

# KCG CORPORATION

THAILAND / FOOD & BEVERAGE

## KCG TB

**BUY**

UNCHANGED

TARGET PRICE	THB11.00
CLOSE	THB8.35
UP/DOWNSIDE	+31.7%
PRIOR TP	THB11.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	-1.5%

## 2Q seasonal dip; growth story remains intact

- 2Q25 revenue to slow q-q on the low season, but up 4% y-y from higher sales volumes, new products, and steady demand.
- 2H25 revenue to grow by high single digits, led by rising butter and cheese demand ahead of 4Q festive season.
- Maintain 2025E net profit growth at 10% y-y. Our TP is at THB11.

### 2Q25 profit expected to grow y-y despite seasonal q-q slowdown

We forecast a 2Q25 net profit of THB98m, down 19.7% q-q due to the business' low season, but up 4% y-y. Total revenue should decline by 7.9% q-q due to seasonality, yet grow 11% y-y on the back of continued strong demand for butter and cheese products from industrial service clients. In contrast, the food service segment (restaurants and hotels) has softened, in line with the broader economic slowdown and a drop in its export volume, affected by both seasonality and global demand. Raw material costs remained stable from 1Q25, but the sales volume should decline in 2Q25, leading to a dip in the projected gross margin to 30.5%, down from 31.1% in 1Q25 and 31.8% in 2Q24. SG&A-to-sales should rise due to the lower sales volume, higher inventory from advanced raw material purchasing, and FX losses of cTHB4-5m from a stronger baht.

### 2H25 outlook brighter than 1H25 on seasonal strength

We expect 3Q25 net profit to grow both q-q and y-y, supported by high single-digit revenue growth from strong butter and cheese demand, new product launches, and increasing B2B orders from expanding industrial clients. The food service segment should gradually recover, supported by promotional campaigns. Gross margin should remain stable q-q, though still rise y-y due to a low base in 3Q24. 4Q25 will likely benefit from seasonal festive demand.

### Maintain 2025 net profit forecast at +10% y-y to a new high

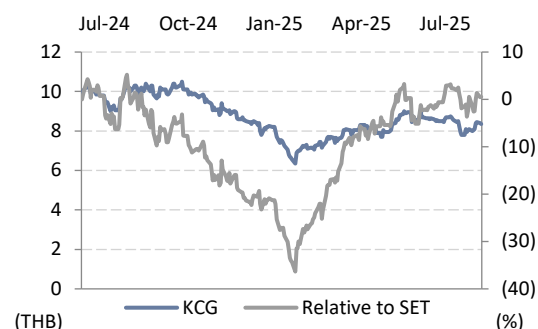
Assuming 1H25 earnings meet our forecast, this would represent 49% of our full-year estimate of THB447m (+10% y-y). Given the stronger expected earnings in 2H25 due to the high season, there is a potential upside of 5-6% to our full-year forecast. Management maintains its 2025 revenue growth target at +8% y-y, with a focus on large customer expansion and new product rollouts. Gross margin is expected to stay above 30%, in line with our projections.

### Maintain BUY with our TP of THB11

We reiterate our BUY rating with a target price of THB11. The stock is trading at 10.2x 2025E P/E, below the sector average of 12x for food & beverage peers. We see continued upside from new earnings highs in 2025E and an attractive dividend yield of 5.4%.

### KEY STOCK DATA

YE Dec (THB m)	2024	2025E	2026E	2027E
Revenue	7,743	8,518	9,370	10,306
Net profit	406	447	514	573
EPS (THB)	0.74	0.82	0.94	1.05
vs Consensus (%)	-	(1.8)	0.0	1.9
EBITDA	762	828	918	999
Recurring net profit	406	447	514	573
Core EPS (THB)	0.74	0.82	0.94	1.05
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	38.6	10.1	15.1	11.4
Core P/E (x)	11.2	10.2	8.8	7.9
Dividend yield (%)	4.9	5.4	6.2	6.9
EV/EBITDA (x)	8.0	7.4	6.6	5.7
Price/book (x)	1.5	1.4	1.3	1.2
Net debt/Equity (%)	53.5	48.3	41.9	30.4
ROE (%)	14.4	14.5	15.4	15.7



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(4.0)	8.4	(15.2)
Relative to country (%)	(2.3)	5.8	0.3
Mkt cap (USD m)	140		
3m avg. daily turnover (USD m)	0.2		
Free float (%)	27		
Major shareholder	Family of founders (72%)		
12m high/low (THB)	10.80/6.30		
Issued shares (m)	545.00		

Sources: Bloomberg consensus; FSSIA estimates



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Investment thesis

KCG is considered a defensive stock due to its leading market positions in butter (c55%) and cheese (31.6%). The company operates as both a manufacturer and trader, with a strong brand presence built over more than 60 years. Its performance has remained relatively stable, even during the COVID-19 period.

The butter and cheese markets are expected to grow at an average rate of 5–7% annually, and we forecast KCG’s net profit to grow at a CAGR of 12% in 2025–27, supported by rising demand, the introduction of high-margin new products, and capacity expansion in both IWS and butter production lines—doubling its output potential.

Company profile

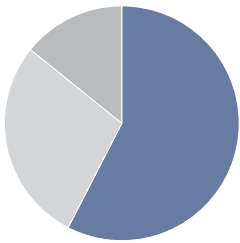
KCG produces and distributes consumer products with a focus on Western-style foods and snacks. Its product portfolio is categorized into three main segments: Everyday Products, Cooking and Bakery Products and Biscuits and Other Products.

The company’s diverse product base, long-established brand, and dual role in manufacturing and trading position it well to capture continued demand growth both domestically and internationally.

[www.kcgcorporation.com](http://www.kcgcorporation.com)

Principal activities (revenue, 2024)

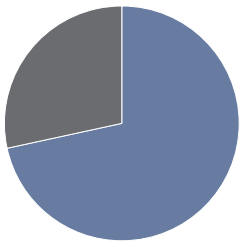
- Daily products - 57.6 %
- Food and bakery ingredients - 28.2 %
- Biscuits - 14.2 %



Source: KCG Corporation

Major shareholders

- Family of founders - 71.6 %
- Others - 28.4 %



Source: KCG Corporation

Catalysts

- Cheese production capacity can support growth for another 2–3 years, with plans to double butter production capacity in 2026.
- New product launches and a steadily growing butter and cheese market, with an average annual growth rate of 7%.
- Declining raw material costs and a strengthening Thai baht, both supporting margin expansion.

Risks to our call

- Raw material costs increase more than expected, pressuring margins.
- A weaker Thai baht may lead to higher import costs for products and raw materials.
- Production capacity expansion plans may face delays or execution risks.

Event calendar

Date	Event
Aug 2025	2Q25 results announcement

Key assumptions

	2025E	2026E	2027E
Sales growth	10.0%	10.0%	10.0%
Gross margin	30.5%	30.5%	30.5%
SG&A/net sales	23.6%	23.5%	23.5%
FX (THB/USD)	34.50	34.50	34.50

Source: FSSIA estimates

Earnings sensitivity

	-1%	2025E	1%
Gross profit margin (%)	29.5	30.5	31.5
Net profit (THB m)	411	447	483
Change (%)	-8%	-	8%

Source: FSSIA estimates

## Exhibit 1: KCG – 2Q25 earnings preview

Profit & Loss Statement	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25E	----- Change -----		2025E	Change	% 1H25E
Year to Dec 31	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(y-y %)	of 2025E
<b>Revenue</b>	<b>1,786</b>	<b>1,689</b>	<b>1,753</b>	<b>2,517</b>	<b>2,037</b>	<b>1,876</b>	<b>(7.9)</b>	<b>11.1</b>	<b>8,518</b>	<b>10.0</b>	<b>46%</b>
Gross profit	545	537	531	779	633	572	(9.5)	6.5	2,598	8.6	46%
Operating costs	431	415	431	577	475	445	(6.5)	7.0	2,012	8.5	46%
<b>Operating profit</b>	<b>114</b>	<b>122</b>	<b>100</b>	<b>202</b>	<b>157</b>	<b>128</b>	<b>(18.9)</b>	<b>4.6</b>	<b>586</b>	<b>8.8</b>	<b>49%</b>
Other income	12	10	12	13	9	6	(32.6)	(36.8)	56	(8.4)	27%
Interest expense	14	12	14	13	12	11	(6.8)	(4.3)	53	0.0	43%
<b>Profit before tax</b>	<b>91</b>	<b>120</b>	<b>98</b>	<b>202</b>	<b>154</b>	<b>123</b>	<b>(20.6)</b>	<b>2.2</b>	<b>563</b>	<b>10.1</b>	<b>49%</b>
Tax	20	26	21	39	32	25	(24.1)	(4.6)	116	10.1	49%
<b>Recurring net profit</b>	<b>93</b>	<b>94</b>	<b>77</b>	<b>163</b>	<b>122</b>	<b>98</b>	<b>(19.7)</b>	<b>4.0</b>	<b>447</b>	<b>10.1</b>	<b>49%</b>
<b>Key Ratios (%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>	<b>(ppt)</b>	<b>(%)</b>	<b>(ppt)</b>	
Gross margin	30.5	31.8	30.3	30.9	31.1	30.5	(0.6)	(1.3)	30.5	(0.4)	
SG&A / Sales	24.1	24.6	24.6	22.9	23.3	23.7	0.4	(0.9)	23.6	(0.3)	
Effective tax rate	21.4	21.4	21.5	19.4	20.9	20.0	(0.9)	(1.4)	20.6	0.0	

Sources: KCG, FSSIA estimate

## Exhibit 2: Valuation and peers as of 8 July 2025

Company	BBG	Market	-- EPS growth --		----- PE -----		----- ROE -----		----- PBV -----		----- DivYld -----	
		Cap	25E	26E	25E	26E	25E	26E	25E	26E	25E	26E
		(USD m)	(%)	(%)	(x)	(x)	(%)	(%)	(x)	(x)	(x)	(x)
<b>Beverage</b>												
Carabao Group	CBG TB	1,643	12.5	7.7	16.7	15.5	22.5	21.2	3.5	3.1	2.7	2.9
Osotspa	OSP TB	1,420	(0.5)	3.4	15.3	14.8	19.2	19.3	2.9	2.8	5.9	6.1
Sappe	SAPPE TB	321	(19.3)	17.4	10.5	9.0	22.1	24.5	2.3	2.1	7.1	8.4
Ichitan Group	ICHI TB	419	(16.6)	10.5	12.2	11.0	19.7	22.2	2.4	2.5	10.3	10.0
<b>Beverage average</b>		<b>3,803</b>	<b>(6.7)</b>	<b>11.3</b>	<b>13.7</b>	<b>12.6</b>	<b>20.9</b>	<b>21.8</b>	<b>2.8</b>	<b>2.6</b>	<b>6.5</b>	<b>6.8</b>
<b>Food</b>												
Thai union Group	TU TB	1,160	(17.2)	11.3	10.3	9.2	8.8	9.7	0.9	0.9	6.3	7.0
R&B Food Supply	RBF TB	223	6.9	14.3	13.6	11.9	10.6	11.6	1.4	1.3	4.4	4.6
Srinanaporn Marketing	SNNP TB	258	11.5	10.1	12.4	11.2	21.5	22.2	2.6	2.4	5.9	6.2
NSL Food	NSL TB	283	22.5	10.4	13.9	12.6	32.6	31.4	4.2	3.7	4.1	4.5
KCG Corporation	KCG TB	140	10.1	15.1	10.2	8.8	14.5	15.4	1.4	1.3	5.4	6.2
Taokaenoi Food&Marketing*	TKN TB	240	(18.6)	14.3	9.7	12.5	35.6	25.7	3.4	3.2	8.3	6.4
EXOTIC Food*	XO TB	216	(20.2)	9.5	8.6	11.9	41.8	31.2	3.1	3.6	8.4	8.4
<b>Food average</b>		<b>2,521</b>	<b>7.8</b>	<b>11.5</b>	<b>11.2</b>	<b>11.2</b>	<b>23.6</b>	<b>21.0</b>	<b>2.4</b>	<b>2.4</b>	<b>6.1</b>	<b>6.2</b>
<b>Total average</b>		<b>6,325</b>	<b>(66.3)</b>	<b>12.9</b>	<b>12.1</b>	<b>11.7</b>	<b>22.6</b>	<b>21.3</b>	<b>2.6</b>	<b>2.5</b>	<b>6.3</b>	<b>6.4</b>

Sources: \*Bloomberg consensus, FSSIA estimates

## Exhibit 3: B2C Innovation/Health/Convenience



Source: KCG

## Exhibit 4: B2B products: Solution Provider



Source: KCG

## Financial Statements

### KCG Corporation

Profit and Loss (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Revenue	7,157	7,743	8,518	9,370	10,306
Cost of goods sold	(5,010)	(5,351)	(5,920)	(6,512)	(7,163)
<b>Gross profit</b>	<b>2,146</b>	<b>2,393</b>	<b>2,598</b>	<b>2,858</b>	<b>3,143</b>
Other operating income	0	0	0	0	0
Operating costs	(1,728)	(1,854)	(2,012)	(2,202)	(2,422)
<b>Operating EBITDA</b>	<b>599</b>	<b>762</b>	<b>828</b>	<b>918</b>	<b>999</b>
Depreciation	(181)	(223)	(242)	(262)	(278)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>418</b>	<b>539</b>	<b>586</b>	<b>656</b>	<b>721</b>
Net financing costs	(80)	(53)	(53)	(50)	(50)
Associates	0	0	0	0	0
Recurring non-operating income	35	26	30	42	50
Non-recurring items	13	0	0	0	0
<b>Profit before tax</b>	<b>386</b>	<b>512</b>	<b>563</b>	<b>648</b>	<b>721</b>
Tax	(80)	(106)	(116)	(134)	(149)
<b>Profit after tax</b>	<b>306</b>	<b>406</b>	<b>447</b>	<b>514</b>	<b>573</b>
Minority interests	0	0	0	0	0
Preferred dividends	0	0	0	0	0
Other items	0	0	0	0	0
<b>Reported net profit</b>	<b>306</b>	<b>406</b>	<b>447</b>	<b>514</b>	<b>573</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>(13)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>293</b>	<b>406</b>	<b>447</b>	<b>514</b>	<b>573</b>
<b>Per share (THB)</b>					
Recurring EPS *	0.54	0.74	0.82	0.94	1.05
Reported EPS	0.56	0.74	0.82	0.94	1.05
DPS	0.30	0.41	0.45	0.52	0.58
Diluted shares (used to calculate per share data)	545	545	545	545	545
<b>Growth</b>					
Revenue (%)	16.2	8.2	10.0	10.0	10.0
Operating EBITDA (%)	25.8	27.2	8.6	10.9	8.8
Operating EBIT (%)	43.5	28.9	8.8	11.9	10.0
Recurring EPS (%)	5.3	38.6	10.1	15.1	11.4
Reported EPS (%)	(9.3)	32.8	10.1	15.1	11.4
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	30.0	30.9	30.5	30.5	30.5
Gross margin exc. depreciation (%)	32.5	33.8	33.3	33.3	33.2
Operating EBITDA margin (%)	8.4	9.8	9.7	9.8	9.7
Operating EBIT margin (%)	5.8	7.0	6.9	7.0	7.0
Net margin (%)	4.1	5.2	5.2	5.5	5.6
Effective tax rate (%)	21.5	20.6	20.6	20.6	20.6
Dividend payout on recurring profit (%)	55.8	55.0	55.0	55.0	55.0
Interest cover (X)	5.7	10.6	11.6	14.0	15.4
Inventory days	106.5	87.6	75.5	68.6	62.3
Debtor days	74.6	82.2	84.0	84.0	84.0
Creditor days	79.9	75.4	77.2	77.4	77.3
Operating ROIC (%)	8.3	9.7	10.1	10.8	11.6
ROIC (%)	8.4	9.7	10.1	10.9	11.8
ROE (%)	15.1	14.4	14.5	15.4	15.7
ROA (%)	6.2	7.6	7.9	8.4	8.9

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

Revenue by Division (THB m)	2023	2024	2025E	2026E	2027E
Daily products	4,087	4,457	5,111	5,622	6,184
Food and bakery ingredients	2,061	2,187	2,385	2,623	2,886
Biscuits	1,009	1,099	1,022	1,124	1,237

Sources: KCG Corporation; FSSIA estimates

## Financial Statements

### KCG Corporation

Cash Flow (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Recurring net profit	293	406	447	514	573
Depreciation	181	223	242	262	278
Associates & minorities	0	0	0	0	0
Other non-cash items	0	0	0	0	0
Change in working capital	(433)	(68)	(72)	(74)	(88)
<b>Cash flow from operations</b>	<b>41</b>	<b>562</b>	<b>617</b>	<b>703</b>	<b>763</b>
Capex - maintenance	(653)	(488)	(400)	(397)	(200)
Capex - new investment	0	0	0	0	0
Net acquisitions & disposals	379	121	(2)	(2)	(2)
Other investments (net)	0	0	0	0	0
<b>Cash flow from investing</b>	<b>(275)</b>	<b>(367)</b>	<b>(402)</b>	<b>(399)</b>	<b>(202)</b>
Dividends paid	(164)	(223)	(246)	(283)	(315)
Equity finance	1,368	66	60	60	60
Debt finance	(1,023)	(307)	(3)	(20)	(303)
Other financing cash flows	0	0	0	0	0
<b>Cash flow from financing</b>	<b>181</b>	<b>(465)</b>	<b>(189)</b>	<b>(244)</b>	<b>(558)</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	13	0	0	0	0
<b>Net other adjustments</b>	<b>13</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Movement in cash</b>	<b>(40)</b>	<b>(270)</b>	<b>26</b>	<b>61</b>	<b>3</b>
Free cash flow to firm (FCFF)	(153.89)	248.19	268.64	354.38	610.99
Free cash flow to equity (FCFE)	(1,244.50)	(112.25)	212.59	283.99	258.32
<b>Per share (THB)</b>					
FCFF per share	(0.28)	0.46	0.49	0.65	1.12
FCFE per share	(2.28)	(0.21)	0.39	0.52	0.47
Recurring cash flow per share	0.87	1.15	1.26	1.43	1.56
<b>Balance Sheet (THB m) Year Ending Dec</b>					
	2023	2024	2025E	2026E	2027E
Tangible fixed assets (gross)	4,055	4,450	4,850	5,247	5,447
Less: Accumulated depreciation	(1,701)	(1,832)	(2,073)	(2,336)	(2,614)
<b>Tangible fixed assets (net)</b>	<b>2,354</b>	<b>2,618</b>	<b>2,777</b>	<b>2,911</b>	<b>2,833</b>
<b>Intangible fixed assets (net)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Long-term financial assets	0	0	0	0	0
Invest. in associates & subsidiaries	0	0	0	0	0
Cash & equivalents	334	64	90	151	154
A/C receivable	1,623	1,866	2,053	2,258	2,484
Inventories	1,288	1,174	1,174	1,174	1,174
Other current assets	61	70	77	85	94
<b>Current assets</b>	<b>3,307</b>	<b>3,175</b>	<b>3,394</b>	<b>3,668</b>	<b>3,905</b>
Other assets	210	201	221	243	267
<b>Total assets</b>	<b>5,871</b>	<b>5,994</b>	<b>6,392</b>	<b>6,822</b>	<b>7,006</b>
Common equity	2,693	2,941	3,202	3,493	3,811
Minorities etc.	0	0	0	0	0
<b>Total shareholders' equity</b>	<b>2,693</b>	<b>2,941</b>	<b>3,202</b>	<b>3,493</b>	<b>3,811</b>
Long term debt	65	59	56	53	51
Other long-term liabilities	188	186	204	225	247
<b>Long-term liabilities</b>	<b>253</b>	<b>245</b>	<b>260</b>	<b>278</b>	<b>298</b>
A/C payable	977	1,141	1,262	1,389	1,527
Short term debt	1,881	1,580	1,580	1,562	1,262
Other current liabilities	67	87	88	101	108
<b>Current liabilities</b>	<b>2,924</b>	<b>2,808</b>	<b>2,930</b>	<b>3,051</b>	<b>2,898</b>
<b>Total liabilities and shareholders' equity</b>	<b>5,870</b>	<b>5,994</b>	<b>6,392</b>	<b>6,823</b>	<b>7,006</b>
Net working capital	1,929	1,883	1,954	2,028	2,116
Invested capital	4,493	4,702	4,952	5,182	5,216
* Includes convertibles and preferred stock which is being treated as debt					
<b>Per share (THB)</b>					
Book value per share	4.94	5.40	5.88	6.41	6.99
Tangible book value per share	4.94	5.40	5.88	6.41	6.99
<b>Financial strength</b>					
Net debt/equity (%)	59.8	53.5	48.3	41.9	30.4
Net debt/total assets (%)	27.4	26.3	24.2	21.5	16.5
Current ratio (x)	1.1	1.1	1.2	1.2	1.3
CF interest cover (x)	(14.6)	(1.1)	5.0	6.7	6.2
<b>Valuation</b>					
	2023	2024	2025E	2026E	2027E
<b>Recurring P/E (x) *</b>	<b>15.5</b>	<b>11.2</b>	<b>10.2</b>	<b>8.8</b>	<b>7.9</b>
<b>Recurring P/E @ target price (x) *</b>	<b>20.5</b>	<b>14.8</b>	<b>13.4</b>	<b>11.7</b>	<b>10.5</b>
Reported P/E (x)	14.9	11.2	10.2	8.8	7.9
Dividend yield (%)	3.6	4.9	5.4	6.2	6.9
Price/book (x)	1.7	1.5	1.4	1.3	1.2
Price/tangible book (x)	1.7	1.5	1.4	1.3	1.2
EV/EBITDA (x) **	10.3	8.0	7.4	6.6	5.7
EV/EBITDA @ target price (x) **	12.7	9.9	9.1	8.1	7.2
EV/invested capital (x)	1.4	1.3	1.2	1.2	1.1
* Pre-exceptional, pre-goodwill and fully diluted    ** EBITDA includes associate income and recurring non-operating income					

Sources: KCG Corporation; 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.																				
Sustainability Investment List ( <a href="#">THSI</a> ) by The Stock Exchange of Thailand ( <a href="#">SET</a> )	THSI 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="#">THSI 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="#">SETTHSI Index</a> is extended from the THSI 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+										
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<a href="#">ESG Book</a>	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.	The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.																				
<a href="#">MSCI</a>	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. <table><tr><td><b>AAA</b></td><td>8.571-10.000</td><td rowspan="3"><b>Leader:</b></td><td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td></tr><tr><td><b>AA</b></td><td>7.143-8.570</td></tr><tr><td><b>A</b></td><td>5.714-7.142</td></tr><tr><td><b>BBB</b></td><td>4.286-5.713</td><td rowspan="3"><b>Average:</b></td><td rowspan="3">a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td></tr><tr><td><b>BB</b></td><td>2.857-4.285</td></tr><tr><td><b>B</b></td><td>1.429-2.856</td></tr><tr><td><b>CCC</b></td><td>0.000-1.428</td><td><b>Laggard:</b></td><td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td></tr></table>		<b>AAA</b>	8.571-10.000	<b>Leader:</b>	leading its industry in managing the most significant ESG risks and opportunities	<b>AA</b>	7.143-8.570	<b>A</b>	5.714-7.142	<b>BBB</b>	4.286-5.713	<b>Average:</b>	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	<b>BB</b>	2.857-4.285	<b>B</b>	1.429-2.856	<b>CCC</b>	0.000-1.428	<b>Laggard:</b>	lagging its industry based on its high exposure and failure to manage significant ESG risks
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<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

Songklod Wongchai FSS International Investment Advisory Securities Co., Ltd

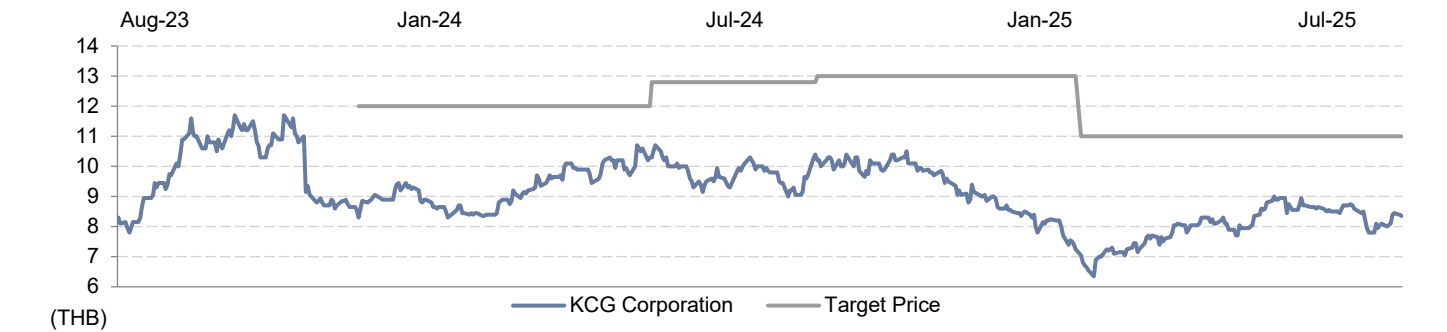
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History of change in investment rating and/or target price

KCG Corporation (KCG TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
12-Dec-2023	BUY	12.00	20-Aug-2024	BUY	13.00	-	-	-
21-May-2024	BUY	12.80	10-Jan-2025	BUY	11.00			

Songklod Wongchai started covering this stock from 12-Dec-2023

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
KCG Corporation	KCG TB	THB 8.35	BUY	1) Raw material costs increase more than expected, pressuring margins. 2) A weaker Thai baht may lead to higher import costs for products and raw materials. 3) Production capacity expansion plans may face delays or execution risks.

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 08-Jul-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.