

# NSL FOODS NSL TB

THAILAND / FOOD &amp; BEVERAGE

## BUY

UNCHANGED

## 3Q23 results at first glance

TARGET PRICE THB24.00  
CLOSE THB17.70  
UP/DOWNSIDE +35.6%  
TP vs CONSENSUS -9.0%

### กำไร 3Q23 เท่ากับคาด ไม่สดใสนัก แต่หน้าจะดีขึ้นใน 4Q23

#### Highlights

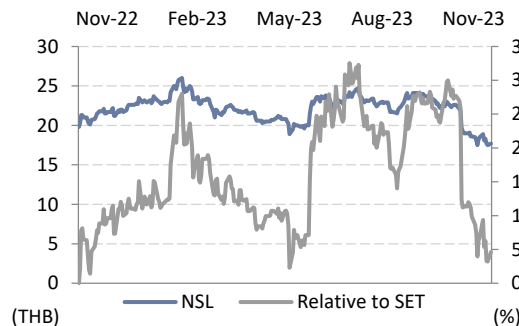
- NSL มีกำไรสุทธิ 3Q23 เท่ากับคาดที่ 73 ลบ. (-12% q-q, +1% y-y) ไม่สดใสนัก เพราะอัตรากำไรขั้นต้นลดลง และบริษัทร่วมขาดทุนมากขึ้น
- รายได้รวมทำได้ดี +3% q-q และ +18% y-y โต q-q ส่วนทางฤดูกาล โดยรายได้หลักยังมาจาก 7-Eleven สัดส่วน 92% ของรายได้รวม +4.3% q-q, +16.6% y-y ทั้งนี้รายได้จาก NSL brand โตแรง +361% q-q, +339% y-y สัดส่วนขยับขึ้นเป็น 3.8% จาก 1% ของรายได้รวมใน 3Q22 และเริ่มรับรู้รายได้ Bake A Wish (BAW) เข้ามา 1 เดือน สัดส่วนเพียง 1%
- อัตรากำไรขั้นต้นลดลงมาอยู่ที่ 17.7% จาก 18.4% ใน 2Q23 และ 3Q22 มาจากต้นทุนวัตถุดิบและค่าสาธารณูปโภคสูงขึ้น กอปรกับมีการปรับเปลี่ยนไลน์การผลิต อาจกระทบอัตรากำไรขั้นต้นด้วยส่วนหนึ่ง
- บริษัทร่วม Pen1 F&B (NSL ถือหุ้น 33.33%) มีส่วนแบ่งขาดทุนมากขึ้นเป็น -3.7 ลบ. จาก -1.8 ลบ. ใน 2Q23 ขณะที่บริษัทย่อย BAW (NSL ถือหุ้น 60%) เพิ่งรวมงบเข้ามา 1 เดือน โดยมีรายได้ 17 ลบ. และมีกำไรเพียง 0.25 ลบ.

#### Outlook

- บริษัทมีกำไรสุทธิ 9M23 เท่ากับ 232 ลบ. (+5.4% y-y) คิดเป็น 75% ของประมาณการทั้งปี คาดหวังกำไร 4Q23 จะกลับมาฟื้นตัว q-q, y-y อยู่ที่ราว 79 ลบ. เพราะเป็น High Season ของธุรกิจ และอยู่บนสมมติฐานว่าส่วนแบ่งขาดทุน Pen1 ทรงแสดงตัวถึงลดลง และ BAW จะต้องไม่ขาดทุน ภายหลังปรับโครงสร้างแล้วเสร็จ
- เราคงประมาณการกำไรสุทธิปี 2023-2024 ตามเดิมที่ 311 ลบ. (+4.5% y-y) และ 356 ลบ. (+14.6% y-y) คาดกำไรปี 2024 จะกลับมาเติบโตในอัตราสองหลักอีกครั้ง ทั้งนี้เรายังไม่รวมข่าวแห่ง โดยเฉพาะเพื่อส่งออก เข้ามารวมในประมาณการคงราคาเป้าหมายปี 2024 ที่ 24 บาท (อิง PE เดิม 20x)
- ทั้งนี้บริษัทเข้าซื้อ BAW สัดส่วน 60% ในมูลค่าเงินลงทุน 46.87 ลบ. จะชำระค่าหุ้นแล้วเสร็จในเดือน ธ.ค. 23 แบ่งเป็นมูลค่าสินทรัพย์สุทธิของ BAW 27.88 ลบ. และค่าความนิยม (Goodwill) 18.99 ลบ. โดยยังอยู่ระหว่างประเมินมูลค่ายุติธรรม ดังนั้นงบ 3Q23 จึงยังไม่ได้รับรายการปรับปรุงด้วยมูลค่ายุติธรรมของสินทรัพย์สุทธิ ทางบริษัทเปิดเผยในหมายเหตุประกอบงบว่าจะแล้วเสร็จใน 12 เดือน

#### KEY STOCK DATA

YE Dec (THB m)	2022	2023E	2024E	2025E
Revenue	4,001	4,651	5,044	5,442
Net profit	298	319	362	403
EPS (THB)	0.99	1.06	1.21	1.34
vs Consensus (%)	-	(2.8)	(5.8)	(6.0)
EBITDA	484	531	595	662
Recurring net profit	298	319	362	403
Core EPS (THB)	0.99	1.06	1.21	1.34
EPS growth (%)	41.5	7.2	13.6	11.2
Core P/E (x)	17.8	16.6	14.7	13.2
Dividend yield (%)	4.7	5.4	6.1	4.3
EV/EBITDA (x)	11.2	9.5	8.5	7.9
Price/book (x)	3.8	3.6	3.4	3.3
Net debt/Equity (%)	9.4	(17.8)	(17.0)	(4.0)
ROE (%)	22.4	22.2	24.1	25.5



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(21.7)	(22.7)	(10.2)
Relative to country (%)	(18.1)	(14.5)	6.1
Mkt cap (USD m)	147		
3m avg. daily turnover (USD m)	0.7		
Free float (%)	0		
Major shareholder	Mr. Somchai Asavapiyanon (75%)		
12m high/low (THB)	26.25/17.30		
Issued shares (m)	300.00		

Sources: Bloomberg consensus; FSSIA estimates



**Sureeporn Teewasuwet**

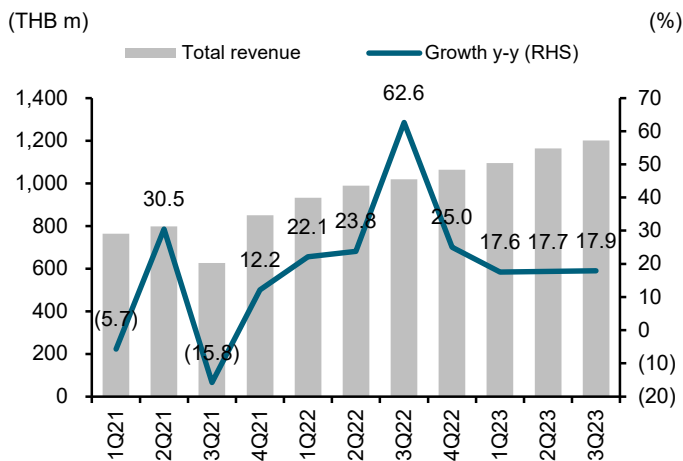
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## Exhibit 1: 3Q23 results summary

	3Q22	4Q22	1Q23	2Q23	3Q23	Change		9M22	9M23	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)
Sales	1,018	1,063	1,095	1,163	1,201	3.2	17.9	2,938	3,459	17.7
Cost of sales	831	870	892	949	988	4.2	19.0	2,390	2,829	18.4
Gross profit	188	194	204	214	212	(1.0)	13.1	548	630	14.9
SG&A	97	97	107	109	117	7.5	20.7	272	333	22.5
Operating profit	93	100	98	108	98	(9.6)	5.9	282	305	8.1
Interest expense	3	3	3	3	2	(11.6)	(6.1)	7	8	7.0
Profit (loss) sharing	0	0	(1)	(2)	(4)	nm	nm	0	(6)	nm
Tax expense	18	20	19	21	19	(9.8)	7.0	54	59	8.1
Reported net profit	72	78	75	83	73	(12.0)	1.0	220	232	5.4
Core profit	72	78	78	83	73	(12.0)	1.0	220	235	6.8
<b>Key ratios (%)</b>										
Gross margin	18.4	18.2	18.6	18.4	17.7	(0.7)	(0.8)	18.7	18.2	(0.5)
SG&A / Sales	9.5	9.1	9.8	9.4	9.7	0.4	0.2	9.3	9.6	0.4
Operating margin	9.1	9.4	9.0	9.3	8.2	(1.2)	(0.9)	9.6	8.8	(0.8)
Net margin	7.1	7.3	6.9	7.1	6.1	(1.1)	(1.0)	7.5	6.7	(0.8)
Core margin	7.1	7.3	7.2	7.1	6.1	(1.1)	(1.0)	7.5	6.8	(0.7)
<b>Operating statistics (THB m)</b>										
Revenue from 7-Eleven	947	968	997	1,059	1,105	4.3	16.6	2,703	3,160	16.9
Revenue from non 7-Eleven	71	96	99	105	96	(8.3)	34.8	235	299	27.5
Bakery sales	938	966	1,004	1,066	1,060	(0.6)	13.0	2,682	3,129	16.7
Food service sales	62	80	68	69	64	(7.3)	3.6	207	200	(3.0)
Snack sales (NSL brands)	10	10	10	10	45	361.2	338.8	24	65	169.3
OEM sales	9	8	14	19	19	2.2	113.5	25	52	103.6
Franchise sales	0	0	0	0	1	nm	nm	0	1	nm

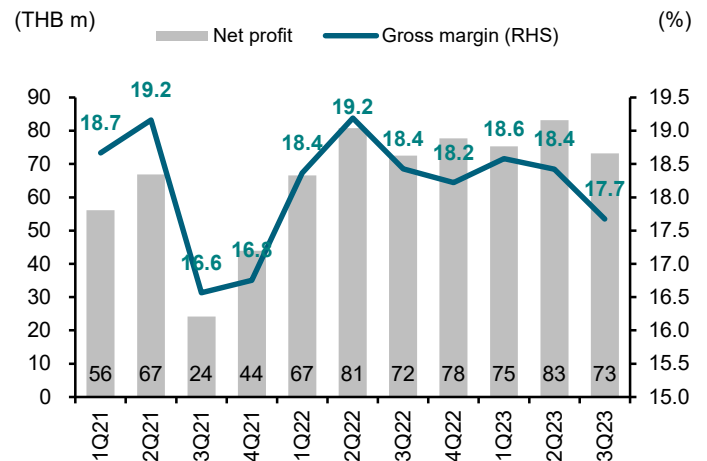
Sources: NSL; FSSIA's compilation

## Exhibit 2: Quarterly total revenue and growth



Sources: NSL; FSSIA's compilation

## Exhibit 3: Quarterly net profit and gross margin



Sources: NSL; FSSIA's compilation

## Financial Statements

### NSL Foods

Profit and Loss (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Revenue	3,038	4,001	4,651	5,044	5,442
Cost of goods sold	(2,497)	(3,259)	(3,800)	(4,116)	(4,430)
<b>Gross profit</b>	<b>542</b>	<b>742</b>	<b>851</b>	<b>928</b>	<b>1,012</b>
Other operating income	5	8	8	9	10
Operating costs	(297)	(369)	(451)	(484)	(517)
<b>Operating EBITDA</b>	<b>346</b>	<b>484</b>	<b>531</b>	<b>595</b>	<b>662</b>
Depreciation	(97)	(102)	(122)	(142)	(157)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>249</b>	<b>382</b>	<b>408</b>	<b>453</b>	<b>505</b>
Net financing costs	(17)	(10)	(12)	(12)	(13)
Associates	-	-	-	-	-
Recurring non-operating income	0	0	0	0	0
Non-recurring items	0	0	0	0	0
<b>Profit before tax</b>	<b>232</b>	<b>372</b>	<b>397</b>	<b>441</b>	<b>492</b>
Tax	(41)	(74)	(78)	(78)	(89)
<b>Profit after tax</b>	<b>191</b>	<b>298</b>	<b>319</b>	<b>362</b>	<b>403</b>
Minority interests	0	0	0	0	0
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>191</b>	<b>298</b>	<b>319</b>	<b>362</b>	<b>403</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>191</b>	<b>298</b>	<b>319</b>	<b>362</b>	<b>403</b>
<b>Per share (THB)</b>					
Recurring EPS *	0.70	0.99	1.06	1.21	1.34
Reported EPS	0.70	0.99	1.06	1.21	1.34
DPS	0.50	0.83	0.95	1.08	0.77
Diluted shares (used to calculate per share data)	273	300	300	300	300
<b>Growth</b>					
Revenue (%)	3.9	31.7	16.2	8.4	7.9
Operating EBITDA (%)	7.7	40.0	9.6	12.2	11.3
Operating EBIT (%)	15.9	53.3	6.9	10.9	11.5
Recurring EPS (%)	3.7	41.5	7.2	13.6	11.2
Reported EPS (%)	3.7	41.5	7.2	13.6	11.2
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	17.8	18.5	18.3	18.4	18.6
Gross margin exc. depreciation (%)	21.0	21.1	20.9	21.2	21.5
Operating EBITDA margin (%)	11.4	12.1	11.4	11.8	12.2
Operating EBIT margin (%)	8.2	9.5	8.8	9.0	9.3
Net margin (%)	6.3	7.4	6.9	7.2	7.4
Effective tax rate (%)	17.8	19.9	19.6	17.8	18.1
Dividend payout on recurring profit (%)	71.3	83.6	89.4	89.5	57.0
Interest cover (X)	14.8	37.1	34.9	37.0	38.5
Inventory days	25.1	26.4	28.8	29.9	30.0
Debtor days	54.6	49.8	48.4	48.1	48.2
Creditor days	65.2	58.5	63.9	69.7	59.6
Operating ROIC (%)	18.0	25.9	26.6	28.7	28.4
ROIC (%)	17.5	22.3	23.0	27.5	27.3
ROE (%)	22.4	22.4	22.2	24.1	25.5
ROA (%)	11.1	13.9	13.6	14.3	15.9
* Pre exceptional, pre-goodwill and fully diluted					
<b>Revenue by Division (THB m)</b>					
Bakery and appetizers	2,791	3,643	4,242	4,595	4,938
Food Services	207	288	281	301	337
NSL snack	25	35	45	48	51
OEM & bread wastes	15	35	84	101	116

Sources: NSL Foods; FSSIA estimates

## Financial Statements

### NSL Foods

Cash Flow (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Recurring net profit	191	298	319	362	403
Depreciation	97	102	122	142	157
Associates & minorities	-	-	-	-	-
Other non-cash items	61	0	0	0	0
Change in working capital	(157)	(54)	83	(15)	(259)
<b>Cash flow from operations</b>	<b>192</b>	<b>346</b>	<b>524</b>	<b>489</b>	<b>301</b>
Capex - maintenance	(39)	(146)	(200)	(200)	(150)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	7	(301)	279	(10)	(1)
<b>Cash flow from investing</b>	<b>(33)</b>	<b>(448)</b>	<b>79</b>	<b>(210)</b>	<b>(151)</b>
Dividends paid	(266)	(144)	(249)	(285)	(324)
Equity finance	75	0	0	0	0
Debt finance	(107)	(100)	(16)	(7)	(34)
Other financing cash flows	588	1	39	3	(21)
<b>Cash flow from financing</b>	<b>290</b>	<b>(243)</b>	<b>(226)</b>	<b>(289)</b>	<b>(380)</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
<b>Net other adjustments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Movement in cash</b>	<b>449</b>	<b>(344)</b>	<b>376</b>	<b>(10)</b>	<b>(230)</b>
Free cash flow to firm (FCFF)	176.03	(91.06)	614.53	291.47	162.84
Free cash flow to equity (FCFE)	640.64	(200.65)	625.30	275.02	94.19

#### Per share (THB)

FCFF per share	0.59	(0.30)	2.05	0.97	0.54
FCFE per share	2.14	(0.67)	2.08	0.92	0.31
Recurring cash flow per share	1.28	1.33	1.47	1.68	1.87

Balance Sheet (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Tangible fixed assets (gross)	1,614	1,738	1,877	2,001	2,065
Less: Accumulated depreciation	(688)	(768)	(829)	(896)	(967)
<b>Tangible fixed assets (net)</b>	<b>926</b>	<b>970</b>	<b>1,047</b>	<b>1,105</b>	<b>1,098</b>
<b>Intangible fixed assets (net)</b>	<b>7</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>
Long-term financial assets	0	301	0	0	0
Invest. in associates & subsidiaries	0	0	0	0	0
Cash & equivalents	459	115	492	482	251
A/C receivable	496	595	637	691	745
Inventories	189	267	312	338	364
Other current assets	2	3	2	3	3
<b>Current assets</b>	<b>1,147</b>	<b>980</b>	<b>1,443</b>	<b>1,513</b>	<b>1,364</b>
Other assets	31	32	47	50	54
<b>Total assets</b>	<b>2,111</b>	<b>2,290</b>	<b>2,544</b>	<b>2,675</b>	<b>2,522</b>
Common equity	1,252	1,406	1,468	1,540	1,621
Minorities etc.	0	0	0	0	0
<b>Total shareholders' equity</b>	<b>1,252</b>	<b>1,406</b>	<b>1,468</b>	<b>1,540</b>	<b>1,621</b>
Long term debt	181	80	72	65	56
Other long-term liabilities	50	30	70	76	54
<b>Long-term liabilities</b>	<b>231</b>	<b>110</b>	<b>142</b>	<b>141</b>	<b>110</b>
A/C payable	453	559	729	789	607
Short term debt	146	167	158	155	130
Other current liabilities	29	47	47	50	54
<b>Current liabilities</b>	<b>628</b>	<b>774</b>	<b>933</b>	<b>995</b>	<b>791</b>
<b>Total liabilities and shareholders' equity</b>	<b>2,111</b>	<b>2,290</b>	<b>2,544</b>	<b>2,675</b>	<b>2,522</b>
Net working capital	205	259	177	192	451
Invested capital	1,169	1,568	1,277	1,354	1,610

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

#### Per share (THB)

Book value per share	4.17	4.69	4.89	5.13	5.40
Tangible book value per share	4.15	4.67	4.87	5.11	5.38

#### Financial strength

Net debt/equity (%)	(10.6)	9.4	(17.8)	(17.0)	(4.0)
Net debt/total assets (%)	(6.3)	5.8	(10.3)	(9.8)	(2.6)
Current ratio (x)	1.8	1.3	1.5	1.5	1.7
CF interest cover (x)	39.1	(18.5)	54.4	23.5	8.2

Valuation	2021	2022	2023E	2024E	2025E
<b>Recurring P/E (x) *</b>	<b>25.3</b>	<b>17.8</b>	<b>16.6</b>	<b>14.7</b>	<b>13.2</b>
<b>Recurring P/E @ target price (x) *</b>	<b>34.2</b>	<b>24.2</b>	<b>22.6</b>	<b>19.9</b>	<b>17.9</b>
Reported P/E (x)	25.3	17.8	16.6	14.7	13.2
Dividend yield (%)	2.8	4.7	5.4	6.1	4.3
Price/book (x)	4.2	3.8	3.6	3.4	3.3
Price/tangible book (x)	4.3	3.8	3.6	3.5	3.3
EV/EBITDA (x) **	15.0	11.2	9.5	8.5	7.9
EV/EBITDA @ target price (x) **	20.4	15.1	13.1	11.7	10.8
EV/invested capital (x)	4.4	3.5	4.0	3.7	3.3

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

Sources: NSL Foods; FSSIA estimates

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 <b>THSI inclusion</b> , 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. <b>SETTHSI Index</b> 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.																											
<b>CG Score</b> 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%).																											
<b>AGM level</b> 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&amp;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.																											
<b>Thai CAC</b> 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.																											
<b>Morningstar Sustainalytics</b>	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 &amp; 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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<b>ESG Book</b>	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.																											
<b>MSCI</b>	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><b>AAA</b></td> <td>8.571-10.000</td> <td><b>Leader:</b></td> <td>leading its industry in managing the most significant ESG risks and opportunities</td> </tr> <tr> <td><b>AA</b></td> <td>7.143-8.570</td> <td></td> <td></td> </tr> <tr> <td><b>A</b></td> <td>5.714-7.142</td> <td></td> <td></td> </tr> <tr> <td><b>BBB</b></td> <td>4.286-5.713</td> <td><b>Average:</b></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><b>BB</b></td> <td>2.857-4.285</td> <td></td> <td></td> </tr> <tr> <td><b>B</b></td> <td>1.429-2.856</td> <td></td> <td></td> </tr> <tr> <td><b>CCC</b></td> <td>0.000-1.428</td> <td><b>Laggard:</b></td> <td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td> </tr> </tbody> </table>	<b>AAA</b>	8.571-10.000	<b>Leader:</b>	leading its industry in managing the most significant ESG risks and opportunities	<b>AA</b>	7.143-8.570			<b>A</b>	5.714-7.142			<b>BBB</b>	4.286-5.713	<b>Average:</b>	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	<b>BB</b>	2.857-4.285			<b>B</b>	1.429-2.856			<b>CCC</b>	0.000-1.428	<b>Laggard:</b>	lagging its industry based on its high exposure and failure to manage significant ESG risks
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<b>Moody's ESG solutions</b>	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.																												
<b>Refinitiv ESG rating</b>	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; &gt;25 to 50 = satisfactory; &gt;50 to 75 = good; and &gt;75 to 100 = excellent.)</i>																												
<b>S&amp;P Global</b>	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.																												
<b>Bloomberg</b>	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

## GENERAL DISCLAIMER

### ANALYST(S) CERTIFICATION

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

The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed herein.

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### History of change in investment rating and/or target price

#### NSL Foods (NSL TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
18-Jan-2023	BUY	26.00	18-Oct-2023	BUY	24.00	-	-	-

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
NSL Foods	NSL TB	THB 17.70	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.

All share prices are as at market close on 13-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.