

R&B FOOD SUPPLY RBF TB
THAILAND / FOOD & BEVERAGE**HOLD**

FROM BUY

คาด 4Q23 อ่อนลงชั่วคราว แนะนำรอซื้อ

TARGET PRICE	THB14.00
CLOSE	THB13.30
UP/DOWNSIDE	+5.3%
PRIOR TP	THB13.50
CHANGE IN TP	+3.7%
TP vs CONSENSUS	-2.2%

- แนวโน้มกำไร 4Q23 อาจอ่อนตัวลง q-q มากกว่าที่เคยคาด คำสั่งซื้อบางส่วนส่งมอบไม่ทัน และคาดมี FX loss ก้อนใหญ่
- ด้วย 9M23 ที่ทำได้ดี เราปรับเพิ่มกำไรและราคาเป้าหมายขึ้นเป็น 14 บาท
- แต่ด้วย Upside ที่จำกัด เราจึงปรับลดคำแนะนำเป็น ถือ หรือ ซื้อเมื่ออ่อนตัว

แนวโน้มกำไร 4Q23 อาจอ่อนลง q-q มากกว่าคาด

มีแนวโน้มที่กำไรสุทธิ 4Q23 อาจอ่อนตัวลง q-q มากกว่าที่เคยคาด อาจอยู่ที่ 173 ลบ. (-17.4% q-q, +83.9% y-y) แต่ยังคงดี y-y เพราะฐานต่ำปีก่อน ส่วนสาเหตุที่กำไรจะอ่อนลง q-q ส่วนหนึ่งคาดมีรายการ FX loss สูงราว 22 ลบ. ผลของการแปลงค่ารายการลูกหนี้การค้าต่างประเทศเป็นหลัก หากไม่รวม FX loss คาดกำไรปกติ 4Q23 อาจทำได้ทรงตัว q-q เนื่องจากมีรายได้ส่งออกบางส่วนส่งมอบไม่ทันในไตรมาสนี้ จึงคาดรายได้รวมจะลดลงเล็กน้อย -2% q-q แต่ยังโต 13% y-y และคาดอัตรากำไรขั้นต้นอาจปรับลดลงเล็กน้อยอยู่ที่ 39% จาก 39.4% ใน 3Q23 แต่ดีขึ้นจาก 32.1% ใน 4Q22

บริษัทยังตั้งเป้าปี 2024 โตในอัตราสองหลัก

ยังคงคาดหวังกำไรจะกลับมาฟื้นตัวใน 1Q24 จากคำสั่งซื้อที่ถูกเลื่อนมาส่วนหนึ่ง และด้วยปัจจัยฤดูกาลอีกส่วนหนึ่ง โดยคาดลูกค้ากลุ่มอาหารเครื่องดื่มในประเทศจะมีการวางแผนออกสินค้าใหม่มากขึ้น และคาดต่างประเทศจะเติบโตได้ต่อเนื่องทั้ง จีน อินเดีย และอินโดนีเซียซึ่งกลับมาฟื้น ส่วนเวียดนาม คาดจะฟื้นใน 2Q24 หลังผ่านเทศกาลเต๋ตังทั้งนี้บริษัทยังตั้งเป้ารายได้ปี 2024 จะโตต่อ 10-15% y-y และตั้งเป้าอัตรากำไรขั้นต้นฟื้นตัว 2-3% สู่ระดับ 40-41% โดยภาพรวมราคาวัตถุดิบในช่วง 1H24 ยังคงค่อนข้างแพง ทว่าระดับต่ำ และล็อกราคาล่วงหน้าไว้แล้ว ขณะที่ปัญหาเส้นทางขนส่ง Red sea และค่าระวางเรือตู้คอนเทนเนอร์ที่สูงขึ้น ยังไม่กระทบต่อ RBF เพราะลูกค้าส่วนใหญ่อยู่แถบเอเชีย และเป็นการขาย FOB เป็นหลัก (ลูกค้ารับผิดชอบค่าขนส่ง)

ปรับเพิ่มกำไร ด้วยสมมติฐานที่สอดคล้องกับบริษัท

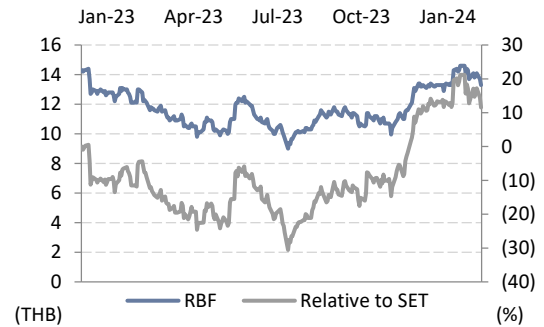
แม้แนวโน้มกำไร 4Q23 อาจสะดุดลงชั่วคราว แต่ด้วยกำไรที่ทำได้ดีใน 9M23 และเรายังคงมุมมองเชิงบวกต่อการเติบโตของรายได้ต่างประเทศ ด้วยฐานที่ต่ำ โดยเฉพาะตลาดจีนและอินเดีย เราจึงปรับเพิ่มประมาณการกำไรสุทธิปี 2023-25 ขึ้น 2.8%/13.6%/12.1% เป็นการเติบโต 41.5%/28.6%/12.5% ตามลำดับ ทั้งนี้โรงงานที่อินเดีย คาดจะแล้วเสร็จและเริ่ม Commercial Run ได้ใน 3Q24 ขยับออกจากเดิมเล็กน้อย ซึ่งในช่วง 2H24 บริษัทจะเปลี่ยนจากการรับรู้รายได้ส่งออกไปอินเดีย เป็นส่วนแบ่งกำไรขาดทุน จากการย้ายไปผลิตที่อินเดีย แม้จะเริ่มรับรู้ค่าเสื่อมราว 15 ลบ./ปี แต่อาจถูกหักล้างด้วยรายได้ที่สูงขึ้น จึงเห็นว่าโรงงานอินเดียอาจมีกำไรได้ทันที

ปรับเพิ่มกำไรและราคาเป้าหมาย แต่ปรับลดคำแนะนำเป็น ถือ

จากการปรับเพิ่มกำไร เราจึงปรับเพิ่มราคาเป้าหมายขึ้นเป็น 14 บาท จากเดิม 13.5 บาท ปรับลด Target PE เป็น 32x จากเดิม 35x สะท้อนการเติบโตในอัตราที่ลดลง แต่ด้วย Upside ที่จำกัดเหลือเพียง 5.3% จึงปรับลดคำแนะนำเป็น ถือ หรือ รอซื้ออ่อนตัว

KEY STOCK DATA

YE Dec (THB m)	2022	2023E	2024E	2025E
Revenue	3,961	4,408	5,051	5,694
Net profit	482	672	870	976
EPS (THB)	0.24	0.34	0.43	0.49
vs Consensus (%)	-	(0.9)	(0.7)	0.6
EBITDA	809	1,137	1,432	1,643
Recurring net profit	459	685	870	976
Core EPS (THB)	0.23	0.34	0.43	0.49
Chg. In EPS est. (%)	-	3.1	12.7	10.8
EPS growth (%)	(3.3)	49.1	27.0	12.2
Core P/E (x)	57.9	38.9	30.6	27.3
Dividend yield (%)	0.8	1.5	2.0	2.2
EV/EBITDA (x)	32.3	23.0	18.1	15.7
Price/book (x)	6.1	5.8	5.4	5.0
Net debt/Equity (%)	(11.4)	(11.1)	(13.2)	(16.4)
ROE (%)	10.7	15.3	18.3	19.0



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(0.7)	24.3	(8.3)
Relative to country (%)	(1.5)	26.6	10.3
Mkt cap (USD m)	751		
3m avg. daily turnover (USD m)	2.3		
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



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Investment thesis

จุดแข็งของ RBF คือมีฐานลูกค้าอยู่ในอุตสาหกรรมอาหารและเครื่องดื่ม ซึ่งถือเป็นสินค้าจำเป็น และมีลูกค้าค่อนข้างหลากหลายในหลายผลิตภัณฑ์สินค้า โดย RBF เป็นผู้อยู่เบื้องหลังในรสชาติและรสสัมผัส ซึ่งถือเป็นหัวใจของอาหารเครื่องดื่ม และเป็นความลับเฉพาะเจ้าของผลิตภัณฑ์และ RBF ทั้งนี้ RBF มีประสบการณ์ในธุรกิจมาอย่างยาวนาน และให้ความสำคัญกับการวิจัยพัฒนาอย่างต่อเนื่อง เพื่อสร้างความแตกต่างในผลิตภัณฑ์ และสร้างความพึงพอใจให้กับลูกค้า รวมถึงมีการพัฒนาสูตรเฉพาะสำหรับลูกค้าแต่ละราย ทำให้ยากที่ลูกค้าจะเปลี่ยน Supplier เมื่อผู้บริโภคถูกใจในรสชาติแล้ว

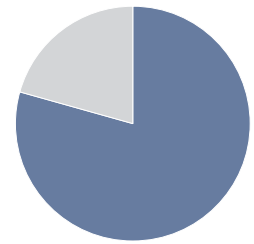
Company profile

RBF ดำเนินธุรกิจเป็นผู้ผลิตและจำหน่ายส่วนผสมในอาหาร โดยมีผลิตภัณฑ์ที่หลากหลายและครอบคลุมกับความต้องการของลูกค้า ได้แก่ รสชาติ สีผสมอาหาร ผลิตภัณฑ์เคลือบอาหาร รวมถึงธุรกิจ Trading เช่น สารกันบูด กรดซิตริก เป็นต้น ซึ่งสามารถแบ่งผลิตภัณฑ์ได้เป็น 6 กลุ่ม โดยสิ้นปี 2022 บริษัทมีสัดส่วนรายได้มาจาก Food Coating 45.1% ของรายได้รวม รองมาคือ Flavor Fragrance 32.6%, Trading 12.9%, Dried product 6.9%, Frozen 1.5% และ Packaging 1%

www.rbfoodsupply.co.th

Principal activities (revenue, 2022)

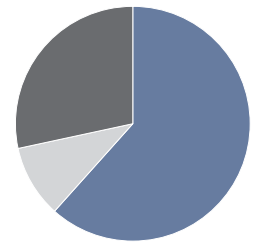
- Domestic - 79.4 %
- Overseas - 20.6 %



Source: R&B Food Supply

Major shareholders

- Ratanapoompinyo Family - 61.6 %
- Thai Union Group PCL - 10.0 %
- Others - 28.4 %



Source: R&B Food Supply

Catalysts

ปัจจัยหนุนการเติบโตในปี 2024 คือ 1) การฟื้นตัวของกำลังซื้อในประเทศและต่างประเทศ 2) ต้นทุนวัตถุดิบปรับลดลง 3) การประสบความสำเร็จในการขยายตลาดใหม่ และ 4) การประสบความสำเร็จในสินค้าใหม่

Risks to our call

ความเสี่ยง 1) กำลังซื้อฟื้นตัวช้ากว่าคาด 2) ราคาวัตถุดิบปรับลงช้ากว่าคาด 3) สินค้าใหม่ไม่ประสบความสำเร็จ และ 4) การ Operate โรงงานใหม่ที่อื่นเติลล่าช้ากว่าแผน

Event calendar

Date	Event
February 2024	4Q23 results announcement
March 2024	4Q23 analyst meeting

Key assumptions

	2023E	2024E	2025E
Domestic sales growth (%)	1.7	5.0	5.0
Oversea sales growth (%)	47.9	40.0	28.0
Domestic sales portion (%)	72.6	66.5	61.9
Oversea sales portion (%)	27.4	33.5	38.1
Total sales growth (%)	11.3	14.6	12.7
Gross margin (%)	37.9	40.0	40.2

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in revenue, we estimate 2024 net profit to rise by 0.8%, and vice versa, all else being equal.
- For every 0.5% increase in GPM, we estimate 2024 net profit to rise by 3%, and vice versa, all else being equal.
- For every 0.2% increase in SG&A to sales, we estimate 2024 net profit to fall by 1.1%, and vice versa, all else being equal.

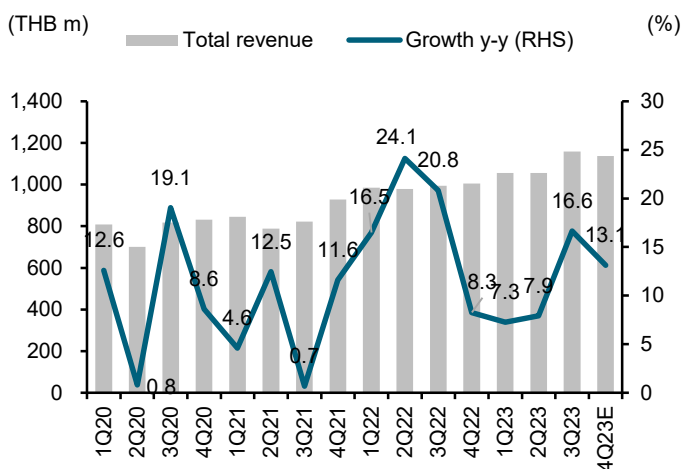
Source: FSSIA estimates

Exhibit 1: 4Q23 earnings preview

	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23E	----- Change -----	
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)
Sales	984	978	994	1,005	1,056	1,056	1,159	1,137	(1.9)	13.1
Cost of sales	615	643	675	682	674	668	702	694	(1.2)	1.6
Gross profit	370	335	319	323	382	388	457	443	(3.0)	37.4
SG&A	184	190	195	193	194	205	212	207	(2.3)	7.2
Operating profit	189	146	124	131	189	188	245	236	(3.5)	80.8
Interest expense	2.3	2.3	2.1	2.5	2.3	2.3	3.5	3.0	(14.2)	21.1
Tax expense	35	31	29	19	29	38	52	43	(17.7)	127.7
Profit (loss) sharing - India	0.00	0.00	0.00	0.02	0.96	1.44	3.31	5.00	51.3	nm
Reported net profit	163	115	110	94	147	153	209	173	(17.4)	83.9
Core profit	150	112	90	108	159	150	192	195	1.4	80.9
Key Ratios (%)									(ppt)	(ppt)
Gross margin	37.5	34.2	32.1	32.1	36.1	36.7	39.4	39.0	(0.4)	6.9
SG&A to sales	18.7	19.4	19.7	19.2	18.4	19.4	18.3	18.2	(0.1)	(1.0)
Operating margin	19.2	14.9	12.5	13.0	17.9	17.8	21.1	20.8	(0.3)	7.8
Net margin	16.5	11.8	11.1	9.4	13.9	14.5	18.1	15.2	(2.9)	5.9
Core margin	15.2	11.4	9.1	10.7	15.0	14.2	16.6	17.1	0.6	6.4
Operating statistics (THB m)										
Domestic revenue	789	771	788	795	780	744	844	831	(1.5)	4.5
Overseas revenue	195	207	205	210	276	312	316	306	(3.0)	45.6
Domestic contribution (%)	80.2	78.8	79.3	79.1	73.9	70.4	72.8	73.1		
Overseas contribution (%)	19.8	21.2	20.7	20.9	26.1	29.6	27.2	26.9		

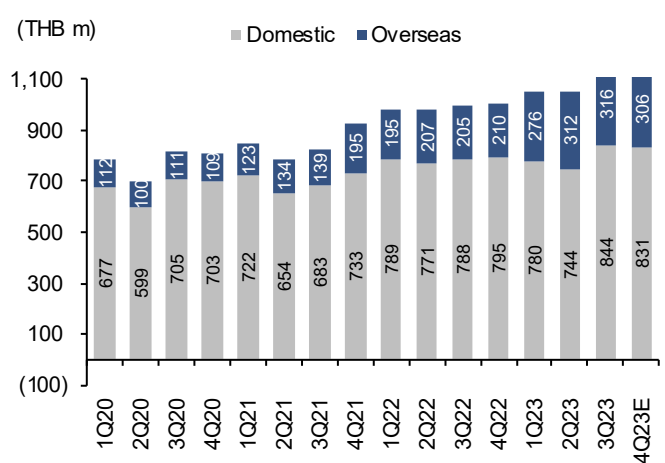
Sources: RBF, FSSIA estimates

Exhibit 2: Quarterly total revenue and growth



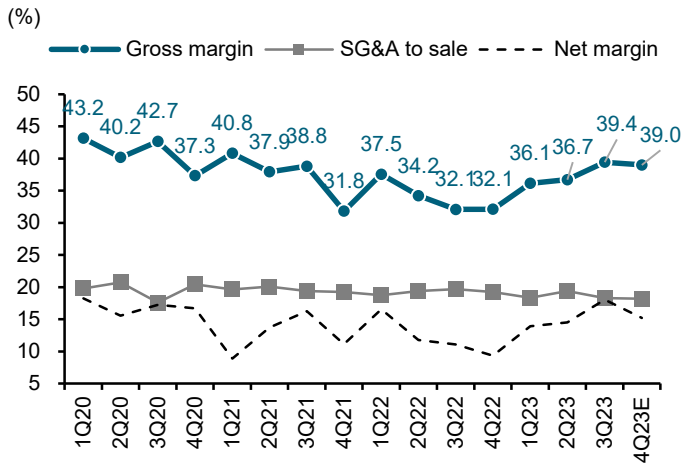
Sources: RBF, FSSIA estimates

Exhibit 3: Quarterly revenue breakdown by destination



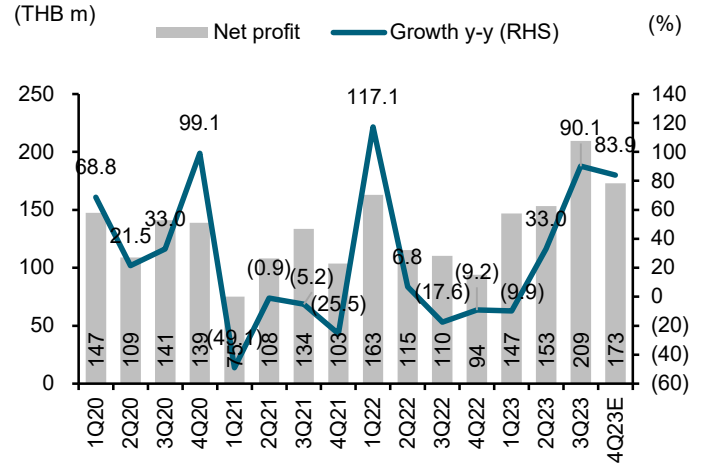
Sources: RBF, FSSIA estimates

Exhibit 4: Quarterly gross margin



Sources: RBF, FSSIA estimates

Exhibit 5: Quarterly net profit and growth



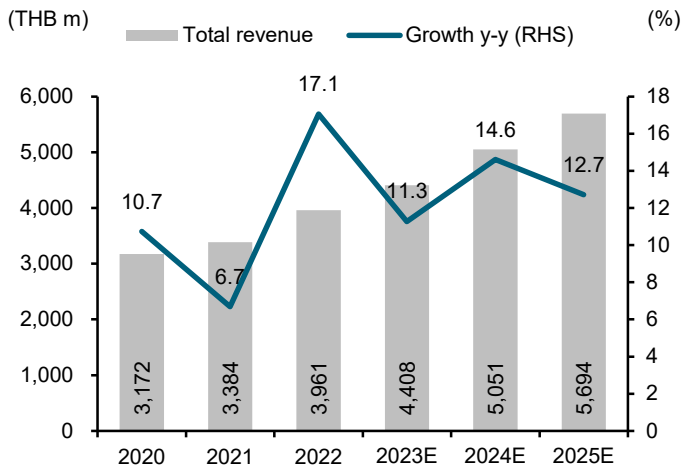
Sources: RBF, FSSIA estimates

Exhibit 6: Change of key assumptions for RBF

	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 revenue (THB m)	4,408	5,051	5,694	4,554	5,104	5,677	(3.2)	(1.0)	0.3
Costs	2,738	3,031	3,405	2,923	3,241	3,576	(6.3)	(6.5)	(4.8)
Gross profit	1,669	2,021	2,289	1,630	1,863	2,100	2.4	8.5	9.0
SG&A expenses	817	935	1,053	820	919	1,022	(0.3)	1.7	3.1
Interest expense	11	12	15	9	12	15	19.2	0.0	0.0
Tax expense	162	207	248	147	171	195	10.7	21.3	27.5
Reported net profit	682	877	987	664	772	881	2.8	13.6	12.1
Core profit	695	877	987	664	772	881	4.8	13.6	12.1
Key ratios (%)									
Total revenue growth	11.3	14.6	12.7	15.0	12.1	11.2	(3.7)	2.5	1.5
Net profit growth	41.5	28.6	12.5	37.6	16.3	14.1	3.9	12.3	(1.6)
Core profit growth	51.4	26.2	12.5	44.5	16.3	14.1	6.9	9.9	(1.6)
Gross margin	37.9	40.0	40.2	35.8	36.5	37.0	2.1	3.5	3.2
SG&A to sales	18.5	18.5	18.5	18.0	18.0	18.0	0.5	0.5	0.5
Net margin	15.5	17.4	17.3	14.6	15.1	15.5	0.9	2.2	1.8
Core margin	15.8	17.4	17.3	14.6	15.1	15.5	1.2	2.2	1.8
Operating statistics (THB m)									
Domestic revenue	3,198	3,358	3,526	3,458	3,734	4,033	(7.5)	(10.1)	(12.6)
Overseas revenue	1,209	1,693	2,167	1,096	1,370	1,644	10.4	23.6	31.9
Domestic revenue growth (%)	1.7	5.0	5.0	10.0	8.0	8.0			
Overseas revenue growth (%)	27.4	33.5	38.1	24.1	26.8	29.0			
Domestic revenue proportion (%)	72.6	66.5	61.9	75.9	73.2	71.0			
Overseas revenue proportion (%)	27.4	33.5	38.1	24.1	26.8	29.0			

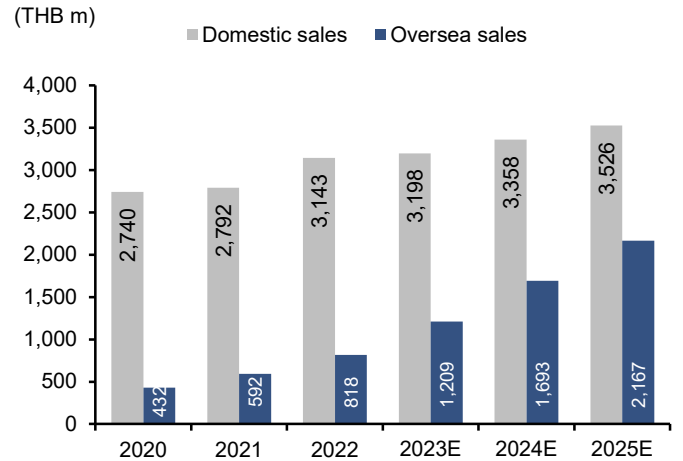
Source: FSSIA estimates

Exhibit 7: Yearly total revenue and growth



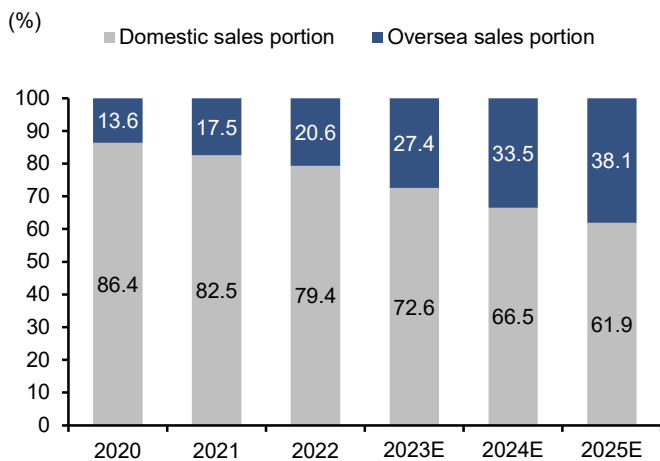
Sources: RBF, FSSIA estimates

Exhibit 8: Yearly revenue breakdown by destination



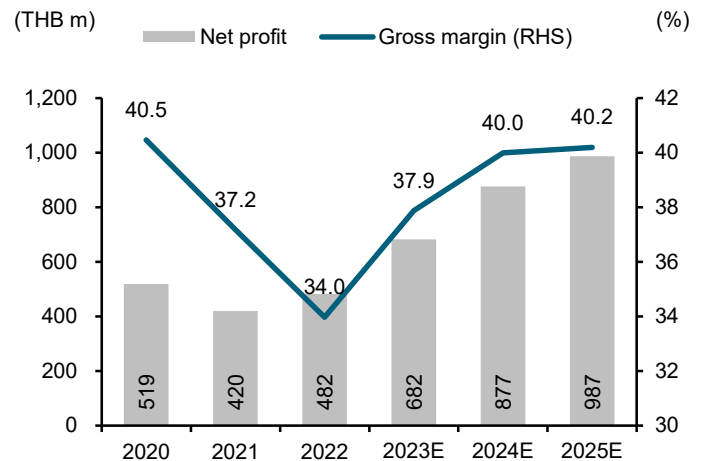
Sources: RBF, FSSIA estimates

Exhibit 9: Yearly revenue proportion



Sources: RBF, FSSIA estimates

Exhibit 10: Yearly net profit and gross margin



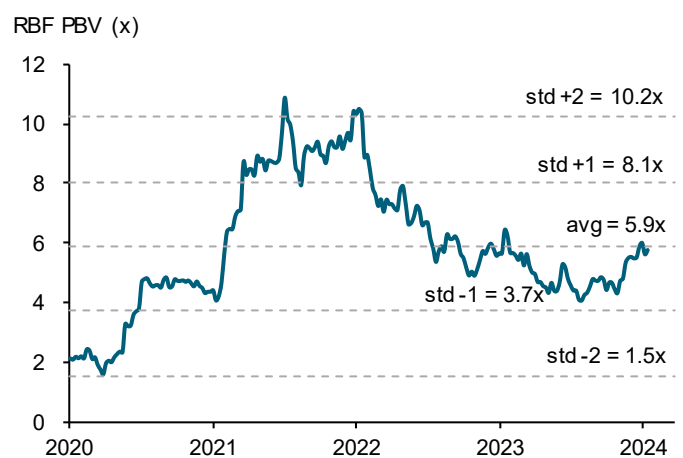
Sources: RBF, FSSIA estimates

Exhibit 11: Historical P/E band



Sources: Bloomberg, FSSIA's compilation

Exhibit 12: Historical P/BV band



Sources: Bloomberg, FSSIA's 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	4,408	5,051	5,694
Cost of goods sold	(2,126)	(2,615)	(2,738)	(3,031)	(3,405)
Gross profit	1,258	1,346	1,669	2,021	2,289
Other operating income	7	7	7	8	9
Operating costs	(663)	(763)	(817)	(935)	(1,053)
Operating EBITDA	809	809	1,137	1,432	1,643
Depreciation	(207)	(219)	(279)	(339)	(399)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	603	590	859	1,094	1,244
Net financing costs	(9)	(9)	(11)	(12)	(15)
Associates	-	-	-	-	-
Recurring non-operating income	0	0	0	0	0
Non-recurring items	(55)	23	(13)	0	0
Profit before tax	539	604	835	1,082	1,229
Tax	(116)	(113)	(162)	(207)	(248)
Profit after tax	423	491	672	875	981
Minority interests	(3)	(9)	(1)	(5)	(6)
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
Reported net profit	420	482	672	870	976
Non-recurring items & goodwill (net)	55	(23)	13	0	0
Recurring net profit	475	459	685	870	976
Per share (THB)					
Recurring EPS *	0.24	0.23	0.34	0.43	0.49
Reported EPS	0.21	0.24	0.34	0.43	0.49
DPS	0.15	0.10	0.20	0.26	0.30
Diluted shares (used to calculate per share data)	2,000	2,000	2,000	2,000	2,000
Growth					
Revenue (%)	6.7	17.1	11.3	14.6	12.7
Operating EBITDA (%)	(5.3)	(0.1)	40.6	25.9	14.7
Operating EBIT (%)	(9.6)	(2.0)	45.5	27.3	13.8
Recurring EPS (%)	(11.8)	(3.3)	49.1	27.0	12.2
Reported EPS (%)	(19.1)	14.8	39.2	29.5	12.2
Operating performance					
Gross margin inc. depreciation (%)	37.2	34.0	37.9	40.0	40.2
Gross margin exc. depreciation (%)	43.3	39.5	44.2	46.7	47.2
Operating EBITDA margin (%)	23.9	20.4	25.8	28.4	28.9
Operating EBIT margin (%)	17.8	14.9	19.5	21.7	21.8
Net margin (%)	14.0	11.6	15.5	17.2	17.1
Effective tax rate (%)	21.5	18.7	19.5	19.1	20.2
Dividend payout on recurring profit (%)	63.1	43.5	59.8	60.5	60.7
Interest cover (X)	68.0	64.5	77.4	91.1	84.7
Inventory days	166.1	168.0	184.9	182.2	182.0
Debtor days	91.2	85.2	86.3	84.3	84.9
Creditor days	81.2	77.3	78.2	75.0	74.9
Operating ROIC (%)	14.9	13.7	18.1	22.0	(6.0)
ROIC (%)	14.3	13.0	16.9	20.5	(5.6)
ROE (%)	11.4	10.7	15.3	18.3	19.0
ROA (%)	9.8	9.3	13.1	15.7	16.1
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Domestic	2,792	3,143	3,198	3,358	3,526
Overseas	592	818	1,209	1,693	2,167

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	685	870	976
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)	(147)	(237)	(259)
Cash flow from operations	562	335	815	973	1,117
Capex - maintenance	-	-	-	-	-
Capex - new investment	-	(456)	(367)	(300)	(300)
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	30	(109)	(28)	(10)	(10)
Cash flow from investing	30	(565)	(395)	(310)	(310)
Dividends paid	(300)	(295)	(409)	(526)	(592)
Equity finance	0	0	0	0	0
Debt finance	(129)	19	(21)	(10)	(11)
Other financing cash flows	(1)	(3)	8	10	10
Cash flow from financing	(430)	(278)	(422)	(527)	(593)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	162	(508)	(2)	136	214
Free cash flow to firm (FCFF)	600.43	(220.64)	431.49	674.88	821.62
Free cash flow to equity (FCFE)	461.77	(213.05)	407.46	662.54	806.06

Per share (THB)

FCFF per share	0.30	(0.11)	0.22	0.34	0.41
FCFE per share	0.23	(0.11)	0.20	0.33	0.40
Recurring cash flow per share	0.35	0.34	0.48	0.61	0.69

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	191	198	210
Cash & equivalents	1,176	668	666	802	1,016
A/C receivable	850	998	1,087	1,246	1,404
Inventories	989	1,217	1,275	1,412	1,586
Other current assets	23	44	48	56	63
Current assets	3,039	2,927	3,076	3,515	4,068
Other assets	50	51	71	81	91
Total assets	5,006	5,204	5,411	5,829	6,305
Common equity	4,224	4,373	4,579	4,930	5,325
Minorities etc.	12	23	22	24	26
Total shareholders' equity	4,237	4,397	4,602	4,954	5,351
Long term debt	156	157	147	136	125
Other long-term liabilities	61	58	66	76	85
Long-term liabilities	217	215	213	212	211
A/C payable	487	528	525	581	653
Short term debt	12	10	10	11	11
Other current liabilities	53	54	62	71	80
Current liabilities	552	593	597	662	744
Total liabilities and shareholders' equity	5,006	5,204	5,411	5,829	6,305
Net working capital	1,323	1,676	1,824	2,061	2,320
Invested capital	3,290	3,954	4,159	4,375	4,557

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

Per share (THB)

Book value per share	2.11	2.19	2.29	2.47	2.66
Tangible book value per share	2.11	2.18	2.28	2.46	2.66

Financial strength

Net debt/equity (%)	(23.8)	(11.4)	(11.1)	(13.2)	(16.4)
Net debt/total assets (%)	(20.1)	(9.6)	(9.4)	(11.2)	(13.9)
Current ratio (x)	5.5	4.9	5.2	5.3	5.5
CF interest cover (x)	53.1	27.5	70.8	81.2	76.3

Valuation	2021	2022	2023E	2024E	2025E
Recurring P/E (x) *	56.0	57.9	38.9	30.6	27.3
Recurring P/E @ target price (x) *	58.9	61.0	40.9	32.2	28.7
Reported P/E (x)	63.3	55.2	39.6	30.6	27.3
Dividend yield (%)	1.1	0.8	1.5	2.0	2.2
Price/book (x)	6.3	6.1	5.8	5.4	5.0
Price/tangible book (x)	6.3	6.1	5.8	5.4	5.0
EV/EBITDA (x) **	31.6	32.3	23.0	18.1	15.7
EV/EBITDA @ target price (x) **	33.4	34.0	24.2	19.1	16.5
EV/invested capital (x)	7.8	6.6	6.3	5.9	5.7

* 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 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 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](https://www.settrade.com); FSSIA's compilation
Exhibit 15: 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 16: 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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0-10	10-20	20-30	30-40	40+																									
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 style="padding-right: 10px;">AAA</td> <td>8.571-10.000</td> <td style="padding-right: 10px;">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.																											

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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Sureeporn Teewasuwet FSS International Investment Advisory Securities Co., Ltd

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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 13.30	HOLD	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 16-Jan-2024 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.