

15 OCTOBER 2021

THAILAND / UTILITIES - CONVENTIONAL

## GULF ENERGY DEVELOPMENT

BUY  
UNCHANGED

## GULF TB

|                 |          |
|-----------------|----------|
| TARGET PRICE    | THB56.00 |
| CLOSE           | THB43.75 |
| UP/DOWNSIDE     | +28.0%   |
| PRIOR TP        | THB47.00 |
| CHANGE IN TP    | +19.1%   |
| TP vs CONSENSUS | +32.6%   |

## เพิ่มระดับการประเมินมูลค่าเพื่อรวม INTUCH

วิธีบันทึกรายได้ตามส่วนการถือหุ้นสำหรับ INTUCH

ในระหว่างการประชุมทางโทรศัพท์เมื่อวันที่ 12 ต.ค. 21 ผู้บริหารของ GULF อธิบายว่าบริษัท ซึ่งถือหุ้น 42.25% ใน Intouch Holdings (INTUCH TB, HOLD, TP THB65) ซึ่งถือหุ้น 40.45% ใน Advanced Info Service (ADVANC TB, BUY, TP THB220) และ 41.13% ใน Thaicom (THCOM TB, REDUCE, TP THB7.1) จะใช้วิธีบันทึกรายได้ตามส่วนการถือหุ้นสำหรับ INTUCH แทนที่จะใช้วิธีรวมงบการเงิน GULF ไม่มีอำนาจควบคุมเด็ดขาดเหนือ INTUCH และ ADVANC แต่ถือหุ้นส่วนมากใน THCOM เพราะฉะนั้นบริษัท จะรวมงบการเงินของ THCOM เข้ากับ GULF เริ่มตั้งแต่ 3Q21

ค่ากำไรสุทธิ 3Q21 จะแตะระดับสูงเป็นประวัติการณ์ที่กว่า 3 พัน ลบ.

จากการใช้วิธีการบันทึกตามส่วนการถือหุ้นสำหรับ INTUCH เราคาดว่า GULF จะบันทึกรายได้ตามส่วนการถือหุ้นจำนวน 4.2 พัน ลบ. ในงบการเงินของบริษัท เริ่มตั้งแต่ 3Q21 โดยไม่ต้องบันทึกค่าตัดจำหน่ายต่อปีเพิ่มอีก 2 พัน ลบ. (ตามประมาณการของ GULF) ถ้าใช้วิธีรวมงบการเงิน เราคาดว่ากำไรสุทธิจะเร่งกำไรสุทธิใน 3Q21 ให้แตะระดับสูงเป็นประวัติการณ์ที่กว่า 3 พัน ลบ. ปัจจัยผลักดันสำคัญจะอยู่ที่วันเริ่มดำเนินงานเชิงพาณิชย์ของโรงไฟฟ้าขนาดใหญ่ขนาด 1.28GW ที่จะเริ่มทุก ๆ 6 เดือนจากช่วง 1H21 จนถึง 2H24 ซึ่งจะเพิ่มกำลังการผลิตติดตั้งจำนวน 5.3GW ให้กับพอร์ตโรงไฟฟ้าของ GULF

น่าจะใช้วิธีการแปลงสินทรัพย์ให้เป็นเงินสำหรับ ADVANC

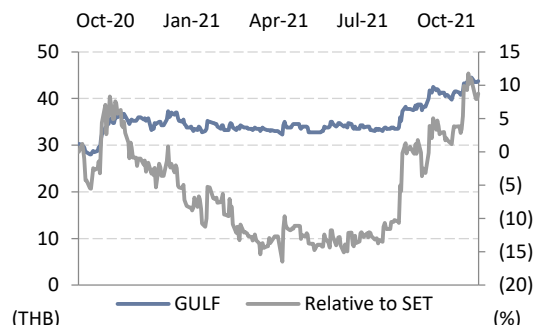
นอกจากนี้ผู้บริหารยังระบุอีกว่า ADVANC น่าจะใช้กลยุทธ์แปลงสินทรัพย์ให้เป็นเงินผ่านการขายสินทรัพย์ให้กองทุนโครงสร้างพื้นฐานเพื่อเซาท์อีสต์ เอเชีย อย่างไรก็ตาม ยังอยู่ระหว่างการศึกษาวិธีที่ดีที่สุดเพื่อใช้จุดแข็งทางการเงินของ ADVANC และ INTUCH ให้เป็นประโยชน์สูงสุดต่อผู้ถือหุ้นของ GULF และกลุ่ม INTUCH

คงแนะนำซื้อหลังปรับราคาเป้าหมายขึ้นเป็น 56 บาท

เราคงคำแนะนำซื้อหลังปรับราคาเป้าหมายจาก 47 เป็น 56 บาท (SOTP) เพื่อรวมมูลค่า 9.2 บาทสำหรับ INTUCH โดยคิดจากราคาตลาดที่ 79.5 บาทเมื่อวันที่ 1 ต.ค. 21 แทนที่จะคิดจากราคาเป้าหมายของเราที่ 65 บาท (SOTP) สำหรับ INTUCH เนื่องจาก GULF จะบันทึกกำไรเพิ่มเติมจากการซื้อกิจการในส่วนผู้ถือหุ้นโดยคิดจากราคาตลาดที่ 79.5 บาท นอกจากนี้เรายังปรับการประเมินมูลค่าไปในปี 2022 หมายเหตุเราได้รวมรายได้ตามส่วนการถือหุ้นของ INTUCH ไว้แล้วโดยวิธีการบันทึกตามส่วนการถือหุ้น และทำให้เราคงประมาณการกำไรต่อหุ้นปี 2021-23 ไว้เหมือนเดิม GULF เป็นหุ้นเด่นของเราในกลุ่มสาธารณูปโภคของไทยจากแนวโน้มการเติบโตของกำไรสุทธิที่อยู่ในระดับสูงในปี 2021-23 จากโครงการใหม่ ๆ ความเสี่ยงที่อาจมีได้จากแผนพัฒนากำลังการผลิตไฟฟ้าฉบับใหม่ในประเทศไทยและเวียดนาม และประโยชน์ที่อาจได้จาก INTUCH และ ADVANC

## KEY STOCK DATA

| YE Dec (THB m)       | 2020   | 2021E  | 2022E  | 2023E  |
|----------------------|--------|--------|--------|--------|
| Revenue              | 32,827 | 31,847 | 74,626 | 74,808 |
| Net profit           | 4,282  | 6,590  | 12,632 | 13,407 |
| EPS (THB)            | 0.36   | 0.56   | 1.08   | 1.14   |
| vs Consensus (%)     | -      | (18.2) | 12.4   | (10.2) |
| EBITDA               | 10,672 | 12,178 | 22,932 | 24,118 |
| Core net profit      | 4,478  | 6,590  | 12,632 | 13,407 |
| Core EPS (THB)       | 0.38   | 0.56   | 1.08   | 1.14   |
| Chg. In EPS est. (%) | -      | -      | -      | -      |
| EPS growth (%)       | 16.0   | 47.2   | 91.7   | 6.1    |
| Core P/E (x)         | 114.6  | 77.9   | 40.6   | 38.3   |
| Dividend yield (%)   | 0.6    | 0.9    | 1.6    | 1.6    |
| EV/EBITDA (x)        | 56.5   | 52.4   | 27.6   | 26.0   |
| Price/book (x)       | 8.0    | 7.6    | 6.8    | 6.4    |
| Net debt/Equity (%)  | 113.1  | 147.3  | 116.9  | 96.4   |
| ROE (%)              | 8.7    | 10.0   | 17.6   | 17.1   |



| Share price performance        | 1 Month | 3 Month                     | 12 Month    |
|--------------------------------|---------|-----------------------------|-------------|
| Absolute (%)                   | 8.0     | 30.6                        | 41.1        |
| Relative to country (%)        | 7.6     | 25.0                        | 9.5         |
| Mkt cap (USD m)                |         |                             | 15,455      |
| 3m avg. daily turnover (USD m) |         |                             | 49.8        |
| Free float (%)                 |         |                             | 27          |
| Major shareholder              |         | Mr. Sarath Ratanavadi (35%) |             |
| 12m high/low (THB)             |         |                             | 45.25/27.50 |
| Issued shares (m)              |         |                             | 11,733.15   |

Sources: Bloomberg consensus; FSSIA estimates



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บทวิเคราะห์ฉบับนี้แปลมาจากบทวิเคราะห์ของ FSSIA ฉบับวันที่ 15 ตุลาคม 2021

## Investment thesis

Founded in 2010, GULF is one of Thailand's pioneer power companies with operations in both small power producers (SPP) and large independent power producers (IPP). A big power company with strong and sustainable earnings growth, GULF is Thailand's largest power producer with the highest visible earnings growth outlook among the Thai power companies we cover. The key growth drivers include equity capacity growth that we estimate at 18% CAGR to reach 6.3GW by 2024, driven by two growth phases from SPP and IPP projects.

We project that net profits from its 19 SPPs will make up the bulk of GULF's core net profit in 2021-22 before its new large-scale IPPs come on stream in 2022-25. We believe that GULF will ride Thailand's SPP growth, based on 1) higher electricity tariffs on Thailand's structurally higher tariff rates, driven by the higher commodity prices of coal, gas, and oil; and 2) the solid demand for power and steam from industrial users.

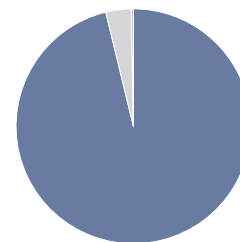
## Company profile

GULF is Thailand's largest power producer with expected capacity of over 7.6GW by 2027. It has the largest SPP and IPP portfolio and the strongest earnings growth outlook among the Thai power companies we cover.

[www.gulf.co.th](http://www.gulf.co.th)

## Principal activities (revenue, 2020)

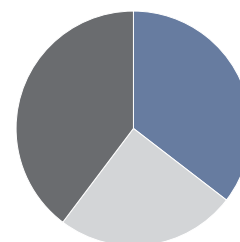
- Power business - 96.8 %
- Consulting business - 3.5 %
- Others - (0.3) %



Source: Gulf Energy Development

## Major shareholders

- Mr. Sarath Ratanavadi - 35.4 %
- GULF Capital Holdings Limited - 24.8 %
- Others - 39.7 %



Source: Gulf Energy Development

## Catalysts

Higher utilisation rates of power plants and rising demand for electricity in Thailand and Vietnam are key potential growth drivers.

## Risks to our call

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 commercial operation dates.

## Event calendar

| Date     | Event                     |
|----------|---------------------------|
| Nov 2021 | 3Q21 results announcement |

## Key assumptions

|  | 2021E  | 2022E  | 2023E  |
|--|--------|--------|--------|
| Dispatched power (GWh)                   | 17,537 | 32,848 | 34,646 |
| Average utilisation rate (%)             | 81     | 82     | 83     |
| Gas cost (THB/mmbtu)                     | 235    | 223    | 212    |
| No. of shares at year-end (m shares)     | 11,733 | 11,733 | 11,733 |
| No. of shares - weighted avg. (m shares) | 11,733 | 11,733 | 11,733 |

Source: FSSIA estimates

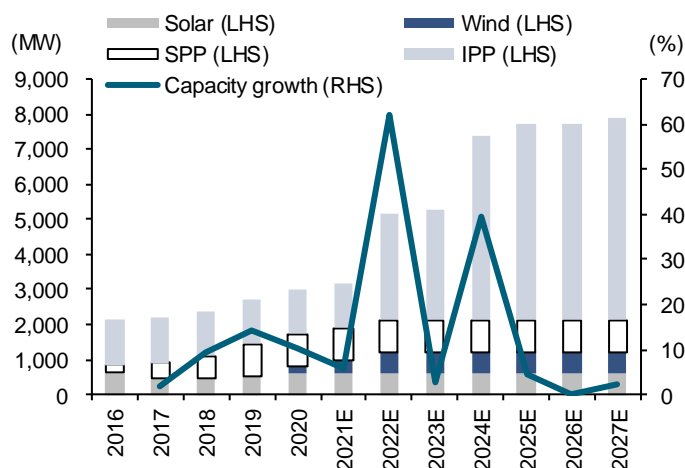
## Earnings sensitivity

- For every 1% increase in gas price, we estimate that 2021 earnings would decline 1.1%, and vice versa, all else being equal.
- For every 1% increase in interest rate, we estimate that 2021 earnings would decline 2.1%, and vice versa, all else being equal.

Source: FSSIA estimates

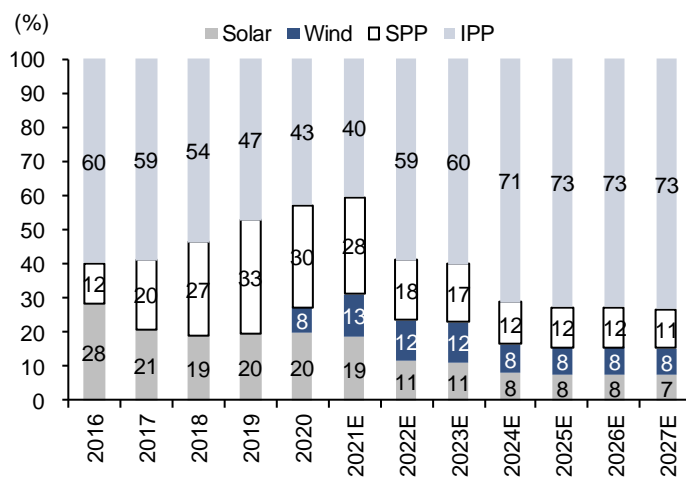


Exhibit 1: Capacity breakdown by power plant type



Sources: GULF; FSSIA estimates

Exhibit 2: Capacity breakdown by power plant type (%)



Sources: GULF; FSSIA estimates

Exhibit 3: SoTP valuation

| Cost of equity assumptions |            | Cost of debt assumptions |      |
|----------------------------|------------|--------------------------|------|
| Risk-free rate             | 2.3        | Pretax cost of debt      | 3.0  |
| 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     | 2.1  |
| Weight applied             | 20.0       | Weight applied           | 80.0 |
| <b>WACC (%)</b>            | <b>3.0</b> |                          |      |

| DCF valuation estimate          | (MW)  | (%) | (THB m)        | Equity Capacity (MW) | (THB/share) | Comments  |
|---------------------------------|-------|-----|----------------|----------------------|-------------|---|
| <b>IPP</b>                      |       |     |                |                      |             |   |
| GNS                             | 1,653 | 40  | 29,435         | 661                  | 2.5         | WACC 3.3%, Risk free rate 2.3%, Risk premium 8.5%, zero terminal growth |
| GUT                             | 1,752 | 40  | 40,819         | 701                  | 3.5         | WACC 3.3%, Risk free rate 2.3%, Risk premium 8.5%, zero terminal growth |
| GSRC                            | 2,650 | 70  | 63,770         | 1,855                | 5.4         | WACC 3.3%, Risk free rate 2.3%, Risk premium 8.5%, zero terminal growth |
| GPD                             | 2,920 | 70  | 94,957         | 2,044                | 8.1         | WACC 3.3%, Risk free rate 2.3%, Risk premium 8.5%, zero terminal growth |
| Duqm (Oman)                     | 236   | 45  | 5,057          | 106                  | 0.4         | WACC 3.3%, Risk free rate 2.3%, Risk premium 8.5%, zero terminal growth |
| Hin Kong (2024E-2025E)          | 1,400 | 49  | 39,595         | 686                  | 3.4         | WACC 3.3%, Risk free rate 2.3%, Risk premium 8.5%, zero terminal growth |
| Burapa Power (2027E)            | 540   | 35  | 12,039         | 189                  | 1.0         | WACC 3.3%, Risk free rate 2.3%, Risk premium 8.5%, zero terminal growth |
| <b>SPP</b>                      |       |     |                |                      |             |   |
| GJP's 7 SPPs                    | 831   | 40  | 32,515         | 332                  | 2.8         | WACC 3.3%, Risk free rate 2.3%, Risk premium 8.5%, zero terminal growth |
| GMP's 9 SPPs                    | 1,179 | 53  | 62,893         | 619                  | 5.4         | WACC 3.3%, Risk free rate 2.3%, Risk premium 8.5%, zero terminal growth |
| GMP's 3 SPPs (GNC, GNRV1&2)     | 383   | 70  | 19,688         | 268                  | 1.7         | WACC 3.3%, Risk free rate 2.3%, Risk premium 8.5%, zero terminal growth |
| CGC (biomass)                   | 25    | 100 | 229            | 25                   | 0.0         | WACC 3.3%, Risk free rate 2.3%, Risk premium 8.5%, zero terminal growth |
| <b>Renewable</b>                |       |     |                |                      |             |   |
| Solar - Thailand                | 598   | 75  | 19,004         | 449                  | 1.6         | WACC 3.3%, Risk free rate 2.3%, Risk premium 8.5%, zero terminal growth |
| Solar - Vietnam                 | 149   | 95  | 1,856          | 141                  | 0.2         | WACC 5%, Risk free rate 6%, Risk premium 6.5%, zero terminal growth     |
| Wind - Vietnam                  | 410   | 95  | 17,967         | 390                  | 1.5         | WACC 5%, Risk free rate 6%, Risk premium 6.5%, zero terminal growth     |
| Wind - Germany                  | 450   | 50  | 21,739         | 225                  | 1.9         | WACC 4%, Risk free rate 2%, Risk premium 8.5%, zero terminal growth     |
| <b>Infrastructure</b>           |       |     |                |                      |             |   |
| Laemchabang phase 3 (2023E)     |       | 40  | 12,530         |                      | 1.1         | EIRR 10.5%  |
| Maptaphut phase 3 (2023E)       |       | 70  | 165,749        |                      | 14.1        | EIRR 13.6%  |
| Motorway O&M projects (2023E)   |       | 40  | 10,853         |                      | 0.9         | EIRR 10%  |
| One Bangkok (2024E)             | 240   | 16  | 1,362          |                      | 0.1         | EIRR 12%  |
| <b>Investment</b>               |       |     |                |                      |             |   |
| SPCG                            |       | 10  | 2,500          | 29                   | 0.2         | At 1.5x FY22E P/BV  |
| INTUCH                          |       | 42  | 107,707        |                      | 9.2         | At THB79.5 market price   |
| Net debt                        |       |     | (105,340)      |                      | (9.0)       | At end-2022E  |
| <b>Residual ordinary equity</b> |       |     | <b>656,924</b> | <b>8,720</b>         | <b>56.0</b> |   |

Sources: GULF; FSSIA estimates

## Financial Statements

### Gulf Energy Development

| Profit and Loss (THB m) Year Ending Dec           | 2019           | 2020          | 2021E         | 2022E         | 2023E         |
|---|----------------|---------------|---------------|---------------|---------------|
| Revenue   | 30,040         | 32,827        | 31,847        | 74,626        | 74,808        |
| Cost of goods sold                                | (21,734)       | (20,075)      | (18,076)      | (47,962)      | (46,949)      |
| <b>Gross profit</b>                               | <b>8,306</b>   | <b>12,752</b> | <b>13,771</b> | <b>26,664</b> | <b>27,859</b> |
| Other operating income                            | -              | -             | -             | -             | -             |
| Operating costs                                   | (1,713)        | (2,080)       | (1,592)       | (3,731)       | (3,740)       |
| <b>Operating EBITDA</b>                           | <b>6,593</b>   | <b>10,672</b> | <b>12,178</b> | <b>22,932</b> | <b>24,118</b> |
| Depreciation                                      | (2,434)        | (3,431)       | (3,049)       | (5,180)       | (5,503)       |
| Goodwill amortisation                             | 0              | 0             | 0             | 0             | 0             |
| <b>Operating EBIT</b>                             | <b>4,159</b>   | <b>7,241</b>  | <b>9,129</b>  | <b>17,752</b> | <b>18,616</b> |
| Net financing costs                               | (1,703)        | (3,715)       | (3,501)       | (4,656)       | (4,518)       |
| Associates  | 3,205          | 2,462         | 3,210         | 4,189         | 4,631         |
| Recurring non-operating income                    | 3,320          | 2,922         | 3,230         | 4,209         | 4,651         |
| Non-recurring items                               | 1,377          | (196)         | 0             | 0             | 0             |
| <b>Profit before tax</b>                          | <b>7,152</b>   | <b>6,252</b>  | <b>8,859</b>  | <b>17,306</b> | <b>18,748</b> |
| Tax   | 14             | (107)         | (13)          | (492)         | (963)         |
| <b>Profit after tax</b>                           | <b>7,166</b>   | <b>6,144</b>  | <b>8,846</b>  | <b>16,814</b> | <b>17,785</b> |
| Minority interests                                | (2,280)        | (1,862)       | (2,256)       | (4,182)       | (4,378)       |
| Preferred dividends                               | 0              | 0             | 0             | 0             | 0             |
| Other items                                       | -              | -             | -             | -             | -             |
| <b>Reported net profit</b>                        | <b>4,887</b>   | <b>4,282</b>  | <b>6,590</b>  | <b>12,632</b> | <b>13,407</b> |
| <b>Non-recurring items &amp; goodwill (net)</b>   | <b>(1,377)</b> | <b>196</b>    | <b>0</b>      | <b>0</b>      | <b>0</b>      |
| <b>Recurring net profit</b>                       | <b>3,510</b>   | <b>4,478</b>  | <b>6,590</b>  | <b>12,632</b> | <b>13,407</b> |
| <b>Per share (THB)</b>                            |                |               |               |               |               |
| Recurring EPS *                                   | 0.33           | 0.38          | 0.56          | 1.08          | 1.14          |
| Reported EPS                                      | 0.46           | 0.36          | 0.56          | 1.08          | 1.14          |
| DPS   | 0.26           | 0.25          | 0.40          | 0.70          | 0.70          |
| Diluted shares (used to calculate per share data) | 10,667         | 11,733        | 11,733        | 11,733        | 11,733        |
| <b>Growth</b>                                     |                |               |               |               |               |
| Revenue (%)                                       | 74.8           | 9.3           | (3.0)         | 134.3         | 0.2           |
| Operating EBITDA (%)                              | 49.7           | 61.9          | 14.1          | 88.3          | 5.2           |
| Operating EBIT (%)                                | 38.1           | 74.1          | 26.1          | 94.5          | 4.9           |
| Recurring EPS (%)                                 | 15.9           | 16.0          | 47.2          | 91.7          | 6.1           |
| Reported EPS (%)                                  | 61.4           | (20.3)        | 53.9          | 91.7          | 6.1           |
| <b>Operating performance</b>                      |                |               |               |               |               |
| Gross margin inc. depreciation (%)                | 19.5           | 28.4          | 33.7          | 28.8          | 29.9          |
| Gross margin of key business (%)                  | 24.1           | 27.8          | 33.7          | 28.8          | 29.9          |
| Operating EBITDA margin (%)                       | 21.9           | 32.5          | 38.2          | 30.7          | 32.2          |
| Operating EBIT margin (%)                         | 13.8           | 22.1          | 28.7          | 23.8          | 24.9          |
| Net margin (%)                                    | 11.7           | 13.6          | 20.7          | 16.9          | 17.9          |
| Effective tax rate (%)                            | (0.3)          | 2.8           | 0.2           | 3.7           | 6.8           |
| Dividend payout on recurring profit (%)           | 79.0           | 65.5          | 71.2          | 65.0          | 61.3          |
| Interest cover (X)                                | 4.4            | 2.7           | 3.5           | 4.7           | 5.1           |
| Inventory days                                    | -              | -             | -             | -             | -             |
| Debtor days                                       | 52.9           | 60.4          | 67.4          | 33.5          | 40.7          |
| Creditor days                                     | 24.1           | 27.7          | 25.8          | 16.8          | 24.6          |
| Operating ROIC (%)                                | 4.6            | 5.5           | (1.2)         | (2.1)         | (2.2)         |
| ROIC (%)  | 5.8            | 5.0           | (1.1)         | (1.7)         | (1.8)         |
| ROE (%)   | 9.4            | 8.7           | 10.0          | 17.6          | 17.1          |
| ROA (%)   | 5.5            | 4.9           | 3.1           | 5.5           | 5.5           |
| * Pre-exceptional, pre-goodwill and fully diluted |                |               |               |               |               |
| <b>Revenue by Division (THB m)</b>                |                |               |               |               |               |
| Power business                                    | 30,313         | 31,772        | 26,704        | 69,375        | 69,557        |
| Consulting business                               | 955            | 1,154         | 5,772         | 5,772         | 5,772         |
| Others  | (1,228)        | (99)          | (629)         | (521)         | (521)         |

Sources: Gulf Energy Development; FSSIA estimates

## Financial Statements

### Gulf Energy Development

| Cash Flow (THB m) Year Ending Dec  | 2019           | 2020            | 2021E           | 2022E           | 2023E           |
|--|----------------|-----------------|-----------------|-----------------|-----------------|
| Recurring net profit   | 3,510          | 4,478           | 6,590           | 12,632          | 13,407          |
| Depreciation   | 2,434          | 3,431           | 3,049           | 5,180           | 5,503           |
| Associates & minorities  | 3,205          | 2,462           | 3,210           | 4,189           | 4,631           |
| Other non-cash items   | -              | -               | -               | -               | -               |
| Change in working capital  | (6,473)        | 2,798           | (762)           | 7,807           | (1,533)         |
| <b>Cash flow from operations</b>   | <b>2,676</b>   | <b>13,169</b>   | <b>12,088</b>   | <b>29,809</b>   | <b>22,008</b>   |
| Capex - maintenance  | (2,410)        | (3,152)         | (3,226)         | (4,256)         | (3,805)         |
| Capex - new investment   | (13,320)       | (49,037)        | (38,313)        | (11,321)        | (462)           |
| Net acquisitions & disposals   | (1,209)        | (832)           | 0               | 0               | 0               |
| Other investments (net)  | 11,701         | 433             | 3,209           | 4,187           | 4,629           |
| <b>Cash flow from investing</b>  | <b>(5,239)</b> | <b>(52,588)</b> | <b>(38,329)</b> | <b>(11,390)</b> | <b>362</b>      |
| Dividends paid   | (2,133)        | (2,773)         | (2,933)         | (4,693)         | (8,213)         |
| Equity finance   | 0              | 0               | 0               | 0               | 0               |
| Debt finance   | 5,584          | 27,702          | 23,017          | (2,000)         | 0               |
| Other financing cash flows   | (3,196)        | 16,003          | (4,164)         | (4,194)         | (4,882)         |
| <b>Cash flow from financing</b>  | <b>254</b>     | <b>40,932</b>   | <b>15,920</b>   | <b>(10,887)</b> | <b>(13,095)</b> |
| Non-recurring cash flows   | -              | -               | -               | -               | -               |
| Other adjustments  | 0              | 0               | 0               | 0               | 0               |
| <b>Net other adjustments</b>   | <b>0</b>       | <b>0</b>        | <b>0</b>        | <b>0</b>        | <b>0</b>        |
| <b>Movement in cash</b>  | <b>(2,309)</b> | <b>1,513</b>    | <b>(10,321)</b> | <b>7,532</b>    | <b>9,275</b>    |
| Free cash flow to firm (FCFF)  | 332.82         | (35,753.90)     | (22,263.26)     | 23,297.88       | 27,412.85       |
| Free cash flow to equity (FCFE)  | (175.27)       | 4,285.96        | (7,388.02)      | 12,225.06       | 17,487.81       |
| <b>Per share (THB)</b>   |                |                 |                 |                 |                 |
| FCFF per share   | 0.03           | (3.05)          | (1.90)          | 1.99            | 2.34            |
| FCFE per share   | (0.01)         | 0.37            | (0.63)          | 1.04            | 1.49            |
| Recurring cash flow per share  | 0.86           | 0.88            | 1.10            | 1.88            | 2.01            |
| <b>Balance Sheet (THB m) Year Ending Dec</b>   |                |                 |                 |                 |                 |
| Tangible fixed assets (gross)  | 85,190         | 139,958         | 181,673         | 196,326         | 198,896         |
| Less: Accumulated depreciation   | (4,229)        | (10,240)        | (13,466)        | (17,722)        | (21,527)        |
| <b>Tangible fixed assets (net)</b>   | <b>80,961</b>  | <b>129,718</b>  | <b>168,208</b>  | <b>178,605</b>  | <b>177,369</b>  |
| <b>Intangible fixed assets (net)</b>   | <b>1,113</b>   | <b>17,354</b>   | <b>17,354</b>   | <b>17,354</b>   | <b>17,354</b>   |
| Long-term financial assets   | -              | -               | -               | -               | -               |
| Invest. in associates & subsidiaries   | 21,247         | 22,079          | 22,079          | 22,079          | 22,079          |
| Cash & equivalents   | 14,390         | 15,902          | 5,581           | 13,112          | 22,387          |
| A/C receivable   | 5,199          | 5,660           | 6,108           | 7,601           | 9,097           |
| Inventories  | 0              | 0               | 0               | 0               | 0               |
| Other current assets   | 2,828          | 8,792           | 8,529           | 19,986          | 20,035          |
| <b>Current assets</b>  | <b>22,417</b>  | <b>30,354</b>   | <b>20,219</b>   | <b>40,699</b>   | <b>51,519</b>   |
| Other assets   | 8,540          | 46,075          | 46,075          | 46,075          | 46,075          |
| <b>Total assets</b>  | <b>134,278</b> | <b>245,580</b>  | <b>273,934</b>  | <b>304,812</b>  | <b>314,396</b>  |
| Common equity  | 38,427         | 64,027          | 67,684          | 75,623          | 80,816          |
| Minorities etc.  | 10,613         | 8,053           | 10,309          | 14,491          | 18,869          |
| <b>Total shareholders' equity</b>  | <b>49,040</b>  | <b>72,080</b>   | <b>77,993</b>   | <b>90,114</b>   | <b>99,685</b>   |
| Long term debt   | 66,453         | 83,544          | 116,453         | 116,453         | 116,453         |
| Other long-term liabilities  | 8,976          | 60,314          | 60,314          | 60,314          | 60,314          |
| <b>Long-term liabilities</b>   | <b>75,429</b>  | <b>143,858</b>  | <b>176,767</b>  | <b>176,767</b>  | <b>176,767</b>  |
| A/C payable  | 1,689          | 1,353           | 1,207           | 3,202           | 3,135           |
| Short term debt  | 3,281          | 13,892          | 4,000           | 2,000           | 2,000           |
| Other current liabilities  | 4,838          | 14,397          | 13,967          | 32,729          | 32,808          |
| <b>Current liabilities</b>   | <b>9,809</b>   | <b>29,643</b>   | <b>19,174</b>   | <b>37,931</b>   | <b>37,943</b>   |
| <b>Total liabilities and shareholders' equity</b>  | <b>134,278</b> | <b>245,581</b>  | <b>273,934</b>  | <b>304,812</b>  | <b>314,396</b>  |
| Net working capital  | 1,500          | (1,298)         | (537)           | (8,344)         | (6,811)         |
| Invested capital   | 113,360        | 213,928         | 253,179         | 255,768         | 256,065         |
| * Includes convertibles and preferred stock which is being treated as debt   |                |                 |                 |                 |                 |
| <b>Per share (THB)</b>   |                |                 |                 |                 |                 |
| Book value per share   | 3.60           | 5.46            | 5.77            | 6.45            | 6.89            |
| Tangible book value per share  | 3.50           | 3.98            | 4.29            | 4.97            | 5.41            |
| <b>Financial strength</b>  |                |                 |                 |                 |                 |
| Net debt/equity (%)  | 112.9          | 113.1           | 147.3           | 116.9           | 96.4            |
| Net debt/total assets (%)  | 41.2           | 33.2            | 41.9            | 34.6            | 30.6            |
| Current ratio (x)  | 2.3            | 1.0             | 1.1             | 1.1             | 1.4             |
| CF interest cover (x)  | 8.7            | 15.4            | 9.8             | 6.1             | 5.0             |
| <b>Valuation</b>   |                |                 |                 |                 |                 |
| <b>Recurring P/E (x) *</b>   | <b>133.0</b>   | <b>114.6</b>    | <b>77.9</b>     | <b>40.6</b>     | <b>38.3</b>     |
| <b>Recurring P/E @ target price (x) *</b>  | <b>170.2</b>   | <b>146.7</b>    | <b>99.7</b>     | <b>52.0</b>     | <b>49.0</b>     |
| Reported P/E (x)   | 95.5           | 119.9           | 77.9            | 40.6            | 38.3            |
| Dividend yield (%)   | 0.6            | 0.6             | 0.9             | 1.6             | 1.6             |
| Price/book (x)   | 12.1           | 8.0             | 7.6             | 6.8             | 6.4             |
| Price/tangible book (x)  | 12.5           | 11.0            | 10.2            | 8.8             | 8.1             |
| EV/EBITDA (x) **   | 80.8           | 56.5            | 52.4            | 27.6            | 26.0            |
| EV/EBITDA @ target price (x) **  | 100.6          | 70.0            | 64.2            | 33.9            | 32.0            |
| EV/invested capital (x)  | 4.7            | 2.8             | 2.5             | 2.5             | 2.5             |
| * Pre-exceptional, pre-goodwill and fully diluted ** EBITDA includes associate income and recurring non-operating income |                |                 |                 |                 |                 |

Sources: Gulf Energy Development; FSSIA estimates

## Corporate Governance report of Thai listed companies 2020

| EXCELLENT LEVEL |        |        |       |       |       |        |        |        |        |        |
|-----------------|--------|--------|-------|-------|-------|--------|--------|--------|--------|--------|
| AAV             | ADVANC | AF     | AIRA  | AKP   | AKR   | ALT    | AMA    | AMATA  | AMATAV | ANAN   |
| AOT             | AP     | ARIP   | ARROW | ASP   | BAFS  | BANPU  | BAY    | BCP    | BCPG   | BDMS   |
| BEC             | BEM    | BGRIM  | BIZ   | BKI   | BLA   | BOL    | BPP    | BRR    | BTS    | BWG    |
| CENTEL          | CFRESH | CHEWA  | CHO   | CIMBT | CK    | CKP    | CM     | CNT    | COL    | COMAN  |
| COTTO           | CPALL  | CPF    | CPI   | CPN   | CSS   | DELTA  | DEMCO  | DRT    | DTAC   | DTC    |
| DV8             | EA     | EASTW  | ECF   | ECL   | EGCO  | EPG    | ETE    | FNS    | FPI    | FPT    |
| FSMART          | GBX    | GC     | GCAP  | GEL   | GFPT  | GGC    | GPSC   | GRAMMY | GUNKUL | HANA   |
| HARN            | HMPRO  | ICC    | ICI   | III   | ILINK | INTUCH | IRPC   | IVL    | JKN    | JSP    |
| JWD             | K      | KBANK  | KCE   | KKP   | KSL   | KTB    | KTC    | LANNA  | LH     | LHFG   |
| LIT             | LPN    | MAKRO  | MALEE | MBK   | MBKET | MC     | MCOT   | METCO  | MFEC   | MINT   |
| MONO            | MOONG  | MSC    | MTC   | NCH   | NCL   | NEP    | NKI    | NOBLE  | NSI    | NVD    |
| NYT             | OISHI  | ORI    | OTO   | PAP   | PCSGH | PDJ    | PG     | PHOL   | PLANB  | PLANET |
| PLAT            | PORT   | PPS    | PR9   | PREB  | PRG   | PRM    | PSH    | PSL    | PTG    | PTT    |
| PTTEP           | PTTGC  | PYLON  | Q-CON | QH    | QTC   | RATCH  | RS     | S      | S & J  | SAAM   |
| SABINA          | SAMART | SAMTEL | SAT   | SC    | SCB   | SCC    | SCCC   | SCG    | SCN    | SDC    |
| SEAFCO          | SEAOIL | SE-ED  | SELIC | SENA  | SIRI  | SIS    | SITHAI | SMK    | SMPC   | SNC    |
| SONIC           | SORKON | SPALI  | SPI   | SPRC  | SPVI  | SSSC   | SST    | STA    | SUSCO  | SUTHA  |
| SVI             | SYMC   | SYNTEC | TACC  | TASCO | TCAP  | TFMAMA | THANA  | THANI  | THCOM  | THG    |
| THIP            | THRE   | THREL  | TIP   | TIPCO | TISCO | TK     | TKT    | TTB    | TMILL  | TNDT   |
| TNL             | TOA    | TOP    | TPBI  | TQM   | TRC   | TSC    | TSR    | TSTE   | TSTH   | TTA    |
| TTCL            | TTW    | TU     | TVD   | TVI   | TVO   | TWPC   | U      | UAC    | UBIS   | UV     |
| VGI             | VIH    | WACOAL | WAVE  | WHA   | WHAUP | WICE   | WINNER | TRUE   |        |        |

| VERY GOOD LEVEL |         |        |       |        |       |        |        |        |        |       |
|-----------------|---------|--------|-------|--------|-------|--------|--------|--------|--------|-------|
| 2S              | ABM     | ACE    | ACG   | ADB    | AEC   | AEONTS | AGE    | AH     | AHC    | AIT   |
| ALLA            | AMANAHA | AMARIN | APCO  | APCS   | APURE | AQUA   | ASAP   | ASEFA  | ASIA   | ASIAN |
| ASIMAR          | ASK     | ASN    | ATP30 | AUCT   | AWC   | AYUD   | B      | BA     | BAM    | BBL   |
| BFIT            | BGC     | BJC    | BJCHI | BROOK  | BTW   | CBG    | CEN    | CGH    | CHARAN | CHAYO |
| CHG             | CHOTI   | CHOW   | CI    | CIG    | CMC   | COLOR  | COM7   | CPL    | CRC    | CRD   |
| CSC             | CSP     | CWT    | DCC   | DCON   | DDD   | DOD    | DOHOME | EASON  | EE     | ERW   |
| ESTAR           | FE      | FLOYD  | FN    | FORTH  | FSS   | FTE    | FVC    | GENCO  | GJS    | GL    |
| GLAND           | GLOBAL  | GLOCON | GPI   | GULF   | GYT   | HPT    | HTC    | ICN    | IFS    | ILM   |
| IMH             | INET    | INSURE | IRC   | IRCP   | IT    | ITD    | ITEL   | J      | JAS    | JCK   |
| JCKH            | JMART   | JMT    | KBS   | KCAR   | KGI   | KIAT   | KOOL   | KTIS   | KWC    | KWM   |
| L&E             | LALIN   | LDC    | LHK   | LOXLEY | LPH   | LRH    | LST    | M      | MACO   | MAJOR |
| MBAX            | MEGA    | META   | MFC   | MGT    | MILL  | MITSIB | MK     | MODERN | MTI    | MVP   |
| NETBAY          | NEX     | NINE   | NTV   | NWR    | OCC   | OGC    | OSP    | PATO   | PB     | PDG   |
| PDI             | PICO    | PIMO   | PJW   | PL     | PM    | PPP    | PRIN   | PRINC  | PSTC   | PT    |
| QLT             | RCL     | RICHY  | RML   | RPC    | RWI   | S11    | SALEE  | SAMCO  | SANKO  | SAPPE |
| SAWAD           | SCI     | SCP    | SE    | SEG    | SFP   | SGF    | SHR    | SIAM   | SINGER | SKE   |
| SKR             | SKY     | SMIT   | SMT   | SNP    | SPA   | SPC    | SPCG   | SR     | SRICHA | SSC   |
| SSF             | STANLY  | STI    | STPI  | SUC    | SUN   | SYNEX  | T      | TAE    | TAKUNI | TBSP  |
| TCC             | TCMC    | TEAM   | TEAMG | TFG    | TIGER | TITLE  | TKN    | TKS    | TM     | TMC   |
| TMD             | TMI     | TMT    | TNITY | TNP    | TNR   | TOG    | TPA    | TPAC   | TPCORP | TPOLY |
| TPS             | TRITN   | TRT    | TRU   | TSE    | TVT   | TWP    | UEC    | UMI    | UOBKH  | UP    |
| UPF             | UPOIC   | UT     | UTP   | UWC    | VL    | VNT    | VPO    | WIJK   | WP     | XO    |
| YUASA           | ZEN     | ZIGA   | ZMICO |        |       |        |        |        |        |       |

| GOOD LEVEL |      |        |        |       |        |       |       |        |        |       |
|------------|------|--------|--------|-------|--------|-------|-------|--------|--------|-------|
| 7UP        | A    | ABICO  | AJ     | ALL   | ALUCON | AMC   | APP   | ARIN   | AS     | AU    |
| B52        | BC   | BCH    | BEAUTY | BGT   | BH     | BIG   | BKD   | BLAND  | BM     | BR    |
| BROCK      | BSBM | BSM    | BTNC   | CAZ   | CCP    | CGD   | CITY  | CMAN   | CMO    | CMR   |
| CPT        | CPW  | CRANE  | CSR    | D     | EKH    | EP    | ESSO  | FMT    | GIFT   | GREEN |
| GSC        | GTB  | HTECH  | HUMAN  | IHL   | INOX   | INSET | IP    | JTS    | JUBILE | KASET |
| KCM        | KKC  | KUMWEL | KUN    | KWG   | KYE    | LEE   | MATCH | MATI   | M-CHAI | MCS   |
| MDX        | MJD  | MM     | MORE   | NC    | NDR    | NER   | NFC   | NNCL   | NPK    | NUSA  |
| OCEAN      | PAF  | PF     | PK     | PLE   | PMTA   | POST  | PPM   | PRAKIT | PRECHA | PRIME |
| PROUD      | PTL  | RBF    | RCI    | RJH   | ROJNA  | RP    | RPH   | RSP    | SF     | SFLEX |
| SGP        | SISB | SKN    | SLP    | SMART | SOLAR  | SPG   | SQ    | SSP    | STARK  | STC   |
| SUPER      | SVOA | TC     | TCCC   | THMUI | TIW    | TNH   | TOPP  | TPCH   | TIPIP  | TPLAS |
| TTI        | TYCN | UKEM   | UMS    | VCOM  | VRANDA | WIN   | WORK  | WPH    |        |       |

## Description

## Score Range

Excellent

90-100

Very Good

80-89

Good

70-79

## 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 2020

| CERTIFIED |        |        |        |        |        |        |         |        |        |        |
|-----------|--------|--------|--------|--------|--------|--------|---------|--------|--------|--------|
| 2S        | ADVANC | AI     | AIE    | AIRA   | AKP    | AMA    | AMANAHA | AP     | AQUA   | ARROW  |
| ASK       | ASP    | AYUD   | B      | BAFS   | BANPU  | BAY    | BBL     | BCH    | BCP    | BCPG   |
| BGC       | BGRIM  | BJCHI  | BKI    | BLA    | BPP    | BROOK  | BRR     | BSBM   | BTS    | BWG    |
| CEN       | CENTEL | CFRESH | CGH    | CHEWA  | CHOTI  | CHOW   | CIG     | CIMBT  | CM     | CMC    |
| COL       | COM7   | CPALL  | CPF    | CPI    | CPN    | CSC    | DCC     | DELTA  | DEMCO  | DIMET  |
| DRT       | DTAC   | DTC    | EASTW  | ECL    | EGCO   | FE     | FNS     | FPI    | FPT    | FSS    |
| FTE       | GBX    | GC     | GCAP   | GEL    | GFPT   | GGC    | GJS     | GPSC   | GSTEEL | GUNKUL |
| HANA      | HARN   | HMPRO  | HTC    | ICC    | ICHI   | IFS    | INET    | INSURE | INTUCH | IRPC   |
| ITEL      | IVL    | K      | KASET  | KBANK  | KBS    | KCAR   | KCE     | KGI    | KKP    | KSL    |
| KTB       | KTC    | KWC    | L&E    | LANNA  | LHFG   | LHK    | LPN     | LRH    | M      | MAKRO  |
| MALEE     | MBAX   | MBK    | MBKET  | MC     | MCOT   | MFC    | MFEC    | MINT   | MONO   | MOONG  |
| MPG       | MSC    | MTC    | MTI    | NBC    | NEP    | NINE   | NKI     | NMG    | NNCL   | NSI    |
| NWR       | OCC    | OCEAN  | OGC    | ORI    | PAP    | PATO   | PB      | PCSGH  | PDG    | PDI    |
| PDJ       | PE     | PG     | PHOL   | PL     | PLANB  | PLANET | PLAT    | PM     | PPP    | PPPM   |
| PPS       | PREB   | PRG    | PRINC  | PRM    | PSH    | PSL    | PSTC    | PT     | PTG    | PTT    |
| PTTEP     | PTTGC  | PYLON  | Q-CON  | QH     | QLT    | QTC    | RATCH   | RML    | RWI    | S & J  |
| SABINA    | SAT    | SC     | SCB    | SCC    | SCCC   | SCG    | SCN     | SEAOIL | SE-ED  | SELIC  |
| SENA      | SGP    | SIRI   | SITHAI | SMIT   | SMK    | SMPC   | SNC     | SNP    | SORKON | SPACK  |
| SPC       | SPI    | SPRC   | SRICHA | SSF    | SSSC   | SST    | STA     | SUSCO  | SVI    | SYNTEC |
| TAE       | TAKUNI | TASCO  | TBSP   | TCAP   | TCMC   | TFG    | TFI     | TFMAMA | THANI  | THCOM  |
| THIP      | THRE   | THREL  | TIP    | TIPCO  | TISCO  | TKT    | TTB     | TMD    | TMILL  | TMT    |
| TNITY     | TNL    | TNP    | TNR    | TOG    | TOP    | TPA    | TPCORP  | TPP    | TRU    | TSC    |
| TSTH      | TTCL   | TU     | TVD    | TVI    | TVO    | TWPC   | U       | UBIS   | UEC    | UKEM   |
| UOBKH     | UWC    | VGI    | VIH    | VNT    | WACOAL | WHA    | WHAUP   | WICE   | WIJK   | XO     |
| ZEN       | TRUE   |        |        |        |        |        |         |        |        |        |
| DECLARED  |        |        |        |        |        |        |         |        |        |        |
| 7UP       | ABICO  | AF     | ALT    | AMARIN | AMATA  | AMATAV | ANAN    | APURE  | B52    | BKD    |
| BM        | BROCK  | BUI    | CHO    | CI     | COTTO  | DDD    | EA      | EFORL  | EP     | ERW    |
| ESTAR     | ETE    | EVER   | FSMART | GPI    | ILINK  | IRC    | J       | JKN    | JMART  | JMT    |
| JSP       | JTS    | KWG    | LDC    | MAJOR  | META   | NCL    | NOBLE   | NOK    | PK     | PLE    |
| ROJNA     | SAAM   | SAPPE  | SCI    | SE     | SHANG  | SINGER | SKR     | SPALI  | SSP    | STANLY |
| SUPER     | SYNEX  | THAI   | TKS    | TOPP   | TRITN  | TTA    | UPF     | UV     | WIN    | ZIGA   |

| 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

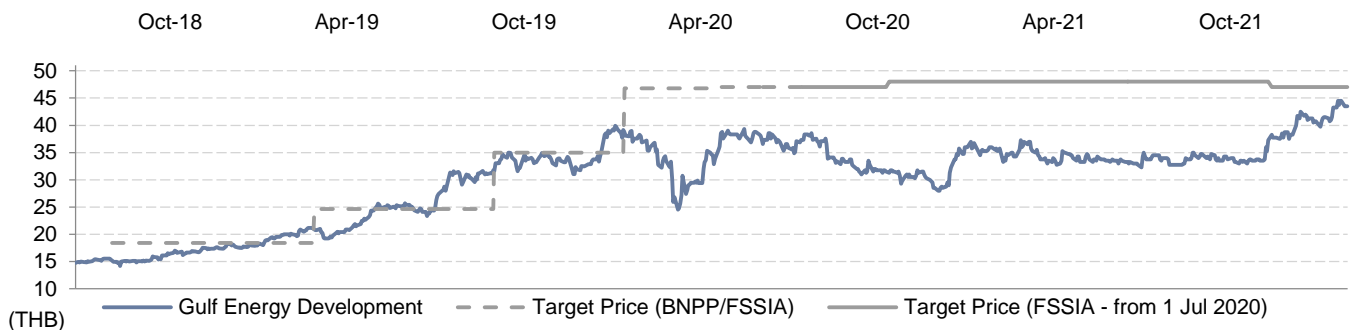
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

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**History of change in investment rating and/or target price**

**Gulf Energy Development (GULF TB)**



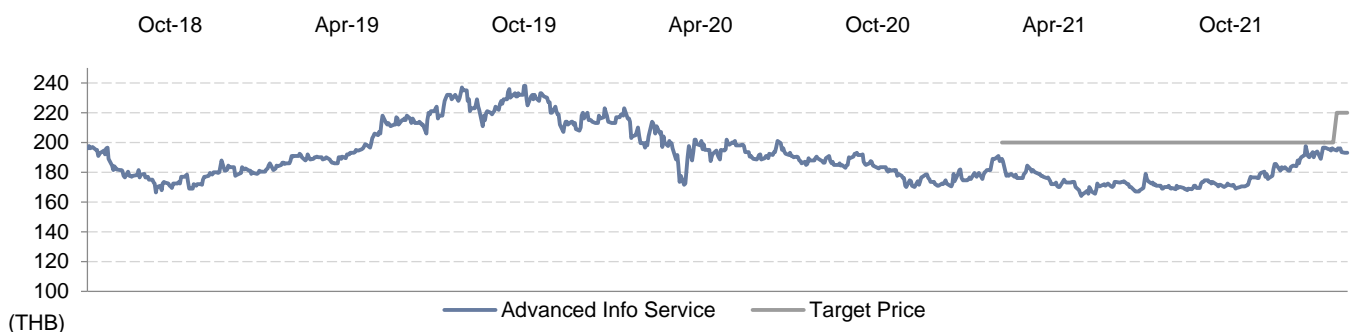
| Date        | Rating | Target price | Date        | Rating | Target price | Date        | Rating | Target price |
|-------------|--------|--------------|-------------|--------|--------------|-------------|--------|--------------|
| 15-Nov-2018 | BUY    | 18.40        | 22-Apr-2020 | BUY    | 47.00        | 23-Feb-2021 | BUY    | 48.00        |
| 08-May-2019 | BUY    | 24.60        | 30-Jun-2020 | BUY    | 47.00        | 19-Apr-2021 | BUY    | 48.00        |
| 10-Oct-2019 | BUY    | 35.00        | 11-Sep-2020 | BUY    | 48.00        | 06-Aug-2021 | BUY    | 47.00        |
| 30-Jan-2020 | BUY    | 46.80        | 20-Oct-2020 | BUY    | 48.00        |             |        |              |

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

Price and TP are in local currency

Source: FSSIA estimates

**Advanced Info Service (ADVANC TB)**



| Date        | Rating | Target price | Date        | Rating | Target price | Date        | Rating | Target price |
|-------------|--------|--------------|-------------|--------|--------------|-------------|--------|--------------|
| 16-Dec-2020 | HOLD   | 200.00       | 09-Feb-2021 | BUY    | 200.00       | 30-Jun-2021 | BUY    | 200.00       |
| 05-Jan-2021 | HOLD   | 200.00       | 06-May-2021 | BUY    | 200.00       | 01-Oct-2021 | BUY    | 220.00       |

Naruedom Mujjalinkool started covering this stock from 16-Dec-2020

Price and TP are in local currency

Source: FSSIA estimates

## Intouch Holdings (INTUCH TB)



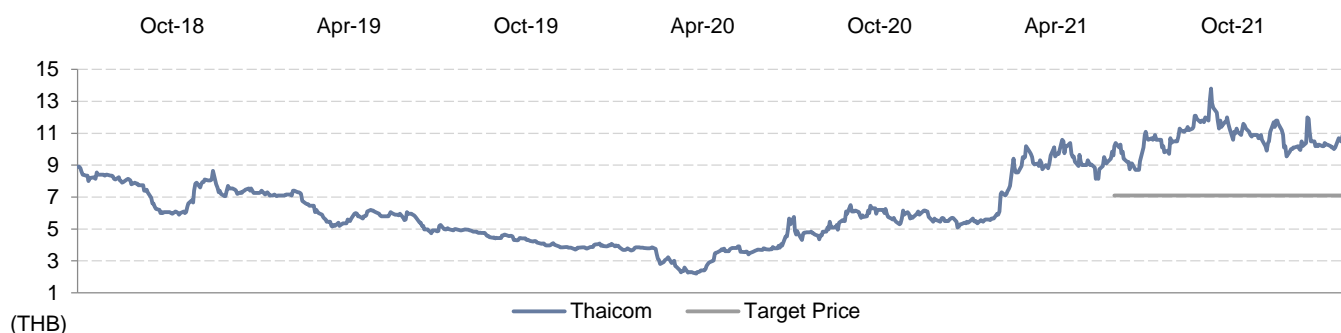
| Date        | Rating | Target price | Date        | Rating | Target price | Date | Rating | Target price |
|-------------|--------|--------------|-------------|--------|--------------|------|--------|--------------|
| 24-Mar-2021 | BUY    | 65.00        | 05-May-2021 | HOLD   | 65.00        | -    | -      | -            |

Naruedom Mujjalinkool started covering this stock from 24-Mar-2021

Price and TP are in local currency

Source: FSSIA estimates

## Thaicom (THCOM TB)



| Date        | Rating | Target price | Date | Rating | Target price | Date | Rating | Target price |
|-------------|--------|--------------|------|--------|--------------|------|--------|--------------|
| 24-Mar-2021 | REDUCE | 7.10         | -    | -      | -            | -    | -      | -            |

Naruedom Mujjalinkool started covering this stock from 24-Mar-2021

Price and TP are in local currency

Source: FSSIA estimates

| Company                 | Ticker    | Price      | Rating | Valuation & Risks  |
|-------------------------|-----------|------------|--------|--|
| Gulf Energy Development | GULF TB   | THB 43.75  | 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 commercial operation dates.  |
| Advanced Info Service   | ADVANC TB | THB 191.50 | BUY    | The key downside risks to our DCF-based TP are stronger-than-expected competition in the mobile market and the slower-than-expected adoption of 5G use cases.  |
| Intouch Holdings        | INTUCH TB | THB 73.00  | HOLD   | The key downside risks to our NAV-discounted TP are if the sluggish performance from the satellite business continues and if there is a slower-than-expected 5G adoption rate. The key upside risk is if INTUCH synergizes with GULF faster than expected.   |
| Thaicom                 | THCOM TB  | THB 10.80  | REDUCE | The key upside risks to our P/BV-based TP are 1) if the company is able to secure a new right of use concession for the satellite orbital slots and can generate significant revenue from it; 2) if it can form a partnership with National Telecom or LEO satellite operators; and 3) if its operating costs after the expiration of Thaicom 4 and 6 are lower than expected. |

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

FSSIA may incorporate the recommendations and target prices of companies currently covered by FSS Research into equity research reports, denoted by an 'FSS' before the recommendation. FSS Research is part of Finasia Syrus Securities Public Company Limited, which is the parent company of FSSIA.

All share prices are as at market close on 14-Oct-2021 unless otherwise stated.

## RECOMMENDATION STRUCTURE

### Stock ratings

Stock ratings are based on absolute upside or downside, which we define as  $(\text{target price}^* - \text{current price}) / \text{current price}$ .

**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

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

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

**Underweight.** 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.