

## ZEN CORPORATION GROUP

THAILAND / FOOD &amp; BEVERAGE

## ZEN TB

**HOLD**

FROM REDUCE

TARGET PRICE	THB6.50
CLOSE	THB6.35
UP/DOWNSIDE	+2.4%
PRIOR TP	THB6.00
CHANGE IN TP	+8.3%
TP vs CONSENSUS	+0.0%

## Restaurants have not yet recovered

- Key strategies for 2025 focus on manufacturing and trading business growth and revitalizing sales in existing branches.
- We expect a negative 1Q25 SSSG of 7% y-y, marking the seventh consecutive quarter of decline.
- Further cut 2025-27E profit by 4-5%.

## Aims to grow, but new branch opening delays

Management targets 2025 total revenue growth of 7% y-y, primarily from SSSG and revenue growth of manufacturing and trading business (M&T). Meanwhile, ZEN has delayed plans to open new branches and intends to open a net of two new branches, with the majority being 12 franchise branches. They also plan to close a net of 14 equity branches, some of which are due to shopping mall renovations, particularly in the Central group, while others are due to failure to improve performance as planned, leading to the decision to close them to maintain the overall profitability.

## Key strategies for 2025

ZEN continues to focus on growing its M&T business under the operation of King Marine, which recently completed its production capacity expansion. The company has constructed a fish processing plant and obtained BOI approval. It is building a new smoked fish production line, which will help increase its customer base this year. In addition, ZEN will focus more on revitalizing sales in existing restaurant branches, including upgrading branches to modern standards, enhancing marketing strategies, and running promotions for individual branches, particularly those with weak performance.

## Expect 1Q25 SSSG to remain negative

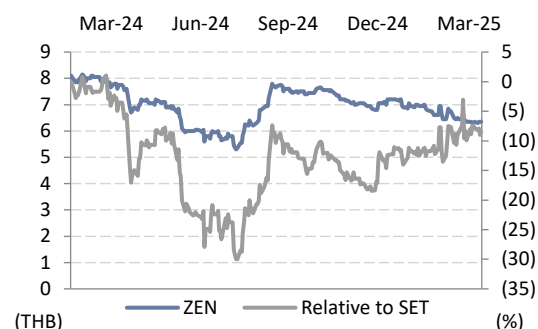
SSSG for Jan-Feb remained negative by 9% y-y, especially in tourist areas, where the reduction in Chinese tourists has started to impact sales, leading to a sharper decline in Feb. However, in March, performance began to improve with a smaller decline. Overall, we expect a negative 1Q25 SSSG of 7% y-y. However, we think M&T should continue growing. Although the prices of frozen and fresh salmon increased 11% q-q and 21% q-q, respectively, in line with seasonality, they dropped 8% y-y. Therefore, we project 1Q25 net profit to be stable or slightly up y-y.

## Cut 2025-27E net profit

We have reduced our 2025-27E net profit by 4-5%. We now expect 2025 net profit to rebound to THB107m from a very low base in 2024 but still lower than profits in 2022-23. Our new 2025 TP is THB6.5, based on a PE of 18x. Although we upgraded ZEN to a HOLD rating (from reduce), we still need to monitor recovery, particularly the performance of its existing branches and M&T business, as our assumptions are close to the company's target.

## KEY STOCK DATA

YE Dec (THB m)	2024	2025E	2026E	2027E
Revenue	4,066	4,253	4,454	4,665
Net profit	57	107	120	131
EPS (THB)	0.19	0.36	0.40	0.44
vs Consensus (%)	-	14.3	11.1	16.7
EBITDA	580	687	761	826
Recurring net profit	57	107	120	131
Core EPS (THB)	0.19	0.36	0.40	0.44
Chg. In EPS est. (%)	-	(4.9)	(4.6)	(5.1)
EPS growth (%)	(64.9)	88.5	12.1	8.7
Core P/E (x)	33.5	17.8	15.9	14.6
Dividend yield (%)	2.7	3.1	3.5	3.8
EV/EBITDA (x)	5.1	4.0	3.5	3.0
Price/book (x)	1.4	1.4	1.3	1.3
Net debt/Equity (%)	65.1	52.1	42.8	34.3
ROE (%)	4.1	7.8	8.4	8.8



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(5.9)	(9.9)	(20.6)
Relative to country (%)	(0.8)	4.0	(7.8)
Mkt cap (USD m)	56		
3m avg. daily turnover (USD m)	0.0		
Free float (%)	27		
Major shareholder	AGB Sibling Holdings (25%)		
12m high/low (THB)	8.30/5.20		
Issued shares (m)	300.00		

Sources: Bloomberg consensus; FSSIA estimates



Sureeporn Teewasuwet

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

Investment thesis

ZEN is a leading Japanese restaurant chain. It has 13 Thai and Japanese restaurant brands, such as ZEN, AKA, On the Table, Sushi Cyu, Tam Mua, Lao Yuan, and Khiang. In 2021, ZEN invested in a franchise business to create branch expansion opportunities and awareness. Also, it invested in retail (ZKC – fermented fish and general sauces) and trading (King Marine – an importer of frozen seafood for sales to Japanese restaurants in Thailand), giving manufacturing and trading revenue a more crucial role. In particular, we expect the M&T revenue mix to rise from 18.1% in 2024 to 20.7% and 21.8% of total revenue in 2025-26, respectively.

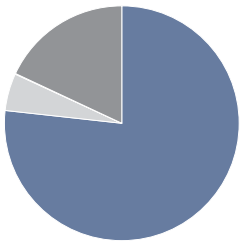
Company profile

ZEN is a holding company with investments in in restaurants and related businesses. It has four units, including 1) restaurants under its brands, 2) franchises, 3) food delivery and catering, and 4) retail. As of the end of 2023, their revenue mix was 76.2%/5.4%/4.5%/13.9%, respectively.

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

Principal activities (revenue, 2024)

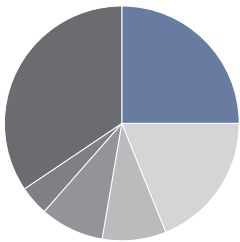
- Restaurant - 76.8 %
- Franchise - 5.1 %
- Category 3
- Retail - 18.1 %



Source: Zen Corporation Group

Major shareholders

- AGB Sibling Holdings - 25.0 %
- Morgan Stanley & Co.International - 18.9 %
- Mr.Sakkanon Chirathivat - 8.8 %
- Miss Jomkwan Chirathivat - 8.8 %
- Mrs. Kessara Manasilp - 4.1 %



Source: Zen Corporation Group

Catalysts

Potential catalysts for ZEN’s earnings growth in 2025 are 1) foot traffic growth and food price hikes; 2) tourism recovery, supporting foreign customers; 3) lower raw material costs; and 4) store expansion.

Risks to our call

Downside and upside risks to our P/E-based TP include 1) a slower or faster-than-expected purchasing power recovery; 2) higher or lower in raw material costs; 3) lower or greater-than-expected store expansion; and 4) a minimum wage increase or labor shortages.

Event calendar

Date	Event
May 2025	1Q25 results announcement

Key assumptions

	2025E	2026E	2027E
SSSG (%)	1.0	2.0	2.0
New stores - Equity store (no.)	(14)	5	5
New stores - Franchise store (no.)	10	8	8
Total revenue growth (%)	4.6	4.7	4.7
Gross Margin (%)	41.0	41.1	41.0

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in SSSG, we estimate 2025 net profit to rise by 0.8%, and vice versa, all else being equal.
- For every 0.2% increase in GPM, we estimate 2025 net profit to rise by 2.8%, and vice versa, all else being equal.
- For every 0.5% increase in SG&A, we estimate 2025 net profit to fall by 6.9%, and vice versa, all else being equal.
- For every 5% increase in labour cost, we estimate 2025 net profit to fall by 8.4%, and vice versa, all else being.

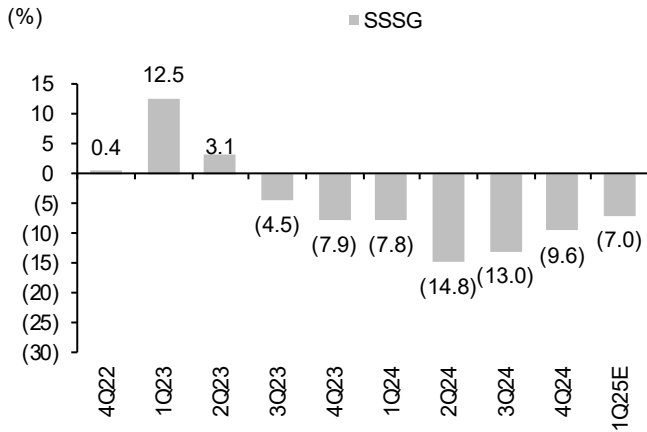
Source: FSSIA estimates

## Exhibit 1: Changes in key assumptions for ZEN

	Current			Previous			Change		
	2025E	2026E	2027E	2025E	2026E	2027E	2025E	2026E	2027E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(%)	(%)	(%)
Total sale value	4,253	4,454	4,665	4,303	4,556	4,783	(1.2)	(2.2)	(2.5)
Costs	2,509	2,624	2,752	2,479	2,619	2,746	1.2	0.2	0.2
Gross profit	1,744	1,831	1,913	1,824	1,936	2,038	(4.4)	(5.4)	(6.1)
SG&A expense	1,582	1,657	1,735	1,657	1,754	1,842	(4.5)	(5.5)	(5.8)
Interest expense	53	48	40	48	44	40	10.4	8.6	0.0
Reported net profit	107	120	131	113	126	138	(4.9)	(4.6)	(5.1)
Core profit	107	120	131	113	126	138	(4.9)	(4.6)	(5.1)
<b>Key ratios (%)</b>									
Total revenue growth	4.6	4.7	4.7	5.8	5.9	5.0	(1.2)	(1.1)	(0.3)
Net profit growth	88.5	12.1	8.7	98.3	11.7	9.4	(9.8)	0.4	(0.7)
Core profit growth	88.5	12.1	8.7	98.3	11.7	9.4	(9.8)	0.4	(0.7)
Gross margin	41.0	41.1	41.0	42.4	42.5	42.6	(1.4)	(1.4)	(1.6)
SG&A to sales	37.2	37.2	37.2	38.5	38.5	38.5	(1.3)	(1.3)	(1.3)
Net margin	2.5	2.7	2.8	2.6	2.8	2.9	(0.1)	(0.1)	(0.1)
Norm margin	2.5	2.7	2.8	2.6	2.8	2.9	(0.1)	(0.1)	(0.1)
<b>Operating statistics (no.)</b>									
New stores - Equity store	(14)	5	5	10	10	10			
New stores - Franchise store	10	8	8	10	10	10			
Total new stores	(4)	13	13	20	20	20			
Total stores	313	326	339	337	357	377			
SSSG (%)	1.0	2.0	2.0	3.0	3.0	3.0			
Restaurant sales (THB m)	3,154	3,257	3,362	3,297	3,476	3,660	(4.3)	(6.3)	(8.1)
Franchise sales (THB m)	218	228	237	184	192	200	18.2	18.8	18.3
Manufacturing and trading sales (THB m)	881	969	1,066	822	888	923	7.1	9.1	15.4
<b>Revenue growth (%)</b>									
Restaurant sales	1.0	3.3	3.2	5.6	5.4	5.3			
Franchise sales	4.1	4.9	3.8	(11.9)	4.3	4.2			
Manufacturing and trading sales	20.0	10.0	10.0	12.0	8.0	4.0			
<b>Revenue contribution (%)</b>									
Restaurant sales	74.2	73.1	72.1	76.6	76.3	76.5			
Franchise sales	5.1	5.1	5.1	4.3	4.2	4.2			
Manufacturing and trading sales	20.7	21.8	22.8	19.1	19.5	19.3			

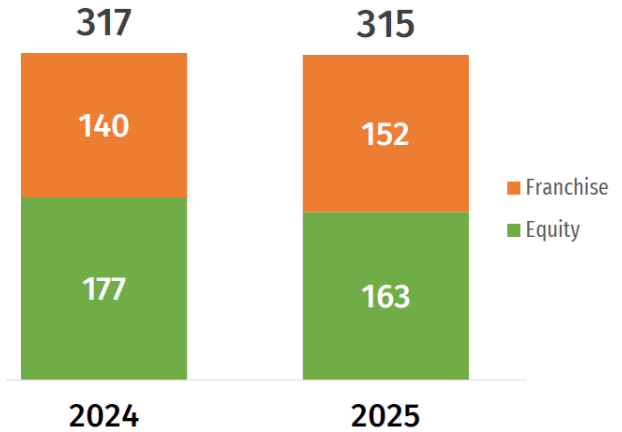
Source: FSSIA estimates

Exhibit 2: Quarterly SSSG



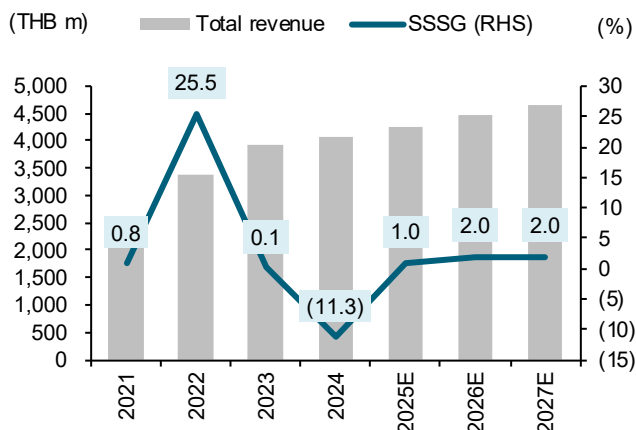
Sources: ZEN, FSSIA estimates

Exhibit 3: 2025 Expansion targets



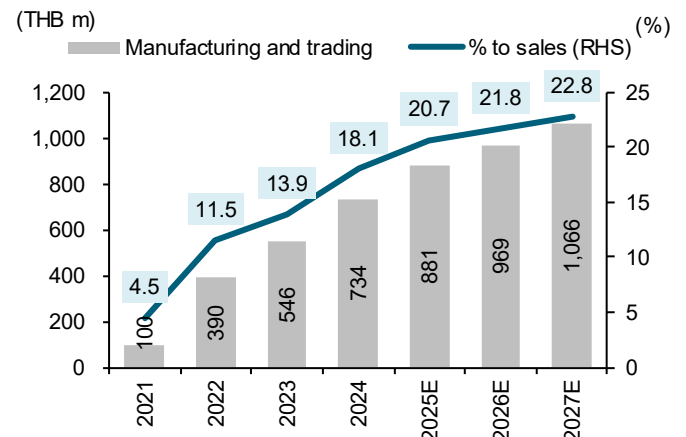
Sources: ZEN's 4Q24 presentation

Exhibit 4: Yearly total revenue and SSSG



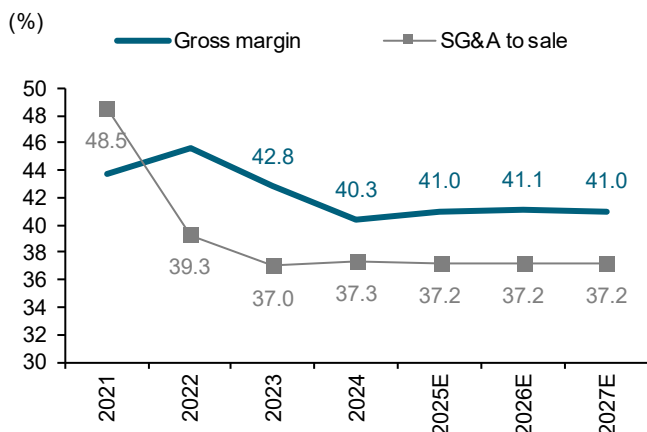
Sources: ZEN, FSSIA estimates

Exhibit 5: Yearly revenue from manufacturing and trading



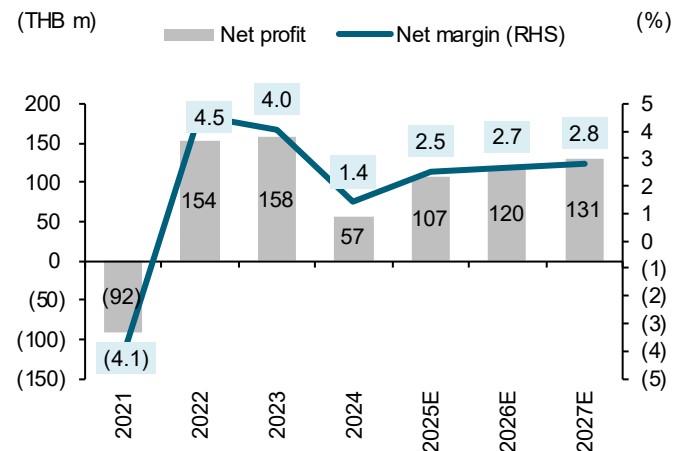
Sources: ZEN, FSSIA estimates

Exhibit 6: Yearly gross margin and SG&amp;A to sales



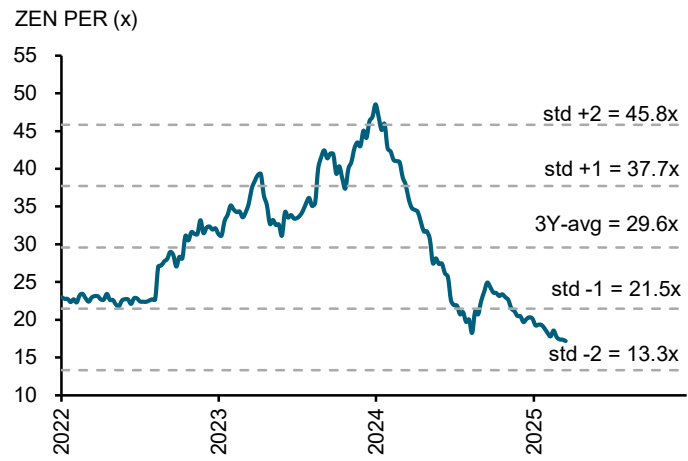
Sources: ZEN, FSSIA estimates

Exhibit 7: Yearly net profit and net margin



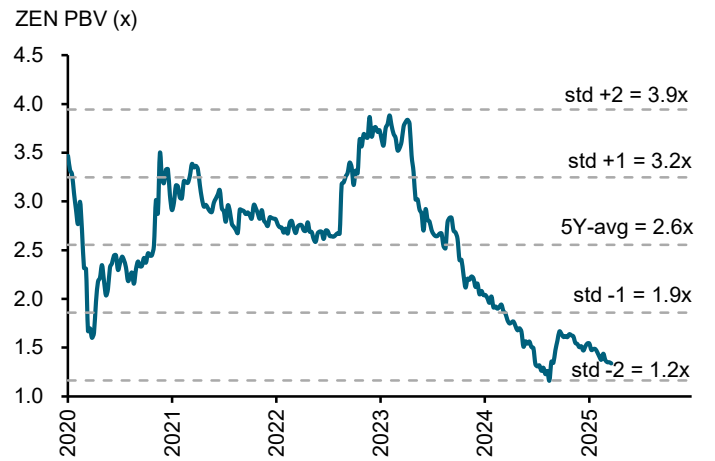
Sources: ZEN, FSSIA estimates

Exhibit 8: Historical P/E band



Sources: Bloomberg, FSSIA estimates

Exhibit 9: Historical P/BV band



Sources: Bloomberg, FSSIA estimates

Exhibit 10: Peers comparison as of 20 March 2025

Company	BBG	Market Cap (USD m)	PE			ROE		PBV		EV/ EBITDA	
			3Y-avg	25E	26E	25E	26E	25E	26E	25E	26E
			(x)	(x)	(x)	(%)	(%)	(x)	(x)	(x)	(x)
Thailand											
MK Restaurants Group	M TB	533	25.0	12.5	12.0	10.8	11.1	1.3	1.3	3.7	3.8
Maguro Group	MAGURO TB	66	24.5	17.0	13.9	19.5	22.5	3.2	3.0	6.6	5.7
Zen Corp Group	ZEN TB	56	28.5	17.8	15.9	7.8	8.4	1.4	1.3	4.0	3.5
After You*	AU TB	231	50.4	23.1	19.5	30.1	32.5	6.5	6.0	13.0	11.1
Pluk Phak Praw Rak Mae*	OKJ TB	154	37.3	17.2	13.1	16.3	18.8	2.6	2.3	9.2	7.9
S&P Syndicate*	SNP TB	174	17.2	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Thailand average		1,215	30.5	17.5	14.9	16.9	18.6	3.0	2.8	7.3	6.4

Sources: Bloomberg, FSSIA estimates

## Financial Statements

### Zen Corporation Group

Profit and Loss (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Revenue	3,915	4,066	4,253	4,454	4,665
Cost of goods sold	(2,239)	(2,426)	(2,509)	(2,624)	(2,752)
<b>Gross profit</b>	<b>1,676</b>	<b>1,640</b>	<b>1,744</b>	<b>1,831</b>	<b>1,913</b>
Other operating income	30	26	34	36	37
Operating costs	(1,448)	(1,518)	(1,582)	(1,657)	(1,735)
<b>Operating EBITDA</b>	<b>643</b>	<b>580</b>	<b>687</b>	<b>761</b>	<b>826</b>
Depreciation	(385)	(432)	(492)	(552)	(612)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>258</b>	<b>148</b>	<b>196</b>	<b>209</b>	<b>215</b>
Net financing costs	(42)	(57)	(53)	(48)	(40)
Associates	0	0	0	0	0
Recurring non-operating income	0	0	0	0	0
Non-recurring items	(4)	0	0	0	0
<b>Profit before tax</b>	<b>212</b>	<b>91</b>	<b>143</b>	<b>162</b>	<b>175</b>
Tax	(34)	(8)	(14)	(19)	(21)
<b>Profit after tax</b>	<b>177</b>	<b>83</b>	<b>128</b>	<b>142</b>	<b>154</b>
Minority interests	(20)	(26)	(21)	(22)	(23)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>158</b>	<b>57</b>	<b>107</b>	<b>120</b>	<b>131</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>162</b>	<b>57</b>	<b>107</b>	<b>120</b>	<b>131</b>
<b>Per share (THB)</b>					
Recurring EPS *	0.54	0.19	0.36	0.40	0.44
Reported EPS	0.53	0.19	0.36	0.40	0.44
DPS	0.30	0.17	0.20	0.22	0.24
Diluted shares (used to calculate per share data)	300	300	300	300	300
<b>Growth</b>					
Revenue (%)	15.7	3.9	4.6	4.7	4.7
Operating EBITDA (%)	8.2	(9.8)	18.5	10.7	8.6
Operating EBIT (%)	5.0	(42.5)	31.9	7.0	2.5
Recurring EPS (%)	5.1	(64.9)	88.5	12.1	8.7
Reported EPS (%)	2.4	(63.9)	88.5	12.1	8.7
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	42.8	40.3	41.0	41.1	41.0
Gross margin exc. depreciation (%)	52.6	51.0	52.6	53.5	54.1
Operating EBITDA margin (%)	16.4	14.3	16.2	17.1	17.7
Operating EBIT margin (%)	6.6	3.6	4.6	4.7	4.6
Net margin (%)	4.1	1.4	2.5	2.7	2.8
Effective tax rate (%)	16.2	9.2	10.0	12.0	12.0
Dividend payout on recurring profit (%)	55.6	89.7	55.0	55.0	55.0
Interest cover (X)	6.1	2.6	3.7	4.4	5.4
Inventory days	62.3	77.2	73.3	61.9	62.8
Debtor days	9.5	10.4	10.0	9.8	9.8
Creditor days	68.5	57.0	61.1	74.3	75.3
Operating ROIC (%)	16.6	7.9	10.9	12.9	14.0
ROIC (%)	9.2	4.7	6.4	7.2	7.5
ROE (%)	12.1	4.1	7.8	8.4	8.8
ROA (%)	7.1	4.0	5.3	5.6	5.8

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

Revenue by Division (THB m)	2023	2024	2025E	2026E	2027E
Restaurant	3,159	3,123	3,154	3,257	3,362
Franchise	210	209	218	228	237
Manufacturing and trading	546	734	881	969	1,066

Sources: Zen Corporation Group; FSSIA estimates

## Financial Statements

### Zen Corporation Group

Cash Flow (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Recurring net profit	162	57	107	120	131
Depreciation	385	432	492	552	612
Associates & minorities	0	0	0	0	0
Other non-cash items	20	19	(35)	1	1
Change in working capital	(118)	(165)	271	3	4
<b>Cash flow from operations</b>	<b>449</b>	<b>342</b>	<b>835</b>	<b>676</b>	<b>747</b>
Capex - maintenance	-	-	-	-	-
Capex - new investment	(687)	(356)	(550)	(480)	(550)
Net acquisitions & disposals	(24)	(6)	(26)	(17)	(18)
Other investments (net)	-	-	-	-	-
<b>Cash flow from investing</b>	<b>(711)</b>	<b>(362)</b>	<b>(576)</b>	<b>(497)</b>	<b>(568)</b>
Dividends paid	(47)	(98)	(59)	(66)	(72)
Equity finance	0	0	0	0	0
Debt finance	251	113	(164)	(108)	(158)
Other financing cash flows	11	(1)	(18)	2	1
<b>Cash flow from financing</b>	<b>215</b>	<b>14</b>	<b>(241)</b>	<b>(172)</b>	<b>(228)</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>(47)</b>	<b>(6)</b>	<b>17</b>	<b>6</b>	<b>(50)</b>
Free cash flow to firm (FCFF)	(220.41)	37.81	311.56	226.20	218.44
Free cash flow to equity (FCFE)	(0.42)	92.42	76.20	72.29	22.28
<b>Per share (THB)</b>					
FCFF per share	(0.73)	0.13	1.04	0.75	0.73
FCFE per share	0.00	0.31	0.25	0.24	0.07
Recurring cash flow per share	1.89	1.69	1.88	2.24	2.48
Balance Sheet (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Tangible fixed assets (gross)	2,500	2,478	2,593	2,581	2,582
Less: Accumulated depreciation	(1,078)	(1,131)	(1,188)	(1,247)	(1,310)
<b>Tangible fixed assets (net)</b>	<b>1,422</b>	<b>1,347</b>	<b>1,405</b>	<b>1,334</b>	<b>1,272</b>
<b>Intangible fixed assets (net)</b>	<b>349</b>	<b>342</b>	<b>342</b>	<b>342</b>	<b>342</b>
Long-term financial assets	326	326	326	326	326
Invest. in associates & subsidiaries	-	-	-	-	-
Cash & equivalents	280	274	292	298	248
A/C receivable	115	117	117	122	128
Inventories	377	467	344	359	377
Other current assets	48	42	51	53	56
<b>Current assets</b>	<b>820</b>	<b>900</b>	<b>803</b>	<b>833</b>	<b>809</b>
Other assets	322	335	361	379	397
<b>Total assets</b>	<b>3,240</b>	<b>3,251</b>	<b>3,238</b>	<b>3,214</b>	<b>3,146</b>
Common equity	1,393	1,353	1,401	1,455	1,514
Minorities etc.	85	104	69	70	71
<b>Total shareholders' equity</b>	<b>1,479</b>	<b>1,457</b>	<b>1,470</b>	<b>1,525</b>	<b>1,584</b>
Long term debt	669	658	588	518	448
Other long-term liabilities	146	146	128	129	131
<b>Long-term liabilities</b>	<b>815</b>	<b>804</b>	<b>716</b>	<b>647</b>	<b>579</b>
A/C payable	359	263	412	431	452
Short term debt	441	564	470	432	344
Other current liabilities	146	163	170	178	187
<b>Current liabilities</b>	<b>946</b>	<b>990</b>	<b>1,053</b>	<b>1,041</b>	<b>983</b>
<b>Total liabilities and shareholders' equity</b>	<b>3,240</b>	<b>3,251</b>	<b>3,238</b>	<b>3,214</b>	<b>3,146</b>
Net working capital	35	200	(71)	(75)	(78)
Invested capital	2,455	2,551	2,364	2,306	2,259
* Includes convertibles and preferred stock which is being treated as debt					
<b>Per share (THB)</b>					
Book value per share	4.64	4.51	4.67	4.85	5.05
Tangible book value per share	3.48	3.37	3.53	3.71	3.90
<b>Financial strength</b>					
Net debt/equity (%)	56.1	65.1	52.1	42.8	34.3
Net debt/total assets (%)	25.6	29.2	23.7	20.3	17.3
Current ratio (x)	0.9	0.9	0.8	0.8	0.8
CF interest cover (x)	17.3	8.8	12.8	12.6	15.5
Valuation	2023	2024	2025E	2026E	2027E
<b>Recurring P/E (x) *</b>	<b>11.8</b>	<b>33.5</b>	<b>17.8</b>	<b>15.9</b>	<b>14.6</b>
<b>Recurring P/E @ target price (x) *</b>	<b>12.1</b>	<b>34.3</b>	<b>18.2</b>	<b>16.2</b>	<b>14.9</b>
Reported P/E (x)	12.1	33.5	17.8	15.9	14.6
Dividend yield (%)	4.7	2.7	3.1	3.5	3.8
Price/book (x)	1.4	1.4	1.4	1.3	1.3
Price/tangible book (x)	1.8	1.9	1.8	1.7	1.6
EV/EBITDA (x) **	4.4	5.1	4.0	3.5	3.0
EV/EBITDA @ target price (x) **	4.5	5.2	4.1	3.5	3.1
EV/invested capital (x)	1.1	1.2	1.2	1.1	1.1
* Pre-exceptional, pre-goodwill and fully diluted    ** EBITDA includes associate income and recurring non-operating income					

Sources: Zen Corporation 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 <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 Sustainalytics</a>	The Sustainalytics' ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. <i>Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality &amp; peer reviews.</i>	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. <table><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

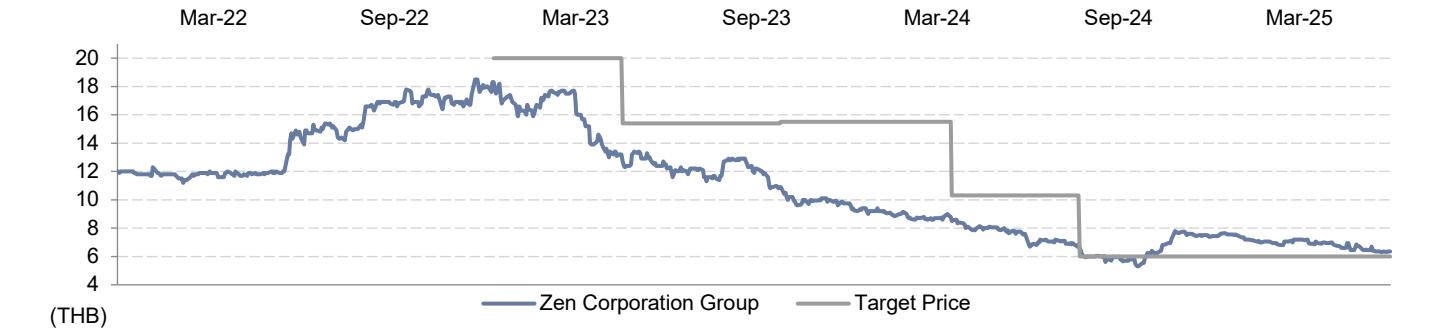
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) 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

Zen Corporation Group (ZEN TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
07-Feb-2023	BUY	20.00	12-Oct-2023	BUY	15.50	25-Jun-2024	REDUCE	6.00
29-May-2023	BUY	15.40	07-Mar-2024	BUY	10.30			

Sureeporn Teewasuwet started covering this stock from 07-Feb-2023

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Zen Corporation Group	ZEN TB	THB 6.35	HOLD	Downside and upside risks to our P/E-based TP include 1) a slower or faster-than-expected purchasing power recovery; 2) higher or lower in raw material costs; 3) lower or greater-than-expected store expansion; and 4) a minimum wage increase or 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 20-Mar-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.