Small Cap Research

BUY (Unchanged)

Change in Numbers

TP: Bt 7.50 (Unchanged)

Upside : 33.9%

18 AUGUST 2021

CK Power Pcl (CKP TB)

Strong earnings momentum

NUTTAPOP PRASITSUKSANT
662 – 483 8296
nuttapop.pra@thanachartsec.co.th

We reaffirm our BUY call on CKP, expecting 56% y-y earnings growth in 2H21F to be the key share price catalyst. Strong water availability during the high season should be the main driver, while CKP has increased its stake in Xayaburi. We also expect the Luang Prabang hydropower project to soon be granted its PPA.

Thanachart Securities

Reaffirming our BUY rating

We reaffirm our BUY rating on CKP, foreseeing three major share price catalysts. *First,* we estimate 56% y-y earnings growth in 2H21F backed by the high season for water availability in Indochina, given that 83% of its capacity is from hydropower projects. *Second,* CKP increased its stake in the Xayaburi project to 42.5% (from 37.5%) in late 2Q21. *Third,* we expect its new Luang Prabang hydropower plant with 1,460MW of installed capacity to soon be granted a power purchase agreement (PPA). Our DCF-based SOTP-derived TP (2022F base year) is unchanged at Bt7.5/share as the higher value from its additional investment in Xayaburi is offset by weaker operations of its gas-fired SPP plant from a higher-than-expected gas cost surge. With all these upcoming positive factors, we see the 11% share price fall from this year's peak as an opportunity to BUY.

Strong output from hydropower projects

We project 14% y-y higher total output from its two hydropower plants in 2H21F, backed by much better water availability in Laos and the Mekong River compared to last year. All seven turbines of Xayaburi have been generating electricity for over three months (since mid-May), while it was able to run at this full capability for only 1.5 months last year, due to a larger water flow volume in the Mekong River. For the Nam Ngum 2 project, a 66% y-y water inflow increase to its reservoir in 1H21 is a decent cushion to maintain strong output throughout this year. We lift our 2021F earnings by 3% to reflect this higher-than-expected output.

Higher stake in Xayaburi

CKP increased its stake in Xayaburi to 42.5% (from 37.5%) via an additional investment of Bt1.83bn in late June. We estimate an exceptionally high EIRR of 23% from this investment, or a Bt0.26/share higher value to CKP. We forecast this to add Bt150m extra profit in the form of an equity income, which implies an 8% higher earnings base for CKP. This is the major driver to our estimate of 8% earnings growth for CKP in 2022F.

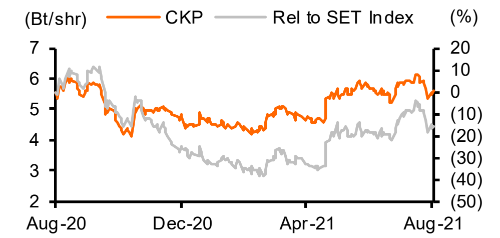
Soon-to-be-granted new PPA

We expect the Luang Prabang project to soon be granted a PPA from the Electricity Generating Authority of Thailand (EGAT) for two reasons. 1) We expect a larger hydropower quota in Thailand's new Power Development Plan (PDP-2022), given its lowest production cost among renewables while the country plans to boost its renewables portion to 50% of total capacity in order to lower carbon emissions and the national electricity tariff. 2) The consortium has injected capital of over Bt5bn into the project to finalize project's feasibility. This signals strong confidence by them about obtaining the PPA in our view.

COMPANY VALUATION

Y/E Dec (Bt m)	2020A	2021F	2022F	2023F
Sales	6,695	8,642	8,821	8,923
Net profit	405	2,043	2,210	2,207
Consensus NP	—	2,217	2,619	2,665
Diff frm cons (%)	—	*(7.9)*	*(15.6)*	*(17.2)*
Norm profit	394	2,043	2,210	2,207
Prev. Norm profit	—	1,976	2,091	2,074
Chg frm prev (%)	—	*3.4*	*5.7*	*6.4*
Norm EPS (Bt)	0.0	0.3	0.3	0.3
Norm EPS grw (%)	53.0	418.6	8.2	(0.1)
Norm PE (x)	115.6	22.3	20.6	20.6
EV/EBITDA (x)	36.5	19.7	19.1	19.0
P/BV (x)	1.9	1.8	1.7	1.7
Div yield (%)	0.6	1.8	2.4	2.9
ROE (%)	1.7	8.3	8.5	8.2
Net D/E (%)	61.7	53.8	47.1	48.4

PRICE PERFORMANCE

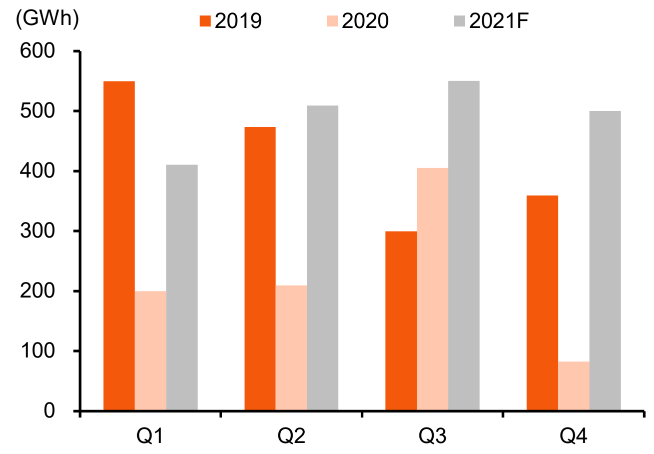


COMPANY INFORMATION

Price *as of* 18-Aug-21 (Bt)	5.60
Market Cap (US$ m)	1,367.4
Listed Shares (m shares)	8,129.4
Free Float (%)	24.2
Avg Daily Turnover (US$ m)	4.6
12M Price H/L (Bt)	6.15/4.12
Sector	Utilities
Major Shareholder	CK Group 73.24%

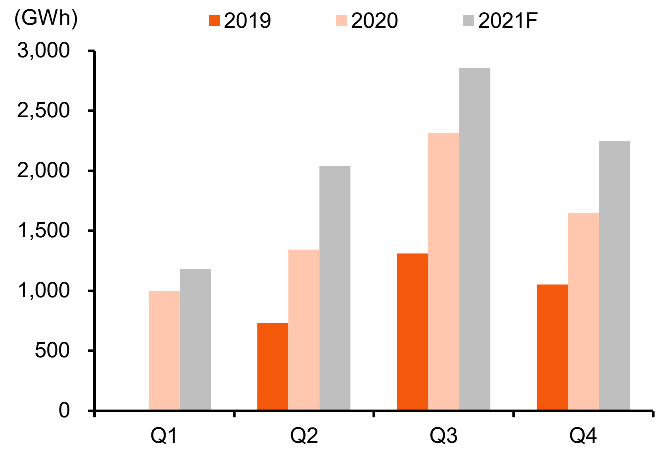
Sources: Bloomberg, Company data, Thanachart estimates

Ex 1: Strong Power Generation From NN-2



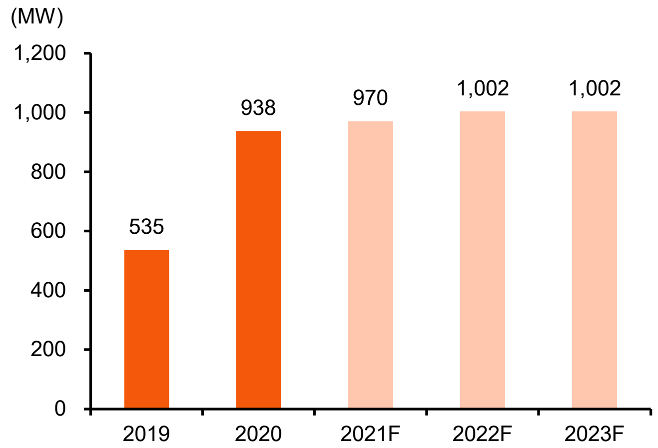
Sources: Company data, Thanachart estimates

Ex 2: Much Stronger Performance From XPCL



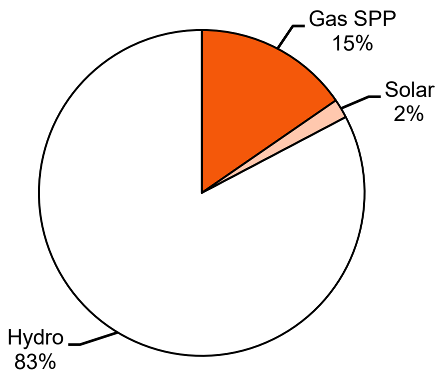
Sources: Company data, Thanachart estimates

Ex 3: Capacity Expansion Drives EPS Growth In 2022F



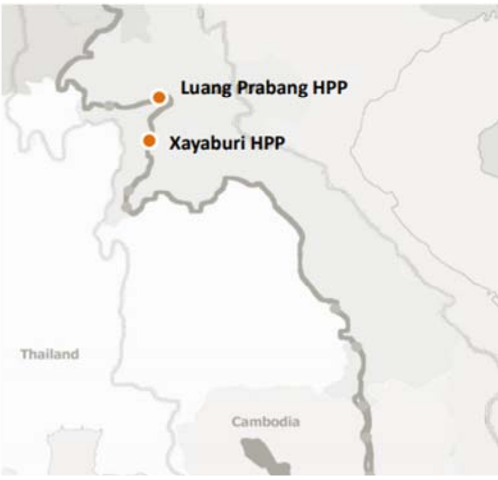
Sources: Company data, Thanachart estimates

Ex 4: CKP's Capacity Breakdown By Type (2021F)



Source: Company data

Ex 5: Luang Prabang Hydropower Project



Type	Run-of-river
Installed capacity	1,460MW
Shareholders	CK Power - 42.0% PT Sole - 38.0% CH Karnchang - 10.0% PetroVietnam Power - 10.0%
Offtakers	Likely EGAT and EDL
Expected COD	within 2028

Source: Company data

Ex 6: Our DCF-based Sum-Of-The-Parts (SOTP) 12-month TP Calculation

	Valuation method	WACC (%)	Value per CKP share (Baht)
Xayaburi (XPCL)	DCF	5.1%	4.35
Nam Ngum 2 (NN2)	DCF	3.8%	1.06
Bangpa-in Cogen (BIC)	DCF	5.1%	0.46
Solar Farms / Rooftop	DCF	5-10%	0.17
Total - existing capacity			**6.04**
HQ operations and net debts at parent level			**(0.22)**
Plus: Developing project(s)			
Luang Prabang (LPCL)	DCF	10.0%	1.68
Total			**7.50**

Source: Thanachart estimates

Valuation Comparison

Ex 7: Comparison With Regional Peers

Name	BBG code	Country	EPS growth 21F (%)	EPS growth 22F (%)	PE 21F (x)	PE 22F (x)	P/BV 21F (x)	P/BV 22F (x)	EV/EBITDA 21F (x)	EV/EBITDA 22F (x)	Div yield 21F (%)	Div yield 22F (%)
Datang International Power	991 HK	China	9.6	7.3	9.4	8.8	0.6	0.5	8.7	8.5	8.1	8.9
Huadian Power	1071 HK	China	6.3	20.2	5.9	4.9	0.4	0.4	8.4	7.7	10.1	9.6
Huaneng Power	600011 CH	China	(29.0)	25.4	12.4	9.9	0.7	0.6	7.7	6.8	3.5	4.2
Cheung Kong Infrastructure	1038 HK	Hong Kong	6.2	8.1	13.6	12.6	1.0	1.0	40.4	39.0	5.3	5.4
China Power Int'l	2380 HK	Hong Kong	13.6	13.3	9.7	8.5	0.7	0.6	9.2	8.3	5.7	6.2
China Resources Power	836 HK	Hong Kong	12.4	13.9	7.8	6.8	0.8	0.7	6.5	5.8	5.0	5.9
CLP Holdings	2 HK	Hong Kong	0.8	6.7	17.4	16.3	1.7	1.6	10.9	10.4	4.0	4.1
Hongkong Electric Holdings	6 HK	Hong Kong	4.1	5.9	16.3	15.4	1.2	1.2	78.8	78.4	5.7	5.7
Huaneng Power	902 HK	Hong Kong	(21.2)	18.7	8.4	7.1	0.5	0.4	7.5	6.7	5.9	6.9
Tata Power	TPWR IN	India	17.6	21.4	27.1	22.3	1.9	1.9	10.9	10.3	1.2	1.3
Tenaga Nasional	TNB MK	Malaysia	9.8	2.7	11.8	11.4	1.0	1.0	6.7	6.6	5.3	5.4
YTL Corp	YTL MK	Malaysia	(68.4)	na	107.5	30.7	0.6	0.6	12.6	11.4	5.3	4.5
YTL Power	YTLP MK	Malaysia	44.7	3.6	12.6	12.2	0.5	0.5	10.3	10.2	5.0	6.0
Manila Electric	MER PM	Philippines	11.1	0.7	13.9	13.8	3.6	3.3	9.7	9.3	4.9	5.1
Absolute Clean Energy Pcl *	ACE TB	Thailand	18.8	84.4	27.0	14.6	3.9	3.3	21.1	11.8	1.5	3.4
BCPG Pcl *	BCPG TB	Thailand	(13.2)	3.3	20.7	20.0	1.7	1.7	17.7	17.9	2.2	2.2
B.Grimm Power Pcl *	BGRIM TB	Thailand	3.0	24.8	41.7	33.4	4.0	3.7	14.9	13.8	1.2	1.5
Banpu Power Pcl *	BPP TB	Thailand	10.2	12.4	15.1	13.4	1.3	1.2	216.2	162.6	4.0	4.5
CK Power Pcl *	CKP TB	Thailand	418.6	8.2	22.3	20.6	1.8	1.7	19.7	19.1	1.8	2.4
EA Pcl*	EA TB	Thailand	15.3	32.6	37.1	28.0	6.8	5.8	22.2	17.1	0.8	1.1
Electricity Generating *	EGCO TB	Thailand	17.9	11.1	8.7	7.8	0.8	0.8	18.0	16.0	4.0	4.3
Global Power Synergy *	GPSC TB	Thailand	18.1	7.9	25.0	23.1	2.1	2.0	14.8	14.1	2.4	2.6
Gulf Energy Dev. Pcl *	GULF TB	Thailand	42.7	21.1	67.7	55.9	6.0	5.8	53.9	45.2	0.9	1.1
Gunkul Engineering *	GUNKUL TB	Thailand	34.5	22.0	22.4	18.3	3.3	3.0	19.8	17.7	2.2	2.7
RATCH Group *	RATCH TB	Thailand	25.2	2.8	9.4	9.1	1.0	1.0	17.2	15.9	5.9	6.6
SPCG Pcl*	SPCG TB	Thailand	(8.1)	(19.9)	7.1	8.9	1.1	1.0	4.5	4.6	6.3	5.1
TPC Power Holding *	TPCH TB	Thailand	52.4	23.3	11.0	8.9	1.3	1.2	8.7	7.4	2.7	3.4
WHA Utilities & Power *	WHAUP TB	Thailand	47.9	24.5	13.6	10.9	1.3	1.2	30.6	26.2	4.4	5.5
Average			**25.0**	**15.1**	**21.5**	**16.2**	**1.8**	**1.7**	**25.3**	**21.7**	**4.1**	**4.5**

Sources: Bloomberg, * Thanachart estimates

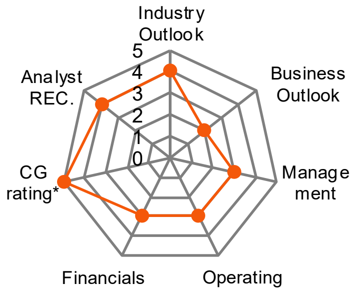
Based on 18 Aug 2021 closing prices

COMPANY DESCRIPTION

CK Power (CKP) is 73.5% owned by CH. Karnchang Group as its utility investment arm. CKP invests in companies that generate and distribute electricity in Thailand and CLMV region. There are currently seven projects in CKP's portfolio with a combined capacity of 1.55GW (net equity-owned), comprising three hydropower, three solar farms and a gas-fired cogeneration power plant. Most of generated power is off-taken by the Electricity Generating Authority of Thailand, with some serving demand from industrial manufacturers.

Source: Thanachart

COMPANY RATING



Rating Scale	
Excellent	5
Good	4
Fair	3
Weak	2
Very Weak	1
None	0

Source: Thanachart; * CG rating

THANACHART'S SWOT ANALYSIS

S — Strength

- Project bidding advantages as it has CK Group, one of Thailand's biggest contractors, as a shareholder.
- Expertise in operating hydropower plants.
- Experience and good relationships could help the company find new projects in neighboring countries,

W — Weakness

- Smaller capital base compared with big independent power producer (IPP) players in the market. Capital raising may be needed if CKP bids for big projects.
- CKP will be in a major capex cycle until the Xayaburi project is completed (scheduled for 2019).

O — Opportunity

- The draft 2018 PDP target of buying up to 3GW of electricity from neighbouring countries between 2018-37.
- The government is also promoting renewable power and it aims to have the proportion of renewable power increase to 25% from 12% now.

T — Threat

- Increased competition may lead to lower returns for new projects.

CONSENSUS COMPARISON

	Consensus	Thanachart	Diff
Target price (Bt)	6.55	7.50	15%
Net profit 21F (Bt m)	2,217	2,043	-8%
Net profit 22F (Bt m)	2,619	2,210	-16%
Consensus REC	**BUY: 5**	**HOLD: 1**	**SELL: 0**

HOW ARE WE DIFFERENT FROM THE STREET?

- Our earnings estimates are 8% and 16% below the Bloomberg consensus figure in 2021-22F, which we attribute to us being more conservative in assuming the amount of power generated by its hydropower plants next year.
- However, our TP is 15% higher, likely as we have factored the value from the Luang Prabang project into our valuation.

Sources: Bloomberg consensus, Thanachart estimates

RISKS TO OUR INVESTMENT CASE

- The key downside risk to our call would be from the amount of water available in Laos and the Mekong River, which would impact production output from NN2 and XPCL.
- Interest rates rising above our current projections would be a secondary downside risk.
- Later-than-expected commercialization and a lower rate of return from the Luang Prabang would present another downside risk to our TP.

Source: Thanachart

Earnings lifted to new normalized base as XPCL running at full potential

INCOME STATEMENT

FY ending Dec (Bt m)	2019A	2020A	2021F	2022F	2023F
Sales	8,377	6,695	8,642	8,821	8,923
Cost of sales	6,577	5,990	6,414	6,551	6,565
Gross profit	**1,800**	**705**	**2,227**	**2,270**	**2,358**
% gross margin	21.5%	10.5%	25.8%	25.7%	26.4%
Selling & administration expenses	442	428	513	550	562
Operating profit	**1,358**	**277**	**1,715**	**1,720**	**1,796**
% operating margin	16.2%	4.1%	19.8%	19.5%	20.1%
Depreciation & amortization	1,518	1,561	1,615	1,630	1,640
EBITDA	**2,875**	**1,838**	**3,330**	**3,350**	**3,436**
% EBITDA margin	34.3%	27.5%	38.5%	38.0%	38.5%
Non-operating income	463	482	473	411	411
Non-operating expenses	0	0	0	0	0
Interest expense	(1,105)	(996)	(1,088)	(1,018)	(929)
Pre-tax profit	**716**	**(236)**	**1,100**	**1,113**	**1,278**
Income tax	12	(16)	35	72	121
After-tax profit	**704**	**(221)**	**1,065**	**1,041**	**1,156**
% net margin	8.4%	-3.3%	12.3%	11.8%	13.0%
Shares in affiliates' Earnings	(122)	407	1,639	1,848	1,770
Minority interests	(336)	207	(661)	(679)	(719)
Extraordinary items	523	11	0	0	0
NET PROFIT	**769**	**405**	**2,043**	**2,210**	**2,207**
Normalized profit	**246**	**394**	**2,043**	**2,210**	**2,207**
EPS (Bt)	0.1	0.0	0.3	0.3	0.3
Normalized EPS (Bt)	0.0	0.0	0.3	0.3	0.3

Healthy balance sheet for new round of investment

BALANCE SHEET

FY ending Dec (Bt m)	2019A	2020A	2021F	2022F	2023F
ASSETS:					
Current assets:	6,606	10,566	7,094	7,134	7,156
Cash & cash equivalent	4,909	8,901	5,002	5,002	5,002
Account receivables	1,292	1,054	1,361	1,389	1,405
Inventories	61	61	65	67	67
Others	344	551	666	676	683
Investments & loans	19,601	20,069	21,428	22,788	26,866
Net fixed assets	9,247	8,919	8,671	8,417	8,163
Other assets	28,737	27,484	26,654	25,814	24,964
Total assets	**64,191**	**67,038**	**63,846**	**64,152**	**67,149**
LIABILITIES:					
Current liabilities:	3,394	6,275	5,314	5,041	5,283
Account payables	690	620	664	678	680
Bank overdraft & ST loans	0	0	0	0	0
Current LT debt	2,622	5,544	4,549	4,257	4,499
Others current liabilities	81	111	101	106	104
Total LT debt	**24,888**	**24,961**	**20,480**	**19,164**	**20,256**
Others LT liabilities	362	764	862	828	779
Total liabilities	**28,644**	**32,000**	**26,655**	**25,033**	**26,318**
Minority interest	11,998	11,264	11,925	12,604	13,323
Preferreds shares	0	0	0	0	0
Paid-up capital	8,129	8,129	8,129	8,129	8,129
Share premium	13,319	13,319	13,319	13,319	13,319
Warrants	0	0	0	0	0
Surplus	329	373	373	373	373
Retained earnings	**1,771**	**1,953**	**3,445**	**4,694**	**5,686**
Shareholders' equity	23,549	23,774	25,266	26,515	27,508
Liabilities & equity	**64,191**	**67,038**	**63,846**	**64,152**	**67,149**

Sources: Company data, Thanachart estimates

CASH FLOW STATEMENT

FY ending Dec (Bt m)	2019A	2020A	2021F	2022F	2023F
Earnings before tax	716	(236)	1,100	1,113	1,278
Tax paid	(22)	18	(35)	(72)	(121)
Depreciation & amortization	1,518	1,561	1,615	1,630	1,640
Chg In w orking capital	(164)	168	(267)	(15)	(15)
Chg In other CA & CL / minorities	(1,528)	(287)	1,514	1,843	1,762
Cash flow from operations	**520**	**1,224**	**3,927**	**4,499**	**4,544**
Capex	(211)	(115)	(200)	(200)	(200)
Right of use	0	(423)	(50)	(50)	(50)
ST loans & investments	(87)	(66)	0	0	0
LT loans & investments	(7,092)	(468)	(1,359)	(1,359)	(4,078)
Adj for asset revaluation	0	0	0	0	0
Chg In other assets & liabilities	4,761	1,014	(189)	(321)	(335)
Cash flow from investments	**(2,631)**	**(59)**	**(1,798)**	**(1,930)**	**(4,663)**
Debt financing	(2,168)	3,005	(5,477)	(1,608)	1,334
Capital increase	4,556	0	0	0	0
Dividends paid	(886)	(774)	(551)	(961)	(1,215)
Warrants & other surplus	776	595	0	0	0
Cash flow from financing	**2,278**	**2,827**	**(6,028)**	**(2,569)**	**119**
Free cash flow	**309**	**1,109**	**3,727**	**4,299**	**4,344**

Strong cash flow streams from two hydropower projects

VALUATION

FY ending Dec	2019A	2020A	2021F	2022F	2023F
Normalized PE (x)	176.8	115.6	22.3	20.6	20.6
Normalized PE - at target price (x)	236.8	154.8	29.8	27.6	27.6
PE (x)	56.6	112.5	22.3	20.6	20.6
PE - at target price (x)	75.9	150.7	29.8	27.6	27.6
EV/EBITDA (x)	23.0	36.5	19.7	19.1	19.0
EV/EBITDA - at target price (x)	28.1	44.9	24.3	23.7	23.5
P/BV (x)	1.9	1.9	1.8	1.7	1.7
P/BV - at target price (x)	2.6	2.6	2.4	2.3	2.2
P/CFO (x)	83.7	37.2	11.6	10.1	10.0
Price/sales (x)	5.4	6.8	5.3	5.2	5.1
Dividend yield (%)	0.5	0.6	1.8	2.4	2.9
FCF Yield (%)	0.7	2.4	8.2	9.4	9.5
(Bt)					
Normalized EPS	0.0	0.0	0.3	0.3	0.3
EPS	0.1	0.0	0.3	0.3	0.3
DPS	0.0	0.0	0.1	0.1	0.2
BV/share	2.9	2.9	3.1	3.3	3.4
CFO/share	0.1	0.2	0.5	0.6	0.6
FCF/share	0.0	0.1	0.5	0.5	0.5

Rising dividend yield from growing free cash flow from Xayaburi

Sources: Company data, Thanachart estimates

FINANCIAL RATIOS

FY ending Dec	2019A	2020A	2021F	2022F	2023F
Growth Rate					
Sales (%)	(7.6)	(20.1)	29.1	2.1	1.2
Net profit (%)	28.3	(47.4)	404.7	8.2	(0.1)
EPS (%)	22.7	(49.6)	404.7	8.2	(0.1)
Normalized profit (%)	(58.7)	59.9	418.6	8.2	(0.1)
Normalized EPS (%)	(60.5)	53.0	418.6	8.2	(0.1)
Dividend payout ratio (%)	31.7	70.3	40.0	50.0	60.0
Operating performance					
Gross margin (%)	21.5	10.5	25.8	25.7	26.4
Operating margin (%)	16.2	4.1	19.8	19.5	20.1
EBITDA margin (%)	34.3	27.5	38.5	38.0	38.5
Net margin (%)	8.4	(3.3)	12.3	11.8	13.0
D/E (incl. minor) (x)	0.8	0.9	0.7	0.6	0.6
Net D/E (incl. minor) (x)	0.6	0.6	0.5	0.5	0.5
Interest coverage - EBIT (x)	na	na	na	na	na
Interest coverage - EBITDA (x)	na	na	na	na	na
ROA - using norm profit (%)	0.4	0.6	3.1	3.5	3.4
ROE - using norm profit (%)	1.2	1.7	8.3	8.5	8.2
DuPont					
ROE - using after tax profit (%)	3.4	na	4.3	4.0	4.3
- asset turnover (x)	0.1	0.1	0.1	0.1	0.1
- operating margin (%)	21.7	na	25.3	24.2	24.7
- leverage (x)	3.0	2.8	2.7	2.5	2.4
- interest burden (%)	39.3	(31.1)	50.3	52.2	57.9
- tax burden (%)	98.3	na	96.8	93.5	90.5
WACC (%)	9.2	9.2	9.2	9.2	9.2
ROIC (%)	3.1	0.6	3.7	3.6	3.6
NOPAT (Bt m)	1,334	277	1,660	1,608	1,625
invested capital (Bt m)	46,150	45,379	45,293	44,935	47,261

Sources: Company data, Thanachart estimates

General Disclaimers And Disclosures:

This report is prepared by analysts who are employed by the research department of TNS. While the information is from sources believed to be reliable, neither the information nor the forecasts shall be taken as a representation or warranty for which TNS or TCAP or its group companies or any of their employees incur any responsibility. This report is provided to you for informational purposes only and it is not, and is not to be construed as, an offer or an invitation to make an offer to sell or buy any securities. Neither TNS, TCAP nor its group companies accept any liability whatsoever for any direct or consequential loss arising from any use of this report or its contents.

The information and opinions contained herein have been compiled or arrived at from sources believed reliable. However, TNS, TCAP and its group companies make no representation or warranty, express or implied, as to their accuracy or completeness. Expressions of opinion herein are subject to change without notice. The use of any information, forecasts and opinions contained in this report shall be at the sole discretion and risk of the user.

TNS, TCAP and its group companies perform and seek to perform business with companies covered in this report. TNS, TCAP, its group companies, their employees and directors may have positions and financial interest in securities mentioned in this report. TNS, TCAP or its group companies may from time to time perform investment banking or other services for, or solicit investment banking or other business from, any entity mentioned in this report. Therefore, investors should be aware of conflict of interest that may affect the objectivity of this report.

Note: Thanachart Securities Public Company Limited act as a Market Maker and Derivative Warrants Issuer. At present, TNS has issued 91 Derivative Warrants which are ACE16C2111A, ADVA16C2110A, AEON16C2108A, AOT16C2109A, AOT16C2112A, BAM16C2110A, BANP16C2109A, BANP16C2110A, BCH16C2109A, BCH16C2111A, BCH16C2111B, BCPG16C2111A, BDMS16C2109A, BGRI16C2110A, BH16C2109A, CBG16C2108A, CBG16C2109A, CBG16C2109B, CHG16C2111A, COM716C2110A, COM716C2112A, CPAL16C2109A, CPAL16C2111A, CPAL16C2112A, CPF16C2108A, CPN16C2109A, DELT16C2108A, DELT16C2109A, DOHO16C2111A, DTAC16C2112A, EA16C2108A, EA16C2110A, EGCO16C2110A, EPG16C2109A, GPSC16C2109A, GPSC16C2110A, GULF16C2112A, GUNK16C2108A, GUNK16C2110A, HANA16C2112A, IRPC16C2108A, IRPC16C2110A, IVL16C2109A, IVL16C2110A, IVL16C2111A, JMAR16C2111A, JMT16C2110A, KBAN16C2108A, KBAN16C2109A, KBAN16C2111A, KBAN16C2111B, KCE16C2109A, KCE16C2110A, KTC16C2110A, KTC16C2110B, MINT16C2109A, MINT16C2112A, MTC16C2108A, MTC16C2109A, OR16C2108A, OR16C2109A, PRM16C2109A, PTG16C2109A, PTT16C2109A, PTT16C2112A, PTTG16C2108A, PTTG16C2110A, PTTG16C2111A, RBF16C2110A, RS16C2108A, RS16C2109A, S5016C2109A, S5016C2109B, S5016C2109C, S5016C2109D, S5016C2112A, S5016P2109A, S5016P2109B, S5016P2112A, SAWA16C2112A, SCB16C2111A, SCC16C2112A, SCGP16C2109A, STA16C2112A, STEC16C2110A, STGT16C2111A, TASC16C2109A, TOP16C2112A, TQM16C2108A, TU16C2110A, TU16C2111A (underlying securities are ACE, ADVANC, AEONTS, AOT, BAM, BANPU, BCH, BCPG, BDMS, BGRIM, BH, CBG, CHG, COM7, CPALL, CPF, CPN, DELTA, DOHOME, DTAC, EA, EGCO, EPG, GPSC, GULF, GUNKUL, HANA, IRPC, IVL, JMART, JMT, KBANK, KCE, KTC, MINT, MTC, OR, PRM, PTG, PTT, PTTGC, RBF, RS, SAWAD, SCB, SCC, SCGP, SET50, STA, STEC, STGT, TASCO, TOP, TQM, TU). Since TNS covers those underlying securities in research report, consequently TNS incurs conflicts of interest. Moreover, Investors are advised to carefully review the details and information in the prospectus before making investment decisions.

Note: Thanachart Securities has an indirect financial interest in Ratchthani Leasing Pcl (THANI). Thanachart Securities Pcl is a subsidiary of Thanachart Capital Pcl (TCAP) which holds more than 56% of the shareholding in Ratchthani Leasing Pcl (THANI).

Note: Thanachart Capital Public Company Limited (TCAP), TMBThanachart Bank Public Company Limited (TTB), are related companies to Thanachart Securities Public Company Limited (TNS). Thanachart Securities Pcl is a subsidiary of Thanachart Capital Pcl (TCAP) which holds 20.1% of the shareholding in TMBThanachart Bank Pcl.

Thanachart Capital Public Company Limited (TCAP), Ratchthani Leasing Public Company Limited (THANI), TMB Public Company Limited, MBK PUBLIC COMPANY LIMITED (MBK) and PATUM RICE MILL AND GRANARY PUBLIC COMPANY LIMTED (PRG) are related companies to Thanachart Securities Public Company Limited (TNS) . Since TNS covers those securities in research report, consequently TNS incurs conflicts of interest.

Disclosure of Interest of Thanachart Securities
Investment Banking Relationship
Within the preceding 12 months, Thanachart Securities has lead-managed public offerings and/or secondary offerings (excluding straight bonds) of the securities of the following companies: Saksiam Leasing Pcl. (SAK TB), SCG Packaging Pcl (SCGP TB)

Recommendation Structure:

Recommendations are based on absolute upside or downside, which is the difference between the target price and the current market price. If the upside is 10% or more, the recommendation is BUY. If the downside is 10% or more, the recommendation is SELL. For stocks where the upside or downside is less than 10%, the recommendation is HOLD. Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a temporary mismatch between upside/downside for a stock based on the market price and the formal recommendation.

For sectors, an “Overweight” sector weighting is used when we have BUYs on majority of the stocks under our coverage by market cap. “Underweight” is used when we have SELLs on majority of the stocks we cover by market cap. “Neutral” is used when there are relatively equal weightings of BUYs and SELLs.

Thanachart Securities Pcl.

Research Team
19 Floor, MBK Tower
444 Phayathai Road, Pathumwan Road, Bangkok 10330
Tel: 662 - 779-9119
Email: thanachart.res@thanachartsec.co.th

Pimpaka Nichgaroon, CFA
Head of Research
Tel: 662-779-9199
pimpaka.nic@thanachartsec.co.th

Pattarawan Wangmingmat
Senior Technical Analyst
Tel: 662-779-9105
pattarawan.wan@thanachartsec.co.th

Phannarai Tiyapittayarut
Property, Retail
Tel: 662-779-9109
phannarai.von@thanachartsec.co.th

Sarachada Sornsong
Bank, Finance, Insurance
Tel: 662-779-9106
sarachada.sor@thanachartsec.co.th

Sittichet Rungrassameephat
Analyst, Quantitative
Tel: 662-483-8303
sittichet.run@thanachartsec.co.th

Adisak Phupiphathirungul, CFA
Retail Market Strategy
Tel: 662-779-9120
adisak.phu@thanachartsec.co.th

Nuttapop Prasitsuksant
Telecom, Utilities
Tel: 662-483-8296
nuttapop.pra@thanachartsec.co.th

Rata Limsuthiwanpoom
Auto, Industrial Estate, Media, Prop. Fund
Tel: 662-483-8297
rata.lim@thanachartsec.co.th

Siriporn Arunothai
Small Cap, Healthcare, Hotel
Tel: 662-779-9113
siriporn.aru@thanachartsec.co.th

Thaloengsak Kucharoenpaisan
Analyst, Retail Market
Tel: 662-483-8304
thaloengsak.kuc@thanachartsec.co.th

Chak Reungsinpinya
Energy, Petrochemical, Paper
Tel: 662-779-9104
chak.reu@thanachartsec.co.th

Pattadol Bunnak
Electronics, Food & Beverage, Shipping
Tel: 662-483-8298
pattadol.bun@thanachartsec.co.th

Saksid Phadthananarak
Construction, Transportation
Tel: 662-779-9112
saksid.pha@thanachartsec.co.th

Witchanan Tambamroong
Technical Analyst
Tel: 662-779-9123
witchanan.tam@thanachartsec.co.th