FINANSIA ESS INTERNATIONAL INVESTMENT ADVISORY

5 AUGUST 2021 THAILAND / UTILITIES - CONVENTIONAL

GLOBAL POWER SYNERGY

GPSC TB



TARGET PRICE	THB100.00
CLOSE	THB81.50
UP/DOWNSIDE	+22.7%
PRIOR TP	THB112.00
CHANGE IN TP	-10.7%
TP vs CONSENSUS	+11.5%

จากการขยายมาเน้นการดำเนินงาน

ปรับความสำคัญจากการซื้อมาเห้นการดำเนินงาน

หลัง GPSC ประกาศซื้อ 2 กิจการในเดือน ก.ค. 21 ประกอบด้วยการซื้อหุ้น 41.6% ของ โรงไฟฟ้าพลังแสงอาทิตย์ Avaada ขนาด 1.4GW ในอินเดียและการซื้อหุ้น 25% ในโรงไฟฟ้า พลังลม CI ขนาด 595MW ในไต้หวัน เราคิดว่าในขณะนี้ได้เวลาที่นักลงทุนจะให้ความสนใจกับ อัตราการเติบโตของกำไรสุทธิ (NP) ของ GPSC นับตั้งแต่ 2Q21 เป็นตันไป แม้ว่าต้นทุนรวม สำหรับการซื้อทั้ง 2 รายการจะอยู่ที่ 30.3พัน ลบ. (USD0.9b) เราคิดว่า GPSC มีเงินพอที่จะใช้ จ่ายสำหรับการซื้อดังกล่าวโดยไม่ต้องเพิ่มทุน โดยเราเห็นว่ากำลังการผลิตตามส่วนการถือหุ้นที่ เพิ่มขึ้นรวม 1.8GW จากการซื้อที่กำลังจะเกิดขึ้นทั้ง 2 รายการนับตั้งแต่ปี 2022 จะเป็นปัจจัย ผลักดันการเติบโตสำคัญสำหรับการเติบโตของกำไรสุทธิของ GPSC

XPCL และโรงไฟฟ้าขนาดเล็ก (SPP) เป็นปัจจัยบวกสำคัญในปี 2021

ใน 2Q-4Q21 เราเห็นว่า NP ของ GPSC จะได้ปัจจัยผลักดันบางส่วนจาก NP รายไตรมาสที่ เพิ่มขึ้น y-y ของ XPCL (GPSC ถือหุ้นอยู่ 15%) จากการผลิตกระแสไฟฟ้าที่สูงขึ้นตาม กระแสน้ำในแม่น้ำที่สูงขึ้นตามฤดูกาล อย่างไรก็ตามเราคาดว่า NP ที่ได้จาก SPP จะลดลง เล็กน้อย q-q จากต้นทุนก๊าซฯ ที่สูงขึ้น q-q

คาดกำไรสุทธิ์ 2Q21 จะอยู่ที่ 1.9พัน ลบ.

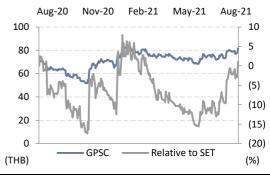
เราคาดว่า GPSC จะรายงาน NP 2Q21 ในระดับสูงถึง 1.9พัน ลบ. (-4.3% q-q, -0.4% y-y) และคาดว่า NP จากการดำเนินงานจะอยู่ที่ 2.2พัน ลบ. (-4.8% q-q, +18% y-y) โดยมีปัจจัย ผลักดันสำคัญประกอบด้วย 1) กำไรของ XPCL ที่เพิ่มขึ้นอย่างมีนัยสำคัญจากระดับน้ำที่สูงขึ้น ตามฤดูกาล โดยเราคาดว่า XPCL จะให้ส่วนแบ่งกำไรสุทธิจำนวน 0.2พัน ลบ. แก่ GPSC ดีขึ้น จากที่เคยแบ่งผลขาดทุนสุทธิ 28 ลบ. ใน 1Q21; 2) ปริมาณการผลิตไฟฟ้าที่สูงขึ้น q-q จาก โรงไฟฟ้าพลังถ่านหิน Gheco-one จากการปิดโรงไฟฟ้าที่สั้นลงเหลือ 20 วันใน 2Q21 จาก 37 วันใน 1Q21; 3) ปริมาณขายไฟฟ้าและไอน้ำให้แก่ผู้ใช้ในระดับอุตสาหกรรมที่สูงขึ้น โดยได้ ปัจจัยผลักดันจากอัตราการใช้กำลังการผลิตที่สูงขึ้นของโรงปิโตรเคมีและโรงกลั่นของบริษัทฯ; และ 4) EBITDA margin ที่คาดว่าจะลดลงใน 2Q21 เหลือ 27% ส่วนมากจากตันทุนก๊าซฯ ที่ สูงขึ้น ซึ่งน่าจะชดเชยได้บางส่วนจาก Operating Margins ที่สูงขึ้นของทั้ง XPCL และ SPP

คงคำแนะนำซื้อหลังปรับลดราคาเป้าหมายเป็น 100 บาท

เราปรับลดราคาเป้าหมายจาก 112 เป็น 100 บาท (SoTP) เนื่องจากเรารวมการปรับประมาณ การกำไรต่อหุ้นที่สะท้อนสมมติฐานราคาตันทุนก๊าซฯ ที่สูงขึ้น รวมถึงการปรับการประเมิน มูลค่าไปในปี 2022 ในระยะสั้นเราคาดว่ากำไรสุทธิที่คาดว่าจะอยู่ในระดับดีใน 2Q21 จะเป็น ปัจจัยบวกสำคัญต่อราคาหุ้นของ GPSC ในระยะยาวตั้งแต่ปี 2022 เป็นต้นไปเราเชื่อว่าการ ตัดสินใจซื้อ Avaada และ CI เมื่อไม่นานมานี้น่าจะเพิ่มมูลค่ารวมได้ 4.1 บาทต่อหุ้น

KEY STOCK DATA

YE Dec (THB m)	2020	2021E	2022E	2023E
Revenue	69,578	84,821	84,924	95,350
Net profit	7,508	8,350	9,918	11,200
EPS (THB)	2.66	2.96	3.52	3.97
vs Consensus (%)	-	(2.9)	7.1	9.6
EBITDA	20,892	19,915	20,810	21,965
Core net profit	7,113	8,350	9,918	11,200
Core EPS (THB)	2.52	2.96	3.52	3.97
Chg. In EPS est. (%)	-	(11.0)	(2.9)	(2.3)
EPS growth (%)	27.6	17.4	18.8	12.9
Core P/E (x)	32.3	27.5	23.2	20.5
Dividend yield (%)	4.0	2.3	2.4	2.5
EV/EBITDA (x)	15.5	17.2	16.7	15.8
Price/book (x)	2.2	2.2	2.1	2.0
Net debt/Equity (%)	75.1	88.8	87.9	82.6
ROE (%)	7.0	8.0	9.3	10.0



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	9.4	12.0	18.1
Relative to country (%)	11.7	14.7	1.7
Mkt cap (USD m)			6,936
3m avg. daily turnover (USD m)			34.8
Free float (%)			25
Major shareholder		PTTGC	Plc (23%)
12m high/low (THB)		8	8.00/50.50
Issued shares (m)			2,819.73

Sources: Bloomberg consensus; FSSIA estimates



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Investment thesis

Backed by the PTT Group as a major shareholder, GPSC is the fourth largest utilities company in Thailand by market capitalisation, with its operations comprising the generation of electricity, steam and other utilities. The company had an electricity generating capacity of 5,055MW as of 2020 and has solid expansion plans to increase its capacity to 6,761MW from 2021 onward.

Established as a power investment arm of the PTT Group – Thailand's leading energy company – GPSC has long leveraged its solid ties with the group to expand its electricity generation capacity growth and capture domestic and international opportunities. Currently, GPSC generates electricity mainly from natural gas (80%), and most of its capacity is aimed at supporting PTT Group companies, including PTT (PTT TB, BUY), PTT Global Chemical (PTTGC TB, BUY), Thai Oil (TOP TB, BUY) and IRPC (IRPC TB, BUY).

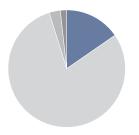
Company profile

GPSC is PTT Group's power flagship company. It operates small power producers, is an independent power producer and has a presence in renewable energy.

www.gpscgroup.com

Principal activities (revenue, 2020)

- Independent power producer -15.4 %
- Small power producer 79.8 %
- Very small power producer 3.1 %
- Others 1.8 %



Source: Global Power Synergy

Major shareholders

- PTTGC Plc 22.7 %
- PTT Plc 22.6 %
- TOP Plc 8.9 %
- Others 45.8 %



Source: Global Power Synergy

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 GPSC include 1) lower-than-expected demand for electricity in Thailand; 2) a lower crude price; and 3) lower-than-expected demand from industrial users.

Event calendar

Date	Event
Aug 2021	2Q21 results announcement

Key assumptions

	2021E	2022E	2023E
Gas cost (THB/mmbtu)	289	292	294
Tariff (THB/kWh)	3.42	3.45	3.49
Capacity (MW)	7,492	7,516	7,641
CAPEX (THB m)	(21,325)	(15,300)	(12,200)

Source: FSSIA estimates

Earnings sensitivity

- Ceteris paribus, for every 1% increase in gas price, we estimate 2021 earnings would decline 1.1%, and vice versa.
- Ceteris paribus, for every 1% increase in interest rate, we estimate 2021 earnings would decline 1.1%, and vice versa.

Source: FSSIA estimates

Long-term growth from two acquisitions

After GPSC's two announcements in Jul-21 of its 41.6% stake acquisition of the 1.4GW Avaada solar farms in India (THB14.8b acquisition cost) and a 25% stake acquisition of the 595MW wind farms, CI Changfang Limited and CI Xidao Limited (CI) in Taiwan (THB15.5b), we think it is now time for investors to focus on GPSC's NP growth momentum in 2Q21 onward.

Exhibit 1: Acquisition of Avaada's solar farms in India

Unit Avaada Energy Stake acquired 41.6 % Acquisition cost 14,825 THB m THB m/MW Implied acquisition cost per MW 9.5 Avaada Energy's capacity Operating capacity 1,392 MW Under-construction capacity 2,352 MW Total capacity 3,744 MW **GPSC's capacity** 1Q21 MW Equity capacity (41.6%) 1,558 Current operating equity capacity 4,752 MW % % increase 32.8

Sources: GPSC; FSSIA estimates

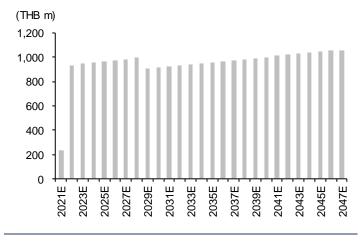
Exhibit 2: Acquisition of Cl's offshore wind farms in Taiwan

CI offshore wind farm		Unit
Stake acquired	25.0	%
Acquisition cost	15,500	THB m
Implied acquisition cost per MW	104.2	THB m/MW
CI's capacity		
Operating capacity	-	MW
Under-construction capacity	595	MW
Total capacity	595	MW
GPSC's capacity	1Q21	
Equity capacity (25%)	149	MW
Current operating equity capacity	4,752	MW
% increase	3.1	%

Sources: GPSC; FSSIA estimates

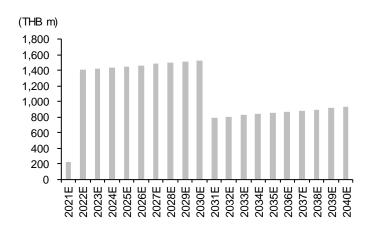
Even with the total cost of its two acquisitions at THB30.3b (USD0.9b), we think GPSC is financially capable to fund them without any capital increase. The 1.8GW total additional equity capacity from the two upcoming acquisitions in 2022 onward will be key growth drivers for GPSC's net profit growth, in our view.

Exhibit 3: Net profit projections for Avaada based on GPSC's 41.6% stake



Sources: GPSC; FSSIA estimates

Exhibit 4: Net profit projections for CI based on GPSC's 25% stake



Sources: GPSC; FSSIA estimates

Refocus on short-term growth outlook. On top of GPSC's two large-scale acquisitions of Avaada and CI, we expect GPSC's near-term net profit growth to be strong. In 2Q21, we think its net profit will be driven mainly by the rising electricity production from the run-of-river Xaiyaburi hydropower plant (XPCL; owned 15% by GPSC), which we project to jump y-y in 2Q21 due to the seasonally higher water flows

Exhibit 5: XPCL's capacity factor (CF) and water inflow rate

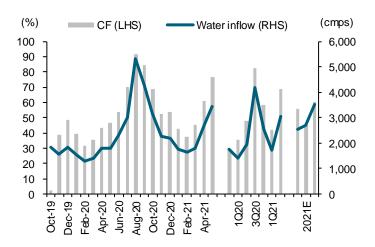
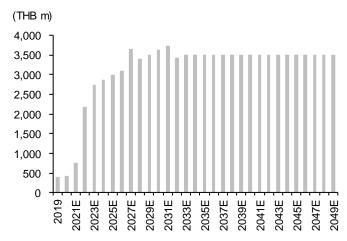


Exhibit 6: XPCL – net profit projections



Sources: CKP; FSSIA estimates

Sources: CKP; FSSIA estimates

We estimate XPCL to generate a sharp rise in NP, contributing THB200m to GPSC in 2Q21, up from a net loss of THB28m in 1Q21, thanks to the 71% y-y higher water level and 54% y-y higher electricity production. However, we expect the NP generated from GPSC's SPPs to decline slightly q-q due to the q-q higher gas cost.

Exhibit 7: XPCL's capacity factor (CF)

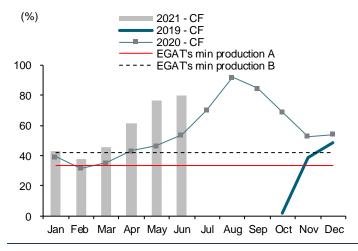
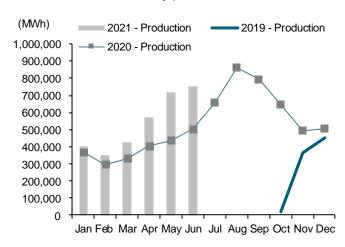


Exhibit 8: XPCL's electricity production



Sources: CKP; FSSIA estimates

Sources: CKP; FSSIA estimates

2Q21E results summary

We expect GPSC to post a solid 2Q21 NP of THB1.9b, down 4.3% q-q and 0.4% y-y. Core NP is projected to rise to THB2.2b, down 4.8% q-q but up 18% y-y. We see the key drivers as:

- Significantly improving earnings from XPCL due to the seasonally higher water levels that we project to contribute a THB0.2b net profit to GPSC, up from a net loss of THB28m in 1Q21;
- Stronger q-q electricity production volumes from its coal-fired Gheco-one power plant, given the shorter shutdown length of 20 days in 2Q21 from 37 days in 1Q21;
- Higher electricity and steam sales volumes to industrial users, driven by higher utilisation rates for its petrochemical and refinery plants;
- A 2Q21E EBITDA margin decline to 27%, mainly from the higher gas cost that should be partly offset by the higher operating margins for both XPCL and its SPPs.

Exhibit 9: Summary of 2Q21E/6M21E operations

	2Q20	1Q21		2Q21E		6M20	6M21E	Chg.	2021E
	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)	(THB m)
Revenue	18,138	16,624	17,856	7.4	(1.6)	36,446	34,480	(5.4)	84,821
Operating costs	(12,856)	(11,714)	(13,000)	11.0	1.1	(26,210)	(24,714)	(5.7)	(64,774)
EBITDA	5,282	4,910	4,856	(1.1)	(8.1)	10,236	9,766	(4.6)	19,915
EBITDA margin (%)	29	30	27	nm	nm	28	28	nm	23
Depn & amort.	(2,196)	(2,053)	(2,052)	(0.0)	(6.5)	(4,270)	(4,105)	(3.9)	(7,995)
EBIT	3,087	2,857	2,804	(1.9)	(9.2)	5,967	5,661	(5.1)	11,920
Interest expense	(991)	(974)	(985)	1.1	(0.7)	(2,032)	(1,959)	(3.6)	(3,106)
Interest & invt inc	0	0	0	nm	nm	0	0	nm	0
Other income	369	270	250	(7.5)	(32.2)	549	520	(5.2)	0
Associates' contrib	110	207	210	1.4	91.5	42	417	890.7	1,577
Exceptional	(2)	85	(7)	nm	243.6	(42)	77	nm	0
Pretax profit	2,571	2,445	2,272	(7.1)	(11.7)	4,483	4,717	5.2	10,391
Tax	(284)	(453)	(356)	(21.4)	25.5	(537)	(809)	50.5	(968)
Tax rate (%)	11	19	16	nm	nm	12	17	nm	9
Minority interests	(392)	(19)	(28)	49.6	(92.9)	(470)	(47)	(90.1)	(1,073)
Net profit	1,896	1,973	1,888	(4.3)	(0.4)	3,476	3,861	11.1	8,350
Non-recurring	2	386	357	(7.3)	16,830.1	370	743	100.6	0
Core net profit	1,898	2,359	2,245	(4.8)	18.3	3,846	4,604	19.7	8,350
EPS (THB)	0.67	0.70	0.67	(4.3)	(0.4)	1.23	1.37	11.1	2.96
Core EPS (THB)	0.67	0.84	0.80	(4.8)	18.3	1.36	1.63	19.7	2.96

Sources: GPSC; FSSIA estimates

Maintain BUY; TP revised to THB100

We lower our EPS forecasts for 2021-23 by 2.3-11% to reflect our 5.9% higher gas cost assumptions that are higher than our 0.1-2.6% higher electricity tariff assumptions, as we think the gas cost will be higher than our previous forecasts due to our higher oil and gas price projections.

Exhibit 10: Key changes in assumptions

		Current			Previous			Change (%)	
(THB m)	2021E	2022E	2023E	2021E	2022E	2023E	2021E	2022E	2023E
Revenue	84,821	84,924	95,350	84,043	84,286	94,336	0.9	0.8	1.1
Gross profit	12,051	13,288	14,551	13,301	13,674	14,895	(9.4)	(2.8)	(2.3)
Operating profit	10,374	11,692	12,755	11,639	12,089	13,119	(10.9)	(3.3)	(2.8)
Core net profit	8,350	9,918	11,200	9,381	10,213	11,469	(11.0)	(2.9)	(2.3)
EPS (THB/share)	2.96	3.52	3.97	3.33	3.62	4.07	(11.0)	(2.9)	(2.3)
Key assumptions									
Gas cost (THB/mmbtu)	289	292	294	272	275	278	5.9	5.9	5.9
Tariff (THB/kWh)	3.42	3.45	3.49	3.40	3.45	3.40	0.6	0.1	2.6
Capacity (MW)	7,492	7,516	7,641	7,492	7,516	7,641	0.0	0.0	0.0
CAPEX (THB m)	(21,325)	(15,300)	(12,200)	(21,325)	(15,300)	(12,200)	0.0	0.0	0.0

Source: FSSIA estimates

We revise down our SoTP-based target price from THB112 to THB100 as we include our EPS forecast revisions that reflect our higher gas cost assumptions and our value rollover to 2022. In the short term, we expect its strong 2Q21E net profit to be a key catalyst for GPSC's share price. In the long term, starting in 2022 onward, we believe the recent move to acquire Avaada and CI should add a combined value of THB4.1/share to GPSC (THB3.1/share from Avaada and THB1.0/share from CI) and further strengthen its long-term growth strategy to focus on four key countries — Thailand, India, Taiwan, and Vietnam — which are all low-risk, high-growth markets for a utilities company, in our view.

Exhibit 11: SoTP valuation

Cost of equity assumptions	(%)		Cost of debt assumptions	(%)	
Risk-free rate	2.3		Pretax cost of debt	3.0	
Market risk premium	8.5		Marginal tax rate	20.0	
Stock beta	1.00				
Cost of equity, Ke	10.8		Net cost of debt, Kd	2.4	
Weight applied	30.0		Weight applied	70.0	
WACC (%)	5.3				
DCF valuation estimate	THB m	THB/share	Comments		
Core operating assets	137,947	48.9	Include all SPPs and two hydropower plants, WACC 4.6%		
Investments	22,776	8.1	Estimated value for affiliates post 2015, assume EIRR of 12%		
Cash	4,291	1.5	At end-2022E		
Debt	(110,125)	(39.1)	At end-2022E		
Minorities	(11,163)	(4.0)	At end-2022E		
Residual ordinary equity - Exc. ERU	43,725	14.5			
GLOW	110,354	39.1	Excluding SPP replacement projects		
XPCL	7,654	2.7	Assume EIRR 12%, COD Oct 2019		
ERU - TOP	2,765	1.0	Assume EIRR 9.4%, COD 2023E		
GLOW SPP replacement	111,939	39.7	Including GEN phase 2, GSPP2&3, and GSPP11#1		
Avaada	7,313	2.6	Assume EIRR 14%		
CI - offshore wind farms (Taiwan)	911	0.3	Assume EIRR 8%		
Target price	276,437	100.0			

Sources: GPSC; FSSIA estimates

Financial Statements

Global Power Synergy

Profit and Loss (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Revenue	66,562	69,578	84,821	84,924	95,350
Cost of goods sold	(47,985)	(47,742)	(64,774)	(63,968)	(72,238)
Gross profit	18,578	21,836	20,046	20,956	23,112
Other operating income	918	1,402	1,546	1,451	648
Operating costs	(670)	(2,346)	(1,677)	(1,597)	(1,796)
Operating EBITDA	18,826	20,892	19,915	20,810	21,965
Depreciation	(7,079)	(8,706)	(7,995)	(7,668)	(8,561)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	11,748	12,186	11,920	13,142	13,403
Net financing costs	(4,822)	(4,022)	(3,106)	(4,249)	(4,281)
Associates	837	924	1,577	3,057	4,368
Recurring non-operating income	837	924	1,577	3,057	4,368
Non-recurring items	(1,514)	395	0	0	0
Profit before tax	6,248	9,483	10,391	11,950	13,491
Tax	(247)	(993)	(968)	(909)	(1,108)
Profit after tax	6,001	8,490	9,423	11,042	12,382
Minority interests	(1,940)	(982)	(1,073)	(1,124)	(1,182)
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
Reported net profit	4,061	7,508	8,350	9,918	11,200
Non-recurring items & goodwill (net)	1,514	(395)	0	0	0
Recurring net profit	5,575	7,113	8,350	9,918	11,200
Per share (THB)					
Recurring EPS *	1.98	2.52	2.96	3.52	3.97
Reported EPS	1.44	2.66	2.96	3.52	3.97
DPS	1.30	3.30	1.90	1.95	2.05
Diluted shares (used to calculate per share data)	2,820	2,820	2,820	2,820	2,820
Growth					
Revenue (%)	167.5	4.5	21.9	0.1	12.3
Operating EBITDA (%)	220.8	11.0	(4.7)	4.5	5.5
Operating EBIT (%)	188.9	3.7	(2.2)	10.3	2.0
Recurring EPS (%)	(11.8)	27.6	17.4	18.8	12.9
Reported EPS (%)	(35.8)	84.9	11.2	18.8	12.9
Operating performance					
Gross margin inc. depreciation (%)	17.3	18.9	14.2	15.6	15.3
Gross margin of key business (%)	17.3	18.9	14.2	15.6	15.3
Operating EBITDA margin (%)	28.3	30.0	23.5	24.5	23.0
Operating EBIT margin (%)	17.6	17.5	14.1	15.5	14.1
Net margin (%)	8.4	10.2	9.8	11.7	11.7
Effective tax rate (%)	4.6	11.6	11.0	10.2	12.1
Dividend payout on recurring profit (%)	65.8	130.8	64.2	55.4	51.6
Interest cover (X)	2.6	3.3	4.3	3.8	4.2
Inventory days	28.0	49.6	41.5	48.1	45.1
Debtor days	48.7	56.4	39.1	39.0	34.8
Creditor days	28.4	32.6	26.2	30.4	28.5
Operating ROIC (%)	13.8	9.0	(2.0)	(2.0)	(11.3)
ROIC (%)	7.4	4.7	(1.2)	(1.3)	(8.4)
ROE (%)	7.9	7.0	8.0	9.3	10.0
ROA (%)	7.9	4.4	3.4	3.9	2.7
* Pre-exceptional, pre-goodwill and fully diluted	1.2	7.7	5.4	5.5	2.1
Revenue by Division (THB m)	2019	2020	2021E	2022E	2023E
Independent power producer	14,993	10,695	16,498	3,280	13,336
Small power producer	50,215	55,525	64,249	77,211	77,579
Very small power producer	581	2,136	2,851	3,208	3,208
Others	773	1,222	1,224	1,225	1,227

Sources: Global Power Synergy; FSSIA estimates

Financial Statements

Global Power Synergy

ash Flow (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023
ecurring net profit	5,575	7,113	8,350	9,918	11,2
epreciation	7,079	8,706	7,995	7,668	8,5
ssociates & minorities	837	924	1,577	3,057	4,3
ther non-cash items	1,957	1,317	1,318	1,318	1,3
hange in working capital	992	(10,510)	(1,196)	36	(65
ash flow from operations	16,439	7,551	18,045	21,998	24,7
apex - maintenance	(7,079)	(8,706)	(6,295)	(5,868)	(6,76
apex - new investment	(72,735)	(1,296)	(16,728)	(11,231)	(7,23
et acquisitions & disposals other investments (net)	2,354 0	(540) 0	0	0	
ash flow from investing	(77, 460)	(10,543)	(23,024)	(17, 099)	(13,99
ividends paid	(77,400)	(10,543)	(6,485)	(5,498)	(5,49
quity finance	0	0	(0,403)	(5,498)	(3,43
ebt finance	81,105	5,705	(1,490)	7,300	(4,00
ther financing cash flows	(6,157)	(1,264)	(6,492)	(3,254)	(4,50
ash flow from financing	74,948	4,441	(14,467)	(1,452)	(14,00
on-recurring cash flows		-,	(14,401)	(1,402)	(14,00
ther adjustments	0	0	0	0	
et other adjustments	0	0	Ö	Ŏ	
lovement in cash	13,927	1,450	(19,446)	3,447	(3,20
ree cash flow to firm (FCFF)	(55,880.92)	1,032.24	(1,873.18)	9,156.75	15,119.
ree cash flow to equity (FCFE)	13,927.18	1,450.02	(12,960.27)	8,945.48	2,289.
er share (THB)					
CFF per share	(19.82)	0.37	(0.66)	3.25	5.
CFE per share	4.94	0.51	(4.60)	3.17	0.
ecurring cash flow per share	5.48	6.41	6.82	7.79	9.
alance Sheet (THB m) Year Ending Dec	2019	2020	2021E	2022E	202
angible fixed assets (gross)	120,025	127,437	148,762	164,062	176,2
ess: Accumulated depreciation	(18,753)	(27,460)	(33,755)	(39,623)	(46,3
angible fixed assets (net)	101,272	99,978	115,007	124,440	129,8
tangible fixed assets (net)	7,578	6,072	6,072	6,072	6,0
ong-term financial assets	7,570	0,072	0,072	0,072	0,0
vest. in associates & subsidiaries	10,625	11,165	11,165	11,165	11,1
ash & equivalents	18,839	20,289	843	4,291	1,0
C receivable	12,405	9,084	9,084	9,084	9,0
ventories	6,724	6,253	8,484	8,379	9,4
ther current assets	952	7,828	9,542	9,554	10,7
urrent assets		43,454		31,308	30,3
ther assets	38,919 93,622	95,987	27,954 95,987	95,987	95,9
otal assets	252,017	256,656	256,186	268,972	273,4
	100,893	102,901	104,765	109,185	
ommon equity			,	,	114,8
inorities etc.	9,283	8,966	10,039 114,805	11,163	12,3
otal shareholders' equity	110,176	111,867	•	120,348	127,2
ong term debt	79,356	92,321	99,825	109,125	105,1
ther long-term liabilities	25,736	30,405	25,736	25,736	25,7
ong-term liabilities	105,093	122,726	125,561	134,861	130,8
/C payable	4,581	3,952	5,361	5,295	5,9
hort term debt	19,253	11,993	3,000	1,000	1,0
ther current liabilities	12,914	6,118	7,459	7,468	8,3
urrent liabilities	36,748	22,063	15,820	13,762	15,3
otal liabilities and shareholders' equity	252,017	256,656	256,186	268,972	273,4
et working capital	2,585	13,096	14,291	14,255	14,9
vested capital ncludes convertibles and preferred stock which is be	215,683	226,298	242,523	251,919	258,0
<u> </u>	ing treated as debt				
er share (THB)	05.70	26.40	27.45	20.70	40
ook value per share angible book value per share	35.78 33.09	36.49 34.34	37.15 35.00	38.72 36.57	40 38
nancial strength	33.08	J 1 .J4	33.00	30.37	30
•	70.4	75.4	00.0	07.0	^
et debt/equity (%)	72.4	75.1	88.8	87.9	8
et debt/total assets (%)	31.7	32.7	39.8	39.3	3
urrent ratio (x) F interest cover (x)	1.1 19.0	2.0 1.7	1.8 2.2	2.3 5.7	
aluation					
	2019	2020	2021E	2022E	202
ecurring P/E (x) *	41.2	32.3	27.5	23.2	2
ecurring P/E @ target price (x) *	50.6	39.6	33.8	28.4	2
eported P/E (x)	56.6	30.6	27.5	23.2	2
ividend yield (%)	1.6	4.0	2.3	2.4	
rice/book (x)	2.3	2.2	2.2	2.1	
	2.5	2.4	2.3	2.2	
rice/tangible book (x) V/EBITDA (x) **	16.9	15.5	17.2	16.7	
	16.9 19.7 1.5	15.5 17.9 1.4	17.2 19.8 1.4	16.7 19.2	1: 1:

Sources: Global Power Synergy; FSSIA estimates

Corporate Governance report of Thai listed companies 2020

EXCELLE	NT I EVEL	·								
AAV	ADVANC	AF	AIRA	AKP	AKR	ALT	AMA	AMATA	AMATAV	ANAN
AOT	AP	ARIP	ARROW	ASP	BAFS	BANPU	BAY	BCP	BCPG	BDMS
	BEM	BGRIM		BKI			BPP			BWG
BEC			BIZ		BLA	BOL		BRR	BTS	
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
					SCB				SCN	
SABINA	SAMART	SAMTEL	SAT	SC		SCC	SCCC	SCG		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		-
ERY GO	OD LEVEL									
2S	ABM	ACE	ACG	ADB	AEC	AEONTS	AGE	AH	AHC	AIT
ALLA	AMANAH	AMARIN	APCO	APCS	APURE	AQUA	ASAP	ASEFA	ASIA	ASIAN
SIMAR	ASK	ASN	ATP30	AUCT	AWC	AYUD	В	BA	BAM	BBL
BFIT	BGC	BJC	BJCHI	BROOK	BTW	CBG	CEN	CGH	CHARAN	CHAYO
		CHOW				COLOR	COM7	CPL		CRD
CHG	CHOTI		CI	CIG	CMC				CRC	
CSC	CSP	CWT	DCC	DCON	DDD	DOD	DOHOME	EASON	EE	ERW
STAR	FE	FLOYD	FN	FORTH	FSS	FTE	FVC	GENCO	GJS	GL
GLAND	GLOBAL	GLOCON	GPI	GULF	GYT	HPT	HTC	ICN	IFS	ILM
MH	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	М	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
	RCL									SAPPE
QLT		RICHY	RML	RPC	RWI	S11	SALEE	SAMCO	SANKO	
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
ГСС	TCMC	TEAM	TEAMG	TFG	TIGER	TITLE	TKN	TKS	TM	TMC
ΓMD	TMI	TMT	TNITY	TNP	TNR	TOG	TPA	TPAC	TPCORP	TPOLY
PS	TRITN	TRT	TRU	TSE	TVT	TWP	UEC	UMI	UOBKH	UP
JPF	UPOIC	UT	UTP	UWC	VL	VNT	VPO	WIIK	WP	XO
UASA	ZEN	ZIGA	ZMICO	00	V.	****	*. •	******	***	,
OOD LE		ABIGS			A1 1/2 2::	1116	4.00	450	40	
UP	A	ABICO	AJ	ALL	ALUCON	AMC	APP	ARIN	AS	AU
52	BC	BCH	BEAUTY	BGT	ВН	BIG	BKD	BLAND	BM	BR
ROCK	BSBM	BSM	BTNC	CAZ	CCP	CGD	CITY	CMAN	CMO	CMR
PT	CPW	CRANE	CSR	D	EKH	EP	ESSO	FMT	GIFT	GREEN
SSC	GTB	HTECH	HUMAN	IHL	INOX	INSET	IP	JTS	JUBILE	KASET
CM	KKC	KUMWEL	KUN	KWG	KYE	LEE	MATCH	MATI	M-CHAI	MCS
1DX	MJD	MM	MORE	NC	NDR	NER	NFC	NNCL	NPK	NUSA
CEAN	PAF	PF	PK	PLE	PMTA	POST	PPM	PRAKIT	PRECHA	PRIME
	PTL	RBF	RCI	RJH	ROJNA	RP	RPH	RSP	SF	SFLEX
	FIL	SKN								
	CICD	->NN	SLP	SMART	SOLAR	SPG	SQ	SSP	STARK	STC
GP	SISB		T000		TIW	TNH	TOPP	TPCH	TPIPP	TPLAS
GP SUPER	SVOA	TC	TCCC	THMUI		WIN	WORK	WDL		
GP SUPER		TC UKEM	TCCC UMS	VCOM	VRANDA	WIN	WORK	WPH Score R	ange	
PROUD GGP GUPER TI	SVOA	TC UKEM Description				WIN	WORK	Score R		
GP SUPER	SVOA	TC UKEM Description Excellent				WIN	WORK	Score R 90-1	00	
GP SUPER	SVOA	TC UKEM Description				WIN	WORK	Score R	9	

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.

Source: Thai Institute of Directors Association (IOD); FSSIA's compilation

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* 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

Anti-corruption Progress Indicator 2020

CERTIFIED										
2S	ADVANC	Al	AIE	AIRA	AKP	AMA	AMANAH	AP	AQUA	ARROW
ASK	ASP	AYUD	В	BAFS	BANPU	BAY	BBL	всн	BCP	BCPG
BGC	BGRIM	BJCHI	BKI	BLA	BPP	BROOK	BRR	BSBM	BTS	BWG
CEN	CENTEL	CFRESH	CGH	CHEWA	CHOTI	CHOW	CIG	CIMBT	СМ	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	GUNKUI
HANA	HARN	HMPRO	HTC	ICC	ICHI	IFS	INET	INSURE	INTUCH	IRPC
ITEL	IVL	K	KASET	KBANK	KBS	KCAR	KCE	KGI	KKP	KSL
КТВ	KTC	KWC	L&E	LANNA	LHFG	LHK	LPN	LRH	М	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	РВ	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	SYNTE
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									
DECLARE	D									
7UP	ABICO	AF	ALT	AMARIN	AMATA	AMATAV	ANAN	APURE	B52	BKD
ВМ	BROCK	BUI	CHO	CI	сотто	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)

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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

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Suwat Sinsadok FSS International Investment Advisory Securities Co., Ltd

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History of change in investment rating and/or target price



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
15-Nov-2018 11-Jul-2019 17-Dec-2019 08-Apr-2020	BUY BUY BUY BUY	63.25 71.27 120.00 112.00	08-May-2020 03-Aug-2020 21-Aug-2020 15-Feb-2021	BUY BUY BUY BUY	112.00 112.00 112.00 112.00	14-Jul-2021 15-Jul-2021	BUY BUY	110.00 112.00

Suwat Sinsadok started covering this stock from 15-Nov-2018

Price and TP are in local currency

Source: FSSIA estimates

PTT Global Chemical (PTTGC TB) Aug-18 Feb-19 Aug-19 Feb-20 Aug-20 Feb-21 Aug-21 90 70 50 30 10 PTT Global Chemical Target Price (BNPP/FSSIA) Target Price (FSSIA - from 1 Jul 2020) (THB) Target price Rating Target price Date Rating Target price Date Date Rating 09-Oct-2018 BUY 96.00 27-Nov-2020 BUY 69.00 21-Apr-2021 BUY 86.00

BUY

BUY

12-Jul-2021

03-Aug-2021

86.00

BUY

BUY

86.00

75.00

18-Jan-2021

16-Feb-2021

50.00

50.00

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

Price and TP are in local currency

Source: FSSIA estimates

09-Apr-2020

08-May-2020



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

Price and TP are in local currency Source: FSSIA estimates

Thai Oil (TOP TB) Aug-18 Feb-19 Aug-19 Feb-20 Aug-20 Feb-21 Aug-21 110 100 90 80 70 60 50 40 30 20 Thai Oil - Target Price (BNPP/FSSIA) Target Price (FSSIA - from 1 Jul 2020) (THB)

Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
09-Oct-2018	BUY	99.00	23-Mar-2020	BUY	45.00	18-Jan-2021	BUY	74.00
18-Dec-2018	BUY	86.00	08-Jun-2020	BUY	62.00	15-Feb-2021	BUY	74.00
06-Aug-2019	BUY	87.00	08-Jun-2020	BUY	62.00	19-May-2021	BUY	74.00
12-Feb-2020	BUY	77.00	21-Aug-2020	BUY	62.00	30-Jul-2021	BUY	67.00

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

Price and TP are in local currency

Source: FSSIA estimates

IRPC PCL (IRPC TB) Feb-19 Feb-20 Aug-20 Feb-21 Aug-21 Aug-18 Aug-19 9 8 7 6 5 4 3 2 1 IRPC PCL - Target Price (BNPP/FSSIA) Target Price (FSSIA - from 1 Jul 2020) (THB) Date Rating Target price Date Rating Target price Date Rating Target price 09-Oct-2018 BUY 8.80 08-May-2020 BUY 4.20 07-Jul-2021 BUY 5.30 13-Feb-2019 BUY 8.80 22-Dec-2020 BUY 5.30 04-Aug-2021 BUY 5.00

BUY

5.30

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

4.20

10-Feb-2021

Price and TP are in local currency

Source: FSSIA estimates

14-Feb-2020

Company	Ticker	Price	Rating	Valuation & Risks
Global Power Synergy	GPSC TB	THB 81.50	BUY	The downside risks to our SoTP-based TP on GPSC include 1) lower-than-expected demand for electricity in Thailand; 2) a lower crude price; and 3) lower-than-expected demand from industrial users.
PTT Global Chemical	PTTGC TB	THB 58.25	BUY	The key downside risks to our EV/EBITDA-based TP are the weaker-than-expected HDPE price and HDPE-naphtha margin
PTT PCL	PTT TB	THB 35.00	BUY	Risks to our SoTP-based valuation are the oil price and potential earnings downside from government intervention.
Thai Oil	ТОР ТВ	THB 46.25	BUY	Downside risks to our EV/EBITDA-based TP are a sharp rise in oil price and weak demand for refined oil products.
IRPC PCL	IRPC TB	THB 3.60	BUY	Key risks to our positive view and EV/EBITDA-based target price are weaker-than- expected oil product demand growth and lower-than-expected PP-naphtha and SM- benzene margins.

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 04-Aug-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.