

11 MAY 2021

THAILAND / MATERIALS

BANPU BANPU TB

BUY

UNCHANGED

| | |
|-----------------|----------|
| TARGET PRICE | THB14.00 |
| CLOSE | THB12.80 |
| UP/DOWNSIDE | +9.4% |
| TP vs CONSENSUS | +9.4% |

การพลิกฟื้นใน 1Q21

ธุรกิจ Cyclical ดีขึ้นแต่ธุรกิจโรงไฟฟ้าแยกลงใน 1Q21

BANPU รายงานกำไรสุทธิ (NP) จากการดำเนินงานใน 1Q21 ที่ 668 ลบ. เพิ่มขึ้น 54% q-q และดีขึ้นจากที่เคยขาดทุนสุทธิ (NL) 1.7พัน ลบ. ใน 1Q20 กำไรดังกล่าวต่ำกว่าที่เราคาด 2% และต่ำกว่าที่ตลาดคาด 10% เมื่อรวมกำไรจากอัตราแลกเปลี่ยนเงินจำนวน 1.5พัน ลบ. บริษัทฯ รายงาน NP อยู่ที่ 1.5พัน ลบ. ดีขึ้นจากที่เคยขาดทุนสุทธิ 468 ลบ. ใน 4Q20 ธุรกิจถ่านหินดีขึ้นอย่างเห็นได้ชัดจากราคาขายเฉลี่ย (ASP) ที่สูงขึ้นและปริมาณขายที่เพิ่มขึ้น NP ของธุรกิจถ่านหินในประเทศจีนอยู่ที่ USD17ล้านจากอัตรากำไรขั้นต้นและการผลิตที่สูงขึ้น ในขณะที่ธุรกิจโรงไฟฟ้าในประเทศดังกล่าวรายงาน NP จำนวน USD8ล้าน EBITDA เพิ่มขึ้นเป็น USD274 ล้าน หรือ 5.7พัน ลบ. เพิ่มขึ้น 5.8% y-y จาก EBITDA ที่สูงขึ้นของธุรกิจถ่านหิน (USD138ล้าน) ของธุรกิจก๊าซธรรมชาติจากหินดินดาน (USD108ล้าน) และของธุรกิจโรงไฟฟ้า (USD40ล้าน)

ASP เพิ่มขึ้นขณะที่ปริมาณขายลดลง

ใน 1Q21 ปริมาณขายถ่านหินลดลงเหลือ 7.22mt (-18% y-y, -24% q-q) ปริมาณขายจาก Centennial Coal (CEY) ลดลงเหลือ 2.63mt (-14.9% y-y, -14.6% q-q) จากการขนย้ายเครื่องจักรที่เหมือง Mandalong ปริมาณขายถ่านหินในอินโดนีเซียลดลงเหลือ 4.1mt (-28.9% y-y, -29.1% q-q) เนื่องจากฝนตกหนัก ASP ของธุรกิจถ่านหินเพิ่มขึ้นเป็น USD63.9/t (+7.2% y-y, +21.6% q-q) จาก ASP ที่เพิ่ม 26.7% q-q ของ PT Indo Tambangraya Megah Tbk (ITMG) เป็น USD68.4/t เทียบกับต้นทุนถ่านหินที่เพิ่ม 6.4% q-q ในอินโดนีเซียเป็น USD39.4/t ตามต้นทุนน้ำมันดีเซลที่สูงขึ้น ASP ของ CEY เพิ่มขึ้นเป็น AUD80/t (-7.1% y-y, +3.9% q-q) ในขณะที่ต้นทุนถ่านหินในออสเตรเลียกระโดดเป็น AUD81.2/t เพิ่มขึ้น 12.8% q-q จากต้นทุนการทำเหมืองที่สูงขึ้น อัตรากำไรขั้นต้น (GPM) เฉลี่ยของธุรกิจถ่านหินอยู่ที่ 26% จาก GPM ที่อ่อนแอของ CEY (-1%) ซึ่งหักลบกับ GPM ที่ดีขึ้นของ ITMG (42%)

ธุรกิจก๊าซธรรมชาติจากหินดินดานพลิกฟื้นใน 1Q21

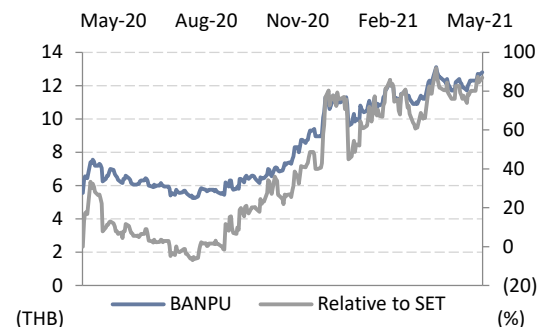
ใน 1Q21 ปริมาณขายก๊าซธรรมชาติจากหินดินดานลดลงเหลือ 61.5bcf ลดลง 6.1% q-q แต่เพิ่มขึ้น 268% y-y จากการรวมปริมาณขาย 50bcf ของแหล่ง Barnett ธุรกิจก๊าซธรรมชาติ รายงาน ASP ลดลง 1.3% q-q มาอยู่ที่ USD2.22/mcf แต่เมื่อเทียบกับต้นทุนที่ USD1.3/mcf GPM ปรับตัวสูงขึ้นมาอยู่ที่ 56% จาก 35% ใน 4Q20 และ -16% ใน 1Q20

คงคำแนะนำซื้อพร้อมคาดการณ์โตจะต่อเนื่องใน 2Q21

เราคงคำแนะนำซื้อที่ราคาเป้าหมาย 14 บาท (SoTP) เราคาดว่า NP จะฟื้นตัวในธุรกิจถ่านหินและก๊าซธรรมชาติจากหินดินดานจากราคาก๊าซ และถ่านหินที่สูงขึ้นในปี 2021 เราเชื่อว่า NP ของ BANPU จะโต q-q ในทุกธุรกิจ พร้อม ASPs และปริมาณขายของธุรกิจถ่านหินที่ปรับตัวขึ้น ปริมาณขายของธุรกิจโรงไฟฟ้าที่เพิ่มขึ้นตามฤดูกาล และราคาก๊าซ ที่อยู่ในระดับสูง ซึ่งจะช่วยผลักดันอัตรากำไรและ EBITDA ของ BANPU

KEY STOCK DATA

| YE Dec (THB m) | 2020 | 2021E | 2022E | 2023E |
|---------------------|---------|--------|--------|--------|
| Revenue | 71,332 | 66,639 | 66,549 | 71,186 |
| Net profit | (1,786) | 7,390 | 6,964 | 7,466 |
| EPS (THB) | (0.35) | 1.43 | 1.35 | 1.45 |
| vs Consensus (%) | - | 47.4 | 28.6 | 49.5 |
| EBITDA | 9,284 | 24,109 | 26,211 | 29,451 |
| Core net profit | (3,260) | 7,756 | 7,330 | 7,832 |
| Core EPS (THB) | (0.63) | 1.50 | 1.42 | 1.52 |
| EPS growth (%) | nm | nm | (5.5) | 6.8 |
| Core P/E (x) | (20.3) | 8.5 | 9.0 | 8.4 |
| Dividend yield (%) | 3.9 | 4.5 | 4.1 | 5.1 |
| EV/EBITDA (x) | 24.6 | 8.7 | 8.1 | 7.3 |
| Price/book (x) | 1.1 | 1.0 | 0.9 | 1.0 |
| Net debt/Equity (%) | 165.3 | 129.7 | 123.8 | 122.7 |
| ROE (%) | (4.8) | 12.0 | 10.6 | 11.3 |



| Share price performance | 1 Month | 3 Month | 12 Month |
|--------------------------------|----------------------------|---------|----------|
| Absolute (%) | 5.8 | 12.3 | 132.7 |
| Relative to country (%) | 4.3 | 7.2 | 85.5 |
| Mkt cap (USD m) | 2,090 | | |
| 3m avg. daily turnover (USD m) | 32.6 | | |
| Free float (%) | 88 | | |
| Major shareholder | Vongkusolkrit Family (13%) | | |
| 12m high/low (THB) | 13.20/5.15 | | |
| Issued shares (m) | 5,161.93 | | |

Sources: Bloomberg consensus; FSSIA estimates



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บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 11 พฤษภาคม 2021

Exhibit 1: Summary of 1Q21 operations

| | 1Q20 | 4Q20 | ----- 1Q21 ----- | | 2020 | 2021E | Chg. | Comments | |
|--------------------------|----------------|----------------|------------------|-------------|---------------|----------------|---------------|--------------|---|
| | (THB m) | (THB m) | (THB m) | (q-q %) | (y-y %) | (THB m) | (THB m) | | (y-y %) |
| Revenue | 19,797 | 20,258 | 22,262 | 9.9 | 12.5 | 71,332 | 66,639 | (6.6) | Higher q-q due to higher coal price |
| Operating costs | (14,439) | (14,824) | (16,593) | 11.9 | 14.9 | (62,045) | (42,530) | (31.5) | Higher due to higher diesel price |
| EBITDA | 5,358 | 5,434 | 5,669 | 4.3 | 5.8 | 9,287 | 24,109 | 159.6 | Higher due to higher coal NP |
| <i>EBITDA margin (%)</i> | 27 | 27 | 25 | <i>nm</i> | <i>nm</i> | 13.0 | 36.2 | <i>nm</i> | |
| Depreciation & amort | (2,507) | (3,539) | (3,745) | 5.8 | 49.4 | (13,574) | (16,521) | 21.7 | |
| EBIT | 2,851 | 1,896 | 1,924 | 1.5 | (32.5) | (4,287) | 7,587 | <i>nm</i> | |
| Interest expense | (1,465) | (1,346) | (1,355) | 0.7 | (7.5) | (5,619) | (6,195) | 10.2 | Lower y-y due to lower debt |
| Interest & invt inc | 952 | (50) | 253 | <i>nm</i> | (73.4) | 299 | 280 | (6.2) | |
| Associates' contrib | 1,491 | 809 | 1,378 | 70.4 | (7.6) | 4,239 | 5,764 | 36.0 | Higher q-q due to higher earnings from HPC |
| Exceptionals | 144 | (2,319) | 1,508 | <i>nm</i> | <i>nm</i> | 3,568 | 3,169 | (11.2) | Hedging and FX gain |
| Pretax profit | 3,972 | (1,011) | 3,708 | nm | (6.6) | (300) | 10,605 | nm | |
| Tax | (1,891) | 899 | (1,401) | <i>nm</i> | (25.9) | (269) | (968) | 259.3 | |
| <i>Tax rate (%)</i> | 48 | 89 | 38 | <i>nm</i> | <i>nm</i> | 89.9 | 9 | <i>nm</i> | |
| Minority interests | (369) | (357) | (772) | 116.6 | 109.3 | (1,217) | (2,247) | 84.6 | |
| Net profit | 1,713 | (468) | 1,535 | nm | (10.4) | (1,786) | 7,390 | nm | |
| Non-recurring | 3,400 | (901) | 868 | <i>nm</i> | (74.5) | 1,471 | (366) | <i>nm</i> | |
| Core profit | (1,687) | 433 | 668 | 54.3 | nm | (3,260) | 7,756 | nm | 2%/10% below our and consensus estimates |
| EPS (THB) | 0.33 | (0.09) | 0.30 | <i>nm</i> | (10.4) | (0.35) | 1.43 | <i>nm</i> | |
| Core EPS (THB) | (0.33) | 0.08 | 0.13 | 54.3 | <i>nm</i> | (0.63) | 1.50 | <i>nm</i> | |

Sources: BANPU; FSSIA estimates

Exhibit 2: 1Q21 key quarterly performance

| | 1Q20 | 4Q20 | 1Q21 | ----- Change ----- | |
|---|--------------|--------------|--------------|--------------------|---------------|
| | | | | (q-q %) | (y-y %) |
| Total coal sales volume (m tonnes) | 8.80 | 9.47 | 7.22 | (23.8) | (18.0) |
| - Indonesia coal sales volume | 5.77 | 5.78 | 4.10 | (29.1) | (28.9) |
| - Australia coal sales volume | 3.09 | 3.08 | 2.63 | (14.6) | (14.9) |
| ASP for coal (USD/tonne) | 59.58 | 52.50 | 63.86 | 21.6 | 7.2 |
| - ASP for coal - Indonesia (USD/tonne) | 59.32 | 54.00 | 68.43 | 26.7 | 15.4 |
| - ASP for coal - Australia (AUD/tonne) | 86.13 | 77.00 | 80.02 | 3.9 | (7.1) |
| Coal cost - overall (USD/tonne) | 45.36 | 35.50 | 47.12 | 32.7 | 3.9 |
| - Coal cost - Indonesia (USD/tonne) | 40.47 | 37.00 | 39.36 | 6.4 | (2.7) |
| - Coal cost - Australia (AUD/tonne) | 78.75 | 72.00 | 81.23 | 12.8 | 3.1 |
| Sales volume - Gas (bcf) | 16.70 | 65.50 | 61.51 | (6.1) | 268.3 |
| ASP for gas (USD/mcf) | 0.93 | 2.25 | 2.22 | (1.3) | 138.7 |
| Cost for gas (USD/mcf) | 1.23 | 0.40 | 1.31 | 227.5 | 6.5 |
| Average GPM *(%) | | | | (ppt) | (ppt) |
| Average GPM - Indonesia coal | 32 | 32 | 42 | (10.0) | (10.0) |
| Average GPM - Australia coal | 9 | 6 | (1) | 7.0 | 10.0 |
| Average GPM - China (traded coal) | - | 45 | 22 | 23.0 | <i>nm</i> |
| Average GPM - coal | 24 | 23 | 26 | (3.0) | (2.0) |
| Average GPM - power | 32 | 25 | 23 | 2.0 | 9.0 |
| Average GPM - gas | (16) | 35 | 56 | (21.0) | (72.0) |
| Average GPM | 22 | 24 | 31 | (7.0) | (9.0) |

*Note: Change in margin % is represented in ppt change

Sources: BANPU; FSSIA estimates

Financial Statements

Banpu

| Profit and Loss (THB m) Year Ending Dec | 2019 | 2020 | 2021E | 2022E | 2023E |
|---|----------------|----------------|---------------|---------------|---------------|
| Revenue | 85,718 | 71,332 | 66,639 | 66,549 | 71,186 |
| Cost of goods sold | (63,952) | (50,629) | (29,780) | (27,606) | (28,076) |
| Gross profit | 21,766 | 20,703 | 36,858 | 38,942 | 43,110 |
| Other operating income | - | - | - | - | - |
| Operating costs | (13,810) | (11,419) | (12,750) | (12,732) | (13,659) |
| Operating EBITDA | 7,955 | 9,284 | 24,109 | 26,211 | 29,451 |
| Depreciation | (10,761) | (13,543) | (16,156) | (18,910) | (18,910) |
| Goodwill amortisation | (195) | (31) | (366) | (366) | (366) |
| Operating EBIT | (3,000) | (4,290) | 7,587 | 6,935 | 10,175 |
| Net financing costs | (8,393) | (2,778) | (5,838) | (6,063) | (6,093) |
| Associates | 6,444 | 4,239 | 5,764 | 5,718 | 4,870 |
| Recurring non-operating income | 11,416 | 5,264 | 8,856 | 8,919 | 8,070 |
| Non-recurring items | 3,697 | 1,505 | 0 | 0 | 0 |
| Profit before tax | 3,720 | (300) | 10,605 | 9,791 | 12,153 |
| Tax | (2,368) | (269) | (968) | (815) | (1,457) |
| Profit after tax | 1,352 | (569) | 9,637 | 8,977 | 10,696 |
| Minority interests | (1,905) | (1,217) | (2,247) | (2,013) | (3,230) |
| Preferred dividends | 0 | 0 | 0 | 0 | 0 |
| Other items | - | - | - | - | - |
| Reported net profit | (553) | (1,786) | 7,390 | 6,964 | 7,466 |
| Non-recurring items & goodwill (net) | (3,697) | (1,505) | 0 | 0 | 0 |
| Recurring net profit | (4,054) | (3,260) | 7,756 | 7,330 | 7,832 |
| Per share (THB) | | | | | |
| Recurring EPS * | (0.79) | (0.63) | 1.50 | 1.42 | 1.52 |
| Reported EPS | (0.11) | (0.35) | 1.43 | 1.35 | 1.45 |
| DPS | 0.60 | 0.50 | 0.58 | 0.53 | 0.66 |
| Diluted shares (used to calculate per share data) | 5,162 | 5,162 | 5,162 | 5,162 | 5,162 |
| Growth | | | | | |
| Revenue (%) | (24.0) | (16.8) | (6.6) | (0.1) | 7.0 |
| Operating EBITDA (%) | (71.0) | 16.7 | 159.7 | 8.7 | 12.4 |
| Operating EBIT (%) | nm | nm | nm | (8.6) | 46.7 |
| Recurring EPS (%) | nm | nm | nm | (5.5) | 6.8 |
| Reported EPS (%) | nm | nm | nm | (5.8) | 7.2 |
| Operating performance | | | | | |
| Gross margin inc. depreciation (%) | 12.8 | 10.0 | 31.1 | 30.1 | 34.0 |
| Gross margin of key business (%) | 25.6 | 20.1 | 40.2 | 39.2 | 43.2 |
| Operating EBITDA margin (%) | 9.3 | 13.0 | 36.2 | 39.4 | 41.4 |
| Operating EBIT margin (%) | (3.5) | (6.0) | 11.4 | 10.4 | 14.3 |
| Net margin (%) | (4.7) | (4.6) | 11.6 | 11.0 | 11.0 |
| Effective tax rate (%) | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 |
| Dividend payout on recurring profit (%) | (76.4) | (79.2) | 38.3 | 37.4 | 43.4 |
| Interest cover (X) | 1.0 | 0.4 | 2.9 | 2.7 | 3.1 |
| Inventory days | 24.6 | 24.5 | 31.7 | 27.7 | 27.8 |
| Debtor days | 43.1 | 38.1 | 42.0 | 42.9 | 41.3 |
| Creditor days | 15.9 | 13.8 | 24.7 | 26.5 | 26.9 |
| Operating ROIC (%) | (1.6) | (10.6) | 8.2 | 7.4 | 10.1 |
| ROIC (%) | 1.4 | 0.8 | 6.5 | 6.4 | 7.0 |
| ROE (%) | (5.2) | (4.8) | 12.0 | 10.6 | 11.3 |
| ROA (%) | 0.3 | 1.2 | 5.5 | 5.5 | 5.9 |
| * Pre exceptional, pre-goodwill and fully diluted | | | | | |
| Revenue by Division (THB m) | | | | | |
| Coal | 30,346 | 31,090 | 31,090 | 31,090 | 31,090 |
| Others | 55,372 | 40,242 | 35,549 | 35,459 | 40,097 |

Sources: Banpu; FSSIA estimates

Financial Statements

Banpu

| Cash Flow (THB m) Year Ending Dec | 2019 | 2020 | 2021E | 2022E | 2023E |
|-----------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Recurring net profit | (4,054) | (3,260) | 7,756 | 7,330 | 7,832 |
| Depreciation | 10,761 | 13,543 | 16,156 | 18,910 | 18,910 |
| Associates & minorities | (6,444) | (4,239) | (5,764) | (5,718) | (4,870) |
| Other non-cash items | (544) | 1,302 | 4,362 | 4,587 | 4,617 |
| Change in working capital | 5,207 | 1,403 | 509 | 144 | (547) |
| Cash flow from operations | 4,925 | 8,750 | 23,019 | 25,252 | 25,942 |
| Capex - maintenance | - | - | - | - | - |
| Capex - new investment | (11,578) | (22,372) | (20,900) | (20,872) | (22,327) |
| Net acquisitions & disposals | (3,133) | 2,828 | 2,828 | 2,828 | 2,828 |
| Other investments (net) | 3,894 | (2,160) | (2,160) | (2,160) | (2,160) |
| Cash flow from investing | (10,817) | (21,704) | (20,233) | (20,204) | (21,659) |
| Dividends paid | (3,097) | (2,882) | (2,743) | (2,874) | (3,017) |
| Equity finance | 0 | 0 | 0 | 0 | 0 |
| Debt finance | 8,531 | 28,455 | 6,900 | (1,100) | 2,500 |
| Other financing cash flows | (3,117) | (7,066) | (4,034) | (4,416) | (380) |
| Cash flow from financing | 2,317 | 18,508 | 123 | (8,390) | (897) |
| Non-recurring cash flows | - | - | - | - | - |
| Other adjustments | 0 | 0 | 0 | 0 | 0 |
| Net other adjustments | 0 | 0 | 0 | 0 | 0 |
| Movement in cash | (3,576) | 5,553 | 2,909 | (3,343) | 3,386 |
| Free cash flow to firm (FCFF) | (66.87) | (7,335.57) | 8,981.35 | 11,390.30 | 10,655.81 |
| Free cash flow to equity (FCFE) | (478.41) | 8,434.88 | 5,652.28 | (468.36) | 6,403.04 |

Per share (THB)

| | | | | | |
|-------------------------------|--------|--------|------|--------|------|
| FCFF per share | (0.01) | (1.42) | 1.74 | 2.21 | 2.06 |
| FCFE per share | (0.09) | 1.63 | 1.09 | (0.09) | 1.24 |
| Recurring cash flow per share | (0.05) | 1.42 | 4.36 | 4.86 | 5.13 |

| Balance Sheet (THB m) Year Ending Dec | 2019 | 2020 | 2021E | 2022E | 2023E |
|---|----------------|----------------|----------------|----------------|----------------|
| Tangible fixed assets (gross) | 93,339 | 112,066 | 132,966 | 153,838 | 176,165 |
| Less: Accumulated depreciation | (34,543) | (34,543) | (50,699) | (69,608) | (91,366) |
| Tangible fixed assets (net) | 58,796 | 77,523 | 82,267 | 84,230 | 84,798 |
| Intangible fixed assets (net) | 460 | 94 | 94 | 94 | 94 |
| Long-term financial assets | - | - | - | - | - |
| Invest. in associates & subsidiaries | 49,104 | 50,761 | 51,855 | 52,904 | 53,103 |
| Cash & equivalents | 16,388 | 21,941 | 24,850 | 21,507 | 24,893 |
| A/C receivable | 7,415 | 7,482 | 7,863 | 7,786 | 8,329 |
| Inventories | 3,759 | 3,045 | 2,132 | 2,063 | 2,207 |
| Other current assets | 13,533 | 14,833 | 14,833 | 14,833 | 14,833 |
| Current assets | 41,095 | 47,301 | 49,679 | 46,189 | 50,262 |
| Other assets | 108,134 | 105,969 | 86,126 | 91,394 | 89,195 |
| Total assets | 257,589 | 281,648 | 270,022 | 274,810 | 277,453 |
| Common equity | 72,195 | 62,344 | 66,991 | 71,081 | 68,064 |
| Minorities etc. | 18,286 | 22,211 | 24,458 | 26,471 | 29,701 |
| Total shareholders' equity | 90,481 | 84,555 | 91,449 | 97,551 | 97,765 |
| Long term debt | 103,749 | 112,559 | 123,415 | 122,315 | 124,815 |
| Other long-term liabilities | 16,285 | 18,129 | 17,915 | 17,704 | 17,494 |
| Long-term liabilities | 120,034 | 130,687 | 141,330 | 140,020 | 142,309 |
| A/C payable | 1,798 | 2,025 | 2,003 | 2,000 | 2,139 |
| Short term debt | 29,964 | 49,140 | 20,000 | 20,000 | 20,000 |
| Other current liabilities | 15,312 | 15,240 | 15,240 | 15,240 | 15,240 |
| Current liabilities | 47,074 | 66,405 | 37,242 | 37,240 | 37,379 |
| Total liabilities and shareholders' equity | 257,589 | 281,648 | 270,022 | 274,810 | 277,452 |
| Net working capital | 7,597 | 8,096 | 7,586 | 7,442 | 7,989 |
| Invested capital | 224,090 | 242,442 | 227,929 | 236,064 | 235,180 |

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

Per share (THB)

| | | | | | |
|-------------------------------|-------|-------|-------|-------|-------|
| Book value per share | 13.99 | 12.08 | 12.98 | 13.77 | 13.19 |
| Tangible book value per share | 13.90 | 12.06 | 12.96 | 13.75 | 13.17 |

Financial strength

| | | | | | |
|---------------------------|-------|-------|-------|-------|-------|
| Net debt/equity (%) | 129.7 | 165.3 | 129.7 | 123.8 | 122.7 |
| Net debt/total assets (%) | 45.5 | 49.6 | 43.9 | 44.0 | 43.2 |
| Current ratio (x) | 0.9 | 0.7 | 1.3 | 1.2 | 1.3 |
| CF interest cover (x) | 2.3 | 12.1 | 5.5 | 4.4 | 5.7 |

| Valuation | 2019 | 2020 | 2021E | 2022E | 2023E |
|---|---------------|---------------|------------|------------|------------|
| Recurring P/E (x) * | (16.3) | (20.3) | 8.5 | 9.0 | 8.4 |
| Recurring P/E @ target price (x) * | (17.8) | (22.2) | 9.3 | 9.9 | 9.2 |
| Reported P/E (x) | (119.5) | (37.0) | 8.9 | 9.5 | 8.9 |
| Dividend yield (%) | 4.7 | 3.9 | 4.5 | 4.1 | 5.1 |
| Price/book (x) | 0.9 | 1.1 | 1.0 | 0.9 | 1.0 |
| Price/tangible book (x) | 0.9 | 1.1 | 1.0 | 0.9 | 1.0 |
| EV/EBITDA (x) ** | 25.4 | 24.6 | 8.7 | 8.1 | 7.3 |
| EV/EBITDA @ target price (x) ** | 26.1 | 25.2 | 8.9 | 8.4 | 7.5 |
| EV/invested capital (x) | 0.9 | 0.9 | 0.9 | 0.9 | 0.9 |

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

Sources: Banpu; FSSIA estimates

Corporate Governance report of Thai listed companies 2020

| EXCELLENT LEVEL | | | | | | | | | | |
|-----------------|--------|--------|-------|-------|-------|--------|--------|--------|--------|--------|
| AAV | ADVANC | AF | AIRA | AKP | AKR | ALT | AMA | AMATA | AMATAV | ANAN |
| AOT | AP | ARIP | ARROW | ASP | BAFS | BANPU | BAY | BCP | BCPG | BDMS |
| BEC | BEM | BGRIM | BIZ | BKI | BLA | BOL | BPP | BRR | BTS | BWG |
| CENTEL | CFRESH | CHEWA | CHO | CIMBT | CK | CKP | CM | CNT | COL | COMAN |
| COTTO | CPALL | CPF | CPI | CPN | CSS | DELTA | DEMCO | DRT | DTAC | DTC |
| DV8 | EA | EASTW | ECF | ECL | EGCO | EPG | ETE | FNS | FPI | FPT |
| FSMART | GBX | GC | GCAP | GEL | GFPT | GGC | GPSC | GRAMMY | GUNKUL | HANA |
| HARN | HMPRO | ICC | ICI | III | ILINK | INTUCH | IRPC | IVL | JKN | JSP |
| JWD | K | KBANK | KCE | KKP | KSL | KTB | KTC | LANNA | LH | LHFG |
| LIT | LPN | MAKRO | MALEE | MBK | MBKET | MC | MCOT | METCO | MFEC | MINT |
| MONO | MOONG | MSC | MTC | NCH | NCL | NEP | NKI | NOBLE | NSI | NVD |
| NYT | OISHI | ORI | OTO | PAP | PAP | PCSGH | PDJ | PHOL | PLANB | PLANET |
| PLAT | PORT | PPS | PR9 | PREB | PRG | PRM | PSH | PSL | PTG | PTT |
| PTTEP | PTTGC | PYLON | Q-CON | QH | QTC | RATCH | RS | S | S & J | SAAM |
| SABINA | SAMART | SAMTEL | SAT | SC | SCB | SCC | SCCC | SCG | SCN | SDC |
| SEAFCO | SEAOIL | SE-ED | SELIC | SENA | SIRI | SIS | SITHAI | SMK | SMPC | SNC |
| SONIC | SORKON | SPALI | SPI | SPRC | SPVI | SSSC | SST | STA | SUSCO | SUTHA |
| SVI | SYMC | SYNTEC | TACC | TASCO | TCAP | TFMAMA | THANA | THANI | THCOM | THG |
| THIP | THRE | THREL | TIP | TIPCO | TISCO | TK | TKT | TMB | TMILL | TNDT |
| TNL | TOA | TOP | TPBI | TQM | TRC | TSC | TSR | TSTE | TSTH | TTA |
| TTCL | TTW | TU | TVD | TVI | TVO | TWPC | U | UAC | UBIS | UV |
| VGI | VIH | WACOAL | WAVE | WHA | WHAUP | WICE | WINNER | TRUE | | |

| VERY GOOD LEVEL | | | | | | | | | | |
|-----------------|---------|--------|-------|--------|-------|--------|--------|--------|--------|-------|
| 2S | ABM | ACE | ACG | ADB | AEC | AEONTS | AGE | AH | AHC | AIT |
| ALLA | AMANAHA | AMARIN | APCO | APCS | APURE | AQUA | ASAP | ASEFA | ASIA | ASIAN |
| ASIMAR | ASK | ASN | ATP30 | AUCT | AWC | AYUD | B | BA | BAM | BBL |
| BFIT | BGC | BJC | BJCHI | BROOK | BTW | CBG | CEN | CGH | CHARAN | CHAYO |
| CHG | CHOTI | CHOW | CI | CIG | CMC | COLOR | COM7 | CPL | CRC | CRD |
| CSC | CSP | CWT | DCC | DCON | DDD | DOD | DOHOME | EASON | EE | ERW |
| ESTAR | FE | FLOYD | FN | FORTH | FSS | FTE | FVC | GENCO | GJS | GL |
| GLAND | GLOBAL | GLOCON | GPI | GULF | GYT | HPT | HTC | ICN | IFS | ILM |
| IMH | INET | INSURE | IRC | IRCP | IT | ITD | ITEL | J | JAS | JCK |
| JCKH | JMART | JMT | KBS | KCAR | KGI | KIAT | KOOL | KTIS | KWC | KWM |
| L&E | LALIN | LDC | LHK | LOXLEY | LPH | LRH | LST | M | MACO | MAJOR |
| MBAX | MEGA | META | MFC | MGT | MILL | MITSIB | MK | MODERN | MTI | MVP |
| NETBAY | NEX | NINE | NTV | NWR | OCC | OGC | OSP | PATO | PB | PDG |
| PDI | PICO | PIMO | PJW | PL | PM | PPP | PRIN | PRINC | PSTC | PT |
| QLT | RCL | RICHY | RML | RPC | RWI | S11 | SALEE | SAMCO | SANKO | SAPPE |
| SAWAD | SCI | SCP | SE | SEG | SFP | SGF | SHR | SIAM | SINGER | SKE |
| SKR | SKY | SMIT | SMT | SNP | SPA | SPC | SPCG | SR | SRICHA | SSC |
| SSF | STANLY | STI | STPI | SUC | SUN | SYNEX | T | TAE | TAKUNI | TBSP |
| TCC | TCMC | TEAM | TEAMG | TFG | TIGER | TITLE | TKN | TKS | TM | TMC |
| TMD | TMI | TMT | TNITY | TNP | TNR | TOG | TPA | TPAC | TPCORP | TPOLY |
| TPS | TRITN | TRT | TRU | TSE | TVT | TWP | UEC | UMI | UOBKH | UP |
| UPF | UPOIC | UT | UTP | UWC | VL | VNT | VPO | WIJK | WP | XO |
| YUASA | ZEN | ZIGA | ZMICO | | | | | | | |

| GOOD LEVEL | | | | | | | | | | |
|------------|------|--------|--------|-------|--------|-------|-------|--------|--------|-------|
| 7UP | A | ABICO | AJ | ALL | ALUCON | AMC | APP | ARIN | AS | AU |
| B52 | BC | BCH | BEAUTY | BGT | BH | BIG | BKD | BLAND | BM | BR |
| BROCK | BSBM | BSM | BTNC | CAZ | CCP | CGD | CITY | CMAN | CMO | CMR |
| CPT | CPW | CRANE | CSR | D | EKH | EP | ESSO | FMT | GIFT | GREEN |
| GSC | GTB | HTECH | HUMAN | IHL | INOX | INSET | IP | JTS | JUBILE | KASET |
| KCM | KKC | KUMWEL | KUN | KWG | KYE | LEE | MATCH | MATI | M-CHAI | MCS |
| MDX | MJD | MM | MORE | NC | NDR | NER | NFC | NNCL | NPK | NUSA |
| OCEAN | PAF | PF | PK | PLE | PMTA | POST | PPM | PRAKIT | PRECHA | PRIME |
| PROUD | PTL | RBF | RCI | RJH | ROJNA | RP | RPH | RSP | SF | SFLEX |
| SGP | SISB | SKN | SLP | SMART | SOLAR | SPG | SQ | SSP | STARK | STC |
| SUPER | SVOA | TC | TCCC | THMUI | TIW | TNH | TOPP | TPCH | TIPIP | TPLAS |
| TTI | TYCN | UKEM | UMS | VCOM | VRANDA | WIN | WORK | WPH | | |

Description

Score Range

Excellent

90-100

Very Good

80-89

Good

70-79

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 2020

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

| DECLARED | | | | | | | | | | |
|----------|-------|-------|--------|--------|-------|--------|-------|-------|-------|--------|
| 7UP | ABICO | AF | ALT | AMARIN | AMATA | AMATAV | ANAN | APURE | B52 | BKD |
| BM | BROCK | BUI | CHO | CI | COTTO | DDD | EA | EFORL | EP | ERW |
| ESTAR | ETE | EVER | FSMART | GPI | ILINK | IRC | J | JKN | JMART | JMT |
| JSP | JTS | KWG | LDC | MAJOR | META | NCL | NOBLE | NOK | PK | PLE |
| ROJNA | SAAM | SAPPE | SCI | SE | SHANG | SINGER | SKR | SPALI | SSP | STANLY |
| SUPER | SYNEX | THAI | TKS | TOPP | TRITN | TTA | UPF | UV | WIN | ZIGA |

| 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

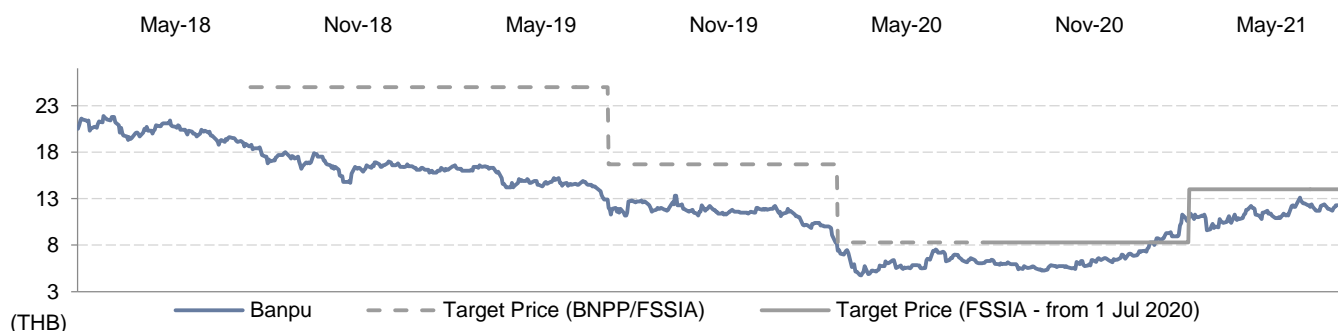
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

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

| Company | Ticker | Price | Rating | Valuation & Risks |
|---------|----------|-----------|--------|--|
| Banpu | BANPU TB | THB 12.80 | 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 |

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 10-May-2021 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.