

THAI FOODS GROUP

THAILAND / FOOD & BEVERAGE

TFG TB

BUY
 UNCHANGED

Key takeaways from analyst meeting

TARGET PRICE	THB4.60
CLOSE	THB3.76
UP/DOWNSIDE	+22.3%
TP vs CONSENSUS	-10.6%

Highlights

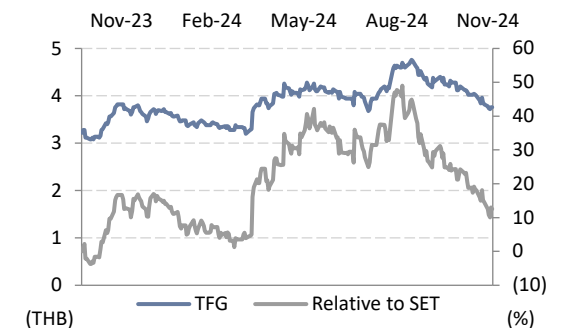
- Management has set a target for 2025 total revenue growth at 10% y-y and a gross margin of 13-14% (9M24 = 12.9%), driven by improved sales volumes of Thai chicken (with a positive outlook for exports) and Vietnamese swine (expanding breeding capacity). They also expect the 2025 meat price trend to remain stable, except for chicken, which may soften slightly.
- To elaborate, Thai swine is expected to remain at THB68-71/kg (flat y-y), despite an increase in the overall supply in Thailand, due to improved consumption. The Vietnamese swine price is forecast to be VND60,000-63,000/kg (stable y-y), with African Swine Fever (ASF) helping to stabilize prices. However, TFG expects Thai chicken prices to decline y-y to THB38-39/kg due to an increase in supply, which would lower the breakeven cost. The price of exported chicken in 2Q25 is expected to be lower than in 1Q25.
- Management expects raw material prices to continue decreasing, and TFG has locked in raw material prices through mid-2025, which should support the gross margin in 2025.
- A key highlight is the retail shop business, which will accelerate branch openings starting in 4Q24. By the end of 2024, TFG aims to have 420 branches, with plans to open an additional 180 branches to reach 600 branches in 2025. The target revenue for 2025 from this segment is THB30b, which would grow by 50%, with its contribution increasing to 43% of TFG's total revenue target for 2025. Management also expects the retail shop gross margin to increase to 16-17% from 14-15% in 2024, by maintaining the proportion of lower-margin B2B customers.

Comments

- If the targets are met, especially in the retail business, it would reduce earnings volatility for 2025 compared to other companies in the meat sector. For now, we still expect 2025 net profit growth of 4.8% y-y. In the short term, we assume 4Q24 net profit to slow down q-q, possibly around THB700m-800m, down from THB1.2b in 3Q24.
- We maintain our target price of THB4.6, with key strengths being the growth of the retail business and the attractive valuation, currently trading at a 2025E P/E of only 8x.

KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	55,871	62,354	65,855	69,595
Net profit	(809)	3,022	3,167	3,581
EPS (THB)	(0.14)	0.49	0.47	0.53
vs Consensus (%)	-	4.3	(3.5)	5.4
EBITDA	5,287	9,229	9,671	10,233
Recurring net profit	(496)	3,022	3,167	3,581
Core EPS (THB)	(0.09)	0.49	0.47	0.53
EPS growth (%)	nm	nm	(4.2)	13.0
Core P/E (x)	(44.0)	7.7	8.0	7.1
Dividend yield (%)	0.8	5.9	5.6	6.3
EV/EBITDA (x)	8.8	5.0	4.8	4.3
Price/book (x)	1.6	1.5	1.4	1.3
Net debt/Equity (%)	179.5	146.5	114.3	94.0
ROE (%)	(3.4)	20.5	18.7	18.8



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(8.7)	(10.0)	13.9
Relative to country (%)	(7.2)	(16.6)	11.4
Mkt cap (USD m)	615		
3m avg. daily turnover (USD m)	1.0		
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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Exhibit 1: Maintain key assumptions for TFG

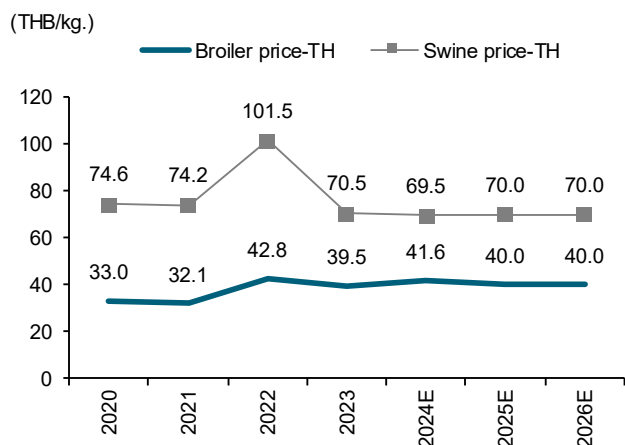
	Actual	Forecast			Growth		
	2023 (THB m)	2024E (THB m)	2025E (THB m)	2026E (THB m)	2024E (%)	2025E (%)	2026E (%)
Total revenue	55,871	62,354	65,855	69,595	11.6	5.6	5.7
Costs	52,086	54,124	57,228	60,339	3.9	5.7	5.4
Gross profit	3,785	8,231	8,627	9,256	117.4	4.8	7.3
SG&A expenses	3,678	4,302	4,478	4,732	17.0	4.1	5.7
Reported net profit	(809)	3,022	3,167	3,581	nm	4.8	13.0
Core profit	(496)	3,022	3,167	3,581	nm	4.8	13.0

Key ratios (%)							
Gross margin	6.8	13.2	13.1	13.3			
SG&A to sales	6.6	6.9	6.8	6.8			
Net margin	(1.4)	4.8	4.8	5.1			
Core margin	(0.9)	4.8	4.8	5.1			

Operating statistics (THB/kg)							
TFG's chicken ASP	56.9	58.0	55.7	56.0	1.9	(4.0)	0.5
TFG's swine ASP	67.0	68.0	68.0	68.0	1.5	0.0	0.0
Vietnamese swine price (VND/kg)	52,311	60,437	55,000	55,000	15.5	(9.0)	0.0
Corn	12.1	11.0	10.0	10.0	(8.9)	(8.9)	0.0
Soybean meal	22.73	20.9	19.5	19.0	(8.1)	(6.7)	(2.6)
Retail shop stores (no.)	350	400	500	600	14.3	25.0	20.0
Retail shop sales (THB m)	17,496	22,894	25,984	28,083	30.9	13.5	8.1

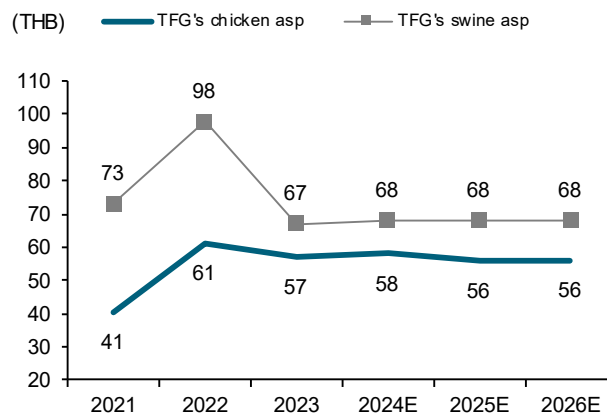
Source: FSSIA estimates

Exhibit 2: Yearly domestic meat prices

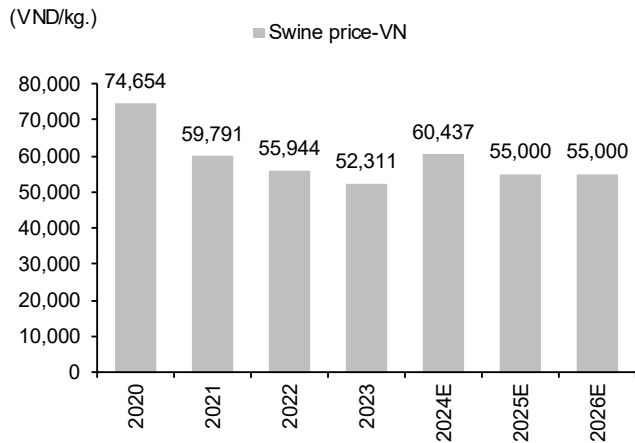


Sources: TFG; FSSIA estimates

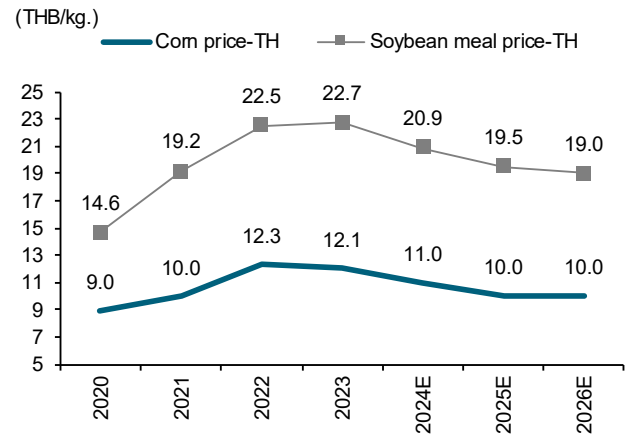
Exhibit 3: TFG's yearly meat prices



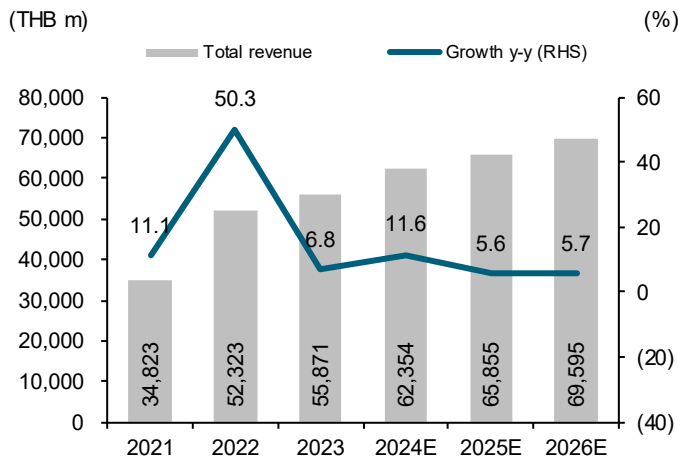
Sources: TFG, FSSIA estimates

Exhibit 4: Yearly Vietnam swine price

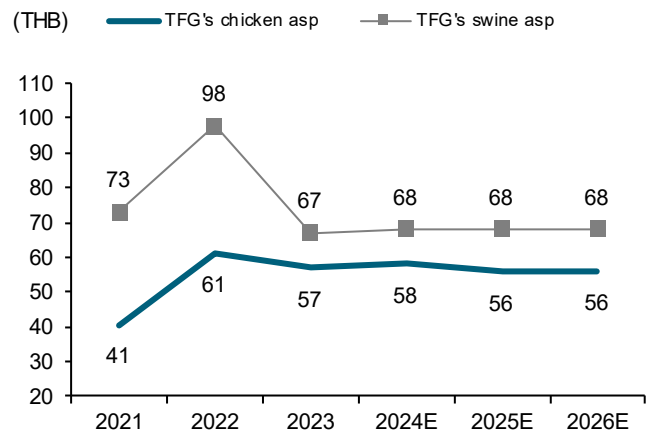
Sources: CPF, FSSIA estimates

Exhibit 5: Yearly domestic raw material prices

Sources: CPF, OAE, DIT, FSSIA estimates

Exhibit 6: Yearly total revenue and growth

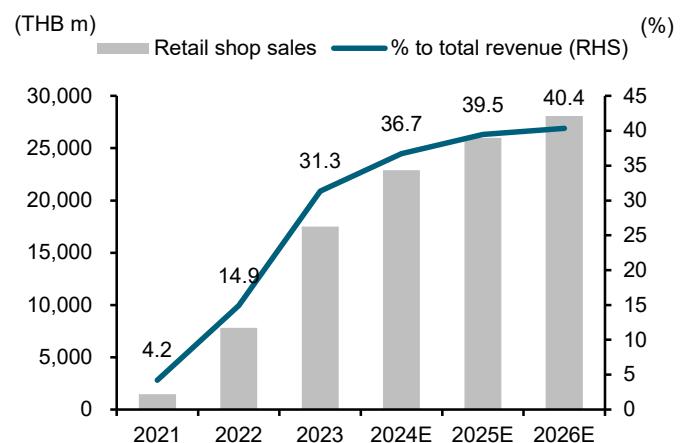
Sources: TFG, FSSIA estimates

Exhibit 7: TFG's yearly meat prices

Sources: TFG, FSSIA estimates

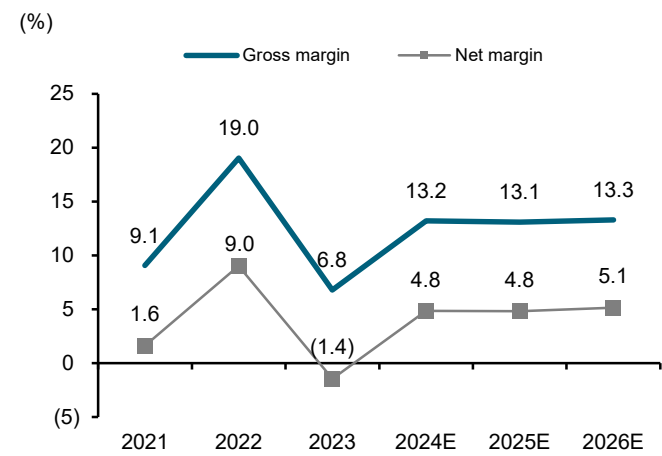
Exhibit 8: Number of retail shops

Sources: TFG, FSSIA estimates

Exhibit 9: Yearly retail shop revenue

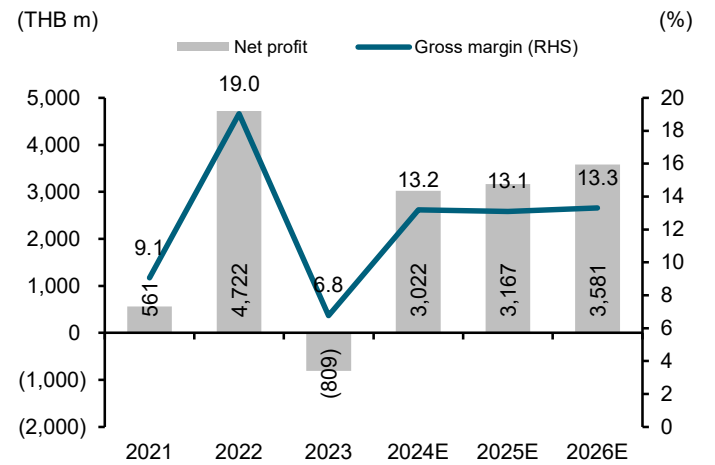
Sources: TFG, FSSIA estimates

Exhibit 10: Gross margin and net margin



Sources: TFG, FSSIA estimates

Exhibit 11: Yearly net profit



Sources: TFG, 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	62,354	65,855	69,595
Cost of goods sold	(42,367)	(52,086)	(54,124)	(57,228)	(60,339)
Gross profit	9,956	3,785	8,231	8,627	9,256
Other operating income	369	453	374	395	383
Operating costs	(3,243)	(3,678)	(4,302)	(4,478)	(4,732)
Operating EBITDA	10,419	5,287	9,229	9,671	10,233
Depreciation	(3,337)	(4,727)	(4,927)	(5,127)	(5,327)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	7,082	560	4,302	4,544	4,906
Net financing costs	(845)	(1,117)	(1,132)	(1,032)	(944)
Associates	(9)	(20)	(34)	(7)	1
Recurring non-operating income	(9)	(20)	(34)	(7)	1
Non-recurring items	(657)	(313)	0	0	0
Profit before tax	5,571	(890)	3,136	3,506	3,963
Tax	(845)	77	(127)	(351)	(396)
Profit after tax	4,726	(813)	3,009	3,154	3,567
Minority interests	(4)	3	12	13	14
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
Reported net profit	4,722	(809)	3,022	3,167	3,581
Non-recurring items & goodwill (net)	657	313	0	0	0
Recurring net profit	5,379	(496)	3,022	3,167	3,581
Per share (THB)					
Recurring EPS *	0.95	(0.09)	0.49	0.47	0.53
Reported EPS	0.84	(0.14)	0.49	0.47	0.53
DPS	0.40	0.03	0.22	0.21	0.24
Diluted shares (used to calculate per share data)	5,654	5,811	6,168	6,749	6,749
Growth					
Revenue (%)	50.3	6.8	11.6	5.6	5.7
Operating EBITDA (%)	167.0	(49.3)	74.6	4.8	5.8
Operating EBIT (%)	379.5	(92.1)	668.7	5.6	8.0
Recurring EPS (%)	1,099.8	nm	nm	(4.2)	13.0
Reported EPS (%)	739.9	nm	nm	(4.2)	13.0
Operating performance					
Gross margin inc. depreciation (%)	19.0	6.8	13.2	13.1	13.3
Gross margin exc. depreciation (%)	25.4	15.2	21.1	20.9	21.0
Operating EBITDA margin (%)	19.9	9.5	14.8	14.7	14.7
Operating EBIT margin (%)	13.5	1.0	6.9	6.9	7.1
Net margin (%)	10.3	(0.9)	4.8	4.8	5.1
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	5.2
Inventory days	55.3	53.7	53.4	53.4	53.4
Debtor days	22.2	22.6	20.9	21.4	21.4
Creditor days	38.2	43.6	49.2	48.1	48.1
Operating ROIC (%)	18.5	1.4	10.8	11.4	12.5
ROIC (%)	16.0	1.1	8.7	9.2	10.0
ROE (%)	39.7	(3.4)	20.5	18.7	18.8
ROA (%)	14.9	0.8	8.2	8.2	8.9

* 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	23,124	26,218	28,321

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)	3,022	3,167	3,581
Depreciation	3,337	4,727	4,927	5,127	5,327
Associates & minorities	9	20	34	7	(1)
Other non-cash items	343	82	34	6	(1)
Change in working capital	(1,281)	1,421	(1,397)	(695)	(739)
Cash flow from operations	7,787	5,754	6,620	7,613	8,167
Capex - maintenance	(8,633)	(4,138)	(5,631)	(4,134)	(4,399)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	(34)	(19)	53	0	0
Other investments (net)	(1,854)	(2,266)	(293)	(327)	(373)
Cash flow from investing	(10,521)	(6,422)	(5,871)	(4,460)	(4,772)
Dividends paid	(797)	(1,815)	(1,360)	(1,425)	(1,611)
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	84	35	37
Cash flow from financing	3,411	1,095	(2,415)	(2,984)	(3,478)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	1,593	97	200
Net other adjustments	0	0	1,593	97	200
Movement in cash	677	426	(73)	265	116
Free cash flow to firm (FCFF)	(1,888.67)	451.64	1,880.95	4,184.24	4,338.55
Free cash flow to equity (FCFE)	1,418.57	1,379.53	929.76	1,109.34	1,727.61
Per share (THB)					
FCFF per share	(0.33)	0.08	0.32	0.72	0.75
FCFE per share	0.24	0.24	0.16	0.19	0.30
Recurring cash flow per share	1.60	0.75	1.30	1.23	1.32
Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
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	1,446	1,711	1,827
A/C receivable	3,531	3,398	3,758	3,969	4,195
Inventories	6,963	6,971	7,414	7,840	8,266
Other current assets	7,177	7,396	8,106	8,561	9,047
Current assets	18,764	19,284	20,724	22,081	23,335
Other assets	4,786	5,875	6,235	6,586	6,959
Total assets	45,670	47,146	47,967	48,546	48,847
Common equity	15,568	13,681	15,798	18,121	19,891
Minorities etc.	18	15	15	14	14
Total shareholders' equity	15,587	13,696	15,813	18,136	19,905
Long term debt	11,960	10,106	10,957	9,767	8,577
Other long-term liabilities	462	540	624	659	696
Long-term liabilities	12,422	10,646	11,581	10,426	9,273
A/C payable	4,733	6,584	6,673	7,056	7,439
Short term debt	12,370	15,998	13,651	12,666	11,952
Other current liabilities	557	222	249	263	278
Current liabilities	17,661	22,804	20,573	19,985	19,669
Total liabilities and shareholders' equity	45,670	47,146	47,967	48,546	48,847
Net working capital	12,381	10,960	12,356	13,051	13,790
Invested capital	39,287	38,821	39,599	39,516	39,303
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	2.75	2.35	2.56	2.68	2.95
Tangible book value per share	2.72	2.31	2.53	2.66	2.92
Financial strength					
Net debt/equity (%)	149.1	179.5	146.5	114.3	94.0
Net debt/total assets (%)	50.9	52.1	48.3	42.7	38.3
Current ratio (x)	1.1	0.8	1.0	1.1	1.2
CF interest cover (x)	2.7	2.2	1.8	2.1	2.8
Valuation	2022	2023	2024E	2025E	2026E
Recurring P/E (x) *	4.0	(44.0)	7.7	8.0	7.1
Recurring P/E @ target price (x) *	4.8	(53.8)	9.4	9.8	8.7
Reported P/E (x)	4.5	(27.0)	7.7	8.0	7.1
Dividend yield (%)	10.6	0.8	5.9	5.6	6.3
Price/book (x)	1.4	1.6	1.5	1.4	1.3
Price/tangible book (x)	1.4	1.6	1.5	1.4	1.3
EV/EBITDA (x) **	4.3	8.8	5.0	4.8	4.3
EV/EBITDA @ target price (x) **	4.7	9.7	5.6	5.4	4.9
EV/invested capital (x)	1.1	1.2	1.2	1.2	1.1
* 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.																				
SET ESG Ratings List (SETESG) by The Stock Exchange of Thailand (SET)	SET ESG 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 SETESG 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. SETESG Index is extended from the SET ESG Ratings 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 Sustainabilitycs	The Sustainabilitycs' 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

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Sureeporn Teewasuwet FSS International Investment Advisory Securities Co., Ltd

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History of change in investment rating and/or target price

Thai Foods Group (TFG TB)



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 3.76	BUY	Downside and upside risks to our P/E-based TP are 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.

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 22-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.