

# BANPU BANPU TB

THAILAND / MATERIALS

# BUY

UNCHANGED

TARGET PRICE	THB18.80
CLOSE	THB14.00
UP/DOWNSIDE	+34.3%
PRIOR TP	THB18.80
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+14.8%

## Margin up and hedging loss down

- Management reiterated their bullish view on the coal and gas price outlook in 2H22-2023.
- The proportion of hedging losses for coal and shale gas are likely to sharply drop in 2H22 to 30-40% of reported quarterly NP.
- Maintain BUY and our TP of THB18.8.

### Bullish margin upsides reaffirmed

During Banpu's post-2Q22 results conference, management delivered three key positive messages that confirm our bullish view on the company's earnings growth in 2H22-2023. First, while the hedging losses may not be lower in terms of absolute amount, they will greatly decline h-h as a proportion of Banpu's operating profits, both for coal and gas, thanks to lower hedging positions. Second, the gross margins for the coal and gas units are expected to rise further, driven by a rising average selling price (ASP) and the relatively sticky cost structures. Third, the power unit is projected to improve in 2H22 onward, backed by high utilisation rates and new capacities for power.

### Higher-for-longer coal and gas prices in 2H22-2023

Along with our assumptions of high coal and gas prices in 2022, with the Newcastle index average (NEX) at USD200/t and the Henry Hub shale gas average at USD7/mmbtu, management reiterated their bullish view on the coal and gas prices in 2H22-2023. The key catalyst for the coal price, which we estimate to surpass USD250-300/t in 2H22, is the continued strong demand, both seasonally and as a substitute fuel for the gas supply cuts from Russia by the EU in the coming winter. Banpu will sell its low CV coal under Indonesia's domestic market obligation (25% of volume), while the remaining coal sales volumes in Indonesia, China, and Australia will command a 15% discount ASP to NEX. The supply shortage and high demand for LNG exports to the EU should drive the gas price.

### Upsides from lower proportion of coal and gas hedging losses

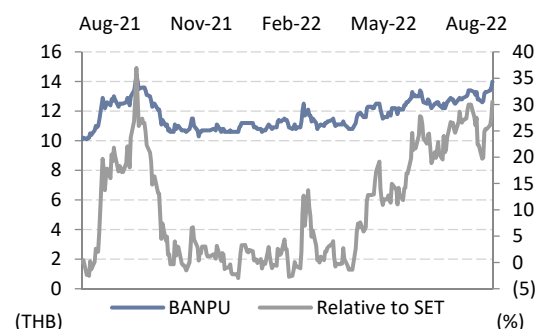
The proportion of hedging losses for coal and shale gas are likely to sharply drop in 2H22 from 60-80% in 1H22 down to 30-40% of Banpu's reported quarterly net profits, thanks to the lower hedging volume proportion for coal by 50% h-h to 0.15mt at a USD150/t hedging price, and for gas from 80% in 1H22 to 60% in 2H22 due to the consolidation of acquired shale gas assets of 200mmscfd (22% of total 900mmscfd capacity in 2H22) at a USD3.5/mmbtu hedging price.

### Best play on coal and gas price uptrends

Maintain BUY and our TP of THB18.8. We believe the share price will continue to rerate on stronger-than-expected earnings growth in 2H22.

### KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Revenue	133,190	176,495	159,632	154,929
Net profit	9,852	28,728	29,682	30,388
EPS (THB)	1.46	4.00	3.34	2.57
vs Consensus (%)	-	(19.0)	11.0	16.9
EBITDA	61,472	78,054	78,249	79,292
Core net profit	23,793	28,728	29,682	30,388
Core EPS (THB)	3.52	4.00	3.34	2.57
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	nm	13.6	(16.4)	(23.2)
Core P/E (x)	4.0	3.5	4.2	5.5
Dividend yield (%)	3.2	15.9	12.7	9.7
EV/EBITDA (x)	4.6	3.7	4.0	4.4
Price/book (x)	1.2	0.9	0.9	1.0
Net debt/Equity (%)	154.9	95.2	64.7	43.7
ROE (%)	33.6	30.4	24.0	19.6



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	12.0	17.6	35.9
Relative to country (%)	5.5	16.3	28.6
Mkt cap (USD m)	2,670		
3m avg. daily turnover (USD m)	48.9		
Free float (%)	88		
Major shareholder	Vongkusolkrit Family (13%)		
12m high/low (THB)	14.90/10.00		
Issued shares (m)	6,766.00		

Sources: Bloomberg consensus; FSSIA estimates



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## Investment thesis

We believe Banpu's earnings growth outlook will improve in 2022, driven by its coal, gas, and power businesses due to the improving margin outlook based on stronger demand and tighter supply.

We think that rising Newcastle index coal prices should lead to higher coal earnings in 2022. Power earnings should gradually improve with the resumption of full operations at the Hongsa power plant, as well as from its new solar farms in Japan and China and wind farms in Vietnam.

We see three factors that we think will drive up Banpu's earnings in 2022. First, its gas earnings are in an upcycle due to the tighter supply in the US. Second, we expect higher coal earnings on the back of projected USD200/tonne index coal prices. Finally, we see more upsides for its power earnings due to higher projected net profit contributions from Hongsa.

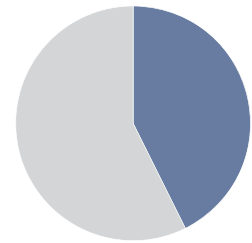
## Company profile

BANPU is a leading coal-based energy company in Asia-Pacific with operations in Indonesia and China. It also operates power plants in Thailand and China.

[www.banpu.com](http://www.banpu.com)

## Principal activities (revenue, 2021)

■ Coal - 42.6 % ■ Others - 57.4 %

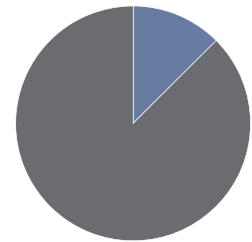


Source: Banpu

## Major shareholders

■ Vongkusolkrit Family - 12.5 %

■ Others - 87.5 %



Source: Banpu

## Catalysts

A higher coal price, rising coal production volumes and reserves, and improving net profit growth from its power business would all be key positive catalysts

## Risks to our call

We see downside risks to our SoTP-based TP from lower coal prices, higher diesel costs and any unplanned shutdowns of its power plants.

## Event calendar

Date	Event
Oct 2022	3Q22 results announcement

## Key assumptions

	2022E	2023E	2024E
Coal sales volume (mtpa)	34.8	34.7	33.7
Newcastle coal price (USD/t)	200.0	150.0	150.0
ASP for coal (USD/t)	162.3	139.8	139.6
Total cost - Indonesia (USD/t)	85.1	69.2	66.2
Total cost - Australia (USD/t)	88.0	87.0	87.0

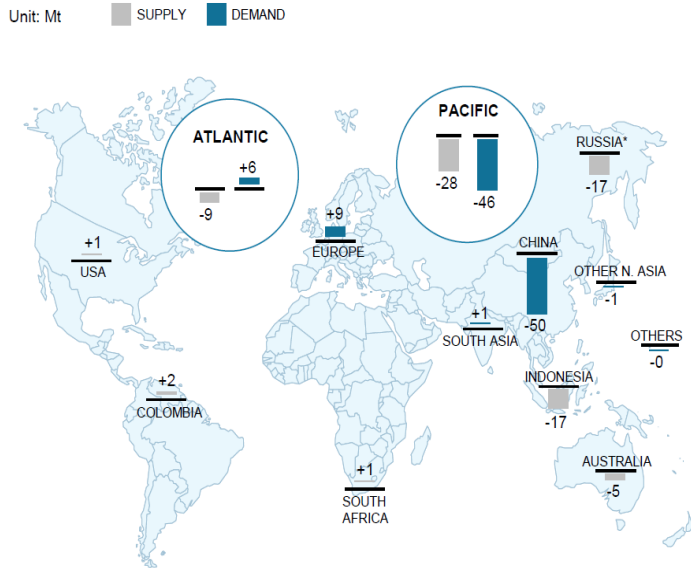
Source: FSSIA estimates

## Earnings sensitivity

- Ceteris paribus, for every 1% rise in average coal price, we project 2022 EPS to rise by 2.6%, and vice versa.
- Ceteris paribus, for every 1% rise in coal sales volume, we estimate 2022 EPS to rise by 1.2%, and vice versa.
- Stability in crude oil price, rising coal prices and high utilisation rates of power plants are key to earnings growth.

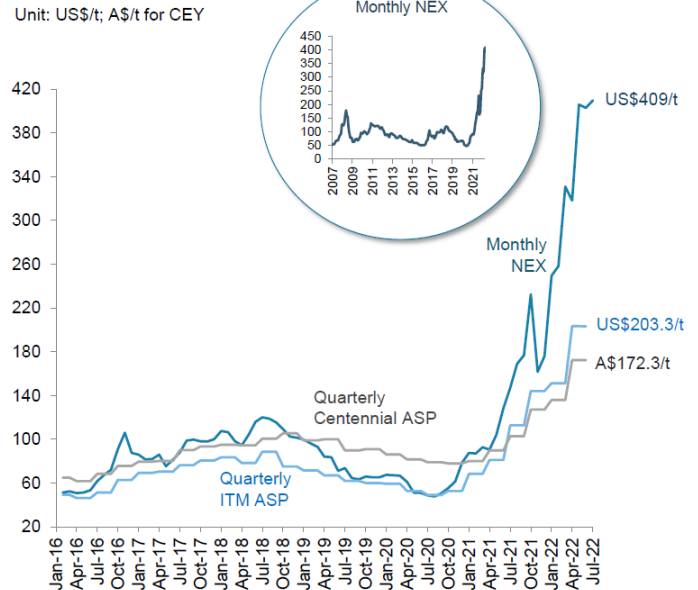
Source: FSSIA estimates

Exhibit 1: Global coal demand growth vs supply growth



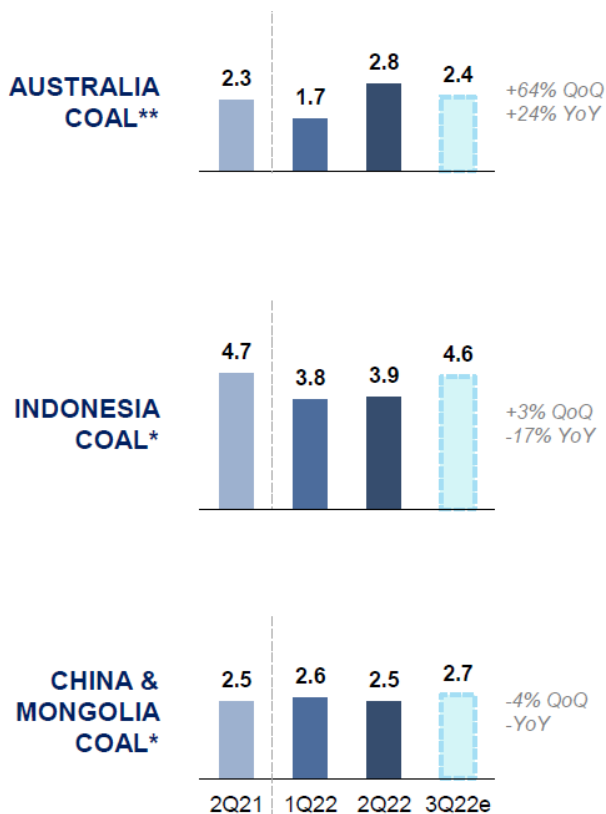
Source: Banpu

Exhibit 2: Banpu's ASP for coal vs NEX



Source: Banpu

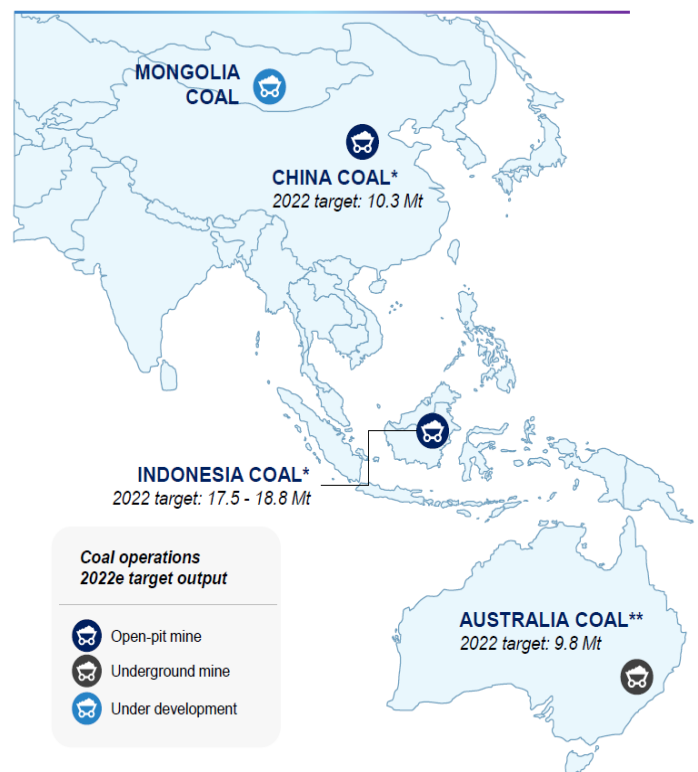
Exhibit 3: Banpu's coal production targets in 3Q22 by region



Source: Banpu

Exhibit 4: Banpu's coal production targets in 2022 by region

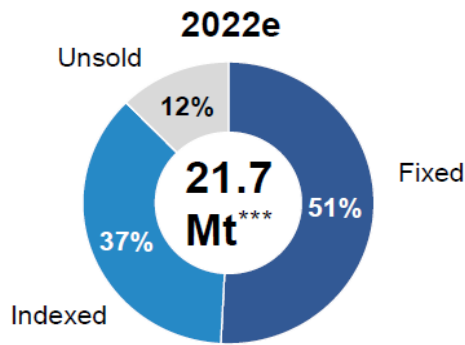
## 2022E COAL OUTPUT



Source: Banpu

Exhibit 5: Coal sales price status in Indonesia

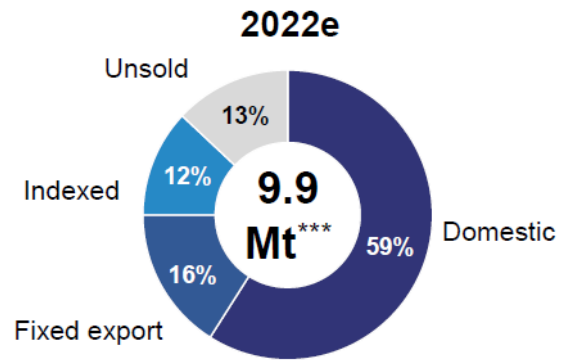
## INDONESIA



Source: Banpu

Exhibit 6: Coal sales price status in Australia

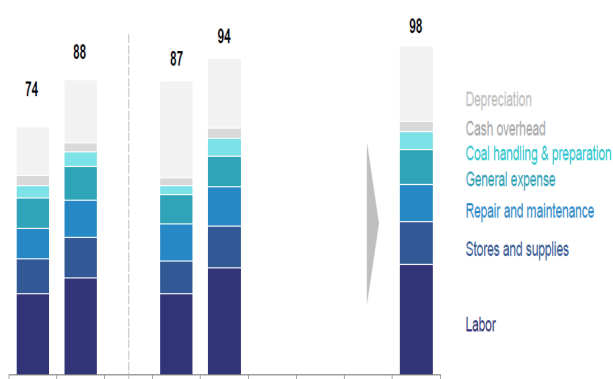
## AUSTRALIA



Source: Banpu

Exhibit 7: Australian coal average production cost

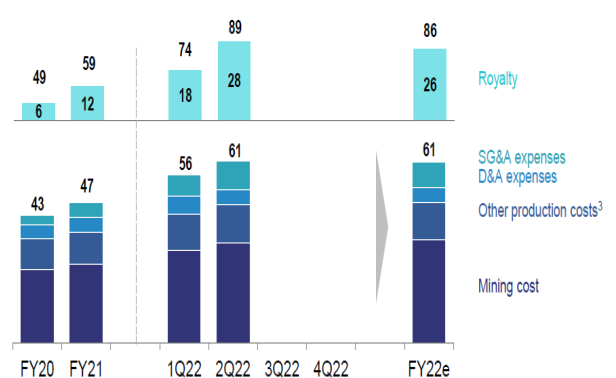
Unit: A\$/t



Source: Banpu

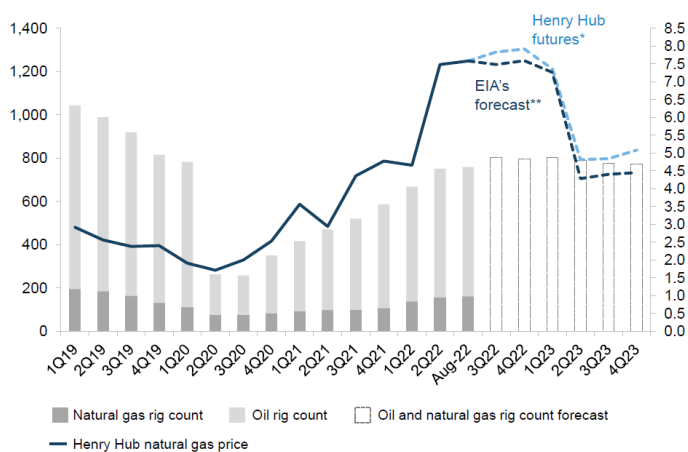
Exhibit 8: Indonesian coal average production cost

Unit: US\$/t



Source: Banpu

Exhibit 9: US rig count vs Henry Hub gas price

US OIL AND NATURAL GAS RIG COUNT  
Unit: RigsHENRY HUB SPOT PRICE  
Unit: \$/MMBtu

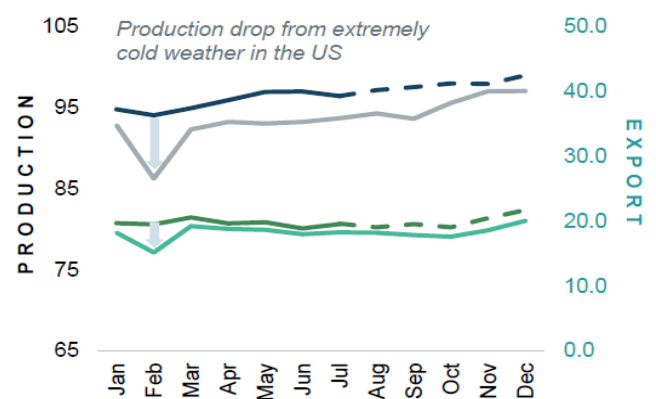
Sources: Banpu; Energy Information Administration (EIA)

Exhibit 10: US gas production projections

Unit: Bcf/d

— 2021 act. prod. — 2022 act. prod. — 2022 fcst. prod.

— 2021 act. export — 2022 act. export — 2022 fcst. export.



Sources: Banpu; EIA

## Financial Statements

### Banpu

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Revenue	71,332	133,190	176,495	159,632	154,929
Cost of goods sold	(51,406)	(56,425)	(77,190)	(64,162)	(58,934)
<b>Gross profit</b>	<b>19,926</b>	<b>76,765</b>	<b>99,305</b>	<b>95,470</b>	<b>95,996</b>
Other operating income	-	-	-	-	-
Operating costs	(11,419)	(15,293)	(21,251)	(17,221)	(16,704)
<b>Operating EBITDA</b>	<b>8,506</b>	<b>61,472</b>	<b>78,054</b>	<b>78,249</b>	<b>79,292</b>
Depreciation	(13,543)	(15,895)	(19,106)	(19,106)	(19,106)
Goodwill amortisation	(31)	(186)	(376)	(376)	(376)
<b>Operating EBIT</b>	<b>(5,068)</b>	<b>45,391</b>	<b>58,571</b>	<b>58,766</b>	<b>59,809</b>
Net financing costs	(2,778)	(3,273)	(6,177)	(6,195)	(6,272)
Associates	4,239	7,290	8,705	7,622	7,565
Recurring non-operating income	5,264	(5,833)	4,923	3,840	3,783
Non-recurring items	2,282	(13,941)	0	0	0
<b>Profit before tax</b>	<b>(300)</b>	<b>22,344</b>	<b>57,318</b>	<b>56,411</b>	<b>57,320</b>
Tax	(269)	(6,372)	(9,723)	(9,758)	(9,951)
<b>Profit after tax</b>	<b>(569)</b>	<b>15,973</b>	<b>47,595</b>	<b>46,653</b>	<b>47,369</b>
Minority interests	(1,217)	(6,121)	(18,867)	(16,971)	(16,981)
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>(1,786)</b>	<b>9,852</b>	<b>28,728</b>	<b>29,682</b>	<b>30,388</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>(2,282)</b>	<b>13,941</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>(4,068)</b>	<b>23,793</b>	<b>28,728</b>	<b>29,682</b>	<b>30,388</b>
<b>Per share (THB)</b>					
Recurring EPS *	(0.80)	3.52	4.00	3.34	2.57
Reported EPS	(0.35)	1.46	4.00	3.34	2.57
DPS	0.50	0.45	2.23	1.78	1.36
Diluted shares (used to calculate per share data)	5,075	6,766	7,189	8,881	11,841
<b>Growth</b>					
Revenue (%)	(16.8)	86.7	32.5	(9.6)	(2.9)
Operating EBITDA (%)	(56.3)	622.7	27.0	0.2	1.3
Operating EBIT (%)	nm	nm	29.0	0.3	1.8
Recurring EPS (%)	nm	nm	13.6	(16.4)	(23.2)
Reported EPS (%)	nm	nm	174.5	(16.4)	(23.2)
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	8.9	45.7	45.4	47.8	49.6
Gross margin of key business (%)	20.1	42.3	55.2	57.5	59.3
Operating EBITDA margin (%)	11.9	46.2	44.2	49.0	51.2
Operating EBIT margin (%)	(7.1)	34.1	33.2	36.8	38.6
Net margin (%)	(5.7)	17.9	16.3	18.6	19.6
Effective tax rate (%)	20.0	20.0	20.0	20.0	20.0
Dividend payout on recurring profit (%)	(62.4)	12.8	55.9	53.2	52.8
Interest cover (X)	0.1	12.1	10.3	10.2	10.2
Inventory days	24.2	22.5	22.2	29.6	30.2
Debtor days	38.1	31.9	37.7	45.0	43.4
Creditor days	13.6	17.2	20.3	28.7	29.3
Operating ROIC (%)	(12.6)	31.2	39.5	40.6	44.6
ROIC (%)	0.2	10.7	17.3	15.4	14.4
ROE (%)	(6.0)	33.6	30.4	24.0	19.6
ROA (%)	0.9	10.0	13.5	11.8	10.7
* Pre-exceptional, pre-goodwill and fully diluted					
<b>Revenue by Division (THB m)</b>					
Coal	55,080	56,801	78,540	78,540	78,540
Others	16,252	76,389	97,955	81,092	76,389

Sources: Banpu; FSSIA estimates

## Financial Statements

### Banpu

Cash Flow (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Recurring net profit	(4,068)	23,793	28,728	29,682	30,388
Depreciation	13,543	15,895	19,106	19,106	19,106
Associates & minorities	(4,239)	(7,290)	(8,705)	(7,622)	(7,565)
Other non-cash items	1,302	10,734	13,641	13,660	13,737
Change in working capital	1,403	(4,978)	(4,400)	1,989	555
<b>Cash flow from operations</b>	<b>7,941</b>	<b>38,154</b>	<b>48,370</b>	<b>56,815</b>	<b>56,221</b>
Capex - maintenance	-	-	-	-	-
Capex - new investment	(22,372)	(12,104)	(16,040)	(14,507)	(14,080)
Net acquisitions & disposals	2,828	(15,822)	(15,822)	(15,822)	(15,822)
Other investments (net)	(2,160)	(5,898)	(5,698)	(5,698)	(5,698)
<b>Cash flow from investing</b>	<b>(21,704)</b>	<b>(33,824)</b>	<b>(37,559)</b>	<b>(36,027)</b>	<b>(35,600)</b>
Dividends paid	(2,864)	(2,749)	(8,463)	(15,943)	(15,901)
Equity finance	0	0	0	0	0
Debt finance	28,455	23,861	(1,300)	2,500	2,500
Other financing cash flows	(6,277)	(7,802)	12,690	12,638	14,313
<b>Cash flow from financing</b>	<b>19,315</b>	<b>13,310</b>	<b>2,927</b>	<b>(805)</b>	<b>912</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
<b>Net other adjustments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Movement in cash</b>	<b>5,552</b>	<b>17,640</b>	<b>13,738</b>	<b>19,983</b>	<b>21,533</b>
Free cash flow to firm (FCFF)	(8,143.91)	10,212.57	17,267.54	27,263.32	27,173.38
Free cash flow to equity (FCFE)	8,415.54	20,388.72	22,201.03	35,926.32	37,434.37

#### Per share (THB)

FCFF per share	(1.20)	1.51	2.55	4.03	4.02
FCFE per share	1.24	3.01	3.28	5.31	5.53
Recurring cash flow per share	1.29	6.37	7.34	6.17	4.70

Balance Sheet (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Tangible fixed assets (gross)	112,066	148,710	164,749	179,256	193,336
Less: Accumulated depreciation	(34,543)	(34,543)	(53,649)	(74,618)	(97,329)
<b>Tangible fixed assets (net)</b>	<b>77,523</b>	<b>114,167</b>	<b>111,100</b>	<b>104,639</b>	<b>96,008</b>
<b>Intangible fixed assets (net)</b>	<b>192</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	50,761	54,991	61,874	67,674	73,417
Cash & equivalents	21,941	39,581	53,320	73,303	94,836
A/C receivable	7,482	15,806	20,650	18,677	18,127
Inventories	3,045	3,905	5,471	4,949	4,803
Other current assets	14,833	26,145	26,145	26,145	26,145
<b>Current assets</b>	<b>47,301</b>	<b>85,437</b>	<b>105,586</b>	<b>123,073</b>	<b>143,911</b>
Other assets	105,870	111,186	137,001	167,046	203,011
<b>Total assets</b>	<b>281,648</b>	<b>365,799</b>	<b>415,581</b>	<b>462,452</b>	<b>516,366</b>
Common equity	62,344	79,277	109,691	137,809	172,594
Minorities etc.	22,211	24,420	43,287	60,258	77,239
<b>Total shareholders' equity</b>	<b>84,555</b>	<b>103,697</b>	<b>152,978</b>	<b>198,066</b>	<b>249,833</b>
Long term debt	112,559	139,747	178,957	181,457	183,957
Other long-term liabilities	18,129	25,164	24,954	24,743	24,533
<b>Long-term liabilities</b>	<b>130,687</b>	<b>164,911</b>	<b>203,910</b>	<b>206,200</b>	<b>208,489</b>
A/C payable	2,025	3,293	5,304	4,797	4,656
Short term debt	49,140	60,510	20,000	20,000	20,000
Other current liabilities	15,240	33,388	33,388	33,388	33,388
<b>Current liabilities</b>	<b>66,405</b>	<b>97,191</b>	<b>58,692</b>	<b>58,186</b>	<b>58,044</b>
<b>Total liabilities and shareholders' equity</b>	<b>281,648</b>	<b>365,799</b>	<b>415,581</b>	<b>462,452</b>	<b>516,366</b>
Net working capital	8,096	9,174	13,574	11,585	11,031
Invested capital	242,442	289,537	323,569	350,963	383,486

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

#### Per share (THB)

Book value per share	12.29	11.72	15.26	15.52	14.58
Tangible book value per share	12.25	11.71	15.26	15.52	14.57

#### Financial strength

Net debt/equity (%)	165.3	154.9	95.2	64.7	43.7
Net debt/total assets (%)	49.6	43.9	35.0	27.7	21.1
Current ratio (x)	0.7	0.9	1.8	2.1	2.5
CF interest cover (x)	12.1	10.9	7.2	9.1	9.2

Valuation	2020	2021	2022E	2023E	2024E
<b>Recurring P/E (x) *</b>	<b>(17.5)</b>	<b>4.0</b>	<b>3.5</b>	<b>4.2</b>	<b>5.5</b>
<b>Recurring P/E @ target price (x) *</b>	<b>(23.5)</b>	<b>5.3</b>	<b>4.7</b>	<b>5.6</b>	<b>7.3</b>
Reported P/E (x)	(39.8)	9.6	3.5	4.2	5.5
Dividend yield (%)	3.6	3.2	15.9	12.7	9.7
Price/book (x)	1.1	1.2	0.9	0.9	1.0
Price/tangible book (x)	1.1	1.2	0.9	0.9	1.0
EV/EBITDA (x) **	27.4	4.6	3.7	4.0	4.4
EV/EBITDA @ target price (x) **	30.3	5.1	4.2	4.5	5.2
EV/invested capital (x)	1.0	1.0	0.9	0.9	0.9

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

Sources: Banpu; 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	PSH	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	SEAOL	SYMC	TQM	WHA
AP	CENEL	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	PPPM	SCI	SRICHA	TMD	VPO
ALLA	BJC	DCON	HPT	KIAT	MTSIB	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	WIJK
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	UNIQU	
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:**

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

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	SEA OIL	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:

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 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

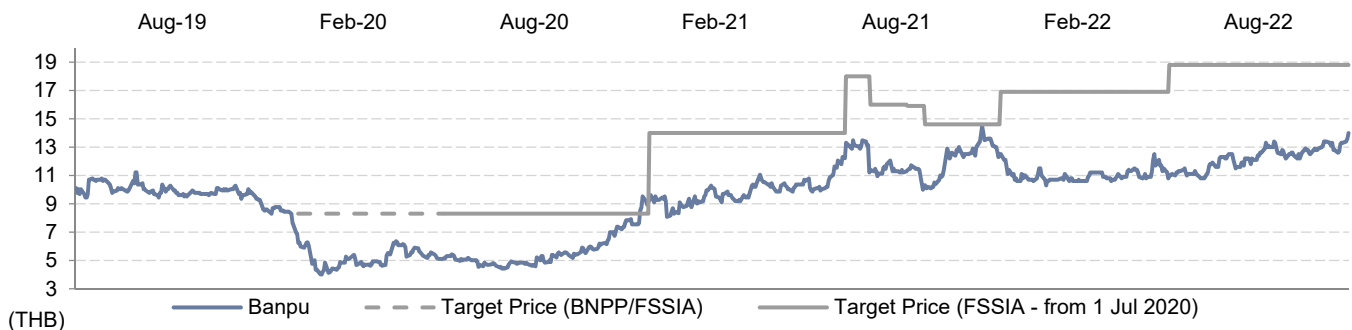
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

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

#### Banpu (BANPU TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
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
23-Dec-2020	BUY	14.00	02-Aug-2021	BUY	15.90	15-Mar-2022	BUY	18.80

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	BANPU TB	THB 14.00	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 17-Aug-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.