

15 JULY 2025

EQUITY RESEARCH - COMPANY REPORT

SAPPE SAPPE TB

THAILAND / FOOD & BEVERAGE

HOLD

UNCHANGED

TARGET PRICE	THB40.00
CLOSE	THB35.25
UP/DOWNSIDE	+13.5%
PRIOR TP	THB40.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+17.1%

2Q recovery looks strong, 3Q unclear

- 2Q25E performance is not concerning, with both revenue and profit projected to recover q-q.
- Destocking in EU eased faster than expected, but concerns in the US and Middle East remain.
- We prefer to wait for clearer visibility before revisiting rating.

2Q25E revenue recovers q-q across all regions

We expect 2Q25 total revenue to recover by 25% q-q, supported by a rebound in orders across all regions. To elaborate, the destocking issue in the UK and France was resolved in 2Q25 – sooner than previously anticipated – partly due to unusually hot weather. Revenues in the Americas and Middle East should recover q-q after sharply declining in 1Q25. Meanwhile, revenue from Indonesia and South Korea will likely be flat to slightly lower q-q due to weak consumption. However, we estimate total revenue to drop 29% y-y due to a high base last year, particularly in the EU.

Stronger THB pressures gross margin slightly

Despite lower raw material costs, especially sugar, the impact is unlikely to offset the stronger THB (+2.2% q-q, +9.4% y-y). As a result, we expect the 2Q25 gross margin to decline to 45% from 46% in 1Q25. We assume total expenses to fall y-y due to the absence of global presenter expenses, though they may rise q-q due to seasonality. This year, SAPPE is refocusing on localized marketing in each country to better target consumers and use marketing budgets more efficiently. We forecast 2Q25 net profit at THB270m (+21% q-q, -34% y-y).

US and Middle East remain key regions to monitor

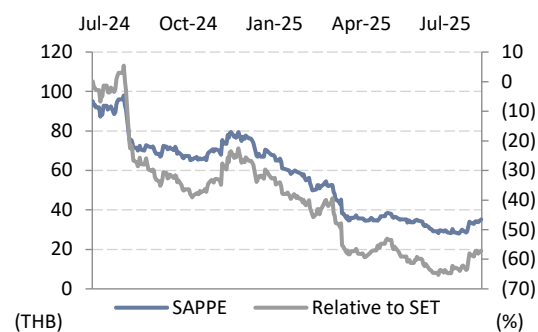
Assuming in-line results, SAPPE's 1H25 net profit would account for 50% of our full-year estimate. Revenue from the EU should continue to recover in 3Q25 due to the high season. However, we have a more conservative view on US orders (which account for 5% of total revenue) amid the potential imposition of a 36% tariff. Negotiations with trade partners are ongoing. Initially, the tariff burden may be passed on via higher retail prices, as current Mogu Mogu prices in the US remain 10–20% below competitors. Aside from that, we have concerns about the Middle East due to regional conflict.

Maintain HOLD call with unchanged TP of THB40

We maintain our 2025E net profit at THB995m (-21% y-y). Management still targets a revenue decline of -10% to -20% y-y this year but is continuing with the new factory expansion, scheduled for completion in 1H26, which will increase production capacity by 25–30%. Although we are becoming more optimistic about the recovery in the EU, we prefer to wait for clearer visibility on US and Middle East impacts in 3Q25 before revisiting our rating. For now, we maintain a HOLD call with an unchanged TP of THB40.

KEY STOCK DATA

YE Dec (THB m)	2024	2025E	2026E	2027E
Revenue	6,775	6,136	6,603	7,035
Net profit	1,253	995	1,168	1,256
EPS (THB)	4.06	3.23	3.79	4.08
vs Consensus (%)	-	(4.1)	3.9	8.1
EBITDA	1,785	1,515	1,762	1,895
Recurring net profit	1,233	995	1,168	1,256
Core EPS (THB)	4.00	3.23	3.79	4.08
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	13.7	(19.3)	17.4	7.5
Core P/E (x)	8.8	10.9	9.3	8.7
Dividend yield (%)	8.6	6.9	8.1	8.7
EV/EBITDA (x)	5.2	6.5	5.6	5.1
Price/book (x)	2.5	2.4	2.2	2.1
Net debt/Equity (%)	(38.4)	(24.4)	(22.0)	(24.2)
ROE (%)	30.0	22.1	24.5	24.8



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	23.7	(4.1)	(62.9)
Relative to country (%)	21.5	(5.3)	(56.8)
Mkt cap (USD m)	335		
3m avg. daily turnover (USD m)	0.9		
Free float (%)	25		
Major shareholder	Ruckariyapong Family (65%)		
12m high/low (THB)	98.00/27.50		
Issued shares (m)	308.29		

Sources: Bloomberg consensus; FSSIA estimates



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Investment thesis

SAPPE is a leader in the Thai functional drink market. It has been exporting to overseas markets over the past ten years with product champions like Mogu Mogu and Aloe Vera. Those products received such favorable responses that it resulted in continued increases in the export sales mix. According to the latest data in 2023, exports stood at 81% of total revenue, with solid growth in all key markets, such as Asia (Indonesia, the Philippines, and South Korea), Europe (France and the UK), the US, and the Middle East.

Company profile

SAPPE manufactures and distributes healthy food and beverages, with Mogu Mogu, fruit juice with nata de coco, as its first beverage in 2001. Later, it expanded product lines and brands, including Beauti Drink, Aloe Vera, and Preaw Coffee. In 2016, SAPPE invested in All Coco coconut juice. In 2019, it partnered with Danone to set up Danone Sappe Beverage to introduce beverages under the B’LUE brand.

www.sappe.com

Principal activities (revenue, 2024)

Domestic revenue - 20.2 %

Overseas revenue - 79.8 %

Source: Sappe

Major shareholders

Ruckariyapong Family - 65.4 %

Others - 34.6 %

Source: Sappe

Catalysts

Potential catalysts for SAPPE’s earnings growth in 2025 include 1) overseas market growth, especially new or low-base markets, such as France, the UK, the US, India, and the Middle East; 2) successful new products; 3) lower plastic pellet costs; and 4) capacity expansion.

Risks to our call

Downside and upside risks to our P/E-based TP include 1) lower or higher purchasing power; 2) higher or lower raw material and packaging costs; 3) baht strength or weakness; and 4) increased or decreased competition and product infringement.

Event calendar

Date	Event
13 August 2025	2Q25 results announcement
21 August 2025	2Q25 opportunity day and analyst meeting

Key assumptions

	2025E	2026E	2027E
Domestic revenue (THB m)	1,300	1,430	1,512
Overseas revenue (THB m)	4,836	5,173	5,523
Total revenue (THB m)	6,136	6,603	7,035
Total revenue growth (%)	(9.4)	7.6	6.5
Gross margin (%)	45.0	45.8	46.0
SG&A to sale (%)	28.0	27.0	27.0

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in revenue, we estimate 2025 net profit will rise by 0.8%, and vice versa, all else being equal.
- For every 0.5% increase in GPM, we estimate 2025 net profit will rise by 2.9%, and vice versa, all else being equal.
- For every 0.5% increase in SG&A, we estimate 2025 net profit will fall by 2.8%, and vice versa, all else being equal.

Source: FSSIA estimates

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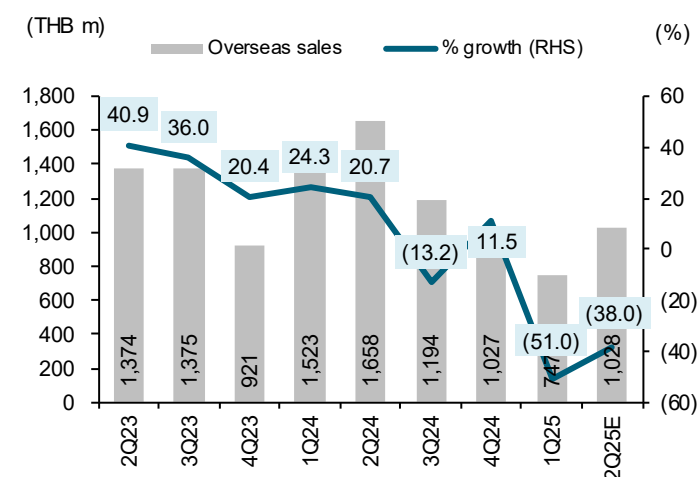
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Exhibit 1: SAPPE – 2Q25 earnings preview

	2Q24	3Q24	4Q24	1Q25	2Q25E	----- Change -----		2024	2025E	Change	% 1H25E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)	to 2025E
Sales	1,996	1,566	1,377	1,142	1,428	25.0	(28.5)	6,775	6,136	(9.4)	41.9
Cost of sales	1,056	846	739	617	785	27.3	(25.7)	3,632	3,375	(7.1)	41.5
Gross profit	940	720	638	526	643	22.3	(31.6)	3,144	2,761	(12.2)	42.3
SG&A	499	422	475	289	357	23.6	(28.4)	1,854	1,718	(7.3)	37.6
Operating profit	505	367	221	273	331	21.0	(34.5)	1,548	1,227	(20.7)	49.2
Other income	64	69	57	37	45	23.3	(29.9)	258	184	(28.7)	44.3
Interest expense	0.53	0.50	0.46	0.44	0.44	0.0	(16.8)	2	3	32.6	32.4
Tax expense	104	73	31	48	56	17.3	(46.2)	298	221	(25.8)	47.1
Profit (loss) sharing	(1)	(0)	(3)	0	0	nm	nm	(1)	4	nm	nm
Reported net profit	411	300	189	224	270	20.7	(34.3)	1,253	995	(20.6)	49.6
Core profit	399	289	180	221	270	22.2	(32.4)	1,233	995	(19.3)	49.3
Key ratios (%)						(ppt)	(ppt)				
Gross margin	47.1	46.0	46.4	46.0	45.0	(1.0)	(2.1)	46.4	45.0	(1.4)	
SG&A to sales	25.0	26.9	34.5	25.3	25.0	(0.3)	0.0	27.4	28.0	0.6	
Operating margin	25.3	23.4	16.1	23.9	23.2	(0.8)	(2.2)	22.8	20.0	(2.8)	
Net margin	20.6	19.2	13.7	19.6	18.9	(0.7)	(1.7)	18.5	16.2	(2.3)	
Core margin	20.0	18.4	13.1	19.3	18.9	(0.4)	(1.1)	18.2	16.2	(2.0)	
Operating statistics (THB m)											
Domestic revenue	338	372	350	395	400	1.2	18.4	1,369	1,300	(5.0)	61.2
Overseas revenue	1,658	1,194	1,027	747	1,028	37.6	(38.0)	5,407	4,836	(10.6)	36.7
Asia	669	586	545	455	502	10.5	(24.9)	2,527	2,274	(10.0)	42.1
Europe	508	282	102	113	173	52.6	(66.0)	1,260	920	(27.0)	31.0
America	127	138	91	58	98	68.4	(22.8)	447	470	5.0	33.3
Middle East and others	355	188	289	122	255	108.6	(28.1)	1,172	1,172	0.0	32.2
FX rate (THB/USD)	36.7	34.8	34.0	34.0	33.3	(2.2)	(9.4)	35.1	33.0	(6.0)	
Revenue contribution (%)											
Domestic revenue	16.9	23.8	25.4	34.6	28.0	(6.6)	11.1	20.2	21.2	1.0	
Overseas revenue	83.1	76.2	74.6	65.4	72.0	6.6	(11.1)	79.8	78.8	(1.0)	

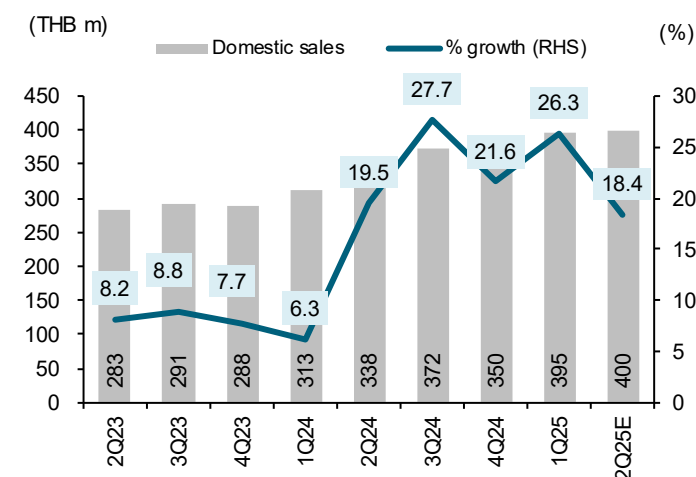
Sources: SAPPE, FSSIA estimates

Exhibit 2: Quarterly overseas revenue and growth

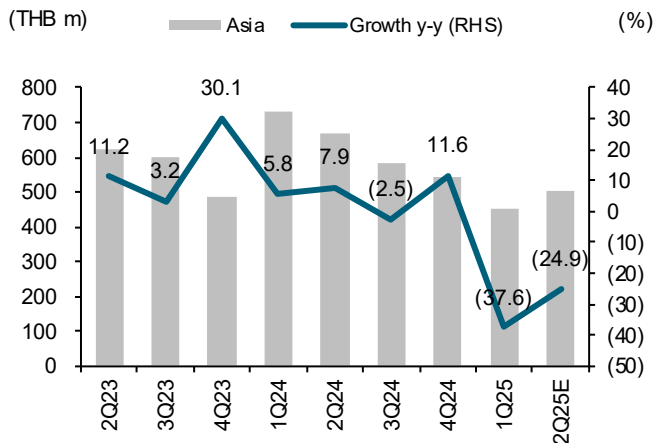


Sources: SAPPE, FSSIA estimates

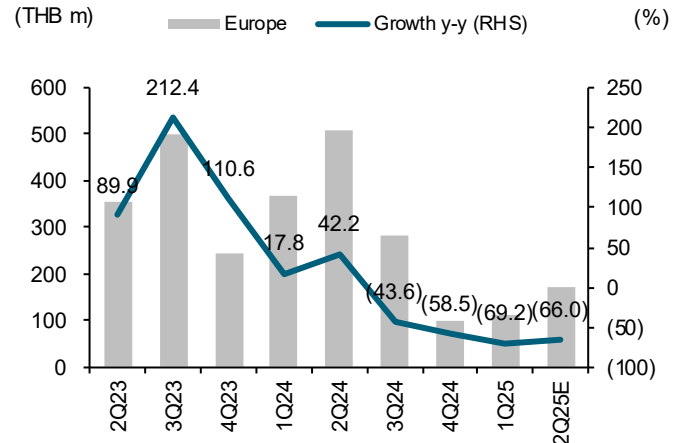
Exhibit 3: Quarterly domestic revenue and growth



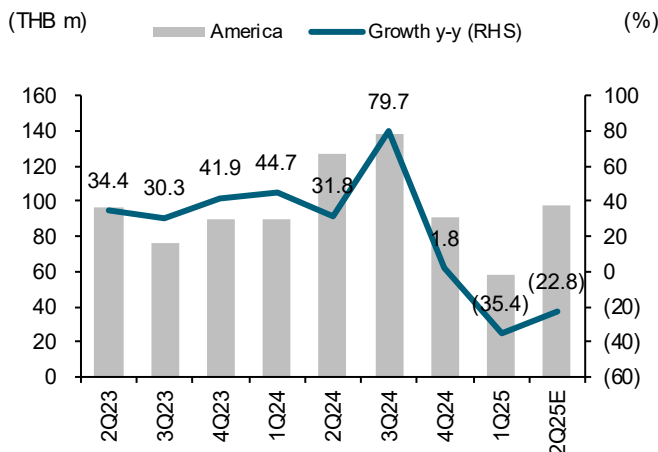
Sources: SAPPE, FSSIA estimates

Exhibit 4: Quarterly Asia revenue and growth


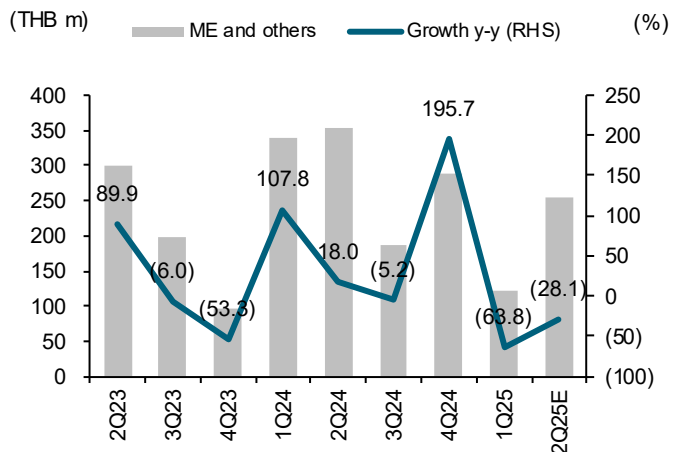
Sources: SAPPE, FSSIA estimates

Exhibit 5: Quarterly Europe revenue and growth


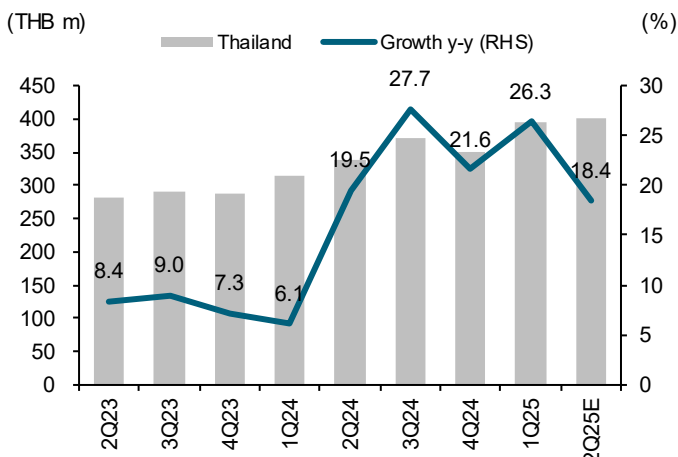
Sources: SAPPE, FSSIA estimates

Exhibit 6: Quarterly America revenue and growth


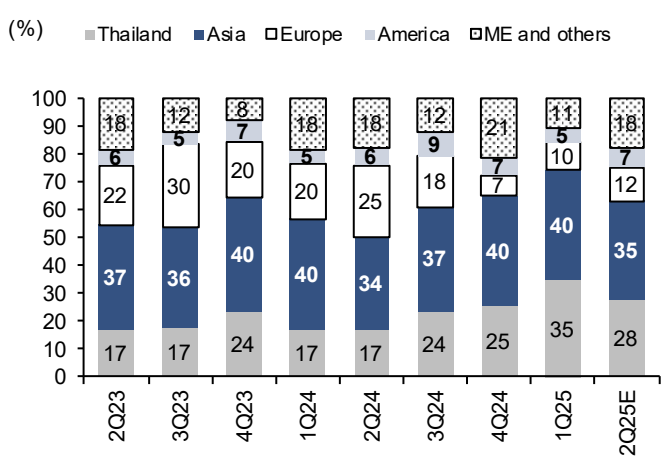
Sources: SAPPE, FSSIA estimates

Exhibit 7: Quarterly Middle East and others revenue and growth


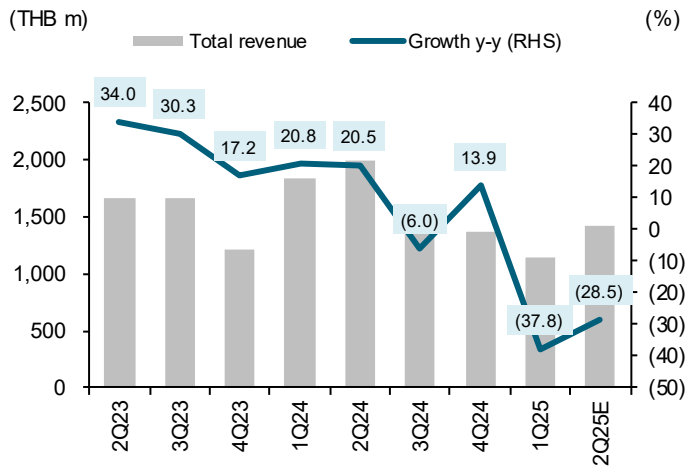
Sources: SAPPE, FSSIA estimates

Exhibit 8: Quarterly Thailand revenue and growth


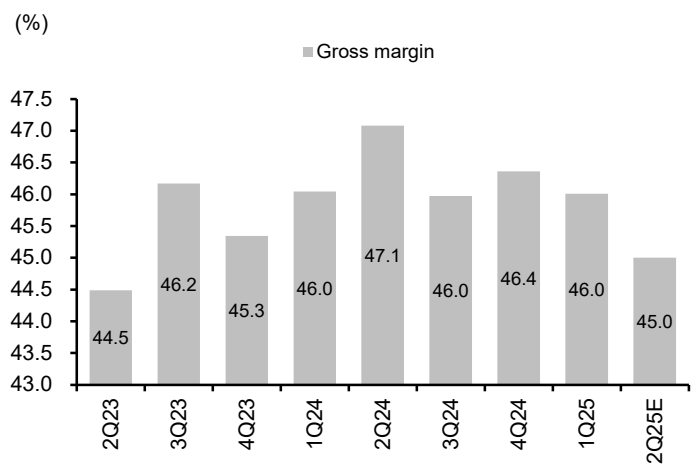
Sources: SAPPE, FSSIA estimates

Exhibit 9: Quarterly revenue breakdown by destination


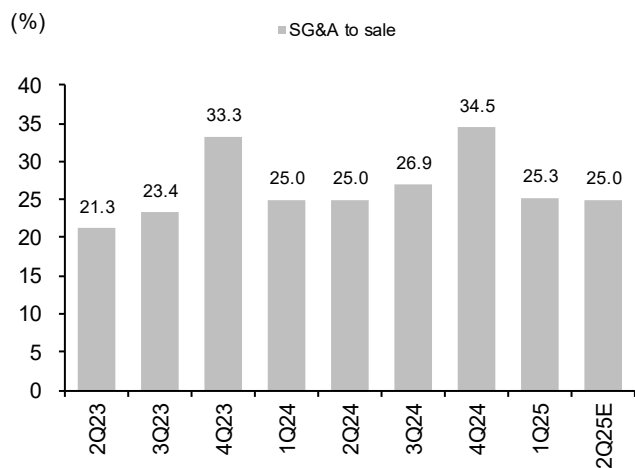
Sources: SAPPE, FSSIA estimates

Exhibit 10: Quarterly total revenue and growth


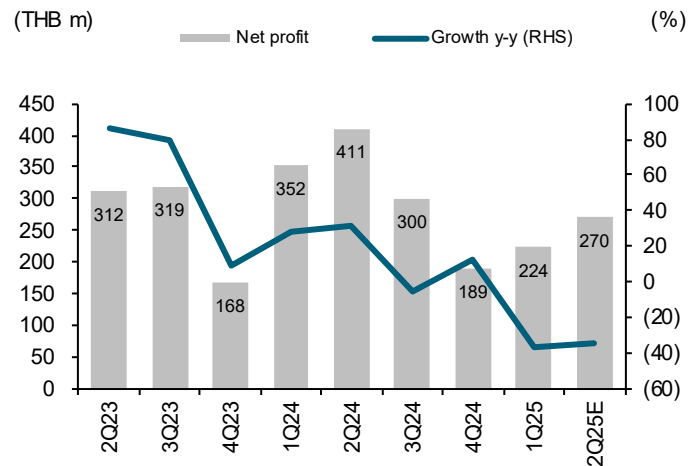
Sources: SAPPE, FSSIA estimates

Exhibit 11: Quarterly gross margin


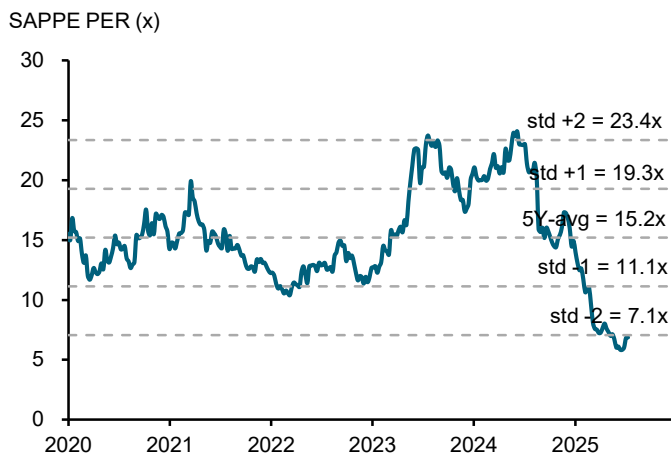
Sources: SAPPE, FSSIA estimates

Exhibit 12: Quarterly SG&A to sales


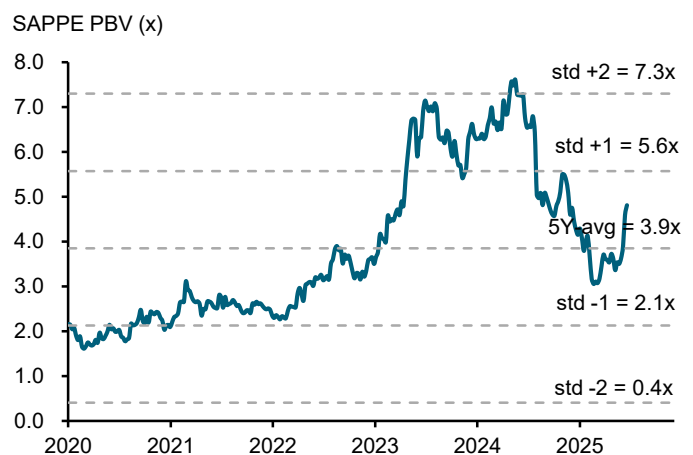
Sources: SAPPE, FSSIA estimates

Exhibit 13: Quarterly net profit and growth


Sources: SAPPE, FSSIA estimates

Exhibit 14: Historical P/E band


Sources: Bloomberg; FSSIA estimates

Exhibit 15: Historical P/BV band


Sources: Bloomberg; FSSIA estimates

Financial Statements

Sappe

Profit and Loss (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Revenue	6,053	6,775	6,136	6,603	7,035
Cost of goods sold	(3,341)	(3,632)	(3,375)	(3,579)	(3,799)
Gross profit	2,711	3,144	2,761	3,024	3,236
Other operating income	146	258	184	198	211
Operating costs	(1,499)	(1,854)	(1,718)	(1,783)	(1,899)
Operating EBITDA	1,536	1,785	1,515	1,762	1,895
Depreciation	(178)	(237)	(287)	(322)	(347)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	1,358	1,548	1,227	1,440	1,548
Net financing costs	(3)	(2)	(3)	(3)	(3)
Associates	(20)	(1)	4	4	4
Recurring non-operating income	(20)	(1)	4	4	4
Non-recurring items	(10)	19	0	0	0
Profit before tax	1,325	1,564	1,228	1,441	1,549
Tax	(275)	(298)	(221)	(259)	(279)
Profit after tax	1,051	1,266	1,007	1,181	1,270
Minority interests	24	(13)	(12)	(13)	(14)
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
Reported net profit	1,074	1,253	995	1,168	1,256
Non-recurring items & goodwill (net)	10	(19)	0	0	0
Recurring net profit	1,085	1,233	995	1,168	1,256
Per share (THB)					
Recurring EPS *	3.52	4.00	3.23	3.79	4.08
Reported EPS	3.48	4.06	3.23	3.79	4.08
DPS	2.18	3.05	2.42	2.84	3.06
Diluted shares (used to calculate per share data)	308	308	308	308	308
Growth					
Revenue (%)	32.5	11.9	(9.4)	7.6	6.5
Operating EBITDA (%)	51.0	16.2	(15.1)	16.3	7.6
Operating EBIT (%)	63.6	13.9	(20.7)	17.3	7.5
Recurring EPS (%)	63.1	13.7	(19.3)	17.4	7.5
Reported EPS (%)	64.5	16.6	(20.6)	17.4	7.5
Operating performance					
Gross margin inc. depreciation (%)	44.8	46.4	45.0	45.8	46.0
Gross margin exc. depreciation (%)	47.7	49.9	49.7	50.7	50.9
Operating EBITDA margin (%)	25.4	26.3	24.7	26.7	26.9
Operating EBIT margin (%)	22.4	22.8	20.0	21.8	22.0
Net margin (%)	17.9	18.2	16.2	17.7	17.9
Effective tax rate (%)	20.7	19.0	18.0	18.0	18.0
Dividend payout on recurring profit (%)	62.0	76.2	75.0	75.0	75.0
Interest cover (X)	524.4	753.6	452.6	512.6	533.0
Inventory days	50.9	36.1	38.4	48.0	48.1
Debtor days	19.7	19.3	21.6	19.3	19.4
Creditor days	28.9	25.3	22.7	21.4	21.4
Operating ROIC (%)	96.7	65.5	33.0	32.4	32.6
ROIC (%)	73.7	56.4	30.0	29.7	30.0
ROE (%)	30.7	30.0	22.1	24.5	24.8
ROA (%)	20.8	21.5	16.8	18.9	19.1

* Pre-exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2023	2024	2025E	2026E	2027E
Domestic revenue	1,156	1,369	1,300	1,430	1,512
Overseas revenue	4,896	5,407	4,836	5,173	5,523

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	995	1,168	1,256
Depreciation	178	237	287	322	347
Associates & minorities	20	1	(4)	(4)	(4)
Other non-cash items	(24)	20	68	11	11
Change in working capital	581	(245)	(279)	26	22
Cash flow from operations	1,840	1,247	1,067	1,523	1,632
Capex - maintenance	-	-	-	-	-
Capex - new investment	(935)	(1,319)	(854)	(700)	(500)
Net acquisitions & disposals	4	(19)	0	0	0
Other investments (net)	(1)	25	(17)	(5)	(4)
Cash flow from investing	(931)	(1,314)	(871)	(705)	(504)
Dividends paid	(521)	(701)	(746)	(876)	(942)
Equity finance	0	0	0	0	0
Debt finance	(2)	1	33	3	3
Other financing cash flows	18	11	(7)	7	6
Cash flow from financing	(506)	(689)	(720)	(866)	(933)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	403	(756)	(523)	(48)	195
Free cash flow to firm (FCFF)	911.11	(65.34)	199.31	820.96	1,130.80
Free cash flow to equity (FCFE)	924.28	(55.33)	222.92	828.15	1,137.36

Per share (THB)

FCFF per share	2.96	(0.21)	0.65	2.66	3.67
FCFE per share	3.00	(0.18)	0.72	2.69	3.69
Recurring cash flow per share	4.08	4.84	4.37	4.86	5.22

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	117	121	125
Cash & equivalents	2,532	1,775	1,252	1,204	1,399
A/C receivable	642	602	376	402	425
Inventories	438	234	416	441	468
Other current assets	45	86	61	66	70
Current assets	3,656	2,698	2,106	2,113	2,363
Other assets	43	44	61	66	70
Total assets	5,680	5,921	6,063	6,456	6,868
Common equity	3,818	4,392	4,614	4,906	5,220
Minorities etc.	78	99	166	177	188
Total shareholders' equity	3,896	4,491	4,780	5,083	5,408
Long term debt	49	39	51	54	57
Other long-term liabilities	88	99	92	99	106
Long-term liabilities	137	138	143	153	163
A/C payable	271	200	185	196	208
Short term debt	21	13	34	34	34
Other current liabilities	1,356	1,079	920	991	1,055
Current liabilities	1,647	1,292	1,139	1,221	1,297
Total liabilities and shareholders' equity	5,680	5,921	6,063	6,456	6,868
Net working capital	(502)	(357)	(252)	(278)	(299)
Invested capital	1,522	2,866	3,705	4,066	4,205

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

Per share (THB)

Book value per share	12.38	14.25	14.97	15.91	16.93
Tangible book value per share	11.98	13.78	14.50	15.45	16.47

Financial strength

Net debt/equity (%)	(63.2)	(38.4)	(24.4)	(22.0)	(24.2)
Net debt/total assets (%)	(43.3)	(29.1)	(19.3)	(17.3)	(19.0)
Current ratio (x)	2.2	2.1	1.8	1.7	1.8
CF interest cover (x)	729.4	617.1	396.8	543.7	563.3

Valuation	2023	2024	2025E	2026E	2027E
Recurring P/E (x) *	10.0	8.8	10.9	9.3	8.7
Recurring P/E @ target price (x) *	11.4	10.0	12.4	10.6	9.8
Reported P/E (x)	10.1	8.7	10.9	9.3	8.7
Dividend yield (%)	6.2	8.6	6.9	8.1	8.7
Price/book (x)	2.8	2.5	2.4	2.2	2.1
Price/tangible book (x)	2.9	2.6	2.4	2.3	2.1
EV/EBITDA (x) **	5.5	5.2	6.5	5.6	5.1
EV/EBITDA @ target price (x) **	6.5	6.0	7.5	6.5	5.9
EV/invested capital (x)	5.6	3.2	2.7	2.4	2.3

* 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 16: 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 17: 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	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 18: 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 Sustainalytics	The Sustainalytics' ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. <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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ANALYST(S) CERTIFICATION

Sureeporn Teewasuwet FSS International Investment Advisory Securities Co., Ltd

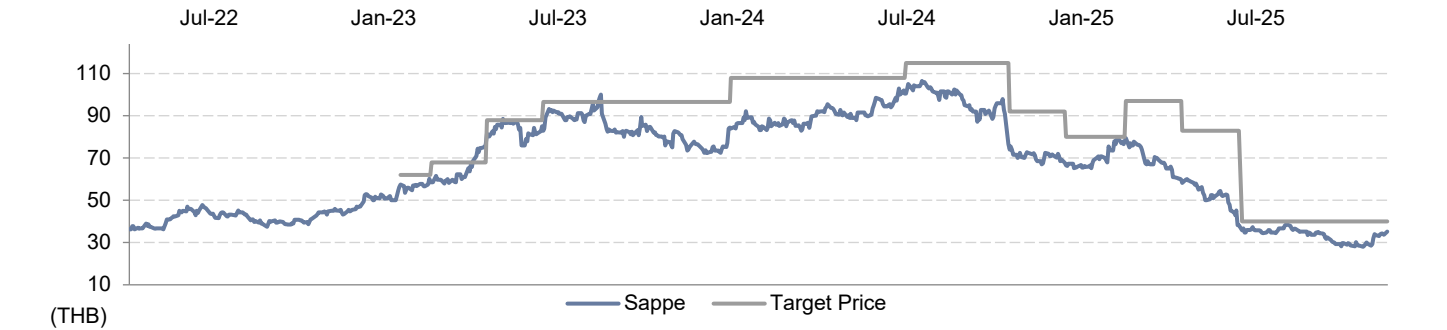
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History of change in investment rating and/or target price

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	07-Mar-2025	HOLD	40.00
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 35.25	HOLD	Downside and upside risks to our P/E-based TP include 1) lower or higher purchasing power, 2) higher or lower raw material and packaging costs, 3) Baht strength or weakness, and 4) increased or decreased 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 14-Jul-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.