FINANSIA
FSS INTERNATIONAL INVESTMENT ADVISORY

EQUITY RESEARCH - REINITIATION REPORT

SRINANAPORN MARKETING   SNNP TB

THAILAND / FOOD & BEVERAGE

BUY

The king of snack food

- Expect record high 4Q22 profit of THB164m. In 1Q23, we forecast its net profit to continue to rise q-q and y-y, opposite to seasonality.

- Management set an aggressive 2023 Vietnam revenue target of THB1b (+60% y-y).

- Reinitiate coverage with a BUY call and a TP of THB29.

TARGET PRICE	**THB29.00**
CLOSE	**THB26.25**
UP/DOWNSIDE	**+10.5%**
TP vs CONSENSUS	**+5.2%**

Expect record high top and bottom lines in 4Q22

We have a positive view from the analyst meeting on 10 February 2023. We forecast SNNP's 4Q22 net profit to hit a record high of THB164m (+16% q-q, +41% y-y), due to 1) the high season; 2) the success of new products; and 3) a significant increase in Vietnam revenue. The gross margin should rise to 28.0% from 27.3% in 3Q22, and almost reach the 28.1% level in 4Q21, supported by a higher utilisation rate. Assuming in-line 4Q22 results, 2022 net profit should hit THB527m (+21% y-y).

Aggressive 2023 Vietnam revenue target

Management targets 2023 domestic revenue growth of 15% y-y, and has set an aggressive target for Vietnam revenue at THB1b (+60% y-y). In particular, the company is cooperating with its strategic distributor in Vietnam to expand into more sales channels nationwide. Regarding the new plant in Vietnam, its operations already started for Lotus in 4Q22, and the company plans to ramp up the utilisation rate with Bento and Jele in 2Q23 and 3Q23, respectively.

Continued solid growth expected in 2023

We forecast 1Q23 net profit to continue to rise q-q and y-y, opposite to seasonality, thanks to higher demand. We estimate 2023-24 revenue growth at 19% y-y and 13% y-y, respectively. Our gross margin assumptions for 2023-24 project an increase to 28.3% and 28.5% from 27.2% in 2022, due to 1) a higher utilisation rate for its Vietnam plant; and 2) its product mix from successful new products. Management has three strategies to improve the performance of its subsidiary, Siri Pro (SNNP holds a 30% stake). We assume Siri Pro's operations to break even by 4Q23, in line with management's target. Overall, we project SNNP's 2023-24 net profit at THB696m (+32% y-y) and THB806m (+16% y-y).

Reinitiate coverage with a BUY call for long-term investors

We reinitiate coverage of SNNP with a BUY call and a TP of THB29, based on 40x 2023E P/E, +2.5 SD of its five-year historical average. The share price has quickly rallied, rising by 31% 2023 YTD. We think its share price has partially reflected the solid growth factor expected this year. Currently, it is trading at 36x 2023E P/E, which has a limited upside at 10.5%. Therefore, we suggest the stock as a 'Trading Buy' for short-term investors, and Buy on weakness for long-term investors.

KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Revenue	4,358	5,521	6,566	7,411
Net profit	437	527	696	806
EPS (THB)	0.46	0.55	0.73	0.84
vs Consensus (%)	-	0.4	(1.1)	(8.2)
EBITDA	618	892	1,109	1,228
Core net profit	308	527	696	806
Core EPS (THB)	0.32	0.55	0.73	0.84
EPS growth (%)	146.5	70.9	32.1	15.7

Core P/E (x)	81.7	47.8	36.2	31.3
Dividend yield (%)	0.9	1.1	1.4	1.7
EV/EBITDA (x)	41.0	28.5	22.7	20.2
Price/book (x)	8.9	8.5	7.7	6.9
Net debt/Equity (%)	(4.3)	(1.7)	(8.9)	(20.2)
ROE (%)	20.2	18.2	22.3	23.1
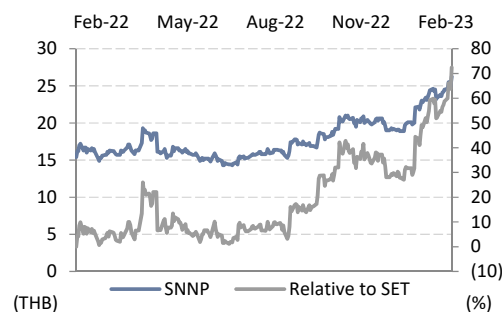
Share price performance	1 Month	3 Month	12 Month
Absolute (%)	20.4	34.6	67.2
Relative to country (%)	21.7	32.4	70.7

Mkt cap (USD m)	747
3m avg. daily turnover (USD m)	4.0
Free float (%)	34
Major shareholder	Concord I. Capital Limited (21%)
12m high/low (THB)	26.50/14.10
Issued shares (m)	960.00

Sources: Bloomberg consensus; FSSIA estimates

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Investment thesis

SNNP is one of Thailand's leading producers and distributors of snacks and jelly with three famous brands; Bento (fish and squid products), Jele (jelly), and Lotus (stick biscuit). In 9M22, its revenue contributions from domestic/CLMV/the rest of the world were 75%/19%/6%.

We estimate SNNP's 2023-24 net profit to reach THB696m (+32% y-y) and THB806m (+16% y-y), respectively. Key drivers would be 1) a significant increase in Vietnam revenue after ramping up its new plant's utilisation rate; 2) the success of new products and expansions in new markets; and 3) a higher gross margin from the economies of scale.

Company profile

SNNP was founded in 1972 under the name of Sri Viwat. The company has been a manufacturer and distributor of snack foods for more than 30 years. It has many product categories with a lot of variety, such as jelly, fruit juice with carrageenan and konjac powder, fish and squid products, fruit and herb drinks, etc.

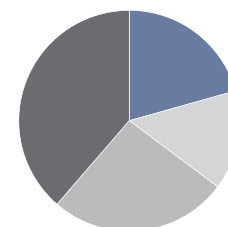www.snnp.co.th

Principal activities (revenue, 2021)

- Beverage - 42.7 %
- Snack - 55.3 %
- Distribution other product - 1.9 %
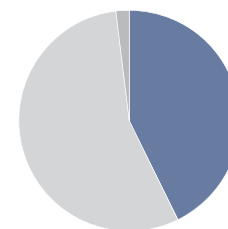
Source: Srinanaporn Marketing

Major shareholders

- Concord I. Capital Limited - 20.6 %
- Ascend I. Holding Company Limited - 14.6 %
- Chaisathaporn family - 26.1 %
- Others - 38.7 %

Source: Srinanaporn Marketing

Catalysts

Potential catalysts for SNNP's earnings growth in 2023 are 1) domestic revenue growth driven by new products; 2) overseas revenue growth driven by its new plant and a channel expansion in Vietnam; and 3) a higher gross margin, supported by a higher utilisation rate.

Risks to our call

Downside risks to our P/E-based TP include 1) a slower-than-expected consumption recovery; 2) a potential rise in raw material costs; 3) a slower-than-expected capacity expansion; and 4) unsuccessful new products.

Event calendar

Date	Event
21 Feb-23	4Q22 results announcement
22 Feb-23	Analyst meeting
7 Mar-23	Opportunity Day via SET website

Key assumptions

	2022E	2023E	2024E
Domestic revenue (THB m)	4,082	4,695	5,258
Overseas revenue (THB m)	1,440	1,872	2,152
Total revenue (THB m)	5,521	6,566	7,411
Total revenue growth (%)	26.7	18.9	12.9
Gross margin (%)	27.2	28.3	28.5
SG&A to sales (%)	15.9	15.8	15.8

Source: FSSIA estimates

## Earnings sensitivity

- For every 1% increase in revenue, we estimate 2023 net profit to rise by 0.8%, and vice versa, all else being equal.

- For every 0.5% increase in GPM, we estimate 2023 net profit to rise by 3.8%, and vice versa, all else being equal.

- For every 0.2% increase in SG&A, we estimate 2023 net profit to fall by 1.6%, and vice versa, all else being equal.

Source: FSSIA estimates

Exhibit 1: Revenue breakdown by product in 9M22

Snack
55.0%

Beverage
45.0%
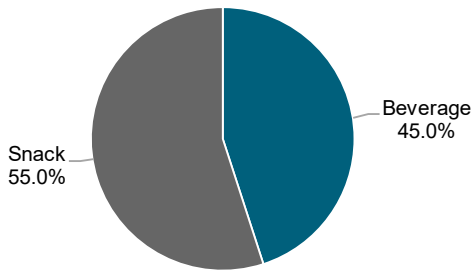
Source: SNNP

Exhibit 2: Revenue breakdown by geography in 9M22

Overseas
25.0%

Domestic
75.0%
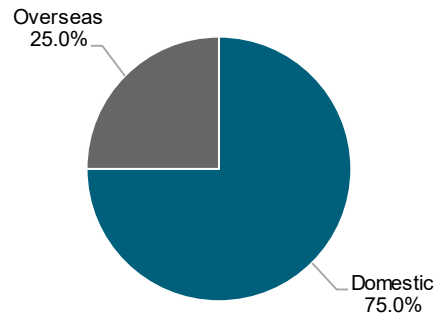
Source: SNNP

Exhibit 3: Revenue breakdown by channel in 9M22

Traditional
Trade
42.0%

Modern
Trade
58.0%
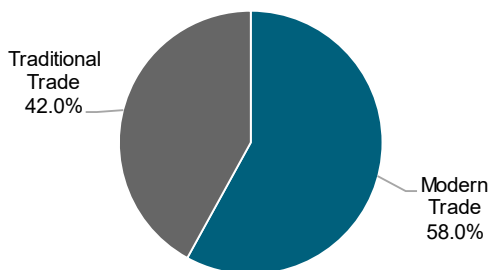
Source: SNNP

Exhibit 4: Revenue breakdown by export destination in 9M22

Rest of the
world (c35
countries)
24.0%
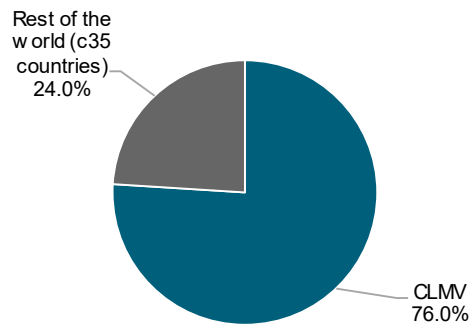
CLMV
76.0%

Source: SNNP

Exhibit 5: Revenue growth from CLMV in 9M22

Myanmar
▲ 35% YoY

Vietnam
▲ 108% YoY

▲ 19% YoY

Laos

Thailand

Cambodia
▲ 61% YoY
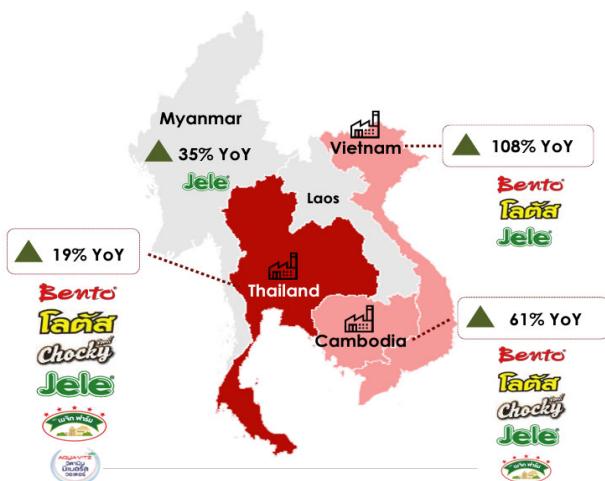
Source: SNNP

Exhibit 6: Revenue growth from the rest of the world in 9M22

▲ 33% YoY

Source: SNNP

Expect record high top and bottom lines in 4Q22

We forecast total revenue in 4Q22 to hit a record high of THB1.6b (+9% q-q, +32% y-y), due to 1) the high season; 2) the success of new products; and 3) a significant increase in Vietnam revenue. The gross margin should rise to 28.0% in 4Q22 from 27.3% in 3Q22, and almost reach the 28.1% level in 4Q21, supported by a higher utilisation rate. Marketing expenses should increase from new product promotions and Bento's new presenter, but we think this could be offset by higher revenue growth. We estimate 4Q22 SG&A to sales to equal 3Q22's 16%, but slightly decrease from 16.3% in 4Q21.

Overall, we expect SNNP's 4Q22 net profit to hit a record high of THB164m (+16% q-q, +41% y-y). Assuming in-line 4Q22 results, its 2022 net profit should rise to THB527m (+21% y-y).

Exhibit 7: 4Q22 results preview

|	4Q21	1Q22	2Q22	3Q22	4Q22E	-------- Change --------		2021	2022E	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)
Sales	1,210	1,133	1,323	1,468	1,597	8.8	32.0	4,358	5,521	26.7
Cost of sales	870	823	978	1,067	1,150	7.7	32.2	3,209	4,018	25.2
Gross profit	340	310	345	400	447	11.7	31.4	1,149	1,504	30.9
SG&A	197	179	210	235	256	8.7	29.5	737	879	19.3
Operating profit	155	142	152	184	211	14.2	36.3	445	689	54.8
Interest expense	0.25	0.18	0.15	0.29	0.30	3.4	20.0	40.3	0.9	(97.7)
Tax expense	32	29	30	36	41	12.6	26.9	86	136	58.8
Profit (loss) sharing	(6)	(8)	(6)	(6)	(5)	(9.1)	(13.5)	(26)	(25)	nm
Reported net profit	116	105	116	142	164	15.6	41.4	437	527	20.6
Core profit	116	105	116	142	164	15.6	41.4	308	527	70.9
Key Ratio (%)						(ppt)	(ppt)			
Gross margin	28.1	27.4	26.1	27.3	28.0	0.7	(0.1)	26.4	27.2	0.9
SG&A / Sales	16.3	15.8	15.8	16.0	16.0	(0.0)	(0.3)	16.9	15.9	(1.0)
Operating margin	12.8	12.6	11.5	12.6	13.2	0.6	0.4	10.2	12.5	2.3
Net margin	9.6	9.3	8.8	9.7	10.3	0.6	0.7	10.0	9.5	(0.5)
Core margin	9.6	9.3	8.8	9.7	10.3	0.6	0.7	7.1	9.5	2.5
Operating Statistics (THB m)										
Domestic revenue	865	899	967	1,075	1,142	6.2	32.0	3,423	4,082	19.3
Overseas revenue	345	235	356	393	456	15.9	32.0	936	1,440	53.8

Sources: SNNP, FSSIA estimates

Exhibit 8: Quarterly total revenue
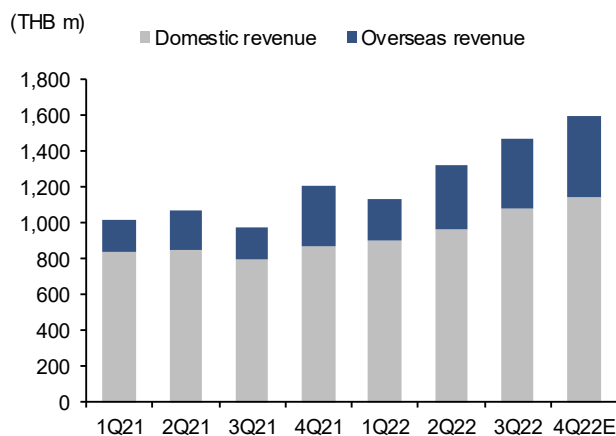
Sources: SNNP, FSSIA estimates

Exhibit 9: Quarterly net profit

Sources: SNNP, FSSIA estimates

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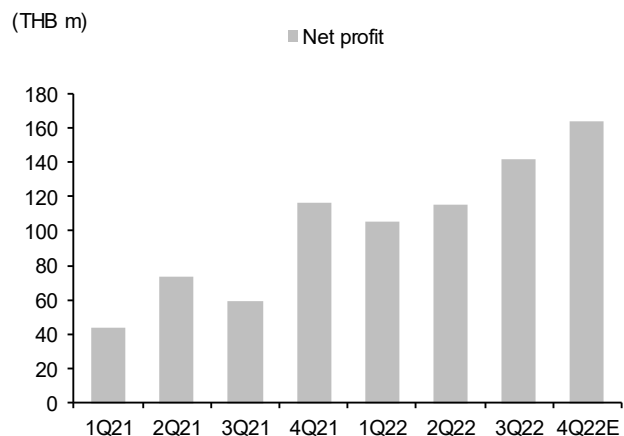
Exhibit 10: New products launched in 4Q22

Source: SNNP

Solid growth to continue in 2023, driven by Vietnam

We have a positive view from the analyst meeting on 10 February 2023. In the short term, we forecast SNNP's 1Q23 net profit to continue to rise q-q and y-y, opposite to seasonality, thanks to higher demand from both domestic and overseas markets. Management targets 2023 domestic revenue growth of 15% y-y, and has set an aggressive target for Vietnam revenue at THB1b (+60% y-y). In particular, the company is cooperating with its strategic distributor in Vietnam to expand into more sales channels nationwide.

Regarding the new plant in Vietnam, its operations already started for Lotus in 4Q22, and the company plans to ramp up the utilisation rate with Bento and Jele in 2Q23 and 3Q23, respectively. We expect SNNP's Vietnam revenue to grow significantly in 2H23. Meanwhile, the company plans to launch more bulk packaged products for tourists to increase the utilisation rate in Thailand as a substitute for the production that was moved to Vietnam. Therefore, we estimate 2023-24 revenue growth at 19% y-y and 13% y-y, respectively.

Our gross margin assumptions for 2023-24 project an increase to 28.3% and 28.5%, respectively, from 27.2% in 2022, due to 1) a higher utilisation rate for its Vietnam plant; 2) the low-priced raw materials in Vietnam should support a profitability improvement; and 3) its product mix from successful new products.

Management has three strategies to improve the performance of its subsidiary, Siri Pro (SNNP holds a 30% stake). These strategies consist of 1) the Boonrawd group – which holds a 70% stake in Siri Pro – adding more snack products to Siri Pro's portfolio; 2) Siri Pro expanding to new customer segments; and 3) lower expenses via cost control management. We assume Siri Pro's operations to break even by 4Q23, in line with management's target. Overall, we project SNNP's 2023-24 net profit to be at THB696m (+32% y-y) and THB806m (+16% y-y).

Exhibit 11: Key assumptions for SNNP

Assumptions	------------- Forecast -------------			------------ % Growth ------------		
	2022E	2023E	2024E	2022E	2023E	2024E
Domestic revenue (THB m)	4,082	4,695	5,258	19.3	15.0	12.0
Overseas revenue (THB m)	1,440	1,872	2,152	53.8	30.0	15.0
Vietnam revenue (THB m)	625	844	1,013	104.9	35.0	20.0
Total revenue (THB m)	5,521	6,566	7,411	26.7	18.9	12.9
Gross profit (THB m)	1,504	1,858	2,112	30.9	23.6	13.7
Gross margin (%)	27.2	28.3	28.5	0.9	1.1	0.2
SG&A expenses (THB m)	879	1,037	1,171	19.3	18.0	12.9
SG&A to sales (%)	15.9	15.8	15.8	(1.0)	(0.1)	0.0
Profit (loss) sharing (THB m)	(25)	(15)	7	nm	nm	nm
Reported net profit (THB m)	527	696	806	20.6	32.1	15.7
Net margin (%)	9.5	10.6	10.9	(0.5)	1.1	0.3
Core profit (THB m)	527	696	806	70.9	32.1	15.7
Core margin (%)	9.5	10.6	10.9	2.5	1.1	0.3

Source: FSSIA estimates
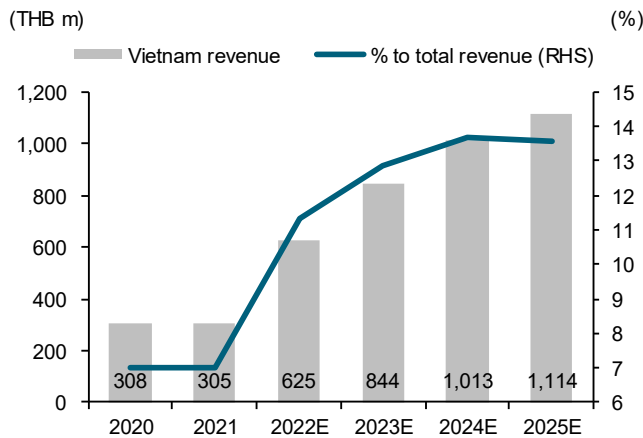
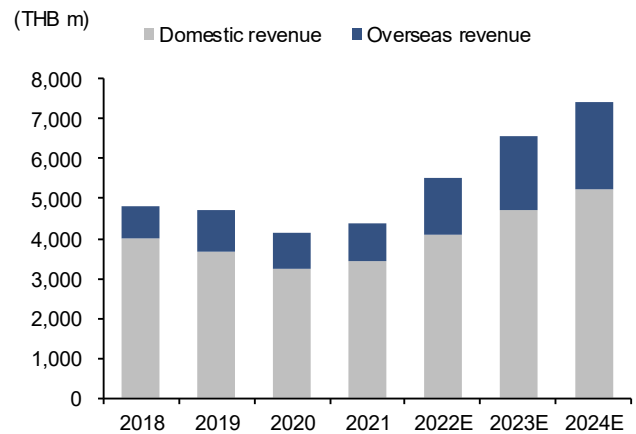**Exhibit 12: Vietnam plant's progress update**

Source: SNNP

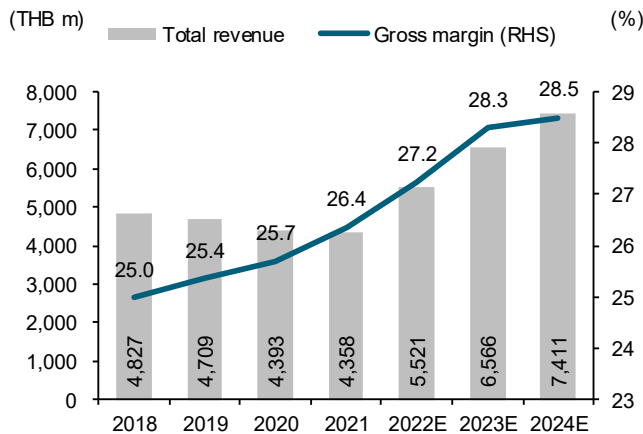**Exhibit 13: Vietnam revenue**

Sources: SNNP, FSSIA estimates

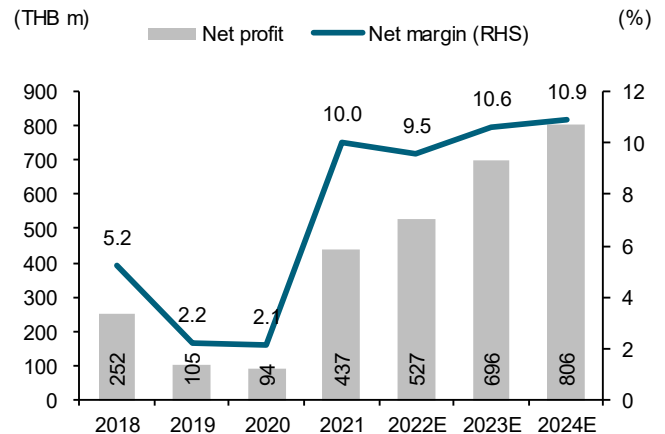**Exhibit 14: Domestic and overseas revenue**

Sources: SNNP, FSSIA estimates

Exhibit 15: Total revenue and gross margin (%)

Sources: SNNP, FSSIA estimates

Exhibit 16: Net profit and net profit margin
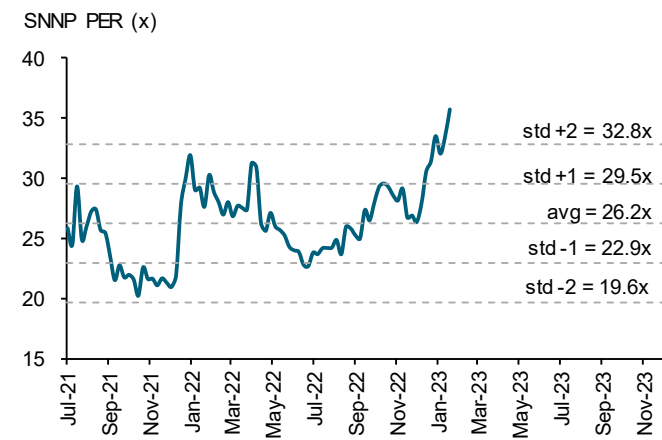

Sources: SNNP, FSSIA estimates

Valuations

We reinitiate our coverage of SNNP with a BUY recommendation and TP of THB29, based on 40x 2023E P/E, +2.5 SD of its five-year historical average. The share price has quickly rallied, rising by 31% 2023 YTD. We think its share price has partially reflected the solid growth factor expected this year. Currently, it is trading at 36x 2023E P/E, which has a limited upside at 10.5%. Therefore, we suggest the stock as a 'Trading Buy' for short-term investors, and Buy on weakness for long-term investors.

Exhibit 17: Peers comparison as of 10 Feb-23

Company	BBG	Rec	---------- Share price ----------			Market Cap	---- PE ----		---- ROE ----		---- PBV ---		--- EV/ EBITDA ---	
			Current	Target	Upside		22E	23E	22E	23E	22E	23E	22E	23E
			(LCY)	(LCY)	(%)	(USD m)	(x)	(x)	(%)	(%)	(x)	(x)	(x)	(x)
Thailand														
Srinanaporn Marketing*	SNNP TB	BUY	26.25	29.00	10	747	47.8	36.2	18.2	22.3	8.5	7.7	28.5	22.7
NSL Foods*	NSL TB	BUY	25.75	26.00	1	229	26.3	22.5	22.9	25.5	5.9	5.6	15.1	13.0
Osotspa	OSP TB	n/a	28.50	n/a	n/a	2,510	41.6	30.8	10.5	14.1	4.4	4.3	21.2	18.0
Carabao Group	CBG TB	n/a	100.50	n/a	n/a	2,988	39.1	32.8	23.9	26.6	9.2	8.8	28.3	24.3
Sappe	SAPPE TB	n/a	52.00	n/a	n/a	472	24.4	21.8	21.0	22.3	5.1	4.7	14.0	12.9
Chinhuay	CH TB	n/a	4.40	n/a	n/a	101	30.4	25.1	6.1	6.4	2.7	2.5	18.2	15.4
Ichitan Group	ICHI TB	n/a	12.30	n/a	n/a	469	25.3	21.0	10.3	12.1	2.6	2.5	11.6	10.4
R&B Food Supply	RBF TB	n/a	12.80	n/a	n/a	769	52.4	35.7	11.3	15.2	5.9	5.6	30.1	22.7
NR Instant Produce	NRF TB	n/a	5.90	n/a	n/a	245	68.8	35.5	3.6	6.1	2.8	2.6	22.1	19.2
Taokaenoi Food & Marketing	TKN TB	n/a	11.40	n/a	n/a	461	35.9	30.1	21.0	23.3	7.1	6.8	21.6	18.6
Thailand average						**8,991**	**39.2**	**29.1**	**14.9**	**17.4**	**5.4**	**5.1**	**21.1**	**17.7**
Regional														
Nayuki Holdings	2150 HK	n/a	6.07	n/a	n/a	1,344	n/a	46.9	(5.9)	2.5	2.0	1.8	17.9	5.9
Dali Foods Group	3799 HK	n/a	3.45	n/a	n/a	5,984	12.1	10.7	16.9	17.6	2.0	1.8	6.1	5.4
Komeda Holdings	3543 JP	n/a	2,339	n/a	n/a	818	21.6	19.8	13.7	13.9	2.9	2.7	16.5	15.2
Bestore	603719 CH	n/a	37.55	n/a	n/a	2,296	42.2	35.1	15.1	16.2	6.4	5.6	25.8	22.0
Chacha Food	002557 CH	n/a	47.76	n/a	n/a	3,564	23.9	20.2	19.0	19.4	4.5	3.9	16.7	14.3
Samyang Foods	003230 KS	n/a	128,700	n/a	n/a	760	10.8	10.4	21.2	18.6	2.1	1.8	9.9	8.2
Pepsico	PEP US	n/a	176.20	n/a	n/a	242,672	26.0	24.3	52.7	54.3	12.7	12.5	18.4	16.9
Utz Brands	UTZ US	n/a	16.28	n/a	n/a	2,282	31.9	30.2	5.0	4.8	2.1	2.1	23.5	21.5
J&J Snack Foods	JJSF US	n/a	140.65	n/a	n/a	2,705	55.6	33.9	n/a	n/a	n/a	n/a	22.9	15.9
Regional average						**262,424**	**28.0**	**25.7**	**17.2**	**18.4**	**4.3**	**4.0**	**17.5**	**13.9**
Total average						**271,415**	**34.2**	**27.5**	**15.9**	**17.8**	**4.9**	**4.6**	**19.4**	**15.9**

Sources: Bloomberg, *FSSIA estimates

Exhibit 18: Historical P/E band

SNNP PER (x)

std +2 = 32.8x
std +1 = 29.5x
avg = 26.2x
std -1 = 22.9x
std -2 = 19.6x

Sources: Bloomberg, FSSIA estimates

Exhibit 19: Historical P/BV Band

SNNP PBV (x)

std +2 = 6.8x
std +1 = 5.9x
avg = 4.9x
std -1 = 4x
std -2 = 3x

Sources: Bloomberg, FSSIA estimates

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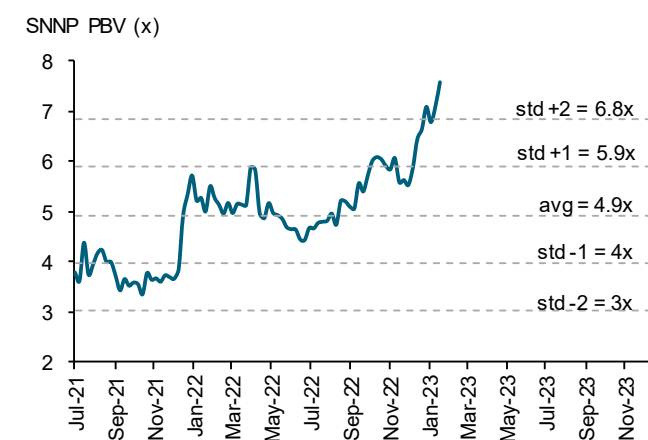
Financial Statements
Srinanaporn Marketing

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Revenue	4,393	4,358	5,521	6,566	7,411
Cost of goods sold	(3,058)	(3,036)	(3,815)	(4,485)	(5,071)
Gross profit	**1,335**	**1,321**	**1,706**	**2,081**	**2,340**
Other operating income	43	33	64	66	59
Operating costs	(997)	(737)	(879)	(1,037)	(1,171)
Operating EBITDA	**381**	**618**	**892**	**1,109**	**1,228**
Depreciation	(206)	(173)	(203)	(223)	(228)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	**175**	**445**	**689**	**886**	**1,000**
Net financing costs	(81)	(40)	(1)	(1)	(1)
Associates	0	(26)	(25)	(15)	7
Recurring non-operating income	0	(26)	(25)	(15)	7
Non-recurring items	0	129	0	0	0
Profit before tax	**94**	**507**	**663**	**871**	**1,007**
Tax	(19)	(86)	(136)	(174)	(201)
Profit after tax	**74**	**422**	**527**	**696**	**806**
Minority interests	20	16	0	0	0
Preferred dividends	0	0	0	0	0
Other items	0	0	0	0	0
Reported net profit	**94**	**437**	**527**	**696**	**806**
Non-recurring items & goodwill (net)	0	(129)	0	0	0
Recurring net profit	**94**	**308**	**527**	**696**	**806**
Per share (THB)					
Recurring EPS *	0.13	0.32	0.55	0.73	0.84
Reported EPS	0.13	0.46	0.55	0.73	0.84
DPS	0.00	0.24	0.28	0.38	0.44
Diluted shares (used to calculate per share data)	720	960	960	960	960
Growth					
Revenue (%)	(6.7)	(0.8)	26.7	18.9	12.9
Operating EBITDA (%)	9.4	62.1	44.4	24.4	10.7
Operating EBIT (%)	(11.3)	154.6	54.8	28.7	12.9
Recurring EPS (%)	(10.4)	146.5	70.9	32.1	15.7
Reported EPS (%)	(15.4)	249.4	20.6	32.1	15.7
Operating performance					
Gross margin inc. depreciation (%)	25.7	26.4	27.2	28.3	28.5
Gross margin of key business (%)	25.7	26.4	27.2	28.3	28.5
Operating EBITDA margin (%)	8.7	14.2	16.1	16.9	16.6
Operating EBIT margin (%)	4.0	10.2	12.5	13.5	13.5
Net margin (%)	2.1	7.1	9.5	10.6	10.9
Effective tax rate (%)	20.8	16.9	20.5	20.0	20.0
Dividend payout on recurring profit (%)	-	74.7	51.0	52.0	52.0
Interest cover (X)	2.2	10.4	721.9	1,131.6	1,450.1
Inventory days	50.0	49.9	43.4	43.8	44.4
Debtor days	92.4	90.3	82.2	82.8	84.9
Creditor days	116.7	110.8	94.6	97.3	98.7
Operating ROIC (%)	5.3	12.9	18.8	22.8	25.5
ROIC (%)	4.8	11.4	16.6	20.6	23.4
ROE (%)	53.8	20.2	18.2	22.3	23.1
ROA (%)	3.4	8.0	12.0	14.1	14.5
* Pre-exceptional, pre-goodwill and fully diluted					

Revenue by Division (THB m)	2020	2021	2022E	2023E	2024E
Beverage	1,790	1,862	2,234	2,681	2,949
Snack	2,362	2,411	3,287	3,885	4,461
Distribution other product	241	85			

Sources: Srinanaporn Marketing; FSSIA estimates

Financial Statements
Srinanaporn Marketing

Cash Flow (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Recurring net profit	94	308	527	696	806
Depreciation	206	173	203	223	228
Associates & minorities	0	26	25	15	(7)
Other non-cash items	(18)	14	23	52	42
Change in working capital	152	(156)	(112)	(148)	(117)
Cash flow from operations	**434**	**365**	**665**	**838**	**951**
Capex - maintenance	-	-	-	-	-
Capex - new investment	(539)	(4)	(440)	(200)	(50)
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	331	(154)	(50)	(36)	(9)
Cash flow from investing	**(208)**	**(158)**	**(490)**	**(236)**	**(59)**
Dividends paid	-	(98)	(269)	(362)	(419)
Equity finance	0	2,138	0	0	0
Debt finance	(292)	(2,308)	140	(15)	(15)
Other financing cash flows	7	50	16	26	21
Cash flow from financing	**(285)**	**(218)**	**(113)**	**(351)**	**(413)**
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	**0**	**0**	**0**	**0**	**0**
Movement in cash	**(59)**	**(11)**	**63**	**251**	**479**
Free cash flow to firm (FCFF)	307.08	246.99	176.11	602.83	892.67
Free cash flow to equity (FCFE)	(58.83)	(2,051.27)	331.33	613.18	898.07

Per share (THB)					
FCFF per share	0.32	0.26	0.18	0.63	0.93
FCFE per share	(0.06)	(2.14)	0.35	0.64	0.94
Recurring cash flow per share	0.39	0.54	0.81	1.03	1.11

Balance Sheet (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Tangible fixed assets (gross)	3,293	3,394	3,694	3,894	3,944
Less: Accumulated depreciation	(1,060)	(1,189)	(1,392)	(1,615)	(1,842)
Tangible fixed assets (net)	**2,233**	**2,204**	**2,302**	**2,279**	**2,101**
Intangible fixed assets (net)	**28**	**23**	**23**	**23**	**23**
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	0	137	137	137	137
Cash & equivalents	173	162	225	476	955
A/C receivable	1,031	1,126	1,361	1,619	1,827
Inventories	418	412	495	580	653
Other current assets	3	2	3	1	1
Current assets	**1,625**	**1,702**	**2,084**	**2,676**	**3,436**
Other assets	89	85	110	131	148
Total assets	**3,976**	**4,152**	**4,657**	**5,246**	**5,846**
Common equity	221	2,838	2,956	3,290	3,677
Minorities etc.	239	253	276	328	371
Total shareholders' equity	**460**	**3,091**	**3,232**	**3,619**	**4,048**
Long term debt	721	13	154	139	124
Other long-term liabilities	73	122	138	164	185
Long-term liabilities	**794**	**135**	**292**	**303**	**309**
A/C payable	968	877	1,101	1,290	1,452
Short term debt	1,744	16	15	15	15
Other current liabilities	11	34	17	20	22
Current liabilities	**2,722**	**927**	**1,132**	**1,325**	**1,489**
Total liabilities and shareholders' equity	**3,976**	**4,152**	**4,657**	**5,246**	**5,846**
Net working capital	473	630	742	891	1,007
Invested capital	2,825	3,080	3,315	3,461	3,417
* Includes convertibles and preferred stock which is being treated as debt					

Per share (THB)					
Book value per share	0.31	2.96	3.08	3.43	3.83
Tangible book value per share	0.27	2.93	3.06	3.40	3.81

Financial strength					
Net debt/equity (%)	497.8	(4.3)	(1.7)	(8.9)	(20.2)
Net debt/total assets (%)	57.6	(3.2)	(1.2)	(6.1)	(14.0)
Current ratio (x)	0.6	1.8	1.8	2.0	2.3
CF interest cover (x)	6.9	(49.8)	839.3	1,057.1	1,365.1

Valuation	2020	2021	2022E	2023E	2024E
Recurring P/E (x) *	**201.4**	**81.7**	**47.8**	**36.2**	**31.3**
Recurring P/E @ target price (x) *	**222.5**	**90.3**	**52.8**	**40.0**	**34.6**
Reported P/E (x)	201.4	57.6	47.8	36.2	31.3
Dividend yield (%)	-	0.9	1.1	1.4	1.7
Price/book (x)	85.5	8.9	8.5	7.7	6.9
Price/tangible book (x)	98.2	9.0	8.6	7.7	6.9
EV/EBITDA (x) **	56.3	41.0	28.5	22.7	20.2
EV/EBITDA @ target price (x) **	61.5	45.3	31.5	25.1	22.3
EV/invested capital (x)	7.6	8.2	7.7	7.3	7.2
* Pre-exceptional, pre-goodwill and fully diluted ** EBITDA includes associate income and recurring non-operating income					

Sources: Srinanaporn Marketing; FSSIA estimates

Corporate Governance report of Thai listed companies 2022

EXCELLENT LEVEL – Score range 90-100

AAV	BAM	CIMBT	ECL	HENG	LALIN	NEP	PRG	SCC	SPRC	THRE	TTW
ADVANC	BANPU	CK	EE	HMPRO	LANNA	NER	PRM	SCCC	SPVI	THREL	TU
AF	BAY	CKP	EGCO	ICC	LHFG	NKI	PSH	SCG	SSC	TIPCO	TVDH
AH	BBIK	CM	EPG	ICHI	LIT	NOBLE	PSL	SCGP	SSSC	TISCO	TVI
AIRA	BBL	CNT	ETC	III	LOXLEY	NSI	PTG	SCM	SST	TK	TVO
AJ	BCP	COLOR	ETE	ILINK	LPN	NVD	PTT	SCN	STA	TKN	TWPC
AKP	BCPG	COM7	FN	ILM	LRH	NYT	PTTEP	SDC	STEC	TKS	UAC
AKR	BDMS	COMAN	FNS	IND	LST	OISHI	PTTGC	SEAFCO	STGT	TKT	UBIS
ALLA	BEM	COTTO	FPI	INTUCH	MACO	OR	PYLON	SEAOIL	STI	TMILL	UPOIC
ALT	BEYOND	CPALL	FPT	IP	MAJOR	ORI	Q-CON	SE-ED	SUN	TMT	UV
AMA	BGC	CPF	FSMART	IRC	MAKRO	OSP	QH	SELIC	SUSCO	TNDT	VCOM
AMARIN	BGRIM	CPI	FVC	IRPC	MALEE	OTO	QTC	SENA	SUTHA	TNITY	VGI
AMATA	BIZ	CPN	GC	ITEL	MBK	PAP	RABBIT	SENAJ	SVI	TOA	VIH
AMATAV	BKI	CRC	GEL	IVL	MC	PCSGH	RATCH	SGF	SYMC	TOP	WACOAL
ANAN	BOL	CSS	GFPT	JTS	MCOT	PDG	RBF	SHR	SYNTEC	TPBI	WAVE
AOT	BPP	DDD	GGC	JWD	METCO	PDJ	RS	SICT	TACC	TQM	WHA
AP	BRR	DELTA	GLAND	K	MFEC	PG	S	SIRI	TASCO	TRC	WHAUP
APURE	BTS	DEMCO	GLOBAL	KBANK	MINT	PHOL	S&J	SIS	TCAP	TRUE	WICE
ARIP	BTW	DOHOME	GPI	KCE	MONO	PLANB	SAAM	SITHAI	TEAMG	TSC	WINNER
ASP	BWG	DRT	GPSC	KEX	MOONG	PLANET	SABINA	SMPC	TFMAMA	TSR	XPG
ASW	CENTEL	DTAC	GRAMMY	KGI	MSC	PLAT	SAMART	SNC	THANA	TSTE	ZEN
AUCT	CFRESH	DUSIT	GULF	KKP	MST	PORT	SAMTEL	SONIC	THANI	TSTH	
AWC	CGH	EA	GUNKUL	KSL	MTC	PPS	SAT	SORKON	THCOM	TTA	
AYUD	CHEWA	EASTW	HANA	KTB	MVP	PR9	SC	SPALI	THG	TTB	
BAFS	CHO	ECF	HARN	KTC	NCL	PREB	SCB	SPI	THIP	TTCL	

VERY GOOD LEVEL – Score range 80-89

2S	ASIMAR	CHOTI	ESSO	INSURE	LH	NRF	PROEN	SCI	SR	TMC	UMI
7UP	ASK	CHOW	ESTAR	IRCP	LHK	NTV	PROS	SCP	SRICHA	TMD	UOBKH
ABM	ASN	CI	FE	IT	M	NUSA	PROUD	SE	SSF	TMI	UP
ACE	ATP30	CIG	FLOYD	ITD	MATCH	NWR	PSG	SECURE	SSP	TNL	UPF
ACG	B	CITY	FORTH	J	MBAX	OCC	PSTC	SFLEX	STANLY	TNP	UTP
ADB	BA	CIVIL	FSS	JAS	MEGA	OGC	PT	SFP	STC	TNR	VIBHA
ADD	BC	CMC	FTE	JCK	META	ONEE	PTC	SFT	STPI	TOG	VL
AEONTS	BCH	CPL	GBX	JCKH	MFC	PACO	QLT	SGP	SUC	TPA	VPO
AGE	BE8	CPW	GCAP	JMT	MGT	PATO	RCL	SIAM	SVOA	TPAC	VRANDA
AHC	BEC	CRANE	GENCO	JR	MICRO	PB	RICHY	SINGER	SVT	TPCS	WGE
AIE	BH	CRD	GJS	KBS	MILL	PICO	RJH	SKE	SWC	TPIPL	WIIK
AIT	BIG	CSC	GTB	KCAR	MITSIB	PIMO	ROJNA	SKN	SYNEX	TPIPP	WIN
ALUCON	BJC	CSP	GYT	KGEN	MK	PIN	RPC	SKR	TAE	TPLAS	WINMED
AMANAH	BJCHI	CV	HEMP	KIAT	MODERN	PJW	RT	SKY	TAKUNI	TPS	WORK
AMR	BLA	CWT	HPT	KISS	MTI	PL	RWI	SLP	TCC	TQR	WP
APCO	BR	DCC	HTC	KK	NATION	PLE	S11	SMART	TCMC	TRITN	XO
APCS	BRI	DHOUSE	HUMAN	KOOL	NCAP	PM	SA	SMD	TFG	TRT	YUASA
AQUA	BROOK	DITTO	HYDRO	KTIS	NCH	PMTA	SABUY	SMIT	TFI	TRU	ZIGA
ARIN	BSM	DMT	ICN	KUMWEL	NDR	PPP	SAK	SMT	TFM	TRV	
ARROW	BYD	DOD	IFS	KUN	NETBAY	PPPM	SALEE	SNNP	TGH	TSE	
AS	CBG	DPAINT	IIG	KWC	NEX	PRAPAT	SAMCO	SNP	TIDLOR	TVT	
ASAP	CEN	DV8	IMH	KWM	NINE	PRECHA	SANKO	SO	TIGER	TWP	
ASEFA	CHARAN	EASON	INET	L&E	NNCL	PRIME	SAPPE	SPA	TIPH	UBE	
ASIA	CHAYO	EFORL	INGRS	LDC	NOVA	PRIN	SAWAD	SPC	TITLE	UEC	
ASIAN	CHG	ERW	INSET	LEO	NPK	PRINC	SCAP	SPCG	TM	UKEM	

GOOD LEVEL – Score range 70-79

A	BEAUTY	CMAN	EMC	HL	KWI	MORE	PF	RSP	SUPER	TOPP	VARO
A5	BGT	CMO	EP	HTECH	KYE	MPIC	PK	SIMAT	TC	TPCH	W
AI	BLAND	CMR	EVER	IHL	LEE	MUD	PPM	SISB	TCCC	TPOLY	WFX
ALL	BM	CPANEL	F&D	INOX	LPH	NC	PRAKIT	SK	TCJ	TRUBB	WPH
ALPHAX	BROCK	CPT	FMT	JAK	MATI	NEWS	PTECH	SOLAR	TEAM	TTI	YGG
AMC	BSBM	CSR	GIFT	JMART	M-CHAI	NFC	PTL	SPACK	THE	TYCN	
APP	BTNC	CTW	GLOCON	JSP	MCS	NSL	RAM	SPG	THMUI	UMS	
AQ	CAZ	D	GLORY	JUBILE	MDX	NV	ROCK	SQ	TKC	UNIQ	
AU	CCP	DCON	GREEN	KASET	MENA	PAF	RP	STARK	TNH	UPA	
B52	CGD	EKH	GSC	KCM	MJD	PEACE	RPH	STECH	TNPC	UREKA	

Disclaimer:
The disclosure of the survey results 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 evaluation 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 results may be changed after that date. FSS International Investment Advisory Company Limited does not confirm nor certify the accuracy of such survey results.

* CGR scoring should be considered with news regarding wrong doing of the company or director or executive of the company such unfair practice on securities trading, fraud, and corruption SEC imposed a civil sanction against insider trading of director and executive

Sources: Thai Institute of Directors Association (IOD); FSSIA's compilation; data as of 26 October 2021

Anti-corruption Progress Indicator

CERTIFIED										
2S	BCPG	CPI	GCAP	JR	MCOT	PHOL	RABBIT	SNC	THANI	TTCL
7UP	BE8	CPL	GEL	K	META	PK	RATCH	SNP	THCOM	TU
ADVANC	BEC	CPN	GFPT	KASET	MFC	PL	RML	SORKON	THIP	TVDH
AF	BEYOND	CRC	GGC	KBANK	MFEC	PLANB	RWI	SPACK	THRE	TVI
AI	BGC	CSC	GJS	KBS	MILL	PLANET	S&J	SPALI	THREL	TVO
AIE	BGRIM	DCC	GPI	KCAR	MINT	PLAT	SAAM	SPC	TIDLOR	TWPC
AIRA	BKI	DELTA	GPSC	KCE	MONO	PM	SABINA	SPI	TIPCO	UBE
AJ	BLA	DEMCO	GSTEEL	KGEN	MOONG	PPP	SAPPE	SPRC	TISCO	UBIS
AKP	BPP	DIMET	GULF	KGI	MSC	PPPM	SAT	SRICHA	TKS	UEC
AMA	BROOK	DRT	GUNKUL	KKP	MST	PPS	SC	SSF	TKT	UKEM
AMANAH	BRR	DTAC	HANA	KSL	MTC	PR9	SCB	SSP	TMILL	UOBKH
AMATA	BSBM	DUSIT	HARN	KTB	MTI	PREB	SCC	SSSC	TMT	UPF
AMATAV	BTS	EA	HEMP	KTC	NEP	PRG	SCCC	SST	TNITY	UV
AP	BWG	EASTW	HENG	KWI	NINE	PRINC	SCG	STA	TNL	VGI
APCS	CEN	EGCO	HMPRO	L&E	NKI	PRM	SCGP	STGT	TNP	VIH
AS	CENTEL	EP	HTC	LANNA	NOBLE	PROS	SCM	STOWER	TNR	WACOAL
ASIAN	CFRESH	EPG	ICC	LH	NOK	PSH	SCN	SUSCO	TOG	WHA
ASK	CGH	ERW	ICHI	LHFG	NSI	PSL	SEAOIL	SVI	TOP	WHAUP
ASP	CHEWA	ESTAR	IFS	LHK	NWR	PSTC	SE-ED	SYMC	TOPP	WICE
AWC	CHOTI	ETE	III	LPN	OCC	PT	SELIC	SYNTEC	TPA	WIIK
AYUD	CHOW	FE	ILINK	LRH	OGC	PTG	SENA	TAE	TPCS	XO
B	CIG	FNS	INET	M	ORI	PTT	SGP	TAKUNI	TPP	YUASA
BAFS	CIMBT	FPI	INSURE	MAJOR	PAP	PTTEP	SINGER	TASCO	TRU	ZEN
BAM	CM	FPT	INTUCH	MAKRO	PATO	PTTGC	SIRI	TCAP	TRUE	ZIGA
BANPU	CMC	FSMART	IRC	MALEE	PB	PYLON	SITHAI	TCMC	TSC	
BAY	COM7	FSS	IRPC	MATCH	PCSGH	Q-CON	SKR	TFG	TSTE	
BBL	COTTO	FTE	ITEL	MBAX	PDG	QH	SMIT	TFI	TSTH	
BCH	CPALL	GBX	IVL	MBK	PDJ	QLT	SMK	TFMAMA	TTA	
BCP	CPF	GC	JKN	MC	PG	QTC	SMPC	TGH	TTB	
DECLARED										
AH	CHG	DHOUSE	EVER	J	KUMWEL	NRF	RS	SUPER	TQM	VIBHA
ALT	CI	DOHOME	FLOYD	JMART	LDC	NUSA	SAK	SVT	TRT	W
APCO	CPR	ECF	GLOBAL	JMT	MEGA	OR	SIS	TKN	TSI	WIN
ASW	CPW	EKH	ILM	JTS	NCAP	PIMO	SSS	TMD	VARO	
B52	DDD	ETC	INOX	KEX	NOVA	PLE	STECH	TMI	VCOM	

Level	
Certified	This level indicates practical participation with thoroughly examination in relation to the recommended procedures from the audit committee or the SEC's certified auditor, being a certified member of Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) or already passed examination to ensure independence from external parties.
Declared	This level indicates determination to participate in the Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC)

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Note: Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of 26 October 2021) are categorised into: 1) companies that have declared their intention to join CAC, and; 2) companies certified by CAC.

Sources: The Securities and Exchange Commission, Thailand; * FSSIA's compilation

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**Sureeporn Teewasuwet FSS International Investment Advisory Securities Co., Ltd**

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History of change in investment rating and/or target price
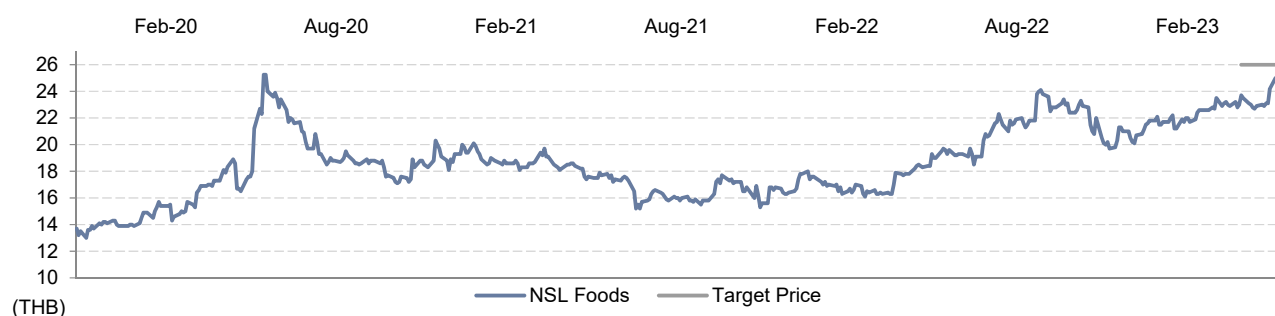
Srinanaporn Marketing (SNNP TB)
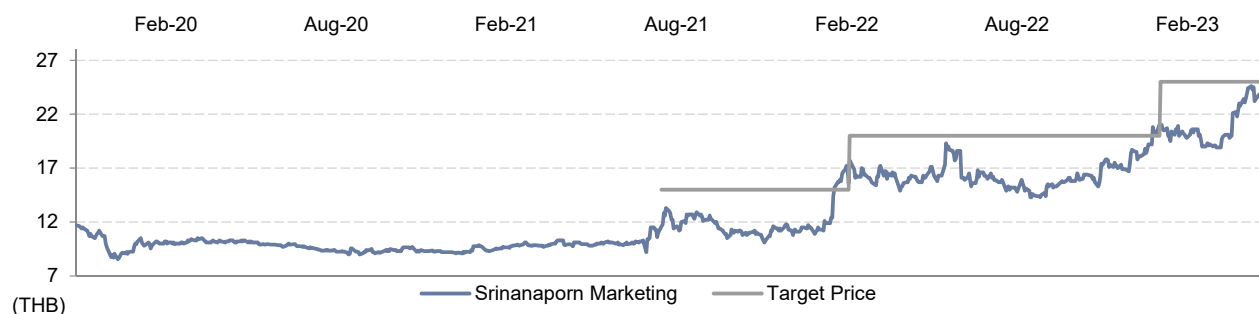
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
30-Jul-2021	BUY	15.00	20-Jan-2022	BUY	20.00	31-Oct-2022	BUY	25.00

Sureeporn Teewasuwet started covering this stock from 13-Feb-2023
Price and TP are in local currency
Source: FSSIA estimates

NSL Foods (NSL TB)

Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
18-Jan-2023	BUY	26.00	-	-	-	-	-	-

Sureeporn Teewasuwet started covering this stock from 18-Jan-2023
Price and TP are in local currency
Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Srinanaporn Marketing	SNNP TB	THB 26.25	BUY	Downside risks to our P/E-based TP include 1) a slower-than-expected consumption recovery; 2) a potential rise in raw material costs; 3) a slower-than-expected capacity expansion; and 4) unsuccessful new products.
NSL Foods	NSL TB	THB 25.75	BUY	Downside risks to our DCF-based TP include 1) a slower-than-expected consumption recovery; 2) high volatility in raw material prices; 3) the failure of new products; and 4) changing consumer demand and lifestyles.

Source: FSSIA estimates

Additional Disclosures

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finansia Syrus Securities Public Company Limited

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All share prices are as at market close on 10-Feb-2023 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as (target price* - current price) / current price.

BUY (B). The upside is 10% or more.
HOLD (H). The upside or downside is less than 10%.
REDUCE (R). The downside is 10% or more.
Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

Industry Recommendations

Overweight. The analyst expects the fundamental conditions of the sector to be positive over the next 12 months.
Neutral. The analyst expects the fundamental conditions of the sector to be maintained over the next 12 months.
Underweight. The analyst expects the fundamental conditions of the sector to be negative over the next 12 months.

Country (Strategy) Recommendations

Overweight (O). Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Neutral (N). Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Underweight (U). Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.