

BANPU POWER BPP TB
THAILAND / UTILITIES - CONVENTIONAL**BUY**
UNCHANGED

เหยื่อของราคาถ่านหินที่ปรับขึ้นในจีน

- เราหันมามองกำไรสุทธิของ BPP ใน 2021 เป็นบวกน้อยลงจากการปิดซ่อมบำรุงตามแผนที่ยาวนานเกินคาดและอัตราค่าไฟที่ลดลง
- BPP กำลังค่อย ๆ ออกจากธุรกิจโรงไฟฟ้าถ่านหินไปยังโรงไฟฟ้าลมภาวะต่ำ ประสิทธิภาพสูงที่เป็นมิตรต่อสิ่งแวดล้อมมากยิ่งขึ้น
- คงแนะนำซื้อหลังปรับลดราคาเป้าหมายลงจาก 23 เป็น 20 บาท (SOTP)

TARGET PRICE	THB20.00
CLOSE	THB17.10
UP/DOWNSIDE	+17.0%
PRIOR TP	THB23.00
CHANGE IN TP	-13.0%
TP vs CONSENSUS	-1.8%

KEY STOCK DATA

YE Dec (THB m)	2020	2021E	2022E	2023E
Revenue	6,152	6,910	7,064	7,756
Net profit	3,702	3,284	5,423	5,759
EPS (THB)	1.21	1.08	1.78	1.89
vs Consensus (%)	-	(20.3)	5.5	3.7
EBITDA	1,299	843	1,474	2,153
Core net profit	3,783	3,284	5,423	5,759
Core EPS (THB)	1.24	1.08	1.78	1.89
Chg. In EPS est. (%)	-	(39.3)	(11.3)	(7.8)
EPS growth (%)	26.0	(13.2)	65.1	6.2
Core P/E (x)	13.8	15.9	9.6	9.1
Dividend yield (%)	3.8	4.7	4.7	4.7
EV/EBITDA (x)	43.7	66.1	35.2	22.3
Price/book (x)	1.3	1.2	1.2	1.1
Net debt/Equity (%)	8.9	6.1	(3.0)	(11.1)
ROE (%)	9.4	7.9	12.4	12.3

กำไรสุทธิที่ตกต่ำในปี 2021 น่าจะตามด้วยกำไรสุทธิที่ดีในปี 2022-23

ในขณะที่เราหันมามองกำไรสุทธิของ BPP ในปี 2021 เป็นบวกน้อยลงจากการปิดซ่อมบำรุงตามแผนที่ยาวเกินคาดและอัตราค่าไฟของโรงไฟฟ้าถ่านหินในจีนที่หดตัวจากราคาถ่านหินที่ปรับขึ้น เราคาดว่ากำไรจะฟื้นตัวในปี 2022-2023 โดยอาจมีปัจจัยบวกประกอบด้วยอัตราค่าไฟที่ปรับตัวดีขึ้นของโรงไฟฟ้าถ่านหินในจีนหลังรัฐบาลอนุญาตให้ปรับอัตราค่าไฟฟ้าขึ้น การเติบโตของกำไรจากโครงการที่ซื้อมาและ Equivalent availability factor (EAF) ที่ดีขึ้นของโรงไฟฟ้าถ่านหิน Hongsa ในลาวหลังการปิดซ่อมบำรุงเป็นการใหญ่ที่มีกำหนดในช่วง 1H21

การเปลี่ยนแปลงกำลังใกล้เข้ามา

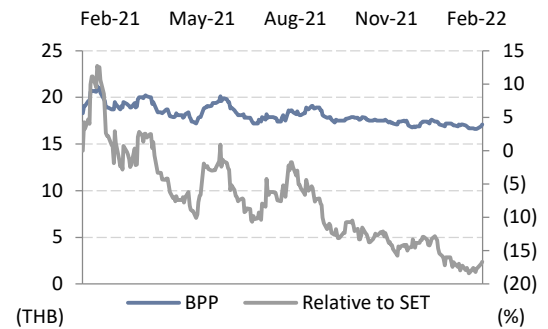
เราคาดว่าส่วนของโรงไฟฟ้าถ่านหินต่อกำไรของ BPP จะค่อย ๆ ลดลงจากการเคลื่อนของ บริษัทฯ เข้าสู่โรงไฟฟ้าที่มีมลภาวะต่ำ ประสิทธิภาพสูงและเป็นมิตรต่อสิ่งแวดล้อม BPP ได้ขยายพอร์ตสินทรัพย์ผ่านการซื้อกิจการในต่างประเทศหลายรายการและโครงการเพื่อสร้างการเติบโตใหม่จากภายใน ซึ่งช่วยเพิ่มกำลังการผลิตตามส่วนการลงทุนรวมจำนวน 1.83GW ในช่วงปี 2019-2022 ผ่านกิจการร่วมค้า Banpu NEXT (not listed) ซึ่ง BPP และ BANPU ถือหุ้นอยู่คนละครึ่ง

คาดการณ์กำไรสุทธิ 4Q21 จะอ่อนแอ

เราคาดว่า BPP จะรายงานกำไรสุทธิ 4Q21 ที่ 527 ลบ. ลดลง 12% q-q แต่ดีขึ้นจากที่เคยขาดทุนสุทธิ 369 ลบ. ใน 4Q20 เราคาดว่ากำไรสุทธิจากการดำเนินงานจะเพิ่มเป็น 874 ลบ. ใน 4Q21 เพิ่มขึ้น 138% q-q และ 199% y-y โดยมีสมมติฐานสำคัญประกอบด้วย 1) การดำเนินงานที่ดีขึ้นของโรงไฟฟ้า Hongsa ด้วยค่า EAF ที่ 90% ซึ่งจะให้รายได้ตามส่วนการลงทุนอยู่ที่ 0.9 พัน ลบ. แก่ BPP; 2) รายได้ตามส่วนการลงทุนจำนวน 0.1 พัน ลบ. จาก BLCP; 3) ผลขาดทุนสุทธิรวม 0.4 พัน ลบ. จากโรงไฟฟ้าขนาดเล็ก (SPP) 3 แห่งในจีนและ SLG อันเป็นผลจากต้นทุนถ่านหินและอัตราค่าไฟฟ้าที่ปรับตัวขึ้นไม่เท่ากัน; 4) โรงไฟฟ้า IGCC Nakoso น่าจะทำเงิน 0.1 พัน ลบ. ใน 4Q21 ในขณะที่เราคาดว่าโรงไฟฟ้าถ่านหิน Temple I ที่ซื้อมาในเดือน ธ.ค. 21 จะทำเงิน 30 ลบ.

คงแนะนำซื้อหลังปรับลดราคาเป้าหมายเป็น 20 บาท

เราคงแนะนำซื้อหลังปรับลดราคาเป้าหมายจาก 23 เป็น 20 บาท (SOTP) เพื่อสะท้อนประมาณการกำไรที่ลดลง เราปรับลดประมาณการกำไรต่อหุ้นปี 2021-2023 ลง 8-39% เพื่อสะท้อนสมมติฐานราคาน้ำมันที่สูงขึ้นและอัตราการใช้กำลังการผลิตที่ลดลง เนื่องจากเราคิดว่าผลกระทบที่ไม่เท่ากันระหว่างราคาถ่านหินที่อยู่ในระดับสูงและอัตราค่าไฟจะเกิดต่อเนื่องในปี 2022-2023



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(0.6)	(2.3)	(7.1)
Relative to country (%)	(0.8)	(4.9)	(16.9)
Mkt cap (USD m)	1,570		
3m avg. daily turnover (USD m)	1.5		
Free float (%)	21		
Major shareholder	BANPU Plc (79%)		
12m high/low (THB)	21.60/16.40		
Issued shares (m)	3,051.02		

Sources: Bloomberg consensus; FSSIA estimates

**Suwat Sinsadok, CFA, FRM, ERP**suwat.sin@fssia.com
+66 2611 3558**Siriluck Pinthusoonthorn**siriluck.pin@fssia.com
+66 2611 3562

Investment thesis

BPP has secured an effective capacity of 2.4GW, of which 1.9GW is in operation and the remaining 0.5GW is under development. Most of the operating and under-development capacity is in the form of coal-fired power plants. BPP also has some renewable capacity from solar power plants in China and Japan, with a total capacity of almost 200MW. BPP plans to increase its renewable capacity from 0.2GW currently to 0.8GW by 2025, representing 15% of its total target capacity of 5.3GW in 2025.

We think BPP's limited core earnings growth potential from its two power assets – HPC and BLCP, which are already running at high utilisation rates, according to management – should be offset by the earnings growth from the SLG power plant in China and its battery and EV businesses.

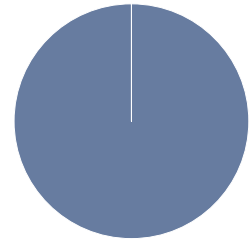
Company profile

Banpu Power is a holding company investing in electricity generating businesses. It has major coal-fired and solar farm power assets in Thailand, Laos, China and Japan.

www.banpupower.com

Principal activities (revenue, 2020)

■ Power - 100.0 %

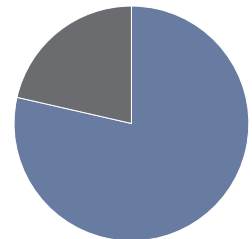


Source: Banpu Power

Major shareholders

■ BANPU Plc - 78.6 %

■ Others - 21.4 %



Source: Banpu Power

Catalysts

Higher utilisation rates of power plants and rising demand for electricity in Thailand and China are key potential growth drivers.

Risks to our call

Downside risks to our SOTP valuation are the start-up delays of its new projects and government intervention in the electricity tariff.

Event calendar

Date	Event
Feb 2022	4Q21/2021 results announcement

Key assumptions

	2021E	2022E	2023E
Utilisation rate (%)	90	92	92
Oil price (USD/bbl)	75	70	70

Source: FSSIA estimates

Earnings sensitivity

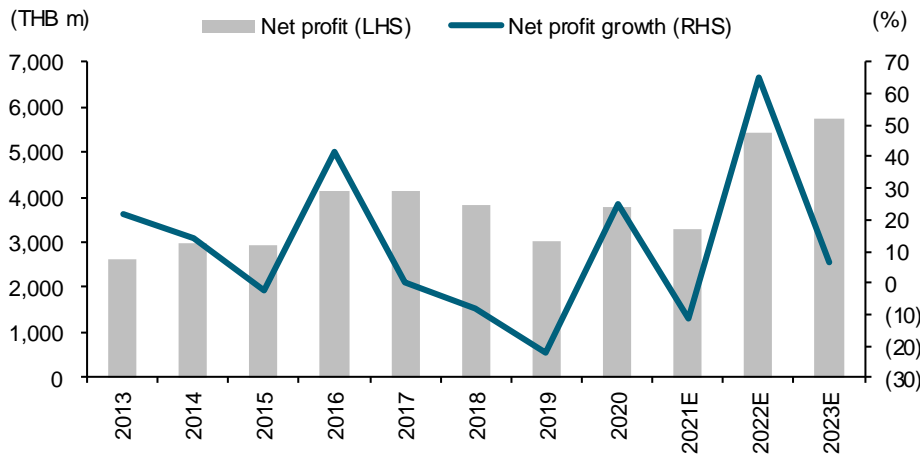
- For every 1% increase in coal price, we estimate 2021 earnings would decline 2.5%, and vice versa, all else being equal.
- For every 1% increase in interest rate, we estimate 2021 earnings would decline 1.3%, and vice versa, all else being equal.

Source: FSSIA estimates

A victim of the coal price hike in China

We turn less bullish on BPP’s net profit in 2021 due to the longer-than-expected planned shutdown period and the margins of its coal-fired power plants in China being squeezed (three small power producers (SPPs) and Shan Xi Lu Guang (SLG)). We think BPP’s net profit has suffered from its gross margins sharply plunging in 2H21 as a result of the spike in the coal price.

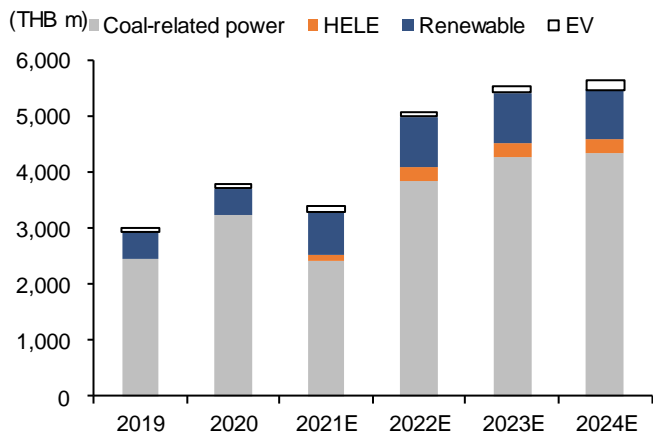
Exhibit 1: Net profit and net profit growth



Sources: BPP; FSSIA estimates

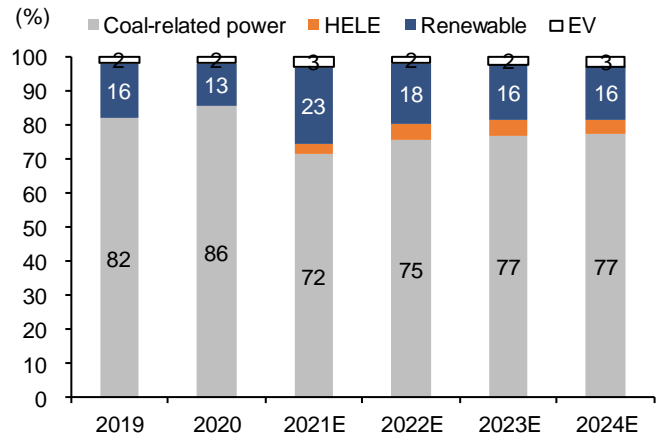
However, we anticipate BPP’s net profit growth to accelerate again in 2022-23, driven by improving margins for the coal-fired power plants in China after the government allows the electricity tariff to increase and gradually match the coal cost hike. BPP should also be supported earnings growth from its acquired projects as well as an improving EAF for the Hongsa coal-fired power plant in Laos after the heavy maintenance shutdown scheduled in 1H21.

Exhibit 2: Net profit breakdown by power plant type



Sources: BPP; FSSIA estimates

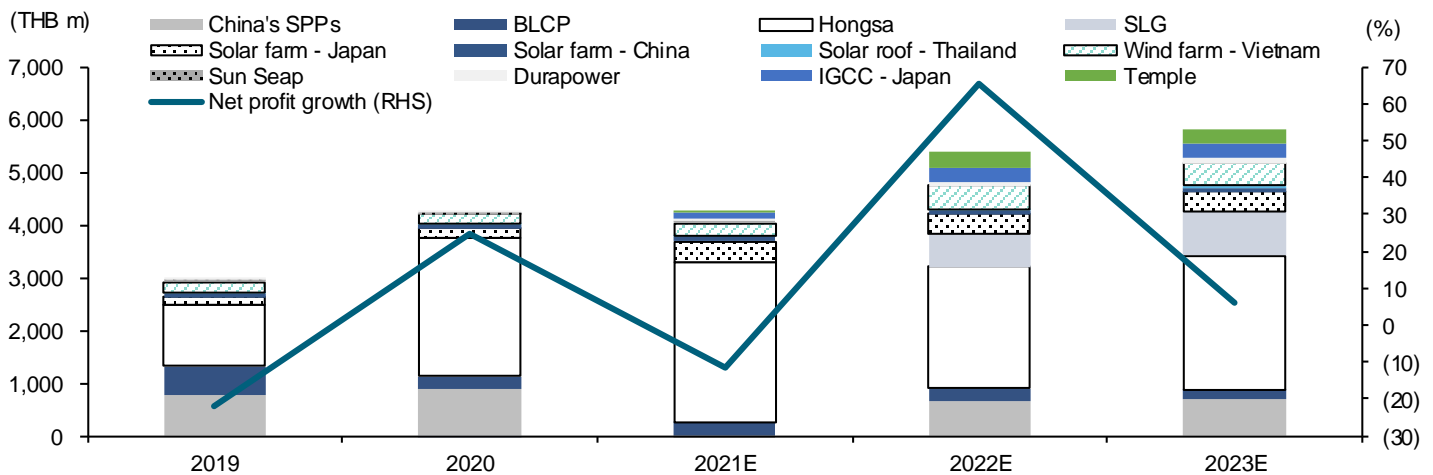
Exhibit 3: Net profit breakdown by power plant type (%)



Sources: BPP; FSSIA estimates

Meanwhile, we project that BPP's earnings will gradually see lower contributions from coal due to the company's move toward renewable, high efficiency, low emissions (HELE) power plants, which include integrated gasification combined cycle (IGCC) plants. IGCC is a power plant that employs gasification technology, gas cleanup, and a gas turbine/steam turbine combined cycle unit to generate electricity in a more efficient, environmentally benign manner than conventional pulverised coal-fired power plants.

Exhibit 4: Net profit breakdown by project



Sources: BPP; FSSIA estimates

In the past two years, BPP has grown its asset portfolio via the acquisition of multiple assets overseas and new organic projects, adding a total equity capacity of 1.83GW from 2019-22. Since 2021, BPP has changed its growth strategy by joining hands with its parent company via the JV, Banpu NEXT, owned 50-50 by BPP and Banpu (BANPU TB, BUY, THB16.9), while BANPU owns a 78.6% stake in BPP.

Exhibit 5: Acquisitions and divestments

New growth projects	Location	Fuel type	Stake	Total capacity	Equity capacity	Investment (divestment)	EIRR	Completion	COD
			(%)	(MW)	(MW)	(THB m)	(%)		
China - Solar					152		10.0		Operating
Japan - Solar					233		11.0		2018-23E
Vietnam - Wind					238		11.0		2020-23E
SLG IPP (total 1,320MW)	China		30	1,320	396		11.0		Operating
Vin Chau	Soc Trang, Vietnam	Wind	100	80	80		11.0		Phase 1 – 2020 Phase 2 – 2022E Phase 3 – 2022E
Jixin	Jiangsu, China	Solar	100	25	25	RMB189.15m		3Q19	Jun-16
Global Engineering	Fukuoka, Japan	Virtual power plant and energy trading	20	0	0	USD2m		Feb-20	Services to 2,000 IUs
Ei Wind Mui Dinh	Ninh Thuan, Vietnam	Onshore wind	50	38	19	1,033	11.0	4Q20	Apr-19
Nakoso IGCC	Fukushima, Japan	Gas-fired combined cycle	13	543	73	2,500		Apr-21	Apr-21
Beryl Solar Farm (BSF)	Australia	Solar	10	111	11	233		Jun-21	Jun-19
Manindra Solar Farm (MSF)	Australia	Solar	10	56	6			Jun-21	Dec-18
Temple I	Texas, USA	Gas-fired combined cycle	50	768	384	7,149		Nov-21	Jul-14
Sunseap Group	Singapore	Solar	50	320	160	2,785 (6,077)		1Q22	
Ha Tinh Solar Power	Vietnam	Solar	50	50	25	394		1Q22	2Q19
Licogi	Vietnam	Solar	50	50	25	442	12.0	2Q22	2019-20
Total - Renewable					974				
Total					1,826				

Sources: BPP; FSSIA estimates

This strategic move is in line with the BANPU group's plan to gradually itself from a coal-dominated organisation into a more balanced, greener corporation with capacity growth in renewable overseas and EV-related ventures to be added by 2023.

In addition, BPP divested its stake in Sunseap Group, a developer and operator of solar and wind farms in many countries in Asia, for which it should book a gain of USD100m in 1Q22, based on our estimate.

4Q21E results preview

We expect BPP to post a weak reported net profit of THB527m in 4Q21, down 12% q-q but up from a net loss of THB369m in 4Q20. We project its core net profit to rise to THB874m in 4Q21, up 138% q-q and 199% y-y. Our key expectations are:

- Improving operations for Hongsa power plant, for which we expect to see an EAF of 90% in 4Q21, likely generating equity income of THB0.9b to BPP.
- Continued weak equity income of THB0.1b from the 50%-owned BLCP power plant due to the planned shutdown and the lower availability payments under the current power purchase agreement, which is now close to the expiration date.
- Net losses of THB0.4b combined from the three SPPs in China and SLG as a result of the mismatch between the coal cost hike and the increase in electricity tariff as the Chinese government has mandated power plant operators raise their tariffs at a lower rate than the rise in their coal costs in order to subsidise the public and industrial electricity cost burden.
- Nakoso IGCC power plants should generate THB0.1b in 4Q21, while we expect the Temple I coal-fired power plant, acquired in Dec-21, to earn THB30m income for BPP with only one month of earnings contributed.

Exhibit 6: 4Q21E results preview

	4Q20	3Q21	4Q21E		
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)
Revenue	1,673	1,048	3,189	204.4	90.6
Operating costs	(1,959)	(1,077)	(733)	(31.9)	(62.6)
EBITDA	(286)	(29)	729	nm	nm
<i>EBITDA margin (%)</i>	<i>(17.1)</i>	<i>(2.8)</i>	22.9	nm	nm
Deprn & amort.	(161)	(124)	(1,039)	737.8	543.8
EBIT	(447)	(153)	(310)	103.0	(30.6)
Interest expense	(83)	(44)	(106)	142.1	27.1
Interest & invt inc	89	95	(241)	(352.9)	nm
Other income	151	(1)	545	(78,947.9)	261.8
Associates' contrib	59	460	991	115.3	1,584.6
Exceptionals	(26)	250	(403)	(261.3)	1,446.6
Pretax profit	(258)	608	475	(22.0)	nm
Tax	(91)	(8)	98	nm	nm
<i>Tax rate (%)</i>	<i>(35.1)</i>	1.3	(20.6)	nm	nm
Minority interests	(20)	(4)	(45)	992.4	126.1
Net profit	(369)	596	527	(11.6)	nm
Non-recurring	(661)	229	(346)	(251.4)	(47.6)
Core net profit	292	368	874	137.5	198.8
EPS (THB)	(0.12)	0.20	0.17	(12.5)	nm
Core EPS (THB)	0.10	0.12	0.28	135.9	196.9

Sources: BPP; FSSIA estimates

EPS and target price revisions

We cut our EPS forecasts for 2021-23 by 8-39% to reflect our higher oil price and lower utilisation rate assumptions as we think the impact of the high coal price and the margin mismatch will continue into 2022-23.

Exhibit 7: Key changes in assumptions and EPS forecasts

	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	6,910	7,064	7,756	11,038	11,285	11,257	(37.4)	(37.4)	(31.1)
Gross profit	2,570	2,886	3,161	4,436	4,611	4,588	(42.1)	(37.4)	(31.1)
Operating profit	2,570	2,886	3,161	4,436	4,611	4,588	(42.1)	(37.4)	(31.1)
Net profit	3,284	5,423	5,759	5,413	6,114	6,246	(39.3)	(11.3)	(7.8)
EPS (THB/shr)	1.1	1.8	1.9	1.8	2.0	2.0	(39.3)	(11.3)	(7.8)
Key assumptions									
Utilisation rate (%)	90	92	92	94	95	95	(4.3)	(3.2)	(3.2)
Oil price (USD/bbl)	75	70	70	65	60	60	15.4	16.7	16.7

Note: Change of items in percentage terms are represented in ppt change

Sources: BPP; FSSIA estimates

We maintain BUY but lower our SOTP-based TP from THB23 to THB20 to reflect the cuts in our EPS forecasts. We think BPP remains attractive for its stronger net profit growth potential post 2022-23, driven by the committed capacity growth from the multiple acquired assets in 2019-21 and the projected margin improvement, as we expect the coal price to normalise toward USD100/t by end-2022, down from the current USD220/t as of 1 February 2022.

Exhibit 8: SOTP-based target price

Cost of equity assumptions	(%)		Cost of debt assumptions	(%)
Risk free rate	2.3		Pretax cost of debt	5.5
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	4.4
Weight applied	40.0		Weight applied	60.0
WACC (%)	7.0			
DCF valuation estimate	THB m	THB/share	Comments	
BLCP	3,972	1.3	WACC 7.0%, no terminal growth value	
Hongsa	14,178	4.6	WACC 7.0%, no terminal growth value	
Zhengding	3,669	1.2	WACC 8.5%, no terminal growth value	
Luannan	6,712	2.2	WACC 8.5%, no terminal growth value	
Zouping	3,329	1.1	WACC 8.5%, no terminal growth value	
SLG	6,754	2.2	WACC 8.5%, no terminal growth value	
Solar - Japan	8,269	2.7	WACC 3.7%, no terminal growth value	
Solar - China	3,969	1.3	WACC 8.5%, no terminal growth value	
Solar - Thailand	326	0.1	WACC 7.0%, no terminal growth value	
Wind - Soc Trang (Vietnam)	1,563	0.5	WACC 8.5%, no terminal growth value	
Wind - Mui Dinh (Vietnam)	3,031	1.0	WACC 8.5%, no terminal growth value	
Sun Seap (48.6%)	1,141	0.4	WACC 6.7%, no terminal growth value	
Durapower	1,725	0.6	WACC 6.7%, no terminal growth value	
Nakoso (3Q21)	1,841	0.6	WACC 3.5%, no terminal growth value	
BSF & MSF Australia (solar, Jun 2021)	191	0.1	WACC 6.7%, no terminal growth value	
Net cash (debt)	1,401	0.5	At end-2022E	
Minorities	(1,099)	(0.4)		
Residual ordinary equity	60,973	20.0		

Sources: BPP; FSSIA estimates

Financial Statements

Banpu Power

Profit and Loss (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Revenue	5,687	6,152	6,910	7,064	7,756
Cost of goods sold	(3,962)	(3,907)	(4,339)	(4,178)	(4,594)
Gross profit	1,725	2,245	2,570	2,886	3,161
Other operating income	-	-	-	-	-
Operating costs	(1,749)	(946)	(1,727)	(1,413)	(1,008)
Operating EBITDA	(24)	1,299	843	1,474	2,153
Depreciation	(613)	(402)	(1,392)	(1,392)	(1,392)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	(637)	897	(549)	81	761
Net financing costs	(370)	279	(179)	(157)	(77)
Associates	3,673	3,565	3,365	5,273	5,018
Recurring non-operating income	4,249	2,988	4,038	5,811	5,610
Non-recurring items	(34)	(81)	0	0	0
Profit before tax	3,207	4,084	3,309	5,736	6,294
Tax	(204)	(300)	15	(125)	(344)
Profit after tax	3,003	3,783	3,325	5,611	5,950
Minority interests	(34)	(81)	(41)	(189)	(191)
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
Reported net profit	2,969	3,702	3,284	5,423	5,759
Non-recurring items & goodwill (net)	34	81	0	0	0
Recurring net profit	3,003	3,783	3,284	5,423	5,759
Per share (THB)					
Recurring EPS *	0.98	1.24	1.08	1.78	1.89
Reported EPS	0.97	1.21	1.08	1.78	1.89
DPS	0.65	0.65	0.80	0.80	0.80
Diluted shares (used to calculate per share data)	3,051	3,051	3,051	3,051	3,051
Growth					
Revenue (%)	(10.0)	8.2	12.3	2.2	9.8
Operating EBITDA (%)	nm	nm	(35.1)	74.8	46.1
Operating EBIT (%)	nm	nm	nm	nm	834.1
Recurring EPS (%)	(21.2)	26.0	(13.2)	65.1	6.2
Reported EPS (%)	(22.1)	24.7	(11.3)	65.1	6.2
Operating performance					
Gross margin inc. depreciation (%)	19.6	29.9	17.1	21.2	22.8
Gross margin of key business (%)	19.0	28.6	17.1	21.2	22.8
Operating EBITDA margin (%)	(0.4)	21.1	12.2	20.9	27.8
Operating EBIT margin (%)	(11.2)	14.6	(7.9)	1.2	9.8
Net margin (%)	52.8	61.5	47.5	76.8	74.3
Effective tax rate (%)	-43.8	58.0	27.6	27.0	27.0
Dividend payout on recurring profit (%)	66.0	52.4	74.3	45.0	42.4
Interest cover (X)	9.7	(13.9)	19.5	37.5	83.1
Inventory days	41.6	43.5	44.4	47.1	44.1
Debtor days	91.5	62.1	49.5	48.4	44.1
Creditor days	51.7	26.5	14.9	15.9	14.8
Operating ROIC (%)	(4.2)	6.0	0.9	(0.1)	(1.5)
ROIC (%)	6.6	7.2	(1.5)	(2.6)	(2.9)
ROE (%)	7.6	9.4	7.9	12.4	12.3
ROA (%)	6.6	7.4	6.6	10.6	10.6

* Pre-exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2019	2020	2021E	2022E	2023E
Power	5,687	6,152	6,910	7,064	7,756

Sources: Banpu Power; FSSIA estimates

Financial Statements

Banpu Power

Cash Flow (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Recurring net profit	3,003	3,783	3,284	5,423	5,759
Depreciation	613	402	1,392	1,392	1,392
Associates & minorities	3,673	3,565	3,365	5,273	5,018
Other non-cash items	-	-	-	-	-
Change in working capital	(238)	(3,353)	(327)	(47)	(307)
Cash flow from operations	7,051	4,398	7,714	12,041	11,862
Capex - maintenance	(100)	(101)	(1,000)	(1,000)	(1,000)
Capex - new investment	(177)	(3,593)	(500)	(500)	(500)
Net acquisitions & disposals	4,856	(6,094)	500	1,000	1,000
Other investments (net)	5,693	4,178	3,365	5,273	5,018
Cash flow from investing	10,272	(5,610)	2,365	4,773	4,518
Dividends paid	(1,983)	(1,983)	(2,288)	(2,441)	(2,441)
Equity finance	0	0	0	0	0
Debt finance	(746)	(1,091)	0	0	0
Other financing cash flows	(9,524)	(214)	(6,689)	(10,358)	(9,845)
Cash flow from financing	(12,254)	(3,288)	(8,977)	(12,798)	(12,285)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	5,069	(4,500)	1,102	4,016	4,095
Free cash flow to firm (FCFF)	17,611.09	(968.47)	10,301.47	17,036.81	16,602.56
Free cash flow to equity (FCFE)	7,052.59	(2,516.46)	3,389.88	6,456.81	6,535.50

Per share (THB)

FCFF per share	5.77	(0.32)	3.38	5.58	5.44
FCFE per share	2.31	(0.82)	1.11	2.12	2.14
Recurring cash flow per share	2.39	2.54	2.64	3.96	3.99

Balance Sheet (THB m) Year Ending Dec	2019	2020	2021E	2022E	2023E
Tangible fixed assets (gross)	17,931	13,876	14,876	15,376	15,876
Less: Accumulated depreciation	(6,035)	(5,875)	(7,267)	(8,659)	(10,051)
Tangible fixed assets (net)	11,896	8,001	7,609	6,717	5,825
Intangible fixed assets (net)	38	38	38	38	38
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	20,545	26,639	26,639	26,639	26,639
Cash & equivalents	6,669	2,169	3,271	7,286	11,381
A/C receivable	1,156	938	938	938	938
Inventories	427	505	550	529	582
Other current assets	646	3,907	4,388	4,486	4,925
Current assets	8,899	7,519	9,146	13,239	17,826
Other assets	7,431	7,366	7,366	7,366	7,366
Total assets	48,808	49,563	50,798	53,999	57,694
Common equity	39,079	41,109	42,104	45,086	48,404
Minorities etc.	737	869	910	1,099	1,290
Total shareholders' equity	39,816	41,978	43,014	46,185	49,694
Long term debt	5,029	3,481	3,481	3,481	3,481
Other long-term liabilities	119	37	37	37	37
Long-term liabilities	5,148	3,518	3,518	3,518	3,518
A/C payable	397	170	185	178	196
Short term debt	1,948	2,405	2,405	2,405	2,405
Other current liabilities	1,499	1,492	1,676	1,713	1,881
Current liabilities	3,843	4,067	4,266	4,296	4,482
Total liabilities and shareholders' equity	48,808	49,563	50,798	53,999	57,694
Net working capital	334	3,687	4,014	4,061	4,368
Invested capital	40,243	45,731	45,666	44,821	44,235

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

Per share (THB)

Book value per share	12.81	13.47	13.80	14.78	15.86
Tangible book value per share	12.80	13.46	13.79	14.76	15.85

Financial strength

Net debt/equity (%)	0.8	8.9	6.1	(3.0)	(11.1)
Net debt/total assets (%)	0.6	7.5	5.1	(2.6)	(9.5)
Current ratio (x)	2.3	1.8	2.1	3.1	4.0
CF interest cover (x)	20.5	(2.9)	22.7	45.3	92.8

Valuation	2019	2020	2021E	2022E	2023E
Recurring P/E (x) *	17.4	13.8	15.9	9.6	9.1
Recurring P/E @ target price (x) *	20.3	16.1	18.6	11.3	10.6
Reported P/E (x)	17.6	14.1	15.9	9.6	9.1
Dividend yield (%)	3.8	3.8	4.7	4.7	4.7
Price/book (x)	1.3	1.3	1.2	1.2	1.1
Price/tangible book (x)	1.3	1.3	1.2	1.2	1.1
EV/EBITDA (x) **	(2,177.2)	43.7	66.1	35.2	22.3
EV/EBITDA @ target price (x) **	(2,539.2)	50.5	76.6	41.2	26.4
EV/invested capital (x)	1.3	1.2	1.2	1.2	1.1

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

Sources: Banpu 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	ICHI	III	ILINK	INTUCH	IRPC	IVL	JKN	JSP
JWD	K	KBANK	KCE	KKP	KSL	KTB	KTC	LANNA	LH	LHFG
LIT	LPN	MAKRO	MALEE	MBK	MBKET	MC	MCOT	METCO	MFEC	MINT
MONO	MOONG	MSC	MTC	NCH	NCL	NEP	NKI	NOBLE	NSI	NVD
NYT	OISHI	ORI	OTO	PAP	PCSGH	PDJ	PG	PHOL	PLANB	PLANET
PLAT	PORT	PPS	PR9	PREB	PRG	PRM	PSH	PSL	PTG	PTT
PTTEP	PTTGC	PYLON	Q-CON	QH	QTC	RATCH	RS	S	S & J	SAAM
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	SPUSCO	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, CFA, FRM, ERP FSS International Investment Advisory Securities Co., Ltd

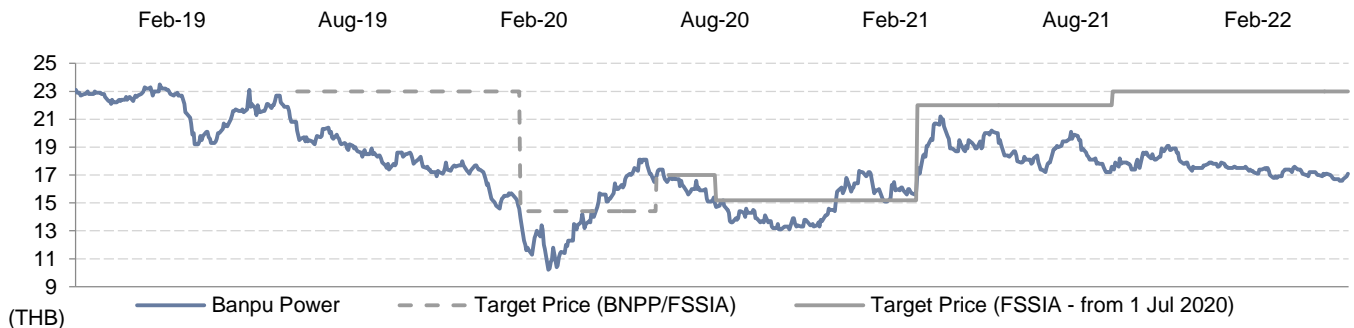
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

Banpu Power (BPP TB)



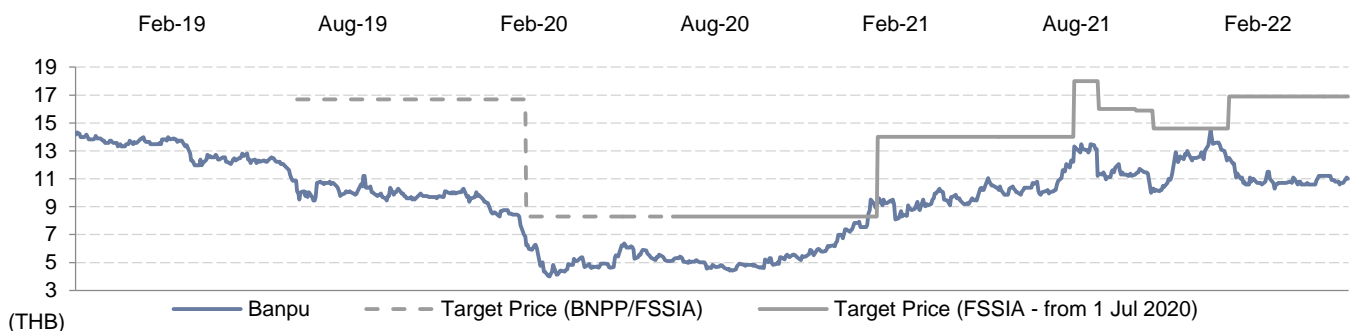
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
13-Aug-2019	HOLD	23.00	17-Jun-2020	HOLD	17.00	26-Jan-2021	BUY	22.00
21-Feb-2020	HOLD	14.40	06-Aug-2020	HOLD	15.20	13-Jul-2021	BUY	23.00

Suwat Sinsadok, CFA, FRM, ERP started covering this stock from 17-Jun-2020

Price and TP are in local currency

Source: FSSIA estimates

Banpu (BANPU TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
13-Aug-2019	BUY	16.70	23-Dec-2020	BUY	14.00	02-Aug-2021	BUY	15.90
26-Feb-2020	HOLD	8.30	10-Jun-2021	BUY	18.00	17-Aug-2021	BUY	14.60
09-Oct-2020	BUY	8.30	01-Jul-2021	HOLD	16.00	21-Oct-2021	BUY	16.90

Suwat Sinsadok, CFA, FRM, ERP started covering this stock from 26-Feb-2020

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Banpu Power	BPP TB	THB 17.10	BUY	Downside risks to our SOTP valuation are the start-up delays of its new projects and government intervention in the electricity tariff.
Banpu	BANPU TB	THB 11.00	BUY	We see downside risks to our SoTP-based TP from lower coal prices, higher diesel costs and any unplanned shutdowns of its 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 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 01-Feb-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.