

Thachang Green Energy

(TGE.BK/TGE TB)

Outperform · Maintained

Price as of 11 Aug 2023	1.32
12M target price (Bt/shr)	1.72
Unchanged/Revised up(down)(%)	(23.6)
Upside/downside (%)	36.9

Key messages

กำไรสุทธิของ TGE ใน 2Q66 อยู่ที่ 59 ล้านบาท (-7% QoQ, +5% YoY) โดยกำไรหลักอยู่ที่ 59 ล้านบาท (-6% QoQ, +4% YoY) ทำให้อำไรหลักในงวด 1H66 อยู่ที่ 122 ล้านบาท (+13% YoY) คิดเป็น 50% ของประมาณการกำไรปี 2566F เพื่อสะท้อนถึงความล่าช้าในการเปิดดำเนินการโครงการพลังงานขยะ (waste-to-energy หรือ WTE) สามโครงการจาก 4Q67 เป็น 1Q68 เราจึงปรับลดประมาณการกำไรปี 2567-2568F ลง 10-30% เรายังคงคำแนะนำซื้อ TGE และขยับไปใช้ราคาเป้าหมายปี 2567 ที่ 1.72 บาท เรายังคงเห็นว่า TGE เหมาะกับนักลงทุนระยะยาวเพราะคาดว่าจะเติบโตอย่างมีนัยสำคัญในปี 2568

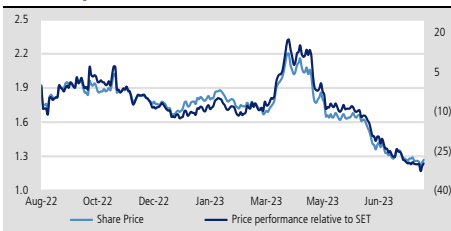
Trading data

Mkt cap (Btmn/US\$m)	2,794/70		
Outstanding shares (mn)	2,200		
Foreign ownership (mn)	N.A.		
3M avg. daily trading (mn)	N.A.		
52-week trading range (Bt)	1.20-2.20		
Performance (%)	3M	6M	12M
Absolute	-28.2	-29.4	-34.9
Relative	-27.0	-23.5	-31.1

Quarterly EPS

Bt	Q1	Q2	Q3	Q4
2021	0.03	0.03	0.04	0.03
2022	0.03	0.03	0.03	0.03
2023	0.03	0.03	-	-

Share price chart



Source: SET

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ผลประกอบการ 2Q66: ความหวังถูกเลื่อนไป

Event

ปรับลดประมาณการกำไร และผลประกอบการ 2Q66

Impact

ผลประกอบการ 2Q66

กำไรสุทธิของ TGE ใน 2Q66 อยู่ที่ 59 ล้านบาท (-7% QoQ, +5% YoY) แต่หากไม่รวมผลขาดทุน FX สุทธิ กำไรหลักจะอยู่ที่ 59 ล้านบาท (-6% QoQ, +4% YoY) ทำให้อำไรหลัก 1H66 อยู่ที่ 122 ล้านบาท (+13% YoY) คิดเป็น 50% ของประมาณการกำไรปี 2566F จากการขึ้นค่า Ft และต้นทุนวัตถุดิบที่ลดลง

ประเด็นที่น่าสนใจ – กำไรลดลง QoQ แต่เพิ่มขึ้น YoY

กำไรที่เพิ่มขึ้น YoY มาจาก i) ค่า Ft เติบโตเพิ่มขึ้น (+Bt0.95/kWh) ii) โครงการ TBP ขายไฟฟ้าจากกำลังการผลิตที่เพิ่มขึ้น 6MWe iii) ต้นทุนวัตถุดิบลดลงเนื่องจากเป็นฤดูเก็บเกี่ยวปาล์ม และ iv) ประสิทธิภาพในการบริหารจัดการต้นทุน ส่วนกำไรที่ลดลง QoQ เป็นเพราะค่า Ft ลดลงเหลือ 1.42 บาท/kWh (-Bt0.42 QoQ) และค่าใช้จ่าย SG&A เพิ่มขึ้นเนื่องจากค่าที่ปรึกษาเพิ่มขึ้นในส่วนที่เกี่ยวข้องกับโครงการโรงไฟฟ้าขยะ ในชัชนาท ทั้งนี้ กำไรขั้นต้นใน 2Q66 อยู่ที่ 84 ล้านบาท (-2% QoQ, +8% YoY) โดยที่ GPM แข็งแกร่งอยู่ที่ 35.5% (จาก 36.2% ใน 1Q66)

แนวโน้มเป็นอย่างไร ...?

เพื่อสะท้อนถึงความล่าช้าในการเปิดดำเนินการโครงการพลังงานขยะ (waste-to-energy หรือ WTE) สามโครงการ (SKW+RBR+CPN – 22MWe) จาก 4Q67 เป็น 1Q68 เราจึงปรับลดประมาณการกำไรปี 2567-2568F ลง 10-30% (Figure 6) ดังนั้น เรายังคาดว่ากำไรจากธุรกิจหลักในปี 2566-67F จะเพิ่มขึ้น 13% YoY และ 9% YoY ก่อนที่จะพุ่งสูงขึ้น 191% YoY จากการเริ่มรับรู้ผลการดำเนินงานของโครงการ WTE ทั้งสาม ทั้งนี้สำหรับโครงการ TES-TCN (8MW) และ TES-CNT (8MW) ที่กำลังพัฒนา เราเชื่อว่าแผนการหาเงินเพื่อมาลงทุนโครงการยังไม่ชัดเจนนัก นอกจากนี้สำหรับการเติบโตในอนาคต บริษัทคาดว่าจะยื่นประมูลสองโครงการ WTE ใหม่ (PRI และ UBN) ซึ่งเรายังไม่ใครวมเขาไว้ในประมาณการ

Valuation & Action

เรายังคงคำแนะนำซื้อ TGE และขยับไปใช้ราคาเป้าหมายปี 2567 ที่ 1.72 บาท ในระยะสั้นเรามองว่าสถานะการลงทุนของ TGE ยังไม่ชัดเจนต่อกรอบเวลาของโครงการและการเซ็นสัญญา PPA ของทุกโครงการที่กำลังพัฒนาในปัจจุบัน เรายังคงเห็นว่า TGE เหมาะกับนักลงทุนระยะยาวเพราะคาดว่าจะเติบโตอย่างมีนัยสำคัญในปี 2568 โดยอิงจากกรอบเวลาของโครงการใหม่

Risks

มีการปิดขอมบารุงนอกแผน, ปัญหา cost overrun, ความผันผวนของอัตราแลกเปลี่ยน และอัตราดอกเบี้ย

Key financials and valuations

	Dec - 21A	Dec - 22A	Dec - 23F	Dec - 24F	Dec - 25F
Revenue (Btmn)	781	938	934	1,006	2,093
Net Profit (Btmn)	202	216	245	267	776
Normalized Profit (Btmn)	210	217	245	267	776
Net Profit Growth (%)	21.1	7.1	13.4	8.6	191.2
Normalized Profit Growth (%)	25.7	3.5	13.1	8.6	191.2
EPS (Bt)	0.13	0.12	0.11	0.12	0.35
DPS (Bt)	0.00	0.00	0.03	0.04	0.11
EPS Growth (%)	21.1	7.1	13.4	8.6	191.2
P/E (X)	19,950.5	10.6	11.3	10.4	3.6
P/B (X)	3,722.4	1.1	1.1	1.0	0.9
EV/EBITDA (X)	16.7	8.8	8.6	8.2	9.2
Net Debt to Equity (%)	148.7	32.0	56.2	65.7	34.2
Dividend Yield (%)	0.0	0.2	2.7	2.9	8.4
Return on Average Equity (%)	18.7	10.3	9.7	9.8	23.8

Source: Company data, KGI Securities Research

(Note: Par was at Bt1,000 per share in 2020-21 before changing to Bt0.5 per share)

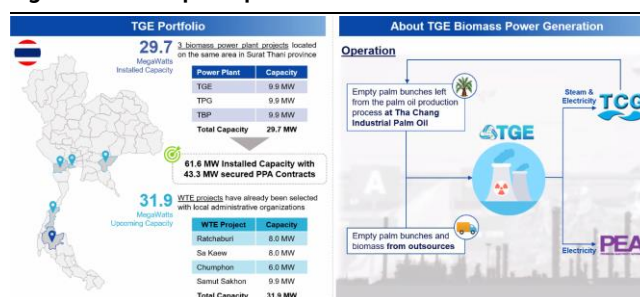
Figure 1: TGE's Q23 earnings review

Bt mn	2Q23	2Q22	YoY (%)	1Q23	QoQ (%)	1H23	1H22	YoY (%)	Comments (1H23 vs 1H22)
Revenue	235	230	2.1	235	0.2	470	452	4.0	(+) higher on TBP (COD May 2021) and higher Ft rate
Gross Profit	83	77	8.4	85	(1.9)	169	151	11.4	(+) together with lower material costs
SG&A	13	10	32.7	11	19.2	25	32	(22.6)	(-) absence of write-off expenses in 1Q22
Operating Profit	71	70	1.8	75	(4.2)	146	134	8.5	
Operating EBITDA	108	105	2.6	110	(2.1)	218	204	7.2	
Non-Operating Inc./(Exp.)	(0.6)	(1)	32.7	0	(41,212.5)	(1)	(1)	27.3	
Interest expense	12	13	(9.3)	11	4.0	23	26	(8.6)	
Net Profit	59	56	5.0	63	(7.2)	122	107	13.2	
Normalized profit	59	57	4.4	63	(6.2)	122	108	12.9	
EPS (Bt)	0.03	0.03	5.0	0.03	(7.2)	0.06	0.05	13.2	
Normalized EPS (Bt)	0.03	0.03	4.4	0.03	(6.2)	0.06	0.05	12.9	
Percent	2Q23	2Q22	YoY (ppts)	1Q23	QoQ (ppts)	1H23	1H22	YoY (ppts)	
Gross margin	35.5	33.4	2.1	36.2	(0.8)	35.9	33.5	2.4	
EBITDA margin	45.9	45.6	0.2	47.0	(1.1)	31.0	29.7	1.3	
SG&A/sales	5.7	4.4	1.3	4.8	0.9	5.2	7.0	(1.8)	

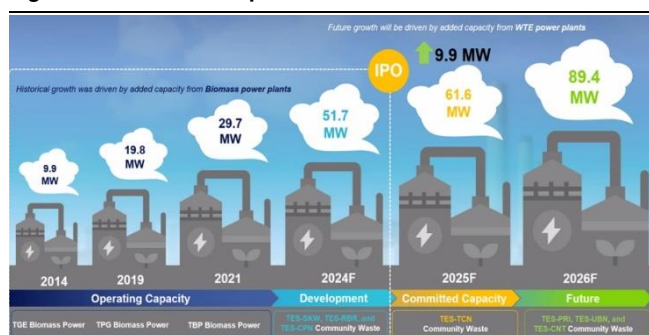
Source: Company data, KGI Securities Research

Figure 2: TGE's long-term strategy

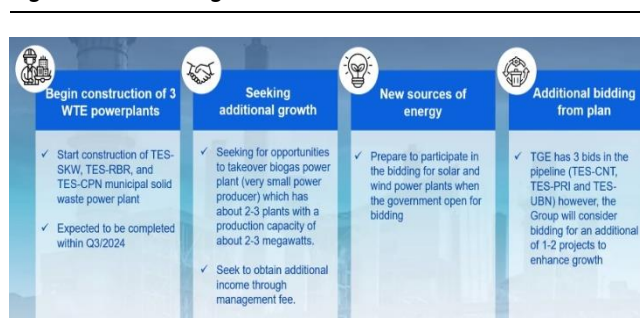

Source: Company data, KGI Securities Research

Figure 3: Power plant portfolio


Source: Company data, KGI Securities Research

Figure 4: Gas and coal price movements and forecasts


Source: Company data, KGI Securities Research

Figure 5: 2023's target


Source: Company data, KGI Securities Research

Figure 6: Earnings revisions

Financials (Btmm)	2023F			2024F			2025F		
	Previous	Revised	Change Percent	Previous	Revised	Change Percent	Previous	Revised	Change Percent
Revenue	934	934	0.0	1,243	1,006	(19.1)	2,316	2,093	(9.6)
Gross profit	325	325	0.0	464	348	(25.0)	950	860	(9.5)
SG&A	43	43	0.0	44	42	(4.5)	51	49	(5.2)
Interest expense	58	58	0.0	60	60	0.0	55	55	0.0
Tax expenses	4	4	0.0	4	4	0.0	5	5	0.0
Net profit	245	245	0.0	381	267	(30.0)	864	776	(10.2)
Normalized profit	245	245	0.0	381	267	(30.0)	864	776	(10.2)
Key financial ratio (%)	ppts			ppts			ppts		
GPM	34.8	34.8	0.0	37.4	34.6	(2.7)	41.0	41.1	0.1
SG&A/Sale	4.6	4.6	0.0	3.5	4.2	0.6	2.2	2.3	0.1
ROE	9.7	9.7	0.0	13.6	9.8	(3.8)	25.4	23.8	(1.6)
Net profit growth	13.4	13.4	0.0	55.1	8.6	(46.5)	126.9	191.2	64.3
Normalized profit growth	13.1	13.1	0.0	55.1	8.6	(46.5)	126.9	191.2	64.3

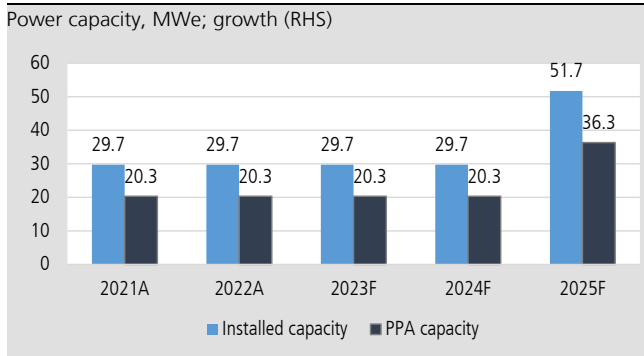
Source: Company data, KGI Securities Research

Figure 7: Company profile

Thachang Green energy (TGE) is a flagship power producer under Thachang Group, one of the leading in oil palm producers. The company has capacity of 61.6MWe, aiming to hit 100MWe in 2027. It focuses on renewable especially biomass, waste, wind, and solar farm. Its entire capacity derives from domestically, but planning for expansion in overseas over the longer term. Over 90% of core revenue comes from electricity sales, while the rest derive from sales of steam, water, and waste management.

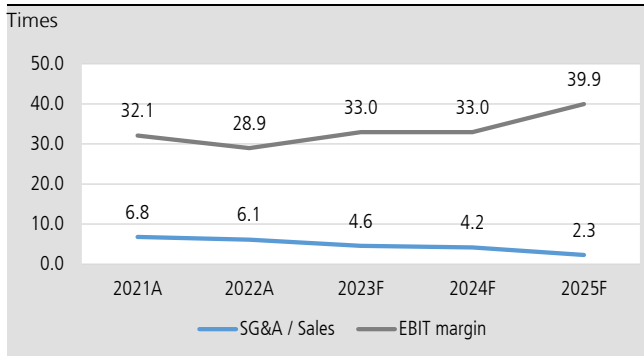
Source: Company data

Figure 9: Key milestone of capacity in 2019-24F



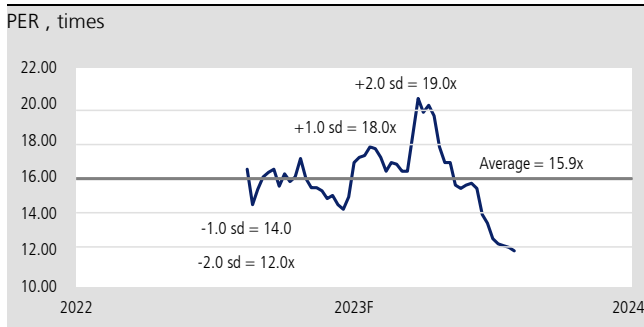
Source: Company data, KGI Securities Research

Figure 11: TGE's SG&A / sales and EBIT margin



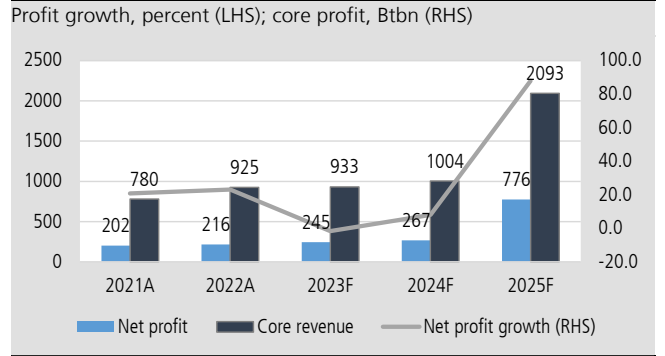
Source: Company data, KGI Securities Research

Figure 13: TGE's forward PER



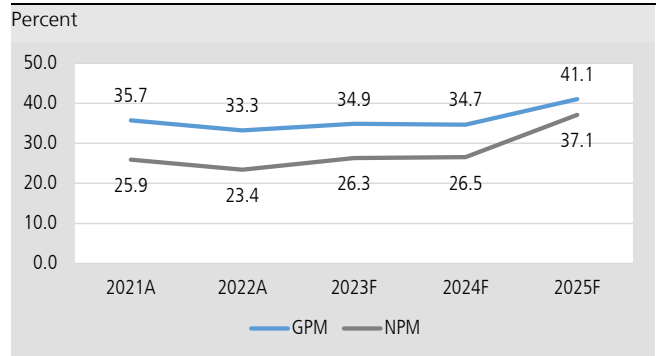
Source: KGI Securities Research

Figure 8: Revenue vs. net profit in 2021-25F



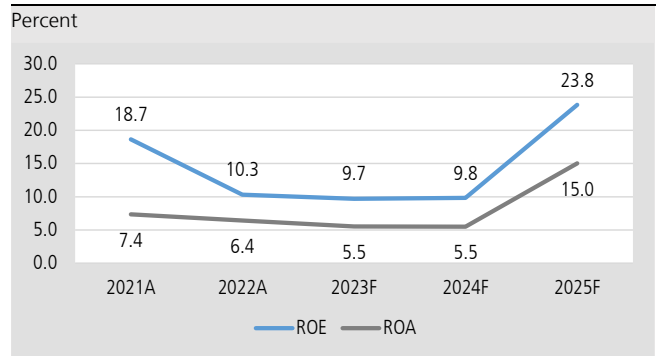
Source: Company data, KGI Securities Research

Figure 10: TGE's GPM and NPM



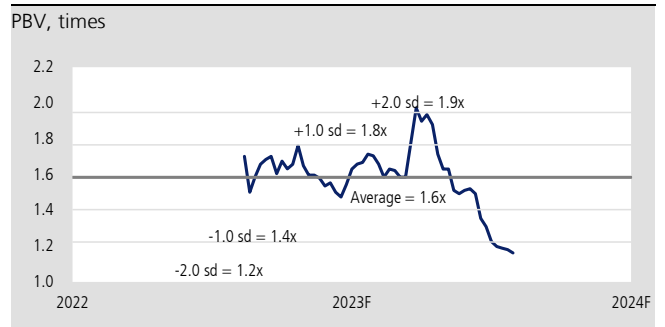
Source: Company data, KGI Securities Research

Figure 12: TGE's ROE and ROA



Source: Company data, KGI Securities Research

Figure 14: TGE's forward PBV



Source: KGI Securities Research

Quarterly Income Statement

	Mar-21A	Jun-21A	Sep-21A	Dec-21A	Mar-22A	Jun-22A	Sep-22A	Dec-22A	Mar-23A	Jun-23A
Income Statement (Bt mn)										
Revenue	164	186	212	219	222	230	244	242	235	235
Cost of Goods Sold	(101)	(118)	(129)	(154)	(147)	(153)	(169)	(161)	(150)	(152)
Gross Profit	63	67	83	65	74	77	75	81	85	83
Operating Expenses	(8)	(8)	(7)	(30)	(22)	(10)	(12)	(13)	(11)	(13)
Other incomes	(0)	0	(0)	25	12	3	(1)	3	1	1
Operating Profit	55	60	76	60	64	70	62	71	75	71
Depreciation of fixed assets	25	29	35	35	34	35	36	37	36	37
Operating EBITDA	80	89	111	95	98	105	98	108	110	108
Non-Operating Income	52	52	(1)	101	47	66	(1)	2	2	2
Interest Income	52	52	0	101	47	67	0	1	2	3
Other Non-op Income	(1)	(0)	(1)	(0)	0	(1)	(1)	1	0	(1)
Non-Operating Expenses	(10)	(11)	(14)	(13)	(12)	(13)	(14)	(11)	(11)	(12)
Interest Expenses	(10)	(11)	(14)	(13)	(12)	(13)	(14)	(11)	(11)	(12)
Other Non-op Expenses	0	0	0	0	0	0	0	0	0	0
Equity Income/(Loss)	1,412	1,600	1,306	1,584	1,186	1,922	2,229	2,229	2,229	2,229
Pre-tax Profit	1,508	1,700	1,368	1,732	1,285	2,046	2,275	2,292	2,294	2,290
Current Taxation	0	0	(1)	0	(0)	(1)	1	(1)	0	(1)
Minorities	0	0	0	(0)	0	(0)	0	0	0	0
Extraordinary items	0	0	0	0	0	0	0	1	2	3
Net Profit	45	49	61	48	52	56	49	60	63	59
Normalized Profit	45	49	62	53	52	57	50	58	63	59
EPS (Bt)	0.03	0.03	0.04	0.03	0.03	0.03	0.03	0.03	0.03	0.03
Normalized EPS (Bt)	0.03	0.03	0.04	0.03	0.03	0.04	0.03	0.03	0.03	0.03
Margins										
Gross profit margin	38.3	36.3	39.2	N.A.	33.5	33.4	30.9	33.5	36.2	35.5
Operating EBIT margin	33.3	32.1	35.6	N.A.	29.0	30.4	25.4	29.4	31.7	30.3
Operating EBITDA margin	48.6	47.8	52.1	N.A.	44.4	45.6	40.0	44.7	47.0	45.9
Net profit margin	27.3	26.2	28.8	N.A.	23.3	24.2	20.2	24.7	26.8	24.9
Growth (QoQ)										
Revenue growth	N.A.	13.4	14.3	N.A.	N.A.	3.9	5.8	(0.7)	(3.0)	0.2
Operating EBIT growth	N.A.	9.6	26.7	N.A.	N.A.	9.1	(11.5)	14.8	4.6	(4.2)
Operating EBITDA growth	N.A.	11.7	24.6	N.A.	N.A.	6.8	(7.2)	10.9	1.9	(2.1)
Net profit growth	N.A.	8.7	26.0	N.A.	N.A.	7.9	(11.7)	21.8	5.3	(7.2)
Normalized Profit growth	N.A.	7.0	27.7	N.A.	N.A.	9.9	(11.2)	16.2	7.9	(6.2)

Source: KGI Securities Research

Balance Sheet

As of 31 Dec (Bt mn)	2021	2022	2023F	2024F	2025F
Total Assets	2,748	3,362	4,438	4,851	5,159
Current Assets	399	915	816	686	1,126
Cash & ST Investments	54	596	491	355	789
Inventories	114	106	107	109	110
Accounts Receivable	207	182	186	191	196
Others	23	31	31	31	31
Non-current Assets	2,349	2,447	3,623	4,166	4,034
LT Investments	342	544	539	535	534
Net fixed Assets	1,986	1,871	3,057	3,607	3,479
Others	21	32	27	23	20
Total Liabilities	1,665	1,267	1,911	2,138	1,902
Current Liabilities	336	316	311	315	320
Accounts Payable	72	59	55	59	63
ST Borrowings	237	227	227	227	227
Others	24	28	28	28	28
Long-term Liabilities	1,329	951	1,600	1,822	1,583
Long-term Debts	1,274	896	1,545	1,766	1,525
Others	55	55	55	56	57
Shareholders' Equity	1,083	2,095	2,527	2,713	3,257
Common Stock	1,600	2,200	2,330	2,330	2,330
Capital Surplus	0	863	1,058	1,058	1,058
Retained Earnings	353	202	374	560	1,103
Preferred Stock	0	0	0	0	0

Source: KGI Securities Research

Key Ratios

Year to 31 Dec	2021	2022	2023F	2024F	2025F
Growth (% YoY)					
Sales	19.8	18.6	(0.4)	7.6	108.1
OP	18.4	7.1	14.9	7.6	152.5
EBITDA	21.0	9.3	9.4	9.8	120.3
NP	21.1	7.1	13.4	8.6	191.2
Normalized Profit	25.7	3.5	13.1	8.6	191.2
EPS	-99.9	-6.3	-5.8	8.6	191.2
Normalized EPS	-99.9	-9.4	-6.0	8.6	191.2
Profitability (%)					
Gross Margin	35.7	33.3	34.9	34.7	41.1
Operating Margin	32.1	28.9	33.0	33.0	39.9
EBITDA Margin	48.1	44.3	48.0	49.0	51.8
Net Profit Margin	25.9	23.4	26.3	26.5	37.1
ROAA	7.4	6.4	5.5	5.5	15.0
ROAE	18.7	10.3	9.7	9.8	23.8
Stability					
Gross Debt/Equity (%)	1.5	0.6	0.8	0.8	0.6
Net Debt/Equity (%)	1.5	0.3	0.6	0.7	0.3
Interest Coverage (x)	5.3	5.3	5.3	5.5	15.2
Interest & ST Debt Coverage (x)	0.9	1.0	1.1	1.2	3.0
Cash Flow Interest Coverage (x)	6.3	7.9	6.5	7.1	18.7
Cash Flow/Interest & ST Debt (x)	1.0	1.4	1.3	1.5	3.6
Current Ratio (x)	1.2	2.9	2.6	2.2	3.5
Quick Ratio (x)	0.8	2.6	2.3	1.8	3.2
Net Debt (Bt mn)	1,457	527	1,281	1,638	963
Per Share Data (Bt)					
EPS	0.1	0.12	0.11	0.12	0.35
Normalized EPS	0.1	0.12	0.11	0.12	0.35
CFPS	0.2	0.22	0.17	0.20	0.47
BVPS	0.7	1.15	1.15	1.23	1.48
SPS	0.5	0.51	0.42	0.46	0.95
EBITDA/Share	0.2	0.22	0.20	0.22	0.49
DPS	0.0	0.00	0.03	0.04	0.11
Activity					
Asset Turnover (x)	0.3	0.3	0.2	0.2	0.4
Days Receivables	97.1	71.8	72.9	69.4	34.1
Days Inventory	83.1	62.8	64.6	60.5	32.6
Days Payable	52.7	35.0	32.9	32.7	18.7
Cash Cycle	127.6	99.5	104.6	97.3	48.0
Key driver					
Effective capacity (MW)	29.7	29.7	29.7	29.7	51.7

Source: KGI Securities Research

Profit & Loss

Year to 31 Dec (Bt mn)	2021	2022	2023F	2024F	2025F
Revenue	780	925	933	1,004	2,093
Cost of Goods Sold	(501)	(617)	(607)	(656)	(1,233)
Gross Profit	279	308	325	348	860
Operating Expenses	(53)	(57)	(43)	(42)	(49)
Other Incomes	26	17	25	25	25
Operating Profit	250	268	308	331	836
Depreciation of fixed assets	(125)	(142)	(141)	(161)	(248)
Operating EBITDA	375	409	448	492	1,084
Non-Operating Income	(2)	(1)	0	0	0
Interest Income	0	0	0	0	0
Other Non-op Income	(2)	(1)	0	0	0
Non-Operating Expenses	(48)	(51)	(58)	(60)	(55)
Interest Expenses	(48)	(51)	(58)	(60)	(55)
Other Non-op Expenses	0	0	0	0	0
Equity Income/(Loss)	0	0	0	0	0
Pre-tax Profit	202	217	249	271	781
Current Taxation	(0)	(1)	(4)	(4)	(5)
Minorities	(0)	0	0	0	0
Extraordinary items	0	0	0	0	0
Net Profit	202	216	245	267	776
Normalized Profit	210	217	245	267	776
EPS (Bt)	0.13	0.12	0.11	0.12	0.35
Normalized EPS (Bt)	0.13	0.12	0.11	0.12	0.35

Source: KGI Securities Research

Cash Flow

Year to 31 Dec (Bt mn)	2021	2022	2023F	2024F	2025F
Operating Cash Flow	298	398	381	430	1,027
Net Profit	202	216	245	267	776
Depreciation & Amortization	125	142	141	161	248
Change in Working Capital	(101)	(46)	(6)	2	2
Others	399	357	387	429	1,025
Investment Cash Flow	(118)	(200)	(1,321)	(708)	(120)
Net CAPEX	(111)	(44)	(1,326)	(712)	(120)
Change in LT Investment	(4)	(11)	1	0	0
Change in Other Assets	(3)	(145)	4	4	0
Free Cash Flow	180	198	(940)	(277)	907
Financing Cash Flow	(159)	344	835	141	(473)
Change in Share Capital	0	1,163	260	0	0
Net Change in Debt	(159)	201	648	221	(241)
Change in Other LT Liab.	0	(1,021)	(74)	(80)	(233)
Net Cash Flow	21	542	(105)	(136)	434

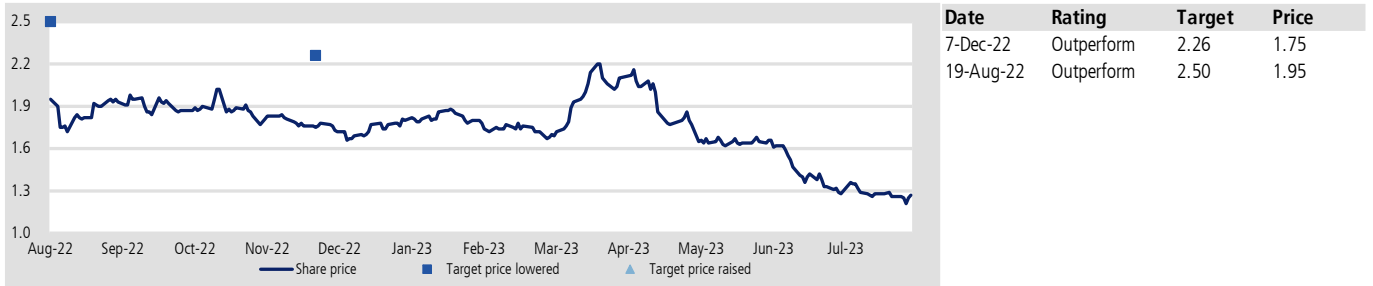
Source: KGI Securities Research

Rates of Return on Invested Capital

Year	1- COGS Revenue	+ Depreciation Revenue	+ Operating Exp. Revenue	= Operating Margin
2021	48.4%	16.0%	9.9%	25.7%
2022	52.1%	15.1%	7.8%	24.9%
2023F	50.1%	15.0%	7.3%	27.6%
2024F	47.5%	15.1%	5.6%	31.8%
2025F	46.7%	12.2%	3.3%	37.7%
Year	1/ Working Capital Revenue	+ Net PPE Revenue	+ Other Assets Revenue	= Capital Turnover
2021	-0.1	2.5	1.0	0.3
2022	0.0	2.0	3.0	0.2
2023F	0.0	3.3	2.2	0.2
2024F	0.0	2.9	1.7	0.2
2025F	0.0	1.5	1.4	0.4
Year	Operating Margin	x Capital Turnover	x Cash Tax Rate	= After-tax Return on Inv. Capital
2021	25.7%	0.3	0.2%	0.0%
2022	24.9%	0.2	0.3%	0.0%
2023F	27.6%	0.2	1.6%	0.0%
2024F	31.8%	0.2	1.1%	0.0%
2025F	37.7%	0.4	0.6%	0.0%

Source: KGI Securities Research

Thachang Green Energy – 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	KASIKORNBANK	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
CENTEL	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 LIFESCENCES	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	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	SEAFSCO	SEAFSCO
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
CENDEL	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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Thachang Green Energy

(TGE.BK/TGE TB)

Outperform · Maintained

Price as of 11 Aug 2023	1.32
12M target price (Bt/shr)	1.72
Unchanged/Revised up(down)(%)	(23.6)
Upside/downside (%)	36.9

Key messages

TGE posted a 2Q23 net profit of Bt59mn (-7% QoQ, +5% YoY). Core profit came in at Bt59mn (-6% QoQ, +4% YoY), putting 1H23 core profit at Bt122mn (+13% YoY), making up 50% of our 2023F. To reflect the delayed three waste-to-energy (WTE) projects (from 4Q24 to 1Q25), we cut our 2024-25F earnings forecasts by 10-30%. We keep our Outperform call with our roll-over 2024 target price of Bt1.72. We deem the stock to be suited for long-term investors as significant growth is expected to occur in 2025.

Trading data

Mkt cap (Btmn/US\$m)	2,794/70		
Outstanding shares (mn)	2,200		
Foreign ownership (mn)	N.A.		
3M avg. daily trading (mn)	N.A.		
52-week trading range (Bt)	1.20-2.20		
Performance (%)	3M	6M	12M
Absolute	-28.2	-29.4	-34.9
Relative	-27.0	-23.5	-31.1

Quarterly EPS

Bt	Q1	Q2	Q3	Q4
2021	0.03	0.03	0.04	0.03
2022	0.03	0.03	0.03	0.03
2023	0.03	0.03	-	-

Share price chart



Source: SET

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2Q23 earnings review: Delayed hope

Event

Earnings cut and 2Q23 earnings review.

Impact

2Q23 results

TGE reported a 2Q23 net profit of Bt59mn (-7% QoQ, +5% YoY). Stripping out net FX loss, core profit came in at Bt59mn (-6% QoQ, +4% YoY). 1H23's core profit was Bt122mn (+13% YoY), making up 50% of our 2023F, fueled by higher Ft rate and lower costs.

Highlights – Drop QoQ, but rise YoY

The YoY rise stemmed from: i) higher average Ft rate (+Bt0.95/kWh); ii) TBP's 6MWe additional capacities sold; iii) decline in material costs with the palm harvesting season; and iv) cost efficiency. The drop QoQ was derived from a lower Ft rate of Bt1.42/kWh (-Bt0.42 QoQ) and higher SG&A following higher consultancy fees related to its waste-to-energy power plant in Chai Nat. Its 2Q23 gross profit was Bt84mn (-2% QoQ, +8% YoY) with a healthy GPM of 35.5% (vs. 36.2% in 1Q23).

What's the outlook...?

Reflecting the delayed commencement of operations of three waste-to-energy (WTE) projects (SKW+RBR+CPN – 22MWe) (from 4Q24 to 1Q25), we cut our 2024-25F earnings forecasts by 10-30% (Figure 6). We now project 2023-24F core profit to rise 13% YoY and 9% YoY, before a sharp rise of 191% YoY, backed by the first contribution of the three WTE projects. There is still no clarity on the financing plan for the TES-TCN (8MW) and TES-CNT (8MWe) projects, but it will likely be debt and/or capital increase. For potential projects, it expects bidding to take place on its two new WTE projects (PRI and UBN), which we have not yet included into our forecasts.

Valuation & Action

We keep our Outperform call with our target price rolled over to 2024 at Bt1.72. Investor sentiment remains in doubt on TGE in the short term, pending clarity on the project timeline and PPA signings of all ongoing projects. We deem the stock suited for long-term investors as significant growth is expected to occur in 2025 based on its completion timeline.

Risks

Unplanned maintenance, cost overruns, and fluctuations in FX and interest rates.

Key financials and valuations

	Dec - 21A	Dec - 22A	Dec - 23F	Dec - 24F	Dec - 25F
Revenue (Btmn)	781	938	934	1,006	2,093
Net Profit (Btmn)	202	216	245	267	776
Normalized Profit (Btmn)	210	217	245	267	776
Net Profit Growth (%)	21.1	7.1	13.4	8.6	191.2
Normalized Profit Growth (%)	25.7	3.5	13.1	8.6	191.2
EPS (Bt)	0.13	0.12	0.11	0.12	0.35
DPS (Bt)	0.00	0.00	0.03	0.04	0.11
EPS Growth (%)	21.1	7.1	13.4	8.6	191.2
P/E (X)	19,950.5	10.6	11.3	10.4	3.6
P/B (X)	3,722.4	1.1	1.1	1.0	0.9
EV/EBITDA (X)	16.7	8.8	8.6	8.2	9.2
Net Debt to Equity (%)	148.7	32.0	56.2	65.7	34.2
Dividend Yield (%)	0.0	0.2	2.7	2.9	8.4
Return on Average Equity (%)	18.7	10.3	9.7	9.8	23.8

Source: Company data, KGI Securities Research

(Note: Par was at Bt1,000 per share in 2020-21 before changing to Bt0.5 per share)

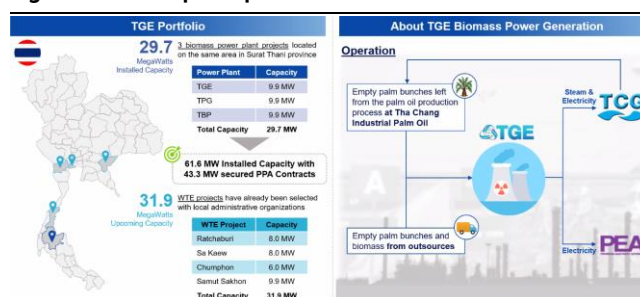
Figure 1: TGE's Q23 earnings review

Bt mn	2Q23	2Q22	YoY (%)	1Q23	QoQ (%)	1H23	1H22	YoY (%)	Comments (1H23 vs 1H22)
Revenue	235	230	2.1	235	0.2	470	452	4.0	(+) higher on TBP (COD May 2021) and higher Ft rate
Gross Profit	83	77	8.4	85	(1.9)	169	151	11.4	(+) together with lower material costs
SG&A	13	10	32.7	11	19.2	25	32	(22.6)	(-) absence of write-off expenses in 1Q22
Operating Profit	71	70	1.8	75	(4.2)	146	134	8.5	
Operating EBITDA	108	105	2.6	110	(2.1)	218	204	7.2	
Non-Operating Inc./(Exp.)	(0.6)	(1)	32.7	0	(41,212.5)	(1)	(1)	27.3	
Interest expense	12	13	(9.3)	11	4.0	23	26	(8.6)	
Net Profit	59	56	5.0	63	(7.2)	122	107	13.2	
Normalized profit	59	57	4.4	63	(6.2)	122	108	12.9	
EPS (Bt)	0.03	0.03	5.0	0.03	(7.2)	0.06	0.05	13.2	
Normalized EPS (Bt)	0.03	0.03	4.4	0.03	(6.2)	0.06	0.05	12.9	
Percent	2Q23	2Q22	YoY (ppts)	1Q23	QoQ (ppts)	1H23	1H22	YoY (ppts)	
Gross margin	35.5	33.4	2.1	36.2	(0.8)	35.9	33.5	2.4	
EBITDA margin	45.9	45.6	0.2	47.0	(1.1)	31.0	29.7	1.3	
SG&A/sales	5.7	4.4	1.3	4.8	0.9	5.2	7.0	(1.8)	

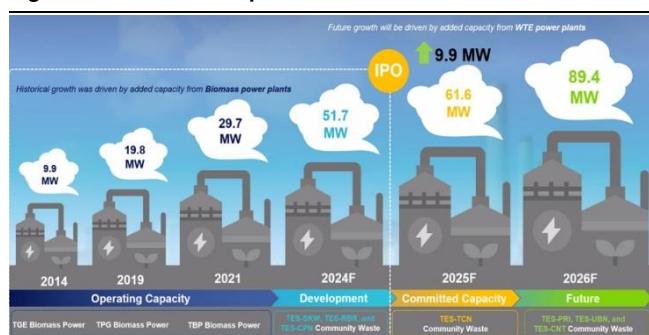
Source: Company data, KGI Securities Research

Figure 2: TGE's long-term strategy

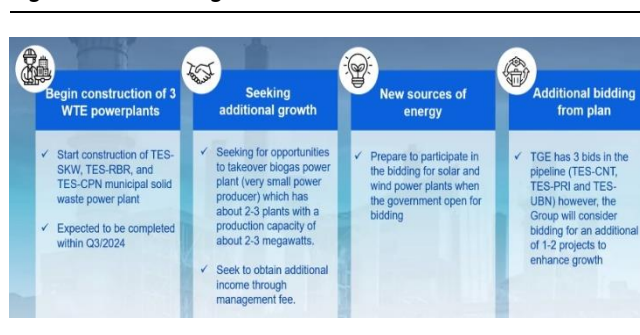

Source: Company data, KGI Securities Research

Figure 3: Power plant portfolio


Source: Company data, KGI Securities Research

Figure 4: Gas and coal price movements and forecasts


Source: Company data, KGI Securities Research

Figure 5: 2023's target


Source: Company data, KGI Securities Research

Figure 6: Earnings revisions

Financials (Btmm)	2023F			2024F			2025F		
	Previous	Revised	Change Percent	Previous	Revised	Change Percent	Previous	Revised	Change Percent
Revenue	934	934	0.0	1,243	1,006	(19.1)	2,316	2,093	(9.6)
Gross profit	325	325	0.0	464	348	(25.0)	950	860	(9.5)
SG&A	43	43	0.0	44	42	(4.5)	51	49	(5.2)
Interest expense	58	58	0.0	60	60	0.0	55	55	0.0
Tax expenses	4	4	0.0	4	4	0.0	5	5	0.0
Net profit	245	245	0.0	381	267	(30.0)	864	776	(10.2)
Normalized profit	245	245	0.0	381	267	(30.0)	864	776	(10.2)
Key financial ratio (%)	ppts			ppts			ppts		
GPM	34.8	34.8	0.0	37.4	34.6	(2.7)	41.0	41.1	0.1
SG&A/Sale	4.6	4.6	0.0	3.5	4.2	0.6	2.2	2.3	0.1
ROE	9.7	9.7	0.0	13.6	9.8	(3.8)	25.4	23.8	(1.6)
Net profit growth	13.4	13.4	0.0	55.1	8.6	(46.5)	126.9	191.2	64.3
Normalized profit growth	13.1	13.1	0.0	55.1	8.6	(46.5)	126.9	191.2	64.3

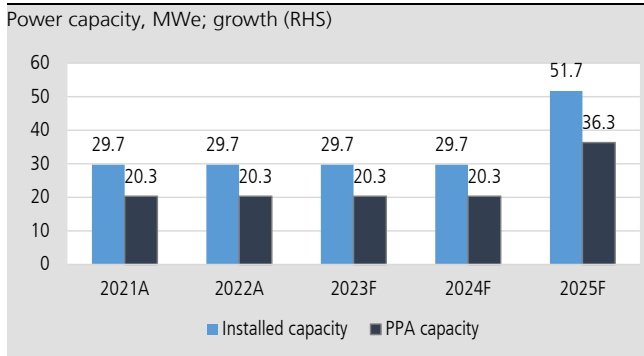
Source: Company data, KGI Securities Research

Figure 7: Company profile

Thachang Green energy (TGE) is a flagship power producer under Thachang Group, one of the leading in oil palm producers. The company has capacity of 61.6MWe, aiming to hit 100MWe in 2027. It focuses on renewable especially biomass, waste, wind, and solar farm. Its entire capacity derives from domestically, but planning for expansion in overseas over the longer term. Over 90% of core revenue comes from electricity sales, while the rest derive from sales of steam, water, and waste management.

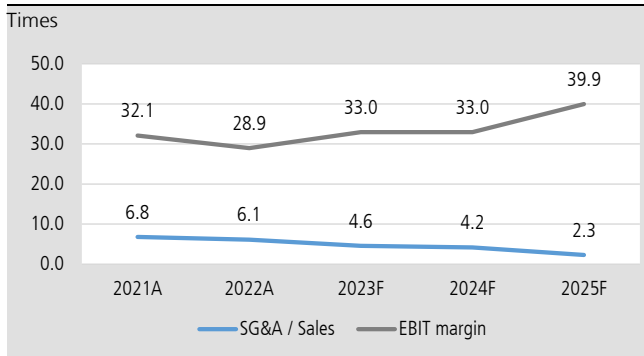
Source: Company data

Figure 9: Key milestone of capacity in 2019-24F



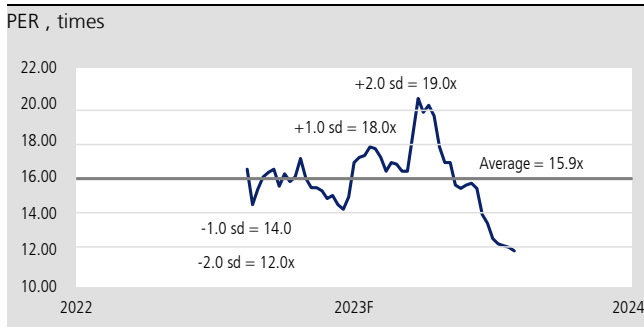
Source: Company data, KGI Securities Research

Figure 11: TGE's SG&A / sales and EBIT margin



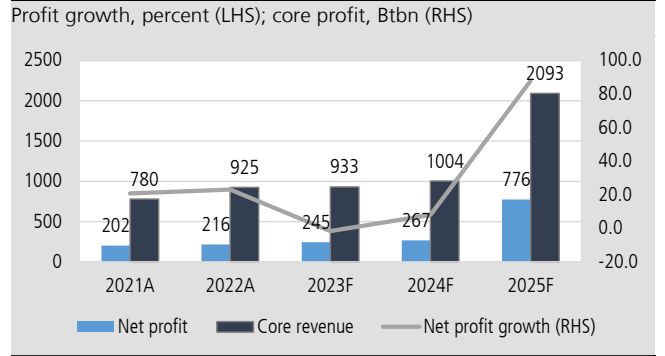
Source: Company data, KGI Securities Research

Figure 13: TGE's forward PER



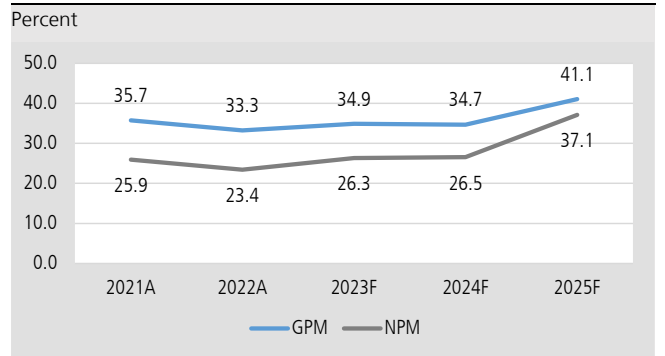
Source: KGI Securities Research

Figure 8: Revenue vs. net profit in 2021-25F



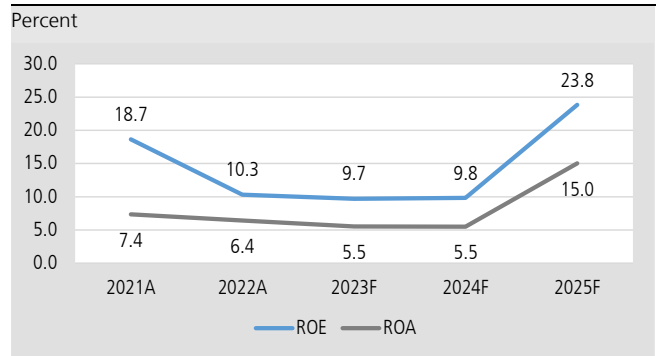
Source: Company data, KGI Securities Research

Figure 10: TGE's GPM and NPM



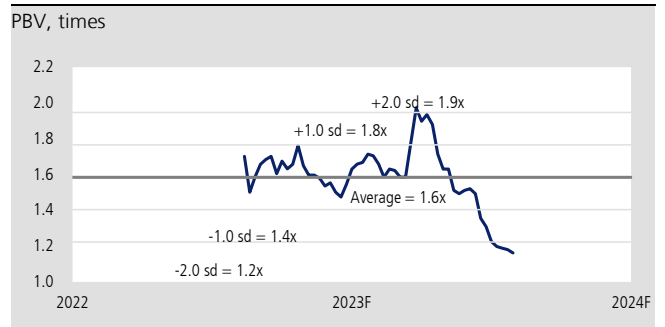
Source: Company data, KGI Securities Research

Figure 12: TGE's ROE and ROA



Source: Company data, KGI Securities Research

Figure 14: TGE's forward PBV



Source: KGI Securities Research

Quarterly Income Statement

	Mar-21A	Jun-21A	Sep-21A	Dec-21A	Mar-22A	Jun-22A	Sep-22A	Dec-22A	Mar-23A	Jun-23A
Income Statement (Bt mn)										
Revenue	164	186	212	219	222	230	244	242	235	235
Cost of Goods Sold	(101)	(118)	(129)	(154)	(147)	(153)	(169)	(161)	(150)	(152)
Gross Profit	63	67	83	65	74	77	75	81	85	83
Operating Expenses	(8)	(8)	(7)	(30)	(22)	(10)	(12)	(13)	(11)	(13)
Other incomes	(0)	0	(0)	25	12	3	(1)	3	1	1
Operating Profit	55	60	76	60	64	70	62	71	75	71
Depreciation of fixed assets	25	29	35	35	34	35	36	37	36	37
Operating EBITDA	80	89	111	95	98	105	98	108	110	108
Non-Operating Income	52	52	(1)	101	47	66	(1)	2	2	2
Interest Income	52	52	0	101	47	67	0	1	2	3
Other Non-op Income	(1)	(0)	(1)	(0)	0	(1)	(1)	1	0	(1)
Non-Operating Expenses	(10)	(11)	(14)	(13)	(12)	(13)	(14)	(11)	(11)	(12)
Interest Expenses	(10)	(11)	(14)	(13)	(12)	(13)	(14)	(11)	(11)	(12)
Other Non-op Expenses	0	0	0	0	0	0	0	0	0	0
Equity Income/(Loss)	1,412	1,600	1,306	1,584	1,186	1,922	2,229	2,229	2,229	2,229
Pre-tax Profit	1,508	1,700	1,368	1,732	1,285	2,046	2,275	2,292	2,294	2,290
Current Taxation	0	0	(1)	0	(0)	(1)	1	(1)	0	(1)
Minorities	0	0	0	(0)	0	(0)	0	0	0	0
Extraordinary items	0	0	0	0	0	0	0	1	2	3
Net Profit	45	49	61	48	52	56	49	60	63	59
Normalized Profit	45	49	62	53	52	57	50	58	63	59
EPS (Bt)	0.03	0.03	0.04	0.03	0.03	0.03	0.03	0.03	0.03	0.03
Normalized EPS (Bt)	0.03	0.03	0.04	0.03	0.03	0.04	0.03	0.03	0.03	0.03
Margins										
Gross profit margin	38.3	36.3	39.2	N.A.	33.5	33.4	30.9	33.5	36.2	35.5
Operating EBIT margin	33.3	32.1	35.6	N.A.	29.0	30.4	25.4	29.4	31.7	30.3
Operating EBITDA margin	48.6	47.8	52.1	N.A.	44.4	45.6	40.0	44.7	47.0	45.9
Net profit margin	27.3	26.2	28.8	N.A.	23.3	24.2	20.2	24.7	26.8	24.9
Growth (QoQ)										
Revenue growth	N.A.	13.4	14.3	N.A.	N.A.	3.9	5.8	(0.7)	(3.0)	0.2
Operating EBIT growth	N.A.	9.6	26.7	N.A.	N.A.	9.1	(11.5)	14.8	4.6	(4.2)
Operating EBITDA growth	N.A.	11.7	24.6	N.A.	N.A.	6.8	(7.2)	10.9	1.9	(2.1)
Net profit growth	N.A.	8.7	26.0	N.A.	N.A.	7.9	(11.7)	21.8	5.3	(7.2)
Normalized Profit growth	N.A.	7.0	27.7	N.A.	N.A.	9.9	(11.2)	16.2	7.9	(6.2)

Source: KGI Securities Research

Balance Sheet

As of 31 Dec (Bt mn)	2021	2022	2023F	2024F	2025F
Total Assets	2,748	3,362	4,438	4,851	5,159
Current Assets	399	915	816	686	1,126
Cash & ST Investments	54	596	491	355	789
Inventories	114	106	107	109	110
Accounts Receivable	207	182	186	191	196
Others	23	31	31	31	31
Non-current Assets	2,349	2,447	3,623	4,166	4,034
LT Investments	342	544	539	535	534
Net fixed Assets	1,986	1,871	3,057	3,607	3,479
Others	21	32	27	23	20
Total Liabilities	1,665	1,267	1,911	2,138	1,902
Current Liabilities	336	316	311	315	320
Accounts Payable	72	59	55	59	63
ST Borrowings	237	227	227	227	227
Others	24	28	28	28	28
Long-term Liabilities	1,329	951	1,600	1,822	1,583
Long-term Debts	1,274	896	1,545	1,766	1,525
Others	55	55	55	56	57
Shareholders' Equity	1,083	2,095	2,527	2,713	3,257
Common Stock	1,600	2,200	2,330	2,330	2,330
Capital Surplus	0	863	1,058	1,058	1,058
Retained Earnings	353	202	374	560	1,103
Preferred Stock	0	0	0	0	0

Source: KGI Securities Research

Key Ratios

Year to 31 Dec	2021	2022	2023F	2024F	2025F
Growth (% YoY)					
Sales	19.8	18.6	(0.4)	7.6	108.1
OP	18.4	7.1	14.9	7.6	152.5
EBITDA	21.0	9.3	9.4	9.8	120.3
NP	21.1	7.1	13.4	8.6	191.2
Normalized Profit	25.7	3.5	13.1	8.6	191.2
EPS	-99.9	-6.3	-5.8	8.6	191.2
Normalized EPS	-99.9	-9.4	-6.0	8.6	191.2
Profitability (%)					
Gross Margin	35.7	33.3	34.9	34.7	41.1
Operating Margin	32.1	28.9	33.0	33.0	39.9
EBITDA Margin	48.1	44.3	48.0	49.0	51.8
Net Profit Margin	25.9	23.4	26.3	26.5	37.1
ROAA	7.4	6.4	5.5	5.5	15.0
ROAE	18.7	10.3	9.7	9.8	23.8
Stability					
Gross Debt/Equity (%)	1.5	0.6	0.8	0.8	0.6
Net Debt/Equity (%)	1.5	0.3	0.6	0.7	0.3
Interest Coverage (x)	5.3	5.3	5.3	5.5	15.2
Interest & ST Debt Coverage (x)	0.9	1.0	1.1	1.2	3.0
Cash Flow Interest Coverage (x)	6.3	7.9	6.5	7.1	18.7
Cash Flow/Interest & ST Debt (x)	1.0	1.4	1.3	1.5	3.6
Current Ratio (x)	1.2	2.9	2.6	2.2	3.5
Quick Ratio (x)	0.8	2.6	2.3	1.8	3.2
Net Debt (Bt mn)	1,457	527	1,281	1,638	963
Per Share Data (Bt)					
EPS	0.1	0.12	0.11	0.12	0.35
Normalized EPS	0.1	0.12	0.11	0.12	0.35
CFPS	0.2	0.22	0.17	0.20	0.47
BVPS	0.7	1.15	1.15	1.23	1.48
SPS	0.5	0.51	0.42	0.46	0.95
EBITDA/Share	0.2	0.22	0.20	0.22	0.49
DPS	0.0	0.00	0.03	0.04	0.11
Activity					
Asset Turnover (x)	0.3	0.3	0.2	0.2	0.4
Days Receivables	97.1	71.8	72.9	69.4	34.1
Days Inventory	83.1	62.8	64.6	60.5	32.6
Days Payable	52.7	35.0	32.9	32.7	18.7
Cash Cycle	127.6	99.5	104.6	97.3	48.0
Key driver					
Effective capacity (MW)	29.7	29.7	29.7	29.7	51.7

Source: KGI Securities Research

Profit & Loss

Year to 31 Dec (Bt mn)	2021	2022	2023F	2024F	2025F
Revenue	780	925	933	1,004	2,093
Cost of Goods Sold	(501)	(617)	(607)	(656)	(1,233)
Gross Profit	279	308	325	348	860
Operating Expenses	(53)	(57)	(43)	(42)	(49)
Other Incomes	26	17	25	25	25
Operating Profit	250	268	308	331	836
Depreciation of fixed assets	(125)	(142)	(141)	(161)	(248)
Operating EBITDA	375	409	448	492	1,084
Non-Operating Income	(2)	(1)	0	0	0
Interest Income	0	0	0	0	0
Other Non-op Income	(2)	(1)	0	0	0
Non-Operating Expenses	(48)	(51)	(58)	(60)	(55)
Interest Expenses	(48)	(51)	(58)	(60)	(55)
Other Non-op Expenses	0	0	0	0	0
Equity Income/(Loss)	0	0	0	0	0
Pre-tax Profit	202	217	249	271	781
Current Taxation	(0)	(1)	(4)	(4)	(5)
Minorities	(0)	0	0	0	0
Extraordinary items	0	0	0	0	0
Net Profit	202	216	245	267	776
Normalized Profit	210	217	245	267	776
EPS (Bt)	0.13	0.12	0.11	0.12	0.35
Normalized EPS (Bt)	0.13	0.12	0.11	0.12	0.35

Source: KGI Securities Research

Cash Flow

Year to 31 Dec (Bt mn)	2021	2022	2023F	2024F	2025F
Operating Cash Flow	298	398	381	430	1,027
Net Profit	202	216	245	267	776
Depreciation & Amortization	125	142	141	161	248
Change in Working Capital	(101)	(46)	(6)	2	2
Others	399	357	387	429	1,025
Investment Cash Flow	(118)	(200)	(1,321)	(708)	(120)
Net CAPEX	(111)	(44)	(1,326)	(712)	(120)
Change in LT Investment	(4)	(11)	1	0	0
Change in Other Assets	(3)	(145)	4	4	0
Free Cash Flow	180	198	(940)	(277)	907
Financing Cash Flow	(159)	344	835	141	(473)
Change in Share Capital	0	1,163	260	0	0
Net Change in Debt	(159)	201	648	221	(241)
Change in Other LT Liab.	0	(1,021)	(74)	(80)	(233)
Net Cash Flow	21	542	(105)	(136)	434

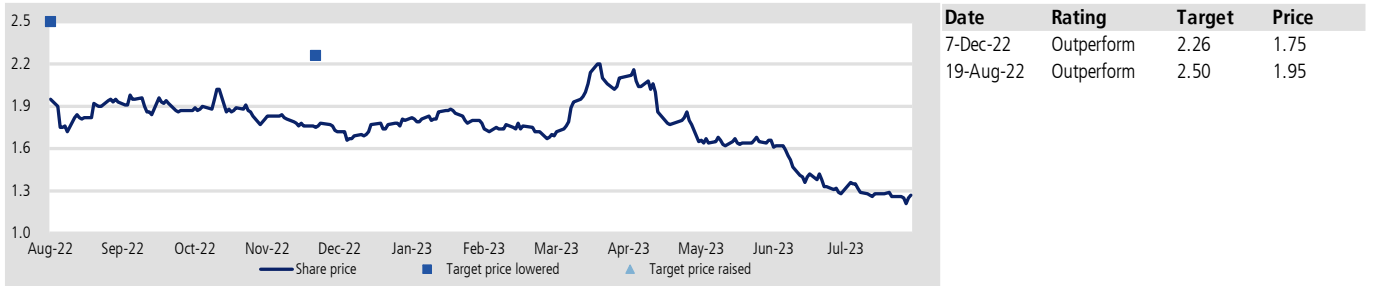
Source: KGI Securities Research

Rates of Return on Invested Capital

Year	1- COGS Revenue	+ Depreciation Revenue	+ Operating Exp. Revenue	= Operating Margin
2021	48.4%	16.0%	9.9%	25.7%
2022	52.1%	15.1%	7.8%	24.9%
2023F	50.1%	15.0%	7.3%	27.6%
2024F	47.5%	15.1%	5.6%	31.8%
2025F	46.7%	12.2%	3.3%	37.7%
Year	1/ Working Capital Revenue	+ Net PPE Revenue	+ Other Assets Revenue	= Capital Turnover
2021	-0.1	2.5	1.0	0.3
2022	0.0	2.0	3.0	0.2
2023F	0.0	3.3	2.2	0.2
2024F	0.0	2.9	1.7	0.2
2025F	0.0	1.5	1.4	0.4
Year	Operating Margin	x Capital Turnover	x Cash Tax Rate	= After-tax Return on Inv. Capital
2021	25.7%	0.3	0.2%	0.0%
2022	24.9%	0.2	0.3%	0.0%
2023F	27.6%	0.2	1.6%	0.0%
2024F	31.8%	0.2	1.1%	0.0%
2025F	37.7%	0.4	0.6%	0.0%

Source: KGI Securities Research

Thachang Green Energy – 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	KASIKORNBANK	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
CENTEL	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 LIFESCENCES	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	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	SEAFSCO	SEAFSCO
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
CENDEL	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

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