EQUITY RESEARCH - COMPANY REPORT

R&B FOOD SUPPLY   RBF TB
THAILAND / FOOD & BEVERAGE

ใกล้ได้ลูกค้าใหม่

- คาดว่ากำไรสุทธิ 4Q24 จะลดลง q-q จากรายได้ที่สูงขึ้น
- เราปรับลดประมาณการกำไรปี 2025 ของเราลง 7% เพื่อสะท้อนค่าเสื่อมของโรงงานใหม่
- คาดการเติบโตที่สูงขึ้นในช่วง 2H25 เมื่อได้ลูกค้าใหม่

คาดกำไร 4Q24 จะโตต่อเนื่อง q-q

เราคาดกำไรสุทธิ 4Q24 อยู่ที่ 119 ลบ. (+9% q-q, -15% y-y) เมื่อหักผลขาดทุนจากอัตราแลกเปลี่ยน 6 ลบ. กำไรปกติน่าจะอยู่ที่ 125 ลบ. (+4% q-q, -25% y-y) ตัวเลขที่ลดลง y-y น่าจะเกิดจากรายได้ที่ลดลงจากจีนแต่น่าจะฟื้นตัว q-q โดยมีปัจจัยหนุนจากปัจจัยด้านฤดูกาล เราคาดว่ารายได้รวม 4Q24 จะสูงขึ้น 3% q-q ส่วนมากจากลูกค้าในปัจจุบันจากทั้งในและต่างประเทศ แม้ว่าบริษัทฯ จะเริ่มรับรู้รายได้จากปากีสถานแต่ตัวเลขยังอยู่ในระดับต่ำ ในภาพรวมเราคาดว่าต้นทุนจะยังทรงตัวและคาดว่า Product mix จะไม่เปลี่ยนแปลง ดังนั้นอัตรากำไรขั้นต้นใน 4Q24 จึงน่าจะทรงตัว q-q ที่ 34.6%

ตลาดต่างประเทศจะเป็นปัจจัยหนุนการเติบโต

บริษัทฯ ตั้งเป้าให้รายได้ปี 2025 โต 10-15% โดยคาดว่ารายได้ต่างประเทศจะโต 15-20% และในประเทศจะโต 8-10% โดยมีปัจจัยหนุนสำคัญประกอบด้วยการปรับสูตรกับลูกค้ารัสเซียซึ่งบริษัทฯ คาดว่าจะได้รับคำสั่งซื้อใบแรกใน 2Q25 RBF จะรับรู้รายได้จากปากีสถานเต็มปีและกำลังเตรียมเปิดดำเนินงานโรงงานใหม่ในอยุธยาซึ่งจะผลิต Flavors และ Fragrances (โดยจะได้รับสิทธิประโยชน์จาก BOI) พร้อมกับโรงงานในอินเดีย

ปรับลดประมาณการกำไรปี 2025 เพื่อสะท้อนค่าเสื่อมที่สูงขึ้น

เราปรับลดประมาณการกำไรสุทธิปี 2024-25 ของเราลง 2-7% เป็น 501 ลบ. (-23% y-y) และ 611 ลบ. (+22% y-y) ตามลำดับโดยคาดว่าอัตรากำไรขั้นต้นในปี 2025 จะลดลง 70 bps เพื่อสะท้อนค่าเสื่อมจากโรงงานใหม่ นอกจากนี้เรายังคาดว่า Product mix จะยังอยู่ในระดับที่ใกล้เคียงกับปี 2024 เนื่องจากลูกค้าใหม่ส่วนมากอยู่ในกลุ่ม Food coating อย่างไรก็ดีถ้าโรงงานใหม่ที่อยุธยาได้รับคำสั่งซื้อในกลุ่ม Flavor มากกว่าคาด ปัจจัยดังกล่าวน่าจะเป็นบวกต่ออัตรากำไรขั้นต้นและช่วยลดอัตราภาษีได้ด้วย ทั้งนี้เรายังไม่ได้รวมรัสเซียไว้ในประมาณการของเราซึ่งอาจให้ Upside แก่ประมาณการของเรา

คงคำแนะนำซื้อหลังลดราคาเป้าหมายลงเหลือ 6.7 บาท

เราปรับลดราคาเป้าหมายลงเหลือ 6.7 บาท (22x P/E ตามเดิม) อย่างไรก็ดีราคาหุ้นที่ลดลงทำให้ Upside เพิ่มเป็น 19% นอกจากนี้เราเชื่อว่าแนวโน้มกำไรได้ผ่านจุดต่ำสุดไปแล้วและจะค่อย ๆ ฟื้นตัวโดยคาด ว่ากำไรจะโต y-y อีกครั้งใน 2Q25 เมื่อฐานที่สูงขึ้นจากตลาดจีนใน 2Q24 ไม่เป็นประเด็นอีกต่อไป เราคาดว่ากำไรจะโตในอัตราที่สูงขึ้นในช่วง 2H25 เมื่อบริษัทฯ ได้ลูกค้าใหม่และโรงงานใหม่เริ่มเปิดดำเนินงานพร้อมบรรยากาศเชิงบวกที่อาจเกิดขึ้นจากแผนเก็บภาษีความเค็ม

BUY
UNCHANGED

TARGET PRICE	**THB6.70**
CLOSE	**THB5.60**
UP/DOWNSIDE	**+19.6%**
PRIOR TP	**THB7.20**
CHANGE IN TP	**-6.9%**
TP vs CONSENSUS	**+3.8%**

KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	4,421	4,395	4,787	5,288
Net profit	649	501	611	697
EPS (THB)	0.32	0.25	0.31	0.35
vs Consensus (%)	-	(8.4)	1.3	(3.8)
EBITDA	1,068	915	1,109	1,269
Recurring net profit	666	494	611	697
Core EPS (THB)	0.33	0.25	0.31	0.35
Chg. In EPS est. (%)	-	(1.4)	(7.1)	(7.4)
EPS growth (%)	45.0	(25.8)	23.7	14.0
Core P/E (x)	16.8	22.7	18.3	16.1
Dividend yield (%)	3.1	2.5	3.0	3.4
EV/EBITDA (x)	9.8	11.5	9.5	8.3
Price/book (x)	2.3	2.2	2.1	2.0
Net debt/Equity (%)	(14.8)	(13.3)	(12.0)	(11.6)
ROE (%)	14.5	10.1	11.9	12.9
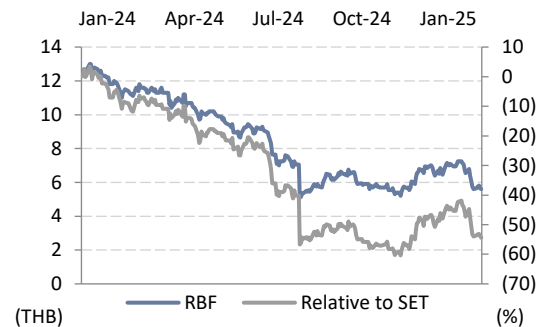
Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(21.7)	(1.8)	(56.3)
Relative to country (%)	(19.3)	6.0	(55.4)
Mkt cap (USD m)			333
3m avg. daily turnover (USD m)			1.4
Free float (%)			28
Major shareholder		Ratanapoompinyo Familly (62%)	
12m high/low (THB)			13.30/5.00
Issued shares (m)			2,000.00

Sources: Bloomberg consensus; FSSIA estimates

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บทวิเคราะห์ฉบับนี้แปลมาจากต้นฉบับภาษาอังกฤษ ที่ออกรายงานเมื่อวันที่ 27 มกราคม 2025

Investment thesis

RBF's customers are in the food and beverage industries. Since both are a necessity, RBF's revenues are stable. RBF has a long history and is accredited with international standards. RBF pays attention to R&D, which helps it differentiate its products from competitors and maximize customer satisfaction. Since the company develops unique formulas for each customer, it is hard for customers to switch suppliers once consumers become attached to the flavor.

Company profile

RBF manufactures and distributes food ingredients, which can be divided into several product groups: flavor and food coloring, food coating, and trading products, which are food additives such as preservatives, antifungal agents, citric acid, etc. The company's 2023 revenue contribution from food coating accounted for 47.9% of total revenue, followed by flavoring and food coloring (33.6%), trading products (10%), dried products (5.7%), frozen products (2.2%), and plastic packaging (0.5%).

www.rbfoodsupply.co.th

Principal activities (revenue, 2023)

- Domestic - 72.6 %

- Overseas - 27.4 %

Source: R&B Food Supply

Major shareholders

- Ratanapoompinyo Familly - 61.6 %

- Thai Union Group PCL - 10.0 %

- Others - 28.4 %

Source: R&B Food Supply

Catalysts

Potential catalysts for RBF's earnings growth in 2025 are 1) revenue growth driven by a consumption recovery; 2) declining raw material costs; 3) the success of its new market expansions; and 4) the success of new products launched.

Risks to our call

Downside risks to our P/E-based TP include 1) a slower-than-expected consumption recovery; 2) high volatility in raw material costs; 3) a stronger THB than expected; and 4) a slower-than-expected India expansion.

Event calendar

Date	Event
February 2025	4Q24 results announcement

Key assumptions

	2024E	2025E	2026E
Domestic sales growth (%)	7.7	8.0	10.0
Overseas sales growth (%)	(22.5)	12.3	12.1
Domestic sales proportion (%)	78.7	78.0	77.7
Overseas sales proportion (%)	21.3	22.0	22.3
Total sales growth (%)	(0.6)	8.9	10.5
Gross margin (%)	35.3	35.8	36.2

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in revenue, we estimate 2025 net profit to rise by 0.8%, and vice versa, all else being equal.

- For every 0.5% increase in GPM, we estimate 2025 net profit to rise by 3%, and vice versa, all else being equal.

- For every 0.2% increase in SG&A to sales, we estimate 2025 net profit to fall by 1.1%, and vice versa, all else being equal.

Source: FSSIA estimates

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Exhibit 1: RBF – 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	1,150	1,167	1,031	1,083	1,115	3.0	(3.1)	4,421	4,395	(0.6)
Cost of sales	715	732	673	707	729	3.1	2.0	2,760	2,843	3.0
Gross profit	435	435	357	375	386	2.9	(11.3)	1,661	1,551	(6.6)
SG&A	232	249	236	232	234	0.9	1.0	842	951	12.9
Operating profit	205	188	128	144	157	8.4	(23.6)	827	615	(25.7)
Interest expense	2.9	2.8	2.9	2.7	2.9	7.3	0.8	11	11	3.3
Tax expense	38	37	24	23	29	26.4	(21.8)	157	114	(27.6)
Profit (loss) sharing - India	1.34	1.20	1.02	1.70	1.20	(29.5)	(10.3)	7	5	(27.4)
Other gain	(26)	23	1	(11)	(6)	nm	nm	(17)	7	nm
Reported net profit	140	172	102	109	119	8.9	(14.8)	649	501	(22.9)
Core profit	165	149	101	120	125	3.7	(24.5)	666	494	(25.8)
Key ratios (%)						(ppt)	(ppt)			(ppt)
Gross margin	37.8	37.3	34.7	34.6	34.6	(0.0)	(3.2)	37.6	35.3	(2.3)
SG&A to sales	20.2	21.3	22.9	21.4	21.0	(0.4)	0.8	19.0	21.6	2.6
Operating margin	17.8	16.1	12.4	13.3	14.0	0.7	(3.8)	18.7	14.0	(4.7)
Net margin	12.1	14.7	9.9	10.1	10.7	0.6	(1.5)	14.7	11.4	(3.3)
Core margin	14.4	12.8	9.8	11.1	11.2	0.1	(3.2)	15.1	11.2	(3.8)
Operating statistics (THB m)										
Domestic revenue	843	889	817	860	885	2.9	4.9	3,211	3,457	7.7
Overseas revenue	307	278	214	216	230	6.3	(25.1)	1,210	938	(22.5)
Domestic contribution (%)	73.3	76.2	79.3	79.4	79.4	(0.1)	6.1	72.6	78.7	6.0
Overseas contribution (%)	26.7	23.8	20.7	20.0	20.6	0.6	(6.1)	27.4	21.3	(6.0)
Revenue by destination (THB m)										
Indonesia	83	87	73	84	85	0.9	2.3	309	330	6.9
Vietnam	60	54	58	53	60	12.6	0.3	198	226	13.8
India	20	25	18	22	25	14.2	24.9	103	90	(13.0)
China	76	63	11	6	6	1.7	(92.1)	344	86	(74.9)

Sources: RBF, FSSIA estimates

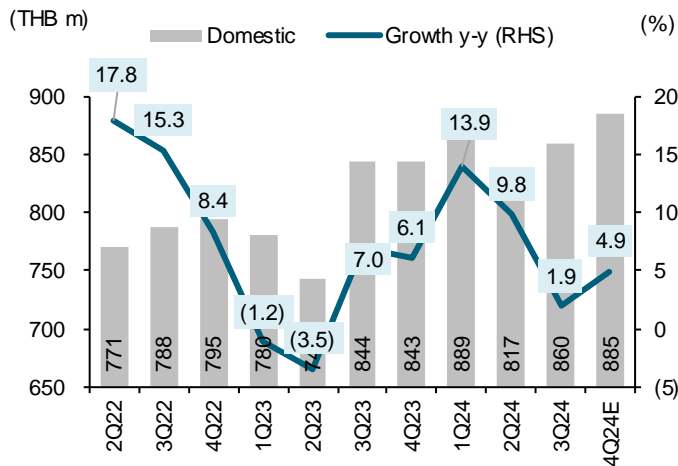**Exhibit 2: Quarterly total revenue and growth**
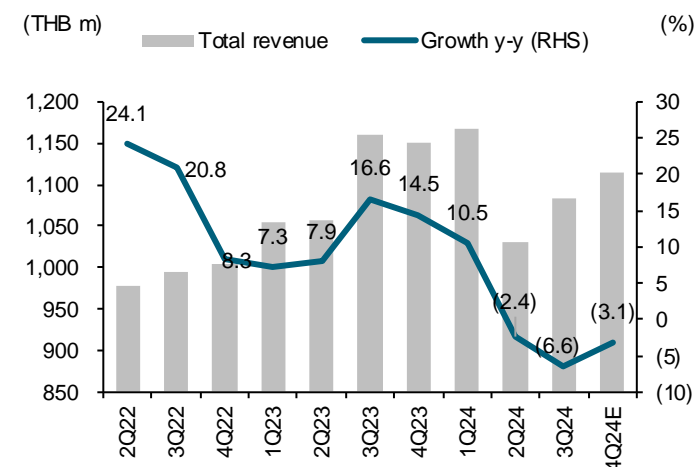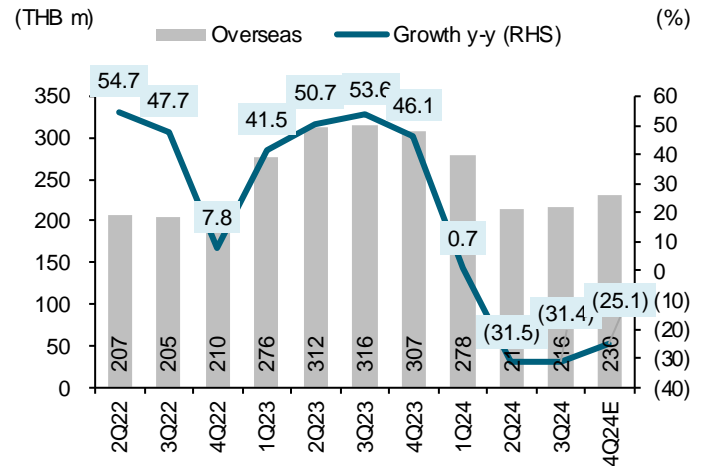

Sources: RBF, FSSIA estimates
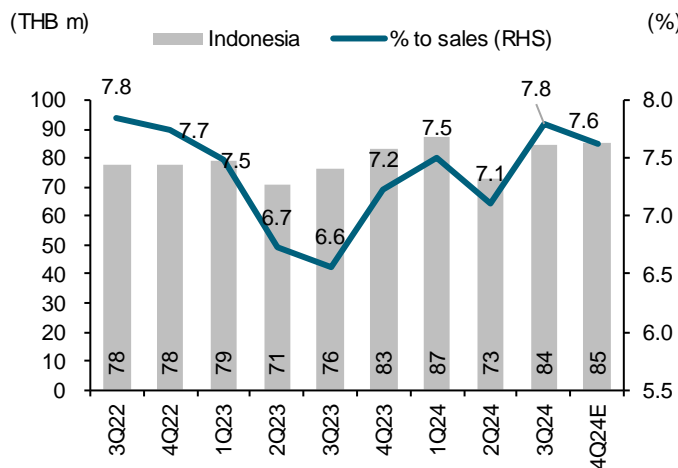
Exhibit 3: Quarterly revenue breakdown by destination

Sources: RBF, FSSIA estimates

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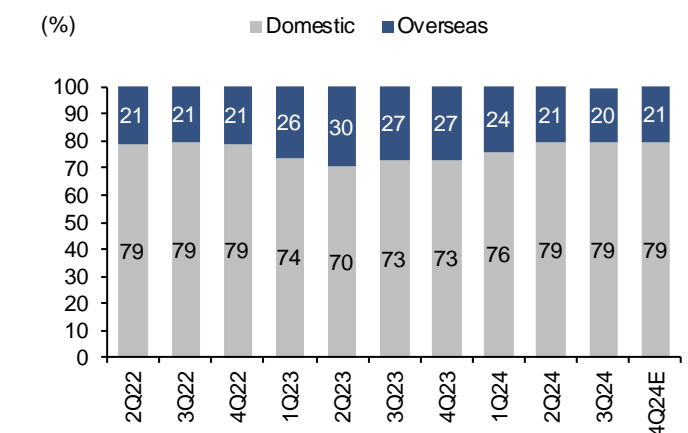
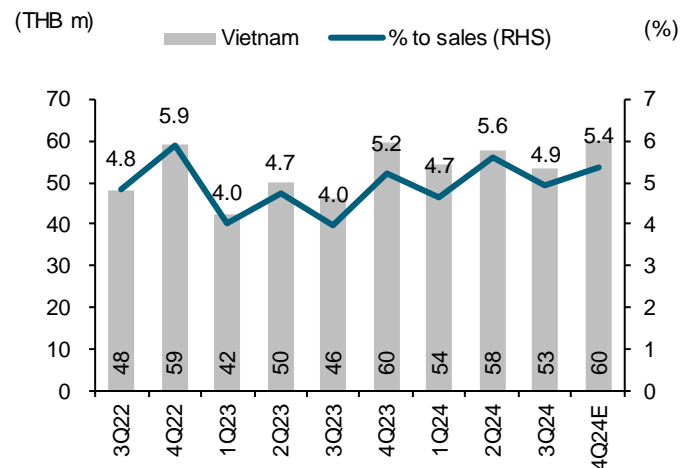**Exhibit 4: Quarterly domestic revenue and growth**

Sources: RBF, FSSIA estimates

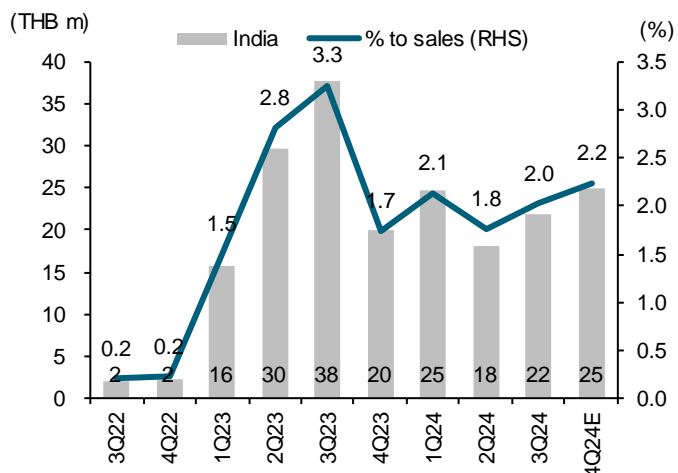**Exhibit 5: Quarterly overseas revenue and growth**

Sources: RBF, FSSIA estimates
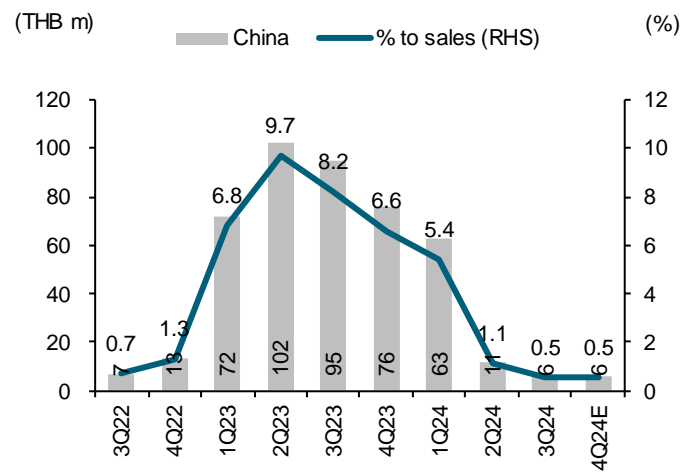
Exhibit 6: Quarterly revenue from Indonesia

Sources: RBF, FSSIA estimates

Exhibit 7: Quarterly revenue from Vietnam

Sources: RBF, FSSIA estimates

Exhibit 8: Quarterly revenue from India

Sources: RBF, FSSIA estimates

Exhibit 9: Quarterly revenue from China

Sources: RBF, FSSIA estimates

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Exhibit 10: Changes in key assumptions for RBF

|	---------------- Current ----------------			---------------- Previous ----------------			---------------- *Change* ----------------		
	2024E	2025E	2026E	2024E	2025E	2026E	*2024E*	*2025E*	*2026E*
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	*(%)*	*(%)*	*(%)*
Total revenue (THB m)	4,395	4,787	5,288	4,394	4,898	5,411	*0.0*	*(2.3)*	*(2.3)*
Costs	2,843	3,073	3,374	2,830	3,110	3,409	*0.5*	*(1.2)*	*(1.0)*
Gross profit	1,551	1,714	1,914	1,564	1,788	2,002	*(0.8)*	*(4.1)*	*(4.4)*
SG&A expenses	951	981	1,084	955	980	1,082	*(0.4)*	*0.2*	*0.2*
Interest expense	11	12	14	12	12	14	*(1.7)*	*0.0*	*0.0*
Tax expense	114	134	153	120	160	184	*(5.3)*	*(16.3)*	*(16.6)*
Reported net profit	501	611	697	515	657	752	*(2.7)*	*(7.1)*	*(7.4)*
Core profit	494	611	697	501	657	752	*(1.4)*	*(7.1)*	*(7.4)*
Key ratios (%)									
Total revenue growth	(0.6)	8.9	10.5	(0.6)	11.5	10.5	*0.0*	*(2.5)*	*0.0*
Net profit growth	(22.9)	22.1	14.0	(20.7)	27.8	14.4	*(2.2)*	*(5.7)*	*(0.4)*
Core profit growth	(25.8)	23.7	14.0	(24.8)	31.3	14.4	*(1.0)*	*(7.6)*	*(0.4)*
Gross margin	35.3	35.8	36.2	35.6	36.5	37.0	*(0.3)*	*(0.7)*	*(0.8)*
SG&A to sales	21.6	20.5	20.5	21.7	20.0	20.0	*(0.1)*	*0.5*	*0.5*
Net margin	11.4	12.8	13.2	11.7	13.4	13.9	*(0.3)*	*(0.7)*	*(0.7)*
Core margin	11.2	12.8	13.2	11.4	13.4	13.9	*(0.2)*	*(0.7)*	*(0.7)*
Operating statistics (THB m)									
Domestic revenue	3,457	3,733	4,106	3,438	3,799	4,179	*0.6*	*(1.7)*	*(1.7)*
Overseas revenue	938	1,054	1,182	957	1,099	1,232	*(1.9)*	*(4.2)*	*(4.1)*
Domestic revenue proportion (%)	78.7	78.0	77.7	78.2	77.6	77.2	*0.4*	*0.4*	*0.4*
Overseas revenue proportion (%)	21.3	22.0	22.3	21.8	22.4	22.8	*(0.4)*	*(0.4)*	*(0.4)*

Source: FSSIA estimates

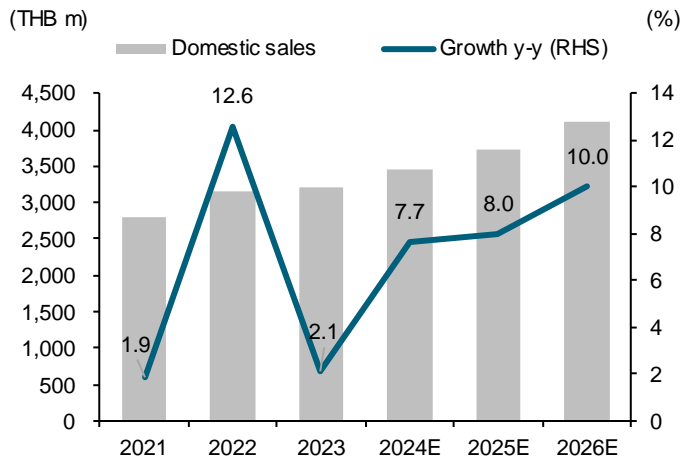## Exhibit 11: Yearly domestic and overseas sales
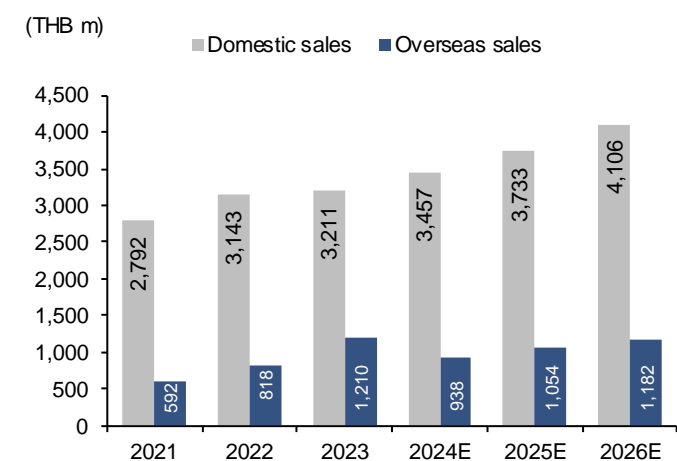
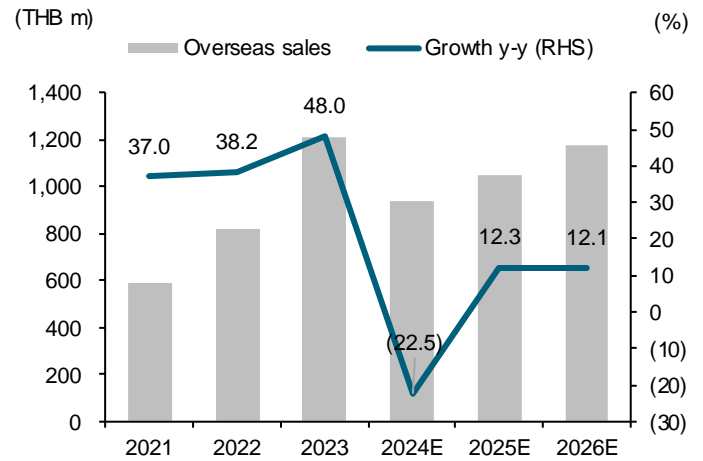Sources: RBF, FSSIA estimates

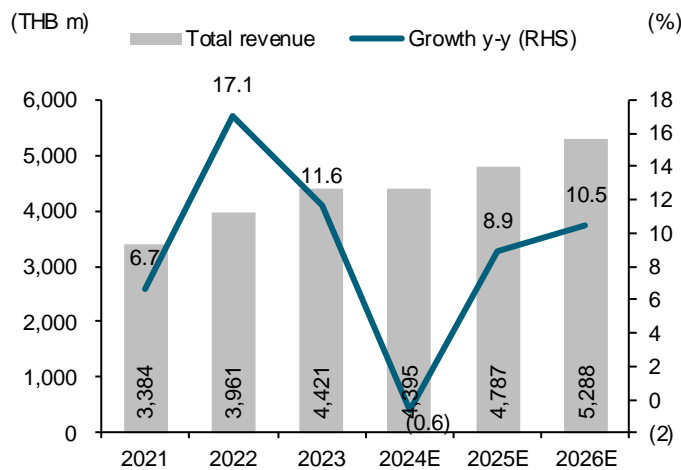## Exhibit 12: Yearly revenue contribution by destination

Sources: RBF, FSSIA estimates

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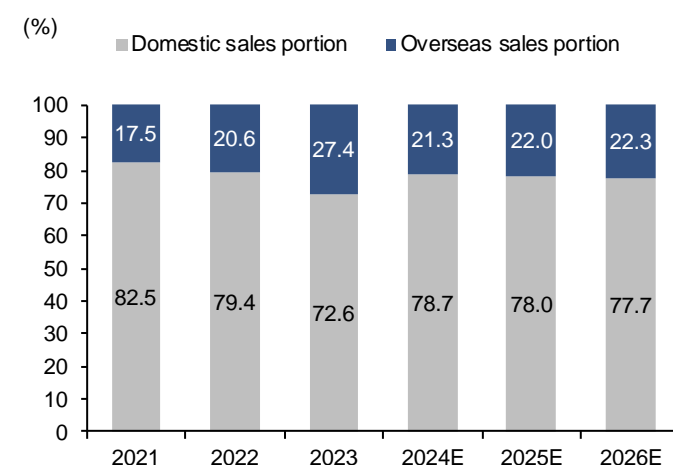
Exhibit 13: Yearly domestic sales and growth

Sources: RBF, FSSIA estimates

Exhibit 14: Yearly overseas sales and growth

Sources: RBF, FSSIA estimates

Exhibit 15: Yearly total revenue and growth

Sources: RBF, FSSIA estimates

Exhibit 16: Yearly net profit and gross margin
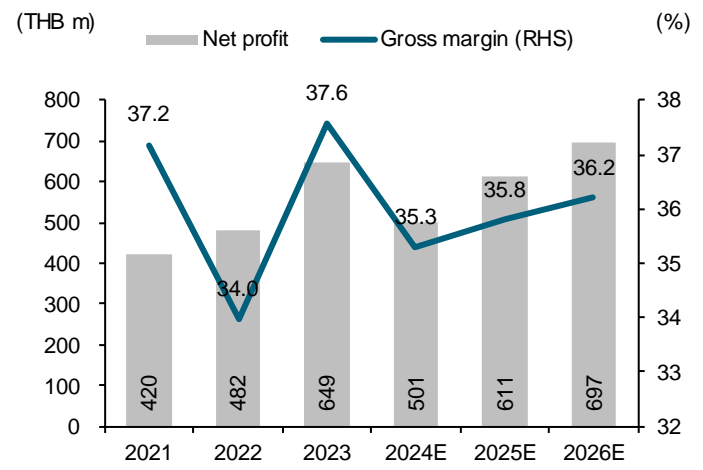
Sources: RBF, FSSIA estimates

Exhibit 17: Historical P/E band

Sources: Bloomberg, FSSIA estimates

Exhibit 18: Historical P/BV band

Sources: Bloomberg, FSSIA estimates

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Financial Statements
R&B Food Supply

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	3,961	4,421	4,395	4,787	5,288
Cost of goods sold	(2,615)	(2,760)	(2,843)	(3,073)	(3,374)
Gross profit	**1,346**	**1,661**	**1,551**	**1,714**	**1,914**
Other operating income	7	8	14	17	19
Operating costs	(763)	(842)	(951)	(981)	(1,084)
Operating EBITDA	**809**	**1,068**	**915**	**1,109**	**1,269**
Depreciation	(219)	(240)	(300)	(360)	(420)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	**590**	**827**	**615**	**749**	**849**
Net financing costs	(9)	(11)	(11)	(12)	(14)
Associates	0	7	5	10	16
Recurring non-operating income	0	7	5	10	16
Non-recurring items	23	(17)	7	0	0
Profit before tax	**604**	**806**	**615**	**746**	**851**
Tax	(113)	(157)	(114)	(134)	(153)
Profit after tax	**491**	**649**	**501**	**612**	**698**
Minority interests	(9)	0	(1)	(1)	(1)
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
Reported net profit	**482**	**649**	**501**	**611**	**697**
Non-recurring items & goodwill (net)	**(23)**	**17**	**(7)**	**0**	**0**
Recurring net profit	**459**	**666**	**494**	**611**	**697**
Per share (THB)					
Recurring EPS *	0.23	0.33	0.25	0.31	0.35
Reported EPS	0.24	0.32	0.25	0.31	0.35
DPS	0.10	0.18	0.14	0.17	0.19
Diluted shares (used to calculate per share data)	2,000	2,000	2,000	2,000	2,000
Growth					
Revenue (%)	17.1	11.6	(0.6)	8.9	10.5
Operating EBITDA (%)	(0.1)	32.0	(14.3)	21.3	14.4
Operating EBIT (%)	(2.0)	40.2	(25.7)	21.9	13.3
Recurring EPS (%)	(3.3)	45.0	(25.8)	23.7	14.0
Reported EPS (%)	14.8	34.6	(22.9)	22.1	14.0
Operating performance					
Gross margin inc. depreciation (%)	34.0	37.6	35.3	35.8	36.2
Gross margin exc. depreciation (%)	39.5	43.0	42.1	43.3	44.1
Operating EBITDA margin (%)	20.4	24.1	20.8	23.2	24.0
Operating EBIT margin (%)	14.9	18.7	14.0	15.7	16.1
Net margin (%)	11.6	15.1	11.2	12.8	13.2
Effective tax rate (%)	18.7	19.5	18.5	18.0	18.0
Dividend payout on recurring profit (%)	43.5	52.6	55.7	55.0	55.0
Interest cover (X)	64.5	76.0	54.7	61.6	62.8
Inventory days	168.0	174.2	180.3	185.4	185.5
Debtor days	85.2	84.3	88.4	86.3	85.7
Creditor days	77.3	79.6	80.1	76.3	76.4
Operating ROIC (%)	13.7	17.4	12.3	(3.6)	(24.0)
ROIC (%)	13.0	16.4	11.5	(3.3)	(21.3)
ROE (%)	10.7	14.5	10.1	11.9	12.9
ROA (%)	9.3	12.3	8.7	10.1	10.7
* Pre-exceptional, pre-goodwill and fully diluted					

Revenue by Division (THB m)	2022	2023	2024E	2025E	2026E
Domestic	3,143	3,211	3,457	3,733	4,106
Overseas	818	1,210	938	1,054	1,182

Sources: R&B Food Supply; FSSIA estimates

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Financial Statements
R&B Food Supply

Cash Flow (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Recurring net profit	459	666	494	611	697
Depreciation	219	240	300	360	420
Associates & minorities	0	(7)	(5)	(10)	(16)
Other non-cash items	11	(6)	7	2	2
Change in working capital	(354)	25	(198)	(158)	(204)
Cash flow from operations	**335**	**918**	**598**	**805**	**898**
Capex - maintenance	-	-	-	-	-
Capex - new investment	(456)	(459)	(363)	(300)	(300)
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	(109)	(34)	(16)	(206)	(208)
Cash flow from investing	**(565)**	**(493)**	**(379)**	**(506)**	**(508)**
Dividends paid	(295)	(200)	(275)	(336)	(383)
Equity finance	0	0	0	0	0
Debt finance	19	24	(19)	(11)	(11)
Other financing cash flows	(3)	4	3	6	8
Cash flow from financing	**(278)**	**(171)**	**(291)**	**(341)**	**(387)**
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	**0**	**0**	**0**	**0**	**0**
Movement in cash	**(508)**	**254**	**(72)**	**(42)**	**4**
Free cash flow to firm (FCFF)	(220.64)	435.73	230.79	311.19	404.16
Free cash flow to equity (FCFE)	(213.05)	453.51	203.43	294.25	386.91

Per share (THB)					
FCFF per share	(0.11)	0.22	0.12	0.16	0.20
FCFE per share	(0.11)	0.23	0.10	0.15	0.19
Recurring cash flow per share	0.34	0.45	0.40	0.48	0.55

Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Tangible fixed assets (gross)	3,133	3,525	3,825	4,125	4,425
Less: Accumulated depreciation	(1,092)	(1,269)	(1,569)	(1,930)	(2,350)
Tangible fixed assets (net)	**2,041**	**2,256**	**2,256**	**2,196**	**2,075**
Intangible fixed assets (net)	**6**	**5**	**11**	**11**	**11**
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	180	214	219	429	644
Cash & equivalents	668	921	849	807	811
A/C receivable	998	1,045	1,084	1,180	1,304
Inventories	1,217	1,188	1,324	1,431	1,571
Other current assets	44	64	48	53	58
Current assets	**2,927**	**3,219**	**3,305**	**3,472**	**3,744**
Other assets	51	55	70	77	85
Total assets	**5,204**	**5,750**	**5,862**	**6,184**	**6,560**
Common equity	4,373	4,819	4,981	5,256	5,569
Minorities etc.	23	17	24	26	27
Total shareholders' equity	**4,397**	**4,836**	**5,005**	**5,281**	**5,597**
Long term debt	157	185	174	163	152
Other long-term liabilities	58	63	66	72	79
Long-term liabilities	**215**	**247**	**240**	**235**	**231**
A/C payable	528	571	545	589	647
Short term debt	10	21	11	11	12
Other current liabilities	54	74	62	67	74
Current liabilities	**593**	**666**	**617**	**667**	**733**
Total liabilities and shareholders' equity	**5,204**	**5,750**	**5,862**	**6,184**	**6,560**
Net working capital	1,676	1,652	1,849	2,008	2,212
Invested capital	3,954	4,183	4,406	4,720	5,028
* Includes convertibles and preferred stock which is being treated as debt					

Per share (THB)					
Book value per share	2.19	2.41	2.49	2.63	2.78
Tangible book value per share	2.18	2.41	2.48	2.62	2.78
Financial strength					
Net debt/equity (%)	(11.4)	(14.8)	(13.3)	(12.0)	(11.6)
Net debt/total assets (%)	(9.6)	(12.4)	(11.3)	(10.2)	(9.9)
Current ratio (x)	4.9	4.8	5.4	5.2	5.1
CF interest cover (x)	27.5	84.1	51.0	49.2	50.9

Valuation	2022	2023	2024E	2025E	2026E
Recurring P/E (x) *	**24.4**	**16.8**	**22.7**	**18.3**	**16.1**
Recurring P/E @ target price (x) *	**29.2**	**20.1**	**27.1**	**21.9**	**19.2**
Reported P/E (x)	23.2	17.3	22.4	18.3	16.1
Dividend yield (%)	1.8	3.1	2.5	3.0	3.4
Price/book (x)	2.6	2.3	2.2	2.1	2.0
Price/tangible book (x)	2.6	2.3	2.3	2.1	2.0
EV/EBITDA (x) **	13.3	9.8	11.5	9.5	8.3
EV/EBITDA @ target price (x) **	16.0	11.9	13.9	11.5	10.1
EV/invested capital (x)	2.7	2.5	2.4	2.2	2.1
* Pre-exceptional, pre-goodwill and fully diluted ** EBITDA includes associate income and recurring non-operating income					

Sources: R&B Food Supply; FSSIA estimates

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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%). (*The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.*)	The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.
Thai CAC By Thai Private Sector Collective Action Against Corruption (CAC)	The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. (*Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.*)	The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.
Morningstar Sustainalytics	The Sustainalytics' ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. *Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality & peer reviews.*	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. | NEGL	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.	

MSCI (continued)

Rating	Range	Category	Description
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	**Laggard:**	lagging its industry based on its high exposure and failure to manage significant ESG risks
CCC	0.000-1.428		

ESG score	Methodology	Rating
Moody's ESG solutions	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.	
Refinitiv ESG rating	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. (*Score ratings are 0 to 25 = poor; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.*)	
S&P Global	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.	
Bloomberg	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.

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

Source: FSSIA's compilation

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

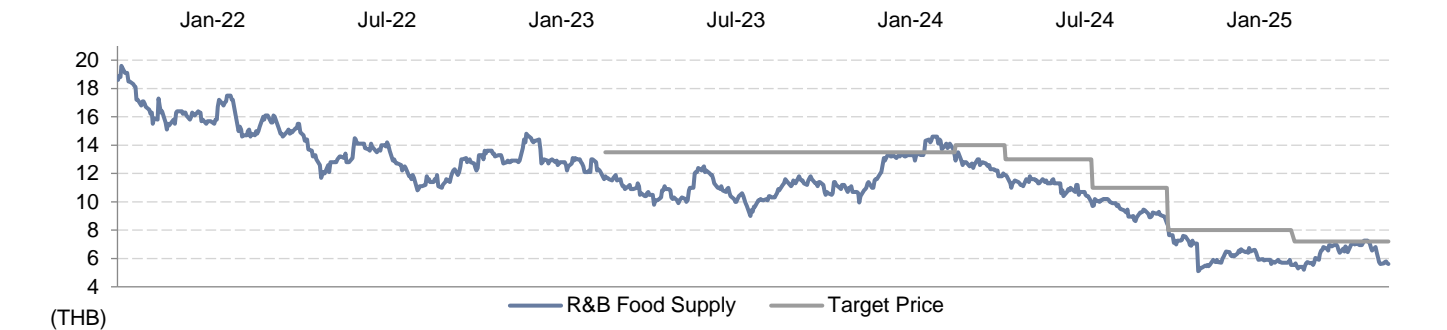**Sureeporn Teewasuwet FSS International Investment Advisory Securities Co., Ltd**

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History of change in investment rating and/or target price

R&B Food Supply (RBF TB)

Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
20-Mar-2023	BUY	13.50	19-Mar-2024	BUY	13.00	01-Nov-2024	BUY	7.20
16-Jan-2024	HOLD	14.00	13-May-2024	HOLD	11.00			
28-Feb-2024	HOLD	13.00	17-Jul-2024	HOLD	8.00			

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

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
R&B Food Supply	RBF TB	THB 5.60	BUY	Downside risks to our P/E-based TP include 1) a slower-than-expected consumption recovery; 2) high volatility in raw material costs; 3) a stronger THB than expected; and 4) a slower-than-expected India expansion.

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 24-Jan-2025 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

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

BUY (B). The upside is 10% or more.
HOLD (H). The upside or downside is less than 10%.
REDUCE (R). The downside is 10% or more.
Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

Industry Recommendations

Overweight. The analyst expects the fundamental conditions of the sector to be positive over the next 12 months.
Neutral. The analyst expects the fundamental conditions of the sector to be maintained over the next 12 months.
Underweight. The analyst expects the fundamental conditions of the sector to be negative over the next 12 months.

Country (Strategy) Recommendations

Overweight (O). Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Neutral (N). Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Underweight (U). Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

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