

## SRINANAPORN MARKETING

THAILAND / FOOD &amp; BEVERAGE

## SNNP TB

BUY

UNCHANGED

## Maintaining profit as usual

- Expect 4Q24 profit to grow slightly q-q and y-y, driven by higher revenue domestically and from Vietnam.
- SNNP has completed the sales strategy adjustment in Vietnam.
- Waiting for greater growth in 2025.

TARGET PRICE	THB15.00
CLOSE	THB12.10
UP/DOWNSIDE	+24.0%
PRIOR TP	THB15.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	-

## Expect 4Q24 profit to grow slightly, but still reach a new high

We expect a 4Q24 net profit of THB168m (+2.9% q-q, +1.8% y-y). While growth is expected to be modest, it would still be a new high for SNNP. We anticipate 4Q24 total revenue to recover by 17% q-q, though it may remain flat y-y due to the high revenue base in Vietnam last year. SNNP adjusted its sales strategy and shortened the inventory turnover for distributors in Vietnam throughout 2024, partly to reduce trade receivables turnover. We expect snack revenue to recover q-q in line with the season and outperform beverages, which were affected by the cold weather in 4Q.

## Overall profit margin is unexciting, but performing well

We project the 4Q24 gross margin to remain high at 29.5%, improving from 29.2% in 4Q23 but slightly lower than 30% in 3Q24. Some raw material costs may rise, but overall, the margin remains strong. We anticipate that the 2024 gross margin will reach a new high of 29.5%, up from 28.6% in 2023. Total expenses in 4Q24 should increase q-q, driven mainly by marketing expenses. For the full year, we forecast a 2024 net profit of THB651m (+2.4% y-y), with revenue remaining flat y-y, below SNNP's target.

## The sales strategy adjustment in Vietnam has been completed

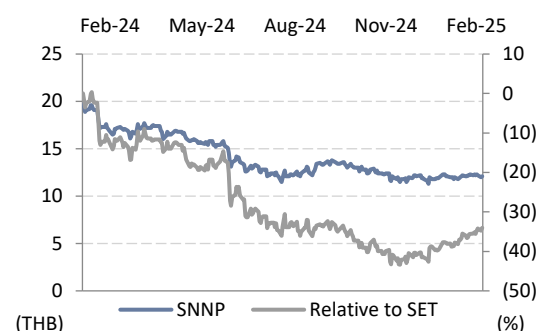
SNNP is currently setting its growth target for 2025. We initially expect revenue growth of 10.4% y-y, driven by a low base in 2024 and the completion of the sales strategy adjustment in Vietnam. We assume a return to y-y growth from 1Q25 onward, leading to more stable revenue. As for expansion into other countries such as the Philippines, South Korea, Malaysia, and Indonesia, we continue to assume gradual growth due to these being new markets. We maintain our 2025E net profit at THB725m (+11.4% y-y), although there may be a downside risk if the Excise Department imposes a sodium tax on the snack business by 2025.

## Maintain our TP of THB15

We maintain our TP at THB15 (based on a P/E of 20x), offering a 20% upside, and expect a dividend yield of c4% per year (paid semi-annually). SNNP has already repurchased 16.338 million shares (1.7% of total shares) at an average price of THB12/shr as of 3 February. There are still 23.66 million shares available for repurchase, with the repurchase program set to end on 20 June.

## KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	6,016	5,965	6,587	7,143
Net profit	636	651	725	799
EPS (THB)	0.66	0.68	0.76	0.83
vs Consensus (%)	-	(2.3)	(0.3)	(0.7)
EBITDA	1,002	1,033	1,141	1,256
Recurring net profit	636	651	725	799
Core EPS (THB)	0.66	0.68	0.76	0.83
Chg. In EPS est. (%)	-	(1.1)	(0.6)	(0.5)
EPS growth (%)	23.3	2.4	11.4	10.2
Core P/E (x)	18.3	17.8	16.0	14.5
Dividend yield (%)	4.0	4.1	4.6	4.8
EV/EBITDA (x)	12.3	11.7	10.5	9.5
Price/book (x)	3.6	3.5	3.4	3.2
Net debt/Equity (%)	12.3	5.2	2.1	(0.8)
ROE (%)	20.3	19.9	21.5	22.6



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	0.0	(2.4)	(37.6)
Relative to country (%)	6.4	9.7	(33.6)
Mkt cap (USD m)	338		
3m avg. daily turnover (USD m)	0.4		
Free float (%)	34		
Major shareholder	Chaisathaporn family (27%)		
12m high/low (THB)	19.80/10.90		
Issued shares (m)	960.00		

Sources: Bloomberg consensus; FSSIA estimates



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### Investment thesis

SNNP is a leader in the snacks and jelly market in Thailand. It has three famous brands, including Bento, Jele, and Lotus. SNNP sells in both Thailand and abroad. Its crucial export market is CLMV. At the end of 2023, domestic sales made the highest contribution at c73% of total revenue, followed by CLMV (20%) and others (7%).

We have a neutral view of SNNP’s short-term growth in 2024 due to sluggish consumer demand. However, SNNP is preparing to launch more marketing campaigns through modern trade channels in 2H24, in addition to introducing more new products. Aside from that, if the company is successful in new markets such as the Philippines, South Korea, and China, these could be new growth drivers for SNNP in the future, providing upside potential to our earnings estimates for 2025-26.

### Company profile

SNNP was founded in 1972 under the name of Sri Viwat. The company has been a manufacturer and distributor of snack foods for more than 30 years. It has many product categories with a lot of variety, such as jelly, fruit juice with carrageenan and konjac powder, fish and squid products, fruit and herb drinks, etc.

[www.snnp.co.th](http://www.snnp.co.th)

### Principal activities (revenue, 2023)

Activity	Percentage
Beverage	43.4 %
Snack	56.6 %

Source: Srinanaporn Marketing

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### Major shareholders

Shareholder	Percentage
Chaisathaporn family	26.9 %
Kraipisitkul family	16.8 %
Ascend I. Holding Company Limited	14.3 %
Concord I. Capital Limited	5.1 %
Others	36.9 %

Source: Srinanaporn Marketing

### Catalysts

Potential catalysts for SNNP’s earnings growth in 2025 are 1) domestic revenue growth, driven by new products; 2) overseas revenue growth, driven by its new plant and a channel expansion in Vietnam; and 3) a higher gross margin, supported by a higher utilization rate.

### Risks to our call

Downside risks to our P/E-based TP include 1) a slower-than-expected consumption recovery; 2) a potential rise in raw material costs; 3) a slower-than-expected capacity expansion; and 4) unsuccessful new products.

### Event calendar

Date	Event
February 2025	4Q24 results announcement

### Key assumptions

	2024E	2025E	2026E
Domestic revenue (THB m)	4,675	5,143	5,554
Overseas revenue (THB m)	1,290	1,445	1,589
Total revenue (THB m)	5,965	6,587	7,143
Total revenue growth (%)	(0.8)	10.4	8.4
Gross margin (%)	29.5	29.4	29.5
SG&A to sales (%)	16.1	16.0	16.0

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 3.8%, and vice versa, all else being equal.
- For every 0.2% increase in SG&A, we estimate 2025 net profit to fall by 1.6%, and vice versa, all else being equal.

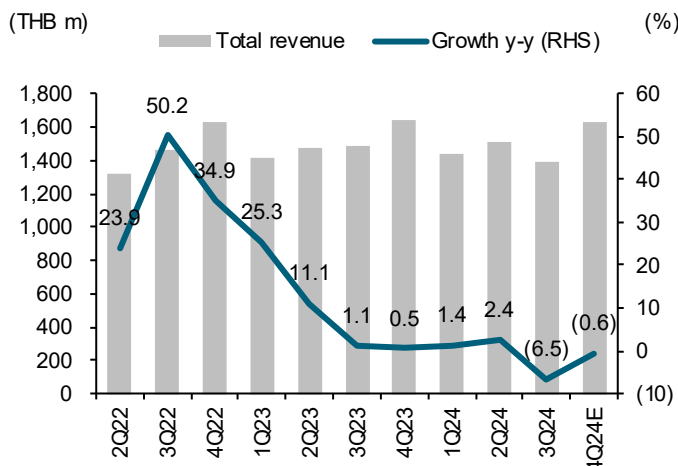
Source: FSSIA estimates

## Exhibit 1: SNNP – 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%)
Total revenue	1,640	1,440	1,505	1,390	1,630	17.3	(0.6)	6,016	5,965	(0.8)
Cost of sales	1,161	1,015	1,070	972	1,149	18.2	(1.0)	4,298	4,206	(2.1)
Gross profit	479	425	436	417	481	15.3	0.4	1,718	1,759	2.4
SG&A	271	236	238	220	264	19.9	(2.5)	925	958	3.6
Operating profit	212	207	204	205	222	8.3	4.5	826	838	1.4
Interest expense	3.02	1.79	3.33	4.46	5.00	12.2	65.5	8	15	91.3
Tax expense	33	40	33	29	43	47.0	29.4	152	144	(4.9)
Profit (loss) sharing	(10)	(9)	(8)	(6)	(3)	nm	nm	(35)	(26)	nm
Reported net profit	165	158	162	163	168	2.9	1.8	636	651	2.4
Core profit	165	158	162	163	168	2.9	1.8	636	651	2.4
<b>Key Ratios (%)</b>						<b>(ppt)</b>	<b>(ppt)</b>			
Gross margin	29.2	29.5	28.9	30.0	29.5	(0.5)	0.3	28.6	29.5	0.9
SG&A to sales	16.5	16.4	15.8	15.8	16.2	0.4	(0.3)	15.4	16.1	0.7
Operating margin	12.9	14.4	13.6	14.7	13.6	(1.1)	0.7	13.7	14.0	0.3
Net margin	10.1	10.9	10.8	11.8	10.3	(1.4)	0.2	10.6	10.9	0.3
Core margin	10.1	10.9	10.8	11.8	10.3	(1.4)	0.2	10.6	10.9	0.3
<b>Operating statistics (THB m)</b>										
Domestic revenue	1,110	1,092	1,147	1,157	1,280	10.7	15.4	4,392	4,675	6.4
Overseas revenue	530	348	358	233	350	50.2	(34.0)	1,624	1,290	(20.6)
Vietnam revenue	289	160	171	48	150	212.5	(48.1)	784	529	(32.5)
Snack revenue	992	759	736	782	987	26.3	(0.5)	3,403	3,264	(4.1)
Beverage revenue	648	681	769	608	643	5.7	(0.8)	2,613	2,700	3.3

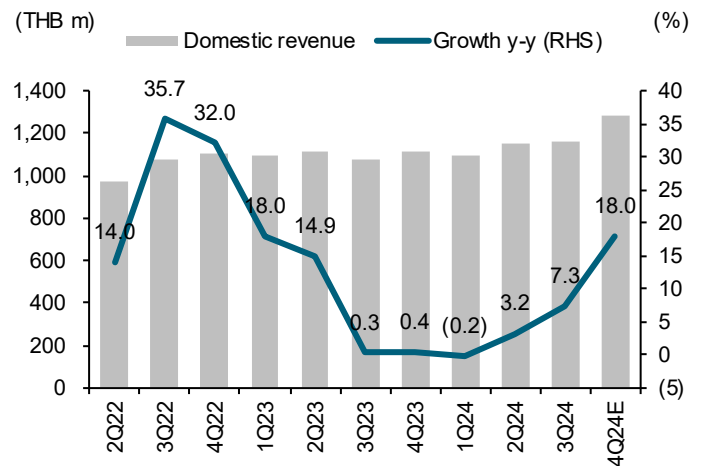
Sources: SNNP, FSSIA estimates

## Exhibit 2: Quarterly total revenue and growth

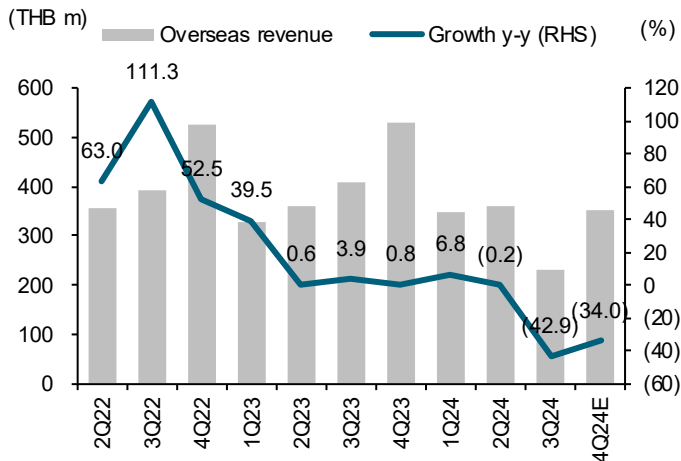


Sources: SNNP, FSSIA estimates

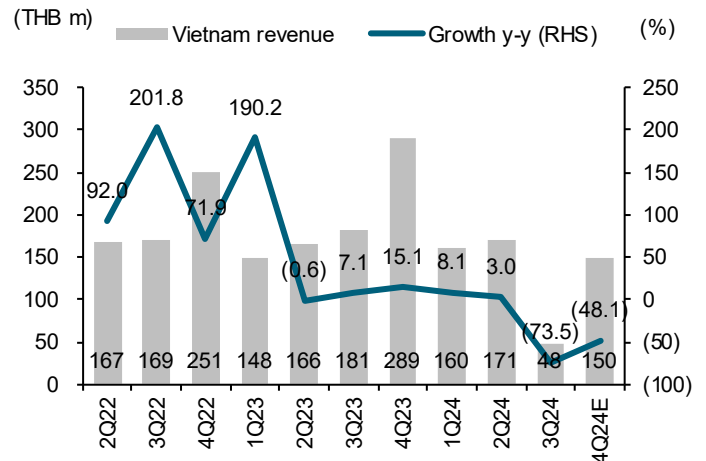
## Exhibit 3: Quarterly domestic revenue and growth



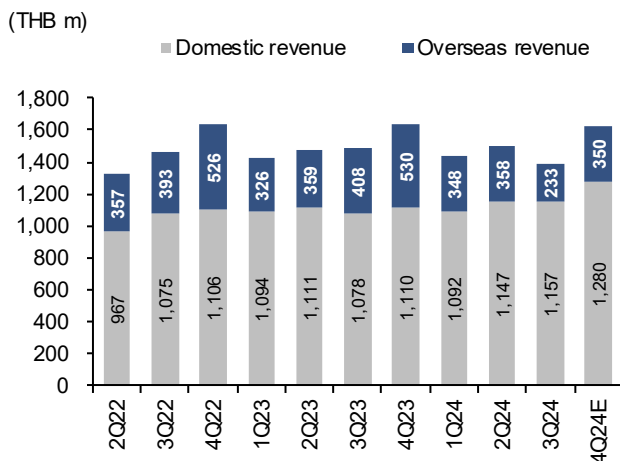
Sources: SNNP, FSSIA estimates

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

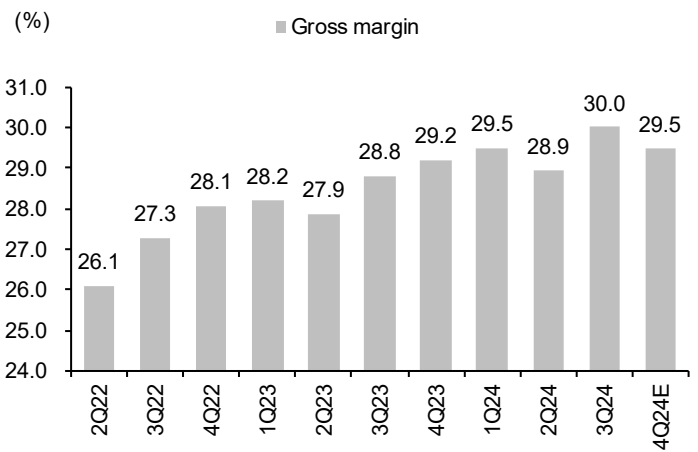
Sources: SNNP, FSSIA estimates

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

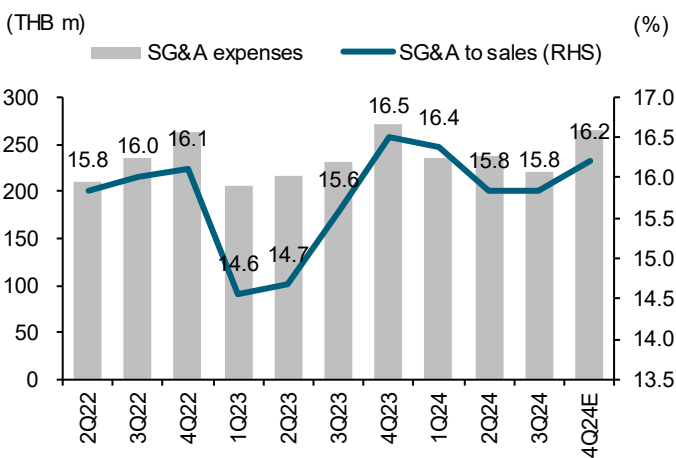
Sources: SNNP, FSSIA estimates

**Exhibit 6: Quarterly revenue breakdown by destination**

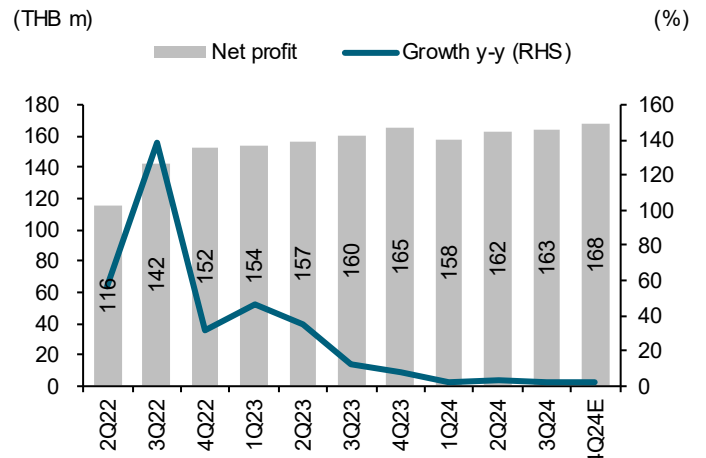
Sources: SNNP, FSSIA estimates

**Exhibit 7: Quarterly gross margin**

Sources: SNNP, FSSIA estimates

**Exhibit 8: Quarterly SG&A to sales**

Sources: SNNP, FSSIA estimates

**Exhibit 9: Quarterly net profit and growth**

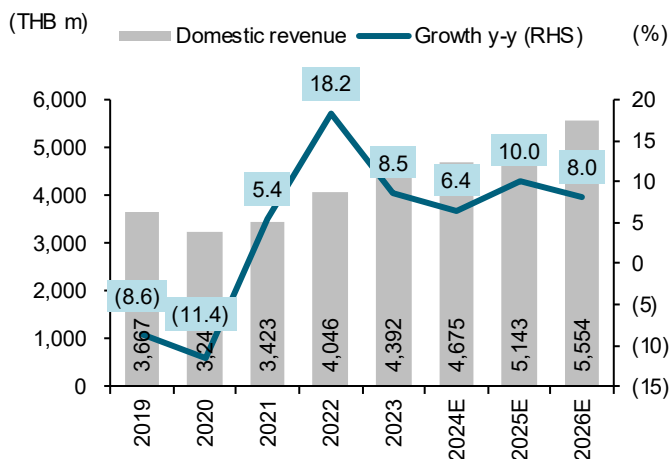
Sources: SNNP, FSSIA estimates

## Exhibit 10: Changes in key assumptions for SNNP

	Current			Previous			Change		
	2024E (THB m)	2025E (THB m)	2026E (THB m)	2024E (THB m)	2025E (THB m)	2026E (THB m)	2024E (%)	2025E (%)	2024E (%)
Total sales value (THB m)	5,965	6,587	7,143	6,001	6,625	7,182	(0.6)	(0.6)	(0.5)
Costs	4,206	4,651	5,036	4,243	4,678	5,063	(0.9)	(0.6)	(0.5)
Gross profit	1,759	1,937	2,107	1,758	1,948	2,119	0.0	(0.6)	(0.5)
SG&A expense	958	1,054	1,143	948	1,060	1,149	1.1	(0.6)	(0.5)
Profit (loss) sharing	(26)	(20)	(14)	(30)	(20)	(14)	nm	nm	nm
Interest expense	15	10	8	12	10	8	24.4	0.0	0.0
Reported net profit	651	725	799	658	730	803	(1.1)	(0.6)	(0.5)
Core profit	651	725	799	658	730	803	(1.1)	(0.6)	(0.5)
<b>Key ratios (%)</b>									
Total revenue growth	(0.8)	10.4	8.4	(0.2)	10.4	8.4	(0.6)	0.0	0.0
Net profit growth	2.4	11.4	10.2	3.5	10.8	10.1	(1.1)	0.6	0.0
Core profit growth	2.4	11.4	10.2	3.5	10.8	10.1	(1.1)	0.6	0.0
Gross margin	29.5	29.4	29.5	29.3	29.4	29.5	0.2	0.0	0.0
SG&A to sales	16.1	16.0	16.0	15.8	16.0	16.0	0.3	0.0	0.0
Net margin	10.9	11.0	11.2	11.0	11.0	11.2	(0.1)	(0.0)	(0.0)
Core margin	10.9	11.0	11.2	11.0	11.0	11.2	(0.1)	(0.0)	(0.0)
<b>Operating statistics (THB m)</b>									
Domestic revenue (THB m)	4,675	5,143	5,554	4,810	5,291	5,714	(2.8)	(2.8)	(2.8)
Overseas revenue (THB m)	1,290	1,445	1,589	1,192	1,335	1,468	8.2	8.2	8.2
Vietnam revenue (THB m)	529	582	640	576	634	697	(8.2)	(8.2)	(8.2)

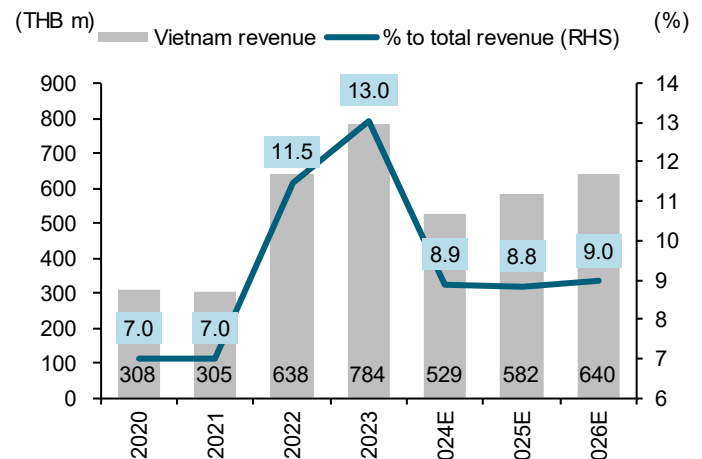
Source: FSSIA estimates

## Exhibit 11: Yearly domestic revenue and growth

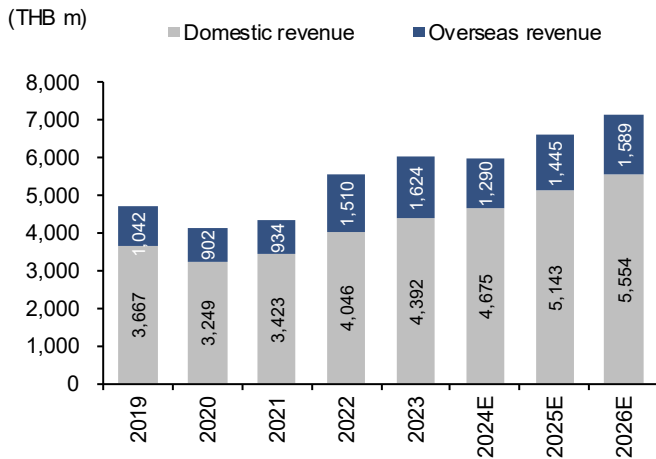


Sources: SNNP, FSSIA estimates

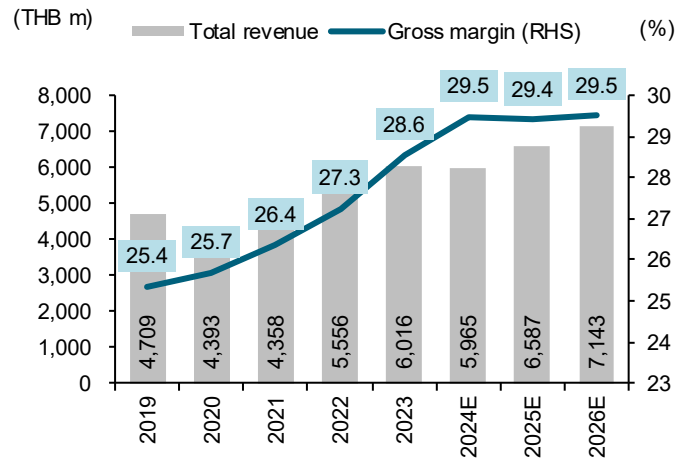
## Exhibit 12: Yearly Vietnam revenue and growth



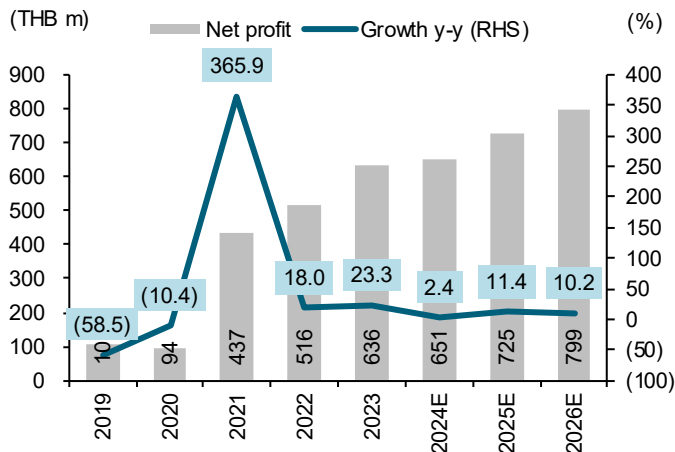
Sources: SNNP, FSSIA estimates

**Exhibit 13: Yearly revenue breakdown by destination**

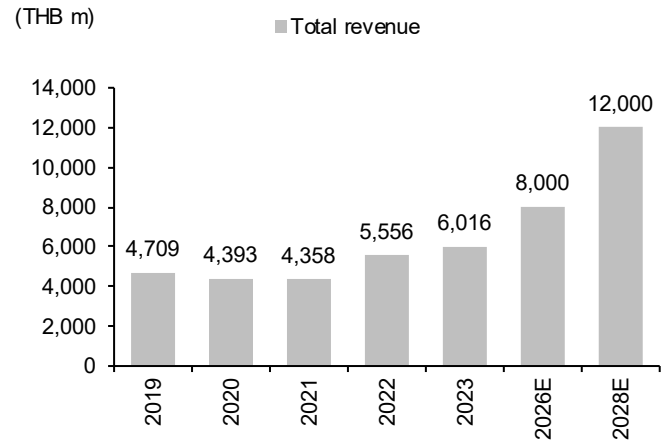
Sources: SNNP, FSSIA estimates

**Exhibit 14: Yearly total revenue and gross margin**

Sources: SNNP, FSSIA estimates

**Exhibit 15: Yearly net profit and growth**

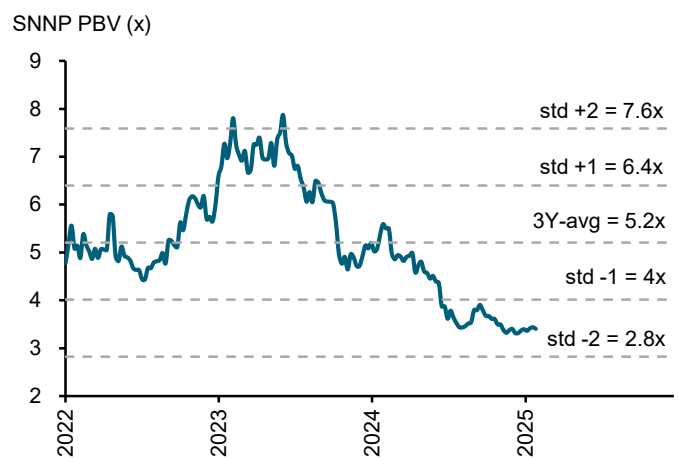
Sources: SNNP, FSSIA estimates

**Exhibit 16: SNNP's total revenue target**

Sources: SNNP, FSSIA's compilation

**Exhibit 17: Historical P/E band**

Sources: Bloomberg, FSSIA estimates

**Exhibit 18: Historical P/BV band**

Sources: Bloomberg, FSSIA estimates

## Financial Statements

### Srinanaporn Marketing

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	5,556	6,016	5,965	6,587	7,143
Cost of goods sold	(4,042)	(4,298)	(4,206)	(4,651)	(5,036)
<b>Gross profit</b>	<b>1,514</b>	<b>1,718</b>	<b>1,759</b>	<b>1,937</b>	<b>2,107</b>
Other operating income	48	34	38	43	46
Operating costs	(886)	(925)	(958)	(1,054)	(1,143)
<b>Operating EBITDA</b>	<b>835</b>	<b>1,002</b>	<b>1,033</b>	<b>1,141</b>	<b>1,256</b>
Depreciation	(159)	(175)	(195)	(215)	(245)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>676</b>	<b>826</b>	<b>838</b>	<b>926</b>	<b>1,011</b>
Net financing costs	(2)	(8)	(15)	(10)	(8)
Associates	(25)	(35)	(26)	(20)	(14)
Recurring non-operating income	(25)	(35)	(26)	(20)	(14)
Non-recurring items	0	0	0	0	0
<b>Profit before tax</b>	<b>649</b>	<b>784</b>	<b>797</b>	<b>896</b>	<b>988</b>
Tax	(137)	(152)	(144)	(175)	(193)
<b>Profit after tax</b>	<b>512</b>	<b>632</b>	<b>653</b>	<b>721</b>	<b>796</b>
Minority interests	4	4	(2)	4	4
Preferred dividends	0	0	0	0	0
Other items	0	0	0	0	0
<b>Reported net profit</b>	<b>516</b>	<b>636</b>	<b>651</b>	<b>725</b>	<b>799</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>516</b>	<b>636</b>	<b>651</b>	<b>725</b>	<b>799</b>
<b>Per share (THB)</b>					
Recurring EPS *	0.54	0.66	0.68	0.76	0.83
Reported EPS	0.54	0.66	0.68	0.76	0.83
DPS	0.41	0.48	0.50	0.55	0.58
Diluted shares (used to calculate per share data)	960	960	960	960	960
<b>Growth</b>					
Revenue (%)	27.5	8.3	(0.8)	10.4	8.4
Operating EBITDA (%)	35.1	20.0	3.1	10.4	10.1
Operating EBIT (%)	51.9	22.2	1.4	10.5	9.2
Recurring EPS (%)	67.2	23.3	2.4	11.4	10.2
Reported EPS (%)	18.0	23.3	2.4	11.4	10.2
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	27.3	28.6	29.5	29.4	29.5
Gross margin exc. depreciation (%)	30.1	31.5	32.8	32.7	32.9
Operating EBITDA margin (%)	15.0	16.7	17.3	17.3	17.6
Operating EBIT margin (%)	12.2	13.7	14.0	14.1	14.2
Net margin (%)	9.3	10.6	10.9	11.0	11.2
Effective tax rate (%)	21.1	19.3	18.1	19.5	19.5
Dividend payout on recurring profit (%)	76.3	72.8	73.0	73.0	70.0
Interest cover (X)	389.1	103.9	55.7	92.6	121.7
Inventory days	51.4	56.8	56.2	54.9	55.6
Debtor days	89.1	105.6	107.9	92.8	91.3
Creditor days	100.3	103.0	95.9	89.9	91.0
Operating ROIC (%)	17.9	19.1	18.6	21.0	22.3
ROIC (%)	15.6	16.6	16.4	18.5	19.9
ROE (%)	17.5	20.3	19.9	21.5	22.6
ROA (%)	11.1	12.4	12.8	13.8	14.6

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

Revenue by Division (THB m)	2022	2023	2024E	2025E	2026E
Beverage	2,434	2,613	2,700	2,971	3,225
Snack	3,123	3,403	3,265	3,616	3,918
Distribution other product					

Sources: Srinanaporn Marketing; FSSIA estimates



## Financial Statements

### Srinanaporn Marketing

Cash Flow (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Recurring net profit	516	636	651	725	799
Depreciation	159	175	195	215	245
Associates & minorities	25	35	26	20	14
Other non-cash items	4	(12)	0	26	23
Change in working capital	(307)	(428)	185	(32)	(103)
<b>Cash flow from operations</b>	<b>397</b>	<b>406</b>	<b>1,058</b>	<b>954</b>	<b>979</b>
Capex - maintenance	-	-	-	-	-
Capex - new investment	(227)	(262)	(270)	(300)	(300)
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	(171)	45	(94)	(32)	(25)
<b>Cash flow from investing</b>	<b>(398)</b>	<b>(217)</b>	<b>(364)</b>	<b>(332)</b>	<b>(325)</b>
Dividends paid	(307)	(444)	(475)	(530)	(559)
Equity finance	0	0	0	0	0
Debt finance	276	192	(130)	(87)	(45)
Other financing cash flows	4	2	21	16	14
<b>Cash flow from financing</b>	<b>(28)</b>	<b>(250)</b>	<b>(584)</b>	<b>(601)</b>	<b>(591)</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>(29)</b>	<b>(61)</b>	<b>110</b>	<b>21</b>	<b>63</b>
Free cash flow to firm (FCFF)	0.16	196.67	708.71	631.45	661.52
Free cash flow to equity (FCFE)	277.89	382.65	585.73	550.22	621.85
<b>Per share (THB)</b>					
FCFF per share	0.00	0.20	0.74	0.66	0.69
FCFE per share	0.29	0.40	0.61	0.57	0.65
Recurring cash flow per share	0.73	0.87	0.91	1.03	1.13
Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Tangible fixed assets (gross)	3,600	3,600	3,800	4,000	4,300
Less: Accumulated depreciation	(1,324)	(1,260)	(1,456)	(1,671)	(1,917)
<b>Tangible fixed assets (net)</b>	<b>2,276</b>	<b>2,339</b>	<b>2,344</b>	<b>2,328</b>	<b>2,383</b>
<b>Intangible fixed assets (net)</b>	<b>21</b>	<b>18</b>	<b>18</b>	<b>18</b>	<b>18</b>
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	275	242	242	242	242
Cash & equivalents	133	72	182	203	265
A/C receivable	1,587	1,894	1,634	1,714	1,859
Inventories	681	602	634	701	759
Other current assets	1	8	8	9	9
<b>Current assets</b>	<b>2,402</b>	<b>2,575</b>	<b>2,458</b>	<b>2,627</b>	<b>2,893</b>
Other assets	96	51	119	132	143
<b>Total assets</b>	<b>5,069</b>	<b>5,225</b>	<b>5,181</b>	<b>5,347</b>	<b>5,679</b>
Common equity	3,049	3,218	3,324	3,420	3,660
Minorities etc.	257	244	245	270	293
<b>Total shareholders' equity</b>	<b>3,306</b>	<b>3,463</b>	<b>3,569</b>	<b>3,690</b>	<b>3,953</b>
Long term debt	242	264	184	104	97
Other long-term liabilities	126	128	149	165	179
<b>Long-term liabilities</b>	<b>368</b>	<b>392</b>	<b>334</b>	<b>269</b>	<b>276</b>
A/C payable	1,256	1,070	1,037	1,147	1,242
Short term debt	62	232	182	175	137
Other current liabilities	76	69	60	66	71
<b>Current liabilities</b>	<b>1,395</b>	<b>1,370</b>	<b>1,279</b>	<b>1,388</b>	<b>1,450</b>
<b>Total liabilities and shareholders' equity</b>	<b>5,069</b>	<b>5,225</b>	<b>5,181</b>	<b>5,347</b>	<b>5,679</b>
Net working capital	936	1,364	1,179	1,211	1,314
Invested capital	3,604	4,015	3,902	3,931	4,100
* Includes convertibles and preferred stock which is being treated as debt					
<b>Per share (THB)</b>					
Book value per share	3.18	3.35	3.46	3.56	3.81
Tangible book value per share	3.15	3.33	3.44	3.54	3.79
<b>Financial strength</b>					
Net debt/equity (%)	5.2	12.3	5.2	2.1	(0.8)
Net debt/total assets (%)	3.4	8.1	3.6	1.4	(0.6)
Current ratio (x)	1.7	1.9	1.9	1.9	2.0
CF interest cover (x)	303.0	85.6	59.7	87.9	113.6
Valuation	2022	2023	2024E	2025E	2026E
<b>Recurring P/E (x) *</b>	<b>22.5</b>	<b>18.3</b>	<b>17.8</b>	<b>16.0</b>	<b>14.5</b>
<b>Recurring P/E @ target price (x) *</b>	<b>27.9</b>	<b>22.6</b>	<b>22.1</b>	<b>19.9</b>	<b>18.0</b>
Reported P/E (x)	22.5	18.3	17.8	16.0	14.5
Dividend yield (%)	3.4	4.0	4.1	4.6	4.8
Price/book (x)	3.8	3.6	3.5	3.4	3.2
Price/tangible book (x)	3.8	3.6	3.5	3.4	3.2
EV/EBITDA (x) **	14.4	12.3	11.7	10.5	9.5
EV/EBITDA @ target price (x) **	17.8	15.0	14.4	12.9	11.7
EV/invested capital (x)	3.3	3.1	3.1	3.0	2.9
* Pre-exceptional, pre-goodwill and fully diluted    ** EBITDA includes associate income and recurring non-operating income					

Sources: Srinanaporn Marketing; 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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0-10	10-20	20-30	30-40	40+																	
<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

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Sureporn Teewasuwet FSS International Investment Advisory Securities Co., Ltd

The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed herein.

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History of change in investment rating and/or target price

Srinaporn Marketing (SNNP TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
22-Feb-2022	BUY	20.00	17-Oct-2023	BUY	21.00	16-Jul-2024	BUY	15.50
31-Oct-2022	BUY	25.00	01-Feb-2024	BUY	22.00	09-Sep-2024	BUY	17.40
13-Feb-2023	BUY	29.00	10-Jun-2024	BUY	19.00	24-Oct-2024	BUY	15.00

Sureporn Teewasuwet started covering this stock from 13-Feb-2023

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Srinaporn Marketing	SNNP TB	THB 12.10	BUY	Downside risks to our P/E-based TP include 1) a slower-than-expected consumption recovery; 2) a potential rise in raw material costs; 3) a slower-than-expected capacity expansion; and 4) unsuccessful new products.

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 04-Feb-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.