

# NEO CORPORATE NEO TB

THAILAND / PERSONAL PRODUCTS & PHARMACEUTICALS

**BUY**  
 UNCHANGED

## 4Q24 results at first glance

**4Q24 profit was in line with our estimate; starting to see cost pressures**

### Highlights

- NEO posted a 4Q24 net profit of THB241m (+4% q-q, +67% y-y). The q-q recovery was driven by the high season, but this quarter began facing higher raw material costs, which clearly pressured the gross margin.
- Total revenue increased by 9% q-q and 8.3% y-y in 4Q24, with strong growth in household products. Baby products also saw a strong q-q recovery, especially in the export market, after customers delayed purchases in 3Q24. This led to an increase in the export revenue share to 9.5%, up from 7.9% in 3Q24, but lower than 13% in 4Q23.
- The gross margin decreased significantly to 42.8% in 4Q24 from 44.4% in 3Q24 and 43.1% in 4Q23 due to higher raw material costs and promotional activities for boosting revenue.
- Total expenses increased q-q but decreased y-y. However, with better revenue growth, SG&A to sales improved both q-q and y-y, dropping to 31.1%.
- NEO's 2024 net profit was THB1b (+22% y-y), supported by a strong gross margin in 1H24, which helped increase the full-year margin to 45%, up from 42.5% in 2023. Total revenue for 2024 grew 6.1% y-y, below the target of 10% due to a significant drop in export revenue (-23% y-y) caused by distributor issues, while domestic revenue grew as targeted by 10.5% y-y.

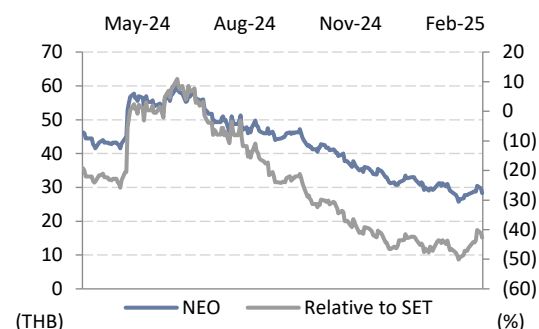
### Outlook

- Management still targets 2025 revenue growth in the low double digits, around 10%. The overall economic situation remains challenging, with domestic purchasing power still weak. We believe this will lead consumers to buy only essential items and seek promotions. Aside from that, competition remains fierce.
- However, we expect a recovery in the export market following the acquisition of a new distributor, with signs of recovery in 4Q24 and a low base from 2024. As a result, we anticipate export revenue to grow by 16.6% in 2025, while domestic revenue is expected to grow at a slower rate of 6% y-y.
- One of the greater challenges is the continued high level of raw material costs related to crude palm oil, and NEO will start recognizing depreciation for the new factory starting from 1Q25.
- The company announced a 2024 DPS of THB1.35/shr, yielding 4.8%.

TARGET PRICE	THB49.50
CLOSE	THB28.25
UP/DOWNSIDE	+75.2%
PRIOR TP	THB49.50
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+21.4%

### KEY STOCK DATA

YE Dec (THB m)	2024	2025E	2026E	2027E
Revenue	10,062	10,767	11,596	12,479
Net profit	1,008	970	1,089	1,212
EPS (THB)	3.36	3.23	3.63	4.04
vs Consensus (%)	-	(5.1)	18.6	18.5
EBITDA	1,749	1,813	2,025	2,213
Recurring net profit	1,008	970	1,089	1,212
Core EPS (THB)	3.36	3.23	3.63	4.04
Chg. In EPS est. (%)	nm	(1.2)	(1.3)	nm
EPS growth (%)	(10.1)	(3.8)	12.3	11.3
Core P/E (x)	8.4	8.7	7.8	7.0
Dividend yield (%)	4.8	4.6	5.1	5.7
EV/EBITDA (x)	5.1	6.0	5.6	5.1
Price/book (x)	1.7	1.5	1.4	1.2
Net debt/Equity (%)	9.1	43.5	45.7	39.8
ROE (%)	30.7	18.2	18.4	18.3



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(9.6)	(21.0)	n/a
Relative to country (%)	1.5	(5.5)	n/a
Mkt cap (USD m)	251		
3m avg. daily turnover (USD m)	0.4		
Free float (%)	29		
Major shareholder	Thakolsri Family (65%)		
12m high/low (THB)	60.50/25.25		
Issued shares (m)	300.00		

Sources: Bloomberg consensus; FSSIA estimates



**Sureeporn Teewasuwet**

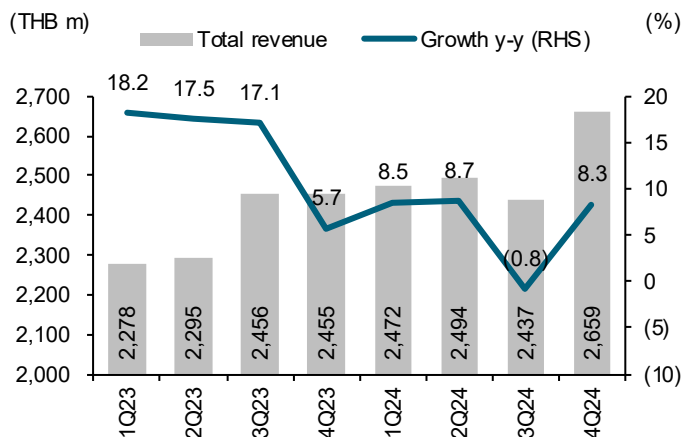
Fundamental Investment Analyst on Securities; License no. 040694  
 sureeporn.t@fssia.com, +66 2646 9972

## Exhibit 1: NEO – 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	2,455	2,472	2,494	2,437	2,659	9.1	8.3	9,484	10,062	6.1
Cost of sales	1,397	1,337	1,326	1,355	1,521	12.2	8.8	5,449	5,537	1.6
Gross profit	1,058	1,136	1,168	1,082	1,139	5.2	7.6	4,035	4,525	12.1
SG&A	864	780	827	788	827	4.9	(4.3)	2,957	3,222	8.9
Operating profit	205	364	361	314	333	5.9	62.2	1,106	1,372	24.0
Interest expense	20	24	21	22	19	(10.6)	(3.0)	55	86	57.6
Tax expense	37	68	67	58	69	18.9	87.1	212	262	23.7
Reported net profit	144	268	269	231	241	4.0	66.9	830	1,008	21.5
Core profit	142	268	269	231	241	4.0	69.2	830	1,008	21.5
<b>Key ratios (%)</b>						<b>(ppt)</b>	<b>(ppt)</b>			
Gross margin	43.1	45.9	46.8	44.4	42.8	(1.6)	(0.3)	42.5	45.0	2.4
SG&A / Sales	35.2	31.5	33.2	32.3	31.1	(1.2)	(4.1)	31.2	32.0	0.8
Operating margin	8.4	14.7	14.5	12.9	12.5	(0.4)	4.2	11.7	13.6	2.0
Net margin	5.9	10.8	10.8	9.5	9.0	(0.4)	3.2	8.7	10.0	1.3
Core margin	5.8	10.8	10.8	9.5	9.0	(0.4)	3.3	8.7	10.0	1.3
<b>Operating statistics (THB m)</b>										
Household products revenue	1,065	1,024	1,004	1,025	1,125	9.8	5.6	4,127	4,179	1.3
Personal care products revenue	553	699	643	705	701	(0.6)	26.8	2,287	2,748	20.2
Baby and kids products revenue	837	749	847	707	833	17.8	(0.5)	3,070	3,135	2.1
Domestic revenue	2,136	2,250	2,206	2,244	2,405	7.2	12.6	8,238	9,105	10.5
Export revenue	319	223	288	193	253	31.3	(20.6)	1,246	957	(23.2)
Crude palm oil (MYR/tonne)	3,660	3,721	3,969	4,076	5,103	25.2	39.4	3,762.9	4,217.3	12.1
Crude palm kernel oil (MYR/tonne)	3,920	4,343	5,069	5,402	7,527	39.3	92.0	3,928.8	5,585.4	42.2
<b>Revenue proportion (%)</b>										
Household products revenue	43.4	41.4	40.3	42.1	42.3			43.5	41.5	
Personal care products revenue	22.5	28.3	25.8	28.9	26.4			24.1	27.3	
Baby and kids products revenue	34.1	30.3	34.0	29.0	31.3			32.4	31.2	
Domestic revenue	87.0	91.0	88.5	92.1	90.4			86.9	90.5	
Export revenue	13.0	9.0	11.5	7.9	9.5			13.1	9.5	

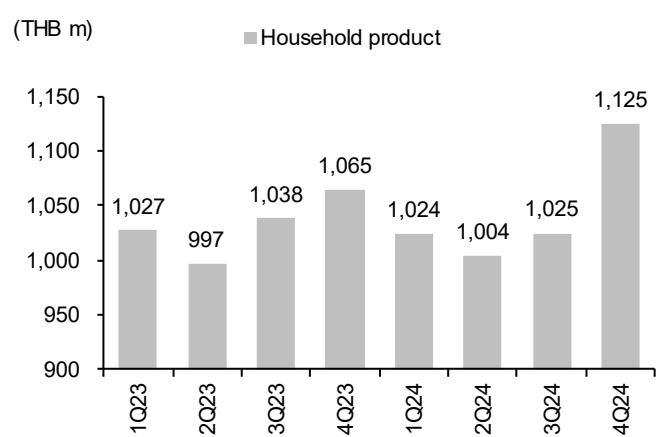
Sources: NEO; FSSIA's compilation

## Exhibit 2: Total revenue and growth

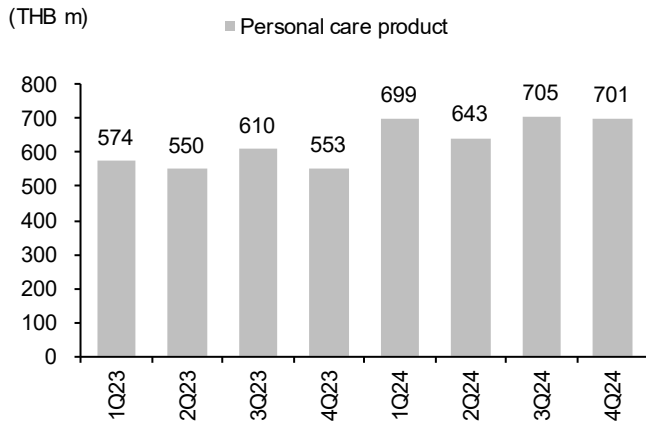


Sources: NEO, FSSIA's compilation

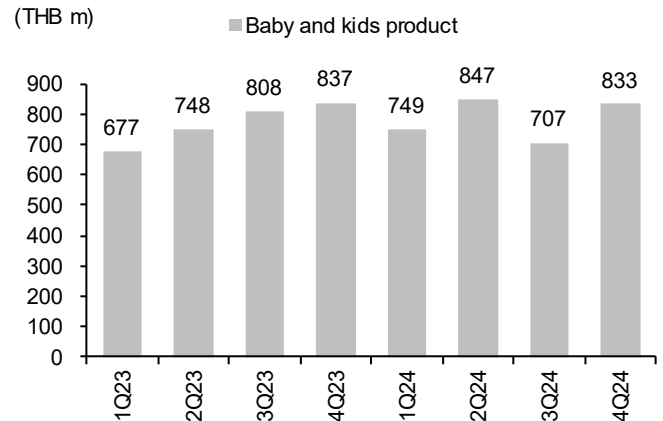
## Exhibit 3: Revenue from household products



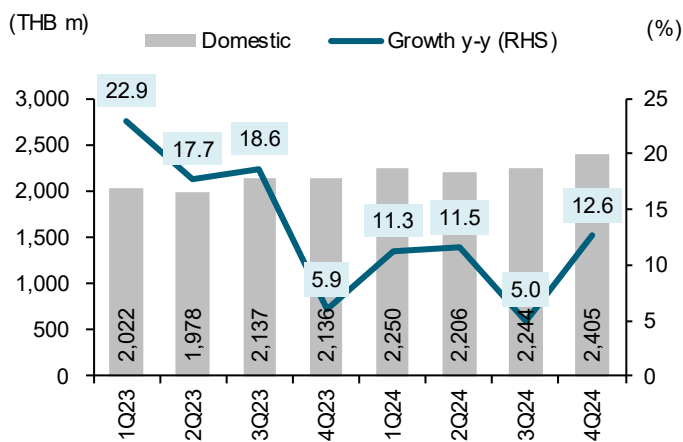
Sources: NEO, FSSIA's compilation

**Exhibit 4: Revenue from personal care products**

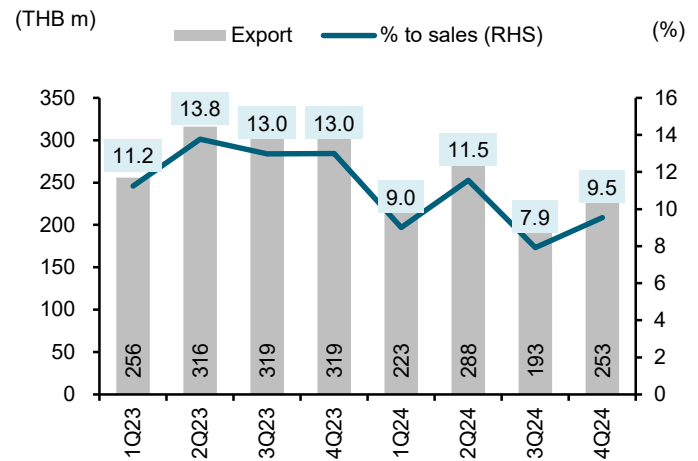
Sources: NEO, FSSIA's compilation

**Exhibit 5: Revenue from baby and kids products**

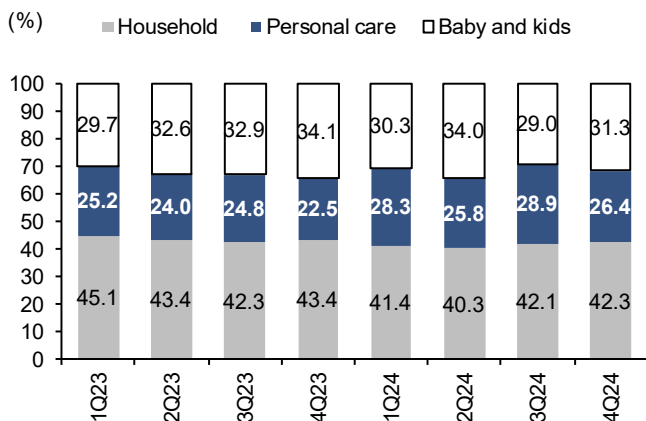
Sources: NEO, FSSIA's compilation

**Exhibit 6: Revenue from domestic and growth**

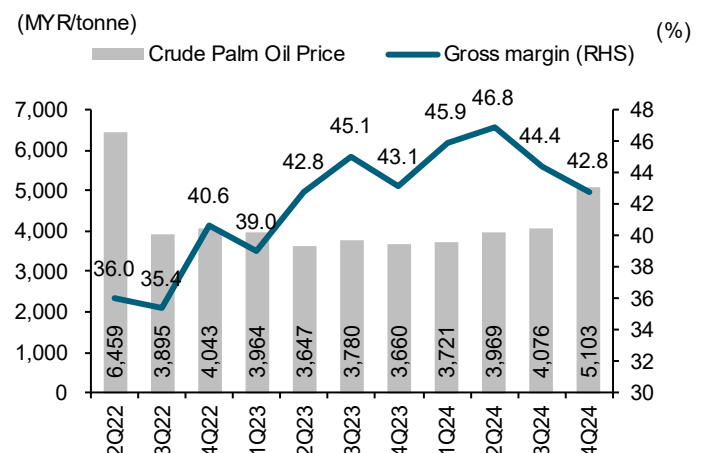
Sources: NEO, FSSIA's compilation

**Exhibit 7: Revenue from exports and growth**

Sources: NEO, FSSIA's compilation

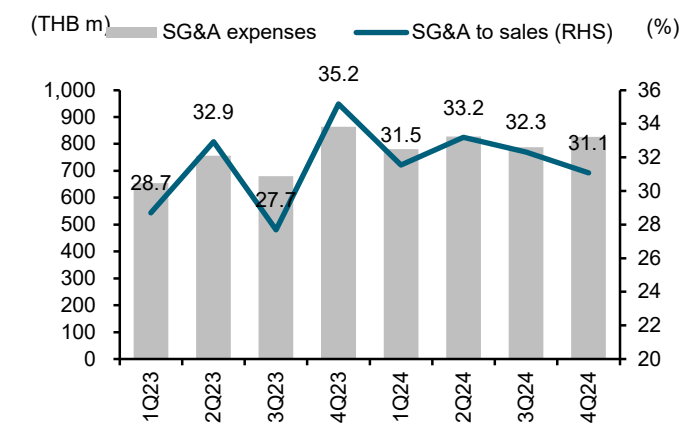
**Exhibit 8: Revenue breakdown by product segment**

Sources: NEO, FSSIA's compilation

**Exhibit 9: Gross margin and crude palm oil**

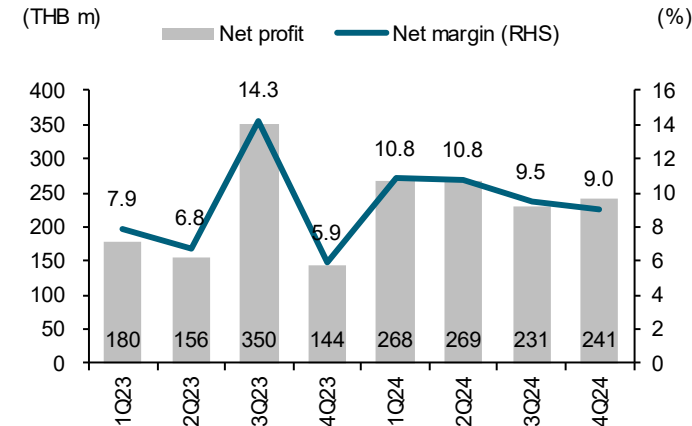
Sources: NEO, FSSIA's compilation

Exhibit 10: SG&A to sales



Sources: NEO, FSSIA's compilation

Exhibit 11: Net profit and net margin



Sources: NEO, FSSIA's compilation

## Financial Statements

### Neo Corporate

Profit and Loss (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Revenue	9,484	10,062	10,767	11,596	12,479
Cost of goods sold	(5,449)	(5,537)	(6,137)	(6,564)	(7,026)
<b>Gross profit</b>	<b>4,035</b>	<b>4,525</b>	<b>4,630</b>	<b>5,033</b>	<b>5,453</b>
Other operating income	28	69	65	70	75
Operating costs	(2,957)	(3,222)	(3,359)	(3,618)	(3,894)
<b>Operating EBITDA</b>	<b>1,461</b>	<b>1,749</b>	<b>1,813</b>	<b>2,025</b>	<b>2,213</b>
Depreciation	(355)	(378)	(478)	(541)	(578)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>1,106</b>	<b>1,372</b>	<b>1,335</b>	<b>1,484</b>	<b>1,635</b>
Net financing costs	(55)	(86)	(100)	(99)	(93)
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>1,052</b>	<b>1,286</b>	<b>1,235</b>	<b>1,386</b>	<b>1,542</b>
Tax	(212)	(262)	(247)	(277)	(308)
<b>Profit after tax</b>	<b>840</b>	<b>1,023</b>	<b>988</b>	<b>1,109</b>	<b>1,234</b>
Minority interests	(10)	(15)	(18)	(20)	(22)
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>830</b>	<b>1,008</b>	<b>970</b>	<b>1,089</b>	<b>1,212</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Recurring net profit</b>	<b>830</b>	<b>1,008</b>	<b>970</b>	<b>1,089</b>	<b>1,212</b>
<b>Per share (THB)</b>					
Recurring EPS *	3.74	3.36	3.23	3.63	4.04
Reported EPS	3.74	3.36	3.23	3.63	4.04
DPS	4.95	1.35	1.29	1.45	1.62
Diluted shares (used to calculate per share data)	222	300	300	300	300
<b>Growth</b>					
Revenue (%)	14.3	6.1	7.0	7.7	7.6
Operating EBITDA (%)	36.6	19.7	3.6	11.7	9.3
Operating EBIT (%)	48.2	24.0	(2.7)	11.2	10.1
Recurring EPS (%)	47.0	(10.1)	(3.8)	12.3	11.3
Reported EPS (%)	47.0	(10.1)	(3.8)	12.3	11.3
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	42.5	45.0	43.0	43.4	43.7
Gross margin exc. depreciation (%)	46.3	48.7	47.4	48.1	48.3
Operating EBITDA margin (%)	15.4	17.4	16.8	17.5	17.7
Operating EBIT margin (%)	11.7	13.6	12.4	12.8	13.1
Net margin (%)	8.7	10.0	9.0	9.4	9.7
Effective tax rate (%)	20.2	20.4	20.0	20.0	20.0
Dividend payout on recurring profit (%)	132.5	40.2	40.0	40.0	40.0
Interest cover (X)	20.3	16.0	13.3	15.1	17.7
Inventory days	58.6	60.0	62.3	63.3	63.2
Debtor days	75.4	75.9	77.2	77.1	77.2
Creditor days	127.3	179.2	126.9	79.1	79.0
Operating ROIC (%)	23.8	22.7	15.1	13.3	13.4
ROIC (%)	22.5	21.6	14.8	13.1	13.1
ROE (%)	45.0	30.7	18.2	18.4	18.3
ROA (%)	13.0	12.0	9.3	9.5	9.8

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

Revenue by Division (THB m)	2023	2024	2025E	2026E	2027E
Household products	4,127	4,179	4,430	4,740	5,048
Personal care products	2,287	2,748	2,885	3,087	3,334
Baby and kids products	3,070	3,135	3,452	3,769	4,097

Sources: Neo Corporate; FSSIA estimates

## Financial Statements

### Neo Corporate

Cash Flow (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Recurring net profit	830	1,008	970	1,089	1,212
Depreciation	355	378	478	541	578
Associates & minorities	-	-	-	-	-
Other non-cash items	(243)	4	1	0	0
Change in working capital	157	(111)	(153)	(40)	(42)
<b>Cash flow from operations</b>	<b>1,098</b>	<b>1,279</b>	<b>1,296</b>	<b>1,590</b>	<b>1,748</b>
Capex - maintenance	(704)	(2,088)	(2,955)	(1,599)	(1,208)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	(132)	88	54	(11)	(11)
<b>Cash flow from investing</b>	<b>(837)</b>	<b>(2,000)</b>	<b>(2,901)</b>	<b>(1,610)</b>	<b>(1,220)</b>
Dividends paid	(1,657)	(500)	(388)	(435)	(485)
Equity finance	0	2,979	0	0	0
Debt finance	1,652	(132)	415	42	(87)
Other financing cash flows	9	33	6	33	35
<b>Cash flow from financing</b>	<b>3</b>	<b>2,380</b>	<b>33</b>	<b>(361)</b>	<b>(537)</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>265</b>	<b>1,659</b>	<b>(1,572)</b>	<b>(381)</b>	<b>(8)</b>
Free cash flow to firm (FCFF)	315.80	(635.10)	(1,504.42)	78.49	621.19
Free cash flow to equity (FCFE)	1,921.90	(820.68)	(1,183.60)	54.79	476.58

#### Per share (THB)

FCFF per share	1.05	(2.12)	(5.01)	0.26	2.07
FCFE per share	6.41	(2.74)	(3.95)	0.18	1.59
Recurring cash flow per share	4.24	4.63	4.83	5.43	5.97

Balance Sheet (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Tangible fixed assets (gross)	5,764	7,736	9,836	11,159	11,947
Less: Accumulated depreciation	(2,068)	(2,330)	(1,967)	(2,232)	(2,389)
<b>Tangible fixed assets (net)</b>	<b>3,696</b>	<b>5,406</b>	<b>7,869</b>	<b>8,927</b>	<b>9,557</b>
<b>Intangible fixed assets (net)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	6	5	5	5	5
Cash & equivalents	488	2,147	576	195	187
A/C receivable	1,992	2,195	2,360	2,542	2,735
Inventories	772	924	1,009	1,079	1,155
Other current assets	52	63	54	58	62
<b>Current assets</b>	<b>3,304</b>	<b>5,329</b>	<b>3,998</b>	<b>3,874</b>	<b>4,139</b>
Other assets	282	194	140	151	162
<b>Total assets</b>	<b>7,287</b>	<b>10,934</b>	<b>12,012</b>	<b>12,957</b>	<b>13,864</b>
Common equity	1,544	5,032	5,600	6,253	6,980
Minorities etc.	24	27	29	29	30
<b>Total shareholders' equity</b>	<b>1,568</b>	<b>5,059</b>	<b>5,628</b>	<b>6,282</b>	<b>7,009</b>
Long term debt	1,740	2,045	2,506	2,547	2,460
Other long-term liabilities	392	425	431	464	499
<b>Long-term liabilities</b>	<b>2,131</b>	<b>2,469</b>	<b>2,936</b>	<b>3,011</b>	<b>2,959</b>
A/C payable	2,391	2,676	1,261	1,349	1,444
Short term debt	1,001	564	518	518	518
Other current liabilities	196	166	1,669	1,797	1,934
<b>Current liabilities</b>	<b>3,588</b>	<b>3,406</b>	<b>3,448</b>	<b>3,664</b>	<b>3,896</b>
<b>Total liabilities and shareholders' equity</b>	<b>7,287</b>	<b>10,934</b>	<b>12,012</b>	<b>12,957</b>	<b>13,864</b>
Net working capital	229	340	493	532	575
Invested capital	4,212	5,945	8,507	9,616	10,300

\* Includes convertibles and preferred stock which is being treated as debt

#### Per share (THB)

Book value per share	6.95	16.77	18.67	20.84	23.27
Tangible book value per share	6.95	16.77	18.67	20.84	23.27

#### Financial strength

Net debt/equity (%)	143.7	9.1	43.5	45.7	39.8
Net debt/total assets (%)	30.9	4.2	20.4	22.2	20.1
Current ratio (x)	0.9	1.6	1.2	1.1	1.1
CF interest cover (x)	36.2	(8.5)	(10.8)	1.6	6.1

Valuation	2023	2024	2025E	2026E	2027E
<b>Recurring P/E (x) *</b>	<b>7.6</b>	<b>8.4</b>	<b>8.7</b>	<b>7.8</b>	<b>7.0</b>
<b>Recurring P/E @ target price (x) *</b>	<b>13.2</b>	<b>14.7</b>	<b>15.3</b>	<b>13.6</b>	<b>12.3</b>
Reported P/E (x)	7.6	8.4	8.7	7.8	7.0
Dividend yield (%)	17.5	4.8	4.6	5.1	5.7
Price/book (x)	4.1	1.7	1.5	1.4	1.2
Price/tangible book (x)	4.1	1.7	1.5	1.4	1.2
EV/EBITDA (x) **	5.9	5.1	6.0	5.6	5.1
EV/EBITDA @ target price (x) **	9.1	8.8	9.6	8.8	8.0
EV/invested capital (x)	2.0	1.5	1.3	1.2	1.1

\* Pre-exceptional, pre-goodwill and fully diluted \*\* EBITDA includes associate income and recurring non-operating income

Sources: Neo Corporate; FSSIA estimates

# Neo Corporate PCL (NEO TB)

FSSIA ESG rating

n/a

## Exhibit 12: 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 13: ESG – peer comparison

	FSSIA ESG score	Domestic ratings						Global ratings					Bloomberg		
		DJSI	SET ESG	SET ESG Rating	CG score	AGM level	Thai CAC	Morningstar ESG risk	ESG Book	MSCI	Moody's	Refinitiv	S&P Global	ESG score	Disclosure score
SET100	67.71	5.69	4.38	4.05	4.77	4.43	4.02	Medium	57.34	BBB	22.70	60.82	67.31	1.19	35.34
Coverage	66.17	5.16	4.33	3.94	4.81	4.43	3.83	Medium	56.41	BBB	18.92	59.20	65.82	1.38	35.46
APCO	16.00	--	--	--	4.00	4.00	Declared	--	--	--	--	--	--	--	--
DDD	15.00	--	--	--	5.00	5.00	--	--	--	--	--	--	--	--	--
NEO	n/a	--	--	--	--	--	--	--	--	--	--	--	--	--	--

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

## Exhibit 14: ESG disclosure from the company's one report

FY ending Dec 31	FY 2023	FY ending Dec 31	FY 2023
<b>Environmental</b>		<b>Governance</b>	
Climate change policy	Yes	Board size / Independent directors (ID) / Female	9 / 4 / 3
Climate change opportunities discussed	--	No. of board meetings for the year / % attendance	9 / 98.8%
GHG scope 2 location-based policy	Yes	Company conducts board evaluations	Yes
Biodiversity policy	Yes	Number of non-executive directors on board	4
Energy efficiency policy	Yes	Director share ownership guidelines	No
Electricity used	Yes	Board age limit	No
Fuel used - crude oil/diesel	Yes	Age of the youngest / oldest director	30 / 62
Waste reduction policy	Yes	Number of executives / female	7 / 6
Water policy	Yes	Executive share ownership guidelines	No
Water consumption	Yes	Size of audit committee / ID	3 / 3
<b>Social</b>		Audit committee meetings	6
Human rights policy	Yes	Audit committee meeting attendance (%)	100
Policy against child labor	Yes	Size of compensation committee	3 / 2
Quality assurance and recall policy	Yes	Number of compensation committee meetings	2
Consumer data protection policy	--	Compensation committee meeting attendance (%)	100
Equal opportunity policy	Yes	Size of nomination committee / ID	3 / 2
Gender pay gap breakout	--	Number of nomination committee meetings	2
Pct women in workforce	Yes	Nomination committee meeting attendance (%)	100
Business ethics policy	Yes	Board compensation (THB m)	2.87
Anti-bribery ethics policy	Yes	Auditor fee (THB m)	3.93
Health and safety policy	Yes	(EY Office Limited)	
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	Yes		

Source: FSSIA's compilation



## 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 Sustainalytics</a>	The Sustainalytics' ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. <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+									
NEGL	Low	Medium	High	Severe																	
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
<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																		
<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

Sureeporn Teewasuwet FSS International Investment Advisory Securities Co., Ltd

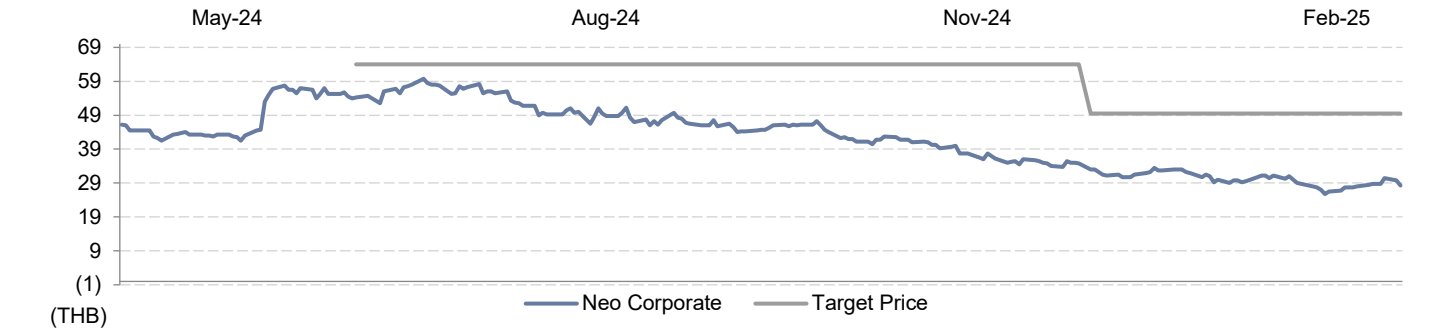
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

This report has been prepared by FSS International Investment Advisory Securities Company Limited (FSSIA). The information herein has been obtained from sources believed to be reliable and accurate; however FSSIA makes no representation as to the accuracy and completeness of such information. Information and opinions expressed herein are subject to change without notice. FSSIA has no intention to solicit investors to buy or sell any security in this report. In addition, FSSIA does not guarantee returns nor price of the securities described in the report nor accept any liability for any loss or damage of any kind arising out of the use of such information or opinions in this report. Investors should study this report carefully in making investment decisions. All rights are reserved.

This report may not be reproduced, distributed or published by any person in any manner for any purpose without permission of FSSIA. Investment in securities has risks. Investors are advised to consider carefully before making investment decisions.

History of change in investment rating and/or target price

Neo Corporate (NEO TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
06-Jun-2024	BUY	64.00	06-Dec-2024	BUY	49.50	-	-	-

Sureeporn Teewasuwet started covering this stock from 06-Jun-2024

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Neo Corporate	NEO TB	THB 28.25	BUY	Downside risks to our P/E-based TP include 1) a slower-than-expected consumption recovery; 2) the high volatility of raw material prices; 3) changing consumer demand and lifestyles; and 4) a failure of 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 25-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.