

# Zen Corporation Group

(ZEN.BK/ZEN TB)

## Outperform • Maintained

Price as of 28 Nov 2023	9.85
12M target price (Bt/shr)	13.60
Unchanged/Revised up(down)(%)	Unchanged
Upside/downside (%)	38.1

### Key messages

ภายหลังจากการประชุมนักวิเคราะห์เรามองโมเมนตัมของอัตราการเติบโตที่แข็งแกร่ง โดยเรามองว่ากำไรใน 4Q66F ของ ZEN จะเพิ่มขึ้น QoQ เนื่องจากค่ามีรายได้สูงขึ้น (จากทั้งยอดขายอาหารและยอดขายสินค้าปลีก) และการควบคุมรายจ่ายได้ดี แต่ยังคงอ่อนแอเมื่อเทียบกับ YoY ทั้งนี้ เรายังคงประมาณการกำไรปี 2566F และปี 2567F และคงคำแนะนำ “ซื้อ” หุ้น ZEN ประเมินราคาเป้าหมายปี 2567 ที่ 13.60 บาท.

### Trading data

Mkt cap (Btmn/US\$mn)	3/90		
Outstanding shares (mn)	300		
Foreign ownership (mn)	61.0		
3M avg. daily trading (mn)	0.1		
52-week trading range (Bt)	9.6-18.5		
Performance (%)	3M	6M	12M
Absolute	-23.0	-19.9	-44.0
Relative	-13.4	-13.0	-35.1

### Quarterly EPS

	1Q	2Q	3Q	4Q
2021	0.09	(0.22)	(0.20)	0.03
2022	0.01	0.15	0.17	0.18
2023	0.11	0.15	0.13	

### Share price chart



Source: SET

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## โมเมนตัมของอัตราการเติบโตที่แข็งแกร่ง

### Event

ประชุมนักวิเคราะห์

### Impact

#### คาดการณ์รายได้ที่เพิ่มขึ้น QoQ ใน 4Q66F

เราคาดว่ารายได้สุทธิใน 4Q66F ของ ZEN จะเพิ่มขึ้น QoQ หนุนจากการเพิ่มขึ้นของรายได้และการควบคุมค่าใช้จ่ายได้ดี แต่กำไรอาจอ่อนตัวลงเล็กน้อยเมื่อเทียบกับ YoY ขณะที่ผู้บริหารแนะนำแนวโน้มของอัตราการเติบโตรายไตรมาสในสาขาเดิม (Same-store sale growth : SSSG) ใน 4Q66 อาจทรงตัว YoY (เทียบกับ -4.5% ใน 3Q66) เพราะฐาน 4Q65 สูง ในด้านยอดขายอาหารและเครื่องดื่มจะดีขึ้นทั้ง YoY และ QoQ หนุนหนุนจากการขยายสาขาและการเข้าช่วง high season โดยที่ ZEN มีแผนเปิดร้านใหม่ที่บริษัทเป็นเจ้าของอีก 18 แห่งใน 4Q66F (มีการเปิดร้านใหม่จำนวน 20 ร้านใน 9M66) ในขณะที่รายได้จากธุรกิจอาหารปลีก (คิดเป็น 15% ของรายได้รวม) คาดเติบโตอยู่ระหว่าง 550-570 ล้านบาท (+41% YoY) ในปี 2566F หรือเป็นยอดขายปลีกสินค้าปลีกเพิ่มอยู่ระหว่าง 170-190 ล้านบาท (+77% YoY และ +15% QoQ) ใน 4Q66F ส่วนอัตรากำไรขั้นต้น (GPM) เราคาดว่า QoQ เนื่องจากยอดขายสินค้าปลีกที่สูงขึ้นซึ่งมี GPM ค่ากว่ายอดขายจากร้านอาหาร สัดส่วนกำไรจากการขายและบริหารต่อยอดขายจะลดลงทั้ง YoY และ QoQ เป็นผลจากการควบคุมค่าใช้จ่ายด้านต่างๆ ได้ดีต่อเนื่อง

#### Guidance สำหรับปี 2567F

ZEN ยังคงมองอัตราการเติบโตธุรกิจเป็นบวกในปี 2567 ด้วยเป้าหมายอัตราการเติบโตของรายได้เพิ่มขึ้น 15% YoY (เทียบกับ 15% ในปี 2566) รวมทั้งคาดมี SSSG อยู่ระหว่าง 3-5% กลยุทธ์การเติบโตของบริษัทที่ยังคงมุ่งเน้นที่จะขยายสาขาต่อเนื่องในปีหน้า โดยมีแผนเปิดร้านใหม่ประเภทที่บริษัทเป็นเจ้าของและสาขาแฟรนไชส์ ด้วยสัดส่วน 25 และ 25 ร้านตามลำดับในปี 2567F (เทียบกับสัดส่วนร้านเราปัจจุบันที่ 15 ร้านที่บริษัทเป็นเจ้าของและ 10 สาขาสำหรับร้านแฟรนไชส์ในปี 2567F) ส่วนยอดขายสินค้าปลีกคาดว่าจะดีขึ้นต่อเนื่องสูงกว่า 15% YoY ในปี 2567F ตามการเพิ่มขึ้นของจำนวนลูกค้าและช่องทางจำหน่าย

#### คงประมาณการกำไรปี 2566F และ 2567F

เรายังคงประมาณการกำไรสุทธิที่ 172 ล้านบาท (+11% YoY) ในปี 2566F และเติบโตขึ้นเป็น 203 ล้านบาท (+19% YoY) ในปี 2567F มีปัจจัยหนุนจาก i) อัตราการเติบโตรายได้เพิ่มขึ้น 5% YoY ด้วย SSSG ที่ 1% และ ยอดจำหน่ายสินค้าปลีกดีขึ้น (+12% YoY) และ ii) สัดส่วน SG&A ต่อยอดขายลดลง เมื่ออิงจากข้อมูล guidance ปี 2567 ของบริษัท มีความเป็นไปได้ที่ประมาณการกำไรเต็มปี 2567F ของเราอาจมี upside อยู่ที่ราว 8%

### Valuation & Action

เรายังคงคำแนะนำ “ซื้อ” ราคาเป้าหมายปี 2567 ที่ 13.60 บาท (อิงจาก PER ที่ 20x หรือเทียบเท่า PEG ที่ 1.1x)

### Risks

การฟื้นตัวของเศรษฐกิจช้ากว่าคาด และ อัตราการเติบโตของรายได้ในสาขาเดิม (SSSG) ช้ากว่าคาด

### Key financials and valuations

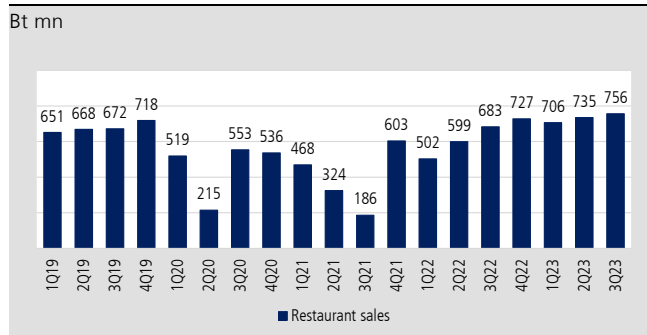
	Dec - 20A	Dec - 21A	Dec - 22A	Dec - 23F	Dec - 24F	Dec - 25F
Revenue from sales of goods (Btmn)	2,214	2,146	3,306	3,866	4,061	4,318
Net Profit (Btmn)	(64)	(92)	154	172	203	212
Normalized Profit (Btmn)	(50)	(92)	154	172	203	212
EPS (Bt)	(0.21)	(0.31)	0.51	0.57	0.68	0.71
DPS (Bt)	0.00	0.00	0.16	0.23	0.27	0.28
EPS Growth (%)	N.A.	N.A.	N.A.	11.7	18.0	4.6
P/E (X)	N.A.	N.A.	33.7	17.3	14.7	14.0
P/B (X)	2.8	3.1	3.9	2.1	1.9	1.8
EV/EBITDA (X)	8.1	9.7	4.7	3.2	2.6	2.2
Net Debt to Equity (X)	0.6	0.5	0.4	0.2	0.1	(0.0)
Dividend Yield (%)	0.0	0.0	0.9	2.3	2.7	2.9
Return on Average Equity (%)	(5.3)	(7.9)	11.4	12.0	13.2	12.8

Source: Company data, KGI Securities Research

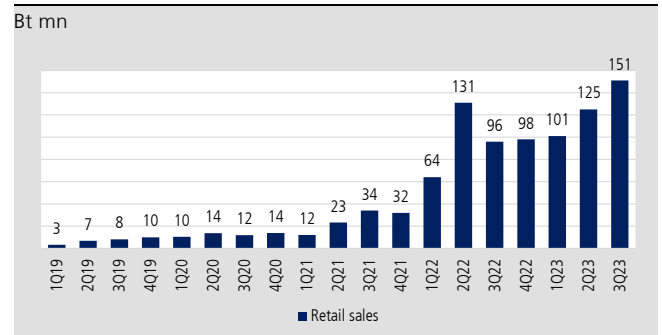
**Figure 1: Operational statistics**

	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23F	YOY (%)	QoQ (%)
Revenue (Bt mn)	670	840	881	914	887	939	979	1,060	16.0	8.3
Restaurant sales	502	599	683	727	706	735	756	806	10.8	6.6
Retail sales	64	131	96	98	101	125	151	160	63.3	6.0
Others	104	110	102	89	80	79	72	95	6.2	31.1
Revenue (%)										
Restaurant sales	74.9	71.3	77.5	79.5	79.6	78.3	77.2	76.0		
Retail sales	9.5	15.6	10.9	10.7	11.4	13.3	15.4	15.1		
Others	15.6	13.1	11.6	9.8	9.0	8.4	7.4	8.9		
Gross profit	293	374	401	401	377	396	410	444	10.6	8.1
SG&A	295	329	354	351	347	352	371	394	12.2	6.1
<b>Net profit</b>	<b>4</b>	<b>44</b>	<b>51</b>	<b>55</b>	<b>34</b>	<b>46</b>	<b>40</b>	<b>52</b>	<b>(5.4)</b>	<b>29.5</b>
<b>Key ratios</b>										
SSSG	8.5	52.6	75.2	0.4	12.5	3.1	(4.5)	0.0		
GPM	43.7	44.5	45.5	43.9	42.6	42.2	41.9	41.8		
SG&A/Sales	44.0	39.2	40.2	38.4	39.2	37.5	37.9	37.2		

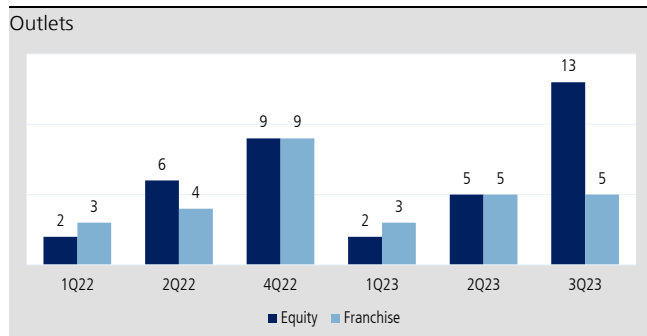
Source: Company data, KGI Securities Research

**Figure 2: Restaurant sales**


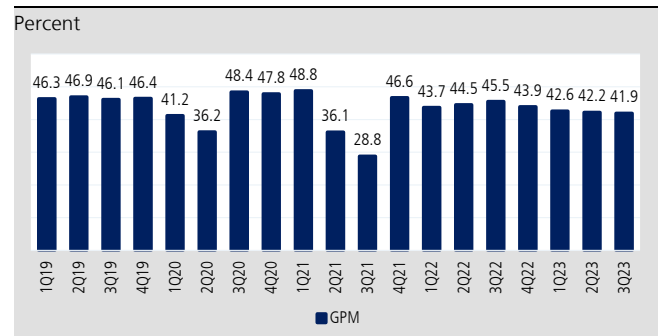
Source: Company data, KGI Securities Research

**Figure 3: Retail sales (15% of sales revenue)**


Source: Company data, KGI Securities Research

**Figure 4: New branch expansion**


Source: Company data, KGI Securities Research

**Figure 5: Gross margin**


Source: Company data, KGI Securities Research

**Figure 6: Key assumptions**

	Unit	2020	2021	2022	2023F	2024F	2025F
Restaurant Revenue	Btmn	1,823	1,581	2,511	2,943	3,110	3,252
Food delivery and catering	Btmn	212	321	251	188	163	158
Franchise-related Revenue	Btmn						
Franchise fee		70	62	64	80	80	71
Raw material sales		130	142	173	183	186	191
Total Franchise Revenue		200	205	237	263	265	262
Retail merchandises	Btmn	50	101	389	537	601	692
Number of branches	Branch						
Equity branches		148	147	155	181	196	211
Franchise branches		198	208	190	168	178	188
Number of branches	Branch						
Zen		45	45	49	56	61	66
AKA		28	29	44	57	62	72
On the Table		28	28	32	38	43	48
Other Japanese foods		7	7	5	5	5	5
Khiang		78	109	82	63	63	63
Other Thai foods		160	135	133	130	140	145
SSSG	%	(30.4)	0.8	25.5	7.0	1.0	1.0
Gross profit margin (GPM)	%	44.5	42.1	44.4	42.1	42.3	42.3
SG&A	%	51.5	50.6	40.2	37.9	37.4	37.4

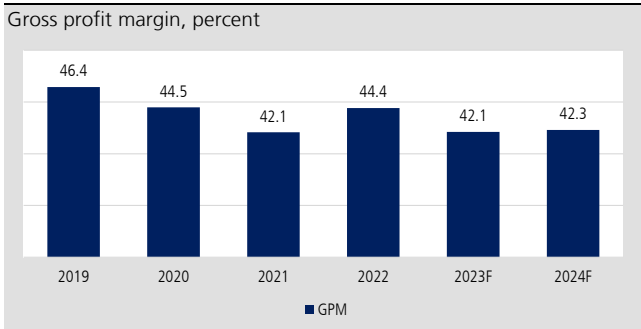
Source: Company data, KGI Securities Research

**Figure 8: Company profile**

Zen Corporation Group (ZEN) is a food services company. Its business segments consist of i) restaurant business, ii) franchise business, and iii) other food-related businesses (delivery and retail merchandise). As of 1H23, ZEN operates 13 different restaurant brands with total 327 branches, accounted for 48% of equity outlets. There are 7 Japanese restaurant brands (e.g., Zen, AKA Yakiniku, On the Table), and 6 Thai foods restaurant brands (e.g., Kiang, Tummour).

Source: Company data, KGI Securities Research

**Figure 10: Gross profit margin**



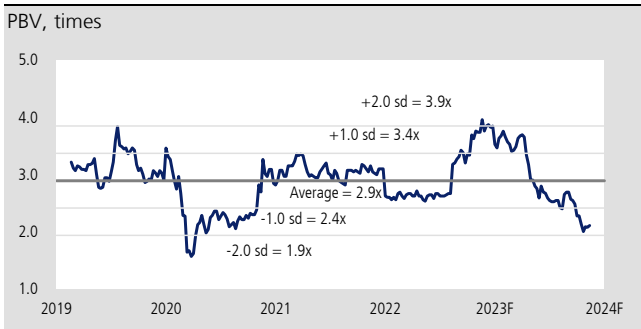
Source: Company data, KGI Securities Research

**Figure 12: Same store sales growth (SSSG)**



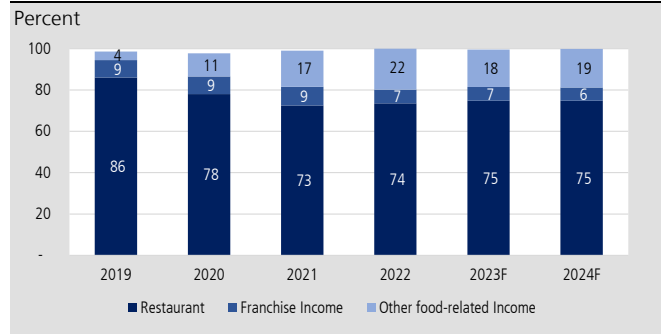
Source: Company data, KGI Securities Research

**Figure 14: PBV**



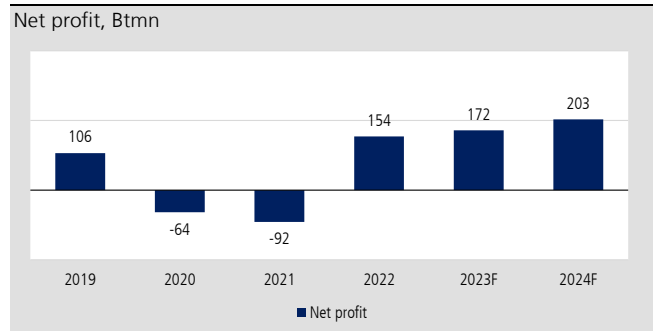
Source: KGI Securities Research

**Figure 9: Revenue breakdown**



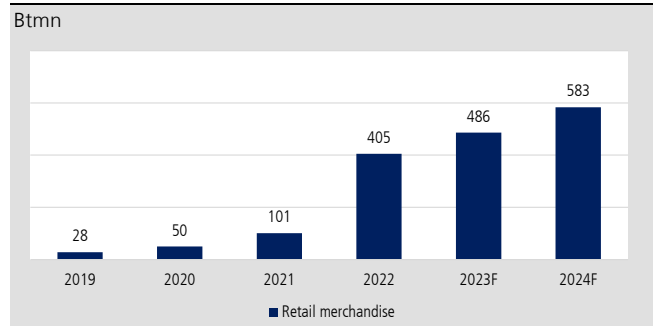
Source: Company data, KGI Securities Research

**Figure 11: Net profit**



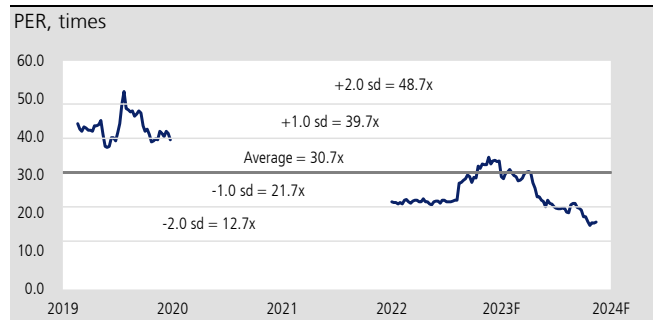
Source: Company data, KGI Securities Research

**Figure 13: Retail sales**



Source: Company data, KGI Securities Research

**Figure 15: PER**



Source: KGI Securities Research

**Quarterly Income Statement**

	Mar-20A	Jun-20A	Sep-20A	Dec-20A	Mar-21A	Jun-21A	Sep-21A	Dec-21A	Mar-22A	Jun-22A	Sep-22A	Dec-22A	Mar-23A	Jun-23A	Sep-23A
Income Statement (Btmn)															
<b>Revenue</b>	<b>616</b>	<b>314</b>	<b>645</b>	<b>639</b>	<b>582</b>	<b>484</b>	<b>332</b>	<b>748</b>	<b>670</b>	<b>840</b>	<b>881</b>	<b>914</b>	<b>887</b>	<b>939</b>	<b>979</b>
Cost of Goods Sold	(362)	(200)	(333)	(333)	(298)	(309)	(237)	(399)	(378)	(466)	(480)	(513)	(509)	(543)	(569)
<b>Gross Profit</b>	<b>254</b>	<b>114</b>	<b>312</b>	<b>305</b>	<b>284</b>	<b>175</b>	<b>96</b>	<b>349</b>	<b>293</b>	<b>374</b>	<b>401</b>	<b>401</b>	<b>377</b>	<b>396</b>	<b>410</b>
Operating Expenses	(326)	(233)	(278)	(303)	(289)	(272)	(186)	(339)	(295)	(329)	(354)	(351)	(347)	(352)	(371)
Other incomes	10	11	16	13	8	11	12	15	6	6	11	8	7	6	4
<b>Operating Profit</b>	<b>(62)</b>	<b>(109)</b>	<b>49</b>	<b>15</b>	<b>3</b>	<b>(87)</b>	<b>(78)</b>	<b>25</b>	<b>3</b>	<b>50</b>	<b>57</b>	<b>57</b>	<b>37</b>	<b>50</b>	<b>43</b>
Depreciation of fixed assets	101	84	112	102	92	94	88	89	89	88	90	81	90	95	95
<b>Operating EBITDA</b>	<b>39</b>	<b>(24)</b>	<b>162</b>	<b>117</b>	<b>95</b>	<b>7</b>	<b>10</b>	<b>114</b>	<b>93</b>	<b>138</b>	<b>147</b>	<b>138</b>	<b>127</b>	<b>144</b>	<b>138</b>
<b>Non-Operating Income</b>	<b>18</b>	<b>14</b>	<b>19</b>	<b>20</b>	<b>15</b>	<b>17</b>	<b>14</b>	<b>18</b>	<b>16</b>	<b>19</b>	<b>19</b>	<b>24</b>	<b>20</b>	<b>22</b>	<b>20</b>
Interest Income	18	14	19	20	15	17	14	18	16	19	19	24	20	22	20
Other Non-op Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Non-Operating Expenses</b>	<b>(11)</b>	<b>(8)</b>	<b>(8)</b>	<b>(7)</b>	<b>(7)</b>	<b>(11)</b>	<b>(10)</b>	<b>(9)</b>	<b>(9)</b>	<b>(9)</b>	<b>(8)</b>	<b>(7)</b>	<b>(10)</b>	<b>(10)</b>	<b>(11)</b>
Interest Expenses	(11)	(8)	(8)	(7)	(7)	(11)	(10)	(9)	(9)	(9)	(8)	(7)	(10)	(10)	(11)
Other Non-op Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Equity Income/(Loss)</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>(1)</b>	<b>(0)</b>	<b>(1)</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>(1)</b>	<b>(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Pre-tax Profit</b>	<b>(56)</b>	<b>(103)</b>	<b>60</b>	<b>28</b>	<b>11</b>	<b>(81)</b>	<b>(75)</b>	<b>33</b>	<b>10</b>	<b>60</b>	<b>68</b>	<b>74</b>	<b>47</b>	<b>61</b>	<b>52</b>
Current Taxation	13	23	(9)	(6)	(1)	14	15	(4)	(2)	(11)	(13)	(13)	(8)	(12)	(7)
Minorities	0	0	0	0	0	1	2	1	4	5	3	6	4	4	6
Extraordinary items	(2)	(1)	(5)	(6)	19	0	0	(19)	0	0	0	0	0	0	0
<b>Net Profit</b>	<b>(44)</b>	<b>(81)</b>	<b>46</b>	<b>16</b>	<b>28</b>	<b>(67)</b>	<b>(60)</b>	<b>10</b>	<b>4</b>	<b>44</b>	<b>51</b>	<b>55</b>	<b>34</b>	<b>46</b>	<b>40</b>
<b>Normalized Profit</b>	<b>(42)</b>	<b>(80)</b>	<b>51</b>	<b>22</b>	<b>9</b>	<b>(68)</b>	<b>(62)</b>	<b>28</b>	<b>4</b>	<b>44</b>	<b>51</b>	<b>55</b>	<b>34</b>	<b>46</b>	<b>40</b>
EPS (Bt)	(0.15)	(0.27)	0.15	0.05	0.09	(0.22)	(0.20)	0.03	0.01	0.15	0.17	0.18	0.11	0.15	0.13
Normalized EPS (Bt)	(0.14)	(0.27)	0.17	0.07	0.03	(0.23)	(0.21)	0.09	0.01	0.15	0.17	0.18	0.11	0.15	0.13
<b>Margins</b>															
Gross profit margin	41.2	36.2	48.4	47.8	48.8	36.1	28.8	46.6	43.7	44.5	45.5	43.9	42.6	42.2	41.9
Operating EBIT margin	(10.1)	(34.6)	7.7	2.4	0.5	(17.9)	(23.5)	3.4	0.5	6.0	6.5	6.3	4.1	5.3	4.4
Operating EBITDA margin	6.3	(7.7)	25.1	18.3	16.4	1.5	3.0	15.2	13.8	16.5	16.7	15.1	14.3	15.4	14.1
Net profit margin	(7.2)	(25.8)	7.1	2.5	4.9	(13.9)	(18.1)	1.3	0.6	5.3	5.8	6.0	3.8	4.9	4.1
<b>YoY Growth</b>															
Revenue growth	(13.2)	(57.5)	(15.1)	(21.9)	(5.6)	54.0	(48.5)	17.1	15.2	73.6	165.0	22.3	32.3	11.8	11.2
Operating EBIT growth	N.A.	N.A.	985.1	13.1	N.A.	N.A.	N.A.	19.7	26.7	50.9	102.8	28.6	34.8	16.5	18.5
Operating EBITDA growth	N.A.	N.A.	205.3	83.5	146.2	N.A.	N.A.	14.2	3.1	113.8	319.0	15.0	29.0	6.0	2.4
Net profit growth	N.A.	N.A.	105.6	(14.8)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	444.0	715.9	3.4	(21.3)
Normalized profit growth	N.A.	N.A.	128.2	(17.9)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	96.7	715.9	3.4	(21.3)

Source: Company data, KGI Securities Research

**Balance Sheet**

As of 31 Dec (Bt mn)	2020	2021	2022	2023F	2024F	2025F
<b>Total Assets</b>	<b>2,689</b>	<b>2,557</b>	<b>2,824</b>	<b>3,059</b>	<b>2,995</b>	<b>3,364</b>
<b>Current Assets</b>	<b>462</b>	<b>495</b>	<b>729</b>	<b>872</b>	<b>817</b>	<b>1,256</b>
Cash & ST Investments	269	268	327	522	449	866
Inventories	87	124	256	159	166	177
Accounts Receivable	72	61	88	126	132	140
Others	34	42	57	66	70	74
<b>Non-current Assets</b>	<b>2,227</b>	<b>2,063</b>	<b>2,096</b>	<b>2,187</b>	<b>2,178</b>	<b>2,108</b>
LT Investments	959	821	1,034	977	1,055	1,119
Net fixed Assets	720	655	410	448	323	137
Others	548	586	652	762	801	851
<b>Total Liabilities</b>	<b>1,478</b>	<b>1,398</b>	<b>1,478</b>	<b>1,625</b>	<b>1,454</b>	<b>1,711</b>
<b>Current Liabilities</b>	<b>566</b>	<b>614</b>	<b>808</b>	<b>946</b>	<b>819</b>	<b>862</b>
Accounts Payable	252	319	337	459	480	511
ST Borrowings	220	215	342	336	180	183
Others	95	81	129	151	158	169
<b>Long-term Liabilities</b>	<b>912</b>	<b>784</b>	<b>670</b>	<b>679</b>	<b>635</b>	<b>848</b>
Long-term Debts	778	650	535	521	469	672
Others	133	133	135	158	166	176
<b>Shareholders' Equity</b>	<b>1,211</b>	<b>1,159</b>	<b>1,346</b>	<b>1,434</b>	<b>1,541</b>	<b>1,653</b>
Common Stock	300	300	300	300	300	300
Capital Surplus	960	960	960	960	960	960
Retained Earnings	(227)	(317)	(162)	(59)	63	190
Preferred Stock	0	0	0	0	0	0

Source: KGI Securities Research

**Key Ratios**

Year to 31 Dec	2020	2021	2022	2023F	2024F	2025F
<b>Growth (% YoY)</b>						
Sales	(26.9)	(3.1)	54.0	17.0	5.0	6.3
OP	N.A.	N.A.	N.A.	12.7	13.4	3.8
EBITDA	10.7	(20.1)	104.9	32.9	16.8	10.8
NP	N.A.	N.A.	N.A.	11.7	18.0	4.6
Normalized Profit	N.A.	N.A.	N.A.	11.7	18.0	4.6
EPS	N.A.	N.A.	N.A.	11.7	18.0	4.6
Normalized EPS	N.A.	N.A.	N.A.	11.7	18.0	4.6
<b>Profitability (%)</b>						
Gross Margin	44.5	42.1	44.4	42.1	42.3	42.3
Operating Margin	(1.6)	(3.4)	7.4	7.2	7.7	7.6
EBITDA Margin	16.4	13.5	18.0	20.4	22.7	23.6
Net Profit Margin	(2.9)	(4.3)	4.7	4.4	5.0	4.9
ROAA	(2.4)	(3.6)	5.4	5.6	6.8	6.3
ROAE	(5.3)	(7.9)	11.4	12.0	13.2	12.8
<b>Stability</b>						
Gross Debt/Equity (%)	122.0	120.6	109.8	113.3	94.3	103.5
Net Debt/Equity (%)	60.2	51.6	40.8	23.4	13.0	(0.6)
Interest Coverage (x)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Interest & ST Debt Coverage (x)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Cash Flow Interest Coverage (x)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Cash Flow/Interest & ST Debt (x)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Current Ratio (x)	4.9	6.1	5.6	5.8	5.2	7.5
Quick Ratio (x)	4.0	4.6	3.7	4.7	4.1	6.4
Net Debt (Bt mn)	729	598	550	336	200	(10)
<b>Per Share Data (Bt)</b>						
EPS	(0.2)	(0.3)	0.5	0.6	0.7	0.7
Normalized EPS	(0.2)	(0.3)	0.5	0.6	0.7	0.7
CFPS	0.9	0.8	1.1	2.6	2.6	2.9
BVPS	4.0	3.9	4.5	4.8	5.1	5.5
SPS	7.4	7.2	11.0	12.9	13.5	14.4
EBITDA/Share	1.2	1.0	2.0	2.6	3.1	3.4
DPS	0.3	0.0	0.2	0.2	0.3	0.3
<b>Activity</b>						
Asset Turnover (x)	0.8	0.8	1.2	1.3	1.4	1.3
Days Receivables	11.8	10.4	9.7	11.8	11.8	11.8
Days Inventory	25.9	36.4	50.9	25.9	25.9	25.9
Days Payable	74.8	93.5	67.0	74.8	74.8	74.8
Cash Cycle	(37.1)	(46.7)	(6.3)	(37.1)	(37.1)	(37.1)

Source: KGI Securities Research

**Profit & Loss**

Year to 31 Dec (Bt mn)	2020	2021	2022	2023F	2024F	2025F
<b>Revenue from sales of goods</b>	<b>2,214</b>	<b>2,146</b>	<b>3,306</b>	<b>3,866</b>	<b>4,061</b>	<b>4,318</b>
Cost of Goods Sold	(1,229)	(1,243)	(1,838)	(2,239)	(2,343)	(2,491)
<b>Gross Profit</b>	<b>985</b>	<b>903</b>	<b>1,468</b>	<b>1,628</b>	<b>1,718</b>	<b>1,826</b>
Operating Expenses	(1,140)	(1,086)	(1,330)	(1,465)	(1,519)	(1,615)
Other Incomes	119	110	108	115	115	114
<b>Operating Profit</b>	<b>(36)</b>	<b>(73)</b>	<b>246</b>	<b>277</b>	<b>314</b>	<b>326</b>
Depreciation of fixed assets	(399)	(363)	(348)	(512)	(607)	(695)
<b>Operating EBITDA</b>	<b>363</b>	<b>290</b>	<b>594</b>	<b>789</b>	<b>922</b>	<b>1,021</b>
<b>Non-Operating Income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Interest Income	0	0	0	0	0	0
Other Non-op Income	0	0	0	0	0	0
<b>Non-Operating Expenses</b>	<b>(34)</b>	<b>(38)</b>	<b>(33)</b>	<b>(41)</b>	<b>(40)</b>	<b>(40)</b>
Interest Expenses	(34)	(38)	(33)	(41)	(40)	(40)
Other Non-op Expenses	0	0	0	0	0	0
<b>Equity Income/(Loss)</b>	<b>(1)</b>	<b>(2)</b>	<b>(2)</b>	<b>(2)</b>	<b>(2)</b>	<b>(2)</b>
<b>Pre-tax Profit</b>	<b>(71)</b>	<b>(113)</b>	<b>211</b>	<b>234</b>	<b>273</b>	<b>284</b>
Current Taxation	21	23	(39)	(47)	(55)	(57)
Minorities	0	3	18	15	15	15
Extraordinary items	(14)	1	0	0	0	0
<b>Net Profit</b>	<b>(64)</b>	<b>(92)</b>	<b>154</b>	<b>172</b>	<b>203</b>	<b>212</b>
<b>Normalized Profit</b>	<b>(50)</b>	<b>(92)</b>	<b>154</b>	<b>172</b>	<b>203</b>	<b>212</b>
EPS (Bt)	(0.21)	(0.31)	0.51	0.57	0.68	0.71
Normalized EPS (Bt)	(0.17)	(0.31)	0.51	0.57	0.68	0.71

Source: KGI Securities Research

**Cash Flow**

Year to 31 Dec (Bt mn)	2020	2021	2022	2023F	2024F	2025F
<b>Operating Cash Flow</b>	<b>277</b>	<b>255</b>	<b>331</b>	<b>790</b>	<b>792</b>	<b>884</b>
Net Profit	(64)	(89)	154	172	203	212
Depreciation & Amortization	399	363	348	512	607	695
Change in Working Capital	(78)	19	(107)	194	12	17
Others	19	(39)	(64)	(88)	(30)	(40)
<b>Investment Cash Flow</b>	<b>(1,144)</b>	<b>(46)</b>	<b>(128)</b>	<b>(493)</b>	<b>(560)</b>	<b>(574)</b>
Net CAPEX	36	(46)	211	(421)	(338)	(345)
Change in LT Investment	(1,180)	(1)	(339)	(71)	(222)	(229)
Change in Other Assets	0	0	0	0	0	0
<b>Free Cash Flow</b>	<b>(867)</b>	<b>208</b>	<b>203</b>	<b>297</b>	<b>232</b>	<b>310</b>
<b>Financing Cash Flow</b>	<b>848</b>	<b>(95)</b>	<b>(4)</b>	<b>(103)</b>	<b>(304)</b>	<b>106</b>
Change in Share Capital	1	1	3	0	0	0
Net Change in Debt	982	(132)	12	(19)	(208)	206
Change in Other LT Liab.	(135)	37	(19)	(84)	(96)	(100)
<b>Net Cash Flow</b>	<b>(20)</b>	<b>113</b>	<b>198</b>	<b>194</b>	<b>(73)</b>	<b>416</b>

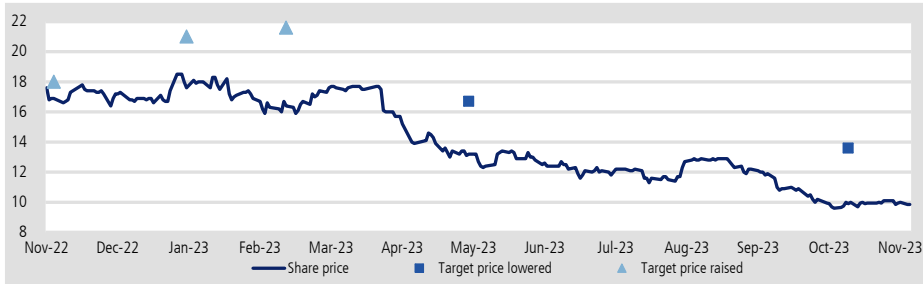
Source: KGI Securities Research

**Rates of Return on Invested Capital**

Year	1- Revenue	COGS Revenue	+ Depreciation Revenue	+ Operating Exp. Revenue	= Operating Margin	
2020	37.5%	18.0%		46.1%	-1.6%	
2021	41.0%	16.9%		45.5%	-3.4%	
2022	45.1%	10.5%		37.0%	7.4%	
2023F	44.7%	13.2%		34.9%	7.2%	
2024F	42.7%	15.0%		34.6%	7.7%	
2025F	42.7%	15.0%		34.6%	7.7%	
Year	1/ Revenue	Working Capital Revenue	+ Net PPE Revenue	+ Other Assets Revenue	= Capital Turnover	
2020	0.0	0.3		0.9	0.8	
2021	0.0	0.3		0.9	0.8	
2022	0.0	0.1		0.7	1.2	
2023F	0.1	0.1		0.7	1.2	
2024F	0.0	0.1		0.7	1.4	
2025F	0.0	0.1		0.7	1.4	
Year	Operating Margin	x	Capital Turnover	x	Cash Tax Rate	= After-tax Return on Inv. Capital
2020	-1.6%		0.8		29.9%	-0.4%
2021	-3.4%		0.8		21.0%	-0.6%
2022	7.4%		1.2		18.2%	1.6%
2023F	7.2%		1.2		20.0%	1.7%
2024F	7.7%		1.4		20.0%	2.1%

Source: KGI Securities Research

Zen Corporation Group - Recommendation & target price history



Date	Rating	Target	Price
2-Nov-23	Outperform	13.60	9.90
26-May-23	Outperform	16.70	13.20
10-Mar-23	Outperform	21.60	16.40
27-Jan-23	Outperform	21.00	17.60
2-Dec-22	Neutral	18.00	16.90

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)	INTUCH	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	KASIKORNBANK	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	SUNSWEEET
BTS	BTS GROUP HOLDINGS	MBK	MBK	SVI	SVI
CENDEL	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

**Disclaimer:** The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by the relevant institution as disclosed by the Office of the Securities and Exchange Commission, is made in order to comply with the policy and sustainable development plan for the listed companies. The relevant institution made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it 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 the assessment result.

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**KGI's Ratings**

<b>Rating</b>	<b>Definition</b>
Outperform (OP)	The stock's excess return over the next twelve months is ranked in the top 40% of KGI's coverage universe in the related market (e.g. Taiwan)..
Neutral (N)	The stock's excess return over the next twelve months is ranked in the range between the top 40% and the bottom 40% of KGI's coverage universe in the related market (e.g. Taiwan)
Under perform (U)	The stock's excess return over the next twelve months is ranked in the bottom 40% of KGI's coverage universe in the related market (e.g. Taiwan).
Not Rated (NR)	The stock is not rated by KGI.
Restricted (R)	KGI policy and/or applicable law regulations preclude certain types of communications, including an investment recommendation, during the course of KGI's engagement in an investment banking transaction and in certain other circumstances.  Excess return = 12M target price/current price-
Note	When an analyst publishes a new report on a covered stock, we rank the stock's excess return with those of other stocks in KGI's coverage universe in the related market. We will assign a rating based on its ranking. If an analyst does not publish a new report on a covered stock, its rating will not be changed automatically.

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