

# MAGURO GROUP MAGURO TB

THAILAND / AGRO & FOOD INDUSTRY

**BUY**  
 UNCHANGED

## New branches to support new high

- Expect 4Q24 profit to reach a record high with growth of 9% q-q and 133% y-y.
- MAGURO set its 2025 revenue growth target at 30% y-y, with two new brands and 13 new branches planned.
- Reiterate BUY call as our top pick in restaurant sector.

TARGET PRICE	THB24.50
CLOSE	THB21.20
UP/DOWNSIDE	+15.6%
PRIOR TP	THB24.50
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	-2.5%

### KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	1,044	1,351	1,628	1,939
Net profit	72	94	135	165
EPS (THB)	0.69	0.75	1.07	1.31
vs Consensus (%)	-	(4.7)	(0.3)	(1.5)
EBITDA	218	275	331	380
Recurring net profit	72	99	135	165
Core EPS (THB)	0.69	0.79	1.07	1.31
Chg. In EPS est. (%)	-	(0.5)	-	-
EPS growth (%)	131.1	13.8	35.6	22.3
Core P/E (x)	30.6	26.9	19.8	16.2
Dividend yield (%)	3.9	2.1	3.0	3.7
EV/EBITDA (x)	11.6	9.8	8.2	7.1
Price/book (x)	8.3	4.2	3.9	3.5
Net debt/Equity (%)	117.1	3.8	4.8	2.6
ROE (%)	26.5	22.0	20.3	22.8

### New branches support a new high profit in 4Q24E

We expect a 4Q24 net profit of THB32m (+9% q-q, +130% y-y), a new record high, driven by six new branches: 2 Maguro, 2 Hitori, 1 Tonkatsu Aoki, and 1 CouCou. This brings the total number of branches to 38 at the end of 2024 (from 25 branches in 2023). We assume 4Q24 SSSG to rise to 3.1% y-y (from 0.5% in 3Q24). However, the gross margin should soften q-q due to seasonal increases in salmon prices (+5% q-q), and operating expenses are likely to rise due to the opening of new branches, especially standalone locations.

### Aiming at strong growth target in 2025

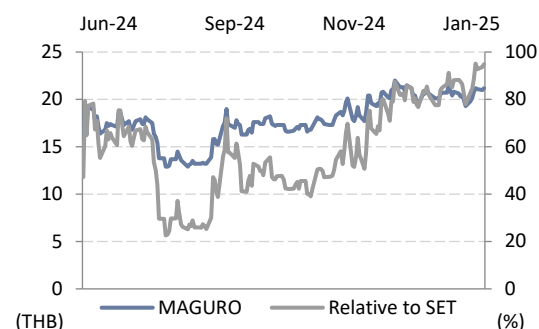
MAGURO aims for revenue growth of 30% y-y in 2025, with plans to open two new brands and 13 additional branches, particularly the franchise brand Tonkatsu Aoki, which has received strong feedback. As a result, management plans to open 4-5 more branches in the near future, in line with the franchise contract. The company set its 2025 investment budget at THB150m-200m, and the target gross margin for the new brands is set to be no less than 50% (higher than Maguro). We expect the contribution of revenue from other brands (non-Maguro) to exceed 50% starting in 2025.

### 2025 profit may hit another record high

We maintain our 2024E net profit at THB94m (+29.6% y-y), and project 2025 net profit growth to accelerate by 43.5% y-y to THB135m. Our assumptions are 11 new branches and SSSG of +2% y-y. In the short term, we have a positive view on 1Q25 profit, which should grow q-q and y-y. Even though seasonal factors typically lead to a q-q decline and 1QTD fresh salmon prices have risen 42% q-q and 7% y-y, the positive impact from the new branches opened in 2024 and early 2025, along with support from joining the Easy E-receipt 2.0 program, will likely offset this.

### Reiterate BUY call with the same TP of THB24.5

We maintain our TP at THB24.5, based on a P/E of 23x. The overall outlook for 2025 aligns with our estimates, and MAGURO remains our top pick in the restaurant sector, driven by strong profit growth projected over the next 1-2 years, as long as the company continues to open new branches and new brands.



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	3.4	22.5	n/a
Relative to country (%)	7.7	32.3	n/a
Mkt cap (USD m)	79		
3m avg. daily turnover (USD m)	1.7		
Free float (%)	29		
Major shareholder	Mr Jakkrit Saisomboon (15%)		
12m high/low (THB)	23.70/12.60		
Issued shares (m)	126.00		

Sources: Bloomberg consensus; FSSIA estimates



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Investment thesis

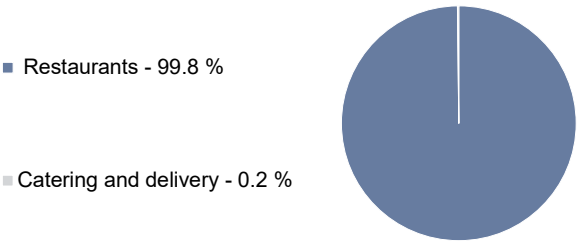
Although the overall outlook for Thailand's restaurant industry in 2024 may appear less optimistic due to weak purchasing power and high competition, MAGURO's negative 9M24 SSSG of 1.8% y-y is smaller compared to other operators like M and ZEN. However, due to the positive impact of opening new branches, MAGURO's total revenue in 9M24 grew by a substantial 26.8% y-y. The company plans to open more branches in 4Q24, and we expect revenue and profit growth to accelerate in 4Q24 and perform well into 2025-26. MAGURO is considered a growth stock in this sector.

Company profile

MAGURO was established in 2015 and operates in a restaurant business, offering food and beverages across the Premium-Mass range, under the brands MAGURO, SSAMTHING TOGETHER and HITORI SHABU. In addition, the company also provides delivery and catering services.

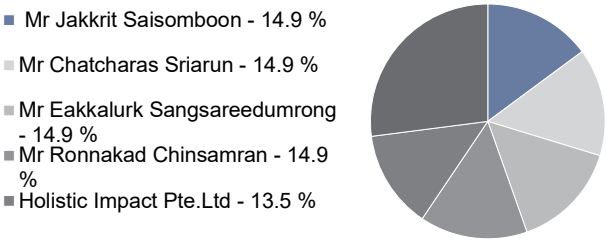
[www.maguro.co.th](http://www.maguro.co.th)

Principal activities (revenue, 2023)



Source: Maguro Group

Major shareholders



Source: Maguro Group

Catalysts

Potential catalysts for MAGURO’s earnings growth in 2025 include 1) foot traffic growth and food price hikes; 2) a tourism recovery, which would drive international customers; 3) lower raw material costs; and 4) new store expansions.

Risks to our call

Downside risks to our TP include 1) a slower-than-expected consumption recovery and more intense competition; 2) higher raw material prices; 3) fewer new stores than expected; and 4) a minimum wage increase and labor shortages.

Event calendar

Date	Event
February 2025	4Q24 results announcement

Key assumptions

	2024E	2025E	2026E
SSSG (%)	(0.6)	2.0	2.0
New branches (no.)	13	11	10
Total branches (no.)	38	49	59
Total revenue growth (%)	29.5	20.5	19.1
Gross margin (%)	45.6	45.3	45.2
SG&A to sales (%)	34.3	33.1	33.0

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in SSSG, we estimate 2025 net profit to rise by 0.6%, and vice versa, all else being equal.
- For every 0.5% increase in GPM, we estimate 2025 net profit to rise by 5.1%, and vice versa, all else being equal.
- For every 0.2% increase in SG&A, we estimate 2025 net profit to fall by 2.1%, and vice versa, all else being equal.

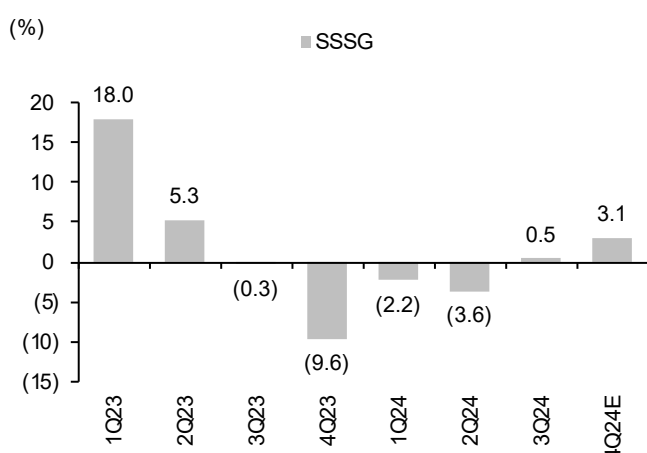
Source: FSSIA estimates

### Exhibit 1: MAGURO – 4Q24 earnings preview

	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24E	----- Change -----		2023	2024E	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)
Sales	267	276	297	321	356	378	6.2	36.9	1,044	1,351	29.5
Cost of sales	146	153	163	184	187	201	7.6	31.3	572	734	28.4
Gross profit	122	123	134	137	169	177	4.6	43.9	471	617	30.9
SG&A	93	101	102	107	125	130	4.1	28.1	364	463	27.4
Operating profit	29	23	33	30	45	48	7.0	110.0	110	156	42.2
Interest expense	5	6	7	8	9	9	0.9	44.7	19	33	69.1
Tax expense	5	3	5	5	7	8	7.0	155.5	18	24	34.0
Reported net profit	19.0	13.7	20.1	12.9	29.3	31.6	7.6	129.7	72	94	29.6
Core profit	19.0	13.7	20.6	18.2	29.0	31.6	8.8	129.7	72	99	37.1
<b>Key ratios (%)</b>							<b>(ppt)</b>	<b>(ppt)</b>			
Gross margin	45.5	44.5	45.3	42.6	47.5	46.8	(0.7)	2.3	45.2	45.6	0.5
SG&A to sales	34.8	36.7	34.4	33.5	35.0	34.3	(0.7)	(2.4)	34.9	34.3	(0.6)
Operating margin	10.8	8.3	11.0	9.4	12.7	12.8	0.1	4.4	10.5	11.6	1.0
Net margin	7.1	5.0	6.8	4.0	8.2	8.4	0.1	3.4	6.9	7.0	0.0
Core margin	7.1	5.0	6.9	5.7	8.2	8.4	0.2	3.4	6.9	7.4	0.4
<b>Operating statistics (THB m)</b>											
SSSG (%)	(0.3)	(9.6)	(2.2)	(3.6)	0.5	3.1			4.0	(0.6)	
Existing branches (no.)	20	21	25	26	28	32			16	25	
New branches (no.)	1	4	1	2	4	6			9	13	
Total branches (no.)	21	25	26	28	32	38	18.8	52.0	25	38	52.0
Maguro (no.)	12	13	14	15	16	18	12.5	38.5			
SSAMTHING Together (no.)	5	6	6	6	6	6	0.0	0.0			
Hitori (no.)	4	6	6	7	10	12	20.0	100.0			
Salmon price (NOK/kg)	80	86	109	108	78	82	5.0	(5.1)	94	91	(3.3)
<b>Restaurant revenue by brand (THB m)</b>											
MAGURO	160	163	171	180	198	209	5.5	28.0	645	757	17.4
SSAMTHING Together	48	48	51	53	52	54	2.3	12.4	199	210	5.6
Hitori Shabu	59	65	75	87	105	116	10.0	78.0	197	383	94.0

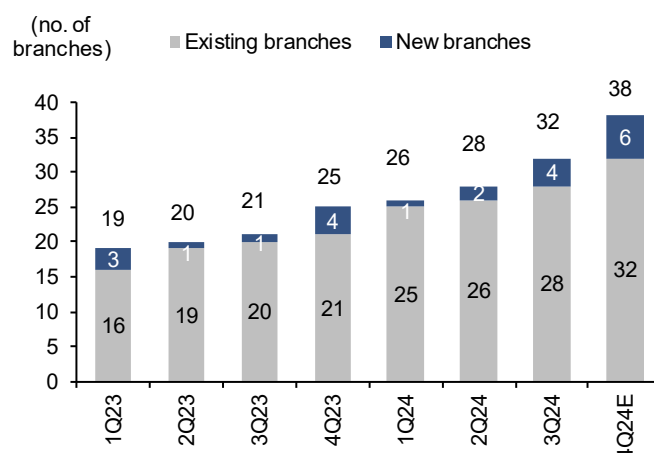
Sources: MAGURO, FSSIA estimates

### Exhibit 2: Quarterly same-store sales growth



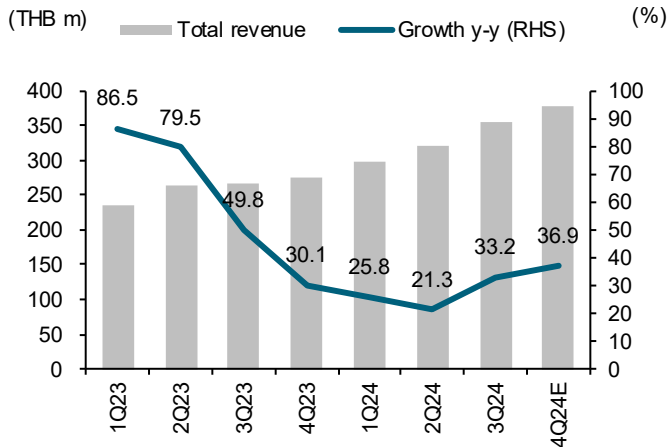
Sources: MAGURO, FSSIA estimates

### Exhibit 3: Total and new branch expansions



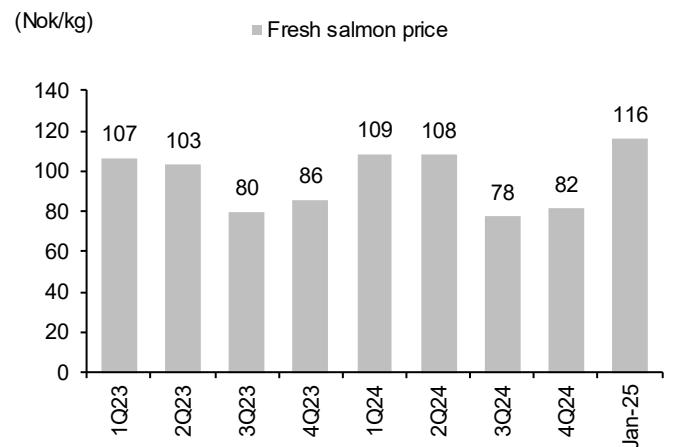
Sources: MAGURO, FSSIA estimates

**Exhibit 4: Quarterly total revenue growth**



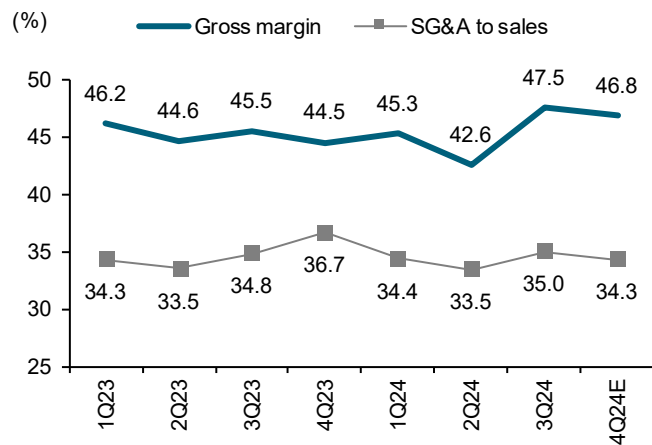
Sources: MAGURO, FSSIA estimates

**Exhibit 5: Quarterly Norway fresh salmon prices**



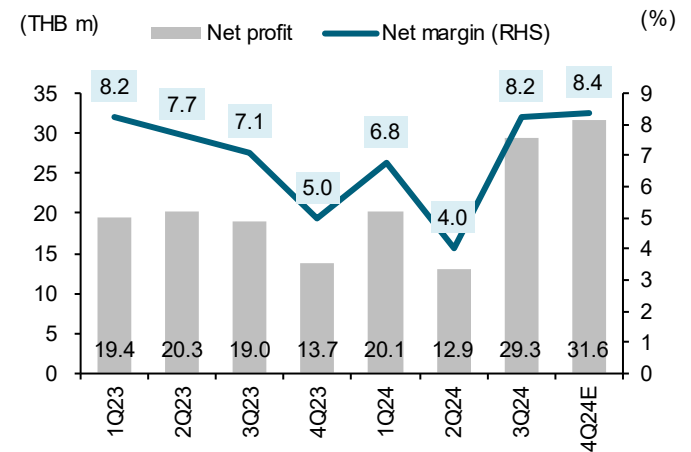
Sources: Bloomberg, FSSIA estimates

**Exhibit 6: Quarterly gross margin and SG&A to sales**



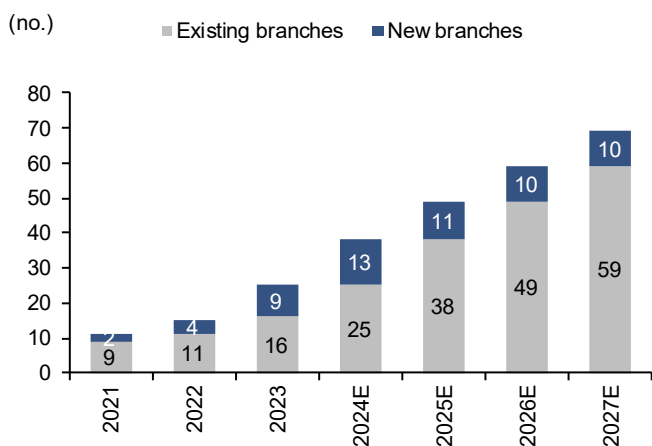
Sources: MAGURO, FSSIA estimates

**Exhibit 7: Quarterly net profit and net margin**



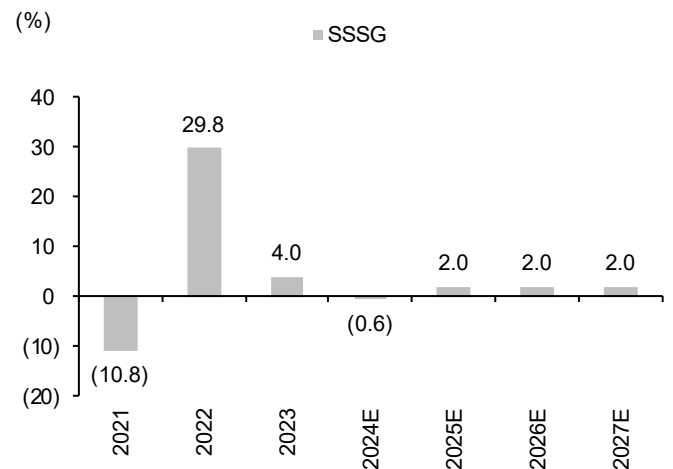
Sources: MAGURO, FSSIA estimates

**Exhibit 8: Total new branch expansions**



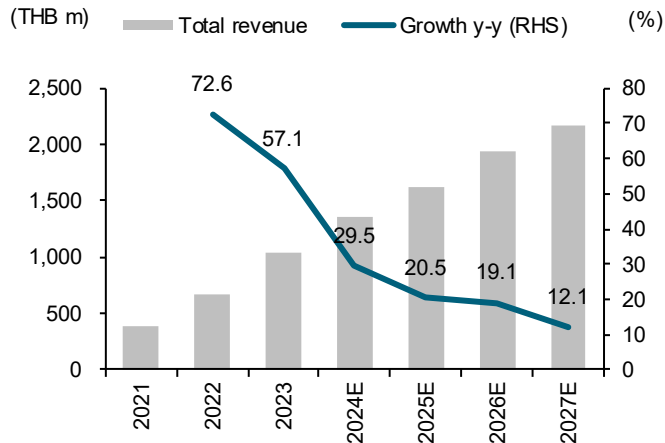
Sources: MAGURO, FSSIA estimates

**Exhibit 9: Same-store sales growth**



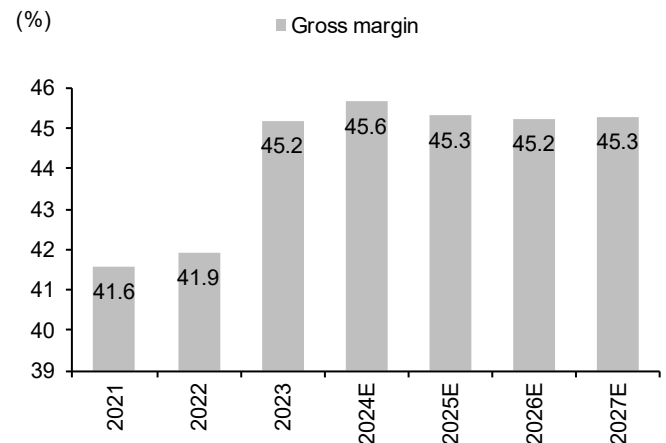
Sources: MAGURO, FSSIA estimates

**Exhibit 10: Yearly total revenue and growth**



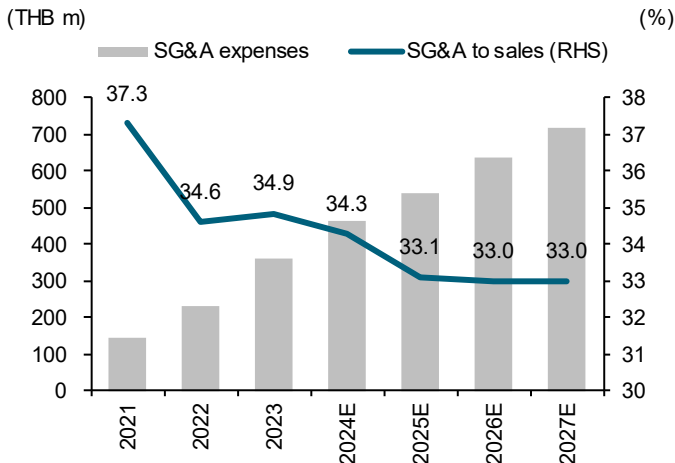
Sources: MAGURO, FSSIA estimates

**Exhibit 11: Yearly gross margin**



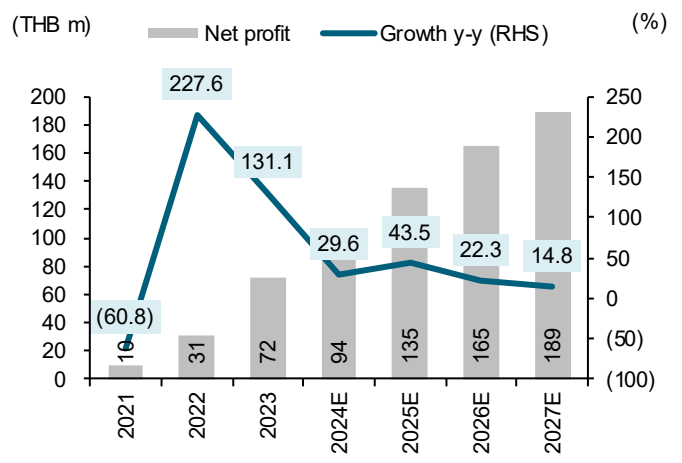
Sources: MAGURO, FSSIA estimates

**Exhibit 12: Yearly SG&A to sales**



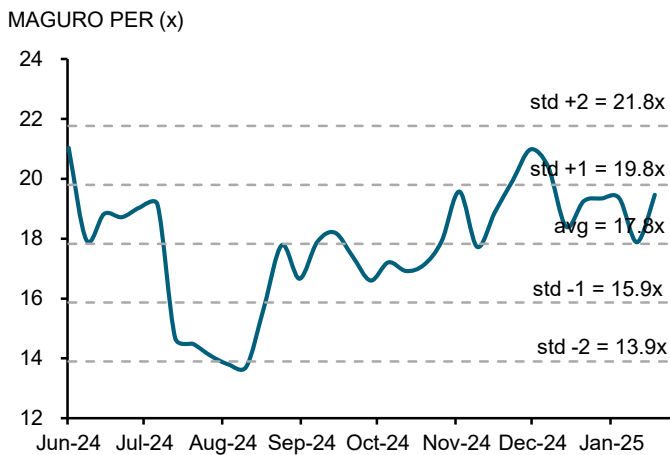
Sources: MAGURO, FSSIA estimates

**Exhibit 13: Yearly net profit**



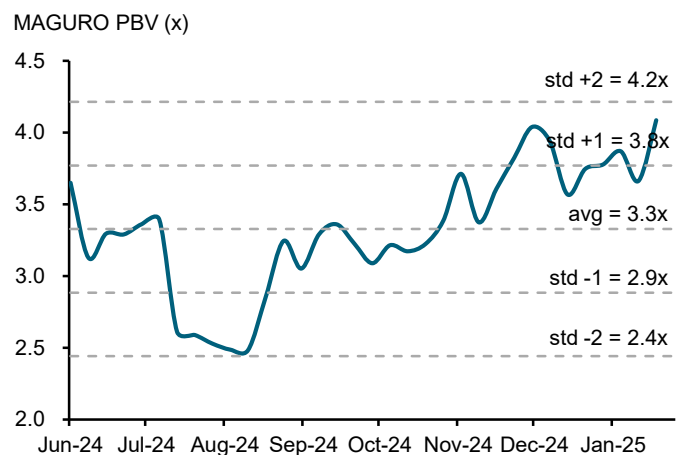
Sources: MAGURO, FSSIA estimates

**Exhibit 14: Historical P/E band**



Sources: Bloomberg; FSSIA estimates

**Exhibit 15: Historical P/BV band**



Sources: Bloomberg; FSSIA estimates

## Financial Statements

### Maguro Group

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	664	1,044	1,351	1,628	1,939
Cost of goods sold	(386)	(572)	(734)	(891)	(1,062)
<b>Gross profit</b>	<b>278</b>	<b>471</b>	<b>617</b>	<b>738</b>	<b>877</b>
Other operating income	2	2	3	3	4
Operating costs	(230)	(364)	(463)	(539)	(640)
<b>Operating EBITDA</b>	<b>115</b>	<b>218</b>	<b>275</b>	<b>331</b>	<b>380</b>
Depreciation	(65)	(109)	(119)	(129)	(139)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>50</b>	<b>110</b>	<b>156</b>	<b>202</b>	<b>241</b>
Net financing costs	(11)	(19)	(33)	(34)	(35)
Associates	0	0	0	0	0
Recurring non-operating income	0	0	0	0	0
Non-recurring items	0	0	(5)	0	0
<b>Profit before tax</b>	<b>39</b>	<b>91</b>	<b>118</b>	<b>169</b>	<b>206</b>
Tax	(8)	(18)	(24)	(34)	(41)
<b>Profit after tax</b>	<b>31</b>	<b>72</b>	<b>94</b>	<b>135</b>	<b>165</b>
Minority interests	0	0	0	0	0
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>31</b>	<b>72</b>	<b>94</b>	<b>135</b>	<b>165</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>-</b>	<b>-</b>	<b>5</b>	<b>-</b>	<b>-</b>
<b>Recurring net profit</b>	<b>31</b>	<b>72</b>	<b>99</b>	<b>135</b>	<b>165</b>
<b>Per share (THB)</b>					
Recurring EPS *	0.30	0.69	0.79	1.07	1.31
Reported EPS	0.30	0.69	0.75	1.07	1.31
DPS	0.29	0.82	0.45	0.64	0.79
Diluted shares (used to calculate per share data)	105	105	126	126	126
<b>Growth</b>					
Revenue (%)	72.6	57.1	29.5	20.5	19.1
Operating EBITDA (%)	73.2	89.3	25.8	20.3	14.9
Operating EBIT (%)	162.7	119.9	42.2	29.3	19.4
Recurring EPS (%)	227.6	131.1	13.8	35.6	22.3
Reported EPS (%)	227.6	131.1	7.5	43.5	22.3
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	41.9	45.2	45.6	45.3	45.2
Gross margin exc. depreciation (%)	51.8	55.6	54.4	53.2	52.4
Operating EBITDA margin (%)	17.4	20.9	20.3	20.3	19.6
Operating EBIT margin (%)	7.5	10.5	11.6	12.4	12.4
Net margin (%)	4.7	6.9	7.4	8.3	8.5
Effective tax rate (%)	20.3	20.0	20.6	20.0	20.0
Dividend payout on recurring profit (%)	96.7	118.3	56.7	60.0	60.0
Interest cover (X)	4.7	5.7	4.8	6.0	6.9
Inventory days	16.4	24.0	30.1	32.0	31.7
Debtor days	7.6	7.1	5.1	4.6	4.6
Creditor days	74.0	71.4	72.7	74.6	74.0
Operating ROIC (%)	17.2	21.0	22.2	26.0	28.7
ROIC (%)	14.9	18.5	19.5	22.5	24.7
ROE (%)	11.2	26.5	22.0	20.3	22.8
ROA (%)	6.9	12.2	12.0	12.0	13.1

\* Pre-exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2022	2023	2024E	2025E	2026E
Restaurants	662	1,042	1,349	1,626	1,937
Catering and delivery	3	2	2	2	3

Sources: Maguro Group; FSSIA estimates

## Financial Statements

### Maguro Group

Cash Flow (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Recurring net profit	31	72	99	135	165
Depreciation	65	109	119	129	139
Associates & minorities	-	-	-	-	-
Other non-cash items	2	0	0	0	0
Change in working capital	(2)	19	18	16	18
<b>Cash flow from operations</b>	<b>96</b>	<b>200</b>	<b>236</b>	<b>279</b>	<b>321</b>
Capex - maintenance	(217)	(352)	(200)	(200)	(200)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	(13)	(25)	(28)	(12)	(14)
<b>Cash flow from investing</b>	<b>(231)</b>	<b>(377)</b>	<b>(228)</b>	<b>(212)</b>	<b>(214)</b>
Dividends paid	(26)	(85)	(56)	(81)	(99)
Equity finance	0	0	332	0	0
Debt finance	82	151	47	39	24
Other financing cash flows	3	8	5	5	6
<b>Cash flow from financing</b>	<b>59</b>	<b>73</b>	<b>327</b>	<b>(37)</b>	<b>(69)</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>(75)</b>	<b>(104)</b>	<b>335</b>	<b>30</b>	<b>38</b>
Free cash flow to firm (FCFF)	(123.56)	(157.84)	40.61	100.50	142.21
Free cash flow to equity (FCFE)	(48.67)	(18.70)	59.67	111.25	136.86
<b>Per share (THB)</b>					
FCFF per share	(0.98)	(1.25)	0.32	0.80	1.13
FCFE per share	(0.39)	(0.15)	0.47	0.88	1.09
Recurring cash flow per share	0.94	1.73	1.73	2.09	2.41
Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Tangible fixed assets (gross)	418	696	788	870	941
Less: Accumulated depreciation	(73)	(108)	(119)	(129)	(139)
<b>Tangible fixed assets (net)</b>	<b>345</b>	<b>588</b>	<b>670</b>	<b>741</b>	<b>803</b>
<b>Intangible fixed assets (net)</b>	<b>13</b>	<b>23</b>	<b>30</b>	<b>30</b>	<b>30</b>
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	0	0	0	0	0
Cash & equivalents	198	94	429	460	498
A/C receivable	21	19	19	22	27
Inventories	20	41	60	73	87
Other current assets	4	3	7	8	10
<b>Current assets</b>	<b>243</b>	<b>158</b>	<b>515</b>	<b>563</b>	<b>621</b>
Other assets	30	45	61	73	87
<b>Total assets</b>	<b>631</b>	<b>814</b>	<b>1,275</b>	<b>1,408</b>	<b>1,541</b>
Common equity	280	267	636	690	756
Minorities etc.	0	0	0	0	0
<b>Total shareholders' equity</b>	<b>280</b>	<b>267</b>	<b>636</b>	<b>690</b>	<b>756</b>
Long term debt	196	331	353	385	402
Other long-term liabilities	12	19	24	29	35
<b>Long-term liabilities</b>	<b>208</b>	<b>351</b>	<b>378</b>	<b>415</b>	<b>437</b>
A/C payable	77	105	141	171	204
Short term debt	60	76	100	108	115
Other current liabilities	6	17	20	24	29
<b>Current liabilities</b>	<b>143</b>	<b>197</b>	<b>261</b>	<b>303</b>	<b>347</b>
<b>Total liabilities and shareholders' equity</b>	<b>631</b>	<b>814</b>	<b>1,275</b>	<b>1,408</b>	<b>1,541</b>
Net working capital	(39)	(57)	(75)	(92)	(109)
Invested capital	350	599	685	753	811
* Includes convertibles and preferred stock which is being treated as debt					
<b>Per share (THB)</b>					
Book value per share	2.68	2.55	5.05	5.48	6.00
Tangible book value per share	2.55	2.34	4.81	5.24	5.76
<b>Financial strength</b>					
Net debt/equity (%)	20.8	117.1	3.8	4.8	2.6
Net debt/total assets (%)	9.2	38.4	1.9	2.4	1.3
Current ratio (x)	1.7	0.8	2.0	1.9	1.8
CF interest cover (x)	(3.6)	0.0	2.8	4.3	4.9
Valuation	2022	2023	2024E	2025E	2026E
<b>Recurring P/E (x) *</b>	<b>70.7</b>	<b>30.6</b>	<b>26.9</b>	<b>19.8</b>	<b>16.2</b>
<b>Recurring P/E @ target price (x) *</b>	<b>81.7</b>	<b>35.3</b>	<b>31.1</b>	<b>22.9</b>	<b>18.7</b>
Reported P/E (x)	70.7	30.6	28.4	19.8	16.2
Dividend yield (%)	1.4	3.9	2.1	3.0	3.7
Price/book (x)	7.9	8.3	4.2	3.9	3.5
Price/tangible book (x)	8.3	9.1	4.4	4.0	3.7
EV/EBITDA (x) **	19.7	11.6	9.8	8.2	7.1
EV/EBITDA @ target price (x) **	22.7	13.2	11.3	9.4	8.2
EV/invested capital (x)	6.5	4.2	3.9	3.6	3.3
* Pre-exceptional, pre-goodwill and fully diluted    ** EBITDA includes associate income and recurring non-operating income					

Sources: Maguro Group; FSSIA estimates



# MAGURO GROUP PCL (MAGURO TB)

FSSIA ESG rating

n/a

## Exhibit 16: 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.

Source: FSSIA estimates

## Exhibit 17: 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
AU	11.75	--	--	--	--	3.00	--	High	--	--	--	--	--	--	--
M	26.38	--	--	--	4.00	4.00	Certified	Medium	--	--	--	--	17.00	--	--
MAGURO	n/a	--	--	--	--	--	--	--	--	--	--	--	--	--	--
SNP	39.25	--	--	Y	4.00	5.00	Certified	--	64.55	--	--	57.45	--	--	--
ZEN	37.06	--	--	Y	5.00	4.00	Certified	--	52.09	--	--	52.41	--	--	--

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

## Exhibit 18: ESG disclosure from the company's one report

FY ending Dec 31	FY 2023	FY ending Dec 31	FY 2023
<b>Environmental</b>		<b>Governance</b>	
Climate change policy	Yes	Board size / Independent directors (ID) / Female	9 / 3 / 1
Climate change opportunities discussed	--	No. of board meetings for the year / % attendance	9 / 95%
GHG scope 2 location-based policy	Yes	Company conducts board evaluations	--
Biodiversity policy	Yes	Number of non-executive directors on board	4
Energy efficiency policy	Yes	Director share ownership guidelines	No
Electricity used	--	Board age limit	No
Fuel used - crude oil/diesel	--	Age of the youngest / oldest director	-- / --
Waste reduction policy	Yes	Number of executives / female	5 / 2
Water policy	Yes	Executive share ownership guidelines	No
Water consumption	--	Size of audit committee / ID	3 / 3
<b>Social</b>		Audit committee meetings	5
Human rights policy	Yes	Audit committee meeting attendance (%)	100
Policy against child labor	Yes	Size of compensation committee	3 / 2
Quality assurance and recall policy	--	Number of compensation committee meetings	5
Consumer data protection policy	Yes	Compensation committee meeting attendance (%)	100
Equal opportunity policy	Yes	Size of nomination committee / ID	3 / 2
Gender pay gap breakout	--	Number of nomination committee meetings	5
Pct women in workforce	Yes	Nomination committee meeting attendance (%)	100
Business ethics policy	Yes	Board compensation (THB m)	1.61
Anti-bribery ethics policy	Yes	Auditor fee (THB m)	2.20
Health and safety policy	Yes	(PricewaterhouseCoopers ABAS Ltd.)	
Lost time incident rate - employees	--		
Training policy	Yes		
Fair remuneration policy	Yes		
Number of employees - CSR	--		
Total hours spent by firm - employee training	--		
Social supply chain management	Yes		

Source: FSSIA's compilation



## Disclaimer for ESG scoring

ESG score	Methodology	Rating																			
The Dow Jones Sustainability Indices ( <a href="#">DJSI</a> ) 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 ( <a href="#">SETESG</a> ) by The Stock Exchange of Thailand ( <a href="#">SET</a> )	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.																			
<b>CG Score</b> 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%).																			
<b>AGM level</b> 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.																			
<a href="#">Thai CAC</a> 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.																			
<a href="#">Morningstar Sustainabilitys</a>	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 &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><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+																	
<a href="#">ESG Book</a>	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.																			
<a href="#">MSCI</a>	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><b>AAA</b></td><td>8.571-10.000</td><td rowspan="3"><b>Leader:</b></td><td rowspan="3">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></tr><tr><td><b>A</b></td><td>5.714-7.142</td></tr><tr><td><b>BBB</b></td><td>4.286-5.713</td><td rowspan="3"><b>Average:</b></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><b>BB</b></td><td>2.857-4.285</td></tr><tr><td><b>B</b></td><td>1.429-2.856</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></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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<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																		
<a href="#">Moody's ESG solutions</a>	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.																				
<a href="#">Refinitiv ESG rating</a>	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>																				
<a href="#">S&amp;P Global</a>	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.																				
<b>Bloomberg</b>	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

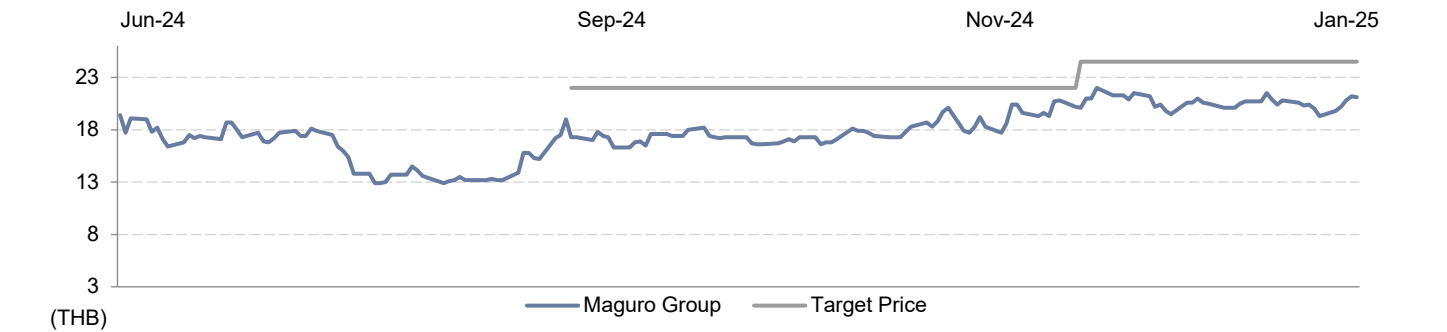
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History of change in investment rating and/or target price

Maguro Group (MAGURO TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
28-Aug-2024	BUY	22.00	02-Dec-2024	BUY	24.50	-	-	-

Sureeporn Teewasuwet started covering this stock from 28-Aug-2024

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Maguro Group	MAGURO TB	THB 21.20	BUY	Downside risks to our TP include 1) a slower-than-expected consumption recovery and more intense competition; 2) higher raw material prices; 3) fewer new stores than expected; and 4) a minimum wage increase and labor shortages.

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 28-Jan-2025 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.