

PRECIOUS SHIPPING
THAILAND / TRANSPORT & LOGISTIC

PSL TB

HOLD

FROM BUY

TARGET PRICE	THB8.50
CLOSE	THB8.20
UP/DOWNSIDE	+3.7%
PRIOR TP	THB11.00
CHANGE IN TP	-22.7%
TP vs CONSENSUS	-22.7%

คาดการณ์ไรลดตามค่าระวางเรือที่ลดลง

- ปรับลดประมาณการจากการคาดการณ์ค่าระวางเรือลดลงหลังคาดการณ์การเดินเรือกลับมาเป็นปกติ สายเรือไม่ต้องเดินเรืออ้อมเหมือนในปีนี้เป็นปกติ สายเรือไม่ต้องเดินเรืออ้อมเหมือนในปีนี้เป็นปกติ
- คาดการณ์ไรปกติก้าวกระโดดในปีนี้จะปรับลงในปี 2025
- ปรับราคาเป้าหมายปี 2025 เป็น 8.50 บาท ลดคำแนะนำเป็นถือ

คาดอัตราค่าระวางเรือชะลอใน 2H24 และต่อเนื่องถึงปี 2025

ดัชนี Supramax ซึ่งเป็นดัชนีสะท้อนเรือขนาดเดียวกับของ PSL ใน 3QTD เฉลี่ยที่ 1,346 จุด ลดลง 1.3% จากค่าเฉลี่ยใน 2Q24 ส่วนดัชนี Handysize เฉลี่ยอยู่ที่ 752 จุดใน 3QTD สูงกว่าค่าเฉลี่ยใน 2Q24 อยู่ 3.7% เราคาดว่าดัชนี Supramax/Handysize จะชะลอใน 2H24 จากปริมาณการขนส่งที่ลดลงของถ่านหินและเมล็ดพืช แนวโน้มของเศรษฐกิจจีนที่ชะลอ และความแออัดของท่าเรือต่างๆ ที่บรรเทา นอกจากนี้ เรายังคาดว่า การเดินเรืออ้อมแหลมกูดโฮปในปีซึ่งใช้ระยะเวลาเดินทางนานขึ้น จะคลี่คลายในปี 2025 ซึ่งเท่ากับอุปทานเรือเพิ่มขึ้นโดยปริยาย

ปรับลดประมาณการจากการคาดการณ์ค่าระวางเรือลดลง

เราคงประมาณการกำไรปกติในปี 2024 แต่ปรับลดประมาณการกำไรปกติปี 2025-26 ลง 24% และ 29% ตามลำดับ จาก 1) ปรับลดอัตราค่าระวางเรือเทกองลงจากเดิม; 2) ตั้งสมมติฐานค่าใช้จ่ายในการดำเนินงานสูงขึ้น; และ 3) ปรับเพิ่มค่าใช้จ่ายด้านดอกเบี้ยเนื่องจากอัตราดอกเบี้ยในท้องตลาดที่ยังอยู่ในระดับสูง บนสมมติฐานใหม่ เราคาดการณ์รายได้จากการเดินเรือของ PSL ในปีนี้จะเพิ่มขึ้น 24% เป็น USD13,484 ต่อวัน ก่อนปรับลง 4% เป็น USD13,004 ต่อวันในปี 2025 ทั้งนี้ ความต้องการเรือขนาดเล็กคาดว่าจะมีน้อยกว่าเรือขนาดใหญ่ สำหรับค่าระวางปี 2026 คาดเพิ่มขึ้น 2%

คาดการณ์ไรปกติก้าวกระโดดในปีนี้จะปรับลงในปี 2025

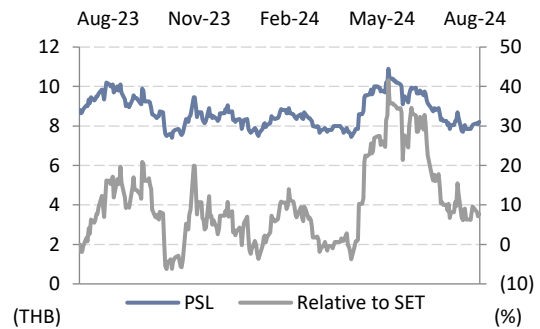
ค่าใช้จ่ายทางด้านดอกเบี้ยของ PSL ปรับขึ้นเร็วกว่าคาดมาหลายไตรมาสจากอัตราดอกเบี้ย SOFR ที่ปรับสูงขึ้นในปีที่ผ่านมา และการเพิ่มขึ้นของภาระหนี้เงินกู้จากการปรับกองเรือของบริษัท เราจึงปรับเพิ่มสมมติฐานภาระดอกเบี้ยจ่ายขึ้น บนสมมติฐานใหม่ เราคาดว่าไรปกติของ PSL จะเติบโตก้าวกระโดด 132% y-y ในปี 2024 และคาดลดลง 22% y-y ในปี 2025 และชะลออีก 6% ในปี 2026

ราคาเป้าหมายปี 2025 อยู่ที่ 8.50 บาท ลดคำแนะนำเป็นถือ

เราปรับไปใช้ราคาเป้าหมายปี 2025 เพื่อให้สะท้อนทิศทางกำไรในอนาคตได้ดีกว่า ราคาเป้าหมายของ PSL จะเป็น 8.50 บาท อิง 2025E P/E ที่ 11.3 เท่า เท่ากับค่าเฉลี่ย 3 ปีที่ผ่านมา เราปรับลดคำแนะนำเป็น ถือ

KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	5,099	6,362	6,137	6,048
Net profit	709	1,679	1,195	1,118
EPS (THB)	0.45	1.08	0.77	0.72
vs Consensus (%)	-	15.5	(17.2)	(22.4)
EBITDA	2,553	3,654	3,325	3,245
Recurring net profit	661	1,532	1,195	1,118
Core EPS (THB)	0.42	0.98	0.77	0.72
Chg. In EPS est. (%)	-	-	(24.2)	(29.0)
EPS growth (%)	(86.4)	131.6	(22.0)	(6.4)
Core P/E (x)	19.3	8.3	10.7	11.4
Dividend yield (%)	3.0	6.6	4.7	4.4
EV/EBITDA (x)	7.0	4.8	5.3	5.5
Price/book (x)	0.8	0.7	0.7	0.7
Net debt/Equity (%)	30.9	26.7	27.3	28.4
ROE (%)	4.0	9.0	6.7	6.2



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(0.6)	(17.6)	(5.7)
Relative to country (%)	(2.1)	(15.6)	7.5
Mkt cap (USD m)	372		
3m avg. daily turnover (USD m)	3.0		
Free float (%)	48		
Major shareholder	Globex Corporation Limited (28%)		
12m high/low (THB)	11.20/7.20		
Issued shares (m)	1,559.29		

Sources: Bloomberg consensus; FSSIA estimates



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บทวิเคราะห์ฉบับนี้แปลมาจากต้นฉบับภาษาอังกฤษ ที่ออกรายงานเมื่อวันที่ 21 สิงหาคม 2024

Investment thesis

While we maintain our 2024 projection, we cut our core profit forecasts for 2025-26 by 24% and 29%, respectively, mainly due to 1) an expected drop in dry bulk freight rates; 2) higher OPEX assumptions; and 3) higher interest expense estimates due to the rising market interest rates.

We roll over our TP to 2025 to better reflect its future profit potential. Our TP is now at THB8.50, based on a 2025E P/E of 11.3x, its three-year historical average. We downgrade our rating to HOLD.

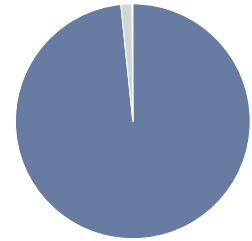
Company profile

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-2022, PSL has 38 fleet vessels worth USD799m in book value, with an aggregate capacity of 1,657,579 DWT.

www.preciousshipping.com

Principal activities (revenue, 2023)

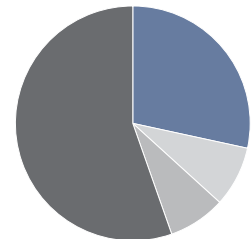
- Time charter - 98.4 %
- Voyage charter - 1.5 %
- Service revenue - 0.1 %



Source: Precious Shipping

Major shareholders

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



Source: Precious Shipping

Catalysts

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

Risks to our call

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

Event calendar

Date	Event
November 2024	3Q24 earnings announcement

Key assumptions

	2023A	2024E	2025E	2026E
TCE rate (USD/day)	10,907	13,484	13,004	13,282
TCE rate growth (%)	(45.3)	23.6	(3.6)	2.1
OPEX (USD/day)	5,205	5,220	5,295	5,380
Gross margin (%)	29.5	40.3	35.7	34.3
SG&A to sales (%)	6.6	6.6	6.7	6.7

Source: FSSIA estimates

Earnings sensitivity

- For every 1% change in its TCE rate, we project PSL's 2024 net profit to change by 3.5%, all else being equal.
- For every 1% change in gross margin, we project PSL's 2024 net profit to change by 4.0%, all else being equal.

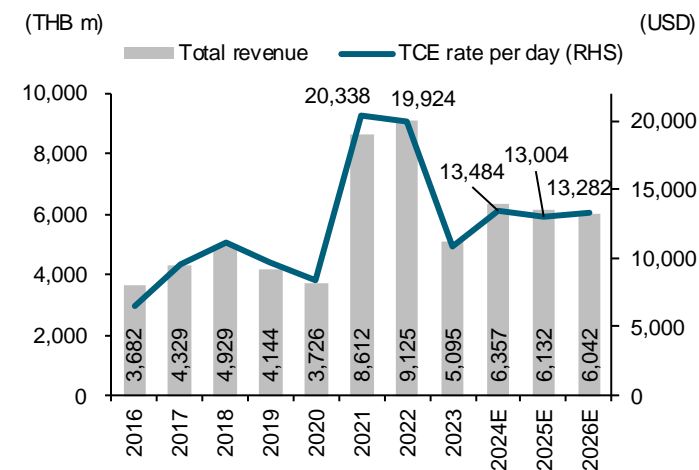
Source: FSSIA estimates

Exhibit 1: Key changes in assumptions

	Current			Previous			Change		
	2024E (THB m)	2025E (THB m)	2026E (THB m)	2024E (THB m)	2025E (THB m)	2026E (THB m)	2024E (%)	2025E (%)	2026E (%)
Total revenue	6,362	6,137	6,048	6,362	6,563	6,575	0.0	(6.5)	(8.0)
TCE rate (USD/day)	13,484	13,004	13,282	13,484	14,017	14,538	0.0	(7.2)	(8.6)
OPEX (USD/day)	5,220	5,295	5,380	5,220	5,235	5,303	0.0	1.1	1.4
Cost of goods sold	(2,256)	(2,385)	(2,381)	(2,256)	(2,360)	(2,349)	0.0	1.1	1.4
Gross profit	4,106	3,753	3,666	4,106	4,203	4,226	0.0	(10.7)	(13.2)
SG&A	(530)	(515)	(508)	(530)	(542)	(549)	0.0	(5.0)	(7.5)
EBITDA	3,654	3,325	3,245	3,654	3,734	3,751	0.0	(11.0)	(13.5)
Interest expense	555	551	523	555	567	560	0.0	(2.8)	(6.5)
Core profit	1,532	1,195	1,118	1,532	1,577	1,574	0.0	(24.2)	(29.0)
Margins	(%)	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(ppt)
Gross margin	40.3	35.7	34.3	40.3	40.2	40.1	0.0	(4.6)	(5.8)
SG&A to sales	6.6	6.7	6.7	6.6	6.6	6.7	0.0	0.1	0.0
EBITDA margin	57.5	54.2	53.7	57.5	56.9	57.1	0.0	(2.7)	(3.4)
Core profit margin	24.1	19.5	18.5	24.1	24.0	24.0	0.0	(4.6)	(5.5)

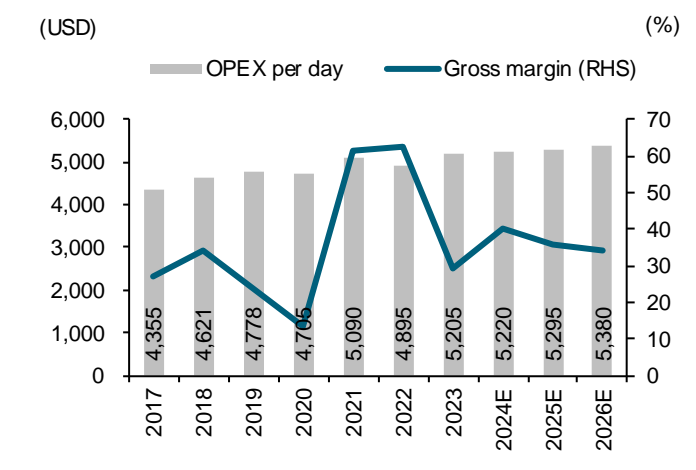
Sources: PSL, FSSIA estimates

Exhibit 2: Revenue and TCE rate



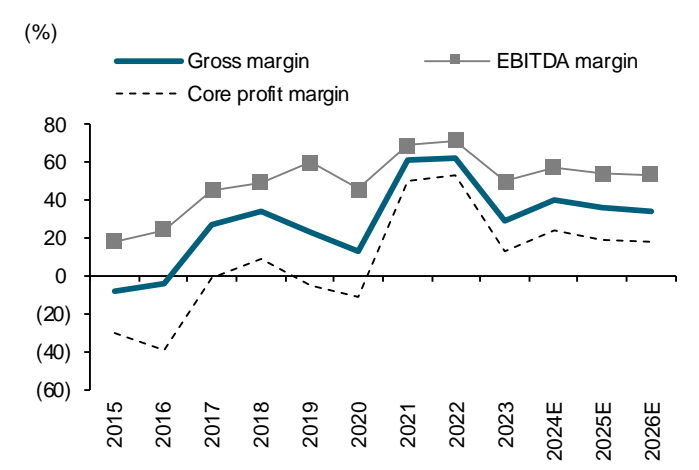
Sources: PSL, FSSIA estimates

Exhibit 3: OPEX and gross margin



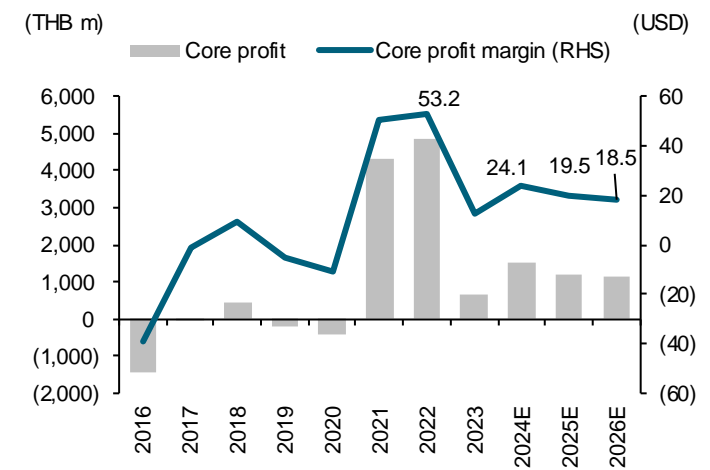
Sources: PSL, FSSIA estimates

Exhibit 4: Margins



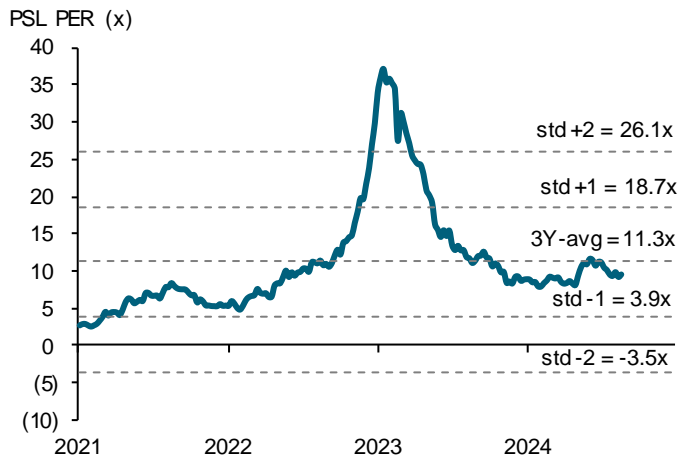
Sources: PSL, FSSIA estimates

Exhibit 5: Core profit and core profit margin



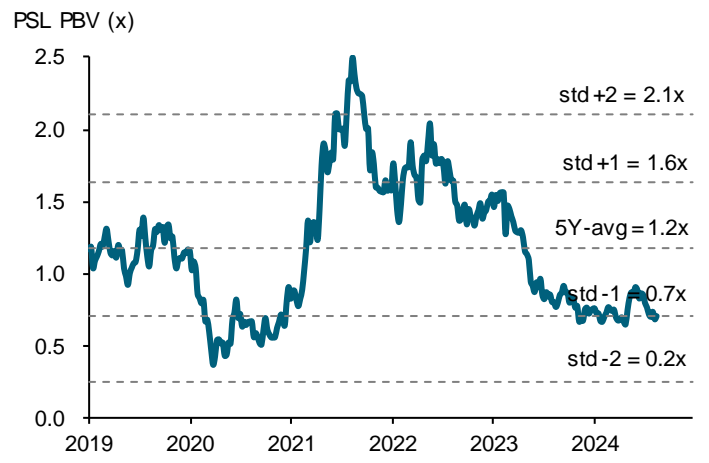
Sources: PSL, FSSIA estimates

Exhibit 6: One-year rolling forward P/E band



Sources: Bloomberg, FSSIA estimates

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



Sources: Bloomberg, FSSIA estimates

Financial Statements

Precious Shipping

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	9,129	5,099	6,362	6,137	6,048
Cost of goods sold	(3,401)	(3,595)	(3,796)	(3,948)	(3,973)
Gross profit	5,728	1,504	2,566	2,189	2,075
Other operating income	17	46	78	87	86
Operating costs	(517)	(425)	(530)	(515)	(508)
Operating EBITDA	6,553	2,553	3,654	3,325	3,245
Depreciation	(1,324)	(1,429)	(1,540)	(1,563)	(1,591)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	5,229	1,124	2,114	1,761	1,653
Net financing costs	(392)	(481)	(555)	(551)	(523)
Associates	29	21	20	21	22
Recurring non-operating income	29	21	20	21	22
Non-recurring items	0	48	147	0	0
Profit before tax	4,866	713	1,726	1,231	1,152
Tax	(15)	(4)	(47)	(36)	(34)
Profit after tax	4,851	709	1,679	1,195	1,118
Minority interests	0	0	0	0	0
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
Reported net profit	4,851	709	1,679	1,195	1,118
Non-recurring items & goodwill (net)	0	(48)	(147)	0	0
Recurring net profit	4,850	661	1,532	1,195	1,118
Per share (THB)					
Recurring EPS *	3.11	0.42	0.98	0.77	0.72
Reported EPS	3.11	0.45	1.08	0.77	0.72
DPS	1.75	0.25	0.54	0.38	0.36
Diluted shares (used to calculate per share data)	1,559	1,559	1,559	1,559	1,559
Growth					
Revenue (%)	6.0	(44.1)	24.8	(3.5)	(1.5)
Operating EBITDA (%)	10.2	(61.0)	43.1	(9.0)	(2.4)
Operating EBIT (%)	10.5	(78.5)	88.0	(16.7)	(6.1)
Recurring EPS (%)	11.8	(86.4)	131.6	(22.0)	(6.4)
Reported EPS (%)	8.4	(85.4)	136.7	(28.8)	(6.4)
Operating performance					
Gross margin inc. depreciation (%)	62.7	29.5	40.3	35.7	34.3
Gross margin exc. depreciation (%)	77.3	57.5	64.5	61.1	60.6
Operating EBITDA margin (%)	71.8	50.1	57.4	54.2	53.7
Operating EBIT margin (%)	57.3	22.1	33.2	28.7	27.3
Net margin (%)	53.1	13.0	24.1	19.5	18.5
Effective tax rate (%)	0.3	0.5	2.7	2.9	2.9
Dividend payout on recurring profit (%)	56.3	58.9	54.8	50.0	50.0
Interest cover (X)	13.4	2.4	3.8	3.2	3.2
Inventory days	5.6	6.1	4.9	4.8	4.9
Debtor days	9.1	20.6	18.0	18.3	16.6
Creditor days	82.5	83.2	74.0	78.1	77.4
Operating ROIC (%)	19.9	4.2	7.8	6.3	5.8
ROIC (%)	19.5	4.2	7.7	6.2	5.8
ROE (%)	31.5	4.0	9.0	6.7	6.2
ROA (%)	21.6	4.3	7.8	6.2	5.9
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Time charter	8,992	5,016	5,665	5,463	5,580
Voyage charter	132	79	692	669	463
Service revenue	4	5	5	5	5

Sources: Precious Shipping; FSSIA estimates

Financial Statements

Precious Shipping

Cash Flow (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Recurring net profit	4,850	661	1,532	1,195	1,118
Depreciation	1,324	1,429	1,540	1,563	1,591
Associates & minorities	-	-	-	-	-
Other non-cash items	402	413	949	(573)	(640)
Change in working capital	28	(336)	38	70	69
Cash flow from operations	6,604	2,167	4,059	2,255	2,138
Capex - maintenance	-	-	-	-	-
Capex - new investment	(2,447)	(562)	(2,998)	(1,800)	(1,800)
Net acquisitions & disposals	0	1	0	0	0
Other investments (net)	30	21	21	14	48
Cash flow from investing	(2,416)	(541)	(2,976)	(1,786)	(1,752)
Dividends paid	(3,508)	(624)	(840)	(597)	(559)
Equity finance	0	0	0	0	0
Debt finance	(1,818)	710	147	(243)	(325)
Other financing cash flows	(380)	(455)	0	0	1
Cash flow from financing	(5,705)	(368)	(692)	(840)	(883)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	104	1	0	0	0
Net other adjustments	104	1	0	0	0
Movement in cash	(1,413)	1,259	390	(372)	(497)
Free cash flow to firm (FCFF)	4,580.64	2,106.72	1,637.41	1,019.86	909.25
Free cash flow to equity (FCFE)	2,095.00	1,882.57	1,229.44	225.78	62.15
Per share (THB)					
FCFF per share	2.94	1.35	1.05	0.65	0.58
FCFE per share	1.34	1.21	0.79	0.14	0.04
Recurring cash flow per share	4.22	1.61	2.58	1.40	1.33
Balance Sheet (THB m) Year Ending Dec					
	2022	2023	2024E	2025E	2026E
Tangible fixed assets (gross)	32,817	32,689	34,979	35,850	36,724
Less: Accumulated depreciation	(10,769)	(11,854)	(12,683)	(13,318)	(13,983)
Tangible fixed assets (net)	22,048	20,836	22,296	22,532	22,741
Intangible fixed assets (net)	16	9	9	9	9
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	81	82	82	82	82
Cash & equivalents	1,056	2,315	2,705	2,333	1,836
A/C receivable	279	295	331	286	265
Inventories	42	30	31	31	32
Other current assets	181	250	318	307	302
Current assets	1,557	2,890	3,384	2,957	2,435
Other assets	602	529	507	494	446
Total assets	24,304	24,346	26,278	26,074	25,713
Common equity	16,463	16,246	17,911	17,949	17,918
Minorities etc.	0	0	0	0	0
Total shareholders' equity	16,463	16,246	17,911	17,949	17,918
Long term debt	5,556	5,548	6,298	6,137	5,866
Other long-term liabilities	417	276	254	245	242
Long-term liabilities	5,974	5,824	6,553	6,382	6,108
A/C payable	639	447	561	567	566
Short term debt	1,167	1,788	1,186	1,104	1,050
Other current liabilities	61	41	68	72	72
Current liabilities	1,867	2,276	1,814	1,743	1,688
Total liabilities and shareholders' equity	24,304	24,346	26,278	26,074	25,713
Net working capital	(198)	87	51	(15)	(39)
Invested capital	22,548	21,542	22,945	23,102	23,239
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	10.56	10.42	11.49	11.51	11.49
Tangible book value per share	10.55	10.41	11.48	11.50	11.49
Financial strength					
Net debt/equity (%)	34.4	30.9	26.7	27.3	28.4
Net debt/total assets (%)	23.3	20.6	18.2	18.8	19.8
Current ratio (x)	0.8	1.3	1.9	1.7	1.4
CF interest cover (x)	12.6	6.1	8.6	4.7	4.6
Valuation					
	2022	2023	2024E	2025E	2026E
Recurring P/E (x) *	2.6	19.3	8.3	10.7	11.4
Recurring P/E @ target price (x) *	2.7	20.0	8.7	11.1	11.9
Reported P/E (x)	2.6	18.0	7.6	10.7	11.4
Dividend yield (%)	21.3	3.0	6.6	4.7	4.4
Price/book (x)	0.8	0.8	0.7	0.7	0.7
Price/tangible book (x)	0.8	0.8	0.7	0.7	0.7
EV/EBITDA (x) **	2.8	7.0	4.8	5.3	5.5
EV/EBITDA @ target price (x) **	2.9	7.2	4.9	5.5	5.7
EV/invested capital (x)	0.8	0.8	0.8	0.8	0.8
* 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 6: 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	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.
★★☆☆☆	>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 7: ESG – peer comparison

	FSSIA ESG score	Domestic ratings						Global ratings					Bloomberg		
		DJSI	SET THSI	THSI	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 8: ESG disclosure from company's one report

FY ending Dec 31	FY 2022	FY ending Dec 31	FY 2022
Environmental		Governance	
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	Size of audit committee / ID	3 / 3
Social		Audit committee meetings	4
Human rights policy	Yes	Audit committee meeting attendance (%)	100
Policy against child labor	Yes	Size of compensation committee / ID	3 / 2
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	Size of nomination committee / ID	3 / 3
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 (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 Sustainability	The Sustainability's 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.																												
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.	<table border="1"> <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> <p>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.</p>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+																		
NEGL	Low	Medium	High	Severe																										
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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="0"> <tbody> <tr> <td>AAA</td> <td>8.571-10.000</td> <td>Leader:</td> <td>leading its industry in managing the most significant ESG risks and opportunities</td> </tr> <tr> <td>AA</td> <td>7.143-8.570</td> <td></td> <td></td> </tr> <tr> <td>A</td> <td>5.714-7.142</td> <td></td> <td></td> </tr> <tr> <td>BBB</td> <td>4.286-5.713</td> <td>Average:</td> <td>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> <td></td> <td></td> </tr> <tr> <td>B</td> <td>1.429-2.856</td> <td></td> <td></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

Jitra Amornthum FSS International Investment Advisory Securities Co., Ltd

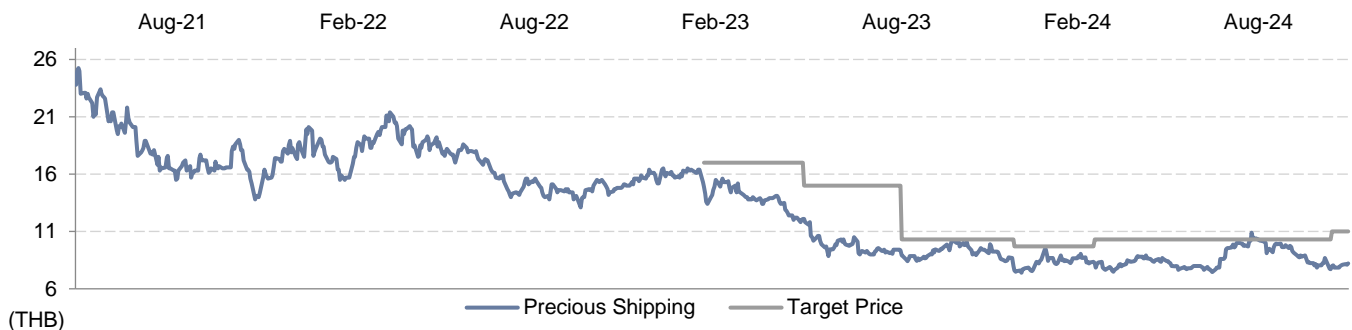
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History of change in investment rating and/or target price

Precious Shipping (PSL TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
13-Feb-2023	HOLD	17.00	02-Aug-2023	HOLD	10.30	15-Jan-2024	BUY	10.30
10-May-2023	BUY	15.00	07-Nov-2023	HOLD	9.70	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 8.20	HOLD	Downside risks to our P/E-based TP include 1) a fall in freight rates (time charter equivalent (TCE)); 2) exchange rate volatility; 3) China's slow economic growth; and 4) regulatory risks, including new EEXI and CII requirements, effective 1 Jan-23. Upside risks to our P/E-based TP include 1) higher freight rates (TCE); 2) better-than-expected economic growth in China; and 3) a prolonged Red Sea crisis and shipping disruptions.

Source: FSSIA estimates

Additional Disclosures

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finansia Syrus Securities Public Company Limited.

All share prices are as at market close on 21-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.