

STARFLEX SFLEX TB  
THAILAND / PACKAGINGBUY  
UNCHANGED

## 1Q24 results at first glance

TARGET PRICE	THB5.60
CLOSE	THB3.10
UP/DOWNSIDE	+80.6%
TP vs CONSENSUS	+11.6%

## กำไร 1Q24 แข็งแกร่งเกินคาด

## Highlights

- กำไรปกติของ SFLEX 1Q24 ออกมาอย่างน่าประทับใจ 62.8 ล้านบาท +49% q-q, +55% y-y เป็นกำไรรายไตรมาสที่สูงที่สุดนับตั้งแต่เข้าจดทะเบียนในตลาดหลักทรัพย์ และสูงกว่าช่วงล็อกดาวน์และผู้บริโภคซื้อสินค้า
- ไตรมาสนี้เป็นไตรมาสแรกที่รับรู้ส่วนแบ่งกำไรของ Starprint Vietnam เป็นจำนวน 2.6 ล้านบาท กำไรที่แข็งแกร่งเกิดจากธุรกิจของ SFLEX เอง
- กำไร 1Q24 ดีกว่าเราและตลาดคาดกว่า 20% และเป็นกำไรที่มีคุณภาพโดยเกิดจากรายได้ที่สูงเป็นประวัติการณ์ถึง 485.0 ล้านบาท +10% q-q, +3% y-y
- อัตรากำไรขั้นต้นยังรักษาให้อยู่ในระดับสูง 24.0% ใกล้เคียงปี 2023 แม้ว่าในช่วงที่ผ่านมาราคาน้ำมันดิบจะผันผวน ซึ่งเกิดจากการบริหารจัดการวัตถุดิบ ลือคราคาล่วงหน้า และทยอยปรับราคาขายบางส่วน
- ค่าใช้จ่ายในการขายและบริหารยังคงควบคุมได้เป็นอย่างดี มีสัดส่วน 24.1% ของรายได้ อยู่ในกรอบใกล้เคียงปีก่อนที่ 21-25%
- ดอกเบี้ยจ่ายเพิ่มขึ้นอย่างมีนัยสำคัญจากเงินทุนที่เพิ่มขึ้นเพื่อใช้ในการก่อสร้างโรงงานส่วนต่อขยายและลงทุนใน Starprint Vietnam อย่างไรก็ดีตาม Net IBD/E ของบริษัทยังอยู่ในระดับต่ำมากเพียง 0.53 เท่า ณ สิ้น 1Q24 ฐานะการเงินของ SFLEX ยังคงแข็งแกร่งมาก

## Outlook

- กำไรปกติ 1Q24 คิดเป็น 28% ของคาดการณ์ทั้งปีที่ 224 ล้านบาท (+23% y-y) แนวโน้มยังคงสดใส เติบโตตามการบริโภคภายในประเทศและในเวียดนามที่ฟื้นตัวต่อเนื่อง รวมถึงการบริหารจัดการวัตถุดิบที่มีประสิทธิภาพ เรายังคงแนะนำซื้อราคาเป้าหมาย 5.60 บาท (อิง 20x 2024E P/E) ราคาหุ้นปัจจุบันเทรดที่ 2024E P/E เพียง 11.4 เท่า (-1SD ของค่าเฉลี่ย 5 ปี)

## KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	1,795	2,080	2,234	2,397
Net profit	184	224	250	272
EPS (THB)	0.22	0.27	0.30	0.33
vs Consensus (%)	-	(5.3)	1.0	6.5
EBITDA	288	313	340	367
Recurring net profit	181	224	250	272
Core EPS (THB)	0.22	0.27	0.30	0.33
EPS growth (%)	231.2	23.4	11.6	8.8
Core P/E (x)	14.0	11.4	10.2	9.4
Dividend yield (%)	2.9	3.5	3.9	4.3
EV/EBITDA (x)	10.8	10.2	9.3	8.2
Price/book (x)	2.5	2.5	2.4	2.4
Net debt/Equity (%)	56.7	63.2	61.5	45.3
ROE (%)	18.3	22.1	24.2	25.9



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(4.9)	(5.5)	(13.4)
Relative to country (%)	(3.6)	(4.9)	(3.2)
Mkt cap (USD m)	67		
3m avg. daily turnover (USD m)	0.1		
Free float (%)	0		
Major shareholder	Mr. Printhorn Apithanasriwong (24%)		
12m high/low (THB)	4.50/2.90		
Issued shares (m)	820.01		

Sources: Bloomberg consensus; FSSIA estimates



Jitra Amorntum

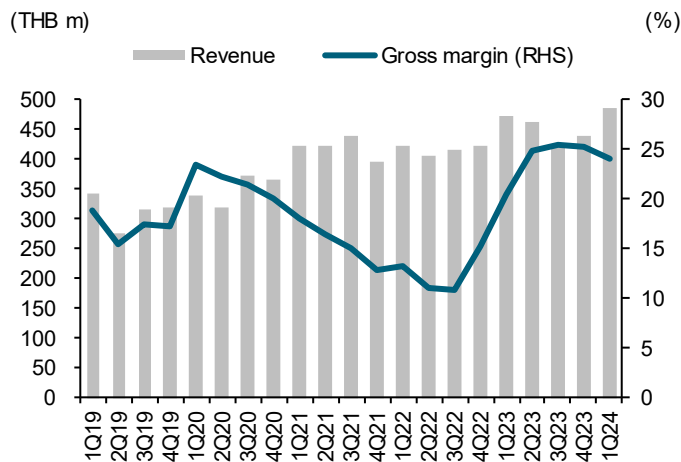
Fundamental Investment Analyst on Securities; License no. 014530  
jitra.a@fssia.com, +66 2646 9966

**Exhibit 1: SFLEX - 1Q24 results summary**

Year to Dec 31	1Q23	2Q23	3Q23	4Q23	1Q24	Change		2024	Change	% of
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(y-y %)	2024E
Sales	472	462	421	439	485	10.5	2.8	2,080	15.9	23.3
Cost of sales	(375)	(347)	(314)	(328)	(368)	12.3	(1.8)	(1,643)	20.4	22.4
Gross profit	97	115	107	111	117	5.2	20.5	437	1.6	26.7
Other income	5	6	8	4	6	45.3	9.3	27	17.9	21.9
Operating costs	(51)	(57)	(52)	(63)	(55)	(13.2)	7.4	(210)	(5.7)	26.1
Operating profit	51	64	63	52	68	30.7	32.3	647	(0.9)	10.5
<b>Operating EBITDA</b>	<b>66</b>	<b>78</b>	<b>77</b>	<b>66</b>	<b>85</b>	<b>29.5</b>	<b>29.2</b>	<b>313</b>	<b>7.6</b>	<b>27.1</b>
Interest expense	(1)	(1)	(2)	(6)	(8)	41.2	747.3	(15)	51.7	56.6
Associates	0	0	0	0	3	nm	nm	33	nm	8.0
Profit before tax	50	63	62	46	63	36.7	24.3	239	7.1	26.3
<b>Reported net profit</b>	<b>41</b>	<b>50</b>	<b>49</b>	<b>42</b>	<b>64</b>	<b>50.8</b>	<b>56.0</b>	<b>224</b>	<b>21.4</b>	<b>28.4</b>
<b>Core profit</b>	<b>40</b>	<b>50</b>	<b>48</b>	<b>42</b>	<b>63</b>	<b>49.1</b>	<b>55.1</b>	<b>224</b>	<b>23.4</b>	<b>28.1</b>
Reported EPS (THB)	0.050	0.064	0.062	0.051	0.077	50.8	54.9	0.27	17.9	28.4
Core EPS (THB)	0.049	0.061	0.059	0.051	0.077	49.1	55.1	0.27	23.4	28.1
<b>Key Ratios (%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>	<b>(ppt)</b>	<b>(%)</b>	<b>(ppt)</b>	
Gross margin	20.5	24.9	25.4	25.3	24.0	(1.2)	3.5	21.0	(3.0)	
Operating margin	10.9	13.9	15.0	11.8	14.1	2.3	3.2	12.2	(0.6)	
EBITDA margin	13.9	16.9	18.4	14.9	17.5	2.6	3.6	15.1	(1.2)	
Recurring net margin	8.6	10.9	11.5	9.6	12.9	3.4	4.4	10.8	0.7	
SG&A / Sales	10.8	12.3	12.4	14.4	11.3	(3.1)	0.5	10.1	(2.3)	

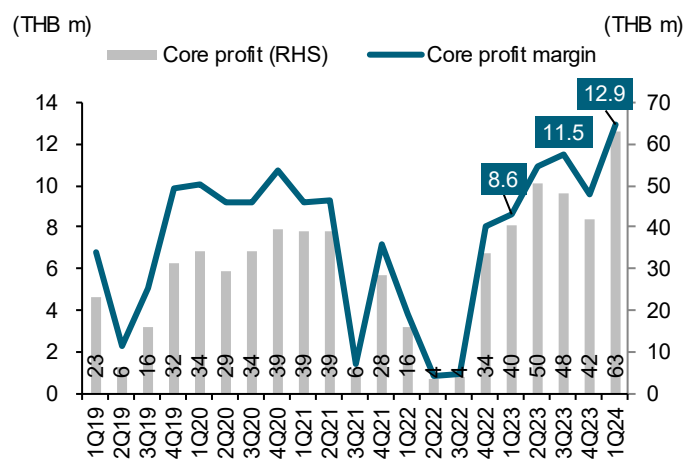
Sources: SFLEX, FSSIA estimates

**Exhibit 2: Revenue and gross margin**



Sources: SFLEX, FSSIA's compilation

**Exhibit 3: Core profit and core profit margin**



Sources: SFLEX, FSSIA's compilation

## Financial Statements

### Starflex

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	1,669	1,795	2,080	2,234	2,397
Cost of goods sold	(1,458)	(1,365)	(1,643)	(1,765)	(1,886)
<b>Gross profit</b>	<b>211</b>	<b>430</b>	<b>437</b>	<b>469</b>	<b>511</b>
Other operating income	27	23	27	29	31
Operating costs	(170)	(223)	(210)	(218)	(236)
<b>Operating EBITDA</b>	<b>124</b>	<b>288</b>	<b>313</b>	<b>340</b>	<b>367</b>
Depreciation	(57)	(58)	(59)	(60)	(61)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>67</b>	<b>230</b>	<b>254</b>	<b>280</b>	<b>306</b>
Net financing costs	(3)	(10)	(15)	(12)	(13)
Associates	-	0	33	35	38
Recurring non-operating income	0	0	33	35	38
Non-recurring items	0	3	0	0	0
<b>Profit before tax</b>	<b>65</b>	<b>223</b>	<b>272</b>	<b>303</b>	<b>330</b>
Tax	(10)	(39)	(48)	(54)	(58)
<b>Profit after tax</b>	<b>55</b>	<b>184</b>	<b>224</b>	<b>250</b>	<b>272</b>
Minority interests	0	0	0	0	0
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>55</b>	<b>184</b>	<b>224</b>	<b>250</b>	<b>272</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>0</b>	<b>(3)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>55</b>	<b>181</b>	<b>224</b>	<b>250</b>	<b>272</b>
<b>Per share (THB)</b>					
Recurring EPS *	0.07	0.22	0.27	0.30	0.33
Reported EPS	0.07	0.22	0.27	0.30	0.33
DPS	0.03	0.09	0.11	0.12	0.13
Diluted shares (used to calculate per share data)	820	820	820	820	820
<b>Growth</b>					
Revenue (%)	(0.5)	7.5	15.9	7.4	7.3
Operating EBITDA (%)	(44.4)	132.7	8.7	8.7	7.7
Operating EBIT (%)	(58.2)	241.6	10.4	10.5	9.0
Recurring EPS (%)	(63.4)	231.2	23.4	11.6	8.8
Reported EPS (%)	(63.1)	234.6	21.4	11.6	8.8
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	12.6	24.0	21.0	21.0	21.3
Gross margin exc. depreciation (%)	16.0	27.2	23.9	23.7	23.9
Operating EBITDA margin (%)	7.4	16.1	15.1	15.2	15.3
Operating EBIT margin (%)	4.0	12.8	12.2	12.6	12.8
Net margin (%)	3.3	10.1	10.8	11.2	11.3
Effective tax rate (%)	14.9	17.4	17.6	17.7	17.7
Dividend payout on recurring profit (%)	45.0	40.7	40.0	40.0	40.0
Interest cover (X)	23.0	23.7	19.4	26.0	25.8
Inventory days	86.9	92.1	74.3	75.2	74.0
Debtor days	66.6	59.5	56.3	53.4	50.4
Creditor days	74.3	83.9	84.8	91.2	95.1
Operating ROIC (%)	5.4	17.5	17.8	18.7	21.3
ROIC (%)	4.8	13.6	13.9	14.8	16.6
ROE (%)	5.6	18.3	22.1	24.2	25.9
ROA (%)	3.7	10.4	11.1	11.7	12.8
* Pre exceptional, pre-goodwill and fully diluted					
<b>Revenue by Division (THB m)</b>					
Non-food packaging	1,258	1,353	1,560	1,676	1,798
Food packaging	393	434	512	550	590
Others	18	7	8	9	10

Sources: Starflex; FSSIA estimates

## Financial Statements

### Starflex

Cash Flow (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Recurring net profit	55	181	224	250	272
Depreciation	57	58	59	60	61
Associates & minorities	0	0	0	0	0
Other non-cash items	-	-	-	-	-
Change in working capital	50	(43)	30	(144)	62
<b>Cash flow from operations</b>	<b>162</b>	<b>197</b>	<b>313</b>	<b>165</b>	<b>395</b>
Capex - maintenance	-	-	-	-	-
Capex - new investment	(144)	-	(294)	(140)	(180)
Net acquisitions & disposals	-	(460)	-	-	-
Other investments (net)	-	-	-	-	-
<b>Cash flow from investing</b>	<b>(144)</b>	<b>(460)</b>	<b>(294)</b>	<b>(140)</b>	<b>(180)</b>
Dividends paid	(37)	(59)	(89)	(100)	(109)
Equity finance	0	(100)	0	0	0
Debt finance	66	346	116	13	(90)
Other financing cash flows	-	-	-	-	-
<b>Cash flow from financing</b>	<b>29</b>	<b>187</b>	<b>26</b>	<b>(87)</b>	<b>(198)</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	7	28	0	62	0
<b>Net other adjustments</b>	<b>7</b>	<b>28</b>	<b>(80)</b>	<b>62</b>	<b>(20)</b>
<b>Movement in cash</b>	<b>54</b>	<b>(48)</b>	<b>(35)</b>	<b>0</b>	<b>(3)</b>
Free cash flow to firm (FCFF)	20.64	(252.93)	33.82	37.41	228.56
Free cash flow to equity (FCFE)	90.80	111.57	54.88	99.96	105.44

#### Per share (THB)

FCFF per share	0.03	(0.31)	0.04	0.05	0.28
FCFE per share	0.11	0.14	0.07	0.12	0.13
Recurring cash flow per share	0.14	0.29	0.35	0.38	0.41

Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Tangible fixed assets (gross)	1,046	1,141	1,391	1,421	1,452
Less: Accumulated depreciation	(307)	(365)	(424)	(484)	(546)
<b>Tangible fixed assets (net)</b>	<b>739</b>	<b>776</b>	<b>967</b>	<b>937</b>	<b>907</b>
<b>Intangible fixed assets (net)</b>	<b>54</b>	<b>40</b>	<b>41</b>	<b>41</b>	<b>42</b>
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	32	408	408	408	408
Cash & equivalents	129	81	46	47	44
A/C receivable	263	322	320	333	328
Inventories	333	326	319	384	356
Other current assets	22	27	29	30	32
<b>Current assets</b>	<b>747</b>	<b>756</b>	<b>714</b>	<b>794</b>	<b>760</b>
Other assets	29	62	64	66	67
<b>Total assets</b>	<b>1,602</b>	<b>2,042</b>	<b>2,194</b>	<b>2,246</b>	<b>2,185</b>
Common equity	985	1,001	1,021	1,040	1,061
Minorities etc.	0	0	0	0	0
<b>Total shareholders' equity</b>	<b>985</b>	<b>1,001</b>	<b>1,021</b>	<b>1,040</b>	<b>1,061</b>
Long term debt	175	168	284	297	207
Other long-term liabilities	43	46	53	61	71
<b>Long-term liabilities</b>	<b>218</b>	<b>215</b>	<b>337</b>	<b>358</b>	<b>277</b>
A/C payable	276	331	411	441	510
Short term debt	114	480	408	389	317
Other current liabilities	8	16	17	18	19
<b>Current liabilities</b>	<b>398</b>	<b>827</b>	<b>836</b>	<b>849</b>	<b>846</b>
<b>Total liabilities and shareholders' equity</b>	<b>1,602</b>	<b>2,042</b>	<b>2,194</b>	<b>2,246</b>	<b>2,185</b>
Net working capital	334	328	240	288	187
Invested capital	1,188	1,615	1,720	1,741	1,612

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

#### Per share (THB)

Book value per share	1.20	1.22	1.25	1.27	1.29
Tangible book value per share	1.14	1.17	1.20	1.22	1.24

#### Financial strength

Net debt/equity (%)	16.3	56.7	63.2	61.5	45.3
Net debt/total assets (%)	10.0	27.8	29.4	28.5	22.0
Current ratio (x)	1.9	0.9	0.9	0.9	0.9
CF interest cover (x)	81.1	12.5	24.7	20.7	22.4

Valuation	2022	2023	2024E	2025E	2026E
<b>Recurring P/E (x) *</b>	<b>46.5</b>	<b>14.0</b>	<b>11.4</b>	<b>10.2</b>	<b>9.4</b>
<b>Recurring P/E @ target price (x) *</b>	<b>83.9</b>	<b>25.3</b>	<b>20.5</b>	<b>18.4</b>	<b>16.9</b>
Reported P/E (x)	46.2	13.8	11.4	10.2	9.4
Dividend yield (%)	1.0	2.9	3.5	3.9	4.3
Price/book (x)	2.6	2.5	2.5	2.4	2.4
Price/tangible book (x)	2.7	2.6	2.6	2.5	2.5
EV/EBITDA (x) **	21.8	10.8	10.2	9.3	8.2
EV/EBITDA @ target price (x) **	38.4	17.9	16.7	15.4	13.8
EV/invested capital (x)	2.3	1.9	1.9	1.8	1.9

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

Sources: Starflex; FSSIA estimates

## 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+									
NEGL	Low	Medium	High	Severe																	
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 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																		
<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

#### Jitra Amornthum 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.

This report has been prepared by FSS International Investment Advisory Securities Company Limited (FSSIA). The information herein has been obtained from sources believed to be reliable and accurate; however FSSIA makes no representation as to the accuracy and completeness of such information. Information and opinions expressed herein are subject to change without notice. FSSIA has no intention to solicit investors to buy or sell any security in this report. In addition, FSSIA does not guarantee returns nor price of the securities described in the report nor accept any liability for any loss or damage of any kind arising out of the use of such information or opinions in this report. Investors should study this report carefully in making investment decisions. All rights are reserved.

This report may not be reproduced, distributed or published by any person in any manner for any purpose without permission of FSSIA. Investment in securities has risks. Investors are advised to consider carefully before making investment decisions.

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

#### Starflex (SFLEX TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
10-Mar-2023	BUY	4.70	12-Jun-2023	BUY	5.50	04-Dec-2023	BUY	5.60

Jitra Amornthum started covering this stock from 10-Mar-2023

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Starflex	SFLEX TB	THB 3.10	BUY	Downside risks to our P/E-based TP include 1) a sharp rise in crude oil prices; 2) rising inflation pressuring consumers' purchasing power; and 3) baht depreciation.

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 16-May-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.