FINANSIA
FSS INTERNATIONAL INVESTMENT ADVISORY

EQUITY RESEARCH - COMPANY REPORT

SCGJWD LOGISTICS SJWD TB

THAILAND / TRANSPORT & LOGISTICS

BUY
UNCHANGED

TARGET PRICE	THB23.00
CLOSE	THB12.20
UP/DOWNSIDE	+88.5%
PRIOR TP	THB23.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+23.0%

คาด 2Q24 หนุนโดยส่วนแบ่งกำไรจากบ.ร่วม

- เราคาดกำไรปกติ 2Q24 ที่ 165 ล้านบาท (+2.9% q-q, +31.6% y-y) หนุนจากส่วนแบ่งกำไรของบริษัทร่วม
- ผลประกอบการไม่สดใสนักใน 1H24 แต่คาดมีพัฒนาการดีขึ้นใน 2H24
- คงคำแนะนำซื้อและราคาเป้าหมาย 23 บาท

ภาพรวมเศรษฐกิจใน 2Q24 ไม่ดีอย่างที่ควรจะเป็น

การฟื้นตัวของเศรษฐกิจในประเทศโดยรวมใน 2Q24 เป็นไปอย่างล่าช้า การเติบโตถูกขับเคลื่อนเฉพาะการบริโภคของภาคเอกชนในส่วนที่เป็นสินค้าอุปโภคบริโภคจำเป็นและภาคการท่องเที่ยว ในขณะที่การขายรถยนต์ในประเทศ รวมถึงรถ EV ชะลอลงอย่างมากตั้งแต่ต้นปีจากกำลังซื้อที่อ่อนแอและหนี้ครัวเรือนที่สูง ซึ่งส่งผลกระทบต่อธุรกิจที่เกี่ยวกับยานยนต์ซึ่งเป็นดาวเด่นของ SJWD ในปีที่ผ่านมา แม้เราจะคาดว่าธุรกิจบริหารรับฝากรถและให้บริการเกี่ยวกับรถจะมีสัดส่วนต่อรายได้รวมเพียง 4% แต่มีสัดส่วนถึง 10% ของกำไรขั้นต้นของกลุ่ม นอกจากนี้ การส่งออกไก่ของประเทศที่ดีขึ้นเกินคาด ทำให้อัตราการใช้พื้นที่ในห้องเย็นลดลงเพราะลูกค้านำสินค้าออกไปส่งออก ก็มีส่วนกระทบกับผลกำไรของบริษัทในไตรมาสนี้

ส่วนแบ่งกำไรของบริษัทร่วมช่วยผลประกอบการใน 2Q24

จากเหตุผลดังกล่าว รวมถึง 2Q ที่เป็น low season เราจึงคาดรายได้ของ SJWD จะลดลง 3.3% q-q และ 1.4% y-y เป็น 6.0 พันล้านบาท หลัก ๆแล้วถูกฉุดโดยธุรกิจที่เกี่ยวกับยานยนต์ ห้องเย็น และการขนส่งซีเมนต์และวัสดุก่อสร้างในประเทศซึ่งเป็นไปตามการชะลอตัวของภาคอสังหาริมทรัพย์ อย่างไรก็ตาม ส่วนแบ่งกำไรของบริษัทร่วมในไตรมาสนี้จะเป็นตัวช่วยที่ดี เราคาดส่วนแบ่งกำไรเพิ่มสูงขึ้นมาก +58.9% q-q และ +56.6% y-y จากธุรกิจขนส่งทางเรือของ Transimex (SJWD ถือ 23.47%) ที่ดีขึ้น และการรับรู้ส่วนแบ่งกำไรเต็มไตรมาสจาก ANI (SJWD ถือ 20.12%) และ SWIFT (SJWD ถือ 20.44%) เราคาด SJWDจะมีกำไรปกติ 165 ล้านบาทใน 2Q24 (+2.9% q-q, +31.6% y-y)

ผลประกอบการไม่สดใสนักใน 1H24 แต่คาดมีพัฒนาการดีขึ้นใน 2H24

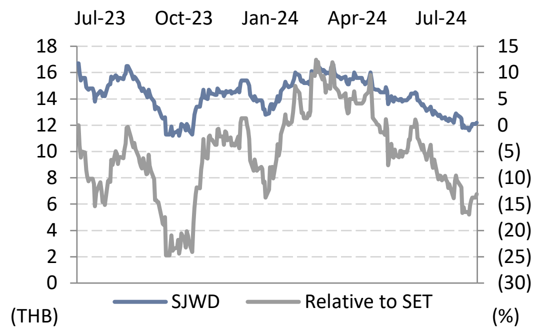
ด้วยภาวะเศรษฐกิจที่ไม่ได้ฟื้นเป็นวงกว้าง ทำให้ผลการดำเนินงานของ SJWD ไม่ได้สดใสอย่างที่เราเคยคาด กำไรปกติใน 1H24 น่าจะทำได้เพียง 28% ของประมาณการทั้งปี ซึ่งน่าจะต้องมีการทบทวนประมาณการหลังประกาศงบการเงิน อย่างไรก็ตาม หลายธุรกิจของ SJWD มี high season ใน 2H จึงเชื่อว่าผลประกอบการอยู่ในทิศทางที่ดีขึ้น

คงคำแนะนำซื้อจาก Valuations ถูก

เราคงคำแนะนำซื้อ และคงราคาเป้าหมาย 23 บาท (DCF, WACC 9.2%, LTG 3%) หากเราปรับลดประมาณการปี 2024E มากถึง 30% ราคาหุ้น SJWD ก็ยังมี Valuations ถูกที่ P/E 30x สำหรับปี 2024E และ 20x สำหรับ 2025E และมี EV/EBITDA เพียง 10x ในช่วงปี 2024E-25E ต่ำกว่าค่าเฉลี่ยในช่วง 5 ปีที่ผ่านมา

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 (%)	-	8.9	6.9	4.3
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. (%)	-	-	-	-
EPS growth (%)	(18.1)	51.4	16.5	11.4
Core P/E (x)	28.4	18.7	16.1	14.4
Dividend yield (%)	2.0	2.1	2.5	2.8
EV/EBITDA (x)	11.7	10.4	9.5	8.8
Price/book (x)	1.0	1.0	1.0	0.9
Net debt/Equity (%)	43.7	43.8	40.7	37.3
ROE (%)	6.1	5.2	6.0	6.6



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(2.4)	(17.0)	(25.2)
Relative to country (%)	(2.9)	(13.2)	(11.0)

Mkt cap (USD m)	614
3m avg. daily turnover (USD m)	1.0
Free float (%)	46
Major shareholder	SCG Group (43%)
12m high/low (THB)	16.70/10.80
Issued shares (m)	1,811.02

Sources: Bloomberg consensus; FSSIA estimates

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บทวิเคราะห์ฉบับนี้แปลมาจากต้นฉบับภาษาอังกฤษ ที่ออกรายงานเมื่อวันที่ 31 กรกฎาคม 2024

Investment thesis

Without a broad-based economic recovery, we expect SJWD's 2Q24 revenue to slightly fall 3.3% q-q and 1.4% y-y to THB6.0b, dragged by its automotive service, cold chain storage, and cement transportation. However, we estimate the share of profits from associates to rise significantly (+58.9% q-q, +56.6% y-y), helping SJWD's 2Q24 core profit to increase 2.9% q-q and 31.6% y-y to THB165m.

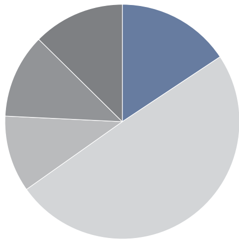
Although SJWD's 1H24 earnings look less promising than previously expected, several of the company's business units have a high season in 2H. Therefore, we believe that its earnings are improving. We retain our BUY call and TP of THB23 (DCF, WACC 9.2%, LTG 3%).

Company profile

SJWD commenced its logistics business in 1979 and is now one of ASEAN's top specialised logistics and supply chain solutions provider. 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.

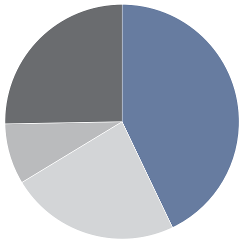
www.jwd-group.com

Principal activities (revenue, 2023)



Source: SCGJWD Logistics

Major shareholders



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) higher cost of funds.

Event calendar

Date	Event
14 August 2024	2Q24 earnings announcement

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.

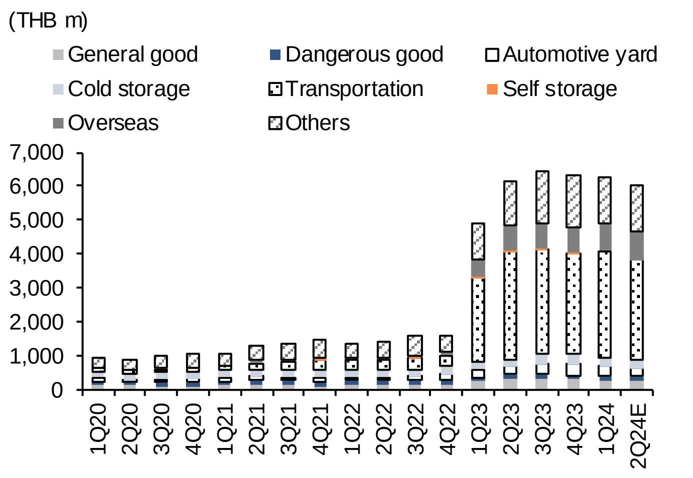
Source: FSSIA estimates

Exhibit 1: SJWD – 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	6,131	6,417	6,300	6,252	6,045	(3.3)	(1.4)	11,016	12,297	11.6	26,583	12.0	46.3
Cost of sales	(5,395)	(5,610)	(5,376)	(5,453)	(5,287)	(3.1)	(2.0)	(9,573)	(10,740)	12.2	(23,051)	12.1	46.6
Gross profit	736	806	924	799	758	(5.1)	3.0	1,443	1,557	7.9	3,532	11.3	44.1
Operating costs	(526)	(563)	(581)	(509)	(499)	(2.0)	(5.3)	(1,005)	(1,008)	0.3	(2,172)	1.0	46.4
Operating profit	210	243	343	290	259	(10.4)	23.8	438	549	25.5	1,361	32.9	40.4
Operating EBITDA	**575**	**646**	**1,057**	**726**	**698**	**(3.9)**	**21.3**	**1,144**	**1,423**	**24.4**	**3,220**	**13.1**	**44.2**
Other income	55	57	87	32	33	3.0	(39.3)	86	66	(23.8)	234	1.7	28.1
Interest expense	(117)	(120)	(134)	(146)	(145)	(0.7)	23.7	(216)	(291)	34.5	(518)	9.9	56.2
Profit before tax	147	180	295	176	148	(15.9)	0.3	307	324	5.3	1,077	37.5	30.1
Associates	42	42	43	41	65	58.9	56.6	127	106	(16.3)	428	102.4	24.7
Reported net profit	**129**	**140**	**261**	**164**	**165**	**0.6**	**27.6**	**361**	**329**	**(8.7)**	**1,179**	**54.8**	**27.9**
Core profit	**125**	**251**	**268**	**160**	**165**	**2.9**	**31.6**	**357**	**326**	**(8.7)**	**1,179**	**27.6**	**27.6**
Reported EPS (THB)	0.08	0.08	0.14	0.09	0.09	0.6	14.1	0.24	0.18	(24.9)	0.65	54.8	27.9
Recurring EPS (THB)	0.07	0.14	0.15	0.09	0.09	2.9	31.6	0.20	0.18	(8.7)	0.65	27.6	27.6
Key Ratios (%)	**(%)**	**(%)**	**(%)**	**(%)**	**(%)**	**(ppt)**	**(ppt)**	**(%)**	**(%)**	**(ppt)**	**(%)**	**(ppt)**	
Gross margin	12.0	12.6	14.7	12.8	12.5	(0.2)	0.5	13.1	12.7	(0.4)	13.3	(0.1)	
Operating margin	4.3	4.7	6.8	5.2	4.8	(0.3)	0.5	4.8	5.0	0.2	6.0	0.7	
EBITDA margin	9.4	10.1	16.8	11.6	11.5	(0.1)	2.2	10.4	11.6	1.2	12.1	0.1	
Recurring net margin	2.0	3.9	4.3	2.6	2.7	0.2	0.7	3.2	2.6	(0.6)	4.4	0.5	
SG&A / Sales	8.6	7.3	9.2	8.1	8.3	0.1	(0.3)	9.1	8.2	(0.9)	8.2	(0.9)	
Revenue breakdown	**(THB m)**	**(THB m)**	**(THB m)**	**(THB m)**	**(THB m)**	**(q-q %)**	**(y-y %)**	**(THB m)**	**(THB m)**	**(y-y %)**	**(THB m)**	**(y-y %)**	
Warehouse & yard mgmt.	844	1,025	1,033	925	863	(6.7)	2.2	1,662	1,788	7.6	4,284	15.2	
Transportation & distribution	3,221	3,102	2,955	3,170	2,945	(7.1)	(8.6)	5,699	6,115	7.3	13,485	14.7	
Other logistics	633	726	663	558	571	2.3	(9.9)	1,136	1,128	(0.7)	2,493	(0.4)	
Overseas	747	765	751	807	866	7.3	15.8	1,243	1,673	34.6	3,117	13.0	
Other business	707	799	898	793	800	1.0	13.2	1,297	1,593	22.8	3,204	7.0	
Gross margin by BU	**(%)**	**(%)**	**(%)**	**(%)**	**(%)**	**(ppt)**	**(ppt)**	**(%)**	**(%)**	**(ppt)**	**(%)**		
Warehouse & yard mgmt.	27.2	34.7	34.6	31.5	32.0	0.6	4.8	31.9	31.8	(0.2)	33.1		
Transportation & distribution	8.2	6.6	6.5	8.5	8.2	(0.3)	(0.0)	8.5	8.3	(0.1)	7.5		
Other logistics	24.8	20.3	21.8	18.8	18.9	0.0	(6.0)	23.8	18.8	(5.0)	21.5		
Overseas	7.1	8.4	10.5	13.1	13.6	0.4	6.5	6.8	13.4	6.6	8.2		
Other business	6.4	4.2	6.3	1.9	2.0	0.1	(4.4)	6.0	2.0	(4.1)	5.6		

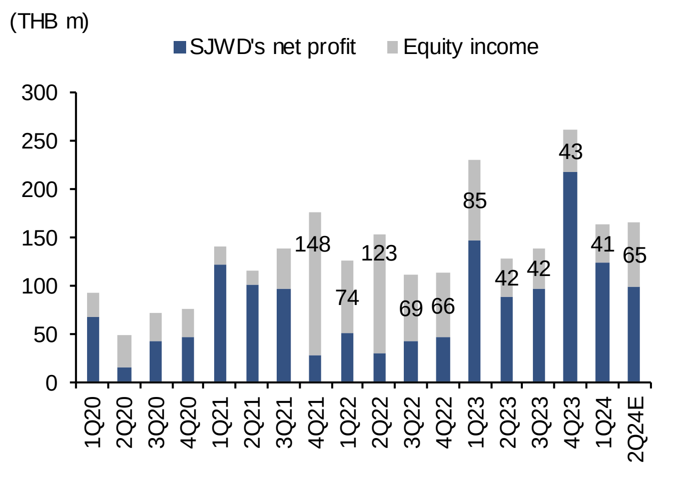
Sources: SJWD, FSSIA estimates

Exhibit 2: Revenue breakdown



Sources: SJWD, FSSIA estimates

Exhibit 3: Equity income and SJWD's net profit



Sources: SJWD, FSSIA estimates

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)	2022	2023	2024E	2025E	2026E
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)					
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)					
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					
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) *	**23.3**	**28.4**	**18.7**	**16.1**	**14.4**
Recurring P/E @ target price (x) *	**43.8**	**53.5**	**35.3**	**30.3**	**27.2**
Reported P/E (x)	24.7	29.0	18.7	16.1	14.4
Dividend yield (%)	6.4	2.0	2.1	2.5	2.8
Price/book (x)	4.0	1.0	1.0	1.0	0.9
Price/tangible book (x)	9.4	6.8	5.8	4.5	3.8
EV/EBITDA (x) **	14.1	11.7	10.4	9.5	8.8
EV/EBITDA @ target price (x) **	22.2	18.6	16.5	15.2	14.1
EV/invested capital (x)	1.9	1.0	1.0	1.0	0.9

* 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 4: FSSIA ESG score implication

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

Sources: FSSIA estimates

Exhibit 5: ESG – peer comparison

	FSSIA	------------------ Domestic ratings -----------------------					------------------------------- Global ratings ------------------------						--- Bloomberg ---	
	ESG score	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 6: 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 7: 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%). *(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**: 0-10; **Low**: 10-20; **Medium**: 20-30; **High**: 30-40; **Severe**: 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; **AA** 7.143-8.570 — **Leader:** leading its industry in managing the most significant ESG risks and opportunities **A** 5.714-7.142; **BBB** 4.286-5.713; **BB** 2.857-4.285 — **Average:** a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers **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

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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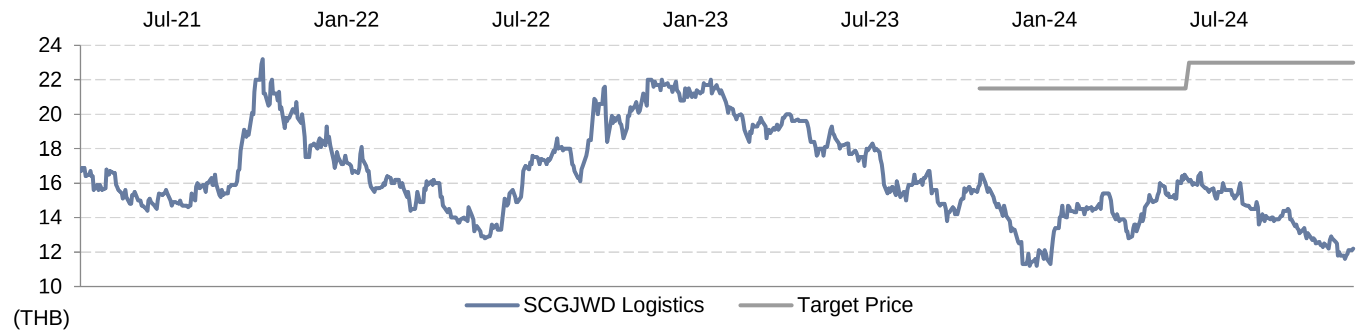
History of change in investment rating and/or target price

SCGJWD Logistics (SJWD TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
12-Sep-2023	BUY	21.50	08-Mar-2024	BUY	23.00	-	-	-

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 12.20	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 30-Jul-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.