

# NSL FOODS NSL TB

THAILAND / FOOD & BEVERAGE

**BUY**  
 UNCHANGED

## 3Q24 results at first glance

### 3Q24 net profit reached a new high as expected

#### Highlights

- NSL reported a 3Q24 net profit of THB135m (+2.7% q-q, +84% y-y), reaching a new high as anticipated. Excluding special expenses from the previous quarter, its 3Q24 core profit remained stable q-q and grew by 84% y-y, which is considered good since 3Q is typically the low season for the business.
- Total revenue grew by 1.5% q-q and 19.3% y-y in 3Q24, reaching a new high of THB1.43b. Both the bakery segment (with 7-Eleven revenue) and the NSL & BAW brands performed well, with revenue growing 11% q-q and 77% y-y, reaching a new high of THB102b. The contribution from the NSL & BAW brands increased to 7.1% of total revenue in 3Q24, up from 6.5% in 2Q24 and 4.8% in 3Q23.
- The 3Q24 gross margin improved to 20.8%, up from 20.7% in 2Q24 and 17.7% in 3Q23, due to high production capacity utilization and stable raw material costs.
- Total expenses increased by 6.5% q-q and 18.5% y-y in the quarter, driven by higher transportation and employee salary costs. As a result, the SG&A to sales ratio increased to 9.7% from 9.2% in 2Q24, but remained stable with 3Q23. This was primarily due to expenses from its subsidiaries NSL Inno Foods and NSL Intertrade, and possibly NSL BAW, as the company financials of NSL showed stable expenses q-q.
- We have calculated that NSL recognized a loss from its subsidiaries of around THB3m-4m in 3Q24, with NSL Intertrade contributing THB2m-3m in losses and NSL Inno Foods posting a small loss of less than THB1m. However, the strong performance of the parent company fully offset these losses.

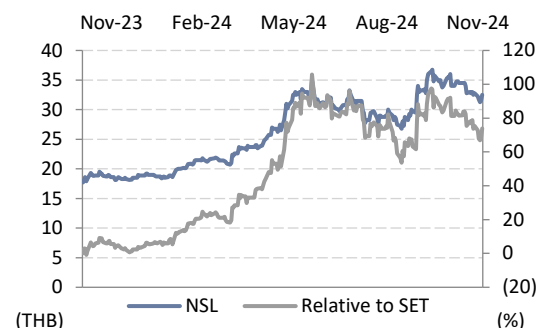
#### Outlook

- NSL's 9M24 net profit equaled THB394m (+70% y-y), accounting for 75% of our full-year estimate. We expect the performance of the subsidiaries to gradually improve, with reduced losses in the upcoming quarters. We anticipate a continued increase in both q-q and y-y profit in 4Q24, with an expected net profit in the range of THB140m-142m, marking the highest profit of the year and a new high for the company.

TARGET PRICE	THB43.00
CLOSE	THB32.50
UP/DOWNSIDE	+32.3%
TP vs CONSENSUS	+11.1%

#### KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	4,793	5,743	6,592	7,509
Net profit	333	523	591	673
EPS (THB)	1.11	1.74	1.97	2.24
vs Consensus (%)	-	3.6	1.3	(0.3)
EBITDA	557	789	918	1,049
Recurring net profit	333	523	591	673
Core EPS (THB)	1.11	1.74	1.97	2.24
EPS growth (%)	12.1	56.9	13.1	13.7
Core P/E (x)	29.2	18.6	16.5	14.5
Dividend yield (%)	2.0	3.1	3.5	4.0
EV/EBITDA (x)	17.6	12.2	10.5	9.1
Price/book (x)	6.3	5.5	4.8	4.2
Net debt/Equity (%)	1.4	(6.0)	(5.2)	(10.4)
ROE (%)	22.5	31.3	31.0	31.0



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(8.5)	12.1	77.6
Relative to country (%)	(9.2)	(0.8)	71.2
Mkt cap (USD m)	286		
3m avg. daily turnover (USD m)	1.2		
Free float (%)	0		
Major shareholder	Mr. Somchai Asavapiyanon (72%)		
12m high/low (THB)	37.25/17.30		
Issued shares (m)	300.00		

Sources: Bloomberg consensus; FSSIA estimates


**Sureeporn Teewasuwet**

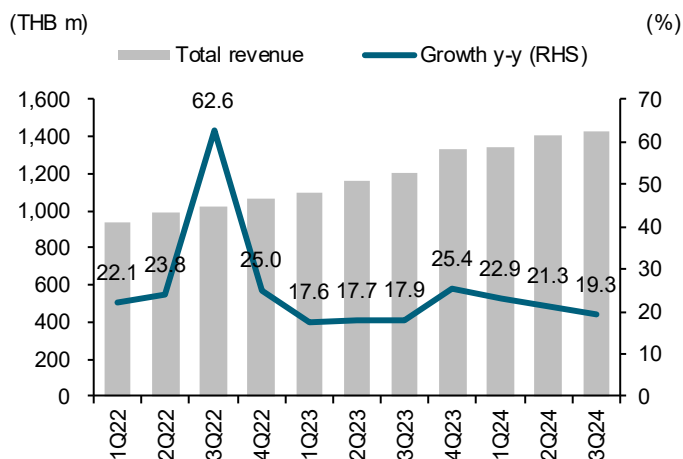
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## Exhibit 1: NSL – 3Q24 results summary

	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	1,201	1,333	1,346	1,411	1,432	1.5	19.3	3,459	4,188	21.1	4,793	5,743	19.8	72.9
Cost of sales	988	1,081	1,064	1,118	1,135	1.5	14.8	2,829	3,316	17.2	3,910	4,566	16.8	72.6
Gross profit	212	253	282	293	297	1.6	40.1	630	872	38.4	883	1,177	33.4	74.1
SG&A	117	129	126	130	139	6.5	18.5	333	395	18.5	462	546	18.1	72.4
Operating profit	98	132	161	168	169	0.4	72.0	305	498	63.3	437	649	48.5	76.7
Interest expense	2	3	2	2	2	26.0	(4.6)	8	6	(23.3)	11	8	(29.5)	82.0
Profit (loss) sharing	(4)	(3)	(0)	(5)	0	nm	nm	(6)	(5)	nm	(9)	(5)	nm	100.0
Tax expense	19	27	32	30	33	10.1	76.4	59	95	61.1	85	115	35.0	82.3
Reported net profit	73	102	128	131	135	2.7	84.2	232	394	69.9	333	523	56.9	75.3
Core profit	73	102	128	135	135	0.2	84.2	235	397	69.2	333	523	56.9	75.9
<b>Key ratios (%)</b>														
						(ppt)	(ppt)							
Gross margin	17.7	19.0	21.0	20.7	20.8	0.0	3.1	17.8	18.5	0.7	20.5	20.5	0.0	
SG&A / Sales	9.7	9.7	9.4	9.2	9.7	0.5	(0.1)	9.8	9.2	(0.6)	9.5	9.5	0.0	
Operating margin	8.2	9.9	12.0	11.9	11.8	(0.1)	3.6	9.8	9.2	(0.6)	11.3	11.3	0.0	
Net margin	6.1	7.6	9.5	9.3	9.4	0.1	3.3	6.3	7.4	1.1	7.0	9.1	2.2	
Core margin	6.1	7.6	9.5	9.5	9.4	(0.1)	3.3	6.3	7.4	1.1	7.0	9.1	2.2	
<b>Operating statistics (THB m)</b>														
Bakery sales	1,060	1,152	1,186	1,238	1,250	0.9	17.9	3,129	3,673	17.4	4,282	5,037	17.6	72.9
Food service sales	64	75	66	68	66	(2.1)	4.2	200	200	(0.1)	276	272	(1.4)	73.7
Snack sales (NSL brands)	57	33	82	91	102	11.3	77.2	77	275	256.4	163	376	131.1	73.1
OEM sales	19	17	9	10	11	4.9	(43.2)	52	31	(40.8)	68	46	(33.2)	66.7
Franchise sales	1	3	3	3	3	6.3	210.5	1	10	803.3	4	12	177.7	78.4
Bakery sales	88.2	86.4	88.1	87.8	87.3	(0.5)	(1.0)	90.5	87.7	(2.8)	89.3	87.7	(1.6)	
Food service sales	5.3	5.6	4.9	4.8	4.6	(0.2)	(0.7)	5.8	4.8	(1.0)	5.8	4.7	(1.0)	
Snack sales (NSL brands)	4.8	2.5	6.1	6.5	7.1	0.6	2.3	2.2	6.6	4.3	3.4	6.5	3.2	
OEM sales	1.6	1.3	0.7	0.7	0.8	0.0	(0.8)	1.5	0.7	(0.8)	1.4	0.8	(0.6)	
Franchise sales	0.1	0.3	0.2	0.2	0.2	0.0	0.1	0.0	0.2	0.2	0.1	0.2	0.1	

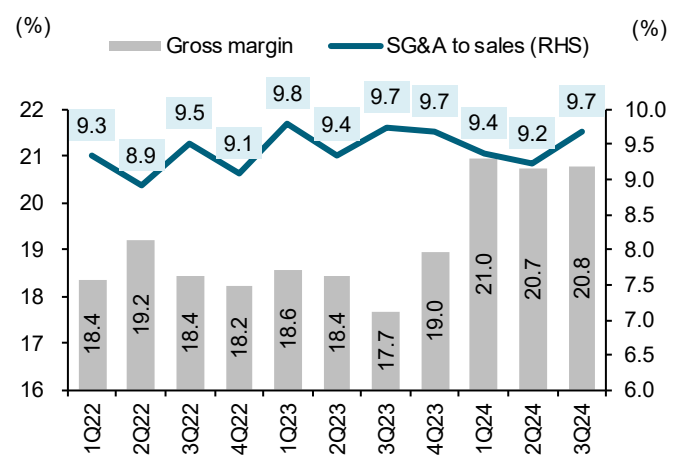
Sources: NSL; FSSIA estimates

## Exhibit 2: Total revenue and growth



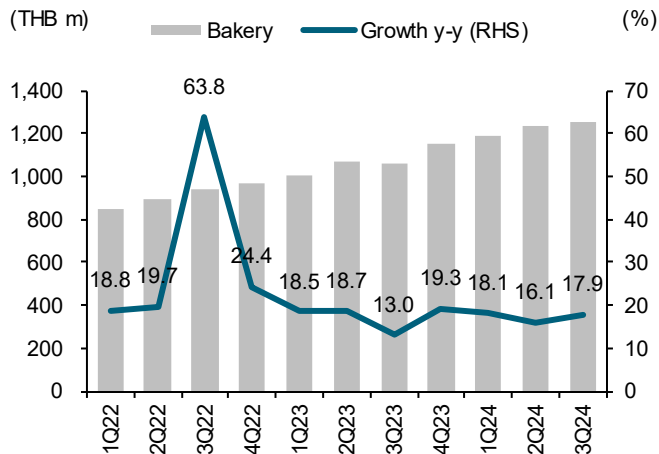
Sources: NSL, FSSIA's compilation

## Exhibit 3: Gross margin and SG&amp;A to sales



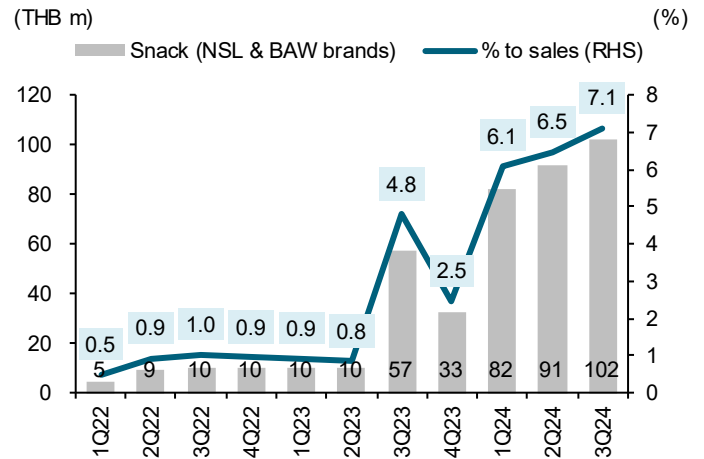
Sources: NSL, FSSIA's compilation

Exhibit 4: Revenue from bakery segment and growth



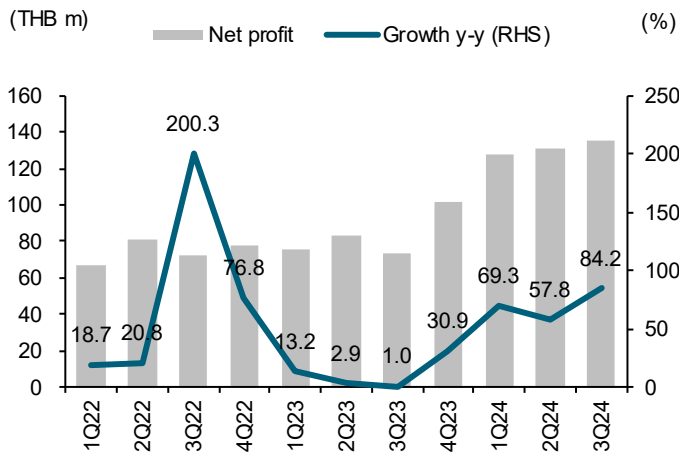
Sources: NSL, FSSIA's compilation

Exhibit 5: Revenue from NSL and BAW brands



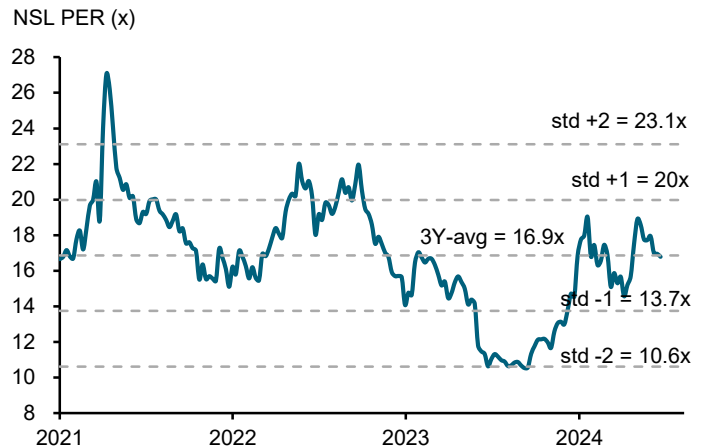
Sources: NSL, FSSIA's compilation

Exhibit 6: Net profit and growth



Sources: NSL, FSSIA's compilation

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	5,743	6,592	7,509
Cost of goods sold	(3,259)	(3,910)	(4,566)	(5,254)	(5,977)
<b>Gross profit</b>	<b>742</b>	<b>883</b>	<b>1,177</b>	<b>1,338</b>	<b>1,532</b>
Other operating income	8	17	17	20	20
Operating costs	(369)	(462)	(546)	(620)	(713)
<b>Operating EBITDA</b>	<b>484</b>	<b>557</b>	<b>789</b>	<b>918</b>	<b>1,049</b>
Depreciation	(102)	(120)	(140)	(180)	(210)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>382</b>	<b>437</b>	<b>649</b>	<b>738</b>	<b>839</b>
Net financing costs	(10)	(11)	(8)	(11)	(11)
Associates	-	-	-	-	-
Recurring non-operating income	0	(9)	(5)	0	0
Non-recurring items	0	0	0	0	0
<b>Profit before tax</b>	<b>372</b>	<b>418</b>	<b>637</b>	<b>728</b>	<b>828</b>
Tax	(74)	(85)	(115)	(138)	(157)
<b>Profit after tax</b>	<b>298</b>	<b>332</b>	<b>521</b>	<b>590</b>	<b>670</b>
Minority interests	0	1	2	2	2
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>298</b>	<b>333</b>	<b>523</b>	<b>591</b>	<b>673</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>298</b>	<b>333</b>	<b>523</b>	<b>591</b>	<b>673</b>
<b>Per share (THB)</b>					
Recurring EPS *	0.99	1.11	1.74	1.97	2.24
Reported EPS	0.99	1.11	1.74	1.97	2.24
DPS	0.55	0.65	1.00	1.14	1.30
Diluted shares (used to calculate per share data)	300	300	300	300	300
<b>Growth</b>					
Revenue (%)	31.7	19.8	19.8	14.8	13.9
Operating EBITDA (%)	40.0	15.1	41.6	16.4	14.2
Operating EBIT (%)	53.3	14.5	48.5	13.8	13.6
Recurring EPS (%)	41.5	12.1	56.9	13.1	13.7
Reported EPS (%)	41.5	12.1	56.9	13.1	13.7
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	18.5	18.4	20.5	20.3	20.4
Gross margin exc. depreciation (%)	21.1	20.9	22.9	23.0	23.2
Operating EBITDA margin (%)	12.1	11.6	13.7	13.9	14.0
Operating EBIT margin (%)	9.5	9.1	11.3	11.2	11.2
Net margin (%)	7.4	7.0	9.1	9.0	9.0
Effective tax rate (%)	19.9	20.4	18.1	19.0	19.0
Dividend payout on recurring profit (%)	55.4	58.5	57.5	58.0	58.0
Interest cover (X)	37.1	40.2	85.9	70.3	74.9
Inventory days	26.4	26.1	26.8	29.0	29.2
Debtor days	49.8	50.5	48.3	46.8	46.9
Creditor days	58.5	58.2	57.8	58.1	58.4
Operating ROIC (%)	25.9	27.2	36.9	36.9	37.0
ROIC (%)	22.3	21.3	30.1	31.2	32.2
ROE (%)	22.4	22.5	31.3	31.0	31.0
ROA (%)	13.9	14.2	19.9	20.1	20.3
* Pre exceptional, pre-goodwill and fully diluted					
<b>Revenue by Division (THB m)</b>					
Bakery and appetizers	3,643	4,282	5,037	5,793	6,592
Food Services	288	276	272	285	308
Snack (NSL brand and BAW)	35	163	376	451	542
OEM & bread wastes	35	68	46	50	55

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	523	591	673
Depreciation	102	120	140	180	210
Associates & minorities	-	-	-	-	-
Other non-cash items	0	26	6	0	0
Change in working capital	(54)	(36)	(62)	(52)	(57)
<b>Cash flow from operations</b>	<b>346</b>	<b>443</b>	<b>607</b>	<b>720</b>	<b>825</b>
Capex - maintenance	(146)	(200)	(200)	(400)	(300)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	(301)	28	(12)	42	(9)
<b>Cash flow from investing</b>	<b>(448)</b>	<b>(172)</b>	<b>(212)</b>	<b>(358)</b>	<b>(309)</b>
Dividends paid	(144)	(180)	(301)	(343)	(390)
Equity finance	0	0	0	0	0
Debt finance	(100)	(93)	(35)	(25)	5
Other financing cash flows	1	20	31	(20)	9
<b>Cash flow from financing</b>	<b>(243)</b>	<b>(252)</b>	<b>(305)</b>	<b>(388)</b>	<b>(376)</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>(344)</b>	<b>19</b>	<b>90</b>	<b>(27)</b>	<b>140</b>
Free cash flow to firm (FCFF)	(91.06)	281.68	402.20	372.20	527.42
Free cash flow to equity (FCFE)	(200.65)	198.69	390.73	316.48	530.40
<b>Per share (THB)</b>					
FCFF per share	(0.30)	0.94	1.34	1.24	1.76
FCFE per share	(0.67)	0.66	1.30	1.05	1.77
Recurring cash flow per share	1.33	1.60	2.23	2.57	2.94
Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Tangible fixed assets (gross)	1,738	1,896	2,024	2,317	2,486
Less: Accumulated depreciation	(768)	(846)	(914)	(987)	(1,066)
<b>Tangible fixed assets (net)</b>	<b>970</b>	<b>1,050</b>	<b>1,110</b>	<b>1,330</b>	<b>1,420</b>
<b>Intangible fixed assets (net)</b>	<b>6</b>	<b>47</b>	<b>47</b>	<b>47</b>	<b>47</b>
Long-term financial assets	301	214	200	150	150
Invest. in associates & subsidiaries	0	6	6	6	6
Cash & equivalents	115	134	224	197	338
A/C receivable	595	732	787	903	1,029
Inventories	267	274	375	432	491
Other current assets	3	7	3	3	4
<b>Current assets</b>	<b>980</b>	<b>1,147</b>	<b>1,389</b>	<b>1,535</b>	<b>1,861</b>
Other assets	32	36	57	66	75
<b>Total assets</b>	<b>2,290</b>	<b>2,500</b>	<b>2,809</b>	<b>3,134</b>	<b>3,559</b>
Common equity	1,406	1,560	1,782	2,030	2,313
Minorities etc.	0	17	18	18	19
<b>Total shareholders' equity</b>	<b>1,406</b>	<b>1,576</b>	<b>1,800</b>	<b>2,049</b>	<b>2,332</b>
Long term debt	80	14	0	35	40
Other long-term liabilities	30	49	86	66	75
<b>Long-term liabilities</b>	<b>110</b>	<b>64</b>	<b>86</b>	<b>101</b>	<b>115</b>
A/C payable	559	650	751	864	983
Short term debt	167	141	115	55	55
Other current liabilities	47	68	57	66	75
<b>Current liabilities</b>	<b>774</b>	<b>859</b>	<b>923</b>	<b>985</b>	<b>1,113</b>
<b>Total liabilities and shareholders' equity</b>	<b>2,290</b>	<b>2,500</b>	<b>2,809</b>	<b>3,134</b>	<b>3,559</b>
Net working capital	259	295	357	409	466
Invested capital	1,568	1,648	1,777	2,007	2,164
* Includes convertibles and preferred stock which is being treated as debt					
<b>Per share (THB)</b>					
Book value per share	4.69	5.20	5.94	6.77	7.71
Tangible book value per share	4.67	5.04	5.78	6.61	7.55
<b>Financial strength</b>					
Net debt/equity (%)	9.4	1.4	(6.0)	(5.2)	(10.4)
Net debt/total assets (%)	5.8	0.9	(3.9)	(3.4)	(6.8)
Current ratio (x)	1.3	1.3	1.5	1.6	1.7
CF interest cover (x)	(18.5)	19.7	53.1	31.1	48.4
Valuation	2022	2023	2024E	2025E	2026E
<b>Recurring P/E (x) *</b>	<b>32.8</b>	<b>29.2</b>	<b>18.6</b>	<b>16.5</b>	<b>14.5</b>
<b>Recurring P/E @ target price (x) *</b>	<b>43.3</b>	<b>38.7</b>	<b>24.7</b>	<b>21.8</b>	<b>19.2</b>
Reported P/E (x)	32.8	29.2	18.6	16.5	14.5
Dividend yield (%)	1.7	2.0	3.1	3.5	4.0
Price/book (x)	6.9	6.3	5.5	4.8	4.2
Price/tangible book (x)	7.0	6.4	5.6	4.9	4.3
EV/EBITDA (x) **	20.4	17.6	12.2	10.5	9.1
EV/EBITDA @ target price (x) **	26.9	23.2	16.2	14.0	12.1
EV/invested capital (x)	6.3	5.9	5.4	4.8	4.4
* Pre-exceptional, pre-goodwill and fully diluted    ** EBITDA includes associate income and recurring non-operating income					

Sources: NSL Foods; FSSIA estimates

# NSL FOODS PCL (NSL TB)

FSSIA ESG rating

n/a

## Exhibit 8: FSSIA ESG score implication

Rating	Score	Implication
★★★★★	>79-100	Leading its industry peers in managing the most significant ESG risks which not only better cost efficiency but also lead to higher profitability.
★★★★☆	>59-79	A mixed track record of managing the most significant ESG risks and opportunities relative to industry peers.
★★★☆☆	>39-59	Relevant ESG materiality matrix has been constructively addressed, well-managed and incorporated into day-to-day operations, in which targets and achievements are evaluated annually.
★★☆☆☆	>19-39	Relevant ESG materiality matrix has been identified with key management in charge for progress to be followed up on and to provide intensive disclosure. Most targets are conventional and achievable.
★☆☆☆☆	1-19	The company has adopted the United Nations Sustainable Development Goals (UN SDGs), established sustainability management guidelines and fully complies with regulations or ESG suggested guidance from related organizations such as the SET and SEC.

Sources: FSSIA estimates

## Exhibit 9: 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
ITC	8.00	--	--	--	--	--	Declared	--	--	--	--	--	--	--	--
NSL	n/a	--	--	--	--	--	--	--	--	--	--	--	--	--	--
RBF	34.45	--	--	--	5.00	4.00	Declared	High	51.04	--	--	30.50	--	2.34	--
SNNP	13.00	--	--	--	4.00	4.00	--	--	--	--	--	--	--	--	--

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

## Exhibit 10: ESG disclosure from company's one report

FY ending Dec 31	FY 2023	FY ending Dec 31	FY 2023
<b>Environmental</b>		<b>Governance</b>	
Climate change policy	Yes	<b>Board size / Independent directors (ID) / Female</b>	<b>8 / 4 / 2</b>
Climate change opportunities discussed	--	No. of board meetings for the year / % attendance	6 / 100
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	Yes	Age of the youngest / oldest director	39 / 71
Waste reduction policy	Yes	Number of executives / female	6 / 1
Water policy	Yes	Executive share ownership guidelines	No
Water consumption	Yes	<b>Size of audit committee / ID</b>	<b>3 / 3</b>
<b>Social</b>		Audit committee meetings	5
Human rights policy	Yes	Audit committee meeting attendance (%)	100
Policy against child labor	Yes	<b>Size of compensation committee / ID</b>	<b>-- / --</b>
Quality assurance and recall policy	Yes	Number of compensation committee meetings	--
Consumer data protection policy	Yes	Compensation committee meeting attendance (%)	--
Equal opportunity policy	Yes	<b>Size of nomination committee / ID</b>	<b>-- / --</b>
Gender pay gap breakout	--	Number of nomination committee meetings	--
Pct women in workforce	53.65	Nomination committee meeting attendance (%)	--
Business ethics policy	Yes	Board compensation (THB m)	2.48
Anti-bribery ethics policy	Yes	Executive compensation (THB m)	26.6
Health and safety policy	Yes	Auditor fee (THB m)	2.1
Lost time incident rate - employees	--	(Deloitte Touche Tohmatsu Jaiyos Co., Ltd.)	
Training policy	Yes	Total employee (no.)	<b>2781</b>
Fair remuneration policy	Yes	Employee compensation (THB m)	572.3
Number of employees - CSR	Yes		
Total hours spent by firm - employee training	16,315		
Social supply chain management	Yes		

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 <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.																				
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&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.																				
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 &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. <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+										
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0-10	10-20	20-30	30-40	40+																		
ESG Book	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.	The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.																				
MSCI	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. <table><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; &gt;25 to 50 = satisfactory; &gt;50 to 75 = good; and &gt;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

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	09-Sep-2024	BUY	43.00

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 32.50	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 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.