EQUITY RESEARCH - COMPANY REPORT

FINANSIA
FSS INTERNATIONAL INVESTMENT ADVISORY

2 AUGUST 2021

THAILAND / UTILITIES - RENEWABLES

GUNKUL ENGINEERING GUNKUL TB

BUY
UNCHANGED

TARGET PRICE	THB5.40
CLOSE	THB4.64
UP/DOWNSIDE	+16.4%
PRIOR TP	THB5.10
CHANGE IN TP	+5.9%
TP vs CONSENSUS	+6.6%

กลยุทธ์เพื่อการเติบโตสำหรับกัญชง

กำไรสุทธิยังมีแนวโน้มโตดี

เราเชื่อว่ากำไรของ GUNKUL จะยังอยู่ในระดับสูงในปี 2021-23 โดยได้ปัจจัยผลักดันจาก 1) มูลค่างานในมือที่อยู่ในระดับสูงถึง 1 หมื่น ลบ. ของธุรกิจออกแบบจัดหาพร้อมติดตั้ง (EPC) ซึ่งไม่เกิน 1พัน ลบ. ของยอดดังกล่าวมีกำหนดบันทึกเป็นรายได้ใน 2H21 เทียบกับเพียง 0.7พัน ลบ. ใน 1H21; 2) อัตราความสามารถในการผลิตไฟฟ้า (CF) ที่สูงขึ้นของโรงไฟฟ้าพลังลมใน 2H21 จากกระแสลมที่แรงขึ้นตามฤดูกาล; และ 3) การเริ่มดำเนินงานของกิจการทำสวนกัญชงใน 1Q22 ซึ่งมีกลยุทธ์เพื่อการเติบโตจากการมีพันธมิตรที่เหมาะสม ถูกเวลา และมีสินค้าอันเป็นที่ต้องการของตลาด

จุดเริ่มต้นของธุรกิจกัญชงที่สดใส

เราเชื่อว่ากิจการทำสวนกัญชงของ GUNKUL จะเป็นปัจจัยผลักดันการเติบโตที่สำคัญที่สุดนับตั้งแต่ปี 2022 เป็นต้นไป ด้วย 3 ใบอนุญาตที่จำเป็นสำหรับการนำเข้า ทำไร่ และสกัดกัญชงที่จะได้รับในเดือน ส.ค. ก.ย. และ ธ.ค. 21 ตามลำดับ ในขณะที่บริษัทฯ มีแผนวางตลาด CBD สกัดรอบแรกจากไร่กัญชงของบริษัทฯ ใน 1Q22 เราคิดว่า GUNKUL น่าจะค่อย ๆ ได้ส่วนแบ่งกำไรสุทธิจากธุรกิจกัญชงในระดับไม่เกิน 0.9พัน ลบ. ต่อปีในปี 2022-23 จากความต้องการที่อยู่ในระดับสูงในประเทศไทย

กำไรสุทธิ 2Q21 อาจยังอยู่ในระดับสูงถึง 610 ลบ.

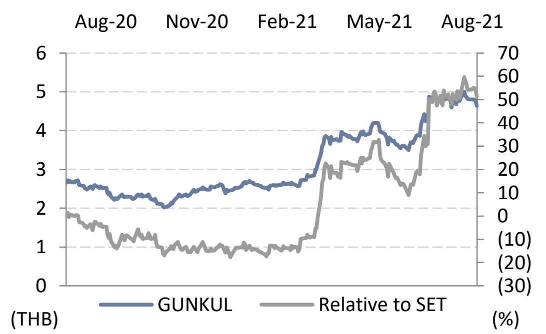
เราคาดว่ากำไรสุทธิ 2Q21 จะออกมาที่ 610 ลบ. (+0.2% q-q, +119% y-y) และกำไรสุทธิจากการดำเนินงานจะเพิ่มเป็น 480 ลบ. (+0.4% q-q, +52% y-y) โดยเราคาดว่ามีปัจจัยผลักดันประกอบด้วย 1) ยอดขายจากธุรกิจการค้าจะสูงขึ้น 40% q-q และสร้างกำไรขั้นต้นที่ 0.1พัน ลบ.; 2) กำไรขั้นต้นจากธุรกิจไฟฟ้าจะเพิ่มเล็กน้อยเป็น 0.7พัน ลบ. โดยได้ปัจจัยผลักดันจาก CF ที่สูงขึ้นของโรงไฟฟ้าพลังแสงอาทิตย์ในประเทศไทยและญี่ปุ่น ซึ่งจะชดเชยการผลิตที่ลดลงเล็กน้อยของโรงไฟฟ้าพลังลม; 3) ส่วนแบ่งเต็มไตรมาสจากโรงไฟฟ้าพลังแสงอาทิตย์ในเวียดนาม; 4) รายได้ธุรกิจ EPC ที่ลดลง 50 ลบ. และกำไรขั้นต้นที่ 35 ลบ. ซึ่งลดลงจาก 38 ลบ. ใน 1Q21; และ 5) กำไรจากอัตราแลกเปลี่ยนที่ 110 ลบ. ซึ่งลดลงจาก 250 ลบ. ใน 1Q21

หนึ่งในหุ้นกัญชงรายแรก ๆ ของไทย

เราคงคำแนะนำซื้อหลังปรับเพิ่มราคาเป้าหมายจาก 5.1 เป็น 5.4 บาท (SoTP) ราคาดังกล่าวรวมมูลค่า 1.9 บาทของธุรกิจกัญชง (15x ของค่า 2022E P/E) และการปรับประมาณการหนี้สุทธิไปในปี 2022 เราเห็นว่า GUNKUL ยังเป็นหุ้นเติบโตที่น่าสนใจ โดยจะได้ปัจจัยผลักดันจากการเติบโตของกำไรสุทธิที่ดีใน 2H21 จากธุรกิจไฟฟ้าและ EPC รวมถึงการเติบโตระยะยาวจากการเริ่มดำเนินงานของกิจการทำสวนกัญชงในปี 2022 และศักยภาพในการเติบโตซึ่งเรามองว่าตลาดยังประเมินไว้ต่ำเกินไป

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
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	(54.2)	118.3	19.5	8.4
Core P/E (x)	34.7	15.9	13.3	12.3
Dividend yield (%)	3.9	3.9	3.9	3.9
EV/EBITDA (x)	18.5	13.7	12.2	10.9
Price/book (x)	3.3	3.1	2.8	2.5
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 (%)	(1.7)	10.5	74.4
Relative to country (%)	2.6	14.9	50.8

Mkt cap (USD m)	1,254
3m avg. daily turnover (USD m)	53.1
Free float (%)	44
Major shareholder	GUNKUL Group Plc (50%)
12m high/low (THB)	5.10/2.00
Issued shares (m)	7,418.62

Sources: Bloomberg consensus; FSSIA estimates

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บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 2 สิงหาคม 2021

Investment thesis

GUNKUL is well positioned to capture Thailand's renewable energy (solar and wind power) growth, both as an operator and through engineering, procurement and construction (EPC), in our view. Its core power equipment trading business could further benefit from the LED boom, while its strong ties with the Myanmar government (20-year relationship) could enhance its earnings growth from power plants.

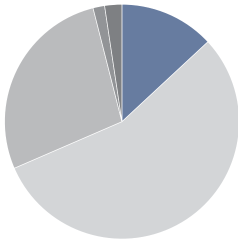
We expect contributions from the low-risk, high margin power business (including solar and wind power projects) to rise from 60% of its total net profit in 2017 to 92% in 2022. GUNKUL is poised to register strong earnings growth, in our view, driven by potential net profit growth from its renewable power projects in Vietnam and higher net profits from its EPC backlog of THB11b from large-scale bidding for power substations and transmission lines. GUNKUL is likely to also see net profit growth from its new cannabis venture in 2022 onward.

Company profile

GUNKUL is one of the largest renewable plays in Thailand with capacities for solar, wind, and gas engine power plants in Thailand and Myanmar.

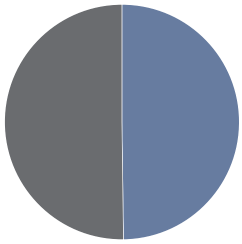
www.gunkul.com

Principal activities (revenue, 2020)



Source: Gunkul Engineering

Major shareholders



Source: Gunkul Engineering

Catalysts

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

Risks to our call

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.

Event calendar

Date	Event
Aug 2021	2Q21 results announcement

Key assumptions

	2021E	2022E	2023E
EPC revenue (THB m)	1,500	1,000	1,200
Trading revenue (THB m)	1,483	1,483	1,483
Cannabis CBD production (kg)	4,752	11,880	11,880

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in gas price, we estimate 2021 earnings would rise by 1.1%, and vice versa, all else being equal.
- For every 1% increase in interest rate, we estimate 2021 earnings would fall by 1.3%, and vice versa, all else being equal.
- For every 1% increase in power utilisation rate, we estimate 2021 earnings would rise by 1.3%, and vice versa, all else being equal.

Source: FSSIA estimates

Exhibit 1: 2Q21E preview

	2Q20	1Q21	---------------- 2Q21E	------------------		6M20	6M21E	*Change*	2021E
	(THB m)	(THB m)	(THB m)	*(q-q%)*	*(y-y%)*	(THB m)	(THB m)	*(y-y%)*	(THB m)
Revenue	**1,712**	**2,046**	**2,245**	***9.7***	***31.2***	**3,289**	**4,291**	***30.5***	**11,259**
Operating costs	(877)	(1,025)	(1,145)	*11.8*	*30.6*	(1,701)	(2,170)	*27.6*	(6,743)
EBITDA	**835**	**1,021**	**1,100**	***7.7***	***31.7***	**1,588**	**2,121**	***33.6***	**4,516**
EBITDA margin (%)	*48.8*	*49.9*	*49.0*	*nm*	*nm*	*48.3*	*49.4*	*nm*	*40.1*
Depn & amort.	(337)	(375)	(378)	*0.7*	*12.3*	(665)	(753)	*13.4*	(1,119)
EBIT	498	646	722	*11.8*	*44.9*	923	1,368	*48.2*	3,397
Interest expense	(257)	(242)	(245)	*1.4*	*(4.6)*	(413)	(487)	*17.9*	(927)
Interest & invt inc	5	1	2	*65.7*	*(60.2)*	10	3	*(69.2)*	88
Other income	21	17	45	*158.7*	*112.7*	32	62	*94.5*	210
Associates' contrib	61	86	90	*4.8*	*46.5*	137	176	*28.1*	130
Exceptionals	(39)	138	35	*(74.6)*	*nm*	61	173	*181.8*	2
Pretax profit	**290**	**646**	**649**	***0.4***	***123.4***	**752**	**1,295**	***72.4***	**2,898**
Tax	(8)	(33)	(35)	*6.9*	*322.3*	(30)	(68)	*128.5*	(198)
Tax rate (%)	*2.9*	*5.1*	*5.4*	*nm*	*nm*	*3.9*	*5.2*	*nm*	*6.8*
Minority interests	(3)	(5)	(4)	*(21.0)*	*35.0*	(4)	(9)	*154.3*	(105)
Net profit	279	609	610	*0.2*	*118.5*	718	1,219	*69.6*	2,595
Non-recurring	38	(131)	(130)	*(0.5)*	*nm*	(58)	(261)	*351.5*	-
Core net profit	317	478	480	*0.4*	*51.5*	661	958	*45.0*	2,595
EPS (THB)	0.03	0.07	0.07	*0.2*	*118.5*	0.08	0.14	*69.6*	0.29
Core EPS (THB)	0.04	0.05	0.05	*0.5*	*51.5*	0.07	0.11	*45.0*	0.29

Sources: GUNKUL; FSSIA estimates

Exhibit 2: SoTP valuation

Cost of equity assumptions	(%)			Cost of debt assumptions	(%)
Risk-free rate	2.3			Pretax cost of debt	3.5
Market risk premium	8.5			Marginal tax rate	20.0
Stock beta	0.80				
Cost of equity, Ke	9.1			Net cost of debt, Kd	2.7
Weight applied	20.0			Weight applied	80.0
WACC (%)	4.0				
Sum-of-part valuation estimate	**THB m**	**THB/share**		**Comments**	
EPC	6,480	0.7		20x FY21E P/E, discount to industry average of 22x	
Trading	2,846	0.3		20x FY21E P/E, discount to industry average of 22x	
Solar power	18,022	2.0		DCF WACC 4%	
Wind power	20,936	2.4		DCF WACC 4%	
Gas engine power	535	0.1		DCF WACC 4%	
Cannabis	16,440	1.9		15x FY22E P/E	
Net cash	(18,445)	(2.1)		Net cash on hand at end 2022E	
Residual ordinary equity	**46,816**	**5.4**			

Sources: GUNKUL; FSSIA estimates

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)	2019	2020	2021E	2022E	2023E
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) *	**15.9**	**34.7**	**15.9**	**13.3**	**12.3**
Recurring P/E @ target price (x) *	**18.5**	**40.4**	**18.5**	**15.5**	**14.3**
Reported P/E (x)	16.0	12.1	15.9	13.3	12.3
Dividend yield (%)	2.9	3.9	3.9	3.9	3.9
Price/book (x)	3.2	3.3	3.1	2.8	2.5
Price/tangible book (x)	5.2	4.7	4.2	3.7	3.2
EV/EBITDA (x) **	13.5	18.5	13.7	12.2	10.9
EV/EBITDA @ target price (x) **	14.9	20.5	15.2	13.6	12.2
EV/invested capital (x)	1.8	1.7	1.7	1.7	1.7

* 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	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	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	AMANAH	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	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	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	TPIPP	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	AMANAH	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	WIIK	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)

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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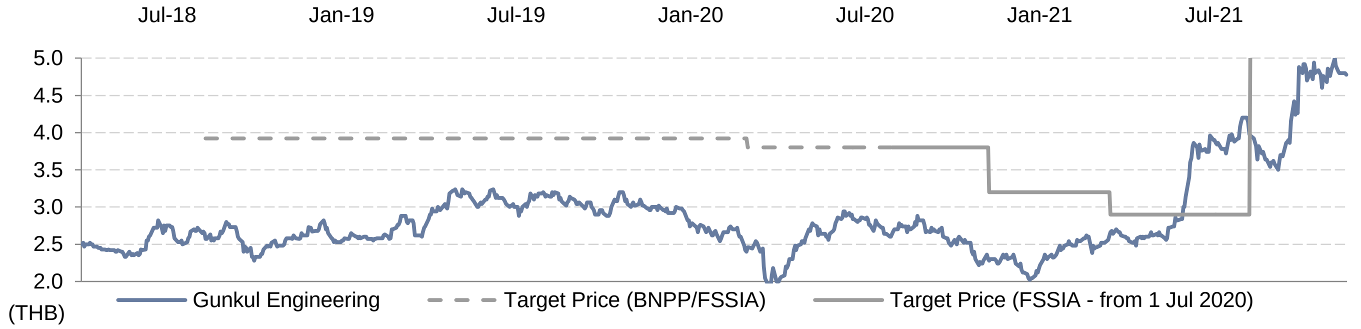
 Investment in securities has risks. Investors are advised to consider carefully before making investment decisions.

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 4.64	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 30-Jul-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.