

THAI STANLEY ELECTRIC  
THAILAND / AUTOMOTIVE

## STANLY TB

HOLD

UNCHANGED

## ปรับลดประมาณการลงอีกครั้ง

- ปรับลดกำไรปกติปี FY25-FY27 ลงอีกครั้ง 11%/13%/15% ทำให้กำไรปกติเติบโตเฉลี่ย 4.5% CAGR
- อุตสาหกรรมรถยนต์ที่คาด บริษัททำได้เพียงประคองตัว-คุมรายจ่าย จุดแข็งยังคงเป็นเงินปันผล
- คงคำแนะนำถือเพื่อเงินปันผล ลดราคาเป้าหมายลงเป็น 210 บาท

TARGET PRICE	THB210.00
CLOSE	THB209.00
UP/DOWNSIDE	+0.5%
PRIOR TP	THB220.00
CHANGE IN TP	-4.5%
TP vs CONSENSUS	+3.0%

## KEY STOCK DATA

YE Mar (THB m)	2024	2025E	2026E	2027E
Revenue	14,380	13,043	13,303	13,963
Net profit	1,757	1,582	1,652	1,726
EPS (THB)	22.93	20.64	21.56	22.53
vs Consensus (%)	-	(12.7)	3.5	(0.5)
EBITDA	3,326	3,161	3,247	3,354
Recurring net profit	1,724	1,582	1,652	1,726
Core EPS (THB)	22.49	20.64	21.56	22.53
Chg. In EPS est. (%)	-	(11.0)	(13.1)	(15.2)
EPS growth (%)	(1.0)	(8.2)	4.4	4.5
Core P/E (x)	9.3	10.1	9.7	9.3
Dividend yield (%)	9.6	6.9	7.2	7.5
EV/EBITDA (x)	4.2	4.7	4.5	4.3
Price/book (x)	0.7	0.7	0.7	0.7
Net debt/Equity (%)	(9.2)	(5.5)	(6.6)	(6.8)
ROE (%)	8.0	7.2	7.4	7.6

## อุตสาหกรรมยานยนต์ไทยอ่อนแอกว่าที่คาดและต่อเนื่องถึงปีหน้า

เราปรับประมาณการกำไรของ STANLY ลงอีกครั้งหลังผลประกอบการ 1QFY25 (เม.ย.-มิ.ย. 2024) ส่งสัญญาณความอ่อนแอของภาพอุตสาหกรรมยานยนต์ไทยมากกว่าที่เราคาด แม้ว่าไตรมาสที่ผ่านมาจะเป็น low season และเชื่อว่าเป็นจุดต่ำสุดของปีก็ตาม แต่จากยอดขายรถยนต์ในประเทศในช่วง 1H24 ที่ยังหดตัวต่อเนื่อง -24.2% y-y จากกำลังซื้อที่อ่อนแอและการคุมเข้มของสินเชื่อสถาบันการเงิน ขณะที่ความนิยมของรถ EV โดยเฉพาะจากค่ายรถยนต์จีน เป็นจุดเปลี่ยนที่สำคัญของอุตสาหกรรมยานยนต์ไทยที่เป็นฐานการผลิตของรถยนต์ค่ายญี่ปุ่นเป็นหลักมากกว่า 50 ปี ปี 2025 เป็นปีแรกที่เราจะเริ่มเห็นการผลิตรถ EV ค่ายจีนในไทย ผลกระทบต่อผู้ประกอบการและผู้ผลิตชิ้นส่วนยานยนต์ไทยยังน่าจะถูกระทบต่อเนื่องในปีหน้าเช่นกัน

## ปรับลดประมาณการอีกครั้ง คาดกำไรโตเฉลี่ยเพียง 4.5% CAGR (FY25-27)

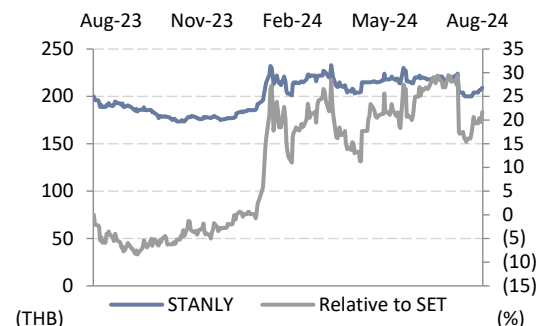
เราปรับลดกำไรปกติปี FY25-FY27 ลง 11%/13%/15% ทำให้กำไรปกติในช่วง 3 ปีข้างหน้า -8%/+4%/+5% ตามลำดับ คิดเป็นกำไรโตเฉลี่ย 4.5% CAGR ชะลอจากคาดการณ์เดิมที่คาดโตเฉลี่ย 7.0% CAGR หลักๆ มาจากการปรับลดรายได้ซึ่งเป็นไปตามภาพอุตสาหกรรม โดยคาดว่ารายได้ในปี FY25 จะลดลง 9.3% y-y และทรงตัวในปี FY26 ทั้งนี้ ในช่วงปลายเดือน ก.ค. ที่ผ่านมา ส.อ.ท. ได้ปรับลดเป้าหมายการผลิตในปี 2024 ลงจากเดิม 1.9 ล้านคัน เป็น 1.7 ล้านคัน (-8% y-y) โดยปรับเป้าหมายยอดขายเพื่อขายในประเทศลงจากเดิม 7.5 แสนคัน เป็น 5.5 แสนคัน (-29% y-y)

## ทำได้เพียงประคองตัว-คุมรายจ่าย จุดแข็งยังคงเป็นเงินปันผล

เรายังคงอัตรากำไรขั้นต้นใกล้เคียงประมาณการเดิมคือ 18-19% โดยเชื่อว่าบริษัทจะยังคงหากลยุทธ์ในการลดและควบคุมต้นทุนและรายจ่ายอย่างเข้มงวดเพื่อประคองให้ผ่านพ้นวิกฤตในช่วงนี้ไปได้ อย่างไรก็ตาม จุดแข็งของ STANLY ยังคงเป็นฐานะทางการเงินที่แข็งแกร่ง ปลอดภัยหนี้สิน ทำให้ยังคงความสามารถในจ่ายเงินปันผลที่สูงขึ้น เราปรับลด Payout ratio ลงเล็กน้อยจากประมาณการครั้งที่ 80% ของกำไรเป็น 70% ของกำไร ซึ่งทำให้ Dividend yield ยังอยู่ในระดับสูง 6-7%

## ปรับลดราคาเป้าหมายลงเป็น 210 บาท คงคำแนะนำถือเพื่อเงินปันผล

เราปรับราคาเป้าหมายลงเป็น 210 บาทจากเดิม 220 บาท โดยปรับเพิ่ม Target FY25E P/E ขึ้นเล็กน้อยจากเดิม 9.4 เท่าเป็น 10.0 เท่า ซึ่งสูงกว่าค่าเฉลี่ยในช่วง 5 ปีที่ผ่านมาเล็กน้อยจากฐานการเงินที่แข็งแกร่งของบริษัท และอัตราผลตอบแทนจากเงินปันผลที่สูงกว่าหุ้นในกลุ่มยานยนต์อย่างเห็นได้ชัด เราคงคำแนะนำถือเพื่อเงินปันผลตามเดิม



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	0.7	(2.0)	9.2
Relative to country (%)	(1.2)	1.7	28.9
Mkt cap (USD m)	453		
3m avg. daily turnover (USD m)	0.6		
Free float (%)	34		
Major shareholder	Stanley Electric Holding Asia-Pacific Pte., Ltd. (36%)		
12m high/low (THB)	221.91/163.33		
Issued shares (m)	76.63		

Sources: Bloomberg consensus; FSSIA estimates



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### Investment thesis

เราปรับลดกำไรปกติปี FY25-FY27 ลง 11%/13%/15% ทำให้กำไรปกติในช่วง 3 ปีข้างหน้า -8%/+4%/+5% ตามลำดับ คิดเป็นกำไรเติบโตเฉลี่ย 4.5% CAGR สะท้อนจากคาดการณ์เดิมที่คาดการณ์เฉลี่ย 7.0% CAGR

เราปรับราคาเป้าหมายลงเป็น 210 บาทจากเดิม 220 บาท โดยปรับเพิ่ม Target FY25E P/E ขึ้นเล็กน้อยจากเดิม 9.4 เท่าเป็น 10.0 เท่า ซึ่งสูงกว่าค่าเฉลี่ยในช่วง 5 ปีที่ผ่านมาเล็กน้อยจากฐานการเงินที่แข็งแกร่งของบริษัท และอัตราผลตอบแทนจากเงินปันผลที่สูงกว่าหุ้นในกลุ่มยานยนต์อย่างเห็นได้ชัด เราคงคำแนะนำถือเพื่อเงินปันผลตามเดิม

### Company profile

STANLY ก่อตั้งในปี 1980 เพื่อผลิตและจำหน่ายหลอดไฟและอุปกรณ์ให้แสงสว่างสำหรับยานพาหนะ โดยเป็นกิจการร่วมทุนไทย-ญี่ปุ่นระหว่างบริษัท เซ่งวงหง (สิทธิผล) จำกัด (ปัจจุบันคือ บริษัท สิทธิผล 1919 จำกัด) กับบริษัท สแตนเลย์อิเล็กทริก จำกัด ซึ่งเป็นบริษัทฝ่ายญี่ปุ่น นอกจากนั้นยังได้มีการร่วมลงทุนจัดตั้งบริษัทในต่างประเทศ เช่น ลาว เวียดนาม อินโดนีเซีย อินเดีย เป็นต้น

[www.thaistanley.com](http://www.thaistanley.com)

### Principal activities (revenue, 2024)

Activity	Percentage
Auto bulbs & automotive lighting equipment	98.4 %
Molds & dies and product designs	1.6 %

Source: Thai Stanley Electric

### Major shareholders

Shareholder	Percentage
Stanley Electric Holding Asia-Pacific Pte., Ltd.	35.7 %
Mr. Apichart Lee-issaranukul	7.1 %
Mrs. Porndee Lee-issaranukul	5.9 %
Others	51.4 %

Source: Thai Stanley Electric

## Catalysts

ปัจจัยหนุนการเติบโตของบริษัท ได้แก่ 1) ปริมาณความต้องการยานยนต์ที่ดีกว่าคาด 2) คำสั่งซื้อใหม่ 3) การปรับลงของต้นทุนวัตถุดิบและค่าไฟฟ้า

## Risks to our call

ปัจจัยเสี่ยงต่อราคาเป้าหมายของเรา ได้แก่ 1) อุปสงค์ยานยนต์ของโลกที่อ่อนแอ 2) ราคาต้นทุนวัตถุดิบและค่าไฟฟ้าที่สูงขึ้น 3) การขาดแคลนชิ้นส่วนและเซมิคอนดักเตอร์ในการผลิต และ 4) ความผันผวนของอัตราแลกเปลี่ยน

## Event calendar

Date	Event
November 2024	3QFY25 earnings announcement

## Key assumptions

Year ending Mar	FY25E (THB m)	FY26E (THB m)	FY27E (THB m)
Auto bulbs & lighting	12,883	13,140	13,797
Growth (%)	(9.0)	2.0	5.0
Die & molds	161	162	166
Growth (%)	(28.0)	1.0	2.0
Total revenue	13,043	13,303	13,963
Growth (%)	(9.3)	2.0	5.0
Gross margin (%)	18.6	18.7	18.7
Core profit margin	12.1	12.4	12.4

Source: FSSIA estimates

## Earnings sensitivity

- For every 0.5% change in its gross margin, we project STANLY's FY25 net profit to change by 3%, all else being equal.
- For every 10% change in utility costs, we project STANLY's FY25 net profit to change by 2%, all else being equal.
- For every 1% change in its SG&A to sales, we forecast STANLY's FY25 net profit to change by 6%, all else being equal.

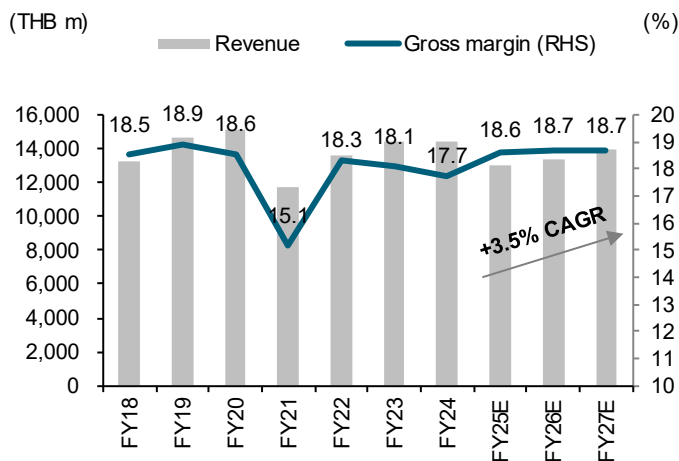
Source: FSSIA estimates

### Exhibit 1: Key changes in assumptions

Year Ending Mar	Current			Previous			Change		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(%)	(%)	(%)
Total revenue	13,043	13,303	13,963	14,807	15,538	16,436	(11.9)	(14.4)	(15.0)
- Automotive bulbs & lights	12,883	13,140	13,797	14,581	15,310	16,206	(11.7)	(14.2)	(14.9)
- Molds & dies	161	162	166	226	228	230	(28.7)	(28.7)	(28.0)
Cost of goods sold	(10,617)	(10,822)	(11,359)	(12,097)	(12,617)	(13,280)	(12.2)	(14.2)	(14.5)
Gross profit	2,426	2,481	2,604	2,710	2,921	3,156	(10.5)	(15.1)	(17.5)
SG&A	(1,188)	(1,157)	(1,180)	(1,199)	(1,259)	(1,315)	(0.9)	(8.0)	(10.3)
EBITDA	3,161	3,247	3,354	3,419	3,574	3,759	(7.5)	(9.1)	(10.8)
Core profit	1,582	1,652	1,726	1,777	1,901	2,035	(11.0)	(13.1)	(15.2)
<b>Margins</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>	<b>(ppt)</b>	<b>(ppt)</b>
Gross margin	18.6	18.7	18.7	18.3	18.8	19.2	0.3	(0.2)	(0.6)
EBITDA margin	24.2	24.4	24.0	23.1	23.0	22.9	1.1	1.4	1.2
Net profit margin	12.1	12.4	12.4	12.0	12.2	12.4	0.1	0.2	(0.0)
<b>Revenue by geography</b>	<b>(THB m)</b>	<b>(THB m)</b>	<b>(THB m)</b>	<b>(THB m)</b>	<b>(THB m)</b>	<b>(THB m)</b>	<b>(ppt)</b>	<b>(ppt)</b>	<b>(ppt)</b>
Domestic sales	8,087	8,514	9,076	9,180	9,944	10,683	(11.9)	(14.4)	(15.0)
Export	4,956	4,789	4,887	5,627	5,594	5,753	(11.9)	(14.4)	(15.0)

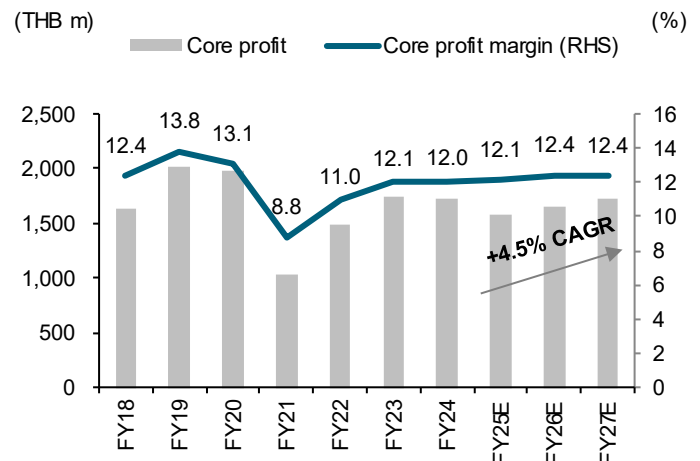
Sources: STANLY, FSSIA estimates

### Exhibit 2: Revenue and gross profit, yearly



Sources: STANLY, FSSIA estimates

### Exhibit 3: Core profit and core profit margin, yearly



Sources: STANLY, FSSIA estimates

## Financial Statements

### Thai Stanley Electric

Profit and Loss (THB m) Year Ending Mar	2023	2024	2025E	2026E	2027E
Revenue	14,448	14,380	13,043	13,303	13,963
Cost of goods sold	(13,387)	(13,387)	(12,182)	(12,392)	(12,940)
<b>Gross profit</b>	<b>1,061</b>	<b>993</b>	<b>861</b>	<b>910</b>	<b>1,023</b>
Other operating income	1,795	1,904	1,923	1,923	1,930
Operating costs	(1,093)	(1,129)	(1,188)	(1,157)	(1,180)
<b>Operating EBITDA</b>	<b>3,311</b>	<b>3,326</b>	<b>3,161</b>	<b>3,247</b>	<b>3,354</b>
Depreciation	(1,548)	(1,558)	(1,565)	(1,571)	(1,581)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>1,763</b>	<b>1,768</b>	<b>1,597</b>	<b>1,676</b>	<b>1,773</b>
Net financing costs	0	0	0	0	0
Associates	387	378	357	364	365
Recurring non-operating income	387	378	357	364	365
Non-recurring items	4	33	0	0	0
<b>Profit before tax</b>	<b>2,154</b>	<b>2,179</b>	<b>1,954</b>	<b>2,041</b>	<b>2,138</b>
Tax	(408)	(422)	(372)	(389)	(411)
<b>Profit after tax</b>	<b>1,746</b>	<b>1,757</b>	<b>1,582</b>	<b>1,652</b>	<b>1,726</b>
Minority interests	0	0	0	0	0
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>1,746</b>	<b>1,757</b>	<b>1,582</b>	<b>1,652</b>	<b>1,726</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>(4)</b>	<b>(33)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>1,742</b>	<b>1,724</b>	<b>1,582</b>	<b>1,652</b>	<b>1,726</b>
<b>Per share (THB)</b>					
Recurring EPS *	22.73	22.49	20.64	21.56	22.53
Reported EPS	22.78	22.93	20.64	21.56	22.53
DPS	20.00	20.00	14.45	15.09	15.77
Diluted shares (used to calculate per share data)	77	77	77	77	77
<b>Growth</b>					
Revenue (%)	6.4	(0.5)	(9.3)	2.0	5.0
Operating EBITDA (%)	4.8	0.4	(4.9)	2.7	3.3
Operating EBIT (%)	11.3	0.3	(9.7)	5.0	5.8
Recurring EPS (%)	16.4	(1.0)	(8.2)	4.4	4.5
Reported EPS (%)	14.8	0.6	(10.0)	4.4	4.5
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	7.3	6.9	6.6	6.8	7.3
Gross margin exc. depreciation (%)	18.1	17.7	18.6	18.7	18.7
Operating EBITDA margin (%)	22.9	23.1	24.2	24.4	24.0
Operating EBIT margin (%)	12.2	12.3	12.2	12.6	12.7
Net margin (%)	12.1	12.0	12.1	12.4	12.4
Effective tax rate (%)	18.9	19.4	19.0	19.1	19.2
Dividend payout on recurring profit (%)	88.0	88.9	70.0	70.0	70.0
Interest cover (X)	-	-	-	-	-
Inventory days	20.2	16.9	17.7	17.8	17.6
Debtor days	65.4	62.8	63.4	58.9	57.1
Creditor days	31.7	30.3	31.1	28.2	26.6
Operating ROIC (%)	9.2	8.6	7.6	7.8	8.2
ROIC (%)	8.6	7.9	7.0	7.2	7.5
ROE (%)	8.4	8.0	7.2	7.4	7.6
ROA (%)	7.4	7.0	6.4	6.7	6.9

\* Pre-exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2023	2024	2025E	2026E	2027E
Auto bulbs & automotive lighting equipment	14,329	14,157	12,883	13,140	13,797
Molds & dies and product designs	119	223	161	162	166

Sources: Thai Stanley Electric; FSSIA estimates

## Financial Statements

### Thai Stanley Electric

Cash Flow (THB m) Year Ending Mar	2023	2024	2025E	2026E	2027E
Recurring net profit	1,742	1,724	1,582	1,652	1,726
Depreciation	1,548	1,558	1,565	1,571	1,581
Associates & minorities	(387)	(378)	(357)	(364)	(365)
Other non-cash items	(504)	(604)	(720)	835	38
Change in working capital	(202)	(116)	300	(662)	(107)
<b>Cash flow from operations</b>	<b>2,197</b>	<b>2,183</b>	<b>2,369</b>	<b>3,031</b>	<b>2,874</b>
Capex - maintenance	0	0	0	0	0
Capex - new investment	(677)	(749)	(889)	(907)	(908)
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	(2,235)	(823)	(1,158)	(700)	(699)
<b>Cash flow from investing</b>	<b>(2,911)</b>	<b>(1,572)</b>	<b>(2,047)</b>	<b>(1,607)</b>	<b>(1,607)</b>
Dividends paid	(651)	(1,532)	(1,107)	(1,156)	(1,208)
Equity finance	0	0	0	0	0
Debt finance	0	0	0	0	0
Other financing cash flows	-	-	-	-	-
<b>Cash flow from financing</b>	<b>(651)</b>	<b>(1,532)</b>	<b>(1,107)</b>	<b>(1,156)</b>	<b>(1,208)</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	794	838	0	0	0
<b>Net other adjustments</b>	<b>794</b>	<b>838</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Movement in cash</b>	<b>(572)</b>	<b>(84)</b>	<b>(785)</b>	<b>268</b>	<b>59</b>
Free cash flow to firm (FCFF)	(714.86)	610.72	321.89	1,423.92	1,267.02
Free cash flow to equity (FCFE)	79.54	1,448.48	321.89	1,423.92	1,267.02

#### Per share (THB)

FCFF per share	(9.33)	7.97	4.20	18.58	16.54
FCFE per share	1.04	18.90	4.20	18.58	16.54
Recurring cash flow per share	31.31	30.00	27.00	48.20	38.91

Balance Sheet (THB m) Year Ending Mar	2023	2024	2025E	2026E	2027E
Tangible fixed assets (gross)	24,700	24,904	26,458	28,036	29,625
Less: Accumulated depreciation	(16,231)	(17,006)	(18,570)	(20,141)	(21,722)
<b>Tangible fixed assets (net)</b>	<b>8,469</b>	<b>7,899</b>	<b>7,888</b>	<b>7,895</b>	<b>7,903</b>
<b>Intangible fixed assets (net)</b>	<b>940</b>	<b>873</b>	<b>899</b>	<b>926</b>	<b>953</b>
Long-term financial assets	1,702	1,898	2,098	2,098	2,098
Invest. in associates & subsidiaries	2,023	2,205	2,205	2,205	2,205
Cash & equivalents	2,084	2,000	1,215	1,483	1,541
A/C receivable	2,557	2,390	2,144	2,150	2,219
Inventories	591	504	524	534	560
Other current assets	5,933	6,934	7,590	7,591	7,592
<b>Current assets</b>	<b>11,165</b>	<b>11,829</b>	<b>11,473</b>	<b>11,758</b>	<b>11,913</b>
Other assets	25	75	65	67	70
<b>Total assets</b>	<b>24,325</b>	<b>24,778</b>	<b>24,627</b>	<b>24,947</b>	<b>25,141</b>
Common equity	21,287	21,702	22,199	22,545	22,763
Minorities etc.	0	0	0	0	0
<b>Total shareholders' equity</b>	<b>21,287</b>	<b>21,702</b>	<b>22,199</b>	<b>22,545</b>	<b>22,763</b>
Long term debt	-	-	-	-	-
Other long-term liabilities	1,046	1,140	717	705	698
<b>Long-term liabilities</b>	<b>1,046</b>	<b>1,140</b>	<b>717</b>	<b>705</b>	<b>698</b>
A/C payable	1,001	964	844	830	825
Short term debt	-	-	-	-	-
Other current liabilities	991	972	867	867	856
<b>Current liabilities</b>	<b>1,992</b>	<b>1,936</b>	<b>1,711</b>	<b>1,697</b>	<b>1,680</b>
<b>Total liabilities and shareholders' equity</b>	<b>24,325</b>	<b>24,778</b>	<b>24,627</b>	<b>24,947</b>	<b>25,141</b>
Net working capital	7,089	7,893	8,547	8,578	8,691
Invested capital	20,249	20,842	21,702	21,767	21,920

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

#### Per share (THB)

Book value per share	277.80	283.22	289.72	294.22	297.07
Tangible book value per share	265.53	271.84	277.99	282.14	284.63

#### Financial strength

Net debt/equity (%)	(9.8)	(9.2)	(5.5)	(6.6)	(6.8)
Net debt/total assets (%)	(8.6)	(8.1)	(4.9)	(5.9)	(6.1)
Current ratio (x)	5.6	6.1	6.7	6.9	7.1
CF interest cover (x)	-	-	-	-	-

Valuation	2023	2024	2025E	2026E	2027E
<b>Recurring P/E (x) *</b>	<b>9.2</b>	<b>9.3</b>	<b>10.1</b>	<b>9.7</b>	<b>9.3</b>
<b>Recurring P/E @ target price (x) *</b>	<b>9.2</b>	<b>9.3</b>	<b>10.2</b>	<b>9.7</b>	<b>9.3</b>
Reported P/E (x)	9.2	9.1	10.1	9.7	9.3
Dividend yield (%)	9.6	9.6	6.9	7.2	7.5
Price/book (x)	0.8	0.7	0.7	0.7	0.7
Price/tangible book (x)	0.8	0.8	0.8	0.7	0.7
EV/EBITDA (x) **	4.2	4.2	4.7	4.5	4.3
EV/EBITDA @ target price (x) **	4.2	4.2	4.7	4.5	4.3
EV/invested capital (x)	0.7	0.7	0.7	0.7	0.7

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

Sources: Thai Stanley Electric; 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 <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.																				
CG Score by Thai Institute of Directors Association (Thai IOD)	An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.	Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (60-69), and not rated for scores below 50. Weightings include: 1) the rights; 2) and equitable treatment of shareholders (weight 25% combined); 3) the role of stakeholders (25%); 4) disclosure & transparency (15%); and 5) board responsibilities (35%).																				
AGM level By Thai Investors Association (TIA) with support from the SEC	It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). <i>(The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&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.																				
Thai CAC By Thai Private Sector Collective Action Against Corruption (CAC)	The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. <i>(Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.)</i>	The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.																				
Morningstar Sustainability	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><tr><th>NEGL</th><th>Low</th><th>Medium</th><th>High</th><th>Severe</th></tr><tr><td>0-10</td><td>10-20</td><td>20-30</td><td>30-40</td><td>40+</td></tr></table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+										
NEGL	Low	Medium	High	Severe																		
0-10	10-20	20-30	30-40	40+																		
ESG Book	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.	The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.																				
MSCI	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. <table><tr><td>AAA</td><td>8.571-10.000</td><td rowspan="3">Leader:</td><td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td></tr><tr><td>AA</td><td>7.143-8.570</td></tr><tr><td>A</td><td>5.714-7.142</td></tr><tr><td>BBB</td><td>4.286-5.713</td><td rowspan="2">Average:</td><td rowspan="2">a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td></tr><tr><td>BB</td><td>2.857-4.285</td></tr><tr><td>B</td><td>1.429-2.856</td><td rowspan="2">Laggard:</td><td rowspan="2">lagging its industry based on its high exposure and failure to manage significant ESG risks</td></tr><tr><td>CCC</td><td>0.000-1.428</td></tr></table>		AAA	8.571-10.000	Leader:	leading its industry in managing the most significant ESG risks and opportunities	AA	7.143-8.570	A	5.714-7.142	BBB	4.286-5.713	Average:	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	BB	2.857-4.285	B	1.429-2.856	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks	CCC	0.000-1.428
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Moody's ESG solutions	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.																					
Refinitiv ESG rating	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. <i>(Score ratings are 0 to 25 = poor; &gt;25 to 50 = satisfactory; &gt;50 to 75 = good; and &gt;75 to 100 = excellent.)</i>																					
S&P Global	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.																					
Bloomberg	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.																				
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.																				

**Rating** regarding the sustainable development of Thai listed companies, both on the SET and MAI, are publicly available on the website of the Securities and Exchange Commission of Thailand (SEC). Currently, ratings available are 1) **CG Score**; 2) **AGM Level**; 3) **Thai CAC**; and 4) **THSI**. The ratings are updated on an annual basis. FSSIA does not confirm nor certify the accuracy of such ratings.

Source: FSSIA's compilation



GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Jitra Amornthum FSS International Investment Advisory Securities Co., Ltd

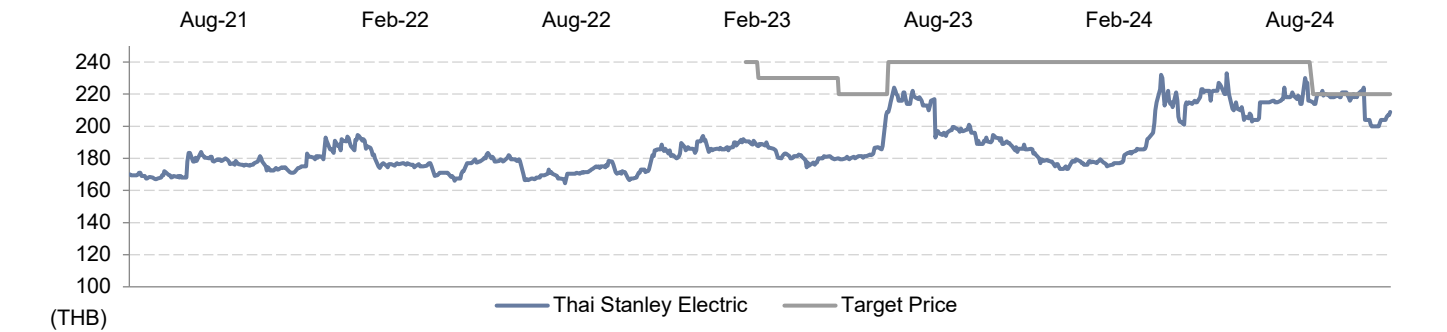
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History of change in investment rating and/or target price

Thai Stanley Electric (STANLY TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
19-Jan-2023	BUY	240.00	10-Apr-2023	BUY	220.00	24-May-2024	HOLD	220.00
30-Jan-2023	BUY	230.00	23-May-2023	BUY	240.00			

Jitra Amornthum started covering this stock from 19-Jan-2023

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Thai Stanley Electric	STANLY TB	THB 209.00	HOLD	Downside risks to our P/E-based TP include 1) weak global automotive demand; 2) higher raw material prices and utility costs; 3) global semiconductor shortages; and 4) fluctuations in the THB.

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 02-Aug-2024 unless otherwise stated.

## RECOMMENDATION STRUCTURE

### Stock ratings

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

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

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

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

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

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

### Industry Recommendations

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

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

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

### Country (Strategy) Recommendations

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

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

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