

STARFLEX SFLEX TB  
THAILAND / PACKAGING

BUY

UNCHANGED

## แนวโน้มที่สดใสรออยู่ข้างหน้า

- เราปรับเพิ่มประมาณการกำไรปกติ ใน 2024-26 ขึ้น +9%/+5%/-1% ตามลำดับจากแนวโน้มที่สดใสรออยู่ข้างหน้า
- เราลดกำไรปกติ -3.4% CAGR (2024-26) แม้จะเติบโตต่ำแต่กำไรแข็งแกร่ง และมีเสถียรภาพ
- ยังยืนยัน แนะนำซื้อ ปรับไปใช้ราคาเป้าหมายปี 2025 ที่ 5.10 บาท

TARGET PRICE	THB5.10
CLOSE	THB3.46
UP/DOWNSIDE	+47.4%
PRIOR TP	THB5.60
CHANGE IN TP	-8.9%
TP vs CONSENSUS	+0.8%

## KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	1,795	1,984	2,136	2,286
Net profit	184	243	261	268
EPS (THB)	0.22	0.30	0.32	0.33
vs Consensus (%)	-	1.7	(3.9)	(11.5)
EBITDA	288	326	343	369
Recurring net profit	181	243	261	268
Core EPS (THB)	0.22	0.30	0.32	0.33
Chg. In EPS est. (%)	-	8.5	4.7	(1.3)
EPS growth (%)	231.2	33.9	7.6	2.6
Core P/E (x)	15.7	11.7	10.9	10.6
Dividend yield (%)	2.6	3.4	3.7	3.8
EV/EBITDA (x)	11.8	10.6	10.1	9.1
Price/book (x)	2.8	2.7	2.7	2.7
Net debt/Equity (%)	56.7	59.9	58.7	49.6
ROE (%)	18.3	23.9	25.1	25.4

## ปรับเพิ่มประมาณการจากแนวโน้มที่สดใสรออยู่ข้างหน้า

จากผลประกอบการของ SFLEX ใน 1H24 ที่เกินคาด (กำไรปกติ 128 ล้านบาท +40.6% y-y) และคิดเป็น 57% ของประมาณการทั้งปีเดิม ในขณะที่แนวโน้มครึ่งปีหลังยังสดใสทั้งในไทยและเวียดนาม เราจึงปรับประมาณการกำไรปกติปี 2024-26 ขึ้น +9%/+5%/-1% ตามลำดับ โดยหลักมาจาก 1) ปรับเพิ่มอัตรากำไรขั้นต้นจากเดิมที่คาดเฉลี่ยประมาณ 21.0% เป็น 24% จากทิศทางของราคาน้ำมันและเม็ดพลาสติกที่เป็นขาสูงชัดเจนมากขึ้น ประกอบกับการบริหารจัดการต้นทุนที่ดี และการทยอยปรับราคาขายให้เหมาะกับต้นทุน 2) ปรับเพิ่มดอกเบี้ยจ่ายจากอัตราดอกเบี้ยในตลาดที่อยู่ในระดับสูงยาวนาน 3) ภาษีจ่ายที่ควรต่ำกว่าประมาณการเดิม เนื่องจากบริษัทได้รับสิทธิประโยชน์ทางภาษีจาก BOI และใช้ได้อีกเกือบ 3 ปี และ 4) ส่วนแบ่งกำไรจาก Starprint Vietnam ให้ conservative กว่าเดิม

## ปี 2024 เป็นปีของธุรกิจปลายน้ำ

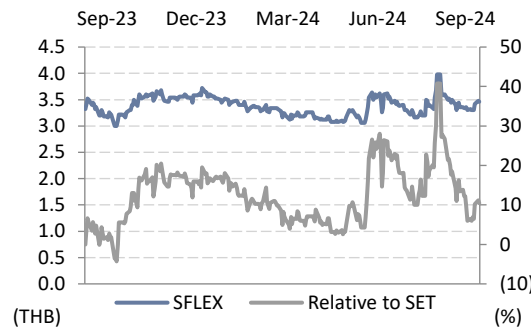
ปี 2024 เป็นอีกปีที่สดใสสำหรับธุรกิจปลายน้ำอย่าง SFLEX เราลดกำไรปกติ +33.9% y-y เป็น 243 ล้านบาท เป็นสถิติสูงสุดเป็นประวัติการณ์ เติบโตต่อเนื่องจากปี 2023 ที่โต 231.2% y-y และลดกำไรปกติขยายตัวต่อเนื่อง 7.6% y-y ในปี 2025 และโตเล็กน้อยในปี 2026 จาก BOI ที่หมดลงแล้วแต่บริษัทจะมีโครงการอื่นเพิ่มเติมที่ได้รับสิทธิประโยชน์ต่อเนื่อง คิดเป็นกำไรเติบโตเฉลี่ย 3.4% CAGR ในช่วงปี 2024-26

## แม้เติบโตไม่สูงนักแต่กำไรแข็งแกร่งและมีเสถียรภาพมากกว่าอดีต

แม้ว่าอัตราการเติบโตจะไม่สูงนักแต่เป็นกำไรที่ยกฐานขึ้นในอดีต และไม่ผันผวนเท่าในอดีต หลังจากบริษัทขยายกำลังการผลิต ปรับปรุงเครื่องจักร และให้ความสำคัญกับการบริหารต้นทุนวัตถุดิบเป็นอย่างดี นอกจากนี้ Starprint Vietnam ที่บริษัทร่วมทุนตั้งตั้งแต่ต้นปี 2024 ช่วยขับเคลื่อนการเติบโตได้อีกแรงเนื่องจากเศรษฐกิจเวียดนามเริ่มกลับมาโตดีหลังโควิด ประชากรส่วนใหญ่อยู่ในวัยหนุ่มสาว มีกำลังใช้จ่ายดี แรงงานมีคุณภาพและมีฝีมือดี

## แนะนำซื้อ ปรับไปใช้ราคาเป้าหมายปี 2025 ที่ 5.10 บาท

เราปรับไปใช้ราคาเป้าหมายปี 2025 ที่ 5.10 บาท ถึง 2025E P/E 16x (-0.7SD of its four-year historical average after the IPO) ราคาหุ้นปัจจุบันเทรดที่ 2025E P/E ต่ำเพียง 10.9x และ 2025E EV/EBITDA เพียง 10.1x ต่ำสุดในรอบ 4 ปี ส่วนทางกำไรที่คาด new high ยังคงคำแนะนำซื้อ



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(3.9)	(4.4)	0.6
Relative to country (%)	(12.8)	(13.7)	8.0
Mkt cap (USD m)	81		
3m avg. daily turnover (USD m)	0.8		
Free float (%)	0		
Major shareholder	Mr. Printhorn Apithanasriwong (24%)		
12m high/low (THB)	4.06/2.90		
Issued shares (m)	820.01		

Sources: Bloomberg consensus; FSSIA estimates



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บทวิเคราะห์ฉบับนี้แปลมาจากต้นฉบับภาษาอังกฤษ ที่ออกรายงานเมื่อวันที่ 18 กันยายน 2024

## Investment thesis

Based on SFLEX's strong financial results in 1H24 (core profit of THB128m, +40.6% y-y), which accounted for 57% of our previous full-year estimate, and considering the positive outlook for 2H24 in both Thailand and Vietnam, we adjust our profit forecasts for 2024-26 by +9%/+5%/-1, respectively.

We therefore expect a 3.4% CAGR for core profit in 2024-26. While the growth rate may not be exceptionally high, it represents a solid base compared to the past, with reduced volatility following the company's capacity expansion, machinery upgrades, and a strong focus on managing raw material costs effectively.

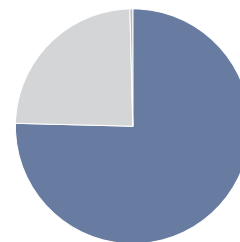
## Company profile

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

[www.starflex.co.th](http://www.starflex.co.th)

## Principal activities (revenue, 2023)

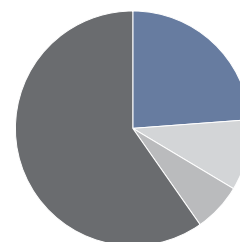
- Non-food packaging - 75.4 %
- Food packaging - 24.2 %
- Others - 0.4 %



Source: Starflex

## Major shareholders

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



Source: Starflex

## Catalysts

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

## Risks to our call

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

## Event calendar

Date	Event
November 2024	3Q24 earnings announcement

## Key assumptions

	2024E (THB m)	2025E (THB m)	2026E (THB m)
Sales revenue	1,984	2,136	2,286
Growth (%)	10.5	7.7	7.0
Non-food packaging	1,488	1,602	1,714
Growth (%)	10.0	7.7	7.0
Food packaging	488	525	562
Growth (%)	12.4	7.7	7.0
Gross margin (%)	24.0	23.8	23.8
SG&A to sales (%)	11.6	11.5	11.3

Source: FSSIA estimates

## Earnings sensitivity

- For every 0.5% change in gross margin, we project SFLEX's 2024 core profit to change by 3.6%, all else being equal.
- For every 0.5% change in SG&A to sales, we project SFLEX's 2024 core profit to change by 4.0%, all else being equal.

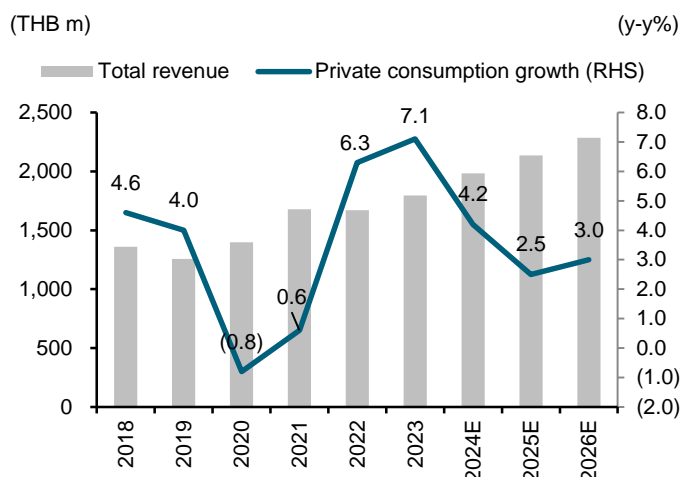
Source: FSSIA estimates

## Exhibit 1: 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 (%)
Sales revenue	1,984	2,136	2,286	2,080	2,234	2,397	(4.6)	(4.4)	(4.6)
Gross profit	475	507	543	437	469	511	8.8	8.1	6.3
SG&A expense	(230)	(246)	(258)	(210)	(218)	(236)	9.6	12.7	9.4
Interest expense	(39)	(35)	(28)	(15)	(12)	(13)	163.2	189.6	117.4
EBITDA	326	343	369	313	340	367	4.2	0.8	0.5
Equity income	20	23	25	33	35	38	(39.4)	(34.3)	(33.4)
Tax	(5)	(10)	(36)	(48)	(54)	(58)	(90.5)	(81.6)	(37.4)
Net profit	243	261	268	224	250	272	8.5	4.7	(1.3)
<b>Growth</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>	<b>(ppt)</b>	<b>(ppt)</b>
Sales growth	10.5	7.7	7.0	15.9	7.4	7.3	(5.4)	0.3	(0.3)
Core profit growth	33.9	7.6	2.6	21.4	11.6	8.8	12.5	(4.0)	(6.2)
<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 profit margin	24.0	23.8	23.8	21.0	21.0	21.3	3.0	2.8	2.5
SG&A to sales	11.6	11.5	11.3	10.1	9.8	9.9	1.5	1.8	1.5
EBITDA	16.4	16.1	16.1	15.1	15.2	15.3	1.4	0.8	0.8
Net profit margin	12.2	12.2	11.7	10.8	11.2	11.3	1.5	1.1	0.4

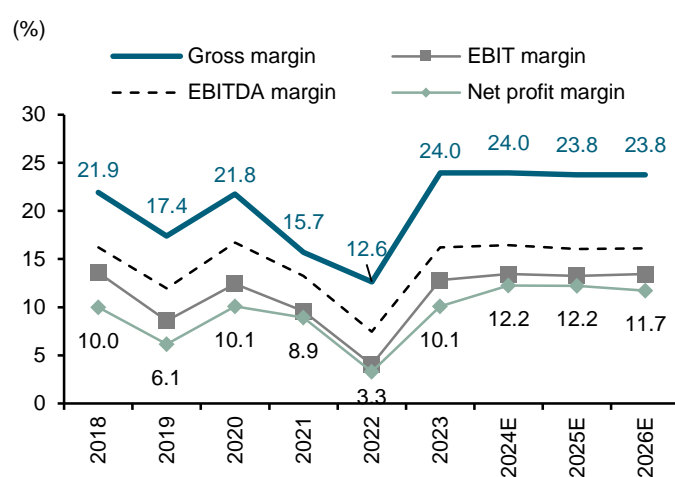
Sources: SFLEX, FSSIA estimates

## Exhibit 2: SFLEX's revenue and private consumption growth

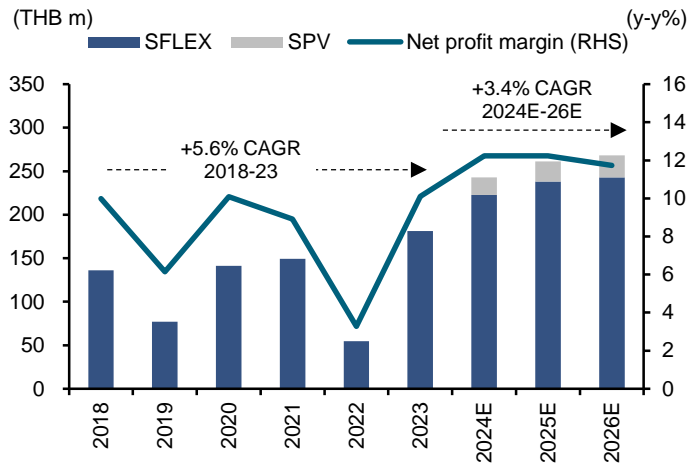


Sources: SFLEX, FSSIA estimates

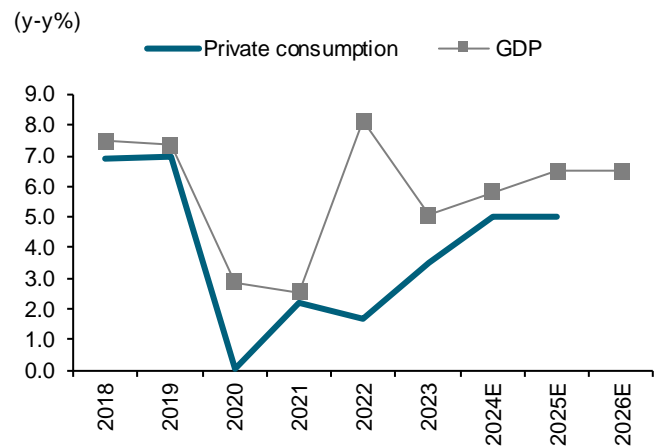
## Exhibit 3: Margins



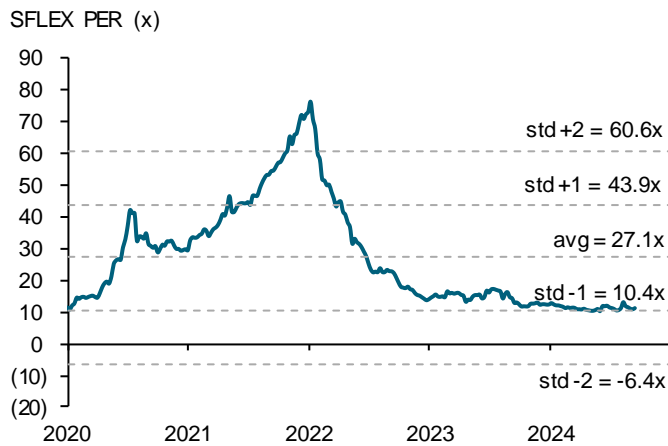
Sources: SFLEX, FSSIA estimates

**Exhibit 4: Net profit from SFLEX and SPV and margin**

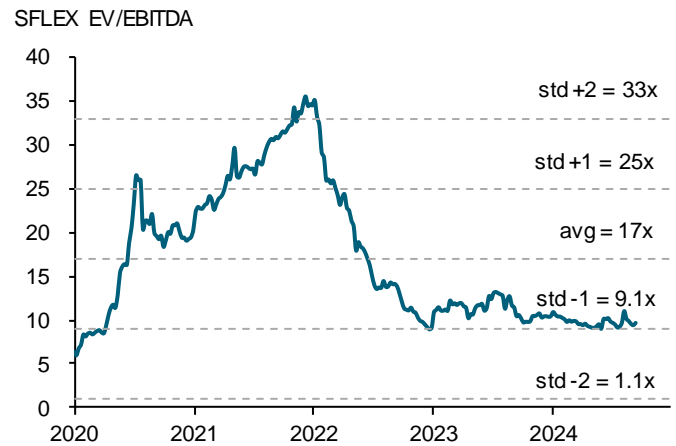
Sources: SFLEX, FSSIA estimates

**Exhibit 5: Vietnam: GDP and private consumption growth**

Source: World Bank

**Exhibit 6: One-year rolling forward P/E band**

Sources: Bloomberg, FSSIA estimates

**Exhibit 7: One-year rolling forward EV/EBITDA band**

Sources: Bloomberg, FSSIA estimates

## Financial Statements

### Starflex

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	1,669	1,795	1,984	2,136	2,286
Cost of goods sold	(1,458)	(1,365)	(1,509)	(1,629)	(1,743)
<b>Gross profit</b>	<b>211</b>	<b>430</b>	<b>475</b>	<b>507</b>	<b>543</b>
Other operating income	27	23	22	21	23
Operating costs	(170)	(223)	(230)	(246)	(258)
<b>Operating EBITDA</b>	<b>124</b>	<b>288</b>	<b>326</b>	<b>343</b>	<b>369</b>
Depreciation	(57)	(58)	(59)	(60)	(61)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>67</b>	<b>230</b>	<b>267</b>	<b>283</b>	<b>307</b>
Net financing costs	(3)	(10)	(39)	(35)	(28)
Associates	-	0	20	23	25
Recurring non-operating income	0	0	20	23	25
Non-recurring items	0	3	0	0	0
<b>Profit before tax</b>	<b>65</b>	<b>223</b>	<b>247</b>	<b>271</b>	<b>304</b>
Tax	(10)	(39)	(5)	(10)	(36)
<b>Profit after tax</b>	<b>55</b>	<b>184</b>	<b>243</b>	<b>261</b>	<b>268</b>
Minority interests	0	0	0	0	0
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>55</b>	<b>184</b>	<b>243</b>	<b>261</b>	<b>268</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>0</b>	<b>(3)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>55</b>	<b>181</b>	<b>243</b>	<b>261</b>	<b>268</b>
<b>Per share (THB)</b>					
Recurring EPS *	0.07	0.22	0.30	0.32	0.33
Reported EPS	0.07	0.22	0.30	0.32	0.33
DPS	0.03	0.09	0.12	0.13	0.13
Diluted shares (used to calculate per share data)	820	820	820	820	820
<b>Growth</b>					
Revenue (%)	(0.5)	7.5	10.5	7.7	7.0
Operating EBITDA (%)	(44.4)	132.7	13.2	5.1	7.5
Operating EBIT (%)	(58.2)	241.6	16.1	6.1	8.6
Recurring EPS (%)	(63.4)	231.2	33.9	7.6	2.6
Reported EPS (%)	(63.1)	234.6	31.8	7.6	2.6
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	12.6	24.0	24.0	23.8	23.8
Gross margin exc. depreciation (%)	16.0	27.2	26.9	26.6	26.4
Operating EBITDA margin (%)	7.4	16.1	16.4	16.1	16.1
Operating EBIT margin (%)	4.0	12.8	13.5	13.3	13.5
Net margin (%)	3.3	10.1	12.2	12.2	11.7
Effective tax rate (%)	14.9	17.4	1.8	3.7	11.9
Dividend payout on recurring profit (%)	45.0	40.7	40.0	40.0	40.0
Interest cover (X)	23.0	23.7	7.3	8.8	11.8
Inventory days	86.9	92.1	82.3	79.3	72.8
Debtor days	66.6	59.5	59.5	56.8	53.1
Creditor days	74.3	83.9	85.1	83.9	82.2
Operating ROIC (%)	5.4	17.5	19.4	20.3	22.5
ROIC (%)	4.8	13.6	14.0	14.4	15.9
ROE (%)	5.6	18.3	23.9	25.1	25.4
ROA (%)	3.7	10.4	13.0	13.2	13.6
* Pre-exceptional, pre-goodwill and fully diluted					
<b>Revenue by Division (THB m)</b>					
Non-food packaging	1,258	1,353	1,488	1,602	1,714
Food packaging	393	434	488	525	562
Others	18	7	8	9	9

Sources: Starflex; FSSIA estimates

## Financial Statements

### Starflex

Cash Flow (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Recurring net profit	55	181	243	261	268
Depreciation	57	58	59	60	61
Associates & minorities	0	0	0	0	0
Other non-cash items	-	-	(120)	(55)	(151)
Change in working capital	50	(43)	(77)	(77)	47
<b>Cash flow from operations</b>	<b>162</b>	<b>197</b>	<b>105</b>	<b>189</b>	<b>225</b>
Capex - maintenance	-	-	-	-	-
Capex - new investment	(144)	-	(206)	(106)	(108)
Net acquisitions & disposals	-	(460)	-	-	-
Other investments (net)	-	-	-	-	-
<b>Cash flow from investing</b>	<b>(144)</b>	<b>(460)</b>	<b>(206)</b>	<b>(106)</b>	<b>(108)</b>
Dividends paid	(37)	(59)	(97)	(105)	(107)
Equity finance	0	(100)	0	0	0
Debt finance	66	346	180	(33)	(55)
Other financing cash flows	-	-	7	8	9
<b>Cash flow from financing</b>	<b>29</b>	<b>187</b>	<b>90</b>	<b>(130)</b>	<b>(153)</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	7	28	49	0	0
<b>Net other adjustments</b>	<b>7</b>	<b>28</b>	<b>49</b>	<b>0</b>	<b>0</b>
<b>Movement in cash</b>	<b>54</b>	<b>(48)</b>	<b>38</b>	<b>(47)</b>	<b>(36)</b>
Free cash flow to firm (FCFF)	20.64	(252.93)	(61.63)	116.80	145.41
Free cash flow to equity (FCFE)	90.80	111.57	135.24	57.05	71.02

#### Per share (THB)

FCFF per share	0.03	(0.31)	(0.08)	0.14	0.18
FCFE per share	0.11	0.14	0.16	0.07	0.09
Recurring cash flow per share	0.14	0.29	0.22	0.32	0.22

Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Tangible fixed assets (gross)	1,046	1,141	1,231	1,291	1,351
Less: Accumulated depreciation	(307)	(365)	(424)	(484)	(546)
<b>Tangible fixed assets (net)</b>	<b>739</b>	<b>776</b>	<b>807</b>	<b>807</b>	<b>806</b>
<b>Intangible fixed assets (net)</b>	<b>54</b>	<b>40</b>	<b>40</b>	<b>41</b>	<b>42</b>
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	32	408	479	479	479
Cash & equivalents	129	81	119	71	35
A/C receivable	263	322	325	339	327
Inventories	333	326	328	354	317
Other current assets	22	27	29	30	32
<b>Current assets</b>	<b>747</b>	<b>756</b>	<b>801</b>	<b>795</b>	<b>710</b>
Other assets	29	62	64	66	67
<b>Total assets</b>	<b>1,602</b>	<b>2,042</b>	<b>2,191</b>	<b>2,187</b>	<b>2,104</b>
Common equity	985	1,001	1,032	1,050	1,064
Minorities etc.	0	0	0	0	0
<b>Total shareholders' equity</b>	<b>985</b>	<b>1,001</b>	<b>1,032</b>	<b>1,050</b>	<b>1,064</b>
Long term debt	175	168	348	315	260
Other long-term liabilities	43	46	53	61	71
<b>Long-term liabilities</b>	<b>218</b>	<b>215</b>	<b>402</b>	<b>377</b>	<b>331</b>
A/C payable	276	331	351	370	387
Short term debt	114	480	389	372	303
Other current liabilities	8	16	17	18	19
<b>Current liabilities</b>	<b>398</b>	<b>827</b>	<b>757</b>	<b>760</b>	<b>709</b>
<b>Total liabilities and shareholders' equity</b>	<b>1,602</b>	<b>2,042</b>	<b>2,191</b>	<b>2,187</b>	<b>2,104</b>
Net working capital	334	328	314	335	269
Invested capital	1,188	1,615	1,704	1,728	1,663

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

#### Per share (THB)

Book value per share	1.20	1.22	1.26	1.28	1.30
Tangible book value per share	1.14	1.17	1.21	1.23	1.25

#### Financial strength

Net debt/equity (%)	16.3	56.7	59.9	58.7	49.6
Net debt/total assets (%)	10.0	27.8	28.2	28.2	25.1
Current ratio (x)	1.9	0.9	1.1	1.0	1.0
CF interest cover (x)	81.1	12.5	9.6	5.7	7.3

Valuation	2022	2023	2024E	2025E	2026E
<b>Recurring P/E (x) *</b>	<b>51.8</b>	<b>15.7</b>	<b>11.7</b>	<b>10.9</b>	<b>10.6</b>
<b>Recurring P/E @ target price (x) *</b>	<b>76.4</b>	<b>23.1</b>	<b>17.2</b>	<b>16.0</b>	<b>15.6</b>
Reported P/E (x)	51.5	15.4	11.7	10.9	10.6
Dividend yield (%)	0.9	2.6	3.4	3.7	3.8
Price/book (x)	2.9	2.8	2.7	2.7	2.7
Price/tangible book (x)	3.0	3.0	2.9	2.8	2.8
EV/EBITDA (x) **	24.2	11.8	10.6	10.1	9.1
EV/EBITDA @ target price (x) **	35.1	16.5	14.7	14.0	12.8
EV/invested capital (x)	2.5	2.1	2.0	2.0	2.0

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

Sources: Starflex; FSSIA estimates

## Disclaimer for ESG scoring

ESG score	Methodology	Rating																				
The Dow Jones Sustainability Indices ( <a href="#">DJSI</a> ) 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 ( <a href="#">THSI</a> ) by The Stock Exchange of Thailand ( <a href="#">SET</a> )	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.																				
<b>CG Score</b> 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%).																				
<b>AGM level</b> 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.																				
<a href="#">Thai CAC</a> 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.																				
<a href="#">Morningstar Sustainabilitys</a>	The Sustainabilitys' 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+										
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0-10	10-20	20-30	30-40	40+																		
<a href="#">ESG Book</a>	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.																				
<a href="#">MSCI</a>	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><b>AAA</b></td><td>8.571-10.000</td><td rowspan="3"><b>Leader:</b></td><td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td></tr><tr><td><b>AA</b></td><td>7.143-8.570</td></tr><tr><td><b>A</b></td><td>5.714-7.142</td></tr><tr><td><b>BBB</b></td><td>4.286-5.713</td><td rowspan="2"><b>Average:</b></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><b>BB</b></td><td>2.857-4.285</td></tr><tr><td><b>B</b></td><td>1.429-2.856</td><td rowspan="2"><b>Laggard:</b></td><td rowspan="2">lagging its industry based on its high exposure and failure to manage significant ESG risks</td></tr><tr><td><b>CCC</b></td><td>0.000-1.428</td></tr></table>		<b>AAA</b>	8.571-10.000	<b>Leader:</b>	leading its industry in managing the most significant ESG risks and opportunities	<b>AA</b>	7.143-8.570	<b>A</b>	5.714-7.142	<b>BBB</b>	4.286-5.713	<b>Average:</b>	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	<b>BB</b>	2.857-4.285	<b>B</b>	1.429-2.856	<b>Laggard:</b>	lagging its industry based on its high exposure and failure to manage significant ESG risks	<b>CCC</b>	0.000-1.428
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<a href="#">Moody's ESG solutions</a>	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.																					
<a href="#">Refinitiv ESG rating</a>	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>																					
<a href="#">S&amp;P Global</a>	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.																					
<b>Bloomberg</b>	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

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History of change in investment rating and/or target price

Starflex (SFLEX TB)



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

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

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Starflex	SFLEX TB	THB 3.46	BUY	Downside risks to our P/E-based TP include 1) a sharp rise in crude oil prices; 2) rising inflation pressuring consumers' purchasing power; and 3) baht depreciation.

Source: FSSIA estimates

Additional Disclosures

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finansia Syrus Securities Public Company Limited.

All share prices are as at market close on 17-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.