

11 NOVEMBER 2021

SPOTLIGHT ON THAILAND

Published Reports

- CH. KARNCHANG (CK TB) - Promising signs of a recovery; Maintain BUY TP THB26.00
- NEXT CAPITAL (NCAP TB) - Wait for clarity on regulations; Maintain BUY TP THB16.80
- MICRO LEASING (MICRO TB) - Record high 4Q21 on the way; Maintain BUY TP THB10.70
- AP (THAILAND) (AP TB) - Low-rise is still the key driver; Maintain BUY TP THB11.60
- ASIAN SEA CORPORATION (ASIAN TB) - Strong top line with solid GPM; Maintain BUY TP THB24.10
- THAI OIL (TOP TB) - From 3Q21 bottom to 4Q21 top; Maintain BUY TP THB67.00
- BCPG (BCPG TB) - Hydro earnings drove 3Q21 results; Maintain BUY TP THB17.00
- PTT OIL AND RETAIL BUSINESS (OR TB) - Pandemic poison to end soon; Maintain BUY TP THB36.00
- IRPC PCL (IRPC TB) - An in-line 3Q21 on weaker GIM; Maintain BUY TP THB5.80
- SRI TRANG GLOVES (THAILAND) (STGT TB) - Will the ASP bottom out in 4Q21; Maintain REDUCE TP THB26.00
- TPC POWER HOLDING (TPCH TB) - Tripping over four new plants; Maintain BUY TP THB14.00
- PTT GLOBAL CHEMICAL (PTTGC TB) - Stumbling on hedging loss; Maintain BUY TP THB75.00
- Thailand Utilities - Cost headwinds overshadowed by growth tailwinds

Results Comments

- Jasmin International (JAS TB, HOLD, TP THB3.10) - 3Q21 results better than expected
- Don Muang Tollway (DMT TB, BUY, TP THB17) - Weak earnings due to the Covid impact
- Srinanaporn Marketing (SNNP TB, BUY, TP THB15) - Weak 3Q21 results but slightly above our estimate
- Berli Jucker (BJC TB, HOLD, TP THB39) - Weak 3Q21 result and missed expectation
- Osotspa PCL (OSP TB, BUY, TP THB42) - Weak 3Q21 results and missed expectation
- Quality Houses (QH TB, HOLD, TP THB2.5) - Weak 3Q21 results as expected
- S Hotels and Resorts (SHR TB, BUY, TP THB4.6) – core loss improve to THB291m in 3Q21, in line with estimate

Indices	Index as of 10-Nov-21	Change -1D (%)	Change YTD (%)	Net Foreign YTD (USD m)
Thailand SET	1,630	(0.1)	12.5	(1,951)
China SHCOMP	3,492	(0.4)	0.6	
Hong Kong HSI	24,996	0.7	(8.2)	
India SENSEX	60,353	(0.1)	26.4	6,253
Indonesia JCI	6,683	0.2	11.8	2,863
Korea KOSPI	2,930	(1.1)	2.0	(28,703)
MY FBMKLCI	1,521	(0.2)	(6.5)	(502)
PH PCOMP	7,376	(0.9)	3.3	(1,672)
SG FSSTI	3,231	(0.4)	13.6	
Taiwan TWSE	17,560	0.1	19.2	(17,060)
VN VNINDEX	1,465	0.2	32.7	(2,297)
MSCI Emerging	1,274	0.1	(1.3)	
Nikkei 225	29,107	(0.6)	6.1	
FTSE 100	7,340	0.9	13.6	
CAC 40	7,045	0.0	26.9	
DAX	16,068	0.2	17.1	
Dow Jones	36,080	(0.7)	17.9	
Nasdaq	15,623	(1.7)	21.2	
S&P 500	4,647	(0.8)	23.7	
Brent	82.64	(2.5)	59.5	
Dubai	83.18	1.2	65.6	
WTI	81.34	0.3	68.1	
GOLD	1,849.60	(0.0)	(2.6)	

Trade data (THB m)	Buy (THB m)	Sell (THB m)	Net (THB m)	Share (%) (THB m)
Foreign	27,627	29,203	(1,576)	42
Retail	27,060	25,147	1,914	38
Prop Trade	9,407	8,136	1,270	13
Local Institution	3,814	5,422	(1,608)	7
Total Trade	67,908	67,908	0	100

Rates	Last close 11/10/2021	1M ago 10/11/2021	End last yr 12/31/2020	1yr ago 11/10/2020
THB/USD	32.76	33.89	29.95	30.43
Inflation *	2.38	1.68	(0.27)	(0.50)
MLR **	5.31	5.31	5.31	5.31
1Y Fixed *	0.43	0.43	0.49	0.49
Govt bond 10Y	1.88	1.94	1.32	1.34

Commodity (USD/bbl)	Last close 11/10/2021	1M ago 10/8/2021	End last yr 12/31/2020	1yr ago 11/10/2020
Brent	82.64	82.39	51.80	43.61
Dubai	83.18	81.33	50.23	41.94
WTI	81.34	80.52	48.52	41.45
Gold	1,850	1,754	1,898	1,866
Baltic Dry	2,805	5,526	1,366	1,200
Coal (USD/ton)	05-Nov-21	29-Oct-21	25-Dec-20	06-Nov-20
Coal	158.19	214.70	84.45	58.01
% change	(26.3)	(22.8)	87.3	172.7

* chg y-y% last at end of most recent month end; *** Avg of 4 major banks;

Sources: Bloomberg, except coal from BANPU

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- Bangkok Dusit Medical Services (BDMS TB, BUY, TP THB29.00) - 3Q21 core profit grew 28% y-y to THB2.3b, beat estimates
- Singer Thailand (SINGER TB, BUY; TP THB51) - Soft 3Q21 net profit due to seasonality as expected
- Gunkul Engineering (GUNKUL TB, BUY, TP THB5.4) – Powered by power and EPC in 3Q21
- Eastern Polymer Group (EPG TB, BUY, TP THB15.5) – solid 3Q21 on resiliently high margins
- Bangchak Corp (BCP TB, BUY, TP THB38) – 3Q21 net profit boosted by multiple gains
- Tipco Asphalt (TASCO TB, BUY, TP THB22.5) – weak 3Q21 net profit on lower margin and sales volume
- BANPU (BUY, TP THB16.9) – strong core but weak reported net profit due to large hedging loss (THB5.1b)
- RS (RS TB, BUY, TP THB22) - 3Q21 results turn into a loss
- Kerry Express Thailand (KEX TB, BUY, TP THB38) - A huge earnings declined by 96% both q-q and y-y
- Workpoint Entertainment (WORK TB, BUY, TP THB26) - 3Q21 results slightly lower than our expectation

News Comments

- B.Grimm Power (BGRIM TB, BUY, TP THB58) – second acquisition in two weeks for the renewable projects in Malaysia

Key takeaways from Analyst Meeting

- Muangthai Capital (MTC TB; BUY; TP THB71) – Neutral view from analyst meeting

Economics

- COVID-19 cases as of 10 Nov globally reaches 252,069,470 with new 504,546 cases and 7,102 new deaths. There are 18,845,748 currently infected patients, with 77,015 (0.4%) cases in serious condition.
- Central bank unfazed by headline inflation, Rise will not press monetary policy
- BCG exporters to get state help
- Court disputes 'reform' goal, Protest trio 'tried to overthrow regime'

Corporate News

- Bourse tightening market surveillance, Move offers better investor protection
- New panel to protect online shoppers, MDES takes lead on multi-agency team
- AirAsia sees recovery in 3 months
- M Vision handles Metaverse project's land trade management
- SE Asia digital economy to reach \$363bn by 2025
- Centara Samui to open Dec 1, Luxurious resort's launch a milestone
- IEAT to launch carbon neutral project
- Siam Piwat in B300m festive spending spree
- Frasers aiming for 10-15% residential revenue growth

Published Reports

CH. KARNCHANG (CK TB) - Promising signs of a recovery; Maintain BUY TP THB26.00

Weak 3Q21E net profit of THB179m, hurt by the lockdown

We expect CK to post a net profit of THB179m in 3Q21, down 44% q-q and 77% y-y, based on 1) its revenue dropping by 21% q-q due to the temporary shutdown of construction sites during the lockdown; 2) no extra gains; 3) a stable gross margin at c9.7%. However, its weak core operations should be cushioned by an increasing share of profits from CK Power (CKP TB, BUY, TP THB6.6) and Bangkok Expressway and Metro (BEM TB, BUY, TP THB9.9) at approximately THB379m, up 24% q-q, and dividend income from Thai Tap Water (TTW TB, NR) of THB232m.

BEM and construction business are key for 4Q21 earnings

We believe there are signs of a construction recovery in 4Q21 on the lockdown easing and the country's gradual reopening. CK's construction activities should return to normal in the absence of labour shortages, thus, it should recognise construction revenue which was delayed from 3Q21 at around cTHB4b. Our transportation analyst believes BEM's outlook is improving, as the daily traffic and ridership in Sep-21 were at 0.78m (+32% m-m) and 0.1m (+60% m-m), respectively, and expects the recovery momentum to continue in the last two months of 2021.

Upside from potentially winning Orange and Purple Line bidding

We see three catalysts to drive CK's share price in the medium term: 1) its high potential to win the bidding for the MRT Purple Line (underground contract worth THB50b) due to its expertise in underground work – the winner will be announced early next year; 2) we think BEM has a greater chance to win the bidding (THB120b) to operate the Orange Line, as it has expertise as an MRT operator; and 3) Laung Prabang Hydropower Plant (THB140b) is expected to sign a power purchase agreement next year – CKP is the project owner and CK will be the constructor.

Maintain BUY with a new SoTP-based TP of THB26

We maintain BUY and upgrade our SoTP TP to THB26 from THB23 as our transport analyst has increased BEM's target price from THB8.6 to THB9.9. We maintain CK's construction business value at 15x 2021E P/E. The value of BEM and CKP are based on the NAV of FSSIA's TPs, while TTW is valued using the NAV of its current market price. We think CK is attractive as it is trading at an NAV discount and it has highly visible earnings from its affiliates, which are infrastructure companies. CK has the potential to win new infrastructure project bids that the government will likely release via new stimulus measures to drive economic growth.

Exhibit 1: CK – 3Q21E/9M21E results preview

Year to Dec 31	3Q20	2Q21	3Q21E	Change			9M21E			2021E	
	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(%21E)	(THB m)	(y-y%)	(%21E)	(THB m)	(y-y %)
Revenue	3,847	3,238	2,546	(21)	(34)	16	8,770	(34)	35	15,472	(8)
Gross profit	342	307	248	(19)	(28)	18	847	(34)	60	1,408	0
Operating costs	454	497	512	3	13	37	1,481	(1)	106	1,392	(31)
Operating profit	(112)	(190)	(264)	39	136	(1,707)	(634)	192	(4,101)	15	nm
Operating EBITDA	70	(16)	(86)	nm	nm	(12)	(114)	(136)	(15)	739	612
Other income	407	429	436	2	7	50	1,039	1	120	867	(39)
Other expense	0	0	0	nm	nm	nm	0	nm	nm	0	nm
Interest expense	(328)	(357)	(359)	1	9	23	(1,048)	12	68	(1,537)	20
Profit before tax*	(34)	(119)	(187)	nm	nm	29	(643)	422	98	(654)	nm
Tax	12	9	9	0	(25)	10	26	63	29	89	214
Associates	546	306	379	24	(31)	28	845	39	63	1,340	56
Minority interests	(2)	(4)	(4)	nm	nm	29	3	nm	nm	(14)	(8)
Non-recurring items	275	143	0	nm		0	526		100	526	91
Reported net profit	774	318	179	(44)	(77)	16	705	(3)	64	1,109	81
Recurring net profit	499	175	179	2	(64)	31	179	nm	31	583	73
EPS (THB)	0.46	0.19	0.11	(44)	(77)	16	0.42	nm	64	0.65	81
Recurring EPS (THB)	0.29	0.10	0.11	2	(64)	31	0.11	nm	31	0.34	73
BV/share (THB)	15.68	15.23	0.00	nm	nm					16.34	7
Key Ratios (%)	(%)	(%)	(%)	(ppt)	(ppt)		(%)	(ppt)		(%)	(ppt)
Gross margin	8.9	9.5	9.7	0.3	0.8		9.7	0.0		5.6	(3.5)
Operating margin	(2.9)	(5.9)	(10.4)	(4.5)	(7.5)		(7.2)	(5.6)		0.1	4.1
EBITDA margin	1.8	(0.5)	(3.4)	(2.9)	(5.2)		(1.3)	(3.7)		2.9	2.3
Recurring net margin	(0.6)	(3.4)	(7.0)	(3.6)	(6.4)		(7.0)	(6.2)		(2.3)	0.6
SG&A / Sales	11.8	15.3	20.1	4.8	8.3		16.9	5.6		5.6	(7.5)
Effective tax rate	(35.6)	(7.6)	(4.8)				(4.1)	8.9		(13.6)	(7.7)
Interest coverage (EBITDA)	0.2	(0.0)	(0.2)				(0.1)	(0.4)		0.5	
Net debt/equity (x)	1.2	1.4	n/a								

*include depreciation

Sources: CK; FSSIA estimates

NEXT CAPITAL (NCAP TB) - Wait for clarity on regulations; Maintain BUY TP THB16.80

Robust 3Q21 performance as expected

NCAP reported a solid 3Q21 net profit of THB74m (+8% y-y, -1% q-q), driven by 1) significant loan growth of 26% y-y and 9% q-q; and 2) an increase in its fee income following the higher loan volume. Although motorcycle sales declined 20% y-y in 3Q21 due to the chip supply shortage, NCAP was able to gain more market share from both local and big players thanks to the strategic expansion of its service areas and a deeper integration of technology in its operations and credit underwriting process. Thus, its new lending volume hit a monthly record high in Sep-21. Its non-performing loans (NPLs) increased to THB78m from THB60m in 2Q21. We think this is the result of a rapid business expansion phase. On top of that, its coverage ratio remained at a high level of 366%. Accordingly, we are comfortable with its asset quality.

Unlikely to cap interest rate at 15%, but still no clear policy

The public hearing on the new restrictions for hire purchase (HP) contracts held by the Office of the Consumer Protection Board ended on 7 Nov-21. We reiterate our view that a reduced rate charge capped at 15% is unreasonable, as the risk of lending under HP contract to the low-income retail segment is quite high. On top of that, during the hearing on 20 Oct-21, the Bank of Thailand, Thai Hire-Purchase Association, and other HP operators agreed that a cap rate at 15% might destroy the lending system and car production in Thailand. As such, we believe the cap rate at 15% is unlikely to happen. We think a reasonable cap rate would be 25-30%, based on the reference rate caps for other loan types, e.g. auto title loans at 24% and nano finance at 33%. However, there has still been no official announcement regarding the new restrictions.

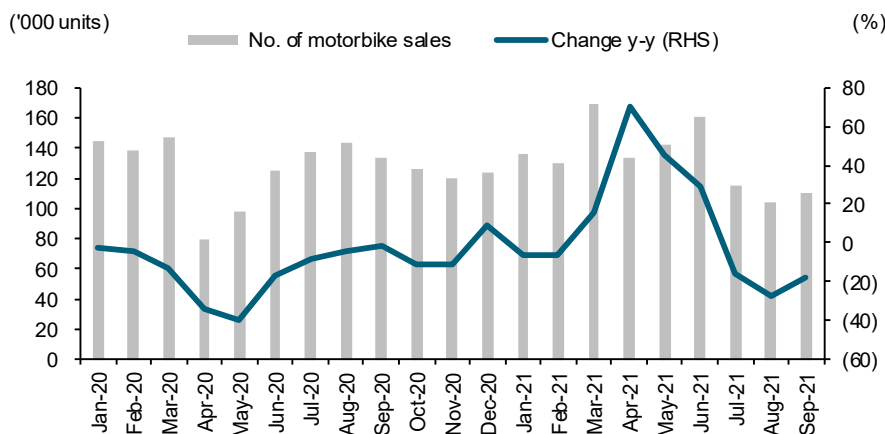
Bad news partly priced in, but...

We think that the c20% drop in NCAP's share price after the start of the public hearing process has partly priced in the negative impact from a potential rate cap. Based on our analysis, every 1% drop in its loan yield, ceteris paribus, could result in a 10% downside risk to our current net profit forecasts. Note that our current average loan yield assumption (excluding commissions to dealers) for NCAP is c32.4%.

... Its price will likely continue to be pressured

Although NCAP's valuation is attractive, trading at 19.4x 2022E P/E and 3.5x 2022E P/BV, we think its share price will still be pressured until a clear policy is announced. We recommend a wait-and-see approach.

Exhibit 2: Monthly domestic motorbike sales



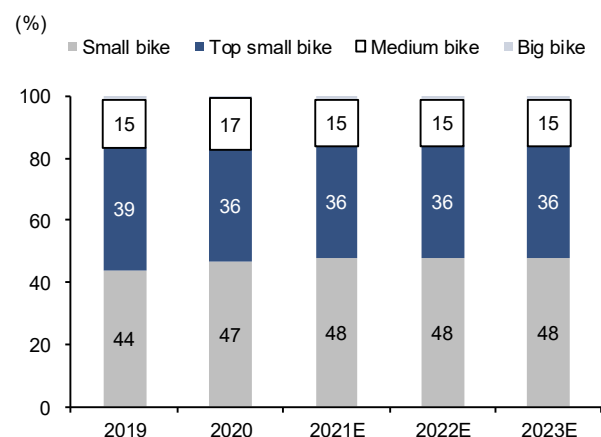
Sources: The Federation of Thai Industries; FSSIA's compilation

Exhibit 3: NCAP's credit lines and interest rate charges

Motorbike type	Cubic centimetres (CC)	Credit line (THB k/unit)	Interest rate (EIR) (% pa)
Small bike	110-149	30-60	c35
Top small bike	150-249	80-1000	c35
Medium bike	250-600	100-200	c11-17
Big bike	700+	more than 200	c11-17

Sources: NCAP; FSSIA estimates

Exhibit 4: NCAP's loan breakdown by motorcycle type



Sources: NCAP; FSSIA estimates

MICRO LEASING (MICRO TB) - Record high 4Q21 on the way; Maintain BUY TP THB10.70

Soft 3Q21 results as expected

MICRO reported a 3Q21 net profit of THB40m (+26% y-y, -19% q-q), which was in line with our expectation. We are not concerned about its earnings dropping q-q as we expect this would mainly come from the change in the laws regarding the non-performing loan (NPL) write-off criteria, leading to a faster write-off process. In terms of its core operations, amid the lockdown measures, MICRO still posted a significant increase in its pre-provision operating profit (PPOP) by 61% y-y and 1% q-q. This was driven by a surge in its loan growth by 8% q-q as MICRO gained more market share from local operators due to its branch expansion, with a new lending used truck market share of 8.4% in 3Q21 from 8.3% in 2Q21. Regarding its asset quality, the ability of its clients to repay debts slightly dropped due to the pandemic. Its NPLs rose slightly by 1% q-q. However, we expect this trend to improve after the economic reopening. Thus, we have few concerns.

Competing for more new lending market share in 3Q21

MICRO's new lending in 9M21 was at THB1.5b. This is equivalent to 8.4% of the total used truck market share vs 5.8% in 2020. The surge in its market share came from its network expansion. MICRO has 16 branches currently vs 12 branches in 2020. We think this has allowed MICRO to provide better services to tent operators, which are key in the decision-making process for customers to borrow with any operator. We believe that MICRO can continue to compete for market share with local operators. Moreover, we believe that the demand for trucks could grow strongly after the resumption of business activities. Thus, we estimate its loan growth could continue to increase.

Record high 4Q21 expected

We believe that MICRO can continue to compete for market share with local operators, leading us to believe that its 4Q21 net profit could hit a record high. Moreover, we expect the company to deliver solid net profit growth of 33% in 2022.

Maintain BUY with 2022 GGM-based TP of THB10.7

We maintain our positive view on MICRO with our GGM-based TP of THB10.7. We think it is in a good position to benefit from the higher demand for trucks.

Exhibit 5: MICRO – summary of 3Q21 results

Year-end Dec 31	3Q20 (THB m)	2Q21 (THB m)	3Q21 (THB m) (y-y %) (q-q %)		9M21 (THB m) (y-y %) %21E			2021E (THB m)	Change (y-y %)	3Q21 comments	
Net interest income	77	106	114	48	7	317	44	73	433	41	
Non-interest income*	24	37	32	32	(14)	99	76	78	127	29	
Operating income*	101	143	145	44	2	416	50	74	560	38	
Operating expenses	40	45	47	19	4	136	21	73	186	22	
PPOP before tax	61	97	98	61	1	280	70	75	374	48	
Expected credit loss	21	43	47	124	10	111	170	81	137	77	Faster write-off process
Income tax	8	4	11	33	139	28	(6)	84	33	(19)	
Minority interest	0	0	0			0			0		
Normalised profit	32	50	40	26	(19)	142	50	70	204	51	
Extraordinary items	0	0	0			0			0		
Net profit	32	50	40	26	(19)	142	50	70	204	51	
EPS (THB)	0.04	0.05	0.04	(3)	(19)	0.15	13	70	0.22	23	
Asset quality ratio (%)											
NPLs (THB m)	113	117	118	4	1				141	45	
NPLs / loans	4.99	3.74	3.48						3.82		
Loan loss reserve/NPLs	87	98	117						107		
Credit cost (bps)	382	573	577						440		
Profitability ratio (%)											
Cost to income ratio	39.5	31.8	32.6						33.3		
Average yield	16.2	16.0	16.0						15.8		
Cost of funds	4.6	4.6	4.8						4.6		
Net interest margin (NIM)	14.0	14.2	13.9						13.9		
Non-int inc / total income	23.7	25.7	21.7						22.7		
Loan growth (%)											
y-y	22.0	46.4	49.7						45.0	20.2	
q-q	5.6	10.4	8.0								Gained market share from local operators

*Including share of profits from associates

Sources: MICRO; FSSIA estimates

AP (THAILAND) (AP TB) - Low-rise is still the key driver; Maintain BUY TP THB11.60

3Q21 results in line with consensus expectation

AP booked a net profit of THB1.0b in 3Q21 (-8% q-q, -29% y-y), in line with BBG consensus. The q-q and y-y drop was mainly due to lower transfers following the 1-month closure of construction camps. 9M21 earnings account for 79% of our 2021 full-year forecast of THB4.5b.

Solid presales in 3Q21

Low-rise revenue dropped to THB6.7b in 3Q21 (vs THB7.5b in 2Q21) due to transfer delays. 3Q21 GPM was healthy at 32% (vs 31.6% in 2Q21 and 31.4% in 3Q20). Equity income grew by 102% q-q to THB366m following the transfer of Life Ladprao Valley (THB6.5b, 68% sold). Presales in 3Q21 were solid at THB9.4b (the second highest quarter since the LTV restriction in 2Q19) despite the new launch value being only THB7.0b (vs THB16.4b from the initial plan). AP launched only five low-rise projects in 3Q21 worth THB7.0b and received good feedback with an average take-up rate of 27%. 9M21 presales of THB27.2b account for 77% of our full-year estimate of THB35.5b.

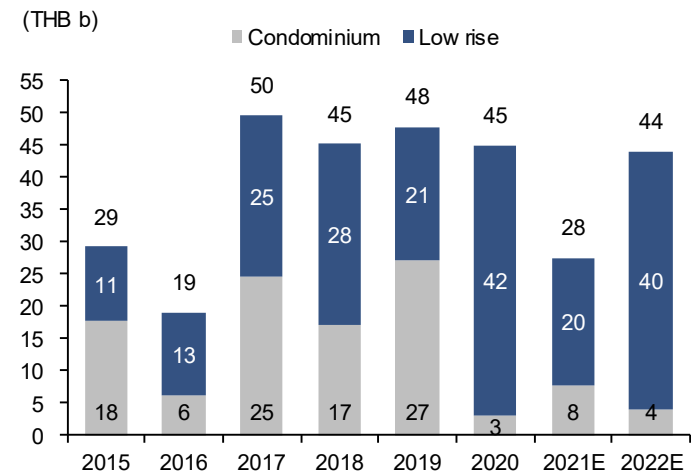
Promising outlook in 1H22

AP's 4Q21 outlook remains solid, supported by strong 3Q21 presales, solid presales of THB4.0b in Oct-21, and a high new project launch value worth THB16.5b (vs THB11b in 9M21). AP delayed some projects to 1Q-2Q22. Thus, the positive momentum should continue in 2022. We expect AP to launch low-rise projects worth THB40b in 2022 (vs THB19.7b in 2021). Around 60-70% of the total value is expected to launch in 1H22. Moreover, AP has a current low-rise backlog of THB14b, of which THB5.0b will transfer in 4Q21, with the remaining transferring in 1H22.

Maintain BUY with higher TP to THB11.6 (from THB11.1)

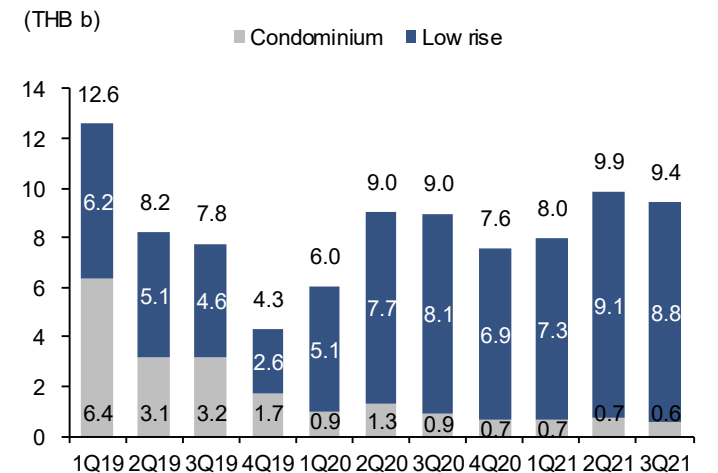
We revise up our 2021-23E net profit by 4.8-7.0% to reflect the solid GPM, stronger-than-expected performance in 9M21, and solid low-rise presales momentum. We raise our TP to THB11.6, pegged to 7.8x 2022E P/E, +1.0SD of its 5-year average. AP is still our top pick in the property sector as we believe 1) its solid presales outlook should continue; 2) its earnings could reach a record high in 2021-22; and 3) it has an undemanding valuation as it is trading at 6.0x 2022E P/E with a decent dividend yield at 5.8-5.9%. Moreover, the travel restriction easing could provide an upside risk to its high-rise presales, as high-rise previously accounted for c40% of total sales during the pre-Covid period (2015-19).

Exhibit 6: Yearly presales and target



Sources: AP; FSSIA's compilation

Exhibit 7: Quarterly presales



Sources: AP; FSSIA's compilation

Exhibit 8: Revised assumptions

	Current			Previous			Change		
	2021E (THB m)	2022E (THB m)	2023E (THB m)	2021E (THB m)	2022E (THB m)	2023E (THB m)	2021E (%)	2022E (%)	2023E (%)
Residential sales	32,569	35,532	37,605	30,720	33,493	35,395	6.0	6.1	6.2
Residential sales growth (%)	9.0	9.1	5.8	2.8	9.0	5.7	6.2	0.1	0.2
Residential GPM (%)	32.0	31.7	33.0	31.5	31.4	32.5	0.5	0.3	0.5
SG&A to sales (%)	20.1	20.5	20.4	20.1	20.5	20.4	0.0	0.0	0.0
Equity income from JV	1,445	1,589	1,071	1,445	1,589	1,071	0.0	0.0	0.0
Earnings	4,494	4,688	4,766	4,230	4,471	4,455	6.3	4.8	7.0

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

Sources: FSSIA estimates

ASIAN SEA CORPORATION (ASIAN TB) - Strong top line with solid GPM; Maintain BUY TP THB24.10

3Q21 results in line with our estimate

ASIAN posted a 3Q21 net profit of THB271m (+34% y-y, -8 q-q), in line with our estimate. 9M21 net profit accounts for 78% of our full-year estimate of THB1.0b. The key earnings drivers were the pet food and frozen units along with the new record high GPM.

Strong pet food / frozen sales; weak tuna / aqua feed sales

Pet food sales remained solid at THB1.1b in 3Q21 despite the volume slightly dropping by 2% q-q due to the high base in 2Q21 from delayed orders. Frozen sales rose 8% q-q to THB952m in 3Q21 due to the new pre-fried line which started its commercial operation date in early July. Tuna sales plunged 17% q-q to THB143m after some customers decided to delay orders due to the high freight cost. Aqua feed dropped 25% q-q to THB302m following lower domestic consumption due to the lockdown measures. 3Q21 GPM hit a new record high at 22.7% (vs 20.8% in 2Q21 and 17.3% in 3Q20), driven by a high proportion of high-margin pet food and value-added frozen products, as well as the weakening Baht. SG&A rose 32% q-q to THB255m. Excluding an FX loss of THB80m, SG&A to sales remained under control at 7.2% in 3Q21 (vs 7.7% in 2Q21 and 8.2% in 3Q20). Note that we treat FX gains/losses as part of ASIAN's operations as ASIAN normally implements a hedging policy to reduce its bottom line's volatility.

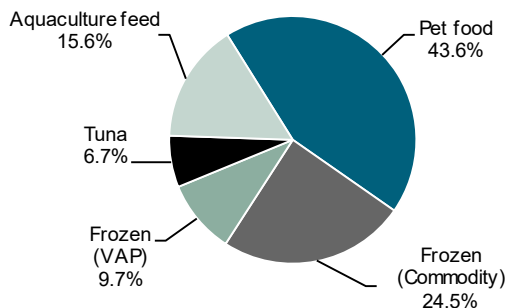
4Q21 earnings could slightly drop q-q

We expect 4Q21 earnings to slightly drop or remain flat q-q. Pet food sales should be flat q-q on secured orders from customers. Frozen sales should drop q-q due to the low season for commodity squid, while value-added frozen sales should be flat q-q, supported by high demand from US customers. Aqua feed could remain flat q-q and tuna sales should grow q-q on the pending orders that were delayed from 3Q21.

Cheap valuation with opportunity to ride pet food growth

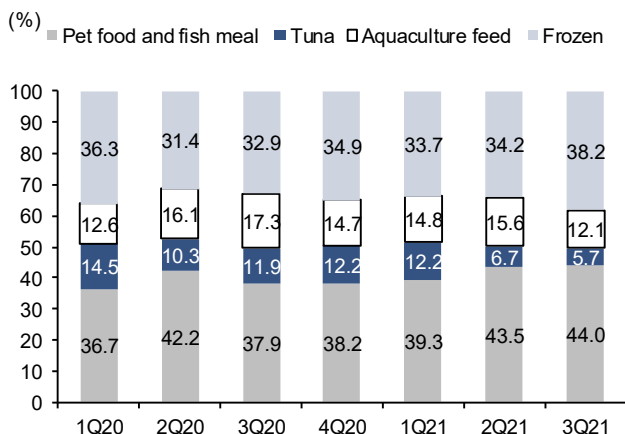
We maintain BUY for ASIAN with our TP of THB24.1, pegged to 18x 2022E P/E. Its share price has underperformed the SET index by 9.4% in the past month following concerns that its earnings could peak this year. We think ASIAN still has room to grow in 2022 due to 1) the new capacity line for pet food and pre-fried frozen products; and 2) the recovery of its tuna and aqua feed units. ASIAN is in a good position to ride the pet food industry's promising growth outlook. Its share price is undemanding at 12x 2022E P/E vs an average of 21.8x for its food sector peers.

Exhibit 9: Sales breakdown by product mix in 3Q21



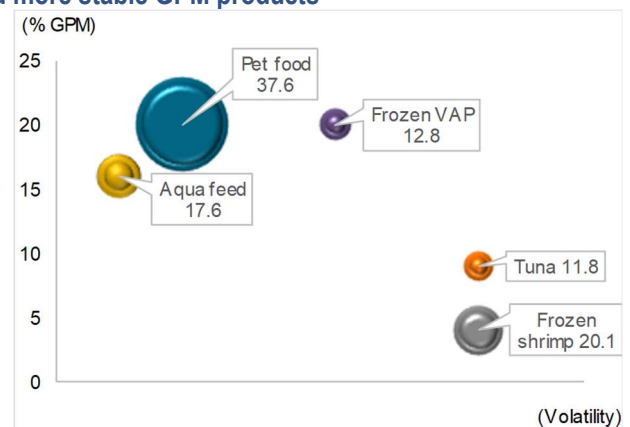
Sources: ASIAN; FSSIA estimates

Exhibit 11: Product mix in 3Q21



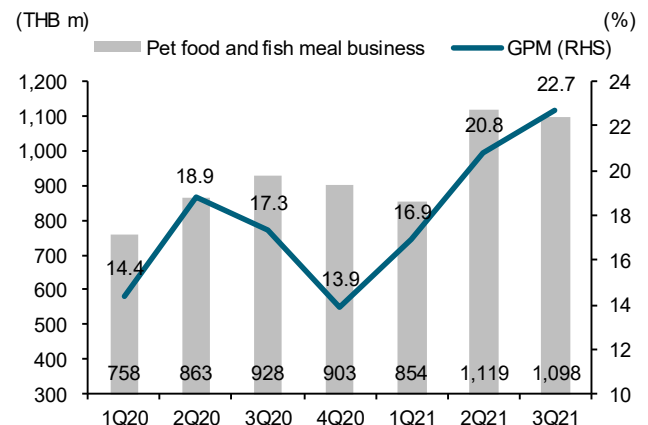
Sources: ASIAN; FSSIA estimates

Exhibit 10: ASIAN's business model shifting to high margin and more stable GPM products



Sources: ASIAN; FSSIA estimates

Exhibit 12: Pet food sales trend vs GPM



Sources: ASIAN; FSSIA estimates

THAI OIL (TOP TB) - From 3Q21 bottom to 4Q21 top; Maintain BUY TP THB67.00

Weaker operating performance offset by a large inventory gain

TOP posted a 3Q21 net profit (NP) of THB2.06b, down 2.8% q-q, which was 30% below BBG consensus and 5% below our estimate. The NP was driven by a pre-tax inventory gain of THB3.9b, an FX loss of THB1.2b, a THB0.5b loss on financial instruments, and a THB1.4b net loss (NL) from a hedging loss. Its 3Q21 core NP stood at THB1.25b, owing to 1) a refinery NL of THB1.3b, greater than the NL of THB1b in 2Q21 due to a lower market gross refining margin (GRM) vs a higher cost at USD4.4/bbl; and 2) lower non-refinery earnings from weak NPs from lube, power and olefins (from Chandra Asri) that were partly offset by the higher NP from aromatics.

Only aromatics earnings improved in 3Q21

The 3Q21 refinery NL of THB1.3b was dragged down by a higher cost and a higher crude premium despite the higher market GRM of USD1.6/bbl, up 3x q-q. The accounting gross integrated margin (GIM) was at USD10.5/bbl in 3Q21, up 5% q-q due to a higher stock gain of USD5/bbl vs USD4.8/bbl in 2Q21. Aromatics NP jumped to THB1b in 3Q21, up 9% q-q and 62x y-y due to a higher paraxylene-gasoline spread, but the unit had a slightly lower utilisation rate of 88%, down from 89% in 2Q21. The lube unit posted a 3Q21 NP of THB1b, down 25% q-q, due to a lower product-to-feed margin at USD187/t (-19% q-q), with a lower utilisation rate of 88%. Power NP dipped to THB0.7b in 3Q21, down 7% q-q, due to lower NPs from small power producers caused by higher gas costs and the shutdown impact.

A strong 4Q21 is around the corner

We project TOP's NP to improve markedly q-q in 4Q21, driven by our projected higher market GRM on higher product margins, led by a rising diesel and jet-Dubai margin and q-q higher utilisation rates, which should offset the higher projected crude premiums. During its conference call, TOP indicated its plans to pursue a capital increase in 1H22.

Finally, a sustainable rise in GRM should be coming

We maintain BUY and our TP of THB67. We expect TOP's market GRM to continue to improve from 3Q21 into 2022, backed by higher product margins, relatively stable crude premiums, and higher utilisation rates. We think the jet-Dubai margin will lead the charge for a market GRM improvement on increasingly high rates of travel worldwide.

Exhibit 13: Summary of 3Q21/9M21 operations

	3Q20	2Q21	----- 3Q21 -----			9M20	9M21	Chg.	2021E
	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)	(THB m)
Revenue	58,422	79,821	82,064	2.8	40.5	186,775	237,158	27.0	299,968
Operating costs	(54,327)	(70,404)	(72,144)	2.5	32.8	(191,716)	(207,050)	8.0	(264,104)
EBITDA	3,819	7,003	6,784	(3.1)	77.6	(5,548)	22,059	nm	32,590
<i>EBITDA margin (%)</i>	6.5	8.8	8.3	nm	nm	-3.0	9.3	nm	10.9
Depreciation & amort	(2,218)	(1,813)	(1,860)	2.6	(16.1)	(6,455)	(5,495)	(14.9)	(15,690)
EBIT	1,994	3,472	3,328	(4.2)	66.8	(10,010)	11,478	nm	16,900
Interest expense	(1,172)	(907)	(934)	3.0	(20.3)	(3,306)	(2,637)	(20.2)	(4,198)
Interest & invt inc	214	163	697	328.1	225.2	928	1,051	13.2	1,000
Associates' contrib	846	537	442	(17.6)	(47.7)	2,129	1,450	(31.9)	2,694
Exceptional	(276)	(2,415)	(3,136)	nm	nm	(607)	(8,050)	1,225.3	-
Pretax profit	1,608	851	396	(53.4)	(75.3)	(10,866)	3,292	nm	16,396
Tax	(33)	(358)	(213)	(40.6)	552.4	3,031	(959)	nm	(3,279)
<i>Tax rate (%)</i>	2.0	42.1	53.7	nm	nm	27.9	29.1	nm	20.0
Minority interests	(75)	(84)	(118)	39.9	57.4	(274)	(300)	9.6	(419)
Net profit	715	2,123	2,063	(2.8)	188.4	(10,559)	7,582	nm	12,698
Non-recurring	2,687	811	818	0.9	(69.6)	(8,402)	4,063	nm	-
Core profit	(1,972)	1,312	1,245	(5.1)	nm	(2,157)	3,519	nm	12,698
EPS (THB)	0.35	1.04	1.01	(2.8)	188.4	(5.18)	3.72	nm	6.22
Core EPS (THB)	(0.97)	0.64	0.61	(5.1)	nm	(1.06)	1.73	nm	6.22

Sources: TOP; FSSIA estimates

Exhibit 14: 3Q21/9M21 net profit breakdown

Net profit	3Q20	2Q21	3Q21	Change		9M20	9M21	Chg.
	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	
Consolidated	715	2,123	2,063	(3)	189	(10,559)	7,545	nm
- Refinery	(715)	(1,014)	(1,312)	29	83	(13,496)	(1,428)	(89)
- Aromatics	16	916	1,002	9	6,163	989	2,552	158
- Olefins	-	-	(23)	nm	nm	-	(23)	nm
- Lube	375	1,386	1,038	(25)	177	520	3,222	520
- Stock gain/loss	2,986	3,783	3,915	3	31	(9,190)	12,354	nm
- Power and others								
Power	833	709	656	(7)	(21)	2,135	1,963	(8)
Solvent	73	147	143	(3)	96	150	536	257
Marine transport	2	(1)	-	nm	nm	34	15	(56)
Ethanol	9	14	535	3,721	5,844	38	584	1,437
Others	100	100	108	8	8	436	290	(33)

Sources: TOP; FSSIA estimates

Exhibit 15: 3Q21/9M21 key quarterly drivers

Margin breakdown	Unit	3Q20	2Q21	3Q21	Change		9M20	9M21	Chg.
					(q-q %)	(y-y %)			
GIM (excl. stock gain/loss)	USD/bbl	1.0	5.2	5.5	6	450	2.0	4.9	145
GIM (incl. stock gain/loss)	USD/bbl	4.9	10.0	10.5	5	114	(1.8)	10.2	nm
Stock gain/loss	USD/bbl	3.9	4.8	5.0	4	28	(3.8)	5.3	nm
Refinery market GRM	USD/bbl	(1.1)	0.4	1.6	300	nm	0.1	0.9	800
Spread PX- ULG 95	USD/tonne	143.0	206.0	212.0	3	48	192.0	204.0	6
Spread BZ-ULG95	USD/tonne	25.0	313.0	287.0	(8)	1,048	80.0	260.0	225
Product to feed - aromatics	USD/tonne	68.0	112.0	90.0	(20)	32	77.0	103.0	34
Spread 500SN-HSFO	USD/tonne	340.0	1,037.0	896.0	(14)	164	360.0	905.0	151
Product to feed - lube	USD/tonne	100.0	231.0	187.0	(19)	87	70.0	197.0	181
Utilisation*		3Q20	2Q21	3Q21	ppts q-q	ppts y-y	9M20	9M21	ppts y-y
Refinery	%	93	98	92	(6)	(1)	101	97	(4)
Aromatics	%	56	89	88	(1)	32	71	86	15
Lube	%	89	95	88	(7)	(1)	86	92	6
LAB	%	70	117	118	1	48	99	109	10
Solvent	%	104	129	102	(27)	(2)	111	124	13
CAP	%	-	-	89	89	89	-	-	-
Ethanol - Sapthip	%	108	79	70	(9)	(38)	99	78	(21)
Ethanol - Ubon Bio	%	80	97	107	10	27	88	98	10

*Note: Change in margin % is represented in ppt change

Sources: TOP; FSSIA estimates

BCPG (BCPG TB) - Hydro earnings drove 3Q21 results; Maintain BUY TP THB17.00

3Q21 net profit boosted by higher CFs of hydropower plants

BCPG reported a 3Q21 net profit (NP) of THB685m (+21% q-q, +1.7% y-y), below our estimate by 1% but beating BBG consensus by 5%, driven by improving operations across the board. NPs from its two hydropower plants, Nam San 3A and 3B, saw a high capacity factor (CF) of 51% in 3Q21, while NPs from geothermal power plants, wind farms, and solar farms, declined marginally q-q. Revenues and CFs from other plants were mixed, including 1) the solar farms in Thailand (165.8MW), which saw a CF of 15.6% in 3Q21 vs 16.9% in 2Q21 and 16.4% in 3Q20; and 2) the solar farms in Japan (14.7MW), which had a CF of 13.1% in 2Q21, up from 12% in 2Q21 but down from 13.2% in 3Q20.

Higher tariff for geothermal plants offset weaker CFs

Geothermal plants in Indonesia (157.5MW) contributed THB155.7m NP in 3Q21, down 2% q-q but up 27% y-y. They had a 93.9% CF, down from 96.9% in 2Q21 and 95.9% in 3Q20 due to a shutdown that was offset by the y-y higher tariff. Wind farms in the Philippines (14.4MW) posted a net loss of THB5.4m in 3Q21, down from an NP of THB4.5m in 2Q21, with a CF of 21.1%, up from 21% in 2Q21 and 13.4% in 3Q20.

Earnings downsides from adder expiration to be timely offset

In 3Q21, the adder tariff of the BCPG1 solar farm (8MW) expired in Aug, resulting in THB30m lower NPs per quarter, but was timely offset by the higher NPs from the change in solar panels for the 19MW solar farms, which incurred a one-time THB48m expense. Combined with the previously re-panelled 17MW solar farm in 2Q21, additional NPs from the solar farms of cTHB80m-100m should timely offset the NP drop from BCPG1. In 2022, earnings from the BCPG2 solar farm (30MW) are set to drop due to the adder expiration in Jul-22, but should be offset by the start-ups of three new solar farms in Japan.

Earnings gaps remain in 2023-24 but are filled in 2021-22

We maintain BUY with our TP of THB17. We believe BCPG should see solid earnings growth from the re-panelled and new solar farms in Japan to timely offset the earnings drops from the adder expirations in 2021 (8MW) and 2022 (30MW). With THB7b cash raised from its capital increase, we think BCPG is ready to fund its growth strategy in 2021-23 via M&A to not only offset the 2023-24E profit drop from the adder-expired solar farms, but to strengthen its earnings growth post-2022.

Exhibit 16: Summary of 3Q21/9M21 operations

	3Q20	2Q21	3Q21		9M20	9M21	Change	2021E	
	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)	(THB m)
Revenue	1,238	1,088	1,302	19.7	5.2	3,094	3,437	11.1	4,637
Operating costs	(252)	(253)	(239)	(5.6)	(5.0)	(684)	(732)	7.0	(567)
EBITDA	986	835	1,063	27.3	7.8	2,410	2,706	12.3	3,390
<i>EBITDA margin (%)</i>	79.7	76.7	81.6	<i>nm</i>	<i>nm</i>	77.9	78.7	<i>nm</i>	73.1
Depn & amort.	(236)	(292)	(286)	(1.8)	21.2	(733)	(870)	18.7	(757)
EBIT	750	543	777	43.0	3.6	1,677	1,835	9.4	2,634
Interest expense	(210)	(193)	(306)	58.8	45.8	(618)	(684)	10.8	(763)
Interest & invt inc	3	13	11	(21.3)	212.4	9	36	283.5	223
Other income	1	2	4	123.2	439.3	9	19	103.8	-
Associates' contrib	101	157	150	(4.3)	49.3	295	448	52.0	569
Exceptionals	39	66	128	94.3	227.0	263	224	(14.8)	-
Pretax profit	684	589	764	29.7	11.7	1,635	1,877	14.8	2,662
Tax	(11)	(24)	(79)	231.5	637.2	(33)	(105)	213.5	(58)
<i>Tax rate (%)</i>	2	4	10	<i>nm</i>	<i>nm</i>	2	6	<i>nm</i>	2
Minority interests	0	0	0	<i>nm</i>	<i>nm</i>	0	0	<i>nm</i>	(23)
Net profit	673	565	685	21.2	1.7	1,602	1,773	10.7	2,580
Non-recurring	(38)	(61)	24	<i>nm</i>	<i>nm</i>	(84)	(72)	(15.2)	-
Core net profit	635	504	709	40.7	11.6	1,517	1,702	12.1	2,580
EPS (THB)*	0.24	0.20	0.24	21.2	1.7	0.56	0.62	10.7	0.9
Core EPS (THB)*	0.22	0.18	0.25	40.7	11.6	0.53	0.59	12.1	0.9

*Based on number of shares in 2020 due to the capital increase

Sources: BCPG; FSSIA estimates

Exhibit 17: 3Q21/9M21 electricity generation and capacity factors

	3Q20	2Q21	3Q21	(q-q %)	(y-y %)	9M20	9M21	(y-y %)
Electricity generation (GWh)								
- Thailand	76.4	82.5	79.3	(3.9)	3.8	225.3	247.0	9.6
- Japan	5.1	4.5	5.0	11.1	(2.0)	13.0	13.6	4.6
- Laos	188.8	102.0	210.2	106.1	11.3	296.2	380.4	28.4
- Philippines	4.3	6.4	6.5	1.6	51.2	24.5	26.6	8.6
- Indonesia	319.4	318.5	312.0	(2.0)	(2.3)	954.4	930.8	(2.5)
Capacity factor (%)				(ppt)	(ppt)			(ppt)
- Thailand (Solar)	16.4	16.9	15.6	(1.3)	(0.8)	16.9	16.6	(0.3)
- Thailand (Wind)	12.2	11.2	17.9	6.7	5.7	12.6	15.4	2.8
- Japan	13.2	12.0	13.1	1.1	(0.1)	11.5	12.0	0.5
- Laos	75.0	41.0	83.5	42.5	8.5	43.0	50.9	7.9
- Philippines	13.4	21.0	21.1	0.1	7.7	25.8	28.8	3.0
- Indonesia	95.9	96.9	93.9	(3.0)	(2.0)	96.3	94.3	(2.0)

Sources: BCPG; FSSIA estimates

Exhibit 18: 3Q21/9M21 share of profits from investments in associates

	3Q20	2Q21	3Q21	----- Change -----		9M20	9M21	Change
	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)
Share of profits from operations (before one-time)								
- Wind power plant in the Philippines								
Share of profits from operations	(13.6)	12.5	2.1	(83.2)	nm	11.8	41.4	250.8
Amortisation	(8.1)	(8.1)	(7.5)	(7.4)	(7.4)	(24.4)	(23.3)	(4.5)
Net share of profits	(21.7)	4.5	(5.4)	nm	(75.1)	(12.6)	18.1	nm
- Geothermal power plants in Indonesia								
Share of profits from operations	217.0	247.6	256.6	3.6	18.2	659.4	716.5	8.7
Amortisation	(94.6)	(95.1)	(100.9)	6.1	6.7	(285.5)	(286.8)	0.5
Net share of profits	122.4	152.6	155.7	2.0	27.2	373.9	429.7	14.9
Total share of profit (before amortisation)	203.4	260.2	258.7	(0.6)	27.2	671.2	757.9	12.9
Total amortisation	(102.7)	(103.1)	(108.4)	5.1	5.6	(309.9)	(310.1)	0.1
Total net share of profits	100.7	157.1	150.3	(4.3)	49.3	361.3	447.8	23.9
Total one-time items	30.4	61.2	(24.2)	nm	nm	178.0	71.5	(59.8)
FX gain/(loss)	58.0	80.3	177.2	120.7	205.5	284.7	280.2	(1.6)
Tax related to gain/(loss) on foreign exchange	(8.8)	(4.8)	(44.5)	827.1	405.7	(17.8)	(44.3)	148.9
Expenses related to refinancing	0.0	0.0	(107.8)	nm	nm	0.0	(107.8)	nm
Loss from disposal of assets	0.0	(0.5)	(48.3)	9,560.0	nm	0.0	(50.5)	nm
Other one-time items	(18.8)	(13.8)	(0.8)	(94.2)	(95.7)	(88.9)	(6.1)	(93.1)

Sources: BCPG; FSSIA estimates

PTT OIL AND RETAIL BUSINESS (OR TB) - Pandemic poison to end soon; Maintain BUY TP THB36.00

Subsidies and lower sales volumes eroded 3Q21 net profit

3Q21 net profit amounted to THB1.9b, down 41% q-q and 45% y-y, missing BBG's consensus estimate by 11% and our forecast by 9%. Excluding a pre-tax inventory gain of THB1.0b and other non-recurring items, 3Q21 core net profit was THB0.9b, down 23% q-q and 73% y-y due to the weaker net profit from its oil and non-oil units on the Covid-19 impact, the subsidies to its franchisees in the range of THB0.4b (lower franchise, rental and royalty fees), and higher advertising expenses.

Oil unit suffered from the lockdowns

OR's 3Q21 EBITDA was THB4.1b, with THB3b coming from the oil unit, boosted by an inventory gain to offset the weaker marketing margin (MM) at THB1.09/litre, down from THB1.23/litre in 2Q21 and THB1.21/litre in 3Q20. Excluding the inventory gain, the MM was THB0.8/litre in 3Q21, down 20% q-q. The oil unit's sales volume dipped to THB5.5b in 3Q21 (-6% q-q, +2% y-y) due to the Covid lockdown. The retail sales volume dipped 8% q-q vs 4% q-q for the commercial unit, despite adding 17 new stations to 2,027 stations in 3Q21. The oil EBITDA margin lowered to 2.8% in 3Q21 (vs 3.8% in 2Q21 and 4.5% in 3Q20) due to the weak MM. The oil sales volume per station dipped to 1.2m litres in 3Q21 due to the lower retail sales volume caused by the lockdown.

Subsidies and Covid-19 hurt non-oil EBITDA

3Q21 non-oil EBITDA plunged to THB820m (-26% q-q, -34% y-y) due to the lower EBITDA from Café Amazon which saw a lower number of cups sold at 68m (-3% q-q, -6% y-y) due to Covid-19 and subsidies. The EBITDA margin for non-oil weakened to 21.8% in 3Q21, down from 27.3% in 2Q21 and 27.8% in 3Q20, due to lower sales of high-margin coffee and subsidies to its franchisees. In 3Q21, OR reached 3,512 Café Amazon outlets (+60 q-q), 87 Texas Chicken outlets (+6 q-q), and 2,041 convenience stores (+23 q-q) to help offset the impact of Covid-19.

Look beyond weak 4Q21E into a resiliently stronger 2022

We maintain BUY and our TP of THB36. We think OR remains an attractive investment as a leading company in F&B, CVS, retail oil stations, and jet fuel. We believe that a rising vaccination rate and the economic reopening, both domestically and globally, in Nov-21 would gradually boost the demand for OR's oil and non-oil products, particularly for coffee, diesel, gasoline, and jet, starting in 1Q22 onward.

Exhibit 19: Summary of 3Q21/9M21 operations

	3Q20	2Q21	----- 3Q21 -----		9M20	9M21	Chg.	2021E	
	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)	(THB m)
Revenue	104,854	118,708	116,791	(1.6)	11.4	319,308	353,960	10.9	586,684
Operating costs	(99,072)	(113,251)	(112,740)	(0.5)	13.8	(305,495)	(338,042)	10.7	(573,750)
EBITDA	5,782	5,457	4,051	(25.8)	(29.9)	13,813	15,918	15.2	12,934
<i>EBITDA margin (%)</i>	5.5	4.6	3.5	<i>nm</i>	<i>nm</i>	4.3	4.5	<i>nm</i>	2.2
Deprn & amort.	(1,320)	(1,499)	(1,526)	1.8	15.6	(3,759)	(4,446)	18.3	(6,030)
EBIT	4,462	3,958	2,525	(36.2)	(43.4)	10,054	11,472	14.1	6,904
Interest expense	(347)	(325)	(283)	(13.1)	(18.5)	(1,104)	(943)	(14.6)	(774)
Interest & invt inc	962	802	803	0.2	(16.6)	3,100	2,447	(21.1)	4,247
Associates' contrib	125	81	26	(68.2)	(79.3)	411	233	(43.4)	750
Exceptional	(949)	(481)	(610)	<i>nm</i>	<i>nm</i>	(5,334)	(1,765)	<i>nm</i>	0
Pretax profit	4,253	4,034	2,461	(39.0)	(42.1)	7,127	11,444	60.6	11,127
Tax	(803)	(812)	(566)	(30.3)	(29.5)	(1,258)	(2,325)	84.8	(1,762)
<i>Tax rate (%)</i>	18.9	20.1	23.0	14.4	21.8	17.7	20.3	15.1	15.8
Minority interests	0	3	(2)	<i>nm</i>	<i>nm</i>	0	3	<i>nm</i>	0
Net profit	3,450	3,225	1,892	(41.3)	(45.1)	5,868	9,121	55.4	9,365
Non-recurring	(20)	(2,020)	(964)	(52.3)	4,712.0	998	(5,668)	<i>nm</i>	0
Core net profit	3,430	1,205	928	(23.0)	(72.9)	6,866	3,453	(49.7)	9,365
EPS (THB)	0.29	0.27	0.16	(41.3)	(45.1)	0.49	0.76	55.4	0.78
Core EPS (THB)	0.29	0.10	0.08	(23.0)	(72.9)	0.57	0.29	(49.7)	0.78

Sources: OR; FSSIA estimates

Exhibit 20: 3Q21/9M21 key performance

	3Q20	2Q21	3Q21	(q-q %)	(y-y %)	9M20	9M21	(y-y %)
Total sales and service (THB m)	104,854	118,708	116,792	(2)	11	319,308	353,960	11
Oil	96,583	109,732	108,668	(1)	13	295,378	328,348	11
Non-oil	4,443	4,060	3,761	(7)	(15)	12,249	11,907	(3)
International	5,211	6,669	6,613	(1)	27	16,385	19,738	20
Other	385	108	239	121	(38)	819	738	(10)
EBITDA (THB m)	5,782	5,457	4,051	(26)	(30)	12,523	15,917	27
Oil	4,312	4,202	3,003	(29)	(30)	8,636	12,326	43
Non-oil	1,237	1,109	820	(26)	(34)	3,139	2,993	(5)
International	240	183	199	9	(17)	730	589	(19)
Other	15	(38)	28	(174)	87	23	14	(39)
Share of profit/loss from investments (THB m)	97	126	81	(36)	(16)	287	207	(28)
Gain/loss on derivatives (THB m)	(285)	(19)	(51)	168	(82)	(1,178)	(70)	(94)
Gain/loss on exchange rate (THB m)	(23)	191	203	6	(983)	676	394	(42)
Oil								
Number of stations (stations)								
PTT in Thailand	1,943	2,010	2,027	1	4	1,943	2,027	4
LPG station	237	221	214	(3)	(10)	237	214	(10)
Volume sold (m bbl)	5,433	5,910	5,542	(6)	2	12,056	11,452	(5)
Retail	2,924	3,121	2,870	(8)	(2)	5,917	5,991	1
Commercial	2,509	2,789	2,672	(4)	6	6,139	5,461	(11)
Sales volume per station (m litre/station)	1.7	1.4	1.2	(13)	(25)	4.7	4.2	(10)
Gross profit (THB/litre)	1.21	1.23	1.09	(11)	(10)	0.94	1.21	29
Oil EBITDA margin* (%)	4.5	3.8	2.8	(1.0)	(1.7)	2.9	3.8	0.9
Non-oil								
Number of outlets (outlets)								
Café Amazon (Thailand, Myanmar, Japan, Oman, Malaysia)	3,188	3,452	3,512	2	10	3,188	3,512	10
Texas Chicken	73	81	87	7	19	73	87	19
Convenience store (Jiffy and 7-Eleven in Thailand)	1,960	2,018	2,041	1	4	1,960	2,041	4
Café Amazon total cups sold (Thailand, Myanmar, Japan, Oman, Malaysia) (m cups)	72	70	68	(3)	(6)	200	211	6
Cups sold per outlet (cups/outlet)	22,585	20,278	19,362	(5)	(14)	62,735	60,080	(4)
Sales and service (THB m)	4,443	4,060	3,761	(7)	(15)	12,249	11,907	(3)
Food & Beverage	2,802	2,611	2,467	(6)	(12)	7,397	7,784	5
Other non-oil	1,641	1,449	1,294	(11)	(21)	4,852	4,123	(15)
Non-oil EBITDA margin* (%)	27.8	27.3	21.8	(5.5)	(6.0)	25.6	25.1	(0.5)

*Note: Change in margin % is represented in ppt change

Source: OR

IRPC PCL (IRPC TB) - An in-line 3Q21 on weaker GIM; Maintain BUY TP THB5.80

A decent 3Q21 net profit

IRPC posted a 3Q21 net profit (NP) of THB2.15b, down 53% q-q but up 39% y-y, missing our estimate by 3% but beating BBG consensus by 26%, due to a larger-than-expected net inventory gain of THB2.7b. Excluding an after-tax non-recurring gain of THB1.3b, IRPC's 3Q21 core NP was THB1.1b due to the lower margins for its refinery, lube, olefins, aromatics, and utilities units. IRPC's one-time pre-tax gain of THB1.3b comprised a THB2.6b inventory gain, a THB333m oil hedging loss, a THB225m derivative loss, an unrealised hedging loss of THB685m, a THB262m FX loss, and a THB161m investment gain. The refinery utilisation rate was at 89% in 3Q21, down from 90% in 2Q21, as IRPC had optimised its profitability.

Weaker GIM on lower product margins across the board

The market gross integrated margin (GIM) dipped to USD12.4/bbl in 3Q21, down 22% q-q but up 42% y-y. Key drivers were 1) a lower market gross refining margin (GRM) of USD2.0/bbl, down 34% q-q due to weaker product margins and higher crude premiums; 2) a weak lube margin at USD3.2/bbl (-28% q-q) due to the rising new supply; and 3) a softer q-q petrochemical group margin. The olefins GIM dropped to USD3.0/bbl in 3Q21 (-3.5% y-y, -21% q-q) due to the lower polyethylene-naphtha and polypropylene-naphtha margins, while the aromatics GIM was at USD3.3/bbl, down 4% q-q due to the weaker styrene-naphtha (-23% q-q), ABS-naphtha (-13% q-q), and polystyrene (-23% q-q) margins.

A solid 4Q21 is coming

We project strong NPs in 4Q21-2022, driven by 1) higher earnings from olefins and aromatics, supported by sustained high margins of ABS and PS-naphtha due to a continued tight supply and rising automotive parts and packaging demand; 2) a GRM recovery to USD3-4/bbl in 4Q21, driven by higher utilisation rates and rising product margins; and 3) a lower cost by USD0.5/bbl to USD11.5-12/bbl on the New Organisation with Agile Human (NOAH) impact and a lower fixed cost per unit.

Time to reload

We maintain BUY and our TP of THB5.8. We expect IRPC to be one of the most attractive cyclical plays in the Thai petrochemical sector, based on the strong earnings we project on a higher GIM on the back of a higher GRM, ABS-naphtha and lube margins, and a rising utilisation rate.

Exhibit 21: Summary of 3Q21/9M21 operations

	3Q20	2Q21	3Q21		9M20	9M21	Chg.	2021E	
	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)	(THB m)
Revenue	43,330	62,003	67,017	8.1	54.7	127,770	182,670	43.0	288,132
Operating costs	(37,487)	(53,108)	(60,827)	14.5	62.3	(126,858)	(158,802)	25.2	(249,557)
EBITDA	5,843	8,895	6,190	(30.4)	5.9	912	23,868	2,517.1	29,354
<i>EBITDA margin (%)</i>	13.5	14.3	9.2	nm	nm	0.7	13.1	nm	10.2
Depreciation & amor	(2,260)	(2,209)	(2,130)	(3.6)	(5.7)	(6,711)	(6,519)	(2.9)	(8,847)
EBIT	3,583	6,686	4,060	(39.3)	13.3	(5,799)	17,349	nm	20,507
Interest expense	(455)	(441)	(431)	(2.3)	(5.3)	(1,402)	(1,317)	(6.1)	(2,054)
Interest & invt inc	206	535	473	(11.6)	129.4	741	1,713	nm	0
Associates' contr	90	186	157	(15.5)	74.1	206	499	141.9	333
Exceptional	(1,500)	(1,781)	(1,638)	(8.0)	9.2	(3,411)	(3,875)	nm	0
Pretax profit	1,924	5,184	2,621	(49.4)	36.2	(9,665)	14,369	nm	19,838
Tax	(365)	(600)	(460)	(23.4)	25.8	1,919	(2,032)	nm	(3,781)
<i>Tax rate (%)</i>	19.0	11.6	17.5	nm	nm	19.9	14.1	nm	19.1
Minority interests	(3)	(10)	(6)	(38.6)	100.2	(14)	(26)	93.7	(22)
Net profit	1,556	4,574	2,155	(52.9)	38.5	(7,760)	12,310	nm	16,036
Non-recurring	1,215	(1,800)	1,317	nm	8.4	2,728	(95)	nm	
Core profit	2,771	2,774	1,069	(61.5)	(61.4)	(5,032)	9,813	nm	16,036
EPS (THB)	0.08	0.22	0.11	(52.9)	38.5	(0.38)	0.60	nm	0.78
Core EPS (THB)	0.14	0.14	0.05	(61.5)	(61.4)	(0.25)	0.48	nm	0.78

Sources: IRPC; FSSIA estimates

Exhibit 22: 3Q21/9M21 quarterly performance

	3Q20	2Q21	3Q21	Change		9M20	9M21	Change
	(%)	(%)	(%)	(q-q %)	(y-y %)	(%)	(%)	(y-y %)
Utilisation rate*								
Refinery	91	90	89	(1.0)	(2.0)	89	89	0.0
RDCC	97	119	111	(8.0)	14.0	90	114	24.0
Lube-based oil	84	90	95	5.0	11.0	83	89	6.0
Olefins	88	95	98	3.0	10.0	91	94	3.0
Aromatics and Styrenics	100	93	105	12.0	5.0	96	100	4.0
Electricity	70	76	75	(1.0)	5.0	70	75	5.0
Steam	61	64	61	(3.0)	0.0	64	62	(2.0)
	(USD/bbl)	(USD/bbl)	(USD/bbl)	(q-q %)	(y-y %)	(USD/bbl)	(USD/bbl)	(y-y %)
Market GIM	8.7	15.8	12.4	(21.5)	41.9	8.0	14.0	74.4
Refinery	1.1	2.7	2.0	(34.1)	57.5	0.5	2.4	338.9
Lube-based oil	1.8	4.5	3.2	(28.4)	77.9	1.6	3.4	114.4
Olefins	3.1	3.8	3.0	(21.3)	(3.5)	3.3	3.5	6.6
Aromatics and Styrenics	1.5	3.4	3.3	(3.8)	125.5	1.3	3.3	156.9
Utilities	1.3	1.4	1.1	(18.6)	(8.8)	1.3	1.2	(2.4)
Stock Gain/(Loss) & LCM	4.9	6.0	4.6	(24.0)	(6.2)	(3.0)	6.7	nm
Hedging	1.8	0.3	(0.6)	nm	nm	1.2	(0.1)	nm
Accounting GIM	15.4	22.1	16.4	(25.8)	6.4	6.2	20.5	230.2

*Note: Change in margin % is represented in ppt change

Sources: IRPC; FSSIA estimates

Exhibit 23: 3Q21/9M21 quarterly information

Quarterly information	3Q20	2Q21	3Q21	Chg. (q-q %)	Chg. (y-y %)	9M20	9M21	Chg. (y-y %)
Crude intake (m bbl)	17.95	17.65	17.58	(0.4)	(2.1)	52.24	51.96	(0.5)
Sales volume (THB m)	43,330	62,003	67,017	8.1	54.7	127,770	182,670	43.0
Net sales (THB m)	37,671	56,858	62,088	9.2	64.8	111,658	167,334	49.9
Market GIM (THB m)	4,937	8,727	7,216	(17.3)	46.2	13,270	22,908	72.6
Market GIM (USD/bbl)	8.74	15.68	12.40	(20.9)	41.9	8.03	13.92	73.3
Accounting GIM (THB m)	8,707	12,234	9,544	(22.0)	9.6	10,318	33,745	227.0
Accounting GIM (USD/bbl)	15.41	21.98	16.40	(25.4)	6.4	6.25	20.51	228.2
EBITDA (THB m)	5,843	8,895	6,190	(30.4)	5.9	911	23,868	2,520.0
Net profit (THB m)	1,556	4,574	2,155	(52.9)	38.5	(7,760)	12,310	nm

Sources: IRPC; FSSIA estimates

SRI TRANG GLOVES (THAILAND) (STGT TB) - Will the ASP bottom out in 4Q21; Maintain REDUCE TP THB26.00

Too early to be positive on ASP

While we have a more positive view on STGT's earnings outlook in 2022-23 following its post-3Q21 results conference call, we maintain our REDUCE call as we think its net profit growth momentum remains in a downtrend. Furthermore, the visibility of its average selling price (ASP) for gloves remains unclear due to the vague demand-supply balance.

Will a 25% q-q ASP drop in 4Q21 be the bottom?

Management believes its ASP will hit the bottom at USD35/1,000 pieces (ptp) in 4Q21, down 25% q-q vs the 36% q-q drop in 3Q21, based on 1) the high costs of natural rubber and nitrile; 2) more benign pricing competition in 2022, as some new suppliers in China have already incurred losses in 3Q21 to gain market share; 3) the USD35/ptp projected ASP is not far above the pre-Covid USD19/ptp ASP; 4) demand growth of 10-15% y-y post-Covid in 2022 onward should outpace supply growth of 10-13% y-y after significant 2021E supply growth of 40% y-y; and 5) the price of PVC gloves, the lowest quality type of glove, has already increased from the bottom price of USD13/ptp in 3Q21 due to the high oil price. In addition, management projects the price gap between nitrile and natural rubber gloves to narrow from over USD60/ptp in 1Q21 down to close to parity by end-2023, similar to the pre-Covid gap of USD1-3/ptp.

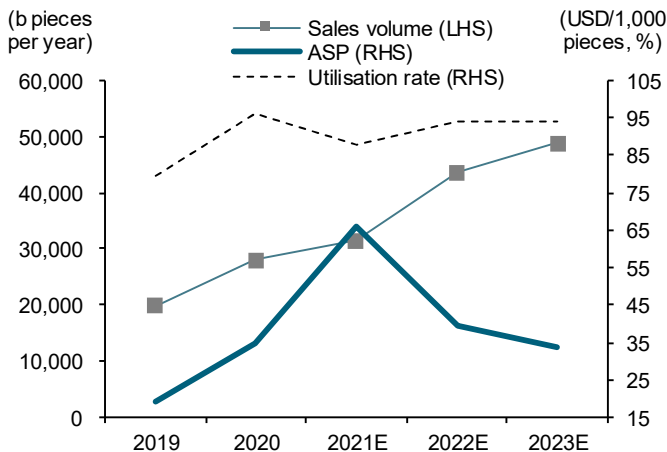
Higher sales volumes to partly offset weaker ASP

Management expects the sales volume to rise to 7.5b pieces in 4Q21, up from 7.1b in 3Q21. It still plans to reach 50b pieces in 2022 and 82b pieces in 2024. While STGT maintains its 50% nitrile glove capacity target for 2028, up from 38% in 2021, management is confident that it could switch to produce natural rubber powder-free gloves if the nitrile glove margin shrinks faster than expected. Container shortages and high freight costs are likely to continue in 4Q21 but should subside in 2022.

Not yet a good entry point ahead of weak 4Q21 outlook

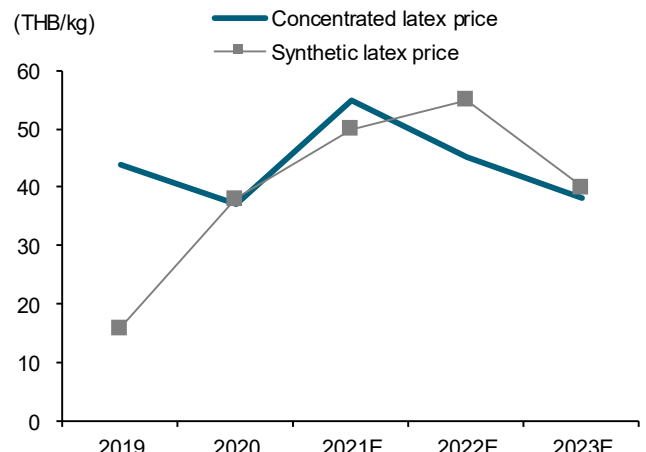
We maintain Reduce and believe the downside for its share price remains at THB27-28 due to the sharp drop in ASP and potential EPS downgrades in 2022-23. STGT will retain its minimum 50% payout in 2022 onward after paying a 45% payout in 1H21 and an 81% payout in 3Q21. We believe STGT's net profit growth momentum remains highly challenging in 4Q21-1H22 but should gradually improve in 2H22 when we expect the demand-supply balance to return to normal.

Exhibit 24: Sales volume and ASP assumptions



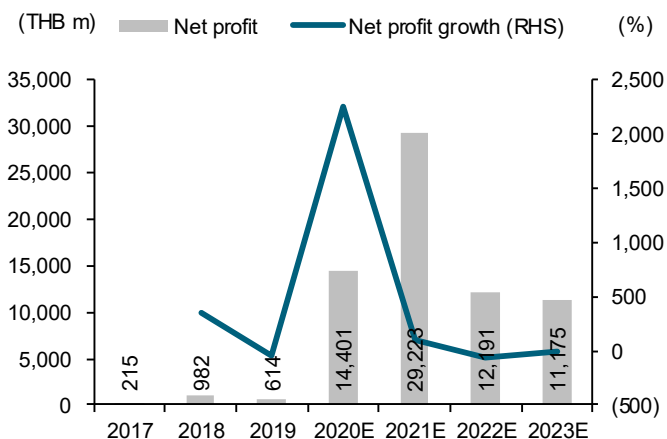
Sources: STGT; FSSIA estimates

Exhibit 25: Raw material price assumptions for concentrated latex and synthetic latex



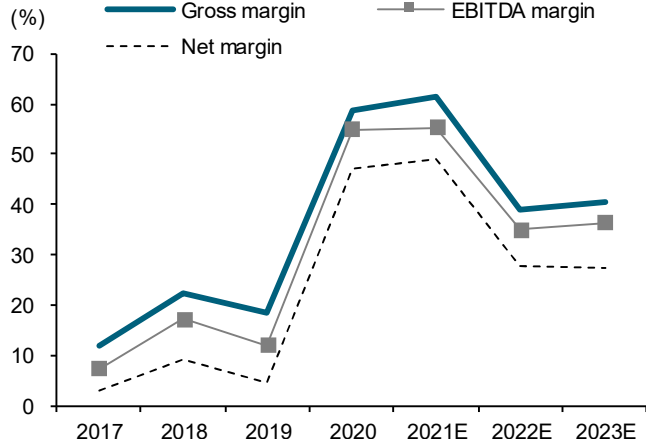
Sources: STGT; FSSIA estimates

Exhibit 26: Net profit vs net profit growth



Sources: STGT; FSSIA estimates

Exhibit 27: Gross margin vs EBITDA margin vs net margin



Sources: STGT; FSSIA estimates

TPC POWER HOLDING (TPCH TB) - Tripping over four new plants; Maintain BUY TP THB14.00

Weak 3Q21 net profit due to losses from new power plants

TPCH's 3Q21 net profit (NP) was THB51.8m, down 15% y-y but up 7% q-q. The key culprit was the lower-than-expected profit contributed due to the planned shutdowns of the 8MW Maewong Energy (MWE) plant and Pattani Green Power (PTG) and the expiration of the Chang Rak (CRB) plant's THB0.3/kWh feed-in-tariff (FIT) premium in Mar-21. This was offset by a higher production level from Pattalung Green Power (PGP) and Satun Green Power (SGP). TPCH incurred net losses from TPCH1, TPCH2, and TPCH5 – all being ramped up after their start-ups in Jan-21, though they have faced malfunctioning machine shutdowns.

Higher revenue and EBITDA from new power plants

3Q21 revenue was strong at THB660.5m (+40% y-y, +3% q-q) on the start-ups of four power plants (PTG, TPCH1, TPCH2, TPCH5), but was offset by higher costs from the shutdown-related expenses for MWE and PTG and higher fuel costs and net losses from the four new plants. The EBITDA margin rose to 35.1% in 3Q21 from 32.3% in 2Q21 and 40.1% in 3Q20. 3Q21 EBITDA rose to THB231.9m (+22% y-y, +12% q-q), driven by the revenue from its new power plants. 3Q21 interest expenses rose to THB37.7m (+48 y-y, +1.5% q-q) due to the higher debt to fund TPCH1, TPCH2, and TPCH5.

Improvement is on the horizon

We expect TPCH to have stronger earnings in 4Q21-2022, backed by higher utilisation rates for its four new biomass power plant projects – TPCH1, TPCH2, TPCH5, and PTG – which should gradually ramp up after a period of operational fine-tuning. In addition, we project stronger earnings momentum from its waste-to-energy plant, SP1, in Nonthaburi (50% of 10MW).

Still a good renewable play in Thailand

We believe TPCH remains one of Thailand's attractive plays in biomass power plants, with the expected improvement of its four new power plants as a key earnings growth driver in 4Q21 into 2022. TPCH has already pursued a strategy to reduce its biomass feedstock costs and is improving the operational efficiency of the four power plants currently running at subpar utilisation rates. In addition, TPCH, via a partnership with Siam Power (not listed), is now developing four new WTE projects (SP2-5).

Exhibit 28: Summary of 3Q21/9M21 operations

	3Q20	2Q21	3Q21			9M20	9M21	Chg.	2021E
	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)	(THB m)
Revenue	473.0	642.8	660.5	2.8	39.7	1,305.4	1,869.5	43.2	2,739.9
Operating costs	(283.2)	(435.2)	(428.6)	(1.5)	51.3	(728.3)	(1,233.0)	69.3	(1,973.2)
EBITDA	189.7	207.6	231.9	11.7	22.2	577.1	636.5	10.3	766.7
<i>EBITDA margin (%)</i>	<i>40.1</i>	<i>32.3</i>	<i>35.1</i>	<i>nm</i>	<i>nm</i>	<i>44.2</i>	<i>34.0</i>	<i>nm</i>	<i>28.0</i>
Depn & amort.	(64.3)	(84.1)	(95.4)	13.3	48.3	(151.3)	(262.3)	73.4	(324.6)
EBIT	125.4	123.5	136.5	10.6	8.9	425.8	374.2	(12.1)	442.1
Interest expense	(25.5)	(37.1)	(37.7)	1.5	48.0	(60.5)	(108.1)	78.8	(107.8)
Interest & invt inc	2.3	1.0	0.4	(59.3)	(81.4)	2.3	2.4	nm	-
Other income	0.6	1.1	0.5	(54.4)	(13.0)	8.9	1.7	(81.1)	1.6
Associates' contrib	3.3	2.3	0.7	(68.9)	(78.5)	9.1	6.8	nm	56.2
Exceptionals	-	-	-	nm	nm	-	-	nm	-
Pretax profit	106.1	90.8	100.5	10.7	(5.3)	385.6	277.0	(28.2)	392.1
Tax	-	(3.6)	(3.5)	(1.0)	nm	-	(7.7)	nm	(4.0)
<i>Tax rate (%)</i>	<i>-</i>	<i>3.9</i>	<i>3.5</i>	<i>nm</i>	<i>nm</i>	<i>-</i>	<i>2.8</i>	<i>nm</i>	<i>1.0</i>
Minority interests	(45.0)	(38.8)	(45.2)	16.4	0.4	(145.8)	(121.7)	(16.5)	(162.8)
Net profit	61.1	48.4	51.8	6.9	(15.3)	239.8	147.6	(38.4)	225.4
Core net profit	61.1	48.4	51.8	6.9	(15.3)	233.3	147.6	(36.7)	225.4
EPS (THB)	0.15	0.12	0.13	6.9	(15.3)	0.60	0.37	(38.4)	0.56
Core EPS (THB)	0.15	0.12	0.13	6.9	(15.3)	0.58	0.37	(36.7)	0.56

Sources: TPCH; FSSIA estimates

PTT GLOBAL CHEMICAL (PTTGC TB) - Stumbling on hedging loss; Maintain BUY TP THB75.00

Weaker olefins margins offset by stronger PC margins

PTTGC's 3Q21 net profit (NP) was THB7b, down 72% q-q but up 7.7x y-y. Core NP was THB8.7b, down 17% q-q but up 12x y-y, missing BBG consensus by 18% and our estimate by 5% due to the absence of the divestment gain of THB11.9b for a 12.73% stake in Global Power Synergy (GPSC TB, BUY, TP THB100) in 2Q21. Key drags were weaker olefins product margins that were offset by the strong margins of products in the performance material and chemical group (PC; phenol, propylene oxide, and polyols), aromatics spreads, and the rising gross refining margin (GRM). The overall EBITDA margin in 3Q21 was at 13.5% (vs 14.9% in 2Q21 and 8.7% in 3Q20). Non-operating items included a stock gain of THB1.2b, a hedging loss of THB1.7b, and an FX loss of THB1.2b.

Hedging loss eroded refinery earnings

The refinery unit had a 3Q21 net loss of THB1.8b, and its EBITDA margin plunged to -7% from -1% in 2Q21 due to a large hedging loss of USD7.6/bbl that outweighed the refinery market GRM of USD3.2/bbl (+162% y-y, +58% q-q) and a stock gain of USD1.29/bbl. The refinery utilisation rate dipped to 77% in 3Q21 vs 101% in 2Q21. For aromatics, 3Q21 NP was THB3.5b, driven by a large hedging gain of USD76.9/t vs the P2F at USD188/t (+141% y-y, +4% q-q), a higher PX-condensate margin of USD303/t (+60% y-y, +6% q-q), but a lower benzene-condensate margin of USD377/t (+4.3x y-y, -4% q-q). The aromatics utilisation rate stayed high at 100% as there were no planned shutdowns.

Weak olefins earnings on lower margins

3Q21 olefins NP was at THB4.5b, down 11% q-q, dragged down by q-q lower product margins over naphtha across all products, including high density polyethylene (HDPE) (-21% q-q), linear low density polyethylene (LLDPE) (-12% q-q), low density polyethylene (LDPE) (-23% q-q), polypropylene (PP) (-21% q-q), and monoethylene glycol (MEG)-0.65 ethylene (-12% q-q). The olefins utilisation rate dipped to 91% in 3Q21, with polymers' at 104%. 3Q21 NP for PC boosted the share of profits to THB1,295m (+46% y-y, -44% q-q).

Refinery turnaround is key for a strong 4Q21-2022 outlook

We maintain our TP of THB75, based on 11.1x 2021E EV/EBITDA, above its 8-year average of 7.9x, to reflect the strong PC margins and improving earnings from olefins.

Exhibit 29: Summary of 3Q21/9M21 operations

	3Q20	2Q21	3Q21		9M20	9M21	Chg.	2021E	
	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)	(THB m)
Revenue	77,148	112,627	113,189	0.5	46.7	240,930	328,492	36.3	375,922
Operating costs	(70,402)	(95,817)	(97,938)	2.2	39.1	(231,179)	(280,027)	21.1	(308,455)
EBITDA	6,746	16,810	15,251	(9.3)	126.1	9,751	48,465	397.0	50,349
<i>EBITDA margin (%)</i>	8.7	14.9	13.5	<i>nm</i>	<i>nm</i>	4.0	14.8	<i>nm</i>	13.4
Depn & amort.	(5,079)	(5,589)	(5,837)	4.4	14.9	(15,011)	(16,884)	12.5	(28,923)
EBIT	1,274	11,801	10,770	<i>nm</i>	745.7	(7,644)	33,372	<i>nm</i>	21,426
Interest expense	(909)	(1,530)	(1,704)	11.4	87.4	(2,574)	(4,417)	71.6	(5,952)
Interest & invt inc	223	22,762	569	(97.5)	155.4	1,344	23,739	1,666.6	1,571
Associates' contrib	884	2,324	1,154	(50.4)	30.5	2,251	5,370	138.6	7,596
Exceptionals	(254)	(4,590)	(2,823)	(38.5)	<i>nm</i>	(100)	(8,784)	<i>nm</i>	12,000
Pretax profit	1,217	30,767	7,965	(74.1)	554.5	(6,723)	49,280	<i>nm</i>	39,056
Tax	(235)	(5,591)	(727)	(87.0)	209.3	655	(7,038)	<i>nm</i>	(3,839)
<i>Tax rate (%)</i>	19.3	18.2	9.1	(49.8)	(52.7)	9.7	14.3	46.6	9.8
Minority interests	(74)	(141)	(233)	65.5	216.8	(137)	(507)	<i>nm</i>	(371)
Net profit	908	25,035	7,005	(72.0)	671.2	(6,205)	41,735	<i>nm</i>	34,846
Non-recurring items	238	14,576	(1,652)	(111.3)	(792.9)	(9,412)	13,850	<i>nm</i>	2,415
Core net profit	670	10,459	8,657	(17.2)	1,192.1	3,207	27,885	769.5	32,431
EPS (THB)	0.20	5.55	1.55	(72.0)	671.2	(1.38)	9.26	<i>nm</i>	7.73
Core EPS (THB)	0.15	2.32	1.92	(17.2)	1,192.1	0.71	6.18	769.5	7.19

Sources: PTTGC; FSSIA estimates

Exhibit 30: 3Q21/9M21 key quarterly indicators

	3Q20	2Q21	3Q21	----- Change -----		9M20	9M21	Change
				(q-q)	(y-y)			(y-y)
Utilisation rate (%)*								
Olefins	103	93	91	(2.0)	(12.0)	95	96	1.0
MEG	95	104	110	6.0	15.0	96	106	10.0
Refinery	94	101	77	(24.0)	(17.0)	100	93	(7.0)
Aromatics	90	102	100	(2.0)	10.0	95	100	5.0
Margins	3Q20	2Q21	3Q21	(q-q%)	(y-y%)	9M20	9M21	(y-y%)
Refinery (USD/bbl)								
Market GRM	1.22	2.03	3.20	57.6	162.3	2.38	2.76	16.0
Hedging gain (loss)	0.17	(1.57)	(7.55)	380.9	(4,541.2)	0.59	(2.88)	(588.1)
Stock gain (loss)	0.05	1.42	1.29	(9.2)	2,480.0	(4.64)	1.74	(137.5)
Accounting GRM	1.44	1.88	(3.06)	(262.8)	(312.5)	(1.67)	1.63	(197.6)
Aromatics (USD/t)								
Aromatics P2F	78.0	181.0	188.0	3.9	141.0	140.0	172.0	22.9
Hedging gain (loss)	5.9	(13.2)	76.9	(682.6)	1,203.4	2.9	20.8	617.2
Stock gain (loss)	23.4	37.6	30.0	(20.2)	28.2	(45.3)	42.5	(193.8)
Accounting P2F	107.0	205.0	295.0	43.9	175.7	98.0	235.0	139.8
Olefins (USD/t)								
HDPE price	919	1,191	1,138	(4.5)	23.8	839	1,158	38.0
Naphtha	397	606	676	11.6	70.3	370	613	65.7
HDPE-naphtha	522	585	462	(21.0)	(11.5)	469	545	16.2
Net profit breakdown by product group (THB m)	3Q20	2Q21	3Q21	(q-q %)	(y-y %)	9M20	9M21	(y-y%)
Olefins & derivatives	1,798	5,033	4,460	(11.4)	148.1	1,655	14,386	769.2
Refinery	(775)	(276)	(1,837)	565.6	137.0	(6,521)	(865)	(86.7)
Aromatics	(591)	1,482	3,513	137.0	(694.4)	(1,640)	6,061	(469.6)
EO/EG, JV	506	1,574	(2,962)	(288.2)	(685.4)	(458)	(2,214)	383.4
Green chemical	48	(2,971)	172	(105.8)	258.3	(80)	(2,668)	3,235.0
High volume specialties	487	3,454	3,671	6.3	653.8	771	9,827	1,174.6
Services & others	(565)	16,739	(12)	(100.1)	(97.9)	98	17,208	17,459.2
Total net profit	908	25,035	7,005	(72.0)	671.5	(6,175)	41,735	(775.9)
EBITDA margin (%)*	3Q20	2Q21	3Q21	(q-q)	(y-y)	9M20	9M21	(y-y)
Overall	9	15	14	(1.0)	5.0	4	15	11.0
Overall excluding stock gain/loss	8	14	13	(1.0)	5.0	8	13	5.0
Olefins & derivatives	19	26	18	(8.0)	(1.0)	13	23	10.0
Refinery	-	(1)	(7)	(6.0)	(7.0)	3	-2	(5.0)
Aromatics	1	12	24	12.0	23.0	10	15	5.0
Green	7	5	10	5.0	3.0	4	8	4.0
HVS	16	30	30	-	14.0	14	29	15.0

*Note: Change in % is represented in ppt change

Sources: PTTGC; FSSIA estimates

Thailand Utilities - Cost headwinds overshadowed by growth tailwinds

Higher-than-expected gas price in 4Q21 may lead to share price plunge for SPPs

We believe the share price weakness of Thai power sector companies, particularly small power producer (SPP)-driven companies like BGRIM, GULF, and GPSC, has been caused by investors' grave concerns over the potential earnings downsides in 3Q21 and 4Q21 as a result of the high gas cost that we expect to rise by USD2/mmbtu q-q in 4Q21, or +25% q-q. The high gas price could be driven by the higher price of imported LNG (21% of total gas supply in 3Q21) and the gas price adjustment of Bongkot and Arthit (1/3 of total gas supply) to reflect the higher fuel oil price in the past 6 months.

Gas cost downsides to earnings should be short-lived in 2H21

We estimate that the 25% higher gas price – the electricity tariff could be stagnant as a result of the government's subsidies – could lead to earnings downsides of 10% for BGRIM, 8% for GPSC, 3% for GULF, and 1-2% for RATCH and EGCO (independent power producer (IPPs)) in 4Q21. However, the high gas cost impact should significantly subside in 1Q22 onward as 1) BGRIM and GULF will start to import LNG at lower contract prices than USD1/mmbtu (all-inclusive cost); and 2) we project the gas price to be relatively flat y-y, as the LNG and fuel oil prices are likely to soften by 2Q22 after the peak winter season.

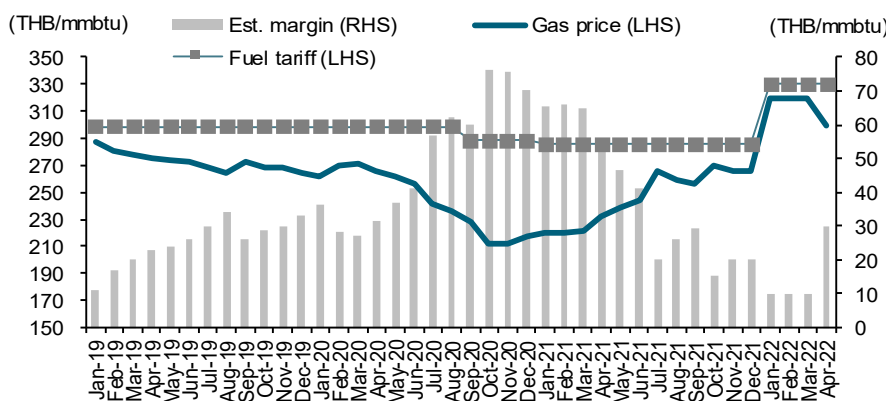
Securing electricity from three hydropower plants in Laos

On 8 November 2021, the Energy Regulatory Commission (ERC) approved electricity tariffs for three hydropower plants in Laos – NN3, Pak Beng, and Pak Lay (collectively 'NPP') – that will sell most of the electricity produced to Thailand under long-term power purchase agreements (PPAs) under a memorandum of understanding (MOU) between Thailand and Laos to purchase up to 10,500MW of power from Laos, up from 9,000MW previously. Given that all NPP projects have been developed and are owned by Chinese developers with strong business relationships with GULF, we believe NPP will be GULF's next key growth driver in 2028 onward. With a potential 30% stake in Pak Beng and Pak Lay and a potential 20% stake in NN3, we think that GULF could secure up to 1.1GW of capacity growth, representing 15% of its total equity capacity that we estimate at 7GW in 2025. We expect NPP to start selling electricity to Thailand under PPAs in 2026 (NN3), 2028 (Pak Beng), and 2032 (Pak Lay), based on the current Power Development Plan 2018 Revision 1 (PDRP1).

BGRIM and GULF: near-term losers but long-term winners

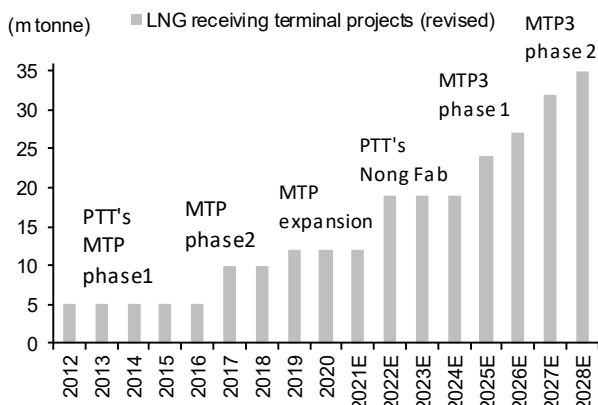
We think BGRIM will be the largest beneficiary among seven licenced firms from LNG imports under its 1.2mt quota in 2022, thanks to its eight SPPs starting up in 2022-23 and the currently high gas costs for its operating SPPs. Meanwhile, GULF might see its net profit growth more than double y-y in 2022, driven by capacity growth, a THB4b dividend from INTUCH, and the benefits from the lower gas cost on its LNG imports.

Exhibit 31: BGRIM's gas price, tariff, and estimated margin



Sources: BGRIM; PTT; FSSIA estimates

Exhibit 32: LNG terminals in Thailand



Source: PTT

Exhibit 33: Owners of LNG shipper import licences in Thailand

Company	Import quota	
	(mtpa)	(mmscfd)
1 PTT	n/a	n/a
2 EGAT	n/a	n/a
3 GULF	0.3	42
4 Hin Kong Power Holding	1.4	196
5 BGRIM	1.2	168
6 EGCO	0.2	35
7 PTT Global LNG	n/a	n/a
8 SCC	n/a	n/a
Total	3.1	441

Source: PTT

Results Comments

Jasmin International (JAS TB, HOLD, TP THB3.10) - 3Q21 results better than expected

(+) Jas reported 3Q21 core loss at THB203m VS THB852m loss in 2Q21, better than the market and our expectation. Its reported net loss was THB370m;

(+) The strong improvement on its bottom line came from lower discount factor related to JASIF based on TFRS16 accounting standard, lower SG&A expense, lower bad debt and a lower financial cost;

(+) The company ARPU improved slightly by 1.8% q-q to THB427

() In 3Q21, JAS attracted 40k net fixed broadband (FBB) additions, down 49.4% y-y and 50% q-q, due to a subscriber write-off from subscriber migration from one subsidiary (TTTI) to another (TTTB), which will thereafter improve its consolidated regulatory cost to the NBTC. JAS's FBB subscriber base totaled 3.61mn, up 5.2% YoY and 1.1%

Exhibit 34: 3Q21 results review

	3Q20	2Q21	3Q21	----- Change -----		9M20	9M21	Change	2021E
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)	(THB m)
Revenue	4,697	4,733	4,918	4	5	13,993	14,355	3	19,133
Operating costs	(3,344)	(3,639)	(3,383)	(7)	1	(9,838)	(9,943)	1	(13,300)
Gross profit	1,352	1,094	1,535	40	14	4,155	4,412	6	5,833
SG&A expenses	(1,383)	(1,200)	(1,110)	(8)	(20)	(4,116)	(3,653)	(11)	(5,369)
EBIT	(30)	(106)	425	<i>n.a.</i>	<i>n.a.</i>	39	759	<i>n.a.</i>	463
Depn & amort.	2,723	2,740	2,877	5	6	8,004	8,345	4	10,517
EBITDA	2,693	2,634	3,302	25	23	8,043	9,104	13	10,980
EBITDA margin (%)	57	56	67	21	17	57	63	<i>nm</i>	57
Interest expense	(1,032)	(987)	(974)	(1)	(6)	(3,143)	(2,952)	(6)	(4,060)
Other income	120	115	113	(2)	(6)	423	337	(20)	598
Associates	278	280	279	(1)	0	816	842	3	1,111
Extra items	(85)	(59)	(167)	185	95	(211)	(297)	41	0
Pretax profit	(750)	(756)	(324)	(57)	(57)	(2,075)	(1,312)	(37)	(1,888)
Tax	(38)	(135)	10	<i>n.a.</i>	<i>n.a.</i>	(112)	(154)	37	(113)
Tax rate (%)	5	18	(3)	(118)	(164)	5	12	<i>nm</i>	6
Minority interests	7	20	56	187	742	11	80	638	13
Net profit	(794)	(910)	(370)	(59)	(53)	(2,199)	(1,546)	(30)	(2,014)
Core net profit	(629)	(852)	(203)	(76)	(68)	(1,736)	(1,248)	(28)	(2,014)
EPS (THB)	(0.09)	(0.11)	(0.04)	(59)	(53)	(0.26)	(0.18)	(30)	(0.23)
Core EPS (THB)	(0.07)	(0.10)	(0.02)	(76)	(68)	(0.20)	(0.15)	(28)	(0.23)

Sources: JAS; FSSIA estimates

Don Muang Tollway (DMT TB, BUY, TP THB17) - Weak earnings due to the Covid impact

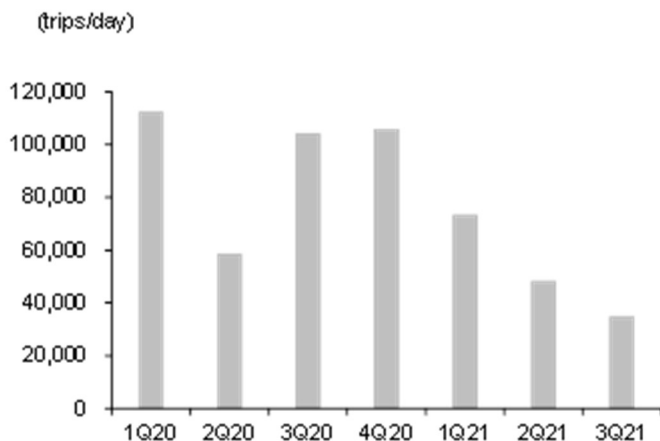
- In 3Q21, total daily DMT's ridership was at 34,869 trips (-67% y-y, -28% q-q), leading to a decrease in revenue by 67% y-y and 27% q-q to THB183m;
- Despite a huge decreased in its revenue due to Covid impact, DMT could reduce its cost significantly, making its EBTDA margin improved to 49% VS 47.7% in 2Q21 thanks to its cost optimization;
- The company 3Q21's earnings was at THB42m (-81% y-y, -33% q-q);
- In May 2021, the Company has paid short-term and long-term loans, at THB1.7b, using cash flows from its IPO, leading to a full quarter recognition of less financial expense;
- The company believes that the number of ridership will start to recover in Oct-21 thanks to the relaxation from Government.

Exhibit 35: 3Q21 results review

	3Q20	2Q21	3Q21	----- Change -----		9M20	9M21	chg.	2021E
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)	(THB m)
Revenue	562	251	183	(27)	(67)	1,476	818	(45)	1,290
Operating costs	(206)	(132)	(93)	(29)	(55)	(569)	(372)	(35)	(638)
Gross profit	356	120	90	(25)	(75)	907	446	(51)	652
SG&A expenses	(55)	(52)	(37)	(28)	(32)	(158)	(136)	(13)	(160)
EBIT	301	68	52	(23)	(83)	749	309	(59)	493
Deprn & amort.	92	52	37	(29)	(59)	243	156	(36)	257
EBITDA	393	120	90	(25)	(77)	992	465	(53)	750
<i>EBITDA margin (%)</i>	69.9	47.7	49.0	1.3	(20.9)	67.2	56.9	(10.32)	58.1
Interest expense	(25)	(7)	(2)	(69)	(92)	(83)	(23)	(73)	(30)
Other income	5	2	3	nm	(49)	14	8	(44)	19
Extra items	2	2	1	nm	nm	11	5	nm	13
Pretax profit	281	63	53	(16)	(81)	680	294	(57)	482
Tax	(56)	0	(10)	(2,256)	(82)	(136)	(46)	(66)	(96)
<i>Tax rate (%)</i>	(20.0)	0.8	(19.7)	(20.4)	0.4	(20.0)	(15.6)	4.42	(20)
Net profit	224	63	42	(33)	(81)	544	249	(54)	385
Core net profit	224	63	42	(33)	(81)	544	249	(54)	385
EPS (THB)	0.19	0.05	0.04	(33)	(81)	0.46	0.21	(54)	0.33
Core EPS (THB)	0.19	0.05	0.04	(33)	(81)	0.46	0.21	(54)	0.33

Sources: DMT; FSSIA estimates

Exhibit 36: DMT's quarterly traffic



Source: DMT

Srinanaporn Marketing (SNNP TB, BUY, TP THB15) - Weak 3Q21 results but slightly above our estimate

SNNP posted net profit of THB62m in 3Q21 (-20% q-q, +21% y-y), beat our estimate 6.2% due to higher-than-expected domestic sales and GPM. 9M21 earnings accounts for 75% of our full year forecast at THB421m.

Domestic sales dropped 7% q-q and 2% y-y to THB792m on the low rainy season and a lower utilisation rate from its Samutsakhon plant due to the bubble and seal policy during the surging Covid cases in Aug-21. The slightly drop y-y was mainly from increasing efficiency of its traditional trade channel. Oversea sales plunged 15% q-q to THB186m due to lockdown measure in Vietnam (8% of total sales) and Cambodia (6%).

GPM was at 25.1% (vs 25.6% in 2Q21) due to lower utilization rate. Equity income from Siripro was loss at THB11m.

We expect 4Q21 earnings should be the highest quarter in 2021E driven by strong recovery from both domestic and CLMV sales. We remain convince our 2021E earnings forecast at THB421m could be achieved, implying 4Q21 NP at cTHB100m.

Exhibit 37: SNNP – 3Q21 results summary

YE Dec 31	3Q20 (THB m)	4Q20 (THB m)	1Q21 (THB m)	2Q21 (THB m)	3Q21 (THB m)	----- Change -----	
						(q-q%)	(y-y%)
Total revenue	1,094	1,259	1,110	1,073	986	(8)	(10)
Retail sales	1,086	1,247	1,102	1,068	978	(8)	(10)
Cost of sales	782	937	812	795	732	(8)	(6)
Gross profit	312	321	298	278	254	(9)	(19)
Operating costs	235	260	220	158	162	3	(31)
Operating profit	77	61	78	121	92	(24)	20
Operating EBITDA	127	115	126	162	132	(18)	4
Interest expense	(19)	(20)	(19)	(17)	(4)	(74)	(77)
Profit before tax	58	41	59	104	87	(16)	52
Tax	(11)	(9)	(15)	(21)	(17)	(18)	52
Associates	0	0	(1)	(9)	(11)	21	n/a
Minority interests	(5)	(5)	(6)	(3)	(2)	(29)	(57)
Reported net profit	51	37	178	77	62	(20)	21
Recurring net profit	51	37	49	77	62	(20)	21
EPS (THB)	0.06	0.04	0.19	0.08	0.07	(20)	21
Recurring EPS (THB)	0.06	0.04	0.05	0.08	0.07	(20)	21
Key Ratios	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)
Sales margin	28.0	24.9	26.3	25.6	25.1	(0.5)	(2.9)
EBIT margin	7.0	4.8	7.0	11.3	9.3	(1.9)	2.3
Recurring net margin	4.2	2.5	4.0	7.7	7.1	(0.6)	2.9
SG&A / Sales	21.5	20.7	19.8	14.7	16.4	1.7	(5.1)
Effective tax rate	(20.0)	(22.2)	(24.8)	(20.5)	(19.9)	0.6	0.0
Operating statistics	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)
Branded own							
Domestic sales	808	841	833	849	792	(7)	(2)
Oversea sales	212	275	185	219	186	(15)	(13)
CLMV	154	218	122	161	na		
Others	58	57	63	58	na		
Distribution for third party (Domestic)	66	131	85	0	0		

Sources: SNNP; FSSIA estimates

Berli Jucker (BJC TB, HOLD, TP THB39) - Weak 3Q21 result and missed expectation

BJC booked 3Q21 net profit of THB367m (-65% y-y, -55% q-q), missed consensus estimate by 13% dragged by weak packaging unit and disappointing Big C performance.

Key highlight for BJC's supply chains as following;

(-) Packaging Supply Chain (PSC)'s revenue dropped 8.9% y-y to THB4.5b following the lockdown measure in Thailand and Vietnam and lowered volume from Aluminium can's customer due to lockdown in Myanmar. GPM rose to 24.0% (flat q-q, and vs 20.8% in 3Q20) following increasing economy of scale. PSC's core profit was at THB507m (-5% y-y, 14% q-q).

(+) Consumer Supply Chain (CSC)'s revenue grew 15.8% y-y to THB6.0b driven by an increased sales from distribution third party products as BJC started distributing Unicharm products to traditional trade channel in Thailand. GPM dropped to 16.3% in 3Q21 (20.1% in 3Q20) pressured by lower margin from non-food unit due to high raw material cost such as palm oil, coconut oil, and pulp, and higher contribution from third party sales. Core profit rose to THB321m (+12% y-y) but dropped 3.6% q-q.

(+) Healthcare & Technical Supply Chain (H&TSC)'s revenue rose 143% y-y to THB2.6b due to high demand for Covid related products. GPM rose to 33.6% vs 31.4 in 3Q20. Core profit rose to THB404m (+143% y-y).

(-) Modern Retail Supply Chain (BigC)'s revenue fell 4.6% y-y to THB22.8b due to -6.6% SSSG dragged by non-food segment due to lockdown in dark red zone area. Rental income dropped y-y to THB1.44b (vs THB2.2b in 3Q20) following high discount rate at 17%-19% compare to 10% in 1H21. Occupancy rate slightly dropped to 85% (vs 88% in 2Q21 vs 91% in 3Q20). GPM dropped to 14.5% in 3Q21 (vs 14.9% in 2Q21 and 15.9% in 3Q20) due to high logistic cost, lower contribution from high-margin products such as home line and soft line products. Overall core NP of BigC was at THB103 (-89% y-y).

Overall SG&A to sales dropped to 18.1% in 3Q21 (vs 18.4% in 2Q21 and 18.8% in 3Q20) following lower employee expenses, utility cost, and marketing expenses.

Effective tax rate rose to 26.6% (vs 6.3% in 2Q21). BJC guided effective tax rate should drop to normal level at 14%-15% in 4Q21.

SSSG in Oct-21 was positive at 2-3% driven by dry food and fresh food segment. Hence, we expect 4Q21 earnings should strong recovery and could be near 1Q21 level at THB0.9-1.1b.

Exhibit 38: BJC – 3Q21 results summary

YE Dec 31	3Q20 (THB m)	4Q20 (THB m)	1Q21 (THB m)	2Q21 (THB m)	3Q21 (THB m)	Change (q-q%)	Change (y-y%)
Total revenue	38,189	38,617	35,553	37,074	36,850	(1)	(4)
Sales income	35,027	35,103	32,520	34,161	34,466	1	(2)
Other income	3,161	3,514	3,033	2,913	2,384	(18)	(25)
Gross profit	9,768	10,445	9,254	9,177	8,657	(6)	(11)
Operating costs	(7,168)	(7,401)	(6,755)	(6,822)	(6,653)	(2)	(7)
Operating profit	2,600	3,044	2,499	2,354	2,005	(15)	(23)
Operating EBITDA	4,287	6,440	4,746	4,535	4,307	(5)	0
Interest income	17	14	4	5	6	3	(68)
Interest expense	(1,334)	(1,286)	(1,254)	(1,258)	(1,283)	2	(4)
Profit before tax	1,283	1,772	1,249	1,102	727	(34)	(43)
Tax	(139)	(218)	(123)	(69)	(194)	179	40
Equity income	(2)	(9)	(54)	(22)	(108)	379	4,506
Minority interests	(112)	(157)	(118)	(210)	(125)	(40)	11
Non recurring items	33	(34)	59	22	66	197	103
Reported net profit	1,062	1,353	1,013	822	367	(55)	(65)
Recurring net profit	1,030	1,387	953	800	301	(62)	(71)
EPS (THB)	0.27	0.34	0.25	0.21	0.09	(55)	(65)
Recurring EPS (THB)	0.26	0.35	0.24	0.20	0.08	(62)	(71)
Key Ratios	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)
Sales margin	18.9	19.7	19.1	18.3	18.2	(0.1)	(0.7)
Operating margin	6.8	7.9	7.0	6.4	5.4	(0.9)	(1.4)
Recurring net margin	2.7	3.6	2.7	2.2	0.8	(1.3)	(1.9)
SG&A / Sales	18.8	19.2	19.0	18.4	18.1	(0.3)	(0.7)
Effective tax rate	10.8	12.3	9.8	6.3	26.6		
Operating statistics	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)
Packaging	4,943	5,373	4,571	4,885	4,504	(8)	(9)
Consumer	5,146	4,989	4,971	5,679	5,958	5	16
Healthcare and technical	1,953	2,158	1,926	2,189	2,609	19	34
Modern trade (Big C)	23,899	23,505	22,022	22,403	22,805	2	(5)
SSSG (%)	(17.8)	(20.8)	(21.6)	(14.3)	(6.6)		
Number of large stores (no.)	152	152	152	152	152		

Sources: BJC; FSSIA estimates

Osotspa PCL (OSP TB, BUY, TP THB42) - Weak 3Q21 results and missed expectation

- OSP booked weak net profit of TH580m in 3Q21 (-29% q-q, -37% y-y), missed consensus estimate by 11%. The drop q-q was mainly due to slowdown in both domestic and oversea sales, weak GPM, and lower equity income. 9M21 earnings accounts for 66% of our 2021E full year forecast at THB3.6b.
- Retail sales dropped 7% y-y and 11% q-q to THB6.2b dragged by lower energy drink sales in Thailand (-11% y-y), CLMV (15% y-y, -30% q-q), and personal care segment (-28% y-y). OSP has slightly gain more market share to 54.5% amid the contract of energy drink market at -16% y-y while Vitamin C market still grew 6% y-y.
- GPM dropped to 33.2% (vs 36.0% in 2Q21) due to lower sales from energy drink, high natural gas cost and freight cost.
- Equity income plunged by 48% q-q to THB34m due to share of loss from the glass business JV in Myanmar resulting mainly from mark-to-market loss of US dollar loan of THB 47 million as this plants is on construction.

Exhibit 39: OSP – 3Q21 results summary

YE Dec 31	3Q20	4Q20	1Q21	2Q21	3Q21	----- Change -----	
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)
Total revenue	6,638	6,419	6,813	6,960	6,178	(11)	(7)
Retail sales	6,601	6,387	6,776	6,913	6,121	(11)	(7)
Other income	38	32	37	46	57	22	50
Cost of sales	(4,256)	(4,052)	(4,509)	(4,405)	(4,069)	(8)	(4)
Gross profit	2,382	2,367	2,303	2,555	2,109	(17)	(11)
Operating costs	(1,433)	(1,400)	(1,508)	(1,612)	(1,441)	(11)	1
Operating profit	949	967	796	943	667	(29)	(30)
Operating EBITDA	1,293	1,328	1,144	1,308	1,054	(19)	(18)
Interest expense	(21)	(29)	(28)	(24)	(22)	(7)	6
Profit before tax	928	937	768	919	645	(30)	(31)
Tax	(174)	(106)	(163)	(191)	(122)	(36)	(30)
Associates	109	(12)	73	66	34	(48)	(68)
Minority interests	22	17	17	21	19	(13)	(14)
Non recurring items	29	9	0	0	0	<i>nm</i>	<i>nm</i>
Reported net profit	923	851	1,004	820	580	(29)	(37)
Recurring net profit	894	842	1,004	820	580	(29)	(35)
EPS (THB)	0.31	0.23	0.33	0.27	0.19	(29)	(37)
Recurring EPS (THB)	0.30	0.28	0.33	0.27	0.19	(29)	(35)
Key Ratios (%)	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)
Sales margin	35.3	36.4	33.3	36.0	33.2	(2.8)	(2.1)
EBIT margin	14.3	15.1	11.7	13.5	10.8	(2.7)	(3.5)
Recurring net margin	11.4	12.9	8.9	10.5	8.5	(2.0)	(2.9)
SG&A / Sales	21.6	21.8	22.1	23.2	23.3	0.2	1.7
Effective tax rate	18.8	11.3	21.2	20.8	18.9	(1.9)	0.1
Sales breakdown	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)
Beverages	5,648	5,269	5,801	5,938	5,220	(12)	(8)
Personal care	621	724	500	481	446	(7)	(28)
Others	332	394	475	494	455	(8)	37
Total	6,601	6,387	6,776	6,913	6,121	(11)	(7)

Sources: OSP; FSSIA estimates

Quality Houses (QH TB, HOLD, TP THB2.5) - Weak 3Q21 results as expected

- QH booked net profit of THB263m in 3Q21 (-45% q-q, -54% y-y) in line with consensus estimate. The key drag was mainly due to 1) weak residential transfer at THB1.4b dragged by disappointing low rise transfer at THB1.4b (vs THB1.9b in 2Q21, and THB2.1b in 3Q20), 2) low condo transfer at THB72m compare to average cTHB200m per quarter in 2020, 3) no new launch project, 4) weak GPM at 29.0% (vs 29.9% in 2Q21) and 5) lower equity income especially from HMPRO.
- 4Q21 earnings should recover due to the improving presales in Oct-21, one low rise project launch (Prukpirom Ratchaphruk-Rattanathibet, THB2.8b), and solid performance from HMPRO. However, we remain see c15-20% downside risk to our 2021E earnings forecast at THB2.1b.

Exhibit 40: QH – 3Q21 results summary

Year to Dec 31	3Q20	4Q20	1Q21	2Q21	3Q21	----- Change -----	
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)
Sales	2,490	2,422	2,032	2,106	1,588	(25)	(36)
Gross profit	725	758	580	629	461	(27)	(36)
Operating costs	(456)	(412)	(466)	(447)	(428)	(4)	(6)
Operating profit	269	345	113	183	33	(82)	(88)
Operating EBITDA	367	442	208	278	126	(55)	(66)
Other income	60	63	63	60	57	(4)	(4)
Interest expense	(98)	(93)	(84)	(82)	(84)	4	(14)
Profit before tax	231	316	92	161	6	(96)	(97)
Tax	(66)	(115)	(48)	(61)	(31)	(49)	(53)
Associates	409	379	387	381	288	(25)	(30)
Reported net profit	575	580	431	482	263	(45)	(54)
Recurring net profit	575	580	431	482	263	(45)	(54)
EPS (THB)	0.05	0.05	0.04	0.04	0.02	(45)	(54)
Recurring EPS (THB)	0.05	0.05	0.04	0.04	0.02	(45)	(54)
BV/share (THB)	2.43	2.48	2.51	2.48	2.47	(0)	2
Key Ratios (%)						(ppt)	(ppt)
Gross margin	29.1	31.3	28.5	29.9	29.0	(0.8)	(0.1)
Operating margin	10.8	14.3	5.6	8.7	2.1	(6.6)	(8.7)
EBITDA margin	14.7	18.3	10.2	13.2	8.0	(5.2)	(6.8)
Recurring net margin	23.1	23.9	21.2	22.9	16.6	(6.3)	(6.5)
SG&A / Sales	18.3	17.0	22.9	21.2	26.9	5.7	8.6

Sources: QH; FSSIA estimates

Exhibit 41: QH – Operating stat

QH - Segmentation	3Q20	4Q20	1Q21	2Q21	3Q21	----- Change -----	
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)
NET SALES	2,490	2,422	2,032	2,106	1,588	(25)	(36)
Land & Houses	2,103	2,051	1,775	1,850	1,375	(26)	(35)
Condo	271	219	93	113	72	(36)	(73)
Rental - office buildings	77	76	77	78	74	(5)	(3)
Rental - residential buildings	40	76	87	65	67	2	67
COST OF GOODS SOLD	1,765	1,665	1,452	1,477	1,127	(24)	(36)
Land & Houses	1,431	1,359	1,239	1,253	966	(23)	(32)
Condo	211	164	71	93	61	(35)	(71)
Rental - office buildings	29	29	27	28	26	(5)	(10)
Rental - residential buildings	94	113	114	103	73	(29)	(22)
GROSS PROFIT	725	758	580	629	461	(27)	(36)
	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)
GROSS MARGIN	29.1	31.3	28.5	29.9	29.0	(0.8)	(0.1)
Land & Houses	31.9	33.7	30.2	32.3	29.7	(2.6)	(2.2)
Condo	22.1	25.1	23.3	17.5	16.4	(1.1)	(5.7)
Rental - office buildings	62.1	62.1	64.5	64.6	64.6	0.1	2.6
Rental - residential buildings	(135.8)	(47.8)	(31.6)	(57.6)	(10.2)	47.4	125.5

Sources: QH; FSSIA estimates

S Hotels and Resorts (SHR TB, BUY, TP THB4.6) – core loss improve to THB291m in 3Q21, in line with estimate

3Q21 earnings highlight:

- SHR reported 3Q21 core losses of THB291m, in line with our estimate. Including THB9m unrealized gain on FX, 2Q21 net loss was THB282m. The smaller loss q-q compared to THB549m in 2Q21 due to improving performance of Maldives hotels and UK hotels.
- Revenue grew by 77% q-q due to 39% q-q increase in Maldives hotels and 111% q-q in UK hotels. OCC rate of Maldives hotel improve from 44% in 2Q21 to 57% in 3Q21 due to lifting suspension of Indian tourists. OCC rate of UK hotel jump from 24% in 2Q21 to 68% in 3Q21 thanks to easing of lockdown restrictions. ADR of UK hotels also improve to THB3,664, exceeding pre Covid level by 10%
- EBITDA turned to positive of THB253m with EBITDA margin of 18%
- 9M21 core loss was THB1.26b accounted for 96% of our 2021E core loss of THB1.31b.

Exhibit 42: SHR – 3Q21 results summary

	3Q20	4Q20	1Q21	2Q21	3Q21	---- Change ----		9M20	9M21	Change	2021E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)	(THB m)
Sales	114	297	544	803	1,422	77	1,147	1,266	2,769	119	3,707
- Self-Managed Hotels	31	35	24	43	32	(25)	3	294	98		
- Outrigger Hotels	29	52	34	11	10	(12)	(66)	555	55		
- Project Crossroads Hotels	54	210	398	281	391	39	625	417	1,070		
- UK			88	468	989	111	#DIV/0!	0	1,546		
COGS (Incl. depreciation)	(382)	(501)	(566)	(786)	(1,019)	30	167	(1,413)	(2,370)	68	(2,900)
Gross Profit	(268)	(204)	(22)	18	403	2,188	(250)	(147)	398	(371)	807
SG&A	(279)	(111)	(306)	(418)	(498)	19	79	(1,124)	(1,223)	9	(1,658)
Operating Profit	(547)	(315)	(329)	(401)	(95)	(76)	(83)	(1,271)	(825)	(35)	(851)
Other income	46	75	46	27	12	(55)	(74)	149	85	(43)	81
- Interest income from JV	34	36	25					96	25		0
- Other income	13	38	21	27	12	(55)	(7)	59	60		81
Interest expense	(91)	(90)	(131)	(192)	(194)	1	114	(288)	(517)	80	(632)
Pretax profit	(591)	(330)	(414)	(566)	(277)	51	53	(1,410)	(1,257)	(11)	(1,401)
Income Tax	(7)	(11)	(1)	13	(12)	(193)	84	15	0	(99)	111
Associates	1	(15)	(6)	3	(1)	(140)	(201)	(157)	(4)	(97)	(20)
Minority interest	0	0	0	0	0						0
Core profit	(596)	(356)	(421)	(549)	(291)	47	51	(1,552)	(1,261)	(19)	(1,310)
Extraordinaries, GW & FX	(3)	(840)	110	(22)	9			377	97	n/a	0
Net unrealized loss on FX	(3)	(16)	7	(30)	9			(52)	(14)	n/a	
Non-recurring items		(824)	103	8				430	111	n/a	
Reported net profit	(600)	(1,195)	(311)	(571)	(282)	51	53	(1,175)	(1,164)	(1)	(1,310)
Shares out (end Q, m)	3,594	3,664	3,664	3,664	3,664	0	2	3,594	3,664	2	3,664
Core EPS	(0.17)	(0.10)	(0.11)	(0.15)	(0.08)	47	52	(0.43)	(0.34)	20	(0.36)
EPS	(0.17)	(0.33)	(0.08)	(0.16)	(0.08)	51	54	(0.33)	(0.32)	3	(0.36)
COGS (Excl. depreciation)	(147)	(233)	(319)	(446)	(681)	53	363	(695)	(1,446)	108	(1,502)
Depreciation	(235)	(268)	(247)	(340)	(337)	(1)	44	(717)	(924)	29	(1,398)
EBITDA	(277)	(25)	(42)	(31)	253	(911)	(191)	(615)	180	(129)	(805)
Key ratios	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)	(%)	(ppt)	(%)
Gross margin	(235)	(69)	(4)	2	28	26	na	(12)	14	nm	22
SG&A/Revenue	244	37	56	52	35	(17)	na	89	44	nm	45
EBITDA margin	(243)	(8)	(8)	(4)	18	22	na	(43)	6	nm	(21)
Net profit margin	(526)	(402)	(57)	(71)	(20)	51	na	(93)	(42)	nm	(35)
Operating stats											
Self-Managed Hotels											
OCC (%)	9.9	22.7	11.1	12.6	14.2						
ADR (THB)	3,940	4,048	2,705	2,949	2,440						
RevPAR (THB)	390	921	301	372	346						
Outrigger Hotels											
OCC (%)	8.2	13.7	9.9	5.9	6.5						
ADR (THB)	1,684	2,181	2,284	2,383	1,900						
RevPAR (THB)	138	298	225	141	1,128						
Project Crossroads Hotels											
OCC (%)	9.4	41.3	67.1	44.4	56.7						
ADR (THB)	7,704	7,149	8,287	8,088	9,954						
RevPAR (THB)	727	3,018	5,564	3,589	5,640						
UK Hotels											
OCC (%)	33.2	20.4	18.1	34.4	67.9						
ADR (THB)	2,273	2,248	2,173	2,837	3,664						
RevPAR (THB)	755	458	394	977	2,489						

Sources: SHR; FSSIA estimates

Bangkok Dusit Medical Services (BDMS TB, BUY, TP THB29.00) - 3Q21 core profit grew 28% y-y to THB2.3b, beat estimates

3Q21 earnings highlight:

- BDMS reported core profit of THB2.3b in 3Q21 (+28% y-y, +59% q-q), beat our ad consensus estimate 8-9% mainly due to better-than-expected EBITDA margin of 25% (vs 22% of our estimate). Including THB200m one-time compensation that network hospital received damages incurred during 3Q21, net profit was THB2.5b.
- Hospital revenue grew 17% y-y due to 18%y-y increase of revenue from Thai patient led by Covid related service which accounted 25% of hospital revenue. Meanwhile revenue from international patients also grew by 17% y-y from the low base last year mainly led by expat patients. Key growth was patients from Middle East patient 85% y-y, UK 24% y-y and CLMV 24%. Excluding Covid related revenue, non-Covid revenue would decrease 12% y-y.
- EBITDA margin improve to 25% in 3Q21 from 21% 2Q21 and 24% in 3Q20 thanks to improving utilization rate from 48% in 3Q20 to 71% in 3Q21.
- 9M21 core profit grew by 6% y-y to THB5.1b and accounted for 74% of our 2021E core profit.

Exhibit 43: BDMS – 3Q21 results summary

	3Q20	4Q20	1Q21	2Q21	3Q21	-----Change-----		9M20	9M21	% chg	2021E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)	(THB m)
Sales	16,976	18,101	16,281	17,397	19,958	15	18	50,956	53,636	5	70,805
- Hospital revenue	16,071	17,134	15,311	16,443	18,873	15	17	48,033	50,628	5	66,487
- Other revenue	905	967	970	954	1,084	14	20	2,923	3,008	3	4,319
COGS (incl depreciation)	(11,169)	(12,315)	(11,051)	(11,762)	(13,125)	12	18	(34,057)	(35,937)	6	(47,133)
Gross Profit	5,807	5,787	5,230	5,636	6,833	21	18	16,899	17,699	5	23,672
SG&A	(3,272)	(3,985)	(3,284)	(3,539)	(3,514)	(1)	7	(10,176)	(10,337)	2	(14,165)
Operating Profit¹⁾	2,534	1,802	1,946	2,097	3,319	58	31	6,723	7,362	9	9,507
Net other income	14	(13)	0	5	0	(100)	(100)	19	5	(76)	6
Interest income	4	12	13	33	13	(60)	213	28	59	115	157
Interest expense	(215)	(210)	(195)	(188)	(172)	(8)	(20)	(661)	(556)	(16)	(792)
Pretax profit	2,338	1,590	1,765	1,946	3,159	62	35	6,108	6,870	12	8,878
Income Tax	(482)	(278)	(330)	(383)	(645)	68	34	(1,214)	(1,358)	12	(1,554)
Associates	66	26	3	5	3	(36)	(95)	247	11	(95)	53
Minority interest	(122)	(120)	(99)	(116)	(208)	80	71	(315)	(423)	34	(468)
Core profit	1,801	1,219	1,339	1,452	2,309	59	28	4,827	5,100	6	6,910
Extraordinaries, GW & FX		1,169			200						0
Reported net profit	1,801	2,388	1,339	1,452	2,509	73	39	4,827	5,300	10	6,910
Outstanding shares (m)	15,892	15,892	15,892	15,892	15,892	0	0	15,892	15,892	0	15,892
Core EPS (THB)	0.11	0.08	0.08	0.09	0.15	59	28	0.30	0.32	6	0.43
EPS (THB)	0.11	0.15	0.08	0.09	0.16	73	39	0.30	0.33	10	0.43
COGS Excl depreciation	9,554	10,705	9,470	10,180	11,522	13	21	29,254	31,172	7	40,687
Depreciation	1,615	1,610	1,581	1,581	1,603	1	(1)	4,803	4,765	(1)	6,446
EBITDA ²⁾	4,149	3,412	3,527	3,678	4,921	34	19	11,526	12,127	5	15,953
Key ratios	(%)	(%)	(%)	(%)	(%)	(ppt)	(ppt)	(%)	(%)	(ppt)	(%)
Gross margin	34	32	32	32	34	2	0	33	33	(0)	33
SG&A/Revenue	19	22	20	20	18	(3)	(2)	20	19	(1)	20
EBITDA margin	24	19	22	21	25	4	0	23	23	(0)	23
Net profit margin	11	13	8	8	13	4	2	9	10	0	10
Operating stats	(%)	(%)	(%)	(%)	(%)						
OPD revenue growth y-y	(16)	(16)	(15)	15	(6)						
OPD volume growth y-y	(15)	(11)	(12)	20	n/a						
OPD revenue per head growth y-y	(1)	(6)	(4)	(4)	n/a						
IPD revenue growth y-y	(28)	(16)	(22)	35	44						
IPD volume growth y-y	(39)	(25)	(32)	16	n/a						
IPD revenue per head growth y-y	18	13	15	17	n/a						
Thai revenue growth y-y	(13)	0	(7)	24	18						
International revenue growth y-y	(55)	(53)	(49)	27	17						

1) Gross profit calculated by revenue – COGS including depreciation; 2) EBITDA calculated by operating profit + operating income – depreciation

Sources: BDMS; FSSIA estimates Sources: BDMS; FSSIA estimates

Singer Thailand (SINGER TB, BUY; TP THB51) - Soft 3Q21 net profit due to seasonality as expected

- SINGER reported an in line 3Q21 net profit of THB165m (+41% y-y, -10% q-q). The q-q decline in its net profit came from the high base of the home and electrical appliance sales in 2Q21. However, we are not too concerned over its main businesses, both lending and home and electrical appliance sales. SINGER was able deliver strong performance, with 3Q21 loan growth of 12.8% q-q, 39% YTD. Its current outstanding portfolio was at THB9.6b, nearly reach its 2021 target of THB10b. Thanks to its stringent credit underwriting and debt collection processes, the company had healthy asset quality in 3Q21, with a slight rise by 2% q-q in its non-performing assets (NPLs). We think SINGER could see a smaller impact from the prolonged Covid spread compared with its peers.

3Q21 key highlights

- 3Q21 total loan volume rose by 12.8% q-q 39% YTD, supported by a rise in the auto title loan volume by 14%, especially the truck segment. Its clients still need cash to run their businesses and for consumption purposes, in our view. Moreover, a marketing push by offering credit services at customers' workplaces could allow SINGER to reach untapped clients. Regarding hire purchase loans, those also increased in 3Q21 by 7% q-q. Its loan structure was 55% auto title loans and 45% hire purchase loans.
- Its loan yield dropped to 16.5% from 18% in 2Q21. We think this because a change in its portfolio mix to more truck title loan.
- 3Q21 home and electrical appliance sales dropped by 6% y-y, 34% q-q due to seasonality and Covid impact. However, its gross margin improved to 50% vs 48% in 2Q21.
- We are convinced that SINGER will post a record high net profit in 4Q21, driven by 1) continued strong loan growth, truck title loans in particular; and 2) an increase in its home appliance sales from the seasonal low in 3Q. On top of that, we think that SINGER will climb a J-curve again next year. We believe that SINGER will utilise the new funds from its recent capital increase effectively. We expect its loan portfolio to jump 63% y-y to THB15.7b in 2022. This would result in a surge in its net profit by 67% y-y. Note that its 2022 EPS might grow at slower rate of 2% y-y thanks to the dilution effect.
- We reiterate SINGER as our top pick.

Exhibit 44: SINGER – summary of 3Q21 results

Year-end Dec 31	3Q20	2Q21	3Q21		9M21			2021E	Change	3Q21 comments	
	(THB m)	(THB m)	(THB m)	(y-y %)	(q-q %)	(THB m)	(y-y %)	%21E	(THB m)	(y-y %)	
Net interest income	208	261	260	25	(0)	759	40	67	1,132	51	
Non-interest income*	559	787	534	(4)	(32)	1,999	12	66	3,044	15	
Operating income*	767	1,047	795	4	(24)	2,758	18	66	4,176	23	
Operating expenses	646	809	575	(11)	(29)	2,118	8	64	3,310	17	
PPOP before tax	121	239	220	82	(8)	639	72	74	866	49	
Expected credit loss	3	8	16	477	84	24	(15)	60	41	(71)	
Income tax	1	48	39	4,476	(18)	127	429	91	140	nm.	
Minority interest	0	0	0			0	n/a		0		
Normalised profit	117	183	165	41	(10)	488	53	71	685	55	
Extraordinary items	0	0	0			0			0		
Net profit	117	183	165	41	(10)	488	53	71	685	55	
EPS (THB)	0.27	0.37	0.33	22	(10)	1.01	31	74	1.36	25	
Asset quality ratio (%)											
NPLs (THB m)	277	352	360	30	2				408	40	More stringent debt collection process
NPLs / loans	5.08	4.12	3.73						4.24		
Loan loss reserve / NPLs	100	78	80						73		
Credit cost (bps)	21	42	68						50		
Profitability ratio (%)											
Cost to income ratio	84.2	77.2	72.3						79.3		
Average yield	21.2	18.0	16.5						18.8		
Cost of funds	5.7	6.2	6.4						5.7		
Net interest margin (NIM)	14.7	11.9	10.4						14.0		
Non-int inc / total income	72.9	75.1	67.2						72.9		
Loan growth (%)											
y-y	58.6	84.1	76.7						46.3		
q-q	17.6	14.0	12.8							Driven mainly by truck title loans	

*Including share of profits from associates

Sources: SINGER; FSSIA estimates

GUNKUL (BUY, TP THB5.4) – Powered by power and EPC in 3Q21

(+) 3Q21 net profit (NP) of THB589m rose 12.5% q-q but dropped 41.2% y-y due to gain on change in fair value of derivatives and a THB25m FX loss.

(-) core NP was THB466m, down 9.4% q-q but up 120% y-y, missing our forecast by 7% and BBG consensus by 9%, due to the y-y higher earnings from solar and wind farms.

(+) Gross profits (GP) rose q-q for all unit but dropped y-y for trading. GP from power rose to THB764m (+46% y-y), Engineering, procurement & construction (EPC) rose to THB93m (+66% y-y), and maintenance services increased to THB44m (+12% y-y), offsetting the weak GP from trading at THB74m (-31% y-y).

(-) Interest expenses increased 1.3% q-q to THB243m from the higher interest expenses for new projects.

(+) Wind farms had higher 3Q21 NPs and higher NPs from the four new overseas solar farms (total capacity 225MW), comprising two solar farm projects with a 65MW capacity in Japan and two solar farms in Vietnam – including the 60MW Triviet 1 and the Bach Khoa A Chau 1 project (COD Feb-20) and a 100MW solar farm in Vietnam acquired in 4Q20 which was funded via the cash raised from the divestment of two solar farms in Japan.

(+) 3Q21 EPC revenue dropped 36% y-y to THB297m, due to a lower volume of private and government works on lockdown. GUNKUL's EBITDA margin was 44.8% in 3Q21, down from 49% in 2Q21 but up from 30% in 3Q20, due to the higher earnings from its higher margin wind farms in Thailand and solar farms overseas.

A next growth engine from hemp and cannabis in 2022 onward. We think GUNKUL is now poised to see a new earnings growth phase in 2022 onward, driven by 1) a high EPC backlog of THB10b from the bidding for power substations and transmission lines; 2) the commencement of its staggering commercial operation date of the business in hemp and cannabis value chain, including farming, extraction, and sales and marketing of both upstream hemp and cannabis leaves, flowers, and seed oil and the value-added end-products of food, beverage, medicines, health food, snacks, and candies.

Exhibit 45: Summary of 3Q21/9M21 operations

	3Q20	2Q21	3Q21			9M20	9M21	Chg.	2021E
	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)	(THB m)
Revenue	2,558	2,084	2,480	19.0	(3.0)	5,846	6,610	13.1	11,259
Operating costs	(1,786)	(1,064)	(1,370)	28.8	(23.3)	(3,487)	(3,459)	(0.8)	(6,743)
EBITDA	772	1,020	1,110	8.8	43.8	2,359	3,151	33.6	4,516
<i>EBITDA margin (%)</i>	<i>30.2</i>	<i>49.0</i>	<i>44.8</i>	<i>nm</i>	<i>nm</i>	<i>40.4</i>	<i>47.7</i>	<i>nm</i>	<i>40.1</i>
Depn & amort.	(339)	(381)	(392)	2.7	15.4	(1,004)	(1,148)	14.4	(1,119)
EBIT	432	639	718	12.4	66.1	1,356	2,003	47.8	3,397
Interest expense	(264)	(240)	(243)	1.3	(8.1)	(677)	(725)	7.0	(927)
Interest & invt inc	3	2	1	(72.2)	(76.6)	13	4	(69.8)	88
Other income	0	20	14	(31.0)	7,505.1	32	51	56.7	210
Associates' contrib	53	105	70	(33.7)	31.5	190	261	37.0	130
Exceptional	805	9	144	1,540.1	(82.0)	866	291	(66.4)	2
Pretax profit	1,028	535	704	31.6	(31.6)	1,780	1,885	5.9	2,898
Tax	(20)	(6)	(106)	1,595.7	435.0	(49)	(145)	193.0	(198)
<i>Tax rate (%)</i>	<i>1.9</i>	<i>1.2</i>	<i>15.0</i>	<i>nm</i>	<i>nm</i>	<i>2.8</i>	<i>7.7</i>	<i>nm</i>	<i>6.8</i>
Minority interests	(7)	(5)	(9)	77.0	17.1	(11)	(18)	69.7	(105)
Net profit	1,001	524	589	12.5	(41.2)	1,720	1,721	0.1	2,595
Non-recurring	(789)	(9)	(123)	1,309.7	(84.4)	(847)	(262)	(69.0)	-
Core net profit	212	515	466	(9.4)	119.9	873	1,459	67.2	2,595
EPS (THB)	0.11	0.06	0.07	12.5	(41.2)	0.19	0.19	0.1	0.29
Core EPS (THB)	0.02	0.06	0.05	(9.4)	119.9	0.10	0.16	67.2	0.29

Sources: GUNKUL; FSSIA estimates

Exhibit 46: 3Q21/9M21 gross profit breakdown

Business	3Q20	2Q21	3Q21	Change		9M20	9M21	Change
	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)
Trading	106	72	74	2.8	(30.5)	299	202	(32.6)
Power	524	698	764	9.4	45.7	1,604	2,146	33.7
EPC	56	63	93	46.4	66.4	166	194	16.7
Maintenance service	39	43	44	2.5	11.8	76	126	66.6
Others	(32)	(28)	(28)	1.2	(10.7)	(115)	(17)	(85.2)
Gross profit	693	848	946	11.5	36.4	2,030	2,650	30.5

Source: GUNKUL

EPG (BUY, TP THB15.5) – solid 3Q21 on resiliently high margins

(+) EPG's 2QFY22 (Jul to Sep-21) net profit (NP) was THB412m, down 7.9% q-q but up 34% y-y, beating Bloomberg's consensus estimate by 11% and our forecast by 2%.

(+) Excluding a non-operating FX gain of THB43m, 2QFY22 core NP was THB369m, down 14% q-q but up 37% y-y, due to the y-y higher sales volumes from Aeroklas and Aeroflex, 7.3% q-q higher sales from Eastern Polypack (EPP), and 28% y-y higher overall revenue.

(+) 2QFY22 gross margin (GM) remained high at 30.7%, down from 32.8% in 1QFY22 (Apr to Jun-21), due to higher selling prices.

(+) Aeroflex saw a slightly lower q-q GM at 41.6% vs 42.6% in 1QFY22 despite the higher raw material cost and lockdowns, while Areoklas' GM was flat at 33.8% thanks to strong demands. EPP's GM dropped to 12.3%, down from 17.9% in 1QFY22, due to the higher cost and lower sales volumes from packaging.

(+) Revenue rose y-y across three units but dropped q-q for Aeroklas in 2QFY22 due to the impact from Covid-19.

(+) Revenue from Aeroflex rose 13% y-y to THB720m from a rise in domestic and international sales. Revenue from the US-based Aeroflex unit jumped to 51% of total sales, up 5% pts q-q, while Aeroflex's revenue in Thailand dipped to 24% of total sales in 2QFY22.

(+) Aeroklas saw higher revenue at THB1,565m (+44.5% y-y, +6.8% q-q) due to the stronger demand from automakers.

(+) EPP saw 2QFY22 revenue of THB695m, up 7.3% q-q and 14% y-y, due to higher demand for plastics for food and beverage packaging

(+) We think EPG's sales volumes will rise in 2HFY22 (Oct-21 to Mar-22) onward, driven by

1) stronger demand from automotive production plants (Aeroklas);

2) rising utilisation rates for plants in Thailand on a demand recovery for insulation (Aeroflex) in 4Q21, along with its 2x capacity expansion to 8,000tpa in the US by Dec-21;

3) a demand recovery for plastics after Thailand's lockdown is fully relaxed;

4) lower freight costs for all units and lower marketing expenses for Aeroflex.

Exhibit 47: Summary of 2QFY22 operations

FY end 31 Mar	2QFY21	1QFY22	2QFY22		6MFY21	6MFY22	Change	FY22E	
	Sep-20	Jun-21	Sep-21	Change					(THB m)
	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)				
Revenue	2,333	2,938	2,987	1.7	28.1	4,288	5,925	38.2	13,703
Operating costs	(1,902)	(2,337)	(2,418)	3.4	27.1	(3,530)	(4,755)	34.7	(8,898)
EBITDA	430	601	569	(5.2)	32.2	758	1,170	54.4	2,010
EBITDA margin (%)	18.5	20.4	19.1	na	na	17.7	19.7	na	14.7
Depn & amort.	(202)	(205)	(209)	1.7	3.4	(402)	(414)	3.0	(681)
EBIT	228	395	360	(8.8)	57.8	356	756	112.4	1,329
Interest expense	(20)	(17)	(31)	82.8	54.7	(35)	(49)	39.9	(50)
Interest & invt inc	44	23	(1)	nm	nm	54	22	(59.1)	50
Associates' contrib	21	46	62	35.0	192.3	0	108	22,013.0	232
Exceptionals	39	20	46	125.4	17.1	13	66	400.3	0
Pretax profit	312	467	435	(6.8)	39.6	388	902	132.4	1,561
Tax	(4)	(18)	(22)	21.5	407.3	(6)	(41)	556.9	(36)
Tax rate (%)	1.4	3.9	5.1	na	na	1.6	4.5	na	2.3
Minority interests	1	(1)	(0)	(61.5)	nm	1.7	(1)	nm	0
Net profit	308	448	412	(7.9)	33.9	384	860	124.1	1,525
Non-recurring	38	19	43	122.6	12.6	13	63	374.4	0
Core net profit	270	428	369	(13.8)	36.9	370	797	115.2	1,525
EPS (THB)	0.11	0.16	0.15	(7.9)	33.9	0.14	0.31	124.1	0.54
Core EPS (THB)	0.10	0.15	0.13	(13.8)	36.9	0.13	0.28	115.2	0.54

Sources: EPG; FSSIA estimates

Exhibit 48: 2QFY22 associates' key performance

FY end 31 Mar	2QFY21	1QFY22	2QFY22	Change		6MFY21	6MFY22	Change
	Sep-20	Jun-21	Sep-21	(q-q %)	(y-y %)			
Revenue from sales (THB m)	2,330	2,934	2,980	1.6	27.9	4,373	5,914	35.3
AEROFLEX	637	821	720	(12.3)	13.0	1,273	1,541	21.1
AEROKLAS	1,083	1,466	1,565	6.8	44.5	1,835	3,031	65.2
EPP	609	648	695	7.3	14.0	1,265	1,342	6.1
Gross profit margin (%)*	30.2	32.8	30.7	(2.1)	0.5	29.3	31.8	2.5
AEROFLEX	44.1	42.6	41.6	(1.0)	(2.5)	44.2	42.1	(2.1)
AEROKLAS	29.1	33.8	33.8	0.0	4.7	27.1	33.8	6.7
EPP	17.8	17.9	12.3	(5.6)	(5.5)	17.2	15.1	(2.1)
Gross profit (THB m)	704.7	961.0	914.1	(4.9)	29.7	1,283.7	1,875.1	46.1
AEROFLEX	281.1	349.7	299.6	(14.3)	6.6	562.6	649.3	15.4
AEROKLAS	315.1	495.4	529.1	6.8	67.9	503.8	1,024.4	103.4
EPP	108.5	115.9	85.5	(26.3)	(21.2)	217.4	201.4	(7.4)

*Note: Change in margin % is represented in ppt change

Sources: EPG; FSSIA estimates

BCP (BUY, TP THB38) – 3Q21 net profit boosted by multiple gains

(-) 3Q21 net profit (NP) was THB1.8b, down 3% q-q but up from a net loss (NL) of THB647m in 3Q20, beating BCG's consensus forecast by 4% but missed our own by 10%, mainly due to an after-tax non-recurring gain of THB1.1b.

(-) 3Q21 core NP was THB703m, up 10.5% q-q and 245% y-y due to a higher refinery utilisation rate to 93%, or 111kbpd, in 3Q21, up from 89% in 2Q21.

(-) In 3Q21, there were multiple non-operating items included 1) THB1.4b oil inventory gain; 2) a hedging loss of THB777m; 3) an FX gain of THB103m; 3) a gain of THB575m from fair value adjustment of investment of Ubol Ethanol (UBE TB, not rated) from associate to other investment after UBE's IPO in Oct-21; 4) a THB122m gain from divestment of BCP Energy; and 5) the reversal of an impairment loss of THB13m.

(+) Total EBITDA was THB7.5b in 3Q21, up 76% q-q due to the change in investment method for OKEA from associated company to subsidiary since 1 Jul-21.

(-) Accounting GRM was USD5.5/bbl in 3Q21, down 27% q-q due to a lower inventory gain. Market GRM was to USD3.1/bbl (+32% y-y, -27% q-q), driven by the q-q lower product margins and the higher crude premium.

(+) Power EBITDA rose to THB1.2b in 3Q21, up 3.6% y-y and 18.3% q-q, due to the higher utilisation rates for hydropower plants on rising water levels to offset the lower utilisation rates for geothermal power plants and lower earnings from wind farms on lower wind speeds

(-) Marketing EBITDA was THB562m in 3Q21, down 27% y-y and 32% q-q due to the lower sales volume and weaker marketing margin to THB0.73/litre (-17% q-q). BCP added 6 new oil service stations to 1,253 in 3Q21.

(-) marketing sales volume dipped in 3Q21, dragged by a weak retail service station sales volume of 900m litres (-18.5% y-y, -9.6% q-q) and lower industrial sales volume to 153m litres (-15.9% y-y, -18.2% q-q), with a q-q stable market share at 16%.

(-) Biodiesel gross profit (GP) rose to THB178m in 3Q21 (+1.1% y-y, +10.6% q-q) on a higher B100 margin, while the GP from ethanol dipped 81.9% q-q to THB31m.

Exhibit 49: Summary of 3Q21/9M21 operations

	3Q20	2Q21	3Q21			9M20	9M21	Chg.	2021E
	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)	(THB m)
Revenue	33,652	43,775	47,649	8.8	41.6	103,317	132,655	28.4	163,914
Operating costs	(30,883)	(39,506)	(40,118)	1.5	29.9	(101,963)	(116,118)	13.9	(153,305)
EBITDA	2,769	4,269	7,531	76.4	172.0	1,354	16,537	1,121.3	10,609
<i>EBITDA margin (%)</i>	8.2	9.8	15.8	<i>nm</i>	<i>nm</i>	1.3	12.5	<i>nm</i>	6.5
Depreciation & amort	(1,631)	(1,719)	(2,400)	39.6	47.1	(4,880)	(5,790)	18.6	(5,771)
EBIT	1,138	2,550	5,131	101.3	350.8	(3,526)	10,747	<i>nm</i>	4,838
Interest expense	(504)	(518)	(748)	44.4	48.4	(1,486)	(1,731)	16.5	(1,927)
Interest & invt inc	121	176	777	342.3	543.5	412	1,094	<i>nm</i>	0
Associates' contrib	58	512	177	(65.4)	208.6	1,308	884	<i>nm</i>	589
Exceptionals	(1,122)	(450)	(871)	93.7	(22.4)	(4,623)	(1,210)	<i>nm</i>	0
Pretax profit	(310)	2,269	4,466	96.8	nm	(7,913)	9,784	nm	3,500
Tax	(19)	(195)	(1,904)	875.8	9,977.3	1,543	(2,507)	<i>nm</i>	(167)
<i>Tax rate (%)</i>	(6.1)	8.6	42.6	<i>nm</i>	<i>nm</i>	19.5	25.6	<i>nm</i>	4.8
Minority interests	(318)	(309)	(742)	139.8	133.6	(848)	(1,410)	66.3	(700)
Net profit	(647)	1,765	1,820	3.1	nm	(7,219)	5,868	nm	2,634
Non-recurring	850	(1,129)	(1,117)	(1.0)	<i>nm</i>	3,807	(4,448)	<i>nm</i>	0
Core profit	203	636	703	10.5	245.6	(3,412)	1,420	nm	2,634
EPS (THB)	(0.57)	1.21	1.25	3.3	<i>nm</i>	(5.56)	4.05	<i>nm</i>	1.91
Core EPS (THB)	0.15	0.46	0.51	10.5	245.6	(2.48)	1.03	<i>nm</i>	1.91

Sources: BCP; FSSIA estimates

Exhibit 50: 3Q21/9M21 key quarterly performance

	Unit	3Q20	2Q21	3Q21	----- Change -----		9M20	9M21	Change
					(q-q %)	(y-y %)			(y-y %)
Refinery business									
Average crude run	kbpd	95.3	107.0	111.4	4.1	16.9	96.3	94.6	(1.8)
Utilisation rate*	%	79.0	89.0	93.0	4.0	14.0	80.0	79.0	(1.0)
Average FX	THB/USD	31.5	31.5	33.1	4.9	5.1	31.7	31.7	-
Total GRM	USD/bbl	3.5	7.6	5.5	(27.1)	57.4	(2.0)	8.5	nm
Market GRM	USD/bbl	2.3	4.2	3.1	(26.6)	31.8	3.0	3.5	17.2
Oil hedging	USD/bbl	0.2	(0.4)	(1.2)	210.0	nm	0.2	(0.7)	nm
Inventory gain/(loss)	kbd	1.0	3.8	3.7	(2.4)	283.5	(5.2)	5.6	nm
EBITDA	THB m	606.0	1,976.0	1,891.0	(4.3)	212.0	(2,770.0)	6,279.0	nm
Marketing business									
Retail (service station)	m litre	1,104	996	900	(9.6)	(18.5)	3,095	2,949	(4.7)
Industrial	m litre	182	187	153	(18.2)	(15.9)	760	525	(30.9)
Total marketing margin	THB/litre	0.89	0.88	0.73	(17.0)	(18.0)	0.86	0.79	(8.1)
EBITDA	THB m	766	827	562	(32.0)	(26.6)	1,572	2,359	50.1
Power plant business									
Solar power business - Thailand	m kWh	73.7	80.1	75.3	(5.9)	2.2	217.0	236.9	9.2
Solar power business - Japan	m kWh	5.1	4.6	5.0	10.3	(0.8)	13.0	13.6	4.7
Wind power business - Thailand	m kWh	2.7	2.4	4.0	61.9	47.4	8.3	10.1	22.3
Hydropower business - Laos	m kWh	188.8	102.0	210.2	106.1	11.3	296.2	380.4	28.4
Share of profit (loss) from associated companies	THB m	100	157	151	(3.8)	51.0	294	448	52.4
EBITDA	THB m	1,138	997	1,179	18.3	3.6	2,771	3,155	13.9
Biodiesel and Ethanol business									
B100 production volume	m litre	66.0	63.2	55.7	(11.9)	(15.6)	186.3	181.6	(2.5)
B100 sales volume	m litre	67.4	63.1	53.5	(15.2)	(20.6)	194.3	181.1	(6.8)
Gross profit from B100	THB m	161	176	178	1.1	10.6	606	611	0.8
Ethanol production volume	m litre	51	42	45	6.7	(13.2)	147	142	(3.1)
Ethanol sales volume	m litre	52.4	49.8	44.6	(10.5)	(14.9)	136.1	128.2	(5.8)
Gross profit from Ethanol	THB m	171	60	31	(48.3)	(81.9)	541	207	(61.7)
EBITDA	THB m	390	296	890	200.7	128.2	1,238	1,607	29.8
Exploration and production business									
Production volume (Draugen Field)	kbd	13.3	13.2	16.3	23.5	22.7	16.1	15.4	(4.8)
Production volume (Gjoa Field)	kbd	14.2	13.1	17.0	30.1	19.3	14.9	15.1	1.3
Share of profits from OKEA	THB m	(50)	333	n/a	nm	nm	(1,189)	n/a	nm

*Note: Change in margin % is represented in ppt change

Sources: BCP; FSSIA estimates

TASCO (BUY, TP THB22.5) – weak 3Q21 net profit on lower margin and sales volume

(-) 3Q21 net profit (NP) of THB378m, down 56% q-q and 80% y-y. The company had a 3Q21 core NP of THB438m, down 65% q-q and 75% y-y, missing BBG consensus by 6% and our estimate by 2%.

(-) Lower core NP was due to a lower sales volume particularly for its retail sales, which commanded a higher gross margin than the wholesale export volume, and the higher average selling price (ASP).

(-) The asphalt-Dubai margin declined in 3Q21, driven by the higher crude cost that rose at a faster rate than the rise in asphalt price, due to the lower demand on lockdowns, higher freight cost.

(-) Asphalt sales volume is estimated to be 0.3mt in 3Q21, down 23% q-q, bringing the 1H21 sales volume to 1.0mt, on track to achieve TASCO's sales volume target of 1.3mtpa in 2021.

(-) EBITDA margin plunged to 20.2% in 3Q21, down from 27.4% in 2Q21 and 28.6% in 3Q20, due to the lower margin of asphalt-crude and lower asphalt sales in the domestic market.

(-) We estimate that the non-recurring items in 3Q21 included a hedging loss of THB204m and an FX loss of THB22m. TASCO's 3Q21 interest expense was lower by 9.4% q-q to THB32m due to the lower debt.

Exhibit 51: Summary of 3Q21/9M21 operations

	3Q20	2Q21	----- 3Q21 -----			9M20	9M21	Chg.	2021E
	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)	(THB m)
Revenue	8,576	7,713	6,866	(11.0)	(19.9)	20,229	20,450	1.1	38,166
Operating costs	(6,126)	(5,597)	(5,480)	(2.1)	(10.5)	(17,993)	(16,166)	(10.2)	(35,142)
EBITDA	2,450	2,116	1,385	(34.5)	(43.5)	2,236	4,284	91.6	3,025
<i>EBITDA margin (%)</i>	28.6	27.4	20.2	<i>nm</i>	<i>nm</i>	11.1	20.9	<i>nm</i>	7.9
Depn & amort.	(245)	(580)	(874)	50.7	256.2	(736)	(1,743)	136.8	(1,007)
EBIT	2,205	1,536	511	(66.7)	(76.8)	1,500	2,541	69.4	2,017
Interest expense	(32)	(35)	(32)	(9.4)	0.7	(101)	(92)	(8.6)	(110)
Interest & invt inc.	0	4	4	<i>nm</i>	<i>nm</i>	-	13.8	<i>nm</i>	0
Other income	23	37	26	(30.0)	13.4	61.4	89.1	45.2	700
Associates' contrib.	11	24	14	(44.0)	27.2	75.6	87.1	15.2	80
Exceptionals	90	(484)	(20)	(95.9)	<i>nm</i>	1,909	(525)	<i>nm</i>	0
Pretax profit	2,297	1,084	504	(53.5)	(78.1)	3,445	2,114	(38.6)	2,687
Tax	(433)	(208)	(113)	(45.7)	(74.0)	(655)	(419)	(36.0)	(478)
<i>Tax rate (%)</i>	18.9	19.2	22.4	<i>nm</i>	<i>nm</i>	19.0	19.8	<i>nm</i>	17.8
Minority interests	(1)	(8)	(13)	49.9	1,064.3	7.0	(27.7)	<i>nm</i>	0
Net profit	1,862	867	378	(56.4)	(79.7)	2,798	1,668	(40.4)	2,209
Non-recurring	90	(367)	(60)	(83.7)	(166.3)	1,909	(826)	<i>nm</i>	0
Core net profit	1,773	1,234	438	(64.5)	(75.3)	888	2,494	180.8	2,209
EPS (THB)	1.18	0.55	0.24	(56.4)	(79.7)	1.77	1.06	(40.4)	1.40
Core EPS (THB)	1.12	0.78	0.28	(64.5)	(75.3)	0.56	1.58	180.8	1.40

Sources: TASCO; FSSIA estimates

BANPU (BUY, TP THB16.9) – strong core but weak reported net profit due to large hedging loss (THB5.1b)

(+) BANPU's 3Q21 core net profit (NP) was THB8.6b, up 196% q-q and from a net loss (NL) of THB642m in 3Q20, driven by the higher ASPs for coal and gas.

(-) Including a THB5.1b non-recurring expense, 3Q21 reported NP was THB3.5b, up 164% q-q and up from a NL of THB516m in 3Q20, 13% below our estimate and 5% below BBG consensus

(+) EBITDA rose to USD530m, or THB17.4b (+282% y-y, +80% q-q) due to the higher EBITDA from coal at USD399m (+105% q-q), shale gas at USD122.4m (+74% q-q), power at USD2.6m (-93% q-q), and Energy Technology at USD5.4m (-18% q-q).

USD177m (THB5.1b) hedging loss was a key negative surprise. While EBITDA from core businesses of coal and shale gas were much stronger in 3Q21 as expected, the reported net profit of THB3.5b was below our and consensus' estimates due to the large-than-expected after-tax hedging loss of THB5.1b (USD177m before tax), which comprises USD178m realized loss and USD1m unrealized loss.

The USD177m hedging loss included

- USD102m loss from coal swap contracts
- USD61m loss from gas swap contracts
- USD5m loss from interest swap contracts
- USD10m loss from FX forward contracts
- USD1m loss from cross currency and interest rate swap contracts
- USD1m realized gain on fuel swap contracts
- USD1m unrealized loss on fair value of financial derivatives.

Coal EBITDA jumped to USD399m (+105% q-q)

(+) Coal operations improved markedly, driven by a higher average selling price (ASP) and a rising sales volume.

(+) coal NP from China was at USD50m on a higher gross margin and production, while the China power unit posted a USD1m NL due to the higher coal cost.

(+) coal sales volumes rose to 8.7mt in 3Q21, up 9.9% y-y and 11.5% q-q. Sales volumes from Centennial Coal (CEY) remained flat at 2.49mt (-23.1% y-y, +0.1% q-q) due to the complex geology of Spingvale mine. Coal sales volumes in Indonesia rose to 5.8mt (+35% y-y, +19% q-q) despite the heavy rainfall.

(+) coal ASP rose to USD99.6/t (+96% y-y, +33% q-q) due to the 39% q-q higher ASP for PT Indo Tambangraya Megah Tbk (ITMG) to USD112.7/t vs the 10.4% q-q rise in coal cost in Indonesia to USD45.9/t on the higher diesel cost.

(+) CEY's ASP increased to AUD103.8/t (+30% y-y, +15% q-q), while the coal cost in Australia shot up to AUD88.1/t, up 7.8% q-q due to higher mining costs.

(+) The average coal gross profit margin (GPM) was 47% in 3Q21 due to the higher GPM for CEY (14% in 3Q21 from 9% in 2Q21), ITMG's improving GPM (59% from 49%), and China traded coal (5% from 12%).

Shale gas EBITDA rose to USD530m (+74% q-q).

(+) Sales volumes for shale gas inched up to 62bcf in 3Q21, up 3% q-q and 309% y-y, due to the incorporation of the Barnett shale area's sales volume of 50bcf and strong demand in US after the economic reopening.

The ASP for gas jumped 43% q-q to USD3.68/mcf vs the USD0.98/mcf cost, with a slightly higher cost of gathering, processing, and transportation, resulting in a higher GPM at 53% in 3Q21, up from 34% in 2Q21 and from -60% in 3Q20.

Power EBITDA plunged to USD2.6m (-93% q-q).

(-) Power business witnessed a poor earnings of THB597m in 3Q21. Key points are:

(-) lower net profits from Hongsa power plant to USD21.7m (-38% q-q) due to the planned shutdown of unit 1 and unit 3, resulting lower effective availability factor (EAF) of 75%, down from 92% in 2Q21.

(-) BCLP power plants contributed a net loss of USD1.7m due to the deferred tax expenses and unrealized FX loss.

(-) China's three small power producers (CHP) posted a net loss of USD1m caused by the mismatch of electricity tariff and the coal cost that partly offset by the heat subsidy for Zhengding power plant.

(-) Shan Xi Lu Guang (SLG) power plant experienced a net loss of USD7.1m due to the high coal cost.

(+) Nakoso power plant in Japan, acquired in Apr-21, recorded a share of profit of USD3.1m.

(-) Energy Technology (Banpu NEXT), which includes renewable projects of solar and wind farms in China and Japan, had a net loss of USD2m.

Exhibit 52: BANPU - Summary of 3Q21/9M21 operations

	3Q20	2Q21	3Q21		9M20	9M21	Change	2021E	
	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)	(THB m)
Revenue	14,739	25,063	38,234	52.6	159.4	51,073	85,559	67.5	113,757
Operating costs	(10,172)	(15,393)	(20,800)	35.1	104.5	(38,927)	(49,859)	28.1	(65,519)
EBITDA	4,567	9,670	17,433	80.3	281.7	12,146	35,700	193.9	48,237
<i>EBITDA margin (%)</i>	31	39	46	nm	nm	23.8	41.7	nm	42
Depreciation & amort	(3,425)	(3,589)	(4,173)	16.3	21.8	(10,004)	(11,507)	15.0	(17,496)
EBIT	1,142	6,081	13,260	118.1	1,060.7	2,142	24,193	1,029.4	30,741
Interest expense	(1,345)	(1,349)	(1,521)	12.7	13.1	(4,273)	(4,225)	(1.1)	(6,195)
Interest & invt inc	402	365	335	(8.2)	(16.6)	607	953	57.0	280
Associates' contrib	1,000	2,002	2,229	11.3	123.0	3,486	5,609	60.9	6,149
Exceptionals	(1,072)	(3,643)	(7,269)	nm	nm	(1,251)	(12,330)	885.8	(10,787)
Pretax profit	127	3,456	7,035	103.6	5,426.5	711	14,200	1,896.7	20,189
Tax	(353)	(1,018)	(1,996)	96.0	465.0	(1,169)	(4,415)	277.7	(3,931)
<i>Tax rate (%)</i>	277	29	28	nm	nm	164	31	nm	19
Minority interests	(291)	(1,112)	(1,534)	37.9	428.1	(860)	(3,419)	297.4	(8,619)
Net profit	(516)	1,325	3,505	164.4	nm	(1,318)	6,366	nm	7,639
Non-recurring	126	(1,575)	(5,083)	222.8	nm	571	(6,944)	nm	-
Core profit	(642)	2,900	8,588	196.1	nm	(1,889)	13,309	nm	7,639
EPS (THB)	(0.10)	0.26	0.68	164.4	nm	(0.26)	1.23	nm	1.39
Core EPS (THB)	(0.12)	0.56	1.66	196.1	nm	(0.37)	2.58	nm	1.39

Sources: BANPU; FSSIA estimates

Exhibit 53: BANPU - 3Q21 key quarterly performance

	3Q20	2Q21	3Q21	Change	
				(q-q %)	(y-y %)
Total coal sales volume (m tonnes)	7.95	7.84	8.74	11.5	9.9
- Indonesia coal sales volume	4.31	4.88	5.82	19.3	35.0
- Australia coal sales volume	3.24	2.49	2.49	-	(23.1)
ASP for coal (USD/tonne)	50.80	74.84	99.57	33.0	96.0
- ASP for coal - Indonesia (USD/tonne)	49.10	81.05	112.66	39.0	129.5
- ASP for coal - Australia (AUD/tonne)	78.97	89.77	102.83	14.5	30.2
Coal cost - overall (USD/tonne)	38.84	48.05	51.89	8.0	33.6
- Coal cost - Indonesia (USD/tonne)	32.28	41.62	45.94	10.4	42.3
- Coal cost - Australia (AUD/tonne)	70.95	81.72	88.07	7.8	24.1
Sales volume - Gas (bcf)	15.15	60.23	61.96	2.9	309.0
ASP for gas (USD/mcf)	0.55	2.57	3.68	43.2	569.1
Cost for gas (USD/mcf)	1.11	0.91	0.98	7.7	(11.7)
Average GPM (%)*				(ppt)	(ppt)
Average GPM - Indonesia coal	34	49	59	10.0	25.0
Average GPM - Australia coal	11	9	14	5.0	3.0
Average GPM - China (traded coal)	2	12	5	(7.0)	3.0
Average GPM - coal	23	36	48	12.0	25.0
Average GPM - power	20	7	1	(6.0)	(19.0)
Average GPM - gas	(60)	34	53	19.0	113.0
Average GPM	20	34	47	13.0	27.0

*Note: Change in margin % is represented in ppt change

Sources: BANPU; FSSIA estimates

RS (RS TB, BUY, TP THB22) - 3Q21 results turn into a loss

- RS's bottom line in 3Q21 has turned in to a loss at THB0.3m, lower than the market expectation of THB25m profit;
- The company's revenue dropped by 9% y-y and 14% q-q to THB852m. Its revenue comprise of 1) Commerce business at THB542m (-16% y-y, 4% q-q), and entertainment business at THB311m (+6% y-y, -27% q-q);
- Its GPM in 3Q21 dropped 47% VS 54% in 2Q21 due to a weak entertainment revenue;
- The company expects its SG&A to sale ratio is expected to decrease to its normal level under 35% (VS 50% in 3Q21) in 2022 from new SKUs under existing brands which lead to better economies of scale and sales growth of commerce business.
- Share of profit from Chase improved significantly to THB29m (+180% q-q), back to its normal level, after the company has less bad debt in this quarter;
- New products launch pipeline;
 - 1. Pet food (delayed) in 2022
 - 2. Hemp seed oil extract (in line) in 4Q21, 7 more SKUs to be followed in 2022

Exhibit 54: RS - 3Q21 results review

	3Q20	2Q21	3Q21	----- Change -----		9M19	9M20	chg.	2021E
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)	(THB m)
Revenue	938	992	852	(14)	(9)	2,756	2,837	3	3,832
Operating costs	(454)	(459)	(449)	(2)	(1)	(1,286)	(1,339)	4	(1,938)
Gross profit	484	534	404	(24)	(17)	1,470	1,498	2	1,893
SG&A expenses	(312)	(469)	(431)	(8)	38	(915)	(1,287)	41	(1,456)
EBIT	172	65	(27)	(142)	(116)	555	211	(62)	437
Depn & amort.	133	150	145	(3)	9	378	429	14	542
EBITDA	305	215	118	(45)	(61)	933	640	(31)	979
EBITDA margin (%)	32.5	21.7	13.9	n.m.	n.m.	33.8	22.5	n.m.	25.6
Interest expense	(9)	(16)	(16)	0	76	(27)	(43)	57	(60)
Other income	2	2	1	(17)	(20)	6	6	6	13
Associates	0	10	29	180	n.a.	0	49	n.a.	80
Pretax profit	164	61	(12)	(120)	(107)	533	223	(58)	470
Tax	(34)	(8)	11	n.a.	n.a.	(108)	(30)	(72)	(94)
Tax rate (%)	(20.6)	(12.4)	(92.0)	n.m.	n.m.	(20.2)	(13.4)	n.m.	(20)
Net profit	131	54	(0)	n.a.	n.a.	426	193	(55)	376
Core net profit	131	54	(0)	n.a.	n.a.	426	193	(55)	376
EPS (THB)	0.13	0.06	(0.00)	n.a.	n.a.	0.44	0.20	(55)	0.39
Core EPS (THB)	0.13	0.06	(0.00)	n.a.	n.a.	0.44	0.20	(55)	0.39

Sources: RS; FSSIA estimates

Kerry Express Thailand (KEX TB, BUY, TP THB38) - A huge earnings declined by 96% both q-q and y-y

- KEX's net profit in 3Q21 was only THB13m (-96% both y-y and q-q), the lowest net profit in many years, lower than the market and our expectation;
- The company's revenue grew by 19% y-y and 16% q-q to THB5.3b, higher than our expectation, thanks to the 48% y-y increase in number of parcel delivered, but its revenue per parcel continue to declined;
- The lower revenue per parcel was due to an intense competition in parcel deliver market;
- Costs of sales and services rose by 30.8% YoY and 27.9% QoQ due to short-term investment in its margins to prepare extra operating resources for service quality and supply chain disruption, labour supply shortages due to Covid impact;
- The company will clarify more detail about a significant increase on its cost of service in analyst meeting tomorrow morning.

Exhibit 55: KEX - 3Q21 results review

	3Q20	2Q21	3Q21	----- Change -----		9M20	9M21	chg.	2021E
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)	(THB m)
Revenue	4,489	4,600	5,331	16	19	14,689	14,118	(4)	19,133
Operating costs	(3,805)	(3,891)	(4,979)	28	31	(12,250)	(12,361)	1	(16,167)
Gross profit	683	709	352	(50)	(48)	2,439	1,757	(28)	2,966
SG&A expenses	(307)	(328)	(362)	10	18	(1,138)	(1,005)	(12)	(1,387)
EBIT	376	381	(10)	(103)	(103)	1,301	753	(42)	1,578
Depn & amort.	647	558	573	3	(11)	1,818	1,702	(6)	2,174
EBITDA	1,023	940	563	(40)	(45)	3,119	2,455	(21)	3,752
EBITDA margin (%)	22.8	20.4	10.6	<i>nm</i>	<i>nm</i>	21.2	17.4	<i>nm</i>	19.6
Interest expense	(31)	(22)	(21)	(5)	(31)	(84)	(75)	(11)	(83)
Other income	20	47	37	(21)	82	60	112	85	96
Pretax profit	366	406	6	(98)	(98)	1,277	789	(38)	1,591
Tax	(74)	(70)	7	<i>n.a.</i>	<i>n.a.</i>	(247)	(138)	(44)	(318)
Tax rate (%)	(20.2)	(17.3)	110.2	<i>nm</i>	<i>nm</i>	(19.4)	(17.5)	<i>nm</i>	(20)
Net profit	292	336	13	(96)	(96)	1,030	651	(37)	1,273
Core net profit	292	336	13	(96)	(96)	1,030	651	(37)	1,273
EPS (THB)	0.17	0.19	0.01	(96)	(96)	0.59	0.37	(37)	0.73
Core EPS (THB)	0.17	0.19	0.01	(96)	(96)	0.59	0.37	(37)	0.73

Sources: KEX; FSSIA estimates

Workpoint Entertainment (WORK TB, BUY, TP THB26) - 3Q21 results slightly lower than our expectation

- WORK 3Q21's earnings dropped 13% y-y and 56% q-q to THB69m, slightly lower than our expectation;
- TV advertising expenditure in 3Q21 dropped 7% y-y and 9% q-q but WORK's TV revenue grew by 8% y-y thanks to its online channel;
- The company has started to have some events in 3Q21, making its event revenue jumped significantly from 2Q21;
- The company's total revenue dropped slightly by 7% y-y and 9% q-q due to the Covid impact.

Exhibit 56: WORK - 3Q21 results review

	3Q20	2Q21	3Q21	----- Change -----		9M20	9M21	Chg.	2021E
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)	(THB m)
TV	444	558	478	(14)	8	1,292	1,592	23	2,024
Concerts	12	1	3	206	(76)	28	7	(76)	28
Event marketing	21	0	25	5,033	23	59	34	(42)	80
Others	84	16	16	(4)	(81)	256	45	(83)	280
Revenue	561	576	522	(9)	(7)	1,635	1,678	3	2,412
Operating costs	(315)	(273)	(291)	6	(8)	(935)	(871)	(7)	(1,339)
Gross profit	245	302	231	(24)	(6)	700	807	15	1,073
SG&A expenses	(176)	(122)	(161)	33	(8)	(572)	(436)	(24)	(726)
Other income	29	16	20	22	(31)	45	56	24	53
EBIT	99	197	90	(55)	(9)	173	427	147	400
Deprn & amort.	112	86	82	(5)	(27)	337	259	(23)	269
EBITDA	211	284	172	(40)	(19)	510	686	35	670
EBITDA margin (%)	37.6	49.3	32.9	(16.4)	(4.7)	31.2	40.9	9.7	27.8
Interest expense	(1)	(2)	(2)	(1)	125	(2)	(6)	148	(9)
Associates	0	4	2	(42)	n.a.	2	9	nm	11
Extra items	(4)	(4)	0	n.a.	n.a.	(26)	(3)	nm	0
Pretax profit	94	195	90	(54)	(4)	146	427	192	402
Tax	(20)	(41)	(19)	(55)	(9)	(28)	(83)	193	(80)
Tax rate (%)	(22)	(21)	(21)	0.6	1.1	(19)	(19)	0.1	(20)
Minority interests	(2)	(0)	2	n.a.	n.a.	(6)	3	(149)	(7)
Net profit	76	154	70	(55)	(8)	124	342	175	329
Core net profit	80	158	69	(56)	(13)	150	345	130	329
EPS (THB)	0.17	0.35	0.16	(55)	(8)	0.28	0.77	175	0.74
Core EPS (THB)	0.18	0.36	0.16	(56)	(13)	0.34	0.78	130	0.74

Sources: WORK; FSSIA estimates

News Comments

BGRIM (BUY, TP THB58) – second acquisition in two weeks for the renewable projects in Malaysia

Acquisition of renewable in Malaysia: Event: On 10 November 2021 BGRIM announced that the company entered into subscription Agreement with reNIKOLA group (NKL) to acquire 45% stakes, which has completed the reversed acquisition (backdoor takeover) in Pimpinan Ehsan Berhad (PEB), a listed company in Bursa stock market in Malaysia. Later BGRIM will conduct a share swap with PEB that will result in BGRIM's stake in PEB to decline from 45% to 40%. The acquisition cost is THB3,165m, scheduled to complete by 1H22.

PEB projects: According to BGRIM's management, NKL is a leading developer of renewable energy in Malaysia, which recently acquires stakes in the listed PEB and will inject NKL's power assets into PEB. BGRIM will eventually own a total 163MW equity capacity in PEB. NKL owns three key asset groups, including 1) phase 1: an operating 88MW solar farms (COD in 2018-21) under the power purchase agreement (PPA) with Tenaga Nasional Bhd (TNB MK, not rated); 2) phase 2: an operating 90MW solar farm (COD in 2021) and a 375MW solar farm currently under development (COD in 2023); and 3) phase 3: potential renewable projects of solar and wind farms and hydro power plants in 2022 onward

Comment: We estimate that the acquisition of PEB/NKL is a positive move to BGRIM, given 1) the acquisition cost is reasonable at THB19.4/MW capacity (THB3.1b cost for 163MW equity capacity); 2) decent EIRR of 9-12%; 3) a 163MW equity capacity; and 4) an annual net profit contribution of THB0.3-0.4b to BGRIM starting 2022 onward.

Exhibit 57: BGRIM's equity capacity in PEB

	Gross MW	Acquisition timeline	Equity MW		Tariff (USD eq./kWh)
			Of step 1 with 45.0% stake	Of step 2 with 40.6% stake	
Phase 1	88 MW* Solar	Q1' 2022	39.6 MW	35.7 MW	0.08-0.10
Phase 2	90 ¹ MW + 375 ² MW Solar	2022	130.7 MW	127.3 MW	0.09 and 0.038 ³
Phase 3 potential	Solar Hydro T&D	2022 onwards	N/A	N/A	N/A

¹ Operate within 2021

² SCOD in 2023, offtakers are large corporates

³ Private PPA with large corporates

* COD 5.2MW in Mar2018 / 38.9MW in Jan2020 / 43.9MW in Jun2021 under PPA with TNB

For phase 1-2, no need for additional capital injection

Sources: BGRIM

Exhibit 58: Details of PPAs for the projects under PEB

Million baht	All projects in phase 1-2
Acquisition cost	Approximately THB 3,165 million
Source of fund	Bond and Internal Cash Flow
Project Information	PPA 21 years Tariff 0.058-0.1 USD eq./kWh Capacity Factor 16-18% EBITDA margin 80-85%
Offtakers	TNB* (except the 375 MW project = large corporates)
EIRR	9-12%
Existing Financial conditions (3 operating projects)	Debt 75-80% Interest 5.65% Tenors 17 years
Tax intensive	Tax allowance for 100% CAPEX

* TNB = Tenaga Nasional Berhad, the only electric utility company in Peninsular Malaysia

Note: These forward-looking statements are largely on historical data and certain assumptions.

Sources: BGRIM

Exhibit 59: New growth projects with PPTC and SSUT and PEB

	Equity capacity (MW)	Growth (MW)	Growth (%)	Project
2016	974			ABP5, BOWIN
2017	988	14	1	XXHP (SNN, SGD)
2018	1,217	229	23	ABPR3-5 SPPs, WVO solar farm
2019	1,819	602	49	Solar farms in Vietnam, Nam Che, SPP1, ABP1 extension, WTE
2020	1,938	119	7	ATP, Ray solar farm
2021E	1,953	15	1	BOTHONG wind farms, BPAM extension
2022E	2,319 (2,482)	366 (529)	19 (27)	(PEB), PPTC and SSUT, Hybrid U-Tapao (15MW), BPLC1, ABP1, ABP2, SPP1 SPP replacements, Tadsakoi, Nam Khao 4
2023E	2,690 (2,853)	371	16	BGPAT1, BGPAT2 SPPs, Nam Khao 2, Hybrid U-Tapao (80MW + ESS 50MW)
2024E	2,701 (2,864)	11	0	Nam Khao 3
2025E	2,717 (2,880)	16	1	Nam Khao 1, 5
Total equity capacity	2,717 (2,880)	1,743 (1,905)		

Sources: BGRIM; FSSIA estimates

Key takeaways from Analyst Meeting

Muangthai Capital (MTC TB; BUY; TP THB71) – Neutral view from analyst meeting

- MTC expect its 4Q21 performance should slightly recover from 3Q21 driven mainly by solid loan growth. However, other factors remain under pressure; including 1) a slightly drop in NIM q-q due to a competition; 2) a lower fee income from the full quarterly impact of new restrictions on debt collection fees; and 3) a high level of OPEX from incentive debt collection expense.
- In 2022, management targets loan growth of 30% y-y, with the expected gradual recovery in its NIM following the 1% increase in its motorbike title loan in 3Q21 and the higher growth of high yield portfolio like motorbike hire purchase.
- Next year, MTC will launch new lending product, consumer products hire purchase business. The company will provide loan for clients who would like to buy consumer products. MTC will not have its own brand. Its first focus target group are its existing clients. The company is currently in the process of studying its products and lending methods.

Comment;

- We have neutral view from analyst meeting.
- We think its performance has passed the bottom in 3Q21. However, the recovery could be at a u-shape. We expect MTC to post only a minimal increase q-q 4Q21 net profit (slightly decreasing q-q) due to 1) the continued decline in its loan yield; 2) the drop in fee income from full quarter impacted new debt restrictions fee; and 3) the increase in its debt collection incentive paid to its staff. The strong recovery of its earnings momentum should materialise starting from 2Q22.
- We think the growth in consumer product hire purchase loans will take time. The credit portfolio during the first operating year would not affect the overall operation of the company.

Economic news

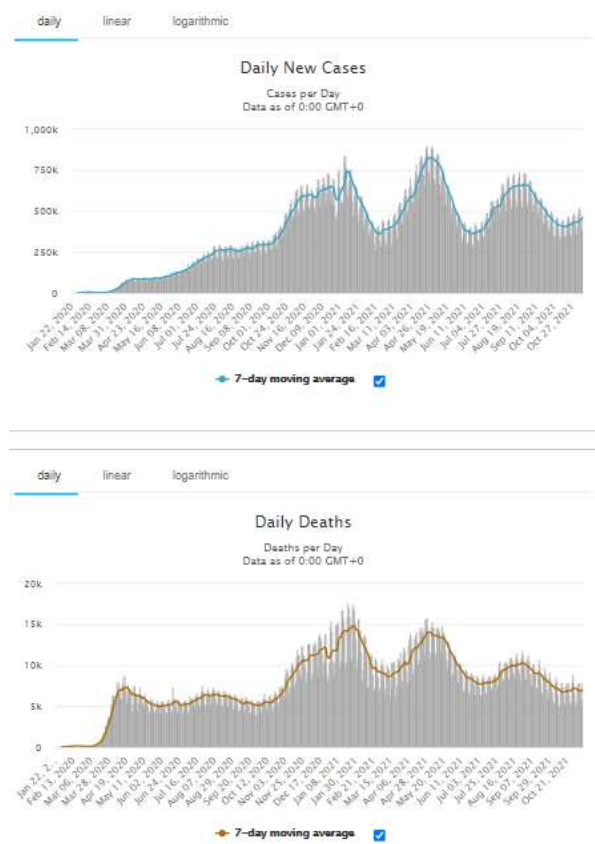
- COVID-19 cases as of 10 Nov globally reaches 252,069,470 with new 504,546 cases and 7,102 new deaths. There are 18,845,748 currently infected patients, with 77,015 (0.4%) cases in serious condition.

Exhibit 60: Top 25 countries by new cases

Country	Total Cases	New Cases	Total Deaths	New Deaths
World	252,069,470	504,546	5,086,927	7,102
1 USA	47,630,955	79,657	779,799	1,196
2 Germany	4,875,551	45,416	97,599	244
3 UK	9,406,001	39,329	142,338	214
4 Russia	8,911,713	38,058	250,454	1,239
5 Turkey	8,315,424	27,259	72,713	203
6 Ukraine	3,130,772	23,283	74,205	815
7 Poland	3,143,725	18,550	78,250	269
8 Czechia	1,843,019	14,539	31,229	31
9 Netherlands	2,236,744	12,648	18,637	25
10 Brazil	21,909,298	12,273	610,036	220
11 France	7,244,040	11,883	118,056	33
12 Austria	911,175	11,398	11,577	23
13 Belgium	1,448,962	10,132	26,230	30
14 Hungary	923,020	8,434	31,619	98
15 Iran	6,012,408	7,948	127,686	135
16 Vietnam	992,735	7,930	22,765	79
17 Italy	4,826,738	7,891	132,551	60
18 Croatia	514,850	7,315	9,655	50
19 Greece	808,297	7,089	16,493	79
20 Slovakia	533,663	7,055	13,367	53
21 Thailand	1,989,473	6,978	19,826	62
22 Romania	1,725,017	6,291	51,888	397
23 Malaysia	2,522,498	6,243	29,486	59
24 Georgia	766,818	5,751	10,662	78
25 Serbia	1,197,082	4,606	10,595	61

Source: worldometers.info

Exhibit 61: Global by new cases and deaths



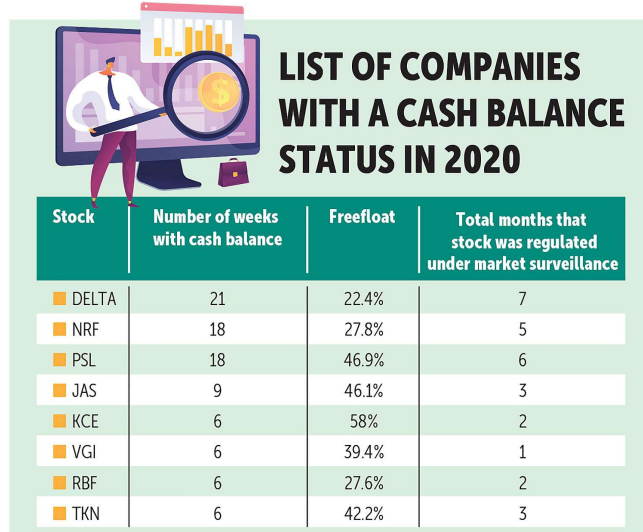
Source: worldometers.info

- Central bank unfazed by headline inflation, Rise will not press monetary policy** BANGKOK POST: The Bank of Thailand (BoT) expects high headline inflation to be short term and will not pressure monetary policy and the economic recovery. Headline inflation has been rising, mainly due to higher global energy prices, and it is expected to further increase next month, according to the central bank. The BoT maintains its existing assessment of the headline inflation rate this year at 1% and 1.4% next year and these forecasts remain within the target in the range 1-3% under upside risks, including the elevated global energy prices persisting longer than expected and global supply constraints becoming more prolonged, said Piti Disyatat, secretary of the BoT's Monetary Policy Committee (MPC). Headline inflation would increase temporarily owing to supply-side factors, particularly energy prices which would likely decline by early next year. With this scenario, it is possible the BoT will revise up the headline inflation forecast at the MPC meeting next month. The Commerce Ministry recently reported that headline inflation rose by 2.38% year-on-year in October from a 1.68% increase in September, driven by soaring prices of gasoline and some raw food, especially fresh vegetables, which were affected by floods in several areas.
- BCG exporters to get state help** BANGKOK POST: The Commerce Ministry has vowed to support and promote exporters trading in bio-, circular and green (BCG) products which align with the global climate agenda and the world's megatrend that will focus more on BCG products. According to Phusit Ratanakul Sereroengrit, director-general of the International Trade Promotion Department under the ministry, his department is scheduled to develop and upgrade 500 Thai exporters to become exporters of BCG products next year, up from 50 this year. "The department aims to raise the BCG export volume to 4.4 trillion baht by 2024, making up 24% of the gross domestic product (GDP) from 3.4 trillion baht or 21% of the GDP in 2020," he said.
- Court disputes 'reform' goal, Protest trio 'tried to overthrow regime'** BANGKOK POST: The Constitutional Court on Wednesday ruled that the actions of three protest leaders at a rally at Thammasat University in August last year were an attempt to overthrow the constitutional monarchy. The ruling involved allegations by Natthaporn Toprayoon, a lawyer and former adviser to the chief ombudsman, who petitioned the court to consider whether the actions of human rights lawyer Arnon Nampa, Panupong Jadnok and Panusaya Sithijirawattanakul violated Section 49 of the constitution. The section prohibits people from using their rights and freedom to overthrow the democratic regime with the King as head of state. The majority of Constitutional Court judges ruled the actions of the trio had covert intentions to exercise their rights and liberties

to undermine and overthrow the democratic regime with the King as head of state. The judges ordered the trio and their supporters to stop them.

Corporate news

- Bourse tightening market surveillance, Move offers better investor protection** BANGKOK POST: The Stock Exchange of Thailand (SET) is preparing to tighten its market surveillance rules to enhance its control over securities with unusual price movements, reduce investment risks and provide more protection for investors. The bourse has conducted a hearing process to collect public opinion on the rules revision. The hearing will end on Nov 12. According to the document filed at the hearing, the SET will revamp market surveillance measures to better regulate stocks with irregular price movements or those whose prices rise or drop without fundamental changes. The market surveillance measures currently consist of three levels -- cash balance, exclusion from credit limit and the prohibition of a net settlement. With the revised measures, the prohibition on the use of stocks in trading calculations will be included in the first level, the prohibition of net settlement will be included in the second and a one-day suspension of trading will be included in the third.



Source: Asia Plus Securities (ASPS)

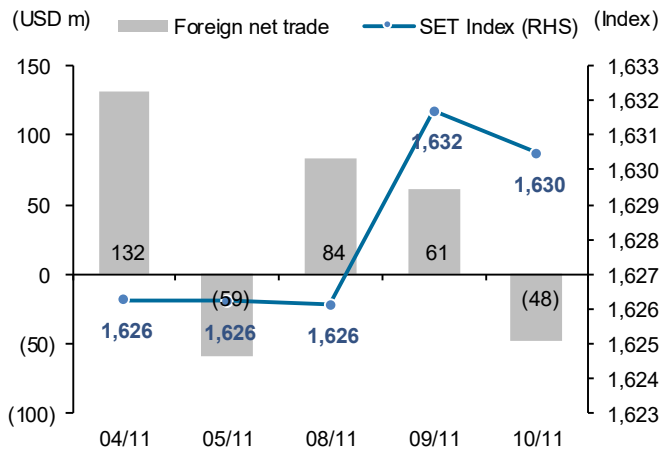
BANGKOK POST GRAPHICS

- New panel to protect online shoppers, MDES takes lead on multi-agency team** BANGKOK POST: The Ministry of Digital Economy and Society (MDES) has set up a committee to tackle problems arising from online transactions. The committee comprising three representatives from the MDES and 18 from various agencies will help victims of fraud related to online shopping, said Saree Aongsomwang, secretary-general of the Thailand Consumer Council (TCC).
- AirAsia sees recovery in 3 months** BANGKOK POST: AirAsia Group predicts the aviation business will return to normal within three months on condition that more borders in the region reopen with no quarantine and RT-PCR test required. AirAsia Group chief executive Tony Fernandes said the group already has planes and workforce in place as demand has risen, such as for Langkawi's reopening where AirAsia sold more than 300,000 tickets. "If borders reopen tomorrow with no quarantine and RT-PCR test, we will be back to normal by three months," he said. However, the reopening largely depends on decisions by each government which need to be brave enough to live with Covid-19 as they did with Sars and other diseases in the past, particularly after vaccines are administered globally and Covid medicines are being developed. "Asia-Pacific is behind Europe and the US. But I am optimistic as Singapore, Thailand and more have started to reopen," Mr Fernandes said.
- M Vision handles Metaverse project's land trade management** BANGKOK POST: M Vision Plc, the organiser of Thailand Mobile Expo, is catching the metaverse opportunity by working with a Singaporean partner to handle marketing and land trade management at Metaverse Thailand project, where virtual land can be bought, traded and developed. Metaverse Thailand, which can be accessed through the metaversethailand.io website, is being developed by A Plus Fintech, a financial tech firm headquartered in Singapore. M Vision is in charge of virtual land trade management and marketing on the platform. Metaverse Thailand enables users to buy, sell, name and develop the land they own, according to the project's white paper.
- SE Asia digital economy to reach \$363bn by 2025** BANGKOK POST: Southeast Asia's booming internet economy is set to double to \$363 billion by 2025, eclipsing the previous forecast of \$300 billion, research from Google, Temasek Holdings Pte and Bain & Co shows. E-commerce, travel, media, transport and food are driving the region's digital growth, with online spending rising 49% in 2021 to \$174 billion, the companies said in their latest annual report. The region added 60 million new digital consumers since the start of the pandemic, led by Thailand and the Philippines. Southeast Asia, home to Alibaba Group Holding Ltd's Lazada and Tencent Holdings Ltd-backed Sea Ltd, will see a 62% increase in e-commerce gross merchandise value (GMV) this year as home-bound consumers pick up groceries and essentials from the likes of Lazada's RedMart and Sea's Shopee. Online shopping is now forecast to hit \$234 billion in 2025 versus a previous \$172 billion estimate, making up 64% of the region's total estimated digital GMV of \$363 billion, the research shows.
- Centara Samui to open Dec 1, Luxurious resort's launch a milestone** BANGKOK POST: Thailand's leading hotel operator Centara is scheduled to debut personalised luxury and hospitality with Centara Reserve Samui on Dec 1. Nestled

at the tranquil end of Chaweng Beach in Samui, the elegant new resort features colonial splendour with contemporary flair, and is located just a short stroll from all the island's wonders and top attractions.

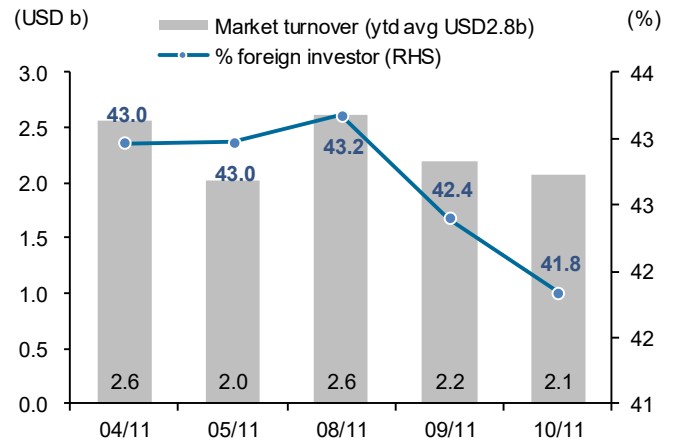
- **IEAT to launch carbon neutral project** BANGKOK POST: The Industrial Estate Authority of Thailand (IEAT) plans to carry out a "Carbon Neutral Industrial Estate" project at Map Ta Phut Industrial Estate in Rayong, as part of Thai-Japanese cooperation to fight climate change. The IEAT will team up with four Thai and Japanese companies to jointly conduct a feasibility study of the project, covering clean energy infrastructure development, zero emission vehicles, as well as production, and the use and storage of renewable energy, according to their memorandum of understanding. They also plan to demonstrate the use of hydrogen fuel in the industrial estate, according to the IEAT.
- **Siam Piwat in B300m festive spending spree** BANGKOK POST: Siam Piwat Group, the operator of Siam Paragon, Siam Center, Siam Discovery and Iconsiam, is spending 300 million baht to stimulate a shopping spree among local and foreign shoppers during the year-end festive season. Supoj Chaiwatsirikul, managing director of Iconsiam, said on behalf of Siam Piwat Group that the spending will be allocated for marketing events and promotional activities at its four shopping malls in the remaining two months of this year. Of the total budget, 150 million baht will be used for Iconsiam, and the remaining 150 million baht will be used for its other three shopping complexes under the group.
- **Frasers aiming for 10-15% residential revenue growth** BANGKOK POST: SET-listed real estate company Frasers Property Thailand Plc (FPT) plans to spend 10 billion baht on housing development next year, aiming for 10-15% growth in residential revenue. The company's country chief executive Thanapol Sirithanachai said the investment budget will be for the acquisition of new land plots for low-rise houses including single detached houses, townhouses and duplex houses.

Exhibit 62: Foreign fund flow and SET Index



Source: Bloomberg

Exhibit 63: Foreign participation



Source: Bloomberg

Exhibit 64: Index performance

	SET Index		Index performance (% change)									
	Index	(%chg)	Energy	Bank	Comu	Commerce	Food	Property	Construct	Transport	Petrochem	
% of SET Index			21%	9%	8%	11%	6%	6%	4%	8%	3%	
Current	1,630.47	(0.1)	0.2	(0.5)	(0.1)	(0.9)	(0.2)	0.6	0.2	(0.1)	(0.1)	
-5D	1,611.92	1.2	0.4	1.8	2.5	1.2	0.6	2.5	0.0	3.2	1.7	
-1M	1,639.41	(0.5)	(3.9)	4.0	0.3	0.6	(1.5)	4.8	(2.3)	1.0	(3.6)	
-3M	1,542.62	5.7	5.6	25.8	11.0	11.6	(2.8)	15.6	(4.2)	8.7	4.8	
-6M	1,588.15	2.7	(0.6)	11.5	16.5	5.6	0.9	7.8	(11.7)	6.9	(9.3)	
-1Y	1,341.24	21.6	13.2	40.0	22.1	13.4	12.0	26.3	13.8	1.6	40.8	
WTD	1,626.22	0.3	0.4	0.3	1.2	0.0	(0.2)	1.9	0.0	2.2	2.1	
MTD	1,623.43	0.4	(1.2)	3.6	0.7	1.9	(0.6)	0.9	(0.4)	1.9	0.4	
QTD	1,605.68	1.5	(0.6)	7.3	0.2	2.6	(0.4)	7.1	(1.8)	5.3	(1.7)	
End of 2020	1,449.35	12.5	4.2	21.7	21.3	17.4	12.8	17.7	9.6	8.1	12.9	

Source: Bloomberg

Exhibit 65: Trade by investor types

	SET Index		Exchange rate (USD:THB)	SET Index		Equity trading / Net position				Bond Net foreign (USD m)
	Index	Change (y-y%)		Average daily turnover (THB m)	(USD m)	Foreign (USD m)	Retail (USD m)	PropTrade (USD m)	Local Inst (USD m)	
2018	1,563.88	(10.8)	32.32	56,370	1,744	(8,913)	3,571	(478)	5,799	8,855
2019	1,579.84	1.0	31.06	52,468	1,689	(1,496)	(662)	477	1,681	(502)
2020	1,449.35	(8.3)	31.29	67,335	2,152	(8,287)	6,873	459	953	(1,005)
2021YTD	1,630.47	12.5	31.78	89,810	2,826	(1,951)	3,254	624	(1,825)	4,995
1Q21	1,587.21	41.0	30.26	93,653	3,095	(987)	1,622	129	(764)	128
2Q21	1,587.79	18.6	31.36	94,016	2,998	(1,482)	1,973	85	(574)	2,442
3Q21	1,605.68	29.8	32.92	86,406	2,625	(8)	(178)	189	97	632
4Q21	1,630.47	12.5	33.33	79,020	2,371	526	(163)	221	(584)	1,793
Jan-21	1,466.98	(3.1)	30.00	98,584	3,286	(365)	928	(31)	(533)	5
Feb-21	1,496.78	11.7	29.99	90,860	3,029	(621)	1,010	82	(470)	(154)
Mar-21	1,587.21	41.0	30.78	91,515	2,973	(1)	(316)	78	238	277
Apr-21	1,583.13	21.6	31.33	87,668	2,798	(107)	573	(12)	(453)	1,050
May-21	1,593.59	18.7	31.30	103,240	3,299	(1,061)	1,094	(42)	10	6
Jun-21	1,587.79	18.6	31.46	91,139	2,897	(314)	307	139	(131)	1,385
Jul-21	1,521.92	14.6	32.61	77,785	2,385	(522)	542	89	(110)	282
Aug-21	1,638.75	25.0	33.10	86,818	2,623	175	(798)	58	666	1,447
Sep-21	1,605.68	29.8	33.05	94,614	2,863	338	79	42	(459)	(1,097)
Oct-21	1,623.43	35.9	33.49	81,653	2,438	474	(106)	175	(542)	305
Nov-21	1,630.47	15.8	33.17	76,388	2,303	52	(57)	47	(42)	1,488
2021YTD	1,630.47	12.5	31.78	89,810	2,826	(1,951)	3,254	624	(1,825)	4,995
04/11/2021	1,626.27		33.41	85,650	2,564	132	(163)	(16)	48	97
05/11/2021	1,626.22		33.32	67,472	2,025	(59)	67	7	(15)	(14)
08/11/2021	1,626.13		33.06	86,640	2,621	84	(67)	(11)	(6)	149
09/11/2021	1,631.69		32.80	71,995	2,195	61	(29)	25	(57)	370
10/11/2021	1,630.47		32.76	67,908	2,073	(48)	58	39	(49)	790

Source: Bloomberg

Exhibit 66: Upcoming events

Date Time	Event		Survey	Actual	Prior	Revised
11/10/2021 02:00	BoT Benchmark Interest Rate	10-Nov	0.50%	0.50%	0.50%	--
11/12/2021 02:30	Foreign Reserves	05-Nov	--	--	\$246.1b	--
11/12/2021 02:30	Forward Contracts	05-Nov	--	--	\$32.9b	--
11/14/2021 21:30	GDP YoY	3Q	-3.00%	--	7.50%	--
11/14/2021 21:30	GDP SA QoQ	3Q	-3.50%	--	0.40%	--
11/17/2021 11/24	Car Sales	Oct	--	--	56871	64122
11/22/2021 22:30	Customs Exports YoY	Oct	--	--	17.10%	--
11/22/2021 22:30	Customs Imports YoY	Oct	--	--	30.30%	--
11/22/2021 22:30	Customs Trade Balance	Oct	--	--	\$610m	--
11/25/2021 11/30	Capacity Utilization ISIC	Oct	--	--	61.98	--
11/25/2021 11/30	Mfg Production Index ISIC NSA YoY	Oct	--	--	-1.28%	--
11/30/2021 02:00	BoP Current Account Balance	Oct	--	--	-\$1346m	--
11/30/2021 02:30	Exports YoY	Oct	--	--	17.80%	--
11/30/2021 02:30	Exports	Oct	--	--	\$22935m	--
11/30/2021 02:30	Imports YoY	Oct	--	--	20.40%	--
11/30/2021 02:30	Imports	Oct	--	--	\$18928m	--
11/30/2021 02:30	Trade Balance	Oct	--	--	\$4007m	--
11/30/2021 02:30	BoP Overall Balance	Oct	--	--	-\$3417m	--
11/30/2021 19:30	Markit Thailand PMI Mfg	Nov	--	--	50.9	--
12/01/2021 02:30	Business Sentiment Index	Nov	--	--	47	--
12/02/2021 22:30	CPI YoY	Nov	--	--	2.38%	--
12/02/2021 22:30	CPI NSA MoM	Nov	--	--	0.74%	--
12/02/2021 22:30	CPI Core YoY	Nov	--	--	0.21%	--
12/03/2021 12/09	Consumer Confidence	Nov	--	--	43.9	--
12/03/2021 12/09	Consumer Confidence Economic	Nov	--	--	37.8	--

Source: Bloomberg

Exhibit 67: Upcoming XM

Symbol	X-Date	Announce Date	Meeting Date	Type of Meeting	Agenda	Venue
DIMET	12/11/2021	18/10/2021	07/12/2021	EGM	Capital increase	The Company's headquarter No.602 Moo 2, Bangpoo Industrial Estate Soi 1, Sukhumvit Road, Mueang Samut Prakarn, Samut Prakarn
KWG	12/11/2021	01/11/2021	08/12/2021	EGM	Capital increase, Paid up capital reduction, Connected transaction, Change of par value	E-Meeting
NOVA	17/11/2021	02/11/2021	09/12/2021	EGM	Capital increase, Acquisition and disposition of assets, Connected transaction, To consider approving the reduction of the Company's registered capital by THB 588 from the current registered capital of THB 70,000,000 to be THB 69,999,412	Through Electronic Media (E-AGM)
CHO	19/11/2021	08/11/2021	13/12/2021	EGM	Capital increase, The issuance of convertible securities	The electronic meeting will be held at meeting room, 3rd floor, branch office (1) of Cho Thavee Public Company Limited, No. 96/52 Soi Vibhavadi Rangsit, Talat Bang Khen Sub-district, Laksi District, Bangkok
SABUY	22/11/2021	08/11/2021	15/12/2021	EGM	Capital increase	VIA Electronic Meeting only and broadcast live from the meeting room on the 2nd floor of the Company's office, located at 230 Bang Khun Tian-Chai Talae Road, Samae Dam Subdistrict, Bang Khun Tian District, Bangkok 10150
STAR	26/11/2021	27/09/2021	21/12/2021	EGM	Changing the director(s)	Via the electronic system at the Company's meeting room, No. 486 People Park Community Mall, E2 Building, Onnut Road, Suan Luang, Bangkok
FTREIT	13/12/2021	05/11/2021	27/01/2022	AGM	To acknowledge the distribution payment from the operating results of fiscal year 2021, To consider and approve the capital increase of FTREIT by means of a general mandate by issuing a total of not exceeding 919,016,114 trust units	Through Electronic Media (E-AGM)

Source: SET