2 FEBRUARY 2024

EQUITY RESEARCH - COMPANY REPORT

THAI STANLEY ELECTRIC STANLY TB

THAILAND / AUTOMOTIVE

BUY

UNCHANGED

TARGET PRICE	THB240.00
CLOSE	THB203.00
UP/DOWNSIDE	+18.2%
PRIOR TP	THB240.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+6.5%

ดีที่สุดสำหรับ Low season

- คาดกำไรปกติ 3QFY24 จะหดตัว 8.1% q-q ส่วนมากจากปัจจัยด้านฤดูกาล
- ประมาณการกำไร 9MFY24 คิดเป็นเพียง 63% ของประมาณการทั้งปีของเรา
- แม้ว่าจะมีปัจจัยกดดัน เราคงคำแนะนำซื้อเนื่องจากบริษัทฯ มีเงินสดเป็นจำนวนมาก พร้อมค่า P/E ที่อยู่ในระดับต่ำและผลตอบแทนในรูปเงินปันผลที่อยู่ในระดับสูง

คาดกำไร 3QFY24 จะหดตัวจากปัจจัยด้านฤดูกาล

ในช่วงธุรกิจชะลอตัวในเดือน ต.ค. - ธ.ค. 2023 เราคาดว่ารายได้จะหดตัว 3.4% q-q เป็น 3.6 พัน ลบ. (+0.4% y-y) ใน 3QFY24 อย่างไรก็ดีอัตรากำไรขั้นต้นอาจปรับขึ้นเป็น 19.0% นับเป็นระดับที่สูงที่สุดในรอบ 3 ไตรมาสเนื่องจากบริษัทฯ เร่งการผลิตสำหรับการส่งมอบในไตรมาสถัดไป จากประสิทธิภาพในด้านการผลิตเราคาดว่ากำไรปกติ 3QFY24 จะอยู่ที่ 445 ลบ. ลดลงเพียง 8.1% จากฐานที่สูงใน 2QFY24 ซึ่งโดยปกติบริษัทฯ จะได้รับรายได้เงินปันผลจากบริษัทย่อย กำไรปกติ 3QFY24 น่าจะปรับขึ้น 13.5% y-y ส่วนมากจากอัตรากำไรขั้นต้นที่ดีขึ้น

ประมาณการกำไรเสี่ยงถูกปรับ

ในรอบ 9MFY24 (เม.ย. - ธ.ค. 2023) เราคาดว่า STANLY จะรายงานกำไรปกติโต 5.1% y-y สูงกว่ารายได้ที่คาดว่าจะโต 2.2% y-y จากราคาวัตถุดิบที่ผันผวนลดลงและค่าใช้จ่ายการขายและบริหารที่ควบคุมได้ดี ประมาณการกำไรปกติในรอบ 9MFY24 คิดเป็นเพียง 63% ของประมาณการทั้งปีของเรา ส่วนที่เหลืออีกประมาณ 700 ลบ. ดูไม่น่าเป็นไปได้ในไตรมาสเดียวโดยเฉพาะอย่างยิ่งเมื่อรายได้ที่ทรงตัวใน 3 ไตรมาสที่ผ่านมาเป็นการส่งสัญญาณอำนาจในการซื้อที่อ่อนแอ

ไทยตั้งเป้าเพิ่มยอดขายรถยนต์ในประเทศ 9.4% ในปี 2024

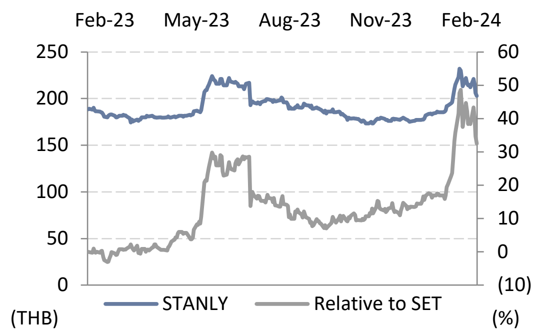
ในปี 2024 ประเทศไทยคาดว่าจะผลิตรถยนต์ 1.9ล้านคัน เพิ่มขึ้นเล็กน้อยที่ 3.2% y-y ตัวเลขดังกล่าวประกอบด้วยการส่งออก 65% และยอดขายในประเทศ 35% เป้าการส่งออกที่ 1.15 ล้านคันต่ำกว่าตัวเลขในปี 2023 อยู่เล็กน้อยที่ 0.5% ในขณะที่ยอดขายในประเทศที่คาดไว้ที่ 0.75ล้านคันสูงกว่าในปีก่อนหน้า 9.4% จากอำนาจในการซื้อที่อ่อนแออย่างเห็นได้ชัดและหนี้ด้อยคุณภาพที่ปรับขึ้นในกลุ่มยานยนต์ เราเชื่อว่าตัวเลขดังกล่าวเป็นเรื่องยาก

แม้ว่าจะมีปัจจัยกดดันเราคงคำแนะนำซื้อ

เราคงคำแนะนำซื้อที่ราคาเป้าหมาย 240 บาทซึ่งคิดเป็น 9.4x ของค่า FY24E P/E ใกล้กับค่าเฉลี่ย 5 ปีย้อนหลัง แม้ว่าจะมีปัจจัยกดดันและประมาณการกำไรมีความเสี่ยงที่จะถูกปรับลง STANLY ยังเป็นบริษัทที่ไม่มีหนี้โดยมีเงินสดและรายการเทียบเท่าเงินสดสูงถึง 7.5พัน ลบ. (98 บาทต่อหุ้น) ณ สิ้นไตรมาส 2QFY24 นอกจากนี้สัดส่วนหนี้ต่อส่วนผู้ถือหุ้นยังต่ำเพียง 0.15x ใน 2QFY24

KEY STOCK DATA

YE Mar (THB m)	2023	2024E	2025E	2026E
Revenue	14,448	15,804	17,385	18,779
Net profit	1,746	1,955	2,216	2,401
EPS (THB)	22.78	25.52	28.92	31.34
vs Consensus (%)	-	19.5	19.1	19.1
EBITDA	3,311	3,495	3,815	4,027
Recurring net profit	1,742	1,955	2,216	2,401
Core EPS (THB)	22.73	25.52	28.92	31.34
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	16.4	12.3	13.3	8.4
Core P/E (x)	8.9	8.0	7.0	6.5
Dividend yield (%)	9.9	5.7	6.4	6.9
EV/EBITDA (x)	4.1	3.9	3.5	3.2
Price/book (x)	0.7	0.7	0.7	0.7
Net debt/Equity (%)	(9.8)	(8.7)	(10.0)	(10.9)
ROE (%)	8.4	9.2	10.2	10.5



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	9.4	14.0	12.9
Relative to country (%)	13.3	15.0	39.1

Mkt cap (USD m)	439
3m avg. daily turnover (USD m)	0.3
Free float (%)	34
Major shareholder	Stanley Electric Holding Asia-Pacific Pte., Ltd. (36%)
12m high/low (THB)	233.00/166.07
Issued shares (m)	76.63

Sources: Bloomberg consensus; FSSIA estimates

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บทวิเคราะห์ฉบับนี้แปลมาจากต้นฉบับภาษาอังกฤษ ที่ออกรายงานเมื่อวันที่ 2 กุมภาพันธ์ 2024

Investment thesis

We maintain our BUY call on STANLY, though the local sales situation looks challenging.

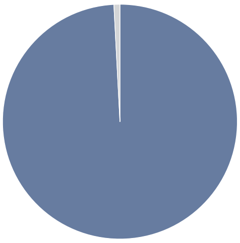
We like STANLY as it is in a low-competition industry with only a few players in the market. The company has a competitive advantage as a partner with a Japanese JV and as a listed company on the Stock Exchange of Thailand, which allows the company to seek lower-cost funding sources. Moreover, we think STANLY's share price is undemanding at only 8.0x FY24E P/E and 0.7x FY24E P/BV.

Company profile

STANLY is a manufacturer and distributor of automotive lightling equipment, namely lamps, lighting sets, and metal molds to domestic and international automotive manufacturers. STANLY was founded by a Thai-Japanese joint venture between The Sittipol 1919 Co., Ltd. and Stanley Electric Co., Ltd. of Japan. The company has three plants in Thailand manufacturing auto bulbs, dies and molds, and auto lamps. The company has two joint ventures in Vietnam and Laos.

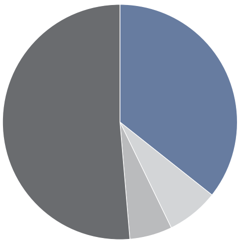
www.thaistanley.com

Principal activities (revenue, 2023)



Source: Thai Stanley Electric

Major shareholders



Source: Thai Stanley Electric

Catalysts

Key potential catalysts include 1) stronger demand for cars and motorcycles in the region; 2) new orders; and 3) lower costs for raw materials and electricity.

Risks to our call

Downside risks to our P/E-based TP include 1) weak global automotive demand; 2) higher raw material prices and utility costs; 3) global semiconductor shortages; and 4) fluctuations in the THB.

Event calendar

Date	Event
9 February 2024	3QFY24 earnings announcement

Key assumptions

	FY24E	FY25E	FY26E
	(THB m)	(THB m)	(THB m)
Auto bulbs & lighting	15,676	17,243	18,623
Growth (%)	*9.4*	*10.0*	*8.0*
Die & molds	129	141	156
Growth (%)	*8.0*	*10.0*	*10.3*
Total revenue	**15,804**	**17,385**	**18,779**
Growth (%)	*9.4*	*10.0*	*8.0*
Gross margin (%)	18.1	18.5	18.5
Core profit margin	12.4	12.7	12.8

Source: FSSIA estimates

Earnings sensitivity

- For every 0.5% change in its gross margin, we project STANLY's FY24 net profit to change by 3%, all else being equal.
- For every 10% change in utility costs, we project STANLY's FY24 net profit to change by 2%, all else being equal.
- For every 1% change in its SG&A to sales, we forecast STANLY's FY24 net profit to change by 6%, all else being equal.

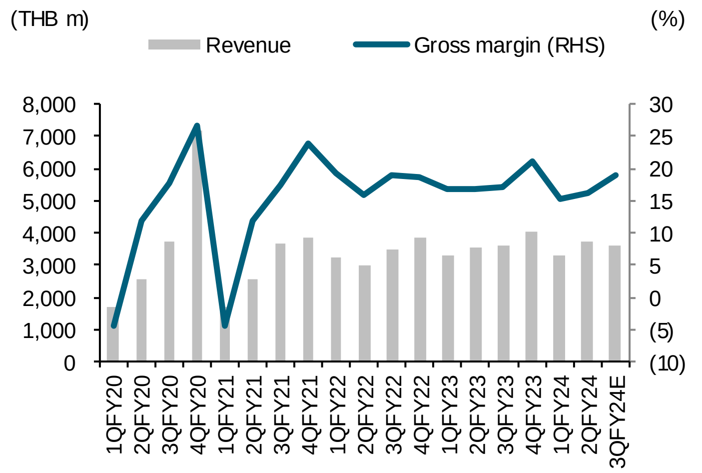
Source: FSSIA estimates

Exhibit 1: 3QFY24 earnings preview

Year to Mar 31	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24E	-------Change--------		9MFY23	9MFY24E	Change	% of
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)	FY24E
Sales	3,602	4,012	3,306	3,745	3,618	(3.4)	0.4	10,436	10,669	2.2	67.5
Cost of sales	(2,991)	(3,165)	(2,799)	(3,135)	(2,931)	(6.5)	(2.0)	(8,674)	(8,865)	2.2	68.5
Gross profit	611	846	507	610	687	12.7	12.4	1,762	1,805	2.4	157.7
Operating costs	(274)	(271)	(268)	(281)	(275)	(2.3)	0.3	(822)	(824)	0.2	72.0
Operating profit	337	575	239	328	412	25.6	22.3	940	980	4.3	51.0
Operating EBITDA	772	996	685	898	851	(5.2)	10.3	2,315	2,434	5.1	69.6
Other income	44	40	46	177	40	(77.4)	(9.3)	81	65	(19.1)	69.0
Interest expense	0	0	0	0	0	0.0	0.0	0	0	0.0	0.0
Profit before tax	382	616	286	505	452	(10.5)	18.6	1,147	1,244	8.4	64.7
Tax	(94)	(133)	(78)	(108)	(95)	(11.7)	1.5	(275)	(281)	2.1	73.1
Associates	105	84	96	87	88	1.1	(15.9)	303	271	(10.4)	64.8
Reported net profit	**376**	**565**	**315**	**495**	**445**	**(10.1)**	**18.4**	**1,180**	**1,256**	**6.4**	**64.2**
Core profit	**392**	**568**	**303**	**485**	**445**	**(8.1)**	**13.5**	**1,174**	**1,234**	**5.1**	**63.1**
Reported EPS (THB)	4.91	7.38	4.11	6.47	5.81	(10.1)	18.4	15.4	16.4	6.4	64.2
Core EPS (THB)	5.12	7.41	3.96	6.33	5.81	(8.1)	13.5	15.3	16.1	5.1	63.1
Key Ratios (%)	**(%)**	**(%)**	**(%)**	**(%)**	**(%)**	**(ppt)**	**(ppt)**	**(%)**	**(%)**	**(ppt)**	
Gross margin	17.0	21.1	15.3	16.3	19.0	2.7	2.0	16.9	16.9	0.0	
Operating margin	10.6	15.3	8.6	13.5	12.5	(1.0)	1.9	11.0	11.7	0.7	
EBITDA margin	21.4	24.8	20.7	24.0	23.5	(0.4)	2.1	22.2	22.8	0.6	
Core profit margin	10.9	14.1	9.2	12.9	12.3	(0.6)	1.4	11.3	11.6	0.3	
SG&A / Sales	7.6	6.8	8.1	7.5	7.6	0.1	(0.0)	7.9	7.7	(0.2)	

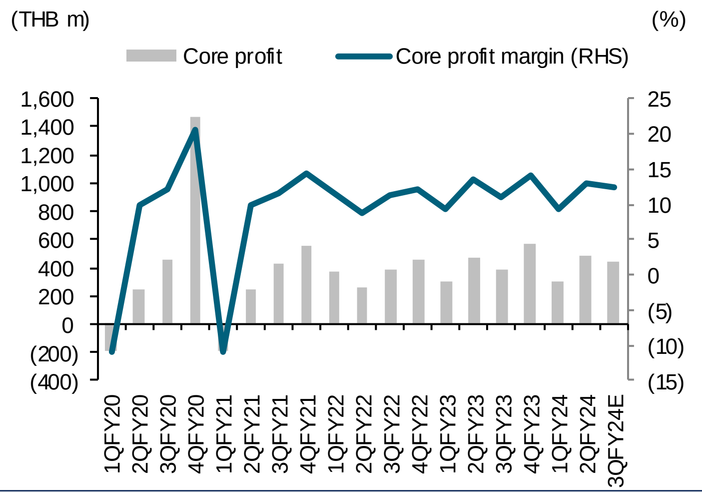
Sources: STANLY, FSSIA estimates

Exhibit 2: Revenue and gross margin



Sources: STANLY, FSSIA estimates

Exhibit 3: Core profit and core profit margin



Sources: STANLY, FSSIA estimates

Financial Statements

Thai Stanley Electric

Profit and Loss (THB m) Year Ending Mar	2022	2023	2024E	2025E	2026E
Revenue	13,582	14,448	15,804	17,385	18,779
Cost of goods sold	(12,666)	(13,387)	(14,517)	(15,767)	(16,928)
Gross profit	**916**	**1,061**	**1,287**	**1,618**	**1,851**
Other operating income	1,693	1,795	1,779	1,816	1,849
Operating costs	(1,024)	(1,093)	(1,144)	(1,217)	(1,296)
Operating EBITDA	**3,158**	**3,311**	**3,495**	**3,815**	**4,027**
Depreciation	(1,574)	(1,548)	(1,573)	(1,598)	(1,623)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	**1,584**	**1,763**	**1,922**	**2,217**	**2,404**
Net financing costs	0	0	0	0	0
Associates	282	387	418	443	478
Recurring non-operating income	282	387	418	443	478
Non-recurring items	24	4	0	0	0
Profit before tax	**1,890**	**2,154**	**2,340**	**2,660**	**2,882**
Tax	(369)	(408)	(384)	(443)	(481)
Profit after tax	**1,521**	**1,746**	**1,955**	**2,216**	**2,401**
Minority interests	0	0	0	0	0
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	**1,521**	**1,746**	**1,955**	**2,216**	**2,401**
Non-recurring items & goodwill (net)	**(24)**	**(4)**	**0**	**0**	**0**
Recurring net profit	**1,496**	**1,742**	**1,955**	**2,216**	**2,401**
Per share (THB)					
Recurring EPS *	19.53	22.73	25.52	28.92	31.34
Reported EPS	19.85	22.78	25.52	28.92	31.34
DPS	8.50	20.00	11.48	13.02	14.10
Diluted shares (used to calculate per share data)	77	77	77	77	77
Growth					
Revenue (%)	15.8	6.4	9.4	10.0	8.0
Operating EBITDA (%)	22.3	4.8	5.6	9.1	5.6
Operating EBIT (%)	54.3	11.3	9.0	15.3	8.4
Recurring EPS (%)	44.7	16.4	12.3	13.3	8.4
Reported EPS (%)	43.3	14.8	12.0	13.3	8.4
Operating performance					
Gross margin inc. depreciation (%)	6.7	7.3	8.1	9.3	9.9
Gross margin exc. depreciation (%)	18.3	18.1	18.1	18.5	18.5
Operating EBITDA margin (%)	23.3	22.9	22.1	21.9	21.4
Operating EBIT margin (%)	11.7	12.2	12.2	12.8	12.8
Net margin (%)	11.0	12.1	12.4	12.7	12.8
Effective tax rate (%)	19.5	18.9	16.4	16.7	16.7
Dividend payout on recurring profit (%)	43.5	88.0	45.0	45.0	45.0
Interest cover (X)	-	-	-	-	-
Inventory days	19.7	20.2	17.8	18.2	18.3
Debtor days	69.4	65.4	60.5	56.7	53.9
Creditor days	34.4	31.7	29.6	28.2	25.5
Operating ROIC (%)	9.5	9.6	9.9	11.3	(3.0)
ROIC (%)	8.5	8.9	9.2	10.3	(2.7)
ROE (%)	7.7	8.4	9.2	10.2	10.5
ROA (%)	6.7	7.4	8.0	8.9	9.3

* Pre-exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2022	2023	2024E	2025E	2026E
Auto bulbs & automotive lighting equipment	13,490	14,329	15,676	17,243	18,623
Molds & dies and product designs	92	119	129	141	156

Sources: Thai Stanley Electric; FSSIA estimates

Financial Statements

Thai Stanley Electric

Cash Flow (THB m) Year Ending Mar	2022	2023	2024E	2025E	2026E
Recurring net profit	1,496	1,742	1,955	2,216	2,401
Depreciation	1,574	1,548	1,573	1,598	1,623
Associates & minorities	(282)	(387)	(418)	(443)	(478)
Other non-cash items	405	(504)	0	0	0
Change in working capital	(621)	(202)	22	(67)	(423)
Cash flow from operations	**2,573**	**2,197**	**3,133**	**3,305**	**3,124**
Capex - maintenance	0	0	0	0	0
Capex - new investment	(927)	(677)	(872)	(930)	(918)
Net acquisitions & disposals	0	-	-	-	-
Other investments (net)	(1,234)	(2,235)	(1,281)	(796)	(1,000)
Cash flow from investing	**(2,161)**	**(2,911)**	**(2,153)**	**(1,726)**	**(1,918)**
Dividends paid	(421)	(651)	(880)	(997)	(1,081)
Equity finance	0	0	0	0	0
Debt finance	0	0	0	0	0
Other financing cash flows	0	-	-	-	-
Cash flow from financing	**(421)**	**(651)**	**(880)**	**(997)**	**(1,081)**
Non-recurring cash flows	-	-	-	-	-
Other adjustments	2	794	0	0	209
Net other adjustments	**2**	**794**	**(329)**	**(201)**	**209**
Movement in cash	**(7)**	**(572)**	**(228)**	**381**	**334**
Free cash flow to firm (FCFF)	411.62	(714.86)	980.46	1,579.17	1,205.55
Free cash flow to equity (FCFE)	414.05	79.54	651.66	1,378.07	1,414.45
Per share (THB)					
FCFF per share	5.37	(9.33)	12.80	20.61	15.73
FCFE per share	5.40	1.04	8.50	17.98	18.46
Recurring cash flow per share	41.68	31.31	40.60	44.00	46.28

Balance Sheet (THB m) Year Ending Mar	2022	2023	2024E	2025E	2026E
Tangible fixed assets (gross)	24,589	24,700	23,099	21,530	19,925
Less: Accumulated depreciation	(15,512)	(16,231)	(14,657)	(13,059)	(11,436)
Tangible fixed assets (net)	**9,077**	**8,469**	**8,441**	**8,471**	**8,489**
Intangible fixed assets (net)	**989**	**940**	**987**	**1,187**	**1,387**
Long-term financial assets	1,485	1,702	1,702	1,702	1,702
Invest. in associates & subsidiaries	1,909	2,023	2,023	2,173	2,323
Cash & equivalents	2,656	2,084	1,856	2,237	2,571
A/C receivable	2,618	2,557	2,685	2,715	2,830
Inventories	718	591	674	738	797
Other current assets	3,548	5,933	5,934	5,935	5,936
Current assets	**9,539**	**11,165**	**11,148**	**11,624**	**12,133**
Other assets	58	25	79	122	150
Total assets	**23,057**	**24,325**	**24,381**	**25,279**	**26,184**
Common equity	20,027	21,287	21,241	22,340	23,541
Minorities etc.	0	0	0	0	0
Total shareholders' equity	**20,027**	**21,287**	**21,241**	**22,340**	**23,541**
Long term debt	-	-	-	-	-
Other long-term liabilities	965	1,046	1,027	956	789
Long-term liabilities	**965**	**1,046**	**1,027**	**956**	**789**
A/C payable	1,054	1,001	1,099	1,087	1,048
Short term debt	0	-	-	-	-
Other current liabilities	1,011	991	1,013	896	807
Current liabilities	**2,065**	**1,992**	**2,112**	**1,983**	**1,855**
Total liabilities and shareholders' equity	**23,057**	**24,325**	**24,381**	**25,279**	**26,184**
Net working capital	4,818	7,089	7,180	7,404	7,707
Invested capital	18,335	20,249	20,412	21,059	21,759
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	261.36	277.80	277.21	291.55	307.22
Tangible book value per share	248.46	265.53	264.32	276.05	289.11
Financial strength					
Net debt/equity (%)	(13.3)	(9.8)	(8.7)	(10.0)	(10.9)
Net debt/total assets (%)	(11.5)	(8.6)	(7.6)	(8.8)	(9.8)
Current ratio (x)	4.6	5.6	5.3	5.9	6.5
CF interest cover (x)	-	-	-	-	-

Valuation	2022	2023	2024E	2025E	2026E
Recurring P/E (x) *	**10.4**	**8.9**	**8.0**	**7.0**	**6.5**
Recurring P/E @ target price (x) *	**12.3**	**10.6**	**9.4**	**8.3**	**7.7**
Reported P/E (x)	10.2	8.9	8.0	7.0	6.5
Dividend yield (%)	4.2	9.9	5.7	6.4	6.9
Price/book (x)	0.8	0.7	0.7	0.7	0.7
Price/tangible book (x)	0.8	0.8	0.8	0.7	0.7
EV/EBITDA (x) **	4.1	4.1	3.9	3.5	3.2
EV/EBITDA @ target price (x) **	5.0	4.9	4.7	4.2	3.9
EV/invested capital (x)	0.7	0.7	0.7	0.6	0.6

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

Sources: Thai Stanley Electric; 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%). *(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.)*	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. *(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.)*	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. *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.*	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. **NEGL** 0-10; **Low** 10-20; **Medium** 20-30; **High** 30-40; **Severe** 40+
ESG Book	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.	The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.
MSCI	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers.	

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	**Average:**	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers
BBB	4.286-5.713		
BB	2.857-4.285		
B	1.429-2.856	**Laggard:**	lagging its industry based on its high exposure and failure to manage significant ESG risks
CCC	0.000-1.428		

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. *(Score ratings are 0 to 25 = poor; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.)*	
S&P Global	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.	
Bloomberg	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.

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

Source: FSSIA's compilation

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Jitra Amornthum FSS International Investment Advisory Securities Co., Ltd

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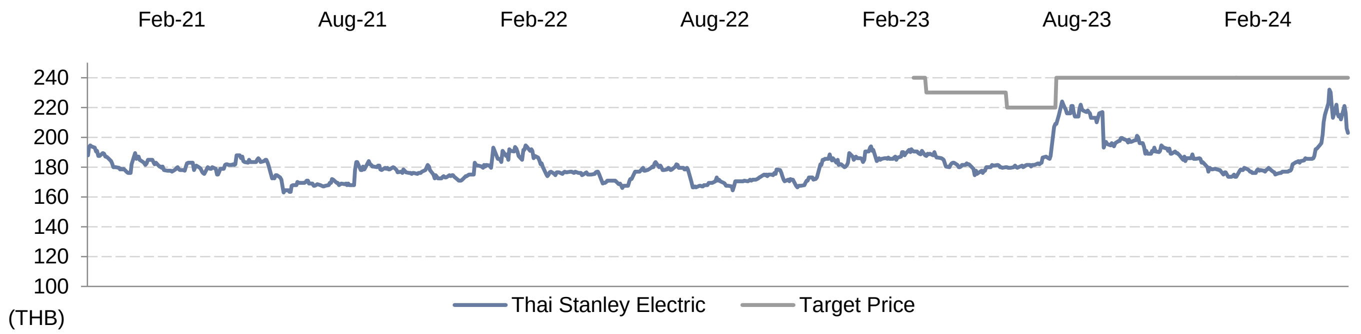
History of change in investment rating and/or target price

Thai Stanley Electric (STANLY TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
19-Jan-2023	BUY	240.00	10-Apr-2023	BUY	220.00	-	-	-
30-Jan-2023	BUY	230.00	23-May-2023	BUY	240.00			

Jitra Amornthum started covering this stock from 19-Jan-2023

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Thai Stanley Electric	STANLY TB	THB 203.00	BUY	Downside risks to our P/E-based TP include 1) weak global automotive demand; 2) higher raw material prices and utility costs; 3) global semiconductor shortages; and 4) fluctuations in the THB.

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 01-Feb-2024 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as (target price* - current price) / 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.