

SAPPE SAPPE TB

THAILAND / FOOD & BEVERAGE

BUY

UNCHANGED

1Q24 ลุ้นกำไรฟื้นตัวทำนิวไฮอีกครั้ง

- ผู้บริหารเห็นภาพขยายกำลังการผลิต รองรับเป้าหมายรายได้โตปีละ 20-25% และมีเป้าหมายแตะระดับ 1 หมื่นลบ. ในปี 2026
- ระยะสั้น 1Q24 กำไรขยับขึ้นทำนิวไฮอีกครั้ง
- คงประมาณการกำไรและราคาเป้าหมายเดิม 108 บาท แนะนำซื้อ

TARGET PRICE	THB108.00
CLOSE	THB89.75
UP/DOWNSIDE	+20.3%
PRIOR TP	THB108.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+9.0%

KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	6,053	7,131	7,896	8,519
Net profit	1,074	1,335	1,504	1,650
EPS (THB)	3.48	4.33	4.88	5.35
vs Consensus (%)	-	19.9	16.6	9.1
EBITDA	1,536	1,861	2,118	2,332
Recurring net profit	1,085	1,335	1,504	1,650
Core EPS (THB)	3.52	4.33	4.88	5.35
Chg. In EPS est. (%)	nm	0.0	0.0	nm
EPS growth (%)	63.1	23.1	12.7	9.7
Core P/E (x)	25.5	20.7	18.4	16.8
Dividend yield (%)	2.4	3.6	4.1	4.5
EV/EBITDA (x)	16.5	13.7	12.2	11.0
Price/book (x)	7.2	6.7	6.1	5.6
Net debt/Equity (%)	(63.2)	(52.6)	(43.9)	(42.3)
ROE (%)	30.7	33.5	34.7	34.9

ผู้บริหารยังตั้งเป้าโตสูงต่อเนื่องในปี 2024

เรามีมุมมองเชิงบวกจากประชุมนักวิเคราะห์วันนี้ (4 มี.ค. 24) ผู้บริหารยังคงเป้าหมายรายได้ปี 2024 เติบโต 20-25% y-y มาจากส่งออก +20-25% y-y และในประเทศ +20% y-y และคงเป้าอัตรากำไรขั้นต้นทรงตัวสูงจากที่ทำได้ 44.8% ในปี 2023 แม้ราคาน้ำตาลปรับตัวสูงขึ้น (บริษัทล็อกล่วงหน้ายาวถึงสิ้นปี 2024 แล้ว) และเริ่มรับรู้ค่าเสื่อมสายการผลิตใหม่ แต่จะถูกหักล้างด้วยต้นทุน Pet resin ปรับลดลง และประสิทธิภาพการผลิตสูงขึ้น อย่างไรก็ตาม ผู้บริหารปรับเพิ่ม Selling expense to sales ขึ้น 1% และจะคุม Admin to sales ให้ลดลง โดยปีนี้จะเน้นกลยุทธ์การสร้างแบรนด์ในต่างประเทศ (โดยเฉพาะ Mogu Mogu) ให้เป็นที่รู้จักและเป็นที่ยอมรับมากขึ้น ภายใต้การแข่งขันที่สูงขึ้น และเริ่มมีรายอื่นทำสินค้าคล้ายคลึงกันออกมาแข่งในตลาดต่างประเทศมากขึ้น

ระยะสั้น กำไร 1Q24 ลุ้นเร่งขึ้นทำนิวไฮอีกครั้ง

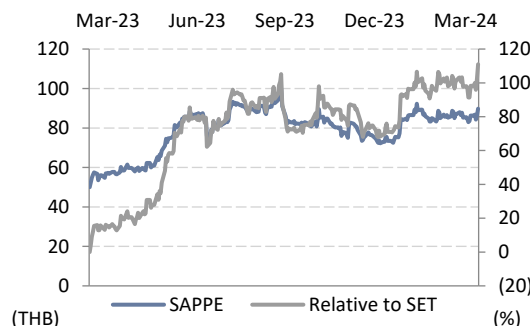
ระยะสั้น คาดรายได้รวม 1Q24 จะเติบโตได้ตามเป้าที่ราว 20-25% y-y สู่ 1.8 พันลบ. เป็นรายได้นิวไฮ ถือเป็นการฟื้นตัว q-q ตามฤดูกาล และด้วยฐานที่ต่ำใน 1Q23 เบื้องต้น คาดกำไร 1Q24 จะเติบโต 120% q-q และ 18.6% y-y เป็น 332 ลบ. เป็นกำไรที่ฟื้นตัวทำนิวไฮอีกครั้ง แม้จะยังไม่ใช่ High season ของธุรกิจ และยังมีปัญหาขนส่งที่ล่าช้าอยู่บ้าง แต่ผลกระทบน้อยกว่าช่วงโควิดอยู่มาก ขณะที่บริษัทมีการขยายช่องทางการขายได้อย่างประสบความสำเร็จในช่วงที่ผ่านมา กอปรกับเราคิดว่าอาจมีคำสั่งซื้อบางส่วนเลื่อนมารับไว้ใน 1Q24 จากปัญหาเรือที่ติดตัวในช่วง 4Q23 ที่ผ่านมา

เห็นภาพขยายกำลังการผลิตปีละ 20-25% เพื่อรองรับการเติบโต

จะเริ่มรับรู้สายการผลิตใหม่ตั้งแต่เดือน มี.ค. 24 และเต็มไตรมาสใน 2Q24 ช่วยเพิ่มกำลังการผลิตขึ้น 20-25% เพื่อรองรับการเติบโตในปีนี้ และอยู่ระหว่างก่อสร้างอาคารโรงงานใหม่ (อยู่ติดกับโรงงานปัจจุบันที่ปทุมธานี) ใช้เงินลงทุนราว 1.63 พันลบ. จะเริ่ม Operate เฟสแรกใน 1H25 กำลังการผลิตจะเพิ่มอีก 20-25% และจะขยายสู่เฟส 2 ต่อเนื่องในอีก 2026 โดยมีเป้าหมายรายได้ในปี 2026 แตะระดับ 1 หมื่นลบ. จากสิ้นปี 2023 ที่ 6 พันลบ. คิดเป็นอัตราการเติบโตเฉลี่ย 18.5% CAGR ขณะที่สมมติฐานของเราคาดโตต่ำกว่าอยู่ในอัตรา 12% CAGR เป็น 8.5 พันลบ. ในปี 2026

คงประมาณการกำไรและราคาเป้าหมาย ยังแนะนำ ซื้อ

เราคงประมาณการกำไรสุทธิปี 2024 โต 24% y-y เป็น 1.33 พันลบ. และคงเป้าที่ 108 บาท (อิง PE เดิม 25x) เราชอบ Catalyst ระยะสั้น ที่คาดกำไร 1Q24 ลุ้นทำนิวไฮ และบริษัทประกาศจ่ายปันผลงวด 2023 หุ่นละ 2.18 บาท คิดเป็น Yield 2.4% ที่ราคาเป้าหมายของเรายังมี Upside 20% คงคำแนะนำ ซื้อ



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	3.8	24.2	72.6
Relative to country (%)	3.8	25.4	104.5
Mkt cap (USD m)	770		
3m avg. daily turnover (USD m)	1.6		
Free float (%)	25		
Major shareholder	Ruckariyapong Family (65%)		
12m high/low (THB)	100.00/37.00		
Issued shares (m)	308.29		

Sources: Bloomberg consensus; FSSIA estimates


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Investment thesis

SAPPE ถือเป็นผู้นำในตลาดเครื่องดื่ม Functional drink ของไทย และได้มีการขยายตลาดไปในต่างประเทศมาตลอดระยะเวลา 10 กว่าปีที่ผ่านมา ด้วย Product champion อย่าง Mogu Mogu และ Aloe Vera ซึ่งได้รับการตอบรับที่ดี จนทำให้สัดส่วนรายได้ส่งออกขยับขึ้นต่อเนื่อง ล่าสุดในปี 2023 อยู่ที่ 81% ของรายได้รวม โดยเป็นการเติบโตในทุกประเทศหลักของ SAPPE อาทิ เอเชีย (อินโดนีเซีย ฟิลิปปินส์ เกาหลีใต้) ยุโรป (ฝรั่งเศส อังกฤษ) สหรัฐ และตะวันออกกลาง เป็นต้น ทั้งนี้ในปี 2024-26 ผู้บริหารตั้งเป้ารายได้รวมเติบโตต่อเนื่องราว 20%-25% ต่อปี โดยมีเป้าหมายรายได้ระยะยาวแตะ 1 หมื่นลบ. ในปี 2026

Company profile

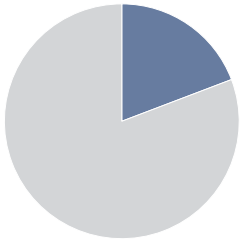
SAPPE ดำเนินธุรกิจผลิตและจำหน่ายอาหารและเครื่องดื่มเพื่อสุขภาพ เครื่องดื่มแรกที่ผลิตคือ Mogu Mogu (น้ำผลไม้ผสมวันมะพร้าว) ในปี 2001 หลังจากนั้นได้แตกไลน์ไปยังแบรนด์อื่น อาทิ Beauti Drink, Aloe Vera และกาแฟลดน้ำหนักแบรนด์ เปรียว เป็นต้น ในปี 2016 บริษัทได้เข้าลงทุนธุรกิจน้ำมะพร้าว All Coco และในปี 2019 ได้เข้าร่วมทุนกับ Danone จัดตั้งบริษัท Danone Sappe Beverage และมีการออกเครื่องดื่มภายใต้แบรนด์ B'BLUE

www.sappe.com

Principal activities (revenue, 2023)

Domestic revenue - 19.2 %

Overseas revenue - 80.8 %

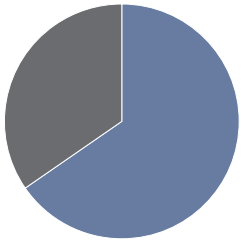


Source: Sappe

Major shareholders

Ruckariyapong Family - 65.4 %

Others - 34.6 %



Source: Sappe

Catalysts

ปัจจัยหนุนการเติบโตในปี 2023-24 คือ 1) การเติบโตในตลาดต่างประเทศ โดยเฉพาะตลาดใหม่หรือฐานตัวอย่าง ฝรั่งเศส อังกฤษ สหรัฐ อินเดีย และ ตะวันออกกลาง 2) การประสบความสำเร็จในสินค้าใหม่ 3) ต้นทุนเม็ดพลาสติกปรับลดลง และ 4) การขยายกำลังการผลิต

Risks to our call

ความเสี่ยง 1) กำลังซื้อชะลอตัว 2) ต้นทุนวัตถุดิบและบรรจุภัณฑ์ปรับตัวสูงขึ้น 3) ค่าเงินบาทแข็งค่า และ 4) การแข่งขันสูงขึ้นหรือถูกลอกเลียนแบบสินค้า

Event calendar

Date	Event
May 2024	1Q24 results announcement

Key assumptions

	2024E	2025E	2026E
Domestic revenue (THB m)	1,280	1,415	1,538
Overseas revenue (THB m)	5,850	6,481	6,981
Total revenue (THB m)	7,131	7,896	8,519
Total revenue growth (%)	17.8	10.7	7.9
Gross margin (%)	44.6	45.0	45.4
SG&A to sale (%)	23.7	23.7	23.7

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 2.9%, and vice versa, all else being equal.
- For every 0.5% increase in SG&A, we estimate 2024 net profit to fall by 2.8%, and vice versa, all else being equal.

Source: FSSIA estimates

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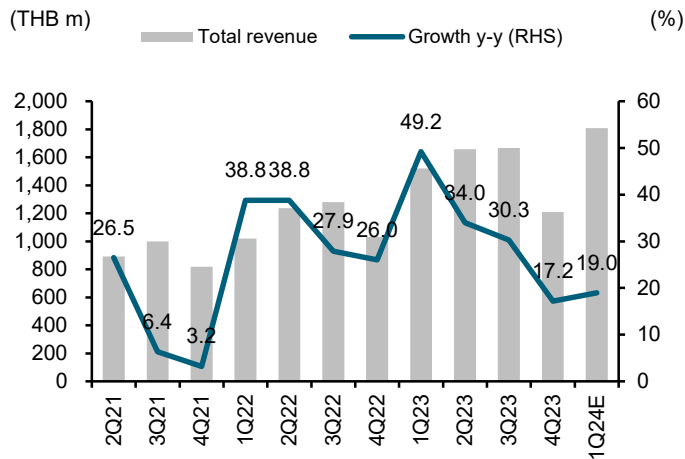
4 MARCH 2024

Exhibit 1: SAPPE - 1Q24E earnings preview

	1Q23	2Q23	3Q23	4Q23	1Q24E	----- Change -----	
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)
Sales	1,520	1,657	1,667	1,209	1,809	49.7	19.0
Cost of sales	864	920	897	661	999	51.2	15.6
Gross profit	656	737	770	548	810	47.9	23.5
SG&A	354	352	389	403	425	5.6	19.9
Operating profit	337	421	412	189	415	120.2	23.4
Other income	35	36	32	43	30	(30.6)	(13.2)
Interest expense	0.71	0.64	0.60	0.61	0.60	(0.8)	(14.9)
Tax expense	67	81	83	43	83	90.9	22.5
Profit (loss) sharing	(1)	(11)	(9)	1	(2)	nm	nm
Reported net profit	275	312	319	168	332	97.4	20.7
Core profit	280	329	325	151	332	120.1	18.6
Key ratios (%)						(ppt)	(ppt)
Gross margin	43.2	44.5	46.2	45.3	44.8	(0.5)	1.6
SG&A to sales	23.3	21.3	23.4	33.3	23.5	(9.8)	0.2
Operating margin	22.1	25.4	24.7	15.6	23.0	7.4	0.8
Net margin	18.1	18.8	19.1	13.9	18.3	4.4	0.3
Core margin	18.4	19.9	19.5	12.5	18.3	5.9	(0.1)
Operating statistics (THB m)							
Domestic revenue	295	283	291	295	309	5.0	5.0
Overseas revenue	1,226	1,374	1,375	934	1,500	60.5	22.4

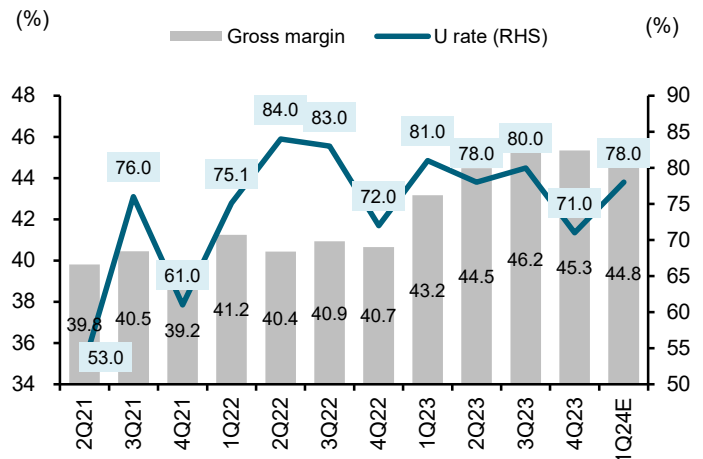
Sources: SAPPE; FSSIA estimates

Exhibit 2: Quarterly total revenue and growth



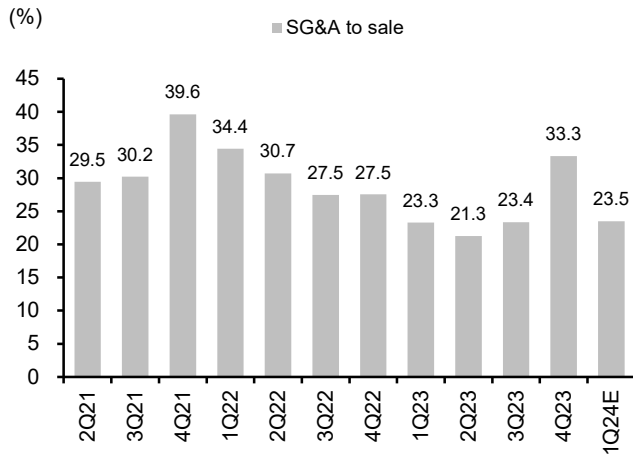
Sources: SAPPE, FSSIA estimates

Exhibit 3: Quarterly gross margin and utilisation rate



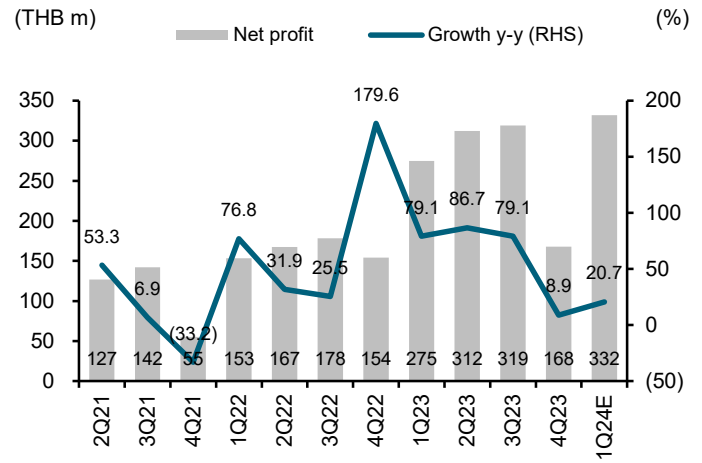
Sources: SAPPE, FSSIA estimates

Exhibit 4: Quarterly SG&A to sales



Sources: SAPPE, FSSIA estimates

Exhibit 5: Quarterly net profit and growth

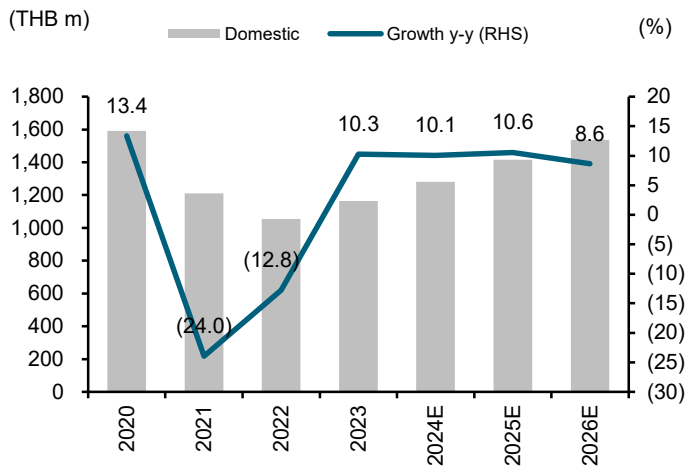


Sources: SAPPE, FSSIA estimates

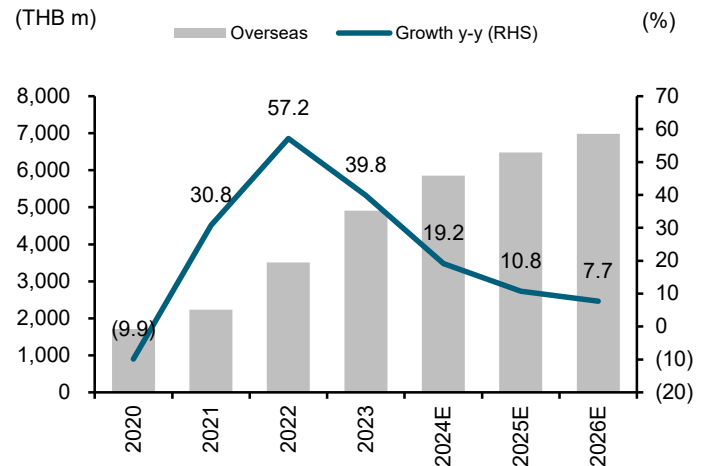
Exhibit 6: Key assumptions for SAPPE

	Current			Growth		
	2024E (THB m)	2025E (THB m)	2026E (THB m)	2024E (%)	2025E (%)	2026E (%)
Total sale value (THB m)	7,131	7,896	8,519	17.8	10.7	7.9
Costs	3,950	4,343	4,651	18.2	9.9	7.1
Gross profit	3,180	3,553	3,867	17.3	11.7	8.8
SG&A expense	1,690	1,871	2,019	12.8	10.7	7.9
Interest expense	3	3	3	2.8	3.7	3.5
Reported net profit	1,335	1,504	1,650	24.3	12.7	9.7
Core profit	1,335	1,504	1,650	23.1	12.7	9.7
Key ratios (%)						
Gross margin	44.6	45.0	45.4	(0.2)	0.4	0.4
SG&A to sales	23.7	23.7	23.7	(1.1)	0.0	0.0
Net margin	18.7	19.0	19.4	1.0	0.3	0.3
Core margin	18.7	19.0	19.4	0.8	0.3	0.3
Operating statistics						
Domestic revenue (THB m)	1,280	1,415	1,538	10.1	10.6	8.6
Overseas revenue (THB m)	5,850	6,481	6,981	19.2	10.8	7.7
Domestic revenue portion (%)	18.0	17.9	18.1	(1.2)	(0.0)	0.1
Overseas revenue portion (%)	82.0	82.1	81.9	1.2	0.0	(0.1)

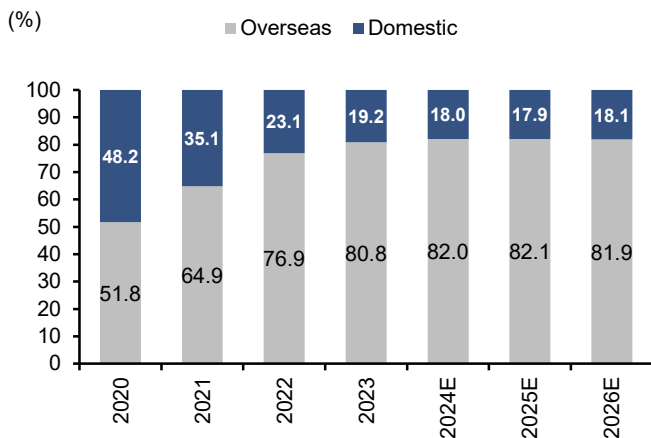
Source: FSSIA estimates

Exhibit 7: Yearly domestic revenue and growth


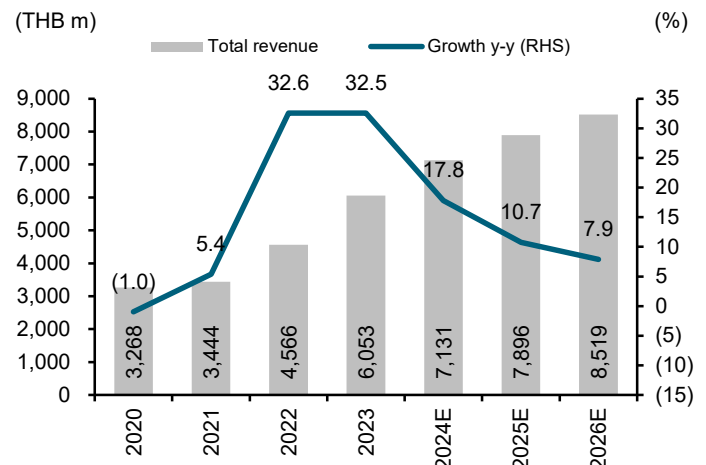
Sources: SAPPE, FSSIA estimates

Exhibit 8: Yearly overseas revenue and growth


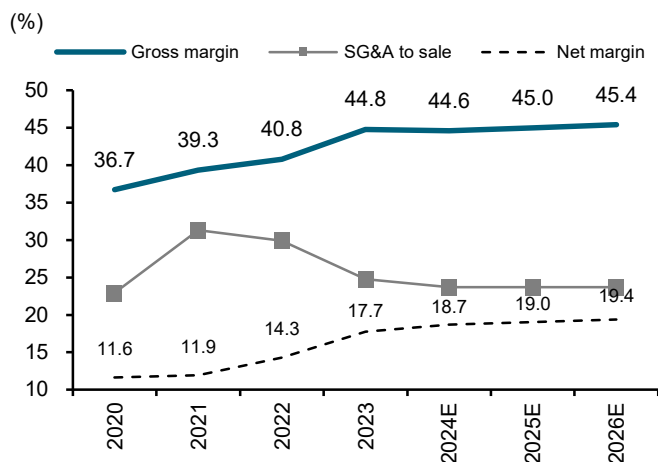
Sources: SAPPE, FSSIA estimates

Exhibit 9: Revenue breakdown by destination


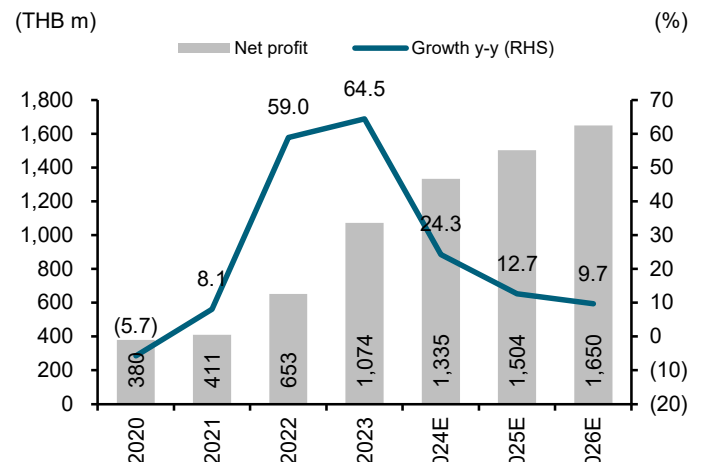
Sources: SAPPE, FSSIA estimates

Exhibit 10: Yearly total revenue and growth


Sources: SAPPE, FSSIA estimates

Exhibit 11: Yearly profit margin


Sources: SAPPE, FSSIA estimates

Exhibit 12: Yearly net profit and growth


Sources: SAPPE, FSSIA estimates

Financial Statements

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Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	4,566	6,053	7,131	7,896	8,519
Cost of goods sold	(2,703)	(3,341)	(3,950)	(4,343)	(4,651)
Gross profit	1,863	2,711	3,180	3,553	3,867
Other operating income	333	146	143	158	170
Operating costs	(1,366)	(1,499)	(1,690)	(1,871)	(2,019)
Operating EBITDA	1,018	1,536	1,861	2,118	2,332
Depreciation	(187)	(178)	(228)	(278)	(313)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	830	1,358	1,633	1,840	2,019
Net financing costs	(2)	(3)	(3)	(3)	(3)
Associates	0	(20)	3	3	4
Recurring non-operating income	0	(20)	3	3	4
Non-recurring items	(12)	(10)	0	0	0
Profit before tax	816	1,325	1,633	1,840	2,020
Tax	(162)	(275)	(327)	(368)	(404)
Profit after tax	654	1,051	1,306	1,472	1,616
Minority interests	(1)	24	29	32	34
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
Reported net profit	653	1,074	1,335	1,504	1,650
Non-recurring items & goodwill (net)	12	10	0	0	0
Recurring net profit	666	1,085	1,335	1,504	1,650
Per share (THB)					
Recurring EPS *	2.16	3.52	4.33	4.88	5.35
Reported EPS	2.12	3.48	4.33	4.88	5.35
DPS	1.65	2.18	3.25	3.66	4.01
Diluted shares (used to calculate per share data)	308	308	308	308	308
Growth					
Revenue (%)	32.6	32.5	17.8	10.7	7.9
Operating EBITDA (%)	36.9	51.0	21.1	13.8	10.1
Operating EBIT (%)	52.2	63.6	20.2	12.7	9.7
Recurring EPS (%)	59.5	63.1	23.1	12.7	9.7
Reported EPS (%)	57.8	64.5	24.3	12.7	9.7
Operating performance					
Gross margin inc. depreciation (%)	40.8	44.8	44.6	45.0	45.4
Gross margin exc. depreciation (%)	44.9	47.7	47.8	48.5	49.1
Operating EBITDA margin (%)	22.3	25.4	26.1	26.8	27.4
Operating EBIT margin (%)	18.2	22.4	22.9	23.3	23.7
Net margin (%)	14.6	17.9	18.7	19.0	19.4
Effective tax rate (%)	19.8	20.7	20.0	20.0	20.0
Dividend payout on recurring profit (%)	76.5	62.0	75.0	75.0	75.0
Interest cover (X)	363.6	524.4	623.3	677.6	718.3
Inventory days	53.3	50.9	45.3	45.9	46.6
Debtor days	26.6	19.7	23.4	28.5	28.9
Creditor days	29.8	28.9	31.8	35.7	36.3
Operating ROIC (%)	63.7	96.7	88.5	72.5	65.2
ROIC (%)	48.3	73.7	72.8	62.2	57.1
ROE (%)	21.6	30.7	33.5	34.7	34.9
ROA (%)	15.9	20.8	21.7	22.1	22.3

* Pre-exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2022	2023	2024E	2025E	2026E
Domestic revenue	1,055	1,163	1,280	1,415	1,538
Overseas revenue	3,511	4,889	5,850	6,481	6,981

Sources: Sappe; FSSIA estimates

Financial Statements

Sappe

Cash Flow (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Recurring net profit	666	1,085	1,335	1,504	1,650
Depreciation	187	178	228	278	313
Associates & minorities	0	20	(3)	(3)	(4)
Other non-cash items	1	(24)	71	14	15
Change in working capital	191	581	23	91	74
Cash flow from operations	1,045	1,840	1,654	1,883	2,048
Capex - maintenance	-	-	-	-	-
Capex - new investment	(376)	(935)	(776)	(955)	(700)
Net acquisitions & disposals	6	4	0	0	0
Other investments (net)	(41)	(1)	(28)	(8)	(6)
Cash flow from investing	(411)	(931)	(804)	(963)	(706)
Dividends paid	(348)	(521)	(1,001)	(1,128)	(1,237)
Equity finance	63	0	0	0	0
Debt finance	0	(2)	12	3	3
Other financing cash flows	25	18	(52)	4	3
Cash flow from financing	(259)	(506)	(1,041)	(1,121)	(1,231)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	375	403	(191)	(201)	110
Free cash flow to firm (FCFF)	636.44	911.11	853.22	922.88	1,344.69
Free cash flow to equity (FCFE)	659.23	924.28	810.36	926.99	1,347.99

Per share (THB)					
FCFF per share	2.06	2.96	2.77	2.99	4.36
FCFE per share	2.14	3.00	2.63	3.01	4.37
Recurring cash flow per share	2.77	4.08	5.29	5.81	6.40

Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Tangible fixed assets (gross)	2,530	3,121	4,121	5,121	5,821
Less: Accumulated depreciation	(1,398)	(1,403)	(1,631)	(1,909)	(2,222)
Tangible fixed assets (net)	1,132	1,718	2,490	3,212	3,599
Intangible fixed assets (net)	128	124	124	124	124
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	186	140	142	146	149
Cash & equivalents	2,129	2,532	2,341	2,140	2,250
A/C receivable	459	642	671	689	740
Inventories	444	438	487	535	573
Other current assets	47	45	36	39	43
Current assets	3,079	3,656	3,535	3,404	3,607
Other assets	36	43	71	79	85
Total assets	4,561	5,680	6,362	6,964	7,564
Common equity	3,258	3,818	4,147	4,523	4,936
Minorities etc.	102	78	149	163	178
Total shareholders' equity	3,360	3,896	4,297	4,686	5,113
Long term debt	61	49	48	51	54
Other long-term liabilities	70	88	36	39	43
Long-term liabilities	130	137	84	90	97
A/C payable	230	271	379	416	446
Short term debt	21	21	34	34	34
Other current liabilities	820	1,356	1,569	1,737	1,874
Current liabilities	1,071	1,647	1,982	2,188	2,354
Total liabilities and shareholders' equity	4,561	5,680	6,362	6,964	7,564
Net working capital	(99)	(502)	(754)	(890)	(964)
Invested capital	1,383	1,522	2,073	2,671	2,994

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

Per share (THB)					
Book value per share	10.56	12.38	13.45	14.67	16.01
Tangible book value per share	10.15	11.98	13.05	14.27	15.61

Financial strength					
Net debt/equity (%)	(60.9)	(63.2)	(52.6)	(43.9)	(42.3)
Net debt/total assets (%)	(44.9)	(43.3)	(35.5)	(29.5)	(28.6)
Current ratio (x)	2.9	2.2	1.8	1.6	1.5
CF interest cover (x)	453.9	729.4	605.5	692.9	728.3

Valuation	2022	2023	2024E	2025E	2026E
Recurring P/E (x) *	41.6	25.5	20.7	18.4	16.8
Recurring P/E @ target price (x) *	50.1	30.7	24.9	22.1	20.2
Reported P/E (x)	42.4	25.8	20.7	18.4	16.8
Dividend yield (%)	1.8	2.4	3.6	4.1	4.5
Price/book (x)	8.5	7.2	6.7	6.1	5.6
Price/tangible book (x)	8.8	7.5	6.9	6.3	5.7
EV/EBITDA (x) **	25.3	16.5	13.7	12.2	11.0
EV/EBITDA @ target price (x) **	30.8	20.1	16.8	14.8	13.4
EV/invested capital (x)	18.6	16.6	12.3	9.7	8.6

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

Sources: Sappe; FSSIA estimates

SAPPE PCL (SAPPE TB)

FSSIA ESG rating


35.25 /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.

Source: 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
CBG	51.54	--	Y	Y	4.00	4.00	Declared	High	59.58	B	--	33.28	56.00	2.12	--
SAPPE	35.25	--	Y	Y	4.00	5.00	Certified	Medium	--	--	--	--	--	--	--
OSP	61.48	--	Y	Y	5.00	4.00	Declared	Medium	68.64	BBB	--	63.08	51.00	3.00	63.65
TACC	15.00	--	--	--	5.00	5.00	--	--	--	--	--	--	--	--	--
ICHI	43.67	--	Y	Y	5.00	5.00	Certified	High	61.36	--	--	--	18.00	--	--

Sources: [SETTRADE.com](https://www.settrade.com); FSSIA's compilation

Exhibit 15: ESG disclosure from the company's one report

FY ending Dec 31	FY 2022	FY ending Dec 31	FY 2022
Environmental		Governance	
Climate change policy	Yes	Board size / Independent directors (ID) / Female	10 / 5 / 3
Climate change opportunities discussed	--	No. of board meetings for the year / % attendance	8 / 96.75%
GHG scope 2 location-based policy	Yes	Company conducts board evaluations	Yes
Biodiversity policy	--	Number of non-executive directors on board	6
Energy efficiency policy	Yes	Director share ownership guidelines	No
Electricity used	Yes	Board age limit	No
Fuel used - crude oil/diesel	--	Age of the youngest / oldest director	44 / 79
Waste reduction policy	Yes	Number of executives / female	5 / 2
Water policy	Yes	Executive share ownership guidelines	No
Water consumption	--	Size of audit committee / ID	4 / 4
Social		Audit committee meetings	4
Human rights policy	Yes	Audit committee meeting attendance (%)	100
Policy against child labor	Yes	Size of compensation committee	--
Quality assurance and recall policy	Yes	Number of compensation committee meetings	--
Consumer data protection policy	Yes	Compensation committee meeting attendance (%)	--
Equal opportunity policy	Yes	Size of nomination committee / ID	--
Gender pay gap breakout	--	Number of nomination committee meetings	--
Pct women in workforce	55	Nomination committee meeting attendance (%)	--
Business ethics policy	Yes	Board compensation (THB m)	4.1
Anti-bribery ethics policy	Yes	Auditor fee (THB m)	3.13
Health and safety policy	Yes	(P&L Corporation Co., Ltd.)	
Lost time incident rate - employees	--		
Training policy	Yes		
Fair remuneration policy	Yes		
Number of employees - CSR	--		
Total hours spent by firm - employee training	--		
Social supply chain management	--		

Source: 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 Sustainabilitytics	The Sustainabilitytics' 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><tr><th>NEGL</th><th>Low</th><th>Medium</th><th>High</th><th>Severe</th></tr><tr><td>0-10</td><td>10-20</td><td>20-30</td><td>30-40</td><td>40+</td></tr></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><tr><td>AAA</td><td>8.571-10.000</td><td rowspan="3">Leader:</td><td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td></tr><tr><td>AA</td><td>7.143-8.570</td></tr><tr><td>A</td><td>5.714-7.142</td></tr><tr><td>BBB</td><td>4.286-5.713</td><td rowspan="3">Average:</td><td rowspan="3">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></tr><tr><td>B</td><td>1.429-2.856</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

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Sureeporn Teewasuwet FSS International Investment Advisory Securities Co., Ltd

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History of change in investment rating and/or target price

Sappe (SAPPE TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
09-Mar-2023	BUY	62.00	23-May-2023	BUY	88.00	21-Dec-2023	BUY	108.00
05-Apr-2023	BUY	68.00	11-Jul-2023	BUY	96.50			

Sureeporn Teewasuwet started covering this stock from 09-Mar-2023

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Sappe	SAPPE TB	THB 89.75	BUY	Downside risks to our P/E-based TP include 1) a slower-than-expected recovery in consumption; 2) high volatility in packaging costs; 3) a stronger-than-expected THB; and 4) increased competition and government policy changes such as excise taxes for sugary drinks.

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 01-Mar-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.