

SCGJWD LOGISTICS

THAILAND / TRANSPORT & LOGISTICS

SJWD TB

BUY

UNCHANGED

Ready for growth

- A THB2.5b investment in air cargo and rail logistics would start producing equity income from 1Q24.
- The bottom has passed, and growth begins. We expect a core profit growth of 28%/17%/11% in 2024-26.
- Earnings and TP upgrades to THB23. Reiterate our BUY call.

TARGET PRICE	THB23.00
CLOSE	THB16.50
UP/DOWNSIDE	+39.4%
PRIOR TP	THB21.50
CHANGE IN TP	+7.0%
TP vs CONSENSUS	+18.2%

KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	23,732	26,583	29,132	31,553
Net profit	761	1,179	1,373	1,529
EPS (THB)	0.42	0.65	0.76	0.84
vs Consensus (%)	-	(0.5)	3.0	(1.2)
EBITDA	2,847	3,220	3,465	3,685
Recurring net profit	778	1,179	1,373	1,529
Core EPS (THB)	0.43	0.65	0.76	0.84
Chg. In EPS est. (%)	0.0	(0.3)	5.7	9.1
EPS growth (%)	(18.1)	51.4	16.5	11.4
Core P/E (x)	38.4	25.4	21.8	19.5
Dividend yield (%)	1.5	1.6	1.8	2.0
EV/EBITDA (x)	14.4	12.8	11.8	10.9
Price/book (x)	1.3	1.3	1.3	1.3
Net debt/Equity (%)	43.7	43.8	40.7	37.3
ROE (%)	6.1	5.2	6.0	6.6

A THB2.5b investment in air cargo and rail logistics

In February 2024, SJWD closed two deals with a THB2.5b investment in a 20.1% stake in Asia Network International (ANI TB) and a 20.4% interest in Swift Haulage Berhad, Malaysia (SWIFT MK). ANI TB is a Cargo General Sales and Services Agent (Cargo GSA) for over 20 airlines in eight countries, including Singapore, Vietnam, Hong Kong, China, Malaysia, Cambodia, Myanmar, and Thailand. SWIFT MK provides logistics solutions ranging from container haulage, land transportation, warehousing, and freight forwarding. This investment helps SJWD expand its regional customer base through air freights, penetrate the Malaysian market, and synergize its cross-border activities.

The bottom has passed, and growth begins

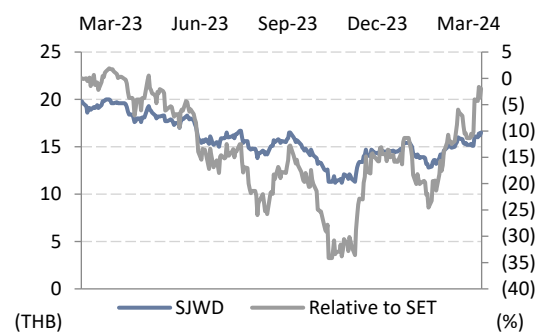
We assume SJWD will recognize equity income from both investments amounting to THB222m in 2024 and approximately THB240-250m a year in 2025-26 and have reviewed our financial model by adding these new investments and adjusting revenue, costs, and SG&A expense forecasts to reflect the completion of the SCGL transfer and accounting effects. The THB145m one-time expenses related to legal and consulting, severance pay, FA fee, and others incurred in 2023 should disappear in 2024. Moreover, the company aims to save another THB80m in SG&A expenses.

Expect a 14% CAGR in profit during 2024-26

After revision, our 2024E core profit of THB1.2b is nearly the same as our previous projection, indicating a growth of 28% y-y. We have raised our core profit in 2025-26 by 5.7% and 6.1% by increasing revenue forecast from automotive, cold storage, and overseas units, suggesting a profit growth of 17% and 11%, respectively. Over three years, the 2024-26 core profit should increase by 14% CAGR, surpassing revenue growth of 9% CAGR due to margin expansion and cost efficiency.

Reiterate our BUY call with a higher TP of THB23

We have also increased our DCF-based TP to THB23 (WACC 9.2%, LTG 3%) from THB21.50, premised on an implied 2024E P/E of 35x or 27x in 2026E. SJWD is trading on undemanding valuations of 25x 2024E P/E, below its five-year historical average P/E of 27x, and only 13x 2024E EV/EBITDA. We reiterate our BUY call on SJWD.



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	9.3	12.2	(15.4)
Relative to country (%)	11.5	12.8	(0.2)
Mkt cap (USD m)	840		
3m avg. daily turnover (USD m)	1.6		
Free float (%)	46		
Major shareholder	SCG Group (43%)		
12m high/low (THB)	20.10/10.80		
Issued shares (m)	1,811.02		

Sources: Bloomberg consensus; FSSIA estimates


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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 seeing pressure from its SCGL acquisition, they may improve in the future, while SJWD could build on its 2x larger size.

Post-merger in 2023, we anticipate 2024-26 profit growth of 14% CAGR, mainly from margin expansion and well-controlled expenses. We increase our DCF-based TP to THB23 from THB21.50, premised on an implied 2024E P/E of 35x or 27x in 2026E. SJWD is trading on undemanding valuations of 25x 2024E P/E, below its five-year historical average P/E of 27x, and only 13x 2024E EV/EBITDA. We reiterate our BUY call on SJWD.

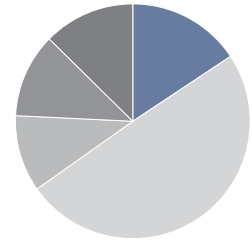
Company profile

SJWD commenced its logistics business in 1979 and is now one of ASEAN’s top specialized logistics and supply chain solutions providers. 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, 2023)

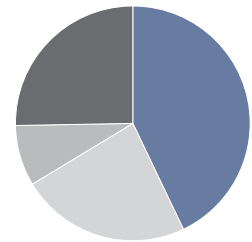
- Warehouse & yard management - 15.7 %
- Transportation & Distribution - 49.5 %
- Other logistics business - 10.6 %
- Overseas - 11.6 %
- Other business - 12.6 %



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) a higher cost of funds.

Event calendar

Date	Event
29 April 2024	Annual general meeting of shareholders
9 May 2024	Ex-dividend date
27 May 2024	Dividend payment date

Key assumptions

	2024E	2025E	2026E
	(%)	(%)	(%)
Revenue growth breakdown			
Warehouse & yard management	15.2	11.1	9.0
Transportation & distribution	14.7	9.8	8.8
Other logistics service	(0.4)	6.4	6.7
Overseas business	13.0	11.0	8.0
Blended gross margin	13.3	13.5	13.7
SG&A to sales	8.2	8.1	8.1

Source: FSSIA estimates

Earnings sensitivity

- For every 0.5% change in the gross margin of transportation, the largest revenue contributor, we project SJWD’s 2024 net profit to change by 5%, all else being equal.
- For every 0.5% change in blended gross margin, we project SJWD’s 2024 net profit to change by 5%, all else being equal.
- For every 1% change in the cost of funds, we project SJWD’s 2024 net profit to change by 6%, all else being equal.

Source: FSSIA estimates

Earnings set to grow by 14% CAGR in 2024-26

We revise our profit growth projection during 2024-26 from 9% CAGR to 14% CAGR, mainly from the following.

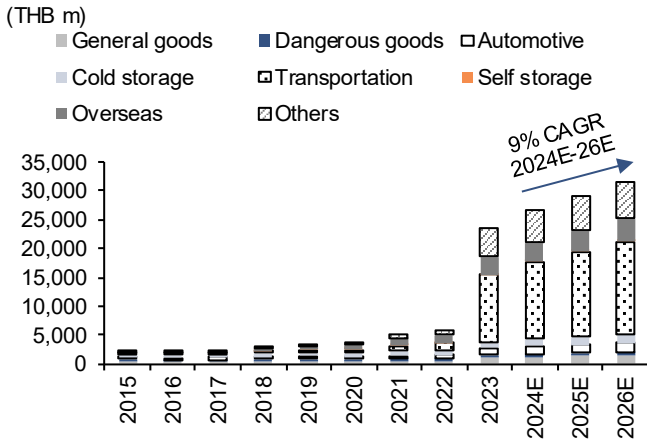
- 1) Increasing revenue forecast from automotive by 32-56% to reflect high demand for passenger EVs.
- 2) Increasing revenue forecast from cold storage by 34-52% as the company plans to build two additional cold storages in Saraburi in 2024.
- 3) Adding equity income of THB222m in 2024 and approximately THB240-250m a year in 2025-26 from the investments in a 20.1% stake in Asia Network International (ANI TB) and a 20.4% interest in Swift Haulage Berhad, Malaysia (SWIFT MK).

Exhibit 1: Changes in key assumptions

	Current			Previous			Change		
	2024E (THB m)	2025E (THB m)	2026E (THB m)	2024E (THB m)	2025E (THB m)	2026E (THB m)	2024E (%)	2025E (%)	2026E (%)
Total operating revenue	26,583	29,132	31,553	24,485	25,971	27,568	8.6	12.2	14.5
<i>Blended gross margin (%)</i>	13.3	13.5	13.7	13.7	13.8	14.0	(0.4)	(0.3)	(0.3)
1. Warehouse & yard management	4,284	4,759	5,185	3,821	3,937	4,371	12.1	20.9	18.6
<i>Blended gross margin (%)</i>	34.4	34.9	35.0	22.6	22.7	22.7	11.8	12.2	12.3
- General goods	1,236	1,340	1,459	1,294	1,394	1,448	(4.5)	(3.9)	0.8
<i>Gross margin (%)</i>	22.2	22.4	22.6	20.0	21.0	21.0	2.2	1.4	1.6
- Dangerous goods	531	553	575	634	682	696	(16.2)	(19.0)	(17.4)
<i>Gross margin (%)</i>	39.0	38.4	38.4	38.6	38.2	38.4	0.4	0.2	0.0
- Automotive yard	1,313	1,471	1,574	994	944	1,105	32.1	55.8	42.5
<i>Gross margin (%)</i>	39.9	40.0	40.2	37.5	38.0	38.5	2.4	2.0	1.7
- Cold storage	1,203	1,396	1,577	899	917	1,146	33.8	52.2	37.6
<i>Gross margin (%)</i>	39.0	40.0	40.0	40.0	40.0	40.0	(1.0)	0.0	0.0
2. Transportation & distribution	13,485	14,801	16,100	13,148	14,061	15,186	2.6	5.3	6.0
<i>Gross margin (%)</i>	7.2	7.4	7.6	8.5	8.7	8.9	(1.3)	(1.4)	(1.3)
3. Other logistics service	2,493	2,652	2,830	2,508	2,660	2,819	(0.6)	(0.3)	0.4
<i>Gross margin (%)</i>	20.2	20.2	20.2	20.2	20.45	20.2	0.0	(0.2)	0.0
4. Overseas business	3,117	3,459	3,736	2,660	2,846	3,415	17.2	21.5	9.4
<i>Gross margin (%)</i>	9.0	9.0	9.0	7.2	7.2	8.2	1.8	1.8	0.9
SG&A to sales (%)	8.2	8.1	8.1	7.7	7.8	7.8	0.5	0.3	0.3
Equity income	428	460	476	224	228	235	91.1	101.3	102.2
Core profit	1,179	1,373	1,529	1,182	1,299	1,442	(0.3)	5.7	6.1

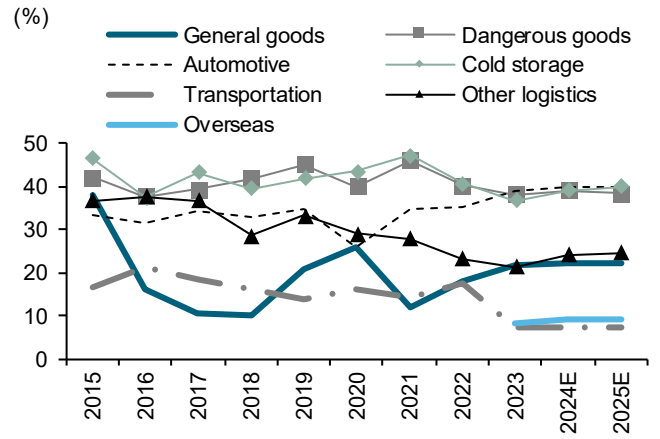
Sources: SJWD, FSSIA estimates

Exhibit 2: Revenue projection, yearly



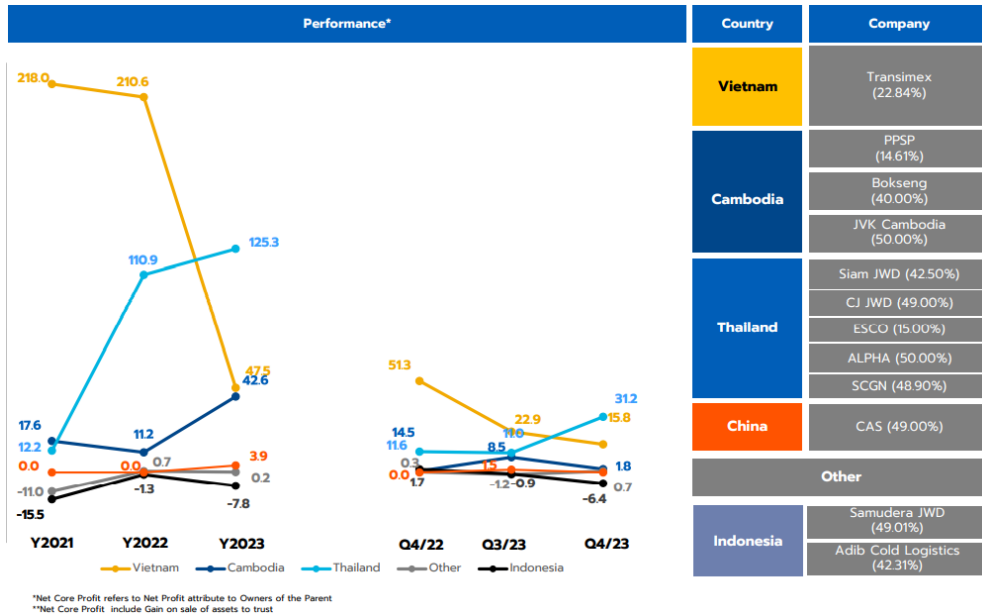
Sources: SJWD, FSSIA estimates

Exhibit 3: Gross margin by business



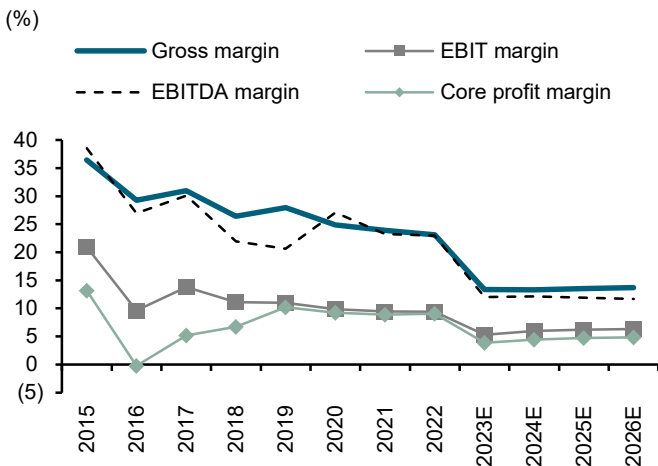
Sources: SJWD, FSSIA estimates

Exhibit 4: Equity income in 2021-23



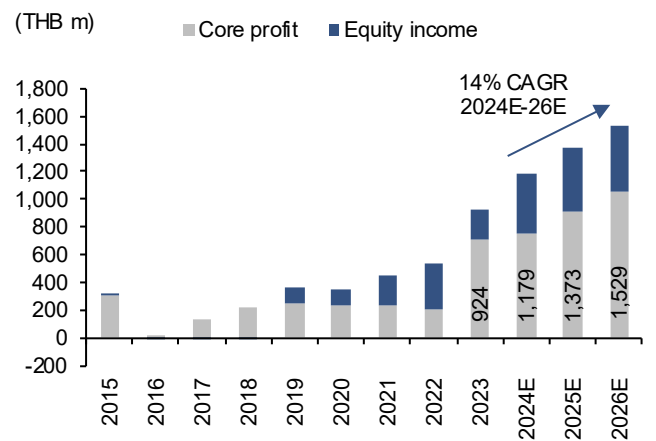
Source: SJWD

Exhibit 5: Margins



Sources :SJWD, FSSIA estimates

Exhibit 6: Core profit



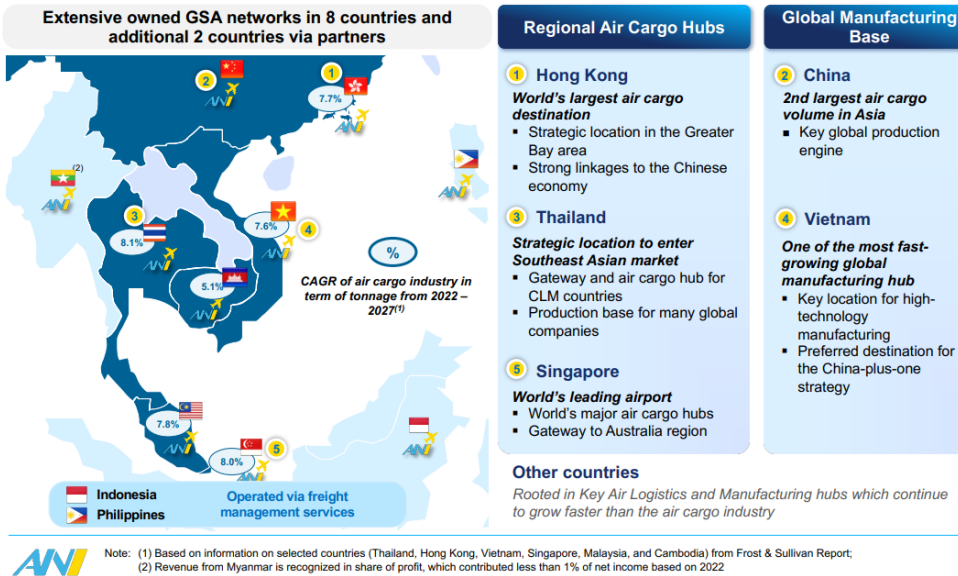
Sources :SJWD, FSSIA estimates

Two deals in freight and rail logistics

In February 2024, SJWD closed two deals with a THB2.5b investment in a 20.1% stake in Asia Network International (ANI TB) and a 20.4% interest in Swift Haulage Berhad, Malaysia (SWIFT MK). The two investments do not overlap SJWD’s existing businesses.

ANI TB is a Cargo General Sales and Services Agent (Cargo GSA) for over 20 airlines in eight countries, including Singapore, Vietnam, Hong Kong, China, Malaysia, Cambodia, Myanmar, and Thailand. This investment creates opportunities for SJWD to expand into the air freight business overseas and integrate solutions to ANI customers.

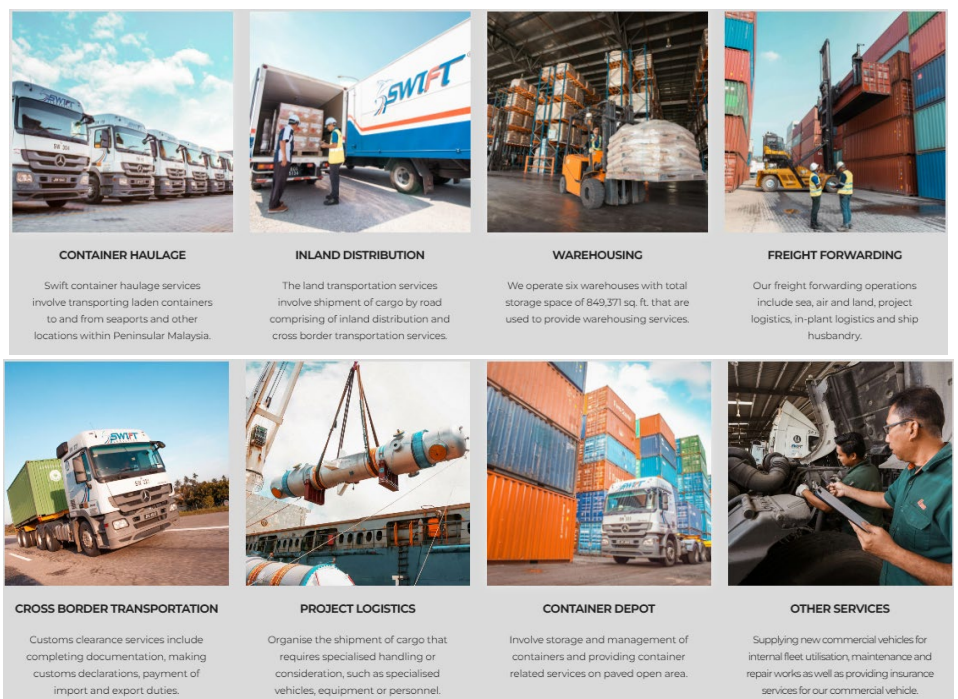
Exhibit 7: ANI’s strategic areas of logistics hubs



Source: ANI presentation on March 2024

SWIFT MK provides logistics solutions ranging from container haulage, land transportation, warehousing, and freight forwarding. This investment helps SJWD expand its regional customer base through air freights, penetrate the Malaysian market, and synergize its cross-border activities.

Exhibit 8: SWIFT’s services



Source: SWIFT website

Raise TP to THB23

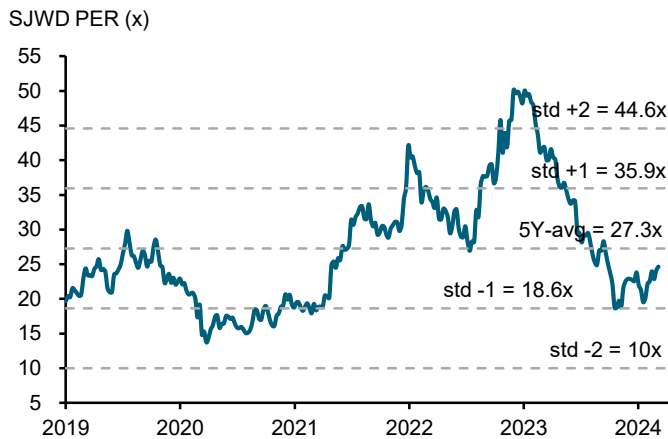
We raise our DCF-based TP to THB23.00 from THB21.50 following our earnings upgrade. Our new TP implies 2024E P/E of 35x or 27x in 2026E. SJWD is trading on undemanding valuations of 25x 2024E P/E, below its five-year historical average P/E of 27x, and only 13x 2024E EV/EBITDA. We reiterate our BUY call on SJWD.

Exhibit 9: DCF valuation

Cost of equity assumption		(%)	Cost of debt assumption		(%)
Risk free rate		3.0	Pre-tax cost of debt		5.5
Market risk premium		8.0	Tax rate		20.0
Stock beta		1.2			
Cost of equity, Ke		9.0	Cost of debt, Kd		5.5
Weight applied		58.6	Weight applied		41.4
WACC		9.2			
Terminal growth		3.0			
(THB m)					
Sum of PV of FCF		16,879			
PV of Terminal value		32,395			
Enterprise value		49,274			
(-) Debt		(8,987)			
(+) Cash		2,389			
(-) Minority interest		(1,005)			
Equity value		41,671			
No. of shares (m)		1,811			
Equity value per share (THB)		23.01			

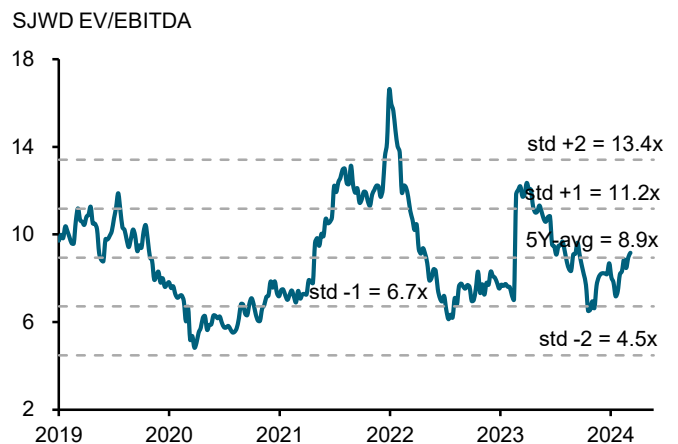
Sources: SJWD, FSSIA estimates

Exhibit 10: One-year rolling forward P/E band



Sources: FSSIA estimates, Bloomberg

Exhibit 11: One-year rolling forward EV/EBITDA band



Sources: FSSIA estimates, Bloomberg

Financial Statements

SCGJWD Logistics

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	5,902	23,732	26,583	29,132	31,553
Cost of goods sold	(4,538)	(20,559)	(23,051)	(25,192)	(27,220)
Gross profit	1,364	3,173	3,532	3,940	4,333
Other operating income	86	230	234	216	222
Operating costs	(894)	(2,149)	(2,172)	(2,348)	(2,562)
Operating EBITDA	1,354	2,847	3,220	3,465	3,685
Depreciation	(798)	(1,593)	(1,625)	(1,658)	(1,691)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	556	1,254	1,595	1,807	1,994
Net financing costs	(291)	(471)	(518)	(523)	(528)
Associates	332	212	428	460	476
Recurring non-operating income	332	212	428	460	476
Non-recurring items	(31)	(17)	0	0	0
Profit before tax	567	977	1,505	1,744	1,941
Tax	(49)	(150)	(215)	(257)	(293)
Profit after tax	518	827	1,290	1,487	1,648
Minority interests	(14)	(66)	(111)	(114)	(119)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	504	761	1,179	1,373	1,529
Non-recurring items & goodwill (net)	31	17	0	0	0
Recurring net profit	535	778	1,179	1,373	1,529
Per share (THB)					
Recurring EPS *	0.52	0.43	0.65	0.76	0.84
Reported EPS	0.49	0.42	0.65	0.76	0.84
DPS	0.78	0.25	0.26	0.30	0.34
Diluted shares (used to calculate per share data)	1,020	1,811	1,811	1,811	1,811
Growth					
Revenue (%)	15.7	302.1	12.0	9.6	8.3
Operating EBITDA (%)	14.1	110.2	13.1	7.6	6.3
Operating EBIT (%)	15.7	125.3	27.2	13.3	10.3
Recurring EPS (%)	17.8	(18.1)	51.4	16.5	11.4
Reported EPS (%)	(11.8)	(15.0)	54.8	16.5	11.4
Operating performance					
Gross margin inc. depreciation (%)	23.1	13.4	13.3	13.5	13.7
Gross margin exc. depreciation (%)	36.6	20.1	19.4	19.2	19.1
Operating EBITDA margin (%)	22.9	12.0	12.1	11.9	11.7
Operating EBIT margin (%)	9.4	5.3	6.0	6.2	6.3
Net margin (%)	9.1	3.3	4.4	4.7	4.8
Effective tax rate (%)	8.6	15.4	14.3	14.7	15.1
Dividend payout on recurring profit (%)	148.7	58.2	40.0	40.0	40.0
Interest cover (X)	3.1	3.1	3.9	4.3	4.7
Inventory days	14.2	2.9	2.8	3.1	3.1
Debtor days	67.7	37.7	53.3	52.1	50.9
Creditor days	125.2	46.0	53.2	49.1	46.2
Operating ROIC (%)	9.7	14.6	14.0	15.5	16.4
ROIC (%)	7.0	5.3	4.7	5.3	5.8
ROE (%)	15.6	6.1	5.2	6.0	6.6
ROA (%)	6.1	4.7	4.4	4.9	5.3
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Warehouse & yard management	2,519	3,720	4,284	4,759	5,185
Transportation & Distribution	1,276	11,756	13,485	14,801	16,100
Other logistics business	653	2,505	2,493	2,652	2,830
Overseas	247	2,758	3,117	3,459	3,736

Sources: SCGJWD Logistics; FSSIA estimates

Financial Statements

SCGJWD Logistics

Cash Flow (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Recurring net profit	535	778	1,179	1,373	1,529
Depreciation	798	1,593	1,625	1,658	1,691
Associates & minorities	(332)	(212)	(428)	(460)	(476)
Other non-cash items	(14)	358	0	43	(3)
Change in working capital	76	243	(947)	(482)	(569)
Cash flow from operations	1,064	2,762	1,428	2,132	2,172
Capex - maintenance	-	-	-	-	-
Capex - new investment	(1,041)	(855)	(100)	(50)	(72)
Net acquisitions & disposals	-	-	260	-	-
Other investments (net)	(186)	(485)	(1,296)	(983)	(832)
Cash flow from investing	(1,227)	(1,339)	(1,136)	(1,033)	(905)
Dividends paid	(262)	(802)	(471)	(549)	(612)
Equity finance	105	(56)	0	0	0
Debt finance	(42)	887	(44)	(334)	(941)
Other financing cash flows	(197)	(894)	0	0	0
Cash flow from financing	(397)	(865)	(515)	(883)	(1,553)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	163	23	5	0	5
Net other adjustments	163	23	5	0	5
Movement in cash	(397)	581	(218)	216	(280)
Free cash flow to firm (FCFF)	127.18	1,893.50	809.62	1,621.85	1,796.03
Free cash flow to equity (FCFE)	(239.55)	1,438.86	253.31	764.88	331.91

Per share (THB)	2022	2023	2024E	2025E	2026E
FCFF per share	0.07	1.05	0.45	0.90	0.99
FCFE per share	(0.13)	0.79	0.14	0.42	0.18
Recurring cash flow per share	0.97	1.39	1.31	1.44	1.51

Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Tangible fixed assets (gross)	7,235	11,511	11,270	11,618	11,939
Less: Accumulated depreciation	(2,307)	(3,328)	(3,495)	(3,670)	(3,853)
Tangible fixed assets (net)	4,928	8,183	7,776	7,949	8,086
Intangible fixed assets (net)	1,795	19,103	18,837	18,177	17,725
Long-term financial assets	0	1,127	1,116	1,082	1,071
Invest. in associates & subsidiaries	2,830	3,702	3,887	3,926	3,926
Cash & equivalents	1,133	1,714	1,495	1,711	1,431
A/C receivable	1,138	3,764	4,006	4,310	4,495
Inventories	165	134	189	207	224
Other current assets	99	373	425	466	505
Current assets	2,534	5,984	6,116	6,694	6,655
Other assets	953	1,099	1,283	1,369	1,444
Total assets	13,041	39,198	39,015	39,197	38,907
Common equity	3,117	22,330	22,637	23,061	23,478
Minorities etc.	317	975	1,005	1,035	1,066
Total shareholders' equity	3,434	23,305	23,642	24,096	24,544
Long term debt	4,886	10,360	10,311	9,487	8,512
Other long-term liabilities	326	732	797	830	858
Long-term liabilities	5,213	11,092	11,109	10,317	9,370
A/C payable	1,697	3,083	3,158	3,175	3,281
Short term debt	2,593	1,544	1,550	2,041	2,074
Other current liabilities	104	174	189	138	149
Current liabilities	4,394	4,801	4,897	5,354	5,505
Total liabilities and shareholders' equity	13,041	39,198	39,647	39,766	39,419
Net working capital	(400)	1,014	1,273	1,670	1,793
Invested capital	10,107	34,228	34,173	34,173	34,046

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

Per share (THB)	2022	2023	2024E	2025E	2026E
Book value per share	3.06	12.33	12.50	12.73	12.96
Tangible book value per share	1.30	1.78	2.10	2.70	3.18

Financial strength	2022	2023	2024E	2025E	2026E
Net debt/equity (%)	184.8	43.7	43.8	40.7	37.3
Net debt/total assets (%)	48.7	26.0	26.6	25.0	23.5
Current ratio (x)	0.6	1.2	1.2	1.3	1.2
CF interest cover (x)	3.8	5.9	1.7	2.6	1.8

Valuation	2022	2023	2024E	2025E	2026E
Recurring P/E (x) *	31.4	38.4	25.4	21.8	19.5
Recurring P/E @ target price (x) *	43.8	53.5	35.3	30.3	27.2
Reported P/E (x)	33.4	39.3	25.4	21.8	19.5
Dividend yield (%)	4.7	1.5	1.6	1.8	2.0
Price/book (x)	5.4	1.3	1.3	1.3	1.3
Price/tangible book (x)	12.7	9.3	7.9	6.1	5.2
EV/EBITDA (x) **	17.3	14.4	12.8	11.8	10.9
EV/EBITDA @ target price (x) **	22.2	18.6	16.5	15.2	14.1
EV/invested capital (x)	2.3	1.2	1.2	1.2	1.2

* 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 12: 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 13: 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; FSSIA's compilation

Exhibit 14: 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 15: 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 Sustainalytics	The Sustainalytics' ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. 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. <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>NEGL</th> <th>Low</th> <th>Medium</th> <th>High</th> <th>Severe</th> </tr> </thead> <tbody> <tr> <td>0-10</td> <td>10-20</td> <td>20-30</td> <td>30-40</td> <td>40+</td> </tr> </tbody> </table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+																	
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0-10	10-20	20-30	30-40	40+																									
ESG Book	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.	The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.																											
MSCI	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. <table border="0" style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: right;">AAA</td> <td>8.571-10.000</td> <td style="text-align: right;">Leader:</td> <td>leading its industry in managing the most significant ESG risks and opportunities</td> </tr> <tr> <td style="text-align: right;">AA</td> <td>7.143-8.570</td> <td></td> <td></td> </tr> <tr> <td style="text-align: right;">A</td> <td>5.714-7.142</td> <td></td> <td></td> </tr> <tr> <td style="text-align: right;">BBB</td> <td>4.286-5.713</td> <td style="text-align: right;">Average:</td> <td>a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td> </tr> <tr> <td style="text-align: right;">BB</td> <td>2.857-4.285</td> <td></td> <td></td> </tr> <tr> <td style="text-align: right;">B</td> <td>1.429-2.856</td> <td></td> <td></td> </tr> <tr> <td style="text-align: right;">CCC</td> <td>0.000-1.428</td> <td style="text-align: right;">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

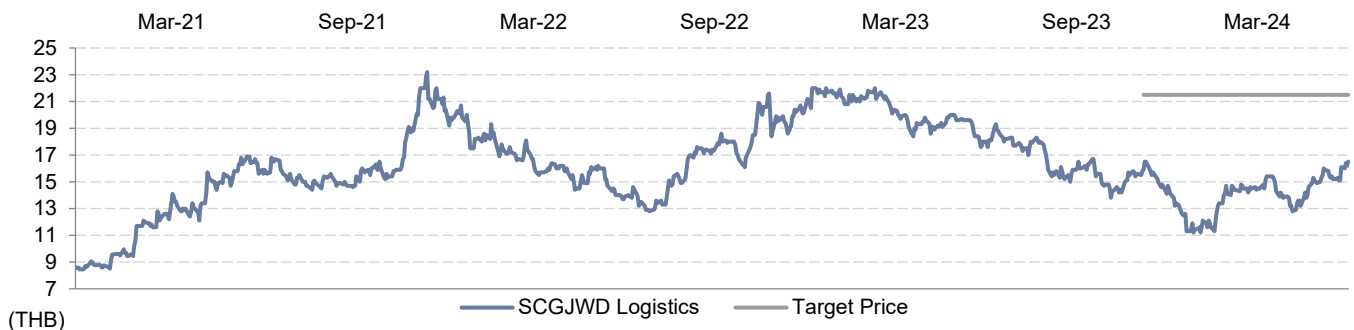
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History of change in investment rating and/or target price

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 16.50	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 07-Mar-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.