

SANSIRI SRI TB

THAILAND / PROPERTY DEVELOPMENT

HOLD

UNCHANGED

TARGET PRICE	THB1.90
CLOSE	THB1.79
UP/DOWNSIDE	+6.1%
PRIOR TP	THB1.90
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	-9.5%

A likely dull 4Q23 and a challenging 2024

- The 2024 plan calls for new launches of THB61b, presales growth of 20% y-y, and transfer growth of 10% y-y to another new high, which we view as challenging.
- Expect 4Q23 profit to drop by 19% q-q and 30% y-y, pressured by SG&A and 2023 profit growth to end at 41% y-y.
- Maintain our 2024E profit weakness due to a high base. Retain our HOLD rating on an anticipated 2H23 dividend yield of 4%.

2024 new launches would focus on medium and premium segments and new locations

SIRI disclosed its 2024 new launch plan. It comprised 46 projects with a combined value of THB61b (-6% y-y). Although the number of new projects increases, the value decreases from 2023 due to an increased medium segment mix to 44%, followed by the premium segment (38%). Also, it focused on expanding to new locations and increasing the provincial market to 26%. Twenty-six projects would be low-rises with a total value of THB35b (-26% y-y), especially the Setthasiri and Saransiri brands. Twenty would be condos with a combined value of THB26b (+44% y-y) in nine popular tourist destinations, such as Hua Hin, Phuket, and Pattaya.

Presales and transfer growth targets of 20% y-y and 10% y-y amid challenges

SIRI set extended new-high targets in 2024, including presales of THB45b (+20% y-y), driven by low-rises of THB29b (+37% y-y) from sales of existing and new projects, and condos of just THB16b (-3% y-y) after the inventory decreased to THB6b. It hinges on the hope of international sales growth of 15% y-y to THB7b (15% of total sales). Meanwhile, the transfer target is THB4.3b (+10% y-y), 70% of which would be low-rises. SIRI would contribute THB38b and its JV THB5b to the target.

Expect 4Q23 profit to plummet by 19% q-q and 30% y-y, as previously thought

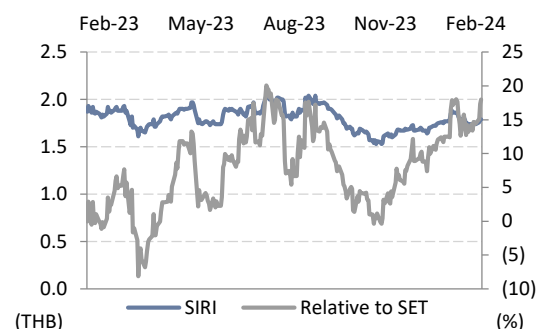
We anticipate a 4Q23 net profit of THB1.25b (-19% q-q, -30% y-y), pressured by higher SG&A from marketing activities, new project launches, and employee bonuses. Transfers should come in at THB11b, jumping by 28% q-q but decreasing 11% from 4Q22 when SIRI completed several new condos. Property sales' gross margin would be flat at 34.3% but down from 37.3% in 4Q22 when SIRI realized low-rise projects with a good response. Hence, we project a 2023 net profit of THB6b (+41% y-y) and normalized earnings of THB4.9b (+22% y-y).

Retain HOLD at a TP of THB1.90 on an expected 2H23 yield of 4%

We view the 2024 targets as challenging due to the dependency on low-rise presales, where the market remains sluggish while the take-up rate is slow. Also, the competition is high after several players have turned more toward mid-to-high-end segments. Hence, we maintain our transfer estimate of THB35b (-6% y-y), lower than the guidance by 8%. Since the backlog has already secured it by 39%, we reaffirm our 2024E core profit of THB4.7b (-5% y-y) and our TP of THB1.90. Since it has an upside of less than 10% and lacks catalysts due to a potentially weak 4Q23 and 2024, we retain our HOLD call on an anticipated 2H23 DPS of THB0.07, implying a 4% dividend yield.

KEY STOCK DATA

YE Dec (THB m)	2022	2023E	2024E	2025E
Revenue	33,712	40,940	38,577	38,415
Net profit	4,280	5,984	4,702	4,693
EPS (THB)	0.29	0.35	0.27	0.27
vs Consensus (%)	-	4.2	(7.8)	(10.9)
EBITDA	4,807	6,117	5,665	5,855
Recurring net profit	4,040	4,969	4,702	4,693
Core EPS (THB)	0.27	0.29	0.27	0.27
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	99.7	7.1	(5.4)	(0.2)
Core P/E (x)	6.6	6.2	6.5	6.5
Dividend yield (%)	8.4	9.8	8.1	8.1
EV/EBITDA (x)	20.4	18.2	19.7	19.3
Price/book (x)	0.6	0.7	0.6	0.6
Net debt/Equity (%)	158.4	162.6	156.1	164.6
ROE (%)	9.9	11.1	9.8	9.7



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	1.1	17.0	(8.2)
Relative to country (%)	4.9	18.5	12.4
Mkt cap (USD m)	842		
3m avg. daily turnover (USD m)	3.3		
Free float (%)	0		
Major shareholder	UBS AG Singapore Branch (10%)		
12m high/low (THB)	2.10/1.49		
Issued shares (m)	15,397.75		

Sources: Bloomberg consensus; FSSIA estimates



Thanayatorn Songwutti

Fundamental Investment Analyst on Securities; License no. 101203
thanayatorn.s@fssia.com, +66 2646 9963

Investment thesis

SIRI disclosed its 2024 new launch plan, comprising 46 projects with a total value of THB61b (-6% y-y). It focused on medium and premium segments with a total mix of over 82% and an expansion to new locations. Also, SIRI set extended new-high targets in 2024, including presales of THB45b (+20% y-y) and transfers of THB43b (+10% y-y). However, we view the target as challenging amid fierce competition after several developers have turned more towards mid-to-high-end segments. Hence, we maintain our transfer estimate of THB35b (-6% y-y), lower than the guidance by 8%, and our 2024E core profit of THB4.7b (-5% y-y).

Company profile

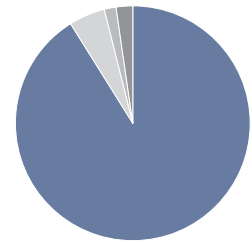
SIRI aims to be Thailand’s leading property developer with over 38 years of experience. Its core operation is divided into three businesses, namely property development, property services, and investment.

In 2022, property development for sale was its largest source of revenue, constituting about 91% of total revenue. It develops single-detached houses, semi-detached houses, townhouses, home offices, and condominium projects for all customer groups, both in Bangkok and its vicinity and upcountry areas.

www.sansiri.com

Principal activities (revenue, 2022)

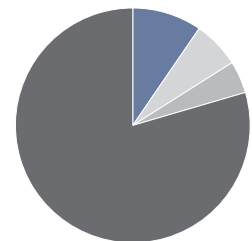
- Project sales - 91.1 %
- Business management - 5.0 %
- Hotel management - 1.6 %
- Others - 2.3 %



Source: Sansiri

Major shareholders

- UBS AG Singapore Branch - 9.6 %
- Viriyah Insurance PCL - 6.5 %
- Mr. Srettha Thavisin - 4.4 %
- Others - 79.5 %



Source: Sansiri

Catalysts

Key potential growth drivers include 1) the success of its new launches, 2) demand and purchasing power recoveries, 3) an international sales recovery, 4) property stimulus, 5) an interest rate downtrend and banks' easing credit underwriting, and 6) signing of new JV projects.

Risks to our call

Downside risks to our P/E-based TP include 1) lower-than-expected take-up rates of new launches; 2) a slowdown in the economy and purchasing power, 3) fierce competition, 4) a higher loan rejection rate and customer cancellation, 5) a construction delay and labor shortages, and 6) a higher D/E ratio than property peers.

Event calendar

Date	Event
28 February 2024	4Q23 results announcement

Key assumptions

	2023E	2024E	2025E
Project sales (THB m)	37,276	34,939	34,666
Rental and service income (THB m)	3,664	3,638	3,750
Property GPM (%)	33.7	33.3	33.4
GPM (%)	31.7	32.1	32.5
SG&A to sales (%)	18.8	19.7	19.6

Source: FSSIA estimates

Earnings sensitivity

- For every 5% increase in SIRI’s transfers, we estimate 2024 net profit to rise by 4.1%, and vice versa, all else being equal.
- For every 0.5% increase in property GPM, we estimate 2024 net profit to rise by 2.9%, and vice versa, all else being equal.
- For every 0.5% increase in SG&A to revenue, we estimate 2024 net profit to fall by 3.2%, and vice versa, all else being equal.

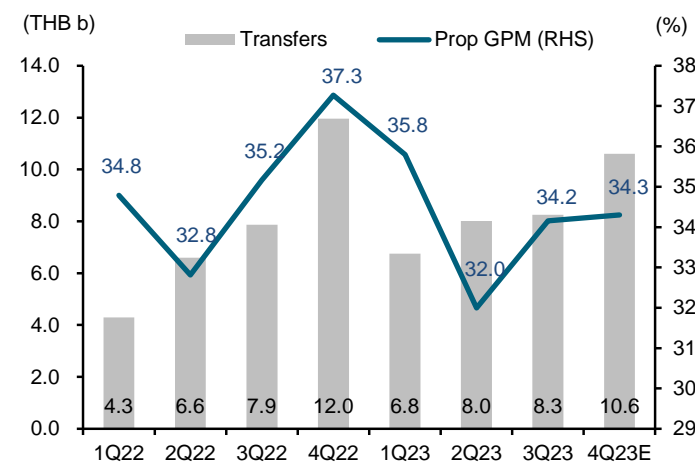
Source: FSSIA estimates

Exhibit 1: 4Q23 results preview

	4Q22	1Q23	2Q23	3Q23	4Q23E	Change	
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)
Total revenue	12,835	7,648	9,185	9,332	11,687	25.2	(8.9)
Cost of sales	8,334	5,180	6,295	6,405	7,999	24.9	(4.0)
Gross profit	4,501	2,468	2,890	2,927	3,688	26.0	(18.1)
SG&A	2,926	1,379	1,731	1,385	2,443	76.5	(16.5)
Operating profit	1,575	1,088	1,158	1,542	1,245	(19.3)	(20.9)
Interest expense	78	120	116	114	120	5.0	54.6
Tax expense	337	410	301	379	273	(27.9)	(18.8)
Equity income from JV	272	73	66	160	50	(68.8)	(81.6)
Reported net profit	1,791	1,582	1,621	1,557	1,255	(19.4)	(30.0)
Core profit	1,741	959	1,219	1,550	1,205	(22.3)	(30.8)
Key ratios (%)	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)
Property gross margin	37.3	35.8	32.0	34.2	34.3	0.1	(3.0)
Gross margin	35.1	32.3	31.5	31.4	31.6	0.2	(3.5)
SG&A / Sales	22.8	18.0	18.9	14.8	20.9	6.1	(1.9)
Operating margin	12.3	14.2	12.6	16.5	10.7	(5.9)	(1.6)
Net margin	14.0	20.7	17.7	16.7	10.7	(6.0)	(3.2)
Normalised profit	13.6	12.5	13.3	16.6	10.3	(6.3)	(3.3)
Revenue breakdown	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)
Residential	11,964	6,754	8,007	8,250	10,600	28.5	(11.4)
Rental & Services	871	894	1,177	1,082	1,087	0.5	24.9
Gross margin by business	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)
Residential	37.3	35.8	32.0	34.2	34.3	0.1	(3.0)
Rental & Services	4.9	5.6	27.8	10.1	4.8	(5.2)	(0.0)

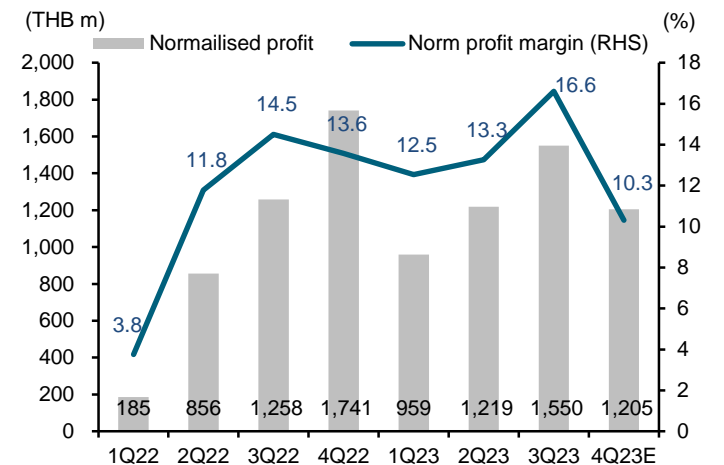
Sources: SIRI; FSSIA estimates

Exhibit 2: Quarterly transfers and property GPM



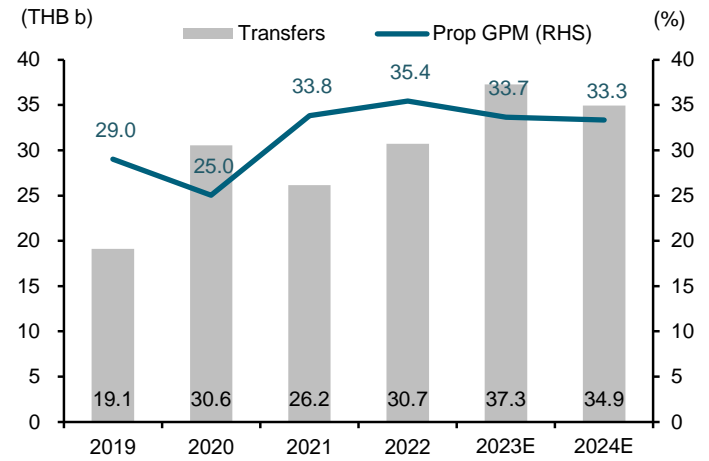
Sources: SIRI; FSSIA estimates

Exhibit 3: Quarterly norm profit and norm profit margin



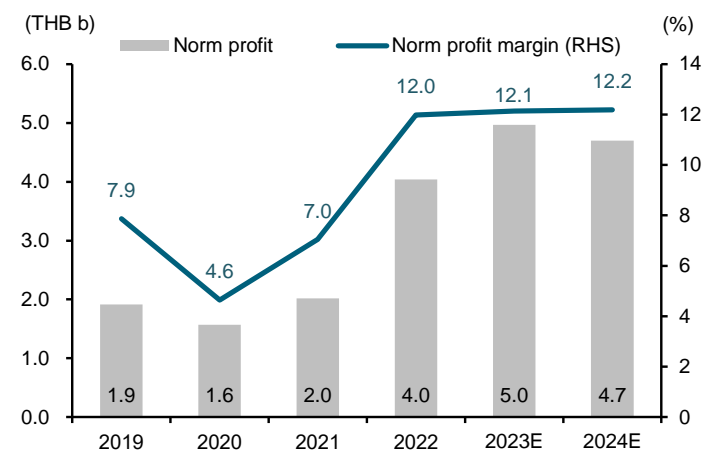
Sources: SIRI; FSSIA estimates

Exhibit 4: Yearly transfers and property GPM



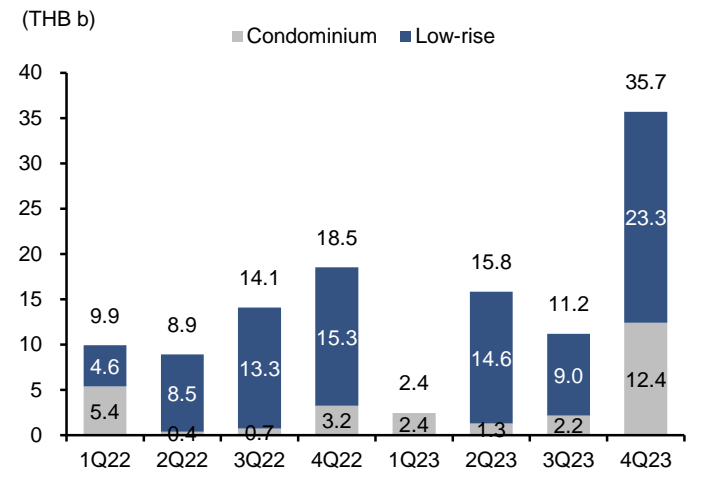
Sources: SIRI; FSSIA estimates

Exhibit 5: Yearly norm profit and norm profit margin



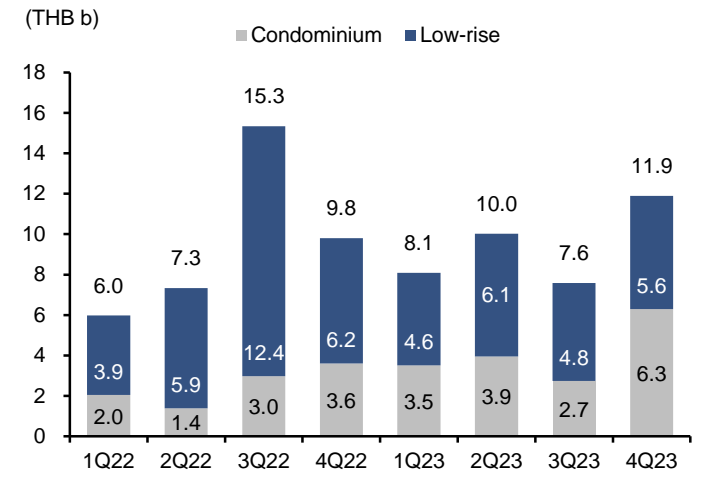
Sources: SIRI; FSSIA estimates

Exhibit 6: Quarterly new launches



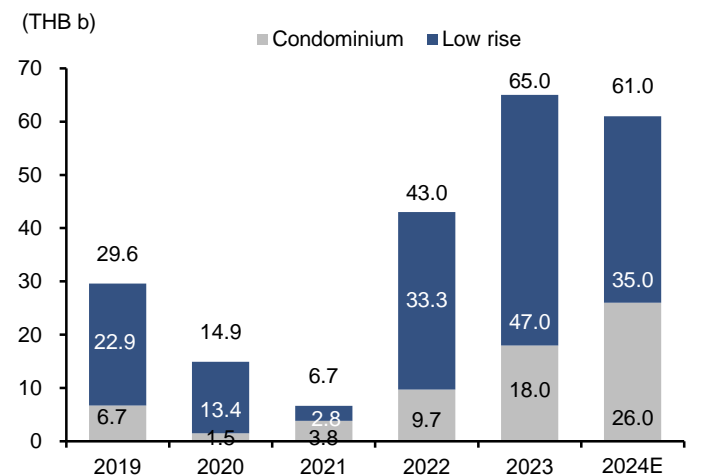
Sources: SIRI; FSSIA estimates

Exhibit 7: Quarterly presales



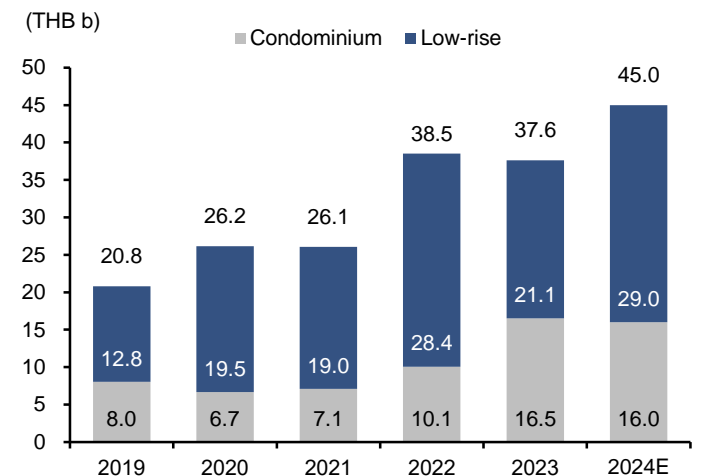
Sources: SIRI; FSSIA estimates

Exhibit 8: Yearly new launches



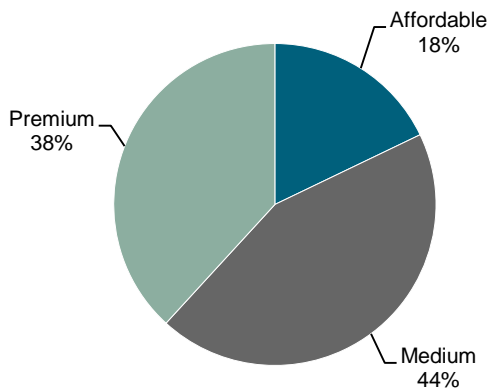
Sources: SIRI; FSSIA's compilation

Exhibit 9: Yearly presales



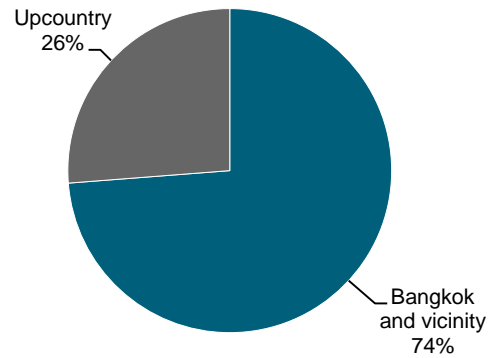
Sources: SIRI; FSSIA's compilation

Exhibit 10: 2024E new launches by segment



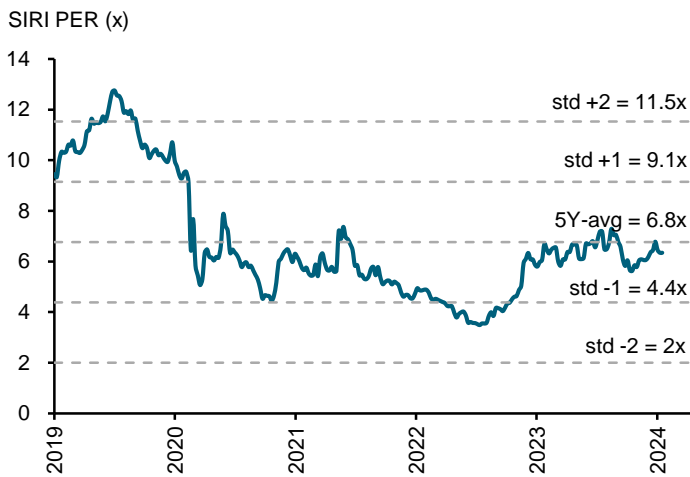
Sources: SIRI; FSSIA's compilation

Exhibit 11: 2024E new launches by location



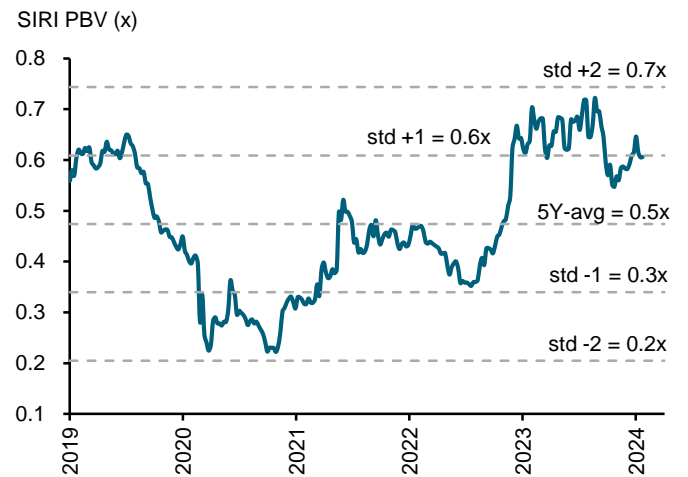
Sources: SIRI; FSSIA's compilation

Exhibit 12: Historical P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 13: Historical P/BV band



Sources: Bloomberg; FSSIA estimates

Financial Statements

Sansiri

Profit and Loss (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Revenue	28,642	33,712	40,940	38,577	38,415
Cost of goods sold	(19,607)	(22,591)	(27,971)	(26,181)	(25,920)
Gross profit	9,035	11,122	12,969	12,396	12,496
Other operating income	-	-	-	-	-
Operating costs	(6,375)	(7,165)	(7,709)	(7,597)	(7,517)
Operating EBITDA	3,477	4,807	6,117	5,665	5,855
Depreciation	(817)	(850)	(856)	(866)	(876)
Goodwill amortisation	-	-	-	-	-
Operating EBIT	2,660	3,957	5,261	4,799	4,978
Net financing costs	(976)	(508)	(394)	(436)	(425)
Associates	75	473	268	388	228
Recurring non-operating income	991	1,505	1,272	1,292	1,132
Non-recurring items	0	240	1,015	0	0
Profit before tax	2,675	5,193	7,154	5,655	5,685
Tax	(737)	(1,087)	(1,350)	(1,053)	(1,091)
Profit after tax	1,939	4,107	5,804	4,602	4,593
Minority interests	79	173	180	100	100
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
Reported net profit	2,017	4,280	5,984	4,702	4,693
Non-recurring items & goodwill (net)	0	(240)	(1,015)	0	0
Recurring net profit	2,017	4,040	4,969	4,702	4,693
Per share (THB)					
Recurring EPS *	0.14	0.27	0.29	0.27	0.27
Reported EPS	0.14	0.29	0.35	0.27	0.27
DPS	0.06	0.15	0.17	0.15	0.15
Diluted shares (used to calculate per share data)	14,883	14,923	17,138	17,138	17,138
Growth					
Revenue (%)	(15.3)	17.7	21.4	(5.8)	(0.4)
Operating EBITDA (%)	43.0	38.2	27.3	(7.4)	3.3
Operating EBIT (%)	65.7	48.7	33.0	(8.8)	3.7
Recurring EPS (%)	28.4	99.7	7.1	(5.4)	(0.2)
Reported EPS (%)	20.4	111.6	21.7	(21.4)	(0.2)
Operating performance					
Gross margin inc. depreciation (%)	31.5	33.0	31.7	32.1	32.5
Gross margin exc. depreciation (%)	34.4	35.5	33.8	34.4	34.8
Operating EBITDA margin (%)	12.1	14.3	14.9	14.7	15.2
Operating EBIT margin (%)	9.3	11.7	12.9	12.4	13.0
Net margin (%)	7.0	12.0	12.1	12.2	12.2
Effective tax rate (%)	27.5	20.9	18.9	18.6	19.2
Dividend payout on recurring profit (%)	44.3	55.4	60.2	53.0	53.0
Interest cover (X)	3.7	10.8	16.6	14.0	14.4
Inventory days	1,080.3	1,183.6	1,218.1	1,378.8	1,395.6
Debtor days	19.4	12.8	13.0	17.8	17.3
Creditor days	32.0	19.5	19.0	22.2	21.8
Operating ROIC (%)	3.3	4.0	4.2	3.6	3.8
ROIC (%)	2.8	3.9	4.3	3.7	3.7
ROE (%)	5.3	9.9	11.1	9.8	9.7
ROA (%)	2.4	3.5	3.8	3.4	3.4
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Project sales	26,170	30,716	37,276	34,939	34,666
Business management	1,687	1,679	1,930	1,834	1,871
Hotel management	315	548	603	633	665
Others	470	769	1,131	1,171	1,214

Sources: Sansiri; FSSIA estimates

Financial Statements

Sansiri

Cash Flow (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Recurring net profit	2,017	4,040	4,969	4,702	4,693
Depreciation	817	850	856	866	876
Associates & minorities	-	-	-	-	-
Other non-cash items	(79)	(173)	(180)	(100)	(100)
Change in working capital	(1,549)	(28,335)	(10,559)	(876)	1,179
Cash flow from operations	1,207	(23,618)	(4,914)	4,592	6,648
Capex - maintenance	(7,551)	-	(3,607)	(3,063)	(976)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	-	19,685	-	-	-
Cash flow from investing	(7,551)	19,685	(3,607)	(3,063)	(976)
Dividends paid	(911)	(1,528)	(2,373)	(2,245)	(6,699)
Equity finance	663	562	1,848	0	0
Debt finance	5,766	5,378	10,404	1,492	(226)
Other financing cash flows	-	-	-	-	-
Cash flow from financing	5,519	4,411	9,879	(753)	(6,925)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	(826)	479	1,358	776	(1,253)
Free cash flow to firm (FCFF)	(5,178.84)	(3,195.32)	(7,887.42)	2,215.53	6,357.49
Free cash flow to equity (FCFE)	(577.76)	1,445.18	1,882.80	3,021.14	5,446.02
Per share (THB)					
FCFF per share	(0.34)	(0.21)	(0.51)	0.14	0.41
FCFE per share	(0.04)	0.09	0.12	0.20	0.35
Recurring cash flow per share	0.19	0.32	0.33	0.32	0.32
Balance Sheet (THB m) Year Ending Dec					
Tangible fixed assets (gross)	11,493	11,706	12,609	13,023	13,522
Less: Accumulated depreciation	(2,333)	(2,806)	(3,098)	(3,416)	(3,866)
Tangible fixed assets (net)	9,160	8,899	9,510	9,607	9,656
Intangible fixed assets (net)	0	0	0	0	0
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	38,900	18,609	20,765	22,865	22,915
Cash & equivalents	2,181	2,660	4,018	4,794	3,540
A/C receivable	1,385	983	1,945	1,827	1,816
Inventories	55,143	85,859	95,119	96,143	95,369
Other current assets	7,330	7,753	8,731	8,201	8,155
Current assets	66,039	97,254	109,813	110,965	108,881
Other assets	2,533	2,672	2,977	2,833	2,817
Total assets	116,632	127,435	143,065	146,270	144,271
Common equity	39,225	42,433	46,877	49,334	47,328
Minorities etc.	1,741	1,608	1,608	1,608	1,608
Total shareholders' equity	40,967	44,041	48,485	50,941	48,935
Long term debt	36,699	39,922	55,592	57,652	50,763
Other long-term liabilities	1,321	1,173	1,786	1,678	1,668
Long-term liabilities	38,020	41,095	57,378	59,329	52,431
A/C payable	1,084	1,235	1,588	1,498	1,488
Short term debt	30,352	32,507	27,241	26,673	33,336
Other current liabilities	6,209	8,574	8,374	7,829	8,081
Current liabilities	37,645	42,316	37,203	35,999	42,905
Total liabilities and shareholders' equity	116,632	127,451	143,065	146,270	144,271
Net working capital	56,565	84,785	95,833	96,844	95,772
Invested capital	107,158	114,966	129,086	132,150	131,161
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	2.64	2.84	2.74	2.88	2.76
Tangible book value per share	2.64	2.84	2.74	2.88	2.76
Financial strength					
Net debt/equity (%)	158.3	158.4	162.6	156.1	164.6
Net debt/total assets (%)	55.6	54.7	55.1	54.4	55.8
Current ratio (x)	1.8	2.3	3.0	3.1	2.5
CF interest cover (x)	0.4	3.8	5.8	7.9	13.8
Valuation					
Recurring P/E (x) *	13.2	6.6	6.2	6.5	6.5
Recurring P/E @ target price (x) *	14.0	7.0	6.6	6.9	6.9
Reported P/E (x)	13.2	6.2	5.1	6.5	6.5
Dividend yield (%)	3.4	8.4	9.8	8.1	8.1
Price/book (x)	0.7	0.6	0.7	0.6	0.6
Price/tangible book (x)	0.7	0.6	0.7	0.6	0.6
EV/EBITDA (x) **	26.8	20.4	18.2	19.7	19.3
EV/EBITDA @ target price (x) **	27.3	20.7	18.5	20.1	19.6
EV/invested capital (x)	0.9	0.9	0.9	0.8	0.9
* Pre-exceptional, pre-goodwill and fully diluted ** EBITDA includes associate income and recurring non-operating income					

Sources: Sansiri; FSSIA estimates

Sansiri PCL (SIRI TB)

FSSIA ESG rating

★★★★

66.14 /100

Exhibit 14: 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 15: 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
AP	53.36	--	Y	Y	5.00	5.00	Certified	Low	43.30	--	--	16.91	24.00	1.89	34.26
ASW	27.00	--	Y	Y	5.00	4.00	Declared	--	--	--	--	--	--	--	--
BRI	16.00	--	--	--	4.00	4.00	Declared	--	--	--	--	--	--	--	--
NOBLE	30.88	--	Y	Y	5.00	5.00	Certified	--	--	--	--	--	7.00	--	--
ORI	53.22	--	Y	Y	5.00	5.00	Certified	Medium	41.33	--	--	48.60	--	3.82	52.01
SC	60.14	--	Y	Y	5.00	4.00	Certified	Low	45.20	--	--	70.85	25.00	2.34	42.60
SIRI	66.14	--	Y	Y	5.00	5.00	Certified	Low	43.82	A	--	57.85	23.00	3.00	61.14
SPALI	59.80	--	Y	Y	5.00	5.00	Certified	Low	52.93	BB	--	36.30	24.00	2.19	42.36

Sources: SETTRADE.com; FSSIA's compilation

Exhibit 16: ESG score by Bloomberg

FY ending Dec 31	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
ESG financial materiality scores - ESG score	3.04	3.28	3.31	3.28	3.37	3.23	3.42	3.00
BESG environmental pillar score	1.76	1.87	1.95	1.91	2.06	1.94	2.30	2.15
BESG social pillar score	6.58	6.80	7.10	7.25	7.24	6.12	6.08	3.50
BESG governance pillar score	3.97	4.41	4.29	4.24	4.21	4.35	4.26	4.10
ESG disclosure score	35.72	44.65	55.79	56.84	58.06	57.67	56.28	61.14
Environmental disclosure score	20.66	24.34	40.29	43.43	47.12	45.94	45.94	50.26
Social disclosure score	28.39	28.39	45.89	45.89	45.89	45.89	41.72	45.71
Governance disclosure score	58.04	81.10	81.10	81.10	81.10	81.10	81.10	87.36
Environmental								
Emissions reduction initiatives	No	No	Yes	Yes	Yes	Yes	Yes	Yes
Climate change policy	No	No	Yes	Yes	Yes	Yes	Yes	Yes
Climate change opportunities discussed	No	No	No	No	No	No	No	No
Risks of climate change discussed	No	No	No	No	No	No	No	Yes
GHG scope 1	1	1	1	2	1	1	0	1
GHG scope 2 location-based	1	1	1	4	3	4	4	7
GHG Scope 3	—	—	—	2	1	28	22	2,788
Carbon per unit of production	—	—	—	—	—	—	—	0
Biodiversity policy	No	No	No	No	No	No	No	Yes
Energy efficiency policy	No	No	Yes	Yes	Yes	Yes	Yes	Yes
Total energy consumption	1	1	1	6	6	8	8	15
Renewable energy use	—	—	—	1	1	1	1	1
Electricity used	—	1	1	5	5	8	7	14
Fuel used - natural gas	—	—	—	—	—	—	—	—

Sources: Bloomberg; FSSIA's compilation

Exhibit 17: ESG score by Bloomberg (cont.)

FY ending Dec 31	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Fuel used - crude oil/diesel	No	No	No	No	No	No	No	No
Waste reduction policy	No	No	Yes	Yes	Yes	Yes	Yes	Yes
Hazardous waste	—	—	—	—	—	0	1	0
Total waste	—	2	2	2	3	0	2	1
Waste recycled	—	—	—	—	0	0	0	0
Waste sent to landfills	—	—	—	—	—	0	1	1
Environmental supply chain management	No	No	Yes	Yes	Yes	Yes	Yes	Yes
Water policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Water consumption	—	—	—	—	—	—	112	327
Social								
Human rights policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Policy against child labor	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Quality assurance and recall policy	No	No	Yes	Yes	Yes	Yes	Yes	Yes
Consumer data protection policy	No	No	No	No	No	No	No	Yes
Equal opportunity policy	No	No	Yes	Yes	Yes	Yes	Yes	Yes
Gender pay gap breakout	No	No	No	No	No	No	No	No
Pct women in workforce	49	49	46	46	45	42	41	42
Pct disabled in workforce	—	—	—	—	—	—	—	—
Business ethics policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Anti-bribery ethics policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Health and safety policy	No	No	Yes	Yes	Yes	Yes	Yes	Yes
Lost time incident rate - employees	—	—	—	—	—	—	—	—
Total recordable incident rate - employees	—	—	—	—	1	1	1	0
Training policy	No	No	Yes	Yes	Yes	Yes	Yes	Yes
Fair remuneration policy	No	No	No	No	No	No	No	No
Number of employees – CSR	3,318	3,448	3,744	4,155	4,246	3,966	4,163	4,454
Employee turnover pct	20	20	19	23	22	31	28	34
Total hours spent by firm - employee training	46,983	58,444	100,189	74,208	76,683	44,499	44,627	51,995
Social supply chain management	No	No	Yes	Yes	Yes	Yes	Yes	Yes
Governance								
Board size	10	10	10	12	11	12	12	12
No. of independent directors (ID)	5	5	5	5	4	5	5	5
No. of women on board	0	0	0	0	0	0	0	0
No. of non-executive directors on board	7	7	7	7	6	7	8	7
Company conducts board evaluations	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
No. of board meetings for the year	12	10	12	12	15	13	11	10
Board meeting attendance pct	89	93	93	89	92	95	95	98
Board duration (years)	3	3	3	3	3	3	3	3
Director share ownership guidelines	No	No	No	No	No	No	No	No
Age of the youngest director	46	47	48	49	51	52	53	54
Age of the oldest director	81	81	82	83	63	64	65	66
No. of executives / company managers	21	22	20	13	16	14	12	13
No. of female executives	6	6	4	1	1	3	2	0
Executive share ownership guidelines	No	No	No	No	No	No	No	No
Size of audit committee	3	3	3	3	3	4	4	4
No. of ID on audit committee	3	3	3	3	3	4	4	4
Audit committee meetings	—	5	5	4	4	5	5	6
Audit meeting attendance %	—	93	100	100	100	100	85	100
Size of compensation committee	3	3	3	3	3	4	4	4
No. of ID on compensation committee	3	3	3	3	3	3	3	3
No. of compensation committee meetings	—	4	2	2	3	4	2	2
Compensation meeting attendance %	—	100	100	100	100	100	100	100
Size of nomination committee	—	3	3	3	3	4	4	4
No. of nomination committee meetings	—	4	2	2	3	4	2	2
Nomination meeting attendance %	—	100	100	100	100	100	100	100
Sustainability governance								
Verification type	No	No	No	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 (50-59), 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 Sustainability	The Sustainability's 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+									
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. <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
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

Thanyatorn Songwutti FSS International Investment Advisory Securities Co., Ltd

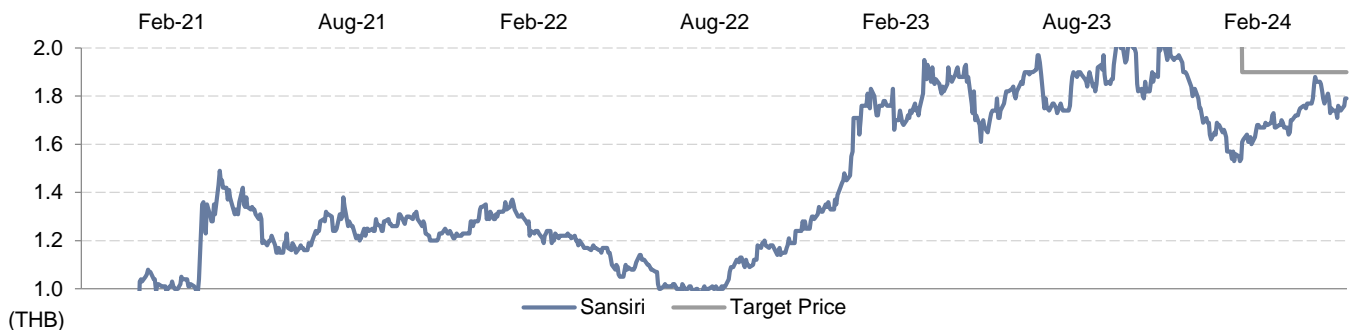
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed herein.

This report has been prepared by FSS International Investment Advisory Securities Company Limited (FSSIA). The information herein has been obtained from sources believed to be reliable and accurate; however FSSIA makes no representation as to the accuracy and completeness of such information. Information and opinions expressed herein are subject to change without notice. FSSIA has no intention to solicit investors to buy or sell any security in this report. In addition, FSSIA does not guarantee returns nor price of the securities described in the report nor accept any liability for any loss or damage of any kind arising out of the use of such information or opinions in this report. Investors should study this report carefully in making investment decisions. All rights are reserved.

This report may not be reproduced, distributed or published by any person in any manner for any purpose without permission of FSSIA. Investment in securities has risks. Investors are advised to consider carefully before making investment decisions.

History of change in investment rating and/or target price

Sansiri (SIRI TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
06-Feb-2023	BUY	2.20	01-Nov-2023	BUY	1.90	-	-	-
27-Jul-2023	BUY	2.30	11-Jan-2024	HOLD	1.90			

Thanyatorn Songwutti started covering this stock from 06-Feb-2023

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Sansiri	SIRI TB	THB 1.79	HOLD	Downside risks to our P/E-based TP include 1) weaker-than-expected take-up rates of new launches; 2) rising competition; 3) construction delays and increasing raw material prices; 4) the impact of the expiration of loan-to-value (LTV) limit easing; and 5) a high level of IBD/E.

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 31-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.