

PRECIOUS SHIPPING
THAILAND / TRANSPORT & LOGISTIC

PSL TB

BUY
UNCHANGED

กำไร 4Q23 ต่ำกว่าคาด

- PSL มีกำไรปกติ 320 ล้านบาทใน 4Q23 (+984% q-q, -47% y-y) ต่ำกว่าเราคาด 20% และ Bloomberg consensus รว 30%
- รายได้จากการเดินเรือในปี 2023 อยู่ที่ USD10,907 หดตัว 45% y-y สอดคล้องกับดัชนี BHSI ที่ปรับลง 51% y-y
- คงคำแนะนำซื้อ ราคาเป้าหมาย 10.30 บาท

TARGET PRICE	THB10.30
CLOSE	THB8.15
UP/DOWNSIDE	+26.4%
PRIOR TP	THB10.30
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+4.0%

KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	5,099	5,687	6,055	6,376
Net profit	709	1,121	1,404	1,521
EPS (THB)	0.45	0.72	0.90	0.98
vs Consensus (%)	-	62.5	52.5	4.6
EBITDA	2,553	3,018	3,312	3,459
Recurring net profit	661	1,121	1,404	1,521
Core EPS (THB)	0.42	0.72	0.90	0.98
Chg. In EPS est. (%)	nm	(0.4)	0.2	nm
EPS growth (%)	(86.4)	69.4	25.3	8.4
Core P/E (x)	19.2	11.3	9.1	8.4
Dividend yield (%)	3.1	4.4	5.5	6.0
EV/EBITDA (x)	6.9	5.7	5.2	5.0
Price/book (x)	0.8	0.8	0.8	0.8
Net debt/Equity (%)	30.9	26.9	26.9	26.7
ROE (%)	4.0	6.9	8.5	9.2

กำไรปกติ 4Q23 ต่ำกว่าคาด

PSL รายงานกำไรปกติใน 4Q23 ที่ 320 ล้านบาท (+984% q-q, -47% y-y) ต่ำกว่าที่เราคาด 20% และต่ำกว่า Bloomberg consensus รว 30% ถึงแม้ว่าดัชนี BDI จะพุ่งสูงขึ้นในช่วงเดือน พ.ย.-ธ.ค. 2023 แต่รายได้จากการเดินเรือของ PSL ใน 4Q23 ต่ำกว่าที่เราคาด ขณะที่ค่าใช้จ่ายในการเดินเรือสูงกว่าคาด โดยรายได้จากการเดินเรืออยู่ที่ USD12,429 ต่อลำต่อวัน (+28% q-q, -13% y-y) แม้จะน้อยกว่าคาดแต่เป็นการฟื้นตัวจาก 3Q23 และทำให้รายได้ใน 3Q23 เป็นจุดต่ำสุดของปี ในส่วนของค่าใช้จ่ายในการเดินเรือ แม้ว่าจะต่ำกว่าเป้าที่บริษัทตั้งไว้แต่เพิ่มขึ้น 7% q-q และ 9% y-y จากการเพิ่มขึ้นของการนำเรือเข้าอยู่แห้ง ค่าซ่อมบำรุงรักษาและสำรวจเรือ

กำไรปี 2023 ปรับฐานหลังหมดยุค supercycle

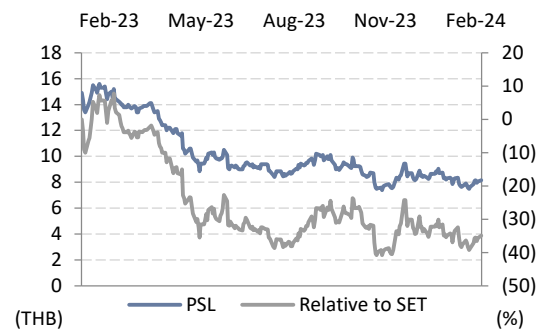
ปี 2023 หากตัดกำไรจากอัตราแลกเปลี่ยนและตราสารอนุพันธ์ กำไรปกติอยู่ที่ 661 ล้านบาท (-86% y-y) ถือได้ว่าปี 2023 เป็นปีแห่งการ Correction อย่างรุนแรงของอุตสาหกรรมเรือเทกองหลังจากยุค Supercycle ในปี 2021-22 รายได้จากการเดินเรือในปี 2023 ทำได้ USD10,907 ลดลงถึง 45% y-y สอดคล้องกับการร่วงลงของดัชนี BHSI ที่ปรับลง 51% y-y ซึ่งรายได้ในระดับดังกล่าวกลับไปเท่ากับค่าเฉลี่ยที่เคยทำได้ในช่วงก่อน Covid ปี 2017-19 ส่วนค่าใช้จ่ายในการเดินเรือเพิ่มขึ้น 6% y-y เป็น USD5,205 เนื่องจากในระหว่างปีมีเรือที่หยุดซ่อมบำรุงและเข้ารับการสำรวจ 13 ลำ นอกจากนี้ ดอกเบี้ยจ่ายยังเพิ่มขึ้น 22% y-y ตามการปรับขึ้นของอัตราดอกเบี้ยในท้องตลาด และ EBITDA ลดลง 61% y-y แต่ยังสูงกว่าช่วงก่อน Covid เล็กน้อย

คาดหวังมาตรการกระตุ้นเศรษฐกิจจีนหนุนอุตสาหกรรมเทกอง

ดัชนีค่าระวางเรือเทกองมักมี low season ในไตรมาสแรก ล่าสุดใน 1QTD ดัชนี BDI และ BHSI ปรับลงแล้ว 22% จากค่าเฉลี่ยใน 4Q23 ประมาณการกำไรของเราที่ 1.1 พันล้านบาทในปี 2023 อยู่บนสมมติฐานค่าระวาง USD13,168 เพิ่มขึ้น 20% y-y และตั้งสมมติฐานให้ค่าใช้จ่ายจากการเดินเรือทรงตัวใกล้เคียงปี 2023 แม้ประมาณการของเราจะดูท้าทายและการคาดการณ์ของ Clarksons ที่มองว่าอุปสงค์ปีนี้จะเพิ่มเพียง 1.5% ส่วนปริมาณเรือน่าจะเพิ่มขึ้น 2.3% ในปี 2024 แต่หวังว่าการกระตุ้นเศรษฐกิจจีนจะช่วยหนุนอัตราค่าระวางเรือได้บ้าง

คงคำแนะนำซื้อ ราคาเป้าหมาย 10.30 บาท

เรคงคำแนะนำซื้อและคงราคาเป้าหมาย 10.30 บาท ถึง 2024E P/E of 14.0x (+0.3SD ของค่าเฉลี่ยในช่วง 2 ปีที่ผ่านมา) แม้ว่าการฟื้นตัวของอัตราค่าระวางจะประปรายแต่เชื่อว่าจุดต่ำสุดของอุตสาหกรรมเรือเทกองผ่านไปแล้ว และมาตรการคุมเข้มทางทะเลเรื่องมลภาวะจะช่วยจำกัดอุปทานซึ่งจะหนุนอุปสงค์-อุปทานของตลาดให้เข้าสู่สมดุลเร็วขึ้น



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(1.8)	7.9	(50.3)
Relative to country (%)	(0.1)	8.0	(40.5)
Mkt cap (USD m)	354		
3m avg. daily turnover (USD m)	3.5		
Free float (%)	48		
Major shareholder	Globex Corporation Limited (28%)		
12m high/low (THB)	16.20/7.20		
Issued shares (m)	1,559.29		

Sources: Bloomberg consensus; FSSIA estimates



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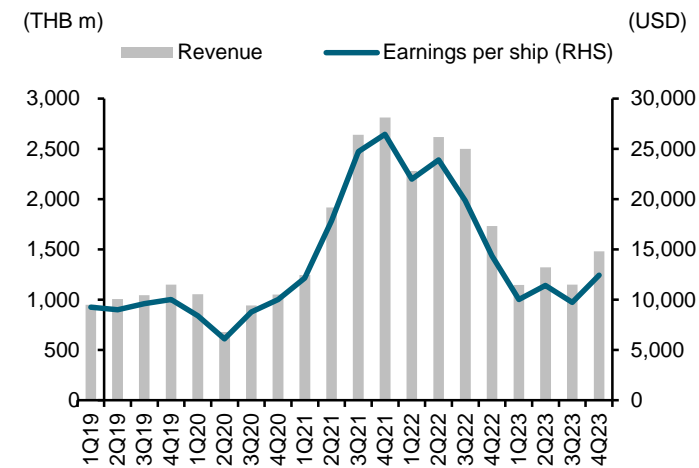
บทวิเคราะห์ฉบับนี้แปลมาจากต้นฉบับภาษาอังกฤษ ที่ออกรายงานเมื่อวันที่ 13 กุมภาพันธ์ 2024

Exhibit 1: 4Q23 results summary

Year to Dec 31	4Q22	1Q23	2Q23	3Q23	4Q23	----- Change -----		2022	2023	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	1,480	28.5	(14.5)	9,129	5,099	(44.1)
Cost of services	(520)	(549)	(519)	(530)	(567)	6.9	9.0	(3,401)	(3,595)	5.7
Gross profit	1,211	596	803	621	913	47.0	(24.6)	5,728	1,504	(73.7)
Operating costs	(151)	(112)	(91)	(113)	(109)	(3.6)	(27.5)	(517)	(425)	(17.6)
Operating profit	719	156	365	154	450	192.9	(37.4)	5,229	1,124	(78.5)
Operating EBITDA	1,072	492	722	521	789	51.3	(26.4)	6,555	2,555	(61.0)
Interest expense	(109)	(104)	(110)	(131)	(136)	3.7	24.7	(392)	(481)	22.5
Profit before tax	610	53	255	22	314	1,302.7	(48.6)	4,837	644	(86.7)
Associates	10	2	2	8	10	24.1	(7.9)	29	21	(27.2)
Reported net profit	605	79	286	98	246	150.2	(59.3)	4,851	709	(85.4)
Core profit	605	54	258	30	320	983.6	(47.1)	4,850	661	(86.4)
Reported EPS (THB)	0.39	0.05	0.18	0.06	0.16	150.2	(59.3)	3.11	0.46	(85.4)
Core EPS (THB)	0.39	0.03	0.17	0.02	0.21	983.6	(47.1)	3.11	0.42	(86.4)
Key ratios (%)	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)	(%)	(ppt)
Gross margin	49.6	22.8	33.7	22.0	36.8	14.7	(12.8)	62.7	29.5	(33.2)
Operating margin	41.6	13.7	27.6	13.4	30.4	17.1	(11.1)	57.3	22.1	(35.2)
EBITDA margin	61.9	43.0	54.6	45.3	53.3	8.0	(8.6)	71.8	50.1	(21.7)
Core profit margin	35.0	4.7	19.5	2.6	21.6	19.1	(13.3)	53.2	13.0	(40.2)
SG&A / Sales	6.7	7.3	5.6	7.8	5.9	(1.8)	(0.8)	4.1	6.6	2.5
Operating statistics						(q-q %)	(y-y %)	(THB m)	(THB m)	(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	1,022	(49.0)
BHSI Index (Handysize) - average	822	539	579	492	714	45.0	(13.1)	1,181	579	(51.0)
PSL's TC rate (USD/ship/day)	14,343	10,022	11,424	9,741	12,429	27.6	(13.3)	19,924	10,907	(45.3)
PSL's OPEX (USD/ship/day)	4,815	5,231	5,113	5,141	5,332	3.7	10.7	4,895	5,205	6.3

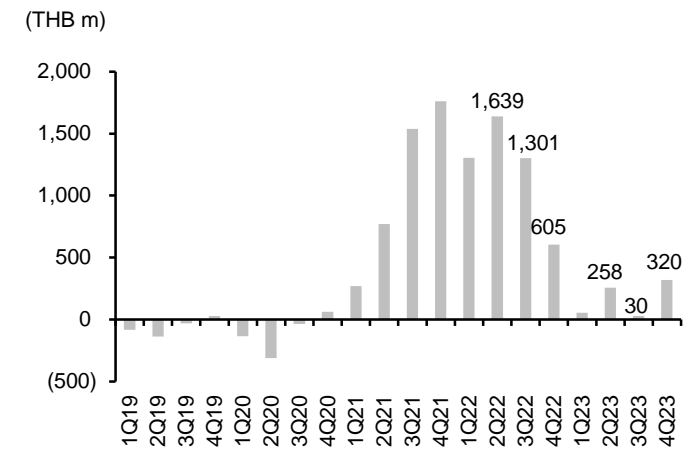
Sources: PSL, FSSIA's compilation

Exhibit 2: Revenue and earnings per ship per day



Sources: PSL, FSSIA's compilation

Exhibit 3: Core profit



Sources: PSL, FSSIA's compilation

Financial Statements

Precious Shipping

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	9,129	5,099	5,687	6,055	6,376
Cost of goods sold	(3,401)	(3,595)	(3,711)	(3,792)	(3,969)
Gross profit	5,728	1,504	1,976	2,263	2,407
Other operating income	17	46	45	47	50
Operating costs	(517)	(425)	(451)	(453)	(482)
Operating EBITDA	6,553	2,553	3,018	3,312	3,459
Depreciation	(1,324)	(1,429)	(1,448)	(1,455)	(1,484)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	5,229	1,124	1,570	1,857	1,975
Net financing costs	(392)	(481)	(435)	(432)	(429)
Associates	29	21	20	21	22
Recurring non-operating income	29	21	20	21	22
Non-recurring items	0	48	0	0	0
Profit before tax	4,866	713	1,155	1,447	1,568
Tax	(15)	(4)	(34)	(43)	(46)
Profit after tax	4,851	709	1,121	1,404	1,521
Minority interests	0	0	0	0	0
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	4,851	709	1,121	1,404	1,521
Non-recurring items & goodwill (net)	0	(48)	0	0	0
Recurring net profit	4,850	661	1,121	1,404	1,521
Per share (THB)					
Recurring EPS *	3.11	0.42	0.72	0.90	0.98
Reported EPS	3.11	0.45	0.72	0.90	0.98
DPS	1.75	0.25	0.36	0.45	0.49
Diluted shares (used to calculate per share data)	1,559	1,559	1,559	1,559	1,559
Growth					
Revenue (%)	6.0	(44.1)	11.5	6.5	5.3
Operating EBITDA (%)	10.2	(61.0)	18.2	9.8	4.4
Operating EBIT (%)	10.5	(78.5)	39.6	18.3	6.3
Recurring EPS (%)	11.8	(86.4)	69.4	25.3	8.4
Reported EPS (%)	8.4	(85.4)	58.0	25.3	8.4
Operating performance					
Gross margin inc. depreciation (%)	62.7	29.5	34.7	37.4	37.8
Gross margin exc. depreciation (%)	77.3	57.5	60.2	61.4	61.0
Operating EBITDA margin (%)	71.8	50.1	53.1	54.7	54.3
Operating EBIT margin (%)	57.3	22.1	27.6	30.7	31.0
Net margin (%)	53.1	13.0	19.7	23.2	23.9
Effective tax rate (%)	0.3	0.5	2.9	3.0	3.0
Dividend payout on recurring profit (%)	56.3	58.9	50.0	50.0	50.0
Interest cover (X)	13.4	2.4	3.7	4.4	4.7
Inventory days	5.6	6.1	4.9	4.9	4.7
Debtor days	9.1	20.6	19.0	17.4	17.1
Creditor days	82.5	83.2	78.9	82.3	73.1
Operating ROIC (%)	19.9	4.2	6.1	7.2	7.6
ROIC (%)	19.5	4.2	6.0	7.1	7.5
ROE (%)	31.5	4.0	6.9	8.5	9.2
ROA (%)	21.6	4.3	6.1	7.4	7.9
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Time charter	8,992	5,016	5,451	5,773	6,094
Voyage charter	132	79	231	277	277
Service revenue	4	5	5	5	5

Sources: Precious Shipping; FSSIA estimates

Financial Statements

Precious Shipping

Cash Flow (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Recurring net profit	4,850	661	1,121	1,404	1,521
Depreciation	1,324	1,429	1,448	1,455	1,484
Associates & minorities	-	-	-	-	-
Other non-cash items	402	413	(485)	(538)	(573)
Change in working capital	28	(336)	326	(89)	(20)
Cash flow from operations	6,604	2,167	2,410	2,232	2,414
Capex - maintenance	-	-	-	-	-
Capex - new investment	(2,447)	(562)	(1,298)	(1,500)	(1,600)
Net acquisitions & disposals	0	1	0	0	0
Other investments (net)	30	21	62	(22)	(19)
Cash flow from investing	(2,416)	(541)	(1,236)	(1,522)	(1,619)
Dividends paid	(3,508)	(624)	(560)	(702)	(761)
Equity finance	0	0	0	0	0
Debt finance	(1,818)	710	(850)	0	0
Other financing cash flows	(380)	(455)	0	0	1
Cash flow from financing	(5,705)	(368)	(1,411)	(702)	(760)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	104	1	0	0	0
Net other adjustments	104	1	0	(404)	(46)
Movement in cash	(1,413)	1,259	(236)	(396)	(11)
Free cash flow to firm (FCFF)	4,580.64	2,106.72	1,609.15	1,141.76	1,223.15
Free cash flow to equity (FCFE)	2,095.00	1,882.57	324.21	306.25	749.43
Per share (THB)					
FCFF per share	2.94	1.35	1.03	0.73	0.78
FCFE per share	1.34	1.21	0.21	0.20	0.48
Recurring cash flow per share	4.22	1.61	1.34	1.49	1.56
Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Tangible fixed assets (gross)	32,817	32,689	33,371	34,100	34,931
Less: Accumulated depreciation	(10,769)	(11,854)	(12,683)	(13,318)	(13,983)
Tangible fixed assets (net)	22,048	20,836	20,688	20,782	20,948
Intangible fixed assets (net)	16	9	9	9	9
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	81	82	82	82	82
Cash & equivalents	1,056	2,315	2,079	1,683	1,672
A/C receivable	279	295	296	282	314
Inventories	42	30	31	31	32
Other current assets	181	250	227	242	255
Current assets	1,557	2,890	2,633	2,238	2,273
Other assets	602	529	467	489	508
Total assets	24,304	24,346	23,878	23,601	23,820
Common equity	16,463	16,246	16,386	16,528	16,699
Minorities etc.	0	0	0	0	0
Total shareholders' equity	16,463	16,246	16,386	16,528	16,699
Long term debt	5,556	5,548	4,778	4,542	4,655
Other long-term liabilities	417	276	313	333	319
Long-term liabilities	5,974	5,824	5,091	4,875	4,974
A/C payable	639	447	625	536	584
Short term debt	1,167	1,788	1,709	1,591	1,482
Other current liabilities	61	41	68	70	81
Current liabilities	1,867	2,276	2,401	2,198	2,147
Total liabilities and shareholders' equity	24,304	24,346	23,878	23,601	23,820
Net working capital	(198)	87	(139)	(51)	(64)
Invested capital	22,548	21,542	21,107	21,311	21,482
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	10.56	10.42	10.51	10.60	10.71
Tangible book value per share	10.55	10.41	10.50	10.59	10.70
Financial strength					
Net debt/equity (%)	34.4	30.9	26.9	26.9	26.7
Net debt/total assets (%)	23.3	20.6	18.5	18.9	18.7
Current ratio (x)	0.8	1.3	1.1	1.0	1.1
CF interest cover (x)	12.6	6.1	4.7	5.2	6.5
Valuation	2022	2023	2024E	2025E	2026E
Recurring P/E (x) *	2.6	19.2	11.3	9.1	8.4
Recurring P/E @ target price (x) *	3.3	24.3	14.3	11.4	10.6
Reported P/E (x)	2.6	17.9	11.3	9.1	8.4
Dividend yield (%)	21.5	3.1	4.4	5.5	6.0
Price/book (x)	0.8	0.8	0.8	0.8	0.8
Price/tangible book (x)	0.8	0.8	0.8	0.8	0.8
EV/EBITDA (x) **	2.8	6.9	5.7	5.2	5.0
EV/EBITDA @ target price (x) **	3.3	8.3	6.8	6.2	5.9
EV/invested capital (x)	0.8	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

PRECIOUS SHIPPING PCL (PSL TB)

FSSIA ESG rating


55.45 /100

Exhibit 4: FSSIA ESG score implication

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

Sources: FSSIA estimates

Exhibit 5: ESG – peer comparison

	FSSIA ESG score	Domestic ratings						Global ratings					Bloomberg		
		DJSI	SET THSI	THSI	CG score	AGM level	Thai CAC	Morningstar ESG risk	ESG Book	MSCI	Moody's	Refinitiv	S&P Global	ESG score	Disclosure score
SET100	69.20	5.34	4.40	4.40	4.76	4.65	3.84	Medium	51.76	BBB	20.87	58.72	63.91	3.72	28.17
Coverage	67.12	5.11	4.15	4.17	4.83	4.71	3.53	Medium	52.04	BB	16.97	56.85	62.09	3.40	31.94
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 estimate; FSSIA's compilation

Exhibit 6: ESG disclosure from company's one report

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

Source: FSSIA's compilation

Disclaimer for ESG scoring

ESG score	Methodology	Rating																				
The Dow Jones Sustainability Indices (DJSI) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.	Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.																				
Sustainability Investment List (THSI) by The Stock Exchange of Thailand (SET)	THSI quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria include: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years.	To be eligible for THSI inclusion , verified data must be scored at a minimum of 50% for each indicator, unless the company is a part of DJSI during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality. SETTHSI Index is extended from the THSI companies whose 1) market capitalization > THB5b (~USD150b); 2) free float >20%; and 3) liquidity >0.5% of paid-up capital for at least 9 out of 12 months. The SETTHSI Index is a market capitalisation-weighted index, cap 5% quarterly weight at maximum, and no cap for number of stocks.																				
CG Score by Thai Institute of Directors Association (Thai IOD)	An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.	Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (60-69), and not rated for scores below 50. Weightings include: 1) the rights; 2) and equitable treatment of shareholders (weight 25% combined); 3) the role of stakeholders (25%); 4) disclosure & transparency (15%); and 5) board responsibilities (35%).																				
AGM level By Thai Investors Association (TIA) with support from the SEC	It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). <i>(The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.)</i>	The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.																				
Thai CAC By Thai Private Sector Collective Action Against Corruption (CAC)	The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. <i>(Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.)</i>	The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.																				
Morningstar 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="2">Average:</td><td rowspan="2">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><td rowspan="2">Laggard:</td><td rowspan="2">lagging its industry based on its high exposure and failure to manage significant ESG risks</td></tr><tr><td>CCC</td><td>0.000-1.428</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	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks	CCC	0.000-1.428
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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

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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	15-Jan-2024	BUY	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

Company	Ticker	Price	Rating	Valuation & Risks
Precious Shipping	PSL TB	THB 8.15	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.

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 $(\text{target price}^* - \text{current price}) / \text{current price}$.

BUY (B). The upside is 10% or more.

HOLD (H). The upside or downside is less than 10%.

REDUCE (R). The downside is 10% or more.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

Industry Recommendations

Overweight. The analyst expects the fundamental conditions of the sector to be positive over the next 12 months.

Neutral. The analyst expects the fundamental conditions of the sector to be maintained over the next 12 months.

Underweight. The analyst expects the fundamental conditions of the sector to be negative over the next 12 months.

Country (Strategy) Recommendations

Overweight (O). Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Neutral (N). Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Underweight (U). Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.