

PRECIOUS SHIPPING
THAILAND / TRANSPORT & LOGISTIC

PSL TB

HOLD

UNCHANGED

TARGET PRICE	THB9.70
CLOSE	THB8.70
UP/DOWNSIDE	+11.5%
PRIOR TP	THB10.30
CHANGE IN TP	-5.8%
TP vs CONSENSUS	-9.0%

คาดฟื้นตัวแต่เปราะบาง

- คาดผลประกอบการฟื้นใน 4Q23 แต่ยังไม่ฟื้น
- ปรับลดประมาณการกำไรปี 2023-25 ลง 42-45% ความเสี่ยงอยู่ที่ Demand โดยเฉพาะจากจีน
- ปรับราคาเป้าหมายลงเป็น 9.70 บาท แนะนำเพียงถือ

คาดผลประกอบการ 4Q23 ฟื้นแต่ภาพโดยรวมยังอ่อนแอ

จากผลประกอบการ 3Q23 ที่ต่ำกว่าคาดทำให้เราปรับประมาณการกำไรสุทธิปี 2023 ลง 42% เป็น 743 ล้านบาท หดตัว 85% y-y หลักๆจากการปรับลดรายรับเฉลี่ยต่อวันต่อลำลง 12% จากเดิม \$12,129 เป็น \$10,728 (รายรับเฉลี่ยในช่วง 9M23 อยู่ที่ \$10,394, -53% y-y) ปรับเพิ่มค่าเสื่อมราคาและต้นทุนทางการเงินเพิ่มขึ้นตามอัตราดอกเบี้ยในท้องตลาดที่สูงขึ้น ทั้งนี้ แม้ว่าดัชนี BHSI (Baltic Handysize Index) จะขยับสูงขึ้นในเดือน ก.ย.-ต.ค. แต่เริ่มปรับลงในช่วงปลายเดือน ต.ค. และมักปรับลงต่อเนื่องตามฤดูกาลในช่วงปลายปี แต่ก็เชื่อว่าผลการดำเนินงาน 4Q23 จะฟื้นตัวแม้จะเป็น low season เบื้องต้นคาดกำไรสุทธิที่ 284 ล้านบาท +189% q-q แต่ -53% y-y

ปรับลดประมาณการกำไรปี 2024-25 สะท้อนอุปสงค์ฟื้นช้า

สำหรับปี 2024-25 เราปรับลดประมาณการรายรับต่อวันลงเฉลี่ยปีละ 20% ปรับกำไรลงปีละ 45% เป็นกำไร 1,056 ล้านบาทในปี 2024 (+42% y-y) และ 1,313 ล้านบาทในปี 2025 (+24% y-y) ประมาณการเดิมของเราสูงเกินไปเพราะอยู่บนสมมติฐานเศรษฐกิจจีนทยอยฟื้นตัวตั้งแต่ 2H23 แต่การฟื้นตัวกลับล่าช้ามาก อย่างไรก็ตาม เชื่อว่าทั้งภาวะเศรษฐกิจจีนและอัตราค่าระวางของอุตสาหกรรมเรือเทกองกำลังอยู่ระหว่างหาจุดต่ำสุดและทยอยฟื้นตัวอย่างช้าๆ

ความเสี่ยงอยู่ที่ Demand

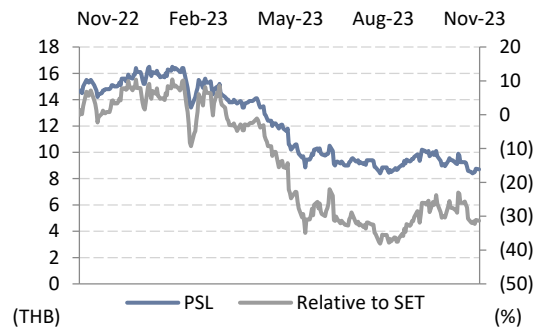
จุดแข็งของอุตสาหกรรมเรือเทกองคือ Supply มีจำกัด แตกต่างจากเรือคอนเทนเนอร์ที่ supply มีมากกว่า demand อย่างมาก ปัจจุบันกองเรือเทกองที่มีอายุ 20 ปี (ใกล้ปลดระวาง) อยู่ที่ 8.3% ของกองเรือทั้งหมด ขณะที่เรือต่อใหม่มีสัดส่วนเพียง 8.0% นอกจากนี้ กฎระเบียบ EEXI/CII ที่บังคับใช้ 1 ม.ค. 2023 ทำให้เรือต้องแล่นช้าลงเพื่อลดการปล่อยก๊าซเรือนกระจก ส่งผลให้ Supply ยิ่งน้อยลง ส่วน Demand ที่หลายฝ่ายคาดว่าจะเพิ่มสูงขึ้น แต่ในช่วงที่ผ่านมากลับไม่สามารถผลักดันให้ค่าระวางเรือปรับขึ้นได้ เพราะจีนบทบาทสำคัญต่ออุตสาหกรรมเรือเทกอง

ปรับลดราคาเป้าหมายเป็น 9.70 บาท แนะนำเพียงถือ

เราปรับราคาเป้าหมายปี 2024 ลงอีกครั้งเป็น 9.70 บาทจากเดิม 10.30 บาท จากประมาณการที่ปรับลงแต่ปรับ Target P/E ขึ้นจาก 12.60 เท่าเป็น 14.0 เท่า อิง +0.3SD ของ P/E เฉลี่ย 2 ปีที่ผ่านมาโดยยังคาดหวังการฟื้นตัวของเศรษฐกิจจีน

KEY STOCK DATA

YE Dec (THB m)	2022	2023E	2024E	2025E
Revenue	9,129	5,189	5,633	6,036
Net profit	4,851	743	1,056	1,313
EPS (THB)	3.11	0.48	0.68	0.84
vs Consensus (%)	-	(16.1)	(17.1)	(23.2)
EBITDA	6,553	2,509	2,951	3,238
Recurring net profit	4,850	621	1,056	1,313
Core EPS (THB)	3.11	0.40	0.68	0.84
Chg. In EPS est. (%)	-	(51.4)	(44.9)	(45.0)
EPS growth (%)	11.8	(87.2)	70.0	24.3
Core P/E (x)	2.8	21.8	12.8	10.3
Dividend yield (%)	20.1	2.2	3.1	4.8
EV/EBITDA (x)	2.9	7.6	6.4	5.8
Price/book (x)	0.8	0.8	0.8	0.8
Net debt/Equity (%)	34.4	32.2	30.4	30.2
ROE (%)	31.5	3.7	6.1	7.5



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(2.8)	(1.7)	(40.4)
Relative to country (%)	(1.3)	6.2	(31.6)
Mkt cap (USD m)	382		
3m avg. daily turnover (USD m)	3.3		
Free float (%)	48		
Major shareholder	Globex Corporation Limited (28%)		
12m high/low (THB)	16.80/8.10		
Issued shares (m)	1,559.29		

Sources: Bloomberg consensus; FSSIA estimates



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Investment thesis

การฟื้นตัวที่ล่าช้าของเศรษฐกิจโลกและโดยเฉพาะอย่างยิ่งเศรษฐกิจจีน ส่งผลกระทบต่อสินค้าโภคภัณฑ์หลายชนิด รวมถึงอุตสาหกรรมเรือเทกองที่พึ่งพาเศรษฐกิจจีนเป็นสำคัญ ปี 2023 เป็นปีที่น่าผิดหวังจากปัจจัยต่างประเทศที่ไม่สามารถคาดเดาได้และควบคุมได้ ได้ส่งผลกระทบต่อค่าระวางเรือให้ทรุดต่ำลงมากกว่าที่เราคาด

เราได้ปรับลดประมาณการผลประกอบการของ PSL อีกครั้ง และปรับราคาเป้าหมายลง ราคาหุ้นขาดปัจจัยกระตุ้นในระยะสั้น รอเพียงการฟื้นตัวของเศรษฐกิจจีน จึงแนะนำเพียงถือ

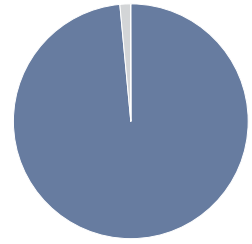
Company profile

PSL ก่อตั้งในปี 1989 เป็นหนึ่งในบริษัทเดินเรือที่ใหญ่ที่สุดในโลกที่ดำเนินธุรกิจเป็นเจ้าของเรือประเภทมีอุปกรณ์ขนถ่ายสินค้า ขนส่งสินค้าแห้งเทกองแบบไม่ประจำเส้นทาง ปัจจุบันบริษัทเป็นเจ้าของเรือเทกอง 38 ลำ ขนาดระวางรวมทั้งสิ้น 1,657,579 เดทเวทตัน ประกอบด้วยเรือขนาด Ultramax 8 ลำ เรือ Supramax 9 ลำ และเรือ Handysize 21 ลำ (รวมเรือขนส่งซีเมนต์ 4 ลำ)

www.preciousshipping.com

Principal activities (revenue, 2022)

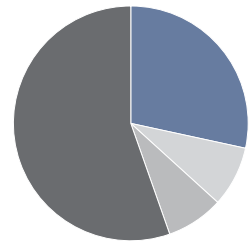
- Time charter - 98.5 %
- Voyage charter - 1.4 %
- Service revenue - 0.0 %



Source: Precious Shipping

Major shareholders

- Globex Corporation Limited - 28.4 %
- Graintrade Limited - 8.3 %
- Bank Julius Baer & Co. Ltd., Singapore - 7.9 %
- Others - 55.4 %



Source: Precious Shipping

Catalysts

ปัจจัยหนุนการเติบโตได้แก่ 1) อุปทานที่ลดลง 2) มาตรการกระตุ้นเศรษฐกิจของจีน 3) การขยายการลงทุนของภาคเอกชนซึ่งเปิดโอกาสในการขนส่งสินค้าทางทะเลมากขึ้น

Risks to our call

Downside risks ต่อราคาเป้าหมายของเรา 1) อัตราค่าระวางเรือทรุดต่ำลง 2) ความผันผวนของอัตราแลกเปลี่ยน 3) เศรษฐกิจจีนฟื้นช้า และ 4) ความเสี่ยงด้านกฎระเบียบข้อบังคับของการขนส่งทางทะเล

Event calendar

Date	Event
8 November 2023	3Q23 Opportunity day

Key assumptions

	2023E	2024E	2025E
TCE rate (USD/day)	10,728	13,042	14,038
TCE rate growth (%)	(46.2)	21.6	7.6
OPEX (USD/day)	5,160	5,263	5,447
Gross margin (%)	0.0	33.6	36.4
SG&A to sales (%)	0.0	6.2	6.2

Source: FSSIA estimates

Earnings sensitivity

- For every 1% change in its TCE rate, we project PSL's 2024 net profit to change by 1.4%, all else being equal.
- For every 1% change in gross margin, we project PSL's 2024 net profit to change by 2.5%, all else being equal.

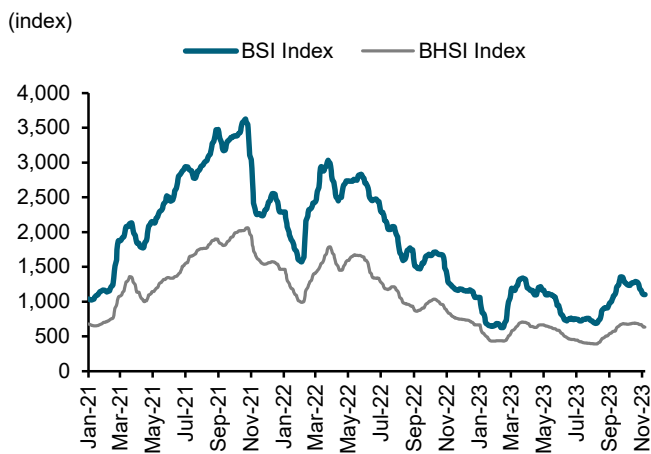
Source: FSSIA estimates

Exhibit 1: Key changes of assumptions

	Current			Previous			Change		
	2023E (THB m)	2024E (THB m)	2025E (THB m)	2023E (THB m)	2024E (THB m)	2025E (THB m)	2023E (%)	2024E (%)	2025E (%)
Total revenue	5,189	5,633	6,036	6,320	7,038	7,569	(17.9)	(20.0)	(20.3)
TCE rate (USD/day)	10,728	13,042	14,038	12,129	14,006	15,291	(11.6)	(6.9)	(8.2)
Cost of goods sold	(2,286)	(2,272)	(2,356)	(2,772)	(2,801)	(2,844)	(17.5)	(18.9)	(17.1)
Gross profit	2,903	3,361	3,680	3,548	4,237	4,725	(18.2)	(20.7)	(22.1)
SG&A	(435)	(455)	(488)	(545)	(577)	(608)	(20.2)	(21.2)	(19.7)
EBITDA	2,509	2,951	3,238	3,016	3,674	4,132	(16.8)	(19.7)	(21.6)
Net profit	743	1,056	1,313	1,278	1,915	2,388	(41.9)	(44.9)	(45.0)
Margins	(%)	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(ppt)
Gross margin	28.4	33.6	36.4	34.8	41.3	45.1	(6.5)	(7.8)	(8.8)
EBITDA margin	48.4	52.4	52.9	48.9	52.2	54.0	(0.5)	0.2	(1.1)
Core profit margin	12.0	18.8	21.8	20.2	27.2	31.6	(8.2)	(8.5)	(9.8)

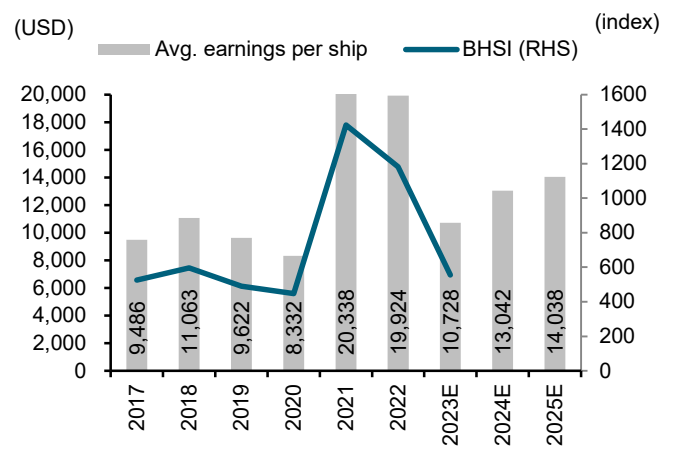
Sources: PSL, FSSIA estimates

Exhibit 2: Baltic Supramax Index and Baltic Handysize Index



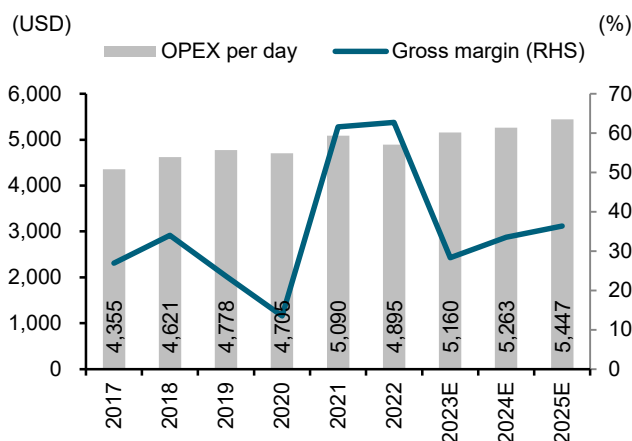
Source: Bloomberg

Exhibit 3: Average earnings per ship per day vs BHSI index



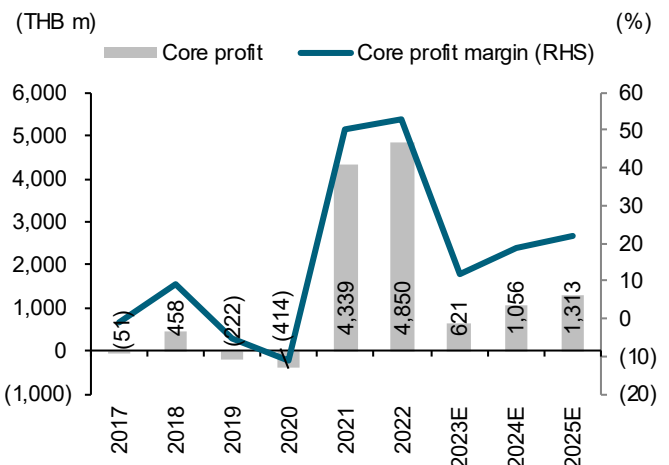
Sources: PSL, Bloomberg, FSSIA estimates

Exhibit 4: Operating cost per ship per day & %GPM



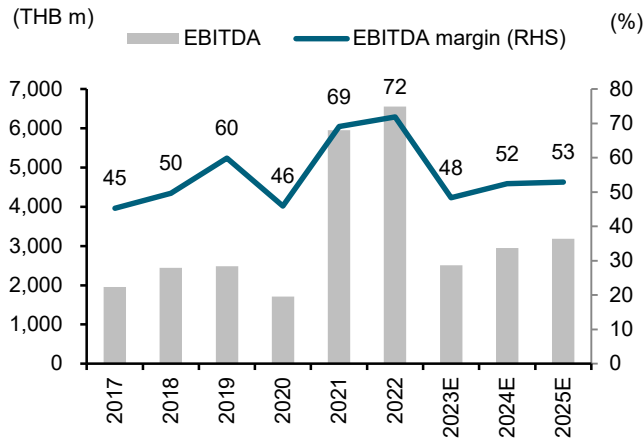
Sources: PSL, FSSIA estimates

Exhibit 5: Core profit and core profit margin



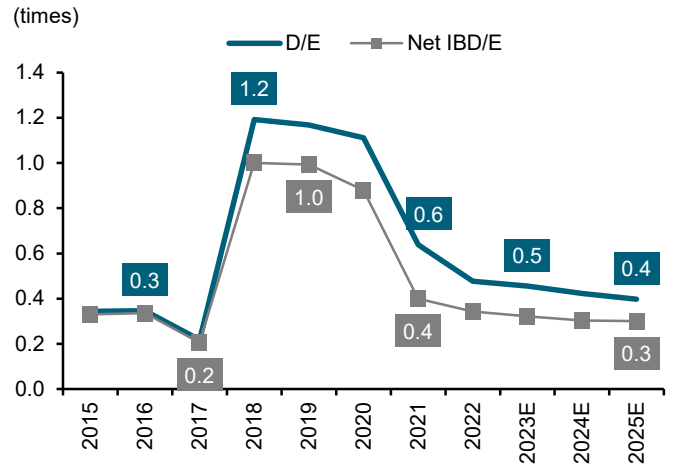
Sources: PSL, FSSIA estimates

Exhibit 6: EBITDA and EBITDA margin



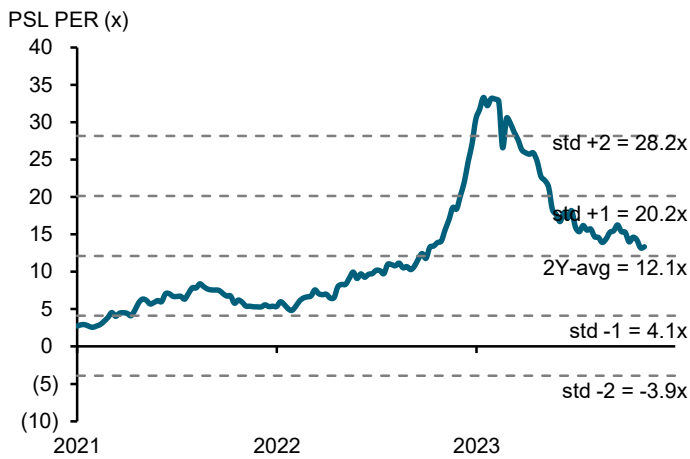
Sources: PSL, FSSIA estimates

Exhibit 7: D/E and Net IBD/E ratios



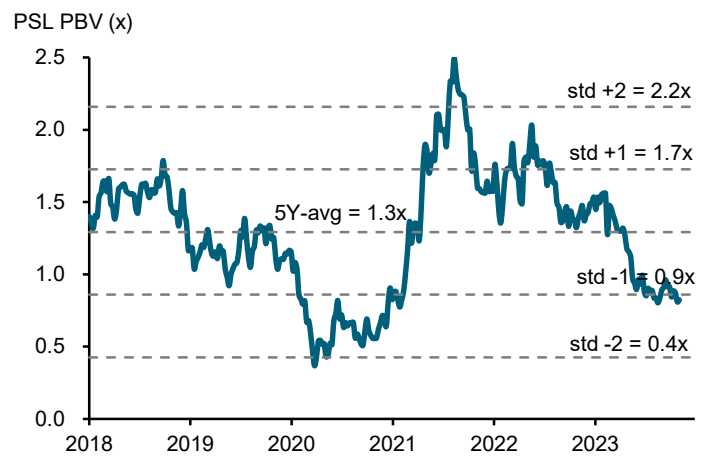
Sources: PSL, FSSIA estimates

Exhibit 8: One-year rolling forward P/E band



Sources: Bloomberg, FSSIA estimates

Exhibit 9: One-year rolling forward P/BV band



Sources: Bloomberg, FSSIA estimates

Financial Statements

Precious Shipping

Profit and Loss (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Revenue	8,615	9,129	5,189	5,633	6,036
Cost of goods sold	(3,305)	(3,401)	(3,718)	(3,742)	(3,841)
Gross profit	5,311	5,728	1,471	1,891	2,195
Other operating income	3	17	40	44	47
Operating costs	(581)	(517)	(435)	(455)	(488)
Operating EBITDA	5,947	6,553	2,509	2,951	3,238
Depreciation	(1,214)	(1,324)	(1,432)	(1,470)	(1,485)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	4,734	5,229	1,077	1,480	1,753
Net financing costs	(415)	(392)	(475)	(412)	(422)
Associates	23	29	19	20	21
Recurring non-operating income	23	29	19	20	21
Non-recurring items	136	0	122	0	0
Profit before tax	4,477	4,866	743	1,088	1,353
Tax	(2)	(15)	0	(32)	(40)
Profit after tax	4,475	4,851	743	1,056	1,313
Minority interests	0	0	0	0	0
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	4,475	4,851	743	1,056	1,313
Non-recurring items & goodwill (net)	(136)	0	(122)	0	0
Recurring net profit	4,339	4,850	621	1,056	1,313
Per share (THB)					
Recurring EPS *	2.78	3.11	0.40	0.68	0.84
Reported EPS	2.87	3.11	0.48	0.68	0.84
DPS	1.50	1.75	0.19	0.27	0.42
Diluted shares (used to calculate per share data)	1,559	1,559	1,559	1,559	1,559
Growth					
Revenue (%)	131.0	6.0	(43.2)	8.6	7.1
Operating EBITDA (%)	327.8	10.2	(61.7)	17.6	9.7
Operating EBIT (%)	2,570.6	10.5	(79.4)	37.5	18.4
Recurring EPS (%)	nm	11.8	(87.2)	70.0	24.3
Reported EPS (%)	nm	8.4	(84.7)	42.1	24.3
Operating performance					
Gross margin inc. depreciation (%)	61.6	62.7	28.4	33.6	36.4
Gross margin exc. depreciation (%)	75.7	77.3	55.9	59.7	61.0
Operating EBITDA margin (%)	69.0	71.8	48.3	52.4	53.6
Operating EBIT margin (%)	54.9	57.3	20.8	26.3	29.0
Net margin (%)	50.4	53.1	12.0	18.7	21.7
Effective tax rate (%)	0.0	0.3	0.0	2.9	3.0
Dividend payout on recurring profit (%)	53.9	56.3	47.8	40.0	50.0
Interest cover (X)	11.5	13.4	2.3	3.6	4.2
Inventory days	4.9	5.6	6.7	6.9	6.8
Debtor days	7.3	9.1	18.3	17.3	17.4
Creditor days	55.1	82.5	92.5	92.6	82.1
Operating ROIC (%)	19.3	19.9	3.9	5.3	6.3
ROIC (%)	19.0	19.5	3.8	5.2	6.1
ROE (%)	35.4	31.5	3.7	6.1	7.5
ROA (%)	20.8	21.6	4.1	5.6	6.7
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Time charter	7,723	8,992	5,122	5,397	5,756
Voyage charter	889	132	63	231	274
Service revenue	4	4	5	5	5

Sources: Precious Shipping; FSSIA estimates

Financial Statements

Precious Shipping

Cash Flow (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Recurring net profit	4,339	4,850	621	1,056	1,313
Depreciation	1,214	1,324	1,432	1,470	1,485
Associates & minorities	-	-	-	-	-
Other non-cash items	(2,160)	402	1,434	(374)	(476)
Change in working capital	(420)	28	(16)	(167)	(91)
Cash flow from operations	2,973	6,604	3,471	1,986	2,231
Capex - maintenance	-	-	-	-	-
Capex - new investment	(474)	(2,447)	(2,020)	(1,300)	(1,500)
Net acquisitions & disposals	516	0	0	0	0
Other investments (net)	415	30	16	(26)	(24)
Cash flow from investing	456	(2,416)	(2,004)	(1,326)	(1,524)
Dividends paid	(1,169)	(3,508)	(297)	(422)	(656)
Equity finance	0	0	0	0	0
Debt finance	(1,309)	(1,818)	27	(378)	0
Other financing cash flows	0	(380)	(1,166)	0	0
Cash flow from financing	(2,478)	(5,705)	(1,436)	(800)	(656)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	417	104	122	0	0
Net other adjustments	417	104	122	0	(367)
Movement in cash	1,368	(1,413)	153	(141)	(316)
Free cash flow to firm (FCFF)	3,844.58	4,580.64	1,942.11	1,071.49	1,128.98
Free cash flow to equity (FCFE)	2,537.14	2,095.00	450.34	281.25	340.44
Per share (THB)					
FCFF per share	2.47	2.94	1.25	0.69	0.72
FCFE per share	1.63	1.34	0.29	0.18	0.22
Recurring cash flow per share	2.18	4.22	2.24	1.38	1.49
Balance Sheet (THB m) Year Ending Dec					
Tangible fixed assets (gross)	29,643	32,817	34,463	35,122	35,820
Less: Accumulated depreciation	(9,358)	(10,769)	(11,846)	(12,675)	(13,309)
Tangible fixed assets (net)	20,285	22,048	22,616	22,446	22,511
Intangible fixed assets (net)	21	16	15	15	15
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	91	81	101	101	101
Cash & equivalents	2,468	1,056	1,209	1,067	751
A/C receivable	175	279	241	293	281
Inventories	22	42	43	44	44
Other current assets	144	181	207	225	241
Current assets	2,810	1,557	1,700	1,629	1,318
Other assets	324	602	586	613	637
Total assets	23,531	24,304	25,019	24,804	24,581
Common equity	14,365	16,463	17,193	17,426	17,583
Minorities etc.	0	0	0	0	0
Total shareholders' equity	14,365	16,463	17,193	17,426	17,583
Long term debt	6,824	5,556	5,038	4,737	4,532
Other long-term liabilities	425	417	363	310	332
Long-term liabilities	7,249	5,974	5,401	5,046	4,864
A/C payable	441	639	637	627	541
Short term debt	1,414	1,167	1,713	1,636	1,523
Other current liabilities	61	61	75	68	71
Current liabilities	1,917	1,867	2,425	2,331	2,135
Total liabilities and shareholders' equity	23,531	24,304	25,019	24,804	24,581
Net working capital	(161)	(198)	(221)	(134)	(45)
Invested capital	20,560	22,548	23,098	23,041	23,218
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	9.21	10.56	11.03	11.18	11.28
Tangible book value per share	9.20	10.55	11.02	11.17	11.27
Financial strength					
Net debt/equity (%)	40.2	34.4	32.2	30.4	30.2
Net debt/total assets (%)	24.5	23.3	22.2	21.4	21.6
Current ratio (x)	1.5	0.8	0.7	0.7	0.6
CF interest cover (x)	8.3	12.6	6.2	4.8	5.4
Valuation					
Recurring P/E (x) *	3.1	2.8	21.8	12.8	10.3
Recurring P/E @ target price (x) *	3.5	3.1	24.3	14.3	11.5
Reported P/E (x)	3.0	2.8	18.3	12.8	10.3
Dividend yield (%)	17.2	20.1	2.2	3.1	4.8
Price/book (x)	0.9	0.8	0.8	0.8	0.8
Price/tangible book (x)	0.9	0.8	0.8	0.8	0.8
EV/EBITDA (x) **	3.3	2.9	7.6	6.4	5.8
EV/EBITDA @ target price (x) **	3.5	3.2	8.2	6.9	6.3
EV/invested capital (x)	0.9	0.9	0.8	0.8	0.8
* Pre-exceptional, pre-goodwill and fully diluted ** EBITDA includes associate income and recurring non-operating income					

Sources: Precious Shipping; FSSIA estimates

PRECIOUS SHIPPING PCL (PSL TB)

FSSIA ESG rating

55.45 /100
Exhibit 10: FSSIA ESG score implication

Rating	Score	Implication
★★★★★	>79-100	Leading its industry peers in managing the most significant ESG risks which not only better cost efficiency but also lead to higher profitability.
★★★★☆	>59-79	A mixed track record of managing the most significant ESG risks and opportunities relative to industry peers.
★★★☆☆	>39-59	Relevant ESG materiality matrix has been constructively addressed, well-managed and incorporated into day-to-day operations, in which targets and achievements are evaluated annually.
★★☆☆☆	>19-39	Relevant ESG materiality matrix has been identified with key management in charge for progress to be followed up on and to provide intensive disclosure. Most targets are conventional and achievable.
★☆☆☆☆	1-19	The company has adopted the United Nations Sustainable Development Goals (UN SDGs), established sustainability management guidelines and fully complies with regulations or ESG suggested guidance from related organizations such as the SET and SEC.

Sources: FSSIA estimates

Exhibit 11: ESG – peer comparison

	FSSIA ESG score	Domestic ratings						Global ratings					Bloomberg		
		DJSI	SET THSI	THSI	CG score	AGM level	Thai CAC	Morningstar ESG risk	ESG Book	MSCI	Moody's	Refinitiv	S&P Global	ESG score	Disclosure score
SET100	69.20	5.34	4.40	4.40	4.76	4.65	3.84	Medium	51.76	BBB	20.87	58.72	63.91	3.72	28.17
Coverage	67.12	5.11	4.15	4.17	4.83	4.71	3.53	Medium	52.04	BB	16.97	56.85	62.09	3.40	31.94
NYT	43.79	--	--	Y	5.00	5.00	--	--	53.86	--	--	57.61	--	6.57	45.96
PSL	55.45	--	Y	Y	5.00	5.00	Certified	Medium	59.76	BB	--	--	51.00	--	--
RCL	27.51	--	--	--	4.00	4.00	--	High	41.46	--	--	20.37	13.00	.94	30.36
SJWD	42.41	--	Y	Y	5.00	5.00	--	--	56.00	--	--	42.01	--	3.44	41.46
TTA	65.35	--	Y	Y	5.00	5.00	Certified	Medium	56.56	AA	--	50.79	25.00	3.31	56.20

Sources: SETTRADE.com; * FSSIA estimate; FSSIA's compilation

Exhibit 12: ESG disclosure from company's one report

FY ending Dec 31	FY 2022	FY ending Dec 31	FY 2022
Environmental		Governance	
Climate change policy	Yes	Board size / Independent directors (ID) / Female	11 / 4 / 4
Climate change opportunities discussed	--	No. of board meetings for the year / % attendance	7 / 98%
GHG scope 2 location-based policy	Yes	Company conducts board evaluations	Yes
Biodiversity policy	Yes	Number of non-executive directors on board	8
Energy efficiency policy	Yes	Director share ownership guidelines	No
Electricity used	Yes	Board age limit	--
Fuel used - crude oil/diesel	Yes	Age of the youngest / oldest director	34 / 69
Waste reduction policy	Yes	Number of executives / female	3 / 0
Water policy	Yes	Executive share ownership guidelines	No
Water consumption	Yes	Size of audit committee / ID	3 / 3
Social		Audit committee meetings	4
Human rights policy	Yes	Audit committee meeting attendance (%)	100
Policy against child labor	Yes	Size of compensation committee / ID	3 / 2
Quality assurance and recall policy	--	Number of compensation committee meetings	3
Consumer data protection policy	Yes	Compensation committee meeting attendance (%)	100
Equal opportunity policy	Yes	Size of nomination committee / ID	3 / 3
Gender pay gap breakout	--	Number of nomination committee meetings	3
Pct women in workforce	56	Nomination committee meeting attendance (%)	100
Business ethics policy	Yes	Board compensation (THB m)	8.5
Anti-bribery ethics policy	Yes	Executive compensation (THB m)	94.84
Health and safety policy	Yes	Auditor fee (THB m)	11.11
Lost time incident rate - employees	--	(EY Office Limited)	
Training policy	Yes	Total employee (no.)	133
Fair remuneration policy	Yes	Employee compensation (THB m)	315.37
Number of employees - CSR	Yes		
Total hours spent by firm - employee training	44286		
Social supply chain management	Yes		

Source: FSSIA's compilation

Disclaimer for ESG scoring

ESG score	Methodology	Rating																												
The Dow Jones Sustainability Indices (DJSI) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.	Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.																												
Sustainability Investment List (THSI) by The Stock Exchange of Thailand (SET)	THSI quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria include: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years.	To be eligible for 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%). <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&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.																												
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. <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.																												
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. <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 & peer reviews.</i>	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>NEGL</th> <th>Low</th> <th>Medium</th> <th>High</th> <th>Severe</th> </tr> </thead> <tbody> <tr> <td>0-10</td> <td>10-20</td> <td>20-30</td> <td>30-40</td> <td>40+</td> </tr> </tbody> </table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+																		
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0-10	10-20	20-30	30-40	40+																										
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. <table border="1" style="margin-left: auto; margin-right: auto;"> <tbody> <tr> <td>AAA</td> <td>8.571-10.000</td> <td>Leader:</td> <td>leading its industry in managing the most significant ESG risks and opportunities</td> </tr> <tr> <td>AA</td> <td>7.143-8.570</td> <td></td> <td></td> </tr> <tr> <td>A</td> <td>5.714-7.142</td> <td></td> <td></td> </tr> <tr> <td>BBB</td> <td>4.286-5.713</td> <td>Average:</td> <td>a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td> </tr> <tr> <td>BB</td> <td>2.857-4.285</td> <td></td> <td></td> </tr> <tr> <td>B</td> <td>1.429-2.856</td> <td></td> <td></td> </tr> <tr> <td>CCC</td> <td>0.000-1.428</td> <td>Laggard:</td> <td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td> </tr> </tbody> </table>	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	
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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. <i>(Score ratings are 0 to 25 = poor; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.)</i>																													
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.																												

Source: FSSIA's compilation

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Jitra Amornthum FSS International Investment Advisory Securities Co., Ltd

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History of change in investment rating and/or target price

Precious Shipping (PSL TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
13-Feb-2023	HOLD	17.00	10-May-2023	BUY	15.00	02-Aug-2023	HOLD	10.30

Jitra Amornthum started covering this stock from 13-Feb-2023

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Precious Shipping	PSL TB	THB 8.70	HOLD	Downside risks to our P/E-based TP include 1) a fall in freight rates (time charter equivalent (TCE)); 2) exchange rate volatility; 3) China's slow economic growth; and 4) regulatory risks, including new EEXI and CII requirements, effective 1 Jan-23. Upside risks include 1) China's stimulus to revive the economy; and 2) the end of the Russia-Ukraine war or the end of sanctions.

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 06-Nov-2023 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.