

THAI UNION GROUP

TU TB

THAILAND / FOOD & BEVERAGE

HOLD

FROM BUY

เริ่มต้นปีด้วยความยากลำบาก

- คาดกำไร 1Q25 จะลดลงแรง q-q และ y-y สู่ระดับต่ำสุดใน 23 ไตรมาสจากความต้องการที่ลดลงในสหรัฐฯ และสหภาพยุโรป
- TU กำลังประเมินผลกระทบจากภาษีนำเข้าของสหรัฐฯ และได้เปิดเผยว่าประมาณ 40% ของรายได้รวมมาจากสหรัฐฯ
- ปรับลดคำแนะนำเป็นถือหลังลดราคาเป้าหมายเป็น 11 บาท

TARGET PRICE	THB11.00
CLOSE	THB10.50
UP/DOWNSIDE	+4.8%
PRIOR TP	THB15.00
CHANGE IN TP	-26.7%
TP vs CONSENSUS	-22.1%

KEY STOCK DATA

YE Dec (THB m)	2024	2025E	2026E	2027E
Revenue	138,433	129,413	135,884	141,048
Net profit	4,985	3,810	4,501	4,794
EPS (THB)	1.12	0.86	1.01	1.08
vs Consensus (%)	-	(21.5)	(16.7)	(17.2)
EBITDA	12,725	11,603	12,635	13,230
Recurring net profit	5,119	3,810	4,501	4,794
Core EPS (THB)	1.15	0.86	1.01	1.08
Chg. In EPS est. (%)	-	(25.8)	(19.0)	(18.9)
EPS growth (%)	nm	(25.6)	18.1	6.5
Core P/E (x)	9.1	12.3	10.4	9.8
Dividend yield (%)	6.6	5.3	6.3	6.7
EV/EBITDA (x)	9.0	9.1	8.5	8.2
Price/book (x)	1.0	0.9	0.9	0.9
Net debt/Equity (%)	106.9	90.6	90.4	89.5
ROE (%)	9.5	7.8	8.9	9.2

1Q25 น่าจะสะท้อนความต้องการที่ชะลอตัวในสหรัฐฯ และสหภาพยุโรป

เราคาดว่ากำไรสุทธิ 1Q25 จะอยู่ที่เพียง 642 ลบ. (-47% q-q, -44% y-y) ต่ำที่สุดใน 23 ไตรมาส (ไม่รวม 4Q23 ซึ่งมีผลขาดทุนจากการด้อยค่าจำนวนมากจาก Red Lobster) จากรายได้ที่อ่อนแอโดยน่าจะลดลง 13% q-q และ 8% y-y พร้อมตัวเลขที่ลดลงในทุกธุรกิจ – Ambient (-3% q-q, -9.6% y-y) Frozen (-30% q-q, -13% y-y) และ Pet Care (-13% q-q, +2% y-y) ตัวเลขรายได้ที่ลดลงน่าจะเกิดขึ้นจากความต้องการที่อ่อนแอในสหรัฐฯ และสหภาพยุโรปซึ่งเป็นประเด็นสำคัญเป็นหลัก นอกจากนี้เรายังคาดว่าต้นทุน Transformation จะสูงขึ้นพร้อมค่าใช้จ่ายการตลาดและ TU จะเริ่มจ่ายภาษีสูงขึ้นจาก GMT

คาดผลประกอบการจะดีขึ้นตั้งแต่ 2Q25

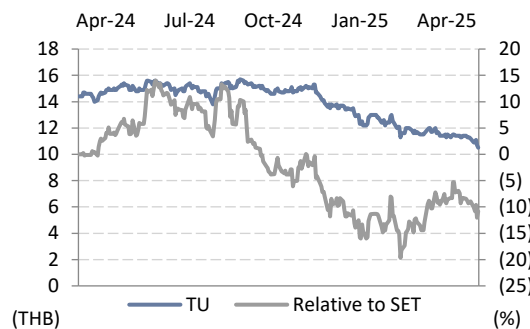
ผู้บริหารคาดว่า 1Q25 จะเป็นจุดต่ำสุดของปีและคำสั่งซื้อจะฟื้นตัวใน 2Q25 นอกจากนี้ราคาหุ้นน่าจะเริ่มปรับตัวขึ้นโดยมีราคาเฉลี่ยใน 1Q25 อยู่ที่ USD1,600/ตัน (+4.6% q-q, +20% y-y) ในขณะที่ลูกค้าจ้างผลิตอาจชะลอการซื้อใน 1Q บริษัท คาดว่าลูกค้าในกลุ่มดังกล่าวจะกลับมาซื้อในราคาที่สูงขึ้นใน 2Q25 ทั้งนี้ TU ยังคงเฝ้าระวังการเติบโตในปี 2025 อันประกอบด้วยรายการเติบโตของรายได้ที่ 3-4% y-y อัตรากำไรขั้นต้นที่ 18.5-19.5% (คาด 18.5% ใน 1Q25) และสัดส่วนค่าใช้จ่ายการขายและบริหารต่อยอดขายที่ 13-13.5% (คาด 15% ใน 1Q25)

กำลังประเมินผลกระทบจากภาษีนำเข้าของสหรัฐฯ

TU กำลังประเมินผลกระทบจากภาษีนำเข้าของสหรัฐฯ และได้เปิดเผยว่าประมาณ 40% ของรายได้รวมมาจากประเทศดังกล่าว (Ambient 30%, Pet Care 50%, Frozen 50%) โดยมีรายได้ 10% จากฐานการผลิตในสหรัฐฯ ผ่านบริษัทย่อย COSFF ดังนั้นเราจึงคาดว่า 30% ของรายได้ น่าจะมีความเสี่ยงจากภาษีนำเข้า อย่างไรก็ตามก็ดีบริษัท ยังมีสินค้าสำเร็จรูปคงคลังอยู่บางส่วน (ประมาณ 4-6 เดือน) พร้อมฐานการผลิตในประเทศอื่นที่ไม่ได้รับผลกระทบจากภาษีนำเข้าของสหรัฐฯ อาทิเช่น กานา อย่างไรก็ตามก็ยังมีความกังวลเกี่ยวกับความต้องการที่อ่อนแอซึ่งทำให้เราปรับลดประมาณการกำไรสุทธิปี 2025 ของเราลง 26% เป็น 3.8 พัน ลบ. (-24% y-y)

ปรับลดคำแนะนำเป็นถือหลังลดราคาเป้าหมายลงเหลือ 11 บาท

เราปรับลดราคาเป้าหมายของเราลงเหลือ 11 (จาก 15) บาทหลังปรับลด P/E เป้าหมายลงเหลือ 12.5x ใกล้เคียงกับค่า P/E เฉลี่ย 5 ปีย้อนหลัง นอกจากนี้เรายังปรับลดคำแนะนำของเราเป็นถือแม้ว่าราคาหุ้นจะลดลงอย่างมีนัยสำคัญเราจะต้องระมัดระวังเกี่ยวกับแนวโน้มการฟื้นตัวและผลกระทบที่แท้จริงจากภาษีนำเข้าของสหรัฐฯ เมื่อไม่นานมานี้ TU ได้อนุมัติแผนการซื้อหุ้นคืนเพิ่มเติมเป็น 5 พัน ลบ. โดยจะซื้อหุ้นคืนสูงสุดไม่เกิน 445 ล้านหุ้น แม้ว่าอยู่ในช่วงห้ามขายหุ้น (8 เม.ย. ถึง 9 พ.ค.) บริษัท ระบุว่าบริษัท ยังสามารถซื้อหุ้นคืนได้ในช่วงดังกล่าว



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(7.9)	(18.0)	(28.1)
Relative to country (%)	(3.6)	1.0	(12.2)
Mkt cap (USD m)	1,260		
3m avg. daily turnover (USD m)	4.9		
Free float (%)	65		
Major shareholder	Chansiri Family (12%)		
12m high/low (THB)	15.80/10.20		
Issued shares (m)	4,455.13		

Sources: Bloomberg consensus; FSSIA estimates



Sureeporn Teewasuwet

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

Investment thesis

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

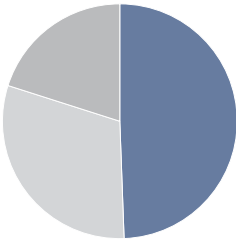
Company profile

Thai Union was founded in 1977 as a canned tuna processor and exporter. It is now an international OEM business with a global portfolio of consumer-favourite brands. TU had 18 brands, five strategic partnerships and key joint ventures, and eight overseas sales offices. TU has 13 production locations in 12 countries and two innovation and R&D centres. In 2024, its revenue contributions from the USA, Europe, Thailand, Japan, and other were 37.7%/30%/11%/5.6%/15.6%, respectively.

www.thaiunion.com

Principal activities (revenue, 2024)

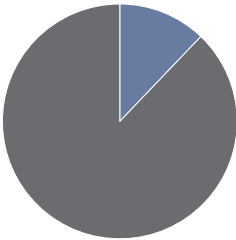
- Ambient seafood - 49.4 %
- Frozen & chilled seafood - 30.5 %
- Pet food & others - 20.1 %



Source: Thai Union Group

Major shareholders

- Chansiri Family - 12.1 %
- Others - 87.9 %



Source: Thai Union Group

Catalysts

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

Risks to our call

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

Event calendar

Date	Event
9 May 2025	1Q25 results announcement
9 May 2025	1Q25 analyst meeting

Key assumptions

	2025E	2026E	2027E
Total revenue (USD m)	3,922	4,118	4,274
USD/THB	33.0	33.0	33.0
Ambient sales growth (%)	(9.2)	5.7	2.6
Frozen, Chilled sales growth (%)	(7.2)	3.0	3.8
PetCare, Value added sales growth (%)	1.1	6.3	6.4
Tuna price (USD/ton)	1,600	1,600	1,600
Gross margin (%)	18.5	18.5	18.5

Source: FSSIA estimates

Earnings sensitivity

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

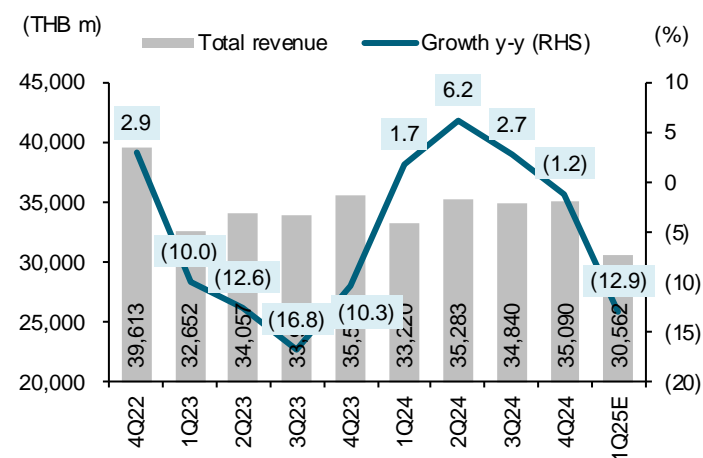
Source: FSSIA estimates

Exhibit 1: TU – 1Q25 earnings preview

	1Q24	2Q24	3Q24	4Q24	1Q25E	----- Change -----		2024	2025E	Change	% 1Q25E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)	to 2025E
Sales in THB m	33,220	35,283	34,840	35,090	30,562	(12.9)	(8.0)	138,433	129,413	(6.5)	23.6
Cost of sales	27,478	28,748	28,047	28,537	24,908	(12.7)	(9.4)	112,809	105,472	(6.5)	23.6
Gross profit	5,742	6,535	6,793	6,554	5,654	(13.7)	(1.5)	25,624	23,941	(6.6)	23.6
SG&A	4,197	4,582	4,693	4,929	4,584	(7.0)	9.2	18,401	17,859	(2.9)	25.7
Operating profit	1,772	2,290	2,382	1,915	1,305	(31.9)	(26.4)	8,360	6,988	(16.4)	18.7
Profit sharing	159	179	275	157	185	17.8	16.4	771	680	(11.8)	27.2
Interest expense	647	620	627	598	570	(4.7)	(11.9)	2,492	2,402	(3.6)	23.7
Tax expense	128	44	208	50	88	77.3	(31.3)	430	550	28.0	16.0
FX gain (loss)	209	(237)	(54)	(100)	10	nm	nm	(182)	0	nm	nm
Other gain (loss)	44	68	0	0	0	nm	nm	112	0	nm	nm
Reported net profit	1,153	1,219	1,400	1,213	642	(47.1)	(44.4)	4,985	3,810	(23.6)	16.8
Core profit	900	1,456	1,454	1,095	632	(42.3)	(29.8)	5,119	3,810	(25.6)	16.6
Key ratios (%)						(ppt)	(ppt)				
Gross margin	17.3	18.5	19.5	18.7	18.5	(0.2)	1.2	18.5	18.5	(0.0)	
SG&A / sales	12.6	13.0	13.5	14.0	15.0	1.0	2.4	13.3	13.8	0.5	
Operating margin	5.3	6.5	6.8	5.5	4.3	(1.2)	(1.1)	6.0	5.4	(0.6)	
Net margin	3.5	3.5	4.0	3.5	2.1	(1.4)	(1.4)	3.6	2.9	(0.7)	
Core margin	2.7	4.1	4.2	3.1	2.1	(1.1)	(0.6)	3.7	2.9	(0.8)	
Operating statistics (THB m)											
Ambient sales	17,156	17,376	17,920	15,961	15,514	(2.8)	(9.6)	68,412	62,120	(9.2)	25.0
Frozen, chilled seafood sales	9,618	10,842	9,836	11,930	8,379	(29.8)	(12.9)	42,226	39,186	(7.2)	21.4
Pet care sales	3,955	4,456	4,352	4,625	4,034	(12.8)	2.0	17,389	17,702	1.8	22.8
Value added, others sale	2,490	2,609	2,732	2,574	2,635	2.4	5.8	10,406	10,406	0.0	25.3
Gross margin (%)											
Ambient	16.6	18.9	20.1	20.6	19.6	(1.1)	3.0	19.1	19.2	0.1	
Frozen, chilled seafood	11.8	10.7	12.0	12.1	11.3	(0.8)	(0.5)	11.7	12.1	0.4	
Pet care	25.7	31.3	30.6	26.1	25.3	(0.8)	(0.4)	28.5	36.5	8.0	
Value added, others	29.5	26.5	25.1	23.5	24.5	1.0	(5.0)	26.1	25.1	(1.0)	
Tuna price (USD/tonne)	1,333	1,478	1,410	1,530	1,600	4.6	20.0	1,438	1,600	11.3	
Shrimp 60 pcs/kg (THB/kg)	137	130	141	167	169	1.4	23.3	144	150	4.2	
Salmon (NOK/kg)	108	110	78	82	98	19.5	(9.3)	94	80	(14.9)	

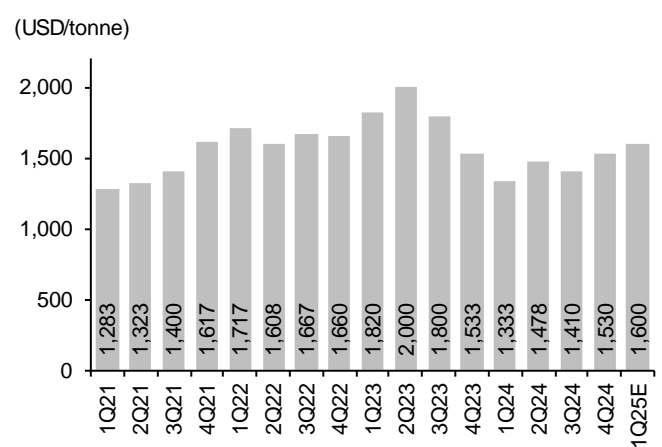
Sources: TU, FSSIA estimates

Exhibit 2: Quarterly total revenue and growth



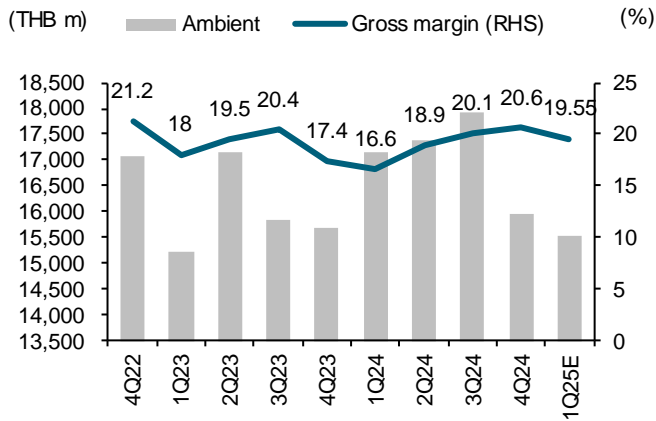
Sources: TU, FSSIA estimates

Exhibit 3: Quarterly tuna prices



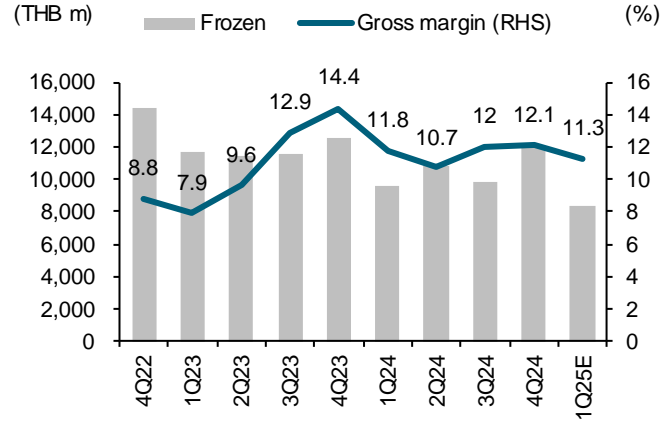
Sources: TU, FSSIA estimates

Exhibit 4: Quarterly revenue from ambient and margin



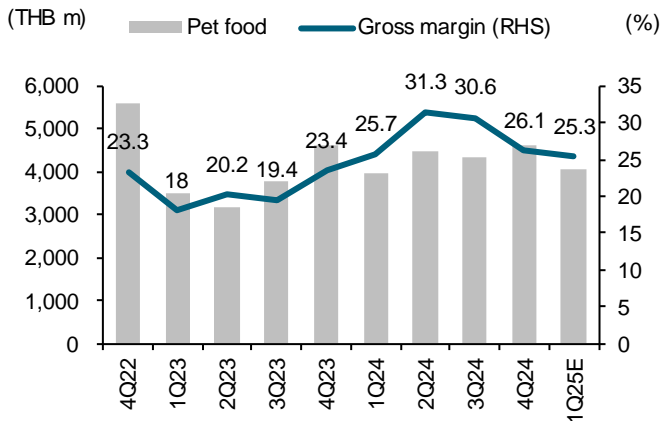
Sources: TU, FSSIA estimates

Exhibit 5: Quarterly revenue from frozen and margin



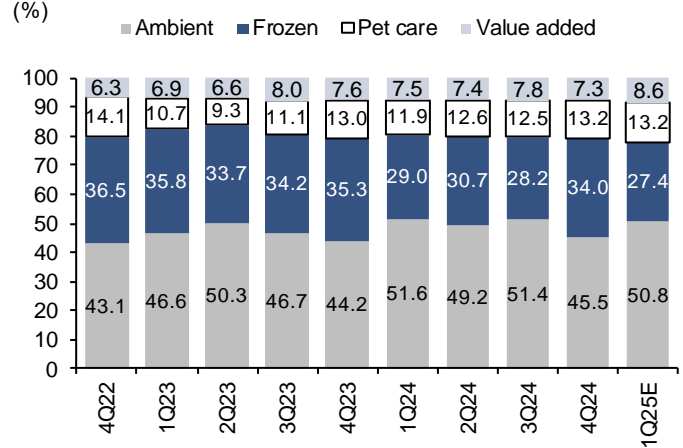
Sources: TU, FSSIA estimates

Exhibit 6: Quarterly revenue from pet food and margin



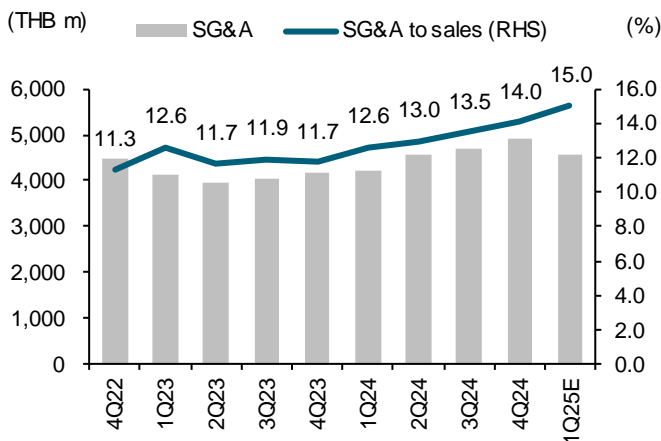
Sources: TU, FSSIA estimates

Exhibit 7: Revenue contribution by product segment



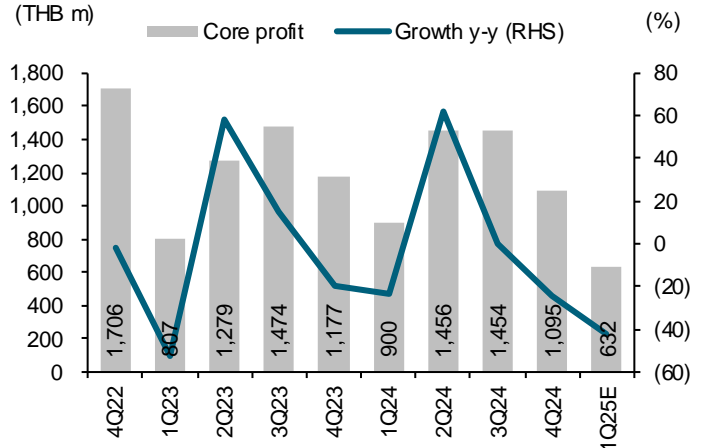
Sources: TU, FSSIA estimates

Exhibit 8: Quarterly SG&A and SG&A to sales



Sources: TU, FSSIA estimates

Exhibit 9: Quarterly core profit and growth



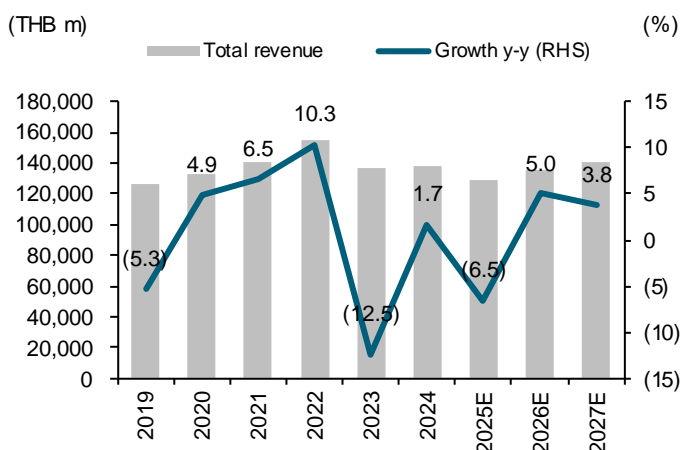
Sources: TU, FSSIA estimates

Exhibit 10: Changes in key assumptions for TU

	Current			Previous			Change		
	2025E (THB m)	2026E (THB m)	2027E (THB m)	2025E (THB m)	2026E (THB m)	2027E (THB m)	2025E (%)	2026E (%)	2027E (%)
Total revenue (USD m)	3,922	4,118	4,274	4,275	4,488	4,659	(8.3)	(8.3)	(8.3)
Fx rate (THB/USD)	33.0	33.0	33.0	33.0	33.0	33.0	0.0	0.0	0.0
Total sale value (THB m)	129,413	135,884	141,048	141,061	148,114	153,742	(8.3)	(8.3)	(8.3)
Costs	105,472	110,745	114,954	114,964	120,713	125,300	(8.3)	(8.3)	(8.3)
Gross profit	23,941	25,139	26,094	26,096	27,401	28,442	(8.3)	(8.3)	(8.3)
SG&A expenses	17,859	18,344	19,041	18,620	19,551	20,294	(4.1)	(6.2)	(6.2)
Interest expense	2,402	2,400	2,405	2,655	2,652	2,659	(9.5)	(9.5)	(9.5)
Profit sharing	680	748	823	886	975	1,072	(23.3)	(23.3)	(23.3)
Tax expense	550	641	676	714	766	806	(22.9)	(16.2)	(16.2)
Reported net profit	3,810	4,501	4,794	5,134	5,555	5,909	(25.8)	(19.0)	(18.9)
Core profit	3,810	4,501	4,794	5,134	5,555	5,909	(25.8)	(19.0)	(18.9)
Key ratios (%)									
Total revenue growth	(6.5)	5.0	3.8	1.9	5.0	3.8	(8.4)	0.0	0.0
Net profit growth	(23.6)	18.1	6.5	3.0	8.2	6.4	(26.6)	10.0	0.1
Core profit growth	(25.6)	18.1	6.5	4.7	8.2	6.4	(30.3)	10.0	0.1
Gross margin	18.5	18.5	18.5	18.5	18.5	18.5	0.0	0.0	0.0
SG&A to sales	13.8	13.5	13.5	13.2	13.2	13.2	0.6	0.3	0.3
Net margin	2.9	3.3	3.4	3.6	3.8	3.8	(0.7)	(0.4)	(0.4)
Norm margin	2.9	3.3	3.4	3.6	3.8	3.8	(0.7)	(0.4)	(0.4)
Effective tax rate	12.0	12.0	12.0	12.0	12.0	12.0	0.0	0.0	0.0
Operating statistics (THB m)									
Ambient sales	62,120	65,655	67,375	68,770	71,615	73,504	(9.7)	(8.3)	(8.3)
Frozen, chilled sales	39,186	40,361	41,895	43,071	44,793	46,495	(9.0)	(9.9)	(9.9)
Pet care sales	17,702	18,941	20,305	18,606	20,560	22,040	(4.9)	(7.9)	(7.9)
Value added, others sales	10,406	10,926	11,473	10,614	11,145	11,702	(2.0)	(2.0)	(2.0)

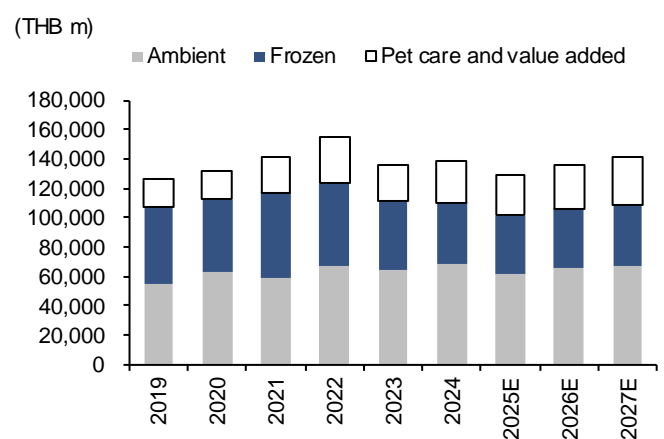
Sources: FSSIA estimates

Exhibit 11: Yearly total revenue and growth



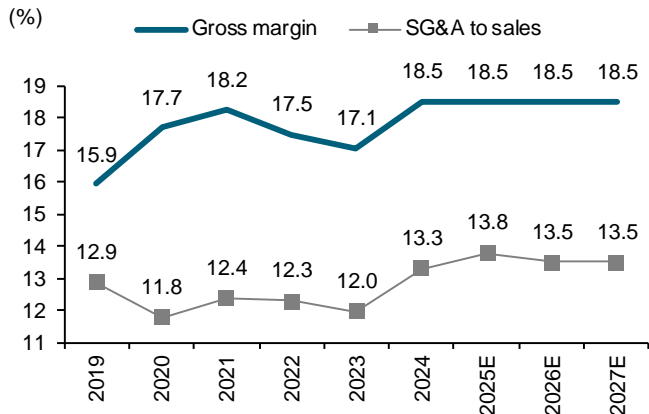
Sources: TU, FSSIA estimates

Exhibit 12: Yearly revenue breakdown by product segment



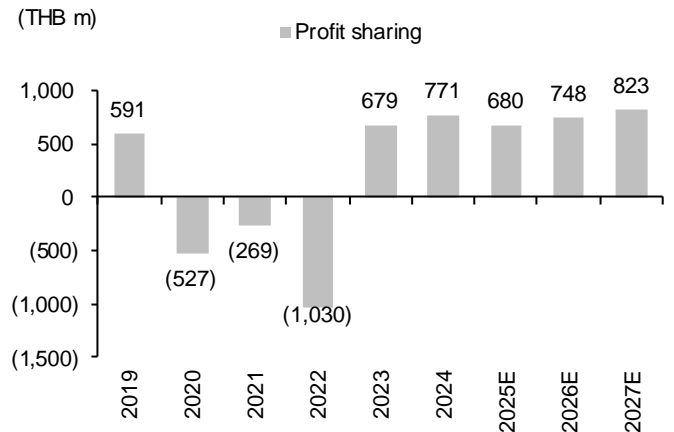
Sources: TU, FSSIA estimates

Exhibit 13: Yearly gross margin and SG&A to sales



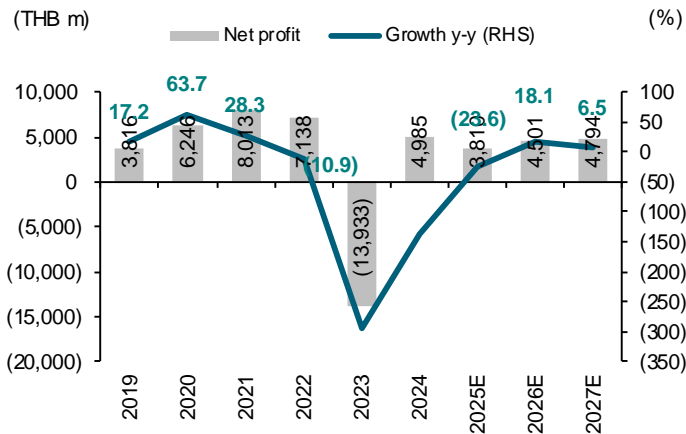
Sources: TU, FSSIA estimates

Exhibit 14: Yearly share of profits from associate companies



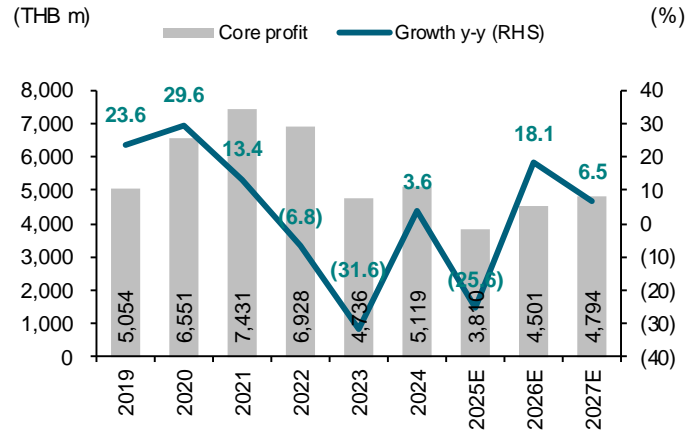
Sources: TU, FSSIA estimates

Exhibit 15: Yearly net profit and growth



Sources: TU, FSSIA estimates

Exhibit 16: Yearly core profit and growth



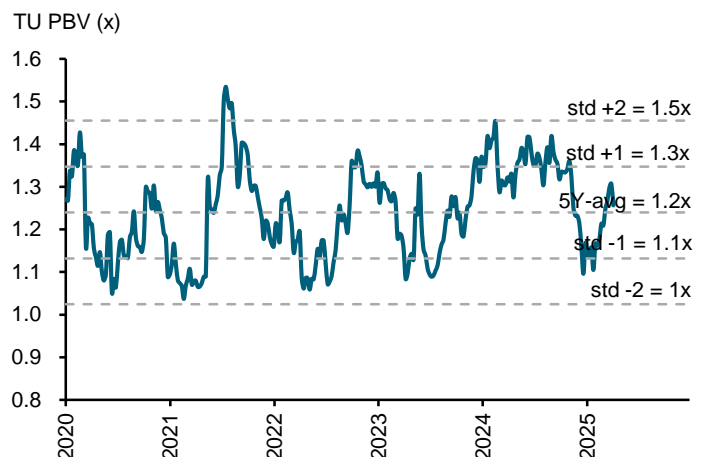
Sources: TU, FSSIA estimates

Exhibit 17: Historical P/E band



Sources: Bloomberg, FSSIA estimates

Exhibit 18: Historical P/BV band



Sources: Bloomberg, FSSIA estimates

Financial Statements

Thai Union Group

Profit and Loss (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Revenue	136,153	138,433	129,413	135,884	141,048
Cost of goods sold	(112,928)	(112,809)	(105,472)	(110,745)	(114,954)
Gross profit	23,225	25,624	23,941	25,139	26,094
Other operating income	1,060	1,137	906	951	987
Operating costs	(16,313)	(18,401)	(17,859)	(18,344)	(19,041)
Operating EBITDA	12,163	12,725	11,603	12,635	13,230
Depreciation	(4,191)	(4,365)	(4,615)	(4,890)	(5,190)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	7,972	8,360	6,988	7,745	8,040
Net financing costs	(2,302)	(2,492)	(2,402)	(2,400)	(2,405)
Associates	679	771	680	748	823
Recurring non-operating income	(19,490)	771	680	748	823
Non-recurring items	0	(134)	0	0	0
Profit before tax	(13,820)	6,504	5,266	6,094	6,457
Tax	620	(430)	(550)	(641)	(676)
Profit after tax	(13,200)	6,074	4,716	5,452	5,781
Minority interests	(733)	(1,089)	(906)	(951)	(987)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	(13,933)	4,985	3,810	4,501	4,794
Non-recurring items & goodwill (net)	0	134	0	0	0
Recurring net profit	(13,933)	5,119	3,810	4,501	4,794
Per share (THB)					
Recurring EPS *	(2.99)	1.15	0.86	1.01	1.08
Reported EPS	(2.99)	1.12	0.86	1.01	1.08
DPS	0.53	0.70	0.56	0.66	0.70
Diluted shares (used to calculate per share data)	4,655	4,455	4,455	4,455	4,455
Growth					
Revenue (%)	(12.5)	1.7	(6.5)	5.0	3.8
Operating EBITDA (%)	(8.9)	4.6	(8.8)	8.9	4.7
Operating EBIT (%)	(11.7)	4.9	(16.4)	10.8	3.8
Recurring EPS (%)	nm	nm	(25.6)	18.1	6.5
Reported EPS (%)	nm	nm	(23.6)	18.1	6.5
Operating performance					
Gross margin inc. depreciation (%)	17.1	18.5	18.5	18.5	18.5
Gross margin exc. depreciation (%)	20.1	21.7	22.1	22.1	22.2
Operating EBITDA margin (%)	8.9	9.2	9.0	9.3	9.4
Operating EBIT margin (%)	5.9	6.0	5.4	5.7	5.7
Net margin (%)	(10.2)	3.7	2.9	3.3	3.4
Effective tax rate (%)	4.5	6.6	10.5	10.5	10.5
Dividend payout on recurring profit (%)	(17.7)	60.7	65.0	65.0	65.0
Interest cover (X)	(5.0)	3.7	3.2	3.5	3.7
Inventory days	173.0	158.4	154.8	148.1	149.1
Debtor days	45.0	43.4	43.7	38.9	39.1
Creditor days	68.5	62.8	67.5	66.4	66.8
Operating ROIC (%)	7.9	8.2	7.0	7.9	7.9
ROIC (%)	(6.7)	5.7	5.1	5.7	5.8
ROE (%)	(20.0)	9.5	7.8	8.9	9.2
ROA (%)	(6.5)	5.1	4.4	4.9	5.0

* Pre-exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2023	2024	2025E	2026E	2027E
Ambient seafood	63,904	68,412	62,120	65,655	67,375
Frozen & chilled seafood	47,295	42,226	39,186	40,361	41,895
Pet food & others	24,954	27,795	28,108	29,868	31,778

Sources: Thai Union Group; FSSIA estimates

Financial Statements

Thai Union Group

Cash Flow (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Recurring net profit	(13,933)	5,119	3,810	4,501	4,794
Depreciation	4,191	4,365	4,615	4,890	5,190
Associates & minorities	679	771	680	748	823
Other non-cash items	(20,169)	(268)	0	0	0
Change in working capital	2,378	4,068	5,084	(1,920)	(1,532)
Cash flow from operations	(26,854)	14,054	14,189	8,219	9,274
Capex - maintenance	(5,557)	(3,605)	(5,000)	(5,500)	(6,000)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	34,495	(13,143)	(2,395)	(392)	(539)
Other investments (net)	(851)	2,133	5,453	(1,488)	(1,188)
Cash flow from investing	28,087	(14,615)	(1,942)	(7,380)	(7,726)
Dividends paid	(6,811)	(5,774)	(2,476)	(2,926)	(3,116)
Equity finance	(29)	(50)	1	1	1
Debt finance	7,631	523	(5,291)	(68)	148
Other financing cash flows	223	(295)	(1,006)	421	336
Cash flow from financing	1,015	(5,596)	(8,772)	(2,572)	(2,631)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	2,248	(6,156)	3,475	(1,733)	(1,083)
Free cash flow to firm (FCFF)	3,535.97	1,931.67	14,649.23	3,238.63	3,953.48
Free cash flow to equity (FCFE)	9,088.36	(332.11)	5,949.83	1,191.43	2,031.69
Per share (THB)					
FCFF per share	0.79	0.43	3.29	0.73	0.89
FCFE per share	2.04	(0.07)	1.34	0.27	0.46
Recurring cash flow per share	(6.28)	2.24	2.04	2.28	2.43
Balance Sheet (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Tangible fixed assets (gross)	64,122	65,367	70,617	76,392	82,692
Less: Accumulated depreciation	(32,736)	(34,742)	(39,606)	(44,771)	(50,261)
Tangible fixed assets (net)	31,385	30,626	31,011	31,621	32,431
Intangible fixed assets (net)	0	0	0	0	0
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	10,885	9,420	9,420	9,420	9,420
Cash & equivalents	14,490	8,333	11,808	10,075	8,992
A/C receivable	16,031	16,876	14,111	14,817	15,380
Inventories	50,482	43,626	41,900	43,995	45,667
Other current assets	4,827	10,813	11,365	11,533	11,667
Current assets	85,829	79,649	79,184	80,419	81,705
Other assets	37,351	35,218	29,765	31,253	32,441
Total assets	165,450	154,912	149,380	152,714	155,997
Common equity	58,628	48,635	49,647	51,224	52,902
Minorities etc.	7,389	7,678	7,118	7,474	7,758
Total shareholders' equity	66,017	56,313	56,765	58,697	60,660
Long term debt	39,248	38,594	37,844	37,094	36,344
Other long-term liabilities	9,712	9,418	8,412	8,832	9,168
Long-term liabilities	48,960	48,012	46,256	45,927	45,512
A/C payable	18,798	18,522	18,783	19,722	20,471
Short term debt	28,740	29,917	25,376	26,058	26,956
Other current liabilities	2,935	2,149	2,200	2,310	2,398
Current liabilities	50,473	50,588	46,359	48,090	49,825
Total liabilities and shareholders' equity	165,450	154,912	149,380	152,714	155,997
Net working capital	49,607	50,645	46,393	48,313	49,845
Invested capital	129,228	125,909	116,589	120,607	124,137
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	12.59	10.92	11.14	11.50	11.87
Tangible book value per share	12.59	10.92	11.14	11.50	11.87
Financial strength					
Net debt/equity (%)	81.0	106.9	90.6	90.4	89.5
Net debt/total assets (%)	32.3	38.8	34.4	34.8	34.8
Current ratio (x)	1.7	1.6	1.7	1.7	1.6
CF interest cover (x)	4.9	0.9	3.5	1.5	1.8
Valuation	2023	2024	2025E	2026E	2027E
Recurring P/E (x) *	(3.5)	9.1	12.3	10.4	9.8
Recurring P/E @ target price (x) *	(3.7)	9.6	12.9	10.9	10.2
Reported P/E (x)	(3.5)	9.4	12.3	10.4	9.8
Dividend yield (%)	5.0	6.6	5.3	6.3	6.7
Price/book (x)	0.8	1.0	0.9	0.9	0.9
Price/tangible book (x)	0.8	1.0	0.9	0.9	0.9
EV/EBITDA (x) **	9.0	9.0	9.1	8.5	8.2
EV/EBITDA @ target price (x) **	9.2	9.2	9.3	8.7	8.4
EV/invested capital (x)	0.8	0.9	0.9	0.9	0.9
* Pre-exceptional, pre-goodwill and fully diluted ** EBITDA includes associate income and recurring non-operating income					

Sources: Thai Union Group; FSSIA estimates

Thai Union Group PCL (TU TB)

FSSIA ESG rating



68.12 /100

Exhibit 19: FSSIA ESG score implication

Rating	Score	Implication
★★★★★	>79-100	Leading its industry peers in managing the most significant ESG risks which not only better cost efficiency but also lead to higher profitability.
★★★★★	>59-79	A mixed track record of managing the most significant ESG risks and opportunities relative to industry peers.
★★★	>39-59	Relevant ESG materiality matrix has been constructively addressed, well-managed and incorporated into day-to-day operations, in which targets and achievements are evaluated annually.
★★	>19-39	Relevant ESG materiality matrix has been identified with key management in charge for progress to be followed up on and to provide intensive disclosure. Most targets are conventional and achievable.
★	1-19	The company has adopted the United Nations Sustainable Development Goals (UN SDGs), established sustainability management guidelines and fully complies with regulations or ESG suggested guidance from related organizations such as the SET and SEC.

Sources: FSSIA estimates

Exhibit 20: ESG – peer comparison

	FSSIA ESG score	Domestic ratings						Global ratings					Bloomberg		
		DJSI	SET ESG	SET ESG Rating	CG score	AGM level	Thai CAC	Morningstar ESG risk	ESG Book	MSCI	Moody's	Refinitiv	S&P Global	ESG score	Disclosure score
SET100	69.20	5.34	4.40	4.40	4.76	4.65	3.84	Medium	51.76	BBB	20.87	58.72	63.91	3.72	28.17
Coverage	67.12	5.11	4.15	4.17	4.83	4.71	3.53	Medium	52.04	BB	16.97	56.85	62.09	3.40	31.94
BTG	8.00	--	--	--	--	--	Declared	--	--	--	--	--	--	--	--
CPF	78.94	Y	Y	Y	5.00	5.00	Certified	High	50.25	BBB	43.00	70.21	85.00	4.08	62.09
GFPT	53.67	--	Y	Y	5.00	5.00	Certified	High	56.79	--	--	61.87	19.00	--	55.41
TU	68.12	Y	--	--	5.00	5.00	Certified	High	44.49	A	35.00	66.15	87.00	2.99	--
TFG	33.01	--	--	Y	4.00	5.00	Certified	High	--	--	--	42.11	--	--	--
RBF	34.45	--	--	--	5.00	4.00	Declared	High	51.04	--	--	30.50	--	2.34	--

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

Exhibit 21: ESG score by Bloomberg

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

Sources: Bloomberg; FSSIA's compilation

Exhibit 22: ESG score by Bloomberg (cont.)

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

Sources: Bloomberg; FSSIA's compilation

Disclaimer for ESG scoring

ESG score	Methodology	Rating																			
The Dow Jones Sustainability Indices (DJSI) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.	Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.																			
SET ESG Ratings List (SETESG) by The Stock Exchange of Thailand (SET)	SET ESG quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria include: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years.	To be eligible for 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 Sustainability	The Sustainability's 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+									
NEGL	Low	Medium	High	Severe																	
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
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																		
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

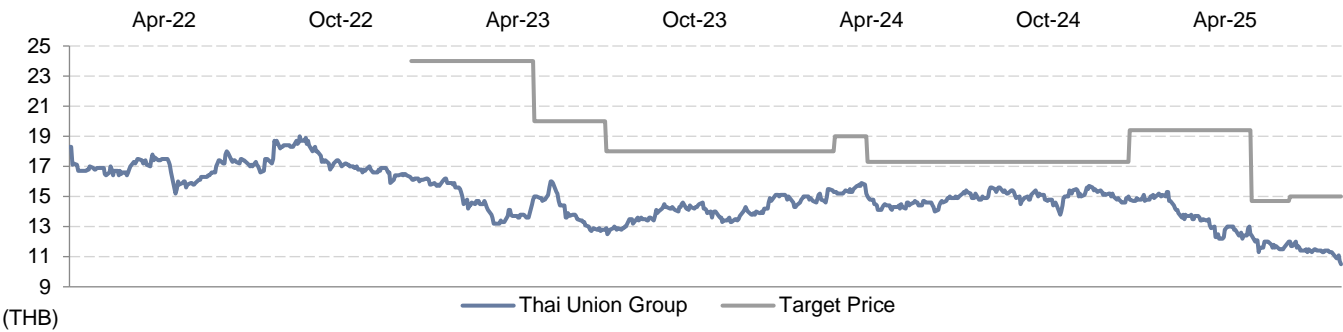
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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



Sureeporn Teewasuwet started covering this stock from 23-Jan-2023

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Thai Union Group	TU TB	THB 10.50	HOLD	Downside and upside risks to our 2025 TP include 1) a slower or faster-than-expected revenue recovery; 2) higher or lower-than-expected freight costs; 3) more fluctuating raw material costs than expected; 4) higher-than-expected labor costs and labor shortages; and 5) a stronger baht than expected.

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 04-Apr-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.