

## THORESEN THAI AGENCIES

THAILAND / TRANSPORT &amp; LOGISTIC

TTA TB

HOLD

UNCHANGED

TARGET PRICE	THB6.40
CLOSE	THB4.28
UP/DOWNSIDE	+49.5%
PRIOR TP	THB6.40
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	-7.9%

## 2025 not favorable for dry bulk

- Expect 4Q24 core profit to dive 25.5% q-q, contracting less than the industry average.
- Profit should decline in 2025 due to supply outpacing demand.
- Our TP after the capital increase would be diluted to THB4.40.

## TTA's freight rate should be better than the industry's in 4Q24

The BSI index averaged 1,084 points in 4Q24 (-17.9% q-q, -16.2% y-y), marking the lowest point of the year. This decline was driven by the low season, weak demand from China, and concerns over the US-China trade war. However, we expect TTA's freight rates to contract less than the market's due to the return of eight vessels that were in dry dock in the previous quarter, allowing them to operate at full capacity. Additionally, only three vessels were drydocked in 4Q24. As a result, we project TTA's freight rate for 4Q24 to be USD13,005 per vessel per day (-4.8% q-q, -6.5% y-y).

## Offshore services dragging down group revenue in 4Q24

We expect the offshore services business in 4Q24 to deliver USD115m in revenue, down from USD126m in 3Q24. We estimate the revenue in Thai baht to be THB4.0b (-24.1% q-q, +31.6% y-y), accounting for 53% of TTA's total revenue. The offshore gross margin should remain at a low level in 4Q24, similar to the previous quarter at 7.7%, due to the majority of projects being decommissioning and installation work, which typically have lower margins. Consequently, we expect the total group revenue for 4Q24 to be at THB7.5b (-14.3% q-q, +13.2% y-y), with an overall gross margin of 15.2%, improving by 1.3% from 3Q24 solely due to a reduction in vessel maintenance downtime.

## Expect 4Q24 core profit to contract less than the industry

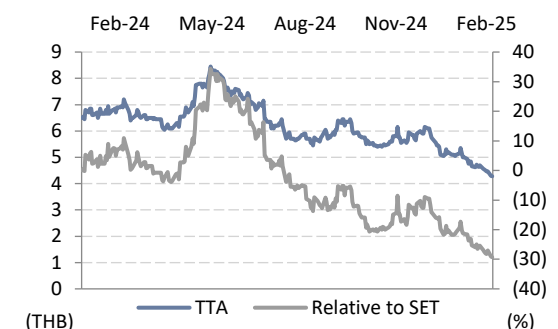
We therefore estimate a 4Q24 core profit of THB257.2m (-25.5% q-q and an improvement from the loss in 4Q23). However, FX gains could boost the net profit to THB757.2m. This brings the total net profit for 2024E to THB1.1b (-7.8% y-y), while core profit should be THB1.4b (+91.8% y-y).

## Our TP after the capital increase would be diluted to THB4.40

The outlook for the bulk shipping business in 2025 is likely to be weaker than our previous estimate due to a faster-than-expected increase in supply, the slow recovery in demand from China, and unpredictable trade conflicts. As a result, we trim our core profit estimates for 2025-26 by 1-2%, with profits still expected to decline in 2025. Our TP remains at THB6.40. However, if the RO capital increase is successful, our TP would be diluted to THB4.40, which is only slightly above the current share price. Therefore, we retain our HOLD rating.

## KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	23,975	32,360	29,889	27,942
Net profit	1,217	1,123	1,332	1,325
EPS (THB)	0.67	0.62	0.73	0.73
vs Consensus (%)	-	(45.1)	(1.4)	-
EBITDA	3,584	4,831	4,632	4,827
Recurring net profit	744	1,426	1,332	1,325
Core EPS (THB)	0.41	0.78	0.73	0.73
Chg. In EPS est. (%)	-	(4.6)	(1.3)	(0.2)
EPS growth (%)	(77.3)	91.8	(6.6)	(0.5)
Core P/E (x)	10.5	5.5	5.9	5.9
Dividend yield (%)	1.9	1.7	2.0	2.0
EV/EBITDA (x)	3.9	3.4	3.4	3.3
Price/book (x)	0.3	0.3	0.3	0.3
Net debt/Equity (%)	9.7	17.4	13.8	14.1
ROE (%)	3.0	5.5	4.8	4.6



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(16.1)	(22.2)	(32.1)
Relative to country (%)	(10.7)	(12.5)	(27.7)
Mkt cap (USD m)	271		
3m avg. daily turnover (USD m)	1.4		
Free float (%)	69		
Major shareholder	Mahagitsiri Family (24%)		
12m high/low (THB)	8.50/4.26		
Issued shares (m)	1,822.46		

Sources: Bloomberg consensus; FSSIA estimates



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## Investment thesis

The outlook for the bulk shipping business in 2025 is likely to be weaker than our previous estimate due to a faster-than-expected increase in supply, the slow recovery in demand from China, and unpredictable trade conflicts.

We trim our core profit estimates for 2025-26 by 1-2%, with profits still expected to decline in 2025. Our TP remains at THB6.40. However, if the RO capital increase is successful, our TP would be diluted to THB4.40, which is only slightly above the current share price. Therefore, we retain our HOLD rating. This year is not favorable for the bulk shipping business.

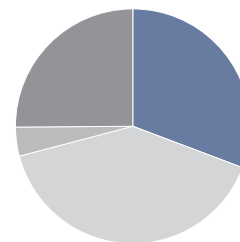
## Company profile

Thoresen Thai Agencies (TTA) is a strategic investment holding company with an investment policy of achieving growth through a balanced portfolio that is diversified both locally and internationally. Its current business portfolio includes shipping, offshore service, agrochemical, food & beverage, and investment group segments. As of December 2023, Thoresen Shipping owned 22 Supramax and 2 Ultramax vessels, making a total of 24 vessels.

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

## Principal activities (revenue, 2023)

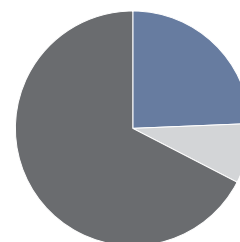
- Shipping revenue - 30.7 %
- Offshore service - 40.2 %
- Service & comission - 4.0 %
- Sales - 25.1 %



Source: Thoresen Thai Agencies

## Major shareholders

- Mahagitsiri Family - 24.4 %
- Credit Suisse AG, Singapore Branch - 8.2 %
- Others - 67.4 %



Source: Thoresen Thai Agencies

## Catalysts

Key catalysts include 1) fewer ships being built, which could reduce global fleet capacity; 2) China's stimulus package to boost the economy; and 3) higher CAPEX by the global energy sector, which creates opportunities for TTA's offshore service segment.

## Risks to our call

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.

## Event calendar

Date	Event
27 February 2025	4Q24 earnings announcement
5 March 2025	Opportunity Day

## Key assumptions

	2023A	2024E	2025E	2026E
TTA's TCE rate (USD/day)	13,612	14,302	13,794	14,125
TCE rate growth	-45.6%	5.1%	-3.6%	2.4%
Vessel OPEX (USD/day)	4,258	4,335	4,422	4,488
<b>Gross margin by BU</b>				
Shipping business	33.6%	34.1%	34.7%	35.2%
Offshore business	19.0%	7.8%	8.0%	8.0%
Agrochemical business	12.5%	14.9%	15.0%	15.0%
Food & Beverage	38.8%	40.5%	41.0%	41.3%

Source: FSSIA estimates

## Earnings sensitivity

- For every 1% change in its TCE rate, we project TTA's 2025 net profit to change by 0.8%, all else being equal.
- For every 1% change in shipping gross margin, we project TTA's 2025 net profit to change by 3.8%, all else being equal.

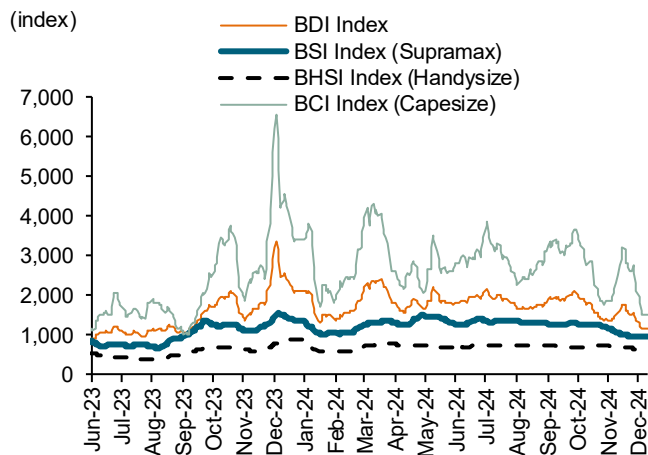
Source: FSSIA estimates

## Exhibit 1: TTA – 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 %)
Sales	6,641	6,523	9,542	8,776	7,519	(14.3)	13.2	23,975	32,360	35.0
Cost of sales	(5,317)	(5,188)	(8,203)	(7,555)	(6,376)	(15.6)	19.9	(19,663)	(27,322)	39.0
Gross profit	1,324	1,335	1,339	1,221	1,143	(6.4)	(13.7)	4,313	5,038	16.8
Operating costs	(1,218)	(703)	(795)	(921)	(787)	(14.6)	(35.4)	(3,211)	(3,205)	(0.2)
Operating profit	55	716	707	434	478	10.2	770.5	1,870	2,335	24.8
Operating EBITDA	636	1,299	1,342	1,061	1,130	6.5	77.7	4,057	4,831	19.1
Other income	51	52	53	54	55	1.9	7.8	769	502	(34.8)
Interest expense	154	185	190	189	187	(1.0)	21.7	(700)	(751)	7.3
FX gain/loss and other extraordinary	(520)	730	0	(1,434)	500	nm	nm	0	(304)	nm
<b>Net profit</b>	<b>24</b>	<b>1,116</b>	<b>438</b>	<b>(1,089)</b>	<b>757</b>	<b>nm</b>	<b>nm</b>	<b>1,217</b>	<b>1,123</b>	<b>(7.8)</b>
<b>Core profit</b>	<b>(3)</b>	<b>386</b>	<b>438</b>	<b>345</b>	<b>257</b>	<b>(25.5)</b>	<b>nm</b>	<b>744</b>	<b>1,426</b>	<b>91.8</b>
<b>Key ratios (%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>	<b>(ppt)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>
Gross margin	19.9	20.5	14.0	13.9	15.2	1.3	(4.7)	18.0	15.6	(2.4)
Operating margin	0.8	11.0	7.4	4.9	6.4	1.4	5.5	7.8	7.2	(0.6)
EBITDA margin	9.6	19.9	14.1	12.1	15.0	2.9	5.4	16.9	14.9	(2.0)
Core profit margin	(2.1)	16.9	4.9	5.3	6.2	0.9	8.3	3.1	4.4	1.3
SG&A / Sales	18.3	10.8	8.3	10.5	10.5	(0.0)	(7.9)	(13.4)	(9.9)	3.5
<b>Operating statistics</b>						<b>(q-q %)</b>	<b>(y-y %)</b>			<b>(y-y %)</b>
No. of vessels	24	24	24	24	24	0.0	0.0	24	24	0.0
BSI Index (Supramax) - average	1,286	1,178	1,364	1,320	1,084	(17.9)	(15.7)	1,030	1,238	20.2
TTA's TC rate (USD/ship/day)	13,914	15,932	14,964	13,668	13,005	(4.8)	(6.5)	13,612	14,302	5.1
TTA's OPEX (USD/ship/day)	3,817	4,113	4,157	4,540	4,545	0.1	19.1	4,258	4,335	1.8

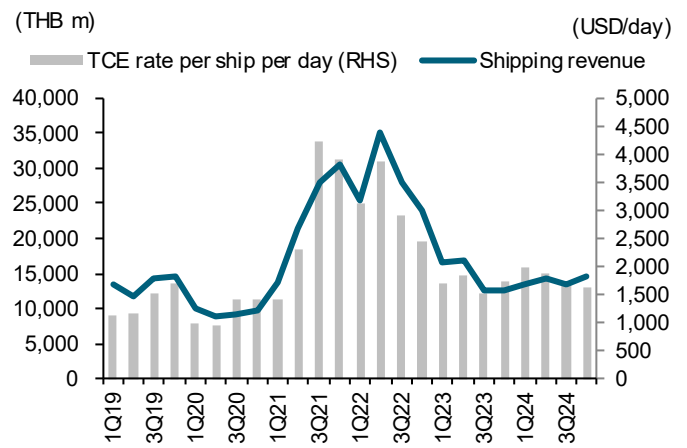
Sources: TTA, FSSIA estimates

## Exhibit 2: Ocean freight rate indices



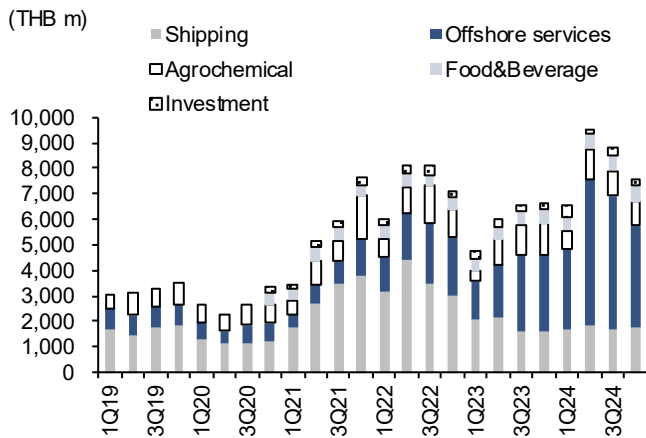
Sources: Bloomberg, FSSIA's compilation

## Exhibit 3: TTA's shipping revenue and freight rate



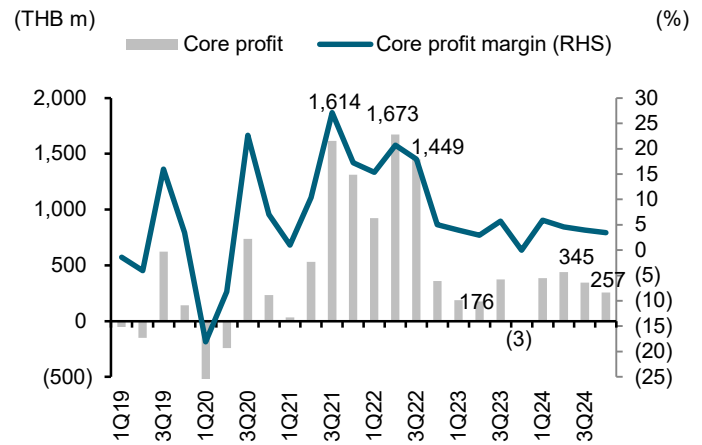
Sources: TTA, FSSIA estimates

Exhibit 4: Revenue structure



Sources: TTA, FSSIA estimates

Exhibit 5: Core profit and core profit margin



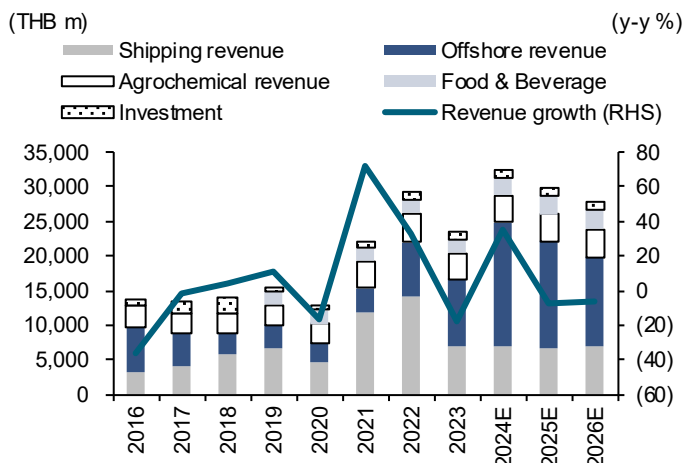
Sources: TTA, FSSIA estimates

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 (%)
TCE rate (USD/day)	14,302	13,794	14,125	14,205	13,921	14,199	0.7	(0.9)	(0.5)
Shipping	6,803	6,646	7,049	6,757	6,707	7,086	0.7	(0.9)	(0.5)
Offshore services	18,134	15,502	12,763	18,781	15,049	12,763	(3.4)	3.0	0.0
Agrochemical	3,839	3,916	3,994	3,839	3,916	3,994	0.0	0.0	0.0
Food & Beverage	2,437	2,632	2,895	2,416	2,609	2,870	0.9	0.9	0.9
Other investments	1,147	1,193	1,241	1,147	1,193	1,241	0.0	0.0	0.0
<b>Total revenue</b>	<b>32,360</b>	<b>29,889</b>	<b>27,942</b>	<b>32,941</b>	<b>29,475</b>	<b>27,954</b>	<b>(1.8)</b>	<b>1.4</b>	<b>(0.0)</b>
Cost of goods sold	(27,322)	(24,965)	(22,990)	(27,828)	(24,748)	(23,221)	(1.8)	0.9	(1.0)
Gross profit	5,038	4,924	4,952	5,113	4,727	4,734	(1.5)	4.2	4.6
SG&A	(3,205)	(3,168)	(3,241)	(3,162)	(3,124)	(3,187)	1.4	1.4	1.7
Interest expense	751	747	720	747	731	697	0.5	2.2	3.3
EBITDA	4,831	4,632	4,827	4,918	4,467	4,650	(1.8)	3.7	3.8
Core profit	1,426	1,332	1,325	1,496	1,350	1,327	(4.6)	(1.3)	(0.2)
<b>Key ratios</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>	<b>(ppt)</b>	<b>(ppt)</b>
Gross margin	15.6	16.5	17.7	15.5	16.0	16.9	0.0	0.4	0.8
SG&A to sales	9.905	10.6	11.60	9.6	10.6	11.4	0.3	0.0	0.2
EBITDA margin	14.9	15.5	17.3	14.9	15.2	16.6	(0.0)	0.3	0.6
Core profit margin	4.4	4.5	4.7	4.5	4.6	4.7	(0.1)	(0.1)	(0.0)

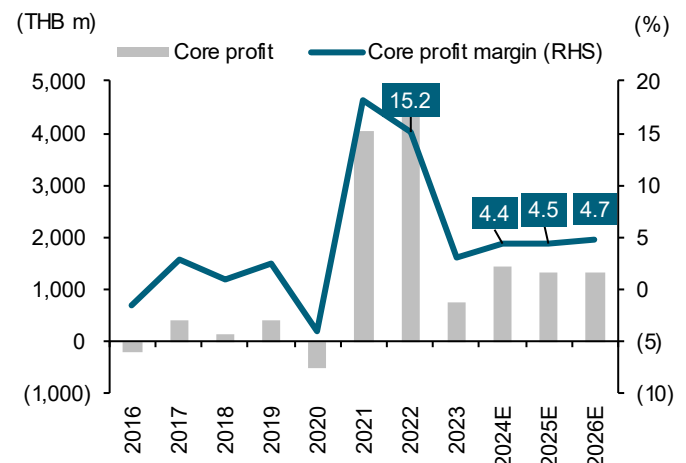
Sources: TTA, FSSIA estimates

Exhibit 7: Revenue structure



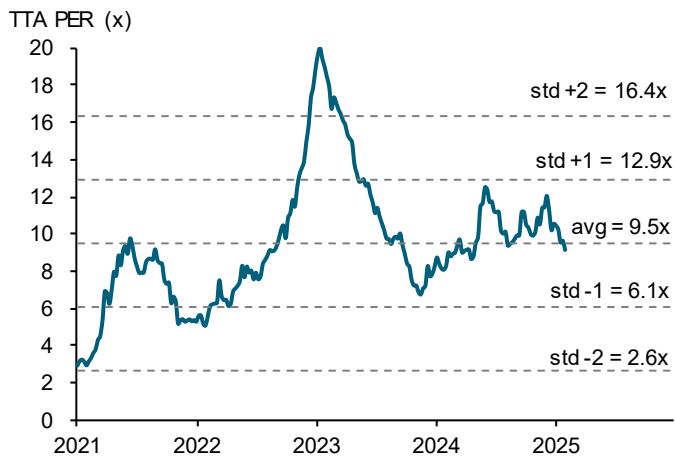
Sources: TTA, FSSIA estimates

Exhibit 8: Core profit and core profit margin



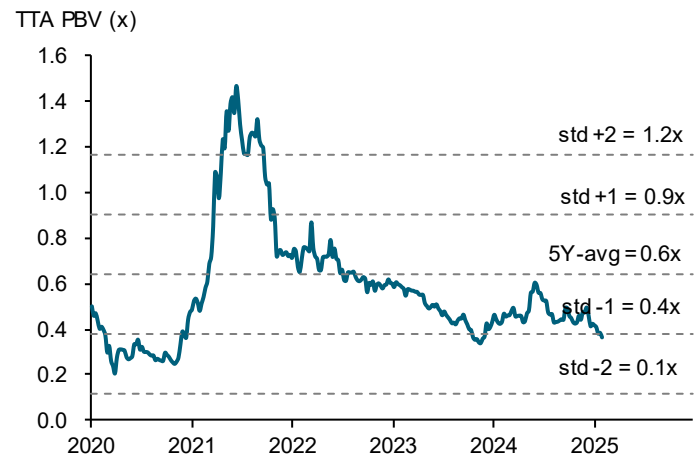
Sources: TTA, FSSIA estimates

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 4 February 2025

Company	BBG	Share price  Current  (LCY)	---- EPS growth ----		----- PE -----		----- PBV -----		---- EV/ EBITDA ----	
			24E	25E	24E	25E	24E	25E	24E	25E
			(%)	(%)	(x)	(x)	(x)	(x)	(x)	(x)
Thailand										
Thoresen Thai Agencies*	TTA TB	4.28	92	(7)	5.5	5.9	0.3	0.3	3.4	3.4
Precious Shipping*	PSL TB	5.95	78	(22)	7.9	10.1	0.5	0.5	4.5	4.9
Thailand average			85.0	(14.4)	6.7	8.0	0.4	0.4	4.0	4.1
Regional										
Cosco shipping Holding	601919 CH	14.27	103	(54)	4.6	10.0	1.0	1.0	1.9	3.7
Evergreen marine	2603 TT	202.50	426	(37)	3.2	5.1	0.9	0.9	1.8	2.6
Mitsui OSK Lines	9104 JP	5,271.00	40	(37)	5.4	8.6	0.7	0.7	13.1	11.6
Kawasaki Kisen Kaisha	9107 JP	1,945.00	136	(54)	5.5	12.1	0.8	0.8	9.9	9.9
Orient Oversea International	316 HK	102.40	80	(34)	3.6	5.4	0.7	0.7	1.1	1.5
Wan Hai Lines	2615 TT	73.20	(782)	(29)	5.6	7.9	0.9	0.8	2.1	2.3
Nanjing Tanker	601975 CH	3.18	31	3	7.3	7.1	1.4	1.2	4.0	4.0
Regional average			4.9	(34.6)	5.0	8.0	0.9	0.9	4.8	5.1
Global										
Hapag-Lloyd	HLAG GR	134.70	(21)	(68)	9.9	31.5	1.2	1.3	5.0	7.6
Maersk	MAERSKB DC	10,510.00	64	(77)	4.6	19.9	0.4	0.4	1.7	2.5
Star Bulk Carriers	SBLK US	15.17	80	(4)	5.7	5.9	0.7	0.7	5.1	4.8
Navios Maritime Partners	NMM US	42.37	(14)	14	3.9	3.4	0.4	0.4	4.3	4.0
D/S Norden	DNORD DC	198.10	(65)	12	5.7	5.1	0.7	0.7	2.9	2.6
Genco Shipping & Trading	GNK US	14.11	246	(13)	9.1	10.4	0.7	0.7	4.4	5.4
Diana Shipping	DSX US	1.80	(42)	200	9.1	3.0	n/a	n/a	5.4	4.0
Globus Maritime	GLBS US	1.39	n/a	n/a	n/a	n/a	0.2	0.2	0.5	0.3
Global average			35.3	9.1	6.9	11.3	0.6	0.6	3.7	3.9
Overall average			28.2	(13.0)	6.0	9.5	0.7	0.7	4.2	4.4

Sources: Bloomberg, \*FSSIA estimates

## Financial Statements

Thoresen Thai Agencies

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	29,320	23,975	32,360	29,889	27,942
Cost of goods sold	(21,887)	(19,663)	(27,322)	(24,965)	(22,990)
<b>Gross profit</b>	<b>7,433</b>	<b>4,313</b>	<b>5,038</b>	<b>4,924</b>	<b>4,952</b>
Other operating income	268	296	502	418	405
Operating costs	(4,076)	(3,211)	(3,205)	(3,168)	(3,241)
<b>Operating EBITDA</b>	<b>5,475</b>	<b>3,584</b>	<b>4,831</b>	<b>4,632</b>	<b>4,827</b>
Depreciation	(1,850)	(2,187)	(2,496)	(2,458)	(2,711)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>3,625</b>	<b>1,397</b>	<b>2,335</b>	<b>2,174</b>	<b>2,116</b>
Net financing costs	(511)	(700)	(751)	(747)	(720)
Associates	168	179	113	118	128
Recurring non-operating income	168	179	113	118	128
Non-recurring items	1,190	473	(608)	0	0
<b>Profit before tax</b>	<b>4,473</b>	<b>1,349</b>	<b>1,088</b>	<b>1,545</b>	<b>1,523</b>
Tax	(22)	(19)	(158)	(114)	(112)
<b>Profit after tax</b>	<b>4,451</b>	<b>1,330</b>	<b>930</b>	<b>1,431</b>	<b>1,411</b>
Minority interests	8	(113)	(111)	(99)	(86)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>4,459</b>	<b>1,217</b>	<b>1,123</b>	<b>1,332</b>	<b>1,325</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>(1,190)</b>	<b>(473)</b>	<b>304</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>3,269</b>	<b>744</b>	<b>1,426</b>	<b>1,332</b>	<b>1,325</b>
<b>Per share (THB)</b>					
Recurring EPS *	1.79	0.41	0.78	0.73	0.73
Reported EPS	2.45	0.67	0.45	0.73	0.73
DPS	0.22	0.08	0.07	0.09	0.09
Diluted shares (used to calculate per share data)	1,822	1,822	1,822	1,822	1,822
<b>Growth</b>					
Revenue (%)	32.5	(18.2)	35.0	(7.6)	(6.5)
Operating EBITDA (%)	3.1	(34.5)	34.8	(4.1)	4.2
Operating EBIT (%)	(4.1)	(61.5)	67.1	(6.9)	(2.7)
Recurring EPS (%)	(6.4)	(77.3)	91.8	(6.6)	(0.5)
Reported EPS (%)	21.7	(72.7)	(7.8)	18.6	(0.5)
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	25.4	18.0	15.6	16.5	17.7
Gross margin exc. depreciation (%)	31.7	27.1	23.3	24.7	27.4
Operating EBITDA margin (%)	18.7	14.9	14.9	15.5	17.3
Operating EBIT margin (%)	12.4	5.8	7.2	7.3	7.6
Net margin (%)	11.1	3.1	4.4	4.5	4.7
Effective tax rate (%)	0.5	1.4	14.6	7.4	7.3
Dividend payout on recurring profit (%)	12.3	19.6	9.4	12.0	12.0
Interest cover (X)	7.4	2.3	3.3	3.1	3.1
Inventory days	29.5	32.7	22.0	26.6	28.8
Debtor days	53.7	76.3	77.3	94.7	96.2
Creditor days	34.3	46.2	38.0	45.2	47.3
Operating ROIC (%)	18.7	6.9	9.4	8.2	7.6
ROIC (%)	13.4	5.1	6.5	5.8	5.6
ROE (%)	14.3	3.0	5.5	4.8	4.6
ROA (%)	9.4	3.7	4.8	4.3	4.2

\* Pre-exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2022	2023	2024E	2025E	2026E
Shipping revenue	14,017	7,370	6,803	6,646	7,049
Offshore service	7,906	9,629	18,134	15,502	12,763
Service & commission	986	957	1,240	1,084	1,138
Sales	6,412	6,020	6,183	6,657	6,992

Sources: Thoresen Thai Agencies; FSSIA estimates

## Financial Statements

### Thoresen Thai Agencies

Cash Flow (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Recurring net profit	3,269	744	1,426	1,332	1,325
Depreciation	1,850	2,187	2,496	2,458	2,711
Associates & minorities	(8)	113	111	99	86
Other non-cash items	3,093	3	2,182	(201)	(124)
Change in working capital	(744)	(480)	(2,994)	804	360
<b>Cash flow from operations</b>	<b>7,460</b>	<b>2,567</b>	<b>3,222</b>	<b>4,492</b>	<b>4,359</b>
Capex - maintenance	-	-	-	-	-
Capex - new investment	(3,413)	(3,027)	(4,158)	(3,500)	(4,500)
Net acquisitions & disposals	(581)	183	(100)	0	0
Other investments (net)	793	(315)	(1,343)	33	(64)
<b>Cash flow from investing</b>	<b>(3,201)</b>	<b>(3,160)</b>	<b>(5,601)</b>	<b>(3,467)</b>	<b>(4,564)</b>
Dividends paid	(417)	(410)	(135)	(160)	(159)
Equity finance	0	0	0	0	0
Debt finance	(2,589)	(314)	3,233	(533)	(871)
Other financing cash flows	(475)	(650)	1	2	3
<b>Cash flow from financing</b>	<b>(3,481)</b>	<b>(1,375)</b>	<b>3,100</b>	<b>(691)</b>	<b>(1,027)</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	605	0	0	0
<b>Net other adjustments</b>	<b>(621)</b>	<b>605</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Movement in cash</b>	<b>157</b>	<b>(1,363)</b>	<b>721</b>	<b>334</b>	<b>(1,233)</b>
Free cash flow to firm (FCFF)	4,769.80	107.44	(1,628.03)	1,771.16	514.60
Free cash flow to equity (FCFE)	573.61	(952.05)	855.25	493.35	(1,073.83)

#### Per share (THB)

FCFF per share	2.62	0.06	(0.89)	0.97	0.28
FCFE per share	0.31	(0.52)	0.47	0.27	(0.59)
Recurring cash flow per share	4.50	1.67	3.41	2.02	2.19

Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Tangible fixed assets (gross)	40,518	43,174	47,332	50,832	55,332
Less: Accumulated depreciation	(25,167)	(27,354)	(29,850)	(32,308)	(35,019)
<b>Tangible fixed assets (net)</b>	<b>15,351</b>	<b>15,820</b>	<b>17,481</b>	<b>18,524</b>	<b>20,312</b>
<b>Intangible fixed assets (net)</b>	<b>4,309</b>	<b>5,566</b>	<b>6,336</b>	<b>5,829</b>	<b>5,418</b>
Long-term financial assets	1,630	1,177	1,277	1,277	1,277
Invest. in associates & subsidiaries	2,888	2,627	2,627	2,627	2,627
Cash & equivalents	8,430	7,068	7,789	8,122	6,889
A/C receivable	4,288	5,733	7,979	7,534	7,196
Inventories	1,805	1,327	1,669	1,616	1,582
Other current assets	1,870	1,931	2,540	2,490	2,451
<b>Current assets</b>	<b>16,393</b>	<b>16,059</b>	<b>19,976</b>	<b>19,762</b>	<b>18,118</b>
Other assets	1,022	1,724	1,710	1,697	1,684
<b>Total assets</b>	<b>41,593</b>	<b>42,973</b>	<b>49,407</b>	<b>49,715</b>	<b>49,437</b>
Common equity	24,534	25,007	27,042	28,065	29,084
Minorities etc.	3,192	3,282	3,348	3,415	3,483
<b>Total shareholders' equity</b>	<b>27,726</b>	<b>28,290</b>	<b>30,390</b>	<b>31,480</b>	<b>32,567</b>
Long term debt	5,090	7,439	9,972	9,260	8,567
Other long-term liabilities	324	355	485	448	419
<b>Long-term liabilities</b>	<b>5,413</b>	<b>7,794</b>	<b>10,458</b>	<b>9,709</b>	<b>8,986</b>
A/C payable	2,311	2,409	3,144	3,010	2,771
Short term debt	4,523	2,365	3,096	3,191	2,908
Other current liabilities	1,618	2,114	2,320	2,326	2,205
<b>Current liabilities</b>	<b>8,453</b>	<b>6,889</b>	<b>8,560</b>	<b>8,526</b>	<b>7,884</b>
<b>Total liabilities and shareholders' equity</b>	<b>41,593</b>	<b>42,973</b>	<b>49,407</b>	<b>49,715</b>	<b>49,437</b>
Net working capital	4,033	4,467	6,723	6,304	6,253
Invested capital	29,233	31,381	36,155	36,258	37,572

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

#### Per share (THB)

Book value per share	13.46	13.72	14.84	15.40	15.96
Tangible book value per share	11.10	10.67	11.36	12.20	12.99

#### Financial strength

Net debt/equity (%)	4.3	9.7	17.4	13.8	14.1
Net debt/total assets (%)	2.8	6.4	10.7	8.7	9.3
Current ratio (x)	1.9	2.3	2.3	2.3	2.3
CF interest cover (x)	8.8	4.0	7.7	6.3	5.8

Valuation	2022	2023	2024E	2025E	2026E
<b>Recurring P/E (x) *</b>	<b>2.4</b>	<b>10.5</b>	<b>5.5</b>	<b>5.9</b>	<b>5.9</b>
<b>Recurring P/E @ target price (x) *</b>	<b>3.6</b>	<b>15.7</b>	<b>8.2</b>	<b>8.8</b>	<b>8.8</b>
Reported P/E (x)	1.7	6.4	9.5	5.9	5.9
Dividend yield (%)	5.2	1.9	1.7	2.0	2.0
Price/book (x)	0.3	0.3	0.3	0.3	0.3
Price/tangible book (x)	0.4	0.4	0.4	0.4	0.3
EV/EBITDA (x) **	2.2	3.9	3.4	3.4	3.3
EV/EBITDA @ target price (x) **	2.9	4.9	4.2	4.2	4.1
EV/invested capital (x)	0.4	0.4	0.5	0.4	0.4

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

Sources: Thoresen Thai Agencies; FSSIA estimates



# Thoresen Thai Agencies (TTA TB)

## FSSIA ESG rating


**65.35 /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.
★★★★★	<b>&gt;59-79</b>	<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 13: ESG – peer comparison

	FSSIA 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
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's compilation

### Exhibit 14: ESG score by Bloomberg

FY ending Dec 31	FY 2019	FY 2020	FY 2021	FY 2022
<b>ESG financial materiality scores - ESG score</b>	<b>—</b>	<b>—</b>	<b>4.82</b>	<b>3.31</b>
BESG environmental pillar score	—	—	4.86	2.13
BESG social pillar score	—	—	7.33	6.02
BESG governance pillar score	—	—	3.34	3.29
<b>ESG disclosure score</b>	<b>40.92</b>	<b>46.13</b>	<b>53.95</b>	<b>56.20</b>
Environmental disclosure score	16.79	26.31	34.25	37.24
Social disclosure score	24.73	30.86	46.40	50.18
Governance disclosure score	81.10	81.10	81.10	81.10
<b>Environmental</b>				
Emissions reduction initiatives	Yes	Yes	Yes	Yes
Climate change policy	Yes	Yes	Yes	Yes
Climate change opportunities discussed	No	No	No	No
Risks of climate change discussed	No	Yes	Yes	Yes
GHG scope 1	—	—	24	35
GHG scope 2 location-based	—	—	1	0
GHG Scope 3	—	—	0	—
Carbon per unit of production	—	—	—	—
Biodiversity policy	No	No	No	No
Energy efficiency policy	Yes	Yes	Yes	Yes
Total energy consumption	—	—	1	1
Renewable energy use	—	—	—	—
Electricity used	—	1	1	1
Fuel used - natural gas	—	—	—	—

Sources: Bloomberg; FSSIA's compilation



**Exhibit 15: ESG score by Bloomberg (cont.)**

<b>FY ending Dec 31</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>
Fuel used - crude oil/diesel	No	No	No	No
Waste reduction policy	Yes	Yes	Yes	Yes
Hazardous waste	—	—	—	—
Total waste	—	—	0	0
Waste recycled	—	—	—	—
Waste sent to landfills	—	—	—	—
Environmental supply chain management	Yes	Yes	Yes	Yes
Water policy	Yes	Yes	Yes	Yes
Water consumption	—	—	—	224
<b>Social</b>				
Human rights policy	Yes	Yes	Yes	Yes
Policy against child labor	No	No	Yes	Yes
Quality assurance and recall policy	Yes	Yes	Yes	Yes
Consumer data protection policy	No	No	No	No
Equal opportunity policy	No	Yes	Yes	Yes
Gender pay gap breakout	No	No	No	No
Pct women in workforce	35	64	64	67
Pct disabled in workforce	0	0	0	0
Business ethics policy	Yes	Yes	Yes	Yes
Anti-bribery ethics policy	Yes	Yes	Yes	Yes
Health and safety policy	Yes	Yes	Yes	Yes
Lost time incident rate - employees	—	—	0	0
Total recordable incident rate - employees	—	—	0	0
Training policy	Yes	Yes	Yes	Yes
Fair remuneration policy	No	No	No	No
Number of employees – CSR	104	81	76	85
Employee turnover pct	54	30	24	5
Total hours spent by firm - employee training	501	296	310	629
Social supply chain management	Yes	Yes	Yes	Yes
<b>Governance</b>				
<b>Board size</b>	<b>11</b>	<b>11</b>	<b>10</b>	<b>11</b>
<b>No. of independent directors (ID)</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>
No. of women on board	1	1	1	1
No. of non-executive directors on board	6	7	8	8
Company conducts board evaluations	Yes	Yes	Yes	Yes
No. of board meetings for the year	8	10	8	8
Board meeting attendance pct	94	90	94	97
Board duration (years)	3	3	3	3
Director share ownership guidelines	No	No	No	No
Age of the youngest director	39	40	41	42
Age of the oldest director	79	80	81	82
<b>No. of executives / company managers</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>
No. of female executives	0	1	1	1
Executive share ownership guidelines	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	7	7	6	7
Audit meeting attendance %	100	95	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	2	2	2	2
No. of compensation committee meetings	2	2	3	2
Compensation meeting attendance %	83	67	67	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	3	2
Nomination meeting attendance %	83	67	67	100
<b>Sustainability governance</b>				
Verification type	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 <a href="#">SETESG inclusion</a> , 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. <a href="#">SETESG Index</a> 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><b>Leader:</b></td><td>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><td></td><td></td></tr><tr><td><b>A</b></td><td>5.714-7.142</td><td></td><td></td></tr><tr><td><b>BBB</b></td><td>4.286-5.713</td><td><b>Average:</b></td><td>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><td></td><td></td></tr><tr><td><b>B</b></td><td>1.429-2.856</td><td></td><td></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	
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<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

Jitra Amornthum FSS International Investment Advisory Securities Co., Ltd

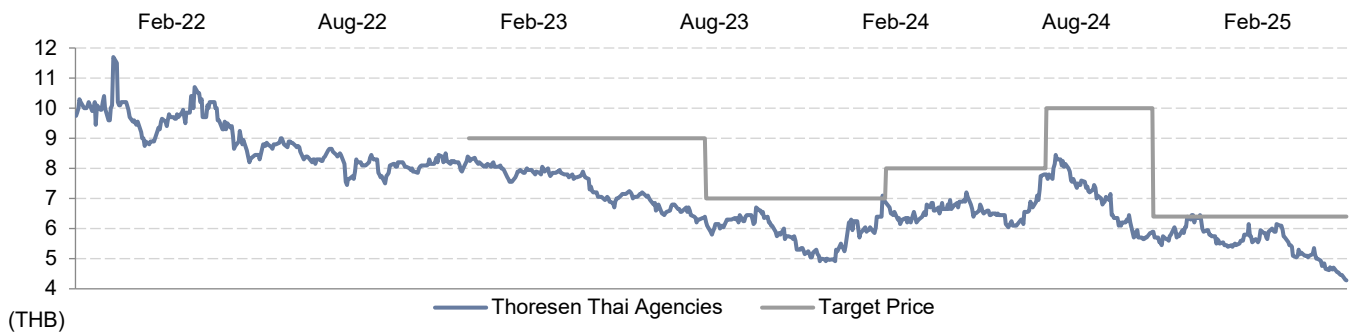
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### History of change in investment rating and/or target price

#### Thoresen Thai Agencies (TTA TB)



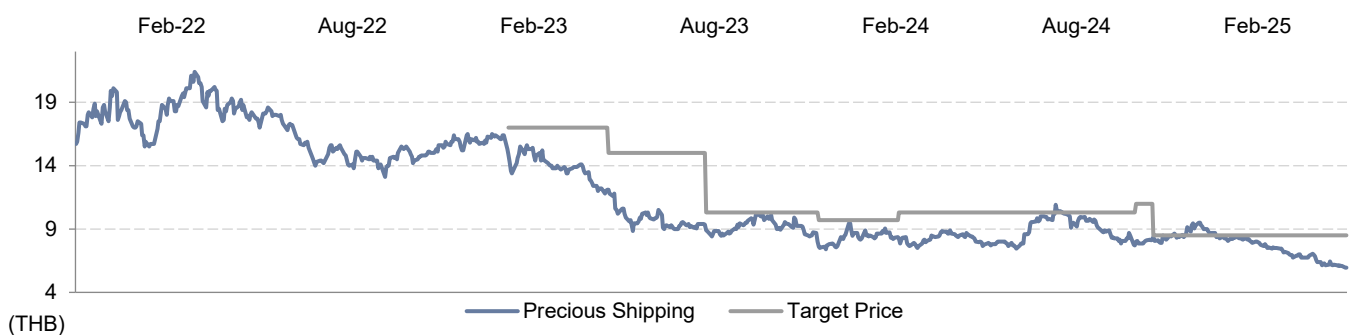
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
10-Jan-2023	HOLD	9.00	02-Aug-2023	HOLD	7.00	21-May-2024	BUY	10.00
10-May-2023	BUY	9.00	04-Jan-2024	BUY	8.00	21-Aug-2024	HOLD	6.40

Jitra Amornthum started covering this stock from 10-Jan-2023

Price and TP are in local currency

Source: FSSIA estimates

#### 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	04-Feb-2025	HOLD	7.00
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

Company	Ticker	Price	Rating	Valuation & Risks
Thoresen Thai Agencies	TTA TB	THB 4.28	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.
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.

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 04-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.