

# SPECIALTY NATURAL PRODUCTS

## THAILAND / PERSONAL PRODUCTS & PHARMACEUTICALS

SNPS TB

BUY

### แนวโน้มกำไร 4Q24 ดีกว่าที่เคยประเมิน

- กำไร 4Q24 มีแนวโน้มดีกว่าที่เคยคาดก่อนหน้านี้ จบปี 2024 กำไร +102% y-y
- คงประมาณการกำไรปี 2025-26 เดบิต 49%/19% ตามลำดับ จากการเติบโตของธุรกิจสารสกัดสมุนไพรมาตรฐาน ขยายตลาดและทำแบรนด์ตัวเองมากขึ้น
- คงราคาเป้าหมาย 6.30 บาท ราคาหุ้นปัจจุบันมี PEG เพียง 0.6 แนะนำซื้อ

TARGET PRICE	THB6.30
CLOSE	THB5.60
UP/DOWNSIDE	+12.5%
TP vs CONSENSUS	-4.5%

### KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	357	471	619	723
Net profit	37	74	111	131
EPS (THB)	0.12	0.18	0.27	0.32
vs Consensus (%)	-	-	-	-
EBITDA	70	119	172	198
Recurring net profit	37	74	111	131
Core EPS (THB)	0.12	0.18	0.27	0.32
Chg. In EPS est. (%)	nm	nm	nm	nm
EPS growth (%)	(52.7)	49.8	48.6	18.8
Core P/E (x)	45.6	30.5	20.5	17.3
Dividend yield (%)	-	1.0	1.5	1.7
EV/EBITDA (x)	23.4	15.0	10.7	9.0
Price/book (x)	3.8	2.5	2.3	2.1
Net debt/Equity (%)	(15.0)	(54.9)	(44.9)	(45.7)
ROE (%)	8.6	10.9	11.6	12.6

### แนวโน้มกำไร 4Q24 ดีกว่าที่เคยคาด

เรคาด SNPS มีกำไรสุทธิ 18.2 ล้านบาทใน 4Q24 ดีกว่าที่เราประเมินก่อนหน้านี้ (ที่ 15 ล้านบาท) ประมาณ 20% จากค่าใช้จ่ายโดยรวมที่ต่ำกว่าที่เราเคยคาด ซึ่งทำให้กำไรสุทธิทั้งปี 2024 น่าจะจบที่ 74.5 ล้านบาท (+102.2% y-y) แม้ว่าค่าใช้จ่ายใน 4Q24 มีแนวโน้มจะต่ำกว่าที่เคยคาดแต่ยังสูงกว่า 3Q24 พอสมควร ส่วนใหญ่เป็นค่าใช้จ่ายเกี่ยวกับการเข้าจดทะเบียนในตลาดหลักทรัพย์ ทำให้คาดว่ากำไรสุทธิจะลดลง 22.9% q-q แต่เพิ่มก้าวกระโดด 205.1% y-y เพราะผลประกอบการในปี 2023 ยังมีผลกระทบของโควิด-19 อยู่บ้าง รายได้จากผลิตภัณฑ์เกี่ยวกับโควิด-19 ลดลง ประกอบกับคำสั่งซื้อของลูกค้ารายใหญ่ที่สั่งซื้อไปจำนวนมากในปี 2022 และยังมีสต็อกเหลือจึงลดการสั่งซื้อลงในปี 2023 ทำให้ผลประกอบการปี 2023 ต่ำกว่าที่ควรจะเป็น

### รายได้และอัตรากำไรขั้นต้น 4Q24 ยังดูดีตามที่เคยประเมิน

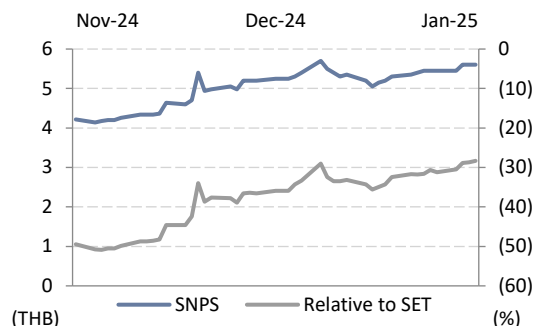
ในส่วนของรายได้และอัตรากำไรขั้นต้นใน 4Q24 คาดว่าจะทรงตัวใกล้เคียง 3Q24 โดยมีรายได้ 131.7 ล้านบาท (+1.1% q-q, +67.6% y-y) และทำให้รายได้ทั้งปี 2024 +32.0% y-y โครงสร้างรายได้หลักยังคงมาจากผลิตภัณฑ์เพื่อสุขภาพ ความงาม และอนามัย รว 70% ของรายได้รวม และส่วนใหญ่เป็นการผลิตให้แก่ลูกค้า ODM อีก 30% ของรายได้ยังคงมาจากสารสกัดสมุนไพรมาตรฐาน ส่วนอัตรากำไรขั้นต้น เราคาด 39.8% ใน 4Q24 และทำให้อัตรากำไรขั้นต้นทั้งปี 2024 เป็น 40.3% ซึ่งเป็นระดับปกติของบริษัท

### คงประมาณการกำไรสุทธิปี 2025-26 เดบิต 49%/19% ตามลำดับ

เรายังคงประมาณการกำไรสุทธิปี 2025-26 ที่ 110.6 ล้านบาท (+48.6% y-y) และ 131.4 ล้านบาท (+18.8% y-y) บนสมมติฐานรายได้เติบโต 31.4% y-y และ 16.8% y-y ตามลำดับ จากการเติบโตของธุรกิจสารสกัดสมุนไพรมาตรฐานที่ SNPS เห็นช่องว่างทางการตลาด ขยายไปยังอุตสาหกรรมสัตว์เลี้ยงซึ่งมีแนวโน้มเติบโตสูง รวมถึงขยายไปยังต่างประเทศมากขึ้น และยังคงคาดการณ์อัตรากำไรขั้นต้นเฉลี่ย 41.5% จาก Product mix การใช้กำลังการผลิตมากขึ้น และการจำหน่ายสินค้าภายใต้แบรนด์ของตนเองมากขึ้น

### คงราคาเป้าหมาย 6.30 บาท แนะนำซื้อ

เรคงราคาเป้าหมายปี 2025 ที่ 6.30 บาท (P/E 23.0 เท่า ใกล้เคียงค่าเฉลี่ยของผู้ประกอบการในไทยที่มีธุรกิจคล้ายคลึงกัน) ราคาหุ้นปัจจุบันเทรดที่ 2025E P/E ที่ 20.5 เท่า ต่ำกว่าการเติบโตของกำไรเฉลี่ย 32.8% CAGR (2024-26) คิดเป็น PEG เพียง 0.6 เท่า จึงแนะนำซื้อ



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	6.7	n/a	n/a
Relative to country (%)	11.8	n/a	n/a
Mkt cap (USD m)	67		
3m avg. daily turnover (USD m)	n/a		
Free float (%)	26		
Major shareholder	Specialty natural innovation co. ltd (49%)		
12m high/low (THB)	5.95/3.90		
Issued shares (m)	405.00		

Sources: Bloomberg consensus; FSSIA estimates



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Investment thesis

เราคาด SNPS มีกำไรสุทธิ 18.2 ล้านบาทใน 4Q24 ดีกว่าที่เราประเมินก่อนหน้านี้ จากค่าใช้จ่ายโดยรวมที่ต่ำกว่าที่เคยคาด ซึ่งทำให้กำไรสุทธิทั้งปี 2024 น่าจะจบที่ 74.5 ล้านบาท (+102.2% y-y) แม้ว่าค่าใช้จ่ายใน 4Q24 มีแนวโน้มจะต่ำกว่าที่เคยคาดแต่ยังสูงกว่า 3Q24 พอสมควร ส่วนใหญ่เป็นค่าใช้จ่ายที่เกี่ยวกับการเข้าจดทะเบียนในตลาดหลักทรัพย์ ทำให้คาดว่ากำไรสุทธิจะลดลง 22.9% q-q แต่เพิ่มก้าวกระโดด 205.1% y-y

เราคงประมาณการกำไรสุทธิปี 2025-26 ที่ 110.6 ล้านบาท (+48.6% y-y) และ 131.4 ล้านบาท (+18.8% y-y) บนสมมติฐานรายได้เติบโต 31.4% y-y และ 16.8% y-y ตามลำดับ จากการเติบโตของธุรกิจสารสกัดสมุนไพรมาตรฐานที่ SNPS เห็นช่องว่างทางการตลาด ขยายไปยังอุตสาหกรรมสัตว์เลี้ยงซึ่งมีแนวโน้มเติบโตสูง รวมถึงขยายไปยังต่างประเทศมากขึ้น

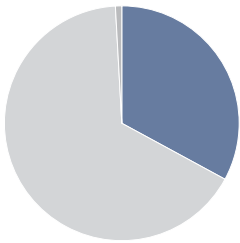
Company profile

SNPS เป็นผู้ผลิตและจำหน่ายสารสกัดสมุนไพรมาตรฐาน และรับจ้างพัฒนาและผลิตผลิตภัณฑ์เพื่อสุขภาพ ความงาม และสุขอนามัยภายใต้ตราสินค้าของลูกค้า (Original Design Manufacturer) รวมถึงผลิตและจำหน่ายผลิตภัณฑ์ภายใต้ตราสินค้าของกลุ่มบริษัท (Original Brand Manufacturer)

www.snpthai.com

Principal activities (revenue, 2023)

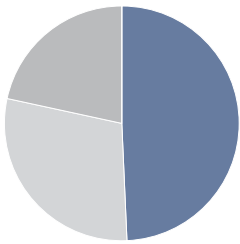
- Standardized extracts (SNPS) - 32.9 %
- Health, beauty, and hygiene products - 66.2 %
- Service revenue - 0.9 %



Source: Specialty Natural Products

Major shareholders

- Specialty natural innovation co. ltd - 49.3 %
- Assoc. Prof. Dr. Panvipa Krisdaphong - 29.1 %
- Dr. Theeraya Krisdaphong - 21.6 %
- Others - 0.0 %



Source: Specialty Natural Products

Catalysts

ปัจจัยหนุนการเติบโตได้แก่ 1) อุตสาหกรรมมีการเติบโตอย่างต่อเนื่อง 2) ภาครัฐให้การสนับสนุน 3) ความนิยมของผู้บริโภคที่ต้องการสารสกัดจากพืชสมุนไพรที่ออกฤทธิ์ตามต้องการ ทดแทนสารสกัดทางเคมี

Risks to our call

Downside risks ต่อราคาเป้าหมายของเรา 1) ความเสี่ยงจากการถูกยกเลิกจากลูกค้าผู้ว่าจ้างผลิต 2) ความเสี่ยงจากการลงทุนในผลิตภัณฑ์ภายใต้ตราสินค้าของกลุ่มบริษัท 3) การแข่งขันสูงขึ้น 4) ความเสี่ยงจากการจัดหาวัตถุดิบให้เพียงพอต่อความต้องการ

Event calendar

Date	Event
February 2025	4Q24 earnings preview

Key assumptions

	2024E (THB m)	2025E (THB m)	206E (THB m)
Total revenue	471	619	723
Standardized extracts	145	229	252
Health, beauty, and hygiene products	322	387	467
Blended gross margin (%)	40.3	41.5	41.5
SG&A to sales (%)	24.2	23.1	22.5

Source: FSSIA estimates

Earnings sensitivity

- For every 1% change in gross margin, we project SNPS's 2025 core profit to change by 4.4%, all else being equal.
- For every 1% change in SG&A to sales, we project SNPS's 2025 core profit to change by 4.0%, all else being equal.

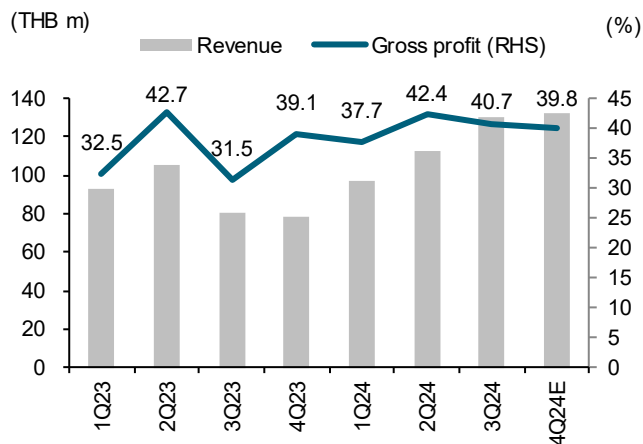
Source: FSSIA estimates

## Exhibit 1: SNPS - 4Q24 earnings preview

Year to Dec 31	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	79	97	112	130	132	1.1	67.6	357	471	32.0
Cost of sales	(48)	(60)	(65)	(77)	(79)	2.6	65.6	(226)	(281)	24.6
Gross profit	31	37	48	53	52	(1.1)	70.8	131	190	44.8
Operating costs	(32)	(27)	(27)	(29)	(31)	9.2	(0.5)	(99)	(114)	15.6
Operating profit	5	14	24	29	25	(14.0)	398.3	44	92	110.8
<b>Operating EBITDA</b>	<b>55</b>	<b>14</b>	<b>38</b>	<b>36</b>	<b>82</b>	<b>130.4</b>	<b>48.8</b>	<b>70</b>	<b>119</b>	<b>69.0</b>
Other income	6	4	4	5	4	(17.4)	(34.5)	11	16	44.7
Interest expense	(1)	(1)	(1)	(1)	(1)	22.8	17.6	(4)	(2)	(38.2)
Profit before tax	4	13	24	28	24	(14.7)	446.4	40	90	125.0
Tax	(2)	(3)	(5)	(6)	(4)	(35.5)	110.5	(12)	(18)	53.2
<b>Reported net profit</b>	<b>6</b>	<b>12</b>	<b>21</b>	<b>24</b>	<b>18</b>	<b>(22.9)</b>	<b>205.1</b>	<b>37</b>	<b>74</b>	<b>102.2</b>
<b>Core profit</b>	<b>6</b>	<b>12</b>	<b>21</b>	<b>24</b>	<b>18</b>	<b>(22.9)</b>	<b>205.1</b>	<b>37</b>	<b>74</b>	<b>102.2</b>
Reported EPS (THB)	0.020	0.040	0.069	0.080	0.029	(63.4)	47.5	0.123	0.184	49.8
Core EPS (THB)	0.020	0.040	0.069	0.080	0.029	(63.4)	47.5	0.123	0.184	49.8
<b>Key Ratios</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>	<b>(ppt)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>
Gross margin	39.1	37.7	42.4	40.7	39.8	(0.9)	0.7	36.7	40.3	3.6
EBIT margin	6.3	14.4	21.7	22.2	18.9	(3.3)	12.5	12.2	19.5	7.3
EBITDA margin	70.0	14.4	33.9	27.3	62.1	34.9	(7.8)	19.7	25.2	5.5
Net profit margin	7.6	12.5	18.4	18.1	13.8	(4.3)	6.2	10.3	15.8	5.5
SG&A / Sales	40.3	27.6	24.1	22.1	23.9	1.8	(16.4)	27.7	24.2	(3.4)

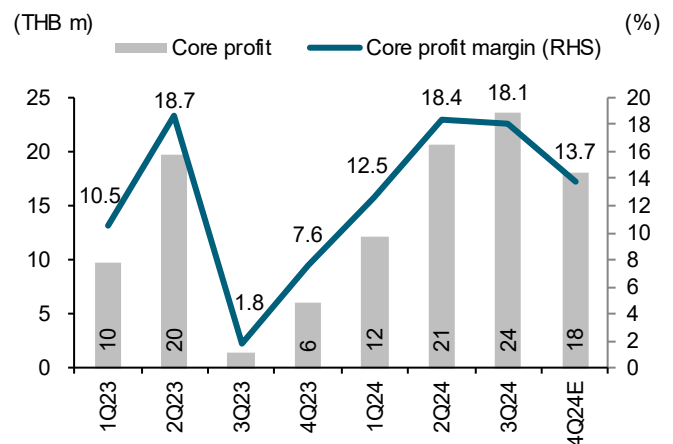
Sources: SNPS, FSSIA estimates

## Exhibit 2: Revenue and gross profit



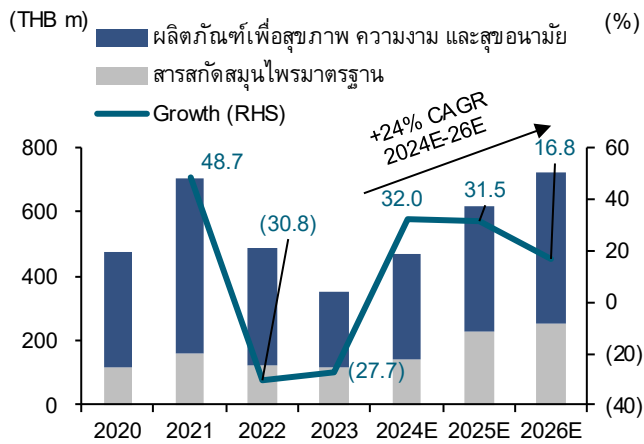
Sources: SNPS, FSSIA estimates

## Exhibit 3: Core profit and core profit margin



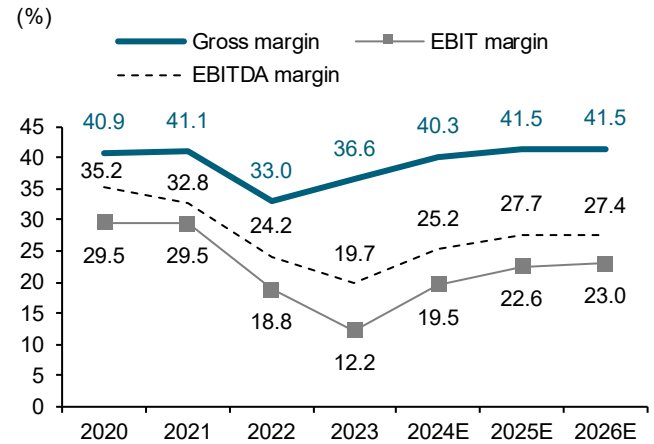
Sources: SNPS, FSSIA estimates

Exhibit 4: Revenue structure and gross margin



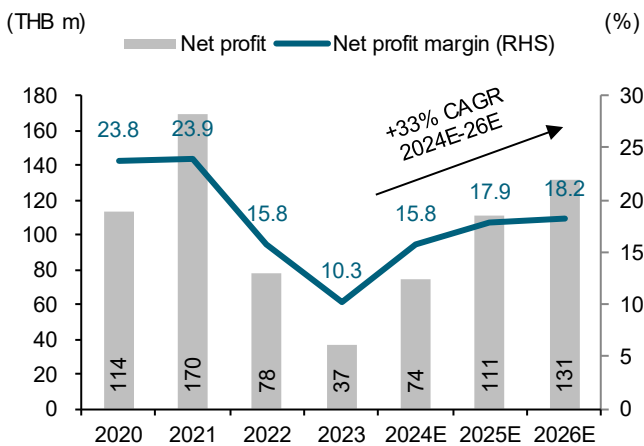
Sources: SNPS, FSSIA estimates

Exhibit 5: Margins



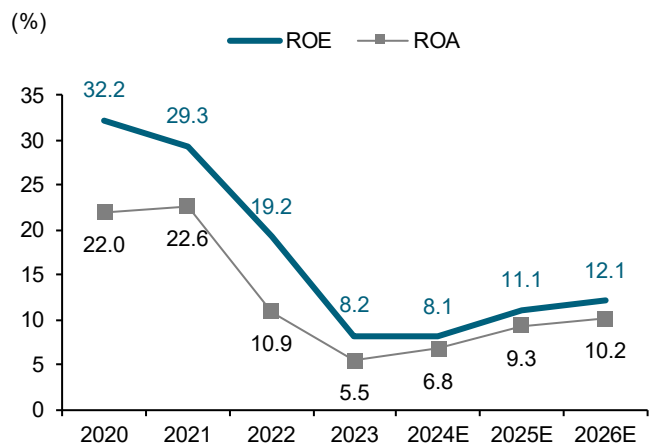
Sources: SNPS, FSSIA estimates

Exhibit 6: Net profit and net profit margin



Sources: SNPS, FSSIA estimates

Exhibit 7: ROA and ROE



Sources: SNPS, FSSIA estimates

## Financial Statements

### Specialty Natural Products

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	493	357	471	619	723
Cost of goods sold	(331)	(226)	(281)	(363)	(423)
<b>Gross profit</b>	<b>162</b>	<b>131</b>	<b>190</b>	<b>257</b>	<b>300</b>
Other operating income	10	11	16	26	29
Operating costs	(79)	(99)	(114)	(143)	(163)
<b>Operating EBITDA</b>	<b>119</b>	<b>70</b>	<b>119</b>	<b>172</b>	<b>198</b>
Depreciation	(27)	(27)	(27)	(32)	(32)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>93</b>	<b>44</b>	<b>92</b>	<b>140</b>	<b>166</b>
Net financing costs	(6)	(4)	(2)	(2)	(2)
Associates	0	0	0	0	0
Recurring non-operating income	0	0	0	0	0
Non-recurring items	0	0	0	0	0
<b>Profit before tax</b>	<b>87</b>	<b>40</b>	<b>90</b>	<b>138</b>	<b>164</b>
Tax	(19)	(12)	(18)	(28)	(33)
<b>Profit after tax</b>	<b>68</b>	<b>28</b>	<b>72</b>	<b>111</b>	<b>131</b>
Minority interests	10	8	3	0	0
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>78</b>	<b>37</b>	<b>74</b>	<b>111</b>	<b>131</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>78</b>	<b>37</b>	<b>74</b>	<b>111</b>	<b>131</b>
<b>Per share (THB)</b>					
Recurring EPS *	0.26	0.12	0.18	0.27	0.32
Reported EPS	0.26	0.12	0.18	0.27	0.32
DPS	1.09	0.00	0.06	0.08	0.10
Diluted shares (used to calculate per share data)	300	300	405	405	405
<b>Growth</b>					
Revenue (%)	(30.4)	(27.6)	32.0	31.5	16.8
Operating EBITDA (%)	(48.8)	(41.0)	69.0	44.5	15.5
Operating EBIT (%)	(55.6)	(52.9)	110.8	51.8	19.1
Recurring EPS (%)	(77.3)	(52.7)	49.8	48.6	18.8
Reported EPS (%)	(77.3)	(52.7)	49.8	48.6	18.8
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	33.0	36.7	40.3	41.4	41.5
Gross margin exc. depreciation (%)	38.3	44.2	45.9	46.6	45.9
Operating EBITDA margin (%)	24.2	19.7	25.2	27.7	27.4
Operating EBIT margin (%)	18.8	12.2	19.5	22.5	23.0
Net margin (%)	15.8	10.3	15.8	17.9	18.2
Effective tax rate (%)	22.0	29.2	20.0	20.0	20.0
Dividend payout on recurring profit (%)	420.6	-	30.0	30.0	30.0
Interest cover (X)	16.6	11.6	39.5	80.5	67.7
Inventory days	187.6	226.3	172.6	160.5	171.3
Debtor days	53.0	59.3	61.8	66.8	67.1
Creditor days	53.7	74.6	67.1	64.9	62.1
Operating ROIC (%)	16.6	7.8	18.5	23.4	23.5
ROIC (%)	15.2	7.1	17.1	21.9	22.0
ROE (%)	15.8	8.6	10.9	11.6	12.6
ROA (%)	9.9	4.5	8.3	9.8	10.8

\* Pre-exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2022	2023	2024E	2025E	2026E
Standardized extracts (SNPS)	123	117	145	229	252
Health, beauty, and hygiene products	366	236	322	387	467
Service revenue	4	3	4	3	3

Sources: Specialty Natural Products; FSSIA estimates

## Financial Statements

### Specialty Natural Products

Cash Flow (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Recurring net profit	78	37	74	111	131
Depreciation	27	27	27	32	32
Associates & minorities	0	0	0	0	0
Other non-cash items	(18)	0	17	22	26
Change in working capital	83	(5)	(37)	(84)	(56)
<b>Cash flow from operations</b>	<b>169</b>	<b>58</b>	<b>82</b>	<b>81</b>	<b>134</b>
Capex - maintenance	-	-	-	-	-
Capex - new investment	(16)	(11)	(23)	(105)	(42)
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	(18)	18	(7)	(4)	(4)
<b>Cash flow from investing</b>	<b>(35)</b>	<b>6</b>	<b>(30)</b>	<b>(109)</b>	<b>(45)</b>
Dividends paid	(328)	0	(22)	(33)	(39)
Equity finance	102	0	420	0	0
Debt finance	148	(91)	(66)	(5)	3
Other financing cash flows	(5)	17	1	1	1
<b>Cash flow from financing</b>	<b>(83)</b>	<b>(74)</b>	<b>333</b>	<b>(37)</b>	<b>(35)</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
<b>Net other adjustments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Movement in cash</b>	<b>52</b>	<b>(10)</b>	<b>384</b>	<b>(65)</b>	<b>53</b>
Free cash flow to firm (FCFF)	140.45	68.05	53.68	(26.27)	90.80
Free cash flow to equity (FCFE)	277.09	(9.70)	(13.55)	(31.65)	92.28
<b>Per share (THB)</b>					
FCFF per share	0.35	0.17	0.13	(0.06)	0.22
FCFE per share	0.68	(0.02)	(0.03)	(0.08)	0.23
Recurring cash flow per share	0.29	0.21	0.29	0.41	0.47
Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Tangible fixed assets (gross)	471	482	505	610	651
Less: Accumulated depreciation	(205)	(231)	(257)	(290)	(322)
<b>Tangible fixed assets (net)</b>	<b>266</b>	<b>251</b>	<b>247</b>	<b>320</b>	<b>330</b>
<b>Intangible fixed assets (net)</b>	<b>10</b>	<b>10</b>	<b>11</b>	<b>11</b>	<b>12</b>
Long-term financial assets	19	4	4	4	4
Invest. in associates & subsidiaries	3	3	3	3	3
Cash & equivalents	216	206	590	525	578
A/C receivable	56	60	99	127	139
Inventories	128	119	122	169	198
Other current assets	5	5	7	9	9
<b>Current assets</b>	<b>405</b>	<b>390</b>	<b>818</b>	<b>830</b>	<b>924</b>
Other assets	10	13	16	18	20
<b>Total assets</b>	<b>712</b>	<b>672</b>	<b>1,099</b>	<b>1,187</b>	<b>1,294</b>
Common equity	405	446	919	996	1,088
Minorities etc.	17	35	33	32	32
<b>Total shareholders' equity</b>	<b>422</b>	<b>481</b>	<b>951</b>	<b>1,028</b>	<b>1,120</b>
Long term debt	199	1	1	1	1
Other long-term liabilities	16	11	15	19	21
<b>Long-term liabilities</b>	<b>215</b>	<b>12</b>	<b>16</b>	<b>19</b>	<b>22</b>
A/C payable	42	40	54	64	70
Short term debt	26	133	67	62	66
Other current liabilities	8	6	13	16	19
<b>Current liabilities</b>	<b>75</b>	<b>178</b>	<b>134</b>	<b>142</b>	<b>154</b>
<b>Total liabilities and shareholders' equity</b>	<b>712</b>	<b>672</b>	<b>1,101</b>	<b>1,189</b>	<b>1,296</b>
Net working capital	139	139	161	225	258
Invested capital	447	420	442	582	627
* Includes convertibles and preferred stock which is being treated as debt					
<b>Per share (THB)</b>					
Book value per share	1.35	1.49	2.27	2.46	2.69
Tangible book value per share	1.32	1.45	2.24	2.43	2.66
<b>Financial strength</b>					
Net debt/equity (%)	2.2	(15.0)	(54.9)	(44.9)	(45.7)
Net debt/total assets (%)	1.3	(10.7)	(47.5)	(38.9)	(39.6)
Current ratio (x)	5.4	2.2	6.1	5.9	6.0
CF interest cover (x)	53.5	1.4	5.0	43.2	55.4
Valuation	2022	2023	2024E	2025E	2026E
<b>Recurring P/E (x) *</b>	<b>21.6</b>	<b>45.6</b>	<b>30.5</b>	<b>20.5</b>	<b>17.3</b>
<b>Recurring P/E @ target price (x) *</b>	<b>24.3</b>	<b>51.3</b>	<b>34.3</b>	<b>23.1</b>	<b>19.4</b>
Reported P/E (x)	21.6	45.6	30.5	20.5	17.3
Dividend yield (%)	19.5	-	1.0	1.5	1.7
Price/book (x)	4.1	3.8	2.5	2.3	2.1
Price/tangible book (x)	4.3	3.9	2.5	2.3	2.1
EV/EBITDA (x) **	14.3	23.4	15.0	10.7	9.0
EV/EBITDA @ target price (x) **	16.1	26.4	17.4	12.4	10.4
EV/invested capital (x)	3.8	3.9	4.0	3.2	2.9
* Pre-exceptional, pre-goodwill and fully diluted    ** EBITDA includes associate income and recurring non-operating income					

Sources: Specialty Natural Products; FSSIA estimates

## Disclaimer for ESG scoring

ESG score	Methodology	Rating																			
The Dow Jones Sustainability Indices ( <a href="#">DJSI</a> ) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.	Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.																			
SET ESG Ratings List ( <a href="#">SETESG</a> ) by The Stock Exchange of Thailand ( <a href="#">SET</a> )	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 <b>SETESG inclusion</b> , verified data must be scored at a minimum of 50% for each indicator, unless the company is a part of DJSI during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality. <b>SETESG Index</b> 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.																			
<b>CG Score</b> by Thai Institute of Directors Association (Thai IOD)	An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.	Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (60-69), and not rated for scores below 50. Weightings include: 1) the rights; 2) and equitable treatment of shareholders (weight 25% combined); 3) the role of stakeholders (25%); 4) disclosure & transparency (15%); and 5) board responsibilities (35%).																			
<b>AGM level</b> By Thai Investors Association (TIA) with support from the SEC	It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). <i>(The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&amp;A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.)</i>	The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.																			
<a href="#">Thai CAC</a> By Thai Private Sector Collective Action Against Corruption (CAC)	The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. <i>(Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.)</i>	The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.																			
<a href="#">Morningstar Sustainabilitys</a>	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 &amp; peer reviews.</i>	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. <table><tr><th>NEGL</th><th>Low</th><th>Medium</th><th>High</th><th>Severe</th></tr><tr><td>0-10</td><td>10-20</td><td>20-30</td><td>30-40</td><td>40+</td></tr></table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+									
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<a href="#">ESG Book</a>	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.	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.																			
<a href="#">MSCI</a>	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. <table><tr><td><b>AAA</b></td><td>8.571-10.000</td><td rowspan="3"><b>Leader:</b></td><td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td></tr><tr><td><b>AA</b></td><td>7.143-8.570</td></tr><tr><td><b>A</b></td><td>5.714-7.142</td></tr><tr><td><b>BBB</b></td><td>4.286-5.713</td><td rowspan="3"><b>Average:</b></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><b>BB</b></td><td>2.857-4.285</td></tr><tr><td><b>B</b></td><td>1.429-2.856</td></tr><tr><td><b>CCC</b></td><td>0.000-1.428</td><td><b>Laggard:</b></td><td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td></tr></table>	<b>AAA</b>	8.571-10.000	<b>Leader:</b>	leading its industry in managing the most significant ESG risks and opportunities	<b>AA</b>	7.143-8.570	<b>A</b>	5.714-7.142	<b>BBB</b>	4.286-5.713	<b>Average:</b>	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	<b>BB</b>	2.857-4.285	<b>B</b>	1.429-2.856	<b>CCC</b>	0.000-1.428	<b>Laggard:</b>	lagging its industry based on its high exposure and failure to manage significant ESG risks
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<a href="#">Moody's ESG solutions</a>	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.																				
<a href="#">Refinitiv ESG rating</a>	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. <i>(Score ratings are 0 to 25 = poor; &gt;25 to 50 = satisfactory; &gt;50 to 75 = good; and &gt;75 to 100 = excellent.)</i>																				
<a href="#">S&amp;P Global</a>	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.																				
<b>Bloomberg</b>	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.																			
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.																			

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

Source: FSSIA's compilation



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Jitra Amornthum FSS International Investment Advisory Securities Co., Ltd

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Company	Ticker	Price	Rating	Valuation & Risks
Specialty Natural Products	SNPS TB	THB 5.60	BUY	Downside risks ต่อราคาเป้าหมายของเรา 1) ความเสี่ยงจากการถูกยกเลิกจากลูกค้าผู้ว่าจ้างผลิต 2) ความเสี่ยงจากการลงทุนในผลิตภัณฑ์ภายใต้ตราสินค้าของกลุ่มบริษัทฯ 3) การแข่งขันสูงขึ้น 4) ความเสี่ยงจากการจัดหาวัตถุดิบให้เพียงพอต่อความต้องการ

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 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.