

PRECIOUS SHIPPING

THAILAND / TRANSPORT & LOGISTIC

PSL TB

BUY

FROM HOLD

ค่าระวางที่ปรับขึ้นจะช่วยหนุนกำไร 4Q23

- คาดกำไรปกติ 4Q23 จะเป็นระดับสูงสุดของปีที่ 398 ลบ. (+1,246% q-q, -34% y-y)
- ปรับเพิ่มประมาณการกำไรขึ้น 7% ในปี 2024-25 เพื่อสะท้อนค่าระวางที่ปรับขึ้นและค่าใช้จ่ายที่ลดลง
- ปรับเพิ่มราคาเป้าหมายเป็น 10.30 บาทและคำแนะนำเป็นซื้อ

TARGET PRICE	THB10.30
CLOSE	THB8.30
UP/DOWNSIDE	+24.1%
PRIOR TP	THB9.70
CHANGE IN TP	+6.2%
TP vs CONSENSUS	+6.0%

KEY STOCK DATA

YE Dec (THB m)	2022	2023E	2024E	2025E
Revenue	9,129	5,241	5,683	6,076
Net profit	4,851	861	1,125	1,401
EPS (THB)	3.11	0.55	0.72	0.90
vs Consensus (%)	-	12.7	1.4	(5.9)
EBITDA	6,553	2,624	3,013	3,320
Recurring net profit	4,850	739	1,125	1,401
Core EPS (THB)	3.11	0.47	0.72	0.90
Chg. In EPS est. (%)	-	19.0	6.5	6.7
EPS growth (%)	11.8	(84.8)	52.2	24.5
Core P/E (x)	2.7	17.5	11.5	9.2
Dividend yield (%)	21.1	2.7	3.5	5.4
EV/EBITDA (x)	2.8	7.0	6.0	5.5
Price/book (x)	0.8	0.7	0.7	0.7
Net debt/Equity (%)	34.4	31.8	29.7	29.3
ROE (%)	31.5	4.4	6.5	7.9

ดัชนี Baltic ปรับขึ้นจากอัตราค่าระวางเรือ Capesize ที่กระโดดขึ้น

อัตราค่าระวางเรือเทกองสำหรับสินค้าทั่วไปที่ปรับขึ้นโดยเฉพาะอย่างยิ่งในเรือขนาด Capesize ในช่วงเดือน พ.ย. 2023 เกิดขึ้นจากการกลับมาที่ต้นทุนด้านหินเพื่อให้ความร้อนและสินแร่เหล็กของจีนจากการคาดการณ์ที่ว่าเศรษฐกิจจะฟื้นตัวในปี 2024 ดัชนี Capesize ปรับขึ้น 166% จากสิ้น 3Q23 เป็น 6,582 จุดเมื่อวันที่ 4 ธ.ค. 2023 นับเป็นระดับที่สูงนับตั้งแต่เดือน ต.ค. 2021 ในกลุ่มเรือขนาดเล็กดัชนี Handysize ปรับขึ้น 33% จากสิ้น 3Q23 ถึงวันที่ 6 ธ.ค. 2023 จากนั้นจึงปรับตัวลดลงอย่างรุนแรงถึง 29% จนถึงวันที่ 10 ม.ค. 2024 ดัชนี Handysize เฉลี่ยใน 4Q23 ปรับขึ้น 42% q-q เป็น 714 แต่ลดลง 14% y-y

คาดการณ์กำไรปกติ 4Q23 จะเป็นระดับที่ดีที่สุดของปี

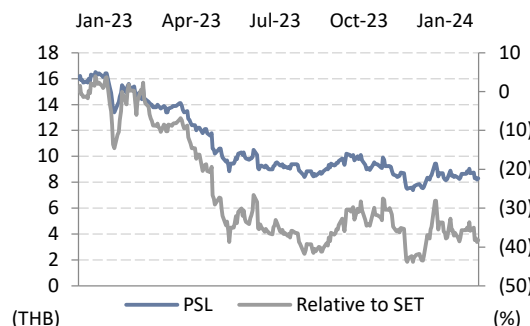
ใน 4Q23 เราคาดว่ารายได้ต่อลำเรือต่อปีของ PSL จะอยู่ที่ USD13,637 (+40% q-q, -5% y-y) นับเป็นไตรมาสที่ดีที่สุดในปี ในขณะที่ค่าใช้จ่ายในการดำเนินงานต่อลำเรือต่อวันจะอยู่ในระดับที่ควบคุมได้ที่ USD5,192 (+1% q-q, +8% y-y) เพราะฉะนั้นเราจึงคาดการณ์กำไรปกติ 4Q23 ที่ 398 ลบ. สูงกว่า 3Q23 กว่า 13x แต่ยังลดลง 34% y-y และนับเป็นการปรับตัวลดลง y-y 6 ไตรมาสติดต่อกัน เนื่องจากตัวเลขดังกล่าวสูงกว่าประมาณการก่อนหน้าของเรา เราจึงปรับเพิ่มประมาณการกำไรปกติปี 2023 อีก 19% เพื่อสะท้อนค่าระวางเรือเทกองสำหรับสินค้าทั่วไปที่ต่ำกว่าค่าใน 4Q23

ปรับเพิ่มประมาณการกำไรปกติจากอัตราค่าระวางที่คาดว่าจะไต่ต่ำเกินไป

โดยปกติอัตราค่าระวางเรือเทกองสำหรับสินค้าทั่วไปจะตกต่ำสุดของปีในไตรมาสแรก อย่างไรก็ตาม วิกฤตในทะเลแดงได้ส่งผลกระทบต่อการณ์ขนส่งผ่านเรือตู้มากกว่าเรือเทกอง เราเชื่อว่าประมาณการกำไรต่อลำเรือต่อวันเดิมของเรานั้นต่ำเกินไปเนื่องจากดัชนี BSI (Baltic Supramax Index) และ BHSI (Baltic Handysize Index) มีการเริ่มต้นที่ดีในปี 2024 เราปรับเพิ่มประมาณการกำไรปี 2024-25 ขึ้น 7% ในทั้งสองปีซึ่งสะท้อนค่าระวาง TCE ของบริษัทที่สูงขึ้นและค่าใช้จ่ายการขายและบริหารที่ลดลง

ปรับเพิ่มราคาเป้าหมายเป็น 10.30 บาทและคำแนะนำเป็นซื้อ

จากสมมติฐานใหม่เราคาดว่ากำไรปกติของ PSL จะเพิ่ม 52% y-y ในปี 2024 และ 25% y-y ในปี 2025 ซึ่งสูงกว่าประมาณการของ TTA อยู่ 25% และ 15% ตามลำดับ เราปรับเพิ่มราคาเป้าหมายเป็น 10.30 บาทโดยคิดจากค่า 2024E P/E เดิมที่ 14.0x (+0.3SD จากค่าเฉลี่ย 2 ปีย้อนหลัง) และเปลี่ยนคำแนะนำเป็นซื้อจากถือ



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(0.6)	(11.7)	(47.5)
Relative to country (%)	(3.4)	(9.4)	(37.3)
Mkt cap (USD m)	369		
3m avg. daily turnover (USD m)	3.8		
Free float (%)	48		
Major shareholder	Globex Corporation Limited (28%)		
12m high/low (THB)	16.80/7.20		
Issued shares (m)	1,559.29		

Sources: Bloomberg consensus; FSSIA estimates



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บทวิเคราะห์ฉบับนี้แปลมาจากต้นฉบับภาษาอังกฤษ ที่ออกรายงานเมื่อวันที่ 15 มกราคม 2024

Investment thesis

Dry bulk rates typically hit an annual low in the first quarter. The Red Sea crisis has had a larger impact on container shipping than dry bulk carriers. However, we believe our previous forecast for PSL's earnings per ship per day was too conservative. We revise our 2024-25 profit forecast up by 7% in both years, reflecting higher TCE rates and lower SG&A expenses.

We now forecast PSL's core profit to increase 52% y-y in 2024 and 25% y-y in 2025, higher than TTA's estimates of 25% and 15%, respectively. We raise our TP to THB10.30 based on the same 2024E P/E of 14.0x (+0.3SD of its two-year historical average) and change our rating to BUY from Hold.

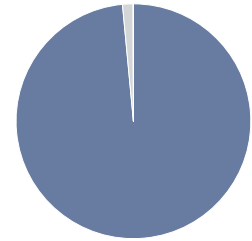
Company profile

Precious Shipping (PSL) is a pure dry cargo ship-owner operating in the Handysize, Supramax and Ultramax sectors of the tramp freight market. PSL was founded in 1989, commenced commercial operations in March 1991, and listed on the Stock Exchange of Thailand in September 1993. As of end-2022, PSL has 38 fleet vessels worth USD799m in book value, with an aggregate capacity of 1,657,579 DWT.

www.preciousshipping.com

Principal activities (revenue, 2022)

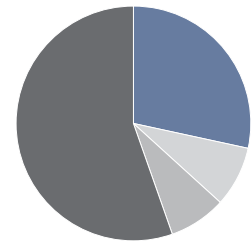
- Time charter - 98.5 %
- Voyage charter - 1.4 %
- Service revenue - 0.0 %



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

Key potential catalysts include 1) fewer ships being built, which could reduce global fleet capacity; and 2) China's stimulus to boost the economy.

Risks to our call

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.

Event calendar

Date	Event
February 2024	4Q23/2023 earnings announcement

Key assumptions

	2023E	2024E	2025E
TCE rate (USD/day)	11,078	13,161	14,137
TCE rate growth (%)	(44.4)	18.8	7.4
OPEX (USD/day)	5,144	5,240	5,348
Gross margin (%)	30.3	34.5	37.6
SG&A to sales (%)	6.4	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.

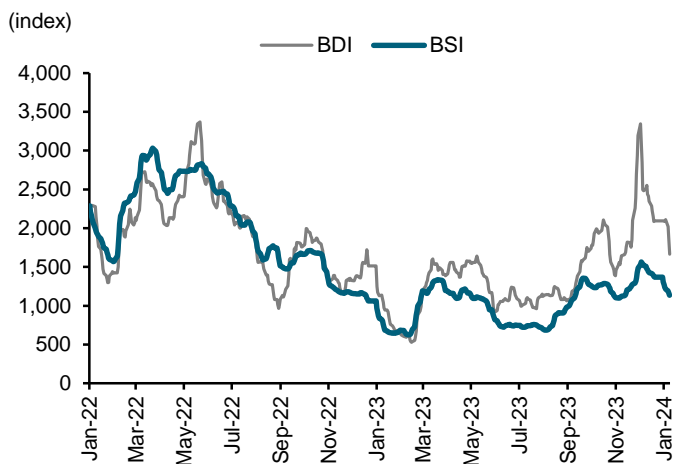
Source: FSSIA estimates

Exhibit 1: 4Q23 earnings preview

Year to Dec 31	4Q22	1Q23	2Q23	3Q23	4Q23E	-----Change-----		2022	2023E	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)
Service revenue	1,731	1,146	1,322	1,151	1,621	40.8	(6.4)	9,129	5,241	(42.6)
Cost of services	(520)	(549)	(519)	(530)	(628)	18.5	20.8	(3,401)	(3,655)	7.5
Gross profit	1,211	596	803	621	993	60.0	(18.0)	5,728	1,586	(72.3)
Operating costs	(151)	(112)	(91)	(113)	(114)	0.6	(24.3)	(517)	(430)	(16.7)
Operating profit	719	156	365	154	522	239.9	(27.4)	5,229	1,197	(77.1)
Operating EBITDA	1,072	492	722	521	861	65.1	(19.7)	6,555	2,624	(60.0)
Interest expense	(109)	(104)	(110)	(131)	(132)	0.5	20.8	(392)	(476)	21.4
Profit before tax	610	53	255	22	390	1,643.8	(36.0)	4,837	720	(85.1)
Associates	10	2	2	8	7	(5.2)	(29.7)	29	19	(35.0)
Reported net profit	605	79	286	98	398	304.0	(34.3)	4,851	861	(82.3)
Core profit	605	54	258	30	398	1,246.2	(34.3)	4,850	739	(84.8)
Reported EPS (THB)	0.39	0.05	0.18	0.06	0.26	304.0	(34.3)	3.11	0.55	(82.3)
Core EPS (THB)	0.39	0.03	0.17	0.02	0.26	1,246.2	(34.3)	3.11	0.47	(84.8)
Key Ratios (%)	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)	(%)	(ppt)
Gross margin	49.6	22.8	33.7	22.0	38.6	16.6	(11.0)	62.7	30.3	(32.5)
Operating margin	41.6	13.7	27.6	13.4	32.2	18.9	(9.3)	57.3	22.9	(34.5)
EBITDA margin	61.9	43.0	54.6	45.3	53.1	7.8	(8.8)	71.8	50.1	(21.7)
Core profit margin	35.0	4.7	19.5	2.6	24.5	22.0	(10.4)	53.2	14.1	(39.0)
SG&A / Sales	6.7	7.3	5.6	7.8	5.5	(2.3)	(1.2)	4.1	6.4	2.3
Operating statistics						(q-q %)	(y-y %)			(y-y %)
No. of vessels	38	38	38	38	38	0.0	0.0	38	38	0.0
BSI Index (Supramax) - average	1,327	925	988	912	1,293	41.8	(2.5)	2,006	1,276	(36.4)
BHSI Index (Handysize) - average	822	539	579	492	714	45.0	(13.1)	1,181	912	(22.8)
PSL's TC rate (USD/ship/day)	14,343	10,022	11,424	9,741	13,637	40.0	(4.9)	19,924	11,078	(44.4)
PSL's OPEX (USD/ship/day)	4,815	5,231	5,113	5,141	5,192	1.0	7.8	4,895	5,144	5.1

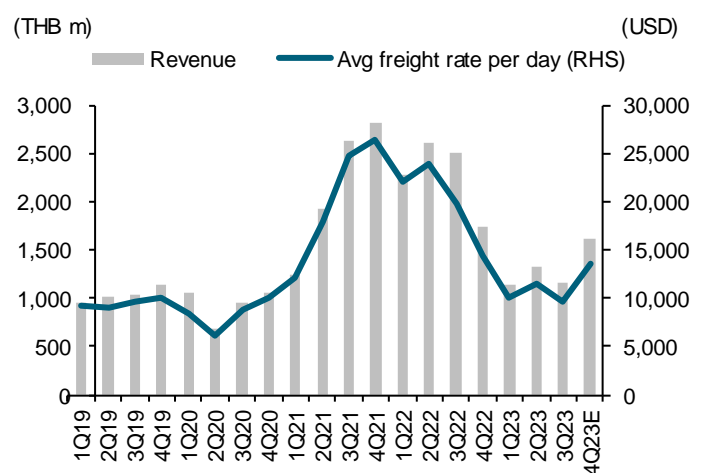
Sources: PSL, FSSIA estimates

Exhibit 2: BDI and BSI indices



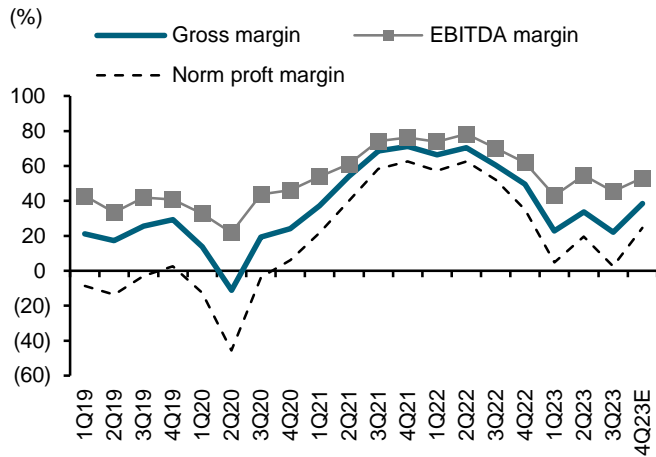
Sources: Bloomberg, FSSIA's compilation

Exhibit 3: PSL's freight rate and revenue



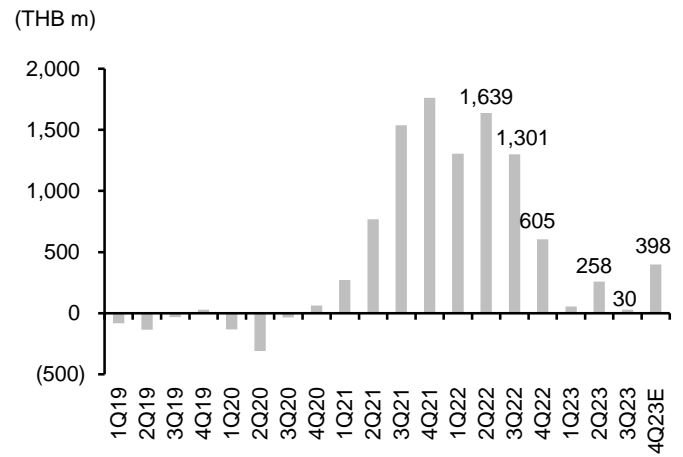
Sources: PSL, FSSIA estimates

Exhibit 4: Margins



Sources: PSL, FSSIA estimates

Exhibit 5: Core profit



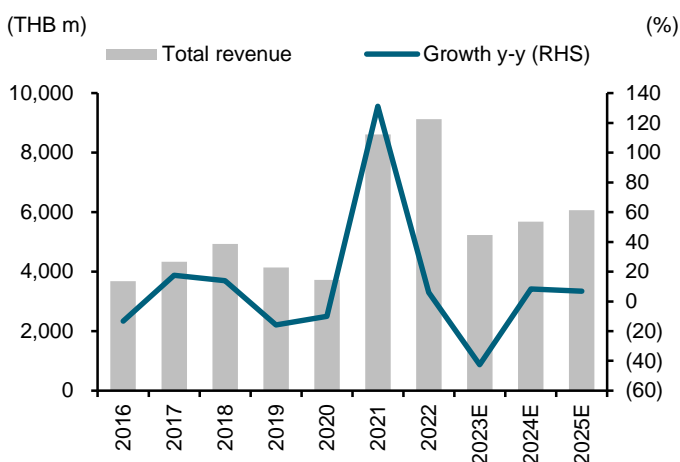
Sources: PSL, FSSIA estimates

Exhibit 6: Key changes in assumptions

	Current			Previous			Change		
	2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(%)	(%)	(%)
Total revenue	5,241	5,683	6,076	5,189	5,633	6,036	1.0	0.9	0.7
TCE rate (USD/day)	11,078	13,161	14,137	10,728	13,042	14,038	3.3	0.9	0.7
Cost of goods sold	(2,228)	(2,262)	(2,316)	(2,286)	(2,272)	(2,356)	(2.6)	(0.4)	(1.7)
Gross profit	3,013	3,420	3,761	2,903	3,361	3,680	3.8	1.8	2.2
SG&A	(430)	(451)	(489)	(435)	(455)	(488)	(1.1)	(0.7)	0.1
EBITDA	2,624	3,013	3,320	2,509	2,951	3,238	4.6	2.1	2.5
Core profit	739	1,125	1,401	621	1,056	1,313	19.0	6.5	6.7
Net profit	861	1,125	1,401	743	1,056	1,313	15.9	6.5	6.7
Margins	(%)	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(ppt)
Gross margin	30.3	34.5	37.6	28.4	33.6	36.4	1.9	0.9	1.3
EBITDA margin	50.1	53.1	53.9	48.4	52.4	52.9	1.7	0.7	1.0
Core profit margin	14.1	19.8	23.1	12.0	18.8	21.8	2.1	1.1	1.3

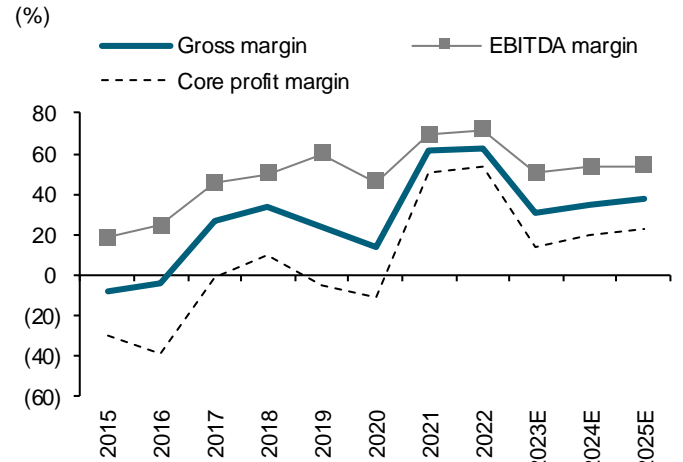
Sources: PSL, FSSIA estimates

Exhibit 7: Revenue and growth, yearly

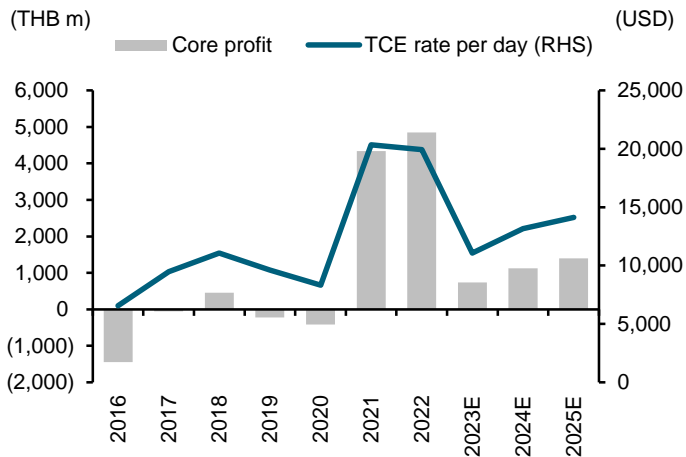


Sources: PSL, FSSIA estimates

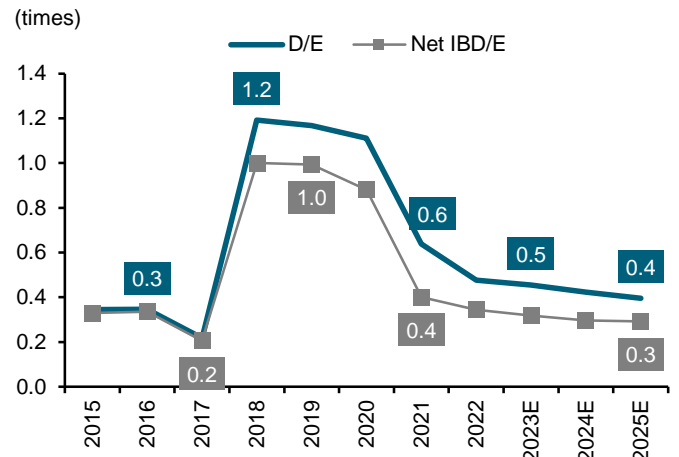
Exhibit 8: Margins, yearly



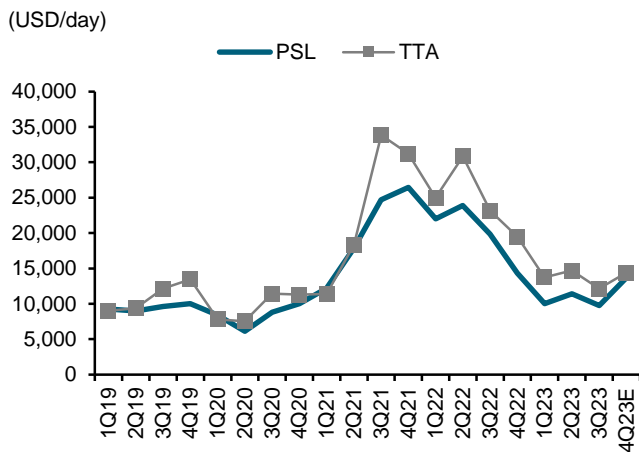
Sources: PSL, FSSIA estimates

Exhibit 9: PSL's TCE rate and core profit, yearly

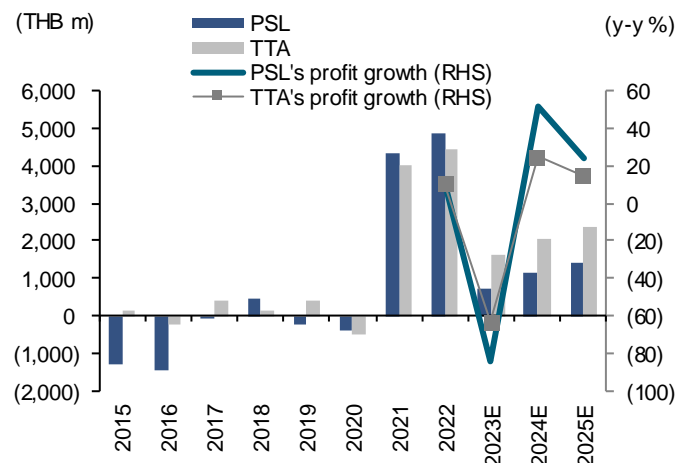
Sources: PSL, FSSIA estimates

Exhibit 10: D/E and net D/E ratios, yearly

Sources: PSL, FSSIA estimates

Exhibit 11: Shipping revenue: PSL vs TTA

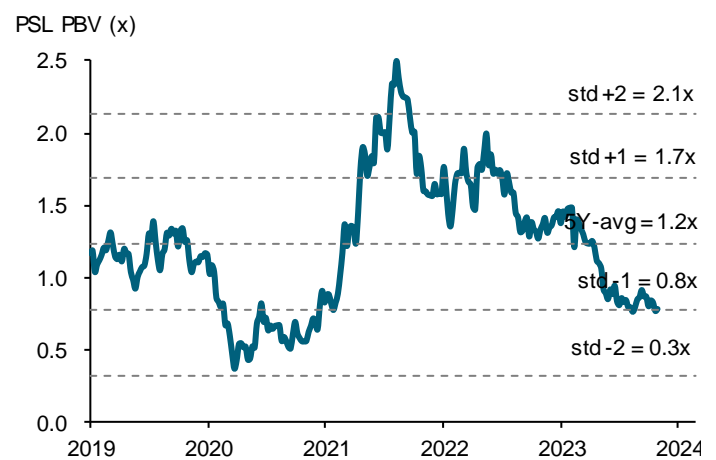
Sources: PSL; TTA; and FSSIA estimates

Exhibit 12: Core profit and growth: PSL vs TTA

Sources: PSL; TTA; and FSSIA estimates

Exhibit 13: One-year rolling forward P/E band

Sources: Bloomberg, FSSIA estimates

Exhibit 14: 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	5,241	5,683	6,076
Cost of goods sold	(3,305)	(3,401)	(3,655)	(3,721)	(3,789)
Gross profit	5,311	5,728	1,586	1,961	2,287
Other operating income	3	17	41	45	48
Operating costs	(581)	(517)	(430)	(451)	(489)
Operating EBITDA	5,947	6,553	2,624	3,013	3,320
Depreciation	(1,214)	(1,324)	(1,428)	(1,459)	(1,474)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	4,734	5,229	1,197	1,554	1,846
Net financing costs	(415)	(392)	(476)	(415)	(424)
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	861	1,159	1,443
Tax	(2)	(15)	0	(34)	(43)
Profit after tax	4,475	4,851	861	1,125	1,401
Minority interests	0	0	0	0	0
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	4,475	4,851	861	1,125	1,401
Non-recurring items & goodwill (net)	(136)	0	(122)	0	0
Recurring net profit	4,339	4,850	739	1,125	1,401
Per share (THB)					
Recurring EPS *	2.78	3.11	0.47	0.72	0.90
Reported EPS	2.87	3.11	0.55	0.72	0.90
DPS	1.50	1.75	0.22	0.29	0.45
Diluted shares (used to calculate per share data)	1,559	1,559	1,559	1,559	1,559
Growth					
Revenue (%)	131.0	6.0	(42.6)	8.4	6.9
Operating EBITDA (%)	327.8	10.2	(60.0)	14.8	10.2
Operating EBIT (%)	2,570.6	10.5	(77.1)	29.9	18.8
Recurring EPS (%)	nm	11.8	(84.8)	52.2	24.5
Reported EPS (%)	nm	8.4	(82.3)	30.7	24.5
Operating performance					
Gross margin inc. depreciation (%)	61.6	62.7	30.3	34.5	37.6
Gross margin exc. depreciation (%)	75.7	77.3	57.5	60.2	61.9
Operating EBITDA margin (%)	69.0	71.8	50.1	53.0	54.6
Operating EBIT margin (%)	54.9	57.3	22.8	27.4	30.4
Net margin (%)	50.4	53.1	14.1	19.8	23.0
Effective tax rate (%)	0.0	0.3	0.0	2.9	3.0
Dividend payout on recurring profit (%)	53.9	56.3	46.6	40.0	50.0
Interest cover (X)	11.5	13.4	2.6	3.8	4.4
Inventory days	4.9	5.6	6.9	7.0	6.9
Debtor days	7.3	9.1	18.2	17.3	17.4
Creditor days	55.1	82.5	93.8	91.6	82.7
Operating ROIC (%)	19.3	19.9	4.3	5.6	6.6
ROIC (%)	19.0	19.5	4.3	5.5	6.4
ROE (%)	35.4	31.5	4.4	6.5	7.9
ROA (%)	20.8	21.6	4.5	5.8	7.0
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Time charter	7,723	8,992	5,175	5,446	5,797
Voyage charter	889	132	61	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	739	1,125	1,401
Depreciation	1,214	1,324	1,428	1,459	1,474
Associates & minorities	-	-	-	-	-
Other non-cash items	(2,160)	402	1,437	(374)	(476)
Change in working capital	(420)	28	(38)	(153)	(97)
Cash flow from operations	2,973	6,604	3,566	2,058	2,301
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	13	(26)	(23)
Cash flow from investing	456	(2,416)	(2,007)	(1,326)	(1,523)
Dividends paid	(1,169)	(3,508)	(344)	(450)	(700)
Equity finance	0	0	0	0	0
Debt finance	(1,309)	(1,818)	77	(387)	0
Other financing cash flows	0	(380)	(1,166)	0	0
Cash flow from financing	(2,478)	(5,705)	(1,433)	(837)	(700)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	417	104	122	0	0
Net other adjustments	417	104	122	0	(378)
Movement in cash	1,368	(1,413)	248	(105)	(301)
Free cash flow to firm (FCFF)	3,844.58	4,580.64	2,035.44	1,146.83	1,201.26
Free cash flow to equity (FCFE)	2,537.14	2,095.00	592.12	344.92	399.27

Per share (THB)

FCFF per share	2.47	2.94	1.31	0.74	0.77
FCFE per share	1.63	1.34	0.38	0.22	0.26
Recurring cash flow per share	2.18	4.22	2.31	1.42	1.54

Balance Sheet (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Tangible fixed assets (gross)	29,643	32,817	34,467	35,137	35,847
Less: Accumulated depreciation	(9,358)	(10,769)	(11,846)	(12,675)	(13,309)
Tangible fixed assets (net)	20,285	22,048	22,620	22,461	22,538
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	1,303	1,198	897
A/C receivable	175	279	244	296	283
Inventories	22	42	43	44	44
Other current assets	144	181	209	227	243
Current assets	2,810	1,557	1,799	1,764	1,467
Other assets	324	602	589	616	639
Total assets	23,531	24,304	25,125	24,957	24,760
Common equity	14,365	16,463	17,264	17,539	17,739
Minorities etc.	0	0	0	0	0
Total shareholders' equity	14,365	16,463	17,264	17,539	17,739
Long term debt	6,824	5,556	5,088	4,778	4,562
Other long-term liabilities	425	417	367	312	334
Long-term liabilities	7,249	5,974	5,454	5,090	4,896
A/C payable	441	639	621	624	532
Short term debt	1,414	1,167	1,713	1,636	1,523
Other current liabilities	61	61	73	68	70
Current liabilities	1,917	1,867	2,407	2,328	2,124
Total liabilities and shareholders' equity	23,531	24,304	25,125	24,957	24,760
Net working capital	(161)	(198)	(198)	(126)	(31)
Invested capital	20,560	22,548	23,128	23,067	23,262

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

Per share (THB)

Book value per share	9.21	10.56	11.07	11.25	11.38
Tangible book value per share	9.20	10.55	11.06	11.24	11.37

Financial strength

Net debt/equity (%)	40.2	34.4	31.8	29.7	29.3
Net debt/total assets (%)	24.5	23.3	21.9	20.9	21.0
Current ratio (x)	1.5	0.8	0.7	0.8	0.7
CF interest cover (x)	8.3	12.6	6.5	5.0	5.5

Valuation	2021	2022	2023E	2024E	2025E
Recurring P/E (x) *	3.0	2.7	17.5	11.5	9.2
Recurring P/E @ target price (x) *	3.7	3.3	21.7	14.3	11.5
Reported P/E (x)	2.9	2.7	15.0	11.5	9.2
Dividend yield (%)	18.1	21.1	2.7	3.5	5.4
Price/book (x)	0.9	0.8	0.7	0.7	0.7
Price/tangible book (x)	0.9	0.8	0.8	0.7	0.7
EV/EBITDA (x) **	3.1	2.8	7.0	6.0	5.5
EV/EBITDA @ target price (x) **	3.7	3.3	8.2	7.1	6.4
EV/invested capital (x)	0.9	0.8	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

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><tr><th>NEGL</th><th>Low</th><th>Medium</th><th>High</th><th>Severe</th></tr><tr><td>0-10</td><td>10-20</td><td>20-30</td><td>30-40</td><td>40+</td></tr></table>		NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+
NEGL	Low	Medium	High	Severe										
0-10	10-20	20-30	30-40	40+										
ESG Book	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.		The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.											
MSCI	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers.													
	AAA	8.571-10.000	Leader:	leading its industry in managing the most significant ESG risks and opportunities										
	AA	7.143-8.570												
	A	5.714-7.142												
	BBB	4.286-5.713	Average:	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers										
	BB	2.857-4.285												
	B	1.429-2.856												
	CCC	0.000-1.428	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks										
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

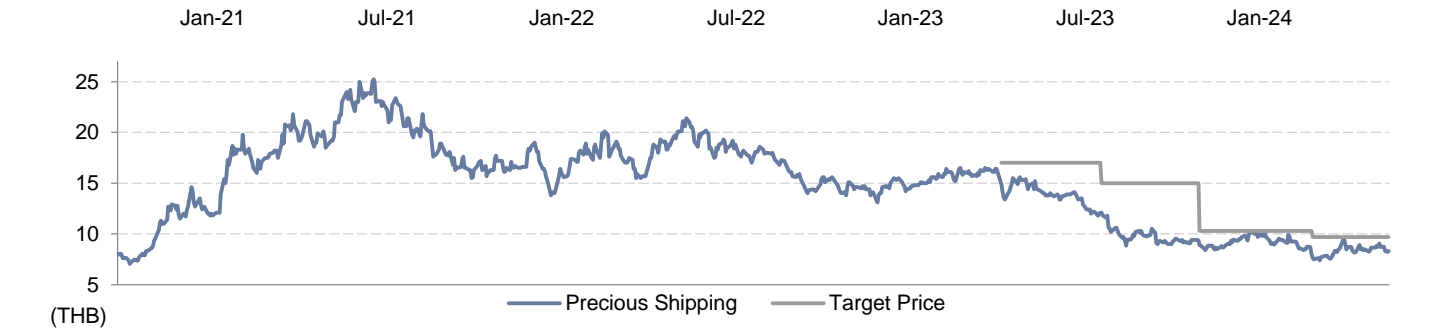
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History of change in investment rating and/or target price

Precious Shipping (PSL TB)



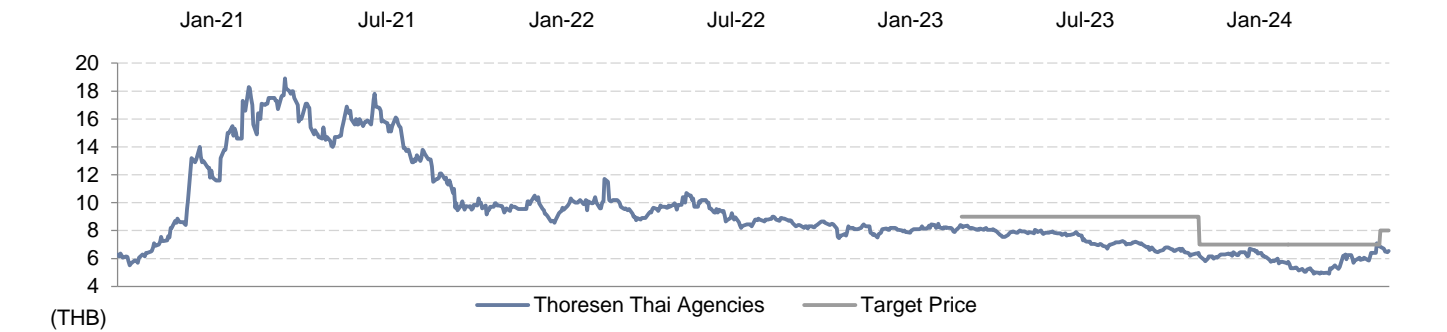
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
13-Feb-2023	HOLD	17.00	02-Aug-2023	HOLD	10.30	-	-	-
10-May-2023	BUY	15.00	07-Nov-2023	HOLD	9.70			

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

Price and TP are in local currency

Source: FSSIA estimates

Thoresen Thai Agencies (TTA TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
10-Jan-2023	HOLD	9.00	02-Aug-2023	HOLD	7.00	-	-	-
10-May-2023	BUY	9.00	04-Jan-2024	BUY	8.00			

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

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Precious Shipping	PSL TB	THB 8.30	BUY	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.
Thoresen Thai Agencies	TTA TB	THB 6.55	BUY	Downside risks to our P/E-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.

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 12-Jan-2024 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.