

WHA UTILITIES & POWER

THAILAND / UTILITIES

WHAUP TB

HOLD

FROM BUY

TARGET PRICE	THB5.30
CLOSE	THB5.40
UP/DOWNSIDE	-1.9%
PRIOR TP	THB5.30
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	-4.8%

Data Center would support long-term growth

- Global tech companies' data center investment in Thailand, especially in industrial estates of the WHA group would drive WHAUP's power and utilities units in the long run.
- Expect 3Q24 core profit to jump 51% q-q due to higher utility sales. However, including an FX loss, net profit should decrease 10% q-q. Maintain our 2024-26E net profit growth of 10% y-y CAGR.
- The share price rallied above our TP of THB5.30. Decrease our rating to HOLD.

Data Center would support WHAUP's power and utilities

BOI reported 40 investment applications in data centers and cloud services, with a total investment value of over THB136b in September. Among them, Google would invest THB36b in data centers in WHA's industrial estates. Also, we believe several more would follow, boosting the long-term growth of WHAUP's power and utilities. According to Google's preliminary analysis, an investment in a one-MW data center would require an area of one rai and a one-MW green-energy power plant. Additionally, a one-MW solar power plant would need six rai of land. Therefore, based on Google's first-phase land purchase of 400 rai in WHA's industrial estate, with potential additional land purchases to make a total of 1,000 rai, we anticipate their data centers would require 140 MW of solar power. Initially, a solar power plant with an IRR of c10% and a tariff of THB2.17/unit would generate an annual profit of +/-THB1.5m/MW. If WHAUP constructs a 140-MW plant, it should produce a profit of THB210m p.a., representing 15% of our full-year profit forecast, which we have not included in our estimate and TP.

Expect 3Q24 core profit to surge 51% q-q

We expect a 3Q24 core profit of THB469m (+51% q-q, -1% y-y) due to higher utility revenue in line with new factories in WHA's industrial estates and an excessive charge of cTHB40m. Also, WHAUP would recognize higher profit sharing from the Dough River project in Vietnam owing to water volume growth from its service area expansion. Meanwhile, utilities should record lower profit sharing from associates due to GHECO-One, which should continue to suffer from high coal costs, and SPPs, which should see lower margins due to a slightly higher gas cost while tariffs remain unchanged. Finally, we project an FX loss from loans extended to associates following Baht strength, leading to an expected 3Q24 net profit of THB301m (-10% q-q, -42% y-y).

Our 2024-26E net profit implies growth of +10% y-y CAGR

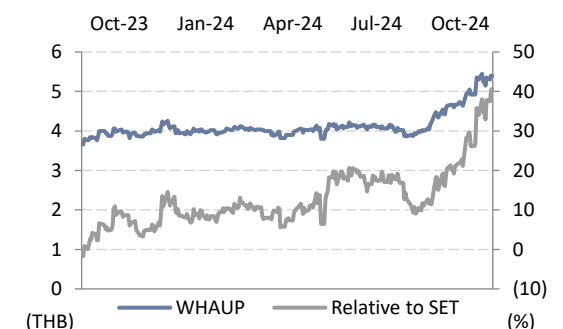
We retain our 2024E net profit. It represents a 7.6% weakness y-y due to lower profit sharing from SPP associates following an extended low margin assumption and high coal cost effects on IPPs, albeit potentially higher utility sales. Also, there would be an FX loss from Baht appreciation.

Downgrade to HOLD at our TP of THB5.30 on limited upsides

WHAUP has rallied by 32% in the past two months. It currently has a limited upside compared to our TP of THB5.30. Hence, we decrease our rating to HOLD to bet on its high growth prospect in line with continued growth in the IE unit and data center investments in Thailand, which we have not incorporated into our estimate.

KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	2,782	3,165	3,392	3,554
Net profit	1,631	1,454	1,742	1,856
EPS (THB)	0.43	0.38	0.46	0.49
vs Consensus (%)	-	9.5	2.2	5.8
EBITDA	975	1,548	1,815	1,893
Recurring net profit	1,443	1,333	1,742	1,856
Core EPS (THB)	0.38	0.35	0.46	0.49
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	217.6	(7.6)	30.7	6.5
Core P/E (x)	14.3	15.5	11.9	11.1
Dividend yield (%)	4.6	4.6	4.6	5.6
EV/EBITDA (x)	34.9	22.7	19.9	19.5
Price/book (x)	1.5	1.5	1.4	1.3
Net debt/Equity (%)	98.5	102.9	103.6	102.5
ROE (%)	11.0	9.6	12.0	12.1



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	15.4	31.1	48.4
Relative to country (%)	15.5	18.5	43.1
Mkt cap (USD m)	613		
3m avg. daily turnover (USD m)	1.2		
Free float (%)	28		
Major shareholder	WHA Industrial Development Plc (69%)		
12m high/low (THB)	5.50/3.56		
Issued shares (m)	3,825.00		

Sources: Bloomberg consensus; FSSIA estimates



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Investment thesis

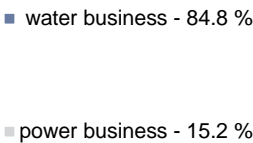
WHAUP is Thailand's largest utility company, offering comprehensive services to businesses in industrial estates. Also, it has the right to provide utility services to companies in WHA's industrial parks. WHAUP has continued expansion plans to increase its capacity for industrial water, electricity, and water treatment, corresponding with business operator growth in WHA's industrial estates in Thailand and Vietnam. It has an industrial water capacity of 84m CBM in 1H24 and an electricity-generating capacity of 932 MW as of end-2Q24, based on its equity comprising 682 MW from operating plants and 250 MW under construction. By type, 57% was conventional energy, and 43% was renewal. WHAUP aims to sign 1,000-MW more PPAs by the end of 2024 and targets 2024 water volume sales of 178mn CBM, up 15% y-y due to an expansion of WHA's industrial estates and customer base.

Company profile

WHAUP is under the WHA group. Established in 2008, it provides comprehensive utility services to WHA's customers in industrial parks, with continued expansion plans to increase its capacity for industrial water and provide water treatment services to operators in and out of industrial estates.

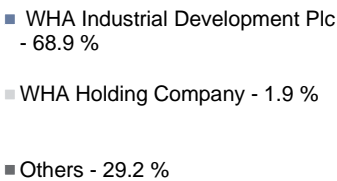
www.wha-up.com

Principal activities (revenue, 2023)



Source: WHA Utilities & Power

Major shareholders



Source: WHA Utilities & Power

Catalysts

- The expansion outlook of WHA's industrial estates from expanding new customer base, rising water and electricity demand from factories in industrial estates, signing contracts to sell water to new customers, and higher water charges
- Insufficient water and electricity supply in Vietnam, providing future growth opportunities for WHA's industrial estates
- The potential to participate in 3,660-MW renewable auctions in line with the 2024 PDP due for a release in 2024

Risks to our call

- Higher gas prices with lower electricity tariffs, pressured by government policies, resulting in significantly lower power margins
- Changes in state energy policies

Event calendar

Date	Event
8 Nov-2024	3Q24 Earnings Results

Key assumptions

Key assumptions	2024E	2025E	2026E
Tariff	3.51	3.65	3.79
Electricity capacity- Equity PPA (MW)	1,000	1,200	1,500
Water Sales& Managed Volume (MM3)	178	185	200
Equity income	818	891	1,054

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in gas price, we estimate 2024 earnings would rise by 1.1%, and vice versa, all else being equal.
- For every 1% increase in interest rate, we estimate 2024 earnings would decline by 1.3%, and vice versa, all else being equal.

Source: FSSIA estimates

Exhibit 1: WHAUP – 3Q24 Earnings Preview

Profit & Loss Statement	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24E	----- Change -----	
Year to Dec 31	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)
Revenue	633	780	690	678	721	722	741	3	7
Operating costs	(402)	(463)	(460)	(452)	(437)	(461)	(477)	4	4
EBITDA	276	365	281	241	337	320	329	3	17
EBIT	174	259	168	126	222	198	200	1	19
Interest expense	(110)	(115)	(123)	(117)	(126)	(130)	(130)	0	6
Other income	1	34	33	(30)	151	31	20	(35)	(38)
Associates' contribution	229	183	361	607	159	212	380	79	5
Pre-tax profit	268	496	521	378	487	333	301	(10)	(42)
Tax	(11)	(15)	(9)	4	(17)	(1)	(1)	n/a	n/a
Tax rate (%)	4.00	2.99	1.79	(0.95)	3.51	0.29	0.33	14	(81)
Net profit	257	481	511	382	470	332	300	(10)	(41)
Non-recurring items	(32)	159	32	(253)	232	53	(149)	n/a	n/a
Core profit	229	419	475	464	388	310	469	51	(1)
Key Ratios (%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)
EBITDA margin (%)	43.64	46.76	40.71	35.54	46.75	44.29	44.39	0.10	(2.37)
EBIT margin (%)	27.55	33.19	24.36	18.55	30.80	27.46	26.97	(0.49)	(6.22)
Net profit margin (%)	40.65	61.62	74.12	56.27	65.18	46.02	40.48	(5.55)	(21.14)
Tax rate (%)	4.00	2.99	1.79	(0.95)	3.51	0.29	0.33	0.04	(2.66)

Sources: WHAUP; FSSIA estimates

Valuation

We value WHAUP using the Sum-of-the-parts (SOTP) method, based on its long-term electricity and water sales contracts and interest, and the DCF method, assuming a WACC of 6.5%, risk-free rate of 3%, risk premium of 9%, and zero terminal growth rate. We derive a TP of THB5.30, with details as follows.

Exhibit 2: Sum of the parts target price

Cost of equity assumptions		(%)	Cost of debt assumptions		(%)
Risk free rate		3.0	Pre-tax cost of debt		5.0
Market risk premium		9.0	Marginal tax rate		20.0
Stock beta		1.1			
Cost of equity, Ke		12.9	Net cost of debt, Kd		3.8
Weight applied		30.0	Weight applied		70.0
WACC (%)		6.5			

DCF valuation estimate	MW	(%)	Equity Capacity	Type	(THB m)	(THB/share)	Comments
Gheco-1 (Aug,2012) - Coal	660	35%	231	IPP	3,377	0.9	WACC 6.5%, Risk free rate 3%, Risk premium 9%, Zero terminal growth
GLOW IPP (Jan,03)-Gas	713	5%	36	IPP	157	0.0	WACC 6.5%, Risk free rate 3%, Risk premium 9%, Zero terminal growth
Houay Ho (Sep,99)-Hydro	152	13%	19	IPP	431	0.1	WACC 6.5%, Risk free rate 3%, Risk premium 9%, Zero terminal growth
GJP NLL (May, 2013) - Gas	123	25%	31	SPP	1,322	0.3	WACC 6.5%, Risk free rate 3%, Risk premium 9%, Zero terminal growth
GULF SOLAR (2014) - solar	1	25%	0	VSPP	4	0.0	WACC 6.5%, Risk free rate 3%, Risk premium 9%, Zero terminal growth
WHA GUNKUL (2014) - solar	3	75%	2	VSPP	75	0.0	WACC 6.5%, Risk free rate 3%, Risk premium 9%, Zero terminal growth
BGRIM POWER (Nov, 2016)	121	25%	30	Gas Co-gen	701	0.2	WACC 6.5%, Risk free rate 3%, Risk premium 9%, Zero terminal growth
GULF VTP (2017)	130	25%	33	Gas Co-gen	1,385	0.4	WACC 6.5%, Risk free rate 3%, Risk premium 9%, Zero terminal growth
GULF TS1 (2017)	130	25%	33	Gas Co-gen	2,901	0.8	WACC 6.5%, Risk free rate 3%, Risk premium 9%, Zero terminal growth
GULF TS2 (2017)	130	25%	33	Gas Co-gen	2,868	0.7	WACC 6.5%, Risk free rate 3%, Risk premium 9%, Zero terminal growth
GULF TS3 (2017)	125	25%	31	Gas Co-gen	2,536	0.7	WACC 6.5%, Risk free rate 3%, Risk premium 9%, Zero terminal growth
GULF TS4 (2018)	125	25%	31	Gas Co-gen	2,706	0.7	WACC 6.5%, Risk free rate 3%, Risk premium 9%, Zero terminal growth
GULF NLL2 (2019)	120	25%	30	Gas Co-gen	1,934	0.5	WACC 6.5%, Risk free rate 3%, Risk premium 9%, Zero terminal growth
Solar Rooftop Projects	142	100%	142	Solar Rooftop	4,633	1.2	WACC 6.5%, Risk free rate 3%, Risk premium 9%, Zero terminal growth
Chonburi Xean Energy (Waste Heat,2019)	7	33%	2		546	0.1	WACC 6.5%, Risk free rate 3%, Risk premium 9%, Zero terminal growth
Water in Thailand (cmpd)	394	100%	394		8,230	2.2	WACC 6.5%, Risk free rate 3%, Risk premium 9%, Zero terminal growth
Duong River - Vietnam Utilities	300	34%	102		1,081	0.3	WACC 6.5%, Risk free rate 3%, Risk premium 9%, Zero terminal growth
Net debt					(14,505)	(3.8)	
Residual ordinary equity					20,383	5.3	

Sources: WHAUP, FSSIA estimates

Exhibit 3: Peer comparison as of 30 Oct 2024

Company	BBG	Market Cap (USD m)	- EPS growth -		----- PE -----		----- ROE -----		----- PBV -----		- EV/EBITDA -		----- DivYld -----	
			24E (%)	25E (%)	24E (x)	25E (x)	24E (%)	25E (%)	24E (x)	25E (x)	24E (x)	25E (x)	24E (x)	25E (x)
Wha Utilities and Power*	WHAUP TB	613	(8)	31	15.5	11.9	9.6	12.0	1.5	1.4	22.7	19.9	4.6	4.6
CK Power*	CKP TB	878	(17)	77	24.4	13.8	4.4	7.5	1.1	1.0	14.9	16.2	2.7	2.7
TTW	TTW TB	1,065	(0)	10	12.4	11.5	18.7	18.8	2.3	2.2	10.1	9.4	4.6	4.8
BGrimm Power	BGRIM TB	1,709	1	23	29.9	24.2	4.6	5.9	1.5	1.4	12.0	11.4	2.4	2.7
Ratch Group PCL	RATCH TB	2,032	38	15	9.6	8.4	7.0	8.0	0.7	0.7	15.7	13.2	6.7	6.7
Electricity Generating PCL	EGCO TB	1,850	(265)	17	8.8	7.5	6.9	7.5	0.6	0.5	12.0	14.2	1.5	1.9
Absolute Clean Energy PCL	ACE TB	397	29	25	9.9	6.7	8.8	11.7	0.8	0.8	7.3	5.5	5.3	5.5
Global Power Synergy	GPSC TB	3,533	41	28	25.2	19.6	4.3	5.0	1.1	1.0	13.2	12.8	5.3	5.5
Gunkul Engineering	GUNKUL TB	679	20	0	13.1	12.7	12.1	12.2	1.6	1.5	8.9	8.6	5.3	5.5
Sermasang Power Corporation	SSP TB	219	3	0	8.2	8.0	12.5	12.6	0.9	0.8	7.9	7.7	1.5	1.9
Banpu Power PCL	BPP TB	1,130	(29)	8	10.3	9.3	7.2	7.5	0.7	0.7	10.5	10.2	1.5	1.9
Total average		14,106	113.0	28.6	15.2	12.1	8.7	9.9	1.1	1.1	12.3	11.7	3.8	4.0

Sources: Bloomberg; *FSSIA estimates

Financial Statements

WHA Utilities & Power

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	2,443	2,782	3,165	3,392	3,554
Cost of goods sold	(1,661)	(1,965)	(1,880)	(1,651)	(1,718)
Gross profit	782	816	1,285	1,740	1,836
Other operating income	-	-	-	-	-
Operating costs	(279)	(277)	(253)	(305)	(355)
Operating EBITDA	871	975	1,548	1,815	1,893
Depreciation	(367)	(436)	(517)	(379)	(412)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	504	539	1,031	1,435	1,481
Net financing costs	(280)	(483)	(492)	(512)	(540)
Associates	156	1,380	859	912	1,009
Recurring non-operating income	277	1,418	867	922	1,019
Non-recurring items	0	188	121	0	0
Profit before tax	500	1,662	1,527	1,845	1,960
Tax	(46)	(31)	(73)	(103)	(105)
Profit after tax	454	1,631	1,454	1,742	1,856
Minority interests	0	0	0	0	0
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
Reported net profit	454	1,631	1,454	1,742	1,856
Non-recurring items & goodwill (net)	0	(188)	(121)	0	0
Recurring net profit	454	1,443	1,333	1,742	1,856
Per share (THB)					
Recurring EPS *	0.12	0.38	0.35	0.46	0.49
Reported EPS	0.12	0.43	0.38	0.46	0.49
DPS	0.25	0.25	0.25	0.25	0.30
Diluted shares (used to calculate per share data)	3,825	3,825	3,825	3,825	3,825
Growth					
Revenue (%)	12.0	13.9	13.8	7.2	4.8
Operating EBITDA (%)	(3.8)	12.0	58.8	17.2	4.3
Operating EBIT (%)	(13.1)	7.1	91.2	39.1	3.2
Recurring EPS (%)	(47.4)	217.6	(7.6)	30.7	6.5
Reported EPS (%)	(38.2)	259.0	(10.9)	19.8	6.5
Operating performance					
Gross margin inc. depreciation (%)	32.0	29.3	40.6	51.3	51.7
Gross margin exc. depreciation (%)	47.1	45.0	56.9	62.5	63.3
Operating EBITDA margin (%)	35.7	35.1	48.9	53.5	53.3
Operating EBIT margin (%)	20.6	19.4	32.6	42.3	41.7
Net margin (%)	18.6	51.9	42.1	51.4	52.2
Effective tax rate (%)	13.3	11.1	11.0	11.0	11.0
Dividend payout on recurring profit (%)	210.5	66.3	71.8	54.9	61.8
Interest cover (X)	2.8	4.1	3.9	4.6	4.6
Inventory days	-	-	-	-	-
Debtor days	52.3	59.3	63.9	71.7	80.7
Creditor days	131.8	119.8	136.5	142.3	142.1
Operating ROIC (%)	7.3	6.7	11.1	13.6	12.5
ROIC (%)	2.7	6.4	5.9	6.9	6.9
ROE (%)	3.6	11.0	9.6	12.0	12.1
ROA (%)	2.6	6.5	5.8	7.0	7.0
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
water business	2,111	2,358	2,368	2,500	2,500
power business	332	424	507	578	660
service income			290	314	394

Sources: WHA Utilities & Power; FSSIA estimates

Financial Statements

WHA Utilities & Power

Cash Flow (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Recurring net profit	454	1,443	1,333	1,742	1,856
Depreciation	367	436	517	379	412
Associates & minorities	156	1,380	859	912	1,009
Other non-cash items	-	-	-	-	-
Change in working capital	(102)	(90)	(166)	(115)	(116)
Cash flow from operations	876	3,169	2,543	2,919	3,161
Capex - maintenance	(1,513)	(1,422)	(1,422)	(1,422)	(1,422)
Capex - new investment	(45)	(36)	0	0	0
Net acquisitions & disposals	632	640	600	600	600
Other investments (net)	-	-	-	-	-
Cash flow from investing	(926)	(818)	(822)	(822)	(822)
Dividends paid	(3,252)	(3,251)	(956)	(956)	(956)
Equity finance	0	0	0	0	0
Debt finance	1,399	1,159	500	700	990
Other financing cash flows	1,853	109	(882)	(1,301)	(1,360)
Cash flow from financing	0	(1,983)	(1,338)	(1,557)	(1,326)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	206	0	0	0
Net other adjustments	(133)	206	(1,027)	(782)	(819)
Movement in cash	(183)	574	(642)	(241)	194
Free cash flow to firm (FCFF)	363.12	2,816.09	2,214.22	2,609.44	2,879.13
Free cash flow to equity (FCFE)	3,068.47	3,824.89	313.79	715.15	1,150.02

Per share (THB)

FCFF per share	0.09	0.74	0.58	0.68	0.75
FCFE per share	0.80	1.00	0.08	0.19	0.30
Recurring cash flow per share	0.26	0.85	0.71	0.79	0.86

Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Tangible fixed assets (gross)	8,229	9,631	11,053	12,474	13,896
Less: Accumulated depreciation	(1,584)	(1,964)	(2,481)	(2,860)	(3,272)
Tangible fixed assets (net)	6,645	7,668	8,572	9,614	10,624
Intangible fixed assets (net)	4,681	4,642	4,642	4,642	4,642
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	14,321	14,961	15,561	16,161	16,761
Cash & equivalents	721	1,295	653	412	605
A/C receivable	405	500	608	725	846
Inventories	0	0	0	0	0
Other current assets	199	245	278	298	313
Current assets	1,325	2,040	1,540	1,435	1,764
Other assets	674	507	507	507	507
Total assets	27,645	29,817	30,821	32,358	34,298
Common equity	12,621	13,567	14,094	14,910	15,840
Minorities etc.	0	0	0	0	0
Total shareholders' equity	12,621	13,567	14,094	14,910	15,840
Long term debt	9,111	10,959	11,459	12,159	13,149
Other long-term liabilities	931	948	948	948	948
Long-term liabilities	10,042	11,908	12,408	13,108	14,098
A/C payable	475	529	490	502	515
Short term debt	4,389	3,699	3,699	3,699	3,699
Other current liabilities	118	114	130	140	146
Current liabilities	4,982	4,343	4,319	4,340	4,361
Total liabilities and shareholders' equity	27,645	29,817	30,821	32,358	34,298
Net working capital	10	101	266	382	497
Invested capital	26,331	27,878	29,548	31,305	33,031

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

Per share (THB)

Book value per share	3.30	3.55	3.68	3.90	4.14
Tangible book value per share	2.08	2.33	2.47	2.68	2.93

Financial strength

Net debt/equity (%)	101.2	98.5	102.9	103.6	102.5
Net debt/total assets (%)	46.2	44.8	47.1	47.7	47.4
Current ratio (x)	0.3	0.5	0.4	0.3	0.4
CF interest cover (x)	12.1	9.0	1.6	2.4	3.1

Valuation	2022	2023	2024E	2025E	2026E
Recurring P/E (x) *	45.5	14.3	15.5	11.9	11.1
Recurring P/E @ target price (x) *	44.6	14.0	15.2	11.6	10.9
Reported P/E (x)	45.5	12.7	14.2	11.9	11.1
Dividend yield (%)	4.6	4.6	4.6	4.6	5.6
Price/book (x)	1.6	1.5	1.5	1.4	1.3
Price/tangible book (x)	2.6	2.3	2.2	2.0	1.8
EV/EBITDA (x) **	38.4	34.9	22.7	19.9	19.5
EV/EBITDA @ target price (x) **	37.9	34.5	22.5	19.7	19.3
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: WHA Utilities & Power; FSSIA estimates

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 THSI inclusion , 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. SETTHSI Index 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&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 Sustainabilitys	The Sustainabilitys' 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 & 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+										
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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 identify industry 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; >25 to 50 = satisfactory; >50 to 75 = good; and >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.																				

[Rating](#) regarding the sustainable development of Thai listed companies, both on the SET and MAI, are publicly available on the website of the Securities and Exchange Commission of Thailand (SEC). Currently, ratings available are 1) "**CG Score**"; 2) "**AGM Level**"; 3) "**Thai CAC**"; and 4) **THSI**. The ratings are updated on an annual basis. FSSIA does not confirm nor certify the accuracy of such ratings.

Source: FSSIA's compilation

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Songklod Wongchai FSS International Investment Advisory Securities Co., Ltd

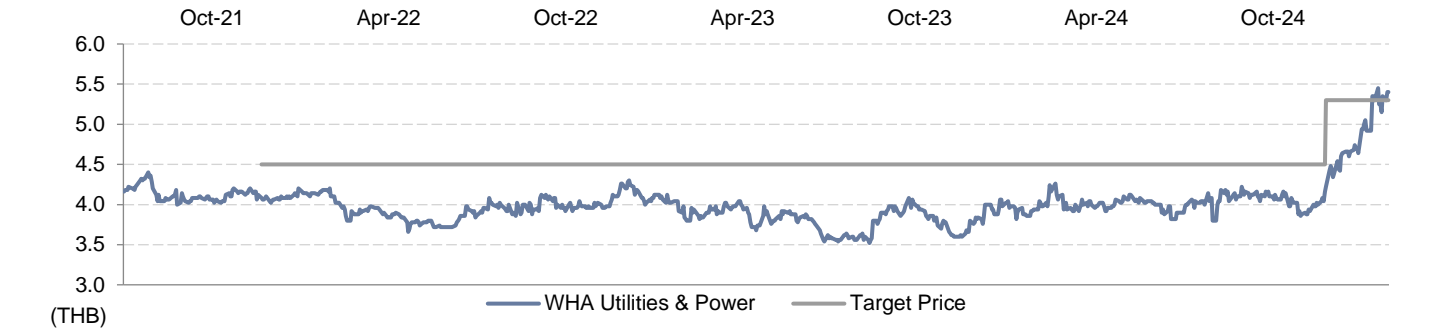
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

WHA Utilities & Power (WHAUP TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
25-Feb-2022	HOLD	4.50	19-May-2022	BUY	4.50	05-Sep-2024	BUY	5.30

Songklod Wongchai started covering this stock from 5-Sep-2024

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
WHA Utilities & Power	WHAUP TB	THB 5.40	HOLD	<ul style="list-style-type: none">ราคาก๊าซฯ ปรับขึ้น ขณะที่ราคาไฟฟ้าปรับลง หรือถูกกดดันจากมาตรการภาครัฐ จะส่งผลให้ margin โรงไฟฟ้าแคบลงอย่างมีนัยการปรับเปลี่ยนนโยบายพลังงานของภาครัฐ

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 30-Oct-2024 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.