

# PRECIOUS SHIPPING

THAILAND / TRANSPORT & LOGISTIC

PSL TB

## HOLD

UNCHANGED

TARGET PRICE	THB7.00
CLOSE	THB6.40
UP/DOWNSIDE	+9.4%
PRIOR TP	THB7.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	-11.9%

## Navigating challenging waters

- The 2024 core profit sharply increased by 92.9% y-y, primarily due to the freight rates correction in 2023.
- We believe 2025 will be different due to the acceleration of fleet and trade conflicts between global superpowers.
- Maintain our projection and HOLD rating.

### 4Q24 profit declined in line with the bulk industry trend

PSL reported a net profit of THB249m in 4Q24. Excluding FX gains, the core profit stood at THB225m (-23.2% q-q, -29.6% y-y). Although this exceeded our expectations by 76% due to a higher-than-expected gross margin and revenue, the overall profit trend was in line with expectations, showing a decline both q-q and y-y. The decline in core profit was driven by 1) a decrease in shipping revenue; 2) higher operating expenses; and 3) a sharp increase in interest expenses.

### Costs and expenses increased in 4Q24, could continue in 2025

The daily earnings per vessel in 4Q24 dropped by 4.5% q-q and 2.0% y-y to USD12,177, the lowest in five quarters, in line with the BSI and BHSI indices. However, the impact was partially offset by the two handysize vessels acquired in October 2024, resulting in total revenue in Thai baht of THB1.5b (+1.5% q-q, -1.5% y-y). Vessel operating expenses increased to USD5,382 per day per vessel, higher than the company's estimate, due to rising dry-docking expenses. As a result, the 4Q24 operating margin declined to 26.0% (-450bps q-q, -220bps y-y). Interest expenses increased by 13.8% q-q and 15.2% y-y due to an additional loan of approximately THB500m and the issuance of sustainability-linked debentures worth THB1.4b (an average interest rate of 3.75%) during the quarter.

### 2024 profit recovery driven by a rebound from 2023 low base

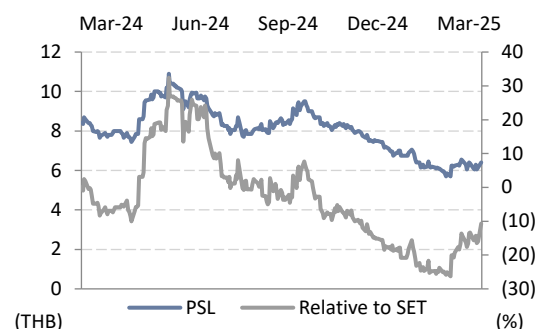
For the full-year 2024, the core profit reached THB1.3b, a sharp increase of 92.9% y-y, primarily due to the freight rates correction in 2023 and the addition of two vessels. However, freight rates in 2024 showed a clear decline in 2H24, driven by concerns over the US-China trade war and the gradual increase in vessel supply.

### Maintain our projection and HOLD rating

For 2025, freight rates started the year weak and remain under pressure from trade wars and demand/supply imbalances. We expect the average BSI index to decline by approximately 10% y-y. We maintain our 2025 profit forecast at THB919m (-28% y-y) and our TP at THB7 (2025E P/E of 12x). PSL's 1Q25 earnings are likely to be pressured by the continued decline in sea freight rates. We maintain our HOLD rating.

### KEY STOCK DATA

YE Dec (THB m)	2024	2025E	2026E	2027E
Revenue	5,985	5,895	6,060	6,268
Net profit	1,468	919	1,200	1,269
EPS (THB)	0.94	0.59	0.77	0.81
vs Consensus (%)	-	68.6	180.0	678.8
EBITDA	3,344	3,026	3,325	3,424
Recurring net profit	1,276	919	1,200	1,269
Core EPS (THB)	0.82	0.59	0.77	0.81
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	92.9	(28.0)	30.6	5.8
Core P/E (x)	7.8	10.9	8.3	7.9
Dividend yield (%)	6.3	4.6	6.0	6.4
EV/EBITDA (x)	4.9	5.3	4.8	4.4
Price/book (x)	0.6	0.6	0.6	0.5
Net debt/Equity (%)	37.4	35.5	32.5	26.7
ROE (%)	7.7	5.4	6.8	7.0



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	12.3	(14.1)	(24.7)
Relative to country (%)	21.2	5.6	(11.3)
Mkt cap (USD m)	295		
3m avg. daily turnover (USD m)	0.7		
Free float (%)	48		
Major shareholder	Globex Corporation Limited (28%)		
12m high/low (THB)	11.20/5.60		
Issued shares (m)	1,559.29		

Sources: Bloomberg consensus; FSSIA estimates



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## Investment thesis

For 2025, freight rates started the year weak and remain under pressure from trade wars and demand/supply imbalances. We expect the average BSI index to decline by approximately 10% y-y.

We maintain our 2025 profit forecast at THB919m (-28% y-y) and our TP at THB7 (2025E P/E of 12x). PSL's 1Q25 earnings are likely to be pressured by the continued decline in sea freight rates. We maintain our HOLD rating.

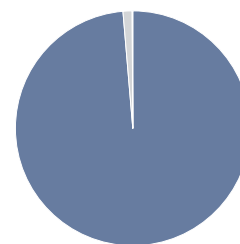
## Company profile

Precious Shipping (PSL) is a pure dry cargo ship-owner operating in the Handysize, Supramax and Ultramax sectors of the tramp freight market. PSL was founded in 1989, commenced commercial operations in March 1991, and listed on the Stock Exchange of Thailand in September 1993. As of end-2024, PSL has 40 fleet vessels, with an aggregate capacity of 1,737,504 DWT.

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

## Principal activities (revenue, 2024)

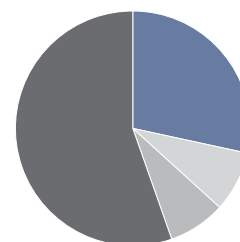
- Time charter - 98.7 %
- Voyage charter - 1.3 %
- Service revenue - 0.1 %



Source: Precious Shipping

## Major shareholders

- Globex Corporation Limited - 28.4 %
- Graintrade Limited - 8.3 %
- Bank Julius Baer & Co. Ltd., Singapore - 7.9 %
- Others - 55.4 %



Source: Precious Shipping

## Catalysts

Key potential catalysts include 1) fewer ships being built, which could reduce global fleet capacity; and 2) China's stimulus to boost the economy.

## Risks to our call

Downside risks to our P/E-based TP include 1) a fall in freight rates (time charter equivalent (TCE)); 2) exchange rate volatility; 3) China's slow economic growth; and 4) regulatory risks, including new EEXI and CII requirements, effective 1 Jan-23. Upside risks to our P/E-based TP include 1) higher freight rates (TCE); 2) better-than-expected economic growth in China; and 3) a prolonged Red Sea crisis and shipping disruptions.

## Event calendar

Date	Event
4 April 2025	Annual general meeting of shareholders
17 April 2025	Ex-dividend date

## Key assumptions

	2025E	2026E	2027E
TCE rate (USD/day)	11,785	12,858	13,762
TCE rate growth (%)	(7.2)	9.1	7.0
OPEX (USD/day)	5,235	5,238	5,364
Gross margin (%)	33.2	37.3	38.0
SG&A to sales (%)	7.8	7.8	7.8

Source: FSSIA estimates

## Earnings sensitivity

- For every 1% change in its TCE rate, we project PSL's 2025 net profit to change by 3.8%, all else being equal.
- For every 1% change in gross margin, we project PSL's 2025 net profit to change by 4.0%, all else being equal.

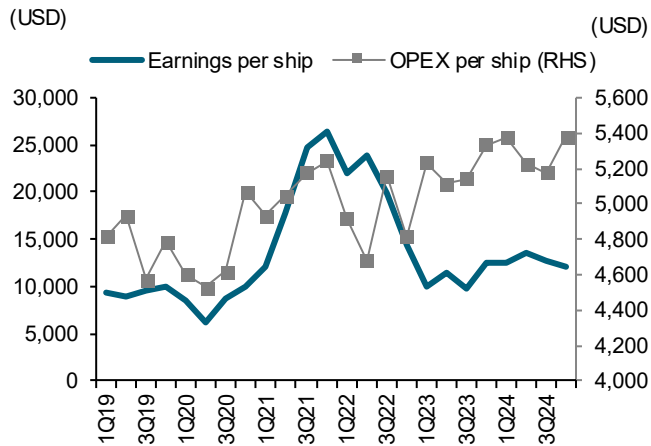
Source: FSSIA estimates

## Exhibit 1: PSL – 4Q24 results 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 %)
Service revenue	1,480	1,479	1,612	1,436	1,458	1.5	(1.5)	5,099	5,985	17.4
Cost of services	(905)	(935)	(929)	(876)	(954)	9.0	5.5	(3,589)	(3,692)	2.9
Gross profit	575	544	683	561	503	(10.2)	(12.5)	1,510	2,294	51.9
Operating costs	(109)	(112)	(141)	(160)	(143)	(10.1)	31.1	(425)	(556)	30.6
Operating profit	450	450	572	420	379	(9.8)	(15.8)	1,124	1,821	62.0
Operating EBITDA	789	825	961	787	774	(1.7)	(1.9)	2,553	3,346	31.0
Interest expense	(136)	(120)	(146)	(138)	(157)	13.8	15.2	(481)	(561)	16.7
Profit before tax	314	330	426	282	222	(21.3)	(29.2)	644	1,260	95.8
FX gain/loss and asset sold	(74)	82	99	(14)	24	nm	nm	48	45	(5.8)
<b>Reported net profit</b>	<b>246</b>	<b>409</b>	<b>530</b>	<b>280</b>	<b>249</b>	<b>(11.0)</b>	<b>1.2</b>	<b>709</b>	<b>1,468</b>	<b>107.0</b>
<b>Core profit</b>	<b>320</b>	<b>327</b>	<b>430</b>	<b>294</b>	<b>225</b>	<b>(23.2)</b>	<b>(29.6)</b>	<b>661</b>	<b>1,276</b>	<b>92.9</b>
Reported EPS (THB)	0.16	0.26	0.34	0.18	0.16	(13.2)	(1.4)	0.45	0.94	107.0
Core EPS (THB)	0.21	0.21	0.27	0.18	0.14	(23.2)	(31.4)	0.42	0.82	92.9
<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	36.8	36.7	42.4	39.1	34.6	(4.5)	(2.2)	29.5	38.2	8.7
Operating margin	30.4	30.5	35.5	29.3	26.0	(3.3)	(4.4)	22.1	30.5	8.4
EBITDA margin	53.3	55.8	59.6	54.8	53.1	(1.7)	(0.2)	50.1	56.0	5.8
Core profit margin	21.6	22.1	26.7	20.5	15.5	(5.0)	(6.2)	13.0	21.3	8.4
SG&A / Sales	5.9	6.0	6.8	8.6	8.0	(0.6)	2.1	6.6	7.3	0.8
<b>Operating statistics</b>						<b>(q-q %)</b>	<b>(y-y %)</b>			<b>(y-y %)</b>
No. of vessels	38	37	36	38	40	5.3	5.3	38.0	40.0	5.3
BSI Index (Supramax) - average	1,293	1,178	1,364	1,320	1,084	(17.9)	(16.2)	1,030	1,241	20.5
BHSI Index (Handysize) - average	714	666	725	740	672	(9.2)	(5.9)	586	703	20.0
PSL's TC rate (USD/ship/day)	12,429	12,433	13,483	12,755	12,177	(4.5)	(2.0)	10,904	12,712	16.6
PSL's OPEX (USD/ship/day)	5,332	5,379	5,226	5,175	5,382	4.0	0.9	5,204	5,291	1.7

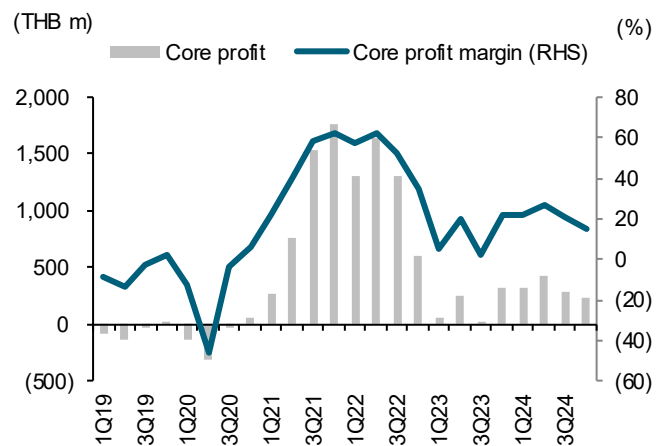
Sources: PSL, FSSIA's compilation

## Exhibit 2: Revenue and operating expenses



Sources: PSL, FSSIA's compilation

## Exhibit 3: Core profit and core profit margin



Sources: PSL, FSSIA's compilation

## Financial Statements

### Precious Shipping

Profit and Loss (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Revenue	5,099	5,985	5,895	6,060	6,268
Cost of goods sold	(3,595)	(3,699)	(3,937)	(3,802)	(3,888)
<b>Gross profit</b>	<b>1,504</b>	<b>2,287</b>	<b>1,958</b>	<b>2,258</b>	<b>2,380</b>
Other operating income	46	90	83	87	85
Operating costs	(425)	(556)	(592)	(612)	(646)
<b>Operating EBITDA</b>	<b>2,553</b>	<b>3,344</b>	<b>3,026</b>	<b>3,325</b>	<b>3,424</b>
Depreciation	(1,429)	(1,523)	(1,577)	(1,592)	(1,605)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>1,124</b>	<b>1,821</b>	<b>1,449</b>	<b>1,733</b>	<b>1,819</b>
Net financing costs	(481)	(561)	(540)	(534)	(551)
Associates	21	20	19	20	20
Recurring non-operating income	21	20	19	20	20
Non-recurring items	48	192	0	0	0
<b>Profit before tax</b>	<b>713</b>	<b>1,473</b>	<b>928</b>	<b>1,218</b>	<b>1,288</b>
Tax	(4)	(5)	(9)	(18)	(19)
<b>Profit after tax</b>	<b>709</b>	<b>1,468</b>	<b>919</b>	<b>1,200</b>	<b>1,269</b>
Minority interests	0	0	0	0	0
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>709</b>	<b>1,468</b>	<b>919</b>	<b>1,200</b>	<b>1,269</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>(48)</b>	<b>(192)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>661</b>	<b>1,276</b>	<b>919</b>	<b>1,200</b>	<b>1,269</b>
<b>Per share (THB)</b>					
Recurring EPS *	0.42	0.82	0.59	0.77	0.81
Reported EPS	0.45	0.94	0.59	0.77	0.81
DPS	0.25	0.40	0.29	0.38	0.41
Diluted shares (used to calculate per share data)	1,559	1,559	1,559	1,559	1,559
<b>Growth</b>					
Revenue (%)	(44.1)	17.4	(1.5)	2.8	3.4
Operating EBITDA (%)	(61.0)	31.0	(9.5)	9.9	3.0
Operating EBIT (%)	(78.5)	62.0	(20.4)	19.6	5.0
Recurring EPS (%)	(86.4)	92.9	(28.0)	30.6	5.8
Reported EPS (%)	(85.4)	107.0	(37.4)	30.6	5.8
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	29.5	38.2	33.2	37.3	38.0
Gross margin exc. depreciation (%)	57.5	63.7	60.0	63.5	63.6
Operating EBITDA margin (%)	50.1	55.9	51.3	54.9	54.6
Operating EBIT margin (%)	22.1	30.4	24.6	28.6	29.0
Net margin (%)	13.0	21.3	15.6	19.8	20.2
Effective tax rate (%)	0.5	0.3	1.0	1.5	1.5
Dividend payout on recurring profit (%)	58.9	48.9	50.0	50.0	50.0
Interest cover (X)	2.4	3.3	2.7	3.3	3.3
Inventory days	6.1	3.8	2.3	2.5	2.5
Debtor days	20.6	21.3	24.0	22.7	22.1
Creditor days	83.2	62.4	57.2	64.9	64.8
Operating ROIC (%)	4.2	6.7	5.2	6.1	(1.6)
ROIC (%)	4.2	6.6	5.0	5.9	(1.5)
ROE (%)	4.0	7.7	5.4	6.8	7.0
ROA (%)	4.3	6.8	5.1	6.1	4.2
* Pre-exceptional, pre-goodwill and fully diluted					
<b>Revenue by Division (THB m)</b>					
Time charter	5,016	5,905	5,830	5,977	6,184
Voyage charter	79	75	60	78	78
Service revenue	5	5	5	6	6

Sources: Precious Shipping; FSSIA estimates

## Financial Statements

### Precious Shipping

Cash Flow (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Recurring net profit	661	1,276	919	1,200	1,269
Depreciation	1,429	1,523	1,577	1,592	1,605
Associates & minorities	-	-	-	-	-
Other non-cash items	413	497	(42)	21	(100)
Change in working capital	(336)	(26)	(74)	(66)	235
<b>Cash flow from operations</b>	<b>2,167</b>	<b>3,270</b>	<b>2,379</b>	<b>2,747</b>	<b>3,009</b>
Capex - maintenance	-	-	-	-	-
Capex - new investment	(562)	(4,439)	(1,800)	(1,800)	(1,605)
Net acquisitions & disposals	1	1,429	0	0	0
Other investments (net)	21	(483)	43	(23)	96
<b>Cash flow from investing</b>	<b>(541)</b>	<b>(3,493)</b>	<b>(1,757)</b>	<b>(1,823)</b>	<b>(1,509)</b>
Dividends paid	(624)	(624)	(459)	(600)	(635)
Equity finance	0	0	0	0	0
Debt finance	710	1,198	(100)	(18)	19
Other financing cash flows	(455)	(501)	0	1	2
<b>Cash flow from financing</b>	<b>(368)</b>	<b>73</b>	<b>(559)</b>	<b>(617)</b>	<b>(613)</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	1	0	0	0	0
<b>Net other adjustments</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Movement in cash</b>	<b>1,259</b>	<b>(149)</b>	<b>63</b>	<b>307</b>	<b>887</b>
Free cash flow to firm (FCFF)	2,106.72	338.14	1,163.08	1,458.56	2,051.97
Free cash flow to equity (FCFE)	1,882.57	474.55	522.71	906.59	1,522.00
<b>Per share (THB)</b>					
FCFF per share	1.35	0.22	0.75	0.94	1.32
FCFE per share	1.21	0.30	0.34	0.58	0.98
Recurring cash flow per share	1.61	2.11	1.57	1.80	1.78
Balance Sheet (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Tangible fixed assets (gross)	32,689	34,690	35,532	36,389	37,070
Less: Accumulated depreciation	(11,854)	(12,362)	(12,980)	(13,629)	(14,311)
<b>Tangible fixed assets (net)</b>	<b>20,836</b>	<b>22,328</b>	<b>22,552</b>	<b>22,759</b>	<b>22,759</b>
<b>Intangible fixed assets (net)</b>	<b>9</b>	<b>21</b>	<b>21</b>	<b>20</b>	<b>20</b>
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	82	81	81	81	81
Cash & equivalents	2,315	2,166	2,229	2,536	3,423
A/C receivable	295	405	371	382	377
Inventories	30	15	15	15	16
Other current assets	250	233	236	242	250
<b>Current assets</b>	<b>2,890</b>	<b>2,818</b>	<b>2,851</b>	<b>3,175</b>	<b>4,067</b>
Other assets	529	960	917	940	844
<b>Total assets</b>	<b>24,346</b>	<b>26,208</b>	<b>26,421</b>	<b>26,975</b>	<b>27,771</b>
Common equity	16,246	16,863	17,323	17,923	18,557
Minorities etc.	0	0	0	0	0
<b>Total shareholders' equity</b>	<b>16,246</b>	<b>16,864</b>	<b>17,323</b>	<b>17,923</b>	<b>18,558</b>
Long term debt	5,548	7,081	7,002	7,008	7,120
Other long-term liabilities	276	211	207	189	252
<b>Long-term liabilities</b>	<b>5,824</b>	<b>7,292</b>	<b>7,209</b>	<b>7,197</b>	<b>7,372</b>
A/C payable	447	362	432	416	455
Short term debt	1,788	1,399	1,380	1,355	1,262
Other current liabilities	41	291	77	84	125
<b>Current liabilities</b>	<b>2,276</b>	<b>2,053</b>	<b>1,889</b>	<b>1,856</b>	<b>1,842</b>
<b>Total liabilities and shareholders' equity</b>	<b>24,346</b>	<b>26,208</b>	<b>26,421</b>	<b>26,975</b>	<b>27,771</b>
Net working capital	87	(1)	112	138	64
Invested capital	21,542	23,389	23,682	23,939	23,768
* Includes convertibles and preferred stock which is being treated as debt					
<b>Per share (THB)</b>					
Book value per share	10.42	10.81	11.11	11.49	11.90
Tangible book value per share	10.41	10.80	11.10	11.48	11.89
<b>Financial strength</b>					
Net debt/equity (%)	30.9	37.4	35.5	32.5	26.7
Net debt/total assets (%)	20.6	24.1	23.3	21.6	17.9
Current ratio (x)	1.3	1.4	1.5	1.7	2.2
CF interest cover (x)	6.1	9.8	5.3	6.1	6.7
Valuation	2023	2024	2025E	2026E	2027E
<b>Recurring P/E (x) *</b>	<b>15.1</b>	<b>7.8</b>	<b>10.9</b>	<b>8.3</b>	<b>7.9</b>
<b>Recurring P/E @ target price (x) *</b>	<b>16.5</b>	<b>8.6</b>	<b>11.9</b>	<b>9.1</b>	<b>8.6</b>
Reported P/E (x)	14.1	6.8	10.9	8.3	7.9
Dividend yield (%)	3.9	6.3	4.6	6.0	6.4
Price/book (x)	0.6	0.6	0.6	0.6	0.5
Price/tangible book (x)	0.6	0.6	0.6	0.6	0.5
EV/EBITDA (x) **	5.9	4.9	5.3	4.8	4.4
EV/EBITDA @ target price (x) **	6.2	5.2	5.6	5.0	4.6
EV/invested capital (x)	0.7	0.7	0.7	0.7	0.6
* Pre-exceptional, pre-goodwill and fully diluted      ** EBITDA includes associate income and recurring non-operating income					

Sources: Precious Shipping; FSSIA estimates

# PRECIOUS SHIPPING PCL (PSL TB)

## FSSIA ESG rating


**55.45 /100**

### Exhibit 4: 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 5: ESG – peer comparison

	FSSIA ESG score	Domestic ratings						Global ratings					Bloomberg		
		DJSI	SET ESG	SET ESG Rating	CG score	AGM level	Thai CAC	Morningstar ESG risk	ESG Book	MSCI	Moody's	Refinitiv	S&P Global	ESG score	Disclosure score
SET100	69.20	5.34	4.40	4.40	4.76	4.65	3.84	Medium	51.76	BBB	20.87	58.72	63.91	3.72	28.17
Coverage	67.12	5.11	4.15	4.17	4.83	4.71	3.53	Medium	52.04	BB	16.97	56.85	62.09	3.40	31.94
NYT	43.79	--	--	Y	5.00	5.00	--	--	53.86	--	--	57.61	--	6.57	45.96
PSL	55.45	--	Y	Y	5.00	5.00	Certified	Medium	59.76	BB	--	--	51.00	--	--
RCL	27.51	--	--	--	4.00	4.00	--	High	41.46	--	--	20.37	13.00	.94	30.36
SJWD	42.41	--	Y	Y	5.00	5.00	--	--	56.00	--	--	42.01	--	3.44	41.46
TTA	65.35	--	Y	Y	5.00	5.00	Certified	Medium	56.56	AA	--	50.79	25.00	3.31	56.20

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

### Exhibit 6: ESG disclosure from company's one report

FY ending Dec 31	FY 2022	FY ending Dec 31	FY 2022
<b>Environmental</b>		<b>Governance</b>	
Climate change policy	Yes	Board size / Independent directors (ID) / Female	11 / 4 / 4
Climate change opportunities discussed	--	No. of board meetings for the year / % attendance	7 / 98%
GHG scope 2 location-based policy	Yes	Company conducts board evaluations	Yes
Biodiversity policy	Yes	Number of non-executive directors on board	8
Energy efficiency policy	Yes	Director share ownership guidelines	No
Electricity used	Yes	Board age limit	--
Fuel used - crude oil/diesel	Yes	Age of the youngest / oldest director	34 / 69
Waste reduction policy	Yes	Number of executives / female	3 / 0
Water policy	Yes	Executive share ownership guidelines	No
Water consumption	Yes	<b>Size of audit committee / ID</b>	<b>3 / 3</b>
<b>Social</b>		Audit committee meetings	4
Human rights policy	Yes	Audit committee meeting attendance (%)	100
Policy against child labor	Yes	<b>Size of compensation committee / ID</b>	<b>3 / 2</b>
Quality assurance and recall policy	--	Number of compensation committee meetings	3
Consumer data protection policy	Yes	Compensation committee meeting attendance (%)	100
Equal opportunity policy	Yes	<b>Size of nomination committee / ID</b>	<b>3 / 3</b>
Gender pay gap breakout	--	Number of nomination committee meetings	3
Pct women in workforce	56	Nomination committee meeting attendance (%)	100
Business ethics policy	Yes	Board compensation (THB m)	8.5
Anti-bribery ethics policy	Yes	Executive compensation (THB m)	94.84
Health and safety policy	Yes	Auditor fee (THB m)	11.11
Lost time incident rate - employees	--	(EY Office Limited)	
Training policy	Yes	Total employee (no.)	133
Fair remuneration policy	Yes	Employee compensation (THB m)	315.37
Number of employees - CSR	Yes		
Total hours spent by firm - employee training	44286		
Social supply chain management	Yes		

Source: FSSIA's compilation



## Disclaimer for ESG scoring

ESG score	Methodology	Rating																			
The Dow Jones Sustainability Indices ( <a href="#">DJSI</a> ) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.	Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.																			
SET ESG Ratings List ( <a href="#">SETESG</a> ) by The Stock Exchange of Thailand ( <a href="#">SET</a> )	SET ESG quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria include: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years.	To be eligible for <b>SETESG inclusion</b> , verified data must be scored at a minimum of 50% for each indicator, unless the company is a part of DJSI during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality. <b>SETESG Index</b> is extended from the SET ESG Ratings companies whose 1) market capitalization > THB5b (~USD150b); 2) free float >20%; and 3) liquidity >0.5% of paid-up capital for at least 9 out of 12 months. The SETTHSI Index is a market capitalisation-weighted index, cap 5% quarterly weight at maximum, and no cap for number of stocks.																			
<b>CG Score</b> by Thai Institute of Directors Association (Thai IOD)	An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.	Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (60-69), and not rated for scores below 50. Weightings include: 1) the rights; 2) and equitable treatment of shareholders (weight 25% combined); 3) the role of stakeholders (25%); 4) disclosure & transparency (15%); and 5) board responsibilities (35%).																			
<b>AGM level</b> By Thai Investors Association (TIA) with support from the SEC	It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). <i>(The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&amp;A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.)</i>	The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.																			
<a href="#">Thai CAC</a> By Thai Private Sector Collective Action Against Corruption (CAC)	The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. <i>(Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.)</i>	The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.																			
<a href="#">Morningstar Sustainabilitys</a>	The Sustainabilitys' ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. <i>Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality &amp; peer reviews.</i>	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. <table><tr><th>NEGL</th><th>Low</th><th>Medium</th><th>High</th><th>Severe</th></tr><tr><td>0-10</td><td>10-20</td><td>20-30</td><td>30-40</td><td>40+</td></tr></table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+									
NEGL	Low	Medium	High	Severe																	
0-10	10-20	20-30	30-40	40+																	
<a href="#">ESG Book</a>	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.	The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.																			
<a href="#">MSCI</a>	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. <table><tr><td><b>AAA</b></td><td>8.571-10.000</td><td rowspan="3"><b>Leader:</b></td><td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td></tr><tr><td><b>AA</b></td><td>7.143-8.570</td></tr><tr><td><b>A</b></td><td>5.714-7.142</td></tr><tr><td><b>BBB</b></td><td>4.286-5.713</td><td rowspan="3"><b>Average:</b></td><td rowspan="3">a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td></tr><tr><td><b>BB</b></td><td>2.857-4.285</td></tr><tr><td><b>B</b></td><td>1.429-2.856</td></tr><tr><td><b>CCC</b></td><td>0.000-1.428</td><td><b>Laggard:</b></td><td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td></tr></table>	<b>AAA</b>	8.571-10.000	<b>Leader:</b>	leading its industry in managing the most significant ESG risks and opportunities	<b>AA</b>	7.143-8.570	<b>A</b>	5.714-7.142	<b>BBB</b>	4.286-5.713	<b>Average:</b>	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	<b>BB</b>	2.857-4.285	<b>B</b>	1.429-2.856	<b>CCC</b>	0.000-1.428	<b>Laggard:</b>	lagging its industry based on its high exposure and failure to manage significant ESG risks
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<b>CCC</b>	0.000-1.428	<b>Laggard:</b>	lagging its industry based on its high exposure and failure to manage significant ESG risks																		
<a href="#">Moody's ESG solutions</a>	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.																				
<a href="#">Refinitiv ESG rating</a>	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. <i>(Score ratings are 0 to 25 = poor; &gt;25 to 50 = satisfactory; &gt;50 to 75 = good; and &gt;75 to 100 = excellent.)</i>																				
<a href="#">S&amp;P Global</a>	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.																				
<b>Bloomberg</b>	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.																			
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.																			

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

Source: FSSIA's compilation

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Jitra Amornthum FSS International Investment Advisory Securities Co., Ltd

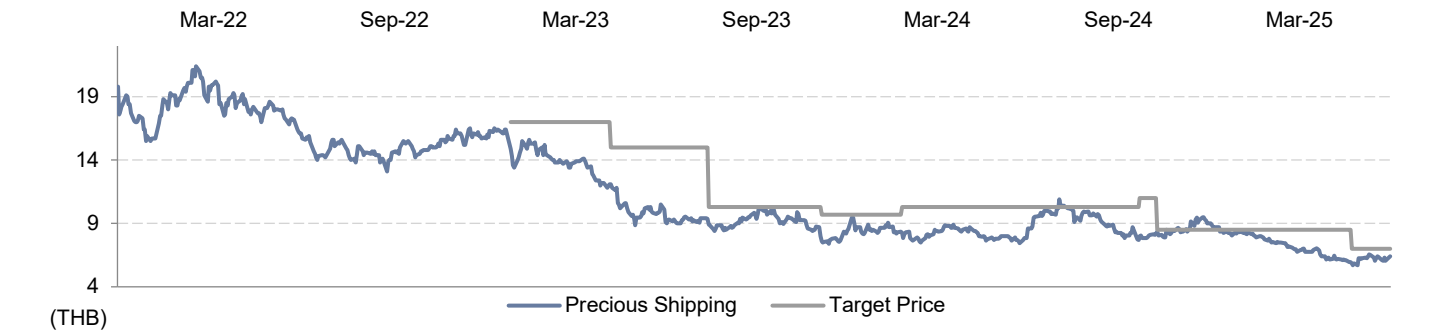
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History of change in investment rating and/or target price

Precious Shipping (PSL TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
13-Feb-2023	HOLD	17.00	07-Nov-2023	HOLD	9.70	21-Aug-2024	HOLD	8.50
10-May-2023	BUY	15.00	15-Jan-2024	BUY	10.30	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
Precious Shipping	PSL TB	THB 6.40	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 10-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.