

2 DECEMBER 2020

THAILAND / UTILITIES - RENEWABLES

## SERMSANG POWER CORP SSP TB

BUY  
UNCHANGED

TARGET PRICE	THB16.00
CLOSE	THB11.00
UP/DOWNSIDE	+45.5%
PRIOR TP	THB9.20
CHANGE IN TP	+73.9%
TP vs CONSENSUS	+84.3%

## Stronger for longer

## กำไรสุทธิมีแนวโน้มโตดีในอนาคต

หลังรายงานกำไรสุทธิที่ดีใน 3Q20 โดยอยู่ที่ 228 ลบ. (+58.6% y-y, +52.2% q-q) จากผลการดำเนินงานที่ดีของโรงไฟฟ้าพลังงานแสงอาทิตย์และลมในประเทศไทย ญี่ปุ่น เวียดนามและมองโกเลีย เราเชื่อว่ากำไรสุทธิของ SSP ยังมีแนวโน้มเติบโตต่อเนื่องในปี 2021-22 เราคาดว่าปัจจัยบวกสำคัญสำหรับการเติบโตของกำไรสุทธิในปี 2021-2022 จะมาจากกำลังการผลิตที่ติดตั้งใหม่จำนวน 74MW ในปี 2021 ประกอบด้วย 1) 26MW จากโรงไฟฟ้าพลังงานแสงอาทิตย์ Leo 1 ในญี่ปุ่น ซึ่งจะเริ่มดำเนินงานเชิงพาณิชย์ใน 3Q21; และ 2) โรงไฟฟ้าพลังงานลมขนาด 48MW ในเวียดนาม (ถือหุ้น 80% กำหนดเริ่มดำเนินงานเชิงพาณิชย์ใน 4Q21)

## Superior value creator

จากผลประกอบการที่ดีเกินคาดใน 3Q20 และกำลังการผลิตใหม่ที่คาดว่าจะเพิ่มขึ้น 74MW เราหันมามอง แนวโน้มการเติบโตของกำไรสุทธิของ SSP ในเชิงบวกมากยิ่งขึ้น โดยเราคาดว่ากำไรสุทธิของบริษัทจะโต 28.8% CAGR ในปี 2019-2022 เพิ่มขึ้นจาก 546 ลบ. ในปี 2019 เป็น 1.14 พัน ลบ. ในปี 2022 เรามองว่า SSP เป็นหนึ่งในบริษัทพลังงานขนาดเล็กที่น่าสนใจที่สุดในประเทศไทยจากการสร้างมูลค่าที่คาดว่าจะเพิ่มขึ้นทั้งสำหรับผู้ถือหุ้น (ROE-cost of equity) และสำหรับตัวบริษัท (ROA-WACC) โดยเราคาดว่ามูลค่าจะเพิ่มขึ้นในปี 2020-2022 จากต้นทุนของหนี้ที่ลดลง (ส่วนมากเป็นของโรงงานไฟฟ้าพลังงานแสงอาทิตย์ในญี่ปุ่น) อัตราผลตอบแทนทางเศรษฐกิจ (EIRR) ที่สูงขึ้นสำหรับโรงงานไฟฟ้าพลังงานแสงอาทิตย์และลมใหม่ และการดำเนินงานที่ดีขึ้นของสินทรัพย์ปัจจุบัน ซึ่งสะท้อนอยู่ในผลประกอบการที่ดีเกินคาดใน 3Q20

## ปรับกำไรต่อหุ้น

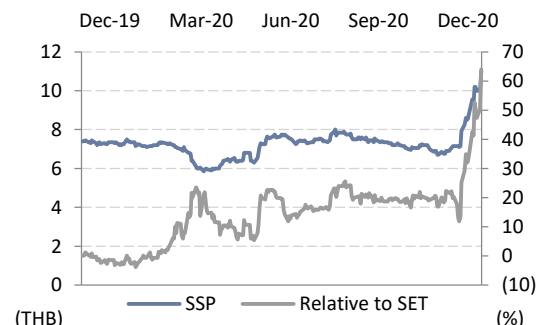
เราปรับเพิ่มประมาณการกำไรต่อหุ้นของเราในปี 2020-2022 ขึ้น 20.9-38.3% เพื่อสะท้อน 1) กำไรจากโครงการ Solar Rooftops ขนาด 6.9MW โรงไฟฟ้าพลังงานแสงอาทิตย์ Leo 1 ขนาด 26MW (เริ่มดำเนินงานเชิงพาณิชย์ใน 3Q21) และโรงไฟฟ้าพลังงานลมขนาด 48MW ในเวียดนาม (เริ่มดำเนินงานเชิงพาณิชย์ใน 4Q21); และ 2) อัตราการใช้กำลังการผลิตรวมที่สูงขึ้นในปี 2020E เป็น 22% จาก 19% เพื่อสะท้อนอัตราการใช้กำลังการผลิตที่สูงขึ้นของโรงไฟฟ้าพลังงานลมมาอยู่ที่ 40-45% เทียบกับเพียง 17-20% ของโรงไฟฟ้าพลังงานแสงอาทิตย์

## คงคำแนะนำซื้อหลังปรับราคาเป้าหมายขึ้นเป็น 16 บาท

เราคงคำแนะนำซื้อหลังปรับราคาเป้าหมายของเราจาก 9.2 บาทเป็น 16 บาท (SOTP) เพื่อสะท้อน 1) มูลค่า 0.8 บาทจากโรงไฟฟ้าพลังงานลมขนาด 48MW ในเวียดนาม 1.6 บาทจากโรงไฟฟ้าพลังงานแสงอาทิตย์ Leo 2 และ 0.8 บาทจากโครงการ Solar Rooftops; 2) การปรับการประเมินมูลค่าไปในปี 2021; และ 3) ค่า WACC ที่ลดลงจาก 3.6% เป็น 2.6% เพื่อสะท้อนต้นทุนหนี้ที่ลดลง 1 ppt และการลงทุนโดยใช้หนี้เพิ่มขึ้นเป็น 85-90% สำหรับโรงไฟฟ้าพลังงานแสงอาทิตย์ Leo 1 และ 2

## KEY STOCK DATA

YE Dec (THB m)	2019	2020E	2021E	2022E
Revenue	1,474	2,297	3,021	3,034
Net profit	546	843	1,056	1,138
EPS (THB)	0.59	0.91	1.15	1.23
vs Consensus (%)	-	23.5	39.7	34.7
EBITDA	1,076	1,724	2,189	2,351
Core net profit	546	843	1,056	1,138
Core EPS (THB)	0.59	0.91	1.15	1.23
Chg. In EPS est. (%)	-	20.9	38.3	36.2
EPS growth (%)	9.3	54.4	25.3	7.8
Core P/E (x)	18.6	12.0	9.6	8.9
Dividend yield (%)	1.0	2.7	3.6	4.5
EV/EBITDA (x)	16.9	10.3	7.8	7.0
Price/book (x)	2.7	2.2	1.9	1.7
Net debt/Equity (%)	195.1	152.8	118.2	91.9
ROE (%)	14.9	20.3	21.5	20.0



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	59.4	48.6	46.7
Relative to country (%)	34.1	36.6	64.2
Mkt cap (USD m)	335		
3m avg. daily turnover (USD m)	0.5		
Free float (%)	30		
Major shareholder	Kraipisitkul Family (19%)		
12m high/low (THB)	11.30/5.70		
Issued shares (m)	922.00		

Sources: Bloomberg consensus; FSSIA estimates



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### Investment thesis

Founded in 2010, Sermsang Power (SSP) is a producer and distributor of solar power to the Electricity Generating Authority of Thailand (EGAT). In June 2013, the company entered into a 40MW power purchase agreement with EGAT as a small power producer. SSP began operations at its first solar plant in 2015 with an adder rate of THB6.5/kWh for 10 years.

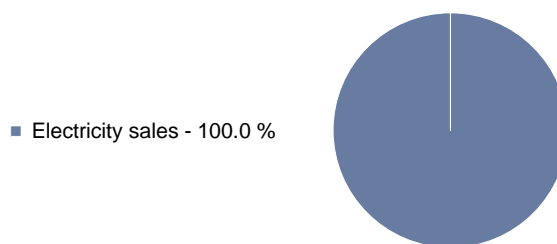
We project an earnings CAGR of 34% over 2017-20, driven by the commencement of five new overseas growth projects. We expect SSP's earnings growth to accelerate in 2020, post start-up of three solar farms in Japan and one solar farm in Mongolia in 2019. SSP has set up subsidiaries to explore solar rooftop opportunities and other business opportunities in Thailand, Japan and Mongolia.

### Company profile

Sermsang Power is a holding company investing in electricity generating businesses with major solar farm power assets in Thailand and Japan.

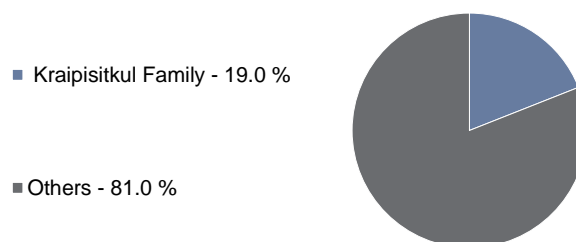
[www.sermsang.com](http://www.sermsang.com)

### Principal activities (revenue, 2019)



Source: Sermsang Power Corp

### Major shareholders



Source: Sermsang Power Corp

### Catalyst

Higher utilisation rates of power plants and rising demand for electricity in Thailand, Japan and Mongolia are key potential growth drivers.

### Risk to our call

The downside risks to our SoTP-based TP for SSP include 1) a lower-than-expected demand for electricity in Thailand; 2) a lower crude price; and 3) project start-up delays.

### Event calendar

Date	Event
Feb 2021	4Q20/2020 results announcement

### Key assumptions

	2020E	2021E	2022E
Average utilisation rate (%)	22	19	20
Electricity tariff (THB/kWh)	3.12	3.09	3.05
Installed capacity (MW)	193	267	267
Contracted capacity (MW)	143	201	201

Source: FSSIA estimates

### Earnings sensitivity

- Ceteris Paribus, for every 1% increase in gas price, we estimate 2021 earnings would increase 1.1%, and vice versa.
- Ceteris Paribus, for every 1% increase in interest rate, we estimate 2021 earnings would decline 1.2%, and vice versa.

Source: FSSIA estimates

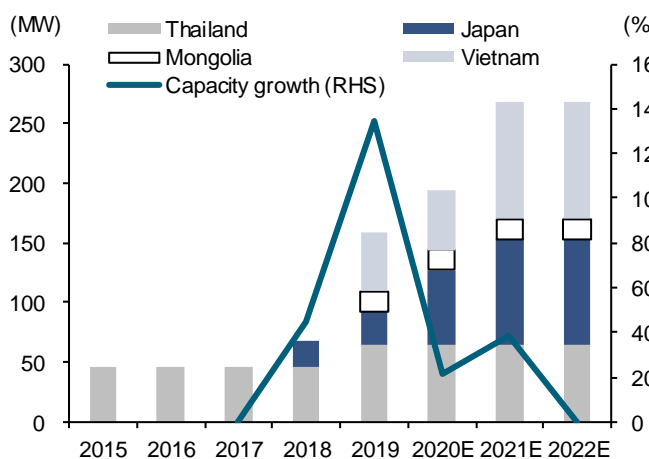


## Stronger for longer

After posting a strong 3Q20 net profit of THB228m (+58.6% y-y, +52.2% q-q), driven by the strong operational performance of its solar farms and wind farms in Thailand, Japan, Vietnam, and Mongolia, we believe SSP's net profit growth outlook remains solid in 2021-22. We expect the key catalysts for net profit growth in 2021-22 to come from 74MW of newly installed capacity in 2021, comprising 1) 26MW from the Leo 1 solar farm in Japan which will commence its COD in 3Q21; and 2) the 48MW wind farm in Vietnam (80% holding, COD in 4Q21).

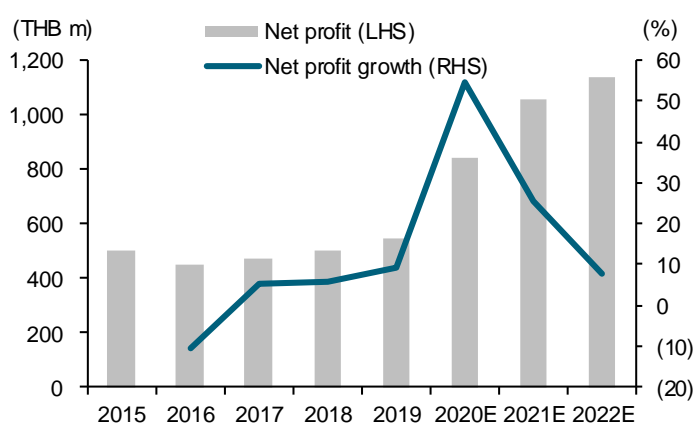
As a result of the stronger-than-expected 3Q20 results and the expected new capacity growth of 74MW, we now turn more positive on SSP's net profit growth outlook. We project its net profit growth at a 28.8% 3-year CAGR in 2019-22, rising from THB546m in 2019 to THB1,138m in 2022.

Exhibit 1: Installed capacity growth



Sources: SSP; FSSIA estimates

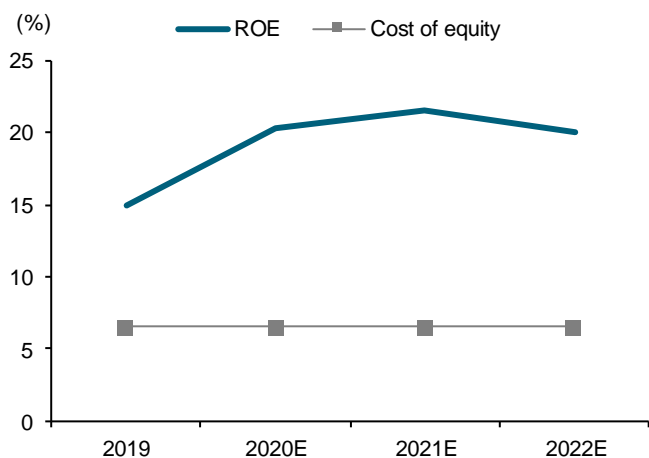
Exhibit 2: Net profit and net profit growth



Sources: SSP; FSSIA estimates

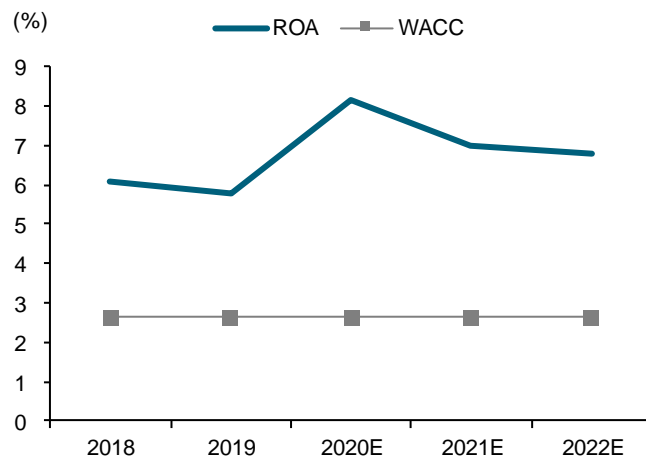
We believe SSP is one of Thailand's most attractive small-cap power companies, given its higher projected value creation for both shareholders (ROE-cost of equity) and the company (ROA-WACC), which we estimate to rise in 2020-22, driven by a lower cost of debt (mostly for solar farms in Japan), higher EIRR for new solar and wind farms, and the improving operations of its existing assets, reflected in the stronger-than-expected 3Q20 results.

Exhibit 3: Shareholders' value creation is reflected in high ROE over cost of equity



Sources: SSP; FSSIA estimates

Exhibit 4: Asset value creation is reflected in higher ROA over WACC



Sources: SSP; FSSIA estimates

## EPS and TP revisions

We raise our EPS forecasts in 2020-22 by 20.9-38.3% to reflect 1) the incorporation of earnings from the 6.9MW solar rooftops, the 26MW Leo 1 solar farm (COD in 3Q21), and the 48MW wind farm in Vietnam (COD in 4Q21); and 2) the higher overall 2020E utilisation rate to 22%, up from 19%, to reflect the high utilisation rate of wind farms at 40-45% vs only 17-20% for solar farms.

### Exhibit 5: Key changes in assumptions

	Current			Previous			Change		
	2020E (THB m)	2021E (THB m)	2022E (THB m)	2020E (THB m)	2021E (THB m)	2022E (THB m)	2020E (%)	2021E (%)	2022E (%)
Revenue	2,297	3,021	3,034	2,518	2,804	2,815	(8.8)	7.7	7.8
Gross profit	2,091	2,794	2,806	1,889	2,103	2,196	10.7	32.8	27.8
Operating profit	1,243	1,637	1,798	1,020	1,115	1,206	21.8	46.8	49.1
Net profit	843	1,056	1,138	697	764	836	20.9	38.3	36.2
EPS (THB/share)	0.91	1.15	1.23	0.76	0.83	0.91	20.9	38.3	36.2
<b>Key assumptions</b>									
Average utilisation rate (%)	22	19	20	19	19	20	2.0	0.0	0.0
Electricity tariff (THB/kWh)	3.12	3.09	3.05	3.1	3.1	3.0	0.0	0.0	0.0
Installed capacity (MW)	193	267	267	193	219	219	0.0	21.9	21.9
Contracted capacity (MW)	143	201	201	143	163	163	0.0	23.3	23.3

\*Note: Change of items in percentage terms are represented in ppt change

Source: FSSIA estimates

We raise our SOTP-based target price from THB9.2 to THB16 to reflect 1) the incorporation of a THB0.8 value for the 48MW wind farm in Vietnam, THB1.6 for the Leo 2 solar farm, and THB0.8 for the solar rooftops; 2) our valuation rollover to 2021; and 3) our lower WACC from 3.6% to 2.6% to reflect the lower cost of debt by 1 ppt and higher debt funding at 85-90% for the solar farms Leo 1 and 2.

### Exhibit 6: SOTP-based, DCF valuation

Cost of equity assumptions (%)		Cost of debt assumptions (%)				
Risk-free rate	2.3			Pretax cost of debt	2.2	
Market risk premium	8.5			Marginal tax rate	20.0	
Stock beta	0.5					
Cost of equity, Ke	6.6			Net cost of debt, Kd	1.7	
Weight applied	20.0			Weight applied	80.0	
WACC (%)	2.6					
DCF valuation estimate		Contracted capacity (MW)	% holding (%)	Equity Capacity (MW)	(THB m)	(THB/share)
<b>Thailand</b>	Sermang solar	40	100	40.0	7,181	7.8
	Solar rooftop	6.9	100	6.9	759	0.8
	WVO	5	100	5.0	493	0.5
<b>Japan</b>	Hidaka	17	87	14.8	2,167	2.4
	Leo 1	20	100	20.0	1,941	2.1
	Leo 2	17	100	17.0	1,504	1.6
	Yamaga1	30	90	27.0	3,876	4.2
	Zouen	6	100	6.0	947	1.0
<b>Mongolia</b>	Khoshight Kundi	16	106	17.4	475	0.5
<b>Vietnam</b>	Binh Nguyen solar farm	50	107	53.1	1,365	1.5
	Tra Vinh wind farm	48	80	38.4	729	0.8
	Net debt				(6,669)	(7.2)
	<b>Residual ordinary equity</b>				<b>14,769</b>	<b>16.0</b>

Source: FSSIA estimates



## Financial Statements

Sernsang Power Corp

Profit and Loss (THB m) Year Ending Dec	2018	2019	2020E	2021E	2022E
Revenue	1,129	1,474	2,297	3,021	3,034
Cost of goods sold	(128)	(158)	(206)	(227)	(228)
<b>Gross profit</b>	<b>1,001</b>	<b>1,315</b>	<b>2,091</b>	<b>2,794</b>	<b>2,806</b>
Other operating income	-	-	-	-	-
Operating costs	(167)	(239)	(368)	(604)	(455)
<b>Operating EBITDA</b>	<b>834</b>	<b>1,076</b>	<b>1,724</b>	<b>2,189</b>	<b>2,351</b>
Depreciation	(214)	(317)	(481)	(552)	(552)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>620</b>	<b>759</b>	<b>1,243</b>	<b>1,637</b>	<b>1,798</b>
Net financing costs	(148)	(202)	(285)	(421)	(493)
Associates	0	0	0	0	0
Recurring non operating income	25	12	13	14	16
Non recurring items	(17)	0	0	0	0
<b>Profit before tax</b>	<b>481</b>	<b>569</b>	<b>970</b>	<b>1,230</b>	<b>1,321</b>
Tax	(2)	(12)	(82)	(94)	(100)
<b>Profit after tax</b>	<b>479</b>	<b>557</b>	<b>888</b>	<b>1,136</b>	<b>1,221</b>
Minority interests	3	(11)	(45)	(80)	(82)
Preferred dividends	0	0	0	0	0
Other items	0	0	0	0	0
<b>Reported net profit</b>	<b>482</b>	<b>546</b>	<b>843</b>	<b>1,056</b>	<b>1,138</b>
<b>Non recurring items &amp; goodwill (net)</b>	<b>17</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>499</b>	<b>546</b>	<b>843</b>	<b>1,056</b>	<b>1,138</b>
<b>Per share (THB)</b>					
Recurring EPS *	0.54	0.59	0.91	1.15	1.23
Reported EPS	0.52	0.59	0.91	1.15	1.23
DPS	0.24	0.11	0.30	0.40	0.50
Diluted shares (used to calculate per share data)	922	922	922	922	922
<b>Growth</b>					
Revenue (%)	29.5	30.5	55.9	31.5	0.4
Operating EBITDA (%)	38.1	29.0	60.2	27.0	7.4
Operating EBIT (%)	28.1	22.3	63.8	31.7	9.9
Recurring EPS (%)	5.8	9.3	54.4	25.3	7.8
Reported EPS (%)	41.8	13.2	54.4	25.3	7.8
<b>Operating performance</b>					
Gross margin inc depreciation (%)	69.7	67.7	70.1	74.2	74.3
Gross margin of key business (%)	69.7	67.7	70.1	74.2	74.3
Operating EBITDA margin (%)	73.9	73.0	75.0	72.5	77.5
Operating EBIT margin (%)	54.9	51.5	54.1	54.2	59.3
Net margin (%)	44.2	37.0	36.7	34.9	37.5
Effective tax rate (%)	0.4	2.2	8.5	7.6	7.6
Dividend payout on recurring profit (%)	44.3	18.6	32.8	34.9	40.5
Interest cover (X)	4.4	3.8	4.4	3.9	3.7
Inventory days	-	-	-	-	-
Debtor days	90.5	95.4	51.6	28.9	17.0
Creditor days	1,081.3	821.2	425.6	458.1	480.0
Operating ROIC (%)	7.1	6.5	9.7	(3.1)	(3.4)
ROIC (%)	6.3	5.6	8.4	(2.7)	(2.9)
ROE (%)	14.6	14.9	20.3	21.5	20.0
ROA (%)	6.1	5.8	8.1	7.0	6.8
* Pre-exceptional, pre-goodwill and fully diluted					
<b>Revenue By Division (THB m)</b>					
Electricity sales	1,129	1,474	2,297	3,021	3,034
Subsidy for adder	0	0	0	0	0
Construction service	0	0	0	0	0

Sources: Sernsang Power Corp; FSSIA estimates

## Financial Statements

### Semsang Power Corp

Cash Flow (THB m) Year Ending Dec	2018	2019	2020E	2021E	2022E
Recurring net profit	499	546	843	1,056	1,138
Depreciation	214	317	481	552	552
Associates & minorities	0	0	0	0	0
Other non-cash items	-	-	-	-	-
Change in working capital	(328)	(98)	24	27	97
<b>Cash flow from operations</b>	<b>385</b>	<b>765</b>	<b>1,348</b>	<b>1,635</b>	<b>1,788</b>
Capex - maintenance	(833)	(834)	(800)	(800)	(800)
Capex - new investment	(2,305)	(853)	0	0	0
Net acquisitions & disposals	0	0	0	0	0
Other investments (net)	(528)	(312)	0	0	0
<b>Cash flow from investing</b>	<b>(3,666)</b>	<b>(1,999)</b>	<b>(800)</b>	<b>(800)</b>	<b>(800)</b>
Dividends paid	(129)	(101)	(101)	(277)	(369)
Equity finance	0	0	0	0	0
Debt finance	2,806	1,332	400	500	500
Other financing cash flows	126	(206)	45	80	83
<b>Cash flow from Financing</b>	<b>2,803</b>	<b>1,025</b>	<b>344</b>	<b>304</b>	<b>214</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
<b>Net other adjustments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Movement in cash</b>	<b>(478)</b>	<b>(209)</b>	<b>891</b>	<b>1,139</b>	<b>1,202</b>
Free cash flow to firm (FCFF)	(3,133.08)	(1,032.19)	832.89	1,256.22	1,481.05
Free cash flow to equity (FCFE)	(349.05)	(107.87)	992.68	1,415.10	1,570.48
<b>Per share (THB)</b>					
FCFF per share	(3.40)	(1.12)	0.90	1.36	1.61
FCFE per share	(0.38)	(0.12)	1.08	1.53	1.70
Recurring cash flow per share	0.77	0.94	1.44	1.74	1.83
<b>Balance Sheet (THB m) Year Ending Dec</b>					
Tangible fixed asset (gross)	9,525	10,561	11,361	12,161	12,961
Less: Accumulated depreciation	(1,173)	(839)	(1,320)	(1,872)	(2,425)
<b>Tangible fixed assets (Net)</b>	<b>8,352</b>	<b>9,722</b>	<b>10,041</b>	<b>10,288</b>	<b>10,536</b>
<b>Intangible fixed assets (Net)</b>	<b>951</b>	<b>1,046</b>	<b>1,046</b>	<b>1,046</b>	<b>1,046</b>
Long-term financial assets	-	-	-	-	-
Invest. In associates & subsidiaries	-	-	-	-	-
Cash & equivalents	1,125	915	1,807	2,946	4,147
A/C receivable	409	361	287	190	93
Inventories	0	0	0	0	0
Other current assets	481	313	488	642	644
<b>Current assets</b>	<b>2,015</b>	<b>1,590</b>	<b>2,582</b>	<b>3,777</b>	<b>4,884</b>
Other assets	575	687	687	687	687
<b>Total assets</b>	<b>11,893</b>	<b>13,045</b>	<b>14,356</b>	<b>15,799</b>	<b>17,153</b>
Common equity	3,534	3,777	4,518	5,298	6,067
Minorities etc.	325	220	265	346	428
<b>Total Shareholders' equity</b>	<b>3,858</b>	<b>3,997</b>	<b>4,784</b>	<b>5,643</b>	<b>6,495</b>
Long term debt	6,868	7,666	8,066	8,566	9,066
Other long-term liabilities	19	14	14	14	14
<b>Long-term liabilities</b>	<b>6,888</b>	<b>7,680</b>	<b>8,080</b>	<b>8,580</b>	<b>9,080</b>
A/C payable	504	209	271	300	301
Short term debt	514	1,048	1,048	1,048	1,048
Other current liabilities	129	111	173	228	229
<b>Current liabilities</b>	<b>1,147</b>	<b>1,368</b>	<b>1,492</b>	<b>1,576</b>	<b>1,578</b>
<b>Total liabilities and shareholders' equity</b>	<b>11,893</b>	<b>13,045</b>	<b>14,356</b>	<b>15,799</b>	<b>17,153</b>
Net working capital	257	355	331	304	207
Invested capital	10,135	11,810	12,105	12,326	12,477
* Includes convertibles and preferred stock which is being treated as debt					
<b>Per share (THB)</b>					
Book value per share	3.83	4.10	4.90	5.75	6.58
Tangible book value per share	2.80	2.96	3.77	4.61	5.45
<b>Financial strength</b>					
Net debt/Equity (%)	162.2	195.1	152.8	118.2	91.9
Net debt/total assets (%)	52.6	59.8	50.9	42.2	34.8
Current ratio (x)	1.8	1.2	1.7	2.4	3.1
CF interest cover (x)	14.2	4.7	4.5	4.4	4.2
<b>Valuation</b>					
<b>Recurring P/E (x) *</b>	<b>20.3</b>	<b>18.6</b>	<b>12.0</b>	<b>9.6</b>	<b>8.9</b>
<b>Recurring P/E @ target price (x) *</b>	<b>29.5</b>	<b>27.0</b>	<b>17.5</b>	<b>14.0</b>	<b>13.0</b>
Reported P/E (x)	21.0	18.6	12.0	9.6	8.9
Dividend yield (%)	2.2	1.0	2.7	3.6	4.5
Price/book (x)	2.9	2.7	2.2	1.9	1.7
Price/tangible book (x)	3.9	3.7	2.9	2.4	2.0
EV/EBITDA (x) **	20.1	16.9	10.3	7.8	7.0
EV/EBITDA @ target price (x) **	25.6	21.2	13.0	9.9	9.0
EV/invested capital (x)	1.7	1.5	1.5	1.4	1.3
* Pre-exceptional & pre-goodwill are fully diluted ** EBITDA includes associate income and recurring non operating income					

Sources: Semsang Power Corp; FSSIA estimates



## Corporate Governance report of Thai listed companies 2019

EXCELLENT LEVEL										
AAV	ADVANC	AIRA	AKP	AKR	AMA	AMATA	AMATAV	ANAN	AOT	AP
ARROW	BAFS	BANPU	BAY	BCP	BCPG	BOL	BRR	BTS	BTW	BWG
CFRESH	CHEWA	CHO	CK	CKP	CM	CNT	COL	COMAN	CPALL	CPF
CPI	CPN	CSS	DELTA	DEMCO	DRT	DTAC	DTC	EA	EASTW	ECF
EGCO	GBX	GC	GCAP	GEL	GGP	GGC	GOLD	GPSC	GRAMMY	GUNKUL
HANA	HARN	HMPRO	ICC	ICHI	III	ILINK	INTUCH	IRPC	IVL	JKN
JSP	K	KBANK	KCE	KKP	KSL	KTB	KTC	KTIS	LH	LHFG
LIT	LPN	MAKRO	MALEE	MBK	MBKET	MC	MCOT	MFEC	MINT	MONO*
MTC	NCH	NCL	NKI	NSI	NVD	NYT	OISHI	OTO	PAP	PCSGH
PDJ	PG	PHOL	PJW	PLANB	PLANET	PORT	PPS	PR9	PREB	PRG
PRM	PSH	PSL	PTG	PTT	PTTEP	PTTGC	PYLON	Q-CON	QH	QTC
RATCH	ROBINS**	RS	S	S & J	SABINA	SAMART	SAMTEL	SAT	SC	SCB
SCC	SCCC	SCN	SDC	SEAFCO	SEAOIL	SE-ED	SELIC	SENA	SIS	SITHAI
SNC	SORKON	SPALI	SPI	SPRC	SSSC	STA	STEC	SVI	SYNTEC	TASCO
TCAP	THAI	THANA	THANI	THCOM	THIP	THREL	TIP	TISCO	TK	TKT
TMB	TMILL	TNDT	TOA	TOP	TRC	TRU	TRUE	TSC	TSR	TSTH
TTA	TTCL	TTW	TU	TVD	TVO	U	UAC	UV	VGI	VIH
WACOAL	WAVE	WHA	WHAUP	WICE	WINNER					
VERY GOOD LEVEL										
2S	ABM	ADB	AF	AGE	AH	AHC	AIT	ALLA	ALT	AMANA
AMARIN	APCO	APCS	AQUA	ARIP	ASAP	ASIA	ASIAN	ASIMAR	ASK	ASN
ASP	ATP30	AUCT	AYUD	B	BA	BBL	BDMS	BEC	BEM	BFIT
BGC	BGRIM	BIZ	BJC	BJCHI	BLA	BPP	BROOK	CBG	CEN	CENDEL
CGH	CHG	CHOTI	CHOW	CI	CIMBT	CNS	COLOR	COM7	COTTO	CRD
CSC	CSP	DCC	DCON	DDD	DOD	EASON	ECL	EE	EPG	ERW
ESTAR	ETE	FLOYD	FN	FNS	FORTH	FPI	FPT	FSMART	FSS	FVC
GENCO	GJS	GL	GLOBAL	GLOW**	GULF	HPT	HTC	HYDRO	ICN	IFS
INET	INSURE	IRC	IRCP	IT	ITD***	ITEL	J	JAS*	JCK	JCKH
JMART	JMT	JWD	KBS	KCAR	KGI	KIAT	KOOL	KWC	KWM	L&E
LALIN	LANNA	LDC	LHK	LOXLEY	LRH	LST	M	MACO	MAJOR	MBAX
MEGA	METCO	MFC	MK	MODERN	MOONG	MPG	MSC	MTI	NEP	NETBAY
NEX	NINE	NOBLE	NOK	NTV	NWR	OCC	OGC	ORI	OSP	PATO
PB	PDG	PDI	PL	PLAT	PNR	PPP	PRECHA	PRIN	PRINC	PSTC
PT	QLT	RCL	RICHY	RML	RWI	S11	SAAM	SALEE	SAMCO	SANKO
SAPPE	SAWAD	SCG	SCI	SCP	SE	SFP	SIAM	SINGER	SIRI	SKE
SKR	SKY	SMIT	SMK	SMP	SMT	SNP	SONIC	SPA	SPC	SPCG
SPVI	SR	SRICHA	SSC	SSF	SST	STANLY	STPI	SUC	SUN	SUSCO
SUTHA	SWC	SYMC	SYNEX	T	TACC	TAE	TAKUNI	TBSP	TCC	TCMC
TEAM	TEAMG	TFG	TFMAMA	THG	THRE	TIPCO	TITLE	TIW	TKN	TKS
TM	TMC	TMD	TMI	TMT	TNITY	TNL	TNP	TNR	TOG	TPA
TPAC	TPBI	TPCORP	TPOLY	TRITN	TRT	TSE	TSTE	TVI	TVT	TWP
TWPC	UBIS	UEC	UMI	UOBKH	UP	UPF	UPOIC	UT	UWC	VNT
WIIK	XO	YUASA	ZEN	ZMICO						
GOOD LEVEL										
A	ABICO	ACAP***	AEC	AEONTS	AJ	ALUCON	AMC	APURE	AS	ASEFA
AU	B52	BCH	BEAUTY	BGT	BH	BIG	BLAND	BM	BR	BROCK
BSBM	BSM	BTNC	CCET	CCP	CGD	CHARAN	CHAYO	CITY	CMAN	CMC
CMO	CMR	CPL	CPT	CSR	CTW	CWT	D	DIMET	EKH	EMC
EPCO	ESSO	FE	FTE	GIFT	GLAND	GLOCON	GPI	GREEN	GTB	GYT
HTECH	HUMAN	IHL	INGRS	INOX	JTS	JUBILE	KASET	KCM	KKC	KWG
KYE	LEE	LPH	MATCH	MATI	M-CHAI	MCS	MDX	META	MGT	MJD
MM	MVP	NC	NDR	NER	NNCL	NPK	NUSA	OCEAN	PAF	PF
PICO	PIMO	PK	PLE	PMTA	POST	PPM	PROUD	PTL	RCI	RJH
ROJNA	RPC	RPH	SF	SGF	SGP	SKN	SLP	SMART	SOLAR	SPG
SQ	SSP	STI	SUPER	SVOA	TCCC	THE	THMUI	TIC	TIGER	TNH
TOPP	TPCH	TPIPP	TPLAS	TQM	TTI	TYCN	UTP	VCOM	VIBHA	VPO
WIN	WORK	WP	WPH	ZIGA						
Score Range	Number of Logo					Description				
90-100						Excellent				
80-89						Very Good				
70-79						Good				
60-69						Satisfactory				
50-59						Pass				
Less than 50	No logo given					-				

**Disclaimer:**

The disclosure of the survey results of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information.

The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey results may be changed after that date. FSS International Investment Advisory Company Limited does not confirm nor certify the accuracy of such survey results.

\* CGR scoring should be considered with news regarding wrong doing of the company or director or executive of the company such unfair practice on securities trading, fraud, and corruption SEC imposed a civil sanction against insider trading of director and executive; \*\* delisted

Source: Thai Institute of Directors Association (IOD); FSSIA's compilation

## Anti-corruption Progress Indicator

CERTIFIED										
ADVANC	AIE	AKP	AMANAHA	AP	APCS	AQUA	ARROW	ASK	ASP	AYUD
BAFS	BANPU	BAY	BBL	BCH	BCP	BCPG	BGRIM	BJCHI	BKI	BLA
BROOK	BRR	BSBM	BTS	BWG	CEN	CENTEL	CFRESH	CGH	CHEWA	CIG
CIMBT	CM	COM7	CPALL	CPF	CPI	CPN	CSC	DCC	DEMCO	DIMET
DRT	DTAC	DTC	EASTW	ECL	EGCO	FE	FNS	FSS	GBX	GC
GCAP	GEL	GFPT	GGC	GJS	GOLD	GPSC	GSTEEL	GUNKUL	HANA	HARN
HMPRO	HTC	ICC	IFS	INET	INSURE	INTUCH	IRPC	IVL	K	KASET
KBANK	KBS	KCAR	KCE	KGI	KKP	KSL	KTB	KTC	KWC	L&E
LANNA	LHK	LPN	LRH	M	MAKRO	MALEE	MBAX	MBK	MBKET	MC
MCOT	MFC	MINT	MONO	MOONG	MSC	MTI	NBC	NINE	NKI	NMG
NNCL	NSI	OCC	OCEAN	OGC	PAP	PATO	PB	PCSGH	PDG	PDI
PDJ	PE	PG	PHOL	PL	PLANB	PLANET	PLAT	PM	PPP	PPS
PREB	PRG	PRINC	PSH	PSTC	PT	PTG	PTT	PTTEP	PTTGC	PYLON
Q-CON	QH	QLT	QTC	RATCH	RML	S & J	SABINA	SAT	SC	SCB
SCC	SCCC	SCG	SCN	SE-ED	SELIC	SENA	SGP	SIRI	SIS	SITHAI
SMIT	SMK	SMPC	SNC	SNP	SORKON	SPACK	SPC	SPI	SPRC	SRICHA
SSF	SSI	SSSC	SST	STA	SUSCO	SVI	SYNTEC	TASCO	TCAP	TFG
TFI	TFMAMA	THANI	THCOM	THIP	THRE	THREL	TIP	TIPCO	TISCO	TKT
TMB	TMD	TMILL	TMT	TNITY	TNL	TNP	TNR	TOG	TOP	TPA
TPCORP	TRU	TRUE	TSC	TSTH	TTCL	TU	TVD	TVI	TWPC	U
UBIS	UEC	UKEM	UOBKH	VGI	VIH	VNT	WACOAL	WHA	WICE	WIIK
DECLARED										
2S	ABICO	AF	AI	AIRA	ALT	AMA	AMARIN	AMATA	ANAN	B
BM	BPP	BUI	CHG	CHO	CHOTI	CHOW	CI	CMC	COL	DDD
DELTA	EFORL	EPCO	ESTAR	ETE	FPI	FTE	ICHI	INOX	IRC	ITEL
JAS	JSP	JTS	KWG	LDC	LIT	META	MFEC	MPG	NEP	NOK
NWR	ORI	PRM	PSL	ROJNA	RWI	SAAM	SAPPE	SCI	SEOIL	SHANG
SKR	SPALI	STANLY	SYNEX	TAE	TAKUNI	TMC	TOPP	TPP	TRITN	TVO
UV	UWC	WHAUP	XO	YUASA	ZEN					

Level	
Certified	This level indicates practical participation with thoroughly examination in relation to the recommended procedures from the audit committee or the SEC's certified auditor, being a certified member of Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) or already passed examination to ensure independence from external parties.
Declared	This level indicates determination to participate in the Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC)

### Disclaimer:

The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by ThaiPat Institute, is made in order to comply with the policy and sustainable development plan for the listed companies of the Office of the Securities and Exchange Commission. ThaiPat Institute made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of ThaiPat Institute that is a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, FSS International Investment Advisory Company Limited does not confirm, verify, or certify the accuracy and completeness of the assessment results.

Note: Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of June 24, 2019) are categorised into: 1) companies that have declared their intention to join CAC, and; 2) companies certified by CAC.

Source: The Securities and Exchange Commission, Thailand; \* FSSIA's compilation

**GENERAL DISCLAIMER**

**ANALYST(S) CERTIFICATION**

Suwat Sinsadok FSS International Investment Advisory Securities Co., Ltd

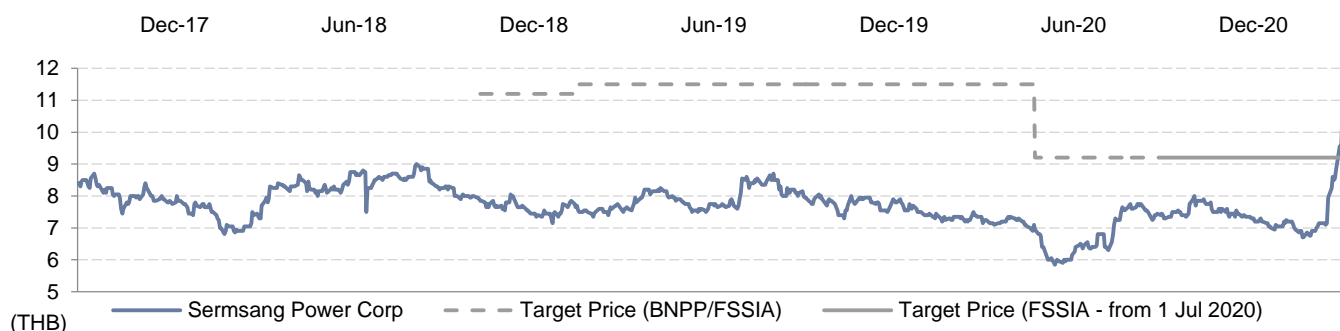
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed herein.

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**History of change in investment rating and/or target price**

**Sermsang Power Corp (SSP TB)**



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
15-Nov-2018	BUY	11.20	06-Feb-2019	BUY	11.50	06-Mar-2020	BUY	9.20

Suwat Sinsadok Started covering this stock from 15-Nov-2018

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Sermsang Power Corp	SSP TB	THB 11.00	BUY	The downside risks to our SoTP-based TP for SSP include 1) a lower-than-expected demand for electricity in Thailand; 2) a lower crude price; and 3) project start-up delays.

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 Finasia Syrus Securities Public Company Limited

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All share prices are as at market close on 01-Dec-2020 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.