

12 NOVEMBER 2021

THAILAND / UTILITIES - RENEWABLES

# ABSOLUTE CLEAN ENERGY ACE TB

## BUY

UNCHANGED

TARGET PRICE THB5.20  
 CLOSE THB3.66  
 UP/DOWNSIDE +42.1%  
 TP vs CONSENSUS +17.4%

## Improvement in biomass continued

### A strong 3Q21 net profit boosted by higher sales volumes

ACE reported a 3Q21 net profit (NP) of THB411m, up 0.2% y-y and 12% q-q, beating our estimate by 1% and Bloomberg's consensus forecast by 17%. Excluding extra items of THB70m, 3Q21 core NP was THB341m, down 9% y-y but up 1% q-q due to the lower margin that was partly offset by higher electricity production levels from its new biomass power plants. Revenue dipped 2.2% y-y in 3Q21 due to the absence of THB215m from construction and the lower tariff that was partly offset by the incorporation of three new biomass power plants acquired in 2H20 from UA Withya (UWC TB, NR) with a total capacity of 26.9MW and a new waste-to-energy (WTE) power plant in Krabi acquired in Dec-20.

### Improving gross margin q-q led by biomass power plants

The gross margin (GM) rose to 33.8% in 3Q21, up from 33.6% in 2Q21 but down from 36.0% in 3Q20, due to the improving margins of the new biomass power plants and the new feed-in-tariff biomass power plant that has a lower GM than ACE's previous adder-based biomass power plant. The GM for biomass power plants improved to 35.1% in 3Q21 vs 32.8% in 2Q21 as ACE successfully enhanced the utilisation rates and efficiency of the three acquired power plants.

### Growth remains highly promising in 4Q21-2023

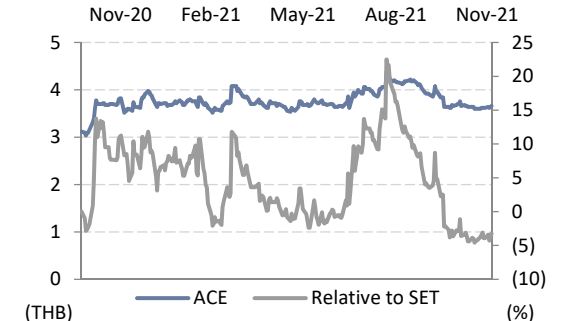
We project ACE's NP growth to accelerate in 4Q21-2023, backed by multiple new growth projects currently in the pipeline, waiting to secure power purchase agreements (PPAs) or have environmental impact assessments granted. After Thailand's full economic reopening in Nov-21, we expect ACE to resume the signing of PPAs for its remaining 10 biomass power plants currently under negotiation with the Provincial Electricity Authority of Thailand. More earnings upsides post-2022 should come from earnings from ACE's recently won 18 (50MW) biogas power plant projects under the Power Plant for Community scheme to generate an EIRR of 20%, based on management's guidance.

### A key beneficiary of Thailand's renewable-focused PDP

We maintain BUY and our SoTP-based TP of THB5.2. We think ACE stands as one of Thailand's best plays on the upcoming biomass, biogas, and WTE power plant capacity in 2021-23. In 2022, we expect ACE to win additional biomass and biogas capacity under the government's 50% renewable target in the upcoming Power Development Plan 2022.

## KEY STOCK DATA

YE Dec (THB m)	2020	2021E	2022E	2023E
Revenue	5,858	7,559	11,294	11,453
Net profit	1,507	1,892	2,161	3,051
EPS (THB)	0.15	0.19	0.21	0.30
vs Consensus (%)	-	31.0	(2.3)	2.4
EBITDA	1,814	2,661	3,742	4,921
Core net profit	1,357	1,892	2,161	3,051
Core EPS (THB)	0.13	0.19	0.21	0.30
EPS growth (%)	53.9	39.4	14.2	41.1
Core P/E (x)	27.4	19.7	17.2	12.2
Dividend yield (%)	0.4	2.2	5.5	5.5
EV/EBITDA (x)	22.4	15.7	12.3	10.0
Price/book (x)	3.1	2.8	2.8	2.6
Net debt/Equity (%)	28.7	34.7	66.5	82.4
ROE (%)	11.9	15.1	16.5	22.3



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(0.5)	(15.3)	22.0
Relative to country (%)	(0.5)	(20.5)	0.5
Mkt cap (USD m)	1,133		
3m avg. daily turnover (USD m)	9.9		
Free float (%)	57		
Major shareholder	Mr. Wirachai Songmetta (22%)		
12m high/low (THB)	4.60/2.94		
Issued shares (m)	10,176.00		

Sources: Bloomberg consensus; FSSIA estimates



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## 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)
<b>Revenue</b>	<b>1,501</b>	<b>1,386</b>	<b>1,468</b>	<b>5.9</b>	<b>(2.2)</b>	<b>4,489</b>	<b>4,168</b>	<b>(7.2)</b>	<b>7,559</b>
Operating costs	(966)	(837)	(911)	8.8	(5.7)	(2,979)	(2,545)	(14.6)	(4,898)
<b>EBITDA</b>	<b>535</b>	<b>549</b>	<b>557</b>	<b>1.5</b>	<b>4.1</b>	<b>1,510</b>	<b>1,623</b>	<b>7.5</b>	<b>2,661</b>
<i>EBITDA margin (%)</i>	36	40	38	<i>nm</i>	<i>nm</i>	34	39	<i>nm</i>	35
Deprn & amort.	(139)	(165)	(167)	0.8	19.6	(406)	(494)	21.9	(603)
<b>EBIT</b>	<b>396</b>	<b>384</b>	<b>390</b>	<b>1.8</b>	<b>(1.4)</b>	<b>1,105</b>	<b>1,129</b>	<b>2.2</b>	<b>2,058</b>
Interest expense	(28)	(36)	(36)	1.0	29.7	(79)	(106)	33.8	(150)
Interest & invt inc	-	-	-	-	-	-	-	<i>nm</i>	-
Other income	14	10	8	(15.6)	(40.3)	186	31	(83.4)	30
Associates' contrib	-	-	-	-	-	-	-	<i>nm</i>	-
Exceptionals	38	31	84	<i>nm</i>	<i>nm</i>	91	170	<i>nm</i>	149
<b>Pretax profit</b>	<b>419</b>	<b>388</b>	<b>446</b>	<b>14.9</b>	<b>6.4</b>	<b>1,303</b>	<b>1,223</b>	<b>(6.1)</b>	<b>1,938</b>
Tax	(9)	(22)	(35)	59.5	287.4	(49)	(85)	<i>nm</i>	(46)
<i>Tax rate (%)</i>	2	6	8	<i>nm</i>	<i>nm</i>	4	7	<i>nm</i>	2
Minority interests	-	0	0	-	-	-	0	-	-
<b>Net profit</b>	<b>410</b>	<b>366</b>	<b>411</b>	<b>12.2</b>	<b>0.2</b>	<b>1,254</b>	<b>1,138</b>	<b>(9.2)</b>	<b>1,892</b>
Non-recurring	36	28	70	146.7	95.8	222	153	(31.0)	-
<b>Core net profit</b>	<b>375</b>	<b>338</b>	<b>341</b>	<b>0.9</b>	<b>(8.9)</b>	<b>1,032</b>	<b>985</b>	<b>(4.5)</b>	<b>1,892</b>
EPS (THB)	0.04	0.04	0.04	12.2	0.2	0.12	0.11	(9.2)	0.19
Core EPS (THB)	0.04	0.03	0.03	0.9	(8.9)	0.10	0.10	(4.5)	0.19

Sources: ACE; FSSIA estimates

## Exhibit 2: 3Q21/9M21 key performance

(THB m)	3Q20	2Q21	3Q21	(q-q%)	(y-y%)	9M20	9M21	(y-y%)
<b>Cost of sales and service</b>								
Fuel materials cost	516	583	643	10.3	24.7	1,564	1,763	12.8
Depreciation and amortisation cost	130	155	154	(0.9)	18.5	378	462	22.2
Staff cost and other benefits	38	57	54	(5.8)	41.8	114	164	44.2
Repair and maintenance cost	46	52	47	(9.8)	3.1	130	149	14.5
Cost of maintenance services to outside	30	0	0	<i>nm</i>	<i>nm</i>	30	0	<i>nm</i>
Engineering and other services	31	31	35	13.7	12.6	91	106	16.9
Processing fee - PEA	14	16	16	1.9	15.0	42	48	13.6
Other cost	19	26	22	(14.9)	18.7	59	74	24.7
<b>Total cost of sales and service</b>	<b>823</b>	<b>920</b>	<b>971</b>	<b>5.5</b>	<b>18.0</b>	<b>2,408</b>	<b>2,766</b>	<b>14.9</b>
Net gain on exchange rate	38	31	84	170.6	122.3	91	170	86.0
Gain on forward contracts	8	5	6	33.3	(28.6)	7	22	205.6
<b>Gross profit and gross profit margin</b>								
Biomass power plants	291	259	296	14.1	1.5	799	794	(0.6)
Natural gas power plant	144	140	139	(0.2)	(3.2)	428	416	(2.9)
Municipal solid waste power plants	26	64	59	(7.5)	127.8	106	185	73.6
Solar energy power plants	2	3	2	(20.7)	21.1	4	7	69.0
<b>Gross profit by segment</b>	<b>463</b>	<b>466</b>	<b>497</b>	<b>6.6</b>	<b>7.2</b>	<b>1,337</b>	<b>1,402</b>	<b>4.8</b>
<b>Gross profit (%)*</b>								
Biomass power plants	38.5	32.8	35.1	(2.3)	3.4	37.9	33.1	4.8
Natural gas power plant	31.1	29.9	27.4	2.5	3.7	29.9	29.8	0.1
Municipal solid waste power plants	40.6	52.1	52.7	(0.6)	(12.1)	52.7	51.9	0.8
Solar energy power plants	57.0	58.0	48.9	9.1	8.1	49.8	54.2	(4.4)
<b>% Gross profit margin by segment</b>	<b>36.0</b>	<b>33.6</b>	<b>33.8</b>	<b>(0.2)</b>	<b>2.2</b>	<b>35.7</b>	<b>33.6</b>	<b>2.1</b>

\*Note: Change in margin % is represented in ppt change

Source: ACE

## Financial Statements

### Absolute Clean Energy

Profit and Loss (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Revenue	5,055	5,858	7,559	11,294	11,453
Cost of goods sold	(2,893)	(3,722)	(3,840)	(6,310)	(5,959)
<b>Gross profit</b>	<b>2,162</b>	<b>2,137</b>	<b>3,720</b>	<b>4,984</b>	<b>5,494</b>
Other operating income	-	-	-	-	-
Operating costs	(330)	(322)	(1,058)	(1,242)	(573)
<b>Operating EBITDA</b>	<b>1,832</b>	<b>1,814</b>	<b>2,661</b>	<b>3,742</b>	<b>4,921</b>
Depreciation	(469)	(495)	(603)	(1,295)	(1,415)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>1,362</b>	<b>1,320</b>	<b>2,058</b>	<b>2,447</b>	<b>3,506</b>
Net financing costs	(516)	(88)	(150)	(259)	(364)
Associates	0	0	0	0	0
Recurring non-operating income	33	168	30	30	30
Non-recurring items	(67)	149	0	0	0
<b>Profit before tax</b>	<b>812</b>	<b>1,549</b>	<b>1,938</b>	<b>2,218</b>	<b>3,172</b>
Tax	3	(43)	(46)	(57)	(88)
<b>Profit after tax</b>	<b>815</b>	<b>1,507</b>	<b>1,892</b>	<b>2,161</b>	<b>3,084</b>
Minority interests	0	0	0	0	(33)
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>815</b>	<b>1,507</b>	<b>1,892</b>	<b>2,161</b>	<b>3,051</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>67</b>	<b>(149)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>882</b>	<b>1,357</b>	<b>1,892</b>	<b>2,161</b>	<b>3,051</b>
<b>Per share (THB)</b>					
Recurring EPS *	0.09	0.13	0.19	0.21	0.30
Reported EPS	0.08	0.15	0.19	0.21	0.30
DPS	0.03	0.01	0.08	0.20	0.20
Diluted shares (used to calculate per share data)	10,176	10,176	10,176	10,176	10,176
<b>Growth</b>					
Revenue (%)	4.6	15.9	29.0	49.4	1.4
Operating EBITDA (%)	21.6	(0.9)	46.7	40.6	31.5
Operating EBIT (%)	31.1	(3.1)	56.0	18.9	43.3
Recurring EPS (%)	45.2	53.9	39.4	14.2	41.1
Reported EPS (%)	35.8	84.8	25.6	14.2	41.1
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	33.5	28.0	41.2	32.7	35.6
Gross margin of key business (%)	-	-	-	-	-
Operating EBITDA margin (%)	36.2	31.0	35.2	33.1	43.0
Operating EBIT margin (%)	26.9	22.5	27.2	21.7	30.6
Net margin (%)	17.4	23.2	25.0	19.1	26.6
Effective tax rate (%)	-0.4	2.7	2.4	2.6	2.8
Dividend payout on recurring profit (%)	34.6	9.7	43.0	94.2	66.7
Interest cover (X)	2.7	17.0	13.9	9.6	9.7
Inventory days	17.7	28.8	39.7	33.0	42.3
Debtor days	59.5	51.4	41.9	31.1	34.3
Creditor days	41.7	25.4	26.5	22.1	28.3
Operating ROIC (%)	12.3	11.0	14.7	13.6	15.1
ROIC (%)	8.2	8.1	10.0	9.9	11.7
ROE (%)	10.8	11.9	15.1	16.5	22.3
ROA (%)	9.2	9.3	11.2	10.7	12.8
* Pre exceptional, pre-goodwill and fully diluted					
<b>Revenue by Division (THB m)</b>					
Power	5,055	5,858	7,559	11,294	11,453

Sources: Absolute Clean Energy; FSSIA estimates

## Financial Statements

### Absolute Clean Energy

Cash Flow (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Recurring net profit	882	1,357	1,892	2,161	3,051
Depreciation	469	495	603	1,295	1,415
Associates & minorities	0	0	0	0	0
Other non-cash items	-	-	-	-	-
Change in working capital	(554)	87	(93)	(220)	(102)
<b>Cash flow from operations</b>	<b>797</b>	<b>1,939</b>	<b>2,403</b>	<b>3,236</b>	<b>4,364</b>
Capex - maintenance	(469)	(495)	(603)	(851)	(1,101)
Capex - new investment	(70)	(1,036)	(2,084)	(4,593)	(4,213)
Net acquisitions & disposals	0	0	0	0	0
Other investments (net)	3,410	8,348	0	0	0
<b>Cash flow from investing</b>	<b>2,871</b>	<b>6,817</b>	<b>(2,687)</b>	<b>(5,444)</b>	<b>(5,314)</b>
Dividends paid	(4,854)	(9,433)	(814)	(2,035)	(2,035)
Equity finance	4,405	0	0	0	0
Debt finance	(3,326)	928	1,923	5,132	1,732
Other financing cash flows	73	160	0	0	33
<b>Cash flow from financing</b>	<b>(3,701)</b>	<b>(8,345)</b>	<b>1,109</b>	<b>3,096</b>	<b>(270)</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>(33)</b>	<b>411</b>	<b>824</b>	<b>888</b>	<b>(1,220)</b>
Free cash flow to firm (FCFF)	4,080.91	8,862.22	(134.40)	(1,949.57)	(586.45)
Free cash flow to equity (FCFE)	415.75	9,843.49	1,638.49	2,923.40	814.74

#### Per share (THB)

FCFF per share	0.40	0.87	(0.01)	(0.19)	(0.06)
FCFE per share	0.04	0.97	0.16	0.29	0.08
Recurring cash flow per share	0.13	0.18	0.25	0.34	0.44

#### Balance Sheet (THB m) Year Ending Dec

	2019	2020	2021E	2022E	2023E
Tangible fixed assets (gross)	10,424	11,904	14,591	19,591	24,591
Less: Accumulated depreciation	(2,364)	(2,809)	(3,411)	(4,262)	(5,363)
<b>Tangible fixed assets (net)</b>	<b>8,059</b>	<b>9,095</b>	<b>11,180</b>	<b>15,329</b>	<b>19,228</b>
<b>Intangible fixed assets (net)</b>	<b>48</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	0	0	0	0	0
Cash & equivalents	72	483	1,307	2,196	976
A/C receivable	820	829	905	1,018	1,132
Inventories	185	402	432	710	671
Other current assets	357	127	164	245	249
<b>Current assets</b>	<b>1,435</b>	<b>1,841</b>	<b>2,808</b>	<b>4,169</b>	<b>3,027</b>
Other assets	4,603	5,444	5,444	5,444	5,444
<b>Total assets</b>	<b>14,145</b>	<b>16,430</b>	<b>19,481</b>	<b>24,991</b>	<b>27,748</b>
Common equity	10,793	11,993	13,071	13,197	14,213
Minorities etc.	0	0	0	0	33
<b>Total shareholders' equity</b>	<b>10,793</b>	<b>11,993</b>	<b>13,071</b>	<b>13,197</b>	<b>14,246</b>
Long term debt	1,911	3,082	4,345	8,977	10,710
Other long-term liabilities	68	142	142	142	142
<b>Long-term liabilities</b>	<b>1,979</b>	<b>3,224</b>	<b>4,488</b>	<b>9,120</b>	<b>10,852</b>
A/C payable	249	269	289	475	449
Short term debt	1,084	841	1,500	2,000	2,000
Other current liabilities	40	103	133	199	202
<b>Current liabilities</b>	<b>1,373</b>	<b>1,213</b>	<b>1,922</b>	<b>2,674</b>	<b>2,650</b>
<b>Total liabilities and shareholders' equity</b>	<b>14,145</b>	<b>16,430</b>	<b>19,481</b>	<b>24,991</b>	<b>27,748</b>
Net working capital	1,073	986	1,079	1,299	1,401
Invested capital	13,784	15,575	17,752	22,121	26,122

\* Includes convertibles and preferred stock which is being treated as debt

#### Per share (THB)

Book value per share	1.06	1.18	1.28	1.30	1.40
Tangible book value per share	1.06	1.17	1.28	1.29	1.39

#### Financial strength

Net debt/equity (%)	27.1	28.7	34.7	66.5	82.4
Net debt/total assets (%)	20.7	20.9	23.3	35.1	42.3
Current ratio (x)	1.0	1.5	1.5	1.6	1.1
CF interest cover (x)	1.9	125.3	25.8	30.1	14.8

Valuation	2019	2020	2021E	2022E	2023E
<b>Recurring P/E (x) *</b>	<b>42.2</b>	<b>27.4</b>	<b>19.7</b>	<b>17.2</b>	<b>12.2</b>
<b>Recurring P/E @ target price (x) *</b>	<b>60.0</b>	<b>39.0</b>	<b>28.0</b>	<b>24.5</b>	<b>17.3</b>
Reported P/E (x)	45.7	24.7	19.7	17.2	12.2
Dividend yield (%)	0.8	0.4	2.2	5.5	5.5
Price/book (x)	3.5	3.1	2.8	2.8	2.6
Price/tangible book (x)	3.5	3.1	2.9	2.8	2.6
EV/EBITDA (x) **	21.9	22.4	15.7	12.3	10.0
EV/EBITDA @ target price (x) **	30.5	31.1	21.6	16.5	13.1
EV/invested capital (x)	2.9	2.6	2.4	2.1	1.9

\* Pre-exceptional, pre-goodwill and fully diluted \*\* EBITDA includes associate income and recurring non-operating income

Sources: Absolute Clean Energy; 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	PCSGH	PDJ	PG	PHOL	PLANB	PLANET
PLAT	PORT	PPS	PR9	PREB	PRG	PRM	PSH	PSL	PTG	PTT
PTTEP	PTTGC	PYLON	Q-CON	QH	QTC	RATCH	RS	S	S & J	SAAM
SABINA	SAMART	SAMTEL	SAT	SC	SCB	SCC	SCCC	SCG	SCN	SDC
SEAFCO	SEOIL	SE-ED	SELIC	SENA	SIRI	SIS	SITHAI	SMK	SMPC	SNC
SONIC	SORKON	SPALI	SPI	SPRC	SPVI	SSSC	SST	STA	SUSCO	SUTHA
SVI	SYMC	SYNTEC	TACC	TASCO	TCAP	TFMAMA	THANA	THANI	THCOM	THG
THIP	THRE	THREL	TIP	TIPCO	TISCO	TK	TKT	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	MITISB	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

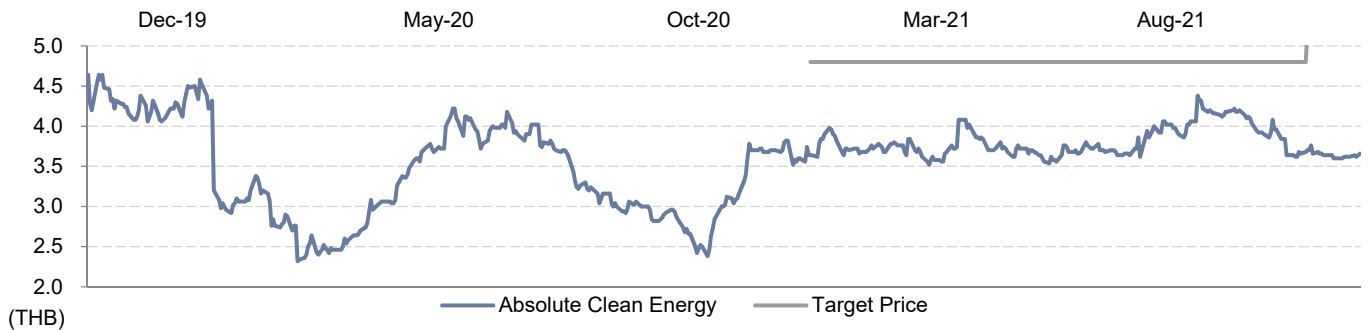
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed herein.

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### History of change in investment rating and/or target price

#### Absolute Clean Energy (ACE TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
30-Dec-2020	BUY	4.80	10-May-2021	BUY	4.80	11-Oct-2021	BUY	5.20
01-Mar-2021	BUY	4.80	07-Jun-2021	BUY	4.80			

Suwat Sinsadok started covering this stock from 30-Dec-2020

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Absolute Clean Energy	ACE TB	THB 3.66	BUY	The downside risks to our SoTP-based TP include 1) lower-than-expected demand for electricity in Thailand, 2) a lower crude price, and 3) higher costs of biomass feedstock.

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 11-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.