

# Precious Shipping

PSL TB / PSL.BK

November 10, 2020

## Miss; uninspiring 4Q20 outlook

### Reported red ink; we had expected a turnaround

PSL reported a 3Q20 net loss of Bt22m, shallower by 25% YoY and 98% QoQ. However, that result was far short of our expectation of a net profit of Bt71m (lower revenue than assumed) and the street projection (net earnings of Bt182m). Stripping out extra items, the 3Q20 core loss would be Bt35m, deeper by 12% YoY but shallower by 89% QoQ. The core loss was also worse than our estimate of a core profit of Bt71m (lower revenue than assumed) and the street projection of net earnings of Bt182m (*Bloomberg* didn't survey the street for a core number).

### Result highlights

Revenue declined 10% YoY but rose 39% QoQ, in tandem with a mean freight rate which slipped 9% YoY but rose 44% QoQ to US\$8,786/day/ship. Cost of sales & service was largely unchanged (down 2% YoY but up 1% QoQ), in tandem with vessel operating expenses (up by 1% YoY and 2% QoQ to \$4,617/day/ship, due to higher stores/spares expenses). SG&A expenses declined by 8% YoY and 42% QoQ because of lower legal costs.

### Outlook

The dry bulk shipping market is entering low season, but we don't expect freight rates to collapse, as they are supported by a post-lockdown global trade recovery and hefty fiscal stimulus. However, our model points to PSL's 4Q20 operation weakening YoY and QoQ, due to an expected lower average freight rate.

### What's changed?

We have factored 9M20 results into our model, so have deepened our 2020 core loss forecast by 70% to Bt536m. However, our YE21 target price stands unchanged at Bt5.70.

### Recommendation

The seasonal freight rate downtrend and the expected weak 4Q20 number will continue pressuring PSL's share price. However, any potential good news about the development of a COVID-19 vaccine and the outlook for economic recovery would be likely to trigger a stock price rally. As such, we maintain our HOLD call.

**Sector: Transportation** **NEUTRAL**
**Rating: HOLD**
**Target Price: Bt5.70**
**Price (November 9, 2020): Bt5.15**

### Key statistics

|                         |             |          |
|-------------------------|-------------|----------|
| Market cap              | Bt8.0bn     | USD0.3bn |
| 12-mth price range      | Bt2.4/Bt8.8 |          |
| 12-mth avg daily volume | Bt71m       | USD2.3m  |
| # of shares (m)         | 1,559       |          |
| Est. free float (%)     | 46.8        |          |
| Foreign limit (%)       | 49.0        |          |

### Share price perf. (%)

|                 | 1M    | 3M    | 12M    |
|-----------------|-------|-------|--------|
| Relative to SET | (3.4) | (1.9) | (9.7)  |
| Absolute        | (1.9) | (4.6) | (30.4) |

### Financial summary

| FY Ended 31 Dec     | 2019   | 2020E   | 2021E | 2022E |
|---------------------|--------|---------|-------|-------|
| Revenues (Btm)      | 4,152  | 3,702   | 5,088 | 5,131 |
| Net profit (Btm)    | (228)  | (1,380) | 648   | 793   |
| EPS (Bt)            | (0.15) | (0.89)  | 0.42  | 0.51  |
| EPS growth (%)      | n.m.   | -504%   | n.m.  | +22%  |
| Core profit (Btm)   | (222)  | (536)   | 648   | 793   |
| Core EPS (Bt)       | (0.14) | (0.34)  | 0.42  | 0.51  |
| Core EPS growth (%) | n.m.   | -141%   | n.m.  | +22%  |
| PER (x)             | n.m.   | n.m.    | 12.4  | 10.1  |
| PBV (x)             | 1.1    | 0.8     | 0.7   | 0.7   |
| Dividend (Bt)       | 0.0    | 0.0     | 0.1   | 0.1   |
| Dividend yield (%)  | 0.0    | 0.0     | 1.6   | 2.0   |
| ROE (%)             | (1.9)  | (12.7)  | 6.2   | 7.1   |

CG/Anti-corruption



Certified

Kijapat Wongmetta

Securities Fundamental Investment Analyst

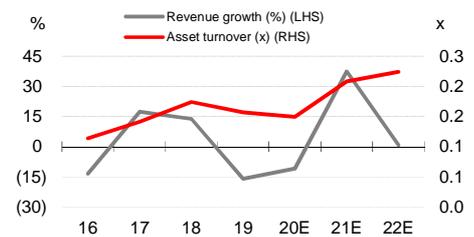
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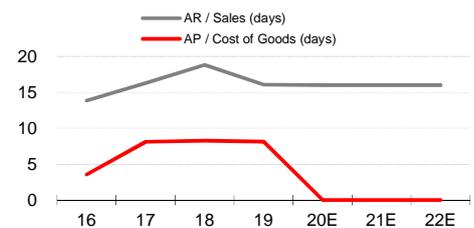
## PSL: Financial Tables – Year

| PROFIT & LOSS (Btm)                         | 2018           | 2019           | 2020E          | 2021E          | 2022E          |
|---|----------------|----------------|----------------|----------------|----------------|
| Revenue                                     | 4,933          | 4,152          | 3,702          | 5,088          | 5,131          |
| Cost of sales and services                  | (3,256)        | (3,173)        | (3,251)        | (3,206)        | (3,206)        |
| <b>Gross profit</b>                         | <b>1,677</b>   | <b>979</b>     | <b>452</b>     | <b>1,882</b>   | <b>1,925</b>   |
| SG&A  | (453)          | (546)          | (392)          | (392)          | (392)          |
| <b>EBIT</b>                                 | <b>1,224</b>   | <b>433</b>     | <b>60</b>      | <b>1,490</b>   | <b>1,533</b>   |
| Interest expense                            | (803)          | (703)          | (619)          | (721)          | (582)          |
| Other income/exp.                           | 37             | 31             | 12             | 30             | 30             |
| <b>EBT</b>                                  | <b>459</b>     | <b>(239)</b>   | <b>(547)</b>   | <b>800</b>     | <b>981</b>     |
| Corporate tax                               | (2)            | (3)            | 0              | (162)          | (198)          |
| <b>After-tax net profit (loss)</b>          | <b>457</b>     | <b>(242)</b>   | <b>(547)</b>   | <b>638</b>     | <b>783</b>     |
| Minority interest                           | 0              | 0              | 0              | 0              | 0              |
| Equity earnings from affiliates             | 24             | 20             | 11             | 10             | 10             |
| Extra items                                 | (25)           | (6)            | (845)          | 0              | 0              |
| <b>Net profit (loss)</b>                    | <b>456</b>     | <b>(228)</b>   | <b>(1,380)</b> | <b>648</b>     | <b>793</b>     |
| Reported EPS                                | 0.29           | (0.15)         | (0.89)         | 0.42           | 0.51           |
| <b>Fully diluted EPS</b>                    | <b>0.28</b>    | <b>(0.14)</b>  | <b>(0.89)</b>  | <b>0.42</b>    | <b>0.51</b>    |
| <b>Core net profit</b>                      | <b>481</b>     | <b>(222)</b>   | <b>(536)</b>   | <b>648</b>     | <b>793</b>     |
| Core EPS                                    | 0.30           | (0.14)         | (0.34)         | 0.42           | 0.51           |
| <b>EBITDA</b>                               | <b>2,409</b>   | <b>1,617</b>   | <b>1,275</b>   | <b>2,678</b>   | <b>2,721</b>   |
| <b>KEY RATIOS</b>                           |                |                |                |                |                |
| Revenue growth (%)                          | 13.9           | (15.8)         | (10.8)         | 37.4           | 0.8            |
| Gross margin (%)                            | 34.0           | 23.6           | 12.2           | 37.0           | 37.5           |
| EBITDA margin (%)                           | 48.8           | 38.9           | 34.4           | 52.6           | 53.0           |
| Operating margin (%)                        | 24.8           | 10.4           | 1.6            | 29.3           | 29.9           |
| Net margin (%)                              | 9.2            | (5.5)          | (37.3)         | 12.7           | 15.5           |
| Core profit margin (%)                      | 9.8            | (5.4)          | (14.5)         | 12.7           | 15.5           |
| ROA (%)                                     | 1.6            | (0.9)          | (5.6)          | 2.7            | 3.5            |
| ROCE (%)                                    | 1.6            | (0.9)          | (5.8)          | 2.7            | 3.6            |
| Asset turnover (x)                          | 0.2            | 0.2            | 0.1            | 0.2            | 0.2            |
| Current ratio (x)                           | 1.0            | 0.4            | 0.3            | 0.6            | 0.3            |
| Gearing ratio (x)                           | 1.1            | 1.1            | 1.3            | 1.2            | 0.8            |
| Interest coverage (x)                       | 1.5            | 0.6            | 0.1            | 2.1            | 2.6            |
| <b>BALANCE SHEET (Btm)</b>                  |                |                |                |                |                |
| Cash & Equivalent                           | 1,843          | 1,181          | 1,634          | 2,510          | 380            |
| Accounts receivable                         | 254            | 183            | 162            | 223            | 225            |
| Inventory                                   | 0              | 0              | 0              | 0              | 0              |
| PP&E-net                                    | 22,409         | 20,098         | 19,147         | 18,197         | 17,246         |
| Other assets                                | 3,110          | 3,282          | 5,130          | 6,005          | 3,874          |
| <b>Total assets</b>                         | <b>27,837</b>  | <b>25,061</b>  | <b>24,439</b>  | <b>24,425</b>  | <b>21,346</b>  |
| Accounts payable                            | 74             | 71             | 0              | 0              | 0              |
| ST debts & current portion                  | 1,877          | 4,085          | 6,408          | 4,749          | 1,877          |
| Long-term debt                              | 12,661         | 8,577          | 7,150          | 8,150          | 7,150          |
| Other liabilities                           | 0              | 0              | 702            | 699            | 699            |
| <b>Total liabilities</b>                    | <b>15,141</b>  | <b>13,502</b>  | <b>14,260</b>  | <b>13,598</b>  | <b>9,726</b>   |
| Paid-up capital                             | 1,559          | 1,559          | 1,559          | 1,559          | 1,559          |
| Share premium                               | 2,140          | 2,140          | 2,140          | 2,140          | 2,140          |
| Retained earnings                           | 9,780          | 9,537          | 8,156          | 8,804          | 9,597          |
| <b>Shareholders equity</b>                  | <b>12,695</b>  | <b>11,559</b>  | <b>10,179</b>  | <b>10,827</b>  | <b>11,620</b>  |
| Minority interests                          | 0              | 0              | 0              | 0              | 0              |
| <b>Total Liab.&amp;Shareholders' equity</b> | <b>27,837</b>  | <b>25,060</b>  | <b>24,439</b>  | <b>24,425</b>  | <b>21,346</b>  |
| <b>CASH FLOW (Btm)</b>                      |                |                |                |                |                |
| Net income                                  | 456            | (228)          | (1,380)        | 648            | 793            |
| Depreciation and amortization               | 1,185          | 1,183          | 1,215          | 1,188          | 1,188          |
| Change in working capital                   | (199)          | 163            | (13)           | (64)           | (2)            |
| FX, non-cash adjustment & others            | 814            | 773            | 619            | 721            | 582            |
| <b>Cash flows from operating activit</b>    | <b>2,256</b>   | <b>1,890</b>   | <b>441</b>     | <b>2,493</b>   | <b>2,561</b>   |
| Capex (Invest)/Divest                       | (289)          | (436)          | (265)          | (238)          | (238)          |
| Others                                      | 17             | 8              | 0              | 0              | 0              |
| <b>Cash flows from investing activiti</b>   | <b>(272)</b>   | <b>(427)</b>   | <b>(265)</b>   | <b>(238)</b>   | <b>(238)</b>   |
| Debt financing (repayment)                  | (1,984)        | (2,009)        | 896            | (659)          | (3,872)        |
| Equity financing                            | 0              | 0              | 0              | 0              | 0              |
| Dividend payment                            | 0              | 0              | 0              | 0              | 0              |
| Others                                      | 17             | 8              | 0              | 0              | 0              |
| <b>Cash flows from financing activiti</b>   | <b>(1,984)</b> | <b>(2,009)</b> | <b>277</b>     | <b>(1,379)</b> | <b>(4,454)</b> |
| Net change in cash                          | 0              | (546)          | 453            | 876            | (2,130)        |
| <b>Free cash flow (Btm)</b>                 | <b>1,967</b>   | <b>1,455</b>   | <b>176</b>     | <b>2,255</b>   | <b>2,323</b>   |
| <b>FCF per share (Bt)</b>                   | <b>1.3</b>     | <b>0.9</b>     | <b>0.1</b>     | <b>1.4</b>     | <b>1.5</b>     |
| <b>Key assumptions</b>                      | <b>2018</b>    | <b>2019</b>    | <b>2020E</b>   | <b>2021E</b>   | <b>2022E</b>   |
| TC rate (US\$/day/ship)                     | 11,063         | 9,622          | 8,906          | 12,277         | 12,380         |
| No.of operating days (days)                 | 13,140         | 13,140         | 13,176         | 13,140         | 13,140         |
| No.of ships                                 | 36             | 36             | 36             | 36             | 36             |

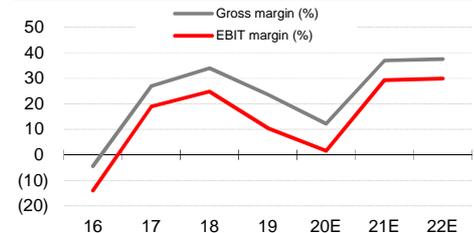
### Revenue growth and asset turnover



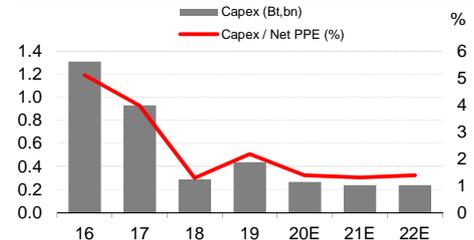
### A/C receivable & A/C payable days



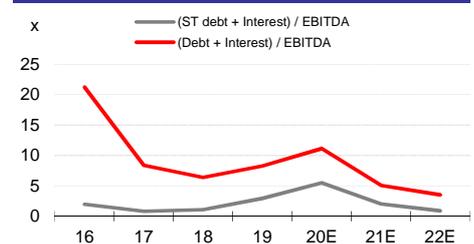
### Profit margins



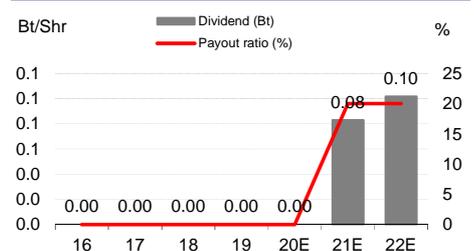
### Capital expenditure



### Debt serviceability



### Dividend payout



## PSL: Financial Tables – Quarter

| QUARTERLY PROFIT & LOSS (Btm)   | 3Q19          | 4Q19        | 1Q20          | 2Q20           | 3Q20          |
|---------------------------------|---------------|-------------|---------------|----------------|---------------|
| Revenue                         | 1,045         | 1,150       | 1,055         | 680            | 944           |
| Cost of sales and services      | (778)         | (814)       | (909)         | (757)          | (762)         |
| Gross profit                    | 267           | 337         | 146           | (77)           | 182           |
| SG&A                            | (130)         | (167)       | (112)         | (82)           | (75)          |
| <b>EBIT</b>                     | <b>137</b>    | <b>170</b>  | <b>34</b>     | <b>(158)</b>   | <b>107</b>    |
| Interest expense                | (183)         | (150)       | (172)         | (158)          | (145)         |
| Other income/exp.               | 7             | 5           | 4             | 3              | 1             |
| <b>EBT</b>                      | <b>(39)</b>   | <b>24</b>   | <b>(134)</b>  | <b>(314)</b>   | <b>(37)</b>   |
| Corporate tax                   | 0             | 0           | 0             | 0              | 0             |
| After-tax net profit (loss)     | (39)          | 24          | (134)         | (314)          | (37)          |
| Minority interest               | 0             | 0           | 0             | 0              | 0             |
| Equity earnings from affiliates | 8             | 6           | 1             | 4              | 3             |
| Extra items                     | 1             | (2)         | 16            | (873)          | 12            |
| <b>Net profit (loss)</b>        | <b>(29)</b>   | <b>29</b>   | <b>(117)</b>  | <b>(1,183)</b> | <b>(22)</b>   |
| Reported EPS                    | (0)           | 0           | (0)           | (1)            | (0)           |
| <b>Fully diluted EPS</b>        | <b>(0.02)</b> | <b>0.02</b> | <b>(0.08)</b> | <b>(0.76)</b>  | <b>(0.01)</b> |
| <b>Core net profit</b>          | <b>(31)</b>   | <b>31</b>   | <b>(133)</b>  | <b>(310)</b>   | <b>(35)</b>   |
| Core EPS                        | (0.02)        | 0.02        | (0.09)        | (0.20)         | (0.02)        |
| <b>EBITDA</b>                   | <b>264</b>    | <b>325</b>  | <b>174</b>    | <b>(7)</b>     | <b>270</b>    |

### KEY RATIOS

|                        |       |      |        |         |       |
|------------------------|-------|------|--------|---------|-------|
| Gross margin (%)       | 25.6  | 29.3 | 13.8   | (11.3)  | 19.3  |
| EBITDA margin (%)      | 25.3  | 28.2 | 16.5   | (1.0)   | 28.6  |
| Operating margin (%)   | 13.1  | 14.8 | 3.2    | (23.3)  | 11.3  |
| Net margin (%)         | (2.8) | 2.5  | (11.1) | (173.9) | (2.3) |
| Core profit margin (%) | (2.9) | 2.7  | (12.6) | (45.6)  | (3.7) |
| BV (Bt)                | 7.5   | 7.4  | 7.8    | 6.7     | 6.8   |
| ROE (%)                | (1.0) | 1.0  | (3.9)  | (41.9)  | (0.8) |
| ROA (%)                | (0.5) | 0.5  | (1.8)  | (19.0)  | (0.4) |
| Current ratio (x)      | 0.4   | 0.4  | 0.3    | 0.5     | 0.8   |
| Gearing ratio (x)      | 1.1   | 1.1  | 1.1    | 1.2     | 1.1   |
| Interest coverage (x)  | 0.7   | 1.1  | 0.2    | n.m.    | 0.7   |

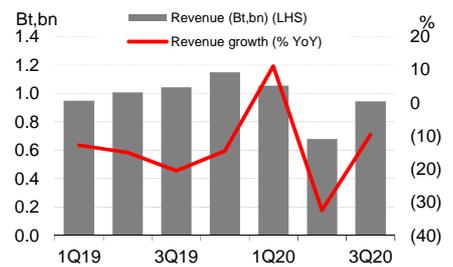
### QUARTERLY BALANCE SHEET (Btm)

|   |               |               |               |               |               |
|---|---------------|---------------|---------------|---------------|---------------|
| Cash & Equivalent                           | 1,304         | 1,181         | 1,268         | 895           | 1,752         |
| Accounts receivable                         | 132           | 183           | 229           | 137           | 171           |
| Inventory                                   | 0             | 0             | 0             | 1             | 2             |
| PP&E-net                                    | 20,547        | 20,098        | 21,514        | 20,081        | 20,387        |
| Other assets                                | 3,429         | 3,599         | 3,251         | 2,341         | 966           |
| <b>Total assets</b>                         | <b>25,412</b> | <b>25,061</b> | <b>26,263</b> | <b>23,455</b> | <b>23,278</b> |
| Accounts payable                            | 92            | 71            | 105           | 112           | 158           |
| ST debts & current portion                  | 3,731         | 4,085         | 7,600         | 5,425         | 2,839         |
| Long-term debt                              | 9,301         | 8,577         | 5,713         | 6,953         | 9,042         |
| Other liabilities                           | 565           | 769           | 622           | 582           | 568           |
| <b>Total liabilities</b>                    | <b>13,690</b> | <b>13,502</b> | <b>14,039</b> | <b>13,073</b> | <b>12,607</b> |
| Paid-up capital                             | 1,559         | 1,559         | 1,559         | 1,559         | 1,559         |
| Share premium                               | 2,140         | 2,140         | 2,140         | 2,140         | 2,140         |
| Retained earnings                           | 9,521         | 9,537         | 9,346         | 8,163         | 8,141         |
| <b>Shareholders' equity</b>                 | <b>11,722</b> | <b>11,559</b> | <b>12,224</b> | <b>10,382</b> | <b>10,672</b> |
| Minority interests                          | 0             | 0             | 0             | 0             | 0             |
| <b>Total Liab.&amp;Shareholders' equity</b> | <b>25,412</b> | <b>25,061</b> | <b>26,263</b> | <b>23,455</b> | <b>23,278</b> |
| <b>Key operating data</b>                   | <b>3Q19</b>   | <b>4Q19</b>   | <b>1Q20</b>   | <b>2Q20</b>   | <b>3Q20</b>   |
| TC rate (US\$/day/ship)                     | 9,617         | 10,628        | 8,398         | 6,099         | 8,786         |
| No. of operating days (days)                | 3,312         | 3,312         | 3,240         | 3,276         | 3,312         |
| No. of ships                                | 36            | 36            | 36            | 36            | 36            |

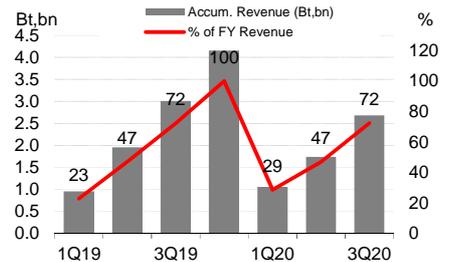
### Company profile

Precious Shipping Plc (PSL) is a pure dry cargo ship owner. The company operates vessels in the small handy and supramax classes. PSL's fleet totaled 36 ships as of end-Sep 2020.

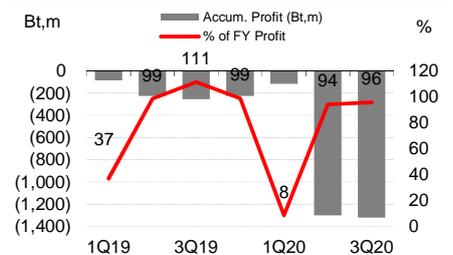
### Revenue trend



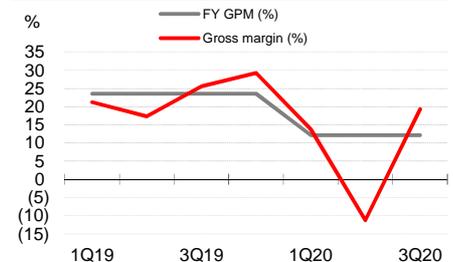
### Revenue trend (accumulated)



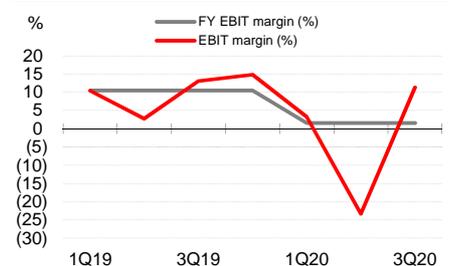
### Net profit trend (accumulated)



### Gross profit margin



### EBIT margin



**Figure 1 : 3Q20 results**

| FY Ended 31 Dec (Btm)           | 3Q20          | 3Q19          | YoY %       | 2Q20           | QoQ %       | 9M20           | 9M19         | YoY %      | 9M20 vs. FY20E |
|---------------------------------|---------------|---------------|-------------|----------------|-------------|----------------|--------------|------------|----------------|
| <b>Income Statement</b>         |               |               |             |                |             |                |              |            |                |
| Revenue                         | 944           | 1,045         | (10)        | 680            | 39          | 2,680          | 3,002        | (11)       | 72             |
| Cost of sales and services      | (762)         | (778)         | (2)         | (757)          | 1           | (2,428)        | (2,359)      | 3          | 75             |
| EBITDA                          | 270           | 264           | 3           | (7)            | nm          | 437            | 639          | (32)       | 34             |
| EBIT                            | 107           | 137           | (22)        | (158)          | nm          | (18)           | 263          | nm         | (29)           |
| Interest expense                | (145)         | (183)         | (21)        | (158)          | (9)         | (475)          | (553)        | (14)       | 77             |
| Other income/exp.               | 1             | 7             | (90)        | 3              | (74)        | 7              | 26           | (72)       | 60             |
| Equity earnings from affiliates | 3             | 8             | (69)        | 4              | (30)        | 7              | 13           | (47)       | 62             |
| Extra items                     | 12            | 1             | 812         | (873)          | nm          | (845)          | (4)          | nm         | 100            |
| <b>EBT</b>                      | <b>(37)</b>   | <b>(39)</b>   | <b>(5)</b>  | <b>(314)</b>   | <b>(88)</b> | <b>(485)</b>   | <b>(264)</b> | <b>84</b>  | <b>89</b>      |
| Corporate tax                   | 0             | 0             | nm          | 0              | nm          | 0              | 0            | nm         | nm             |
| Minority interest               | 0             | 0             | nm          | 0              | nm          | 0              | 0            | nm         | nm             |
| <b>Net profit (loss)</b>        | <b>(22)</b>   | <b>(29)</b>   | <b>(25)</b> | <b>(1,183)</b> | <b>(98)</b> | <b>(1,322)</b> | <b>(255)</b> | <b>419</b> | <b>96</b>      |
| Reported EPS                    | (0.01)        | (0.02)        | (25)        | (0.76)         | (98)        | (0.85)         | (0.16)       | 419        | 96             |
| <b>Core net profit</b>          | <b>(35)</b>   | <b>(31)</b>   | <b>12</b>   | <b>(310)</b>   | <b>(89)</b> | <b>(478)</b>   | <b>(250)</b> | <b>91</b>  | <b>89</b>      |
| <b>Key ratios</b>               |               |               |             |                |             |                |              |            |                |
| Gross margin (%)                | 19.3          | 25.6          |             | (11.3)         |             | 9.4            | 21.4         |            |                |
| EBITDA margin (%)               | 28.6          | 25.3          |             | (1.0)          |             | 16.3           | 21.3         |            |                |
| EBIT margin (%)                 | 11.3          | 13.1          |             | (23.3)         |             | (0.7)          | 8.8          |            |                |
| Tax rate (%)                    | 0.0           | 0.0           |             | 0.0            |             | 0.0            | 0.0          |            |                |
| Net margin (%)                  | (2.3)         | (2.8)         |             | (173.9)        |             | (49.3)         | (8.5)        |            |                |
| Current ratio (x)               | 0.8           | 0.4           |             | 0.5            |             | 0.8            | 0.4          |            |                |
| Gearing ratio (x)               | 1.1           | 1.1           |             | 1.2            |             | 1.1            | 1.1          |            |                |
| Interest coverage (x)           | 0.7           | 0.7           |             | n.m.           |             | (0.0)          | 0.5          |            |                |
| <b>Balance Sheet</b>            |               |               |             |                |             |                |              |            |                |
| Cash & Equivalent               | 1,752         | 1,304         | 34          | 895            | 96          |                |              |            |                |
| <b>Total assets</b>             | <b>23,278</b> | <b>25,412</b> | <b>(8)</b>  | <b>23,455</b>  | <b>(1)</b>  |                |              |            |                |
| ST debts & current portion      | 2,839         | 3,731         | (24)        | 5,425          | (48)        |                |              |            |                |
| Long-term debt                  | 9,042         | 9,301         | (3)         | 6,953          | 30          |                |              |            |                |
| <b>Total liabilities</b>        | <b>12,607</b> | <b>13,690</b> | <b>(8)</b>  | <b>13,073</b>  | <b>(4)</b>  |                |              |            |                |
| Retained earnings               | 8,141         | 9,521         | (15)        | 8,163          | (0)         |                |              |            |                |
| <b>Shareholders equity</b>      | <b>10,672</b> | <b>11,722</b> | <b>(9)</b>  | <b>10,382</b>  | <b>3</b>    |                |              |            |                |
| Minority interests              | 0             | 0             | nm          | 0              | nm          |                |              |            |                |
| BV (Bt)                         | 6.8           | 7.5           | (9)         | 6.7            | 3           |                |              |            |                |

- Revenue declined YoY, due to a lower T/C rate
- Revenue shot up QoQ, in tandem with the T/C rate recovery
- SG&A expenses declined YoY and QoQ—lower legal fees
- An FX gain
- The core and net losses were much weaker than expected—we and the street had modeled for earnings

Sources: Company data, Bualuang Research estimates

## Bualuang Securities Public Company Limited

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|        |        |       |       |      |     |       |       |        |       |       |        |        |        |      |
|--------|--------|-------|-------|------|-----|-------|-------|--------|-------|-------|--------|--------|--------|------|
| ADVANC | AEONTS | AMATA | AOT   | BDMS | BH  | BJC   | CBG   | CENTEL | CPALL | DTAC  | EGCO   | GLOBAL | GPSC   | IRPC |
| KBANK  | KCE    | KTC   | MINT  | PTG  | PTT | PTTEP | PTTGC | SCB    | SPRC  | TASCO | TKN    | TOP    | WHA    | ESSO |
| CKP    | STA    | BGRIM | GULF  | MTC  | AWC | TCAP  | CRC   | AP     | CPF   | CPN   | GUNKUL | HANA   | HMPRO  | IVL  |
| OSP    | SAWAD  | THANI | BANPU | BCH  | BEM | BTS   | CK    | SCC    | STEC  | TISCO | TRUE   | TU     | INTUCH | LH   |
| RATCH  | VGI    | PRM   | SCPG  | TQM  |     |       |       |        |       |       |        |        |        |      |

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|-------------------|---|
|                   | SCGP  |

### CG Rating

| Score Range | Score Range   | Description  |
|-------------|---|--------------|
| 90 – 100    |  | Excellent    |
| 80 – 89     |  | Very Good    |
| 70 – 79     |  | Good         |
| 60 – 69     |  | Satisfactory |
| 50 – 59     |  | Pass         |
| Below 50    | No logo given   | N/A          |

### Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors

- companies that have **declared** their intention to join CAC, and
- companies **certified** by CAC.

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## BUALUANG RESEARCH – RECOMMENDATION FRAMEWORK

### STOCK RECOMMENDATIONS

**BUY:** Expected positive total returns of 15% or more over the next 12 months.

**HOLD:** Expected total returns of between -15% and +15% over the next 12 months.

**SELL:** Expected negative total returns of 15% or more over the next 12 months.

**TRADING BUY:** Expected positive total returns of 15% or more over the next 3 months.

### SECTOR RECOMMENDATIONS

**OVERWEIGHT:** The industry, as defined by the analyst's coverage universe, is expected to outperform the relevant primary market index over the next 12 months.

**NEUTRAL:** The industry, as defined by the analyst's coverage universe, is expected to perform in line with the relevant primary market index over the next 12 months.

**UNDERWEIGHT:** The industry, as defined by the analyst's coverage universe, is expected to underperform the relevant primary market index over the next 12 months.