

# SANSIRI SRI TB

THAILAND / PROPERTY DEVELOPMENT

## HOLD

UNCHANGED

TARGET PRICE	THB1.90
CLOSE	THB1.86
UP/DOWNSIDE	+2.2%
PRIOR TP	THB1.90
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	-9.8%

## 4Q23 results at first glance

กำไร 4Q23 อ่อนลงตามคาด / จ่ายปันผล 2H23 Yield 5.4%

### Highlights

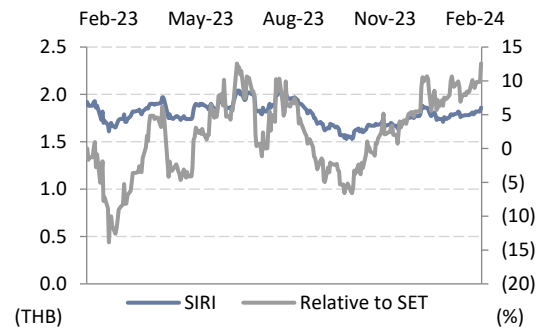
- SIRI กำไรสุทธิ 4Q23 เท่ากับ 1.3 พันล้านบาท (-17% q-q, -27% y-y) เป็นไปตามคาด โดยมีกำไรพิเศษการขายที่ดินราว 157 ล้านบาท กำไรปกติอยู่ที่ 1.1 พันล้านบาท (-26% q-q, -34% y-y)
- การลดลง q-q จาก SG&A สูงขึ้นจากกิจกรรมการตลาด, การเปิดโครงการใหม่ และโบนัสพนักงาน ส่วนกำไรที่หดตัว y-y จากการลดลงของยอดโอนทั้ง SIRI และ JV
- ยอดโอนอยู่ที่ 9.8 พันล้านบาท พื้นตัว 19% q-q แต่ลดลง 18% y-y เนื่องจากไม่มีคอนโดสร้างเสร็จใหม่ เทียบกับ 4Q22 ที่เริ่มโอน 3 คอนโดใหม่ ขณะที่ส่วนแบ่งกำไร JV ลดลงเป็น 91 ล้านบาท (-43% q-q, -66% y-y) จากสต็อกในมือเหลือไม่มาก
- อัตรากำไรขั้นต้นอสังหาริมทรัพย์เป็น 35.2% เทียบกับ 34.2% ใน 3Q23 จากการรับรู้โครงการแนวราบที่ทำยอดขายดี
- จบปี 2023 กำไรสุทธิทำได้ 6.1 พันล้านบาท (+42% y-y) ทำระดับสูงสุดใหม่ หากหักกำไรพิเศษขายโรงเรียนและที่ดินรวม 1.2 พันล้านบาท กำไรปกติอยู่ที่ 4.9 พันล้านบาท (+21% y-y)
- ณ สิ้นปี 2023 D/E และ IBD/E ที่ 2.1x และ 1.7x ขยับขึ้นเทียบกับปี 2022 ที่ 1.9x และ 1.6x ตามลำดับ ซึ่งยังต่ำกว่า Covenant IBD/E ที่ 2.5x

### Outlook

- เรายังคงประมาณการกำไรปกติปี 2024 ที่ 4.7 พันล้านบาท (-3% y-y) จากฐานสูงโดยยอดโอนหลักยังพึ่งพาจากแนวราบ ท่ามกลางสภาพตลาดที่ยังไม่เอื้ออำนวย, อุปสงค์ชะลอลงและการแข่งขันสูง โดย Backlog (รวม JV) ณ สิ้นปี 2023 ซึ่งรอรับรู้ในปีนี้รวม 1.2 หมื่นล้านบาท ซึ่ง secured คาดการณ์ยอดโอนของเราแล้ว 31%
- ทิศทางกำไรสุทธิ 1Q24 คาดลดลง q-q และ y-y ก่อนจะฟื้นตัวใน 2Q24 จากคอนโดสร้างเสร็จใหม่มากขึ้น โดยโมเมนตัม 2H24 จะดีขึ้น h-h
- คงราคาเหมาะสม 1.90 บาท ราคาหุ้น Upside จำกัด ประกอบกับหุ้นขาด Catalyst จากแนวโน้มผลประกอบการชะลอลง ยังแนะนำถือรับปันผล โดยประกาศจ่ายปันผลงวด 2H23 ที่ 0.10 บาท/หุ้น Yield 5.4% ขึ้น XD 15 มี.ค. และจ่าย 20 พ.ค. 2024

### KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	36,965	37,605	38,153	38,819
Net profit	6,060	4,701	4,691	4,601
EPS (THB)	0.37	0.27	0.27	0.27
vs Consensus (%)	-	(20.1)	(7.8)	(11.2)
EBITDA	6,030	5,888	6,054	6,137
Recurring net profit	4,870	4,701	4,691	4,601
Core EPS (THB)	0.30	0.27	0.27	0.27
Chg. In EPS est. (%)	nm	0.0	0.0	nm
EPS growth (%)	9.1	(7.1)	(0.2)	(1.9)
Core P/E (x)	6.3	6.8	6.8	6.9
Dividend yield (%)	10.8	7.8	7.9	7.9
EV/EBITDA (x)	19.4	18.6	17.7	17.3
Price/book (x)	0.7	0.6	0.6	0.6
Net debt/Equity (%)	179.0	149.9	138.2	130.6
ROE (%)	11.0	9.9	9.3	8.7



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	6.9	10.1	(1.6)
Relative to country (%)	4.9	10.4	15.4
Mkt cap (USD m)	866		
3m avg. daily turnover (USD m)	3.1		
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



**Thanyatorn Songwutti**

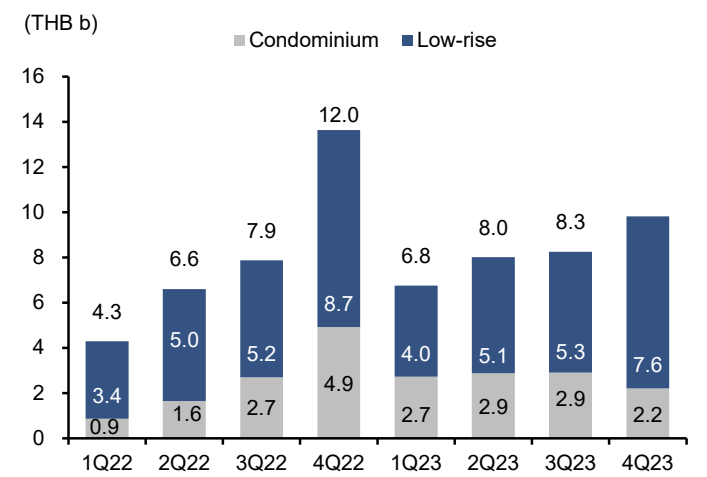
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**Exhibit 1: SIRI - 4Q23 results summary**

	4Q22	1Q23	2Q23	3Q23	4Q23	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	10,801	15.7	(15.8)
Cost of sales	8,334	5,180	6,295	6,405	7,245	13.1	(13.1)
Gross profit	4,501	2,468	2,890	2,927	3,556	21.5	(21.0)
SG&A	2,926	1,379	1,731	1,385	2,247	62.3	(23.2)
Operating profit	1,575	1,088	1,158	1,542	1,309	(15.1)	(16.9)
Interest expense	78	120	116	114	143	24.7	83.6
Tax expense	337	410	301	379	430	13.3	27.6
Equity income from JV	272	73	66	160	91	(43.1)	(66.5)
Reported net profit	1,791	1,582	1,621	1,557	1,300	(16.5)	(27.4)
Core profit	1,741	959	1,219	1,550	1,143	(26.3)	(34.4)
<b>Key ratios (%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>	<b>(ppt)</b>
Property gross margin	37.3	35.8	32.0	34.2	35.2	1.0	(2.1)
Gross margin	35.1	32.3	31.5	31.4	32.9	1.6	(2.1)
SG&A / Sales	22.8	18.0	18.9	14.8	20.8	6.0	(2.0)
Operating margin	12.3	14.2	12.6	16.5	12.1	(4.4)	(0.2)
Net margin	14.0	20.7	17.7	16.7	12.0	(4.7)	(1.9)
Normalised profit	13.6	12.5	13.3	16.6	10.6	(6.0)	(3.0)
<b>Revenue breakdown</b>	<b>(THB m)</b>	<b>(THB m)</b>	<b>(THB m)</b>	<b>(THB m)</b>	<b>(THB m)</b>	<b>(q-q%)</b>	<b>(y-y%)</b>
Residential	11,964	6,754	8,007	8,250	9,818	19.0	(17.9)
Rental & Services	871	894	1,177	1,082	984	(9.0)	13.0
<b>Gross margin by business</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>	<b>(ppt)</b>
Residential	37.3	35.8	32.0	34.2	35.2	1.0	(2.1)
Rental & Services	4.9	5.6	27.8	10.1	10.5	0.4	5.6

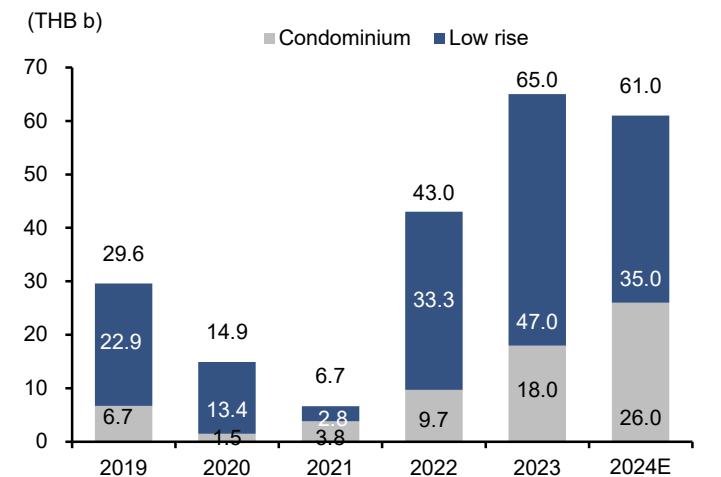
Sources: SIRI; FSSIA's compilation

**Exhibit 2: Quarterly transfers**



Sources: SIRI; FSSIA's compilation

**Exhibit 3: Yearly new launches**



Sources: SIRI; FSSIA's compilation

## Financial Statements

Sansiri

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	33,712	36,965	37,605	38,153	38,819
Cost of goods sold	(22,591)	(25,125)	(25,552)	(25,688)	(26,113)
<b>Gross profit</b>	<b>11,122</b>	<b>11,841</b>	<b>12,053</b>	<b>12,466</b>	<b>12,707</b>
Other operating income	-	-	-	-	-
Operating costs	(7,165)	(6,743)	(7,107)	(7,364)	(7,531)
<b>Operating EBITDA</b>	<b>4,807</b>	<b>6,030</b>	<b>5,888</b>	<b>6,054</b>	<b>6,137</b>
Depreciation	(850)	(932)	(942)	(952)	(962)
Goodwill amortisation	-	-	-	-	-
<b>Operating EBIT</b>	<b>3,957</b>	<b>5,098</b>	<b>4,946</b>	<b>5,102</b>	<b>5,176</b>
Net financing costs	(508)	(253)	(302)	(263)	(241)
Associates	473	404	410	233	68
Recurring non-operating income	1,505	1,331	1,160	1,003	838
Non-recurring items	240	1,190	0	0	0
<b>Profit before tax</b>	<b>5,193</b>	<b>7,366</b>	<b>5,804</b>	<b>5,842</b>	<b>5,773</b>
Tax	(1,087)	(1,521)	(1,203)	(1,251)	(1,272)
<b>Profit after tax</b>	<b>4,107</b>	<b>5,846</b>	<b>4,601</b>	<b>4,591</b>	<b>4,501</b>
Minority interests	173	215	100	100	100
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>4,280</b>	<b>6,060</b>	<b>4,701</b>	<b>4,691</b>	<b>4,601</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>(240)</b>	<b>(1,190)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>4,040</b>	<b>4,870</b>	<b>4,701</b>	<b>4,691</b>	<b>4,601</b>
<b>Per share (THB)</b>					
Recurring EPS *	0.27	0.30	0.27	0.27	0.27
Reported EPS	0.29	0.37	0.27	0.27	0.27
DPS	0.15	0.20	0.15	0.15	0.15
Diluted shares (used to calculate per share data)	14,923	16,486	17,138	17,138	17,138
<b>Growth</b>					
Revenue (%)	17.7	9.7	1.7	1.5	1.7
Operating EBITDA (%)	38.2	25.4	(2.4)	2.8	1.4
Operating EBIT (%)	48.7	28.8	(3.0)	3.2	1.4
Recurring EPS (%)	99.7	9.1	(7.1)	(0.2)	(1.9)
Reported EPS (%)	111.6	28.2	(25.4)	(0.2)	(1.9)
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	33.0	32.0	32.1	32.7	32.7
Gross margin exc. depreciation (%)	35.5	34.6	34.6	35.2	35.2
Operating EBITDA margin (%)	14.3	16.3	15.7	15.9	15.8
Operating EBIT margin (%)	11.7	13.8	13.2	13.4	13.3
Net margin (%)	12.0	13.2	12.5	12.3	11.9
Effective tax rate (%)	20.9	20.6	20.7	21.4	22.0
Dividend payout on recurring profit (%)	55.4	67.7	53.0	54.0	54.4
Interest cover (X)	10.8	25.4	20.2	23.2	25.0
Inventory days	1,183.6	1,402.3	1,461.5	1,430.3	1,415.4
Debtor days	12.8	9.9	13.9	17.8	17.7
Creditor days	19.5	22.3	24.1	22.7	22.6
Operating ROIC (%)	4.0	4.1	3.7	3.9	(1.0)
ROIC (%)	3.9	4.2	3.8	3.8	(0.9)
ROE (%)	9.9	11.0	9.9	9.3	8.7
ROA (%)	3.5	3.6	3.4	3.4	3.1
* Pre-exceptional, pre-goodwill and fully diluted					
<b>Revenue by Division (THB m)</b>					
Project sales	30,716	32,829	33,422	33,709	34,272
Business management	1,679	2,413	2,400	2,520	2,570
Hotel management	548	574	633	665	681
Others	769	1,149	1,150	1,260	1,296

Sources: Sansiri; FSSIA estimates

## Financial Statements

Sansiri

Cash Flow (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Recurring net profit	4,040	4,870	4,701	4,691	4,601
Depreciation	850	932	942	952	962
Associates & minorities	-	-	-	-	-
Other non-cash items	(173)	(215)	(100)	(100)	(100)
Change in working capital	(28,335)	(11,977)	1,940	306	(1,308)
<b>Cash flow from operations</b>	<b>(23,618)</b>	<b>(6,390)</b>	<b>7,484</b>	<b>5,849</b>	<b>4,154</b>
Capex - maintenance	-	(7,208)	-	(1,052)	(1,019)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	19,685	-	2,650	-	-
<b>Cash flow from investing</b>	<b>19,685</b>	<b>(7,208)</b>	<b>2,650</b>	<b>(1,052)</b>	<b>(1,019)</b>
Dividends paid	(1,528)	(2,499)	(2,057)	(2,240)	(2,197)
Equity finance	562	997	697	0	0
Debt finance	5,378	15,251	(9,331)	(2,083)	(861)
Other financing cash flows	-	-	-	-	-
<b>Cash flow from financing</b>	<b>4,411</b>	<b>13,749</b>	<b>(10,691)</b>	<b>(4,323)</b>	<b>(3,058)</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
<b>Net other adjustments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Movement in cash</b>	<b>479</b>	<b>150</b>	<b>(557)</b>	<b>474</b>	<b>77</b>
Free cash flow to firm (FCFF)	(3,195.32)	(13,105.13)	10,685.42	5,320.30	3,636.27
Free cash flow to equity (FCFE)	1,445.18	1,652.48	802.73	2,714.49	2,274.38
<b>Per share (THB)</b>					
FCFF per share	(0.21)	(0.85)	0.69	0.35	0.24
FCFE per share	0.09	0.11	0.05	0.18	0.15
Recurring cash flow per share	0.32	0.34	0.32	0.32	0.32
<b>Balance Sheet (THB m) Year Ending Dec</b>					
Tangible fixed assets (gross)	11,706	11,680	13,023	13,522	14,009
Less: Accumulated depreciation	(2,806)	(3,098)	(3,416)	(3,866)	(4,346)
<b>Tangible fixed assets (net)</b>	<b>8,899</b>	<b>8,582</b>	<b>9,607</b>	<b>9,656</b>	<b>9,662</b>
<b>Intangible fixed assets (net)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	18,609	21,552	20,603	20,653	20,704
Cash & equivalents	2,660	2,810	2,253	2,727	2,805
A/C receivable	983	1,030	1,843	1,870	1,902
Inventories	85,859	100,042	97,041	96,827	98,241
Other current assets	7,753	6,527	6,769	6,868	6,987
<b>Current assets</b>	<b>97,254</b>	<b>110,409</b>	<b>107,906</b>	<b>108,291</b>	<b>109,935</b>
Other assets	2,672	3,093	2,858	2,900	2,950
<b>Total assets</b>	<b>127,435</b>	<b>143,636</b>	<b>140,974</b>	<b>141,501</b>	<b>143,252</b>
Common equity	42,433	45,949	49,291	51,742	54,146
Minorities etc.	1,608	1,459	1,459	1,459	1,459
<b>Total shareholders' equity</b>	<b>44,041</b>	<b>47,408</b>	<b>50,750</b>	<b>53,201</b>	<b>55,605</b>
Long term debt	39,922	52,272	46,994	45,673	44,984
Other long-term liabilities	1,173	2,219	1,692	1,717	1,747
<b>Long-term liabilities</b>	<b>41,095</b>	<b>54,491</b>	<b>48,687</b>	<b>47,390</b>	<b>46,731</b>
A/C payable	1,235	1,716	1,533	1,541	1,567
Short term debt	32,507	35,408	31,355	30,593	30,421
Other current liabilities	8,574	8,281	8,649	8,775	8,928
<b>Current liabilities</b>	<b>42,316</b>	<b>45,404</b>	<b>41,537</b>	<b>40,910</b>	<b>40,916</b>
<b>Total liabilities and shareholders' equity</b>	<b>127,451</b>	<b>147,303</b>	<b>140,974</b>	<b>141,501</b>	<b>143,252</b>
Net working capital	84,785	97,603	95,471	95,248	96,635
Invested capital	114,966	130,829	128,539	128,457	129,952
* Includes convertibles and preferred stock which is being treated as debt					
<b>Per share (THB)</b>					
Book value per share	2.84	2.79	2.88	3.02	3.16
Tangible book value per share	2.84	2.79	2.88	3.02	3.16
<b>Financial strength</b>					
Net debt/equity (%)	158.4	179.0	149.9	138.2	130.6
Net debt/total assets (%)	54.7	59.1	54.0	52.0	50.7
Current ratio (x)	2.3	2.4	2.6	2.6	2.7
CF interest cover (x)	3.8	7.5	3.7	11.3	10.4
<b>Valuation</b>					
<b>Recurring P/E (x) *</b>	<b>6.9</b>	<b>6.3</b>	<b>6.8</b>	<b>6.8</b>	<b>6.9</b>
<b>Recurring P/E @ target price (x) *</b>	<b>7.0</b>	<b>6.4</b>	<b>6.9</b>	<b>6.9</b>	<b>7.1</b>
Reported P/E (x)	6.5	5.1	6.8	6.8	6.9
Dividend yield (%)	8.1	10.8	7.8	7.9	7.9
Price/book (x)	0.7	0.7	0.6	0.6	0.6
Price/tangible book (x)	0.7	0.7	0.6	0.6	0.6
EV/EBITDA (x) **	20.6	19.4	18.6	17.7	17.3
EV/EBITDA @ target price (x) **	20.7	19.5	18.7	17.8	17.4
EV/invested capital (x)	0.9	0.9	0.9	0.8	0.8
* 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 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.
★★★★★	<b>&gt;59-79</b>	<b>A mixed track record of managing the most significant ESG risks and opportunities relative to industry peers.</b>
★★★★	>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
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](http://SETTRADE.com); FSSIA's compilation

## Exhibit 6: ESG score by Bloomberg

FY ending Dec 31	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
<b>ESG financial materiality scores - ESG score</b>	<b>3.04</b>	<b>3.28</b>	<b>3.31</b>	<b>3.28</b>	<b>3.37</b>	<b>3.23</b>	<b>3.42</b>	<b>3.00</b>
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
<b>ESG disclosure score</b>	<b>35.72</b>	<b>44.65</b>	<b>55.79</b>	<b>56.84</b>	<b>58.06</b>	<b>57.67</b>	<b>56.28</b>	<b>61.14</b>
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
<b>Environmental</b>								
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 7: ESG score by Bloomberg (cont.)**

<b>FY ending Dec 31</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>
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
<b>Social</b>								
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
<b>Governance</b>								
<b>Board size</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>12</b>	<b>11</b>	<b>12</b>	<b>12</b>	<b>12</b>
<b>No. of independent directors (ID)</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>4</b>	<b>5</b>	<b>5</b>	<b>5</b>
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
<b>No. of executives / company managers</b>	<b>21</b>	<b>22</b>	<b>20</b>	<b>13</b>	<b>16</b>	<b>14</b>	<b>12</b>	<b>13</b>
No. of female executives	6	6	4	1	1	3	2	0
Executive share ownership guidelines	No	No	No	No	No	No	No	No
<b>Size of audit committee</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>4</b>
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
<b>Size of compensation committee</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>4</b>
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
<b>Size of nomination committee</b>	<b>—</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>4</b>
No. of nomination committee meetings	—	4	2	2	3	4	2	2
Nomination meeting attendance %	—	100	100	100	100	100	100	100
<b>Sustainability governance</b>								
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 <b>THSI inclusion</b> , 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. <b>SETTHSI Index</b> 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.																				
<b>CG Score</b> 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%).																				
<b>AGM level</b> 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&amp;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.																				
<b>Thai CAC</b> 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.																				
<b>Morningstar Sustainalytics</b>	The Sustainalytics' ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. 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.	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored.																				
<b>ESG Book</b>	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.	<table border="1"> <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> <p>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.</p>	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+																		
<b>MSCI</b>	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"> <tbody> <tr> <td><b>AAA</b></td> <td>8.571-10.000</td> <td rowspan="3"><b>Leader:</b></td> <td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td> </tr> <tr> <td><b>AA</b></td> <td>7.143-8.570</td> </tr> <tr> <td><b>A</b></td> <td>5.714-7.142</td> </tr> <tr> <td><b>BBB</b></td> <td>4.286-5.713</td> <td rowspan="3"><b>Average:</b></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><b>BB</b></td> <td>2.857-4.285</td> </tr> <tr> <td><b>B</b></td> <td>1.429-2.856</td> </tr> <tr> <td><b>CCC</b></td> <td>0.000-1.428</td> <td><b>Laggard:</b></td> <td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td> </tr> </tbody> </table>	<b>AAA</b>	8.571-10.000	<b>Leader:</b>	leading its industry in managing the most significant ESG risks and opportunities	<b>AA</b>	7.143-8.570	<b>A</b>	5.714-7.142	<b>BBB</b>	4.286-5.713	<b>Average:</b>	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	<b>BB</b>	2.857-4.285	<b>B</b>	1.429-2.856	<b>CCC</b>	0.000-1.428	<b>Laggard:</b>	lagging its industry based on its high exposure and failure to manage significant ESG risks	
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<b>Moody's ESG solutions</b>	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.																					
<b>Refinitiv ESG rating</b>	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; &gt;25 to 50 = satisfactory; &gt;50 to 75 = good; and &gt;75 to 100 = excellent.)</i>																					
<b>S&amp;P Global</b>	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.																					
<b>Bloomberg</b>	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.

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### 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 1.86	HOLD	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.

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 27-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.