

[KAOHOON INTERNATIONAL](#) / TACC Extends the Gain by 2.5% on Hemp-Related Business, KGI Gives "OP" Rating at Bt11


TACC Extends the Gain by 2.5% on Hemp-Related Business, KGI Gives "OP" Rating at Bt11

วันที่ 03/03/2021

TACC Extends the Gain by 2.5% on Potential Hemp-Related Business, KGI Gives "OP" Rating on a TP of Bt11.00/Share.

แชร์เรื่องนี้

[Facebook](#)
[Twitter](#)
[Line](#)

The share price of TACC rose **B0.20/share** or **2.48%** to trade at **B8.25/share** with a trading value of 201 million baht as of 10:35 local time in Thailand on Wednesday. TACC extended its gain after an **8.05%** spike yesterday.

KGI Securities has given an "Outperform" rating on T.A.C. Consumer Public Company Limited (TACC) with a target price at **B11.00/share** over the positive news from hemp-related business.

Yesterday, TACC announced that the company has signed an MoU with Thai Canatech Innovation and Phranakhon Rajabhat University to develop a hemp-related business for health and wellness products that is expected to launch by 2H21.

Following the report, KGI maintained its 2021 net profit forecast of **Bt222mn** (+17.2% YoY) for TACC. The security company rated the counter Outperform on TACC and raised 2021 target price to **Bt11.00** (based on 5-year average PE of 30.1x), from Bt8.00 (based on PE of 21.8x, the average of the food and beverage sector). KGI foresaw potential upside to our 2022F forecast from i) stronger-than-expected profitability (i.e. new high in gross margin of 35.6% in 4Q20), and ii) good cost and expense control. Moreover, TACC has a relatively high ROE at above 24%.

KGI pointed out that the company showed strong profitability despite the COVID-19 outbreak. This was supported by i) increases in high margin products (All Cafe contributed greater than 70% of total sales), ii) continued efficient cost management (i.e. lower raw material cost, good logistic costs and continued expansion of 7-Eleven stores), and iii) good SG&A expense control (14.7% in 4Q20, declining YoY and QoQ). All in the company delivered a strong earnings performance driven by margin enhancement through its good product mix and effective cost strategies.