs	(148)	4	(125)	(128)	(125)
Associates	718	535	898	657	687
Recurring non-operating income	753	505	898	657	687
Non-recurring items	0	0	0	0	0
Profit before tax	2,256	1,575	2,232	1,731	1,839
Tax	(209)	(192)	(200)	(161)	(173)
Profit after tax	2,047	1,383	2,032	1,570	1,666
Minority interests	(2)	(6)	(6)	(6)	(6)
Preferred dividends	-	-	-	-	-
Other items	-	-	0	0	0
Reported net profit	2,044	1,377	2,026	1,564	1,660
Non-recurring items & goodwill (net)	0	0	0	0	0
Recurring net profit	2,044	1,377	2,026	1,564	1,660
Per share (THB)					
Recurring EPS *	1.63	1.10	1.62	1.25	1.32
Reported EPS	1.63	1.10	1.62	1.25	1.32
DPS	0.20	0.16	0.40	0.31	0.33
Diluted shares (used to calculate per share data)	1,254	1,254	1,254	1,254	1,254
Growth					
Revenue (%)	32.2	4.1	1.4	(2.3)	4.6
Operating EBITDA (%)	139.7	(13.3)	18.2	(5.2)	5.2
Operating EBIT (%)	26,304.0	(35.4)	36.9	(17.7)	6.2
Recurring EPS (%)	1,100.2	(32.7)	47.2	(22.8)	6.2
Reported EPS (%)	1,100.2	(32.7)	47.2	(22.8)	6.2
Operating performance					
Gross margin inc. depreciation (%)	15.7	11.7	13.9	12.7	12.8
Gross margin exc. depreciation (%)	23.0	19.6	22.2	21.7	21.8
Operating EBITDA margin (%)	16.3	13.6	15.8	15.4	15.5
Operating EBIT margin (%)	9.1	5.6	7.6	6.4	6.5
Net margin (%)	11.2	7.3	10.5	8.3	8.5
Effective tax rate (%)	9.3	12.2	9.0	9.3	9.4
Dividend payout on recurring profit (%)	12.1	14.6	25.0	25.0	25.0
Interest cover (X)	16.2	(391.6)	18.9	14.5	15.7
Inventory days	88.7	85.8	93.8	98.0	98.2
Debtor days	18.0	19.9	20.0	20.2	19.6
Creditor days	28.8	31.8	32.7	28.0	27.3
Operating ROIC (%)	8.7	5.3	7.1	5.7	6.0
ROIC (%)	9.7	5.9	8.5	6.6	6.9
ROE (%)	13.2	8.1	11.0	7.9	7.9
ROA (%)	9.7	5.7	8.4	6.4	6.7
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Food	9,875	9,107	9,599	10,127	10,684
Farm	5,314	6,549	6,327	6,612	6,863
Feed	3,034	3,306	3,075	3,173	3,281

Sources: GFPT; FSSIA estimates

Financial Statements

GFPT

Cash Flow (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Recurring net profit	2,044	1,377	2,026	1,564	1,660
Depreciation	1,322	1,511	1,586	1,686	1,761
Associates & minorities	(718)	(535)	(898)	(657)	(687)
Other non-cash items	97	(144)	0	0	0
Change in working capital	(1,484)	23	(447)	(166)	(196)
Cash flow from operations	1,261	2,231	2,268	2,427	2,537
Capex - maintenance	(2,945)	(2,651)	(1,489)	(1,981)	(1,540)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	-	-	-	-	-
Cash flow from investing	(2,945)	(2,651)	(1,489)	(1,981)	(1,540)
Dividends paid	(125)	(251)	(507)	(391)	(415)
Equity finance	0	0	0	0	0
Debt finance	2,103	1,016	213	17	(53)
Other financing cash flows	2	6	(3)	(3)	(3)
Cash flow from financing	1,980	772	(296)	(376)	(471)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	296	352	483	70	527
Free cash flow to firm (FCFF)	(1,597.64)	(310.00)	903.84	574.09	1,122.52
Free cash flow to equity (FCFE)	421.20	602.26	989.18	460.50	941.66

Per share (THB)

FCFF per share	(1.27)	(0.25)	0.72	0.46	0.90
FCFE per share	0.34	0.48	0.79	0.37	0.75
Recurring cash flow per share	2.19	1.76	2.17	2.07	2.18

Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Tangible fixed assets (gross)	21,803	23,142	24,728	26,414	28,174
Less: Accumulated depreciation	(9,914)	(10,617)	(12,289)	(13,661)	(15,682)
Tangible fixed assets (net)	11,889	12,525	12,439	12,753	12,492
Intangible fixed assets (net)	673	58	59	61	62
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	4,275	4,774	4,774	4,774	4,774
Cash & equivalents	1,259	1,610	2,093	2,162	2,689
A/C receivable	1,012	1,057	1,053	1,029	1,076
Inventories	3,320	3,840	3,853	4,042	4,223
Other current assets	730	591	577	563	589
Current assets	6,321	7,098	7,576	7,796	8,577
Other assets	257	877	865	845	884
Total assets	23,415	25,333	25,713	26,229	26,789
Common equity	16,480	17,605	19,125	20,298	21,543
Minorities etc.	127	133	130	127	125
Total shareholders' equity	16,606	17,738	19,255	20,425	21,668
Long term debt	3,292	3,373	3,173	2,573	1,956
Other long-term liabilities	687	686	557	545	570
Long-term liabilities	3,979	4,058	3,730	3,117	2,526
A/C payable	1,113	1,545	1,133	1,123	1,173
Short term debt	1,540	1,798	1,422	1,395	1,246
Other current liabilities	177	193	173	169	177
Current liabilities	2,830	3,536	2,728	2,687	2,596
Total liabilities and shareholders' equity	23,415	25,333	25,713	26,229	26,789
Net working capital	3,772	3,750	4,177	4,342	4,539
Invested capital	20,866	21,985	22,314	22,775	22,751

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

Per share (THB)

Book value per share	13.14	14.04	15.25	16.19	17.18
Tangible book value per share	12.61	13.99	15.21	16.14	17.13

Financial strength

Net debt/equity (%)	21.5	20.1	13.0	8.8	2.4
Net debt/total assets (%)	15.3	14.1	9.7	6.9	1.9
Current ratio (x)	2.2	2.0	2.8	2.9	3.3
CF interest cover (x)	3.8	(149.1)	8.9	4.6	8.5

Valuation	2022	2023	2024E	2025E	2026E
Recurring P/E (x) *	6.6	9.8	6.7	8.7	8.2
Recurring P/E @ target price (x) *	7.7	11.4	7.7	10.0	9.4
Reported P/E (x)	6.6	9.8	6.7	8.7	8.2
Dividend yield (%)	1.8	1.5	3.7	2.9	3.1
Price/book (x)	0.8	0.8	0.7	0.7	0.6
Price/tangible book (x)	0.9	0.8	0.7	0.7	0.6
EV/EBITDA (x) **	5.8	6.7	5.3	5.4	4.7
EV/EBITDA @ target price (x) **	6.5	7.5	6.0	6.1	5.4
EV/invested capital (x)	0.8	0.8	0.7	0.7	0.6

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

Sources: GFPT; FSSIA estimates

GFPT (GFPT TB)

FSSIA ESG rating



50.93 /100

Exhibit 26: FSSIA ESG score implication

Rating	Score	Implication
★★★★★	>79-100	Leading its industry peers in managing the most significant ESG risks which not only better cost efficiency but also lead to higher profitability.
★★★★☆	>59-79	A mixed track record of managing the most significant ESG risks and opportunities relative to industry peers.
★★★☆☆	>39-59	Relevant ESG materiality matrix has been constructively addressed, well-managed and incorporated into day-to-day operations, in which targets and achievements are evaluated annually.
★★☆☆☆	>19-39	Relevant ESG materiality matrix has been identified with key management in charge for progress to be followed up on and to provide intensive disclosure. Most targets are conventional and achievable.
★☆☆☆☆	1-19	The company has adopted the United Nations Sustainable Development Goals (UN SDGs), established sustainability management guidelines and fully complies with regulations or ESG suggested guidance from related organizations such as the SET and SEC.

Sources: FSSIA estimates

Exhibit 27: ESG – peer comparison

	FSSIA ESG score	Domestic ratings						Global ratings					Bloomberg		
		DJSI	SET THSI	THSI	CG score	AGM level	Thai CAC	Morningstar ESG risk	ESG Book	MSCI	Moody's	Refinitiv	S&P Global	ESG score	Disclosure score
SET100	69.20	5.34	4.40	4.40	4.76	4.65	3.84	Medium	51.76	BBB	20.87	58.72	63.91	3.72	28.17
Coverage	67.12	5.11	4.15	4.17	4.83	4.71	3.53	Medium	52.04	BB	16.97	56.85	62.09	3.40	31.94
BTG	28.98	--	--	--	4.00	3.00	Certified	High	--	BB	--	--	--	--	57.48
CPF	80.89	Y	Y	Y	5.00	4.00	Certified	Medium	73.14	BBB	44.00	66.71	85.00	4.43	67.93
GFPT	50.93	--	Y	Y	5.00	5.00	Certified	High	--	--	--	62.77	24.00	4.22	57.60
TU	63.91	Y	--	--	--	5.00	Certified	High	59.31	A	41.00	64.47	85.00	--	77.68
TFG	33.07	--	--	Y	5.00	4.00	Certified	High	--	--	--	42.53	--	--	--

Sources: [SETTRADE.com](https://www.settrade.com); FSSIA's compilation

Exhibit 28: ESG score by Bloomberg

FY ending Dec 31	FY 2021	FY 2022	FY 2023
ESG financial materiality scores - ESG score	3.06	3.32	4.22
BESG environmental pillar score	2.18	2.73	3.88
BESG social pillar score	3.36	3.42	4.58
BESG governance pillar score	4.20	4.22	4.19
ESG disclosure score	54.93	57.60	57.60
Environmental disclosure score	44.79	52.79	52.79
Social disclosure score	36.31	36.31	36.31
Governance disclosure score	83.59	83.59	83.59
Environmental			
Emissions reduction initiatives	Yes	Yes	Yes
Climate change policy	Yes	Yes	Yes
Climate change opportunities discussed	No	No	No
Risks of climate change discussed	Yes	Yes	Yes
GHG scope 1	—	21	18
GHG scope 2 location-based	—	31	32
GHG Scope 3	—	—	—
Carbon per unit of production	—	—	—
Biodiversity policy	No	No	No
Energy efficiency policy	Yes	Yes	Yes
Total energy consumption	—	118	114
Renewable energy use	—	—	—
Electricity used	63	63	64
Fuel used - natural gas	—	176,666	162,480

Sources: Bloomberg; FSSIA's compilation

Exhibit 29: ESG score by Bloomberg (cont.)

FY ending Dec 31	FY 2021	FY 2022	FY 2023
Fuel used - crude oil/diesel	No	No	No
Waste reduction policy	Yes	Yes	Yes
Hazardous waste	0	0	0
Total waste	22	21	22
Waste recycled	—	—	—
Waste sent to landfills	—	—	—
Environmental supply chain management	Yes	Yes	Yes
Water policy	Yes	Yes	Yes
Water consumption	—	—	—
Social			
Human rights policy	Yes	Yes	Yes
Policy against child labor	Yes	Yes	Yes
Quality assurance and recall policy	Yes	Yes	Yes
Consumer data protection policy	Yes	Yes	Yes
Equal opportunity policy	Yes	Yes	Yes
Gender pay gap breakout	No	No	No
Pct women in workforce	54	54	54
Pct disabled in workforce	2	2	1
Business ethics policy	Yes	Yes	Yes
Anti-bribery ethics policy	Yes	Yes	Yes
Health and safety policy	Yes	Yes	Yes
Lost time incident rate - employees	2	2	2
Total recordable incident rate - employees	—	—	—
Training policy	Yes	Yes	Yes
Fair remuneration policy	No	No	No
Number of employees – CSR	4,906	5,367	5,525
Employee turnover pct	3	21	8
Total hours spent by firm - employee training	490,610	719,841	890,950
Social supply chain management	Yes	Yes	Yes
Governance			
Board size	9	9	9
No. of independent directors (ID)	3	3	3
No. of women on board	2	2	2
No. of non-executive directors on board	6	6	6
Company conducts board evaluations	Yes	Yes	Yes
No. of board meetings for the year	9	9	9
Board meeting attendance pct	100	99	75
Board duration (years)	3	3	3
Director share ownership guidelines	No	No	No
Age of the youngest director	51	52	53
Age of the oldest director	81	82	83
No. of executives / company managers	10	10	11
No. of female executives	4	4	3
Executive share ownership guidelines	No	No	No
Size of audit committee	3	3	3
No. of ID on audit committee	3	3	3
Audit committee meetings	4	4	7
Audit meeting attendance %	100	100	100
Size of compensation committee	5	5	5
No. of ID on compensation committee	3	3	3
No. of compensation committee meetings	2	2	3
Compensation meeting attendance %	100	100	100
Size of nomination committee	5	5	5
No. of nomination committee meetings	2	2	3
Nomination meeting attendance %	100	100	100
Sustainability governance			
Verification type	No	No	No

Sources: Bloomberg; FSSIA's compilation

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="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
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Moody's ESG solutions	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.																					
Refinitiv ESG rating	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. <i>(Score ratings are 0 to 25 = poor; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.)</i>																					
S&P Global	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.																					
Bloomberg	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.																				
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.																				

[Rating](#) regarding the sustainable development of Thai listed companies, both on the SET and MAI, are publicly available on the website of the Securities and Exchange Commission of Thailand (SEC). Currently, ratings available are 1) **"CG Score"**; 2) **"AGM Level"**; 3) **"Thai CAC"**; and 4) **THSI**. The ratings are updated on an annual basis. FSSIA does not confirm nor certify the accuracy of such ratings.

Source: FSSIA's compilation

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Sureporn Teewasuwet FSS International Investment Advisory Securities Co., Ltd

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Company	Ticker	Price	Rating	Valuation & Risks
GFPT	GFPT TB	THB 10.80	HOLD	Downside and upside risks to our P/E-based TP include 1) a slower or faster-than-expected consumption recovery; 2) a slower or faster-than-expected decrease in feed costs; 3) a stronger or weaker-than-expected THB; and 4) a minimum wage increase and/or a labour shortage.
Charoen Pokphand Foods	CPF TB	THB 24.30	BUY	Downside risks to our P/E-based TP include 1) slow purchasing power, 2) a slower-than-expected meat price recovery, 3) higher feed costs, 4) Baht strength, and 5) a minimum wage increase and labor shortages.
Thai Union Group	TU TB	THB 14.20	BUY	Downside risks to our SoTP-based 2025 TP include 1) a slower-than-expected revenue recovery; 2) a disruption on shipping routes, resulting in higher-than-expected freight costs; 3) a slower decrease in raw material costs than expected; 4) higher-than-expected labor costs and labor shortages; and 5) stronger Baht than expected.
Betagro	BTG TB	THB 20.10	HOLD	Downside and upside risks to our PE-based TP include 1) a slower or faster-than-expected purchasing power recovery; 2) a slower or faster-than-expected meat price increase; 3) a slower or faster-than-expected decrease in feed costs; and 4) a stronger or weaker-than-expected THB.
Thai Foods Group	TFG TB	THB 3.84	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 12-Nov-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.