

THAI FOODS GROUP

THAILAND / FOOD & BEVERAGE

TFG TB

BUY
 UNCHANGED

Expect 1Q25 profit to rebound q-q

- Expect 4Q24 net profit to drop q-q due to lower meat price. 1QTD meat prices have rebounded in both Thailand and Vietnam.
- Revising up our 2024-25E net profit by 3-4% to grow by 3.3% in 2025.
- We lower our TP to THB4.1, but maintain our rating as BUY.

TARGET PRICE	THB4.10
CLOSE	THB3.20
UP/DOWNSIDE	+28.1%
PRIOR TP	THB4.60
CHANGE IN TP	-10.9%
TP vs CONSENSUS	-17.9%

Expect 4Q24 profit to drop q-q in line with meat prices

We expect a 4Q24 net profit of THB859m (-32% q-q, turning from a loss of THB861m in 4Q23). Excluding losses from extra items such as biological losses and losses from accounting adjustments, its core profit would be THB1.18b (-3% q-q, turning from a loss in 4Q23). Although we assume 4Q24 total revenue to grow both q-q and y-y, the gross margin may decrease slightly q-q due to lower meat prices, including Thai chicken (-10% q-q) and Vietnamese swine (-2% q-q), while Thai swine has remained stable. In addition, we project total expenses to rise q-q and y-y due to seasonal factors.

Accelerated opening of new retail shop branches

TFG opened another 33 branches of Thai Foods Fresh Market in 4Q24, reaching a total of 401 by the end of 2024, which meets its target. We expect revenue from the retail shop business to account for 36% in 2024, up from 31.3% in 2023. TFG targets 2025 total revenue growth of 10% y-y, with plans to open an additional 200 branches (FSSIA uses a new branch assumption of 100 branches). It also aims for a gross margin of 13-14% in 2025, maintaining a positive outlook on swine prices in Thailand and Vietnam due to tight supply.

Revising up our net profit forecast by 3-4%

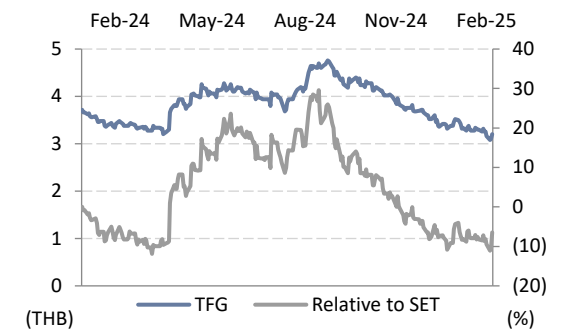
We have raised our 2024-25E net profit by 3-4% to THB3.15b (turning from a loss in 2023) and THB3.25b (+3.3% y-y), respectively, to reflect a better expected profit for 2024. In the short term, we expect 1Q25 net profit to turn to grow q-q, with strong y-y growth, following price increases for meat in both Thailand and Vietnam. We maintain our conservative assumptions for meat prices in 2025, with the Thai chicken market price projected at THB40/kg and THB55.7/kg for TFG's ASP, Thai swine at THB70/kg, and an increase in our Vietnam swine price estimate by 9% to VND60,000/kg.

Cut TP to THB4.1 due to de-rating valuation

However, we have lowered our target P/E to 8.5x (-0.5 SD) from 10x (-0.25 SD) to reflect ESG risks due to concerns about the proportion of shares pledged in margin account collateral, which is c44% of the total shares (according to SET reports from December 2024). Therefore, we cut our TP to THB4.1, down from THB4.6. The stock still has a 28% upside potential and we expect a 7% dividend yield, hence, we maintain our BUY rating.

KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	55,871	65,335	66,603	69,456
Net profit	(812)	3,148	3,252	3,624
EPS (THB)	(0.14)	0.51	0.48	0.54
vs Consensus (%)	-	5.2	(4.4)	6.9
EBITDA	5,287	9,763	9,789	10,378
Recurring net profit	(499)	3,588	3,252	3,624
Core EPS (THB)	(0.09)	0.58	0.48	0.54
Chg. In EPS est. (%)	nm	18.7	2.7	1.2
EPS growth (%)	nm	nm	(17.2)	11.4
Core P/E (x)	(37.2)	5.5	6.6	6.0
Dividend yield (%)	0.9	7.2	6.8	7.6
EV/EBITDA (x)	8.2	4.5	4.4	4.0
Price/book (x)	1.4	1.2	1.2	1.1
Net debt/Equity (%)	179.5	150.8	118.4	101.3
ROE (%)	(3.4)	24.3	19.1	18.9



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(9.1)	(20.4)	(13.0)
Relative to country (%)	(2.2)	(8.3)	(6.5)
Mkt cap (USD m)	539		
3m avg. daily turnover (USD m)	0.5		
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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Investment thesis

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

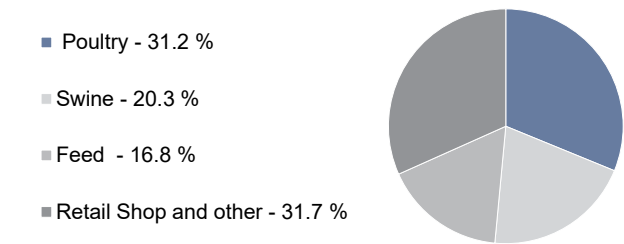
We maintain a conservative outlook on meat prices in 2025 due to increased production volumes and the continuous decline in raw material prices, meaning that any price increases will largely depend on demand. However, we expect that the expansion of branches and revenue for Thai Foods Fresh Market will help reduce the volatility of the upstream business' performance, and this should become more beneficial in the future.

Company profile

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

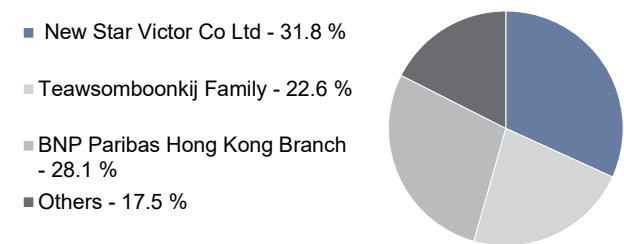
www.tfg.co.th

Principal activities (revenue, 2023)



Source: Thai Foods Group

Major shareholders



Source: Thai Foods Group

Catalysts

Potential catalysts for TFG’s earnings growth in 2025 are 1) revenue growth driven by sales volumes; 2) higher-than-expected meat prices; 3) declining raw material costs; and 4) its new Thai Foods Fresh Market store expansion.

Risks to our call

Downside 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.

Event calendar

Date	Event
February 2025	4Q24 results announcement

Key assumptions

	2024E	2025E	2026E
TFG's chicken asp (THB/kg)	58.0	55.7	56.0
TFG's swine asp (THB/kg)	68.0	70.0	70.0
Total sales growth (%)	16.9	1.9	4.3
Gross margin (%)	13.4	13.1	13.3
SG&A to sales (%)	6.7	6.8	6.8

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in revenue, we estimate 2025 net profit to rise by 1.2%, 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 0.5% increase in SG&A, we estimate 2025 net profit to fall by 4.7%, and vice versa, all else being equal.

Source: FSSIA estimates

Exhibit 1: TFG – 4Q24 earnings preview

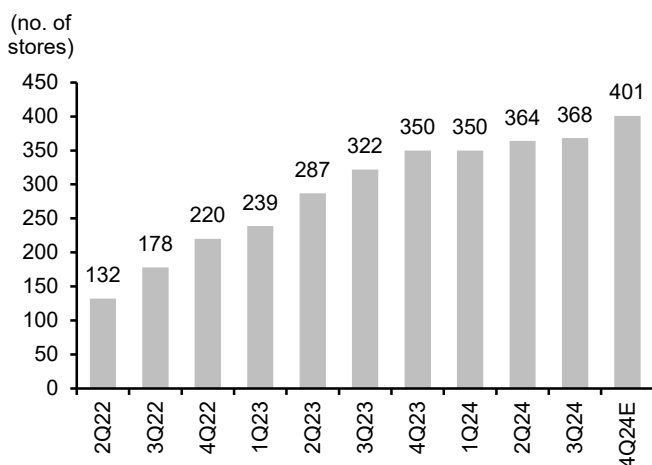
	4Q23	1Q24	2Q24	3Q24	4Q24E	----- Change -----		2023	2024E	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)
Sales	14,550	14,998	15,639	16,893	17,805	5.4	22.4	55,871	65,335	16.9
Cost of sales	14,427	13,712	13,382	14,327	15,134	5.6	4.9	52,086	56,554	8.6
Gross profit	123	1,286	2,257	2,566	2,671	4.1	2068.3	3,785	8,781	132.0
SG&A	1,182	1,008	1,026	1,144	1,218	6.5	3.0	3,678	4,395	19.5
Operating profit	(1059)	278	1,232	1,423	1,453	2.1	nm	107	4,386	3994.5
Interest expense	178	270	264	245	240	(2.0)	35.1	1,120	1,020	(9.0)
Tax expense	(170)	(13)	(11)	125	127	1.6	nm	(77)	227	nm
Other gain (loss)	111	82	(242)	40	(320)	nm	nm	(313)	(440)	nm
Reported net profit	(861)	174	855	1,260	859	(31.9)	nm	(812)	3,148	nm
Core profit	(972)	92	1,097	1,220	1,179	(3.4)	nm	(499)	3,588	nm

Key ratios (%)						(ppt)	(ppt)			
Gross margin	0.8	8.6	14.4	15.2	15.0	(0.2)	14.2	6.8	13.4	6.7
SG&A to sales	8.1	6.7	6.6	6.8	6.8	0.1	(1.3)	6.6	6.7	0.1
Operating margin	(7.3)	1.9	7.9	8.4	8.2	(0.3)	15.4	0.2	6.7	6.5
Net margin	(5.9)	1.2	5.5	7.5	4.8	(2.6)	10.7	(1.5)	4.8	6.3
Core margin	(6.7)	0.6	7.0	7.2	6.6	(0.6)	13.3	(0.9)	5.5	6.4

Operating Statistics (THB/kg)										
Domestic chicken price - TFG	53.9	55.5	58.5	57.7	53.7	(7.0)	(0.3)	56.9	58.0	1.9
Domestic swine price - TFG	57.9	59.5	61.3	64.6	64.6	0.0	11.6	67.0	68.0	1.5
Vietnam swine price (VND/kg)	47,082	53,400	62,848	61,708	60,237	(2.4)	27.9	52,311	60,613	15.9
Corn price	10.4	10.4	10.9	12.1	10.0	(17.4)	(3.8)	12.1	11.0	(9.1)
Soybean meal price	22.0	22.7	21.3	20.5	18.9	(7.8)	(14.1)	22.7	20.8	(8.4)
Poultry sales (THB m)	4,106	4,449	4,191	4,559	4,578	0.4	11.5	17,421	17,778	2.0
Swine sales (THB m)	2,785	2,969	3,322	3,430	3,766	9.8	35.2	11,349	13,487	18.8
Feed sales (THB m)	2,143	2,075	2,254	2,734	2,950	7.9	37.7	9,397	10,013	6.6
Retail shop sales value (THB m)	5,464	5,438	5,807	6,077	6,416	5.6	17.4	17,496	23,738	35.7
Retail shops (no.)	350	350	364	368	401	9.0	14.6	350	401	14.6

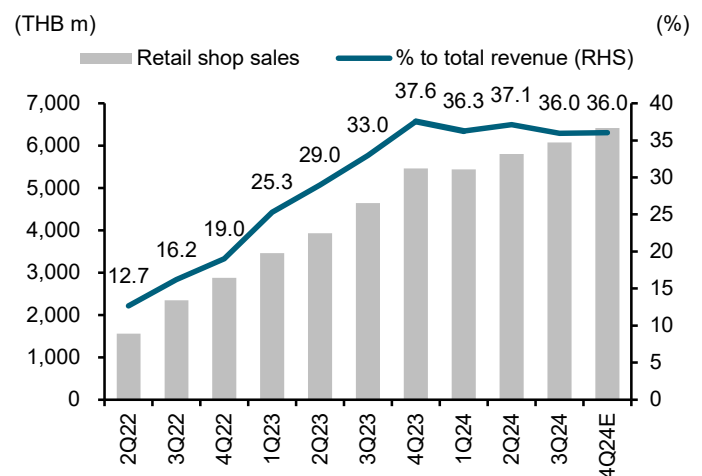
Sources: TFG, FSSIA estimates

Exhibit 2: Number of retail shops



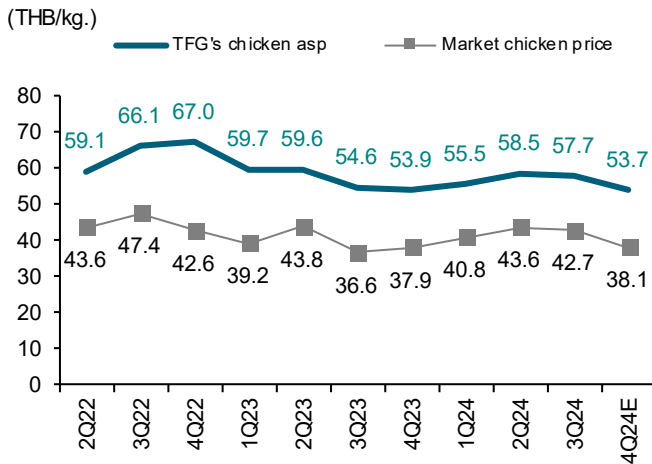
Sources: TFG, FSSIA estimates

Exhibit 3: Quarterly retail shop revenue



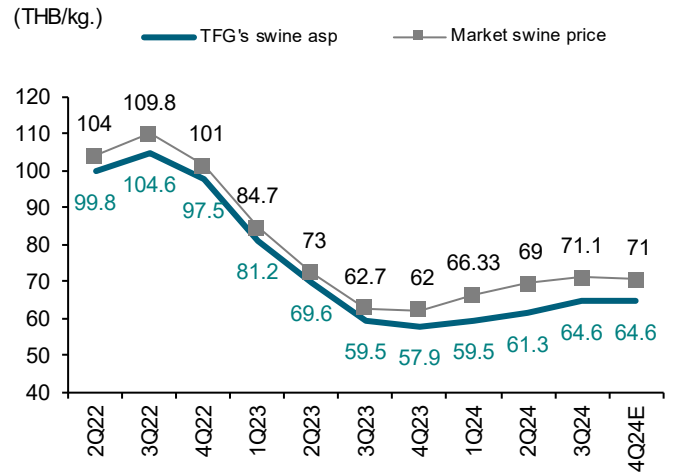
Sources: TFG, FSSIA estimates

Exhibit 4: TFG's chicken price vs market price



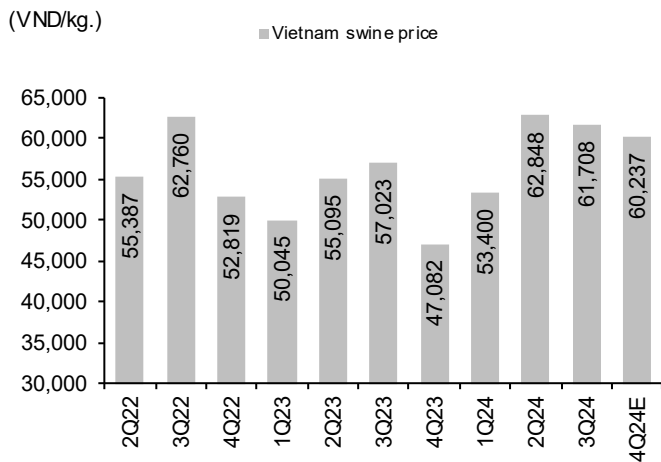
Sources: TFG, CPF, OAE, DIT, FSSIA estimates

Exhibit 5: TFG's swine price vs market price



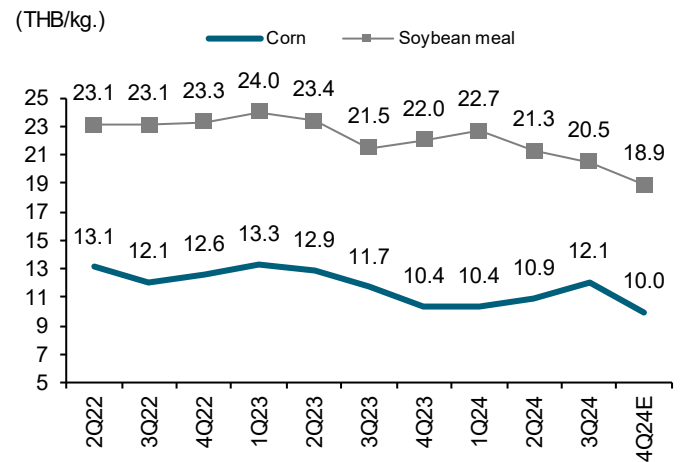
Sources: TFG, CPF, FSSIA estimates

Exhibit 6: Vietnam swine price



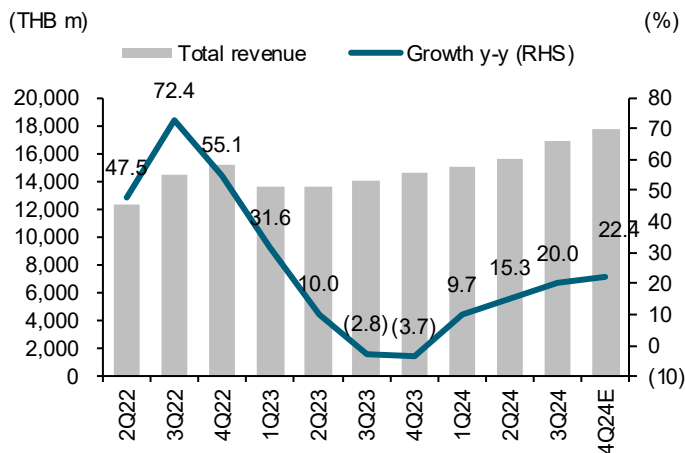
Sources: CPF, FSSIA's compilation

Exhibit 7: Domestic raw material prices



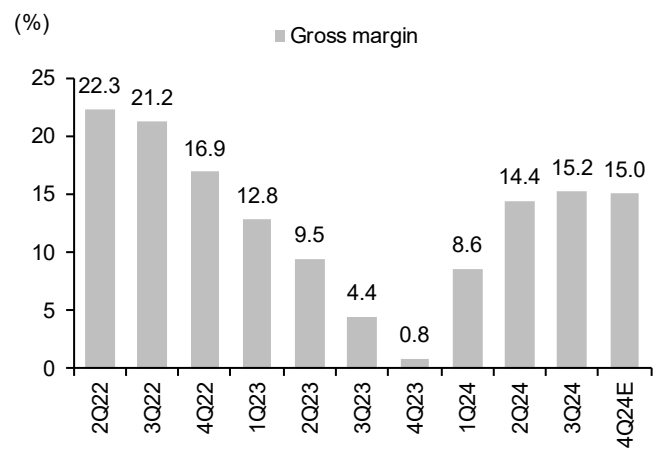
Sources: CPF, OAE, DIT, FSSIA estimates

Exhibit 8: Quarterly total revenue and growth



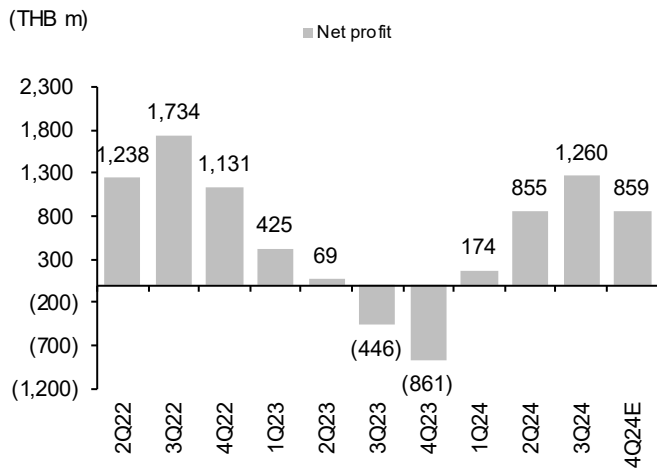
Sources: TFG, FSSIA estimates

Exhibit 9: Quarterly gross margin



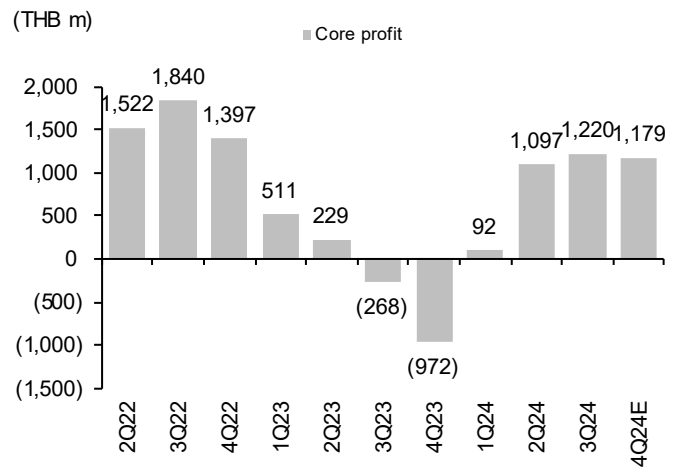
Sources: TFG, FSSIA estimates

Exhibit 10: Quarterly net profit



Sources: TFG, FSSIA estimates

Exhibit 11: Quarterly core profit



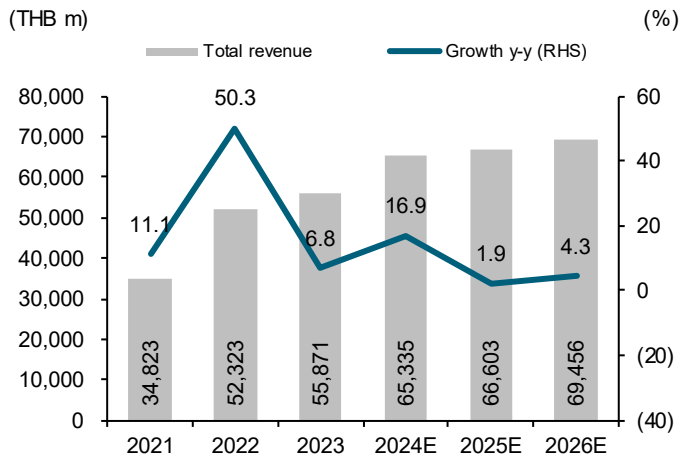
Sources: TFG, FSSIA estimates

Exhibit 12: Changes in key assumptions for TFG

	Current			Previous			Change		
	2024E (THB m)	2025E (THB m)	2026E (THB m)	2024E (THB m)	2025E (THB m)	2026E (THB m)	2024E (%)	2025E (%)	2026E (%)
Total revenue	65,335	66,603	69,456	62,354	65,855	69,595	4.8	1.1	(0.2)
Costs	56,554	57,878	60,218	54,124	57,228	60,339	4.5	1.1	(0.2)
Gross profit	8,781	8,725	9,238	8,231	8,627	9,256	6.7	1.1	(0.2)
SG&A expenses	4,395	4,529	4,723	4,302	4,478	4,732	2.2	1.1	(0.2)
Reported net profit	3,148	3,252	3,624	3,022	3,167	3,581	4.2	2.7	1.2
Core profit	3,588	3,252	3,624	3,022	3,167	3,581	18.7	2.7	1.2
Key ratios (%)									
Total revenue growth (%)	16.9	1.9	4.3	11.6	5.6	5.7			
Net profit growth (%)	nm	3.3	11.4	nm	4.8	13.0			
Core profit growth (%)	nm	(9.4)	11.4	nm	4.8	13.0			
Gross margin	13.4	13.1	13.3	13.2	13.1	13.3	0.2	0.0	0.0
SG&A to sales	6.7	6.8	6.8	6.9	6.8	6.8	(0.2)	0.0	0.0
Net margin	4.8	4.9	5.2	4.8	4.8	5.1	(0.0)	0.1	0.1
Core margin	5.5	4.9	5.2	4.8	4.8	5.1	0.6	0.1	0.1
Operating statistics (THB/kg)									
TFG's chicken ASP	58.0	55.7	56.0	58.0	55.7	56.0	0.0	0.0	0.0
TFG's swine ASP	68.0	70.0	70.0	68.0	68.0	68.0	0.0	2.9	2.9
Vietnam swine price (VND/kg)	60,614	60,000	60,000	60,437	55,000	55,000	0.3	9.1	9.1
Corn	11.5	11.0	10.5	11.5	11.0	10.5	0.0	0.0	0.0
Soybean meal	21.0	20.0	19.0	21.0	20.0	19.0	0.0	0.0	0.0
Retail shop stores (no.)	401	501	581	400	500	600	0.2	0.2	(3.2)
Retail shop sales (THB m)	23,738	25,995	27,934	22,894	25,984	28,083	3.7	0.0	(0.5)

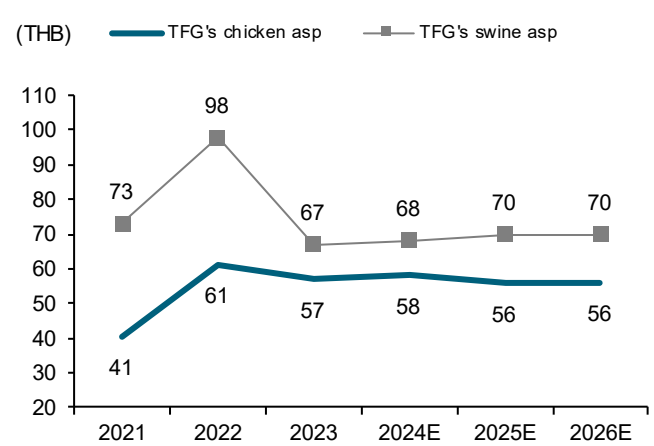
Source: FSSIA estimates

Exhibit 13: Yearly total revenue and growth



Sources: TFG, FSSIA estimates

Exhibit 14: TFG's yearly meat prices



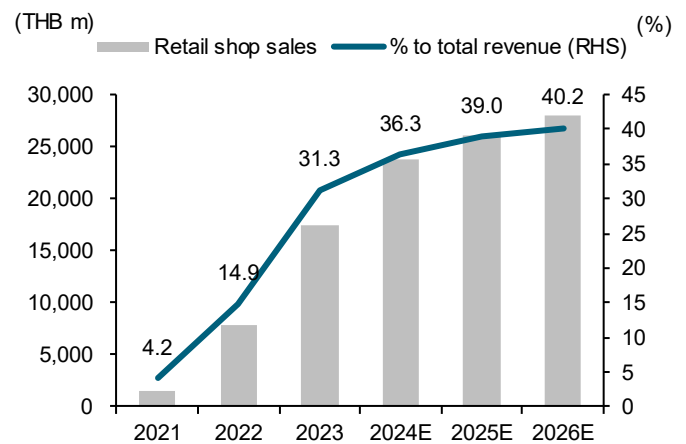
Sources: TFG, FSSIA estimates

Exhibit 15: Number of retail shops



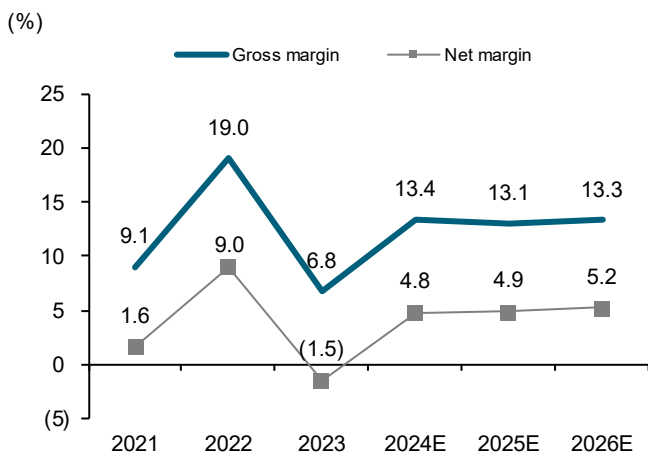
Sources: TFG, FSSIA estimates

Exhibit 16: Yearly retail shop revenue



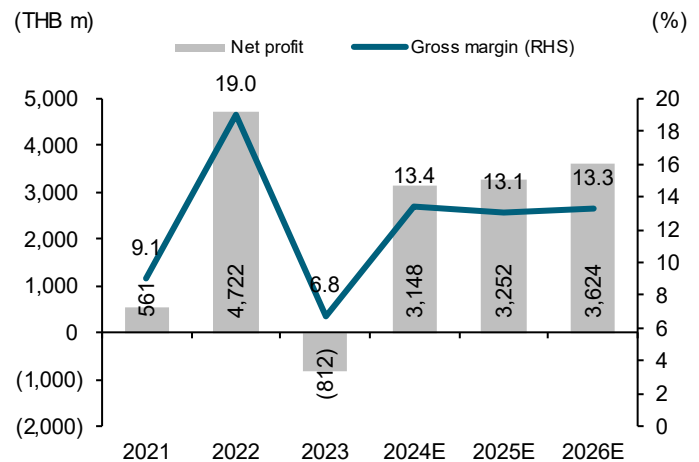
Sources: TFG, FSSIA estimates

Exhibit 17: Gross margin and net margin



Sources: TFG, FSSIA estimates

Exhibit 18: Yearly net profit



Sources: TFG, FSSIA estimates

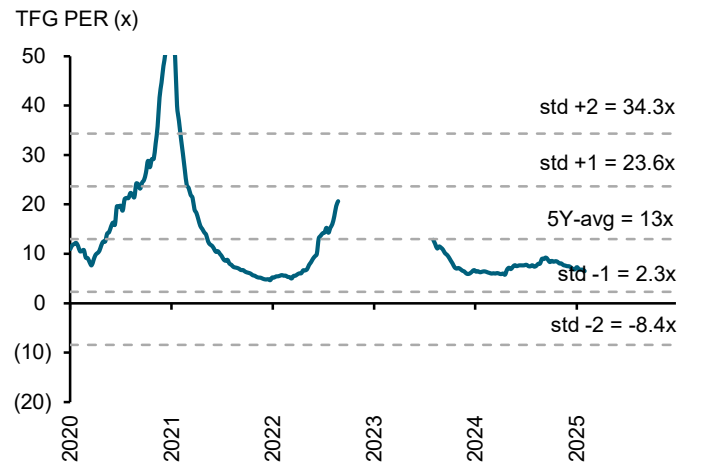
Exhibit 19: Securities pledged in margin accounts by SET (as of Dec 2024)

Source : Excluding Stock Dividend and newly issued share which have not been listed in SET.

Ranking	Security	Number of shares pledged in the margin account comparing with paid-up	Number of shares pledged in margin accounts (shares)	% Free float
1	SAAM	45.20	135,589,000	25.64
2	TFG	44.02	2,557,625,500	17.35
3	A5	42.35	512,155,720	20.76
4	SA	39.44	472,830,307	17.50
5	UKEM	25.76	299,366,322	54.88
6	TAKUNI	23.23	185,822,074	80.45
7	CGD	23.02	1,903,198,879	55.65
8	BM	22.66	137,746,171	32.82
9	SAMART	22.58	227,243,073	57.98
10	PJW	21.28	132,808,914	50.40

Sources: SET, FSSIA's compilation

Exhibit 20: TFG – historical P/E band



Sources: Bloomberg, FSSIA estimates

Financial Statements

Thai Foods Group

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	52,323	55,871	65,335	66,603	69,456
Cost of goods sold	(42,367)	(52,086)	(56,554)	(57,878)	(60,218)
Gross profit	9,956	3,785	8,781	8,725	9,238
Other operating income	369	453	450	466	486
Operating costs	(3,243)	(3,678)	(4,395)	(4,529)	(4,723)
Operating EBITDA	10,419	5,287	9,763	9,789	10,378
Depreciation	(3,337)	(4,727)	(4,927)	(5,127)	(5,377)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	7,082	560	4,836	4,662	5,001
Net financing costs	(845)	(1,120)	(1,020)	(1,052)	(989)
Associates	(9)	(20)	(31)	(23)	(14)
Recurring non-operating income	(9)	(20)	(31)	(23)	(14)
Non-recurring items	(657)	(313)	(440)	0	0
Profit before tax	5,571	(893)	3,346	3,587	3,998
Tax	(845)	77	(227)	(361)	(401)
Profit after tax	4,726	(816)	3,119	3,226	3,596
Minority interests	(4)	3	29	27	28
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
Reported net profit	4,722	(812)	3,148	3,252	3,624
Non-recurring items & goodwill (net)	657	313	440	0	0
Recurring net profit	5,379	(499)	3,588	3,252	3,624
Per share (THB)					
Recurring EPS *	0.95	(0.09)	0.58	0.48	0.54
Reported EPS	0.84	(0.14)	0.51	0.48	0.54
DPS	0.40	0.03	0.23	0.22	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	16.9	1.9	4.3
Operating EBITDA (%)	167.0	(49.3)	84.7	0.3	6.0
Operating EBIT (%)	379.5	(92.1)	764.1	(3.6)	7.3
Recurring EPS (%)	1,099.8	nm	nm	(17.2)	11.4
Reported EPS (%)	739.9	nm	nm	(5.6)	11.4
Operating performance					
Gross margin inc. depreciation (%)	19.0	6.8	13.4	13.1	13.3
Gross margin exc. depreciation (%)	25.4	15.2	21.0	20.8	21.0
Operating EBITDA margin (%)	19.9	9.5	14.9	14.7	14.9
Operating EBIT margin (%)	13.5	1.0	7.4	7.0	7.2
Net margin (%)	10.3	(0.9)	5.5	4.9	5.2
Effective tax rate (%)	15.2	8.7	6.8	10.1	10.0
Dividend payout on recurring profit (%)	42.0	(34.9)	39.5	45.0	45.0
Interest cover (X)	8.4	0.5	4.7	4.4	5.0
Inventory days	55.3	53.7	52.0	57.0	59.2
Debtor days	22.2	22.6	20.5	21.8	21.5
Creditor days	38.2	43.6	47.9	48.8	48.5
Operating ROIC (%)	18.5	1.4	12.0	11.4	12.2
ROIC (%)	16.0	1.1	9.7	9.2	9.8
ROE (%)	39.7	(3.4)	24.3	19.1	18.9
ROA (%)	14.9	0.8	9.1	8.3	8.9

* Pre-exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2022	2023	2024E	2025E	2026E
Poultry	23,298	17,421	17,778	17,676	18,048
Swine	12,457	11,349	13,487	13,706	13,981
Feed	8,533	9,397	10,013	8,900	9,167
Retail Shop and other	8,036	17,704	24,057	26,320	28,260

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	(499)	3,588	3,252	3,624
Depreciation	3,337	4,727	4,927	5,127	5,377
Associates & minorities	9	20	31	23	14
Other non-cash items	343	82	337	23	14
Change in working capital	(1,281)	1,421	(1,985)	(1,047)	(595)
Cash flow from operations	7,787	5,751	6,897	7,378	8,433
Capex - maintenance	(8,633)	(4,138)	(6,220)	(3,927)	(5,325)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	(34)	(19)	53	0	0
Other investments (net)	(1,854)	(2,266)	(882)	(120)	(299)
Cash flow from investing	(10,521)	(6,422)	(7,049)	(4,047)	(5,624)
Dividends paid	(797)	(1,812)	(1,417)	(1,463)	(1,631)
Equity finance	56	862	358	581	0
Debt finance	4,132	1,970	(807)	(2,432)	(1,369)
Other financing cash flows	20	78	113	13	29
Cash flow from financing	3,411	1,098	(1,753)	(3,302)	(2,971)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	1,745	0	111
Net other adjustments	0	0	1,745	(126)	111
Movement in cash	677	426	(160)	(97)	(51)
Free cash flow to firm (FCFF)	(1,888.67)	448.64	867.68	4,383.48	3,798.35
Free cash flow to equity (FCFE)	1,418.57	1,376.53	899.55	785.82	1,579.50
Per share (THB)					
FCFF per share	(0.33)	0.08	0.15	0.75	0.65
FCFE per share	0.24	0.24	0.15	0.14	0.27
Recurring cash flow per share	1.60	0.75	1.44	1.25	1.34
Balance Sheet (THB m) Year Ending Dec					
Tangible fixed assets (gross)	24,693	27,597	29,182	32,182	35,182
Less: Accumulated depreciation	(3,391)	(6,934)	(9,445)	(13,572)	(16,949)
Tangible fixed assets (net)	21,302	20,663	19,736	18,609	18,232
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	1,359	1,263	1,211
A/C receivable	3,531	3,398	3,938	4,014	4,186
Inventories	6,963	6,971	7,747	8,721	9,074
Other current assets	7,177	7,396	8,494	8,658	9,029
Current assets	18,764	19,284	21,538	22,657	23,501
Other assets	4,786	5,875	6,534	6,660	6,946
Total assets	45,670	47,146	49,078	49,197	49,949
Common equity	15,568	13,681	15,868	18,237	20,031
Minorities etc.	18	15	15	14	14
Total shareholders' equity	15,587	13,696	15,882	18,252	20,045
Long term debt	11,960	10,106	11,658	10,211	10,556
Other long-term liabilities	462	540	653	666	695
Long-term liabilities	12,422	10,646	12,311	10,877	11,251
A/C payable	4,733	6,584	6,972	7,136	7,424
Short term debt	12,370	15,998	13,651	12,666	10,952
Other current liabilities	557	222	261	266	278
Current liabilities	17,661	22,804	20,885	20,068	18,654
Total liabilities and shareholders' equity	45,670	47,146	49,078	49,197	49,949
Net working capital	12,381	10,960	12,945	13,992	14,588
Invested capital	39,287	38,821	40,485	40,532	41,036
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	2.75	2.35	2.57	2.70	2.97
Tangible book value per share	2.72	2.31	2.54	2.68	2.94
Financial strength					
Net debt/equity (%)	149.1	179.5	150.8	118.4	101.3
Net debt/total assets (%)	50.9	52.1	48.8	43.9	40.6
Current ratio (x)	1.1	0.8	1.0	1.1	1.3
CF interest cover (x)	2.7	2.2	1.9	1.7	2.6
Valuation					
Recurring P/E (x) *	3.4	(37.2)	5.5	6.6	6.0
Recurring P/E @ target price (x) *	4.3	(47.7)	7.0	8.5	7.6
Reported P/E (x)	3.8	(22.9)	6.3	6.6	6.0
Dividend yield (%)	12.5	0.9	7.2	6.8	7.6
Price/book (x)	1.2	1.4	1.2	1.2	1.1
Price/tangible book (x)	1.2	1.4	1.3	1.2	1.1
EV/EBITDA (x) **	4.0	8.2	4.5	4.4	4.0
EV/EBITDA @ target price (x) **	4.5	9.2	5.0	5.0	4.6
EV/invested capital (x)	1.1	1.1	1.1	1.1	1.0
* 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 Sustainabilitys	The Sustainabilitys' ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. <i>Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality & peer reviews.</i>	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. <table><tr><th>NEGL</th><th>Low</th><th>Medium</th><th>High</th><th>Severe</th></tr><tr><td>0-10</td><td>10-20</td><td>20-30</td><td>30-40</td><td>40+</td></tr></table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+									
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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)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
03-Feb-2023	BUY	8.00	26-Apr-2024	BUY	4.80	19-Nov-2024	BUY	4.60
08-May-2023	HOLD	5.20	22-Aug-2024	BUY	5.90			
27-Nov-2023	HOLD	4.00	31-Oct-2024	BUY	5.20			

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 3.20	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 05-Feb-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.