

14 MAY 2021

THAILAND / UTILITIES - RENEWABLES

GUNKUL ENGINEERING

GUNKUL TB

BUY

UNCHANGED

TARGET PRICE	THB5.10
CLOSE	THB3.64
UP/DOWNSIDE	+40.1%
TP vs CONSENSUS	+14.2%

ถูกจุดโดยกำไรขั้นต้นที่อ่อนแอของ EPC

ผลประกอบการดีตามคาด

GUNKUL รายงานกำไรสุทธิ (NP) 1Q21 ที่ 0.6พัน ลบ. (+38.6% y-y, -64% q-q) เนื่องจากไม่มีกำไรจากการขายเงินลงทุนจำนวน 1.1พัน ลบ. จากโรงไฟฟ้าพลังแสงอาทิตย์ Iwakuni กำลังการผลิต 75MW ในญี่ปุ่นเหมือนใน 4Q20 เมื่อหักกำไรจากตราสารอนุพันธ์จำนวน 255 ลบ. และผลขาดทุน 121 ลบ. จากการลดทุนของบริษัทย่อย NP จากการดำเนินงานอยู่ที่ 0.5พัน ลบ. (+39% y-y, +18% q-q) สูงกว่าที่เราคาด 2% และตลาดคาด 6% จากกำไรที่เพิ่มขึ้นของโรงไฟฟ้าพลังลม เมื่อเทียบ q-q กำไรขั้นต้น (GP) ของธุรกิจโรงไฟฟ้าพลังแสงอาทิตย์ ลม ธุรกิจซื้อขายไป รวมถึงธุรกิจออกแบบจัดหาพร้อมติดตั้ง (EPC) ลดลง เมื่อเทียบ y-y GP ของธุรกิจโรงไฟฟ้าเพิ่มเป็น 684 ลบ. (+32.7% y-y) และค่าบริการซ่อมบำรุงเพิ่มเป็น 39 ลบ. (+126% y-y) ซึ่งช่วยชดเชย GP's ที่อ่อนแอของธุรกิจบริการและการค้าที่ 57 ลบ. (-41% y-y) และ EPC ที่ 38 ลบ. (-22.5% y-y) ค่าใช้จ่ายดอกเบี้ยเพิ่ม 2.9% q-q และ 55% y-y เป็น 242 ลบ. จากค่าใช้จ่ายดอกเบี้ยที่สูงขึ้นสำหรับโครงการใหม่ ๆ

ผลประกอบการในธุรกิจโรงไฟฟ้าดีบ้างเสียบ้าง

โรงไฟฟ้าพลังลมรายงาน NPs 1Q21 อ่อนแอ อย่างไรก็ตามผลเสียดังกล่าวถูกชดเชยได้ด้วยผลดีจาก NPs ที่สูงขึ้นของโรงไฟฟ้าพลังแสงอาทิตย์ใหม่ในต่างประเทศ (กำลังการผลิตรวม 225MW) ประกอบด้วยโรงไฟฟ้าพลังแสงอาทิตย์ 2 แห่งกำลังการผลิต 65MW ในญี่ปุ่นและโรงไฟฟ้าพลังแสงอาทิตย์อีก 2 แห่งในเวียดนามประกอบด้วย Triviet 1 (60MW) และ Bach Khoa A Chau 1 (เริ่มดำเนินงานเชิงพาณิชย์ (COD) ในเดือน ก.พ. 20) และโรงไฟฟ้าพลังแสงอาทิตย์ในเวียดนาม (100MW) ที่เข้ามาใน 4Q20 ซึ่งใช้เงินทุนจากเงินสดที่ได้จากการขายโรงไฟฟ้าพลังแสงอาทิตย์ 2 แห่งในญี่ปุ่น รายได้กระโดดเพิ่ม 74% y-y เป็น 454 ลบ. จากปริมาณงานภาครัฐและเอกชนที่เพิ่มขึ้น EBITDA margin อยู่ที่ 49.9% เพิ่มจาก 38.5% ใน 4Q20 และ 47.7% ใน 1Q20 จากกำไรที่เพิ่มขึ้นของโรงไฟฟ้าพลังแสงอาทิตย์ที่มีอัตรากำไรสูงในต่างประเทศ

แนวโน้มดีขึ้นใน 2Q21 และ 2021

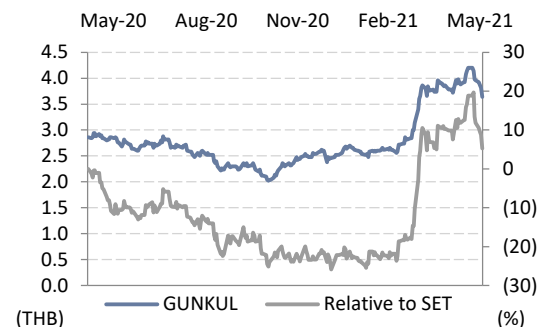
เราคาดว่าอัตราการเติบโตของ NP จากการดำเนินงานจะฟื้นตัวในปี 2021 จาก 1) กำไรธุรกิจโรงไฟฟ้าที่ดีขึ้นจากกระแสลมที่ดีขึ้นตามฤดูกาลและชั่วโมงแสงอาทิตย์ที่ยาวขึ้นของโรงไฟฟ้าพลังแสงอาทิตย์; และ 2) มูลค่างานในมือของธุรกิจ EPC ที่อยู่ในระดับสูงถึง 9พัน ลบ. จากการประมูลสถานีโรงไฟฟ้าย่อยและสายส่ง นอกจากนี้เรายังคาดว่าด้วยว่า GUNKUL จะพยายามซื้อและรวบรวมกิจการเพิ่มในปี 2021 หลังขายกิจการ 2 แห่งในปี 2020

กำลังรอระยะการเติบโตใหม่จากธุรกิจกัญชงภายใน 1Q22

เราคาดว่าแนวโน้มที่ราคาเป้าหมาย 5.1 บาท (SoTP) เราคาดว่า NP จากการดำเนินงานของ GUNKUL จะฟื้นตัวในปี 2022 จากผลประกอบการที่ดีของธุรกิจโรงไฟฟ้าและ NPs ที่สูงขึ้นจากธุรกิจ EPC และกัญชง

KEY STOCK DATA

YE Dec (THB m)	2020	2021E	2022E	2023E
Revenue	8,649	11,259	11,370	12,103
Net profit	3,412	2,595	3,102	3,361
EPS (THB)	0.38	0.29	0.35	0.38
vs Consensus (%)	-	16.0	12.9	21.4
EBITDA	3,439	4,516	4,905	5,290
Core net profit	1,189	2,595	3,102	3,361
Core EPS (THB)	0.13	0.29	0.35	0.38
EPS growth (%)	(54.2)	118.3	19.5	8.4
Core P/E (x)	27.2	12.5	10.4	9.6
Dividend yield (%)	5.0	4.9	4.9	4.9
EV/EBITDA (x)	15.9	11.8	10.4	9.2
Price/book (x)	2.6	2.4	2.2	1.9
Net debt/Equity (%)	179.4	151.8	121.6	93.4
ROE (%)	10.3	20.2	22.0	21.4



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(3.7)	38.9	30.9
Relative to country (%)	(4.1)	35.4	9.5
Mkt cap (USD m)			1,019
3m avg. daily turnover (USD m)			24.6
Free float (%)			44
Major shareholder		GUNKUL Group Plc (50%)	
12m high/low (THB)			4.24/2.00
Issued shares (m)			7,418.62

Sources: Bloomberg consensus; FSSIA estimates



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บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 14 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	1,577	2,803	2,046	(27.0)	29.7	8,649	11,259	30.2	Lower q-q due to lower revenue from EPC
Operating costs	(824)	(1,723)	(1,025)	(40.5)	24.3	(5,210)	(6,743)	29.4	Higher y-y due to higher EPC cost
EBITDA	753	1,080	1,021	(5.4)	35.7	3,439	4,516	31.3	Higher y-y due to higher power NPs
<i>EBITDA margin (%)</i>	47.7	38.5	49.9	<i>nm</i>	<i>nm</i>	39.8	40.1	<i>nm</i>	
Deprn & amort.	(328)	(350)	(375)	7.3	14.5	(1,353)	(1,119)	(17.3)	
EBIT	425	730	646	(11.6)	52.0	2,086	3,397	62.9	
Interest expense	(156)	(235)	(242)	2.9	55.1	(912)	(927)	1.7	Higher q-q due to higher debt
Interest & invt inc	5	(2)	1	(158.7)	(77.6)	11	88	709.2	
Other income	11	45	17	(61.5)	59.2	73	210	189.0	
Associates' contrib	76	(118)	86	(173.0)	13.3	77	130	67.8	
Exceptional	100	1,344	138	(89.8)	37.7	1	2	100.0	
Pretax profit	461	1,765	646	(63.4)	40.2	3,545	2,898	(18.2)	Lower q-q due to lower divestment gain
Tax	(21)	(70)	(33)	(53.2)	53.3	(119)	(198)	65.9	
<i>Tax rate (%)</i>	4.6	4.0	5.1	<i>nm</i>	<i>nm</i>	3.4	6.8	<i>nm</i>	
Minority interests	(1)	(2)	(5)	138.2	744.2	(13)	(105)	709.7	
Net profit	439	1,693	609	(64.0)	38.6	3,412	2,595	(24.0)	2% above our estimate, 6% below consensus forecast
Non-recurring	(95)	(1,288)	(131)	(89.9)	37.1	(2,224)	-	(100.0)	
Core net profit	344	404	478	18.2	39.0	1,189	2,595	118.3	
EPS (THB)	0.05	0.19	0.07	(64.0)	38.6	0.38	0.29	(24.0)	
Core EPS (THB)	0.04	0.05	0.05	18.2	39.0	0.13	0.29	118.3	

Sources: GUNKUL; FSSIA estimates

Exhibit 2: 1Q21 gross profit breakdown

Business	1Q20	4Q20	1Q21	----- Change -----	
	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)
Trading	95	79	57	(28.7)	(40.7)
Power	516	781	684	(12.4)	32.7
EPC	49	132	38	(71.6)	(22.5)
Maintenance service	17	73	39	(45.7)	125.7
Elimination	(41)	(50)	39	(178.3)	<i>nm</i>
Gross profit	637	1,015	857	(15.6)	34.6

Source: GUNKUL

Financial Statements

Gunkul Engineering

Profit and Loss (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Revenue	7,099	8,649	11,259	11,370	12,103
Cost of goods sold	(2,313)	(4,255)	(5,417)	(5,179)	(5,418)
Gross profit	4,786	4,394	5,842	6,192	6,686
Other operating income	-	-	-	-	-
Operating costs	(840)	(955)	(1,326)	(1,287)	(1,395)
Operating EBITDA	3,945	3,439	4,516	4,905	5,290
Depreciation	(1,137)	(1,353)	(1,119)	(1,139)	(1,159)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	2,808	2,086	3,397	3,765	4,131
Net financing costs	(872)	(915)	(839)	(783)	(776)
Associates	269	73	210	208	97
Recurring non-operating income	347	150	340	403	389
Non-recurring items	(20)	2,224	0	0	0
Profit before tax	2,263	3,545	2,898	3,385	3,744
Tax	(41)	(119)	(198)	(176)	(266)
Profit after tax	2,222	3,425	2,700	3,209	3,478
Minority interests	(75)	(13)	(105)	(107)	(117)
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
Reported net profit	2,147	3,412	2,595	3,102	3,361
Non-recurring items & goodwill (net)	20	(2,224)	0	0	0
Recurring net profit	2,167	1,189	2,595	3,102	3,361
Per share (THB)					
Recurring EPS *	0.29	0.13	0.29	0.35	0.38
Reported EPS	0.29	0.38	0.29	0.35	0.38
DPS	0.14	0.18	0.18	0.18	0.18
Diluted shares (used to calculate per share data)	7,420	8,883	8,883	8,883	8,883
Growth					
Revenue (%)	13.9	21.8	30.2	1.0	6.4
Operating EBITDA (%)	28.1	(12.8)	31.3	8.6	7.9
Operating EBIT (%)	21.2	(25.7)	62.9	10.8	9.7
Recurring EPS (%)	22.7	(54.2)	118.3	19.5	8.4
Reported EPS (%)	96.9	32.7	(24.0)	19.5	8.4
Operating performance					
Gross margin inc. depreciation (%)	51.4	35.2	41.9	44.4	45.7
Gross margin of key business (%)	51.4	35.2	41.9	44.4	45.7
Operating EBITDA margin (%)	55.6	39.8	40.1	43.1	43.7
Operating EBIT margin (%)	39.6	24.1	30.2	33.1	34.1
Net margin (%)	30.5	13.7	23.0	27.3	27.8
Effective tax rate (%)	2.1	3.4	7.4	5.5	7.3
Dividend payout on recurring profit (%)	46.6	136.0	61.6	51.5	47.6
Interest cover (X)	3.6	2.4	4.5	5.3	5.8
Inventory days	94.1	55.3	48.8	55.9	53.5
Debtor days	54.8	82.9	92.8	91.9	86.4
Creditor days	155.7	134.3	184.1	211.0	201.7
Operating ROIC (%)	9.7	6.4	(2.3)	(2.7)	(3.0)
ROIC (%)	8.3	5.4	(2.1)	(2.3)	(2.6)
ROE (%)	22.1	10.3	20.2	22.0	21.4
ROA (%)	7.9	4.5	5.6	6.8	7.1
* Pre exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Manufacturing and selling of equipment for electrical systems	1,468	1,188	1,500	1,000	1,200
Generating and selling electricity	3,715	5,031	6,117	6,158	6,691
Construction service	2,000	2,500	3,000	2,500	2,500
Maintenance service	131	145	145	145	145

Sources: Gunkul Engineering; FSSIA estimates

Financial Statements

Gunkul Engineering

Cash Flow (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Recurring net profit	2,167	1,189	2,595	3,102	3,361
Depreciation	1,137	1,353	1,119	1,139	1,159
Associates & minorities	269	73	210	208	97
Other non-cash items	-	-	-	-	-
Change in working capital	2,463	(4,192)	95	(115)	(10)
Cash flow from operations	6,036	(1,577)	4,019	4,334	4,608
Capex - maintenance	(1,137)	(1,353)	(399)	(424)	(449)
Capex - new investment	(1,549)	(2,376)	(101)	(76)	(51)
Net acquisitions & disposals	78	165	0	0	0
Other investments (net)	(530)	(707)	210	208	97
Cash flow from investing	(3,139)	(4,271)	(290)	(292)	(403)
Dividends paid	0	0	(1,617)	(1,599)	(1,599)
Equity finance	366	0	0	0	0
Debt finance	(1,249)	4,449	(3,638)	(1,353)	1,821
Other financing cash flows	(796)	1,574	(315)	(309)	(76)
Cash flow from financing	(1,680)	6,023	(5,570)	(3,261)	145
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	1,218	174	(1,841)	780	4,350
Free cash flow to firm (FCFF)	3,807.51	(4,936.97)	4,655.52	4,875.61	5,047.21
Free cash flow to equity (FCFE)	851.94	173.91	(224.42)	2,379.23	5,948.66

Per share (THB)

FCFF per share	0.51	(0.67)	0.63	0.66	0.68
FCFE per share	0.11	0.02	(0.03)	0.32	0.80
Recurring cash flow per share	0.48	0.29	0.44	0.50	0.52

Balance Sheet (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Tangible fixed assets (gross)	27,103	30,754	31,254	31,754	32,254
Less: Accumulated depreciation	(2,536)	(3,811)	(4,931)	(6,070)	(7,229)
Tangible fixed assets (net)	24,567	26,943	26,323	25,684	25,025
Intangible fixed assets (net)	4,117	3,578	3,578	3,578	3,578
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	1,731	1,566	1,566	1,566	1,566
Cash & equivalents	4,218	4,392	2,551	3,332	7,681
A/C receivable	1,063	2,864	2,864	2,864	2,864
Inventories	653	637	812	776	812
Other current assets	1,351	3,889	5,063	5,113	5,443
Current assets	7,285	11,782	11,289	12,084	16,799
Other assets	1,342	2,163	2,163	2,163	2,163
Total assets	39,042	46,032	44,919	45,075	49,131
Common equity	10,712	12,350	13,328	14,831	16,594
Minorities etc.	621	125	230	337	454
Total shareholders' equity	11,333	12,475	13,559	15,169	17,048
Long term debt	18,991	18,793	15,155	13,802	15,622
Other long-term liabilities	513	1,781	1,781	1,781	1,781
Long-term liabilities	19,504	20,574	16,936	15,583	17,403
A/C payable	726	2,404	3,061	2,926	3,061
Short term debt	3,328	7,975	7,975	7,975	7,975
Other current liabilities	4,151	2,604	3,390	3,423	3,644
Current liabilities	8,205	12,983	14,425	14,324	14,679
Total liabilities and shareholders' equity	39,042	46,032	44,919	45,075	49,131
Net working capital	(1,810)	2,383	2,288	2,403	2,413
Invested capital	29,947	36,632	35,918	35,394	34,745

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

Per share (THB)

Book value per share	1.44	1.39	1.50	1.67	1.87
Tangible book value per share	0.89	0.99	1.10	1.27	1.47

Financial strength

Net debt/equity (%)	159.7	179.4	151.8	121.6	93.4
Net debt/total assets (%)	46.4	48.6	45.8	40.9	32.4
Current ratio (x)	0.9	0.9	0.8	0.8	1.1
CF interest cover (x)	3.8	3.8	0.9	4.1	8.7

Valuation	2019	2020	2021E	2022E	2023E
Recurring P/E (x) *	12.5	27.2	12.5	10.4	9.6
Recurring P/E @ target price (x) *	17.5	38.1	17.5	14.6	13.5
Reported P/E (x)	12.6	9.5	12.5	10.4	9.6
Dividend yield (%)	3.7	5.0	4.9	4.9	4.9
Price/book (x)	2.5	2.6	2.4	2.2	1.9
Price/tangible book (x)	4.1	3.7	3.3	2.9	2.5
EV/EBITDA (x) **	11.6	15.9	11.8	10.4	9.2
EV/EBITDA @ target price (x) **	14.3	19.7	14.6	13.1	11.7
EV/invested capital (x)	1.5	1.5	1.5	1.4	1.4

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

Sources: Gunkul Engineering; 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	PCSGH	PDJ	PG	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	SEOIL	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

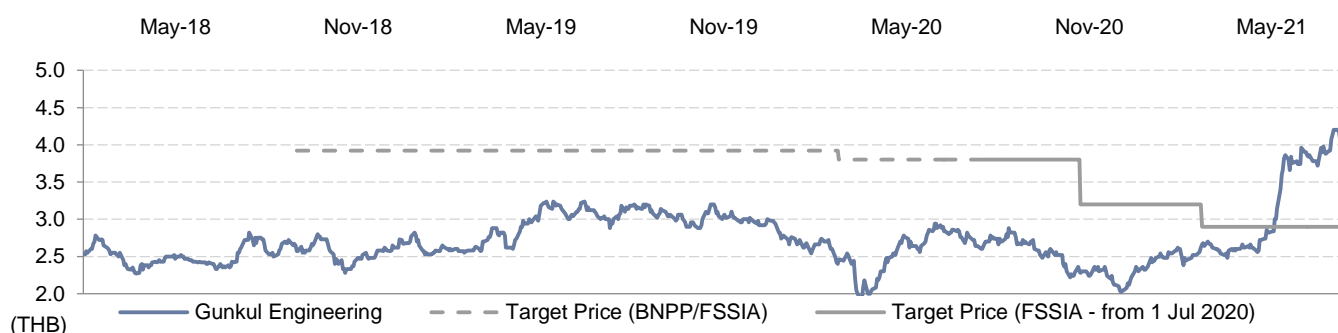
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

Gunkul Engineering (GUNKUL TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
15-Nov-2018	BUY	3.92	22-Sep-2020	BUY	3.20	06-May-2021	BUY	5.10
27-Feb-2020	BUY	3.80	05-Jan-2021	BUY	2.90			
14-May-2020	BUY	3.80	25-Feb-2021	BUY	2.90			

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
Gunkul Engineering	GUNKUL TB	THB 3.64	BUY	The downside risks to our SoTP-based TP on GUNKUL include 1) lower-than-expected demand for electricity in Thailand, 2) declining EPC backlogs, and 3) lower-than-expected utilisation rates for solar and wind farms

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-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.