

THORESEN THAI AGENCIES
THAILAND / TRANSPORT & LOGISTIC

TTA TB

FSSIA ESG rating



HOLD

FROM BUY

TARGET PRICE	THB6.40
CLOSE	THB5.90
UP/DOWNSIDE	+8.5%
PRIOR TP	THB10.00
CHANGE IN TP	-36.0%
TP vs CONSENSUS	-36.0%

Stormy seas on the horizon

- เชื่อว่าการแรลลี่ของค่าระวางเรือใน 2Q24 จบลงแล้ว
- ปรับลดกำไรปกติปี 2024-26 ลง 20%/45%/44% ตามลำดับ
- ปรับไปใช้ราคาเป้าหมายปี 2025 ที่ 6.40 บาท ลดคำแนะนำเป็น ถือ

คาดการณ์ค่าระวางเรือชะลอใน 2H24 ต่อเนื่องถึงปี 2025

ดัชนี Supramax ซึ่งเป็นดัชนีสะท้อนเรือขนาดเดียวกับของ TTA ใน 3QTD เฉลี่ยที่ 1,346 จุด ลดลง 1.3% จากค่าเฉลี่ยใน 2Q24 เราเชื่อว่าการแรลลี่ของค่าระวางเรือใน 2Q24 จบลงแล้ว เนื่องจากเรากำลังก้าวเข้าใกล้ปี 2025 มากขึ้น ซึ่งเป็นปีที่คาดว่าอุปทานเรือจะเพิ่มขึ้นมากกว่าความต้องการใช้เรือ ดังนั้น ช่วง peak season ของกลุ่มเรือใน 3Q อาจแตกต่างจากทุกปี เนื่องจากผู้นำเข้าต่างเร่งนำสินค้าไปก่อนหน้าเพื่อเลี่ยงภาษีสินค้านำเข้าจากจีนที่กำลังจะปรับขึ้น ความแออัดของท่าเรือต่างๆ ทั่วโลกที่บรรเทาหลังสถานการณ์วิกฤตทะเลแดงคลี่คลายในปี 2025 ซึ่งเท่ากับทำให้อุปทานเรือเพิ่มขึ้นโดยปริยายในปีหน้า

ปรับลดประมาณการสะท้อนการคาดการณ์ค่าระวางเรือลดลง

เราปรับลดกำไรปกติปี 2024-26 ลง 20%/45%/44% ตามลำดับ จาก 1) ปรับลดสมมติฐานอัตราค่าระวางเรือเทกอง; 2) ปรับลดอัตรากำไรขั้นต้นของธุรกิจบริการนอกชายฝั่ง (Offshore business); และ 3) ปรับเพิ่มภาระดอกเบี้ยจ่ายขึ้นตามอัตราดอกเบี้ยในตลาดที่สูงขึ้น บนสมมติฐานใหม่ เราคาดการณ์รายได้จากการเดินเรือของ TTA จะเพิ่มขึ้น 7% เป็น USD14,555 ต่อวันในปี 2024, การปรับตัวขึ้นสูงส่วนใหญ่อยู่ใน 1H24, และคาดการณ์ค่าระวางลดลง 2% เป็น USD14,264 ต่อวันในปี 2025 ก่อนที่จะเพิ่มขึ้นอีกครั้ง 2% ในปี 2026 เราปรับลดค่าใช้จ่ายในการดำเนินงานหลังจาก TTA คุมรายจ่ายดังกล่าวได้ดีกว่าคาดในช่วงที่ผ่านมา ส่งผลให้อัตรากำไรขั้นต้นของธุรกิจเรือดีขึ้นแต่รายได้ลดลง

Offshore สร้างรายได้สูงเป็นอันดับ 2 ของกลุ่ม ในปี 2025-26

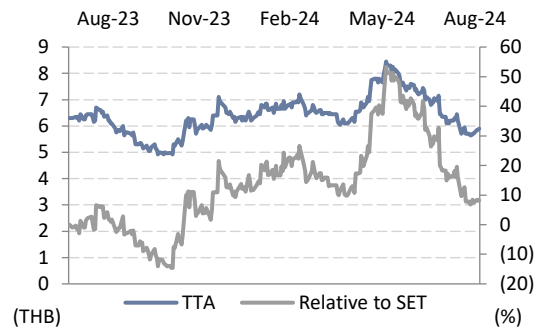
เราปรับเพิ่มรายได้ของธุรกิจ Offshore แต่ปรับลดอัตรากำไรขั้นต้นลง ทั้งนี้ ธุรกิจ Offshore มีงานในมือสูงเป็นประวัติการณ์ที่ USD976 ล้าน ณสิ้น 2Q24 โดย USD310 ล้านจะส่งมอบใน 2H24 และ USD411 ล้านส่งมอบในปี 2025 ส่วนที่เหลือส่งมอบในปี 2026 อย่างไรก็ตาม เราปรับลดอัตรากำไรขั้นต้นลงเป็น 8% จากเดิมที่คาด 10-12% ในระหว่างปี 2024-26 สะท้อนความสามารถในการคุมต้นทุนใน 1H24.

ปรับไปใช้ราคาเป้าหมายปี 2025 ที่ 6.40 บาท ลดคำแนะนำเป็น ถือ

ภายใต้สมมติฐานใหม่ เราคาดการณ์กำไรปกติของ TTA จะเติบโตกว่ากระโดด 132% y-y ในปี 2024 และปรับลง 22% y-y ในปี 2025 และคาดการณ์กำไรก่อนหักภาษีในปี 2026 เราปรับไปใช้ราคาเป้าหมายปี 2025 สะท้อนความสามารถในการทำกำไรในอนาคต เราได้ราคาเป้าหมาย 6.40 บาท ถึง 2025E P/E 8.6 เท่า ลดคำแนะนำเป็น ถือ จากเดิมซื้อ

KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	23,975	33,355	28,300	26,680
Net profit	1,217	1,725	1,350	1,330
EPS (THB)	0.67	0.95	0.74	0.73
vs Consensus (%)	-	(26.6)	(50.5)	(46.3)
EBITDA	3,584	5,121	4,511	4,675
Recurring net profit	744	1,725	1,350	1,330
Core EPS (THB)	0.41	0.95	0.74	0.73
Chg. In EPS est. (%)	0.0	(23.3)	(46.9)	(46.3)
EPS growth (%)	(77.3)	132.0	(21.7)	(1.5)
Core P/E (x)	14.5	6.2	8.0	8.1
Dividend yield (%)	1.4	1.9	1.5	1.5
EV/EBITDA (x)	4.7	3.7	3.8	3.8
Price/book (x)	0.4	0.4	0.4	0.4
Net debt/Equity (%)	9.7	15.3	9.9	10.1
ROE (%)	3.0	6.6	4.8	4.6



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(7.1)	(24.4)	(6.3)
Relative to country (%)	(8.5)	(22.5)	6.8
Mkt cap (USD m)			313
3m avg. daily turnover (USD m)			2.0
Free float (%)			69
Major shareholder		Mahagitsiri Family (24%)	
12m high/low (THB)			8.50/4.74
Issued shares (m)			1,822.46

Sources: Bloomberg consensus; FSSIA estimates



Jitra Amorntum

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

Investment thesis

We cut our core profit forecasts for 2024-26 by 20%/45%/44%, respectively, largely due to 1) an expected decrease in dry bulk freight rates; 2) a reduction in the gross margin of TTA's offshore business; and 3) higher interest expenses due to the rising market interest rates.

Based on our new assumptions, we expect TTA's core profit to leap 132% y-y in 2024, fall 22% y-y in 2025, and be flat in 2026. We roll over our TP to 2025 to better reflect its future profit potential. Our TP is now at THB6.40, based on a 2025E P/E of 8.6x, close to its three-year historical average. We downgrade our rating to HOLD.

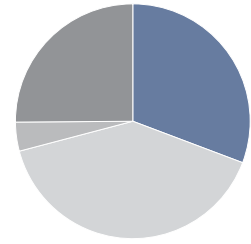
Company profile

Thoresen Thai Agencies (TTA) is a strategic investment holding company with an investment policy of achieving growth through a balanced portfolio that is diversified both locally and internationally. Its current business portfolio includes shipping, offshore service, agrochemical, food & beverage, and investment group segments. As of December 2023, Thoresen Shipping owned 22 Supramax and 2 Ultramax vessels, making a total of 24 vessels.

www.thoresen.com

Principal activities (revenue, 2023)

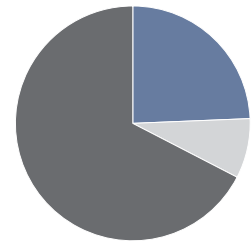
- Shipping revenue - 30.7 %
- Offshore service - 40.2 %
- Service & comission - 4.0 %
- Sales - 25.1 %



Source: Thoresen Thai Agencies

Major shareholders

- Mahagitsiri Family - 24.4 %
- Credit Suisse AG, Singapore Branch - 8.2 %
- Others - 67.4 %



Source: Thoresen Thai Agencies

Catalysts

Key catalysts include 1) fewer ships being built, which could reduce global fleet capacity; 2) China's stimulus package to boost the economy; and 3) higher CAPEX by the global energy sector, which creates opportunities for TTA's offshore service segment.

Risks to our call

Downside risks to our P/E-based TP include 1) a fall in freight rates (TCE); 2) exchange rate volatility; 3) slow economic growth in China; and 4) regulatory risks, including new EEXI and CII requirements, effective 1 Jan-23. Upside risks to our P/E-based TP include 1) higher freight rates (TCE); 2) better-than-expected economic growth in China; and 3) a prolonged Red Sea crisis and shipping disruptions.

Event calendar

Date	Event
November 2024	3Q24 earnings announcement

Key assumptions

	2023A	2024E	2025E	2026E
TTA's TCE rate (USD/day)	13,612	14,555	14,264	14,549
TCE rate growth (%)	(45.6)	6.9	(2.0)	2.0
Vessel OPEX (USD/day)	4,258	4,114	4,196	4,259
Gross margin by BU	(%)	(%)	(%)	(%)
Shipping business	33.6	35.4	30.1	30.0
Offshore business	19.0	7.8	8.0	8.0
Agrochemical business	12.5	14.9	15.0	15.0
Food & Beverage	38.8	40.5	41.0	41.3

Source: FSSIA estimates

Earnings sensitivity

- For every 1% change in its TCE rate, we project TTA's 2025 net profit to change by 0.8%, all else being equal.
- For every 1% change in shipping gross margin, we project TTA's 2025 net profit to change by 3.8%, all else being equal.

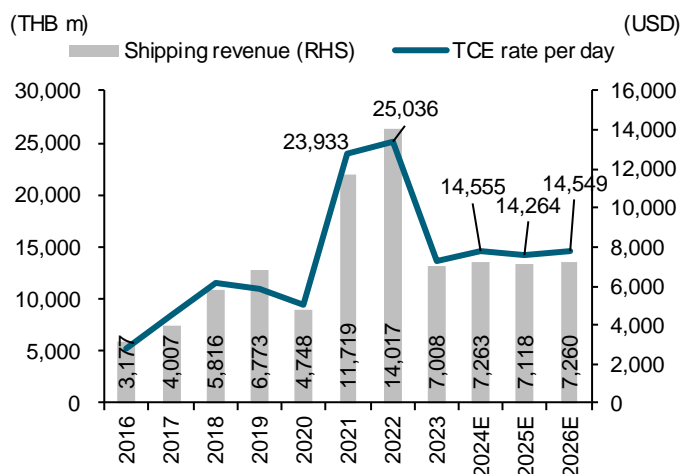
Source: FSSIA estimates

Exhibit 1: Key changes in assumptions

	Current			Previous			Change		
	2024E (THB m)	2025E (THB m)	2026E (THB m)	2024E (THB m)	2025E (THB m)	2026E (THB m)	2024E (%)	2025E (%)	2026E (%)
TCE rate (USD/ship/day)	14,555	14,264	14,549	15,985	17,584	18,463	(8.9)	(18.9)	(21.2)
Shipping	7,263	7,118	7,260	7,837	10,028	10,749	(7.3)	(29.0)	(32.5)
Offshore services	18,781	13,563	11,525	16,751	8,234	7,260	12.1	64.7	58.7
Agrochemical	3,839	3,916	3,994	2,863	4,433	1,902	34.1	(11.7)	110.0
Food & Beverage	2,302	2,486	2,635	1,457	2,924	4,000	57.9	(15.0)	(34.1)
Other investments	1,170	1,216	1,265	885	2,075	1,265	32.2	(41.4)	0.0
Total revenue	33,355	28,300	26,680	29,793	27,694	26,606	12.0	2.2	0.3
Cost of goods sold	(28,022)	(23,713)	(22,169)	(22,870)	(20,758)	(19,662)	22.5	14.2	12.8
Gross profit	5,333	4,586	4,511	5,640	5,550	5,490	(5.4)	(17.4)	(17.8)
SG&A	(3,102)	(2,915)	(2,935)	(3,307)	(3,131)	(3,094)	(6.2)	(6.9)	(5.1)
Interest expense	758	754	697	733	620	603	3.4	21.6	15.5
EBITDA	5,121	4,511	4,675	5,564	6,130	7,316	(8.0)	(26.4)	(36.1)
Core profit	1,725	1,350	1,330	2,142	2,432	2,357	(19.5)	(44.5)	(43.5)
Key ratios	(%)	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(ppt)
Gross margin	16.0	16.2	16.9	19.8	21.1	21.8	(3.8)	(4.9)	(4.9)
SG&A to sales	9.3	10.3	11.00	11.6	11.9	12.3	(2.3)	(1.6)	(1.3)
EBITDA margin	15.4	15.9	17.5	19.5	23.3	29.1	(4.2)	(7.4)	(11.6)
Core profit margin	5.2	4.8	5.0	7.6	9.2	9.6	(2.4)	(4.4)	(4.6)

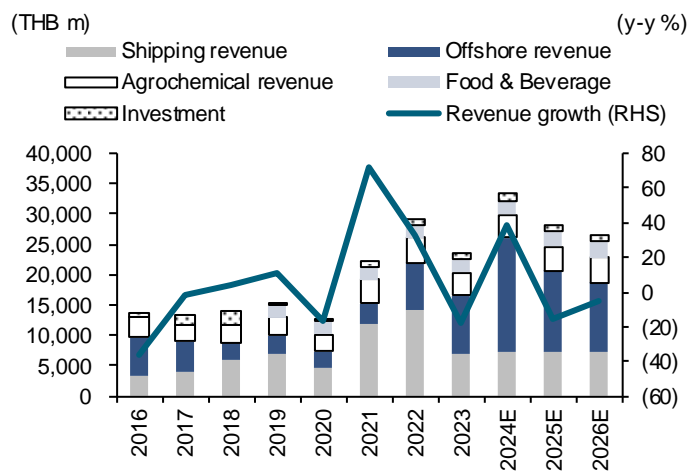
Sources: TTA, FSSIA estimates

Exhibit 2: Shipping revenue and TCE rate per day



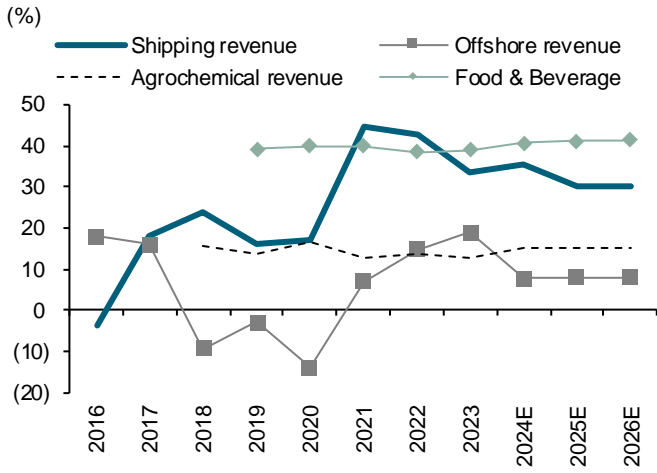
Sources: TTA, FSSIA estimates

Exhibit 3: Revenue structure



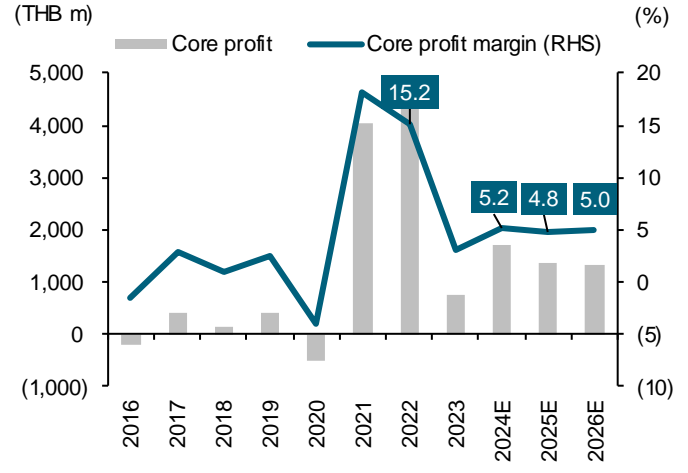
Sources: TTA, FSSIA estimates

Exhibit 4: Margins by business unit



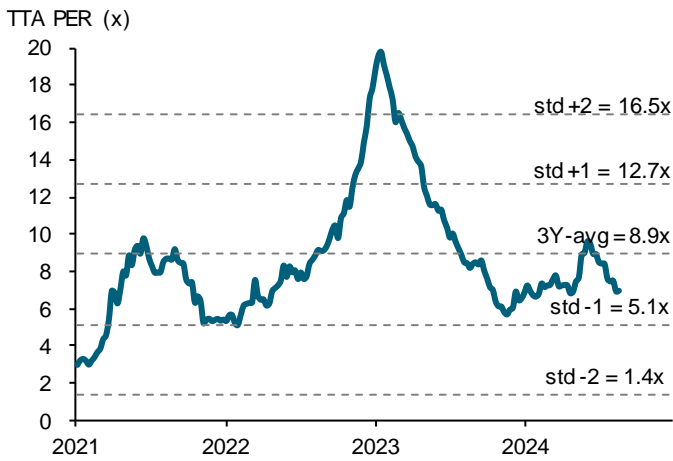
Sources: TTA, FSSIA estimates

Exhibit 5: Core profit and margin



Sources: TTA, FSSIA estimates

Exhibit 6: One-year rolling forward P/E



Sources: Bloomberg, FSSIA estimates

Exhibit 7: One-year rolling forward P/BV



Sources: Bloomberg, FSSIA estimates

Financial Statements

Thoresen Thai Agencies

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	29,320	23,975	33,355	28,300	26,680
Cost of goods sold	(21,887)	(19,663)	(28,022)	(23,713)	(22,169)
Gross profit	7,433	4,313	5,333	4,586	4,511
Other operating income	268	296	394	382	387
Operating costs	(4,076)	(3,211)	(3,102)	(2,915)	(2,935)
Operating EBITDA	5,475	3,584	5,121	4,511	4,675
Depreciation	(1,850)	(2,187)	(2,496)	(2,458)	(2,711)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	3,625	1,397	2,624	2,054	1,963
Net financing costs	(511)	(700)	(758)	(754)	(697)
Associates	168	179	89	94	101
Recurring non-operating income	168	179	89	94	101
Non-recurring items	1,190	473	0	0	0
Profit before tax	4,473	1,349	1,955	1,393	1,368
Tax	(22)	(19)	(280)	(104)	(101)
Profit after tax	4,451	1,330	1,676	1,289	1,266
Minority interests	8	(113)	50	61	64
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	4,459	1,217	1,725	1,350	1,330
Non-recurring items & goodwill (net)	(1,190)	(473)	0	0	0
Recurring net profit	3,269	744	1,725	1,350	1,330
Per share (THB)					
Recurring EPS *	1.79	0.41	0.95	0.74	0.73
Reported EPS	2.45	0.67	0.95	0.74	0.73
DPS	0.22	0.08	0.11	0.09	0.09
Diluted shares (used to calculate per share data)	1,822	1,822	1,822	1,822	1,822
Growth					
Revenue (%)	32.5	(18.2)	39.1	(15.2)	(5.7)
Operating EBITDA (%)	3.1	(34.5)	42.9	(11.9)	3.6
Operating EBIT (%)	(4.1)	(61.5)	87.8	(21.7)	(4.4)
Recurring EPS (%)	(6.4)	(77.3)	132.0	(21.7)	(1.5)
Reported EPS (%)	21.7	(72.7)	41.8	(21.7)	(1.5)
Operating performance					
Gross margin inc. depreciation (%)	25.4	18.0	16.0	16.2	16.9
Gross margin exc. depreciation (%)	31.7	27.1	23.5	24.9	27.1
Operating EBITDA margin (%)	18.7	14.9	15.4	15.9	17.5
Operating EBIT margin (%)	12.4	5.8	7.9	7.3	7.4
Net margin (%)	11.1	3.1	5.2	4.8	5.0
Effective tax rate (%)	0.5	1.4	14.3	7.5	7.4
Dividend payout on recurring profit (%)	12.3	19.6	12.0	12.0	12.0
Interest cover (X)	7.4	2.3	3.6	2.8	3.0
Inventory days	29.5	32.7	21.6	28.0	29.2
Debtor days	53.7	76.3	76.4	98.0	92.7
Creditor days	34.3	46.2	38.6	48.7	47.2
Operating ROIC (%)	18.7	6.9	10.1	7.8	7.1
ROIC (%)	13.4	5.1	6.8	5.5	5.2
ROE (%)	14.3	3.0	6.6	4.8	4.6
ROA (%)	9.4	3.7	5.0	4.0	3.9
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Shipping revenue	14,017	7,370	7,263	7,118	7,260
Offshore service	7,906	9,629	18,781	13,563	11,525
Service & commission	986	957	1,024	1,067	1,105
Sales	6,412	6,020	6,287	6,552	6,789

Sources: Thoresen Thai Agencies; FSSIA estimates

Financial Statements

Thoresen Thai Agencies

Cash Flow (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Recurring net profit	3,269	744	1,725	1,350	1,330
Depreciation	1,850	2,187	2,496	2,458	2,711
Associates & minorities	(8)	113	(50)	(61)	(64)
Other non-cash items	3,093	3	2,812	(468)	(230)
Change in working capital	(744)	(480)	(2,990)	1,410	438
Cash flow from operations	7,460	2,567	3,993	4,689	4,185
Capex - maintenance	-	-	-	-	-
Capex - new investment	(3,413)	(3,027)	(4,158)	(3,500)	(4,500)
Net acquisitions & disposals	(581)	183	(100)	0	0
Other investments (net)	793	(315)	(1,508)	459	(118)
Cash flow from investing	(3,201)	(3,160)	(5,765)	(3,041)	(4,618)
Dividends paid	(417)	(410)	(207)	(162)	(160)
Equity finance	0	0	0	0	0
Debt finance	(2,589)	(314)	3,287	(792)	(851)
Other financing cash flows	(475)	(650)	1	2	3
Cash flow from financing	(3,481)	(1,375)	3,081	(952)	(1,007)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	605	0	0	0
Net other adjustments	(621)	605	0	0	0
Movement in cash	157	(1,363)	1,309	697	(1,440)
Free cash flow to firm (FCFF)	4,769.80	107.44	(1,014.10)	2,402.49	263.72
Free cash flow to equity (FCFE)	573.61	(952.05)	1,515.77	858.55	(1,280.73)

Per share (THB)

FCFF per share	2.62	0.06	(0.56)	1.32	0.14
FCFE per share	0.31	(0.52)	0.83	0.47	(0.70)
Recurring cash flow per share	4.50	1.67	3.83	1.80	2.06

Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Tangible fixed assets (gross)	40,518	43,174	47,332	50,832	55,332
Less: Accumulated depreciation	(25,167)	(27,354)	(29,850)	(32,308)	(35,019)
Tangible fixed assets (net)	15,351	15,820	17,481	18,524	20,312
Intangible fixed assets (net)	4,309	5,566	6,500	5,567	5,210
Long-term financial assets	1,630	1,177	1,277	1,277	1,277
Invest. in associates & subsidiaries	2,888	2,627	2,627	2,627	2,627
Cash & equivalents	8,430	7,068	8,377	9,073	7,633
A/C receivable	4,288	5,733	8,225	6,978	6,579
Inventories	1,805	1,327	1,698	1,564	1,548
Other current assets	1,870	1,931	2,559	2,458	2,426
Current assets	16,393	16,059	20,858	20,074	18,185
Other assets	1,022	1,724	1,710	1,697	1,684
Total assets	41,593	42,973	50,454	49,765	49,296
Common equity	24,534	25,007	27,572	28,612	29,635
Minorities etc.	3,192	3,282	3,348	3,415	3,483
Total shareholders' equity	27,726	28,290	30,920	32,027	33,118
Long term debt	5,090	7,439	10,005	9,088	8,521
Other long-term liabilities	324	355	500	424	400
Long-term liabilities	5,413	7,794	10,506	9,513	8,921
A/C payable	2,311	2,409	3,378	2,859	2,672
Short term debt	4,523	2,365	3,117	3,157	2,465
Other current liabilities	1,618	2,114	2,534	2,209	2,126
Current liabilities	8,453	6,889	9,028	8,225	7,263
Total liabilities and shareholders' equity	41,593	42,973	50,454	49,765	49,302
Net working capital	4,033	4,467	6,570	5,933	5,754
Invested capital	29,233	31,381	36,166	35,624	36,865

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

Per share (THB)

Book value per share	13.46	13.72	15.13	15.70	16.26
Tangible book value per share	11.10	10.67	11.56	12.65	13.40

Financial strength

Net debt/equity (%)	4.3	9.7	15.3	9.9	10.1
Net debt/total assets (%)	2.8	6.4	9.4	6.4	6.8
Current ratio (x)	1.9	2.3	2.3	2.4	2.5
CF interest cover (x)	8.8	4.0	8.5	6.8	5.6

Valuation	2022	2023	2024E	2025E	2026E
Recurring P/E (x) *	3.3	14.5	6.2	8.0	8.1
Recurring P/E @ target price (x) *	3.6	15.7	6.8	8.6	8.8
Reported P/E (x)	2.4	8.8	6.2	8.0	8.1
Dividend yield (%)	3.7	1.4	1.9	1.5	1.5
Price/book (x)	0.4	0.4	0.4	0.4	0.4
Price/tangible book (x)	0.5	0.6	0.5	0.5	0.4
EV/EBITDA (x) **	2.8	4.7	3.7	3.8	3.8
EV/EBITDA @ target price (x) **	2.9	4.9	3.9	4.0	4.0
EV/invested capital (x)	0.5	0.5	0.5	0.5	0.5

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

Sources: Thoresen Thai Agencies; FSSIA estimates

Thoresen Thai Agencies (TTA TB)

FSSIA ESG rating



65.35 /100

Exhibit 8: 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 9: ESG – peer comparison

	FSSIA ESG score	Domestic ratings						Global ratings						Bloomberg	
		DJSI	SET THSI	THSI	CG score	AGM level	Thai CAC	Morningstar ESG risk	ESG Book	MSCI	Moody's	Refinitiv	S&P Global	ESG score	Disclosure score
SET100	69.20	5.34	4.40	4.40	4.76	4.65	3.84	Medium	51.76	BBB	20.87	58.72	63.91	3.72	28.17
Coverage	67.12	5.11	4.15	4.17	4.83	4.71	3.53	Medium	52.04	BB	16.97	56.85	62.09	3.40	31.94
NYT	43.79	--	--	Y	5.00	5.00	--	--	53.86	--	--	57.61	--	6.57	45.96
PSL	55.45	--	Y	Y	5.00	5.00	Certified	Medium	59.76	BB	--	--	51.00	--	--
RCL	27.51	--	--	--	4.00	4.00	--	High	41.46	--	--	20.37	13.00	.94	30.36
SJWD	42.41	--	Y	Y	5.00	5.00	--	--	56.00	--	--	42.01	--	3.44	41.46
TTA	65.35	--	Y	Y	5.00	5.00	Certified	Medium	56.56	AA	--	50.79	25.00	3.31	56.20

Sources: [SETTRADE.com](https://www.settrade.com); FSSIA's compilation

Exhibit 10: ESG score by Bloomberg

FY ending Dec 31	FY 2019	FY 2020	FY 2021	FY 2022
ESG financial materiality scores - ESG score	—	—	4.82	3.31
BESG environmental pillar score	—	—	4.86	2.13
BESG social pillar score	—	—	7.33	6.02
BESG governance pillar score	—	—	3.34	3.29
ESG disclosure score	40.92	46.13	53.95	56.20
Environmental disclosure score	16.79	26.31	34.25	37.24
Social disclosure score	24.73	30.86	46.40	50.18
Governance disclosure score	81.10	81.10	81.10	81.10
Environmental				
Emissions reduction initiatives	Yes	Yes	Yes	Yes
Climate change policy	Yes	Yes	Yes	Yes
Climate change opportunities discussed	No	No	No	No
Risks of climate change discussed	No	Yes	Yes	Yes
GHG scope 1	—	—	24	35
GHG scope 2 location-based	—	—	1	0
GHG Scope 3	—	—	0	—
Carbon per unit of production	—	—	—	—
Biodiversity policy	No	No	No	No
Energy efficiency policy	Yes	Yes	Yes	Yes
Total energy consumption	—	—	1	1
Renewable energy use	—	—	—	—
Electricity used	—	1	1	1
Fuel used - natural gas	—	—	—	—

Sources: Bloomberg; FSSIA's compilation

Exhibit 11: 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	—	—	0	0
Waste recycled	—	—	—	—
Waste sent to landfills	—	—	—	—
Environmental supply chain management	Yes	Yes	Yes	Yes
Water policy	Yes	Yes	Yes	Yes
Water consumption	—	—	—	224
Social				
Human rights policy	Yes	Yes	Yes	Yes
Policy against child labor	No	No	Yes	Yes
Quality assurance and recall policy	Yes	Yes	Yes	Yes
Consumer data protection policy	No	No	No	No
Equal opportunity policy	No	Yes	Yes	Yes
Gender pay gap breakout	No	No	No	No
Pct women in workforce	35	64	64	67
Pct disabled in workforce	0	0	0	0
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	—	—	0	0
Training policy	Yes	Yes	Yes	Yes
Fair remuneration policy	No	No	No	No
Number of employees – CSR	104	81	76	85
Employee turnover pct	54	30	24	5
Total hours spent by firm - employee training	501	296	310	629
Social supply chain management	Yes	Yes	Yes	Yes
Governance				
Board size	11	11	10	11
No. of independent directors (ID)	5	5	5	5
No. of women on board	1	1	1	1
No. of non-executive directors on board	6	7	8	8
Company conducts board evaluations	Yes	Yes	Yes	Yes
No. of board meetings for the year	8	10	8	8
Board meeting attendance pct	94	90	94	97
Board duration (years)	3	3	3	3
Director share ownership guidelines	No	No	No	No
Age of the youngest director	39	40	41	42
Age of the oldest director	79	80	81	82
No. of executives / company managers	7	7	7	7
No. of female executives	0	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	7	7	6	7
Audit meeting attendance %	100	95	100	100
Size of compensation committee	3	3	3	3
No. of ID on compensation committee	2	2	2	2
No. of compensation committee meetings	2	2	3	2
Compensation meeting attendance %	83	67	67	100
Size of nomination committee	3	3	3	3
No. of nomination committee meetings	2	2	3	2
Nomination meeting attendance %	83	67	67	100
Sustainability governance				
Verification type	No	No	No	No

Sources: Bloomberg; FSSIA's compilation

Disclaimer for ESG scoring

ESG score	Methodology	Rating																												
The Dow Jones Sustainability Indices (DJSI) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.	Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.																												
Sustainability Investment List (THSI) by The Stock Exchange of Thailand (SET)	THSI quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria include: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years.	To be eligible for THSI inclusion , verified data must be scored at a minimum of 50% for each indicator, unless the company is a part of DJSI during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality. SETTHSI Index is extended from the THSI companies whose 1) market capitalization > THB5b (~USD150b); 2) free float >20%; and 3) liquidity >0.5% of paid-up capital for at least 9 out of 12 months. The SETTHSI Index is a market capitalisation-weighted index, cap 5% quarterly weight at maximum, and no cap for number of stocks.																												
CG Score by Thai Institute of Directors Association (Thai IOD)	An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.	Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (60-69), and not rated for scores below 50. Weightings include: 1) the rights; 2) and equitable treatment of shareholders (weight 25% combined); 3) the role of stakeholders (25%); 4) disclosure & transparency (15%); and 5) board responsibilities (35%).																												
AGM level By Thai Investors Association (TIA) with support from the SEC	It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). <i>(The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.)</i>	The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.																												
Thai CAC By Thai Private Sector Collective Action Against Corruption (CAC)	The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. <i>(Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.)</i>	The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.																												
Morningstar 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 & 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.																												
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.	<table border="1"> <thead> <tr> <th>NEGL</th> <th>Low</th> <th>Medium</th> <th>High</th> <th>Severe</th> </tr> </thead> <tbody> <tr> <td>0-10</td> <td>10-20</td> <td>20-30</td> <td>30-40</td> <td>40+</td> </tr> </tbody> </table> <p>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.</p>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+																		
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0-10	10-20	20-30	30-40	40+																										
MSCI	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers.																													
	<table border="0"> <tbody> <tr> <td>AAA</td> <td>8.571-10.000</td> <td>Leader:</td> <td>leading its industry in managing the most significant ESG risks and opportunities</td> </tr> <tr> <td>AA</td> <td>7.143-8.570</td> <td></td> <td></td> </tr> <tr> <td>A</td> <td>5.714-7.142</td> <td></td> <td></td> </tr> <tr> <td>BBB</td> <td>4.286-5.713</td> <td>Average:</td> <td>a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td> </tr> <tr> <td>BB</td> <td>2.857-4.285</td> <td></td> <td></td> </tr> <tr> <td>B</td> <td>1.429-2.856</td> <td></td> <td></td> </tr> <tr> <td>CCC</td> <td>0.000-1.428</td> <td>Laggard:</td> <td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td> </tr> </tbody> </table>	AAA	8.571-10.000	Leader:	leading its industry in managing the most significant ESG risks and opportunities	AA	7.143-8.570			A	5.714-7.142			BBB	4.286-5.713	Average:	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	BB	2.857-4.285			B	1.429-2.856			CCC	0.000-1.428	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks	
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Moody's ESG solutions	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.																													
Refinitiv ESG rating	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. <i>(Score ratings are 0 to 25 = poor; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.)</i>																													
S&P Global	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.																													
Bloomberg	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.																												
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.																												

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

Source: FSSIA's compilation

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Jitra Amornthum FSS International Investment Advisory Securities Co., Ltd

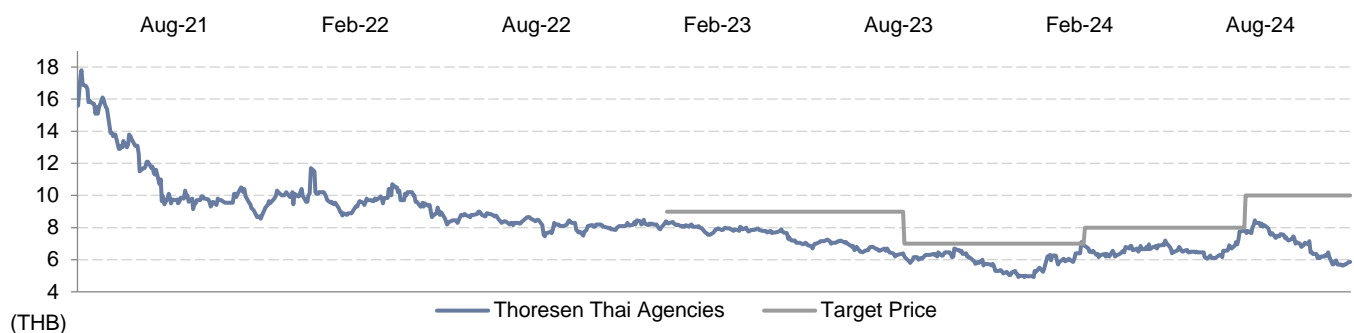
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) 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

Thoresen Thai Agencies (TTA TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
10-Jan-2023	HOLD	9.00	02-Aug-2023	HOLD	7.00	21-May-2024	BUY	10.00
10-May-2023	BUY	9.00	04-Jan-2024	BUY	8.00			

Jitra Amornthum started covering this stock from 10-Jan-2023

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Thoresen Thai Agencies	TTA TB	THB 5.90	HOLD	Downside risks to our P/E-based TP include 1) a fall in freight rates (TCE); 2) exchange rate volatility; 3) slow economic growth in China; and 4) regulatory risks, including new EEXI and CII requirements, effective 1 Jan-23. Upside risks to our P/E-based TP include 1) higher freight rates (TCE); 2) better-than-expected economic growth in China; and 3) a prolonged Red Sea crisis and shipping disruptions.

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 21-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.