

OSOTSPA OSP TB
THAILAND / FOOD & BEVERAGEBUY
UNCHANGED

ส่วนแบ่งตลาดเริ่มฟื้นตัว

- ส่วนแบ่งตลาดของ OSP ในเดือน ต.ค. เริ่มฟื้นตัวเป็น 45% จาก 44.8% ในเดือน ก.ย. เราคาดว่ากำไรสุทธิ 4Q24 จะฟื้นตัวทั้ง q-q และ y-y
- ผู้บริหารตั้งเป้าให้รายได้ในปี 2025 โต 9% y-y โดยมีปัจจัยหนุนจากสินค้าในปัจจุบันรวมถึงสินค้าและตลาดใหม่
- คงคำแนะนำซื้อหลังจุดต่ำสุดน่าจะผ่านไปแล้วใน 3Q24

ส่วนแบ่งตลาดเครื่องดื่มชูกำลังเริ่มฟื้นตัวในเดือน ต.ค.

ตลาดเครื่องดื่มชูกำลังของไทยในเดือน ต.ค. ขยายตัวดีที่ 4% m-m และ 12% y-y ในขณะที่ส่วนแบ่งตลาดของ OSP ในเดือน ต.ค. ฟื้นตัวเป็น 45% จาก 44.8% ในเดือน ก.ย. โดยปรับตัวดีขึ้นทั้งช่องทางจำหน่ายแบบ Traditional trade และ Modern trade หลังปัญหาหน้าท่วมคลี่คลายลง นอกจากนี้บริษัทฯ ยังคงค่อย ๆ เปิดตัวสินค้าใหม่เพิ่มตามกลุ่มเครื่องดื่มเสริมอาหารที่ฟื้นตัว q-q หลังช่วงเปลี่ยนผ่านระหว่างผลิตภัณฑ์ C-Vitt Vitamin C 1,000 mg ใหม่และสินค้าในปัจจุบัน นอกจากนี้ OSP ยังรับรู้กำไรจากการขายโรงงานขวดแก้วในพม่าประมาณ 130 ลบ. ใน 4Q24 หลังรับรู้ผลขาดทุนอย่างมีนัยสำคัญใน 3Q24 ในช่วงก่อนหน้า (ดีดเต็มแต่คนละเวลา) เราคาดว่ากำไรสุทธิ 4Q24 จะฟื้นตัวทั้ง q-q และ y-y

ตั้งเป้าให้ส่วนแบ่งตลาดได้อย่างยั่งยืน

ผู้บริหารตั้งเป้าให้รายได้ในปี 2025 โต 9% y-y โดยคาดว่า 5% จะมาจากสินค้าในปัจจุบันและผลิตภัณฑ์และตลาดใหม่ที่คาดว่าจะเติบโตในอัตราสองหลัก OSP จะมุ่งเน้นไปที่การรักษาและค่อย ๆ เพิ่มส่วนแบ่งตลาดเครื่องดื่มชูกำลังในประเทศอย่างยั่งยืน ในขณะที่บริษัทฯ อาจไม่มีการส่งเสริมการตลาดที่หนักแน่น บริษัทฯ จะใช้กลยุทธ์เปิดตัวเครื่องดื่มรสชาติใหม่ที่ราคา 10-12 บาท/ขวดซึ่งน่าจะช่วยให้ตลาดค่อย ๆ เปลี่ยน ในขณะที่เครื่องดื่มราคา 10 บาทจะยังอยู่เป็นทางเลือกให้แก่ลูกค้าเพื่อคงการวางตำแหน่งผลิตภัณฑ์เพื่อการแข่งขัน นอกจากนี้ OSP ยังตั้งเป้าคงหรือเพิ่มอัตรากำไรขั้นต้นเล็กน้อยจากในปี 2024 โดยมีปัจจัยหนุนจากการลดราคาวัตถุดิบในระดับที่ต่ำลงไปจนถึงกลางปี 2025

เปิดตัวสินค้าใหม่ทั้งในและนอกประเทศ

OSP มีการเปิดตัวสินค้าใหม่อย่างต่อเนื่อง อาทิเช่น M150 Zaa Muscat Fizz, One Day Vitamins, Butterbear Special Collection (Calpis และ Babi Mild) และกำลังนำเข้าเครื่องดื่มยี่ห้อ Shark ที่ผลิตในพม่าเพื่อขายให้แก่คนพม่าที่ทำงานในไทย (ราคา 25 บาท/ขวด) นอกจากนี้ OSP กำลังกลับเข้าสู่ตลาดเวียดนามโดยจะเปิดตัว M-150 2-in-1 ในเดือน พ.ย.

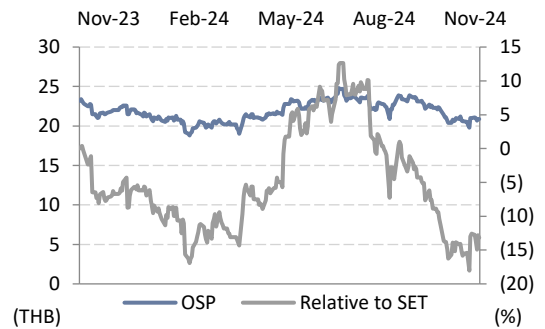
คงคำแนะนำซื้อหลังจุดต่ำสุดน่าจะผ่านไปแล้วใน 3Q24

เราเชื่อว่า OSP ได้ผ่านจุดต่ำสุดไปแล้วใน 3Q24 และคาดว่ากำไรสุทธิในปี 2024 จะลดลง 23.3% y-y อย่างไรก็ตามเราคาดว่ากำไรจะฟื้นตัวถึง 74% y-y เป็น 3.2 พัน ลบ. ในปี 2025 OSP ปรับโครงสร้างเสร็จเรียบร้อยแล้วโดยได้ออกจากธุรกิจที่ไม่กำไรในปี 2024 และกำลังประเมินดีล M&A ที่มีความเป็นไปได้ในปัจจุบันซึ่งอาจให้ Upside แก่ประมาณการของเรา เราคงราคาเป้าหมายที่ 28 บาทในขณะที่หุ้นมีการซื้อขายอยู่ที่ 20x 2025E P/E อยู่ในปัจจุบัน ดังนั้นเราจึงคงคำแนะนำซื้อ

TARGET PRICE	THB28.00
CLOSE	THB20.90
UP/DOWNSIDE	+34.0%
PRIOR TP	THB28.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+5.3%

KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	26,062	28,760	30,378	31,976
Net profit	2,402	1,843	3,204	3,473
EPS (THB)	0.80	0.61	1.07	1.16
vs Consensus (%)	-	(20.6)	(1.4)	1.8
EBITDA	4,137	5,095	5,449	5,809
Recurring net profit	2,175	2,962	3,204	3,473
Core EPS (THB)	0.72	0.99	1.07	1.16
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	13.7	36.2	8.2	8.4
Core P/E (x)	28.9	21.2	19.6	18.1
Dividend yield (%)	7.9	1.4	4.6	5.0
EV/EBITDA (x)	15.5	11.9	11.2	10.5
Price/book (x)	3.8	3.5	3.4	3.4
Net debt/Equity (%)	8.2	(11.0)	(10.7)	(10.9)
ROE (%)	12.5	17.3	17.6	18.8



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(0.9)	(8.3)	(12.2)
Relative to country (%)	0.7	(15.0)	(14.1)
Mkt cap (USD m)	1,816		
3m avg. daily turnover (USD m)	7.9		
Free float (%)	52		
Major shareholder	Osathanugrah Family (39%)		
12m high/low (THB)	25.00/18.30		
Issued shares (m)	3,003.75		

Sources: Bloomberg consensus; FSSIA estimates



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Investment thesis

OSP has a very long history of over 132 years. We are impressed with OSP's growth over the last century via innovative products that have evolved according to changing consumer needs, organizational advancements, and marketing breakthroughs. We think OSP conducts its business with good governance and responsibility to all stakeholders.

The company has continued to focus on cost efficiency via its Fast Forward 10x program, whose five pillars for transformation are cost, process, function, hybrid workforce, and assets. It targets THB5b in cost savings in 5-7 years (2022-28).

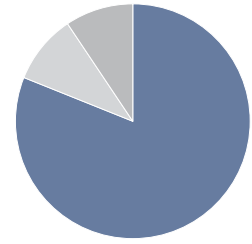
Company profile

Osotspa was established in 1891 as a pharmaceutical company. It is now one of the largest consumer product companies in Thailand. Revenue is derived from beverages (81% of sales), personal care (9% of sales) and others (10%). About 17% of its sales come from overseas markets, such as Myanmar, Laos and Cambodia, nearly all of which are from the energy drinks segment. It was listed in October 2018.

www.osotspa.com

Principal activities (revenue, 2023)

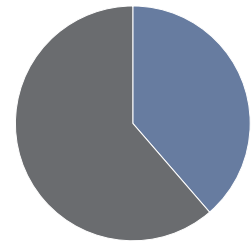
- Beverage - 81.1 %
- Personal care - 9.5 %
- Other (OEM) - 9.4 %



Source: Osotspa

Major shareholders

- Osathanugrah Family - 38.7 %
- Others - 61.4 %



Source: Osotspa

Catalysts

Potential catalysts for OSP's earnings growth in 2025 are 1) revenue growth driven by sales volumes; 2) gaining more domestic energy drink market share; 3) declining energy costs; 4) successfully improving its production efficiency; and 5) the success of new product launches.

Risks to our call

Downside risks to our P/E-based TP include 1) a slower-than-expected consumption recovery; 2) higher-than-expected competition; 3) high volatility in energy costs; and 4) changing legal policies both in Thailand and Myanmar.

Event calendar

Date	Event
February 2025	4Q24 results announcement

Key assumptions

	2024E	2025E	2026E
Beverage revenue growth (%)	12.8	5.8	5.3
Personal care revenue growth (%)	2.5	5.0	5.0
Total revenue growth (%)	10.4	5.6	5.3
Gross margin (%)	36.0	36.3	36.5
SG&A to sales (%)	24.6	24.6	24.5

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in revenue, we estimate 2025 net profit to rise by 1.2%, and vice versa, all else being equal.
- For every 0.2% increase in GPM, we estimate 2025 net profit to rise by 2.0%, and vice versa, all else being equal.
- For every 0.2% increase in SG&A, we estimate 2025 net profit to fall by 1.9%, and vice versa, all else being equal.

Source: FSSIA estimates

Exhibit 1: New product launched – M150 Zaa



Source: OSP

Exhibit 2: Butterbear Special Collection



Source: OSP

Exhibit 3: Bringing Myanmar's product into Thailand



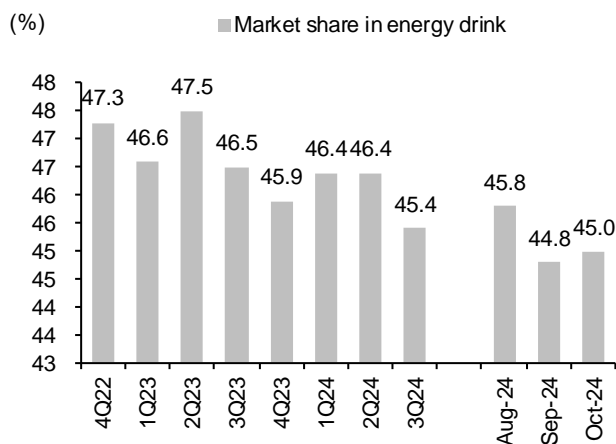
Source: OSP

Exhibit 4: Re-entered Vietnam with new product concept



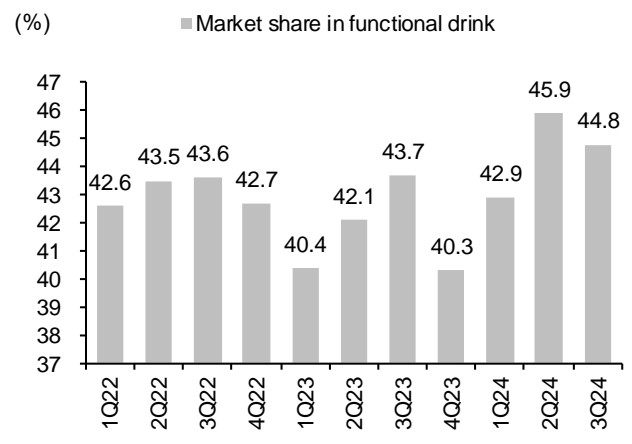
Source: OSP

Exhibit 5: Energy drink market share



Sources: OSP, FSSIA's compilation

Exhibit 6: Functional drink market share



Sources: OSP, FSSIA's compilation

Exhibit 7: Maintain key assumptions for OSP

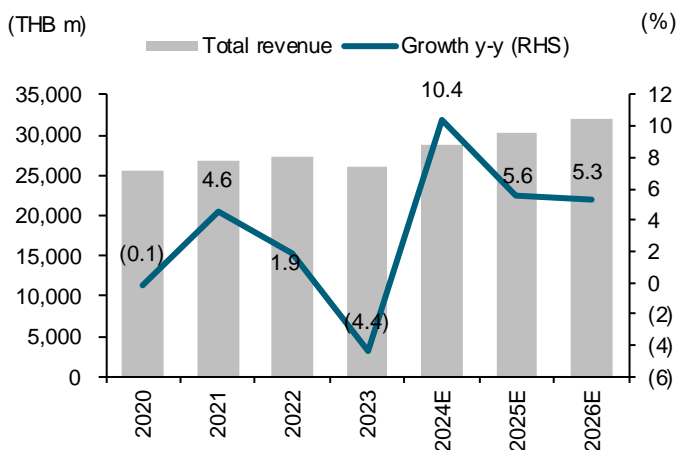
	Actual	Forecast			Growth		
	2023 (THB m)	2024E (THB m)	2025E (THB m)	2026E (THB m)	2024E (%)	2025E (%)	2026E (%)
Total revenue	26,062	28,760	30,378	31,976	10.4	5.6	5.3
Costs	17,059	18,407	19,351	20,305	7.9	5.1	4.9
Gross profit	9,003	10,354	11,027	11,671	15.0	6.5	5.8
SG&A expense	6,610	7,075	7,473	7,834	7.0	5.6	4.8
Interest expense	108	107	102	100	(0.2)	(4.8)	(2.4)
Profit sharing	146	230	258	288	58.1	12.2	11.5
Reported net profit	2,402	1,843	3,204	3,473	(23.3)	73.9	8.4
Core profit	2,175	2,962	3,204	3,473	36.2	8.2	8.4

Key ratios (%)							
Total revenue growth	(4.4)	10.4	5.6	5.3			
Net profit growth	24.2	(23.3)	73.9	8.4			
Core profit growth	13.7	36.2	8.2	8.4			
Gross margin	34.5	36.0	36.3	36.5	1.5	0.3	0.2
SG&A to sales	25.4	24.6	24.6	24.5	(0.8)	0.0	(0.1)
Net margin	9.2	6.4	10.5	10.9	(2.8)	4.1	0.3
Core margin	8.3	10.3	10.5	10.9	2.0	0.2	0.3

Operating statistics (THB m)							
Beverage revenue	21,130	23,844	25,216	26,556	12.8	5.8	5.3
Personal care revenue	2,486	2,548	2,676	2,809	2.5	5.0	5.0
Others revenue	2,446	2,368	2,486	2,611	(3.2)	5.0	5.0

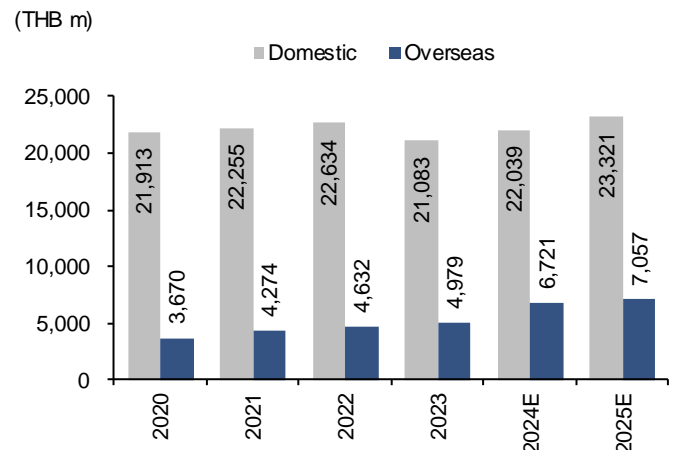
Source: FSSIA estimates

Exhibit 8: Total revenue and growth



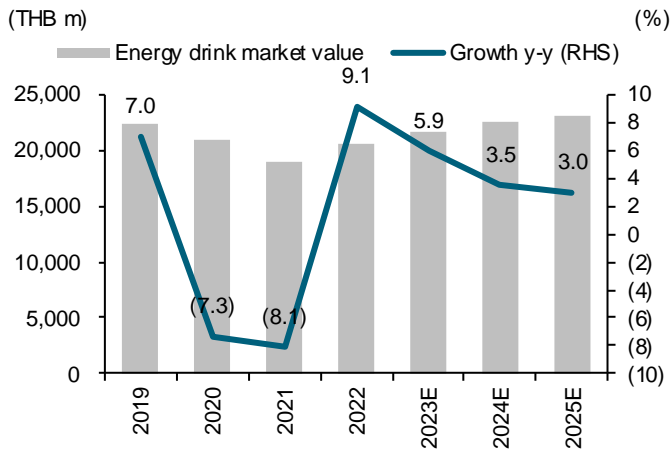
Sources: OSP; FSSIA estimates

Exhibit 9: Revenue from domestic and overseas



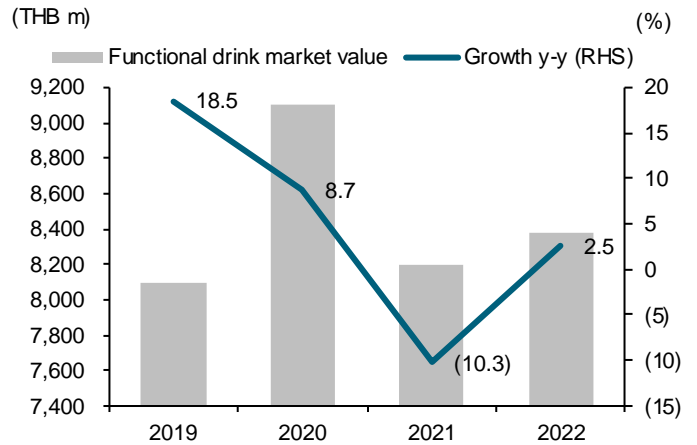
Sources: OSP; FSSIA estimates

Exhibit 10: Energy drink market value and growth



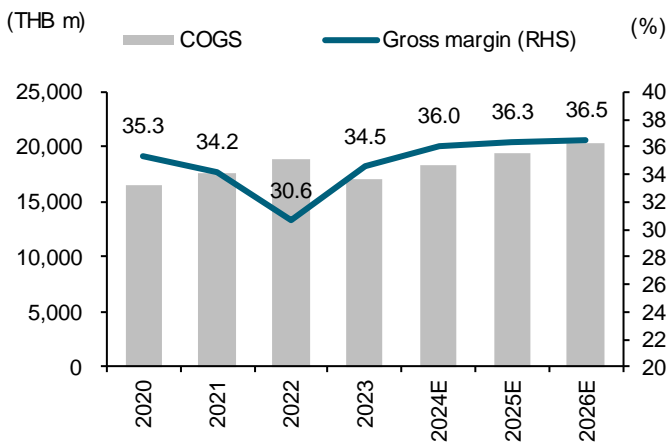
Sources: OSP; FSSIA estimates

Exhibit 11: Functional drink market value and growth



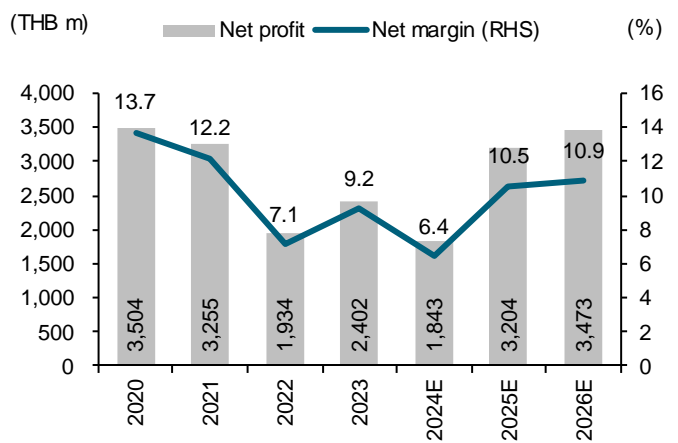
Sources: OSP; FSSIA estimates

Exhibit 12: Gross margin



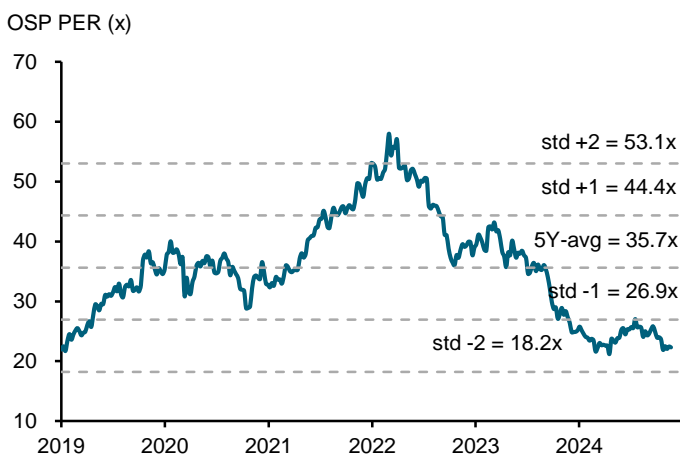
Sources: OSP; FSSIA estimates

Exhibit 13: Net profit and net margin



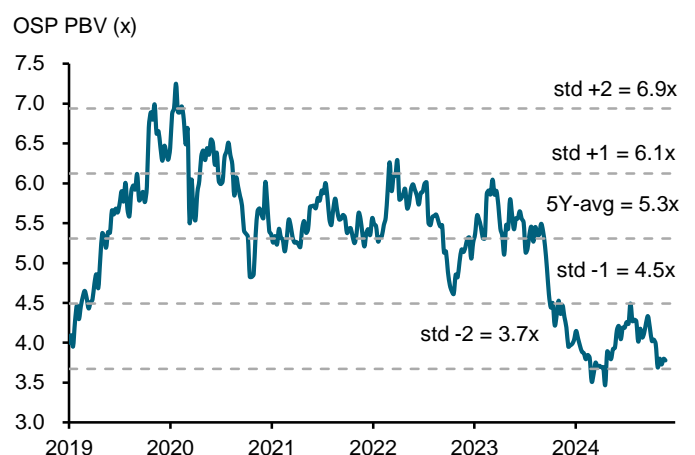
Sources: OSP; FSSIA estimates

Exhibit 14: Historical P/E band



Sources: Bloomberg, FSSIA estimates

Exhibit 15: Historical P/BV band



Sources: Bloomberg, FSSIA estimates

Financial Statements

Osotspa

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	27,266	26,062	28,760	30,378	31,976
Cost of goods sold	(18,915)	(17,059)	(18,407)	(19,351)	(20,305)
Gross profit	8,350	9,003	10,354	11,027	11,671
Other operating income	196	197	201	213	224
Operating costs	(6,500)	(6,610)	(7,075)	(7,473)	(7,834)
Operating EBITDA	3,644	4,137	5,095	5,449	5,809
Depreciation	(1,598)	(1,548)	(1,615)	(1,682)	(1,748)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	2,047	2,589	3,480	3,767	4,061
Net financing costs	(89)	(108)	(107)	(102)	(100)
Associates	315	146	230	258	288
Recurring non-operating income	315	146	230	258	288
Non-recurring items	20	227	(1,119)	0	0
Profit before tax	2,293	2,854	2,484	3,923	4,249
Tax	(369)	(431)	(540)	(628)	(680)
Profit after tax	1,924	2,423	1,943	3,295	3,569
Minority interests	10	(21)	(101)	(91)	(96)
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
Reported net profit	1,934	2,402	1,843	3,204	3,473
Non-recurring items & goodwill (net)	(20)	(227)	1,119	0	0
Recurring net profit	1,914	2,175	2,962	3,204	3,473
Per share (THB)					
Recurring EPS *	0.64	0.72	0.99	1.07	1.16
Reported EPS	0.64	0.80	0.61	1.07	1.16
DPS	0.90	1.65	0.30	0.96	1.04
Diluted shares (used to calculate per share data)	3,004	3,004	3,004	3,004	3,004
Growth					
Revenue (%)	1.9	(4.4)	10.4	5.6	5.3
Operating EBITDA (%)	(29.9)	13.5	23.1	6.9	6.6
Operating EBIT (%)	(44.4)	26.5	34.4	8.2	7.8
Recurring EPS (%)	(41.2)	13.7	36.2	8.2	8.4
Reported EPS (%)	(40.6)	24.2	(23.3)	73.9	8.4
Operating performance					
Gross margin inc. depreciation (%)	30.6	34.5	36.0	36.3	36.5
Gross margin exc. depreciation (%)	36.5	40.5	41.6	41.8	42.0
Operating EBITDA margin (%)	13.4	15.9	17.7	17.9	18.2
Operating EBIT margin (%)	7.5	9.9	12.1	12.4	12.7
Net margin (%)	7.0	8.3	10.3	10.5	10.9
Effective tax rate (%)	16.1	15.1	21.8	16.0	16.0
Dividend payout on recurring profit (%)	141.3	227.8	30.4	90.0	90.0
Interest cover (X)	26.6	25.4	34.5	39.4	43.6
Inventory days	61.2	79.7	69.6	58.8	58.8
Debtor days	51.6	59.1	53.9	50.6	50.6
Creditor days	50.7	54.0	47.4	48.1	48.1
Operating ROIC (%)	10.6	12.9	17.5	19.0	19.6
ROIC (%)	9.5	11.4	16.8	18.7	19.7
ROE (%)	10.0	12.5	17.3	17.6	18.8
ROA (%)	7.4	9.0	12.7	13.3	14.1
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Beverage	22,020	21,130	23,844	25,216	26,556
Personal care	2,452	2,486	2,548	2,676	2,809
Other (OEM)	2,794	2,446	2,368	2,486	2,611

Sources: Osotspa; FSSIA estimates

Financial Statements

Osotspa

Cash Flow (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Recurring net profit	1,914	2,175	2,962	3,204	3,473
Depreciation	1,598	1,548	1,615	1,682	1,748
Associates & minorities	(343)	48	(334)	(246)	(273)
Other non-cash items	-	-	1,119	0	0
Change in working capital	(923)	(1,072)	1,072	(342)	(353)
Cash flow from operations	2,245	2,699	6,433	4,298	4,596
Capex - maintenance	(1,461)	(3,102)	(1,120)	(2,023)	(2,023)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	546	2,740	(380)	536	576
Cash flow from investing	(915)	(362)	(1,500)	(1,487)	(1,447)
Dividends paid	(3,130)	(2,585)	(901)	(2,884)	(3,126)
Equity finance	0	0	0	0	0
Debt finance	548	892	(1,294)	(118)	(86)
Other financing cash flows	(156)	(392)	429	53	53
Cash flow from financing	(2,737)	(2,084)	(1,767)	(2,948)	(3,159)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	(1,119)	0	0
Movement in cash	(1,407)	253	2,047	(137)	(10)
Free cash flow to firm (FCFF)	1,419.55	2,444.79	5,040.39	2,913.30	3,248.73
Free cash flow to equity (FCFE)	1,723.44	2,837.30	2,948.40	2,746.45	3,115.64

Per share (THB)

FCFF per share	0.47	0.81	1.68	0.97	1.08
FCFE per share	0.57	0.94	0.98	0.91	1.04
Recurring cash flow per share	1.05	1.26	1.78	1.54	1.65

Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Tangible fixed assets (gross)	27,369	28,114	30,114	32,114	34,114
Less: Accumulated depreciation	(13,889)	(15,130)	(16,710)	(18,392)	(20,140)
Tangible fixed assets (net)	13,480	12,984	13,404	13,723	13,974
Intangible fixed assets (net)	359	267	267	267	267
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	3,805	1,387	1,000	800	600
Cash & equivalents	1,087	1,339	3,387	3,249	3,239
A/C receivable	4,051	4,390	4,103	4,325	4,545
Inventories	3,147	3,627	2,774	2,916	3,060
Other current assets	16	21	29	152	288
Current assets	8,301	9,376	10,292	10,642	11,132
Other assets	209	352	230	152	64
Total assets	26,154	24,367	25,193	25,584	26,037
Common equity	18,464	16,326	18,011	18,331	18,678
Minorities etc.	(9)	184	80	92	107
Total shareholders' equity	18,455	16,510	18,091	18,423	18,785
Long term debt	723	520	470	420	370
Other long-term liabilities	912	520	949	1,002	1,055
Long-term liabilities	1,635	1,040	1,419	1,422	1,425
A/C payable	4,787	4,467	4,645	4,761	4,879
Short term debt	1,161	2,168	924	856	820
Other current liabilities	116	216	115	122	128
Current liabilities	6,064	6,852	5,684	5,739	5,827
Total liabilities and shareholders' equity	26,154	24,402	25,193	25,584	26,037
Net working capital	2,311	3,354	2,145	2,510	2,886
Invested capital	20,164	18,344	17,047	17,452	17,791

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

Per share (THB)

Book value per share	6.15	5.44	6.00	6.10	6.22
Tangible book value per share	6.03	5.35	5.91	6.01	6.13

Financial strength

Net debt/equity (%)	4.3	8.2	(11.0)	(10.7)	(10.9)
Net debt/total assets (%)	3.0	5.5	(7.9)	(7.7)	(7.9)
Current ratio (x)	1.4	1.4	1.8	1.9	1.9
CF interest cover (x)	20.4	27.3	28.4	27.9	32.2

Valuation	2022	2023	2024E	2025E	2026E
Recurring P/E (x) *	32.8	28.9	21.2	19.6	18.1
Recurring P/E @ target price (x) *	43.9	38.7	28.4	26.2	24.2
Reported P/E (x)	32.5	26.1	34.1	19.6	18.1
Dividend yield (%)	4.3	7.9	1.4	4.6	5.0
Price/book (x)	3.4	3.8	3.5	3.4	3.4
Price/tangible book (x)	3.5	3.9	3.5	3.5	3.4
EV/EBITDA (x) **	17.4	15.5	11.9	11.2	10.5
EV/EBITDA @ target price (x) **	23.3	20.7	16.1	15.1	14.1
EV/invested capital (x)	3.2	3.5	3.6	3.5	3.4

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

Sources: Osotspa; FSSIA estimates

Osotspa PCL (OSP TB)

FSSIA ESG rating



61.48 /100

Exhibit 16: 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 17: ESG – peer comparison

	FSSIA ESG score	Domestic ratings						Global ratings						Bloomberg	
		DJSI	SET THSI	THSI	CG score	AGM level	Thai CAC	Morningstar ESG risk	ESG Book	MSCI	Moody's	Refinitiv	S&P Global	ESG score	Disclosure score
SET100	69.20	5.34	4.40	4.40	4.76	4.65	3.84	Medium	51.76	BBB	20.87	58.72	63.91	3.72	28.17
Coverage	67.12	5.11	4.15	4.17	4.83	4.71	3.53	Medium	52.04	BB	16.97	56.85	62.09	3.40	31.94
CBG	51.54	--	Y	Y	4.00	4.00	Declared	High	59.58	B	--	33.28	56.00	2.12	--
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; FSSIA's compilation

Exhibit 18: ESG score by Bloomberg

FY ending Dec 31	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
ESG financial materiality scores - ESG score	1.58	2.89	2.91	3.18	3.00
BESG environmental pillar score	0.67	2.96	2.83	3.25	3.18
BESG social pillar score	0.84	1.57	1.78	1.76	1.77
BESG governance pillar score	4.15	4.38	4.36	4.77	4.18
ESG disclosure score	40.25	52.25	60.06	64.77	63.65
Environmental disclosure score	13.38	36.18	50.56	51.40	48.02
Social disclosure score	26.69	39.36	48.46	55.47	55.47
Governance disclosure score	80.52	81.10	81.10	87.36	87.36
Environmental					
Emissions reduction initiatives	No	Yes	Yes	Yes	Yes
Climate change policy	No	Yes	Yes	Yes	Yes
Climate change opportunities discussed	No	No	No	No	No
Risks of climate change discussed	No	No	No	No	No
GHG scope 1	—	125	151	157	141
GHG scope 2 location-based	—	90	91	85	95
GHG Scope 3	—	—	—	—	—
Carbon per unit of production	0	0	0	0	0
Biodiversity policy	No	No	No	Yes	Yes
Energy efficiency policy	Yes	Yes	Yes	Yes	Yes
Total energy consumption	—	839	913	922	917
Renewable energy use	28	50	32	36	40
Electricity used	—	148	158	170	187
Fuel used - natural gas	—	60,675	67,626	70,172	68,074

Sources: Bloomberg; FSSIA's compilation

Exhibit 19: ESG score by Bloomberg (cont.)

FY ending Dec 31	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Fuel used - crude oil/diesel	No	No	No	No	No
Waste reduction policy	Yes	Yes	Yes	Yes	Yes
Hazardous waste	—	0	1	1	1
Total waste	—	8	13	11	12
Waste recycled	—	—	—	—	—
Waste sent to landfills	—	—	—	—	—
Environmental supply chain management	No	No	Yes	Yes	Yes
Water policy	Yes	Yes	Yes	Yes	Yes
Water consumption	3,031	3,109	3,077	3,117	—
Social					
Human rights policy	Yes	Yes	Yes	Yes	Yes
Policy against child labor	Yes	Yes	Yes	Yes	Yes
Quality assurance and recall policy	No	Yes	Yes	Yes	Yes
Consumer data protection policy	Yes	Yes	Yes	Yes	Yes
Equal opportunity policy	Yes	Yes	Yes	Yes	Yes
Gender pay gap breakout	No	No	No	No	No
Pct women in workforce	—	—	42	43	57
Pct disabled in workforce	—	—	—	—	—
Business ethics policy	Yes	Yes	Yes	Yes	Yes
Anti-bribery ethics policy	Yes	Yes	Yes	Yes	Yes
Health and safety policy	Yes	Yes	Yes	Yes	Yes
Lost time incident rate - employees	0	0	0	0	0
Total recordable incident rate - employees	—	0	0	1	0
Training policy	Yes	Yes	Yes	Yes	Yes
Fair remuneration policy	No	No	No	No	No
Number of employees – CSR	3,656	3,590	3,792	3,620	3,542
Employee turnover pct	—	—	9	14	19
Total hours spent by firm - employee training	—	30,731	36,451	40,333	57,881
Social supply chain management	No	No	Yes	Yes	Yes
Governance					
Board size	15	15	15	17	17
No. of independent directors (ID)	5	5	5	6	6
No. of women on board	4	4	5	5	5
No. of non-executive directors on board	11	11	10	12	12
Company conducts board evaluations	No	Yes	Yes	Yes	Yes
No. of board meetings for the year	12	12	13	12	13
Board meeting attendance pct	89	91	89	99	94
Board duration (years)	3	3	3	3	3
Director share ownership guidelines	No	No	No	No	No
Age of the youngest director	45	46	47	48	34
Age of the oldest director	86	87	88	89	90
No. of executives / company managers	6	13	5	5	5
No. of female executives	2	5	2	2	2
Executive share ownership guidelines	No	No	No	No	No
Size of audit committee	3	3	3	3	3
No. of ID on audit committee	3	3	3	3	3
Audit committee meetings	10	8	9	8	8
Audit meeting attendance %	97	100	100	100	96
Size of compensation committee	3	3	3	3	3
No. of ID on compensation committee	2	2	2	2	2
No. of compensation committee meetings	8	9	11	15	6
Compensation meeting attendance %	100	100	100	100	100
Size of nomination committee	3	3	3	3	3
No. of nomination committee meetings	8	9	11	15	6
Nomination meeting attendance %	100	100	100	100	100
Sustainability governance					
Verification type	No	No	No	No	No

Sources: Bloomberg; 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.																			
SET ESG Ratings List (SETESG) by The Stock Exchange of Thailand (SET)	SET ESG 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 SETESG 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. SETESG Index is extended from the SET ESG Ratings companies whose 1) market capitalization > THB5b (~USD150b); 2) free float >20%; and 3) liquidity >0.5% of paid-up capital for at least 9 out of 12 months. The SETTHSI Index is a market capitalisation-weighted index, cap 5% quarterly weight at maximum, and no cap for number of stocks.																			
CG Score by Thai Institute of Directors Association (Thai IOD)	An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.	Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (60-69), and not rated for scores below 50. Weightings include: 1) the rights; 2) and equitable treatment of shareholders (weight 25% combined); 3) the role of stakeholders (25%); 4) disclosure & transparency (15%); and 5) board responsibilities (35%).																			
AGM level By Thai Investors Association (TIA) with support from the SEC	It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). <i>(The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.)</i>	The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.																			
Thai CAC By Thai Private Sector Collective Action Against Corruption (CAC)	The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. <i>(Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.)</i>	The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.																			
Morningstar 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. <i>Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality & peer reviews.</i>	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. <table border="1" data-bbox="877 1137 1500 1198"> <thead> <tr> <th>NEGL</th> <th>Low</th> <th>Medium</th> <th>High</th> <th>Severe</th> </tr> </thead> <tbody> <tr> <td>0-10</td> <td>10-20</td> <td>20-30</td> <td>30-40</td> <td>40+</td> </tr> </tbody> </table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+									
NEGL	Low	Medium	High	Severe																	
0-10	10-20	20-30	30-40	40+																	
ESG Book	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.	The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.																			
MSCI	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. <table border="1" data-bbox="239 1388 1500 1601"> <tbody> <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> </tbody> </table>	AAA	8.571-10.000	Leader:	leading its industry in managing the most significant ESG risks and opportunities	AA	7.143-8.570	A	5.714-7.142	BBB	4.286-5.713	Average:	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	BB	2.857-4.285	B	1.429-2.856	CCC	0.000-1.428	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks
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Moody's ESG solutions	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.																				
Refinitiv ESG rating	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. <i>(Score ratings are 0 to 25 = poor; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.)</i>																				
S&P Global	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.																				
Bloomberg	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.																			
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.																			

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

Source: FSSIA's compilation

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Sureeporn Teewasuwet FSS International Investment Advisory Securities Co., Ltd

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History of change in investment rating and/or target price

Osotspa (OSP TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
25-Feb-2022	BUY	42.00	20-Oct-2023	BUY	28.50	17-Jul-2024	BUY	28.00
09-Jun-2023	BUY	33.00	29-Jan-2024	BUY	24.50			

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

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Osotspa	OSP TB	THB 20.90	BUY	Downside risks to our P/E-based TP include 1) a slower-than-expected consumption recovery; 2) higher-than-expected competition; 3) high volatility in energy costs; and 4) changing legal policies both in Thailand and Myanmar.

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 22-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.