

KCG : KCG CORPORATION PUBLIC COMPANY LIMITED

6M/2023 (Jan - Jun 2023)

Business Overview

Manufacturer and distributor of western foods with 3 main product categories: dairy products, food and bakery ingredients, and biscuits.

Financial Statement

	6M23	6M22	2022	2021
Income Statement (MB)				
Revenues	3,287.99	2,677.27	6,190.79	
Expenses	3,107.29	2,574.42	5,865.47	
Net Profit (Loss)	109.19	77.13	241.06	
Balance Sheet (MB)				
Assets	5,076.22	4,756.98	5,539.60	
Liabilities	3,908.03	3,339.87	4,356.08	
Shareholders' Equity	1,168.19	1,417.12	1,183.52	
Cash Flow (MB)				
Operating	505.43	-88.49	-325.92	
Investing	-255.95	-63.81	-124.47	
Financing	-425.08	213.62	475.85	
Financial Ratio				
EPS (Baht)	0.28	0.20	0.62	
GP Margin (%)	28.25	29.37	28.68	
NP Margin (%)	3.32	2.86	3.89	
D/E Ratio (x)	3.35	2.36	3.68	
ROE (%)	25.06	14.16	18.03	
ROA (%)	10.60	7.15	7.24	

Business Plan

- Increase capacity expansion of IWS (Individual Wrapped Processed Cheese Slices) from 2,106 to 4,212 tons p.a. by the end of 2023.
- Increase capacity expansion of butter from 18,596 to 23,261 tons p.a. in 2024.
- Development of distribution centers and warehouses, KCG Logistics Park to start operation by the end of 2023 and complete in 2024.

Sustainable Development Plan

Business Highlight

The Company operates business in manufacturing and distributing products for consumption covering activities from research and development process to create production formula, procurement of raw materials, product manufacturing, distribution, and transportation to customers domestically, as well as exporting products to other countries. The Company is also an importer and distributor of leading products from overseas to Thailand. The Company's products can be categorized into three main groups (1) Dairy products, (2) Food and Bakery Ingredients and other products (FBI), and (3) Biscuits.

The Company is the market leader in both butter and cheese products, with the No.1 market share of 55.0% for butter, and the No. 1 market share of 31.6% for cheese. The Company is also ranked in the top 5 market share for FBI and biscuits. The Company's brands include "Allowrie", "Imperial", "DAIRYGOLD", "Violet", "Premio", "SUNQUICK", etc.

Performance and Analysis

Business Performance Summary

In 6M/2023, the Company recorded net profit of THB 109.2 million, increased by 41.6% YoY, supported by sales increased by 23.2% YoY, with growth from every product category and every sales channel, supported by higher consumer demand, new product launches, as well as additional sales from Indoguna (Thailand) Co., Ltd. ("Indoguna" or "IDG"), a new subsidiary the Company acquired in March 2022.

Key Milestones

In 2022, the Company's major raw material costs, which were mostly imported, e.g., butter oil, cheeses, and milk powder, as well as imported trading goods steadily increased throughout the year. This was due to the shortage of raw materials in the world market, the conflict between Russia and Ukraine, the depreciation of Thai baht, and the increase in energy and transportation costs. However, from the beginning of 2023, the cost of raw materials started to stabilize and decrease. Also, the Company's capacity utilization tends to increase significantly during Q3 and Q4 every year following the high sales season. The Company will thus benefit from economies of scale in the second half of the year.

Risk Management Policy

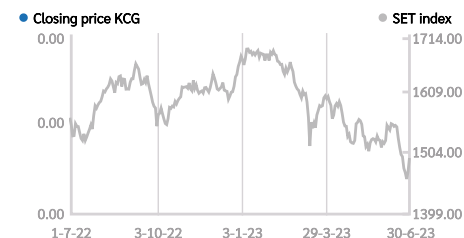
Recent Awards and Recognitions

- Accredited by Thai Labor Standard (TLS 8001:2563)
- A member of Thailand Trust Mark (T Mark) in 2023, certifying products and services from Thailand with world-class excellence including the quality production process, environmental and social responsibility, and labor standards.
- Received the GIP Plus Award in 2023 as an entrepreneur who imports products with transparency and enhances sustainability in health products.

Revenue Structure



Stock Information



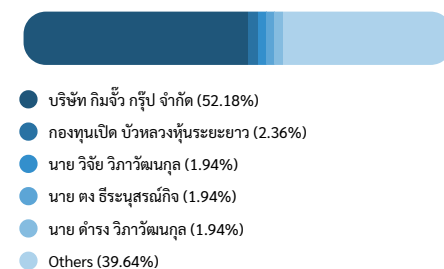
as of 30/06/23	KCG	FOOD	SET
P/E (X)	N/A	17.42	17.96
P/BV (X)	N/A	1.50	1.46
Dividend yield (%)	N/A	3.32	3.12
30/06/23			
Market Cap (MB)	N/A	N/A	N/A
Price (B/Share)	N/A	N/A	N/A
P/E (X)	N/A	N/A	N/A
P/BV (X)	N/A	N/A	N/A

CG Report: -

Company Rating:

Major Shareholders

as of 02/08/2023



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