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4Q24 results at first glance

กำไร 4Q24 ต่ำกว่าที่เราคาด 25% จากค่าใช้จ่ายที่สูงเกินคาด

Highlights

- SAPPE รายงานกำไรสุทธิ 4Q24 อยู่ที่ 189 ลบ. (-37% q-q, +13% y-y) ต่ำกว่าที่เราคาดถึง 25% จากค่าใช้จ่ายการขายที่สูงกว่าคาดเป็นหลัก ทั้งนี้ค่าใช้จ่ายดังกล่าวกระโดดเพิ่ม 57 ลบ. หรือ 20% ซึ่งทำให้สัดส่วนค่าใช้จ่ายการขายและบริหารต่อยอดขายพุ่งทำสถิติสูงสุดในรอบ 12 ไตรมาสที่ 34.5% (เราคาดไว้ที่ 29%)
- ค่าใช้จ่ายที่สูงเกินคาดมีปัจจัยผลักดันสำคัญจากค่าใช้จ่ายการตลาดโดยเฉพาะในต่างประเทศ ค่าใช้จ่ายรายไตรมาสในปี 2024 เติบโตตามรูปแบบเดิมในปี 2023 ซึ่งโดยปกติค่าใช้จ่ายจะแตะระดับสูงสุดใน 4Q จากค่าการตลาดของผู้จัดจำหน่ายในต่างประเทศซึ่งมักจะกระจุกอยู่ในช่วงท้ายปี
- รายได้รวมลดลง 12% q-q แต่สูงขึ้น 14% y-y ใน 4Q24 โดยมีตัวเลขลดลงในทุกประเทศ ยกเว้นตะวันออกกลางซึ่งการดำเนินงานของท่าเรือและการส่งสินค้าปรับตัวดีขึ้น รายได้จากสหภาพยุโรปลดลงแรงเหลือ 102 ลบ. (-64% q-q, -59% y-y) จากการล้างสินค้าคงคลังของผู้จัดจำหน่ายที่ยอดขายต่ำกว่าคาดจากสภาพอากาศที่หนาวเย็นและแผนการตลาดที่ไม่ประสบความสำเร็จเป็นบางส่วน
- อัตรากำไรขั้นต้นยังทรงตัวอยู่ในเกณฑ์ที่ดีที่ 46.4% สูงขึ้นจาก 46% ใน 3Q24 และ 45.3% ใน 4Q23 โดยมีปัจจัยผลักดันจากการบริหารต้นทุนอย่างมีประสิทธิภาพและต้นทุนค่าบรรจุภัณฑ์ที่ลดลง
- อัตรากำไรใน 4Q24 ลดลงเหลือ 14% จากปกติที่ 20% เนื่องจากบริษัท ได้รับสิทธิประโยชน์ทางภาษีจาก BOI สำหรับสายการผลิตใหม่ตั้งแต่ 3Q24
- ณ สิ้นปี 2024 SAPPE รายงานรายได้รวมโต 12% y-y ต่ำกว่าเป้าหมายของบริษัท ที่ 15-20% พร้อมกำไรสุทธิอยู่ที่ 1.25 พัน ลบ. (+17% y-y)

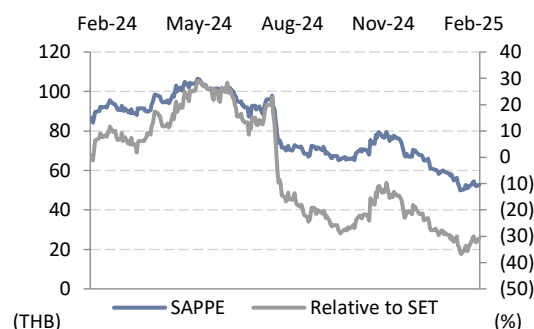
Outlook

- เราคาดว่ากำไรสุทธิใน 1Q25 จะฟื้นตัว q-q เนื่องจากโดยปกติบริษัท จะได้รับคำสั่งซื้อจากอินโดนีเซียและตะวันออกกลางเพิ่มขึ้นก่อนเทศกาลรอมฎอน อย่างไรก็ตามเราจำเป็นต้องจับตาการฟื้นตัวของตลาดในสหภาพยุโรปและเกาหลีใต้
- อัตรากำไรในช่วง 1H25 จะยังลดลงเช่นเดียวกับใน 4Q24 พร้อมโอกาสที่จะลดลงได้อีกในช่วง 2H25 ถ้าบริษัท สามารถเดินการผลิตในโรงงานใหม่ได้ตามแผนในช่วงปลาย 2Q25 เนื่องจากจะได้ประโยชน์จากสิทธิประโยชน์ทางภาษีจาก BOI ด้วย

TARGET PRICE	THB83.00
CLOSE	THB52.75
UP/DOWNSIDE	+57.3%
PRIOR TP	THB83.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+3.5%

KEY STOCK DATA

YE Dec (THB m)	2024	2025E	2026E	2027E
Revenue	6,775	7,325	7,974	8,386
Net profit	1,253	1,382	1,557	1,729
EPS (THB)	4.06	4.48	5.05	5.61
vs Consensus (%)	-	8.3	10.5	9.2
EBITDA	1,785	1,935	2,140	2,276
Recurring net profit	1,233	1,382	1,557	1,729
Core EPS (THB)	4.00	4.48	5.05	5.61
Chg. In EPS est. (%)	nm	(2.9)	(2.9)	nm
EPS growth (%)	13.7	12.1	12.7	11.0
Core P/E (x)	13.2	11.8	10.4	9.4
Dividend yield (%)	5.8	6.4	7.2	8.0
EV/EBITDA (x)	8.2	7.8	7.0	6.5
Price/book (x)	3.7	3.5	3.2	2.9
Net debt/Equity (%)	(38.4)	(27.3)	(26.3)	(29.7)
ROE (%)	30.0	30.4	31.7	32.5



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(10.6)	(33.6)	(38.8)
Relative to country (%)	(2.0)	(22.3)	(30.8)
Mkt cap (USD m)	485		
3m avg. daily turnover (USD m)	1.6		
Free float (%)	25		
Major shareholder	Ruckariyapong Family (65%)		
12m high/low (THB)	107.50/48.50		
Issued shares (m)	308.29		

Sources: Bloomberg consensus; FSSIA estimates



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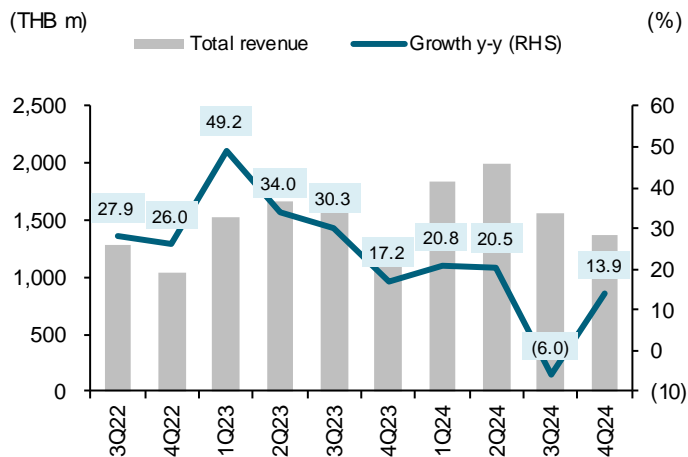
บทวิเคราะห์ฉบับนี้แปลมาจากต้นฉบับภาษาอังกฤษ ที่ออกรายงานเมื่อวันที่ 25 กุมภาพันธ์ 2025

Exhibit 1: SAPPE – 4Q24 results summary

	4Q23	1Q24	2Q24	3Q24	4Q24	----- Change -----		2023	2024	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)
Sales	1,209	1,836	1,996	1,566	1,377	(12.1)	13.9	6,053	6,775	11.9
Cost of sales	661	991	1,056	846	739	(12.7)	11.8	3,341	3,632	8.7
Gross profit	548	845	940	720	638	(11.3)	16.5	2,711	3,144	16.0
SG&A	403	459	499	422	475	12.4	17.8	1,499	1,854	23.7
Operating profit	189	455	505	367	221	(39.7)	17.2	1,358	1,548	13.9
Other income	43	68	64	69	57	(16.9)	32.3	146	258	77.0
Interest expense	0.61	0.57	0.53	0.50	0.46	(6.5)	(23.5)	3	2	(19.6)
Tax expense	43	90	104	73	31	(57.6)	(28.5)	275	298	8.4
Profit (loss) sharing	1	2	(1)	(0)	(3)	nm	nm	(20)	(1)	nm
Reported net profit	168	352	411	300	189	(37.0)	12.6	1,074	1,253	16.6
Core profit	151	365	399	289	180	(37.5)	19.6	1,085	1,233	13.7
Key ratios (%)						(ppt)	(ppt)			
Gross margin	45.3	46.0	47.1	46.0	46.4	0.4	1.0	44.8	46.4	1.6
SG&A to sales	33.3	25.0	25.0	26.9	34.5	7.5	1.1	24.8	27.4	2.6
Operating margin	15.6	24.8	25.3	23.4	16.1	(7.4)	0.5	22.4	22.8	0.4
Net margin	13.9	19.2	20.6	19.2	13.7	(5.4)	(0.2)	17.7	18.5	0.7
Core margin	12.5	19.9	20.0	18.4	13.1	(5.3)	0.6	17.9	18.2	0.3
Operating statistics (THB m)										
Domestic revenue	288	313	338	372	350	(6.0)	21.6	1,156	1,369	18.4
Overseas revenue	921	1,523	1,658	1,194	1,027	(14.0)	11.5	4,896	5,407	10.4
Asia	489	728	669	586	545	(6.9)	11.6	2,398	2,527	5.4
Europe	246	367	508	282	102	(63.9)	(58.5)	1,414	1,260	(10.9)
America	89	90	127	138	91	(34.1)	1.8	325	447	37.7
Middle East and others	98	338	355	188	289	53.9	195.7	759	1,172	54.4

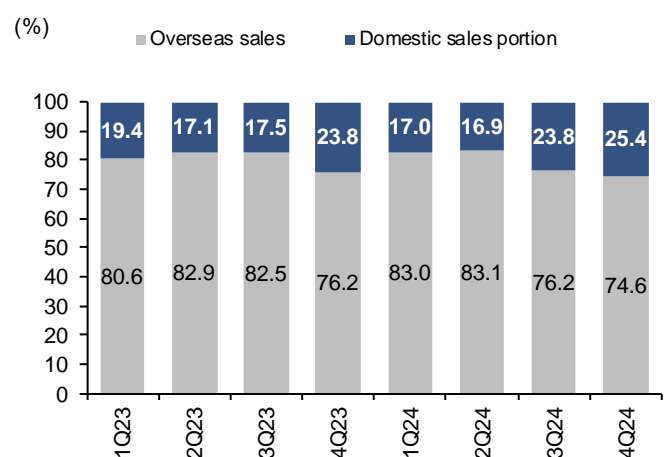
Sources: SAPPE; FSSIA's compilation

Exhibit 2: Total revenue and growth

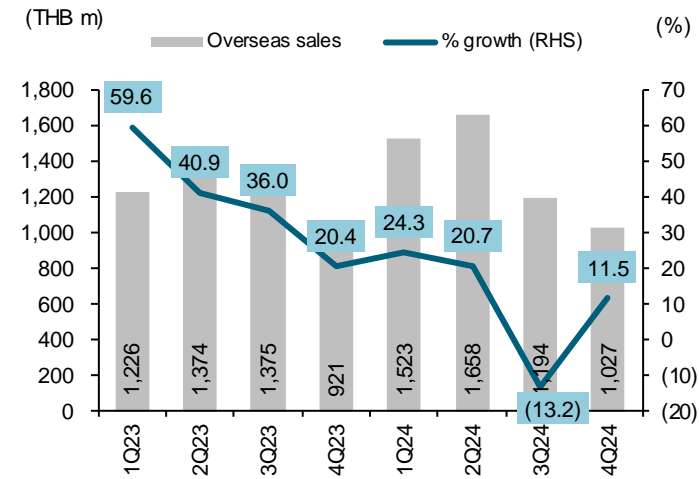


Sources: SAPPE, FSSIA's compilation

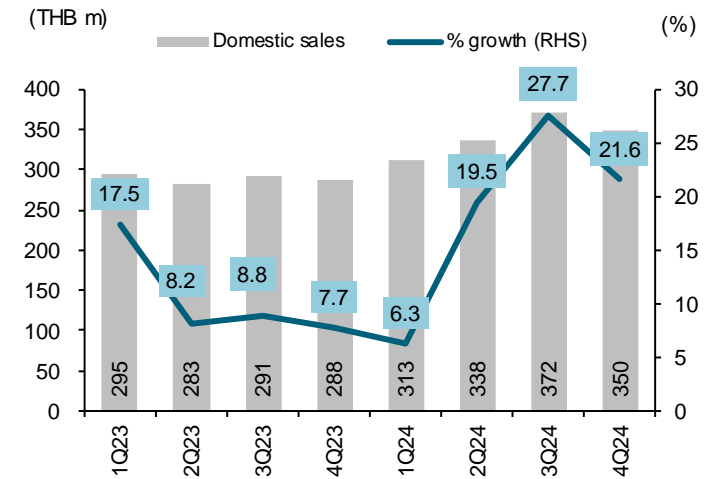
Exhibit 3: Revenue breakdown by destination



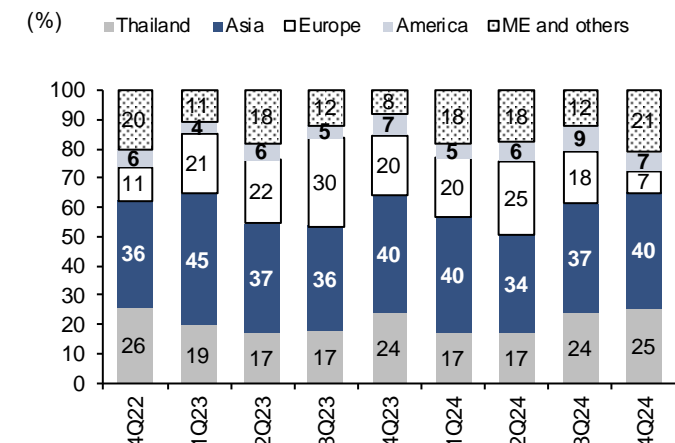
Sources: SAPPE, FSSIA's compilation

Exhibit 4: Revenue from overseas and growth


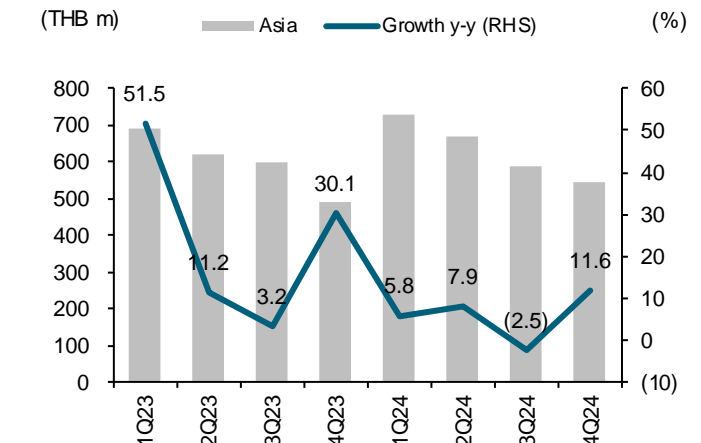
Sources: SAPPE, FSSIA's compilation

Exhibit 5: Revenue from domestic and growth


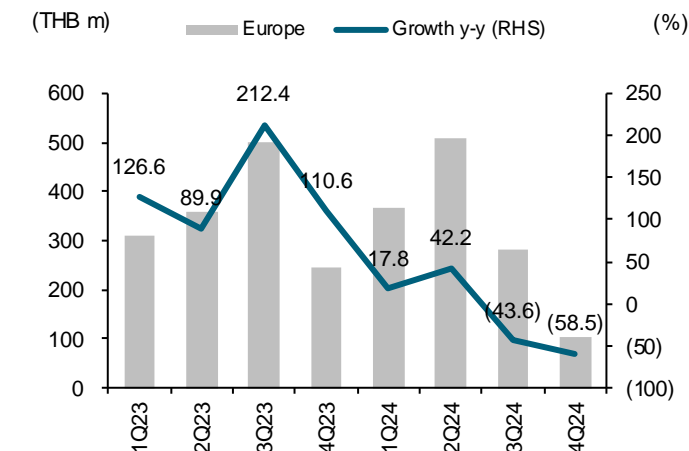
Sources: SAPPE, FSSIA's compilation

Exhibit 6: Revenue breakdown by region


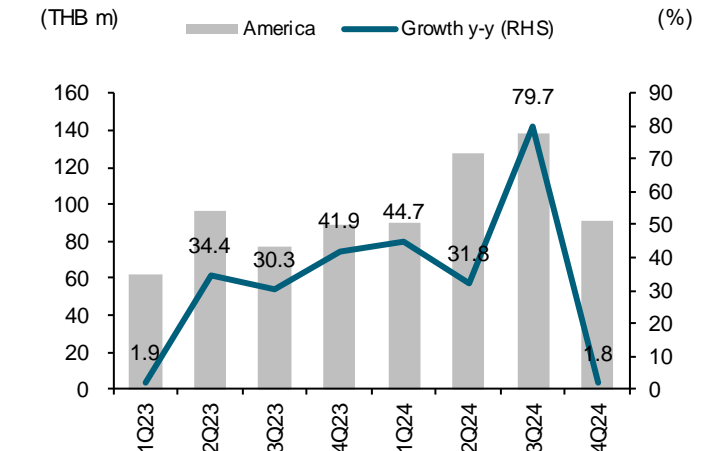
Sources: SAPPE, FSSIA's compilation

Exhibit 7: Revenue from Asia and growth


Sources: SAPPE, FSSIA's compilation

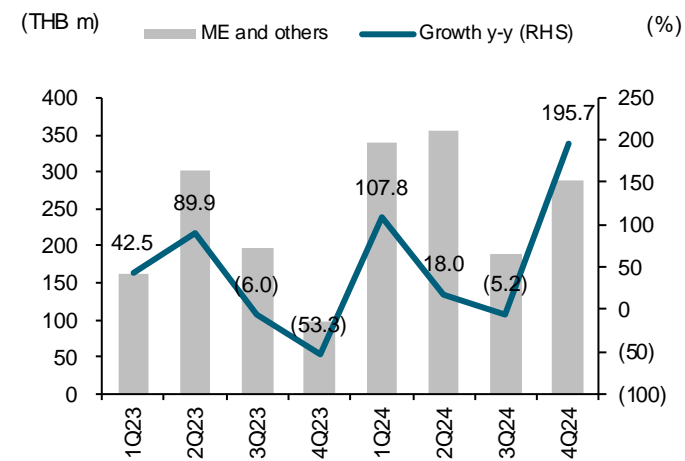
Exhibit 8: Revenue from Europe and growth


Sources: SAPPE, FSSIA's compilation

Exhibit 9: Revenue from America and growth


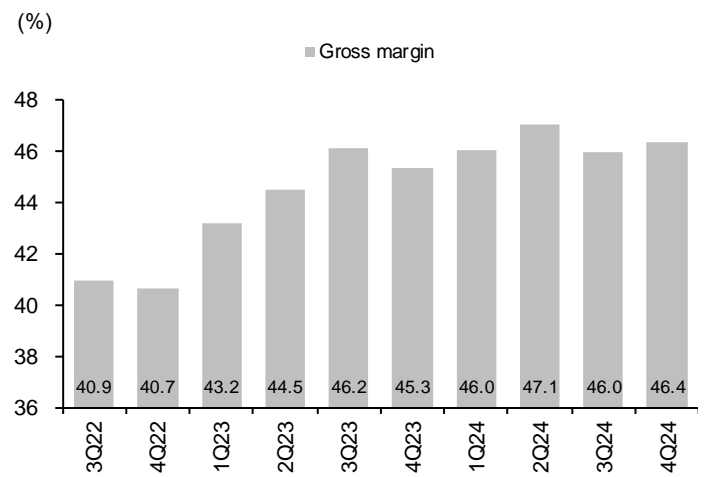
Sources: SAPPE, FSSIA's compilation

Exhibit 10: Revenue from Middle East and others



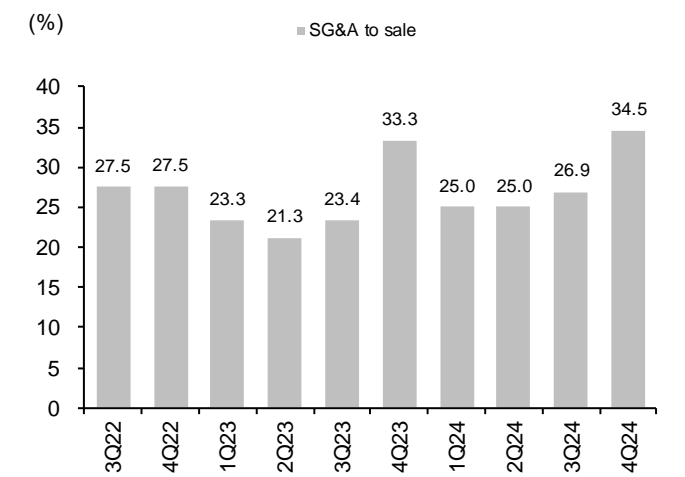
Sources: SAPPE, FSSIA's compilation

Exhibit 11: Gross margin



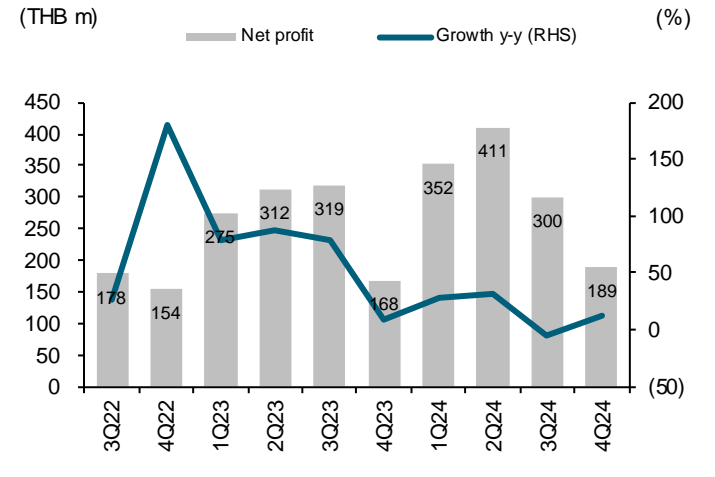
Sources: SAPPE, FSSIA's compilation

Exhibit 12: SG&A to sales



Sources: SAPPE, FSSIA's compilation

Exhibit 13: Net profit and growth



Sources: SAPPE, FSSIA's compilation

Financial Statements

Sappe

Profit and Loss (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Revenue	6,053	6,775	7,325	7,974	8,386
Cost of goods sold	(3,341)	(3,632)	(3,992)	(4,322)	(4,528)
Gross profit	2,711	3,144	3,333	3,652	3,857
Other operating income	146	258	220	239	252
Operating costs	(1,499)	(1,854)	(1,905)	(2,073)	(2,180)
Operating EBITDA	1,536	1,785	1,935	2,140	2,276
Depreciation	(178)	(237)	(287)	(322)	(347)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	1,358	1,548	1,648	1,818	1,929
Net financing costs	(3)	(2)	(3)	(3)	(3)
Associates	(20)	(1)	4	5	4
Recurring non-operating income	(20)	(1)	4	5	4
Non-recurring items	(10)	19	0	0	0
Profit before tax	1,325	1,564	1,650	1,820	1,930
Tax	(275)	(298)	(264)	(255)	(193)
Profit after tax	1,051	1,266	1,386	1,565	1,737
Minority interests	24	(13)	(4)	(8)	(8)
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
Reported net profit	1,074	1,253	1,382	1,557	1,729
Non-recurring items & goodwill (net)	10	(19)	0	0	0
Recurring net profit	1,085	1,233	1,382	1,557	1,729
Per share (THB)					
Recurring EPS *	3.52	4.00	4.48	5.05	5.61
Reported EPS	3.48	4.06	4.48	5.05	5.61
DPS	2.18	3.05	3.36	3.79	4.21
Diluted shares (used to calculate per share data)	308	308	308	308	308
Growth					
Revenue (%)	32.5	11.9	8.1	8.9	5.2
Operating EBITDA (%)	51.0	16.2	8.4	10.6	6.3
Operating EBIT (%)	63.6	13.9	6.5	10.3	6.1
Recurring EPS (%)	63.1	13.7	12.1	12.7	11.0
Reported EPS (%)	64.5	16.6	10.3	12.7	11.0
Operating performance					
Gross margin inc. depreciation (%)	44.8	46.4	45.5	45.8	46.0
Gross margin exc. depreciation (%)	47.7	49.9	49.4	49.8	50.1
Operating EBITDA margin (%)	25.4	26.3	26.4	26.8	27.1
Operating EBIT margin (%)	22.4	22.8	22.5	22.8	23.0
Net margin (%)	17.9	18.2	18.9	19.5	20.6
Effective tax rate (%)	20.7	19.0	16.0	14.0	10.0
Dividend payout on recurring profit (%)	62.0	76.2	75.0	75.0	75.0
Interest cover (X)	524.4	753.6	607.5	647.3	663.8
Inventory days	50.9	36.1	35.8	46.8	47.6
Debtor days	19.7	19.3	19.7	19.2	19.5
Creditor days	28.9	25.3	20.6	20.8	21.2
Operating ROIC (%)	96.7	65.5	44.8	41.6	41.3
ROIC (%)	73.7	56.4	40.5	38.0	37.9
ROE (%)	30.7	30.0	30.4	31.7	32.5
ROA (%)	20.8	21.5	22.5	23.5	24.2
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Domestic revenue	1,156	1,369	1,415	1,501	1,587
Overseas revenue	4,896	5,407	5,910	6,473	6,799

Sources: Sappe; FSSIA estimates

Financial Statements

Sappe

Cash Flow (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Recurring net profit	1,085	1,233	1,382	1,557	1,729
Depreciation	178	237	287	322	347
Associates & minorities	20	1	(4)	(5)	(4)
Other non-cash items	(24)	20	71	14	16
Change in working capital	581	(245)	(220)	33	21
Cash flow from operations	1,840	1,247	1,516	1,922	2,108
Capex - maintenance	-	-	-	-	-
Capex - new investment	(935)	(1,319)	(854)	(700)	(500)
Net acquisitions & disposals	4	(19)	0	0	0
Other investments (net)	(1)	25	(29)	(6)	(4)
Cash flow from investing	(931)	(1,314)	(883)	(706)	(504)
Dividends paid	(521)	(701)	(1,037)	(1,168)	(1,297)
Equity finance	0	0	0	0	0
Debt finance	(2)	1	33	3	3
Other financing cash flows	18	11	11	10	6
Cash flow from financing	(506)	(689)	(992)	(1,155)	(1,287)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	403	(756)	(359)	60	317
Free cash flow to firm (FCFF)	911.11	(65.34)	636.52	1,217.89	1,606.93
Free cash flow to equity (FCFE)	924.28	(55.33)	677.96	1,227.81	1,613.19
Per share (THB)					
FCFF per share	2.96	(0.21)	2.06	3.95	5.21
FCFE per share	3.00	(0.18)	2.20	3.98	5.23
Recurring cash flow per share	4.08	4.84	5.63	6.13	6.77
Balance Sheet (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Tangible fixed assets (gross)	3,121	4,467	5,467	6,167	6,667
Less: Accumulated depreciation	(1,403)	(1,544)	(1,832)	(2,154)	(2,501)
Tangible fixed assets (net)	1,718	2,923	3,635	4,013	4,166
Intangible fixed assets (net)	124	143	143	143	143
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	140	113	118	122	127
Cash & equivalents	2,532	1,775	1,417	1,476	1,793
A/C receivable	642	602	441	477	499
Inventories	438	234	492	533	558
Other current assets	45	86	73	80	84
Current assets	3,656	2,698	2,423	2,566	2,935
Other assets	43	44	73	80	84
Total assets	5,680	5,921	6,393	6,924	7,454
Common equity	3,818	4,392	4,711	5,100	5,532
Minorities etc.	78	99	170	184	199
Total shareholders' equity	3,896	4,491	4,880	5,284	5,732
Long term debt	49	39	51	54	57
Other long-term liabilities	88	99	110	120	126
Long-term liabilities	137	138	161	174	183
A/C payable	271	200	219	237	248
Short term debt	21	13	34	34	34
Other current liabilities	1,356	1,079	1,099	1,196	1,258
Current liabilities	1,647	1,292	1,352	1,467	1,540
Total liabilities and shareholders' equity	5,680	5,921	6,393	6,924	7,454
Net working capital	(502)	(357)	(311)	(343)	(364)
Invested capital	1,522	2,866	3,659	4,015	4,155
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	12.38	14.25	15.28	16.54	17.95
Tangible book value per share	11.98	13.78	14.82	16.08	17.48
Financial strength					
Net debt/equity (%)	(63.2)	(38.4)	(27.3)	(26.3)	(29.7)
Net debt/total assets (%)	(43.3)	(29.1)	(20.8)	(20.1)	(22.8)
Current ratio (x)	2.2	2.1	1.8	1.7	1.9
CF interest cover (x)	729.4	617.1	564.1	685.6	726.7
Valuation	2023	2024	2025E	2026E	2027E
Recurring P/E (x) *	15.0	13.2	11.8	10.4	9.4
Recurring P/E @ target price (x) *	23.6	20.7	18.5	16.4	14.8
Reported P/E (x)	15.1	13.0	11.8	10.4	9.4
Dividend yield (%)	4.1	5.8	6.4	7.2	8.0
Price/book (x)	4.3	3.7	3.5	3.2	2.9
Price/tangible book (x)	4.4	3.8	3.6	3.3	3.0
EV/EBITDA (x) **	9.0	8.2	7.8	7.0	6.5
EV/EBITDA @ target price (x) **	15.1	13.4	12.6	11.4	10.6
EV/invested capital (x)	9.1	5.1	4.1	3.8	3.6
* Pre-exceptional, pre-goodwill and fully diluted ** EBITDA includes associate income and recurring non-operating income					

Sources: Sappe; FSSIA estimates

SAPPE PCL (SAPPE TB)

FSSIA ESG rating


35.25 /100

Exhibit 14: FSSIA ESG score implication

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

Source: FSSIA estimates

Exhibit 15: ESG – peer comparison

	FSSIA ESG score	DJSI	SET ESG	SET ESG Rating	CG score	AGM level	Thai CAC	Morningstar ESG risk	ESG Book	MSCI	Moody's	Refinitiv	S&P Global	ESG score	Disclosure score
SET100	69.20	5.34	4.40	4.40	4.76	4.65	3.84	Medium	51.76	BBB	20.87	58.72	63.91	3.72	28.17
Coverage	67.12	5.11	4.15	4.17	4.83	4.71	3.53	Medium	52.04	BB	16.97	56.85	62.09	3.40	31.94
CBG	51.54	--	Y	Y	4.00	4.00	Declared	High	59.58	B	--	33.28	56.00	2.12	--
SAPPE	35.25	--	Y	Y	4.00	5.00	Certified	Medium	--	--	--	--	--	--	--
OSP	61.48	--	Y	Y	5.00	4.00	Declared	Medium	68.64	BBB	--	63.08	51.00	3.00	63.65
TACC	15.00	--	--	--	5.00	5.00	--	--	--	--	--	--	--	--	--
ICHI	43.67	--	Y	Y	5.00	5.00	Certified	High	61.36	--	--	--	18.00	--	--

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

Exhibit 16: ESG disclosure from the company's one report

FY ending Dec 31	FY 2022	FY ending Dec 31	FY 2022
Environmental		Governance	
Climate change policy	Yes	Board size / Independent directors (ID) / Female	10 / 5 / 3
Climate change opportunities discussed	--	No. of board meetings for the year / % attendance	8 / 96.75%
GHG scope 2 location-based policy	Yes	Company conducts board evaluations	Yes
Biodiversity policy	--	Number of non-executive directors on board	6
Energy efficiency policy	Yes	Director share ownership guidelines	No
Electricity used	Yes	Board age limit	No
Fuel used - crude oil/diesel	--	Age of the youngest / oldest director	44 / 79
Waste reduction policy	Yes	Number of executives / female	5 / 2
Water policy	Yes	Executive share ownership guidelines	No
Water consumption	--	Size of audit committee / ID	4 / 4
Social		Audit committee meetings	4
Human rights policy	Yes	Audit committee meeting attendance (%)	100
Policy against child labor	Yes	Size of compensation committee	--
Quality assurance and recall policy	Yes	Number of compensation committee meetings	--
Consumer data protection policy	Yes	Compensation committee meeting attendance (%)	--
Equal opportunity policy	Yes	Size of nomination committee / ID	--
Gender pay gap breakout	--	Number of nomination committee meetings	--
Pct women in workforce	55	Nomination committee meeting attendance (%)	--
Business ethics policy	Yes	Board compensation (THB m)	4.1
Anti-bribery ethics policy	Yes	Auditor fee (THB m)	3.13
Health and safety policy	Yes	(P&L Corporation Co., Ltd.)	
Lost time incident rate - employees	--		
Training policy	Yes		
Fair remuneration policy	Yes		
Number of employees - CSR	--		
Total hours spent by firm - employee training	--		
Social supply chain management	--		

Source: FSSIA's compilation

Disclaimer for ESG scoring

ESG score	Methodology	Rating																				
The Dow Jones Sustainability Indices (DJSI) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.	Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.																				
SET ESG Ratings List (SETESG) by The Stock Exchange of Thailand (SET)	SET ESG quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria include: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years.	To be eligible for SETESG inclusion , verified data must be scored at a minimum of 50% for each indicator, unless the company is a part of DJSI during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality. SETESG Index is extended from the SET ESG Ratings companies whose 1) market capitalization > THB5b (~USD150b); 2) free float >20%; and 3) liquidity >0.5% of paid-up capital for at least 9 out of 12 months. The SETTHSI Index is a market capitalisation-weighted index, cap 5% quarterly weight at maximum, and no cap for number of stocks.																				
CG Score by Thai Institute of Directors Association (Thai IOD)	An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.	Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (60-69), and not rated for scores below 50. Weightings include: 1) the rights; 2) and equitable treatment of shareholders (weight 25% combined); 3) the role of stakeholders (25%); 4) disclosure & transparency (15%); and 5) board responsibilities (35%).																				
AGM level By Thai Investors Association (TIA) with support from the SEC	It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). <i>(The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.)</i>	The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.																				
Thai CAC By Thai Private Sector Collective Action Against Corruption (CAC)	The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. <i>(Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.)</i>	The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.																				
Morningstar Sustainability	The Sustainability's ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. <i>Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality & peer reviews.</i>	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. <table><tr><th>NEGL</th><th>Low</th><th>Medium</th><th>High</th><th>Severe</th></tr><tr><td>0-10</td><td>10-20</td><td>20-30</td><td>30-40</td><td>40+</td></tr></table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+										
NEGL	Low	Medium	High	Severe																		
0-10	10-20	20-30	30-40	40+																		
ESG Book	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.	The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.																				
MSCI	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. <table><tr><td>AAA</td><td>8.571-10.000</td><td rowspan="3">Leader:</td><td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td></tr><tr><td>AA</td><td>7.143-8.570</td></tr><tr><td>A</td><td>5.714-7.142</td></tr><tr><td>BBB</td><td>4.286-5.713</td><td rowspan="3">Average:</td><td rowspan="3">a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td></tr><tr><td>BB</td><td>2.857-4.285</td></tr><tr><td>B</td><td>1.429-2.856</td></tr><tr><td>CCC</td><td>0.000-1.428</td><td>Laggard:</td><td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td></tr></table>		AAA	8.571-10.000	Leader:	leading its industry in managing the most significant ESG risks and opportunities	AA	7.143-8.570	A	5.714-7.142	BBB	4.286-5.713	Average:	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	BB	2.857-4.285	B	1.429-2.856	CCC	0.000-1.428	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks
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Moody's ESG solutions	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.																					
Refinitiv ESG rating	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. <i>(Score ratings are 0 to 25 = poor; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.)</i>																					
S&P Global	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.																					
Bloomberg	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.																				
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.																				

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

Source: FSSIA's compilation

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History of change in investment rating and/or target price

Sappe (SAPPE TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
09-Mar-2023	BUY	62.00	21-Dec-2023	BUY	108.00	28-Nov-2024	BUY	97.00
05-Apr-2023	BUY	68.00	21-May-2024	BUY	115.00	16-Jan-2025	BUY	83.00
23-May-2023	BUY	88.00	19-Aug-2024	BUY	92.00			
11-Jul-2023	BUY	96.50	07-Oct-2024	BUY	80.00			

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

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Sappe	SAPPE TB	THB 52.75	BUY	Downside risks to our P/E-based TP include 1) lower purchasing power, 2) higher raw material and packaging costs, 3) Baht strength, and 4) increased competition and product infringement.

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-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.