

SAPPE SAPPE TB  
THAILAND / FOOD & BEVERAGE

HOLD

FROM BUY

## การฟื้นตัวสะดุด

- การส่งออกไปตะวันออกกลางหยุดชะงักตั้งแต่ มี.ค. บริษัทอยู่ระหว่างรีวิวเป้าปี 2026
- ยังต้องติดตามทั้งค่าระวางเรือ แนวโน้มต้นทุนพลังงาน และราคาบรรจุภัณฑ์
- ปรับลงเป็น ถือ โดยปรับลดเป้าเหลือ 33 บาท ยังต้องติดตามสงครามต่อไป

|                 |          |
|-----------------|----------|
| TARGET PRICE    | THB33.00 |
| CLOSE           | THB29.25 |
| UP/DOWNSIDE     | +12.8%   |
| PRIOR TP        | THB38.00 |
| CHANGE IN TP    | -13.2%   |
| TP vs CONSENSUS | -7.4%    |

## KEY STOCK DATA

| YE Dec (THB m)       | 2025   | 2026E  | 2027E  | 2028E  |
|----------------------|--------|--------|--------|--------|
| Revenue              | 5,253  | 5,399  | 6,117  | 6,582  |
| Net profit           | 776    | 842    | 1,059  | 1,143  |
| EPS (THB)            | 2.52   | 2.73   | 3.43   | 3.71   |
| vs Consensus (%)     | -      | (7.9)  | 7.0    | 4.1    |
| EBITDA               | 1,213  | 1,325  | 1,609  | 1,728  |
| Recurring net profit | 761    | 842    | 1,059  | 1,143  |
| Core EPS (THB)       | 2.47   | 2.73   | 3.43   | 3.71   |
| Chg. In EPS est. (%) | nm     | (13.5) | (3.2)  | nm     |
| EPS growth (%)       | (38.3) | 10.6   | 25.7   | 8.0    |
| Core P/E (x)         | 11.8   | 10.7   | 8.5    | 7.9    |
| Dividend yield (%)   | 5.2    | 5.6    | 7.0    | 7.6    |
| EV/EBITDA (x)        | 6.6    | 6.0    | 4.8    | 4.1    |
| Price/book (x)       | 2.1    | 1.9    | 1.8    | 1.6    |
| Net debt/Equity (%)  | (26.0) | (25.8) | (29.3) | (36.3) |
| ROE (%)              | 17.4   | 18.8   | 21.8   | 21.6   |

## อยู่ระหว่างรีวิวเป้าการเติบโตปี 2026 จากเดิมตั้งไว้โต 15% y-y

เผย.ตั้งเป้ารายได้ปี 2026 โตไม่น้อยกว่า 15% y-y นำโดย อินโดนีเซีย ที่ปัจจุบันได้ distributor รายที่ 2 ซึ่งจะเริ่มขายสินค้าให้บริษัทได้ตั้งแต่ปลาย 2Q26 ถัดมาคือ สหรัฐอเมริกา ที่ปรับขึ้นราคาแล้วเสร็จ และคำสั่งซื้อกำลังทยอยฟื้นตัว เดิมที บริษัทคาดหวังตะวันออกกลาง จะฟื้นดีเช่นกัน และคำสั่งซื้อกลับมาดีขึ้นตั้งแต่ 4Q25 จนถึง 1Q26 ซึ่งได้ทยอยส่งสินค้าได้ดีในเดือน ม.ค.-ก.พ. อย่างไรก็ตาม หลังจากเกิดสงคราม ทำให้เกิดปัญหา loading ในเดือน มี.ค. จึงคาดว่ารายได้ใน 1Q26 อาจเติบโตได้น้อยกว่าเป้า เบื้องต้นเรคาดโตได้ราว 10-12% y-y

## เริ่มมีปัญหาการขนส่ง และคาดแนวโน้มต้นทุนกำลังปรับขึ้น

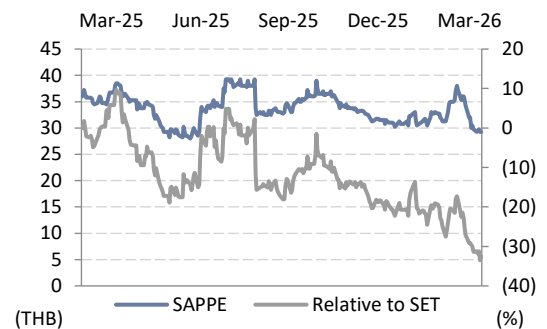
ผู้บริหารระบุว่า การขนส่งไปตะวันออกกลางหยุดชะงักไปแล้ว (สัดส่วนรายได้ 8.8% ของรายได้ทั้งหมด) แต่เส้นทางอื่นยังขนส่งได้ปกติ อาทิ เอเชีย อเมริกา ส่วนยุโรปเริ่มใช้ระยะเวลาขนส่งขึ้นราว 2-3 สัปดาห์ หากค่าขนส่งปรับขึ้นระยะถัดไป อาจกระทบจำกัดเพราะขายเป็น FOB (เทียบเคียงช่วงโควิดปี 2022 ที่ค่าขนส่งทำนิวไฮและแพงกว่าเรปปัจจุบัน 4x) ทั้งนี้บริษัทมีต้นทุน Pet Resin 7-8%, ต้นทุนพลังงาน 4-5% ของต้นทุนทั้งหมด ส่วน logistic costs ราว 5% ของรายได้รวม จากการประเมินของ FSSIA กรณีน้ำมันและต้นทุนพลาสติกปรับขึ้นทุก 10% จะกระทบกำไรราว 5.8%

## ปรับลดกำไรปี 2026 จากการลดรายได้ตะวันออกกลางออก 10 เดือน

เราปรับลดกำไรสุทธิปี 2026 ลง 13.5% เป็น 842 ลบ. (+8.5% y-y) โดยปรับลดรายได้ตะวันออกกลางและอื่นๆลง 58% ภายใต้สมมติฐานส่งออกไปได้เพียงเดือน ม.ค.-ก.พ. เท่านั้น และให้ประเทศอื่นส่งออกได้ปกติ คงเหลือรายได้ตะวันออกกลางและอื่นๆในปี 2026 เพียง 274 ลบ. (-55.0% y-y) และมีสัดส่วนรายได้เพียง 5.1% จากเดิม 11.2% ของรายได้รวม ปรับลดอัตรากำไรขั้นต้นลงเป็น 43.5% จาก 44.6% จากการปรับลดอัตรากำไรขั้นต้นการผลิต และยังคงสมมติฐานค่าเงินบาทที่ 33 บาท ตามเดิม

## ปรับลดเป็น ถือ รอติดตามสถานการณ์สงครามต่อไป

ปรับลดคำแนะนำเป็น ถือ โดยปรับลดราคาเป้าหมายเป็น 33 บาท (จาก 38 บาท) อิง PE เดิม 12x โดยยังมี downside จากราคาพลังงานและต้นทุนบรรจุภัณฑ์ที่สูงขึ้นกว่าคาด รวมถึงปัญหาการขนส่งต่อเส้นทางอื่นๆ ที่ไม่ใช่ตะวันออกกลาง หุ่นจะกลับมาสนใจอีกครั้ง เมื่อสถานการณ์สงคราม และราคาน้ำมันคลี่คลาย



| Share price performance        | 1 Month                    | 3 Month | 12 Month |
|--------------------------------|----------------------------|---------|----------|
| Absolute (%)                   | (16.4)                     | (7.1)   | (15.8)   |
| Relative to country (%)        | (15.2)                     | (17.4)  | (30.7)   |
| Mkt cap (USD m)                | 275                        |         |          |
| 3m avg. daily turnover (USD m) | 0.4                        |         |          |
| Free float (%)                 | 25                         |         |          |
| Major shareholder              | Ruckariyapong Family (65%) |         |          |
| 12m high/low (THB)             | 41.75/27.50                |         |          |
| 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. They received such favorable responses that it resulted in continued increases in the export sales mix. According to the latest data in 2025, exports stood at 70.4% of total revenue, including Asia (Indonesia, the Philippines, and South Korea), Europe (France and the UK), the US, and the Middle East.

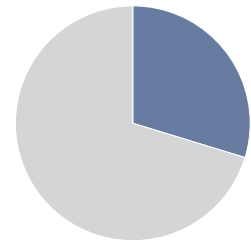
### Company profile

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'BLUE brand.

[www.sappe.com](http://www.sappe.com)

### Principal activities (revenue, 2025)

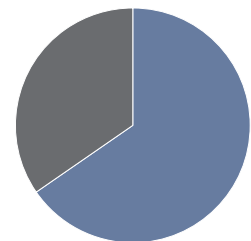
- Domestic revenue - 29.7 %
- Overseas revenue - 70.3 %



Source: Sappe

### Major shareholders

- Ruckariyapong Family - 65.4 %
- Others - 34.6 %



Source: Sappe

### Catalysts

Potential catalysts for SAPPE's earnings growth in 2026 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                     |
|----------|---------------------------|
| May 2026 | 1Q26 results announcement |

### Key assumptions

|                          | 2026E | 2027E | 2028E |
|--------------------------|-------|-------|-------|
| Domestic revenue (THB m) | 1,608 | 1,700 | 1,794 |
| Overseas revenue (THB m) | 3,791 | 4,417 | 4,789 |
| Total revenue (THB m)    | 0     | 6,117 | 6,582 |
| Total revenue growth (%) | 0.0   | 13.3  | 7.6   |
| Gross margin (%)         | 43.5  | 45.0  | 45.5  |
| SG&A to sale (%)         | 27.5  | 27.0  | 27.4  |

Source: FSSIA estimates

### Earnings sensitivity

- For every 1% increase in revenue, we estimate 2026 net profit will rise by 0.8%, and vice versa, all else being equal.
- For every 0.5% increase in GPM, we estimate 2026 net profit will rise by 2.9%, and vice versa, all else being equal.
- For every 0.5% increase in SG&A, we estimate 2026 net profit will fall by 2.8%, and vice versa, all else being equal.

Source: FSSIA estimates

## 4Q25 profit continued to decline; 2025 earnings down 38% y-y

Total revenue in 4Q25 fell 10% q-q and 11.9% y-y. On a q-q basis, revenue declined across most regions, except the Middle East (+28.0% q-q). On a y-y basis, revenue also declined in most regions, including the Middle East (-34.9% y-y) and Asia (-22.8% y-y). Meanwhile, Europe grew 60.8% y-y as destocking ended, while the U.S. increased 16.2% y-y following price adjustments to reflect tariffs.

Gross margin stood at 43.5%, flat q-q but down from 46.4% in 4Q24, mainly due to a stronger baht and lower capacity utilization, which declined to 52% from 56% in 3Q25 and 60% in 4Q24.

SG&A expenses rose 1.6% q-q but fell 16.4% y-y, although they were higher than our estimate, likely due to our conservative assumption. With lower revenue, the SG&A to sales ratio increased to 32.7% (vs. our estimate of 30%), up from 28.9% in 3Q25 but lower than 34.5% in 4Q24, which was the seasonal peak.

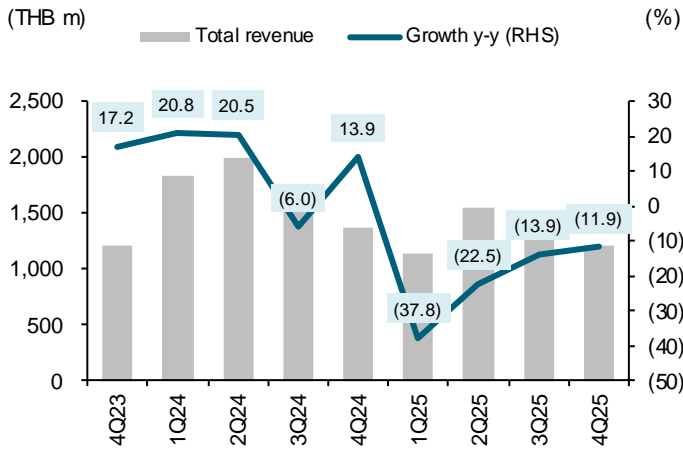
The company reported 2025 net profit of THB776m (-38.0% y-y).

### Exhibit 1: SAPPE – 4Q25 results summary

|                                     | 4Q24    | 1Q25    | 2Q25    | 3Q25    | 4Q25    | ----- Change ----- |              | 2024    | 2025    | Change |
|-------------------------------------|---------|---------|---------|---------|---------|--------------------|--------------|---------|---------|--------|
|                                     | (THB m) | (THB m) | (THB m) | (THB m) | (THB m) | (q-q%)             | (y-y%)       | (THB m) | (THB m) | (y-y%) |
| Sales                               | 1,377   | 1,142   | 1,548   | 1,349   | 1,214   | (10.0)             | (11.9)       | 6,775   | 5,253   | (22.5) |
| Cost of sales                       | 739     | 617     | 862     | 762     | 685     | (10.1)             | (7.2)        | 3,632   | 2,927   | (19.4) |
| Gross profit                        | 638     | 526     | 686     | 586     | 528     | (9.9)              | (17.2)       | 3,144   | 2,326   | (26.0) |
| SG&A                                | 475     | 289     | 422     | 390     | 397     | 1.6                | (16.4)       | 1,854   | 1,498   | (19.2) |
| Operating profit                    | 221     | 273     | 295     | 222     | 158     | (28.7)             | (28.4)       | 1,548   | 949     | (38.7) |
| Other income                        | 57      | 37      | 32      | 26      | 26      | 1.6                | (54.0)       | 258     | 120     | (53.4) |
| Interest expense                    | 0.46    | 0.44    | 0.40    | 0.38    | 0.55    | 47.1               | 19.4         | 2       | 2       | (13.9) |
| Tax expense                         | 31      | 48      | 47      | 36      | 33      | (7.8)              | 5.8          | 298     | 163     | (45.3) |
| Profit (loss) sharing               | (3)     | 0       | 1       | 0       | 0       | nm                 | nm           | (1)     | 2       | nm     |
| Reported net profit                 | 189     | 224     | 248     | 183     | 121     | (33.8)             | (35.9)       | 1,253   | 776     | (38.0) |
| Core profit                         | 180     | 221     | 243     | 179     | 118     | (34.4)             | (34.7)       | 1,233   | 761     | (38.3) |
| <b>Key ratios (%)</b>               |         |         |         |         |         | <b>(ppt)</b>       | <b>(ppt)</b> |         |         |        |
| Gross margin                        | 46.4    | 46.0    | 44.3    | 43.5    | 43.5    | 0.1                | (2.8)        | 46.4    | 44.3    | (2.1)  |
| SG&A to sales                       | 34.5    | 25.3    | 27.3    | 28.9    | 32.7    | 3.7                | (1.8)        | 27.4    | 28.5    | 1.2    |
| Operating margin                    | 16.1    | 23.9    | 19.1    | 16.5    | 13.0    | (3.4)              | (3.0)        | 22.8    | 18.1    | (4.8)  |
| Net margin                          | 13.7    | 19.6    | 16.0    | 13.6    | 10.0    | (3.6)              | (3.7)        | 18.5    | 14.8    | (3.7)  |
| Core margin                         | 13.1    | 19.3    | 15.7    | 13.3    | 9.7     | (3.6)              | (3.4)        | 18.2    | 14.5    | (3.7)  |
| <b>Operating statistics (THB m)</b> |         |         |         |         |         |                    |              |         |         |        |
| Domestic revenue                    | 350     | 395     | 443     | 372     | 351     | (5.6)              | 0.4          | 1,369   | 1,561   | 14.1   |
| Overseas revenue                    | 1,027   | 747     | 1,104   | 977     | 899     | (8.0)              | (12.5)       | 5,407   | 3,720   | (31.2) |
| Asia                                | 545     | 455     | 567     | 429     | 427     | (0.5)              | (21.7)       | 2,527   | 1,877   | (25.7) |
| Europe                              | 102     | 113     | 255     | 282     | 225     | (20.2)             | 120.8        | 1,260   | 875     | (30.5) |
| America                             | 91      | 58      | 93      | 112     | 97      | (13.3)             | 6.7          | 447     | 360     | (19.5) |
| Middle East and others              | 289     | 122     | 189     | 147     | 150     | 2.0                | (48.1)       | 1,172   | 608     | (48.1) |
| <b>Revenue contribution (%)</b>     |         |         |         |         |         |                    |              |         |         |        |
| Domestic revenue                    | 25.4    | 34.6    | 28.6    | 27.6    | 28.9    | 1.3                | 3.5          | 20.2    | 29.7    | 9.5    |
| Overseas revenue                    | 74.6    | 65.4    | 71.3    | 72.4    | 74.1    | 1.6                | (0.5)        | 79.8    | 70.8    | (9.0)  |

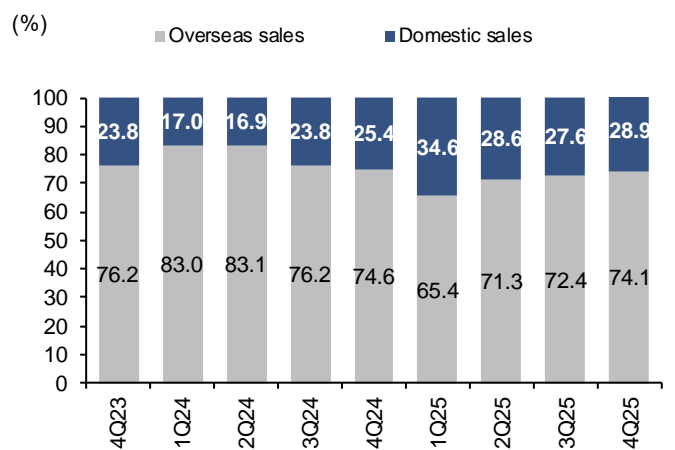
Sources: SAPPE; FSSIA's compilation

**Exhibit 2: Total revenue and growth**



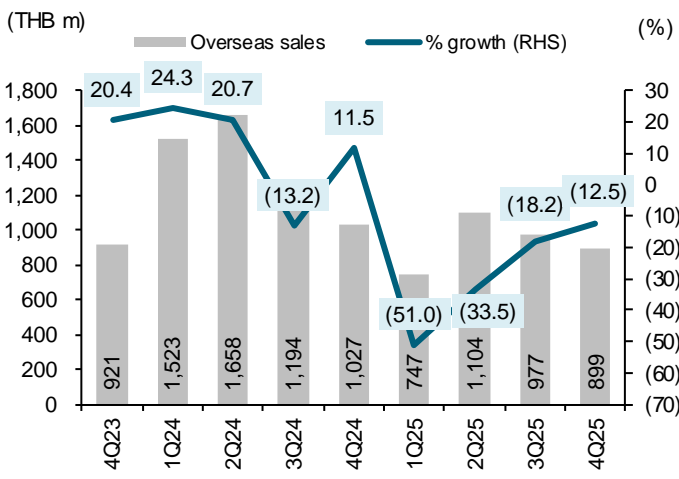
Sources: SAPPE, FSSIA's compilation

**Exhibit 3: Revenue breakdown by destination**



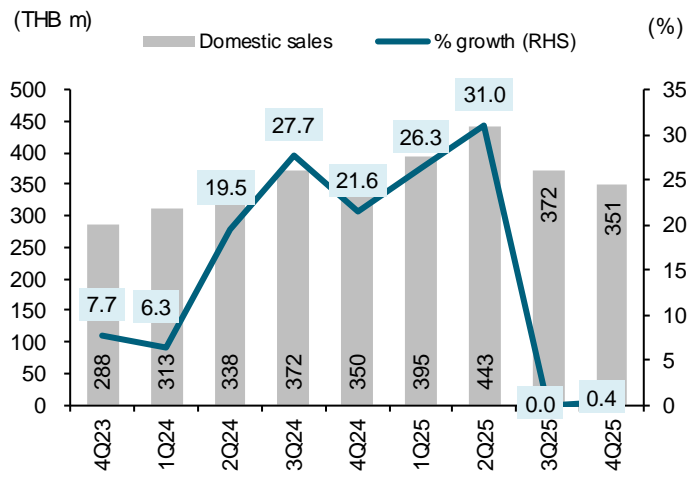
Sources: SAPPE, FSSIA's compilation

**Exhibit 4: Revenue from overseas and growth**



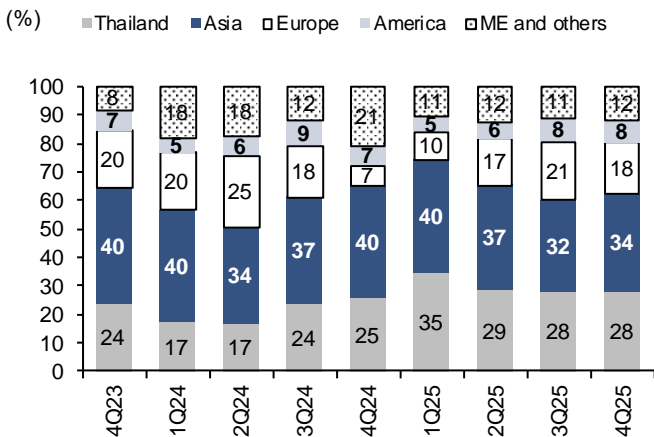
Sources: SAPPE, FSSIA's compilation

**Exhibit 5: Revenue from domestic and growth**



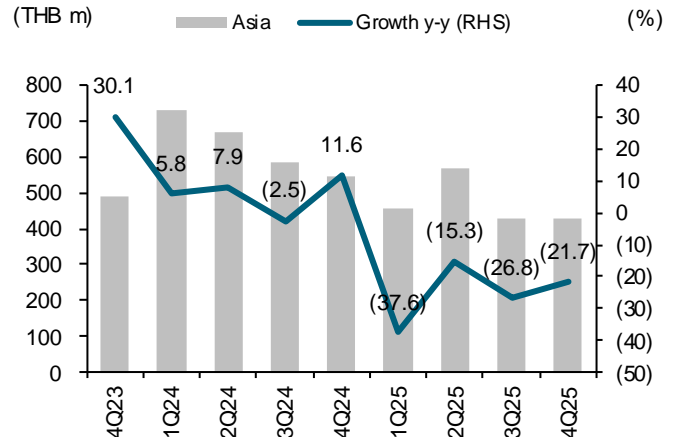
Sources: SAPPE, FSSIA's compilation

**Exhibit 6: Revenue breakdown by region**



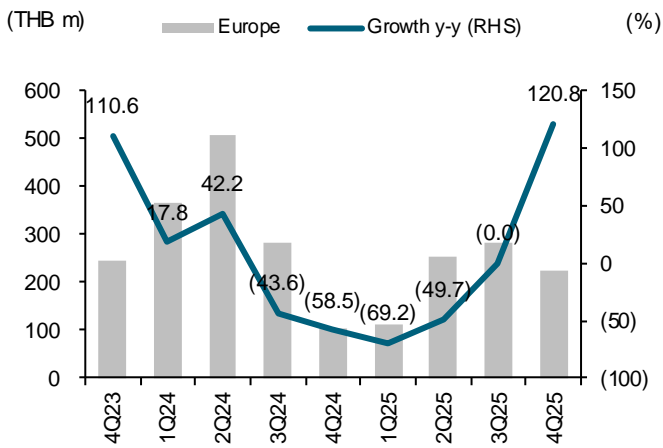
Sources: SAPPE, FSSIA's compilation

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



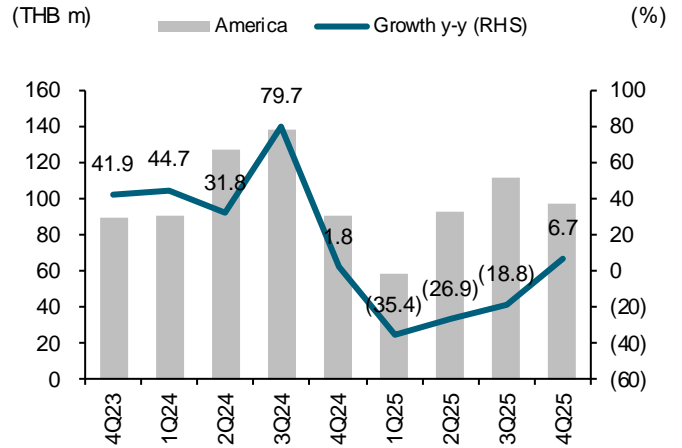
Sources: SAPPE, FSSIA's compilation

**Exhibit 8: Revenue from Europe and growth**



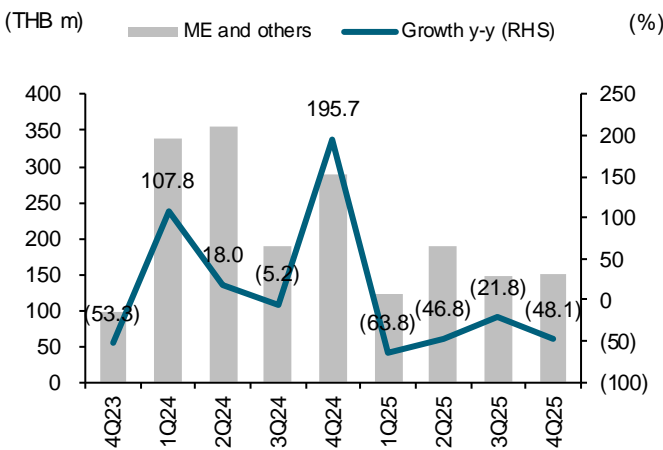
Sources: SAPPE, FSSIA's compilation

**Exhibit 9: Revenue from America and growth**



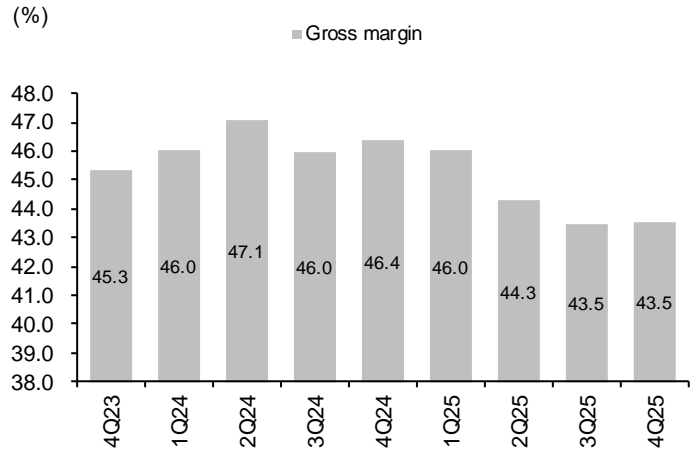
Sources: SAPPE, FSSIA's compilation

**Exhibit 10: Revenue from Middle East and others**



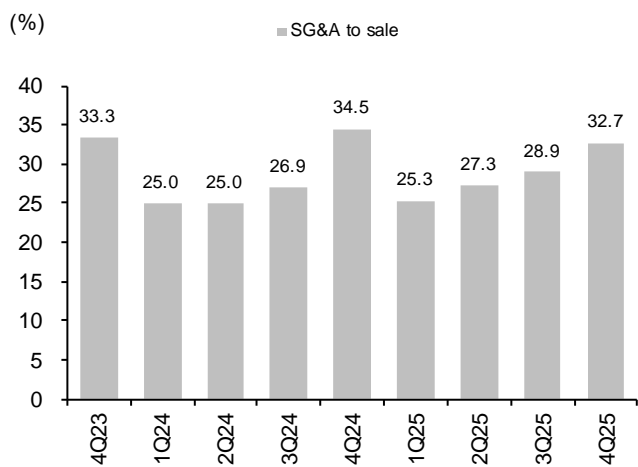
Sources: SAPPE, FSSIA's compilation

**Exhibit 11: Gross margin**



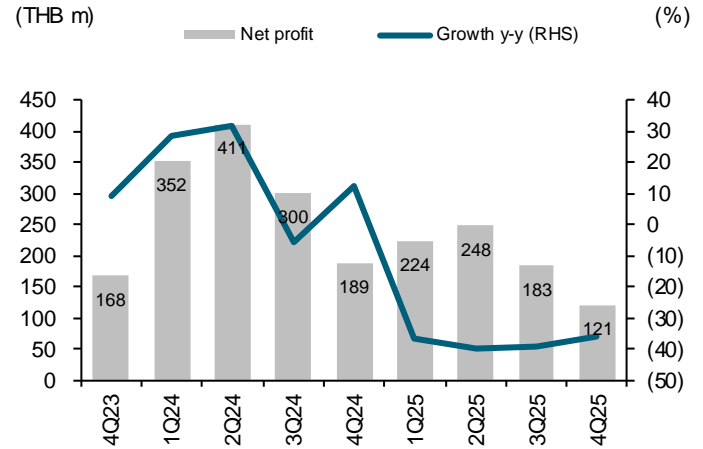
Sources: SAPPE, FSSIA's compilation

**Exhibit 12: SG&A to sales**



Sources: SAPPE, FSSIA's compilation

**Exhibit 13: Net profit and growth**



Sources: SAPPE, FSSIA's compilation

## Reviewing 2026 growth target (previously +15% y-y)

The company previously targeted at least 15% y-y revenue growth in 2026, driven mainly by export market recovery of more than 15% y-y, while domestic revenue is expected to grow around 5% y-y given the high base last year. Revenue from All Coco products may also be affected by lower coconut prices, as the business operates under a cost-plus pricing model.

Markets expected to recover include Indonesia, which slowed significantly last year. The company has secured a second distributor expected to begin contributing sales from late 2Q26. The U.S. market is another key driver after demand weakened in 2H25 due to U.S. tariffs. Price adjustments have been completed and orders are gradually recovering.

Previously, the company also expected Middle East demand to recover, with orders improving from late 4Q25 through 1Q26 and shipments proceeding well during Jan–Feb. However, the recent war disrupted loading in March, which may limit 1Q26 revenue growth below target. We preliminarily estimate 1Q26 revenue growth at around 10–12% y-y.

Management is currently assessing the situation and may review the 2026 growth target again.

Exhibit 14: SAPPE 2026 Target Growth



Source: SAPPE's presentation

## Logistics disruption emerging, particularly in the Middle East

Management indicated that shipments to the Middle East have already been disrupted, affecting around 8.8% of total revenue. However, shipments to other regions such as Asia and the U.S. remain normal, while deliveries to Europe now take about 2–3 weeks longer.

Freight rates have risen slightly across most routes, except for the Middle East route, where rates have increased around threefold. However, the key issue remains the disruption of shipping routes to the Middle East.

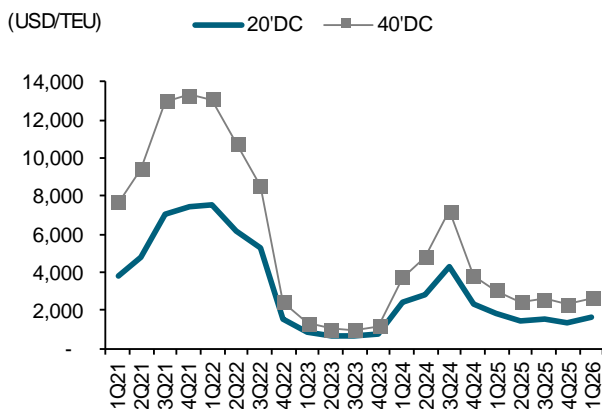
Currently, freight rates from Thailand to Europe (40-foot container) have increased to around USD3,000/TEU (+30% m-m, +30% y-y), while Thailand to the U.S. West Coast stands at USD4,000/TEU (+5.3% m-m, flat y-y). Meanwhile, Asian routes remain relatively stable, with Thailand–Jakarta at USD300/TEU (flat m-m, -40% y-y).

Overall freight rates remain significantly lower than during the COVID period in 2022, when shipping shortages caused by port quarantines pushed freight rates to record highs, with Europe at USD14,300/TEU and the U.S. at USD13,300/TEU.

However, we expect freight rates to trend higher due to rising oil prices. Although the company sells under FOB terms, it may adopt a strategy similar to 2022 by helping customers secure shipping lines and recognizing shipping expenses. Logistics costs would rise but would be charged back to customers and recorded as other income. Therefore, the net impact on earnings should remain limited, provided that customers continue placing orders.

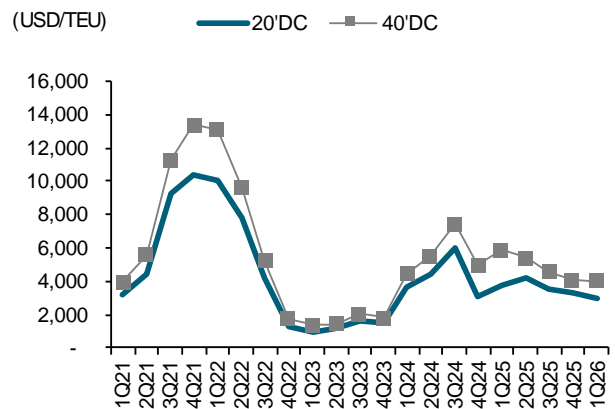
We continue to monitor logistics conditions and freight rate trends.

**Exhibit 15: Container freight rate (Thailand – EU)**



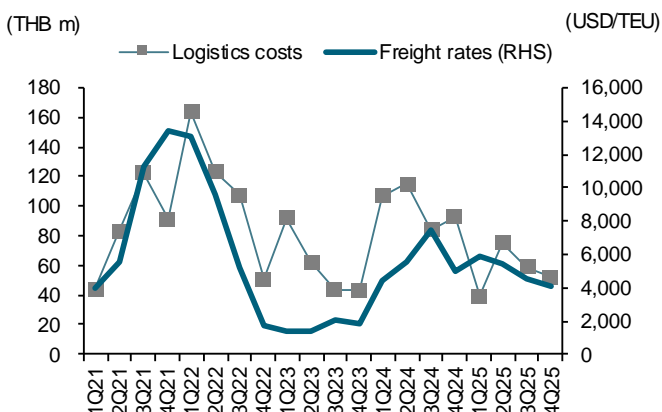
Sources: TNSC, FSSIA's compilation

**Exhibit 16: Container freight rate (Thailand – US West Coast)**



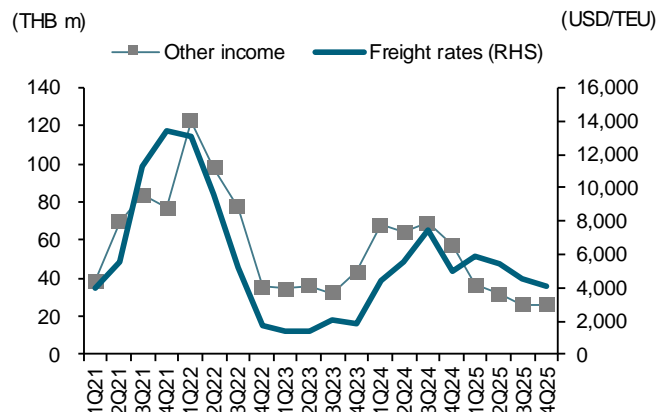
Sources: TNSC, FSSIA's compilation

**Exhibit 17: SAPPE – Logistics costs and Freight rates**



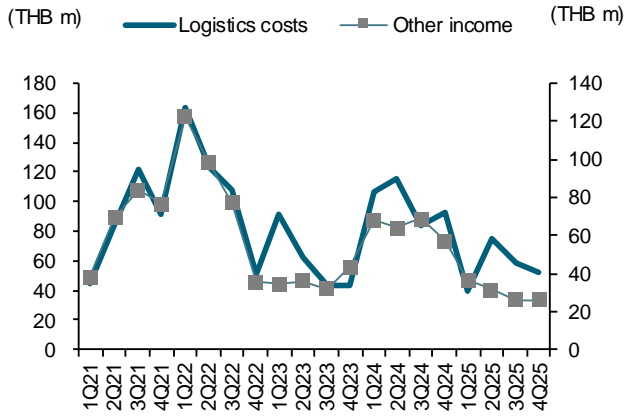
Sources: SAPPE, FSSIA's compilation

**Exhibit 18: SAPPE – Other income and Freight rates**



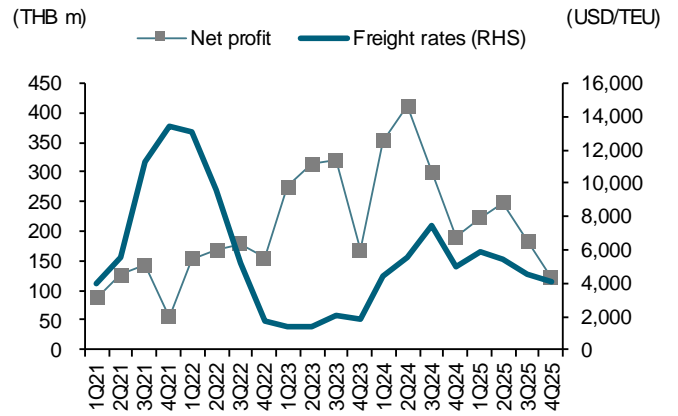
Sources: SAPPE, FSSIA's compilation

**Exhibit 19: SAPPE – Logistics costs and Other income**



Sources: SAPPE, FSSIA's compilation

**Exhibit 20: SAPPE – Net profit and Freight rates**



Sources: SAPPE, FSSIA's compilation

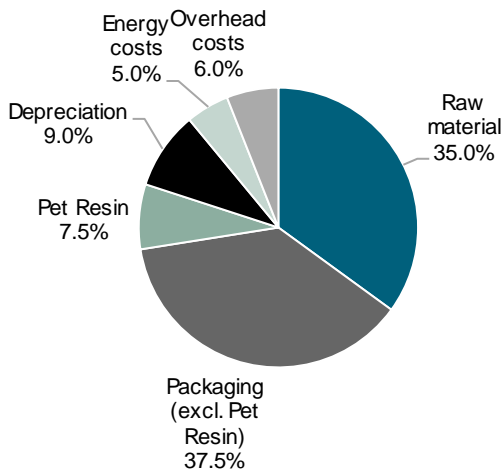
### Rising energy prices could pressure costs

Higher crude oil prices could affect not only freight rates, but also energy costs (4–5% of total costs), packaging costs—particularly PET resin (7–8% of total costs)—and logistics costs borne by the company (around 5% of total revenue).

The company has already locked in 80–90% of sugar prices for the year through end-2026, while PET resin prices are locked until May. However, there remains a risk of earlier price adjustments due to rising energy costs.

Our sensitivity analysis suggests that a 10% increase in oil and packaging costs could reduce net profit by around 5.8%.

**Exhibit 21: Cost breakdown in 2025**



Sources: SAPPE, FSSIA estimates

## 2026 earnings cut and downgrade to HOLD

We cut our 2026 net profit forecast by 13.5% to THB842m (+8.5% y-y), mainly reflecting a 58% reduction in Middle East and other export revenue, assuming shipments occurred only during Jan–Feb while exports to other regions remain normal.

Under this assumption, Middle East and other revenue in 2026 would decline to THB274m (-55.0% y-y), accounting for 5.1% of total revenue, down from 11.2% previously.

We also lower our gross margin assumption to 43.5% (from 44.6%), reflecting lower capacity utilization of 58% (from 62%), while maintaining our THB/USD assumption at THB33.

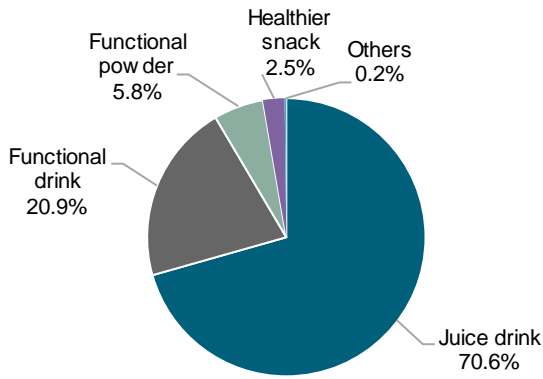
We downgrade to HOLD and cut our target price to THB33 (from THB38), based on an unchanged 12x PE multiple. Downside risks remain from higher-than-expected energy and packaging costs, as well as potential logistics disruptions on routes beyond the Middle East. The stock could become attractive again once the war situation and oil prices stabilize.

### Exhibit 22: Changes in key assumptions for SAPPE

|  | Current          |                  |                  | Previous         |                  |                  | Change       |              |              |
|--|------------------|------------------|------------------|------------------|------------------|------------------|--------------|--------------|--------------|
|  | 2026E<br>(THB m) | 2027E<br>(THB m) | 2028E<br>(THB m) | 2026E<br>(THB m) | 2027E<br>(THB m) | 2028E<br>(THB m) | 2026E<br>(%) | 2027E<br>(%) | 2028E<br>(%) |
| Total sale value (THB m)                 | 5,399            | 6,117            | 6,582            | 5,834            | 6,327            | 6,807            | (7.4)        | (3.3)        | (3.3)        |
| Costs                                    | 3,050            | 3,364            | 3,587            | 3,232            | 3,480            | 3,710            | (5.6)        | (3.3)        | (3.3)        |
| Gross profit                             | 2,349            | 2,752            | 2,995            | 2,602            | 2,847            | 3,097            | (9.7)        | (3.3)        | (3.3)        |
| SG&A expense                             | 1,485            | 1,651            | 1,804            | 1,593            | 1,708            | 1,865            | (6.8)        | (3.3)        | (3.3)        |
| Interest expense                         | 2                | 2                | 2                | 3                | 3                | 3                | 0.0          | 0.0          | 0.0          |
| Reported net profit                      | 842              | 1,059            | 1,143            | 974              | 1,094            | 1,182            | (13.5)       | (3.2)        | (3.3)        |
| Core profit                              | 842              | 1,059            | 1,143            | 974              | 1,094            | 1,182            | (13.5)       | (3.2)        | (3.3)        |
| <b>Key ratios (%)</b>                    |                  |                  |                  |                  |                  |                  |              |              |              |
| Total revenue growth                     | 2.8              | 13.3             | 7.6              | 10.5             | 8.5              | 7.6              | (7.7)        | 4.8          | 0.0          |
| Net profit growth                        | 8.5              | 25.7             | 8.0              | 18.7             | 12.4             | 8.1              | (10.2)       | 13.4         | (0.1)        |
| Core profit growth                       | 10.6             | 25.7             | 8.0              | 20.3             | 12.4             | 8.1              | (9.7)        | 13.4         | (0.1)        |
| Gross margin                             | 43.5             | 45.0             | 45.5             | 44.6             | 45.0             | 45.5             | (1.1)        | 0.0          | 0.0          |
| SG&A to sales                            | 27.5             | 27.0             | 27.4             | 27.3             | 27.0             | 27.4             | 0.2          | 0.0          | 0.0          |
| Net margin                               | 15.6             | 17.3             | 17.4             | 16.7             | 17.3             | 17.4             | (1.1)        | 0.0          | (0.0)        |
| Core margin                              | 15.6             | 17.3             | 17.4             | 16.7             | 17.3             | 17.4             | (1.1)        | 0.0          | (0.0)        |
| <b>Operating statistics</b>              |                  |                  |                  |                  |                  |                  |              |              |              |
| Domestic revenue (THB m)                 | 1,608            | 1,700            | 1,794            | 1,639            | 1,733            | 1,828            | (1.9)        | (1.9)        | (1.9)        |
| Overseas revenue                         | 3,791            | 4,417            | 4,789            | 4,194            | 4,594            | 4,978            | (9.6)        | (3.9)        | (3.8)        |
| Domestic revenue growth (%)              | 3.0              | 5.7              | 5.5              | 5.0              | 5.7              | 5.5              | (2.0)        | 0.0          | 0.0          |
| Overseas revenue growth                  | 1.9              | 16.5             | 8.4              | 12.7             | 9.5              | 8.4              | (10.8)       | 7.0          | 0.1          |
| Domestic revenue portion (%)             | 29.8             | 27.8             | 27.2             | 28.1             | 27.4             | 26.9             | 1.7          | 0.4          | 0.4          |
| Overseas revenue portion                 | 70.2             | 72.2             | 72.8             | 71.9             | 72.6             | 73.1             | (1.7)        | (0.4)        | (0.4)        |
| <b>Overseas breakdown (THB m)</b>        |                  |                  |                  |                  |                  |                  |              |              |              |
| Asia                                     | 2,159            | 2,374            | 2,564            | 2,159            | 2,374            | 2,564            | 0.0          | 0.0          | 0.0          |
| Europe                                   | 963              | 1,059            | 1,165            | 989              | 1,088            | 1,197            | (2.7)        | (2.7)        | (2.7)        |
| America                                  | 396              | 436              | 479              | 396              | 436              | 479              | 0.0          | 0.0          | 0.0          |
| Middle East and others                   | 274              | 547              | 580              | 651              | 696              | 738              | (57.9)       | (21.4)       | (21.4)       |
| <b>Growth y-y (%)</b>                    |                  |                  |                  |                  |                  |                  |              |              |              |
| Asia                                     | 15.0             | 10.0             | 8.0              | 15.0             | 10.0             | 8.0              | 0.0          | 0.0          | 0.0          |
| Europe                                   | 10.0             | 10.0             | 10.0             | 13.0             | 10.0             | 10.0             | (3.0)        | 0.0          | 0.0          |
| America                                  | 10.0             | 10.0             | 10.0             | 10.0             | 10.0             | 10.0             | 0.0          | 0.0          | 0.0          |
| Middle East and others                   | (55.0)           | 100.0            | 6.0              | 7.0              | 7.0              | 6.0              | (62.0)       | 93.0         | 0.0          |
| <b>Contribution to total revenue (%)</b> |                  |                  |                  |                  |                  |                  |              |              |              |
| Asia                                     | 40.0             | 38.8             | 39.0             | 37.0             | 37.5             | 37.7             | 3.0          | 1.3          | 1.3          |
| Europe                                   | 17.8             | 17.3             | 17.7             | 17.0             | 17.2             | 17.6             | 0.9          | 0.1          | 0.1          |
| America                                  | 7.3              | 7.1              | 7.3              | 6.8              | 6.9              | 7.0              | 0.5          | 0.2          | 0.2          |
| Middle East and others                   | 5.1              | 8.9              | 8.8              | 11.2             | 11.0             | 10.8             | (6.1)        | (2.1)        | (2.0)        |

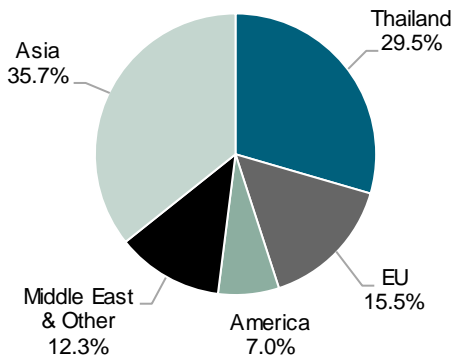
Source: FSSIA estimates

Exhibit 23: Revenue breakdown by product in 2025



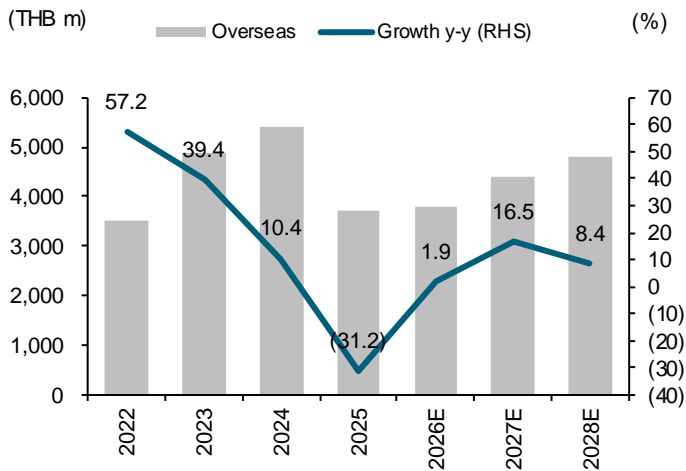
Sources: SAPPE, FSSIA's compilation

Exhibit 24: Revenue breakdown by destination in 2025



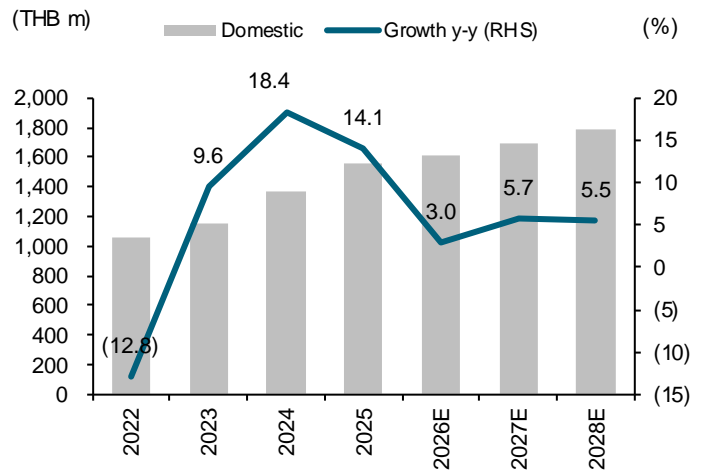
Sources: SAPPE, FSSIA's compilation

Exhibit 25: Yearly overseas revenue and growth



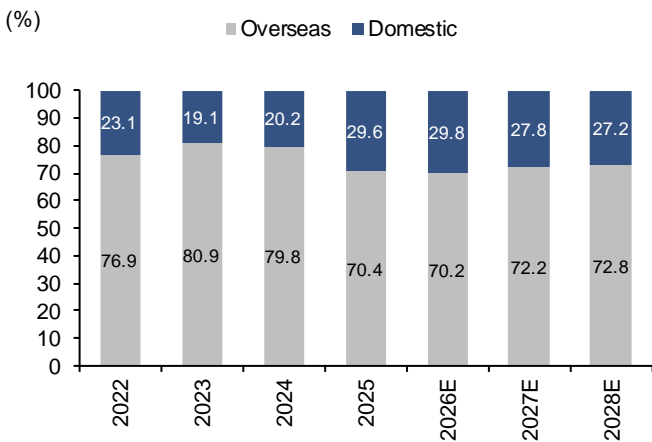
Sources: SAPPE, FSSIA estimates

Exhibit 26: Yearly domestic revenue and growth



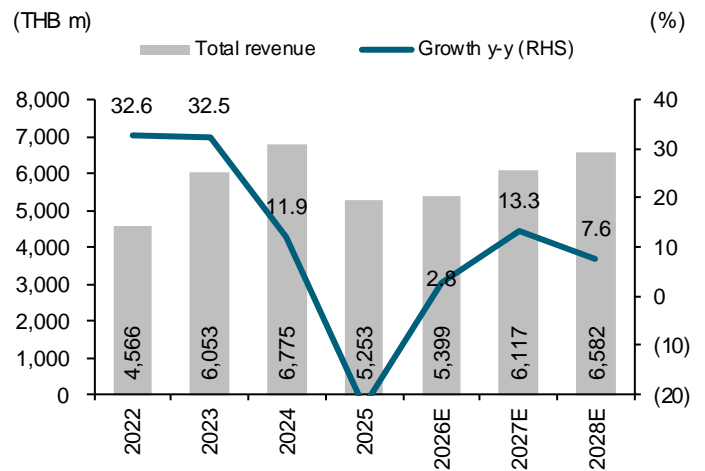
Sources: SAPPE, FSSIA estimates

Exhibit 27: Yearly revenue breakdown by destination



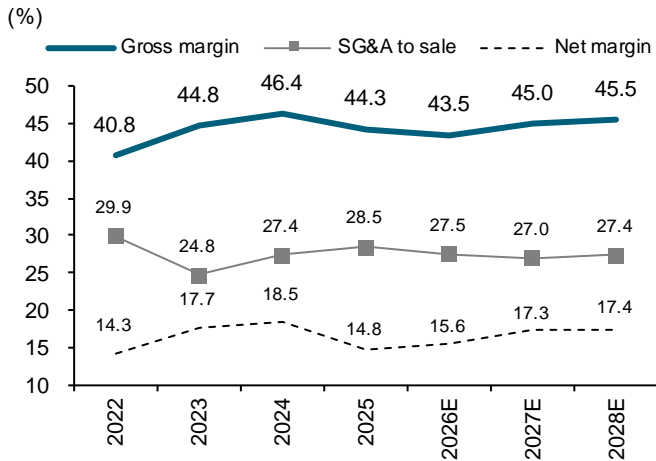
Sources: SAPPE, FSSIA estimates

Exhibit 28: Yearly total revenue and growth



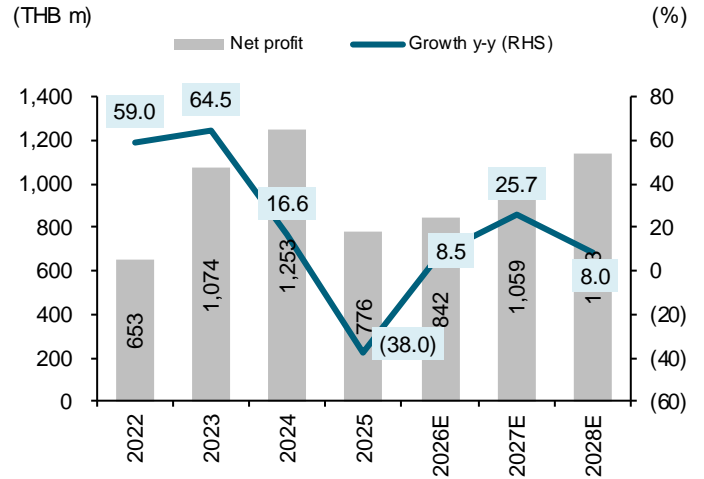
Sources: SAPPE, FSSIA estimates

**Exhibit 29: Yearly gross margin and SG&A to sales**



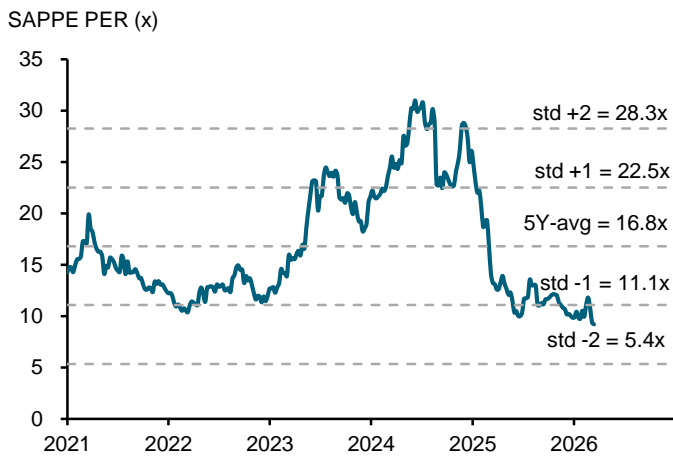
Sources: SAPPE, FSSIA estimates

**Exhibit 30: Yearly net profit and growth**



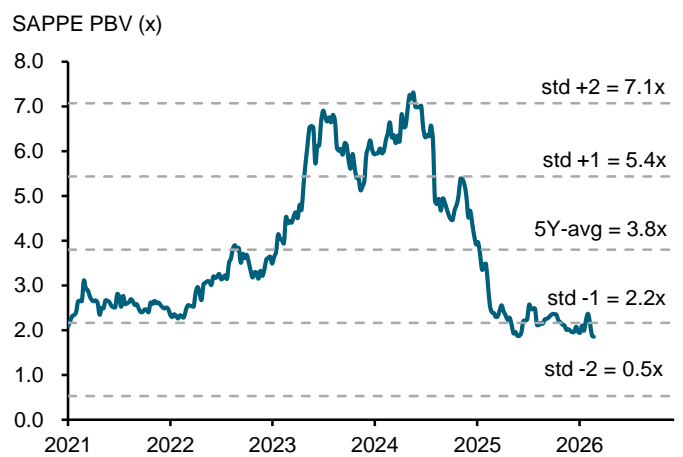
Sources: SAPPE, FSSIA estimates

**Exhibit 31: Historical P/E band**



Sources: Bloomberg; FSSIA estimates

**Exhibit 32: Historical P/BV band**



Sources: Bloomberg; FSSIA estimates

## Financial Statements

### Sappe

| Profit and Loss (THB m) Year Ending Dec           | 2024         | 2025         | 2026E        | 2027E        | 2028E        |
|---|--------------|--------------|--------------|--------------|--------------|
| Revenue   | 6,775        | 5,253        | 5,399        | 6,117        | 6,582        |
| Cost of goods sold                                | (3,632)      | (2,927)      | (3,050)      | (3,364)      | (3,587)      |
| <b>Gross profit</b>                               | <b>3,144</b> | <b>2,326</b> | <b>2,349</b> | <b>2,752</b> | <b>2,995</b> |
| Other operating income                            | 258          | 120          | 162          | 183          | 197          |
| Operating costs                                   | (1,854)      | (1,498)      | (1,485)      | (1,651)      | (1,804)      |
| <b>Operating EBITDA</b>                           | <b>1,785</b> | <b>1,213</b> | <b>1,325</b> | <b>1,609</b> | <b>1,728</b> |
| Depreciation                                      | (237)        | (264)        | (299)        | (324)        | (339)        |
| Goodwill amortisation                             | 0            | 0            | 0            | 0            | 0            |
| <b>Operating EBIT</b>                             | <b>1,548</b> | <b>949</b>   | <b>1,026</b> | <b>1,284</b> | <b>1,389</b> |
| Net financing costs                               | (2)          | (2)          | (2)          | (2)          | (2)          |
| Associates  | (1)          | 2            | 2            | 4            | 3            |
| Recurring non-operating income                    | (1)          | 2            | 2            | 4            | 3            |
| Non-recurring items                               | 19           | 15           | 0            | 0            | 0            |
| <b>Profit before tax</b>                          | <b>1,564</b> | <b>964</b>   | <b>1,026</b> | <b>1,287</b> | <b>1,390</b> |
| Tax   | (298)        | (163)        | (164)        | (206)        | (222)        |
| <b>Profit after tax</b>                           | <b>1,266</b> | <b>801</b>   | <b>862</b>   | <b>1,081</b> | <b>1,167</b> |
| Minority interests                                | (13)         | (25)         | (20)         | (23)         | (24)         |
| Preferred dividends                               | 0            | 0            | 0            | 0            | 0            |
| Other items                                       | -            | -            | -            | -            | -            |
| <b>Reported net profit</b>                        | <b>1,253</b> | <b>776</b>   | <b>842</b>   | <b>1,059</b> | <b>1,143</b> |
| <b>Non-recurring items &amp; goodwill (net)</b>   | <b>(19)</b>  | <b>(15)</b>  | <b>0</b>     | <b>0</b>     | <b>0</b>     |
| <b>Recurring net profit</b>                       | <b>1,233</b> | <b>761</b>   | <b>842</b>   | <b>1,059</b> | <b>1,143</b> |
| <b>Per share (THB)</b>                            |              |              |              |              |              |
| Recurring EPS *                                   | 4.00         | 2.47         | 2.73         | 3.43         | 3.71         |
| Reported EPS                                      | 4.06         | 2.52         | 2.73         | 3.43         | 3.71         |
| DPS   | 2.25         | 1.51         | 1.64         | 2.06         | 2.22         |
| Diluted shares (used to calculate per share data) | 308          | 308          | 308          | 308          | 308          |
| <b>Growth</b>                                     |              |              |              |              |              |
| Revenue (%)                                       | 11.9         | (22.5)       | 2.8          | 13.3         | 7.6          |
| Operating EBITDA (%)                              | 16.2         | (32.1)       | 9.3          | 21.4         | 7.4          |
| Operating EBIT (%)                                | 13.9         | (38.7)       | 8.2          | 25.2         | 8.1          |
| Recurring EPS (%)                                 | 13.7         | (38.3)       | 10.6         | 25.7         | 8.0          |
| Reported EPS (%)                                  | 16.6         | (38.0)       | 8.5          | 25.7         | 8.0          |
| <b>Operating performance</b>                      |              |              |              |              |              |
| Gross margin inc. depreciation (%)                | 46.4         | 44.3         | 43.5         | 45.0         | 45.5         |
| Gross margin exc. depreciation (%)                | 49.9         | 49.3         | 49.0         | 50.3         | 50.7         |
| Operating EBITDA margin (%)                       | 26.3         | 23.1         | 24.5         | 26.3         | 26.3         |
| Operating EBIT margin (%)                         | 22.8         | 18.1         | 19.0         | 21.0         | 21.1         |
| Net margin (%)                                    | 18.2         | 14.5         | 15.6         | 17.3         | 17.4         |
| Effective tax rate (%)                            | 19.0         | 16.9         | 16.0         | 16.0         | 16.0         |
| Dividend payout on recurring profit (%)           | 56.2         | 61.2         | 60.0         | 60.0         | 60.0         |
| Interest cover (X)                                | 753.6        | 537.9        | 601.2        | 729.7        | 803.8        |
| Inventory days                                    | 36.1         | 37.8         | 46.0         | 47.5         | 48.2         |
| Debtor days                                       | 19.3         | 28.9         | 24.9         | 18.8         | 19.3         |
| Creditor days                                     | 25.3         | 27.9         | 24.8         | 21.1         | 21.4         |
| Operating ROIC (%)                                | 65.5         | 26.9         | 25.6         | 30.4         | 32.5         |
| ROIC (%)  | 56.4         | 24.2         | 23.3         | 27.7         | 29.5         |
| ROE (%)   | 30.0         | 17.4         | 18.8         | 21.8         | 21.6         |
| ROA (%)   | 21.5         | 13.7         | 15.0         | 17.4         | 17.2         |
| * Pre-exceptional, pre-goodwill and fully diluted |              |              |              |              |              |
| <b>Revenue by Division (THB m)</b>                |              |              |              |              |              |
| Domestic revenue                                  | 1,369        | 1,561        | 1,608        | 1,700        | 1,794        |
| Overseas revenue                                  | 5,407        | 3,691        | 3,791        | 4,417        | 4,789        |

Sources: Sappe; FSSIA estimates

## Financial Statements

### Sappe

| Cash Flow (THB m) Year Ending Dec | 2024           | 2025         | 2026E        | 2027E        | 2028E        |
|-----------------------------------|----------------|--------------|--------------|--------------|--------------|
| Recurring net profit              | 1,233          | 761          | 842          | 1,059        | 1,143        |
| Depreciation                      | 237            | 264          | 299          | 324          | 339          |
| Associates & minorities           | 1              | (2)          | (2)          | (4)          | (3)          |
| Other non-cash items              | 20             | 25           | 44           | 15           | 16           |
| Change in working capital         | (245)          | (390)        | 71           | 40           | 24           |
| <b>Cash flow from operations</b>  | <b>1,247</b>   | <b>658</b>   | <b>1,254</b> | <b>1,433</b> | <b>1,521</b> |
| Capex - maintenance               | -              | -            | -            | -            | -            |
| Capex - new investment            | (1,319)        | (389)        | (632)        | (500)        | (300)        |
| Net acquisitions & disposals      | (19)           | (33)         | 0            | 0            | 0            |
| Other investments (net)           | 25             | 9            | (6)          | (7)          | (5)          |
| <b>Cash flow from investing</b>   | <b>(1,314)</b> | <b>(412)</b> | <b>(639)</b> | <b>(507)</b> | <b>(305)</b> |
| Dividends paid                    | (701)          | (837)        | (505)        | (635)        | (686)        |
| Equity finance                    | 0              | 0            | 0            | 0            | 0            |
| Debt finance                      | 1              | 19           | 0            | (2)          | (1)          |
| Other financing cash flows        | 11             | 15           | (33)         | 11           | 7            |
| <b>Cash flow from financing</b>   | <b>(689)</b>   | <b>(803)</b> | <b>(538)</b> | <b>(626)</b> | <b>(680)</b> |
| Non-recurring cash flows          | -              | -            | -            | -            | -            |
| Other adjustments                 | 0              | 0            | 0            | 0            | 1            |
| <b>Net other adjustments</b>      | <b>0</b>       | <b>0</b>     | <b>0</b>     | <b>0</b>     | <b>1</b>     |
| <b>Movement in cash</b>           | <b>(756)</b>   | <b>(557)</b> | <b>77</b>    | <b>300</b>   | <b>537</b>   |
| Free cash flow to firm (FCFF)     | (65.34)        | 247.48       | 616.91       | 927.87       | 1,217.60     |
| Free cash flow to equity (FCFE)   | (55.33)        | 279.62       | 582.62       | 935.07       | 1,222.75     |

#### Per share (THB)

|                               |        |      |      |      |      |
|-------------------------------|--------|------|------|------|------|
| FCFF per share                | (0.21) | 0.80 | 2.00 | 3.01 | 3.95 |
| FCFE per share                | (0.18) | 0.91 | 1.89 | 3.03 | 3.97 |
| Recurring cash flow per share | 4.84   | 3.40 | 3.84 | 4.52 | 4.85 |

| Balance Sheet (THB m) Year Ending Dec             | 2024         | 2025         | 2026E        | 2027E        | 2028E        |
|---|--------------|--------------|--------------|--------------|--------------|
| Tangible fixed assets (gross)                     | 4,467        | 4,467        | 5,167        | 5,667        | 5,967        |
| Less: Accumulated depreciation                    | (1,544)      | (1,341)      | (1,640)      | (1,965)      | (2,304)      |
| <b>Tangible fixed assets (net)</b>                | <b>2,923</b> | <b>3,126</b> | <b>3,527</b> | <b>3,702</b> | <b>3,663</b> |
| <b>Intangible fixed assets (net)</b>              | <b>143</b>   | <b>176</b>   | <b>176</b>   | <b>176</b>   | <b>176</b>   |
| Long-term financial assets                        | -            | -            | -            | -            | -            |
| Invest. in associates & subsidiaries              | 113          | 104          | 106          | 110          | 113          |
| Cash & equivalents                                | 1,775        | 1,218        | 1,295        | 1,595        | 2,131        |
| A/C receivable                                    | 602          | 580          | 336          | 375          | 401          |
| Inventories                                       | 234          | 317          | 376          | 415          | 442          |
| Other current assets                              | 86           | 18           | 54           | 61           | 66           |
| <b>Current assets</b>                             | <b>2,698</b> | <b>2,133</b> | <b>2,061</b> | <b>2,446</b> | <b>3,040</b> |
| Other assets                                      | 44           | 48           | 54           | 61           | 66           |
| <b>Total assets</b>                               | <b>5,921</b> | <b>5,587</b> | <b>5,923</b> | <b>6,496</b> | <b>7,057</b> |
| Common equity                                     | 4,392        | 4,335        | 4,641        | 5,065        | 5,522        |
| Minorities etc.                                   | 99           | 123          | 167          | 182          | 199          |
| <b>Total shareholders' equity</b>                 | <b>4,491</b> | <b>4,458</b> | <b>4,808</b> | <b>5,247</b> | <b>5,721</b> |
| Long term debt                                    | 39           | 45           | 42           | 40           | 39           |
| Other long-term liabilities                       | 99           | 114          | 81           | 92           | 99           |
| <b>Long-term liabilities</b>                      | <b>138</b>   | <b>159</b>   | <b>123</b>   | <b>132</b>   | <b>138</b>   |
| A/C payable                                       | 200          | 207          | 167          | 184          | 197          |
| Short term debt                                   | 13           | 12           | 15           | 15           | 15           |
| Other current liabilities                         | 1,079        | 751          | 810          | 917          | 987          |
| <b>Current liabilities</b>                        | <b>1,292</b> | <b>970</b>   | <b>992</b>   | <b>1,117</b> | <b>1,199</b> |
| <b>Total liabilities and shareholders' equity</b> | <b>5,921</b> | <b>5,587</b> | <b>5,923</b> | <b>6,496</b> | <b>7,057</b> |
| Net working capital                               | (357)        | (42)         | (211)        | (251)        | (275)        |
| Invested capital                                  | 2,866        | 3,411        | 3,651        | 3,799        | 3,742        |

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

#### Per share (THB)

|                               |       |       |       |       |       |
|-------------------------------|-------|-------|-------|-------|-------|
| Book value per share          | 14.25 | 14.06 | 15.05 | 16.43 | 17.91 |
| Tangible book value per share | 13.78 | 13.49 | 14.48 | 15.86 | 17.34 |

#### Financial strength

|                           |        |        |        |        |        |
|---------------------------|--------|--------|--------|--------|--------|
| Net debt/equity (%)       | (38.4) | (26.0) | (25.8) | (29.3) | (36.3) |
| Net debt/total assets (%) | (29.1) | (20.8) | (20.9) | (23.7) | (29.4) |
| Current ratio (x)         | 2.1    | 2.2    | 2.1    | 2.2    | 2.5    |
| CF interest cover (x)     | 617.1  | 379.1  | 711.6  | 813.4  | 880.6  |

| Valuation                                 | 2024       | 2025        | 2026E       | 2027E      | 2028E      |
|---|------------|-------------|-------------|------------|------------|
| <b>Recurring P/E (x) *</b>                | <b>7.3</b> | <b>11.8</b> | <b>10.7</b> | <b>8.5</b> | <b>7.9</b> |
| <b>Recurring P/E @ target price (x) *</b> | <b>8.2</b> | <b>13.4</b> | <b>12.1</b> | <b>9.6</b> | <b>8.9</b> |
| Reported P/E (x)                          | 7.2        | 11.6        | 10.7        | 8.5        | 7.9        |
| Dividend yield (%)                        | 7.7        | 5.2         | 5.6         | 7.0        | 7.6        |
| Price/book (x)                            | 2.1        | 2.1         | 1.9         | 1.8        | 1.6        |
| Price/tangible book (x)                   | 2.1        | 2.2         | 2.0         | 1.8        | 1.7        |
| EV/EBITDA (x) **                          | 4.1        | 6.6         | 6.0         | 4.8        | 4.1        |
| EV/EBITDA @ target price (x) **           | 4.8        | 7.5         | 6.9         | 5.5        | 4.8        |
| EV/invested capital (x)                   | 2.6        | 2.3         | 2.2         | 2.0        | 1.9        |

\* 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**

**39.06 /100**
**Exhibit 33: 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.  |
| ★★★    | <b>&gt;39-59</b> | <b>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.</b>  |
| ★★     | >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. |

Sources: FSSIA estimates

**Exhibit 34: ESG – peer comparison**

|          | FSSIA<br>ESG<br>score | Domestic ratings |            |                   |             |              |           | Global ratings          |             |      |         |           | Bloomberg     |              |                     |
|----------|-----------------------|------------------|------------|-------------------|-------------|--------------|-----------|-------------------------|-------------|------|---------|-----------|---------------|--------------|---------------------|
|          |                       | DJSI             | SET<br>ESG | SET ESG<br>Rating | CG<br>score | AGM<br>level | Thai CAC  | Morningstar<br>ESG risk | ESG<br>Book | MSCI | Moody's | Refinitiv | S&P<br>Global | ESG<br>score | Disclosure<br>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      | 61.69                 | --               | Y          | AA                | 5.00        | 5.00         | Certified | Medium                  | 67.48       | B    | --      | 31.23     | 79.00         | 2.82         | 63.46               |
| ICHI     | 56.89                 | --               | Y          | AA                | 5.00        | 4.00         | Certified | Medium                  | --          | BB   | --      | 62.36     | 32.00         | 3.66         | 57.95               |
| OSP      | 68.09                 | --               | Y          | AAA               | 5.00        | 5.00         | Certified | Medium                  | 65.10       | BB   | --      | 64.27     | 86.00         | 3.28         | 69.66               |
| SAPPE    | 39.06                 | --               | Y          | A                 | 4.00        | 5.00         | Certified | High                    | --          | --   | --      | 32.50     | --            | 2.83         | 46.26               |
| SNNP     | 31.82                 | --               | Y          | AA                | 5.00        | 5.00         | Certified | --                      | --          | --   | --      | --        | --            | --           | 56.42               |

Sources: [SETTRADE.com](https://www.settrade.com); FSSIA's compilation
**Exhibit 35: ESG score by Bloomberg**

| FY ending Dec 31                                    | FY 2021      | FY 2022      | FY 2023      | FY 2024      |
|---|--------------|--------------|--------------|--------------|
| <b>ESG financial materiality scores - ESG score</b> | <b>2.05</b>  | <b>2.36</b>  | <b>2.47</b>  | <b>2.83</b>  |
| BESG environmental pillar score                     | 1.90         | 2.43         | 2.76         | 2.65         |
| BESG social pillar score                            | 0.72         | 1.17         | 1.17         | 2.46         |
| BESG governance pillar score                        | 4.05         | 3.72         | 3.63         | 3.49         |
| <b>ESG disclosure score</b>                         | <b>31.34</b> | <b>43.95</b> | <b>44.71</b> | <b>46.26</b> |
| Environmental disclosure score                      | 10.60        | 42.25        | 44.55        | 46.27        |
| Social disclosure score                             | 13.63        | 19.83        | 19.83        | 22.40        |
| Governance disclosure score                         | 69.66        | 69.66        | 69.66        | 70.02        |
| <b>Environmental</b>                                |              |              |              |              |
| Emissions reduction initiatives                     | No           | No           | Yes          | Yes          |
| Climate change policy                               | No           | Yes          | Yes          | Yes          |
| Climate change opportunities discussed              | No           | No           | No           | No           |
| Risks of climate change discussed                   | No           | Yes          | Yes          | Yes          |
| GHG scope 1   | —            | 4            | 5            | 5            |
| GHG scope 2 location-based                          | —            | 12           | 13           | 13           |
| GHG Scope 3   | —            | 32           | 52           | 45           |
| Carbon per unit of production                       | —            | —            | —            | —            |
| Biodiversity policy                                 | No           | No           | No           | No           |
| Energy efficiency policy                            | Yes          | Yes          | Yes          | Yes          |
| Total energy consumption                            | —            | 76           | 116          | 71           |
| Renewable energy use                                | —            | —            | —            | 3            |
| Electricity used                                    | 20           | 27           | 28           | 28           |
| Fuel used - natural gas                             | —            | —            | —            | —            |

Sources: Bloomberg; FSSIA's compilation

**Exhibit 36: ESG score by Bloomberg (cont.)**

| <b>FY ending Dec 31</b>                       | <b>FY 2021</b> | <b>FY 2022</b> | <b>FY 2023</b> | <b>FY 2024</b> |
|---|----------------|----------------|----------------|----------------|
| Fuel used - crude oil/diesel                  | No             | No             | No             | No             |
| Waste reduction policy                        | No             | Yes            | Yes            | Yes            |
| Hazardous waste                               | 0              | 0              | 0              | 0              |
| Total waste                                   | 1              | 1              | 0              | 0              |
| Waste recycled                                | 0              | 0              | 0              | 0              |
| Waste sent to landfills                       | —              | —              | —              | —              |
| Environmental supply chain management         | No             | Yes            | Yes            | Yes            |
| Water policy                                  | Yes            | Yes            | Yes            | Yes            |
| Water consumption                             | —              | 707            | 845            | 1,120          |
| <b>Social</b>                                 |                |                |                |                |
| Human rights policy                           | Yes            | Yes            | Yes            | Yes            |
| Policy against child labor                    | No             | Yes            | Yes            | Yes            |
| Quality assurance and recall policy           | No             | No             | No             | No             |
| Consumer data protection policy               | Yes            | Yes            | Yes            | Yes            |
| Equal opportunity policy                      | Yes            | Yes            | Yes            | Yes            |
| Gender pay gap breakout                       | Yes            | Yes            | Yes            | Yes            |
| Pct women in workforce                        | 54             | 55             | 52             | 49             |
| Pct disabled in workforce                     | —              | —              | —              | —              |
| Business ethics policy                        | Yes            | Yes            | Yes            | Yes            |
| Anti-bribery ethics policy                    | Yes            | Yes            | Yes            | Yes            |
| Health and safety policy                      | Yes            | Yes            | Yes            | Yes            |
| Lost time incident rate - employees           | —              | 0              | 0              | 0              |
| Total recordable incident rate - employees    | —              | —              | —              | —              |
| Training policy                               | Yes            | Yes            | Yes            | Yes            |
| Fair remuneration policy                      | No             | No             | No             | No             |
| Number of employees – CSR                     | 564            | 562            | 549            | 568            |
| Employee turnover pct                         | —              | —              | —              | —              |
| Total hours spent by firm - employee training | —              | 12,540         | 15,012         | 15,057         |
| Social supply chain management                | No             | Yes            | Yes            | Yes            |
| <b>Governance</b>                             |                |                |                |                |
| <b>Board size</b>                             | <b>10</b>      | <b>9</b>       | <b>9</b>       | <b>9</b>       |
| <b>No. of independent directors (ID)</b>      | <b>5</b>       | <b>4</b>       | <b>4</b>       | <b>4</b>       |
| No. of women on board                         | 3              | 2              | 2              | 2              |
| No. of non-executive directors on board       | 6              | 5              | 5              | 5              |
| Company conducts board evaluations            | Yes            | Yes            | Yes            | Yes            |
| No. of board meetings for the year            | 9              | 8              | 8              | 10             |
| Board meeting attendance pct                  | 97             | 97             | 96             | 96             |
| Board duration (years)                        | 3              | 3              | 3              | 3              |
| Director share ownership guidelines           | No             | No             | No             | No             |
| Age of the youngest director                  | 43             | 44             | 45             | 46             |
| Age of the oldest director                    | 78             | 79             | 79             | 81             |
| <b>No. of executives / company managers</b>   | <b>7</b>       | <b>8</b>       | <b>7</b>       | <b>4</b>       |
| No. of female executives                      | 2              | 3              | 3              | 1              |
| Executive share ownership guidelines          | No             | No             | No             | No             |
| <b>Size of audit committee</b>                | <b>3</b>       | <b>3</b>       | <b>3</b>       | <b>3</b>       |
| No. of ID on audit committee                  | 3              | 3              | 3              | 3              |
| Audit committee meetings                      | 4              | 4              | 4              | 4              |
| Audit meeting attendance %                    | 100            | 100            | 100            | 100            |
| <b>Size of compensation committee</b>         | <b>0</b>       | <b>0</b>       | <b>0</b>       | <b>—</b>       |
| No. of ID on compensation committee           | —              | —              | —              | —              |
| No. of compensation committee meetings        | —              | —              | —              | —              |
| Compensation meeting attendance %             | —              | —              | —              | —              |
| <b>Size of nomination committee</b>           | <b>0</b>       | <b>0</b>       | <b>0</b>       | <b>—</b>       |
| No. of nomination committee meetings          | —              | —              | —              | —              |
| Nomination meeting attendance %               | —              | —              | —              | —              |
| <b>Sustainability governance</b>              |                |                |                |                |
| Verification type                             | No             | No             | No             | Yes            |

Sources: Bloomberg; 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 <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. |   |                |   |           |             |          |             |            |             |                 |   |           |             |          |             |            |             |                 |   |
| 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&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.   |   |                |   |           |             |          |             |            |             |                 |   |           |             |          |             |            |             |                 |   |
| 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 &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 border="1" style="margin-top: 10px;"> <thead> <tr> <th>NEGL</th> <th>Low</th> <th>Medium</th> <th>High</th> <th>Severe</th> </tr> </thead> <tbody> <tr> <td>0-10</td> <td>10-20</td> <td>20-30</td> <td>30-40</td> <td>40+</td> </tr> </tbody> </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 border="1" style="margin-top: 10px;"> <tbody> <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> </tbody> </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                                   |                |   |           |             |          |             |            |             |                 |   |           |             |          |             |            |             |                 |   |
| 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; &gt;25 to 50 = satisfactory; &gt;50 to 75 = good; and &gt;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) "SETESG". 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

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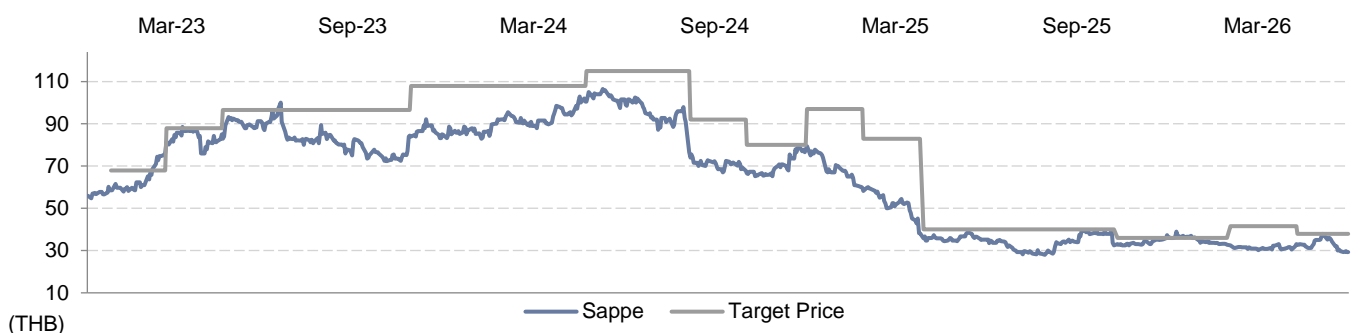
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### History of change in investment rating and/or target price

#### Sappe (SAPPE TB)



| Date        | Rating | Target price | Date        | Rating | Target price | Date        | Rating | Target price |
|-------------|--------|--------------|-------------|--------|--------------|-------------|--------|--------------|
| 05-Apr-2023 | BUY    | 68.00        | 19-Aug-2024 | BUY    | 92.00        | 22-Aug-2025 | HOLD   | 36.00        |
| 23-May-2023 | BUY    | 88.00        | 07-Oct-2024 | BUY    | 80.00        | 28-Nov-2025 | HOLD   | 41.50        |
| 11-Jul-2023 | BUY    | 96.50        | 28-Nov-2024 | BUY    | 97.00        | 27-Jan-2026 | BUY    | 38.00        |
| 21-Dec-2023 | BUY    | 108.00       | 16-Jan-2025 | BUY    | 83.00        |             |        |              |
| 21-May-2024 | BUY    | 115.00       | 07-Mar-2025 | HOLD   | 40.00        |             |        |              |

Sureporm 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 29.25 | 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 13-Mar-2026 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.