



Banpu Power

(BPP.BK/BPP TB)*



SET ESG Rating of AAA

Underperform · Downgraded

Price as of 4 Nov 2024	12.10
12M target price (Bt/shr)	10.80
Unchanged/Revised up(down)(%)	(12.9)
Upside/downside (%)	(10.7)

Key messages

เราคาดว่ากำไร 3Q67F ของ BPP จะออกมาดีเกินคาด โดยกำไรสุทธิที่ 1.1 พันล้านบาท (-47% YoY แต่ +14% QoQ) และกำไรหลักต่ำลงที่ 1.0 พันล้านบาท (-69% YoY และ -20% QoQ) เนื่องจากฤดูร้อนที่คาดว่าจะร้อนแรงในเท็กซัสไม่เกินไปตามคาด ขณะที่ ค่ากำไรหลัก 9M67F ที่ 2.7 พันล้านบาท (-49% YoY) โดยมีปัจจัยกดดันหลักได้แก่ การชะลอตัวของ spark spread ที่โครงการ Temple I & II มีต้นทุนสูงขึ้นและอุปสงค์ในจีนหดตัว ทั้งนี้ เราปรับลดคำแนะนำ BPP ลงเป็นขาย ประเมินราคาเป้าหมายใหม่ที่ 10.80 บาท สะท้อนถึงอุปสรรคปัญหาเศรษฐกิจ กำไรที่ลดลง และปัจจัยบวกที่จำกัด แม้ว่ายังคงเป็นหุ้นปันผลที่มีอัตราผลตอบแทนจากเงินปันผลสูงน่าสนใจราว 5% ต่อปีก็ตาม

Trading data

Mkt cap (Btbn/US\$bn)	37/1.2		
Outstanding shares (mn)	3,048		
Foreign ownership (mn)	88		
3M avg. daily trading (mn)	1		
52-week trading range (Bt)	11.40-15.00		
Performance (%)	3M	6M	12M
Absolute	5.2	-14.1	-17.6
Relative	-8.4	-19.4	-20.2

Quarterly EPS

Bt	Q1	Q2	Q3	Q4
2022	0.96	0.22	0.76	(0.06)
2023	0.69	0.44	0.69	(0.08)
2024	0.22	0.32	0.37	-

Share price chart



Source: SET

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ขาดปัจจัยหนุนในระยะสั้น

Event

ปรับลดกำไรกับคำแนะนำ และประมาณการ 3Q67F

Impact

ประมาณการ 3Q67F – คาดกำไรออกมาดีเกินหวัง

วันที่ 12 พ.ย. เราคาดว่า BPP จะรายงานกำไรสุทธิ 3Q67F นำคิดหวังที่ 1.1 พันล้านบาท (-47% YoY แต่ +14% QoQ) พร้อมกับกำไรหลักที่ 1.0 พันล้านบาท (-69% YoY และ -20% QoQ) (หักกำไรสุทธิจากตราสารอนุพันธ์ออก) กรณีนี้เป็นการคาดการณ์ก่อนหน้าที่ผิดพลาดของตลาดเกี่ยวกับฤดูร้อนที่คาดว่าจะร้อนแรงที่สุดในรัฐเท็กซัสในสหรัฐฯ โดยที่ กำไรหลัก 9M67F น่าจะลดลงมาอยู่ที่ 2.7 พันล้านบาท (-49% YoY) คิดเป็น 92% ของประมาณการทั้งปีของเรา

Highlights – กำไรลดลงท่ามกลางอากาศที่ร้อนน้อยกว่าปกติและต้นทุนสูงขึ้น

การที่กำไรลดลง YoY จะสะท้อนถึงฤดูร้อนเบาบางในปี 2567 ซึ่งทำให้ spark spread ชะลอตัวลงและปริมาณการขายที่ Temple I & II ลดลงควบคู่กับต้นทุนดอกเบี้ยที่สูงขึ้นและการดำเนินงานของ BCLP ชะลอตัวด้วย ส่วนกำไรเฉลี่ย QoQ อาจเกิดจาก: i) margin ถูกบีบและการปิดซ่อมบำรุงชั่วคราวที่โครงการ Temple I & II เนื่องจากฤดูร้อนที่อ่อนแอและการรบกวนจากพายุทอร์นาโดที่ไม่คาดคิด; ii) การลดลงตามฤดูกาลของ IPP และต้นทุนสูงขึ้นที่ BCLP และ Hongsa แม้ว่าโรงไฟฟ้าในจีน (CHP และ SLG) จะมีการปิดบำรุงรักษาที่ลดลง แต่ Banpu NEXT (ถือหุ้น 50%) น่าจะรายงานผลขาดทุน QoQ สูงขึ้นเนื่องจากกำไรที่ลดลงในส่วนของกำไรขายพลังงาน กลุ่มแบตเตอรี่ และการกลับรายการของ Fx

แนวโน้มกำไรลดลงท่ามกลางปัญหาเศรษฐกิจรวมเราในตลาดหลัก ๆ

เราปรับมุมมองระยะสั้นขึ้นต่อแนวโน้มของ BPP ท่ามกลางการฟื้นตัวทางเศรษฐกิจที่ท้าทายในจีนและเศรษฐกิจสหรัฐฯ ชะลอตัว ขณะที่ BPP มีโครงการหลักอยู่ในสหรัฐฯ (60% ของ EBITDA ของ BPP) และจีน (10%) นับตั้งแต่ต้นปีนี้ โครงการ Temple I&II ของ BPP ในสหรัฐฯ ได้รับผลบวกจากฤดูร้อนที่เบาบางลงและการเติบโตที่ซาลง ส่วนโรงไฟฟ้า CHP ของ BPP ในจีนมีกำลังการผลิตไฟฟ้าและโอนนำทางตัว และการเพิ่ม tariff ที่จำกัด ซึ่งเราคาดว่าจะมีผลกระทบเชิงลบมากขึ้นในไตรมาสถัดไป โดยเฉพาะที่ Zouping ซึ่งจัดหาไฟและโอนนำลูกคาอุตสาหกรรม Luannan, Zhengding และ SLG อาจเผชิญกับอุปสงค์ลดลงในตลาดซื้อขายพลังงาน ดังนั้น เราปรับลดกำไรหลักปี 2567-69F ลงราว 12-23% (Figure 3) เพื่อสะท้อนปริมาณขายไฟในสหรัฐฯที่ลดลง (Temple I & II) และโรงงานในจีน (CHP และ SLG) ทั้งนี้ เราคาดกำไรหลัก 4Q67F น่าจะเป็นจุดต่ำสุดของปี โดยถูกกดดันจากการซ่อมบำรุงตามแผนงานที่วางไว้ (BCLP, Hongsa และ Temple I & II) รวมถึงค่าใช้จ่าย SG&A และดอกเบี้ยที่สูงขึ้น

Valuation & Action

เราปรับลดคำแนะนำ BPP ลงเป็น “ขาย” จากถือ และขยับราคาเป้าหมายใหม่ไปเป็นปี 2568 ที่ 10.80 บาทจากเดิม 12.40 บาท พร้อมกับปรับลดกำไรของเราเอง โดยมีความกังวลกับการฟื้นตัวไม่ดีของจีนและการเติบโตซาลงที่สหรัฐฯ ทำให้มีปัจจัยกระตุ้นจำกัดสำหรับ BPP ในขณะที่กำไรปี 2567F ที่เข้ลงมากและแนวโน้ม ROE ที่น่าผิดหวังโดยไม่มีดีล M&A ที่มีนัยสำคัญท่ามกลางกระแส ESG ที่เพิ่มขึ้น ทำให้แนวโน้มยังแย่ลงไปอีก แต่อย่างไรก็ดี BPP ยังคงเป็นหุ้นที่มีเสน่ห์ในดานเงินปันผล โดยให้อัตราผลตอบแทนจากเงินปันผลสูงราว 5% ต่อปี ซึ่งสูงกว่าค่าเฉลี่ยของตลาด

Risks

การปิดโรงงานนอกแผน, ปัญหา cost overruns และความผันผวนของอัตราแลกเปลี่ยนและอัตราดอกเบี้ย

Key financials and valuations

	Dec - 22A	Dec - 23A	Dec - 24F	Dec - 25F	Dec - 26F
Revenue (Btmn)	24,501	30,443	16,226	15,931	15,932
Net Profit (Btmn)	5,739	5,319	2,904	3,429	3,657
Normalized Profit (Btmn)	2,805	5,218	2,904	3,429	3,657
Net Profit Growth (%)	83.5	(7.3)	(45.4)	18.1	6.6
Normalized Profit Growth (%)	12.6	86.0	(44.3)	18.1	6.6
EPS (Bt)	1.85	1.72	0.94	1.11	1.18
DPS (Bt)	0.70	0.80	0.60	0.60	0.60
P/E (X)	6.5	7.0	12.9	10.9	10.2
P/B (X)	0.7	0.7	0.7	0.7	0.6
EV/EBITDA (X)	10.4	9.1	13.7	13.1	13.0
Dividend Yield (%)	5.8	6.6	5.0	5.0	5.0
Return on Average Equity (%)	10.9	9.7	5.2	6.0	6.2

Source: Company data, KGI Securities Research

Figure 1: BPP's 3Q24 earnings preview

Bt mn	3Q24F	3Q23	YoY (%)	2Q24	QoQ (%)	9M24	9M23	YoY (%)	Comments (9M24 vs 9M23)
Revenue	9,884	16,149	(39)	7,021	41	23,210	22,549	3	(+) Higher, on hefty US gas-projects and CHP (volumes)
Gross Profit	649	6,930	(91)	807	(20)	2,137	7,339	(71)	(-) Weaker operation at Temple I&II despite lower coal cost at CHP
SG&A	456	592	(23)	437	4	1,402	1,555	(10)	(-) Lower fees from business expansion into retail segment in the US
Operating Profit	321	6,446	(95)	537	(40)	1,214	6,252	N.A.	
Operating EBITDA	792	6,919	(89)	1,004	(21)	2,605	7,329	(64)	
Non-Operating Inc./(Exp.)	112	(1,690)	N.A.	(411)	N.A.	349	(1,254)	128	
Equity Income/(Loss)	1,292	537	140	1,467	(12)	3,063	4,246	(28)	(-) Planned outage at Hongsa and absence of gains from revaluation gains of Durapower despite stronger operations of BLCP, and SLG
Net Profit	1,122	2,099	(47)	982	14	2,781	5,551	(50)	
Normalized profit	1,010	3,238	(69)	1,265	(20)	2,664	5,195	(49)	
EPS (Bt)	0.37	0.69	(47)	0.32	14	0.91	1.82	(50)	
Normalized EPS (Bt)	0.33	1.06	(69)	0.41	(20)	0.87	1.70	(49)	
Percent	3Q24F	3Q23	YoY (ppts)	2Q24	QoQ (ppts)	9M24	9M23	YoY (ppts)	
Gross margin	6.6	42.9	(36)	11.5	(5)	9.2	32.5	(23)	
EBITDA margin	8.0	42.8	(35)	14.3	(6)	5.2	27.7	(22)	
SG&A/sales	4.6	3.7	1	6.2	(2)	6.0	6.9	(1)	
Assumptions (Btmn)	Change			Change			Change		
CHP's gross profit	119	44	75	101	18	676	132	543	
Hongsa's core share of profit	987	395	592	1,058	(71)	2,629	2,490	139	
BLCP's core share of profit	250	372	(122)	358	(108)	725	813	(88)	
SLG's share of profit	20	43	(23)	5	15	56	72	(16)	
Banpu NEXT's share of profit	(100)	(118)	18	(3)	(97)	(320)	1,132	(1,452)	

Source: Company data, KGI Securities Research

Figure 2: Key assumptions and valuation of BPP

	Unit	2022	2023	2024F	2025F	2026F
Effective capacity	MWe	3,161	3,642	3,715	3,715	3,715
Average Ft rate	Bt/kWh	0.50	0.89	0.40	0.30	0.10
Average coal price	RMB/Ton	1,184	1,035	750	600	600
Steam price at CHPs	RMB/Ton	165	161	146	146	146
Ratio:						
GPM	Percent	9.84	34.68	17.90	21.89	21.82
EBITDA	Percent	34.0	34.4	41.9	44.0	43.9
NPM	Percent	23.4	17.5	17.9	21.5	23.0
Valuation	Bt/share	Avg. WACC				
Operating	15.09	5.5				
Developing	0.32	6.7				
Cash	2.21					
Debts	(6.78)					
Our DCF-based TP	10.80					
No.shares (mn)	3,048					

Source: KGI Securities Research

Figure 3: Earnings revisions

Financials (Btmn)	2024F			2025F			2026F		
	Previous	Revised	Change	Previous	Revised	Change	Previous	Revised	Change
			Percent			Percent			Percent
Revenue	17,964	16,226	(9.7)	17,667	15,931	(9.8)	17,666.5	15,931	(9.8)
Gross profit	3,770	2,905	(23.0)	4,079	3,488	(14.5)	4,067.5	3,476	(14.5)
SG&A	2,261	2,261	0.0	2,678	2,678	0.0	2,783.5	2,784	0.0
Other incomes	743	743	0.0	763	763	0.0	783.0	783	0.0
Equity income	3,510	3,434	(2.2)	3,448	3,448	0.0	3,547.7	3,548	0.0
Interest cost	2,117	2,117	0.0	1,964	1,964	0.0	1,748.7	1,749	0.0
Net profit	3,790	2,904	(23.4)	3,914	3,429	(12.4)	4,141.9	3,657	(11.7)
Normalized profit	3,790	2,904	(23.4)	3,914	3,429	(12.4)	4,141.9	3,657	(11.7)
Key financial ratio (%)			ppts			ppts			ppts
GPM	21.0	17.9	(3.1)	23.1	21.9	(1.2)	23.0	21.8	(1.2)
SG&A/Sale	12.6	13.9	1.3	15.2	16.8	1.7	15.8	17.5	1.7
ROE	6.8	5.2	(1.5)	6.8	6.0	(0.8)	7.0	6.2	(0.8)
Net profit growth	-28.7	-45.4	(16.7)	3.3	18.1	14.8	5.8	6.6	0.8
Normalised profit growth	3.3	18.1	14.8	5.8	6.6	0.8	(2.5)	-2.9	(0.3)

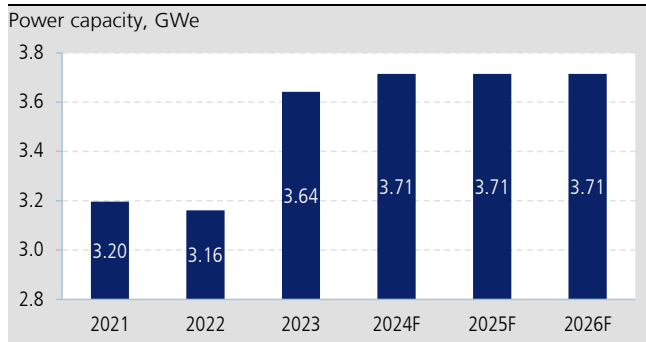
Source: KGI Securities Research

Figure 4: Company profile

Banpu Power Public Company Limited (BPP) was established in December 1996, as a wholly-owned subsidiary of Banpu PCL (BANPU.BK/BANPU TB)*. The company is the group's flagship power company operating conventional and renewable power assets across Asia, including Thailand, Laos, China, and Japan. With nearly 20 years of experience, the company has run its business on a regional platform of highest international standards in both operations and corporate governance through its extensive proven experiences coupled with the emphasis on sustainability and social responsibilities.

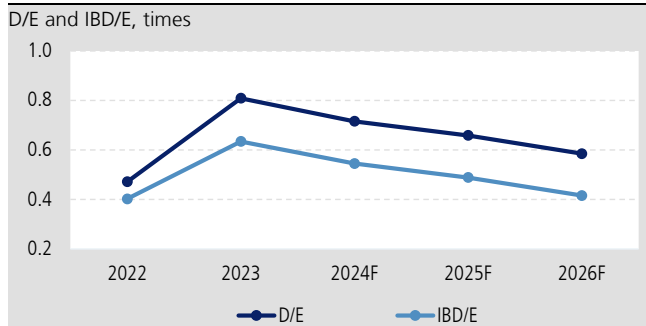
Source: Company data

Figure 6: Capacity growth



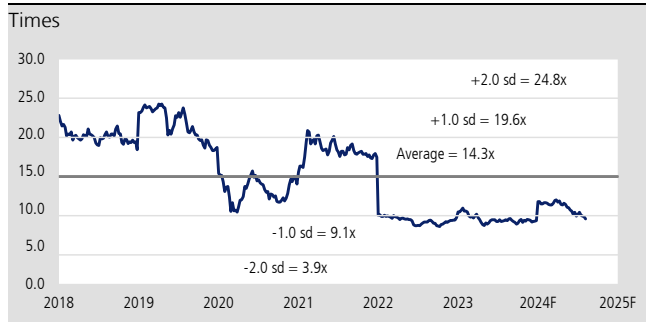
Source: Company data, KGI Securities Research

Figure 8: Very low net IBD/E (vs peers vs covenant of 2.5x)



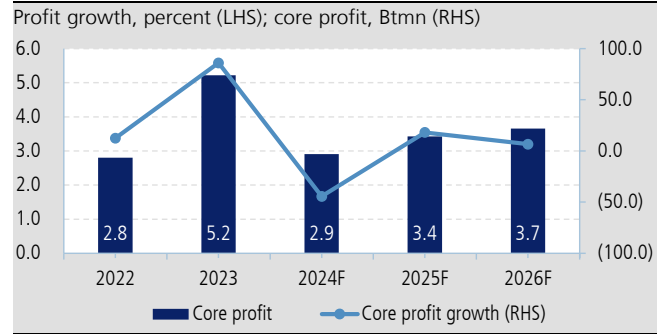
Source: Company data, KGI Securities Research

Figure 10: BPP's forward PER



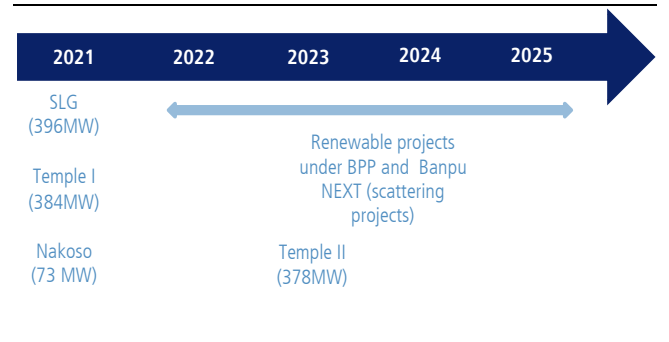
Source: KGI Securities Research

Figure 5: Earnings outlook



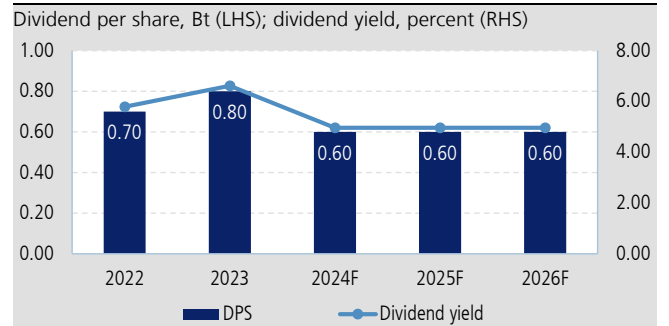
Source: Company data, KGI Securities Research

Figure 7: Expansion plan in 2024-26F



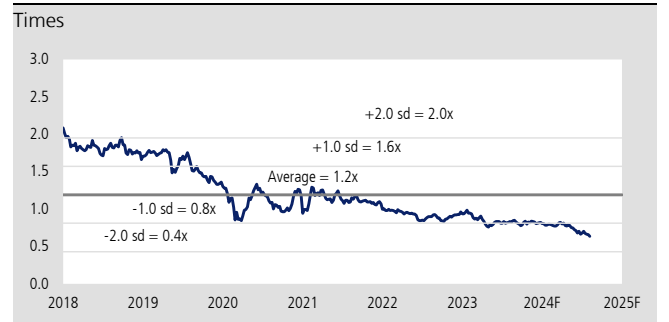
Source: Company data, KGI Securities Research

Figure 9: DPS and dividend yields in 2023F-25F



Source: Company data, KGI Securities Research

Figure 11: BPP's forward PBV



Source: KGI Securities Research

Quarterly Income Statement

	Mar-21A	Jun-21A	Sep-21A	Dec-21F	Mar-22A	Jun-22A	Sep-22A	Dec-22A	Mar-23A	Jun-23A	Sep-23A	Dec-23A	Mar-24A	Jun-24A	Sep-24A
Income Statement (Bt mn)															
Revenue	1,812	861	1,048	3,064	3,861	4,377	4,956	11,308	3,483	2,918	16,149	7,894	6,305	7,021	9,884
Cost of Goods Sold	(1,462)	(964)	(1,189)	(3,209)	(3,609)	(3,898)	(4,355)	(10,228)	(3,582)	(2,410)	(9,218)	(4,675)	(5,624)	(6,214)	(9,235)
Gross Profit	349	(103)	(141)	(145)	252	478	601	1,080	(99)	507	6,930	3,219	681	807	649
Operating Expenses	(205)	(228)	(232)	(439)	(308)	(336)	(412)	(830)	(463)	(500)	(592)	(699)	(509)	(437)	(456)
Other incomes	223	197	316	298	159	194	189	363	136	225	108	240	183	167	128
Operating Profit	367	(134)	(57)	(285)	103	336	378	613	(425)	232	6,446	2,759	355	537	321
Depreciation of fixed assets	(110)	(119)	(124)	(227)	(299)	(309)	(322)	(316)	(299)	(304)	(473)	(505)	(453)	(467)	(471)
Operating EBITDA	477	(15)	67	(57)	402	644	700	930	(126)	536	6,919	3,264	808	1,004	792
Non-Operating Income	114	140	207	332	(782)	(590)	2,895	(2,158)	169	299	(1,672)	(3,854)	668	(390)	134
Interest Income	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
Other Non-op Income	106	131	197	321	(794)	(603)	2,881	(2,173)	153	282	(1,690)	(3,873)	648	(411)	112
Non-Operating Expenses	(33)	(41)	(44)	(130)	(166)	(196)	(255)	(280)	(278)	(297)	(731)	(748)	(765)	(784)	(776)
Interest Expenses	(33)	(41)	(44)	(130)	(166)	(196)	(255)	(280)	(278)	(297)	(731)	(748)	(765)	(784)	(776)
Other Non-op Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Equity Income/(Loss)	693	1,137	513	491	3,232	791	1,156	1,171	2,456	1,253	537	763	304	1,467	1,292
Pre-tax Profit	1,141	1,102	618	408	2,387	340	4,175	(653)	1,922	1,487	4,580	(1,079)	562	830	971
Current Taxation	(94)	19	(8)	25	99	34	(441)	263	29	(36)	(484)	89	(69)	(104)	(182)
Minorities	(6)	14	(4)	(52)	445	324	(1,405)	225	179	(97)	(1,979)	778	204	276	355
Extraordinary items	0	0	0	0	2,962	787	0	(787)	0	0	0	0	0	0	0
Net Profit	1,034	1,126	596	371	2,918	685	2,315	(180)	2,114	1,338	2,099	(231)	677	982	1,122
Normalized Profit	928	995	399	170	236	841	1,237	491	803	1,154	3,238	23	388	1,265	1,010
EPS (Bt)	0.34	0.37	0.20	0.12	0.96	0.22	0.76	(0.06)	0.69	0.44	0.69	(0.08)	0.22	0.32	0.37
Normalized EPS (Bt)	0.30	0.33	0.13	0.06	0.08	0.28	0.41	0.16	0.26	0.38	1.06	0.01	0.13	0.42	0.33
Margins															
Gross profit margin	19.3	(11.9)	(13.5)	(4.7)	6.5	10.9	12.1	9.6	(2.8)	17.4	42.9	40.8	10.8	11.5	6.6
Operating EBIT margin	20.3	(15.5)	(5.5)	(9.3)	2.7	7.7	7.6	5.4	(12.2)	8.0	39.9	35.0	5.6	7.7	3.2
Operating EBITDA margin	26.3	(1.7)	6.4	(1.9)	10.4	14.7	14.1	8.2	(3.6)	18.4	42.8	41.4	12.8	14.3	8.0
Net profit margin	57.1	130.8	56.9	12.1	75.6	15.7	46.7	(1.6)	60.7	45.8	13.0	(2.9)	10.7	14.0	11.4
Growth															
Revenue growth	11.2	(52.5)	21.7	192.4	26.0	13.4	13.2	128.2	(69.2)	(16.2)	453.5	(51.1)	(20.1)	11.4	40.8
Operating EBIT growth	4.9	(136.4)	57.1	(396.1)	136.1	226.4	12.7	62.1	(169.3)	154.6	2,677.5	(57.2)	(87.1)	51.2	(40.2)
Operating EBITDA growth	14.3	(103.1)	556.1	(186.4)	799.8	60.1	8.6	32.8	(113.5)	526.0	1,190.5	(52.8)	(75.2)	24.3	(21.2)
Net profit growth	(13.9)	8.8	(47.0)	(37.8)	687.1	(76.5)	237.9	(107.8)	1,274.3	(36.7)	56.9	(111.0)	392.7	44.9	14.3
Normalized profit growth	(4.8)	7.2	(59.8)	(57.4)	38.9	256.0	47.1	(60.3)	63.7	43.7	180.6	(99.3)	1,558.5	226.1	(20.2)

Source: KGI Securities Research

Balance Sheet

As of 31 Dec (Bt mn)	2022	2023	2024F	2025F	2026F
Total Assets	77,665	98,901	95,478	94,546	92,862
Current Assets	11,670	13,842	10,359	9,040	6,866
Cash & ST Investments	4,055	9,352	6,744	5,399	3,175
Inventories	1,101	1,274	1,307	1,341	1,376
Accounts Receivable	1,757	2,086	1,164	1,142	1,142
Others	4,757	1,130	1,144	1,158	1,172
Non-current Assets	65,995	85,059	85,119	85,506	85,997
LT Investments	41,157	45,866	45,866	45,866	45,867
Net fixed Assets	22,876	37,450	37,405	37,681	38,053
Others	1,962	1,744	1,847	1,958	2,076
Total Liabilities	24,873	44,226	39,818	37,530	34,263
Current Liabilities	9,385	9,888	9,995	10,195	10,413
Accounts Payable	220	212	229	247	266
ST Borrowings	242	2,394	242	242	242
Others	8,924	7,282	9,525	9,707	9,905
Long-term Liabilities	15,488	34,338	29,823	27,335	23,849
Long-term Debts	15,352	30,618	26,142	23,656	20,171
Others	136	3,719	3,681	3,679	3,679
Shareholders' Equity	52,792	54,675	55,660	57,015	58,600
Common Stock	3,096	3,096	3,096	3,096	3,096
Capital Surplus	7,231	7,231	7,231	7,231	7,231
Retained Earnings	13,997	17,299	18,346	19,917	21,717
Preferred Stock	0	0	0	0	0

Source: KGI Securities Research

Key Ratios

Year to 31 Dec	2022	2023	2024F	2025F	2026F
Growth (% YoY)					
Sales	261.1	24.3	(46.7)	(1.8)	0.0
OP	(1,411.7)	530.1	(84.6)	13.4	(6.2)
EBITDA	105.3	25.6	(35.1)	3.1	(0.2)
NP	83.5	(7.3)	(45.4)	18.1	6.6
Normalized Profit	12.6	86.0	(44.3)	18.1	6.6
EPS	83.5	(7.3)	(45.4)	18.1	6.6
Normalized EPS	12.6	86.0	(44.3)	18.1	6.6
Profitability (%)					
Gross Margin	9.8	34.7	17.9	21.9	21.8
Operating Margin	5.8	29.6	8.5	9.9	9.3
EBITDA Margin	34.0	34.4	41.9	44.0	43.9
Net Profit Margin	23.4	17.5	17.9	21.5	23.0
ROAA	7.4	5.4	3.0	3.6	3.9
ROAE	10.9	9.7	5.2	6.0	6.2
Stability					
Gross Debt/Equity (%)	0.5	0.8	0.7	0.7	0.6
Net Debt/Equity (%)	0.3	0.5	0.4	0.4	0.4
Interest Coverage (x)	7.9	4.3	2.3	2.6	2.9
Interest & ST Debt Coverage (x)	6.2	2.0	2.0	2.3	2.5
Cash Flow Interest Coverage (x)	0.7	1.8	2.1	0.9	1.1
Cash Flow/Interest & ST Debt (x)	0.6	0.8	1.9	0.8	1.0
Current Ratio (x)	1.2	1.4	1.0	0.9	0.7
Quick Ratio (x)	1.1	1.3	0.9	0.8	0.5
Net Debt (Bt mn)	17,156	25,319	23,573	22,432	21,170
Per Share Data (Bt)					
EPS	1.9	1.7	0.9	1.1	1.2
Normalized EPS	0.9	1.7	0.9	1.1	1.2
CFPS	0.2	1.2	1.4	0.6	0.6
BVPS	17.1	17.7	18.0	18.4	18.9
SPS	7.9	9.8	5.2	5.1	5.1
EBITDA/Share	2.7	3.4	2.2	2.3	2.3
DPS	0.7	0.8	0.6	0.6	0.6
Activity					
Asset Turnover (x)	0.3	0.3	0.2	0.2	0.2
Days Receivables	26.2	25.0	26.2	26.2	26.2
Days Inventory	18.2	23.4	35.8	39.3	40.3
Days Payable	3.6	3.9	6.3	7.2	7.8
Cash Cycle	40.7	44.5	55.7	58.3	58.7

Source: KGI Securities Research

Profit & Loss

Year to 31 Dec (Bt mn)	2022	2023	2024F	2025F	2026F
Revenue	24,501	30,443	16,226	15,931	15,932
Cost of Goods Sold	(22,090)	(19,886)	(13,322)	(12,443)	(12,455)
Gross Profit	2,411	10,557	2,905	3,488	3,476
Operating Expenses	(1,880)	(2,158)	(2,261)	(2,678)	(2,784)
Other Incomes	905	709	743	763	783
Operating Profit	1,437	9,108	1,387	1,573	1,476
Depreciation of fixed assets	(1,246)	(1,582)	(1,980)	(1,989)	(1,971)
Operating EBITDA	8,337	10,476	6,800	7,010	6,994
Non-Operating Income	(689)	(5,127)	0	0	0
Interest Income	0	0	0	0	0
Other Non-op Income	(689)	(5,127)	0	0	0
Non-Operating Expenses	(897)	(2,054)	(2,117)	(1,964)	(1,749)
Interest Expenses	(897)	(2,054)	(2,117)	(1,964)	(1,749)
Other Non-op Expenses	0	0	0	0	0
Equity Income/(Loss)	6,350	5,009	3,434	3,448	3,548
Pre-tax Profit	6,201	6,936	2,704	3,057	3,275
Current Taxation	(45)	(402)	138	156	167
Minorities	(411)	(1,119)	62	216	215
Extraordinary items	0	0	0	0	0
Net Profit	5,739	5,319	2,904	3,429	3,657
Normalized Profit	2,805	5,218	2,904	3,429	3,657
EPS (Bt)	1.85	1.72	0.94	1.11	1.18
Normalized EPS (Bt)	0.91	1.69	0.94	1.11	1.18

Source: KGI Securities Research

Cash Flow

Year to 31 Dec (Bt mn)	2022	2023	2024F	2025F	2026F
Operating Cash Flow	631	3,754	4,387	1,800	1,900
Net Profit	5,739	5,319	2,904	3,429	3,657
Depreciation & Amortization	1,246	1,582	1,980	1,989	1,971
Change in Working Capital	274	5,871	2,999	46	35
Others	(6,627)	(9,018)	(3,496)	(3,664)	(3,763)
Investment Cash Flow	4,085	(13,426)	1,561	1,399	1,420
Net CAPEX	(310)	(16,156)	(1,935)	(2,265)	(2,342)
Change in LT Investment	(6,283)	(3,406)	0	0	(1)
Change in Other Assets	10,678	6,136	3,496	3,664	3,763
Free Cash Flow	4,715	(9,673)	5,947	3,199	3,320
Financing Cash Flow	(3,256)	15,048	(8,555)	(4,545)	(5,543)
Change in Share Capital	0	0	0	0	0
Net Change in Debt	(4,886)	20,793	(6,635)	(2,471)	(3,471)
Change in Other LT Liab.	(2,303)	(3,895)	(1,920)	(2,074)	(2,073)
Net Cash Flow	1,460	5,375	(2,608)	(1,345)	(2,223)

Source: KGI Securities Research

Rates of Return on Invested Capital

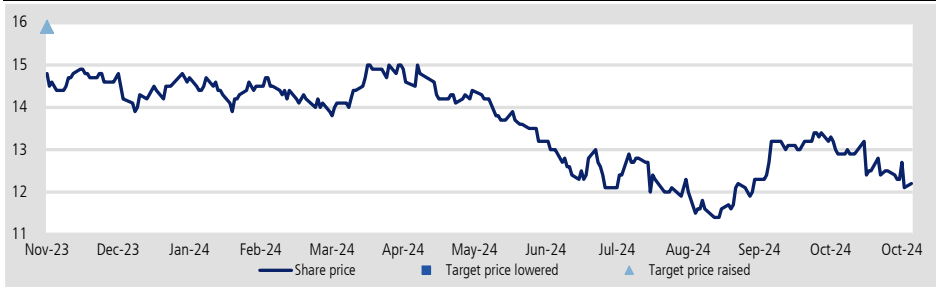
Year	1- $\frac{\text{COGS}}{\text{Revenue}}$	+ $\frac{\text{Depreciation}}{\text{Revenue}}$	+ $\frac{\text{Operating Exp.}}{\text{Revenue}}$	= $\frac{\text{Operating Margin}}{\text{Revenue}}$
2022	85.1%	5.1%	11.4%	-1.5%
2023	60.1%	5.2%	9.4%	25.3%
2024F	69.9%	12.2%	18.5%	-0.6%
2025F	65.6%	12.5%	21.6%	0.3%
2026F	65.8%	12.4%	22.4%	-0.6%

Year	1/ $\frac{\text{Working Capital}}{\text{Revenue}}$	+ $\frac{\text{Net PPE}}{\text{Revenue}}$	+ $\frac{\text{Other Assets}}{\text{Revenue}}$	= $\frac{\text{Capital Turnover}}{\text{Revenue}}$
2022	0.0	0.9	2.2	0.3
2023	0.2	1.2	2.0	0.3
2024F	0.2	2.3	3.6	0.2
2025F	0.0	2.4	3.6	0.2
2026F	0.0	2.4	3.4	0.2

Year	Operating Margin	x $\frac{\text{Capital Turnover}}{\text{Revenue}}$	x $\frac{\text{Cash Tax Rate}}{\text{Revenue}}$	= $\frac{\text{After-tax Return on Inv. Capital}}{\text{Revenue}}$
2022	-1.5%	0.3	0.7%	0.0%
2023	25.3%	0.3	5.9%	0.4%
2024F	-0.6%	0.2	-5.1%	0.0%
2025F	0.3%	0.2	-5.1%	0.0%
2026F	-0.6%	0.2	-5.1%	0.0%

Source: KGI Securities Research

Banpu Power Pl. – Recommendation & target price history



Date	Rating	Target	Price
6-Nov-23	Neutral	15.90	14.80

Source: KGI Securities Research

Company's ESG details

Environment

- Company has set clear practices in compliance with international standards for an environmental management system for all production units.
- Company supported Banpu Group in a pilot project on microgrid integrated solar technology at Indonesian coal mines.
- High Efficiency, Low Emissions (HELE) technologies have been deployed at Shanxi Lu Guang power plant project.
- Company emphasizes reducing or optimizing resource consumption, preventing impacts at their sources, and proper environmental management throughout the supply chain.
- Environmental impact assessment will be carried out before launching any projects.
- Company has adopted policies and relevant laws on greenhouse gas (GHG) emissions and increased support for alternative energy, clean energy technologies, and decentralized power generation, which affects future forms of new energy trading.

Social

- Company has an Anti-Corruption Policy and has set anti-corruption practices on giving and receiving bribes, gifts, and business entertainment in the Code of Conduct.
- Create a safety culture by setting i) Zero Incident by preventing and correcting unsafe behaviors or working conditions, ii) Zero Repeat by identifying and solving the root causes to prevent recurrence of the incidents, and iii) Zero Compromise by strictly conforming to safety rules, regulations and standards.
- Ensures that its entire production process is operated with care and responsibility to all stakeholders and complies with laws, regulations, and international standards.
- Developing surrounding communities and society to respond to the actual needs of the communities and foster community engagement to improve their quality of life for better infrastructure, public utilities, career opportunities, education, as well as preserving the local culture and traditions.
- Company's CSR activities emphasize promoting education and learning for children and youths to lay a solid foundation for the sustainable development of society and the nation.
- The company donated 50,000 pairs of medical gloves and 10,000 face masks to the Royal Thai Embassy in Beijing for distribution to officials and Thais in Wuhan.

Governance

- BPP maintains annual "Excellent" CG scoring From Thai Institute of Directors Association (IOD).
- The Board of Directors treats compliance with the corporate governance principles as a priority and recognizes the roles, duties and responsibilities of the Board of Directors and the management team in this respect to strengthen competitive advantages and to build up the trust of shareholders, investors and stakeholders through efficient and transparent management.

Climate Management (Subset of Environment)

- BPP is committed to becoming a Net-Zero Carbon Emissions entity by 2050 while reducing its carbon intensity year on year.

Source: Company data, KGI Securities Research

SET ESG Ratings

Stock	Company name	SET ESG Ratings	Stock	Company name	SET ESG Ratings
ADVANC	ADVANCED INFO SERVICE	AAA	KTC	KRUNGTHAI CARD	AAA
AMATA	AMATA CORPORATION	AAA	LH	LAND AND HOUSES	A
AOT	AIRPORTS OF THAILAND	A	MAJOR	MAJOR CINEPLEX GROUP	AA
AP	AP (THAILAND)	AA	MEGA	MEGA LIFESCIENCES	A
BAFS	BANGKOK AVIATION FUEL SERVICES PCL.	AA	MINT	MINOR INTERNATIONAL	AA
BAM	BANGKOK COMMERCIAL ASSET MANAGEMENT	AA	MTC	MUANGTHAI CAPITAL	A
BANPU	BANPU	AAA	OR	PTT OIL AND RETAIL BUSINESS	AAA
BBGI	BBGI	AA	ORI	ORIGIN PROPERTY	AA
BBL	BANGKOK BANK	AA	OSP	OSOTSPA	AA
BCH	BANGKOK CHAIN HOSPITAL	AA	PLANB	PLAN B MEDIA	AA
BCP	BANGCHAK CORPORATION	AAA	PSH	PRUKSA HOLDING	BBB
BCPG	BCPG	AA	PTT	PTT	AAA
BDMS	BANGKOK DUSIT MEDICAL SERVICES	AA	PTTEP	PTT EXPLORATION AND PRODUCTION	AAA
BEM	BANGKOK EXPRESSWAY AND METRO	AA	PTTGC	PTT GLOBAL CHEMICAL	AAA
BGRIM	B.GRIMM POWER	AAA	RATCH	RATCH GROUP	AA
BPP	BANPU POWER	AAA	RBF	R&B FOOD SUPPLY	BBB
BTS	BTS GROUP HOLDINGS	AA	SAK	SAKSIAM LEASING	A
CBG	CARABAO GROUP	A	SAPPE	SAPPE	BBB
CENTEL	CENTRAL PLAZA HOTEL	A	SAT	SOMBOON ADVANCE TECHNOLOGY	AA
CK	CH. KARNCHANG	A	SAWAD	SRIAWAD CORPORATION	BBB
CKP	CK POWER	AAA	SCB	SCB X	AA
COM7	COM7	A	SCC	THE SIAM CEMENT	AAA
CPALL	CP ALL	AAA	SCCC	SIAM CITY CEMENT	AA
CPAXT	CP AXTRA	AAA	SCGP	SCG PACKAGING	AAA
CPF	CHAROEN POKPHAND FOODS	AAA	SHR	S HOTELS AND RESORTS	A
CPN	CENTRAL PATTANA	AA	SICT	SILICON CRAFT TECHNOLOGY	A
EGCO	ELECTRICITY GENERATING	AA	SMPC	SAHAMITR PRESSURE CONTAINER	AA
ERW	THE ERAWAN GROUP	A	SNC	SNC FORMER	A
GFPT	GFPT	BBB	SPALI	SUPALAI	AA
GLOBAL	SIAM GLOBAL HOUSE	AA	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION	A
GPSC	GLOBAL POWER SYNERGY	AA	STGT	SRI TRANG GLOVES (THAILAND)	AAA
GULF	GULF ENERGY DEVELOPMENT	AA	TCAP	THANACHART CAPITAL	A
HANA	HANA MICROELECTRONICS	AA	TFG	THAIFOODS GROUP	A
HENG	HENG LEASING AND CAPITAL	A	THCOM	THAICOM	AAA
HMPRO	HOME PRODUCT CENTER	AA	TISCO	TISCO FINANCIAL GROUP	AAA
INTUCH	INTOUCH HOLDINGS	AA	TOP	THAI OIL	AAA
IRPC	IRPC	AA	TTB	TMBTHANACHART BANK	AA
IVL	INDORAMA VENTURES	AA	UBE	UBON BIO ETHANOL	A
KBANK	KASIKORNBANK	AAA	VGI	VGI	AA
KEX	KERRY EXPRESS (THAILAND)	BBB	WHA	WHA CORPORATION	AAA
KKP	KIATNAKIN PHATRA BANK	BBB	WHAUP	WHA UTILITIES AND POWER	AAA
KTB	KRUNG THAI BANK	AAA	ZEN	ZEN CORPORATION GROUP	AA

Source: www.setsustainability.com

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.

Corporate Governance Report of Thai Listed Companies



Companies with Excellent CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	GFPT	GFPT	SAK	SAKSIAM LEASING
ADVANC	ADVANCED INFO SERVICE	GGC	GLOBAL GREEN CHEMICALS	SAPPE	SAPPE
AEONTS	AEON THANA SINSAP (THAILAND)	GLOBAL	SIAM GLOBAL HOUSE	SAT	SOMBOON ADVANCE TECHNOLOGY
AMA	AMA MARINE	GPSC	GLOBAL POWER SYNERGY	SCB	SCB X
AMATA	AMATA CORPORATION	GULF	GULF ENERGY DEVELOPMENT	SCC	THE SIAM CEMENT
ANAN	ANANDA DEVELOPMENT	HANA	HANA MICROELECTRONICS	SCCC	SIAM CITY CEMENT
AOT	AIRPORTS OF THAILAND	HENG	HENG LEASING AND CAPITAL	SCGP	SCG PACKAGING
AP	AP (THAILAND)	HMPRO	HOME PRODUCT CENTER	SEAFCO	SEAFCO
BAFS	BANGKOK AVIATION FUEL SERVICES PCL.	INTUCH	INTOUCH HOLDINGS	SFT	SHRINKFLEX (THAILAND)
BAM	BANGKOK COMMERCIAL ASSET MANAGEMENT	IRPC	IRPC	SHR	S HOTELS AND RESORTS
BANPU	BANPU	ITC	i-Tail Corporation	SICT	SILICON CRAFT TECHNOLOGY
BBGI	BBGI	IVL	INDORAMA VENTURES	SMPC	SAHAMITR PRESSURE CONTAINER
BBL	BANGKOK BANK	KBANK	KASIKORNBANK	SNC	SNC FORMER
BCH	BANGKOK CHAIN HOSPITAL	KCE	KCE ELECTRONICS	SNNP	SRINANAPORN MARKETING
BCP	BANGCHAK CORPORATION	KEX	KERRY EXPRESS (THAILAND)	SPALI	SUPALAI
BCPG	BCPG	KKP	KIATNAKIN PHATRA BANK	SPRC	STAR PETROLEUM REFINING
BDMS	BANGKOK DUSIT MEDICAL SERVICES	KTB	KRUNG THAI BANK	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION
BEC	BEC WORLD	KTC	KRUNGTHAI CARD	STGT	SRI TRANG GLOVES (THAILAND)
BEM	BANGKOK EXPRESSWAY AND METRO	LH	LAND AND HOUSES	SUN	SUNSWEEP
BGRIM	B.GRIMM POWER	LPN	L.P.N. DEVELOPMENT	SVI	SVI
BH	BUMRUNGRAD HOSPITAL	M	MK RESTAURANT GROUP	TACC	T.A.C. CONSUMER
BPP	BANPU POWER	MAJOR	MAJOR CINEPLEX GROUP	TCAP	THANACHART CAPITAL
BTS	BTS GROUP HOLDINGS	MBK	MBK	TFG	THAIFOODS GROUP
CBG	CARABAO GROUP	MEGA	MEGA LIFESCIENCES	THCOM	THAICOM
CENTEL	CENTRAL PLAZA HOTEL	MINT	MINOR INTERNATIONAL	TIDLOR	NGERN TID LOR
CK	CH. KARNCHANG	MTC	MUANGTHAI CAPITAL	TISCO	TISCO FINANCIAL GROUP
CKP	CK POWER	OR	PTT OIL AND RETAIL BUSINESS	TKN	TAOKAENOI FOOD & MARKETING
COM7	COM7	ORI	ORIGIN PROPERTY	TOP	THAI OIL
CPALL	CP ALL	OSP	OSOTSPA	TTB	TMBTHANACHART BANK
CPAXT	CP AXTRA	PLANB	PLAN B MEDIA	UBE	UBON BIO ETHANOL
CPF	CHAROEN POKPHAND FOODS	PSH	PRUKSA HOLDING	VGI	VGI
CPN	CENTRAL PATTANA	PTT	PTT	WHA	WHA CORPORATION
DELTA	DELTA ELECTRONICS (THAILAND)	PTTEP	PTT EXPLORATION AND PRODUCTION	WHAUP	WHA UTILITIES AND POWER
DOHOM	DOHOME	PTTGC	PTT GLOBAL CHEMICAL	ZEN	ZEN CORPORATION GROUP
EGCO	ELECTRICITY GENERATING	QH	QUALITY HOUSES		
ERW	THE ERAWAN GROUP	RATCH	RATCH GROUP		



Companies with Very Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
BSRC	BANGCHAK SRIRACHA	JMART	JAYMART GROUP HOLDINGS	SINGER	SINGER THAILAND
BTG	BETAGRO	NTSC	Nutrition SC	TNP	THANAPIRIYA
EKH	EKACHAI MEDICAL CARE	PQS	Premier Quality Starch	XO	EXOTIC FOOD
HUMAN	HUMANICA	PYLON	PYLON		



Companies with Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
IIG	I&I GROUP	SAWAD	SRISAWAD CORPORATION	SPA	SIAM WELLNESS GROUP
JMT	JMT NETWORK SERVICES	SMD	SAINTMED		

Companies classified Not in the three highest score groups

Stock	Company name	Stock	Company name	Stock	Company name
AU	AFTER YOU	PJW	PANJAWATTANA PLASTIC	TGE	THACHANG GREEN ENERGY
CHG	CHULARAT HOSPITAL	PLT	Pilatus Marine	TPCH	TPC POWER HOLDING
LPH	LADPRAO GENERAL HOSPITAL	PTG	PTG ENERGY	TU	THAI UNION GROUP
MENA	MENA TRANSPORT	SFLEX	STARFLEX		
NETBAY	NETBAY	SISB	SISB		

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	KASIKORN BANK	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

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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Rating	Definition
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. Excess return = 12M target price/current price-
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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