

# Absolute Clean Energy

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Public Company Limited

# ACE

Bloomberg ACE TB  
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## Progress of new capacity remains slow

**ACE's share price is down 21% YTD and has underperformed the SET since Sep 2021 on failure to deliver the additional capacity expected. Previously, we expected SPP Hybrid capacity to be added in 2022 and more electricity sales at existing biomass power plants on government efforts to buy more power from biomass and MSW power plants with excess capacity, but this has been much slower than thought due to uncontrollable factors. We thus cut our 2022F by 28% and TP by 9% to Bt4.3/share. Maintain Neutral.**

**2Q22 earnings recap.** Net profit was Bt384mn, up 4.7% YoY and 18.9% QoQ, on FX gain of Bt87mn for its SPP-Cogen business. Operating profit fell 4.1% YoY and 3.4% QoQ on a drop in gross margin to 28.3% from 29.1% in 1Q22 due to maintenance cost for SPP-Cogen. VSPP-biomass and VSPP-MSW plants ran normally with lower maintenance shutdowns. The impact of higher feedstock cost on ACE's gross margin was small, with raw material cost up 1-2% QoQ while gross margin for MSW power plants improved. This and the expiration of Ft premium at some plants pulled gross margin down to 34.4% in 2Q22 from 36.1% in 1Q22. 1H22 normalized profit was Bt641mn, stable YoY as more profit from MSW power plants offset lower profit from SPP Cogen power plant.

**2H22F outlook.** Without more operating capacity, 2H22 does not look exciting with the only driver being a slight increase in profit from biomass power plants as a plant it bought will resume normal operations in 3Q22 after an outage to replace equipment. Improvement of three VSPP biomass plans acquired in Aug 2020 is ongoing, though completion of a plant in Buriram has been delayed to 3Q22 from 2Q22. ACE expects full operations of all three plants to give a big boost from 1H22 though still less than projects it developed itself. We have cut 2022F by 28% to reflect delays in new projects.

**Little progress in added capacity.** Management says progress of new projects in the pipeline is small, mostly waiting for PPA signing with PEA. It has requested the Administrative Court to order the PEA to return the signed PPAs for eight VSPP biomass to ACE as stipulated by the Arbitral Tribunal. Management expects construction of these plants to start soon, with plant startup within 2024. Four SPP-hybrid power plant projects (93MW installed capacity) are also delayed as two are meeting opposition by NGOs although ACE has adhered closely to all government rules and regulations during the development of these projects. There is no definite timeframe on when development will continue. The PEA has also deferred PPA signing of 18 VSPP-biogas power plants with installed capacity of 59MW and contracted capacity of 50MW from Jul 2022 to Sep 2022, already rescheduled several times since the bidding result was announced in Sep 2021.

**Delays cut DCF-based TP to Bt4.3/sh.** Our valuation includes power plants with committed PPAs and those with PPA signing soon. The share is trading at a 2024F PE of only 13.1x (after most committed projects are fully operational).

**Key risks:** 1) delay in PEA's return of biomass plant PPAs and construction that would defer startups and cash flow, 2) higher than expected feedstock cost for biomass power plants, 3) higher investment costs.

### Forecasts and valuation

Year to 31 Dec	Unit	2020	2021	2022F	2023F	2024F
Revenue	(Btmn)	5,858	5,727	6,325	7,747	8,379
EBITDA	(Btmn)	2,189	2,249	2,298	3,180	4,364
Core profit	(Btmn)	1,499	1,338	1,351	2,029	2,131
Reported profit	(Btmn)	1,508	1,506	1,434	2,029	2,131
Core EPS	(Bt)	0.15	0.13	0.13	0.20	0.21
DPS	(Bt)	0.05	0.02	0.04	0.06	0.06
P/E, core	(x)	18.6	20.8	20.6	13.7	13.1
EPS growth, core	(%)	49.2	(10.7)	1.0	50.2	5.0
P/BV, core	(x)	2.3	2.1	1.9	1.7	1.6
ROE	(%)	13.2	10.6	9.7	13.3	12.7
Dividend yield	(%)	1.8	0.7	1.5	2.2	2.2
FCF yield	(x)	0.9	(0.5)	4.7	(4.4)	3.4
EV/EBIT	(x)	19.0	20.1	19.4	14.3	13.4
EBIT growth, core	(%)	24.0	(4.0)	0.5	43.0	5.7
EV/CE	(x)	3.1	2.7	2.6	2.1	1.8
ROCE	(%)	14.0	12.4	12.5	14.4	13.3
EV/EBITDA	(x)	14.3	14.1	13.4	10.2	7.4
EBITDA growth	(%)	18.0	2.7	2.2	38.4	37.2

Source: SCBS Investment Research

## Tactical: NEUTRAL (3-month)

### Stock data

Last close (Sep 7) (Bt)	2.74
Target price (Bt)	4.30
Mkt cap (Btbn)	27.88
Mkt cap (US\$mn)	760

Beta	L
Mkt cap (%) SET	0.14
Sector % SET	22.58
Shares issued (mn)	10,176
Par value (Bt)	0.50
12-m high / low (Bt)	4.1 / 2.6
Avg. daily 6m (US\$mn)	1.54
Foreign limit / actual (%)	49 / 3
Free float (%)	24.0
Dividend policy (%)	≥ 30

### 2021 Sustainability / ESG Score

Sustainability Index (THSI)	Not Included
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ESG Bloomberg Score	41.23
Environmental Score	17.97
Social Score	28.26
Governance Score	77.33

Source: Bloomberg Finance LP

### Share performance

(%)	1M	3M	12M
Absolute	2.2	(2.1)	(33.5)
Relative to SET	0.3	(2.3)	(33.5)

Source: SET, SCBS Investment Research

### Analyst

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### Value proposition

ACE is a holding company for renewable power plants for the Songmetta family, one of Thailand's long-established exporters of wood chips. Via wholly owned subsidiaries, it operates 23 power projects with total capacity of 257.6MW; more than half is renewable power (biomass, municipal solid waste and solar) and the rest is gas-fired SPP cogeneration. The proportion of renewable power plants will go up over time as several projects in the pipeline come on stream. The key advantage is its in-house R&D to increase plant efficiency starting from plant design to feedstock selection and mixing formula. It has successfully cut fuel costs for these plants by 20% over the past three years to <Bt1.3/KWh produced in 2021 from Bt1.6/KWh produced in 2017. Its strong ties with communities around the power plants underwrite feedstock (agricultural waste) reliability in the long term, leveraging the Songmetta Group's expertise.

### Business outlook

ACE expects the return of several PPAs for its VSPP-biomass in the near future, given the government's target to achieve 33% of new electricity capacity from renewable power plants by 2037. Nonetheless, the company will have to renegotiate the electricity authorities to extend the startup schedule of these plants. The company was able to sign PPAs with EGAT for three of four SPP hybrid power plants, with combined capacity of 70MW with scheduled COD by end-2023 for the first 20MW. The scheduled startup of 50MW was shifted but the definite timeframe is not concluded. The remaining PPA for another plant (23MW) is expected to be signed soon to meet the committed COD within 2023. ACE also won 50MW additional capacity in the Community Power Plant (CPP) pilot project and the company is expected to sign 20-year PPAs with the Provincial Electricity Authority (PEA) by Sep'22, a long delay from the initially planned in Jan'22 given the scrutiny of the National Anti-Corruption Commission about the transparency of the bidding process, according to local newspapers. If all power projects in the pipeline are given the green light, ACE's installed capacity will double to 528.4MW by end-2024.

Bullish views	Bearish views
1. Efficiency improvement at existing power plants, including three acquired biomass power plants, will continue to support earnings growth.	1. Slower than expected execution of new power plants that were committed during the IPO, including more PPAs for VSPP-biomass and SPP hybrid power plants which are under negotiation with the electricity authorities.
2. Capacity expansion plan to meet 1GW by 2024 will be the earnings driver over the next five years.	2. Policy risks on renewable power plants could curb growth.

### Key catalysts

Factor	Event	Impact	Comment
Capacity additions in the pipeline.	More signing of PPAs from PEA for VSPP – biomass and SPP Hybrid were delayed are expected to take place in 2023-24.	Positive/Negative	This should increase investor optimism on its ability to deliver earnings growth as expected during the IPO. Nonetheless, this was delayed for some time from initial plan.
Further improvement of feedstock cost	ACE targets reducing feedstock cost by 5-15% from the 2019 level.	Positive	ACE was able to reduce feedstock cost by 6% over the past year by changing the mix of feedstock to the minimize heat rate of its power plants.

### Key catalysts

Factor	Earnings impact	TP impact
Gross margin (+1%)	+3%	+Bt0.15/share

### ESG Disclosure Score

	2020	2021
<b>ESG Disclosure Score</b>	<b>31.82</b>	<b>41.23</b>
<b>Environment</b>	<b>2.42</b>	<b>17.97</b>
<b>Social</b>	<b>15.54</b>	<b>28.26</b>
Number of Employees	794.00	828.00
Employee Turnover Pct	n.a.	20.00
Pct Women in Workforce	n.a.	22.00
Workforce Accidents	n.a.	0.00
Lost Time from Accidents	n.a.	0.00
Number of Employees	794.00	828.00
<b>Governance</b>	<b>77.33</b>	<b>77.33</b>
Size of the Board	10.00	10.00
Indep Directors	5.00	5.00
% Indep Directors	50.00	50.00
# Board Meetings	10.00	10.00
Board Mtg Attendance	93.00	93.00
Size of the Board	10.00	10.00

Source: Bloomberg Finance L.P.

### Disclaimer

Bloomberg ESG Disclosure Scores rate companies on their level of disclosure of ESG data. Bloomberg offers four disclosure scores, for overall ESG, as well as Environmental, Social, and Governance such as energy consumption, board composition, and workforce accidents.

Company ESG reporting has evolved since our ESG Disclosure Score was originally created in 2010. In order to reflect the evolution in corporate reporting, in early 2022 Bloomberg updated its ESG disclosure scores methodology. The methodology changes were implemented for all years of data for all companies in the ESG Coverage universe.

To review the fully transparent methodology, calculate disclosure scores for any company, and compare a company's scores vs its peers, see ESG Disclosure Score Model in Bloomberg.

## Financial statement

### Profit and Loss Statement

FY December 31	Unit	2017	2018	2019	2020	2021	2022F	2023F	2024F
Total revenue	(Btmn)	4,243	4,833	5,055	5,858	5,727	6,325	7,747	8,379
Cost of goods sold	(Btmn)	3,123	3,416	3,429	4,067	3,808	4,363	5,095	5,588
<b>Gross profit</b>	<b>(Btmn)</b>	<b>1,121</b>	<b>1,417</b>	<b>1,626</b>	<b>1,791</b>	<b>1,919</b>	<b>1,961</b>	<b>2,652</b>	<b>2,790</b>
SG&A	(Btmn)	276	379	330	322	350	385	393	401
Other income	(Btmn)	103	16	33	179	13	13	13	13
Interest expense	(Btmn)	497	483	413	106	141	163	202	228
<b>Pre-tax profit (before extra)</b>	<b>(Btmn)</b>	<b>451</b>	<b>572</b>	<b>916</b>	<b>1,541</b>	<b>1,440</b>	<b>1,426</b>	<b>2,070</b>	<b>2,175</b>
Corporate tax	(Btmn)	(22)	16	(3)	43	103	75	41	43
Equity a/c profits	(Btmn)	0	0	0	0	0	0	0	0
Minority interests	(Btmn)	0	0	0	0	0	0	0	0
<b>Core profit</b>	<b>(Btmn)</b>	<b>472</b>	<b>557</b>	<b>919</b>	<b>1,499</b>	<b>1,338</b>	<b>1,351</b>	<b>2,029</b>	<b>2,131</b>
Extra-ordinary items	(Btmn)	(139)	(10)	(104)	9	168	83	0	0
<b>Net Profit</b>	<b>(Btmn)</b>	<b>334</b>	<b>547</b>	<b>815</b>	<b>1,508</b>	<b>1,506</b>	<b>1,434</b>	<b>2,029</b>	<b>2,131</b>
EBITDA	(Btmn)	1,464	1,586	1,856	2,189	2,249	2,298	3,180	4,364
<b>Core EPS</b>	<b>(Btmn)</b>	<b>0.05</b>	<b>0.06</b>	<b>0.10</b>	<b>0.15</b>	<b>0.13</b>	<b>0.13</b>	<b>0.20</b>	<b>0.21</b>
Net EPS	(Bt)	0.04	0.06	0.09	0.15	0.15	0.14	0.20	0.21
DPS	(Bt)	0.00	0.00	0.00	0.05	0.02	0.04	0.06	0.06

### Balance Sheet

FY December 31	Unit	2017	2018	2019	2020	2021	2022F	2023F	2024F
Total current assets	(Btmn)	1,008	1,132	1,435	1,841	2,672	3,027	2,657	3,844
Total fixed assets	(Btmn)	12,951	12,755	12,711	14,588	16,068	16,813	19,882	20,998
<b>Total assets</b>	<b>(Btmn)</b>	<b>13,959</b>	<b>13,887</b>	<b>14,145</b>	<b>16,430</b>	<b>18,740</b>	<b>19,840</b>	<b>22,539</b>	<b>24,842</b>
Total loans	(Btmn)	8,525	7,749	2,995	3,922	4,754	4,651	5,772	6,517
Total current liabilities	(Btmn)	3,717	1,624	1,373	1,213	1,327	1,177	1,251	1,426
Total long-term liabilities	(Btmn)	5,220	6,691	1,979	3,224	4,044	4,165	5,270	5,877
<b>Total liabilities</b>	<b>(Btmn)</b>	<b>8,937</b>	<b>8,315</b>	<b>3,352</b>	<b>4,437</b>	<b>5,372</b>	<b>5,342</b>	<b>6,521</b>	<b>7,303</b>
Paid-up capital	(Btmn)	4,579	4,579	5,088	5,088	5,088	5,088	5,088	5,088
<b>Total equity</b>	<b>(Btmn)</b>	<b>5,022</b>	<b>5,572</b>	<b>10,793</b>	<b>11,993</b>	<b>13,315</b>	<b>14,444</b>	<b>15,965</b>	<b>17,485</b>
<b>BVPS</b>	<b>(Bt)</b>	<b>0.55</b>	<b>0.61</b>	<b>1.06</b>	<b>1.18</b>	<b>1.31</b>	<b>1.42</b>	<b>1.57</b>	<b>1.72</b>

### Cash Flow Statement

FY December 31	Unit	2017	2018	2019	2020	2021	2022F	2023F	2024F
Core Profit	(Btmn)	472	557	919	1,499	1,338	1,351	2,029	2,131
Depreciation and amortization	(Btmn)	516	532	527	541	667	709	908	1,961
Operating cash flow	(Btmn)	1,345	1,697	1,619	1,895	1,869	2,798	2,770	4,039
Investing cash flow	(Btmn)	(978)	(401)	(826)	(1,644)	(2,014)	(1,500)	(4,000)	(3,100)
Financing cash flow	(Btmn)	(399)	(1,197)	(825)	161	553	(407)	612	135
<b>Net cash flow</b>	<b>(Btmn)</b>	<b>(32)</b>	<b>99</b>	<b>(33)</b>	<b>411</b>	<b>408</b>	<b>891</b>	<b>(619)</b>	<b>1,074</b>

### Key Financial Ratios

FY December 31	Unit	2017	2018	2019	2020	2021	2022F	2023F	2024F
Gross margin	(%)	26.4	29.3	32.2	30.6	33.5	31.0	34.2	33.3
Operating margin	(%)	19.9	21.5	25.6	25.1	27.4	24.9	29.2	28.5
EBITDA margin	(%)	34.5	32.8	36.7	37.4	39.3	36.3	41.1	52.1
EBIT margin	(%)	22.3	21.8	26.3	28.1	27.6	25.1	29.3	28.7
Net profit margin	(%)	7.9	11.3	16.1	25.7	26.3	22.7	26.2	25.4
ROE	(%)	9.8	10.5	11.2	13.2	10.6	9.7	13.3	12.7
ROA	(%)	3.5	4.0	6.6	9.8	7.6	7.0	9.6	9.0
Net D/E	(x)	1.7	1.4	0.3	0.3	0.3	0.2	0.3	0.2
Interest coverage	(x)	2.9	3.3	4.5	20.6	15.9	14.1	15.7	19.1
Debt service coverage	(x)	0.4	1.0	1.2	2.3	2.1	2.7	3.5	4.1
Payout Ratio	(%)	0.0	0.0	0.0	33.7	13.5	28.4	30.1	28.6

### Main Assumptions

FY December 31	Unit	2017	2018	2019	2020	2021	2022F	2023F	2024F
Installed capacity (period-end)	(MW)	209	210	212	246	258	258	304	352
Net electricity sales - total	(GWh)	1,135	1,244	1,305	1,308	1,514	1,557	2,218	2,294
Average electricity tariff - Biomass	(Bt/KWh)	4.5	4.5	4.2	4.3	4.3	4.3	4.3	4.4
FIT (variable)	(Bt/KWh)	1.9	1.86	1.87	1.88	1.89	1.94	1.96	1.98
Average tipping fee (MSW)	(Bt/ton)	186	276	285	314	330	330	345	345
Effective interest rate	(%)	5.86	5.91	7.65	3.07	3.26	3.50	3.50	3.50

## Financial statement

### Profit and Loss Statement

FY December 31	Unit	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22
Total revenue	(Btmn)	1,501	1,369	1,314	1,386	1,468	1,559	1,621	1,638
Cost of goods sold	(Btmn)	1,038	915	875	920	971	1,042	1,149	1,174
<b>Gross profit</b>	<b>(Btmn)</b>	<b>463</b>	<b>454</b>	<b>439</b>	<b>466</b>	<b>496</b>	<b>517</b>	<b>472</b>	<b>464</b>
SG&A	(Btmn)	67	90	85	82	106	77	91	96
Other income	(Btmn)	3	2	2	5	2	4	4	8
Interest expense	(Btmn)	28	27	34	36	36	35	35	29
<b>Pre-tax profit</b>	<b>(Btmn)</b>	<b>371</b>	<b>339</b>	<b>323</b>	<b>353</b>	<b>356</b>	<b>408</b>	<b>350</b>	<b>346</b>
Corporate tax	(Btmn)	9	(7)	29	22	35	17	22	50
Equity a/c profits	(Btmn)	0	0	0	0	0	0	0	0
Minority interests	(Btmn)	0	0	0	0	0	0	0	0
<b>Core profit</b>	<b>(Btmn)</b>	<b>362</b>	<b>346</b>	<b>294</b>	<b>331</b>	<b>322</b>	<b>391</b>	<b>327</b>	<b>296</b>
Extra-ordinary items	(Btmn)	48	(92)	66	35	90	(23)	(5)	87
<b>Net Profit</b>	<b>(Btmn)</b>	<b>410</b>	<b>254</b>	<b>360</b>	<b>366</b>	<b>411</b>	<b>368</b>	<b>323</b>	<b>384</b>
EBITDA	(Btmn)	538	502	519	554	559	616	562	558
<b>Core EPS</b>	<b>(Btmn)</b>	<b>0.04</b>	<b>0.03</b>	<b>0.03</b>	<b>0.03</b>	<b>0.03</b>	<b>0.04</b>	<b>0.03</b>	<b>0.03</b>
Net EPS	(Bt)	0.04	0.02	0.04	0.04	0.04	0.04	0.03	0.04

### Balance Sheet

FY December 31	Unit	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22
Total current assets	(Btmn)	1,953	1,841	2,247	2,352	2,153	2,672	2,563	3,057
Total fixed assets	(Btmn)	14,377	14,588	15,229	15,521	16,037	16,068	16,292	16,550
<b>Total assets</b>	<b>(Btmn)</b>	<b>16,330</b>	<b>16,430</b>	<b>17,475</b>	<b>17,873</b>	<b>18,191</b>	<b>18,740</b>	<b>18,855</b>	<b>19,607</b>
Total loans	(Btmn)	3,946	3,922	4,526	4,765	4,621	4,754	4,440	4,994
Total current liabilities	(Btmn)	1,213	1,213	1,167	1,303	1,221	1,327	1,273	1,373
Total long-term liabilities	(Btmn)	3,376	3,224	3,955	4,006	3,985	4,044	3,887	4,360
<b>Total liabilities</b>	<b>(Btmn)</b>	<b>4,589</b>	<b>4,437</b>	<b>5,122</b>	<b>5,309</b>	<b>5,206</b>	<b>5,372</b>	<b>5,160</b>	<b>5,732</b>
Paid-up capital	(Btmn)	5,088	5,088	5,088	5,088	5,088	5,088	5,088	5,088
<b>Total equity</b>	<b>(Btmn)</b>	<b>11,741</b>	<b>11,993</b>	<b>12,353</b>	<b>12,536</b>	<b>12,948</b>	<b>13,315</b>	<b>13,638</b>	<b>13,818</b>
<b>BVPS</b>	<b>(Bt)</b>	<b>1.15</b>	<b>1.18</b>	<b>1.21</b>	<b>1.23</b>	<b>1.27</b>	<b>1.31</b>	<b>1.34</b>	<b>1.36</b>

### Cash Flow Statement

FY December 31	Unit	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22
Core Profit	(Btmn)	362	346	294	331	322	391	327	296
Depreciation and amortization	(Btmn)	139	136	162	165	167	173	178	183
Operating cash flow	(Btmn)	468	392	451	260	580	577	462	419
Investing cash flow	(Btmn)	(693)	(444)	(777)	(435)	(631)	(170)	(444)	(352)
Financing cash flow	(Btmn)	535	(52)	585	52	(172)	87	(345)	322
<b>Net cash flow</b>	<b>(Btmn)</b>	<b>310</b>	<b>(104)</b>	<b>259</b>	<b>(123)</b>	<b>(223)</b>	<b>495</b>	<b>(327)</b>	<b>389</b>

### Key Financial Ratios

FY December 31	Unit	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22
Gross margin	(%)	30.9	33.2	33.4	33.6	33.8	33.2	29.1	28.3
Operating margin	(%)	26.4	26.6	27.0	27.7	26.6	28.2	23.5	22.5
EBITDA margin	(%)	35.9	36.7	39.5	40.0	38.1	39.5	34.7	34.1
EBIT margin	(%)	26.6	26.8	27.1	28.0	26.7	28.4	23.7	22.9
Net profit margin	(%)	27.3	18.6	27.4	26.4	28.0	23.6	19.9	23.4
ROE	(%)	12.6	11.7	9.7	10.6	10.1	11.9	9.7	8.6
ROA	(%)	9.3	8.4	6.9	7.5	7.1	8.5	7.0	6.2
Net D/E	(x)	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Interest coverage	(x)	19.3	18.5	15.2	15.5	15.5	17.4	16.3	19.2
Debt service coverage	(x)	2.5	2.1	2.4	2.1	2.3	2.3	2.5	2.2

### Key Statistics

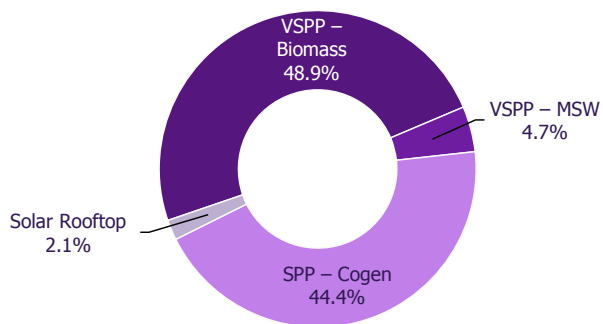
FY December 31	Unit	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22
Installed capacity (period-end)	(MW)	242	248	248	248	248	258	258	258
Gross profit margin – Biomass	(%)	38.5	37.9	31.2	32.8	35.1	34.0	31.6	30.4
Gross profit margin – MSW	(%)	40.6	51.5	50.9	52.1	52.7	60.8	57.1	58.7
Gross profit margin – Cogen	(%)	31.1	31.0	32.4	29.9	27.4	25.6	21.0	19.5
Effective interest rate	(%)	3.2	2.8	3.3	3.1	3.1	3.1	3.0	2.5

**Figure 1: ACE – Q22 earnings review**

	2Q21	1Q22	2Q22	YoY%	QoQ%
<b>P&amp;L (Bt, mn)</b>					
Total revenue	1,386	1,621	1,638	18.2	1.0
Gross profit	466	472	464	(0.4)	(1.7)
EBITDA	554	562	558	0.8	(0.7)
Core profit	331	327	296	(10.5)	(9.5)
<b>Net profit</b>	<b>366</b>	<b>323</b>	<b>384</b>	<b>4.7</b>	<b>18.9</b>
EPS (Bt)	0.04	0.03	0.04	4.7	18.9
<b>B/S (Bt, mn)</b>					
Total assets	17,873	18,855	19,607	9.7	4.0
Total liabilities	5,309	5,160	5,732	8.0	11.1
Total equity	12,564	13,695	13,875	10.4	1.3
BVPS (Bt)	1.23	1.34	1.36	10.2	1.3
<b>Financial ratio</b>					
Gross margin (%)	33.6	29.1	28.3	(5.3)	(0.8)
EBITDA margin (%)	40.0	34.7	34.1	(5.9)	(0.6)
Net profit margin (%)	26.4	19.9	23.4	(3.0)	3.5
ROA (%)	7.5	7.0	6.2	(1.3)	(0.8)
ROE (%)	10.6	9.7	8.6	(2.0)	(1.1)
D/E (X)	0.4	0.4	0.4	(0.9)	3.6

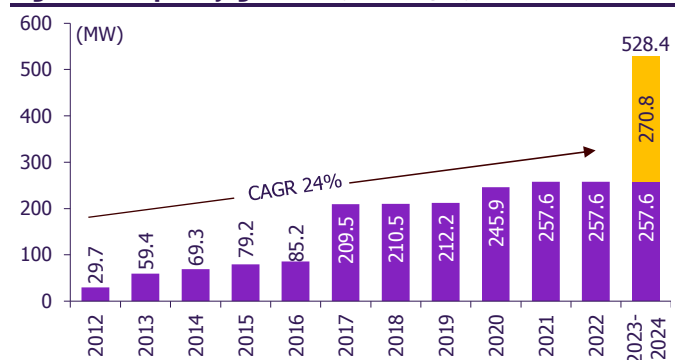
Source: ACE, SCBS Investment Research

**Figure 2: Capacity breakdown (end-2Q22)**



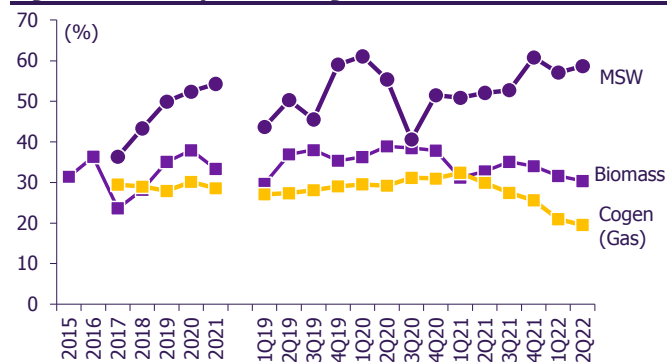
Source: ACE, SCBS Investment Research

**Figure 3: Capacity growth (end-2Q22)**



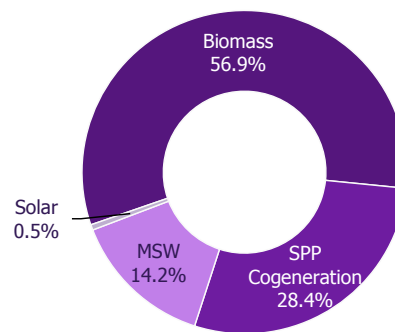
Source: ACE, SCBS Investment Research

**Figure 4: Gross profit margin**



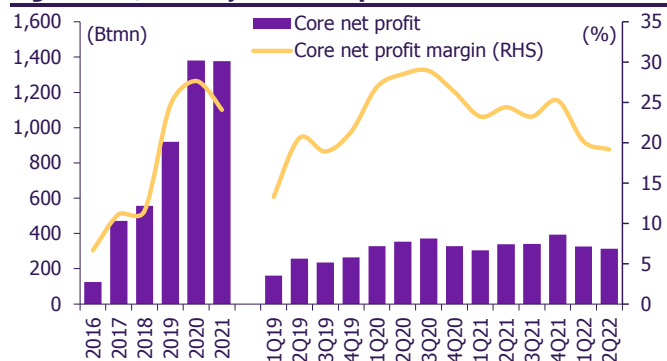
Source: ACE, SCBS Investment Research

**Figure 5: Gross profit breakdown (LTM end-2Q22)**



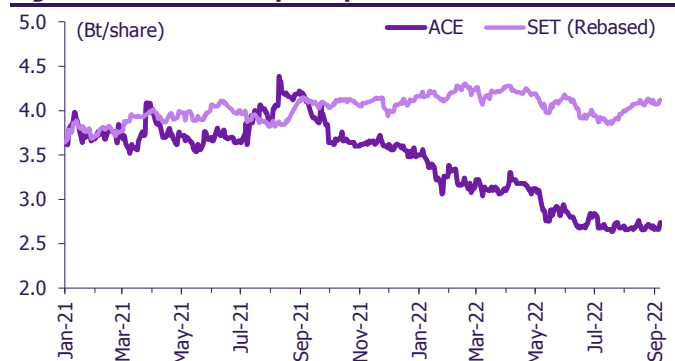
Source: ACE, SCBS Investment Research

**Figure 6: Quarterly core net profit**



Source: ACE, SCBS Investment Research

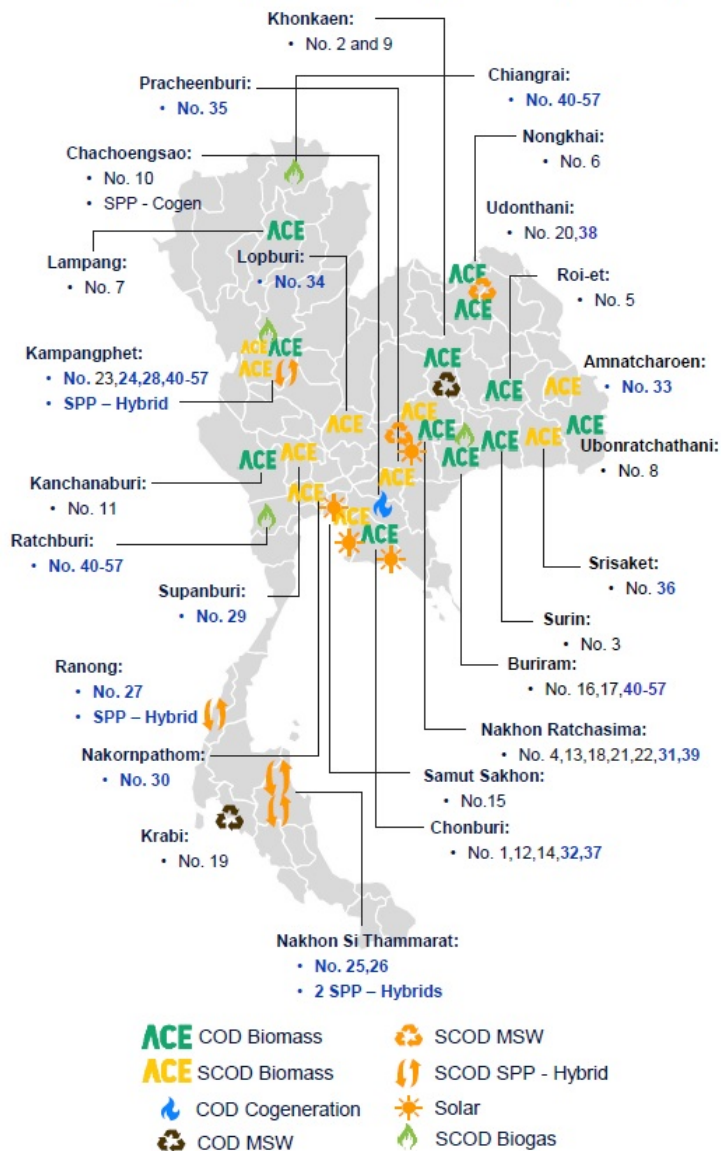
**Figure 7: ACE – share price performance**



Source: Bloomberg Finance LP, SCBS Investment Research

**Figure 8: ACE – Asset overview**

- *Operating projects*
- *Under development projects & Pending for development projects*



*Note: Remark: Including APP's capacity MW of 9.9, Currently, APP's shareholders sent LOI for APP share purchase proposal to ACE*  
*Source: ACE*

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**Corporate Governance Report**

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To recognize well performers, the list of companies attaining "Good", "Very Good" and "Excellent" levels of recognition

(Not including listed companies qualified in the "no announcement of the results" clause from 1 January 2020 to 26 October 2021) is publicized.

<sup>1</sup> TIP was voluntarily delisted from the Stock Exchange of Thailand effectively on July 24, 2021

<sup>2</sup> RCI was voluntarily delisted from the Stock Exchange of Thailand, effectively on July 16, 2021

\* บริษัทหรือกรรมการหรือผู้บริหารของบริษัทที่มีข่าวด้านการกำกับดูแลกิจการ เช่น การกระทำความผิดเกี่ยวกับหลักทรัพย์ การทุจริต คอร์รัปชัน เป็นต้น ซึ่งการใช้ข้อมูล CGR ควรระมัดระวังข่าวดังกล่าวประกอบด้วย

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**Declared (ประกาศเจตนารมณ์)**

AH, AJ, ALT, APCO, B52, BEC, CHG, CI, CPL, CPR, CPW, CRC, DDD, DHOUSE, DOHOME, ECF, EKH, ETC, EVER, FLOYD, GLOBAL, III, ILM, INOX, JTS, KEX, KUMWEL, LDC, MAJOR, MEGA, NCAP, NOVA, NRF, NUSA, NYT, OR, PIMO, PLE, RS, SAK, SIS, STECH, STGT, SUPER, SVT, TKN, TMI, TQM, TSI, VARO, VCOM, VIBHA, WIN

**N/A**

3K-BAT, A, A5, AAV, ABICO, ABM, ACAP, ACC, ACE, ACG, ADB, ADD, AEONTS, AFC, AGE, AHC, AIT, AJA, AKR, ALL, ALLA, ALPHAX, ALUCON, AMARIN, AMC, AMR, ANAN, AOT, APEX, APP, APURE, AQ, ARIN, ARIP, ASAP, ASEFA, ASIA, ASIMAR, ASN, ASW, ATP30, AU, AUCT, BA, BBGI, BBK, BC, BCT, BDMS, BEAUTY, BEM, BFIT, BGT, BH, BIG, BIOTEC, BIS, BIZ, BJC, BJCHI, BKD, BLAND, BLESS, BLISS, BM, BOL, BR, BRI, BROCK, BSM, BTNC, BTW, BUI, BYD, CAZ, CBG, CCET, CCP, CEYE, CGD, CHARAN, CHAYO, CHIC, CHO, CITY, CIVIL, CK, CKP, CMAN, CMO, CMR, CNT, COLOR, COMAN, CPANEL, CPH, CPT, CRANE, CRD, CSP, CSR, CSS, CTW, CV, CWT, D, DCON, DITTO, DMT, DOD, DPAINT, DTCL, DV8, EASON, EE, EFORL, EMC, ESSO, F&D, FANCY, FMT, FN, FORTH, FTI, FVC, GENCO, GIFT, GL, GLAND, GLOCON, GLORY, GRAMMY, GRAND, GREEN, GSC, GTB, GYT, HFT, HL, HPT, HTECH, HUMAN, HYDRO, ICN, IFEC, IHL, IIG, IMH, IND, INGRS, INSET, IP, IRCP, IT, ITD, J, JAK, JAS, JCK, JCKH, JCT, JDF, JMART, JMT, JP, JUBILE, JWD, KAMART, KC, KCC, KCM, KDH, KIAT, KISS, KK, KKC, KOOL, KTIS, KUN, KWC, KWM, KYE, LALIN, LEE, LEO, LIT, LOXLEY, LPH, LST, MACO, MANRIN, MATI, MAX, M-CHAI, MCS, MDX, MENA, METCO, MGT, MICRO, MIDA, MITSIB, MJD, MK, ML, MODERN, MORE, MPIC, MUD, MVP, NC, NCH, NCL, NDR, NER, NETBAY, NEW, NEWS, NEX, NFC, NNCL, NPK, NSL, NTV, NV, NVD, OHTL, OISHI, ONEE, OSP, OTO, PACE, PACO, PAF, PEACE, PERM, PF, PICO, PIN, PJW, PLUS, PMTA, POLAR, POMPU, PORT, POST, PPM, PRAKIT, PRAPAT, PRECHA, PRIME, PRIN, PRO, PROEN, PROUD, PSG, PTC, PTECH, PTL, RAM, RBF, RCL, RICHY, RJH, ROCK, ROH, ROJNA, RP, RPC, RPH, RSP, RT, S, S11, SA, SABUY, SAFARI, SALEE, SAM, SAMART, SAMCO, SAMTEL, SANKO, SAUCE, SAWAD, SAWANG, SCI, SCP, SDC, SE, SEAFCO, SECURE, SENAJ, SFLEX, SFP, SFT, SGF, SHANG, SHR, SIAM, SICT, SIMAT, SISB, SK, SKE, SKN, SKY, SLM, SLP, SMART, SMD, SMT, SNNP, SO, SOLAR, SONIC, SPA, SPCG, SPG, SPVI, SQ, SR, SSC, SSS, STANLY, STARK, STC, STEC, STHAI, STI, STP, STPI, SUC, SUN, SUTHA, SVH, SVOA, SWC, SYNEX, TACC, TAPAC, TC, TCC, TCCC, TCJ, TCOAT, TEAM, TEAMG, TEKA, TFM, TGE, TGPRO, TH, THAI, THANA, THE, THG, THL, THMUI, TIGER, TIPH, TITL, TK, TKC, TLI, TM, TMC, TMD, TMW, TNDT, TNH, TNPC, TOA, TPAC, TPBI, TPCH, TPIPL, TPIPP, TPLAS, TPOLY, TPS, TQR, TR, TRC, TRITN, TRT, TRUBB, TRV, TSE, TSF, TSI, TTI, TTT, TTW, TWP, TWZ, TYCN, UAC, UMI, UMS, UNIQ, UP, UPA, UPOIC, UREKA, UTP, UVAN, VL, VNG, VPO, VRANDA, W, WAVE, WFX, WGE, WINMED, WINNER, WORK, WORLD, WP, WPH, XPG, YGG, YONG

**Explanations**

Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of May 9, 2022) are categorised into: companies that have declared their intention to join CAC, and companies certified by CAC.