BUY (Unchanged) | **TP: Bt 54.00** (From: Bt 52.00) | **2 SEPTEMBER 2021**

Change in Numbers | **Upside : 18.0%**

B.Grimm Power Pcl (BGRIM TB)

Sizable growth potential

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

BGRIM is one of our top picks in the sector due to its highest growth potential among peers. On top of our estimated 23% p.a. EPS growth in 2022-23F is the company's target to double capacity in three years, which should extend its strong growth outlook going forward.

One of top sector picks

Along with Energy Absolute Pcl (EA, BUY, Bt65.00), BGRIM is one of our top picks in Thai utility sector. *First*, we expect BGRIM to offer the highest growth potential among peers with a target to secure 2.7GW of new capacity (vs. 2.0GW of existing capacity) in three years. *Second,* we project 25% and 21% earnings growth in 2022-23F from growing sales volume to industrial users (IUs) and new capacity. Note that we include only 400MW of potential projects (out of 2.7GW target) in our earnings forecasts. *Third,* its 16% YTD share price fall looks to have reflected short-term weak SPP margins, while we see its growth story as intact. Our 5% p.a. 2021-22F earnings hikes reflect stronger-than-expected IU volume growth, outweighing the rising gas cost hit. We lift our DCF-derived SOTP-based TP (2022F base year) to Bt54.

Ambitious capacity growth

BGRIM has a Bt250bn-300bn budget to grow its portfolio to 10GW of installed capacity by 2030 from 3.1GW now. The short-term target is to secure 2.7GW of new capacity from either M&As or greenfield projects, in three years (Exhibit 1). We already include these potential projects at Bt10.1/share in our TP, but only part of them in our earnings forecasts due to their uncertain timeline. BGRIM doesn't expect a cash call for these as they are not likely to materialize in one go, so internal cash generation and debt headroom would be enough for funding. There is also an option to spin off its Vietnam power plants via a local listing.

Strong recovery in power demand

We expect a key driver for our projected 25% and 21% earnings growth for BGRIM in 2022-23F to be 15% p.a. growth in sales volume to IUs (14% in 2021F), driven by an industrial sector power demand, a growing customer base, and projects under development starting up. We estimate this strong volume to more than offset the impact from rising gas price into 1H22F. We also expect cost-savings benefits from its self-imported LNG to start being reflected in its earnings from 2H22F onward.

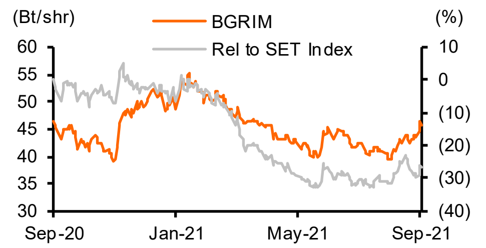
LNG imports unlock capacity growth

BGRIM has been granted a quota to import 1.2m tpa of LNG, equivalent to 25% of total gas used in its power plants. Low imports at this stage are because BGRIM still has legacy long-term gas purchase contracts with PTT Group. We expect the imports to start in 1H22F and gradually rise in volume. Using self-imported LNG not only reduces gas costs for BGRIM's existing plants, but also makes it feasible to develop captive power plants for corporate clients (Independent Power Supply, IPS). That is, with lower gas costs, BGRIM can sell electricity from IPS plants at cheaper prices than the national grid. BGRIM targets to develop 500-1,000MW of IPS plants by 2030.

COMPANY VALUATION

Y/E Dec (Bt m)	2020A	2021F	2022F	2023F
Sales	44,087	45,635	52,003	57,188
Net profit	2,175	2,882	3,613	4,384
Consensus NP	—	3,083	3,540	4,524
Diff frm cons (%)	—	*(6.5)*	*2.0*	*(3.1)*
Norm profit	2,670	2,882	3,613	4,384
Prev. Norm profit	—	2,751	3,433	4,661
Chg frm prev (%)	—	*4.8*	*5.3*	*(5.9)*
Norm EPS (Bt)	1.0	1.1	1.4	1.7
Norm EPS grw (%)	29.7	8.0	25.3	21.4
Norm PE (x)	44.7	41.4	33.0	27.2
EV/EBITDA (x)	13.9	14.5	13.8	11.7
P/BV (x)	4.3	4.1	3.8	3.6
Div yield (%)	1.0	1.2	1.5	1.8
ROE (%)	9.6	10.2	12.0	13.6
Net D/E (%)	149.5	189.8	217.8	190.4

PRICE PERFORMANCE



COMPANY INFORMATION

Price *as of* 01-Sep-21 (Bt)	45.75
Market Cap (US$ m)	3,686.0
Listed Shares (m shares)	2,606.9
Free Float (%)	36.0
Avg Daily Turnover (US$ m)	11.4
12M Price H/L (Bt)	55.25/39.25
Sector	Utilities
Major Shareholder	B.Grimm Group 38.43%

Sources: Bloomberg, Company data, Thanachart estimates

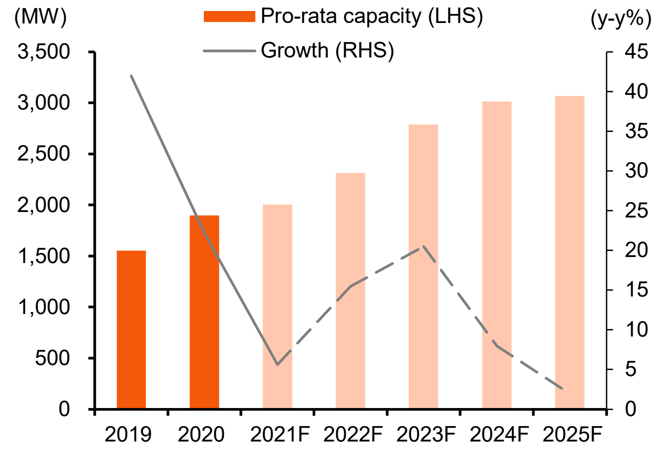
Ex 1: Targeted Projects Over The Next Three Years

No.	Type	Country	Targeted equity capacity (MW) *
1 **	Gas-fired SPP	Thailand	180
2 **	Gas	Malaysia	220
3	Wind	Korea	100
4	Wind	Vietnam	200
5	LNG-to-power	Vietnam	2,000
		Total	**2,700**

Source: Company data

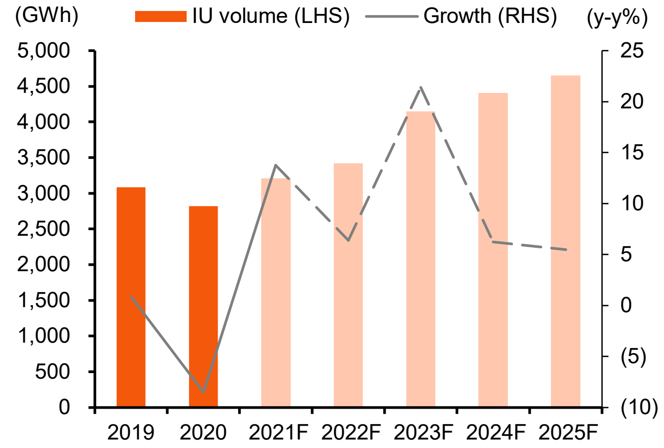
Note: * Thanachart estimates, ** Projects included in our earnings forecasts

Ex 2: Assumed Capacity In Our Earnings Forecasts



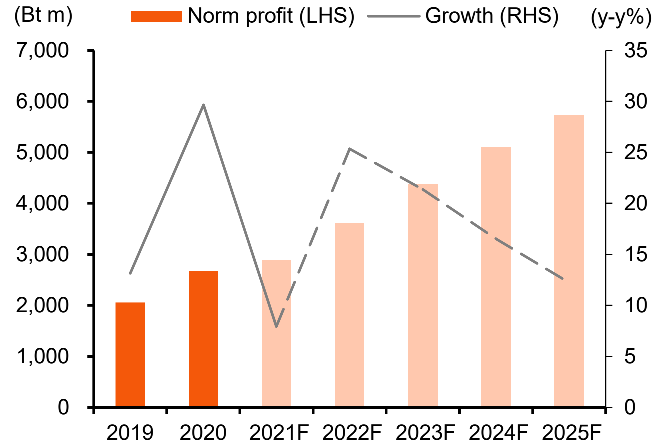
Sources: Company data, Thanachart estimates

Ex 3: Strong IU Volume Growth



Sources: Company data, Thanachart estimates

Ex 4: Short-Term Margin Hiccup In 2021F



Sources: Company data, Thanachart estimates

Ex 5: Our DCF-derived Sum-Of-The-Parts (SOTP) 12-month TP Calculation

	Valuation method	WACC (%)	Value per BGRIM's share (Baht)
Operating gas-fired SPP plants	**DCF**	**5.2 - 6.4%**	**15.6**
(ABP, ABPR, BPLC, BPWHA, BIP, BPAM, ATP)			
SPP Replacement projects	**DCF**	**5.9%**	**7.0**
(ABP1, ABP2, BPLC1, BPAM1, BPAM2)			
Projects under development	**DCF**	**5.5 - 6.5%**	**6.5**
(BGPR, U-Tapao airport, other IPS projects)			
Renewable projects			**6.4**
Solar – Thailand	DCF	6.0%	1.23
Solar – Vietnam	DCF	6.7%	2.53
Solar – Cambodia	DCF	7.1%	0.47
Wind – Thailand	DCF	6.0%	0.49
Hydro – Laos	DCF	6.7%	1.64
Cash on hand			**8.4**
Potential projects			**10.1**
- Korea wind farms	DCF	10.0%	1.23
- Vietnam wind farms	DCF	10.0%	1.31
- Vietnam LNG-to-Power	DCF	10.0%	4.10
- Thailand SPP (M&A)	DCF	7.2%	2.31
- Malaysia gas/solar power plants (M&A)	DCF	7.0%	1.11
Grand total			**54.0**

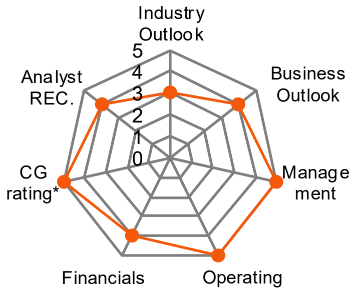
Source: Thanachart estimates

COMPANY DESCRIPTION

Established in 1993, BGRIM, a power arm of B.Grimm Group which has been operating businesses in Thailand for over 140 years, is one of the largest power producers in Thailand under the Small Power Producer (SPP) scheme. BGRIM provides electricity and steam for the national power grid as well as nearly 200 large manufacturers in many industrial estates and has also expanded its power business into Vietnam and Laos. The company now operates 2.0GW (net equity owned) capacity, with a target to expand into 5.0GW by 2025.

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

- Good engineering team with strong expertise in developing and operating gas-fired power plants for over 20 years.
- Benefits from relationships with B.Grimm Group and other key strategic partners.

W — Weakness

- Financial gearing looks a bit high compared with peers', but is still well below its threshold.

O — Opportunity

- Expansion of power business in neighbouring countries and the rest of Asia.
- Increasing power industry liberalization opens room for new business areas, i.e., smart grid and peer-to-peer trading.

T — Threat

- Regulatory risks from business overseas.

CONSENSUS COMPARISON

	Consensus	Thanachart	Diff
Target price (Bt)	55.35	54.00	-2%
Net profit 21F (Bt m)	3,083	2,882	-7%
Net profit 22F (Bt m)	3,540	3,613	2%
Consensus REC	**BUY: 17**	**HOLD: 2**	**SELL: 0**

HOW ARE WE DIFFERENT FROM THE STREET?

- We believe our 7% lower earnings estimate in 2021F than the Bloomberg consensus number is because we factor in a higher impact from a rise in gas costs.
- Our TP is therefore also slightly lower.

Sources: Bloomberg consensus, Thanachart estimates

RISKS TO OUR INVESTMENT CASE

- Lower-than-expected capacity growth, from M&As and greenfield projects, than we currently expect would represent the key downside risk to our earnings and valuation.
- Slower-than-expected recovery of manufacturing activity, and thus electricity and steam demand from industrial users (IU), represents another downside risk to our projections.
- Adverse fluctuations of gas prices from our assumptions or lower-than-expected benefit from self-imported LNG are also downside risks to our earnings forecasts and target price.

Source: Thanachart

Expanding capacity from M&As is a key earnings growth driver

Manageable balance sheet to continue growing capacity

INCOME STATEMENT

FY ending Dec (Bt m)	2019A	2020A	2021F	2022F	2023F
Sales	44,132	44,087	45,635	52,003	57,188
Cost of sales	35,953	34,848	35,456	40,055	43,701
Gross profit	**8,179**	**9,239**	**10,178**	**11,948**	**13,487**
% gross margin	18.5%	21.0%	22.3%	23.0%	23.6%
Selling & administration expenses	1,740	2,008	1,778	2,029	2,180
Operating profit	**6,439**	**7,231**	**8,401**	**9,920**	**11,307**
% operating margin	14.6%	16.4%	18.4%	19.1%	19.8%
Depreciation & amortization	4,701	5,616	5,366	6,039	7,185
EBITDA	**11,140**	**12,847**	**13,767**	**15,959**	**18,493**
% EBITDA margin	25.2%	29.1%	30.2%	30.7%	32.3%
Non-operating income	289	251	183	208	229
Non-operating expenses	0	0	0	0	0
Interest expense	(3,001)	(3,056)	(3,442)	(4,053)	(4,354)
Pre-tax profit	**3,728**	**4,426**	**5,141**	**6,075**	**7,182**
Income tax	235	233	514	607	718
After-tax profit	**3,493**	**4,193**	**4,627**	**5,467**	**6,464**
% net margin	7.9%	9.5%	10.1%	10.5%	11.3%
Shares in affiliates' Earnings	101	58	42	27	27
Minority interests	(1,535)	(1,581)	(1,786)	(1,881)	(2,107)
Extraordinary items	271	(495)	0	0	0
NET PROFIT	**2,331**	**2,175**	**2,882**	**3,613**	**4,384**
Normalized profit	**2,059**	**2,670**	**2,882**	**3,613**	**4,384**
EPS (Bt)	0.9	0.8	1.1	1.4	1.7
Normalized EPS (Bt)	0.8	1.0	1.1	1.4	1.7

BALANCE SHEET

FY ending Dec (Bt m)	2019A	2020A	2021F	2022F	2023F
ASSETS:					
Current assets:	33,493	29,879	26,445	22,765	18,843
Cash & cash equivalent	23,663	20,389	16,305	11,331	6,357
Account receivables	7,156	6,818	7,502	8,548	9,401
Inventories	969	1,033	971	1,097	1,197
Others	1,706	1,638	1,668	1,789	1,887
Investments & loans	1,667	1,086	935	783	632
Net fixed assets	72,132	80,300	105,611	129,921	130,160
Other assets	14,401	19,431	19,860	20,277	20,633
Total assets	**121,693**	**130,696**	**152,852**	**173,746**	**170,268**
LIABILITIES:					
Current liabilities:	25,832	26,993	17,258	19,786	19,398
Account payables	18,254	5,641	5,828	6,584	7,184
Bank overdraft & ST loans	3,036	15,080	4,865	5,635	5,175
Current LT debt	4,139	5,705	6,008	6,959	6,391
Others current liabilities	403	567	556	609	649
Total LT debt	**55,596**	**58,361**	**86,429**	**100,098**	**91,929**
Others LT liabilities	1,588	6,038	6,499	7,326	7,913
Total liabilities	**83,016**	**91,392**	**110,186**	**127,210**	**119,239**
Minority interest	10,533	11,834	13,620	15,502	17,609
Preferreds shares	0	0	0	0	0
Paid-up capital	5,214	5,214	5,214	5,214	5,214
Share premium	9,644	9,644	9,644	9,644	9,644
Warrants	0	0	0	0	0
Surplus	6,959	5,544	5,544	5,544	5,544
Retained earnings	**6,328**	**7,068**	**8,644**	**10,633**	**13,018**
Shareholders' equity	28,144	27,470	29,046	31,035	33,419
Liabilities & equity	**121,693**	**130,696**	**152,852**	**173,746**	**170,268**

Sources: Company data, Thanachart estimates

Big investment in 2021-22F for SPP replacement projects and M&As

CASH FLOW STATEMENT

FY ending Dec (Bt m)	2019A	2020A	2021F	2022F	2023F
Earnings before tax	3,728	4,426	5,141	6,075	7,182
Tax paid	(235)	(233)	(514)	(607)	(718)
Depreciation & amortization	4,701	5,616	5,366	6,039	7,185
Chg In w orking capital	11,649	(12,339)	(435)	(417)	(353)
Chg In other CA & CL / minorities	2,746	(78)	2	(42)	(31)
Cash flow from operations	**22,588**	**(2,609)**	**9,560**	**11,048**	**13,265**
Capex	(14,441)	(13,663)	(30,500)	(30,151)	(7,209)
Right of use	0	(1,256)	(200)	(200)	(150)
ST loans & investments	(700)	(16)	0	0	0
LT loans & investments	340	581	151	151	151
Adj for asset revaluation	0	0	0	0	0
Chg In other assets & liabilities	(6,506)	498	54	413	165
Cash flow from investments	**(21,307)**	**(13,856)**	**(30,495)**	**(29,787)**	**(7,042)**
Debt financing	1,177	16,040	18,157	15,389	(9,197)
Capital increase	0	0	0	0	0
Dividends paid	(834)	(965)	(1,307)	(1,624)	(1,999)
Warrants & other surplus	7,395	(1,884)	0	0	0
Cash flow from financing	**7,738**	**13,192**	**16,849**	**13,765**	**(11,196)**
Free cash flow	**8,147**	**(16,272)**	**(20,940)**	**(19,104)**	**6,056**

High valuation looks justified by strong growth outlook in our view

VALUATION

FY ending Dec	2019A	2020A	2021F	2022F	2023F
Normalized PE (x)	57.9	44.7	41.4	33.0	27.2
Normalized PE - at target price (x)	68.4	52.7	48.8	39.0	32.1
PE (x)	51.2	54.8	41.4	33.0	27.2
PE - at target price (x)	60.4	64.7	48.8	39.0	32.1
EV/EBITDA (x)	14.2	13.9	14.5	13.8	11.7
EV/EBITDA - at target price (x)	16.1	15.5	16.1	15.2	12.9
P/BV (x)	4.2	4.3	4.1	3.8	3.6
P/BV - at target price (x)	5.0	5.1	4.8	4.5	4.2
P/CFO (x)	5.3	(45.7)	12.5	10.8	9.0
Price/sales (x)	2.7	2.7	2.6	2.3	2.1
Dividend yield (%)	0.8	1.0	1.2	1.5	1.8
FCF Yield (%)	6.8	(13.6)	(17.6)	(16.0)	5.1
(Bt)					
Normalized EPS	0.8	1.0	1.1	1.4	1.7
EPS	0.9	0.8	1.1	1.4	1.7
DPS	0.4	0.5	0.6	0.7	0.8
BV/share	10.8	10.5	11.1	11.9	12.8
CFO/share	8.7	(1.0)	3.7	4.2	5.1
FCF/share	3.1	(6.2)	(8.0)	(7.3)	2.3

Sources: Company data, Thanachart estimates

BGRIM aims to maintain its ROE above 10%

FINANCIAL RATIOS

FY ending Dec	2019A	2020A	2021F	2022F	2023F
Growth Rate					
Sales (%)	20.6	(0.1)	3.5	14.0	10.0
Net profit (%)	22.0	(6.7)	32.5	25.3	21.4
EPS (%)	22.0	(6.7)	32.5	25.3	21.4
Normalized profit (%)	13.1	29.7	8.0	25.3	21.4
Normalized EPS (%)	13.1	29.7	8.0	25.3	21.4
Dividend payout ratio (%)	41.4	53.9	50.0	50.0	50.0
Operating performance					
Gross margin (%)	18.5	21.0	22.3	23.0	23.6
Operating margin (%)	14.6	16.4	18.4	19.1	19.8
EBITDA margin (%)	25.2	29.1	30.2	30.7	32.3
Net margin (%)	7.9	9.5	10.1	10.5	11.3
D/E (incl. minor) (x)	1.6	2.0	2.3	2.4	2.0
Net D/E (incl. minor) (x)	1.0	1.5	1.9	2.2	1.9
Interest coverage - EBIT (x)	2.1	2.4	2.4	2.4	2.6
Interest coverage - EBITDA (x)	3.7	4.2	4.0	3.9	4.2
ROA - using norm profit (%)	1.9	2.1	2.0	2.2	2.5
ROE - using norm profit (%)	8.7	9.6	10.2	12.0	13.6
DuPont					
ROE - using after tax profit (%)	14.7	15.1	16.4	18.2	20.1
- asset turnover (x)	0.4	0.3	0.3	0.3	0.3
- operating margin (%)	15.2	17.0	18.8	19.5	20.2
- leverage (x)	4.7	4.5	5.0	5.4	5.3
- interest burden (%)	55.4	59.2	59.9	60.0	62.3
- tax burden (%)	93.7	94.7	90.0	90.0	90.0
WACC (%)	5.9	5.9	5.9	5.9	5.9
ROIC (%)	9.1	10.2	8.8	8.1	7.7
NOPAT (Bt m)	6,033	6,850	7,561	8,928	10,177
invested capital (Bt m)	67,253	86,226	110,043	132,395	130,556

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 110 Derivative Warrants which are ACE16C2111A , ADVA16C2110A , ADVA16C2110A , AEON16C2108A, AEON16C2108A , AMAT16C2112A , AMAT16C2112A , AOT16C2109A , AOT16C2109A , AOT16C2112A , AOT16C2112A , BAM16C2110A , BAM16C2110A , BAM16C2112A , BAM16C2112A , BANP16C2109A , BANP16C2109A , BANP16C2110A , BANP16C2110A ,BANP16C2112A , BANP16C2112A , BCH16C2109A , BCH16C2109A , BCH16C2111A , BCH16C2111A , BCH16C2111B , BCH16C2111B , BCPG16C2111A , BCPG16C2111A , BDMS16C2109A , BDMS16C2109A , BGRI16C2110A , BGRI16C2110A , BGRI16C2112A , BGRI16C2112A , BH16C2109A , BH16C2109A , CBG16C2108A , CBG16C2108A , CBG16C2109A , CBG16C2109A , CBG16C2109B , CBG16C2109B , CHG16C2111A , CHG16C2111A , CHG16C2112A , CHG16C2112A , COM716C2110A , COM716C2110A , COM716C2112A , COM716C2112A , CPAL16C2109A , CPAL16C2109A , CPAL16C2111A , CPAL16C2111A , CPAL16C2112A , CPAL16C2112A , CPF16C2108A , CPF16C2108A , CPF16C2112A , CPF16C2112A , CPN16C2109A , CPN16C2109A , DELT16C2108A , DELT16C2108A , DELT16C2109A , DELT16C2109A , DELT16C2112A , DELT16C2112A , DOHO16C2111A , DOHO16C2111A , DOHO16C2112A , DOHO16C2112A , DTAC16C2112A , DTAC16C2112A , EA16C2108A , EA16C2108A , EA16C2110A , EA16C2110A , EGCO16C2110A , EGCO16C2110A , EPG16C2109A , EPG16C2109A , GPSC16C2109A , GPSC16C2109A , GPSC16C2110A , GPSC16C2110A , GULF16C2112A , GULF16C2112A ,GUNK16C2108A , GUNK16C2108A , GUNK16C2110A , GUNK16C2110A , GUNK16C2112A , GUNK16C2112A , HANA16C2112A , HANA16C2112A , IRPC16C2108A , IRPC16C2108A , IRPC16C2110A , IRPC16C2110A , IRPC16C2112A , IRPC16C2112A , IVL16C2109A , IVL16C2109A , IVL16C2110A , IVL16C2110A , IVL16C2111A , IVL16C2111A , JMAR16C2111A , JMAR16C2111A , JMT16C2110A , JMT16C2110A , KBAN16C2108A , KBAN16C2108A , KBAN16C2109A , KBAN16C2109A , KBAN16C2111A , KBAN16C2111A , KBAN16C2111B , KBAN16C2111B , KCE16C2109A , KCE16C2109A , KCE16C2110A , KCE16C2110A , KTC16C2110A , KTC16C2110A , KTC16C2110B , KTC16C2110B , KTC16C2112A , KTC16C2112A , MEGA16C2112A , MEGA16C2112A , MINT16C2109A , MINT16C2109A , MINT16C2112A , MINT16C2112A , MTC16C2108A , MTC16C2108A , MTC16C2109A , MTC16C2109A , MTC16C2112A , MTC16C2112A , OR16C2108A , OR16C2108A , OR16C2109A , OR16C2109A , OR16C2112A , OR16C2112A , PRM16C2109A , PRM16C2109A , PTG16C2109A , PTG16C2109A , PTT16C2109A , PTT16C2109A , , PTT16C2112A , PTT16C2112A , PTTE16C2112A , PTTE16C2112A , PTTG16C2108A , PTTG16C2108A , PTTG16C2110A , PTTG16C2110A , PTTG16C2111A , PTTG16C2111A , RBF16C2110A , RBF16C2110A , RBF16C2112A , RBF16C2112A , RS16C2108A , RS16C2108A , RS16C2109A , RS16C2109A , RS16C2112A , RS16C2112A , S5016C2109A , S5016C2109A , S5016C2109B , S5016C2109B , S5016C2109C , S5016C2109C , S5016C2109D , S5016C2109D , S5016C2112A , S5016C2112A , S5016P2109A , S5016P2109A , S5016P2109B , S5016P2109B , S5016P2112A , S5016P2112A , S5016P2112B , S5016P2112B , SAWA16C2112A , SAWA16C2112A , SCB16C2111A , SCB16C2111A , SCB16C2112A , SCB16C2112A , SCC16C2112A , SCC16C2112A , SCGP16C2109A , SCGP16C2109A , STA16C2112A , STA16C2112A , STEC16C2110A , STEC16C2110A , STGT16C2111A , STGT16C2111A , TASC16C2109A , TASC16C2109A , TOP16C2112A , TOP16C2112A , TQM16C2108A , TQM16C2108A , TU16C2110A (underlying securities are ACE, ADVANC, AEONTS, AMATA, 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, MEGA, MINT, MTC, OR, PRM, PTG, PTT, PTTEP, 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