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คาดการณ์กำไร 3Q23 ไม่เด่น ตลาดแนวราบไม่สดใส

- ประเมินกำไรปกติ 3Q23 +27% y-y จากรายได้บริหารโครงการเพิ่มขึ้น แต่ -10% q-q กัดคืนจากอัตรากำไรขั้นต้นที่ลดลง ส่วนยอดโอนทำได้เพียงทรงตัว q-q
- ปรับลดคาดการณ์กำไรปกติปี 2023-25 เป็น +26% y-y, +2% y-y และ +5% y-y
- ปรับใช้ราคาเหมาะสมปี 2024 ที่ 10.40 บาท คงแนะนำซื้อจาก Valuation น่าสนใจ

คาดการณ์กำไรปกติ 3Q23 ลดลง q-q แต่เพิ่มขึ้น y-y จากการเซ็น JV มากขึ้น

เราประเมินกำไรสุทธิ 3Q23 ทำได้ 410 ล้านบาท (+18% q-q, +24% y-y) หากไม่รวมกำไรพิเศษจาก Share premium จากการเซ็นโครงการ JV ใหม่ราว 100 ล้านบาท กำไรปกติคาดการณ์ที่ 310 ล้านบาท (-10% q-q, +27% y-y) โดยการเติบโต y-y หลักๆจากการเพิ่มขึ้นของรับรู้รายได้บริหารโครงการ JV ตามโครงการ JV ที่มากขึ้น 8 โครงการในไตรมาสนี้ อย่างไรก็ดี ภาพรวมการโอน 3Q23 ไม่สดใส แม้เปิดโครงการใหม่ 3 แห่ง มูลค่ารวม 5.8 พันล้านบาท แต่อยู่ในช่วงปลายไตรมาส บวกกับอัตราการขายโครงการเดิมชะลอตามตลาดแนวราบซบเซา ส่งผลให้ยอดโอนคาด 1.1 พันล้านบาท ทรงตัว q-q และลดลง 13% y-y โดยสัดส่วนกว่า 20% มาจากโครงการ Belgravia Bangna-Rama9 ซึ่งมีมาร์จิ้นต่ำกว่าปกติจากผลของงานก่อสร้างล่าช้า กัดคืนให้อัตรากำไรขั้นต้นอสังหาริมทรัพย์ปรับลงเป็น 31.5% จาก 32.7%-32.9% ใน 2Q23 และ 3Q22

ปรับลดประมาณการปี 2023-2025 สะท้อนยอดโอนต่ำกว่าคาด

เราปรับประมาณการกำไรปกติปี 2023-2025 ลง 10-22% เป็น 1.3 พันล้านบาท (+26% y-y), 1.36 พันล้านบาท (+2% y-y) และ 1.4 พันล้านบาท (+5% y-y) สาเหตุหลักจากการปรับลดยอดโอนสะท้อนอัตราการขายช้า และการเปิดโครงการใหม่น้อยกว่าคาดซึ่งปี 2023 จบที่ 2.1 หมื่นล้านบาท จากเป้าหมาย 2.25 หมื่นล้านบาท อีกทั้ง ยังเผชิญความท้าทายจากอัตราการยกเลิกและการปฏิเสธสินเชื่อสูงขึ้น ท่ามกลางอุปสงค์แนวราบชะลอและการแข่งขันสูง ทำให้อัตรากำไรขั้นต้นคาดขยับลงในปี 2024-2025

4Q23 แผนเปิดตัวใหม่เร่งขึ้นมีน้อย แนวโน้มผลประกอบการฟื้นตัว

แผนเปิดตัวใน 4Q23 เพิ่มขึ้นกว่า 8 โครงการ มูลค่ารวม 1 หมื่นล้านบาท คิดเป็น 48% ของเป้าหมายปี อย่างไรก็ดี โครงการใหม่กระจุกตัวในเดือนพ.ย.-ธ.ค. ทำให้ส่วนใหญ่โอนไม่ทันภายในปี แต่จะรับรู้ Backlog จากสิ้น 3Q23 ราว 1.7 พันล้านบาท รวมถึงการออกแคมเปญเน้นขายและโอนในช่วงปลายปี ทำให้อัตรากำไรปกติ 4Q23 ฟื้นตัว q-q และ y-y

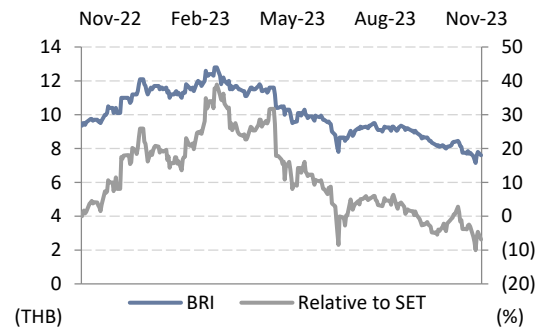
ปรับไปใช้เป้าหมายปี 2024 ที่ 10.40 บาท แนวราบท้าทายแต่ Valuation น่าสนใจ

เราปรับไปใช้ราคาเหมาะสมปี 2024 ที่ 10.40 บาท อิง PER 6.6x (เทียบกับค่าเฉลี่ยในอดีต) จากเดิม 8x สะท้อนอัตราการเติบโตกำไรชะลอ และตลาดแนวราบที่มีแนวโน้มหดตัว อย่างไรก็ดี ราคาหุ้นปรับลง 15% ภายใน 3 เดือน ทำให้มี Upside เปิดกว้าง และ Valuation อยู่โซนต่ำ ปัจจุบันซื้อขายบน PE2024 เพียง 4.8x และคาดปันผลงวด 2H23 0.61 บาท/หุ้น Yield 8% จึงคงคำแนะนำซื้อ

TARGET PRICE	THB10.40
CLOSE	THB7.60
UP/DOWNSIDE	+36.8%
PRIOR TP	THB14.00
CHANGE IN TP	-25.7%
TP vs CONSENSUS	-16.6%

KEY STOCK DATA

YE Dec (THB m)	2022	2023E	2024E	2025E
Revenue	5,848	6,406	7,125	7,809
Net profit	1,471	1,431	1,356	1,427
EPS (THB)	1.72	1.68	1.59	1.67
vs Consensus (%)	-	1.5	(7.6)	(12.6)
EBITDA	1,607	2,560	2,074	2,218
Recurring net profit	1,053	1,331	1,356	1,427
Core EPS (THB)	1.24	1.56	1.59	1.67
Chg. In EPS est. (%)	-	(10.4)	(16.5)	(21.8)
EPS growth (%)	74.8	26.3	1.9	5.3
Core P/E (x)	6.2	4.9	4.8	4.5
Dividend yield (%)	9.5	9.5	9.5	9.5
EV/EBITDA (x)	7.2	5.2	7.0	6.7
Price/book (x)	1.3	1.1	1.0	0.9
Net debt/Equity (%)	103.3	119.4	124.1	115.2
ROE (%)	25.5	25.2	22.4	20.9



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(6.2)	(16.5)	(20.0)
Relative to country (%)	(4.8)	(9.8)	(8.2)
Mkt cap (USD m)	183		
3m avg. daily turnover (USD m)	0.4		
Free float (%)	27		
Major shareholder	Origin Property (70%)		
12m high/low (THB)	13.10/7.10		
Issued shares (m)	852.81		

Sources: Bloomberg consensus; FSSIA estimates



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Investment thesis

บริษัทพัฒนาอสังหาริมทรัพย์ที่อยู่ในช่วงการเติบโต โดยมีปัจจัยหนุนอยู่ที่แผนรุกเปิดโครงการใหม่ที่เพิ่มขึ้นอย่างรวดเร็ว หนุนการเพิ่มส่วนแบ่งการตลาด โดยมูลค่าโครงการรวมในมือเพิ่มจาก 867 ล้านบาทในปี 2017 เป็น 3.6 หมื่นล้านบาทในปี 2022 และตั้งเป้าเป็น 5.9 หมื่นล้านบาทในปี 2023 ผ่านกลยุทธ์การขายทำเลทั้งในกรุงเทพฯ และปริมณฑล รวมถึงตลาดต่างจังหวัด โดยในปี 2023 รุกทำการตลาดในจังหวัดที่มีศักยภาพใหม่อย่างอยุธยา ขอนแก่น และภูเก็ต นอกจากนี้ นำรูปแบบการพัฒนาโครงการรูปแบบ JV ที่กลุ่ม ORI ถนัดมาต่อยอด ทั้งการร่วมทุนกับทั้งพันธมิตร และเจ้าของที่ดิน ช่วยลดเงินลงทุน และสร้างการเติบโตได้รวดเร็วกว่า

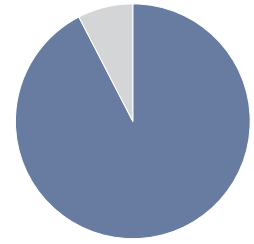
Company profile

BRI ก่อตั้งโดย ORI ในปี 2016 โดยประกอบธุรกิจพัฒนาอสังหาริมทรัพย์ประเภทที่อยู่อาศัยแนวราบในประเทศไทย ปัจจุบันมีการพัฒนาโครงการที่ตั้งอยู่ในกรุงเทพฯ ปริมณฑล รวมทั้งทำเลที่มีการขยายตัวของนิคมอุตสาหกรรมต่างๆ ทั่วประเทศ เช่น จังหวัดที่มีศักยภาพในบริเวณภาคตะวันออก ทั้งนี้ โครงการของบริษัทฯ แบ่งออกเป็น 4 แปรนด์หลัก ตามกลุ่มลูกค้าเป้าหมายและรูปแบบของโครงการ ดังนี้ Brighton (ราคา 2.5-4 ล้านบาท/ยูนิต), Britania (ราคา 4-8 ล้านบาท/ยูนิต), Grand Britania (ราคา 8-20 ล้านบาท/ยูนิต) และ Belgravina (ราคา 20-50 ล้านบาท/ยูนิต)

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Principal activities (revenue, 2022)

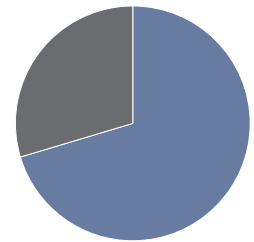
- Transfer revenue - 92.4 %
- Project management - 7.6 %



Source: Britania

Major shareholders

- Origin Property - 70.4 %
- Others - 29.6 %



Source: Britania

Catalysts

ปัจจัยหนุนต่อการเติบโตคือ 1) ความสำเร็จของการเปิดตัวโครงการใหม่และความคืบหน้าการขายของสินค้าเหลือขาย 2) กลยุทธ์สร้างการเติบโตผ่านการขยายทำเลและกลุ่มลูกค้าใหม่ที่มีศักยภาพ 3) การร่วมทุนพัฒนาในโครงการ JV ใหม่ หนุนการเพิ่มโครงการในมือรวดเร็ว รวมถึงระยะสั้นทำให้มีการบันทึกกำไรได้การบริหารโครงการ รวมถึงอาจมีกำไรพิเศษ Share premium (หากเป็นการร่วมทุนกับ Partner)

Risks to our call

ความเสี่ยงต่อประมาณการ 1) อัตราการขายโครงการต่ำกว่าคาด และตลาดแนวราบหดตัวมากกว่าคาด 2) การเปิดโครงการใหม่ต่ำกว่าแผน 3) การร่วมทุนโครงการ JV น้อยกว่าคาด 4) เศรษฐกิจและกำลังซื้อชะลอตัว รวมถึงการแข่งขันรุนแรง 5) อัตราการปฏิเสธสินเชื่อจากธนาคารและยอดยกเลิกจากลูกค้าสูงขึ้น 6) การก่อสร้างล่าช้าและขาดแคลนแรงงาน

Event calendar

Date	Event
10 November 2023	3Q23 results announcement

Key assumptions

	2023E	2024E	2025E
Transfer revenue (THB m)	4,556	6,125	6,809
Project management (THB m)	1,850	1,000	1,000
Property GPM (%)	32.0	31.2	31.2
GPM (%)	51.6	40.9	40.0
SG&A to revenue (%)	12.3	12.4	12.3

Source: FSSIA estimates

Earnings sensitivity

- For every 5% increase in transfers, we estimate 2024 net profit to rise by 3.9%, and vice versa, all else being equal.
- For every 0.5% increase in property GPM, we estimate 2024 net profit to rise by 1.8%, and vice versa, all else being equal.
- For every 0.5% increase in SG&A to revenue, we estimate 2024 net profit to fall by 2.2%, and vice versa, all else being equal.

Source: FSSIA estimates

Exhibit 1: 3Q23 results preview

	3Q22	4Q22	1Q23	2Q23	3Q23E	Change	
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)
Total revenue	1,314	1,641	1,464	1,544	1,580	2.3	20.3
Cost of sales	834	954	744	715	740	3.5	(11.2)
Gross profit	480	687	721	829	840	1.3	74.9
SG&A	162	183	174	187	208	11.1	28.2
Operating profit	318	504	547	642	632	(1.5)	98.7
Interest expense	1	4	3	5	12	152.2	757.8
Tax expense	87	115	112	132	126	(4.5)	44.7
Equity income from JV	(6)	(73)	(116)	(167)	(190)	na	na
Reported net profit	331	411	329	348	410	17.8	24.0
Core profit	245	316	328	344	310	(9.9)	26.6
Key ratios (%)						(ppt)	(ppt)
Property gross margin	32.9	32.4	32.8	32.7	31.5	(1.2)	(1.4)
Gross margin	36.6	41.9	49.2	53.7	53.2	(0.5)	16.6
SG&A / Sales	12.3	11.2	11.9	12.1	13.2	1.0	0.8
Operating margin	24.2	30.7	37.4	41.6	40.0	(1.6)	15.8
Net margin	25.2	25.0	22.4	22.5	25.9	3.4	0.8
Norm margin	18.6	19.3	22.4	22.3	19.6	(2.7)	1.0
Revenue breakdown							
Residential	1,242	1,411	1,107	1,062	1,080	1.6	(13.0)
Project management	72	231	358	482	500	3.8	594.3

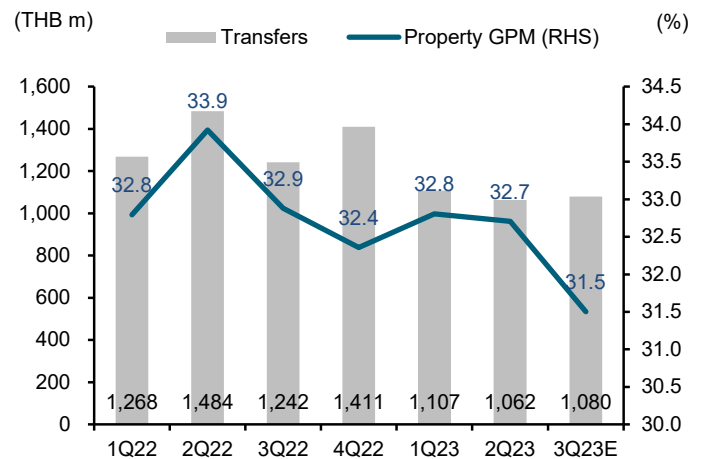
Sources: BRI; FSSIA estimates

Exhibit 2: Quarterly revenue breakdown



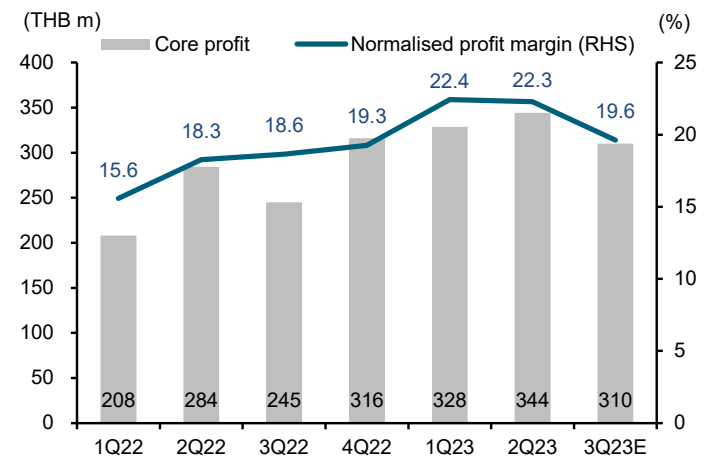
Sources: BRI; FSSIA estimates

Exhibit 3: Quarterly transfers and property GPM



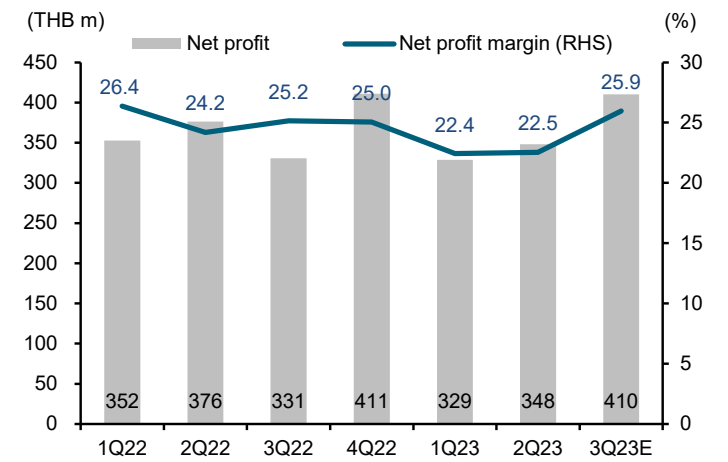
Sources: BRI; FSSIA estimates

Exhibit 4: Quarterly core profit and normalised profit margin



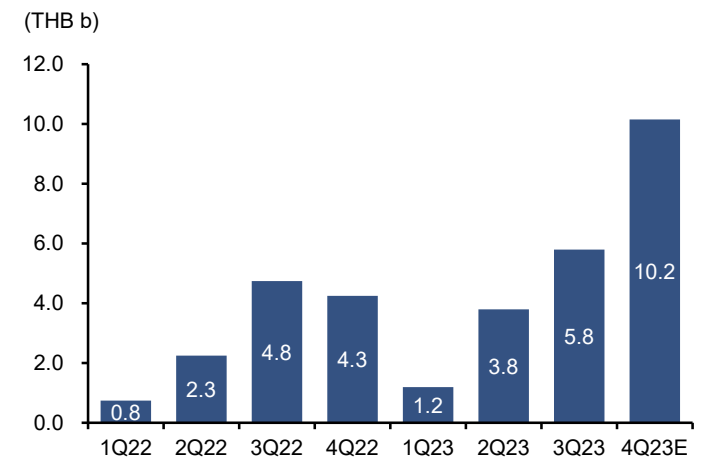
Sources: BRI; FSSIA estimates

Exhibit 5: Quarterly net profit and net profit margin



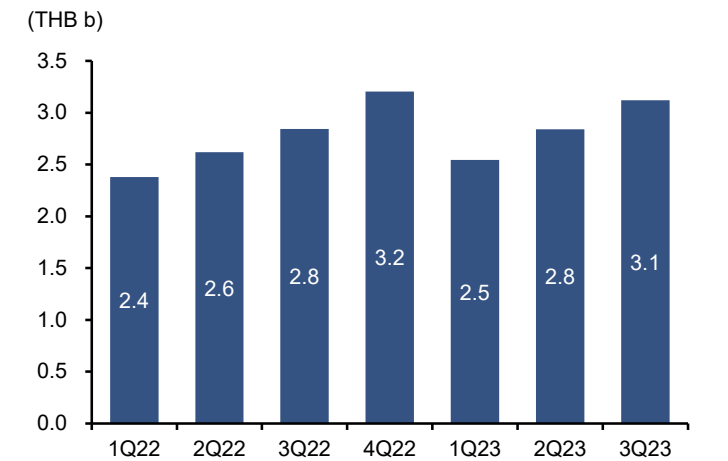
Sources: BRI; FSSIA estimates

Exhibit 6: Quarterly new launches



Sources: BRI; FSSIA's compilation

Exhibit 7: Quarterly presales



Sources: BRI; FSSIA's compilation

Exhibit 8: New launch plans in 1Q-3Q23

Period	No.	Project	Total value (THB m)
1Q23	1	Britania Maliwan	1,200
2Q23	2	Britania Ayutthaya	1,400
	3	Britania Thepharak-Srinakarin	1,200
	4	Britania Bangna KM.39	1,200
3Q23	5	Grand Britania Wongwaen-Prachautid	1,600
	6	Grand Britania Thawi Watthana	2,000
	7	Britania Bangna-Thepharak	2,200

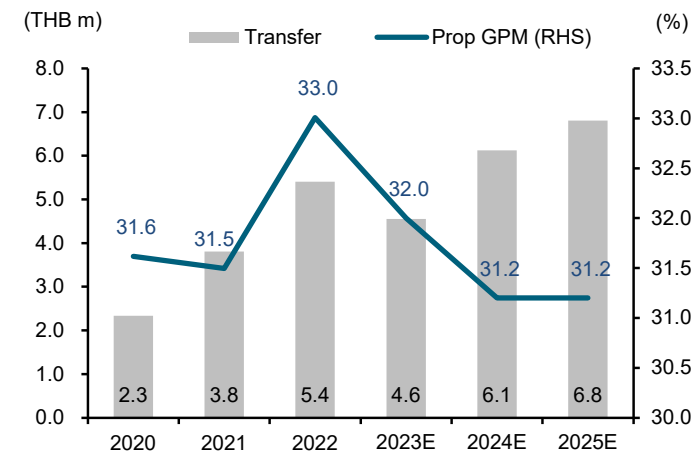
Sources: BRI; FSSIA's compilation

Exhibit 9: Key assumptions for BRI

	Current			Previous			Change		
	2023E (THB m)	2024E (THB m)	2025E (THB m)	2023E (THB m)	2024E (THB m)	2025E (THB m)	2023E (%)	2024E (%)	2025E (%)
Revenue (THB m)	6,406	7,125	7,809	7,610	8,435	9,746	(16)	(16)	(20)
- Transfers	4,556	6,125	6,809	7,110	7,935	9,246	(36)	(23)	(26)
- Management fee	1,850	1,000	1,000	500	500	500	270	100	100
Property gross margin (%)	32.0	31.2	31.2	32.0	32.0	32.0	0.0	(0.8)	(0.8)
Gross margin (%)	51.6	40.9	40.0	36.5	36.0	35.5	15.2	4.8	4.5
SG&A (THB m)	787	882	957	870	970	1,129	(10)	(9)	(15)
SG&A to revenue (%)	12.3	12.4	12.3	11.4	11.5	11.6	0.8	0.9	0.7
Interest expense (THB m)	32	60	72	16	24	26	15	151	177
Share of profit/loss from JV (THB m)	(672)	(247)	(281)	10	29	32	na	na	na
Core profit (THB m)	1,331	1,356	1,427	1,485	1,623	1,824	(10)	(16)	(22)
Net profit (THB m)	1,431	1,356	1,427	1,485	1,623	1,824	(4)	(16)	(22)

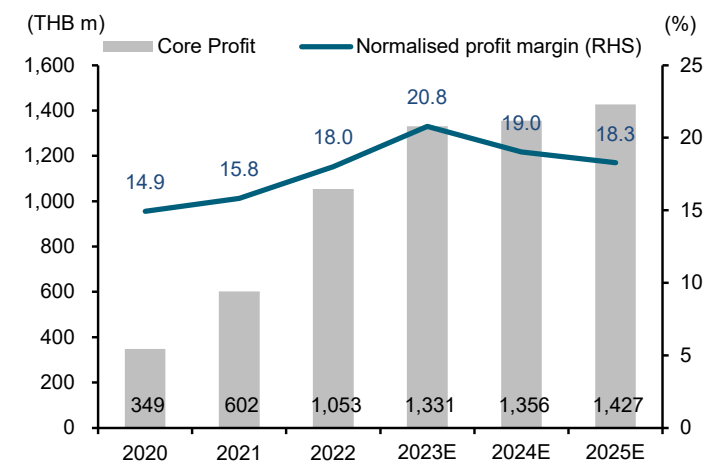
Sources: FSSIA estimates

Exhibit 10: Yearly transfers and property GPM



Sources: BRI; FSSIA estimates

Exhibit 11: Yearly core profit and normalised profit margin



Sources: BRI; FSSIA estimates

Exhibit 12: Historical P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 13: Historical P/BV band



Sources: Bloomberg; FSSIA estimates

Financial Statements

Britania

Profit and Loss (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Revenue	3,808	5,848	6,406	7,125	7,809
Cost of goods sold	(2,608)	(3,620)	(3,098)	(4,214)	(4,685)
Gross profit	1,199	2,228	3,308	2,911	3,124
Other operating income	8	30	30	35	40
Operating costs	(445)	(660)	(787)	(882)	(957)
Operating EBITDA	769	1,607	2,560	2,074	2,218
Depreciation	(7)	(9)	(9)	(10)	(11)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	762	1,598	2,551	2,064	2,207
Net financing costs	(9)	(10)	(32)	(60)	(72)
Associates	0	(135)	(672)	(247)	(281)
Recurring non-operating income	0	(135)	(672)	(247)	(281)
Non-recurring items	0	417	100	0	0
Profit before tax	754	1,871	1,947	1,756	1,854
Tax	(151)	(400)	(517)	(401)	(427)
Profit after tax	602	1,471	1,431	1,356	1,427
Minority interests	0	0	0	0	0
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
Reported net profit	602	1,471	1,431	1,356	1,427
Non-recurring items & goodwill (net)	0	(417)	(100)	0	0
Recurring net profit	602	1,053	1,331	1,356	1,427
Per share (THB)					
Recurring EPS *	0.71	1.24	1.56	1.59	1.67
Reported EPS	0.71	1.72	1.68	1.59	1.67
DPS	0.87	0.72	0.72	0.72	0.72
Diluted shares (used to calculate per share data)	853	853	853	853	853
Growth					
Revenue (%)	63.0	53.6	9.5	11.2	9.6
Operating EBITDA (%)	71.6	108.9	59.3	(19.0)	7.0
Operating EBIT (%)	72.0	109.6	59.6	(19.1)	7.0
Recurring EPS (%)	(93.9)	74.8	26.3	1.9	5.3
Reported EPS (%)	(93.9)	144.0	(2.7)	(5.2)	5.3
Operating performance					
Gross margin inc. depreciation (%)	31.5	38.1	51.6	40.9	40.0
Gross margin exc. depreciation (%)	31.7	38.2	51.8	41.0	40.2
Operating EBITDA margin (%)	20.2	27.5	40.0	29.1	28.4
Operating EBIT margin (%)	20.0	27.3	39.8	29.0	28.3
Net margin (%)	15.8	18.0	20.8	19.0	18.3
Effective tax rate (%)	20.0	21.4	26.5	22.8	23.0
Dividend payout on recurring profit (%)	122.5	58.4	46.1	45.3	43.0
Interest cover (X)	86.8	147.2	59.5	30.1	26.8
Inventory days	1,028.6	856.6	1,240.4	1,136.8	1,163.1
Debtor days	4.2	24.4	33.0	27.4	30.2
Creditor days	182.1	144.8	180.9	154.4	170.5
Operating ROIC (%)	9.7	16.3	20.6	13.6	13.0
ROIC (%)	9.6	13.8	13.4	10.8	10.3
ROE (%)	27.9	25.5	25.2	22.4	20.9
ROA (%)	7.5	9.7	9.7	8.6	8.1
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Transfer revenue	3,808	5,404	4,556	6,125	6,809
Project management	0	444	1,850	1,000	1,000

Sources: Britania; FSSIA estimates

Financial Statements

Britania

Cash Flow (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Recurring net profit	602	1,053	1,331	1,356	1,427
Depreciation	7	9	9	10	11
Associates & minorities	0	-	-	-	-
Other non-cash items	-	-	-	-	-
Change in working capital	(1,417)	(1,749)	(2,381)	(1,882)	(1,135)
Cash flow from operations	(808)	(687)	(1,041)	(515)	303
Capex - maintenance	-	-	-	-	-
Capex - new investment	(51)	(1,077)	-	(58)	(58)
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	-	-	(100)	-	-
Cash flow from investing	(51)	(1,077)	(100)	(58)	(58)
Dividends paid	(738)	(307)	(614)	(614)	(614)
Equity finance	2,594	7	0	0	0
Debt finance	(430)	1,686	1,414	1,101	501
Other financing cash flows	-	-	-	-	-
Cash flow from financing	1,426	1,385	800	487	(113)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	724	0	0	0
Net other adjustments	0	724	0	0	0
Movement in cash	567	345	(341)	(87)	132
Free cash flow to firm (FCFF)	(850.55)	(1,753.72)	(1,109.45)	(513.53)	317.30
Free cash flow to equity (FCFE)	(1,288.93)	646.32	272.81	527.17	746.30

Per share (THB)

FCFF per share	(1.00)	(2.06)	(1.30)	(0.60)	0.37
FCFE per share	(1.51)	0.76	0.32	0.62	0.88
Recurring cash flow per share	0.71	1.25	1.57	1.60	1.69

Balance Sheet (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Tangible fixed assets (gross)	40	43	57	60	64
Less: Accumulated depreciation	(5)	(7)	(11)	(16)	(23)
Tangible fixed assets (net)	35	36	46	44	40
Intangible fixed assets (net)	0	0	0	0	0
Long-term financial assets	86	388	400	400	400
Invest. in associates & subsidiaries	0	730	800	850	900
Cash & equivalents	638	984	643	556	688
A/C receivable	79	704	456	613	681
Inventories	7,905	9,047	11,949	14,235	15,551
Other current assets	358	863	647	669	721
Current assets	8,981	11,599	13,695	16,073	17,641
Other assets	15	90	97	107	117
Total assets	9,116	12,843	15,038	17,474	19,099
Common equity	3,386	4,863	5,680	6,422	7,235
Minorities etc.	0	0	0	0	0
Total shareholders' equity	3,386	4,863	5,680	6,422	7,235
Long term debt	526	2,196	3,956	3,852	4,553
Other long-term liabilities	6	7	6	9	10
Long-term liabilities	531	2,204	3,963	3,861	4,563
A/C payable	1,307	1,558	1,503	2,052	2,315
Short term debt	3,798	3,814	3,468	4,673	4,473
Other current liabilities	93	404	424	467	513
Current liabilities	5,198	5,776	5,395	7,191	7,301
Total liabilities and shareholders' equity	9,116	12,843	15,038	17,474	19,099
Net working capital	6,942	8,653	11,125	12,999	14,124
Invested capital	7,078	9,897	12,467	14,399	15,582

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

Per share (THB)

Book value per share	3.97	5.70	6.66	7.53	8.48
Tangible book value per share	3.97	5.70	6.66	7.53	8.48

Financial strength

Net debt/equity (%)	108.8	103.3	119.4	124.1	115.2
Net debt/total assets (%)	40.4	39.1	45.1	45.6	43.7
Current ratio (x)	1.7	2.0	2.5	2.2	2.4
CF interest cover (x)	(140.0)	174.3	9.6	10.7	12.2

Valuation	2021	2022	2023E	2024E	2025E
Recurring P/E (x) *	10.8	6.2	4.9	4.8	4.5
Recurring P/E @ target price (x) *	14.7	8.4	6.7	6.5	6.2
Reported P/E (x)	10.8	4.4	4.5	4.8	4.5
Dividend yield (%)	11.4	9.5	9.5	9.5	9.5
Price/book (x)	1.9	1.3	1.1	1.0	0.9
Price/tangible book (x)	1.9	1.3	1.1	1.0	0.9
EV/EBITDA (x) **	13.2	7.2	5.2	7.0	6.7
EV/EBITDA @ target price (x) **	16.3	8.6	6.1	8.1	7.8
EV/invested capital (x)	1.4	1.2	1.1	1.0	1.0

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

Sources: Britania; FSSIA estimates

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.																			
Sustainability Investment List (THSI) by The Stock Exchange of Thailand (SET)	THSI 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 THSI 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. SETTHSI Index is extended from the THSI 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 Sustainalytics	The Sustainalytics' ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. <i>Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality & 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 border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>NEGL</th> <th>Low</th> <th>Medium</th> <th>High</th> <th>Severe</th> </tr> </thead> <tbody> <tr> <td>0-10</td> <td>10-20</td> <td>20-30</td> <td>30-40</td> <td>40+</td> </tr> </tbody> </table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+									
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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 border="1" style="margin-left: auto; margin-right: auto;"> <tbody> <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> </tbody> </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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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.																			

Source: FSSIA's compilation

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Thanyatorn Songwutti FSS International Investment Advisory Securities Co., Ltd

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History of change in investment rating and/or target price

Britania (BRI TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
16-Mar-2023	BUY	14.00	-	-	-	-	-	-

Thanyatorn Songwutti started covering this stock from 16-Mar-2023

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Britania	BRI TB	THB 7.60	BUY	Downside risks to our P/E-based TP include 1) weaker-than-expected take-up rates of new launches; 2) a slower-than-expected economic recovery and weak purchasing power; 3) intense competition; 4) construction delays and labour shortages; 5) an increase in raw material costs; and 6) challenging new launches in the upcountry market.

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 06-Nov-2023 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.