Thanachart Securities

BUY (Unchanged)

Change in Numbers

TP: Bt 92.00 (From: Bt 80.00)

Upside : 11.5%

2 SEPTEMBER 2021

Global Power Synergy (GPSC TB)

Factoring in new investments

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

We lift our GPSC TP to Bt92 as we factor in its recent investments in solar power projects in India and offshore wind farms in Taiwan. We expect immediate profit contribution from the solar farms and higher output from existing hydropower projects to more than offset a margin squeeze from rising fuel costs in 2H21F. Maintain BUY.

Boosting our TP to Bt92

This report is a part of our *Utility Sector – Rising fuel prices impact,* dated 2 September 2021. We keep our BUY on GPSC and raise our DCF-derived SOTP-based TP (2022F base year) to Bt92 (from Bt80) to reflect its two recent investments. The first is a 41.6% stake in Avaada Energy, a developer of solar power plants in India. The second is the acquisition of 149MW (equity-capacity) of offshore wind farms being developed in Taiwan. Profit contribution from Avaada should be seen in 2H21F, while we expect the wind farms to be fully commercialized by 2024F.

Two new investments

GPSC's two recent investments are large at a total of 1.7GW (equity) renewable capacity. This raises its renewable portion to 30% of total capacity. 1) The Avaada investment costs Bt14.8bn for 1.6GW capacity of solar farms in India; 580MW is operating and another 978GW is under development. The deal implies only a Bt9.5m/MW investment cost. We estimate Avaada to add 8% to GPSC's earnings in 2022-23F and Bt6.3/share to its value which already includes Avaada's target to grow its portfolio to 11.0GW of installed capacity by 2025F. 2) The investment for the 149MW of offshore wind farms in Taiwan, Changfang and Xidao, is Bt16.5bn (Bt110m/MW). We expect them to contribute 6% of GPSC's earnings in 2024F, and Bt1.9/share to our TP.

More to come

We expect GPSC to continue investing in renewables as the PTT Group has just raised its renewable capacity target to 12GW by 2030 (from 8GW earlier). Assuming Avaada meets its target of 4.7GW of capacity on GSPC's stake in 2025F, the PTT Group would need to invest in 600-800MW of renewable projects a year to reach its target. As PTT Group's investment arm in the power business, we expect most of that to be under GPSC. As the two acquisitions also impress us regarding GPSC's capability to find such large-sized investments, we include a value from this remaining acquisition target for GPSC of Bt5.9/share in our TP.

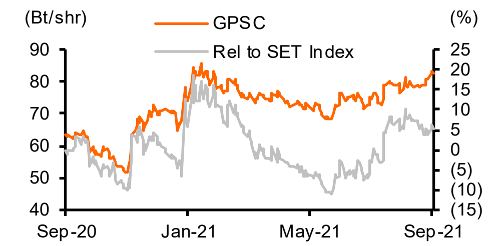
Earnings growth momentum continues

We revise our earnings up by 2% in 2021F to reflect the profit contribution from Avaada offsetting the negative impact from the rise in fuel costs at its SPP plants. Our numbers increase 10-15% in 2022-23F, also from the two renewable investments. These combine as 19% earnings growth p.a. in 2022-23F. For near-term momentum, we expect GPSC's earnings to grow 15% y-y in 2H21F (20% y-y for 2021F) despite a margin squeeze at its SPP plants from higher gas and coal prices, thanks to the immediate profit contribution from Avaada, growing electricity volume sold to IUs, and higher output from its hydropower projects.

COMPANY VALUATION

Y/E Dec (Bt m)	2020A	2021F	2022F	2023F
Sales	69,578	74,192	72,564	80,104
Net profit	7,508	9,033	10,545	12,772
Consensus NP	—	8,496	9,222	10,082
Diff frm cons (%)	—	*6.3*	*14.3*	*26.7*
Norm profit	7,509	9,033	10,545	12,772
Prev. Norm profit	—	8,870	9,573	11,116
Chg frm prev (%)	—	*1.8*	*10.2*	*14.9*
Norm EPS (Bt)	2.7	3.2	3.7	4.5
Norm EPS grw (%)	50.3	20.3	16.7	21.1
Norm PE (x)	31.0	25.8	22.1	18.2
EV/EBITDA (x)	16.4	16.1	14.9	14.5
P/BV (x)	2.3	2.2	2.1	2.0
Div yield (%)	1.8	2.3	2.7	3.3
ROE (%)	7.4	8.6	9.6	11.1
Net D/E (%)	84.0	87.1	86.7	102.9

PRICE PERFORMANCE



COMPANY INFORMATION

Price *as of* 01-Sep-21 (Bt)	82.50
Market Cap (US$ m)	7,189.6
Listed Shares (m shares)	2,819.7
Free Float (%)	24.8
Avg Daily Turnover (US$ m)	40.7
12M Price H/L (Bt)	85.75/51.75
Sector	Utilities
Major Shareholder	PTT Group 75.23%

Sources: Bloomberg, Company data, Thanachart estimates

Ex 1: Investment In Solar Farms In India …

AVAADA

Targeted company	Avaada Energy Ltd.
Business	Development of solar farms and solar rooftop projects in India, serving national grid and corporate customers
Investment stakes	41.6% of total shares
Capacity at acquisition	1,392MW operating projects 2,352MW under construction
Investment cost	Bt14,825m
Targeted capacity	11GW capacity by 2025F

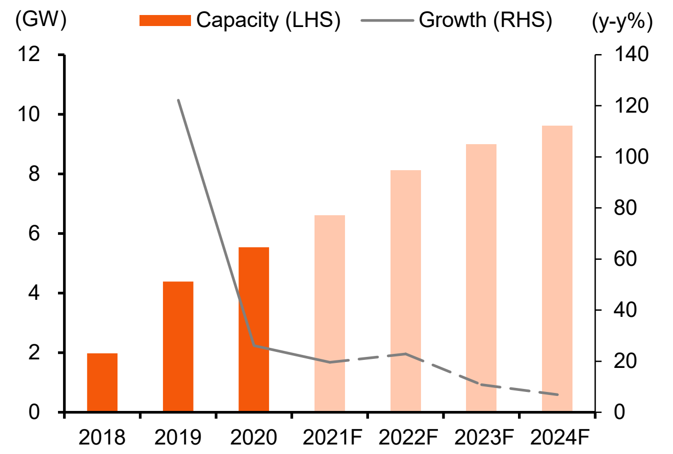
Source: Company data

Ex 2: … And Offshore Wind Farms In Taiwan

Targeted projects	Changfang and Xidao
Project type	Offshore wind farms
Installed capacity	Changfang phase 1 - 96MW Changfang phase 2 - 547MW Xidao - 48MW
Stakes	25.0%
Investment cost	US$500m
Scheduled COD	Changfang phase 1 - 2H22F Changfang phase 2 - 2023-24F Xidao - 2H23F

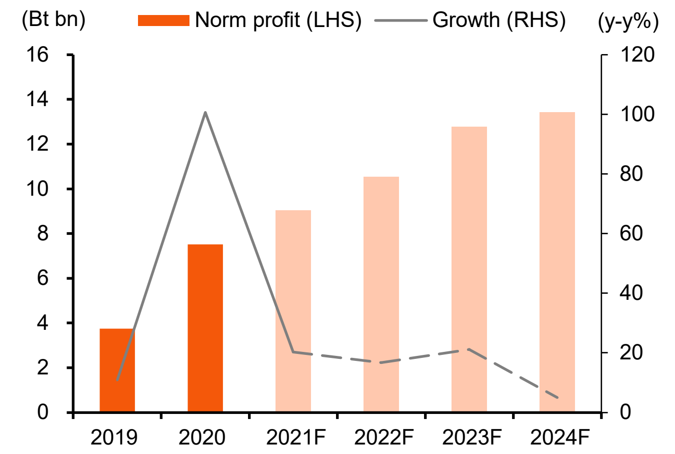
Source: Company data

Ex 3: Our Projected Pro-Rata Capacity For GPSC



Sources: Company data, Thanachart estimates

Ex 4: Resilient Earnings Growth Pace



Sources: Company data, Thanachart estimates

Ex 5: Our 12-month DCF-derived Valuation Plus Potential Capacity

(Bt m)	2022F	2023F	2024F	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F	Terminal value
EBITDA excl. depre from right of use	22,605	25,149	26,635	24,665	23,732	23,585	23,571	23,339	22,148	21,882	21,305	—
Free cash flow	684	(16,098)	12,696	22,152	20,779	20,085	20,073	20,108	19,216	18,798	18,092	375,182
PV of free cash flow	645	(14,329)	10,659	17,545	15,194	13,796	12,949	12,184	10,937	10,050	8,665	179,676

Risk-free rate (%)	2.5
Market risk premium (%)	8.0
Beta	0.9
WACC (%)	6.0
Terminal growth (%)	2.0
Enterprise value - add investments	276,110
Net debt (2021F)	101,513
Minority interest	9,576
Equity value	165,021
# of shares (m)	2,820
Valuation/share (Bt)	**58.5**

	Valuation method	WACC	Equity value	Value per share
Plus associates				
BIC	DCF	5.1%	1,451	0.5
TSR/SSE	DCF	6.4%	1,850	0.7
NNEG	DCF	4.9%	5,118	1.8
GRP	DCF	7.1%	2,922	1.0
NL1PC	DCF	6.0%	2,296	0.8
RPCL	DCF	4.8%	193	0.1
XPCL	DCF	5.1%	20,790	7.4
Avaada	DCF	5.7%	17,821	6.3
Taiwan wind farms	DCF	6.0%	5,454	1.9
24M battery plants	DCF	8.0%	20,517	7.3
Total				**27.8**
Plus potential				
Renewable projects	DCF	6.0%	16,599	5.9
Total				**5.9**
Grand total				**92.2**

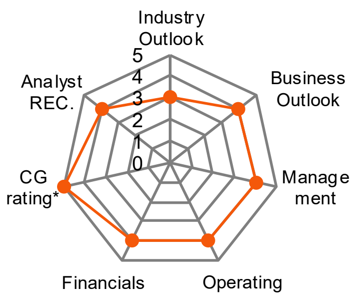
Source: Thanachart estimates

COMPANY DESCRIPTION

Established in January 2013, Global Power Synergy Company Ltd (GPSC) emerged from the amalgamation of PTTUT and IPT as PTT Group's flagship in power and utility businesses. GPSC generates and distributes electricity, steam, and processed water to the national grid and industrial customers in Thailand. GPSC acquired Glow Energy which doubled its generation capacity in March 2019. The company now has total of 8.0GW equity-capacity power plants, both domestic and overseas, in which 33% is from renewable sources.

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

- Growing along with PTT Group's expansion.
- Access to low financing costs as part of PTT Group.
- Strong balance sheet providing ability and flexibility to fund new investments.

W — Weakness

- No direct experience in investing abroad.
- Late player in the renewable segment.

O — Opportunity

- Expansion into neighboring countries' power industries.
- M&As in the renewable power segment, both in the domestic market and overseas.

T — Threat

- Thailand's high reserve margin and EGAT's own planned generation look as if they will last longer than the market had earlier anticipated.

CONSENSUS COMPARISON

	Consensus	Thanachart	Diff
Target price (Bt)	89.83	92.00	2%
Net profit 21F (Bt m)	8,496	9,033	6%
Net profit 22F (Bt m)	9,222	10,545	14%
Consensus REC	**BUY: 15**	**HOLD: 3**	**SELL: 1**

HOW ARE WE DIFFERENT FROM THE STREET?

- Our earnings forecasts are 6-14% higher than Bloomberg's consensus numbers in 2021-22F, which we believe is because we assume higher profit contribution from Avaada in those years.
- Our TP is only 2% higher, which is likely since our assumptions converge with the Street over the long term.

Sources: Bloomberg consensus, Thanachart estimates

RISKS TO OUR INVESTMENT CASE

- If the investment pace and rate of return from asset acquisitions and new projects are slower or smaller than our assumptions, this would represent the key downside risk to our call.
- Faster upward movements in coal and gas prices, which are key fuel input costs for GPSC, are a secondary downside risk to our forecasts.
- Unfavourable government policy in adjusting the electricity tariff price to reflect changes in fuel costs is another downside risk.

Source: Thanachart

Resilient earnings growth pace of 19% p.a.

INCOME STATEMENT

FY ending Dec (Bt m)	2019A	2020A	2021F	2022F	2023F
Sales	66,562	69,578	74,192	72,564	80,104
Cost of sales	55,063	56,448	60,203	57,004	62,201
Gross profit	**11,499**	**13,129**	**13,989**	**15,560**	**17,903**
% gross margin	17.3%	18.9%	18.9%	21.4%	22.3%
Selling & administration expenses	2,184	1,951	2,107	2,213	2,279
Operating profit	**9,315**	**11,178**	**11,882**	**13,348**	**15,624**
% operating margin	14.0%	16.1%	16.0%	18.4%	19.5%
Depreciation & amortization	7,079	8,706	8,918	9,358	9,602
EBITDA	**16,394**	**19,885**	**20,799**	**22,706**	**25,226**
% EBITDA margin	24.6%	28.6%	28.0%	31.3%	31.5%
Non-operating income	918	1,405	1,329	1,355	1,383
Non-operating expenses	0	0	0	0	0
Interest expense	(5,140)	(4,024)	(4,059)	(4,328)	(4,881)
Pre-tax profit	**5,094**	**8,560**	**9,152**	**10,375**	**12,126**
Income tax	247	993	1,373	1,608	1,940
After-tax profit	**4,846**	**7,567**	**7,779**	**8,767**	**10,186**
% net margin	7.3%	10.9%	10.5%	12.1%	12.7%
Shares in affiliates' Earnings	837	924	1,864	2,465	3,385
Minority interests	(1,940)	(982)	(610)	(687)	(798)
Extraordinary items	317	(1)	0	0	0
NET PROFIT	**4,061**	**7,508**	**9,033**	**10,545**	**12,772**
Normalized profit	**3,743**	**7,509**	**9,033**	**10,545**	**12,772**
EPS (Bt)	1.9	2.7	3.2	3.7	4.5
Normalized EPS (Bt)	1.8	2.7	3.2	3.7	4.5

Balance sheet looks healthy to us

BALANCE SHEET

FY ending Dec (Bt m)	2019A	2020A	2021F	2022F	2023F
ASSETS:					
Current assets:	38,919	43,454	44,606	43,876	46,200
Cash & cash equivalent	19,804	20,289	20,000	20,000	20,000
Account receivables	10,084	9,084	10,163	9,940	10,973
Inventories	6,724	6,253	6,598	6,247	6,817
Others	2,308	7,828	7,845	7,689	8,410
Investments & loans	17,381	17,376	32,201	38,313	47,864
Net fixed assets	101,272	99,978	98,544	105,391	126,348
Other assets	94,445	95,849	95,272	92,213	95,256
Total assets	**252,017**	**256,657**	**270,622**	**279,794**	**315,668**
LIABILITIES:					
Current liabilities:	36,748	22,063	19,286	19,465	22,198
Account payables	8,133	6,746	7,422	7,028	7,669
Bank overdraft & ST loans	19,253	0	4,867	5,033	6,093
Current LT debt	7,479	11,993	4,089	4,228	5,118
Others current liabilities	1,884	3,324	2,907	3,176	3,318
Total LT debt	**89,731**	**102,239**	**112,728**	**116,572**	**141,118**
Others LT liabilities	15,362	20,488	21,923	21,713	23,732
Total liabilities	**141,841**	**144,790**	**153,937**	**157,750**	**187,048**
Minority interest	9,283	8,966	9,576	10,263	11,061
Preferreds shares	0	0	0	0	0
Paid-up capital	28,197	28,197	28,197	28,197	28,197
Share premium	70,176	70,176	70,176	70,176	70,176
Warrants	0	0	0	0	0
Surplus	(16,234)	(17,563)	(17,563)	(17,563)	(17,563)
Retained earnings	**18,753**	**22,091**	**26,299**	**30,971**	**36,748**
Shareholders' equity	100,893	102,901	107,109	111,781	117,559
Liabilities & equity	**252,017**	**256,657**	**270,622**	**279,794**	**315,668**

Sources: Company data, Thanachart estimates

Internal cash generation can largely sustain its investment plan

CASH FLOW STATEMENT

FY ending Dec (Bt m)	2019A	2020A	2021F	2022F	2023F
Earnings before tax	5,094	8,560	9,152	10,375	12,126
Tax paid	(247)	(993)	(1,373)	(1,608)	(1,940)
Depreciation & amortization	7,079	8,706	8,918	9,358	9,602
Chg In w orking capital	(7,406)	83	(747)	179	(962)
Chg In other CA & CL / minorities	10,382	(4,348)	1,006	2,890	2,655
Cash flow from operations	**14,901**	**12,008**	**16,956**	**21,194**	**21,481**
Capex	(79,815)	(7,236)	(5,152)	(13,852)	(28,188)
Right of use	0	(2,973)	(500)	(400)	(300)
ST loans & investments	(405)	(68)	424	0	0
LT loans & investments	(1,341)	5	(14,825)	(6,112)	(9,551)
Adj for asset revaluation	0	0	0	0	0
Chg In other assets & liabilities	(75,170)	6,476	182	894	(2,944)
Cash flow from investments	**(156,731)**	**(3,795)**	**(19,871)**	**(19,470)**	**(40,983)**
Debt financing	98,784	(2,229)	7,452	4,149	26,497
Capital increase	73,905	0	0	0	0
Dividends paid	(2,630)	(3,666)	(4,825)	(5,873)	(6,995)
Warrants & other surplus	(14,435)	(1,834)	0	0	0
Cash flow from financing	**155,624**	**(7,729)**	**2,627**	**(1,724)**	**19,501**
Free cash flow	**(64,914)**	**4,773**	**11,804**	**7,342**	**(6,706)**

Undemanding multiples in our view with decent dividend yields

VALUATION

FY ending Dec	2019A	2020A	2021F	2022F	2023F
Normalized PE (x)	46.5	31.0	25.8	22.1	18.2
Normalized PE - at target price (x)	51.9	34.5	28.7	24.6	20.3
PE (x)	42.9	31.0	25.8	22.1	18.2
PE - at target price (x)	47.9	34.6	28.7	24.6	20.3
EV/EBITDA (x)	16.5	16.4	16.1	14.9	14.5
EV/EBITDA - at target price (x)	17.7	17.8	17.4	16.1	15.5
P/BV (x)	2.3	2.3	2.2	2.1	2.0
P/BV - at target price (x)	2.6	2.5	2.4	2.3	2.2
P/CFO (x)	11.7	19.4	13.7	11.0	10.8
Price/sales (x)	3.5	3.3	3.1	3.2	2.9
Dividend yield (%)	1.6	1.8	2.3	2.7	3.3
FCF Yield (%)	(37.3)	2.1	5.1	3.2	(2.9)
(Bt)					
Normalized EPS	1.8	2.7	3.2	3.7	4.5
EPS	1.9	2.7	3.2	3.7	4.5
DPS	1.3	1.5	1.9	2.2	2.7
BV/share	35.8	36.5	38.0	39.6	41.7
CFO/share	7.1	4.3	6.0	7.5	7.6
FCF/share	(30.7)	1.7	4.2	2.6	(2.4)

Sources: Company data, Thanachart estimates

Net gearing is kept below 1.0x per the company's internal policy

FINANCIAL RATIOS

FY ending Dec	2019A	2020A	2021F	2022F	2023F
Growth Rate					
Sales (%)	167.5	4.5	6.6	(2.2)	10.4
Net profit (%)	20.9	84.9	20.3	16.7	21.1
EPS (%)	1.5	38.5	20.3	16.7	21.1
Normalized profit (%)	11.0	100.6	20.3	16.7	21.1
Normalized EPS (%)	(6.8)	50.3	20.3	16.7	21.1
Dividend payout ratio (%)	90.3	56.3	60.0	60.0	60.0
Operating performance					
Gross margin (%)	17.3	18.9	18.9	21.4	22.3
Operating margin (%)	14.0	16.1	16.0	18.4	19.5
EBITDA margin (%)	24.6	28.6	28.0	31.3	31.5
Net margin (%)	7.3	10.9	10.5	12.1	12.7
D/E (incl. minor) (x)	1.1	1.0	1.0	1.0	1.2
Net D/E (incl. minor) (x)	0.9	0.8	0.9	0.9	1.0
Interest coverage - EBIT (x)	1.8	2.8	2.9	3.1	3.2
Interest coverage - EBITDA (x)	3.2	4.9	5.1	5.2	5.2
ROA - using norm profit (%)	2.4	3.0	3.4	3.8	4.3
ROE - using norm profit (%)	5.3	7.4	8.6	9.6	11.1
DuPont					
ROE - using after tax profit (%)	6.9	7.4	7.4	8.0	8.9
- asset turnover (x)	0.4	0.3	0.3	0.3	0.3
- operating margin (%)	15.4	18.1	17.8	20.3	21.2
- leverage (x)	2.2	2.5	2.5	2.5	2.6
- interest burden (%)	49.8	68.0	69.3	70.6	71.3
- tax burden (%)	95.1	88.4	85.0	84.5	84.0
WACC (%)	6.0	6.0	6.0	6.0	6.0
ROIC (%)	17.1	5.0	5.1	5.4	6.0
NOPAT (Bt m)	8,863	9,882	10,099	11,279	13,124
invested capital (Bt m)	197,552	196,845	208,793	217,614	249,888

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