

# CARABAO GROUP CBG TB

THAILAND / FOOD &amp; BEVERAGE

**BUY**  
 UNCHANGED

## 3Q24 results at first glance

กำไรสุทธิ 3Q24 ทำสถิติสูงสุดในรอบ 9 ไตรมาส

TARGET PRICE	THB88.00
CLOSE	THB81.00
UP/DOWNSIDE	+8.6%
TP vs CONSENSUS	+4.9%

### Highlights

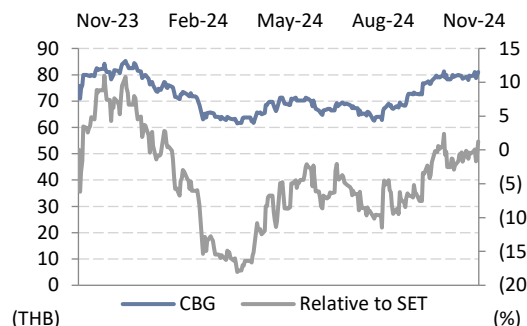
- CBG รายงานกำไรสุทธิ 3Q24 อยู่ที่ 741 ลบ. (+7.3% q-q, +40% y-y) ใกล้เคียงกับที่เราและตลาดคาด กำไรดังกล่าวนับว่าสูงที่สุดในรอบ 9 ไตรมาส
- รายได้รวมโต 2.9% q-q และ 8.3% y-y โดยได้ปัจจัยหนุนจากรายได้ในประเทศที่ดี (+11.6% q-q, +10% y-y) ซึ่งช่วยชดเชยรายได้ส่งออกที่ลดลง q-q (-18% q-q, +2.8% y-y)
- ยอดขายเครื่องดื่มชูกำลังในประเทศน่าประทับใจเป็นพิเศษโดยเพิ่มขึ้น 26% q-q และ 11% y-y ทำสถิติสูงสุดใหม่ที่ 1.83 พัน ลบ. โดยได้ปัจจัยผลักดันจากแผนส่งเสริมการขาย 2 ขวดในราคา 18 บาทที่ร้านสะดวกซื้อซึ่งช่วยให้ส่วนแบ่งตลาดเพิ่มไปทำสถิติสูงสุดใหม่ที่ 25.8% ในเดือน ก.ย. และที่ค่าเฉลี่ย 24.9% ใน 3Q24 เพิ่มขึ้นจาก 24.1% ใน 2Q24
- รายได้จากรุรกิจจัดจำหน่ายโตทั้ง q-q และ y-y ใน 3Q24 ส่วนมากจากรุรกิจเหล่านี้ขณะที่รายได้จากการขายเบียร์ยังไม่น่าประทับใจซึ่งทำให้รายได้จากบรรจุภัณฑ์ลดลง 33% q-q และ 56% y-y จากฐานที่สูงจากการเปิดตัวบรรจุภัณฑ์เบียร์ในปีที่แล้ว
- อัตรากำไรขั้นต้นใน 3Q24 ปรับตัวดีขึ้นเป็น 28.1% จาก 27.7% ใน 2Q24 และ 26.8% ใน 3Q23 แม้ว่าต้นทุนน้ำตาลจะสูงขึ้น ปัจจัยดังกล่าวช่วยชดเชยต้นทุนอื่นที่ลดลง อาทิเช่น เศษแก้วซึ่งทำให้อัตรากำไรของเครื่องดื่มชูกำลังปรับตัวดีขึ้น นอกจากนี้การขยับเข้าหาผลิตภัณฑ์ OEM แบบมีเยื่อ (เช่นกาแฟพร้อมดื่ม) ยังช่วยให้อัตรากำไรขั้นต้นฟื้นตัวอีกด้วย
- ค่าใช้จ่ายรวมเพิ่ม q-q จากต้นทุนในการส่งเสริมการขายที่สูงขึ้นแต่ลดลง y-y จากการสนับสนุนของ Tawandang ซึ่งช่วยออก 50% ของต้นทุนในการเป็นผู้สนับสนุน

### Outlook

- CBG รายงานกำไรสุทธิ 9M24 อยู่ที่ 2.06 พัน ลบ. (+62% y-y) คิดเป็น 72% ของประมาณการทั้งปีของเรา เราคาดว่ากำไรสุทธิ 4Q24 จะปรับตัวดีต่อเนื่องและทำสถิติสูงสุดใหม่ในปีนี้อาจแตะ 800 ลบ. นับว่าสูงที่สุดในรอบ 14 ไตรมาสจากการส่งเสริมการขายเครื่องดื่มชูกำลังอย่างต่อเนื่องในตลาดในประเทศซึ่งน่าจะช่วยเพิ่มส่วนแบ่งตลาดได้อีกประกอบด้วย 4Q เป็น High season สำหรับการเฉลิมฉลองในเทศกาลต่าง ๆ ซึ่งจะช่วยหนุนรายได้ที่เกี่ยวข้องกับแอลกอฮอล์
- เราคงประมาณการกำไรสุทธิปี 2024-25 ของเราที่คาดว่าจะโต 48.1% y-y และ 10.7% y-y ตามลำดับและคงราคาเป้าหมายของเราไว้ที่ 88 บาท (โดยมีสมมติฐานจากค่า P/E multiple ที่ 28x)

### KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	18,853	20,647	21,926	23,185
Net profit	1,924	2,869	3,142	3,321
EPS (THB)	1.92	2.87	3.14	3.32
vs Consensus (%)	-	2.2	(0.6)	(3.8)
EBITDA	3,245	4,471	4,804	5,037
Recurring net profit	1,924	2,869	3,142	3,321
Core EPS (THB)	1.92	2.87	3.14	3.32
EPS growth (%)	(15.8)	49.1	9.5	5.7
Core P/E (x)	42.1	28.2	25.8	24.4
Dividend yield (%)	1.1	1.8	1.9	2.1
EV/EBITDA (x)	26.3	19.3	18.0	17.1
Price/book (x)	7.0	6.1	5.5	4.9
Net debt/Equity (%)	41.2	43.4	38.3	33.9
ROE (%)	17.4	23.2	22.4	21.3



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(0.3)	26.6	7.6
Relative to country (%)	(1.1)	12.0	3.8
Mkt cap (USD m)	2,379		
3m avg. daily turnover (USD m)	8.2		
Free float (%)	29		
Major shareholder	Sathienthamholding Co Ltd (25%)		
12m high/low (THB)	86.25/61.25		
Issued shares (m)	1,000.00		

Sources: Bloomberg consensus; FSSIA estimates


**Sureeporn Teewasuwet**

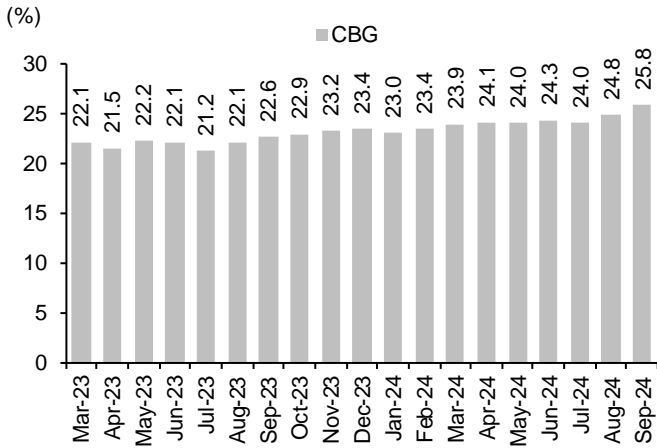
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## Exhibit 1: CBG – 3Q24 results summary

	3Q23	4Q23	1Q24	2Q24	3Q24	--- Change ---		9M23	9M24	Change	2023	2024E	Change	% 9M24
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)	(THB m)	(THB m)	(y-y%)	to 2024E
Sales	4,707	5,316	4,935	4,954	5,098	2.9	8.3	13,537	14,987	10.7	18,853	20,647	9.5	72.6
Cost of sales	3,445	3,975	3,613	3,583	3,667	2.4	6.5	9,998	10,863	8.6	13,974	14,953	7.0	72.6
Gross profit	1,262	1,341	1,322	1,371	1,431	4.4	13.4	3,539	4,124	16.6	4,879	5,708	17.0	72.3
SG&A	655	564	576	533	576	8.0	(12.1)	2,096	1,686	(19.6)	2,660	2,250	(15.4)	74.9
Operating profit	650	819	787	876	932	6.5	43.4	1,588	2,595	63.4	2,407	2,618	8.8	99.1
Interest expense	51	52	45	37	33	(11.4)	(36.0)	131	115	(12.1)	183	183	(14.9)	73.7
Tax expense	80	115	123	158	168	6.5	108.9	221	449	102.6	337	337	88.5	70.6
Reported net profit	530	649	628	691	741	7.3	39.9	1,275	2,060	61.6	1,924	2,869	49.1	71.8
Core profit	530	649	628	691	741	7.3	39.9	1,275	2,060	61.6	1,924	2,869	49.1	71.8
<b>Key Ratios (%)</b>						<b>(ppt)</b>	<b>(ppt)</b>							
Gross margin	26.8	25.2	26.8	27.7	28.1	0.4	1.3	26.1	27.5	1.4	25.9	27.6	1.8	
SG&A / Sales	13.9	10.6	11.7	10.8	11.3	0.5	(2.6)	15.5	11.2	(4.2)	14.1	10.9	(3.2)	
Operating margin	13.8	15.4	16.0	17.7	18.3	0.6	4.5	11.7	17.3	5.6	12.8	12.7	(0.1)	
Net margin	11.3	12.2	12.7	13.9	14.5	0.6	3.3	9.4	13.7	4.3	10.2	13.9	3.7	
Core margin	11.3	12.2	12.7	13.9	14.5	0.6	3.3	9.4	13.7	4.3	10.2	13.9	3.7	
<b>Operating Statistics (THB m)</b>														
Branded Own sales	2,798	2,896	2,838	2,900	3,020	4.1	7.9	8,301	8,758	5.5	11,196	11,788	5.3	74.3
Branded Own - domestic	1,651	1,505	1,318	1,445	1,827	26.4	10.7	4,339	4,590	5.8	5,844	6,440	10.2	71.3
Branded Own - overseas	1,147	1,391	1,520	1,455	1,193	(18.0)	4.0	3,962	4,168	5.2	5,353	5,348	(0.1)	77.9
Branded OEM sales	61	59	72	70	79	12.9	29.5	174	221	26.7	232	291	25.4	75.9
3rd-party sales	1,450	2,088	1,823	1,723	1,824	5.9	25.8	4,366	5,370	23.0	6,458	7,634	18.2	70.3
Other (packaging)	398	273	202	261	175	(33.0)	(56.0)	696	638	(8.3)	967	898	(7.1)	71.0
CBG's market share (%)	22.0	23.2	23.4	24.1	24.9	0.7	2.9	21.7	24.1	2.4	22.1	24.0	1.9	
GM - Branded Own (%)	35.6	37.5	38.9	38.9	39.8	0.9	4.2	34.8	39.2	4.4	35.6	39.8	4.2	
GM - Branded OEM (%)	18.0	18.6	16.7	15.7	19.0	3.3	1.0	14.7	17.1	2.4	15.9	16.8	0.9	
GM - 3rd party (%)	10.0	8.2	9.2	9.5	9.4	(0.1)	(0.6)	9.9	9.4	(0.5)	9.3	9.2	(0.2)	
GM - other (%)	27.6	25.6	18.8	26.4	24.6	(1.9)	(3.1)	26.5	23.3	(3.3)	26.5	24.2	(2.2)	
Domestic sales (% of total sales)	75.3	73.6	69.2	70.6	76.6	6.0	1.3	70.7	72.2	1.5	64.2	71.4	7.2	
Overseas sales (% of total sales)	24.7	26.4	30.8	29.4	23.4	(6.0)	(1.3)	29.3	27.8	(1.5)	35.8	28.6	(7.2)	
Domestic sales (THB m)	3,546	3,911	3,414	3,499	3,905	11.6	10.1	9,547	10,818	13.3	13,457	15,263	13.4	70.9
Overseas sales (THB m)	1,161	1,405	1,520	1,455	1,193	(18.0)	2.8	3,991	4,168	4.4	5,396	5,348	(0.9)	77.9
CLMV	953	1,201	1,364	1,333	1,010	(24.2)	6.0	3,438	3,707	7.8	4,639	4,722	1.8	78.5
China	38	0	0	0	0	nm	nm	88	0	(100.0)	88	0	(100.0)	nm
UK	48	46	53	54	56	3.7	16.7	143	163	14.0	189	199	5.3	81.9
Others	123	159	104	68	183	169.1	48.8	323	355	9.9	480	475	(1.0)	74.7

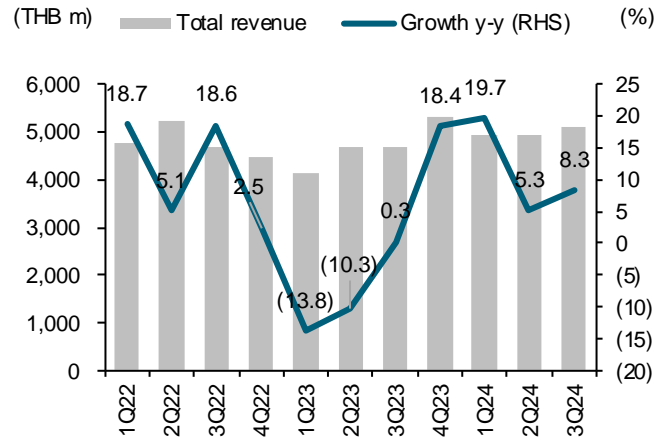
Sources: CBG; FSSIA's compilation

**Exhibit 2: CBG's energy drink market share by volume**



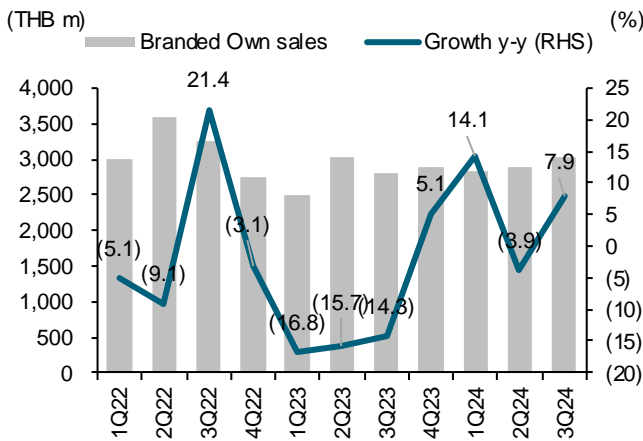
Sources: CBG, FSSIA's compilation

**Exhibit 3: Quarterly total revenue and growth**



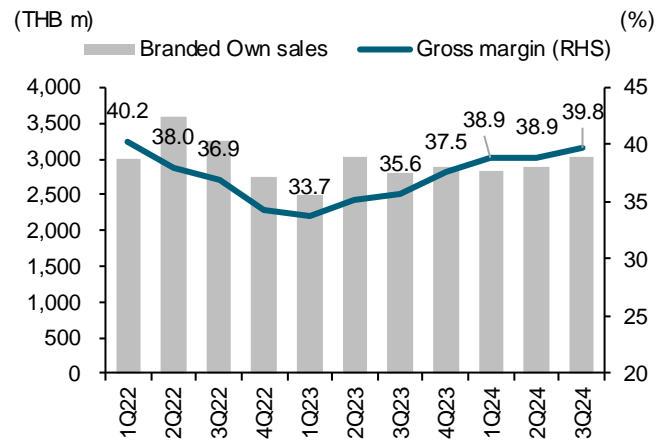
Sources: CBG, FSSIA's compilation

**Exhibit 4: Quarterly revenue from branded own and growth**



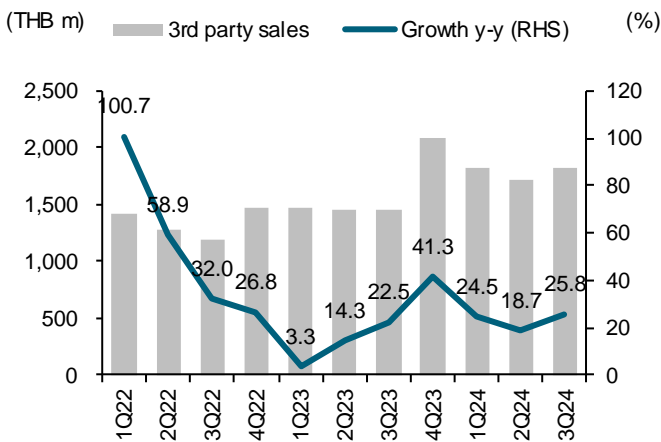
Sources: CBG, FSSIA's compilation

**Exhibit 5: Gross margin for branded own segment**



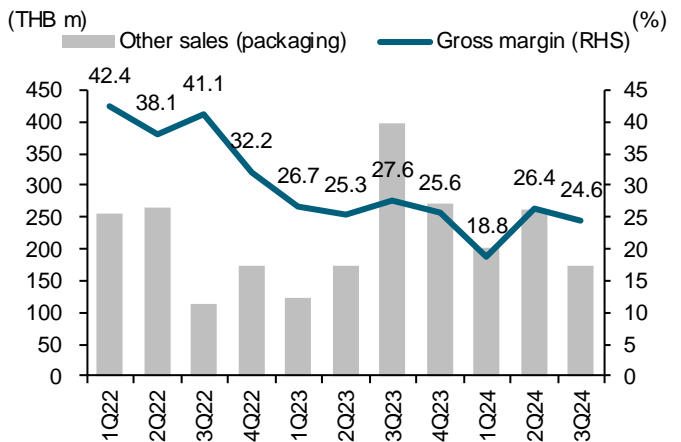
Sources: CBG, FSSIA's compilation

**Exhibit 6: Quarterly revenue from 3rd party and growth**



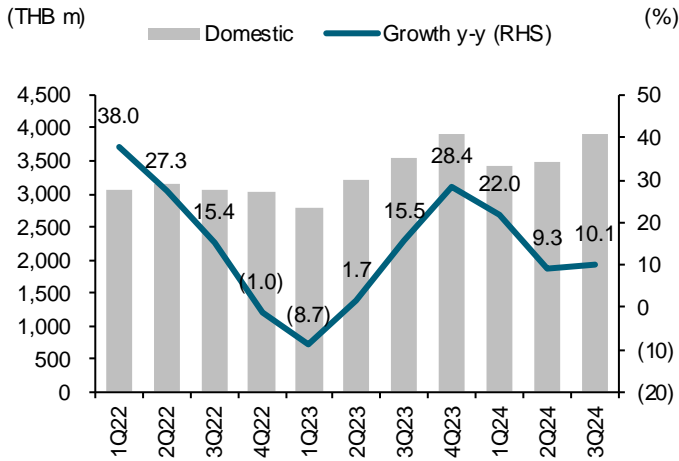
Sources: CBG, FSSIA's compilation

**Exhibit 7: Quarterly revenue from packaging and gross margin**



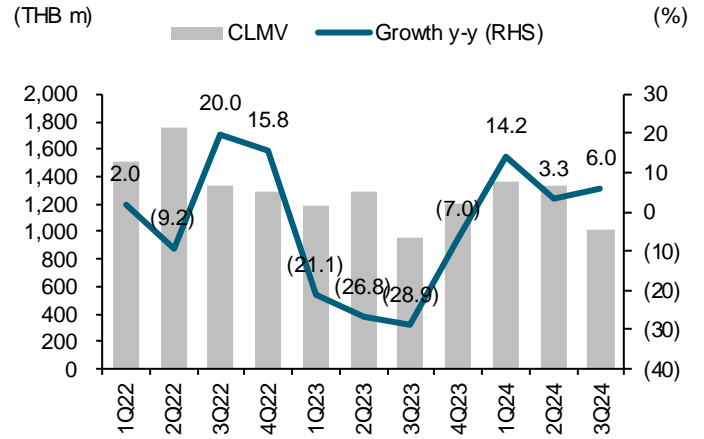
Sources: CBG, FSSIA's compilation

**Exhibit 8: Domestic revenue and growth**



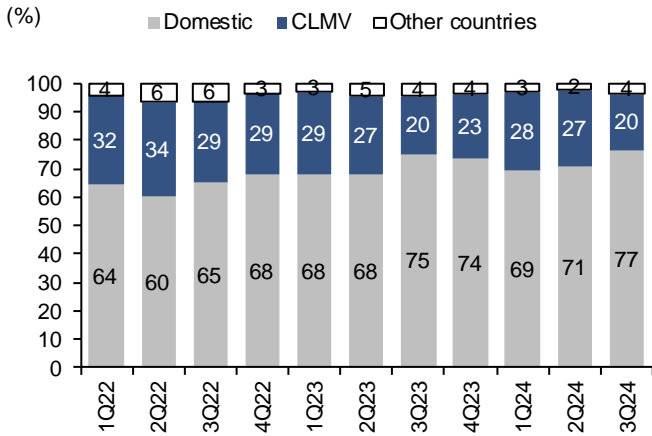
Sources: CBG, FSSIA's compilation

**Exhibit 9: CLMV revenue and growth**



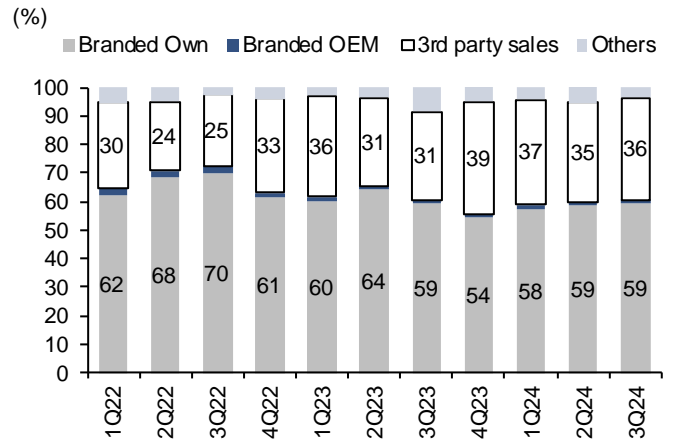
Sources: CBG, FSSIA's compilation

**Exhibit 10: Quarterly revenue contribution by destination**



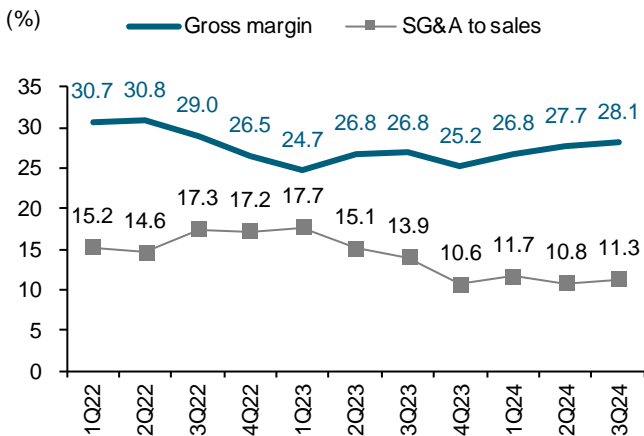
Sources: CBG, FSSIA's compilation

**Exhibit 11: Revenue contribution by segment**



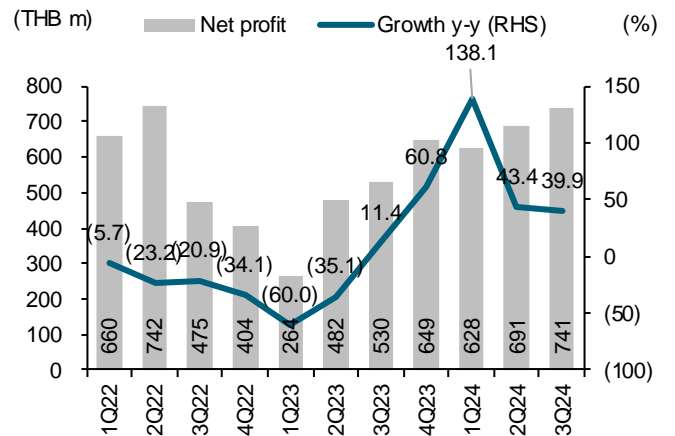
Sources: CBG, FSSIA's compilation

**Exhibit 12: Quarterly gross margin and SG&A to sales**



Sources: CBG, FSSIA's compilation

**Exhibit 13: Quarterly net profit and growth**



Sources: CBG, FSSIA's compilation

## Financial Statements

### Carabao Group

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	19,215	18,853	20,647	21,926	23,185
Cost of goods sold	(13,582)	(13,974)	(14,939)	(15,819)	(16,736)
<b>Gross profit</b>	<b>5,633</b>	<b>4,879</b>	<b>5,708</b>	<b>6,106</b>	<b>6,449</b>
Other operating income	239	188	159	219	232
Operating costs	(3,078)	(2,660)	(2,250)	(2,390)	(2,527)
<b>Operating EBITDA</b>	<b>3,607</b>	<b>3,245</b>	<b>4,471</b>	<b>4,804</b>	<b>5,037</b>
Depreciation	(813)	(838)	(853)	(868)	(883)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>2,794</b>	<b>2,407</b>	<b>3,618</b>	<b>3,936</b>	<b>4,154</b>
Net financing costs	(114)	(178)	(148)	(149)	(150)
Associates	5	8	16	17	18
Recurring non-operating income	5	8	16	17	18
Non-recurring items	0	0	0	0	0
<b>Profit before tax</b>	<b>2,684</b>	<b>2,237</b>	<b>3,486</b>	<b>3,804</b>	<b>4,021</b>
Tax	(433)	(337)	(635)	(682)	(721)
<b>Profit after tax</b>	<b>2,251</b>	<b>1,900</b>	<b>2,850</b>	<b>3,122</b>	<b>3,300</b>
Minority interests	35	24	19	21	21
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>2,286</b>	<b>1,924</b>	<b>2,869</b>	<b>3,142</b>	<b>3,321</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Recurring net profit</b>	<b>2,286</b>	<b>1,924</b>	<b>2,869</b>	<b>3,142</b>	<b>3,321</b>
<b>Per share (THB)</b>					
Recurring EPS *	2.29	1.92	2.87	3.14	3.32
Reported EPS	2.29	1.92	2.87	3.14	3.32
DPS	1.50	0.90	1.43	1.57	1.66
Diluted shares (used to calculate per share data)	1,000	1,000	1,000	1,000	1,000
<b>Growth</b>					
Revenue (%)	10.7	(1.9)	9.5	6.2	5.7
Operating EBITDA (%)	(14.1)	(10.0)	37.8	7.4	4.8
Operating EBIT (%)	(18.9)	(13.8)	50.3	8.8	5.5
Recurring EPS (%)	(20.6)	(15.8)	49.1	9.5	5.7
Reported EPS (%)	(20.6)	(15.8)	49.1	9.5	5.7
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	29.3	25.9	27.6	27.9	27.8
Gross margin exc. depreciation (%)	33.5	30.3	31.8	31.8	31.6
Operating EBITDA margin (%)	18.8	17.2	21.7	21.9	21.7
Operating EBIT margin (%)	14.5	12.8	17.5	18.0	17.9
Net margin (%)	11.9	10.2	13.9	14.3	14.3
Effective tax rate (%)	16.1	15.1	18.2	17.9	17.9
Dividend payout on recurring profit (%)	65.6	46.8	50.0	50.0	50.0
Interest cover (X)	24.5	13.5	24.5	26.5	27.7
Inventory days	72.2	69.6	61.6	61.7	61.6
Debtor days	40.7	45.7	39.4	38.8	38.9
Creditor days	51.8	54.2	54.6	54.5	54.4
Operating ROIC (%)	14.2	12.2	17.3	16.7	16.2
ROIC (%)	13.5	11.6	16.6	16.0	15.7
ROE (%)	21.9	17.4	23.2	22.4	21.3
ROA (%)	11.9	10.3	14.3	14.1	13.8
* Pre exceptional, pre-goodwill and fully diluted					
<b>Revenue by Division (THB m)</b>					
Branded own	12,591	11,196	11,758	12,460	13,104
3rd party distribution	5,350	6,458	7,634	8,134	8,667
Branded OEM	467	232	282	310	341
Others (Packaging)	807	967	973	1,022	1,073

Sources: Carabao Group; FSSIA estimates

## Financial Statements

### Carabao Group

Cash Flow (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Recurring net profit	2,286	1,924	2,869	3,142	3,321
Depreciation	813	838	853	868	883
Associates & minorities	-	-	-	-	-
Other non-cash items	(19)	(61)	6	17	(12)
Change in working capital	(1,117)	992	(78)	(154)	(153)
<b>Cash flow from operations</b>	<b>1,963</b>	<b>3,694</b>	<b>3,651</b>	<b>3,873</b>	<b>4,039</b>
Capex - maintenance	(737)	(822)	(3,303)	(2,257)	(2,296)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	(16)	(26)	55	(4)	(4)
<b>Cash flow from investing</b>	<b>(753)</b>	<b>(848)</b>	<b>(3,247)</b>	<b>(2,261)</b>	<b>(2,300)</b>
Dividends paid	(1,760)	(1,156)	(1,435)	(1,571)	(1,661)
Equity finance	0	0	0	0	0
Debt finance	326	(1,438)	663	8	43
Other financing cash flows	27	(5)	27	14	14
<b>Cash flow from financing</b>	<b>(1,408)</b>	<b>(2,598)</b>	<b>(745)</b>	<b>(1,549)</b>	<b>(1,604)</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
<b>Net other adjustments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Movement in cash</b>	<b>(198)</b>	<b>248</b>	<b>(342)</b>	<b>63</b>	<b>136</b>
Free cash flow to firm (FCFF)	1,324.54	3,029.30	559.60	1,768.70	1,896.95
Free cash flow to equity (FCFE)	1,562.23	1,403.93	1,092.86	1,634.45	1,796.46

#### Per share (THB)

FCFF per share	1.32	3.03	0.56	1.77	1.90
FCFE per share	1.56	1.40	1.09	1.63	1.80
Recurring cash flow per share	3.08	2.70	3.73	4.03	4.19

Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Tangible fixed assets (gross)	16,143	17,819	19,525	21,262	23,028
Less: Accumulated depreciation	(3,291)	(4,944)	(3,905)	(4,252)	(4,606)
<b>Tangible fixed assets (net)</b>	<b>12,852</b>	<b>12,875</b>	<b>15,620</b>	<b>17,009</b>	<b>18,422</b>
<b>Intangible fixed assets (net)</b>	<b>612</b>	<b>629</b>	<b>597</b>	<b>598</b>	<b>599</b>
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	162	173	173	173	173
Cash & equivalents	936	1,184	842	905	1,041
A/C receivable	2,533	2,192	2,263	2,403	2,541
Inventories	2,718	2,295	2,456	2,600	2,751
Other current assets	160	131	103	110	116
<b>Current assets</b>	<b>6,347</b>	<b>5,802</b>	<b>5,664</b>	<b>6,018</b>	<b>6,449</b>
Other assets	66	65	41	44	46
<b>Total assets</b>	<b>20,039</b>	<b>19,543</b>	<b>22,095</b>	<b>23,842</b>	<b>25,690</b>
Common equity	10,683	11,491	13,221	14,792	16,453
Minorities etc.	(118)	(178)	(172)	(155)	(167)
<b>Total shareholders' equity</b>	<b>10,565</b>	<b>11,312</b>	<b>13,049</b>	<b>14,637</b>	<b>16,286</b>
Long term debt	1,082	3,747	3,655	3,558	3,407
Other long-term liabilities	205	201	227	241	255
<b>Long-term liabilities</b>	<b>1,287</b>	<b>3,948</b>	<b>3,882</b>	<b>3,799</b>	<b>3,662</b>
A/C payable	1,853	2,045	2,169	2,297	2,430
Short term debt	6,198	2,095	2,850	2,955	3,149
Other current liabilities	137	143	145	153	162
<b>Current liabilities</b>	<b>8,187</b>	<b>4,283</b>	<b>5,164</b>	<b>5,406</b>	<b>5,741</b>
<b>Total liabilities and shareholders' equity</b>	<b>20,039</b>	<b>19,543</b>	<b>22,095</b>	<b>23,842</b>	<b>25,690</b>
Net working capital	3,422	2,430	2,508	2,662	2,815
Invested capital	17,114	16,171	18,939	20,486	22,056

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

#### Per share (THB)

Book value per share	10.68	11.49	13.22	14.79	16.45
Tangible book value per share	10.07	10.86	12.62	14.19	15.85

#### Financial strength

Net debt/equity (%)	60.0	41.2	43.4	38.3	33.9
Net debt/total assets (%)	31.7	23.8	25.6	23.5	21.5
Current ratio (x)	0.8	1.4	1.1	1.1	1.1
CF interest cover (x)	14.7	8.9	8.4	11.9	12.9

Valuation	2022	2023	2024E	2025E	2026E
<b>Recurring P/E (x) *</b>	<b>35.4</b>	<b>42.1</b>	<b>28.2</b>	<b>25.8</b>	<b>24.4</b>
<b>Recurring P/E @ target price (x) *</b>	<b>38.5</b>	<b>45.7</b>	<b>30.7</b>	<b>28.0</b>	<b>26.5</b>
Reported P/E (x)	35.4	42.1	28.2	25.8	24.4
Dividend yield (%)	1.9	1.1	1.8	1.9	2.1
Price/book (x)	7.6	7.0	6.1	5.5	4.9
Price/tangible book (x)	8.0	7.5	6.4	5.7	5.1
EV/EBITDA (x) **	24.2	26.3	19.3	18.0	17.1
EV/EBITDA @ target price (x) **	26.1	28.5	20.9	19.5	18.5
EV/invested capital (x)	5.1	5.3	4.6	4.2	3.9

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

Sources: Carabao Group; FSSIA estimates

# Carabao Group PCL (CBG TB)

**FSSIA ESG rating**

**51.54 /100**
**Exhibit 14: 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	<b>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.</b>
★★	>19-39	Relevant ESG materiality matrix has been identified with key management in charge for progress to be followed up on and to provide intensive disclosure. Most targets are conventional and achievable.
★	1-19	The company has adopted the United Nations Sustainable Development Goals (UN SDGs), established sustainability management guidelines and fully complies with regulations or ESG suggested guidance from related organizations such as the SET and SEC.

Sources: FSSIA estimates

**Exhibit 15: 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	2.14	41.92
ICHI	43.67	--	Y	Y	5.00	5.00	Certified	High	61.36	--	--	--	18.00	--	--
OSP	61.48	--	Y	Y	5.00	4.00	Declared	Medium	68.64	BBB	--	63.08	51.00	3.00	63.65
SAPPE	35.25	--	Y	Y	4.00	5.00	Certified	Medium	--	--	--	--	--	--	--
TACC	15.00	--	--	--	5.00	5.00	--	--	--	--	--	--	--	--	--

Sources: [SETTRADE.com](https://www.settrade.com); FSSIA's compilation
**Exhibit 16: ESG score by Bloomberg**

FY ending Dec 31	FY 2020	FY 2021	FY 2022
<b>ESG financial materiality scores - ESG score</b>	<b>1.42</b>	<b>2.14</b>	<b>—</b>
BESG environmental pillar score	0.67	1.92	—
BESG social pillar score	0.74	0.78	—
BESG governance pillar score	3.60	4.25	—
<b>ESG disclosure score</b>	<b>34.38</b>	<b>41.92</b>	<b>—</b>
Environmental disclosure score	20.27	31.89	—
Social disclosure score	19.20	30.20	—
Governance disclosure score	63.58	63.58	—
<b>Environmental</b>			
Emissions reduction initiatives	Yes	Yes	No
Climate change policy	Yes	Yes	Yes
Climate change opportunities discussed	No	No	No
Risks of climate change discussed	Yes	Yes	Yes
GHG scope 1	—	16	82
GHG scope 2 location-based	—	43	42
GHG Scope 3	—	1	74
Carbon per unit of production	—	—	—
Biodiversity policy	No	No	No
Energy efficiency policy	Yes	Yes	No
Total energy consumption	90	135	—
Renewable energy use	—	6	—
Electricity used	90	88	—
Fuel used - natural gas	—	—	—

Sources: Bloomberg; FSSIA's compilation

## Exhibit 17: ESG score by Bloomberg (cont.)

FY ending Dec 31	FY 2020	FY 2021	FY 2022
Fuel used - crude oil/diesel	No	No	No
Waste reduction policy	Yes	Yes	No
Hazardous waste	—	0	—
Total waste	5	7	—
Waste recycled	4	7	—
Waste sent to landfills	—	0	—
Environmental supply chain management	No	No	No
Water policy	Yes	Yes	Yes
Water consumption	3,070,910	1,110,020	—
<b>Social</b>			
Human rights policy	Yes	Yes	Yes
Policy against child labor	No	No	No
Quality assurance and recall policy	Yes	Yes	Yes
Consumer data protection policy	No	No	No
Equal opportunity policy	No	No	No
Gender pay gap breakout	No	No	Yes
Pct women in workforce	33	34	—
Pct disabled in workforce	—	—	—
Business ethics policy	No	Yes	Yes
Anti-bribery ethics policy	No	Yes	Yes
Health and safety policy	Yes	Yes	Yes
Lost time incident rate - employees	0	0	—
Total recordable incident rate - employees	—	—	—
Training policy	Yes	Yes	Yes
Fair remuneration policy	No	No	No
Number of employees – CSR	2,993	3,232	3,325
Employee turnover pct	—	—	—
Total hours spent by firm - employee training	38,150	33,137	—
Social supply chain management	No	No	No
<b>Governance</b>			
<b>Board size</b>	<b>11</b>	<b>13</b>	<b>13</b>
<b>No. of independent directors (ID)</b>	<b>5</b>	<b>6</b>	<b>6</b>
No. of women on board	4	4	4
No. of non-executive directors on board	6	7	8
Company conducts board evaluations	Yes	Yes	Yes
No. of board meetings for the year	7	6	6
Board meeting attendance pct	91	100	95
Board duration (years)	—	—	—
Director share ownership guidelines	No	No	No
Age of the youngest director	—	—	—
Age of the oldest director	—	—	—
<b>No. of executives / company managers</b>	<b>7</b>	<b>7</b>	<b>6</b>
No. of female executives	2	2	1
Executive share ownership guidelines	No	No	No
<b>Size of audit committee</b>	<b>3</b>	<b>3</b>	<b>3</b>
No. of ID on audit committee	3	3	3
Audit committee meetings	5	5	5
Audit meeting attendance %	100	100	100
<b>Size of compensation committee</b>	<b>4</b>	<b>4</b>	<b>4</b>
No. of ID on compensation committee	2	2	2
No. of compensation committee meetings	2	4	2
Compensation meeting attendance %	100	100	100
<b>Size of nomination committee</b>	<b>4</b>	<b>4</b>	<b>4</b>
No. of nomination committee meetings	2	4	2
Nomination meeting attendance %	100	100	100
<b>Sustainability governance</b>			
Verification type	No	No	No

Sources: Bloomberg; FSSIA's compilation

## Disclaimer for ESG scoring

ESG score	Methodology	Rating																												
The Dow Jones Sustainability Indices ( <a href="#">DJSI</a> ) 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 ( <a href="#">THSI</a> ) by The Stock Exchange of Thailand ( <a href="#">SET</a> )	THSI quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria include: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years.	To be eligible for <b>THSI inclusion</b> , verified data must be scored at a minimum of 50% for each indicator, unless the company is a part of DJSI during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality. <b>SETTHSI Index</b> is extended from the THSI companies whose 1) market capitalization > THB5b (~USD150b); 2) free float >20%; and 3) liquidity >0.5% of paid-up capital for at least 9 out of 12 months. The SETTHSI Index is a market capitalisation-weighted index, cap 5% quarterly weight at maximum, and no cap for number of stocks.																												
<b>CG Score</b> by Thai Institute of Directors Association (Thai IOD)	An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.	Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (60-69), and not rated for scores below 50. Weightings include: 1) the rights; 2) and equitable treatment of shareholders (weight 25% combined); 3) the role of stakeholders (25%); 4) disclosure & transparency (15%); and 5) board responsibilities (35%).																												
<b>AGM level</b> By Thai Investors Association (TIA) with support from the SEC	It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). <i>(The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&amp;A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.)</i>	The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.																												
<b>Thai CAC</b> By Thai Private Sector Collective Action Against Corruption (CAC)	The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. <i>(Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.)</i>	The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.																												
<a href="#">Morningstar Sustainability</a>	The Sustainability's ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. <i>Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality &amp; peer reviews.</i>	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored.																												
<a href="#">ESG Book</a>	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.	<table border="1"> <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> <p>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.</p>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+																		
NEGL	Low	Medium	High	Severe																										
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<a href="#">MSCI</a>	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"> <tr> <td><b>AAA</b></td> <td>8.571-10.000</td> <td><b>Leader:</b></td> <td>leading its industry in managing the most significant ESG risks and opportunities</td> </tr> <tr> <td><b>AA</b></td> <td>7.143-8.570</td> <td></td> <td></td> </tr> <tr> <td><b>A</b></td> <td>5.714-7.142</td> <td></td> <td></td> </tr> <tr> <td><b>BBB</b></td> <td>4.286-5.713</td> <td><b>Average:</b></td> <td>a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td> </tr> <tr> <td><b>BB</b></td> <td>2.857-4.285</td> <td></td> <td></td> </tr> <tr> <td><b>B</b></td> <td>1.429-2.856</td> <td></td> <td></td> </tr> <tr> <td><b>CCC</b></td> <td>0.000-1.428</td> <td><b>Laggard:</b></td> <td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td> </tr> </table>	<b>AAA</b>	8.571-10.000	<b>Leader:</b>	leading its industry in managing the most significant ESG risks and opportunities	<b>AA</b>	7.143-8.570			<b>A</b>	5.714-7.142			<b>BBB</b>	4.286-5.713	<b>Average:</b>	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	<b>BB</b>	2.857-4.285			<b>B</b>	1.429-2.856			<b>CCC</b>	0.000-1.428	<b>Laggard:</b>	lagging its industry based on its high exposure and failure to manage significant ESG risks	
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<a href="#">Moody's ESG solutions</a>	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.																													
<a href="#">Refinitiv ESG rating</a>	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. <i>(Score ratings are 0 to 25 = poor; &gt;25 to 50 = satisfactory; &gt;50 to 75 = good; and &gt;75 to 100 = excellent.)</i>																													
<a href="#">S&amp;P Global</a>	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.																													
<b>Bloomberg</b>	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.																												
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.																												

**Rating** regarding the sustainable development of Thai listed companies, both on the SET and MAI, are publicly available on the website of the Securities and Exchange Commission of Thailand (SEC). Currently, ratings available are 1) "**CG Score**"; 2) "**AGM Level**"; 3) "**Thai CAC**"; and 4) **THSI**. The ratings are updated on an annual basis. FSSIA does not confirm nor certify the accuracy of such ratings.

Source: FSSIA's compilation

## GENERAL DISCLAIMER

### ANALYST(S) CERTIFICATION

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

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

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

#### Carabao Group (CBG TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
22-Nov-2021	BUY	158.00	19-Feb-2024	BUY	87.00	18-Sep-2024	BUY	88.00
21-Feb-2022	BUY	128.00	04-Mar-2024	BUY	70.00			
20-Nov-2023	HOLD	87.00	24-May-2024	BUY	81.00			

Sureeporn Teewasuwet started covering this stock from 20-Nov-2023

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Carabao Group	CBG TB	THB 81.00	BUY	Downside risks to our P/E-based TP are 1) a slower-than-expected recovery in consumption; 2) higher competition in the domestic energy drink market; 3) a potential rise in packaging and raw material costs; and 4) regulatory risks from domestic and international markets.

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 08-Nov-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.