

## SC ASSET CORPORATION

## SC TB

THAILAND / PROPERTY DEVELOPMENT

BUY

UNCHANGED

## ยอด Presales 1Q24 โต y-y หนุนจากคอนโด

- ยอด Presales 1Q24 ทำได้ 5.96 พันล้านบาท -18% q-q แต่ +15% y-y คิดเป็น 21% ของเป้าหมายนี้ หนุนจากยอดขายคอนโดเพิ่มขึ้นขับเคลื่อนด้วยอุปสงค์ชาวต่างชาติ
- คาดการณ์ 1Q24 จะลดลง q-q, y-y ตามยอดโอนลดลงตามปัจจัยฤดูกาลและฐานสูง
- คงประมาณการปี 2024 ทรงตัว y-y และราคาเหมาะสม 4.40 บาท ยังแนะนำซื้อ

TARGET PRICE	THB4.40
CLOSE	THB3.76
UP/DOWNSIDE	+17.0%
PRIOR TP	THB4.40
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+7.9%

## KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	24,487	23,112	24,145	25,329
Net profit	2,482	2,508	2,660	2,735
EPS (THB)	0.59	0.60	0.64	0.65
vs Consensus (%)	-	1.0	0.3	(7.8)
EBITDA	3,650	3,680	3,840	4,012
Recurring net profit	2,502	2,508	2,660	2,735
Core EPS (THB)	0.60	0.60	0.64	0.65
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	(3.7)	0.2	6.1	2.8
Core P/E (x)	6.3	6.3	5.9	5.7
Dividend yield (%)	6.2	6.2	6.6	6.8
EV/EBITDA (x)	13.1	11.8	11.2	10.4
Price/book (x)	0.7	0.7	0.6	0.6
Net debt/Equity (%)	135.7	109.6	102.0	91.1
ROE (%)	11.1	10.5	10.4	10.1

## ยอด Presales 1Q24 น่าพอใจ คิดเป็น 21% ของเป้าทั้งปี

SC รายงานยอด Presales 1Q24 ที่ 5.96 พันล้านบาท (-18% q-q, +15% y-y) คิดเป็น 21% ของเป้าหมายปีนี้ที่ 2.8 หมื่นล้านบาท โดยการเติบโต y-y หนุนจากยอดขายคอนโดที่ 2.6 พันล้านบาท (-10% q-q, +58% y-y) หลักๆจาก COBE Ratchada-Rama 9 สร้างยอดขายเพิ่มกว่า 1.1 พันล้านบาท ปัจจุบันมี Take-up rate 70% จากมูลค่า 6 พันล้านบาทหลังเปิดตัว 2Q23 รวมถึงความคืบหน้าขายของ SCOPE Langsuan และ Thonglor โดยขับเคลื่อนจากอุปสงค์ต่างชาติ คิดเป็น 47% ของยอดขายคอนโด อาทิ เมียนมาร์, ไต้หวัน และจีน ขณะที่ยอดขายแนวราบอยู่ที่ 3.3 พันล้านบาท (-23% q-q, +3% y-y) โดยเปิดตัว 2 โครงการ มูลค่ารวม 4.7 พันล้านบาท มี Take-up rate เฉลี่ย 10% ซึ่งสัดส่วน 70% ของยอดขายแนวราบมาจากราคาต่ำกว่า 10 ล้านบาท

## คาดการณ์ 1Q24 ลดลง q-q, y-y เป็นระดับต่ำสุดของปี

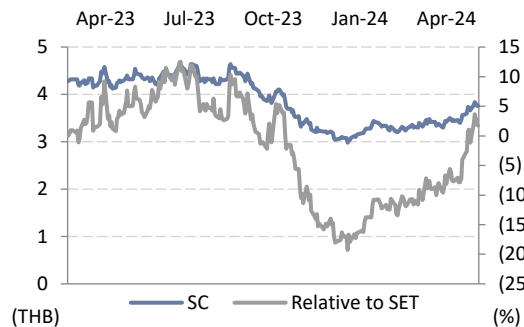
เบื้องต้นเราประเมินกำไร 1Q24 จะลดลง q-q และ y-y ที่ 350-400 ล้านบาท (เทียบกับ 851 ล้านบาทใน 4Q23 และ 535 ล้านบาทใน 1Q23) ตามทิศทางยอดโอนที่คาด 4.1-4.2 พันล้านบาท (-20% q-q, -10% y-y) จากฐานสูง, การเร่งโอนคอนโด SCOPE Langsuan ใน 4Q24 รวมถึงโครงการแนวราบใหม่เปิดตัวในช่วงปลายมี.ค.ซึ่งรับรู้ไม่ทันในไตรมาส ขณะที่คาดอัตรากำไรขั้นต้นอสังหาฯอ่อนลงเป็น 31-32% เทียบกับ 32.2% ใน 1Q23 จากอุปสงค์แนวราบชะลอ, การแข่งขันมากขึ้น และสัดส่วนคอนโดสูงขึ้น

## ทิศทาง 2Q24 ฟิ้น และเด่นขึ้นใน 2H24 ตามแผนเปิดตัวและโอนคอนโดใหม่

แผนการเปิดโครงการใหม่จะเร่งขึ้นอย่างมีนัยใน 2Q24 เป็นไตรมาสมากที่สุดของปี ทั้งหมด 8 โครงการ มูลค่ารวม 1.6 หมื่นล้านบาท แบ่งเป็นแนวราบ 7 โครงการ มูลค่า 1.3 หมื่นล้านบาท รวมถึงคอนโด 1 แห่ง มูลค่า 3 พันล้านบาท ขณะที่ 3Q-4Q24 มีเปิดเพิ่ม 4.5-4.8 พันล้านบาทต่อไตรมาส หนุนการเร่งขึ้นของยอดโอนตั้งแต่ 2Q24 นอกจากนี้ มีคอนโดใหม่สร้างเสร็จใหม่ 2 แห่งใน 2H24 ซึ่งมี Backlog รอรับรู้แล้ว 3.4 พันล้านบาท ทำให้เราให้น้ำหนักของผลประกอบการใน 2H24 ที่เร่งขึ้นดีจาก 1H24

## คงประมาณการและราคาเหมาะสม 4.40 บาท ยังแนะนำซื้อ

เราคงประมาณการกำไรปี 2024 ที่ 2.5 พันล้านบาท ทรงตัวจากฐานสูงในปี 2023 คงราคาเหมาะสม 4.40 บาท คงคำแนะนำซื้อ หนุนซื้อขายบน PE2024 ที่ 6.3x ขณะที่จ่ายปันผล 2H23 ที่ 0.16 บาท/หุ้น Yield 4.3% ขึ้น XD วันที่ 2 พ.ค. ขณะที่ความคืบหน้ามาตรการกระตุ้นจะเป็น Sentiment บวกระยะสั้น ส่วนระยะกลาง-ยาว การกระจายการลงทุนในธุรกิจอื่น อาทิ โรงแรม คลังสินค้า จะเริ่มเห็นผลที่ชัดเจนขึ้นตั้งแต่ปี 2025



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	13.9	9.9	(10.0)
Relative to country (%)	12.6	14.1	2.7
Mkt cap (USD m)	439		
3m avg. daily turnover (USD m)	0.6		
Free float (%)	39		
Major shareholder	Shinawatra Family (64%)		
12m high/low (THB)	4.70/2.96		
Issued shares (m)	4,222.62		

Sources: Bloomberg consensus; FSSIA estimates



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### Investment thesis

SC เผยเป้าหมายธุรกิจปี 2024-2028 1. สร้างรายได้รวม 5 ปี มากกว่า 1.5 แสนล้านบาท หนุ่จากทั้งธุรกิจอสังหาฯและ Recurring income 2. การลงทุนอย่างเหมาะสม รักษา D/E น้อยกว่า 1.5x 3. พอร์ตมีส่วนผสมกำไรจากธุรกิจที่หลากหลาย โดยมีกำไรจากธุรกิจ Recurring income มากกว่า 25% ผ่าน 17 โครงการ จาก 4 ธุรกิจ แบ่งเป็น 1) ออฟฟิศให้เช่า พื้นที่เช่ารวม 1.2 แสนตร.ม. จาก 6 อาคาร 2) โรงแรมรวม 545 keys จาก 3 โครงการ 3) คลังสินค้า พื้นที่เช่ารวม 1.6 แสนตร.ม.จาก 4 โครงการ 4) อสังหาฯเพื่อเช่าในสหรัฐ มีห้องพักรวม 78 ห้องใน 4 ทำเลในเมืองบอสตัน

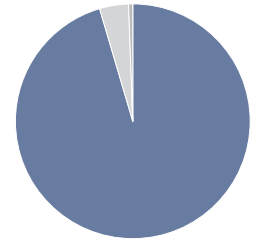
### Company profile

SC ดำเนินธุรกิจพัฒนาอสังหาริมทรัพย์อย่างครบวงจร แบ่งเป็น 1) ธุรกิจพัฒนาอสังหาฯเพื่อขาย (Engine 1) ซึ่งเป็นธุรกิจหลัก ประกอบด้วยบ้านเดี่ยว ทาวน์เฮ้าส์ และคอนโด ซึ่งครอบคลุมตลาดในทุก Segment 2) ธุรกิจพัฒนาอสังหาฯเพื่อให้เช่าและบริการ (Engine 2) ซึ่งลงทุนธุรกิจที่สร้างรายได้ประจำสม่ำเสมอ ประกอบด้วยธุรกิจอาคารสำนักงานให้เช่า, ธุรกิจโรงแรม และธุรกิจคลังสินค้า 3) ธุรกิจให้บริการที่ปรึกษาและจัดการด้านการบริหาร เทคโนโลยีวิศวกรรม และระบบงานสนับสนุน ตลอดจนการให้บริการหลังการขายเกี่ยวกับที่อยู่อาศัย

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

### Principal activities (revenue, 2023)

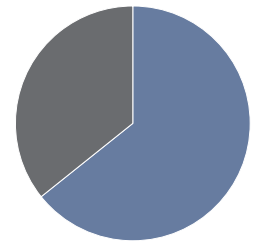
- Project sales - 95.4 %
- Rental and services - 4.0 %
- Consulting and management - 0.6 %



Source: SC Asset Corporation

### Major shareholders

- Shinawatra Family - 64.3 %
- Others - 35.7 %



Source: SC Asset Corporation

### Catalysts

ปัจจัยสนับสนุนการเติบโตคือ ความสำเร็จของการเปิดตัวโครงการใหม่, การขยายการลงทุนไปในธุรกิจใหม่ อาทิ คลังสินค้า และโรงแรม รวมถึงโอกาสในการเซ็นสัญญา JV พัฒนาโครงการคอนโดใหม่

### Risks to our call

ความเสี่ยง 1) อัตราการขายต่ำกว่าคาด 2) เศรษฐกิจและกำลังซื้อชะลอตัว 3) อัตราการปฏิเสธสินเชื่อจากธนาคารและยอดยกเลิกจากลูกค้าสูงขึ้น 4) การก่อสร้างล่าช้าและการขาดแคลนแรงงาน และ 5) การแข่งขันรุนแรง

### Event calendar

Date	Event
May 2024	1Q24 results announcement

### Key assumptions

	2024E	2025E	2026E
Project sales (THB m)	22,114	23,105	24,186
Rental and services income (THB m)	997	1,040	1,143
Property GPM (%)	31.9	31.9	31.7
GPM (%)	33.2	33.2	33.1
SG&A to sales (%)	18.3	18.3	18.3

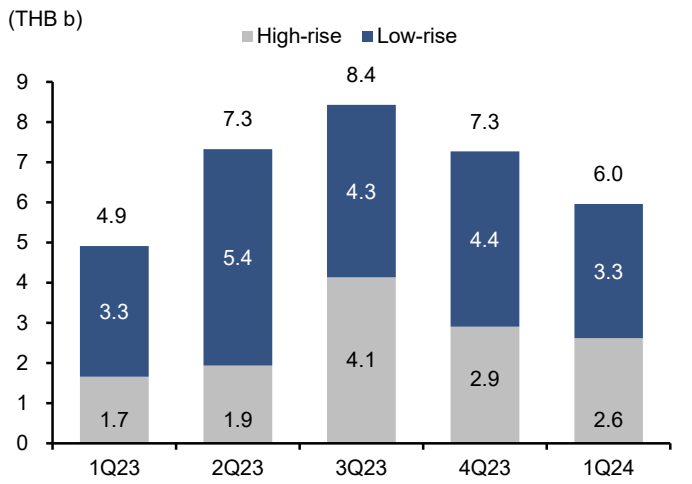
Source: FSSIA estimates

### Earnings sensitivity

- For every 5% increase in transfers, we estimate 2024 net profit to rise by 5%, and vice versa, all else being equal.
- For every 0.5% increase in property GPM, we estimate 2024 net profit to rise by 4%, and vice versa, all else being equal.
- For every 0.5% increase in SG&A to revenue, we estimate 2024 net profit to fall by 4%, and vice versa, all else being equal

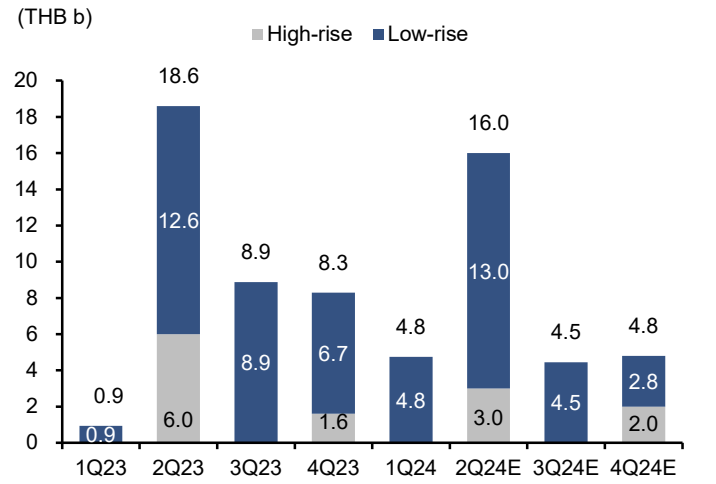
Source: FSSIA estimates

**Exhibit 1: Quarterly presales**



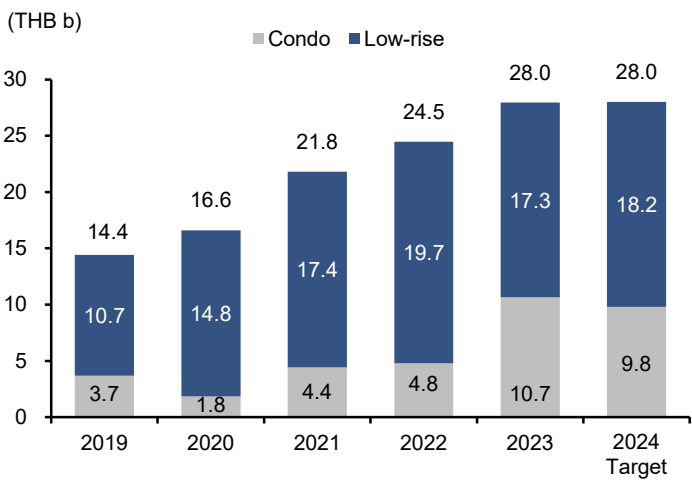
Sources: SC; FSSIA's compilation

**Exhibit 2: Quarterly new launches**



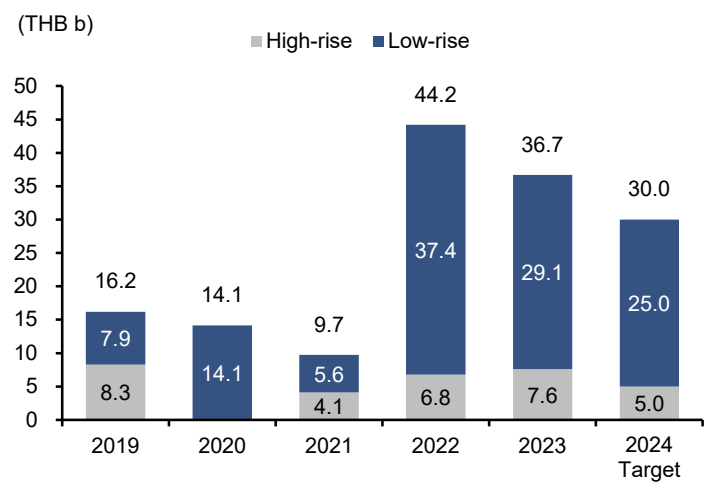
Sources: SC; FSSIA's compilation

**Exhibit 3: Yearly presales**



Sources: SC; FSSIA's compilation

**Exhibit 4: Yearly new launches**



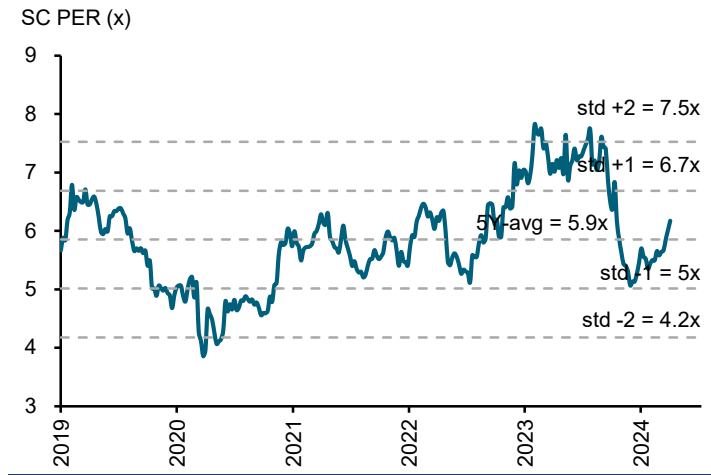
Sources: SC; FSSIA's compilation

**Exhibit 5: New launch plan in 2024**

Period	No.	Product	Project	Total Unit	Total Value (MB)
1Q24	1	SDH	Grand Bangkok Boulevard Bangna KM.15	73	2,900
	2	SDH	Bangkok Boulevard Signature Bangkokkhae	61	1,850
2Q24	3	SDH	VENUE ID Pinklao - Kanchana	85	900
	4	SDH	Grand Bangkok Boulevard Petchkasem - Kanchana	62	2,450
	5	SDH	Bangkok Boulevard Signature Ramintra - Phraya	101	2,450
	6	SDH	Grand Bangkok Boulevard Pinklao - Borom	41	1,800
	7	SDH	Bangkok Boulevard Signature Chaengwattana - Ratchaphruek	60	1,750
	8	SDH	VENUE Portrait Westgate	167	1,500
	9	SDH	PAVE Kanchana - Ratchaphruek	319	2,150
	10	CONDO	Reference	396	3,000
3Q24	11	SDH	Grand Bangkok Boulevard Na Uthayan	47	1,900
	12	SDH	Connoisseur	20	1,600
	13	SDH	Grand Bangkok Boulevard Borommaratchachonnani	21	950
4Q24	14	SDH	Bangkok Boulevard Bangna KM.13	68	900
	15	SDH	Bangkok Boulevard Rama 2	51	1,000
	16	SDH	Bangkok Boulevard Signature Rama 2	30	900
	17	CONDO	Reference	444	2,000
<b>TOTAL</b>				<b>2,046</b>	<b>30,000</b>

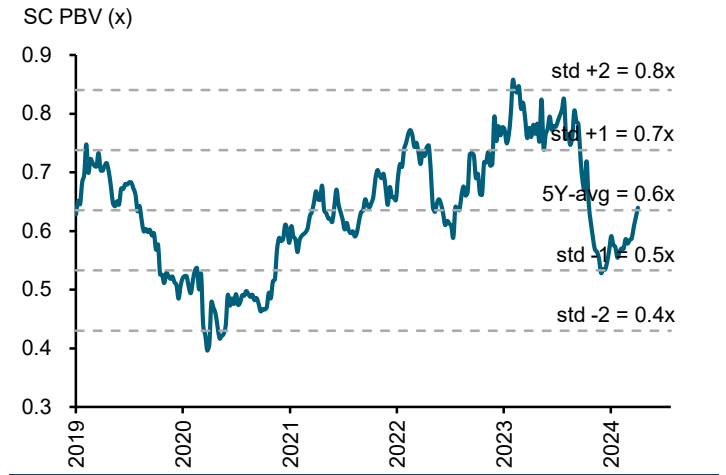
Sources: SC; FSSIA's compilation

**Exhibit 6: Historical P/E band**



Sources: Bloomberg; FSSIA estimates

**Exhibit 7: Historical P/BV band**



Sources: Bloomberg; FSSIA estimates

## Financial Statements

SC Asset Corporation

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	21,583	24,487	23,112	24,145	25,329
Cost of goods sold	(14,414)	(16,601)	(15,446)	(16,140)	(16,955)
<b>Gross profit</b>	<b>7,169</b>	<b>7,887</b>	<b>7,666</b>	<b>8,005</b>	<b>8,374</b>
Other operating income	102	99	50	50	60
Operating costs	(3,910)	(4,456)	(4,229)	(4,418)	(4,635)
<b>Operating EBITDA</b>	<b>3,453</b>	<b>3,650</b>	<b>3,680</b>	<b>3,840</b>	<b>4,012</b>
Depreciation	(92)	(120)	(193)	(203)	(213)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>3,361</b>	<b>3,529</b>	<b>3,486</b>	<b>3,637</b>	<b>3,798</b>
Net financing costs	(134)	(383)	(379)	(379)	(364)
Associates	55	54	78	105	33
Recurring non-operating income	55	54	78	105	33
Non-recurring items	(41)	(20)	0	0	0
<b>Profit before tax</b>	<b>3,241</b>	<b>3,181</b>	<b>3,186</b>	<b>3,363</b>	<b>3,468</b>
Tax	(678)	(656)	(653)	(684)	(721)
<b>Profit after tax</b>	<b>2,563</b>	<b>2,525</b>	<b>2,533</b>	<b>2,679</b>	<b>2,747</b>
Minority interests	(7)	(43)	(25)	(18)	(11)
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>2,556</b>	<b>2,482</b>	<b>2,508</b>	<b>2,660</b>	<b>2,735</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>41</b>	<b>20</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>2,597</b>	<b>2,502</b>	<b>2,508</b>	<b>2,660</b>	<b>2,735</b>
<b>Per share (THB)</b>					
Recurring EPS *	0.62	0.60	0.60	0.64	0.65
Reported EPS	0.61	0.59	0.60	0.64	0.65
DPS	0.25	0.23	0.23	0.25	0.26
Diluted shares (used to calculate per share data)	4,180	4,180	4,180	4,180	4,180
<b>Growth</b>					
Revenue (%)	10.8	13.5	(5.6)	4.5	4.9
Operating EBITDA (%)	21.3	5.7	0.8	4.3	4.5
Operating EBIT (%)	24.6	5.0	(1.2)	4.3	4.4
Recurring EPS (%)	28.2	(3.7)	0.2	6.1	2.8
Reported EPS (%)	24.0	(2.9)	1.0	6.1	2.8
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	33.2	32.2	33.2	33.2	33.1
Gross margin exc. depreciation (%)	33.6	32.7	34.0	34.0	33.9
Operating EBITDA margin (%)	16.0	14.9	15.9	15.9	15.8
Operating EBIT margin (%)	15.6	14.4	15.1	15.1	15.0
Net margin (%)	12.0	10.2	10.9	11.0	10.8
Effective tax rate (%)	20.9	20.6	20.5	20.3	20.8
Dividend payout on recurring profit (%)	39.8	39.2	39.1	39.1	39.1
Interest cover (X)	25.6	9.4	9.4	9.9	10.5
Inventory days	963.1	982.6	1,117.9	1,095.2	1,061.5
Debtor days	2.2	2.2	3.1	3.4	3.4
Creditor days	32.6	36.1	39.1	43.3	43.1
Operating ROIC (%)	7.6	6.7	6.3	6.5	(1.7)
ROIC (%)	6.1	5.4	5.1	5.4	(1.4)
ROE (%)	12.4	11.1	10.5	10.4	10.1
ROA (%)	5.1	4.7	4.5	4.6	4.0
* Pre-exceptional, pre-goodwill and fully diluted					
<b>Revenue by Division (THB m)</b>					
Project sales	20,654	23,370	22,114	23,105	24,186
Rental and services	880	977	942	980	1,078
Consulting and management	49	140	55	60	65

Sources: SC Asset Corporation; FSSIA estimates

## Financial Statements

### SC Asset Corporation

Cash Flow (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Recurring net profit	2,597	2,502	2,508	2,660	2,735
Depreciation	92	120	193	203	213
Associates & minorities	-	-	-	-	-
Other non-cash items	-	-	-	-	-
Change in working capital	(7,877)	(4,805)	1,326	(1,227)	(127)
<b>Cash flow from operations</b>	<b>(5,187)</b>	<b>(2,182)</b>	<b>4,028</b>	<b>1,637</b>	<b>2,821</b>
Capex - maintenance	-	-	-	-	-
Capex - new investment	(2,121)	(2,027)	-	(350)	(369)
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	-	-	1,323	-	-
<b>Cash flow from investing</b>	<b>(2,121)</b>	<b>(2,027)</b>	<b>1,323</b>	<b>(350)</b>	<b>(369)</b>
Dividends paid	(1,201)	(1,087)	(1,003)	(1,064)	(1,094)
Equity finance	260	127	28	18	11
Debt finance	4,077	5,067	(3,221)	0	0
Other financing cash flows	-	-	-	-	-
<b>Cash flow from financing</b>	<b>3,135</b>	<b>4,107</b>	<b>(4,196)</b>	<b>(1,046)</b>	<b>(1,083)</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
<b>Net other adjustments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Movement in cash</b>	<b>(4,173)</b>	<b>(102)</b>	<b>1,155</b>	<b>241</b>	<b>1,369</b>
Free cash flow to firm (FCFF)	(7,174.97)	(3,827.36)	5,730.03	1,665.58	2,815.45
Free cash flow to equity (FCFE)	(3,231.46)	857.09	2,129.97	1,286.83	2,451.85

#### Per share (THB)

FCFF per share	(1.70)	(0.91)	1.36	0.39	0.67
FCFE per share	(0.77)	0.20	0.50	0.30	0.58
Recurring cash flow per share	0.64	0.63	0.65	0.69	0.71

Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Tangible fixed assets (gross)	2,192	2,302	2,417	2,538	2,664
Less: Accumulated depreciation	(568)	(453)	(483)	(508)	(533)
<b>Tangible fixed assets (net)</b>	<b>1,624</b>	<b>1,849</b>	<b>1,933</b>	<b>2,030</b>	<b>2,132</b>
<b>Intangible fixed assets (net)</b>	<b>122</b>	<b>127</b>	<b>69</b>	<b>70</b>	<b>71</b>
Long-term financial assets	370	231	439	459	481
Invest. in associates & subsidiaries	8,538	10,353	8,603	8,632	8,663
Cash & equivalents	2,140	2,038	3,193	3,434	4,803
A/C receivable	119	171	222	232	243
Inventories	42,488	46,246	47,186	48,448	48,935
Other current assets	1,096	1,957	924	966	1,013
<b>Current assets</b>	<b>45,843</b>	<b>50,411</b>	<b>51,525</b>	<b>53,080</b>	<b>54,994</b>
Other assets	904	916	1,010	1,010	1,010
<b>Total assets</b>	<b>57,401</b>	<b>63,888</b>	<b>63,579</b>	<b>65,281</b>	<b>67,351</b>
Common equity	21,733	23,228	24,736	26,332	27,973
Minorities etc.	(23)	24	49	68	79
<b>Total shareholders' equity</b>	<b>21,709</b>	<b>23,252</b>	<b>24,785</b>	<b>26,400</b>	<b>28,052</b>
Long term debt	12,453	15,584	15,272	15,272	15,272
Other long-term liabilities	1,567	1,885	2,311	2,294	2,406
<b>Long-term liabilities</b>	<b>14,020</b>	<b>17,468</b>	<b>17,583</b>	<b>17,566</b>	<b>17,678</b>
A/C payable	1,837	1,419	1,849	1,932	2,026
Short term debt	16,059	17,995	15,086	15,086	15,086
Other current liabilities	3,776	3,753	4,276	4,298	4,509
<b>Current liabilities</b>	<b>21,672</b>	<b>23,167</b>	<b>21,210</b>	<b>21,315</b>	<b>21,621</b>
<b>Total liabilities and shareholders' equity</b>	<b>57,401</b>	<b>63,888</b>	<b>63,579</b>	<b>65,281</b>	<b>67,351</b>
Net working capital	38,090	43,202	42,207	43,417	43,656
Invested capital	49,648	56,678	54,262	55,618	56,014

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

#### Per share (THB)

Book value per share	5.15	5.44	5.78	6.16	6.54
Tangible book value per share	5.12	5.41	5.77	6.14	6.52

#### Financial strength

Net debt/equity (%)	121.5	135.7	109.6	102.0	91.1
Net debt/total assets (%)	45.9	49.4	42.7	41.2	37.9
Current ratio (x)	2.1	2.2	2.4	2.5	2.5
CF interest cover (x)	(7.3)	8.5	6.6	5.3	8.8

Valuation	2022	2023	2024E	2025E	2026E
<b>Recurring P/E (x) *</b>	<b>6.1</b>	<b>6.3</b>	<b>6.3</b>	<b>5.9</b>	<b>5.7</b>
<b>Recurring P/E @ target price (x) *</b>	<b>7.1</b>	<b>7.3</b>	<b>7.3</b>	<b>6.9</b>	<b>6.7</b>
Reported P/E (x)	6.1	6.3	6.3	5.9	5.7
Dividend yield (%)	6.6	6.2	6.2	6.6	6.8
Price/book (x)	0.7	0.7	0.7	0.6	0.6
Price/tangible book (x)	0.7	0.7	0.7	0.6	0.6
EV/EBITDA (x) **	12.2	13.1	11.8	11.2	10.4
EV/EBITDA @ target price (x) **	13.0	13.8	12.5	11.9	11.1
EV/invested capital (x)	0.9	0.8	0.8	0.8	0.7

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

Sources: SC Asset Corporation; FSSIA estimates

# SC Asset Corp PCL (SC TB)

**FSSIA ESG rating**

★★★★

**60.14 /100**

## Exhibit 8: 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	<b>A mixed track record of managing the most significant ESG risks and opportunities relative to industry peers.</b>
★★★	>39-59	Relevant ESG materiality matrix has been constructively addressed, well-managed and incorporated into day-to-day operations, in which targets and achievements are evaluated annually.
★★	>19-39	Relevant ESG materiality matrix has been identified with key management in charge for progress to be followed up on and to provide intensive disclosure. Most targets are conventional and achievable.
★	1-19	The company has adopted the United Nations Sustainable Development Goals (UN SDGs), established sustainability management guidelines and fully complies with regulations or ESG suggested guidance from related organizations such as the SET and SEC.

Sources: FSSIA estimates

## Exhibit 9: ESG – peer comparison

	FSSIA ESG score	Domestic ratings						Global ratings						Bloomberg	
		DJSI	SET THSI	THSI	CG score	AGM level	Thai CAC	Morningstar ESG risk	ESG Book	MSCI	Moody's	Refinitiv	S&P Global	ESG score	Disclosure score
SET100	69.20	5.34	4.40	4.40	4.76	4.65	3.84	Medium	51.76	BBB	20.87	58.72	63.91	3.72	28.17
Coverage	67.12	5.11	4.15	4.17	4.83	4.71	3.53	Medium	52.04	BB	16.97	56.85	62.09	3.40	31.94
AP	53.36	--	Y	Y	5.00	5.00	Certified	Low	43.30	--	--	16.91	24.00	1.89	34.26
ASW	27.00	--	Y	Y	5.00	4.00	Declared	--	--	--	--	--	--	--	--
BRI	16.00	--	--	--	4.00	4.00	Declared	--	--	--	--	--	--	--	--
NOBLE	30.88	--	Y	Y	5.00	5.00	Certified	--	--	--	--	--	7.00	--	--
ORI	53.22	--	Y	Y	5.00	5.00	Certified	Medium	41.33	--	--	48.60	--	3.82	52.01
SC	60.14	--	Y	Y	5.00	4.00	Certified	Low	45.20	--	--	70.85	25.00	2.34	42.60
SIRI	66.14	--	Y	Y	5.00	5.00	Certified	Low	43.82	A	--	57.85	23.00	3.00	61.14
SPALI	59.80	--	Y	Y	5.00	5.00	Certified	Low	52.93	BB	--	36.30	24.00	2.19	42.36

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

## Exhibit 10: ESG score by Bloomberg

FY ending Dec 31	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
<b>ESG financial materiality scores - ESG score</b>	--	--	--	--	--	<b>2.66</b>	<b>2.34</b>
BESG environmental pillar score	--	--	--	--	--	1.70	1.14
BESG social pillar score	--	--	--	--	--	3.67	2.51
BESG governance pillar score	--	--	--	--	--	3.80	4.29
<b>ESG disclosure score</b>	--	--	--	<b>32.63</b>	<b>33.83</b>	<b>44.32</b>	<b>42.60</b>
Environmental disclosure score	--	--	--	1.75	1.75	18.79	15.95
Social disclosure score	--	--	--	14.87	18.47	32.95	30.62
Governance disclosure score	--	--	--	81.10	81.10	81.10	81.10
<b>Environmental</b>							
Emissions reduction initiatives	No	No	No	No	No	Yes	Yes
Climate change policy	No	No	No	No	No	No	No
Climate change opportunities discussed	No	No	No	No	No	No	No
Risks of climate change discussed	No	No	No	No	No	Yes	Yes
GHG scope 1	--	--	--	--	--	0	--
GHG scope 2 location-based	--	--	--	--	--	12	--
GHG Scope 3	--	--	--	--	--	--	--
Carbon per unit of production	--	--	--	--	--	--	--
Biodiversity policy	No	No	No	No	No	No	No
Energy efficiency policy	No	No	No	Yes	Yes	Yes	Yes
Total energy consumption	--	--	--	--	--	--	--
Renewable energy use	--	--	--	--	--	--	--
Electricity used	--	--	--	--	--	--	--
Fuel used - natural gas	--	--	--	--	--	--	--

Sources: Bloomberg; FSSIA's compilation

## Exhibit 11: ESG score by Bloomberg (cont.)

FY ending Dec 31	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Fuel used - crude oil/diesel	No	No	No	No	No	No	No
Waste reduction policy	No	No	No	Yes	Yes	Yes	Yes
Hazardous waste	—	—	—	—	—	—	—
Total waste	—	—	—	—	—	—	—
Waste recycled	—	—	—	—	—	—	—
Waste sent to landfills	—	—	—	—	—	—	—
Environmental supply chain management	No	No	No	No	No	No	No
Water policy	No	No	No	Yes	Yes	Yes	Yes
Water consumption	—	—	—	—	—	—	—
<b>Social</b>							
Human rights policy	No	No	No	Yes	Yes	Yes	Yes
Policy against child labor	No	No	No	Yes	Yes	Yes	Yes
Quality assurance and recall policy	No	No	No	No	No	No	No
Consumer data protection policy	No	No	No	No	Yes	Yes	Yes
Equal opportunity policy	No	No	No	Yes	Yes	Yes	Yes
Gender pay gap breakout	No	No	No	No	No	No	No
Pct women in workforce	—	—	—	—	—	47	—
Pct disabled in workforce	—	—	—	—	—	1	1
Business ethics policy	No	No	No	Yes	Yes	Yes	Yes
Anti-bribery ethics policy	No	No	No	Yes	Yes	Yes	Yes
Health and safety policy	No	No	No	Yes	Yes	Yes	Yes
Lost time incident rate - employees	—	—	—	—	—	0	0
Total recordable incident rate - employees	—	—	—	—	—	—	—
Training policy	No	No	No	Yes	Yes	Yes	Yes
Fair remuneration policy	No	No	No	Yes	Yes	Yes	Yes
Number of employees – CSR	—	—	—	877	923	1,033	1,212
Employee turnover pct	—	—	—	—	—	11	11
Total hours spent by firm - employee training	—	—	—	18,038	13,819	17,698	19,113
Social supply chain management	No	No	No	No	No	No	No
<b>Governance</b>							
<b>Board size</b>	—	—	—	<b>9</b>	<b>9</b>	<b>9</b>	<b>10</b>
<b>No. of independent directors (ID)</b>	—	—	—	<b>6</b>	<b>6</b>	<b>6</b>	<b>7</b>
No. of women on board	—	—	—	1	1	1	1
No. of non-executive directors on board	—	—	—	7	7	7	8
Company conducts board evaluations	No	No	No	Yes	Yes	Yes	Yes
No. of board meetings for the year	—	—	—	7	8	7	9
Board meeting attendance pct	—	—	—	92	99	100	100
Board duration (years)	—	—	—	3	3	3	3
Director share ownership guidelines	No	No	No	No	No	No	No
Age of the youngest director	—	—	—	40	41	42	43
Age of the oldest director	—	—	—	75	76	77	76
<b>No. of executives / company managers</b>	—	—	—	<b>12</b>	<b>20</b>	<b>21</b>	<b>23</b>
No. of female executives	—	—	—	4	6	7	8
Executive share ownership guidelines	No	No	No	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	—	—	—	9	10	9	10
Audit meeting attendance %	—	—	—	100	100	100	100
<b>Size of compensation committee</b>	—	—	—	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
No. of ID on compensation committee	—	—	—	3	3	3	3
No. of compensation committee meetings	—	—	—	2	2	2	2
Compensation meeting attendance %	—	—	—	100	100	100	100
<b>Size of nomination committee</b>	—	—	—	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
No. of nomination committee meetings	—	—	—	2	2	2	2
Nomination meeting attendance %	—	—	—	100	100	100	100
<b>Sustainability governance</b>							
Verification type	No	No	No	No	No	No	No

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.																											
Sustainability Investment List (THSI) by The Stock Exchange of Thailand (SET)	THSI 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>THSI 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>SETTHSI Index</b> is extended from the THSI companies whose 1) market capitalization > THB5b (~USD150b); 2) free float >20%; and 3) liquidity >0.5% of paid-up capital for at least 9 out of 12 months. The SETTHSI Index is a market capitalisation-weighted index, cap 5% quarterly weight at maximum, and no cap for number of stocks.																											
<b>CG Score</b> by Thai Institute of Directors Association (Thai IOD)	An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.	Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (50-59), and not rated for scores below 50. Weightings include: 1) the rights; 2) and equitable treatment of shareholders (weight 25% combined); 3) the role of stakeholders (25%); 4) disclosure & transparency (15%); and 5) board responsibilities (35%).																											
<b>AGM level</b> By Thai Investors Association (TIA) with support from the SEC	It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). <i>(The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&amp;A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.)</i>	The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.																											
<b>Thai CAC</b> 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.																											
<b>Morningstar Sustainalytics</b>	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-left: auto; margin-right: auto;"> <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+																	
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0-10	10-20	20-30	30-40	40+																									
<b>ESG Book</b>	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.																											
<b>MSCI</b>	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-left: auto; margin-right: auto;"> <tbody> <tr> <td><b>AAA</b></td> <td>8.571-10.000</td> <td><b>Leader:</b></td> <td>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> <td></td> <td></td> </tr> <tr> <td><b>A</b></td> <td>5.714-7.142</td> <td></td> <td></td> </tr> <tr> <td><b>BBB</b></td> <td>4.286-5.713</td> <td><b>Average:</b></td> <td>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> <td></td> <td></td> </tr> <tr> <td><b>B</b></td> <td>1.429-2.856</td> <td></td> <td></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
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<b>Moody's ESG solutions</b>	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.																												
<b>Refinitiv ESG rating</b>	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>																												
<b>S&amp;P Global</b>	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.																												
<b>Bloomberg</b>	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.																											
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.																											

**Rating** regarding the sustainable development of Thai listed companies, both on the SET and MAI, are publicly available on the website of the Securities and Exchange Commission of Thailand (SEC). Currently, ratings available are 1) "**CG Score**"; 2) "**AGM Level**"; 3) "**Thai CAC**"; and 4) **THSI**. The ratings are updated on an annual basis. FSSIA does not confirm nor certify the accuracy of such ratings.

Source: FSSIA's compilation

## GENERAL DISCLAIMER

### ANALYST(S) CERTIFICATION

Thanyatorn Songwutti FSS International Investment Advisory Securities Co., Ltd

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

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

#### SC Asset Corporation (SC TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
12-Jan-2023	BUY	5.00	31-Oct-2023	BUY	4.40	-	-	-

Thanyatorn Songwutti started covering this stock from 12-Jan-2023

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
SC Asset Corporation	SC TB	THB 3.76	BUY	Downside risks to our P/E-based TP include 1) weaker-than-expected take-up rates of new launches; 2) weak purchasing power; 3) cancellation of presales; 4) bank loan rejections; and 5) construction delays.

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 05-Apr-2024 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.