

# BCPG BCPG TB

THAILAND / UTILITIES

# BUY

UNCHANGED

TARGET PRICE	THB15.10
CLOSE	THB8.80
UP/DOWNSIDE	+71.6%
PRIOR TP	THB15.10
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	+10.7%

## Earnings recovery in 3Q23E

- We expect 3Q23 net profit to significantly increase q-q to THB507m (+152% q-q but -21% y-y).
- This is due to full-quarter revenue recognition from a hydropower plant in Laos, an oil tank terminal, and new power plants in the US.
- Maintain BUY on BCPG with TP of THB15.10/share

### 3Q23E net profit spikes 152% q-q to THB507m

We estimate 3Q23 net profit to surge to THB507m (+152% q-q, -21% y-y). This is due to full-quarter revenue recognition from 1) a hydropower plant in Laos, which reopened and started selling electricity to EVN on Jun 15, 2023, 2) a tank terminal whose deal was completed on May 31, 2023, and 3) two new combined cycle gas turbine (CCGT) power plants in the US (total equity capacity of 426MW) whose deal was completed on Jul 12, 2023. Our 3Q23E core profit (excl. FX gain of THB50m) is at THB467m, more than BCPG's 1H23 core profit of THB342m. Our 9M23E net profit is equal to 70% of our full-year forecast.

### 3Q23E revenue significantly improves q-q

Our 3Q23E revenue is at THB1,538m (+40.8% q-q, flat y-y). We expect the q-q increase to be in line with higher electricity generation, especially from the hydropower plant in Laos, and a full-quarter revenue recognition of the tank terminal. Breakdown by country (Exhibit 1), the highest q-q increase should come from Laos (+640% q-q), followed by Thailand (+10% q-q). Although we expect q-q weaker solar revenue in Thailand from seasonality, the anticipated contribution from the tank terminal more than offsets it.

### 4Q23 and 2024 outlook

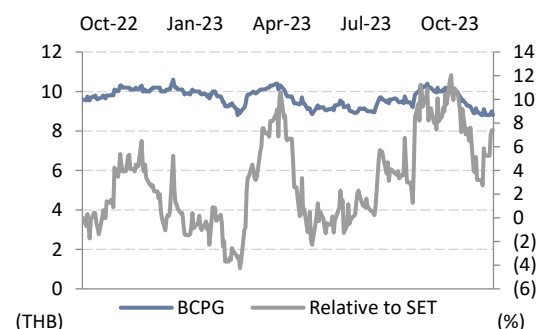
We believe 4Q23 earnings will slightly improve q-q, mainly from higher contributions from four CCGT power plants in the US due to high seasonal demand and potentially higher gas prices during winter. It should help offset the slower season of hydro and lower Ft in 4Q23. For the 2024 outlook, we expect continued y-y earnings growth despite adder expiration (48MW) during Mar - Apr 24 due to expected contributions from new projects this year and new solar projects in Taiwan and Japan in 2024.

### Maintain BUY on BCPG with our TP of THB15.10/share

We maintain BUY on BCPG with our DCF-based target price of THB15.10/share. We believe that downside risk to the stock is limited as the valuation is attractive, with share prices trading at a P/E below -1SD. Also, there will be no more share dilutions from warrants going forward. We anticipate a 14.7%-9.4% EPS growth in 2024-2025E.

### KEY STOCK DATA

YE Dec (THB m)	2022	2023E	2024E	2025E
Revenue	5,406	5,567	6,866	8,197
Net profit	3,196	1,731	1,986	2,172
EPS (THB)	1.10	0.60	0.68	0.75
vs Consensus (%)	-	17.2	10.6	4.2
EBITDA	5,329	4,084	5,101	6,004
Recurring net profit	2,631	1,731	1,986	2,172
Core EPS (THB)	0.90	0.60	0.68	0.75
Chg. In EPS est. (%)	27.3	-	-	-
EPS growth (%)	21.6	(34.2)	14.7	9.4
Core P/E (x)	9.7	14.8	12.9	11.8
Dividend yield (%)	4.1	2.7	3.1	3.4
EV/EBITDA (x)	5.6	11.7	10.8	10.3
Price/book (x)	0.9	0.8	0.8	0.8
Net debt/Equity (%)	14.0	73.4	93.1	109.4
ROE (%)	9.3	5.8	6.5	6.8



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(9.7)	(8.3)	(9.3)
Relative to country (%)	(1.5)	3.2	6.0
Mkt cap (USD m)	704		
3m avg. daily turnover (USD m)	1.3		
Free float (%)	30		
Major shareholder	Bangchak Corporation Plc (57%)		
12m high/low (THB)	10.70/8.70		
Issued shares (m)	2,907.69		

Sources: Bloomberg consensus; FSSIA estimates


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The Chairman of The Audit Committee and Independent Director of Finansia Syrus Securities PCL is also BCPG's Independent Director.

## Investment thesis

BCPG, a subsidiary of Bangchak Corporation (BCP TB, BUY), is a low-risk renewable power operator with a proven track record in solar farm development and operations in high-growth renewable power markets, including Thailand, Japan, Laos, the Philippines, and Taiwan. BCPG currently operates solar, wind, and hydro in the region, while its subsidiaries are exploring opportunities in biomass and other new businesses.

As the benefit from adders in Thailand fades away in the coming years, BCPG is now looking to invest in new greenfield projects where it can generate revenue once the transaction is completed. This includes the recent acquisition of combined cycle gas turbines in the US and a tank terminal in Thailand. We believe the contribution from its pipeline projects and potential new investments should help offset the market concerns over the adder expirations and Ft downtrend.

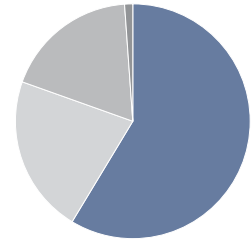
## Company profile

BCPG is the flagship of the Bangchak Group, operating renewable power plants including solar, wind, and hydro, and investing in gas-fired power plants in the US. Currently, it has business footprints in seven countries, with more than half of the contributions from Thailand.

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

## Principal activities (revenue, 2022)

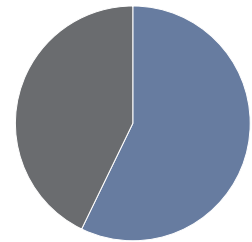
- Revenue from sale of electricity - Thailand - 58.6 %
- Revenue from sale of electricity - Thailand - 21.8 %
- Revenue from sale of electricity - Thailand - 18.4 %
- Other income - 1.1 %



Source: BCPG

## Major shareholders

- Bangchak Corporation Plc - 57.2 %
- Others - 42.8 %



Source: BCPG

## Catalysts

Key potential catalysts are 1) higher Ft; 2) contributions from combined cycle gas turbine power plants in the US; and 3) new M&A.

## Risks to our call

The downside risks to our SoTP-based TP include: 1) lower-than-expected demand for electricity in Thailand and the Philippines; and 2) government intervention by way of electricity tariff subsidies; 3) lower-than-expected gas prices for gas-fired plants in the US and; 4) abnormal solar and wind factors.

## Event calendar

Date	Event
7 Nov 2023	3Q23 financial results announcement
Mid Nov 2023	3Q23 analyst meeting

## Key assumptions

	2023E (THB/kWh)	2024E (THB/kWh)	2025E (THB/kWh)
Ft	0.89	0.50	0.20
<b>Capacity factor</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>
Solar - TH	18	18	18
Solar - Japan	18	18	18
Wind - PH	40	40	40

Source: FSSIA estimates

## Earnings sensitivity

- For every THB0.1/kWh increase in Ft, we estimate 2023 earnings would increase by THB25-30m, and vice versa, all else being equal.
- For every 1% increase in interest expense, we estimate 2023 earnings would decline 1.5%, and vice versa, all else being equal.

Source: FSSIA estimates

## Focus charts

### Exhibit 1: BCPG's 3Q23 results preview

	3Q22	2Q23	3Q23E			2023E	% of 23E
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(%)
Revenue	1,544	1,093	1,538	40.8	(0.3)	5,567.2	66%
Operating costs	(350)	(314)	(397)	26.5	13.3	(556.7)	
EBITDA	1,193	779	1,141	46.5	(4.3)	4,084.0	66%
EBITDA margin (%)	77.3	71.3	74.2	nm	nm	73.4	
Depn & amort.	(398)	(422)	(464)	10.0	16.6	(1,974.6)	
EBIT	795	357	678	89.6	(14.8)	2,109.5	67%
Interest expense	(251)	(248)	(329)	32.8	31.0	(1,075.3)	
Interest & invt inc	31	98	98	-	222.6	162.7	
Other income	4	4	4	(3.2)	(11.0)	-	
Associates' contrib	(17)	(31)	134	(533.9)	(879.8)	672.4	
Exceptionals	164	91	50	(45.0)	(69.4)	-	
Pretax profit	726	272	635	133.3	(12.6)	1,869.3	81%
Tax	(84)	(70)	(127)	81.6	50.4	(119.7)	
Tax rate (%)	12	26	20	nm	nm	6.4	
Minority interests	(0)	(1)	(1)	nm	nm	(18.4)	
Net profit	641	201	507	151.9	(20.9)	1,731.2	70%
non-recurring	(15)	(19)	(40)	116.0	174.7	-	
Core net profit	626	183	467	155.6	(25.5)	1,731.2	47%
EPS (THB)	0.22	0.07	0.17	151.9	(20.9)	0.6	
Core EPS (THB)	0.22	0.06	0.16	155.6	(25.5)	0.6	
Quarterly revenue from sales of electricity breakdown by country and other income							
Thailand	715	692	758	9.5	6.0		
Laos	500	57	419	639.8	(16.0)		
Japan	317	319	337	5.4	6.4		
Other income	12	24	24	-	96.8		
<b>Total</b>	<b>1,544</b>	<b>1,093</b>	<b>1,538</b>	<b>40.8</b>	<b>(0.3)</b>		

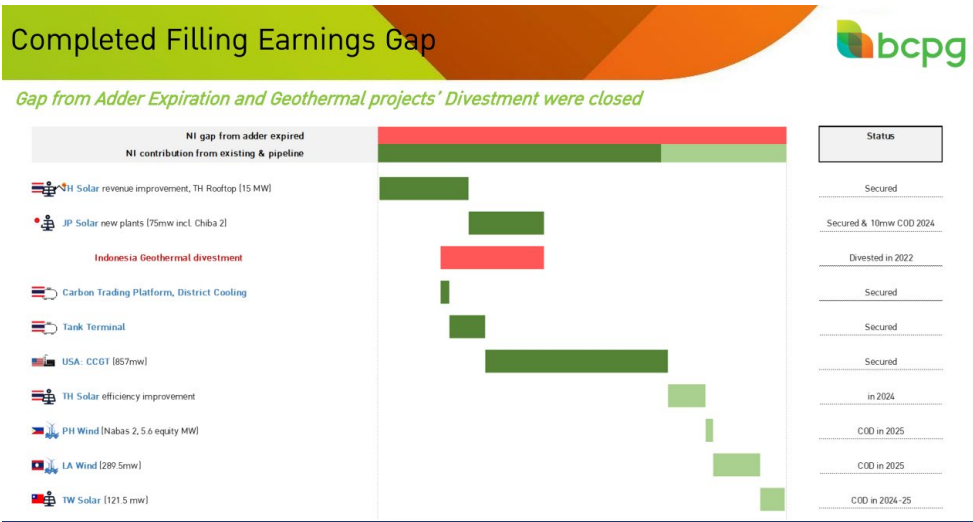
Sources: BCPG, FSSIA's estimates

### Exhibit 2: Electricity generation breakdown by power plant type

Electricity generation	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	(q-q%)	(y-y%)
	(GWh)	(GWh)	(GWh)	(GWh)	(GWh)	(GWh)	(GWh)		
Thailand - solar	84	86	76	82	85	84	77	-8%	2%
Thailand - wind	3	2	3	2	3	2	4	82%	18%
Laos - hydro	77	101	208	118	0	25	183	647%	-12%
Japan - solar	15	36	33	22	25	35	37	5%	11%

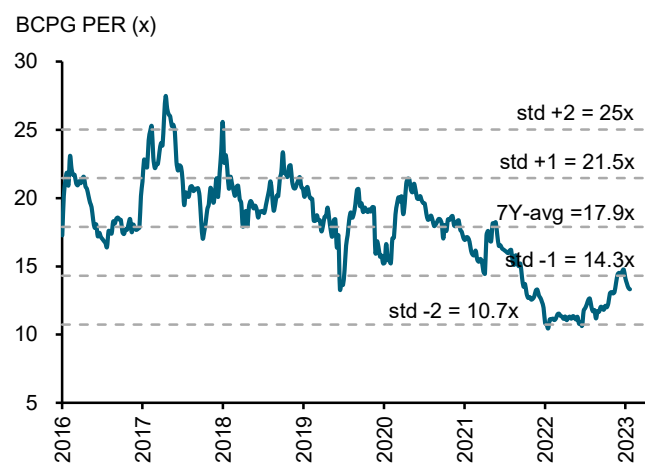
Source: BCPG

Exhibit 3: BCPG’s expansion plan to fill earnings gap from adder expiration



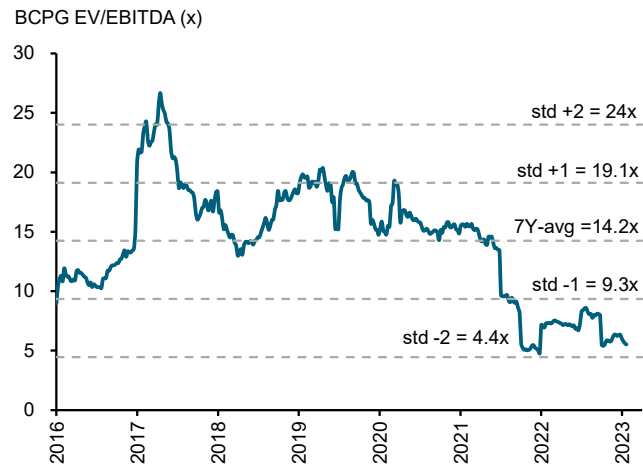
Source: BCPG

Exhibit 4: BCPG’s P/E band



Sources: Bloomberg, FSSIA’s estimates

Exhibit 5: BCPG’s EV/EBITDA band



Sources: Bloomberg, FSSIA’s estimates

## Financial Statements

### BCPG

Profit and Loss (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Revenue	4,669	5,406	5,567	6,866	8,197
Cost of goods sold	(1,608)	(1,978)	(2,531)	(3,636)	(4,419)
<b>Gross profit</b>	<b>3,061</b>	<b>3,428</b>	<b>3,036</b>	<b>3,230</b>	<b>3,778</b>
Other operating income	23	1,236	20	20	20
Operating costs	(655)	(840)	(946)	(1,099)	(1,394)
<b>Operating EBITDA</b>	<b>3,609</b>	<b>5,329</b>	<b>4,084</b>	<b>5,101</b>	<b>6,004</b>
Depreciation	(1,180)	(1,504)	(1,975)	(2,950)	(3,600)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>2,429</b>	<b>3,824</b>	<b>2,109</b>	<b>2,151</b>	<b>2,404</b>
Net financing costs	(812)	(744)	(913)	(1,271)	(1,485)
Associates	600	130	672	1,248	1,424
Recurring non-operating income	600	130	672	1,248	1,424
Non-recurring items	(273)	565	0	0	0
<b>Profit before tax</b>	<b>1,944</b>	<b>3,774</b>	<b>1,869</b>	<b>2,128</b>	<b>2,344</b>
Tax	(64)	(577)	(120)	(132)	(162)
<b>Profit after tax</b>	<b>1,880</b>	<b>3,198</b>	<b>1,750</b>	<b>1,996</b>	<b>2,182</b>
Minority interests	0	(2)	(18)	(10)	(10)
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>1,880</b>	<b>3,196</b>	<b>1,731</b>	<b>1,986</b>	<b>2,172</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>273</b>	<b>(565)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>2,153</b>	<b>2,631</b>	<b>1,731</b>	<b>1,986</b>	<b>2,172</b>
<b>Per share (THB)</b>					
Recurring EPS *	0.74	0.90	0.60	0.68	0.75
Reported EPS	0.65	1.10	0.60	0.68	0.75
DPS	0.33	0.36	0.24	0.27	0.30
Diluted shares (used to calculate per share data)	2,894	2,908	2,908	2,908	2,908
<b>Growth</b>					
Revenue (%)	10.4	15.8	3.0	23.3	19.4
Operating EBITDA (%)	8.1	47.7	(23.4)	24.9	17.7
Operating EBIT (%)	7.5	57.5	(44.8)	2.0	11.8
Recurring EPS (%)	2.7	21.6	(34.2)	14.7	9.4
Reported EPS (%)	(8.0)	69.1	(45.8)	14.7	9.4
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	65.6	63.4	54.5	47.0	46.1
Gross margin exc. depreciation (%)	90.8	91.2	90.0	90.0	90.0
Operating EBITDA margin (%)	77.3	98.6	73.4	74.3	73.2
Operating EBIT margin (%)	52.0	70.7	37.9	31.3	29.3
Net margin (%)	46.1	48.7	31.1	28.9	26.5
Effective tax rate (%)	4.3	18.7	10.0	15.0	17.6
Dividend payout on recurring profit (%)	44.4	39.8	40.0	39.6	40.0
Interest cover (X)	3.7	5.3	3.0	2.7	2.6
Inventory days	-	-	-	-	-
Debtor days	138.2	137.7	152.1	189.4	225.7
Creditor days	378.9	611.9	500.0	489.1	496.3
Operating ROIC (%)	11.3	16.3	6.0	4.1	(1.0)
ROIC (%)	5.6	7.8	5.0	4.7	(1.2)
ROE (%)	8.7	9.3	5.8	6.5	6.8
ROA (%)	5.1	5.6	3.9	4.1	2.4

\* Pre-exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2021	2022	2023E	2024E	2025E
Revenue from sale of electricity - Thailand	3,252	3,170			
Revenue from sale of electricity - Thailand	1,125	1,178			
Revenue from sale of electricity - Thailand	246	996			
Other income	46	61			

Sources: BCPG; FSSIA estimates

## Financial Statements

### BCPG

Cash Flow (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Recurring net profit	2,153	2,631	1,731	1,986	2,172
Depreciation	1,180	1,504	1,975	2,950	3,600
Associates & minorities	600	130	672	1,248	1,424
Other non-cash items	-	-	-	-	-
Change in working capital	(797)	(67)	(1,008)	(1,316)	(1,580)
<b>Cash flow from operations</b>	<b>3,136</b>	<b>4,198</b>	<b>3,370</b>	<b>4,868</b>	<b>5,615</b>
Capex - maintenance	(1,180)	(1,504)	(1,299)	(1,923)	(3,686)
Capex - new investment	(2,704)	(358)	(18,701)	(8,077)	(6,314)
Net acquisitions & disposals	(1,763)	12,144	0	0	0
Other investments (net)	(1,227)	630	672	1,248	1,424
<b>Cash flow from investing</b>	<b>(6,874)</b>	<b>10,911</b>	<b>(19,328)</b>	<b>(8,752)</b>	<b>(8,576)</b>
Dividends paid	(955)	(1,047)	(811)	(740)	(828)
Equity finance	0	0	0	0	0
Debt finance	2,433	(4,682)	12,606	5,364	(1,118)
Other financing cash flows	2,219	290	(1,326)	(2,486)	(2,839)
<b>Cash flow from financing</b>	<b>3,697</b>	<b>(5,438)</b>	<b>10,468</b>	<b>2,138</b>	<b>(4,784)</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	131	0	0	0	0
<b>Net other adjustments</b>	<b>131</b>	<b>(565)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Movement in cash</b>	<b>89</b>	<b>9,105</b>	<b>(5,489)</b>	<b>(1,745)</b>	<b>(7,745)</b>
Free cash flow to firm (FCFF)	(2,842.90)	15,990.84	(14,881.93)	(2,494.04)	(1,371.11)
Free cash flow to equity (FCFE)	1,044.49	10,151.88	(4,677.54)	(1,005.87)	(6,917.18)

#### Per share (THB)

FCFF per share	(0.98)	5.50	(5.12)	(0.86)	(0.47)
FCFE per share	0.36	3.49	(1.61)	(0.35)	(2.38)
Recurring cash flow per share	1.36	1.47	1.51	2.13	2.47

Balance Sheet (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Tangible fixed assets (gross)	21,017	21,389	41,389	51,389	61,389
Less: Accumulated depreciation	(3,645)	(4,375)	(6,350)	(9,299)	(12,899)
<b>Tangible fixed assets (net)</b>	<b>17,372</b>	<b>17,014</b>	<b>35,039</b>	<b>42,090</b>	<b>48,490</b>
<b>Intangible fixed assets (net)</b>	<b>11,810</b>	<b>11,412</b>	<b>11,412</b>	<b>11,412</b>	<b>11,412</b>
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	13,486	1,342	1,342	1,342	1,342
Cash & equivalents	11,228	20,333	14,844	13,098	5,354
A/C receivable	2,317	1,762	2,876	4,249	5,889
Inventories	0	0	0	0	0
Other current assets	389	783	806	994	1,187
<b>Current assets</b>	<b>13,933</b>	<b>22,878</b>	<b>18,526</b>	<b>18,342</b>	<b>12,430</b>
Other assets	2,121	3,514	3,514	3,514	3,514
<b>Total assets</b>	<b>58,721</b>	<b>56,160</b>	<b>69,834</b>	<b>76,700</b>	<b>77,188</b>
Common equity	27,160	29,225	30,145	31,391	32,736
Minorities etc.	69	51	70	80	89
<b>Total shareholders' equity</b>	<b>27,228</b>	<b>29,276</b>	<b>30,214</b>	<b>31,471</b>	<b>32,825</b>
Long term debt	25,574	21,880	34,233	39,317	37,892
Other long-term liabilities	1,241	1,542	1,542	1,542	1,542
<b>Long-term liabilities</b>	<b>26,815</b>	<b>23,422</b>	<b>35,774</b>	<b>40,859</b>	<b>39,434</b>
A/C payable	888	701	824	1,016	1,213
Short term debt	3,527	2,538	2,792	3,072	3,379
Other current liabilities	263	222	229	283	337
<b>Current liabilities</b>	<b>4,678</b>	<b>3,462</b>	<b>3,845</b>	<b>4,370</b>	<b>4,929</b>
<b>Total liabilities and shareholders' equity</b>	<b>58,721</b>	<b>56,160</b>	<b>69,834</b>	<b>76,700</b>	<b>77,188</b>
Net working capital	1,554	1,622	2,629	3,945	5,525
Invested capital	46,343	34,904	53,937	62,303	70,284

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

#### Per share (THB)

Book value per share	9.38	10.05	10.37	10.80	11.26
Tangible book value per share	5.30	6.13	6.44	6.87	7.33

#### Financial strength

Net debt/equity (%)	65.6	14.0	73.4	93.1	109.4
Net debt/total assets (%)	30.4	7.3	31.8	38.2	46.5
Current ratio (x)	3.0	6.6	4.8	4.2	2.5
CF interest cover (x)	5.6	15.1	16.4	6.6	0.6

Valuation	2021	2022	2023E	2024E	2025E
<b>Recurring P/E (x) *</b>	<b>11.8</b>	<b>9.7</b>	<b>14.8</b>	<b>12.9</b>	<b>11.8</b>
<b>Recurring P/E @ target price (x) *</b>	<b>20.3</b>	<b>16.7</b>	<b>25.4</b>	<b>22.1</b>	<b>20.2</b>
Reported P/E (x)	13.5	8.0	14.8	12.9	11.8
Dividend yield (%)	3.8	4.1	2.7	3.1	3.4
Price/book (x)	0.9	0.9	0.8	0.8	0.8
Price/tangible book (x)	1.7	1.4	1.4	1.3	1.2
EV/EBITDA (x) **	12.0	5.6	11.7	10.8	10.3
EV/EBITDA @ target price (x) **	17.1	9.0	16.2	14.4	13.3
EV/invested capital (x)	0.9	0.9	0.9	0.9	0.9

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

Sources: BCPG; FSSIA estimates

# BCPG PCL (BCPG TB)

## FSSIA ESG rating


**60.77 / 100**

### Exhibit 6: FSSIA ESG score implication

Rating	Score	Implication
★★★★★	>79-100	Leading its industry peers in managing the most significant ESG risks which not only better cost efficiency but also lead to higher profitability.
★★★★★	>59-79	<b>A mixed track record of managing the most significant ESG risks and opportunities relative to industry peers.</b>
★★★	>39-59	Relevant ESG materiality matrix has been constructively addressed, well-managed and incorporated into day-to-day operations, in which targets and achievements are evaluated annually.
★★	>19-39	Relevant ESG materiality matrix has been identified with key management in charge for progress to be followed up on and to provide intensive disclosure. Most targets are conventional and achievable.
★	1-19	The company has adopted the United Nations Sustainable Development Goals (UN SDGs), established sustainability management guidelines and fully complies with regulations or ESG suggested guidance from related organizations such as the SET and SEC.

Sources: FSSIA estimates

### Exhibit 7: ESG – peer comparison

	FSSIA	Domestic ratings						Global ratings						Bloomberg	
	ESG score	DJSI	SET THSI	THSI	ESG score	ESG level	Thai CAC	Morningstar ESG risk	ESG Book	MSCI	Moody's	Refinitiv	S&P Global	ESG score	Disclosure score
SET100	69.20	5.34	4.40	4.40	4.76	4.65	3.84	Medium	51.76	BBB	20.87	58.72	63.91	3.72	28.17
Coverage	67.12	5.11	4.15	4.17	4.83	4.71	3.53	Medium	52.04	BB	16.97	56.85	62.09	3.40	31.94
BCPG	60.77	--	Y	Y	5.00	4.00	Certified	Medium	53.04	A	--	57.81	38.00	--	54.74
BGRIM	66.87	--	Y	Y	5.00	5.00	Certified	High	47.55	BBB	--	63.32	84.00	3.58	68.21
GULF	61.25	--	Y	Y	5.00	5.00	Certified	High	57.10	B	--	53.85	74.00	2.92	53.27
GPSC	69.86	--	Y	Y	5.00	5.00	Certified	Medium	63.22	B	--	60.43	88.00	4.77	--
GUNKUL	61.52	--	Y	Y	5.00	5.00	Certified	Medium	68.79	--	--	73.33	27.00	2.75	58.25

Sources: [SETTRADE.com](https://www.settrade.com); FSSIA's compilation

### Exhibit 8: ESG score by Bloomberg

FY ending Dec 31	FY 2021	FY 2022
<b>ESG financial materiality scores - ESG score</b>	<b>—</b>	<b>—</b>
BESG environmental pillar score	—	—
BESG social pillar score	—	—
BESG governance pillar score	4.05	4.04
<b>ESG disclosure score</b>	<b>42.85</b>	<b>54.74</b>
Environmental disclosure score	23.92	47.69
Social disclosure score	23.40	35.34
Governance disclosure score	81.10	81.10
<b>Environmental</b>		
Emissions reduction initiatives	Yes	Yes
Climate change policy	Yes	Yes
Climate change opportunities discussed	No	No
Risks of climate change discussed	Yes	Yes
GHG scope 1	0	0
GHG scope 2 location-based	1	2
GHG Scope 3	—	0
Carbon per unit of production	0.00	0.01
Biodiversity policy	No	Yes
Energy efficiency policy	Yes	Yes
Total energy consumption	—	7
Renewable energy use	—	—
Electricity used	—	3
Fuel used - natural gas	—	—

Sources: Bloomberg; FSSIA's compilation

**Exhibit 9: ESG score by Bloomberg (cont.)**

FY ending Dec 31	FY 2021	FY 2022
Fuel used - crude oil/diesel	No	No
Waste reduction policy	Yes	Yes
Hazardous waste	—	—
Total waste	—	0
Waste recycled	—	—
Waste sent to landfills	—	—
Environmental supply chain management	Yes	Yes
Water policy	No	Yes
Water consumption	—	—
<b>Social</b>		
Human rights policy	Yes	Yes
Policy against child labor	Yes	Yes
Quality assurance and recall policy	Yes	Yes
Consumer data protection policy	No	Yes
Equal opportunity policy	Yes	Yes
Gender pay gap breakout	No	No
Pct women in workforce	—	—
Pct disabled in workforce	—	—
Business ethics policy	Yes	Yes
Anti-bribery ethics policy	Yes	Yes
Health and safety policy	No	Yes
Lost time incident rate - employees	0.00	0.00
Total recordable incident rate - employees	0.00	—
Training policy	Yes	Yes
Fair remuneration policy	No	Yes
Number of employees – CSR	119.00	150.00
Employee turnover pct	—	22.00
Total hours spent by firm - employee training	4,046.00	5,100.00
Social supply chain management	Yes	Yes
<b>Governance</b>		
<b>Board size</b>	<b>11</b>	<b>12</b>
<b>No. of independent directors (ID)</b>	<b>7</b>	<b>8</b>
No. of women on board	1	1
No. of non-executive directors on board	10	11
Company conducts board evaluations	Yes	Yes
No. of board meetings for the year	13	13
Board meeting attendance pct	99	98
Board duration (years)	3	3
Director share ownership guidelines	No	No
Age of the youngest director	55	56
Age of the oldest director	74	75
<b>No. of executives / company managers</b>	<b>6</b>	<b>9</b>
No. of female executives	2	2
Executive share ownership guidelines	No	No
<b>Size of audit committee</b>	<b>4</b>	<b>3</b>
No. of ID on audit committee	4	3
Audit committee meetings	12	12
Audit meeting attendance %	100	97
<b>Size of compensation committee</b>	<b>2</b>	<b>3</b>
No. of ID on compensation committee	2	3
No. of compensation committee meetings	5	5
Compensation meeting attendance %	100	100
<b>Size of nomination committee</b>	<b>2</b>	<b>3</b>
No. of nomination committee meetings	5	5
Nomination meeting attendance %	100	100
<b>Sustainability governance</b>		
Verification type	No	No

Sources: Bloomberg; FSSIA's compilation



## Disclaimer for ESG scoring

ESG score	Methodology	Rating																				
The Dow Jones Sustainability Indices (DJSI) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.	Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.																				
Sustainability Investment List (THSI) by The Stock Exchange of Thailand (SET)	THSI quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria include: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years.	To be eligible for <b>THSI inclusion</b> , verified data must be scored at a minimum of 50% for each indicator, unless the company is a part of DJSI during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality. <b>SETTHSI Index</b> is extended from the THSI companies whose 1) market capitalization > THB5b (~USD150b); 2) free float >20%; and 3) liquidity >0.5% of paid-up capital for at least 9 out of 12 months. The SETTHSI Index is a market capitalisation-weighted index, cap 5% quarterly weight at maximum, and no cap for number of stocks.																				
CG Score by Thai Institute of Directors Association (Thai IOD)	An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.	Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (60-69), and not rated for scores below 50. Weightings include: 1) the rights; 2) and equitable treatment of shareholders (weight 25% combined); 3) the role of stakeholders (25%); 4) disclosure & transparency (15%); and 5) board responsibilities (35%).																				
AGM level By Thai Investors Association (TIA) with support from the SEC	It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). <i>(The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&amp;A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.)</i>	The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.																				
Thai CAC By Thai Private Sector Collective Action Against Corruption (CAC)	The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. <i>(Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.)</i>	The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.																				
Morningstar Sustainalytics	The Sustainalytics' ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. <i>Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality &amp; peer reviews.</i>	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. <table><tr><th>NEGL</th><th>Low</th><th>Medium</th><th>High</th><th>Severe</th></tr><tr><td>0-10</td><td>10-20</td><td>20-30</td><td>30-40</td><td>40+</td></tr></table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+										
NEGL	Low	Medium	High	Severe																		
0-10	10-20	20-30	30-40	40+																		
ESG Book	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.	The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.																				
MSCI	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identiindustry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. <table><tr><td>AAA</td><td>8.571-10.000</td><td rowspan="3">Leader:</td><td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td></tr><tr><td>AA</td><td>7.143-8.570</td></tr><tr><td>A</td><td>5.714-7.142</td></tr><tr><td>BBB</td><td>4.286-5.713</td><td rowspan="3">Average:</td><td rowspan="3">a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td></tr><tr><td>BB</td><td>2.857-4.285</td></tr><tr><td>B</td><td>1.429-2.856</td></tr><tr><td>CCC</td><td>0.000-1.428</td><td>Laggard:</td><td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td></tr></table>		AAA	8.571-10.000	Leader:	leading its industry in managing the most significant ESG risks and opportunities	AA	7.143-8.570	A	5.714-7.142	BBB	4.286-5.713	Average:	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	BB	2.857-4.285	B	1.429-2.856	CCC	0.000-1.428	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks
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Moody's ESG solutions	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.																					
Refinitiv ESG rating	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. <i>(Score ratings are 0 to 25 = poor; &gt;25 to 50 = satisfactory; &gt;50 to 75 = good; and &gt;75 to 100 = excellent.)</i>																					
S&P Global	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.																					
Bloomberg	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.																				
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.																				

Source: FSSIA's compilation

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Kwanwaree Apichartsataporn FSS International Investment Advisory Securities Co., Ltd

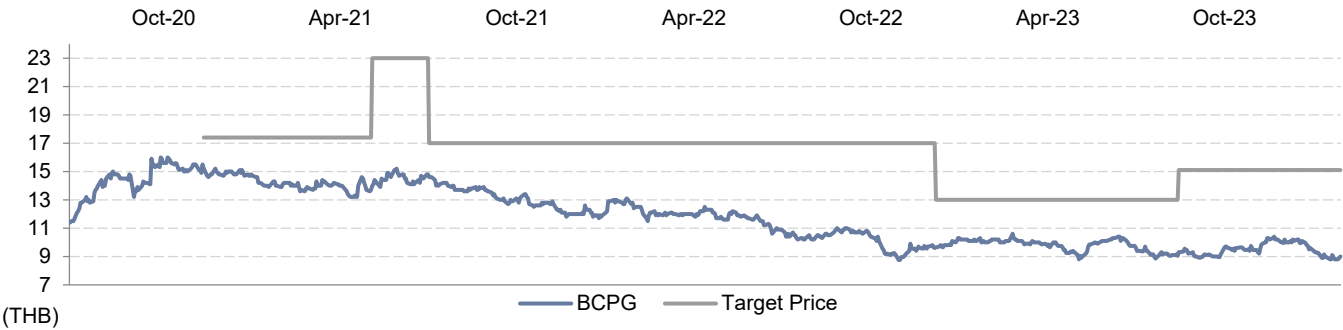
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History of change in investment rating and/or target price

BCPG (BCPG TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
18-Feb-2021	BUY	17.40	31-Aug-2021	BUY	17.00	07-Jun-2023	BUY	15.10
13-Jul-2021	BUY	23.00	10-Nov-2022	BUY	13.00			

Kwanwaree Apichartsataporn started covering this stock from 07-Jun-2023

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
BCPG	BCPG TB	THB 8.80	BUY	The downside risks to our SoTP-based TP include: 1) lower-than-expected demand for electricity in Thailand and the Philippines; and 2) government intervention by way of electricity tariff subsidies; 3) lower-than-expected gas prices for gas-fired plants in the US and; 4) abnormal solar and wind factors.

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.

All share prices are as at market close on 26-Oct-2023 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.