

# PRECIOUS SHIPPING

THAILAND / TRANSPORT & LOGISTIC

## PSL TB

# REDUCE

FROM HOLD

TARGET PRICE	THB5.40
CLOSE	THB6.15
UP/DOWNSIDE	-12.2%
PRIOR TP	THB7.00
CHANGE IN TP	-22.9%
TP vs CONSENSUS	-21.9%

## Small ships straining in rough waters

- Revise down our core profit forecasts for PSL by 92%/74%/61% for 2025-27, respectively.
- Expect a net loss of THB44.6m in 1Q25, driven by the very weak BHSI.
- Cut our TP to THB5.40; downgrade to REDUCE rating.

### Cut our projections to reflect very weak BHSI

We have revised down our core profit forecasts for PSL by 92%/74%/61% for 2025-27, respectively, following a cut in the company's assumed freight rate for 2025 to USD9,849 per vessel per day (-22.4% y-y), a level that makes profitability challenging. Meanwhile, higher SG&A expenses and interest costs from fleet expansion should further pressure earnings, with 2025 core profit now projected at only THB75m. The weak rates are reflected by the BHSI index, which averaged 522 points 2025YTD, -24.2% y-y. The rates are pressured by ongoing trade tariff uncertainties and an unfavorable supply-demand imbalance, with supply growth outpacing demand—the latter weakened further by trade tensions.

### Expect a loss in 1Q25 due to low freight rates but high expenses

For 1Q25, we expect PSL to report a net loss of THB44.6m, driven by the very weak BHSI, which averaged just 504 points (-25.0% q-q, -24.3% y-y). The BSI index also saw a sharp decline of -25.4% q-q and -31.6% y-y. As a result, we estimate PSL's 1Q25 average freight rate will fall to USD9,096 per vessel per day (-25.3% q-q, -26.8% y-y). Meanwhile, OPEX is likely to continue rising, reflecting the company's fleet rejuvenation program (selling older vessels and acquiring newer, larger ones) and an increase in borrowings by THB500m since 4Q24.

### Small vessels struggle against rough waters

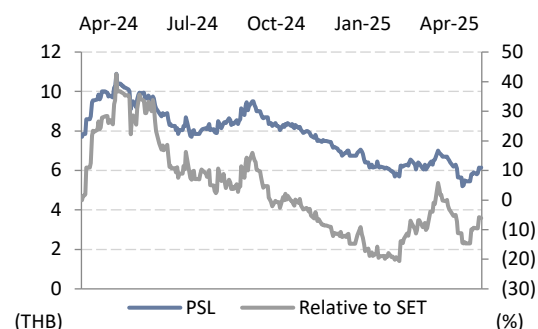
The BHSI averaged 522 points in April, showing a slight improvement from the 1Q25 average but still down 24.2% y-y. Although the US decision to delay import tariffs by 90 days may temporarily boost shipping demand, freight rate trends remain negative due to a slowing global economy and weaker trade volumes. PSL's earnings may improve in 2Q25, but significant challenges are expected to persist in 2H25.

### Cut our TP to THB5.40; downgrade to REDUCE rating

We cut our TP to THB5.40, now based on a 2025E P/BV of 0.5x, and downgrade our recommendation to REDUCE, as PSL's 2025 earnings are too low for a P/E-based valuation. PSL is also conducting a share buyback of up to 155.9m shares (10% of paid-up capital) until 29 August 2025; 41.8 million shares have been repurchased to date at an average price of THB5.89.

### KEY STOCK DATA

YE Dec (THB m)	2024	2025E	2026E	2027E
Revenue	5,985	5,077	5,300	5,572
Net profit	1,468	75	307	502
EPS (THB)	0.94	0.05	0.20	0.32
vs Consensus (%)	-	(87.4)	(49.9)	(5.6)
EBITDA	3,344	2,247	2,448	2,610
Recurring net profit	1,276	75	307	502
Core EPS (THB)	0.82	0.05	0.20	0.32
Chg. In EPS est. (%)	-	(91.8)	(74.4)	(60.5)
EPS growth (%)	92.9	(94.1)	308.8	63.3
Core P/E (x)	7.5	127.6	31.2	19.1
Dividend yield (%)	6.5	0.3	1.3	2.1
EV/EBITDA (x)	4.8	7.1	6.6	6.0
Price/book (x)	0.6	0.6	0.6	0.6
Net debt/Equity (%)	37.4	37.7	37.8	34.4
ROE (%)	7.7	0.4	1.8	2.9



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(8.2)	(0.8)	(19.1)
Relative to country (%)	(6.2)	15.9	(4.7)
Mkt cap (USD m)	278		
3m avg. daily turnover (USD m)	0.9		
Free float (%)	48		
Major shareholder	Globex Corporation Limited (28%)		
12m high/low (THB)	11.20/4.96		
Issued shares (m)	1,559.29		

Sources: Bloomberg consensus; FSSIA estimates


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## Investment thesis

We have revised down our core profit forecasts for PSL by 92%/74%/61% for 2025-27, respectively, following a cut in the company's assumed freight rate for 2025 to just USD9,849 per vessel per day (-22.4% y-y), a level that makes profitability challenging. Meanwhile, higher SG&A expenses and interest costs from fleet expansion should further pressure earnings, with 2025 core profit now projected at only THB75m.

For 1Q25, we expect PSL to report a net loss of THB44.6m, driven by the very weak BHSI, which averaged just 504 points (-25.0% q-q, -24.3% y-y). The BSI index also saw a sharp decline of -25.4% q-q and -31.6% y-y. We cut our TP to THB5.40, now based on a 2025E P/BV of 0.5x, and downgrade to REDUCE.

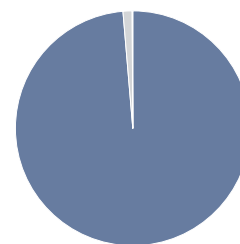
## Company profile

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)

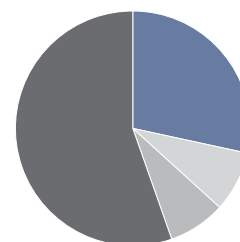
- Time charter - 98.7 %
- Voyage charter - 1.3 %
- Service revenue - 0.1 %



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

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
7 May 2025	1Q25 earnings announcement
14 May 2025	Opportunity day

## Key assumptions

	2024A	2025E	2026E	2027E
TCE rate (USD/day)	12,700	9,849	10,753	11,677
TCE rate growth (%)	16.4	(22.4)	9.2	8.6
OPEX (USD/day)	5,293	5,325	5,442	5,562
Gross margin (%)	38.2	23.8	27.1	29.2
SG&A to sales (%)	7.3	9.6	9.4	9.2

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.

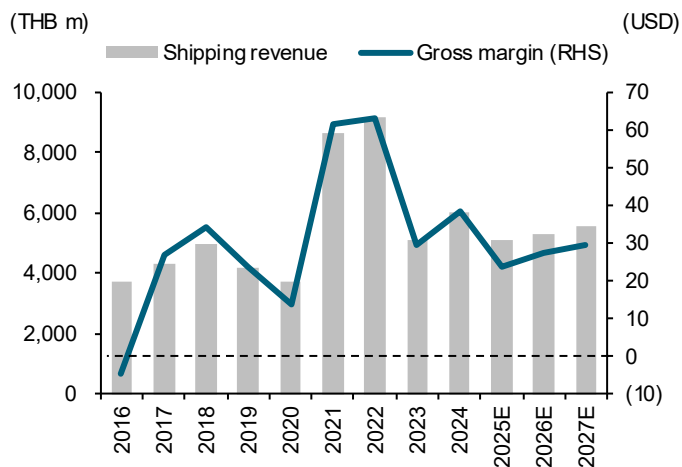
Source: FSSIA estimates

## Exhibit 1: PSL – Key changes in assumptions

	Current				Previous			Change		
	2024A (THB m)	2025E (THB m)	2026E (THB m)	2027E (THB m)	2025E (THB m)	2026E (THB m)	2027E (THB m)	2025E (%)	2026E (%)	2027E (%)
Total revenue	5,985	5,077	5,300	5,572	5,895	6,060	6,268	(13.9)	(12.5)	(11.1)
Cost of services	(2,175)	(2,290)	(2,289)	(2,370)	(2,361)	(2,210)	(2,283)	(3.0)	3.6	3.8
Gross profit	3,810	2,786	3,011	3,202	3,535	3,850	3,985	(21.2)	(21.8)	(19.6)
SG&A	(556)	(619)	(641)	(674)	(592)	(612)	(646)	4.5	4.7	4.3
EBITDA	3,344	2,247	2,448	2,610	3,026	3,325	3,424	(25.7)	(26.4)	(23.8)
Interest expense	561	616	585	553	540	534	551	14.0	9.5	0.3
Core profit	1,276	75	307	502	919	1,200	1,269	(91.8)	(74.4)	(60.5)
<b>Operating statistics</b>								<b>(ppt)</b>	<b>(ppt)</b>	<b>(ppt)</b>
BSI (avg.)	1,238	990	1,012	1,047	1,115	1,167	1,201	(11.2)	(13.4)	(12.8)
TCE rate (USD/day)	12,700	9,849	10,753	11,677	11,785	12,858	13,762	(16.4)	(16.4)	(15.2)
TCE rate growth (%)	16.4	(22.4)	9.2	8.6	(7.2)	9.1	7.0	(15.2)	0.1	1.6
OPEX (USD/day)	5,293	5,325	5,442	5,562	5,235	5,238	5,364	1.7	3.9	3.7
No. of vessels	40	40	40	40	40	40	40	0.0	0.0	0.0
<b>Key ratios</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>	<b>(ppt)</b>	<b>(ppt)</b>
Gross margin	38.2	23.8	27.1	29.2	33.2	37.3	38.0	(9.4)	(10.2)	(8.8)
SG&A to sales	7.3	9.6	9.4	9.2	7.8	7.8	7.8	1.8	1.6	1.4
EBITDA margin	56.0	44.3	46.2	46.9	51.4	54.9	54.7	(7.1)	(8.7)	(7.8)
Core profit margin	21.3	1.5	5.8	9.0	15.6	19.8	20.3	(14.1)	(14.0)	(11.3)

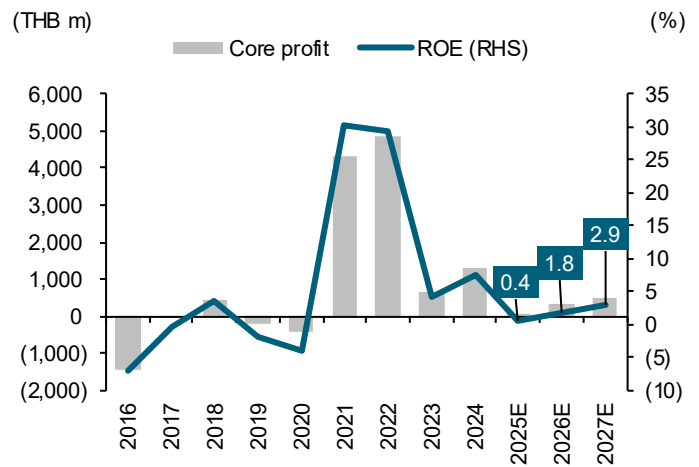
Sources: PSL, FSSIA estimates

## Exhibit 2: Revenue and gross margin



Sources: PSL, FSSIA estimates

## Exhibit 3: Core profit and ROE



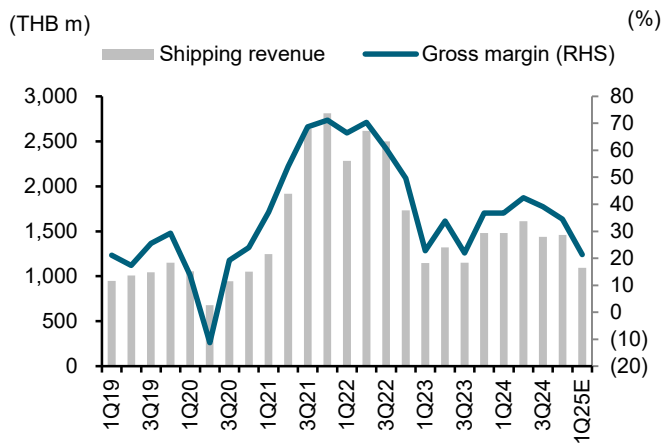
Sources: PSL, FSSIA estimates

## Exhibit 4: PSL – 1Q25 earnings preview

Year to Dec 31	1Q24	2Q24	3Q24	4Q24	1Q25E	----- Change -----		2024	2025E	Change	% of
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)	2025E
Service revenue	1,479	1,612	1,436	1,458	1,094	(24.9)	(26.0)	5,985	5,077	(15.2)	21.6
Cost of services	(935)	(929)	(876)	(954)	(860)	(9.9)	(8.0)	(3,692)	(3,862)	4.6	22.3
Gross profit	544	683	561	503	234	(53.5)	(57.0)	2,294	1,215	(47.0)	19.3
Operating costs	(112)	(141)	(160)	(143)	(142)	(1.2)	26.7	(556)	(619)	11.4	22.9
Operating profit	450	572	420	379	108	(71.5)	(76.0)	1,821	670	(63.2)	16.1
Operating EBITDA	825	961	787	774	503	(35.0)	(39.0)	3,346	2,247	(32.8)	22.4
Interest expense	(120)	(146)	(138)	(157)	(157)	0.2	30.9	(561)	(616)	9.9	25.5
Profit before tax	330	426	282	222	(49)	<i>nm</i>	<i>nm</i>	1,260	54	(95.7)	<i>nm</i>
Extra gain from FX and asset sold	82	99	(14)	24	0	<i>nm</i>	<i>nm</i>	45	0	<i>nm</i>	<i>nm</i>
<b>Reported net profit</b>	<b>409</b>	<b>530</b>	<b>280</b>	<b>249</b>	<b>(45)</b>	<b><i>nm</i></b>	<b><i>nm</i></b>	<b>1,468</b>	<b>75</b>	<b>(94.9)</b>	<b><i>nm</i></b>
<b>Core profit</b>	<b>327</b>	<b>430</b>	<b>294</b>	<b>225</b>	<b>(45)</b>	<b><i>nm</i></b>	<b><i>nm</i></b>	<b>1,276</b>	<b>75</b>	<b>(94.1)</b>	<b><i>nm</i></b>
Reported EPS (THB)	0.26	0.34	0.18	0.16	(0.03)	<i>nm</i>	<i>nm</i>	0.94	0.05	(94.9)	<i>nm</i>
Core EPS (THB)	0.21	0.27	0.18	0.14	(0.03)	<i>nm</i>	<i>nm</i>	0.82	0.05	(94.1)	<i>nm</i>
<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	36.7	42.4	39.1	34.6	21.4	(13.2)	(15.3)	38.2	23.8	(14.4)	
Operating margin	30.5	35.5	29.3	26.0	9.9	(16.1)	(20.6)	30.5	13.2	(17.2)	
EBITDA margin	55.8	59.6	54.8	53.1	46.0	(7.1)	(9.8)	56.0	44.3	(11.6)	
Core profit margin	22.1	26.7	20.5	15.5	(4.1)	(19.6)	(26.2)	21.3	1.5	(19.9)	
SG&A / Sales	6.0	6.8	8.6	8.0	10.5	2.5	4.5	7.3	9.6	2.3	
<b>Operating statistics</b>						<b>(q-q %)</b>	<b>(y-y %)</b>			<b>(y-y %)</b>	
No. of vessels	37	36	38	40	40	0.0	8.1	40.0	40.0	0.0	
BSI Index (Supramax) - average	1,178	1,364	1,320	1,079	805	(25.4)	(31.6)	1,238	990	(20.0)	
BHSI Index (Handysize) - average	666	725	740	672	504	(25.0)	(24.3)	703	562	(20.0)	
PSL's TC rate (USD/ship/day)	12,433	13,483	12,755	12,177	9,096	(25.3)	(26.8)	12,700	9,849	(22.4)	
PSL's OPEX (USD/ship/day)	5,379	5,226	5,175	5,382	5,195	(3.5)	(3.4)	5,293	5,325	0.6	

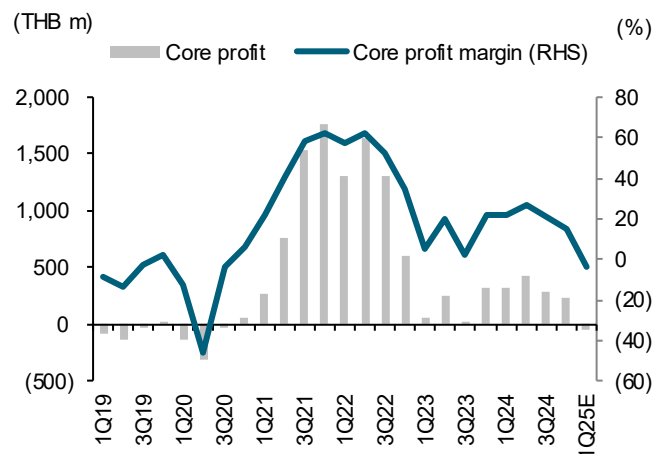
Sources: PSL, FSSIA estimates

## Exhibit 5: Revenue and gross margin



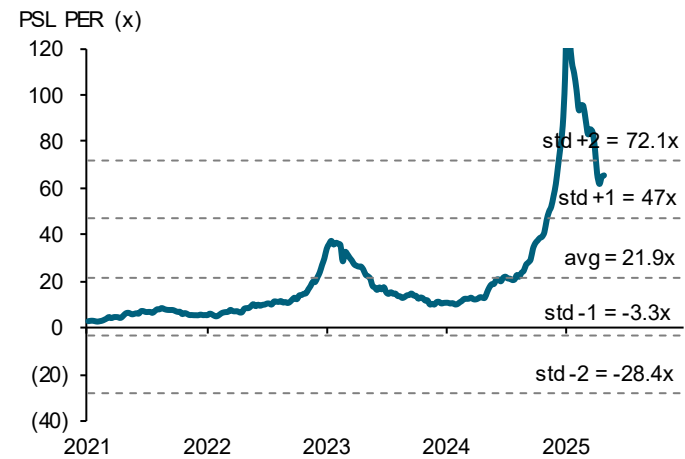
Sources: PSL, FSSIA estimates

## Exhibit 6: Core profit and core profit margin



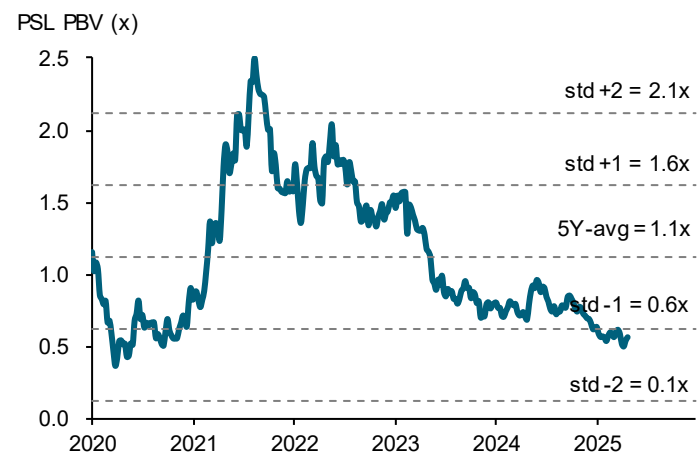
Sources: PSL, FSSIA estimates

Exhibit 7: One-year rolling forward P/E band



Sources: Bloomberg, FSSIA estimates

Exhibit 8: One-year rolling forward P/BV band



Sources: Bloomberg, FSSIA estimates

## Financial Statements

### Precious Shipping

Profit and Loss (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Revenue	5,099	5,985	5,077	5,300	5,572
Cost of goods sold	(3,595)	(3,699)	(3,867)	(3,866)	(3,947)
<b>Gross profit</b>	<b>1,504</b>	<b>2,287</b>	<b>1,210</b>	<b>1,435</b>	<b>1,625</b>
Other operating income	46	90	79	77	81
Operating costs	(425)	(556)	(619)	(641)	(674)
<b>Operating EBITDA</b>	<b>2,553</b>	<b>3,344</b>	<b>2,247</b>	<b>2,448</b>	<b>2,610</b>
Depreciation	(1,429)	(1,523)	(1,577)	(1,577)	(1,577)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>1,124</b>	<b>1,821</b>	<b>670</b>	<b>871</b>	<b>1,033</b>
Net financing costs	(481)	(561)	(616)	(585)	(553)
Associates	21	20	21	22	23
Recurring non-operating income	21	20	21	22	23
Non-recurring items	48	192	0	0	0
<b>Profit before tax</b>	<b>713</b>	<b>1,473</b>	<b>75</b>	<b>308</b>	<b>504</b>
Tax	(4)	(5)	0	(1)	(2)
<b>Profit after tax</b>	<b>709</b>	<b>1,468</b>	<b>75</b>	<b>307</b>	<b>502</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>75</b>	<b>307</b>	<b>502</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>75</b>	<b>307</b>	<b>502</b>
<b>Per share (THB)</b>					
Recurring EPS *	0.42	0.82	0.05	0.20	0.32
Reported EPS	0.45	0.94	0.05	0.20	0.32
DPS	0.25	0.40	0.02	0.08	0.13
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	(15.2)	4.4	5.1
Operating EBITDA (%)	(61.0)	31.0	(32.8)	8.9	6.6
Operating EBIT (%)	(78.5)	62.0	(63.2)	29.9	18.6
Recurring EPS (%)	(86.4)	92.9	(94.1)	308.8	63.3
Reported EPS (%)	(85.4)	107.0	(94.9)	308.8	63.3
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	29.5	38.2	23.8	27.1	29.2
Gross margin exc. depreciation (%)	57.5	63.7	54.9	56.8	57.5
Operating EBITDA margin (%)	50.1	55.9	44.3	46.2	46.8
Operating EBIT margin (%)	22.1	30.4	13.2	16.4	18.5
Net margin (%)	13.0	21.3	1.5	5.8	9.0
Effective tax rate (%)	0.5	0.3	0.3	0.4	0.4
Dividend payout on recurring profit (%)	58.9	48.9	40.0	40.0	40.0
Interest cover (X)	2.4	3.3	1.1	1.5	1.9
Inventory days	6.1	3.8	2.4	2.4	2.4
Debtor days	20.6	21.3	26.5	23.0	21.9
Creditor days	83.2	62.4	58.1	62.9	64.8
Operating ROIC (%)	4.2	6.7	2.4	3.1	(0.9)
ROIC (%)	4.2	6.6	2.4	3.0	(0.9)
ROE (%)	4.0	7.7	0.4	1.8	2.9
ROA (%)	4.3	6.8	2.2	3.0	1.5
* Pre-exceptional, pre-goodwill and fully diluted					
<b>Revenue by Division (THB m)</b>					
Time charter	5,016	5,905	4,994	5,215	5,485
Voyage charter	79	75	77	79	82
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	75	307	502
Depreciation	1,429	1,523	1,577	1,577	1,577
Associates & minorities	-	-	-	-	-
Other non-cash items	413	497	(157)	29	(77)
Change in working capital	(336)	(26)	118	(41)	166
<b>Cash flow from operations</b>	<b>2,167</b>	<b>3,270</b>	<b>1,613</b>	<b>1,872</b>	<b>2,167</b>
Capex - maintenance	-	-	-	-	-
Capex - new investment	(562)	(4,439)	(1,800)	(1,800)	(1,577)
Net acquisitions & disposals	1	1,429	0	0	0
Other investments (net)	21	(483)	158	(31)	73
<b>Cash flow from investing</b>	<b>(541)</b>	<b>(3,493)</b>	<b>(1,642)</b>	<b>(1,831)</b>	<b>(1,503)</b>
Dividends paid	(624)	(624)	(30)	(123)	(201)
Equity finance	0	0	0	0	0
Debt finance	710	1,198	(265)	(578)	(286)
Other financing cash flows	(455)	(501)	0	1	2
<b>Cash flow from financing</b>	<b>(368)</b>	<b>73</b>	<b>(296)</b>	<b>(700)</b>	<b>(484)</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>(325)</b>	<b>(659)</b>	<b>180</b>
Free cash flow to firm (FCFF)	2,106.72	338.14	586.82	626.12	1,217.36
Free cash flow to equity (FCFE)	1,882.57	474.55	(294.92)	(535.80)	380.58
<b>Per share (THB)</b>					
FCFF per share	1.35	0.22	0.38	0.40	0.78
FCFE per share	1.21	0.30	(0.19)	(0.34)	0.24
Recurring cash flow per share	1.61	2.11	0.96	1.23	1.28
Balance Sheet (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Tangible fixed assets (gross)	32,689	34,690	35,532	36,405	37,086
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>22,775</b>	<b>22,775</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	1,841	1,182	1,362
A/C receivable	295	405	333	334	336
Inventories	30	15	15	15	16
Other current assets	250	233	203	212	223
<b>Current assets</b>	<b>2,890</b>	<b>2,818</b>	<b>2,392</b>	<b>1,743</b>	<b>1,936</b>
Other assets	529	960	803	834	761
<b>Total assets</b>	<b>24,346</b>	<b>26,208</b>	<b>25,848</b>	<b>25,453</b>	<b>25,573</b>
Common equity	16,246	16,863	16,909	17,093	17,394
Minorities etc.	0	0	0	0	0
<b>Total shareholders' equity</b>	<b>16,246</b>	<b>16,864</b>	<b>16,909</b>	<b>17,093</b>	<b>17,394</b>
Long term debt	5,548	7,081	6,836	6,283	6,091
Other long-term liabilities	276	211	179	165	224
<b>Long-term liabilities</b>	<b>5,824</b>	<b>7,292</b>	<b>7,015</b>	<b>6,448</b>	<b>6,314</b>
A/C payable	447	362	420	432	473
Short term debt	1,788	1,399	1,380	1,355	1,262
Other current liabilities	41	291	125	125	130
<b>Current liabilities</b>	<b>2,276</b>	<b>2,053</b>	<b>1,924</b>	<b>1,912</b>	<b>1,864</b>
<b>Total liabilities and shareholders' equity</b>	<b>24,346</b>	<b>26,208</b>	<b>25,848</b>	<b>25,453</b>	<b>25,573</b>
Net working capital	87	(1)	6	4	(29)
Invested capital	21,542	23,389	23,462	23,714	23,608
* Includes convertibles and preferred stock which is being treated as debt					
<b>Per share (THB)</b>					
Book value per share	10.42	10.81	10.84	10.96	11.15
Tangible book value per share	10.41	10.80	10.83	10.95	11.14
<b>Financial strength</b>					
Net debt/equity (%)	30.9	37.4	37.7	37.8	34.4
Net debt/total assets (%)	20.6	24.1	24.7	25.4	23.4
Current ratio (x)	1.3	1.4	1.2	0.9	1.0
CF interest cover (x)	6.1	9.8	3.4	3.2	4.5
Valuation	2023	2024	2025E	2026E	2027E
<b>Recurring P/E (x) *</b>	<b>14.5</b>	<b>7.5</b>	<b>127.6</b>	<b>31.2</b>	<b>19.1</b>
<b>Recurring P/E @ target price (x) *</b>	<b>12.7</b>	<b>6.6</b>	<b>112.1</b>	<b>27.4</b>	<b>16.8</b>
Reported P/E (x)	13.5	6.5	127.6	31.2	19.1
Dividend yield (%)	4.1	6.5	0.3	1.3	2.1
Price/book (x)	0.6	0.6	0.6	0.6	0.6
Price/tangible book (x)	0.6	0.6	0.6	0.6	0.6
EV/EBITDA (x) **	5.7	4.8	7.1	6.6	6.0
EV/EBITDA @ target price (x) **	5.3	4.4	6.6	6.1	5.5
EV/invested capital (x)	0.7	0.7	0.7	0.7	0.7
* 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 9: 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 10: 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 11: 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

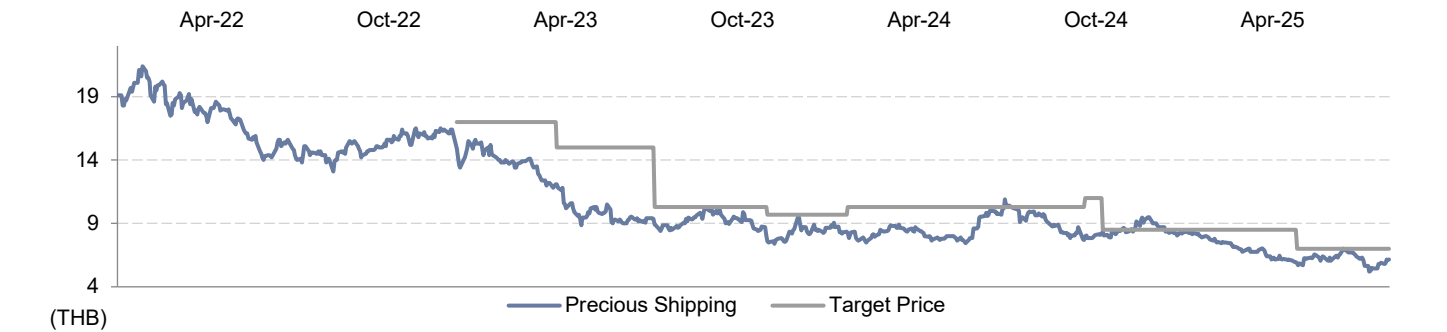
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

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History of change in investment rating and/or target price

Precious Shipping (PSL TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
13-Feb-2023	HOLD	17.00	07-Nov-2023	HOLD	9.70	21-Aug-2024	HOLD	8.50
10-May-2023	BUY	15.00	15-Jan-2024	BUY	10.30	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 6.15	REDUCE	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 25-Apr-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.