

# Thai Union Group

(TU.BK/TU TB)\*

## Outperform • Maintained

Price as of 29 Sep 2023	14.50
12M target price (Bt/shr)	19.40
Unchanged/Revised up(down)(%)	Unchanged
Upside/downside (%)	33.8

### Key messages

เราคาดว่ากำไรสุทธิของ TU ใน 3Q66F จะอยู่ที่ 1.39 พันล้านบาท (-45% YoY, +35% QoQ) โดยกำไรที่ลดลง YoY จะเป็นเพราะยอดขายของธุรกิจอาหารสัตว์เลี้ยงลดลง แต่อย่างไรก็ตาม เราคาดว่าสถานการณ์จะดีขึ้นใน 3Q66F โดยคาดว่า GPM จะได้แรงหนุนจากราคาปลาที่ลดลง และการปรับขึ้นราคาขายสินค้า เราคาดว่าโมเมนตัมกำไรของ TU จะยังคงเป็นบวกใน 4Q66F เนื่องจากยอดขายในธุรกิจอาหารทะเลแปรรูปเริ่มฟื้นตัวขึ้น ในขณะที่ส่วนที่ติดลบของ Red Lobster และกำลังการผลิตใหม่จากโรงงานสินค้าพร้อมรับประทานจะเป็นปัจจัยที่ช่วยหนุนผลประกอบการในปี 2567F เราจึงคงคำแนะนำซื้อ TU และประเมินราคาเป้าหมายปี 2567 ที่ 19.40 บาท อิงจาก PER ที่ 15.2x (PER เฉลี่ยระยะยาว) เราเลือก TU เป็นหนึ่งในหุ้นเด่นของเราในกลุ่มอาหารและเครื่องดื่ม เนื่องจากโมเมนตัมกำไรที่เป็นบวก, ราคาหุ้นที่ไม่แพง และอัตราผลตอบแทนจากเงินปันผลที่น่าพอใจ

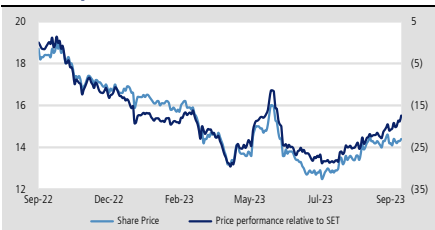
### Trading data

Mkt cap (Btmn/US\$m)	67,034/1,676		
Outstanding shares (mn)	4,655		
Foreign ownership (mn)	1,039		
3M avg. daily trading (mn)	19		
52-week trading range (Bt)	12.5-19.0		
Performance (%)	3M	6M	12M
Absolute	11.6	2.1	-22.2
Relative	13.2	10.9	-16.4

### Quarterly EPS

EPS	Q1	Q2	Q3	Q4
2021	0.37	0.49	0.40	0.40
2022	0.36	0.33	0.53	0.25
2023	0.20	0.21	NA	NA

### Share price chart



Source: SET

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## ประมาณการกำไร 3Q66F: โมเมนตัมเป็นบวก QoQ

### Event

ประมาณการกำไร 3Q66F

### Impact

#### กำไรสุทธิใน 3Q66F จะลดลง 45% YoY แต่เพิ่มขึ้น 35% QoQ

เราคาดว่ากำไรสุทธิของ TU ใน 3Q66F จะอยู่ที่ 1.39 พันล้านบาท (-45% YoY, +35% QoQ) โดยคาดว่ายอดขายจะลดลง 14% YoY เหลือ 3.51 พันล้านบาท เนื่องจากมีการลดสต็อก (destock) ของลูกค้าในกลุ่มอาหารสัตว์เลี้ยง อย่างไรก็ตาม เราคาดว่ายอดขายจะเพิ่มขึ้นเล็กน้อย 3% QoQ เพราะสถานการณ์การลดสต็อกในสหรัฐ และญี่ปุ่นสิ้นสุดลง เราคาดว่า GPM จะลดลง 1.0ppts เนื่องจากปริมาณยอดขายลดลง และ ต้นทุนวัตถุดิบสูงขึ้น แต่คาดว่าจะเพิ่มขึ้น 0.2ppts QoQ เนื่องจากราคาปลาที่ลดลง ในขณะที่ส่วนที่ติดลบ SG&A ค่อยๆดีขึ้นจะได้กำไรสุทธิต่อหน่วยโดยลดลง 0.1pptsQoQ เหลือ 11.6% เราคาดว่าค่าใช้จ่ายดอกเบี้ยจะทรงตัว QoQ อยู่ที่ 554 ล้านบาท แต่เพิ่มขึ้น 7% YoY เนื่องจากอัตราดอกเบี้ยที่สูงขึ้น ในขณะที่ส่วนที่ติดลบ TU จะยังได้สิทธิประโยชน์ทางภาษีจาก Red Lobster (RL) ซึ่งจะทำให้มีการบันทึกรายได้จากภาษีในไตรมาสที่ 192 ล้านบาท

เราคาดว่า TU จะรับรู้ส่วนแบ่งผลขาดทุน 65 ล้านบาท ลดลงจาก 256 ล้านบาทใน 3Q65 และ 137 ล้านบาทใน 2Q66 โดยคาดว่า RL จะขาดทุน 200 ล้านบาท ค่อนข้างทรงตัว QoQ แต่ดีขึ้น YoY จากที่ขาดทุน 456 ล้านบาทใน 3Q65 เพราะมีการปรับขึ้นราคาขาย และต้นทุนแรงงานลดลงจากกลยุทธ์ภายในองค์กรเพื่อพลิกฟื้นธุรกิจ

#### โมเมนตัมจะยังเป็นบวกต่อเนื่องใน 4Q66F

เราคาดว่าโมเมนตัมกำไรของ TU จะยังคงเป็นบวกใน 4Q66F จากปริมาณยอดขายที่สูงขึ้นของสินค้าในกลุ่มอาหารสัตว์เลี้ยง และอาหารทะเลแปรรูป เราคาดว่า GPM น่าจะเพิ่มขึ้นเพราะราคาปลาที่ลดลงใน 3Q66 (มีช่วง lag time 2-3 เดือน) นอกจากนี้ ใน 4Q66 สายการผลิตสินค้าสดของโรงงานผลิตสินค้าพร้อมรับประทานแห่งใหม่ (ซึ่งจะทำให้กำลังการผลิตเพิ่มขึ้น 38%) จะเริ่มเปิดดำเนินการเชิงพาณิชย์ และจะเปิดดำเนินการเต็มรูปแบบใน 1Q67 ซึ่งจะเพิ่มอีกหนึ่งปัจจัยที่ช่วยหนุนยอดขายในธุรกิจที่สร้างมูลค่าเพิ่มให้บริษัท ทั้งนี้ ประมาณการกำไรสุทธิปีใหม่ของเรานี้ 4.92 พันล้านบาท (-31% YoY) และปี 2567F ที่ 5.99 พันล้านบาท (+22% YoY) ยังไม่รวมการปรับประมาณการกำไรสุทธิของ ITC รอบล่าสุดของเรา ซึ่งจะทำให้ประมาณการกำไรสุทธิของ TU ในปีนี้ และปีหน้ามี upside อีกปีละประมาณ 2%

### Valuation & action

เราจึงคงคำแนะนำซื้อ TU และประเมินราคาเป้าหมายปี 2567 ที่ 19.40 บาท อิงจาก PER ที่ 15.2x (PER เฉลี่ยระยะยาว) เราเลือก TU เป็นหนึ่งในหุ้นเด่นของเราในกลุ่มอาหารและเครื่องดื่ม เนื่องจากโมเมนตัมกำไรที่เป็นบวกในช่วง 2H66F-2567F, ราคาหุ้นที่ไม่แพง (PER ปี 2567F ที่ 11x) และอัตราผลตอบแทนจากเงินปันผลที่น่าพอใจ (4.2% ในปี 2566F และ 5.0% ในปี 2567F)

### Risks

ต้นทุนวัตถุดิบแพงขึ้น, อัตราแลกเปลี่ยน และเศรษฐกิจโลกชะลอตัวลง

### Key financials and valuations

	Dec - 20A	Dec - 21A	Dec - 22A	Dec - 23F	Dec - 24F
Revenue (Btmn)	132,402	141,048	155,586	137,051	144,196
Gross Profit (Btmn)	23,418	25,727	27,206	23,197	25,406
SG&A (Btmn)	15,596	17,471	19,156	16,172	16,943
Net Profit (Btmn)	6,246	8,013	7,138	4,922	5,985
Normalized Profit (Btmn)	6,246	7,939	6,704	4,922	5,985
EPS (Bt)	1.26	1.66	1.47	1.02	1.28
DPS (Bt)	0.72	0.95	0.84	0.61	0.73
EPS Growth (%)	57.7	31.4	(11.3)	(30.4)	24.8
P/E (X)	10.8	11.8	11.5	14.2	11.4
P/B (X)	1.2	1.5	1.0	0.8	0.8
EV/EBITDA (X)	11.3	12.5	12.5	11.9	10.0
Net Debt to Equity (%)	148.1	152.2	92.4	85.6	82.7
Dividend Yield (%)	5.3	4.9	5.0	4.2	5.0
Return on Average Equity (%)	12.4	14.4	10.2	6.2	7.6

Source: Company data, KGI Securities Research

**Figure 1: TU's 3Q23F earnings preview**

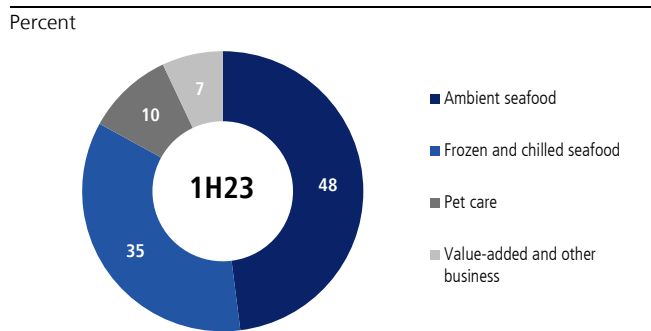
Bt mn	3Q23F	3Q22	YoY %	2Q23	QoQ %	9M23F	9M22	YoY %
<b>Revenue</b>	<b>35,125</b>	<b>40,756</b>	<b>(13.8)</b>	<b>34,057</b>	<b>3.1</b>	<b>101,834</b>	<b>115,974</b>	<b>(12.2)</b>
Cost of Goods Sold	(29,108)	(33,357)	(12.7)	(28,310)	2.8	(85,153)	(95,636)	(11.0)
SG&A	(4,075)	(5,064)	(19.5)	(3,975)	2.5	(12,171)	(14,672)	(17.0)
<b>Operating Profit</b>	<b>2,127</b>	<b>2,510</b>	<b>(15.3)</b>	<b>1,961</b>	<b>8.5</b>	<b>5,069</b>	<b>6,305</b>	<b>(19.6)</b>
FX Gain (loss)	(150)	792	(118.9)	(250)	NM	(185)	1,243	(114.9)
Interest Expense	(554)	(517)	7.2	(550)	0.8	(1,637)	(1,427)	14.7
Share of Profit (loss)	(65)	(256)	NM	(137)	NM	29	(716)	NM
Tax Benefit (expense)	192	136	40.9	198	(3.0)	631	670	(5.7)
<b>Net Profit</b>	<b>1,386</b>	<b>2,530</b>	<b>(45.2)</b>	<b>1,029</b>	<b>34.7</b>	<b>3,436</b>	<b>5,900</b>	<b>(41.8)</b>
<b>Normalized Profit</b>	<b>1,386</b>	<b>2,530</b>	<b>(45.2)</b>	<b>1,029</b>	<b>34.7</b>	<b>3,436</b>	<b>5,466</b>	<b>(37.1)</b>
EPS (Bt)	0.29	0.53	(44.2)	0.21	39.4	0.71	1.22	(41.9)
<b>Percent</b>	<b>3Q23F</b>	<b>3Q22</b>	<b>YoY %</b>	<b>2Q23</b>	<b>QoQ %</b>	<b>9M23F</b>	<b>9M22</b>	<b>YoY %</b>
<b>Gross margin</b>	<b>17.1</b>	<b>18.2</b>	<b>(1.0)</b>	<b>16.9</b>	<b>0.3</b>	<b>16.4</b>	<b>17.5</b>	<b>(1.2)</b>
SG&A/sales	11.6	12.4	(0.8)	11.7	(0.1)	12.0	12.7	(0.7)
Net profit margin	3.9	6.2	(2.3)	3.0	0.9	3.4	5.1	(1.7)

Source: Company data, KGI Securities Research

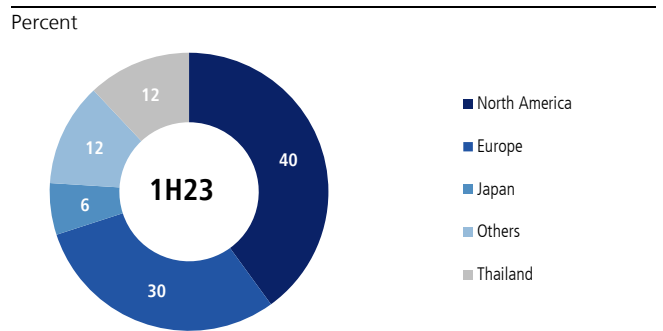
**Figure 2: Key assumptions**

Our assumptions	2020	2021	2022	2023F	2024F	3Q23F						
						3Q22	4Q22	1Q23	2Q23	3Q23F	% YoY	% QoQ
<b>Revenue breakdown by business (Bt mn)</b>												
Ambient seafood	62,724	58,955	66,510	68,532	71,986	16,985	17,086	15,225	17,136	17,595	3.6	2.7
Frozen and chilled seafood	49,605	58,417	56,964	44,614	45,953	14,820	14,453	11,684	11,493	11,582	(21.8)	0.8
Pet care	12,277	14,658	21,693	14,000	15,857	6,210	5,568	3,495	3,169	3,578	(42.4)	12.9
Value-added and other business	7,796	9,017	10,420	9,905	10,400	2,741	2,505	2,248	2,260	2,370	(13.5)	4.9
<b>Cost</b>												
Tuna (US\$/ton)	1,386	1,406	1,663	1,950	1,950	1,667	1,660	1,820	2,000	1,850	11.0	(7.5)
<b>Margins (%)</b>												
Gross profit margin	17.7	18.2	17.5	16.9	17.6	18.2	17.3	15.1	16.9	17.1	(0.9)	0.2
SG&A to sales	11.8	12.4	12.3	11.8	11.8	12.4	11.3	12.6	11.7	11.6	(0.8)	(0.1)
<b>Share of profit (Bt mn)</b>												
Red Lobster	(1,188)	(815)	(1,630)	(900)	(800)	(456)	(456)	20	(189)	(200)	NM	NM
Avanti Feed	386	217	292	367	474	63	67	94	108	85	4.2	39.4
Others	274	329	309	150	340	137	75	117	(56)	50	72.9	55.7

Source: Company data

**Figure 3: Sales breakdown by business**


Source: Company data, KGI Securities Research

**Figure 4: Sales breakdown by geography**


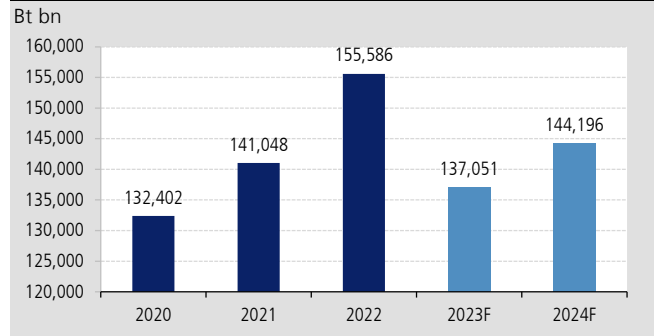
Source: Company data, KGI Securities Research

**Figure 5: Company profile**

Thai Union Group (TU) is a manufacturer and exporter of frozen and canned seafood. Its comprehensive business includes canned food, frozen food and snacks of various types especially seafood. Its businesses also include pet care and animal feed. The company also has strategic investment in upstream and downstream businesses including restaurant, food ingredient and feed business.

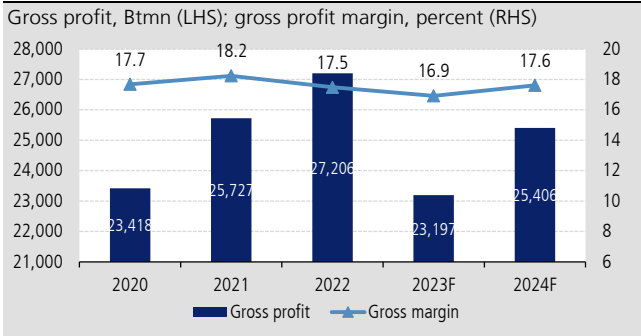
Source: Company data, KGI Securities Research

**Figure 6: Revenue**



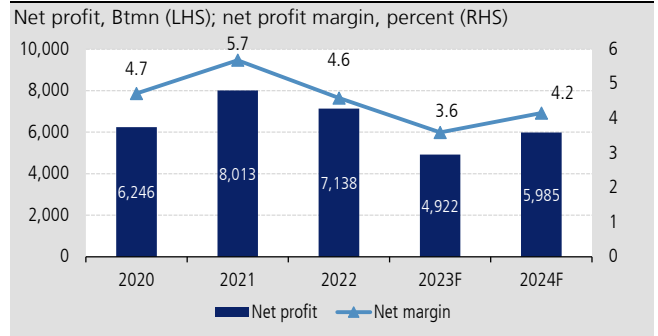
Source: Company data, KGI Securities Research

**Figure 7: Gross profit**



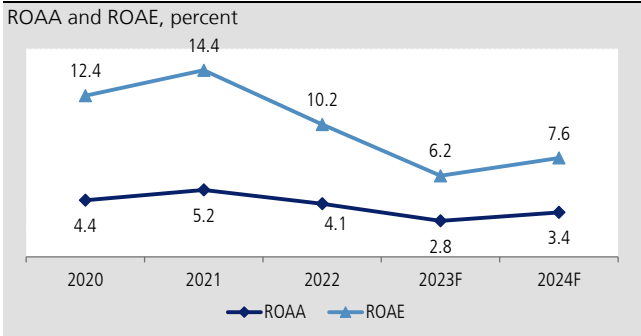
Source: Company data, KGI Securities Research

**Figure 8: Net profit**



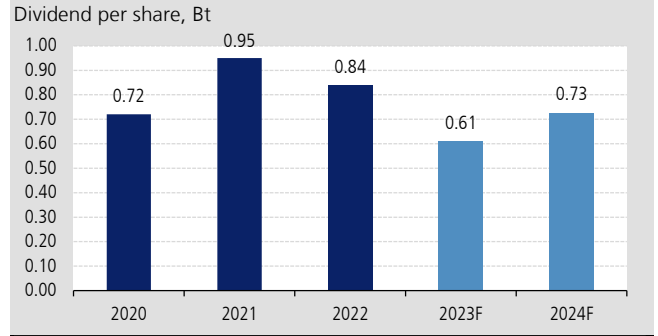
Source: Company data, KGI Securities Research

**Figure 9: Company ROAA and ROAE**



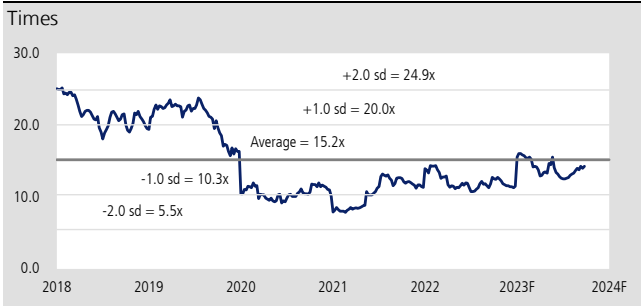
Source: Company data, KGI Securities Research

**Figure 10: Dividend**



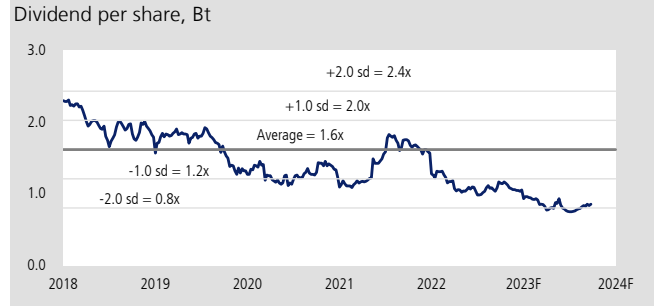
Source: Company data, KGI Securities Research

**Figure 11: Company trading PER**



Source: Company data, KGI Securities Research

**Figure 12: Company trading PBV**



Source: Company data, KGI Securities Research

**Quarterly Income Statement**

Bt mn	MAR-21A	JUN-21A	SEP-21A	DEC-21A	MAR-22A	JUN-22A	SEP-22A	DEC-22A	MAR-23A	JUN-23A
Income Statement (Bt mn)										
<b>Revenue</b>	<b>31,124.9</b>	<b>35,882.6</b>	<b>35,539.2</b>	<b>38,501.0</b>	<b>36,271.7</b>	<b>38,945.8</b>	<b>40,756.2</b>	<b>39,612.7</b>	<b>32,651.6</b>	<b>34,057.5</b>
Cost of Good Sold	(25,617.5)	(29,077.5)	(29,148.5)	(31,477.7)	(29,917.1)	(32,361.4)	(33,357.4)	(32,744.3)	(27,735.1)	(28,309.7)
<b>Gross Profit</b>	<b>5,507.4</b>	<b>6,805.0</b>	<b>6,390.8</b>	<b>7,023.4</b>	<b>6,354.6</b>	<b>6,584.4</b>	<b>7,398.7</b>	<b>6,868.4</b>	<b>4,916.5</b>	<b>5,747.8</b>
Operating Expenses	(3,636.6)	(4,280.9)	(4,505.9)	(5,047.2)	(4,688.0)	(4,920.0)	(5,063.7)	(4,484.2)	(4,121.4)	(3,974.8)
Other incomes	191.9	175.9	190.9	198.9	258.2	205.5	175.3	265.4	185.4	188.1
<b>Operating Profit</b>	<b>2,062.6</b>	<b>2,700.0</b>	<b>2,075.8</b>	<b>2,175.0</b>	<b>1,924.9</b>	<b>1,869.9</b>	<b>2,510.4</b>	<b>2,649.6</b>	<b>980.6</b>	<b>1,961.1</b>
Depreciation of Fixed assets	991.9	1,033.9	1,069.3	1,088.9	1,021.8	1,049.0	1,185.6	1,067.3	1,048.8	1,041.3
<b>Operating EBITDA</b>	<b>3,054.5</b>	<b>3,733.9</b>	<b>3,145.0</b>	<b>3,263.9</b>	<b>2,946.7</b>	<b>2,918.9</b>	<b>3,696.0</b>	<b>3,716.9</b>	<b>2,029.4</b>	<b>3,002.4</b>
<b>Non-Operating Income</b>	<b>9.7</b>	<b>9.9</b>	<b>6.4</b>	<b>27.0</b>	<b>17.7</b>	<b>21.4</b>	<b>12.2</b>	<b>18.2</b>	<b>12.4</b>	<b>50.1</b>
Interest Income	9.7	9.5	6.3	24.7	17.7	19.4	12.2	14.0	12.4	47.3
Other Non-op Income	-	0.4	0.1	2.3	-	2.0	-	4.3	-	2.8
<b>Non-Operating Expenses</b>	<b>(35.3)</b>	<b>(45.1)</b>	<b>200.9</b>	<b>(137.7)</b>	<b>(344.4)</b>	<b>(543.1)</b>	<b>(12.2)</b>	<b>(1,365.6)</b>	<b>(76.6)</b>	<b>(1,028.4)</b>
Interest Expenses	(396.7)	(433.9)	(444.4)	(455.0)	(445.0)	(464.9)	(517.1)	(570.9)	(532.4)	(550.2)
Other Non-Op Expenses	393.0	462.4	648.1	478.6	277.9	204.9	761.0	(481.3)	224.8	(341.6)
Net investment income/(loss)	(31.5)	(73.6)	(2.8)	(161.2)	(177.3)	(283.0)	(256.0)	(313.5)	231.0	(136.7)
<b>Pre-tax Profit</b>	<b>2,037.1</b>	<b>2,664.8</b>	<b>2,283.1</b>	<b>2,064.3</b>	<b>1,598.2</b>	<b>1,348.2</b>	<b>2,510.4</b>	<b>1,302.2</b>	<b>916.4</b>	<b>982.9</b>
Current Taxation	(198.5)	(231.1)	(251.0)	(60.9)	187.8	345.8	136.1	169.9	241.8	197.8
Minorities	(35.7)	(93.3)	(78.3)	(51.4)	(15.0)	(47.7)	(62.6)	(140.0)	(137.5)	(155.7)
Extraordinary items	-	2.5	(16.9)	(21.6)	(25.5)	(22.5)	(53.5)	(94.0)	0.9	3.7
<b>Net Profit</b>	<b>1,802.9</b>	<b>2,342.9</b>	<b>1,936.8</b>	<b>1,930.4</b>	<b>1,745.5</b>	<b>1,623.8</b>	<b>2,530.5</b>	<b>1,238.2</b>	<b>1,021.6</b>	<b>1,028.6</b>
EPS (Bt)	0.37	0.49	0.40	0.40	0.36	0.33	0.53	0.25	0.20	0.21
<b>Margins (%)</b>										
Gross Profit Margin	17.7	19.0	18.0	18.2	17.5	16.9	18.2	17.3	15.1	16.9
Operating EBIT Margin	6.6	7.5	5.8	5.6	5.3	4.8	6.2	6.7	3.0	5.8
Operating EBITDA Margin	9.8	10.4	8.8	8.5	8.1	7.5	9.1	9.4	6.2	8.8
Net Profit Margin	5.8	6.5	5.4	5.0	4.8	4.2	6.2	3.1	3.1	3.0
<b>Growth (% YoY)</b>										
Revenue Growth	0.1	8.6	2.2	15.1	16.5	8.5	14.7	2.9	(10.0)	(12.6)
Operating EBIT Growth	22.1	9.7	(9.0)	3.8	(6.7)	(30.7)	20.9	21.8	(49.1)	4.9
Operating EBITDA Growth	15.0	8.5	(4.0)	5.0	(3.5)	(21.8)	17.5	13.9	(31.1)	2.9
Net Profit Growth	77.4	36.5	(5.8)	32.5	(3.2)	(30.7)	30.7	(35.9)	(41.5)	(36.7)

Source: Company data, KGI Securities Research

**Balance Sheet**

As of 31 Dec (Bt mn)	2020	2021	2022	2023F	2024F
<b>Total Asset</b>	<b>144,575</b>	<b>166,604</b>	<b>182,569</b>	<b>173,435</b>	<b>177,262</b>
<b>Current Asset</b>	<b>60,465</b>	<b>74,863</b>	<b>87,625</b>	<b>78,052</b>	<b>80,455</b>
Cash and ST Investment	6,286	9,723	13,029	14,299	14,687
Inventories	38,546	46,636	52,622	45,227	47,585
Account Receivable	13,320	16,308	17,525	15,076	15,862
Others	2,312	2,196	4,449	3,451	2,322
<b>Non-Current Assets</b>	<b>84,110</b>	<b>91,741</b>	<b>94,945</b>	<b>95,383</b>	<b>96,806</b>
LT investment	9,274	12,771	12,188	12,005	12,005
Net Fixed Assets	44,565	45,252	46,219	47,854	49,235
Others	30,271	33,719	36,537	35,523	35,566
<b>Total Liabilities</b>	<b>88,838</b>	<b>104,391</b>	<b>94,438</b>	<b>87,690</b>	<b>88,265</b>
<b>Current Liabilities</b>	<b>44,013</b>	<b>48,081</b>	<b>36,824</b>	<b>40,300</b>	<b>41,515</b>
Account Payable	19,068	21,351	22,018	20,558	21,629
ST Borrowings	21,553	24,610	12,232	17,500	17,500
Others	3,392	2,121	2,574	2,242	2,385
<b>LT Liabilities</b>	<b>44,825</b>	<b>56,309</b>	<b>57,614</b>	<b>47,390</b>	<b>46,751</b>
Long-term Debts	36,862	46,431	48,125	37,319	36,319
Others	7,964	9,878	9,489	10,071	10,432
<b>Shareholder's Equity</b>	<b>55,737</b>	<b>62,213</b>	<b>88,131</b>	<b>85,745</b>	<b>88,996</b>
Common Stock	1,193	1,193	1,193	1,164	1,164
Capital Surplus	19,948	19,948	19,948	19,948	19,948
Retained Earnings	34,903	38,446	41,303	41,051	43,526
Others components	(308)	2,626	25,687	23,582	24,359

Source: KGI Securities Research

**Key Ratios**

Year to 31 Dec (Bt mn)	2020	2021	2022	2023F	2024F
<b>Forecast Drivers</b>					
<b>Growth (% YoY)</b>					
Sales	4.9	6.5	10.3	(11.9)	5.2
OP	89.8	5.7	(0.7)	(13.2)	18.5
EBITDA	52.6	5.7	0.6	(8.0)	13.2
NP	63.7	28.3	(10.9)	(31.0)	21.6
EPS	57.7	31.4	(11.3)	(30.4)	24.8
<b>Profitability (%)</b>					
Gross Profit Margin	17.7	18.2	17.5	16.9	17.6
Operating Margin	6.4	6.4	5.8	5.7	6.4
Operating EBITDA Margin	9.4	9.4	8.5	8.9	9.6
Net Profit Margin	4.7	5.7	4.6	3.6	4.2
ROAA	4.4	5.2	4.1	2.8	3.4
ROAE	12.4	14.4	10.2	6.2	7.6
<b>Stability</b>					
Gross Debt/Equity (%)	159.4	167.8	107.2	102.3	99.2
Net Debt/Equity (%)	148.1	152.2	92.4	85.6	82.7
Interest coverage (x)	5.2	6.2	4.3	3.3	0.0
Interest & ST Debt Coverage (x)	0.4	0.4	0.6	0.4	0.0
Cash Flow Interest Coverage (x)	7.8	3.6	2.9	9.2	5.0
Cash Flow/Interest & ST Debt (x)	0.6	0.2	0.4	1.0	0.6
Current Ratio (x)	1.4	1.6	2.4	1.9	1.9
Quick Ratio (x)	0.4	0.5	0.8	0.7	0.7
Net Debt (Bt mn)	82,552	94,668	81,409	73,391	73,578
<b>Per Share Data (bt)</b>					
EPS	1.26	1.66	1.47	1.02	1.28
CFPS	2.85	1.35	1.26	4.53	2.45
BVPS	9.81	11.46	16.05	15.84	16.63
SPS	28.09	30.30	33.42	30.31	32.37
EBITDA/Share	2.75	3.21	2.77	2.60	0.00
DPS	#REF!	0.95	0.84	0.61	0.73
<b>Activity</b>					
Asset Turnover (x)	0.9	0.9	0.9	0.8	0.8
Day Receivables	38.9	38.3	39.7	43.4	39.2
Day Inventories	126.3	134.8	141.1	156.8	142.6
Day Payable	63.3	59.8	58.9	73.0	63.6
Cash Cycle	101.8	113.4	121.9	127.3	118.2

Source: KGI Securities Research

**Profit & Loss**

Year to 31 Dec (Bt mn)	2020	2021	2022	2023F	2024F
<b>Revenue</b>	<b>132,402</b>	<b>141,048</b>	<b>155,586</b>	<b>137,051</b>	<b>144,196</b>
Cost of Goods Sold	(108,985)	(115,321)	(128,380)	(113,854)	(118,790)
<b>Gross Profit</b>	<b>23,418</b>	<b>25,727</b>	<b>27,206</b>	<b>23,197</b>	<b>25,406</b>
Operating Expenses	(15,596)	(17,471)	(19,156)	(16,172)	(16,943)
Other Income	705	758	904	750	750
<b>Operating Profit</b>	<b>8,527</b>	<b>9,013</b>	<b>8,955</b>	<b>7,775</b>	<b>9,212</b>
Depreciation of Fixed Asset	3,955	4,184	4,324	4,447	4,619
<b>Operating EBITDA</b>	<b>12,482</b>	<b>13,197</b>	<b>13,279</b>	<b>12,223</b>	<b>13,832</b>
<b>Non-Operating Income</b>	<b>86</b>	<b>53</b>	<b>69</b>	<b>96</b>	<b>96</b>
Interest Income	86	50	63	90	90
Other Non-op Income	0	3	6	6	6
<b>Non-Operating Expenses</b>	<b>(1,345)</b>	<b>(17)</b>	<b>(2,265)</b>	<b>(2,800)</b>	<b>(2,161)</b>
Interest Expenses	(1,724)	(1,730)	(1,998)	(2,217)	(2,175)
Other Non-Op Expenses	907	1,982	762	(200)	0
Net investment income/(loss)	(527)	(269)	(1,030)	(383)	14
<b>Pre-tax Profit</b>	<b>7,267</b>	<b>9,049</b>	<b>6,759</b>	<b>5,071</b>	<b>7,148</b>
Current Taxation	(724)	(742)	840	540	(386)
Minorities	(263)	(259)	(265)	(689)	(776)
Extraordinary items	(34)	(36)	(195)	0	0
<b>Net Profit</b>	<b>6,246</b>	<b>8,013</b>	<b>7,138</b>	<b>4,922</b>	<b>5,985</b>
EPS (Bt)	1.26	1.66	1.47	1.02	1.28

Source: KGI Securities Research

**Cash Flow**

Year to 31 Dec (Bt mn)	2020	2021	2022	2023F	2024F
<b>Operating Cash Flow</b>	<b>13,432</b>	<b>6,292</b>	<b>5,871</b>	<b>20,469</b>	<b>10,898</b>
Profit for the period	7,233	9,013	6,564	5,071	7,148
Depreciation and Amortization	3,955	4,184	4,324	4,447	4,619
Change in Working Capital	423	(7,339)	(7,551)	10,411	(483)
Others	1,821	434	2,535	540	(386)
<b>Investment Cash Flow</b>	<b>(3,736)</b>	<b>(8,104)</b>	<b>(5,415)</b>	<b>(5,666)</b>	<b>(6,000)</b>
Net CAPEX	(3,692)	(3,735)	(5,039)	(6,000)	(6,000)
Change in LT Investment	(134)	(4,617)	(604)	334	0
Change in Other Assets	91	249	229	(0)	0
<b>Free Cash Flow</b>	<b>9,740</b>	<b>2,557</b>	<b>832</b>	<b>14,469</b>	<b>4,898</b>
<b>Financial Cash Flow</b>	<b>(8,203)</b>	<b>4,583</b>	<b>2,742</b>	<b>(8,923)</b>	<b>(4,510)</b>
Change in Share Capital	(1,598)	(468)	20,755	(4,313)	0
Net Change in Debt	(4,066)	8,998	(13,614)	(1,225)	(1,300)
Change in other LT Liab.	(2,539)	(3,947)	(4,399)	(3,385)	(3,210)
<b>Net Cash Flow</b>	<b>1,494</b>	<b>2,771</b>	<b>3,198</b>	<b>5,881</b>	<b>388</b>

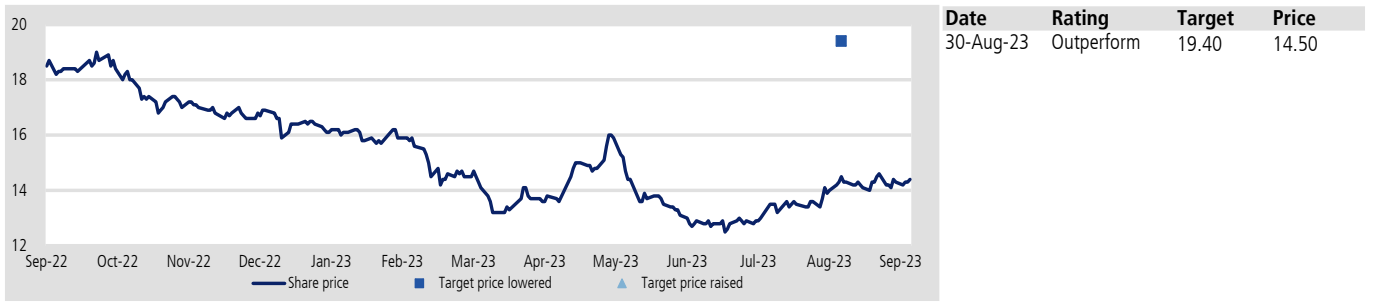
Source: KGI Securities Research

**Rates of Return on Invested Capital**

Year	1- $\frac{\text{Cost of Goods Sold}}{\text{Revenue}}$	+	$\frac{\text{Depreciation}}{\text{Revenue}}$	+	$\frac{\text{Op. Expenses}}{\text{Revenue}}$	=	Operating Margin
2020	81.9%		0.0%		11.7%		6.4%
2021	81.3%		0.0%		12.3%		6.4%
2022	82.0%		0.0%		12.2%		5.7%
2023F	82.6%		0.0%		11.7%		5.6%
2024F	82.0%		0.0%		11.7%		6.4%
Year	1/ $\frac{\text{Working Capital}}{\text{Revenue}}$	+	$\frac{\text{Net PPE}}{\text{Revenue}}$	+	$\frac{\text{Other Assets}}{\text{Revenue}}$	=	Capital Turnover
2020	0.12		0.33		0.30		1.32
2021	0.19		0.32		0.33		1.20
2022	0.32		0.30		0.31		1.07
2023F	0.27		0.35		0.34		1.04
2024F	0.27		0.34		0.33		1.07
Year	Operating Margin	x	Capital Turnover	x	Cash Tax Rate	=	Afer-tax Return on Inv. Capital
2020	6.4%		1.3		9.3		0.8
2021	6.4%		1.2		8.0		0.6
2022	5.7%		1.1		-11.1		-0.7
2023F	5.6%		1.0		6.0		0.4
2024F	6.4%		1.1		11.0		0.7

Source: KGI Securities Research

**Thai Union Group- Recommendation & target price history**



Source: KGI Securities Research

# Corporate Governance Report of Thai Listed Companies



## Companies with Excellent CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	GLOBAL	SIAM GLOBAL HOUSE	RATCH	RATCH GROUP
ADVANC	ADVANCED INFO SERVICE	GPSC	GLOBAL POWER SYNERGY	RBF	R&B FOOD SUPPLY
AMA	AMA MARINE	GULF	GULF ENERGY DEVELOPMENT	SAT	SOMBOON ADVANCE TECHNOLOGY
AMATA	AMATA CORPORATION	HANA	HANA MICROELECTRONICS	SCB	SCB X
ANAN	ANANDA DEVELOPMENT	HENG	HENG LEASING AND CAPITAL	SCC	THE SIAM CEMENT
AOT	AIRPORTS OF THAILAND	HMPRO	HOME PRODUCT CENTER	SCCC	SIAM CITY CEMENT
AP	AP (THAILAND)	INTOUCH	INTOUCH HOLDINGS	SCGP	SCG PACKAGING
BAFS	BANGKOK AVIATION FUEL SERVICES PCL.	IRPC	IRPC	SEAFECO	SEAFECO
BAM	BANGKOK COMMERCIAL ASSET MANAGEMENT	IVL	INDORAMA VENTURES	SHR	S HOTELS AND RESORTS
BANPU	BANPU	KBANK	KASIKORN BANK	SICT	SILICON CRAFT TECHNOLOGY
BBL	BANGKOK BANK	KCE	KCE ELECTRONICS	SMPC	SAHAMITR PRESSURE CONTAINER
BCP	BANGCHAK CORPORATION	KEX	KERRY EXPRESS (THAILAND)	SNC	SNC FORMER
BCPG	BCPG	KKP	KIATNAKIN PHATRA BANK	SPALI	SUPALAI
BDMS	BANGKOK DUSIT MEDICAL SERVICES	KTB	KRUNG THAI BANK	SPRC	STAR PETROLEUM REFINING
BEM	BANGKOK EXPRESSWAY AND METRO	KTC	KRUNGTHAI CARD	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION
BGRIM	B. GRIMM POWER	LPN	L.P.N. DEVELOPMENT	STGT	SRI TRANG GLOVES (THAILAND)
BPP	BANPU POWER	MAJOR	MAJOR CINEPLEX GROUP	SUN	SUNSWEET
BTS	BTS GROUP HOLDINGS	MBK	MBK	SVI	SVI
CENTEL	CENTRAL PLAZA HOTEL	MINT	MINOR INTERNATIONAL	TACC	T.A.C. CONSUMER
CK	CH. KARNCHANG	MTC	MUANGTHAI CAPITAL	TCAP	THANACHART CAPITAL
CKP	CK POWER	OR	PTT OIL AND RETAIL BUSINESS	THCOM	THAICOM
COM7	COM7	ORI	ORIGIN PROPERTY	TISCO	TISCO FINANCIAL GROUP
CPALL	CP ALL	OSP	OSOTSPA	TKN	TAOKAENOI FOOD & MARKETING
CPAXT	CP AXTRA	PLANB	PLAN B MEDIA	TOP	THAI OIL
CPF	CHAROEN POKPHAND FOODS	PSH	PRUKSA HOLDING	TTB	TMBTHANACHART BANK
CPN	CENTRAL PATTANA	PTG	PTG ENERGY	TU	THAI UNION GROUP
DELTA	DELTA ELECTRONICS (THAILAND)	PTT	PTT	VGI	VGI
DOHOM	DOHOME	PTTEP	PTT EXPLORATION AND PRODUCTION	WHA	WHA CORPORATION
EGCO	ELECTRICITY GENERATING	PTTGC	PTT GLOBAL CHEMICAL	WHAUP	WHA UTILITIES AND POWER
GFPT	GFPT	PYLON	PYLON	ZEN	ZEN CORPORATION GROUP
GGC	GLOBAL GREEN CHEMICALS	QH	QUALITY HOUSES		



## Companies with Very Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
AEONTS	AEON THANA SINSAP (THAILAND)	JMT	JMT NETWORK SERVICES	SFT	SHRINKFLEX (THAILAND)
BCH	BANGKOK CHAIN HOSPITAL	LH	LAND AND HOUSES	SINGER	SINGER THAILAND
BEC	BEC WORLD	M	MK RESTAURANT GROUP	SMD	SAINTMED
BH	BUMRUNGRAD HOSPITAL	MEGA	MEGA LIFESCIENCES	SNNP	SRINANAPORN MARKETING
CBG	CARABAO GROUP	NETBAY	NETBAY	SPA	SIAM WELLNESS GROUP
CHG	CHULARAT HOSPITAL	PJW	PANJAWATTANA PLASTIC	TFG	THAIFOODS GROUP
ERW	THE ERAWAN GROUP	SAK	SAKSIAM LEASING	TIDLOR	NGERN TID LOR
ESSO	ESSO (THAILAND)	SAPPE	SAPPE	TNP	THANAPIRIYA
HUMAN	HUMANICA	SAWAD	SRISAWAD CORPORATION	UBE	UBON BIO ETHANOL
IIG	I&I GROUP	SFLEX	STARFLEX	XO	EXOTIC FOOD



## Companies with Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
AU	AFTER YOU	LPH	LADPRAO GENERAL HOSPITAL	TPCH	TPC POWER HOLDING
EKH	EKACHAI MEDICAL CARE	MENA	MENA TRANSPORT		
JMART	JAYMART GROUP HOLDINGS	SISB	SISB		

## Companies classified Not in the three highest score groups

Stock	Company name	Stock	Company name	Stock	Company name
BBGI	BBGI	NTSC	Nutrition SC	TGE	THACHANG GREEN ENERGY
BTG	BETAGRO	PLT	Pilatus Marine		
ITC	i-Tail Corporation	PQS	Premier Quality Starch		

Source: www.thai-iod.com

**Disclaimer:** The disclosure of the survey result of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an assessment of operation and is not based on inside information. The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey result may be changed after that date or when there is any change to the relevant information. Nevertheless, KGI Securities (Thailand) Public Company Limited (KGI) does not confirm, verify, or certify the accuracy and completeness of such survey result.

## Anti-corruption Progress Indicator

### Level 5: Extended

Stock	Company name	Stock	Company name	Stock	Company name
ADVANC	ADVANCED INFO SERVICE	GLOBAL	SIAM GLOBAL HOUSE	QH	QUALITY HOUSES
ANAN	ANANDA DEVELOPMENT	GPSC	GLOBAL POWER SYNERGY	RATCH	RATCHABURI ELECTRICITY GENERATING HOLDING
BBL	BANGKOK BANK	HMPRO	HOME PRODUCT CENTER	ROBINS	ROBINSON DEPARTMENT STORE
BCH	BANGKOK CHAIN HOSPITAL	IRPC	IRPC	SCC	THE SIAM CEMENT
BDMS	BANGKOK DUSIT MEDICAL SERVICES	KBANK	KASIKORN BANK	SIRI	SANSIRI
BIGC	BIG C SUPERCENTER	KCE	KCE ELECTRONICS	SPALI	SUPALAI
CK	CH. KARNCHANG	KKP	KIATNAKIN BANK	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION
DCC	DYNASTY CERAMIC	KTB	KRUNG THAI BANK	TCAP	THANACHART CAPITAL
DELTA	DELTA ELECTRONICS (THAILAND)	LPH	LADPRAO GENERAL HOSPITAL	TISCO	TISCO FINANCIAL GROUP
DRT	DIAMOND ROOFING TILES	PACE	PACE DEVELOPMENT CORPORATION	TMT	THAI METAL TRADE
EGCO	ELECTRICITY GENERATING	PTT	PTT	TOP	THAI OIL
GFPT	GFPT	PTTGC	PTT GLOBAL CHEMICAL		

### Level 4: Certified

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	ERW	THE ERAWAN GROUP	SAPPE	SAPPE
AP	ASIAN PROPERTY DEVELOPMENT	GLOW	GLOW ENERGY	SAWAD	SRISAWAD POWER 1979
BA	BANGKOK AIRWAYS	GUNKUL	GUNKUL ENGINEERING	SCB	THE SIAM COMMERCIAL BANK
BANPU	BANPU	ILINK	INTERLINK COMMUNICATION	SCN	SCAN INTER
BCP	THE BANGCHAK PETROLEUM	KTC	KRUNGTHAI CARD	SEAFECO	SEAFECO
BH	BUMRUNGRAD HOSPITAL	LH	LAND AND HOUSES	SVI	SVI
BJCHI	BJC HEAVY INDUSTRIES	LPN	L.P.N. DEVELOPMENT	TASCO	TIPCO ASPHALT
CBG	CARABAO GROUP	MAKRO	SIAM MAKRO	TKN	TAOKAENOI FOOD & MARKETING
CENDEL	CENTRAL PLAZA HOTEL	MALEE	MALEE SAMPRAN	TMB	TMB BANK
CHG	CHULARAT HOSPITAL	MINT	MINOR INTERNATIONAL	TRT	TIRATHAI
CKP	CK POWER	MODERN	MODERNFORM GROUP	TRUE	TRUE CORPORATION
CPF	CHAROEN POKPHAND FOODS	NOK	NOK AIRLINES	TVO	THAI VEGETABLE OIL
CPN	CENTRAL PATTANA	PTTEP	PTT EXPLORATION AND PRODUCTION		
DTAC	TOTAL ACCESS COMMUNICATION	PYLON	PYLON		

### Level 3: Established

Stock	Company name	Stock	Company name	Stock	Company name
BEM	BANGKOK EXPRESSWAY AND METRO	MTLS	MUANGTHAI LEASING	SPRC	STAR PETROLEUM REFINING
CPALL	CP ALL	SCI	SCI ELECTRIC		

### No progress

Stock	Company name	Stock	Company name	Stock	Company name
AOT	AIRPORTS OF THAILAND	BPP	BANPU POWER	FN	FN FACTORY OUTLET
BCPG	BCPG	BTS	BTS GROUP HOLDINGS	TPCH	TPC POWER HOLDING

Source: www.cgthailand.org

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**KGI Locations**

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