

23 JULY 2020

THAILAND / UTILITIES - CONVENTIONAL

GULF ENERGY DEVELOPMENT

BUY

UNCHANGED

GULF TB

TARGET PRICE	THB47.00
CLOSE	THB37.00
UP/DOWNSIDE	+27.0%
TP vs CONSENSUS	+26.3%

เพิ่มทุน เพิ่มกำไร

ประกาศเพิ่มทุน 10%

วันนี้ (วันพฤหัสบดี ที่ 23 ก.ค. 2020) GULF ประกาศเพิ่มทุน 10% เพื่อระดมเงิน 32 พัน ลบ. โดยบริษัท จะออกหุ้นสามัญเพิ่มทุนจำนวน 1,066.65 ล้านหุ้นผ่านการเสนอขายหุ้นให้กับผู้ถือหุ้นเดิม (Rights Offering หรือ RO) ที่ราคา 30 บาทต่อหุ้น ราคาดังกล่าวให้ส่วนลด 21.4% จากราคาเฉลี่ย 15 วันย้อนหลังก่อนการประกาศในวันนี้ อัตรา RO อยู่ที่ 10 หุ้นเดิมต่อ 1 หุ้นใหม่ โดยกำหนดวัน XR date คือวันที่ 7 ส.ค. 2020 GULF จะเพิ่มทุนจดทะเบียน 10% เป็น 11.73 พัน ลบ. ที่ราคาพาร์ 1 บาทเท่าเดิม

เพิ่มทุนตามการเติบโต

เราคงมุมมองที่เป็นบวกต่อการเพิ่มทุนดังกล่าวเนื่องจาก (1) กำไรต่อหุ้น (EPS) ที่จะลดลง 10% จะถูกชดเชยโดยกำไรสุทธิที่คาดว่าจะเพิ่มขึ้น 20% y-y ในปี 2021 จากการเติบโตที่จะได้จากธุรกิจที่บริษัท เพิ่งซื้อเข้ามาใหม่ ประกอบด้วยกำไรสุทธิ 1.2 พัน ลบ. จากหุ้น 50% ในโรงไฟฟ้าพลังงานลม กำลังการผลิต 450 MW ที่ดำเนินการแล้วในเยอรมนี และกำไรสุทธิที่จะเพิ่มขึ้น 0.4 พัน ลบ. จากโครงการนำเข้า LNG; และ (2) บริษัท จะใช้เงิน 32 พัน ลบ. ลงทุนในโครงการขยายธุรกิจที่มีอยู่เป็นจำนวนมาก ประกอบด้วยโรงไฟฟ้าพลังงานลมในเยอรมนี (19.6 พัน ลบ.), โรงไฟฟ้าพลังงานลมในเวียดนาม (410 MW), ทางด่วนระหว่างเมือง 2 สาย, การซื้อโรงไฟฟ้าเอกชนรายใหญ่ (IPP) 2 โรง, โครงการหินกองและบุรพา, และโครงการสาธารณูปโภค 2 โครงการ กล่าวคือ ท่าเรือมาตาพุด (ระยะที่ 3) เพื่อขนถ่าย LNG และท่าเรือแหลมฉบัง (ระยะที่ 3) โดยเรคาดว่าโครงการดังกล่าวทั้งหมดจะใช้เงินลงทุนทั้งหมด 110 พัน ลบ. ในช่วง 2020-24

กำลังการผลิตที่โตในอัตราสูงรองรับการลงทุนที่เพิ่มขึ้น

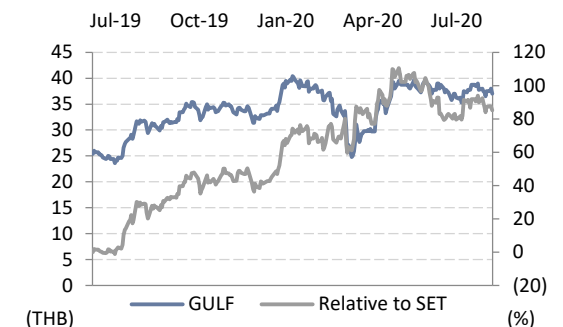
เรามองว่ากลยุทธ์การขยายธุรกิจแบบมีมูลค่าเพิ่มที่ประสบความสำเร็จในปัจจุบัน ซึ่งส่วนมากมาจากการซื้อกิจการตั้งแต่ปี 2019 เป็นเหตุผลรองรับที่ดีสำหรับการเพิ่มทุนดังกล่าว นอกเหนือจากโครงการขยายธุรกิจผ่านการซื้อโรงไฟฟ้าเอกชนขนาดใหญ่ 2 แห่ง (กำลังการผลิต 5 GW กำหนดเริ่มดำเนินงานในปี 2022-24) ซึ่งจะผลักดันให้กำไรต่อหุ้นโต 63% y-y จากค่าความพร้อมจ่าย (Committed capacity) ก่อนการเพิ่มทุน) ที่บริษัท ได้ตกลงไว้แล้ว เราคิดว่า GULF พร้อมลงทุนในโครงการขยายธุรกิจใหม่ ซึ่งจะเกิดขึ้นหลังปี 2020 เราคาดว่าโครงการดังกล่าวจะต้องใช้เงินลงทุนสูงถึง 110 พัน ลบ.

ราคาที่ลดลงเป็นโอกาสในการซื้อ

เราคงคำแนะนำซื้อ GULF ที่ราคาเป้าหมาย 47 บาท (SoTP) และคาดว่าอัตราการเติบโตของกำไรสุทธิของบริษัท จะเพิ่มในอัตราเร่งตั้งแต่ปี 2Q20 เป็นต้นไป จากต้นทุนก๊าซที่คาดว่าจะลดลง ไปอนุญาตนำเข้า LNG ที่เพิ่งได้มา และการควบรวมโรงไฟฟ้าพลังงานลม BKR2 ภายใน 4Q20 เราเชื่อว่าการเพิ่มทุนของ Asian Development Bank ผ่านการจัดสรรให้กับบุคคลในวงจำกัด (Private Placement) จำนวน 176 ล้านหุ้น มูลค่า 6.1 พัน ลบ. และการเพิ่มทุนอีก 10% จะเป็นโอกาสในการซื้อก่อนแนวโน้มการเติบโตของกำไรสุทธิที่ดีของ GULF

KEY STOCK DATA

YE Dec (THB m)	2019	2020E	2021E	2022E
Revenue	30,040	28,887	33,800	81,268
Net profit	4,887	4,635	7,560	15,859
EPS (THB)	2.29	0.43	0.71	1.49
vs Consensus (%)	-	12.9	23.7	98.1
EBITDA	7,969	9,656	13,512	28,033
Core net profit	4,887	4,635	7,560	15,859
Core EPS (THB)	2.29	0.43	0.71	1.49
EPS growth (%)	61.4	(81.0)	63.1	109.8
Core P/E (x)	16.2	85.1	52.2	24.9
Dividend yield (%)	3.5	0.7	1.1	1.9
EV/EBITDA (x)	18.2	51.2	37.8	18.1
Price/book (x)	2.1	9.8	8.7	7.0
Net debt/Equity (%)	112.9	165.7	164.0	108.4
ROE (%)	13.0	11.8	17.7	31.1



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	2.8	(5.1)	45.7
Relative to country (%)	2.4	(11.8)	85.4
Mkt cap (USD m)			12,497
3m avg. daily turnover (USD m)			47.8
Free float (%)			27
Major shareholder		Mr. Sarath Ratanavadi (35%)	
12m high/low (THB)			41.50/22.60
Issued shares (m)			2,133.30

Sources: Bloomberg consensus; FSSIA estimates



Suwat Sinsadok

suwat.sin@fssia.com
+66 2611 3558

Siriluck Pinthusoonthorn

siriluck.pin@fssia.com
+66 2611 3562

PREPARED BY FSS INTERNATIONAL INVESTMENT ADVISORY SECURITIES CO LTD (FSSIA). ANALYST CERTIFICATION AND IMPORTANT DISCLOSURES CAN BE FOUND AT THE END OF THIS REPORT

บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 23 กรกฎาคม 2020

Exhibit 1: Growth projects post 2020

	Capacity (MW)	Equity investment (THB b)	Growth	Time	Certainty	COD
Oman						
- Gas-fired power plant	326	4.4	/	/	/	2021-22E
- Water (1,667 m3/hour)			/	/	/	2021-22E
Laos						
- Hydropower plant	3,000	20.9	/	/	/	2027-30E
Vietnam						
- Renewable - wind	410	6.0	/	/	/	2021-23E
- LNG to power	6,000	14.0	/	/	/	2025-30E
Thailand						
- Two IPP power plant	5,400	25.0	/	/	/	2021-24E
- Hin Kong IPP power plant	1,400	2.6				2024-25E
- Burapa IPP power plant	540	0.9				
- Laemchabang deep sea port		3.8	/	/	/	2024E
- Maptaphut LNG terminal		9.9	/	/	/	2023E/2026E
- Motorway		3.0	/	/	/	
Germany						
- Renewable - wind farm	450	19.6	/	/	/	2021E
Total		110.1				

Sources: GULF; FSSIA estimates

Exhibit 2: GULF's SoTP, DCF-based valuation

Cost of equity assumptions (%)				Cost of debt assumptions (%)			
Risk free rate		2.3		Pretax cost of debt		5.0	
Market risk premium		8.5		Marginal tax rate		20.0	
Stock beta		0.50					
Cost of equity, Ke		6.6		Net cost of debt, Kd		3.6	
Weight applied		25.0		Weight applied		75.0	
WACC (%)		4.3					
DCF valuation estimate		(MW)	(%)	(THB m)	Equity capacity (MW)	(THB/share)	Comments
IPP	GNS	1,653	40	23,796	661	2.2	WACC 4.3%, Risk free rate 2.3%, Risk premium 8.5%, zero terminal growth
	GUT	1,752	40	32,737	701	3.1	WACC 4.3%, Risk free rate 2.3%, Risk premium 8.5%, zero terminal growth
	GSRC	2,650	70	65,725	1,352	6.2	WACC 4.3%, Risk free rate 2.3%, Risk premium 8.5%, zero terminal growth
	GPD	2,920	70	78,406	1,489	7.4	WACC 4.3%, Risk free rate 2.3%, Risk premium 8.5%, zero terminal growth
	Duqm (Oman)	236	45	3,456	106	0.3	WACC 4.3%, Risk free rate 2.3%, Risk premium 8.5%, zero terminal growth
	Hin Kong (2024E-2025E)	1,400	49	31,899	686	3.0	WACC 4.3%, Risk free rate 2.3%, Risk premium 8.5%, zero terminal growth
	Burapa power (2027E)	540	35	9,866	189	0.9	WACC 4.3%, Risk free rate 2.3%, Risk premium 8.5%, zero terminal growth
	SPP	GJP's 7 SPPs	831	40	45,537	332	4.3
GMP's 9 SPPs		1,179	53	85,936	644	8.1	WACC 4.3%, Risk free rate 2.3%, Risk premium 8.5%, zero terminal growth
GMP's 3 SPPs (GNC, GNRV1&2)		383	70	29,630	267	2.8	WACC 4.3%, Risk free rate 2.3%, Risk premium 8.5%, zero terminal growth
CGC (biomass)		25	100	944	25	0.1	WACC 4.3%, Risk free rate 2.3%, Risk premium 8.5%, zero terminal growth
VSP	Solar - Thailand	598	75	13,036	449	1.2	WACC 4.3%, Risk free rate 2.3%, Risk premium 8.5%, zero terminal growth
	Solar - Vietnam	149	95	978	141	0.1	WACC 5%, Risk free rate 6%, Risk premium 6.5%, zero terminal growth
	Wind - Vietnam	310	95	8,553	295	0.8	WACC 5%, Risk free rate 6%, Risk premium 6.5%, zero terminal growth
Infrastructure	Laemchabang phase 3 (2023E)		40	6,527		0.6	EIRR 10.5%
	Maptaphut phase 3 (2023E)		70	106,751		10.0	EIRR 13.6%
	Motorway O&M projects (2023E)		40	2,751		0.3	EIRR 10%
	One Bangkok (2024E)	240	16	1,052		0.1	EIRR 12%
Investment	SPCG		10	2,117	29	0.2	At 1.5x FY20E P/BV
	Net debt			(48,384)		(4.5)	At end-2020E

	Residual ordinary equity			501,311	7,366	47.0	
--	---------------------------------	--	--	----------------	--------------	-------------	--

Sources: GULF; FSSIA estimates

Financial Statements

Gulf Energy Development

Profit and Loss (THB m) Year Ending Dec	2018	2019	2020E	2021E	2022E
Revenue	17,181	30,040	28,887	33,800	81,268
Cost of goods sold	(11,289)	(20,357)	(17,583)	(18,361)	(48,601)
Gross profit	5,892	9,683	11,304	15,439	32,667
Other operating income	-	-	-	-	-
Operating costs	(1,490)	(1,713)	(1,647)	(1,928)	(4,635)
Operating EBITDA	4,402	7,969	9,656	13,512	28,033
Depreciation	(1,392)	(2,434)	(2,011)	(3,049)	(4,924)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	3,011	5,536	7,645	10,463	23,108
Net financing costs	(1,622)	(1,703)	(2,605)	(2,466)	(1,570)
Associates	2,615	3,205	1,291	2,903	3,315
Recurring non operating income	2,732	3,320	1,438	3,051	3,462
Non recurring items	0	0	0	0	0
Profit before tax	4,121	7,152	6,479	11,048	25,000
Tax	21	14	0	(21)	(951)
Profit after tax	4,141	7,166	6,479	11,027	24,049
Minority interests	(1,113)	(2,280)	(1,843)	(3,467)	(8,190)
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
Reported net profit	3,028	4,887	4,635	7,560	15,859
Non recurring items & goodwill (net)	0	0	0	0	0
Recurring net profit	3,028	4,887	4,635	7,560	15,859
Per share (THB)					
Recurring EPS *	1.42	2.29	0.43	0.71	1.49
Reported EPS	1.42	2.29	0.43	0.71	1.49
DPS	1.00	1.30	0.25	0.40	0.70
Diluted shares (used to calculate per share data)	2,133	2,133	10,665	10,665	10,665
Growth					
Revenue (%)	294.9	74.8	(3.8)	17.0	140.4
Operating EBITDA (%)	822.4	81.0	21.2	39.9	107.5
Operating EBIT (%)	2,718.8	83.9	38.1	36.8	120.9
Recurring EPS (%)	(12.3)	61.4	(81.0)	63.1	109.8
Reported EPS (%)	(12.3)	61.4	(81.0)	63.1	109.8
Operating performance					
Gross margin inc depreciation (%)	26.2	24.1	32.2	36.7	34.1
Gross margin of key business (%)	-	-	-	-	-
Operating EBITDA margin (%)	25.6	26.5	33.4	40.0	34.5
Operating EBIT margin (%)	17.5	18.4	26.5	31.0	28.4
Net margin (%)	17.6	16.3	16.0	22.4	19.5
Effective tax rate (%)	-1.4	-0.3	0.0	0.3	4.4
Dividend payout on recurring profit (%)	70.4	56.8	57.5	56.4	47.1
Interest cover (X)	3.5	5.2	3.5	5.5	16.9
Inventory days	-	-	-	-	-
Debtor days	55.0	52.9	75.9	83.8	42.8
Creditor days	67.6	25.7	32.7	29.6	20.9
Operating ROIC (%)	4.2	6.1	6.1	(1.6)	(3.2)
ROIC (%)	5.4	6.9	5.5	(1.7)	(3.1)
ROE (%)	8.5	13.0	11.8	17.7	31.1
ROA (%)	4.8	6.6	5.6	5.7	12.0
* Pre exceptional, pre-goodwill and fully diluted					
Revenue By Division (THB m)					
Power business	17,361	30,313	27,832	28,657	76,125
Consulting business	786	955	1,154	5,772	5,772
Others	(966)	(1,228)	(99)	(629)	(629)

Sources: Gulf Energy Development; FSSIA estimates

Financial Statements

Gulf Energy Development

Cash Flow (THB m) Year Ending Dec	2018	2019	2020E	2021E	2022E
Recurring net profit	3,028	4,887	4,635	7,560	15,859
Depreciation	1,392	2,434	2,011	3,049	4,924
Associates & minorities	2,615	3,205	1,291	2,903	3,315
Other non-cash items	-	-	-	-	-
Change in working capital	6,427	(6,473)	(1,926)	(1,500)	4,060
Cash flow from operations	13,463	4,053	6,011	12,012	28,159
Capex - maintenance	(1,387)	(2,410)	(2,011)	(2,011)	(3,324)
Capex - new investment	(17,122)	(13,320)	(33,820)	(20,742)	(12,930)
Net acquisitions & disposals	495	(1,209)	0	0	0
Other investments (net)	(2,545)	11,701	1,291	2,902	3,313
Cash flow from investing	(20,558)	(5,239)	(34,540)	(19,851)	(12,941)
Dividends paid	(853)	(2,133)	(2,773)	(2,666)	(4,266)
Equity finance	0	0	0	0	0
Debt finance	6,474	5,584	34,719	16,000	(30,000)
Other financing cash flows	(2,048)	(4,573)	(738)	(2,339)	1,562
Cash flow from Financing	3,572	(1,123)	31,208	10,994	(32,704)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	(3,523)	(2,309)	2,679	3,156	(17,486)
Free cash flow to firm (FCFF)	(5,157.30)	1,709.69	(25,636.21)	(4,861.04)	17,596.75
Free cash flow to equity (FCFE)	(2,670.04)	(175.41)	5,451.98	5,822.08	(13,220.02)
Per share (THB)					
FCFF per share	(2.42)	0.80	(12.02)	(2.28)	8.25
FCFE per share	(1.25)	(0.08)	2.56	2.73	(6.20)
Recurring cash flow per share	3.30	4.93	0.74	1.27	2.26
Balance Sheet (THB m) Year Ending Dec					
Tangible fixed asset (gross)	69,424	85,190	121,020	142,736	157,389
Less: Accumulated depreciation	(1,760)	(4,229)	(6,240)	(8,251)	(11,575)
Tangible fixed assets (Net)	67,664	80,961	114,780	134,485	145,814
Intangible fixed assets (Net)	27	1,113	1,113	1,113	1,113
Long-term financial assets	-	-	-	-	-
Invest. In associates & subsidiaries	20,038	21,247	21,247	21,247	21,247
Cash & equivalents	16,698	14,390	17,068	20,225	2,739
A/C receivable	3,516	5,199	6,817	8,711	10,336
Inventories	0	0	0	0	0
Other current assets	5,651	2,828	2,720	3,182	7,651
Current assets	25,866	22,417	26,605	32,118	20,726
Other assets	10,073	8,540	8,540	8,540	8,540
Total assets	123,669	134,278	172,286	197,502	197,440
Common equity	36,537	38,427	40,289	45,183	56,777
Minorities etc.	8,251	10,613	12,456	15,923	24,113
Total Shareholders' equity	44,788	49,040	52,745	61,106	80,889
Long term debt	59,883	66,453	101,453	116,453	88,453
Other long-term liabilities	590	8,976	8,976	8,976	8,976
Long-term liabilities	60,472	75,429	110,429	125,429	97,429
A/C payable	1,178	1,689	1,459	1,523	4,033
Short term debt	4,268	3,281	3,000	4,000	2,000
Other current liabilities	12,963	4,838	4,653	5,444	13,090
Current liabilities	18,408	9,809	9,112	10,968	19,122
Total liabilities and shareholders' equity	123,669	134,278	172,286	197,502	197,440
Net working capital	(4,973)	1,500	3,425	4,925	865
Invested capital	92,830	113,360	149,105	170,310	177,579
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	17.13	18.01	3.78	4.24	5.32
Tangible book value per share	17.11	17.49	3.67	4.13	5.22
Financial strength					
Net debt/Equity (%)	105.9	112.9	165.7	164.0	108.4
Net debt/total assets (%)	38.4	41.2	50.7	50.7	44.4
Current ratio (x)	1.4	2.3	2.9	2.9	1.1
CF interest cover (x)	9.9	8.7	16.1	11.8	0.8
Valuation					
Recurring P/E (x) *	26.1	16.2	85.1	52.2	24.9
Recurring P/E @ target price (x) *	33.1	20.5	108.1	66.3	31.6
Reported P/E (x)	26.1	16.2	85.1	52.2	24.9
Dividend yield (%)	2.7	3.5	0.7	1.1	1.9
Price/book (x)	2.2	2.1	9.8	8.7	7.0
Price/tangible book (x)	2.2	2.1	10.1	9.0	7.1
EV/EBITDA (x) **	30.6	18.2	51.2	37.8	18.1
EV/EBITDA @ target price (x) **	35.4	20.9	62.2	45.7	21.9
EV/invested capital (x)	1.5	1.3	3.3	3.0	2.9
* Pre-exceptional & pre-goodwill are fully diluted ** EBITDA includes associate income and recurring non operating income					

Sources: Gulf Energy Development; FSSIA estimates

Corporate Governance report of Thai listed companies 2019

EXCELLENT LEVEL										
AAV	ADVANC	AIRA	AKP	AKR	AMA	AMATA	AMATAV	ANAN	AOT	AP
ARROW	BAFS	BANPU	BAY	BCP	BCPG	BOL	BRR	BTS	BTW	BWG
CFRESH	CHEWA	CHO	CK	CKP	CM	CNT	COL	COMAN	CPALL	CPF
CPI	CPN	CSS	DELTA	DEMCO	DRT	DTAC	DTC	EA	EASTW	ECF
EGCO	GBX	GC	GCAP	GEL	GGP	GGC	GOLD	GPSC	GRAMMY	GUNKUL
HANA	HARN	HMPRO	ICC	ICHI	III	ILINK	INTUCH	IRPC	IVL	JKN
JSP	K	KBANK	KCE	KKP	KSL	KTB	KTC	KTIS	LH	LHFG
LIT	LPN	MAKRO	MALEE	MBK	MBKET	MC	MCOT	MFEC	MINT	MONO*
MTC	NCH	NCL	NKI	NSI	NVD	NYT	OISHI	OTO	PAP	PCSGH
PDJ	PG	PHOL	PJW	PLANB	PLANET	PORT	PPS	PR9	PREB	PRG
PRM	PSH	PSL	PTG	PTT	PTTEP	PTTGC	PYLON	Q-CON	QH	QTC
RATCH	ROBINS**	RS	S	S & J	SABINA	SAMART	SAMTEL	SAT	SC	SCB
SCC	SCCC	SCN	SDC	SEAFCO	SEAOIL	SE-ED	SELIC	SENA	SIS	SITHAI
SNC	SORKON	SPALI	SPI	SPRC	SSSC	STA	STEC	SVI	SYNTEC	TASCO
TCAP	THAI	THANA	THANI	THCOM	THIP	THREL	TIP	TISCO	TK	TKT
TMB	TMILL	TNDT	TOA	TOP	TRC	TRU	TRUE	TSC	TSR	TSTH
TTA	TTCL	TTW	TU	TVD	TVO	U	UAC	UV	VGI	VIH
WACOAL	WAVE	WHA	WHAUP	WICE	WINNER					
VERY GOOD LEVEL										
2S	ABM	ADB	AF	AGE	AH	AHC	AIT	ALLA	ALT	AMANA
AMARIN	APCO	APCS	AQUA	ARIP	ASAP	ASIA	ASIAN	ASIMAR	ASK	ASN
ASP	ATP30	AUCT	AYUD	B	BA	BBL	BDMS	BEC	BEM	BFIT
BGC	BGRIM	BIZ	BJC	BJCHI	BLA	BPP	BROOK	CBG	CEN	CENDEL
CGH	CHG	CHOTI	CHOW	CI	CIMBT	CNS	COLOR	COM7	COTTO	CRD
CSC	CSP	DCC	DCON	DDD	DOD	EASON	ECL	EE	EPG	ERW
ESTAR	ETE	FLOYD	FN	FNS	FORTH	FPI	FPT	FSMART	FSS	FVC
GENCO	GJS	GL	GLOBAL	GLOW**	GULF	HPT	HTC	HYDRO	ICN	IFS
INET	INSURE	IRC	IRCP	IT	ITD***	ITEL	J	JAS*	JCK	JCKH
JMART	JMT	JWD	KBS	KCAR	KGI	KIAT	KOOL	KWC	KWM	L&E
LALIN	LANNA	LDC	LHK	LOXLEY	LRH	LST	M	MACO	MAJOR	MBAX
MEGA	METCO	MFC	MK	MODERN	MOONG	MPG	MSC	MTI	NEP	NETBAY
NEX	NINE	NOBLE	NOK	NTV	NWR	OCC	OGC	ORI	OSP	PATO
PB	PDG	PDI	PL	PLAT	PNR	PPP	PRECHA	PRIN	PRINC	PSTC
PT	QLT	RCL	RICHY	RML	RWI	S11	SAAM	SALEE	SAMCO	SANKO
SAPPE	SAWAD	SCG	SCI	SCP	SE	SFP	SIAM	SINGER	SIRI	SKE
SKR	SKY	SMIT	SMK	SMP	SMT	SNP	SONIC	SPA	SPC	SPCG
SPVI	SR	SRICHA	SSC	SSF	SST	STANLY	STPI	SUC	SUN	SUSCO
SUTHA	SWC	SYMC	SYNEX	T	TACC	TAE	TAKUNI	TBSP	TCC	TCMC
TEAM	TEAMG	TFG	TFMAMA	THG	THRE	TIPCO	TITLE	TIW	TKN	TKS
TM	TMC	TMD	TMI	TMT	TNITY	TNL	TNP	TNR	TOG	TPA
TPAC	TPBI	TPCORP	TPOLY	TRITN	TRT	TSE	TSTE	TVI	TVT	TWP
TWPC	UBIS	UEC	UMI	UOBKH	UP	UPF	UPOIC	UT	UWC	VNT
WIUK	XO	YUASA	ZEN	ZMICO						
GOOD LEVEL										
A	ABICO	ACAP***	AEC	AEONTS	AJ	ALUCON	AMC	APURE	AS	ASEFA
AU	B52	BCH	BEAUTY	BGT	BH	BIG	BLAND	BM	BR	BROCK
BSBM	BSM	BTNC	CCET	CCP	CGD	CHARAN	CHAYO	CITY	CMAN	CMC
CMO	CMR	CPL	CPT	CSR	CTW	CWT	D	DIMET	EKH	EMC
EPCO	ESSO	FE	FTE	GIFT	GLAND	GLOCON	GPI	GREEN	GTB	GYT
HTECH	HUMAN	IHL	INGRS	INOX	JTS	JUBILE	KASET	KCM	KKC	KWG
KYE	LEE	LPH	MATCH	MATI	M-CHAI	MCS	MDX	META	MGT	MJD
MM	MVP	NC	NDR	NER	NNCL	NPK	NUSA	OCEAN	PAF	PF
PICO	PIMO	PK	PLE	PMTA	POST	PPM	PROUD	PTL	RCI	RJH
ROJNA	RPC	RPH	SF	SGF	SGP	SKN	SLP	SMART	SOLAR	SPG
SQ	SSP	STI	SUPER	SVOA	TCCC	THE	THMUI	TIC	TIGER	TNH
TOPP	TPCH	TPIPP	TPLAS	TQM	TTI	TYCN	UTP	VCOM	VIBHA	VPO
WIN	WORK	WP	WPH	ZIGA						
Score Range	Number of Logo					Description				
90-100						Excellent				
80-89						Very Good				
70-79						Good				
60-69						Satisfactory				
50-59						Pass				
Less than 50	No logo given					-				

Disclaimer:

The disclosure of the survey results 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 evaluation 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 results may be changed after that date. FSS International Investment Advisory Company Limited does not confirm nor certify the accuracy of such survey results.

* CGR scoring should be considered with news regarding wrong doing of the company or director or executive of the company such unfair practice on securities trading, fraud, and corruption SEC imposed a civil sanction against insider trading of director and executive; ** delisted

Source: Thai Institute of Directors Association (IOD); FSSIA's compilation

Anti-corruption Progress Indicator

CERTIFIED										
ADVANC	AIE	AKP	AMANAHA	AP	APCS	AQUA	ARROW	ASK	ASP	AYUD
BAFS	BANPU	BAY	BBL	BCH	BCP	BCPG	BGRIM	BJCHI	BKI	BLA
BROOK	BRR	BSBM	BTS	BWG	CEN	CENTEL	CFRESH	CGH	CHEWA	CIG
CIMBT	CM	COM7	CPALL	CPF	CPI	CPN	CSC	DCC	DEMCO	DIMET
DRT	DTAC	DTC	EASTW	ECL	EGCO	FE	FNS	FSS	GBX	GC
GCAP	GEL	GFPT	GGC	GJS	GOLD	GPSC	GSTEEL	GUNKUL	HANA	HARN
HMPRO	HTC	ICC	IFS	INET	INSURE	INTUCH	IRPC	IVL	K	KASET
KBANK	KBS	KCAR	KCE	KGI	KKP	KSL	KTB	KTC	KWC	L&E
LANNA	LHK	LPN	LRH	M	MAKRO	MALEE	MBAX	MBK	MBKET	MC
MCOT	MFC	MINT	MONO	MOONG	MSC	MTI	NBC	NINE	NKI	NMG
NNCL	NSI	OCC	OCEAN	OGC	PAP	PATO	PB	PCSGH	PDG	PDI
PDJ	PE	PG	PHOL	PL	PLANB	PLANET	PLAT	PM	PPP	PPS
PREB	PRG	PRINC	PSH	PSTC	PT	PTG	PTT	PTTEP	PTTGC	PYLON
Q-CON	QH	QLT	QTC	RATCH	RML	S & J	SABINA	SAT	SC	SCB
SCC	SCCC	SCG	SCN	SE-ED	SELIC	SENA	SGP	SIRI	SIS	SITHAI
SMIT	SMK	SMPC	SNC	SNP	SORKON	SPACK	SPC	SPI	SPRC	SRICHA
SSF	SSI	SSSC	SST	STA	SUSCO	SVI	SYNTEC	TASCO	TCAP	TFG
TFI	TFMAMA	THANI	THCOM	THIP	THRE	THREL	TIP	TIPCO	TISCO	TKT
TMB	TMD	TMILL	TMT	TNITY	TNL	TNP	TNR	TOG	TOP	TPA
TPCORP	TRU	TRUE	TSC	TSTH	TTCL	TU	TVD	TVI	TWPC	U
UBIS	UEC	UKEM	UOBKH	VGI	VIH	VNT	WACOAL	WHA	WICE	WIIK
DECLARED										
2S	ABICO	AF	AI	AIRA	ALT	AMA	AMARIN	AMATA	ANAN	B
BM	BPP	BUI	CHG	CHO	CHOTI	CHOW	CI	CMC	COL	DDD
DELTA	EFORL	EPCO	ESTAR	ETE	FPI	FTE	ICHI	INOX	IRC	ITEL
JAS	JSP	JTS	KWG	LDC	LIT	META	MFEC	MPG	NEP	NOK
NWR	ORI	PRM	PSL	ROJNA	RWI	SAAM	SAPPE	SCI	SEOIL	SHANG
SKR	SPALI	STANLY	SYNEX	TAE	TAKUNI	TMC	TOPP	TPP	TRITN	TVO
UV	UWC	WHAUP	XO	YUASA	ZEN					

Level	
Certified	This level indicates practical participation with thoroughly examination in relation to the recommended procedures from the audit committee or the SEC's certified auditor, being a certified member of Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) or already passed examination to ensure independence from external parties.
Declared	This level indicates determination to participate in the Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC)

Disclaimer:

The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by Thaipat Institute, is made in order to comply with the policy and sustainable development plan for the listed companies of the Office of the Securities and Exchange Commission. Thaipat Institute 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 Thaipat Institute that is 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, FSS International Investment Advisory Company Limited does not confirm, verify, or certify the accuracy and completeness of the assessment results.

Note: Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of June 24, 2019) are categorised into: 1) companies that have declared their intention to join CAC, and; 2) companies certified by CAC.

Source: The Securities and Exchange Commission, Thailand; * FSSIA's compilation

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Suwat Sinsadok FSS International Investment Advisory Securities Co., Ltd

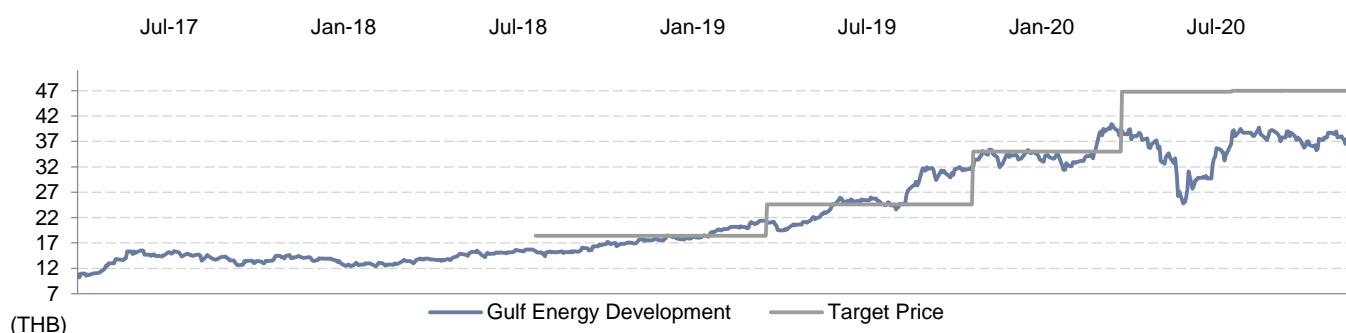
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed herein.

This report has been prepared by FSS International Investment Advisory Company Limited (FSSIA). The information herein has been obtained from sources believed to be reliable and accurate; however FSS makes no representation as to the accuracy and completeness of such information. Information and opinions expressed herein are subject to change without notice. FSS has no intention to solicit investors to buy or sell any security in this report. In addition, FSS does not guarantee returns nor price of the securities described in the report nor accept any liability for any loss or damage of any kind arising out of the use of such information or opinions in this report. Investors should study this report carefully in making investment decisions. All rights are reserved.

This report may not be reproduced, distributed or published by any person in any manner for any purpose without permission of FSSIA. Investment in securities has risks. Investors are advised to consider carefully before making investment decisions.

History of change in investment rating and/or target price

Gulf Energy Development (GULF TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
15-Nov-2018	BUY	18.40	30-Jan-2020	BUY	46.80	23-Jul-2020	BUY	47.00
08-May-2019	BUY	24.60	22-Apr-2020	BUY	47.00			
10-Oct-2019	BUY	35.00	23-Jul-2020	BUY	47.00			

Suwat Sinsadok started covering this stock from 15-Nov-2018

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Gulf Energy Development	GULF TB	THB 37.00	BUY	The downside risks to our SoTP-based TP on GULF include 1) lower-than-expected demand for electricity in Thailand, 2) a lower crude price, and 3) delays in project CODs.

Source: FSSIA estimates

Additional Disclosures

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finasia Syrus Securities Public Company Limited

All share prices are as at market close on 22 July 2020 unless otherwise stated.

RECOMMENDATION STRUCTURE

Stock ratings

Stock ratings are based on absolute upside or downside, which we define as (target price* - current price) / current price.

BUY (B). The upside is 10% or more.

HOLD (H). The upside or downside is less than 10%.

REDUCE (R). The downside is 10% or more.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

Industry Recommendations

Improving. The analyst expects the fundamental conditions of the sector to be positive over the next 12 months.

Stable. The analyst expects the fundamental conditions of the sector to be maintained over the next 12 months.

Deteriorating. The analyst expects the fundamental conditions of the sector to be negative over the next 12 months.

Country (Strategy) Recommendations

Overweight (O). Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Neutral (N). Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

Underweight (U). Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.