

SEAFCO SEAFCO TB

THAILAND / CONSTRUCTION SERVICES

BUY

FROM HOLD

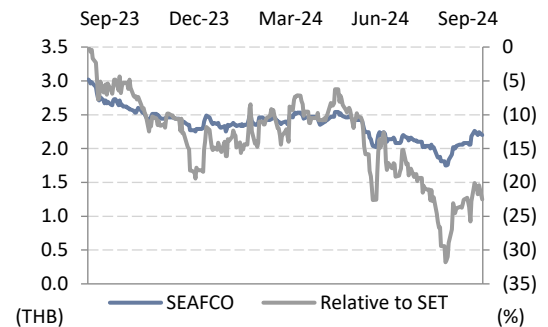
ลุ้นรับงานใหญ่ หนุนวัฏจักรขาขึ้นใหม่

- บริษัทคาดหวังรับงานใหม่ช่วงปลายปี โดยให้น้ำหนักรถไฟฟ้าสีสัมตะวันตกจาก CK เราคาดราว 1.5 พันล้านบาท ผลักดันการฟื้นตัวของรายได้และมาร์จิ้นในปี 2025
- ประเมินกำไรปี 2024 -74% y-y ก่อนปี 2025 +250% y-y จากการเริ่มงานสายสีส้ม
- ปรับไปใช้ราคาเหมาะสมปี 2025 ที่ 3 บาท ปรับเพิ่มคำแนะนำจากถือเป็นซื้อ

TARGET PRICE	THB3.00
CLOSE	THB2.20
UP/DOWNSIDE	+36.4%
PRIOR TP	THB2.30
CHANGE IN TP	+30.4%
TP vs CONSENSUS	+25.1%

KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	1,786	1,222	1,592	1,802
Net profit	169	44	152	175
EPS (THB)	0.23	0.05	0.19	0.22
vs Consensus (%)	-	(42.5)	13.8	10.0
EBITDA	345	200	346	379
Recurring net profit	151	39	152	175
Core EPS (THB)	0.20	0.05	0.19	0.22
Chg. In EPS est. (%)	-	(45.5)	1.4	6.9
EPS growth (%)	nm	(76.5)	290.2	15.1
Core P/E (x)	10.8	45.8	11.7	10.2
Dividend yield (%)	4.1	1.0	3.4	3.9
EV/EBITDA (x)	4.9	9.7	5.5	4.9
Price/book (x)	1.0	1.1	1.0	1.0
Net debt/Equity (%)	5.1	9.6	6.8	3.5
ROE (%)	10.0	2.4	8.9	9.7



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	20.2	0.0	(28.0)
Relative to country (%)	9.1	(9.0)	(22.6)
Mkt cap (USD m)	54		
3m avg. daily turnover (USD m)	0.0		
Free float (%)	74		
Major shareholder	Thasnanipan Family (26%)		
12m high/low (THB)	3.09/1.70		
Issued shares (m)	739.71		

Sources: Bloomberg consensus; FSSIA estimates

กำไร 2Q24 อ่อนแอ หดตัว q-q, y-y จากช่วงปลายงานรถไฟฟ้าม่วงใต้

SEAFCO รายงานกำไรสุทธิ 2Q24 อยู่ที่ 5.6 ล้านบาท (-83% q-q, -55% y-y) สาเหตุจากรถไฟฟ้าม่วงใต้อยู่ในช่วงปลายงาน ขณะที่งานอื่นส่วนใหญ่เป็นงานอาคารซึ่งมาร์จิ้นต่ำจากการแข่งขันรุนแรง รวมถึงงานสะพานข้ามแม่น้ำเจ้าพระยาที่มีการก่อสร้างล่าช้าจากอุปสรรคปริมาณน้ำสูง ส่งผลให้รายได้หดตัวเป็น 263 ล้านบาท (-34% q-q, -43% y-y) และอัตรากำไรขั้นต้น 12.1% จาก 18.1% ใน 1Q24 และ 12.4% ใน 2Q23

คาดหวังรับงานใหญ่เติมพอร์ต มีรถไฟฟ้าสีส้มเป็นไฮไลท์

บริษัทรับงานใหม่ YTD 1 พันล้านบาท และมี Backlog ปัจจุบัน 936 ล้านบาท (งานค่าแรงรวมวัสดุ 89%, รับเฉพาะค่าแรง 11%) ขณะที่งานที่อยู่ระหว่างประมาณรวม 1.07 หมื่นล้านบาท โดยมีโครงการที่มีโอกาสร่วมรับงานฐานรากคือ 1) รถไฟฟ้าสีส้มจาก CK ที่เป็นพันธมิตร โครงการเป็นสถานีใต้ดินทั้งหมด 11 สถานี สมมติ Success rate 50% หรือ 5 สถานี อิงฐานรากใกล้เคียงกับรถไฟฟ้าม่วงใต้และสีส้มตะวันออกราว 300 ล้านบาท/สถานี จะทำให้ SEAFCO รับงาน 1.5 พันล้านบาท และรับเฉพาะค่าแรงซึ่งมาร์จิ้นดี คาดรับรู้รายได้ใน 1Q25-1Q26 2) ทางด่วน Double Deck ซึ่ง BEM อยู่ระหว่างเจรจากับกทพ. คาดได้ข้อสรุปภายใน 2H24-1H25 และ 3) รถไฟฟ้าใต้ดินในบึงกุ่มฯ ซึ่งบริษัทอยู่ระหว่างเจรจากับหนึ่งในผู้ชนะประมูล คาดมีความชัดเจนปี 2025

คาดการณ์กำไรปี 2024 หดตัว -74% y-y ก่อนปี 2025 กลับมาฟื้น +250% y-y

เราปรับประมาณการกำไรสุทธิปี 2024 ลงจากเดิม 39% เป็น 44 ล้านบาท (-74% y-y) จากปรับลดรายได้สะท้อนปริมาณงานใหม่น้อยกว่าคาด แนวโน้มกำไร 2H24 อ่อนแอ หดตัว h-h, y-y จากการรับรู้งานเอกชนขนาดกลาง Shark Fin Pathum Wan Intersection เริ่ม 3Q24, The Platinum Square เริ่ม 4Q24 อย่างไรก็ตาม หากรับงานรถไฟฟ้าสีส้มจะผลักดันให้กำไรทยอยฟื้น 1Q25 และเด่นใน 2Q-3Q25 โดยคาดปี 2025 กำไรกลับมาเร่งตัว +250% y-y ที่ 152 ล้านบาท ขณะที่หากปรับค่าแรงขั้นต่ำเป็น 400 บาท/วัน (จาก 345 บาท) มอกระทบไม่มากเนื่องจากเป็นงานระยะสั้น ประเมินกระทบต้นทุนเพิ่ม 1% อิงค่าแรงคิดเป็น 16% ของต้นทุนรวม และมีส่วนจางรายวัน 63% ของแรงงานทั้งหมด

ปรับไปใช้ราคาเหมาะสมปี 2025 ที่ 3 บาท เพิ่มคำแนะนำเป็นซื้อ

เราปรับไปใช้ราคาเหมาะสมปี 2025 ที่ 3 บาท อิง Target PBV 1.4x เทียบเท่าปี 2023 ที่กำไรใกล้เคียงกัน (จากเดิม 1.1x) หุ้มนี Upside กว้างขึ้นและมองข้ามไปปี 2025 ที่กำไรฟื้น โดยประกาศรับงานรถไฟฟ้าสีส้มจะเป็น Catalyst (คาด 4Q24) ปรับคำแนะนำเป็นซื้อ บริษัทประกาศซื้อหุ้นคืน 25 ล้านหุ้น คิดเป็น 3.07% ของหุ้นชำระแล้ว วงเงิน 50 ล้านบาท ตั้งแต่ 20 ส.ค. 2024-20 ก.พ. 2025 (16 ก.ย. ซื้อหุ้นคืนแล้ว 533,300 หุ้น)



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Investment thesis

ผลประกอบการปี 2023 พื้นตัวจากปี 2021-2022 ที่มีผลขาดทุน มีแรงหนุนหลักจากการก่อสร้างหลายโครงการขนาดใหญ่ อาทิ รถไฟฟ้าสายสีม่วงใต้, โครงการเอกชน North Pole และทางยกระดับพระราม 2 อย่างไรก็ตาม โครงการดังกล่าวจะถูกส่งมอบใน 2Q24 ทำให้ในช่วง 2H24 รายได้จะมาจากการพึ่งพางานภาคเอกชนเป็นหลัก ซึ่งมูลค่าโครงการเล็กและมาร์จินต่ำจากการแข่งขันรุนแรง ขณะที่การประมูลโครงการใหม่คาดว่าจะทยอยฟื้นในปี 2024 แต่การเริ่มงานก่อสร้างจะอยู่ในปี 2025 ทำให้ผลประกอบการปี 2024 คาดหดตัวแรงก่อนฟื้นตัวอีกครั้งในปี 2025

Company profile

SEAFCO ก่อตั้งในปี 1974 ประกอบธุรกิจหลักในงานเสาเข็มเจาะและกำแพงกันดิน มีประสบการณ์ยาวนานกว่า 48 ปีในวงการธุรกิจเสาเข็มเจาะขนาดใหญ่ในประเทศและต่างประเทศ มีความชำนาญและเป็นที่ยอมรับโดยทั่วไปของผู้ออกแบบ บริษัทวิศวกรที่ปรึกษาและเจ้าของโครงการต่างๆ โดยบริษัทรับงานจากภาครัฐและการภาคเอกชน ทั้งจากเจ้าของโครงการหรือรับงานช่วงต่อ (Sub-contract) จากผู้รับเหมาก่อสร้างหลัก งานที่บริษัทให้บริการคือ งานเสาเข็มเจาะ, งานกำแพงกันดิน, งานก่อสร้างโยธา และงานบริการทดสอบต่างๆ ขณะที่แบ่งประเภทตามสายผลิตภัณฑ์ออกเป็นการรับเฉพาะค่าแรง และการรับงานรวมวัสดุ

www.seafco.co.th

Principal activities (revenue, 2023)

Hire of work - 99.9 %

Sales of materials and services - 0.1 %

Source: Seafco

Major shareholders

Thasnanipan Family - 26.2 %

Others - 73.8 %

Source: Seafco

Catalysts

ปัจจัยหนุนการเติบโตคือ การรับงานใหม่เข้ามาเต็ม โดยเฉพาะงานก่อสร้างพื้นฐานของภาครัฐ อาทิ รถไฟฟ้าสายสีส้ม ทางด่วน Double Deck และรถไฟฟ้าใต้ดินในมณฑลเทศ รวมถึงงานเอกชนขนาดใหญ่

Risks to our call

ความเสี่ยงต่อประมาณการ 1) การเซ็นสัญญางานใหม่น้อยกว่าคาด 2) การเปิดประมูลงานใหม่ล่าช้า 3) ความไม่แน่นอนทางการเมือง 5) ความล่าช้าของการก่อสร้าง และปัญหา Cost overrun 6) ต้นทุนวัสดุก่อสร้างสูงขึ้น, การขาดแคลนแรงงาน และการปรับขึ้นค่าแรง 7) การแข่งขันรุนแรงกว่าคาด

Event calendar

Date	Event
November 2024	3Q24 results announcement

Key assumptions

	2024E	2025E	2026E
Revenue (THB m)	1,222	1,592	1,802
GPM (%)	14.5	20.0	19.5
SG&A to sales (%)	9.6	7.6	6.9
New projects sign (THB m)	1,200	2,100	1,500

Source: FSSIA estimates

Earnings sensitivity

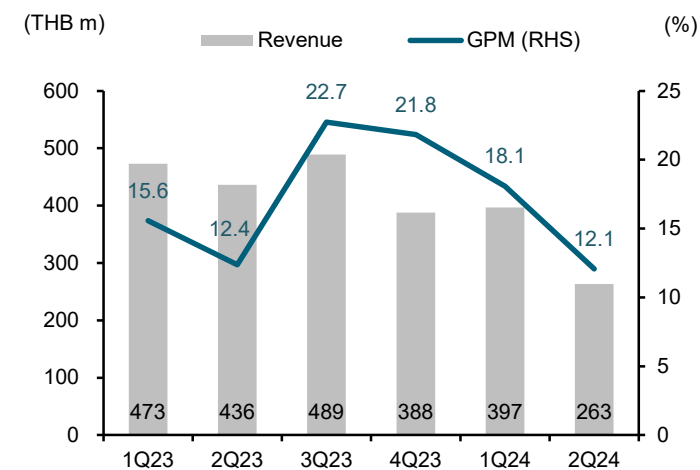
- For every 2% increase in revenue, we estimate 2024 net profit to rise by 6%, and vice versa, all else being equal.
- For every 0.5% increase in GPM, we estimate 2024 net profit to rise by 11%, and vice versa, all else being equal.
- For every 5% increase in SG&A, we estimate 2024 net profit to fall by 10%, and vice versa, all else being equal.

Source: FSSIA estimates

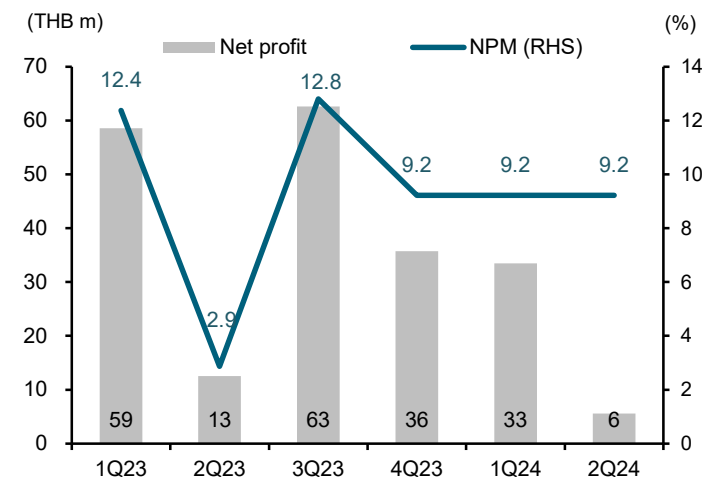
Exhibit 1: SEAFCO – 2Q24 results summary

	2Q23	3Q23	4Q23	1Q24	2Q24	Change	
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)
Total revenue	436	489	388	397	263	(33.6)	(39.6)
Cost of sales	382	378	303	325	232	(28.7)	(39.4)
Gross profit	54	111	85	72	32	(55.7)	(41.1)
SG&A	35	33	26	31	28	(9.1)	(21.0)
Operating profit	18	79	59	41	4	(90.8)	(79.8)
Interest expense	4	4	4	3	3	(9.0)	(21.6)
Tax expense	4	14	17	6	2	(59.9)	(37.9)
Reported net profit	13	63	36	33	6	(83.2)	(55.3)
Core profit	14	62	36	35	(0.2)	n/a	n/a
Key ratios (%)						(ppt)	(ppt)
Gross margin	12.4	22.7	21.8	18.1	12.1	(6.0)	(0.3)
SG&A / Sales	8.1	6.6	6.7	7.8	10.6	2.9	2.5
Operating margin	4.2	16.1	15.1	10.3	1.4	(8.9)	(2.8)
Net margin	2.9	12.8	9.2	8.4	2.1	(6.3)	(0.7)
Norm margin	3.3	12.7	9.2	8.8	(0.1)	(8.8)	(3.3)

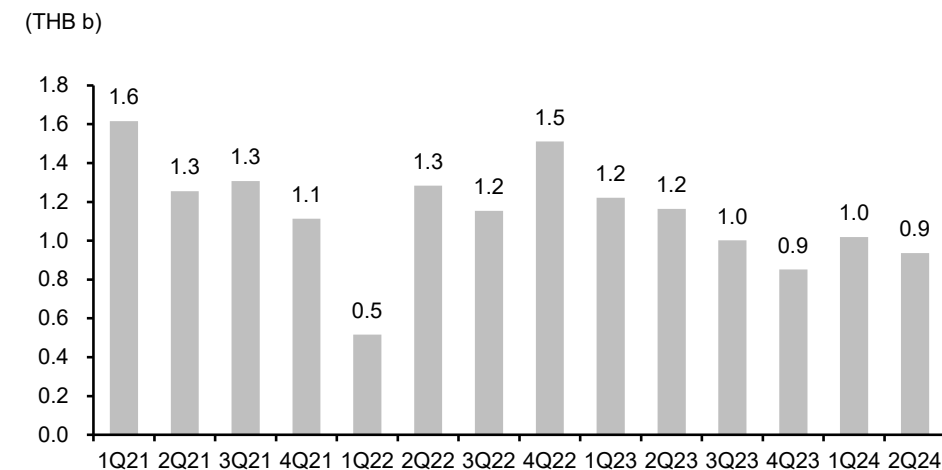
Sources: SEAFCO; FSSIA's compilation

Exhibit 2: Quarterly revenue and GPM

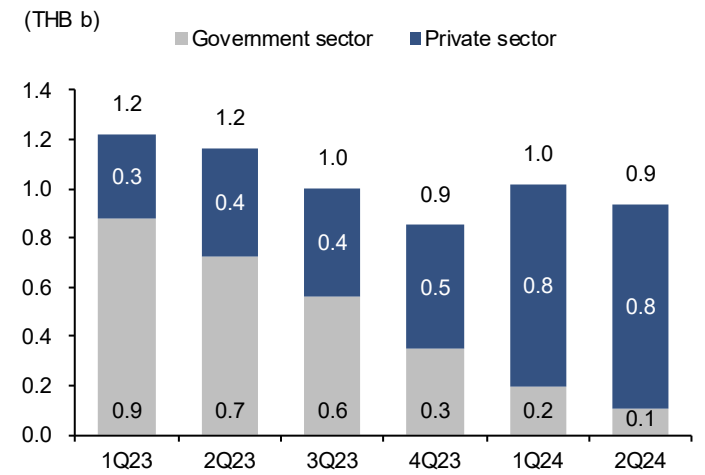
Sources: SEAFCO; FSSIA's compilation

Exhibit 3: Quarterly net profit and NPM

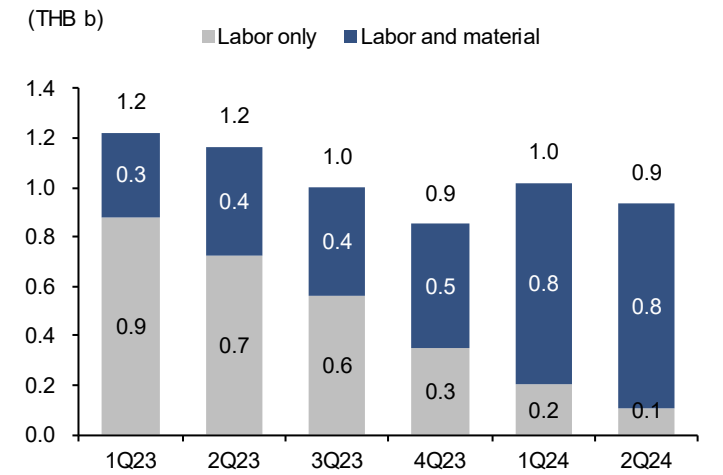
Sources: SEAFCO; FSSIA's compilation

Exhibit 4: Backlog

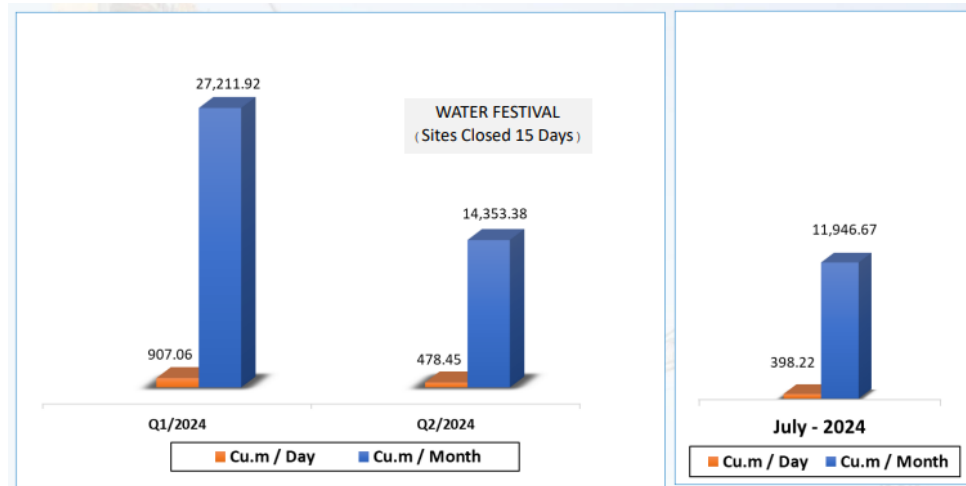
Sources: SEAFCO; FSSIA's compilation

Exhibit 5: Backlog breakdown by project owner

Sources: SEAFCO; FSSIA's compilation

Exhibit 6: Backlog breakdown by type of work

Sources: SEAFCO; FSSIA's compilation

Exhibit 7: Concrete poured average per month

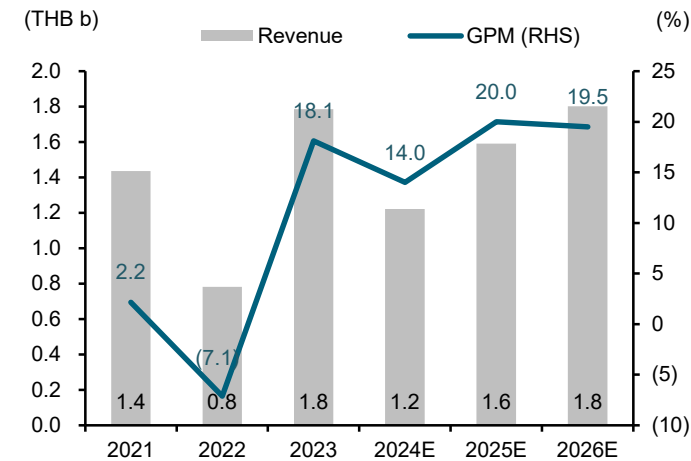
Source: SEAFCO

Exhibit 8: Key assumptions for SEAFCO

	Actual	Current				Previous			Change		
	2023	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E	
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(%)	(%)	(%)	
Revenue (THB m)	1,786	1,222	1,592	1,802	1,612	1,832	1,963	(24)	(13)	(8)	
Cost of services (THB m)	1,463	1,049	1,272	1,449	1,401	1,519	1,628	(25)	(16)	(11)	
Gross margin (%)	18.1	14.0	20.0	19.5	13.0	17.0	17.0	1.0	3.0	2.5	
SG&A (THB m)	121	118	121	125	122	125	130	(3)	(3)	(4)	
SG&A to revenue (%)	6.8	9.6	7.6	6.9	7.6	6.8	6.6	2.1	0.8	0.3	
Other income (THB m)	7	7	7	7	10	10	10	(30)	(30)	(30)	
Interest expense (THB m)	16	13	13	13	13	13	13	0	3	2	
Core profit (THB m)	151	39	152	175	72	150	164	(45)	1	7	
Net profit (THB m)	169	44	152	175	72	150	164	(39)	1	7	

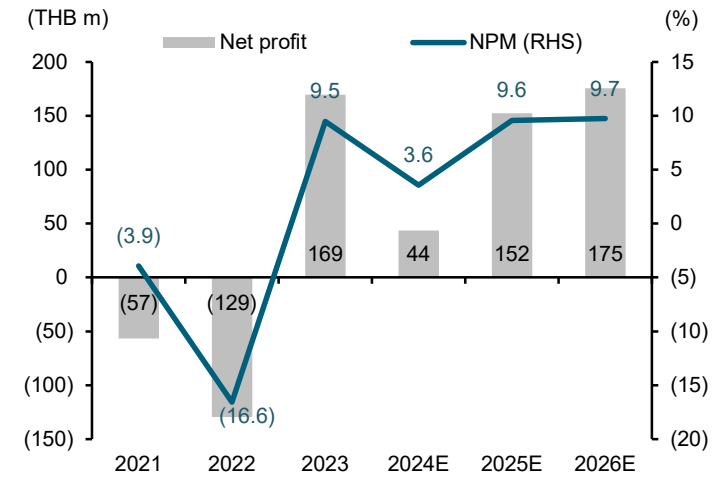
Source: FSSIA estimates

Exhibit 9: Yearly revenue and GPM



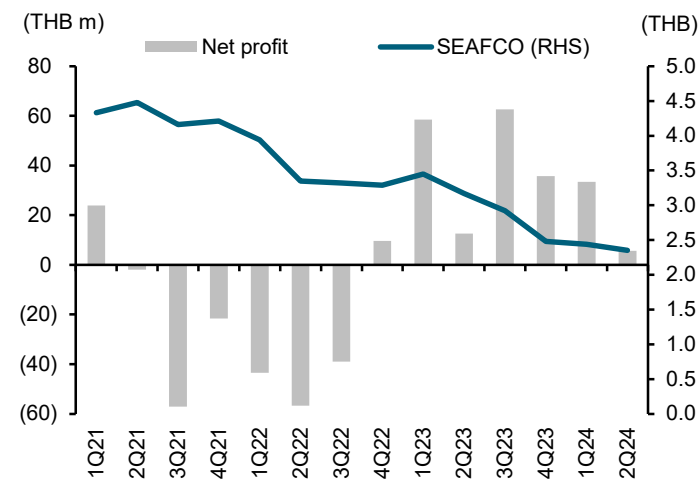
Sources: SEAFCO; FSSIA estimates

Exhibit 10: Yearly net profit and NPM



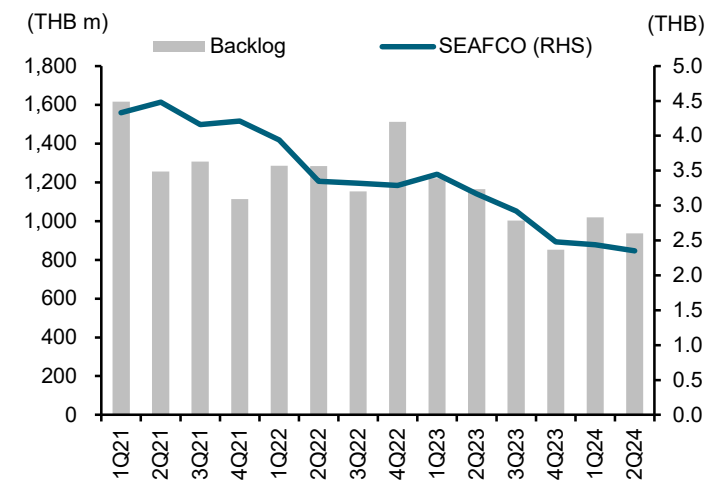
Sources: SEAFCO; FSSIA estimates

Exhibit 11: Quarterly net profit and share price



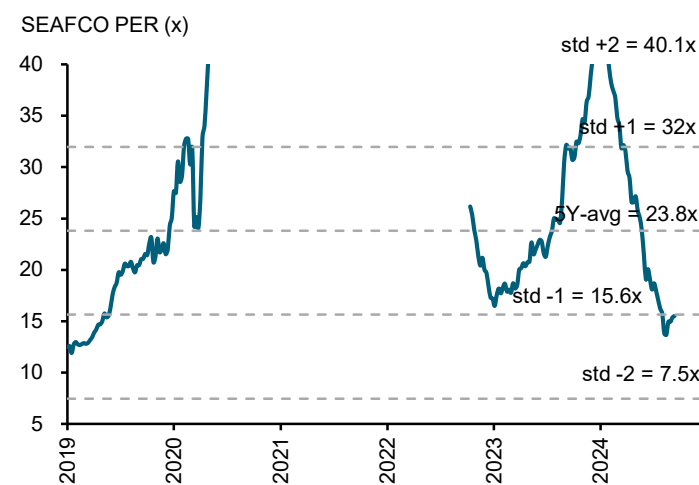
Sources: Bloomberg; FSSIA's compilation

Exhibit 12: Quarterly backlog and share price



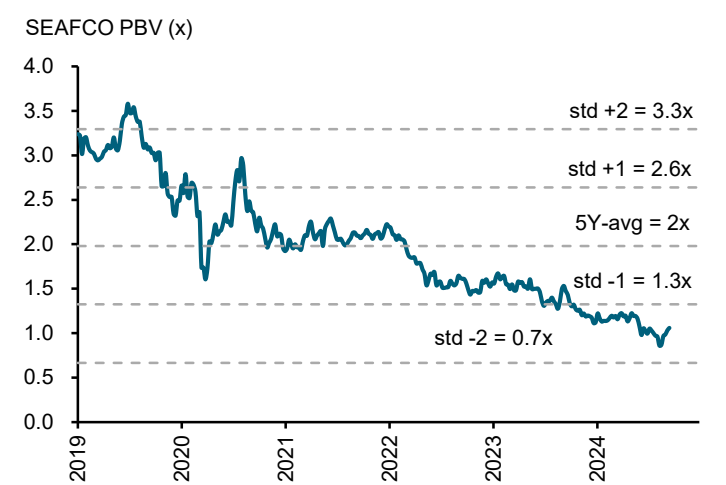
Sources: Bloomberg; FSSIA's compilation

Exhibit 13: Historical P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 14: Historical P/BV band



Sources: Bloomberg; FSSIA estimates

Financial Statements

Seafoo

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	781	1,786	1,222	1,592	1,802
Cost of goods sold	(837)	(1,463)	(1,049)	(1,272)	(1,449)
Gross profit	(56)	323	172	320	353
Other operating income	25	7	7	7	7
Operating costs	(109)	(121)	(118)	(121)	(125)
Operating EBITDA	19	345	200	346	379
Depreciation	(158)	(136)	(138)	(141)	(144)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	(139)	210	62	205	235
Net financing costs	(15)	(16)	(13)	(13)	(13)
Associates	-	-	-	-	-
Recurring non-operating income	0	0	0	0	0
Non-recurring items	4	19	4	0	0
Profit before tax	(150)	212	53	192	222
Tax	25	(45)	(12)	(42)	(49)
Profit after tax	(125)	167	41	150	173
Minority interests	(5)	2	2	2	2
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
Reported net profit	(129)	169	44	152	175
Non-recurring items & goodwill (net)	(4)	(19)	(4)	0	0
Recurring net profit	(133)	151	39	152	175
Per share (THB)					
Recurring EPS *	(0.18)	0.20	0.05	0.19	0.22
Reported EPS	(0.18)	0.23	0.05	0.19	0.22
DPS	0.00	0.09	0.02	0.07	0.09
Diluted shares (used to calculate per share data)	740	740	814	814	814
Growth					
Revenue (%)	(45.6)	128.6	(31.6)	30.3	13.2
Operating EBITDA (%)	(88.1)	1,698.3	(42.0)	73.2	9.3
Operating EBIT (%)	nm	nm	(70.5)	232.7	14.3
Recurring EPS (%)	nm	nm	(76.5)	290.2	15.1
Reported EPS (%)	nm	nm	(76.6)	250.1	15.1
Operating performance					
Gross margin inc. depreciation (%)	(7.1)	18.1	14.1	20.1	19.6
Gross margin exc. depreciation (%)	13.2	25.7	25.4	28.9	27.5
Operating EBITDA margin (%)	2.5	19.3	16.4	21.8	21.0
Operating EBIT margin (%)	(17.8)	11.7	5.1	12.9	13.0
Net margin (%)	(17.1)	8.4	3.2	9.6	9.7
Effective tax rate (%)	17.0	21.3	22.9	22.0	22.0
Dividend payout on recurring profit (%)	-	44.1	44.6	40.0	40.0
Interest cover (X)	(9.5)	13.3	4.8	15.7	18.1
Inventory days	31.4	12.5	23.9	25.8	22.4
Debtor days	214.9	91.9	144.6	107.4	114.5
Creditor days	188.1	122.9	200.0	149.6	156.4
Operating ROIC (%)	(8.4)	13.4	3.7	11.4	(3.2)
ROIC (%)	(6.0)	9.8	2.8	8.7	(2.4)
ROE (%)	(8.9)	10.0	2.4	8.9	9.7
ROA (%)	(4.8)	6.8	1.9	6.4	6.3

* Pre-exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2022	2023	2024E	2025E	2026E
Hire of work	780	1,784	1,220	1,590	1,800
Sales of materials and services	2	2	2	2	2

Sources: Seafoo; FSSIA estimates

Financial Statements

Seafo

Cash Flow (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Recurring net profit	(133)	151	39	152	175
Depreciation	158	136	138	141	144
Associates & minorities	5	(2)	(2)	(2)	(2)
Other non-cash items	-	-	-	-	-
Change in working capital	194	(36)	(100)	(2)	(1)
Cash flow from operations	224	248	75	289	316
Capex - maintenance	-	-	-	-	-
Capex - new investment	(93)	(109)	(179)	(191)	(194)
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	-	-	-	-	-
Cash flow from investing	(93)	(109)	(179)	(191)	(194)
Dividends paid	0	(67)	(11)	(59)	(68)
Equity finance	1	(6)	37	0	0
Debt finance	(254)	(45)	(56)	0	0
Other financing cash flows	4	87	0	0	0
Cash flow from financing	(249)	(31)	(29)	(59)	(68)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	(118)	108	(133)	39	54
Free cash flow to firm (FCFF)	145.01	155.04	(91.31)	111.09	134.86
Free cash flow to equity (FCFE)	(119.44)	181.26	(159.87)	97.98	121.87
Per share (THB)					
FCFF per share	0.20	0.21	(0.12)	0.15	0.18
FCFE per share	(0.16)	0.25	(0.22)	0.13	0.16
Recurring cash flow per share	0.04	0.38	0.21	0.36	0.39
Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Tangible fixed assets (gross)	2,494	2,462	2,512	2,562	2,612
Less: Accumulated depreciation	(1,390)	(1,390)	(1,390)	(1,390)	(1,390)
Tangible fixed assets (net)	1,104	1,073	1,123	1,173	1,223
Intangible fixed assets (net)	0	0	0	0	0
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	85	89	80	80	80
Cash & equivalents	113	222	88	128	182
A/C receivable	338	561	407	530	600
Inventories	52	39	80	80	80
Other current assets	78	226	245	245	245
Current assets	581	1,048	820	983	1,107
Other assets	395	356	361	366	371
Total assets	2,164	2,566	2,384	2,602	2,781
Common equity	1,428	1,597	1,660	1,751	1,857
Minorities etc.	2	(3)	(3)	(3)	(3)
Total shareholders' equity	1,430	1,594	1,657	1,748	1,853
Long term debt	210	148	147	147	147
Other long-term liabilities	41	43	44	45	46
Long-term liabilities	251	192	191	192	193
A/C payable	298	596	403	525	594
Short term debt	138	154	100	100	100
Other current liabilities	47	31	34	37	41
Current liabilities	483	780	536	662	735
Total liabilities and shareholders' equity	2,164	2,566	2,384	2,602	2,781
Net working capital	123	200	296	293	290
Invested capital	1,706	1,718	1,859	1,912	1,964
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	1.93	2.16	2.04	2.15	2.28
Tangible book value per share	1.93	2.16	2.04	2.15	2.28
Financial strength					
Net debt/equity (%)	16.4	5.1	9.6	6.8	3.5
Net debt/total assets (%)	10.8	3.1	6.6	4.6	2.3
Current ratio (x)	1.2	1.3	1.5	1.5	1.5
CF interest cover (x)	(0.8)	19.5	2.5	23.0	25.3
Valuation	2022	2023	2024E	2025E	2026E
Recurring P/E (x) *	(12.2)	10.8	45.8	11.7	10.2
Recurring P/E @ target price (x) *	(16.6)	14.7	62.5	16.0	13.9
Reported P/E (x)	(12.6)	9.6	41.1	11.7	10.2
Dividend yield (%)	-	4.1	1.0	3.4	3.9
Price/book (x)	1.1	1.0	1.1	1.0	1.0
Price/tangible book (x)	1.1	1.0	1.1	1.0	1.0
EV/EBITDA (x) **	97.2	4.9	9.7	5.5	4.9
EV/EBITDA @ target price (x) **	128.0	6.7	13.0	7.4	6.6
EV/invested capital (x)	1.1	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: Seafo; FSSIA estimates

SEAFCO PCL (SEAFCO TB)

FSSIA ESG rating

n/a

Exhibit 15: 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.

Source: FSSIA estimates

Exhibit 16: 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
CK	38.06	--	--	--	5.00	4.00	--	High	50.15	BB	--	43.93	22.00	2.13	43.16
PYLON	20.00	--	--	--	5.00	5.00	Certified	--	--	--	--	--	--	--	--
SEAFCO	n/a	--	--	--	5.00	4.00	--	--	--	--	--	--	--	--	--
STEC	39.73	--	--	--	5.00	5.00	--	Severe	62.52	BBB	--	36.51	22.00	1.64	37.87
SYNTEC	36.38	--	--	Y	5.00	5.00	Certified	--	53.14	--	--	37.86	--	--	--

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

Exhibit 17: ESG disclosure from the company's one report

FY ending Dec 31	FY 2023	FY ending Dec 31	FY 2023
Environmental		Governance	
Climate change policy	Yes	Board size / Independent directors (ID) / Female	9 / 4 / 2
Climate change opportunities discussed	--	No. of board meetings for the year / % attendance	7 / 100%
GHG scope 2 location-based policy	Yes	Company conducts board evaluations	Yes
Biodiversity policy	Yes	Number of non-executive directors on board	4
Energy efficiency policy	Yes	Director share ownership guidelines	No
Electricity used	926	Board age limit	No
Fuel used - crude oil/diesel	3.1	Age of the youngest / oldest director	45 / 80
Waste reduction policy	Yes	Number of executives / female	12 / 1
Water policy	Yes	Executive share ownership guidelines	No
Water consumption	687	Size of audit committee / ID	3 / 3
Social		Audit committee meetings	5
Human rights policy	Yes	Audit committee meeting attendance (%)	100
Policy against child labor	Yes	Size of compensation committee	3 / 2
Quality assurance and recall policy	Yes	Number of compensation committee meetings	2
Consumer data protection policy	Yes	Compensation committee meeting attendance (%)	100
Equal opportunity policy	Yes	Size of nomination committee / ID	3 / 2
Gender pay gap breakout	--	Number of nomination committee meetings	2
Pct women in workforce	14.62	Nomination committee meeting attendance (%)	100
Business ethics policy	Yes	Board compensation (THB m)	2.76
Anti-bribery ethics policy	Yes	Auditor fee (THB m)	1.43
Health and safety policy	Yes	(NPS Siam Audit Limited.)	
Lost time incident rate - employees	--		
Training policy	Yes		
Fair remuneration policy	Yes		
Number of employees - CSR	--		
Total hours spent by firm - employee training	5,669		
Social supply chain management	Yes		

Source: 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. <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="3">Average:</td><td rowspan="3">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></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></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

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History of change in investment rating and/or target price

Seafo (SEAFCO TB)



Thanyatorn Songwutti started covering this stock from 04-Apr-2023

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Seafo	SEAFCO TB	THB 2.20	BUY	Downside risks to our P/BV-based TP include 1) fewer than expected new contract signing; 2) auction delays; 3) a failure to win contracts from the Orange Line project; 4) political uncertainties; 5) construction delays and cost overrun; 6) higher building material costs, labor shortages, and a minimum wage hike; and 7) fierce competition.

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 16-Sep-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.