



SRINANAPORN MARKETING

SNNP TB

THAILAND / FOOD & BEVERAGE

BUY

UNCHANGED

Normal growth mode

- 3Q23 profit should continue hitting a new high, breaking its seasonal pattern, but growth would be unexciting.
- Weak purchasing power in Thailand and CLMV makes SNNP look weaker than previously thought.
- Cut 2023-25E profit and de-rate our valuation to reflect lower and normalized growth, but earlier sharp share price plunges warrant an extended BUY rating.

TARGET PRICE	THB21.00
CLOSE	THB18.70
UP/DOWNSIDE	+12.3%
PRIOR TP	THB29.00
CHANGE IN TP	-27.6%
TP vs CONSENSUS	-21.1%

KEY STOCK DATA

YE Dec (THB m)	2022	2023E	2024E	2025E
Revenue	5,556	6,059	6,833	7,552
Net profit	516	647	733	828
EPS (THB)	0.54	0.67	0.76	0.86
vs Consensus (%)	-	(5.1)	(11.4)	(10.4)
EBITDA	835	1,015	1,135	1,268
Recurring net profit	516	647	733	828
Core EPS (THB)	0.54	0.67	0.76	0.86
Chg. In EPS est. (%)	-	(7.0)	(9.0)	(8.8)
EPS growth (%)	67.2	25.5	13.3	12.9
Core P/E (x)	34.8	27.7	24.5	21.7
Dividend yield (%)	2.2	2.3	2.9	3.2
EV/EBITDA (x)	22.0	18.1	16.2	14.5
Price/book (x)	5.9	5.7	5.4	5.1
Net debt/Equity (%)	5.2	3.7	2.4	0.9
ROE (%)	17.5	20.9	22.6	24.0

3Q23 profit should continue hitting new high, but growth would be unexciting

We expect 3Q23 net profit at THB161m (+2.5% q-q, +13% y-y), an extended new high. However, growth would be unexciting. Although export sales growth would remain strong in CLMV and other countries, domestic sales would be flat or inch up due partly to the low season. Hence, we anticipate total revenue to increase by 3% q-q and 3.2% y-y. Since raw material costs should begin to decrease, the gross margin would increase to 28% from 27.3% in 3Q22. Also, expenses should steady q-q and decrease y-y. Therefore, we expect SG&A-to-sales to be flat q-q at 14.7% and down from 16% in 3Q22.

New Vietnam targets remain challenging

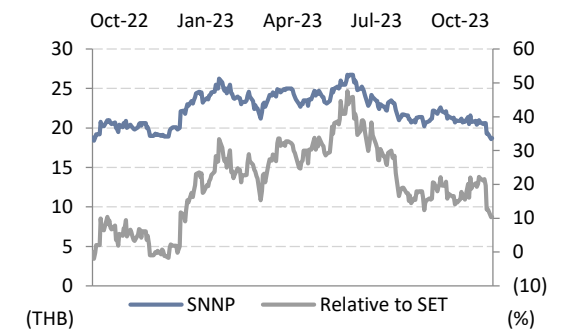
We expect 3Q23 Vietnam revenue to grow strongly (+11.4% q-q, +9.5% y-y), even though purchasing power was weak. However, it is still lower than our previous forecast. If 3Q23 is in line, 9M23 Vietnam revenue will equal THB499m (+29% y-y). Since it secures just 60% of the full-year target of THB800-850m (down from THB1b in early 2023), achieving the target implies a challengingly high 4Q23 revenue of THB300m. Although SNNP delayed Bento capacity expansion (phase 2) to Oct 23 (from Aug 23) and Jele lines to Nov - Dec 23 (from Oct 23), it does not affect sales since SNNP can export them from Thailand. Also, it should be able to book a full-year realization of the three production lines in Vietnam in 2024 as planned.

Cut 2023-25E profit to factor in lower-than-expected profit growth

If 3Q23 is in line, 9M23 profit will equal THB471m (+29.7% y-y), securing just 68% of our estimate. Since growth is lower than expected, we slash our 2023-25E net profit by 7%/9%/8.8%, respectively. We now expect 2023 profit growth at 25.5% y-y (from 35%). In the short run, we still expect continued q-q and y-y profit growth to a new high in 4Q23. Also, we anticipate extended growth of c13.3% y-y in 2024. SNNP believes its associate Siri Pro will reach its breakeven point as early as late 2024 after it has completed its restructuring.

De-rate valuation to reflect lower and normalized growth

We roll over to our 2024 TP of THB21 after decreasing our PE target from 40x (+2.5 SD) to 27x (close to its five-year historical average) to reflect lower and normalized growth. However, the share price plunges of 31% in the past four months has reflected the lower profit growth, while our new TP still implies a 12% upside. Hence, we retain our BUY rating.



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(10.5)	(20.4)	2.2
Relative to country (%)	(4.6)	(14.8)	13.4
Mkt cap (USD m)	493		
3m avg. daily turnover (USD m)	3.6		
Free float (%)	34		
Major shareholder	Concord I. Capital Limited (21%)		
12m high/low (THB)	27.25/17.60		
Issued shares (m)	960.00		

Sources: Bloomberg consensus; FSSIA estimates



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Investment thesis

SNNP is a leader in the snacks and jelly market in Thailand. It has three famous brands, i.e., Bento, Jele, and Lotus. SNNP sells in both Thailand and abroad. Its crucial export market is CLMV. At the end of 2022, domestic sales made the highest contribution at c73% of total revenue, followed by CLMV (20%) and others (7%).

In the short run, 2023 profit growth looks likely lower than our previous estimate due to the lackluster economy, particularly in the CLMV market. Although we have cut our 2023-25E profit by 7%/9%/8.8%, it still implies growth of 25.5%/13.3%/12.9%, respectively. We maintain our bullish view of the mid-to-long-term growth due to its strong and popular brands, affordable prices, and well-diversified production bases in CLMV.

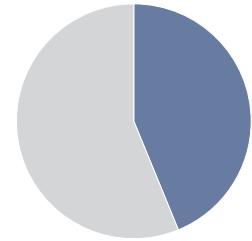
Company profile

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.snp.co.th

Principal activities (revenue, 2022)

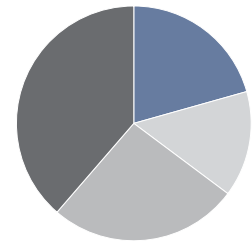
- Beverage - 43.8 %
- Snack - 56.2 %



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
November 2023	3Q23 results announcement 3Q23 Analyst meeting

Key assumptions

	2023E	2024E	2025E
Domestic revenue (THB m)	4,506	5,047	5,551
Overseas revenue (THB m)	1,553	1,786	2,000
Total revenue (THB m)	6,059	6,833	7,552
Total revenue growth (%)	9.1	12.8	10.5
Gross margin (%)	28.1	28.3	28.5
SG&A to sale (%)	14.9	15.2	15.2

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.

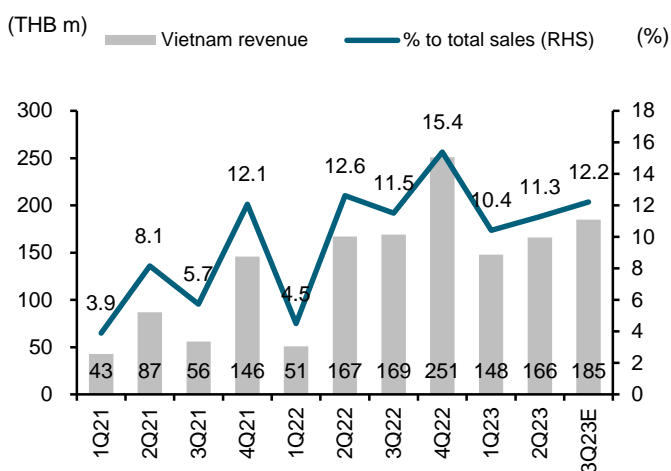
Source: FSSIA estimates

Exhibit 1: 3Q23 earnings preview

	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23E	---- Change ----		9M22	9M23E	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)
Sales	1,133	1,323	1,468	1,632	1,420	1,470	1,514	3.0	3.2	3,924	4,404	12.2
Cost of sales	823	978	1,067	1,174	1,020	1,060	1,090	2.8	2.1	2,868	3,170	10.5
Gross profit	310	345	400	458	400	410	424	3.4	5.9	1,056	1,234	16.9
SG&A	179	210	235	263	207	216	223	3.2	(5.3)	623	645	3.5
Operating profit	142	152	184	198	201	205	209	2.2	13.6	478	615	28.6
Interest expense	0.18	0.15	0.29	1.06	0.76	1.58	2.00	26.5	596.9	1	4	610.0
Tax expense	29	30	36	42	40	41	40	(1.7)	9.4	95	121	26.7
Profit (loss) sharing	(8)	(6)	(6)	(8)	(8)	(7)	(8)	10.0	45.3	(20)	(24)	nm
Reported net profit	105	116	142	152	154	157	161	2.5	13.0	363	471	29.7
Core profit	105	116	142	152	154	157	161	2.5	13.0	363	471	29.7
Key Ratios (%)								(ppt)	(ppt)			
Gross margin	27.4	26.1	27.3	28.1	28.2	27.9	28.0	0.1	0.7	26.9	28.0	1.1
SG&A to sales	15.8	15.8	16.0	16.1	14.6	14.7	14.7	0.0	(1.3)	15.9	14.6	(1.2)
Operating margin	12.6	11.5	12.6	12.1	14.2	13.9	13.8	(0.1)	1.3	12.2	14.0	1.8
Net margin	9.3	8.8	9.7	9.3	10.8	10.7	10.6	(0.1)	0.9	9.3	10.7	1.4
Core margin	9.3	8.8	9.7	9.3	10.8	10.7	10.6	(0.1)	0.9	9.3	10.7	1.4
Operating statistics (THB m)												
Domestic revenue	899	967	1,075	1,106	1,094	1,111	1,107	(0.4)	3.0	2,941	3,312	12.6
Overseas revenue	234	357	393	526	326	359	405	12.7	3.0	984	1,090	10.8
Vietnam revenue	51	167	169	251	148	166	185	11.4	9.5	387	499	28.9

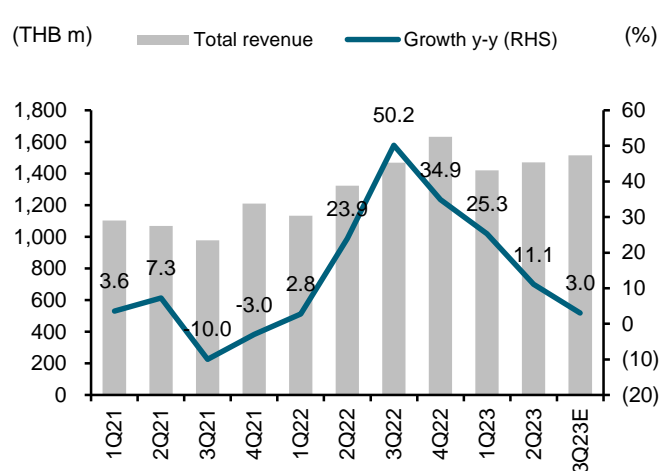
Sources: SNNP, FSSIA estimates

Exhibit 2: Quarterly Vietnam revenue



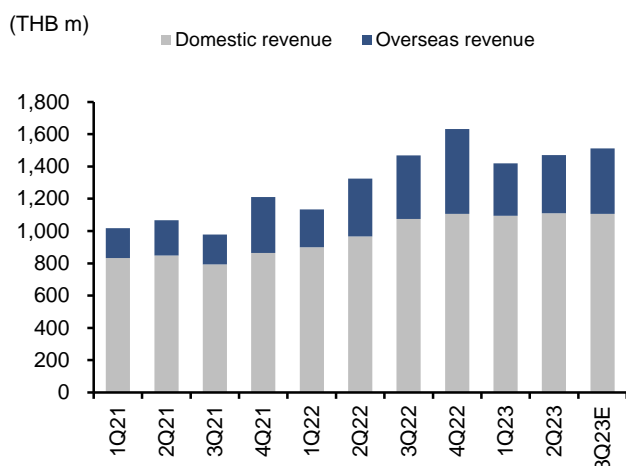
Sources: SNNP, FSSIA estimates

Exhibit 3: Quarterly total revenue and growth



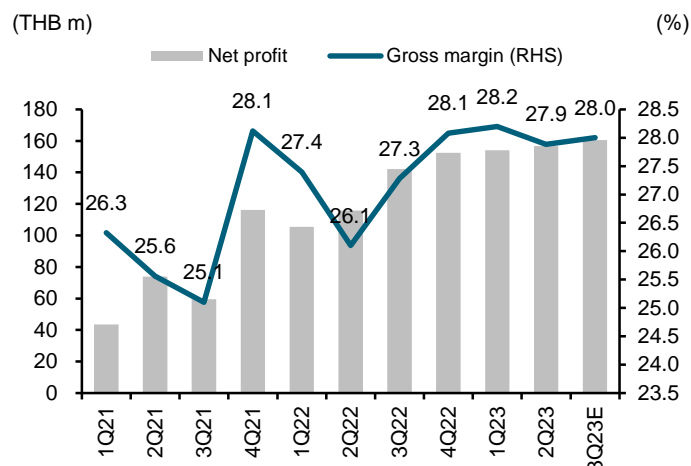
Sources: SNNP, FSSIA estimates

Exhibit 4: Quarterly revenue breakdown by destination



Sources: SNNP, FSSIA estimates

Exhibit 5: Quarterly gross margin and net profit



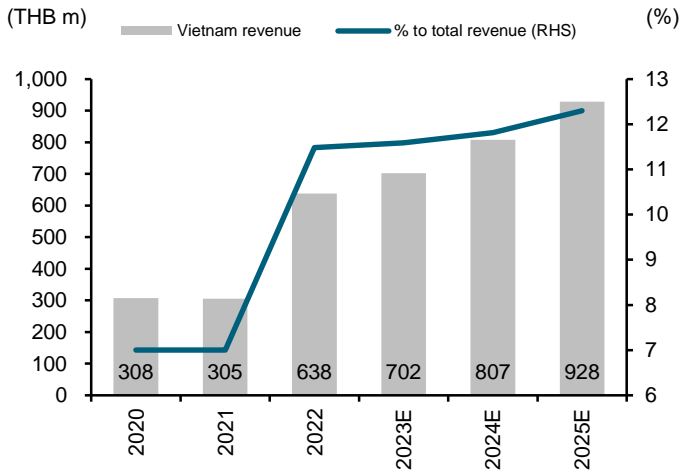
Sources: SNNP, FSSIA estimates

Exhibit 6: Key assumptions for SNNP

	Current			Previous			Change		
	2023E (THB m)	2024E (THB m)	2025E (THB m)	2023E (THB m)	2024E (THB m)	2025E (THB m)	2023E (%)	2024E (%)	2025E (%)
Total sale value (THB m)	6,059	6,833	7,552	6,566	7,411	8,196	(7.7)	(7.8)	(7.9)
Costs	4,356	4,899	5,399	4,708	5,299	5,844	(7.5)	(7.5)	(7.6)
Gross profit	1,703	1,934	2,152	1,858	2,112	2,352	(8.4)	(8.4)	(8.5)
SG&A expense	903	1,039	1,148	1,037	1,171	1,295	(13.0)	(11.3)	(11.4)
Profit (loss) sharing	(28)	(20)	(15)	(15)	7	12	nm	nm	nm
Interest expense	6	6	5	1	1	1	nm	nm	nm
Reported net profit	647	733	828	696	805	907	(7.0)	(9.0)	(8.8)
Core profit	647	733	828	696	805	907	(7.0)	(9.0)	(8.8)
Key ratios (%)									
Total revenue growth	9.1	12.8	10.5	18.2	12.9	10.6	(9.1)	(0.1)	(0.1)
Net profit growth	25.5	13.3	12.9	35.0	15.7	12.6	(9.5)	(2.4)	0.2
Core profit growth	25.5	13.3	12.9	35.0	15.7	12.6	(9.5)	(2.4)	0.2
Gross margin	28.1	28.3	28.5	28.3	28.5	28.7	(0.2)	(0.2)	(0.2)
SG&A to sales	14.9	15.2	15.2	15.8	15.8	15.8	(0.9)	(0.6)	(0.6)
Net margin	10.7	10.7	11.0	10.6	10.9	11.1	0.1	(0.1)	(0.1)
Core margin	10.7	10.7	11.0	10.6	10.9	11.1	0.1	(0.1)	(0.1)
Operating statistics (THB m)									
Domestic revenue (THB m)	4,506	5,047	5,551	4,653	5,212	5,733	(3.2)	(3.2)	(3.2)
Overseas revenue (THB m)	1,553	1,786	2,000	1,912	2,199	2,463	(18.8)	(18.8)	(18.8)
Vietnam revenue (THB m)	702	807	928	844	1,013	1,114	(16.8)	(20.3)	(16.6)

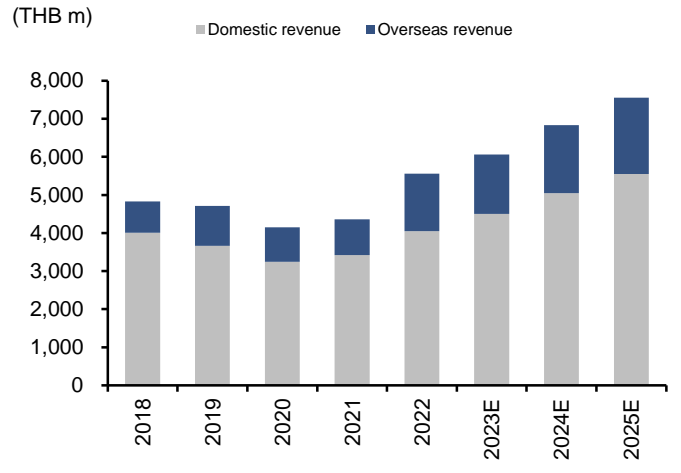
Source: FSSIA estimates

Exhibit 7: Yearly Vietnam revenue



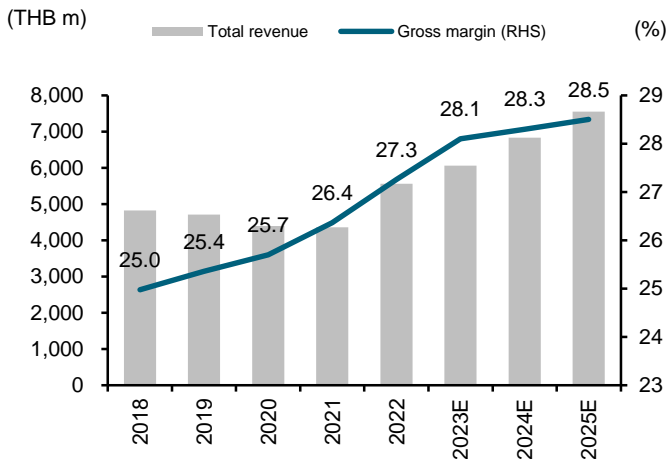
Sources: SNNP, FSSIA estimates

Exhibit 8: Yearly revenue breakdown by destination



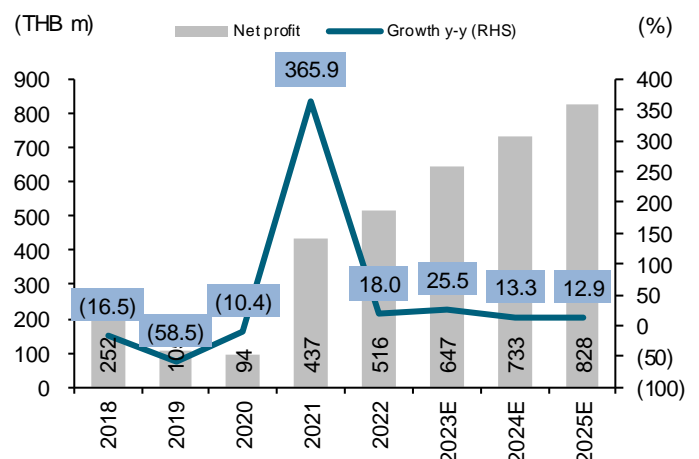
Sources: SNNP, FSSIA estimates

Exhibit 9: Yearly total revenue and gross margin



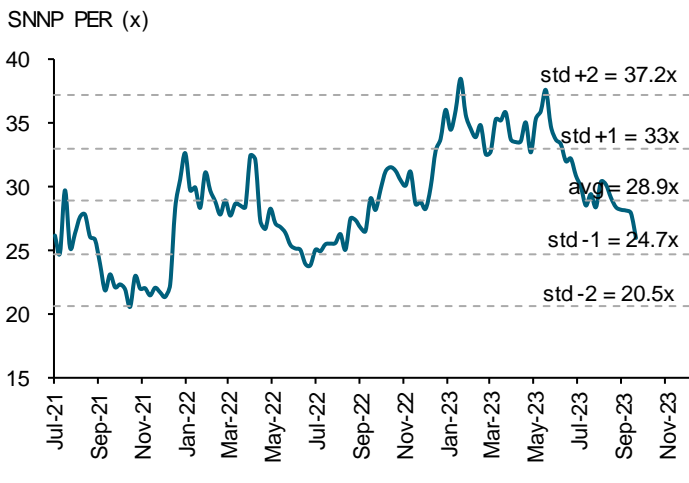
Sources: SNNP, FSSIA estimates

Exhibit 10: Yearly net profit and growth



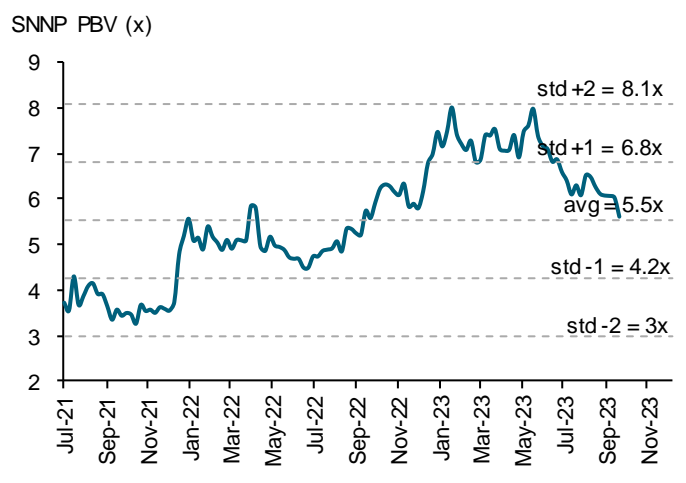
Sources: SNNP, FSSIA estimates

Exhibit 11: Historical P/E band



Sources: Bloomberg, FSSIA's compilation

Exhibit 12: Historical PBV/Band



Sources: Bloomberg, FSSIA's compilation

Financial Statements

Srinaporn Marketing

Profit and Loss (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Revenue	4,358	5,556	6,059	6,833	7,552
Cost of goods sold	(3,209)	(4,042)	(4,356)	(4,899)	(5,399)
Gross profit	1,149	1,514	1,703	1,934	2,152
Other operating income	33	48	36	41	45
Operating costs	(737)	(886)	(903)	(1,039)	(1,148)
Operating EBITDA	618	835	1,015	1,135	1,268
Depreciation	(173)	(159)	(179)	(199)	(219)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	445	676	836	936	1,050
Net financing costs	(40)	(2)	(6)	(6)	(5)
Associates	(26)	(25)	(28)	(20)	(15)
Recurring non-operating income	(26)	(25)	(28)	(20)	(15)
Non-recurring items	129	0	0	0	0
Profit before tax	507	649	802	910	1,029
Tax	(86)	(137)	(160)	(182)	(206)
Profit after tax	422	512	642	728	823
Minority interests	16	4	6	5	4
Preferred dividends	0	0	0	0	0
Other items	0	0	0	0	0
Reported net profit	437	516	647	733	828
Non-recurring items & goodwill (net)	(129)	0	0	0	0
Recurring net profit	308	516	647	733	828
Per share (THB)					
Recurring EPS *	0.32	0.54	0.67	0.76	0.86
Reported EPS	0.46	0.54	0.67	0.76	0.86
DPS	0.24	0.41	0.44	0.53	0.60
Diluted shares (used to calculate per share data)	960	960	960	960	960
Growth					
Revenue (%)	(0.8)	27.5	9.1	12.8	10.5
Operating EBITDA (%)	62.1	35.1	21.6	11.8	11.8
Operating EBIT (%)	154.6	51.9	23.7	12.0	12.1
Recurring EPS (%)	146.5	67.2	25.5	13.3	12.9
Reported EPS (%)	249.4	18.0	25.5	13.3	12.9
Operating performance					
Gross margin inc. depreciation (%)	26.4	27.3	28.1	28.3	28.5
Gross margin exc. depreciation (%)	30.3	30.1	31.1	31.2	31.4
Operating EBITDA margin (%)	14.2	15.0	16.8	16.6	16.8
Operating EBIT margin (%)	10.2	12.2	13.8	13.7	13.9
Net margin (%)	7.1	9.3	10.7	10.7	11.0
Effective tax rate (%)	16.9	21.1	20.0	20.0	20.0
Dividend payout on recurring profit (%)	74.7	76.3	65.0	70.0	70.0
Interest cover (X)	10.4	389.1	133.4	161.1	194.9
Inventory days	49.9	51.4	61.0	59.1	59.6
Debtor days	90.3	89.1	92.8	87.4	90.5
Creditor days	110.8	100.3	107.0	98.5	96.8
Operating ROIC (%)	12.9	17.9	20.6	22.0	23.2
ROIC (%)	11.4	15.6	17.7	19.1	20.4
ROE (%)	20.2	17.5	20.9	22.6	24.0
ROA (%)	8.0	11.1	12.8	14.0	14.8
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Beverage	1,862	2,434	2,753	3,028	3,240
Snack	2,411	3,123	3,306	3,804	4,311
Distribution other product	85				

Sources: Srinaporn Marketing; FSSIA estimates

Financial Statements

Srinaporn Marketing

Cash Flow (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Recurring net profit	308	516	647	733	828
Depreciation	173	159	179	199	219
Associates & minorities	26	25	28	20	15
Other non-cash items	14	4	46	39	36
Change in working capital	(156)	(307)	(63)	(223)	(204)
Cash flow from operations	365	397	838	768	893
Capex - maintenance	-	-	-	-	-
Capex - new investment	(4)	(227)	(343)	(200)	(250)
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	(154)	(171)	(54)	(36)	(29)
Cash flow from investing	(158)	(398)	(397)	(236)	(279)
Dividends paid	(98)	(307)	(421)	(513)	(579)
Equity finance	2,138	0	0	0	0
Debt finance	(2,308)	276	(62)	(15)	(15)
Other financing cash flows	50	4	26	19	18
Cash flow from financing	(218)	(28)	(457)	(509)	(576)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	(11)	(29)	(16)	24	37
Free cash flow to firm (FCFF)	246.99	0.16	446.99	538.10	618.97
Free cash flow to equity (FCFE)	(2,051.27)	277.89	404.40	536.76	616.63

Per share (THB)

FCFF per share	0.26	0.00	0.47	0.56	0.64
FCFE per share	(2.14)	0.29	0.42	0.56	0.64
Recurring cash flow per share	0.54	0.73	0.94	1.03	1.14

Balance Sheet (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Tangible fixed assets (gross)	3,394	3,600	3,800	4,000	4,200
Less: Accumulated depreciation	(1,189)	(1,324)	(1,503)	(1,701)	(1,920)
Tangible fixed assets (net)	2,204	2,276	2,297	2,298	2,280
Intangible fixed assets (net)	23	21	21	21	21
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	137	275	275	275	275
Cash & equivalents	162	133	117	140	178
A/C receivable	1,126	1,587	1,494	1,778	1,965
Inventories	412	681	716	805	888
Other current assets	2	1	1	1	1
Current assets	1,702	2,402	2,327	2,725	3,031
Other assets	85	96	121	137	151
Total assets	4,152	5,069	5,041	5,455	5,758
Common equity	2,838	3,049	3,133	3,353	3,551
Minorities etc.	253	257	303	342	378
Total shareholders' equity	3,091	3,306	3,436	3,694	3,929
Long term debt	13	242	227	212	197
Other long-term liabilities	122	126	151	171	189
Long-term liabilities	135	368	379	383	386
A/C payable	877	1,256	1,194	1,342	1,405
Short term debt	16	62	15	15	15
Other current liabilities	34	76	18	20	23
Current liabilities	927	1,395	1,227	1,378	1,443
Total liabilities and shareholders' equity	4,152	5,069	5,041	5,455	5,758
Net working capital	630	936	999	1,222	1,426
Invested capital	3,080	3,604	3,713	3,952	4,152

* Includes convertibles and preferred stock which is being treated as debt

Per share (THB)

Book value per share	2.96	3.18	3.26	3.49	3.70
Tangible book value per share	2.93	3.15	3.24	3.47	3.68

Financial strength

Net debt/equity (%)	(4.3)	5.2	3.7	2.4	0.9
Net debt/total assets (%)	(3.2)	3.4	2.5	1.6	0.6
Current ratio (x)	1.8	1.7	1.9	2.0	2.1
CF interest cover (x)	(49.8)	303.0	124.4	130.7	164.3

Valuation	2021	2022	2023E	2024E	2025E
Recurring P/E (x) *	58.2	34.8	27.7	24.5	21.7
Recurring P/E @ target price (x) *	65.4	39.1	31.2	27.5	24.4
Reported P/E (x)	41.1	34.8	27.7	24.5	21.7
Dividend yield (%)	1.3	2.2	2.3	2.9	3.2
Price/book (x)	6.3	5.9	5.7	5.4	5.1
Price/tangible book (x)	6.4	5.9	5.8	5.4	5.1
EV/EBITDA (x) **	29.3	22.0	18.1	16.2	14.5
EV/EBITDA @ target price (x) **	32.8	24.7	20.3	18.1	16.2
EV/invested capital (x)	5.9	5.1	5.0	4.7	4.4

* Pre-exceptional, pre-goodwill and fully diluted ** EBITDA includes associate income and recurring non-operating income

Sources: Srinaporn Marketing; FSSIA estimates

SRINANAPORN MARKETING (SNNP TB)

FSSIA ESG rating

8/100
Exhibit 13: FSSIA ESG score implication

Rating	Score	Implication
★★★★★	>79-100	Leading its industry peers in managing the most significant ESG risks which not only better cost efficiency but also lead to higher profitability.
★★★★☆	>59-79	A mixed track record of managing the most significant ESG risks and opportunities relative to industry peers.
★★★☆☆	>39-59	Relevant ESG materiality matrix has been constructively addressed, well-managed and incorporated into day-to-day operations, in which targets and achievements are evaluated annually.
★★☆☆☆	>19-39	Relevant ESG materiality matrix has been identified with key management in charge for progress to be followed up on and to provide intensive disclosure. Most targets are conventional and achievable.
★☆☆☆☆	1-19	The company has adopted the United Nations Sustainable Development Goals (UN SDGs), established sustainability management guidelines and fully complies with regulations or ESG suggested guidance from related organizations such as the SET and SEC.

Sources: FSSIA estimates

Exhibit 14: ESG – peer comparison

	FSSIA ESG score	Domestic ratings						Global ratings						Bloomberg	
		DJSI	SET THSI	THSI	CG score	AGM level	Thai CAC	Morningstar	ESG Book	MSCI	Moody's	Refinitiv	S&P Global	ESG score	Disclosure score
SET100	61.4	5.34	4.40	4.40	4.76	4.65	3.84	Medium	51.76	BBB	20.87	58.72	63.91	3.72	28.17
Coverage	59.3	5.13	4.16	4.18	4.83	4.71	3.54	Medium	52.23	BB	17.03	57.05	62.28	3.41	32.07
M	17.38	--	--	--	4.00	4.00	Certified	Medium	--	--	--	--	17.00	--	--
NSL	3.00	--	--	--	3.00	4.00	--	--	--	--	--	--	--	--	--
RBF	26.62	--	--	--	5.00	4.00	Declared	High	51.04	--	--	30.50	--	2.34	--
SNNP	8.00	--	--	--	4.00	4.00	--	--	--	--	--	--	--	--	--
TFG	23.01	--	--	Y	4.00	5.00	Certified	High	--	--	--	42.11	--	--	--

Sources: [SETTRADE.com](https://www.settrade.com); * FSSIA estimate; FSSIA's compilation
Exhibit 15: ESG disclosure

FY ending Dec 31		FY 2022		FY ending Dec 31		FY 2022	
Environmental				Governance			
Climate change policy		Yes		Board size / Independent directors (ID) / Female		9 / 4 / 2	
Climate change opportunities discussed		Yes		No. of board meetings for the year / % attendance		4 / 98%	
GHG scope 2 location-based policy		Yes		Company conducts board evaluations		Yes	
Biodiversity policy		Yes		Number of non-executive directors on board		5	
Energy efficiency policy		Yes		Director share ownership guidelines		No	
Electricity used (megajoule)	81,398,592			Board age limit		No	
Electricity from solar cell (megajoule)	8,845,058			Age of the youngest / oldest director		43 / 63	
Waste reduction policy		Yes		Number of executives / female		6 / 1	
Water policy		Yes		Executive share ownership guidelines		No	
Water consumption (m ³)	484,887			Size of audit committee / ID		3 / 3	
Social				Audit committee meetings		2	
Human rights policy		Yes		Audit committee meeting attendance (%)		100	
Policy against child labor		Yes		Size of compensation committee		3 / 1	
Quality assurance and recall policy		Yes		Number of compensation committee meetings		2	
Consumer data protection policy		Yes		Compensation committee meeting attendance (%)		100	
Equal opportunity policy		Yes		Size of nomination committee / ID		3 / 1	
Gender pay gap breakout		Yes		Number of nomination committee meetings		2	
Pct women in workforce	63.25			Nomination committee meeting attendance (%)		100	
Business ethics policy		Yes		Board compensation (THB m)		2.4	
Anti-bribery ethics policy		Yes		Executive compensation (THB m)		44.2	
Health and safety policy		Yes		Auditor fee (THB m)		2.12	
No. of employee accident at work	12			(PricewaterhouseCoopers ABAS Ltd.)			
Training policy		Yes		Total employee (no.)		4,525	
Fair remuneration policy		Yes		Employee compensation (THB m)		1,055	
Employees - CSR		Yes		Sustainability governance			
Total hours spent by firm - employee training	6 hrs/person/year			Verification type		n/a	
Social supply chain management		Yes		Board duration (years)		3	

Sources: SNNP's 2022 One Report; FSSIA's compilation

Disclaimer for ESG scoring

ESG score	Methodology	Rating																											
The Dow Jones Sustainability Indices (DJSI) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.	Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.																											
Sustainability Investment List (THSI) by The Stock Exchange of Thailand (SET)	THSI quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria include: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years.	To be eligible for THSI inclusion , verified data must be scored at a minimum of 50% for each indicator, unless the company is a part of DJSI during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality. SETTHSI Index is extended from the THSI companies whose 1) market capitalization > THB5b (~USD150b); 2) free float >20%; and 3) liquidity >0.5% of paid-up capital for at least 9 out of 12 months. The SETTHSI Index is a market capitalisation-weighted index, cap 5% quarterly weight at maximum, and no cap for number of stocks.																											
CG Score by Thai Institute of Directors Association (Thai IOD)	An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.	Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (60-69), and not rated for scores below 50. Weightings include: 1) the rights; 2) and equitable treatment of shareholders (weight 25% combined); 3) the role of stakeholders (25%); 4) disclosure & transparency (15%); and 5) board responsibilities (35%).																											
AGM level By Thai Investors Association (TIA) with support from the SEC	It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). <i>(The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.)</i>	The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.																											
Thai CAC By Thai Private Sector Collective Action Against Corruption (CAC)	The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. <i>(Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.)</i>	The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.																											
Morningstar Sustainalytics	The Sustainalytics' ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. <i>Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality & peer reviews.</i>	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>NEGL</th> <th>Low</th> <th>Medium</th> <th>High</th> <th>Severe</th> </tr> </thead> <tbody> <tr> <td>0-10</td> <td>10-20</td> <td>20-30</td> <td>30-40</td> <td>40+</td> </tr> </tbody> </table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+																	
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ESG Book	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.	The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.																											
MSCI	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. <table border="0" style="margin-left: 20px;"> <tr> <td>AAA</td> <td>8.571-10.000</td> <td>Leader:</td> <td>leading its industry in managing the most significant ESG risks and opportunities</td> </tr> <tr> <td>AA</td> <td>7.143-8.570</td> <td></td> <td></td> </tr> <tr> <td>A</td> <td>5.714-7.142</td> <td></td> <td></td> </tr> <tr> <td>BBB</td> <td>4.286-5.713</td> <td>Average:</td> <td>a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td> </tr> <tr> <td>BB</td> <td>2.857-4.285</td> <td></td> <td></td> </tr> <tr> <td>B</td> <td>1.429-2.856</td> <td></td> <td></td> </tr> <tr> <td>CCC</td> <td>0.000-1.428</td> <td>Laggard:</td> <td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td> </tr> </table>	AAA	8.571-10.000	Leader:	leading its industry in managing the most significant ESG risks and opportunities	AA	7.143-8.570			A	5.714-7.142			BBB	4.286-5.713	Average:	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	BB	2.857-4.285			B	1.429-2.856			CCC	0.000-1.428	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks
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Moody's ESG solutions	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.																												
Refinitiv ESG rating	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. <i>(Score ratings are 0 to 25 = poor; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.)</i>																												
S&P Global	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.																												
Bloomberg	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.																											
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.																											

Source: FSSIA's compilation

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Sureeporn Teewasuwet FSS International Investment Advisory Securities Co., Ltd

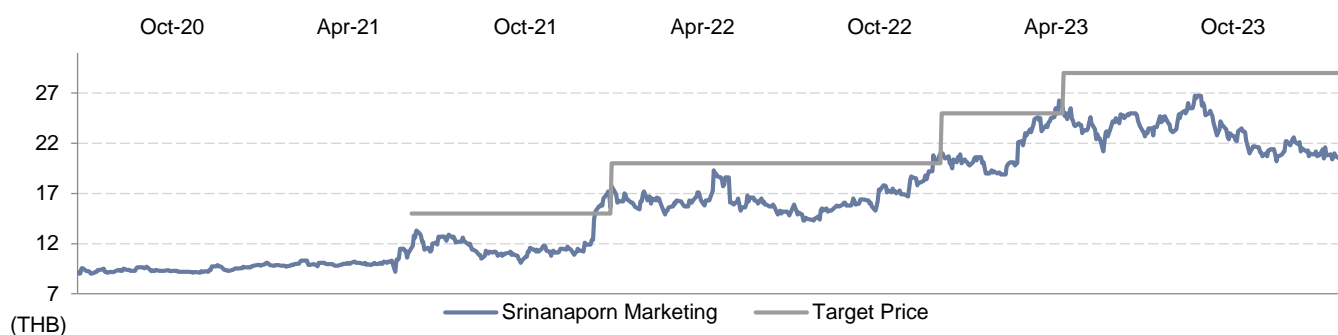
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History of change in investment rating and/or target price

Srinaporn Marketing (SNNP TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
30-Jul-2021	BUY	15.00	31-Oct-2022	BUY	25.00	-	-	-
20-Jan-2022	BUY	20.00	13-Feb-2023	BUY	29.00			

Sureeporn Teewasuwet started covering this stock from 13-Feb-2023

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Srinaporn Marketing	SNNP TB	THB 18.70	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.

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.

All share prices are as at market close on 17-Oct-2023 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as $(\text{target price}^* - \text{current price}) / \text{current price}$.

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.