FINANSIA
FSS INTERNATIONAL INVESTMENT ADVISORY

EQUITY RESEARCH - COMPANY REPORT

STARFLEX   SFLEX TB

THAILAND / PACKAGING

Expect solid profit amid low season

- Estimate a core profit of THB55m in 2Q24 (-13% q-q, +9% y-y). The slow q-q growth is due to the seasonal effect.
- Rising supply of PE in China and Southeast Asia allows the downstream producers like SFLEX to enjoy higher margins.
- 2024 should be another good year for SFLEX. Maintain BUY call.

Expect slow q-q growth because of seasonality

We estimate a core profit of THB55m in 2Q24, -13% q-q, +9% y-y, in accordance with our revenue growth forecast of -4% q-q and +1% y-y. The soft q-q figures are generally due to the seasonal low in 2Q for Thai manufacturers. In fact, we can consider profit at the level of THB50m+ per quarter as very good, compared with the average quarterly profit of THB45m in 2023 and THB37m in 2021. Despite the slight increase in the average LLDPE price by 2% q-q and y-y in 2QTD, we believe SFLEX's 2Q24 gross margin will remain resilient at 23.9%.

Profit sharing from Vietnam JV to rise significantly

The estimated 9% y-y core profit growth in 2Q24, even though we believe it should have been better, is because of the higher loan amount and interest rates. The likely higher profit sharing from Starprint Vietnam (SPV; SFLEX holds 25%) in the quarter should help reduce some impacts from the higher financial costs, in our view. We expect 54% q-q growth in profit sharing from SPV in 2Q24. The core profit margin should then improve from 10.9% in 2Q23 to 11.7% in 2Q24.

2024 should be another good year for SFLEX

Should our estimates be in line with the results, SFLEX would register a core profit as high as THB118m during 1H24, +30% y-y. This would mainly come from the fact that the rising supply of PE in China and Southeast Asia allows the downstream producers like SFLEX to enjoy higher margins. Our estimated 1H24 profit accounts for more than half of our full-year forecast, which may lead to a projection revision, as 2H is usually stronger than 1H. In addition, SFLEX will recognize a share of profit from the new packaging JV with Thai Union (TU TB), namely Star Union Packaging (SFLEX holds 51%), which is set to start operations in 4Q24 supplying flexible packaging to TU group.

Maintain our BUY call

We believe that with the strong private consumption growth and tourism, together with the favorable situation for downstream producers, 2024 should be another good year for SFLEX. We maintain our BUY call and 2024 TP of THB5.60, assuming a P/E of 20x (-0.7SD of its four-year historical average after the IPO).

BUY
UNCHANGED

TARGET PRICE	THB5.60
CLOSE	THB3.56
UP/DOWNSIDE	+57.3%
PRIOR TP	THB5.60
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	-1.8%

KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	1,795	2,080	2,234	2,397
Net profit	184	224	250	272
EPS (THB)	0.22	0.27	0.30	0.33
vs Consensus (%)	-	(5.9)	(1.0)	0.9
EBITDA	288	313	340	367
Recurring net profit	181	224	250	272
Core EPS (THB)	0.22	0.27	0.30	0.33
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	231.2	23.4	11.6	8.8
Core P/E (x)	16.1	13.0	11.7	10.7
Dividend yield (%)	2.5	3.1	3.4	3.7
EV/EBITDA (x)	12.1	11.4	10.5	9.3
Price/book (x)	2.9	2.9	2.8	2.8
Net debt/Equity (%)	56.7	63.2	61.5	45.3
ROE (%)	18.3	22.1	24.2	25.9
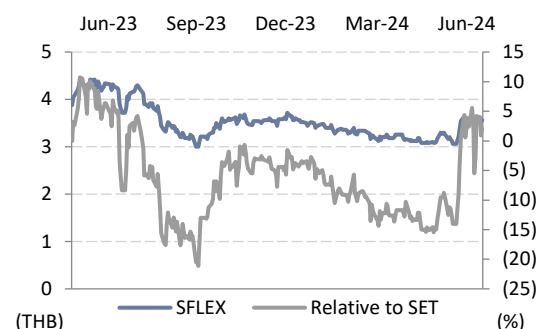
Share price performance	1 Month	3 Month	12 Month
Absolute (%)	9.2	14.1	(10.1)
Relative to country (%)	13.0	19.1	1.2
Mkt cap (USD m)			75
3m avg. daily turnover (USD m)			0.4
Free float (%)			0
Major shareholder		Mr. Printhorn Apithanasriwong (24%)	
12m high/low (THB)			4.50/2.90
Issued shares (m)			820.01

Sources: Bloomberg consensus; FSSIA estimates

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

Investment thesis

We estimate a core profit of THB55m in 2Q24, -13% q-q, +9% y-y, in accordance with our revenue growth forecast of -4% q-q and +1% y-y. The soft q-q figures are generally due to the seasonal low in 2Q for Thai manufacturers. Should our estimates be in line with the results, SFLEX would register a core profit as high as THB118m during 1H24, +30% y-y, mainly due to the improved gross margin.

We believe that with the strong private consumption growth and tourism, together with the favorable situation for downstream producers, 2024 should be another good year for SFLEX. We maintain our BUY call and 2024 TP of THB5.60 (assuming a target P/E of 20x).

Company profile

Starflex is a leading manufacturer and distributor of flexible packaging in roll form, selling mainly to local consumer product suppliers. Its flexible packaging is a multilayer film, splicing 2-5 layers using glue or resin as a binding material which results in a rigid film that is resistant to heat and high pressure, and is lightweight and capable of having graphic patterns printed on the surface.

www.starflex.co.th

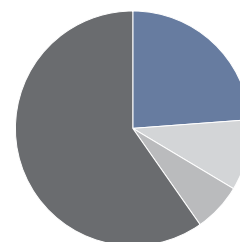## Principal activities (revenue, 2023)

- Non-food packaging - 75.4 %
- Food packaging - 24.2 %
- Others - 0.4 %
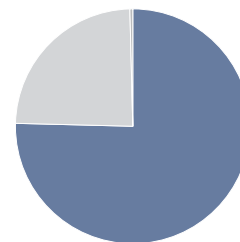
Source: Starflex

Major shareholders

- Mr. Printhorn Apithanasriwong - 23.8 %
- Mr. Ek Picharnchitra - 9.8 %
- BTS Group Holdings - 6.7 %
- Others - 59.7 %

Source: Starflex

Catalysts

Key potential catalysts include 1) a broad-based economic recovery; 2) a decline in oil prices; 3) baht appreciation; and 4) strong consumption growth in Vietnam.

Risks to our call

Downside risks to our P/E-based TP include 1) a sharp rise in crude oil prices; 2) rising inflation pressuring consumers' purchasing power; and 3) baht depreciation.

Event calendar

Date	Event
August 2024	2Q24 earnings announcement

Key assumptions

	2024E (THB m)	2025E (THB m)	2026E (THB m)
Sales revenue	2,080	2,234	2,397
Growth (%)	15.9	7.4	7.3
Non-food packaging	1,560	1,676	1,798
Growth (%)	15.3	7.4	7.3
Food packaging	512	550	590
Growth (%)	17.8	7.4	7.3
Gross margin (%)	21.0	21.0	21.3
SG&A to sales (%)	10.1	9.8	9.9

Source: FSSIA estimates

Earnings sensitivity

- For every 0.5% change in gross margin, we project SFLEX's 2024 core profit to change by 3.6%, all else being equal.

- For every 0.5% change in SG&A to sales, we project SFLEX's 2024 core profit to change by 4.0%, all else being equal.
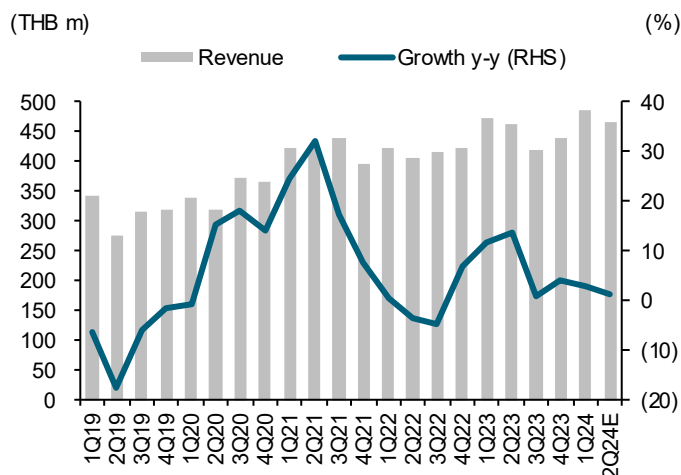
Source: FSSIA estimates

Exhibit 1: SFLEX – 2Q24 earnings preview

| Year to Dec 31	2Q23	3Q23	4Q23	1Q24	2Q24E	------Change-----		1H23	1H24E	Change	2024E	Change	% of
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)	(THB m)	(y-y %)	2024E
Sales	462	421	439	485	468	(3.5)	1.2	934	953	2.0	2,080	15.9	45.8
Cost of sales	(347)	(314)	(328)	(368)	(356)	(3.3)	2.5	(722)	(725)	0.3	(1,643)	20.4	44.1
Gross profit	115	107	111	117	112	(4.1)	(2.7)	212	228	7.9	437	1.6	52.3
Other income	6	8	4	6	5	(13.7)	(13.3)	11	11	(2.5)	27	17.9	40.7
Operating costs	(57)	(52)	(63)	(55)	(57)	3.5	0.0	(108)	(111)	3.5	(210)	(5.7)	53.1
Operating profit	64	63	52	68	60	(11.1)	(6.1)	116	128	10.6	647	(0.9)	19.8
Operating EBITDA	**78**	**77**	**66**	**85**	**77**	(9.7)	(1.8)	**144**	**162**	12.4	**313**	7.6	51.6
Interest expense	(1)	(2)	(6)	(8)	(8)	0.0	548.0	(2)	(17)	634.4	(15)	51.7	113.3
Associates	0	0	0	3	4	54.1	nm	0	7	nm	33	nm	20.3
Profit before tax	63	62	46	63	56	(10.9)	(11.2)	113	119	4.6	239	7.1	49.6
Reported net profit	**50**	**49**	**42**	**64**	**55**	(13.7)	8.7	**91**	**118**	29.9	**224**	21.4	52.9
Core profit	**50**	**48**	**42**	**63**	**55**	(12.7)	8.9	**91**	**118**	29.5	**224**	23.4	52.6
Reported EPS (THB)	0.064	0.062	0.051	0.077	0.067	(13.7)	4.4	0.11	0.14	26.6	0.27	17.9	52.9
Core EPS (THB)	0.061	0.059	0.051	0.077	0.067	(12.7)	8.9	0.11	0.14	29.5	0.27	23.4	52.6
Key Ratios (%)	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)	(%)	(ppt)	(%)	(ppt)	
Gross margin	24.9	25.4	25.3	24.0	23.9	(0.1)	(1.0)	22.7	24.0	1.3	21.0	(3.0)	
Operating margin	13.9	15.0	11.8	14.1	12.9	(1.3)	(1.0)	12.4	13.5	1.1	12.2	(0.6)	
EBITDA margin	16.9	18.4	14.9	17.5	16.4	(1.1)	(0.5)	15.4	16.9	1.6	15.1	(1.2)	
Core profit margin	10.9	11.5	9.6	12.9	11.7	(1.2)	0.8	9.7	12.3	2.6	10.8	0.7	
SG&A / Sales	12.3	12.4	14.4	11.3	12.1	0.8	(0.1)	11.5	11.7	0.2	10.1	(2.3)	

Sources: SFLEX, FSSIA estimates
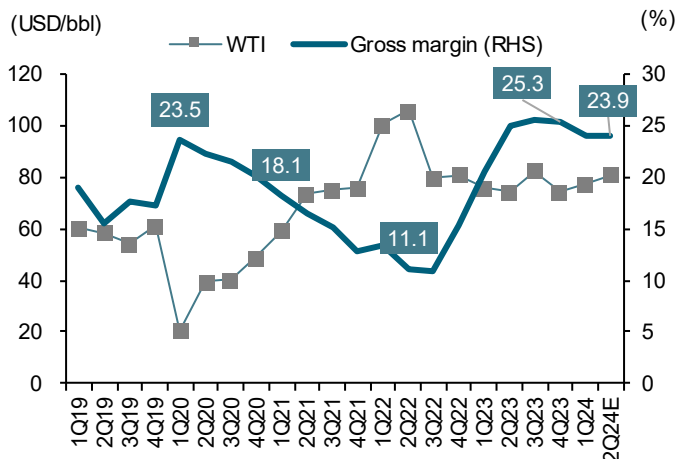
Exhibit 2: Sales revenue and y-y growth

Sources: SFLEX, FSSIA estimates

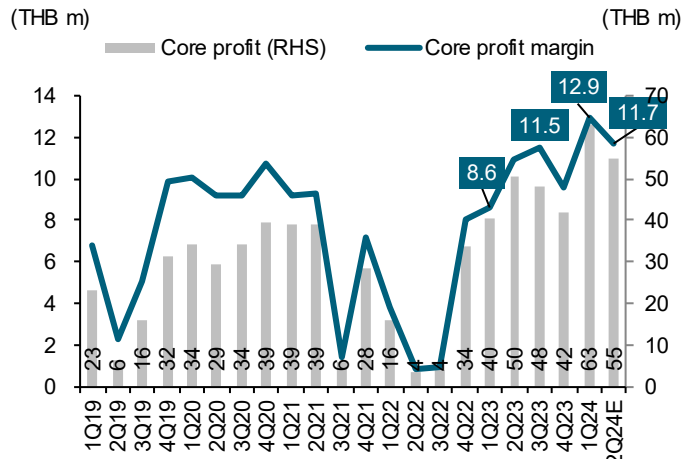**Exhibit 3: Prices of crude oil and LLDPE**

Source: Bloomberg

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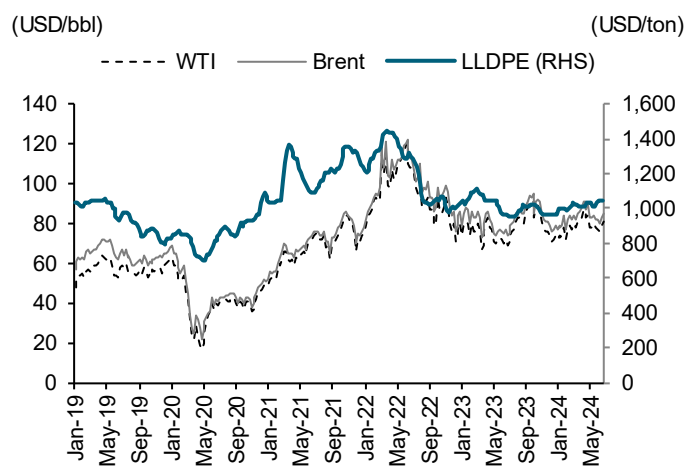
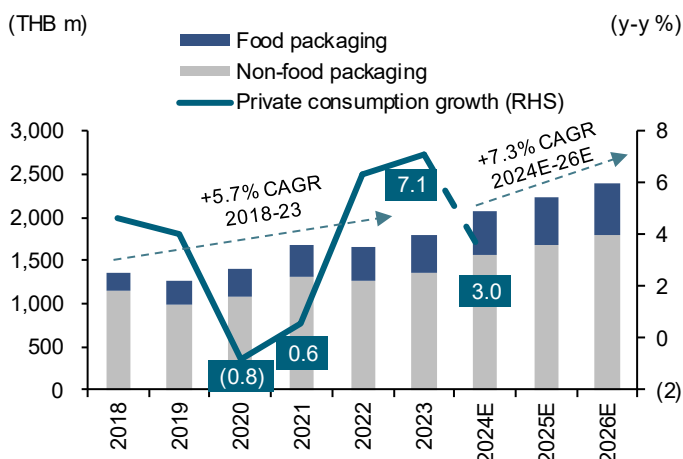**Exhibit 4: Gross margin vs crude oil prices**

Sources: Bloomberg, FSSIA estimates

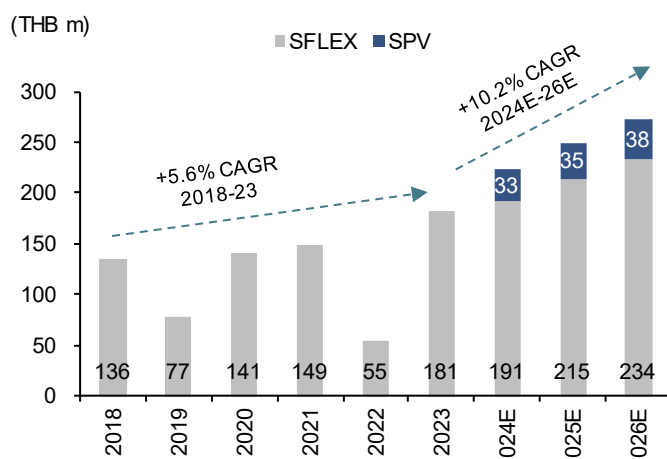**Exhibit 5: Core profit and core profit margin**

Sources: SFLEX, FSSIA estimates

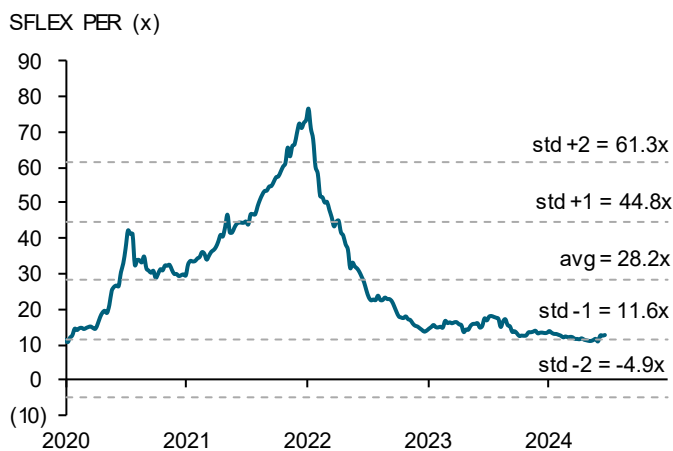**Exhibit 6: SFLEX's revenue vs private consumption growth**

Sources: SFLEX, NESDC, FSSIA estimates

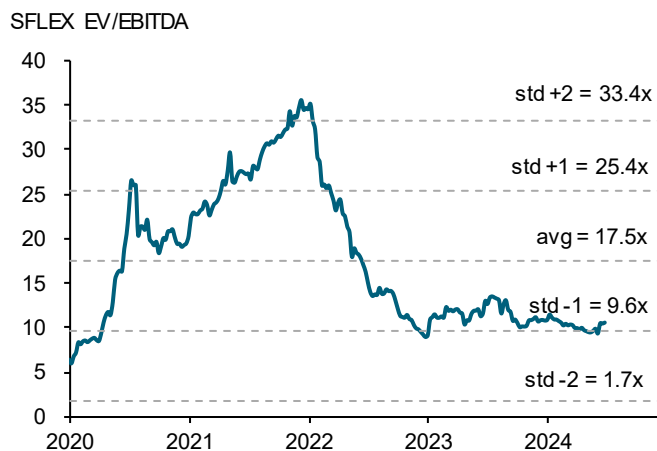**Exhibit 7: Core profit and growth**

Sources: SFLEX, FSSIA estimates

Exhibit 8: One-year rolling forward P/E

Sources: Bloomberg; FSSIA estimates

Exhibit 9: One-year rolling forward EV/EBITDA

Sources: Bloomberg; FSSIA estimates

Financial Statements

Starflex

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	1,669	1,795	2,080	2,234	2,397
Cost of goods sold	(1,458)	(1,365)	(1,643)	(1,765)	(1,886)
Gross profit	**211**	**430**	**437**	**469**	**511**
Other operating income	27	23	27	29	31
Operating costs	(170)	(223)	(210)	(218)	(236)
Operating EBITDA	**124**	**288**	**313**	**340**	**367**
Depreciation	(57)	(58)	(59)	(60)	(61)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	**67**	**230**	**254**	**280**	**306**
Net financing costs	(3)	(10)	(15)	(12)	(13)
Associates	-	0	33	35	38
Recurring non-operating income	0	0	33	35	38
Non-recurring items	0	3	0	0	0
Profit before tax	**65**	**223**	**272**	**303**	**330**
Tax	(10)	(39)	(48)	(54)	(58)
Profit after tax	**55**	**184**	**224**	**250**	**272**
Minority interests	0	0	0	0	0
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
Reported net profit	**55**	**184**	**224**	**250**	**272**
Non-recurring items & goodwill (net)	**0**	**(3)**	**0**	**0**	**0**
Recurring net profit	**55**	**181**	**224**	**250**	**272**
Per share (THB)					
Recurring EPS *	0.07	0.22	0.27	0.30	0.33
Reported EPS	0.07	0.22	0.27	0.30	0.33
DPS	0.03	0.09	0.11	0.12	0.13
Diluted shares (used to calculate per share data)	820	820	820	820	820
Growth					
Revenue (%)	(0.5)	7.5	15.9	7.4	7.3
Operating EBITDA (%)	(44.4)	132.7	8.7	8.7	7.7
Operating EBIT (%)	(58.2)	241.6	10.4	10.5	9.0
Recurring EPS (%)	(63.4)	231.2	23.4	11.6	8.8
Reported EPS (%)	(63.1)	234.6	21.4	11.6	8.8
Operating performance					
Gross margin inc. depreciation (%)	12.6	24.0	21.0	21.0	21.3
Gross margin exc. depreciation (%)	16.0	27.2	23.9	23.7	23.9
Operating EBITDA margin (%)	7.4	16.1	15.1	15.2	15.3
Operating EBIT margin (%)	4.0	12.8	12.2	12.6	12.8
Net margin (%)	3.3	10.1	10.8	11.2	11.3
Effective tax rate (%)	14.9	17.4	17.6	17.7	17.7
Dividend payout on recurring profit (%)	45.0	40.7	40.0	40.0	40.0
Interest cover (X)	23.0	23.7	19.4	26.0	25.8
Inventory days	86.9	92.1	74.3	75.2	74.0
Debtor days	66.6	59.5	56.3	53.4	50.4
Creditor days	74.3	83.9	84.8	91.2	95.1
Operating ROIC (%)	5.4	17.5	17.8	18.7	21.3
ROIC (%)	4.8	13.6	13.9	14.8	16.6
ROE (%)	5.6	18.3	22.1	24.2	25.9
ROA (%)	3.7	10.4	11.1	11.7	12.8
* Pre-exceptional, pre-goodwill and fully diluted					

Revenue by Division (THB m)	2022	2023	2024E	2025E	2026E
Non-food packaging	1,258	1,353	1,560	1,676	1,798
Food packaging	393	434	512	550	590
Others	18	7	8	9	10

Sources: Starflex; FSSIA estimates

Financial Statements
Starflex

Cash Flow (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Recurring net profit	55	181	224	250	272
Depreciation	57	58	59	60	61
Associates & minorities	0	0	0	0	0
Other non-cash items	-	-	-	-	-
Change in working capital	50	(43)	30	(144)	62
Cash flow from operations	**162**	**197**	**313**	**165**	**395**
Capex - maintenance	-	-	-	-	-
Capex - new investment	(144)	-	(294)	(140)	(180)
Net acquisitions & disposals	-	(460)	-	-	-
Other investments (net)	-	-	-	-	-
Cash flow from investing	**(144)**	**(460)**	**(294)**	**(140)**	**(180)**
Dividends paid	(37)	(59)	(89)	(100)	(109)
Equity finance	0	(100)	0	0	0
Debt finance	66	346	116	13	(90)
Other financing cash flows	-	-	-	-	-
Cash flow from financing	**29**	**187**	**26**	**(87)**	**(198)**
Non-recurring cash flows	-	-	-	-	-
Other adjustments	7	28	0	62	0
Net other adjustments	**7**	**28**	**(80)**	**62**	**(20)**
Movement in cash	**54**	**(48)**	**(35)**	**0**	**(3)**
Free cash flow to firm (FCFF)	20.64	(252.93)	33.82	37.41	228.56
Free cash flow to equity (FCFE)	90.80	111.57	54.88	99.96	105.44

Per share (THB)					
FCFF per share	0.03	(0.31)	0.04	0.05	0.28
FCFE per share	0.11	0.14	0.07	0.12	0.13
Recurring cash flow per share	0.14	0.29	0.35	0.38	0.41

Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Tangible fixed assets (gross)	1,046	1,141	1,391	1,421	1,452
Less: Accumulated depreciation	(307)	(365)	(424)	(484)	(546)
Tangible fixed assets (net)	**739**	**776**	**967**	**937**	**907**
Intangible fixed assets (net)	**54**	**40**	**41**	**41**	**42**
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	32	408	408	408	408
Cash & equivalents	129	81	46	47	44
A/C receivable	263	322	320	333	328
Inventories	333	326	319	384	356
Other current assets	22	27	29	30	32
Current assets	**747**	**756**	**714**	**794**	**760**
Other assets	29	62	64	66	67
Total assets	**1,602**	**2,042**	**2,194**	**2,246**	**2,185**
Common equity	985	1,001	1,021	1,040	1,061
Minorities etc.	0	0	0	0	0
Total shareholders' equity	**985**	**1,001**	**1,021**	**1,040**	**1,061**
Long term debt	175	168	284	297	207
Other long-term liabilities	43	46	53	61	71
Long-term liabilities	**218**	**215**	**337**	**358**	**277**
A/C payable	276	331	411	441	510
Short term debt	114	480	408	389	317
Other current liabilities	8	16	17	18	19
Current liabilities	**398**	**827**	**836**	**849**	**846**
Total liabilities and shareholders' equity	**1,602**	**2,042**	**2,194**	**2,246**	**2,185**
Net working capital	334	328	240	288	187
Invested capital	1,188	1,615	1,720	1,741	1,612

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

Per share (THB)					
Book value per share	1.20	1.22	1.25	1.27	1.29
Tangible book value per share	1.14	1.17	1.20	1.22	1.24
Financial strength					
Net debt/equity (%)	16.3	56.7	63.2	61.5	45.3
Net debt/total assets (%)	10.0	27.8	29.4	28.5	22.0
Current ratio (x)	1.9	0.9	0.9	0.9	0.9
CF interest cover (x)	81.1	12.5	24.7	20.7	22.4

Valuation	2022	2023	2024E	2025E	2026E
Recurring P/E (x) *	**53.3**	**16.1**	**13.0**	**11.7**	**10.7**
Recurring P/E @ target price (x) *	**83.9**	**25.3**	**20.5**	**18.4**	**16.9**
Reported P/E (x)	53.0	15.8	13.0	11.7	10.7
Dividend yield (%)	0.8	2.5	3.1	3.4	3.7
Price/book (x)	3.0	2.9	2.9	2.8	2.8
Price/tangible book (x)	3.1	3.0	3.0	2.9	2.9
EV/EBITDA (x) **	24.9	12.1	11.4	10.5	9.3
EV/EBITDA @ target price (x) **	38.4	17.9	16.7	15.4	13.8
EV/invested capital (x)	2.6	2.2	2.1	2.0	2.1

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

Sources: Starflex; FSSIA estimates

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%). *(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.)*	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. *(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.)*	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. | NEGL	Low	Medium	High	Severe
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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. 	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		
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. *(Score ratings are 0 to 25 = poor; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.)*	
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

Starflex (SFLEX TB)

Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
10-Mar-2023	BUY	4.70	12-Jun-2023	BUY	5.50	04-Dec-2023	BUY	5.60

Jitra Amornthum started covering this stock from 10-Mar-2023
Price and TP are in local currency
Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Starflex	SFLEX TB	THB 3.56	BUY	Downside risks to our P/E-based TP include 1) a sharp rise in crude oil prices; 2) rising inflation pressuring consumers' purchasing power; and 3) baht depreciation.

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 26-Jun-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.