

Food

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Growth continuing good in 2H24F

In 3Q24TD, overseas swine prices in Vietnam and China are closing to a 2-year high, with solid 2H24 prices backed by supply shortage from the widespread return of ASF. Locally, livestock prices are also closing to the year's high in 3Q24TD, with 2H24 prices robust on better swine supply together with solid broiler exports, though prices might soften gradually in the near term from seasonally heavy rains, flooding and the vegetarian festival (Oct 3-11). Feed costs and skipjack tuna price are staying low in 2H24. Sector earnings will be the year's best in 3Q24F (up YoY & QoQ) amid continued growth YoY in 4Q24F from a wider margin, with upside from the interest rate cut but downside from a strong THB and wage hike. Our pick is CPF.

Robust overseas swine prices in 2H24F. In 3Q24TD, swine prices in China and Vietnam are closing in on a 2-year high at CNY20/kg (+23% YoY, +19% QoQ) and VND61,200/kg (+6% YoY, -3% QoQ), above breakeven at the gross profit level for big players at CNY15-16/kg and VND44,000-45,000/kg. We expect overseas swine prices to continue to stay high in 2H24F, up HoH and YoY, backed by supply shortage from the return of a new round of ASF in China in mid-2024 and Vietnam in 3Q24, and returning from loss levels over the past few years in China.

Local livestock prices to stay high in 2H24F. In 3Q24TD, local swine and broiler prices are closing to the year's high at Bt71/kg (+4% YoY, +2% QoQ) and Bt44/kg (+8% YoY, flat QoQ) vs breakeven at the gross profit level for big players at Bt60-68/kg and Bt38-39/kg and we expect to end 2H24F with livestock prices up HoH and YoY on less smuggled pork and lower pig supply from several government measures, amid solid broiler export demand. However, seasonally, livestock prices are likely to see a short-term drop in late 3Q24 to early 4Q24 on weaker demand from the heavy rains and floods plus the vegetarian festival (Oct 3-11), where prices generally fall or are stable weeks ahead and/or during the festival.

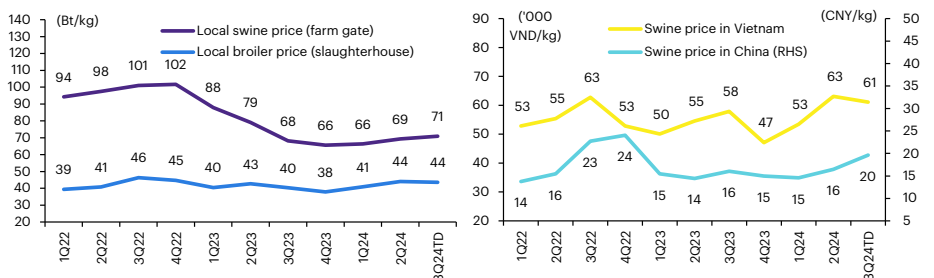
Feed costs to stay low in 2H24F. In 3Q24TD, we believe spot blended feed costs are relatively unchanged YoY, with spot corn price rising to Bt12.4/kg (+6% YoY, +13% QoQ) on tighter local supply (off-harvest, with the next harvest starting in September), but a fall in imported soybean meal and wheat bran prices to Bt20.6/kg (-3% YoY, -3% QoQ) and Bt9/kg (-17% YoY, +2% QoQ). With more favorable weather for corn, soybean meal and wheat globally in the 2024/25 crop years based on the USDA forecast, we expect feed costs to stay low in 2H24F.

Spot skipjack tuna price to stay low in 2H24F. In August, spot skipjack tuna price fell to a 3-year low of US\$1,250/ton (-31% YoY, -21% MoM) from good catches despite the FAD ban in the Western Pacific Ocean. TU expects prices to stay low for the next 1-2 months, then return to the usual US\$1,400-1,600/ton in late 2024F. Normally, TU keeps tuna inventory at five months on average, while its price contracts on branded & OEM products (40:60) are 3-12 months and 2-3 months. The low tuna price will be positive to its branded business given the longer contract term. It has not yet seen any adverse impact on OEM orders from the rapid change in price in 3Q24TD. The easing container freight rate from 2Q24's high will shore up 2H24F export sales volume further.

Top pick. CPF is our pick, poised to report the best growth in 3Q24F, led by solid overseas and local livestock prices, with the sector's largest upside from an interest rate cut, less downside from a wage hike than peers and unaffected by a strong THB.

Key risks: Weak prices from fragile purchasing power and more supply, high feed costs, strong THB. Key ESG risks are GHG emission, waste & water management (E), customer welfare, product quality management, health & safety policies (S).

Overseas swine prices close to 2-year high and local livestock prices close to a year high in 3Q24TD



Source: CPF, Bloomberg and InnovestX Research

Valuation summary

	Rating	Price (Bt)	TP (Bt)	ETR (%)	P/E (x) 24F	P/BV (x) 25F	P/BV (x) 24F	P/BV (x) 25F
BTG	Outperform	22.50	28.0	25.9	20.9	17.4	1.6	1.5
CPF	Outperform	24.20	29.0	22.7	13.7	12.0	0.7	0.6
GFPT	Outperform	11.80	16.0	38.3	7.6	7.2	0.8	0.7
TU	Outperform	14.90	18.0	25.5	12.6	11.3	1.0	0.9
Average					13.7	12.0	1.0	0.9

Source: InnovestX Research

Price performance

(%)	Absolute			Relative to SET		
	1M	3M	12M	1M	3M	12M
BTG	(2.6)	3.2	(3.8)	(9.7)	(6.9)	(0.9)
CPF	(2.0)	4.8	16.9	(9.2)	(5.5)	20.5
GFPT	(4.1)	(7.1)	13.5	(11.1)	(16.2)	17.0
TU	(0.7)	(3.2)	4.9	(8.0)	(12.7)	8.2

Source: SET, InnovestX Research

Analyst

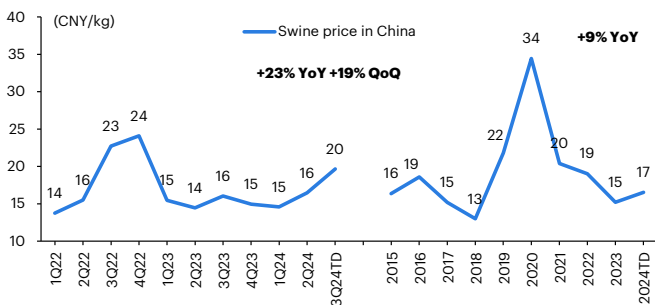
Sirima Dissara, CFA
 Fundamental Investment
 Analyst on Securities
 (66-2) 949-1004
 sirima.d@innovestx.co.th

Robust overseas swine prices in 2H24F from tighter supply after the return of ASF. Swine price in China are closing to a two-year high at CNY20/kg in 3Q24TD (+23% YoY, +19% QoQ), well above breakeven of CNY15-16/kg at the gross profit level for big players. The improvement was due to supply adjustment after several years of losses and the widespread return of ASF (African Swine Fever) in mid-2024 (after the first round of ASF in 2018) that slashed supply in 3Q24TD. For monthly price momentum, swine price in China was CNY20/kg in August (+19% YoY, +8% MoM) and CNY19/kg in September to date (+16% YoY, -5% MoM).

Swine price in Vietnam is edging down QoQ to VND61,200/kg in 3Q24TD (+6% YoY, -3% QoQ), still close to a two-year high and above breakeven at the gross profit level for big players at VND44,000-45,000/kg. The YoY increase reflected tighter supply and the slip QoQ was due to the widespread return of ASF in 3Q24 (after the first round of ASF in 2019), resulting in a dump of pig supply for small players in some areas on fears of the disease. If prolonged, this might morph into a pig shortage over the next few months, as seen from a rise in swine prices in Vietnam in 1H24 after ASF spread widely in late 2023. For monthly price momentum, swine price in Vietnam was VND61,000/kg in August (+2% YoY, flat MoM) and VND61,000/kg in September to date (+7% YoY, flat MoM).

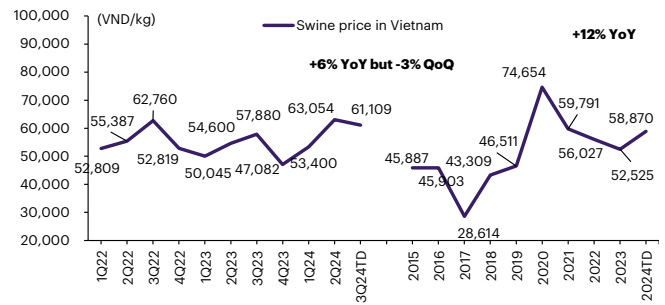
Looking ahead, we expect swine prices in China and Vietnam in 2H24F to stay high, up HoH and YoY, backed by tighter supply upon the return of ASF (prices tend to stay high for at least six months, based on the pig raising cycle) and returning from loss-marking levels earlier in China. We note that the reemergence of widespread ASF in China and Vietnam tends to occur more often than in Thailand, given the high proportion of small players in China (75-80%) and Vietnam (35-40%) compared to Thailand (20-30%), little regulation or control over slaughterhouses in the industry and no development of an efficient ASF vaccine thus far.

Figure 1: Swine price in China in 3Q24TD



Source: Bloomberg Finance L.P. and InnovestX Research

Figure 2: Swine price in Vietnam in 3Q24TD



Source: CPF and InnovestX Research

Local swine prices to stay high from better supply management in 2H24F. Local swine price is closing to the year's high at Bt71/kg in 3Q24TD (+4% YoY, +2% QoQ), above breakeven at the gross profit level for big players at Bt60-68/kg. The improvement was backed by better supply management via: 1) less smuggled swine meat upon stricter government inspection with Thai Customs requiring all frozen meat imports to be declared and inspected; 2) government policies to stabilize pork price. For monthly price momentum, local swine price was Bt72/kg in August (+6% YoY and +3% MoM) and Bt72/kg in September to date (+6% YoY, flat MoM).

Regarding government policies, in early 2024, the Ministry of Agriculture and Cooperatives requested cooperation with Thai modern trade companies in setting pork prices according to the framework established by the Thai Swine Raisers Association to mitigate the impact of low pork prices on pig farmers. In mid-March, Thai swine players were asked to collaborate in a piglet cycle interruption scheme, turning piglets into roasted pig dishes, cutting production by 5,000 piglets/day or up to 0.45mn piglets over the following three months (3% of annual pig production). In mid-July, Thai large pig farms (more than 1,000 sows) were asked to agree to cut breeding sow production capacity by 26,190 sows/month or up to 78,571 sows for the next three months (9-10% of annual pig production, based on the fact that a single breeding sow can produce 22 piglets per year). The gradual effect of these measures on supply reduction is expected to be seen until mid-2025.

Factoring in supply adjustment post ASF alleviation and lower supply from industry collaboration from the government measures, big players estimate pig production in Thailand at 19-20mn in 2024-2025F (vs 18mn in 2023), returning to pre-ASF level in 2021, but this level does not yet include smuggled pork (unknown amount, but believed to be lower in 2024-25F).

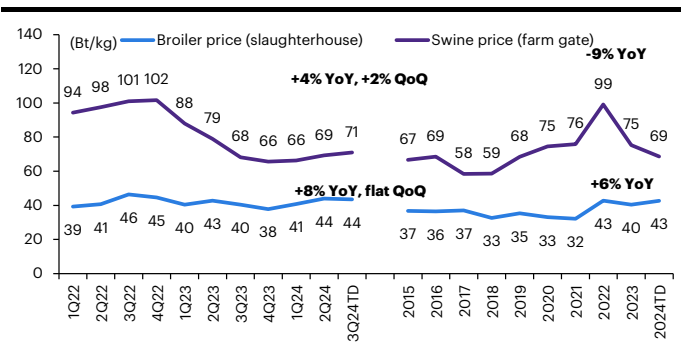
We expect swine price to rise HoH and YoY in 2H24F from less smuggled pork and a supply reduction arranged by government policies. However, seasonally, swine price may slip in late 3Q24 to early 4Q24 on weaker demand from the heavy rains and flooding as well as the annual vegetarian festival (October 3-11), where prices generally fall or are stable weeks ahead and/or during the festival.

Local broiler prices to stay high from more exports and high swine prices in 2H24F. Local broiler price is closing to the year's high in 3Q24TD at Bt44/kg (+8% YoY, flat QoQ) vs breakeven at the gross profit level for big players at Bt38-39/kg on better export demand. For monthly price momentum, local broiler price was Bt43/kg in August (+8% YoY, -2% MoM) and Bt42/kg in September to date (+10% YoY, -3% MoM).

In July, Thai broiler export value grew 20% YoY, boosted by strong export volume into all key destinations in Japan, Europe, and primary destination countries in Asia including China. In 7M24, Thai broiler export value grew 10% YoY, boosted by strong export volume growth (+6% YoY) and a better THB export price (+4% YoY, with a 6% YoY gain on the depreciation of the THB against the US dollar outpacing a 1% YoY drop in USD export price). Of the top 10 destinations, exports grew in Japan and the UK (together accounting for 63% of Thai broiler exports), and grew in other key countries in Europe, with some countries in Asia (China, South Korea and Malaysia) exceptions.

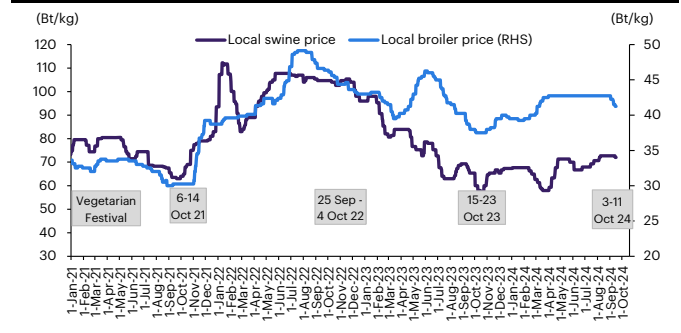
Looking ahead, we expect solid export demand together with better local swine price (substitute product) to raise local broiler price both HoH and YoY in 2H24F. However, based on seasonality, broiler price may come down slightly in late 3Q24 to early 4Q24 on weaker demand because of the heavy rains and flooding as well as the annual vegetarian festival (October 3-11), when prices generally fall or are stable weeks ahead and/or during the festival.

Figure 3: Local swine & broiler prices in 3Q24TD



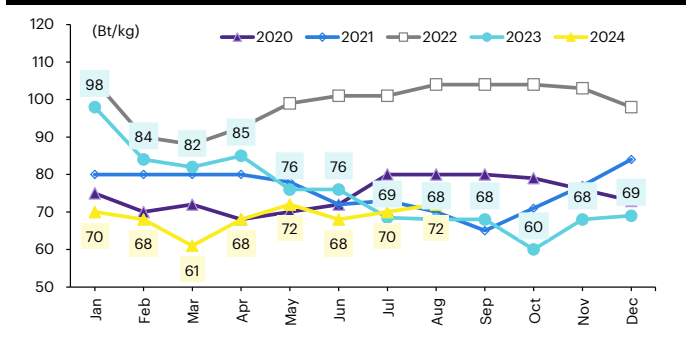
Source: CPF and InnovestX Research

Figure 4: Local livestock prices may soften gradually weeks ahead and during the vegetarian festival (Oct 3-11) but stay higher than 2023 on better supply & demand



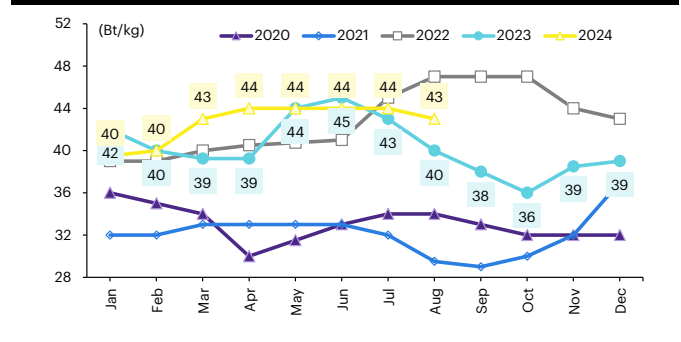
Source: OAE, DIT and InnovestX Research

Figure 5: Monthly local swine prices



Source: CPF and InnovestX Research

Figure 6: Monthly local broiler prices



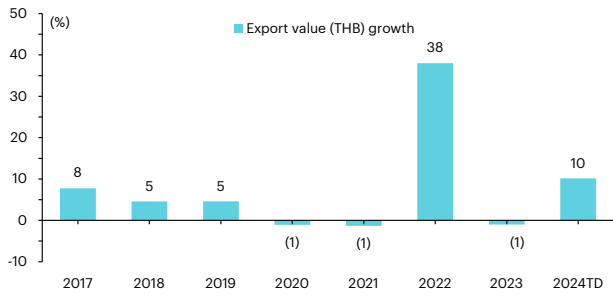
Source: CPF and InnovestX Research

Figure 7: Thai boiler export value and growth in 2024TD, total and top-10 export destinations

	Export value (Mn Bt)				Export growth (%)				Share (%)			
	2021	2022	2023	Jan-Jul 24	2021	2022	2023	Jan-Jul 24	2021	2022	2023	Jan-Jul 24
Japan	53,596	65,451	62,381	38,453	-1.0	22.1	-4.7	12.0	52.3	46.1	44.3	44.2
UK	15,578	25,654	24,300	16,354	-7.5	64.7	-5.3	17.5	15.2	18.1	17.3	18.8
China	10,454	13,496	17,269	8,796	-5.8	29.1	28.0	-13.3	10.2	9.5	12.3	10.1
S.Korea	4,084	6,353	7,356	4,058	4.6	55.6	15.8	-4.7	4.0	4.5	5.2	4.7
Malaysia	2,849	5,778	6,984	4,049	15.0	102.8	20.9	-1.8	2.8	4.1	5.0	4.7
Netherlands	4,785	9,405	6,489	4,030	22.6	96.5	-31.0	7.2	4.7	6.6	4.6	4.6
Singapore	2,902	4,452	4,632	3,167	-14.6	53.4	4.1	22.2	2.8	3.1	3.3	3.6
Ireland	1,184	2,052	2,317	1,615	30.2	73.2	12.9	24.3	1.2	1.4	1.6	1.9
HK	2,431	2,819	2,580	1,603	-1.1	15.9	-8.5	20.6	2.4	2.0	1.8	1.8
Germany	1,265	1,651	1,428	1,078	-14.2	30.5	-13.5	35.8	1.2	1.2	1.0	1.2
Rest of the world	3,414	4,889	5,035	3,809					3.3	3.4	3.6	4.4
World	102,544	141,999	140,770	87,012	-1.3	38.5	-0.9	10.1	100.0	100.0	100.0	100.0

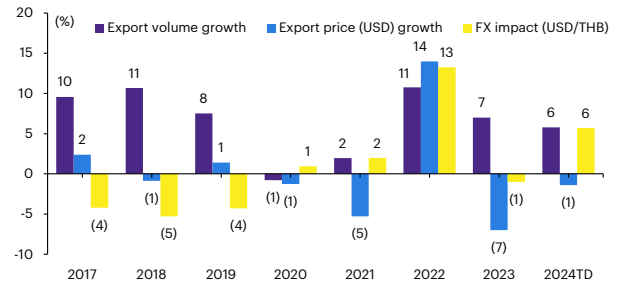
Source: MOC and InnovestX Research

Figure 8: Thai broiler export value grew 10% YoY in 7M2024, contributed by...



Source: MOC, OAE and InnovestX Research

Figure 9: ... export volume growth (+6% YoY), THB/US\$ depreciation (+6% YoY) and lower US\$ price (-1% YoY)

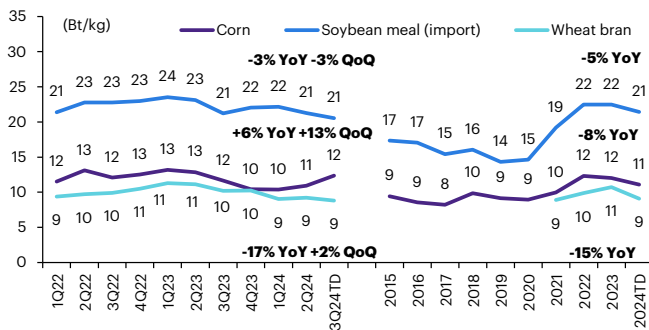


Source: MOC, OAE and InnovestX Research

Feed costs to stay low in 2H24F. In 3Q24TD, we estimate blended feed costs to be relatively unchanged YoY, with spot corn prices rising to Bt12.4/kg (+6% YoY, +13% QoQ) on tighter local supply (off-harvest, with next harvest starting in September), but lower prices for imported soybean meal and wheat bran (corn substitutes) at Bt20.6/kg (-3% YoY, -3% QoQ) and Bt9/kg (-17% YoY, +2% QoQ).

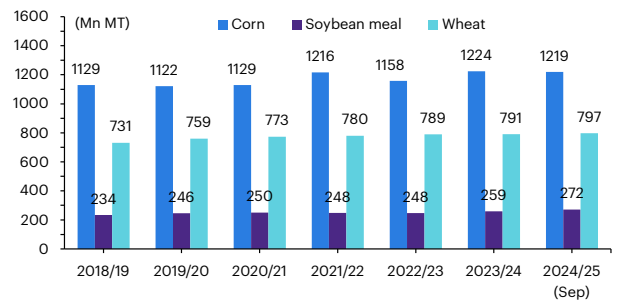
In the 2024/25 crop years, global corn crops are expected to be relatively stable YoY with crop supply close to all-time highs seen in 2023/24, but global soybean meal and wheat crops are expected to rise 5% YoY and 1% YoY from more production in Argentina and the US, based on USDA data. With favorable crop conditions, we expect spot feed costs to continue to stay low in 2H24F. Meanwhile, Thai livestock operators continue to keep their usual 3-4 months of feed inventory.

Figure 10: Feedstock prices in 3Q24TD



Source: CPF, TFM and InnovestX Research

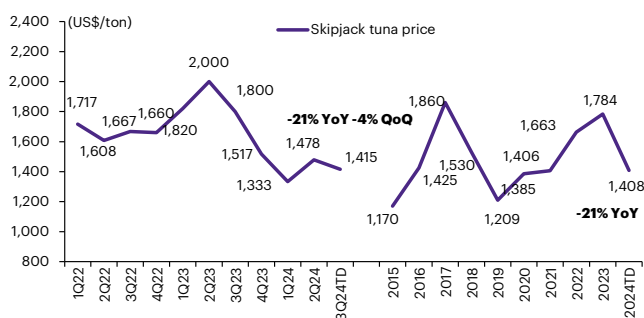
Figure 11: Global corn, wheat, soybean meal production



Source: USDA and InnovestX Research

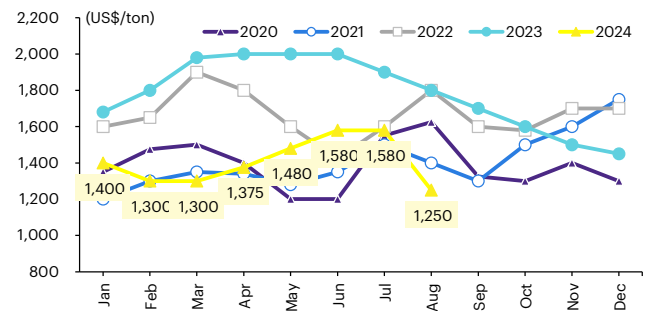
Spot skipjack tuna price to stay low in 2H24F. In August, spot skipjack tuna price fell to a 3-year low at US\$1,250/ton (-31% YoY, -21% MoM), from good catches despite entering the FAD ban (Jul-Sep) in the Western Pacific Ocean. TU expects low prices to stay for the next 1-2 months, then return to more usual level of US\$1,400-1,600/ton in late 2024. Normally, TU keeps tuna inventory at five months on average, while its price contracts on branded & OEM products (40:60) are 3-12 months and 2-3 months. Low spot tuna price will be positive to its branded business given the longer term for the contract pricing. It has not yet seen any adverse impact on OEM orders from the rapid change in tuna spot price in 3Q24TD. The easing container freight rate from 2Q24's high after the acceleration of Chinese exports into the US ahead of a new tax rate effective on August 1, will also help support TU's 2H24F export sales volume.

Figure 12: Spot skipjack tuna price in 3Q24TD



Source: TU and InnovestX Research

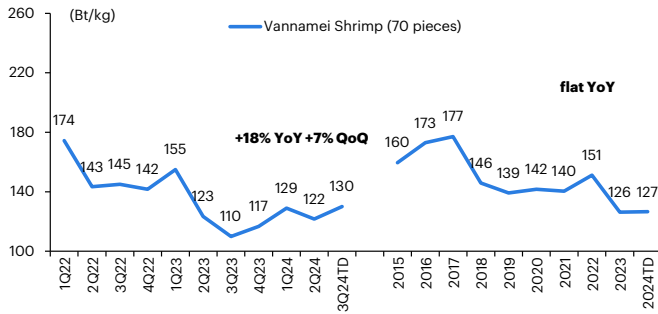
Figure 13: Monthly spot skipjack tuna price



Source: TU and InnovestX Research

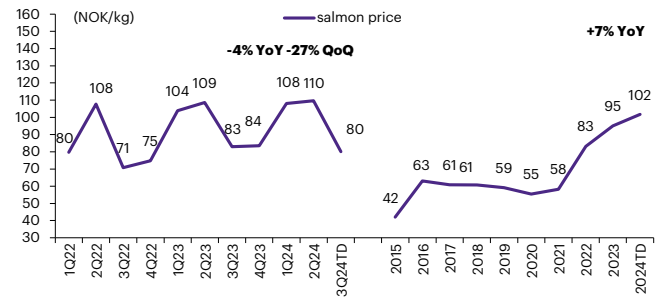
Mixed other aquatic prices in 3Q24TD. In 3Q24TD, local shrimp price rose to Bt130/kg (+18% YoY, +7% QoQ) in tandem with better local demand, partly from more tourists, with export sales volume staying low from fragile global demand. In 3Q24TD, salmon price has fallen to NOK80/kg (-4% YoY, -27% QoQ) from more global production, chiefly in Norway and Chile, seasonally softer demand and demand adjustment from 1H24’s high-prices amid fragile global demand from the food service industry.

Figure 14: Local shrimp price in 3Q24TD



Source: CPF and InnovestX Research

Figure 15: Salmon price in 3Q24TD



Source: Bloomberg Finance L.P. and InnovestX Research

2Q24 core earnings recap. In 2Q24, core earnings for all sector players beat estimates on gross margin and equity income, with an earnings turnaround YoY led by wider gross margin and growth QoQ from seasonality. The magnitude of earnings improvement for livestock players (CPF, BTG, GFPT) outperformed the pure aquatic player (TU). Below we recap 2Q24 core earnings by company.

- CPF reported a 2Q24 core profit of Bt5.8bn, up from a core loss of Bt2.6bn in 2Q23 and a core profit of Bt532mn in 1Q24, far above INVX and market estimates at Bt3-4bn. Underwriting the YoY improvement was: 1) a wider gross margin, up in all units but led by the livestock unit from higher swine prices in Vietnam, better broiler prices and exports in Thailand and lower feed costs; and 2) a rise in equity income from CPALL & CPAXT (robust sales and margin), CTI (earnings in the black since 4Q22 from higher swine prices in China in 2Q24 and the sale of some loss-making swine farms in China in 4Q23) and Hylife (better contribution YoY after the sale of a loss-making business in the US in 3Q23).
- BTG reported a 2Q24 net profit of Bt628mn, turning around from net losses of Bt351mn in 2Q23 and Bt124mn in 1Q24, 10-20% above INVX and market estimates on a wider gross margin than anticipated. Backing the rise was better sales and margin from higher livestock prices amid low feed costs.
- GFPT reported a 2Q24 core profit of Bt562mn, +68% YoY and +27% QoQ, 7-12% above INVX and market estimates on better gross margin and equity income from GFN than expected. The rise was backed by a wider margin and higher equity income from GFN and McKey from more exports, high local byproduct prices and low feed costs.
- TU reported a 2Q24 core profit of Bt1.4bn, +13% YoY and +60% QoQ, 10-20% above estimates, backed by a better gross margin and equity income. The YoY rise came from better sales (positive impact on FX translation from a weak THB and better petcare unit), wider gross margin (petcare and frozen units) and higher equity income (better Avanti contribution and no repeat of the loss from Red Lobster booked in 2Q23).

Figure 16: 2Q24 sector core earnings back up to above 2Q22 (led by CPF and GFPT)

Core profit (Bt mn)	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	% YoY	% QoQ
CPF	752	3,312	5,471	1,237	(3,298)	(2,579)	(3,455)	(7,997)	532	5,772	n.m.	985%
BTG	1,583	2,013	2,329	1,835	500	(168)	(736)	(676)	(126)	636	n.m.	n.m.
GFPT	405	484	739	421	237	334	318	403	441	562	68%	27%
TU	1,741	1,790	1,792	1,800	806	1,275	1,504	1,212	900	1,443	13%	60%
Total	4,480	7,600	10,331	5,293	(1,754)	(1,138)	(2,369)	(7,059)	1,748	8,413	n.m.	n.m.

Net profit (Bt mn)	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	% YoY	% QoQ
CPF	2,842	4,208	5,108	1,812	(2,725)	(792)	(1,811)	121	1,152	6,925	n.m.	852%
BTG	1,970	1,869	2,303	1,796	393	(351)	(784)	(656)	(124)	628	n.m.	n.m.
GFPT	456	454	683	452	298	349	319	410	466	583	56%	14%
TU	1,746	1,624	2,530	1,238	1,022	1,029	1,206	(17,189)	1,153	1,219	13%	-107%
Total	7,013	8,155	10,624	5,298	(1,013)	235	(1,070)	(17,314)	2,647	9,355	n.m.	n.m.

Source: InnovestX Research

2H24F earnings momentum. We expect sector earnings to reach this year's high in 3Q24F, up QoQ from seasonality and YoY on a wider margin from better overseas and local livestock prices amid low feed costs and a higher aquatic margin on better tuna selling price amid low tuna actual cost gap in the ambient unit together with a continued rise in high-margin premium product sales in the petcare unit. We expect sector earnings to soften QoQ in 4Q24F from seasonality but still grow YoY on a wider margin.

2024F earnings. Backed by margin improvement, we expect sector core earnings to reach Bt25bn in 2024F, turning around from a core loss of Bt12bn in 2023; core earnings are set to grow further to Bt27.6bn in 2025F (+13%). Our earnings are above market estimates by 3% in 2024 and 5% in 2025.

Figure 17: 2H24 sector earnings momentum

Core profit	3Q24F		4Q24F		Note
	YoY	QoQ	YoY	QoQ	
CPF	Up	Up	Up	Down	2H24F earnings to grow YoY from wider margin on better overseas and local product prices amid lower costs; 3Q24F to be this year's best
BTG	Up	Up	Up	Down	2H24F earnings to grow YoY from wider margin on better product prices amid lower costs; 3Q24F to be this year's best
GFPT	Up	Flat	Up	Down	2H24F earnings to grow YoY from wider margin on more exports amid high product prices and low feed costs; 3Q24F to be this year's best
TU	Up	Up	Up	Flat	2H24F earnings to grow YoY from wider margin on a better price and cost gap in the ambient unit; 3Q24F & 4Q24F to be this year's best. 4Q24F earnings vary depending on the change in THB/US\$ and spot skipjack tuna levels.

Source: InnovestX Research

Figure 18: INVX's sector earnings in 2024-25F vs consensus

	Reported Core profit (Bt mn)					INVX Core profit (Bt mn)		Consensus Core profit (Bt mn)		% differences (INVX/consensus)	
	2019	2020	2021	2022	2023	2024F	2025F	2024F	2025F	2024F	2025F
CPF	14,715	24,894	672	10,771	(17,329)	14,871	16,876	14,257	15,231	4%	11%
BTG	700	2,319	811	7,760	(1,080)	2,086	2,495	1,985	2,844	5%	-12%
GFPT	1,256	1,137	144	2,049	1,292	1,958	2,069	1,847	1,882	6%	10%
TU	5,227	6,511	7,467	7,123	4,796	5,602	6,193	5,663	6,373	-1%	-3%
Total	21,898	34,861	9,095	27,703	(12,320)	24,516	27,632	23,752	26,330	3%	5%
Growth YoY (%)											
CPF	101%	69%	-97%	1502%	n.m.	n.m.	13%	n.m.	7%		
BTG	n.m.	231%	-65%	856%	n.m.	n.m.	20%	n.m.	43%		
GFPT	10%	-9%	-87%	1324%	-37%	51%	6%	43%	2%		
TU	30%	25%	15%	-5%	-33%	17%	11%	18%	13%		
Total	150%	59%	-74%	205%	n.m.	n.m.	13%	n.m.	11%		

Source: Bloomberg Finance L.P. and InnovestX Research

Sensitivity analysis: Earnings impact from changes in key factors.

- Upside risk from interest rate cut.** We have not yet factored in upside to earnings from an interest rate cut. Our sensitivity analysis suggests that each cut of 25bps in interest rate will lower interest expenses and add 1.2% to sector earnings. Note that INVX's economist expects the BoT to cut policy rate by 100bps over a year (starting from 50bps in 4Q24F and another 50bps cut in 1H25F). If this is the case, upside to our sector annualized earnings would work out to an average of 4.6%, led by CPF (+11.0%), BTG (+5.0%), TU (+1.9%) and GFPT (+0.6%).
- Downside risk from strong THB against USD.** We are currently setting our FX assumption at Bt36/US\$ in our 2024-25F forecasts (vs Bt36/US\$ in 2024TD and Bt34/US\$ in Sep to date). Our sensitivity analysis suggests an appreciation of 1THB/US\$ from our base assumption will hit the sector's annualized earnings by 0.4% on average. By company, TU will hurt the most (-3%, after hedging), followed by GFPT (-0.7%) as they are net exporters. We expect the impact on CPF to be negligible as it has neutral US\$ position in export & import, with a positive impact on BTG (+2%) as a net importer with imports of US\$-denominated feed for livestock outpacing its US\$-denominated broiler exports.
- Downside risk from minimum wage increase.** Of total production costs, labor accounts for 5-6% of total costs for BTG, CPF and TU operations in Thailand and 10% for GFPT; all sector players normally pay their workers at above minimum daily wage. Recent news reported that the national wage committee plans to introduce a Bt400 minimum wage nationwide (+14% from the current Bt330-370, depending on province); however, employers, a part of the tripartite committee, are opposed. The meeting of the Wage Committee scheduled has been postponed indefinitely, with no concrete timeline for the next meeting yet. On a conservative basis, without factoring in higher product prices or better sales in tandem with more purchasing power, our sensitivity analysis suggests a 5% rise in minimum wage in Thailand will cut the sector's annualized earnings by 4% (down 7% for BTG, 3% for CPF and GFPT and 2% for TU).

Figure 19: Sensitivity analysis on the sector’s earnings change on key factors

Earnings change (%)	25bps interest rate cut	1THB/US\$ appreciation*	5% minimum wage hike in Thailand
CPF	+2.8%	0.0% (neutral position)	-3% (37% operation base in Thailand)
BTG	+1.2%	+2.0% (net importer)	-7% (95% operation base in Thailand)
GFPT	+0.2%	-0.7% (net exporter)	-3% (100% operation base in Thailand)
TU	+0.5%	-3.0% (net exporter)	-2% (60% operation base in Thailand)

Source: InnovestX Research (Note* The US\$ sales contribution from TU was 60% (export and revenue from US operations), followed by 20% from GFPT (export), 11% from CPF (export and revenue from US operations), and 11% from BTG (export).)

Top pick is CPF. We keep our 3-month tactical rating at Outperform for all players, reflecting our positive view on sector earnings in 3Q24F, growth both YoY and QoQ, together with earnings improvement in 2024-25F.

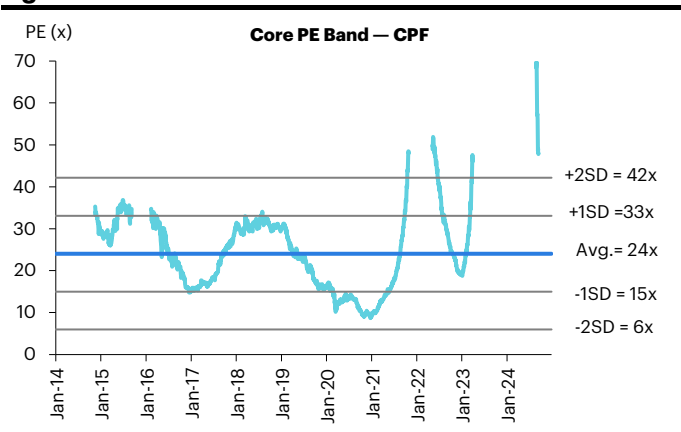
Our sector pick is CPF, which is poised to report the best core earnings growth in 3Q24F, backed by better overseas and local livestock prices amid low feed costs. CPF is also expected to have the largest earnings upside from the upcoming interest rate cut cycle, less earnings downside from a wage hike than peers and no impact from the strengthening THB.

Figure 20: Recommendation, target price and valuation methodology by company

Companies	Recommendation	Target price (mid-25)	Valuation methodology
CPF	Outperform	29	Sum-of-the-parts: Bt3 for CPF operations (10x PE for feed, 8x PE farm and 12x PE food units) and Bt26 for CPALL and CPAXT (20% liquidity discount from our DCF-based target prices)
BTG	Outperform	28	2x PBV (LT ROE at 15%, cost of equity of 8.7% and LT growth of 2.5%)
GFPT	Outperform	16	Sum-of-the-parts: Based on 10x PE for feed, 8x PE farm and 12x PE food units
TU	Outperform	18	14x PE (-0.5S.D. over 10-year PE)

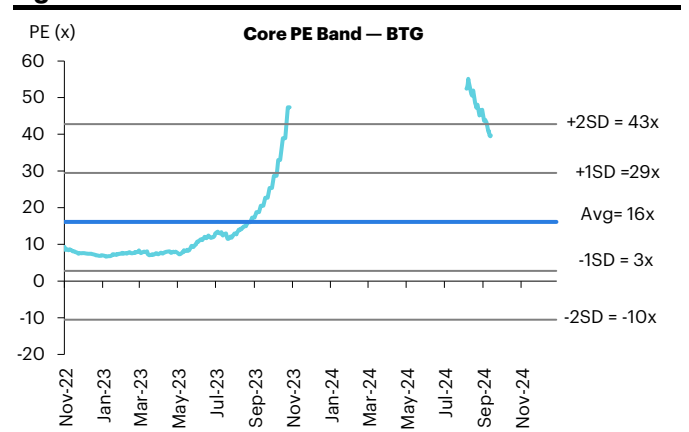
Source: InnovestX Research

Figure 21: CPF’s historical core PE band



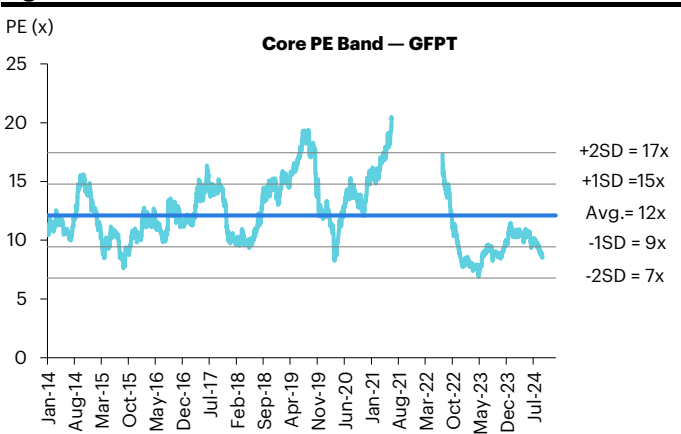
Source: InnovestX Research

Figure 22: BTG’s historical core PE band



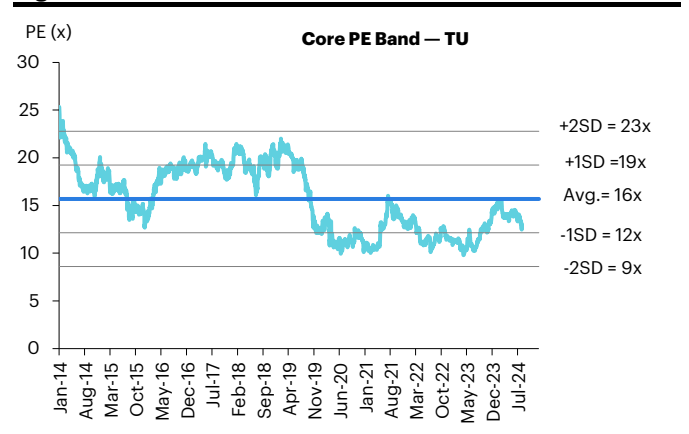
Source: InnovestX Research (Note* Starting from its 1st trading day)

Figure 23: GFPT’s historical core PE band



Source: InnovestX Research

Figure 24: TU’s historical core PE band



Source: InnovestX Research

Figure 25: Food regional peers

Company name	Country	Market Cap (US\$ mn)	Core PE (x)		Core EPS Growth (%)		PBV (x)		Div. Yield (%)		ROE (%)		EV/EBITDA (x)	
			24F	25F	24F	25F	24F	25F	24F	25F	24F	25F	24F	25F
Thailand peers														
Betagro PCL	Thailand	1,327	21.2	15.0	249.6	41.5	1.6	1.5	1.7	2.3	7.5	10.3	8.6	8.4
GFPT PCL	Thailand	449	8.1	7.9	34.1	1.5	0.8	0.7	2.3	2.5	10.1	9.4	6.2	5.9
Charoen Pokphand Foods PCL	Thailand	6,126	14.0	13.5	335.5	3.4	0.8	0.8	2.7	2.9	5.8	6.0	12.9	13.1
Thai Union Group PCL	Thailand	1,933	12.3	11.0	31.7	11.8	1.1	1.1	4.4	5.0	9.7	10.3	10.0	9.5
	Average		11.5	10.8	133.8	5.5	0.9	0.9	3.1	3.5	8.5	8.6	9.7	9.5
Regional peers														
Feed Companies			17.4	13.3	127.0	35.3	1.8	1.7	2.0	2.9	12.6	13.2	9.9	8.9
New Hope Liuhe Co Ltd	China	5,396	30.1	11.1	237.9	170.7	1.5	1.3	0.4	1.5	5.3	11.3	15.6	11.9
Japfa Comfeed Indonesia Tbk PT	Indonesia	1,173	8.0	8.1	141.7	(1.0)	1.2	1.1	2.0	3.9	14.7	13.3	5.7	5.9
Charoen Pokphand Indonesia Tbk PT	Indonesia	5,111	22.3	20.0	9.1	11.5	2.7	2.6	1.7	2.3	12.0	12.5	13.9	12.7
Universal Robina Corp	Philippines	3,538	15.0	13.4	5.8	11.3	1.6	1.5	4.1	4.4	11.1	11.8	8.4	7.7
BRF SA	Brazil	7,482	11.8	14.0	240.4	(15.8)	2.2	2.0	2.1	2.2	20.0	17.3	5.8	6.3
Farm Companies			14.9	12.0	31.4	18.6	1.9	1.8	3.1	4.5	9.0	10.9	7.4	6.6
RCL Foods Ltd/South Africa	S. Africa	420	6.5	7.2	31.8	(8.4)	n.a	n.a	n.a	5.7	8.2	6.1	3.5	3.9
Mowi ASA	Norway	9,122	18.0	13.3	(15.6)	35.1	2.6	2.4	3.0	4.6	13.6	19.3	8.5	6.9
Tyson Foods Inc	US	21,848	20.1	15.5	78.1	29.3	1.2	1.1	3.2	3.3	5.3	7.4	10.1	8.9
Food Companies			16.7	13.3	19.4	11.3	2.8	2.4	3.8	4.0	15.6	17.1	9.0	8.2
Henan Shuan-A	China	11,205	15.5	14.4	(11.8)	7.1	3.6	3.5	5.2	5.7	24.0	24.8	10.6	10.0
Uni-President China Holdings Ltd	China	3,716	14.0	12.9	13.0	8.9	2.0	1.9	7.3	8.0	14.0	15.1	7.3	6.7
Uni-President Enterprises Corp	Taiwan	15,487	22.1	20.2	22.2	9.6	3.8	3.7	3.9	4.3	17.3	18.4	9.0	8.8
Nissui Corp	Japan	2,020	11.7	10.5	11.7	10.7	1.1	1.0	2.7	3.0	9.9	9.9	8.9	8.1
Toyo Suisan Kaisha Ltd	Japan	7,212	15.9	14.7	29.6	8.1	2.0	1.8	1.9	2.1	12.7	12.5	8.6	7.9
NH Foods Ltd	Japan	3,937	18.6	16.2	16.6	14.8	1.0	1.0	2.5	2.7	5.6	6.2	8.6	8.0
WH Group Ltd	HK	9,641	7.9	7.0	93.9	12.6	0.9	0.9	5.9	6.3	12.1	11.9	4.7	4.5
Indofood Sukses Makmur Tbk PT	Indonesia	4,048	6.7	5.5	14.4	22.3	0.9	0.8	4.4	5.1	14.7	16.7	4.7	0.1
JBS S/A	Brazil	13,218	7.6	8.3	n.m.	(8.3)	1.5	1.4	6.3	5.6	18.8	17.9	5.2	5.5
Marfrig Global Foods SA	Brazil	2,355	36.9	n.m	120.2	n.m.	2.5	3.1	0.5	0.6	1.3	(2.3)	7.8	8.2
Minerva SA/Brazil	Brazil	756	11.9	7.5	(19.6)	59.9	9.3	4.6	1.9	2.7	30.1	51.4	4.7	3.8
Maple Leaf Foods Inc	Canada	1,985	30.9	15.1	n.m.	n.m.	1.7	1.7	4.0	4.1	4.9	8.5	8.4	7.1
Danone SA	France	49,019	18.5	17.4	(0.4)	6.0	2.4	2.3	3.3	3.4	12.9	13.2	12.0	11.4
Nestle SA	Switzerland	270,201	17.9	16.9	1.5	5.8	6.4	5.8	3.5	3.7	35.1	35.3	14.6	14.2
Conagra Brands Inc	US	15,354	12.2	12.1	(2.9)	1.3	1.7	1.7	4.4	4.5	14.0	13.9	10.1	10.0
General Mills Inc	US	41,028	16.4	16.0	2.3	2.7	4.4	4.4	3.2	3.4	26.1	26.5	12.9	12.8
Hormel Foods Corp	US	17,592	20.1	18.6	(0.1)	8.1	1.9	1.8	3.6	3.7	11.0	10.8	14.0	13.0
	Average		16.3	13.0	61.9	17.1	2.3	2.0	3.3	3.8	13.4	14.7	9.0	8.3

Source: Bloomberg Finance L.P. and InnovestX Investment Research

Figure 26: ESG information disclosure in 2023

ESG disclosure	TU	CPF	BTG	GFPT
Environment (Date as of 2023)				
Environmental Management				
Corporate environmental policy and practice	Yes	Yes	Yes	Yes
Energy Management				
Total electricity consumption within the organization (Kilowatt-Hours)	362,658,365	2,267,026,310	463,948,572	63,745,036
Water Management				
Total water withdrawal (Cubic meters)	4,132,085	10,128,994	13,724,529	2,331,855
Waste Management				
Total waste generated (Kilograms)	54,100,868	550,501,587	207,007,000	22,033,260
Percentage of total reused/recycled waste to total waste generated (%)	60	100	95	N/A
Greenhouse Gas Management				
Corporate greenhouse gas management plan	Yes	Yes	Yes	Yes
Total GHG emissions (MTCO ₂ Eq)	4,599,711	12,931,539	420,244	49,764
Total GHG emissions - scope 1 (MTCO ₂ Eq)	269,031	361,945	203,572	17,898
Total GHG emissions - scope 2 (MTCO ₂ Eq)	165,305	1,193,092	216,672	31,866
Total GHG emissions - scope 3 (MTCO ₂ Eq)	4,165,375	11,376,503	N/A	N/A
External Verification of Greenhouse Gas Emissions	Yes	Yes	Yes	Verifying
Social (Date as of 2023)				
Human Rights				
Corporate human rights policy	Yes	Yes	Yes	Yes
Employment				
Total number of employees (Persons)	13,030	135,446	33,514	5,525
Total employment of workers with disabilities (Persons)	367	0	348	58
Percentage of employees in executive level (%)	0.41	0.67	1.52	0.18
Percentage of employees in female (%)	56.7	44.8	54.2	54.0
Employee Remuneration				
Employee remuneration (baht)	10,262,174,741	61,254,000,000	10,502,171,817	1,447,458,758
Human Capital Development				
Average employee training hours (Hours / Person / Year)	6	14	11	161
Safety, Occupational Health, and Environment at Work				
Number of employee work injuries leading to employee absence (times)	135	189	214	181
Percentage of employees that lost time injuries for 1 day or more (%)	1.0	0.1	0.6	3.3
Lost time injury frequency rate (LTIFR) (Times / 1 million-manhours)	1.2	0.9	2.7	11.5
Employee Relation and Engagement				
Number of employee turnover leaving the company voluntarily (Person)	1,287	34210	10,147	449
Employee turnover rate (%)	9.9	25.3	30.3	8.1
Significant labor dispute	No	No	No	No
Governance and Economics (Date as of 2023)				
Composition of the Board of Directors				
Total number of directors (Persons)	11	15	11	9
Total number of female directors (Persons)	2	2	5	2
Percentage of female directors (%)	18.2	13.3	45.5	22.2
Total number of independent directors (Persons)	5	5	5	3
Percentage of independent directors (%)	45.5	33.3	45.5	33.3
Total number of non-executive directors (Persons)	7	10	6	6
Percentage of non-executive directors (%)	63.6	66.7	54.6	66.7
Average director age (Years)	59	65	61	67
The Chairman of the Board is an independent director	Yes	No	Yes	No
The Chairman of the Board is the Highest-ranking Executive	No	No	No	No
The Chairman of the Board & the Highest-ranking Executive are from the same family	No	No	No	Yes
Meeting Attendance of the Board of Directors and Audit Committee				
Number of the Board of Directors meeting (Times)	8	8	11	9
Number of the audit committee meeting (Times)	13	9	6	7
Remuneration of Directors and Executives				
Total Director Remuneration (Baht)	28,485,286	20,600,000	26,309,591	5,395,000
Total executive remuneration (Baht)	219,550,000	197,000,000	136,105,822	44,764,483
Sustainability Policy and Strategy				
Corporate sustainability policy	Yes	Yes	Yes	Yes
Corporate sustainability report	Yes	Yes	Yes	No
Company sustainability disclosure aligned with guidelines	UN,TCFD,CDP,GRI	UN,TCFD,CDP,GRI	GRI	GRI

Source: SETSMART and InnovestX Investment Research

Figure 27: ESG rating and our view on ESG

	TU	CPF	BTG	GFPT
2023 SET ESG ratings	-	AAA	-	BBB
2022 Bloomberg ESG Financial Materiality Score (Rank in the sector)	3.13 (3/57)	4.11 (1/57)	n.a.	3.30 (2/14)
• Environmental Score (Rank)	3.90 (3/57)	4.40 (2/57)	n.a.	2.68 (1/14)
• Social Score (Rank)	1.52 (4/57)	3.26 (1/57)	n.a.	3.42 (2/14)
• Governance Score (Rank)	4.01 (8/57)	4.62 (5/57)	n.a.	4.23 (2/14)
Environmental Issue Key risks: GHG emission, water & waste management	<p>TU has committed to net zero target by 2050, with a goal of reducing GHG (scope 1, 2 and 3) by 42% from 2021 base by 2030 (vs 15% reduction in scope 1 & 2 but 2% rise in scope 3 in 2023).</p> <p>By 2030, it aims for zero waste to landfill (vs 1/5 facilities in 2023), zero water discharge (vs 1/5 facilities in 2023) and zero food loss (vs 3/5 facilities in 2023).</p> <p>By 2030, it targets to divert 1,500 tons of ocean-bound plastic from waterways and oceans (vs 1% progress in 2023)</p> <p>By 2025, it targets products packaged sustainably by 100% branded products (vs 83% in 2023) and 60% private label products (targeted progress update in 2024).</p> <p>By 2030, TU sets Bt250mn budget for the protection and restoration of ecosystems where TU or its supply chain operates (vs 1% progress in 2023).</p> <p>We view that TU showed 2023 positive development from last year on providing LT and MT commitments on key environment issues to match with sector's leaders, with progress on track.</p>	<p>CPF has committed to net zero target by 2050, and it aims to reduce 25% of GHG emissions scope 1 & 2 in Thailand from 2015 base by 2025 (vs 24% in 2023).</p> <p>By 2030, it targets zero industrial and agro-industrial waste to landfill (vs 96% progress in 2023 in 9 countries, including Thailand), zero waste from operations to landfill (vs 78% progress in 2023 in Thailand), and 100% of plastic packaging for food products to be recyclable/reusable (vs 84% progress in 2023 in 4 countries, including Thailand).</p> <p>By 2025, in Thailand, CPF aims to reduce 30% of water withdrawal per production unit from 2015 base (vs 50% in 2023).</p> <p>By 2025, it targets 100% of key raw material sourced from deforestation free areas (vs 35% in 2023 in 7 countries, including Thailand). By 2030, in Thailand, CPF aims 200K tons of CO2 sequestration from conservation & reforestation (vs 46K tons in 2023).</p> <p>We view that CPF is in the leading position with LT and MT commitment, and progress in key environment issues. More information in overseas countries beyond Thailand (37% of sales) was provided in 2023 (37% of sales), but it has not yet covered all overseas operations.</p>	<p>BTG has committed to net zero target by 2050, and it targets to reduce GHG emissions (scope 1&2) from 2022 base at least 20% (vs 6% in 2023) and reduce 10% energy consumption from 2022 base within 2030 (vs 4% in 2023).</p> <p>By 2025, BTG targets to reduce the occurrence of waste per product weight by 5% from 2022 (vs 7% in 2023) and waste direct to disposal by 4% of total waste generated (vs 5% in 2023).</p> <p>By 2025, BTG plans to reduce water use per product weight (water intensity) by 5% from 2020 (vs 3.5% in 2023) and increase water reuse and recycle by 10% of the total water withdrawal (vs 6.6% in 2023).</p> <p>By 2030, BTG targets 100% Eco-Friendly Packaging (Reusable, Recyclable and Compostable) (vs 97% in 2023).</p> <p>We view that BTG showed 2023 positive development from last year on providing LT and MT commitments on key environment issues to match with sector's leaders, with progress on track.</p>	<p>GFPT aims to be a carbon neutral organization by 2030 and achieve net zero carbon emission by 2050.</p> <p>In 2023, it had corporate environmental policy and practice, with GHG management and energy management plans, but it had the absence of water and waste management plans.</p> <p>In 2023, its GHG emissions (scope 1 & 2) was 49,764 MTCO2Eq (-5% YoY). It is currently in the process of registering with the Greenhouse Gas Management Organization.</p> <p>In 2023, its waste consumption was 22,033 tons (+4% YoY), without disclosure on reused/recycled waste.</p> <p>In 2023, its water consumption reached 2.33mn cubic meters (+7.8% YoY), with water consumption at 46.3 liter per chicken (+7% YoY and +3% above its target at 45 liter per chicken). It is in the process of conducting the developed plan to control water consumption further.</p> <p>GFPT is the lagging position on the absence of its commitments in key environmental issues (GHG emissions, and waste & water management), though it has already committed on LT net zero target similar to peers.</p>

Source: Bloomberg Finance L.P., SET, company data and InnovestX Research (Note 2023 Bloomberg ESG Financial Materiality Scores have not yet available. Bloomberg ESG Financial Materiality Scores rate companies on their level of management of financially material industry specific ESG issues. Values range from 0 to 10; 10 is best. To review the fully transparent methodology, see ESG Financial Materiality Score Model in Bloomberg.).

Figure 28: ESG rating and our view on ESG (continued)

	TU	CPF	BTG	GFPT
<p>Social Issue</p> <p>Key risks: customer welfare, product quality management, and health & safety policies</p>	<p>By 2050, it targets responsible wild caught seafood by fishery status, social responsibility, observer coverage by human or electronic monitoring system, and traceability (vs 85%, 79%, 90% and 100% progress in 2023).</p> <p>By 2030, it aims 100% farmed shrimps produced responsibly and traced back to farms (vs 71% and 100% in 2023). 100% shrimp feed (used in shrimp products supplied to TU) produced responsibly (progress updated in 2024), 100% aquatic farms and vessels sourced from safe and decent workplace (vs 71% in farms and 79% in tuna vessels in 2023), 100% of soy and palm oil certified (vs 1% and 77% in 2023), 100% chicken sourced responsibly (vs 7% in 2023).</p> <p>By 2030, it targets 100% branded ambient products meeting nutritional guidelines (vs 73% in 2030) and 100% new branded ambient products promoting health & wellness (progress updated in 2024).</p> <p>By 2030, it targets Bt250mn for community-based programs (vs 31% progress in 2023).</p> <p>By 2030, it targets 50% of its management positions are held by women (vs 34% in 2023), with striving towards zero accidents & injuries across global operations.</p> <p>In 2023, its lost-time injury frequency rate per 1mn-manhour was 1.2 times (vs 1.7 times in 2022) and its employee turnover rate was 10% (vs 13% in 2022), both showing the sector's low.</p> <p>We view that TU showed 2023 significant development from last year on providing commitment with progress on key social issues to match with other industry's leaders, with progress on track.</p>	<p>By 2030, it aims 100% traceability of key raw materials (vs 49% in 2023 in 7 countries, including Thailand)</p> <p>By 2030, it targets 100% of sows raised in group gestation pen housing system (vs 45% in 2023), 10% per year rise in production capacity in cage free egg from 2022 (vs 184% per year in 2023 in 6 countries including Thailand), 100% environment enrichment for broilers (vs 88% in 2023 in 9 countries including Thailand)).</p> <p>By 2030, in Thailand, it targets 50% of new products developed to be healthier and more nutritious (vs 48% in 2023), 40% of revenue from green products (vs 36.5% in 2023), 35mn daily consumers reached its healthy foods (vs 26mn in 2023), and zero public recall on food products (vs 100% achieved in 2023).</p> <p>By 2030, it targets 3mn livelihoods improved in communities connected to its business activities (vs 3.5mn in 7 countries, including Thailand).</p> <p>In 2023, its lost-time injury frequency rate per 1mn-manhour was 0.9 times (vs 1.8 times in 2022), showing the sector's low, and its employee turnover rate was 25% (vs 29% in 2022), showing the sector's high.</p> <p>We view CPF is in the leading position with commitment and progress in key social issues. However, its information, led by Thai operations with some countries overseas provided in 2023, have not yet covered all of its operations.</p>	<p>By 2027, it aims to reduce the use of antibiotics in animals by 50% from 2021 (vs 26% reduction in 2023), with 100% pass on the assessment on food product quality and safety management system in Thailand and overseas (vs 100% in 2023). In 2023, it achieved 100% food traceability in pork, chicken, eggs (e-traceability in fish and RTE products updated in 2024) and 100% GAP certificate on its animal farms.</p> <p>By 2028, it targets to archive 100% of human rights due diligence covering high risk businesses within the entire supply chain (vs 23% in 2023).</p> <p>By 2025, it aims 20,000 families will have been positively affected by its key projects (local product to farm & factory, organic waste, community forest support, and handicap skill development projects) (vs 10,149 families in 2023).</p> <p>By 2026, it targets zero lost-time injury accident (vs its lost-time injury frequency rate per 1mn-manhour at 2.7 times in 2023 and 3.2 times in 2022, showing the moderate level vs peers) and zero fatal accident of employees and contracts (vs zero in 2023).</p> <p>In 2023, its employee turnover rate was 30% (vs 30% in 2022), showing the sector's high.</p> <p>We view that BTG showed 2023 significant development from last year on providing commitment with progress on key social issues to match with other industry's leaders, with progress on track.</p>	<p>In 2023, GFPT had the policy and guidelines on sustainable sourcing of raw materials according to international standards, with 100% of raw materials and products sourced from responsible sources and certified to animal welfare standards.</p> <p>In 2023, it had risk assessment policy on raw material and products that may have impact on health and safety of customers, with zero incident and complaint to impact on health and safety from the consumption of products.</p> <p>In 2023, it had the absence on policy and guidelines on health and nutrition products, with 80% of its products under nutritional labelling.</p> <p>In 2023, its lost-time injury frequency rate per 1mn-manhour was 11.48 times (up from 7.9 times in 2022 and above its target at below 10 times), showing the sector's highest and rising. This outcome led GFPT conduct the analysis of accident causes and implement more safety protocols and preventive strategies to improve safety condition in the workplace.</p> <p>In 2023, its employee turnover rate was 8% (vs 13% in 2022), showing the sector's lowest.</p> <p>We view that GFPT is in lagging peers on key social issues, without providing concrete long-term targets on product quality management, health & safety policies on customers and labors. The issue on health & safety in workplace is needed to be monitored further.</p>
<p>Governance Issue</p> <p>Key risks: Board composition & compensation, shareholder rights, audit</p>	<p>In 2023, TU's board of directors consisted of 11 directors: 2 female members (18% of the entire board), 5 independent directors (46% of the entire board), and 7 non-executive directors (64% of the entire board). Lack of gender diversity might limit perspective variety in strategic decision.</p> <p>In 2023, Its chairman of board was not the highest-ranking executive, enhancing the effectiveness on business oversight.</p> <p>In 2023, it had corporate sustainability policy and report. Its sustainability disclosure aligned with guidelines from UN, TCFD, CDP, and GRI, leading peers.</p> <p>For insider trading issue, on April 1, 2022, SEC notified the insider trading of TU's shares. Of total 9 persons named on insider trading, two, acted as TU's directors and executives, resigned, effective on April 18, 2022. Regarding on TU's preventive action afterwards, Corporate Governance Committee was assigned and a separate Securities Trading Policy for directors, executives and employees was established.</p>	<p>In 2023, CPF's board of directors consisted of 15 directors: 2 female members (13% of the entire board), 5 independent directors (33% of the entire board), and 10 non-executive directors (67% of the entire board). Lack of gender diversity might limit perspective variety in strategic decision.</p> <p>In 2023, its chairman of board was not the highest-ranking executive, enhancing the effectiveness on business oversight.</p> <p>In 2023, it had corporate sustainability policy and report. Its sustainability disclosure aligned with guidelines from UN, TCFD, CDP, and GRI, leading peers.</p>	<p>In 2023, BTG's board of directors consisted of 11 directors: 5 female members (46% of the entire board), 5 independent directors (33% of the entire board), and 6 non-executive directors (55% of the entire board). Its board diversity in expertise/ experience and gender will enhance more perspective variety in strategic decision.</p> <p>In 2023, Its chairman of board was not the highest-ranking executive, enhancing the effectiveness on business oversight.</p> <p>In 2023, it had corporate sustainability policy and report (providing corporate sustainability report for the first year). Its sustainability disclosure aligned with guidelines from GRI.</p>	<p>In 2023, GFPT's board of directors consisted of 9 directors: 2 female members (22% of the entire board), 3 independent directors (33% of the entire board), 6 non-executive directors (67% of the entire board). Lack of gender diversity might limit perspective variety in strategic decision.</p> <p>In 2023, its chairman of board was not the highest-ranking executive. However, its chairman of the board and the highest-ranking executive are from the same family, which might limit the effectiveness on business oversight.</p> <p>In 2023, it had corporate sustainability policy, but it had the absence of corporate sustainability report. Its sustainability disclosure aligned with guidelines from GRI.</p>

Source: Bloomberg Finance L.P., SET, company data and InnovestX Research

Figure 29: Valuation summary (price as of Sep 24, 2024)

	Rating	Price (Bt/Sh)	Target (Bt/Sh)	ETR (%)	P/E (x)			EPS growth (%)			P/BV (x)			ROE (%)			Div. Yield (%)			EV/EBITDA (x)		
					23A	24F	25F	23A	24F	25F	23A	24F	25F	23A	24F	25F	23A	24F	25F	23A	24F	25F
BTG	Outperform	22.50	28.0	25.9	n.m.	20.9	17.4	n.m.	n.m.	20	1.7	1.6	1.5	(4)	8	9	1.1	1.4	1.7	n.m.	18.1	16.3
CPF	Outperform	24.20	29.0	22.7	n.m.	13.7	12.0	n.m.	n.m.	15	0.7	0.7	0.6	(6)	5	6	0.0	2.9	2.3	15.6	10.1	9.7
GFPT	Outperform	11.80	16.0	38.3	11.4	7.6	7.2	(37)	51	6	0.8	0.8	0.7	8	10	10	1.3	2.7	2.8	7.1	5.8	5.2
TU	Outperform	14.90	18.0	25.5	15.0	12.6	11.3	(32)	19	12	1.0	1.0	0.9	6	8	9	3.6	4.7	5.0	10.0	8.8	8.2
Average					13.2	13.7	12.0	(35)	35	13	1.1	1.0	0.9	1	8	8	1.5	2.9	3.0	10.9	10.7	9.9

Source: InnovestX Investment Research

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CG Rating 2023 Companies with CG Rating

Companies with Excellent CG Scoring

7UP, AAV, ABM, ACE, ACG, ADB, ADD, ADVANC, AEONTS, AF, AGE, AH, AHC, AIRA, AIT, AJ, AKP, AKR, ALLA, ALT, AMA, AMARIN, AMATA, AMATAV, ANAN, AOT, AP, APCO, APCS, ARIP, ARROW, ASEFA, ASK, ASP, ASW, ATP30, AUCTION, AWC, AYUD, B, BA, BAFS, BAM, BANPU, BAY, BBI, BBK, BBL, BC, BCH, BCP, BCPG, BDMS, BEC, BEM, BEYOND, BGC, BGRIM, BH, BIZ, BJC, BJCHI, BKI, BLA, BOL, BPP, BRI, BROOK, BRR, BTS, BTW, BWG, BYD, CBG, CENTEL, CFRESH, CHASE, CHEWA, CHG, CHOW, CIMBT, CIVIL, CK, CKP, CM, CNT, COLOR, COM7, COTTO, CPALL, CPAXTT, CPF, CPI, CPL, CPN, CPW, CRC, CRD, CSC, CSS, CV, DCC, DDD, DELTA, DEMCO, DMT, DOHOME, DRT, DUSIT, EA, EASTW, ECF, ECL, EE, EGCO, EPG, ERW, ETC, ETE, FE, FLOYD, FN, FPI, FPT, FSX, FVC, GBX, GC, GCAP, GENCO, GFPT, GGC, GLAND, GLOBAL, GPSC, GRAMMY, GULF, GUNKUL, HANA, HARN, HENG, HMPRO, HPT, HTC, ICC, ICHI, ICN, III, ILINK, ILM, IMH, IND, INET, INTUCH, IP, IRC, IRPC, ITC, ITEL, IVL, JAS, JTS, KBANK, KCC, KCE, KEX, KKP, KSL, KTB, KTC, KTMS, KUMWEL, KUN, LALIN, LANNA, LH, LHFG, LIT, LOXLEY, LPN, LRH, LST, M, MAJOR, MALEE, MATCH, MBK, MC, M-CHAI, MCOT, MEGA, MFC, MFEC, MILL, MINT, MONO, MOONG, MSC, MST, MTC, MTI, NC, NCH, NCL, NDR, NER, NKI, NOBLE, NRF, NTV, NVD, NWR, NYT, OCC, OISHI¹, ONEE, OR, ORI, OSP, OTO, PAP, PATO, PB, PCSGH, PDG, PDJ, PG, PHOL, PIMO, PJW, PLANB, PLAT, PLUS, PM, POLY, PORT, PPP, PPS, PR9, PRG, PRINC, PRM, PRTR, PSH, PSL, PT, PTC, PTT, PTTEP, PTTGC, Q-CON, QH, QTC, RATCH, RBF, RPH, RS, RT, S, S&J, SA, SABINA, SAK, SAMART, SAMTEL, SAPPE, SAT, SBNEXT, SC, SCB, SCC, SCCC, SCG, SCGP, SCM, SDC, SEAFCO, SEAOL, SECURE, SELIC, SENA, SENX, SFP², SFT, SGC, SGF, SGP, SHR, SICT, SIRI, SIS, SITHAI, SJWD, SKR, SM, SMPC, SMT, SNC, SNNP, SNP, SO, SPALI, SPC, SPCG, SPI, SPRC, SR, SSC, SSF, SSSC, STA, STC, STEC, STGT, STI, SUC, SUN, SUSCO, SUTHA, SVI, SVT, SYMC, SYNEX, SYNTEC, TACC, TAE, TCAP, TCMC, TEAMG, TEGH, TFG, TFMAMA, TGE, TGH, THANA, THANI, THCOM, THIP, THRE, THREL, TIDLOR, TIPH, TISCO, TK, TKN, TKS, TKT, TLI, TM, TMC, TMD, TMT, TNDT, TNITY, TNL, TNR, TOA, TOG, TOP, TPBI, TPCS, TPIPL, TPIPP, TPS, TQM, TQR, TRT, TRUE, TRV, TSC, TSTE, TSTH, TTA, TTB, TTCL, TTW, TURTLE, TVDH, TVH, TVO, TVT, TWPC, UAC, UBE, UBIS, UKEM, UP, UPF, UPOIC, UV, VCOM, VGI, VIBHA, VIH, VL, WACOAL, WGE, WHA, WHAUP, WICE, WINMED, WINNER, XPG, YUASA, ZEN

Companies with Very Good CG Scoring

2S, A5, AAI, AIE, ALUCON, AMR, APURE, ARIN, AS, ASIA, ASIAN, ASIMAR, ASN, AURA, BR, BSBM, BSRC, BTG, CEN, CGH, CH, CHIC, CI, CIG, CMC, COMAN, CSP, DOD, DPAINT, DV8, EFORL, EKH, ESTAR, EVER, FORTH, FSMART, FTI, GEL, GPI, HEALTH, HUMAN, IFS, INSET, IT, J, JCKH, JDF, JKN, JMART, JUBILE, K, KCAR, KGI, KIAT, KISS, KK, KTIS, KWC, KWM, LDC, LEO, LHK, MACO, METCO, MICRO, MK, MVP, NCAP, NOVA, NTSC, PACO, PIN, PQS, PREB, PRI, PRIME, PROEN, PROS, PROUD, PSTC, PTECH, PYLON, RCL, SALEE, SANKO, SCI, SCN, SE, SE-ED, SFLEX, SINGER, SKN, SONIC, SORKON, SPVI, SSP, SST, STANLY, STP, SUPER, SVOA, SWC, TCC, TEKA, TFM, TMILL, TNP, TPLAS, TPOLY, TRC, TRU, TRUBB, TSE, VRANDA, WAVE, WFX, WIIK, WIN, WP, XO

Companies with Good CG Scoring

24CS, AMANAH, AMARC, AMC, APP, ASAP, BCT, BE8, BIG, BIOTEC, BLESS, BSM, BVG, CAZ, CCET, CHARAN, CHAYO, CHOTI, CITY, CMAN, CMR, CRANE, CWT, DHOUSE, DTCENT, EASON, FNS, FTE, GIFT, GJS, GTB, GTV, GYT, HL, HTECH, HYDRO, IIG, INGRS, INSURE, IRCP, ITD, ITNS, JCK, JMT, JR, JSP, KBS, KGEN, KJL, L&E, LEE, MASTER, MBAX, MEB, MENA, META, MGT, MITSIB, MJD, MOSHI, MUD, NATION, NNCL, NPK, NSL, NV, OGC, PAF, PCC, PEACE, PICO, PK, PL, PLANET, PLE, PMTA, PPM, PRAKTI, PRAPAT, PRECHA, PRIN, PSG, RABBIT, READY, RJH, RSP, RWI, S11, SAAM, SAF, SAMCO, SAWAD, SCAP, SCP, SIAM, SKE, SKY, SMART, SMD, SMIT, SOLAR, SPA, STECH, STPI, SVR, TC, TCCC³, TEAM, TFI, TIGER, TITLE, TKC, TMI, TNH, TPA, TPAC, TRITN, UBA, UMI, UMS, UTP, VARO, VPO, W, WARRIX, WORK, WPH, YONG, ZIGA

Corporate Governance Report

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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. InnovestX Securities Company Limited does not conform nor certify the accuracy of such survey result.

To recognize well performers, the list of companies attaining "Good", "Very Good" and "Excellent" levels of recognition (Not including listed companies qualified in the "no announcement of the results" clause from 1 January 2022 to 31 October 2023) is publicized.

¹OISHI was voluntarily delisted from the Stock Exchange of Thailand, effectively on September 6, 2023

²SFP was voluntarily delisted from the Stock Exchange of Thailand, effectively on July 19, 2023

³TCCC was voluntarily delisted from the Stock Exchange of Thailand effectively on August 25, 2023

Anti-corruption Progress Indicator

Certified (ได้สมรส)

2S, AAI, ADB, ADVANC, AE, AF, AH, AI, AIE, AIRA, AJ, AKP, AMA, AMANAH, AMATA, AMATAV, AP, APCS, AS, ASIAN, ASK, ASP, ASW, AWC, AYUD, B, BAFS, BAM, BANPU, BAY, BBI, BBL, BCH, BCP, BCPG, BE8, BEC, BEYOND, BGC, BGRIM, BLA, BPP, BRI, BRR, BSBM, BTC, BTG, BTS, BWG, CBG, CEN, CENTEL, CFRESH, CGH, CHEWA, CHOTI, CHOW, CI, CIG, CIMBT, CM, CMC, COM7, CPALL, CPAXTT, CPF, CPI, CPL, CPN, CPW, CRC, CREDIT, CSC, DCC, DELTA, DEMCO, DIMET, DMT, DOHOME, DRT, DUSIT, EA, EASTW, ECF, EGCO, EP, EPG, ERW, ETC, ETE, FNS, FPI, FPT, FSMART, FSX, FTE, GBX, GC, GCAP, GEL, GFPT, GGC, GJS, GLOBAL, GPI, GPSC, GSTEEL, GULF, GUNKUL, HANA, HARN, HEALTH, HENG, HMPRO, HTC, ICC, ICHI, IFS, III, ILINK, ILM, INET, INOX, INSURE, INTUCH, IRPC, ITEL, IVL, JAS, JR, JTS, KASET, KBANK, KCAR, KCC, KCE, KGEN, KGI, KKP, KSL, KTB, KTC, L&E, LANNA, LHFG, LHK, LPN, LRH, M, MAJOR, MALEE, MATCH, MBAX, MBK, MC, MCOT, MEGA, MENA, META, MFC, MFEC, MILL, MINT, MODERN, MONO, MOONG, MSC, MTC, MTI, NATION, NCAP, NEP, NKI, NOBLE, NRF, NWR, OCC, OGC, OR, ORI, OSP, PAP, PATO, PB, PCSGH, PDG, PDJ, PG, PHOL, PIMO, PK, PL, PLANB, PLANET, PLAT, PM, PPP, PPM, PPS, PR9, PREB, PRG, PRINC, PRM, PROS, PSH, PSL, PSTC, PT, PTECH, PTG, PTT, PTTEP, PTTGC, PYLON, Q-CON, QH, QLT, QTC, RABBIT, RATCH, RBF, RML, RS, RWI, S&J, SA, SAAM, SABINA, SAK, SAPPE, SAT, SC, SCB, SCC, SCCC, SCG, SCGP, SCM, SCN, SEAOL, SE-ED, SELIC, SENA, SENX, SFLEX, SGC, SGP, SIRI, SITHAI, SKR, SM, SMIT, SMPC, SNC, SNP, SORKON, SPACK, SPALI, SPC, SPI, SPRC, SRICHA, SSF, SSP, SSSC, SST, STA, STGT, STOWER, SUSCO, SVI, SVOA, SVT, SYMC, SYNTEC, TAE, TAKUNI, TASCO, TCAP, TCMC, TEGH, TFG, TFI, TFMAMA, TGE, TGH, THANI, THCOM, THIP, THRE, THREL, TIDLOR, TIPCO, TIPH, TISCO, TKN, TKS, TKT, TMD, TMILL, TMT, TNITY, TNL, TNP, TNR, TOG, TOP, TOPP, TPA, TPCS, TPLAS, TRT, TRU, TRUE, TSC, TSI, TSTE, TSTH, TTA, TTB, TTCL, TU, TURTLE, TVDH, TVO, TWPC, UBE, UBIS, UEC, UKEM, UPF, UV, VCOM, VGI, VIBHA, VIH, WACOAL, WHA, WHAUP, WICE, WIIK, XO, YUASA, ZEN, ZIGA

Declared (ประกาศเจตนา)

ACE, ADVICE, ALT, AMARIN, AMC, ANI, APCO, B52, BLAND, BPS, BYD, CAZ, CHASE, CHG, CV, DEXON, DITTO, ECL, EKH, EVER, FLOYD, GREEN, HL, HUMAN, ICN, IHL, IP, ITC, JDF, JMART, K, KJL, LDC, LH, LIT, MITSIB, MJD, MOSHI, NER, NEX, PLE, PLUS, POLY, PQS, PRI, PRIME, PROEN, PROUD, PRTR, PTC, RT, S, SANKO, SAWAD, SCAP, SCGD, SFT, SHR, SINGER, SINO, SIS, SJWD, SKE, SNNP, SOLAR, SONIC, SUPER, TBN, TMI, TPAC, TPP, TQM, UREKA, VNG, WELL, WIN, WPH, XPG

N/A

24CS, 3K-BAT, A, A5, AAV, ABM, ACAP, ACC, ACG, ADD, AEONTS, AFC, AGE, AHC, AIT, AJA, AKR, AKS, ALLA, ALPHAX, ALUCON, AMARC, AMR, ANAN, AOT, APEX, APO, APP, APURE, AQUA, ARIN, ARIP, ARROW, ASAP, ASEFA, ASIA, ASIMAR, ASN, ATP30, AU, AUCTION, AURA, BA, BBI, BC, BCT, BDMS, BEAUTY, BEM, BGT, BH, BIG, BIOTEC, BIS, BIZ, BJC, BJCHI, BKD, BKGI, BKIH, BLC, BLESS, BLISS, BM, BOL, BR, BROCK, BSM, BSRC, BTNC, BTW, BUI, BVG, CCET, CCP, CEYE, CFARM, CGD, CH, CHAO, CHARAN, CHAYO, CHIC, CHO, CITY, CIVIL, CK, CKP, CMAN, CMO, CMR, CNT, COCOCO, COLOR, COMAN, CPANEL, CPH, CPR, CPT, CRANE, CRD, CSP, CSR, CSS, CTW, CWT, D, DCON, DDD, DHOUSE, DOD, DPAINT, DTCENT, DTIC, DV8, EASON, EE, EFORL, EMC, ESTAR, ETL, EURO, F&D, FANCY, FE, FM, FMT, FN, FORTH, FTI, FVC, GABLE, GENCO, GFC, GIFT, GL, GLAND, GLOCON, GLORY, GRAMMY, GRAND, GSC, GTB, GTV, GYT, HFT, HPT, HTECH, HYDRO, I2, IIG, IMH, IND, INGRS, INSET, IRC, IRCP, IT, ITD, ITNS, ITTHI, J, JAK, JCK, JCKH, JCT, JKN, JMT, JPARK, JSP, JUBILE, KAMART, KBS, KC, KCG, KCM, KDH, KCS, KIAT, KISS, KK, KKC, KLINIQU, KOOL, KTIS, KUMWEL, KUN, KWC, KWI, KWM, KYE, LALIN, LEE, LEO, LOXLEY, LPH, LST, LTS, MAGURO, MANRIN, MASTER, MATI, MCA, M-CHAI, MCS, MDX, MEB, METCO, MGC, MGI, MGT, MICRO, MIDA, MK, ML, MORE, MST, MTW, MUD, MVP, NAM, NAT, NC, NCH, NCL, NCP, NDR, NEO, NETBAY, NEW, NEWS, NFC, NL, NNCL, NOK, NOVA, NPK, NSL, NTSC, NTV, NUSA, NV, NVD, NYT, OHTL, ONEE, ORN, PACO, PAF, PANEL, PCC, PCE, PEACE, PEER, PERM, PF, PHG, PICO, PIN, PJW, PLT, PMC, PMTA, POLAR, PORT, PPM, PRAKTI, PRAPAT, PRECHA, PRIN, PRO, PSG, PSP, PTL, QTCG, RAM, RCL, READY, RICHY, RJH, ROCK, ROCTEC, ROH, ROJNA, RP, RPC, RPH, RSP, S11, SABUY, SAF, SAFARI, SAFE, SALEE, SAM, SAMART, SAMCO, SAMTEL, SAUCE, SAV, SAWANG, SBNEXT, SCI, SCL, SCP, SDC, SE, SEAFO, SECURE, SEI, SGF, SHANG, SIAM, SICT, SIMAT, SISB, SK, SKN, SKY, SLM, SLP, SMART, SMD, SMK, SMT, SO, SPA, SPCG, SPG, SPREME, SPVI, SQ, SR, SRS, SSC, STANLY, STC, STEC, STECH, STHAI, STI, STP, STPI, STX, SUC, SUN, SUTHA, SVR, SWC, SYNEX, TACC, TAN, TAPAC, TC, TCC, TCJ, TCOAT, TEAM, TEAMG, TEKA, TERA, TFM, TGPRO, TH, THAI, THANA, THE, THG, THMUJ, TIGER, TITLE, TK, TKC, TLI, TM, TMC, TMW, TNDT, TNH, TNPC, TOA, TPBI, TPCH, TPIPL, TPIPP, TPL, TPOLY, TPS, TQR, TR, TRC, TRITN, TRP, TRUBB, TRV, TSE, TTI, TTT, TTW, TVH, TVT, TWP, TWZ, TYCN, UAC, UBA, UMI, UMS, UNIQ, UOBKH, UP, UPOIC, UTP, UVAN, VARO, VL, VPO, VRANDA, W, WARRIX, WAVE, WFX, WGE, WINDOW, WINMED, WINNER, WORK, WP, YGG, YONG, ZAA

Explanations

Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of June 30, 2024) are categorised into: companies that have declared their intention to join CAC, and companies certified by CAC.