

SCGJWD LOGISTICS

THAILAND / TRANSPORT & LOGISTICS

SJWD TB

BUY
UNCHANGED

Units see overall improvement

- Due to a slower-than-expected economic recovery, we have revised down our profit estimates for 2025-26 by 18%/20%.
- Earnings to continue growing by 17% in 2025 and 21% in 2026.
- Lower our TP to THB14.00. BUY rating maintained as its valuation is as cheap as the Covid-19 level in 2020.

TARGET PRICE	THB14.00
CLOSE	THB6.75
UP/DOWNSIDE	+107.4%
PRIOR TP	THB19.50
CHANGE IN TP	-28.2%
TP vs CONSENSUS	+2.9%

KEY STOCK DATA

YE Dec (THB m)	2024	2025E	2026E	2027E
Revenue	24,504	26,345	28,354	30,154
Net profit	1,119	923	1,118	1,275
EPS (THB)	0.62	0.51	0.62	0.70
vs Consensus (%)	-	(2.7)	15.9	10.6
EBITDA	2,789	3,176	3,458	3,686
Recurring net profit	788	923	1,118	1,274
Core EPS (THB)	0.43	0.51	0.62	0.70
Chg. In EPS est. (%)	nm	(18.2)	(19.7)	nm
EPS growth (%)	1.2	17.2	21.1	14.0
Core P/E (x)	15.5	13.2	10.9	9.6
Dividend yield (%)	4.1	3.4	4.1	4.7
EV/EBITDA (x)	8.5	7.2	6.5	6.1
Price/book (x)	0.5	0.5	0.5	0.5
Net debt/Equity (%)	43.3	39.3	36.9	36.9
ROE (%)	3.5	4.0	4.8	5.4

4Q24 core profit below our expectation on higher expenses

SJWD reported a 4Q24 core profit of THB193m (-24% q-q, -28% y-y), missing our expectation by 14% due to 1) higher-than-expected SG&A expenses, partly due to one-time special expenses related to employee, customer, and partner care; and 2) lower-than-expected profit contributions from joint ventures (JVs), as PACT (JV with TU) incurred an FX loss of THB3m, and ALPHA received lower management fees. Overall, operations showed a continued improvement from 3Q24, even though total revenue grew by only 1.6% q-q in the quarter.

Recovery in 2H24 maintains momentum into 2025

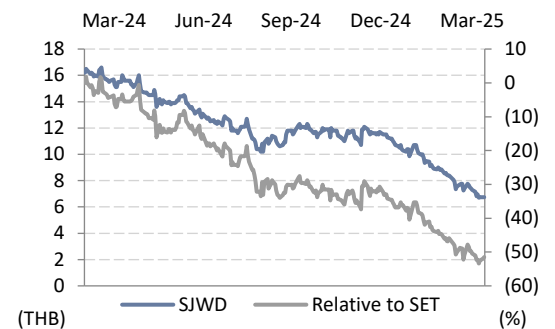
We believe SJWD's core businesses, which showed signs of recovery since 2H24, will continue improving in 2025. The company targets 10%-15% revenue growth in 2025, driven by key segments such as its automotive unit, where it has secured new clients and related services like vehicle and parts transportation, as well as after-sales services. In addition, three new cold storages will be expanded in Chiang Mai, Saraburi, and Rangsit. The transport business will focus on improving margins by expanding low-carbon cement transportation services.

Lower our projection on slower economic recovery

Due to a slower-than-expected economic recovery and potential trade wars impacting global commerce, we have revised down our profit estimates for 2025-26 by 18% and 20%, respectively. The key adjustments stem from lower revenue and gross margin expectations in the automotive segment, with 2025 revenue growth now projected at 10% y-y (previously +15% y-y) and the gross margin estimate revised down from 40% to 34%, based on 2H24 levels. We have also lowered revenue expectations for the transport business due to the slower-than-anticipated domestic economic recovery.

Maintain BUY; valuation as cheap as Covid-19 level

We have lowered our TP to THB14.00 from THB19.50, increasing the WACC from 9.0% to 9.5% and reducing the terminal growth rate from 3% to 2%. We maintain BUY, as the stock's valuation is currently as cheap as -2SD of its five-year average, i.e. 0.5x 2025E P/BV, 13.2x 2025E P/E, and only 7.2x 2025E EV/EBITDA (hitting the Covid-19 level in 2020).



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(16.1)	(41.3)	(57.8)
Relative to country (%)	(7.4)	(27.7)	(51.2)
Mkt cap (USD m)	362		
3m avg. daily turnover (USD m)	0.5		
Free float (%)	46		
Major shareholder	SCG Group (43%)		
12m high/low (THB)	16.70/6.45		
Issued shares (m)	1,811.02		

Sources: Bloomberg consensus; FSSIA estimates



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Investment thesis

Due to a slower-than-expected economic recovery and potential trade wars impacting global commerce, we have revised down our profit estimates for 2025-26 by 18% and 20%, respectively. The key adjustments stem from lower revenue and gross margin expectations in the automotive segment, with 2025 revenue growth now projected at 10% y-y (previously +15% y-y) and the gross margin estimate revised down from 40% to 34%, based on 2H24 levels. Additionally, we have lowered revenue expectations for the transport business due to the slower-than-anticipated domestic economic recovery.

We have lowered our TP to THB14.00 from the previous THB19.50. We maintain our BUY rating, as the stock is trading at only 7.2x 2025E EV/EBITDA (almost -2SD of its five-year average, hitting the Covid-19 level in 2020).

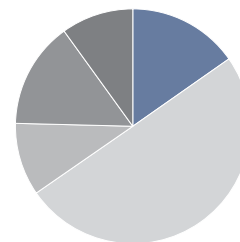
Company profile

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

Principal activities (revenue, 2024)

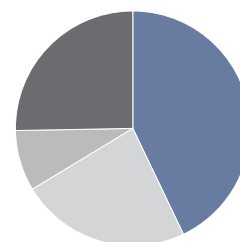
- Warehouse & yard management - 15.3 %
- Transportation & Distribution - 50.1 %
- Other logistics business - 10.0 %
- Overseas - 14.6 %
- Other business - 10.0 %



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
7 May 2025	Ex-dividend date

Key assumptions

	2025E (%)	2026E (%)	2027E (%)
Revenue growth breakdown			
Warehouse & yard management	12.6	10.6	7.2
- General goods	12.8	9.8	5.2
- Dangerous goods	0.1	4.0	3.5
- Automotive yard	10.0	12.0	10.0
- Cold chain	21.7	13.0	8.0
Transportation & distribution	4.5	6.7	6.2
Blended gross margin	13.9	14.3	14.5
SG&A to sales	8.9	8.7	8.7

Source: FSSIA estimates

Earnings sensitivity

- For every 0.5% change in the gross margin of transportation, the largest revenue contributor, we project SJWD's 2025 net profit to change by 5%, all else being equal.
- For every 0.5% change in blended gross margin, we project SJWD's 2025 net profit to change by 5%, all else being equal.
- For every 1% change in the cost of funds, we project SJWD's 2025 net profit to change by 6%, all else being equal.

Source: FSSIA estimates

4Q24 core profit below our expectation on higher expenses

SJWD reported a 4Q24 core profit of THB193m (-24% q-q, -28% y-y), missing our expectation by 14% due to:

1. Higher-than-expected SG&A expenses, partly due to one-time special expenses related to employee, customer, and partner care.
2. Lower-than-expected profit contributions from JVs, as PACT (JV with TU) incurred an FX loss of THB3m, and ALPHA received lower management fees.

Overall, operations showed a continued improvement from 3Q24, even though total revenue grew only 1.6% q-q. This was mainly due to the transportation business, which accounts for 48% of total revenue, being in a low season. However, the transportation gross margin improved significantly to 8.6%, up from 7.5% in 3Q24, marking the highest level in seven quarters and reflecting better cost management and operational efficiency.

The automotive business, although accounting for only 4% of total revenue, typically operates with a high gross margin of 33%-35%. Its revenue started to recover, reaching THB281m in 4Q24 (+12.4% q-q), the highest level of the year. Similarly, the cold storage business also achieved its highest revenue of the year in 4Q24 at THB276m (+4.1% q-q).

Revenue from the dangerous goods warehouse declined by 22.8% q-q, in line with seasonal trends. However, the gross margin remained strong at 38.2%, marking the highest level in five quarters.

Revenue from international logistics services surged 9.0% q-q and 37.1% y-y in 4Q24, driven by the first full-quarter recognition of SCG International Vietnam.

For 2024, SJWD reported a core profit of THB788m (-14.7% y-y), slightly below expectations by 4%. The profit decline was mainly due to weakness in the cold storage and automotive businesses in 1H24, but performance steadily recovered in 2H24. The SG&A expenses increased in line with the aforementioned reasons.

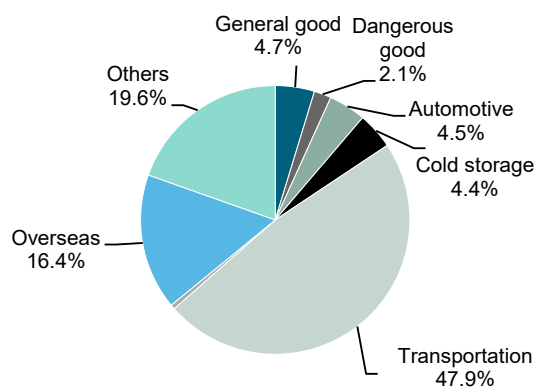
The company announced a dividend payment of THB0.28 per share (4.1% yield), with a payout ratio of 45%. The XD date is 7 May 2025.

Exhibit 1: SJWD – 4Q24 earnings summary

Year to Dec 31	4Q23	1Q24	2Q24	3Q24	4Q24	----- Change -----		2023	2024	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	6,285	1.6	(0.2)	23,732	24,504	3.3
Cost of sales	(5,376)	(5,453)	(5,004)	(5,392)	(5,353)	(0.7)	(0.4)	(20,559)	(21,202)	3.1
Gross profit	924	799	773	797	933	17.0	0.9	3,173	3,302	4.0
Operating costs	(581)	(509)	(595)	(544)	(587)	8.0	1.0	(2,149)	(2,235)	4.0
Operating profit	343	290	178	254	345	36.2	0.7	1,254	1,266	1.0
Operating EBITDA	1,057	726	628	699	736	5.4	(30.4)	2,847	2,789	(2.0)
Other income	87	32	60	55	51	(7.2)	(40.5)	230	200	(13.2)
Interest expense	(134)	(146)	(162)	(170)	(182)	7.0	35.7	(471)	(660)	40.2
Profit before tax	295	176	76	139	215	54.6	(27.3)	606	1,066	76.0
Associates	43	41	102	128	74	(42.1)	72.7	345	341	(1.1)
Reported net profit	261	164	515	255	185	(27.3)	(29.0)	761	1,119	47.0
Core profit	268	160	178	256	193	(24.5)	(27.9)	924	788	(14.7)
Reported EPS (THB)	0.14	0.09	0.28	0.14	0.10	(27.3)	(29.0)	0.44	0.62	39.7
Recurring EPS (THB)	0.15	0.09	0.10	0.14	0.11	(24.5)	(27.9)	0.51	0.43	(14.7)
Key ratios (%)	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)	(%)	(ppt)
Gross margin	14.7	12.8	13.4	12.9	14.8	2.0	0.2	13.4	13.5	0.1
Operating margin	6.8	5.2	4.1	5.0	6.3	1.3	(0.5)	5.3	5.2	(0.1)
EBITDA margin	16.8	11.6	10.9	11.3	6.3	(5.0)	(10.5)	12.0	11.4	(0.6)
Recurring net margin	4.3	2.6	3.1	4.1	3.1	(1.1)	(1.2)	3.9	3.2	(0.7)
SG&A / Sales	9.2	8.1	10.3	8.8	9.3	0.6	0.1	9.1	9.1	0.1
Revenue breakdown	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)
Warehouse & yard management	1,033	925	893	943	983	4.3	(4.9)	2,687	2,760	2.7
1. General warehouse	278	262	262	259	296	14.1	6.2	1,117	1,079	(3.4)
2. Dangerous goods	122	123	132	168	130	(22.8)	6.1	513	552	7.5
3. Automotive	340	275	254	250	281	12.4	(17.3)	1,094	1,060	(3.1)
4. Cold storage	293	264	245	266	276	4.1	(5.6)	994	1,052	5.8
Transportation & distribution	2,955	3,170	3,013	3,083	3,009	(2.4)	1.8	8,801	9,266	5.3
Other logistics	663	558	554	694	652	(6.0)	(1.6)	1,841	1,805	(1.9)
Overseas	751	807	810	944	1,029	9.0	37.1	2,008	2,561	27.5
Other business	898	793	509	526	612	16.4	(31.9)	2,096	1,827	(12.8)
Gross margin by business	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)	(%)	(ppt)
Warehouse & yard management	34.6	31.5	31.4	30.7	35.7	4.9	1.1	32.5	31.2	(1.3)
Transportation & distribution	6.5	8.5	8.1	7.5	8.5	1.1	2.0	7.8	8.1	0.3
Other logistics	21.8	18.8	22.5	19.8	19.7	(0.2)	(2.1)	21.4	21.3	(0.1)
Overseas	10.5	13.1	11.5	12.8	11.4	(1.4)	1.0	7.4	12.0	4.6
Other business	6.3	1.9	(2.0)	(1.4)	4.7	6.1	(1.6)	5.3	(0.1)	(5.5)

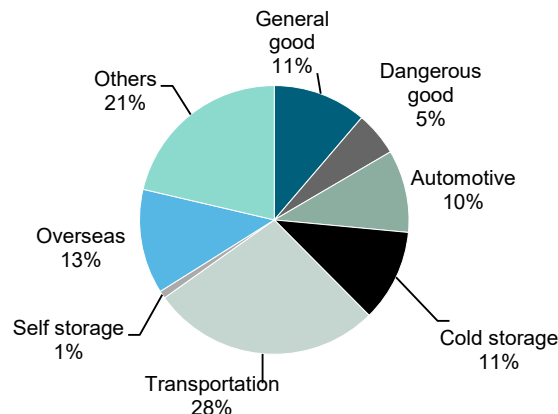
Sources: SJWD, FSSIA's compilation

Exhibit 2: Revenue structure, 4Q24



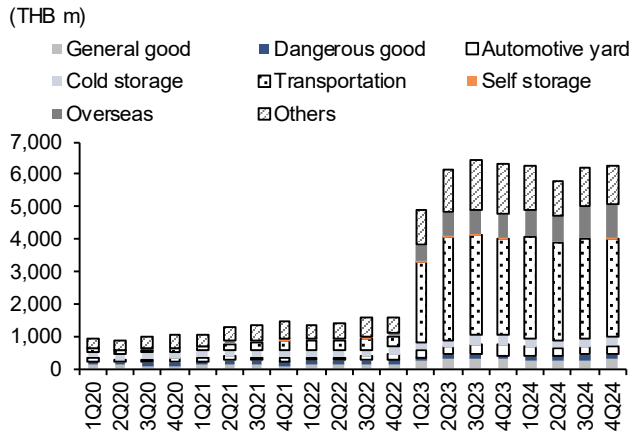
Sources: SJWD, FSSIA's compilation

Exhibit 3: Gross profit, 4Q24



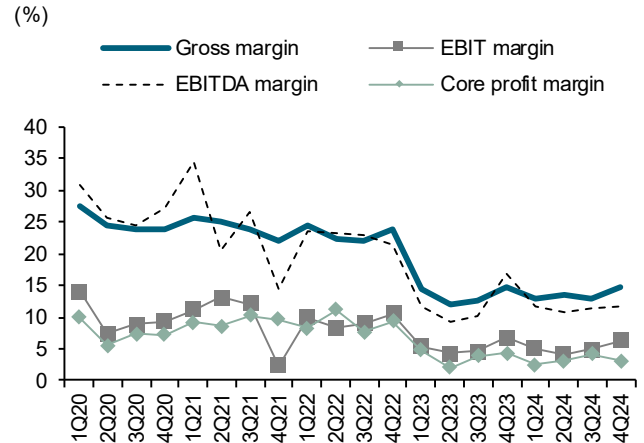
Sources: SJWD, FSSIA's compilation

Exhibit 4: Revenue structure



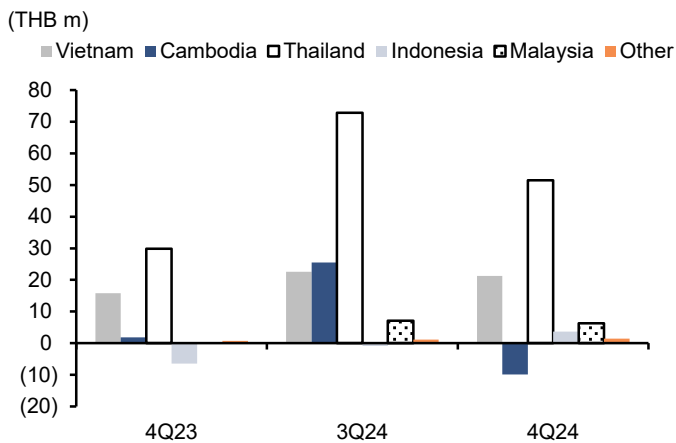
Sources: SJWD, FSSIA's compilation

Exhibit 5: Margins



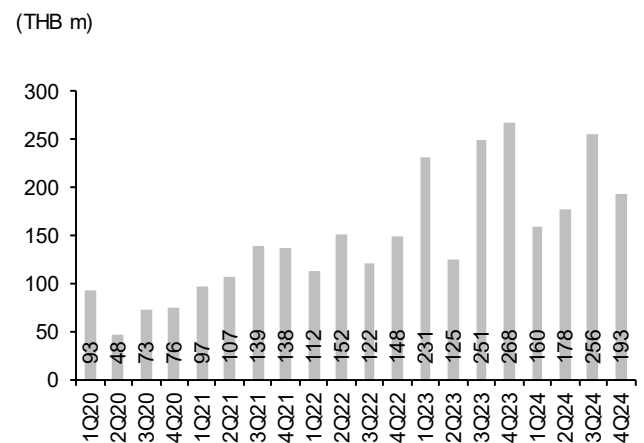
Sources: SJWD, FSSIA's compilation

Exhibit 6: Profit sharing from associates



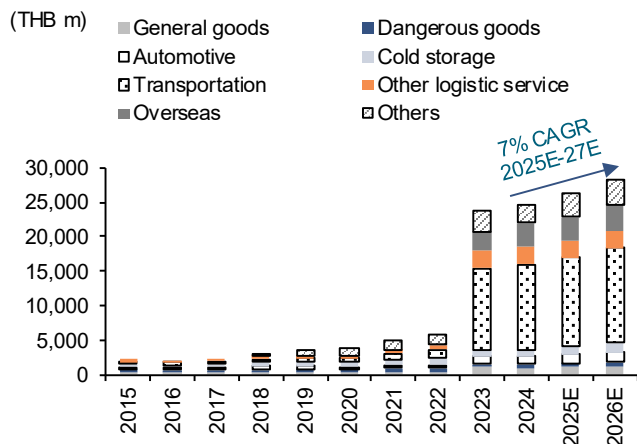
Sources: SJWD, FSSIA's compilation

Exhibit 7: Core profit



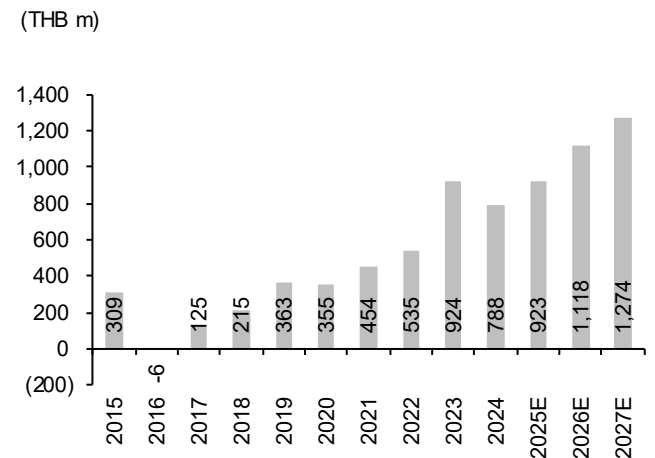
Sources: SJWD, FSSIA's compilation

Exhibit 8: Revenue structure, yearly



Sources: SJWD, FSSIA's estimates

Exhibit 9: Core profit



Sources: SJWD, FSSIA's estimates

Cut our projection on slower-than-expected economic recovery

In 2025, we expect Thailand's logistics industry to continue growing despite challenges from global economic slowdowns and geopolitical conflicts, which may reduce transportation demand and increase trade barriers. Logistics providers face intense competition, particularly in pricing and service quality, necessitating continuous adaptation and service enhancements.

We believe SJWD's core businesses, which showed signs of recovery since 2H24, will continue improving in 2025. The company targets 10%-15% revenue growth in 2025, driven by key segments such as its automotive unit, where it has secured new clients, and related services like vehicle and parts transportation, as well as after-sales services, contributing to higher gross margins.

In addition, in 2025, three new cold storage facilities will be expanded in Chiang Mai, Saraburi, and Rangsit. The transport business will focus on improving margins by increasing B2B sales and expanding low-carbon cement transportation services.

However, due to a slower-than-expected economic recovery and potential trade wars impacting global commerce, we have revised down our profit estimates for 2025-26 by 18% and 20%, respectively. The key adjustments stem from lower revenue and gross margin expectations in the automotive segment, with 2025 revenue growth now projected at 10% y-y (previously +15% y-y) and the gross margin estimate revised down from 40% to 34%, based on 2H24 levels. Additionally, we have lowered revenue expectations for the transport business due to the slower-than-anticipated domestic economic recovery.

We have increased our SG&A forecast, primarily due to higher employee-related costs. However, as a percentage of revenue, we expect SG&A expenses to decline from 9.1% in 2024 to 8.9% in 2025 and 8.7% in 2026.

Exhibit 10: Key changes in assumptions

	Current				Previous			Change		
	2024A	2025E	2026E	2027E	2025E	2026E	2027E	2025E	2026E	2027E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(%)	(%)	(%)
Total operating revenue	24,504	26,345	28,354	30,154	27,853	30,173	32,025	(5.4)	(6.0)	(5.8)
Blended gross margin (%)	13.5	13.9	14.3	14.5	13.8	13.9	14.1	0.2	0.4	0.4
1. Warehouse & yard management	3,743	4,215	4,663	4,998	4,359	4,729	5,002	(3.3)	(1.4)	(0.1)
Blended gross margin (%)	31.6	31.8	32.6	33.1	34.7	34.9	34.9	(2.8)	(2.2)	(1.9)
- General goods	1,079	1,217	1,336	1,405	1,268	1,362	1,432	(4.0)	(1.9)	(1.9)
Gross margin (%)	23.6	23.0	23.0	23.2	22.4	22.6	22.8	0.6	0.4	0.4
- Dangerous goods	552	553	575	595	553	575	595	0.0	0.0	0.0
Gross margin (%)	35.5	38.4	38.4	38.4	38.4	38.4	38.4	0.0	0.0	0.0
- Automotive yard	1,060	1,166	1,306	1,437	1,259	1,347	1,414	(7.3)	(3.0)	1.6
Gross margin (%)	33.1	34.0	34.0	34.0	40.0	40.2	40.0	(6.0)	(6.2)	(6.0)
- Cold storage	1,052	1,280	1,446	1,562	1,280	1,446	1,562	0.0	0.0	0.0
Gross margin (%)	36.4	38.0	38.0	39.0	40.0	40.0	40.2	(2.0)	(2.0)	(1.2)
2. Transportation & distribution	12,275	12,826	13,684	14,531	14,192	15,437	16,398	(9.6)	(11.4)	(11.4)
Gross margin (%)	8.1	8.6	8.7	8.9	7.7	8.2	8.4	0.9	0.5	0.5
3. Other logistics service	2,458	2,415	2,568	2,739	2,415	2,568	2,739	0.0	0.0	0.0
Gross margin (%)	18.5	20.2	20.2	20.2	20.2	20.2	20.2	0.0	0.0	0.0
4. Overseas business	3,589	3,428	3,737	3,998	3,428	3,737	3,998	0.0	0.0	0.0
Gross margin (%)	12.3	12.0	12.0	12.0	8.7	8.7	8.7	3.3	3.3	3.3
SG&A to sales (%)	9.1	8.9	8.7	8.7	8.5	8.2	8.2	0.4	0.5	0.4
Interest expense	660	727	718	713	620	593	556	17.3	21.2	28.4
Equity income	345	341	344	348	341	373	394	0.0	(7.7)	(11.8)
Core profit	788	923	1,118	1,274	1,128	1,392	1,570	(18.2)	(19.7)	(18.9)

Sources: SJWD, FSSIA estimates

Revise down our TP but maintain BUY; valuation as cheap as Covid-19 level

We have lowered our target price to THB14.00 from the previous THB19.50, reflecting the revised earnings forecast. Additionally, we increased the WACC from 9.0% to 9.5% and reduced the terminal growth rate from 3% to 2%.

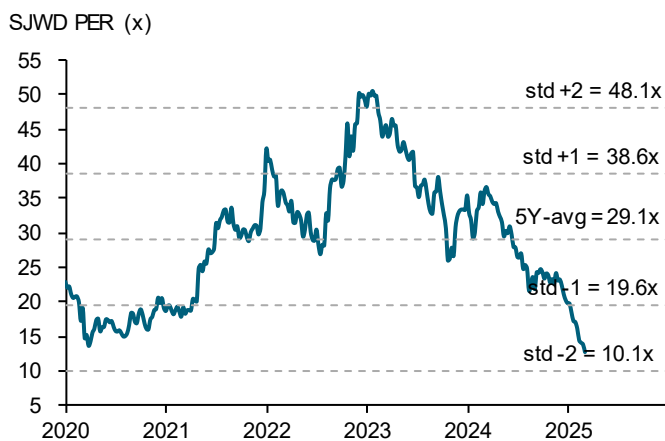
We maintain our BUY recommendation, as the stock's valuation is currently as cheap as -2SD of its five-year average, i.e. 0.5x 2025E P/BV, 13.2x 2025E P/E, and only 7.2x 2025E EV/EBITDA (hitting the Covid-19 level in 2020).

Exhibit 11: DCF valuation

Cost of equity assumptions	(%)	Cost of debt assumptions	(%)
Risk free rate	3.0	Pre-tax cost of debt	5.0
Market risk premium	8.0	Tax rate	20.0
Stock beta	1.4		
Cost of equity, Ke	9.8	Cost of debt, Kd	5.0
Weight applied	55.3	Weight applied	44.7
WACC	9.5		
Terminal growth	2.0		
(THB m)			
Sum of PV of FCF	13,295		
PV of Terminal value	22,916		
Enterprise value	36,211		
(-) Debt	(11,663)		
(+) Cash	2,092		
(-) Minority interest	(1,068)		
Equity value	25,572		
No. of shares	1,811		
Equity value per share	14.02		

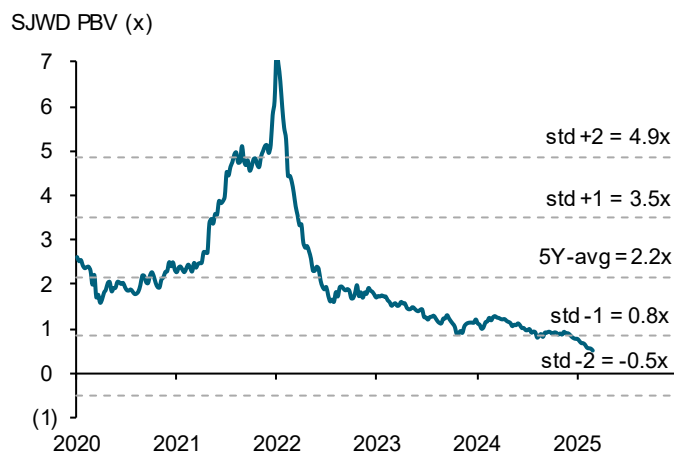
Sources: SJWD, FSSIA estimates

Exhibit 12: One-year rolling forward P/E



Sources: Bloomberg, FSSIA estimates

Exhibit 13: One-year rolling forward P/BV



Sources: Bloomberg, FSSIA estimates

Exhibit 14: Peers comparison as of 4 March 2025

Company	BBG	Rec	Share price (LCY)	Market Cap (USD m)	----- PE -----		----- ROE -----		----- PBV -----		--- EV/EBITDA ---	
					25E (x)	26E (x)	25E (%)	26E (%)	25E (x)	26E (x)	25E (x)	26E (x)
Thailand												
SCGJWD Logistics*	SJWD TB	BUY	6.75	362	13.2	10.9	4.0	4.8	0.5	0.5	7.2	6.5
Triple I Logistics	III TB	n/a	4.90	114	7.9	6.7	12.5	13.8	n/a	n/a	n/a	n/a
Namyong Terminal	NYT TB	n/a	3.28	121	8.2	8.2	14.9	15.4	n/a	n/a	4.41	4.37
WICE Logistics	WICE TB	n/a	2.76	55	8.1	6.1	13.1	17.2	1.1	1.0	4.1	3.2
MENA Transport	MENA TB	n/a	1.00	22	9.1	9.1	8.00	8.00	0.7	0.7	6.1	5.9
Thailand average				694.2	9.3	8.2	10.5	11.8	0.8	0.8	5.5	5.0
Regional												
SWIFT Haulage Berhad	SWIFT MK	n/a	0.41	81	11.1	9.3	4.5	5.1	0.5	0.5	7.6	7.2
Marine & General	MARG MK	n/a	0.29	51	3.77	2.1	n/a	n/a	0.73	0.6	n/a	n/a
Tasco	TASCO MK	n/a	0.68	121	11.6	8.7	5.7	7.3	0.8	0.8	7.0	5.5
China Railway Tielong Cont	600125 CH	n/a	5.61	1,008	12.2	11.1	7.9	8.2	0.9	0.9	5.1	4.8
STO Express	002468 CH	n/a	12.03	2,535	14.7	12.1	11.9	12.6	1.7	1.5	6.5	5.5
Xiamen C & D	600153 CH	n/a	10.33	4,191	6.9	5.8	5.1	5.7	0.4	0.4	20.7	17.7
Mitsubishi Logistics	9301 JP	n/a	1,028	2,680	11.0	8.0	8.4	11.6	1.0	0.9	12.3	11.8
Singapore Post	SPOST SP	n/a	0.55	922	21.2	18.3	10.4	3.9	0.9	0.9	10.4	9.8
Grindrod	GND SJ	n/a	1,278	481	6.9	6.0	n/a	n/a	n/a	n/a	8.5	7.6
Regional average				12,068	11.0	9.0	7.7	7.8	0.9	0.8	9.7	8.7
Overall average				12,763	10.4	8.7	8.9	9.5	0.8	0.8	8.3	7.5

Sources: Bloomberg, *FSSIA estimates

Financial Statements

SCGJWD Logistics

Profit and Loss (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Revenue	23,732	24,504	26,345	28,354	30,154
Cost of goods sold	(20,559)	(21,202)	(22,676)	(24,302)	(25,768)
Gross profit	3,173	3,302	3,669	4,052	4,386
Other operating income	230	200	198	198	199
Operating costs	(2,149)	(2,235)	(2,332)	(2,467)	(2,607)
Operating EBITDA	2,847	2,789	3,176	3,458	3,686
Depreciation	(1,593)	(1,523)	(1,641)	(1,674)	(1,708)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	1,254	1,266	1,535	1,783	1,978
Net financing costs	(471)	(660)	(727)	(718)	(713)
Associates	212	345	341	344	348
Recurring non-operating income	212	345	341	344	348
Non-recurring items	(17)	331	0	0	0
Profit before tax	977	1,282	1,149	1,409	1,612
Tax	(150)	(85)	(145)	(202)	(240)
Profit after tax	827	1,197	1,004	1,207	1,372
Minority interests	(66)	(78)	(81)	(89)	(97)
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	761	1,119	923	1,118	1,274
Non-recurring items & goodwill (net)	17	(331)	0	0	0
Recurring net profit	778	788	923	1,118	1,274
Per share (THB)					
Recurring EPS *	0.43	0.43	0.51	0.62	0.70
Reported EPS	0.42	0.62	0.51	0.62	0.70
DPS	0.25	0.28	0.23	0.28	0.32
Diluted shares (used to calculate per share data)	1,811	1,811	1,811	1,811	1,811
Growth					
Revenue (%)	302.1	3.3	7.5	7.6	6.3
Operating EBITDA (%)	110.2	(2.0)	13.9	8.9	6.6
Operating EBIT (%)	125.3	1.0	21.2	16.2	10.9
Recurring EPS (%)	(18.1)	1.2	17.2	21.1	14.0
Reported EPS (%)	(15.0)	47.0	(17.5)	21.1	14.0
Operating performance					
Gross margin inc. depreciation (%)	13.4	13.5	13.9	14.3	14.5
Gross margin exc. depreciation (%)	20.1	19.7	20.2	20.2	20.2
Operating EBITDA margin (%)	12.0	11.4	12.1	12.2	12.2
Operating EBIT margin (%)	5.3	5.2	5.8	6.3	6.6
Net margin (%)	3.3	3.2	3.5	3.9	4.2
Effective tax rate (%)	15.4	6.6	12.7	14.4	14.9
Dividend payout on recurring profit (%)	58.2	64.4	45.0	45.0	44.9
Interest cover (X)	3.1	2.4	2.6	3.0	3.3
Inventory days	2.9	2.0	1.8	2.1	2.1
Debtor days	37.7	55.7	49.2	42.8	40.2
Creditor days	46.0	58.0	54.5	49.8	46.3
Operating ROIC (%)	15.2	11.4	13.5	15.4	16.6
ROIC (%)	5.4	3.6	4.0	4.6	5.0
ROE (%)	6.1	3.5	4.0	4.8	5.4
ROA (%)	4.7	3.3	3.6	4.1	4.5

* Pre-exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2023	2024	2025E	2026E	2027E
Warehouse & yard management	3,720	3,743	4,215	4,663	4,998
Transportation & Distribution	11,756	12,275	12,826	13,684	14,531
Other logistics business	2,505	2,458	2,415	2,568	2,739
Overseas	2,758	3,589	3,428	3,737	3,998

Sources: SCGJWD Logistics; FSSIA estimates

Financial Statements

SCGJWD Logistics

Cash Flow (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Recurring net profit	778	788	923	1,118	1,275
Depreciation	1,593	1,523	1,641	1,674	1,708
Associates & minorities	(212)	(345)	(341)	(344)	(348)
Other non-cash items	358	491	(1,046)	222	321
Change in working capital	243	73	527	(536)	(892)
Cash flow from operations	2,762	2,530	1,705	2,134	2,064
Capex - maintenance	-	-	-	-	-
Capex - new investment	(855)	(100)	(518)	(40)	(1,480)
Net acquisitions & disposals	-	(1,283)	-	-	-
Other investments (net)	(485)	(2,703)	132	(934)	27
Cash flow from investing	(1,339)	(4,085)	(386)	(973)	(1,453)
Dividends paid	(802)	(481)	(416)	(503)	(573)
Equity finance	(56)	0	0	0	0
Debt finance	887	3,449	(1,225)	(342)	(163)
Other financing cash flows	(894)	(603)	0	0	0
Cash flow from financing	(865)	2,365	(1,641)	(845)	(736)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	10	112	0	0	0
Net other adjustments	10	112	0	0	(2)
Movement in cash	568	922	(322)	316	(127)
Free cash flow to firm (FCFF)	1,893.50	(894.99)	2,045.51	1,879.29	1,324.66
Free cash flow to equity (FCFE)	1,425.73	1,403.30	93.65	818.92	446.09

Per share (THB)

FCFF per share	1.05	(0.49)	1.13	1.04	0.73
FCFE per share	0.79	0.77	0.05	0.45	0.25
Recurring cash flow per share	1.39	1.36	0.65	1.47	1.63

Balance Sheet (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Tangible fixed assets (gross)	11,511	13,750	15,691	17,485	19,373
Less: Accumulated depreciation	(3,328)	(4,852)	(6,493)	(8,167)	(9,875)
Tangible fixed assets (net)	8,183	8,898	9,198	9,318	9,498
Intangible fixed assets (net)	19,103	18,870	18,203	17,743	17,590
Long-term financial assets	1,127	370	359	355	352
Invest. in associates & subsidiaries	3,702	7,968	8,048	8,048	8,048
Cash & equivalents	1,492	2,414	2,092	2,407	2,281
A/C receivable	3,764	3,715	3,392	3,263	3,387
Inventories	134	84	124	133	141
Other current assets	594	389	425	460	492
Current assets	5,984	6,602	6,034	6,264	6,302
Other assets	1,100	1,328	1,280	1,367	1,448
Total assets	39,198	44,036	43,120	43,094	43,236
Common equity	22,330	22,875	23,273	23,588	23,889
Minorities etc.	975	1,037	1,068	1,100	1,133
Total shareholders' equity	23,305	23,912	24,341	24,688	25,022
Long term debt	7,586	10,407	10,206	10,048	10,087
Other long-term liabilities	3,506	3,284	3,196	3,044	2,913
Long-term liabilities	11,092	13,691	13,401	13,092	13,000
A/C payable	3,083	3,176	3,106	3,063	3,036
Short term debt	884	2,355	1,457	1,463	1,417
Other current liabilities	834	903	815	789	762
Current liabilities	4,801	6,433	5,378	5,315	5,214
Total liabilities and shareholders' equity	39,198	44,036	43,120	43,094	43,236
Net working capital	575	110	21	5	223
Invested capital	33,790	37,544	37,108	36,836	37,158

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

Per share (THB)

Book value per share	12.33	12.63	12.85	13.02	13.19
Tangible book value per share	1.78	2.21	2.80	3.23	3.48

Financial strength

Net debt/equity (%)	29.9	43.3	39.3	36.9	36.9
Net debt/total assets (%)	17.8	23.5	22.2	21.1	21.3
Current ratio (x)	1.2	1.0	1.1	1.2	1.2
CF interest cover (x)	5.8	3.3	1.8	2.2	3.7

Valuation	2023	2024	2025E	2026E	2027E
Recurring P/E (x) *	15.7	15.5	13.2	10.9	9.6
Recurring P/E @ target price (x) *	32.6	32.2	27.5	22.7	19.9
Reported P/E (x)	16.1	10.9	13.2	10.9	9.6
Dividend yield (%)	3.7	4.1	3.4	4.1	4.7
Price/book (x)	0.5	0.5	0.5	0.5	0.5
Price/tangible book (x)	3.8	3.1	2.4	2.1	1.9
EV/EBITDA (x) **	7.1	8.5	7.2	6.5	6.1
EV/EBITDA @ target price (x) **	11.7	13.2	11.3	10.3	9.7
EV/invested capital (x)	0.6	0.6	0.6	0.6	0.6

* 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 15: FSSIA ESG score implication

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

Sources: FSSIA estimates

Exhibit 16: 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 17: ESG score by Bloomberg

FY ending Dec 31	FY 2019	FY 2020	FY 2021	FY 2022
ESG financial materiality scores - ESG score	—	—	3.52	3.44
BESG environmental pillar score	—	—	1.04	1.04
BESG social pillar score	—	—	6.18	5.76
BESG governance pillar score	—	—	5.52	5.64
ESG disclosure score	33.18	33.81	41.46	41.46
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
Environmental				
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 18: ESG score by Bloomberg (cont.)

FY ending Dec 31	FY 2019	FY 2020	FY 2021	FY 2022
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	—	—	—	—
Social				
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
Governance				
Board size	9	9	9	12
No. of independent directors (ID)	3	3	3	5
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
No. of executives / company managers	7	7	6	6
No. of female executives	1	1	1	1
Executive share ownership guidelines	No	No	No	No
Size of audit committee	3	3	3	3
No. of ID on audit committee	3	3	3	3
Audit committee meetings	4	5	5	4
Audit meeting attendance %	100	100	100	100
Size of compensation committee	3	3	3	3
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
Size of nomination committee	3	3	3	3
No. of nomination committee meetings	2	2	2	3
Nomination meeting attendance %	100	100	100	89
Sustainability governance				
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 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 Sustainabilitycs	The Sustainabilitycs' 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

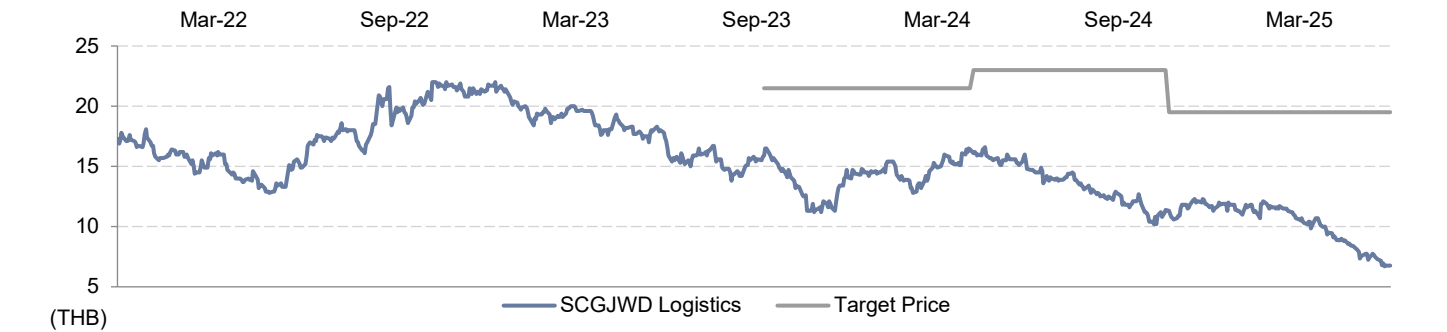
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

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 6.75	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 04-Mar-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.