

# Ratch Group

(RATCH.BK/RATCH TB)\*

## Neutral Maintained

Price as of 3 Feb 2023	43.00
12M target price (Bt/shr)	43.00
Unchanged/Revised up(down)(%)	Unchanged
Upside/downside (%)	0.00

### Key messages

เรคาดว่ากำไรสุทธิใน 4Q65F จะอยู่ที่ 1.60 พันลบ.-) 29% QoQ, -25% YoY) ในขณะที่กำไรสุทธิอยู่ที่ 1.48 พันลบ.-) 41% QoQ, -25% YoY) เนื่องจากเป็นช่วง low season ของหลาย ๆ โครงการ, มีการปิดซ่อมบำรุงตามกำหนด, และ SG&A เพิ่มขึ้นตามฤดูกาล อย่างไรก็ตาม เรคาดว่ากำไรหลักใน 1Q66 และในปี 2566 น่าจะเพิ่มขึ้นจากปัจจัยฤดูกาล และการเริ่มรับรู้ Paiton และ NEJV ทั้งนี้เรคาดคำแนะนำถือและประเมินราคาเป้าหมาย DCF ปี 2566 ที่ 43 บาท ด้วยแนวโน้มการเติบโต และอัตราผลตอบแทนในระดับปานกลาง เราจึงมองว่าราคาหุ้นเหมาะสมแล้ว เราคิดว่าถ้ามีดีลขนาดใหญ่ที่ให้ผลตอบแทนน่าสนใจ พอที่จะชดเชยผลของ dilution effect ได้ ก็อาจจะทำให้เราปรับเพิ่มคำแนะนำได้ในระยะต่อไป เราแนะนำให้นักลงทุนที่มุ่งแสวงหาผลตอบแทนและต้องการลงทุนแบบ defensive สามารถสามารถถือรับปันผลที่ 4% ต่อปีได้

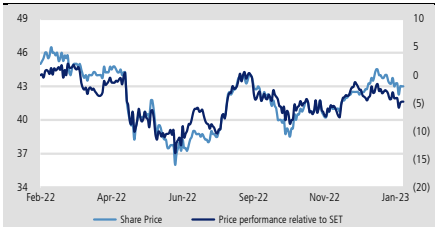
### Trading data

Mkt cap (Btbn/US\$bn)	93.5/3.1		
Outstanding shares (mn)	2,175		
Foreign ownership (mn)	159		
3M avg. daily trading (mn)	6		
52-week trading range (Bt)	36.00-46.50		
Performance (%)	3M	6M	12M
Absolute	5.5	11.7	-3.9
Relative	1.6	5.9	-4.7

### Quarterly EPS

Bt	Q1	Q2	Q3	Q4
2020	0.94	0.74	1.19	1.47
2021	1.44	1.46	0.99	1.46
2022	1.09	1.01	1.03	-

### Share price chart



Source: SET

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## ประมาณการ 4Q65F: ชบเซาตามฤดูกาล

### Event

ประมาณการ 4Q65 และมุมมองของเรา

### Impact

ประมาณการ 4Q65F – ผลการดำเนินงานจะอ่อนแอลง

RATCH จะส่งงบวันที่ มี 1.ค. 66 เรคาดว่ากำไรสุทธิ 4Q65F อยู่ที่ 1.60 พันลบ. (-29% QoQ, -25% YoY) แต่หากไม่รวมกำไร FX กำไรหลักจะอยู่ที่ 1.48 พันลบ. (-41% QoQ, -25% YoY) เพราะเป็นช่วง low season ของโรงไฟฟ้าพลังน้ำและโรงไฟฟ้าพลังลม, การปิดซ่อมบำรุงตามแผน, และ SG&A เพิ่มขึ้นตามฤดูกาล เรคาดว่าส่วนแบ่งกำไรจากบริษัทในเครือจะลดลง 39% QoQ เพราะมีการปิดซ่อมบำรุงโครงการหงสา (15 วัน), โรงไฟฟ้าพลังน้ำ (PNPC, NN2) ที่แยลลดลง แต่ทั้งนี้เรคาดว่ากำไรขั้นต้นจะเพิ่มขึ้น 7% QoQ จาก SPPs ที่แข็งแกร่งขึ้น (นำโดย RCO และ SCG) ตามการขึ้นค่า Ft และต้นทุนก๊าซลดลง ถึงแม้เรคาดว่ารายได้ของ RATCH จะลดลง 16% QoQ จาก AP ลดลงเพราะปิดซ่อมบำรุง RG และแรงลมโครงการ RAC อ่อนตามฤดูกาล หากกำไรตามคาด กำไรหลักปี 2565F จะอยู่ที่ 7.37 พันลบ. (-3% YoY)

ประมาณการ 1Q66F – คาดว่ากำไรจะคิดตัวขึ้นอย่างน่าประทับใจทั้ง QoQ และ YoY

เรคาดว่ากำไรหลักใน 1Q66F จะคิดตัวขึ้นทั้ง QoQ และ YoY จากการเริ่มรับรู้ผลการดำเนินงานของ NEJV เป็นครั้งแรก (ตั้งแต่วันที่ 20 ธ.ค. 65), RG กลับมาเปิดดำเนินการอีกครั้ง, และส่วนแบ่งกำไรจากบริษัทในเครือเพิ่มขึ้น ซึ่งจะช่วยชดเชยผลกระทบจากช่วง low season ของโรงไฟฟ้าพลังน้ำ (PNPC, NN2, Asahan) ไปได้บางส่วน นอกจากนี้ เรยังคงคาดว่า margin ของโครงการ SPPs น่าจะดีขึ้นอีก เนื่องจากมีการขึ้นค่า Ft ในขณะที่ราคาก๊าซทรงตัว ยิ่งไปกว่านั้น บริษัทยังอาจจะเริ่มรับรู้ผลการดำเนินงานของโครงการ Paiton เป็นครั้งแรกถ้าหากสามารถปิดดีลได้เรียบร้อยใน 1Q66 ตามที่ผู้บริหารยืนยัน อย่างไรก็ตาม แนวโน้มกำไรสุทธิของ RATCH ยังขึ้นอยู่กับอัตราแลกเปลี่ยน USS/AUD และ USS/JPY ด้วย

2023 – ปีแห่งการเติบโต และความท้าทายของ RATCH

เรายังคงคาดกำไรหลักในปี 2566F จะเพิ่มขึ้น 43% YoY เป็น 1.06 หมื่นลบ. ใกล้เคียงกับตลาดคาดหนุนจาก Paiton & NEJV และต้นทุนก๊าซของ SPP ที่ลดลง ในขณะที่คาด EPS จะยังคงได้รับผลกระทบจาก dilution effect ทั้งนี้ดูเหมือนว่าตลาดจะขอยกข้อจำกัดการเข้าซื้อ Paiton ซึ่งคาดว่าจะปิดดีลได้ใน 1Q66 ไปเรียบร้อยแล้ว เรคิดว่าหากดีลนี้ล่าช้าออกไปอีกอาจจะทำให้มีการปรับลดประมาณการกำไรลงอีกได้ เรมองว่าความท้าทายหลักของ RATCH อยู่ที่การเพิ่ม ROE กลับไปอยู่ระดับสองหลักให้ได้เหมือนกับในอดีต (8.98% ในงวด 9M65) หลังการเพิ่มทุนรอบล่าสุด ทั้งนี้ RATCH กำลังศึกษาโครงการใหม่ ๆ (โดยเฉพาะโครงการ RE) และมีแผนจะออกหุ้นกู้เพื่อชำระคืนหนี้

### Valuation & Action

เรคาดคำแนะนำ ถือ ด้วยราคาเป้าหมาย DCF ปี 2566 ที่ 43 บาท จากแนวโน้มการเติบโต และอัตราผลตอบแทนในระดับปานกลาง เราจึงมองว่าราคาหุ้นเหมาะสมแล้ว เรคิดว่าถ้ามีดีลขนาดใหญ่ที่ให้ผลตอบแทนน่าสนใจ พอที่จะชดเชยผลของ dilution effect ได้ ก็อาจจะทำให้เราปรับเพิ่มคำแนะนำได้ในระยะต่อไป เราแนะนำให้นักลงทุนที่มุ่งแสวงหาผลตอบแทน (Yield seekers) และต้องการลงทุนแบบ (defensive) สามารถสามารถถือรับปันผลซึ่งมีอัตราผลตอบแทนที่ 4% ต่อปีได้

### Risks

การปิดโรงไฟฟ้านอกแผน, ปัญหา cost overruns, ความผันผวนของอัตราแลกเปลี่ยน และอัตราดอกเบี้ย

### Key financials and valuations

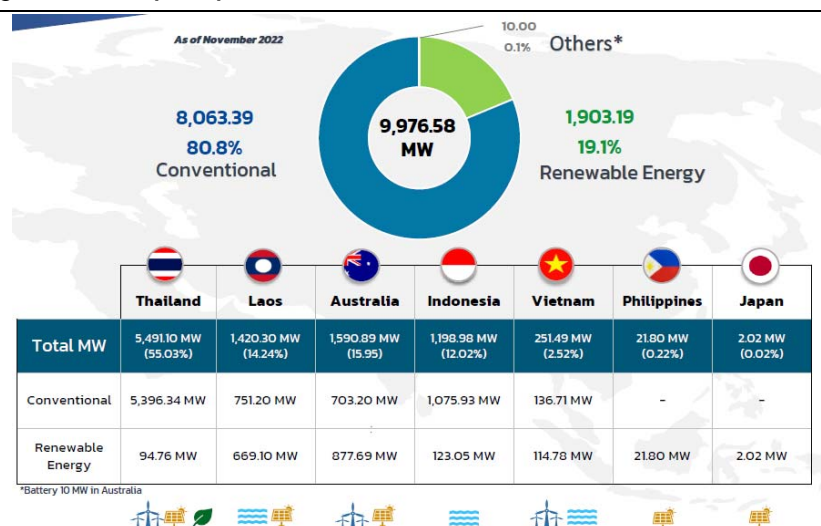
	Dec - 20A	Dec - 21A	Dec - 22F	Dec - 23F	Dec - 24F
Revenue (Btmn)	34,206	37,327	60,275	58,369	49,462
Net Profit (Btmn)	6,287	7,772	7,423	10,607	11,643
Normalized Profit (Btmn)	5,982	7,566	7,423	10,607	11,643
Net Profit Growth (%)	5.4	23.6	(4.5)	42.9	9.8
Normalized Profit Growth (%)	(1.8)	26.5	(1.9)	42.9	9.8
EPS (Bt)	4.34	5.36	3.41	4.88	5.35
Normalized EPS (Bt)	4.13	5.22	3.41	4.88	5.35
DPS (Bt)	2.40	2.50	1.80	1.80	1.85
P/E (X)	12.2	8.4	12.6	8.8	8.0
P/B (X)	1.3	0.8	0.9	0.8	0.8
EV/EBITDA (X)	13.1	12.2	10.6	7.9	7.2
Dividend Yield (%)	4.5	5.6	4.2	4.2	4.3
Return on Average Equity (%)	10.4	10.0	7.0	9.4	9.6

Source: Company data, KGI Securities Research

**Figure 1: RATCH's 4Q22F earnings preview**

Bt mn	4Q22F	4Q21	YoY (%)	3Q22	QoQ (%)	2022F	2021	YoY (%)	Comments (2022 vs 2021)
Revenue	18,754	12,396	51.3	22,352	(16.1)	74,360	37,327	99.2 (+)	higher revenue from RG, RCO (fuel pass-through mechanism), RAC, SCG, and FRD
Gross Profit	1,334	1,016	31.3	1,244	7.2	5,787	4,210	37.5	
SG&A	630	453	39.2	605	4.1	2,405	1,702	41.3 (-)	in line with new capacity added and advisory fees
Operating Profit	851	875	(2.7)	930	(8.5)	4,156	3,395	22.4	
Operating EBITDA	1,503	1,398	7.5	1,566	(4.0)	6,716	5,204	29.0	
Non-Operating Inc./(Exp.)	175	352	(50.2)	(113)	254.5	507	527	(3.9) (+)	higher unrelaxed Fx gains
Equity Income/(Loss)	1,352	1,584	(14.7)	2,229	(39.3)	6,689	5,902	13.3 (+)	largely on stronger Hongsa and PNPC despite a spike in gas prices for SPPs
<b>Net Profit</b>	<b>1,600</b>	<b>2,123</b>	<b>(24.6)</b>	<b>2,248</b>	<b>(28.8)</b>	<b>7,624</b>	<b>7,772</b>	<b>(1.9)</b>	<b>(0) extra items mainly from Bt226mn write-off deferred debt fees and Bt338 deferred tax expense of FRD</b>
<b>Normalized profit</b>	<b>1,475</b>	<b>1,963</b>	<b>(24.9)</b>	<b>2,515</b>	<b>(41.3)</b>	<b>7,373</b>	<b>7,566</b>	<b>(2.5)</b>	
EPS (Bt)	0.87	1.46	(40.3)	1.55	(43.6)	5.26	5.36	(1.9)	
Normalized EPS (Bt)	0.81	1.35	(40.5)	1.73	(53.5)	5.09	5.22	(2.5)	
Percent	4Q22F	4Q21	YoY (ppts)	3Q22	QoQ (ppts)	2022F	2021	YoY (ppts)	
Gross margin	7.1	8.2	(1.1)	5.6	1.5	7.8	11.3	(3.5) (-)	due to a spike in gas prices, derailing SPPs' margin
EBIT margin	8.0	11.3	(3.3)	7.0	1.0	9.0	13.9	(4.9)	
SG&A/sales	3.4	3.7	(0.3)	2.7	0.7	3.2	4.6	(1.3)	
Assumptions	Change			Change			Change		
Ending US\$/THB	34.7	33.7	1.0	38.1	(3.3)	34.7	33.7	1.0	
Ft rate (Bt/kWh)	0.93	(0.15)	1.1	0.48	0.5	39.86	(0.15)	40.0	
Average SPP gas prices (Bt/kWh)	436.0	331	105.0	513	(77.0)	493	265	228.0	

Source: Company data, KGI Securities Research

**Figure 2: Power plant portfolio**


Source: Company data, KGI Securities Research

**Figure 3: Our key assumptions in 2022-24F**

	2020	2021	2022F	2023F	2024F
Equity capacity (MWe)	6,787	7,181	8,349	8,361	8,758
Average US\$/THB	32.00	31.50	34.90	34.50	32.70
Average Ft rate (Bt/kWh)	(0.12)	(0.15)	0.40	1.33	1.53
SPP gas prices (Bt/mmbtu)	270	270	500	450	300
IPP gas prices (Bt/mmbtu)	260	260	480	430	280
RG's dispatch factor (%)	20	20	20	20	20
Paiton's contribution (Btmn)	0	0	0	2,543	3,247
NEJV's contribution (Btmn)	0	0	0	91	129

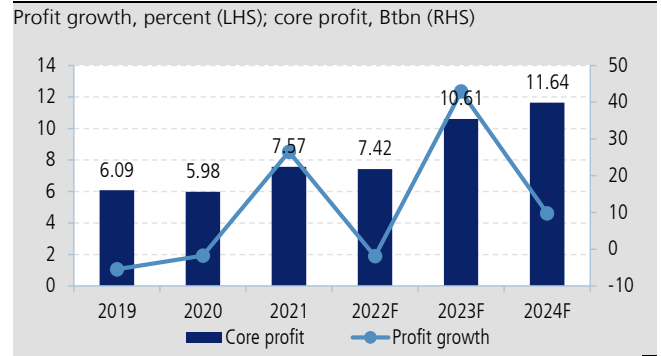
Source: KGI Securities Research

**Figure 4: Company profile**

Ratch Group (RATCH) is a leading independent power producer in Thailand, with an ambitious vision aiming to be a leading value-oriented integrated energy company in Asia-Pacific. RATCH's investment is mainly focused on fossil fuel power generation projects, renewable projects as well as businesses adjacent to electricity generation and energy both in Thailand and internationally. The company's main incomes are in the forms of dividend and profit sharing from invested companies.

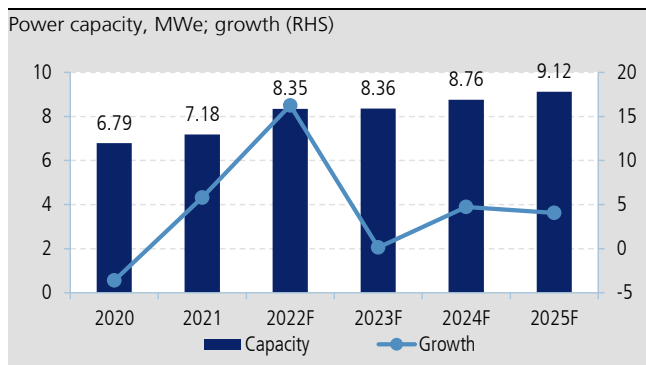
Source: Company data

**Figure 5: Earnings to rise in 2022-24F before flattening**



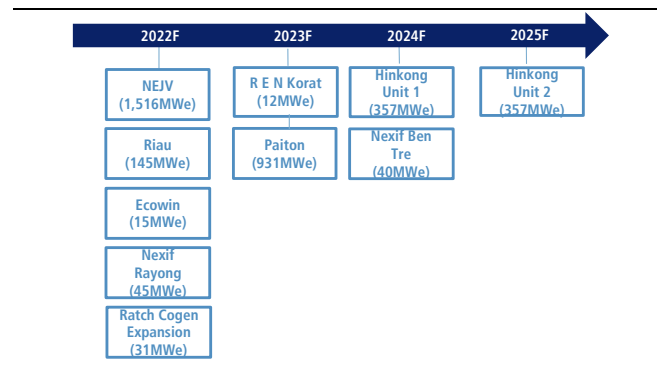
Source: Company data, KGI Securities Research

**Figure 6: Equity capacity to hit 9.1GWe in 2025F**



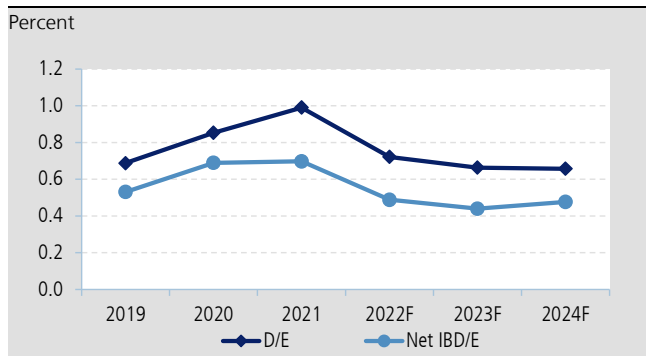
Source: Company data, KGI Securities Research

**Figure 7: Expansion program**



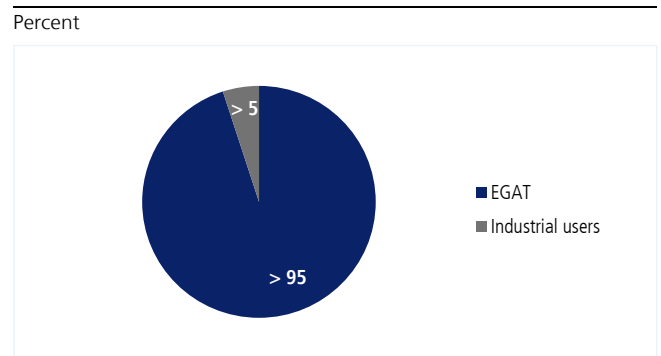
Source: Company data, KGI Securities Research

**Figure 8: Net D/E to plunge after capital raising in 2022**



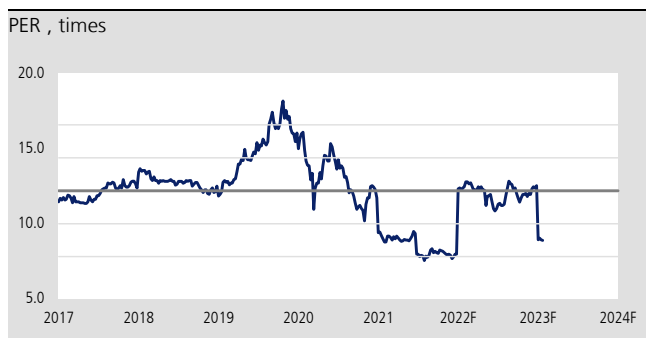
Source: Company data, KGI Securities Research

**Figure 9: Contract with EGAT majority of portfolio**



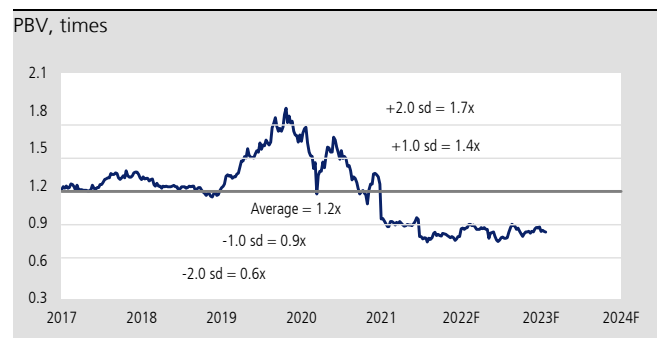
Source: Company data, KGI Securities Research

**Figure 10: Company's forward PER**



Source: KGI Securities Research

**Figure 11: Company's forward PBV**



Source: KGI Securities Research

**Quarterly Income Statement**

	Dec-19A	Mar-20A	Jun-20A	Sep-20A	Dec-20A	Mar-21A	Jun-21A	Sep-21A	Dec-21A	Mar-21A	Jun-22A	Sep-22A
Income Statement (B t mn)												
<b>Revenue</b>	<b>8,770</b>	<b>9,610</b>	<b>8,712</b>	<b>8,315</b>	<b>7,569</b>	<b>7,122</b>	<b>8,667</b>	<b>9,142</b>	<b>12,396</b>	<b>16,915</b>	<b>16,339</b>	<b>22,352</b>
Cost of Goods Sold	(7,876)	(8,636)	(7,577)	(7,405)	(6,612)	(6,103)	(7,604)	(8,030)	(11,379)	(15,494)	(14,551)	(21,107)
<b>Gross Profit</b>	<b>894</b>	<b>974</b>	<b>1,135</b>	<b>910</b>	<b>958</b>	<b>1,018</b>	<b>1,063</b>	<b>1,113</b>	<b>1,016</b>	<b>1,421</b>	<b>1,788</b>	<b>1,244</b>
Operating Expenses	(441)	(410)	(465)	(387)	(338)	(345)	(407)	(497)	(453)	(502)	(669)	(605)
Other incomes	47	68	187	181	121	116	197	158	210	101	121	291
<b>Operating Profit</b>	<b>499</b>	<b>631</b>	<b>856</b>	<b>704</b>	<b>741</b>	<b>789</b>	<b>853</b>	<b>773</b>	<b>774</b>	<b>1,020</b>	<b>1,240</b>	<b>930</b>
Depreciation of fixed assets	(367)	(352)	(394)	(391)	(368)	(470)	(332)	(485)	(523)	(723)	(549)	(636)
<b>Operating EBITDA</b>	<b>908</b>	<b>1,016</b>	<b>1,275</b>	<b>1,095</b>	<b>1,210</b>	<b>1,311</b>	<b>1,237</b>	<b>1,259</b>	<b>1,398</b>	<b>1,790</b>	<b>1,856</b>	<b>1,566</b>
<b>Non-Operating Income</b>	<b>466</b>	<b>(240)</b>	<b>184</b>	<b>134</b>	<b>256</b>	<b>319</b>	<b>37</b>	<b>(76)</b>	<b>453</b>	<b>435</b>	<b>125</b>	<b>(113)</b>
Interest Income	42	33	25	0	101	52	52	0	101	47	67	0
Other Non-op Income	424	(273)	159	134	155	266	(15)	(76)	352	387	58	(113)
<b>Non-Operating Expense</b>	<b>(477)</b>	<b>(360)</b>	<b>(429)</b>	<b>(365)</b>	<b>(396)</b>	<b>(411)</b>	<b>(426)</b>	<b>(465)</b>	<b>(566)</b>	<b>(808)</b>	<b>(751)</b>	<b>(664)</b>
Interest Expenses	(477)	(360)	(429)	(365)	(396)	(411)	(426)	(465)	(566)	(808)	(751)	(664)
Other Non-op Expenses	0	0	0	0	0	0	0	0	0	0	0	0
<b>Equity Income/(Loss)</b>	<b>549</b>	<b>1,481</b>	<b>653</b>	<b>1,139</b>	<b>1,328</b>	<b>1,412</b>	<b>1,600</b>	<b>1,306</b>	<b>1,584</b>	<b>1,186</b>	<b>1,922</b>	<b>2,229</b>
<b>Pre-tax Profit</b>	<b>1,037</b>	<b>1,512</b>	<b>1,263</b>	<b>1,612</b>	<b>1,928</b>	<b>2,108</b>	<b>2,065</b>	<b>1,539</b>	<b>2,245</b>	<b>1,833</b>	<b>2,536</b>	<b>2,382</b>
Current Taxation	(132)	(151)	(189)	111	201	(20)	58	(101)	(115)	(469)	(266)	(105)
Minorities	0	0	0	0	0	0	0	0	(7)	215	(74)	(29)
Extraordinary items	0	0	0	0	0	0	0	0	0	0	0	0
<b>Net Profit</b>	<b>905</b>	<b>1,361</b>	<b>1,074</b>	<b>1,722</b>	<b>2,129</b>	<b>2,088</b>	<b>2,123</b>	<b>1,438</b>	<b>2,123</b>	<b>1,579</b>	<b>2,196</b>	<b>2,248</b>
<b>Normalized Profit</b>	<b>535</b>	<b>1,984</b>	<b>532</b>	<b>1,585</b>	<b>1,881</b>	<b>1,820</b>	<b>2,189</b>	<b>1,593</b>	<b>1,963</b>	<b>1,166</b>	<b>2,217</b>	<b>2,515</b>
EPS (B t)	0.62	0.94	0.74	1.19	1.47	1.44	1.46	0.99	1.46	1.09	1.01	1.03
Normalized EPS (B t)	0.37	1.37	0.37	1.09	1.30	1.26	1.51	1.10	1.35	0.80	1.02	1.16
<b>Margins</b>												
Gross profit margin	10.2	10.1	13.0	10.9	12.7	14.3	12.3	12.2	8.2	8.4	10.9	5.6
Operating EBIT margin	5.7	6.6	9.8	8.5	9.8	11.1	9.8	8.5	6.2	6.0	7.6	4.2
Operating EBITDA margin	10.4	10.6	14.6	13.2	16.0	18.4	14.3	13.8	11.3	10.6	11.4	7.0
Net profit margin	10.3	14.2	12.3	20.7	28.1	29.3	24.5	15.7	17.1	9.3	13.4	10.1
<b>Growth (QoQ)</b>												
Revenue growth	(0.3)	9.6	(9.3)	(4.6)	(9.0)	(5.9)	21.7	5.5	35.6	36.5	(3.4)	36.8
Operating EBIT growth	(34.6)	26.5	35.6	(17.8)	5.2	6.6	8.1	(9.4)	0.1	31.9	21.5	(25.0)
Operating EBITDA growth	(18.5)	12.0	25.4	(14.1)	10.4	8.4	(5.6)	1.7	11.1	28.1	3.7	(15.6)
Net profit growth	(33.7)	50.4	(21.1)	60.3	23.6	(2.0)	1.7	(32.3)	47.6	(25.6)	39.1	2.4
Normalized Profit growth	(64.7)	270.7	(73.2)	197.8	18.6	(3.2)	20.3	(27.3)	23.3	(40.6)	90.1	13.4

Source: KGI Securities Research

**Balance Sheet**

As of 31 Dec (Bt mn)	2020	2021	2022F	2023F	2024F
<b>Total Assets</b>	<b>112,132</b>	<b>154,855</b>	<b>183,024</b>	<b>188,002</b>	<b>199,908</b>
<b>Current Assets</b>	<b>18,485</b>	<b>25,316</b>	<b>31,820</b>	<b>27,763</b>	<b>29,075</b>
Cash & ST Investments	8,614	6,961	16,355	13,381	16,579
Inventories	0	1	0	0	0
Accounts Receivable	5,355	10,370	9,875	9,608	8,361
Others	4,515	7,983	5,591	4,774	4,135
<b>Non-current Assets</b>	<b>93,648</b>	<b>129,540</b>	<b>151,204</b>	<b>160,239</b>	<b>170,833</b>
LT Investments	51,597	76,270	98,149	103,684	110,901
Net fixed Assets	29,479	36,228	39,492	42,993	46,369
Others	12,571	17,042	13,562	13,562	13,562
<b>Total Liabilities</b>	<b>51,611</b>	<b>77,046</b>	<b>76,699</b>	<b>74,975</b>	<b>79,250</b>
<b>Current Liabilities</b>	<b>6,877</b>	<b>20,270</b>	<b>22,352</b>	<b>22,932</b>	<b>19,863</b>
Accounts Payable	3,643	7,677	12,055	13,425	11,376
ST Borrowings	60	5,365	4,828	4,104	3,489
Others	3,174	7,228	5,468	5,403	4,998
<b>Long-term Liabilities</b>	<b>44,733</b>	<b>56,776</b>	<b>54,347</b>	<b>52,043</b>	<b>59,387</b>
Long-term Debts	40,106	49,421	49,704	47,475	55,176
Others	4,627	7,355	4,644	4,568	4,211
<b>Shareholders' Equity</b>	<b>60,522</b>	<b>77,810</b>	<b>106,325</b>	<b>113,027</b>	<b>120,657</b>
Common Stock	1,450	1,450	2,175	2,175	2,175
Capital Surplus	1,532	1,532	19,280	19,280	19,280
Retained Earnings	53,586	57,878	61,385	68,077	75,696
Preferred Stock	0	0	0	0	0

Source: KGI Securities Research

**Key Ratios**

Year to 31 Dec	2020	2021	2022F	2023F	2024F
<b>Growth (% YoY)</b>					
Sales	(10.8)	9.1	61.5	(3.2)	(15.3)
OP	(27.8)	13.0	58.5	21.0	3.5
EBITDA	(1.7)	24.2	5.0	34.6	12.2
NP	5.4	23.6	(4.5)	42.9	9.8
Normalized Profit	(1.8)	26.5	(1.9)	42.9	9.8
EPS	5.4	23.6	(36.3)	42.9	9.8
Normalized EPS	(1.8)	26.5	(34.6)	42.9	9.8
<b>Profitability (%)</b>					
Gross Margin	11.6	11.3	11.0	13.3	16.6
Operating Margin	8.1	8.3	8.2	10.2	12.5
EBITDA Margin	27.4	31.2	20.3	28.2	37.3
Net Profit Margin	18.4	20.8	12.3	18.2	23.5
ROAA	5.6	5.0	4.1	5.6	5.8
ROAE	10.4	10.0	7.0	9.4	9.6
<b>Stability</b>					
Gross Debt/Equity (%)	0.9	1.0	0.7	0.7	0.7
Net Debt/Equity (%)	0.5	0.7	0.4	0.4	0.4
Interest Coverage (x)	5.1	5.3	5.5	6.9	6.8
Interest & ST Debt Coverage (x)	4.9	1.4	1.5	2.3	2.8
Cash Flow Interest Coverage (x)	4.7	3.8	7.1	3.1	1.1
Cash Flow/Interest & ST Debt (x)	4.5	1.0	2.0	1.1	0.4
Current Ratio (x)	2.7	1.2	1.4	1.2	1.5
Quick Ratio (x)	2.7	1.2	1.4	1.2	1.5
Net Debt (Bt mn)	33,157	52,657	40,336	40,426	44,385
<b>Per Share Data (Bt)</b>					
EPS	4.3	5.4	3.4	4.9	5.4
Normalized EPS	4.1	5.2	3.4	4.9	5.4
CFPS	5.0	4.9	6.1	3.0	1.2
BVPS	41.74	53.66	48.89	51.97	55.47
SPS	23.6	25.7	27.7	26.8	22.7
EBITDA/Share	6.5	8.0	5.6	7.6	8.5
DPS	2.4	2.5	1.8	1.8	1.9
<b>Activity</b>					
Asset Turnover (x)	0.3	0.2	0.3	0.3	0.2
Days Receivables	57.1	101.4	59.8	60.1	61.7
Days Inventory	0.0	0.0	0.0	0.0	0.0
Days Payable	44.0	84.6	82.1	96.9	100.7
Cash Cycle	13.2	16.8	(22.3)	(36.8)	(39.0)
<b>Key drivers</b>					
Effective capacity (MW)	6,787	7,181	8,349	8,361	8,758
Average US\$/THB	32.00	31.50	34.90	34.50	32.70
Average Ft rate (Bt/kWh)	-0.12	-0.15	0.40	1.33	1.53
SPP gas prices (Bt/kWh)	270	270	500	450	300

Source: KGI Securities Research

**Profit & Loss**

Year to 31 Dec (Bt mn)	2020	2021	2022F	2023F	2024F
<b>Revenue</b>	<b>34,206</b>	<b>37,327</b>	<b>60,275</b>	<b>58,369</b>	<b>49,462</b>
Cost of Goods Sold	(30,229)	(33,116)	(53,625)	(50,579)	(41,248)
<b>Gross Profit</b>	<b>3,977</b>	<b>4,210</b>	<b>6,650</b>	<b>7,790</b>	<b>8,214</b>
Operating Expenses	(1,601)	(1,702)	(2,229)	(2,348)	(2,472)
Other Incomes	378	603	512	528	439
<b>Operating Profit</b>	<b>2,754</b>	<b>3,112</b>	<b>4,932</b>	<b>5,970</b>	<b>6,181</b>
Depreciation of fixed assets	(1,504)	(1,810)	(1,903)	(1,925)	(1,952)
<b>Operating EBITDA</b>	<b>9,371</b>	<b>11,634</b>	<b>12,220</b>	<b>16,449</b>	<b>18,456</b>
<b>Non-Operating Income</b>	<b>304</b>	<b>206</b>	<b>0</b>	<b>0</b>	<b>0</b>
Interest Income	0	0	0	0	0
Other Non-op Income	304	206	0	0	0
<b>Non-Operating Expenses</b>	<b>(1,551)</b>	<b>(1,868)</b>	<b>(1,871)</b>	<b>(2,098)</b>	<b>(2,439)</b>
Interest Expenses	(1,551)	(1,868)	(1,871)	(2,098)	(2,439)
Other Non-op Expenses	0	0	0	0	0
<b>Equity Income/(Loss)</b>	<b>4,600</b>	<b>5,902</b>	<b>5,085</b>	<b>8,253</b>	<b>10,023</b>
<b>Pre-tax Profit</b>	<b>6,108</b>	<b>7,352</b>	<b>8,147</b>	<b>12,125</b>	<b>13,765</b>
Current Taxation	(28)	(178)	(1,014)	(1,808)	(2,412)
Minorities	(0)	(7)	(10)	(10)	(11)
Extraordinary items	0	0	0	0	0
<b>Net Profit</b>	<b>6,287</b>	<b>7,772</b>	<b>7,423</b>	<b>10,607</b>	<b>11,643</b>
<b>Normalized Profit</b>	<b>5,982</b>	<b>7,566</b>	<b>7,423</b>	<b>10,607</b>	<b>11,643</b>
EPS (Bt)	4.34	5.36	3.41	4.88	5.35
Normalized EPS (Bt)	4.13	5.22	3.41	4.88	5.35

Source: KGI Securities Research

**Cash Flow**

Year to 31 Dec (Bt mn)	2020	2021	2022F	2023F	2024F
<b>Operating Cash Flow</b>	<b>7,291</b>	<b>7,154</b>	<b>13,200</b>	<b>6,531</b>	<b>2,588</b>
Net Profit	6,287	7,772	7,423	10,607	11,643
Depreciation & Amortization	1,504	1,810	1,903	1,925	1,952
Change in Working Capital	3,926	2,940	8,949	2,242	(994)
Others	(4,426)	(5,368)	(5,075)	(8,243)	(10,012)
<b>Investment Cash Flow</b>	<b>(10,913)</b>	<b>(7,649)</b>	<b>(21,973)</b>	<b>(2,717)</b>	<b>(2,533)</b>
Net CAPEX	(6,858)	(8,550)	(5,168)	(5,426)	(5,328)
Change in LT Investment	(5,824)	(25,074)	(21,880)	(5,534)	(7,217)
Change in Other Assets	1,769	25,975	5,075	8,243	10,012
<b>Free Cash Flow</b>	<b>(3,622)</b>	<b>(495)</b>	<b>(8,773)</b>	<b>3,814</b>	<b>55</b>
<b>Financing Cash Flow</b>	<b>3,425</b>	<b>2,385</b>	<b>18,166</b>	<b>(6,788)</b>	<b>3,143</b>
Change in Share Capital	0	0	24,998	0	0
Net Change in Debt	9,635	17,847	(2,927)	(2,883)	7,156
Change in Other LT Liab.	(6,210)	(15,463)	(3,905)	(3,905)	(4,013)
<b>Net Cash Flow</b>	<b>(197)</b>	<b>1,889</b>	<b>9,394</b>	<b>(2,974)</b>	<b>3,198</b>

Source: KGI Securities Research

**Rates of Return on Invested Capital**

Year	1- COGS Revenue	+ Depreciation Revenue	+ Operating Exp. Revenue	= Operating Margin
2020	84.0%	4.4%	5.8%	5.8%
2021	83.9%	4.8%	6.2%	5.1%
2022F	85.8%	3.2%	4.5%	6.5%
2023F	83.4%	3.3%	4.9%	8.4%
2024F	79.4%	3.9%	5.9%	10.7%
Year	1/ Working Capital Revenue	+ Net PPE Revenue	+ Other Assets Revenue	= Capital Turnover
2020	0.1	0.9	2.4	0.3
2021	0.1	1.0	3.2	0.2
2022F	0.1	0.7	2.4	0.3
2023F	0.0	0.7	2.5	0.3
2024F	0.0	0.9	3.1	0.2
Year	Operating Margin	x Capital Turnover	x Cash Tax Rate	= After-tax Return on Inv. Capital
2020	5.8%	0.3	0.4%	0.0%
2021	5.1%	0.2	2.2%	0.0%
2022F	6.5%	0.3	12.0%	0.2%
2023F	8.4%	0.3	14.6%	0.4%
2024F	10.7%	0.2	0.6%	0.0%

Source: KGI Securities Research

**Ratch Group – Recommendation & target price history**


Source: KGI Securities Research

# Corporate Governance Report of Thai Listed Companies



## Companies with Excellent CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	EGCO	ELECTRICITY GENERATING	PTTEP	PTT EXPLORATION AND PRODUCTION
ADVANC	ADVANCED INFO SERVICE	GFPT	GFPT	PTTGC	PTT GLOBAL CHEMICAL
AMA	AMA MARINE	GGC	GLOBAL GREEN CHEMICALS	PYLON	PYLON
AMATA	AMATA CORPORATION	GPSC	GLOBAL POWER SYNERGY	QH	QUALITY HOUSES
ANAN	ANANDA DEVELOPMENT	HANA	HANA MICROELECTRONICS	RATCH	RATCHABURI ELECTRICITY GENERATING HOLDING
AOT	AIRPORTS OF THAILAND	HMPRO	HOME PRODUCT CENTER	RS	RS
AP	ASIAN PROPERTY DEVELOPMENT	INTUCH	SHIN CORPORATION	SCB	THE SIAM COMMERCIAL BANK
BANPU	BANPU	IRPC	IRPC	SCC	THE SIAM CEMENT
BCP	THE BANGCHAK PETROLEUM	IVL	INDORAMA VENTURES	SCCC	SIAM CITY CEMENT
BCPG	BCPG	KBANK	KASIKORN BANK	SEAFCO	SEAFCO
BDMS	BANGKOK DUSIT MEDICAL SERVICES	KCE	KCE ELECTRONICS	SMPC	SAHAMITR PRESSURE CONTAINER
BEC	BEC WORLD	KKP	KIATNAKIN BANK	SPALI	SUPALAI
BEM	BANGKOK EXPRESSWAY AND METRO	KTB	KRUNG THAI BANK	SPRC	STAR PETROLEUM REFINING
BGRIM	B.GRIMM POWER	KTC	KRUNGTHAI CARD	SVI	SVI
BPP	BANPU POWER	LH	LAND AND HOUSES	TACC	T.A.C. CONSUMER
BTS	BTS GROUP HOLDINGS	LPN	L.P.N. DEVELOPMENT	TCAP	THANACHART CAPITAL
CENDEL	CENTRAL PLAZA HOTEL	MAKRO	SIAM MAKRO	THCOM	THAICOM
CK	CH. KARNCHANG	MBK	MBK	TISCO	TISCO FINANCIAL GROUP
CKP	CK POWER	MINT	MINOR INTERNATIONAL	TOP	THAI OIL
CPALL	CP ALL	MTC	MUANGTHAI CAPITAL	TRUE	TRUE CORPORATION
CPF	CHAROEN POKPHAND FOODS	PLANB	PLAN B MEDIA	TTB	TMBTHANACHART BANK
CPN	CENTRAL PATTANA	PSH	PRUKSA HOLDING	VGI	VGI GLOBAL MEDIA
DELTA	DELTA ELECTRONICS (THAILAND)	PTG	PTG ENERGY	WHA	WHA CORPORATION
DTAC	TOTAL ACCESS COMMUNICATION	PTT	PTT	WHAUP	



## Companies with Very Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
BAM	BANGKOK COMMERCIAL ASSET MANAGEMENT	GULF	GULF ENERGY DEVELOPMENT	SAPPE	SAPPE
BBL	BANGKOK BANK	JMT	JMT NETWORK SERVICES	SAWAD	SRI SAWAD POWER 1979
CBG	CARABAO GROUP	LPH	LADPRAO GENERAL HOSPITAL	SINGER	SINGER THAILAND
CHG	CHULARAT HOSPITAL	M	MK RESTAURANT GROUP	SPA	SIAM WELLNESS GROUP
COM7	COM7	MAJOR	MAJOR CINEPLEX GROUP	TFG	THAIFOODS GROUP
DOHOME	DOHOME	MEGA	MEGA LIFESCIENCES	TKN	TAOKAENOI FOOD & MARKETING
ERW	THE ERAWAN GROUP	NETBAY	NETBAY	ZEN	ZEN CORPORATION GROUP
GLOBAL	SIAM GLOBAL HOUSE	OSP	OSOTSPA		



## Companies with Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
BCH	BANGKOK CHAIN HOSPITAL	ESSO	ESSO (THAILAND)	SF	SIAM FUTURE DEVELOPMENT
BH	BUMRUNGRAD HOSPITAL	HUMAN	HUMANICA	SISB	SISB
EKH	EKACHAI MEDICAL CARE	RBF	R&B FOOD SUPPLY	TPCH	TPC POWER HOLDING

## Companies classified Not in the three highest score groups

Stock	Company name	Stock	Company name	Stock	Company name
IIG	I&I GROUP	OR	PTT OIL AND RETAIL BUSINESS	STGT	SRI TRANG GLOVES (THAILAND)
KEX	KERRY EXPRESS (THAILAND)	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION		

Source: www.thai-iod.com

**Disclaimer:** The disclosure of the survey result of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an assessment of operation and is not based on inside information. The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey result may be changed after that date or when there is any change to the relevant information. Nevertheless, KGI Securities (Thailand) Public Company Limited (KGI) does not confirm, verify, or certify the accuracy and completeness of such survey result.

## Anti-corruption Progress Indicator

### Level 5: Extended

Stock	Company name	Stock	Company name	Stock	Company name
ADVANC	ADVANCED INFO SERVICE	GLOBAL	SIAM GLOBAL HOUSE	QH	QUALITY HOUSES
ANAN	ANANDA DEVELOPMENT	GPSC	GLOBAL POWER SYNERGY	RATCH	RATCHABURI ELECTRICITY GENERATING HOLDING
BBL	BANGKOK BANK	HMPRO	HOME PRODUCT CENTER	ROBINS	ROBINSON DEPARTMENT STORE
BCH	BANGKOK CHAIN HOSPITAL	IRPC	IRPC	SCC	THE SIAM CEMENT
BDMS	BANGKOK DUSIT MEDICAL SERVICES	KBANK	KASIKORNBANK	SIRI	SANSIRI
BIGC	BIG C SUPERCENTER	KCE	KCE ELECTRONICS	SPALI	SUPALAI
CK	CH. KARNCHANG	KKP	KIATNAKIN BANK	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION
DCC	DYNASTY CERAMIC	KTB	KRUNG THAI BANK	TCAP	THANACHART CAPITAL
DELTA	DELTA ELECTRONICS (THAILAND)	LPH	LADPRAO GENERAL HOSPITAL	TISCO	TISCO FINANCIAL GROUP
DRT	DIAMOND ROOFING TILES	PACE	PACE DEVELOPMENT CORPORATION	TMT	THAI METAL TRADE
EGCO	ELECTRICITY GENERATING	PTT	PTT	TOP	THAI OIL
GFPT	GFPT	PTTGC	PTT GLOBAL CHEMICAL		

### Level 4: Certified

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	ERW	THE ERAWAN GROUP	SAPPE	SAPPE
AP	ASIAN PROPERTY DEVELOPMENT	GLOW	GLOW ENERGY	SAWAD	SRISAWAD POWER 1979
BA	BANGKOK AIRWAYS	GUNKUL	GUNKUL ENGINEERING	SCB	THE SIAM COMMERCIAL BANK
BANPU	BANPU	ILINK	INTERLINK COMMUNICATION	SCN	SCAN INTER
BCP	THE BANGCHAK PETROLEUM	KTC	KRUNGTHAI CARD	SEAFCO	SEAFCO
BH	BUMRUNGRAD HOSPITAL	LH	LAND AND HOUSES	SVI	SVI
BJCHI	BJC HEAVY INDUSTRIES	LPN	L.P.N. DEVELOPMENT	TASCO	TIPCO ASPHALT
CBG	CARABAO GROUP	MAKRO	SIAM MAKRO	TKN	TAOKAENOI FOOD & MARKETING
CENTEL	CENTRAL PLAZA HOTEL	MALEE	MALEE SAMPRAN	TMB	TMB BANK
CHG	CHULARAT HOSPITAL	MINT	MINOR INTERNATIONAL	TRT	TIRATHAI
CKP	CK POWER	MODERN	MODERNFORM GROUP	TRUE	TRUE CORPORATION
CPF	CHAROEN POKPHAND FOODS	NOK	NOK AIRLINES	TVO	THAI VEGETABLE OIL
CPN	CENTRAL PATTANA	PTTEP	PTT EXPLORATION AND PRODUCTION		
DTAC	TOTAL ACCESS COMMUNICATION	PYLON	PYLON		

### Level 3: Established

Stock	Company name	Stock	Company name	Stock	Company name
BEM	BANGKOK EXPRESSWAY AND METRO	MTLS	MUANGTHAI LEASING	SPRC	STAR PETROLEUM REFINING
CPALL	CP ALL	SCI	SCI ELECTRIC		

### No progress

Stock	Company name	Stock	Company name	Stock	Company name
AOT	AIRPORTS OF THAILAND	BPP	BANPU POWER	FN	FN FACTORY OUTLET
BCPG	BCPG	BTS	BTS GROUP HOLDINGS	TPCH	TPC POWER HOLDING

Source: [www.cgthailand.org](http://www.cgthailand.org)

**Disclaimer:** The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by the relevant institution as disclosed by the Office of the Securities and Exchange Commission, is made in order to comply with the policy and sustainable development plan for the listed companies. The relevant institution made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, KGI Securities (Thailand) Public Company Limited (KGI) does not confirm, verify, or certify the accuracy and completeness of the assessment result.



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**KGI's Ratings**

<b>Rating</b>	<b>Definition</b>
Outperform (OP)	The stock's excess return over the next twelve months is ranked in the top 40% of KGI's coverage universe in the related market (e.g. Taiwan)..
Neutral (N)	The stock's excess return over the next twelve months is ranked in the range between the top 40% and the bottom 40% of KGI's coverage universe in the related market (e.g. Taiwan)
Under perform (U)	The stock's excess return over the next twelve months is ranked in the bottom 40% of KGI's coverage universe in the related market (e.g. Taiwan).
Not Rated (NR)	The stock is not rated by KGI.
Restricted (R)	KGI policy and/or applicable law regulations preclude certain types of communications, including an investment recommendation, during the course of KGI's engagement in an investment banking transaction and in certain other circumstances.  <i>Excess return = 12M target price/current price-</i>
Note	When an analyst publishes a new report on a covered stock, we rank the stock's excess return with those of other stocks in KGI's coverage universe in the related market. We will assign a rating based on its ranking. If an analyst does not publish a new report on a covered stock, its rating will not be changed automatically.

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