

SAPPE SAPPE TB

THAILAND / FOOD & BEVERAGE

HOLD

UNCHANGED

2H25 outlook remains weak

- 2H25 profit may weaken due to continued weakness in the US and Indonesia markets.
- New plant launch postponed to late 2026.
- 2025E net profit slashed and TP cut to THB36.

3Q25 profit expected to soften again

We have a negative outlook from the analyst meeting. Although management maintained its 2025 revenue target to drop by 10-20% y-y (1H25 -30% y-y), they mentioned that performance had already peaked in 2Q25. This is due to a slowdown in order volumes in 3Q25, contrary to previous expectations for a continued q-q recovery from 2Q25. As a result, SAPPE has decided to postpone the operation of its new factory to the end of 2026 (previously planned for 1Q26) to wait for a clearer recovery, as production capacity utilization is currently at only 50%.

EU market showing signs of recovery

We saw a recovery in EU revenue in 2Q25 (+126% q-q, -50% y-y) following the end of the destocking situation in the UK and France. A continued q-q and y-y recovery is expected into 3Q25, though the growth is likely to be gradual. Meanwhile, revenue from the Middle East is expected to grow slightly due to a low base in 1Q25 and 3Q24. However, recovery is still slow due to the ongoing war and intermittent port closures. We expect 2H25 domestic revenue to soften from 1H25 due to seasonality, but y-y growth is still projected to be strong.

US and Indonesia remain sluggish

Key challenges remain in the US, which is facing a 19% tariff. SAPPE is adjusting its strategy with its distributor. Initially, a retail price increase is expected, as current selling prices in the US are still relatively lower than those of competitors. Another issue is in Indonesia, which began showing signs of trouble last year due to changes in leadership at the main distributor. The problem has not yet been resolved, leading to an expected revenue slowdown of over 30% in 2025. Recently, the company appointed a new distributor, but product distribution will only start in 2Q26.

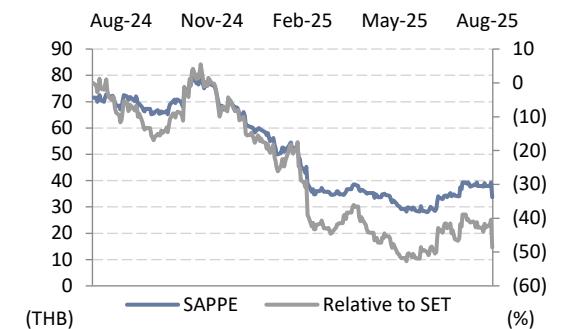
Maintain HOLD with TP of THB36

We estimate 3Q25 net profit at THB218m (-12% q-q, -27% y-y). 4Q25 is also expected to remain sluggish as it is a low season for the business, and typically involves higher-than-usual expenses in the last quarter of the year. We have cut our 2025E net profit by 12% to THB877 (-30% y-y), and lowered our TP to THB36 (based on the same 12.5x PE). We retain a HOLD call, awaiting a clearer recovery. The company has repurchased 2 million shares at an average price of THB32.7, with 3 million shares remaining available for repurchase before the deadline of December 19, 2025.

TARGET PRICE	THB36.00
CLOSE	THB33.75
UP/DOWNSIDE	+6.7%
PRIOR TP	THB40.00
CHANGE IN TP	-10.0%
TP vs CONSENSUS	-3.7%

KEY STOCK DATA

YE Dec (THB m)	2024	2025E	2026E	2027E
Revenue	6,775	5,504	5,941	6,329
Net profit	1,253	877	1,067	1,121
EPS (THB)	4.06	2.84	3.46	3.64
vs Consensus (%)	-	(12.2)	(2.4)	(3.8)
EBITDA	1,785	1,355	1,618	1,708
Recurring net profit	1,233	877	1,067	1,121
Core EPS (THB)	4.00	2.84	3.46	3.64
Chg. In EPS est. (%)	-	(11.8)	(8.7)	(10.8)
EPS growth (%)	13.7	(28.9)	21.6	5.1
Core P/E (x)	8.4	11.9	9.8	9.3
Dividend yield (%)	9.0	6.3	7.7	8.1
EV/EBITDA (x)	4.9	7.0	5.9	5.5
Price/book (x)	2.4	2.3	2.1	2.0
Net debt/Equity (%)	(38.4)	(23.2)	(20.4)	(22.1)
ROE (%)	30.0	19.5	22.6	22.5



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(0.7)	3.8	(55.3)
Relative to country (%)	(3.7)	(1.6)	(52.0)
Mkt cap (USD m)	318		
3m avg. daily turnover (USD m)	1.2		
Free float (%)	25		
Major shareholder	Ruckariyapong Family (65%)		
12m high/low (THB)	83.00/27.50		
Issued shares (m)	308.29		

Sources: Bloomberg consensus; FSSIA estimates



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<div><h3>Investment thesis</h3><p>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. They 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, including Asia (Indonesia, the Philippines, and South Korea), Europe (France and the UK), the US, and the Middle East.</p></div> <div><h3>Company profile</h3><p>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.</p><p>www.sappe.com</p></div>	<div><h3>Principal activities (revenue, 2024)</h3><table><tr><td>Domestic revenue</td><td>- 20.2 %</td></tr><tr><td>Overseas revenue</td><td>- 79.8 %</td></tr></table><p>Source: Sappe</p></div> <div><h3>Major shareholders</h3><table><tr><td>Ruckariyapong Family</td><td>- 65.4 %</td></tr><tr><td>Others</td><td>- 34.6 %</td></tr></table><p>Source: Sappe</p></div>	Domestic revenue	- 20.2 %	Overseas revenue	- 79.8 %	Ruckariyapong Family	- 65.4 %	Others	- 34.6 %
Domestic revenue	- 20.2 %								
Overseas revenue	- 79.8 %								
Ruckariyapong Family	- 65.4 %								
Others	- 34.6 %								

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
November 2025	3Q25 results announcement

Key assumptions

	2025E	2026E	2027E
Domestic revenue (THB m)	1,685	1,854	1,960
Overseas revenue (THB m)	3,819	4,088	4,370
Total revenue (THB m)	5,504	5,941	6,329
Total revenue growth (%)	(18.8)	7.9	6.5
Gross margin (%)	45.0	45.8	45.5
SG&A to sale (%)	28.1	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

2Q25 net profit would be the peak of the year

SAPPE reported 2Q25 net profit at THB248m (+11% q-q, -40% y-y), showing q-q recovery across all regions, especially the EU, which rebounded to THB255m (+126% q-q, -50% y-y) after destocking ended. However, it still declined y-y due to EU revenue peaking at THB508m in 2Q24. On a y-y basis, all regions saw declines except domestic revenue, which continued to grow (+12% q-q, +31% y-y), increasing its contribution to 31% from 17% in 2Q24.

2Q25 gross margin declined to 44.3% from 46% in 1Q25 and 47.1% in 2Q24, mainly due to lower revenue and a stronger baht. Meanwhile, total expenses rose q-q as planned, pushing SG&A to sales up to 27.3% from 25.3% in 1Q25 and 25% in 2Q24.

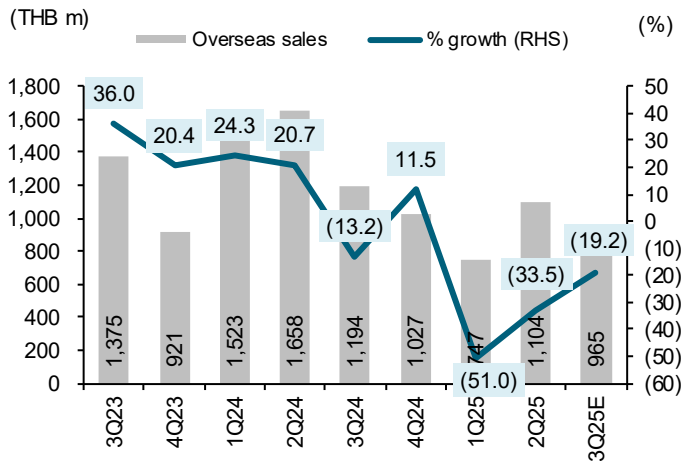
The company reported a 1H25 net profit of THB472m, down 38% y-y.

We expect 3Q25 profit to be THB218m (-12% q-q, -27% y-y), weakening again despite it being the high season for the business. Although the destocking issue in the EU ended, and orders are beginning to recover, challenges remain in the US, where the company is adjusting its strategy to cope with a 19% tariff, and in Indonesia, where distributor issues persist. The company has recently appointed a new distributor, but product distribution will only start in 2Q26.

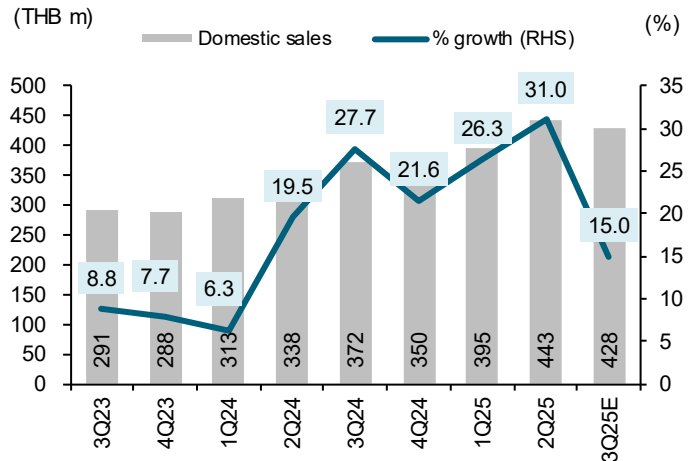
Exhibit 1: SAPPE – 3Q25 earnings preview

	3Q24	4Q24	1Q25	2Q25	3Q25E	--- Change ---		9M24	9M25E	Change	2024	2025E	Change	% 9M25E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)	(THB m)	(THB m)	(y-y%)	to 2025E
Sales	1,566	1,377	1,142	1,548	1,393	(10.0)	(11.1)	5,398	4,083	(24.4)	6,775	5,504	(18.8)	74.2
Cost of sales	846	739	617	862	776	(10.0)	(8.3)	2,893	2,255	(22.1)	3,632	3,027	(16.6)	74.5
Gross profit	720	638	526	686	617	(10.0)	(14.3)	2,505	1,828	(27.0)	3,144	2,477	(21.2)	73.8
SG&A	422	475	289	422	383	(9.3)	(9.2)	1,380	1,094	(20.7)	1,854	1,547	(16.6)	70.7
Operating profit	367	221	273	295	265	(10.2)	(27.7)	1,327	833	(37.2)	1,548	1,068	(31.0)	78.0
Other income	69	57	37	32	31	(2.1)	(54.9)	201	99	(50.7)	258	138	(46.7)	72.1
Interest expense	0.50	0.46	0.44	0.40	0.40	0.5	(19.2)	2	1	(22.1)	2	3	32.6	45.5
Tax expense	73	31	48	47	43	(9.0)	(41.8)	267	137	(48.6)	298	171	(42.6)	80.2
Profit (loss) sharing	(0)	(3)	0	1	1	0.0	nm	1	2	nm	(1)	3	nm	72.5
Reported net profit	300	189	224	248	218	(12.1)	(27.4)	1,063	690	(35.1)	1,253	877	(30.0)	78.6
Core profit	289	180	221	243	218	(10.4)	(24.4)	1,053	682	(35.2)	1,233	877	(28.9)	77.8
Key ratios (%)														
						(ppt)	(ppt)							
Gross margin	46.0	46.4	46.0	44.3	44.3	0.0	(1.7)	46.4	40.8	(5.6)	46.4	45.0	(1.4)	
SG&A to sales	26.9	34.5	25.3	27.3	27.5	0.2	0.6	25.6	29.9	4.4	27.4	28.1	0.7	
Operating margin	23.4	16.1	23.9	19.1	19.0	(0.0)	(4.4)	24.6	18.2	(6.4)	22.8	19.4	(3.4)	
Net margin	19.2	13.7	19.6	16.0	15.7	(0.4)	(3.5)	19.7	14.3	(5.4)	18.5	15.9	(2.6)	
Core margin	18.4	13.1	19.3	15.7	15.7	(0.1)	(2.8)	19.5	14.6	(4.9)	18.2	15.9	(2.3)	
Operating statistics (THB m)														
Domestic revenue	372	350	395	443	428	(3.4)	15.0	1,023	1,266	23.8	1,369	1,685	23.1	75.1
Overseas revenue	1,194	1,027	747	1,104	965	(12.5)	(19.2)	4,375	2,816	(35.6)	5,407	3,819	(29.4)	73.7
Asia	586	545	455	567	415	(26.7)	(29.1)	1,983	1,436	(27.6)	2,527	1,868	(26.1)	76.9
Europe	282	102	113	255	300	17.5	6.4	1,156	668	(42.2)	1,260	969	(23.1)	69.0
America	138	91	58	93	50	(46.2)	(63.7)	355	201	(43.4)	447	271	(39.4)	74.2
Middle East and others	188	289	122	189	200	5.9	6.4	881	511	(42.0)	1,172	711	(39.3)	71.9
Revenue contribution (%)														
Domestic revenue	23.8	25.4	34.6	28.6	30.7	2.1	7.0				20.2	30.6	10.4	
Overseas revenue	76.2	74.6	65.4	71.3	69.3	(2.0)	(6.9)				79.8	69.4	(10.4)	

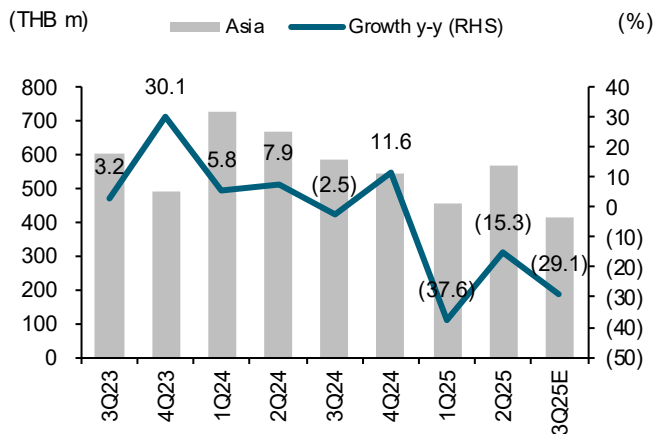
Sources: SAPPE, FSSIA estimates

Exhibit 2: Quarterly overseas revenue and growth


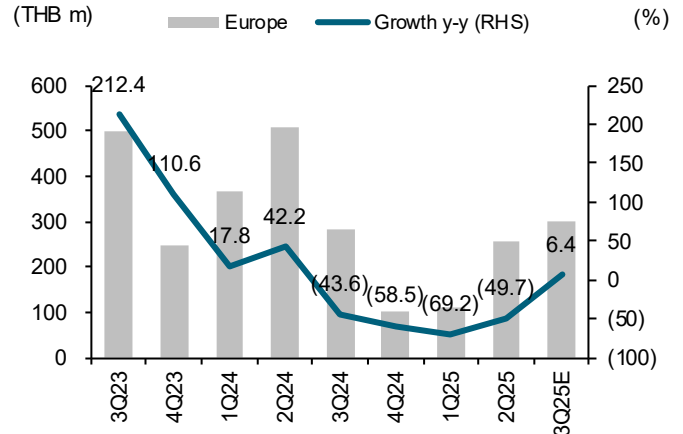
Sources: SAPPE, FSSIA estimates

Exhibit 3: Quarterly domestic revenue and growth


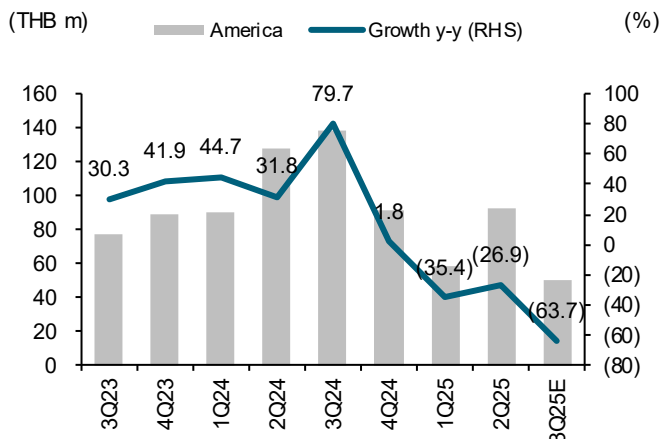
Sources: SAPPE, FSSIA estimates

Exhibit 4: Quarterly Asia revenue and growth


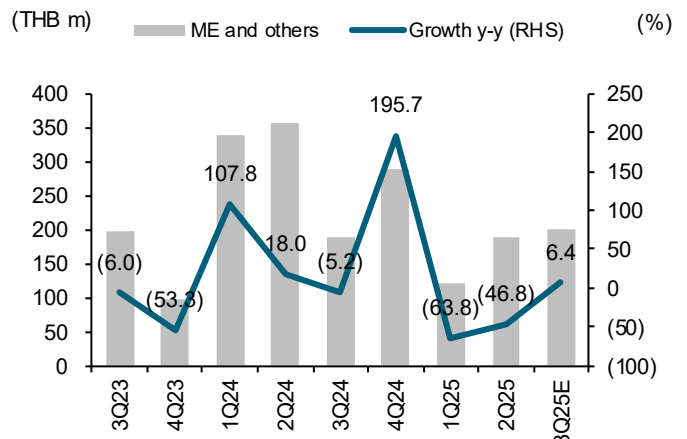
Sources: SAPPE, FSSIA estimates

Exhibit 5: Quarterly Europe revenue and growth


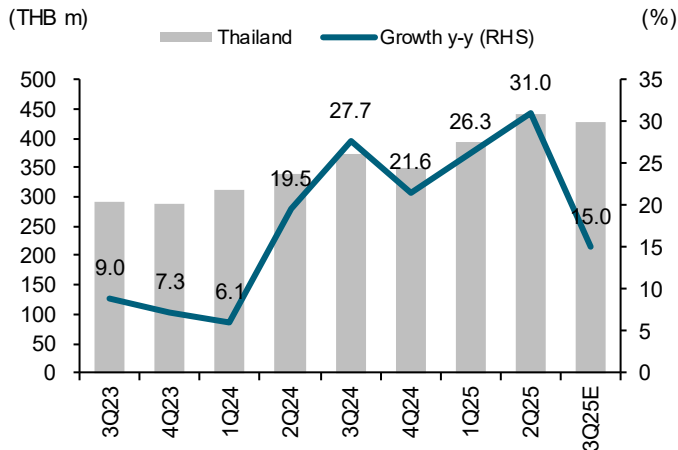
Sources: SAPPE, FSSIA estimates

Exhibit 6: Quarterly America revenue and growth


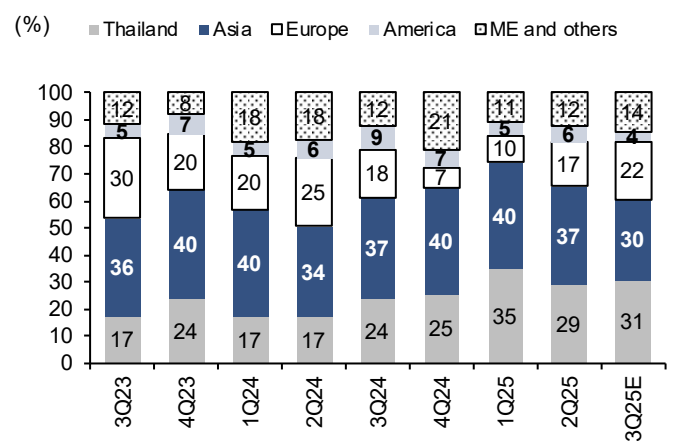
Sources: SAPPE, FSSIA estimates

Exhibit 7: Quarterly Middle East and others revenue and growth


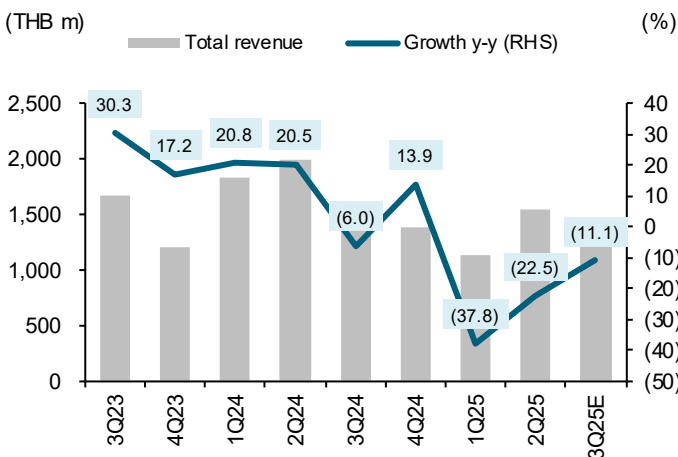
Sources: SAPPE, FSSIA estimates

Exhibit 8: Quarterly Thailand revenue and growth


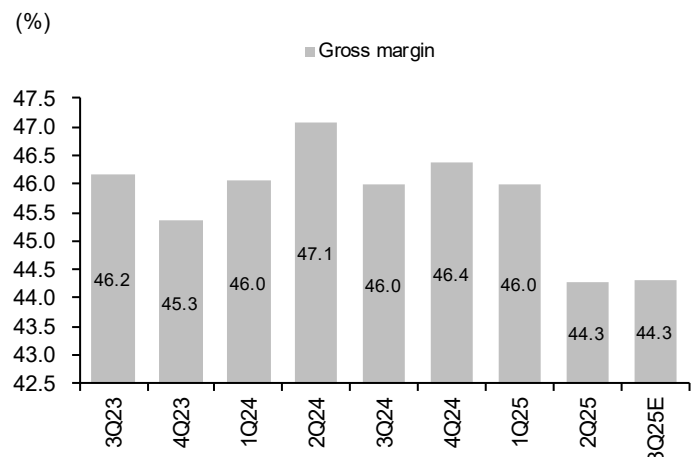
Sources: SAPPE, FSSIA estimates

Exhibit 9: Quarterly revenue breakdown by destination


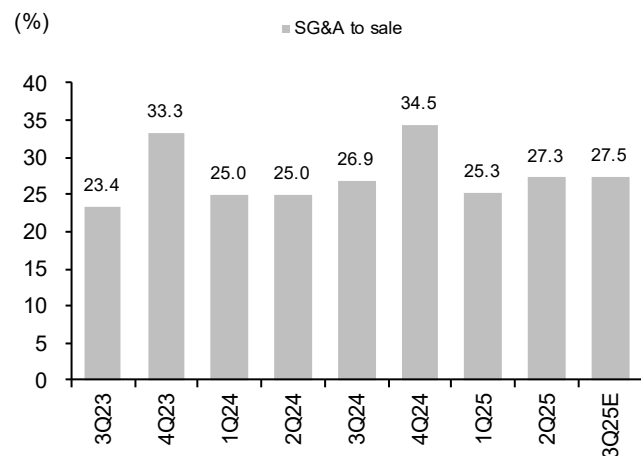
Sources: SAPPE, FSSIA estimates

Exhibit 10: Quarterly total revenue and growth


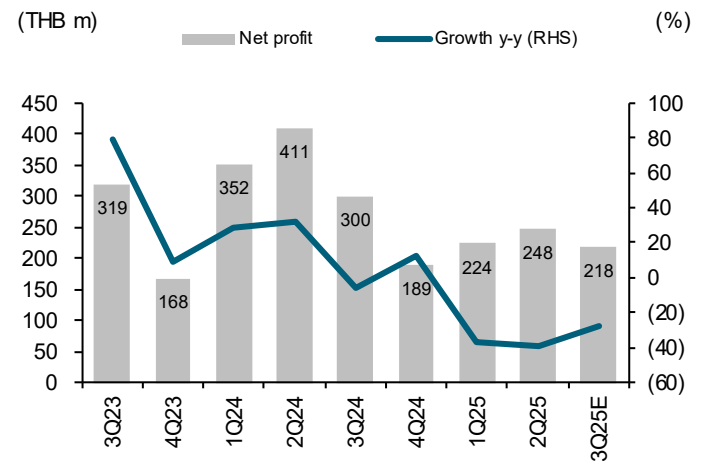
Sources: SAPPE, FSSIA estimates

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


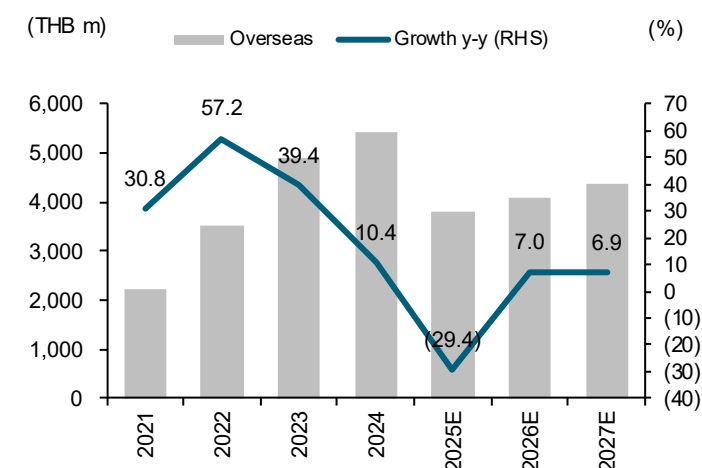
Sources: SAPPE, FSSIA estimates

Exhibit 14: Change in key assumptions for SAPPE

	Current			Previous			Change		
	2025E (THB m)	2026E (THB m)	2027E (THB m)	2025E (THB m)	2026E (THB m)	2027E (THB m)	2025E (%)	2026E (%)	2027E (%)
Total sale value (THB m)	5,504	5,941	6,329	6,136	6,603	7,035	(10.3)	(10.0)	(10.0)
Costs	3,027	3,220	3,450	3,375	3,579	3,799	(10.3)	(10.0)	(9.2)
Gross profit	2,477	2,721	2,880	2,761	3,024	3,236	(10.3)	(10.0)	(11.0)
SG&A expense	1,547	1,604	1,709	1,718	1,783	1,899	(10.0)	(10.0)	(10.0)
Interest expense	3	3	3	3	3	3	0.0	0.0	0.0
Reported net profit	877	1,067	1,121	995	1,168	1,256	(11.8)	(8.7)	(10.8)
Core profit	877	1,067	1,121	995	1,168	1,256	(11.8)	(8.7)	(10.8)
Key ratios (%)									
Total revenue growth	(18.8)	7.9	6.5	(9.4)	7.6	6.5	(9.3)	0.3	(0.0)
Net profit growth	(30.0)	21.6	5.1	(20.6)	17.4	7.5	(9.4)	4.2	(2.5)
Core profit growth	(28.9)	21.6	5.1	(19.3)	17.4	7.5	(9.6)	4.2	(2.5)
Gross margin	45.0	45.8	45.5	45.0	45.8	46.0	0.0	0.0	(0.5)
SG&A to sales	28.1	27.0	27.0	28.0	27.0	27.0	0.1	0.0	0.0
Net margin	15.9	18.0	17.7	16.2	17.7	17.9	(0.3)	0.3	(0.1)
Core margin	15.9	18.0	17.7	16.2	17.7	17.9	(0.3)	0.3	(0.1)
Operating statistics (no.)									
Domestic revenue	1,685	1,854	1,960	1,300	1,430	1,512	29.6	29.6	29.6
Overseas revenue	3,819	4,088	4,370	4,836	5,173	5,523	(21.0)	(21.0)	(20.9)
Domestic revenue growth	23.1	10.0	5.7	(5.0)	10.0	5.7	28.1	0.0	0.0
Overseas revenue growth	(29.4)	7.0	6.9	(10.6)	7.0	6.8	(18.8)	0.1	0.1
Domestic revenue portion	30.6	31.2	31.0	21.2	21.7	21.5	9.4	9.5	9.5
Overseas revenue portion	69.4	68.8	69.0	78.8	78.3	78.5	0.0	(9.5)	1.0

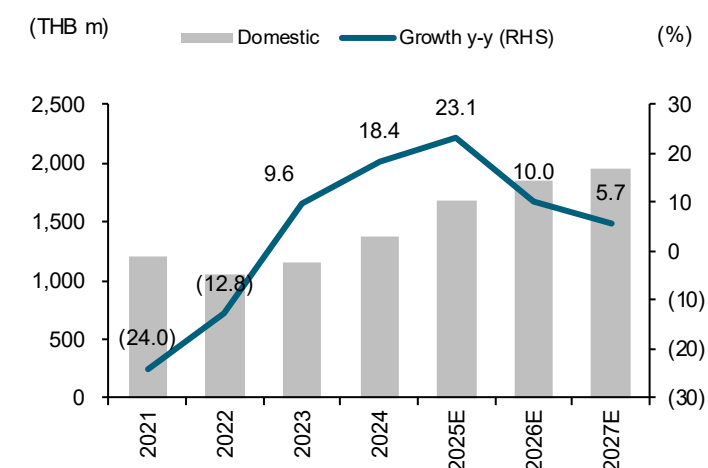
Source: FSSIA estimates

Exhibit 15: Yearly overseas revenue and growth

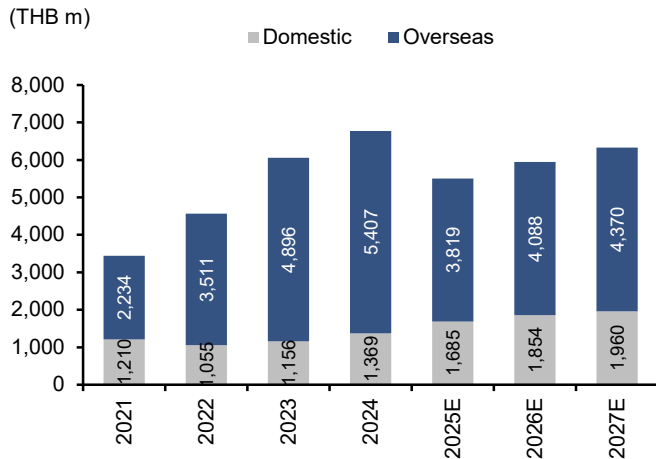


Sources: SAPPE, FSSIA estimates

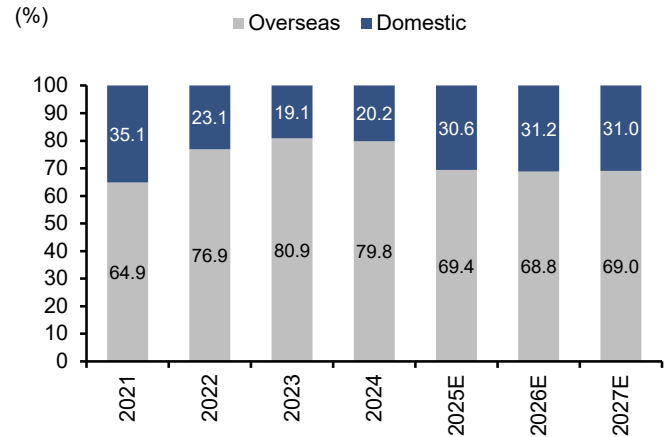
Exhibit 16: Yearly domestic revenue and growth



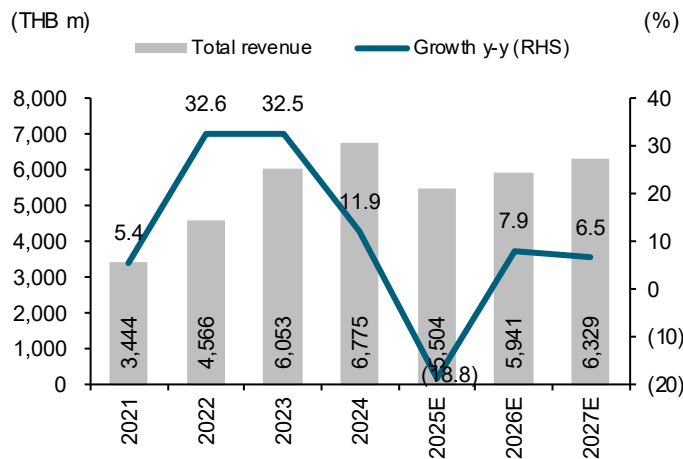
Sources: SAPPE, FSSIA estimates

Exhibit 17: Yearly revenue breakdown by destination


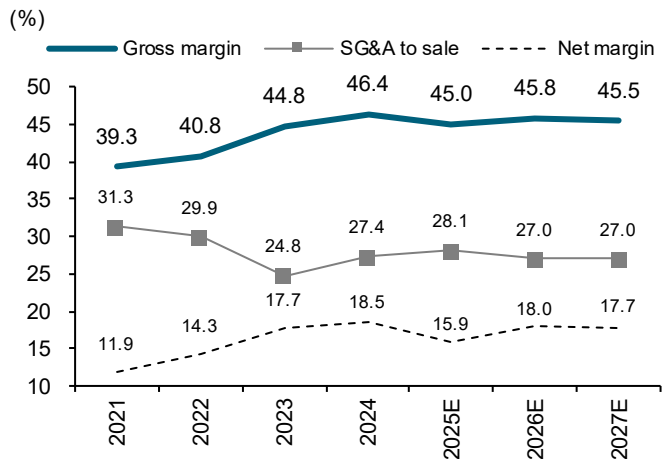
Sources: SAPPE, FSSIA estimates

Exhibit 18: Yearly revenue contribution by destination


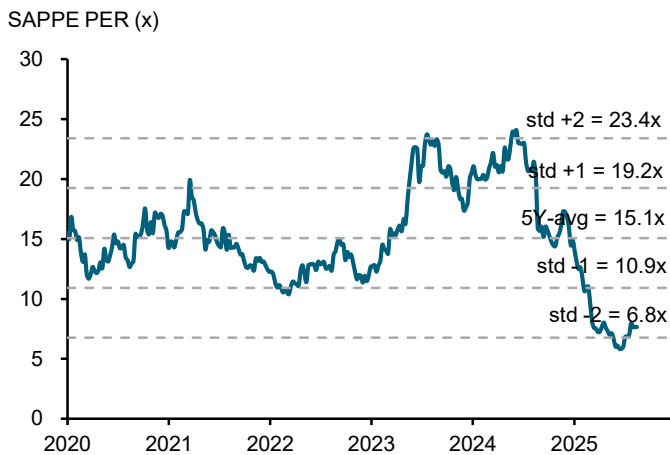
Sources: SAPPE, FSSIA estimates

Exhibit 19: Yearly total revenue and growth


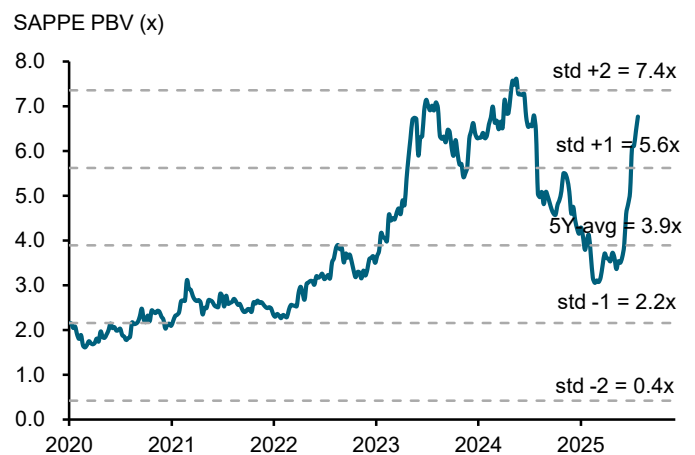
Sources: SAPPE, FSSIA estimates

Exhibit 20: Yearly gross margin and SG&A to sales


Sources: SAPPE, FSSIA estimates

Exhibit 21: Historical P/E band


Sources: Bloomberg; FSSIA estimates

Exhibit 22: Historical P/BV band


Sources: Bloomberg; FSSIA estimates

Financial Statements

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Profit and Loss (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Revenue	6,053	6,775	5,504	5,941	6,329
Cost of goods sold	(3,341)	(3,632)	(3,027)	(3,220)	(3,450)
Gross profit	2,711	3,144	2,477	2,721	2,880
Other operating income	146	258	138	178	190
Operating costs	(1,499)	(1,854)	(1,547)	(1,604)	(1,709)
Operating EBITDA	1,536	1,785	1,355	1,618	1,708
Depreciation	(178)	(237)	(287)	(322)	(347)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	1,358	1,548	1,068	1,295	1,361
Net financing costs	(3)	(2)	(3)	(3)	(3)
Associates	(20)	(1)	3	4	4
Recurring non-operating income	(20)	(1)	3	4	4
Non-recurring items	(10)	19	0	0	0
Profit before tax	1,325	1,564	1,068	1,296	1,362
Tax	(275)	(298)	(171)	(207)	(218)
Profit after tax	1,051	1,266	897	1,089	1,144
Minority interests	24	(13)	(20)	(22)	(23)
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
Reported net profit	1,074	1,253	877	1,067	1,121
Non-recurring items & goodwill (net)	10	(19)	0	0	0
Recurring net profit	1,085	1,233	877	1,067	1,121
Per share (THB)					
Recurring EPS *	3.52	4.00	2.84	3.46	3.64
Reported EPS	3.48	4.06	2.84	3.46	3.64
DPS	2.18	3.05	2.13	2.59	2.73
Diluted shares (used to calculate per share data)	308	308	308	308	308
Growth					
Revenue (%)	32.5	11.9	(18.8)	7.9	6.5
Operating EBITDA (%)	51.0	16.2	(24.1)	19.4	5.6
Operating EBIT (%)	63.6	13.9	(31.0)	21.3	5.1
Recurring EPS (%)	63.1	13.7	(28.9)	21.6	5.1
Reported EPS (%)	64.5	16.6	(30.0)	21.6	5.1
Operating performance					
Gross margin inc. depreciation (%)	44.8	46.4	45.0	45.8	45.5
Gross margin exc. depreciation (%)	47.7	49.9	50.2	51.2	51.0
Operating EBITDA margin (%)	25.4	26.3	24.6	27.2	27.0
Operating EBIT margin (%)	22.4	22.8	19.4	21.8	21.5
Net margin (%)	17.9	18.2	15.9	18.0	17.7
Effective tax rate (%)	20.7	19.0	16.0	16.0	16.0
Dividend payout on recurring profit (%)	62.0	76.2	75.0	75.0	75.0
Interest cover (X)	524.4	753.6	393.8	461.2	468.8
Inventory days	50.9	36.1	40.5	48.5	48.4
Debtor days	19.7	19.3	22.9	19.3	19.4
Creditor days	28.9	25.3	24.4	21.6	21.5
Operating ROIC (%)	96.7	65.5	28.6	28.9	28.4
ROIC (%)	73.7	56.4	26.0	26.6	26.2
ROE (%)	30.7	30.0	19.5	22.6	22.5
ROA (%)	20.8	21.5	15.2	17.9	17.8

* Pre-exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2023	2024	2025E	2026E	2027E
Domestic revenue	1,156	1,369	1,685	1,854	1,960
Overseas revenue	4,896	5,407	3,819	4,088	4,370

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	877	1,067	1,121
Depreciation	178	237	287	322	347
Associates & minorities	20	1	(3)	(4)	(4)
Other non-cash items	(24)	20	66	10	10
Change in working capital	581	(245)	(309)	24	17
Cash flow from operations	1,840	1,247	919	1,419	1,491
Capex - maintenance	-	-	-	-	-
Capex - new investment	(935)	(1,319)	(854)	(700)	(500)
Net acquisitions & disposals	4	(19)	0	0	0
Other investments (net)	(1)	25	(11)	(4)	(4)
Cash flow from investing	(931)	(1,314)	(864)	(704)	(504)
Dividends paid	(521)	(701)	(658)	(800)	(841)
Equity finance	0	0	0	0	0
Debt finance	(2)	1	33	3	3
Other financing cash flows	18	11	(16)	7	6
Cash flow from financing	(506)	(689)	(641)	(790)	(832)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	403	(756)	(587)	(76)	156
Free cash flow to firm (FCFF)	911.11	(65.34)	57.08	717.44	990.28
Free cash flow to equity (FCFE)	924.28	(55.33)	71.21	724.18	996.19

Per share (THB)

FCFF per share	2.96	(0.21)	0.19	2.33	3.21
FCFE per share	3.00	(0.18)	0.23	2.35	3.23
Recurring cash flow per share	4.08	4.84	3.98	4.52	4.78

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	116	120	124
Cash & equivalents	2,532	1,775	1,189	1,113	1,268
A/C receivable	642	602	342	366	387
Inventories	438	234	373	397	425
Other current assets	45	86	55	59	63
Current assets	3,656	2,698	1,959	1,935	2,144
Other assets	43	44	55	59	63
Total assets	5,680	5,921	5,909	6,271	6,641
Common equity	3,818	4,392	4,585	4,851	5,131
Minorities etc.	78	99	165	175	185
Total shareholders' equity	3,896	4,491	4,750	5,026	5,316
Long term debt	49	39	51	54	57
Other long-term liabilities	88	99	83	89	95
Long-term liabilities	137	138	134	143	152
A/C payable	271	200	166	176	189
Short term debt	21	13	34	34	34
Other current liabilities	1,356	1,079	826	891	949
Current liabilities	1,647	1,292	1,025	1,102	1,172
Total liabilities and shareholders' equity	5,680	5,921	5,909	6,271	6,641
Net working capital	(502)	(357)	(222)	(246)	(263)
Invested capital	1,522	2,866	3,728	4,090	4,234

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

Per share (THB)

Book value per share	12.38	14.25	14.87	15.74	16.64
Tangible book value per share	11.98	13.78	14.41	15.27	16.18

Financial strength

Net debt/equity (%)	(63.2)	(38.4)	(23.2)	(20.4)	(22.1)
Net debt/total assets (%)	(43.3)	(29.1)	(18.7)	(16.3)	(17.7)
Current ratio (x)	2.2	2.1	1.9	1.8	1.8
CF interest cover (x)	729.4	617.1	341.0	506.7	514.8

Valuation	2023	2024	2025E	2026E	2027E
Recurring P/E (x) *	9.6	8.4	11.9	9.8	9.3
Recurring P/E @ target price (x) *	10.2	9.0	12.7	10.4	9.9
Reported P/E (x)	9.7	8.3	11.9	9.8	9.3
Dividend yield (%)	6.5	9.0	6.3	7.7	8.1
Price/book (x)	2.7	2.4	2.3	2.1	2.0
Price/tangible book (x)	2.8	2.4	2.3	2.2	2.1
EV/EBITDA (x) **	5.2	4.9	7.0	5.9	5.5
EV/EBITDA @ target price (x) **	5.7	5.3	7.5	6.3	5.9
EV/invested capital (x)	5.3	3.1	2.5	2.3	2.2

* 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 23: 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 24: 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 25: 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 Sustainabilitys	The Sustainabilitys' ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. <i>Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality & 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

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Sureeporn Teewasuwet FSS International Investment Advisory Securities Co., Ltd

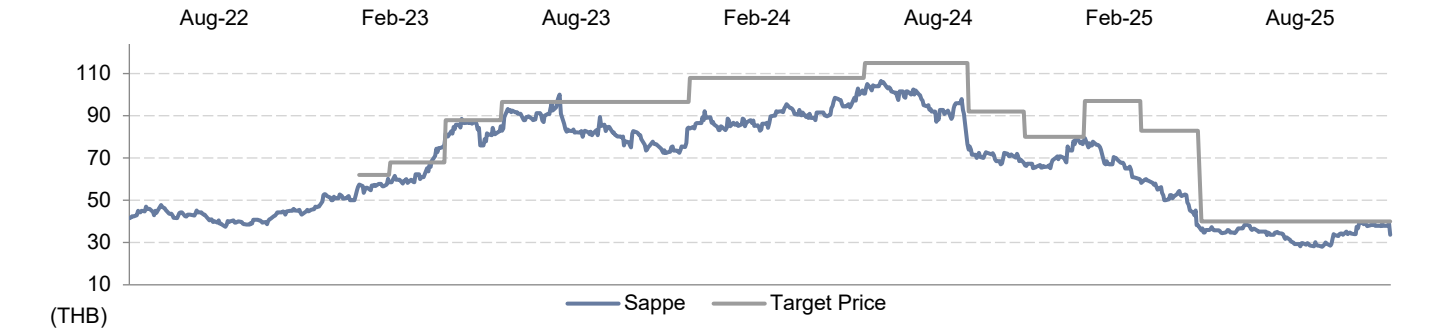
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

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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 33.75	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 21-Aug-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.