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Obviously, T.A.C. Consumer Public Company Limited (**TACC**) is a small-cap stock, but its strategic partnership with Thailand's largest convenience store chain "7-Eleven" is very strong. TACC's net profit ended December, 2020 increased to 188.38 million baht with an EPS of 0.31 baht per share.

The increase in net profit was driven by the increase of gross margin in portion sale of product mix, and developed costing and operation efficiency.

Besides that, on March 2, 2021, TACC announced that the company has signed an MoU with Thai Cannatech Innovation Co., Ltd. (TCI) and Rajamangala University of Technology Phra Nakhon to develop hemp-related products such as food & beverage, cosmetic and dietary supplement for commercial and medicinal purposes under the concept of Health and Wellness which is expected to launch by the second half of this year.

Following the announcement, TACC's share price has responded in a positive way to reach its peak at ฿9.00/share, an increase of 47.54% since signed an MoU.

KTBST Securities (KTBST) was positive towards the recent partnership, maintaining 2021E net profit growth forecast at 25%. KTBST forecasted 2021E net profit to grow +25% to 236 million baht as 1) gross profit margin is estimated at 35%; and 2) revenue from 7-Eleven stores in Laos and Cambodia are expected to be 12 million baht.

In 2021E, TACC has sought a brownfield acquisition to support its beverage business. If the deal is struck in 1Q21, TACC will begin enjoying a contribution in 2Q21, which should bode well for gross profit margin. Therefore, reiterated a "BUY" rating with a target price of ฿11.60/share.