

29 JULY 2021

THAILAND / UTILITIES - CONVENTIONAL

## ELECTRICITY GENERATING EGCO TB

**BUY**  
UNCHANGED

TARGET PRICE	THB245.00
CLOSE	THB172.00
UP/DOWNSIDE	+42.4%
PRIOR TP	THB245.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+4.5%

## คาดการณ์กำไรสุทธิจากการดำเนินงาน 2Q อยู่ในระดับสูง

## คาดการณ์กำไรจากการดำเนินงานดี แต่กำไรสุทธิอ่อนแอลงใน 2Q21

เราคาดว่า EGCO จะรายงานกำไรสุทธิ 2Q21 อยู่ที่ 1.5 พัน ลบ. (+164% q-q, -70% y-y) เมื่อหักผลขาดทุนจากอัตราแลกเปลี่ยนจำนวน 1.25 พัน ลบ. เราคาดว่ากำไรสุทธิจากการดำเนินงานจะเพิ่มขึ้นเป็น 2.7 พัน ลบ. (+72% q-q, -8.6% y-y) โดยมีปัจจัยผลักดันสำคัญอยู่ที่กำไรสุทธิที่สูงขึ้นจาก 1) โรงไฟฟ้าพลังน้ำ Xaiyaburi ที่เพิ่มเป็น 0.2 พัน ลบ. จากระดับนำที่สูงขึ้น; 2) โรงไฟฟ้า Paju ที่เพิ่มเป็น 0.3 พัน ลบ. เนื่องจากความต้องการเพิ่มสูงขึ้นและไม่มีการปิดซ่อมบำรุงยาว 1.5 เดือนเหมือนใน 2Q20; 3) โรงไฟฟ้า SBPL ที่เพิ่มเป็น 0.3 พัน ลบ. จากอัตราการเข้ากำลังการผลิตที่สูงขึ้น; 4) โรงไฟฟ้า Quezon ที่เพิ่มเป็น 0.9 พัน ลบ. จากความต้องการที่สูงขึ้น; 5) กำไรสุทธิ 1 เดือนจำนวน 50 ลบ. จากโรงไฟฟ้า Linden ในสหรัฐฯ เนื่องจากการซื้อหุ้น 28% ของโรงไฟฟ้า Linden ขนาด 972MW สำเร็จเมื่อวันที่ 4 มิ.ย. 21; และ 6) ผลขาดทุนจากอัตราแลกเปลี่ยนจำนวน 1.2 พัน ลบ. จากหนี้คงค้างจำนวน US\$1.6 พันล้าน ณ สิ้นไตรมาส 2Q21 หลังค่าเงินบาทอ่อนตัวเมื่อเทียบกับเงินเหรียญสหรัฐฯ

## กลยุทธ์การเติบโตเชิงรุกมากยิ่งขึ้น

ในปี 2021 EGCO ซื้อหุ้น 28% ในโรงไฟฟ้า Linden ในสหรัฐฯ เป็นเงิน USD200 ล้านและได้รับใบอนุญาตนำเข้า LNG จากรัฐบาลเพื่อนำเข้า LNG ไม่เกิน 0.2mt สำหรับโรงไฟฟ้าของบริษัท 3 แห่งซึ่งเราคาดว่าอาจประหยัดต้นทุนค่าก๊าซได้ 0.1-0.2 พัน ลบ. ต่อปี นอกจากนี้เรายังคาดว่าในปี 2022 EGCO มีแนวโน้มได้รับสัญญาซื้อขายไฟฟ้า (PPA) สำหรับโรงไฟฟ้า Khanom 5 ขนาด 1.6GW ที่ EGCO ขอสร้างในอัตรากำลังที่อยู่ที่ระดับต่ำจากท่าเลที่ตั้งที่ใกล้กับโรงไฟฟ้า Khanom 4 ขนาด 1GW ที่ดำเนินงานอยู่ในปัจจุบันซึ่งทำให้โรงไฟฟ้าทั้งสองสามารถใช้โครงสร้างพื้นฐาน เช่น สายส่ง คลังเก็บ LNG และท่อก๊าซ ร่วมกันได้ เราคาดว่าโรงไฟฟ้า Khanom 5 อาจเพิ่มกำไรสุทธิต่อปีได้ 1 พัน ลบ. และมูลค่า 20 บาท/หุ้นให้แก่ EGCO โดยมีสมมติฐานจากค่า EIRR ที่ 11%

## ยังมีโครงการเพื่อการเติบโตอีกหลายโครงการ

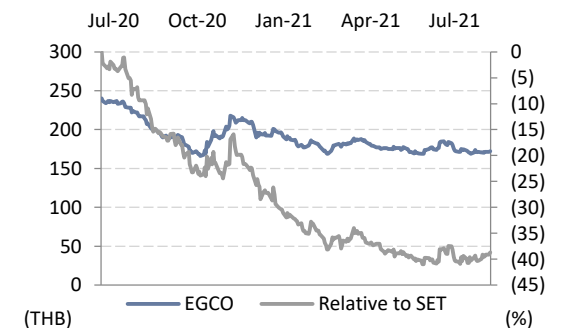
เราคาดว่าอัตราการเติบโตของกำไรสุทธิของ EGCO จะเพิ่มต่อเนื่องตั้งแต่ 2H21 เป็นต้นไป โดยมีปัจจัยผลักดันจาก 1) โรงไฟฟ้าพลังน้ำขนาด 1.8GW ของ Paju ในเกาหลีใต้จากการเพิ่มของความต้องการตามฤดูกาลที่กำลังจะมาถึง; 2) โรงไฟฟ้าพลังน้ำขนาด 1.28GW ของ Xayaburi (EGCO ถือหุ้น 12.5%) จากระดับนำที่อยู่ในระดับสูง ซึ่งจะผลักดันอัตราความสามารถในการผลิตไฟฟ้า (Capacity Factor) ให้สูงขึ้น; 3) โรงไฟฟ้าพลังลมนอกชายฝั่งขนาด 640MW ของ Yunlin ในไต้หวัน (ถือหุ้น 25%, กำหนดเริ่มดำเนินงานเชิงพาณิชย์ (COD) ใน 3Q21); 4) Thai Pipeline Network (not listed; ถือหุ้น 44.6%, COD ใน 4Q21); และ 5) โรงไฟฟ้าพลังน้ำขนาด 644MW ของ Nam Theun 1 (EGCO ถือหุ้น 25%) ในลาว (COD ใน 2Q22)

## กลยุทธ์เชิงรุกที่มากยิ่งขึ้นจะช่วยส่งเสริมการเติบโตให้เพิ่มมากยิ่งขึ้น

เราแนะนำราคาเป้าหมาย 245 บาท (SoTP) เราเชื่อว่า EGCO ยังมีแนวโน้มการเติบโตของกำไรสุทธิในระดับสูงโดยได้ปัจจัยหนุนจากโครงการใหม่ ๆ ของบริษัทฯ

## KEY STOCK DATA

YE Dec (THB m)	2020	2021E	2022E	2023E
Revenue	33,578	40,105	41,225	42,390
Net profit	8,733	13,061	17,076	16,531
EPS (THB)	16.59	24.81	32.43	31.40
vs Consensus (%)	-	24.5	44.5	51.1
EBITDA	8,838	11,360	14,359	13,632
Core net profit	8,215	13,061	17,076	16,531
Core EPS (THB)	15.60	24.81	32.43	31.40
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	(35.8)	59.0	30.7	(3.2)
Core P/E (x)	11.0	6.9	5.3	5.5
Dividend yield (%)	4.9	4.2	4.4	4.4
EV/EBITDA (x)	18.3	13.6	9.9	9.5
Price/book (x)	0.9	0.8	0.7	0.7
Net debt/Equity (%)	68.7	57.1	40.8	27.9
ROE (%)	7.9	12.3	14.5	12.7



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	0.0	(1.4)	(29.8)
Relative to country (%)	2.9	0.0	(38.8)
Mkt cap (USD m)	2,747		
3m avg. daily turnover (USD m)	8.6		
Free float (%)	50		
Major shareholder	EGAT (25%)		
12m high/low (THB)	249.00/163.50		
Issued shares (m)	526.47		

Sources: Bloomberg consensus; FSSIA estimates



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บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 29 กรกฎาคม 2021

## Investment thesis

EGCO is Thailand's second largest independent power producer (IPP) with a total contracted capacity of 5.5 GW in 2019. EGCO sells most of its electricity to the state-owned enterprise, the Electricity Generating Authority of Thailand (EGAT), on long-term power purchase agreements (PPA) that allow it to pass most of the demand and cost risks through to the buyer. While EGCO's power asset portfolio is diversified geographically, we think the company faces limited growth opportunities, as its key strength, the IPP business, is facing an oversupply in Thailand, and the trend in the power industry is changing in favour of smaller power plants and renewable power.

We believe EGCO's ROE and profitability will remain strong due to its continued acquisitions and its large IPP portfolio, which accounted for 43% of its total attributable capacity at end-2019. Thus, we expect EGCO to experience earnings growth over 2021-22.

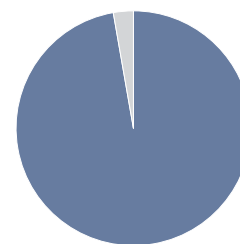
## Company profile

EGCO is one of Thailand's leading power producers with a large portfolio of power assets of IPPs, small power producers (SPPs) and renewable energy power plants located in Thailand, Indonesia, the Philippines, Laos and Australia.

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

## Principal activities (revenue, 2020)

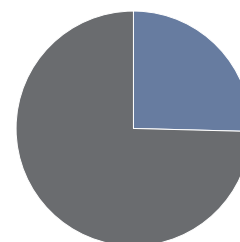
- Electricity generation - 97.2 %
- Other business - 2.8 %



Source: Electricity Generating

## Major shareholders

- EGAT - 25.4 %
- Others - 74.6 %



Source: Electricity Generating

## Catalysts

Key growth drivers include 1) higher utilisation rates of power plants; and 2) rising demand for electricity in Thailand, the Philippines and Indonesia.

## Risks to our call

Downside risks to our SoTP-based TP include 1) lower-than expected demand for electricity in Thailand; 2) delays in project commencement or commercial operation dates (COD); and 3) government intervention in electricity tariff subsidies.

## Event calendar

Date	Event
Aug 2021	2Q21 results announcement

## Key assumptions

	2021E	2022E	2023E
Tariff (THB/kWh)	3.00	3.12	3.24
Utilisation rate (%)	75.0	78.0	80.0

Source: FSSIA estimates

## Earnings sensitivity

- For every 1% increase in coal price, we estimate 2021 earnings would decline 2%, and vice versa, all else being equal.
- For every 1% increase in gas price, we estimate 2021 earnings would decline 1.1%, and vice versa, all else being equal.
- For every 1% increase in interest rate, we estimate 2021 earnings would decline 1.3%, and vice versa, all else being equal.

Source: FSSIA estimates



## Exhibit 1: 2Q21E preview

	2Q20	1Q21	----- 2Q21E -----			2020	2021E	Change
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)
<b>Revenue</b>	<b>9,087</b>	<b>7,109</b>	<b>8,176</b>	<b>15.0</b>	<b>(10.0)</b>	<b>33,578</b>	<b>40,105</b>	<b>19.4</b>
Operating costs	(6,514)	(5,442)	(5,785)	6.3	(11.2)	(22,126)	(25,624)	15.8
<b>EBITDA</b>	<b>2,573</b>	<b>1,667</b>	<b>2,391</b>	<b>43.4</b>	<b>(7.1)</b>	<b>8,838</b>	<b>11,360</b>	<b>28.5</b>
<i>EBITDA margin (%)</i>	28.3	23.4	29.2	<i>nm</i>	<i>nm</i>	26.3	28.3	<i>nm</i>
Depn & amort.	(783)	(759)	(762)	0.4	(2.6)	(3,131)	(3,174)	1.4
EBIT	1,790	908	1,629	79.4	(9.0)	5,707	8,186	43.4
Interest expense	1,187	(2,276)	(1,542)	(32.3)	<i>nm</i>	(4,221)	(4,144)	(1.8)
Interest & invt inc	-	-	-	<i>nm</i>	<i>nm</i>	-	-	<i>nm</i>
Other income	-	521	1,253	140.3	<i>nm</i>	2,079	2,590	24.6
Associates' contrib	1,477	1,721	1,785	3.7	20.8	5,699	7,306	28.2
Exceptionals	949	(286)	(1,245)	336.0	(231.2)	518	-	<i>nm</i>
<b>Pretax profit</b>	<b>5,404</b>	<b>588</b>	<b>1,880</b>	<b>219.7</b>	<b>(65.2)</b>	<b>9,782</b>	<b>14,110</b>	<b>44.2</b>
Tax	(322)	6	(324)	<i>nm</i>	0.6	(1,022)	(874)	(14.5)
<i>Tax rate (%)</i>	6.0	(0.9)	17.2	<i>nm</i>	<i>nm</i>	10.4	6.2	<i>nm</i>
Minority interests	(7)	(8)	(12)	49.4	73.9	(27)	(175)	551.4
<b>Net profit</b>	<b>5,075</b>	<b>585</b>	<b>1,544</b>	<b>163.6</b>	<b>(69.6)</b>	<b>8,733</b>	<b>13,061</b>	<b>49.6</b>
Non-recurring	2,108	(993)	(1,167)	17.6	<i>nm</i>	518	-	<i>nm</i>
<b>Core net profit</b>	<b>2,967</b>	<b>1,578</b>	<b>2,711</b>	<b>71.8</b>	<b>(8.6)</b>	<b>8,215</b>	<b>13,061</b>	<b>59.0</b>
EPS (THB)	9.64	1.11	2.93	163.6	(69.6)	16.59	24.81	49.6
Core EPS (THB)	5.64	3.00	5.15	71.8	(8.6)	15.60	24.81	59.0

Sources: EGCO; FSSIA estimates

## Exhibit 2: EGCO's key international acquisitions/divestments

Project	Plant type	Acquisition stake	Divestment stake	Announcement Date	Value
		(%)	(%)		(USD m)
Quezon (QPL) 1st acquisition	Coal fire	52		Dec 2010	215
Quezon (QPL) 2nd acquisition	Coal fire	46		May 2012	375
Baco Rock (BRWF)	Wind farm	100		Jun 2013	106
Masinloc (MPPCL) 1st acquisition	Coal fire	41		Jul 2014	453
Star Energy Geothermal (SEG)	Geothermal	20		2014	
Natural Energy Development (NED)	Solar	33.33		2015	40
Quezon (QPL) 3rd acquisition	Coal fire	2		Oct 2015	15
Masinloc (MPPCL) 2nd acquisition	Coal fire	8		Jul 2016	
Masinloc (MPPCL)	Coal fire		49	Mar 2018	850
Eastern Water (EASTW)	Water resources development and management		19	Mar 2018	174
Paju Energy Service (Paju ES)	Gas fire (IPP) + LNG terminal	49		Jan 2019	87
Linden Topco	Gas fire (IPP)	28		Jan 2021	200

Sources: EGCO; FSSIA estimates

## Financial Statements

### Electricity Generating

Profit and Loss (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Revenue	37,511	33,578	40,105	41,225	42,390
Cost of goods sold	(25,353)	(22,126)	(25,624)	(23,658)	(25,460)
<b>Gross profit</b>	<b>12,158</b>	<b>11,451</b>	<b>14,481</b>	<b>17,567</b>	<b>16,930</b>
Other operating income	-	-	-	-	-
Operating costs	(2,890)	(2,613)	(3,121)	(3,208)	(3,299)
<b>Operating EBITDA</b>	<b>9,268</b>	<b>8,838</b>	<b>11,360</b>	<b>14,359</b>	<b>13,632</b>
Depreciation	(3,067)	(3,131)	(3,174)	(3,250)	(3,327)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>6,201</b>	<b>5,707</b>	<b>8,186</b>	<b>11,109</b>	<b>10,305</b>
Net financing costs	(1,553)	(3,360)	(3,972)	(3,503)	(2,975)
Associates	6,405	4,838	7,306	8,316	8,018
Recurring non-operating income	9,076	6,917	9,896	10,906	10,608
Non-recurring items	262	518	0	0	0
<b>Profit before tax</b>	<b>13,986</b>	<b>9,782</b>	<b>14,110</b>	<b>18,512</b>	<b>17,938</b>
Tax	(859)	(1,022)	(874)	(1,246)	(1,202)
<b>Profit after tax</b>	<b>13,127</b>	<b>8,760</b>	<b>13,236</b>	<b>17,266</b>	<b>16,736</b>
Minority interests	(67)	(27)	(175)	(190)	(205)
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>13,059</b>	<b>8,733</b>	<b>13,061</b>	<b>17,076</b>	<b>16,531</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>(262)</b>	<b>(518)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>12,797</b>	<b>8,215</b>	<b>13,061</b>	<b>17,076</b>	<b>16,531</b>
<b>Per share (THB)</b>					
Recurring EPS *	24.31	15.60	24.81	32.43	31.40
Reported EPS	24.81	16.59	24.81	32.43	31.40
DPS	6.50	8.50	7.25	7.50	7.50
Diluted shares (used to calculate per share data)	526	526	526	526	526
<b>Growth</b>					
Revenue (%)	5.6	(10.5)	19.4	2.8	2.8
Operating EBITDA (%)	40.3	(4.6)	28.5	26.4	(5.1)
Operating EBIT (%)	80.2	(8.0)	43.4	35.7	(7.2)
Recurring EPS (%)	36.3	(35.8)	59.0	30.7	(3.2)
Reported EPS (%)	(38.0)	(33.1)	49.6	30.7	(3.2)
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	24.2	24.8	28.2	34.7	32.1
Gross margin of key business (%)	24.2	24.8	28.2	34.7	32.1
Operating EBITDA margin (%)	24.7	26.3	28.3	34.8	32.2
Operating EBIT margin (%)	16.5	17.0	20.4	26.9	24.3
Net margin (%)	34.1	24.5	32.6	41.4	39.0
Effective tax rate (%)	11.3	20.7	12.8	12.2	12.1
Dividend payout on recurring profit (%)	26.7	54.5	29.2	23.1	23.9
Interest cover (X)	9.8	3.8	4.6	6.3	7.0
Inventory days	-	-	-	-	-
Debtor days	45.8	45.8	45.6	48.0	50.3
Creditor days	49.3	43.5	38.6	43.1	39.9
Operating ROIC (%)	8.6	7.3	11.3	15.1	13.9
ROIC (%)	7.8	5.4	8.2	9.9	9.4
ROE (%)	12.5	7.9	12.3	14.5	12.7
ROA (%)	6.9	5.2	7.8	9.4	8.8
* Pre-exceptional, pre-goodwill and fully diluted					
<b>Revenue by Division (THB m)</b>					
Electricity generation	36,524	32,654	39,176	40,308	41,472
Other business	987	924	928	917	917

Sources: Electricity Generating; FSSIA estimates

## Financial Statements

### Electricity Generating

Cash Flow (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Recurring net profit	12,797	8,215	13,061	17,076	16,531
Depreciation	3,067	3,131	3,174	3,250	3,327
Associates & minorities	6,405	4,838	7,306	8,316	8,018
Other non-cash items	-	-	-	-	-
Change in working capital	1,258	(3,935)	(1,997)	(977)	(575)
<b>Cash flow from operations</b>	<b>23,527</b>	<b>12,250</b>	<b>21,543</b>	<b>27,664</b>	<b>27,300</b>
Capex - maintenance	(3,067)	(3,131)	(3,174)	(3,250)	(3,327)
Capex - new investment	(3,580)	(3,032)	(174)	(250)	(327)
Net acquisitions & disposals	(31,302)	(9,331)	0	0	0
Other investments (net)	21,474	10,714	7,306	8,316	8,018
<b>Cash flow from investing</b>	<b>(16,474)</b>	<b>(4,780)</b>	<b>3,958</b>	<b>4,815</b>	<b>4,364</b>
Dividends paid	(3,254)	(3,253)	(4,475)	(3,817)	(3,948)
Equity finance	0	0	0	0	0
Debt finance	(7,607)	3,108	(10,000)	(10,000)	(10,000)
Other financing cash flows	(10,582)	(10,576)	(14,089)	(15,940)	(15,177)
<b>Cash flow from financing</b>	<b>(21,442)</b>	<b>(10,720)</b>	<b>(28,564)</b>	<b>(29,757)</b>	<b>(29,126)</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
<b>Net other adjustments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Movement in cash</b>	<b>(14,389)</b>	<b>(3,251)</b>	<b>(3,063)</b>	<b>2,722</b>	<b>2,539</b>
Free cash flow to firm (FCFF)	8,306.30	11,690.31	29,645.11	36,123.56	34,809.08
Free cash flow to equity (FCFE)	(11,135.70)	1.90	1,411.81	6,538.85	6,487.29
<b>Per share (THB)</b>					
FCFF per share	15.78	22.21	56.31	68.62	66.12
FCFE per share	(21.15)	0.00	2.68	12.42	12.32
Recurring cash flow per share	42.30	30.74	44.71	54.40	52.95
<b>Balance Sheet (THB m) Year Ending Dec</b>					
Tangible fixed assets (gross)	81,165	76,050	79,050	82,050	85,050
Less: Accumulated depreciation	(28,384)	(26,300)	(29,474)	(32,724)	(36,051)
<b>Tangible fixed assets (net)</b>	<b>52,782</b>	<b>49,750</b>	<b>49,576</b>	<b>49,326</b>	<b>48,999</b>
<b>Intangible fixed assets (net)</b>	<b>11,702</b>	<b>10,907</b>	<b>10,907</b>	<b>10,907</b>	<b>10,907</b>
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	87,281	96,612	96,612	96,612	96,612
Cash & equivalents	20,488	17,237	14,174	16,896	19,435
A/C receivable	3,613	4,811	5,212	5,624	6,048
Inventories	0	0	0	0	0
Other current assets	11,693	12,864	15,364	15,793	16,240
<b>Current assets</b>	<b>35,794</b>	<b>34,911</b>	<b>34,750</b>	<b>38,313</b>	<b>41,723</b>
Other assets	20,963	22,257	22,257	22,257	22,257
<b>Total assets</b>	<b>208,523</b>	<b>214,438</b>	<b>214,103</b>	<b>217,416</b>	<b>220,498</b>
Common equity	104,490	102,243	110,829	124,088	136,670
Minorities etc.	616	591	766	956	1,161
<b>Total shareholders' equity</b>	<b>105,106</b>	<b>102,834</b>	<b>111,595</b>	<b>125,044</b>	<b>137,831</b>
Long term debt	78,986	76,716	66,716	56,716	46,716
Other long-term liabilities	11,951	18,597	18,597	18,597	18,597
<b>Long-term liabilities</b>	<b>90,937</b>	<b>95,313</b>	<b>85,313</b>	<b>75,313</b>	<b>65,313</b>
A/C payable	2,769	2,510	2,907	2,684	2,888
Short term debt	5,792	11,170	11,170	11,170	11,170
Other current liabilities	3,918	2,610	3,117	3,205	3,295
<b>Current liabilities</b>	<b>12,479</b>	<b>16,290</b>	<b>17,194</b>	<b>17,058</b>	<b>17,353</b>
<b>Total liabilities and shareholders' equity</b>	<b>208,523</b>	<b>214,438</b>	<b>214,103</b>	<b>217,416</b>	<b>220,498</b>
Net working capital	8,620	12,555	14,552	15,529	16,105
Invested capital	181,348	192,081	193,904	194,632	194,880
* Includes convertibles and preferred stock which is being treated as debt					
<b>Per share (THB)</b>					
Book value per share	198.48	194.21	210.52	235.70	259.60
Tangible book value per share	176.25	173.49	189.80	214.98	238.88
<b>Financial strength</b>					
Net debt/equity (%)	61.2	68.7	57.1	40.8	27.9
Net debt/total assets (%)	30.8	32.9	29.8	23.5	17.4
Current ratio (x)	2.9	2.1	2.0	2.2	2.4
CF interest cover (x)	(3.9)	1.9	1.4	2.9	3.3
<b>Valuation</b>					
<b>Recurring P/E (x) *</b>	<b>7.1</b>	<b>11.0</b>	<b>6.9</b>	<b>5.3</b>	<b>5.5</b>
<b>Recurring P/E @ target price (x) *</b>	<b>10.1</b>	<b>15.7</b>	<b>9.9</b>	<b>7.6</b>	<b>7.8</b>
Reported P/E (x)	6.9	10.4	6.9	5.3	5.5
Dividend yield (%)	3.8	4.9	4.2	4.4	4.4
Price/book (x)	0.9	0.9	0.8	0.7	0.7
Price/tangible book (x)	1.0	1.0	0.9	0.8	0.7
EV/EBITDA (x) **	16.8	18.3	13.6	9.9	9.5
EV/EBITDA @ target price (x) **	20.9	22.7	17.0	12.6	12.4
EV/invested capital (x)	0.9	0.8	0.8	0.7	0.7
* Pre-exceptional, pre-goodwill and fully diluted    ** EBITDA includes associate income and recurring non-operating income					

Sources: Electricity Generating; 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	ICHI	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	MITSI	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	WIIK	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	HL	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	AMANA	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	SEAOL	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

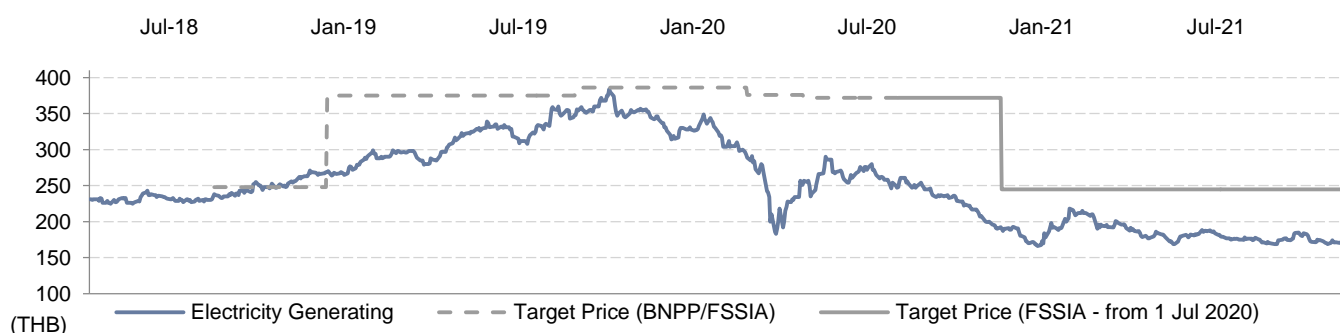
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

#### Electricity Generating (EGCO TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
15-Nov-2018	HOLD	248.00	21-Feb-2020	BUY	376.00	28-Sep-2020	BUY	245.00
21-Feb-2019	BUY	375.00	10-Apr-2020	BUY	372.00			
25-Sep-2019	BUY	386.00	10-Apr-2020	BUY	372.00			

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
Electricity Generating	EGCO TB	THB 172.00	BUY	Downside risks to our SoTP-based TP include 1) lower-than expected demand for electricity in Thailand; 2) delays in project commencement or commercial operation dates (COD); and 3) government intervention in electricity tariff subsidies.

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 27-Jul-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.