

SOMBOON ADVANCE TECHNOLOGY

SAT TB

THAILAND / AUTOMOTIVES

BUY

UNCHANGED

3Q23 results at first glance

TARGET PRICE	THB23.00
CLOSE	THB17.30
UP/DOWNSIDE	+32.9%
TP vs CONSENSUS	+6.9%

กำไรฟื้นตัวตามคาด

Highlights

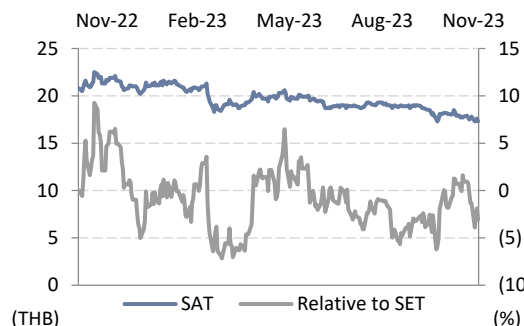
- SAT มีกำไรสุทธิ 263 ล้านบาท มีผลขาดทุนจากอัตราแลกเปลี่ยนเล็กน้อย 1 ล้านบาท หากตัดออก กำไรปกติงวดนี้เป็น 265 ล้านบาท +22.2% q-q, +5.2% y-y ดีกว่าเราคาด 5% และดีกว่า Bloomberg consensus คาด 10%
- กำไรที่ดีกว่าเราคาดมาจากส่วนแบ่งกำไรของบริษัทที่รวมที่มากกว่าคาด ขณะที่ผลการดำเนินงานของ SAT เป็นไปตามคาด
- รายได้ที่เพิ่มขึ้น 8.3% q-q เพราะ 2Q เป็น low season และเพิ่มเพียง 1.5% y-y จากคำสั่งซื้อใหม่ (Case set และ output shaft) ที่เลื่อนมาจากไตรมาสก่อน ขณะที่ยอดผลิตรถยนต์ลดลง 6% y-y จากยอดขายในประเทศชะลอ ขณะที่เดียวกันยอดผลิตรถแทรกเตอร์ลดลง 24% y-y
- อัตรากำไรขั้นต้นดีขึ้นจากไตรมาสก่อนเป็น 19.0% แต่ยังคงต่ำกว่า 3Q22 ที่อยู่ที่ 20.1% เพราะปีก่อนได้รับเงินชดเชยค่าต้นทุนเหล็ก
- ค่าใช้จ่ายในการขายและบริหารสูงขึ้นตามคาดเพราะมีบริษัทย่อยแห่งใหม่ที่เริ่มธุรกิจในปี
- ผลกำไรปกติงวด 9M23 เพิ่มขึ้น 5.0% y-y จากรายได้ที่เพิ่มขึ้น 4% y-y และค่าใช้จ่ายในการขายและบริหารที่ 6.2% y-y ชดเชยอัตรากำไรขั้นต้นที่ลดลงจาก 18.6% ใน 9M22 เป็น 18.1% ได้

Outlook

- กำไรปกติงวด 9M23 คิดเป็น 76% ของประมาณการทั้งปีที่ 997 ล้านบาท (+5.2% y-y) ขณะที่แนวโน้มกำไร 4Q23 น่าจะลดลง q-q ตามฤดูกาล เราจึงประมาณการกำไรปี 2023-25 โดยยังคงคาดกำไรปี 2024 เติบโต 6.9% y-y และปี 2025 เติบโต 4.1% y-y
- การเติบโตของปี 2024-25 จะมาจากสมมติฐานภาวะเศรษฐกิจโดยรวมที่ดีขึ้น ยอดขายรถแทรกเตอร์ฟื้นตัว และรับรู้ยอดขายเต็มปีของบริษัทย่อย STRON ในการผลิตรถสามล้อไฟฟ้า
- เรายังคงแนะนำซื้อเพราะ P/E ที่ถูกเพียง 6.9 เท่าในปี 2024 และคาด Dividend yield 9% คงราคาเป้าหมายปี 2024 ที่ 23 บาท (P/E 9.3 เท่า)

KEY STOCK DATA

YE Dec (THB m)	2022	2023E	2024E	2025E
Revenue	8,931	9,621	10,164	10,425
Net profit	940	997	1,066	1,110
EPS (THB)	2.21	2.35	2.51	2.61
vs Consensus (%)	-	2.0	2.1	0.2
EBITDA	1,399	1,591	1,688	1,747
Recurring net profit	948	997	1,066	1,110
Core EPS (THB)	2.23	2.35	2.51	2.61
EPS growth (%)	(0.7)	5.2	6.9	4.1
Core P/E (x)	7.8	7.4	6.9	6.6
Dividend yield (%)	8.7	8.7	9.4	9.8
EV/EBITDA (x)	3.8	3.2	2.7	2.4
Price/book (x)	0.9	0.9	0.8	0.8
Net debt/Equity (%)	(25.1)	(28.1)	(31.2)	(34.2)
ROE (%)	12.2	12.3	12.5	12.4



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(4.9)	(9.9)	(14.8)
Relative to country (%)	(3.1)	(2.0)	(1.6)
Mkt cap (USD m)	207		
3m avg. daily turnover (USD m)	0.5		
Free float (%)	64		
Major shareholder	Kitapanich Family (44%)		
12m high/low (THB)	22.50/17.10		
Issued shares (m)	425.19		

Sources: Bloomberg consensus; FSSIA estimates



Jitra Amornthum

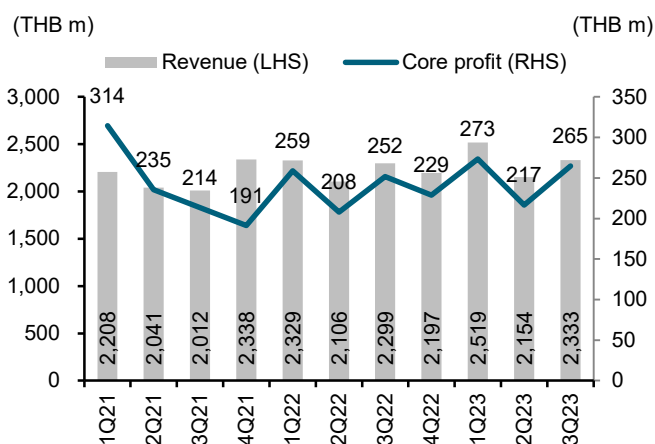
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Exhibit 1: 3Q23 results summary

	3Q22	4Q22	1Q23	2Q23	3Q23	-----Change-----		9M23E	Change	% of	2023E	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(y-y%)	2023E	(THB m)	(y-y%)
Revenue	2,299	2,197	2,519	2,154	2,333	8.3	1.5	7,006	4.0	72.8	9,621	7.7
Operating costs	(1,878)	(1,831)	(2,086)	(1,766)	(1,890)	7.0	0.6	(5,741)	4.7	73.0	(7,864)	7.5
Gross profit	421	366	433	388	443	14.3	5.2	1,265	1.2	71.9	1,758	8.8
SG&A expenses	(184)	(197)	(159)	(168)	(174)	4.0	(5.1)	(501)	(6.2)	68.5	(731)	0.0
EBIT	238	169	275	220	269	22.2	13.2	764	6.8	90.4	845	(4.5)
Depreciation & amortisation	129	130	125	125	126	1.2	(1.9)	376	(2.3)	66.0	570	10.7
EBITDA	366	299	399	345	395	14.6	7.9	1,140	3.6	71.6	1,591	13.7
Interest expense	(1)	(0)	(0)	(0)	(0)	(11.5)	(35.6)	(1)	(36.2)	60.1	(2)	1.1
Other income	19	65	19	34	24	(30.5)	23.8	78	(19.6)	77.1	101	(37.8)
Associates	(4)	30	18	1	12	1,342.0	(382.6)	9	7.9	22.6	38	0.6
Pretax profit	299	248	313	261	303	16.0	1.3	877	5.9	75.7	1,159	7.8
Tax	(42)	(39)	(41)	(41)	(43)	4.5	3.3	(125)	24.1	72.0	(174)	24.5
Net profit	259	211	274	223	263	18.0	1.6	761	4.5	76.3	997	6.1
Core profit	252	229	273	217	265	22.2	5.2	755	5.0	75.7	997	5.2
EPS (THB)	0.61	0.50	0.65	0.52	0.62	19.1	1.6	1.79	4.7	76.3	2.35	6.1
Core EPS (THB)	0.59	0.54	0.64	0.51	0.62	22.2	5.2	1.78	5.0	75.7	2.35	5.2
Key ratios	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)	(ppt)	(%)	(ppt)	(ppt)
Gross margin	20.1	16.7	17.2	18.0	19.0	1.0	(1.1)	18.1	(0.5)		18.3	0.2
SG&A to sales	8.0	9.0	6.3	7.8	7.5	(0.3)	(0.5)	7.1	(0.8)		7.7	(0.5)
Operating margin	12.1	7.7	10.9	10.2	11.5	1.3	(0.5)	10.9	0.3		12.1	0.0
EBITDA margin	17.7	13.6	15.9	16.0	16.9	0.9	(0.7)	16.3	(0.1)		16.5	0.9
Core profit margin	11.0	10.4	10.9	10.1	11.4	1.3	0.4	10.8	0.1		10.4	(0.2)

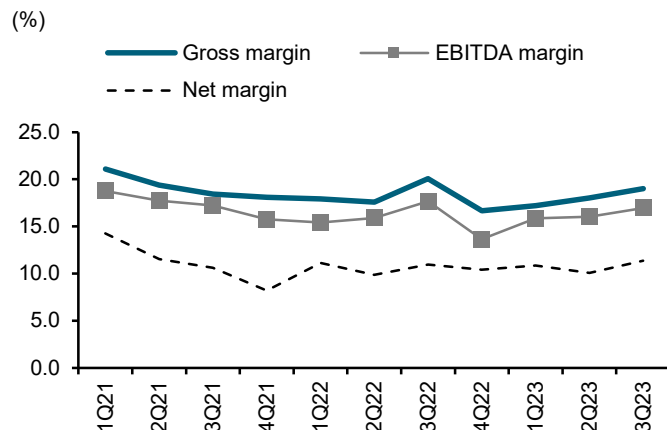
Sources: SAT, FSSIA's compilation

Exhibit 2: Sales revenue and core profit



Sources: SAT, FSSIA's compilation

Exhibit 3: Margins



Sources: SAT, FSSIA's compilation

Financial Statements

Somboon Advance Technology

Profit and Loss (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Revenue	8,598	8,931	9,621	10,164	10,425
Cost of goods sold	(6,943)	(7,316)	(7,864)	(8,263)	(8,434)
Gross profit	1,655	1,616	1,758	1,901	1,991
Other operating income	-	-	-	-	-
Operating costs	(737)	(731)	(736)	(793)	(834)
Operating EBITDA	1,490	1,399	1,591	1,688	1,747
Depreciation	(572)	(515)	(570)	(580)	(590)
Goodwill amortisation	-	-	-	-	-
Operating EBIT	918	885	1,022	1,108	1,157
Net financing costs	(6)	(2)	(2)	0	0
Associates	84	38	38	39	40
Recurring non-operating income	204	200	139	140	144
Non-recurring items	(2)	(8)	0	0	0
Profit before tax	1,114	1,075	1,159	1,248	1,301
Tax	(159)	(140)	(174)	(187)	(195)
Profit after tax	955	936	985	1,061	1,106
Minority interests	(3)	4	12	5	4
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	953	940	997	1,066	1,110
Non-recurring items & goodwill (net)	2	8	0	0	0
Recurring net profit	955	948	997	1,066	1,110
Per share (THB)					
Recurring EPS *	2.25	2.23	2.35	2.51	2.61
Reported EPS	2.24	2.21	2.35	2.51	2.61
DPS	1.50	1.50	1.51	1.62	1.69
Diluted shares (used to calculate per share data)	425	425	425	425	425
Growth					
Revenue (%)	46.2	3.9	7.7	5.6	2.6
Operating EBITDA (%)	63.7	(6.1)	13.7	6.1	3.5
Operating EBIT (%)	216.1	(3.6)	15.5	8.4	4.4
Recurring EPS (%)	147.7	(0.7)	5.2	6.9	4.1
Reported EPS (%)	156.9	(1.3)	6.1	6.9	4.1
Operating performance					
Gross margin inc. depreciation (%)	19.2	18.1	18.3	18.7	19.1
Gross margin exc. depreciation (%)	25.9	23.9	24.2	24.4	24.8
Operating EBITDA margin (%)	17.3	15.7	16.5	16.6	16.8
Operating EBIT margin (%)	10.7	9.9	10.6	10.9	11.1
Net margin (%)	11.1	10.6	10.4	10.5	10.6
Effective tax rate (%)	(14.3)	(13.0)	(15.0)	(15.0)	(15.0)
Dividend payout on recurring profit (%)	66.8	67.3	64.2	64.7	64.8
Interest cover (X)	193.8	548.4	580.6	-	-
Inventory days	33.2	36.7	35.6	31.5	31.9
Debtor days	65.0	74.0	68.4	64.2	65.2
Creditor days	86.8	98.1	92.2	84.0	85.2
Operating ROIC (%)	19.3	17.5	20.5	22.3	23.4
ROIC (%)	18.9	17.2	18.4	19.7	20.4
ROE (%)	13.0	12.2	12.3	12.5	12.4
ROA (%)	10.3	9.4	9.5	9.9	9.9
* Pre exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Auto	6,449	7,145	7,907	8,276	8,471
Non-auto	2,150	1,786	1,715	1,888	1,954

Sources: Somboon Advance Technology; FSSIA estimates

Financial Statements

Somboon Advance Technology

Cash Flow (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Recurring net profit	955	948	997	1,066	1,110
Depreciation	572	515	570	580	590
Associates & minorities	3	(4)	(12)	(5)	(4)
Other non-cash items	(10)	(40)	(21)	(5)	(4)
Change in working capital	(157)	(200)	5	(65)	(43)
Cash flow from operations	1,363	1,218	1,539	1,571	1,649
Capex - maintenance	(192)	(452)	(357)	(357)	(357)
Capex - new investment	(82)	(194)	(153)	(153)	(153)
Net acquisitions & disposals	8	0	0	0	0
Other investments (net)	(1,002)	471	(38)	(39)	(40)
Cash flow from investing	(1,268)	(174)	(548)	(549)	(550)
Dividends paid	(374)	(629)	(608)	(640)	(690)
Equity finance	0	0	0	0	0
Debt finance	(94)	0	(13)	0	0
Other financing cash flows	(22)	(18)	(23)	0	0
Cash flow from financing	(490)	(648)	(645)	(640)	(690)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	16	0	0	0	0
Movement in cash	(379)	396	345	382	410
Free cash flow to firm (FCFF)	100.92	1,046.06	992.30	1,022.39	1,099.49
Free cash flow to equity (FCFE)	(4.93)	1,025.68	953.57	1,022.39	1,099.49
Per share (THB)					
FCFF per share	0.24	2.46	2.33	2.40	2.59
FCFE per share	(0.01)	2.41	2.24	2.40	2.59
Recurring cash flow per share	3.57	3.34	3.61	3.85	3.98
Balance Sheet (THB m) Year Ending Dec					
Tangible fixed assets (gross)	11,370	11,867	12,367	12,867	13,367
Less: Accumulated depreciation	(8,301)	(8,654)	(9,211)	(9,780)	(10,359)
Tangible fixed assets (net)	3,069	3,213	3,156	3,087	3,008
Intangible fixed assets (net)	39	44	51	49	48
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	1,031	1,114	1,152	1,191	1,231
Cash & equivalents	1,602	1,998	2,343	2,725	3,135
A/C receivable	1,751	1,869	1,740	1,838	1,885
Inventories	594	776	646	679	693
Other current assets	1,597	1,188	1,224	1,260	1,298
Current assets	5,543	5,830	5,953	6,503	7,011
Other assets	148	149	149	155	158
Total assets	9,830	10,351	10,461	10,984	11,455
Common equity	7,642	7,951	8,328	8,748	9,164
Minorities etc.	0	16	4	(1)	(6)
Total shareholders' equity	7,642	7,966	8,331	8,747	9,159
Long term debt	0	0	0	0	0
Other long-term liabilities	296	330	322	338	355
Long-term liabilities	296	330	322	338	355
A/C payable	1,694	1,961	1,724	1,811	1,848
Short term debt	0	0	0	0	0
Other current liabilities	199	93	84	88	93
Current liabilities	1,892	2,054	1,808	1,899	1,941
Total liabilities and shareholders' equity	9,830	10,351	10,461	10,984	11,455
Net working capital	2,049	1,778	1,802	1,878	1,935
Invested capital	6,336	6,299	6,310	6,360	6,379
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	17.97	18.70	19.59	20.57	21.55
Tangible book value per share	17.88	18.60	19.47	20.46	21.44
Financial strength					
Net debt/equity (%)	(21.0)	(25.1)	(28.1)	(31.2)	(34.2)
Net debt/total assets (%)	(16.3)	(19.3)	(22.4)	(24.8)	(27.4)
Current ratio (x)	2.9	2.8	3.3	3.4	3.6
CF interest cover (x)	14.3	617.2	554.3	-	-
Valuation					
Recurring P/E (x) *	7.7	7.8	7.4	6.9	6.6
Recurring P/E @ target price (x) *	10.2	10.3	9.8	9.2	8.8
Reported P/E (x)	7.7	7.8	7.4	6.9	6.6
Dividend yield (%)	8.7	8.7	8.7	9.4	9.8
Price/book (x)	1.0	0.9	0.9	0.8	0.8
Price/tangible book (x)	1.0	0.9	0.9	0.8	0.8
EV/EBITDA (x) **	3.9	3.8	3.2	2.7	2.4
EV/EBITDA @ target price (x) **	5.5	5.6	4.7	4.2	3.8
EV/invested capital (x)	0.9	0.9	0.8	0.7	0.7
* Pre-exceptional, pre-goodwill and fully diluted ** EBITDA includes associate income and recurring non-operating income					

Sources: Somboon Advance Technology; FSSIA estimates

Somboon Advance Technology (SAT TB)

FSSIA ESG rating

54.39 /100
Exhibit 4: 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 5: 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
AH	44.82	--	Y	Y	5.00	4.00	Certified	--	49.81	--	--	34.05	--	3.56	--
IRC	32.75	--	--	Y	5.00	4.00	--	--	62.24	--	--	47.74	--	--	--
SAT	54.39	--	Y	Y	5.00	5.00	Certified	--	70.44	--	--	53.45	29.00	3.52	52.94
STANLY	9.00	--	--	--	4.00	--	--	--	--	--	--	--	--	--	--

Sources: [SETTRADE.com](https://www.settrade.com); FSSIA's compilation
Exhibit 6: ESG score by Bloomberg

FY ending Dec 31	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
ESG financial materiality scores - ESG score	—	—	—	3.55	3.52
BESG environmental pillar score	—	—	—	1.68	1.81
BESG social pillar score	—	—	—	4.42	4.42
BESG governance pillar score	—	—	—	5.09	4.68
ESG disclosure score	55.82	55.57	56.04	53.52	52.94
Environmental disclosure score	57.14	57.14	57.14	51.13	49.41
Social disclosure score	29.11	28.36	29.78	28.20	28.20
Governance disclosure score	81.10	81.10	81.10	81.10	81.10
Environmental					
Emissions reduction initiatives	Yes	Yes	Yes	Yes	Yes
Climate change policy	No	No	No	Yes	Yes
Climate change opportunities discussed	No	No	No	No	No
Risks of climate change discussed	No	No	No	Yes	Yes
GHG scope 1	—	—	—	6	5
GHG scope 2 location-based	—	—	—	73	70
GHG Scope 3	—	—	—	32	33
Carbon per unit of production	—	—	—	1	0
Biodiversity policy	No	No	No	No	No
Energy efficiency policy	Yes	Yes	Yes	Yes	Yes
Total energy consumption	273	206	125	174	177
Renewable energy use	0	0	1	3	6
Electricity used	152	156	117	159	160
Fuel used - natural gas	5,135	15	13	619	275

Sources: Bloomberg; FSSIA's compilation

Exhibit 7: ESG score by Bloomberg (cont.)

FY ending Dec 31	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Fuel used - crude oil/diesel	No	No	No	No	No
Waste reduction policy	Yes	Yes	Yes	Yes	Yes
Hazardous waste	14	4	3	4	5
Total waste	33	28	20	36	40
Waste recycled	30	9	5	29	32
Waste sent to landfills	1	16	12	7	6
Environmental supply chain management	Yes	Yes	Yes	Yes	Yes
Water policy	Yes	Yes	Yes	Yes	Yes
Water consumption	—	—	—	—	—
Social					
Human rights policy	Yes	Yes	Yes	Yes	Yes
Policy against child labor	No	No	Yes	Yes	Yes
Quality assurance and recall policy	No	No	No	No	No
Consumer data protection policy	Yes	Yes	Yes	Yes	Yes
Equal opportunity policy	No	No	Yes	Yes	Yes
Gender pay gap breakout	No	No	No	No	No
Pct women in workforce	15	15	16	15	15
Pct disabled in workforce	1	1	1	—	—
Business ethics policy	Yes	Yes	Yes	Yes	Yes
Anti-bribery ethics policy	Yes	Yes	Yes	Yes	Yes
Health and safety policy	Yes	Yes	Yes	Yes	Yes
Lost time incident rate - employees	0	0	1	0	0
Total recordable incident rate - employees	1	0	1	1	0
Training policy	Yes	Yes	Yes	Yes	Yes
Fair remuneration policy	No	No	No	No	No
Number of employees – CSR	2,038	2,221	1,968	2,067	2,140
Employee turnover pct	8	11	9	8	13
Total hours spent by firm - employee training	43,479	27,168	14,701	25,717	25,602
Social supply chain management	Yes	Yes	Yes	Yes	Yes
Governance					
Board size	9	9	9	9	9
No. of independent directors (ID)	5	6	6	6	6
No. of women on board	1	1	1	1	1
No. of non-executive directors on board	8	8	8	8	8
Company conducts board evaluations	Yes	Yes	Yes	Yes	Yes
No. of board meetings for the year	11	12	12	14	11
Board meeting attendance pct	96	98	100	100	100
Board duration (years)	3	3	3	3	3
Director share ownership guidelines	No	No	No	No	No
Age of the youngest director	54	55	56	57	58
Age of the oldest director	75	76	77	78	79
No. of executives / company managers	7	7	7	6	8
No. of female executives	0	0	0	1	1
Executive share ownership guidelines	No	No	No	No	No
Size of audit committee	3	3	3	3	3
No. of ID on audit committee	3	3	3	3	3
Audit committee meetings	5	6	5	7	8
Audit meeting attendance %	100	100	100	100	100
Size of compensation committee	3	3	3	3	3
No. of ID on compensation committee	3	3	3	3	3
No. of compensation committee meetings	3	3	3	2	2
Compensation meeting attendance %	100	100	100	100	100
Size of nomination committee	3	3	3	3	3
No. of nomination committee meetings	3	3	3	2	2
Nomination meeting attendance %	100	100	100	100	100
Sustainability governance					
Verification type	No	No	No	No	No

Sources: Bloomberg; FSSIA's compilation

Disclaimer for ESG scoring

ESG score	Methodology	Rating																			
The Dow Jones Sustainability Indices (DJSI) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.	Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.																			
Sustainability Investment List (THSI) by The Stock Exchange of Thailand (SET)	THSI quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria include: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years.	To be eligible for 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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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 rowspan="3">Leader:</td> <td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td> </tr> <tr> <td>AA</td> <td>7.143-8.570</td> </tr> <tr> <td>A</td> <td>5.714-7.142</td> </tr> <tr> <td>BBB</td> <td>4.286-5.713</td> <td rowspan="3">Average:</td> <td rowspan="3">a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td> </tr> <tr> <td>BB</td> <td>2.857-4.285</td> </tr> <tr> <td>B</td> <td>1.429-2.856</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.																			

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

Source: FSSIA's compilation

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Jitra Amornthum FSS International Investment Advisory Securities Co., Ltd

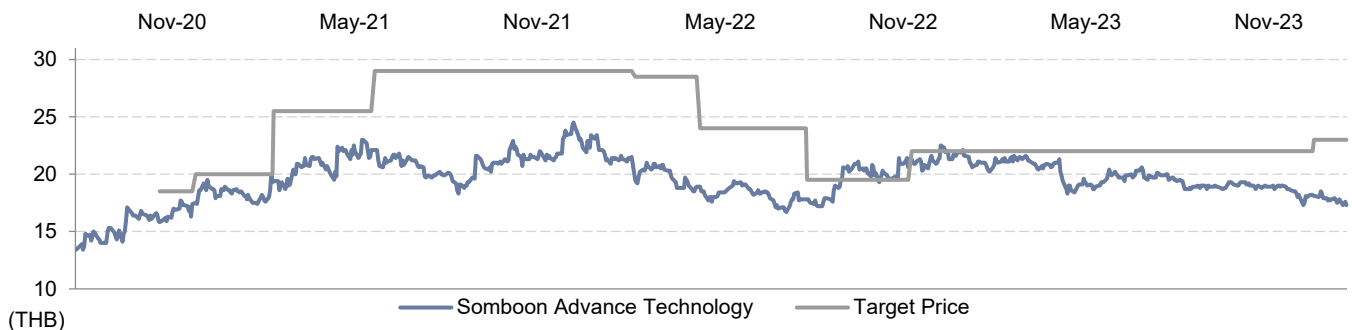
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History of change in investment rating and/or target price

Somboon Advance Technology (SAT TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
21-Jan-2021	BUY	18.50	23-Jul-2021	BUY	29.00	01-Aug-2022	HOLD	19.50
19-Feb-2021	BUY	20.00	04-Mar-2022	BUY	28.50	28-Oct-2022	HOLD	22.00
29-Apr-2021	BUY	25.50	29-Apr-2022	BUY	24.00	11-Oct-2023	BUY	23.00

Jitra Amornthum started covering this stock from 19-Apr-2023

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Somboon Advance Technology	SAT TB	THB 17.30	BUY	The key downside risks to our P/E-based TP are the domestic car manufacturing industry recovering slower than expected, a faster-than-expected adoption rate for electric vehicles in Thailand, higher raw material prices, and worse global demand for pickup trucks.

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 09-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.