

Outperform Maintained	
Price as of 20 Dec 2023	80.00
12M target price (Bt/shr)	101.00
Unchanged/Revised up(down)(%)	5.5
Upside/downside (%)	26.25

Key messages

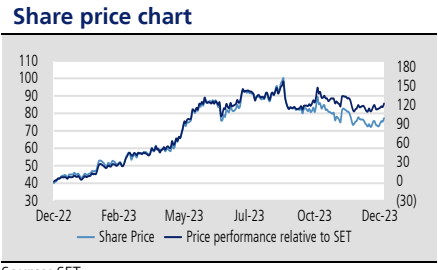
ราคาอ้างอิงของน้ำตาลส่งออกที่ลดลงอย่างมากถึง 20% จากระดับสูงสุดเมื่อปลายเดือนพฤศจิกายน 2566 จะทำให้มาร์จิ้นของ SAPPE มีอัตรากำไรที่ลดลงทุก ๆ 5% จะทำให้กำไรของ SAPPE เพิ่มขึ้นประมาณ 3% ในขณะที่เดียวกันราคา PET Resin ที่ลดลงก็เป็นอีกปัจจัยที่จะช่วยให้นักลงทุนการผลิตของ SAPPE ลดลงในปี 2567 ซึ่งที่ระดับนี้เราปรับลดสมมติฐานราคาน้ำตาลเฉลี่ยสำหรับธุรกิจส่งออกจากเดิมที่คาดว่าจะเพิ่มขึ้น +25% เหลือ +20% ในปี 2567F แต่ยังคงสมมติฐานว่าต้นทุน PET resin จะลดลง 5% ในปี 2567 ซึ่งทำให้เราปรับเพิ่มประมาณการกำไรขึ้นอีก 5% และปรับเพิ่มราคาเป้าหมายปี 2567F เป็น 101 บาท (จากเดิม 96 บาท) อิงจาก PE ที่ 25x

Trading data

Mkt cap (Btmn/US\$m)	24,640/700
Outstanding shares (mn)	308.2
Foreign ownership (mn)	n.a.
3M avg. daily trading (mn)	0.78
52-week trading range (Bt)	38.5/100
Performance (%)	3M 6M 12M
Absolute	-3.4 -8.3 99.4
Relative	4.4 -0.8 129.5

Quarterly EPS

	1Q	2Q	3Q	4Q
2021	0.29	0.42	0.46	0.18
2022	0.50	0.54	0.58	0.50
2023	0.89	1.01	1.04	




Source: SET

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COMPANY UPDATE Thailand

Sappe

(SAPPE.BK/SAPPE TB)*



มีสัญญาณว่าต้นทุนการผลิตที่ลดลงจะช่วยหนุนมาร์จิ้น

Event
ปรับสมมติฐานสำคัญเล็กน้อย และปรับเพิ่มราคาเป้าหมายปี 2567F

Impact
ราคาน้ำตาลที่ลดลงอย่างมากทำให้ประมาณการมาร์จิ้นปี 2567 มีอัตรากำไรที่ลดลงอย่างมากทำให้กำไรของ SAPPE เพิ่มขึ้นประมาณ 3% ในขณะที่เดียวกันราคา PET Resin ที่ลดลงก็เป็นอีกปัจจัยที่จะช่วยให้นักลงทุนการผลิตของ SAPPE ลดลงในปี 2567 ซึ่งที่ระดับนี้เราปรับลดสมมติฐานราคาน้ำตาลเฉลี่ยสำหรับธุรกิจส่งออกจากเดิมที่คาดว่าจะเพิ่มขึ้น +25% เหลือ +20% ในปี 2567F แต่ยังคงสมมติฐานว่าต้นทุน PET resin จะลดลง 5% ในปี 2567 ซึ่งทำให้เราปรับเพิ่มประมาณการกำไรขึ้นอีก 5% และปรับเพิ่มราคาเป้าหมายปี 2567F เป็น 101 บาท (จากเดิม 96 บาท) อิงจาก PE ที่ 25x

ปรับเพิ่มประมาณการกำไรปี 2567F ขึ้นอีก 5%
หลังจากที่เราปรับสมมติฐาน GPM เพิ่มขึ้น +0.4% เรายังปรับประมาณการรายได้อื่น ๆ ทำให้ประมาณการกำไรปี 2567F ของเราเพิ่มขึ้น +5% โดยเรายังคงประมาณการอัตราการเติบโตของรายได้ปี 2566/2567/2568 ไว้ที่ 38%/29%/27% โดยคาดว่า GPM จะอยู่ที่ 45%/44%/43.6% และคาดว่าสัดส่วนค่าใช้จ่ายในการขาย/รายได้จะอยู่ที่ 14.2%/14.0%/13.5% ทั้งนี้ภายใต้ประมาณรายได้จะเติบโตอย่างแข็งแกร่งแบบรายได้จากธุรกิจส่งออกไปยัง EU (33% ของธุรกิจส่งออก หรือ 28% ของรายได้) จะเป็นตัวจักรสำคัญที่ขับเคลื่อนการเติบโต โดยคาดว่าจะโตถึง 140%/42%/40% ในปี 2566/2567/2568 ในขณะที่คาดว่าธุรกิจไทยจะโตเฉลี่ย 12%

โมเมนตัมการเติบโตของการส่งออกไป EU จะยังดำเนินต่อไปในปี 2567
SAPPE มีรายได้จากการส่งออกไปยังฝรั่งเศสเพิ่มขึ้นอย่างมากในช่วงปี 2565-2566ซึ่งช่วยให้บริษัทสามารถขยายธุรกิจได้ในหลายๆ ประเทศที่อยู่ใกล้ ๆ กับฝรั่งเศส เราคาดว่าบริษัทจะรักษาโมเมนตัมการเติบโตที่ฝรั่งเศสได้ เพราะการเจาะตลาดผ่านช่องทาง MT ยังอยู่ในระดับที่ยังต่ำที่ 50% (เมื่อเทียบกับ full-penetration ในเอเชียที่ 75-90%) นอกจากนี้ บริษัทกำลังเจาะตลาด และเพิ่มยอดคำสั่งซื้อในอังกฤษด้วย โดยธุรกิจที่เร่งตัวขึ้นที่อังกฤษจะเป็นปัจจัยสำคัญที่ขับเคลื่อนการเติบโตของรายได้ในปี 2567 และ การเจาะตลาดที่มีขนาดใหญ่อย่างเช่น อินเดีย และตะวันออกกลางจะเป็นปัจจัยในการเพิ่มรายได้

ปรับเพิ่มราคาเป้าหมายปี 2567F เป็น 101 บาท (จากเดิม 96 บาท) และ คงคำแนะนำซื้อ
SAPPE จะได้อานิสงส์จากต้นทุนการผลิตที่ลดลงหลังจากที่ราคาน้ำตาลส่งออกลดลง 20% จากระดับสูงสุดเมื่อปลายเดือนพฤศจิกายน 2566 และมีสัญญาณว่าราคา PET Resin มีโอกาสลดลงตามทิศทางราคาน้ำมัน ซึ่ง PET Resin เป็นต้นทุนใหญ่ในการผลิตขวด และเป็นต้นทุนหลัก >40% ราคาที่ลดลงจะเป็นโอกาสต่อการลดต้นทุนอีกทอดหนึ่งในอนาคต

Risks
ผลขาดทุนจากอัตราแลกเปลี่ยน, เสี่ยงสถานะในตลาด, มีการปรับเปลี่ยนข้อกำหนดของ อย.

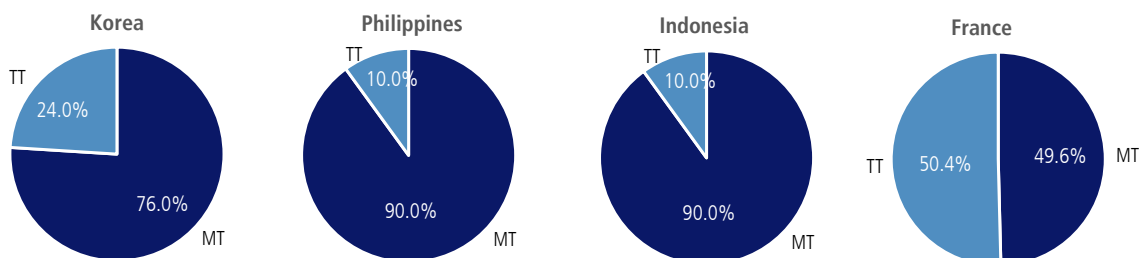
Key financials and valuations

	Dec-20A	Dec-21A	Dec-22A	Dec-23F	Dec-24F	Dec-25F
Revenue (Btmn)	3,268	3,444	4,566	6,302	8,007	10,200
EBIT (Btmn)	488	525	831	1,345	1,614	2,028
EBITDA (Btmn)	684	715	1,010	1,525	1,804	2,228
Net Profit (Btmn)	380	411	653	1,076	1,298	1,629
EPS (Bt)	1.25	1.34	2.12	3.52	4.24	5.32
DPS	0.80	0.90	1.65	2.65	3.24	4.01
EPS Growth (%)	(5.7)	7.5	57.9	66.0	20.6	25.5
P/E (X)	16.0	19.4	24.8	22.8	18.9	15.0
P/B (X)	2.2	2.7	5.0	6.4	5.5	4.7
Net Debt to Equity (%)	Cash	Cash	Cash	Cash	Cash	Cash
Dividend Yield (%)	4.0	3.5	3.1	3.3	4.1	5.0
Return on Average Equity (%)	13.5	14.0	20.5	31.2	30.9	33.3

Source: Company data, KGI Securities Research

Figure 1: SAPPE's quarterly income statement

Bt mn	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23F	% chg		2022	2023F	% chg
									QoQ	YoY			
Income Statement (Bt m)													
Revenue	1,019	1,236	1,279	1,032	1,520	1,657	1,667	1,350	(19.0)	30.8	4,566	6,194	35.6
Cost of Good sold	(599)	(736)	(756)	(612)	(864)	(920)	(897)	(736)	(18.0)	20.2	(2,703)	(3,417)	26.4
Gross profit	420	500	524	420	656	737	770	614	(20.2)	46.4	1,863	2,777	49.0
Operating Expenses	(351)	(380)	(352)	(284)	(354)	(352)	(389)	(466)	19.6	63.9	(1,366)	(1,562)	14.3
Other income	122	98	77	35	35	36	32	35	9.8	(1.2)	333	137	(58.8)
Equity income	0.8	0.7	(0.5)	(0.7)	(0.5)	(11.4)	(8.9)	-	(100.0)	(100.0)	0	(21)	n.a.
Forex gain (loss)	1.5	(7.2)	(25.2)	22.5	15.2	(14.4)	(5.6)	15.0	(368.9)	(33.2)	(9)	10	219.9
Operating Profit	192	218	249	171	337	421	412	184	(55.5)	7.4	830	1,353	62.9
Depreciation of fixed assets	47	47	44	42	41	43	43	42	(1.7)	1.0	179	169	(5.7)
EBITDA	239	265	293	212	378	464	455	226	(50.4)	6.2	1,010	1,522	50.7
Other non-op Income	1	(7)	(25)	22	15	(14)	(6)	15	(368.9)	(33.2)	(9)	10	(219.9)
Interest Expense	(1)	(1)	(0.53)	1.68	0.71	0.64	0.60	1.00	65.8	(40.4)	0	3	>100
Pre-tax Profit	194	207	224	192	330	392	397	200	(49.7)	4.0	816	1,319	61.6
Current Taxation	(38)	(40)	(45)	(40)	(67)	(81)	(83)	(40)	(51.9)	(0.6)	(162)	(271)	67.9
Minority	(3)	(0)	(0)	2	12	2	5	5	(2.6)	172.6	(1)	23	n.a.
Extraordinary Items													
Net Profit	153	167	178	154	275	312	319	170	(46.9)	10.2	653	1,076	64.7
EPS (Bt)	0.50	0.54	0.58	0.50	0.89	1.01	1.04	0.55	(46.9)	10.2	2.12	3.49	64.6
Margins (%)													
Gross profit margin	41.2	40.4	40.9	40.7	43.2	44.5	46.2	45.5%			40.81	44.84	
Operating EBIT margin	15.8	15.1	17.0	13.4	20.0	22.8	22.3	10.2			18.19	21.84	
Operating EBITDA margin	20.4	18.9	20.4	17.4	22.7	25.4	24.8	14.3			22.12	24.58	
Net profit margin	12.6	11.5	12.0	12.5	16.4	17.3	17.6	10.7			14.30	17.37	
Selling exp/rev ratio	26.1	23.7	20.0	16.3	16.5	13.0	16.0	25.2			21.52	17.70	
Admin.exp/rev ratio	8.3	7.1	7.4	11.3	6.8	8.2	7.4	9.3			8.52	7.91	
Effective tax rate	19.5	18.1	17.8	23.8	20.1	19.8	20.6	21.9			19.81	20.58	
Revenue breakdown (Bt mn)													
Thai	256	261	270	268	296	283	292	285	(2.3)	6.2	1,055	1,156	9.6
Asia	469	558	580	376	689	620	600	638	6.3	69.9	1,982	2,546	28.5
Europe	114	188	161	117	312	356	500	397	(20.6)	240.5	580	1,565	169.8
US	43	72	59	63	62	96	77	100	30.4	58.9	237	335	41.1
MD & others	137	158	212	209	163	300	198	320	61.3	52.8	717	981	36.8
Total	1,019	1,236	1,283	1,033	1,521	1,655	1,667	1,740	4.4	68.5	4,571	6,583	44.0
Revenue breakdown (%)													
Thai	25.1	21.1	21.1	26.0	19.46	17.1	17.5	16.4					
Asia	46.0	45.1	45.3	36.4	45.3	37.4	36	36.7					
Europe	11.2	15.2	12.6	11.3	20.5	21.5	30	22.8					
US	4.3	5.8	4.7	6.1	4.1	5.8	4.6	5.7					
MD & others	13.5	12.8	16.6	20.3	10.7	18.1	11.9	18.4					
Total	100	100	100	100	100	100	100	100					

SAPPE's market penetration by key export country (as of 3Q23)


Source: Company data, KGI Securities Research

Figure 2: Key assumptions

Unit : Bt mn	2020	2021	2022	2023F	2024F	2025F
Revenue						
Domestic	1,514	1,210	1,055	1,145	1,236	1,335
Export	839	803	1,332	3,616	4,615	5,955
Total	3,268	3,444	4,566	4,761	5,851	7,290
Revenue breakdown						
Thailand	1,471	1,209	1,055	1,145	1,236	1,335
Asia	915	1,039	1,600	1,680	1,905	2,161
EU	n.a.	393	580	1,518	2,155	2,910
US	163	172	237	300	420	588
MD & others	497	632	1,094	1,636	2,290	3,206
Total	3,268	3,444	4,566	6,279	8,007	10,200
Growth						
Thailand	5.1%	-17.8%	-12.7%	8.5%	8.0%	8.0%
Asia		13.5%	54.0%	5.0%	13.4%	13.4%
EU		n.a.	47.7%	161.7%	42.0%	35.0%
US		5.4%	37.9%	26.4%	40.0%	40.0%
MD & others	4.6%	27.1%	73.2%	49.5%	40.0%	40.0%
Total	48.5%	5.4%	32.6%	37.5%	27.5%	27.4%
COGS	2,067	2,089	2,703	3,463	4,483	5,753
COGS (% to rev)	63.3%	60.7%	59.2%	56.5%	58.5%	60.0%
GPM	36.7%	39.3%	40.8%	45.1%	44.0%	43.6%
SG&A/rev	22.9%	31.3%	29.9%	25.8%	25.4%	24.9%
Selling exp./rev	13.8%	22.1%	21.5%	17.5%	17.7%	17.4%
Admin.exp/rev	9.1%	9.2%	8.4%	8.3%	7.7%	7.5%
Effective tax rate	19.8%	20.3%	19.5%	19.6%	19.8%	19.9%
Selling exp - ex.logistic cost	354	419	537	678	820	984
Selling exp-ex.logistic cost/rev . ratio	10.8%	12.2%	11.8%	14.2%	14.0%	13.5%
GPM	36.7%	39.3%	40.8%	45.1%	44.3%	43.6%
EBIT margin	14.9%	15.3%	18.2%	21.3%	20.8%	19.9%
EBITDA margin	20.9%	20.7%	22.1%	24.2%	23.6%	22.5%
Net margin	11.6%	11.9%	14.3%	17.1%	16.2%	16.0%
ROA (%)	10.4%	10.7%	14.3%	20.6%	21.6%	22.5%
ROE (%)	13.5%	14.0%	20.5%	31.2%	30.9%	33.3%
Net debt(cash) (Btmn)	(1,608)	(1,742)	(2,117)	(1,906)	(1,225)	(1,760)
D/E ratio(net debt)	(0.56)	(0.58)	(0.63)	(0.49)	(0.27)	(0.33)

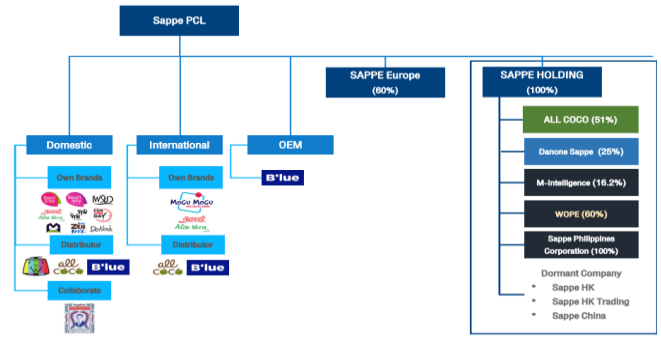
Source: KGI Securities Research

Figure 3: Company profile

Sappe PCL (SAPPE) is well-recognized as the leader in innovative drinks and pioneer in functional drinks in Thailand and internationally. It has 21 product brands in five categories i.e. Mogu Mogu, Sappe Aloe Vera and All Coco. SAPPE's products are distributed in more than 100 countries worldwide.

Source: Company data

Figure 4: SAPPE's company structure



Source: Company data, KGI Securities Research

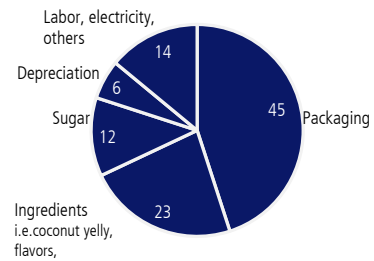
Figure 5: Export revenue by region and 9M23 growth



Source: Company data, KGI Securities Research

Figure 6: Cost of production

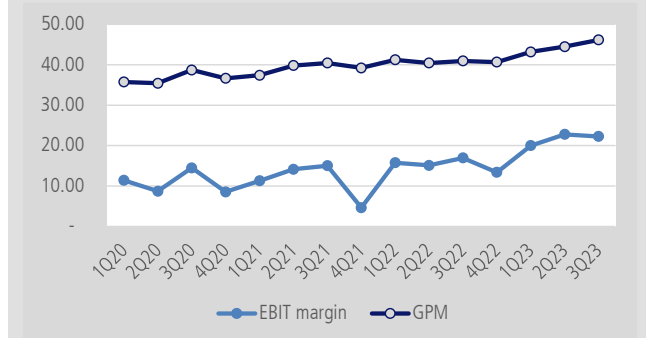
Percent



Source: Company data, KGI Securities Research

Figure 7: Margin trend

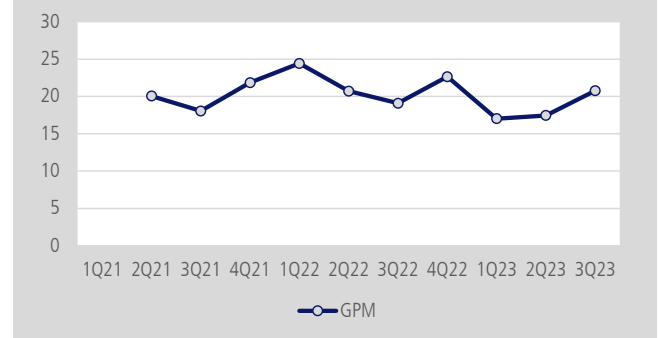
Percent



Source: Company data, KGI Securities Research

Figure 8: SG&A/rev ratio

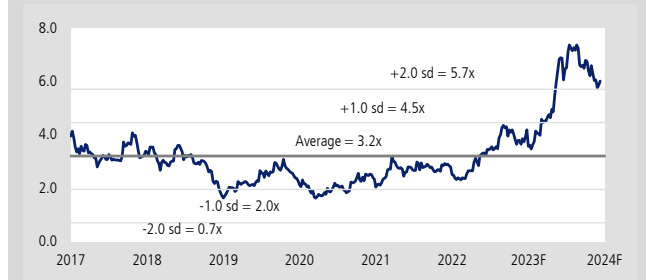
Percent



Source: Company data, KGI Securities Research

Figure 9: PBV

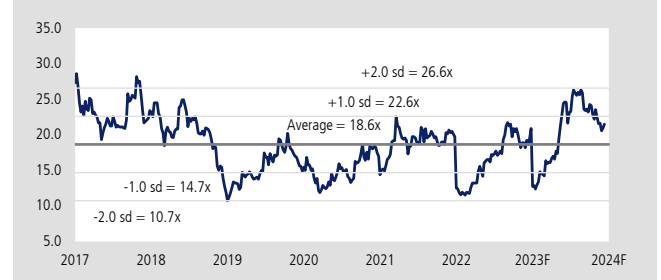
Percent



Source: KGI Securities Research

Figure 10: PE

Times



Source: KGI Securities Research

Balance Sheet

As of 31 Dec (Bt mn)	2020	2021	2022	2023F	2024F	2025F
Total Assets	3,647	3,848	5,237	6,019	7,235	7,850
Current Assets	2,361	2,524	2,856	2,426	3,278	4,259
Cash & S-T Investments	1,609	1,754	1,906	1,225	1,760	2,362
Inventories	221	291	381	493	633	809
Accounts Receivable	500	430	554	691	866	1,088
Others	31	50	15	17	20	-
Non-Current Assets	1,286	1,325	2,380	3,593	3,956	3,591
L-T Investments	-	-	-	-	-	-
Net Fixed Assets	1,006	951	1,671	2,571	2,971	3,211
Others	280	373	709	1,022	985	380
Total Liabilities	774	842	1,327	1,500	1,910	1,950
Current Liabilities	671	745	1,149	1,480	1,890	1,930
Accounts Payable	578	676	1,108	1,435	1,841	1,876
ST Borrowings	1	2	-	-	-	-
Others	91	68	41	45	50	55
Long-term Liabilities	104	141	178	20	20	20
Long-term Debts	-	-	-	-	-	-
Others	104	141	178	20	20	20
Shareholders' Equity	2,772	2,906	3,843	4,443	5,229	6,215
Common Stock	304	306	306	306	306	306
Capital Surplus	976	1,021	1,021	1,021	1,021	1,021
Retained Earnings	1,464	1,564	2,523	3,124	3,909	4,896

Source: KGI Securities Research

Profit & Loss

Year to 31 Dec (Bt mn)	2020	2021	2022	2023F	2024F	2025F
Revenue	3,268	3,444	4,566	6,302	8,007	10,200
Cost of Good sold	(2,067)	(2,089)	(2,703)	(3,463)	(4,483)	(5,753)
Gross profit	1,201	1,355	1,863	2,839	3,523	4,447
Operating Expenses	(750)	(1,078)	(1,366)	(1,624)	(2,031)	(2,541)
Other income	53	269	333	155	120	120
Operating Profit	504	546	830	1,370	1,612	2,026
Depreciation of fixed assets	196	189	179	185	190	195
EBITDA	699	735	1,010	1,555	1,802	2,221
Non-operating Income						
Equity income	(15.6)	(20.2)	0.3	(25.0)	2.0	2.0
Other non-op Income	(5.9)	(5.7)	(8.5)	(6.0)	(10.0)	(10.0)
Non-operating Expenses						
Interest Expense	(3.2)	(2.5)	(2.3)	(1.0)	(2.0)	(2.0)
Others Non-op Expense	-	-	-	-	-	-
Net Investment Income (loss)						
Pre-tax Profit	482	516	816	1,318	1,597	2,011
Current Taxation	(96)	(106)	(162)	(264)	(319)	(402)
Minority	(6)	1	(1)	22	20	20
Exordinary Items	-	-	-	-	-	-
Net Profit	380	411	653	1076	1298	1629
EPS (Bt)	1.25	1.34	2.13	3.52	4.24	5.32

Source: KGI Securities Research

Key ratios

Year to 31 Dec	2020	2021	2022	2023F	2024F	2025F
Growth (% YoY)						
OP	(0.2)	8.3	52.2	65.0	17.7	25.7
EBITDA	1.6	5.1	37.4	54.0	15.9	23.2
NP	(5.7)	8.1	59.0	64.8	20.6	25.5
EPS	(5.7)	7.5	59.0	64.8	20.6	25.5
Profitability (%)						
Gross Margin	36.7	39.3	45.1	44.0	43.6	43.3
Operating Margin	14.9	15.3	21.3	20.2	19.9	19.6
EBITDA Margin	20.9	20.7	24.2	22.5	21.8	21.2
Net profit Margin	11.6	11.9	17.1	16.2	16.0	15.8
ROAA	10.4	10.7	20.6	21.6	22.5	26.1
ROAE	13.5	14.0	31.2	30.9	33.3	35.4
Stability						
Gross Debt/Equity (%)	Cash	Cash	Cash	Cash	Cash	Cash
Net Debt/Equity (%)	Cash	Cash	Cash	Cash	Cash	Cash
Interest Coverage (%)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Interest & ST Debt Covera	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Cash Flow Interest Covera	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Cash Flow/Interest & ST D	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Current Ratio (x)	3.52	3.39	2.49	1.64	1.73	2.21
Quick Ratio (X)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Net Debt (Bt mn)	(1,608)	(1,742)	(1,906)	(1,225)	(1,760)	(2,362)
Per Share Data (Bt)						
EPS	1.2	1.3	2.1	3.5	4.2	5.3
CFPS	-	-	-	-	-	-
BVPS	9.1	9.5	12.6	14.5	17.1	20.3
SPS	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
EBITDA/Share	2.3	2.4	3.4	5.2	6.0	7.4
DPS	0.8	0.9	2.6	3.2	4.0	5.0
Activity						
Asset Turnover (x)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Days Receivables	55.8	45.5	32.1	31.5	31.0	30.6
Days Inventory	39.0	50.8	40.15	40.15	40.15	40.15
Days Payable	102.0	118.1	116.8	116.8	116.8	93.1
Cash Cycle	(7.2)	(21.8)	(44.6)	(45.2)	(45.7)	(22.3)

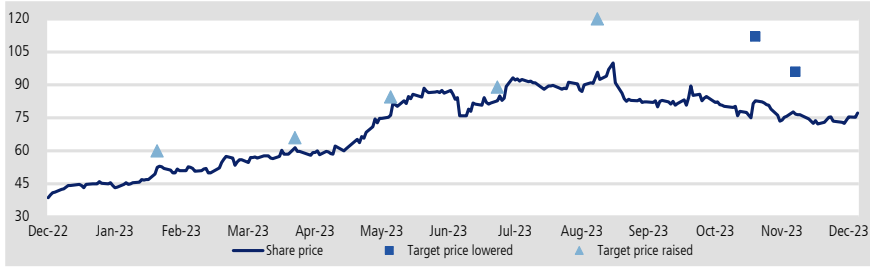
Source: KGI Securities Research

Cash flow statement

Year to 31 Dec (Bt mn)	2020	2021	2022	2023F	2024F	2025F
Operating Cash Flow	712	751	1,010	1,356	1,588	1,979
Net profit	386	410	654	1,076	1,298	1,629
Change in Working Capital	130	152	177	100	100	150
Others	-	-	-	-	-	-
Investment Cash Flow	(252)	(216)	(792)	(850)	(1,050)	(550)
Net CAPEX	(77)	(103)	(315)	(800)	(1,000)	(500)
Change in LT Investment	-	-	-	-	-	-
Change in Others Assets	(174)	(112)	(477)	(50)	(50)	(50)
Free Cash Flow	460	536	218	506	538	1,429
Financing Cash Flow	(276)	(289)	(307)	(194)	(540)	(651)
Change in Share Capital	0	0	45	0	0	0
Net Change in Debt	0	0	(12)	0	0	0
Change in Others LT Liab.	(4)	(2)	(2)	(1)	(2)	(2)
Net Cash Flow	185	246	(88)	312	(2)	778

Source: KGI Securities Research

Sappe - Recommendation & target price history



Date	Rating	Target	Price
21-Nov-23	Outperform	96.00	76.75
3-Nov-23	Outperform	112.00	82.75
24-Aug-23	Outperform	120.00	95.75
10-Jul-23	Neutral	89.00	82.75
23-May-23	Outperform	84.50	76.25
10-Apr-23	Outperform	66.00	61.50
7-Feb-23	Outperform	60.00	52.50

Source: KGI Securities Research

Company's ESG details

Environment

- The company has plastic waste management. SAPPE takes part in the "Send Plastic Home" project with the aim to help reduce plastic pollution by proper waste sorting so that the plastic rubbish can be recycled or upcycled, which can transform plastic waste into a value-added product.
- For over four months of commencing waste sorting and correct disposal, the company was able to gather 397 PET bottles, which were either sent to recycling plants or processed to upcycling products. And 22 PPE suits worth Bt9,680 were made from these 397 PET bottles.
- The company invested around Bt45.3mn to install 4,263 solar cell panels on the rooftop of its factory covering 11,655.36 sqm. The on-grid system rooftop is connected with the distribution system of the electricity authority (without battery) and generates 2,408.595 kWp power.

Social

- SAPPE calls all employees "Sappe players" as everyone is ready to have fun together. The company is open to people of a new generation of all races, religions and genders including LGBT to creatively unleash diverse powers here at the workplace.
- The company created a process of knowledge development under a "Young Gen" model in 2021 to adopt new knowledge through various activities under the "Young Yu" (still young) project.
- The prominent activities include the "Young Leader, Share Young" scheme which helps company players "Live Learn Love" from people of the younger generation who become members of the Sappe family.
- Social activities include i) fifth year of the "Wan Wan Wan" project ii) the "Leader in Me" project and iii) moral support to people during COVID-19 crisis with products, aid packages and paper-box donations.

Governance

- The company maintains annual "Very Good" CG scoring from the Thai Institute of Directors Association (IOD).

Climate Management (Being the subset of Environment)

- The solar rooftop project helped mitigate carbon dioxide emission at the power plant by 1.6mn kilograms, equivalent to CO2 absorption by 34,408 big trees, or 172 rai of forestation per year.

Source: Company data, KGI Securities Research

SET ESG Ratings

Stock	Company name	SET ESG Ratings	Stock	Company name	SET ESG Ratings
ADVANC	ADVANCED INFO SERVICE	AAA	KTC	KRUNGTHAI CARD	AAA
AMATA	AMATA CORPORATION	AAA	LH	LAND AND HOUSES	A
AOT	AIRPORTS OF THAILAND	A	MAJOR	MAJOR CINEPLEX GROUP	AA
AP	AP (THAILAND)	AA	MEGA	MEGA LIFESCIENCES	A
BAFS	BANGKOK AVIATION FUEL SERVICES PCL.	AA	MINT	MINOR INTERNATIONAL	AA
BAM	BANGKOK COMMERCIAL ASSET MANAGEMEN	AA	MTC	MUANGTHAI CAPITAL	A
BANPU	BANPU	AAA	OR	PTT OIL AND RETAIL BUSINESS	AAA
BBGI	BBGI	AA	ORI	ORIGIN PROPERTY	AA
BBL	BANGKOK BANK	AA	OSP	OSOTSPA	AA
BCH	BANGKOK CHAIN HOSPITAL	AA	PLANB	PLAN B MEDIA	AA
BCP	BANGCHAK CORPORATION	AAA	PSH	PRUKSA HOLDING	BBB
BCPG	BCPG	AA	PTT	PTT	AAA
BDMS	BANGKOK DUSIT MEDICAL SERVICES	AA	PTTEP	PTT EXPLORATION AND PRODUCTION	AAA
BEM	BANGKOK EXPRESSWAY AND METRO	AA	PTTGC	PTT GLOBAL CHEMICAL	AAA
BGRIM	B. GRIMM POWER	AAA	RATCH	RATCH GROUP	AA
BPP	BANPU POWER	AAA	RBF	R&B FOOD SUPPLY	BBB
BTS	BTS GROUP HOLDINGS	AA	SAK	SAKSIAM LEASING	A
CBG	CARABAO GROUP	A	SAPPE	SAPPE	BBB
CENTEL	CENTRAL PLAZA HOTEL	A	SAT	SOMBOON ADVANCE TECHNOLOGY	AA
CK	CH. KARNCHANG	A	SAWAD	SRISAWAD CORPORATION	BBB
CKP	CK POWER	AAA	SCB	SCB X	AA
COM7	COM7	A	SCC	THE SIAM CEMENT	AAA
CPALL	CP ALL	AAA	SCCC	SIAM CITY CEMENT	AA
CPAXT	CP AXTRA	AAA	SCGP	SCG PACKAGING	AAA
CPF	CHAROEN POKPHAND FOODS	AAA	SHR	S HOTELS AND RESORTS	A
CPN	CENTRAL PATTANA	AA	SICT	SILICON CRAFT TECHNOLOGY	A
EGCO	ELECTRICITY GENERATING	AA	SMPC	SAHAMITR PRESSURE CONTAINER	AA
ERW	THE ERWAN GROUP	A	SNC	SNC FORMER	A
GFPT	GFPT	BBB	SPALI	SUPALAI	AA
GLOBAL	SIAM GLOBAL HOUSE	AA	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION	A
GPSC	GLOBAL POWER SYNERGY	AA	STGT	SRI TRANG GLOVES (THAILAND)	AAA
GULF	GULF ENERGY DEVELOPMENT	AA	TCAP	THANACHART CAPITAL	A
HANA	HANA MICROELECTRONICS	AA	TFG	THAIFOODS GROUP	A
HENG	HENG LEASING AND CAPITAL	A	THCOM	THAICOM	AAA
HMPRO	HOME PRODUCT CENTER	AA	TISCO	TISCO FINANCIAL GROUP	AAA
INTUCH	INTOUCH HOLDINGS	AA	TOP	THAI OIL	AAA
IRPC	IRPC	AA	TTB	TMBTHANACHART BANK	AA
IVL	INDORAMA VENTURES	AA	UBE	UBON BIO ETHANOL	A
KBANK	KASIKORNBANK	AAA	VGI	VGI	AA
KEX	KERRY EXPRESS (THAILAND)	BBB	WHA	WHA CORPORATION	AAA
KKP	KIATNAKIN PHATRA BANK	BBB	WHAUP	WHA UTILITIES AND POWER	AAA
KTB	KRUNG THAI BANK	AAA	ZEN	ZEN CORPORATION GROUP	AA

Source: www.setsustainability.com

Disclaimer: The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by the relevant institution as disclosed by the Office of the Securities and Exchange Commission, is made in order to comply with the policy and sustainable development plan for the listed companies. The relevant institution made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, KGI Securities (Thailand) Public Company Limited (KGI) does not confirm, verify, or certify the accuracy and completeness of the assessment result.

Corporate Governance Report of Thai Listed Companies



Companies with Excellent CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	GLOBAL	SIAM GLOBAL HOUSE	RATCH	RATCH GROUP
ADVANC	ADVANCED INFO SERVICE	GPSC	GLOBAL POWER SYNERGY	RBF	R&B FOOD SUPPLY
AMA	AMA MARINE	GULF	GULF ENERGY DEVELOPMENT	SAT	SOMBOON ADVANCE TECHNOLOGY
AMATA	AMATA CORPORATION	HANA	HANA MICROELECTRONICS	SCB	SCB X
ANAN	ANANDA DEVELOPMENT	HENG	HENG LEASING AND CAPITAL	SCC	THE SIAM CEMENT
AOT	AIRPORTS OF THAILAND	HMPRO	HOME PRODUCT CENTER	SCCC	SIAM CITY CEMENT
AP	AP (THAILAND)	INTUCH	INTOUCH HOLDINGS	SCGP	SCG PACKAGING
BAFS	BANGKOK AVIATION FUEL SERVICES PCL.	IRPC	IRPC	SEAFKO	SEAFKO
BAM	BANGKOK COMMERCIAL ASSET MANAGEMENT	IVL	INDORAMA VENTURES	SHR	S HOTELS AND RESORTS
BANPU	BANPU	KBANK	KASIKORNBANK	SICT	SILICON CRAFT TECHNOLOGY
BBL	BANGKOK BANK	KCE	KCE ELECTRONICS	SMPC	SAHAMITR PRESSURE CONTAINER
BCP	BANGCHAK CORPORATION	KEX	KERRY EXPRESS (THAILAND)	SNC	SNC FORMER
BCPG	BCPG	KKP	KIATNAKIN PHATRA BANK	SPALI	SUPALAI
BDMS	BANGKOK DUSIT MEDICAL SERVICES	KTB	KRUNG THAI BANK	SPRC	STAR PETROLEUM REFINING
BEM	BANGKOK EXPRESSWAY AND METRO	KTC	KRUNGTHAI CARD	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION
BGRIM	B. GRIMM POWER	LPN	L.P.N. DEVELOPMENT	STGT	SRI TRANG GLOVES (THAILAND)
BPP	BANPU POWER	MAJOR	MAJOR CINEPLEX GROUP	SUN	SUNSWEEP
BTS	BTS GROUP HOLDINGS	MBK	MBK	SVI	SVI
CENTEL	CENTRAL PLAZA HOTEL	MINT	MINOR INTERNATIONAL	TACC	T.A.C. CONSUMER
CK	CH. KARNCHANG	MTC	MUANGTHAI CAPITAL	TCAP	THANACHART CAPITAL
CKP	CK POWER	OR	PTT OIL AND RETAIL BUSINESS	THCOM	THAICOM
COM7	COM7	ORI	ORIGIN PROPERTY	TISCO	TISCO FINANCIAL GROUP
CPALL	CP ALL	OSP	OSOTSPA	TKN	TAOKAENOI FOOD & MARKETING
CPAXT	CP AXTRA	PLANB	PLAN B MEDIA	TOP	THAI OIL
CPF	CHAROEN POKPHAND FOODS	PSH	PRUKSA HOLDING	TTB	TMBTHANACHART BANK
CPN	CENTRAL PATTANA	PTG	PTG ENERGY	TU	THAI UNION GROUP
DELTA	DELTA ELECTRONICS (THAILAND)	PTT	PTT	VGI	VGI
DOHOM	DOHOME	PTTEP	PTT EXPLORATION AND PRODUCTION	WHA	WHA CORPORATION
EGCO	ELECTRICITY GENERATING	PTTGC	PTT GLOBAL CHEMICAL	WHAUP	WHA UTILITIES AND POWER
GFPT	GFPT	PYLON	PYLON	ZEN	ZEN CORPORATION GROUP
GGC	GLOBAL GREEN CHEMICALS	QH	QUALITY HOUSES		



Companies with Very Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
AEONTS	AEON THANA SINSAP (THAILAND)	JMT	JMT NETWORK SERVICES	SFT	SHRINKFLEX (THAILAND)
BCH	BANGKOK CHAIN HOSPITAL	LH	LAND AND HOUSES	SINGER	SINGER THAILAND
BEC	BEC WORLD	M	MK RESTAURANT GROUP	SMD	SAINTMED
BH	BUMRUNGRAD HOSPITAL	MEGA	MEGA LIFESCIENCES	SNNP	SRINANAPORN MARKETING
CBG	CARABAO GROUP	NETBAY	NETBAY	SPA	SIAM WELLNESS GROUP
CHG	CHULARAT HOSPITAL	PJW	PANJAWATTANA PLASTIC	TFG	THAIFOODS GROUP
ERW	THE ERAWAN GROUP	SAK	SAKSIAM LEASING	TIDLOR	NGERN TID LOR
ESSO	ESSO (THAILAND)	SAPPE	SAPPE	TNP	THANAPIRIYA
HUMAN	HUMANICA	SAWAD	SRIWAWAD CORPORATION	UBE	UBON BIO ETHANOL
IIG	I&I GROUP	SFLEX	STARFLEX	XO	EXOTIC FOOD



Companies with Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
AU	AFTER YOU	LPH	LADPRAO GENERAL HOSPITAL	TPCH	TPC POWER HOLDING
EKH	EKACHAI MEDICAL CARE	MENA	MENA TRANSPORT		
JMART	JAYMART GROUP HOLDINGS	SISB	SISB		

Companies classified Not in the three highest score groups

Stock	Company name	Stock	Company name	Stock	Company name
BBGI	BBGI	NTSC	Nutrition SC	TGE	THACHANG GREEN ENERGY
BTG	BETAGRO	PLT	Pilatus Marine		
ITC	i-Tail Corporation	PQS	Premier Quality Starch		

Source: www.thai-iod.com

Disclaimer: The disclosure of the survey result of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an assessment of operation and is not based on inside information. The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey result may be changed after that date or when there is any change to the relevant information. Nevertheless, KGI Securities (Thailand) Public Company Limited (KGI) does not confirm, verify, or certify the accuracy and completeness of such survey result.

Anti-corruption Progress Indicator

Level 5: Extended

Stock	Company name	Stock	Company name	Stock	Company name
ADVANC	ADVANCED INFO SERVICE	GLOBAL	SIAM GLOBAL HOUSE	QH	QUALITY HOUSES
ANAN	ANANDA DEVELOPMENT	GPSC	GLOBAL POWER SYNERGY	RATCH	RATCHABURI ELECTRICITY GENERATING HOLDING
BBL	BANGKOK BANK	HMPRO	HOME PRODUCT CENTER	ROBINS	ROBINSON DEPARTMENT STORE
BCH	BANGKOK CHAIN HOSPITAL	IRPC	IRPC	SCC	THE SIAM CEMENT
BDMS	BANGKOK DUSIT MEDICAL SERVICES	KBANK	KASIKORN BANK	SIRI	SANSIRI
BIGC	BIG C SUPERCENTER	KCE	KCE ELECTRONICS	SPALI	SUPALAI
CK	CH. KARNCHANG	KKP	KIATNAKIN BANK	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION
DCC	DYNASTY CERAMIC	KTB	KRUNG THAI BANK	TCAP	THANACHART CAPITAL
DELTA	DELTA ELECTRONICS (THAILAND)	LPH	LADPRAO GENERAL HOSPITAL	TISCO	TISCO FINANCIAL GROUP
DRT	DIAMOND ROOFING TILES	PACE	PACE DEVELOPMENT CORPORATION	TMT	THAI METAL TRADE
EGCO	ELECTRICITY GENERATING	PTT	PTT	TOP	THAI OIL
GFPT	GFPT	PTTGC	PTT GLOBAL CHEMICAL		

Level 4: Certified

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	ERW	THE ERAWAN GROUP	SAPPE	SAPPE
AP	ASIAN PROPERTY DEVELOPMENT	GLOW	GLOW ENERGY	SAWAD	SRISAWAD POWER 1979
BA	BANGKOK AIRWAYS	GUNKUL	GUNKUL ENGINEERING	SCB	THE SIAM COMMERCIAL BANK
BANPU	BANPU	ILINK	INTERLINK COMMUNICATION	SCN	SCAN INTER
BCP	THE BANGCHAK PETROLEUM	KTC	KRUNGTHAI CARD	SEAFCO	SEAFCO
BH	BUMRUNGRAD HOSPITAL	LH	LAND AND HOUSES	SVI	SVI
BJCHI	BJC HEAVY INDUSTRIES	LPN	L.P.N. DEVELOPMENT	TASCO	TIPCO ASPHALT
CBG	CARABAO GROUP	MAKRO	SIAM MAKRO	TKN	TAOKAENOI FOOD & MARKETING
CENTEL	CENTRAL PLAZA HOTEL	MALEE	MALEE SAMPRAN	TMB	TMB BANK
CHG	CHULARAT HOSPITAL	MINT	MINOR INTERNATIONAL	TRT	TIRATHAI
CKP	CK POWER	MODERN	MODERNFORM GROUP	TRUE	TRUE CORPORATION
CPF	CHAROEN POKPHAND FOODS	NOK	NOK AIRLINES	TVO	THAI VEGETABLE OIL
CPN	CENTRAL PATTANA	PTTEP	PTT EXPLORATION AND PRODUCTION		
DTAC	TOTAL ACCESS COMMUNICATION	PYLON	PYLON		

Level 3: Established

Stock	Company name	Stock	Company name	Stock	Company name
BEM	BANGKOK EXPRESSWAY AND METRO	MTLS	MUANGTHAI LEASING	SPRC	STAR PETROLEUM REFINING
CPALL	CP ALL	SCI	SCI ELECTRIC		

No progress

Stock	Company name	Stock	Company name	Stock	Company name
AOT	AIRPORTS OF THAILAND	BPP	BANPU POWER	FN	FN FACTORY OUTLET
BCPG	BCPG	BTS	BTS GROUP HOLDINGS	TPCH	TPC POWER HOLDING

Source: www.cgthailand.org

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KGI's Ratings

Rating	Definition
Outperform (OP)	The stock's excess return over the next twelve months is ranked in the top 40% of KGI's coverage universe in the related market (e.g. Taiwan)..
Neutral (N)	The stock's excess return over the next twelve months is ranked in the range between the top 40% and the bottom 40% of KGI's coverage universe in the related market (e.g. Taiwan)
Under perform (U)	The stock's excess return over the next twelve months is ranked in the bottom 40% of KGI's coverage universe in the related market (e.g. Taiwan).
Not Rated (NR)	The stock is not rated by KGI.
Restricted (R)	KGI policy and/or applicable law regulations preclude certain types of communications, including an investment recommendation, during the course of KGI's engagement in an investment banking transaction and in certain other circumstances. Excess return = 12M target price/current price-
Note	When an analyst publishes a new report on a covered stock, we rank the stock's excess return with those of other stocks in KGI's coverage universe in the related market. We will assign a rating based on its ranking. If an analyst does not publish a new report on a covered stock, its rating will not be changed automatically.

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