

# SCGJWD LOGISTICS

THAILAND / TRANSPORT & LOGISTICS

## SJWD TB

# BUY

UNCHANGED

## Temporarily soft 4Q24E profit

- Expect 4Q24 revenue to improve further, but profit to decline by 12% q-q and 16% y-y due to higher SG&A and interest expenses.
- 2025 performance should show an improvement in performance. We maintain our projection.
- Maintain BUY rating. Valuation is too cheap.

TARGET PRICE	THB19.50
CLOSE	THB7.25
UP/DOWNSIDE	+169.0%
PRIOR TP	THB19.50
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+14.7%

## KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	23,732	24,493	27,853	30,173
Net profit	761	820	1,128	1,392
EPS (THB)	0.42	0.45	0.62	0.77
vs Consensus (%)	-	(15.9)	(0.8)	2.3
EBITDA	2,847	2,851	3,327	3,627
Recurring net profit	778	820	1,128	1,392
Core EPS (THB)	0.43	0.45	0.62	0.77
Chg. In EPS est. (%)	-	0.0	0.0	0.0
EPS growth (%)	(18.1)	5.4	37.6	23.4
Core P/E (x)	16.9	16.0	11.6	9.4
Dividend yield (%)	3.4	2.5	3.4	4.2
EV/EBITDA (x)	7.4	8.4	7.0	6.3
Price/book (x)	0.6	0.6	0.6	0.6
Net debt/Equity (%)	29.9	41.9	37.5	35.7
ROE (%)	6.1	3.7	5.0	6.1

## Expect 4Q24 revenue to improve further

SJWD's overall performance in 4Q24 should continue to show a gradual recovery. The key businesses with q-q revenue growth due to seasonal factors should include automotive (due to benefits from the Motor Expo), cold storage, general warehouse, and international logistics services (full revenue recognition from Vietnam starting June 2024). Meanwhile, businesses experiencing q-q revenue decline due to seasonal factors would be dangerous goods warehouse and transportation services. As a result, we expect the total revenue to be THB6.3b, +1.4% q-q, -0.4% y-y.

## Seasonally high expenses in last quarter should pressure profit

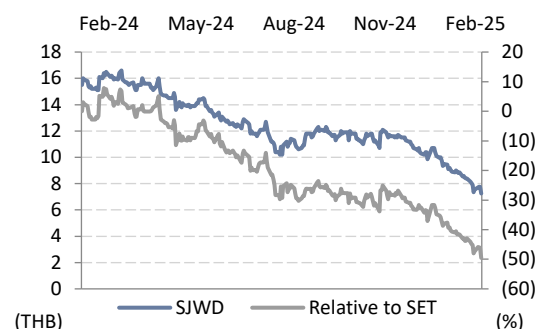
However, we expect net profit to decline by 11.9% q-q and 15.8% y-y to THB226m. While we expect the gross margin to improve from 3Q24, higher SG&A expenses due to seasonal factors and increased interest expenses could offset it. Additionally, profit contribution from associates, which was exceptionally high at THB128m in 3Q24, is conservatively estimated at THB114m in 4Q24 (-11.0% q-q). As a result, we expect the net profit to decline both q-q and y-y.

## Maintain our projection for 2024-26

2024 was a challenging year for the logistics sector. We expect total revenue to grow by only 3.2% y-y, while net profit is projected to decline by 11.2% y-y, mainly due to higher SG&A expenses as well as increased interest costs. However, we believe 2025 performance will improve, supported by an economic recovery and the company's internal efficiency measures, which have been largely implemented and should yield results this year.

## Maintain our BUY rating, value is too undemanding

SJWD's share price dropped to the same level as its pre-COVID-19 period in 2018-19, when the company generated an annual profit of THB200m-300m and traded at an average P/E of 30x and EV/EBITDA of 13-14x. Currently, despite the company's profit reaching around THB820m, its P/E has been de-rated, leaving the 2024E P/E at just 16x and 2024E EV/EBITDA at only 8.4x, and 44% below its 3Q24 book value. Additionally, the company holds cash equivalent to 15% of its current market cap. We believe the current share price is too undemanding and reiterate our BUY recommendation with a TP of THB19.50 (DCF, 9.4% WACC, 3% LTG), implying a 2025E EV/EBITDA of only 15x.



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(23.3)	(39.1)	(52.6)
Relative to country (%)	(19.1)	(31.1)	(48.6)
Mkt cap (USD m)	388		
3m avg. daily turnover (USD m)	0.6		
Free float (%)	46		
Major shareholder	SCG Group (43%)		
12m high/low (THB)	16.70/7.20		
Issued shares (m)	1,811.02		

Sources: Bloomberg consensus; FSSIA estimates



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## Investment thesis

2024 was a challenging year for the logistics sector. We expect total revenue to grow by only 3.2% y-y, while net profit is projected to decline by 11.2% y-y, mainly due to higher SG&A expenses as well as increased interest costs. However, we believe 2025 performance will improve, supported by an economic recovery and the company's internal efficiency measures, which have been largely implemented and should yield results this year.

Despite the company's profit reaching around THB820m, its P/E has been de-rated, leaving the 2024E P/E at just 16x and 2024E EV/EBITDA at only 8.4x, and 44% below its 3Q24 book value. Additionally, the company holds cash equivalent to 15% of its current market cap. We believe the current share price is too undemanding.

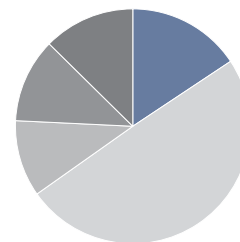
## Company profile

SJWD commenced its logistics business in 1979 and is now one of ASEAN's top specialised logistics and supply chain solutions provider. A win-win merger with SCG Logistics Management Co., Ltd. (SCGL), the logistics arm of Siam Cement Group (SCG), makes SJWD the largest integrated service provider in ASEAN-9 including Southern China.

[www.jwd-group.com](http://www.jwd-group.com)

## Principal activities (revenue, 2023)

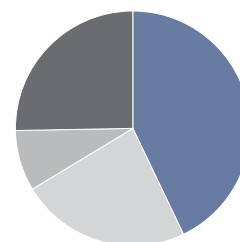
- Warehouse & yard management - 15.7 %
- Transportation & Distribution - 49.5 %
- Other logistics business - 10.6 %
- Overseas - 11.6 %
- Other business - 12.6 %



Source: SCGJWD Logistics

## Major shareholders

- SCG Group - 42.9 %
- Bunditkitsada family - 23.4 %
- Nimitpanya family - 8.4 %
- Others - 25.3 %



Source: SCGJWD Logistics

## Catalysts

Potential catalysts for SJWD include 1) a fast recovery in freight rates; 2) a strong recovery in Thailand's and the region's exports; and 3) booming EV demand in Thailand.

## Risks to our call

Downside risks to our DCF-based TP include 1) slower-than-expected regional economic growth; 2) high volatility in energy costs; 3) delayed synergies; and 4) higher cost of funds.

## Event calendar

Date	Event
February 2025	4Q24 earnings announcement

## Key assumptions

	2024E (%)	2025E (%)	2026E (%)
Revenue growth breakdown			
Warehouse & yard management	5.0	12.1	8.5
- General goods	6.3	8.4	7.4
- Dangerous goods	3.5	4.0	4.0
- Automotive yard	0.0	15.0	7.0
- Cold chain	10.0	17.0	13.0
Transportation & distribution	8.3	11.4	8.8
Blended gross margin	13.4	13.8	13.9
SG&A to sales	8.8	8.5	8.2

Source: FSSIA estimates

## Earnings sensitivity

- For every 0.5% change in the gross margin of transportation, the largest revenue contributor, we project SJWD's 2024 net profit to change by 5%, all else being equal.
- For every 0.5% change in blended gross margin, we project SJWD's 2024 net profit to change by 5%, all else being equal.
- For every 1% change in the cost of funds, we project SJWD's 2024 net profit to change by 6%, all else being equal.

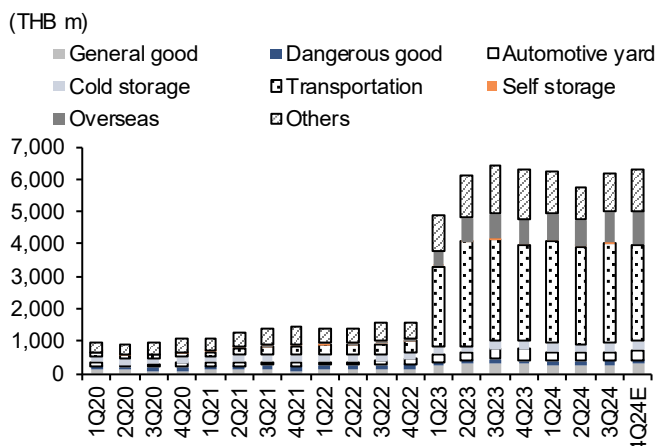
Source: FSSIA estimates

## Exhibit 1: SJWD - 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	6,300	6,252	5,777	6,189	6,274	1.4	(0.4)	23,732	24,493	3.2
Cost of sales	(5,376)	(5,453)	(5,004)	(5,392)	(5,386)	(0.1)	0.2	(20,559)	(21,235)	3.3
Gross profit	924	799	773	797	889	11.4	(3.9)	3,173	3,258	2.7
Operating costs	(581)	(509)	(595)	(544)	(572)	5.2	(1.6)	(2,149)	(2,220)	3.3
Operating profit	343	290	178	254	317	24.9	(7.7)	1,254	1,241	(1.0)
Operating EBITDA	1,057	726	628	699	372	(46.8)	(64.8)	2,847	2,851	0.1
Other income	87	32	60	55	55	(0.3)	(36.1)	230	203	(11.6)
Interest expense	(134)	(146)	(162)	(170)	(183)	7.7	36.6	(471)	(661)	40.5
Profit before tax	295	176	76	139	189	35.9	(36.1)	580	(134)	(123.2)
Associates	43	41	102	128	114	(11.0)	165.3	385	341	(11.3)
<b>Reported net profit</b>	<b>261</b>	<b>164</b>	<b>515</b>	<b>255</b>	<b>226</b>	<b>(11.4)</b>	<b>(13.5)</b>	<b>761</b>	<b>820</b>	<b>7.7</b>
<b>Core profit</b>	<b>268</b>	<b>160</b>	<b>178</b>	<b>256</b>	<b>226</b>	<b>(11.9)</b>	<b>(15.8)</b>	<b>924</b>	<b>820</b>	<b>(11.2)</b>
Reported EPS (THB)	0.14	0.09	0.28	0.14	0.12	(11.4)	(13.5)	0.44	0.45	2.1
Recurring EPS (THB)	0.15	0.09	0.10	0.14	0.12	(11.9)	(15.8)	0.51	0.45	(11.2)
<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	14.7	12.8	13.4	12.9	14.2	1.3	(0.5)	13.4	13.3	(0.1)
Operating margin	6.8	5.2	4.1	5.0	5.9	0.9	(0.9)	5.3	5.1	(0.2)
EBITDA margin	16.8	11.6	10.9	11.3	5.9	(5.4)	(10.9)	12.0	11.6	(0.4)
Recurring net margin	4.3	2.6	3.1	4.1	3.6	(0.5)	(0.7)	3.9	3.3	(0.5)
SG&A / Sales	9.2	8.1	10.3	8.8	9.1	0.3	(0.1)	9.1	9.1	0.0
<b>Revenue breakdown</b>	<b>(THB m)</b>	<b>(THB m)</b>	<b>(THB m)</b>	<b>(THB m)</b>	<b>(THB m)</b>	<b>(q-q %)</b>	<b>(y-y %)</b>	<b>(THB m)</b>	<b>(THB m)</b>	<b>(y-y %)</b>
Warehouse & yard management	1,033	925	893	943	990	5.0	(4.2)	2,687	2,760	2.7
Transportation & distribution	2,955	3,170	3,013	3,083	2,994	(2.9)	1.3	8,801	9,266	5.3
Other logistics	663	558	554	694	704	1.5	6.2	1,841	1,805	(1.9)
Overseas	751	807	810	944	1,038	10.0	38.3	2,008	2,561	27.5
Other business	898	793	509	526	526	0.0	(41.4)	2,096	1,827	(12.8)
<b>Gross margin by business</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>	<b>(ppt)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>
Warehouse & yard management	34.6	31.5	31.4	30.7	33.8	3.1	(0.8)	32.5	31.2	(1.3)
Transportation & distribution	6.5	8.5	8.1	7.5	7.5	0.0	1.0	7.8	8.1	0.3
Other logistics	21.8	18.8	22.5	19.8	19.9	0.0	(1.9)	21.4	21.3	(0.1)
Overseas	10.5	13.1	11.5	12.8	11.8	(1.0)	1.3	7.4	12.0	4.6
Other business	6.3	1.9	(2.0)	(1.4)	(1.3)	0.1	(7.7)	5.3	(0.1)	(5.5)

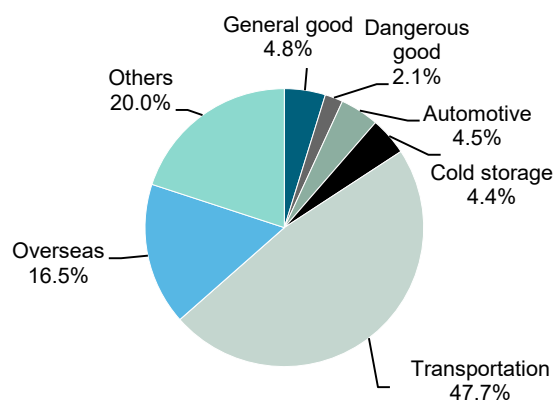
Sources: SJWD, FSSIA estimates

## Exhibit 2: Revenue structure



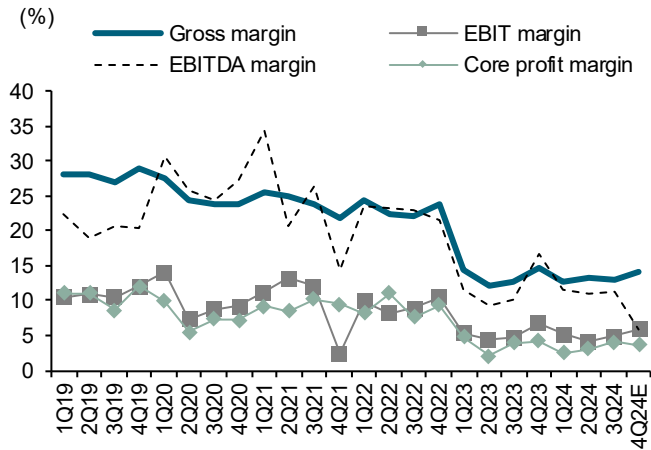
Sources: SJWD, FSSIA estimates

## Exhibit 3: Revenue contribution in 4Q24E



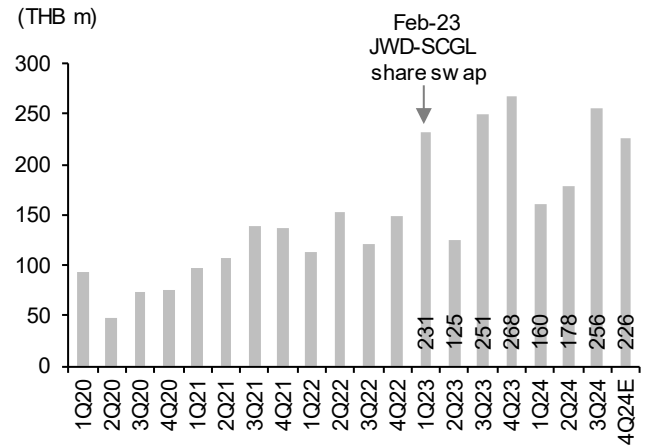
Sources: SJWD, FSSIA estimates

Exhibit 4: Margins



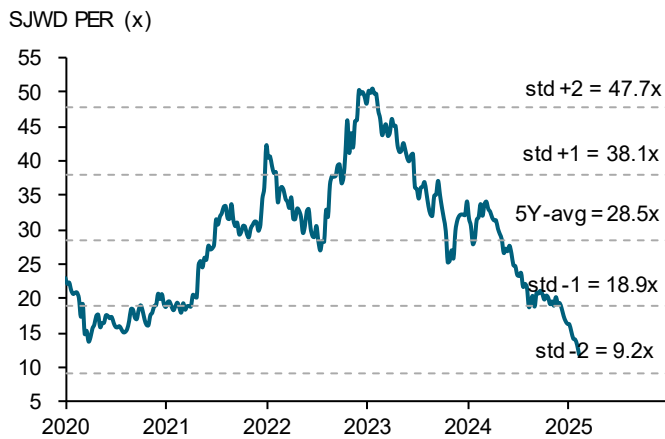
Sources: SJWD, FSSIA estimates

Exhibit 5: Core profit



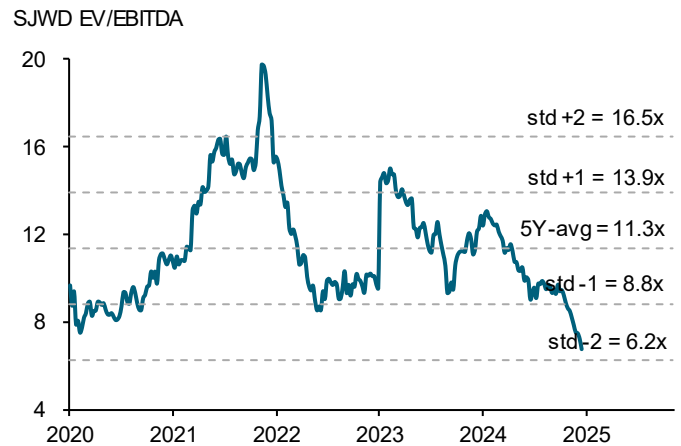
Sources: SJWD, FSSIA estimates

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



Sources: Bloomberg, FSSIA estimates

Exhibit 7: One-year rolling forward EV/EBITDA band



Sources: Bloomberg, FSSIA estimates

## Financial Statements

### SCGJWD Logistics

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	5,902	23,732	24,493	27,853	30,173
Cost of goods sold	(4,538)	(20,559)	(21,235)	(24,023)	(25,968)
<b>Gross profit</b>	<b>1,364</b>	<b>3,173</b>	<b>3,258</b>	<b>3,830</b>	<b>4,205</b>
Other operating income	86	230	203	209	222
Operating costs	(894)	(2,149)	(2,220)	(2,354)	(2,474)
<b>Operating EBITDA</b>	<b>1,354</b>	<b>2,847</b>	<b>2,851</b>	<b>3,327</b>	<b>3,627</b>
Depreciation	(798)	(1,593)	(1,609)	(1,641)	(1,674)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>556</b>	<b>1,254</b>	<b>1,241</b>	<b>1,686</b>	<b>1,952</b>
Net financing costs	(291)	(471)	(661)	(620)	(593)
Associates	332	212	385	341	373
Recurring non-operating income	332	212	385	341	373
Non-recurring items	(31)	(17)	0	0	0
<b>Profit before tax</b>	<b>567</b>	<b>977</b>	<b>965</b>	<b>1,407</b>	<b>1,733</b>
Tax	(49)	(150)	(103)	(213)	(272)
<b>Profit after tax</b>	<b>518</b>	<b>827</b>	<b>861</b>	<b>1,194</b>	<b>1,461</b>
Minority interests	(14)	(66)	(41)	(66)	(69)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>504</b>	<b>761</b>	<b>820</b>	<b>1,128</b>	<b>1,392</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>31</b>	<b>17</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>535</b>	<b>778</b>	<b>820</b>	<b>1,128</b>	<b>1,392</b>
<b>Per share (THB)</b>					
Recurring EPS *	0.52	0.43	0.45	0.62	0.77
Reported EPS	0.49	0.42	0.45	0.62	0.77
DPS	0.78	0.25	0.18	0.25	0.31
Diluted shares (used to calculate per share data)	1,020	1,811	1,811	1,811	1,811
<b>Growth</b>					
Revenue (%)	15.7	302.1	3.2	13.7	8.3
Operating EBITDA (%)	14.1	110.2	0.1	16.7	9.0
Operating EBIT (%)	15.7	125.3	(1.0)	35.8	15.8
Recurring EPS (%)	17.8	(18.1)	5.4	37.6	23.4
Reported EPS (%)	(11.8)	(15.0)	7.7	37.6	23.4
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	23.1	13.4	13.3	13.8	13.9
Gross margin exc. depreciation (%)	36.6	20.1	19.9	19.6	19.5
Operating EBITDA margin (%)	22.9	12.0	11.6	11.9	12.0
Operating EBIT margin (%)	9.4	5.3	5.1	6.1	6.5
Net margin (%)	9.1	3.3	3.3	4.1	4.6
Effective tax rate (%)	8.6	15.4	10.7	15.2	15.7
Dividend payout on recurring profit (%)	148.7	58.2	40.0	40.0	40.0
Interest cover (X)	3.1	3.1	2.5	3.3	3.9
Inventory days	14.2	2.9	2.9	3.0	3.1
Debtor days	67.7	37.7	50.5	39.8	36.5
Creditor days	125.2	46.0	54.1	43.8	39.6
Operating ROIC (%)	10.1	15.2	11.4	15.2	17.2
ROIC (%)	7.2	5.4	3.7	4.5	5.3
ROE (%)	15.6	6.1	3.7	5.0	6.1
ROA (%)	6.1	4.7	3.4	4.1	4.8

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

Revenue by Division (THB m)	2022	2023	2024E	2025E	2026E
Warehouse & yard management	2,519	3,720	3,756	4,359	4,729
Transportation & Distribution	1,276	11,756	12,276	14,192	15,437
Other logistics business	653	2,505	2,509	2,415	2,568
Overseas	247	2,758	3,599	3,428	3,737

Sources: SCGJWD Logistics; FSSIA estimates

## Financial Statements

### SCGJWD Logistics

Cash Flow (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Recurring net profit	535	778	820	1,128	1,392
Depreciation	798	1,593	1,609	1,641	1,674
Associates & minorities	(332)	(212)	(385)	(341)	(373)
Other non-cash items	(14)	358	0	43	(3)
Change in working capital	76	243	(28)	699	(349)
<b>Cash flow from operations</b>	<b>1,064</b>	<b>2,762</b>	<b>2,017</b>	<b>3,171</b>	<b>2,342</b>
Capex - maintenance	-	-	-	-	-
Capex - new investment	(1,041)	(855)	(100)	(557)	(72)
Net acquisitions & disposals	-	-	260	-	-
Other investments (net)	(186)	(485)	(4,188)	(1,038)	(839)
<b>Cash flow from investing</b>	<b>(1,227)</b>	<b>(1,339)</b>	<b>(4,029)</b>	<b>(1,595)</b>	<b>(912)</b>
Dividends paid	(262)	(802)	(328)	(451)	(557)
Equity finance	105	(56)	0	0	0
Debt finance	(42)	887	2,340	(929)	(1,247)
Other financing cash flows	(197)	(894)	0	0	0
<b>Cash flow from financing</b>	<b>(397)</b>	<b>(865)</b>	<b>2,012</b>	<b>(1,380)</b>	<b>(1,804)</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	63	10	0	0	0
<b>Net other adjustments</b>	<b>63</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Movement in cash</b>	<b>(498)</b>	<b>568</b>	<b>0</b>	<b>196</b>	<b>(374)</b>
Free cash flow to firm (FCFF)	127.18	1,893.50	(1,350.37)	2,195.36	2,022.88
Free cash flow to equity (FCFE)	(340.16)	1,425.73	328.52	647.00	183.31

#### Per share (THB)

FCFF per share	0.07	1.05	(0.75)	1.21	1.12
FCFE per share	(0.19)	0.79	0.18	0.36	0.10
Recurring cash flow per share	0.97	1.39	1.13	1.36	1.49

Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Tangible fixed assets (gross)	7,235	11,511	13,345	15,097	16,851
Less: Accumulated depreciation	(2,307)	(3,328)	(4,938)	(6,579)	(8,253)
<b>Tangible fixed assets (net)</b>	<b>4,928</b>	<b>8,183</b>	<b>8,408</b>	<b>8,518</b>	<b>8,598</b>
<b>Intangible fixed assets (net)</b>	<b>1,795</b>	<b>19,103</b>	<b>19,077</b>	<b>17,910</b>	<b>17,458</b>
Long-term financial assets	0	1,127	391	379	375
Invest. in associates & subsidiaries	2,830	3,702	7,220	7,292	7,292
Cash & equivalents	924	1,492	1,492	1,688	1,314
A/C receivable	1,138	3,764	3,020	3,052	2,976
Inventories	165	134	175	197	213
Other current assets	307	594	663	717	759
<b>Current assets</b>	<b>2,533</b>	<b>5,984</b>	<b>5,349</b>	<b>5,655</b>	<b>5,263</b>
Other assets	955	1,100	1,025	1,011	937
<b>Total assets</b>	<b>13,041</b>	<b>39,198</b>	<b>41,470</b>	<b>40,764</b>	<b>39,922</b>
Common equity	3,117	22,330	22,527	22,804	23,140
Minorities etc.	317	975	1,054	1,085	1,118
<b>Total shareholders' equity</b>	<b>3,434</b>	<b>23,305</b>	<b>23,581</b>	<b>23,889</b>	<b>24,257</b>
Long term debt	3,759	7,586	9,265	8,578	7,955
Other long-term liabilities	1,453	3,506	2,908	2,795	2,291
<b>Long-term liabilities</b>	<b>5,213</b>	<b>11,092</b>	<b>12,173</b>	<b>11,373</b>	<b>10,246</b>
A/C payable	1,697	3,083	2,734	2,633	2,632
Short term debt	2,268	884	2,106	2,072	2,014
Other current liabilities	429	834	875	797	773
<b>Current liabilities</b>	<b>4,394</b>	<b>4,801</b>	<b>5,715</b>	<b>5,501</b>	<b>5,419</b>
<b>Total liabilities and shareholders' equity</b>	<b>13,041</b>	<b>39,198</b>	<b>41,470</b>	<b>40,764</b>	<b>39,922</b>
Net working capital	(518)	575	248	537	543
Invested capital	9,990	33,790	36,368	35,646	35,203

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

#### Per share (THB)

Book value per share	3.06	12.33	12.44	12.59	12.78
Tangible book value per share	1.30	1.78	1.91	2.70	3.14

#### Financial strength

Net debt/equity (%)	148.6	29.9	41.9	37.5	35.7
Net debt/total assets (%)	39.1	17.8	23.8	22.0	21.7
Current ratio (x)	0.6	1.2	0.9	1.0	1.0
CF interest cover (x)	3.4	5.8	1.6	2.9	1.4

Valuation	2022	2023	2024E	2025E	2026E
<b>Recurring P/E (x) *</b>	<b>13.8</b>	<b>16.9</b>	<b>16.0</b>	<b>11.6</b>	<b>9.4</b>
<b>Recurring P/E @ target price (x) *</b>	<b>37.2</b>	<b>45.4</b>	<b>43.1</b>	<b>31.3</b>	<b>25.4</b>
Reported P/E (x)	14.7	17.2	16.0	11.6	9.4
Dividend yield (%)	10.8	3.4	2.5	3.4	4.2
Price/book (x)	2.4	0.6	0.6	0.6	0.6
Price/tangible book (x)	5.6	4.1	3.8	2.7	2.3
EV/EBITDA (x) **	9.5	7.4	8.4	7.0	6.3
EV/EBITDA @ target price (x) **	18.7	15.2	16.2	13.6	12.4
EV/invested capital (x)	1.3	0.6	0.7	0.7	0.7

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

Sources: SCGJWD Logistics; FSSIA estimates

# SCGJWD Logistics PCL (SJWD TB)

## FSSIA ESG rating



**42.41 /100**

### Exhibit 8: 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	<b>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.</b>
★★	>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 9: 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's compilation

### Exhibit 10: 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>3.52</b>	<b>3.44</b>
BESG environmental pillar score	—	—	1.04	1.04
BESG social pillar score	—	—	6.18	5.76
BESG governance pillar score	—	—	5.52	5.64
<b>ESG disclosure score</b>	<b>33.18</b>	<b>33.81</b>	<b>41.46</b>	<b>41.46</b>
Environmental disclosure score	1.33	1.66	8.64	8.64
Social disclosure score	16.93	18.50	34.52	34.52
Governance disclosure score	81.10	81.10	81.10	81.10
<b>Environmental</b>				
Emissions reduction initiatives	No	No	Yes	Yes
Climate change policy	No	No	No	No
Climate change opportunities discussed	No	No	No	No
Risks of climate change discussed	No	Yes	Yes	Yes
GHG scope 1	—	—	9	10
GHG scope 2 location-based	—	—	9	8
GHG Scope 3	—	—	—	—
Carbon per unit of production	—	—	—	—
Biodiversity policy	No	No	No	No
Energy efficiency policy	No	No	Yes	Yes
Total energy consumption	—	—	—	—
Renewable energy use	—	—	—	—
Electricity used	—	—	—	—
Fuel used - natural gas	—	—	—	—

Sources: Bloomberg; FSSIA's compilation



**Exhibit 11: 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	—	—	—	—
Waste recycled	—	—	—	—
Waste sent to landfills	—	—	—	—
Environmental supply chain management	No	No	No	No
Water policy	Yes	Yes	Yes	Yes
Water consumption	—	—	—	—
<b>Social</b>				
Human rights policy	Yes	Yes	Yes	Yes
Policy against child labor	Yes	Yes	Yes	Yes
Quality assurance and recall policy	Yes	Yes	Yes	Yes
Consumer data protection policy	Yes	Yes	Yes	Yes
Equal opportunity policy	Yes	Yes	Yes	Yes
Gender pay gap breakout	No	No	No	No
Pct women in workforce	—	30	25	25
Pct disabled in workforce	—	—	—	—
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	—	—	—	—
Training policy	Yes	Yes	Yes	Yes
Fair remuneration policy	Yes	Yes	Yes	Yes
Number of employees – CSR	1,701	1,778	2,215	2,250
Employee turnover pct	—	—	—	—
Total hours spent by firm - employee training	—	—	30,877	34,133
Social supply chain management	No	No	No	No
<b>Governance</b>				
<b>Board size</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>12</b>
<b>No. of independent directors (ID)</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>5</b>
No. of women on board	2	2	2	3
No. of non-executive directors on board	4	4	4	8
Company conducts board evaluations	Yes	Yes	Yes	Yes
No. of board meetings for the year	8	10	8	8
Board meeting attendance pct	99	100	100	99
Board duration (years)	3	3	3	3
Director share ownership guidelines	No	No	No	No
Age of the youngest director	44	45	46	43
Age of the oldest director	67	68	69	70
<b>No. of executives / company managers</b>	<b>7</b>	<b>7</b>	<b>6</b>	<b>6</b>
No. of female executives	1	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	4	5	5	4
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	2	2	2	3
No. of compensation committee meetings	2	2	2	3
Compensation meeting attendance %	100	100	100	89
<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	3
Nomination meeting attendance %	100	100	100	89
<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 (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 <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.																				
CG Score by Thai Institute of Directors Association (Thai IOD)	An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.	Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (60-69), and not rated for scores below 50. Weightings include: 1) the rights; 2) and equitable treatment of shareholders (weight 25% combined); 3) the role of stakeholders (25%); 4) disclosure & transparency (15%); and 5) board responsibilities (35%).																				
AGM level By Thai Investors Association (TIA) with support from the SEC	It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). <i>(The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&amp;A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.)</i>	The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.																				
Thai CAC By Thai Private Sector Collective Action Against Corruption (CAC)	The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. <i>(Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.)</i>	The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.																				
Morningstar 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 &amp; peer reviews.</i>	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. <table><tr><th>NEGL</th><th>Low</th><th>Medium</th><th>High</th><th>Severe</th></tr><tr><td>0-10</td><td>10-20</td><td>20-30</td><td>30-40</td><td>40+</td></tr></table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+										
NEGL	Low	Medium	High	Severe																		
0-10	10-20	20-30	30-40	40+																		
ESG Book	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.	The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.																				
MSCI	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. <table><tr><td>AAA</td><td>8.571-10.000</td><td rowspan="3">Leader:</td><td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td></tr><tr><td>AA</td><td>7.143-8.570</td></tr><tr><td>A</td><td>5.714-7.142</td></tr><tr><td>BBB</td><td>4.286-5.713</td><td rowspan="3">Average:</td><td rowspan="3">a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td></tr><tr><td>BB</td><td>2.857-4.285</td></tr><tr><td>B</td><td>1.429-2.856</td></tr><tr><td>CCC</td><td>0.000-1.428</td><td>Laggard:</td><td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td></tr></table>		AAA	8.571-10.000	Leader:	leading its industry in managing the most significant ESG risks and opportunities	AA	7.143-8.570	A	5.714-7.142	BBB	4.286-5.713	Average:	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	BB	2.857-4.285	B	1.429-2.856	CCC	0.000-1.428	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks
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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																			
Moody's ESG solutions	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.																					
Refinitiv ESG rating	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. <i>(Score ratings are 0 to 25 = poor; &gt;25 to 50 = satisfactory; &gt;50 to 75 = good; and &gt;75 to 100 = excellent.)</i>																					
S&P Global	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.																					
Bloomberg	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.																				
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.																				

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

Source: FSSIA's compilation

## GENERAL DISCLAIMER

### ANALYST(S) CERTIFICATION

Jitra Amornthum FSS International Investment Advisory Securities Co., Ltd

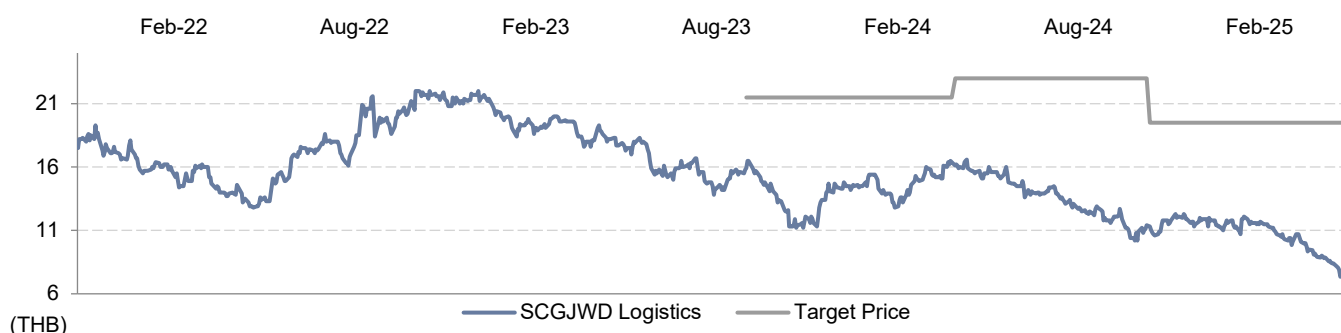
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) 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

#### SCGJWD Logistics (SJWD TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
12-Sep-2023	BUY	21.50	08-Mar-2024	BUY	23.00	23-Aug-2024	BUY	19.50

Jitra Amornthum started covering this stock from 12-Sep-2023

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
SCGJWD Logistics	SJWD TB	THB 7.25	BUY	Downside risks to our DCF-based TP include 1) slower-than-expected regional economic growth; 2) high volatility in energy costs; 3) delayed synergies; and 4) higher cost of funds.

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 13-Feb-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.