

# PRECIOUS SHIPPING

THAILAND / TRANSPORT & LOGISTIC

PSL TB

## HOLD

UNCHANGED

TARGET PRICE	THB8.50
CLOSE	THB8.20
UP/DOWNSIDE	+3.7%
PRIOR TP	THB8.50
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	-10.7%

## Demand/supply balance likely weak

- BSI and BHSI indices remain weak. We cut our 2024 profit estimate by 8.9% but raise 2025-26E profit by 14.3% and 25.4%, respectively.
- Our profit forecast in 2024-26 suggests low growth.
- Maintain HOLD rating and TP of THB8.50.

### BSI and BHSI indices remain weak, falling 6% and 3% in 4QTD

After releasing the lower-than-expected earnings for 3Q24, and with 4Q24 being the low season for shipping, we revise down our core profit estimate for 2024 by 8.9% to THB1.4b (+110.9% y-y). The downward revision is due to a reduction in freight rates and an increase in our administrative expense assumption to align with the 9M24 performance. We initially expect 4Q24 core profit to be around THB340m-350m, recovering 15-17% q-q. The BSI and BHSI indices in 4QTD remain weak at -6.1% and -2.8%, respectively, from their average levels in 3Q24.

### Slower demand pressures freight rates

For 2025-26, we revise our core profit estimates upward by 14.3% and 25.4%, respectively. However, we still expect PSL's core profit to contract by 2.1% y-y in 2025 and grow only 2.7% y-y in 2026. The upward revision is mainly driven by a slight increase in the estimated freight rates, despite being lower than the rate in 2024E due to relatively weak demand, particularly from China. We also raise our gross margin estimate due to the better-than-expected control of shipping expenses over several quarters. After the revision, we expect PSL's core profit in 2024-26 to remain relatively stable at THB1.3b-1.4b per year, better than the pre-Covid period when the company incurred consecutive losses due to an oversupply of vessels.

### Demand/supply balance likely weaker in 2025

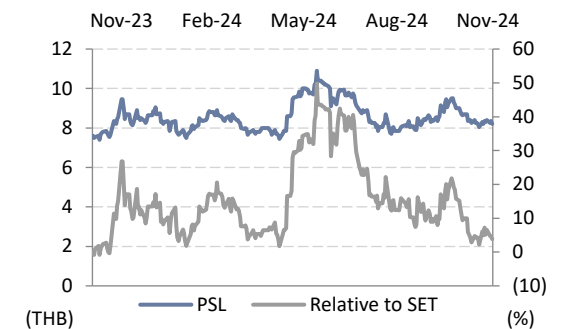
Although the demand/supply balance has improved in 2024, the outlook is likely to worsen in 2025. Clarksons Research forecasts that demand will increase by 2.4% y-y in 2025, down from an expected 3.6% increase in 2024. At the same time, supply is expected to grow faster, by 4.2% y-y. The silver lining is that the orderbook remains low at 9.7%, which is close to the 20-year-old fleet's 9.5%, which are expected to be retired.

### Maintain our HOLD rating

PSL's profit trend is aligned with the global shipping industry, and it is also trading at a P/BV of below 1x. We maintain our TP at THB8.50 (2025E P/E of 9.5x, -0.3SD of its three-year average). As downside risks remain, we maintain our HOLD rating on PSL.

### KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	5,099	6,021	5,963	6,065
Net profit	709	1,563	1,365	1,402
EPS (THB)	0.45	1.00	0.88	0.90
vs Consensus (%)	-	11.1	53.0	45.2
EBITDA	2,553	3,420	3,373	3,411
Recurring net profit	661	1,395	1,365	1,402
Core EPS (THB)	0.42	0.89	0.88	0.90
Chg. In EPS est. (%)	-	(8.9)	14.3	25.4
EPS growth (%)	(86.4)	110.9	(2.1)	2.7
Core P/E (x)	19.3	9.2	9.4	9.1
Dividend yield (%)	3.0	6.1	5.3	5.5
EV/EBITDA (x)	7.0	5.3	5.4	5.3
Price/book (x)	0.8	0.7	0.7	0.7
Net debt/Equity (%)	30.9	29.3	29.8	30.1
ROE (%)	4.0	8.2	7.6	7.8



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(8.9)	6.5	(5.7)
Relative to country (%)	(10.3)	(7.5)	(9.0)
Mkt cap (USD m)	374		
3m avg. daily turnover (USD m)	2.6		
Free float (%)	48		
Major shareholder	Globex Corporation Limited (28%)		
12m high/low (THB)	11.20/7.20		
Issued shares (m)	1,559.29		

Sources: Bloomberg consensus; FSSIA estimates



Jitra Amorntum

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

## Investment thesis

With 4Q24 being the low season for shipping, we revise down our core profit estimate for 2024 by 8.9% to THB1.4b (+110.9% y-y), due to a reduction in freight rates. For 2025-26, we revise our core profit estimates upward by 14.3% and 25.4%, respectively. However, we still expect PSL's core profit to contract by 2.1% y-y in 2025 and grow only 2.7% y-y in 2026.

Although the demand/supply balance has improved in 2024, the outlook is likely to worsen in 2025. PSL's profit trend is aligned with the global shipping industry, and it is also trading at a P/BV of below 1x. We maintain our HOLD rating, with a TP at THB8.50 (2025E P/E of 9.5x, - 0.3SD of its three-year average).

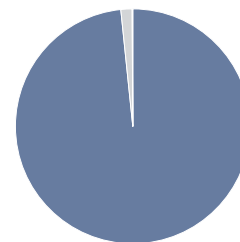
## Company profile

Precious Shipping (PSL) is a pure dry cargo ship-owner operating in the Handysize, Supramax and Ultramax sectors of the tramp freight market. PSL was founded in 1989, commenced commercial operations in March 1991, and listed on the Stock Exchange of Thailand in September 1993. As of end-2022, PSL has 38 fleet vessels worth USD799m in book value, with an aggregate capacity of 1,657,579 DWT.

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

## Principal activities (revenue, 2023)

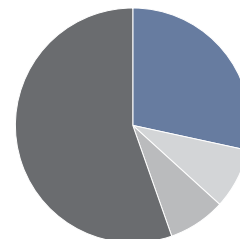
- Time charter - 98.4 %
- Voyage charter - 1.5 %
- Service revenue - 0.1 %



Source: Precious Shipping

## Major shareholders

- Globex Corporation Limited - 28.4 %
- Graintrade Limited - 8.3 %
- Bank Julius Baer & Co. Ltd., Singapore - 7.9 %
- Others - 55.4 %



Source: Precious Shipping

## Catalysts

Key potential catalysts include 1) fewer ships being built, which could reduce global fleet capacity; and 2) China's stimulus to boost the economy.

## Risks to our call

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

## Event calendar

Date	Event
February 2025	4Q24 earnings announcement

## Key assumptions

	2023A	2024E	2025E	2026E
TCE rate (USD/day)	10,907	13,444	13,288	13,463
TCE rate growth (%)	(45.3)	23.3	(1.2)	1.3
OPEX (USD/day)	5,205	5,240	5,220	5,236
Gross margin (%)	29.5	39.6	39.1	39.1
SG&A to sales (%)	6.6	7.1	7.2	7.3

Source: FSSIA estimates

## Earnings sensitivity

- For every 1% change in its TCE rate, we project PSL's 2025 net profit to change by 3.8%, all else being equal.
- For every 1% change in gross margin, we project PSL's 2025 net profit to change by 4.0%, all else being equal.

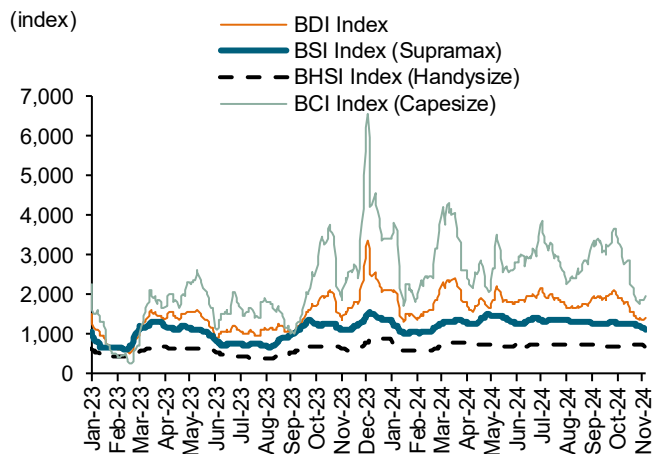
Source: FSSIA estimates

## 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 (%)
Total revenue	6,021	5,963	6,065	6,362	6,137	6,048	(5.4)	(2.8)	0.3
TCE rate (USD/ship/day)	13,444	13,288	13,463	13,484	13,004	13,282	(0.3)	2.2	1.4
OPEX (USD/ship/day)	5,240	5,220	5,236	5,220	5,295	5,380	0.4	(1.4)	(2.7)
Cost of goods sold	(2,137)	(2,117)	(2,164)	(2,256)	(2,385)	(2,381)	(5.3)	(11.2)	(9.1)
Gross profit	3,884	3,846	3,900	4,106	3,753	3,666	(5.4)	2.5	6.4
SG&A	(553)	(560)	(576)	(530)	(515)	(508)	4.4	8.7	13.4
EBITDA	3,420	3,373	3,411	3,654	3,325	3,245	(6.4)	1.5	5.1
Interest expense	538	497	480	555	551	523	(3.1)	(9.9)	(8.2)
Core profit	1,395	1,365	1,402	1,532	1,195	1,118	(8.9)	14.3	25.4
<b>Margins</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>	<b>(ppt)</b>	<b>(ppt)</b>
Gross margin	39.6	39.1	39.1	40.3	35.7	34.3	(0.7)	3.4	4.8
SG&A to sales	7.1	7.2	7.3	6.6	6.7	6.7	0.5	0.5	0.6
EBITDA margin	56.9	56.6	56.3	57.5	54.2	53.7	(0.6)	2.4	2.6
Core profit margin	23.2	22.9	23.1	24.1	19.5	18.5	(0.9)	3.4	4.6

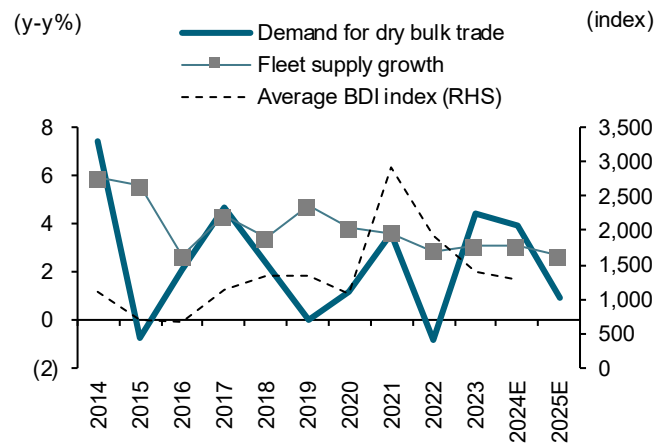
Sources: PSL, FSSIA estimates

## Exhibit 2: Shipping freight indices



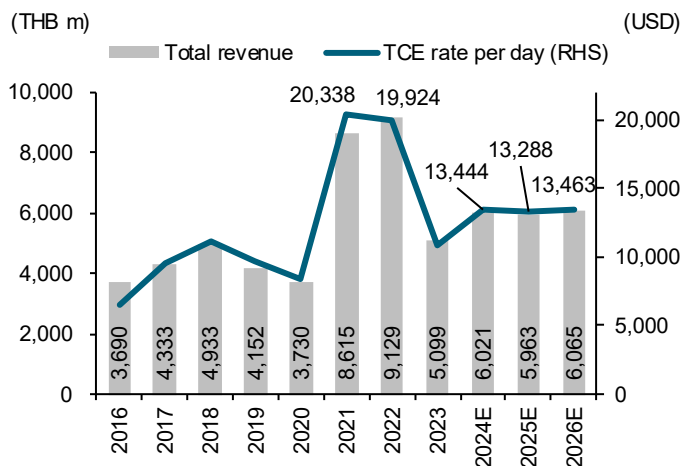
Sources: Bloomberg, FSSIA's compilation

## Exhibit 3: Minor bulk trade vs fleet growth



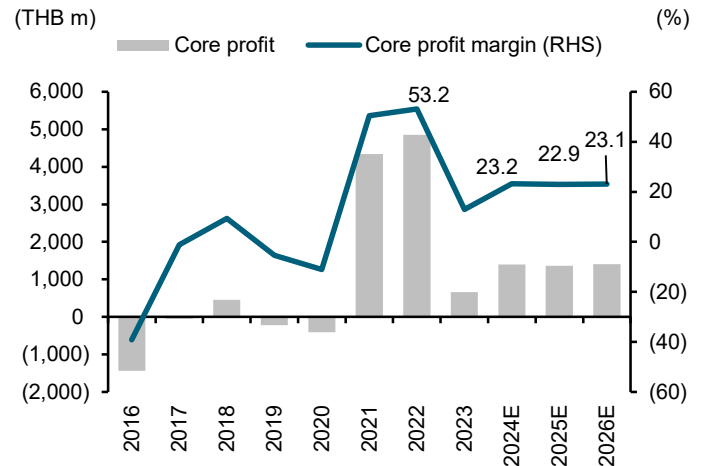
Sources: PSL, Clarksons October 2024 DBTO

## Exhibit 4: PSL's freight rates and revenue



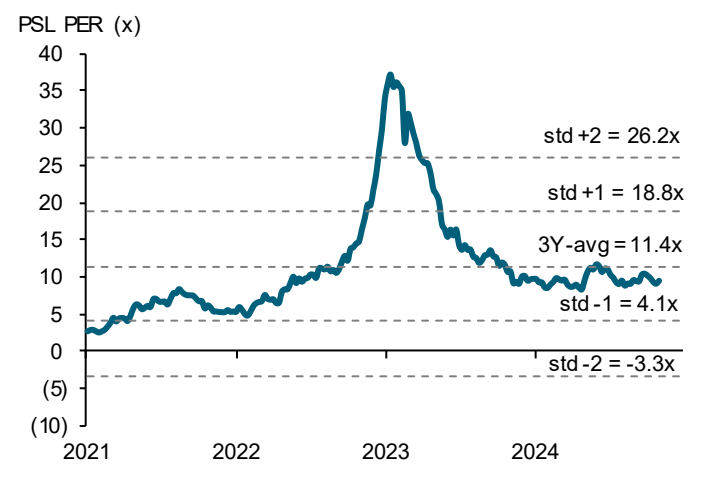
Sources: PSL, FSSIA estimates

## Exhibit 5: Core profit and core profit margin



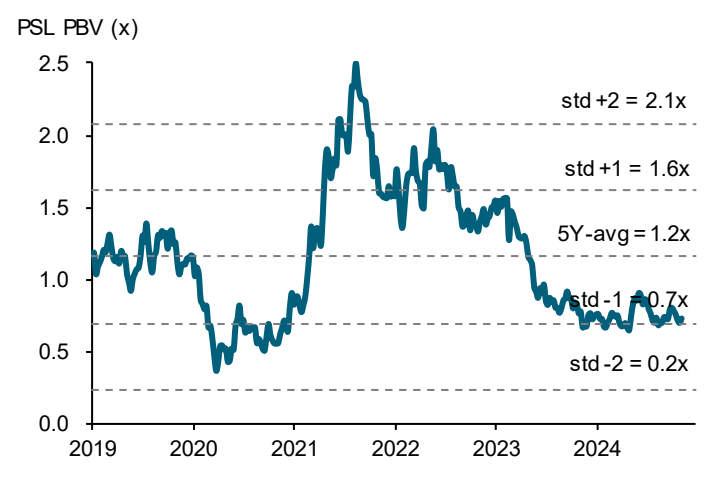
Sources: PSL, FSSIA estimates

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



Sources: Bloomberg, FSSIA estimates

Exhibit 7: One-year forward rolling P/BV band



Sources: Bloomberg, FSSIA estimates

Exhibit 8: Peers comparison as of 6 November 2024

Company	BBG	Share price	----- EPS growth -----		----- PE -----		----- PBV -----		----- EV/ EBITDA -----	
		Current	24E	25E	24E	25E	24E	25E	24E	25E
		(LCY)	(%)	(%)	(x)	(x)	(x)	(x)	(x)	(x)
Thailand										
Thoresen Thai Agencies*	TTA TB	5.60	42	(22)	5.9	7.6	0.4	0.4	3.6	3.7
Precious Shipping*	PSL TB	8.20	111	(2)	9.2	9.4	0.7	0.7	5.3	5.4
Thailand average			76.5	(11.9)	7.5	8.5	0.5	0.5	4.4	4.6
Regional										
Cosco shipping Holding	601919 CH	15.01	93	(51)	5.2	10.6	1.1	1.0	2.1	3.8
Evergreen marine	2603 TT	217.00	396	(43)	3.7	6.5	0.8	0.8	2.2	4.3
Mitsui OSK Lines	9104 JP	5,140.00	(74)	57	5.1	8.9	0.7	0.7	11.7	10.8
Kawasaki Kisen Kaisha	9107 JP	2,116.00	(83)	112	6.2	13.9	0.8	0.8	10.0	10.4
Orient Oversea International	316 HK	115.50	79	(26)	3.8	5.2	0.7	0.7	1.2	1.7
Wan Hai Lines	2615 TT	93.60	(854)	(50)	6.4	13.0	1.0	0.9	88.5	178.8
Nanjing Tanker	601975 CH	3.41	36	2	7.8	7.7	1.5	1.3	4.4	4.3
Regional average			(58)	(0.0)	5.5	9.4	1.0	0.9	17.2	30.6
Global										
Hapag-Lloyd	HLAG GR	169.60	(35)	(79)	15.8	74.7	1.6	1.7	7.0	11.2
Maersk	MAERSKB DC	11,455.00	55	(87)	5.3	39.1	0.5	0.5	1.9	3.0
Star Bulk Carriers	SBLK US	19.61	118	(3)	5.9	6.1	0.9	0.9	5.6	5.0
Navios Maritime Partners	NMM US	53.93	9	26	3.8	3.0	0.5	0.4	4.1	3.6
D/S Norden	DNORD DC	221.00	(68)	43	7.0	4.9	0.8	0.7	3.1	2.6
Genco Shipping & Trading	GNK US	16.39	181	(7)	8.8	9.5	0.8	0.8	4.7	4.8
Diana Shipping	DSX US	2.24	(28)	260	9.0	2.5	n/a	n/a	6.3	4.4
Globus Maritime	GLBS US	1.53	(81)	(180)	30.6	n/a	0.2	0.2	0.8	0.5
Global average			18.8	(3.4)	10.8	20.0	0.7	0.7	4.2	4.4
Overall average			(6.1)	(3.0)	8.2	13.9	0.8	0.8	9.6	15.2

Sources: Bloomberg, \*FSSIA's compilation

## Financial Statements

### Precious Shipping

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	9,129	5,099	6,021	5,963	6,065
Cost of goods sold	(3,401)	(3,595)	(3,637)	(3,634)	(3,694)
<b>Gross profit</b>	<b>5,728</b>	<b>1,504</b>	<b>2,384</b>	<b>2,328</b>	<b>2,371</b>
Other operating income	17	46	90	88	86
Operating costs	(517)	(425)	(553)	(560)	(576)
<b>Operating EBITDA</b>	<b>6,553</b>	<b>2,553</b>	<b>3,420</b>	<b>3,373</b>	<b>3,411</b>
Depreciation	(1,324)	(1,429)	(1,500)	(1,517)	(1,529)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>5,229</b>	<b>1,124</b>	<b>1,920</b>	<b>1,856</b>	<b>1,881</b>
Net financing costs	(392)	(481)	(538)	(497)	(480)
Associates	29	21	20	21	22
Recurring non-operating income	29	21	20	21	22
Non-recurring items	0	48	168	0	0
<b>Profit before tax</b>	<b>4,866</b>	<b>713</b>	<b>1,571</b>	<b>1,380</b>	<b>1,423</b>
Tax	(15)	(4)	(8)	(15)	(21)
<b>Profit after tax</b>	<b>4,851</b>	<b>709</b>	<b>1,563</b>	<b>1,365</b>	<b>1,402</b>
Minority interests	0	0	0	0	0
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>4,851</b>	<b>709</b>	<b>1,563</b>	<b>1,365</b>	<b>1,402</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>0</b>	<b>(48)</b>	<b>(168)</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>4,850</b>	<b>661</b>	<b>1,395</b>	<b>1,365</b>	<b>1,402</b>
<b>Per share (THB)</b>					
Recurring EPS *	3.11	0.42	0.89	0.88	0.90
Reported EPS	3.11	0.45	1.00	0.88	0.90
DPS	1.75	0.25	0.50	0.44	0.45
Diluted shares (used to calculate per share data)	1,559	1,559	1,559	1,559	1,559
<b>Growth</b>					
Revenue (%)	6.0	(44.1)	18.1	(1.0)	1.7
Operating EBITDA (%)	10.2	(61.0)	34.0	(1.4)	1.1
Operating EBIT (%)	10.5	(78.5)	70.8	(3.3)	1.4
Recurring EPS (%)	11.8	(86.4)	110.9	(2.1)	2.7
Reported EPS (%)	8.4	(85.4)	120.4	(12.7)	2.7
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	62.7	29.5	39.6	39.1	39.1
Gross margin exc. depreciation (%)	77.3	57.5	64.5	64.5	64.3
Operating EBITDA margin (%)	71.8	50.1	56.8	56.6	56.2
Operating EBIT margin (%)	57.3	22.1	31.9	31.1	31.0
Net margin (%)	53.1	13.0	23.2	22.9	23.1
Effective tax rate (%)	0.3	0.5	0.5	1.1	1.5
Dividend payout on recurring profit (%)	56.3	58.9	56.0	50.0	50.0
Interest cover (X)	13.4	2.4	3.6	3.8	4.0
Inventory days	5.6	6.1	5.2	5.4	5.3
Debtor days	9.1	20.6	18.4	18.1	15.8
Creditor days	82.5	83.2	68.3	68.1	66.5
Operating ROIC (%)	19.9	4.2	7.1	6.6	6.6
ROIC (%)	19.5	4.2	6.9	6.4	6.4
ROE (%)	31.5	4.0	8.2	7.6	7.8
ROA (%)	21.6	4.3	7.4	7.0	7.1
* Pre-exceptional, pre-goodwill and fully diluted					
<b>Revenue by Division (THB m)</b>					
Time charter	8,992	5,016	5,945	5,876	5,954
Voyage charter	132	79	71	81	105
Service revenue	4	5	5	5	6

Sources: Precious Shipping; FSSIA estimates

## Financial Statements

### Precious Shipping

Cash Flow (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Recurring net profit	4,850	661	1,395	1,365	1,402
Depreciation	1,324	1,429	1,500	1,517	1,529
Associates & minorities	-	-	-	-	-
Other non-cash items	402	413	1,009	(570)	(615)
Change in working capital	28	(336)	(150)	35	80
<b>Cash flow from operations</b>	<b>6,604</b>	<b>2,167</b>	<b>3,755</b>	<b>2,348</b>	<b>2,396</b>
Capex - maintenance	-	-	-	-	-
Capex - new investment	(2,447)	(562)	(2,998)	(1,800)	(1,800)
Net acquisitions & disposals	0	1	0	0	0
Other investments (net)	30	21	(186)	10	23
<b>Cash flow from investing</b>	<b>(2,416)</b>	<b>(541)</b>	<b>(3,184)</b>	<b>(1,790)</b>	<b>(1,777)</b>
Dividends paid	(3,508)	(624)	(782)	(683)	(701)
Equity finance	0	0	0	0	0
Debt finance	(1,818)	710	(691)	(194)	(82)
Other financing cash flows	(380)	(455)	0	0	1
<b>Cash flow from financing</b>	<b>(5,705)</b>	<b>(368)</b>	<b>(1,473)</b>	<b>(876)</b>	<b>(782)</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	104	1	0	0	0
<b>Net other adjustments</b>	<b>104</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Movement in cash</b>	<b>(1,413)</b>	<b>1,259</b>	<b>(901)</b>	<b>(319)</b>	<b>(163)</b>
Free cash flow to firm (FCFF)	4,580.64	2,106.72	1,108.81	1,054.74	1,099.02
Free cash flow to equity (FCFE)	2,095.00	1,882.57	(119.81)	363.94	537.57

#### Per share (THB)

FCFF per share	2.94	1.35	0.71	0.68	0.70
FCFE per share	1.34	1.21	(0.08)	0.23	0.34
Recurring cash flow per share	4.22	1.61	2.50	1.48	1.49

Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Tangible fixed assets (gross)	32,817	32,689	35,019	35,936	36,872
Less: Accumulated depreciation	(10,769)	(11,854)	(12,683)	(13,318)	(13,983)
<b>Tangible fixed assets (net)</b>	<b>22,048</b>	<b>20,836</b>	<b>22,336</b>	<b>22,618</b>	<b>22,889</b>
<b>Intangible fixed assets (net)</b>	<b>16</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	81	82	82	82	82
Cash & equivalents	1,056	2,315	1,414	1,095	931
A/C receivable	279	295	313	277	249
Inventories	42	30	31	31	32
Other current assets	181	250	301	298	285
<b>Current assets</b>	<b>1,557</b>	<b>2,890</b>	<b>2,058</b>	<b>1,702</b>	<b>1,497</b>
Other assets	602	529	715	705	681
<b>Total assets</b>	<b>24,304</b>	<b>24,346</b>	<b>25,199</b>	<b>25,115</b>	<b>25,158</b>
Common equity	16,463	16,246	17,853	17,976	18,087
Minorities etc.	0	0	0	0	0
<b>Total shareholders' equity</b>	<b>16,463</b>	<b>16,246</b>	<b>17,853</b>	<b>17,976</b>	<b>18,087</b>
Long term debt	5,556	5,548	5,539	5,366	5,337
Other long-term liabilities	417	276	192	179	182
<b>Long-term liabilities</b>	<b>5,974</b>	<b>5,824</b>	<b>5,732</b>	<b>5,545</b>	<b>5,519</b>
A/C payable	639	447	443	445	455
Short term debt	1,167	1,788	1,107	1,086	1,033
Other current liabilities	61	41	64	64	65
<b>Current liabilities</b>	<b>1,867</b>	<b>2,276</b>	<b>1,614</b>	<b>1,594</b>	<b>1,553</b>
<b>Total liabilities and shareholders' equity</b>	<b>24,304</b>	<b>24,346</b>	<b>25,199</b>	<b>25,115</b>	<b>25,158</b>
Net working capital	(198)	87	137	98	46
Invested capital	22,548	21,542	23,278	23,512	23,707

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

#### Per share (THB)

Book value per share	10.56	10.42	11.45	11.53	11.60
Tangible book value per share	10.55	10.41	11.44	11.52	11.59

#### Financial strength

Net debt/equity (%)	34.4	30.9	29.3	29.8	30.1
Net debt/total assets (%)	23.3	20.6	20.8	21.3	21.6
Current ratio (x)	0.8	1.3	1.3	1.1	1.0
CF interest cover (x)	12.6	6.1	6.4	5.4	5.9

Valuation	2022	2023	2024E	2025E	2026E
<b>Recurring P/E (x) *</b>	<b>2.6</b>	<b>19.3</b>	<b>9.2</b>	<b>9.4</b>	<b>9.1</b>
<b>Recurring P/E @ target price (x) *</b>	<b>2.7</b>	<b>20.0</b>	<b>9.5</b>	<b>9.7</b>	<b>9.5</b>
Reported P/E (x)	2.6	18.0	8.2	9.4	9.1
Dividend yield (%)	21.3	3.0	6.1	5.3	5.5
Price/book (x)	0.8	0.8	0.7	0.7	0.7
Price/tangible book (x)	0.8	0.8	0.7	0.7	0.7
EV/EBITDA (x) **	2.8	7.0	5.3	5.4	5.3
EV/EBITDA @ target price (x) **	2.9	7.2	5.4	5.5	5.5
EV/invested capital (x)	0.8	0.8	0.8	0.8	0.8

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

Sources: Precious Shipping; FSSIA estimates

# PRECIOUS SHIPPING PCL (PSL TB)

FSSIA ESG rating

★ ★ ★

Exhibit 9: FSSIA ESG score implication

55.45 /100

Rating	Score	Implication
★★★★★	>79-100	Leading its industry peers in managing the most significant ESG risks which not only better cost efficiency but also lead to higher profitability.
★★★★★	>59-79	A mixed track record of managing the most significant ESG risks and opportunities relative to industry peers.
★★★	>39-59	Relevant ESG materiality matrix has been constructively addressed, well-managed and incorporated into day-to-day operations, in which targets and achievements are evaluated annually.
★★	>19-39	Relevant ESG materiality matrix has been identified with key management in charge for progress to be followed up on and to provide intensive disclosure. Most targets are conventional and achievable.
★	1-19	The company has adopted the United Nations Sustainable Development Goals (UN SDGs), established sustainability management guidelines and fully complies with regulations or ESG suggested guidance from related organizations such as the SET and SEC.

Sources: FSSIA estimates

Exhibit 10: ESG – peer comparison

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

Sources: SETTRADE.com; \* FSSIA estimate; FSSIA's compilation

Exhibit 11: ESG disclosure from company's one report

FY ending Dec 31	FY 2022	FY ending Dec 31	FY 2022
Environmental		Governance	
Climate change policy	Yes	Board size / Independent directors (ID) / Female	11 / 4 / 4
Climate change opportunities discussed	--	No. of board meetings for the year / % attendance	7 / 98%
GHG scope 2 location-based policy	Yes	Company conducts board evaluations	Yes
Biodiversity policy	Yes	Number of non-executive directors on board	8
Energy efficiency policy	Yes	Director share ownership guidelines	No
Electricity used	Yes	Board age limit	--
Fuel used - crude oil/diesel	Yes	Age of the youngest / oldest director	34 / 69
Waste reduction policy	Yes	Number of executives / female	3 / 0
Water policy	Yes	Executive share ownership guidelines	No
Water consumption	Yes	Size of audit committee / ID	3 / 3
Social		Audit committee meetings	4
Human rights policy	Yes	Audit committee meeting attendance (%)	100
Policy against child labor	Yes	Size of compensation committee / ID	3 / 2
Quality assurance and recall policy	--	Number of compensation committee meetings	3
Consumer data protection policy	Yes	Compensation committee meeting attendance (%)	100
Equal opportunity policy	Yes	Size of nomination committee / ID	3 / 3
Gender pay gap breakout	--	Number of nomination committee meetings	3
Pct women in workforce	56	Nomination committee meeting attendance (%)	100
Business ethics policy	Yes	Board compensation (THB m)	8.5
Anti-bribery ethics policy	Yes	Executive compensation (THB m)	94.84
Health and safety policy	Yes	Auditor fee (THB m)	11.11
Lost time incident rate - employees	--	(EY Office Limited)	
Training policy	Yes	Total employee (no.)	133
Fair remuneration policy	Yes	Employee compensation (THB m)	315.37
Number of employees - CSR	Yes		
Total hours spent by firm - employee training	44286		
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 <b>THSI inclusion</b> , verified data must be scored at a minimum of 50% for each indicator, unless the company is a part of DJSI during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality. <b>SETTHSI Index</b> is extended from the THSI companies whose 1) market capitalization > THB5b (~USD150b); 2) free float >20%; and 3) liquidity >0.5% of paid-up capital for at least 9 out of 12 months. The SETTHSI Index is a market capitalisation-weighted index, cap 5% quarterly weight at maximum, and no cap for number of stocks.																				
CG Score by Thai Institute of Directors Association (Thai IOD)	An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.	Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (60-69), and not rated for scores below 50. Weightings include: 1) the rights; 2) and equitable treatment of shareholders (weight 25% combined); 3) the role of stakeholders (25%); 4) disclosure & transparency (15%); and 5) board responsibilities (35%).																				
AGM level By Thai Investors Association (TIA) with support from the SEC	It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). <i>(The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&amp;A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.)</i>	The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.																				
Thai CAC By Thai Private Sector Collective Action Against Corruption (CAC)	The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. <i>(Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.)</i>	The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.																				
Morningstar Sustainability	The Sustainability's ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. <i>Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality &amp; peer reviews.</i>	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. <table><tr><th>NEGL</th><th>Low</th><th>Medium</th><th>High</th><th>Severe</th></tr><tr><td>0-10</td><td>10-20</td><td>20-30</td><td>30-40</td><td>40+</td></tr></table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+										
NEGL	Low	Medium	High	Severe																		
0-10	10-20	20-30	30-40	40+																		
ESG Book	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.	The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.																				
MSCI	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. <table><tr><td>AAA</td><td>8.571-10.000</td><td rowspan="3">Leader:</td><td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td></tr><tr><td>AA</td><td>7.143-8.570</td></tr><tr><td>A</td><td>5.714-7.142</td></tr><tr><td>BBB</td><td>4.286-5.713</td><td rowspan="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; &gt;25 to 50 = satisfactory; &gt;50 to 75 = good; and &gt;75 to 100 = excellent.)</i>																					
S&P Global	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.																					
Bloomberg	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.																				
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.																				

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

Source: FSSIA's compilation



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History of change in investment rating and/or target price

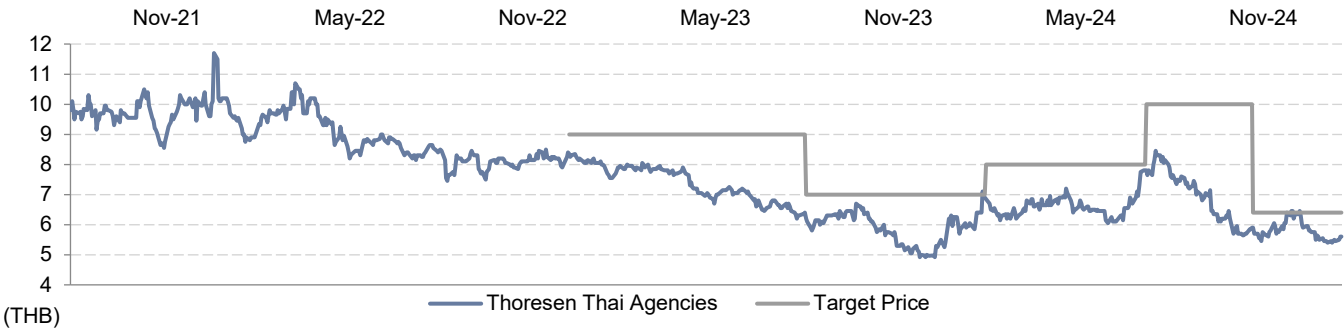
Precious Shipping (PSL TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
13-Feb-2023	HOLD	17.00	07-Nov-2023	HOLD	9.70	21-Aug-2024	HOLD	8.50
10-May-2023	BUY	15.00	15-Jan-2024	BUY	10.30			
02-Aug-2023	HOLD	10.30	06-Aug-2024	BUY	11.00			

Jitra Amornthum started covering this stock from 13-Feb-2023  
Price and TP are in local currency  
Source: FSSIA estimates

Thoresen Thai Agencies (TTA TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
10-Jan-2023	HOLD	9.00	02-Aug-2023	HOLD	7.00	21-May-2024	BUY	10.00
10-May-2023	BUY	9.00	04-Jan-2024	BUY	8.00	21-Aug-2024	HOLD	6.40

Jitra Amornthum started covering this stock from 10-Jan-2023  
Price and TP are in local currency  
Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Precious Shipping	PSL TB	THB 8.20	HOLD	Downside risks to our P/E-based TP include 1) a fall in freight rates (time charter equivalent (TCE)); 2) exchange rate volatility; 3) China's slow economic growth; and 4) regulatory risks, including new EEXI and CII requirements, effective 1 Jan-23. Upside risks to our P/E-based TP include 1) higher freight rates (TCE); 2) better-than-expected economic growth in China; and 3) a prolonged Red Sea crisis and shipping disruptions.
Thoresen Thai Agencies	TTA TB	THB 5.60	HOLD	Downside risks to our P/E-based TP include 1) a fall in freight rates (TCE); 2) exchange rate volatility; 3) slow economic growth in China; and 4) regulatory risks, including new EEXI and CII requirements, effective 1 Jan-23. Upside risks to our P/E-based TP include 1) higher freight rates (TCE); 2) better-than-expected economic growth in China; and 3) a prolonged Red Sea crisis and shipping disruptions.

Source: FSSIA estimates

#### Additional Disclosures

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

All share prices are as at market close on 06-Nov-2024 unless otherwise stated.

## RECOMMENDATION STRUCTURE

### Stock ratings

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