

# BRITANIA BRI TB

## THAILAND / PROPERTY DEVELOPMENT

# HOLD

UNCHANGED

## Going through a tough time

- The 2024 new launch plan may plummet from 20 to 6-10 projects with a combined value of THB10b (-40% y-y) due to sluggish presales in 1Q24 and economic uncertainties.
- Cut our 2024E core profit growth to -45% y-y due to transfers and GPM.
- Slash our TP to THB5.40, making BRI unattractive for investment.

TARGET PRICE	THB5.40
CLOSE	THB5.15
UP/DOWNSIDE	+4.9%
PRIOR TP	THB7.20
CHANGE IN TP	-25.0%
TP vs CONSENSUS	-28.8%

### KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	5,712	4,358	4,680	4,806
Net profit	1,195	717	715	781
EPS (THB)	1.40	0.84	0.84	0.92
vs Consensus (%)	-	(6.1)	(14.3)	(13.6)
EBITDA	2,043	1,065	1,118	1,134
Recurring net profit	1,104	606	715	781
Core EPS (THB)	1.29	0.71	0.84	0.92
Chg. In EPS est. (%)	2.1	(27.5)	(18.7)	(16.4)
EPS growth (%)	(2.9)	(45.1)	18.0	9.3
Core P/E (x)	4.0	7.3	6.1	5.6
Dividend yield (%)	15.1	8.2	8.1	8.9
EV/EBITDA (x)	7.6	14.4	13.9	14.2
Price/book (x)	0.8	0.8	0.7	0.7
Net debt/Equity (%)	206.9	192.5	184.0	181.5
ROE (%)	21.6	11.0	12.2	12.5

### A more cautious view of the new launch plan

Management disclosed the 2024 new launch plan could drop to 6-10 projects with a combined value of THB10b (-40% y-y) from its previous plan of 20 projects with a combined value of THB17b. It would focus on mid-to-high-end segments with purchasing power, such as Belgravia priced at THB30-60m/unit after high rejection and cancellation rates of 30-40% hit the THB3-5m segment, 65% of its portfolio. However, BRI has adjusted its strategy by strictly pre-screening customers since 1Q24. Also, the net gearing at the end of 1Q24 was high at 2x (vs 2.5x bank covenant), prompting BRI to focus on preserving cash on hand through inventory clearing and cost control and delaying land purchases.

### 2024 presales should tumble 30-40% y-y

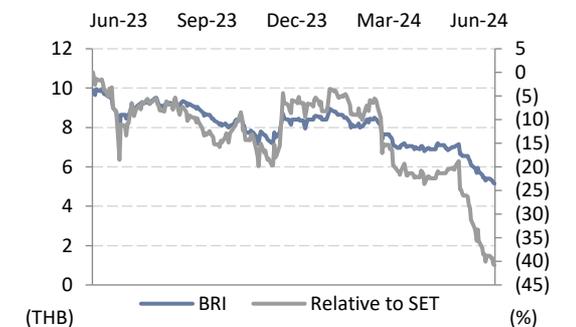
The 1Q24 presales only secured 14% of its 2024 target of THB13b. As a result, we see a 40% downside to THB8b, dropping 30-40% y-y in line with lower new launches. Also, presales are sluggish due to decreased purchasing power, financial institutions' strict credit underwriting, and intense competition. Since 2QTD presales amounted to just THB1b, 2Q24 figure may end at only THB1.8b, flat q-q but plunging 30-40% y-y. Late this quarter, BRI planned only two new projects with a combined value of THB3.25b.

### Cut our 2024-2026E core profit by 16-28%

We slashed our 2024-2026E core profit by 28%/19%/16%, respectively, to factor in lower-than-expected transfers from new projects, slower presales progress, and higher interest expenses. After the cut, our 2024E core profit is THB606m (-45% y-y). BRI had an end-1Q24 backlog of THB1b, securing 46% of our transfer estimate. The remainder would come from sales of its stock on hand of THB4b since new launches are mainly in 2H24, and little can be realized as revenue this year.

### Maintain HOLD rating after slashing our TP to THB5.40

We cut our TP to THB5.40 (from THB7.20), assuming a PER of 7.6x, its historical average -1.25SD. Since BRI has an upside of under 10%, we retain our HOLD call. Also, the stock lacks attractiveness in the short run. We expect 2Q24 to be unexciting and do not see any clear recovering signal in the presales and profit. Meanwhile, BRI depends solely on low-rises, which are more sluggish than condos amid higher supply than demand.



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(22.6)	(30.4)	(48.2)
Relative to country (%)	(21.3)	(29.1)	(41.0)
Mkt cap (USD m)	119		
3m avg. daily turnover (USD m)	0.5		
Free float (%)	27		
Major shareholder	Origin Property (70%)		
12m high/low (THB)	10.00/5.15		
Issued shares (m)	852.81		

Sources: Bloomberg consensus; FSSIA estimates


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### Investment thesis

We view 2024 as challenging for low-rises, which BRI solely depends upon. Also, it sees pressure from weak purchasing power, fierce competition, and strict credit underwriting, as seen from higher rejection and cancellation rates. Also, management has a more cautious view of the new launch plan, which may drop to 6-10 projects with a combined value of THB10b (from 20 projects with a combined value of THB17b), probably resulting in a weak earnings performance this year. Meanwhile, the end-1Q24 net gearing was high at 2x, prompting BRI to focus on maintaining cash on hand.

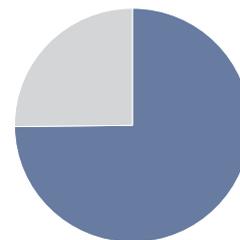
### Company profile

Britania was established by Origin Property (ORI) in 2016. It operates low-rise residential projects in Bangkok and its vicinity as well as in industrial estates and the upcountry market. Its offers detached homes, semi-detached homes, and townhomes under various brands and price ranges, including Belgravia (THB20m-50m/unit), Grand Britania (THB8m-20m/unit), Britania (THB4m-8m/unit), and Brighton (THB2.5m-4m/unit).

[www.britania.co.th](http://www.britania.co.th)

### Principal activities (revenue, 2023)

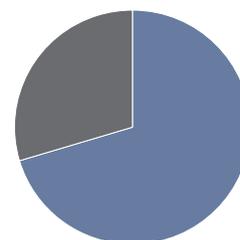
- Transfer revenue - 74.8 %
- Project management - 25.2 %



Source: Britania

### Major shareholders

- Origin Property - 70.4 %
- Others - 29.6 %



Source: Britania

### Catalysts

Potential catalysts for BRI's earnings growth in 2024 are 1) new launches and the progress of existing project sales, 2) the success of its expansion in provincial markets, and 3) new JV projects that will generate project management revenue and a share premium.

### Risks to our call

Downside and upside risks to our P/E-based TP include 1) lower or higher-than-expected presales and new launches, 2) lower or higher-than-expected new JV projects, 4) a weaker or stronger an economic and purchasing power recovery, and 5) higher or lower-than-expected rejection and cancellation rates.

### Event calendar

Date	Event
August 2024	2Q24 results announcement

### Key assumptions

	2024E	2025E	2026E
Transfer revenue (THB m)	3,858	4,180	4,306
Project management (THB m)	500	500	500
Property GPM (%)	29.0	29.0	29.0
GPM (%)	37.1	36.6	36.4
SG&A to revenue (%)	14.1	14.0	14.1
Share profit/loss from JV	(161)	(93)	(37)

Source: FSSIA estimates

### Earnings sensitivity

- For every 5% increase in transfers, we estimate 2024 core profit to rise by 5%, and vice versa, all else being equal.
- For every 0.5% increase in property GPM, we estimate 2024 core profit to rise by 2%, and vice versa, all else being equal.
- For every 0.5% increase in SG&A to revenue, we estimate 2024 core profit to fall by 3%, and vice versa, all else being equal.

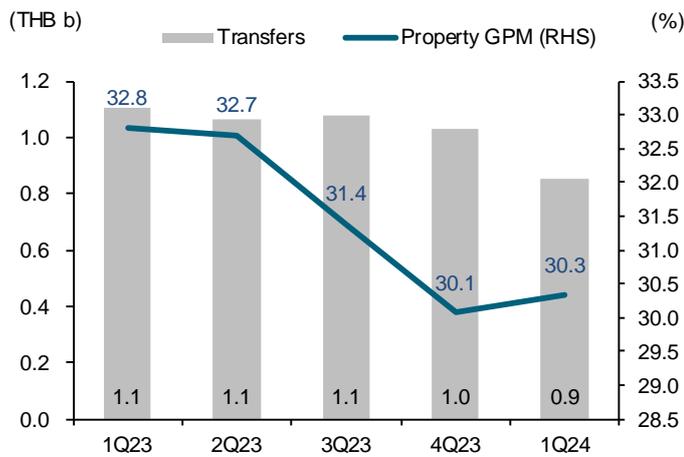
Source: FSSIA estimates

**Exhibit 1: BRI - 1Q24 results summary**

	1Q23	2Q23	3Q23	4Q23	1Q24	Change	
	(THB m)	(q-q%)	(y-y%)				
Total revenue	1,464	1,544	1,625	1,079	1,120	3.9	(23.5)
Cost of sales	744	715	739	719	596	(17.1)	(19.9)
Gross profit	721	829	886	360	525	45.8	(27.2)
SG&A	174	187	195	246	153	(37.9)	(12.1)
Operating profit	547	642	691	114	372	225.7	(32.0)
Interest expense	3	5	10	3	23	753.6	732.0
Tax expense	112	131	139	30	76	157.4	(32.3)
Equity income from JV	(116)	(167)	(216)	5	(98)	na	na
Reported net profit	329	348	417	101	296	194.5	(9.8)
Core profit	328	345	330	101	185	83.8	(43.7)
<b>Key ratios (%)</b>						<b>(ppt)</b>	<b>(ppt)</b>
Property gross margin	32.8	32.7	31.4	30.1	30.3	0.3	(2.5)
Gross margin	49.2	53.7	54.5	33.4	46.8	13.5	(2.4)
SG&A / Sales	11.9	12.1	12.0	22.8	13.6	(9.2)	1.8
Operating margin	37.4	41.6	42.5	10.6	33.2	22.6	(4.1)
Net margin	22.4	22.5	25.7	9.3	26.5	17.1	4.0
Norm margin	22.4	22.3	20.3	9.3	16.5	7.2	(5.9)
<b>Revenue breakdown</b>							
Residential	1,107	1,062	1,077	1,028	855	(16.8)	(22.8)
Project management	358	482	548	51	265	421.1	(25.8)

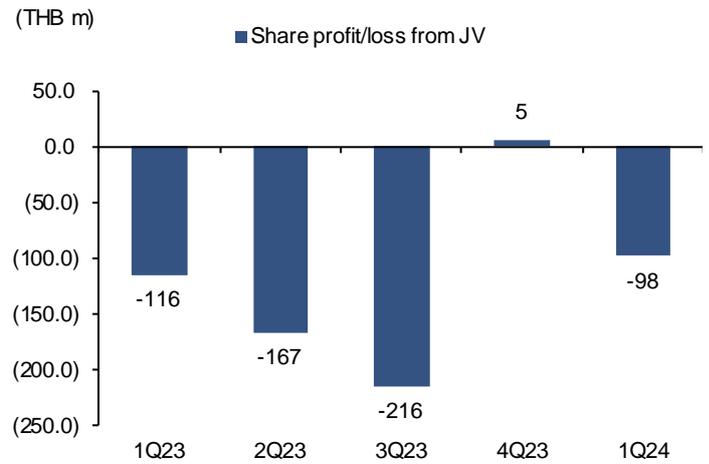
Sources: BRI; FSSIA's compilations

**Exhibit 2: Quarterly transfers and property GPM**



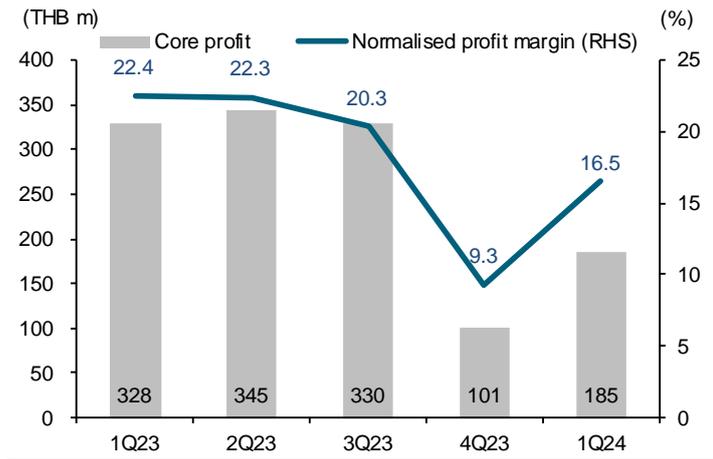
Sources: BRI; FSSIA's compilations

**Exhibit 3: Quarterly share profit/loss from JV**



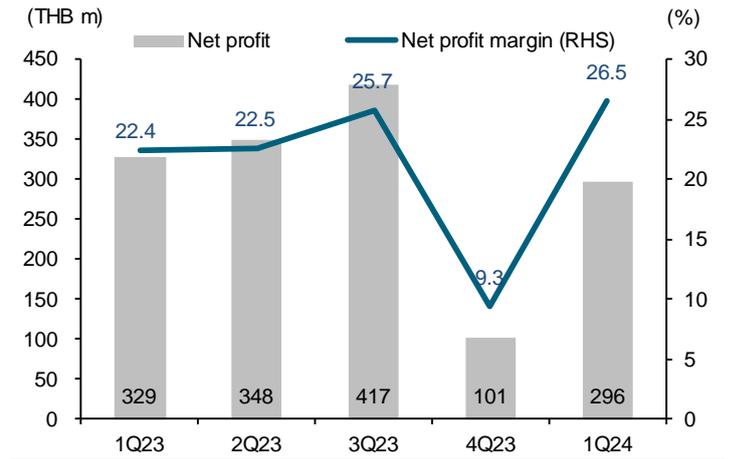
Sources: BRI; FSSIA's compilations

**Exhibit 4: Quarterly core profit and normalised profit margin**



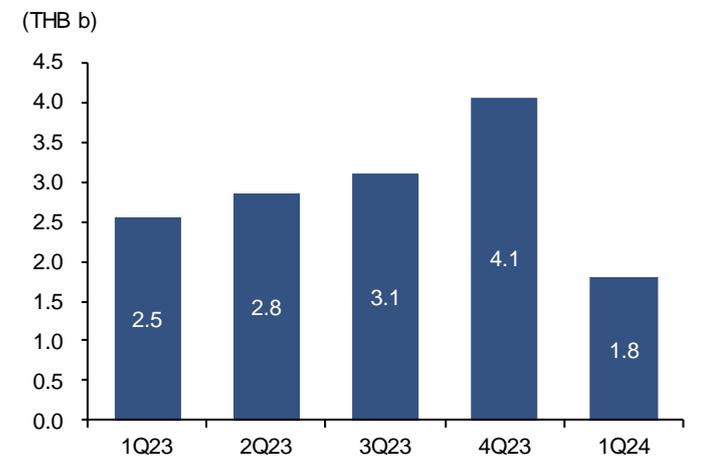
Sources: BRI; FSSIA's compilations

**Exhibit 5: Quarterly net profit and net profit margin**



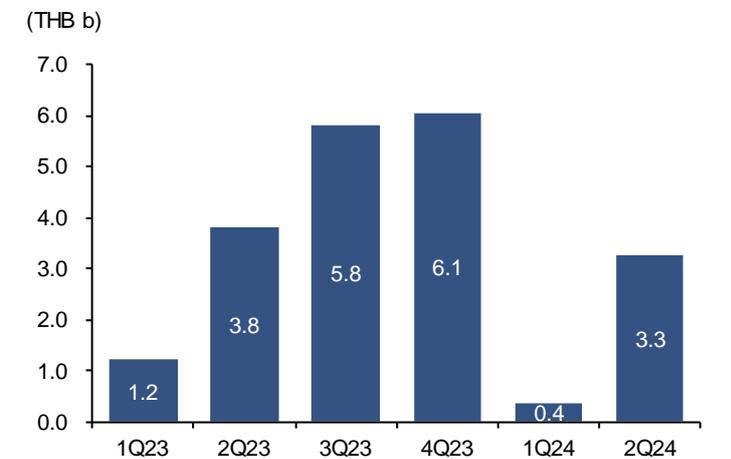
Sources: BRI; FSSIA's compilations

**Exhibit 6: Quarterly presales**



Sources: BRI; FSSIA's compilations

**Exhibit 7: Quarterly new launches**



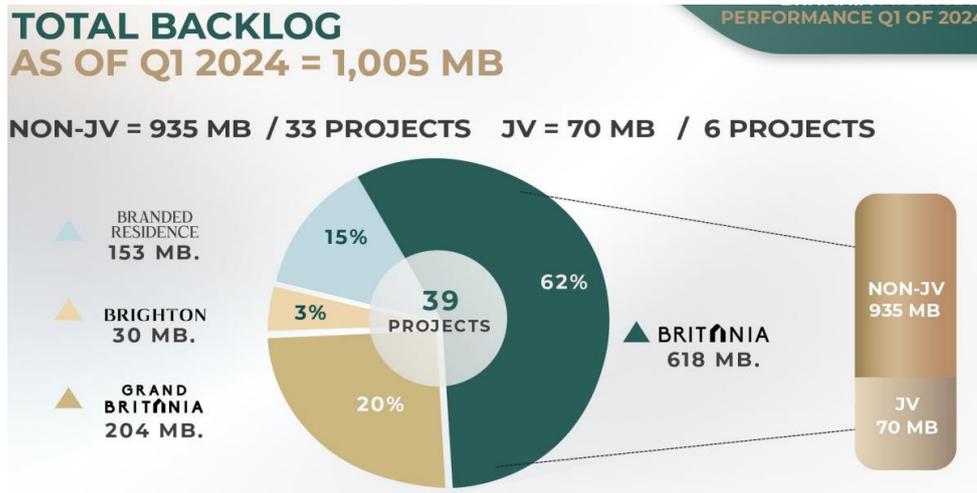
Sources: BRI; FSSIA's compilations

**Exhibit 8: Key assumptions for BRI**

	Actual	Current			Previous			Change		
	2023	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E
	(THB m)	(THB m)	(THB m)	(%)	(%)	(%)				
Revenue (THB m)	5,712	4,358	4,680	4,806	5,013	4,828	4,892	(13)	(3)	(2)
- Transfers	4,274	3,858	4,180	4,306	4,813	4,628	4,692	(20)	(10)	(8)
- Management fee	1,438	500	500	500	200	200	200	150	150	150
Property gross margin (%)	31.8	29.0	29.0	29.0	30.1	30.2	30.2	(1.1)	(1.2)	(1.2)
Gross margin (%)	48.9	37.1	36.6	36.4	32.9	33.1	33.1	4.3	3.5	3.3
SG&A (THB m)	802	614	655	677	669	661	677	(8)	(1)	(0)
SG&A to revenue (%)	14.0	14.1	14.0	14.1	13.3	13.7	13.8	0.7	0.3	0.2
Interest expense (THB m)	21	91	92	94	33	31	31	179	194	198
Share of profit/loss from JV (THB m)	(494)	(161)	(93)	(37)	42	119	173	na	na	na
Core profit (THB m)	1,104	606	715	781	836	879	935	(28)	(19)	(16)
Net profit (THB m)	1,195	717	715	781	836	879	935	(14)	(19)	(16)

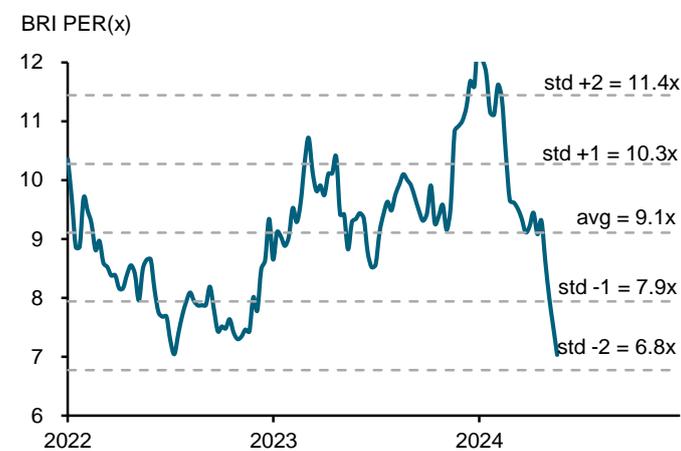
Source: FSSIA estimates

Exhibit 9: Backlog at end-1Q24



Source: BRI

Exhibit 10: Historical P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 11: Historical P/BV band



Sources: Bloomberg; FSSIA estimates

## Financial Statements

Britania

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	5,848	5,712	4,358	4,680	4,806
Cost of goods sold	(3,620)	(2,916)	(2,739)	(2,967)	(3,057)
<b>Gross profit</b>	<b>2,228</b>	<b>2,796</b>	<b>1,619</b>	<b>1,712</b>	<b>1,749</b>
Other operating income	30	37	45	45	45
Operating costs	(660)	(802)	(614)	(655)	(677)
<b>Operating EBITDA</b>	<b>1,607</b>	<b>2,043</b>	<b>1,065</b>	<b>1,118</b>	<b>1,134</b>
Depreciation	(9)	(12)	(15)	(16)	(17)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>1,598</b>	<b>2,031</b>	<b>1,050</b>	<b>1,102</b>	<b>1,116</b>
Net financing costs	(10)	(21)	(91)	(92)	(94)
Associates	(135)	(494)	(161)	(93)	(37)
Recurring non-operating income	(135)	(494)	(161)	(93)	(37)
Non-recurring items	334	90	111	0	0
<b>Profit before tax</b>	<b>1,787</b>	<b>1,606</b>	<b>909</b>	<b>917</b>	<b>986</b>
Tax	(317)	(412)	(192)	(202)	(204)
<b>Profit after tax</b>	<b>1,471</b>	<b>1,195</b>	<b>717</b>	<b>715</b>	<b>781</b>
Minority interests	0	0	0	0	0
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>1,471</b>	<b>1,195</b>	<b>717</b>	<b>715</b>	<b>781</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>(334)</b>	<b>(90)</b>	<b>(111)</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>1,137</b>	<b>1,104</b>	<b>606</b>	<b>715</b>	<b>781</b>
<b>Per share (THB)</b>					
Recurring EPS *	1.33	1.29	0.71	0.84	0.92
Reported EPS	1.72	1.40	0.84	0.84	0.92
DPS	0.93	0.78	0.42	0.42	0.46
Diluted shares (used to calculate per share data)	853	853	853	853	853
<b>Growth</b>					
Revenue (%)	53.6	(2.3)	(23.7)	7.4	2.7
Operating EBITDA (%)	108.9	27.1	(47.9)	5.0	1.4
Operating EBIT (%)	109.6	27.1	(48.3)	5.0	1.3
Recurring EPS (%)	88.6	(2.9)	(45.1)	18.0	9.3
Reported EPS (%)	144.0	(18.8)	(40.0)	(0.3)	9.3
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	38.1	48.9	37.1	36.6	36.4
Gross margin exc. depreciation (%)	38.2	49.2	37.5	36.9	36.8
Operating EBITDA margin (%)	27.5	35.8	24.4	23.9	23.6
Operating EBIT margin (%)	27.3	35.6	24.1	23.5	23.2
Net margin (%)	19.4	19.3	13.9	15.3	16.3
Effective tax rate (%)	17.7	25.6	21.1	22.0	20.7
Dividend payout on recurring profit (%)	70.0	60.0	59.2	50.0	50.0
Interest cover (X)	147.2	74.6	9.8	11.0	11.5
Inventory days	856.6	1,523.2	2,053.2	1,944.3	1,976.4
Debtor days	24.4	78.2	121.5	94.0	96.7
Creditor days	144.8	232.4	259.7	223.7	229.3
Operating ROIC (%)	16.3	13.8	5.6	5.8	5.7
ROIC (%)	13.8	9.3	4.3	4.8	4.9
ROE (%)	27.6	21.6	11.0	12.2	12.5
ROA (%)	10.4	6.8	3.4	3.9	4.0
* Pre-exceptional, pre-goodwill and fully diluted					
<b>Revenue by Division (THB m)</b>					
Transfer revenue	5,404	4,274	3,858	4,180	4,306
Project management	444	1,438	500	500	500

Sources: Britania; FSSIA estimates

## Financial Statements

Britania

Cash Flow (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Recurring net profit	1,137	1,104	606	715	781
Depreciation	9	12	15	16	17
Associates & minorities	-	-	-	-	-
Other non-cash items	-	-	-	-	-
Change in working capital	(1,749)	(5,590)	(6)	(409)	(821)
<b>Cash flow from operations</b>	<b>(603)</b>	<b>(4,474)</b>	<b>615</b>	<b>322</b>	<b>(22)</b>
Capex - maintenance	-	-	-	-	-
Capex - new investment	(1,077)	(943)	(233)	(134)	(147)
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	-	-	-	-	-
<b>Cash flow from investing</b>	<b>(1,077)</b>	<b>(943)</b>	<b>(233)</b>	<b>(134)</b>	<b>(147)</b>
Dividends paid	(307)	(612)	(303)	(357)	(391)
Equity finance	7	5	0	0	0
Debt finance	1,686	5,391	60	107	507
Other financing cash flows	-	-	-	-	-
<b>Cash flow from financing</b>	<b>1,385</b>	<b>4,784</b>	<b>(243)</b>	<b>(251)</b>	<b>117</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	641	0	0	0	0
<b>Net other adjustments</b>	<b>641</b>	<b>(14)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Movement in cash</b>	<b>346</b>	<b>(647)</b>	<b>139</b>	<b>(63)</b>	<b>(52)</b>
Free cash flow to firm (FCFF)	(1,670.27)	(5,396.10)	472.69	279.50	(74.48)
Free cash flow to equity (FCFE)	646.77	(40.19)	441.65	294.60	<b>338.87</b>

### Per share (THB)

FCFF per share	(1.96)	(6.33)	0.55	0.33	(0.09)
FCFE per share	0.76	(0.05)	0.52	0.35	0.40
Recurring cash flow per share	1.34	1.31	0.73	0.86	0.94

Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Tangible fixed assets (gross)	43	101	111	119	128
Less: Accumulated depreciation	(7)	(11)	(19)	(30)	(43)
<b>Tangible fixed assets (net)</b>	<b>36</b>	<b>91</b>	<b>92</b>	<b>89</b>	<b>85</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	388	462	462	462	462
Invest. in associates & subsidiaries	730	1,009	1,211	1,332	1,465
Cash & equivalents	984	337	476	413	362
A/C receivable	704	1,743	1,157	1,254	1,292
Inventories	9,047	15,193	15,454	15,987	16,930
Other current assets	863	968	1,042	1,073	1,085
<b>Current assets</b>	<b>11,599</b>	<b>18,242</b>	<b>18,130</b>	<b>18,727</b>	<b>19,668</b>
Other assets	90	104	125	131	138
<b>Total assets</b>	<b>12,843</b>	<b>19,908</b>	<b>20,021</b>	<b>20,741</b>	<b>21,818</b>
Common equity	4,863	5,347	5,705	6,063	6,453
Minorities etc.	0	0	0	0	0
<b>Total shareholders' equity</b>	<b>4,863</b>	<b>5,347</b>	<b>5,705</b>	<b>6,063</b>	<b>6,453</b>
Long term debt	2,196	4,372	4,308	4,475	4,838
Other long-term liabilities	7	13	12	13	13
<b>Long-term liabilities</b>	<b>2,204</b>	<b>4,385</b>	<b>4,320</b>	<b>4,487</b>	<b>4,851</b>
A/C payable	1,558	2,141	1,736	1,881	1,937
Short term debt	3,814	7,028	7,152	7,093	7,236
Other current liabilities	404	1,006	1,107	1,218	1,340
<b>Current liabilities</b>	<b>5,776</b>	<b>10,176</b>	<b>9,995</b>	<b>10,191</b>	<b>10,513</b>
<b>Total liabilities and shareholders' equity</b>	<b>12,843</b>	<b>19,908</b>	<b>20,021</b>	<b>20,741</b>	<b>21,818</b>
Net working capital	8,653	14,757	14,811	15,215	16,029
Invested capital	9,897	16,423	16,701	17,229	18,179

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

### Per share (THB)

Book value per share	5.70	6.27	6.69	7.11	7.57
Tangible book value per share	5.70	6.27	6.69	7.11	7.57

### Financial strength

Net debt/equity (%)	103.3	206.9	192.5	184.0	181.5
Net debt/total assets (%)	39.1	55.6	54.9	53.8	53.7
Current ratio (x)	2.0	1.8	1.8	1.8	1.9
CF interest cover (x)	174.4	44.8	8.4	5.7	6.2

Valuation	2022	2023	2024E	2025E	2026E
<b>Recurring P/E (x) *</b>	<b>3.9</b>	<b>4.0</b>	<b>7.3</b>	<b>6.1</b>	<b>5.6</b>
<b>Recurring P/E @ target price (x) *</b>	<b>4.1</b>	<b>4.2</b>	<b>7.6</b>	<b>6.4</b>	<b>5.9</b>
Reported P/E (x)	3.0	3.7	6.1	6.1	5.6
Dividend yield (%)	18.1	15.1	8.2	8.1	8.9
Price/book (x)	0.9	0.8	0.8	0.7	0.7
Price/tangible book (x)	0.9	0.8	0.8	0.7	0.7
EV/EBITDA (x) **	5.9	7.6	14.4	13.9	14.2
EV/EBITDA @ target price (x) **	6.0	7.7	14.6	14.1	14.4
EV/invested capital (x)	1.0	0.9	0.9	0.9	0.9

\* Pre-exceptional, pre-goodwill and fully diluted \*\* EBITDA includes associate income and recurring non-operating income

Sources: Britania; FSSIA estimates

## Disclaimer for ESG scoring

ESG score	Methodology	Rating										
The Dow Jones Sustainability Indices ( <a href="#">DJSI</a> ) 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 ( <a href="#">THSI</a> ) by The Stock Exchange of Thailand ( <a href="#">SET</a> )	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.										
<a href="#">Morningstar Sustainability</a>	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 &amp; peer reviews.</i>	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>NEGL</th> <th>Low</th> <th>Medium</th> <th>High</th> <th>Severe</th> </tr> </thead> <tbody> <tr> <td>0-10</td> <td>10-20</td> <td>20-30</td> <td>30-40</td> <td>40+</td> </tr> </tbody> </table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+
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0-10	10-20	20-30	30-40	40+								
<a href="#">ESG Book</a>	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.										
<a href="#">MSCI</a>	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: 20px;"> <tr> <td style="vertical-align: top;"> <b>AAA</b> 8.571-10.000  <b>AA</b> 7.143-8.570  <b>A</b> 5.714-7.142  <b>BBB</b> 4.286-5.713  <b>BB</b> 2.857-4.285  <b>B</b> 1.429-2.856  <b>CCC</b> 0.000-1.428                 </td> <td style="vertical-align: top; padding-left: 10px;"> <b>Leader:</b> leading its industry in managing the most significant ESG risks and opportunities   <b>Average:</b> a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers   <b>Laggard:</b> lagging its industry based on its high exposure and failure to manage significant ESG risks                 </td> </tr> </table>	<b>AAA</b> 8.571-10.000 <b>AA</b> 7.143-8.570 <b>A</b> 5.714-7.142 <b>BBB</b> 4.286-5.713 <b>BB</b> 2.857-4.285 <b>B</b> 1.429-2.856 <b>CCC</b> 0.000-1.428	<b>Leader:</b> leading its industry in managing the most significant ESG risks and opportunities  <b>Average:</b> a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers  <b>Laggard:</b> lagging its industry based on its high exposure and failure to manage significant ESG risks									
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<a href="#">Moody's ESG solutions</a>	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.											
<a href="#">Refinitiv ESG rating</a>	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>											
<a href="#">S&amp;P Global</a>	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

#### Britania (BRI TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
16-Mar-2023	BUY	14.00	06-Nov-2023	BUY	10.40	06-Mar-2024	HOLD	7.20

Thanyatorn Songwutti started covering this stock from 16-Mar-2023

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Britania	BRI TB	THB 5.15	HOLD	Downside risks to our P/E-based TP include 1) lower-than-expected presales and higher contraction in the low-rise market than expected, 2) lower or slower new launches than planned, 3) lower-than-expected JV projects, 4) an economic slowdown, lower purchasing power, and fierce competition, 5) higher rejection and cancellation rates, and 6) construction delay and labor shortages.

Source: FSSIA estimates

### Additional Disclosures

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finansia Syrus Securities Public Company Limited.

All share prices are as at market close on 31-May-2024 unless otherwise stated.

## RECOMMENDATION STRUCTURE

### Stock ratings

Stock ratings are based on absolute upside or downside, which we define as (target price\* - current price) / current price.

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

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

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

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

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

### Industry Recommendations

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

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

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

### Country (Strategy) Recommendations

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

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

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