15 JULY 2024

FINANSIA
FSS INTERNATIONAL INVESTMENT ADVISORY

EQUITY RESEARCH - COMPANY REPORT

NSL FOODS NSL TB

THAILAND / FOOD & BEVERAGE

So far so good

- เราคาดว่ารายได้ 2Q24 ของ NSL จะโตกว่าของ CPALL และกำไรปกติของบริษัทฯ อาจทำสถิติสูงสุดใหม่
- เราชอบแนวโน้มการเติบโตและสถานะทางการเงินที่ดีโดยมีสัดส่วนหนี้สินต่อส่วนผู้ถือหุ้นที่ต่ำและ ROE ที่สูง
- คงคำแนะนำซื้อที่ราคาเป้าหมายเดิมที่ 36 บาท.

คาดกำไร 2Q24 จะทำสถิติสูงสุดใหม่

เราคาดกำไรสุทธิ 2Q24 อยู่ที่ 133 ลบ. (+4.2% q-q, +60% y-y) นับว่าเป็นกำไรสูงสุดใหม่โดยน่าจะได้ปัจจัยหนุนจากรายได้ที่คาดว่าโตต่อเนื่องที่ 4.6% q-q และ 21% y-y ซึ่งสูงกว่าอัตราการเติบโตของยอดขายสาขาเดิม (SSSG) ของ 7-Eleven ที่ 4% y-y และอัตราการเติบโตของรายได้รวมของ CPALL ใน 2Q24 ที่ 5.8% y-y ที่ FSSIA ได้คาดไว้ ไม่เพียงแต่ผลิตภัณฑ์แซนวิชร้อนในปัจจุบันของ NSL ที่ขายดีต่อเนื่องจากปัจจัยด้านฤดูกาล (โดยปกติ 2Q เป็น Peak season รองจาก 4Q) บริษัทฯ ได้เปิดตัวผลิตภัณฑ์ใหม่อย่างต่อเนื่องอาทิเช่น มาการองรสชาติใหม่ Yoko Donut by BAW และ Egg Tart Sandwich ซึ่งมีผลตอบรับที่ดีมาก

อัตรากำไรขั้นต้นอยู่ในระดับสูงแต่บริษัทร่วมยังไม่ฟื้น

จากอัตราการใช้กำลังการผลิตที่ประมาณ 70-75% และราคาวัตถุดิบที่คาดว่าจะทรงตัวต่อเนื่อง เราคาดอัตรากำไรขั้นต้น 2Q24 อยู่ที่ 20.7% ใกล้เคียงกับ 1Q24 และสูงกว่า 18.4% ใน 2Q23 อย่างไรก็ดีเราคาดว่าส่วนแบ่งผลขาดทุนจากบริษัทร่วมจะสูงขึ้นเป็น 2.5 ลบ. จาก 0.2 ลบ. ใน 1Q24 จากผลขาดทุนที่สูงขึ้นของ Pen1 จากกิจกรรมส่งเสริมการขายเพื่อระบายสินค้าคงคลัง ณ สิ้นไตรมาส 1Q24 เงินลงทุนสุทธิใน Pen1 อยู่ที่ 5.9 ลบ. และเรายังจับตาดูแผนธุรกิจของบริษัทดังกล่าว นอกจากนี้เรายังคาดด้วยว่า NSL Intertrade จะขาดทุนเล็กน้อย ปัจจุบันบริษัทฯ กำลังอยู่ระหว่างขยายเข้าสู่ตลาดต่างประเทศ

ประมาณการกำไรของเราในปีนี้อาจมี Upside

ถ้าผลประกอบการออกมาตามคาด กำไรสุทธิ 1H24 น่าจะอยู่ที่ 261 ลบ. (+64% y-y) คิดเป็น 60% ของประมาณการทั้งปีของเรา เราคาดว่ากำไรสุทธิ 3Q24 จะทรงตัวหรือลดลงเล็กน้อย q-q จากปัจจัยด้านฤดูกาลและน่าจะฟื้นตัวใน 4Q24 ไปทำสถิติสูงสุดอีกครั้งสอดคล้องกับ Peak season ของธุรกิจ ดังนั้นเราจึงเห็น Upside 15% จากประมาณการกำไรสุทธิปี 2024 ของเราที่ 434 ลบ. (+30% y-y)

แนวโน้มกำไรและสถานะทางการเงินที่ดี

เราคงราคาเป้าหมายของเราที่ 36 บาทที่ค่า P/E เดิมที่ 25x คิดเป็น Upside ที่ 13% เราชอบแนวโน้มการเติบโตที่ดีและข้อได้เปรียบการแข่งขันของ NSL ในแง่ของทีม R&D ที่โดดเด่นโดยสามารถพัฒนาผลิตภัณฑ์ใหม่ที่สร้างความพึงพอใจให้แก่ลูกค้า นอกจากนี้ NSL ยังได้ขยายสัญญากับ 7-Eleven ไปจนถึงปี 2031 กอปรกับยังมีสถานะทางการเงินที่ดีโดยมีสัดส่วนหนี้สินต่อส่วนผู้ถือหุ้นที่ต่ำเพียง 0.59x และ ROE ที่สูงถึง 25% เรายังคงคำแนะนำซื้อ

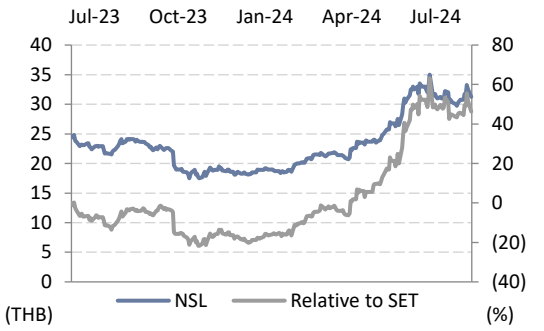
BUY

UNCHANGED

TARGET PRICE	THB36.00
CLOSE	THB31.25
UP/DOWNSIDE	+15.2%
PRIOR TP	THB36.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+0.5%

KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	4,793	5,707	6,535	7,402
Net profit	333	434	508	588
EPS (THB)	1.11	1.45	1.69	1.96
vs Consensus (%)	-	(11.4)	(11.2)	(9.6)
EBITDA	557	676	797	925
Recurring net profit	333	434	508	588
Core EPS (THB)	1.11	1.45	1.69	1.96
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	12.1	30.2	17.1	15.8
Core P/E (x)	28.1	21.6	18.5	15.9
Dividend yield (%)	2.1	2.7	3.2	3.7
EV/EBITDA (x)	16.9	13.5	11.4	9.8
Price/book (x)	6.0	5.4	4.8	4.3
Net debt/Equity (%)	1.4	(15.7)	(14.1)	(16.6)
ROE (%)	22.5	26.3	27.5	28.4



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	0.8	31.9	30.2
Relative to country (%)	(0.8)	38.7	48.9
Mkt cap (USD m)			259
3m avg. daily turnover (USD m)			1.3
Free float (%)			0
Major shareholder			Mr. Somchai Asavapiyanon (72%)
12m high/low (THB)			35.00/17.30
Issued shares (m)			300.00

Sources: Bloomberg consensus; FSSIA estimates

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บทวิเคราะห์ฉบับนี้แปลมาจากต้นฉบับภาษาอังกฤษ ที่ออกรายงานเมื่อวันที่ 15 กรกฎาคม 2024

Investment thesis

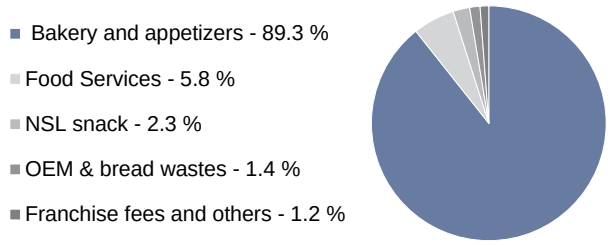
Besides growth in tandem with 7-Eleven, NSL continues to launch new bakery products to create a good impression and cope with rapidly changing consumer needs. It also plans to raise non-7-Eleven revenue to diversify dependency risks by introducing branded snacks and entering the food services business. In its latest move, NSL has invested in two subsidiaries, Bake A Wish and NSL Intertrade, to further its future growth.

Company profile

NSL is a manufacturer and distributor of bakery products, appetisers (under CPALL brands, such as EZY Taste, EZY Sweet, and 7 Fresh), and snacks (under NSL brands). It is also in the food services business covering seafood, fish, meats, and frozen vegetables. NSL earns its revenue mainly from domestic sales, with CPALL as its key account. Moreover, it sells food services products to the HoReCa market and other modern trade distributors. It currently has four factories in Chonburi and Nontaburi.

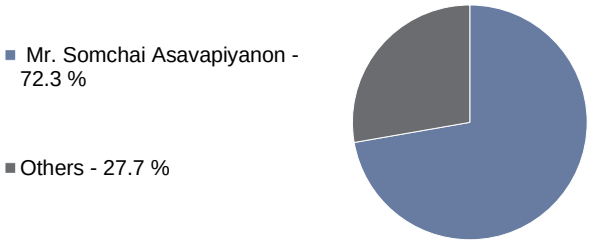
www.nslfoods.com

Principal activities (revenue, 2023)



Source: NSL Foods

Major shareholders



Source: NSL Foods

Catalysts

Potential catalysts for NSL's earnings growth in 2024 are 1) revenue growth driven by new product launches and a tourism recovery; 2) new 7-Eleven branch expansions; and 3) a decline in raw material costs that should offset higher utility costs.

Risks to our call

Downside risks to our DCF-based TP include 1) a slower-than-expected consumption recovery; 2) high volatility in raw material prices; 3) the failure of new products; and 4) changing consumer demand and lifestyles.

Event calendar

Date	Event
13 August 2024	2Q24 results announcement

Key assumptions

	2024E	2025E	2026E
Total revenue (THB m)	5,707	6,535	7,402
Revenue growth (%)	19.1	14.5	13.3
Gross margin (%)	18.8	19.0	19.2
SG&A to sales (%)	9.6	9.6	9.6

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in revenue, we estimate 2024 net profit to rise by 0.9%, and vice versa, all else being equal.
- For every 0.5% increase in GPM, we estimate 2024 net profit to rise by 5.2%, and vice versa, all else being equal.
- For every 0.5% increase in SG&A to sales, we estimate 2024 net profit to fall by 5%, and vice versa, all else being equal.

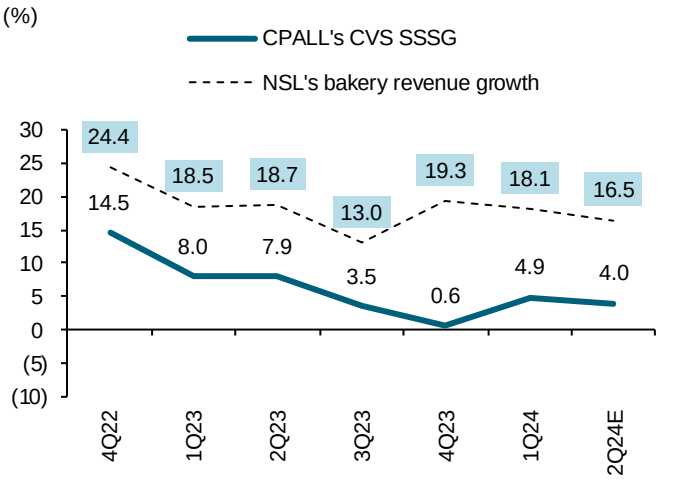
Source: FSSIA estimates

Exhibit 1: NSL – 2Q24 earnings preview

	1Q23 (THB m)	2Q23 (THB m)	3Q23 (THB m)	4Q23 (THB m)	1Q24 (THB m)	2Q24E (THB m)	------ Change ------ (q-q%)	(y-y%)	2024E (THB m)	Change % Y-Y	% 1H24E to 2024E
Sales	1,095	1,163	1,201	1,333	1,346	1,407	*4.6*	*21.0*	5,707	*19.1*	*48.2*
Cost of sales	892	949	988	1,081	1,064	1,116	*4.9*	*17.6*	4,634	*18.5*	*47.0*
Gross profit	204	214	212	253	282	291	*3.2*	*35.9*	1,073	*21.5*	*53.5*
SG&A	107	109	117	129	126	128	*1.5*	*17.7*	548	*18.6*	*46.4*
Operating profit	98	108	98	132	161	170	*5.7*	*57.1*	536	*22.7*	*61.8*
Interest expense	3	3	2	3	2	2	*(0.5)*	*(21.3)*	6	*(46.0)*	*73.2*
Profit (loss) sharing	(1)	(2)	(4)	(3)	(0)	(3)	*nm*	*nm*	(3)	*nm*	*95.3*
Tax expense	19	21	19	27	32	33	*4.5*	*59.3*	96	*11.9*	*67.9*
Reported net profit	75	83	73	102	128	133	*4.2*	*59.9*	434	*30.2*	*60.0*
Core profit	78	83	73	102	128	133	*4.2*	*59.9*	434	*30.2*	*60.0*
Key ratios (%)							***(ppt)***	***(ppt)***			
Gross margin	18.6	18.4	17.7	19.0	21.0	20.7	*(0.3)*	*2.3*	18.8	*0.0*	
SG&A / Sales	9.8	9.4	9.7	9.7	9.4	9.1	*(0.3)*	*(0.3)*	9.6	*0.0*	
Operating margin	9.0	9.3	8.2	9.9	12.0	12.1	*0.1*	*2.8*	9.4	*0.0*	
Net margin	6.9	7.1	6.1	7.6	9.5	9.5	*(0.0)*	*2.3*	7.6	*0.6*	
Core margin	7.2	7.1	6.1	7.6	9.5	9.5	*(0.0)*	*2.3*	7.6	*0.6*	
Operating statistics (THB m)											
Bakery sales	1,004	1,066	1,060	1,152	1,186	1,242	*4.8*	*16.5*	5,031	*17.5*	*48.3*
Food service sales	68	69	64	75	66	65	*(1.5)*	*(5.4)*	287	*4.0*	*45.7*
Snack sales (NSL brands)	10	10	45	45	82	87	*6.5*	*787.8*	334	*105.0*	*50.6*
OEM sales	14	19	19	17	9	10	*6.4*	*(46.2)*	45	*(34.3)*	*43.2*
Franchise sales	0	0	1	3	3	3	*0.3*	*nm*	11	*150.0*	*58.1*

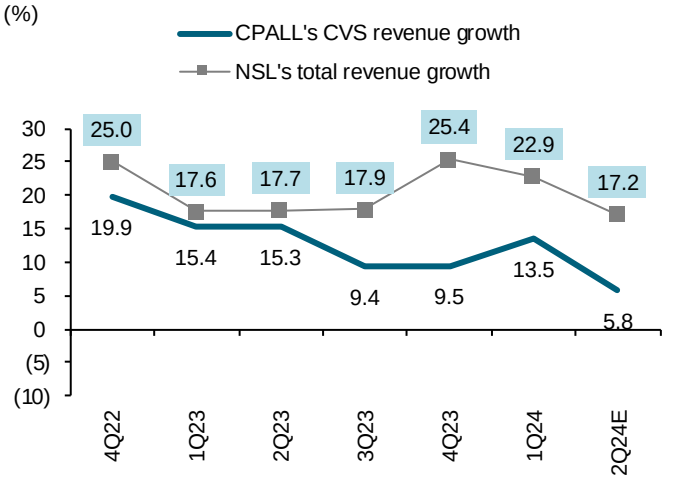
Sources: NSL, FSSIA estimates

Exhibit 2: CPALL's CVS SSSG and NSL's bakery revenue growth



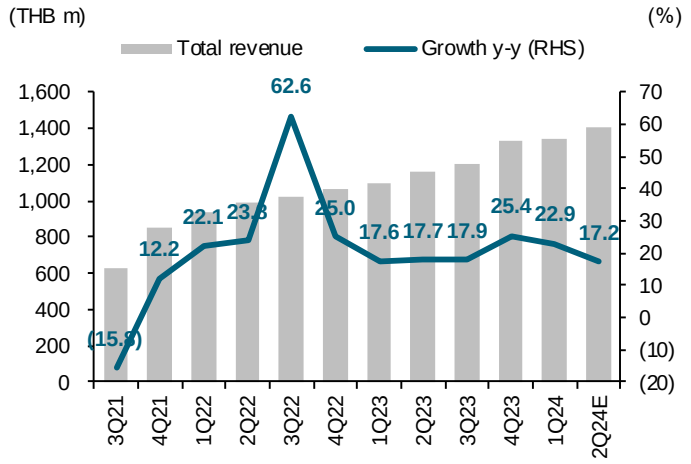
Sources: NSL, FSSIA estimates

Exhibit 3: CPALL's CVS revenue growth and NSL's total revenue growth



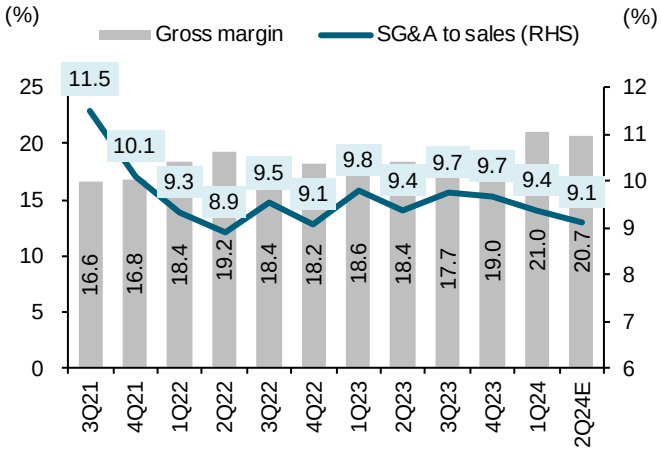
Sources: NSL, FSSIA estimates

Exhibit 4: Total revenue and growth



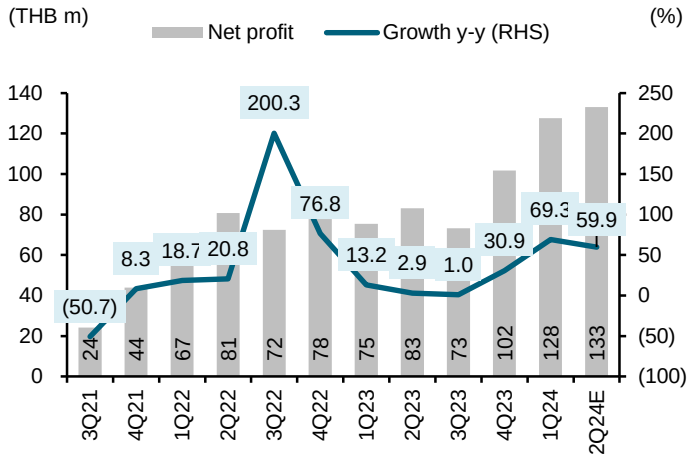
Sources: NSL, FSSIA estimates

Exhibit 5: Gross margin and SG&A to sales



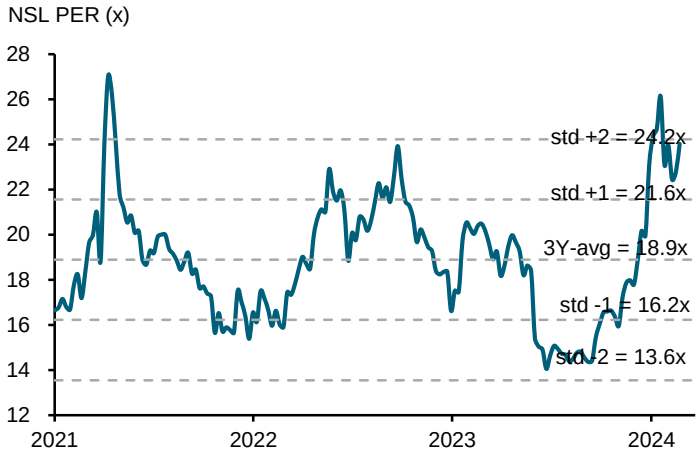
Sources: NSL, FSSIA estimates

Exhibit 6: Net profit and growth



Sources: NSL, FSSIA estimates

Exhibit 7: Historical P/E band



Sources: Bloomberg; FSSIA estimates

Financial Statements

NSL Foods

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	4,001	4,793	5,707	6,535	7,402
Cost of goods sold	(3,259)	(3,910)	(4,634)	(5,294)	(5,981)
Gross profit	**742**	**883**	**1,073**	**1,242**	**1,421**
Other operating income	8	17	11	13	15
Operating costs	(369)	(462)	(548)	(627)	(711)
Operating EBITDA	**484**	**557**	**676**	**797**	**925**
Depreciation	(102)	(120)	(140)	(170)	(200)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	**382**	**437**	**536**	**627**	**725**
Net financing costs	(10)	(11)	(6)	(5)	(5)
Associates	-	-	-	-	-
Recurring non-operating income	0	(9)	(3)	2	3
Non-recurring items	0	0	0	0	0
Profit before tax	**372**	**418**	**528**	**625**	**724**
Tax	(74)	(85)	(96)	(119)	(137)
Profit after tax	**298**	**332**	**432**	**506**	**586**
Minority interests	0	1	2	2	2
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	**298**	**333**	**434**	**508**	**588**
Non-recurring items & goodwill (net)	**0**	**0**	**0**	**0**	**0**
Recurring net profit	**298**	**333**	**434**	**508**	**588**
Per share (THB)					
Recurring EPS *	0.99	1.11	1.45	1.69	1.96
Reported EPS	0.99	1.11	1.45	1.69	1.96
DPS	0.55	0.65	0.85	0.99	1.15
Diluted shares (used to calculate per share data)	300	300	300	300	300
Growth					
Revenue (%)	31.7	19.8	19.1	14.5	13.3
Operating EBITDA (%)	40.0	15.1	21.4	17.9	16.1
Operating EBIT (%)	53.3	14.5	22.7	17.0	15.6
Recurring EPS (%)	41.5	12.1	30.2	17.1	15.8
Reported EPS (%)	41.5	12.1	30.2	17.1	15.8
Operating performance					
Gross margin inc. depreciation (%)	18.5	18.4	18.8	19.0	19.2
Gross margin exc. depreciation (%)	21.1	20.9	21.3	21.6	21.9
Operating EBITDA margin (%)	12.1	11.6	11.9	12.2	12.5
Operating EBIT margin (%)	9.5	9.1	9.4	9.6	9.8
Net margin (%)	7.4	7.0	7.6	7.8	7.9
Effective tax rate (%)	19.9	20.4	18.1	19.0	19.0
Dividend payout on recurring profit (%)	55.4	58.5	58.5	58.5	58.5
Interest cover (X)	37.1	40.2	92.8	139.9	153.3
Inventory days	26.4	26.1	26.6	29.1	29.3
Debtor days	49.8	50.5	48.4	46.8	47.1
Creditor days	58.5	58.2	57.3	58.1	58.5
Operating ROIC (%)	25.9	27.2	30.6	32.4	33.8
ROIC (%)	22.3	21.3	26.6	30.3	31.7
ROE (%)	22.4	22.5	26.3	27.5	28.4
ROA (%)	13.9	14.2	16.6	17.5	18.2

* Pre-exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2022	2023	2024E	2025E	2026E
Bakery and appetizers	3,643	4,282	5,117	5,884	6,696
Food Services	288	276	303	328	354
NSL snack	35	110	127	139	150
OEM & bread wastes	35	68	89	107	120

Sources: NSL Foods; FSSIA estimates

Financial Statements

NSL Foods

Cash Flow (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Recurring net profit	298	333	434	508	588
Depreciation	102	120	140	170	200
Associates & minorities	-	-	-	-	-
Other non-cash items	0	26	4	(1)	(3)
Change in working capital	(54)	(36)	(52)	(51)	(54)
Cash flow from operations	**346**	**443**	**526**	**625**	**732**
Capex - maintenance	(146)	(200)	(200)	(300)	(300)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	(301)	28	190	(6)	(6)
Cash flow from investing	**(448)**	**(172)**	**(10)**	**(306)**	**(306)**
Dividends paid	(144)	(180)	(254)	(297)	(344)
Equity finance	0	0	0	0	0
Debt finance	(100)	(93)	(35)	(25)	5
Other financing cash flows	1	20	31	(20)	9
Cash flow from financing	**(243)**	**(252)**	**(258)**	**(342)**	**(331)**
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	**0**	**0**	**0**	**0**	**0**
Movement in cash	**(344)**	**19**	**258**	**(24)**	**95**
Free cash flow to firm (FCFF)	(91.06)	281.68	521.94	323.30	430.71
Free cash flow to equity (FCFE)	(200.65)	198.69	511.67	273.55	439.62
Per share (THB)					
FCFF per share	(0.30)	0.94	1.74	1.08	1.44
FCFE per share	(0.67)	0.66	1.71	0.91	1.47
Recurring cash flow per share	1.33	1.60	1.93	2.26	2.62

Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Tangible fixed assets (gross)	1,738	1,896	2,024	2,227	2,406
Less: Accumulated depreciation	(768)	(846)	(914)	(987)	(1,066)
Tangible fixed assets (net)	**970**	**1,050**	**1,110**	**1,240**	**1,340**
Intangible fixed assets (net)	**6**	**47**	**47**	**47**	**47**
Long-term financial assets	301	214	0	0	0
Invest. in associates & subsidiaries	0	6	6	6	6
Cash & equivalents	115	134	392	368	463
A/C receivable	595	732	782	895	1,014
Inventories	267	274	381	435	492
Other current assets	3	7	3	3	4
Current assets	**980**	**1,147**	**1,557**	**1,702**	**1,973**
Other assets	32	36	57	65	74
Total assets	**2,290**	**2,500**	**2,777**	**3,060**	**3,440**
Common equity	1,406	1,560	1,740	1,951	2,195
Minorities etc.	0	17	18	18	19
Total shareholders' equity	**1,406**	**1,576**	**1,758**	**1,969**	**2,213**
Long term debt	80	14	0	35	40
Other long-term liabilities	30	49	86	65	74
Long-term liabilities	**110**	**64**	**86**	**100**	**114**
A/C payable	559	650	762	870	983
Short term debt	167	141	115	55	55
Other current liabilities	47	68	57	65	74
Current liabilities	**774**	**859**	**934**	**991**	**1,112**
Total liabilities and shareholders' equity	**2,290**	**2,500**	**2,777**	**3,060**	**3,440**
Net working capital	259	295	347	398	452
Invested capital	1,568	1,648	1,566	1,756	1,919
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	4.69	5.20	5.80	6.50	7.32
Tangible book value per share	4.67	5.04	5.64	6.35	7.16
Financial strength					
Net debt/equity (%)	9.4	1.4	(15.7)	(14.1)	(16.6)
Net debt/total assets (%)	5.8	0.9	(10.0)	(9.1)	(10.7)
Current ratio (x)	1.3	1.3	1.7	1.7	1.8
CF interest cover (x)	(18.5)	19.7	90.0	61.8	93.6

Valuation	2022	2023	2024E	2025E	2026E
Recurring P/E (x) *	**31.5**	**28.1**	**21.6**	**18.5**	**15.9**
Recurring P/E @ target price (x) *	**36.3**	**32.4**	**24.9**	**21.3**	**18.4**
Reported P/E (x)	31.5	28.1	21.6	18.5	15.9
Dividend yield (%)	1.8	2.1	2.7	3.2	3.7
Price/book (x)	6.7	6.0	5.4	4.8	4.3
Price/tangible book (x)	6.7	6.2	5.5	4.9	4.4
EV/EBITDA (x) **	19.6	16.9	13.5	11.4	9.8
EV/EBITDA @ target price (x) **	22.6	19.5	15.6	13.2	11.3
EV/invested capital (x)	6.1	5.7	5.8	5.2	4.7

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

Sources: NSL Foods; FSSIA estimates

Disclaimer for ESG scoring

ESG score	Methodology	Rating
The Dow Jones Sustainability Indices (DJSI) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.	Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.
Sustainability Investment List (THSI) by The Stock Exchange of Thailand (SET)	THSI quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria include: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years.	To be eligible for **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%). (*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.)*	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. *(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.)*	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. NEGL: 0-10 / Low: 10-20 / Medium: 20-30 / High: 30-40 / Severe: 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. AAA 8.571-10.000 AA 7.143-8.570 A 5.714-7.142 BBB 4.286-5.713 BB 2.857-4.285 B 1.429-2.856 CCC 0.000-1.428 **Leader:** leading its industry in managing the most significant ESG risks and opportunities **Average:** a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers **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. *(Score ratings are 0 to 25 = poor; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.)*	
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

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History of change in investment rating and/or target price

NSL Foods (NSL TB)

Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
18-Jan-2023	BUY	26.00	05-Feb-2024	BUY	26.00	26-Apr-2024	BUY	36.00
18-Oct-2023	BUY	24.00	02-Apr-2024	BUY	30.00			

Sureeporn Teewasuwet started covering this stock from 18-Jan-2023

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
NSL Foods	NSL TB	THB 31.25	BUY	Downside risks to our DCF-based TP include 1) a slower-than-expected consumption recovery; 2) high volatility in raw material prices; 3) the failure of new products; and 4) changing consumer demand and lifestyles.

Source: FSSIA estimates

Additional Disclosures

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

All share prices are as at market close on 15-Jul-2024 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as (target price* - current price) / 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.