

ABSOLUTE CLEAN ENERGY

THAILAND / UTILITIES - RENEWABLES

ACE TB

BUY

UNCHANGED

| | |
|-----------------|---------|
| TARGET PRICE | THB4.60 |
| CLOSE | THB3.38 |
| UP/DOWNSIDE | +36.1% |
| PRIOR TP | THB5.20 |
| CHANGE IN TP | -11.5% |
| TP vs CONSENSUS | -3.8% |

Low-hanging fruit is less juicy

- We have turned less bullish due to potential delays in new projects, uncertainty over the COD for its 9.9MW project, and the hike in the gas price.
- We expect a flat 4Q21 NP of THB420m (+2.1% q-q, +2.3% y-y).
- Maintain BUY and cut our SoTP-based TP from THB5.2 to THB4.6.

Hurt by external and uncontrollable factors

We turn less bullish on ACE's net profit outlook in 2021-23 due to three factors. First, the potential delays for its new biomass power plants based on the unpredictable pace of the regulatory approval of power purchase agreements (PPAs) for ACE's remaining 10 biomass projects, which are scheduled to receive PPAs within 2022. Second, the ongoing uncertainty around the commercial operation date (COD) for its 9.9MW PPA-granted biomass power plant in Nabon, Kamphangphet due to local protests. Finally, the recent hike in the gas price in Thailand has also eroded ACE's gross margin for its 90MW small power producer (SPP).

Four secured growth projects, with 13 still up in the air

Of ACE's 17 growth projects in the pipeline, we believe only four (one biomass and three hybrid SPPs) are secured projects likely to COD on schedule at end-2022. The CODs for other pending projects remain uncertain given the unpredictable timeline for the regulator to finalise the PPA signing date and issue a court judgement. As a result, we change our assumptions by: 1) shifting the CODs of six biomass projects (numbers 31-35, 37) from 2022 to 2023-24; and 2) removing the net profits from three waste-to-energy (WTE) power plants from our earnings forecasts for 2022-23, given the uncertainty over the PPA signing dates.

Healthy 4Q21 results expected

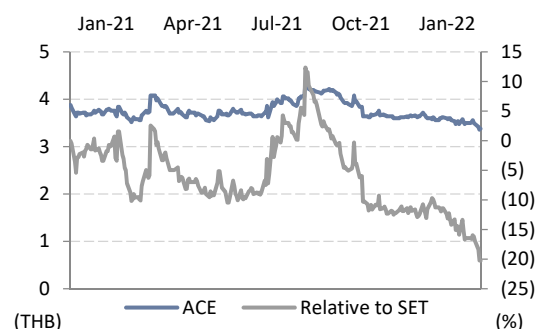
We project ACE to post a 4Q21 net profit of THB420m, up 2.1% q-q and 2.3% y-y, with little change operationally for ACE's power plants except for the COD of one of its 9.9MW biomass power plants in Kamphangphet in Dec-21. We project the gross margin to be 34%, flat q-q, given that the feedstock cost has remained stable q-q, while we expect the EBITDA margin to reach 37%, dropping slightly q-q as a result of the higher gas cost for its SPP. Additional earnings contributions will come from the one-month start-up of its power plant in Kamphangphet (COD in Dec-21).

Maintain BUY but trim TP to THB4.6

We cut our SoTP-based TP from THB5.2 to THB4.6 to reflect the changes in our EPS forecasts and assumptions. However, we still expect ACE's share price to outperform by 2H22 when we think the regulator will gradually grant PPAs for ACE's pending projects, along with the potential upside from WTE projects available for bidding by end-2022.

KEY STOCK DATA

| YE Dec (THB m) | 2020 | 2021E | 2022E | 2023E |
|----------------------|-------|--------|--------|--------|
| Revenue | 5,858 | 7,543 | 11,262 | 11,400 |
| Net profit | 1,507 | 1,558 | 1,818 | 2,612 |
| EPS (THB) | 0.15 | 0.15 | 0.18 | 0.26 |
| vs Consensus (%) | - | - | (15.9) | (11.6) |
| EBITDA | 1,861 | 2,319 | 3,390 | 4,455 |
| Core net profit | 1,357 | 1,558 | 1,818 | 2,612 |
| Core EPS (THB) | 0.13 | 0.15 | 0.18 | 0.26 |
| Chg. In EPS est. (%) | - | (17.7) | (15.9) | (14.4) |
| EPS growth (%) | 53.9 | 14.8 | 16.7 | 43.6 |
| Core P/E (x) | 25.3 | 22.1 | 18.9 | 13.2 |
| Dividend yield (%) | 0.4 | 2.4 | 3.0 | 3.8 |
| EV/EBITDA (x) | 20.3 | 16.9 | 12.6 | 10.2 |
| Price/book (x) | 2.9 | 2.7 | 2.5 | 2.3 |
| Net debt/Equity (%) | 28.7 | 38.4 | 62.5 | 75.0 |
| ROE (%) | 11.9 | 12.6 | 13.8 | 18.4 |



| Share price performance | 1 Month | 3 Month | 12 Month |
|--------------------------------|------------------------------|---------|----------|
| Absolute (%) | (6.6) | (8.6) | (14.6) |
| Relative to country (%) | (10.0) | (10.5) | (21.7) |
| Mkt cap (USD m) | 1,031 | | |
| 3m avg. daily turnover (USD m) | 3.6 | | |
| Free float (%) | 57 | | |
| Major shareholder | Mr. Wirachai Songmetta (22%) | | |
| 12m high/low (THB) | 4.60/3.34 | | |
| Issued shares (m) | 10,176.00 | | |

Sources: Bloomberg consensus; FSSIA estimates



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Investment thesis

We project ACE’s net profit to grow at a 37.8% CAGR from 2019-22, driven by: 1) new capacity growth, from 240MW at end-2020 to 470MW by end-2022, with the majority of the new capacity coming from committed biomass power plants, including 88MW from very small power producers (VSPPs) and 80MW from small power producers (SPPs) with 15 biomass projects. One is under construction and 13 were recently ruled in favour of to regain their power purchase agreements (PPAs) from the Provincial Electricity Authority following a judgement by arbitration; 2) inorganic growth from M&A, which we project to add 50-100MW to ACE’s power plant portfolio; and 3) winning 50MW out of 150MW-worth of capacity from biomass, biogas, hybrid SPP biomass/biogas plants, and solar farms under the PPC scheme.

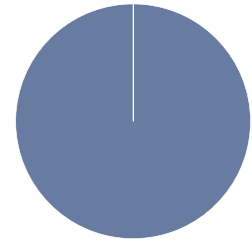
Company profile

ACE is a leading biomass power plant producer and is expanding into waste-to-energy power plant.

www.ace-energy.co.th

Principal activities (revenue, 2020)

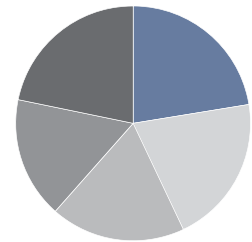
■ Power - 100.0 %



Source: Absolute Clean Energy

Major shareholders

- Mr. Wirachai Songmetta - 22.4 %
- Mr. Pornmett Songmetta - 20.5 %
- Mr. Teerawut Songmetta - 18.6 %
- Mr. Natt Songmetta - 16.7 %
- Others - 21.8 %



Source: Absolute Clean Energy

Catalysts

We see two key catalysts for ACE’s net profit in 2021-22: 1) 1.9x capacity growth from 240MW in 2020 to 470MW in 2022; and 2) a margin expansion on lower feedstock costs.

Risks to our call

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.

Event calendar

| Date | Event |
|----------|--------------------------------|
| Feb 2022 | 4Q21/2021 results announcement |

Key assumptions

| | 2021E | 2022E | 2023E |
|-----------------------|-------|-------|-------|
| Utilisation rate (%) | 90 | 95 | 90 |
| Gas price (THB/mmbtu) | 226 | 210 | 195 |

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in gas price, we estimate 2021 earnings would decline 1.2%, and vice versa, all else being equal.
- For every 1% increase in utilisation rate, we estimate 2021 earnings would increase 1.7%, and vice versa, all else being equal.

Source: FSSIA estimates

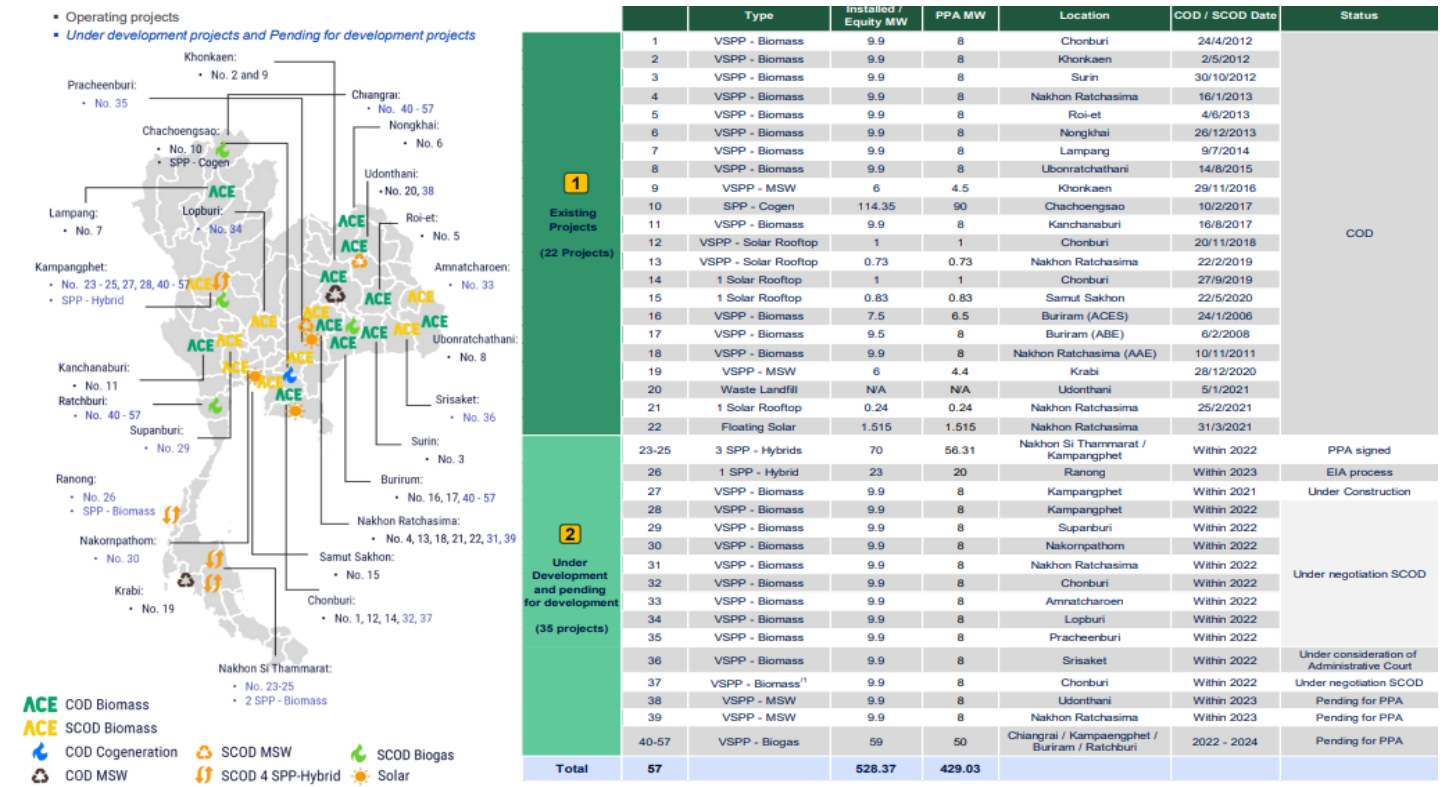
Low-hanging fruit is less juicy than expected

We turn less bullish on ACE’s net profit outlook in 2021-23 due to three factors. First, the potential delays for its new biomass power plants based on the uncertain pace of regulatory approval for ACE’s remaining 10 biomass projects, which are scheduled to receive PPAs within 2022.

Second, the ongoing uncertainty around the COD for its 9.9MW PPA-granted biomass power plant in Nabon, Kamphangphet (number 28 in Exhibit 1) caused by local public protests.

Finally, the recent hike in the gas price in Thailand has also eroded ACE’s gross margin for its 90MW SPP.

Exhibit 1: Power plant locations and capacities



Source: ACE

As of 4Q21, ACE operates a total of 23 power plants, including a new 9.9MW biomass power plant, COD in Dec-21 (number 27 in Exhibit 1), with a total capacity of 258MW and an equity capacity of 207MW.

ACE still has five power projects under construction (1,2,3), eight biomass projects pending for PPAs to be signed, one biomass project under the court’s consideration, and three WTE projects pending PPAs.

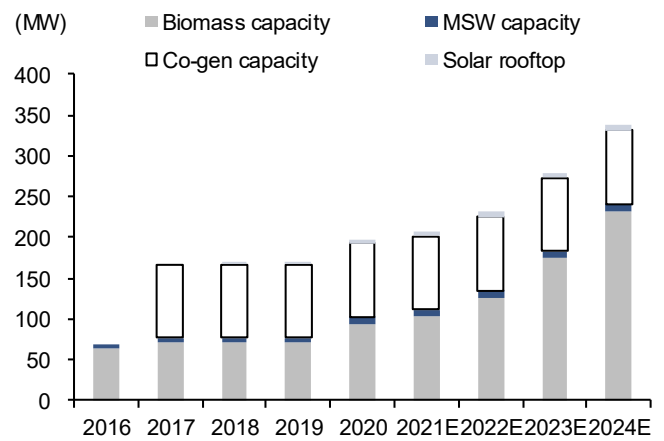
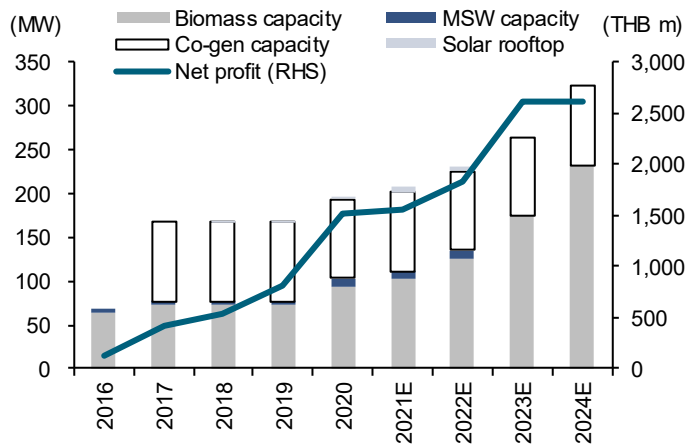
- 1) One biomass power plant (number 28), scheduled to COD in 2022;
- 2) Three hybrid SPPs (numbers 23-25), scheduled to COD in 2022;
- 3) One hybrid SPP power plant (number 26), recently granted an environmental impact assessment (EIA) in Ranong province, scheduled to COD in 1Q23;
- 4) Eight biomass projects (numbers 29-35 and 37), currently under negotiation with the buyer, the Provincial Electricity Authority of Thailand (PEA);
- 5) One biomass power plant (number 36), currently under the Administrative Court’s consideration;
- 6) Three WTE power plants (numbers 38-40), pending PPAs from the regulator;

7) 18 biogas power plant projects with a total of 50MW, won under the Power Plant for Community (PPC) process in 4Q21, scheduled to COD by 2024.

Of ACE's total 17 growth projects, only four (one biomass (28) and three hybrid SPPs (23-25)) are secured projects likely to COD on schedule at the end of 2022. Other pending projects still have uncertain COD timelines given the unpredictable schedule of the regulator for finalising the PPA signing dates and the court issuing a verdict.

Exhibit 2: Equity capacity breakdown by plant type

Exhibit 3: Capacity breakdown by plant type



Sources: ACE; FSSIA estimates

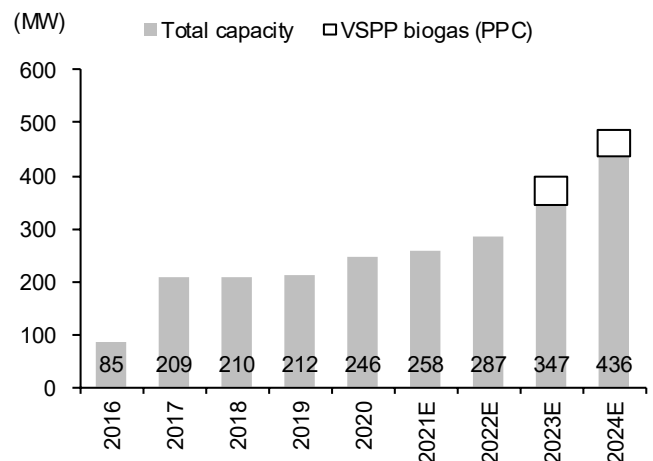
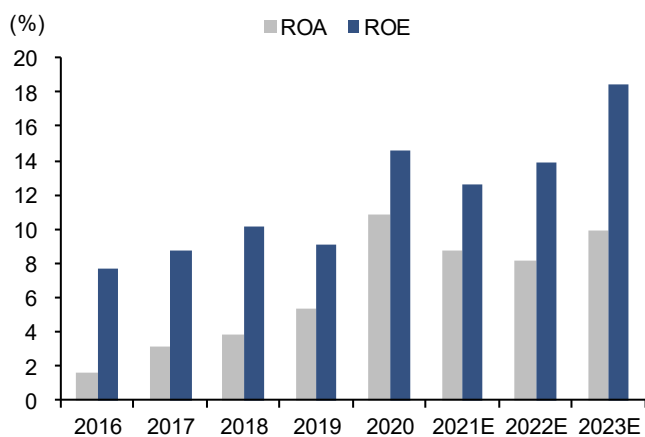
Sources: ACE; FSSIA estimates

As a result, we change our assumptions by:

- 1) Shifting the CODs of six biomass projects (numbers 31-35, 37) from 2022 to 2023-24;
- 2) Removing the net profits from three WTE power plants from our earnings forecasts for 2022-23 given the uncertainty over the PPA signing dates.

Exhibit 4: Projected ROA and ROE after our assumption changes

Exhibit 5: Capacity after our assumption changes



Sources: ACE; FSSIA estimates

Sources: ACE; FSSIA estimates

Expect healthy 4Q21 results

We project ACE to post a healthy 4Q21 net profit of THB420m, up 2.1% q-q and 2.3% y-y, with little change operationally for ACE's power plants except that it started up one of its 9.9MW biomass power plants in Kamhangphet in Dec-21.

- Gross margin of 34%, flat q-q, given that feedstock costs have remained stable q-q, while we expect its EBITDA margin to reach 37%, slightly dropping q-q as a result of the higher gas cost for its SPP;
- Additional net profit from the one-month start-up of a new 9.9MW biomass power plant in Kamhangphet (COD in Dec-21);
- Utilisation rates of the three biomass power plants acquired from Uawithya (UWC TB, not rated) should remain stable q-q;
- Absence of a one-time gain of THB70m in 3Q21, mainly from FX impact;
- ACE still has 10 biomass power plants pending for PPAs to be signed, but could be delayed due to the government's uncertain policy;
- Additional 50MW from 18 biogas power plant projects that were recently won under the PPC process remains pending, with the PPAs scheduled to be signed by Jan-22.

Exhibit 6: 4Q21 results forecast

| | 3Q20 | 3Q21 | 4Q21E | | |
|--------------------------|--------------|--------------|--------------|---------------|---------------|
| | (THB m) | (THB m) | (THB m) | (q-q%) | (y-y%) |
| Revenue | 1,501 | 1,468 | 1,875 | 27.8 | 24.9 |
| Operating costs | (966) | (911) | (1,680) | 84.5 | 73.9 |
| EBITDA | 535 | 557 | 696 | 24.8 | 30.0 |
| <i>EBITDA margin (%)</i> | 36 | 38 | 37 | <i>nm</i> | <i>nm</i> |
| Depn & amort. | (139) | (167) | (108) | (35.0) | (22.2) |
| EBIT | 396 | 390 | 587 | 50.4 | 48.3 |
| Interest expense | (28) | (36) | (44) | 22.4 | 58.8 |
| Interest & invt inc | - | - | - | <i>nm</i> | <i>nm</i> |
| Other income | 14 | 8 | (1) | (111.0) | (106.5) |
| Associates' contrib | - | - | - | <i>nm</i> | <i>nm</i> |
| Exceptionals | 38 | 84 | (20) | <i>nm</i> | <i>nm</i> |
| Pretax profit | 419 | 446 | 372 | (16.5) | (11.2) |
| Tax | (9) | (35) | 47 | (236.0) | (626.8) |
| <i>Tax rate (%)</i> | 2 | 8 | (13) | <i>nm</i> | <i>nm</i> |
| Minority interests | - | 0 | (0) | (201.9) | <i>nm</i> |
| Net profit | 410 | 411 | 420 | 2.1 | 2.3 |
| Non-recurring | 36 | 70 | (153) | (318.8) | (528.3) |
| Core net profit | 375 | 341 | 573 | 67.8 | 52.9 |
| EPS (THB) | 0.04 | 0.04 | 0.04 | 2.1 | 2.3 |
| Core EPS (THB) | 0.04 | 0.03 | 0.06 | 67.8 | 52.9 |

Sources: ACE; FSSIA estimates

EPS and TP revisions

We lower our EPS forecasts for 2021-23 by 14.4-17.7% to incorporate: 1) our changes in the estimated CODs of six biomass projects by 1-3 years; 2) cutting the net profits from three WTE power plants from our EPS forecasts in 2022-23; and 3) 13.3-23.8% higher gas prices estimated in 2021-22.

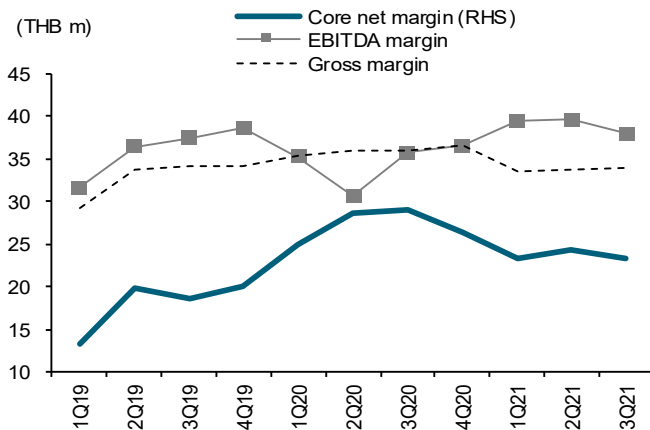
Exhibit 7: EPS and assumption changes

| | Current | | | Previous | | | Change | | |
|-----------------------|------------------|------------------|------------------|------------------|------------------|------------------|--------------|--------------|--------------|
| | 2021E (THB m) | 2022E (THB m) | 2023E (THB m) | 2021E (THB m) | 2022E (THB m) | 2023E (THB m) | 2021E (%) | 2022E (%) | 2023E (%) |
| Revenue | 7,543 | 11,262 | 11,400 | 7,559 | 11,294 | 11,453 | (0.2) | (0.3) | (0.5) |
| Gross profit | 3,375 | 4,629 | 5,025 | 3,720 | 4,984 | 5,494 | (9.3) | (7.1) | (8.5) |
| Operating profit | 1,716 | 2,095 | 3,040 | 2,058 | 2,447 | 3,506 | (16.6) | (14.4) | (13.3) |
| Net profit | 1,558 | 1,818 | 2,612 | 1,892 | 2,161 | 3,051 | (17.7) | (15.9) | (14.4) |
| EPS | 0.15 | 0.18 | 0.26 | 0.19 | 0.21 | 0.30 | (17.7) | (15.9) | (14.4) |
| Assumptions | 2021E | 2022E | 2023E | 2021E | 2022E | 2023E | 2021E | 2022E | 2023E |
| Utilisation rate (%) | 90 | 95 | 90 | 90 | 95 | 90 | 0.0 | 0.0 | 0.0 |
| Gas price (THB/mmbtu) | 256 | 260 | 195 | 226 | 210 | 195 | 13.3 | 23.8 | 0.0 |

Note: Change of items in percentage terms are represented in ppt change
Sources: ACE; FSSIA estimates

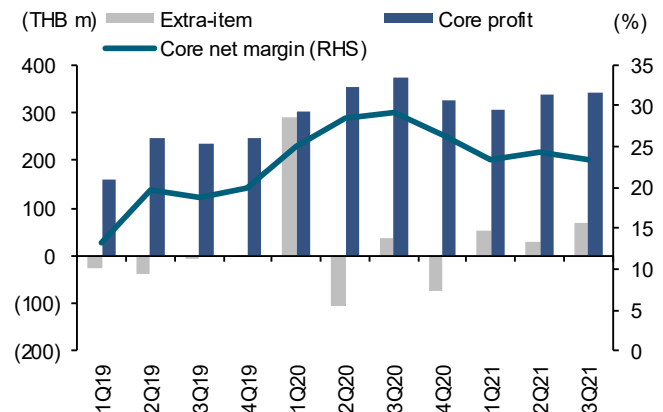
While our EPS cuts are mostly due to external factors, including the PPA signing delay by the regulator and Administrative Court, the public protests, and higher gas costs, we remain positive on ACE's net profit growth outlook in 2021-23 given the high operational reliability and efficiency of its 23 projects currently in operation.

Exhibit 8: Quarterly core net profit margin, EBITDA margin, and gross margin



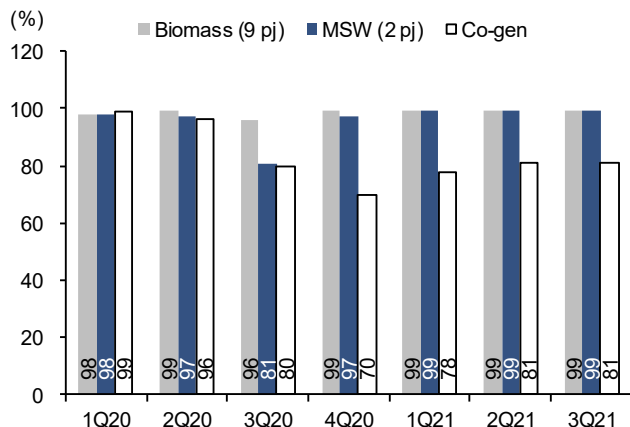
Source: ACE

Exhibit 9: Quarterly core net profit margin, core net profit, and extra items



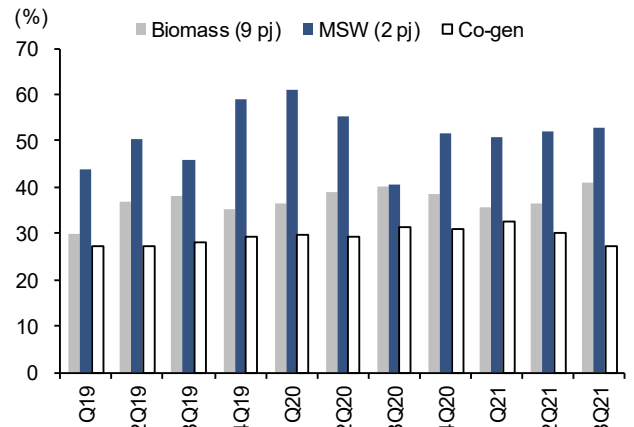
Source: ACE

Exhibit 10: Capacity factor



Source: ACE

Exhibit 11: Gross profit margin



Source: ACE

We cut our SoTP-based TP from THB5.2 to THB4.6 to reflect the changes in our EPS forecasts and assumptions. However, we still expect ACE's share price to outperform by 2H22 when we think the regulator will gradually begin granting PPAs for ACE's pending projects, along with the potential upside from WTE projects available for bidding by end-2022.

Exhibit 12: SoTP valuation target price

| Sum-of-parts valuation estimate | THB m | THB/share | Comments |
|--|---------------|-------------|--|
| Operating power plants (A) | | 2.58 | |
| ACP1 (Biomass, 24 Apr 2012) | 1,688 | 0.17 | DCF WACC 6.1%, Risk free rate 2.3%, Risk premium 8.5% |
| ACP2 (Biomass, 4 Jun 2013) | 1,655 | 0.16 | DCF WACC 6.1%, Risk free rate 2.3%, Risk premium 8.5% |
| ACP3 (Biomass, 16 Aug 2017) | 1,593 | 0.16 | DCF WACC 6.1%, Risk free rate 2.3%, Risk premium 8.5% |
| ALCP1 (Biomass, 26 Dec 2013) | 1,626 | 0.16 | DCF WACC 6.1%, Risk free rate 2.3%, Risk premium 8.5% |
| ALCP2 (Biomass, 14 Aug 2015) | 1,436 | 0.14 | DCF WACC 6.1%, Risk free rate 2.3%, Risk premium 8.5% |
| AAPP1 (Biomass, 30 Oct 2012) | 1,891 | 0.19 | DCF WACC 6.1%, Risk free rate 2.3%, Risk premium 8.5% |
| AAPP2 (Biomass, 16 Jan 2013) | 1,403 | 0.14 | DCF WACC 6.1%, Risk free rate 2.3%, Risk premium 8.5% |
| AAP1 (Biomass, 2 May 2012) | 895 | 0.09 | DCF WACC 6.1%, Risk free rate 2.3%, Risk premium 8.5% |
| ABA1 (Biomass, 9 Jul 2014) | 1,547 | 0.15 | DCF WACC 6.1%, Risk free rate 2.3%, Risk premium 8.5% |
| MSW Khonkaen (WTE, 29 Nov 2016) | 943 | 0.09 | DCF WACC 6.1%, Risk free rate 2.3%, Risk premium 8.5% |
| AAA1 (10 Feb 2017) -SPP | 9,543 | 0.94 | DCF WACC 6.1%, Risk free rate 2.3%, Risk premium 8.5% |
| ACE SOLAR3 (20 Sep 2018) -Solar rooftop | 50 | 0.00 | DCF WACC 6.1%, Risk free rate 2.3%, Risk premium 8.5% |
| ACE SOLAR3 (28 Nov 2019) -Solar rooftop | 50 | 0.00 | DCF WACC 6.1%, Risk free rate 2.3%, Risk premium 8.5% |
| Solar (22 Feb 2019) -Solar rooftop | 29 | 0.00 | DCF WACC 6.1%, Risk free rate 2.3%, Risk premium 8.5% |
| Solar (May 2020) -Solar rooftop | 33 | 0.00 | DCF WACC 6.1%, Risk free rate 2.3%, Risk premium 8.5% |
| SBM (Biomass, 24 Jan 2006) | 283 | 0.03 | DCF WACC 6.1%, Risk free rate 2.3%, Risk premium 8.5% |
| UAB (Biomass, 6 Feb 2008) | 339 | 0.03 | DCF WACC 6.1%, Risk free rate 2.3%, Risk premium 8.5% |
| UKB (Biomass, 11 Oct 2011) | 355 | 0.03 | DCF WACC 6.1%, Risk free rate 2.3%, Risk premium 8.5% |
| MSW Krabi (4Q20) | 888 | 0.09 | DCF WACC 6.1%, Risk free rate 2.3%, Risk premium 8.5% |
| Under construction (B) | | 0.35 | |
| Kampangphet (Biomass, 2021) | 1,638 | 0.16 | DCF WACC 6.1%, Risk free rate 2.3%, Risk premium 8.5% |
| BPP3 (SPP Hybrid, 2022) | 1,921 | 0.19 | DCF WACC 6.1%, Risk free rate 2.3%, Risk premium 8.5% |
| Under EIA approval process (C) | | 0.63 | |
| BPP2 (SPP Hybrid, 2022) | 2,401 | 0.24 | DCF WACC 6.1%, Risk free rate 2.3%, Risk premium 8.5% |
| ACE solar 1 (SPP Hybrid, 2022) | 1,795 | 0.18 | DCF WACC 6.1%, Risk free rate 2.3%, Risk premium 8.5% |
| ACE solar 2 (SPP Hybrid, 2022) | 2,209 | 0.22 | DCF WACC 6.1%, Risk free rate 2.3%, Risk premium 8.5% |
| Under negotiation with PEA (D) | | 1.43 | |
| Kampangphet (Biomass, 2022) | 1,632 | 0.16 | DCF WACC 6.1%, Risk free rate 2.3%, Risk premium 8.5% |
| Supanburi (Biomass, 2022) | 1,632 | 0.16 | DCF WACC 6.1%, Risk free rate 2.3%, Risk premium 8.5% |
| Nakornpathom (Biomass, 2022) | 1,632 | 0.16 | DCF WACC 6.1%, Risk free rate 2.3%, Risk premium 8.5% |
| Nakhorn Ratchaima (Biomass, 2022) | 1,362 | 0.13 | DCF WACC 6.1%, Risk free rate 2.3%, Risk premium 8.5% |
| Chonburi (Biomass, 2022) | 1,362 | 0.13 | DCF WACC 6.1%, Risk free rate 2.3%, Risk premium 8.5% |
| Amnatcharoen (Biomass, 2022) | 1,362 | 0.13 | DCF WACC 6.1%, Risk free rate 2.3%, Risk premium 8.5% |
| Lopburi (Biomass, 2022) | 1,362 | 0.13 | DCF WACC 6.1%, Risk free rate 2.3%, Risk premium 8.5% |
| Pracheenburi (Biomass, 2022) | 1,362 | 0.13 | DCF WACC 6.1%, Risk free rate 2.3%, Risk premium 8.5% |
| Srisaket (Biomass, 2022) | 1,362 | 0.13 | DCF WACC 6.1%, Risk free rate 2.3%, Risk premium 8.5% |
| Chonburi (Biomass, 2022) | 1,362 | 0.13 | DCF WACC 6.1%, Risk free rate 2.3%, Risk premium 8.5% |
| Solar (1Q21) - Floating Solar | 74 | 0.01 | DCF WACC 6.1%, Risk free rate 2.3%, Risk premium 8.5% |
| Solar (4Q20) - solar rooftop | 12 | 0.00 | DCF WACC 6.1%, Risk free rate 2.3%, Risk premium 8.5% |
| Under Power Plant for Community (E) | | 0.42 | |
| VSPB biogas (COD 2023-24) | 4,245 | 0.42 | DCF WACC 6.1%, Risk free rate 2.3%, Risk premium 8.5% |
| Value of secured projects | | 2.9 | Including operating & committed projects (A+B) |
| Value of secured and EIA-approved waiting projects | | 3.6 | Including operating, committed, and EIA-waiting projects (A+B+C) |
| Value of PPC projects | | 0.4 | 50MW for 18 projects |
| Value of all projects | | 5.4 | Including the projects under negotiation with PEA (A+B+C+D) |
| Net debt | (8,456) | (0.8) | At end-2022E |
| Residual ordinary equity | 46,514 | 4.6 | |

Sources: ACE; FSSIA estimates

Financial Statements

Absolute Clean Energy

| Profit and Loss (THB m) Year Ending Dec | 2019 | 2020 | 2021E | 2022E | 2023E |
|---|--------------|--------------|--------------|--------------|--------------|
| Revenue | 5,055 | 5,858 | 7,543 | 11,262 | 11,400 |
| Cost of goods sold | (2,836) | (3,675) | (4,168) | (6,633) | (6,376) |
| Gross profit | 2,220 | 2,183 | 3,375 | 4,629 | 5,025 |
| Other operating income | - | - | - | - | - |
| Operating costs | (330) | (322) | (1,056) | (1,239) | (570) |
| Operating EBITDA | 1,889 | 1,861 | 2,319 | 3,390 | 4,455 |
| Depreciation | (527) | (541) | (603) | (1,295) | (1,415) |
| Goodwill amortisation | 0 | 0 | 0 | 0 | 0 |
| Operating EBIT | 1,362 | 1,320 | 1,716 | 2,095 | 3,040 |
| Net financing costs | (516) | (88) | (150) | (259) | (349) |
| Associates | 0 | 0 | 0 | 0 | 0 |
| Recurring non-operating income | 33 | 168 | 30 | 30 | 30 |
| Non-recurring items | (67) | 149 | 0 | 0 | 0 |
| Profit before tax | 812 | 1,549 | 1,596 | 1,867 | 2,721 |
| Tax | 3 | (43) | (38) | (48) | (76) |
| Profit after tax | 815 | 1,507 | 1,558 | 1,818 | 2,645 |
| Minority interests | 0 | 0 | 0 | 0 | (33) |
| Preferred dividends | 0 | 0 | 0 | 0 | 0 |
| Other items | - | - | - | - | - |
| Reported net profit | 815 | 1,507 | 1,558 | 1,818 | 2,612 |
| Non-recurring items & goodwill (net) | 67 | (149) | 0 | 0 | 0 |
| Recurring net profit | 882 | 1,357 | 1,558 | 1,818 | 2,612 |
| Per share (THB) | | | | | |
| Recurring EPS * | 0.09 | 0.13 | 0.15 | 0.18 | 0.26 |
| Reported EPS | 0.08 | 0.15 | 0.15 | 0.18 | 0.26 |
| DPS | 0.03 | 0.01 | 0.08 | 0.10 | 0.13 |
| Diluted shares (used to calculate per share data) | 10,176 | 10,176 | 10,176 | 10,176 | 10,176 |
| Growth | | | | | |
| Revenue (%) | 4.6 | 15.9 | 28.8 | 49.3 | 1.2 |
| Operating EBITDA (%) | 20.3 | (1.5) | 24.6 | 46.2 | 31.4 |
| Operating EBIT (%) | 31.1 | (3.1) | 30.0 | 22.1 | 45.1 |
| Recurring EPS (%) | 45.2 | 53.9 | 14.8 | 16.7 | 43.6 |
| Reported EPS (%) | 35.8 | 84.8 | 3.4 | 16.7 | 43.6 |
| Operating performance | | | | | |
| Gross margin inc. depreciation (%) | 33.5 | 28.0 | 36.7 | 29.6 | 31.7 |
| Gross margin of key business (%) | - | - | - | - | - |
| Operating EBITDA margin (%) | 37.4 | 31.8 | 30.7 | 30.1 | 39.1 |
| Operating EBIT margin (%) | 26.9 | 22.5 | 22.7 | 18.6 | 26.7 |
| Net margin (%) | 17.4 | 23.2 | 20.7 | 16.1 | 22.9 |
| Effective tax rate (%) | -0.4 | 2.7 | 2.4 | 2.6 | 2.8 |
| Dividend payout on recurring profit (%) | 34.6 | 9.7 | 52.3 | 56.0 | 50.6 |
| Interest cover (X) | 2.7 | 17.0 | 11.6 | 8.2 | 8.8 |
| Inventory days | 18.1 | 29.2 | 38.4 | 33.9 | 42.5 |
| Debtor days | 59.5 | 51.4 | 41.9 | 31.1 | 34.4 |
| Creditor days | 42.6 | 25.7 | 25.7 | 22.7 | 28.4 |
| Operating ROIC (%) | 12.3 | 11.0 | 12.3 | 11.6 | 13.0 |
| ROIC (%) | 8.2 | 8.1 | 8.4 | 8.5 | 10.2 |
| ROE (%) | 10.8 | 11.9 | 12.6 | 13.8 | 18.4 |
| ROA (%) | 9.2 | 9.3 | 9.4 | 9.1 | 11.1 |

* Pre-exceptional, pre-goodwill and fully diluted

| Revenue by Division (THB m) | 2019 | 2020 | 2021E | 2022E | 2023E |
|-----------------------------|-------|-------|-------|--------|--------|
| Power | 5,055 | 5,858 | 7,543 | 11,262 | 11,400 |

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 | 1,558 | 1,818 | 2,612 |
| Depreciation | 527 | 541 | 603 | 1,295 | 1,415 |
| Associates & minorities | 0 | 0 | 0 | 0 | 0 |
| Other non-cash items | - | - | - | - | - |
| Change in working capital | (554) | 87 | (107) | (221) | (105) |
| Cash flow from operations | 855 | 1,986 | 2,054 | 2,892 | 3,922 |
| Capex - maintenance | (527) | (541) | (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 |
| Cash flow from investing | 2,813 | 6,770 | (2,687) | (5,444) | (5,314) |
| Dividends paid | (4,854) | (9,433) | (814) | (1,018) | (1,323) |
| Equity finance | 4,405 | 0 | 0 | 0 | 0 |
| Debt finance | (3,326) | 928 | 1,923 | 5,132 | 732 |
| Other financing cash flows | 73 | 160 | 0 | 0 | 33 |
| Cash flow from financing | (3,701) | (8,345) | 1,109 | 4,114 | (558) |
| Non-recurring cash flows | - | - | - | - | - |
| Other adjustments | 0 | 0 | 0 | 0 | 0 |
| Net other adjustments | 0 | 0 | 0 | 0 | 0 |
| Movement in cash | (33) | 411 | 476 | 1,562 | (1,950) |
| Free cash flow to firm (FCFF) | 4,080.91 | 8,862.22 | (483.09) | (2,293.15) | (1,043.24) |
| Free cash flow to equity (FCFE) | 415.75 | 9,843.49 | 1,289.80 | 2,579.82 | (626.75) |

| Per share (THB) | 2019 | 2020 | 2021E | 2022E | 2023E |
|-------------------------------|------|------|--------|--------|--------|
| FCFF per share | 0.40 | 0.87 | (0.05) | (0.23) | (0.10) |
| FCFE per share | 0.04 | 0.97 | 0.13 | 0.25 | (0.06) |
| Recurring cash flow per share | 0.14 | 0.19 | 0.21 | 0.31 | 0.40 |

| 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) |
| Tangible fixed assets (net) | 8,059 | 9,095 | 11,180 | 15,329 | 19,228 |
| Intangible fixed assets (net) | 48 | 50 | 50 | 50 | 50 |
| Long-term financial assets | - | - | - | - | - |
| Invest. in associates & subsidiaries | 0 | 0 | 0 | 0 | 0 |
| Cash & equivalents | 72 | 483 | 959 | 2,521 | 572 |
| A/C receivable | 820 | 829 | 904 | 1,017 | 1,131 |
| Inventories | 185 | 402 | 475 | 757 | 727 |
| Other current assets | 357 | 127 | 164 | 245 | 248 |
| Current assets | 1,435 | 1,841 | 2,502 | 4,539 | 2,678 |
| Other assets | 4,603 | 5,444 | 5,444 | 5,444 | 5,444 |
| Total assets | 14,145 | 16,430 | 19,175 | 25,361 | 27,399 |
| Common equity | 10,793 | 11,993 | 12,736 | 13,537 | 14,827 |
| Minorities etc. | 0 | 0 | 0 | 0 | 33 |
| Total shareholders' equity | 10,793 | 11,993 | 12,736 | 13,537 | 14,860 |
| Long term debt | 1,911 | 3,082 | 4,345 | 8,977 | 9,210 |
| Other long-term liabilities | 68 | 142 | 142 | 142 | 142 |
| Long-term liabilities | 1,979 | 3,224 | 4,488 | 9,120 | 9,352 |
| A/C payable | 249 | 269 | 318 | 506 | 486 |
| Short term debt | 1,084 | 841 | 1,500 | 2,000 | 2,500 |
| Other current liabilities | 40 | 103 | 133 | 198 | 201 |
| Current liabilities | 1,373 | 1,213 | 1,951 | 2,704 | 3,187 |
| Total liabilities and shareholders' equity | 14,145 | 16,430 | 19,175 | 25,361 | 27,399 |
| Net working capital | 1,073 | 986 | 1,093 | 1,314 | 1,419 |
| Invested capital | 13,784 | 15,575 | 17,766 | 22,136 | 26,140 |

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

| Per share (THB) | 2019 | 2020 | 2021E | 2022E | 2023E |
|-------------------------------|------|------|-------|-------|-------|
| Book value per share | 1.06 | 1.18 | 1.25 | 1.33 | 1.46 |
| Tangible book value per share | 1.06 | 1.17 | 1.25 | 1.33 | 1.45 |

| Financial strength | 2019 | 2020 | 2021E | 2022E | 2023E |
|---------------------------|------|-------|-------|-------|-------|
| Net debt/equity (%) | 27.1 | 28.7 | 38.4 | 62.5 | 75.0 |
| Net debt/total assets (%) | 20.7 | 20.9 | 25.5 | 33.3 | 40.7 |
| Current ratio (x) | 1.0 | 1.5 | 1.3 | 1.7 | 0.8 |
| CF interest cover (x) | 1.9 | 125.3 | 23.5 | 28.7 | 11.3 |

| Valuation | 2019 | 2020 | 2021E | 2022E | 2023E |
|---|-------------|-------------|-------------|-------------|-------------|
| Recurring P/E (x) * | 39.0 | 25.3 | 22.1 | 18.9 | 13.2 |
| Recurring P/E @ target price (x) * | 53.1 | 34.5 | 30.1 | 25.7 | 17.9 |
| Reported P/E (x) | 42.2 | 22.8 | 22.1 | 18.9 | 13.2 |
| Dividend yield (%) | 0.9 | 0.4 | 2.4 | 3.0 | 3.8 |
| Price/book (x) | 3.2 | 2.9 | 2.7 | 2.5 | 2.3 |
| Price/tangible book (x) | 3.2 | 2.9 | 2.7 | 2.6 | 2.3 |
| EV/EBITDA (x) ** | 19.8 | 20.3 | 16.9 | 12.6 | 10.2 |
| EV/EBITDA @ target price (x) ** | 26.3 | 27.0 | 22.3 | 16.3 | 13.0 |
| EV/invested capital (x) | 2.7 | 2.4 | 2.2 | 1.9 | 1.7 |

* 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 | ICHI | III | ILINK | INTUCH | IRPC | IVL | JKN | JSP |
| JWD | K | KBANK | KCE | KKP | KSL | KTB | KTC | LANNA | LH | LHFG |
| LIT | LPN | MAKRO | MALEE | MBK | MBKET | MC | MCOT | METCO | MFEC | MINT |
| MONO | MOONG | MSC | MTC | NCH | NCL | NEP | NKI | NOBLE | NSI | NVD |
| NYT | OISHI | ORI | OTO | PAP | 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 | 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) |

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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, CFA, FRM, ERP FSS International Investment Advisory Securities Co., Ltd

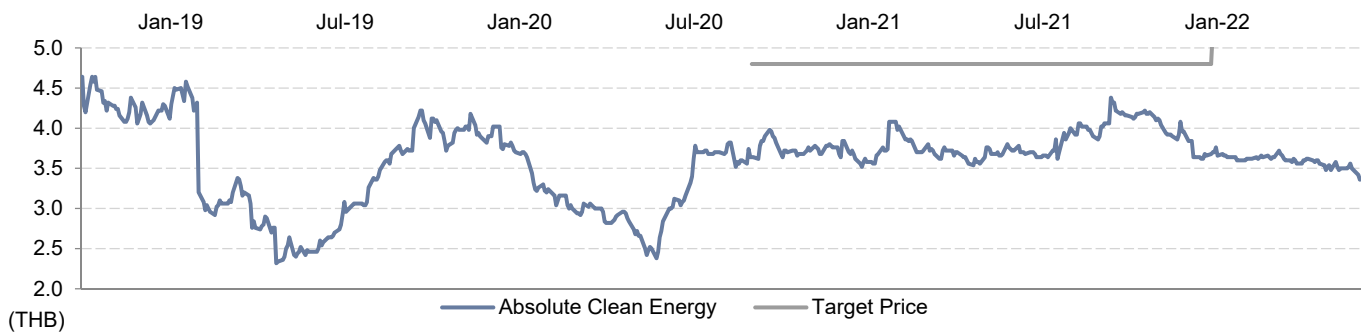
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) 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, CFA, FRM, ERP 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 3.38 | 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

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All share prices are as at market close on 12-Jan-2022 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.