

14 JANUARY 2021

THAILAND / MATERIALS

BANPU BANPU TB

BUY

UNCHANGED

TARGET PRICE	THB14.00
CLOSE	THB10.30
UP/DOWNSIDE	+35.9%
PRIOR TP	THB14.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+60.3%

การฟื้นตัวของแนวโน้มราคาถ่านหินขาขึ้น

จีนเป็นกุญแจสู่ Upside ราคาถ่านหินของ BANPU ไม่ใช่สหรัฐ

เราเชื่อว่าราคาหุ้น BANPU ที่ปรับตัวลดลงไปเมื่อไม่นานมานี้เกิดจากความกังวลของนักลงทุนเกี่ยวกับผลกระทบทางลบจากการเปลี่ยนนโยบายจากเชื้อเพลิงถ่านหินไปสู่พลังงานหมุนเวียนที่อาจเกิดขึ้นในรัฐบาลของไบเดนที่กำลังจะมาถึง ความกังวลดังกล่าวมีแนวโน้มรุนแรงมากยิ่งขึ้นจากเงื่อนไขทางการเมืองที่กำลังดำเนินอยู่ระหว่างจีนและออสเตรเลีย ซึ่งทำให้จีนระงับการนำเข้าถ่านหินจากออสเตรเลีย อย่างไรก็ตาม เราคิดว่าประเด็นทั้งสองจะไม่กระทบแนวโน้มกำไรของ BANPU อย่างมีนัยสำคัญ เนื่องจากเป็นที่ยอมรับกันทั่วไปว่าจีนจำเป็นต้องใช้ถ่านหินในจำนวนที่มากขึ้นเพื่อทำความร้อนอย่างน้อยจนกว่าฤดูหนาวจะสิ้นสุดในเดือน เม.ย. 20

Upside ราคาถ่านหินกำลังก่อตัวขึ้น

เรายังมั่นใจว่ากำไรของ BANPU จะไม่เพียงแค่มองถึงแต่จะโตในอัตราที่สูงจากราคาถ่านหินที่กำลังปรับตัวขึ้น ซึ่งเราคาดว่าจะช่วยผลักดันกำไรสุทธิจากธุรกิจถ่านหินของบริษัทฯ ใน 4Q20-2022 เราคาดว่ากำไรสุทธิจากธุรกิจถ่านหินของ BANPU จะเพิ่มอย่างเห็นได้ชัดใน 2021-22 โดยได้แรงหนุนจากราคาขายถ่านหินเฉลี่ยที่อยู่ในระดับสูงเหนือ USD55/t ในช่วงดังกล่าว นับตั้งแต่เดือน ต.ค. 20 ราคาถ่านหิน NCT และ QHD ซึ่งเป็นราคาอ้างอิงได้ปรับตัวขึ้นอย่างต่อเนื่อง และเราคิดว่าราคาขายถ่านหินเฉลี่ยของ BANPU จากเหมืองของบริษัทฯ ในทั้งอินโดนีเซียและออสเตรเลียจะขึ้นตาม โดยจะแตะ USD65-75/t ซึ่งสูงกว่าคาดการณ์ก่อนหน้านี้ของเราที่ 55-60/t เนื่องจากตลาดถ่านหินของจีนตึงตัวและความต้องการถ่านหินอยู่ในระดับสูง

กลยุทธ์ขายถ่านหินในราคา Spot ในสัดส่วนที่มากขึ้น

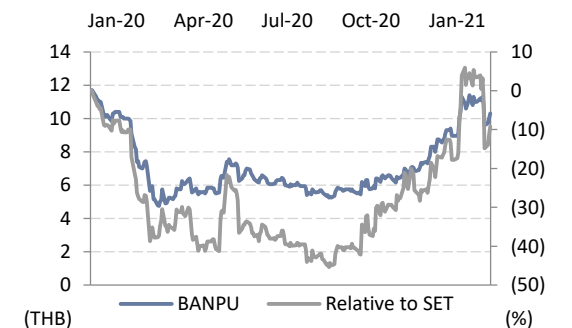
เมื่อราคาถ่านหินเพิ่มในอดีต โดยปกติ BANPU จะได้ Upside แต่เพียงบางส่วน เนื่องจากบริษัทฯ ได้ขายถ่านหินล่วงหน้าในราคาคงที่ไว้ในสัดส่วนที่สูงและอัตราส่วนของปริมาณดินที่ต้องขุดออกในการทำเหมืองถ่านหินอยู่ในระดับสูง อย่างไรก็ตาม BANPU ได้ปรับกลยุทธ์การขายถ่านหินของบริษัทฯ ตั้งแต่นั้นเป็นต้นไป โดยตั้งเป้าปริมาณถ่านหินที่ขายในราคาตลาดที่ในสัดส่วนที่น้อยลงอย่างมากในปี ทำให้เราคาดว่าราคาขายถ่านหินเฉลี่ยที่กำลังเพิ่มขึ้นและปริมาณขายที่สูงขึ้นจะเป็นกุญแจสำคัญสำหรับกำไรก่อนหักดอกเบี้ย ภาษี ค่าเสื่อมและค่าตัดจำหน่าย (EBITDA) ของธุรกิจถ่านหินที่กำลังพุ่งขึ้นในปี 2021

ราคาถ่านหินจะปรับตัวสูงขึ้นเป็นระยะเวลานานขึ้น

เราคงคำแนะนำซื้อที่ราคาเป้าหมาย 14 บาท (SoTP) เราเห็นว่าราคาหุ้นของ BANPU ยังไม่ได้สะท้อนผลประโยชน์ของบริษัทฯ ที่คาดว่าจะดีในปี 2021-22 จากราคาถ่านหินแล็กส์ที่กำลังปรับตัวขึ้น และได้แรงผลักดันจากกำไรที่กำลังเพิ่มขึ้นจากธุรกิจถ่านหิน ก๊าซ และโรงไฟฟ้า ในมุมมองของเรา ราคาถ่านหินอ้างอิง NCT และ QHD ที่อยู่ในระดับสูงในปัจจุบันควรอยู่อย่างน้อยในอีก 4 เดือนข้างหน้าในช่วงฤดูหนาว ซึ่งอาจให้ Upside ที่สูงขึ้นแก่ราคาขายถ่านหินเฉลี่ยของ BANPU ในปี 2021-22 โดยเราคาดว่าราคาถ่านหินจะยังอยู่ในระดับสูงที่เหนือ USD70/t ในช่วง 2H21 จากปัญหาอุปทานตึงตัวและแนวโน้มความต้องการที่อยู่ในระดับสูง

KEY STOCK DATA

YE Dec (THB m)	2019	2020E	2021E	2022E
Revenue	85,718	65,372	66,639	66,549
Net profit	(553)	274	7,398	6,992
EPS (THB)	(0.11)	0.05	1.43	1.35
vs Consensus (%)	-	nm	124.5	56.1
EBITDA	11,652	12,017	18,620	18,868
Core net profit	(358)	640	7,764	7,358
Core EPS (THB)	(0.07)	0.12	1.50	1.43
Chg. In EPS est. (%)	nm	-	-	-
EPS growth (%)	nm	nm	1,113.1	(5.2)
Core P/E (x)	(148.5)	83.1	6.8	7.2
Dividend yield (%)	5.8	1.0	5.6	5.2
EV/EBITDA (x)	16.2	16.7	11.1	11.3
Price/book (x)	0.7	0.8	0.7	0.7
Net debt/Equity (%)	129.7	141.0	133.7	130.7
ROE (%)	(0.5)	0.9	10.6	9.4



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	15.1	56.1	(10.4)
Relative to country (%)	10.3	28.4	(8.2)
Mkt cap (USD m)	1,739		
3m avg. daily turnover (USD m)	44.0		
Free float (%)	88		
Major shareholder	Vongkusolkrit Family (13%)		
12m high/low (THB)	11.90/4.20		
Issued shares (m)	5,161.93		

Sources: Bloomberg consensus; FSSIA estimates



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PREPARED BY FSS INTERNATIONAL INVESTMENT ADVISORY SECURITIES CO LTD (FSSIA). ANALYST CERTIFICATION AND IMPORTANT DISCLOSURES CAN BE FOUND AT THE END OF THIS REPORT

บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 14 มกราคม 2021

Investment thesis

We believe BANPU's earnings growth outlook will improve in 2021-22, driven by its coal, gas, and power businesses due to the improving margin outlooks on the stronger demand and tighter supply.

We think that rising Newcastle (NCT) index coal prices in the range of USD68-70/tonne should lead to higher coal earnings in 2021-22. Power earnings should gradually improve in 2020 with the resumption of full operations at Hongsa power plant, as well as from new solar farms in Japan and China and wind farms in Vietnam.

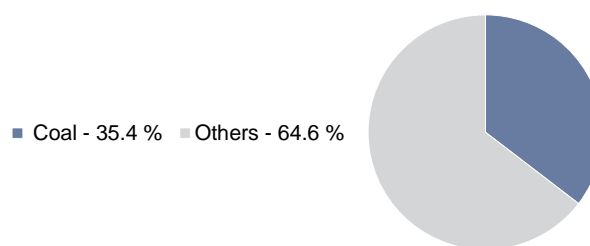
We see three factors that we think will drive up BANPU's earnings in 2020-22. First, BANPU's gas earnings are in an upcycle due to the tighter supply in the US. Second, we expect coal earnings of upward of THB1-2b, including interest expenses, for 2020-22 on the back of USD63-70/tonne index coal prices. Finally, we see more upsides for its power earnings due to higher projected net profit contributions from Hongsa.

Company profile

BANPU is a leading coal-based energy company in Asia-Pacific with operations in Indonesia and China. It also operates power plants in Thailand and China.

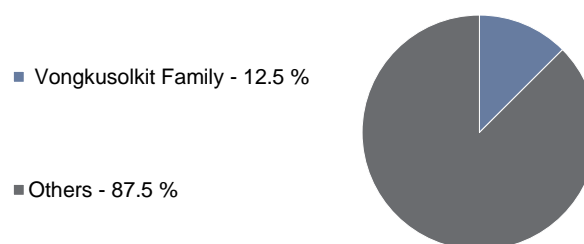
www.banpu.com

Principal activities (revenue, 2019)



Source: Banpu

Major shareholders



Source: Banpu

Catalyst

A higher coal price, rising coal production volumes and reserves, and improving net profit growth from its power business would all be key positive catalysts.

Risk to our call

We see downside risks to our SoTP-based TP from lower coal prices, higher diesel costs and any unplanned shutdowns of its power plants.

Event calendar

Date	Event
Feb 2021	4Q20/2020 results announcement

Key assumptions

	2020E	2021E	2022E
Coal sales volume (mtpa)	33.5	33.5	34.0
Newcastle coal price (USD/tonne)	63.0	70.0	68.0
ASP for coal (USD/tonne)	52.9	56.9	55.3
Total cost - Indonesia (USD/tonne)	50.9	50.4	49.2
Total cost - Australia (USD/tonne)	49.3	49.3	49.3

Source: FSSIA estimates

Earnings sensitivity

- Ceteris paribus, for every 1% rise in average coal price, we project 2021 EPS to rise by 2.6%, and vice versa.
- Ceteris paribus, for every 1% rise in coal sales volume, we estimate 2021 EPS to rise by 1.2%, and vice versa.
- Stability in crude oil price, rising coal prices and high utilisation rates of power plants are key to earnings growth.

Source: FSSIA estimates

Coal price uptrend renaissance

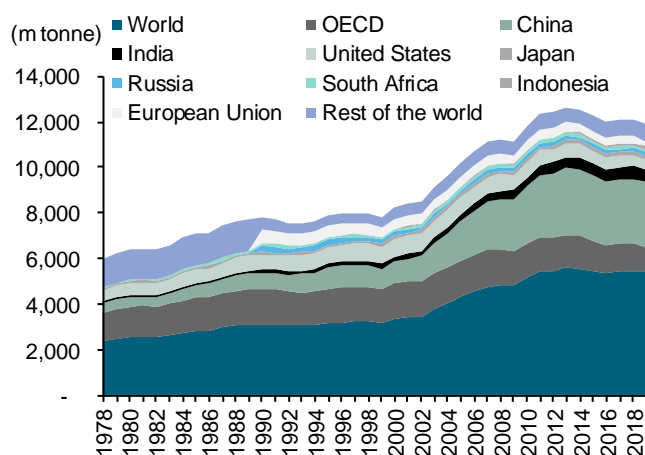
We believe BANPU's recent share price decline is due to investors' concerns over the potential negative impact of a policy shift away from fossil fuels toward renewable energy that could occur in the upcoming Biden-led administration. Concerns were likely further exacerbated by the ongoing China-Australia political gridlock that led to China's ban on Australian coal imports.

However, we think both issues will not have a material impact on BANPU's coal earnings outlook, given that China is expected to require higher amounts of coal for its heating power plants, at least until the end of the winter season in Apr-20.

China is the dominant country in the global coal market

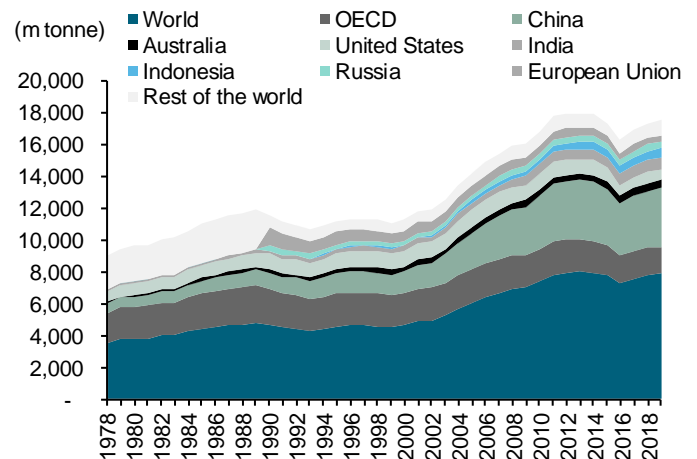
According to the US Energy Information Administration (EIA), China is the world's largest producer and consumer of coal, producing 3.7b tonnes p.a. and consuming 3.9b tonnes of coal p.a., forcing it to import 100-200m tonnes (mt) of coal annually to supply its coal-fired power plants. Other major coal consumers, including the US and India, consume less than 1/5 of China's coal consumption. Hence, we think that China, not the US, is the dominant player that will drive the global coal price direction.

Exhibit 1: Global coal consumption by region



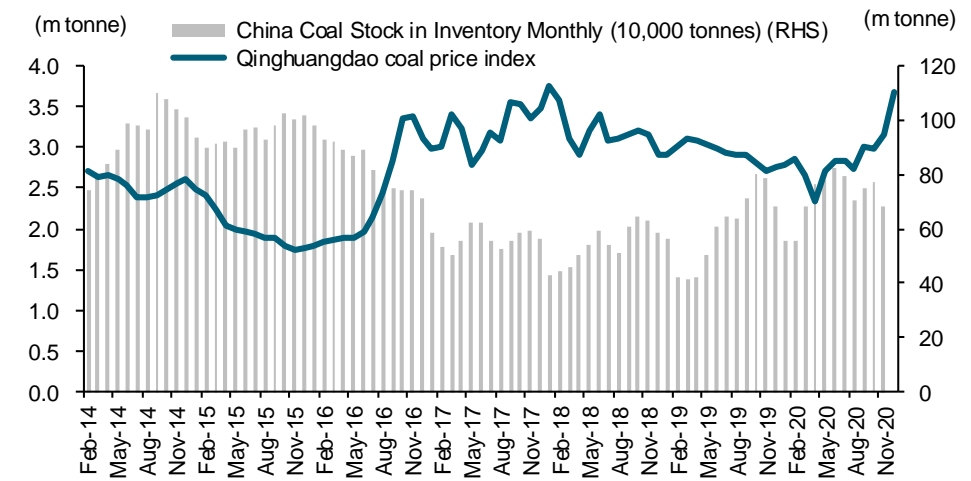
Source: International Energy Agency (IEA)

Exhibit 2: Global coal production



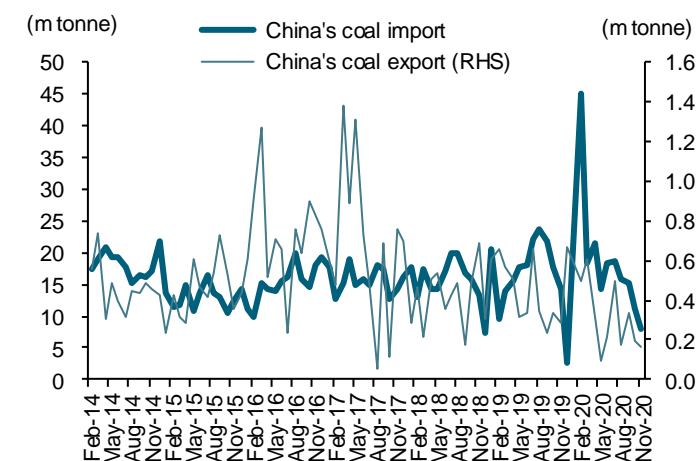
Source: IEA

The global coal price outlook is directly and significantly linked to China's coal policy, rather than US policy, given that China is the world's largest producer and consumer of coal at over 3b tonnes p.a. Due to its cold winter, China requires higher coal imports from other non-Australian producers, mainly Indonesia and South America, to satisfy the urgent demand for its coal-fired power plants to generate a sufficient heating supply.

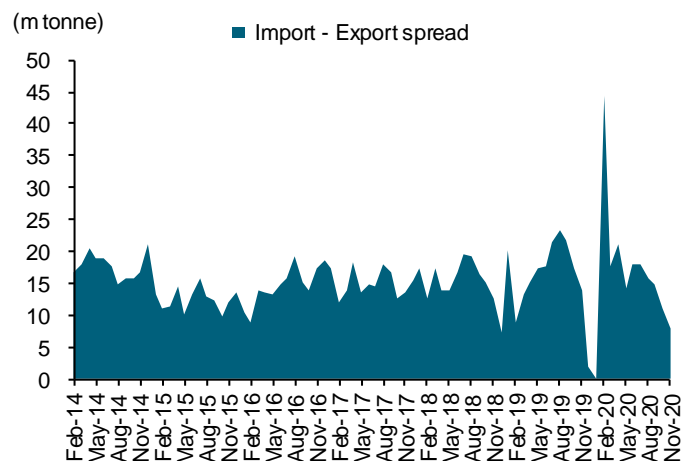
Exhibit 3: China's coal inventory vs Qinghuangdao coal price index

Source: Bloomberg

According to management, China's coal imports are expected to increase in Dec-20, growing from 20mt, much higher than the 7.5mt in Nov-20 and the average 15mt per month in 11M20. China's higher coal imports are aimed at easing the tight coal market and curbing the spike in the domestic coal price, and is thus likely to strengthen the seaborne coal price, in our view.

Exhibit 4: China's coal imports and exports

Source: Bloomberg

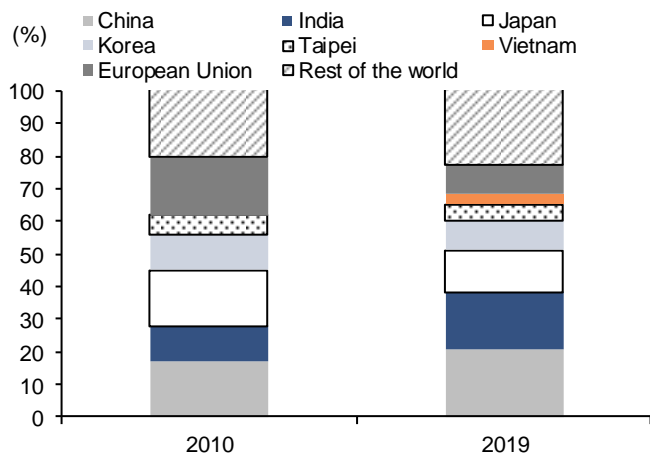
Exhibit 5: China's net coal imports

Source: Bloomberg

Despite China's lower coal imports in Nov-20 at 7.5mt, down from the average 15-20 tonnes per month since in 10M20, due to the government's measures to stimulate domestic coal production at the expense of lower coal imports, the Chinese Qinghuangdao (QHD) benchmark coal price has continued to rise to USD110/t, much higher than the USD85-90/t coal price ceiling targeted by the Chinese government.

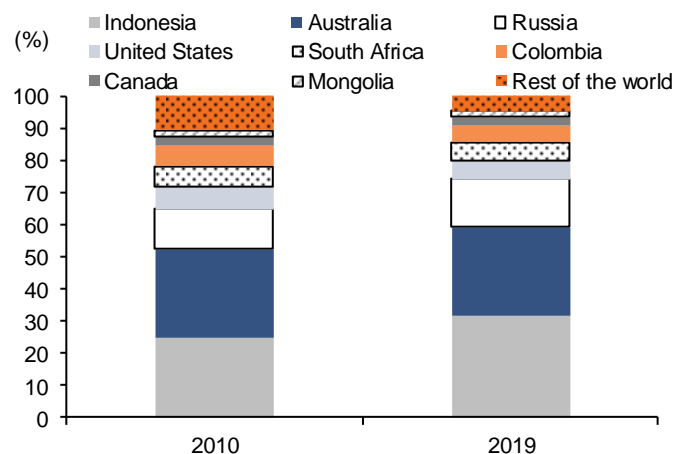
While China's coal imports have declined, the Newcastle (NCT) and South Africa (SAT) benchmark coal prices have all spiked up to over USD85/t, resulting in a coal price gap of over USD20/t between QHD and NCT.

Exhibit 6: % share of coal imports



Source: IEA

Exhibit 7: % share of coal exports

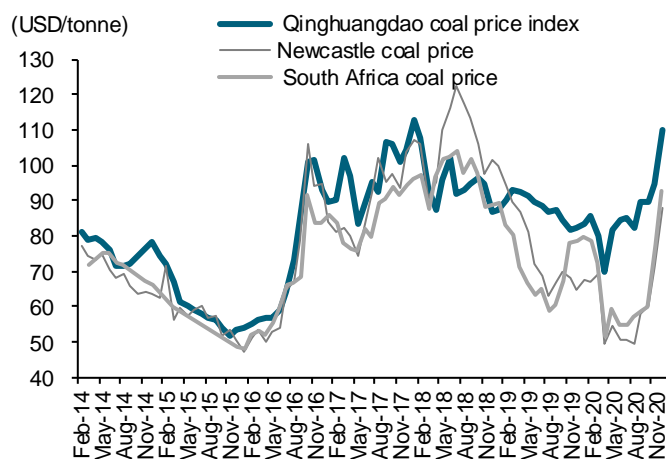


Source: IEA

We think China's regulator, the National Development and Reform Commission (NDRC)'s goal to rely more on coal suppliers in order to stabilise the QHD coal price at or below RMB600/t (85/t) has been overachieved, given the current QHD price spike to USD110/t – the price has stayed above RMB600/t since late Sep-20. The NDRC has asked Chinese coal producers to increase their production since Sep-20 but coal production in China had risen to only 331mt in Oct-20, up from 323mt in Sep-20 and 325mt in Oct-19.

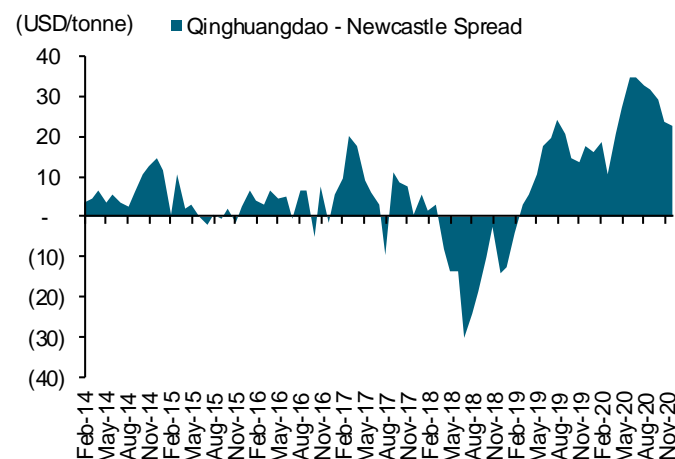
The mine accidents in Shanxi, Shaanxi, and Inner Mongolia have stalled the Chinese government's target to increase the domestic coal production level to 350-400mt per month, resulting in the persistently high QHD coal price. With this winter (Jan to Apr-21) expected to be colder than usual, according to the NDRC, we think China will be forced to import more coal in Jan-Mar 2021 to secure enough coal inventory for its heating power capacity.

Exhibit 8: Benchmark coal prices (QHD vs Newcastle)



Source: Bloomberg

Exhibit 9: Coal price gap between QHD and Newcastle



Source: Bloomberg

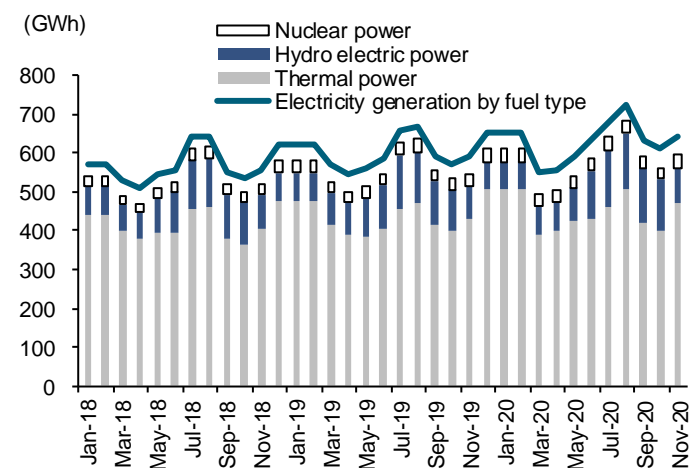
Global coal demand remains sanguine despite the environmental concern. One of the greatest dilemmas for fossil energy usage is described in a question, “How do you stop producing and using fossil fuels when you still have cheap ample reserve?” Compared to oil & gas, coal stands out as the cheapest fuel but is relatively inferior in terms of environmental pollution, leading to increasingly more stringent global bans on coal usage.

While coal has gradually fallen out of favour globally as a choice of energy due to its environmental impact, we think that coal will remain an “inevitable” energy source of choice for at least for the next five years in many countries, given coal’s competitive cost, abundance, and ease of recovery for commercial use compared with other energy sources.

Why China can’t quit using coal (yet)? Coal-fired power generation remains the most reliable source of energy in China, contributing over 50% of China’s power generating capacity, according to the NDRC. Hydropower capacity in China is still a less reliable power source given the unpredictable water levels and the exorbitant cost of batteries.

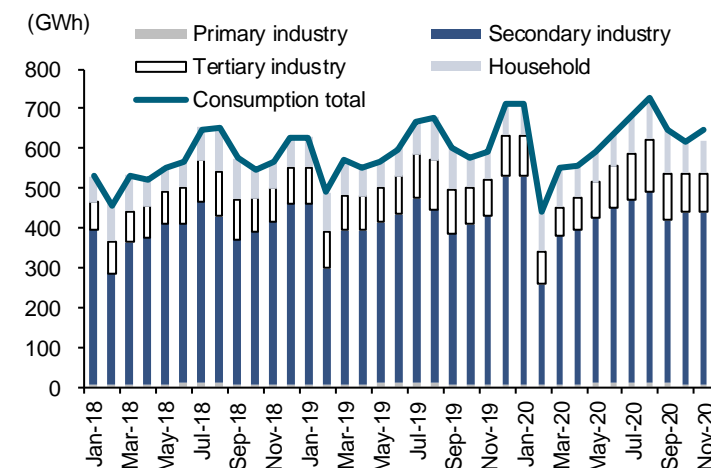
Most of China’s power consumption is for the secondary industry, which includes many light industries that still rely on coal-fired power plants. For instance, Banpu Power (BPP TB, HOLD, TP THB15.2)’s new 1.2GW coal-fired Shan Xi Lu Guang (SLG) power plant that is projected to commence its commercial operation date (COD) in 1Q21 reflects the Chinese government’s willingness to allow the continued use of coal-fired power plants as a key power generation source.

Exhibit 10: Thermal power (mostly coal-fired) remains China’s main power generation capacity



Source: Bloomberg

Exhibit 11: China’s electricity demand has sharply rebounded above pre-COVID-19 levels

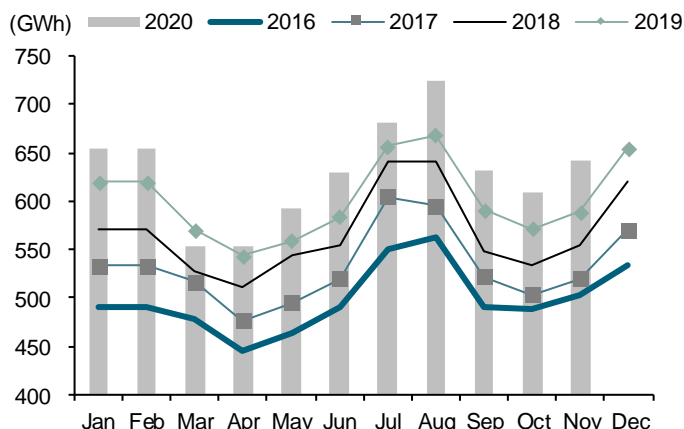


Source: Bloomberg

China’s electricity consumption has continued to grow in 11M20 despite the negative impact of the COVID-19 outbreak. China implemented a national lockdown in Feb-Mar 2020, resulting in lower electricity consumption. However, since Apr-20, when China reopened its economy and had effective control over the COVID outbreak, the country’s electricity consumption rose y-y every month during Apr-Nov 2020, even exceeding the demand growth seen in 2019, pre-COVID.

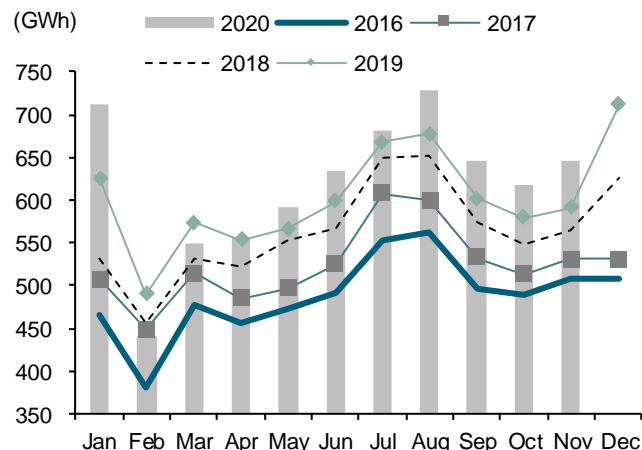
If we base China’s electricity consumption on the Dec-19 level at 700GWh, we project that its electricity consumption in Dec-20 will spike to 750GWh and stay in the range of 600-700GWh in Jan-Apr 2021. This would require significant coal consumption for its coal-fired power plants that we think China would not be able to sufficiently supply on its own during this winter season.

Exhibit 12: China's electricity generation



Source: Bloomberg

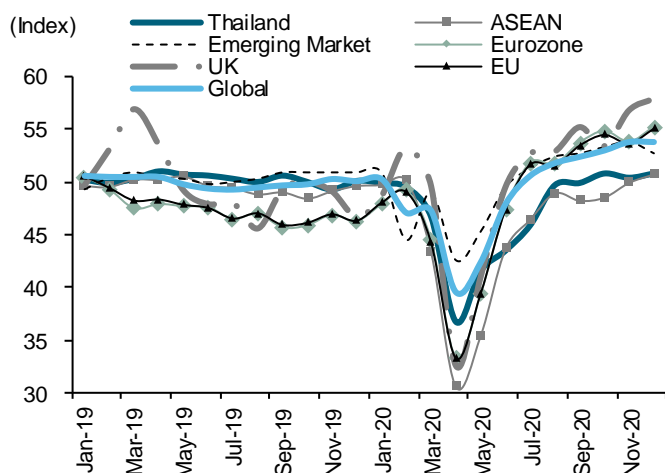
Exhibit 13: China's electricity consumption



Source: Bloomberg

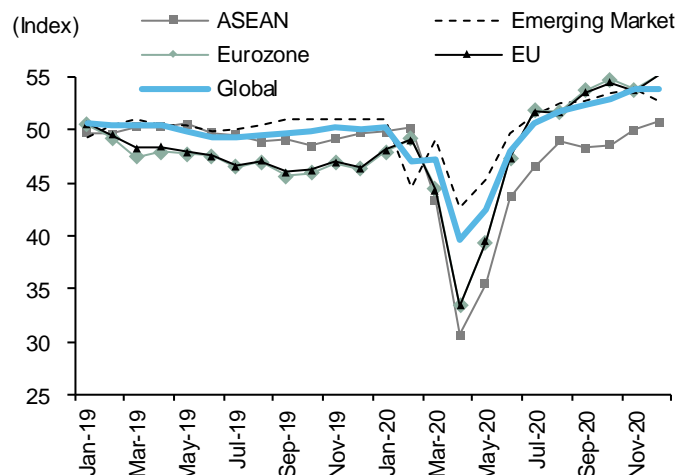
Will Asia could stage a coal boom comeback? While we think industrial activities should recover post-pandemic as restrictions are eased, a coal consumption boom is now questionable in 2021 to some investors due to the impact of the COVID-19 outbreak. According to the EIA, many large Asian countries, including Bangladesh, Indonesia, the Philippines and Vietnam, have already cancelled an aggregate 45GW of coal-fired power capacity in 2020.

Exhibit 14: Robust growth in manufacturing activity



Note: Readings below 50 indicate contraction, above 50 indicate expansion
Source: Bloomberg

Exhibit 15: ASEAN's manufacturing bounced back over normal levels



Source: Bloomberg

However, in the short term, we think coal-fired capacity remains a necessary strategic power choice given its high reliability and cost competitiveness. Due to the recent strong rebound in manufacturing activities detailed in the report, Thailand Market Strategy "Star-spangled exporters to catalyse the SET in 2021" by FSSIA's strategist Songklod Wongchai, we believe that in 2021 global demand recovery will be strong enough to drive up the coal price index globally until the coal supply starts to catch up with the rising coal demand, which we project to occur in 2022.

Can Germany survive without coal? One of the most prominent examples of a country attempting to quit using coal for its power capacity is Germany. According to the EIA, while Germany is a net importer of oil & gas, the country has plenty of cheap lignite coal reserves, and indeed Germany remains one of the world's largest producers of lignite, accounting for 22% of Germany's power generating capacity. Ironically, lignite production is more carbon dioxide intensive than thermal and other hard coals.

While lignite remains in use, the German government closed its last coal mine in 2018, ending a 200-year history of coal production. Yet, Germany continues to use coal for around 12% of its coal-fired power generation capacity, using coal imported from Russia, Canada, and the US for its steel sector, which accounts for almost 40% of the nation's coal consumption.

If Germany is to remain a global industrial powerhouse, it would need to import coal for its steel-making industry, thereby forcing the country to rely even more on energy imports from Russia besides oil & gas. According to the EIA, Germany imports over 1/3 of its coal, oil, and gas from Russia in 2019. Hence, we think that coal will remain an indispensable energy for Germany's steel industry, the core of its industrial stamina.

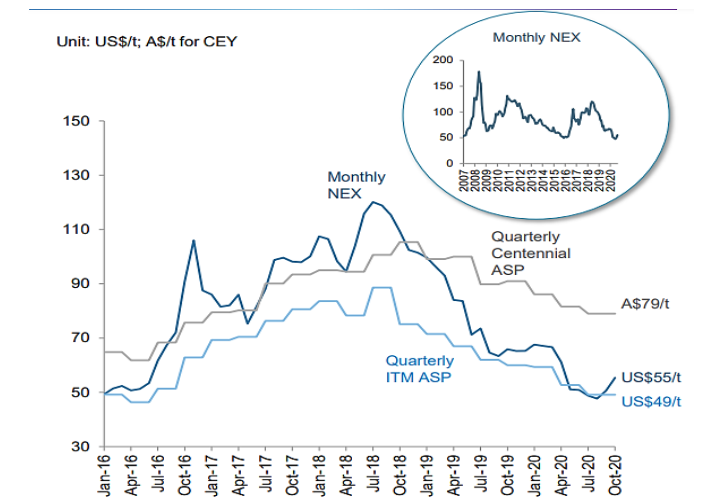
How fast will the power sector exit coal? In 2020, Siemens, General Electric, and Toshiba, three leading major manufacturers of electrical equipment, announced that they would no longer construct coal-fired power plants, reflecting that the future of coal-fired power plants is in jeopardy.

However, power companies globally have not abandoned coal-fired power plants en masse, especially those countries where the local economies are tightly linked to the production of coal mines, like Poland, Germany, the US, Russia and China. For power companies, given that their ability to operate coal-fired power plants has not yet been fully depleted, we think that coal usage for these operating coal-fired power plants could continue for at least the next 10-20 years.

Coal net profit could change BANPU from a turnaround to a growth company

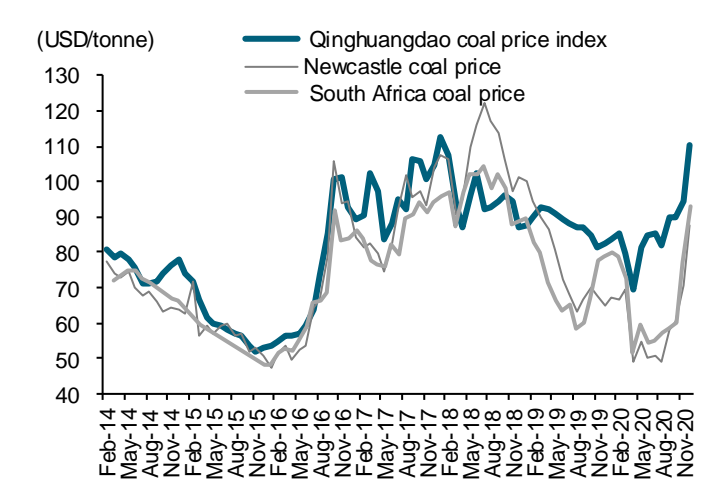
We remain confident that BANPU's earnings will not only turn around but also grow at a healthy rate, based on the rising coal prices that we estimate will drive its coal net profits in 4Q20-2022. We project BANPU's coal net profits to rise substantially in 2021-22, supported by a high average selling price (ASP) for coal at above USD55/t during that period. After a long NCT coal price downcycle since May-19 to Oct-20, with coal mostly staying below USD60/tonne, we project the NCT coal price to rise to USD68-70/tonne in 2021-22.

Exhibit 16: Coal ASP vs thermal coal benchmark prices



Source: BANPU's 3Q20 analyst presentation

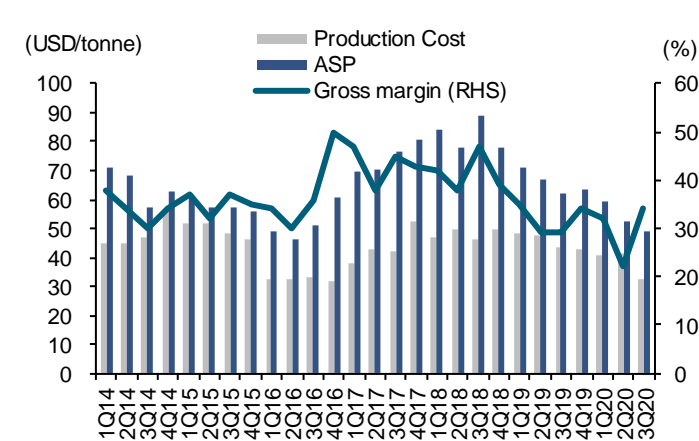
Exhibit 17: Three key coal benchmark prices



Source: Bloomberg

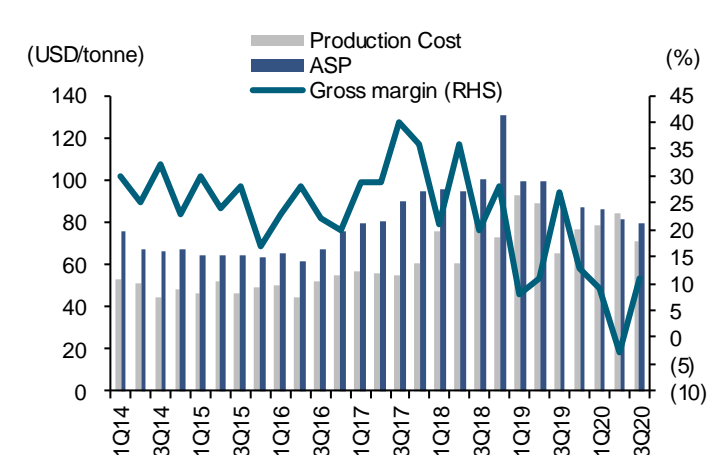
Since Oct-20, NCT and QHD have continued to rise, and we think BANPU's coal ASPs for its mines in both Indonesia and Australia will follow suit, reaching USD65-75/t, higher than our previous projection of 55-60/t, thanks to China's tight coal market and high coal demand.

Exhibit 18: ITMG's coal cost, ASP, and gross margin



Source: BANPU

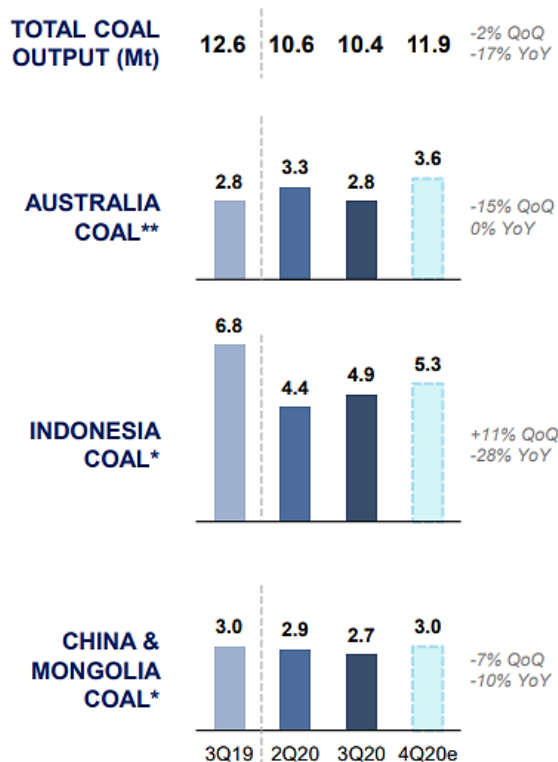
Exhibit 19: CEY's quarterly coal production volume



Source: BANPU

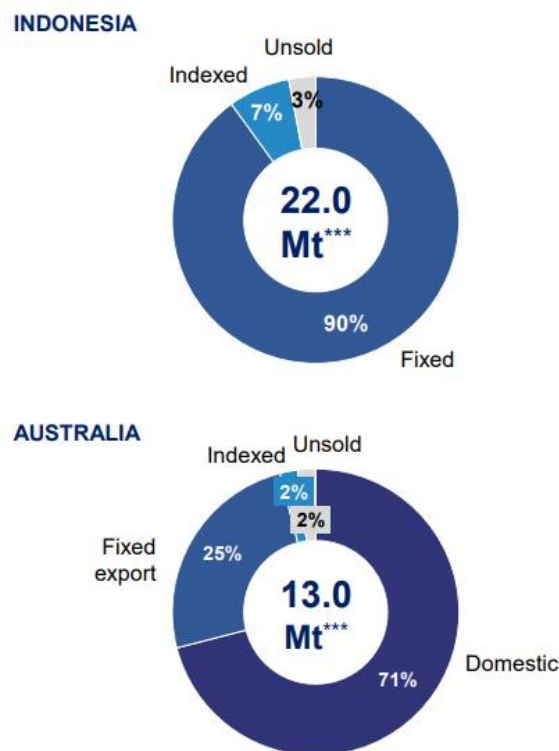
ASP for coal to rise in 4Q20-2021. According to management, when coal prices rose in the past, BANPU normally captured only part of the coal price upside due to the high pre-fixed ASP portion for coal sales in advance (normally at 60-70% of the total sales volume) and the high coal mining stripping ratios (up 2-5x stripping ratio) to capitalise on the less economical coal reserves. These two strategies prohibited BANPU from maximising its net profit from the higher coal prices due to the lower ASPs and higher mining costs.

Exhibit 20: BANPU's coal production targets – breakdown by country



Source: BANPU

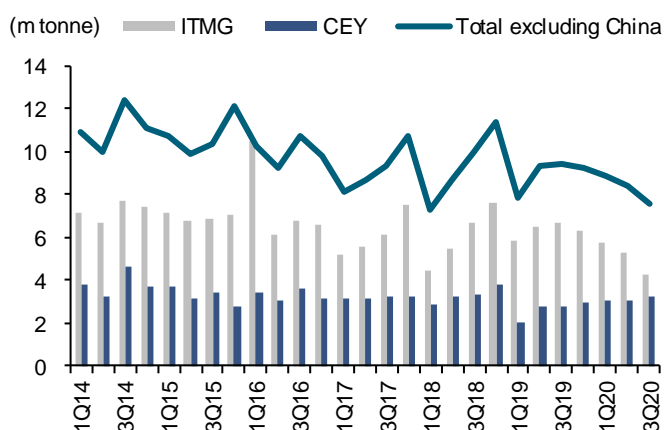
Exhibit 21: BANPU's coal pricing status for 2020



Source: BANPU

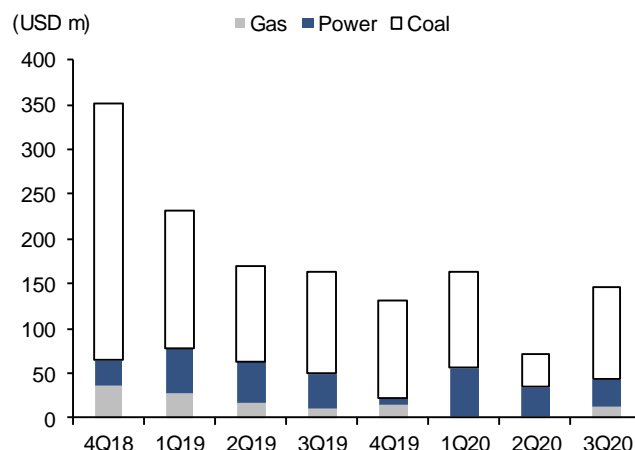
However, Banpu has changed its coal sales strategy for 2021 onward by locking in the coal price at a much smaller proportion. Management indicated that it has now locked in its coal sales volume in 2021 at around only 1/3 of its 2021 coal sales volume target of 22mt for its 65%-owned PT Indo Tambangraya Megah Tbk (ITMG ID), flat y-y, and around 70% for its 13mt at Centennial (CEY) in Australia.

Exhibit 22: BANPU's quarterly coal production volume



Source: BANPU

Exhibit 23: Quarterly EBITDA breakdown by segment



Source: BANPU

We think the EBITDA generated from BANPU's core coal unit will be in the range of USD120-250m per quarter starting in 4Q20, up from USD103m in 3Q20 and only USD37m in 2Q20. The rising ASPs for coal and higher coal sales volumes should be the key drivers for the higher EBITDA from its coal unit, in our view.

We project BANPU's coal producers, ITMG and CEY, to see much higher y-y impacts to their net profits from both rising coal sales volumes and ASPs, as we think the coal industry is unlikely to return to oversupply soon – we expect the NCT coal price to average USD68-70/tonne in 2021-22.

Coal price upside remains overlooked

We maintain BUY and our SoTP-based TP of THB14. We think BANPU's share price has still not priced in its strong 2021-22E performance due to the rising coal and gas prices, driven by rising earnings across its three divisions: coal (improving coal price and sales volumes), gas (rising gas price and sales volumes from the Barnett acquisition), and power (from Hongsa power plant's higher utilisation rates).

The currently high NCT and QHD coal prices should persist for at least the next four months during the winter season in Northern Hemisphere, in our view, potentially providing a greater upside to BANPU's coal ASP in 2021-22E, which we project to remain high at above USD70/t in 2H21 due to the tight supply and strong demand outlook.

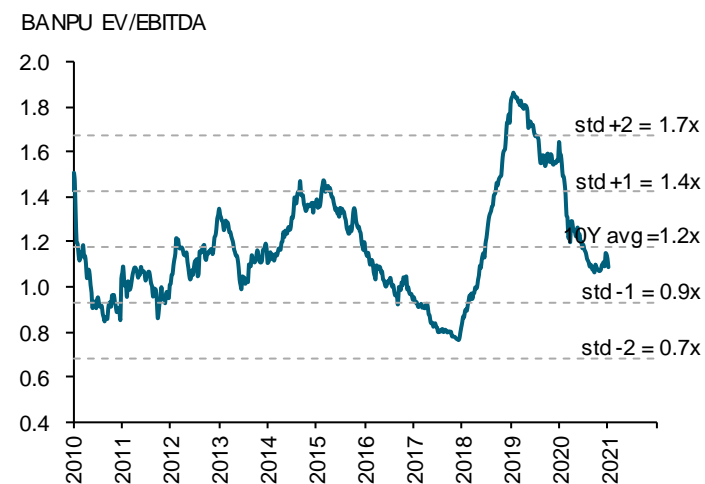
Exhibit 24: SoTP valuation

BANPU's valuation breakdown	(THB/share)	Consolidated	
ITMG (65%) (A)	9.4	Yes	DCF 9% WACC, terminal growth is zero for mines
Value of non-ITMG coal business (B)	(11.9)		
China coal	3.7	No	DCF 9% WACC, terminal growth is zero for mines
Australia coal (Centennial)	7.1	Yes	DCF 9% WACC, terminal growth is zero for mines
BANPU's net debt	(22.7)		at end FY21E
Net value of ITMG and non-ITMG coal (A+B)	(2.5)		
Value of power business			
BLCP	3.0	No	DCF 6.5% WACC, terminal growth is zero at the end of PPA
China power	2.9	Yes	DCF 6.5% WACC, terminal growth is zero at the end of PPA
Hongsa	6.1	No	DCF 6.5% WACC, terminal growth is zero at the end of PPA
SLG	1.6	No	DCF 6.5% WACC, terminal growth is zero at the end of PPA
Solar farms (Japan, Thailand, China)	2.9	Yes	DCF 6.5% WACC, terminal growth is zero at the end of PPA
Net value of power (C)	16.5		
BANPU (A+B+C)			
Net value of BANPU (A+B+C)	14.0	Target price	

Sources: BANPU; FSSIA estimates

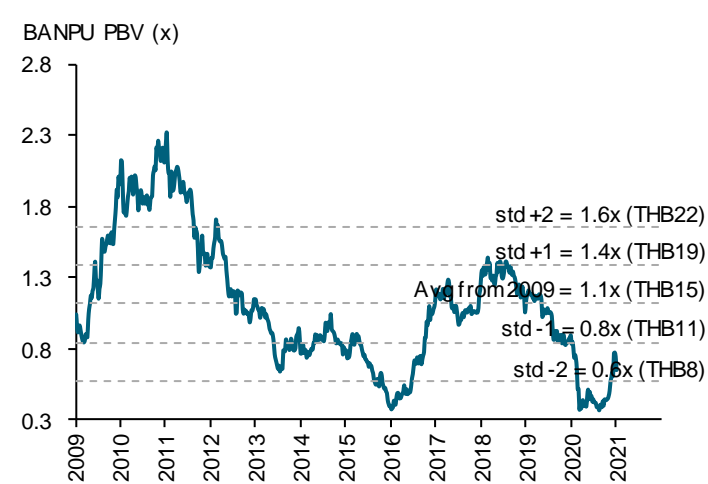
Currently trading at slightly below its mid-cycle valuation in terms of its forward EV/EBITDA and below one SD of its forward P/BV, we think BANPU is an attractive turnaround play on the back of its strong earnings outlook from high coal and gas prices that we think remains overlooked by the market, reflected in its low valuation.

Exhibit 25: BANPU one-year forward rolling EV/EBITDA band



Sources: BANPU; FSSIA estimates

Exhibit 26: BANPU one-year forward rolling P/BV band



Sources: BANPU; FSSIA estimates

Exhibit 27: Peer comparisons

Company	BBG code	Rec	Share Price	Target price	Upside	Market Cap	3Y EPS CAGR	PE		ROE		PBV		EV / EBITDA	
			(Local curr)	(Local curr)				20E	21E	20E	21E	20E	21E	20E	21E
					(%)	(USD m)	(%)	(x)	(x)	(%)	(%)	(x)	(x)	(x)	(x)
THAILAND															
Banpu	BANPU TB	BUY	10.30	14.00	36	1,739	(373.1)	83.1	6.8	0.9	10.6	0.8	0.7	16.7	11.1
Thailand avg						1,739	(373.1)	83.1	6.8	0.9	10.6	0.8	0.7	16.7	11.1
INDONESIA															
Adaro Energy	ADRO IJ	n/a	1,515.00	n/a	n/a	3,413	(2.7)	13.3	9.7	5.3	8.7	0.9	0.9	5.2	4.3
Bukit Asam t	PTBA IJ	n/a	3,040.00	n/a	n/a	2,499	(7.1)	14.5	11.7	13.1	17.2	2.0	1.8	9.0	6.7
Harum Energy	HRUM IJ	n/a	4,120.00	n/a	n/a	811	(20.0)	27.3	75.0	8.9	2.9	2.3	2.3	21.6	19.1
Indo Tambangraya Megah	ITMG IJ	n/a	14,625.00	n/a	n/a	1,163	(6.5)	17.8	11.6	7.1	11.1	1.4	1.4	6.6	5.2
Indonesia avg						7,886	(6.2)	15.8	17.3	8.4	11.1	1.4	1.4	8.3	6.7
CHINA															
China Shenhua Energy	1088 HK	n/a	15.74	n/a	n/a	54,268	(0.9)	6.7	6.7	11.0	10.3	0.7	0.7	4.2	4.1
China Coal Energy	1898 HK	n/a	2.47	n/a	n/a	7,890	4.7	5.3	4.8	5.1	4.9	0.3	0.3	5.6	5.3
Yanzhou Coal Mining	1171 HK	n/a	6.54	n/a	n/a	6,118	1.2	3.8	3.8	11.2	11.2	0.4	0.4	7.5	7.0
China avg						68,276	(0.0)	6.3	6.2	10.3	9.8	0.6	0.6	4.6	4.5
AUSTRALIA															
New Hope	NHC AU	n/a	1.43	n/a	n/a	998	(30.9)	9.7	73.7	5.8	(0.2)	0.7	0.8	5.0	10.3
Whitehaven Coal	WHC AU	n/a	1.75	n/a	n/a	1,444	(48.9)	66.9	N/A	0.9	(1.7)	0.6	0.6	8.9	10.9
Australia avg						2,442	(41.5)	43.5	30.1	2.9	(1.1)	0.6	0.6	7.3	10.7
INDIA															
Coal India	COAL IN	n/a	145.80	n/a	n/a	12,299	(7.9)	5.4	7.2	58.2	37.1	2.8	2.5	3.4	4.7
India avg						12,299	(7.9)	5.4	7.2	58.2	37.1	2.8	2.5	3.4	4.7
Coal under coverage						1,739	(373.1)	83.1	6.8	0.9	10.6	0.8	0.7	16.7	11.1
Average (all)						92,642	(9.7)	9.4	8.0	16.1	13.3	1.0	0.9	5.1	5.0

Share prices as of 13 Jan 2020

Sources: Bloomberg; FSSIA estimates

Financial Statements

Banpu

Profit and Loss (THB m) Year Ending Dec	2018	2019	2020E	2021E	2022E
Revenue	112,771	85,718	65,372	66,639	66,549
Cost of goods sold	(71,776)	(60,256)	(40,877)	(35,269)	(34,949)
Gross profit	40,994	25,462	24,495	31,370	31,599
Other operating income	-	-	-	-	-
Operating costs	(13,559)	(13,810)	(12,478)	(12,750)	(12,732)
Operating EBITDA	27,435	11,652	12,017	18,620	18,868
Depreciation	(10,544)	(10,761)	(11,299)	(10,667)	(11,566)
Goodwill amortisation	(70)	(195)	(366)	(366)	(366)
Operating EBIT	16,821	697	353	7,587	6,935
Net financing costs	(6,014)	(8,393)	(5,756)	(5,807)	(6,007)
Associates	8,500	6,444	3,992	5,764	5,718
Recurring non operating income	8,253	11,416	7,222	8,835	8,898
Non recurring items	0	0	0	0	0
Profit before tax	19,060	3,720	1,819	10,615	9,826
Tax	(6,110)	(2,368)	0	(970)	(822)
Profit after tax	12,950	1,352	1,819	9,645	9,005
Minority interests	(3,542)	(1,905)	(1,545)	(2,247)	(2,013)
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
Reported net profit	9,408	(553)	274	7,398	6,992
Non recurring items & goodwill (net)	0	0	0	0	0
Recurring net profit	9,478	(358)	640	7,764	7,358
Per share (THB)					
Recurring EPS *	1.84	(0.07)	0.12	1.50	1.43
Reported EPS	1.82	(0.11)	0.05	1.43	1.35
DPS	0.65	0.60	0.10	0.58	0.53
Diluted shares (used to calculate per share data)	5,162	5,162	5,162	5,162	5,162
Growth					
Revenue (%)	15.9	(24.0)	(23.7)	1.9	(0.1)
Operating EBITDA (%)	21.3	(57.5)	3.1	54.9	1.3
Operating EBIT (%)	7.4	(95.9)	(49.4)	2,050.9	(8.6)
Recurring EPS (%)	20.0	nm	nm	1,113.1	(5.2)
Reported EPS (%)	19.1	nm	nm	2,599.0	(5.5)
Operating performance					
Gross margin inc depreciation (%)	27.0	17.2	20.2	31.1	30.1
Gross margin of key business (%)	35.3	25.6	29.3	40.2	39.2
Operating EBITDA margin (%)	24.3	13.6	18.4	27.9	28.4
Operating EBIT margin (%)	14.9	0.8	0.5	11.4	10.4
Net margin (%)	8.4	(0.4)	1.0	11.7	11.1
Effective tax rate (%)	20.0	20.0	20.0	20.0	20.0
Dividend payout on recurring profit (%)	35.4	(865.3)	79.6	38.3	37.4
Interest cover (X)	4.2	1.5	1.4	2.9	2.7
Inventory days	23.1	26.1	26.3	22.1	21.9
Debtor days	37.7	43.1	42.5	42.9	42.9
Creditor days	18.9	16.8	16.8	20.5	20.9
Operating ROIC (%)	18.9	0.5	1.1	11.4	11.0
ROIC (%)	7.5	2.0	3.5	6.4	5.9
ROE (%)	11.3	(0.5)	0.9	10.6	9.4
ROA (%)	6.3	1.7	3.1	5.7	5.4

* Pre-exceptional, pre-goodwill and fully diluted

Revenue By Division (THB m)	2018	2019	2020E	2021E	2022E
Coal	38,027	30,346	31,090	31,090	31,090
Others	74,744	55,372	34,282	35,549	35,459

Sources: Banpu; FSSIA estimates

Financial Statements

Banpu

Cash Flow (THB m) Year Ending Dec	2018	2019	2020E	2021E	2022E
Recurring net profit	9,478	(358)	640	7,764	7,358
Depreciation	10,544	10,761	11,299	10,667	11,566
Associates & minorities	(8,500)	(6,444)	(3,992)	(5,764)	(5,718)
Other non-cash items	7,241	(544)	(3,181)	(3,130)	(2,930)
Change in working capital	(3,544)	5,207	1,404	(22)	144
Cash flow from operations	15,219	8,621	6,170	9,514	10,420
Capex - maintenance	-	-	-	-	-
Capex - new investment	(15,800)	(11,578)	(8,830)	(9,001)	(8,989)
Net acquisitions & disposals	78	(3,133)	(3,133)	(3,133)	(3,133)
Other investments (net)	896	3,894	3,898	3,898	3,898
Cash flow from investing	(14,825)	(10,817)	(8,066)	(8,237)	(8,225)
Dividends paid	(3,355)	(3,097)	(2,019)	(1,536)	(2,880)
Equity finance	0	0	0	0	0
Debt finance	6,153	8,531	2,800	6,900	(1,100)
Other financing cash flows	(6,073)	(6,814)	(6,021)	(4,003)	(4,360)
Cash flow from Financing	(3,275)	(1,380)	(5,240)	1,361	(8,340)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	(2,881)	(3,576)	(7,135)	2,639	(6,145)
Free cash flow to firm (FCFF)	6,060.07	3,629.64	4,061.12	7,441.75	8,481.58
Free cash flow to equity (FCFE)	474.05	(478.90)	(5,116.18)	4,174.69	(3,265.00)

Per share (THB)

FCFF per share	1.17	0.70	0.79	1.44	1.64
FCFE per share	0.09	(0.09)	(0.99)	0.81	(0.63)
Recurring cash flow per share	3.63	0.66	0.92	1.85	1.99

Balance Sheet (THB m) Year Ending Dec	2018	2019	2020E	2021E	2022E
Tangible fixed asset (gross)	94,880	93,339	102,169	111,170	120,159
Less: Accumulated depreciation	(34,543)	(34,543)	(44,319)	(54,986)	(66,552)
Tangible fixed assets (Net)	60,337	58,796	57,851	56,185	53,607
Intangible fixed assets (Net)	822	460	460	460	460
Long-term financial assets	-	-	-	-	-
Invest. In associates & subsidiaries	49,962	49,104	51,419	55,506	59,547
Cash & equivalents	19,964	16,388	9,254	11,892	5,748
A/C receivable	12,809	7,415	7,799	7,863	7,786
Inventories	4,856	3,759	2,136	2,132	2,063
Other current assets	7,618	13,533	13,533	13,533	13,533
Current assets	45,247	41,095	32,722	35,422	29,130
Other assets	117,950	108,134	117,856	127,491	137,130
Total assets	274,317	257,589	260,308	275,064	279,875
Common equity	83,060	72,195	70,450	76,313	80,424
Minorities etc.	19,952	18,286	19,831	22,078	24,091
Total Shareholders' equity	103,013	90,481	90,281	98,390	104,515
Long term debt	99,036	103,749	116,593	123,415	122,315
Other long-term liabilities	16,810	16,285	16,158	15,943	15,733
Long-term liabilities	115,845	120,034	132,750	139,359	138,048
A/C payable	3,758	1,798	1,965	2,003	2,000
Short term debt	31,456	29,964	20,000	20,000	20,000
Other current liabilities	20,246	15,312	15,312	15,312	15,312
Current liabilities	55,459	47,074	37,277	37,315	37,312
Total liabilities and shareholders' equity	274,317	257,589	260,308	275,064	279,875
Net working capital	1,279	7,597	6,192	6,214	6,071
Invested capital	230,350	224,090	233,778	245,857	256,816

* Includes convertibles and preferred stock which is being treated as debt

Per share (THB)

Book value per share	16.09	13.99	13.65	14.78	15.58
Tangible book value per share	15.93	13.90	13.56	14.69	15.49

Financial strength

Net debt/Equity (%)	107.3	129.7	141.0	133.7	130.7
Net debt/total assets (%)	40.3	45.5	48.9	47.8	48.8
Current ratio (x)	0.8	0.9	0.9	0.9	0.8
CF interest cover (x)	3.7	2.3	1.6	3.3	2.0

Valuation	2018	2019	2020E	2021E	2022E
Recurring P/E (x) *	5.6	(148.5)	83.1	6.8	7.2
Recurring P/E @ target price (x) *	7.6	(201.9)	112.9	9.3	9.8
Reported P/E (x)	5.7	(96.2)	194.0	7.2	7.6
Dividend yield (%)	6.3	5.8	1.0	5.6	5.2
Price/book (x)	0.6	0.7	0.8	0.7	0.7
Price/tangible book (x)	0.6	0.7	0.8	0.7	0.7
EV/EBITDA (x) **	6.7	16.2	16.7	11.1	11.3
EV/EBITDA @ target price (x) **	7.4	17.8	18.3	12.1	12.3
EV/invested capital (x)	0.8	0.8	0.9	0.8	0.8

* Pre-exceptional & pre-goodwill are fully diluted ** EBITDA includes associate income and recurring non operating income

Sources: Banpu; 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	GGC	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	SEAOL	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	AMANAH
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	CENTEL
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	PM	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	SMPG	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	AMANAH	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	SEAOIL	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 Thaiapat 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. Thaiapat 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 Thaiapat 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

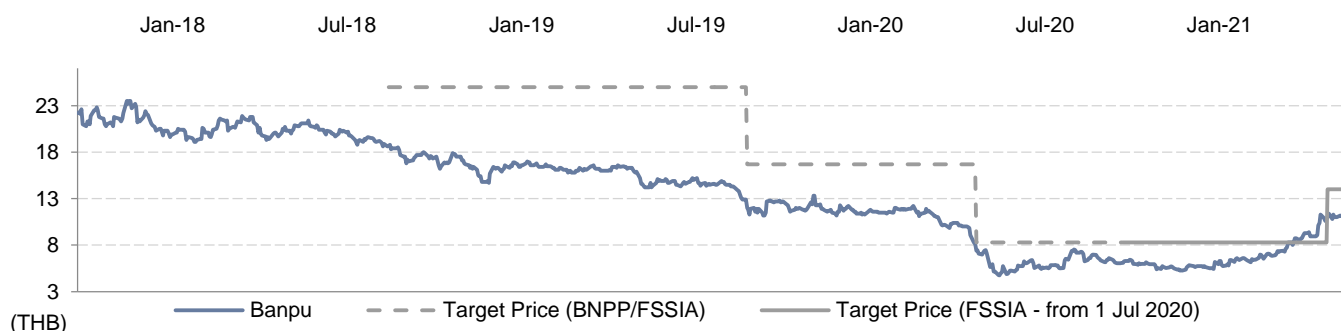
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) 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

Banpu (BANPU TB)



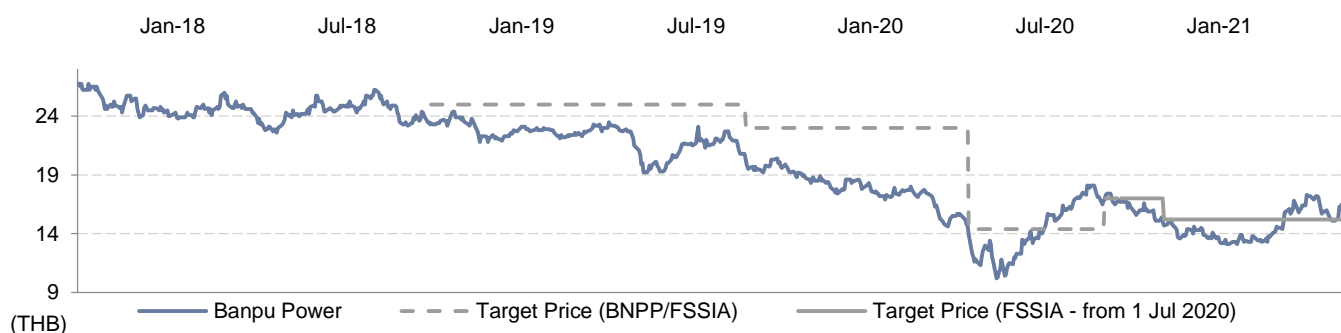
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
09-Oct-2018	BUY	25.00	26-Feb-2020	HOLD	8.30	09-Oct-2020	BUY	8.30
13-Aug-2019	BUY	16.70	26-Feb-2020	HOLD	8.30	23-Dec-2020	BUY	14.00

Suwat Sinsadok started covering this stock from 09-Oct-2018

Price and TP are in local currency

Source: FSSIA estimates

Banpu Power (BPP TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
15-Nov-2018	HOLD	25.00	21-Feb-2020	HOLD	14.40	17-Jun-2020	HOLD	17.00
13-Aug-2019	HOLD	23.00	17-Jun-2020	HOLD	17.00	06-Aug-2020	HOLD	15.20

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
Banpu	BANPU TB	THB 10.30	BUY	We see downside risks to our SoTP-based TP from lower coal prices, higher diesel costs and any unplanned shutdowns of its power plants.
Banpu Power	BPP TB	THB 16.10	HOLD	Downside risks to our SoTP valuation are the start-up delays of its new project and government intervention in the electricity tariff. Upside risk includes the lower coal price.

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 Finansia Syrus Securities Public Company Limited

FSSIA may incorporate the recommendations and target prices of companies currently covered by FSS Research into equity research reports, denoted by an 'FSS' before the recommendation. FSS Research is part of Finansia Syrus Securities Public Company Limited, which is the parent company of FSSIA.

All share prices are as at market close on 13-Jan-2021 unless otherwise stated.

RECOMMENDATION STRUCTURE**Stock ratings**

Stock ratings are based on absolute upside or downside, which we define as (target price* - current price) / 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.