Thailand Market Strategy

จุดเริ่มต้นที่ดีสำหรับกำไร 1Q24

- กำไร 1Q24 กระโดดเพิ่ม q-q และปรับขึ้นเล็กน้อย y-y สูงกว่าคาด 10% และฟื้นตัวจากจุดต่ำสุดใน 4Q23 โดยคิดเป็น 25% ของประมาณการกำไรสุทธิปี 2024
- อาหารเป็นกลุ่มที่มีผลประกอบการดีที่สุด ในขณะที่หุ้นในประเทศและหุ้นบริการส่วนมากรายงานการเติบโตที่ดีและสูงกว่าคาด ในทางตรงกันข้ามกลุ่มที่เกี่ยวเนื่องกับเศรษฐกิจโลกมีผลประกอบการที่ไม่สดใส
- ผลกำไร 1Q24 ที่ดีกว่าคาดน่าจะช่วยจำกัด Downside ต่อประมาณการกำไรต่อหุ้นปี 2024 ของเราที่ 91.50 บาท คงเป้า SET ในปี 2024 ที่ 1,470

กำไร 1Q24 รวมสูงกว่าคาด 10%

บริษัท 148 แห่งที่เราทำการศึกษารายงานกำไรสุทธิ 1Q24 รวมอยู่ที่ 220พัน ลบ. (+64% q-q, +4% y-y) สูงกว่าคาด 10% และฟื้นตัวจากจุดต่ำสุดใน 4Q23 ตัวเลขโตดี q-q จากกลุ่มพลังงานและธนาคารจากฐานที่ต่ำใน 4Q23 เมื่อหัก พลังงาน ปิโตรเคมีและธนาคาร กำไรสุทธิรวมเพิ่ม 84% q-q และ 4% y-y

กลุ่มอาหารและภาคบริการเป็นผู้ชนะ

ใน 1Q24 กลุ่มอาหาร (ทั้งต้นน้ำและปลายน้ำ) เป็นกลุ่มที่รายงานผลประกอบการที่ดีที่สุดโดยพลิกจากที่เคยขาดทุนสุทธิใน 4Q23 และกระโดดเพิ่ม 182% y-y สูงกว่าที่คาด 3x นอกจากนี้หุ้นในประเทศและกลุ่มบริการส่วนใหญ่ เช่น ธนาคาร โทรคมนาคม บริการขนส่ง ท่องเที่ยว Healthcare และ Commerce ยังรายงานผลประกอบการโตดีพร้อมการเติบโตของกำไรสุทธิในระดับสูงโดยสูงกว่าที่คาด 4-20% ในขณะที่กลุ่มอสังหาฯรายงานผลประกอบการแย่ที่สุดในกลุ่มหุ้นในประเทศโดยมีกำไรลดลงทั้ง q-q และ y-y ในอีกด้านกลุ่มที่เกี่ยวเนื่องกับเศรษฐกิจโลก เช่น อิเล็กทรอนิกส์ ยานยนต์และปิโตรเคมีรายงานผลประกอบการที่ไม่สดใสจากความต้องการที่ลดลงจากปัญหาเศรษฐกิจโลกชะลอตัว

กำไร 1Q24 ที่ดีกว่าคาดน่าจะช่วยจำกัด Downside สำหรับประมาณการทั้งปี 2024

ในช่วง 2-3 เดือนที่ผ่านมา เราได้เห็นการปรับประมาณการลงเล็กน้อยที่ประมาณ 1% จากประมาณการกำไรต่อหุ้นปี 2024 ในปัจจุบันของเราที่ 91.50 บาท อย่างไรก็ดีเราคิดว่ากำไร 1Q24 ที่ดีกว่าคาดซึ่งคิดเป็น 25% ของประมาณการกำไรสุทธิปี 2024 ของเราน่าจะช่วยจำกัด Downside ต่อประมาณการกำไรต่อหุ้นปี 2024 ของเรา เราอาจเห็นการปรับประมาณการกำไรขึ้นบางส่วนโดยได้ปัจจัยหนุนจากแนวโน้มกำไรที่สดใสใน 2Q24-2H24 สอดคล้องกับการฟื้นตัวของเศรษฐกิจไทย

คงเป้า SET และมุมมองที่คาดว่ากำไรได้ผ่านจุดต่ำสุดไปแล้ว

จากปัจจัยที่กล่าวมาข้างต้น เราคงมุมมองของเราที่ว่า SET น่าจะผ่านจุดต่ำสุดไปแล้วและคงเป้า SET ในปี 2024 ของเราที่ 1,470 ปัจจุบันดัชนีมีการซื้อขายที่ค่า 2024 PER ที่ 15x และยังมี Earnings yield gap ยืนอยู่ในระดับสูงที่ประมาณ 4% ดังนั้นเราจึงคิดว่าดัชนีในปัจจุบันค่อนข้างน่าสนใจสำหรับการลงทุนในระยะกลางถึงยาวโดยใช้กลยุทธ์เลือกลงทุนในหุ้นที่มีแนวโน้มกำไรอยู่ในเกณฑ์ดีและระดับการประเมินมูลค่าที่น่าสนใจ หุ้นเด่นของเรายังเป็น AOT, BDMS, CPALL, CPN, GPSC, NSL, SHR, SJWD, TIDLOR, และ TU

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The Chairman of The Audit Committee and Independent Director of Finansia Syrus Securities PCL is also AOT's Chairman of Board of Directors.

บทวิเคราะห์ฉบับนี้แปลมาจากต้นฉบับภาษาอังกฤษ ที่ออกรายงานเมื่อวันที่ 16 พฤษภาคม 2024

Exhibit 1: 1Q24 earnings results by sector (148 companies in our study)

Sector	1Q24	4Q23	1Q23	---------- Change ---------		1Q24E	Beat / Missed	2024E	% to 2024E
	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(%)	(THB m)	(%)
Energy	73,854	49,054	73,266	51	1	72,501	2	260,087	28
Banking	56,704	44,107	51,683	29	10	51,978	9	204,659	28
Commerce	15,470	17,506	14,142	(12)	9	14,823	4	63,387	24
Property	13,748	18,998	14,584	(28)	(6)	12,638	9	64,498	21
ICT	11,717	179	9,365	6,430	25	10,178	15	46,008	25
Transportation	10,697	4,806	4,929	123	117	8,884	20	35,654	30
Financial	8,029	7,466	7,242	8	11	7,528	7	33,438	24
Healthcare	7,150	6,537	6,135	9	17	7,070	1	30,091	24
Electronics	5,136	5,315	4,226	(3)	22	5,190	(1)	23,383	22
Cons. Mat	3,549	(61)	18,536	5,921	(81)	3,472	2	27,122	13
Food	7,157	(14,267)	2,534	nm	182	1,748	309	37,879	19
Packaging	1,987	1,395	1,348	42	47	1,603	24	6,456	31
Auto	1,067	850	1,462	26	(27)	1,060	1	4,897	22
Tourism	2,620	1,538	42	70	6,095	955	174	11,129	24
Petro	338	(7,347)	1,106	nm	(69)	560	(40)	16,651	2
Agri	466	410	298	14	56	418	11	1,478	32
Media	193	(2,519)	27	nm	604	362	(47)	1,283	15
Professional	267	265	208	1	29	268	(0)	891	30
Construction	167	295	508	(43)	(67)	(72)	nm	2,671	6
Grand Total	**220,315**	**134,529**	**211,643**	**64**	**4**	**201,164**	**10**	**871,662**	**25**
Excl. Energy & Petro	146,123	92,822	137,271	57	6	128,103	14	594,925	25
Excl. Banking	163,611	90,422	159,959	81	2	149,186	10	667,003	25
Excl. Energy & Petro and Banking	89,419	48,715	85,587	84	4	76,125	17	390,266	23

Sources: SETSMART, Bloomberg and FSSIA estimates

Exhibit 2: SET EPS
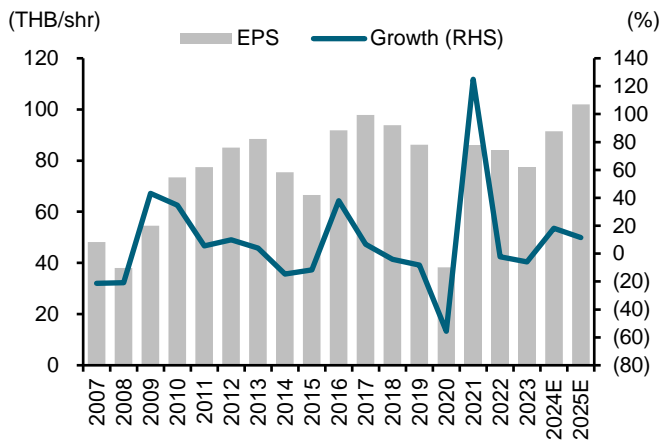
Sources: Bloomberg; FSSIA estimates

Exhibit 3: SET target sensitivity

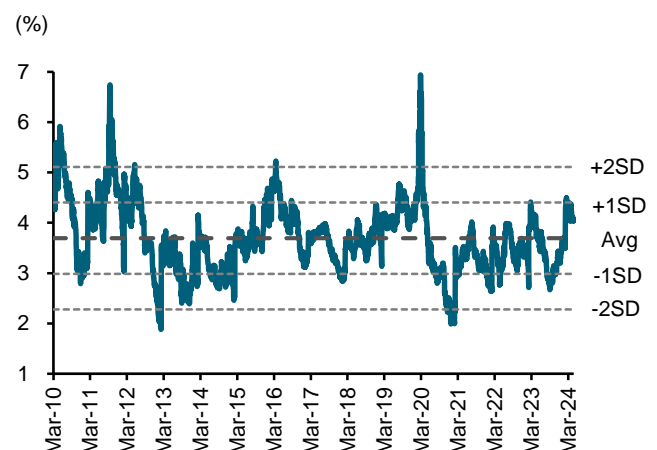|		------------- Earnings per share ----------------	
		2024E	2025E
EPS		91.5	102
		- Target index based on FSSIA estimates -	
	P/E (x)	2024E	2025E
SD+0.5	18.3	1,672	1,864
SD+0.25	17.6	1,610	1,795
10-year average	16.9	1,549	1,727
SD-0.25	16.3	1,488	1,659
SD-0.5	15.6	1,426	1,590
SD-1.0	14.3	1,304	1,454
SD-1.5	12.9	1,181	1,317

Sources: Bloomberg; FSSIA estimates

Exhibit 4: SET historical forward PER
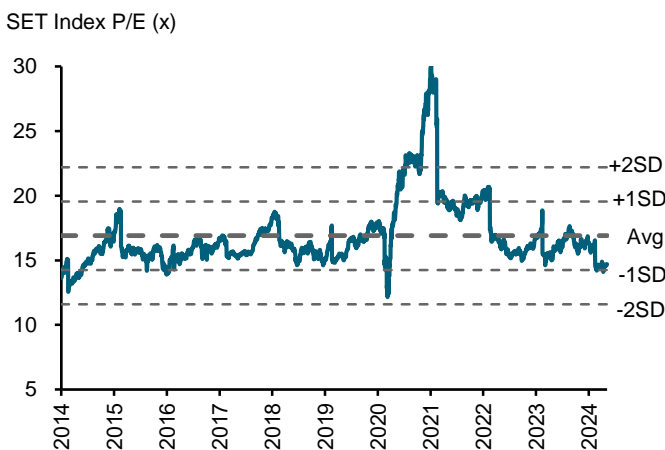
Sources: Bloomberg and FSSIA

Exhibit 5: SET earnings yield gap

Sources: Bloomberg and FSSIA

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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 **THSI inclusion**, verified data must be scored at a minimum of 50% for each indicator, unless the company is a part of DJSI during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality. **SETTHSI Index** 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.
CG Score by Thai Institute of Directors Association (Thai IOD)	An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.	Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (60-69), and not rated for scores below 50. Weightings include: 1) the rights; 2) and equitable treatment of shareholders (weight 25% combined); 3) the role of stakeholders (25%); 4) disclosure & transparency (15%); and 5) board responsibilities (35%).
AGM level By Thai Investors Association (TIA) with support from the SEC	It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). (*The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.*)	The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.
Thai CAC By Thai Private Sector Collective Action Against Corruption (CAC)	The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. (*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.*)	The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.
Morningstar Sustainalytics	The Sustainalytics' ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. *Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality & peer reviews.*	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored.

NEGL	Low	Medium	High	Severe
0-10	10-20	20-30	30-40	40+

ESG score	Methodology	Rating
ESG Book	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.	The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.
MSCI	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers.	

AAA	8.571-10.000	**Leader:**	leading its industry in managing the most significant ESG risks and opportunities
AA	7.143-8.570		
A	5.714-7.142		
BBB	4.286-5.713	**Average:**	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers
BB	2.857-4.285		
B	1.429-2.856		
CCC	0.000-1.428	**Laggard:**	lagging its industry based on its high exposure and failure to manage significant ESG risks

ESG score	Methodology	Rating
Moody's ESG solutions	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.	
Refinitiv ESG rating	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. (*Score ratings are 0 to 25 = poor; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.*)	
S&P Global	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.	
Bloomberg	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.

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

Source: FSSIA's compilation

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Company	Ticker	Price	Rating	Valuation & Risks
Airports of Thailand	AOT TB	THB 67.00	BUY	Downside risks to our DCF-based target price include 1) a slowdown in the recovery of international passengers; 2) delays in the Suvarnabhumi Airport expansions (satellite terminal and northern expansion); and 3) the termination of the duty-free concession contracts from King Power.
Bangkok Dusit Medical Services	BDMS TB	THB 29.00	BUY	Downside risks to our DCF-based target price include 1) a slowdown in international patients due to economic concerns, political protests or floods; 2) regulatory risks from drug prices and medical bill controls; and 3) higher-than-expected capex and opex for CoE projects.
CP All	CPALL TB	THB 61.00	BUY	The key downside risks to our DCF-derived TP include 1) lower-than-expected SSSG, 2) lower-than-expected gross margin, and 3) higher-than-expected SG&A to sales ratio.
Central Pattana	CPN TB	THB 62.50	BUY	Key downside risks to our DCF-derived TP are deviations from our estimates on rental and occupancy rates, returns on its new investments, capex, and interest rates.
Global Power Synergy	GPSC TB	THB 49.75	BUY	The downside risks to our DCF-based TP on GPSC include 1) lower-than-expected demand for electricity in Thailand; 2) higher-than-expected energy price (i.e. coal and gas); and 3) lower-than-expected demand from industrial users.
NSL Foods	NSL TB	THB 31.00	BUY	Downside risks to our DCF-based TP include 1) a slower-than-expected consumption recovery; 2) high volatility in raw material prices; 3) the failure of new products; and 4) changing consumer demand and lifestyles.
S Hotels and Resorts	SHR TB	THB 2.24	BUY	Downside risks to our DCF-based target price include 1) extraordinary events such as political turmoil and natural disasters; 2) a higher hotel room supply, which may result in price competition; and 3) the slower-than-expected recovery of international tourist numbers.
SCGJWD Logistics	SJWD TB	THB 13.80	BUY	Downside risks to our DCF-based TP include 1) slower-than-expected regional economic growth; 2) high volatility in energy costs; 3) delayed synergies; and 4) higher cost of funds.
Ngern Tid Lor	TIDLOR TB	THB 21.00	BUY	Downside risks to our GGM-based TP include 1) the expansion into auto-title loans by the Government Savings Bank and Auto X (subsidiary of SCB X); 2) further weakening asset quality could potentially hit both loan yield and credit cost; and 3) tighter supervision from related regulators.
Thai Union Group	TU TB	THB 15.20	BUY	Downside risks to our SoTP-based 2024 TP include 1) a slower-than-expected revenue recovery; 2) a disruption on shipping routes, resulting in higher-than-expected freight costs; 3) a slower decrease in raw material costs than expected; 4) higher-than-expected labor costs and labor shortages; and 5) stronger Baht than expected.

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 15-May-2024 unless otherwise stated.

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RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as (target price* - current price) / 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.

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