

SRINANAPORN MARKETING
THAILAND / FOOD & BEVERAGE

SNNP TB

BUY

UNCHANGED

เวียดนามหนุน 4Q23 ทำนิวไฮ

- คาดกำไร 4Q23 ขยับขึ้นทำนิวไฮ จากช่วง High season โดยเฉพาะเวียดนาม
- ผู้บริหารตั้งเป้าปี 2024 เติบโต aggressive มากขึ้น หลังติดตั้ง 3 ไลน์ผลิตในเวียดนามครบเรียบร้อย คาดช่วยหนุนอัตรากำไรขั้นต้นให้ดีขึ้นต่อเนื่อง
- ปรับเพิ่มประมาณกำไรและราคาเป้าหมาย คงคำแนะนำ ซื้อ ตามเดิม

| | |
|-----------------|----------|
| TARGET PRICE | THB22.00 |
| CLOSE | THB18.60 |
| UP/DOWNSIDE | +18.3% |
| PRIOR TP | THB21.00 |
| CHANGE IN TP | +4.8% |
| TP vs CONSENSUS | -7.3% |

KEY STOCK DATA

| YE Dec (THB m) | 2022 | 2023E | 2024E | 2025E |
|----------------------|-------|-------|-------|-------|
| Revenue | 5,556 | 6,041 | 6,814 | 7,533 |
| Net profit | 516 | 638 | 785 | 885 |
| EPS (THB) | 0.54 | 0.66 | 0.82 | 0.92 |
| vs Consensus (%) | - | (2.5) | (0.1) | (1.4) |
| EBITDA | 835 | 1,014 | 1,200 | 1,341 |
| Recurring net profit | 516 | 638 | 785 | 885 |
| Core EPS (THB) | 0.54 | 0.66 | 0.82 | 0.92 |
| Chg. In EPS est. (%) | - | (1.4) | 7.0 | 6.9 |
| EPS growth (%) | 67.2 | 23.8 | 22.9 | 12.8 |
| Core P/E (x) | 34.6 | 28.0 | 22.8 | 20.2 |
| Dividend yield (%) | 2.2 | 2.5 | 3.1 | 3.5 |
| EV/EBITDA (x) | 21.9 | 18.1 | 15.3 | 13.6 |
| Price/book (x) | 5.9 | 5.8 | 5.4 | 5.0 |
| Net debt/Equity (%) | 5.2 | 4.7 | 3.0 | 1.1 |
| ROE (%) | 17.5 | 20.8 | 24.4 | 25.7 |

แนวโน้มรายได้เวียดนาม 2023 อาจย่อหน้าเล็กน้อย แต่ถือเป็นการเติบโตดี

คาดการณ์กำไรสุทธิ 4Q23 ทำนิวไฮอยู่ที่ 167 ลบ. (+5% q-q, +10% y-y) ส่วนหนึ่งมาจากช่วง High season คาดรายได้เวียดนามจะเร่งขึ้นเป็นจุดสูงสุดของปีราว 280 ลบ. (+55% q-q, +12% y-y) หากได้ตามคาด จบปี 2023 รายได้เวียดนามจะอยู่ที่ 775 ลบ. (+22% y-y) ต่ำกว่าเป้าหมายของบริษัทที่ 800 ลบ. เล็กน้อย เนื่องจากมีรายได้ Bento บางส่วนส่งมอบไม่ทัน ซึ่งจะเลื่อนไปรับรู้ใน 1Q24 ขณะที่คาดการณ์ได้ในประเทศจะเติบโตได้เล็กน้อย +5% q-q, +2% y-y ยังเป็นจุดสูงสุดของปีตามฤดูกาล

คาด 4Q23 ทำนิวไฮทั้งรายได้ อัตรากำไรขั้นต้น และกำไรสุทธิ

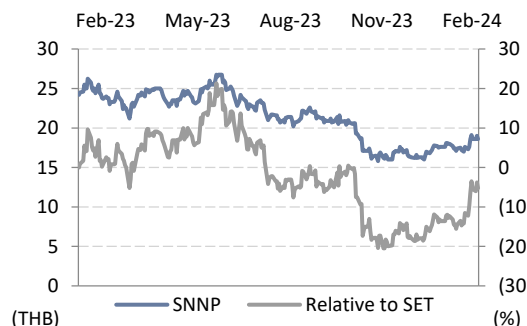
คาดการณ์กำไรขั้นต้น 4Q23 ขยับขึ้นทำจุดสูงสุดใหม่ที่ 29% (vs 28.8% ใน 3Q23 และ 28.1% ใน 4Q22) มาจากอัตรากำไรขั้นต้นที่สูงขึ้น และการรับรู้กำลังการผลิตของโรงงานเวียดนามที่มากขึ้น ซึ่งมีอัตรากำไรที่สูงกว่าโรงงานไทย และคาดว่าจะสามารถหักล้างค่าใช้จ่ายในการขายและบริหารที่คาดว่าจะสูงขึ้นพอควรในไตรมาสนี้ได้ทั้งหมด โดยเป็นค่าใช้จ่ายที่สูงขึ้นตามฤดูกาล คาด SG&A to sales จะปรับขึ้นมาอยู่ที่ 16.2% (vs 15.6% ใน 3Q23 และ 16.1% ใน 4Q22) หากกำไร 4Q23 เป็นไปตามคาด จบปี 2023 จะมีกำไรสุทธิ 638 ลบ. (+24% y-y)

ตั้งเป้าปี 2024 Aggressive มากขึ้น หลังขึ้นกำลังการผลิตเวียดนามครบแล้ว

ผู้บริหารตั้งเป้ารายได้ในประเทศปี 2024 จะเติบโตในอัตราสองหลักราว 10%-15% y-y และตั้งเป้ารายได้ต่างประเทศจะเติบโตเร่งตัวขึ้นมากกว่า อาจอยู่ในกรอบ 20-30% y-y หนุนจากเวียดนาม ที่จะใช้โรงงานใหม่ได้เต็มปี ปัจจุบันติดตั้งกำลังการผลิตครบทั้ง 3 ไลน์ (Lotus, Bento, Jele) นอกจากนี้บริษัทอยู่ระหว่างขยายตลาดที่เกาหลีใต้ และฟิลิปปินส์ รวมถึงจีนที่ยังเป็นช่วงเริ่มต้น อาจต้องใช้เวลา แต่เป็นตลาดที่มีศักยภาพ และบริษัทตั้งเป้าอัตรากำไรขั้นต้นปี 2024 Aggressive มากขึ้นเป็น 30-31% เพิ่มขึ้นจาก 28.5% ใน 2023 โดยแนวโน้มราคาวัตถุดิบค่อนข้างไปในทางทรงตัว แต่จะได้รับผลบวกจากอัตรากำไรขั้นต้นของโรงงานเวียดนามที่สูงกว่าโรงงานมากกว่า 3-5%

ปรับเพิ่มประมาณการกำไร และราคาเป้าหมาย

เราปรับเพิ่มประมาณการกำไรปี 2024-25 ขึ้น 7% และ 6.9% เป็นการเติบโต 23% y-y และ 13% y-y ตามลำดับ จากพัฒนาการอัตรากำไรขั้นต้นที่ดีกว่าคาด แต่ยังเป็นสมมติฐานที่ Conservative กว่าเป้าหมายบริษัท นำไปสู่การปรับเพิ่มราคาเป้าหมายเป็น 22 บาท จากเดิม 21 บาท (อิง PE เดิม 27x) ยังมี Upside 18.3%



| Share price performance | 1 Month | 3 Month | 12 Month |
|--------------------------------|----------------------------------|---------|----------|
| Absolute (%) | 5.7 | 14.8 | (21.2) |
| Relative to country (%) | 9.7 | 16.3 | (3.5) |
| Mkt cap (USD m) | 503 | | |
| 3m avg. daily turnover (USD m) | 1.7 | | |
| Free float (%) | 34 | | |
| Major shareholder | Concord I. Capital Limited (21%) | | |
| 12m high/low (THB) | 27.25/15.70 | | |
| Issued shares (m) | 960.00 | | |

Sources: Bloomberg consensus; FSSIA estimates



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Investment thesis

SNNP ถือเป็นหนึ่งในผู้นำตลาดขนมขบเคี้ยวและเยลลี่ของไทย โดยมี 3 แบรินด์ตั้งได้แก่ Bento Jele และ Lotus และมีการขายทั้งในประเทศและส่งออก โดยตลาดส่งออกหลักคือ CLMV ทั้งนี้สิ้นปี 2022 บริษัทมีสัดส่วนรายได้จากการขายในประเทศมากที่สุดราว 73% ของรายได้รวม รองมาคือ CLMV 20% และประเทศอื่นๆอีก 7%

เราคาดว่าจะปี 2023-25 เติบโต 25.5%/13.3%/12.9% ตามลำดับ ทั้งนี้เรายังมองบวกต่อการเติบโตระยะกลางยาว จากการมีแบรนด์ที่แข็งแกร่ง และสินค้าเป็นที่รู้จัก รวมถึงมีระดับราคาสำหรับผู้บริโภคทุกกลุ่มสามารถเข้าถึงได้ และมีฐานการผลิตกระจายใน CLMV

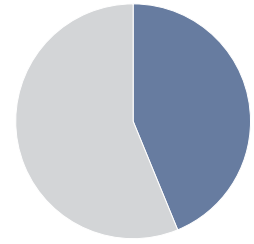
Company profile

SNNP ก่อตั้งขึ้นในปี 1972 ภายใต้ร้านค้าส่งชื่อ ศรีวิวัฒน์ บริษัทดำเนินธุรกิจเป็นผู้ผลิตและจัดจำหน่ายขนมขบเคี้ยวมานานกว่า 30 ปี โดยมีสินค้าหลายกลุ่มประกอบด้วย เยลลี่พร้อมดื่มและเยลลี่คาราจีแนน, ปลาหมึกอบ ปลาหมึกเส้น และปลาเส้น, ขนมขี้หนูและขนมปังแท่ง, เวเฟอร์และขนมปังอบ และเครื่องดื่มอื่นๆ เป็นต้น

www.snnp.co.th

Principal activities (revenue, 2022)

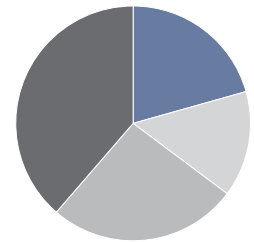
- Beverage - 43.8 %
- Snack - 56.2 %



Source: Srinanaporn Marketing

Major shareholders

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



Source: Srinanaporn Marketing

Catalysts

ปัจจัยหนุนการเติบโตในปี 2024 คือ 1) การเติบโตของรายได้ในประเทศ 2) การเติบโตของรายได้ส่งออก 3) การประสบความสำเร็จของสินค้าใหม่ และ 4) ต้นทุนวัตถุดิบลดลง และอัตราการใช้จ่ายกำลังการผลิตสูงขึ้น

Risks to our call

ความเสี่ยง 1) กำลังซื้อฟื้นตัวช้ากว่าคาด 2) ต้นทุนวัตถุดิบปรับลงช้ากว่าคาด 3) สินค้าใหม่ไม่ประสบความสำเร็จ และ 4) ค่าใช้จ่ายการตลาดสูงขึ้นมากกว่าคาด จากการแข่งขันที่สูงขึ้น

Event calendar

| Date | Event |
|---------------|---|
| February 2024 | 4Q23 results announcement 4Q23 analyst meeting |

Key assumptions

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

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in revenue, we estimate 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 3.8%, and vice versa, all else being equal.
- For every 0.2% increase in SG&A, we estimate 2024 net profit to fall by 1.6%, and vice versa, all else being equal.

Source: FSSIA estimates

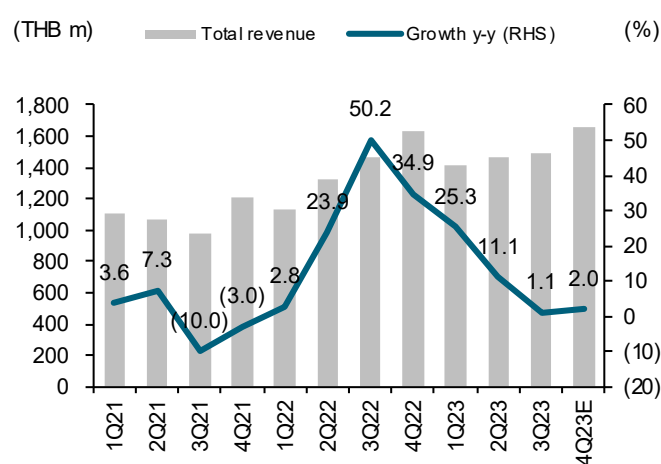
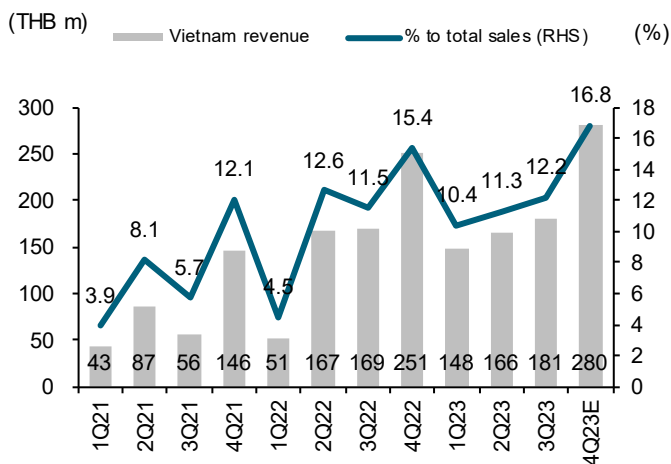
Exhibit 1: 4Q23 earnings preview

| | 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 | 1,133 | 1,323 | 1,468 | 1,632 | 1,420 | 1,470 | 1,486 | 1,664 | 12.0 | 2.0 |
| Cost of sales | 823 | 978 | 1,067 | 1,174 | 1,020 | 1,060 | 1,058 | 1,182 | 11.7 | 0.7 |
| Gross profit | 310 | 345 | 400 | 458 | 400 | 410 | 428 | 483 | 12.7 | 5.3 |
| SG&A | 179 | 210 | 235 | 263 | 207 | 216 | 232 | 270 | 16.3 | 2.6 |
| Operating profit | 142 | 152 | 184 | 198 | 201 | 205 | 208 | 221 | 6.1 | 11.8 |
| Interest expense | 0.18 | 0.15 | 0.29 | 1.06 | 0.76 | 1.58 | 2.25 | 3.00 | 33.1 | 183.0 |
| Tax expense | 29 | 30 | 36 | 42 | 40 | 41 | 38 | 42 | 9.7 | (1.1) |
| Profit (loss) sharing | (8) | (6) | (6) | (8) | (8) | (7) | (9) | (10) | nm | nm |
| Reported net profit | 105 | 116 | 142 | 152 | 154 | 157 | 160 | 167 | 4.6 | 9.8 |
| Core profit | 105 | 116 | 142 | 152 | 154 | 157 | 160 | 167 | 4.6 | 9.8 |
| Key Ratios (%) | | | | | | | | | (ppt) | (ppt) |
| Gross margin | 27.4 | 26.1 | 27.3 | 28.1 | 28.2 | 27.9 | 28.8 | 29.0 | 0.2 | 0.9 |
| SG&A to sales | 15.8 | 15.8 | 16.0 | 16.1 | 14.6 | 14.7 | 15.6 | 16.2 | 0.6 | 0.1 |
| Operating margin | 12.6 | 11.5 | 12.6 | 12.1 | 14.2 | 13.9 | 14.0 | 13.3 | (0.7) | 1.2 |
| Net margin | 9.3 | 8.8 | 9.7 | 9.3 | 10.8 | 10.7 | 10.8 | 10.1 | (0.7) | 0.7 |
| Core margin | 9.3 | 8.8 | 9.7 | 9.3 | 10.8 | 10.7 | 10.8 | 10.1 | (0.7) | 0.7 |
| Operating statistics (THB m) | | | | | | | | | | |
| Domestic revenue | 899 | 967 | 1,075 | 1,106 | 1,094 | 1,111 | 1,078 | 1,128 | 4.7 | 2.0 |
| Overseas revenue | 234 | 357 | 393 | 526 | 326 | 359 | 408 | 537 | 31.4 | 2.0 |
| Vietnam revenue | 51 | 167 | 169 | 251 | 148 | 166 | 181 | 280 | 54.7 | 11.6 |

Sources: SNNP, FSSIA estimates

Exhibit 2: Quarterly Vietnam revenue

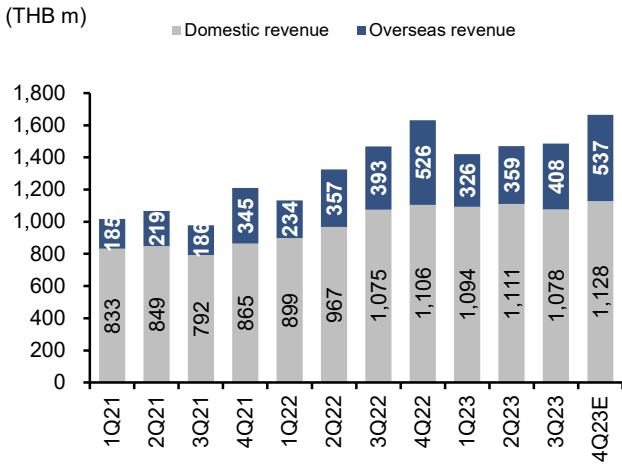
Exhibit 3: Quarterly total revenue and growth



Sources: SNNP, FSSIA estimates

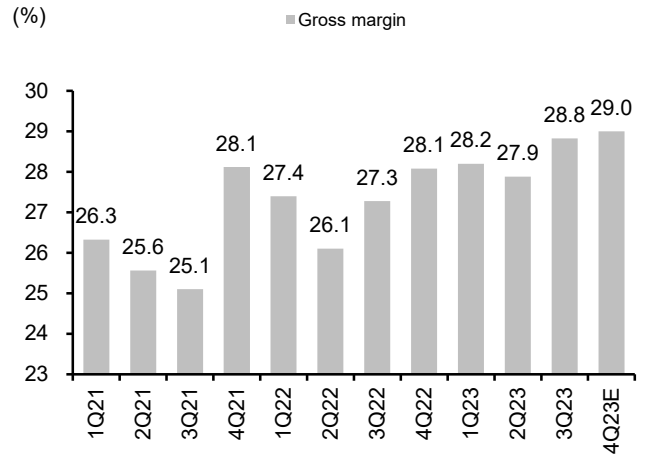
Sources: SNNP, FSSIA estimates

Exhibit 4: Revenue breakdown by destination



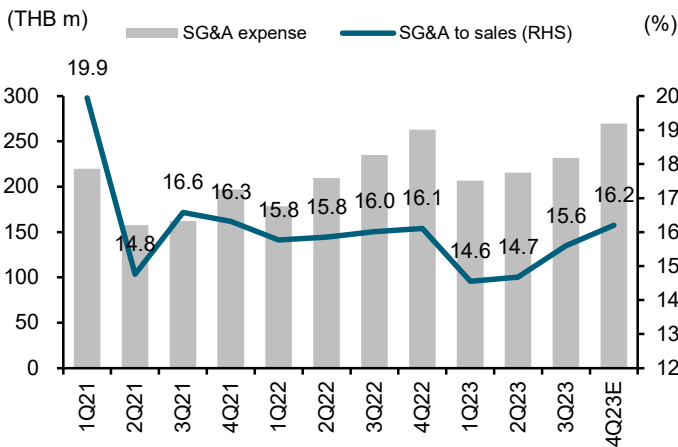
Sources: SNNP, FSSIA estimates

Exhibit 5: Quarterly gross margin



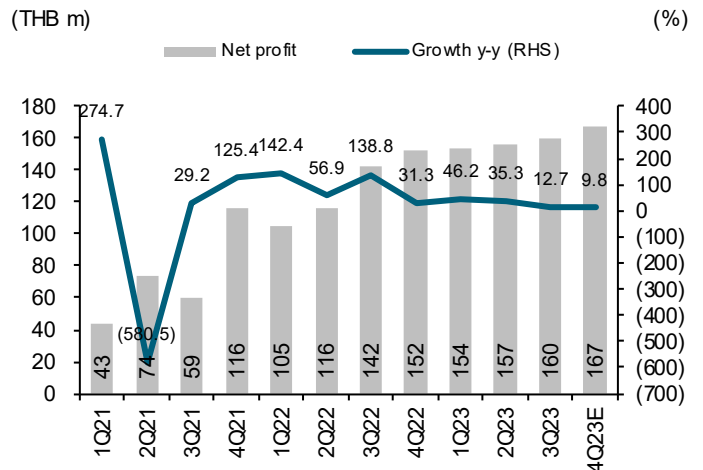
Sources: SNNP, FSSIA estimates

Exhibit 6: SG&A to sales



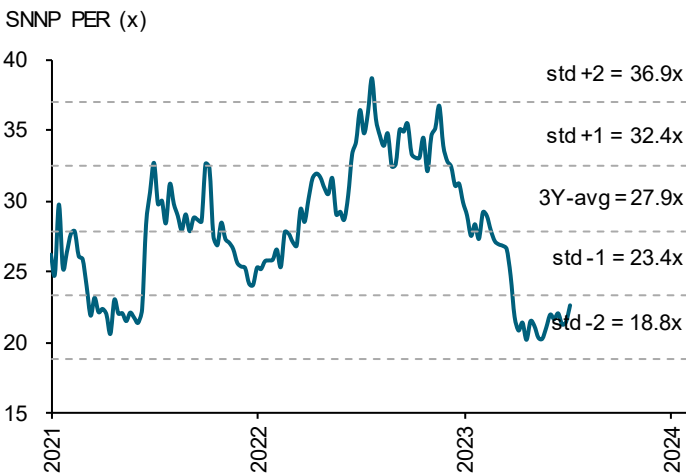
Sources: SNNP, FSSIA estimates

Exhibit 7: Quarterly net profit and growth



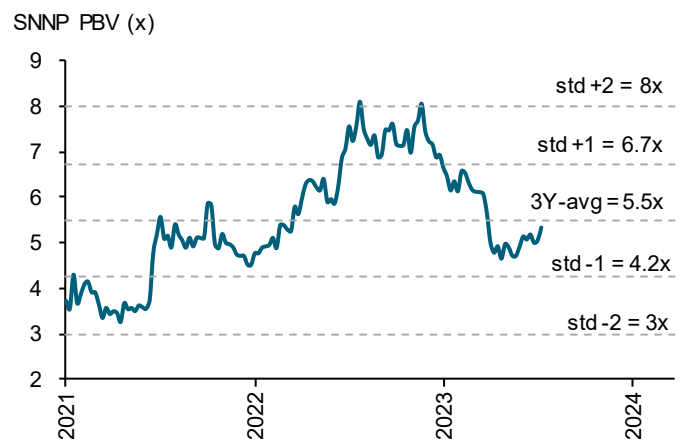
Sources: SNNP, FSSIA estimates

Exhibit 8: Historical P/E band



Sources: Bloomberg, FSSIA compilation

Exhibit 9: Historical P/BV band



Sources: Bloomberg, FSSIA compilation

Exhibit 10: Change of key assumptions for SNNP

| | Current | | | Previous | | | Change | | |
|-------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|--------------|--------------|--------------|
| | 2023E (THB m) | 2024E (THB m) | 2025E (THB m) | 2023E (THB m) | 2024E (THB m) | 2025E (THB m) | 2023E (%) | 2024E (%) | 2025E (%) |
| Total sale value (THB m) | 6,041 | 6,814 | 7,533 | 6,059 | 6,833 | 7,552 | (0.3) | (0.3) | (0.2) |
| Costs | 4,319 | 4,818 | 5,311 | 4,356 | 4,899 | 5,399 | (0.9) | (1.7) | (1.6) |
| Gross profit | 1,721 | 1,997 | 2,222 | 1,703 | 1,934 | 2,152 | 1.1 | 3.3 | 3.3 |
| SG&A expense | 924 | 1,036 | 1,145 | 903 | 1,039 | 1,148 | 2.3 | (0.3) | (0.2) |
| Profit (loss) sharing | (35) | (20) | (15) | (28) | (20) | (15) | <i>nm</i> | <i>nm</i> | <i>nm</i> |
| Interest expense | 8 | 7 | 7 | 6 | 6 | 5 | 25.5 | 24.0 | 24.0 |
| Reported net profit | 638 | 785 | 885 | 647 | 733 | 828 | (1.4) | 7.0 | 6.9 |
| Core profit | 638 | 785 | 885 | 647 | 733 | 828 | (1.4) | 7.0 | 6.9 |
| Key ratios (%) | | | | | | | | | |
| Total revenue growth | 8.7 | 12.8 | 10.6 | 9.1 | 12.8 | 10.5 | (0.3) | 0.0 | 0.0 |
| Net profit growth | 23.8 | 22.9 | 12.8 | 25.5 | 13.3 | 12.9 | (1.7) | 9.6 | (0.1) |
| Core profit growth | 23.8 | 22.9 | 12.8 | 25.5 | 13.3 | 12.9 | (1.7) | 9.6 | (0.1) |
| Gross margin | 28.5 | 29.3 | 29.5 | 28.1 | 28.3 | 28.5 | 0.4 | 1.0 | 1.0 |
| SG&A to sales | 15.3 | 15.2 | 15.2 | 14.9 | 15.2 | 15.2 | 0.4 | 0.0 | 0.0 |
| Net margin | 10.6 | 11.5 | 11.7 | 10.7 | 10.7 | 11.0 | (0.1) | 0.8 | 0.8 |
| Core margin | 10.6 | 11.5 | 11.7 | 10.7 | 10.7 | 11.0 | (0.1) | 0.8 | 0.8 |
| Operating statistics (THB m) | | | | | | | | | |
| Domestic revenue (THB m) | 4,410 | 4,939 | 5,433 | 4,506 | 5,047 | 5,551 | (2.1) | (2.1) | (2.1) |
| Overseas revenue (THB m) | 1,630 | 1,875 | 2,100 | 1,553 | 1,786 | 2,000 | 5.0 | 5.0 | 5.0 |
| Vietnam revenue (THB m) | 775 | 891 | 1,025 | 702 | 807 | 928 | 10.4 | 10.4 | 10.4 |

Source: FSSIA estimates

Financial Statements

Srinanaporn Marketing

| Profit and Loss (THB m) Year Ending Dec | 2021 | 2022 | 2023E | 2024E | 2025E |
|---|--------------|--------------|--------------|--------------|--------------|
| Revenue | 4,358 | 5,556 | 6,041 | 6,814 | 7,533 |
| Cost of goods sold | (3,209) | (4,042) | (4,319) | (4,818) | (5,311) |
| Gross profit | 1,149 | 1,514 | 1,721 | 1,997 | 2,222 |
| Other operating income | 33 | 48 | 38 | 41 | 45 |
| Operating costs | (737) | (886) | (924) | (1,036) | (1,145) |
| Operating EBITDA | 618 | 835 | 1,014 | 1,200 | 1,341 |
| Depreciation | (173) | (159) | (179) | (199) | (219) |
| Goodwill amortisation | 0 | 0 | 0 | 0 | 0 |
| Operating EBIT | 445 | 676 | 835 | 1,002 | 1,122 |
| Net financing costs | (40) | (2) | (8) | (7) | (7) |
| Associates | (26) | (25) | (35) | (20) | (15) |
| Recurring non-operating income | (26) | (25) | (35) | (20) | (15) |
| Non-recurring items | 129 | 0 | 0 | 0 | 0 |
| Profit before tax | 507 | 649 | 793 | 974 | 1,101 |
| Tax | (86) | (137) | (160) | (195) | (220) |
| Profit after tax | 422 | 512 | 633 | 779 | 881 |
| Minority interests | 16 | 4 | 5 | 5 | 4 |
| Preferred dividends | 0 | 0 | 0 | 0 | 0 |
| Other items | 0 | 0 | 0 | 0 | 0 |
| Reported net profit | 437 | 516 | 638 | 785 | 885 |
| Non-recurring items & goodwill (net) | (129) | 0 | 0 | 0 | 0 |
| Recurring net profit | 308 | 516 | 638 | 785 | 885 |
| Per share (THB) | | | | | |
| Recurring EPS * | 0.32 | 0.54 | 0.66 | 0.82 | 0.92 |
| Reported EPS | 0.46 | 0.54 | 0.66 | 0.82 | 0.92 |
| DPS | 0.24 | 0.41 | 0.47 | 0.57 | 0.65 |
| Diluted shares (used to calculate per share data) | 960 | 960 | 960 | 960 | 960 |
| Growth | | | | | |
| Revenue (%) | (0.8) | 27.5 | 8.7 | 12.8 | 10.6 |
| Operating EBITDA (%) | 62.1 | 35.1 | 21.5 | 18.4 | 11.7 |
| Operating EBIT (%) | 154.6 | 51.9 | 23.5 | 19.9 | 12.1 |
| Recurring EPS (%) | 146.5 | 67.2 | 23.8 | 22.9 | 12.8 |
| Reported EPS (%) | 249.4 | 18.0 | 23.8 | 22.9 | 12.8 |
| Operating performance | | | | | |
| Gross margin inc. depreciation (%) | 26.4 | 27.3 | 28.5 | 29.3 | 29.5 |
| Gross margin exc. depreciation (%) | 30.3 | 30.1 | 31.5 | 32.2 | 32.4 |
| Operating EBITDA margin (%) | 14.2 | 15.0 | 16.8 | 17.6 | 17.8 |
| Operating EBIT margin (%) | 10.2 | 12.2 | 13.8 | 14.7 | 14.9 |
| Net margin (%) | 7.1 | 9.3 | 10.6 | 11.5 | 11.7 |
| Effective tax rate (%) | 16.9 | 21.1 | 20.2 | 20.0 | 20.0 |
| Dividend payout on recurring profit (%) | 74.7 | 76.3 | 70.0 | 70.0 | 70.0 |
| Interest cover (X) | 10.4 | 389.1 | 105.4 | 139.3 | 168.3 |
| Inventory days | 49.9 | 51.4 | 61.3 | 59.3 | 59.7 |
| Debtor days | 90.3 | 89.1 | 92.9 | 87.4 | 90.5 |
| Creditor days | 110.8 | 100.3 | 107.5 | 98.9 | 96.8 |
| Operating ROIC (%) | 12.9 | 17.9 | 20.5 | 23.5 | 24.8 |
| ROIC (%) | 11.4 | 15.6 | 17.5 | 20.5 | 21.8 |
| ROE (%) | 20.2 | 17.5 | 20.8 | 24.4 | 25.7 |
| ROA (%) | 8.0 | 11.1 | 12.7 | 15.1 | 15.9 |
| * Pre-exceptional, pre-goodwill and fully diluted | | | | | |
| Revenue by Division (THB m) | | | | | |
| Beverage | 1,862 | 2,434 | 2,714 | 3,066 | 3,397 |
| Snack | 2,411 | 3,123 | 3,326 | 3,748 | 4,136 |
| Distribution other product | 85 | | | | |

Sources: Srinanaporn Marketing; FSSIA estimates

Financial Statements

Srinaporn Marketing

| Cash Flow (THB m) Year Ending Dec | 2021 | 2022 | 2023E | 2024E | 2025E |
|-----------------------------------|--------------|--------------|--------------|--------------|--------------|
| Recurring net profit | 308 | 516 | 638 | 785 | 885 |
| Depreciation | 173 | 159 | 179 | 199 | 219 |
| Associates & minorities | 26 | 25 | 35 | 20 | 15 |
| Other non-cash items | 14 | 4 | 45 | 39 | 36 |
| Change in working capital | (156) | (307) | (62) | (227) | (204) |
| Cash flow from operations | 365 | 397 | 835 | 815 | 951 |
| Capex - maintenance | - | - | - | - | - |
| Capex - new investment | (4) | (227) | (343) | (200) | (250) |
| Net acquisitions & disposals | - | - | - | - | - |
| Other investments (net) | (154) | (171) | (60) | (36) | (29) |
| Cash flow from investing | (158) | (398) | (403) | (236) | (279) |
| Dividends paid | (98) | (307) | (447) | (549) | (619) |
| Equity finance | 2,138 | 0 | 0 | 0 | 0 |
| Debt finance | (2,308) | 276 | (62) | (15) | (15) |
| Other financing cash flows | 50 | 4 | 25 | 19 | 18 |
| Cash flow from financing | (218) | (28) | (484) | (545) | (616) |
| Non-recurring cash flows | - | - | - | - | - |
| Other adjustments | 0 | 0 | 0 | 0 | 0 |
| Net other adjustments | 0 | 0 | 0 | 0 | 0 |
| Movement in cash | (11) | (29) | (52) | 34 | 55 |
| Free cash flow to firm (FCFF) | 246.99 | 0.16 | 439.57 | 586.32 | 677.90 |
| Free cash flow to equity (FCFE) | (2,051.27) | 277.89 | 394.97 | 583.62 | 674.30 |

| Per share (THB) | 2021 | 2022 | 2023E | 2024E | 2025E |
|-------------------------------|--------|------|-------|-------|-------|
| FCFF per share | 0.26 | 0.00 | 0.46 | 0.61 | 0.71 |
| FCFE per share | (2.14) | 0.29 | 0.41 | 0.61 | 0.70 |
| Recurring cash flow per share | 0.54 | 0.73 | 0.93 | 1.09 | 1.20 |

| Balance Sheet (THB m) Year Ending Dec | 2021 | 2022 | 2023E | 2024E | 2025E |
|---|--------------|--------------|--------------|--------------|--------------|
| Tangible fixed assets (gross) | 3,394 | 3,600 | 3,800 | 4,000 | 4,200 |
| Less: Accumulated depreciation | (1,189) | (1,324) | (1,503) | (1,701) | (1,920) |
| Tangible fixed assets (net) | 2,204 | 2,276 | 2,297 | 2,298 | 2,280 |
| Intangible fixed assets (net) | 23 | 21 | 21 | 21 | 21 |
| Long-term financial assets | - | - | - | - | - |
| Invest. in associates & subsidiaries | 137 | 275 | 275 | 275 | 275 |
| Cash & equivalents | 162 | 133 | 81 | 115 | 170 |
| A/C receivable | 1,126 | 1,587 | 1,489 | 1,774 | 1,961 |
| Inventories | 412 | 681 | 710 | 792 | 873 |
| Other current assets | 2 | 1 | 1 | 1 | 1 |
| Current assets | 1,702 | 2,402 | 2,281 | 2,682 | 3,005 |
| Other assets | 85 | 96 | 121 | 136 | 151 |
| Total assets | 4,152 | 5,069 | 4,995 | 5,412 | 5,731 |
| Common equity | 2,838 | 3,049 | 3,098 | 3,333 | 3,549 |
| Minorities etc. | 253 | 257 | 302 | 341 | 377 |
| Total shareholders' equity | 3,091 | 3,306 | 3,400 | 3,674 | 3,925 |
| Long term debt | 13 | 242 | 227 | 212 | 197 |
| Other long-term liabilities | 122 | 126 | 151 | 170 | 188 |
| Long-term liabilities | 135 | 368 | 378 | 383 | 386 |
| A/C payable | 877 | 1,256 | 1,183 | 1,320 | 1,382 |
| Short term debt | 16 | 62 | 15 | 15 | 15 |
| Other current liabilities | 34 | 76 | 18 | 20 | 23 |
| Current liabilities | 927 | 1,395 | 1,216 | 1,355 | 1,420 |
| Total liabilities and shareholders' equity | 4,152 | 5,069 | 4,995 | 5,412 | 5,731 |
| Net working capital | 630 | 936 | 999 | 1,226 | 1,430 |
| Invested capital | 3,080 | 3,604 | 3,712 | 3,956 | 4,155 |

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

| Per share (THB) | 2021 | 2022 | 2023E | 2024E | 2025E |
|-------------------------------|------|------|-------|-------|-------|
| Book value per share | 2.96 | 3.18 | 3.23 | 3.47 | 3.70 |
| Tangible book value per share | 2.93 | 3.15 | 3.21 | 3.45 | 3.67 |

| Financial strength | 2021 | 2022 | 2023E | 2024E | 2025E |
|---------------------------|--------|-------|-------|-------|-------|
| Net debt/equity (%) | (4.3) | 5.2 | 4.7 | 3.0 | 1.1 |
| Net debt/total assets (%) | (3.2) | 3.4 | 3.2 | 2.1 | 0.7 |
| Current ratio (x) | 1.8 | 1.7 | 1.9 | 2.0 | 2.1 |
| CF interest cover (x) | (49.8) | 303.0 | 98.1 | 112.2 | 141.5 |

| Valuation | 2021 | 2022 | 2023E | 2024E | 2025E |
|---|-------------|-------------|-------------|-------------|-------------|
| Recurring P/E (x) * | 57.9 | 34.6 | 28.0 | 22.8 | 20.2 |
| Recurring P/E @ target price (x) * | 68.5 | 41.0 | 33.1 | 26.9 | 23.9 |
| Reported P/E (x) | 40.8 | 34.6 | 28.0 | 22.8 | 20.2 |
| Dividend yield (%) | 1.3 | 2.2 | 2.5 | 3.1 | 3.5 |
| Price/book (x) | 6.3 | 5.9 | 5.8 | 5.4 | 5.0 |
| Price/tangible book (x) | 6.3 | 5.9 | 5.8 | 5.4 | 5.1 |
| EV/EBITDA (x) ** | 29.1 | 21.9 | 18.1 | 15.3 | 13.6 |
| EV/EBITDA @ target price (x) ** | 34.4 | 25.8 | 21.3 | 18.0 | 16.1 |
| EV/invested capital (x) | 5.8 | 5.1 | 4.9 | 4.6 | 4.4 |

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

Sources: Srinaporn Marketing; 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 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 (50-59), 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. 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. | 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+ | | | | | | | | | | | | | | | | | |
| NEGL | Low | Medium | High | Severe | | | | | | | | | | | | | | | | | | | | | | | | | |
| 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 |
| 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 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 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

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Sureeporn Teewasuwet FSS International Investment Advisory Securities Co., Ltd

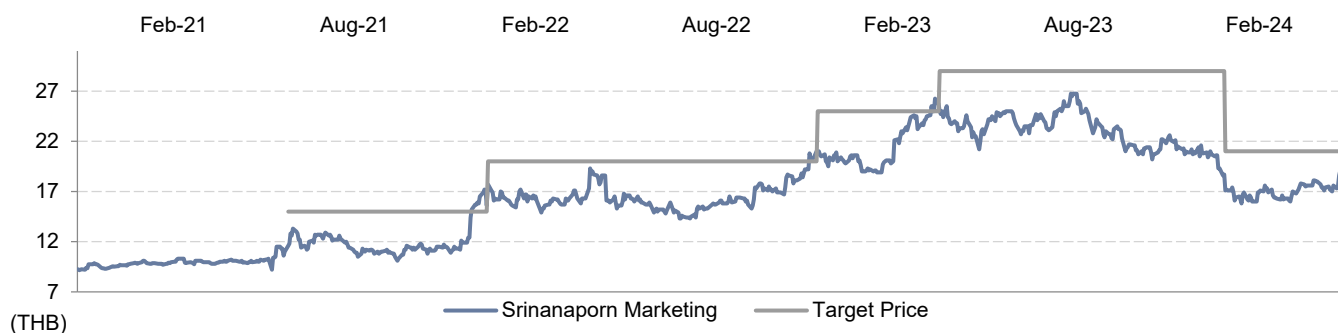
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) 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

Srinaporn Marketing (SNNP TB)



| Date | Rating | Target price | Date | Rating | Target price | Date | Rating | Target price |
|-------------|--------|--------------|-------------|--------|--------------|-------------|--------|--------------|
| 30-Jul-2021 | BUY | 15.00 | 31-Oct-2022 | BUY | 25.00 | 17-Oct-2023 | BUY | 21.00 |
| 20-Jan-2022 | BUY | 20.00 | 13-Feb-2023 | BUY | 29.00 | | | |

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

Price and TP are in local currency

Source: FSSIA estimates

| Company | Ticker | Price | Rating | Valuation & Risks |
|---------------------|---------|-----------|--------|---|
| Srinaporn Marketing | SNNP TB | THB 18.60 | BUY | Downside risks to our P/E-based TP include 1) a slower-than-expected consumption recovery; 2) a potential rise in raw material costs; 3) a slower-than-expected capacity expansion; and 4) unsuccessful new products. |

Source: FSSIA estimates

Additional Disclosures

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

All share prices are as at market close on 31-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.