

# THAI FOODS GROUP

  
THAILAND / FOOD & BEVERAGE

## TFG TB

# BUY

UNCHANGED

## 4Q24 results at first glance

กำไรปกติ 4Q24 ออกมาดีใกล้เคียงกับที่เราคาด

### Highlights

- TFG รายงานกำไรสุทธิ 4Q24 อยู่ที่ 855 ลบ. ลดลง 32% q-q และพลิกจากที่เคยขาดทุน 861 ลบ. ใน 4Q23 เมื่อหักรายการพิเศษกำไรปกติอยู่ที่ 1.2 พัน ลบ. ทรงตัว q-q และพลิกจากที่เคยขาดทุนเมื่อปีที่แล้ว กำไรดังกล่าวใกล้เคียงกับที่เราคาดและนับได้ว่าเป็นผลประกอบการที่ดี
- แม้ว่าราคาเนื้อสัตว์ในประเทศไทยจะลดลงใน 4Q24 ราคาขายยังทรงตัว q-q ปริมาณขายเพิ่มขึ้นในทุกกลุ่มผลิตภัณฑ์ประกอบด้วยหมู ไก่และอาหารสัตว์พร้อมการเติบโตที่ดีในด้านรายได้จากการค้าปลีก (+9.5% q-q, +22% y-y) หลังเปิด 51 สาขาใหม่ซึ่งทำให้ตัวเลขสาขารวมอยู่ที่ 401 สาขา ณ สิ้นปี 2024 รายได้รวมใน 4Q24 โต 6% q-q และ 23% y-y ทำสถิติสูงสุดใหม่
- อัตรากำไรขั้นต้นลดลงเล็กน้อยเป็น 14.8% จาก 15.2% ใน 3Q24 จาก Product mix ที่เปลี่ยนไปแต่โดยรวมยังอยู่ในเกณฑ์ดี นอกจากนี้การควบคุมต้นทุนอย่างมีประสิทธิภาพยังทำให้สัดส่วนค่าใช้จ่ายการขายและบริหารต่อยอดขายลดลงเหลือ 6.5% จาก 6.8% ใน 3Q24
- อัตรากำไรเพิ่มอย่างมีนัยสำคัญใน 4Q24 ทั้งจากรายการภาษีเงินได้รอตัดบัญชีและผลกระทบจาก GMT ในเวียดนามซึ่งเริ่มต้นในปี 2024 และทำให้ต้องจ่ายภาษีเพิ่ม 189 ลบ. คิดเป็นอัตรากำไรเพิ่มเติมที่ประมาณ 4.8% ซึ่งทำให้อัตรากำไรรวมในปี 2024 เพิ่มขึ้นเป็น 8.1%

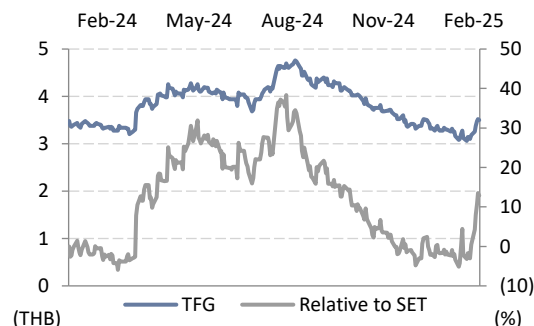
### Outlook

- ในระยะสั้นเราคาดว่ากำไรสุทธิ 1Q25 จะฟื้นตัว q-q พร้อมการเติบโตที่อยู่ในเกณฑ์ดี y-y จากราคาเนื้อสัตว์ที่สูงขึ้นทั้งในประเทศไทยและเวียดนาม ต้นทุนวัตถุดิบรวมยังทรงตัวแม้ว่าราคาข้าวโพดจะปรับขึ้นแต่ชดเชยได้จากราคากากถั่วเหลืองที่ลดลง
- อย่างไรก็ดี TFG จะเริ่มได้รับผลกระทบจาก GMT ในไทยที่จะเริ่มตั้งแต่ 1Q25 เป็นต้นไป ดังนั้นเราจึงคาดว่าอัตรากำไรจะเพิ่มต่อเนื่องในปี 2025 ปัจจุบันเราใช้สมมติฐานอัตรากำไรที่ 10% และกำลังรอข้อมูลเพิ่มเติมจากบริษัท ซึ่งได้รับไว้ในหมายเหตุประกอบงบการเงินว่ากำลังพิจารณาผลกระทบจากการเปลี่ยนแปลงดังกล่าว
- บริษัท ประกาศจ่ายเงินปันผลต่อหุ้นสำหรับผลประกอบการในช่วง 2H24 อยู่ที่ 0.225 บาทคิดเป็นผลตอบแทนอยู่ที่ 6.4%

TARGET PRICE	THB4.10
CLOSE	THB3.50
UP/DOWNSIDE	+17.1%
PRIOR TP	THB4.10
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	-15.5%

### KEY STOCK DATA

YE Dec (THB m)	2024	2025E	2026E	2027E
Revenue	65,482	68,520	71,424	73,032
Net profit	3,144	3,373	3,731	3,939
EPS (THB)	0.51	0.50	0.55	0.58
vs Consensus (%)	-	-	9.3	14.2
EBITDA	10,157	10,204	10,800	11,253
Recurring net profit	3,618	3,373	3,731	3,939
Core EPS (THB)	0.59	0.50	0.55	0.58
Chg. In EPS est. (%)	nm	3.7	3.0	nm
EPS growth (%)	nm	(14.8)	10.6	5.6
Core P/E (x)	6.0	7.0	6.3	6.0
Dividend yield (%)	8.6	8.6	9.5	10.0
EV/EBITDA (x)	3.8	4.4	4.0	3.8
Price/book (x)	1.3	1.3	1.2	1.1
Net debt/Equity (%)	102.7	110.9	98.4	88.0
ROE (%)	24.0	19.2	19.3	19.1



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	4.8	(6.9)	1.2
Relative to country (%)	13.7	7.6	13.1
Mkt cap (USD m)	589		
3m avg. daily turnover (USD m)	0.5		
Free float (%)	16		
Major shareholder	New Star Victor Co Ltd (32%)		
12m high/low (THB)	4.84/3.02		
Issued shares (m)	5,810.82		

Sources: Bloomberg consensus; FSSIA estimates



Sureeporn Teewasuwet

Fundamental Investment Analyst on Securities; License no. 040694  
sureeporn.t@fssia.com, +66 2646 9972

PREPARED BY FSS INTERNATIONAL INVESTMENT ADVISORY SECURITIES CO LTD (FSSIA). ANALYST CERTIFICATION AND IMPORTANT DISCLOSURES CAN BE FOUND AT THE END OF THIS REPORT

บทวิเคราะห์ฉบับนี้แปลมาจากต้นฉบับภาษาอังกฤษ ที่ออกรายงานเมื่อวันที่ 24 กุมภาพันธ์ 2025

## Exhibit 1: TFG – 4Q24 results summary

	4Q23	1Q24	2Q24	3Q24	4Q24	----- Change -----		2023	2024	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	17,952	6.3	23.4	55,871	65,482	17.2
Cost of sales	14,427	13,712	13,382	14,327	15,286	6.7	6.0	52,086	56,706	8.9
Gross profit	123	1,286	2,257	2,566	2,665	3.9	2064.0	3,785	8,775	131.8
SG&A	1,182	1,008	1,026	1,144	1,173	2.6	(0.8)	3,678	4,350	18.3
Operating profit	(1059)	278	1,232	1,423	1,492	4.9	nm	107	4,425	4030.7
Interest expense	178	270	264	245	228	(6.9)	28.3	1,120	1,007	(10.1)
Tax expense	(170)	(13)	(11)	125	219	75.5	nm	(77)	319	nm
Other gain (loss)	111	82	(242)	40	(354)	nm	nm	(313)	(474)	nm
Reported net profit	(861)	174	855	1,260	855	(32.2)	nm	(812)	3,144	nm
Core profit	(972)	92	1,097	1,220	1,209	(0.9)	nm	(499)	3,618	nm

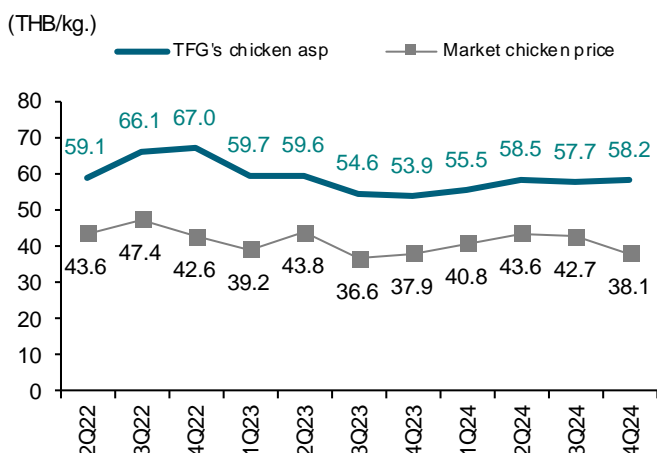
Key ratios (%)						(ppt)	(ppt)			
Gross margin	0.8	8.6	14.4	15.2	14.8	(0.3)	14.0	6.8	13.4	6.6
SG&A to sales	8.1	6.7	6.6	6.8	6.5	(0.2)	(1.6)	6.6	6.6	0.1
Operating margin	(7.3)	1.9	7.9	8.4	8.3	(0.1)	15.6	0.2	6.8	6.6
Net margin	(5.9)	1.2	5.5	7.5	4.8	(2.7)	10.7	(1.5)	4.8	6.3
Core margin	(6.7)	0.6	7.0	7.2	6.7	(0.5)	13.4	(0.9)	5.5	6.4

Operating statistics (THB/kg)										
Domestic chicken price - TFG	53.9	55.5	58.5	57.7	58.2	0.8	8.0	56.7	57.5	1.4
Domestic swine price - TFG	57.9	59.5	61.3	64.6	64.7	0.2	11.8	67.0	62.4	(6.9)
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	4,754	4.3	15.8	17,421	17,954	3.1
Swine sales (THB m)	2,785	2,969	3,322	3,430	3,782	10.3	35.8	11,349	13,503	19.0
Feed sales (THB m)	2,143	2,075	2,254	2,734	2,690	(1.6)	25.5	9,397	9,754	3.8
Retail shop sales value (THB m)	5,464	5,438	5,807	6,077	6,652	9.5	21.7	17,496	23,974	37.0
Retail shops (no.)	350	350	364	368	401	9.0	14.6	350	401	14.6

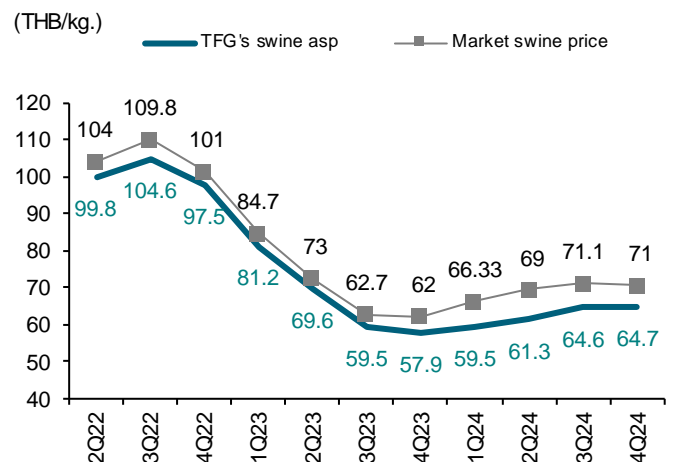
Sources: TFG; FSSIA's compilation

## Exhibit 2: TFG's chicken price vs market price



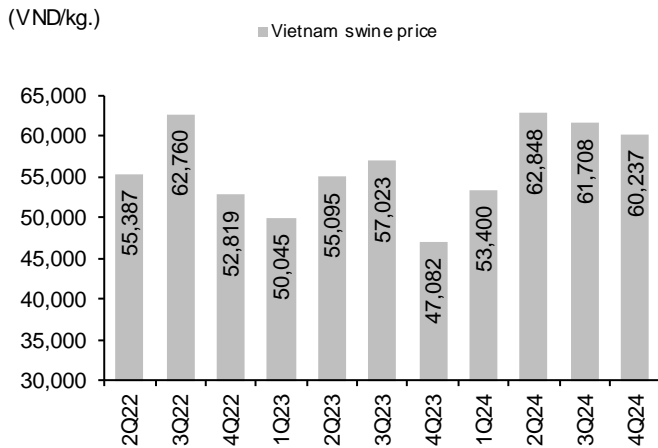
Sources: TFG; FSSIA's compilation

## Exhibit 3: TFG's swine price vs market price



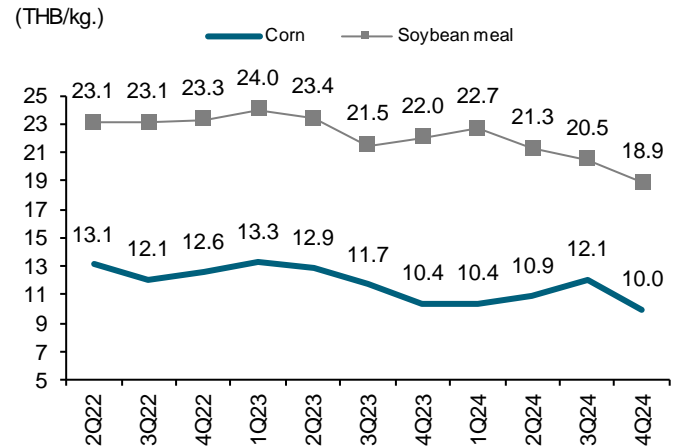
Sources: TFG; FSSIA's compilation

**Exhibit 4: Vietnam swine price**



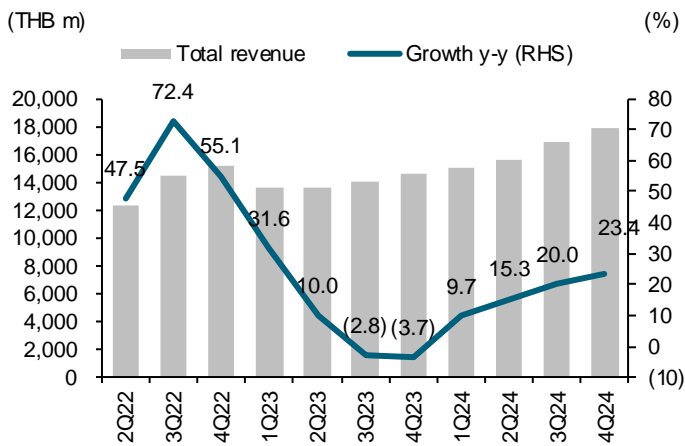
Sources: TFG; FSSIA's compilation

**Exhibit 5: Raw material prices**



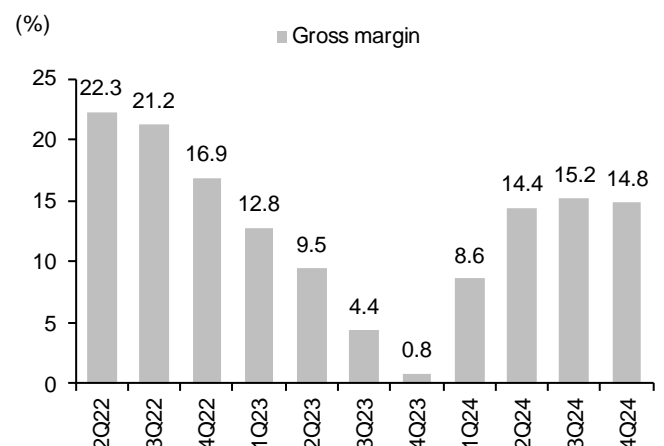
Sources: TFG; FSSIA's compilation

**Exhibit 6: Total revenue and growth**



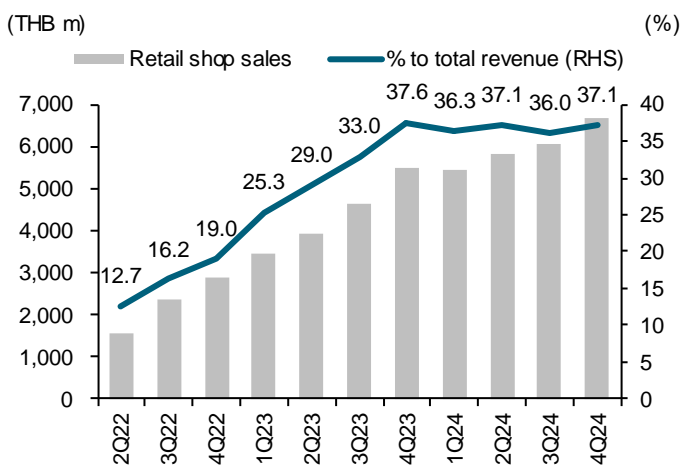
Sources: TFG; FSSIA's compilation

**Exhibit 7: Gross margin**



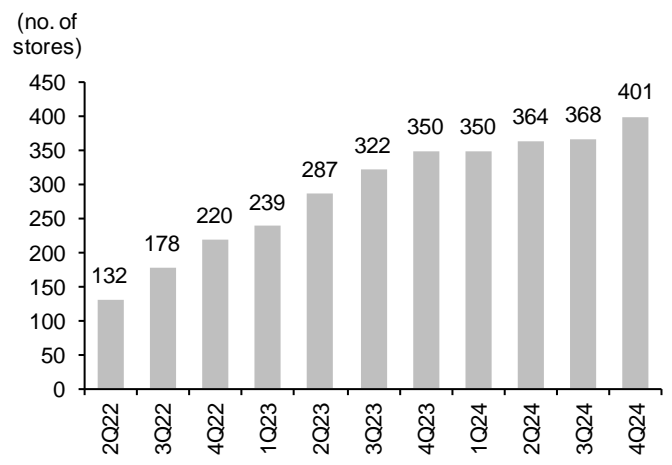
Sources: TFG; FSSIA's compilation

**Exhibit 8: Revenue from retail shops**



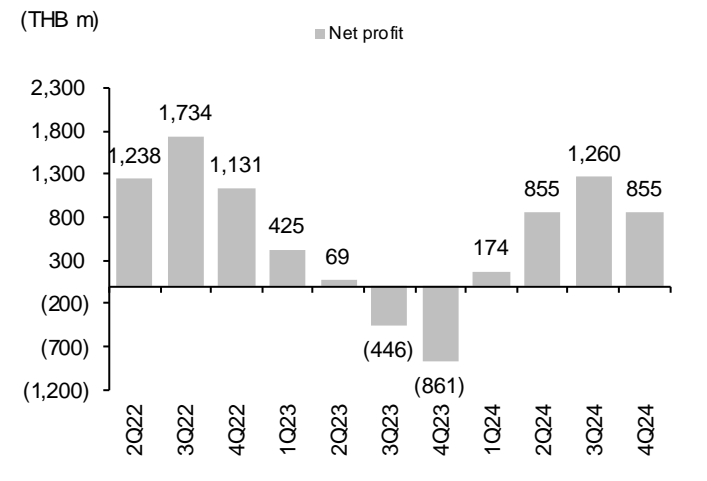
Sources: TFG; FSSIA's compilation

**Exhibit 9: Number of retail shops**



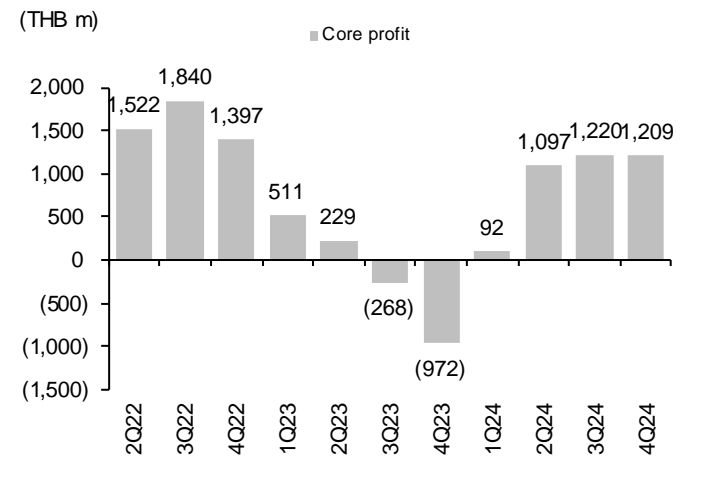
Sources: TFG; FSSIA's compilation

Exhibit 10: Net profit



Sources: TFG; FSSIA's compilation

Exhibit 11: Core profit



Sources: TFG; FSSIA's compilation

## Financial Statements

### Thai Foods Group

Profit and Loss (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Revenue	55,871	65,482	68,520	71,424	73,032
Cost of goods sold	(52,086)	(56,706)	(59,544)	(61,925)	(63,231)
<b>Gross profit</b>	<b>3,785</b>	<b>8,775</b>	<b>8,976</b>	<b>9,499</b>	<b>9,801</b>
Other operating income	453	525	480	500	511
Operating costs	(3,678)	(4,350)	(4,659)	(4,857)	(4,966)
<b>Operating EBITDA</b>	<b>5,287</b>	<b>10,157</b>	<b>10,204</b>	<b>10,800</b>	<b>11,253</b>
Depreciation	(4,727)	(5,207)	(5,407)	(5,657)	(5,907)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>560</b>	<b>4,950</b>	<b>4,796</b>	<b>5,143</b>	<b>5,346</b>
Net financing costs	(1,120)	(1,007)	(1,052)	(1,012)	(985)
Associates	(20)	(31)	(24)	(14)	(15)
Recurring non-operating income	(20)	(31)	(24)	(14)	(15)
Non-recurring items	(313)	(474)	0	0	0
<b>Profit before tax</b>	<b>(893)</b>	<b>3,438</b>	<b>3,720</b>	<b>4,116</b>	<b>4,346</b>
Tax	77	(319)	(374)	(413)	(436)
<b>Profit after tax</b>	<b>(816)</b>	<b>3,118</b>	<b>3,346</b>	<b>3,703</b>	<b>3,910</b>
Minority interests	3	26	27	29	29
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>(812)</b>	<b>3,144</b>	<b>3,373</b>	<b>3,731</b>	<b>3,939</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>313</b>	<b>474</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>(499)</b>	<b>3,618</b>	<b>3,373</b>	<b>3,731</b>	<b>3,939</b>
<b>Per share (THB)</b>					
Recurring EPS *	(0.09)	0.59	0.50	0.55	0.58
Reported EPS	(0.14)	0.51	0.50	0.55	0.58
DPS	0.03	0.30	0.30	0.33	0.35
Diluted shares (used to calculate per share data)	5,811	6,168	6,749	6,749	6,750
<b>Growth</b>					
Revenue (%)	6.8	17.2	4.6	4.2	2.3
Operating EBITDA (%)	(49.3)	92.1	0.5	5.8	4.2
Operating EBIT (%)	(92.1)	784.5	(3.1)	7.2	4.0
Recurring EPS (%)	nm	nm	(14.8)	10.6	5.6
Reported EPS (%)	nm	nm	(1.9)	10.6	5.6
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	6.8	13.4	13.1	13.3	13.4
Gross margin exc. depreciation (%)	15.2	21.4	21.0	21.2	21.5
Operating EBITDA margin (%)	9.5	15.5	14.9	15.1	15.4
Operating EBIT margin (%)	1.0	7.6	7.0	7.2	7.3
Net margin (%)	(0.9)	5.5	4.9	5.2	5.4
Effective tax rate (%)	8.7	9.3	10.1	10.0	10.0
Dividend payout on recurring profit (%)	(34.9)	51.1	60.0	60.0	60.0
Interest cover (X)	0.5	4.9	4.5	5.1	5.4
Inventory days	53.7	43.8	48.4	59.4	60.0
Debtor days	22.6	17.8	19.0	21.6	21.8
Creditor days	43.6	43.4	43.8	48.6	49.1
Operating ROIC (%)	1.4	13.4	12.8	12.9	13.4
ROIC (%)	1.1	10.9	10.3	10.2	10.5
ROE (%)	(3.4)	24.0	19.2	19.3	19.1
ROA (%)	0.8	9.4	8.7	9.0	9.2

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

Revenue by Division (THB m)	2023	2024	2025E	2026E	2027E
Poultry	17,421	17,954	18,098	18,478	18,848
Swine	11,349	13,503	13,960	14,240	14,524
Feed	9,397	9,754	10,163	10,468	10,782
Retail Shop and other	17,704	24,271	26,298	28,238	28,878

Sources: Thai Foods Group; FSSIA estimates

## Financial Statements

### Thai Foods Group

Cash Flow (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Recurring net profit	(499)	3,618	3,373	3,731	3,939
Depreciation	4,727	5,207	5,407	5,657	5,907
Associates & minorities	20	31	24	14	15
Other non-cash items	82	497	23	13	14
Change in working capital	1,722	1,642	(5,377)	(606)	(1,066)
<b>Cash flow from operations</b>	<b>6,051</b>	<b>10,995</b>	<b>3,450</b>	<b>8,810</b>	<b>8,809</b>
Capex - maintenance	(4,438)	(4,335)	(5,532)	(5,331)	(5,667)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	(19)	16	37	0	0
Other investments (net)	(2,566)	434	(1,742)	(305)	(175)
<b>Cash flow from investing</b>	<b>(7,023)</b>	<b>(3,885)</b>	<b>(7,238)</b>	<b>(5,635)</b>	<b>(5,843)</b>
Dividends paid	(1,812)	(494)	(2,024)	(2,239)	(2,364)
Equity finance	862	0	939	0	0
Debt finance	1,970	(3,108)	(133)	(869)	(594)
Other financing cash flows	78	29	117	29	16
<b>Cash flow from financing</b>	<b>1,098</b>	<b>(3,573)</b>	<b>(1,102)</b>	<b>(3,079)</b>	<b>(2,942)</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	600	711	879	116	353
<b>Net other adjustments</b>	<b>600</b>	<b>711</b>	<b>879</b>	<b>116</b>	<b>353</b>
<b>Movement in cash</b>	<b>726</b>	<b>4,248</b>	<b>(4,011)</b>	<b>212</b>	<b>378</b>
Free cash flow to firm (FCFF)	148.46	8,117.64	(2,735.39)	4,186.87	3,951.24
Free cash flow to equity (FCFE)	1,676.36	4,742.09	(2,925.35)	2,450.55	2,741.28
<b>Per share (THB)</b>					
FCFF per share	0.03	1.40	(0.47)	0.72	0.68
FCFE per share	0.29	0.82	(0.50)	0.42	0.47
Recurring cash flow per share	0.75	1.52	1.31	1.40	1.46
Balance Sheet (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Tangible fixed assets (gross)	27,597	29,182	32,182	35,182	38,182
Less: Accumulated depreciation	(6,934)	(10,311)	(14,718)	(18,375)	(22,282)
<b>Tangible fixed assets (net)</b>	<b>20,663</b>	<b>18,871</b>	<b>17,464</b>	<b>16,807</b>	<b>15,900</b>
<b>Intangible fixed assets (net)</b>	<b>232</b>	<b>215</b>	<b>179</b>	<b>179</b>	<b>179</b>
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	1,092	1,383	1,383	1,383	1,383
Cash & equivalents	1,819	6,066	2,056	2,268	2,645
A/C receivable	3,398	2,994	4,130	4,305	4,402
Inventories	6,971	5,375	8,972	9,331	9,528
Other current assets	7,096	6,720	8,908	9,285	10,225
<b>Current assets</b>	<b>19,284</b>	<b>21,155</b>	<b>24,066</b>	<b>25,189</b>	<b>26,800</b>
Other assets	5,875	4,524	6,852	7,142	7,303
<b>Total assets</b>	<b>47,146</b>	<b>46,149</b>	<b>49,944</b>	<b>50,700</b>	<b>51,565</b>
Common equity	13,681	16,448	18,716	20,009	21,285
Minorities etc.	15	51	50	49	48
<b>Total shareholders' equity</b>	<b>13,696</b>	<b>16,499</b>	<b>18,766</b>	<b>20,058</b>	<b>21,333</b>
Long term debt	10,106	8,567	10,211	10,556	10,876
Other long-term liabilities	540	568	685	714	730
<b>Long-term liabilities</b>	<b>10,646</b>	<b>9,135</b>	<b>10,896</b>	<b>11,270</b>	<b>11,606</b>
A/C payable	6,584	5,653	7,341	7,635	7,796
Short term debt	15,998	14,444	12,666	11,452	10,538
Other current liabilities	222	418	274	286	292
<b>Current liabilities</b>	<b>22,804</b>	<b>20,515</b>	<b>20,281</b>	<b>19,372</b>	<b>18,626</b>
<b>Total liabilities and shareholders' equity</b>	<b>47,146</b>	<b>46,149</b>	<b>49,944</b>	<b>50,700</b>	<b>51,565</b>
Net working capital	10,659	9,018	14,395	15,001	16,067
Invested capital	38,521	34,012	40,273	40,512	40,832
* Includes convertibles and preferred stock which is being treated as debt					
<b>Per share (THB)</b>					
Book value per share	2.35	2.67	2.77	2.96	3.15
Tangible book value per share	2.31	2.63	2.75	2.94	3.13
<b>Financial strength</b>					
Net debt/equity (%)	177.3	102.7	110.9	98.4	88.0
Net debt/total assets (%)	51.5	36.7	41.7	38.9	36.4
Current ratio (x)	0.8	1.0	1.2	1.3	1.4
CF interest cover (x)	2.5	5.7	(1.8)	3.4	3.8
Valuation	2023	2024	2025E	2026E	2027E
<b>Recurring P/E (x) *</b>	<b>(40.7)</b>	<b>6.0</b>	<b>7.0</b>	<b>6.3</b>	<b>6.0</b>
<b>Recurring P/E @ target price (x) *</b>	<b>(47.7)</b>	<b>7.0</b>	<b>8.2</b>	<b>7.4</b>	<b>7.0</b>
Reported P/E (x)	(25.0)	6.9	7.0	6.3	6.0
Dividend yield (%)	0.9	8.6	8.6	9.5	10.0
Price/book (x)	1.5	1.3	1.3	1.2	1.1
Price/tangible book (x)	1.5	1.3	1.3	1.2	1.1
EV/EBITDA (x) **	8.4	3.8	4.4	4.0	3.8
EV/EBITDA @ target price (x) **	9.1	4.2	4.8	4.4	4.1
EV/invested capital (x)	1.2	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 ( <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 <a href="#">SETESG inclusion</a> , 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. <a href="#">SETESG Index</a> 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
<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																		
<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

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.

This report has been prepared by FSS International Investment Advisory Securities Company Limited (FSSIA). The information herein has been obtained from sources believed to be reliable and accurate; however FSSIA makes no representation as to the accuracy and completeness of such information. Information and opinions expressed herein are subject to change without notice. FSSIA has no intention to solicit investors to buy or sell any security in this report. In addition, FSSIA does not guarantee returns nor price of the securities described in the report nor accept any liability for any loss or damage of any kind arising out of the use of such information or opinions in this report. Investors should study this report carefully in making investment decisions. All rights are reserved.

This report may not be reproduced, distributed or published by any person in any manner for any purpose without permission of FSSIA. Investment in securities has risks. Investors are advised to consider carefully before making investment decisions.

#### 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	06-Feb-2025	BUY	4.10
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 3.50	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 21-Feb-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.