

BUY (Unchanged)
Change in Numbers

TP: Bt 13.00 (From: Bt 19.00)
Upside : 28.7% **21 SEPTEMBER 2023**

Small Cap Research

Precious Shipping Pcl (PSL TB)

Back on track

The freight rate is back at a profitable level for PSL after a temporary fall below breakeven point in July and August. While developed economies remain resilient, China shows signs of a recovery. We reaffirm our BUY call on PSL, whose share price is down 36% YTD.



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Recovery in freight rates

PSL's freight rate fell from US\$10,700/ship/day in 1H23 to only US\$9,000 in July and August, which are loss-making levels given its break-even point of around US\$9,400. We believe the fall was due to weak economic momentum in China, which also created poor sentiment for the global economy. However, the current freight rate has already recovered to US\$12,500/ship/day, which we believe is due to better sentiment in resilient developed economies and some signs of improvement in China.

Low scrap rate but still an up-cycle

Clarkson, a shipping research house, has revised its estimates for new ship supply growth to 3.7/2.5% in 2023-24F from less than 2.0% p.a. earlier. It is also likely that the supply growth will be less than 2% in 2025F. The revisions are on the back of the low scrap rate of old ships as, despite the weak market in 1H23, ship operators expected a turnaround from 2H23F. That said, given that Clarkson still projects dry-bulk demand growth of 2.4/3.7% in 2023-24F, we expect the shipping industry to remain in its upcycle. Note that supply growth over the past 10 years averaged above 5.0% p.a.

Weak 3Q23F but a strong turnaround in 4Q23F

Due to a temporary sharp drop in freight rates in July and August to below break-even level, we expect PSL to post a 3Q23F earnings loss. However, with the strong freight recovery, the company should revert to decent profits in 4Q23F, and we estimate earnings of Bt424m in 2H23F vs. Bt300m in 1H23, which still saw freight rates at a low level of US\$10,700. On a yearly basis, we estimate PSL's freight rates at US\$11,090/13,500/13,700/ship/day in 2023-25F. Although these are revised down by around 24-26% p.a., we still see the rates being at healthy levels. The cuts in our freight assumptions lead us to lower our earnings by 69/52/50% in 2023-25F and cut our P/BV-derived 12-month TP (2024F base year) to Bt13/share based on 1.3x P/BV (from Bt19/share based on 1.8x P/BV).

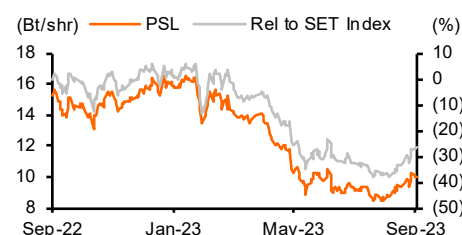
Bad news looks priced in

Despite our earnings revisions, we reaffirm our BUY call on PSL. Its share price is already down 36% YTD, reflecting the weaker-than-expected market this year. The freight rate, now at around US\$12,500, has picked up sharply to this year's highest level, and we expect a strong recovery from 4Q23F. Longer term, we expect the upcycle, driven by weak supply growth, to last for the next two years. The share price is currently trading on only 0.9x 2024F P/BV vs. its historical peak cycle of over 2.5x in 2004 and 2008.

COMPANY VALUATION

Y/E Dec (Bt m)	2022A	2023F	2024F	2025F
Sales	9,129	5,211	6,289	6,198
Net profit	4,851	736	1,745	1,864
Consensus NP	—	1,079	2,319	3,045
Diff frm cons (%)	—	(31.8)	(24.7)	(38.8)
Norm profit	4,852	736	1,745	1,864
Prev. Norm profit	—	2,404	3,614	3,756
Chg frm prev (%)	—	(69.4)	(51.7)	(50.4)
Norm EPS (Bt)	3.1	0.5	1.1	1.2
Norm EPS grw (%)	11.6	(84.8)	137.1	6.8
Norm PE (x)	3.2	21.4	9.0	8.4
EV/EBITDA (x)	3.3	8.3	5.5	5.0
P/BV (x)	1.0	1.0	0.9	0.9
Div yield (%)	17.3	2.6	6.2	5.9
ROE (%)	31.5	4.6	10.8	10.9
Net D/E (%)	34.3	32.8	18.3	6.3

PRICE PERFORMANCE



COMPANY INFORMATION

Price as of 21-Sep-23 (Bt)	10.10
Market Cap (US\$ m)	435.7
Listed Shares (m shares)	1,559.3
Free Float (%)	47.60
Avg Daily Turnover (US\$ m)	2.87
12M Price H/L (Bt)	16.50/8.40
Sector	Shipping
Major Shareholder	Globex Corporation 28.4%

Sources: Bloomberg, Company data, Thanachart estimates

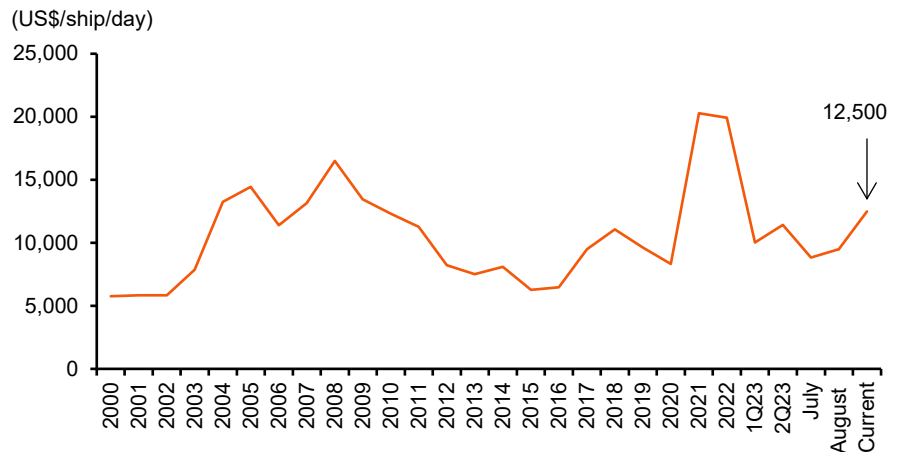
ESG Summary Report P8

Recovering freight rate

PSL's freight rate has recovered

Precious Shipping Pcl's (PSL) freight rate has now recovered to US\$12,500/ship/day after having plunged to a loss-making level of US\$9,000 in July and August. We view PSL's recent freight rate as healthy against its 20-year average pre-COVID level of US\$9,500.

Ex 1: PSL's Freight Rate



Source: Bloomberg

Economies of major countries have improved

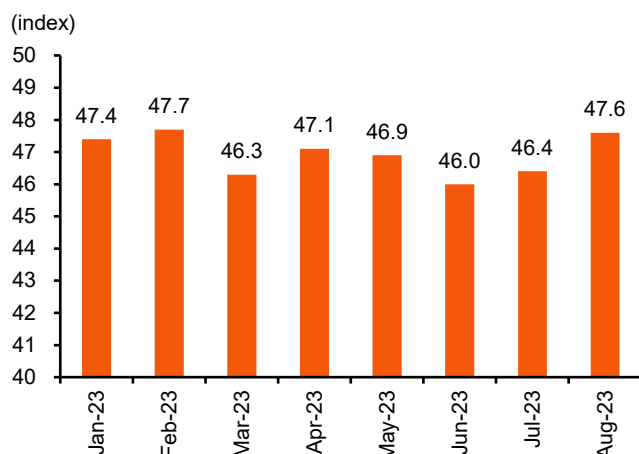
The plunge in the freight rate earlier this year came on the back of market fears of a potential recession in the US and the EU and the weak economic recovery in China despite the country's reopening.

However, thanks to the diversification in country exposure of PSL's ship categories, it has begun to recover now that the US economy has performed better than expected, and the recession in the EU seems to have bottomed despite the Chinese economy (50% of dry bulk demand) still being soft. With China's recovery in sight, we expect PSL's freight rate to remain at this healthy level.

Key economic indicator for dry bulk

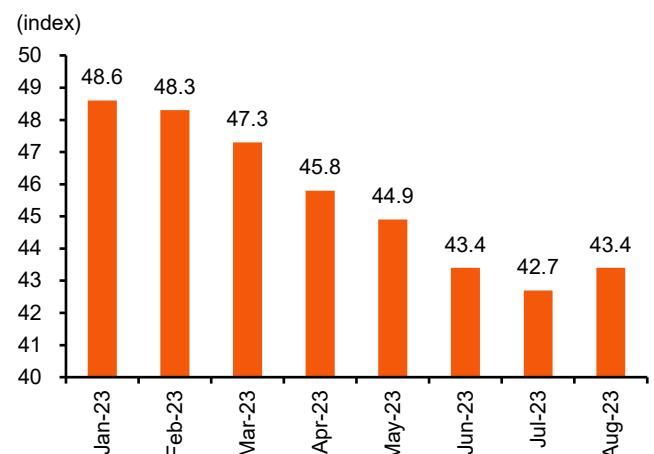
Exhibits 2-4 show the recovery of manufacturing PMI of these markets. We also expect some inventory restocking for dry bulk products, e.g., steel, iron ore and grains, in China after weak orders since early this year.

Ex 2: Strong-Than-Expected US Manufacturing PMI

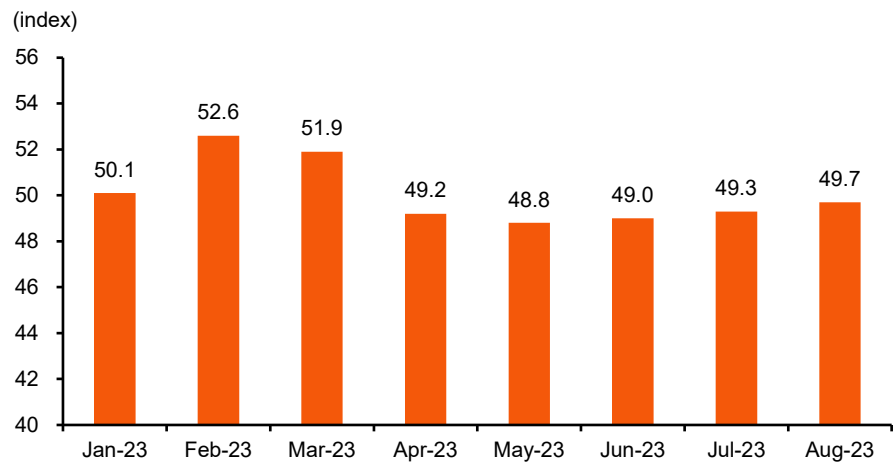


Source: Bloomberg

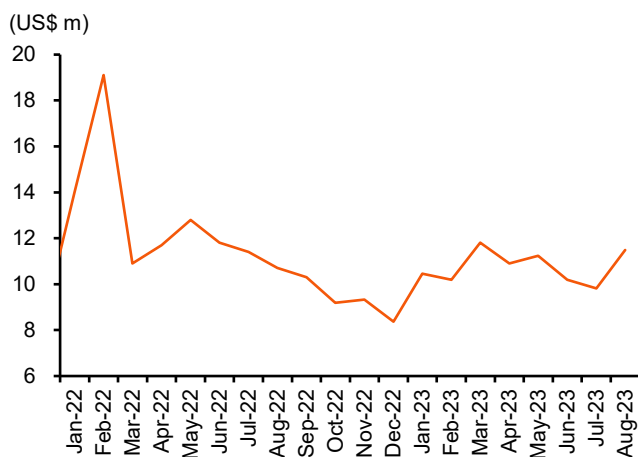
Ex 3: Bottomed Out EU Manufacturing PMI



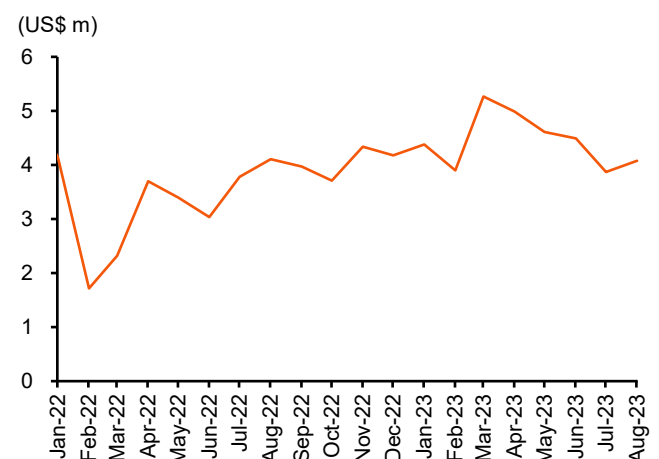
Source: Bloomberg

Ex 4: Signs Of China PMI Recovery

Source: Bloomberg

Ex 5: A Rebound In China Imports Of Iron Ore...

Source: Bloomberg

Ex 6: ... And Coal

Source: Bloomberg

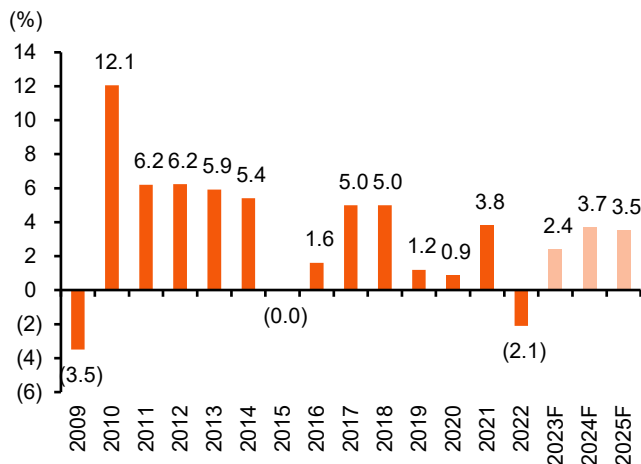
Still healthy demand-supply dynamic

*Higher supply growth but
still below demand growth*

Despite Clarksons, the shipping research house, revising up its estimates for new ship supply to 3.7/2.5% in 2023-24F, the numbers still look healthy against 2.4/3.7% global dry bulk demand growth. The higher supply is due to the low scrapping of old ships despite the very weak markets in 1H23 because ship operators expected a turnaround.

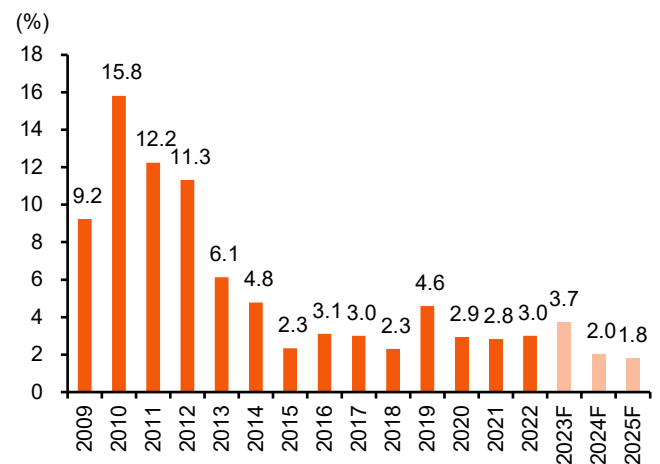
Note that the 10-year average ship supply growth is over 5% p.a.

Ex 7: Dry Bulk Demand Growth



Source: Clarksons, Thanachart compilation

Ex 8: Dry Bulk Supply Growth



Source: Clarksons, Thanachart compilation

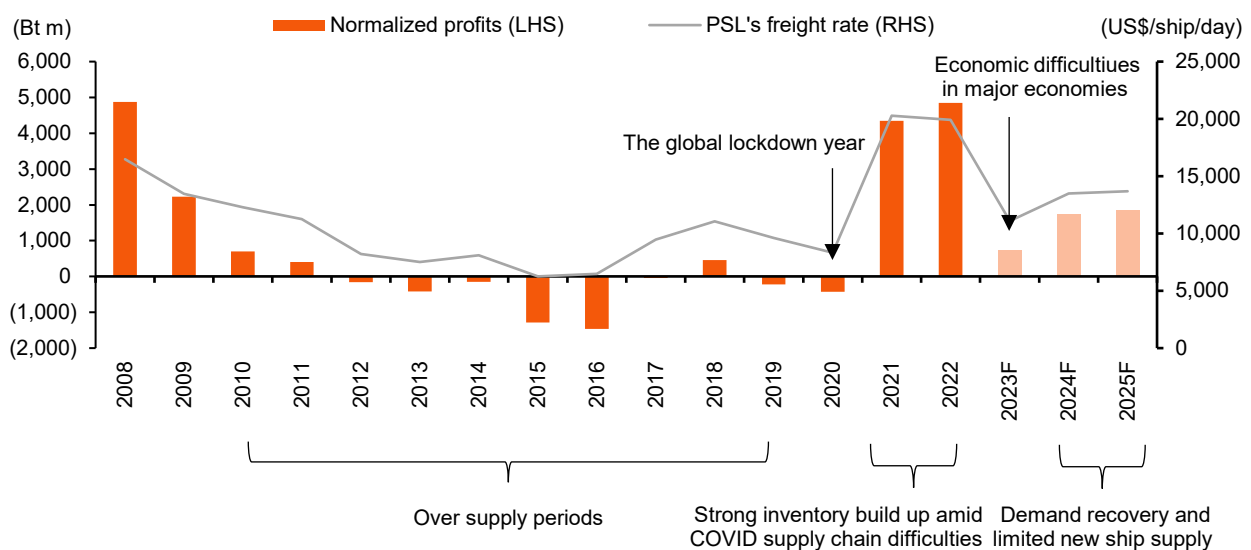
Weak 3Q23F before a decent 4Q23F

Expecting an improved earnings trend

As the freight rate plunged to the US\$9,000/ship/day level vs. PSL's US\$9,400 accounting breakeven cost, we expect PSL to make some losses in 3Q23F. However, we assume PSL's recent freight rate level of US\$12,500 to increase further in 4Q23F, and we estimate it to swing back to a profit of Bt470m in the quarter.

With the bottoming out of economic difficulties in major countries and limited new supply growth, we expect PSL's freight rate, after US\$11,090 this year, to stay at US\$13,500/US\$13,700 in 2024-25F and forecast PSL to deliver profits of Bt1.7-1.9bn in those years.

Ex 9: Decent Profit Outlook In our View



Sources: Company data, Thanachart estimates

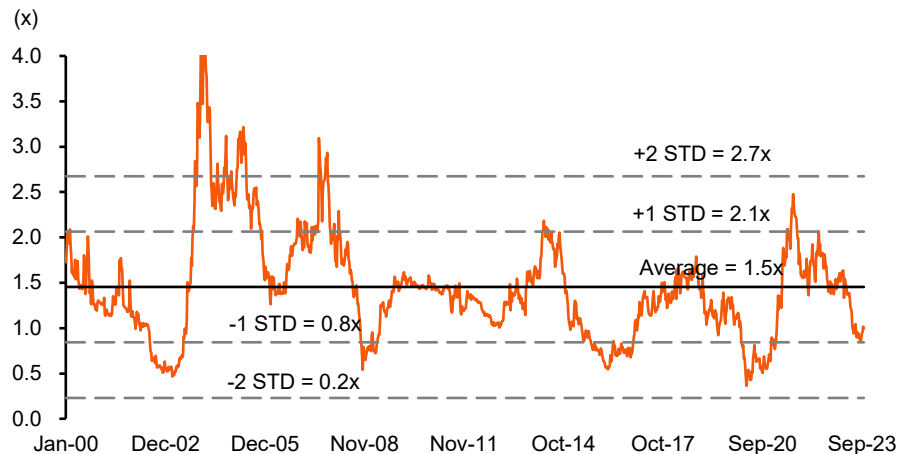
Bad news looks priced in

PSL looks inexpensive to us

We now see PSL's valuation as inexpensive trading on 0.9x 2024F P/BV as its share price has fallen by 36% YTD. Despite our freight rate cut, the US\$13,000 freight-level looks decent to us against PSL's historical level, as shown in Exhibit 1. We expect the low-supply-led upcycle to last for the next two years.

Note that PSL's P/BV surpassed 2.5x during its previous upcycle between 2004 and 2008.

Ex 10: Inexpensive P/BV In Our View



Sources: Bloomberg, Thanachart estimates

Ex 11: Assumption Revisions

	2021	2022	2023F	2024F	2025F
Freight rate (US\$/ship/day)					
New	20,338	19,924	11,087	13,500	13,700
Old			15,000	18,000	18,000
Change (%)			(26.1)	(25.0)	(23.9)
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	736	1,745	1,864
Old			2,404	3,614	3,756
Change (%)			(69.4)	(51.7)	(50.4)

Sources: Company data, Thanachart estimates

Note that we derive our TP using P/BV methodology but still show our DCF calculation in Exhibit 12.

Ex 12: Our 12-month DCF-based Valuation, Using A Base Year Of 2024F

(Bt m)	2024F	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F	2034F	Terminal Value
EBITDA	3,394	3,377	3,322	3,262	3,057	2,822	2,599	2,367	2,147	1,938	3,573	—
Free cash flow	3,082	3,061	3,015	2,926	2,753	2,521	2,299	2,071	1,852	1,643	2,409	26,808
PV of free cash flow	3,082	2,509	2,216	1,941	1,648	1,362	1,121	911	735	589	751	8,361
Risk-free rate (%)	2.5											
Market risk premium (%)	8.0											
Beta	1.3											
WACC (%)	10.4											
Terminal growth (%)	2.0											
Enterprise value - add investments	25,226											
Net debt (2023F)	5,120											
Minority interest	0											
Equity value	20,106											
# of shares (m)	1,559											
Value/share (Bt)	13											

Source: Thanachart estimates

Valuation Comparison

Ex 13: 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	(86.4)	(59.9)	9.7	24.2	0.6	0.6	0.6	1.0	5.2	3.6
Yang Ming Marine	2609 TT	Taiwan	(96.6)	(35.8)	25.8	40.1	0.6	0.6	na	na	na	na
Wan Hai Lines	2615 TT	Taiwan	na	37.5	na	na	0.7	0.7	5.0	6.5	2.0	2.0
COSCO Shipping Energy	1138 HK	Hong Kong	248.7	25.0	7.4	5.9	1.0	0.9	8.3	7.2	5.3	6.3
COSCO Shipping	1919 HK	Hong Kong	(77.6)	(43.3)	5.0	8.9	0.6	0.6	1.8	2.5	9.0	3.9
Pacific Basin Shipping	2343 HK	Hong Kong	(78.1)	39.9	10.7	7.7	0.9	0.9	5.6	4.6	4.5	6.5
Kawasaki Kisen Kaisha	9107 JP	Japan	(82.6)	(8.5)	12.6	13.7	0.9	0.9	10.8	9.8	3.6	3.0
Mitsui OSK Lines	9104 JP	Japan	(74.2)	(19.4)	8.1	10.0	0.8	0.8	13.6	13.5	4.0	3.6
Nippon Yusen KK	9101 JP	Japan	(78.1)	(10.2)	9.9	11.0	0.8	0.8	9.2	9.5	3.3	3.1
Korea Line	005880 KS	S. Korea	(22.5)	16.2	4.8	4.1	0.4	0.3	7.1	6.4	na	na
Thoresen Thai Agencies	TTA TB	Thailand	(56.4)	30.8	8.4	6.4	0.4	0.4	4.0	3.5	1.5	2.1
Prima Marine Pcl	PRM TB	Thailand	(12.4)	7.4	8.9	8.3	1.5	1.3	6.0	5.7	4.4	4.7
Precious Shipping*	PSL TB	Thailand	(84.8)	137.1	21.4	9.0	1.0	0.9	8.3	5.5	2.6	6.2
Average			(41.8)	9.0	11.1	12.4	0.8	0.7	6.7	6.3	4.1	4.1

Source: Bloomberg

Note: * Thanachart estimates, using Thanachart normalized EPS

Based on 21-Sep-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)	10.84	13.00	20%
Net profit 23F (Bt m)	1,079	736	-32%
Net profit 24F (Bt m)	2,319	1,745	-25%
Consensus REC	BUY: 5	HOLD: 3	SELL: 1

HOW ARE WE DIFFERENT FROM THE STREET?

- Our earnings estimates for 2023-24F are lower than the Bloomberg consensus average which we attribute to us having a more conservative view of the global dry bulk recovery.
- Our TP is higher than the Bloomberg consensus, which we attribute to us having a more bullish long-term view on a favorable dry bulk demand-supply outlook.

Sources: Bloomberg consensus, Thanachart estimates

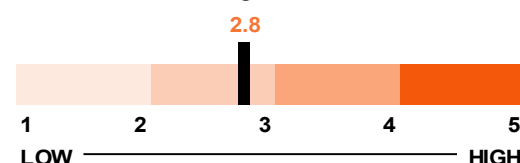
RISKS TO OUR INVESTMENT CASE

- 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)	ESG Book (0-100)	Refinitiv (0-100)	S&P Global (0-100)	Moody's (0-100)	CG Rating (0-5)
PSL	YES	YES	-	BB	59.75	-	51.00	-	5.0

Sources: SETTRADE, SETTHSI Index, Thailand Sustainability Investment (THSI), The Dow Jones Industrial Average (DJSI), MSCI ESG Research LLC, ESG Book, 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	5,211	6,289	6,198
Cost of sales	3,305	3,401	3,411	3,571	3,495
Gross profit	5,311	5,728	1,799	2,718	2,703
% gross margin	61.6%	62.7%	34.5%	43.2%	43.6%
Selling & administration expenses	572	515	676	688	668
Operating profit	4,739	5,213	1,124	2,030	2,035
% operating margin	55.0%	57.1%	21.6%	32.3%	32.8%
Depreciation & amortization	1,215	1,326	1,385	1,364	1,343
EBITDA	5,954	6,539	2,508	3,394	3,377
% EBITDA margin	69.1%	71.6%	48.1%	54.0%	54.5%
Non-operating income	3	17	11	12	12
Non-operating expenses	0	0	0	0	0
Interest expense	(415)	(392)	(406)	(301)	(187)
Pre-tax profit	4,327	4,838	728	1,741	1,860
Income tax	2	15	2	6	6
After-tax profit	4,325	4,823	726	1,735	1,854
% net margin	50.2%	52.8%	13.9%	27.6%	29.9%
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	736	1,745	1,864
Normalized profit	4,348	4,852	736	1,745	1,864
EPS (Bt)	2.9	3.1	0.5	1.1	1.2
Normalized EPS (Bt)	2.8	3.1	0.5	1.1	1.2

EBITDA was positive in the past despite net losses

We expect 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	1,454	1,506	1,502
Cash & cash equivalent	2,468	1,056	1,200	1,200	1,200
Account receivables	175	279	159	192	190
Inventories	0	0	0	0	0
Others	166	223	95	114	113
Investments & loans	106	99	99	99	99
Net fixed assets	20,285	22,048	20,964	19,900	18,857
Other assets	330	600	342	413	407
Total assets	23,531	24,304	22,858	21,918	20,865
LIABILITIES:					
Current liabilities:	1,917	1,867	1,762	1,440	1,092
Account payables	354	584	586	614	601
Bank overdraft & ST loans	0	0	0	0	0
Current LT debt	1,409	1,162	1,094	735	398
Others current liabilities	154	121	81	91	93
Total LT debt	6,809	5,547	5,226	3,510	1,901
Others LT liabilities	264	296	169	204	201
Total liabilities	9,165	7,841	7,231	5,243	3,283
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	11,639	12,687	13,594
Shareholders' equity	14,365	16,463	15,627	16,675	17,582
Liabilities & equity	23,531	24,304	22,858	21,918	20,865

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	728	1,741	1,860
Tax paid	(2)	(15)	(2)	(6)	(6)
Depreciation & amortization	1,215	1,326	1,385	1,364	1,343
Chg In working capital	71	126	122	(6)	(10)
Chg In other CA & CL / minorities	(46)	(27)	(30)	0	14
Cash flow from operations	5,565	6,248	2,202	3,094	3,201
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)	202	(20)	2
Cash flow from investments	(2,344)	(3,399)	(98)	(320)	(298)
Debt financing	(1,609)	(1,508)	(389)	(2,075)	(1,945)
Capital increase	0	0	(0)	0	0
Dividends paid	(1,559)	(3,508)	(1,571)	(698)	(957)
Warrants & other surplus	1,315	755	0	0	0
Cash flow from financing	(1,853)	(4,261)	(1,960)	(2,773)	(2,902)
Free cash flow	3,190	3,159	1,902	2,794	2,901

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)	3.6	3.2	21.4	9.0	8.4
Normalized PE - at target price (x)	4.7	4.2	27.5	11.6	10.9
PE (x)	3.5	3.2	21.4	9.0	8.4
PE - at target price (x)	4.5	4.2	27.5	11.6	10.9
EV/EBITDA (x)	3.6	3.3	8.3	5.5	5.0
EV/EBITDA - at target price (x)	4.4	4.0	10.1	6.9	6.3
P/BV (x)	1.1	1.0	1.0	0.9	0.9
P/BV - at target price (x)	1.4	1.2	1.3	1.2	1.2
P/CFO (x)	2.8	2.5	7.2	5.1	4.9
Price/sales (x)	1.8	1.7	3.0	2.5	2.5
Dividend yield (%)	14.9	17.3	2.6	6.2	5.9
FCF Yield (%)	20.3	20.1	12.1	17.7	18.4
(Bt)					
Normalized EPS	2.8	3.1	0.5	1.1	1.2
EPS	2.9	3.1	0.5	1.1	1.2
DPS	1.5	1.8	0.3	0.6	0.6
BV/share	9.2	10.6	10.0	10.7	11.3
CFO/share	3.6	4.0	1.4	2.0	2.1
FCF/share	2.0	2.0	1.2	1.8	1.9

Sources: Company data, Thanachart estimates

FINANCIAL RATIOS

FY ending Dec	2021A	2022A	2023F	2024F	2025F
Growth Rate					
Sales (%)	131.0	6.0	(42.9)	20.7	(1.5)
Net profit (%)	na	8.4	(84.8)	137.1	6.8
EPS (%)	na	8.4	(84.8)	137.1	6.8
Normalized profit (%)	na	11.6	(84.8)	137.1	6.8
Normalized EPS (%)	na	11.6	(84.8)	137.1	6.8
Dividend payout ratio (%)	52.3	56.3	56.3	56.3	50.0
Operating performance					
Gross margin (%)	61.6	62.7	34.5	43.2	43.6
Operating margin (%)	55.0	57.1	21.6	32.3	32.8
EBITDA margin (%)	69.1	71.6	48.1	54.0	54.5
Net margin (%)	50.2	52.8	13.9	27.6	29.9
D/E (incl. minor) (x)	0.6	0.4	0.4	0.3	0.1
Net D/E (incl. minor) (x)	0.4	0.3	0.3	0.2	0.1
Interest coverage - EBIT (x)	11.4	13.3	2.8	6.7	10.9
Interest coverage - EBITDA (x)	14.3	16.7	6.2	11.3	18.1
ROA - using norm profit (%)	19.4	20.3	3.1	7.8	8.7
ROE - using norm profit (%)	35.5	31.5	4.6	10.8	10.9
DuPont					
ROE - using after tax profit (%)	35.3	31.3	4.5	10.7	10.8
- asset turnover (x)	0.4	0.4	0.2	0.3	0.3
- operating margin (%)	55.0	57.3	21.8	32.5	33.0
- leverage (x)	1.8	1.6	1.5	1.4	1.2
- interest burden (%)	91.2	92.5	64.2	85.3	90.9
- 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	5.1	9.8	10.3
NOPAT (Bt m)	4,737	5,196	1,120	2,023	2,028

Sources: Company data, Thanachart estimates

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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

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