

PRECIOUS SHIPPING

THAILAND / TRANSPORT & LOGISTIC

PSL TB

HOLD

UNCHANGED

Not the time to accumulate

- Freight rates in 4Q24 hit their lowest level of the year.
- Rates continued slide in January 2025, prompting us to cut our profit forecast.
- Cut TP to THB7.00. Despite being cheap, it is not yet the right moment to accumulate the stock, in our view.

TARGET PRICE	THB7.00
CLOSE	THB5.95
UP/DOWNSIDE	+17.6%
PRIOR TP	THB8.50
CHANGE IN TP	-17.6%
TP vs CONSENSUS	-21.4%

KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	5,099	5,835	5,895	6,060
Net profit	709	1,347	918	1,199
EPS (THB)	0.45	0.86	0.59	0.77
vs Consensus (%)	-	(2.7)	(8.1)	29.2
EBITDA	2,553	3,219	3,026	3,322
Recurring net profit	661	1,179	918	1,199
Core EPS (THB)	0.42	0.76	0.59	0.77
Chg. In EPS est. (%)	-	(15.5)	(32.8)	(14.5)
EPS growth (%)	(86.4)	78.2	(22.1)	30.6
Core P/E (x)	14.0	7.9	10.1	7.7
Dividend yield (%)	4.2	7.3	4.9	6.5
EV/EBITDA (x)	5.6	4.5	4.9	4.4
Price/book (x)	0.6	0.5	0.5	0.5
Net debt/Equity (%)	30.9	29.6	30.9	30.7
ROE (%)	4.0	6.9	5.2	6.8

Freight rates in 4Q24 hit their lowest level of the year

Dry bulk commodity shipping rates across all ship sizes dived, reaching the lowest level of the year in 4Q24 due to the monsoon season, a decrease in shipping demand, and China's sluggish recovery as the main consumer of bulk carriers. Additionally, concerns over the US-China trade war led many market participants to adopt a wait-and-see approach. As a result, the average BSI and BHSI indices in 4Q24 stood at 1,084 and 672 points, respectively. The BSI index dropped by 17.9% q-q and 16.2% y-y, while the BHSI index decreased by 9.2% q-q and 5.9% y-y.

PSL's TCE rate to fall both q-q and y-y

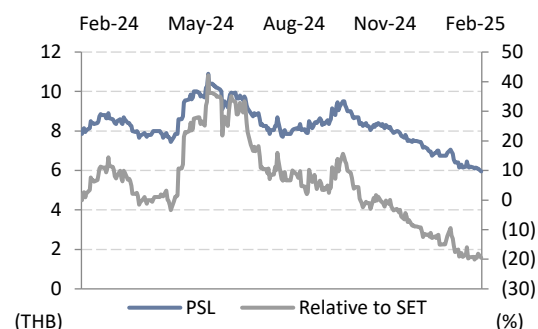
We expect PSL's 4Q24 freight rate to be USD11,155 per vessel per day (-12.5% q-q, -10.2% y-y). However, with PSL acquiring two additional Handysize vessels in October 2024, bringing its total vessels to 40, we estimate PSL's revenue to be THB1.3b (-9.0% q-q, -11.7% y-y). Its OPEX should remain stable at USD5,195 per vessel per day (+0.4% q-q, -2.6% y-y). Thus, we expect PSL to report a 4Q24 core profit of THB127.7m (-56.5% q-q, -60.1% y-y). This suggests that PSL's core profit for the full-year 2024 should reach only THB1.2b, below our previous estimate.

Freight indices declined fast; revising down profit estimates

We revise down our 2024 profit forecast by 15.5%, based on a TCE rate of USD12,548, 6.7% lower than previously expected. In January 2025, the BSI index dropped below the 1,000-point level to 746 points (-31.2% q-q, -37.0% y-y), while the BHSI index stood at 464 points (-31% q-q and y-y), a level that is not profitable. The outlook for the remainder of the year remains challenging due to trade war risks, China's slow economic recovery and fleet supply growth exceeding the demand growth. We lower our 2025-26 profit estimates by 33%/15%, assuming a TCE rate of USD11,785 (-6.1% y-y) for 2025 and USD12,858 (+9.1% y-y) for 2026.

Cheap but not right time to accumulate the stock

We also revise our TP down to THB7.00 from the previous THB8.50, based on a 2025E P/E ratio of 12x, in line with the post-Covid-19 average, and an implied 2025E P/BV of 0.6x, still below the global shipping names' average. However, despite our TP offering an upside of more than 10% from the current share price, we do not recommend buying at this time as it is not yet the right moment.



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(13.8)	(29.2)	(22.2)
Relative to country (%)	(8.5)	(20.5)	(17.5)
Mkt cap (USD m)	273		
3m avg. daily turnover (USD m)	0.9		
Free float (%)	48		
Major shareholder	Globex Corporation Limited (28%)		
12m high/low (THB)	11.20/5.85		
Issued shares (m)	1,559.29		

Sources: Bloomberg consensus; FSSIA estimates



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Investment thesis

We expect PSL to report a core profit of THB127.7m (-56.5% q-q, -60.1% y-y). This suggests that PSL's core profit for the full-year 2024 should reach only THB1.2b, below our previous estimate.

Rates continued to correct in January 2025, and the outlook for the remainder of the year remains challenging due to trade war risks, China's slow economic recovery and fleet supply growth exceeding the demand growth. We lower our 2025-26 profit estimates by 33%/15%, assuming that the rate will continue to fall in 2025 and rebound 9.1% y-y for 2026. We revise our TP down to THB7.00. Despite our TP offering an upside of more than 10% from the current share price, we do not recommend buying at this time as it is not yet the right moment.

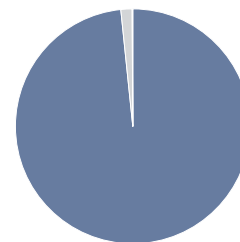
Company profile

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-2024, PSL has 40 fleet vessels, with an aggregate capacity of 1,737,504 DWT.

www.preciousshipping.com

Principal activities (revenue, 2023)

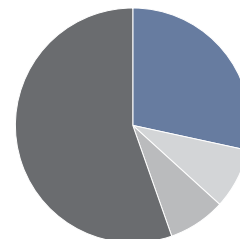
- Time charter - 98.4 %
- Voyage charter - 1.5 %
- Service revenue - 0.1 %



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
10 February 2025	4Q24 earnings announcement

Key assumptions

	2023A	2024E	2025E	2026E
TCE rate (USD/day)	10,907	12,548	11,785	12,858
TCE rate growth (%)	(45.3)	15.0	(6.1)	9.1
OPEX (USD/day)	5,205	5,244	5,235	5,238
Gross margin (%)	29.5	37.6	33.2	37.3
SG&A to sales (%)	6.6	7.6	7.8	7.8

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.

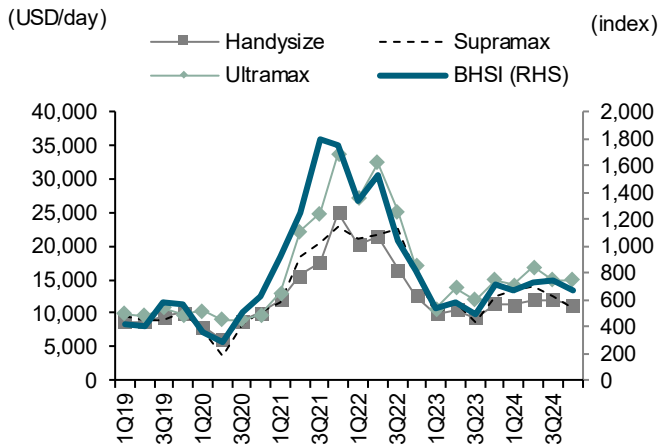
Source: FSSIA estimates

Exhibit 1: PSL – 4Q24 earnings preview

Year to Dec 31	4Q23	1Q24	2Q24	3Q24	4Q24E	Change		2023	2024E	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)
Service revenue	1,480	1,479	1,612	1,436	1,307	(9.0)	(11.7)	5,099	5,835	14.4
Cost of services	(905)	(935)	(929)	(876)	(896)	2.4	(0.9)	(3,589)	(3,634)	1.2
Gross profit	575	544	683	561	411	(26.7)	(28.6)	1,510	2,201	45.8
Operating costs	(109)	(112)	(141)	(160)	(157)	(1.6)	43.4	(425)	(569)	33.7
Operating profit	450	450	572	420	267	(36.4)	(40.6)	1,124	1,709	52.0
Operating EBITDA	789	825	961	787	648	(17.6)	(17.8)	2,553	3,219	26.1
Interest expense	(136)	(120)	(146)	(138)	(137)	(0.2)	1.0	(481)	(541)	12.6
Profit before tax	314	330	426	282	130	(54.0)	(58.7)	644	1,168	81.4
Extra gain from FX and asset sold	(74)	82	99	(14)	0	<i>nm</i>	<i>nm</i>	48	21	(56.5)
Reported net profit	246	409	530	280	128	(54.4)	(48.1)	709	1,347	89.8
Core profit	320	327	430	294	128	(56.5)	(60.1)	661	1,179	78.2
Reported EPS (THB)	0.16	0.26	0.34	0.18	0.08	(55.5)	(49.4)	0.45	0.86	89.8
Core EPS (THB)	0.21	0.21	0.27	0.18	0.08	(56.5)	(61.1)	0.42	0.76	78.2
Key ratios (%)	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)	(%)	(ppt)
Gross margin	36.8	36.7	42.4	39.1	31.4	(7.6)	(5.3)	29.5	37.6	8.1
Operating margin	30.4	30.5	35.5	29.3	20.5	(8.8)	(10.0)	22.1	29.3	7.3
EBITDA margin	53.3	55.8	59.6	54.8	49.7	(5.2)	(3.7)	50.1	55.2	5.1
Core profit margin	21.6	22.1	26.7	20.5	9.8	(10.7)	(11.9)	13.0	20.2	7.2
SG&A / Sales	5.9	6.0	6.8	8.6	9.3	0.8	3.4	6.6	7.6	1.0
Operating statistics						(q-q %)	(y-y %)			(y-y %)
No. of vessels	38	37	36	38	40	5.3	5.3	38.0	40.0	5.3
BSI Index (Supramax) - average	1,293	1,178	1,364	1,320	1,084	(17.9)	(16.2)	1,030	1,238	20.2
BHSI Index (Handysize) - average	714	666	725	740	672	(9.2)	(5.9)	586	702	19.8
PSL's TC rate (USD/ship/day)	12,429	12,433	13,483	12,755	11,155	(12.5)	(10.2)	10,904	12,457	14.2
PSL's OPEX (USD/ship/day)	5,332	5,379	5,226	5,175	5,195	0.4	(2.6)	5,204	5,244	0.8

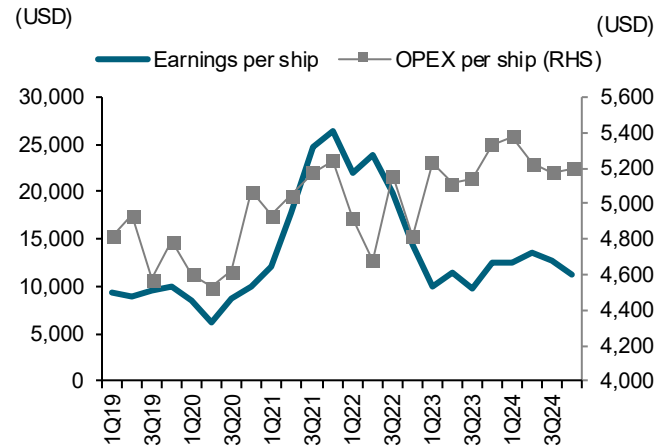
Sources: PSL, FSSIA estimates

Exhibit 2: Dry bulk freight rate index



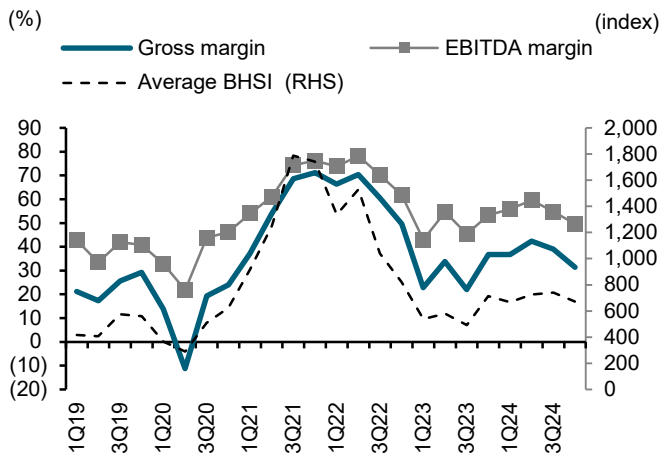
Sources: Bloomberg, FSSIA's compilation

Exhibit 3: Revenue per ship and OPEX



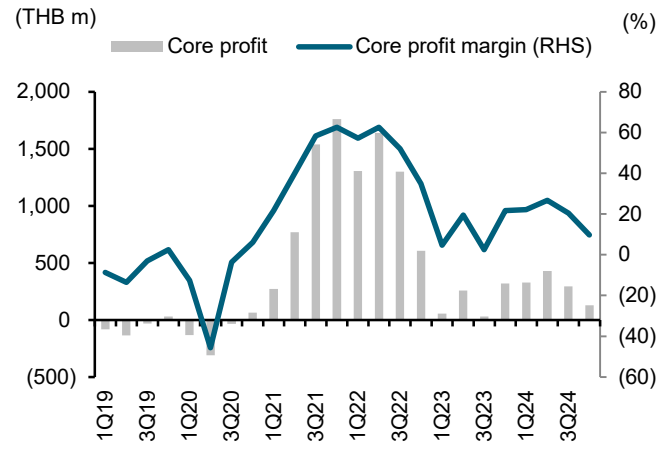
Sources: PSL, FSSIA estimates

Exhibit 4: Margins and shipping freight rate index



Sources: PSL, Bloomberg, FSSIA estimates

Exhibit 5: Core profit and core profit margin



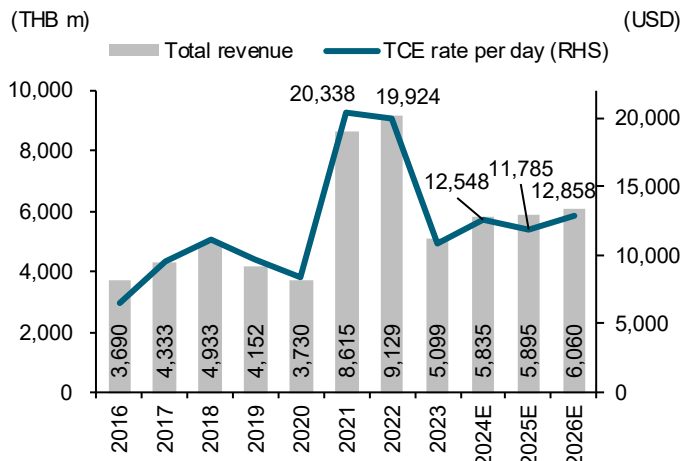
Sources: PSL, FSSIA estimates

Exhibit 6: 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	5,835	5,895	6,060	6,021	5,963	6,065	(3.1)	(1.1)	(0.1)
TCE rate (USD/day)	12,548	11,785	12,858	13,444	13,288	13,463	(6.7)	(11.3)	(4.5)
OPEX (USD/day)	5,244	5,235	5,238	5,240	5,220	5,236	0.1	0.3	0.0
Cost of goods sold	(2,131)	(2,361)	(2,210)	(2,137)	(2,117)	(2,164)	(0.3)	11.5	2.1
Gross profit	3,704	3,535	3,850	3,884	3,846	3,900	(4.6)	(8.1)	(1.3)
SG&A	(569)	(592)	(612)	(553)	(560)	(576)	2.8	5.7	6.3
EBITDA	3,219	3,026	3,322	3,420	3,373	3,411	(5.9)	(10.3)	(2.6)
Interest expense	541	540	533	538	497	480	0.7	8.7	11.0
Core profit	1,179	918	1,199	1,395	1,365	1,402	(15.5)	(32.8)	(14.5)
Key ratios	(%)	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(ppt)
Gross margin	37.6	33.2	37.3	39.6	39.1	39.1	(2.0)	(5.8)	(1.8)
SG&A to sales	7.6	7.8	7.8	7.1	7.2	7.3	0.5	0.6	0.5
EBITDA margin	55.2	51.4	54.9	56.9	56.6	56.3	(1.6)	(5.3)	(1.4)
Core profit margin	20.2	15.6	19.8	23.2	22.9	23.1	(3.0)	(7.3)	(3.3)

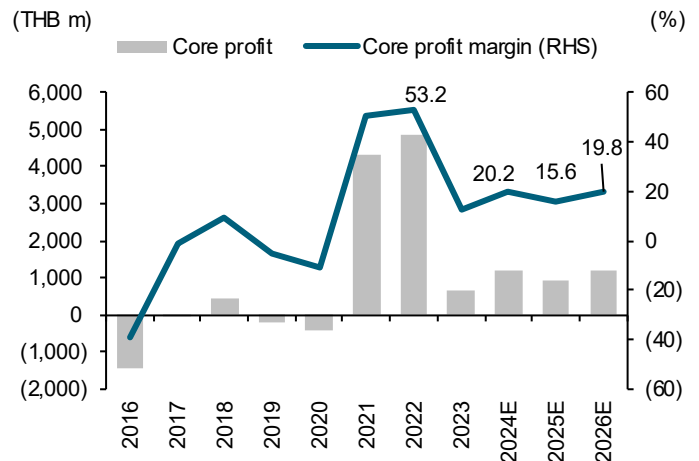
Source: FSSIA estimates

Exhibit 7: Revenue and TCE rate, yearly



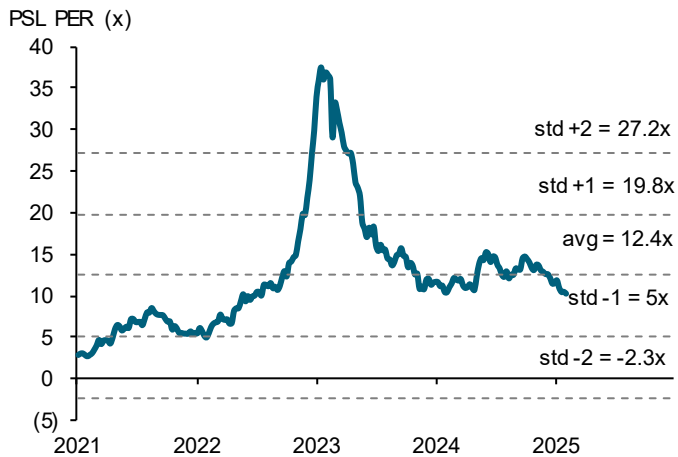
Sources: PSL, FSSIA estimates

Exhibit 8: Core profit and core profit margin, yearly



Sources: PSL, FSSIA estimates

Exhibit 9: One-year rolling forward P/E band



Sources: Bloomberg, FSSIA estimates

Exhibit 10: One-year rolling forward P/BV band



Sources: Bloomberg, FSSIA estimates

Exhibit 11: Peers comparison as of 3 February 2025

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	4.30	101	(10)	5.2	5.8	0.3	0.3	3.4	3.5
Precious Shipping*	PSL TB	5.95	78	(22)	7.9	10.1	0.5	0.5	4.5	4.9
Thailand average			89.7	(15.9)	6.6	8.0	0.4	0.4	4.0	4.2
Regional										
Cosco shipping Holding	601919 CH	14.27	103	(54)	4.6	10.1	1.0	1.0	1.9	3.7
Evergreen marine	2603 TT	202.50	426	(37)	3.2	5.0	0.9	0.9	1.8	2.6
Mitsui OSK Lines	9104 JP	5,271.00	40	(37)	5.4	8.5	0.7	0.7	13.0	11.5
Kawasaki Kisen Kaisha	9107 JP	1,945.00	151	(54)	5.0	10.9	0.8	0.8	9.4	9.5
Orient Oversea International	316 HK	102.40	80	(34)	3.5	5.3	0.7	0.6	1.0	1.4
Wan Hai Lines	2615 TT	73.20	(782)	(29)	5.4	7.7	0.8	0.7	2.0	2.2
Nanjing Tanker	601975 CH	3.18	31	3	7.4	7.2	1.4	1.2	4.0	4.1
Regional average			7.1	(34.6)	4.9	7.8	0.9	0.8	4.7	5.0
Global										
Hapag-Lloyd	HLAG GR	134.70	(21)	(68)	9.9	31.3	1.2	1.3	4.9	7.5
Maersk	MAERSKB DC	10,510.00	65	(76)	4.3	18.4	0.4	0.4	1.6	2.4
Star Bulk Carriers	SBLK US	15.17	80	1	5.5	5.5	0.7	0.7	5.0	4.6
Navios Maritime Partners	NMM US	42.37	(14)	14	3.8	3.3	0.4	0.4	4.1	3.7
D/S Norden	DNORD DC	198.10	(65)	12	5.4	4.9	0.7	0.6	2.8	2.5
Genco Shipping & Trading	GNK US	14.11	251	(14)	8.6	10.0	0.7	0.7	4.2	4.9
Diana Shipping	DSX US	1.80	(42)	200	9.0	3.0	n/a	n/a	5.4	3.9
Globus Maritime	GLBS US	1.39	n/a	n/a	n/a	n/a	0.2	0.2	0.6	0.4
Global average			36.3	9.6	6.6	10.9	0.6	0.6	3.6	3.7
Overall average			30.2	(12.9)	5.9	9.2	0.7	0.7	4.1	4.3

Sources: Bloomberg; *FSSIA estimates

Financial Statements

Precious Shipping

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	9,129	5,099	5,835	5,895	6,060
Cost of goods sold	(3,401)	(3,595)	(3,641)	(3,937)	(3,802)
Gross profit	5,728	1,504	2,194	1,958	2,258
Other operating income	17	46	85	83	84
Operating costs	(517)	(425)	(569)	(592)	(612)
Operating EBITDA	6,553	2,553	3,219	3,026	3,322
Depreciation	(1,324)	(1,429)	(1,510)	(1,577)	(1,592)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	5,229	1,124	1,709	1,449	1,730
Net financing costs	(392)	(481)	(541)	(540)	(533)
Associates	29	21	18	19	20
Recurring non-operating income	29	21	18	19	20
Non-recurring items	0	48	168	0	0
Profit before tax	4,866	713	1,354	928	1,217
Tax	(15)	(4)	(8)	(10)	(18)
Profit after tax	4,851	709	1,347	918	1,199
Minority interests	0	0	0	0	0
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	4,851	709	1,347	918	1,199
Non-recurring items & goodwill (net)	0	(48)	(168)	0	0
Recurring net profit	4,850	661	1,179	918	1,199
Per share (THB)					
Recurring EPS *	3.11	0.42	0.76	0.59	0.77
Reported EPS	3.11	0.45	0.86	0.59	0.77
DPS	1.75	0.25	0.43	0.29	0.38
Diluted shares (used to calculate per share data)	1,559	1,559	1,559	1,559	1,559
Growth					
Revenue (%)	6.0	(44.1)	14.4	1.0	2.8
Operating EBITDA (%)	10.2	(61.0)	26.1	(6.0)	9.8
Operating EBIT (%)	10.5	(78.5)	52.0	(15.2)	19.4
Recurring EPS (%)	11.8	(86.4)	78.2	(22.1)	30.6
Reported EPS (%)	8.4	(85.4)	89.8	(31.8)	30.6
Operating performance					
Gross margin inc. depreciation (%)	62.7	29.5	37.6	33.2	37.3
Gross margin exc. depreciation (%)	77.3	57.5	63.5	60.0	63.5
Operating EBITDA margin (%)	71.8	50.1	55.2	51.3	54.8
Operating EBIT margin (%)	57.3	22.1	29.3	24.6	28.5
Net margin (%)	53.1	13.0	20.2	15.6	19.8
Effective tax rate (%)	0.3	0.5	0.6	1.1	1.5
Dividend payout on recurring profit (%)	56.3	58.9	57.1	50.0	50.0
Interest cover (X)	13.4	2.4	3.2	2.7	3.3
Inventory days	5.6	6.1	5.2	4.8	5.2
Debtor days	9.1	20.6	18.7	17.9	16.5
Creditor days	82.5	83.2	68.4	64.5	71.6
Operating ROIC (%)	19.9	4.2	6.3	5.2	6.2
ROIC (%)	19.5	4.2	6.2	5.1	6.0
ROE (%)	31.5	4.0	6.9	5.2	6.8
ROA (%)	21.6	4.3	6.5	5.4	6.5
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Time charter	8,992	5,016	5,809	5,830	5,977
Voyage charter	132	79	20	60	78
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	1,179	918	1,199
Depreciation	1,324	1,429	1,510	1,577	1,592
Associates & minorities	-	-	-	-	-
Other non-cash items	402	413	996	(562)	(611)
Change in working capital	28	(336)	(67)	120	25
Cash flow from operations	6,604	2,167	3,618	2,053	2,206
Capex - maintenance	-	-	-	-	-
Capex - new investment	(2,447)	(562)	(2,998)	(1,800)	(1,600)
Net acquisitions & disposals	0	1	0	0	0
Other investments (net)	30	21	(173)	2	19
Cash flow from investing	(2,416)	(541)	(3,171)	(1,798)	(1,581)
Dividends paid	(3,508)	(624)	(673)	(459)	(600)
Equity finance	0	0	0	0	0
Debt finance	(1,818)	710	(862)	13	37
Other financing cash flows	(380)	(455)	0	0	1
Cash flow from financing	(5,705)	(368)	(1,536)	(446)	(561)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	104	1	0	0	0
Net other adjustments	104	1	0	0	0
Movement in cash	(1,413)	1,259	(1,088)	(191)	63
Free cash flow to firm (FCFF)	4,580.64	2,106.72	988.90	795.28	1,157.40
Free cash flow to equity (FCFE)	2,095.00	1,882.57	(414.77)	267.73	663.02
Per share (THB)					
FCFF per share	2.94	1.35	0.63	0.51	0.74
FCFE per share	1.34	1.21	(0.27)	0.17	0.43
Recurring cash flow per share	4.22	1.61	2.36	1.24	1.40
Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Tangible fixed assets (gross)	32,817	32,689	35,009	35,867	36,540
Less: Accumulated depreciation	(10,769)	(11,854)	(12,683)	(13,318)	(13,983)
Tangible fixed assets (net)	22,048	20,836	22,326	22,549	22,557
Intangible fixed assets (net)	16	9	9	9	9
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	81	82	82	82	82
Cash & equivalents	1,056	2,315	1,227	1,036	1,099
A/C receivable	279	295	303	274	274
Inventories	42	30	31	31	32
Other current assets	181	250	233	194	182
Current assets	1,557	2,890	1,794	1,536	1,586
Other assets	602	529	702	700	681
Total assets	24,304	24,346	24,912	24,876	24,915
Common equity	16,463	16,246	17,745	17,644	17,654
Minorities etc.	0	0	0	0	0
Total shareholders' equity	16,463	16,246	17,745	17,644	17,654
Long term debt	5,556	5,548	5,368	5,397	5,454
Other long-term liabilities	417	276	187	177	182
Long-term liabilities	5,974	5,824	5,555	5,574	5,636
A/C payable	639	447	442	497	489
Short term debt	1,167	1,788	1,107	1,090	1,071
Other current liabilities	61	41	64	71	66
Current liabilities	1,867	2,276	1,613	1,658	1,626
Total liabilities and shareholders' equity	24,304	24,346	24,912	24,876	24,915
Net working capital	(198)	87	61	(67)	(68)
Invested capital	22,548	21,542	23,179	23,272	23,261
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	10.56	10.42	11.38	11.32	11.32
Tangible book value per share	10.55	10.41	11.37	11.31	11.32
Financial strength					
Net debt/equity (%)	34.4	30.9	29.6	30.9	30.7
Net debt/total assets (%)	23.3	20.6	21.1	21.9	21.8
Current ratio (x)	0.8	1.3	1.1	0.9	1.0
CF interest cover (x)	12.6	6.1	5.8	4.8	5.2
Valuation	2022	2023	2024E	2025E	2026E
Recurring P/E (x) *	1.9	14.0	7.9	10.1	7.7
Recurring P/E @ target price (x) *	2.3	16.5	9.3	11.9	9.1
Reported P/E (x)	1.9	13.1	6.9	10.1	7.7
Dividend yield (%)	29.4	4.2	7.3	4.9	6.5
Price/book (x)	0.6	0.6	0.5	0.5	0.5
Price/tangible book (x)	0.6	0.6	0.5	0.5	0.5
EV/EBITDA (x) **	2.3	5.6	4.5	4.9	4.4
EV/EBITDA @ target price (x) **	2.5	6.2	5.0	5.4	4.9
EV/invested capital (x)	0.7	0.7	0.6	0.6	0.6
* 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


55.45 /100

Exhibit 12: 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.

Sources: FSSIA estimates

Exhibit 13: ESG – peer comparison

	FSSIA ESG score	Domestic ratings						Global ratings					Bloomberg		
		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
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](https://www.settrade.com); * FSSIA estimate; FSSIA's compilation

Exhibit 14: 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.																				
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 Sustainalytics	The Sustainalytics' 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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CCC	0.000-1.428	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks																			
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

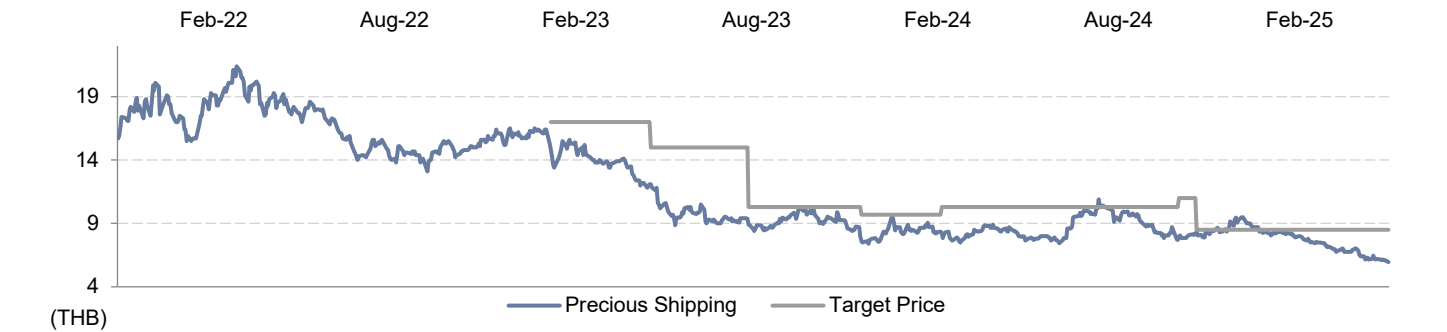
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

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History of change in investment rating and/or target price

Precious Shipping (PSL TB)



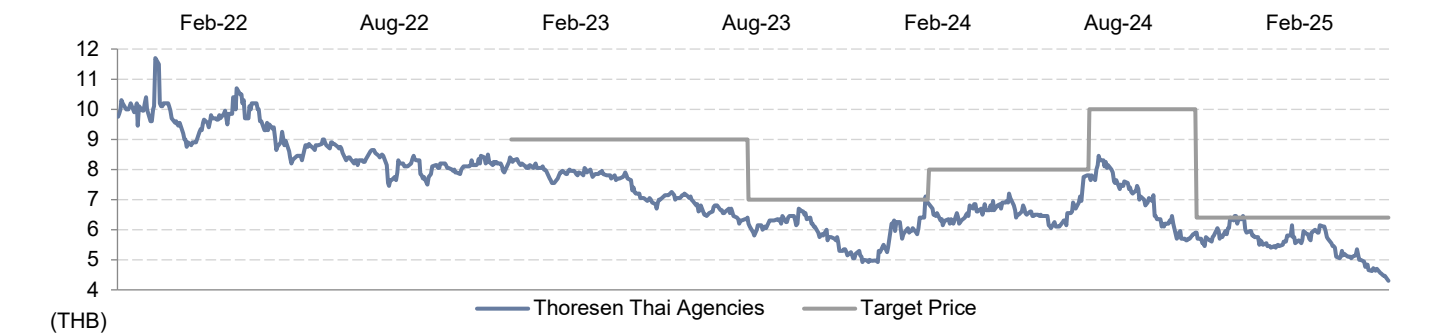
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
13-Feb-2023	HOLD	17.00	07-Nov-2023	HOLD	9.70	21-Aug-2024	HOLD	8.50
10-May-2023	BUY	15.00	15-Jan-2024	BUY	10.30			
02-Aug-2023	HOLD	10.30	06-Aug-2024	BUY	11.00			

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 5.95	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 4.30	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 03-Feb-2025 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.