

THAI STANLEY ELECTRIC
THAILAND / AUTOMOTIVE

STANLY TB

HOLD

UNCHANGED

คาดการณ์ราคาตามอุตสาหกรรมที่ซบเซาหนัก

- คาดกำไร 2QFY25 จาก low season ในไตรมาสก่อน และได้เงินปันผลรับช่วย แต่กำไรสุทธิจะถูกลดลงจากการตัดจ่ายค่าทรัพย์สินที่ไม่ได้ใช้งาน
- แนวโน้มครึ่งหลังของปียังไม่สดใสตามอุตสาหกรรม ลุ้น Motor Expo ปลายปี
- คงราคาเป้าหมาย 210 บาท คงคำแนะนำถือรับเงินปันผลที่คาดหวัง 6%-8%

TARGET PRICE	THB210.00
CLOSE	THB218.00
UP/DOWNSIDE	-3.7%
PRIOR TP	THB210.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+5.0%

KEY STOCK DATA

YE Mar (THB m)	2024	2025E	2026E	2027E
Revenue	14,380	13,043	13,303	13,963
Net profit	1,757	1,268	1,757	1,764
EPS (THB)	22.93	16.55	22.93	23.02
vs Consensus (%)	-	(30.0)	13.2	5.5
EBITDA	3,326	3,071	3,360	3,379
Recurring net profit	1,724	1,513	1,757	1,764
Core EPS (THB)	22.49	19.74	22.93	23.02
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	(1.0)	(12.2)	16.2	0.4
Core P/E (x)	9.7	11.0	9.5	9.5
Dividend yield (%)	9.2	6.1	8.4	8.4
EV/EBITDA (x)	4.4	5.1	4.6	4.6
Price/book (x)	0.8	0.8	0.8	0.8
Net debt/Equity (%)	(9.2)	(4.5)	(5.0)	(4.5)
ROE (%)	8.0	6.9	8.0	7.9

คาดการณ์ 2QFY25 จาก low season ในไตรมาสก่อน และได้เงินปันผลรับช่วย

เราคาดการณ์กำไรสุทธิใน 2QFY25 (ก.ค.-ก.ย. 2024) ที่ 435 ล้านบาท +43.1% q-q ขึ้นจากไตรมาสก่อนที่เป็น low season มีวันทำงานน้อย แต่ยังหดตัว -10.3% y-y ตามภาวะอุตสาหกรรมที่หดตัวต่อเนื่องโดยยอดขายรถในประเทศในช่วงเดือน ก.ค. - ก.ย. -9.5% q-q, -27.7% y-y โดยเฉพาะเดือน ก.ย. ที่ยอดขายรถในประเทศต่ำกว่า 4 หมื่นคันเป็นครั้งแรกในรอบ 51 เดือนนับตั้งแต่ช่วงโควิด-19 ทั้งนี้ ทุกไตรมาส 2 ของปี STANLY จะได้รับเงินปันผลจากบริษัทย่อย ซึ่งเป็นตัวช่วยที่สำคัญในไตรมาสนี้

การตัดจ่ายค่าทรัพย์สินบางส่วนในไตรมาสนี้ กดดันกำไรสุทธิ

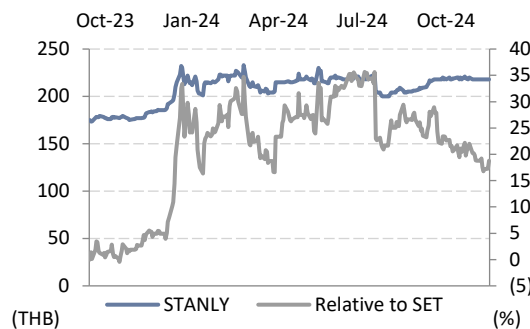
การฟื้นตัวของกำไรสุทธิของ STANLY อยู่บนสมมติฐานรายได้ +5.0% q-q, -16.0% y-y เป็น 3,145 ล้านบาท เราคาดต้นทุนและรายจ่ายยังค่อนข้างใกล้เคียงไตรมาสก่อนเนื่องจากบริษัทยังอยู่ระหว่างการปรับปรุงระบบการผลิต เราคาดอัตรากำไรขั้นต้น 18.4% ค่าใช้จ่ายในการขายและบริหาร 9.6% ของรายได้ อย่างไรก็ตาม ในไตรมาสนี้จะมีค่าใช้จ่ายทางบัญชีการตัดจ่ายค่าทรัพย์สินที่ไม่ได้ใช้งาน เราคาด 150 ล้านบาท และส่วนที่เหลือของจำนวนที่บริษัทเคยประเมินคาดบันทึกในไตรมาสถัดไป ดังนั้น จึงคาดว่า จะมีกำไรสุทธิ 285 ล้านบาทใน 2QFY25 (-7.5% q-q, -42.6% y-y)

แนวโน้มครึ่งหลังของปียังไม่สดใสตามอุตสาหกรรม ลุ้น Motor Expo ปลายปี

กำไรสุทธิงวด 1HFY25 (เม.ย.-ก.ย. 2024) คาด -26.9% y-y ส่วนกำไรปกติคาด -6.3% y-y และคิดเป็น 48.8% ของประมาณการทั้งปี แนวโน้มผลการดำเนินงานในครึ่งปีหลังของ STANLY ไม่สดใส เป็นไปตามภาวะอุตสาหกรรมที่ยอดขายในประเทศซบเซาหนัก สถาบันการเงินยังคงเข้มงวดสินเชื่อและหนี้ครัวเรือนที่สูงยังจำกัดการเติบโตของกลุ่มยานยนต์ เราหวังว่าจะเห็นการกระตุ้นของยอดขายยานยนต์บ้างในช่วงปลายปีจากการปรับลดอัตราดอกเบี้ยของธนาคารและงาน Motor Expo (29 พ.ย. - 10 ธ.ค.)

คงราคาเป้าหมาย 210 บาท คงคำแนะนำถือรับเงินปันผล

เรายังคงราคาเป้าหมาย 210 บาท (อิง FY25E P/E ที่ 10 เท่า) และคงคำแนะนำถือ แม้ว่าราคาหุ้นปัจจุบันจะสูงกว่าราคาเป้าหมายไปแล้ว แต่อัตราผลตอบแทนจากเงินปันผลที่ยังคาดประมาณ 6%-8% ต่อปี ทำให้ยังแนะนำให้ถือรับเงินปันผล



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(0.5)	9.0	31.9
Relative to country (%)	(1.7)	(2.4)	25.6
Mkt cap (USD m)	499		
3m avg. daily turnover (USD m)	0.3		
Free float (%)	34		
Major shareholder	Stanley Electric Holding Asia-Pacific Pte., Ltd. (36%)		
12m high/low (THB)	223.00/163.33		
Issued shares (m)	76.63		

Sources: Bloomberg consensus; FSSIA estimates



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Investment thesis

เราคาดการณ์กำไรสุทธิใน 2QFY25 (ก.ค.-ก.ย. 2024) ที่ 435 ล้านบาท +43.1% q-q พื้นจากไตรมาสก่อนที่เป็น low season มีวันทำงานน้อย แต่ยังหดตัว -10.3% y-y ตามภาวะอุตสาหกรรมที่หดตัวต่อเนื่องโดยยอดขายในประเทศ ทั้งนี้ ทุกไตรมาส 2 ของปี STANLY จะได้รับเงินปันผลจากบริษัทย่อย ซึ่งเป็นตัวช่วยที่สำคัญในไตรมาสนี้

อย่างไรก็ตาม ในไตรมาสนี้จะมีค่าใช้จ่ายทางบัญชีการตั้งค้ายค่าทรัพย์สินที่ไม่ได้ใช้งาน เราคาด 150 ล้านบาท และส่วนที่เหลือของจำนวนที่บริษัทเคยประเมินคาดบันทึกในไตรมาสถัดไป ดังนั้น จึงคาดว่าจะมีกำไรสุทธิ 285 ล้านบาทใน 2QFY25 (-7.5% q-q, -42.6% y-y)

Company profile

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

www.thaistanley.com

Principal activities (revenue, 2024)

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

Source: Thai Stanley Electric

Major shareholders

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

Source: Thai Stanley Electric

Catalysts

ปัจจัยหนุนการเติบโตของบริษัท ได้แก่ 1) ปริมาณความต้องการยานยนต์ที่ดีกว่าคาด 2) คำสั่งซื้อใหม่ 3) การปรับลงของต้นทุนวัตถุดิบและค่าไฟฟ้า

Risks to our call

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

Event calendar

Date	Event
25 November 2024	2QFY25 earnings announcement

Key assumptions

Year ending Mar	FY25E (THB m)	FY26E (THB m)	FY27E (THB m)
Auto bulbs & lighting	12,883	13,140	13,797
Growth (%)	(9.0)	2.0	5.0
Die & molds	161	162	166
Growth (%)	(28.0)	1.0	2.0
Total revenue	13,043	13,303	13,963
Growth (%)	(9.3)	2.0	5.0
Gross margin (%)	18.6	18.6	19.1
Core profit margin (%)	11.6	13.2	12.6

Source: FSSIA estimates

Earnings sensitivity

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

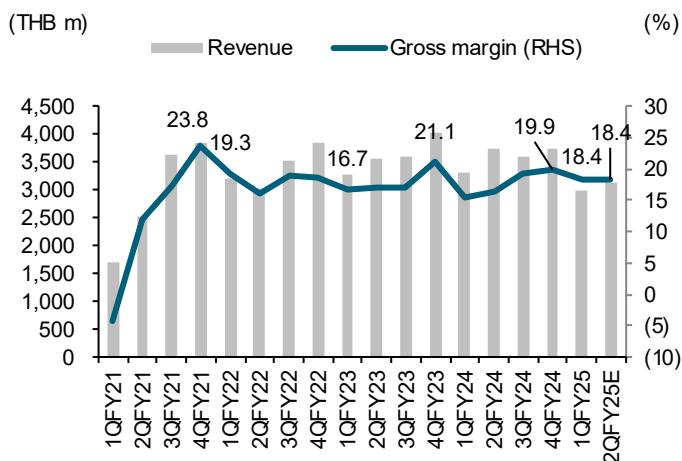
Source: FSSIA estimates

Exhibit 1: STANLY - 2QFY25 earnings preview

Year to Mar 31	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25E	----- Change -----		2HFY24	2HFY25E	Change	% of
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)	FY25E
Sales	3,745	3,607	3,722	2,996	3,145	5.0	(16.0)	7,051	6,141	(12.9)	47.1
Cost of sales	(3,135)	(2,915)	(2,980)	(2,444)	(2,565)	5.0	(18.2)	(5,934)	(5,009)	(15.6)	47.2
Gross profit	610	692	742	552	580	5.1	(4.9)	1,117	1,132	1.4	46.7
Operating costs	(281)	(286)	(294)	(308)	(301)	(2.1)	7.1	(549)	(609)	10.9	47.7
Operating profit	328	406	448	244	279	14.2	(15.1)	568	523	(7.9)	45.6
Operating EBITDA	898	853	915	652	794	21.7	(11.6)	1,583	1,446	(8.6)	47.1
Other income	177	56	66	44	152	244.7	(14.2)	223	196	(12.3)	501.0
Interest expense	0	0	0	0	0	0.0	0.0	0	0	0.0	0.0
Profit before tax	505	462	514	288	431	49.4	(14.7)	791	719	(9.1)	47.7
Tax	(108)	(111)	(125)	(78)	(86)	10.0	(19.9)	(186)	(165)	(11.6)	(46.9)
Associates	87	102	93	94	90	(3.9)	3.4	183	184	0.4	51.4
Reported net profit	495	443	503	308	285	(7.5)	(42.6)	810	592	(26.9)	46.7
Core profit	485	453	482	304	435	43.1	(10.3)	788	738	(6.3)	48.8
Reported EPS (THB)	6.47	5.78	6.57	4.02	4.43	10.2	(31.6)	10.58	8.44	(20.2)	51.0
Core EPS (THB)	6.33	5.92	6.29	3.96	5.67	43.1	(10.3)	10.29	9.64	(6.3)	48.8
Key Ratios	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)	(%)	(ppt)	
Gross margin	16.3	19.2	19.9	18.4	18.4	0.0	2.2	15.8	18.4	2.6	
Operating margin	13.5	12.8	13.8	9.6	13.7	4.1	0.2	11.2	11.7	0.5	
EBITDA margin	24.0	23.7	24.6	21.8	25.2	3.5	1.3	22.4	23.5	1.1	
Core profit margin	12.9	12.6	12.9	10.1	13.8	3.7	0.9	11.2	12.0	0.8	
SG&A / Sales	7.5	7.9	7.9	10.3	9.6	(0.7)	2.1	7.8	9.9	2.1	
Revenue breakdown by geographic	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)	
Domestic sales	2,394	2,220	2,315	1,944	1,950	(16.0)	(4.5)	4,431	3,895	(12.1)	
Export sales	1,351	1,387	1,407	1,051	1,195	(25.3)	(17.2)	2,620	2,246	(14.3)	

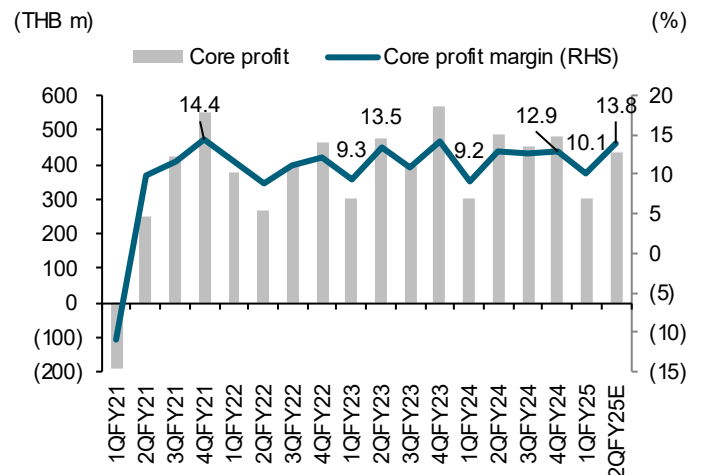
Sources: STANLY, FSSIA estimates

Exhibit 2: Revenue and gross margin



Sources: STANLY, FSSIA estimates

Exhibit 3: Core profit and core profit margin



Sources: STANLY, FSSIA estimates

Financial Statements

Thai Stanley Electric

Profit and Loss (THB m) Year Ending Mar	2023	2024	2025E	2026E	2027E
Revenue	14,448	14,380	13,043	13,303	13,963
Cost of goods sold	(13,387)	(13,387)	(12,182)	(12,267)	(12,860)
Gross profit	1,061	993	861	1,036	1,103
Other operating income	1,795	1,904	1,923	1,899	1,906
Operating costs	(1,093)	(1,129)	(1,278)	(1,121)	(1,187)
Operating EBITDA	3,311	3,326	3,071	3,360	3,379
Depreciation	(1,548)	(1,558)	(1,565)	(1,547)	(1,557)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	1,763	1,768	1,507	1,813	1,822
Net financing costs	0	0	0	0	0
Associates	387	378	357	364	365
Recurring non-operating income	387	378	357	364	365
Non-recurring items	4	33	(245)	0	0
Profit before tax	2,154	2,179	1,619	2,178	2,187
Tax	(408)	(422)	(351)	(421)	(423)
Profit after tax	1,746	1,757	1,268	1,757	1,764
Minority interests	0	0	0	0	0
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	1,746	1,757	1,268	1,757	1,764
Non-recurring items & goodwill (net)	(4)	(33)	245	0	0
Recurring net profit	1,742	1,724	1,513	1,757	1,764
Per share (THB)					
Recurring EPS *	22.73	22.49	19.74	22.93	23.02
Reported EPS	22.78	22.93	16.55	22.93	23.02
DPS	20.00	20.00	13.24	18.35	18.42
Diluted shares (used to calculate per share data)	77	77	77	77	77
Growth					
Revenue (%)	6.4	(0.5)	(9.3)	2.0	5.0
Operating EBITDA (%)	4.8	0.4	(7.6)	9.4	0.6
Operating EBIT (%)	11.3	0.3	(14.8)	20.4	0.5
Recurring EPS (%)	16.4	(1.0)	(12.2)	16.2	0.4
Reported EPS (%)	14.8	0.6	(27.8)	38.6	0.4
Operating performance					
Gross margin inc. depreciation (%)	7.3	6.9	6.6	7.8	7.9
Gross margin exc. depreciation (%)	18.1	17.7	18.6	19.4	19.1
Operating EBITDA margin (%)	22.9	23.1	23.5	25.3	24.2
Operating EBIT margin (%)	12.2	12.3	11.5	13.6	13.1
Net margin (%)	12.1	12.0	11.6	13.2	12.6
Effective tax rate (%)	18.9	19.4	21.7	19.3	19.3
Dividend payout on recurring profit (%)	88.0	88.9	67.0	80.0	80.0
Interest cover (X)	-	-	-	-	-
Inventory days	20.2	16.9	17.7	17.9	17.5
Debtor days	65.4	62.8	63.4	58.9	57.1
Creditor days	31.7	30.3	31.1	28.4	26.5
Operating ROIC (%)	9.2	8.6	7.2	8.5	8.5
ROIC (%)	8.6	7.9	6.7	7.7	7.7
ROE (%)	8.4	8.0	6.9	8.0	7.9
ROA (%)	7.4	7.0	6.2	7.2	7.2

* Pre-exceptional, pre-goodwill and fully diluted

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

Sources: Thai Stanley Electric; FSSIA estimates

Financial Statements

Thai Stanley Electric

Cash Flow (THB m) Year Ending Mar	2023	2024	2025E	2026E	2027E
Recurring net profit	1,742	1,724	1,513	1,757	1,764
Depreciation	1,548	1,558	1,565	1,547	1,557
Associates & minorities	(387)	(378)	(357)	(364)	(365)
Other non-cash items	(504)	(604)	(699)	819	65
Change in working capital	(202)	(116)	300	(662)	(116)
Cash flow from operations	2,197	2,183	2,321	3,096	2,905
Capex - maintenance	0	0	0	0	0
Capex - new investment	(677)	(749)	(889)	(907)	(908)
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	(2,235)	(823)	(1,158)	(700)	(699)
Cash flow from investing	(2,911)	(1,572)	(2,047)	(1,607)	(1,607)
Dividends paid	(651)	(1,532)	(1,014)	(1,406)	(1,411)
Equity finance	0	0	0	0	0
Debt finance	0	0	0	0	0
Other financing cash flows	-	-	-	-	-
Cash flow from financing	(651)	(1,532)	(1,014)	(1,406)	(1,411)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	794	838	0	32	11
Net other adjustments	794	838	(266)	32	11
Movement in cash	(572)	(84)	(1,006)	115	(102)
Free cash flow to firm (FCFF)	(714.86)	610.72	273.83	1,488.52	1,297.72
Free cash flow to equity (FCFE)	79.54	1,448.48	8.16	1,520.41	1,309.09
Per share (THB)					
FCFF per share	(9.33)	7.97	3.57	19.43	16.94
FCFE per share	1.04	18.90	0.11	19.84	17.08
Recurring cash flow per share	31.31	30.00	26.38	49.04	39.42
Balance Sheet (THB m) Year Ending Mar	2023	2024	2025E	2026E	2027E
Tangible fixed assets (gross)	24,700	24,904	26,458	28,012	29,577
Less: Accumulated depreciation	(16,231)	(17,006)	(18,570)	(20,117)	(21,674)
Tangible fixed assets (net)	8,469	7,899	7,888	7,895	7,903
Intangible fixed assets (net)	940	873	899	926	953
Long-term financial assets	1,702	1,898	2,098	2,098	2,098
Invest. in associates & subsidiaries	2,023	2,205	2,205	2,205	2,205
Cash & equivalents	2,084	2,000	994	1,109	1,007
A/C receivable	2,557	2,390	2,144	2,150	2,219
Inventories	591	504	524	529	557
Other current assets	5,933	6,934	7,590	7,591	7,592
Current assets	11,165	11,829	11,252	11,379	11,375
Other assets	25	75	65	67	70
Total assets	24,325	24,778	24,406	24,568	24,604
Common equity	21,287	21,702	21,978	22,180	22,233
Minorities etc.	0	0	0	0	0
Total shareholders' equity	21,287	21,702	21,978	22,180	22,233
Long term debt	-	-	-	-	-
Other long-term liabilities	1,046	1,140	717	705	698
Long-term liabilities	1,046	1,140	717	705	698
A/C payable	1,001	964	844	822	821
Short term debt	-	-	-	-	-
Other current liabilities	991	972	867	861	852
Current liabilities	1,992	1,936	1,711	1,683	1,673
Total liabilities and shareholders' equity	24,325	24,778	24,406	24,568	24,604
Net working capital	7,089	7,893	8,547	8,587	8,696
Invested capital	20,249	20,842	21,702	21,776	21,924
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	277.80	283.22	286.83	289.46	290.15
Tangible book value per share	265.53	271.84	275.10	277.38	277.71
Financial strength					
Net debt/equity (%)	(9.8)	(9.2)	(4.5)	(5.0)	(4.5)
Net debt/total assets (%)	(8.6)	(8.1)	(4.1)	(4.5)	(4.1)
Current ratio (x)	5.6	6.1	6.6	6.8	6.8
CF interest cover (x)	-	-	-	-	-
Valuation	2023	2024	2025E	2026E	2027E
Recurring P/E (x) *	9.6	9.7	11.0	9.5	9.5
Recurring P/E @ target price (x) *	9.2	9.3	10.6	9.2	9.1
Reported P/E (x)	9.6	9.5	13.2	9.5	9.5
Dividend yield (%)	9.2	9.2	6.1	8.4	8.4
Price/book (x)	0.8	0.8	0.8	0.8	0.8
Price/tangible book (x)	0.8	0.8	0.8	0.8	0.8
EV/EBITDA (x) **	4.4	4.4	5.1	4.6	4.6
EV/EBITDA @ target price (x) **	4.2	4.2	4.9	4.5	4.5
EV/invested capital (x)	0.7	0.7	0.7	0.7	0.7
* Pre-exceptional, pre-goodwill and fully diluted ** EBITDA includes associate income and recurring non-operating income					

Sources: Thai Stanley Electric; FSSIA estimates

Disclaimer for ESG scoring

ESG score	Methodology	Rating																				
The Dow Jones Sustainability Indices (DJSI) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.	Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.																				
Sustainability Investment List (THSI) by The Stock Exchange of Thailand (SET)	THSI quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria include: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years.	To be eligible for 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 Sustainabilitys	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 & 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+																		
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

ANALYST(S) CERTIFICATION

Jitra Amornthum FSS International Investment Advisory Securities Co., Ltd

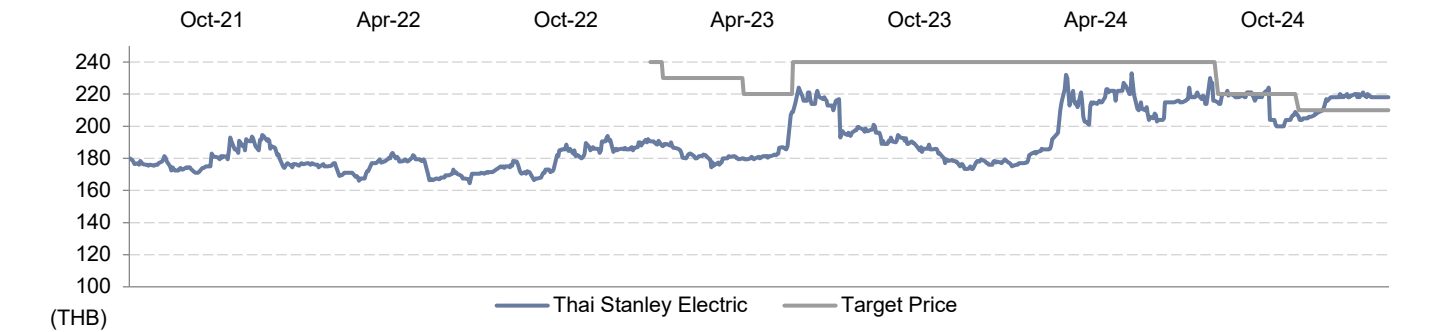
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History of change in investment rating and/or target price

Thai Stanley Electric (STANLY TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
19-Jan-2023	BUY	240.00	10-Apr-2023	BUY	220.00	24-May-2024	HOLD	220.00
30-Jan-2023	BUY	230.00	23-May-2023	BUY	240.00	02-Aug-2024	HOLD	210.00

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

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Thai Stanley Electric	STANLY TB	THB 218.00	HOLD	Downside risks to our P/E-based TP include 1) weak global automotive demand; 2) higher raw material prices and utility costs; 3) global semiconductor shortages; and 4) fluctuations in the THB.

Source: FSSIA estimates

Additional Disclosures

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

All share prices are as at market close on 22-Oct-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.