

NSL FOODS NSL TB

THAILAND / FOOD & BEVERAGE

BUY

UNCHANGED

TARGET PRICE	THB43.00
CLOSE	THB27.25
UP/DOWNSIDE	+57.8%
PRIOR TP	THB43.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+9.2%

Sandwiches serving up a fresh profit peak

- Expect 4Q24 profit to reach a new high, driven by revenue growth that surpasses the company's target.
- Export revenue contribution should increase in 2025 and may provide an upside to our profit forecast.
- Reiterate BUY call with the same TP of THB43.

2024 revenue may surpass management's target

We expect 4Q24 total revenue to hit a new high, growing by 12% q-q and 20% y-y, supported by 1) the bakery segment (through 7-Eleven) from both existing and new products; and 2) NSL brands, which are expected to grow faster due to BAW (Dubai Chocolate receiving good feedback) and NSL Intertrade (started to recognize revenue from exported coconut water). We project the 4Q24 revenue contribution from NSL brands to rise to 8.6% from 7.1% in 3Q24 and 2.5% in 4Q23. Assuming in-line results, 2024 total revenue would reach THB5.8b, up 21% y-y (higher than the target at 19%).

Expect 4Q24 net profit to reach a new high

Overall raw material costs are expected to remain stable, particularly for cheese, butter, and processed meat. We, therefore, assume the 4Q24 gross margin to stay strong at 20.2%, up from 19% in 4Q23, but slightly down from 20.8% in 3Q24 due to changes in the product mix. With strong revenue growth, the SG&A to sales ratio should decrease to 9.1% from 9.7% in 3Q24 and 4Q24. Therefore, we anticipate 4Q24 net profit to be THB146m (+8% q-q, +43% y-y), slightly better than previously expected and a new high.

Export business may provide an upside to our estimate

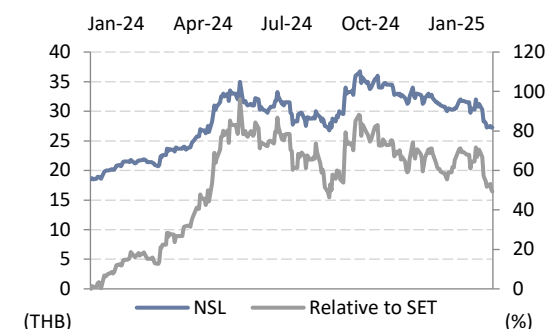
We raise our 2024E net profit by 3% to THB539m (+61.7% y-y) and maintain our 2025E profit at THB595m, leading to a decrease in growth to 10.2% y-y (from the higher base in 2024). We remain conservative in our assumptions, expecting a slight decline in the gross margin y-y in 2025 due to changes in the product mix and the impact of the minimum wage increase at the main factory in Chonburi (raised to THB400/day). However, our estimates do not include revenue from the exported coconut water business, which is expected to close a deal in 2Q25.

Reiterate BUY call with the same TP of THB43

We maintain our TP of THB43, based on a 22x P/E. Although competition among suppliers in 7-Eleven is increasing, especially in the cake and dessert segment, NSL still dominates the SKUs in its core category of hot sandwiches and continues to launch new products. The company maintains its standards and invests in R&D, which allows it to stay ahead of competitors. We also expect the contribution of non-7-Eleven revenue to increase starting in 2025. With the stock currently trading at only 14x 2025E P/E, we reiterate our BUY call.

KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	4,793	5,789	6,626	7,526
Net profit	333	539	595	674
EPS (THB)	1.11	1.80	1.98	2.25
vs Consensus (%)	-	4.4	0.5	(1.1)
EBITDA	557	820	922	1,051
Recurring net profit	333	539	595	674
Core EPS (THB)	1.11	1.80	1.98	2.25
Chg. In EPS est. (%)	-	3.1	0.5	0.2
EPS growth (%)	12.1	61.7	10.2	13.4
Core P/E (x)	24.5	15.2	13.7	12.1
Dividend yield (%)	2.4	3.7	4.1	4.7
EV/EBITDA (x)	14.7	9.8	8.7	7.5
Price/book (x)	5.2	4.5	4.0	3.5
Net debt/Equity (%)	1.4	(6.8)	(6.3)	(11.6)
ROE (%)	22.5	32.1	30.8	30.6



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(10.7)	(21.0)	45.7
Relative to country (%)	(10.4)	(14.7)	46.6
Mkt cap (USD m)	242		
3m avg. daily turnover (USD m)	0.7		
Free float (%)	0		
Major shareholder	Mr. Somchai Asavapiyanon (72%)		
12m high/low (THB)	37.25/18.20		
Issued shares (m)	300.00		

Sources: Bloomberg consensus; FSSIA estimates


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Investment thesis

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

Company profile

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

www.nslfoods.com

Principal activities (revenue, 2023)

Bakery and appetizers - 89.3 %

Food Services - 5.8 %

Snack (NSL brand and BAW) - 3.4 %

OEM & bread wastes - 1.4 %

Franchise fees and others - 0.1 %

Source: NSL Foods

Major shareholders

Mr. Somchai Asavapiyanon - 71.6 %

Others - 28.4 %

Source: NSL Foods

Catalysts

Potential catalysts for NSL’s earnings growth in 2025 are 1) revenue growth driven by new product launches and a tourism recovery; 2) new 7-Eleven branch expansions; and 3) a decline in raw material costs that should offset higher utility costs.

Risks to our call

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

Event calendar

Date	Event
February 2025	4Q24 results announcement

Key assumptions

	2024E	2025E	2026E
Total revenue (THB m)	5,789	6,626	7,526
Revenue growth (%)	20.8	14.5	13.6
Gross margin (%)	20.7	20.3	20.4
SG&A to sales (%)	9.3	9.4	9.5

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in revenue, we estimate 2025 net profit to rise by 0.9%, and vice versa, all else being equal.
- For every 0.5% increase in GPM, we estimate 2025 net profit to rise by 5.2%, and vice versa, all else being equal.
- For every 0.5% increase in SG&A to sales, we estimate 2025 net profit to fall by 5%, and vice versa, all else being equal.

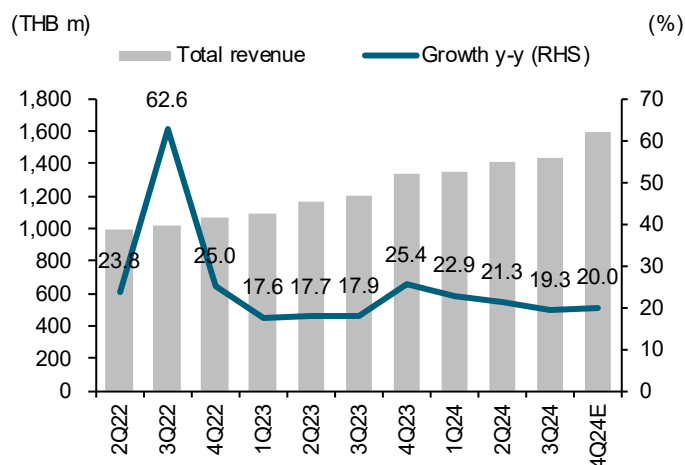
Source: FSSIA estimates

Exhibit 1: NSL – 4Q24 earnings preview

	4Q23	1Q24	2Q24	3Q24	4Q24E	----- Change -----		2023	2024E	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	% Y-Y
Sales	1,333	1,346	1,411	1,432	1,600	11.8	20.0	4,793	5,789	20.8
Cost of sales	1,081	1,064	1,118	1,135	1,277	12.6	18.2	3,910	4,593	17.5
Gross profit	253	282	293	297	323	8.7	27.9	883	1,195	35.4
SG&A	129	126	130	139	146	5.1	12.8	462	541	17.0
Operating profit	132	161	168	169	183	8.3	38.0	437	680	55.6
Interest expense	3	2	2	2	2	6.6	(8.5)	11	9	(19.6)
Profit (loss) sharing	(3)	(0)	(5)	0	0	<i>nm</i>	<i>nm</i>	(9)	(5)	<i>nm</i>
Tax expense	27	32	30	33	36	8.9	35.9	85	131	53.3
Reported net profit	102	128	131	135	146	8.2	43.4	333	539	61.7
Core profit	102	128	135	135	146	8.2	43.4	333	539	61.7
Key ratios (%)						(ppt)	(ppt)			
Gross margin	19.0	21.0	20.7	20.8	20.2	(0.6)	1.2	20.7	20.7	0.0
SG&A / Sales	9.7	9.4	9.2	9.7	9.1	(0.6)	(0.6)	9.3	9.3	0.0
Operating margin	9.9	12.0	11.9	11.8	11.4	(0.4)	1.5	11.8	11.8	0.0
Net margin	7.6	9.5	9.3	9.4	9.1	(0.3)	1.5	7.0	9.3	2.4
Core margin	7.6	9.5	9.5	9.4	9.1	(0.3)	1.5	7.0	9.3	2.4
Operating statistics (THB m)										
Bakery sales	1,152	1,186	1,238	1,250	1,372	9.8	19.1	4,282	5,045	17.8
Food service sales	75	66	68	66	72	8.4	(4.4)	276	272	(1.3)
Snack sales (NSL brands)	33	82	91	102	138	35.7	319.5	163	413	153.7
OEM sales	17	9	10	11	14	29.6	(17.2)	68	45	(34.9)
Franchise sales	3	3	3	3	4	21.4	19.8	4	14	208.6
Bakery sales	86.4	88.1	87.8	87.3	85.8	(1.5)	(0.7)	89.3	87.2	(2.2)
Food service sales	5.6	4.9	4.8	4.6	4.5	(0.1)	(1.1)	5.8	4.7	(1.0)
Snack sales (NSL brands)	2.5	6.1	6.5	7.1	8.6	1.5	6.2	3.4	7.1	3.7
OEM sales	1.3	0.7	0.7	0.8	0.9	0.1	(0.4)	1.4	0.8	(0.7)
Franchise sales	0.3	0.2	0.2	0.2	0.2	0.0	(0.0)	0.1	0.2	0.1

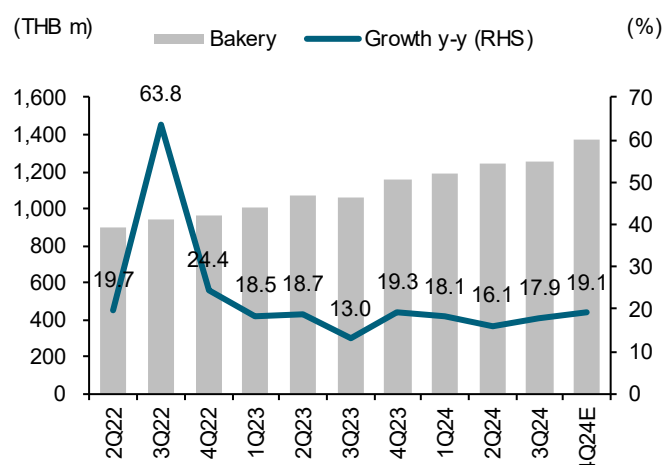
Sources: NSL, FSSIA estimates

Exhibit 2: Quarterly total revenue and growth



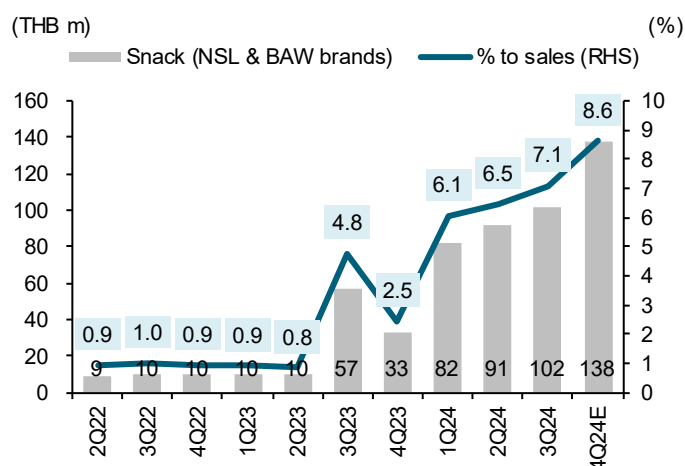
Sources: NSL, FSSIA estimates

Exhibit 3: Quarterly revenue from bakery



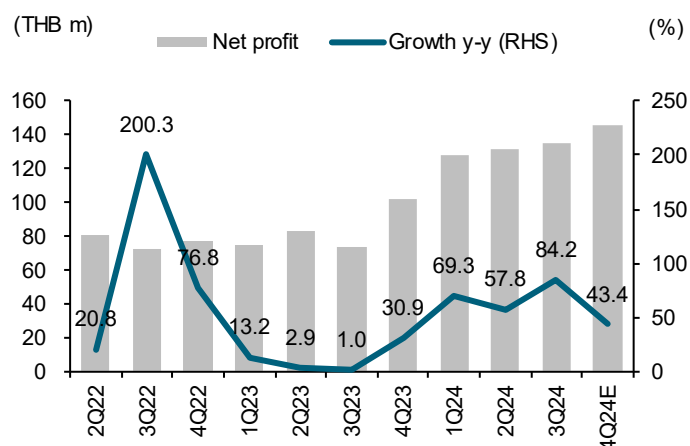
Sources: NSL, FSSIA estimates

Exhibit 4: Quarterly revenue from NSL brands



Sources: NSL, FSSIA estimates

Exhibit 5: Quarterly net profit and growth



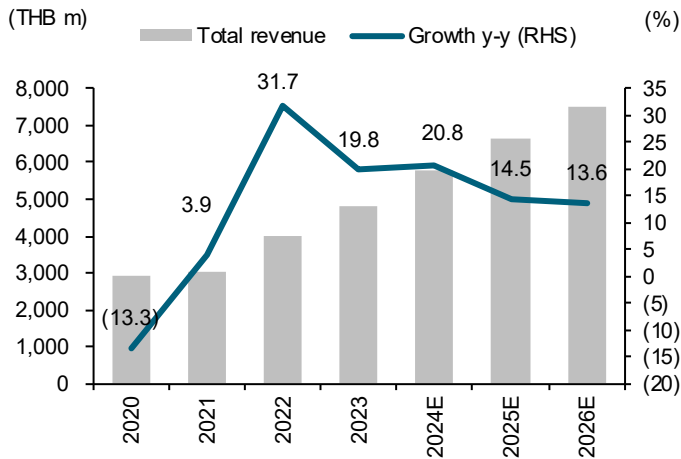
Sources: NSL, FSSIA estimates

Exhibit 6: Changes in key assumptions for NSL

	Current			Previous			Change		
	2024E (THB m)	2025E (THB m)	2026E (THB m)	2024E (THB m)	2025E (THB m)	2026E (THB m)	2024E (%)	2025E (%)	2026E (%)
Total revenue	5,789	6,626	7,526	5,743	6,592	7,509	0.8	0.5	0.2
Costs	4,593	5,281	5,991	4,566	5,254	5,977	0.6	0.5	0.2
Gross profit	1,195	1,345	1,535	1,177	1,338	1,532	1.5	0.5	0.2
SG&A expenses	541	623	715	546	620	713	(0.9)	0.5	0.2
Profit sharing	(5)	0	0	(5)	0	0	0.0	0.0	0.0
Reported net profit	539	595	674	523	591	673	3.1	0.5	0.2
Core profit	539	595	674	523	591	673	3.1	0.5	0.2
Key ratios (%)									
Total revenue growth	20.8	14.5	13.6	19.8	14.8	13.9	1.0	(0.3)	(0.3)
Net profit growth	61.7	10.2	13.4	56.9	13.1	13.7	4.9	(2.8)	(0.3)
Core profit growth	61.7	10.2	13.4	56.9	13.1	13.7	4.9	(2.8)	(0.3)
Gross margin	20.7	20.3	20.4	20.5	20.3	20.4	0.2	0.0	0.0
SG&A to sales	9.3	9.4	9.5	9.5	9.4	9.5	(0.2)	0.0	0.0
Net margin	9.3	9.0	9.0	9.1	9.0	9.0	0.2	0.0	0.0
Core margin	9.3	9.0	9.0	9.1	9.0	9.0	0.2	0.0	0.0
Operating statistics (THB m)									
Bakery sales	5,045	5,802	6,603	5,037	5,793	6,592	0.2	0.2	0.2
Food service sales	272	286	309	272	285	308	0.1	0.1	0.1
Snack sales	413	475	546	376	451	542	9.8	5.2	0.8
OEM sales	45	49	54	46	50	55	(2.6)	(2.6)	(2.6)

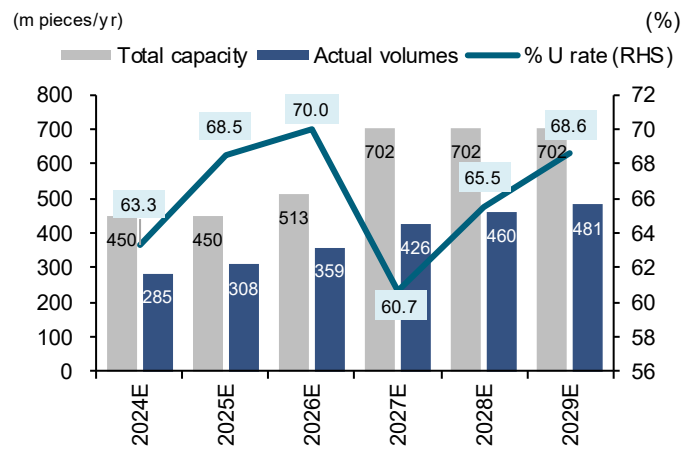
Source: FSSIA estimates

Exhibit 7: Yearly total revenue and growth



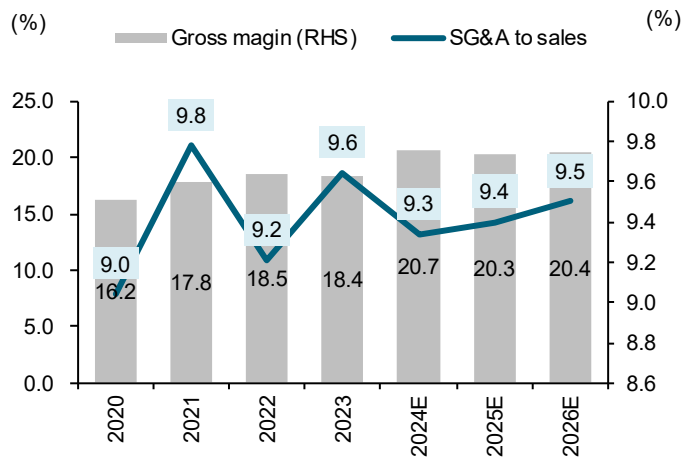
Sources: NSL; FSSIA estimates

Exhibit 8: Total capacity and utilization rate



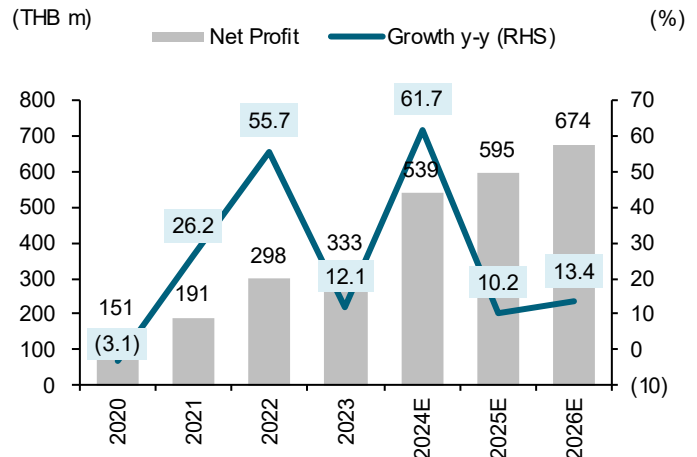
Sources: NSL; FSSIA estimates

Exhibit 9: Yearly gross margin and SG&A to sales



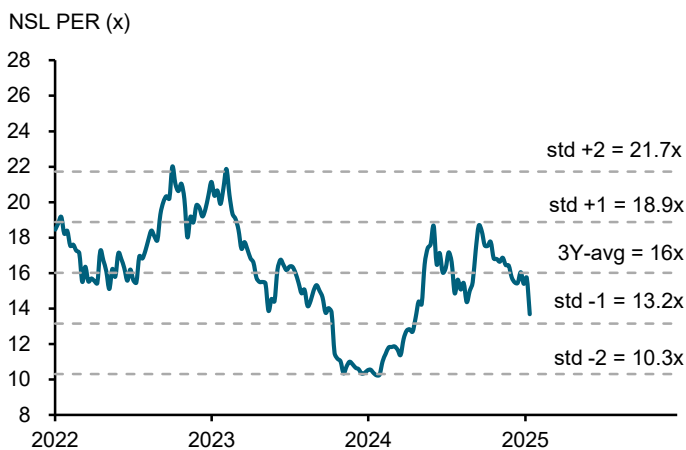
Sources: NSL; FSSIA estimates

Exhibit 10: Yearly net profit and growth



Sources: NSL; FSSIA estimates

Exhibit 11: Historical PE band



Sources: Bloomberg, FSSIA estimate

Exhibit 12: Historical PBV band



Sources: Bloomberg, FSSIA estimate

Financial Statements

NSL Foods

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	4,001	4,793	5,789	6,626	7,526
Cost of goods sold	(3,259)	(3,910)	(4,593)	(5,281)	(5,991)
Gross profit	742	883	1,195	1,345	1,535
Other operating income	8	17	25	20	20
Operating costs	(369)	(462)	(541)	(623)	(715)
Operating EBITDA	484	557	820	922	1,051
Depreciation	(102)	(120)	(140)	(180)	(210)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	382	437	680	742	841
Net financing costs	(10)	(11)	(9)	(11)	(11)
Associates	-	-	-	-	-
Recurring non-operating income	0	(9)	(5)	0	0
Non-recurring items	0	0	0	0	0
Profit before tax	372	418	667	732	830
Tax	(74)	(85)	(131)	(139)	(158)
Profit after tax	298	332	536	593	672
Minority interests	0	1	4	2	2
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	298	333	539	595	674
Non-recurring items & goodwill (net)	0	0	0	0	0
Recurring net profit	298	333	539	595	674
Per share (THB)					
Recurring EPS *	0.99	1.11	1.80	1.98	2.25
Reported EPS	0.99	1.11	1.80	1.98	2.25
DPS	0.55	0.65	1.00	1.13	1.28
Diluted shares (used to calculate per share data)	300	300	300	300	300
Growth					
Revenue (%)	31.7	19.8	20.8	14.5	13.6
Operating EBITDA (%)	40.0	15.1	47.2	12.4	13.9
Operating EBIT (%)	53.3	14.5	55.6	9.1	13.3
Recurring EPS (%)	41.5	12.1	61.7	10.2	13.4
Reported EPS (%)	41.5	12.1	61.7	10.2	13.4
Operating performance					
Gross margin inc. depreciation (%)	18.5	18.4	20.7	20.3	20.4
Gross margin exc. depreciation (%)	21.1	20.9	23.1	23.0	23.2
Operating EBITDA margin (%)	12.1	11.6	14.2	13.9	14.0
Operating EBIT margin (%)	9.5	9.1	11.8	11.2	11.2
Net margin (%)	7.4	7.0	9.3	9.0	9.0
Effective tax rate (%)	19.9	20.4	19.6	19.0	19.0
Dividend payout on recurring profit (%)	55.4	58.5	55.5	57.0	57.0
Interest cover (X)	37.1	40.2	79.0	70.7	75.1
Inventory days	26.4	26.1	26.7	29.0	29.2
Debtor days	49.8	50.5	48.1	46.8	47.0
Creditor days	58.5	58.2	57.6	58.1	58.5
Operating ROIC (%)	25.9	27.2	38.7	37.0	37.1
ROIC (%)	22.3	21.3	31.5	31.3	32.2
ROE (%)	22.4	22.5	32.1	30.8	30.6
ROA (%)	13.9	14.2	20.4	20.0	20.1

* Pre-exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2022	2023	2024E	2025E	2026E
Bakery and appetizers	3,643	4,282	5,045	5,802	6,603
Food Services	288	276	272	286	309
Snack (NSL brand and BAW)	35	163	413	475	546
OEM & bread wastes	35	68	45	49	54

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	539	595	674
Depreciation	102	120	140	180	210
Associates & minorities	-	-	-	-	-
Other non-cash items	0	26	6	0	0
Change in working capital	(54)	(36)	(65)	(50)	(56)
Cash flow from operations	346	443	620	725	828
Capex - maintenance	(146)	(200)	(200)	(400)	(300)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	(301)	28	(13)	42	(9)
Cash flow from investing	(448)	(172)	(213)	(358)	(309)
Dividends paid	(144)	(180)	(299)	(339)	(384)
Equity finance	0	0	0	0	0
Debt finance	(100)	(93)	(35)	(25)	5
Other financing cash flows	1	20	32	(21)	9
Cash flow from financing	(243)	(252)	(303)	(384)	(370)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	(344)	19	104	(18)	149
Free cash flow to firm (FCFF)	(91.06)	281.68	415.50	376.86	530.21
Free cash flow to equity (FCFE)	(200.65)	198.69	403.66	320.79	533.01
Per share (THB)					
FCFF per share	(0.30)	0.94	1.39	1.26	1.77
FCFE per share	(0.67)	0.66	1.35	1.07	1.78
Recurring cash flow per share	1.33	1.60	2.28	2.58	2.95
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)
Tangible fixed assets (net)	970	1,050	1,110	1,330	1,420
Intangible fixed assets (net)	6	47	47	47	47
Long-term financial assets	301	214	200	150	150
Invest. in associates & subsidiaries	0	6	6	6	6
Cash & equivalents	115	134	238	220	369
A/C receivable	595	732	793	908	1,031
Inventories	267	274	378	434	492
Other current assets	3	7	3	3	4
Current assets	980	1,147	1,412	1,565	1,896
Other assets	32	36	58	66	75
Total assets	2,290	2,500	2,832	3,164	3,594
Common equity	1,406	1,560	1,800	2,055	2,345
Minorities etc.	0	17	18	18	19
Total shareholders' equity	1,406	1,576	1,817	2,074	2,364
Long term debt	80	14	0	35	40
Other long-term liabilities	30	49	87	66	75
Long-term liabilities	110	64	87	101	115
A/C payable	559	650	755	868	985
Short term debt	167	141	115	55	55
Other current liabilities	47	68	58	66	75
Current liabilities	774	859	928	989	1,115
Total liabilities and shareholders' equity	2,290	2,500	2,832	3,164	3,594
Net working capital	259	295	360	411	467
Invested capital	1,568	1,648	1,781	2,010	2,165
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	4.69	5.20	6.00	6.85	7.82
Tangible book value per share	4.67	5.04	5.84	6.70	7.66
Financial strength					
Net debt/equity (%)	9.4	1.4	(6.8)	(6.3)	(11.6)
Net debt/total assets (%)	5.8	0.9	(4.4)	(4.1)	(7.6)
Current ratio (x)	1.3	1.3	1.5	1.6	1.7
CF interest cover (x)	(18.5)	19.7	48.2	31.6	48.6
Valuation	2022	2023	2024E	2025E	2026E
Recurring P/E (x) *	27.5	24.5	15.2	13.7	12.1
Recurring P/E @ target price (x) *	43.3	38.7	23.9	21.7	19.1
Reported P/E (x)	27.5	24.5	15.2	13.7	12.1
Dividend yield (%)	2.0	2.4	3.7	4.1	4.7
Price/book (x)	5.8	5.2	4.5	4.0	3.5
Price/tangible book (x)	5.8	5.4	4.7	4.1	3.6
EV/EBITDA (x) **	17.2	14.7	9.8	8.7	7.5
EV/EBITDA @ target price (x) **	26.9	23.2	15.6	13.9	12.0
EV/invested capital (x)	5.3	5.0	4.5	4.0	3.7
* 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 13: FSSIA ESG score implication

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

Sources: FSSIA estimates

Exhibit 14: ESG – peer comparison

	FSSIA ESG score	Domestic ratings						Global ratings						Bloomberg	
		DJSI	SET ESG	SET ESG Rating	CG score	AGM level	Thai CAC	Morningstar ESG risk	ESG Book	MSCI	Moody's	Refinitiv	S&P Global	ESG score	Disclosure score
SET100	67.71	5.69	4.38	4.05	4.77	4.43	4.02	Medium	57.34	BBB	22.70	60.82	67.31	1.19	35.34
Coverage	66.17	5.16	4.33	3.94	4.81	4.43	3.83	Medium	56.41	BBB	18.92	59.20	65.82	1.38	35.46
ITC	19.10	--	--	--	5.00	4.00	Declared	--	--	--	--	--	--	--	41.92
NSL	n/a	--	--	--	--	--	--	--	--	--	--	--	--	--	--
RBF	43.18	--	--	BBB	5.00	4.00	Certified	High	54.77	--	--	48.11	--	--	51.39
SNNP	28.89	--	--	--	5.00	5.00	Declared	High	--	BBB	--	--	--	--	--

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

Exhibit 15: ESG disclosure from company's one report

FY ending Dec 31	FY 2023	FY ending Dec 31	FY 2023
Environmental		Governance	
Climate change policy	Yes	Board size / Independent directors (ID) / Female	8 / 4 / 2
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	Size of audit committee / ID	3 / 3
Social		Audit committee meetings	5
Human rights policy	Yes	Audit committee meeting attendance (%)	100
Policy against child labor	Yes	Size of compensation committee / ID	-- / --
Quality assurance and recall policy	Yes	Number of compensation committee meetings	--
Consumer data protection policy	Yes	Compensation committee meeting attendance (%)	--
Equal opportunity policy	Yes	Size of nomination committee / ID	-- / --
Gender pay gap breakout	--	Number of nomination committee meetings	--
Pct women in workforce	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.)	2,781
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.																			
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 Sustainabilitys	The Sustainabilitys' ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. <i>Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality & peer reviews.</i>	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. <table><tr><th>NEGL</th><th>Low</th><th>Medium</th><th>High</th><th>Severe</th></tr><tr><td>0-10</td><td>10-20</td><td>20-30</td><td>30-40</td><td>40+</td></tr></table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+									
NEGL	Low	Medium	High	Severe																	
0-10	10-20	20-30	30-40	40+																	
ESG Book	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.	The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.																			
MSCI	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. <table><tr><td>AAA</td><td>8.571-10.000</td><td rowspan="3">Leader:</td><td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td></tr><tr><td>AA</td><td>7.143-8.570</td></tr><tr><td>A</td><td>5.714-7.142</td></tr><tr><td>BBB</td><td>4.286-5.713</td><td rowspan="3">Average:</td><td rowspan="3">a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td></tr><tr><td>BB</td><td>2.857-4.285</td></tr><tr><td>B</td><td>1.429-2.856</td></tr><tr><td>CCC</td><td>0.000-1.428</td><td>Laggard:</td><td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td></tr></table>	AAA	8.571-10.000	Leader:	leading its industry in managing the most significant ESG risks and opportunities	AA	7.143-8.570	A	5.714-7.142	BBB	4.286-5.713	Average:	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	BB	2.857-4.285	B	1.429-2.856	CCC	0.000-1.428	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks
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Moody's ESG solutions	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.																				
Refinitiv ESG rating	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. <i>(Score ratings are 0 to 25 = poor; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.)</i>																				
S&P Global	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.																				
Bloomberg	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.																			
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.																			

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

Source: FSSIA's compilation

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ANALYST(S) CERTIFICATION

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History of change in investment rating and/or target price

NSL Foods (NSL TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
18-Jan-2023	BUY	26.00	05-Feb-2024	BUY	26.00	26-Apr-2024	BUY	36.00
18-Oct-2023	BUY	24.00	02-Apr-2024	BUY	30.00	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 27.25	BUY	Downside risks to our DCF-based TP include 1) a slower-than-expected consumption recovery; 2) high volatility in raw material prices; 3) the failure of new products; and 4) changing consumer demand and lifestyles.

Source: FSSIA estimates

Additional Disclosures

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

All share prices are as at market close on 22-Jan-2025 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.