

Precious Shipping, PSL TB, Not rated

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				Reuters code	PSL.BK
				Market cap (USDm)	906
				Free float (%)	34
	Performance (%)		1M	3M	12M
	Absolute		10	39	54
	Relative		7	27	66

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Source: Thomson Reuters Datastream, Bloomberg, HSBC

Business description

- ▶ Precious Shipping is a dry bulk shipping company in the Handysize and Handymax sector. The company had 40 vessels (31 Handysize and 9 Handymax) or 1.35m dwt of capacity with average age of about 11 years at the end of 2013.
- ▶ Agricultural commodities, steel products and fertilizers are the top 3 cargoes of the company, representing over half the volume it carries. The company's areas of operation are well diversified across the globe.
- ▶ PSL is one of the few shipping companies, which managed to post an annual profit throughout the past five years. The company primarily follows a time-charter business model.
- ▶ The company is building four cement carriers of 20k dwt each, six Handysize of 38k dwt each and six Handymax of 64k dwt each to be delivered between 2014 and 2016.

Financial forecasts (THBm)

Year ending December	2013	2014e	2015e	2016e	Key ratios	2013	2014e	2015e	2016e
Revenue	3,869	5,624	7,187	9,261	PE (x)	55.4x	50.4x	23.3x	13.1x
EBITDA	1,478	2,681	3,694	4,670	EV/EBITDA (x)	33.0x	16.6x	11.5x	8.1x
EBIT	347	1,260	2,039	2,939	PB (x)	1.9x	1.9x	1.7x	1.5x
Net income	-408	716	1,395	2,234	RoE (%)	3.5	3.7	7.5	11.4
EPS (THB)	-0.39	0.69	1.34	2.15	Dividend yield (%)	1.4	1.5	1.7	1.8

Source: Company data, Bloomberg consensus estimates