

BRITANIA BRI TB

THAILAND / PROPERTY DEVELOPMENT

REDUCE

FROM HOLD

TARGET PRICE	THB4.20
CLOSE	THB4.38
UP/DOWNSIDE	-4.1%
PRIOR TP	THB5.40
CHANGE IN TP	-22.2%
TP vs CONSENSUS	-26.3%

คาดการณ์ 2Q24 หดตัว q-q และ y-y

- ค่าตัวไรสุทธิ 2Q24 อยู่ที่ 200 ลบ. (-33% q-q, -43% y-y) จากการเซ็น JV ใหม่ลดลง, ยอดโอนโอนแอ และอัตราค่าไรขึ้นต้นลดลง
- แนวโน้มกำไร 2H24 ไม่สดใสจากตลาดแนวราบยังอ่อนแอและโครงการเปิดตัวใหม่ส่วนใหญ่อยู่ใน 4Q24
- เราปรับลดราคาเป้าหมายเป็น 4.2 บาท ลดคำแนะนำเป็น REDUCE

ยอด Presales 2Q24 ลดลง y-y แต่ฟื้นตัว q-q ตามโครงการเปิดตัวใหม่

BRI รายงาน Presales ใน 2Q24 อยู่ที่ 2 พันลบ. (+13% q-q, -28% y-y) ฟื้นตัว q-q จากโครงการเปิดตัว 2 โครงการใหม่ มูลค่ารวม 3.2 พันลบ. แต่ลดลง y-y จากตลาดชะลอตัว การแข่งขันที่รุนแรง และอัตราการปฏิเสธสินเชื่อที่อยู่ในระดับสูง ทำให้ยอด Presales ใน 1H24 อยู่ที่ 3.8 พันลบ. (-29% y-y) คิดเป็นเพียง 30% ของเป้าทั้งปีของบริษัท ที่ 13 พันลบ. ขณะที่แผนการเปิดตัวโครงการใหม่ในปี 2024 อาจลดลงเหลือเพียง 7 โครงการ จากแผนเดิมที่ 20 โครงการ เราจึงคาดว่ายอดขาย Presales 2024 จะจบที่ 8 พันลบ. (-36% y-y)

ค่าตัวไรสุทธิ 2Q24 หดตัว 33% q-q และ 43% y-y

เราคาดว่ากำไรสุทธิ 2Q24 ที่ 200 ลบ. (-33% q-q, -43% y-y) หากไม่รวมกำไรพิเศษจาก Share premium 88 ลบ. จากการเซ็นโครงการ JV ใหม่ 1 แห่ง (เทียบกับ 111 ลบ. จากเซ็น JV 4 แห่งใน 1Q24) ก็ไปปกติที่ 112 ลบ. (-40% q-q, -68% y-y) กุดตันจากรายได้บริหาร JV ที่ลดลงตามจำนวนการเซ็นสัญญาใหม่ รวมถึงอัตราค่าไรขึ้นต้นจากการขายอสังหาฯ ที่ปรับลดเหลือ 28% (เทียบกับ 30.3% ใน 1Q24 และ 32.7% ใน 2Q23) จากการแข่งขันรุนแรงและการทำโปรโมชันราคา ส่วนยอดโอนใน 2Q24 คาดลดลงเป็น 824 ลบ. (-4% q-q, -22% y-y) ตามยอด Presales ที่ชะลอตัว และโครงการใหม่ยังไม่สามารถรับรู้ได้ทันภายในไตรมาส ขณะที่เราคาดว่าบริษัทจะจ่ายเงินปันผลในช่วง 1H24 ที่ 0.10 บาท คิดเป็น Yield 2.3%

แนวโน้มผลประกอบการ 2H24 ยังไม่สดใส

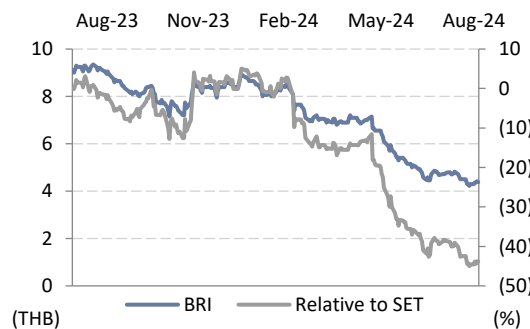
หากผลประกอบการ 2Q24 ตามคาด กำไรปกติใน 1H24 จะอยู่ที่ 297 ลบ. (-56% y-y) คิดเป็น 49% ของประมาณการทั้งปีของเราที่ 1.1 พันลบ. (-45% y-y) ใน 2H24 BRI วางแผนเปิด 4 โครงการใหม่ มูลค่ารวม 6.5 พันลบ. เพิ่มขึ้นจาก 3 โครงการ มูลค่ารวม 3.6 พันลบ. ในช่วง 1H24 อย่างไรก็ตาม การเปิดตัวจะกระจุกตัวใน 4Q24 ถึง 3 โครงการ ทำให้มีโอกาสรู้ได้ไม่มากนักในปี เราจึงคาดว่าแนวโน้มกำไรใน 3Q-4Q24 จะยังไม่น่าตื่นเต้น ถูกกดดันจากสถานะตลาดที่ไม่เอื้ออำนวยและการออกโปรโมชันราคาเพื่อกระตุ้นการขายโครงการเดิม

ปรับลดราคาเป้าหมายเป็น 4.2 บาท ลดคำแนะนำเป็น REDUCE

เราปรับลดราคาเป้าหมายของเราเป็น 4.2 จาก 5.4 บาท โดยปรับลด Target P/E เป็น 6x (ค่าเฉลี่ยย้อนหลัง -2SD) จาก 7.6x ปัจจุบันราคาหุ้นเต็มมูลค่า จึงปรับลดคำแนะนำเป็น REDUCE จากเดิมถือ โดยยังมีมุมมองลบกับการเผชิญหลายปัจจัยท้าทาย โดยบริษัทอยู่ในช่วงระมัดระวังและมุ่งเน้นไปที่การรักษาเงินสดในมือจากสถานะทางการเงินที่ตึงตัว โดยมี Net gearing อยู่ที่ 2x ณ สิ้นไตรมาส 1Q24 ขณะที่ธุรกิจ BRI พึ่งพาเพียงตลาดแนวราบหลักๆ ในระดับกลางซึ่งมีแนวโน้มอ่อนแอและการแข่งขันรุนแรง ทำให้ BRI อาจต้องใช้เวลาในการฟื้นตัวนานกว่าบริษัทพัฒนาอสังหาฯ รายอื่นที่พอร์ตมีการกระจายตัวดี

KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	5,712	4,358	4,680	4,806
Net profit	1,195	717	715	781
EPS (THB)	1.40	0.84	0.84	0.92
vs Consensus (%)	-	10.5	(5.1)	(5.6)
EBITDA	2,043	1,065	1,118	1,134
Recurring net profit	1,104	606	715	781
Core EPS (THB)	1.29	0.71	0.84	0.92
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	(2.9)	(45.1)	18.0	9.3
Core P/E (x)	3.4	6.2	5.2	4.8
Dividend yield (%)	17.7	9.6	9.6	10.5
EV/EBITDA (x)	7.2	13.8	13.3	13.6
Price/book (x)	0.7	0.7	0.6	0.6
Net debt/Equity (%)	206.9	192.5	184.0	181.5
ROE (%)	21.6	11.0	12.2	12.5



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(7.2)	(33.1)	(53.2)
Relative to country (%)	(8.9)	(30.6)	(44.7)
Mkt cap (USD m)			106
3m avg. daily turnover (USD m)			0.2
Free float (%)			27
Major shareholder			Origin Property (70%)
12m high/low (THB)			9.60/4.20
Issued shares (m)			852.81

Sources: Bloomberg consensus; FSSIA estimates


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Investment thesis

We view 2024 as challenging for the low-rise market, which BRI solely depends upon. The company is also facing pressure from weak purchasing power, fierce competition, and strict credit underwriting, as evidenced by higher rejection and cancellation rates. Management has a more cautious view of the new launch plan, which may drop to 6-10 projects with a combined value of THB10b (from 20 projects with a combined value of THB17b), probably resulting in a weak earnings performance this year. Meanwhile, the end-1Q24 net gearing was high at 2x, prompting BRI to focus on maintaining cash on hand.

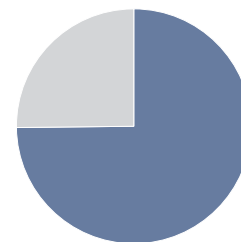
Company profile

Britania was established by Origin Property (ORI) in 2016. It operates low-rise residential projects in Bangkok and its vicinity as well as in industrial estates and the upcountry market. Its offers detached homes, semi-detached homes, and townhomes under various brands and price ranges, including Belgravia (THB20m-50m/unit), Grand Britania (THB8m-20m/unit), Britania (THB4m-8m/unit), and Brighton (THB2.5m-4m/unit).

www.britania.co.th

Principal activities (revenue, 2023)

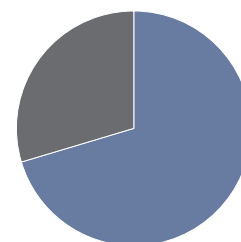
- Transfer revenue - 74.8 %
- Project management - 25.2 %



Source: Britania

Major shareholders

- Origin Property - 70.4 %
- Others - 29.6 %



Source: Britania

Catalysts

Potential catalysts for BRI's earnings growth in 2024 are 1) new launches and the progress of existing project sales; 2) the success of its expansion in provincial markets; and 3) new JV projects that will generate project management revenue and a share premium.

Risks to our call

Upside risks to our P/E-based TP include 1) higher-than-expected presales; 2) more new launches than planned; 3) more new JV projects than expected; 4) a faster-than-expected low-rise market and economic recovery; and 5) lower-than-expected rejection and cancellation rates.

Event calendar

Date	Event
13 August 2024	2Q24 results announcement

Key assumptions

	2024E	2025E	2026E
Transfer revenue (THB m)	3,858	4,180	4,306
Project management (THB m)	500	500	500
Property GPM (%)	29.0	29.0	29.0
GPM (%)	37.1	36.6	36.4
SG&A to revenue (%)	14.1	14.0	14.1
Share profit/loss from JV	(161)	(93)	(37)

Source: FSSIA estimates

Earnings sensitivity

- For every 5% increase in transfers, we estimate 2024 core profit to rise by 5%, and vice versa, all else being equal.
- For every 0.5% increase in property GPM, we estimate 2024 core profit to rise by 2%, and vice versa, all else being equal.
- For every 0.5% increase in SG&A to revenue, we estimate 2024 core profit to fall by 3%, and vice versa, all else being equal.

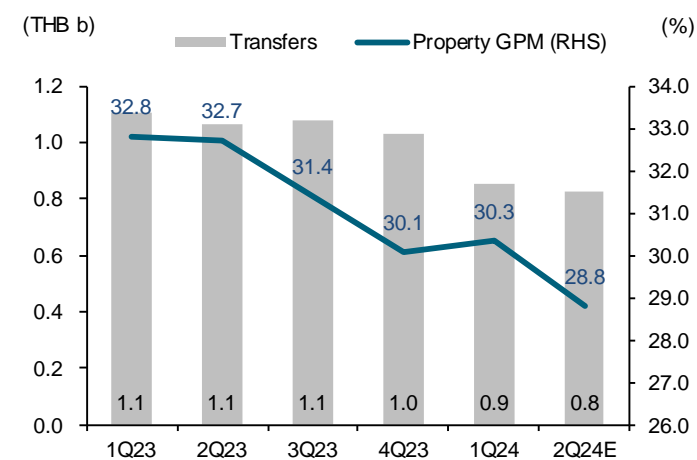
Source: FSSIA estimates

Exhibit 1: BRI – 2Q24 results preview

	2Q23	3Q23	4Q23	1Q24	2Q24E	Change	
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)
Total revenue	1,544	1,625	1,079	1,120	929	(17.1)	(39.9)
Cost of sales	715	739	719	596	586	(1.5)	(18.0)
Gross profit	829	886	360	525	342	(34.8)	(58.7)
SG&A	187	195	246	153	153	0.5	(18.0)
Operating profit	642	691	114	372	189	(49.3)	(70.6)
Interest expense	5	10	3	23	36	58.8	656.6
Tax expense	131	139	30	76	34	(55.3)	(74.1)
Equity income from JV	(167)	(216)	5	(98)	(20)	na	na
Reported net profit	348	417	101	296	200	(32.6)	(42.6)
Core profit	345	330	101	185	112	(39.6)	(67.6)
Key ratios (%)						(ppt)	(ppt)
Property gross margin	32.7	31.4	30.1	30.3	28.8	(1.5)	(3.9)
Gross margin	53.7	54.5	33.4	46.8	36.9	(10.0)	(16.9)
SG&A / Sales	12.1	12.0	22.8	13.6	16.5	2.9	4.4
Operating margin	41.6	42.5	10.6	33.2	20.3	(12.9)	(21.3)
Net margin	22.5	25.7	9.3	26.5	21.5	(4.9)	(1.0)
Norm margin	22.3	20.3	9.3	16.5	12.0	(4.5)	(10.3)
Revenue breakdown							
Residential	1,062	1,077	1,028	855	824	(3.7)	(22.5)
Project management	482	548	51	265	105	(60.4)	(78.2)

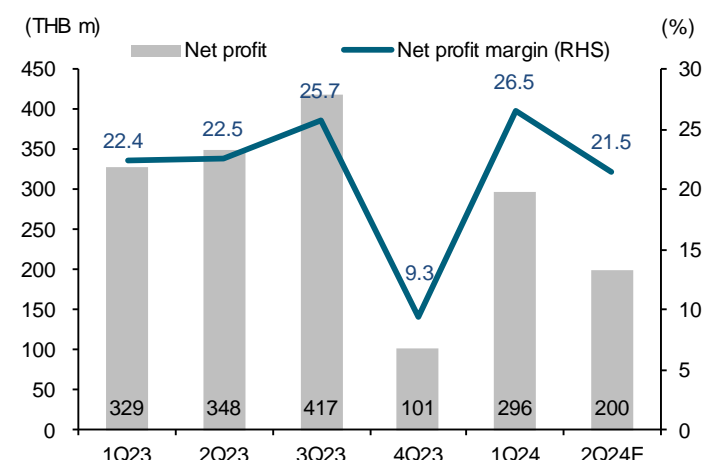
Sources: BRI; FSSIA estimates

Exhibit 2: Quarterly transfers and property GPM



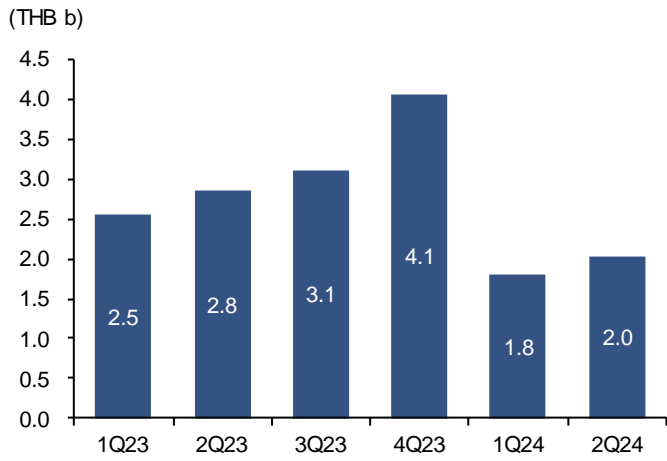
Sources: BRI; FSSIA estimates

Exhibit 3: Quarterly net profit and NPM



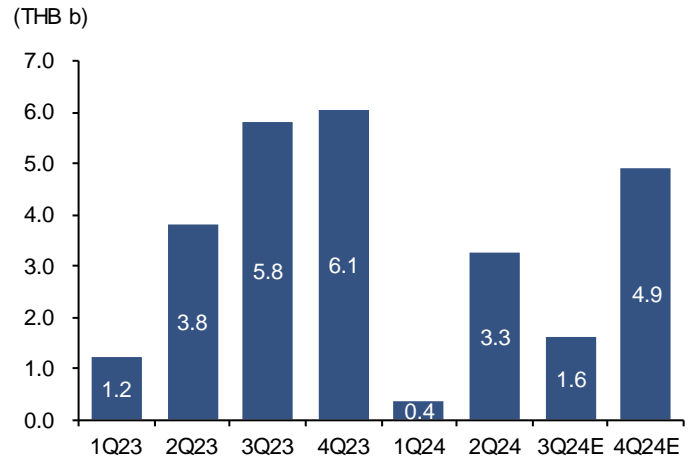
Sources: BRI; FSSIA estimates

Exhibit 4: Quarterly presales



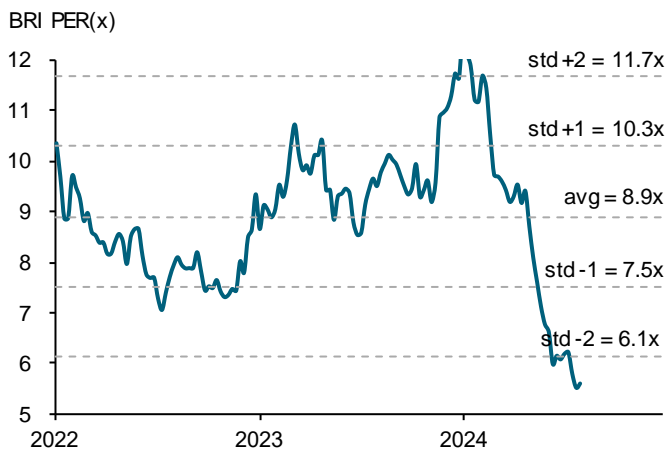
Sources: BRI; FSSIA's compilations

Exhibit 5: Yearly presales



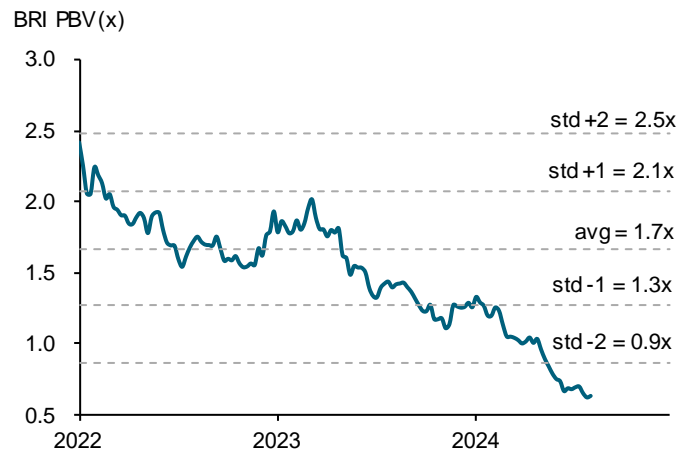
Sources: BRI; FSSIA's compilations

Exhibit 6: Historical P/E band



Sources: Bloomberg; FSSIA estimates

Exhibit 7: Historical P/BV band



Sources: Bloomberg; FSSIA estimates

Financial Statements

Britania

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	5,848	5,712	4,358	4,680	4,806
Cost of goods sold	(3,620)	(2,916)	(2,739)	(2,967)	(3,057)
Gross profit	2,228	2,796	1,619	1,712	1,749
Other operating income	30	37	45	45	45
Operating costs	(660)	(802)	(614)	(655)	(677)
Operating EBITDA	1,607	2,043	1,065	1,118	1,134
Depreciation	(9)	(12)	(15)	(16)	(17)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	1,598	2,031	1,050	1,102	1,116
Net financing costs	(10)	(21)	(91)	(92)	(94)
Associates	(135)	(494)	(161)	(93)	(37)
Recurring non-operating income	(135)	(494)	(161)	(93)	(37)
Non-recurring items	334	90	111	0	0
Profit before tax	1,787	1,606	909	917	986
Tax	(317)	(412)	(192)	(202)	(204)
Profit after tax	1,471	1,195	717	715	781
Minority interests	0	0	0	0	0
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
Reported net profit	1,471	1,195	717	715	781
Non-recurring items & goodwill (net)	(334)	(90)	(111)	0	0
Recurring net profit	1,137	1,104	606	715	781
Per share (THB)					
Recurring EPS *	1.33	1.29	0.71	0.84	0.92
Reported EPS	1.72	1.40	0.84	0.84	0.92
DPS	0.93	0.78	0.42	0.42	0.46
Diluted shares (used to calculate per share data)	853	853	853	853	853
Growth					
Revenue (%)	53.6	(2.3)	(23.7)	7.4	2.7
Operating EBITDA (%)	108.9	27.1	(47.9)	5.0	1.4
Operating EBIT (%)	109.6	27.1	(48.3)	5.0	1.3
Recurring EPS (%)	88.6	(2.9)	(45.1)	18.0	9.3
Reported EPS (%)	144.0	(18.8)	(40.0)	(0.3)	9.3
Operating performance					
Gross margin inc. depreciation (%)	38.1	48.9	37.1	36.6	36.4
Gross margin exc. depreciation (%)	38.2	49.2	37.5	36.9	36.8
Operating EBITDA margin (%)	27.5	35.8	24.4	23.9	23.6
Operating EBIT margin (%)	27.3	35.6	24.1	23.5	23.2
Net margin (%)	19.4	19.3	13.9	15.3	16.3
Effective tax rate (%)	17.7	25.6	21.1	22.0	20.7
Dividend payout on recurring profit (%)	70.0	60.0	59.2	50.0	50.0
Interest cover (X)	147.2	74.6	9.8	11.0	11.5
Inventory days	856.6	1,523.2	2,053.2	1,944.3	1,976.4
Debtor days	24.4	78.2	121.5	94.0	96.7
Creditor days	144.8	232.4	259.7	223.7	229.3
Operating ROIC (%)	16.3	13.8	5.6	5.8	5.7
ROIC (%)	13.8	9.3	4.3	4.8	4.9
ROE (%)	27.6	21.6	11.0	12.2	12.5
ROA (%)	10.4	6.8	3.4	3.9	4.0
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Transfer revenue	5,404	4,274	3,858	4,180	4,306
Project management	444	1,438	500	500	500

Sources: Britania; FSSIA estimates

Financial Statements

Britania

Cash Flow (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Recurring net profit	1,137	1,104	606	715	781
Depreciation	9	12	15	16	17
Associates & minorities	-	-	-	-	-
Other non-cash items	-	-	-	-	-
Change in working capital	(1,749)	(5,590)	(6)	(409)	(821)
Cash flow from operations	(603)	(4,474)	615	322	(22)
Capex - maintenance	-	-	-	-	-
Capex - new investment	(1,077)	(943)	(233)	(134)	(147)
Net acquisitions & disposals	-	-	-	-	-
Other investments (net)	-	-	-	-	-
Cash flow from investing	(1,077)	(943)	(233)	(134)	(147)
Dividends paid	(307)	(612)	(303)	(357)	(391)
Equity finance	7	5	0	0	0
Debt finance	1,686	5,391	60	107	507
Other financing cash flows	-	-	-	-	-
Cash flow from financing	1,385	4,784	(243)	(251)	117
Non-recurring cash flows	-	-	-	-	-
Other adjustments	641	0	0	0	0
Net other adjustments	641	(14)	0	0	0
Movement in cash	346	(647)	139	(63)	(52)
Free cash flow to firm (FCFF)	(1,670.27)	(5,396.10)	472.69	279.50	(74.48)
Free cash flow to equity (FCFE)	646.77	(40.19)	441.65	294.60	338.87

Per share (THB)

FCFF per share	(1.96)	(6.33)	0.55	0.33	(0.09)
FCFE per share	0.76	(0.05)	0.52	0.35	0.40
Recurring cash flow per share	1.34	1.31	0.73	0.86	0.94

Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Tangible fixed assets (gross)	43	101	111	119	128
Less: Accumulated depreciation	(7)	(11)	(19)	(30)	(43)
Tangible fixed assets (net)	36	91	92	89	85
Intangible fixed assets (net)	0	0	0	0	0
Long-term financial assets	388	462	462	462	462
Invest. in associates & subsidiaries	730	1,009	1,211	1,332	1,465
Cash & equivalents	984	337	476	413	362
A/C receivable	704	1,743	1,157	1,254	1,292
Inventories	9,047	15,193	15,454	15,987	16,930
Other current assets	863	968	1,042	1,073	1,085
Current assets	11,599	18,242	18,130	18,727	19,668
Other assets	90	104	125	131	138
Total assets	12,843	19,908	20,021	20,741	21,818
Common equity	4,863	5,347	5,705	6,063	6,453
Minorities etc.	0	0	0	0	0
Total shareholders' equity	4,863	5,347	5,705	6,063	6,453
Long term debt	2,196	4,372	4,308	4,475	4,838
Other long-term liabilities	7	13	12	13	13
Long-term liabilities	2,204	4,385	4,320	4,487	4,851
A/C payable	1,558	2,141	1,736	1,881	1,937
Short term debt	3,814	7,028	7,152	7,093	7,236
Other current liabilities	404	1,006	1,107	1,218	1,340
Current liabilities	5,776	10,176	9,995	10,191	10,513
Total liabilities and shareholders' equity	12,843	19,908	20,021	20,741	21,818
Net working capital	8,653	14,757	14,811	15,215	16,029
Invested capital	9,897	16,423	16,701	17,229	18,179

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

Per share (THB)

Book value per share	5.70	6.27	6.69	7.11	7.57
Tangible book value per share	5.70	6.27	6.69	7.11	7.57

Financial strength

Net debt/equity (%)	103.3	206.9	192.5	184.0	181.5
Net debt/total assets (%)	39.1	55.6	54.9	53.8	53.7
Current ratio (x)	2.0	1.8	1.8	1.8	1.9
CF interest cover (x)	174.4	44.8	8.4	5.7	6.2

Valuation	2022	2023	2024E	2025E	2026E
Recurring P/E (x) *	3.3	3.4	6.2	5.2	4.8
Recurring P/E @ target price (x) *	3.2	3.2	5.9	5.0	4.6
Reported P/E (x)	2.5	3.1	5.2	5.2	4.8
Dividend yield (%)	21.3	17.7	9.6	9.6	10.5
Price/book (x)	0.8	0.7	0.7	0.6	0.6
Price/tangible book (x)	0.8	0.7	0.7	0.6	0.6
EV/EBITDA (x) **	5.5	7.2	13.8	13.3	13.6
EV/EBITDA @ target price (x) **	5.4	7.2	13.7	13.2	13.5
EV/invested capital (x)	0.9	0.9	0.9	0.9	0.8

* 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.																			

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

Thanyatorn Songwutti 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

Britania (BRI TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
16-Mar-2023	BUY	14.00	06-Mar-2024	HOLD	7.20	-	-	-
06-Nov-2023	BUY	10.40	04-Jun-2024	HOLD	5.40			

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 4.38	REDUCE	Upside risks to our P/E-based TP include 1) higher-than-expected presales; 2) more new launches than planned; 3) more new JV projects than expected; 4) a faster-than-expected low-rise market and economic recovery; and 5) lower-than-expected rejection and cancellation rates.

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 02-Aug-2024 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.