

15 NOVEMBER 2021

THAILAND / UTILITIES - CONVENTIONAL

## GULF ENERGY DEVELOPMENT

BUY

UNCHANGED

## GULF TB

TARGET PRICE	THB56.00
CLOSE	THB41.75
UP/DOWNSIDE	+34.1%
TP vs CONSENSUS	+27.0%

ผลขาดทุนจากอัตราแลกเปลี่ยนและต้นทุนการเงิน  
กระทบ 3Q21

ตัวการสำคัญ: ผลขาดทุนจากอัตราแลกเปลี่ยน, ต้นทุนทางการเงินพิเศษ และ ต้นทุนก๊าซที่สูงขึ้น

GULF รายงานกำไรสุทธิ (NP) 3Q21 ที่ 1.6 พัน ลบ. (+13% q-q, +64% y-y) ต่ำกว่าที่ตลาด คาด 28% และต่ำกว่าที่เราคาด 30% โดยมีตัวการสำคัญประกอบด้วย 1) ผลขาดทุนจากอัตราแลกเปลี่ยนจำนวน 767 ลบ.; 2) ต้นทุนทางการเงินพิเศษซึ่งคาดว่าจะอยู่ที่ 0.6 พัน ลบ. จากการซื้อ Intouch Holdings (INTUCH TB, HOLD, TP THB72); 3) ผลขาดทุนสุทธิจากโรงไฟฟ้าพลังลม Borkum Riffgrund 2 (BKR2) ขนาด 465MW จากกระแสลมที่อยู่ในระดับต่ำตามฤดูกาล; 4) ต้นทุนก๊าซที่สูงขึ้น 13% q-q เป็น 260-269 บาท/mmbtu ของโรงไฟฟ้าขนาดเล็ก (SPP) 19 แห่ง; และ 5) การลดการผลิตไฟฟ้าของโรงไฟฟ้าพลังแสงอาทิตย์ในเวียดนามจากมาตรการปิดเมือง NP จากการดำเนินงานอยู่ที่ 2.3 พัน ลบ. (+64% q-q, +73% y-y) ส่วนมาจากเงินปันผลรับ 1.7 พัน ลบ. จาก INTUCH และการดำเนินงานที่ดีขึ้นของ 1) โรงไฟฟ้าขนาดใหญ่ (IPP) Gulf Sriracha (GSRC) หน่วยที่ 1 กำลังการผลิต 663MW (เริ่มดำเนินงานเชิงพาณิชย์เมื่อวันที่ 31 มี.ค. 21) ซึ่งให้ NP ประมาณ 0.2 พัน ลบ.; และ 2) ปริมาณไฟฟ้าและไอน้ำที่ขายให้การไฟฟ้าฝ่ายผลิตฯ (EGAT) และผู้ซื้ออุตสาหกรรม (IU) ที่สูงขึ้นจาก SPP 12 แห่งภายใต้ Gulf Mitsui Power (GMP) EBITDA margin เพิ่มขึ้นเป็น 30.6% จาก 30.5% ใน 2Q21 จากปริมาณขายที่สูงขึ้น

## ปริมาณขายไฟฟ้าเพิ่ม ซึ่งช่วยชดเชยต้นทุนก๊าซที่สูงขึ้น

ใน 3Q21 ปริมาณขายเพิ่มจากปริมาณขายไฟฟ้าที่สูงขึ้นของ SPP 12 แห่งภายใต้ GMP เป็น 568GWh (+15% y-y, +5% q-q) และอีก 1,983GWh ที่ขายให้ EGAT (+2% y-y, +2% q-q) ซึ่งช่วยชดเชยปริมาณขายไอน้ำที่ลดลงเหลือ 163k ตันซึ่งขายให้ IU (-7% y-y, -14% q-q) ปริมาณขายของ IPP 2 แห่งของ Gulf JP (GJP) ลดลงเหลือ 301GWh (-78% y-y, -88% q-q) ในขณะที่ปริมาณขายไฟฟ้าให้ IU จาก SPP 7 แห่งภายใต้ GJP ลดลงเหลือ 290GWh (+3% y-y, -3% q-q) จากความต้องการที่ลดลง ส่วนแบ่งกำไรจาก GJP ลดลงเหลือ 34 ลบ. (ผลขาดทุนจากอัตราแลกเปลี่ยนจำนวน 577 ลบ.) จาก 441 ลบ. ใน 2Q21 (ผลขาดทุนอัตราแลกเปลี่ยนจำนวน 222 ลบ.) ต้นทุนก๊าซที่สูงขึ้นผลักดันต้นทุนการผลิตให้เพิ่ม 56% y-y เทียบกับรายได้ที่เพิ่ม 51% y-y พร้อมราคาก๊าซที่สูงขึ้น 13% q-q เป็น 269 บาท/mmbtu.

## กำไรสุทธิจากการดำเนินงานน่าจะสูงขึ้นตั้งแต่ 4Q21 เป็นต้นไป

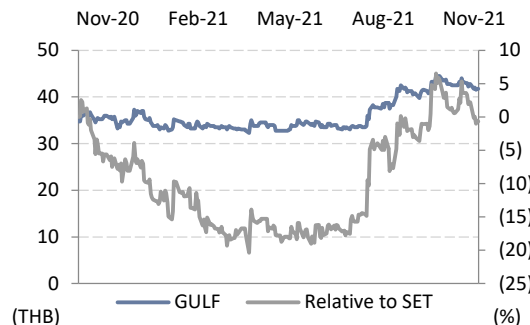
ใน 4Q21 เราคาดว่า NP จากการดำเนินงานของ GULF จะเพิ่มเป็นกว่า 2 พัน ลบ. โดยได้ปัจจัยผลักดันจาก 1) NP จาก BKR2 และ GSRC; 2) NP ที่สูงขึ้นจาก SPP และ IPP ตามความต้องการที่สูงขึ้นหลังการเปิดเศรษฐกิจ; และ 3) ส่วนแบ่งกำไรจาก INTUCH

## หุ้นเด่นในกลุ่มโรงไฟฟ้าของไทย

เราคงคำแนะนำซื้อที่ราคาเป้าหมาย 56 บาท (SoTP) เราคิดว่าอัตราการเติบโตของ NP ของ GULF จะเร่งขึ้นในช่วง 4Q21-2023 จากโครงการเพื่อการเติบโตใหม่หลายโครงการ

## 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 (%)	-	(17.3)	6.8	(7.1)
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
EPS growth (%)	16.0	47.2	91.7	6.1
Core P/E (x)	109.4	74.3	38.8	36.5
Dividend yield (%)	0.6	1.0	1.7	1.7
EV/EBITDA (x)	54.3	50.5	26.6	25.1
Price/book (x)	7.7	7.2	6.5	6.1
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 (%)	(4.0)	10.6	21.0
Relative to country (%)	(3.5)	3.7	(1.0)
Mkt cap (USD m)			14,924
3m avg. daily turnover (USD m)			52.7
Free float (%)			27
Major shareholder		Mr. Sarath Ratanavadi (35%)	
12m high/low (THB)			45.25/31.00
Issued shares (m)			11,733.15

Sources: Bloomberg consensus; FSSIA estimates



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## Exhibit 1: Summary of 3Q21/9M21 operations

	3Q20	2Q21	3Q21		9M20	9M21	Chg.	2021E	
	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)	(THB m)
<b>Revenue</b>	<b>7,876</b>	<b>11,242</b>	<b>11,903</b>	<b>5.9</b>	<b>51.1</b>	<b>23,518</b>	<b>32,180</b>	<b>36.8</b>	<b>31,847</b>
Operating costs	(5,497)	(7,813)	(8,262)	5.7	50.3	(16,750)	(21,386)	27.7	(19,669)
<b>EBITDA</b>	<b>2,380</b>	<b>3,429</b>	<b>3,642</b>	<b>6.2</b>	<b>53.0</b>	<b>6,767</b>	<b>10,794</b>	<b>59.5</b>	<b>12,178</b>
<i>EBITDA margin (%)</i>	30.2	30.5	30.6	<i>nm</i>	<i>nm</i>	28.8	33.5	<i>nm</i>	38.2
Deprn & amort.	(770)	(1,245)	(1,271)	2.1	65.0	(2,211)	(3,717)	68.1	(3,049)
EBIT	1,609	2,184	2,370	8.5	47.3	4,557	7,077	55.3	9,129
Interest expense	(966)	(1,174)	(1,753)	49.3	81.5	(2,625)	(3,858)	47.0	(3,978)
Interest & invt inc	11	25	20	(19.3)	83.9	64	56	(12.6)	477
Other income	3	2	1	(39.4)	(66.1)	18	4	(76.9)	20
Associates' contrib	495	515	175	(65.9)	(64.6)	1,483	950	(36.0)	3,210
Exceptional	81	88	956	983.4	1,074.1	(149)	1,113	<i>nm</i>	-
<b>Pretax profit</b>	<b>1,235</b>	<b>1,640</b>	<b>1,770</b>	<b>7.9</b>	<b>43.3</b>	<b>3,349</b>	<b>5,342</b>	<b>59.5</b>	<b>8,859</b>
Tax	21	193	(91)	<i>nm</i>	<i>nm</i>	60	(39)	<i>nm</i>	(13)
<i>Tax rate (%)</i>	(1.7)	(11.8)	5.1	<i>nm</i>	<i>nm</i>	(1.8)	0.7	<i>nm</i>	0.1
Minority interests	(285)	(427)	(91)	(78.7)	(68.1)	(971)	(676)	(30.3)	(2,256)
<b>Net profit</b>	<b>970</b>	<b>1,407</b>	<b>1,588</b>	<b>12.9</b>	<b>63.7</b>	<b>2,438</b>	<b>4,627</b>	<b>89.8</b>	<b>6,590</b>
Non-recurring	(355)	6	(705)	<i>nm</i>	98.7	(801)	(1,457)	81.9	-
<b>Core net profit</b>	<b>1,325</b>	<b>1,401</b>	<b>2,293</b>	<b>63.7</b>	<b>73.1</b>	<b>3,239</b>	<b>6,084</b>	<b>87.8</b>	<b>6,590</b>
EPS (THB)	0.08	0.12	0.14	12.9	63.7	0.20	0.39	93.1	0.56
Core EPS (THB)	0.11	0.12	0.20	63.7	73.1	0.28	0.52	82.6	0.56

Sources: GULF; FSSIA estimates

## Exhibit 2: 3Q21/9M21 key performance

	3Q20	2Q21	3Q21	Change		9M20	9M21	Change
	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)
<b>Profit for the period</b>	<b>1,255</b>	<b>1,833</b>	<b>1,679</b>	<b>(8.4)</b>	<b>33.8</b>	<b>3,409</b>	<b>5,303</b>	<b>55.6</b>
<b>Profit attributable to owners of the parent</b>	<b>970</b>	<b>1,407</b>	<b>1,588</b>	<b>12.9</b>	<b>63.7</b>	<b>2,438</b>	<b>4,627</b>	<b>89.8</b>
Gain/(loss) on exchange rate attributable to owners of the parent	(355)	2	(767)	<i>nm</i>	116.1	(801)	(1,469)	83.4
Unrealized gain (loss) on derivatives of PTT NGD	0	4	62	1,450.0	<i>nm</i>	0	12	<i>nm</i>
<b>Profit attributable to owners of parent before gain (loss) on FX (core profit)</b>	<b>1,325</b>	<b>1,401</b>	<b>2,293</b>	<b>63.7</b>	<b>73.1</b>	<b>3,239</b>	<b>6,084</b>	<b>87.8</b>
Gross profit margin (sales)*	25.9	24.0	24.6	0.6	(1.3)	24	27	2.5
Gross profit margin (service)*	51.5	48.8	56.3	7.5	4.8	49	54	4.9
<b>Gain/(loss) on exchange rate</b>	<b>(278)</b>	<b>26</b>	<b>(725)</b>	<b><i>nm</i></b>	<b>160.8</b>	<b>(589)</b>	<b>(1,312)</b>	<b>122.8</b>
Less: gain/(loss) on exchange rate attributable to non-controlling interests	(173)	(197)	(535)	171.6	209.2	(305)	(1,071)	251.1
Less: gain/(loss) on exchange rate attributable to owners of the parent	(105)	223	(190)	<i>nm</i>	81.0	(283)	(241)	(14.8)
Add: gain/(loss) on exchange rate attributable to share of profits from an associate	(250)	(222)	(577)	159.9	130.8	(518)	(1,228)	137.1
<b>Total gain (loss) from exchange rate attributable to owners of the parent</b>	<b>(355)</b>	<b>2</b>	<b>(767)</b>	<b><i>nm</i></b>	<b>116.1</b>	<b>(801)</b>	<b>(1,469)</b>	<b>83.4</b>

\*Note: Change in margin % is represented in ppt change

Source: GULF

## Exhibit 3: 3Q21/9M21 share of profits from associates and joint ventures

	3Q20	2Q21	3Q21	Change		9M20	9M21	Change
	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)
Share of profits from associate GJP	503	441	34	(92.3)	(93.2)	1,510	694	(54.0)
Share of profits from PTT NGD	0	67	129	92.5	<i>nm</i>	0	195	<i>nm</i>
Share of profits from the joint venture GULF WHA MT	(2)	0	1	<i>nm</i>	<i>nm</i>	(3)	2	<i>nm</i>
Share of profits from the joint venture BSE	0	0	0	<i>nm</i>	<i>nm</i>	(7)	(1)	(85.7)
Share of profits from the joint venture HKH	(1)	(3)	(2)	(33.3)	100.0	(6)	(8)	33.3
Share of profits from the joint venture BPH	0	0	0	<i>nm</i>	<i>nm</i>	1	1	0.0
Share of profits from the joint venture for projects in Vietnam	0	0	5	<i>nm</i>	<i>nm</i>	0	47	<i>nm</i>
Share of profits from the joint venture for a project in Oman	(5)	9	10	11.1	<i>nm</i>	(12)	20	<i>nm</i>
<b>Total share of profits from associates and joint ventures</b>	<b>495</b>	<b>515</b>	<b>175</b>	<b>(66.0)</b>	<b>(64.6)</b>	<b>1,483</b>	<b>950</b>	<b>(35.9)</b>
Gain/(loss) on exchange rate from share of profits from the associate GJP	(250)	(222)	(577)	159.9	130.8	(518)	(1,228)	137.1
<b>Share of profits from associates and joint ventures before gain/(loss) on FX</b>	<b>753</b>	<b>663</b>	<b>611</b>	<b>(7.8)</b>	<b>(18.9)</b>	<b>2,027</b>	<b>1,922</b>	<b>(5.2)</b>

Source: GULF



## 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>126.9</b>	<b>109.4</b>	<b>74.3</b>	<b>38.8</b>	<b>36.5</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)	91.1	114.4	74.3	38.8	36.5
Dividend yield (%)	0.6	0.6	1.0	1.7	1.7
Price/book (x)	11.6	7.7	7.2	6.5	6.1
Price/tangible book (x)	11.9	10.5	9.7	8.4	7.7
EV/EBITDA (x) **	77.6	54.3	50.5	26.6	25.1
EV/EBITDA @ target price (x) **	100.6	70.0	64.2	33.9	32.0
EV/invested capital (x)	4.5	2.7	2.4	2.4	2.4
* 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	PAP	PCSGH	PDJ	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	SEOIL	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

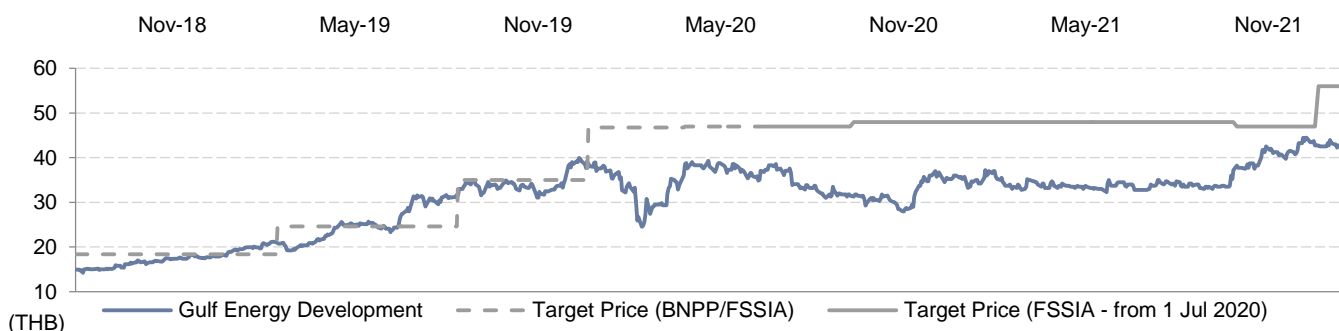
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) 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	30-Jun-2020	BUY	47.00	06-Aug-2021	BUY	47.00
08-May-2019	BUY	24.60	11-Sep-2020	BUY	48.00	27-Sep-2021	BUY	47.00
10-Oct-2019	BUY	35.00	20-Oct-2020	BUY	48.00	15-Oct-2021	BUY	56.00
30-Jan-2020	BUY	46.80	23-Feb-2021	BUY	48.00			
22-Apr-2020	BUY	47.00	19-Apr-2021	BUY	48.00			

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

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	19-Oct-2021	HOLD	72.00

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 41.75	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.
Intouch Holdings	INTUCH TB	THB 75.75	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.

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 Finansia 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 Finansia Syrus Securities Public Company Limited, which is the parent company of FSSIA.

All share prices are as at market close on 12-Nov-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.