

R&B FOOD SUPPLY RBF TB

THAILAND / FOOD & BEVERAGE

BUY
 UNCHANGED

3Q23 results at first glance

TARGET PRICE	THB13.50
CLOSE	THB11.60
UP/DOWNSIDE	+16.4%
TP vs CONSENSUS	+4.1%

กำไร 3Q23 ดีกว่าคาด ทำนิวไฮ และ 4Q23 ยังได้ไปต่อ

Highlights

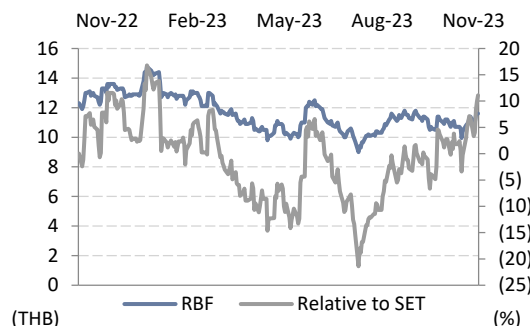
- RBF ประกาศกำไรสุทธิ 3Q23 เท่ากับ 209 ลบ. (+37% q-q, +90% y-y) หากไม่รวม FX gain และ ECL จะมีกำไรปกติ 192 ลบ. (+28% q-q, +113% y-y) ดีกว่าที่เราและตลาดคาด 5% และ 9% ตามลำดับ ถือเป็นจุดสูงสุดใหม่
- รายได้รวม +9.8% q-q, +16.6% y-y หนุนทั้งรายได้ในประเทศที่ฟื้นได้ดีกว่าคาด +13.4% q-q, +7% y-y ขณะที่รายได้ต่างประเทศ +1.1% q-q, +54% y-y แม้อินโดนีเซียและเวียดนามอ่อนลง q-q ตามฤดูกาล และกำลังซื้อไม่สดใส แต่ถูกหักล้างด้วยตลาดจีนและอินเดียที่เติบโตแข็งแกร่ง โดยสัดส่วนเงินและอินเดียรวมกัน 3Q23 อยู่ที่ 44% ของรายได้ต่างประเทศ
- อัตรากำไรขั้นต้นฟื้นตัวน่าประทับใจและดีกว่าคาดมาอยู่ที่ 39.4% จาก 36.7% ใน 2Q23 และ 32.1% ใน 3Q22 เรียกได้ว่ากลับสู่อัตราปกติแล้ว แม้รายได้กลุ่ม Food coating จะโตดี +17.5% q-q, +21% y-y ส่วนกลุ่มมาร์จิ้นสูงอย่าง Flavor +4.4% q-q, +29% y-y แต่ทั้ง 2 กลุ่มหลักต่างมีอัตรากำไรขั้นต้นที่ฟื้นตัวได้ดี โดยเฉพาะกลุ่ม Flavor ที่มีอัตรากำไรขั้นต้นฟื้นตัวเร็วกว่า ส่งผลให้ภาพรวมอัตรากำไรดีขึ้น
- ส่วนแบ่งกำไรจากบริษัทรวมอินเดียยังมีพัฒนาการที่ดีต่อเนื่อง ตั้งแต่เริ่มดำเนินธุรกิจ 4Q22 ก็มีผลกำไรมาโดยตลอด และใน 3Q23 มีกำไรดีขึ้นเป็น 3.3 ลบ. จาก 1.4 ลบ. ใน 2Q23

Outlook

- บริษัทมีกำไรสุทธิ 9M23 เท่ากับ 509 ลบ. (+31% y-y) คิดเป็น 77% ของประมาณการทั้งปี แนวโน้มกำไร 4Q23 จะยังเติบโตทำนิวไฮต่อเนื่อง เพราะเป็น High Season ของธุรกิจ ขณะที่ภาพรวมต้นทุนวัตถุดิบยังปรับลงได้ต่อ
- จากกำไร 3Q23 ที่ดีกว่าคาด และอัตรากำไรขั้นต้น 9M23 ทำได้ 37.5% มากกว่าที่เราคาดไว้ทั้งปีที่ 36.9% ทำให้เราเห็น Upside ต่อประมาณการกำไรปี 2023 ของเราราว 7% จากปัจจุบันที่คาดไว้ 664 ลบ. +37.6% y-y และคาดกำไรปี 2024 จะโตต่อเนื่อง +16.3% y-y
- เบื้องต้นยังคงราคาเป้าหมายปี 2024 ที่ 13.5 บาท (อิง PE เดิม 35x) ยังมี Upside 16.4% คงคำแนะนำซื้อ

KEY STOCK DATA

YE Dec (THB m)	2022	2023E	2024E	2025E
Revenue	3,961	4,385	4,976	5,610
Net profit	482	664	772	881
EPS (THB)	0.24	0.33	0.39	0.44
vs Consensus (%)	-	(0.6)	(2.0)	0.5
EBITDA	809	1,093	1,297	1,507
Recurring net profit	459	664	772	881
Core EPS (THB)	0.23	0.33	0.39	0.44
EPS growth (%)	(3.3)	44.5	16.3	14.1
Core P/E (x)	50.5	35.0	30.1	26.3
Dividend yield (%)	0.9	1.7	2.0	2.3
EV/EBITDA (x)	28.1	20.8	17.4	14.9
Price/book (x)	5.3	5.1	4.8	4.4
Net debt/Equity (%)	(11.4)	(11.1)	(12.6)	(15.5)
ROE (%)	10.7	14.8	16.3	17.4



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	6.4	11.5	(4.9)
Relative to country (%)	9.9	23.1	10.8
Mkt cap (USD m)	646		
3m avg. daily turnover (USD m)	1.5		
Free float (%)	28		
Major shareholder	Ratanapoompinyo Family (62%)		
12m high/low (THB)	15.20/8.95		
Issued shares (m)	2,000.00		

Sources: Bloomberg consensus; FSSIA estimates


Sureeporn Teewasuwet

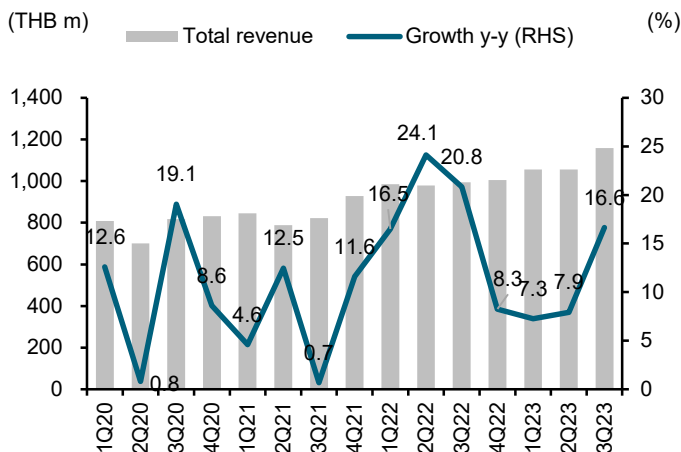
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Exhibit 1: 3Q23 results summary

	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	----- Change -----		9M22	9M23	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	984	978	994	1,005	1,056	1,056	1,159	9.8	16.6	2,956	3,271	10.6
Cost of sales	615	643	675	682	674	668	702	5.1	4.0	1,933	2,045	5.8
Gross profit	370	335	319	323	382	388	457	17.8	43.4	1,023	1,226	19.8
SG&A	184	190	195	193	194	205	212	3.4	8.4	570	610	7.2
Operating profit	189	146	124	131	189	188	245	30.4	97.4	459	622	35.4
Interest expense	2.3	2.3	2.1	2.5	2.3	2.3	3.5	54.1	69.5	7	8	21.4
Tax expense	35	31	29	19	29	38	52	35.8	82.7	94	120	27.1
Profit (loss) sharing - India	0.00	0.00	0.00	0.02	0.96	1.44	3.31	129.0	nm	0	6	nm
Reported net profit	163	115	110	94	147	153	209	36.6	90.1	388	509	31.2
Core profit	150	112	90	108	159	150	192	28.3	113.0	352	500	42.3
Key Ratios (%)								(ppt)	(ppt)			
Gross margin	37.5	34.2	32.1	32.1	36.1	36.7	39.4	2.7	7.3	34.6	37.5	2.9
SG&A to sales	18.7	19.4	19.7	19.2	18.4	19.4	18.3	(1.1)	(1.4)	19.3	18.7	(0.6)
Operating margin	19.2	14.9	12.5	13.0	17.9	17.8	21.1	3.3	8.7	15.5	19.0	3.5
Net margin	16.5	11.8	11.1	9.4	13.9	14.5	18.1	3.5	7.0	13.1	15.6	2.4
Core margin	15.2	11.4	9.1	10.7	15.0	14.2	16.6	2.4	7.5	11.9	15.3	3.4
Operating statistics (THB m)												
Domestic revenue	789	771	788	795	780	744	844	13.4	7.0	2,349	2,367	0.8
Overseas revenue	195	207	205	210	276	312	316	1.1	53.6	608	903	48.7
Domestic contribution (%)	80.2	78.8	79.3	79.1	73.9	70.4	72.8			79.4	72.4	
Overseas contribution (%)	19.8	21.2	20.7	20.9	26.1	29.6	27.2			20.6	27.6	
Sales breakdown by product												
Flavoring & Food coloring	344	310	299	339	362	370	386	4.4	29.1	953	1,118	17.3
Food Coating	414	429	476	462	504	491	577	17.5	21.4	1,319	1,573	19.2
Other	227	239	219	203	190	195	196	0.5	(10.6)	685	581	(15.2)

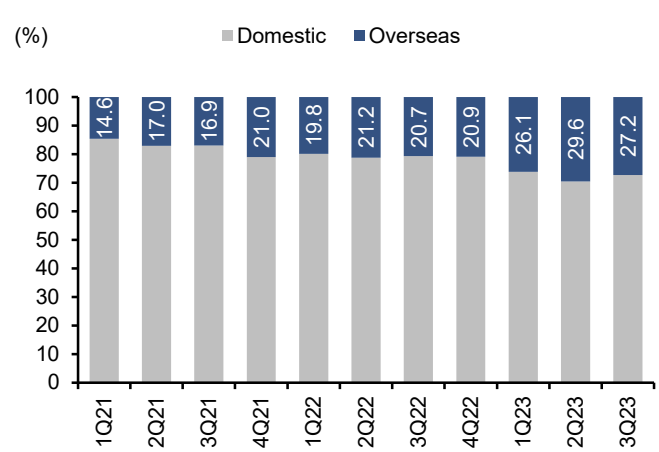
Sources: RBF; FSSIA's compilation

Exhibit 2: Quarterly total revenue and growth



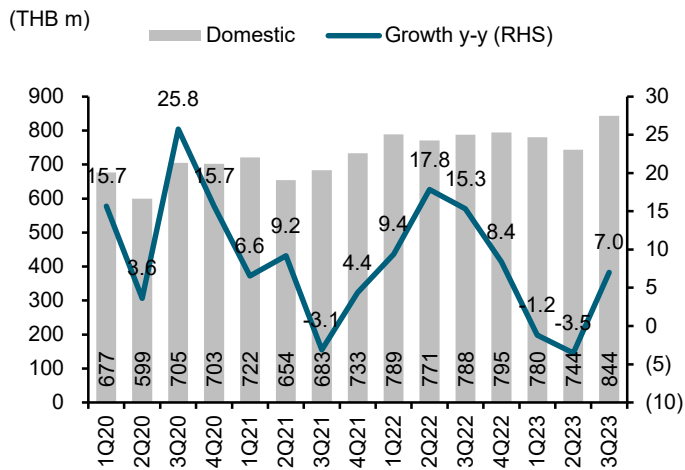
Sources: RBF, FSSIA' compilation

Exhibit 3: Revenue breakdown by destination



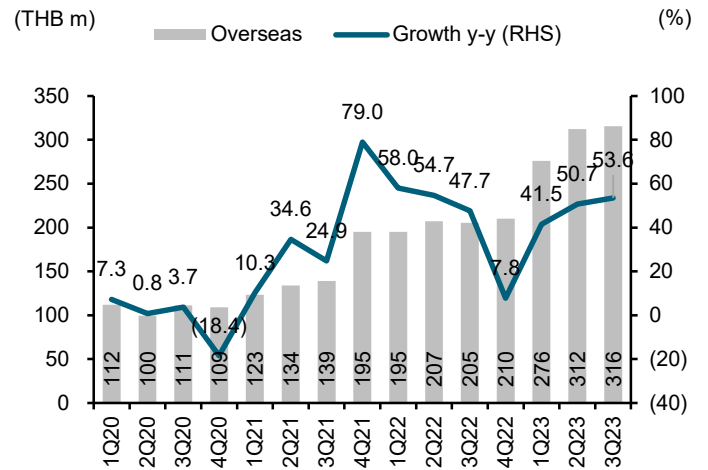
Sources: RBF, FSSIA' compilation

Exhibit 4: Quarterly domestic revenue and growth



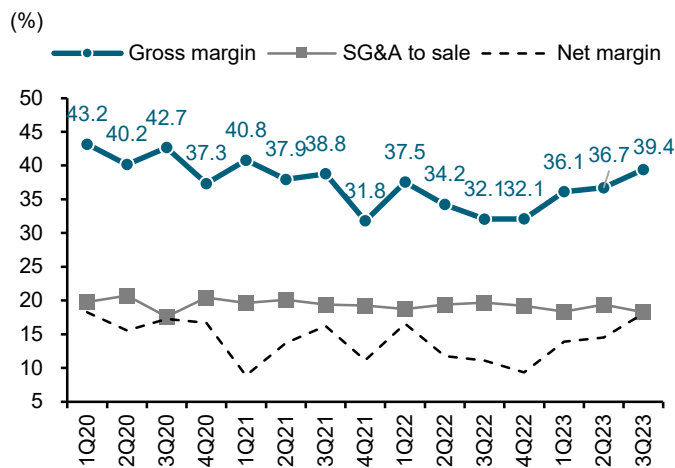
Sources: RBF, FSSIA' compilation

Exhibit 5: Quarterly overseas revenue and growth



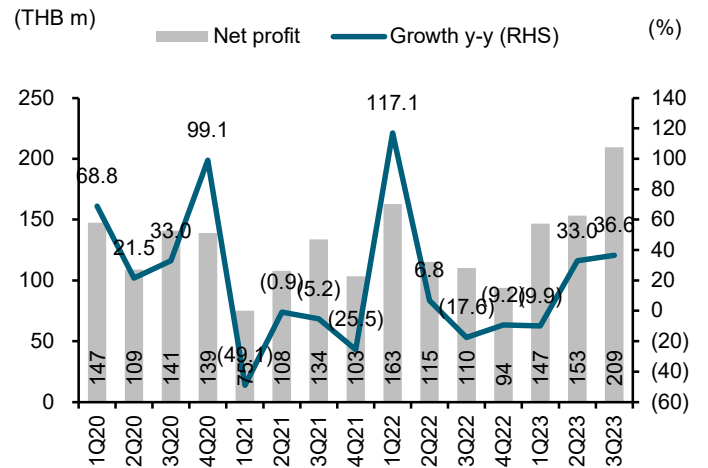
Sources: RBF, FSSIA' compilation

Exhibit 6: Quarterly profitability



Sources: RBF, FSSIA' compilation

Exhibit 7: Quarterly net profit and growth



Sources: RBF, FSSIA' compilation

Financial Statements

R&B Food Supply

Profit and Loss (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Revenue	3,384	3,961	4,385	4,976	5,610
Cost of goods sold	(2,126)	(2,615)	(2,767)	(3,110)	(3,478)
Gross profit	1,258	1,346	1,618	1,866	2,132
Other operating income	7	7	11	12	14
Operating costs	(663)	(763)	(816)	(921)	(1,038)
Operating EBITDA	809	809	1,093	1,297	1,507
Depreciation	(207)	(219)	(279)	(339)	(399)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	603	590	814	958	1,108
Net financing costs	(9)	(9)	(9)	(12)	(15)
Associates	-	-	-	-	-
Recurring non-operating income	0	0	0	0	0
Non-recurring items	(55)	23	0	0	0
Profit before tax	539	604	805	946	1,093
Tax	(116)	(113)	(145)	(180)	(219)
Profit after tax	423	491	660	766	875
Minority interests	(3)	(9)	4	6	6
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
Reported net profit	420	482	664	772	881
Non-recurring items & goodwill (net)	55	(23)	0	0	0
Recurring net profit	475	459	664	772	881
Per share (THB)					
Recurring EPS *	0.24	0.23	0.33	0.39	0.44
Reported EPS	0.21	0.24	0.33	0.39	0.44
DPS	0.15	0.10	0.20	0.23	0.26
Diluted shares (used to calculate per share data)	2,000	2,000	2,000	2,000	2,000
Growth					
Revenue (%)	6.7	17.1	10.7	13.5	12.7
Operating EBITDA (%)	(5.3)	(0.1)	35.1	18.7	16.2
Operating EBIT (%)	(9.6)	(2.0)	37.9	17.7	15.7
Recurring EPS (%)	(11.8)	(3.3)	44.5	16.3	14.1
Reported EPS (%)	(19.1)	14.8	37.6	16.3	14.1
Operating performance					
Gross margin inc. depreciation (%)	37.2	34.0	36.9	37.5	38.0
Gross margin exc. depreciation (%)	43.3	39.5	43.3	44.3	45.1
Operating EBITDA margin (%)	23.9	20.4	24.9	26.1	26.9
Operating EBIT margin (%)	17.8	14.9	18.6	19.3	19.8
Net margin (%)	14.0	11.6	15.1	15.5	15.7
Effective tax rate (%)	21.5	18.7	18.0	19.0	20.0
Dividend payout on recurring profit (%)	63.1	43.5	60.0	60.0	60.0
Interest cover (X)	68.0	64.5	87.4	79.8	75.4
Inventory days	166.1	168.0	183.7	180.3	181.9
Debtor days	91.2	85.2	86.5	84.7	84.9
Creditor days	81.2	77.3	77.7	74.2	74.9
Operating ROIC (%)	14.9	13.7	17.1	19.2	(5.3)
ROIC (%)	14.3	13.0	16.1	18.0	(5.0)
ROE (%)	11.4	10.7	14.8	16.3	17.4
ROA (%)	9.8	9.3	12.6	13.9	14.5
* Pre exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Flavouring agents and Food colouring	1,194	1,292	1,531	1,745	2,007
Food coating	1,335	1,787	1,969	2,126	2,350
Dehydrated products	214	272	318	350	402
Frozen products	68	60	67	75	84

Sources: R&B Food Supply; FSSIA estimates

Financial Statements

R&B Food Supply

Cash Flow (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Recurring net profit	475	459	664	772	881
Depreciation	207	219	279	339	399
Associates & minorities	0	0	0	0	0
Other non-cash items	14	11	(1)	2	2
Change in working capital	(135)	(354)	(150)	(238)	(255)
Cash flow from operations	562	335	792	874	1,026
Capex - maintenance	-	-	-	-	-
Capex - new investment	-	(456)	(367)	(300)	(300)
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	30	(109)	(25)	(9)	(10)
Cash flow from investing	30	(565)	(392)	(309)	(310)
Dividends paid	(300)	(295)	(398)	(463)	(528)
Equity finance	0	0	0	0	0
Debt finance	(129)	19	(10)	(10)	(11)
Other financing cash flows	(1)	(3)	7	9	10
Cash flow from financing	(430)	(278)	(401)	(464)	(529)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	162	(508)	(1)	101	187
Free cash flow to firm (FCFF)	600.43	(220.64)	409.13	577.03	730.64
Free cash flow to equity (FCFE)	461.77	(213.05)	397.26	563.89	714.95

Per share (THB)

FCFF per share	0.30	(0.11)	0.20	0.29	0.37
FCFE per share	0.23	(0.11)	0.20	0.28	0.36
Recurring cash flow per share	0.35	0.34	0.47	0.56	0.64

Balance Sheet (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Tangible fixed assets (gross)	3,031	3,133	3,433	3,733	4,033
Less: Accumulated depreciation	(1,188)	(1,092)	(1,370)	(1,709)	(2,108)
Tangible fixed assets (net)	1,842	2,041	2,063	2,024	1,925
Intangible fixed assets (net)	6	6	11	11	11
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	69	180	180	180	180
Cash & equivalents	1,176	668	667	767	954
A/C receivable	850	998	1,081	1,227	1,383
Inventories	989	1,217	1,289	1,449	1,620
Other current assets	23	44	48	55	62
Current assets	3,039	2,927	3,085	3,498	4,019
Other assets	50	51	70	80	90
Total assets	5,006	5,204	5,409	5,792	6,225
Common equity	4,224	4,373	4,572	4,881	5,233
Minorities etc.	12	23	22	24	26
Total shareholders' equity	4,237	4,397	4,594	4,905	5,259
Long term debt	156	157	147	136	125
Other long-term liabilities	61	58	66	75	84
Long-term liabilities	217	215	213	211	210
A/C payable	487	528	531	596	667
Short term debt	12	10	10	11	11
Other current liabilities	53	54	61	70	79
Current liabilities	552	593	602	677	757
Total liabilities and shareholders' equity	5,006	5,204	5,409	5,792	6,225
Net working capital	1,323	1,676	1,826	2,064	2,319
Invested capital	3,290	3,954	4,150	4,359	4,526

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

Per share (THB)

Book value per share	2.11	2.19	2.29	2.44	2.62
Tangible book value per share	2.11	2.18	2.28	2.43	2.61

Financial strength

Net debt/equity (%)	(23.8)	(11.4)	(11.1)	(12.6)	(15.5)
Net debt/total assets (%)	(20.1)	(9.6)	(9.4)	(10.7)	(13.1)
Current ratio (x)	5.5	4.9	5.1	5.2	5.3
CF interest cover (x)	53.1	27.5	83.1	73.0	70.1

Valuation	2021	2022	2023E	2024E	2025E
Recurring P/E (x) *	48.8	50.5	35.0	30.1	26.3
Recurring P/E @ target price (x) *	56.8	58.8	40.7	35.0	30.7
Reported P/E (x)	55.2	48.1	35.0	30.1	26.3
Dividend yield (%)	1.3	0.9	1.7	2.0	2.3
Price/book (x)	5.5	5.3	5.1	4.8	4.4
Price/tangible book (x)	5.5	5.3	5.1	4.8	4.4
EV/EBITDA (x) **	27.4	28.1	20.8	17.4	14.9
EV/EBITDA @ target price (x) **	32.1	32.8	24.3	20.4	17.4
EV/invested capital (x)	6.7	5.7	5.5	5.2	5.0

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

Sources: R&B Food Supply; FSSIA estimates

R&B Food Supply PCL (RBF TB)

FSSIA ESG rating

34.45 /100
Exhibit 8: 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 9: ESG – peer comparison

	FSSIA ESG score	Domestic ratings					Global ratings						Bloomberg		
		DJSI	SET THSI	THSI	CG score	AGM level	Thai CAC	Morningstar ESG risk	ESG Book	MSCI	Moody's	Refinitiv	S&P Global	ESG score	Disclosure score
SET100	69.20	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	67.12	5.11	4.15	4.17	4.83	4.71	3.53	Medium	52.04	BB	16.97	56.85	62.09	3.40	31.94
BTG	8.00	--	--	--	--	--	Declared	--	--	--	--	--	--	--	--
CPF	78.94	Y	Y	Y	5.00	5.00	Certified	High	50.25	BBB	43.00	70.21	85.00	4.08	62.09
GFPT	53.67	--	Y	Y	5.00	5.00	Certified	High	56.79	--	--	61.87	19.00	--	55.41
TU	68.12	Y	--	--	5.00	5.00	Certified	High	44.49	A	35.00	66.15	87.00	2.99	--
TFG	33.01	--	--	Y	4.00	5.00	Certified	High	--	--	--	42.11	--	--	--
RBF	34.45	--	--	--	5.00	4.00	Declared	High	51.04	--	--	30.50	--	2.34	--

Sources: SETTRADE.com; FSSIA's compilation
Exhibit 10: ESG score by Bloomberg

FY ending Dec 31	FY 2020	FY 2021	FY 2022
ESG financial materiality scores - ESG score	—	2.34	—
BESG environmental pillar score	—	1.02	—
BESG social pillar score	—	2.01	—
BESG governance pillar score	—	5.06	—
ESG disclosure score	34.03	42.34	—
Environmental disclosure score	0.48	11.11	—
Social disclosure score	31.29	34.67	—
Governance disclosure score	70.20	81.10	—
Environmental			
Emissions reduction initiatives	No	Yes	Yes
Climate change policy	No	No	No
Climate change opportunities discussed	No	No	No
Risks of climate change discussed	No	No	No
GHG scope 1	—	—	2
GHG scope 2 location-based	—	—	4
GHG Scope 3	—	—	12
Carbon per unit of production	—	—	—
Biodiversity policy	No	No	No
Energy efficiency policy	No	Yes	Yes
Total energy consumption	—	—	12
Renewable energy use	—	—	—
Electricity used	—	8	9
Fuel used - natural gas	—	—	—

Sources: Bloomberg; FSSIA's compilation

Exhibit 11: ESG score by Bloomberg (cont.)

FY ending Dec 31	FY 2020	FY 2021	FY 2022
Fuel used - crude oil/diesel	No	No	No
Waste reduction policy	Yes	Yes	Yes
Hazardous waste	—	—	—
Total waste	—	0	0
Waste recycled	—	0	0
Waste sent to landfills	—	—	—
Environmental supply chain management	No	No	No
Water policy	No	Yes	Yes
Water consumption	—	122	111
Social			
Human rights policy	Yes	Yes	Yes
Policy against child labor	Yes	Yes	Yes
Quality assurance and recall policy	Yes	Yes	Yes
Consumer data protection policy	Yes	Yes	Yes
Equal opportunity policy	Yes	Yes	Yes
Gender pay gap breakout	No	No	No
Pct women in workforce	—	61	59
Pct disabled in workforce	—	—	—
Business ethics policy	Yes	Yes	Yes
Anti-bribery ethics policy	Yes	Yes	Yes
Health and safety policy	Yes	Yes	Yes
Lost time incident rate - employees	1	1	1
Total recordable incident rate - employees	—	—	—
Training policy	Yes	Yes	Yes
Fair remuneration policy	No	No	Yes
Number of employees – CSR	1,294	1,245	1,382
Employee turnover pct	53	29	39
Total hours spent by firm - employee training	8,282	10,312	15,340
Social supply chain management	Yes	Yes	Yes
Governance			
Board size	9	12	12
No. of independent directors (ID)	3	4	4
No. of women on board	3	4	4
No. of non-executive directors on board	5	8	8
Company conducts board evaluations	Yes	Yes	Yes
No. of board meetings for the year	8	6	6
Board meeting attendance pct	92	97	100
Board duration (years)	3	3	3
Director share ownership guidelines	No	No	No
Age of the youngest director	—	33	34
Age of the oldest director	—	70	71
No. of executives / company managers	3	4	4
No. of female executives	2	1	1
Executive share ownership guidelines	No	No	No
Size of audit committee	3	3	3
No. of ID on audit committee	3	3	3
Audit committee meetings	5	5	4
Audit meeting attendance %	100	93	100
Size of compensation committee	5	5	5
No. of ID on compensation committee	3	3	3
No. of compensation committee meetings	1	2	1
Compensation meeting attendance %	—	100	100
Size of nomination committee	5	5	5
No. of nomination committee meetings	1	2	1
Nomination meeting attendance %	—	100	100
Sustainability governance			
Verification type	No	No	No

Sources: Bloomberg; 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="1" style="margin-left: auto; margin-right: auto;"> <tbody> <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> </tbody> </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.																											

Rating regarding the sustainable development of Thai listed companies, both on the SET and MAI, are publicly available on the website of the Securities and Exchange Commission of Thailand (SEC). Currently, ratings available are 1) "CG Score"; 2) "AGM Level"; 3) "Thai CAC"; and 4) THSI. The ratings are updated on an annual basis. FSSIA does not confirm nor certify the accuracy of such ratings.

Source: FSSIA's compilation

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History of change in investment rating and/or target price

R&B Food Supply (RBF TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
20-Mar-2023	BUY	13.50	-	-	-	-	-	-

Sureeporn Teewasuwet started covering this stock from 20-Mar-2023

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
R&B Food Supply	RBF TB	THB 11.60	BUY	Downside risks to our P/E-based TP include 1) a slower-than-expected consumption recovery; 2) high volatility in raw material costs; 3) a weaker THB than expected; and 4) a slower-than-expected India expansion.

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 10-Nov-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.