

14 SEPTEMBER 2021

THAILAND / UTILITIES - CONVENTIONAL

## CK POWER CKP TB

BUY

UNCHANGED

|                 |           |
|-----------------|-----------|
| TARGET PRICE    | THB6.60   |
| CLOSE           | THB5.35   |
| UP/DOWNSIDE     | +23.4%    |
| PRIOR TP        | THB6.60   |
| CHANGE IN TP    | UNCHANGED |
| TP vs CONSENSUS | -1.6%     |

## น่าจะได้กำไรสุทธิ 1 พัน ลบ. ตามแผน

## กำไรสุทธิมีโอกาสแตะระดับ 1 พัน ลบ. ใน 3Q21

เราคาดว่า CKP จะรายงานกำไรสุทธิ (NP) 3Q21 ในระดับสูงที่ 1.0-1.2 พัน ลบ. เพิ่มขึ้นจากที่เคยมีกำไร 707 ลบ. ใน 2Q21 และ 831 ลบ. ใน 3Q20 เราเห็นปัจจัยผลักดันสำคัญประกอบด้วย 1) กำไรที่เพิ่มขึ้นอย่างมีนัยสำคัญของโรงไฟฟ้าพลังน้ำ Xaiyaburi (XPCL) จากระดับน้ำที่สูงขึ้นตามฤดูกาลถึง 14% y-y ในเดือน ก.ค. - ส.ค. ซึ่งผลักดันการผลิตไฟฟ้าให้เพิ่มขึ้น 9% y-y ในเดือน ก.ค. - ส.ค.; และ 2) ปริมาณการผลิตไฟฟ้าที่เพิ่มขึ้น 16% y-y ของโรงไฟฟ้าพลังน้ำ Nam Ngum 2 (NN2) จากปริมาณน้ำที่กักเก็บได้เป็นจำนวนมากมาตั้งแต่ปี 2020 เราคาดว่า EBITDA margin จะเพิ่มเป็น 43% ใน 3Q21 ส่วนมากจากการดำเนินงานและอัตรากำไรที่เพิ่มขึ้นของทั้ง XPCL และ NN2

## กำไรน่าจะอ่อนแอใน 4Q21 ก่อนพลิกฟื้นในปี 2022

ใน 4Q21 เราคาดว่า NP ของ CKP จะลดลงเหลือ 0.3-0.5 พัน ลบ. แต่จะเพิ่มจาก 8 ลบ. ใน 4Q20 จากระดับการผลิตไฟฟ้าที่สูงขึ้น y-y ของ NN2 และ XPCL ตามกระแสไฟฟ้าที่เพิ่มขึ้น y-y ของ XPCL และปริมาณน้ำที่อยู่ในระดับสูงของ NN2 ในปี 2022 เราคาดว่า NP ของ CKP จะโตต่อเนื่องจากกำไรสุทธิที่เพิ่มขึ้นของโรงไฟฟ้าพลังน้ำทั้ง 2 แห่งจากกระแสไฟฟ้าที่อาจเพิ่มสูงขึ้น

## ตัวเร่งสำหรับโรงไฟฟ้าพลังน้ำภายใต้แผนพัฒนากำลังผลิตไฟฟ้าแห่งชาติ (PDP)

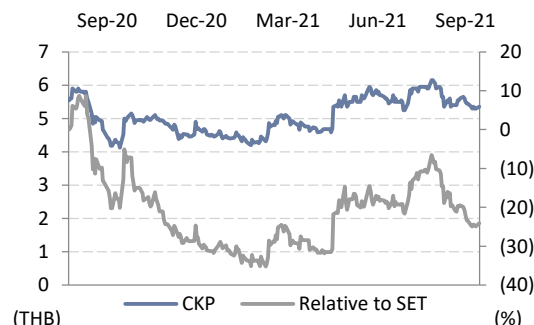
เราคาดว่า CKP จะเป็นหนึ่งผู้ได้ประโยชน์จาก PDP ปี 2022 อันมีแนวโน้มที่จะประกอบด้วยโรงไฟฟ้าพลังน้ำขนาดใหญ่ 4 แห่ง ทั้งหมดจะขายไฟฟ้าให้ระบบไฟฟ้าของประเทศไทย ปัจจุบัน CKP เป็นผู้ดำเนินงาน XPCL ซึ่งเป็นโครงการโรงไฟฟ้าพลังน้ำที่ใหญ่ที่สุดบนแม่น้ำโขงในฐานะผู้ถือหุ้นใหญ่ที่ 37.5% CKP ได้เตรียมตัวสำหรับโครงการใหม่ กล่าวคือ โรงไฟฟ้าพลังน้ำหลวงพระบาง (LP) ขนาด 1.4GW มาเป็นเวลานานแล้ว โครงการดังกล่าวเป็นหนึ่งใน 4 โครงการที่จะได้รับการนำเสนอใน PDP ปี 2022 ใหม่ของไทย เราเชื่อว่า CKP น่าจะถือหุ้น 30-40% ใน LP ในฐานะบริษัทแม่ ในขณะที่ CH. Karnchang (CK TB, BUY, TP THB23) จะเป็นบริษัทออกแบบจัดหาพร้อมติดตั้ง (EPC) หลักของโครงการดังกล่าว

## ได้เวลาเป็นผู้ผลิตไฟฟ้าพลังน้ำหลักของไทย

เราคงคำแนะนำซื้อที่ราคาเป้าหมาย 6.6 บาท (SoTP) เราคิดว่า CKP ยังมีความน่าสนใจในฐานะที่เป็นผู้ได้ประโยชน์จาก NN2 และ XPCL ที่คาดว่าจะมีกำไรในปีนี้ เราเชื่อว่า NP ของ CKP จะโตในอัตราเร่งในปี 2021-23 จาก NP ที่โตดีของ XPCL (CKP ถือหุ้น 37.5%), การฟื้นตัวของ NP ของ NN2, และค่าใช้จ่ายดอกเบี้ยที่ลดลง เนื่องจาก CKP น่าจะค่อย ๆ ลดหนี้ได้จากกระแสเงินสดจากการดำเนินงานเหลือใช้ที่เพิ่มขึ้น

## KEY STOCK DATA

| YE Dec (THB m)       | 2020   | 2021E  | 2022E  | 2023E  |
|----------------------|--------|--------|--------|--------|
| Revenue              | 6,695  | 10,635 | 10,751 | 10,965 |
| Net profit           | 405    | 2,267  | 3,182  | 3,181  |
| EPS (THB)            | 0.05   | 0.28   | 0.39   | 0.39   |
| vs Consensus (%)     | -      | 1.1    | 23.0   | 21.9   |
| EBITDA               | 1,850  | 5,020  | 4,060  | 2,932  |
| Core net profit      | 416    | 2,267  | 3,182  | 3,181  |
| Core EPS (THB)       | 0.05   | 0.28   | 0.39   | 0.39   |
| Chg. In EPS est. (%) | -      | -      | -      | -      |
| EPS growth (%)       | (46.0) | 444.4  | 40.3   | 0.0    |
| Core P/E (x)         | 104.4  | 19.2   | 13.7   | 13.7   |
| Dividend yield (%)   | 0.4    | 3.7    | 5.6    | 5.6    |
| EV/EBITDA (x)        | 30.8   | 10.7   | 12.4   | 16.3   |
| Price/book (x)       | 1.8    | 1.7    | 1.6    | 1.5    |
| Net debt/Equity (%)  | 6.5    | (6.6)  | (17.5) | (25.7) |
| ROE (%)              | 1.8    | 9.1    | 11.9   | 11.4   |



| Share price performance        | 1 Month                 | 3 Month | 12 Month |
|--------------------------------|-------------------------|---------|----------|
| Absolute (%)                   | 0.0                     | (6.1)   | (2.7)    |
| Relative to country (%)        | (6.5)                   | (6.0)   | (23.8)   |
| Mkt cap (USD m)                | 1,322                   |         |          |
| 3m avg. daily turnover (USD m) | 4.2                     |         |          |
| Free float (%)                 | 28                      |         |          |
| Major shareholder              | CH. Karnchang PCL (27%) |         |          |
| 12m high/low (THB)             | 6.30/4.10               |         |          |
| Issued shares (m)              | 7,370.00                |         |          |

Sources: Bloomberg consensus; FSSIA estimates



Suwat Sinsadok

suwat.sin@fssia.com  
+66 2611 3558

Siriluck Pinthusoonthorn

siriluck.pin@fssia.com  
+66 2611 3562

PREPARED BY FSS INTERNATIONAL INVESTMENT ADVISORY SECURITIES CO LTD (FSSIA). ANALYST CERTIFICATION AND IMPORTANT DISCLOSURES CAN BE FOUND AT THE END OF THIS REPORT

บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 14 กันยายน 2021

### Investment thesis

CK Power was established by CH. Karnchang, one of three main contractors in Thailand, in 2011 as a holding company that focuses on investing in the production and distribution of electricity generated from various types of energy sources.

The company's core revenue source is dividends from its investments in subsidiaries and associated companies. CKP sells its electricity to the Electricity Generating Authority of Thailand (EGAT) and industrial users (IU) through the independent power producer (IPP) and small power producer (SPP) mechanism. Currently, CKP holds three main business types: 1) hydropower; 2) solar farms; and 3) cogeneration power plants.

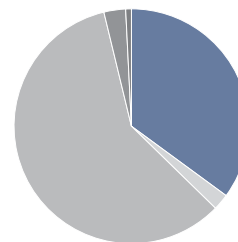
### Company profile

CKP is a power subsidiary of CH. Karnchang PCL, operating power plant assets in Thailand and Laos that include hydropower plants, solar farms, and SPPs.

[www.ckpower.co.th](http://www.ckpower.co.th)

### Principal activities (revenue, 2020)

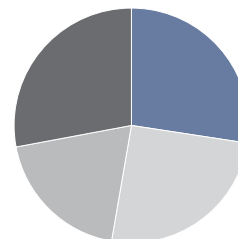
- Generation of electricity from hydroelectric power segment - 35.1 %
- Generation of electricity from solar power segment - 2.2 %
- Generation of electricity from thermal power segment - 58.9 %



Source: CK Power

### Major shareholders

- CH. Karnchang PCL - 27.4 %
- TTW Plc - 25.3 %
- BEM Plc - 19.3 %
- Others - 27.9 %



Source: CK Power

### Catalysts

Higher utilisation rates of power plants and rising demand for electricity in Thailand and Laos should be key growth drivers.

### Risks to our call

The downside risks to our SoTP-based TP include lower-than-expected demand for electricity in Thailand and lower-than-expected water supply for hydro projects.

### Event calendar

| Date     | Event                     |
|----------|---------------------------|
| Nov 2021 | 3Q21 results announcement |

### Key assumptions

|                          | 2021E | 2022E | 2023E |
|--------------------------|-------|-------|-------|
| Tariff (THB/kWh)         | 2.84  | 2.90  | 2.96  |
| Capacity (MW)            | 4,600 | 4,600 | 4,600 |
| Capex (THB m)            | 1,475 | 1,603 | 1,603 |
| XPCL capacity factor (%) | 45    | 60    | 65    |
| NN2 capacity factor (%)  | 50    | 50    | 50    |

Source: FSSIA estimates

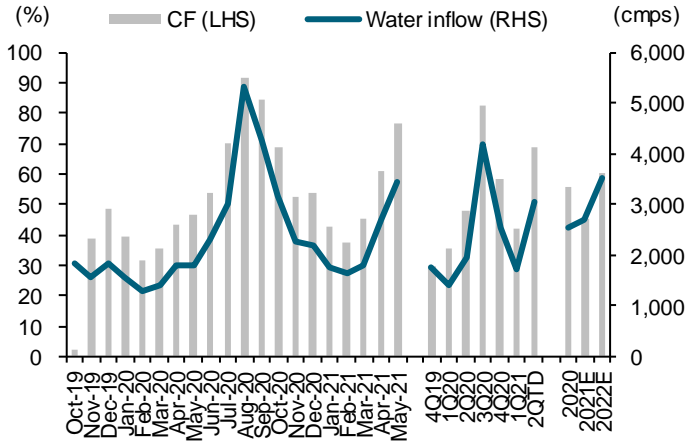
### Earnings sensitivity

- 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 decline by 1.3%, and vice versa, all else being equal.

Source: FSSIA estimates

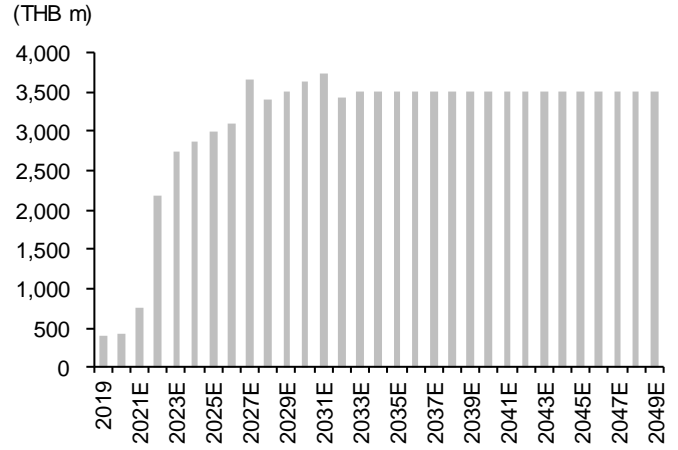


**Exhibit 1: XPCL's capacity factor (CF) and water inflow rate**



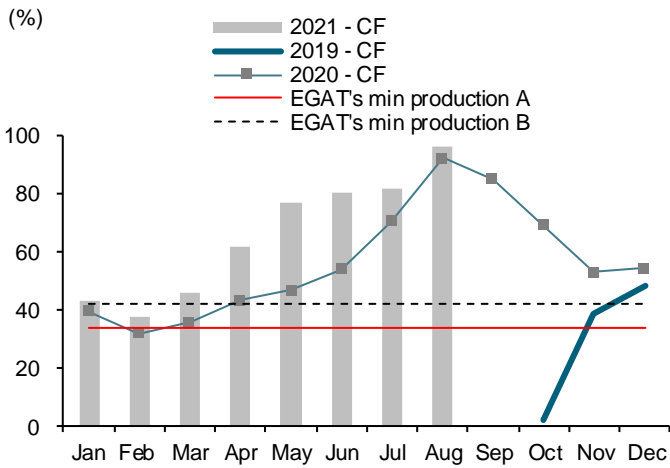
Sources: CKP; FSSIA estimates

**Exhibit 2: XPCL – net profit projections**



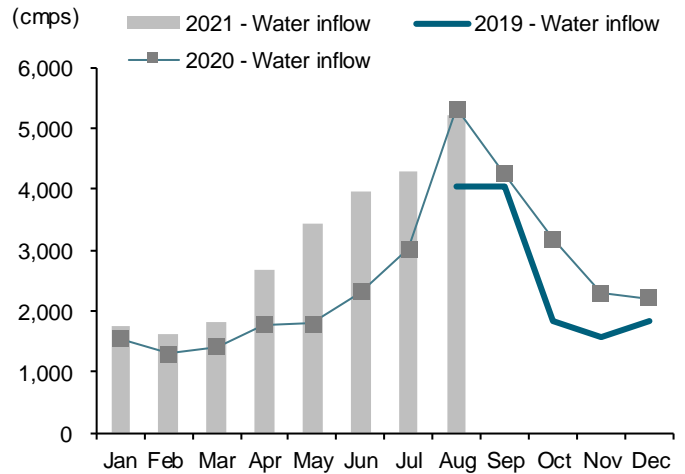
Sources: CKP; FSSIA estimates

**Exhibit 3: XPCL's capacity factor (CF)**



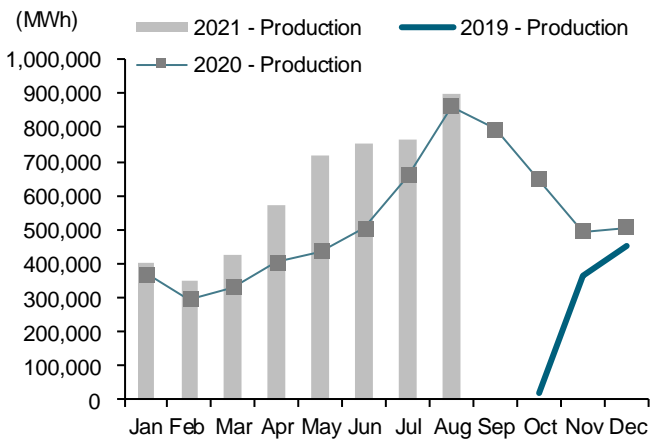
Source: CKP

**Exhibit 4: XPCL's water inflow**



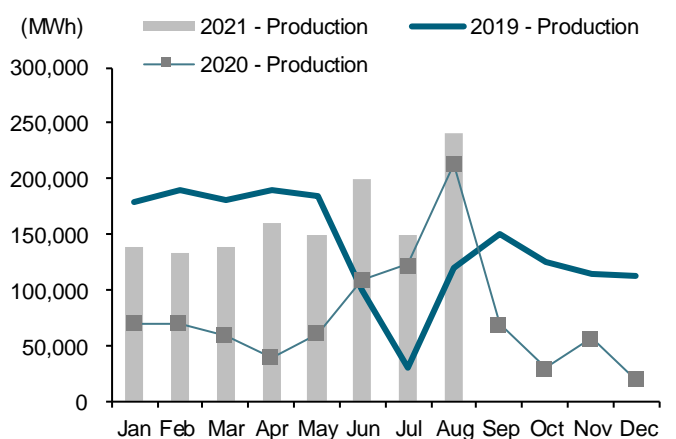
Source: CKP

**Exhibit 5: XPCL's electricity production**



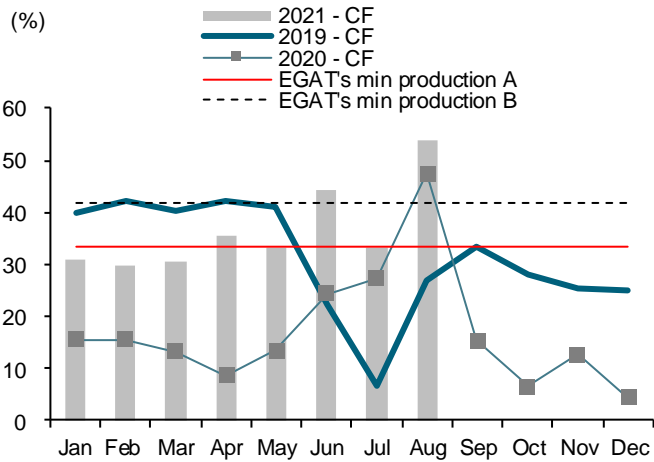
Source: CKP

**Exhibit 6: NN2's electricity production**



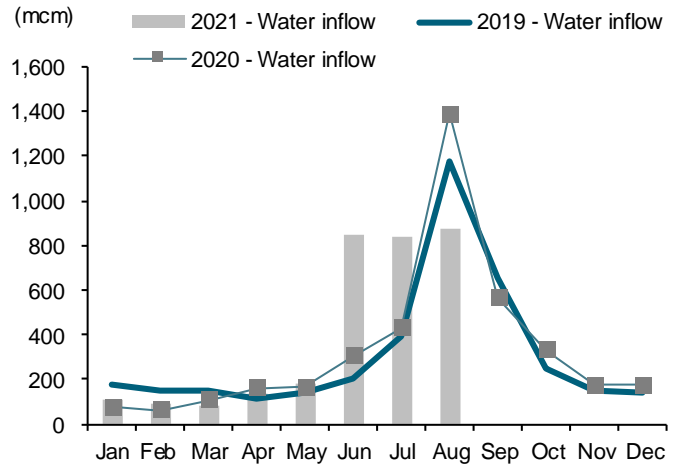
Source: CKP

**Exhibit 7: NN2's capacity factor (CF)**



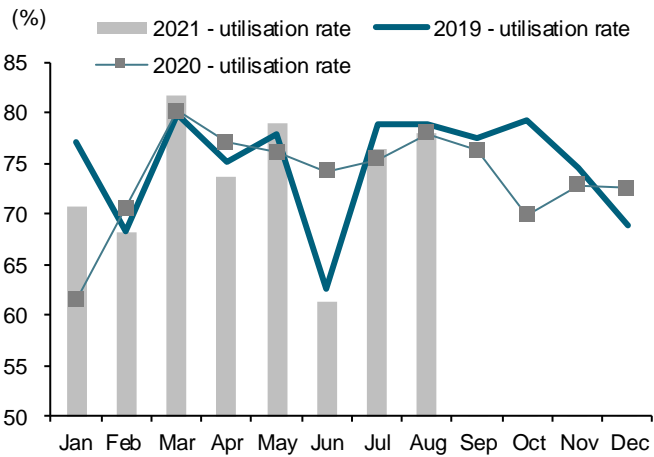
Source: CKP

**Exhibit 8: NN2's water inflow rate**



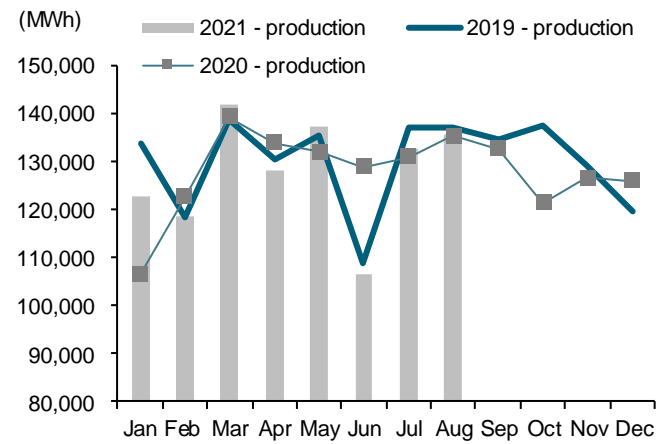
Source: CKP

**Exhibit 9: BIC's utilisation rate**



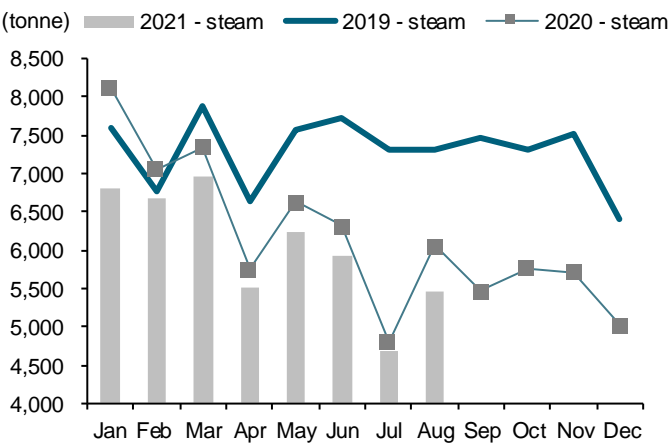
Source: CKP

**Exhibit 10: BIC's electricity production**



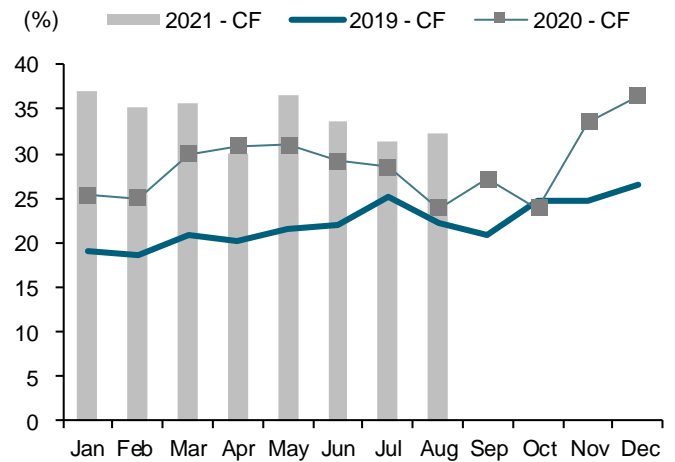
Source: CKP

**Exhibit 11: BIC's steam production**



Source: CKP

**Exhibit 12: BKC's capacity factor (CF)**



Source: CKP

## Financial Statements

### CK Power

| Profit and Loss (THB m) Year Ending Dec                    | 2019         | 2020         | 2021E        | 2022E        | 2023E        |
|--|--------------|--------------|--------------|--------------|--------------|
| Revenue  | 8,377        | 6,695        | 10,635       | 10,751       | 10,965       |
| Cost of goods sold   | (5,057)      | (4,417)      | (4,936)      | (6,004)      | (7,333)      |
| <b>Gross profit</b>  | <b>3,320</b> | <b>2,278</b> | <b>5,699</b> | <b>4,747</b> | <b>3,632</b> |
| Other operating income                                     | -            | -            | -            | -            | -            |
| Operating costs  | (442)        | (428)        | (679)        | (687)        | (700)        |
| <b>Operating EBITDA</b>                                    | <b>2,878</b> | <b>1,850</b> | <b>5,020</b> | <b>4,060</b> | <b>2,932</b> |
| Depreciation   | (1,518)      | (1,561)      | (1,480)      | (1,603)      | (1,603)      |
| Goodwill amortisation                                      | 0            | 0            | 0            | 0            | 0            |
| <b>Operating EBIT</b>                                      | <b>1,360</b> | <b>289</b>   | <b>3,540</b> | <b>2,458</b> | <b>1,329</b> |
| Net financing costs  | (745)        | (511)        | (82)         | 419          | 954          |
| Associates   | 433          | 407          | 794          | 2,240        | 2,780        |
| Recurring non-operating income                             | 483          | 416          | 804          | 2,250        | 2,790        |
| Non-recurring items  | (2)          | (12)         | 0            | 0            | 0            |
| <b>Profit before tax</b>                                   | <b>1,095</b> | <b>182</b>   | <b>4,262</b> | <b>5,127</b> | <b>5,073</b> |
| Tax  | (12)         | 16           | (575)        | (483)        | (386)        |
| <b>Profit after tax</b>                                    | <b>1,083</b> | <b>198</b>   | <b>3,687</b> | <b>4,644</b> | <b>4,687</b> |
| Minority interests   | (314)        | 207          | (1,420)      | (1,462)      | (1,506)      |
| Preferred dividends  | 0            | 0            | 0            | 0            | 0            |
| Other items  | -            | -            | -            | -            | -            |
| <b>Reported net profit</b>                                 | <b>769</b>   | <b>405</b>   | <b>2,267</b> | <b>3,182</b> | <b>3,181</b> |
| <b>Non-recurring items &amp; goodwill (net)</b>            | <b>2</b>     | <b>12</b>    | <b>0</b>     | <b>0</b>     | <b>0</b>     |
| <b>Recurring net profit</b>                                | <b>771</b>   | <b>416</b>   | <b>2,267</b> | <b>3,182</b> | <b>3,181</b> |
| <b>Per share (THB)</b>                                     |              |              |              |              |              |
| Recurring EPS *  | 0.09         | 0.05         | 0.28         | 0.39         | 0.39         |
| Reported EPS   | 0.09         | 0.05         | 0.28         | 0.39         | 0.39         |
| DPS  | 0.04         | 0.02         | 0.20         | 0.30         | 0.30         |
| Diluted shares (used to calculate per share data)          | 8,129        | 8,129        | 8,129        | 8,129        | 8,129        |
| <b>Growth</b>  |              |              |              |              |              |
| Revenue (%)  | (7.6)        | (20.1)       | 58.9         | 1.1          | 2.0          |
| Operating EBITDA (%)                                       | (28.3)       | (35.7)       | 171.3        | (19.1)       | (27.8)       |
| Operating EBIT (%)   | (44.7)       | (78.7)       | 1,123.7      | (30.6)       | (45.9)       |
| Recurring EPS (%)  | 16.4         | (46.0)       | 444.4        | 40.3         | 0.0          |
| Reported EPS (%)   | 16.4         | (47.4)       | 460.2        | 40.3         | 0.0          |
| <b>Operating performance</b>                               |              |              |              |              |              |
| Gross margin inc. depreciation (%)                         | 21.5         | 10.7         | 39.7         | 29.2         | 18.5         |
| Gross margin of key business (%)                           | 21.5         | 10.5         | 39.7         | 29.2         | 18.5         |
| Operating EBITDA margin (%)                                | 34.4         | 27.6         | 47.2         | 37.8         | 26.7         |
| Operating EBIT margin (%)                                  | 16.2         | 4.3          | 33.3         | 22.9         | 12.1         |
| Net margin (%)   | 9.2          | 6.2          | 21.3         | 29.6         | 29.0         |
| Effective tax rate (%)                                     | 1.9          | 7.1          | 16.6         | 16.7         | 16.8         |
| Dividend payout on recurring profit (%)                    | 42.2         | 39.0         | 71.7         | 76.7         | 76.7         |
| Interest cover (X)   | 2.5          | 1.4          | 53.1         | (11.2)       | (4.3)        |
| Inventory days   | 4.4          | 5.1          | 4.8          | 4.6          | 4.6          |
| Debtor days  | 56.8         | 64.0         | 36.2         | 35.8         | 35.1         |
| Creditor days  | 56.5         | 54.1         | 48.5         | 46.6         | 46.5         |
| Operating ROIC (%)   | 3.4          | 0.8          | 10.4         | 7.6          | 4.4          |
| ROIC (%)   | 2.5          | 1.0          | 6.1          | 6.8          | 6.2          |
| ROE (%)  | 3.7          | 1.8          | 9.1          | 11.9         | 11.4         |
| ROA (%)  | 2.7          | 0.9          | 5.5          | 6.0          | 5.3          |
| * Pre-exceptional, pre-goodwill and fully diluted          |              |              |              |              |              |
| <b>Revenue by Division (THB m)</b>                         |              |              |              |              |              |
| Generation of electricity from hydroelectric power segment | 3,048        | 2,348        | 5,253        | 5,089        | 2,764        |
| Generation of electricity from solar power segment         | 145          | 150          | 151          | 152          | 152          |
| Generation of electricity from thermal power segment       | 5,030        | 3,945        | 4,974        | 5,253        | 7,792        |
| Other operating segment                                    | 154          | 200          | 201          | 201          | 201          |

Sources: CK Power; FSSIA estimates

## Financial Statements

### CK Power

| Cash Flow (THB m) Year Ending Dec  | 2019           | 2020          | 2021E          | 2022E          | 2023E          |
|--|----------------|---------------|----------------|----------------|----------------|
| Recurring net profit   | 771            | 416           | 2,267          | 3,182          | 3,181          |
| Depreciation   | 1,518          | 1,561         | 1,480          | 1,603          | 1,603          |
| Associates & minorities  | 433            | 407           | 794            | 2,240          | 2,780          |
| Other non-cash items   | -              | -             | -              | -              | -              |
| Change in working capital  | 1,097          | 685           | (195)          | 127            | 154            |
| <b>Cash flow from operations</b>   | <b>3,819</b>   | <b>3,069</b>  | <b>4,346</b>   | <b>7,151</b>   | <b>7,717</b>   |
| Capex - maintenance  | (1,518)        | (1,561)       | (1,480)        | (1,603)        | (1,603)        |
| Capex - new investment   | (2,224)        | (1,353)       | (1,480)        | (1,603)        | (1,603)        |
| Net acquisitions & disposals   | (841)          | (396)         | 0              | 0              | 0              |
| Other investments (net)  | 4,054          | 4,607         | 794            | 2,240          | 2,780          |
| <b>Cash flow from investing</b>  | <b>(529)</b>   | <b>1,298</b>  | <b>(2,165)</b> | <b>(965)</b>   | <b>(425)</b>   |
| Dividends paid   | (3,254)        | (3,253)       | (163)          | (1,626)        | (2,439)        |
| Equity finance   | 4,556          | 0             | 0              | 0              | 0              |
| Debt finance   | (5,452)        | 2,381         | (638)          | 0              | 0              |
| Other financing cash flows   | 2,486          | 1,190         | 2,790          | 188            | (850)          |
| <b>Cash flow from financing</b>  | <b>(1,663)</b> | <b>318</b>    | <b>1,990</b>   | <b>(1,438)</b> | <b>(3,289)</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>1,627</b>   | <b>4,685</b>  | <b>4,171</b>   | <b>4,748</b>   | <b>4,004</b>   |
| Free cash flow to firm (FCFF)  | 4,451.79       | 5,363.23      | 3,263.73       | 7,237.01       | 8,344.05       |
| Free cash flow to equity (FCFE)  | 324.62         | 7,937.55      | 4,333.22       | 6,373.67       | 6,442.85       |
| <b>Per share (THB)</b>   |                |               |                |                |                |
| FCFF per share   | 0.60           | 0.73          | 0.44           | 0.98           | 1.13           |
| FCFE per share   | 0.04           | 1.08          | 0.59           | 0.86           | 0.87           |
| Recurring cash flow per share  | 0.33           | 0.29          | 0.56           | 0.86           | 0.93           |
| <b>Balance Sheet (THB m) Year Ending Dec</b>   |                |               |                |                |                |
| Tangible fixed assets (gross)  | 39,562         | 39,677        | 39,677         | 39,677         | 39,677         |
| Less: Accumulated depreciation   | (11,206)       | (12,675)      | (14,154)       | (15,757)       | (17,359)       |
| <b>Tangible fixed assets (net)</b>   | <b>28,355</b>  | <b>27,002</b> | <b>25,522</b>  | <b>23,920</b>  | <b>22,317</b>  |
| <b>Intangible fixed assets (net)</b>   | <b>3,514</b>   | <b>3,681</b>  | <b>3,681</b>   | <b>3,681</b>   | <b>3,681</b>   |
| Long-term financial assets   | -              | -             | -              | -              | -              |
| Invest. in associates & subsidiaries   | 12,315         | 12,711        | 12,711         | 12,711         | 12,711         |
| Cash & equivalents   | 4,214          | 8,899         | 13,070         | 17,818         | 21,822         |
| A/C receivable   | 1,292          | 1,054         | 1,054          | 1,054          | 1,054          |
| Inventories  | 61             | 61            | 68             | 82             | 101            |
| Other current assets   | 1,038          | 552           | 877            | 886            | 904            |
| <b>Current assets</b>  | <b>6,606</b>   | <b>10,566</b> | <b>15,069</b>  | <b>19,841</b>  | <b>23,881</b>  |
| Other assets   | 13,401         | 13,079        | 13,079         | 13,079         | 13,079         |
| <b>Total assets</b>  | <b>64,191</b>  | <b>67,038</b> | <b>70,062</b>  | <b>73,231</b>  | <b>75,669</b>  |
| Common equity  | 23,549         | 23,774        | 25,879         | 27,435         | 28,177         |
| Minorities etc.  | 11,998         | 11,264        | 12,683         | 14,146         | 15,652         |
| <b>Total shareholders' equity</b>  | <b>35,547</b>  | <b>35,038</b> | <b>38,562</b>  | <b>41,580</b>  | <b>43,829</b>  |
| Long term debt   | 6,178          | 5,638         | 5,000          | 5,000          | 5,000          |
| Other long-term liabilities  | 19,072         | 20,088        | 20,088         | 20,088         | 20,088         |
| <b>Long-term liabilities</b>   | <b>25,250</b>  | <b>25,725</b> | <b>25,088</b>  | <b>25,088</b>  | <b>25,088</b>  |
| A/C payable  | 690            | 620           | 691            | 840            | 1,026          |
| Short term debt  | 2,622          | 5,544         | 5,544          | 5,544          | 5,544          |
| Other current liabilities  | 81             | 111           | 176            | 178            | 182            |
| <b>Current liabilities</b>   | <b>3,394</b>   | <b>6,275</b>  | <b>6,412</b>   | <b>6,563</b>   | <b>6,753</b>   |
| <b>Total liabilities and shareholders' equity</b>  | <b>64,191</b>  | <b>67,038</b> | <b>70,062</b>  | <b>73,231</b>  | <b>75,669</b>  |
| Net working capital  | 1,621          | 936           | 1,132          | 1,005          | 851            |
| Invested capital   | 59,205         | 57,408        | 56,124         | 54,394         | 52,638         |
| * Includes convertibles and preferred stock which is being treated as debt   |                |               |                |                |                |
| <b>Per share (THB)</b>   |                |               |                |                |                |
| Book value per share   | 2.90           | 2.92          | 3.18           | 3.37           | 3.47           |
| Tangible book value per share  | 2.46           | 2.47          | 2.73           | 2.92           | 3.01           |
| <b>Financial strength</b>  |                |               |                |                |                |
| Net debt/equity (%)  | 12.9           | 6.5           | (6.6)          | (17.5)         | (25.7)         |
| Net debt/total assets (%)  | 7.1            | 3.4           | (3.6)          | (9.9)          | (14.9)         |
| Current ratio (x)  | 1.9            | 1.7           | 2.4            | 3.0            | 3.5            |
| CF interest cover (x)  | 4.4            | 19.2          | 72.0           | (18.0)         | (7.4)          |
| <b>Valuation</b>   |                |               |                |                |                |
| <b>Recurring P/E (x) *</b>   | <b>56.4</b>    | <b>104.4</b>  | <b>19.2</b>    | <b>13.7</b>    | <b>13.7</b>    |
| <b>Recurring P/E @ target price (x) *</b>  | <b>69.6</b>    | <b>128.8</b>  | <b>23.7</b>    | <b>16.9</b>    | <b>16.9</b>    |
| Reported P/E (x)   | 56.6           | 107.5         | 19.2           | 13.7           | 13.7           |
| Dividend yield (%)   | 0.7            | 0.4           | 3.7            | 5.6            | 5.6            |
| Price/book (x)   | 1.8            | 1.8           | 1.7            | 1.6            | 1.5            |
| Price/tangible book (x)  | 2.2            | 2.2           | 2.0            | 1.8            | 1.8            |
| EV/EBITDA (x) **   | 20.9           | 30.8          | 10.7           | 12.4           | 16.3           |
| EV/EBITDA @ target price (x) **  | 24.4           | 36.3          | 12.7           | 14.9           | 19.8           |
| EV/invested capital (x)  | 1.0            | 1.0           | 1.0            | 0.9            | 0.9            |
| * Pre-exceptional, pre-goodwill and fully diluted ** EBITDA includes associate income and recurring non-operating income |                |               |                |                |                |

Sources: CK Power; FSSIA estimates

Corporate Governance report of Thai listed companies 2020

| EXCELLENT LEVEL |        |        |       |       |       |        |        |        |        |       |
|-----------------|--------|--------|-------|-------|-------|--------|--------|--------|--------|-------|
| AAV             | ADVANC | AF     | AIRA  | AKP   | AKR   | ALT    | AMA    | AMATA  | AMATAV | ANAN  |
| AOT             | AP     | ARIP   | ARROW | ASP   | BAFS  | BANPU  | BAY    | BCP    | BCPG   | BDMS  |
| BEC             | BEM    | BGRIM  | BIZ   | BKI   | BLA   | BOL    | BPP    | BRR    | BTS    | BWG   |
| CENTEL          | CFRESH | CHEWA  | CHO   | CIMBT | CK    | CKP    | CM     | CNT    | COL    | COMAN |
| COTTO           | CPALL  | CPF    | CPI   | CPN   | CSS   | DELTA  | DEMCO  | DRT    | DTAC   | DTC   |
| DV8             | EA     | EASTW  | ECF   | ECL   | EGCO  | EPG    | ETE    | FNS    | FPI    | FPT   |
| FSMART          | GBX    | GC     | GCAP  | GEL   | GFPT  | GGC    | GPSC   | GRAMMY | GUNKUL | HANA  |
| HARN            | HMPRO  | ICC    | ICI   | III   | ILINK | INTUCH | IRPC   | IVL    | JKN    | JSP   |
| JWD             | K      | KBANK  | KCE   | KKP   | KSL   | KTB    | KTC    | LANNA  | LH     | LHFG  |
| LIT             | LPN    | MAKRO  | MALEE | MBK   | MBKET | MC     | MCOT   | METCO  | MFEC   | MINT  |
| MONO            | MOONG  | MSC    | MTC   | NCH   | NCL   | NEP    | NKI    | NOBLE  | NSI    | NVD   |
| NYT             | OISHI  | ORI    | OTO   | PAP   | PAP   | PCSGH  | PDJ    | PG     | PHOL   | PLANB |
| 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    | TTB    | TMILL  | TNDT  |
| TNL             | TOA    | TOP    | TPBI  | TQM   | TRC   | TSC    | TSR    | TSTE   | TSTH   | TTA   |
| TTCL            | TTW    | TU     | TVD   | TVI   | TVO   | TWPC   | U      | UAC    | UBIS   | UV    |
| VGI             | VIH    | WACOAL | WAVE  | WHA   | WHAUP | WICE   | WINNER | TRUE   |        |       |

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

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

| Description | Score Range |
|-------------|-------------|
| Excellent   | 90-100      |
| Very Good   | 80-89       |
| Good        | 70-79       |

Disclaimer:

The disclosure of the survey results of the Thai Institute of Directors Association (“IOD”) regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information.

The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey results may be changed after that date. FSS International Investment Advisory Company Limited does not confirm nor certify the accuracy of such survey results.

\* CGR scoring should be considered with news regarding wrong doing of the company or director or executive of the company such unfair practice on securities trading, fraud, and corruption SEC imposed a civil sanction against insider trading of director and executive; \*\* delisted

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



## Anti-corruption Progress Indicator 2020

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

This report has been prepared by FSS International Investment Advisory Company Limited (FSSIA). The information herein has been obtained from sources believed to be reliable and accurate; however FSS makes no representation as to the accuracy and completeness of such information. Information and opinions expressed herein are subject to change without notice. FSS has no intention to solicit investors to buy or sell any security in this report. In addition, FSS does not guarantee returns nor price of the securities described in the report nor accept any liability for any loss or damage of any kind arising out of the use of such information or opinions in this report. Investors should study this report carefully in making investment decisions. All rights are reserved.

This report may not be reproduced, distributed or published by any person in any manner for any purpose without permission of FSSIA. 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**

**CK Power (CKP TB)**



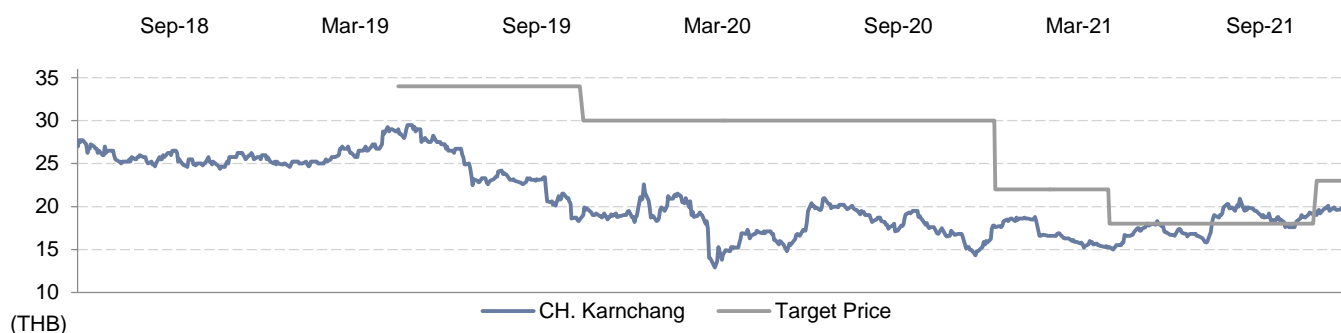
| Date        | Rating | Target price | Date        | Rating | Target price | Date        | Rating | Target price |
|-------------|--------|--------------|-------------|--------|--------------|-------------|--------|--------------|
| 15-Nov-2018 | HOLD   | 5.30         | 23-Jun-2020 | HOLD   | 4.20         | 04-Aug-2020 | BUY    | 6.60         |
| 13-Apr-2020 | HOLD   | 3.60         | 23-Jun-2020 | HOLD   | 4.20         |             |        |              |

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

Price and TP are in local currency

Source: FSSIA estimates

**CH. Karnchang (CK TB)**



| Date        | Rating | Target price | Date        | Rating | Target price | Date        | Rating | Target price |
|-------------|--------|--------------|-------------|--------|--------------|-------------|--------|--------------|
| 19-Jun-2019 | BUY    | 34.00        | 12-Nov-2020 | BUY    | 22.00        | 11-May-2021 | BUY    | 18.00        |
| 25-Nov-2019 | BUY    | 30.00        | 18-Feb-2021 | BUY    | 18.00        | 13-Aug-2021 | BUY    | 23.00        |
| 02-Apr-2020 | BUY    | 30.00        | 02-Mar-2021 | BUY    | 18.00        |             |        |              |

Songklod Wongchai started covering this stock from 12-Nov-2020

Price and TP are in local currency

Source: FSSIA estimates

| Company       | Ticker | Price     | Rating | Valuation & Risks  |
|---------------|--------|-----------|--------|--|
| CK Power      | CKP TB | THB 5.35  | BUY    | The downside risks to our SoTP-based TP include lower-than-expected demand for electricity in Thailand and lower-than-expected water supply for hydro projects.                          |
| CH. Karnchang | CK TB  | THB 19.60 | BUY    | Key downside risks to our SoTP-based TP are delays in new bids, political instability, fluctuations in construction material prices, cost overruns, and the prolonged Covid-19 pandemic. |

Source: FSSIA estimates

### Additional Disclosures

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finansia Syrus Securities Public Company Limited

FSSIA may incorporate the recommendations and target prices of companies currently covered by FSS Research into equity research reports, denoted by an 'FSS' before the recommendation. FSS Research is part of Finansia Syrus Securities Public Company Limited, which is the parent company of FSSIA.

All share prices are as at market close on 13-Sep-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.