

# SC ASSET CORPORATION

THAILAND / PROPERTY DEVELOPMENT

SC TB

## BUY

UNCHANGED

## Higher 4Q24 presales, led by condos

TARGET PRICE THB3.20  
CLOSE THB2.62  
UP/DOWNSIDE +22.1%  
TP vs CONSENSUS +0.7%

### Highlights

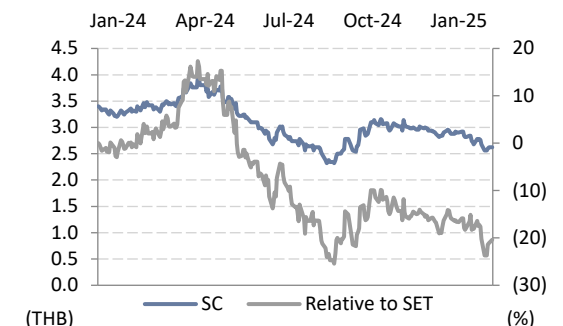
- SC reported 4Q24 presales of THB6.9b (+6% q-q, -5% y-y), comprising 56% low-rise and 44% condos, in-line with our estimate.
- Condo presales were strong at THB3b (+140% q-q, +3% y-y), driven by a new condo launched in 3Q24 named The Reference Ekkamai (THB3.2b), which was well-received and delivered an 80% take-up rate, higher than the 40% target.
- However, low-rise presales decreased by 26% q-q and 11% y-y to THB3.9b due to slowing demand and intense competition, in line with the low-rise market. SC introduced new launches totaling five low-rise projects with a combined value of THB5.2b during the quarter and an average take-up rate of 14%.
- As a result, 2024 presales amounted to THB25b (-11% y-y), below the company's target of THB28b by 11%. Low-rise presales dropped 5% y-y to THB16.5b due to the sluggish low-rise market and a higher rejection rate in the high-end segment following decreased customer purchasing power, while condo presales totaled THB8.5b (-20% y-y) since SC postponed the debut of a new condo.
- In 2024, SC introduced 18 projects with a combined value of THB31.8b (-13% y-y), close to its target. They consisted of 17 low-rises with a combined value of THB29b and one condo worth THB3b.

### Outlook

- We believe that SC's 4Q24 profit will be the best quarter of the year. The higher q-q performance would be driven by two newly built condos: Scope Thonglor (THB2.8b, sold 61%) and a JV project named Reference Sathorn-Wongwianyai (THB4b, sold 54%). However, we expect the earnings to drop y-y due to soft low-rise presales and a lower gross margin from price promotions.
- For the company's 2025 business plan, we are awaiting further data after SC announces it in mid-Feb 2025. We initially anticipate the value of new projects to total cTHB30b, close to the previous year. In this aspect, new condo launches should increase y-y with fewer low-rise units. SC is also likely to focus on controlling SG&A and expenses.
- We retain our TP of THB3.2 (based on a 6.2x P/E ratio) and BUY recommendation. SC currently trades on a 2025E P/E of 5.1x (-1SD of its historical average), with an expected 2H24 DPS of THB0.14, implying a dividend yield of 5.3%.

### KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	24,487	21,212	22,353	24,015
Net profit	2,482	2,019	2,216	2,410
EPS (THB)	0.58	0.47	0.52	0.56
vs Consensus (%)	-	3.5	5.3	(3.8)
EBITDA	3,650	2,893	3,245	3,580
Recurring net profit	2,502	1,919	2,216	2,410
Core EPS (THB)	0.59	0.45	0.52	0.56
EPS growth (%)	(4.8)	(23.4)	15.5	8.8
Core P/E (x)	4.5	5.8	5.1	4.6
Dividend yield (%)	9.2	7.2	7.9	8.6
EV/EBITDA (x)	11.7	14.4	12.7	11.1
Price/book (x)	0.5	0.5	0.4	0.4
Net debt/Equity (%)	135.7	124.4	116.1	104.3
ROE (%)	11.1	8.1	8.8	9.1



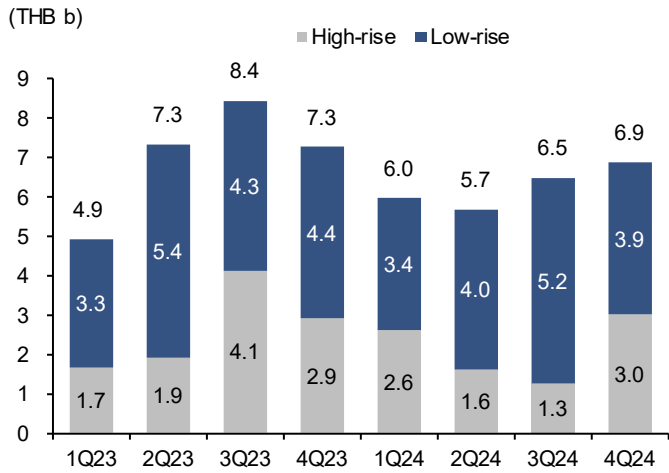
Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(9.7)	(11.5)	(23.4)
Relative to country (%)	(4.4)	(6.9)	(20.3)
Mkt cap (USD m)	324		
3m avg. daily turnover (USD m)	0.5		
Free float (%)	39		
Major shareholder	Shinawatra Family (64%)		
12m high/low (THB)	4.00/2.30		
Issued shares (m)	4,222.62		

Sources: Bloomberg consensus; FSSIA estimates

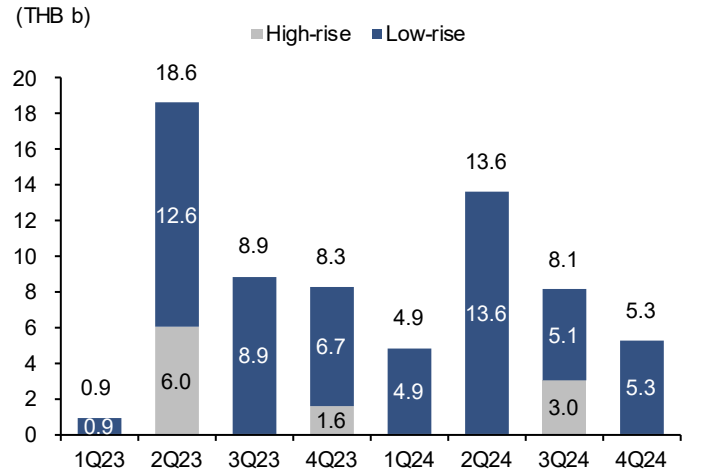


**Thanyatorn Songwutti**

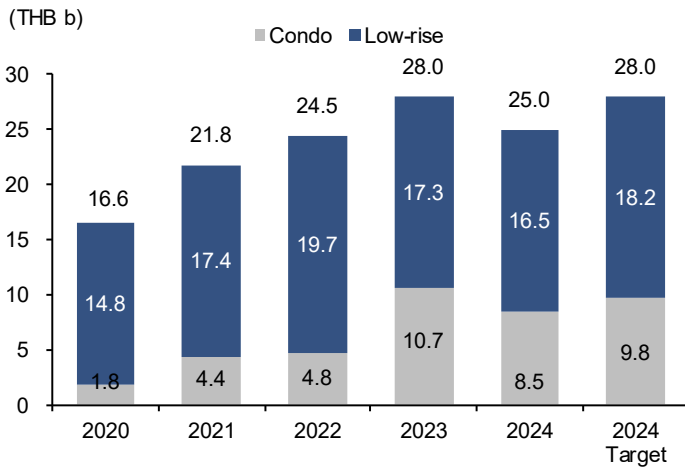
Fundamental Investment Analyst on Securities; License no. 101203  
thanyatorn.s@fssia.com, +66 2646 9963

**Exhibit 1: Quarterly presales**

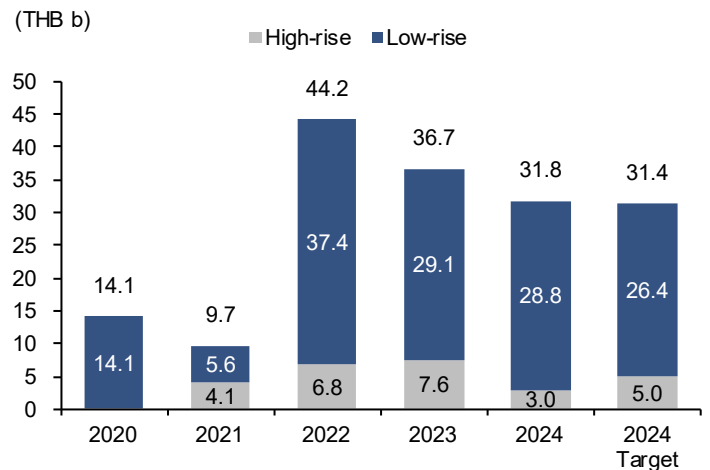
Sources: SC; FSSIA's compilation

**Exhibit 2: Quarterly new launches**

Sources: SC; FSSIA's compilation

**Exhibit 3: Yearly presales**

Sources: SC; FSSIA's compilation

**Exhibit 4: Yearly new launches**

Sources: SC; FSSIA's compilation

**Exhibit 5: New low-rise launches in 4Q24**

<b>Bangkok Boulevard Bangna km.12</b> 68 Unit 980 MB Starts 10 MB Launch date: Nov'24		<b>Grand Bangkok Boulevard Suksawat - Rama 3</b> 46 Unit 2,400 MB Starts 40 - 70 MB Launch date: Dec'24	
<b>Bangkok Boulevard Rama 2</b> 51 Unit 1,000 MB Starts 16.9 - 25 MB Launch date: Nov'24		<b>Bangkok Boulevard Signature Rama 2</b> 30 Unit 900 MB Starts 25 - 35 MB Launch date: Dec'24	

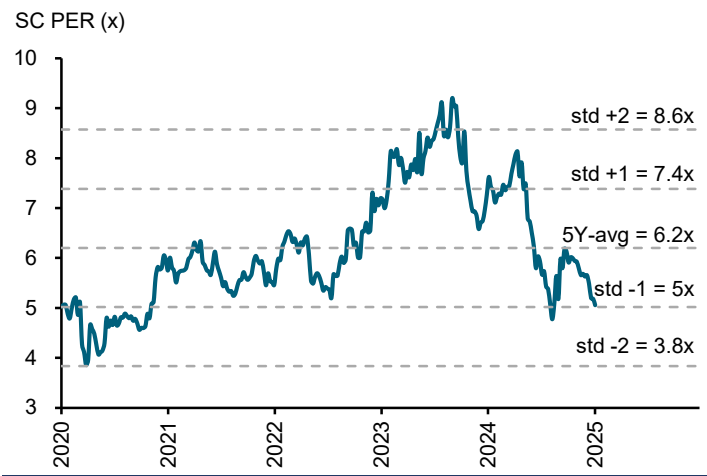
Source: SC

Exhibit 6: Two newly built condos in 4Q24



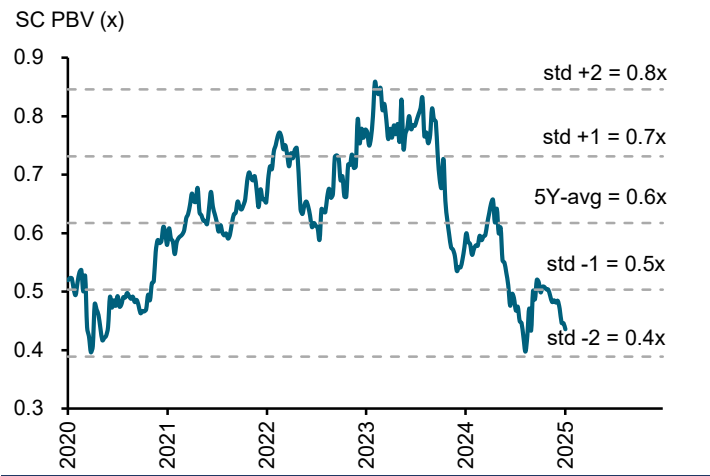
Source: SC

Exhibit 7: Historical P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 8: Historical P/BV band



Sources: Bloomberg; FSSIA estimates

## Financial Statements

### SC Asset Corporation

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	21,583	24,487	21,212	22,353	24,015
Cost of goods sold	(14,414)	(16,601)	(14,476)	(15,164)	(16,306)
<b>Gross profit</b>	<b>7,169</b>	<b>7,887</b>	<b>6,736</b>	<b>7,189</b>	<b>7,709</b>
Other operating income	102	99	100	100	100
Operating costs	(3,910)	(4,456)	(4,136)	(4,247)	(4,443)
<b>Operating EBITDA</b>	<b>3,453</b>	<b>3,650</b>	<b>2,893</b>	<b>3,245</b>	<b>3,580</b>
Depreciation	(92)	(120)	(193)	(203)	(213)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>3,361</b>	<b>3,529</b>	<b>2,700</b>	<b>3,042</b>	<b>3,367</b>
Net financing costs	(134)	(383)	(379)	(379)	(364)
Associates	55	54	89	105	22
Recurring non-operating income	55	54	89	105	22
Non-recurring items	(41)	(20)	100	0	0
<b>Profit before tax</b>	<b>3,241</b>	<b>3,181</b>	<b>2,510</b>	<b>2,768</b>	<b>3,025</b>
Tax	(678)	(656)	(464)	(533)	(601)
<b>Profit after tax</b>	<b>2,563</b>	<b>2,525</b>	<b>2,046</b>	<b>2,236</b>	<b>2,424</b>
Minority interests	(7)	(43)	(27)	(20)	(14)
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>2,556</b>	<b>2,482</b>	<b>2,019</b>	<b>2,216</b>	<b>2,410</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>41</b>	<b>20</b>	<b>(100)</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>2,597</b>	<b>2,502</b>	<b>1,919</b>	<b>2,216</b>	<b>2,410</b>
<b>Per share (THB)</b>					
Recurring EPS *	0.62	0.59	0.45	0.52	0.56
Reported EPS	0.61	0.58	0.47	0.52	0.56
DPS	0.25	0.24	0.19	0.21	0.23
Diluted shares (used to calculate per share data)	4,223	4,273	4,277	4,277	4,277
<b>Growth</b>					
Revenue (%)	10.8	13.5	(13.4)	5.4	7.4
Operating EBITDA (%)	21.3	5.7	(20.7)	12.2	10.3
Operating EBIT (%)	24.6	5.0	(23.5)	12.7	10.7
Recurring EPS (%)	27.3	(4.8)	(23.4)	15.5	8.8
Reported EPS (%)	23.0	(4.0)	(18.8)	9.8	8.8
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	33.2	32.2	31.8	32.2	32.1
Gross margin exc. depreciation (%)	33.6	32.7	32.7	33.1	33.0
Operating EBITDA margin (%)	16.0	14.9	13.6	14.5	14.9
Operating EBIT margin (%)	15.6	14.4	12.7	13.6	14.0
Net margin (%)	12.0	10.2	9.0	9.9	10.0
Effective tax rate (%)	20.9	20.6	18.5	19.2	19.9
Dividend payout on recurring profit (%)	40.6	41.0	42.1	40.0	40.0
Interest cover (X)	25.6	9.4	7.4	8.3	9.3
Inventory days	963.1	982.6	1,194.9	1,170.0	1,106.3
Debtor days	2.2	2.2	3.2	3.4	3.4
Creditor days	32.6	36.1	39.8	42.5	42.1
Operating ROIC (%)	7.6	6.7	4.8	5.3	(1.5)
ROIC (%)	6.1	5.4	3.9	4.4	(1.2)
ROE (%)	12.4	11.1	8.1	8.8	9.1
ROA (%)	5.1	4.7	3.5	3.9	3.6

\* Pre exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2022	2023	2024E	2025E	2026E
Project sales	20,654	23,370	19,928	20,934	22,533
Rental and services	880	977	1,124	1,259	1,322
Consulting and management	49	140	160	160	160

Sources: SC Asset Corporation; FSSIA estimates

## Financial Statements

### SC Asset Corporation

Cash Flow (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Recurring net profit	2,597	2,502	1,919	2,216	2,410
Depreciation	92	120	193	203	213
Associates & minorities	-	-	-	-	-
Other non-cash items	-	-	-	-	-
Change in working capital	(7,877)	(4,805)	(95)	(726)	229
<b>Cash flow from operations</b>	<b>(5,187)</b>	<b>(2,182)</b>	<b>2,017</b>	<b>1,693</b>	<b>2,852</b>
Capex - maintenance	-	-	-	-	-
Capex - new investment	(2,121)	(2,027)	-	(352)	(378)
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	-	-	(140)	-	-
<b>Cash flow from investing</b>	<b>(2,121)</b>	<b>(2,027)</b>	<b>(140)</b>	<b>(352)</b>	<b>(378)</b>
Dividends paid	(1,201)	(1,087)	(767)	(886)	(964)
Equity finance	260	127	30	20	14
Debt finance	4,077	5,067	(1,221)	(300)	(1,200)
Other financing cash flows	-	-	-	-	-
<b>Cash flow from financing</b>	<b>3,135</b>	<b>4,107</b>	<b>(1,958)</b>	<b>(1,167)</b>	<b>(2,150)</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
<b>Net other adjustments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Movement in cash</b>	<b>(4,173)</b>	<b>(102)</b>	<b>(81)</b>	<b>175</b>	<b>324</b>
Free cash flow to firm (FCFF)	(7,174.97)	(3,827.36)	2,255.71	1,719.91	2,836.95
Free cash flow to equity (FCFE)	(3,231.46)	857.09	655.65	1,041.16	1,273.35

#### Per share (THB)

FCFF per share	(1.70)	(0.91)	0.53	0.41	0.67
FCFE per share	(0.77)	0.20	0.16	0.25	0.30
Recurring cash flow per share	0.64	0.61	0.49	0.57	0.61

Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Tangible fixed assets (gross)	2,192	2,302	2,417	2,538	2,664
Less: Accumulated depreciation	(568)	(453)	(483)	(508)	(533)
<b>Tangible fixed assets (net)</b>	<b>1,624</b>	<b>1,849</b>	<b>1,933</b>	<b>2,030</b>	<b>2,132</b>
<b>Intangible fixed assets (net)</b>	<b>122</b>	<b>127</b>	<b>69</b>	<b>70</b>	<b>71</b>
Long-term financial assets	370	231	403	425	456
Invest. in associates & subsidiaries	8,538	10,353	10,103	10,132	10,163
Cash & equivalents	2,140	2,038	1,956	2,131	2,455
A/C receivable	119	171	204	215	231
Inventories	42,488	46,246	47,265	48,646	48,908
Other current assets	1,096	1,957	1,273	894	961
<b>Current assets</b>	<b>45,843</b>	<b>50,411</b>	<b>50,698</b>	<b>51,886</b>	<b>52,554</b>
Other assets	904	916	1,010	1,010	1,010
<b>Total assets</b>	<b>57,401</b>	<b>63,888</b>	<b>64,216</b>	<b>65,553</b>	<b>66,386</b>
Common equity	21,733	23,228	24,382	25,712	27,158
Minorities etc.	(23)	24	52	71	86
<b>Total shareholders' equity</b>	<b>21,709</b>	<b>23,252</b>	<b>24,434</b>	<b>25,783</b>	<b>27,243</b>
Long term debt	12,453	15,584	15,272	15,272	15,272
Other long-term liabilities	1,567	1,885	2,121	2,124	2,281
<b>Long-term liabilities</b>	<b>14,020</b>	<b>17,468</b>	<b>17,393</b>	<b>17,396</b>	<b>17,554</b>
A/C payable	1,837	1,419	1,697	1,788	1,921
Short term debt	16,059	17,995	17,086	16,786	15,586
Other current liabilities	3,776	3,753	3,606	3,800	4,083
<b>Current liabilities</b>	<b>21,672</b>	<b>23,167</b>	<b>22,389</b>	<b>22,374</b>	<b>21,590</b>
<b>Total liabilities and shareholders' equity</b>	<b>57,401</b>	<b>63,888</b>	<b>64,216</b>	<b>65,553</b>	<b>66,386</b>
Net working capital	38,090	43,202	43,438	44,166	44,096
Invested capital	49,648	56,678	56,956	57,834	57,928

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

#### Per share (THB)

Book value per share	5.15	5.44	5.70	6.01	6.35
Tangible book value per share	5.12	5.41	5.68	6.00	6.33

#### Financial strength

Net debt/equity (%)	121.5	135.7	124.4	116.1	104.3
Net debt/total assets (%)	45.9	49.4	47.3	45.7	42.8
Current ratio (x)	2.1	2.2	2.3	2.3	2.4
CF interest cover (x)	(7.3)	8.5	2.7	4.7	5.5

Valuation	2022	2023	2024E	2025E	2026E
<b>Recurring P/E (x) *</b>	<b>4.3</b>	<b>4.5</b>	<b>5.8</b>	<b>5.1</b>	<b>4.6</b>
<b>Recurring P/E @ target price (x) *</b>	<b>5.2</b>	<b>5.5</b>	<b>7.1</b>	<b>6.2</b>	<b>5.7</b>
Reported P/E (x)	4.3	4.5	5.6	5.1	4.6
Dividend yield (%)	9.5	9.2	7.2	7.9	8.6
Price/book (x)	0.5	0.5	0.5	0.4	0.4
Price/tangible book (x)	0.5	0.5	0.5	0.4	0.4
EV/EBITDA (x) **	10.8	11.7	14.4	12.7	11.1
EV/EBITDA @ target price (x) **	11.5	12.4	15.3	13.5	11.8
EV/invested capital (x)	0.8	0.8	0.7	0.7	0.7

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

Sources: SC Asset Corporation; FSSIA estimates

# SC Asset Corp PCL (SC TB)

## FSSIA ESG rating


**60.14 /100**

### Exhibit 9: 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	<b>A mixed track record of managing the most significant ESG risks and opportunities relative to industry peers.</b>
★★★★	>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	Domestic ratings						Global ratings					Bloomberg		
	ESG score	DJSI	SET ESG	SET ESG Rating	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
AP	53.36	--	Y	Y	5.00	5.00	Certified	Low	43.30	--	--	16.91	24.00	1.89	34.26
ASW	27.00	--	Y	Y	5.00	4.00	Declared	--	--	--	--	--	--	--	--
BRI	16.00	--	--	--	4.00	4.00	Declared	--	--	--	--	--	--	--	--
NOBLE	30.88	--	Y	Y	5.00	5.00	Certified	--	--	--	--	--	7.00	--	--
ORI	53.22	--	Y	Y	5.00	5.00	Certified	Medium	41.33	--	--	48.60	--	3.82	52.01
SC	60.14	--	Y	Y	5.00	4.00	Certified	Low	45.20	--	--	70.85	25.00	2.34	42.60
SIRI	66.14	--	Y	Y	5.00	5.00	Certified	Low	43.82	A	--	57.85	23.00	3.00	61.14
SPALI	59.80	--	Y	Y	5.00	5.00	Certified	Low	52.93	BB	--	36.30	24.00	2.19	42.36

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

### Exhibit 11: ESG score by Bloomberg

FY ending Dec 31	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
<b>ESG financial materiality scores - ESG score</b>	—	—	—	—	—	2.66	2.34
BESG environmental pillar score	—	—	—	—	—	1.70	1.14
BESG social pillar score	—	—	—	—	—	3.67	2.51
BESG governance pillar score	—	—	—	—	—	3.80	4.29
<b>ESG disclosure score</b>	—	—	—	32.63	33.83	44.32	42.60
Environmental disclosure score	—	—	—	1.75	1.75	18.79	15.95
Social disclosure score	—	—	—	14.87	18.47	32.95	30.62
Governance disclosure score	—	—	—	81.10	81.10	81.10	81.10
<b>Environmental</b>							
Emissions reduction initiatives	No	No	No	No	No	Yes	Yes
Climate change policy	No	No	No	No	No	No	No
Climate change opportunities discussed	No	No	No	No	No	No	No
Risks of climate change discussed	No	No	No	No	No	Yes	Yes
GHG scope 1	—	—	—	—	—	0	—
GHG scope 2 location-based	—	—	—	—	—	12	—
GHG Scope 3	—	—	—	—	—	—	—
Carbon per unit of production	—	—	—	—	—	—	—
Biodiversity policy	No	No	No	No	No	No	No
Energy efficiency policy	No	No	No	Yes	Yes	Yes	Yes
Total energy consumption	—	—	—	—	—	—	—
Renewable energy use	—	—	—	—	—	—	—
Electricity used	—	—	—	—	—	—	—
Fuel used - natural gas	—	—	—	—	—	—	—

Sources: Bloomberg; FSSIA's compilation

**Exhibit 12: ESG score by Bloomberg (cont.)**

FY ending Dec 31	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Fuel used - crude oil/diesel	No	No	No	No	No	No	No
Waste reduction policy	No	No	No	Yes	Yes	Yes	Yes
Hazardous waste	—	—	—	—	—	—	—
Total waste	—	—	—	—	—	—	—
Waste recycled	—	—	—	—	—	—	—
Waste sent to landfills	—	—	—	—	—	—	—
Environmental supply chain management	No	No	No	No	No	No	No
Water policy	No	No	No	Yes	Yes	Yes	Yes
Water consumption	—	—	—	—	—	—	—
<b>Social</b>							
Human rights policy	No	No	No	Yes	Yes	Yes	Yes
Policy against child labor	No	No	No	Yes	Yes	Yes	Yes
Quality assurance and recall policy	No	No	No	No	No	No	No
Consumer data protection policy	No	No	No	No	Yes	Yes	Yes
Equal opportunity policy	No	No	No	Yes	Yes	Yes	Yes
Gender pay gap breakout	No	No	No	No	No	No	No
Pct women in workforce	—	—	—	—	—	47	—
Pct disabled in workforce	—	—	—	—	—	1	1
Business ethics policy	No	No	No	Yes	Yes	Yes	Yes
Anti-bribery ethics policy	No	No	No	Yes	Yes	Yes	Yes
Health and safety policy	No	No	No	Yes	Yes	Yes	Yes
Lost time incident rate - employees	—	—	—	—	—	0	0
Total recordable incident rate - employees	—	—	—	—	—	—	—
Training policy	No	No	No	Yes	Yes	Yes	Yes
Fair remuneration policy	No	No	No	Yes	Yes	Yes	Yes
Number of employees – CSR	—	—	—	877	923	1,033	1,212
Employee turnover pct	—	—	—	—	—	11	11
Total hours spent by firm - employee training	—	—	—	18,038	13,819	17,698	19,113
Social supply chain management	No	No	No	No	No	No	No
<b>Governance</b>							
<b>Board size</b>	—	—	—	<b>9</b>	<b>9</b>	<b>9</b>	<b>10</b>
<b>No. of independent directors (ID)</b>	—	—	—	<b>6</b>	<b>6</b>	<b>6</b>	<b>7</b>
No. of women on board	—	—	—	1	1	1	1
No. of non-executive directors on board	—	—	—	7	7	7	8
Company conducts board evaluations	No	No	No	Yes	Yes	Yes	Yes
No. of board meetings for the year	—	—	—	7	8	7	9
Board meeting attendance pct	—	—	—	92	99	100	100
Board duration (years)	—	—	—	3	3	3	3
Director share ownership guidelines	No	No	No	No	No	No	No
Age of the youngest director	—	—	—	40	41	42	43
Age of the oldest director	—	—	—	75	76	77	76
<b>No. of executives / company managers</b>	—	—	—	<b>12</b>	<b>20</b>	<b>21</b>	<b>23</b>
No. of female executives	—	—	—	4	6	7	8
Executive share ownership guidelines	No	No	No	No	No	No	No
<b>Size of audit committee</b>	—	—	—	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
No. of ID on audit committee	—	—	—	3	3	3	3
Audit committee meetings	—	—	—	9	10	9	10
Audit meeting attendance %	—	—	—	100	100	100	100
<b>Size of compensation committee</b>	—	—	—	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
No. of ID on compensation committee	—	—	—	3	3	3	3
No. of compensation committee meetings	—	—	—	2	2	2	2
Compensation meeting attendance %	—	—	—	100	100	100	100
<b>Size of nomination committee</b>	—	—	—	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
No. of nomination committee meetings	—	—	—	2	2	2	2
Nomination meeting attendance %	—	—	—	100	100	100	100
<b>Sustainability governance</b>							
Verification type	No	No	No	No	No	No	No

Sources: Bloomberg; FSSIA's compilation



## Disclaimer for ESG scoring

ESG score	Methodology	Rating																			
The Dow Jones Sustainability Indices ( <a href="#">DJSI</a> ) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.	Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.																			
SET ESG Ratings List ( <a href="#">SETESG</a> ) by The Stock Exchange of Thailand ( <a href="#">SET</a> )	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 <b>SETESG 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>SETESG Index</b> 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.																			
<b>CG Score</b> by Thai Institute of Directors Association (Thai IOD)	An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.	Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (60-69), and not rated for scores below 50. Weightings include: 1) the rights; 2) and equitable treatment of shareholders (weight 25% combined); 3) the role of stakeholders (25%); 4) disclosure & transparency (15%); and 5) board responsibilities (35%).																			
<b>AGM level</b> By Thai Investors Association (TIA) with support from the SEC	It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). <i>(The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&amp;A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.)</i>	The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.																			
<a href="#">Thai CAC</a> By Thai Private Sector Collective Action Against Corruption (CAC)	The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. <i>(Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.)</i>	The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.																			
<a href="#">Morningstar Sustainabilitys</a>	The Sustainabilitys' ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. <i>Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality &amp; peer reviews.</i>	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. <table><tr><th>NEGL</th><th>Low</th><th>Medium</th><th>High</th><th>Severe</th></tr><tr><td>0-10</td><td>10-20</td><td>20-30</td><td>30-40</td><td>40+</td></tr></table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+									
NEGL	Low	Medium	High	Severe																	
0-10	10-20	20-30	30-40	40+																	
<a href="#">ESG Book</a>	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.	The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.																			
<a href="#">MSCI</a>	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. <table><tr><td><b>AAA</b></td><td>8.571-10.000</td><td rowspan="3"><b>Leader:</b></td><td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td></tr><tr><td><b>AA</b></td><td>7.143-8.570</td></tr><tr><td><b>A</b></td><td>5.714-7.142</td></tr><tr><td><b>BBB</b></td><td>4.286-5.713</td><td rowspan="3"><b>Average:</b></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><b>BB</b></td><td>2.857-4.285</td></tr><tr><td><b>B</b></td><td>1.429-2.856</td></tr><tr><td><b>CCC</b></td><td>0.000-1.428</td><td><b>Laggard:</b></td><td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td></tr></table>	<b>AAA</b>	8.571-10.000	<b>Leader:</b>	leading its industry in managing the most significant ESG risks and opportunities	<b>AA</b>	7.143-8.570	<b>A</b>	5.714-7.142	<b>BBB</b>	4.286-5.713	<b>Average:</b>	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	<b>BB</b>	2.857-4.285	<b>B</b>	1.429-2.856	<b>CCC</b>	0.000-1.428	<b>Laggard:</b>	lagging its industry based on its high exposure and failure to manage significant ESG risks
<b>AAA</b>	8.571-10.000	<b>Leader:</b>	leading its industry in managing the most significant ESG risks and opportunities																		
<b>AA</b>	7.143-8.570																				
<b>A</b>	5.714-7.142																				
<b>BBB</b>	4.286-5.713	<b>Average:</b>	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers																		
<b>BB</b>	2.857-4.285																				
<b>B</b>	1.429-2.856																				
<b>CCC</b>	0.000-1.428	<b>Laggard:</b>	lagging its industry based on its high exposure and failure to manage significant ESG risks																		
<a href="#">Moody's ESG solutions</a>	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.																				
<a href="#">Refinitiv ESG rating</a>	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. <i>(Score ratings are 0 to 25 = poor; &gt;25 to 50 = satisfactory; &gt;50 to 75 = good; and &gt;75 to 100 = excellent.)</i>																				
<a href="#">S&amp;P Global</a>	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.																				
<b>Bloomberg</b>	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.																			
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.																			

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

Source: FSSIA's compilation



## GENERAL DISCLAIMER

### ANALYST(S) CERTIFICATION

Thanyatorn Songwutti FSS International Investment Advisory Securities Co., Ltd

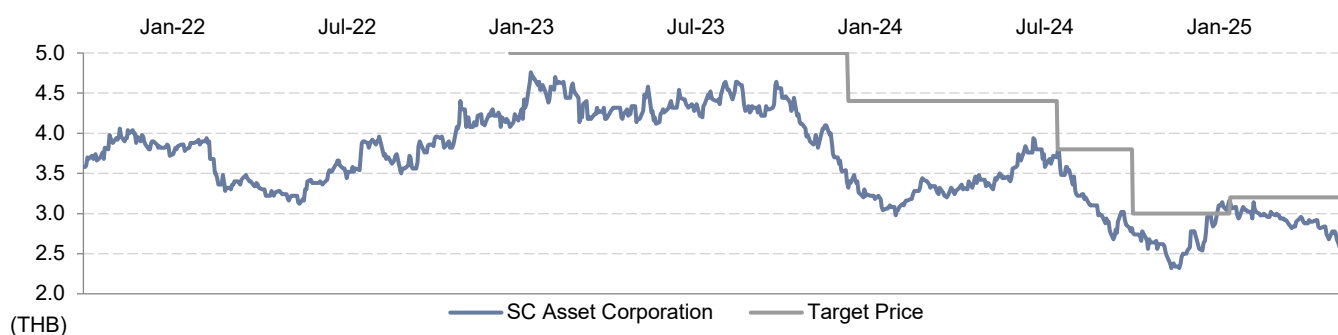
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed herein.

This report has been prepared by FSS International Investment Advisory Securities Company Limited (FSSIA). The information herein has been obtained from sources believed to be reliable and accurate; however FSSIA makes no representation as to the accuracy and completeness of such information. Information and opinions expressed herein are subject to change without notice. FSSIA has no intention to solicit investors to buy or sell any security in this report. In addition, FSSIA does not guarantee returns nor price of the securities described in the report nor accept any liability for any loss or damage of any kind arising out of the use of such information or opinions in this report. Investors should study this report carefully in making investment decisions. All rights are reserved.

This report may not be reproduced, distributed or published by any person in any manner for any purpose without permission of FSSIA. Investment in securities has risks. Investors are advised to consider carefully before making investment decisions.

### History of change in investment rating and/or target price

#### SC Asset Corporation (SC TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
12-Jan-2023	BUY	5.00	29-Apr-2024	HOLD	3.80	25-Sep-2024	HOLD	3.20
31-Oct-2023	BUY	4.40	03-Jul-2024	HOLD	3.00	16-Dec-2024	BUY	3.20

Thanyatorn Songwutti started covering this stock from 12-Jan-2023

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
SC Asset Corporation	SC TB	THB 2.62	BUY	Downside and upside risks to our P/E-based TP include 1) a weaker or stronger-than-expected take-up rate, 2) lower or higher-than-expected new launches, 3) slower or faster-than-expected economy and purchasing power recovery, 4) higher or lower-than-expected rejection and cancellation rates, and 5) higher or lower-than-expected 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 06-Jan-2025 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.