

BUY (Unchanged)
Change in Numbers

TP: Bt 19.00
Upside : 31.9%

(From: Bt 23.00)
17 March 2023

Small Cap Research

Precious Shipping Pcl (PSL TB)

Strong recovery

PSL's freight rate surge of 47% from its low this year implies the weak season for dry bulk has ended, in our view. We expect freight rates to continue improving on the high-season impacts with a few more additional rate-boosting factors. We reaffirm our BUY call on PSL.



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End of the weakness

PSL's freight rate has surged by 47% from its low this year to US\$12,500/ship/day. Aside from the end of the dry bulk low season in 1Q (long Chinese New Year holidays), the pent-up demand from the reopening of China (50% of dry bulk demand) has been a big help. Looking forward, we expect PSL's freight rate to continue improving on both the stronger season impact and China's continued turnaround. Exhibits 5-8 show China's low inventory levels of key dry bulk products like coal and iron ore. Exhibit 1 shows PSL's forward freight rate suggesting its rate could jump to US\$16,000 as soon as April.

Slower speeding taking effect

Another key supporter for the strong freight rate is the industry's slower ship speeds to comply with IMO's new CO2 emission reduction regulation that has been in force since January this year. According to PSL, it has reduced operating speeds by 2 knots or around 3%, also implying 3% less ship availability. PSL believes that other operators will reduce speeds to a greater extent due to their older ships. Clarksons, the shipping broker rate house, expects slow steaming in the industry to result in 2-3% less ship availability in 2023-24.

Favorable long-term outlook

Putting the above factors together, we foresee a long-term favorable demand-supply dynamic for dry bulk over the next few years, with weak new supply being a key driver. Aside from slowing speeds, weak new orders for the ships over the years will help new ship supply to grow at a 20-year low of 1.3% this year and 0.6% in 2024, according to Clarksons. Demand wise, Clarksons still expects some growth of 1.3% this year as a severe global recession seems unlikely. Clarksons expects a recovery to 3.0% growth in 2024.

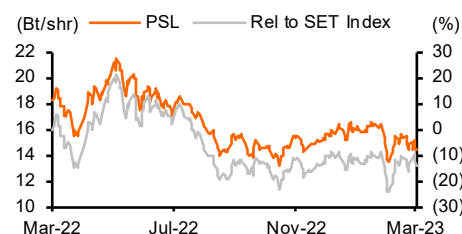
Our assumptions

We cut our freight rate assumption for PSL by 14% this year to US\$15,000 to reflect the abnormally weak 1Q23 amid China's prolonged lockdowns. However, we maintain our US\$18,000 freight rate estimate for 2024-25F. Earnings-wise, our -34/-7/+4% adjustments for 2023-25F are based on our new freight rate and stronger baht assumptions. Our new 12-month TP of Bt19/share (from Bt23) is based on 1.75x 2023F P/BV. PSL's P/BV surpassed 2.5x level during its previous upcycles in 2004 and 2007.

COMPANY VALUATION

Y/E Dec (Bt m)	2022A	2023F	2024F	2025F
Sales	9,129	6,680	7,837	7,837
Net profit	4,851	2,404	3,614	3,756
Consensus NP	—	3,355	3,539	3,306
Diff frm cons (%)	—	(28.4)	2.1	13.6
Norm profit	4,852	2,404	3,614	3,756
Prev. Norm profit	—	3,657	3,879	3,616
Chg frm prev (%)	—	(34.3)	(6.8)	3.9
Norm EPS (Bt)	3.1	1.5	2.3	2.4
Norm EPS grw (%)	11.6	(50.5)	50.4	3.9
Norm PE (x)	4.6	9.3	6.2	6.0
EV/EBITDA (x)	4.3	6.4	4.5	4.0
P/BV (x)	1.4	1.3	1.2	1.1
Div yield (%)	12.2	6.0	9.1	8.4
ROE (%)	31.5	14.4	20.3	19.1
Net D/E (%)	34.3	23.7	5.6	(8.7)

PRICE PERFORMANCE



COMPANY INFORMATION

Price as of 17-Mar-23 (Bt)	14.40
Market Cap (US\$ m)	655.0
Listed Shares (m shares)	1,559.3
Free Float (%)	47.55
Avg Daily Turnover (US\$ m)	4.53
12M Price H/L (Bt)	21.40/13.10
Sector	Shipping
Major Shareholder	Globex Corporation 28.4%

Sources: Bloomberg, Company data, Thanachart estimates

Reaffirming BUY

We reaffirm BUY on PSL

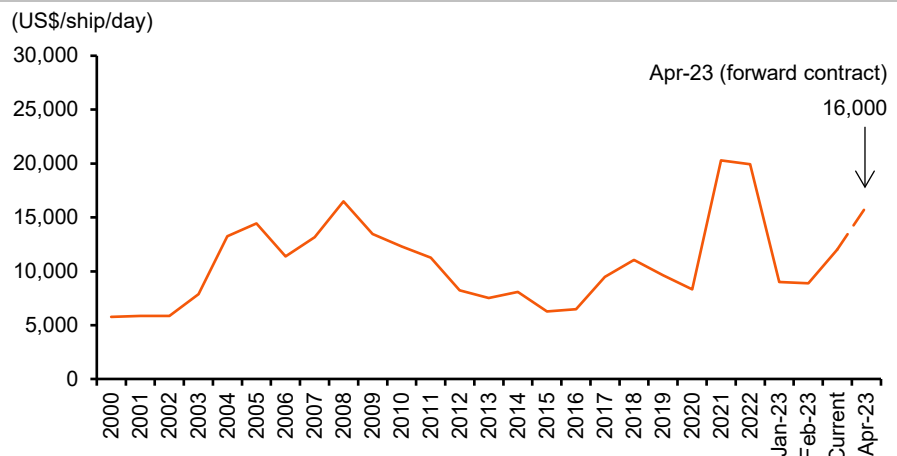
First, weak momentum has ended and we expect a continued recovery

We reaffirm our BUY rating on shares of Precious Shipping Pcl (PSL) with a new TP of Bt19/share (from Bt23).

First, PSL's freight rate has surged by 47% to US\$12,000/ship/day from its low this year and we expect it to continue rising.

The forward freight rate for PSL's ship category is estimated its freight rate to increase to US\$16,000 in April, or by 33% from the current level.

Ex 1: PSL's Freight Rate



Source: Bloomberg

Ex 2: Handysize Seasonal Pattern

	1Q	2Q	3Q	4Q
2013	6,876	7,987	7,877	10,138
2014	9,955	7,456	6,212	7,111
2015	5,321	5,120	6,327	4,652
2016	3,408	4,794	5,786	6,988
2017	6,597	7,311	7,371	9,369
2018	8,480	8,784	8,265	9,264
2019	5,996	6,082	8,458	8,097
2020	4,516	3,212**	7,187	9,226
2021	14,362	20,455	30,169	28,372
2022	22,357	25,823	16,183	13,976
2023	8,666***			

Sources: Bloomberg

Note: 1) 2014-15 was China slowdown year
 2) 2020 saw the first wave of COVID infections
 3) 1Q23 was hit by the prolonged China lockdown

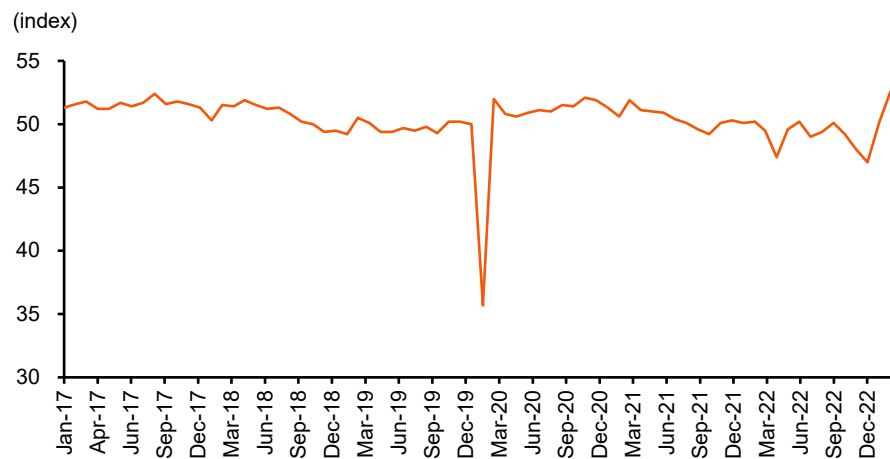
Ex 3: Supramax Seasonal Pattern

	1Q	2Q	3Q	4Q
2016	3,698	5,857	7,101	8,096
2017	8,041	8,852	9,558	10,998
2018	10,722	11,502	11,881	11,800
2019	7,899	8,483	12,577	10,582
2020	6,530	5,439**	9,945	10,778
2021	16,363	25,407	34,278	29,432
2022	24,853	28,873	18,002	14,717
2023	9,743***			

Source: Bloomberg

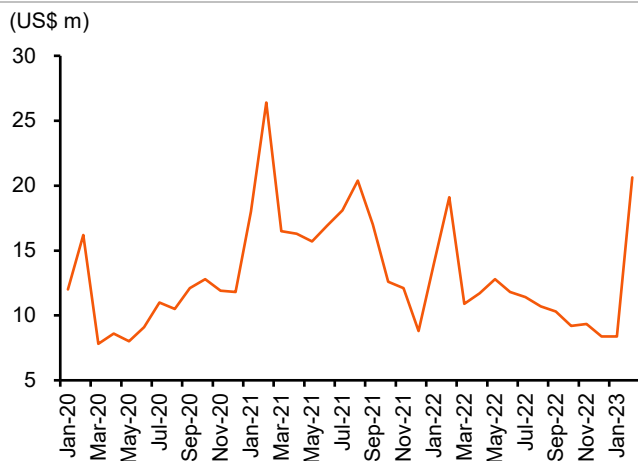
We recap that PSL was impacted by China's (50% of dry bulk demand) strict lockdowns from the middle of 2022 and then it was hit by the low-season impact from the longer-than-usual Chinese Lunar New Year holiday during January and February. As the long holiday has ended, we expect strong pent-up China demand to help drive up freight rates further. Exhibits 5-8 show that China's imports of key dry bulk products like iron ore and coal surged this month but their inventory levels are still below their peak last year. We expect the pent-up demand, together with the China government's infrastructure stimulus to boost its GDP, to help lift the freight rate further.

Ex 4: China Manufacturing PMI Rebounding



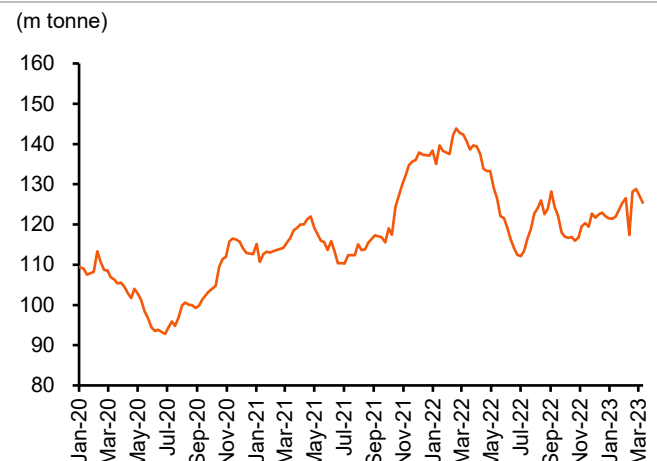
Source: Bloomberg

Ex 5: China Iron Ore Imports Rising



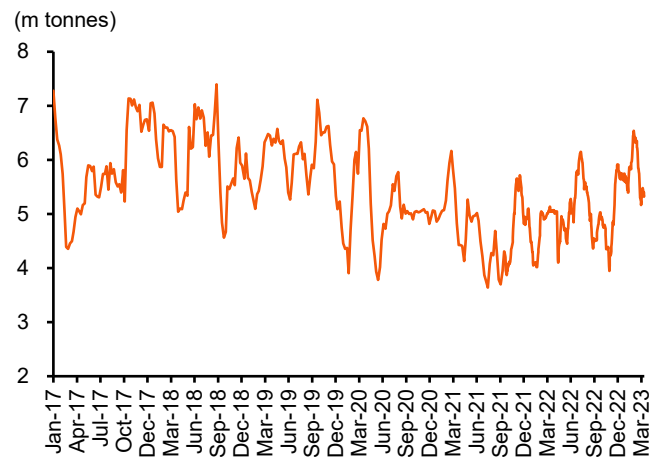
Source: Bloomberg

Ex 6: China Iron Ore Inventory



Source: Bloomberg

Ex 8: China Coal Inventory



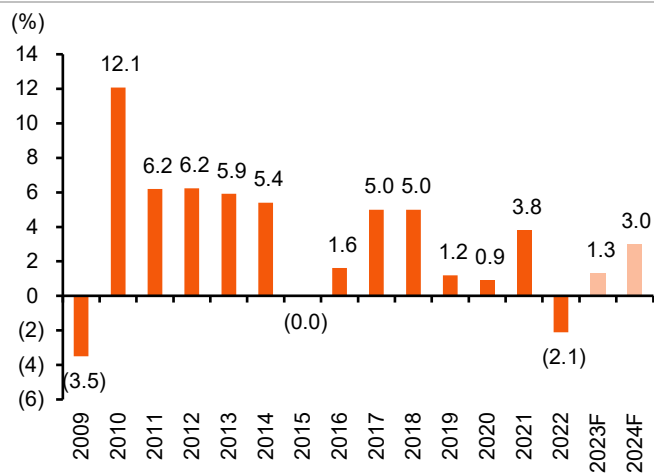
Source: Bloomberg

The big picture is that the IMO expects to reduce dry bulk CO2 emission levels by 40% in 2023. It started with a low-single-digit level this year. There are two ways to cut emissions: 1) ensure vessels use newer, more efficient engines, and 2) use the same engines but reduce operating speeds to cut emissions. As it takes a few more years for operators to replace old ships with new ships with cleaner engines, it is likely that the industry will slow speeds of existing ships for at least the next three to four years. Note that there are devices like the Newis Duct and Pre-Shrouded Vanes which can help ships to reduce their CO2 emissions. However, despite installing them, operators still need to lower their speeds this year as they were unable to meet IMO's emission requirement.

Third, the big picture of favorable demand-supply remain intact

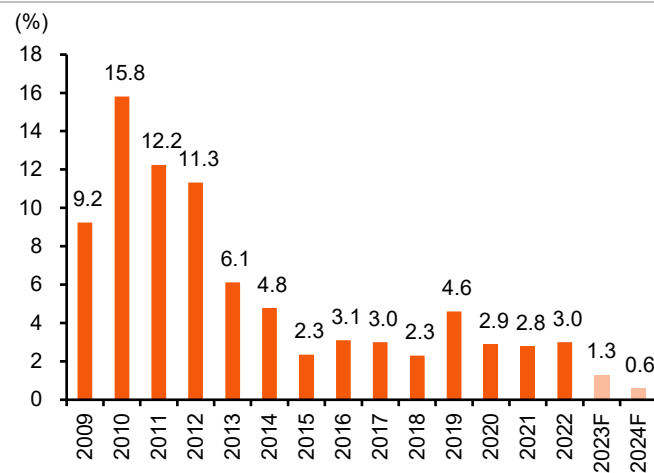
Third, big picture-wise, we maintain our view of a long-term favorable demand-supply outlook for dry bulk over the next few years, with weak new supply being a key driver. On top of slower speeds, weak new ship orders over the past few years means new supply will grow only 1.3/0.6% in 2023-24. As for demand, Clarksons expects it to grow slightly this year by 1.3% as a severe global recession looks unlikely, before a stronger recovery next year of 3.0%. We see the strength of China's recovery offering potential upside to our estimates.

Ex 9: Dry Bulk Demand Growth



Source: Clarksons

Ex 10: Dry Bulk Supply Growth

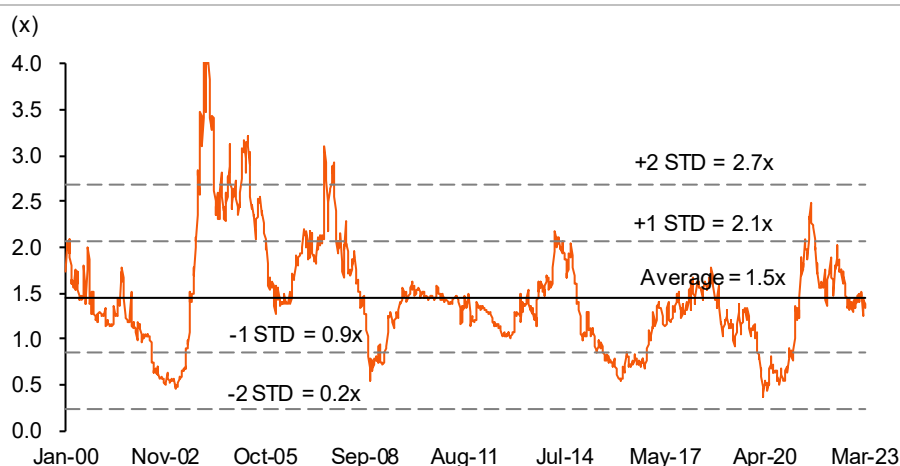


Source: Clarksons

PSL is inexpensive in our view

Lastly, we don't see PSL as expensive trading at 1.4x P/BV. PSL's P/BV surpassed 2.5x or around 2SD during the previous upcycles in 2004 and 2007. Our TP implies that PSL is trades at 1.75x 2023F P/BV.

Ex 11: PSL's Historical P/BV



Sources: Bloomberg, Thanachart estimates

Ex 12: Assumption Revisions

	2021	2022	2023F	2024F	2025F
Freight rate (US\$/ship/day)					
New	20,338	19,924	15,000	18,000	18,000
Old			17,500	18,113	17,569
Change (%)			(14.3)	(0.6)	2.5
Vessels at year end (units)					
New	36	36	38	38	38
Old		36	38	38	38
Breakeven cost (Bt m)					
New	9,400	9,400	9,400	9,400	9,400
Old			9,400	9,400	9,400
Change (%)			—	—	—
Normalized profit (Bt m)					
New	4,348	4,852	2,404	3,614	3,756
Old			3,657	3,879	3,616
Change (%)			(34.3)	(6.8)	3.9

Sources: Company data, Thanachart estimates

Note that we derive our TP using P/BV methodology but still show our DCF calculation in Exhibit 13.

Ex 13: Our 12-month DCF-based Valuation, Using A Base Year Of 2023F

(Bt m)	2023F	2024F	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F	Terminal Value
EBITDA	4,145	5,179	5,136	4,775	4,642	4,372	4,075	3,795	3,509	3,237	2,979	—
Free cash flow	3,889	4,849	4,828	4,474	4,305	4,065	3,773	3,493	3,211	2,940	2,683	37,346
PV of free cash flow	3,879	3,950	3,549	2,968	2,577	2,196	1,839	1,537	1,275	1,053	867	10,478
Risk-free rate (%)	2.5											
Market risk premium (%)	8.0											
Beta	1.3											
WACC (%)	10.4											
Terminal growth (%)	2.0											
Enterprise value - add investments	37,109											
Net debt (2022)	3,996											
Minority interest	0											
Equity value	33,113											
# of shares (m)	1,559											
Value/share (Bt)	21											

Source: Thanachart estimates

Valuation Comparison

Ex 14: Comparison With Regional Peers

Name	BBG code	Country	EPS growth		PE		P/BV		EV/EBITDA		Div yield	
			23F	24F	23F	24F	23F	24F	23F	24F	23F	24F
			(%)	(%)	(x)	(x)	(x)	(x)	(x)	(x)	(%)	(%)
Evergreen Marine	2603 TT	Taiwan	(80.3)	(37.6)	9.5	15.2	0.7	0.7	0.8	1.1	3.6	1.9
Yang Ming Marine	2609 TT	Taiwan	(92.4)	(14.3)	16.7	19.5	0.7	0.8	na	na	4.7	3.9
Wan Hai Lines	2615 TT	Taiwan	(94.0)	na	34.8	na	0.9	1.1	7.5	5.5	2.3	1.5
COSCO Shipping Energy	1138 HK	Hong Kong	167.0	32.7	8.7	6.6	1.1	1.0	4.1	3.8	3.8	5.0
COSCO Shipping	1919 HK	Hong Kong	(67.8)	(31.4)	3.5	5.1	0.6	0.5	0.6	0.8	9.1	4.9
Pacific Basin Shipping	2343 HK	Hong Kong	(43.7)	12.7	5.7	5.1	1.1	1.0	4.0	3.6	10.8	10.4
Kawasaki Kisen Kaisha	9107 JP	Japan	17.3	(82.1)	1.2	6.8	0.6	0.5	7.1	6.4	11.1	4.4
Mitsui OSK Lines	9104 JP	Japan	6.9	(76.9)	1.7	7.3	0.7	0.7	11.2	10.4	15.2	4.3
Nippon Yusen KK	9101 JP	Japan	(1.3)	(75.9)	1.7	7.0	0.7	0.7	5.6	6.6	15.2	4.4
Korea Line	005880 KS	S. Korea	na	15.0	3.0	2.6	0.4	0.3	6.6	6.0	1.4	1.5
Thoresen Thai Agencies	TTA TB	Thailand	(14.4)	(17.3)	6.0	5.3	0.5	0.5	3.5	3.5	3.3	3.8
Prima Marine Pcl*	PRM TB	Thailand	(4.8)	9.4	10.6	9.7	1.7	1.6	6.8	6.1	4.2	4.6
Precious Shipping*	PSL TB	Thailand	(50.5)	50.4	9.3	6.2	1.3	1.2	6.4	4.5	6.0	9.1
Average			(21.5)	(17.9)	8.6	8.0	0.8	0.8	5.4	4.9	7.0	4.6

Source: Bloomberg

Note: * Thanachart estimates, using Thanachart normalized EPS

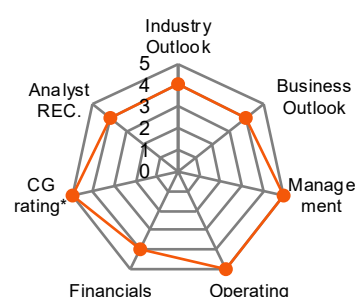
Based on 17-Mar-23 closing prices

COMPANY DESCRIPTION

Precious Shipping Public Company Limited (PSL) is a ship owner that provides regional marine shipping services. The company operates in the tramp freight market sector where its vessels are deployed on a time charter as well as a voyage charter basis. PSL has a network of shipping agents worldwide.

Source: Thanachart

COMPANY RATING



Rating Scale

Excellent	5
Good	4
Fair	3
Weak	2
Very Weak	1
None	0

Source: Thanachart; * CG rating

THANACHART'S SWOT ANALYSIS

S — Strength

- Very focused and experienced management.
- Strong balance sheet.
- Commands higher freight rates vs. peers due to better ships and service quality.
- Lower operating expenses compared with peers.

O — Opportunity

- Fragmented industry provides opportunities for vessel acquisitions at decent prices.
- Targets new segments such as cement carriers.
- Expanding capacity to larger vessels.

W — Weakness

- Exposed to a highly cyclical industry.
- Highly volatile earnings.
- Very fragmented industry, which accelerates pricing pressure during any downturn.

T — Threat

- Barriers to entry are non-existent.
- Commodity shift from dry-bulk shipping to container shipping.

CONSENSUS COMPARISON

	Consensus	Thanachart	Diff
Target price (Bt)	17.81	19.00	7%
Net profit 23F (Bt m)	3,355	2,404	-28%
Net profit 24F (Bt m)	3,539	3,614	2%
Consensus REC	BUY: 6	HOLD: 4	SELL: 0

HOW ARE WE DIFFERENT FROM THE STREET?

- Our earnings estimates for 2023F are lower than the Bloomberg consensus average which we attribute to us having a more conservative view on global dry bulk recovery.
- Our TP are higher than the Bloomberg consensus as we attribute to our more bullish long-term view on dry bulk favorable demand-supply outlook.

Sources: Bloomberg consensus, Thanachart estimates

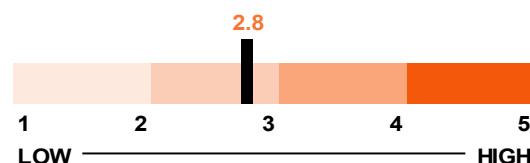
RISKS TO OUR INVESTMENT CASE

- Weaker demand for dry-bulk shipping as a result of the global economic slowdown is the key downside risk to our call.

Source: Thanachart

PSL owns and operates a dry bulk fleet of 38 Supramax and Handysize vessels at an average of 43,621 DWT per vessel with an average age per ship of 10.5 years. We assign an ESG score to PSL of 2.8, which we consider moderate as a reflection of the nature of its business where significant amounts of greenhouse gas (GHG) is emitted. However, PSL has clear targets and plans to focus on ESG issues.

Thanachart ESG Rating



	SETTHSI Index	THSI Index	DJSI Index	MSCI (CCC-AAA)	Arabesque S-Ray (0-100)	Refinitiv (0-100)	S&P Global (0-100)	Moody's (0-100)	CG Rating (0-5)
PSL	YES	YES	-	BB	63.11	-	27.75	-	5.0

Sources: SETTRADE, SETTHSI Index, Thailand Sustainability Investment (THSI), The Dow Jones Industrial Average (DJSI), MSCI ESG Research LLC, Arabesque S-Ray®, Refinitiv ESG Information, S&P Global Market Intelligence, Moody's ESG Solutions, Thai IOD (CG rating)

Note: Please see third party on "term of use" in the following back page.

Factors

Our Comments

ENVIRONMENT

- Environmental Policies & Guidelines
- Energy Management
- Carbon Management
- Water Management
- Waste Management

- The dry-bulk shipping industry by nature involves the release of greenhouse gas (GHG) into the air and sludge into water. That is why the industry regulator or International Maritime Organization (IMO) has been active in coming up with policies to control and reduce environmental threats.
- PSL complies with all the regulations. It has managed to reduce GHG emissions by more than the industry average. For instance, it has cut carbon emissions by around 2-3% p.a. for many years as opposed to the rising trend of industry emissions. PSL's investments in emission reduction include using fuel oil emulsion and modifying its ships' bulbous bows.
- PSL plans to match the industry's 40% carbon emissions cut target by 2030.

SOCIAL

- Human Rights
- Staff Management
- Health & Safety
- Product Safety & Quality
- Social Responsibility

- PSL has a policy to discontinue relationships with partners that violate labor rights, e.g., those that use child workers.
- PSL has been active in providing aid, such as food and drinking water to those in need, e.g., flooding and COVID victims.
- The company provides health and accident insurance for employees and health insurance for their families.

GOVERNANCE &
SUSTAINABILITY

- Board
- Ethics & Transparency
- Business Sustainability
- Risk Management
- Innovation

- PSL has a 12-member board of directors (BOD) which we consider an appropriate size for the size and scope of its business. Of the 12 members, five are independent directors. There are five female board members. Two members have a stake in PSL.
- The products PSL carries are called minor bulk commodities, which are highly diversified, and include steel, various grains, and coal. PSL is therefore not subject to the risk of focusing only on certain industries.
- PSL has been active in improving its efficiency, making it a dry bulk operator with one of the lowest operating costs in the industry.

Sources: Thanachart, Company data

INCOME STATEMENT

FY ending Dec (Bt m)	2021A	2022A	2023F	2024F	2025F
Sales	8,615	9,129	6,680	7,837	7,837
Cost of sales	3,305	3,401	3,273	3,374	3,396
Gross profit	5,311	5,728	3,407	4,463	4,441
% gross margin	61.6%	62.7%	51.0%	56.9%	56.7%
Selling & administration expenses	572	515	646	648	648
Operating profit	4,739	5,213	2,761	3,815	3,793
% operating margin	55.0%	57.1%	41.3%	48.7%	48.4%
Depreciation & amortization	1,215	1,326	1,385	1,364	1,343
EBITDA	5,954	6,539	4,145	5,179	5,136
% EBITDA margin	69.1%	71.6%	62.1%	66.1%	65.5%
Non-operating income	3	17	11	12	12
Non-operating expenses	0	0	0	0	0
Interest expense	(415)	(392)	(371)	(212)	(47)
Pre-tax profit	4,327	4,838	2,401	3,615	3,758
Income tax	2	15	8	11	12
After-tax profit	4,325	4,823	2,394	3,604	3,746
% net margin	50.2%	52.8%	35.8%	46.0%	47.8%
Shares in affiliates' Earnings	23	29	10	10	10
Minority interests	(0)	(0)	(0)	(0)	(0)
Extraordinary items	127	(1)	0	0	0
NET PROFIT	4,475	4,851	2,404	3,614	3,756
Normalized profit	4,348	4,852	2,404	3,614	3,756
EPS (Bt)	2.9	3.1	1.5	2.3	2.4
Normalized EPS (Bt)	2.8	3.1	1.5	2.3	2.4

EBITDA was positive in the past despite net losses

We expect very decent profits over the next few years

BALANCE SHEET

FY ending Dec (Bt m)	2021A	2022A	2023F	2024F	2025F
ASSETS:					
Current assets:	2,810	1,557	1,499	1,551	1,551
Cash & cash equivalent	2,468	1,056	1,200	1,200	1,200
Account receivables	175	279	204	240	240
Inventories	0	0	0	0	0
Others	166	223	95	111	111
Investments & loans	106	99	99	99	99
Net fixed assets	20,285	22,048	20,964	19,900	18,857
Other assets	330	600	439	515	515
Total assets	23,531	24,304	23,000	22,064	21,021
LIABILITIES:					
Current liabilities:	1,917	1,867	1,566	1,084	598
Account payables	354	584	562	580	584
Bank overdraft & ST loans	0	0	0	0	0
Current LT debt	1,409	1,162	900	391	(103)
Others current liabilities	154	121	104	113	118
Total LT debt	6,809	5,547	4,296	1,867	(491)
Others LT liabilities	264	296	217	254	254
Total liabilities	9,165	7,841	6,174	3,316	473
Minority interest	0	0	0	0	0
Preferreds shares	0	0	0	0	0
Paid-up capital	1,559	1,559	1,559	1,559	1,559
Share premium	1,968	1,968	1,968	1,968	1,968
Warrants	0	0	0	0	0
Surplus	(246)	461	461	461	461
Retained earnings	11,084	12,475	12,838	14,759	16,560
Shareholders' equity	14,365	16,463	16,826	18,747	20,548
Liabilities & equity	23,531	24,304	23,000	22,064	21,021

Sources: Company data, Thanachart estimates

CASH FLOW STATEMENT

No plans to buy new ships; therefore, limited capex over the next two to three years

FY ending Dec (Bt m)	2021A	2022A	2023F	2024F	2025F
Earnings before tax	4,327	4,838	2,401	3,615	3,758
Tax paid	(2)	(15)	(8)	(11)	(12)
Depreciation & amortization	1,215	1,326	1,385	1,364	1,343
Chg In working capital	71	126	53	(18)	4
Chg In other CA & CL / minorities	(46)	(27)	(7)	3	14
Cash flow from operations	5,565	6,248	3,824	4,953	5,107
Capex	(2,375)	(3,089)	(300)	(300)	(300)
ST loans & investments	0	0	0	0	0
LT loans & investments	(15)	7	0	0	0
Adj for asset revaluation	0	0	0	0	0
Chg In other assets & liabilities	47	(318)	175	(22)	0
Cash flow from investments	(2,344)	(3,399)	(125)	(322)	(300)
Debt financing	(1,609)	(1,508)	(1,514)	(2,938)	(2,852)
Capital increase	0	0	(0)	0	0
Dividends paid	(1,559)	(3,508)	(2,040)	(1,693)	(1,956)
Warrants & other surplus	1,315	755	0	0	0
Cash flow from financing	(1,853)	(4,261)	(3,554)	(4,631)	(4,807)
Free cash flow	3,190	3,159	3,524	4,653	4,807

VALUATION

We see P/BV as a better valuation method than PE and PSL doesn't look expensive to us

FY ending Dec	2021A	2022A	2023F	2024F	2025F
Normalized PE (x)	5.2	4.6	9.3	6.2	6.0
Normalized PE - at target price (x)	6.8	6.1	12.3	8.2	7.9
PE (x)	5.0	4.6	9.3	6.2	6.0
PE - at target price (x)	6.6	6.1	12.3	8.2	7.9
EV/EBITDA (x)	4.7	4.3	6.4	4.5	4.0
EV/EBITDA - at target price (x)	5.9	5.4	8.1	5.9	5.4
P/BV (x)	1.6	1.4	1.3	1.2	1.1
P/BV - at target price (x)	2.1	1.8	1.8	1.6	1.4
P/CFO (x)	4.0	3.6	5.9	4.5	4.4
Price/sales (x)	2.6	2.5	3.4	2.9	2.9
Dividend yield (%)	10.4	12.2	6.0	9.1	8.4
FCF Yield (%)	14.2	14.1	15.7	20.7	21.4
(Bt)					
Normalized EPS	2.8	3.1	1.5	2.3	2.4
EPS	2.9	3.1	1.5	2.3	2.4
DPS	1.5	1.8	0.9	1.3	1.2
BV/share	9.2	10.6	10.8	12.0	13.2
CFO/share	3.6	4.0	2.5	3.2	3.3
FCF/share	2.0	2.0	2.3	3.0	3.1

Sources: Company data, Thanachart estimates

FINANCIAL RATIOS

FY ending Dec	2021A	2022A	2023F	2024F	2025F
Growth Rate					
Sales (%)	131.0	6.0	(26.8)	17.3	0.0
Net profit (%)	na	8.4	(50.4)	50.4	3.9
EPS (%)	na	8.4	(50.4)	50.4	3.9
Normalized profit (%)	na	11.6	(50.5)	50.4	3.9
Normalized EPS (%)	na	11.6	(50.5)	50.4	3.9
Dividend payout ratio (%)	52.3	56.3	56.3	56.3	50.0
Operating performance					
Gross margin (%)	61.6	62.7	51.0	56.9	56.7
Operating margin (%)	55.0	57.1	41.3	48.7	48.4
EBITDA margin (%)	69.1	71.6	62.1	66.1	65.5
Net margin (%)	50.2	52.8	35.8	46.0	47.8
D/E (incl. minor) (x)	0.6	0.4	0.3	0.1	(0.0)
Net D/E (incl. minor) (x)	0.4	0.3	0.2	0.1	(0.1)
Interest coverage - EBIT (x)	11.4	13.3	7.4	18.0	80.0
Interest coverage - EBITDA (x)	14.3	16.7	11.2	24.4	108.4
ROA - using norm profit (%)	19.4	20.3	10.2	16.0	17.4
ROE - using norm profit (%)	35.5	31.5	14.4	20.3	19.1
DuPont					
ROE - using after tax profit (%)	35.3	31.3	14.4	20.3	19.1
- asset turnover (x)	0.4	0.4	0.3	0.3	0.4
- operating margin (%)	55.0	57.3	41.5	48.8	48.6
- leverage (x)	1.8	1.6	1.4	1.3	1.1
- interest burden (%)	91.2	92.5	86.6	94.5	98.8
- tax burden (%)	100.0	99.7	99.7	99.7	99.7
WACC (%)	10.4	10.4	10.4	10.4	10.4
ROIC (%)	24.9	25.8	12.4	18.3	19.1
NOPAT (Bt m)	4,737	5,196	2,752	3,803	3,781

Sources: Company data, Thanachart estimates

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2. Arabesque S-Ray (0-100)
3. Refinitiv (0-100)
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As a result, SET has created the SETTHSI for the purpose of indicating the price of these sustainable companies that pass the market capital size and liquidity criteria.

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ESG risk combines the concepts of management and exposure to arrive at an absolute assessment of ESG risk. We identify five categories of ESG risk severity that could impact a company's enterprise value

Moody's ESG Solutions

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