

THORESEN THAI AGENCIES

THAILAND / TRANSPORT & LOGISTIC

TTA TB

HOLD

Weak dry bulk rates pressure 2023

- TTA's strength in diversification, and healthy balance sheet grounds sustainability.
- Expect core profit to decline by 42% q-q and 36% y-y in 4Q22 following drop in shipping business. 2023 cut to THB2.6b.
- Initiate HOLD with TP of THB9/shr.

TARGET PRICE	THB9.00
CLOSE	THB8.25
UP/DOWNSIDE	+9.1%
TP vs CONSENSUS	-9.1%

Covid-19 upturned earning base

Thoresen Thai Agencies (TTA) has a well-balanced and diversified portfolio both locally and internationally. Its shipping business, the major source of income, has strong roots with over 100 years of experience, allowing its TCE rate to usually outperform the market. With cost-efficient operations, healthy balance sheet, and advanced revenue base, we view TTA to deliver comparatively high profitability among peers.

Falling freight rates to sink 4Q22 and 2023

We expect TTA's core profit to decline by 42% q-q and 36% y-y to THB841m in 4Q22, dragged down by a significant drop in its shipping business. The average Baltic Exchange Supramax Index (BSI) in 4Q22 stood at 1,327 points, down 26% q-q and 52% y-y. We project TTA's TCE rate in 4Q22 to fall 22% q-q and 42% y-y to USD18,072 per day, while its offshore service unit is expected to deliver another strong quarter. Agrochemicals should be weak following the plunge in fertiliser and pesticide prices amid lower gas costs and declining demand.

Lower profit forecast for 2023.. still far above the pre-Covid level

As slower trade demand eases port congestion significantly, more shipping capacity brings down freight rates. We view that the Baltic Dry Index (BDI) in 2023 may decline further by 15%-25% from the current level, after passing its peak in 2Q22. In addition to dampened global trade growth, we forecast 2023 TTA's TCE rate to fall by 25% to USD18,543/day before rising by 2.5% in 2024. We think the easing of China's pandemic measures will not change the big picture of relieved port congestion, therefore, forecast TTA's core profit to decrease 38% to THB2.6b in 2023 – but still far above the pre-Covid level – and flat growth in 2024. Nevertheless, we see upside in the dry bulk freight market to recover in 2024 from the new regulations to reduce carbon emissions.

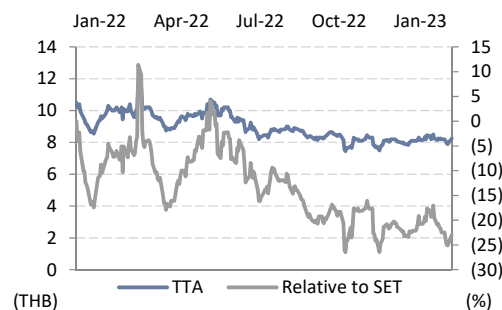
Initiate with a HOLD rating; TP of THB9/shr

We derive TTA's TP of THB9/shr based on 6.0x 2023E P/E, equals to its 1-year average and implies 0.6x 2023E P/BV, vs eight-year average of 0.7x. We initiate coverage on TTA with a HOLD rating.

KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Revenue	22,128	29,029	22,602	20,727
Net profit	3,859	4,304	2,644	2,631
EPS (THB)	2.12	2.36	1.45	1.44
vs Consensus (%)	-	46.1	15.1	-
EBITDA	5,313	6,460	4,995	4,967
Core net profit	3,492	4,249	2,644	2,631
Core EPS (THB)	1.92	2.33	1.45	1.44
EPS growth (%)	nm	21.7	(37.8)	(0.5)

Core P/E (x)	4.3	3.5	5.7	5.7
Dividend yield (%)	2.7	5.7	3.5	3.5
EV/EBITDA (x)	3.9	3.0	2.8	2.0
Price/book (x)	0.7	0.6	0.5	0.5
Net debt/Equity (%)	10.0	3.5	(13.6)	(25.0)
ROE (%)	18.7	17.7	9.6	8.9



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	1.2	0.6	(18.3)
Relative to country (%)	(2.8)	(6.0)	(19.9)
Mkt cap (USD m)	448		
3m avg. daily turnover (USD m)	1.6		
Free float (%)	69		
Major shareholder	Mahagitsiri Family (24%)		
12m high/low (THB)	12.30/7.20		
Issued shares (m)	1,822.46		

Sources: Bloomberg consensus; FSSIA estimates


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Investment thesis

Thoresen Thai Agencies (TTA) has a well-balanced and diversified portfolio both locally and internationally. Its shipping business, which is its major source of income, has strong roots with over 100 years of experience, allowing its TCE rate to usually outperform the market TCE rate. With its cost-efficient operations, TTA can deliver comparatively high profitability among peers. However, we think recession fears, high inflation, and slow global trade growth will lead to slower demand for dry bulk trade and falling freight rates in 2023.

Despite TTA's solid long-term fundamentals, we see headwinds in 2023 for global dry bulk carriers. The HOLD rating for TTA only reflects its cheap valuation.

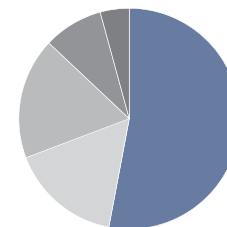
Company profile

Thoresen Thai Agencies (TTA) is a strategic investment holding company with an investment policy of achieving growth through a balanced portfolio that is diversified both locally and internationally. Its current business portfolio includes shipping, offshore service, agrochemical, food & beverage, and investment group segments.

www.thoresen.com

Principal activities (revenue, 2021)

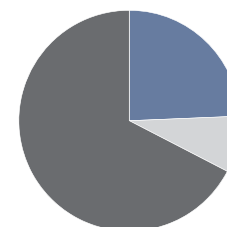
- Shipping revenue - 53.0 %
- Offshore service - 16.3 %
- Agrochemical - 17.8 %
- Food & Beverage - 8.7 %
- Investment & others - 4.2 %



Source: Thoresen Thai Agencies

Major shareholders

- Mahagitsiri Family - 24.4 %
- Credit Suisse AG, Singapore Branch - 8.2 %
- Others - 67.4 %



Source: Thoresen Thai Agencies

Catalysts

Key catalysts include 1) fewer ships being built which could reduce global fleet capacity; 2) China's stimulus package to boost the economy; and 3) higher CAPEX by the global energy sector which creates opportunities for TTA's offshore service segment.

Risks to our call

Downside risks to our PE-based TP include 1) a fall in freight rates (TCE); 2) exchange rate volatility; 3) slow economic growth in China; and 4) regulatory risks, including new EEXI and CII requirements, effective 1 Jan-23. Upside risks are sooner than expected of global economic recovery.

Event calendar

Date	Event
Feb 2023	4Q22 results announcement

Key assumptions

	2022E	2023E	2024E
	(%)	(%)	(%)
TCE rate (USD/day)	24,724	18,543	19,007
TCE rate growth	2.7	(25.0)	2.5
Gross margin by BU			
Shipping revenue	40	38	37
Offshore revenue	8	9	8
Agrochemical revenue	13	12	13
Food & Beverage	38	38	38

Source: FSSIA estimates

Earnings sensitivity

- For every 1% change in its TCE rate, we project TTA's net profit to change by 0.8%, all else being equal.
- For every 1% change in shipping gross margin, we project TTA's net profit to change by 3.8%, all else being equal.

Source: FSSIA estimates

TTA at a glance

TTA was established in Hong Kong in 1904 to provide shipping services to Norwegian companies on the coast of China and Asian businesses engaged in China-Thailand trade. In 1937, a branch office was opened in Thailand to provide shipping agent services and coordinate with marine insurance companies. Later, TTA started a dry bulk shipping service with its own vessels. TTA's deep sea transportation services rapidly expanded in the Asia-Pacific region and were listed on the SET in 1995. To diversify its business, TTA invested in Mermaid Maritime Plc. (Mermaid) amid rapid expansion in the offshore oil and gas industry. The company also acquired a stake in Unique Mining Services (UMS TB, not rated), a coal logistics company in Thailand, Baconco Co., Ltd, a fertiliser company in Vietnam, and Merton Group (Cyprus) Ltd, a coal mining firm in the Philippines.

In 2011, a major change took place when Mr. Chalermchai Mahagitsiri became a major shareholder in TTA. He restructured the business and strengthened the company's financial status by raising funds twice in 2013 and 2014 for a total of THB8.1b. TTA raised a further THB7.3b in 2015 to amplify the organisation. TTA successfully listed PM Thoresen Asia Holdings (PMTA TB, not rated), its subsidiary, on the SET in the same year. Since then, the company has continued investing in more businesses to diversify business risk and grab opportunities to expand its services both in Thailand and in the region.

Currently, TTA is a strategic investment holding company. Its investment portfolio consists of five diverse segments: shipping, offshore service, agrochemical, food and beverage, and other investments.

Revenue structure

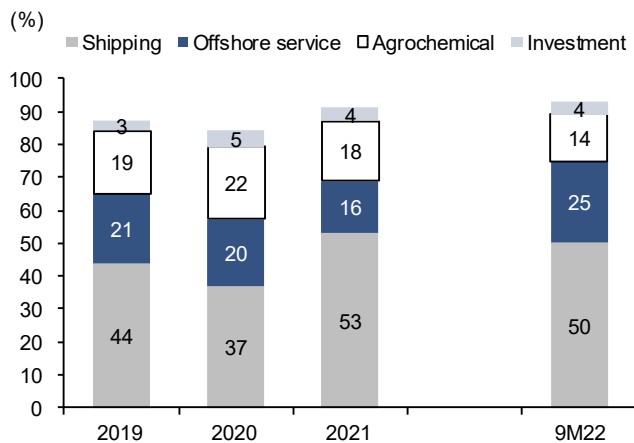
TTA's investment portfolio comprises the following groups:

- 1) **Shipping business.** TTA, through its 100%-owned subsidiary – Thoresen Shipping Singapore Pte. Ltd., provides deep sea transportation services to customers worldwide carrying a wide range of dry bulk and break bulk commodities such as agriculture products, coal, iron ore, cement, and steel. At the end of 3Q22, Thoresen Shipping owned 22 Supramax vessels and two Ultramax vessels, for a total of 24 vessels with a total carrying capacity of 1.3m deadweight tons (DWT). The average age of its fleet was 14.5 years and average DWT was 55,913 tons.
- 2) **Offshore service.** Mermaid, 58.2% owned by TTA, offers a wide range of subsea engineering services including subsea installation engineering, offshore decommissioning, inspection, repair and maintenance, cable and pipe laying projects for the oil and gas industry, and divers and diving robot equipment. Mermaid has been in the offshore business for over 38 years, operating in Asia (Thailand), Southeast Asia, the Middle East, and the North Sea.
- 3) **Agrochemical business.** This business is operated by Vietnamese subsidiary Baconco Co., Ltd. (Baconco), which is 68.5% indirectly held by TTA. Baconco manufactures and distributes fertiliser for the domestic market and export markets in Africa, Southeast Asia, and the Middle East. Apart from fertiliser production, Baconco operates factory leasing to generate recurring income from rents and to diversify its business risk.
- 4) **Food and beverage business.** The main operating firms are PH Capital Co., Ltd., 70.0% owned by TTA, which operates a Pizza Hut franchisee, and Siam Taco Company Ltd., 70.0% owned by TTA, which operates a Taco Bell franchisee.
- 5) **Other investments.** Other investment businesses include Unique Mining Service PLC. (UMS TB, not rated), a coal importer, and Asia Infrastructure Management (Thailand) Co., Ltd., which is a water resource management operator.

The dry bulk shipping business has been TTA's major source of income as Thoresen Shipping has been operating for more than 110 years. During 2019-2021, its shipping business contributed 44%, 37%, and 53% of TTA's total revenue, respectively. Over the same period, its offshore business accounted for 21%, 20%, and 16% while its Agrochemical group contributed 19%, 22%, and 18%, respectively. Its food and beverage business contributed 13%, 16%, and 9%, and its investment units added 3%-5% to total revenue. In 9M22, the shipping, offshore business, agrochemical, food and beverage, and investment units generated 50%, 25%, 14%, 7%, and 4% to TTA's total revenue, respectively.

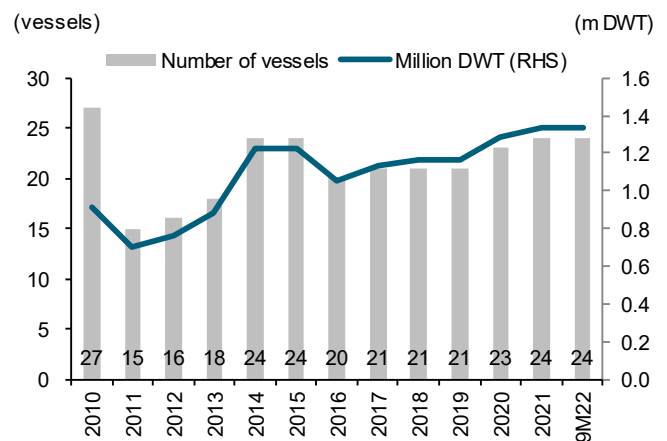
TTA has a strong balance sheet with total assets of THB45.7b at end Sep-22, 37% of which was fixed assets (property, plant, and vessels) and 28% was cash, cash equivalents, and current financial assets. Total liabilities were THB15.9b, 57% of which were interest-bearing debts, and 16% was trade payable. Total equities were worth THB26.3b. Its capital structure remained strong with a D/E of 0.6x and IBD/E of only 0.3x.

Exhibit 1: Revenue structure



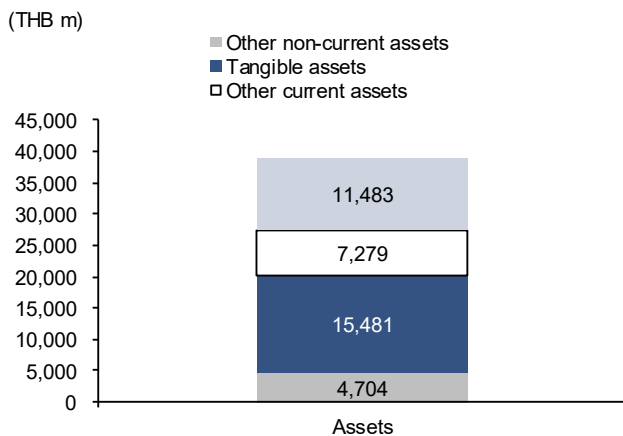
Source: TTA

Exhibit 2: Thoresen shipping's fleet



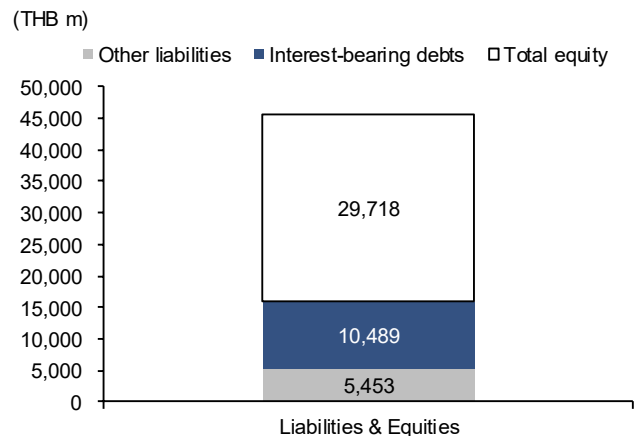
Source: TTA

Exhibit 3: Assets at the end of Sep-22



Source: TTA

Exhibit 4: Liabilities and equities at the end of Sep-22



Source: TTA

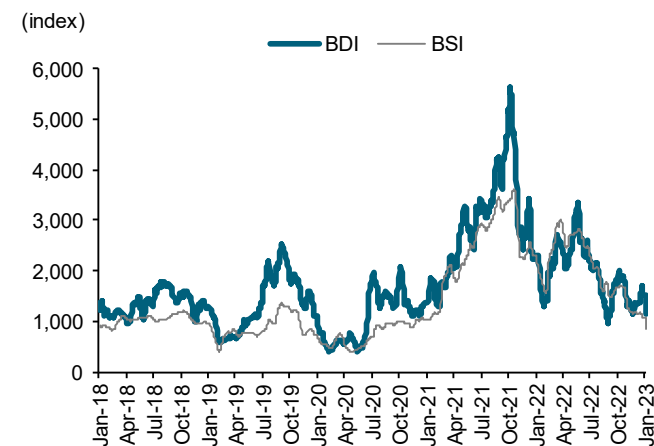
Weak demand drags down ocean freight rates

The BDI which serves as a market gauge for dry bulk shipping has continued to slide, falling 24.3% since the beginning of 2023 and 79.7% from its peak of 5,650 points in Jul-21 to the current 1,146 points amid weaker demand for all vessel types. The BSI which tracks iron ore, grain and coal cargo has dipped to 871 points, the lowest in 17 months. Although the first quarter is traditionally the softest season for shipping, the global goods trade is forecast to shrink in 2023. In its Oct-22 forecast, the IMF revised its 2023 global GDP growth projection down by 0.2% to 2.7% due to high inflation, tighter financial conditions, the lingering Covid-19 pandemic, and the prolonged Russia-Ukraine war. With one-third of the world economy likely to be in recession in 2023, the IMF forecasts global trade growth to slow sharply to 2.5% in 2023, well below the historical average of 5.0%.

According to Clarksons Research, dry bulk trade tonnage is expected to decrease by 1.6% in 2022 owing to weak economic conditions. Iron ore trade is stagnant and steel demand remains subdued due to China’s property crisis. Minor bulk trade is also anticipated to soften due to weak steel demand in China. Dry bulk trade is forecast to slightly pick up by 0.8% in 2024.

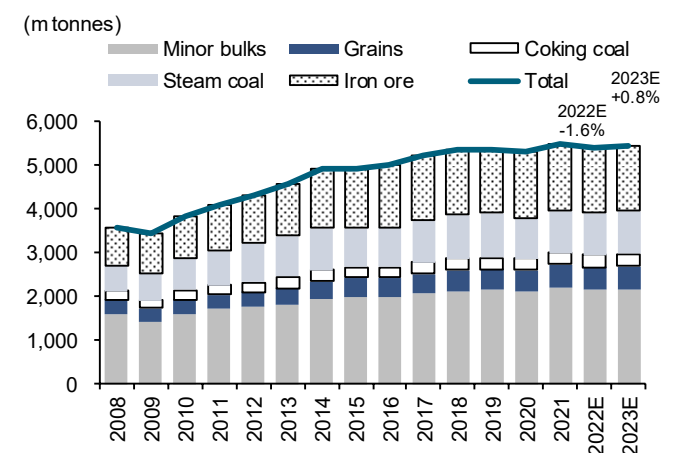
In addition to slower trade demand, port congestion has eased significantly, resulting in more free capacity and falling freight rates. This indicates the BDI may decline further by 15%-25% from the current level. However, the dry bulk freight market should recover in 2024, helped by new regulations to reduce carbon emissions, as older, less-efficient ships are scrapped. Reductions in global shipping capacity should support freight rates, in our view.

Exhibit 5: BDI and BSI



Source: Bloomberg

Exhibit 6: Total dry bulk trade



Source: Clarksons Research, October 2022

4Q22 results preview

We expect TTA's core profit to decline by 42% q-q and 45% y-y to THB841m in 4Q22, dragged down by a significant drop in its shipping business. The BSI in 4Q22 averaged 1,327 points, a decrease of 26% q-q and 52% y-y. This reflected a market time charter equivalent (TCE) rate of around USD15,200 per day. Since TTA's TCE rate has typically outperformed the market, we project its shipping TCE rate to fall 22% q-q and 42% y-y to USD18,072 per day. Despite its consistently lower-than-peers OPEX, TTA's lower TCE rate caused its shipping gross margin to decrease to 33.2% from 42.3% in 3Q22 and 50.0% in 4Q21.

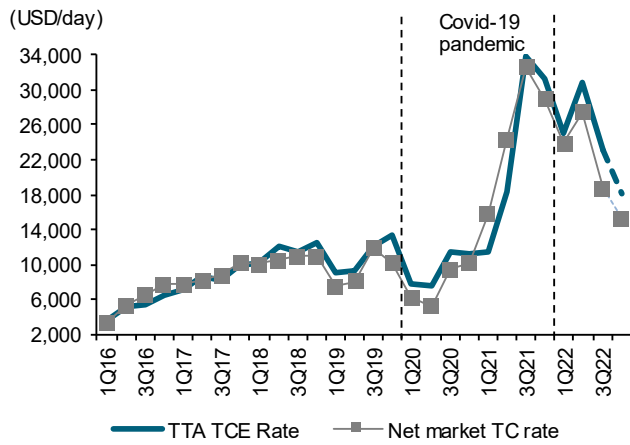
With a high order book of USD329m at end 3Q22, we forecast TTA's offshore service unit to deliver another strong quarter in 4Q22. We expect a slight q-q dip in revenue due to the seasonal effect, but strong y-y growth of 61% is anticipated. The agrochemical segment should be weak following the drop in fertiliser and pesticide prices as gas costs and farmer demand have declined.

Exhibit 7: 4Q22 results preview

Year to Dec 31	4Q21	1Q22	2Q22	3Q22	4Q22	----- Change -----		2021	2022E	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)
Sales	7,607	6,034	8,092	8,073	6,830	(15)	(10)	22,128	29,029	31
Cost of sales	5,557	4,585	5,763	6,072	5,152	(15)	(7)	16,169	21,573	33
Gross profit	2,051	1,449	2,329	2,000	1,678	(16)	(18)	5,960	7,456	25
Operating costs	558	627	1,330	797	706	(11)	26	2,365	3,460	46
Operating profit	1,492	822	999	1,203	972	(19)	(35)	3,595	3,996	11
Operating EBITDA	2,136	1,562	1,841	2,543	1,794	(29)	(16)	5,313	6,460	22
Other income	(68)	38	126	484	32	(93)	(146)	186	679	265
Interest expense	112	105	109	144	140	(2)	25	416	499	20
Profit before tax	1,312	755	1,016	1,543	863	(44)	(34)	3,365	4,177	24
Tax	106	(6)	13	79	18	(77)	(83)	126	105	(17)
Associates	71	49	47	41	20	(51)	(71)	80	157	96
Minority interests	36	115	(16)	(56)	(24)	56	167	173	19	(89)
Reported net profit	1,525	980	1,035	1,449	841	(42)	(45)	3,859	4,304	12
Core profit	1,313	924	1,673	1,449	841	(42)	(36)	3,492	4,249	22
Reported EPS (THB)	0.84	0.54	0.57	0.79	0.47	(41)	(45)	2.12	2.36	11
Core EPS (THB)	0.72	0.51	0.92	0.79	0.46	(42)	(36)	1.92	2.33	22
Key Ratios (%)	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)	(%)	(ppt)
Gross margin	27.0	24.0	28.8	24.8	24.6	(0.2)	(2.4)	26.9	25.7	(1.2)
Operating margin	18.7	14.3	13.9	20.9	14.7	(6.2)	(4.0)	16.2	13.8	(2.5)
EBITDA margin	28.1	25.9	22.8	31.5	27.0	(4.5)	(1.1)	24.0	22.3	(1.8)
Recurring net margin	20.2	16.2	20.7	17.9	12.3	(5.6)	(7.9)	15.8	14.6	(1.1)
SG&A / Sales	7.3	10.4	16.4	9.9	10.3	0.5	3.0	10.7	11.9	1.2
Revenue breakdown	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)
Shipping	3,814	3,165	4,377	3,481	2,993	(14)	(22)	11,719	14,015	20
Offshore business	1,419	1,336	1,889	2,396	2,162	(10)	52	3,605	7,782	116
Agrochemical	1,683	725	1,013	1,420	980	(31)	(42)	3,932	4,138	5
Food and beverage	439	516	522	460	492	7	12	1,935	1,990	3
Investment	252	292	292	316	203	(36)	(19)	937	1,103	18
Gross margin by business	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)	(%)	(ppt)
Shipping	50.0	45.0	43.8	42.3	33.2	(9.1)	(16.8)	40	40	(0.8)
Offshore business	(0.1)	(5.8)	15.3	19.9	17.0	(2.9)	17.1	(2)	8	9.5
Agrochemical	10.7	12.1	13.7	14.0	10.3	(3.7)	(0.4)	13	13	0.2
Food and beverage	38.0	39.6	38.2	37.6	35.9	(1.7)	(2.1)	40	38	(1.7)
Investment	26.0	27.7	23.8	22.2	20.1	(2.1)	(5.9)	28	24	(4.4)

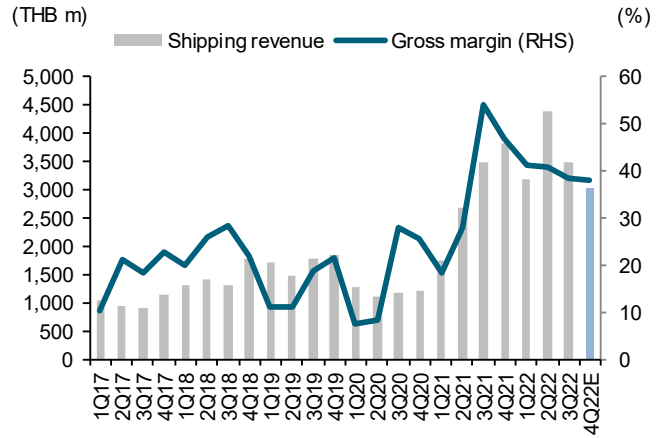
Sources: TTA, FSSIA estimates

Exhibit 8: Market TCE rate vs Thoresen's TCE rate



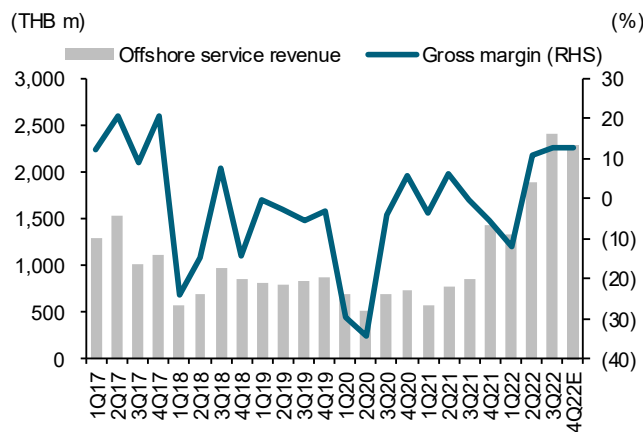
Sources: TTA, FSSIA estimates

Exhibit 9: Shipping revenue and gross margin



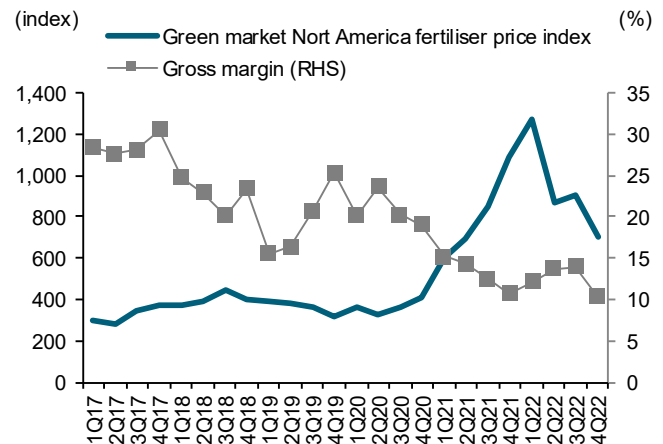
Sources: TTA, FSS estimates

Exhibit 10: Offshore service revenue and gross margin



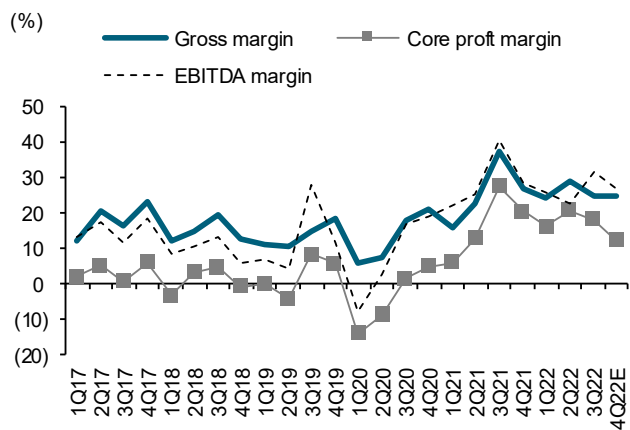
Sources: TTA, FSSIA estimates

Exhibit 11: Fertiliser price and gross margin



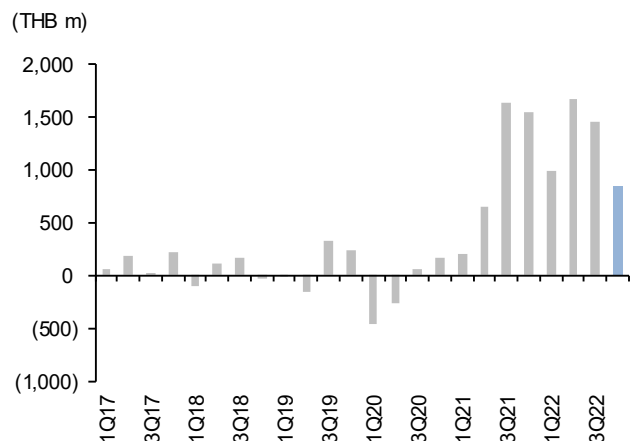
Sources: TTA, Bloomberg, FSSIA estimates

Exhibit 12: Margins



Sources: TTA, FSSIA estimates

Exhibit 13: Core profit



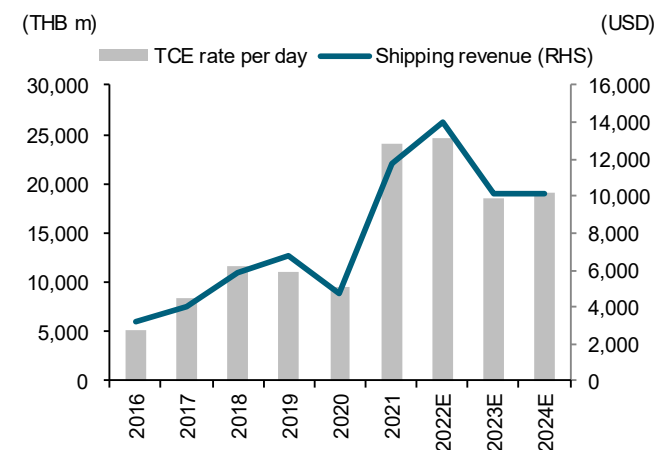
Sources: TTA, FSSIA estimates

Weak bulker rates may hurt 2023 profit

We expect TTA to report an all-time high core profit of THB4.2b in 2022 (+22% y-y) with an exceptionally high TCE rate of USD30,831 per day in 2Q22. We believe the dry bulk shipping boom passed its peak in 2Q22. Heading into 2023, given the continued lower freight rate environment and dampened global trade growth, we forecast TTA's TCE rate to fall by 25% to USD18,543 per day before rising by 2.5% in 2024. Although China has eased its pandemic measures, it will not change the big picture of reduced port congestion which has freed up shipping capacity. Furthermore, 2023 should also be a normal year for fertiliser and pesticide prices due to continued lower gas costs and more supply from Canada, the world's largest potash (K) producer. We forecast a 6% drop in agrochemical revenue in 2023 before recovering in 2024. The offshore service and food and beverage units are expected to improve in 2023 but not enough to support TTA's aggregate revenue.

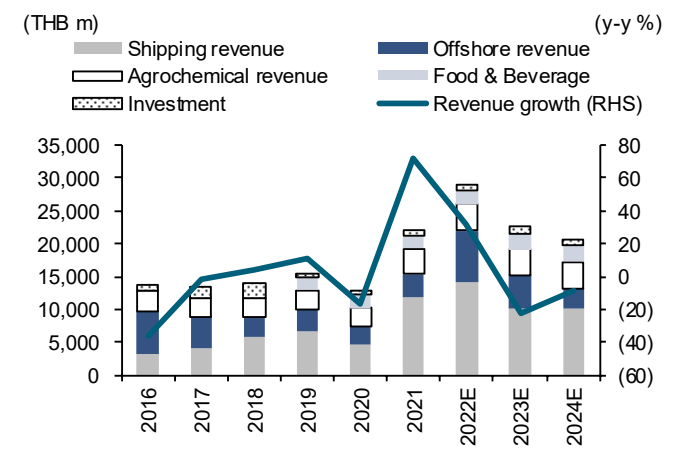
We forecast TTA's total revenue growth to decline by 22% and 8% to THB22.6b and THB20.7b in 2023-2024, respectively. Its gross margin should drop to 24.8% in 2023 from an expected 25.7% in 2022 and improve to 25.4% in 2024. Its core profit should decrease 38% to THB2.6b in 2023 – still far above the pre-Covid level – and deliver flat growth in 2024.

Exhibit 14: Thoresen's TCE rate and shipping revenue



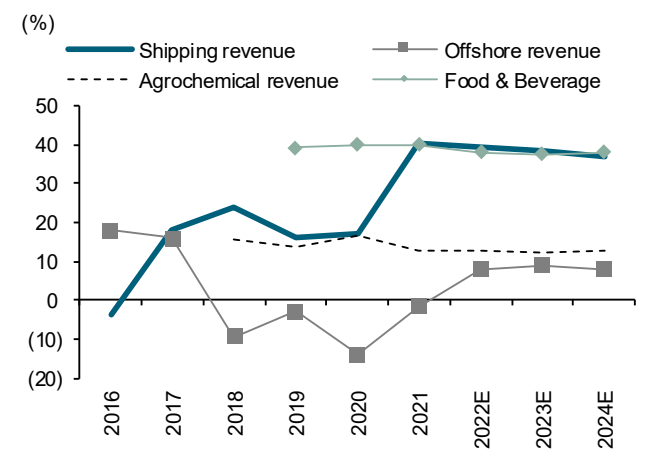
Sources: TTA, FSSIA estimates

Exhibit 15: TTA's revenue and growth



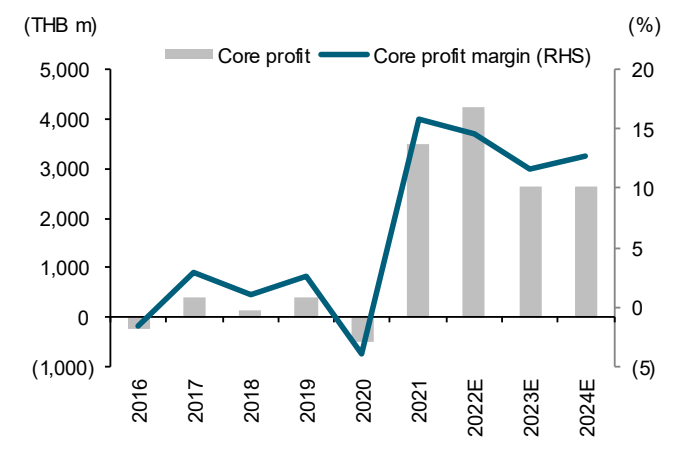
Sources: TTA, FSSIA estimates

Exhibit 16: Margins by business unit



Sources: TTA, FSSIA estimates

Exhibit 17: Core profit and core profit margin



Sources: TTA, FSSIA estimates

Valuation

We derive TTA's TP of THB9.0 based on 6.0x 2023E P/E, equals to its 1-year average. Since its bottom line is highly volatile, the historical P/E ratio is not long enough for reference. Our TP implies 0.6x 2023E P/BV, slightly below its eight-year historical average of 0.7x but close to that of other current global dry bulk operators. We initiate coverage on TTA with a HOLD rating.

Exhibit 18: Dry bulk operators – peers comparison

	BBG code	Share price (THB)	Market Cap (USD m)	-- EPS growth --		----- P/E -----			----- ROE -----		----- PBV -----		EV/EBITDA		
				22E (%)	23E (%)	22E (x)	23E (x)	24E (x)	22E (%)	23E (%)	22E (x)	23E (x)	22E (x)	23E (x)	
Domestic dry bulk operators			1,211	10.4	(34.1)	4.4	6.7	6.5	23.9	14.2	1.0	1.0	4.0	5.0	
Thoresen Thai Agencies	TTA TB	8.25	448	22	(38)	3.5	5.7	5.7	17.7	9.6	0.6	0.5	3.0	2.8	
Precious Shipping	PSL TB	16.4	763	(1)	(30)	5.3	7.7	7.2	30.1	18.8	1.5	1.4	5.0	7.1	
Global dry bulk operators			(USD)	6,485	55.8	(37.3)	2.7	4.8	4.6	25.1	11.2	0.8	0.7	2.8	3.5
Eagle Bulk Shipping	EGLE US	49.99	684	43	(59)	2.9	7.1	6.8	36.0	9.0	0.8	0.8	2.5	4.5	
D/S Norden A/S	DNORD DC	385.60	1,965	255	(55)	2.7	6.0	7.8	59.5	28.0	1.3	1.3	1.9	2.7	
Diana Shipping	DSX US	3.80	375	114	(47)	3.0	5.7	4.6	25.0	9.0	0.7	0.7	4.0	4.5	
Globus Maritime	GLBS US	1.13	23	29	(58)	0.9	2.1	1.1	15.8	6.2	0.1	0.1	0.6	0.9	
Genco Shipping	GNK US	15.47	655	(12)	(24)	4.1	5.4	5.6	0.2	0.1	1.1	1.0	3.3	4.0	
Navios Maritime Partners	NMM US	25.01	770	(27)	26	1.6	1.3	1.4	11.7	10.9	0.3	0.3	3.7	2.8	
Star Bulk Carrier	SBLK US	19.60	2,013	(12)	(45)	3.3	6.0	4.6	27.2	15.0	1.0	0.9	3.8	5.2	

Share price as of 9 Jan 2023

Sources: Bloomberg, FSSIA estimates

Corporate Governance – TTA

Board structure

Independent Directors (ID)	5 of 11 board members, 1 female
Percentage of IDs on the board	45.5%
ID attendance at board meetings	94.1%
ID in audit/remuneration committee	3/3 in audit committee and 2/3 in remuneration committee
ID terms	Three consecutive three-year terms, except with unanimous approval from the nomination and remuneration committee due to his/her contribution to the company, and the committee ensures that the extra term will not cause or impact the independence of such director.

Additional information: None

Compensation and remuneration

Directors' remuneration vs earnings/ROE/share performance	In 2021, THB9,963,920 vs net profit of THB3,859m
Changes/stability in senior management	None
Incidents of termination of senior management	None
Track record on insider sales	None

Additional information: None

Audit Practices

Auditor	KPMG Phoomchai Audit Ltd.
Length of service	Since 2013
Reporting incidents	None
Fee track record	THB22.3m in 2021, non-audit fee was THB6.3m
Policy on change of audit firm	To review every five years

Non-audit service fees for 2021 were primarily consulting fees relating to the tax, laws and Thai Private Sector Collective Action Coalition Against Corruption.

Additional information: None

Shareholders' rights

Practice	Activity
Communication - shareholder participation in AGMs/EGMs	AGM once annually, EGM when appropriate and in accordance with SEC guidelines
Related party transactions	In accordance with SEC guidelines
Voting issues - policies, incidents of rejected proposals	None

Additional information: None

ESG and sustainability management

Thoresen Thai Agencies PCL (TTA) is a strategic investment holding company with an investment policy to achieve growth through a balanced portfolio that is diversified both locally and internationally. Included in its current business portfolio are shipping, offshore service, agrochemical, food & beverage, and investment group segments. TTA performs a materiality assessment that aligns with the Global Reporting Initiative (GRI) and constructively identified 14 materiality topics relevant to the company's business. All are prioritised, reviewed and validated regularly to correspond to the needs of its internal and external stakeholders. Keys in the matrix are detailed in the exhibit below.

Materiality issues	Activities and practice
Anti-corruption	The Company and PHC have been certified as members of the Thai Private Sector Collective Action Coalition Against Corruption (CAC) from the review of the Board by CAC on 30 Sept-21 and 20 Jul-21, respectively. The Company's employees demonstrate understanding of anti-corruption operations, receiving an average score of 97.85% after training
Occupational health & safety	TTA aims to have zero accidents in the company. Workplace environments are monitored and controlled, implementing 5C's: screen, systematic, spotless, sanitary, and self-discipline focusing on the fundamentals of safety at work. In 2021, the company's report indicated zero accidents.
Human rights & labor practices	The Company has a policy to offer fair employment conditions without any discrimination to all groups of people who have the qualifications that meet the job requirements and provide reasonable compensation, regardless of their race, nationality, religion, gender, age, skin color, disabilities, financial position and family name. Of the total employees in 2021, 64% are female, and of the total executives, 5% are female. TTA provides training on human rights and labor practices policy conducted by experts who provide examples of human rights violations in order for employees to have a better understanding of their conduct. The training was held electronically and the training cycles are divided according to the appropriateness of employees in each department to facilitate employees in attending the training. There are pre- and post-training tests to test the knowledge and understanding of employees as well. The results: 85% of employees received training on human rights and labor practices policy, and the test results after the training had an average score of 97.85%.
Product & service, quality and safety	In 2021, PHC* had every Pizza Hut branch fully inspected according to the conditions from external auditors that the franchise owner determines. Across the country, there were a total of 282 customer complaints in 2021, which is a decrease from 416 complaints in 2020. Overall, 85% of employees received training on human rights and labor practices policy, and the test results after the training had an average score of 97.85%. All employees have received food safety training and 100% of raw material suppliers are inspected and certified.
Supply Chain Management	The Board of Directors approved the Supplier Code of Conduct in Nov-21 and subsequently notified the suppliers. Currently, 40% of suppliers thus far have signed the acknowledgment of the Supplier Code of Conduct. The Company plans to increase this figure to 50% in 2022.
Material Sourcing	PHC started purchasing paper packaging made with wood sourced from plantation forests in 2021.
Energy Management	Two investment projects are underway with a total value of THB34.51m with a capacity of 1.29 megawatts. The Company started to invest in construction in the 3Q21 and is expected to start producing and selling electricity to customers in early 2022. This will result in more environmentally friendly energy use.
Waste & lifecycle management	Thoresen Shipping has been certified by Shore Facility for its environment-friendly systematic waste management. In 2021, the Thoresen Shipping fleet continues to reduce the use of plastic and the production of plastic waste, according to the Company's campaign. Waste is classified and managed systemically, resulting in an 11% decrease in onboard plastic waste production, from 128.5 cubic metres in 2020 to 114.2 cubic metres in 2021.
Greenhouse Gas Emission	Thoresen Shipping has reduced its sulfur oxide content to less than 0.5% in accordance with the new requirements of the International Maritime Organisation, effective 1 Jan-20.
Water & Wastewater Management	The Company remains committed to maintaining standards for quality inspection of wastewater by maintaining the level of residual oil contamination in the wastewater discharged to the sea to less than 15 ppm according to the specified criteria. As a result of its ongoing operations in water and wastewater management, Thoresen Shipping has received the International Oil Pollution Prevention Certificate (IOPP Certificate) for strict compliance.
Community Development & Involvement	TTA Group has organised a total of 26 activities to aid communities and society, covering matters such as education, healthcare, and disaster relief. More information can be found in the Sustainability Management in Social Dimensions section.

*PHC is the franchise business of Yum! Brands, Inc.

Additional information: [TTA's materiality assessment and matrix](#) ; [TTA's sustainability management in the economic dimension](#)

Financial Statements

Thoresen Thai Agencies

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Revenue	12,830	22,128	29,029	22,602	20,727
Cost of goods sold	(9,663)	(14,636)	(19,788)	(14,760)	(13,088)
Gross profit	3,167	7,492	9,241	7,842	7,639
Other operating income	167	186	679	317	292
Operating costs	(2,653)	(2,365)	(3,460)	(3,164)	(2,964)
Operating EBITDA	680	5,313	6,460	4,995	4,967
Depreciation	(1,474)	(1,532)	(1,785)	(2,232)	(2,370)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	(794)	3,781	4,675	2,763	2,597
Net financing costs	(411)	(416)	(499)	(428)	(340)
Associates	(3)	80	157	181	186
Recurring non-operating income	(3)	80	157	181	186
Non-recurring items	(2,120)	367	55	0	0
Profit before tax	(3,327)	3,812	4,389	2,516	2,443
Tax	(41)	(126)	(105)	(35)	8
Profit after tax	(3,369)	3,686	4,285	2,481	2,451
Minority interests	1,424	173	19	162	180
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	(1,945)	3,859	4,304	2,644	2,631
Non-recurring items & goodwill (net)	2,120	(367)	(55)	0	0
Recurring net profit	(503)	3,492	4,249	2,644	2,631
Per share (THB)					
Recurring EPS *	(0.28)	1.92	2.33	1.45	1.44
Reported EPS	(1.07)	2.12	2.36	1.45	1.44
DPS	0.02	0.22	0.47	0.29	0.29
Diluted shares (used to calculate per share data)	1,822	1,822	1,822	1,822	1,822
Growth					
Revenue (%)	(16.8)	72.5	31.2	(22.1)	(8.3)
Operating EBITDA (%)	(45.0)	681.0	21.6	(22.7)	(0.6)
Operating EBIT (%)	nm	nm	23.6	(40.9)	(6.0)
Recurring EPS (%)	nm	nm	21.7	(37.8)	(0.5)
Reported EPS (%)	nm	nm	11.5	(38.6)	(0.5)
Operating performance					
Gross margin inc. depreciation (%)	13.2	26.9	25.7	24.8	25.4
Gross margin of key business (%)	13.2	26.9	25.7	24.8	25.4
Operating EBITDA margin (%)	5.3	24.0	22.3	22.1	24.0
Operating EBIT margin (%)	(6.2)	17.1	16.1	12.2	12.5
Net margin (%)	(3.9)	15.8	14.6	11.7	12.7
Effective tax rate (%)	(1.2)	3.3	2.4	1.4	(0.3)
Dividend payout on recurring profit (%)	(7.2)	11.5	20.3	20.0	20.0
Interest cover (X)	(1.9)	9.3	9.7	6.9	8.2
Inventory days	40.7	29.9	27.6	35.2	33.8
Debtor days	66.1	53.6	64.3	82.5	71.7
Creditor days	38.5	33.0	38.3	53.7	49.6
Operating ROIC (%)	(3.8)	16.9	18.6	10.9	11.1
ROIC (%)	(2.5)	12.0	13.2	7.9	8.2
ROE (%)	(2.9)	18.7	17.7	9.6	8.9
ROA (%)	(5.0)	10.4	10.9	6.3	6.1
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Shipping revenue	4,748	11,719	14,015	10,173	10,121
Offshore service	2,617	3,605	7,910	5,100	3,040
Agrochemical	2,829	3,933	4,138	3,883	4,061
Food & Beverage	2,010	1,935	1,990	2,388	2,603

Sources: Thoresen Thai Agencies; FSSIA estimates

Financial Statements

Thoresen Thai Agencies

Cash Flow (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Recurring net profit	(503)	3,492	4,249	2,644	2,631
Depreciation	1,474	1,532	1,785	2,232	2,370
Associates & minorities	(1,424)	(173)	(19)	(162)	(180)
Other non-cash items	955	750	(436)	871	246
Change in working capital	(18)	(480)	(901)	999	474
Cash flow from operations	484	5,121	4,677	6,584	5,542
Capex - maintenance	-	-	-	-	-
Capex - new investment	(1,763)	(1,825)	(3,200)	(1,500)	(1,300)
Net acquisitions & disposals	10	33	(2,040)	1,410	432
Other investments (net)	334	169	3,138	(888)	44
Cash flow from investing	(1,419)	(1,623)	(2,102)	(978)	(824)
Dividends paid	(125)	(59)	(861)	(529)	(526)
Equity finance	0	0	0	0	0
Debt finance	838	601	(343)	(2,400)	(1,410)
Other financing cash flows	(306)	(388)	0	0	1
Cash flow from financing	407	154	(1,204)	(2,928)	(1,935)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	666	144	0	0	0
Net other adjustments	666	144	0	0	0
Movement in cash	138	3,796	1,371	2,677	2,783
Free cash flow to firm (FCFF)	(523.37)	3,914.82	3,073.54	6,033.25	5,057.74
Free cash flow to equity (FCFE)	263.55	3,855.16	2,231.66	3,205.89	3,309.26

Per share (THB)

FCFF per share	(0.29)	2.15	1.69	3.31	2.78
FCFE per share	0.14	2.12	1.22	1.76	1.82
Recurring cash flow per share	0.28	3.07	3.06	3.06	2.78

Balance Sheet (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Tangible fixed assets (gross)	35,544	38,612	41,812	43,312	44,612
Less: Accumulated depreciation	(21,407)	(23,317)	(25,101)	(27,334)	(29,704)
Tangible fixed assets (net)	14,137	15,295	16,710	15,978	14,907
Intangible fixed assets (net)	1,095	1,036	1,364	1,067	961
Long-term financial assets	3,223	3,209	5,249	3,839	3,407
Invest. in associates & subsidiaries	3,038	3,376	3,376	3,376	3,376
Cash & equivalents	4,477	8,274	9,644	12,322	15,105
A/C receivable	2,163	4,340	5,885	4,335	3,805
Inventories	966	1,431	1,564	1,283	1,138
Other current assets	1,494	1,508	1,705	1,589	1,556
Current assets	9,100	15,553	18,799	19,528	21,603
Other assets	435	478	415	368	334
Total assets	31,029	38,947	45,913	44,157	44,589
Common equity	16,153	21,266	26,622	28,687	30,742
Minorities etc.	3,038	3,135	3,354	3,421	3,490
Total shareholders' equity	19,191	24,400	29,976	32,108	34,231
Long term debt	6,078	7,634	6,047	4,730	3,518
Other long-term liabilities	277	294	581	407	373
Long-term liabilities	6,355	7,928	6,627	5,137	3,891
A/C payable	1,088	1,889	2,837	2,188	2,033
Short term debt	3,452	3,071	4,640	3,234	3,036
Other current liabilities	942	1,658	1,832	1,490	1,398
Current liabilities	5,483	6,619	9,309	6,912	6,467
Total liabilities and shareholders' equity	31,029	38,947	45,913	44,157	44,589
Net working capital	2,592	3,731	4,485	3,529	3,068
Invested capital	24,522	27,126	31,599	28,157	26,054

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

Per share (THB)

Book value per share	8.86	11.67	14.61	15.74	16.87
Tangible book value per share	8.26	11.10	13.86	15.16	16.34

Financial strength

Net debt/equity (%)	26.3	10.0	3.5	(13.6)	(25.0)
Net debt/total assets (%)	16.3	6.2	2.3	(9.9)	(19.2)
Current ratio (x)	1.7	2.3	2.0	2.8	3.3
CF interest cover (x)	5.9	14.7	11.9	12.0	14.6

Valuation	2020	2021	2022E	2023E	2024E
Recurring P/E (x) *	(29.9)	4.3	3.5	5.7	5.7
Recurring P/E @ target price (x) *	(36.2)	5.2	4.3	6.9	6.9
Reported P/E (x)	(7.7)	3.9	3.5	5.7	5.7
Dividend yield (%)	0.2	2.7	5.7	3.5	3.5
Price/book (x)	0.9	0.7	0.6	0.5	0.5
Price/tangible book (x)	1.0	0.7	0.6	0.5	0.5
EV/EBITDA (x) **	34.0	3.9	3.0	2.8	2.0
EV/EBITDA @ target price (x) **	38.7	4.5	3.5	3.5	2.7
EV/invested capital (x)	0.9	0.8	0.6	0.5	0.4

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

Sources: Thoresen Thai Agencies; FSSIA estimates

Corporate Governance report of Thai listed companies 2021

EXCELLENT LEVEL – Score range 90-100										
AAV	BPCG	CPALL	GCAP	K	MSC	PLANET	SAMART	SPI	THRE	TVD
ADVANC	BDMS	CPF	GFPT	KBANK	MST	PLAT	SAMTEL	SPRC	THREL	TVI
AF	BEM	CPI	GGC	KCE	MTC	PORT	SAT	SPVI	TIPCO	TVO
AH	BGC	CPN	GLAND	KKP	MVP	PPS	SC	SSSC	TISCO	TWPC
AIRA	BGRIM	CRC	GLOBAL	KSL	NCL	PR9	SCB	SST	TK	U
AKP	BIZ	CSS	GPI	KTB	NEP	PREB	SCC	STA	TKT	UAC
AKR	BKI	DDD	GPSC	KTC	NER	PRG	SCCC	STEC	TMT	UBIS
ALT	BOL	DELTA	GRAMMY	LALIN	NKI	PRM	SCG	STI	TNDT	UV
AMA	BPP	DEMCO	GULF	LANNA	NOBLE	PROUD	SCGP	SUN	TNITY	VGI
AMATA	BRR	DRT	GUNKUL	LH	NSI	PSH	SCM	SUSCO	TOA	VIH
AMATAV	BTS	DTAC	HANA	LHFG	NVD	PSL	SDC	SUTHA	TOP	WACOAL
ANAN	BTW	DUSIT	HARN	LIT	NWR	PTG	SEAFECO	SVI	TPBI	WAVE
AOT	BWG	EA	HMPRO	LPN	NYT	PTT	SEAOIL	SYMC	TQM	WHA
AP	CENTEL	EASTW	ICC	MACO	OISHI	PTTEP	SE-ED	SYNTEC	TRC	WHAUP
ARIP	CFRESH	ECF	ICHI	MAJOR	OR	PTTGC	SELIC	TACC	TRU	WICE
ARROW	CHEWA	ECL	III	MAKRO	ORI	PYLON	SENA	TASCO	TRUE	WINNER
ASP	CHO	EE	ILINK	MALEE	OSP	Q-CON	SHR	TCAP	TSC	ZEN
AUCT	CIMBT	EGCO	ILM	MBK	OTO	QH	SIRI	TEAMG	TSR	
AWC	CK	EPG	INTUCH	MC	PAP	QTC	SIS	TFMAMA	TSTE	
AYUD	CKP	ETC	IP	MCOT	PCSGH	RATCH	SITHAI	TGH	TSTH	
BAFS	CM	FPI	IRPC	METCO	PDG	RS	SMK	THANA	TTA	
BANPU	CNT	FPT	ITEL	MFEC	PDJ	S	SMPC	THANI	TTB	
BAY	COM7	FSMART	IVL	MINT	PG	S & J	SNC	THCOM	TTCL	
BBL	COMAN	GBX	JSP	MONO	PHOL	SAAM	SONIC	THG	TTW	
BCP	COTTO	GC	JWD	MOONG	PLANB	SABINA	SPALI	THIP	TU	
VERY GOOD LEVEL – Score range 80-89										
2S	ASIMAR	CHOW	FLOYD	IT	LOXLEY	OCC	RPC	SKY	TCC	TVT
7UP	ASK	CI	FN	ITD	LRH	OGC	RT	SLP	TCMC	TWP
ABICO	ASN	CIG	FNS	J	LST	PATO	RWI	SMIT	TEAM	UEC
ABM	ATP30	CMC	FORTH	JAS	M	PB	S11	SMT	TFG	UMI
ACE	B	COLOR	FSS	JCK	MATCH	PICO	SA	SNP	TFI	UOBKH
ACG	BA	CPL	FTE	JCKH	MBAX	PIMO	SAK	SO	TIGER	UP
ADB	BAM	CPW	FVC	JMART	MEGA	PJW	SALEE	SORKON	TITLE	UPF
AEONTS	BC	CRD	GEL	JMT	META	PL	SAMCO	SPA	TKN	UPOIC
AGE	BCH	CSC	GENCO	KBS	MFC	PM	SANKO	SPC	TKS	UTP
AHC	BEC	CSP	GJS	KCAR	MGT	PMTA	SAPPE	SPCG	TM	VCOM
AIT	BEYOND	CWT	GYT	KEX	MICRO	PPP	SAWAD	SR	TMC	VL
ALL	BFIT	DCC	HEMP	KGI	MILL	PPPM	SCI	SRICHA	TMD	VPO
ALLA	BJC	DCON	HPT	KIAT	MITSIB	PRIME	SCN	SSC	TMI	VRANDA
ALUCON	BJCHI	DHOUSE	HTC	KISS	MK	PRIN	SCP	SSF	TMILL	WGE
AMANAH	BLA	DOD	HYDRO	KOOL	MODERN	PRINC	SE	STANLY	TNL	WIJK
AMARIN	BR	DOHOME	ICN	KTIS	MTI	PSG	SFLEX	STGT	TNP	WP
APCO	BROOK	DV8	IFS	KUMWEL	NBC	PSTC	SFP	STOWER	TOG	XO
APCS	CBG	EASON	IMH	KUN	NCAP	PT	SFT	STPI	TPA	XPG
APURE	CEN	EFORL	IND	KWC	NCH	QLT	SGF	SUC	TPAC	YUASA
AQUA	CGH	ERW	INET	KWM	NETBAY	RBF	SIAM	SWC	TPCS	
ASAP	CHARAN	ESSO	INSET	L&E	NEX	RCL	SINGER	SYNEX	TPS	
ASEFA	CHAYO	ESTAR	INSURE	LDC	NINE	RICHY	SKE	TAE	TRITN	
ASIA	CHG	ETE	IRC	LEO	NRF	RML	SKN	TAKUNI	TRT	
ASIAN	CHOTI	FE	IRCP	LHK	NTV	ROJNA	SKR	TBSP	TSE	
GOOD LEVEL – Score range 70-79										
A	BGT	CITY	GIFT	JTS	MDX	PK	SGP	SUPER	TQR	YGG
AI	BH	CMAN	GLOCON	JUBILE	MJD	PLE	SICT	SVOA	TTI	ZIGA
AIE	BIG	CMO	GREEN	KASET	MORE	PPM	SIMAT	TC	TYCN	
AJ	BLAND	CMR	GSC	KCM	MUD	PRAKIT	SISB	TCCC	UKEM	
ALPHAX	BM	CPT	GTB	KK	NC	PRAPAT	SK	THMUI	UMS	
AMC	BROCK	CRANE	HTECH	KKC	NDR	PRECHA	SMART	TNH	UNIQ	
APP	BSBM	CSR	HUMAN	KWI	NFC	PTL	SOLAR	TNR	UPA	
AQ	BSM	D	IHL	KYE	NNCL	RJH	SPACK	TOPP	UREKA	
ARIN	BTNC	EKH	IIG	LEE	NOVA	RP	SPG	TPCH	VIBHA	
AS	BYD	EMC	INGRS	LPH	NPK	RPH	SQ	TPIPL	W	
AU	CAZ	EP	INOX	MATI	NUSA	RSP	SSP	TPIPP	WIN	
B52	CCP	F&D	JAK	M-CHAI	PAF	SABUY	STARK	TPLAS	WORK	
BEAUTY	CGD	FMT	JR	MCS	PF	SF	STC	TPOLY	WPH	

Disclaimer:

The disclosure of the survey results 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 evaluation 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 results may be changed after that date. FSS International Investment Advisory Company Limited does not confirm nor certify the accuracy of such survey results.

* CGR scoring should be considered with news regarding wrong doing of the company or director or executive of the company such unfair practice on securities trading, fraud, and corruption SEC imposed a civil sanction against insider trading of director and executive

Sources: Thai Institute of Directors Association (IOD); FSSIA's compilation; data as of 26 October 2021

Anti-corruption Progress Indicator

CERTIFIED										
2S	BCH	CPALL	GC	K	MFC	PE	QLT	SNP	THCOM	TU
7UP	BCP	CPF	GCAP	KASET	MFEC	PG	QTC	SORKON	THIP	TVD
ADVANC	BCPG	CPI	GEL	KBANK	MILL	PHOL	RATCH	SPACK	THRE	TVI
AF	BE8	CPN	GFPT	KBS	MINT	PK	RML	SPALI	THREL	TVO
AI	BEYOND	CSC	GGC	KCAR	MONO	PL	RWI	SPC	TIDLOR	TWPC
AIE	BGC	DCC	GJS	KCE	MOONG	PLANB	S & J	SPI	TIPCO	U
AIRA	BGRIM	DELTA	GPI	KGI	MSC	PLANET	SAAM	SPRC	TISCO	UBE
AKP	BJCHI	DEMCO	GPSC	KKP	MST	PLAT	SABINA	SRICHA	TKS	UBIS
ALPHAX	BKI	DIMET	GSTEEL	KSL	MTC	PM	SAPPE	SSF	TKT	UEC
AMA	BLA	DRT	GUNKUL	KTB	MTI	PPP	SAT	SSP	TMD	UKEM
AMANAHA	BPP	DTAC	HANA	KTC	NBC	PPPM	SC	SSSC	TMILL	UOBKH
AMATA	BROOK	DUSIT	HARN	KWC	NEP	PPS	SCB	SST	TMT	UPF
AMATAV	BRR	EA	HEMP	KWI	NINE	PR9	SCC	STA	TNITY	UV
AP	BSBM	EASTW	HENG	L&E	NKI	PREB	SCCC	STOWER	TNL	VGI
APCS	BTS	ECL	HMPRO	LANNA	NMG	PRG	SCG	SUSCO	TNP	VIH
AQUA	BWG	EGCO	HTC	LH	NNCL	PRINC	SCN	SVI	TNR	WACOAL
ARROW	CEN	EP	ICC	LHFG	NOBLE	PRM	SEAOIL	SYMC	TOG	WHA
AS	CENTEL	EPG	ICHI	LHK	NOK	PROS	SE-ED	SYNTEC	TOP	WHAUP
ASIAN	CFRESH	ERW	IFEC	LPN	NSI	PSH	SELIC	TAE	TOPP	WICE
ASK	CGH	ESTAR	IFS	LRH	NWR	PSL	SENA	TAKUNI	TPA	WIIK
ASP	CHEWA	ETE	ILINK	M	OCC	PSTC	SGP	TASCO	TPP	XO
AWC	CHOTI	FE	INET	MAKRO	OGC	PT	SINGER	TBSP	TRU	ZEN
AYUD	CHOW	FNS	INSURE	MALEE	ORI	PTG	SIRI	TCAP	TRUE	
B	CIG	FPI	INTUCH	MATCH	PAP	PTT	SITHAI	TCMC	TSC	
BAFS	CIMBT	FPT	IRC	MBAX	PATO	PTTEP	SKR	TFG	TSTE	
BAM	CM	FSMART	IRPC	MBK	PB	PTTGC	SMIT	TFI	TSTH	
BANPU	CMC	FSS	ITEL	MC	PCSGH	PYLON	SMK	TFMAMA	TTA	
BAY	COM7	FTE	IVL	MCOT	PDG	Q-CON	SMPC	TGH	TTB	
BBL	COTTO	GBX	JKN	META	PDJ	QH	SNC	THANI	TTCL	
DECLARED										
AJ	CHG	DDD	ETC	JR	MAJOR	NUSA	RS	SSS	TQM	YUASA
ALT	CPL	DHOUSE	FLOYD	JTS	NCAP	NYT	SAK	STECH	TSI	ZIGA
APCO	CPR	DOHOME	GULF	KEX	NCL	OR	SCGP	STGT	VARO	
B52	CPW	ECF	III	KUMWEL	NOVA	PIMO	SCM	TKN	VCOM	
BEC	CRC	EKH	INOX	LDC	NRF	PLE	SIS	TMI	VIBHA	

Level

Certified	This level indicates practical participation with thoroughly examination in relation to the recommended procedures from the audit committee or the SEC's certified auditor, being a certified member of Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) or already passed examination to ensure independence from external parties.
Declared	This level indicates determination to participate in the Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC)

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Note: Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of 26 October 2021) are categorised into: 1) companies that have declared their intention to join CAC, and; 2) companies certified by CAC.

Sources: The Securities and Exchange Commission, Thailand; * FSSIA's compilation

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Jitra Amornthum FSS International Investment Advisory Securities Co., Ltd

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Company	Ticker	Price	Rating	Valuation & Risks
Thoresen Thai Agencies	TTA TB	THB 8.25	HOLD	Downside risks to our PE-based TP include 1) a fall in freight rates (TCE); 2) exchange rate volatility; 3) slow economic growth in China; and 4) regulatory risks, including new EEXI and CII requirements, effective 1 Jan-23. Upside risks are sooner than expected of global economic recovery.

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

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All share prices are as at market close on 9-Jan-2023 unless otherwise stated.

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.