

SCGJWD LOGISTICS
THAILAND / TRANSPORT & LOGISTICS

SJWD TB

BUY

UNCHANGED

คาดการณ์ 4Q23 แกร่งทั้งที่อยู่ใน low season

- คาดกำไรปกติ 4Q23 เพิ่มขึ้น 5% q-q ทั้งที่อยู่ใน low season จากธุรกิจ automotive ที่โดดเด่นต่อเนื่อง
- คงประมาณการกำไรปี 2024 เดิมโต 53% y-y จากรายจ่ายพิเศษในปี 2023 ที่หายไป การบริหารต้นทุนที่มีประสิทธิภาพ การรุกสู่ภูมิภาค และ Synergy จากการรวมกิจการ
- ยืนยันคำแนะนำซื้อ ราคาเป้าหมาย 21.50 บาท.

TARGET PRICE	THB21.50
CLOSE	THB15.00
UP/DOWNSIDE	+43.3%
PRIOR TP	THB21.50
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+13.3%

KEY STOCK DATA

YE Dec (THB m)	2022	2023E	2024E	2025E
Revenue	5,902	23,822	24,485	25,971
Net profit	504	762	1,182	1,299
EPS (THB)	0.49	0.42	0.65	0.72
vs Consensus (%)	-	(5.2)	(3.7)	(5.9)
EBITDA	1,354	2,447	2,921	3,037
Recurring net profit	535	772	1,182	1,299
Core EPS (THB)	0.52	0.43	0.65	0.72
Chg. In EPS est. (%)	nm	nm	nm	nm
EPS growth (%)	17.8	(18.7)	53.1	9.9
Core P/E (x)	28.6	35.2	23.0	20.9
Dividend yield (%)	5.2	1.1	1.7	1.9
EV/EBITDA (x)	16.2	15.8	12.9	12.0
Price/book (x)	4.9	1.2	1.2	1.1
Net debt/Equity (%)	184.8	49.5	44.0	37.7
ROE (%)	15.6	6.1	5.2	5.6

คาดการณ์ผลการดำเนินงานหลัก 4Q23 แกร่งทั้งที่อยู่ใน low season

ภาพรวมการดำเนินงานใน 4Q23 คาดว่าจะใกล้เคียง 3Q23 ซึ่งถือว่าแข็งแกร่งเพราะ 4Q เป็น low season ของธุรกิจที่เกี่ยวข้องกับการส่งออก เราคาด SJWD มีรายได้ 6.4 พันล้านบาท ทรงตัว q-q แต่เติบโต 304% y-y จากการรวมกิจการ SCGL ตั้งแต่เดือน ก.พ. 2023 ธุรกิจรับฝาก-บริหารรถยนต์จะยังคงเป็นพระเอกในไตรมาสนี้โดยคาดว่าจะมีรถไฟฟ้าค่าย BYD และแบรนด์อื่นๆ เข้ามาใช้บริการกว่า 1 หมื่นคัน ธุรกิจดังกล่าวเป็นหนึ่งในไม่กี่ธุรกิจที่มีอัตรากำไรขั้นต้นสูง 37%-38% จึงมีส่วนช่วยผลประกอบการโดยรวมได้ สำหรับรายได้จาก SCGL ซึ่งเป็นรายได้หลักของกลุ่ม SJWD คาดว่าจะรักษาให้ใกล้เคียง 3Q23 ได้รวมถึงอัตรากำไรขั้นต้น จึงไม่ได้เป็นตัวจุดดผลประกอบการ

คาดการณ์กำไรปกติ 4Q23 เพิ่มขึ้น 5% q-q และระดับสูงสุดของปี 2023

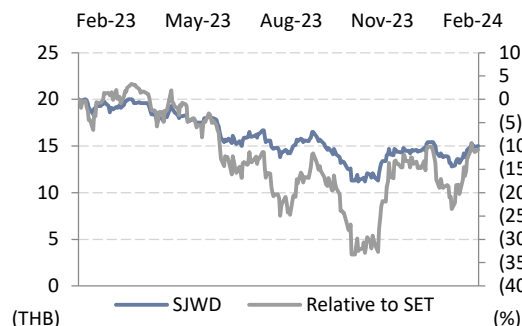
เราคาดอัตรากำไรขั้นต้นโดยรวมใน 4Q23 ที่ 12.6% ใกล้เคียง 3Q23 แต่ต่ำกว่า 4Q22 จากการเข้ามาผสมของ SCGL ซึ่งเป็นธุรกิจที่มีรายได้สูงแต่มีมาร์จิ้นต่ำ โดยรวมจึงคาดการณ์กำไรปกติ 262 ล้านบาท +5% q-q และ +76% y-y การเพิ่มขึ้น q-q ทั้งที่อยู่ใน low season เป็นผลมาจากค่าใช้จ่ายพิเศษจากการรวมกิจการ 97 ล้านบาทใน 3Q23 ที่จะหายไป และดอกเบี้ยจ่ายที่คาดว่าจะชะลอลงหลังจากรีไฟแนนซ์เงินกู้ต้นทุนสูงบางส่วนด้วยหุ้นกู้ที่บริษัทได้ออกจำหน่ายในช่วงปลายปี 2023

Synergies จากการรวมกิจการจะส่งผลในปี 2024

เราปรับประมาณการกำไรปกติปี 2023 ลงเล็กน้อย 4% ให้สอดคล้องกับคาดการณ์ผลประกอบการใน 4Q23 พบว่ากำไรปกติปี 2023 เดิมโต 44% y-y ซึ่งยังไม่เต็มศักยภาพที่ควรจะเป็นเพราะปี 2023 เต็มไปด้วยรายจ่ายพิเศษจากการรวมกิจการ แต่ยังไม่เกิด synergy จริงจังนัก เราคงประมาณการกำไรปี 2024-25 ที่คาดว่าจะขยายตัว 53% และ 10% ตามลำดับ การเติบโตสูงในปี 2024 จะเกิดจากรายจ่ายพิเศษที่หายไป synergy ของทั้งสองบริษัทที่รวมกัน การขยายธุรกิจสู่ภูมิภาค การ cross-selling/upselling และการบริหารต้นทุนอย่างมีประสิทธิภาพ

ยืนยันคำแนะนำซื้อ ราคาเป้าหมาย 21.50 บาท

เรายืนยันคำแนะนำซื้อ คงราคาเป้าหมาย 21.50 บาท (DCF, WACC 8.4%, LTG 3%) ซึ่งคิดเป็น Implied 2024 P/E 32.8 เท่า ปัจจุบัน SJWD ซื้อขายที่ valuations ถูกมากด้วย 2024E P/E 23 เท่า ต่ำกว่าค่าเฉลี่ยในช่วง 5 ปีที่ผ่านมาที่ 28 เท่าและเทรดที่ 2024E EV/EBITDA ต่ำเพียง 13 เท่า



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	7.9	29.3	(26.5)
Relative to country (%)	9.8	29.3	(11.9)
Mkt cap (USD m)	757		
3m avg. daily turnover (USD m)	1.4		
Free float (%)	46		
Major shareholder	SCG Group (43%)		
12m high/low (THB)	20.50/10.80		
Issued shares (m)	1,811.02		

Sources: Bloomberg consensus; FSSIA estimates



Jitra Amornthum

Fundamental Investment Analyst on Securities; License no. 014530
jitra.a@fssia.com, +66 2646 9966

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บทวิเคราะห์ฉบับนี้แปลมาจากต้นฉบับภาษาอังกฤษ ที่ออกรายงานเมื่อวันที่ 13 กุมภาพันธ์ 2024

Investment thesis

SJWD provides one-stop logistics services. Given the merger with SCGL, it has even more strengths and higher international growth opportunities in Asia. Although the profit margins are being pressured by its SCGL acquisition, they may improve in the future, while SJWD could build on its 2x larger size.

Revenue and profit should increase from the first year post-merger in 2023, and should quickly grow due to synergies. We anticipate 2023-25 profit growth of 30% CAGR. SJWD currently trades on a highly undemanding valuation.

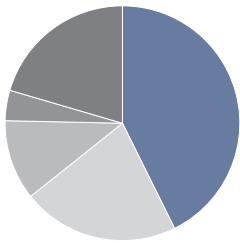
Company profile

SJWD commenced its logistics business in 1979 and is now one of ASEAN’s top specialised logistics and supply chain solutions provider. A win-win merger with SCG Logistics Management Co., Ltd. (SCGL), the logistics arm of Siam Cement Group (SCG), makes SJWD the largest integrated service provider in ASEAN-9 including Southern China.

www.jwd-group.com

Principal activities (revenue, 2022)

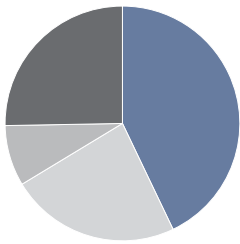
- Warehouse & yard management - 42.7 %
- Transportation & Distribution - 21.6 %
- Other logistics business - 11.1 %
- Overseas - 4.2 %
- Other business - 20.5 %



Source: SCGJWD Logistics

Major shareholders

- SCG Group - 42.9 %
- Bunditkitsada family - 23.4 %
- Nimitpanya family - 8.4 %
- Others - 25.3 %



Source: SCGJWD Logistics

Catalysts

Potential catalysts for SJWD include 1) a fast recovery in freight rates; 2) a strong recovery in Thailand’s and the region’s exports; and 3) booming EV demand in Thailand.

Risks to our call

Downside risks to our DCF-based TP include 1) slower-than-expected regional economic growth; 2) high volatility in energy costs; 3) delayed synergies; and 4) higher cost of funds.

Event calendar

Date	Event
29 February 2024	2023 earnings announcement

Key assumptions

	2023E (%)	2024E (%)	2025E (%)
Revenue growth breakdown			
Warehouse & yard management	49.7	1.4	3.1
Transportation & distribution	825.4	11.4	7.0
Other logistics service	296.1	1.9	3.1
Overseas business	n/a	(4.0)	7.0
Blended gross margin	12.8	13.7	13.8
SG&A to sales	8.6	7.7	7.8

Source: FSSIA estimates

Earnings sensitivity

- For every 0.5% change in blended gross margin, we project SJWD’s 2024 net profit to change by 10%, all else being equal.
- For every 1% change in cost of funds, we project SJWD’s 2024 net profit to change by 7%, all else being equal.

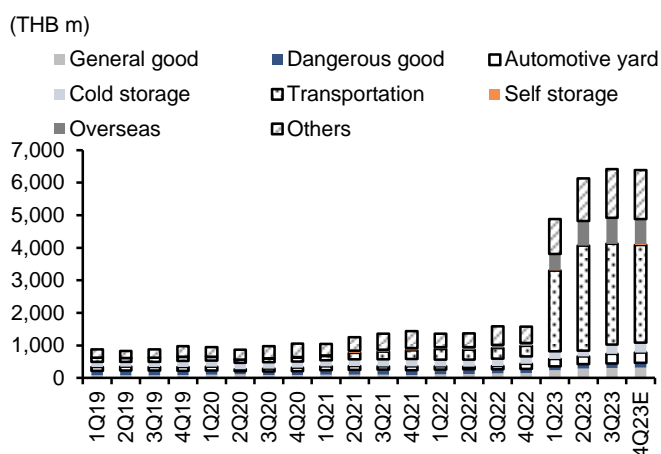
Source: FSSIA estimates

Exhibit 1: 4Q23/2023 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 %)
Sales	1,580	4,885	6,131	6,417	6,390	(0.4)	304.4	5,902	23,822	303.6
Cost of sales	(1,204)	(4,178)	(5,395)	(5,610)	(5,581)	(0.5)	363.7	(4,538)	(20,765)	357.6
Gross profit	376	707	736	806	808	0.2	114.8	1,364	3,057	124.1
Operating costs	(230)	(479)	(526)	(563)	(471)	(16.3)	104.6	(894)	(2,039)	128.2
Operating profit	146	228	210	243	337	38.6	130.9	470	1,018	116.4
Operating EBITDA	339	569	575	646	697	7.9	105.6	1,354	2,447	80.7
Other income	21	31	55	57	47	(17.6)	126.1	86	191	121.5
Interest expense	(74)	(99)	(117)	(120)	(115)	(4.6)	55.4	(291)	(452)	55.3
Profit before tax	93	160	147	180	269	49.6	189.8	266	757	184.8
Associates	66	85	42	42	40	(4.6)	(39.0)	332	209	(37.2)
Reported net profit	113	231	129	140	262	87.4	132.1	504	762	51.1
Core profit	148	231	125	251	262	4.5	76.4	535	772	44.3
Reported EPS (THB)	0.11	0.16	0.08	0.08	0.14	87.4	30.7	0.28	0.42	51.1
Recurring EPS (THB)	0.15	0.13	0.07	0.14	0.14	4.5	(0.7)	0.30	0.43	44.3
Key ratios (%)	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)	(%)	(ppt)
Gross margin	23.8	14.5	12.0	12.6	12.6	0.1	(11.2)	23.1	12.8	(10.3)
Operating margin	10.6	5.3	4.3	4.7	6.0	1.3	(4.5)	9.4	5.1	(4.4)
EBITDA margin	21.4	11.6	9.4	10.1	10.9	0.8	(10.5)	22.9	10.3	(12.7)
Recurring net margin	9.4	4.7	2.0	3.9	4.1	0.2	(5.3)	9.1	3.2	(5.8)
SG&A / Sales	14.6	9.8	8.6	8.8	7.4	(1.4)	(7.2)	15.1	8.6	(6.6)
Revenue breakdown	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)			
Warehouse & yard management	699	818	844	1,025	1,083	5.6	54.9			
Transportation & distribution	324	2,478	3,221	3,102	3,000	(3.3)	826.3			
Other logistics	168	503	633	726	723	(0.4)	330.2			
Overseas	n/a	496	747	765	764	(0.1)	nm			
Other business	n/a	590	707	799	799	0.0	nm			

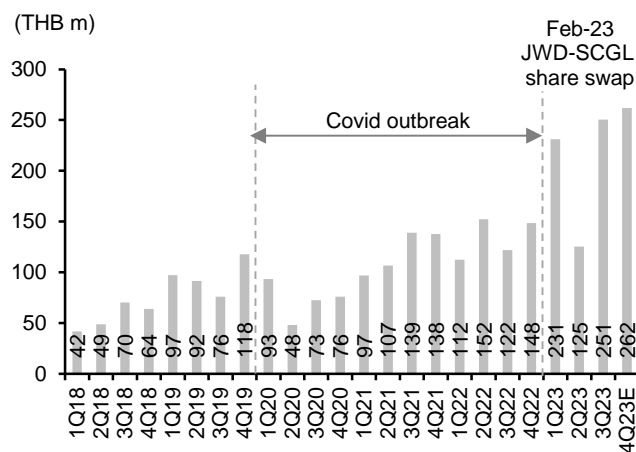
Sources: SJWD, FSSIA estimates

Exhibit 2: Revenue structure by business unit, quarterly



Sources: SJWD, FSSIA estimates

Exhibit 3: Core profit, quarterly



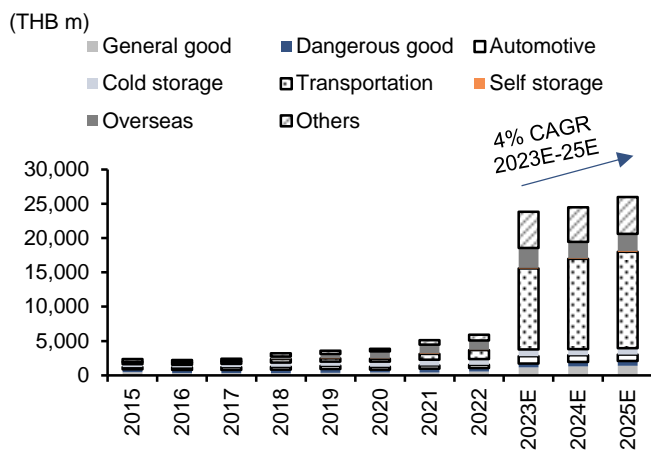
Sources: SJWD, FSSIA estimates

Exhibit 4: Changes in key assumptions

	Actual	Current			Previous			Change		
	2022	2023E	2024E	2025E	2023E	2024E	2025E	2023E	2024E	2025E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(%)	(%)	(%)
Total operating revenue	5,902	23,822	24,485	25,971	22,226	24,485	25,971	7.2	0.0	0.0
Blended gross margin (%)	23.1	12.8	13.7	13.8	13.4	13.7	13.8	(0.6)	0.0	0.0
1. Warehouse & yard management	1,275	3,769	3,821	3,937	3,592	3,821	3,937	4.9	0.0	0.0
- General goods	521	1,152	1,294	1,394	1,199	1,294	1,394	(3.9)	0.0	0.0
- Dangerous goods	552	581	634	682	609	634	682	(4.6)	0.0	0.0
- Automotive yard	447	1,060	994	944	932	994	944	13.8	0.0	0.0
- Cold storage	862	977	899	917	852	899	917	14.6	0.0	0.0
Gross margin (%)	18.0	22.4	22.6	22.7	22.4	22.6	22.7	0.0	0.0	0.0
2. Transportation	1,276	11,801	13,148	14,061	11,562	13,148	14,061	2.1	0.0	0.0
Gross margin (%)	8.0	8.3	8.5	8.7	8.3	8.5	8.7	0.0	0.0	0.0
3. Other logistics service	653	2,585	2,508	2,660	2,349	2,508	2,660	10.1	0.0	0.0
Gross margin (%)	27	19.8	20.2	20.45	19.8	20.2	20.45	0.0	0.0	0.0
4. Overseas business	n/a	2,771	2,660	2,846	2,486	2,660	2,846	11.5	0.0	0.0
Gross margin (%)	n/a	7.0	7.2	7.2	7.0	7.2	7.2	0.0	0.0	0.0
SG&A to sales (%)	15.1	8.6	7.7	7.8	8.9	7.7	7.8	(0.3)	0.0	0.0
Core profit	535	772	1,182	1,299	803	1,182	1,299	(3.9)	0.0	0.0

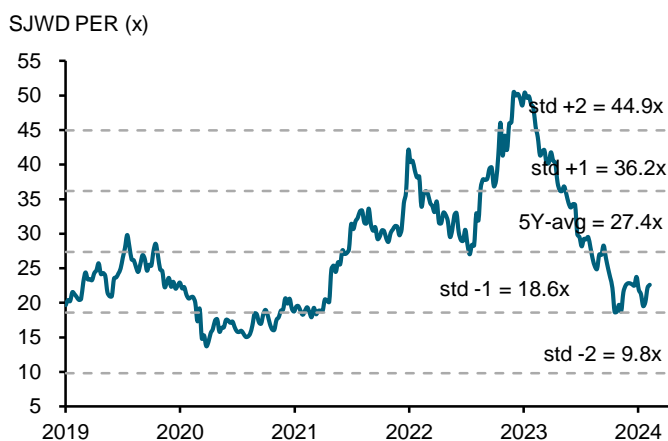
Sources: SJWD, FSSIA estimates

Exhibit 5: Revenue projection, yearly



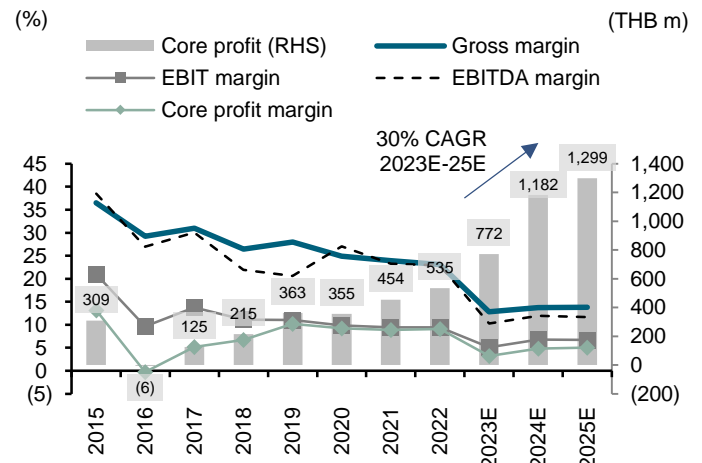
Sources: SJWD, FSSIA estimates

Exhibit 7: One-year rolling forward P/E band



Sources: FSSIA estimates, Bloomberg

Exhibit 6: Margins and core profit, yearly



Sources: SJWD, FSSIA estimates

Exhibit 8: One-year rolling forward EV/EBITDA band



Sources: FSSIA estimates, Bloomberg

Financial Statements

SCGJWD Logistics

Profit and Loss (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Revenue	5,101	5,902	23,822	24,485	25,971
Cost of goods sold	(3,881)	(4,538)	(20,765)	(21,130)	(22,379)
Gross profit	1,220	1,364	3,057	3,355	3,592
Other operating income	75	86	191	189	182
Operating costs	(814)	(894)	(2,039)	(1,885)	(2,026)
Operating EBITDA	1,187	1,354	2,447	2,921	3,037
Depreciation	(706)	(798)	(1,239)	(1,263)	(1,289)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	481	556	1,208	1,658	1,748
Net financing costs	(218)	(291)	(452)	(424)	(416)
Associates	221	332	209	224	228
Recurring non-operating income	221	332	209	224	228
Non-recurring items	117	(31)	(10)	0	0
Profit before tax	601	567	956	1,458	1,561
Tax	(45)	(49)	(151)	(247)	(266)
Profit after tax	557	518	804	1,211	1,294
Minority interests	15	(14)	(42)	(29)	5
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	572	504	762	1,182	1,299
Non-recurring items & goodwill (net)	(117)	31	10	0	0
Recurring net profit	454	535	772	1,182	1,299
Per share (THB)					
Recurring EPS *	0.45	0.52	0.43	0.65	0.72
Reported EPS	0.56	0.49	0.42	0.65	0.72
DPS	0.25	0.78	0.17	0.26	0.29
Diluted shares (used to calculate per share data)	1,020	1,020	1,811	1,811	1,811
Growth					
Revenue (%)	32.2	15.7	303.6	2.8	6.1
Operating EBITDA (%)	13.7	14.1	80.7	19.4	3.9
Operating EBIT (%)	26.3	15.7	117.2	37.2	5.4
Recurring EPS (%)	27.7	17.8	(18.7)	53.1	9.9
Reported EPS (%)	97.2	(11.8)	(14.9)	55.1	9.9
Operating performance					
Gross margin inc. depreciation (%)	23.9	23.1	12.8	13.7	13.8
Gross margin exc. depreciation (%)	37.8	36.6	18.0	18.9	18.8
Operating EBITDA margin (%)	23.3	22.9	10.3	11.9	11.7
Operating EBIT margin (%)	9.4	9.4	5.1	6.8	6.7
Net margin (%)	8.9	9.1	3.2	4.8	5.0
Effective tax rate (%)	7.4	8.6	15.8	16.9	17.1
Dividend payout on recurring profit (%)	56.1	148.7	39.5	40.0	40.0
Interest cover (X)	3.2	3.1	3.1	4.4	4.8
Inventory days	13.7	14.2	3.1	3.2	3.1
Debtor days	63.8	67.7	38.7	56.2	52.0
Creditor days	83.8	125.2	45.1	55.3	49.5
Operating ROIC (%)	9.0	9.7	13.3	13.4	(3.5)
ROIC (%)	6.3	7.0	5.1	4.4	(1.2)
ROE (%)	13.3	15.6	6.1	5.2	5.6
ROA (%)	5.6	6.1	4.5	4.0	3.1
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Warehouse & yard management	2,393	2,519	3,769	3,821	3,937
Transportation & Distribution	836	1,276	11,801	13,148	14,061
Other logistics business	536	653	2,585	2,508	2,660
Overseas	136	247	2,771	2,660	2,846

Sources: SCGJWD Logistics; FSSIA estimates

Financial Statements

SCGJWD Logistics

Cash Flow (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Recurring net profit	454	535	772	1,182	1,299
Depreciation	706	798	1,239	1,263	1,289
Associates & minorities	(221)	(332)	(209)	(224)	(228)
Other non-cash items	90	(14)	0	0	43
Change in working capital	44	76	(618)	(736)	(1,021)
Cash flow from operations	1,074	1,064	1,184	1,485	1,381
Capex - maintenance	-	-	-	-	-
Capex - new investment	(950)	(1,041)	(173)	(124)	(207)
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	(917)	(186)	(1,735)	42	497
Cash flow from investing	(1,866)	(1,227)	(1,908)	(82)	290
Dividends paid	(227)	(262)	(305)	(473)	(520)
Equity finance	92	105	396	0	0
Debt finance	1,632	(42)	1,227	(924)	(846)
Other financing cash flows	(113)	(197)	0	0	0
Cash flow from financing	1,383	(397)	1,317	(1,397)	(1,366)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	163	33	5	0
Net other adjustments	(47)	163	33	5	0
Movement in cash	544	(397)	627	11	305
Free cash flow to firm (FCFF)	(573.85)	127.18	(272.21)	1,827.71	2,086.80
Free cash flow to equity (FCFE)	679.02	(239.55)	535.90	484.18	824.72
Per share (THB)					
FCFF per share	(0.32)	0.07	(0.15)	1.01	1.15
FCFE per share	0.37	(0.13)	0.30	0.27	0.46
Recurring cash flow per share	1.01	0.97	0.99	1.23	1.33
Balance Sheet (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Tangible fixed assets (gross)	6,440	7,235	11,251	11,312	11,389
Less: Accumulated depreciation	(2,050)	(2,307)	(2,422)	(2,544)	(2,671)
Tangible fixed assets (net)	4,390	4,928	8,828	8,768	8,718
Intangible fixed assets (net)	2,118	1,795	18,309	18,045	17,387
Long-term financial assets	0	0	370	367	356
Invest. in associates & subsidiaries	2,490	2,830	3,680	3,864	3,903
Cash & equivalents	1,530	1,133	1,760	1,771	2,076
A/C receivable	1,052	1,138	3,916	3,622	3,771
Inventories	126	165	171	174	184
Other current assets	32	99	357	343	364
Current assets	2,740	2,534	6,204	5,910	6,395
Other assets	867	953	1,919	1,912	1,935
Total assets	12,605	13,041	39,310	38,866	38,694
Common equity	3,738	3,117	22,176	22,886	23,665
Minorities etc.	241	317	333	343	353
Total shareholders' equity	3,978	3,434	22,509	23,228	24,018
Long term debt	5,278	4,886	8,447	7,646	6,946
Other long-term liabilities	290	326	596	588	597
Long-term liabilities	5,567	5,213	9,042	8,234	7,544
A/C payable	868	1,697	3,129	2,895	2,820
Short term debt	2,099	2,593	4,459	4,335	4,189
Other current liabilities	92	104	171	174	123
Current liabilities	3,059	4,394	7,759	7,404	7,132
Total liabilities and shareholders' equity	12,605	13,041	39,310	38,866	38,694
Net working capital	250	(400)	1,144	1,071	1,376
Invested capital	10,114	10,107	34,251	34,026	33,675
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	3.66	3.06	12.25	12.64	13.07
Tangible book value per share	1.59	1.30	2.14	2.67	3.47
Financial strength					
Net debt/equity (%)	146.9	184.8	49.5	44.0	37.7
Net debt/total assets (%)	46.4	48.7	28.4	26.3	23.4
Current ratio (x)	0.9	0.6	0.8	0.8	0.9
CF interest cover (x)	8.5	3.8	2.6	2.4	3.5
Valuation	2021	2022	2023E	2024E	2025E
Recurring P/E (x) *	33.7	28.6	35.2	23.0	20.9
Recurring P/E @ target price (x) *	48.3	41.0	50.4	32.9	30.0
Reported P/E (x)	26.8	30.3	35.6	23.0	20.9
Dividend yield (%)	1.7	5.2	1.1	1.7	1.9
Price/book (x)	4.1	4.9	1.2	1.2	1.1
Price/tangible book (x)	9.4	11.6	7.0	5.6	4.3
EV/EBITDA (x) **	18.0	16.2	15.8	12.9	12.0
EV/EBITDA @ target price (x) **	23.6	21.1	20.6	16.9	15.9
EV/invested capital (x)	2.1	2.2	1.1	1.1	1.1
* Pre-exceptional, pre-goodwill and fully diluted ** EBITDA includes associate income and recurring non-operating income					

Sources: SCGJWD Logistics; FSSIA estimates

SCGJWD Logistics PCL (SJWD TB)

FSSIA ESG rating



42.41 /100

Exhibit 9: 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 10: ESG – peer comparison

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

Sources: [SETTRADE.com](https://www.settrade.com); FSSIA's compilation

Exhibit 11: ESG score by Bloomberg

FY ending Dec 31	FY 2019	FY 2020	FY 2021	FY 2022
ESG financial materiality scores - ESG score	—	—	3.52	3.44
BESG environmental pillar score	—	—	1.04	1.04
BESG social pillar score	—	—	6.18	5.76
BESG governance pillar score	—	—	5.52	5.64
ESG disclosure score	33.18	33.81	41.46	41.46
Environmental disclosure score	1.33	1.66	8.64	8.64
Social disclosure score	16.93	18.50	34.52	34.52
Governance disclosure score	81.10	81.10	81.10	81.10
Environmental				
Emissions reduction initiatives	No	No	Yes	Yes
Climate change policy	No	No	No	No
Climate change opportunities discussed	No	No	No	No
Risks of climate change discussed	No	Yes	Yes	Yes
GHG scope 1	—	—	9	10
GHG scope 2 location-based	—	—	9	8
GHG Scope 3	—	—	—	—
Carbon per unit of production	—	—	—	—
Biodiversity policy	No	No	No	No
Energy efficiency policy	No	No	Yes	Yes
Total energy consumption	—	—	—	—
Renewable energy use	—	—	—	—
Electricity used	—	—	—	—
Fuel used - natural gas	—	—	—	—

Sources: Bloomberg; FSSIA's compilation

Exhibit 12: ESG score by Bloomberg (cont.)

FY ending Dec 31	FY 2019	FY 2020	FY 2021	FY 2022
Fuel used - crude oil/diesel	No	No	No	No
Waste reduction policy	Yes	Yes	Yes	Yes
Hazardous waste	—	—	—	—
Total waste	—	—	—	—
Waste recycled	—	—	—	—
Waste sent to landfills	—	—	—	—
Environmental supply chain management	No	No	No	No
Water policy	Yes	Yes	Yes	Yes
Water consumption	—	—	—	—
Social				
Human rights policy	Yes	Yes	Yes	Yes
Policy against child labor	Yes	Yes	Yes	Yes
Quality assurance and recall policy	Yes	Yes	Yes	Yes
Consumer data protection policy	Yes	Yes	Yes	Yes
Equal opportunity policy	Yes	Yes	Yes	Yes
Gender pay gap breakout	No	No	No	No
Pct women in workforce	—	30	25	25
Pct disabled in workforce	—	—	—	—
Business ethics policy	Yes	Yes	Yes	Yes
Anti-bribery ethics policy	Yes	Yes	Yes	Yes
Health and safety policy	Yes	Yes	Yes	Yes
Lost time incident rate - employees	—	—	0	0
Total recordable incident rate - employees	—	—	—	—
Training policy	Yes	Yes	Yes	Yes
Fair remuneration policy	Yes	Yes	Yes	Yes
Number of employees – CSR	1,701	1,778	2,215	2,250
Employee turnover pct	—	—	—	—
Total hours spent by firm - employee training	—	—	30,877	34,133
Social supply chain management	No	No	No	No
Governance				
Board size	9	9	9	12
No. of independent directors (ID)	3	3	3	5
No. of women on board	2	2	2	3
No. of non-executive directors on board	4	4	4	8
Company conducts board evaluations	Yes	Yes	Yes	Yes
No. of board meetings for the year	8	10	8	8
Board meeting attendance pct	99	100	100	99
Board duration (years)	3	3	3	3
Director share ownership guidelines	No	No	No	No
Age of the youngest director	44	45	46	43
Age of the oldest director	67	68	69	70
No. of executives / company managers	7	7	6	6
No. of female executives	1	1	1	1
Executive share ownership guidelines	No	No	No	No
Size of audit committee	3	3	3	3
No. of ID on audit committee	3	3	3	3
Audit committee meetings	4	5	5	4
Audit meeting attendance %	100	100	100	100
Size of compensation committee	3	3	3	3
No. of ID on compensation committee	2	2	2	3
No. of compensation committee meetings	2	2	2	3
Compensation meeting attendance %	100	100	100	89
Size of nomination committee	3	3	3	3
No. of nomination committee meetings	2	2	2	3
Nomination meeting attendance %	100	100	100	89
Sustainability governance				
Verification type	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 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><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. <table><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></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

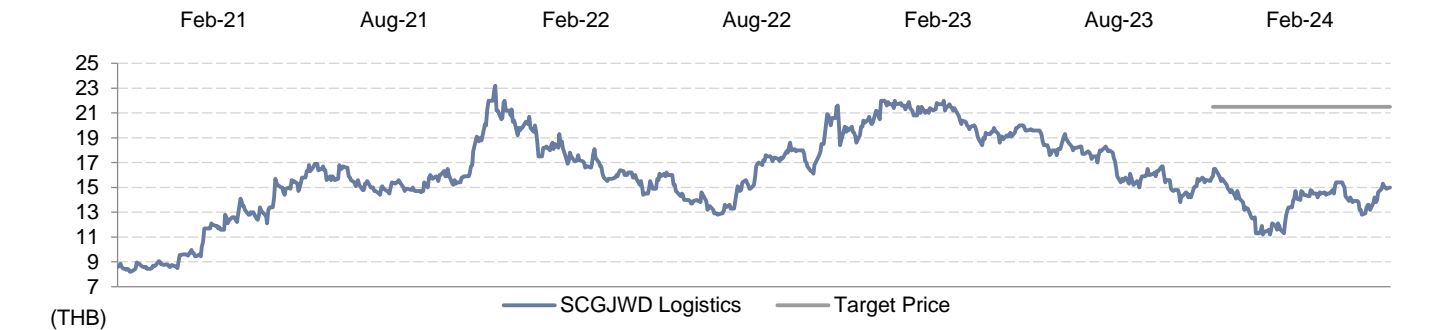
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History of change in investment rating and/or target price

SCGJWD Logistics (SJWD TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
12-Sep-2023	BUY	21.50	-	-	-	-	-	-

Jitra Amornthum started covering this stock from 12-Sep-2023

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
SCGJWD Logistics	SJWD TB	THB 15.00	BUY	Downside risks to our DCF-based TP include 1) slower-than-expected regional economic growth; 2) high volatility in energy costs; 3) delayed synergies; and 4) higher cost of funds.

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-Feb-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.