

# THAI UNION GROUP TU TB

## THAILAND / FOOD & BEVERAGE

# HOLD

FROM BUY

## รอความชัดเจนเกี่ยวกับผลกระทบจาก GMT

- คาดว่ากำไรปกติ 4Q24 จะลดลง q-q และ y-y ซึ่งอ่อนแอกว่าที่เคยคาด
- ปรับลดประมาณการกำไรปี 2025 ของเราลง 10.5% เพื่อสะท้อนผลกระทบของ GMT
- ปรับลดราคาเป้าหมายเป็น 14.7 บาท แนะนำถือ

TARGET PRICE	THB14.70
CLOSE	THB13.00
UP/DOWNSIDE	+13.1%
PRIOR TP	THB19.40
CHANGE IN TP	-24.2%
TP vs CONSENSUS	-11.4%

## KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	136,153	138,531	139,866	146,859
Net profit	(13,933)	4,973	5,007	5,684
EPS (THB)	(2.99)	1.07	1.08	1.22
vs Consensus (%)	-	(4.3)	(11.0)	(8.8)
EBITDA	12,163	12,843	12,778	13,728
Recurring net profit	(13,933)	5,131	5,007	5,684
Core EPS (THB)	(2.99)	1.10	1.08	1.22
Chg. In EPS est. (%)	nm	1.7	(10.5)	(7.6)
EPS growth (%)	nm	nm	(2.4)	13.5
Core P/E (x)	(4.3)	11.8	12.1	10.6
Dividend yield (%)	4.1	4.5	4.6	4.8
EV/EBITDA (x)	10.0	9.0	8.9	8.3
Price/book (x)	1.0	1.1	1.0	1.0
Net debt/Equity (%)	81.0	73.3	69.3	66.6
ROE (%)	(20.0)	8.8	8.5	9.3

### กำไร 4Q24 อาจลดลงมากกว่าที่เคยคาด

เราคาดว่ากำไรสุทธิ 4Q24 จะลดลง 25% q-q แต่ฟื้นตัวจากที่เคยขาดทุนอย่างมีนัยสำคัญใน 4Q23 เมื่อหักรายการพิเศษ อาทิ เช่น รายการด้อยค่าที่เกี่ยวข้องกับ Red Lobster ในปีที่แล้ว และผลขาดทุนจากอัตราแลกเปลี่ยนในไตรมาสดังกล่าว กำไรปกติที่น่าจะอยู่ที่ 1.15 พัน ลบ. (-21% q-q, -2.5% y-y) อ่อนแอกว่าที่เคยคาด รายได้รวมน่าจะทรงตัวทั้ง q-q และ y-y โดยบางส่วนน่าจะเกิดจากการแข็งตัวของค่าเงินบาทและความต้องการที่อ่อนแอในสหภาพยุโรป ในขณะที่ตลาดสหรัฐฯ โตต่อเนื่องจากกิจกรรมส่งเสริมการขาย

### ค่าใช้จ่ายรวมน่าจะปรับขึ้นสูงกว่าเป้าเล็กน้อย

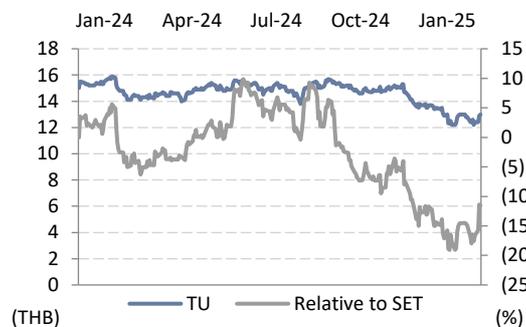
เราคาดว่าอัตรากำไรขั้นต้นใน 4Q24 จะลดลง q-q มาอยู่ที่ 18.5% (จาก 19.5%) จากอัตรากำไรที่ลดลงในธุรกิจอาหารสัตว์เลี้ยงหลังราคาหมูปรับขึ้นและมีต้นทุนค่าเสื่อมที่เกี่ยวข้องกับสายการผลิตใหม่ นอกจากนี้เรายังคาดว่าค่าใช้จ่ายรวมจะเพิ่มทั้ง q-q และ y-y จากต้นทุนของโครงการ Transformation ต้นทุนค่าระวางและค่าใช้จ่ายการตลาด ดังนั้นเราจึงคาดว่าสัดส่วนค่าใช้จ่ายการขายและบริหารต่อยอดขายจะเพิ่มเป็น 13.8% จาก 13.5% ใน 3Q24 และ 11.7% ใน 4Q23 ซึ่งจะทำให้สัดส่วนค่าใช้จ่ายการขายและบริหารต่อยอดขายของทั้งปี 2024 อยู่ที่ 13.2% สูงกว่าเป้าของบริษัทฯ ที่อยู่ในช่วง 12.5%-13%

### ปรับลดประมาณการกำไรปี 2025 ของเราลง 10.5%

TU ยังไม่ได้เปิดเผยเกี่ยวกับเป้าการเติบโตของบริษัทฯ ในปี 2025 เบื้องต้นเราคาดว่ารายได้ในรูป USD จะโต 7-8% y-y ทั้งจากธุรกิจ Ambient และ Frozen ซึ่งปรับโครงสร้างเสร็จไปเรียบร้อยแล้วและจากธุรกิจอาหารสัตว์เลี้ยงซึ่งคาดว่าจะโตตามอุตสาหกรรมดังกล่าว อย่างไรก็ตามเรายังปรับเพิ่มประมาณการสัดส่วนค่าใช้จ่ายการขายและบริหารต่อยอดขายในปี 2025 ของเราเป็น 13% (จาก 12.2%) เพื่อสะท้อนต้นทุนของโครงการ Transformation นอกจากนี้ TU ยังกำลังประเมินอัตราภาษีใหม่หลังได้รับผลกระทบจาก Global minimum tax (GMT) เนื่องจากบริษัทฯ มีการดำเนินงานในบางประเทศที่มีอัตราภาษีต่ำ มีความเป็นไปได้ว่าอัตราภาษีใหม่อาจต่ำกว่า 15% อย่างไรก็ตามเรายังใช้สมมติฐานสถานการณ์ที่เลวร้ายที่สุดโดยปรับอัตราภาษีเป็น 15% (จาก 7%) ซึ่งทำให้ประมาณการกำไรสุทธิปี 2025 ของเราลดลง 10.5% มาอยู่ที่ 5 พัน ลบ. (ทรงตัว y-y)

### แนะนำถือเพื่อรอผลกระทบจาก GMT ที่ชัดเจนมากยิ่งขึ้น

เราปรับลดราคาเป้าหมายปี 2025 ของเราเป็น 14.7 บาทโดยลดค่า P/E มาอยู่ที่ 14.5x (ใกล้กับ -1 SD) เพื่อสะท้อนแนวโน้มกำไรที่อ่อนแอ เราปรับลดคำแนะนำเป็นถือในขณะที่ยังรอผลกระทบของ GMT ที่ชัดเจนมากยิ่งขึ้น นอกจากนี้เรายังคาดว่าหุ้นจะให้ผลตอบแทนในรูปเงินปันผลสำหรับผลประกอบการในช่วง 2H24 อยู่ที่ 5% ในส่วนของความกังวลกับ Red Lobster อันมีมูลค่า USD65 ล้านนั้นคิดตั้งกล่าวยังอยู่ระหว่างการพิจารณาของศาลและผู้บริหารยังมั่นใจว่าบริษัทฯ ได้ปฏิบัติตามเงื่อนไขทุกประการ ดังนั้นบริษัทฯ จึงยังไม่ได้ตั้งสำรองเพื่อความเสียหายต่าง ๆ ไว้ในงบการเงินของบริษัทฯ



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	0.8	(12.8)	(11.6)
Relative to country (%)	6.6	(5.5)	(8.0)
Mkt cap (USD m)	1,583		
3m avg. daily turnover (USD m)	7.0		
Free float (%)	65		
Major shareholder	Chansiri Family (12%)		
12m high/low (THB)	16.00/11.80		
Issued shares (m)	4,655.13		

Sources: Bloomberg consensus; FSSIA estimates


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### Investment thesis

TU is one of the world’s largest seafood companies. It is a leading producer and exporter of frozen and canned seafood such as tuna, shrimp, sardines, and mackerel. TU has affiliated companies, such as I-Tail Corporation (ITC TB, BUY), a major pet food manufacturer in Thailand. It also has overseas subsidiaries, one of which owns Chicken of the Sea, the #3 canned seafood brand in the US, and the TUE Group (formerly MWB), which owns canned seafood brands ranking among the top three in European markets, such as John West, Petit Navire, Parmentier, King Oscar, and Mareblu.

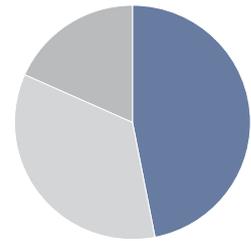
### Company profile

Thai Union was founded in 1977 as a canned tuna processor and exporter. It is now an international OEM business with a global portfolio of consumer-favourite brands. At the end of 2023, TU had 18 brands, five strategic partnerships and key joint ventures, and eight overseas sales offices. TU has 13 production locations in 12 countries and two innovation and R&D centres. In 2023, its revenue contributions from the USA, Europe, Thailand, and Japan were 41%/30%/11%/6%, respectively.

[www.thaiunion.com](http://www.thaiunion.com)

### Principal activities (revenue, 2023)

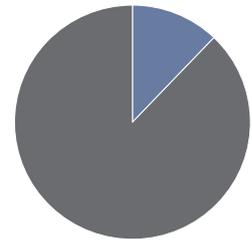
- Ambient seafood - 46.9 %
- Frozen & chilled seafood - 34.7 %
- Pet food & others - 18.3 %



Source: Thai Union Group

### Major shareholders

- Chansiri Family - 12.1 %
- Others - 87.9 %



Source: Thai Union Group

### Catalysts

Potential catalysts for TU’s 2025 earnings growth include 1) revenue growth of the three units; 2) its pet food and ready-to-eat capacity expansion; 3) the declining tuna price outlook; and 4) the absence of loss-sharing from Red Lobster after the divestment in 4Q23.

### Risks to our call

Downside and upside risks to our SoTP-based 2025 TP include 1) a slower or faster-than-expected revenue recovery; 2) higher or lower-than-expected freight costs; 3) a slower or higher decrease in raw material costs than expected; 4) higher or lower-than-expected labor costs and labor shortages; and 5) a stronger or weaker baht than expected.

### Event calendar

Date	Event
17 February 2025	4Q24 results announcement
18 February 2025	Analyst meeting

### Key assumptions

	2024E	2025E	2026E
Total revenue (USD m)	3,924	4,238	4,450
USD/THB	35.3	33.0	33.0
Ambient sales growth (%)	7.5	(1.4)	4.1
Frozen, Chilled sales growth (%)	(11.3)	2.0	4.0
PetCare, Value-added sales growth (%)	11.8	5.1	8.5
Tuna price (USD/tonne)	1,449	1,600	1,600
Gross margin (%)	18.5	18.0	18.2

Source: FSSIA estimates

### Earnings sensitivity

- For every THB1/USD increase, we estimate 2025 net profit to fall by 7%, and vice versa, all else being equal.
- For every 1% increase in the tuna price, we estimate 2025 net profit to fall by 5.8%, and vice versa, all else being equal.
- For every 5% increase in the minimum wage, we estimate 2025 net profit to fall by 4.3%, and vice versa, all else being equal.

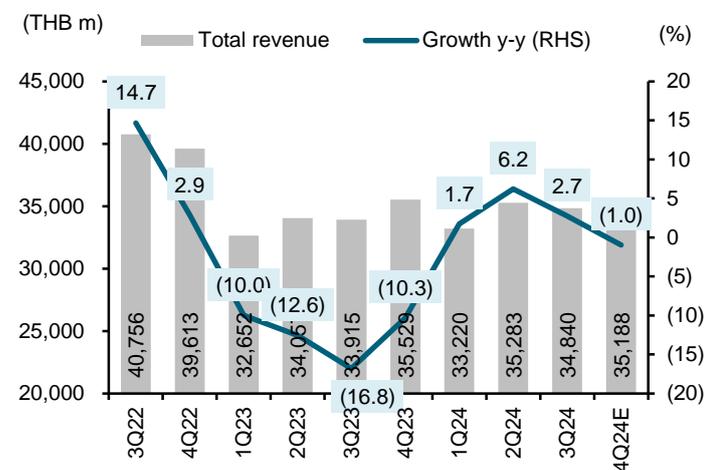
Source: FSSIA estimates

**Exhibit 1: TU – 4Q24 earnings preview**

	4Q23	1Q24	2Q24	3Q24	4Q24E	----- Change -----		2023	2024E	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)
Sales in THB m	35,529	33,220	35,283	34,840	35,188	1.0	(1.0)	136,153	138,531	1.7
Cost of sales	29,201	27,478	28,748	28,047	28,679	2.3	(1.8)	112,928	112,903	(0.0)
Gross profit	6,327	5,742	6,535	6,793	6,510	(4.2)	2.9	23,225	25,628	10.3
SG&A	4,173	4,197	4,582	4,693	4,856	3.5	16.4	16,313	18,328	12.4
Operating profit	2,521	1,772	2,290	2,382	1,934	(18.8)	(23.3)	7,972	8,427	5.7
Profit sharing	819	159	179	275	150	(45.5)	(81.7)	679	0	nm
Interest expense	630	647	620	627	596	(5.0)	(5.4)	2,302	2,491	8.2
Tax expense	(40)	128	44	208	40	(80.7)	nm	(620)	420	nm
FX gain (loss)	68	209	(237)	(54)	(100)	nm	nm	(235)	(182)	nm
Other gain (loss)	(18,413)	44	68	0	0	nm	nm	(18,413)	112	nm
Reported net profit	(17,189)	1,153	1,219	1,400	1,048	(25.2)	nm	(13,933)	4,973	nm
Core profit	1,177	900	1,456	1,454	1,148	(21.1)	(2.5)	4,736	5,131	8.4
<b>Key ratios (%)</b>						<b>(ppt)</b>	<b>(ppt)</b>			
Gross margin	17.8	17.3	18.5	19.5	18.5	(1.0)	0.7	17.1	18.5	1.4
SG&A / sales	11.7	12.6	13.0	13.5	13.8	0.3	2.1	12.0	13.2	1.2
Operating margin	7.1	5.3	6.5	6.8	5.5	(1.3)	(1.6)	5.9	6.1	0.2
Net margin	(48.4)	3.5	3.5	4.0	3.0	(1.0)	51.4	(10.2)	3.6	13.8
Core margin	3.3	2.7	4.1	4.2	3.3	(0.9)	(0.1)	3.5	3.7	0.2
<b>Operating statistics (THB m)</b>										
Ambient sales	15,693	17,156	17,376	17,920	16,237	(9.4)	3.5	63,905	68,689	7.5
Frozen, chilled seafood sales	12,525	9,618	10,842	9,836	11,648	18.4	(7.0)	47,295	41,944	(11.3)
Pet care sales	4,622	3,955	4,456	4,352	4,598	5.7	(0.5)	15,059	17,361	15.3
Value added, others sale	2,689	2,490	2,609	2,732	2,705	(1.0)	0.6	9,895	10,536	6.5
<b>Gross margin (%)</b>										
Ambient	17.4	16.6	18.9	20.1	20.8	0.7	3.4	19.0	18.5	(0.5)
Frozen, chilled seafood	14.4	11.8	10.7	12.0	11.3	(0.8)	(3.2)	11.3	12.0	0.7
Pet care	23.4	25.7	31.3	30.6	25.0	(5.6)	1.6	20.5	22.0	1.5
Value added, others	26.2	29.5	26.5	25.1	25.0	(0.1)	(1.2)	27.1	27.0	(0.1)
Tuna price (USD/tonne)	1,533	1,335	1,478	1,410	1,525	8.2	(0.5)	1,784	1,449	(18.8)
Shrimp 60 pcs/kg (THB/kg)	134	137	130	141	175	24.1	30.6	138	150	8.7
Salmon (NOK/kg)	84	108	110	78	81	3.8	(3.6)	95	90	(5.3)

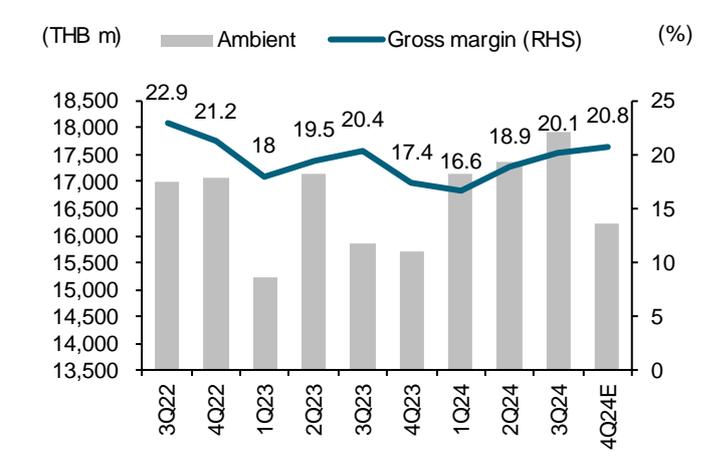
Sources: TU, FSSIA estimates

**Exhibit 2: Quarterly total revenue and growth**



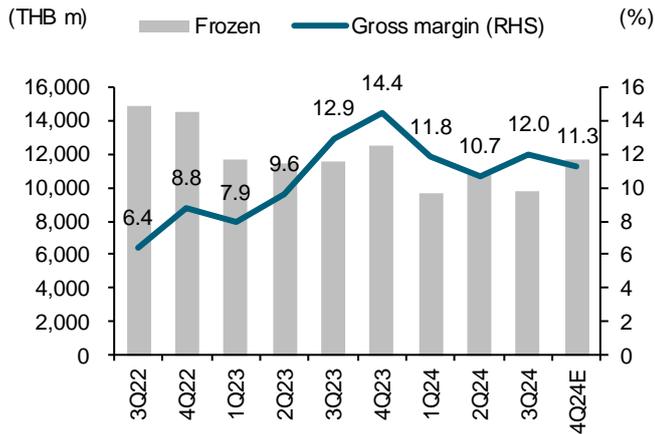
Sources: TU, FSSIA estimates

**Exhibit 3: Quarterly revenue from ambient and margin**



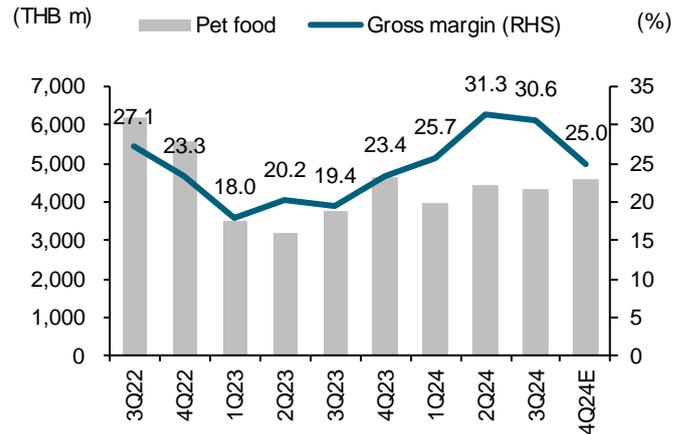
Sources: TU, FSSIA estimates

**Exhibit 4: Quarterly revenue from frozen and margin**



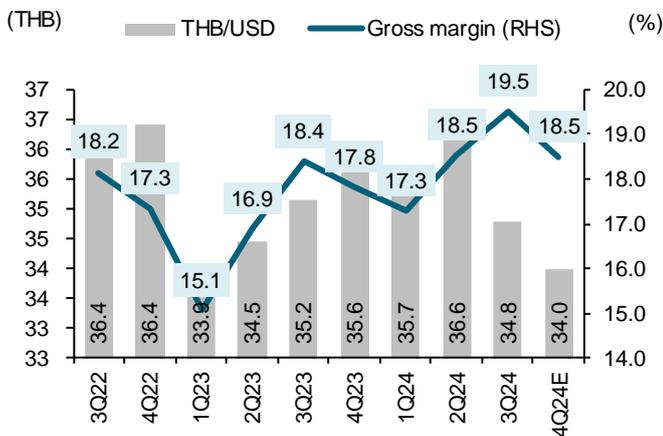
Sources: TU, FSSIA estimates

**Exhibit 5: Quarterly revenue from pet food and margin**



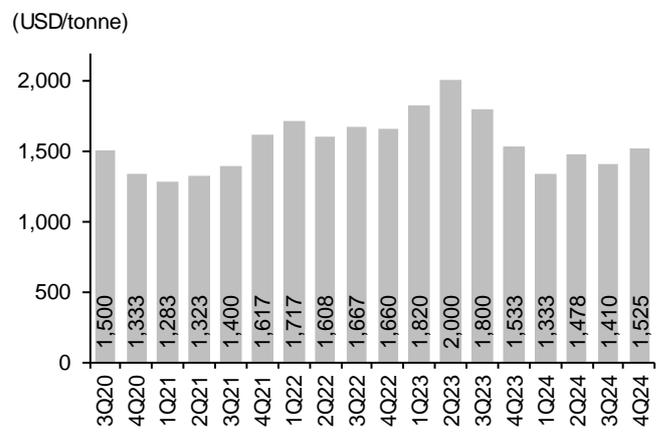
Sources: TU, FSSIA estimates

**Exhibit 6: Quarterly THB/USD and gross margin**



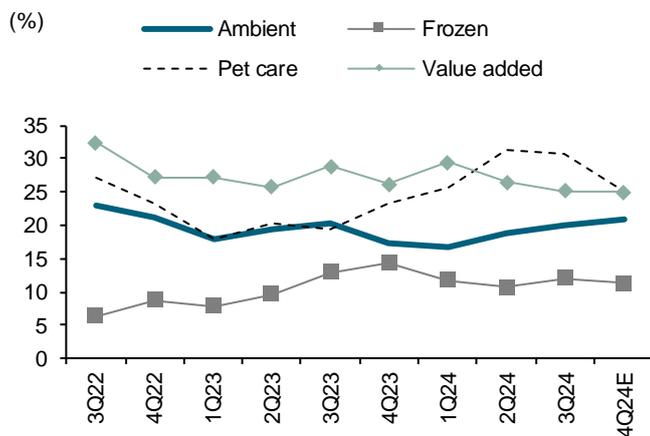
Sources: TU, FSSIA estimates

**Exhibit 7: Quarterly tuna price**



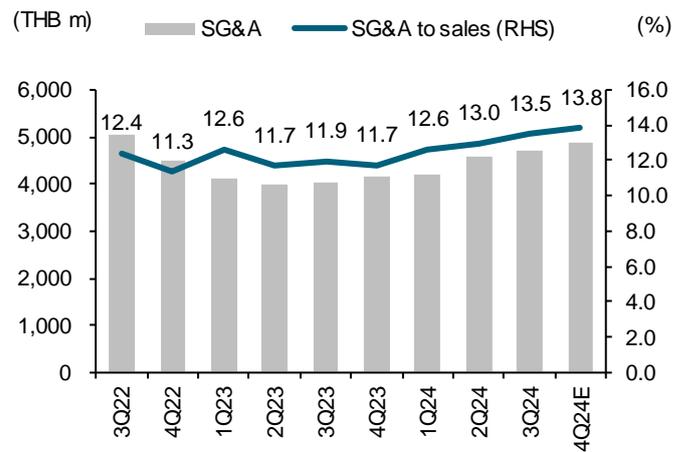
Sources: TU, FSSIA estimates

**Exhibit 8: Quarterly gross margin by product segment**



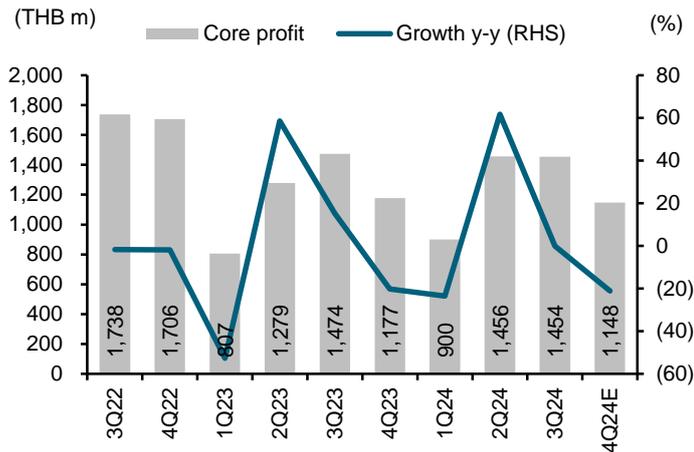
Sources: TU, FSSIA estimates

**Exhibit 9: Quarterly SG&A and SG&A to sales**



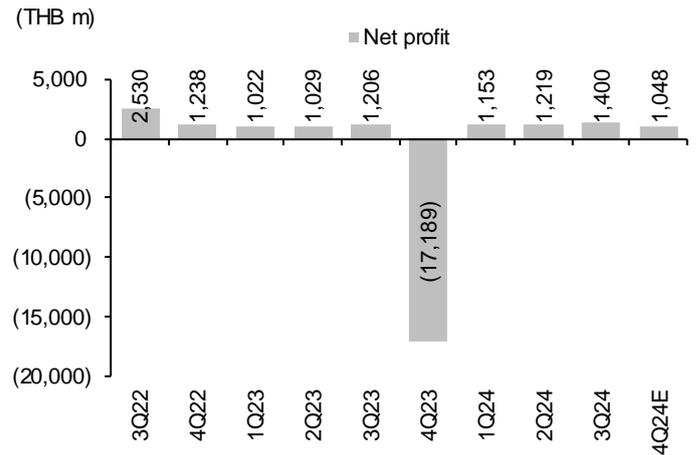
Sources: TU, FSSIA estimates

Exhibit 10: Quarterly core profit and growth



Sources: TU, FSSIA estimates

Exhibit 11: Quarterly net profit



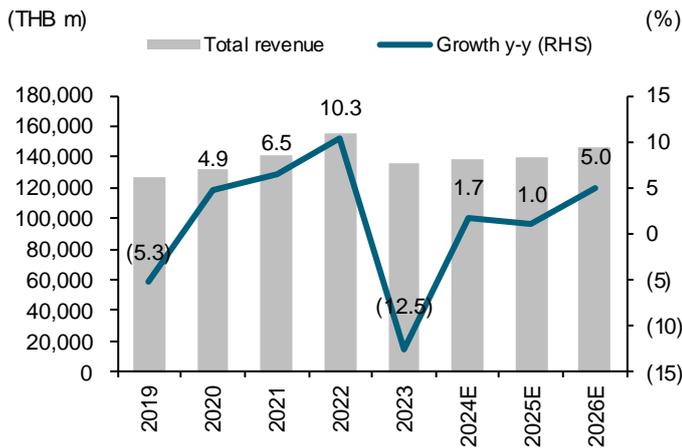
Sources: TU, FSSIA estimates

Exhibit 12: Changes in key assumptions for TU

	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 (USD m)	3,924	4,238	4,450	4,149	4,315	4,531	(5.4)	(1.8)	(1.8)
Fx rate (THB/USD)	35.3	33.0	33.0	33.0	33.0	33.0	7.0	0.0	0.0
Total sales value (THB m)	138,531	139,866	146,859	136,911	142,388	149,507	1.2	(1.8)	(1.8)
Costs	112,903	114,690	120,130	113,226	117,612	123,343	(0.3)	(2.5)	(2.6)
Gross profit	25,628	25,176	26,728	23,686	24,775	26,164	8.2	1.6	2.2
SG&A expenses	18,328	18,183	19,092	16,703	17,371	18,240	9.7	4.7	4.7
Interest expense	2,491	2,414	2,357	2,526	2,414	2,357	(1.4)	0.0	0.0
Profit sharing	764	863	932	638	677	681	19.7	27.5	36.8
Tax expense	420	855	968	325	359	397	29.4	137.9	144.0
Reported net profit	4,973	5,007	5,684	5,043	5,593	6,150	(1.4)	(10.5)	(7.6)
Core profit	5,131	5,007	5,684	5,043	5,593	6,150	1.7	(10.5)	(7.6)
<b>Key ratios (%)</b>									
Total revenue growth	1.7	1.0	5.0	0.6	4.0	5.0	1.2	(3.0)	0.0
Net profit growth	nm	0.7	13.5	nm	10.9	10.0	nm	(10.2)	3.6
Core profit growth	8.4	(2.4)	13.5	6.5	10.9	10.0	1.9	(9.1)	3.6
Gross margin	18.5	18.0	18.2	17.3	17.4	17.5	1.2	0.6	0.7
SG&A to sales	13.2	13.0	13.0	12.2	12.2	12.2	1.0	0.8	0.8
Net margin	3.6	3.6	3.9	3.7	3.9	4.1	(0.1)	(0.3)	(0.2)
Norm margin	3.7	3.6	3.9	3.7	3.9	4.1	0.0	(0.3)	(0.2)
Effective tax rate	7.1	15.0	15.0	7.0	7.0	7.0	0.1	8.0	8.0
<b>Operating statistics (THB m)</b>									
Ambient sales	68,689	67,759	70,553	63,263	64,977	67,721	8.6	4.3	4.2
Frozen, chilled sales	41,944	42,783	44,494	47,295	48,714	50,662	(11.3)	(12.2)	(12.2)
Pet care sales	17,361	18,576	20,527	16,112	18,046	19,940	7.8	2.9	2.9
Value added, others sales	10,536	10,747	11,284	10,241	10,651	11,184	2.9	0.9	0.9

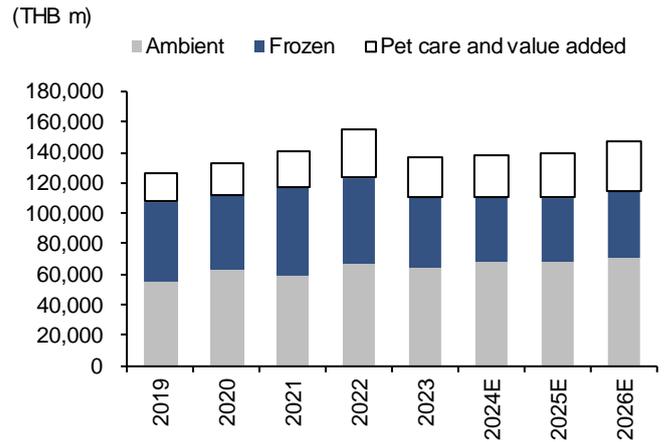
Source: FSSIA estimates

**Exhibit 13: Yearly total revenue and growth**



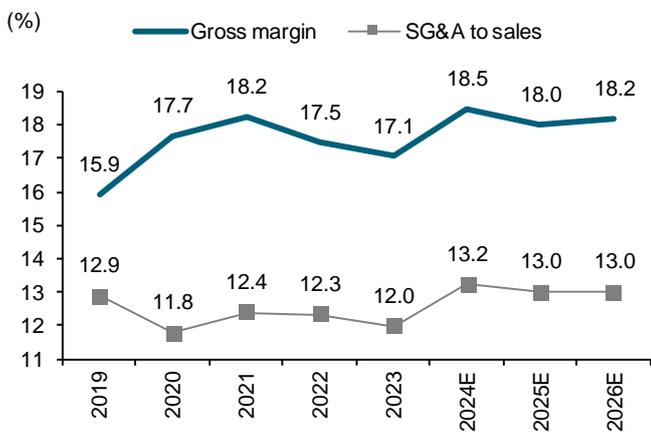
Sources: TU, FSSIA estimates

**Exhibit 14: Yearly revenue breakdown by product segment**



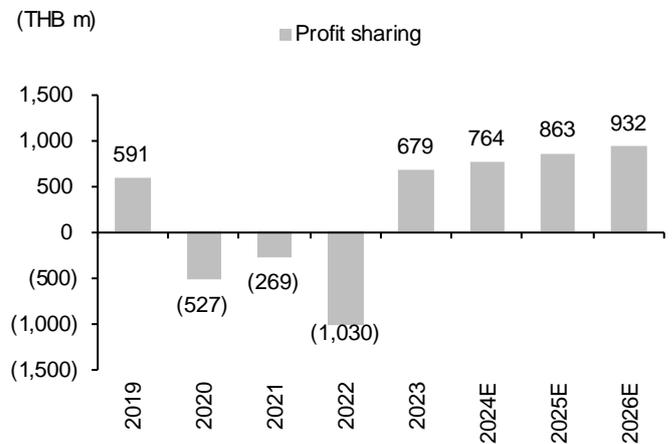
Sources: TU, FSSIA estimates

**Exhibit 15: Yearly gross margin and SG&A to sales**



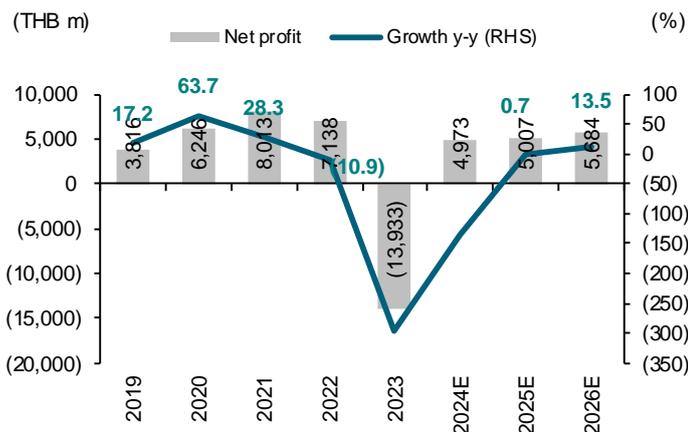
Sources: TU, FSSIA estimates

**Exhibit 16: Yearly share of profits from associate companies**



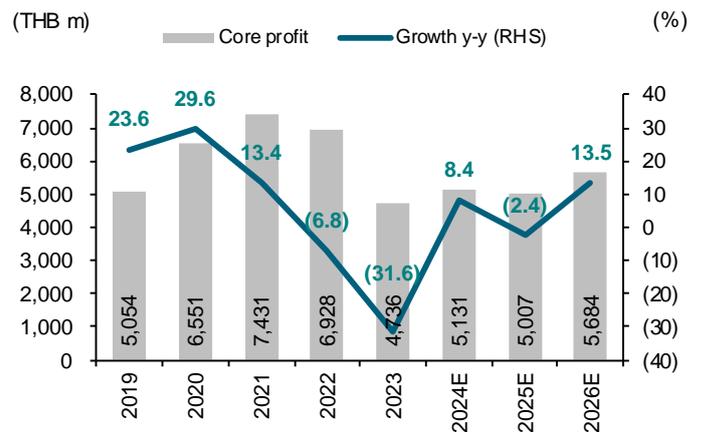
Sources: TU, FSSIA estimates

**Exhibit 17: Yearly net profit and growth**



Sources: TU, FSSIA estimates

**Exhibit 18: Yearly core profit and growth**



Sources: TU, FSSIA estimates

**Exhibit 19: Historical P/E band**



Sources: Bloomberg, FSSIA estimates

**Exhibit 20: Historical P/BV band**



Sources: Bloomberg, FSSIA estimates

**Exhibit 21: Peers comparison as of 15 Jan 2025**

Company	BBG	Rec	Share price			Market Cap (USD m)	PE		ROE		PBV		EV/EBITDA	
			Current (LCY)	Target (LCY)	Upside (%)		24E (x)	25E (x)	24E (%)	25E (%)	24E (x)	25E (x)	24E (x)	25E (x)
<b>Thailand</b>														
Charoen Pokphand Foods	CPF TB	BUY	22.30	28.00	26	5,299	10.9	13.3	7.1	5.6	0.8	0.7	11.5	12.6
Thai Union Group	TU TB	HOLD	13.00	14.70	13	1,583	11.8	12.1	8.8	8.5	1.1	1.0	9.0	8.9
Betagro	BTG TB	BUY	17.70	22.00	24	987	16.7	14.5	8.2	9.0	1.3	1.2	6.2	5.7
Thaifoods Group	TFG TB	BUY	3.38	4.60	36	551	6.9	7.2	20.5	18.7	1.3	1.3	4.8	4.5
GFPT	GFPT TB	BUY	10.30	12.50	21	372	6.4	8.3	11.0	7.9	0.7	0.6	5.1	5.1
Asian Sea*	ASIAN TB	n/a	7.60	n/a	n/a	179	7.5	7.4	13.3	12.2	0.9	0.9	4.2	4.1
<b>Average</b>						<b>8,972</b>	<b>10.0</b>	<b>10.5</b>	<b>11.5</b>	<b>10.3</b>	<b>1.0</b>	<b>1.0</b>	<b>6.8</b>	<b>6.8</b>

Sources: \*Bloomberg, FSSIA estimates

## Financial Statements

### Thai Union Group

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	155,586	136,153	138,531	139,866	146,859
Cost of goods sold	(128,380)	(112,928)	(112,903)	(114,690)	(120,130)
<b>Gross profit</b>	<b>27,206</b>	<b>23,225</b>	<b>25,628</b>	<b>25,176</b>	<b>26,728</b>
Other operating income	974	1,060	1,127	1,119	1,175
Operating costs	(19,156)	(16,313)	(18,328)	(18,183)	(19,092)
<b>Operating EBITDA</b>	<b>13,348</b>	<b>12,163</b>	<b>12,843</b>	<b>12,778</b>	<b>13,728</b>
Depreciation	(4,324)	(4,191)	(4,416)	(4,666)	(4,916)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>9,024</b>	<b>7,972</b>	<b>8,427</b>	<b>8,112</b>	<b>8,812</b>
Net financing costs	(1,998)	(2,302)	(2,491)	(2,414)	(2,357)
Associates	(1,030)	679	764	863	932
Recurring non-operating income	(1,030)	(19,490)	764	863	932
Non-recurring items	567	0	(159)	0	0
<b>Profit before tax</b>	<b>6,564</b>	<b>(13,820)</b>	<b>6,541</b>	<b>6,561</b>	<b>7,387</b>
Tax	840	620	(420)	(855)	(968)
<b>Profit after tax</b>	<b>7,403</b>	<b>(13,200)</b>	<b>6,121</b>	<b>5,706</b>	<b>6,418</b>
Minority interests	(265)	(733)	(1,148)	(699)	(734)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>7,138</b>	<b>(13,933)</b>	<b>4,973</b>	<b>5,007</b>	<b>5,684</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>(567)</b>	<b>0</b>	<b>159</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>6,571</b>	<b>(13,933)</b>	<b>5,131</b>	<b>5,007</b>	<b>5,684</b>
<b>Per share (THB)</b>					
Recurring EPS *	1.38	(2.99)	1.10	1.08	1.22
Reported EPS	1.50	(2.99)	1.07	1.08	1.22
DPS	0.85	0.53	0.59	0.59	0.62
Diluted shares (used to calculate per share data)	4,772	4,655	4,655	4,655	4,655
<b>Growth</b>					
Revenue (%)	10.3	(12.5)	1.7	1.0	5.0
Operating EBITDA (%)	0.7	(8.9)	5.6	(0.5)	7.4
Operating EBIT (%)	(0.5)	(11.7)	5.7	(3.7)	8.6
Recurring EPS (%)	8.3	nm	nm	(2.4)	13.5
Reported EPS (%)	(10.9)	nm	nm	0.7	13.5
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	17.5	17.1	18.5	18.0	18.2
Gross margin exc. depreciation (%)	20.3	20.1	21.7	21.3	21.5
Operating EBITDA margin (%)	8.6	8.9	9.3	9.1	9.3
Operating EBIT margin (%)	5.8	5.9	6.1	5.8	6.0
Net margin (%)	4.2	(10.2)	3.7	3.6	3.9
Effective tax rate (%)	(12.8)	4.5	6.4	13.0	13.1
Dividend payout on recurring profit (%)	61.9	(17.7)	53.3	55.0	51.0
Interest cover (X)	4.0	(5.0)	3.7	3.7	4.1
Inventory days	146.0	173.0	163.0	155.1	152.9
Debtor days	39.7	45.0	41.0	39.6	38.9
Creditor days	63.8	68.5	65.4	67.2	66.2
Operating ROIC (%)	9.5	7.9	8.5	8.3	8.8
ROIC (%)	4.6	(6.7)	5.9	5.9	6.3
ROE (%)	9.4	(20.0)	8.8	8.5	9.3
ROA (%)	4.8	(6.5)	5.1	4.8	5.2
* Pre-exceptional, pre-goodwill and fully diluted					
<b>Revenue by Division (THB m)</b>					
Ambient seafood	66,510	63,904	68,689	67,759	70,553
Frozen & chilled seafood	56,964	47,295	41,944	42,783	44,494
Pet food & others	32,113	24,953	27,897	29,323	31,811

Sources: Thai Union Group; FSSIA estimates

## Financial Statements

### Thai Union Group

Cash Flow (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Recurring net profit	6,571	(13,933)	5,131	5,007	5,684
Depreciation	4,324	4,191	4,416	4,666	4,916
Associates & minorities	(1,030)	679	764	863	932
Other non-cash items	1,134	(20,169)	(422)	0	0
Change in working capital	(8,270)	2,378	4,624	(576)	(2,107)
<b>Cash flow from operations</b>	<b>2,729</b>	<b>(26,854)</b>	<b>14,513</b>	<b>9,960</b>	<b>9,426</b>
Capex - maintenance	(5,986)	(5,557)	(4,500)	(5,000)	(5,000)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	23,560	34,495	(5,552)	(1,073)	(729)
Other investments (net)	(1,731)	(851)	5,488	(307)	(1,608)
<b>Cash flow from investing</b>	<b>15,843</b>	<b>28,087</b>	<b>(4,564)</b>	<b>(6,380)</b>	<b>(7,338)</b>
Dividends paid	(4,281)	(6,811)	(2,581)	(2,600)	(2,756)
Equity finance	0	(29)	0	1	1
Debt finance	(10,684)	7,631	(4,782)	(2,806)	(1,428)
Other financing cash flows	(389)	223	(1,401)	80	420
<b>Cash flow from financing</b>	<b>(15,354)</b>	<b>1,015</b>	<b>(8,764)</b>	<b>(5,325)</b>	<b>(3,764)</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
<b>Net other adjustments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Movement in cash</b>	<b>3,218</b>	<b>2,248</b>	<b>1,185</b>	<b>(1,745)</b>	<b>(1,676)</b>
Free cash flow to firm (FCFF)	20,570.44	3,535.97	12,439.55	5,993.60	4,444.87
Free cash flow to equity (FCFE)	7,499.62	9,088.36	3,766.30	853.92	1,079.67

Per share (THB)	2022	2023	2024E	2025E	2026E
FCFF per share	4.42	0.76	2.67	1.29	0.95
FCFE per share	1.61	1.95	0.81	0.18	0.23
Recurring cash flow per share	2.30	(6.28)	2.12	2.26	2.48

Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Tangible fixed assets (gross)	60,730	64,122	68,847	74,097	79,347
Less: Accumulated depreciation	(30,711)	(32,736)	(37,378)	(42,294)	(47,460)
<b>Tangible fixed assets (net)</b>	<b>30,020</b>	<b>31,385</b>	<b>31,469</b>	<b>31,803</b>	<b>31,887</b>
<b>Intangible fixed assets (net)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	28,425	10,885	10,885	10,885	10,885
Cash & equivalents	12,241	14,490	15,675	13,929	12,254
A/C receivable	17,525	16,031	15,106	15,251	16,014
Inventories	52,622	50,482	46,398	47,133	49,369
Other current assets	5,236	4,827	7,279	7,316	7,512
<b>Current assets</b>	<b>87,625</b>	<b>85,829</b>	<b>84,458</b>	<b>83,629</b>	<b>85,148</b>
Other assets	36,500	37,351	31,862	32,169	33,778
<b>Total assets</b>	<b>182,569</b>	<b>165,450</b>	<b>158,674</b>	<b>158,486</b>	<b>161,697</b>
Common equity	80,642	58,628	57,544	59,951	62,880
Minorities etc.	7,489	7,389	7,204	6,993	7,196
<b>Total shareholders' equity</b>	<b>88,131</b>	<b>66,017</b>	<b>64,747</b>	<b>66,945</b>	<b>70,076</b>
Long term debt	48,125	39,248	39,172	38,972	37,909
Other long-term liabilities	9,489	9,712	8,312	8,392	8,812
<b>Long-term liabilities</b>	<b>57,614</b>	<b>48,960</b>	<b>47,484</b>	<b>47,364</b>	<b>46,721</b>
A/C payable	22,018	18,798	20,106	20,424	21,393
Short term debt	12,232	28,740	23,982	21,376	21,011
Other current liabilities	2,574	2,935	2,355	2,378	2,497
<b>Current liabilities</b>	<b>36,824</b>	<b>50,473</b>	<b>46,443</b>	<b>44,178</b>	<b>44,901</b>
<b>Total liabilities and shareholders' equity</b>	<b>182,569</b>	<b>165,450</b>	<b>158,674</b>	<b>158,486</b>	<b>161,697</b>
Net working capital	50,792	49,607	46,322	46,898	49,005
Invested capital	145,736	129,228	120,538	121,755	125,554

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

Per share (THB)	2022	2023	2024E	2025E	2026E
Book value per share	16.90	12.59	12.36	12.88	13.51
Tangible book value per share	16.90	12.59	12.36	12.88	13.51

Financial strength	2022	2023	2024E	2025E	2026E
Net debt/equity (%)	54.6	81.0	73.3	69.3	66.6
Net debt/total assets (%)	26.4	32.3	29.9	29.3	28.9
Current ratio (x)	2.4	1.7	1.8	1.9	1.9
CF interest cover (x)	4.8	4.9	2.5	1.4	1.5

Valuation	2022	2023	2024E	2025E	2026E
<b>Recurring P/E (x) *</b>	<b>9.4</b>	<b>(4.3)</b>	<b>11.8</b>	<b>12.1</b>	<b>10.6</b>
<b>Recurring P/E @ target price (x) *</b>	<b>10.7</b>	<b>(4.9)</b>	<b>13.3</b>	<b>13.7</b>	<b>12.0</b>
Reported P/E (x)	8.7	(4.3)	12.2	12.1	10.6
Dividend yield (%)	6.6	4.1	4.5	4.6	4.8
Price/book (x)	0.8	1.0	1.1	1.0	1.0
Price/tangible book (x)	0.8	1.0	1.1	1.0	1.0
EV/EBITDA (x) **	8.8	10.0	9.0	8.9	8.3
EV/EBITDA @ target price (x) **	9.4	10.6	9.6	9.5	8.9
EV/invested capital (x)	0.8	0.9	1.0	0.9	0.9

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

Sources: Thai Union Group; FSSIA estimates

# Thai Union Group PCL (TU TB)

**FSSIA ESG rating**

★★★★

**68.12 /100**

## Exhibit 22: 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.
★★★★	<b>&gt;59-79</b>	<b>A mixed track record of managing the most significant ESG risks and opportunities relative to industry peers.</b>
★★★	>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 23: ESG – peer comparison

	FSSIA ESG score	Domestic ratings						Global ratings						Bloomberg	
		DJSI	SET ESG	SET ESG Rating	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	8.00	--	--	--	--	--	Declared	--	--	--	--	--	--	--	--
CPF	78.94	Y	Y	Y	5.00	5.00	Certified	High	50.25	BBB	43.00	70.21	85.00	4.08	62.09
GFPT	53.67	--	Y	Y	5.00	5.00	Certified	High	56.79	--	--	61.87	19.00	--	55.41
TU	68.12	Y	--	--	5.00	5.00	Certified	High	44.49	A	35.00	66.15	87.00	2.99	--
TFG	33.01	--	--	Y	4.00	5.00	Certified	High	--	--	--	42.11	--	--	--
RBF	34.45	--	--	--	5.00	4.00	Declared	High	51.04	--	--	30.50	--	2.34	--

Sources: SETTRADE.com; FSSIA's compilation

## Exhibit 24: ESG score by Bloomberg

FY ending Dec 31	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
<b>ESG financial materiality scores - ESG score</b>	<b>2.37</b>	<b>2.62</b>	<b>2.56</b>	<b>2.86</b>	<b>2.84</b>	<b>3.00</b>	<b>3.01</b>	<b>2.99</b>
BESG environmental pillar score	2.52	2.49	2.51	3.33	3.36	3.58	3.54	—
BESG social pillar score	0.95	1.32	1.28	1.41	1.36	1.53	1.53	—
BESG governance pillar score	3.94	4.42	4.21	3.95	3.89	3.93	4.02	—
<b>ESG disclosure score</b>	<b>50.93</b>	<b>56.98</b>	<b>56.98</b>	<b>60.30</b>	<b>60.75</b>	<b>63.74</b>	<b>64.21</b>	<b>—</b>
Environmental disclosure score	38.75	44.64	44.64	48.32	48.66	48.66	50.08	—
Social disclosure score	35.34	42.59	42.59	42.59	43.62	52.60	52.60	—
Governance disclosure score	78.60	83.59	83.59	89.86	89.86	89.86	89.86	—
<b>Environmental</b>								
Emissions reduction initiatives	Yes	No						
Climate change policy	Yes	Yes						
Climate change opportunities discussed	No	No						
Risks of climate change discussed	No	No	No	No	Yes	Yes	Yes	Yes
GHG scope 1	385	423	367	370	337	311	323	—
GHG scope 2 location-based	161	176	179	170	173	183	188	—
GHG Scope 3	—	—	—	—	—	—	3,786	—
Carbon per unit of production	1	1	1	1	1	1	1	—
Biodiversity policy	Yes	Yes						
Energy efficiency policy	Yes	No						
Total energy consumption	1,129	1,328	1,251	1,196	1,097	1,181	1,209	—
Renewable energy use	25	54	48	40	53	75	122	—
Electricity used	310	360	369	350	354	379	384	—
Fuel used - natural gas	4,142	8,254	7,918	7,030	3,052	7,182	8,309	—

Sources: Bloomberg; FSSIA's compilation

**Exhibit 25: ESG score by Bloomberg (cont.)**

FY ending Dec 31	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Fuel used - crude oil/diesel	No							
Waste reduction policy	Yes							
Hazardous waste	—	0	0	1	1	1	3	—
Total waste	—	41	27	57	45	84	66	—
Waste recycled	—	—	—	27	26	51	32	—
Waste sent to landfills	—	41	27	22	14	14	14	—
Environmental supply chain management	Yes							
Water policy	Yes							
Water consumption	—	—	—	—	—	—	—	—
<b>Social</b>								
Human rights policy	Yes							
Policy against child labor	Yes							
Quality assurance and recall policy	No	No	No	No	Yes	Yes	Yes	Yes
Consumer data protection policy	Yes							
Equal opportunity policy	Yes							
Gender pay gap breakout	No	No	No	No	No	Yes	Yes	No
Pct women in workforce	—	—	—	—	—	—	—	65
Pct disabled in workforce	—	—	—	—	—	—	—	—
Business ethics policy	Yes							
Anti-bribery ethics policy	Yes							
Health and safety policy	Yes							
Lost time incident rate - employees	1	1	1	1	0	0	0	—
Total recordable incident rate - employees	—	—	—	—	—	1	1	—
Training policy	Yes							
Fair remuneration policy	Yes							
Number of employees – CSR	39,864	49,177	51,143	47,314	44,551	44,101	44,705	44,705
Employee turnover pct	15	14	15	13	16	17	13	—
Total hours spent by firm - employee training	305,452	885,186	767,145	264,958	209,390	260,196	299,524	168,216
Social supply chain management	Yes							
<b>Governance</b>								
Board size	12	12	12	12	12	12	12	11
No. of independent directors (ID)	4	4	4	4	4	4	5	5
No. of women on board	0	0	0	0	0	0	2	2
No. of non-executive directors on board	6	6	6	6	6	6	6	6
Company conducts board evaluations	Yes							
No. of board meetings for the year	8	8	6	5	6	7	5	8
Board meeting attendance pct	90	94	89	85	90	92	95	92
Board duration (years)	3	3	3	3	3	3	3	3
Director share ownership guidelines	No							
Age of the youngest director	41	42	42	43	44	45	46	47
Age of the oldest director	81	82	83	84	85	86	87	80
No. of executives / company managers	10	10	12	11	12	12	11	11
No. of female executives	1	1	1	1	1	1	0	0
Executive share ownership guidelines	No							
Size of audit committee	3	3	3	3	3	3	3	3
No. of ID on audit committee	3	3	3	3	3	3	3	3
Audit committee meetings	23	23	21	14	21	12	5	13
Audit meeting attendance %	—	97	89	93	97	94	100	97
Size of compensation committee	2	2	2	2	2	2	2	2
No. of ID on compensation committee	2	2	2	2	2	2	2	2
No. of compensation committee meetings	4	3	2	2	2	2	4	3
Compensation meeting attendance %	100	100	100	100	100	100	100	100
Size of nomination committee	2	2	2	2	2	2	2	2
No. of nomination committee meetings	4	3	2	2	2	2	4	3
Nomination meeting attendance %	100	100	100	100	100	100	100	100
<b>Sustainability governance</b>								
Verification type	No	No	No	Yes	Yes	Yes	Yes	Yes

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.																											
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 <b>SETESG inclusion</b> , 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. <b>SETESG Index</b> 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&amp;A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.)</i>	The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.																											
Thai CAC By Thai Private Sector Collective Action Against Corruption (CAC)	The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. <i>(Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.)</i>	The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.																											
Morningstar Sustainalytics	The Sustainalytics' ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. <i>Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality &amp; 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 border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>NEGL</th> <th>Low</th> <th>Medium</th> <th>High</th> <th>Severe</th> </tr> </thead> <tbody> <tr> <td>0-10</td> <td>10-20</td> <td>20-30</td> <td>30-40</td> <td>40+</td> </tr> </tbody> </table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+																	
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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 border="1" style="margin-left: auto; margin-right: auto;"> <tbody> <tr> <td><b>AAA</b></td> <td>8.571-10.000</td> <td><b>Leader:</b></td> <td>leading its industry in managing the most significant ESG risks and opportunities</td> </tr> <tr> <td><b>AA</b></td> <td>7.143-8.570</td> <td></td> <td></td> </tr> <tr> <td><b>A</b></td> <td>5.714-7.142</td> <td></td> <td></td> </tr> <tr> <td><b>BBB</b></td> <td>4.286-5.713</td> <td><b>Average:</b></td> <td>a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td> </tr> <tr> <td><b>BB</b></td> <td>2.857-4.285</td> <td></td> <td></td> </tr> <tr> <td><b>B</b></td> <td>1.429-2.856</td> <td></td> <td></td> </tr> <tr> <td><b>CCC</b></td> <td>0.000-1.428</td> <td><b>Laggard:</b></td> <td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td> </tr> </tbody> </table>	<b>AAA</b>	8.571-10.000	<b>Leader:</b>	leading its industry in managing the most significant ESG risks and opportunities	<b>AA</b>	7.143-8.570			<b>A</b>	5.714-7.142			<b>BBB</b>	4.286-5.713	<b>Average:</b>	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	<b>BB</b>	2.857-4.285			<b>B</b>	1.429-2.856			<b>CCC</b>	0.000-1.428	<b>Laggard:</b>	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; &gt;25 to 50 = satisfactory; &gt;50 to 75 = good; and &gt;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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Company	Ticker	Price	Rating	Valuation & Risks
Thai Union Group	TU TB	THB 13.00	HOLD	Downside and upside risks to our SoTP-based 2025 TP include 1) a slower or faster-than-expected revenue recovery; 2) higher or lower-than-expected freight costs; 3) a slower or higher decrease in raw material costs than expected; 4) higher or lower-than-expected labor costs and labor shortages; and 5) stronger or weaker Baht than expected.
Charoen Pokphand Foods	CPF TB	THB 22.30	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.
Betagro	BTG TB	THB 17.70	BUY	Downside risks to our P/E-based TP include 1) a slower-than-expected purchasing power recovery; 2) a slower-than-expected meat price increase; 3) a slower-than-expected decrease in feed costs; and 4) a stronger-than-expected THB.
Thai Foods Group	TFG TB	THB 3.38	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.
GFPT	GFPT TB	THB 10.30	BUY	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.

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 15-Jan-2025 unless otherwise stated.

## RECOMMENDATION STRUCTURE

### Stock ratings

Stock ratings are based on absolute upside or downside, which we define as (target price\* - current price) / 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.