

Thailand Utilities

New round of renewable growth

- ERC announced key developments in renewable energy: bidding for IW and MSW WTE within 2022 and approving electricity purchases from two hydropower plants.
- We think MSW power plants will see a lower EIRR of 12-15% vs 14-20% for IW.
- We prefer ETC as our top pick for IW WTE, TPCH for MSW WTE, and GULF and CKP for hydropower plant capacity growth.

Higher growth on more renewable capacity for WTE and hydropower plants

According to Energy News Center, on 22 June 2022 the Energy Regulatory Commission (ERC) announced three key developments in renewable energy to further solidify Thailand's WTE capacity growth after a few years of complacency. First, the ERC will open bidding for the electricity produced from the new 100MW industrial waste (IW) waste-to-energy (WTE) power plants, with a feed-in-tariff (FiT) of THB6.08/kWh plus a FiT premium. All projects are scheduled to commence their commercial operation dates (COD) within 2026. Second, the ERC plans to open bidding in July 2022 for the non-firm 282.98MW of capacity for 34 municipal solid waste (MSW) WTE power plant projects (COD in 2025-26) with a FiT of THB5.08/kWh for the 1-10MW VSPPs and a THB3.66/kWh FiT for SPPs with over 10MW of capacity. Third, the ERC approved electricity purchases from two hydropower plants – Pak Lai, owned by GULF, and the 1.46GW Luangprabang (owned by CKP, COD in 2030).

IW WTE capacity growth is on the way

Within 2022, we believe the ERC will open the bidding for 100MW of IW WTE capacity and 282.98MW of municipal WTE capacity following a long delay due to regulatory issues. The 100MW industrial WTE capacity should greatly benefit ETC as its parent, Better World Green (BWG TB, not rated), is one of the largest IW management companies with the largest market share in Thailand. BWG also owns and operates two solid recovered fuel plants to convert IW into refuse-derived fuel to be sold and used as a feedstock for the IW power plants. With ETC's expertise in running three IW WTE power plants with a total capacity of 19MW, plus the large IW plants from BWG, we believe the ETC-BWG group is likely to win 30-50MW out of the total 100MW available for bidding in 2022.

Municipal WTE power plants are finally approved

The new 282.98MW of MSW WTE power plant capacity granted by the ERC could be the key catalyst for TPIPP, TPCH, GULF, and a number of smaller companies, as the size of the MSW WTE power plants will be smaller in the range of 1-20MW. However, we think the MSW WTE power plants will see a lower EIRR of 12-15% vs 14-20% for IW WTE, given the lower FiT of THB5.08/kWh for MSW WTE VSPPs than THB6.08/kWh for IW WTE VSPPs and the higher entry barrier for IW WTE VSPPs on feedstock availability.

ETC for IW, TPCH for MSW, and GULF and CKP for hydropower plants

We prefer ETC as our top pick for IW WTE, TPCH for MSW WTE, and GULF and CKP for hydropower plant capacity growth based on the recent announcements for the new growth roadmap that could propel the share prices of our top picks in 2H22.



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Exhibit 1: Renewable capacity breakdown under PDP 2018 Revision 1

Projects	PDP 2018 (MW)	PDP 2018 Rev 1 (MW)
Projects under government-supportive policy		
- WTE – community waste	400	400
- Biomass (Pracharat) for four southernmost provinces	120	120
- Power Plant for Community (PPC)	-	1,933
Subtotal	520	2,453
Projects under AEDP 2018		
Solar	10,000	8,740
Biomass	3,375	2,780
Biogas	546	400
Solar floating	2,725	2,725
Wind	1,485	1,485
WTE – industrial	44	44
Small hydro	-	69
Subtotal	18,175	16,243
Total	18,695	18,696

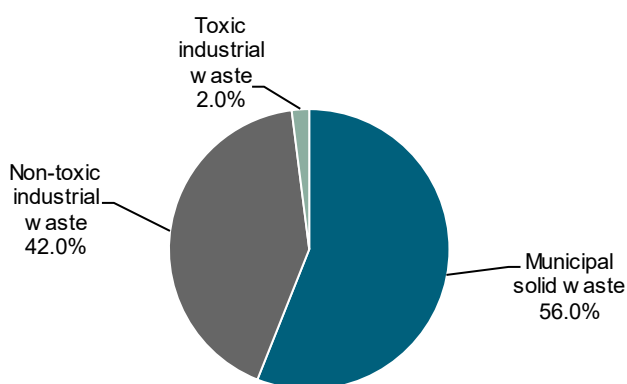
Source: Ministry of Energy

Exhibit 2: Change in renewable capacity in 2021-30 under PDP 2018 Revision 1

Power plant type	New capacity	PDP 2018 Rev 1 (current) (MW)	PDP 2018 Rev 1 (revised) (MW)	Change (MW) (%)	
Fossil	Gas	5,550	4,850	(700)	(13)
	Lignite	600	600	-	-
	Total fossil	6,150	5,450	(700)	(11)
Renewable	Import for hydro	1,400	2,766	1,366	98
	Solar	5,194	4,455	(739)	(14)
	Wind	270	1,500	1,230	456
	Biomass	1,120	485	(635)	(57)
	Biogas	783	335	(448)	(57)
	WTE	400	600	200	50
	Small hydro	26	52	26	100
	Total renewable	9,193	10,193	1,000	11
Total	15,343	15,643	300	2	

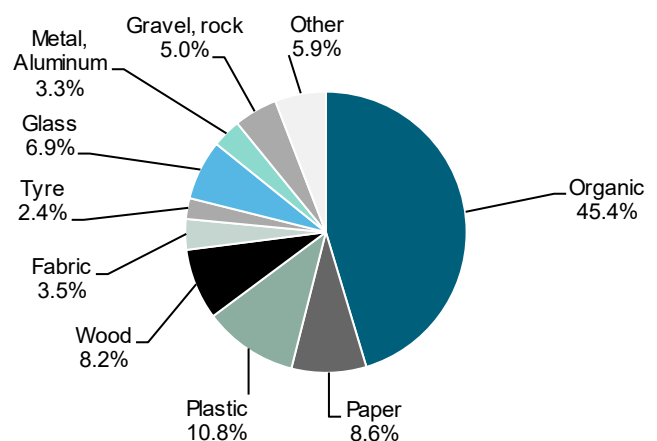
Source: Ministry of Energy

Exhibit 3: Thailand’s waste breakdown (2021)



Source: ETC

Exhibit 4: Municipal solid waste breakdown



Source: TPIPP

Exhibit 5: Peer comparisons

Company	BBG code	Rec	Share Price (LCY)	Target price (LCY)	Upside (%)	Market Cap (USD m)	3Y EPS CAGR (%)	PE		ROE		PBV		EV / EBITDA	
								22E (x)	23E (x)	22E (%)	23E (%)	22E (x)	23E (x)	22E (x)	23E (x)
THAILAND															
B Grimm Power	BGRIM TB	BUY	36.75	44.00	20	2,712	34.7	26.2	16.9	11.8	16.4	3.0	2.6	11.3	9.4
Gulf Energy Deve	GULF TB	BUY	47.75	60.00	26	15,861	21.1	40.7	37.9	13.6	13.6	5.3	5.0	30.9	28.8
Global Power Syn	GPSC TB	HOLD	67.00	70.00	4	5,348	11.2	38.8	24.6	4.5	7.0	1.7	1.7	20.7	17.3
Banpu Power	BPP TB	BUY	14.70	20.00	36	1,268	29.1	8.2	8.0	11.5	11.2	0.9	0.9	32.5	24.2
Electricity Gen	EGCO TB	BUY	176.00	245.00	39	2,623	13.8	5.4	5.4	14.3	13.1	0.7	0.7	11.6	10.7
Ratch Group	RATCH TB	BUY	37.50	60.00	60	2,309	3.0	6.3	6.4	14.6	11.6	0.8	0.7	10.9	10.3
Wha Utilities&Pow	WHAUP TB	BUY	3.88	4.50	16	420	18.2	11.5	10.9	10.2	10.6	1.2	1.1	31.7	30.5
Bcpg	BCPG TB	BUY	11.00	17.00	55	901	(9.7)	12.4	18.1	9.1	5.9	1.1	1.1	13.9	20.0
Ck Power	CKP TB	BUY	5.75	6.60	15	1,323	19.5	15.1	15.0	11.8	10.8	1.7	1.6	12.2	14.0
Energy Absolute	EA TB	BUY	83.75	101.00	21	8,844	28.5	26.3	26.4	31.5	25.0	7.3	6.0	23.0	21.8
Gunkul Engineer	GUNKUL TB	BUY	5.55	6.60	19	1,396	27.3	21.7	13.6	16.9	24.9	3.6	3.2	16.9	12.0
Demco Pcl	DEMCO TB	BUY	3.18	5.90	86	66	nm	10.9	9.4	4.4	4.9	0.5	0.5	(62.4)	(137.6)
Power Solution	PSTC TB	BUY	1.95	3.70	90	131	nm	13.2	11.9	5.8	6.1	0.7	0.7	15.5	14.7
Sermasang Power	SSP TB	BUY	9.30	20.00	115	329	34.0	8.6	7.5	18.0	18.0	1.4	1.3	8.6	7.8
Tpc Power	TPCH TB	BUY	8.20	14.00	71	93	60.3	6.9	5.8	15.8	17.0	1.0	1.0	6.8	5.7
Tpi Polene Power	TPIPP TB	BUY	3.58	5.70	59	851	nm	6.6	7.4	14.8	12.7	1.0	0.9	5.7	6.1
Absolute Clean	ACE TB	BUY	2.84	4.10	44	818	18.4	16.0	13.1	13.2	15.1	2.0	1.9	10.8	9.8
Earth Tech	ETC TB	BUY	3.90	3.80	(3)	247	nm	26.4	24.4	11.3	11.4	2.9	2.7	17.1	16.2
Thailand avg						45,542	16.4	28.4	25.0	15.9	15.1	4.0	3.6	22.3	20.4
HONGKONG															
Datang Intl Power	991 HK	n/a	1.28	n/a	n/a	5,483	nm	1.2	1.0	10.9	11.9	n/a	n/a	n/a	n/a
Huadian Power	1071 HK	n/a	2.78	n/a	n/a	5,365	nm	9.5	6.7	5.8	5.3	0.4	0.4	12.3	10.5
Huaneng Power	902 HK	n/a	3.80	n/a	n/a	13,970	nm	10.4	6.0	7.7	9.3	0.5	0.5	9.9	8.8
China Power Inter	2380 HK	n/a	4.85	n/a	n/a	6,725	438.0	16.5	11.8	7.6	9.7	1.2	1.1	10.3	8.1
China Resources	836 HK	n/a	14.72	n/a	n/a	9,038	172.7	7.8	6.0	10.2	12.0	0.7	0.7	6.4	5.4
Clp Holdings Ltd	2 HK	n/a	65.55	n/a	n/a	21,173	4.8	17.8	14.6	9.1	9.6	1.4	1.4	9.7	9.4
Power Assets	6 HK	n/a	48.80	n/a	n/a	13,289	3.9	15.2	15.4	7.9	7.7	1.2	1.2	74.2	74.6
Hongkong avg						75,042	8.5	12.8	10.3	8.5	9.4	0.9	0.9	20.3	19.6
MALAYSIA															
Petronas Gas	PTG MK	n/a	16.30	n/a	n/a	7,279	(1.9)	16.8	16.3	14.3	14.3	2.4	2.3	8.7	8.9
Tenaga Nasional	TNB MK	n/a	8.00	n/a	n/a	10,428	3.7	9.9	9.2	7.9	8.2	0.8	0.7	6.6	6.6
Ytl Power Inte	YTLP MK	n/a	0.68	n/a	n/a	1,251	(213.7)	n/a	17.4	1.0	2.4	0.4	0.4	11.4	9.8
Malaysia avg						18,957	1.3	3.0	3.1	2.5	2.6	0.3	0.3	2.0	1.9
CHINA															
China Datang	1798 HK	n/a	2.66	n/a	n/a	2,494	12.8	10.2	8.2	9.0	10.5	0.9	0.8	9.2	8.1
China Gas	384 HK	n/a	10.60	n/a	n/a	7,378	(3.8)	7.0	6.3	14.4	12.4	0.9	0.8	8.2	7.6
China Longyuan	916 HK	n/a	14.98	n/a	n/a	23,016	17.5	14.1	11.9	11.6	12.0	1.6	1.4	11.2	9.7
Beijing Enterprises	392 HK	n/a	27.30	n/a	n/a	4,437	5.4	3.8	3.5	9.0	9.1	0.3	0.3	6.0	5.8
Kunlun Energy	135 HK	n/a	6.19	n/a	n/a	6,887	nm	8.0	7.7	9.7	9.6	0.8	0.7	4.1	3.9
China avg						44,212	7.7	6.3	5.5	6.7	6.7	0.7	0.6	5.3	4.7
INDONESIA															
Perusahaan Gas	PGAS IJ	n/a	1,660	n/a	n/a	2,718	5.4	8.0	7.5	12.0	12.0	1.0	1.0	4.9	4.8
Indonesia avg						2,718	5.4	0.3	0.3	0.4	0.4	0.0	0.0	0.2	0.2
SINGAPORE															
Sembcorp Indus	SCI SP	n/a	2.84	n/a	n/a	3,675	21.1	10.8	9.7	11.7	11.8	1.2	1.1	9.1	8.6
Singapore avg						3,675	21.1	0.5	0.5	0.6	0.6	0.1	0.1	0.4	0.4
Utilities under coverage						45,542	16.4	28.4	25.0	15.9	15.1	4.0	3.6	22.3	20.4
Average (all)						190,146	14.9	13.7	11.6	9.0	9.1	1.5	1.4	14.8	13.9

Share price as of 27 June 2022

Sources: Bloomberg; FSSIA estimates

Corporate Governance report of Thai listed companies 2021

EXCELLENT LEVEL – Score range 90-100										
AAV	BCPG	CPALL	GCAP	K	MSC	PLANET	SAMART	SPI	THRE	TVD
ADVANC	BDMS	CPF	GFPT	KBANK	MST	PLAT	SAMTEL	SPRC	THREL	TVI
AF	BEM	CPI	GGC	KCE	MTC	PORT	SAT	SPVI	TIPCO	TVO
AH	BGC	CPN	GLAND	KKP	MVP	PPS	SC	SSSC	TISCO	TWPC
AIRA	BGRIM	CRC	GLOBAL	KSL	NCL	PR9	SCB	SST	TK	U
AKP	BIZ	CSS	GPI	KTB	NEP	PREB	SCC	STA	TKT	UAC
AKR	BKI	DDD	GPSC	KTC	NER	PRG	SCCC	STEC	TMT	UBIS
ALT	BOL	DELTA	GRAMMY	LALIN	NKI	PRM	SCG	STI	TNDT	UV
AMA	BPP	DEMCO	GULF	LANNA	NOBLE	PROUD	SCGP	SUN	TNITY	VGI
AMATA	BRR	DRT	GUNKUL	LH	NSI	DRS	SCM	SUSCO	TOA	VIH
AMATAV	BTS	DTAC	HANA	LHFG	NVD	PSL	SDC	SUTHA	TOP	WACOAL
ANAN	BTW	DUSIT	HARN	LIT	NWR	PTG	SEAFECO	SVI	TPBI	WAVE
AOT	BWG	EA	HMPRO	LPN	NYT	PTT	SEAOIL	SYMC	TQM	WHA
AP	CENTEL	EASTW	ICC	MACO	OISHI	PTTEP	SE-ED	SYNTEC	TRC	WHAUP
ARIP	CFRESH	ECF	ICHI	MAJOR	OR	PTTGC	SELIC	TACC	TRU	WICE
ARROW	CHEWA	ECL	III	MAKRO	ORI	PYLON	SENA	TASCO	TRUE	WINNER
ASP	CHO	EE	ILINK	MALEE	OSP	Q-CON	SHR	TCAP	TSC	ZEN
AUCT	CIMBT	EGCO	ILM	MBK	OTO	QH	SIRI	TEAMG	TSR	
AWC	CK	EPG	INTUCH	MC	PAP	QTC	SIS	TFMAMA	TSTE	
AYUD	CKP	ETC	IP	MCOT	PCSGH	RATCH	SITHAI	TGH	TSTH	
BAFS	CM	FPI	IRPC	METCO	PDG	RS	SMK	THANA	TTA	
BANPU	CNT	FPT	ITEL	MFEC	PDJ	S	SMPC	THANI	TTB	
BAY	COM7	FSMART	IVL	MINT	PG	S & J	SNC	THCOM	TTCL	
BBL	COMAN	GBX	JSP	MONO	PHOL	SAAM	SONIC	THG	TTW	
BCP	COTTO	GC	JWD	MOONG	PLANB	SABINA	SPALI	THIP	TU	
VERY GOOD LEVEL – Score range 80-89										
2S	ASIMAR	CHOW	FLOYD	IT	LOXLEY	OCC	RPC	SKY	TCC	TVT
7UP	ASK	CI	FN	ITD	LRH	OGC	RT	SLP	TCMC	TWP
ABICO	ASN	CIG	FNS	J	LST	PATO	RWI	SMIT	TEAM	UEC
ABM	ATP30	CMC	FORTH	JAS	M	PB	S11	SMT	TFG	UMI
ACE	B	COLOR	FSS	JCK	MATCH	PICO	SA	SNP	TFI	UOBKH
ACG	BA	CPL	FTE	JCKH	MBAX	PIMO	SAK	SO	TIGER	UP
ADB	BAM	CPW	FVC	JMART	MEGA	PJW	SALEE	SORKON	TITLE	UPF
AEONTS	BC	CRD	GEL	JMT	META	PL	SAMCO	SPA	TKN	UPOIC
AGE	BCH	CSC	GENCO	KBS	MFC	PM	SANKO	SPC	TKS	UTP
AHC	BEC	CSP	GJS	KCAR	MGT	PMTA	SAPPE	SPCG	TM	VCOM
AIT	BEYOND	CWT	GYT	KEX	MICRO	PPP	SAWAD	SR	TMC	VL
ALL	BFIT	DCC	HEMP	KGI	MILL	PPP	SCI	SRICHA	TMD	VPO
ALLA	BJC	DCON	HPT	KIAT	MITSIB	PRIME	SCN	SSC	TMI	VRANDA
ALUCON	BJCHI	DHOUSE	HTC	KISS	MK	PRIN	SCP	SSF	TMILL	WGE
AMANAH	BLA	DOD	HYDRO	KOOL	MODERN	PRINC	SE	STANLY	TNL	WIK
AMARIN	BR	DOHOME	ICN	KTIS	MTI	PSG	SFLEX	STGT	TNP	WP
APCO	BROOK	DV8	IFS	KUMWEL	NBC	PSTC	SFP	STOWER	TOG	XO
APCS	CBG	EASON	IMH	KUN	NCAP	PT	SFT	STPI	TPA	XPG
APURE	CEN	EFORL	IND	KWC	NCH	QLT	SGF	SUC	TPAC	YUASA
AQUA	CGH	ERW	INET	KWM	NETBAY	RBF	SIAM	SWC	TPCS	
ASAP	CHARAN	ESSO	INSET	L&E	NEX	RCL	SINGER	SYNEX	TPS	
ASEFA	CHAYO	ESTAR	INSURE	LDC	NINE	RICHY	SKE	TAE	TRITN	
ASIA	CHG	ETE	IRC	LEO	NRF	RML	SKN	TAKUNI	TRT	
ASIAN	CHOTI	FE	IRCP	LHK	NTV	ROJNA	SKR	TBSP	TSE	
GOOD LEVEL – Score range 70-79										
A	BGT	CITY	GIFT	JTS	MDX	PK	SGP	SUPER	TQR	YGG
AI	BH	CMAN	GLOCON	JUBILE	MJD	PLE	SICT	SVOA	TTI	ZIGA
AIE	BIG	CMO	GREEN	KASET	MORE	PPM	SIMAT	TC	TYCN	
AJ	BLAND	CMR	GSC	KCM	MUD	PRAKIT	SISB	TCCC	UKEM	
ALPHAX	BM	CPT	GTB	KK	NC	PRAPAT	SK	THMUI	UMS	
AMC	BROCK	CRANE	HTECH	KKC	NDR	PRECHA	SMART	TNH	UNIQ	
APP	BSBM	CSR	HUMAN	KWI	NFC	PTL	SOLAR	TNR	UPA	
AQ	BSM	D	IHL	KYE	NNCL	RJH	SPACK	TOPP	UREKA	
ARIN	BTNC	EKH	IIG	LEE	NOVA	RP	SPG	TPCH	VIBHA	
AS	BYD	EMC	INGRS	LPH	NPK	RPH	SQ	TPIPL	W	
AU	CAZ	EP	INOX	MATI	NUSA	RSP	SSP	TIPIP	WIN	
B52	CCP	F&D	JAK	M-CHAI	PAF	SABUY	STARK	TPLAS	WORK	
BEAUTY	CGD	FMT	JR	MCS	PF	SF	STC	TPOLY	WPH	

Disclaimer:

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* 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

Sources: Thai Institute of Directors Association (IOD); FSSIA's compilation; data as of 26 October 2021

Anti-corruption Progress Indicator

CERTIFIED										
2S	BCH	CPALL	GC	K	MFC	PE	QLT	SNP	THCOM	TU
7UP	BCP	CPF	GCAP	KASET	MFEC	PG	QTC	SORKON	THIP	TVD
ADVANC	BCPG	CPI	GEL	KBANK	MILL	PHOL	RATCH	SPACK	THRE	TVI
AF	BE8	CPN	GFPT	KBS	MINT	PK	RML	SPALI	THREL	TVO
AI	BEYOND	CSC	GGC	KCAR	MONO	PL	RWI	SPC	TIDLOR	TWPC
AIE	BGC	DCC	GJS	KCE	MOONG	PLANB	S & J	SPI	TIPCO	U
AIRA	BGRIM	DELTA	GPI	KGI	MSC	PLANET	SAAM	SPRC	TISCO	UBE
AKP	BJCHI	DEMCO	GPSC	KKP	MST	PLAT	SABINA	SRICHA	TKS	UBIS
ALPHAX	BKI	DIMET	GSTEEL	KSL	MTC	PM	SAPPE	SSF	TKT	UEC
AMA	BLA	DRT	GUNKUL	KTB	MTI	PPP	SAT	SSP	TMD	UKEM
AMANAHA	BPP	DTAC	HANA	KTC	NBC	PPPM	SC	SSSC	TMILL	UOBKH
AMATA	BROOK	DUSIT	HARN	KWC	NEP	PPS	SCB	SST	TMT	UPF
AMATAV	BRR	EA	HEMP	KWI	NINE	PR9	SCC	STA	TNITY	UV
AP	BSBM	EASTW	HENG	L&E	NKI	PREB	SCCC	STOWER	TNL	VGI
APCS	BTS	ECL	HMPRO	LANNA	NMG	PRG	SCG	SUSCO	TNP	VIH
AQUA	BWG	EGCO	HTC	LH	NNCL	PRINC	SCN	SVI	TNR	WACOAL
ARROW	CEN	EP	ICC	LHFG	NOBLE	PRM	SEAOIL	SYMC	TOG	WHA
AS	CENTEL	EPG	ICHI	LHK	NOK	PROS	SE-ED	SYNTEC	TOP	WHAUP
ASIAN	CFRESH	ERW	IFEC	LPN	NSI	PSH	SELIC	TAE	TOPP	WICE
ASK	CGH	ESTAR	IFS	LRH	NWR	PSL	SENA	TAKUNI	TPA	WIIK
ASP	CHEWA	ETE	ILINK	M	OCC	PSTC	SGP	TASCO	TPP	XO
AWC	CHOTI	FE	INET	MAKRO	OGC	PT	SINGER	TBSP	TRU	ZEN
AYUD	CHOW	FNS	INSURE	MALEE	ORI	PTG	SIRI	TCAP	TRUE	
B	CIG	FPI	INTUCH	MATCH	PAP	PTT	SITHAI	TCMC	TSC	
BAFS	CIMBT	FPT	IRC	MBAX	PATO	PTTEP	SKR	TFG	TSTE	
BAM	CM	FSMART	IRPC	MBK	PB	PTTGC	SMIT	TFI	TSTH	
BANPU	CMC	FSS	ITEL	MC	PCSGH	PYLON	SMK	TFMAMA	TTA	
BAY	COM7	FTE	IVL	MCOT	PDG	Q-CON	SMPC	TGH	TTB	
BBL	COTTO	GBX	JKN	META	PDJ	QH	SNC	THANI	TTCL	
DECLARED										
AJ	CHG	DDD	ETC	JR	MAJOR	NUSA	RS	SSS	TQM	YUASA
ALT	CPL	DHOUSE	FLOYD	JTS	NCAP	NYT	SAK	STECH	TSI	ZIGA
APCO	CPR	DOHOME	GULF	KEX	NCL	OR	SCGP	STGT	VARO	
B52	CPW	ECF	III	KUMWEL	NOVA	PIMO	SCM	TKN	VCOM	
BEC	CRC	EKH	INOX	LDC	NRF	PLE	SIS	TMI	VIBHA	

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:

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Note: Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of 26 October 2021) are categorised into: 1) companies that have declared their intention to join CAC, and; 2) companies certified by CAC.

Sources: 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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Company	Ticker	Price	Rating	Valuation & Risks
B.Grimm Power	BGRIM TB	THB 36.75	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) unplanned shutdowns of its SPPs.
Gulf Energy Development	GULF TB	THB 47.75	BUY	The downside risks to our SoTP-based TP on GULF include 1) lower-than-expected demand for electricity in Thailand; 2) a lower crude price; and 3) delays in project commercial operation dates.
Global Power Synergy	GPSC TB	THB 67.00	HOLD	The downside risks to our SoTP-based TP on GPSC include 1) lower-than-expected demand for electricity in Thailand; 2) a lower crude price; and 3) lower-than-expected demand from industrial users. Upside risks are a lower gas price and higher sales volume.
Banpu Power	BPP TB	THB 14.70	BUY	Downside risks to our SOTP valuation are the start-up delays of its new projects and government intervention in the electricity tariff.
Electricity Generating	EGCO TB	THB 176.00	BUY	Downside risks to our SoTP-based TP include 1) lower-than-expected demand for electricity in Thailand; 2) delays in project commencement or commercial operation dates (COD); and 3) government intervention in electricity tariff subsidies.
Ratch Group	RATCH TB	THB 37.50	BUY	The downside risks to our SoTP-based TP include 1) lower-than-expected demand for electricity in Thailand; 2) lower crude price; and 3) delays in starting new projects.
WHA Utilities & Power	WHAUP TB	THB 3.88	BUY	Downside risks to our SoTP-based TP include 1) lower-than-expected demand for electricity in Thailand; and 2) lower crude prices.
BCPG	BCPG TB	THB 11.00	BUY	The downside risks to our SoTP-based TP include: 1) lower-than-expected demand for electricity in Thailand, the Philippines and Indonesia; and 2) government intervention by way of electricity tariff subsidies.
CK Power	CKP TB	THB 5.75	BUY	The downside risks to our SoTP-based TP include lower-than-expected demand for electricity in Thailand and lower-than-expected water supply for hydro projects.
Energy Absolute	EA TB	THB 83.75	BUY	Downside risks to our SoTP-based TP include: 1) lower-than-expected demand for electricity in Thailand; 2) lower crude prices; and 3) lower-than-expected demand for batteries.
Gunkul Engineering	GUNKUL TB	THB 5.55	BUY	The downside risks to our SoTP-based TP on GUNKUL include 1) lower-than-expected demand for electricity in Thailand, 2) declining EPC backlogs, and 3) lower-than-expected utilisation rates for solar and wind farms
Demco	DEMCO TB	THB 3.18	BUY	Downside risk includes delays in bidding for power transmission projects.
Power Solution Technologies	PSTC TB	THB 1.95	BUY	The downside risks to our SoTP-based TP on PSTC include 1) lower-than-expected demand for electricity in Thailand and delays of power plant project start-ups.
Sernsang Power Corp	SSP TB	THB 9.30	BUY	The downside risks to our SoTP-based TP for SSP include 1) a lower-than-expected demand for electricity in Thailand; 2) a lower crude price; and 3) project start-up delays.
TPC Power Holding	TPCH TB	THB 8.20	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.
TPI Polene Power	TPIPP TB	THB 3.58	BUY	Downside risks to our SoTP-based TP include 1) lower-than-expected demand for electricity in Thailand; 2) lower crude price, and 3) unplanned shutdown of the company's power plants.
Absolute Clean Energy	ACE TB	THB 2.84	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.
Earth Tech Environment	ETC TB	THB 3.90	BUY	Downside risks to our SoTP-based TP include: 1) lower-than-expected demand for electricity in Thailand; 2) lower crude price; and 3) lower-than-expected industrial waste volumes.

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 27-Jun-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.