

9 NOVEMBER 2021

THAILAND / UTILITIES - RENEWABLES

TPI POLENE POWER TPIPP TB

BUY

UNCHANGED

| | |
|-----------------|---------|
| TARGET PRICE | THB5.70 |
| CLOSE | THB4.20 |
| UP/DOWNSIDE | +35.7% |
| TP vs CONSENSUS | +12.1% |

Softer on lower utilisation rates

Weaker-than-expected 3Q21 results due to lower sales volumes

TPIPP's 3Q21 net profit plunged 21% q-q and 22% y-y to THB943m (9% below our forecast, 13% below Bloomberg consensus), dragged down by lower sales volumes and higher feedstock costs, including 1) an FX loss of THB4m; and 2) a tax expense of THB28m. Its EBITDA margin dipped to 41.2%, down from 49.8% in 2Q21 and 49.6% in 3Q20, due to a lower utilisation rate following the lower electricity sales volume. Excluding an FX loss of THB4m and other non-operating items, 3Q21 core net profit was THB947m, down 20% q-q and 22% y-y on lower sales volumes and higher costs. Its 3Q21 interest expense was THB47m, down 40% q-q, due to y-y lower debt to fund new growth projects.

Operational hiccup undermined 3Q21 results

TPIPP's 3Q21 revenue dropped 4% y-y to THB2.9b due to the lower utilisation rates for refuse-derivative (RDF) and waste heat power plants. We estimate that TPIPP's sales volume declined by 4% q-q in 3Q21, resulting in its EBITDA dropping by 19% q-q to THB1.2b from THB1.5b in 2Q21. The relatively flat q-q average selling price helped to partly offset the higher operating cost per unit as well as the weaker sales volumes for TPIPP's high-margin electricity sales generated from its RDF-based power plants, despite the installation of multiple supplement boilers. We estimate that the RDF plants had a utilisation rate of 95% in 3Q21, down from 98% in 2Q21.

Disappointing record with no new growth since January 2021

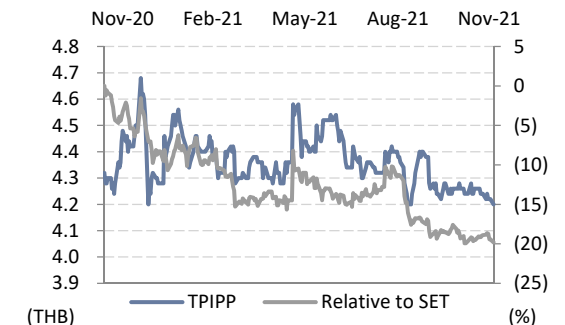
After winning one 8MW waste-to-energy (WTE) power plant in Jan-21, TPIPP was unable to secure any new bidding for WTE power plants under Thailand's new capacity auction of 400MW within 2021, against our expectation of it winning two additional projects, given its cost competitiveness and operational expertise. The delays in the bidding process due to political instability have continued to disrupt TPIPP's potential growth opportunities via WTE power plants, in our view.

Still an attractive dividend play

We maintain BUY and our SOTP-based TP of THB5.7. We think TPIPP still has the potential for capacity growth from its new WTE power plant bids in 2022, despite the delays in 2021. We see TPIPP as a high-yield, value-accretive power play and believe it is one of Thailand's largest WTE plays with a high potential for WTE capacity growth.

KEY STOCK DATA

| YE Dec (THB m) | 2020 | 2021E | 2022E | 2023E |
|---------------------|--------|--------|--------|--------|
| Revenue | 11,162 | 10,930 | 10,730 | 10,245 |
| Net profit | 4,506 | 4,657 | 4,566 | 4,038 |
| EPS (THB) | 0.54 | 0.55 | 0.54 | 0.48 |
| vs Consensus (%) | - | (8.3) | 3.8 | - |
| EBITDA | 5,511 | 6,021 | 5,828 | 5,297 |
| Core net profit | 4,506 | 4,657 | 4,566 | 4,038 |
| Core EPS (THB) | 0.54 | 0.55 | 0.54 | 0.48 |
| EPS growth (%) | (2.2) | 3.4 | (1.9) | (11.6) |
| Core P/E (x) | 7.8 | 7.6 | 7.7 | 8.7 |
| Dividend yield (%) | 9.5 | 9.5 | 9.5 | 9.5 |
| EV/EBITDA (x) | 8.3 | 6.5 | 6.6 | 7.1 |
| Price/book (x) | 1.2 | 1.2 | 1.1 | 1.1 |
| Net debt/Equity (%) | 36.1 | 13.6 | 9.2 | 7.3 |
| ROE (%) | 16.1 | 15.7 | 14.8 | 12.7 |



| Share price performance | 1 Month | 3 Month | 12 Month |
|--------------------------------|-----------------|---------|----------|
| Absolute (%) | (1.4) | (4.5) | (1.4) |
| Relative to country (%) | (0.6) | (10.7) | (23.6) |
| Mkt cap (USD m) | 1,069 | | |
| 3m avg. daily turnover (USD m) | 1.1 | | |
| Free float (%) | 29 | | |
| Major shareholder | TPIPL Plc (70%) | | |
| 12m high/low (THB) | 4.68/4.14 | | |
| Issued shares (m) | 8,400.00 | | |

Sources: Bloomberg consensus; FSSIA estimates



Suwat Sinsadok
 suwat.sin@fssia.com
 +66 2611 3558

Siriluck Pinthusoonthorn
 siriluck.pin@fssia.com
 +66 2611 3562

Exhibit 1: Summary of 3Q21/9M21 operations

| | 3Q20 | 2Q21 | 3Q21 | | | 9M20 | 9M21 | Chg. | 2021E |
|--------------------------|--------------|--------------|--------------|---------------|---------------|--------------|--------------|--------------|---------------|
| | (THB m) | (THB m) | (THB m) | (q-q %) | (y-y %) | (THB m) | (THB m) | (y-y %) | (THB m) |
| Revenue | 3,011 | 2,924 | 2,878 | (1.6) | (4.4) | 8,340 | 8,452 | 1.3 | 10,930 |
| Operating costs | (1,517) | (1,469) | (1,693) | 15.2 | 11.6 | (4,275) | (4,478) | 4.8 | (4,034) |
| EBITDA | 1,494 | 1,455 | 1,186 | (18.5) | (20.7) | 4,065 | 3,974 | (2.2) | 6,021 |
| <i>EBITDA margin (%)</i> | <i>49.6</i> | <i>49.8</i> | <i>41.2</i> | <i>nm</i> | <i>nm</i> | <i>48.7</i> | <i>47.0</i> | <i>nm</i> | <i>55.1</i> |
| Depreciation & amort | (216) | (221) | (228) | 3.2 | 5.5 | (654) | (667) | 2.0 | (1,008) |
| EBIT | 1,278 | 1,234 | 957 | (22.4) | (25.1) | 3,411 | 3,307 | (3.0) | 5,014 |
| Interest expense | (87) | (78) | (47) | (40.0) | (45.9) | (195) | (206) | 5.7 | (243) |
| Interest & invt inc | 61 | 46 | 53 | 14.4 | (13.6) | 231 | 168 | (27.4) | 287 |
| Associates' contrib | 0 | 11 | 12 | nm | nm | 0 | 23 | nm | 0 |
| Exceptional | (10) | (2) | (4) | nm | nm | (2) | (14) | nm | 0 |
| Pretax profit | 1,242 | 1,210 | 971 | (19.8) | (21.8) | 3,444 | 3,278 | (4.8) | 5,058 |
| Tax | (35) | (22) | (28) | 26.7 | (20.7) | (99) | (86) | (13.4) | (402) |
| <i>Tax rate (%)</i> | <i>2.9</i> | <i>1.8</i> | <i>2.9</i> | <i>57.9</i> | <i>1.4</i> | <i>(2.9)</i> | <i>(2.6)</i> | <i>(9.0)</i> | <i>7.9</i> |
| Minority interests | 0 | 0 | 0 | nm | nm | (0) | 0 | nm | 0 |
| Net profit | 1,206 | 1,188 | 943 | (20.6) | (21.8) | 3,345 | 3,192 | (4.6) | 4,657 |
| Core profit | 1,216 | 1,190 | 947 | (20.4) | (22.1) | 3,347 | 3,206 | (4.2) | 4,657 |
| EPS (THB) | 0.14 | 0.14 | 0.11 | (20.6) | (21.8) | 0.40 | 0.38 | (4.6) | 0.55 |
| Core EPS (THB) | 0.14 | 0.14 | 0.11 | (20.4) | (22.1) | 0.40 | 0.38 | (4.2) | 0.55 |

Sources: TPIPP; FSSIA estimates

Exhibit 2: SoTP valuation

| Cost of equity assumptions | (%) | Cost of debt assumptions | (%) |
|----------------------------|------|--------------------------|------|
| Risk-free rate | 2.3 | Pretax cost of debt | 5.0 |
| Market risk premium | 8.5 | Marginal tax rate | 20.0 |
| Stock beta | 1.0 | | |
| Cost of equity, Ke | 10.8 | Net cost of debt, Kd | 3.8 |
| Weight applied | 30.0 | Weight applied | 70.0 |
| WACC (%) | 5.9 | | |

| DCF valuation estimate | (THB m) | (THB/share) | Comments |
|---------------------------------|---------------|-------------|---|
| TG1 - Waste heat 20MW | 2,695 | 0.3 | WACC 5.9%, Risk free rate 2.3%, Risk premium 8.5% |
| TG2 - Waste heat 20MW | 2,680 | 0.3 | WACC 5.9%, Risk free rate 2.3%, Risk premium 8.5% |
| TG3 - WTE 20MW | 5,271 | 0.6 | WACC 5.9%, Risk free rate 2.3%, Risk premium 8.5% |
| TG4 - Waste heat/RDF 30MW | 8,461 | 1.0 | WACC 5.9%, Risk free rate 2.3%, Risk premium 8.5% |
| TG5 - WTE 60MW | 11,953 | 1.4 | WACC 5.9%, Risk free rate 2.3%, Risk premium 8.5% |
| TG6 - WTE/waste heat 70MW | 12,677 | 1.5 | WACC 5.9%, Risk free rate 2.3%, Risk premium 8.5% |
| TG7 - WTE/coal 70MW | 4,468 | 0.5 | WACC 5.9%, Risk free rate 2.3%, Risk premium 8.5% |
| TG8 - Coal 150MW | 1,642 | 0.2 | WACC 5.9%, Risk free rate 2.3%, Risk premium 8.5% |
| Petro & Gas stations | 970 | 0.1 | WACC 5.9%, Risk free rate 2.3%, Risk premium 8.5% |
| Agriculture & Others | 297 | 0.0 | WACC 5.9%, Risk free rate 2.3%, Risk premium 8.5% |
| Net cash (debt) | (3,398) | (0.4) | Net debt as at end-2021E |
| Minorities | 0 | 0.0 | |
| Residual ordinary equity | 47,716 | 5.7 | |

Sources: TPIPP; FSSIA estimates

Financial Statements

TPI Polene Power

| Profit and Loss (THB m) Year Ending Dec | 2019 | 2020 | 2021E | 2022E | 2023E |
|---|--------------|--------------|--------------|--------------|--------------|
| Revenue | 10,650 | 11,162 | 10,930 | 10,730 | 10,245 |
| Cost of goods sold | (4,723) | (5,152) | (4,034) | (4,082) | (4,165) |
| Gross profit | 5,927 | 6,010 | 6,896 | 6,648 | 6,080 |
| Other operating income | - | - | - | - | - |
| Operating costs | (508) | (499) | (874) | (820) | (783) |
| Operating EBITDA | 5,419 | 5,511 | 6,021 | 5,828 | 5,297 |
| Depreciation | (807) | (876) | (1,008) | (1,008) | (873) |
| Goodwill amortisation | 0 | 0 | 0 | 0 | 0 |
| Operating EBIT | 4,612 | 4,635 | 5,014 | 4,821 | 4,424 |
| Net financing costs | (68) | (289) | (243) | (127) | (113) |
| Associates | 0 | 0 | 0 | 0 | 0 |
| Recurring non-operating income | 164 | 282 | 287 | 282 | 269 |
| Non-recurring items | 0 | 0 | 0 | 0 | 0 |
| Profit before tax | 4,709 | 4,628 | 5,058 | 4,976 | 4,581 |
| Tax | (102) | (122) | (402) | (410) | (542) |
| Profit after tax | 4,607 | 4,506 | 4,657 | 4,566 | 4,038 |
| Minority interests | 0 | 0 | 0 | 0 | 0 |
| Preferred dividends | 0 | 0 | 0 | 0 | 0 |
| Other items | - | - | - | - | - |
| Reported net profit | 4,607 | 4,506 | 4,657 | 4,566 | 4,038 |
| Non-recurring items & goodwill (net) | 0 | 0 | 0 | 0 | 0 |
| Recurring net profit | 4,607 | 4,506 | 4,657 | 4,566 | 4,038 |
| Per share (THB) | | | | | |
| Recurring EPS * | 0.55 | 0.54 | 0.55 | 0.54 | 0.48 |
| Reported EPS | 0.55 | 0.54 | 0.55 | 0.54 | 0.48 |
| DPS | 0.40 | 0.40 | 0.40 | 0.40 | 0.40 |
| Diluted shares (used to calculate per share data) | 8,400 | 8,400 | 8,400 | 8,400 | 8,400 |
| Growth | | | | | |
| Revenue (%) | 38.9 | 4.8 | (2.1) | (1.8) | (4.5) |
| Operating EBITDA (%) | 31.7 | 1.7 | 9.3 | (3.2) | (9.1) |
| Operating EBIT (%) | 27.0 | 0.5 | 8.2 | (3.9) | (8.2) |
| Recurring EPS (%) | 24.5 | (2.2) | 3.4 | (1.9) | (11.6) |
| Reported EPS (%) | 24.5 | (2.2) | 3.4 | (1.9) | (11.6) |
| Operating performance | | | | | |
| Gross margin inc. depreciation (%) | 48.1 | 46.0 | 53.9 | 52.6 | 50.8 |
| Gross margin of key business (%) | 48.1 | 46.0 | 53.9 | 52.6 | 50.8 |
| Operating EBITDA margin (%) | 50.9 | 49.4 | 55.1 | 54.3 | 51.7 |
| Operating EBIT margin (%) | 43.3 | 41.5 | 45.9 | 44.9 | 43.2 |
| Net margin (%) | 43.3 | 40.4 | 42.6 | 42.6 | 39.4 |
| Effective tax rate (%) | 2.2 | 2.6 | 7.9 | 8.2 | 11.8 |
| Dividend payout on recurring profit (%) | 72.9 | 74.6 | 72.2 | 73.6 | 83.2 |
| Interest cover (X) | 70.4 | 17.0 | 21.8 | 40.2 | 41.6 |
| Inventory days | 63.4 | 81.5 | 100.7 | 88.0 | 87.6 |
| Debtor days | 65.4 | 74.8 | 81.0 | 82.5 | 86.4 |
| Creditor days | 160.1 | 87.0 | 34.9 | 30.5 | 30.3 |
| Operating ROIC (%) | 13.1 | 11.2 | (2.9) | (2.8) | (2.6) |
| ROIC (%) | 13.4 | 11.6 | (3.0) | (2.9) | (2.6) |
| ROE (%) | 17.7 | 16.1 | 15.7 | 14.8 | 12.7 |
| ROA (%) | 13.4 | 12.3 | 12.0 | 12.0 | 10.5 |
| * Pre exceptional, pre-goodwill and fully diluted | | | | | |
| Revenue by Division (THB m) | | | | | |
| Energy&Utilities | 9,851 | 10,142 | 9,909 | 9,709 | 9,224 |
| Petrol and gas stations | 720 | 800 | 800 | 800 | 800 |
| Agriculture and other | 79 | 220 | 221 | 221 | 221 |

Sources: TPI Polene Power; FSSIA estimates

Financial Statements

TPI Polene Power

| Cash Flow (THB m) Year Ending Dec | 2019 | 2020 | 2021E | 2022E | 2023E |
|--|----------------|----------------|-----------------|----------------|----------------|
| Recurring net profit | 4,607 | 4,506 | 4,657 | 4,566 | 4,038 |
| Depreciation | 807 | 876 | 1,008 | 1,008 | 873 |
| Associates & minorities | - | - | - | - | - |
| Other non-cash items | - | - | - | - | - |
| Change in working capital | (1,823) | (4,069) | 472 | 2 | 17 |
| Cash flow from operations | 3,591 | 1,312 | 6,136 | 5,575 | 4,928 |
| Capex - maintenance | (807) | (876) | (876) | (876) | (876) |
| Capex - new investment | (2,181) | (2,113) | (124) | (124) | (124) |
| Net acquisitions & disposals | (4,128) | (2,724) | 4,833 | 0 | 0 |
| Other investments (net) | (976) | (728) | 0 | 0 | 0 |
| Cash flow from investing | (8,092) | (6,441) | 3,833 | (1,000) | (1,000) |
| Dividends paid | (3,360) | (3,360) | (3,360) | (3,360) | (3,360) |
| Equity finance | 0 | 0 | 0 | 0 | 0 |
| Debt finance | 4,000 | 4,240 | (7,240) | (1,000) | 0 |
| Other financing cash flows | 2,790 | 2,699 | (283) | 1 | (5) |
| Cash flow from financing | 3,430 | 3,579 | (10,883) | (4,359) | (3,365) |
| Non-recurring cash flows | - | - | - | - | - |
| Other adjustments | 0 | 0 | 0 | 0 | 0 |
| Net other adjustments | 0 | 0 | 0 | 0 | 0 |
| Movement in cash | (1,071) | (1,550) | (913) | 217 | 563 |
| Free cash flow to firm (FCFF) | (4,341.38) | (4,843.04) | 10,212.65 | 4,702.02 | 4,040.97 |
| Free cash flow to equity (FCFE) | 2,289.43 | 1,810.43 | 2,446.70 | 3,576.57 | 3,922.79 |
| Per share (THB) | | | | | |
| FCFF per share | (0.52) | (0.58) | 1.22 | 0.56 | 0.48 |
| FCFE per share | 0.27 | 0.22 | 0.29 | 0.43 | 0.47 |
| Recurring cash flow per share | 0.64 | 0.64 | 0.67 | 0.66 | 0.58 |
| Balance Sheet (THB m) Year Ending Dec | | | | | |
| Tangible fixed assets (gross) | 34,210 | 34,211 | 35,211 | 36,211 | 37,211 |
| Less: Accumulated depreciation | (3,440) | (3,439) | (4,446) | (5,454) | (6,326) |
| Tangible fixed assets (net) | 30,770 | 30,772 | 30,765 | 30,757 | 30,885 |
| Intangible fixed assets (net) | 0 | 0 | 0 | 0 | 0 |
| Long-term financial assets | - | - | - | - | - |
| Invest. in associates & subsidiaries | 187 | 188 | 188 | 188 | 188 |
| Cash & equivalents | 3,340 | 1,791 | 878 | 1,094 | 1,657 |
| A/C receivable | 2,148 | 2,426 | 2,426 | 2,426 | 2,426 |
| Inventories | 1,053 | 1,249 | 978 | 990 | 1,010 |
| Other current assets | 126 | 1,693 | 1,658 | 1,627 | 1,554 |
| Current assets | 6,667 | 7,158 | 5,939 | 6,137 | 6,646 |
| Other assets | 229 | 823 | 823 | 823 | 823 |
| Total assets | 37,852 | 38,942 | 37,715 | 37,906 | 38,543 |
| Common equity | 27,110 | 28,928 | 30,225 | 31,431 | 32,110 |
| Minorities etc. | 0 | 0 | 0 | 0 | 0 |
| Total shareholders' equity | 27,110 | 28,928 | 30,225 | 31,431 | 32,110 |
| Long term debt | 8,000 | 8,000 | 4,000 | 4,000 | 4,000 |
| Other long-term liabilities | 408 | 1,063 | 1,063 | 1,063 | 1,063 |
| Long-term liabilities | 8,408 | 9,063 | 5,063 | 5,063 | 5,063 |
| A/C payable | 2,024 | 433 | 339 | 343 | 350 |
| Short term debt | 0 | 4,240 | 1,000 | 0 | 0 |
| Other current liabilities | 310 | 1,112 | 1,089 | 1,069 | 1,021 |
| Current liabilities | 2,334 | 5,784 | 2,428 | 1,412 | 1,370 |
| Total liabilities and shareholders' equity | 37,853 | 43,775 | 37,715 | 37,906 | 38,543 |
| Net working capital | 993 | 3,823 | 3,634 | 3,631 | 3,619 |
| Invested capital | 32,178 | 35,607 | 35,410 | 35,400 | 35,515 |
| * Includes convertibles and preferred stock which is being treated as debt | | | | | |
| Per share (THB) | | | | | |
| Book value per share | 3.23 | 3.44 | 3.60 | 3.74 | 3.82 |
| Tangible book value per share | 3.23 | 3.44 | 3.60 | 3.74 | 3.82 |
| Financial strength | | | | | |
| Net debt/equity (%) | 17.2 | 36.1 | 13.6 | 9.2 | 7.3 |
| Net debt/total assets (%) | 12.3 | 26.8 | 10.9 | 7.7 | 6.1 |
| Current ratio (x) | 2.9 | 1.2 | 2.4 | 4.3 | 4.9 |
| CF interest cover (x) | 66.9 | 14.6 | 11.6 | 30.2 | 36.9 |
| Valuation | | | | | |
| Recurring P/E (x) * | 7.7 | 7.8 | 7.6 | 7.7 | 8.7 |
| Recurring P/E @ target price (x) * | 10.4 | 10.6 | 10.3 | 10.5 | 11.9 |
| Reported P/E (x) | 7.7 | 7.8 | 7.6 | 7.7 | 8.7 |
| Dividend yield (%) | 9.5 | 9.5 | 9.5 | 9.5 | 9.5 |
| Price/book (x) | 1.3 | 1.2 | 1.2 | 1.1 | 1.1 |
| Price/tangible book (x) | 1.3 | 1.2 | 1.2 | 1.1 | 1.1 |
| EV/EBITDA (x) ** | 7.4 | 8.3 | 6.5 | 6.6 | 7.1 |
| EV/EBITDA @ target price (x) ** | 9.7 | 10.6 | 8.6 | 8.7 | 9.5 |
| EV/invested capital (x) | 1.2 | 1.3 | 1.1 | 1.1 | 1.1 |
| * Pre-exceptional, pre-goodwill and fully diluted ** EBITDA includes associate income and recurring non-operating income | | | | | |

Sources: TPI Polene 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 | TRC | TSC | TSR | TSTE | TSTH |
| 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 | 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 | 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

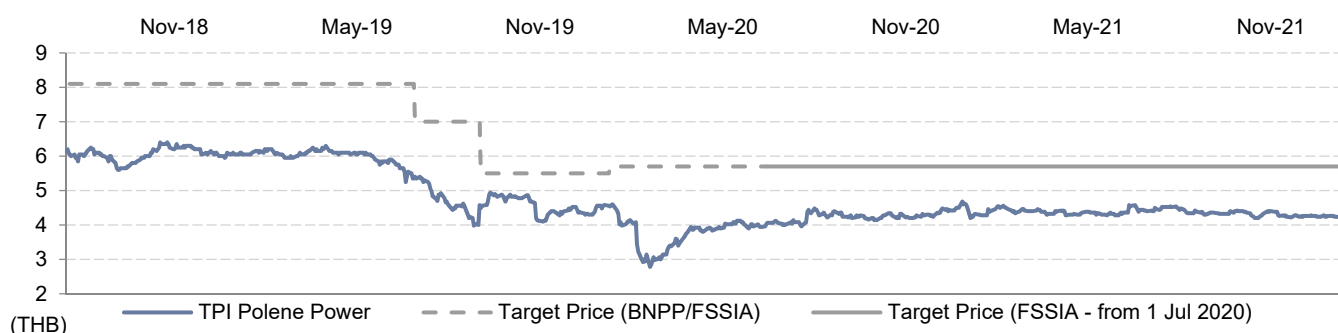
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History of change in investment rating and/or target price

TPI Polene Power (TPIPP TB)



| Date | Rating | Target price | Date | Rating | Target price | Date | Rating | Target price |
|-------------|--------|--------------|-------------|--------|--------------|------|--------|--------------|
| 15-Nov-2018 | BUY | 8.10 | 31-Oct-2019 | BUY | 5.50 | - | - | - |
| 05-Sep-2019 | BUY | 7.00 | 18-Feb-2020 | BUY | 5.70 | | | |

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 |
|------------------|----------|----------|--------|---|
| TPI Polene Power | TPIPP TB | THB 4.20 | BUY | Downside risks to our SoTP-based TP include 1) lower-than-expected demand for electricity in Thailand; 2) lower crude price, and 3) unplanned shutdown of the company's power plants. |

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 Finasia Syrus Securities Public Company Limited

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All share prices are as at market close on 08-Nov-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.