

G-ABLE GABLE TB

THAILAND / ICT

BUY
 UNCHANGED

Poised to grow alongside industry

- IT spending is expected to grow at an 11% CAGR (2024E-27E), which is positive for GABLE.
- R2 would help expand GABLE's IT infrastructure services.
- Currently trading at a P/E of only 8.9x, the lowest in the sector and region. We maintain our BUY rating with a TP of THB5.00.

IT spending should be growing at 11% CAGR (2024E-27E)

According to data from Gartner Inc., IT spending in Thailand is expected to increase at a CAGR of 11% during 2024E-27E, driven by enterprise-level software and IT services, which are the largest and fastest-growing segments. The financial sector is spending more on IT than other industries and is experiencing higher growth rates than other sectors, which is positive for GABLE. Notably, more than 80% of GABLE's clients are in the private sector, with approximately 40% in the financial industry.

R2 would strengthen and expand the scope of services

GABLE invested 75% in Round 2 Solutions (R2) on 1 August 2024. R2 is a specialist in digital transformation consulting and business applications, with expertise in implementing SAP, ERP, and Salesforce (CRM) systems. R2 is a Gold Partner of SAP. The short-term benefit of integrating R2 is an immediate boost in margin. For long-term synergy, R2 would enhance GABLE's IT infrastructure services, broadening its offerings and better meeting the needs of organizations.

Expect 2024's peak in 4Q24, with continued growth into 2025

GABLE has a backlog of approximately THB4b-5b, so we are maintaining our revenue forecast for 2025-26 with growth of +6%/+5%, respectively. While the full-year revenue recognition from R2 may not significantly drive overall revenue, it should improve the gross margin. We also expect a core profit growth of +22%/+18% for 2025-26. We expect the 4Q24 profit be the best quarter of the year. However, we expect the 2024 profit to contract by 10.8% y-y.

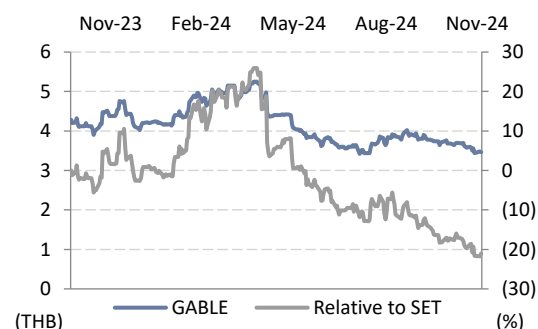
Maintain BUY rating with a TP of THB5.00

We maintain our TP of THB5, based on a 2025E P/E of 13x, which is in line with its average since GABLE's listing in 2023. Currently, GABLE's stock is trading at a 2025E P/E of only 8.9x, -2SD of the average since its IPO, and the lowest in the sector and region. This reflects lower-than-expected profits and downward earnings revisions. Given attractive valuations and the industry's recovery trajectory, we retain our BUY call.

TARGET PRICE	THB5.00
CLOSE	THB3.46
UP/DOWNSIDE	+44.5%
PRIOR TP	THB5.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+6.4%

KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	5,338	5,890	6,263	6,598
Net profit	252	224	273	322
EPS (THB)	0.36	0.32	0.39	0.46
vs Consensus (%)	-	(1.5)	(1.3)	3.4
EBITDA	381	353	386	447
Recurring net profit	252	224	273	322
Core EPS (THB)	0.36	0.32	0.39	0.46
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	(29.2)	(10.9)	21.8	17.6
Core P/E (x)	9.6	10.8	8.9	7.5
Dividend yield (%)	8.4	4.7	5.7	6.7
EV/EBITDA (x)	3.2	4.6	4.6	4.3
Price/book (x)	1.1	1.2	1.2	1.2
Net debt/Equity (%)	(54.6)	(38.8)	(32.2)	(25.6)
ROE (%)	15.2	10.5	13.3	16.0



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(8.0)	(6.5)	(20.3)
Relative to country (%)	(4.9)	(13.1)	(21.2)
Mkt cap (USD m)	70		
3m avg. daily turnover (USD m)	0.1		
Free float (%)	64		
Major shareholder	Liuchareon Family (22%)		
12m high/low (THB)	5.35/3.38		
Issued shares (m)	700.02		

Sources: Bloomberg consensus; FSSIA estimates



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Investment thesis

GABLE invested 75% in Round 2 Solutions (R2), a specialist in digital transformation consulting and business applications, with expertise in implementing SAP, ERP, and Salesforce (CRM) systems. The short-term benefit of integrating R2 is an immediate boost in margins. For long-term synergy, R2 would help strengthen GABLE’s IT infrastructure services, expanding its coverage.

IT spending in Thailand is expected to grow at an average rate of 11% CAGR (2024E-27E). The financial sector spends more on IT than other industries, which is positive for GABLE, especially considering that over 80% of GABLE’s clients are in the private sector, with approximately 40% in the financial industry. This gives GABLE the opportunity to grow alongside its clients.

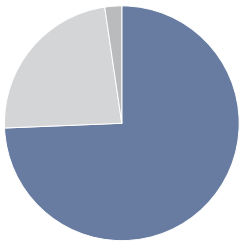
Company profile

GABLE is a leading "tech enabler" company that has provided integrated technology and digital solutions for organisations for more than 33 years. The business of the company is divided into three categories: 1) enterprise solutions and services; 2) value-added distribution; and 3) software platforms.

www.g-able.com

Principal activities (revenue, 2023)

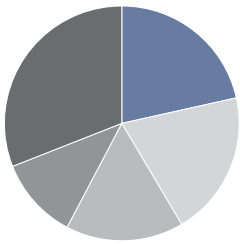
- Enterprise solution and services - 74.4 %
- Value-added distribution solution - 23.3 %
- Software Platform - 2.3 %



Source: G-Able

Major shareholders

- Liuchareon Family - 21.5 %
- Uahwatanasakul Family - 20.0 %
- Chansue Family - 16.2 %
- Phantumvanit Family - 11.3 %
- Others - 31.0 %



Source: G-Able

Catalysts

Key potential catalysts include 1) stronger project-winning bids; 2) stronger demand from enterprises for digital transformation; and 3) mergers and acquisitions.

Risks to our call

The key downside risks to our TP are 1) failure to secure new projects from customers; 2) a lack of human resources; and 3) more intense competition.

Event calendar

Date	Event
February 2025	4Q24 earnings announcement
May 2025	1Q25 earnings announcement

Key assumptions

	2024E (THB m)	2025E (THB m)	2026E (THB m)
Enterprise solution and services	4,247	4,502	4,709
Value-added distribution solution	1,451	1,512	1,565
Software Platform	192	249	324
Total revenue	5,890	6,263	6,598
Gross margin (%)	19.1	20.0	20.7
EBITDA margin (%)	6.0	6.2	6.8
Net margin (%)	3.8	4.4	4.9

Source: FSSIA estimates

Earnings sensitivity

- For every 0.5% change in the gross margin, we project GABLE’s 2025 net profit to change by 6%, all else being equal.
- For every 1% change in SG&A expenses, we project GABLE’s 2025 net profit to change by 1%, all else being equal.

Source: FSSIA estimates

Round 2 Solutions would strengthen and drive further growth







On 1 August 2024, GABLE invested 75% in Round 2 Solutions (R2) for a total investment of THB330m, funded from the proceeds of its 2023 IPO. Founded in 2014, R2 specializes in digital transformation consulting and business applications, with expertise in implementing SAP, ERP, and Salesforce (CRM) systems. R2 is a Gold partner of SAP.

In 2023, R2 reported revenue of THB236m (+18% y-y), with a gross margin of 29.3% and a net profit margin of 10.6%, which is higher than GABLE’s gross margin of 20-21% in 2022-23, which decreased to 17.5% in 9M24. R2’s revenue and profit contributed 4% and 9% to GABLE’s total revenue and profit, respectively, in 2023.

The immediate short-term benefit of integrating R2 is an improvement in GABLE’s margins, as seen in 3Q24, when GABLE’s gross margin increased to 19.9% from 16.5% in 1H24.

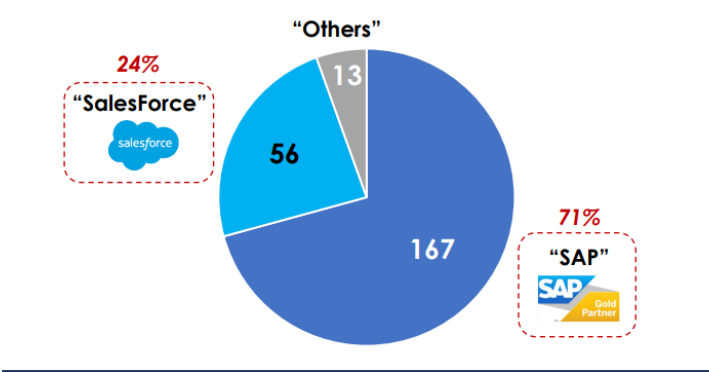
For long-term synergy, R2 would help enhance GABLE’s IT infrastructure services, broadening its offerings to meet organizational needs better. R2’s client base spans multiple industries, including banking, insurance, energy, and manufacturing.

Exhibit 1: Round 2 Solutions (R2) – Products and services

Product and Services					
Company Health Check	Enterprise Resources Planning (ERP)	Data and Analytics	Robotic Process Automation (RPA)	Customer Relation Management (CRM)	New Solutions (Started 2023)
					
Comprehensive assessment of business pain points, organization readiness, technical capabilities and develop action plan with our Health Check Service.	Ensure benefits from ERP investment with our implementation approach that embedded with Process Design, Automation, Integration and Analytics.	Deep-dive into your business issues to identify why and how data analytics fit in your operations long before having to take effort to develop systems and reports	An intelligence solution that transforms repetitive and manual tasks to automated process allowing humans to pay closer attention to other value added topics.	Bring Sales, Marketing, and Support team to work in sync and comprehend customer data with more depth. Efficiently generate more revenue and better services.	Integration platform for connecting SaaS & enterprise applications in the cloud and on-premise.

Sources: GABLE, FSSIA’s compilation

Exhibit 2: R2 - service breakdown



Sources: GABLE, FSSIA’s compilation

Exhibit 3: R2’s customers by industries in 2023



Sources: GABLE, FSSIA’s compilation

Lower-than-expected 9M24 profit due to lower gross margins

The IT infrastructure and overall IT business outlook for 2024 is not very optimistic due to domestic economic conditions. Both public and private sector investments shrank by 1.7% y-y in 9M24, with the government sector down by 2.3% y-y and the private sector down by 1.4% y-y. Although GABLE’s revenue in 9M24 grew 20.9% y-y to THB4.5b, mainly from large-scale projects received in late 1Q24, most of these projects were hardware-related, which pressured the gross margin, leading to a decline to 17.5% in 9M24 from 20.3% in 9M23.

Despite the company effectively controlling its SG&A expenses, reducing them to 13.5% of revenue from 15.2% in 9M23, the temporary increase in interest expenses led to minimal growth in core profit, which rose by only 1.9% y-y to THB154m. This represents 68% of our full-year estimate.

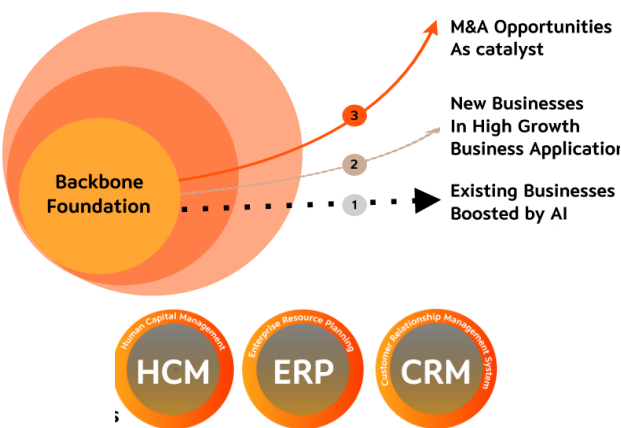
Expect a strong recovery in 2025

Currently, GABLE has a backlog of approximately THB4b-5b, with around THB1b expected to be delivered in 4Q24. We expect GABLE to gradually deliver about 30% of this backlog annually in 2025-26, securing around 22-23% of our revenue projections for those years. Despite this, we believe the investment climate and IT auction projects will improve in 2024 due to expanded government investments and a return of the IT refresh cycle.

Therefore, we maintain our revenue forecasts for 2025-26 with +6%/+5% growth, respectively. While the full-year revenue recognition from R2 may not significantly boost overall revenue, it is expected to improve GABLE’s gross margin, which we forecast to increase to 20.0% in 2025 and 20.7% in 2026. We also anticipate GABLE to maintain its SG&A expenses at 14-15% of revenue, resulting in a core profit of THB273m in 2025 (+21.8% y-y) and THB322m in 2026 (+17.6% y-y). This would translate into net profit margins of 4.4% and 4.9%, improving from our 3.8% assumption in 2024.

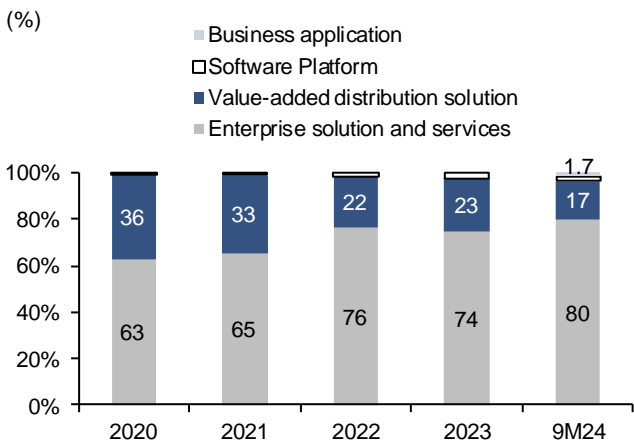
For 4Q24, we initially expect a profit of THB93m-95m, making it the best quarter of the year, as is typical for GABLE’s business. This assumes revenue of THB1.4b, with approximately 70% already covered by backlog. As a result, we anticipate GABLE to end 2024 with THB5.8b in revenue. However, we expect its gross margin to decrease to 19.1% compared to the previous two years due to the inclusion of large-scale, low-margin projects that averaged in 2Q24. We expect a core profit for 2024 to be THB224m (-10.9% y-y).

Exhibit 4: GABLE 2024 and beyond



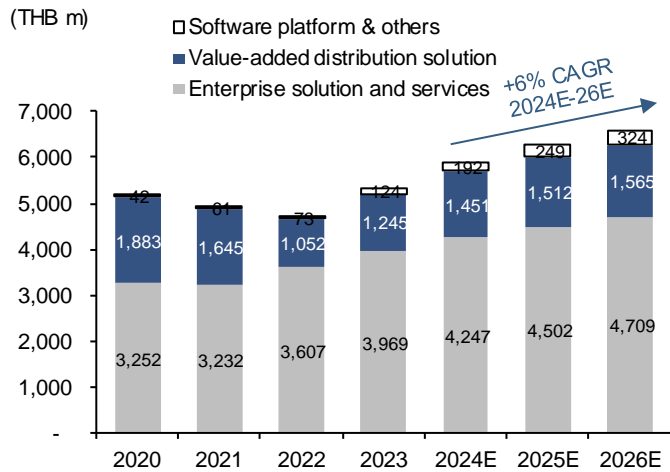
Sources: GABLE, FSSIA’s compilation

Exhibit 5: GABLE’s revenue breakdown



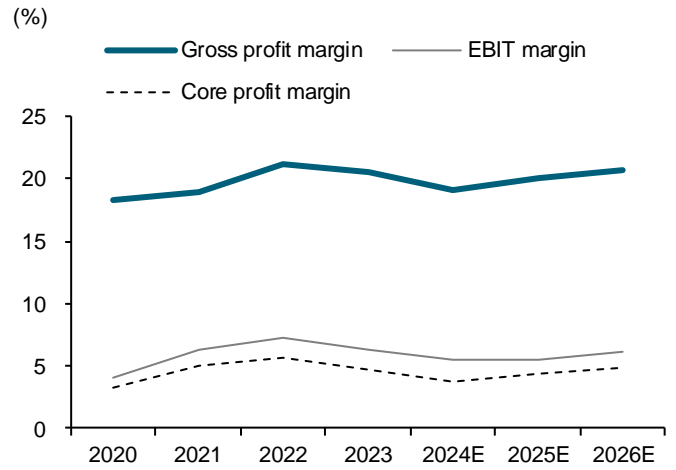
Sources: GABLE, FSSIA’s compilation

Exhibit 6: Revenue breakdown



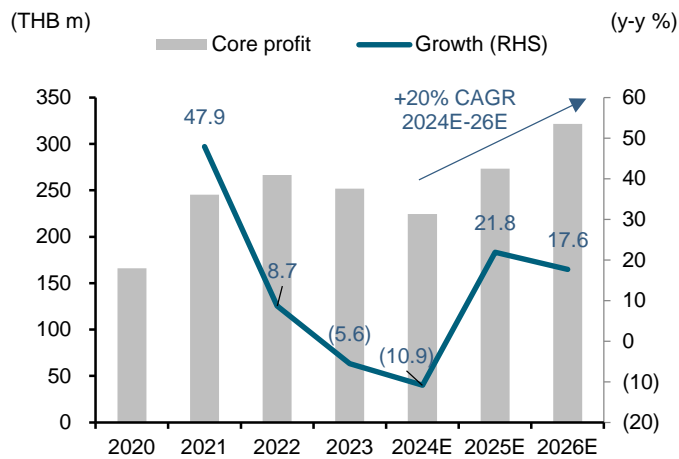
Sources: GABLE, FSSIA estimates

Exhibit 7: Margins



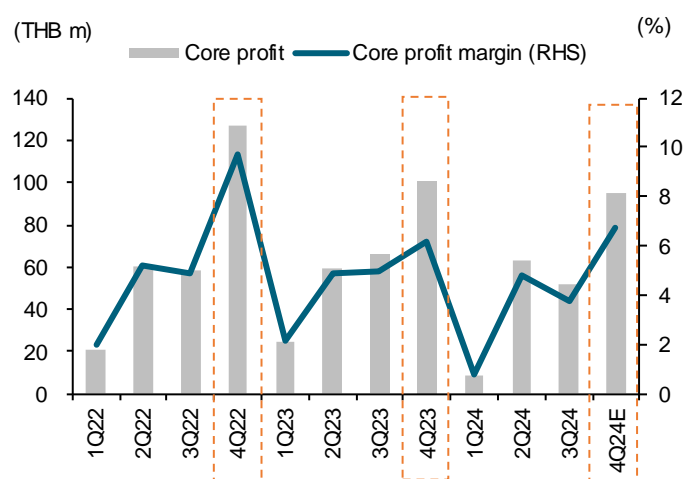
Sources: GABLE, FSSIA estimates

Exhibit 8: Core profit and growth



Sources: GABLE, FSSIA estimates

Exhibit 9: Core profit, quarterly



Sources: GABLE, FSSIA estimates

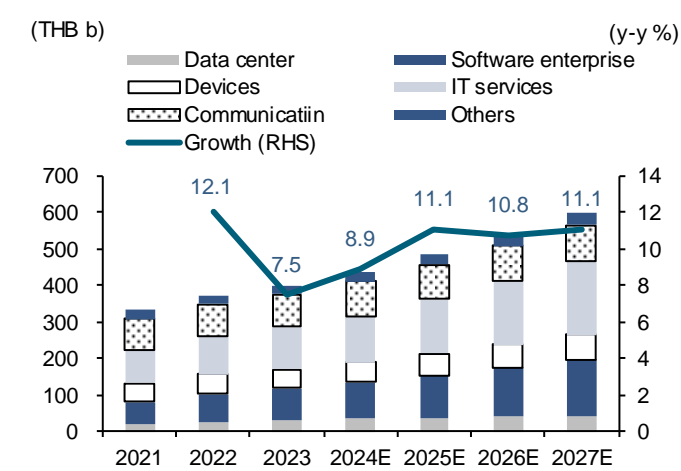
The IT spending is experiencing strong growth

According to data from Gartner Inc., IT spending in Thailand was valued at THB333b in 2021 and increased to THB401b, representing an average growth rate of 10% CAGR. Gartner forecast that IT spending will grow to THB600b by 2027, with an average growth rate of 11% CAGR (2024E-27E), driven by enterprise-level software and IT services, which are the largest and fastest-growing segments as organizations accelerate the development of their own software technologies to meet customer demands and stay competitive in the era of digital transformation.

In terms of IT users, the financial sector spends more on IT than any other industry and is growing faster than other sectors. While the services sector accounts for only about 5% of total IT market spending, it is expected to rapidly expand its IT spending.

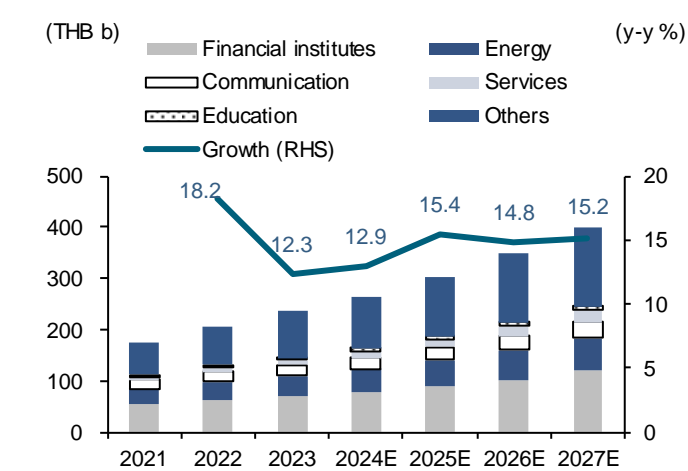
This positive trend in IT spending is beneficial for GABLE, especially considering that over 80% of GABLE's clients are in the private sector, with about 40% in the financial industry. This gives GABLE significant opportunities for growth alongside its clients.

Exhibit 10: Enterprise IT spending in Thailand



Sources: GABLE, Gartner Enterprise IT Spending by Vertical Industry Market

Exhibit 11: Enterprise IT spending in Thailand by industry



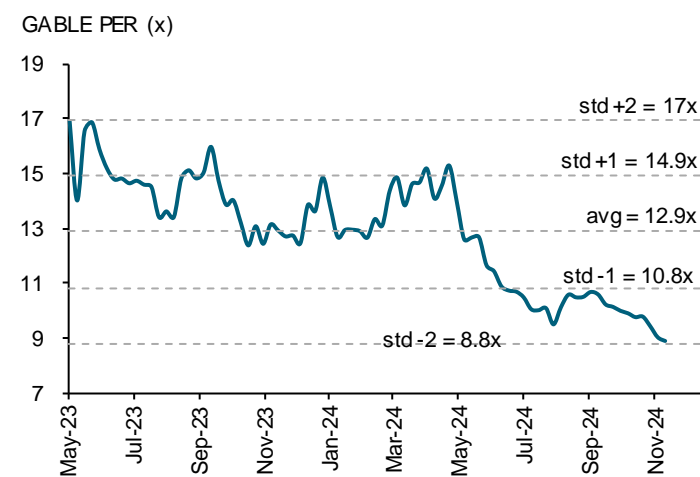
Sources: GABLE, Gartner Enterprise IT Spending by Vertical Industry Market

Maintain BUY rating with a TP of THB5.00

We maintain our TP of THB5.00, based on a 2025E P/E of 13x, which is in line with its average since GABLE's listing in 2023. Currently, GABLE's stock is trading at a 2025E P/E of just 8.9x, -2SD of the average since its IPO, and the lowest in both the sector and region. This reflects lower-than-expected profits and earnings revisions, primarily due to a slowdown in the industry amidst the current economic environment.

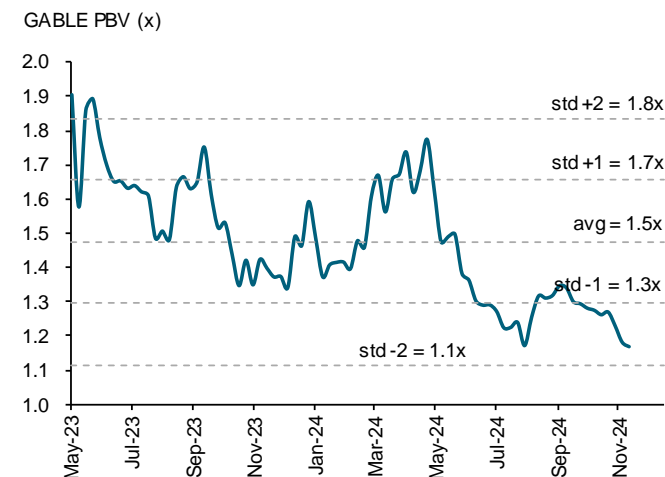
However, given attractive valuations, the prospect that the industry's lowest point has passed, and a positive outlook with a recovery underway, alongside a new investment cycle in the country, we maintain our BUY call.

Exhibit 12: One-year rolling forward P/E band



Sources: Bloomberg, FSSIA estimates

Exhibit 13: One-year rolling forward P/BV band



Sources: Bloomberg, FSSIA estimates

Exhibit 14: Peers comparison as of 21 November 2024

Company	BBG	Market	3Y EPS	PE		ROE		PBV		EV/EBITDA		Dividend	
		Cap	CAGR	24E	25E	24E	25E	24E	25E	24E	25E	24E	25E
		(USDm)	(%)	(x)	(x)	(%)	(%)	(%)	(%)	(x)	(x)	(x)	(x)
Thailand													
G-ABLE*	GABLE TB	70	8.5	10.8	8.9	10.5	13.3	1.2	1.2	4.6	4.6	4.7	5.7
Bluebik Group	BBIK TB	252	19.2	29.5	22.5	13.9	15.9	4.0	3.5	24.9	20.8	0.9	1.1
Beryl 8 Plus	BE8 TB	104	6.2	21.1	14.3	5.8	8.3	1.3	1.2	11.9	9.5	2.1	3.0
Humanica	HUMAN TB	239	10.6	25.1	22.2	9.1	10.0	2.2	2.2	13.7	12.0	3.1	3.7
I&I Group	IIG TB	17	nm	n/a	n/a	4.1	14.9	0.9	0.8	n/a	n/a	1.8	6.9
Netbay	NETBAY TB	89	8.8	15.7	15.1	36.8	36.4	n/a	n/a	11.5	11.2	5.5	5.6
Thailand avg.		990	43.5	20.4	16.6	13.4	16.5	1.9	1.8	13.3	11.6	3.0	4.3
Regional													
Accenture	ACN US	226,409	6.8	28.2	25.7	27.1	25.9	6.9	6.0	16.9	15.8	1.6	1.7
Quess Corporation	QUESS IN	1,140	25.3	24.2	18.5	13.8	16.6	3.0	2.7	12.0	9.9	2.0	2.1
Beijing Career International	300662 CH	557	13.1	20.1	16.1	10.2	11.3	2.0	1.8	11.6	10.0	0.8	1.3
EPAM Systems	EPAM US	13,909	16.5	22.8	21.8	17.6	15.8	4.0	3.3	14.8	13.9	0.0	0.0
DXC Technology	DXC US	3,950	28.0	6.9	6.7	15.5	16.7	1.2	1.0	3.6	3.6	0.0	0.0
Cognizant Tech Solutions	CTSH US	39,101	5.4	16.9	15.8	16.5	16.0	2.7	2.4	11.0	10.2	1.5	1.6
CDW Corp	CDW US	23,744	7.9	19.0	17.5	56.6	49.8	10.2	8.8	13.8	13.1	1.4	1.5
Iron Mountain Inc	IRM US	34,843	29.0	70.2	59.6	1,560.5	(116.4)	n/a	n/a	21.9	19.8	2.3	2.4
Regional avg		343,652	16.5	26.0	22.7	214.7	4.5	4.3	3.7	13.2	12.0	1.2	1.3
Overall average		344,642	0.8	23.9	20.4	128.4	9.6	3.3	2.9	13.2	11.9	2.0	2.6

Sources: Bloomberg consensus, *FSSIA estimates

Financial Statements

G-Able

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	4,731	5,338	5,890	6,263	6,598
Cost of goods sold	(3,728)	(4,239)	(4,765)	(5,010)	(5,231)
Gross profit	1,003	1,099	1,125	1,253	1,367
Other operating income	-	-	-	-	-
Operating costs	(703)	(788)	(835)	(929)	(982)
Operating EBITDA	366	381	353	386	447
Depreciation	(66)	(70)	(63)	(63)	(62)
Goodwill amortisation	-	-	-	-	-
Operating EBIT	300	312	290	324	385
Net financing costs	(8)	(15)	(12)	(5)	(4)
Associates	0	0	0	0	0
Recurring non-operating income	41	20	34	25	23
Non-recurring items	0	0	0	0	0
Profit before tax	334	317	311	344	404
Tax	(66)	(64)	(86)	(69)	(81)
Profit after tax	268	253	226	275	323
Minority interests	(2)	(1)	(1)	(1)	(2)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	267	252	224	273	322
Non-recurring items & goodwill (net)	0	0	0	0	0
Recurring net profit	267	252	224	273	322
Per share (THB)					
Recurring EPS *	0.51	0.36	0.32	0.39	0.46
Reported EPS	0.51	0.36	0.32	0.39	0.46
DPS	1.92	0.29	0.16	0.20	0.23
Diluted shares (used to calculate per share data)	525	700	700	700	700
Growth					
Revenue (%)	(4.2)	12.8	10.3	6.3	5.3
Operating EBITDA (%)	11.7	4.1	(7.3)	9.4	15.7
Operating EBIT (%)	16.7	3.8	(7.0)	11.6	19.0
Recurring EPS (%)	8.7	(29.2)	(10.9)	21.8	17.6
Reported EPS (%)	8.7	(29.2)	(10.9)	21.8	17.6
Operating performance					
Gross margin inc. depreciation (%)	21.2	20.6	19.1	20.0	20.7
Gross margin exc. depreciation (%)	22.6	21.9	20.2	21.0	21.7
Operating EBITDA margin (%)	7.7	7.1	6.0	6.2	6.8
Operating EBIT margin (%)	6.3	5.8	4.9	5.2	5.8
Net margin (%)	5.6	4.7	3.8	4.4	4.9
Effective tax rate (%)	(20.3)	(20.0)	(20.0)	(20.0)	(20.0)
Dividend payout on recurring profit (%)	378.3	80.3	50.3	50.3	50.2
Interest cover (X)	43.5	22.6	26.0	66.0	94.4
Inventory days	4.4	3.9	4.0	5.7	8.2
Debtor days	64.8	79.5	74.4	64.0	64.3
Creditor days	44.9	67.1	63.2	41.9	42.1
Operating ROIC (%)	27.5	25.0	23.6	21.8	23.9
ROIC (%)	23.6	19.9	19.4	18.2	19.8
ROE (%)	18.8	15.2	10.5	13.3	16.0
ROA (%)	6.8	5.5	4.5	5.6	6.5

* Pre-exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2022	2023	2024E	2025E	2026E
Enterprise solution and services	3,607	3,969	4,247	4,502	4,709
Value-added distribution solution	1,052	1,245	1,451	1,512	1,565
Software Platform	73	124	192	249	324

Sources: G-Able; FSSIA estimates

Financial Statements

G-Able

Cash Flow (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Recurring net profit	267	252	224	273	322
Depreciation	66	70	63	63	62
Associates & minorities	-	-	-	-	-
Other non-cash items	2	(57)	(213)	(199)	(198)
Change in working capital	(570)	405	(274)	(74)	(84)
Cash flow from operations	(235)	670	(199)	63	101
Capex - maintenance	(66)	(67)	(76)	(68)	(68)
Capex - new investment	(17)	(17)	(19)	(17)	(17)
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	7	0	0	0	0
Cash flow from investing	(76)	(84)	(95)	(85)	(85)
Dividends paid	(1,009)	(299)	(113)	(137)	(162)
Equity finance	150	1,086	0	0	0
Debt finance	678	728	0	0	0
Other financing cash flows	(19)	(1,383)	2	2	3
Cash flow from financing	(200)	131	(110)	(135)	(159)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	(14)	0	0
Movement in cash	(511)	718	(418)	(157)	(143)
Free cash flow to firm (FCFF)	(303.20)	601.00	(281.29)	(16.41)	20.15
Free cash flow to equity (FCFE)	347.56	(69.35)	(305.32)	(19.21)	18.39
Per share (THB)					
FCFF per share	(0.43)	0.86	(0.40)	(0.02)	0.03
FCFE per share	0.50	(0.10)	(0.44)	(0.03)	0.03
Recurring cash flow per share	0.64	0.38	0.11	0.20	0.26
Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Tangible fixed assets (gross)	343	364	414	454	494
Less: Accumulated depreciation	(260)	(281)	(301)	(322)	(342)
Tangible fixed assets (net)	83	83	113	132	152
Intangible fixed assets (net)	173	190	177	180	183
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	0	0	0	0	0
Cash & equivalents	620	1,338	920	763	620
A/C receivable	988	1,337	1,065	1,133	1,193
Inventories	48	42	62	93	140
Other current assets	1,980	2,416	2,465	2,514	2,564
Current assets	3,636	5,133	4,512	4,503	4,518
Other assets	145	163	168	173	178
Total assets	4,037	5,569	4,970	4,989	5,031
Common equity	1,133	2,179	2,090	2,027	1,987
Minorities etc.	7	7	8	10	11
Total shareholders' equity	1,140	2,186	2,099	2,036	1,998
Long term debt	101	80	83	85	88
Other long-term liabilities	167	189	198	208	219
Long-term liabilities	268	269	281	294	307
A/C payable	459	1,074	553	582	609
Short term debt	698	64	22	22	22
Other current liabilities	1,472	1,975	2,015	2,055	2,096
Current liabilities	2,629	3,114	2,590	2,659	2,727
Total liabilities and shareholders' equity	4,037	5,569	4,970	4,989	5,031
Net working capital	1,085	746	1,024	1,103	1,192
Invested capital	1,486	1,182	1,482	1,588	1,706
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	2.16	3.11	2.99	2.89	2.84
Tangible book value per share	1.83	2.84	2.73	2.64	2.58
Financial strength					
Net debt/equity (%)	15.7	(54.6)	(38.8)	(32.2)	(25.6)
Net debt/total assets (%)	4.4	(21.4)	(16.4)	(13.2)	(10.1)
Current ratio (x)	1.4	1.6	1.7	1.7	1.7
CF interest cover (x)	47.4	(2.6)	(22.0)	0.6	9.2
Valuation	2022	2023	2024E	2025E	2026E
Recurring P/E (x) *	6.8	9.6	10.8	8.9	7.5
Recurring P/E @ target price (x) *	9.8	13.9	15.6	12.8	10.9
Reported P/E (x)	6.8	9.6	10.8	8.9	7.5
Dividend yield (%)	55.5	8.4	4.7	5.7	6.7
Price/book (x)	1.6	1.1	1.2	1.2	1.2
Price/tangible book (x)	1.9	1.2	1.3	1.3	1.3
EV/EBITDA (x) **	5.5	3.2	4.6	4.6	4.3
EV/EBITDA @ target price (x) **	7.7	6.1	7.6	7.4	6.7
EV/invested capital (x)	1.3	1.0	1.1	1.1	1.1
* Pre-exceptional, pre-goodwill and fully diluted ** EBITDA includes associate income and recurring non-operating income					

Sources: G-Able; FSSIA estimates

G-Able PCL (GABLE TB)

FSSIA ESG rating

n/a

Exhibit 15: FSSIA ESG score implication

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

Source: FSSIA estimates

Exhibit 16: ESG – peer comparison

	FSSIA	Domestic ratings						Global ratings					Bloomberg		
	ESG score	DJSI	SET ESG	SET ESGCG score	AGM level	Thai CAC	Morningstar ESG risk	ESG Book	MSCI	Moody's	Refinitiv	S&P Global	ESG score	Disclosure score	
SET100	67.71	5.69	4.38	4.05	4.77	4.43	4.02	Medium	57.34	BBB	22.70	60.82	67.31	1.19	35.34
Coverage	66.17	5.16	4.33	3.94	4.81	4.43	3.83	Medium	56.41	BBB	18.92	59.20	65.82	1.38	35.46
GABLE	14.00	--	--	--	5.00	4.00	--	--	--	--	--	--	--	--	--
MFEC	31.97	--	--	AA	5.00	5.00	Certified	--	--	--	--	55.78	--	--	--
AIT	13.00	--	--	--	5.00	3.00	--	--	--	--	--	--	--	--	--
BE8	25.25	--	--	--	4.00	4.00	Certified	Medium	--	--	--	--	--	--	--

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

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

FY ending Dec 31	FY 2023	FY ending Dec 31	FY 2023
Environmental		Governance	
Climate change policy	Yes	Board size/Independent directors (ID)/Female	9 / 3 / 2
Climate change opportunities discussed	--	No. of board meetings for the year / % attendance	9 / 95.06%
GHG scope 2 location-based policy	Yes	Company conducts board evaluations	Yes
Biodiversity policy	--	Number of non-executive directors on board	8
Energy efficiency policy	Yes	Director share ownership guidelines	No
Electricity used	Yes	Board age limit	No
Fuel used - crude oil diesel	--	Age of the youngest / oldest director	47 / 73
Waste reduction policy	Yes	Number of executives / female	8 / 6
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	--	Size of compensation committee	3 / 1
Quality assurance and recall policy	Yes	Number of compensation committee meetings	7
Consumer data protection policy	Yes	Compensation committee meeting attendance (%)	100
Equal opportunity policy	Yes	Size of nomination committee / ID	3 / 1
Gender pay gap breakout	--	Number of nomination committee meetings	7
Pct women in workforce	40.1	Nomination committee meeting attendance (%)	100
Business ethics policy	Yes	Board compensation (THB m)	4.16
Anti-bribery ethics policy	Yes	Auditor fee (THB m)	3.2
Health and safety policy	Yes	(EY OFFICE Limited)	
Lost time incident rate - employees	--		
Training policy	Yes		
Fair remuneration policy	Yes		
Number of employees - CSR	--		
Total hours spent by firm - employee training	26,620		
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.																				
SET ESG Ratings List (SETESG) by The Stock Exchange of Thailand (SET)	SET ESG 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 SETESG 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. SETESG Index is extended from the SET ESG Ratings 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+										
NEGL	Low	Medium	High	Severe																		
0-10	10-20	20-30	30-40	40+																		
ESG Book	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.	The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.																				
MSCI	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. <table><tr><td>AAA</td><td>8.571-10.000</td><td rowspan="3">Leader:</td><td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td></tr><tr><td>AA</td><td>7.143-8.570</td></tr><tr><td>A</td><td>5.714-7.142</td></tr><tr><td>BBB</td><td>4.286-5.713</td><td rowspan="3">Average:</td><td rowspan="3">a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td></tr><tr><td>BB</td><td>2.857-4.285</td></tr><tr><td>B</td><td>1.429-2.856</td></tr><tr><td>CCC</td><td>0.000-1.428</td><td>Laggard:</td><td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td></tr></table>		AAA	8.571-10.000	Leader:	leading its industry in managing the most significant ESG risks and opportunities	AA	7.143-8.570	A	5.714-7.142	BBB	4.286-5.713	Average:	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	BB	2.857-4.285	B	1.429-2.856	CCC	0.000-1.428	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks
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Moody's ESG solutions	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.																					
Refinitiv ESG rating	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. <i>(Score ratings are 0 to 25 = poor; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.)</i>																					
S&P Global	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.																					
Bloomberg	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.																				
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.																				

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

Source: FSSIA's compilation

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Jitra Amornthum FSS International Investment Advisory Securities Co., Ltd

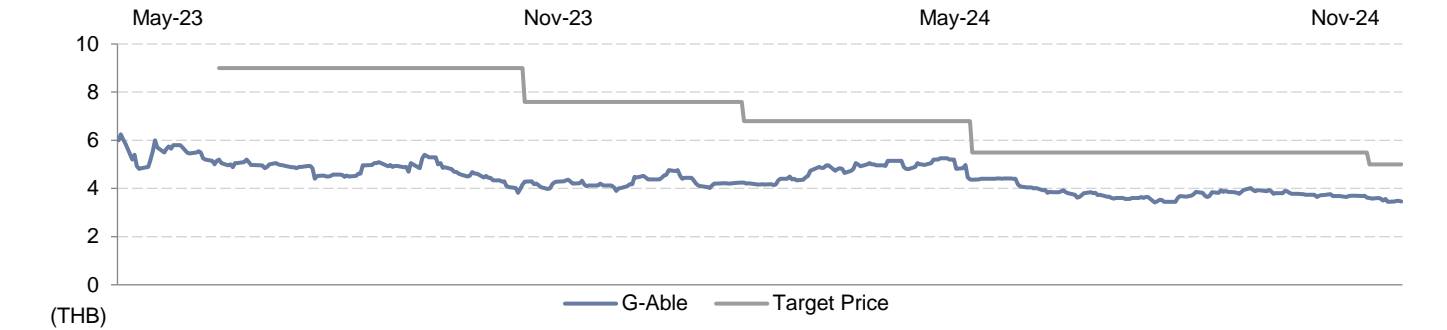
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History of change in investment rating and/or target price

G-Able (GABLE TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
21-Jun-2023	BUY	9.00	06-Feb-2024	BUY	6.80	06-Nov-2024	BUY	5.00
02-Nov-2023	BUY	7.60	16-May-2024	BUY	5.50			

Jitra Amornthum started covering this stock from 21-Jun-2023

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
G-Able	GABLE TB	THB 3.46	BUY	The key downside risks to our TP are 1) failure to secure new projects from customers; 2) a lack of human resources; and 3) more intense competition.

Source: FSSIA estimates

Additional Disclosures

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

All share prices are as at market close on 21-Nov-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.