

GULF ENERGY DEVELOPMENT

THAILAND / UTILITIES - CONVENTIONAL

GULF TB

BUY

UNCHANGED

ต้นทุนก๊าซกดดันกำไรสุทธิ 3Q22

- GULF รายงานกำไรสุทธิ 3Q22 อยู่ที่ 1.5 พัน ลบ. (-55% q-q, +9% y-y) ในขณะที่กำไรปกติอยู่ที่ 3.1 พัน ลบ. (-5.4% q-q, +120% y-y)
- เมื่อวันที่ 7 พ.ย. 22 GULF ซื้อหุ้น 41.13% ใน THCOM จาก INTUCH โดยมีต้นทุนการซื้อรวมอยู่ที่ 4.5 พัน ลบ.
- คงแนะนำซื้อแต่ปรับราคาเป้าหมายเป็น 58 บาท

TARGET PRICE	THB58.00
CLOSE	THB52.75
UP/DOWNSIDE	+10.0%
PRIOR TP	THB60.00
CHANGE IN TP	-3.3%
TP vs CONSENSUS	-3.3%

KEY STOCK DATA

YE Dec (THB m)	2021	2022E	2023E	2024E
Revenue	47,467	87,227	88,114	90,413
Net profit	7,670	10,879	12,825	14,416
EPS (THB)	0.65	0.93	1.09	1.23
vs Consensus (%)	-	(6.3)	(19.7)	(27.9)
EBITDA	16,913	20,549	22,164	22,755
Core net profit	8,812	10,879	12,825	14,416
Core EPS (THB)	0.75	0.93	1.09	1.23
Chg. In EPS est. (%)	-	(20.9)	(13.3)	(8.0)
EPS growth (%)	96.8	23.5	17.9	12.4
Core P/E (x)	70.2	56.9	48.3	42.9
Dividend yield (%)	0.8	1.3	1.3	1.3
EV/EBITDA (x)	45.0	36.7	33.9	32.6
Price/book (x)	6.4	6.0	5.8	5.5
Net debt/Equity (%)	122.6	108.2	98.9	85.0
ROE (%)	11.0	10.9	12.3	13.1

ผลประกอบการ 3Q22 ลดลงจากต้นทุนก๊าซที่สูงขึ้น

GULF รายงานกำไรสุทธิ 3Q22 อยู่ที่ 1.5 พัน ลบ. (-55% q-q, +9% y-y) ซึ่งสูงกว่าที่ตลาดคาดถึง 27% ในขณะที่กำไรปกติอยู่ที่ 3.1 พัน ลบ. (-5.4% q-q, +120% y-y) โดยมีปัจจัยสำคัญอยู่ที่ 1) ผลขาดทุนอัตราแลกเปลี่ยน 1.1 พัน ลบ.; 2) ส่วนแบ่งกำไร 1.1 พัน ลบ. จาก Intouch Holdings (INTUCH TB, BUY, TP THB83.5); 3) ส่วนแบ่งผลขาดทุน 468 ลบ. จาก Gulf JP (GJP); 4) ส่วนแบ่งกำไร 126 ลบ. จาก Gulf Gunkul Corporation; 5) ส่วนแบ่งผลขาดทุน 217 ลบ. จาก PTT NGD; 6) กำไรสุทธิที่ลดลงจาก Gulf Sriracha (GSRC) units 1 & 2 อันมีกำลังการผลิต 1.25GW (เริ่มดำเนินงานเชิงพาณิชย์ (COD) ในเดือน มี.ค. และ ต.ค. 21); และ 7) กำไรสุทธิที่สูงขึ้นจาก BKR2 จากราคาขายไฟฟ้าที่สูงขึ้น ใน 3Q22 EBITDA margin ลดลงมาอยู่ที่ 21.9% จาก 25.5% ใน 2Q22 จากต้นทุนก๊าซที่ปรับขึ้นของโรงไฟฟ้าขนาดเล็ก (SPP) ซึ่งมีค่าเฉลี่ยอยู่ที่ 579.13 บาท/mmbtu (+37% q-q, +1.2x y-y)

ต้นทุนก๊าซที่สูงขึ้นมีน้ำหนักมากกว่าค่า Ft ที่ปรับขึ้น

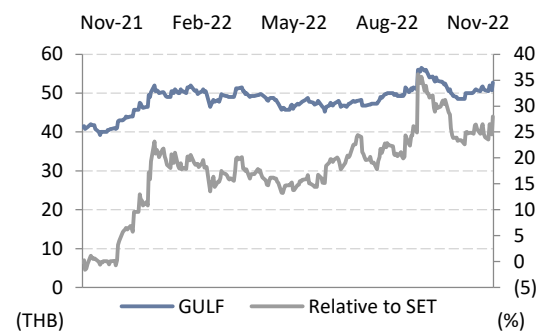
ใน 3Q22 ปริมาณขายของ SPP 12 แห่งภายใต้ GMP ซึ่งขายให้แก่ผู้ใช้อุตสาหกรรม (IU) อยู่ที่ 607GWh (+7% y-y, +2% q-q) ซึ่งช่วยชดเชยปริมาณขายให้แก่ กฟผ. (EGAT) ที่ลดลง y-y มาอยู่ที่ 1,848GWh (-7% y-y, +0.1% q-q) และปริมาณขายไฟฟ้าที่ขายให้แก่ IU ที่ลดลงมาอยู่ที่ 160k ตัน (-2% y-y, -13% q-q) ได้บางส่วน จากราคาขายเฉลี่ยให้แก่ EGAT ที่เพิ่มเป็น 5.81 บาท/kWh (+32% q-q) และ IU ที่เพิ่มเป็น 3.77 บาท/kWh (+8% q-q) ปริมาณขายของโรงไฟฟ้าขนาดใหญ่ 2 แห่งของ GJP ที่มีกำลังการผลิตรวม 700GWh ลดลง 22% y-y แต่เพิ่ม 81% q-q ในขณะที่ปริมาณขายไฟฟ้าให้แก่ IU จาก SPP 7 แห่งภายใต้ GJP อยู่ที่ 299GWh (-3% y-y, +0.3% q-q) ใน 3Q22 ส่วนแบ่งผลขาดทุนจาก GJP อยู่ที่ 468 ลบ. (มีผลขาดทุนอัตราแลกเปลี่ยน 760 ลบ.) เทียบกับ 60 ลบ. ใน 2Q22 (มีผลกำไรอัตราแลกเปลี่ยน 608 ลบ.)

การซื้อทางยุทธศาสตร์เพื่อเป็นอีกหนึ่งหุ้นสาธารณูปโภค

เมื่อวันที่ 7 พ.ย. 22 GULF ประกาศซื้อหุ้น 41.13% ใน Thaicom (THCOM TB, HOLD, TP THB9.2) จาก INTUCH ที่ต้นทุนการซื้อรวมที่ 4.5 พัน ลบ. เรามองการซื้อ THCOM เป็นบวกเมื่อพิจารณาจาก 1) ต้นทุนอันมีส่วนลดที่ 9.92 บาท/หุ้น; และ 2) เรามองว่าการซื้อดังกล่าวเป็นการเดินหมากตามยุทธศาสตร์เพื่อเสริมการเติบโตของกำไรสุทธิระยะยาวของ GULF ให้ดียิ่งขึ้น.

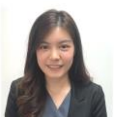
คงแนะนำซื้อหลังปรับลดราคาเป้าหมายเป็น 58 บาท

เราปรับลดราคาเป้าหมายเป็น 58 บาท (SoTP) เพื่อสะท้อนการปรับลดประมาณการกำไรต่อหุ้นลง 13-21% ในปี 2022-24 จากต้นทุนก๊าซที่คาดว่าจะสูงขึ้น เนื่องจากเราปรับเพิ่มสมมติฐานราคาไฟฟ้าปี 2022-24 ขึ้น 9.5% และปรับการประเมินมูลค่าไปในปี 2023. With this report, we transfer coverage of GULF to Siriluck Pinthusoonthorn.



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	8.8	5.5	26.3
Relative to country (%)	3.8	4.5	26.0
Mkt cap (USD m)	17,231		
3m avg. daily turnover (USD m)	30.8		
Free float (%)	27		
Major shareholder	Mr. Sarath Ratanavadi (35%)		
12m high/low (THB)	57.25/39.00		
Issued shares (m)	11,733.15		

Sources: Bloomberg consensus; FSSIA estimates



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Investment thesis

Founded in 2010, GULF is one of Thailand's pioneering power companies that operates both small power producers (SPPs) and large independent power producers (IPPs). 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 an 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.

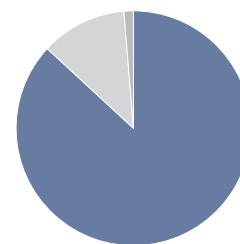
Company profile

GULF is the largest power producer in Thailand 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.

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Principal activities (revenue, 2021)

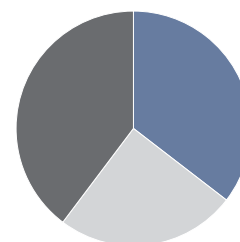
- Power business - 89.2 %
- Consulting business - 12.2 %
- Others - 1.3 %



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
Feb 2023	4Q22/2022 results announcement

Key assumptions

	2022E	2023E	2024E
Dispatched power (GWh)	32,837	34,405	46,378
Gas cost (THB/mmbtu)	244	232	220

Source: FSSIA estimates

Earnings sensitivity

- For every 1% increase in gas price, we estimate that 2023 earnings would decline 1.1%, and vice versa, all else being equal.
- For every 1% increase in the interest rate, we estimate that 2023 earnings would decline 2.1%, and vice versa, all else being equal.

Source: FSSIA estimates

Exhibit 1: Summary of 3Q22/9M22 operations

	3Q21	2Q22	3Q22			9M21	9M22	Change	2022E
	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)	(THB m)
Revenue	11,242	20,628	23,004	11.5	104.6	32,180	67,263	109.0	87,227
Operating costs	(7,813)	(15,371)	(17,964)	16.9	129.9	(21,386)	(51,632)	141.4	(66,678)
EBITDA	3,429	5,257	5,040	(4.1)	47.0	10,794	15,631	44.8	20,549
EBITDA margin (%)	30.5	25.5	21.9	nm	nm	33.5	23.2	nm	23.6
Depn & amort.	(1,245)	(1,246)	(1,242)	(0.3)	(0.2)	(3,717)	(3,764)	1.3	(4,928)
EBIT	2,184	4,011	3,798	(5.3)	73.9	7,077	11,866	67.7	15,620
Interest expense	(1,174)	(1,473)	(1,864)	26.6	58.8	(3,858)	(5,372)	39.2	(7,743)
Interest & invt inc	25	29	38	30.4	55.8	56	112	99.7	794
Other income	2	5	8	46.4	316.1	4	20	373.3	20
Associates' contrib	515	1,790	1,451	(19.0)	181.7	950	3,810	301.3	3,638
Exceptional	88	180	(1,575)	nm	nm	1,113	(2,644)	nm	-
Pretax profit	1,640	4,543	1,856	(59.1)	13.2	5,342	7,792	45.9	12,328
Tax	193	(448)	(146)	(67.4)	(175.7)	(39)	(1,166)	2,901.3	(255)
Tax rate (%)	(11.8)	9.9	7.9	nm	nm	0.7	15.0	nm	2.1
Minority interests	(427)	(701)	(179)	(74.4)	(58.0)	(676)	(614)	(9.1)	(1,194)
Net profit	1,407	3,395	1,531	(54.9)	8.8	4,627	6,012	29.9	10,879
Non-recurring	6	138	(1,550)	nm	nm	(1,457)	(2,493)	71.1	-
Core net profit	1,401	3,257	3,081	(5.4)	119.9	6,084	8,505	39.8	10,879
EPS (THB)	0.12	0.29	0.13	(54.9)	8.8	0.39	0.51	29.9	0.93
Core EPS (THB)	0.12	0.28	0.26	(5.4)	119.9	0.52	0.72	39.8	0.93

Sources: GULF; FSSIA estimates

Exhibit 2: 3Q22/9M22 performance of key elements

	3Q21	2Q22	3Q22	Change		9M21	9M22	Change
	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)
Profit for the period	1,679	1,710	821	(52.0)	(51.1)	5,303	6,626	24.9
Profit attributable to owners of the parent	1,588	1,531	1,087	(29.0)	(31.5)	4,627	6,012	29.9
Gain/(loss) on exchange rate attributable to owners of the parent	(767)	(1,581)	(1,133)	(28.3)	47.7	(1,469)	(2,554)	73.9
Unrealised gain (loss) on derivatives of PTT NGD	62	30	52	73.3	(16.1)	12	60	400.0
Profit attributable to owners of parent before gain (loss) on FX (core profit)	2,293	3,081	2,167	(29.7)	(5.5)	6,084	8,505	39.8
Gross profit margin (sales)*	24.6	19.2	20.6	1.4	(4.0)	27	21	(6.2)
Gross profit margin (service)*	56.3	56.1	56.7	0.6	0.4	54	56	2.3
Average natural gas cost per unit (SPP under GMP) (THB/mmbtu)	268.6	422.7	579.1	37.0	115.6	242.5	481.1	98.4
Average natural gas cost per unit (IPP under GSRC) (THB/mmbtu)	259.2	413.4	569.8	37.8	119.9	241.9	442.1	82.8

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

Source: GULF

Exhibit 3: 3Q22/9M22 share of profits from associates and joint ventures

	3Q21	2Q22	3Q22	Change		9M21	9M22	Change
	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)
Share of profit from INTUCH	0	1,166	1,136	(2.6)	nm	0	3,391	nm
Share of profit from GJP	34	(60)	(468)	680.0	nm	694	129	(81.4)
Share of profit from PTT NGD	129	303	(217)	nm	nm	195	60	(69.2)
Share of profit from GJP1	0	1	0	nm	-	0	0	nm
Share of profit from GULF GUNKUL	0	0	126	nm	nm	0	126	nm
Share of profit from a project in Oman	10	35	43	22.9	330.0	20	127	535.0
Share of profit from other associates and JVs	4	6	(50)	(933.3)	(1,350.0)	41	(23)	nm
Total share of profit from associates and joint ventures	175	1,451	569	(60.8)	225.1	950	3,810	301.1
Gain/(loss) on exchange rate from INTUCH's share of profit	0	(6)	25	nm	nm	0	9	nm
INTUCH's share of core profit	0	1,172	1,111	(5.2)	nm	0	3,382	nm
Gain/(loss) on exchange rate from GJP's share of profit	(577)	(608)	(760)	25.0	31.7	(1,228)	(1,330)	8.3
GJP's share of core profit	611	548	292	(46.7)	(52.2)	1,922	1,459	(24.1)
Unrealised gain/(loss) on derivatives of PTT NGD	62	30	4	(86.7)	(93.5)	12	12	0.0
PTT NGD's share of core profit	67	273	(221)	nm	nm	182	48	(73.6)
Total share of core profit from associates and JVs	690	2,035	1,252	(38.5)	81.4	2,166	5,071	134.1

Source: GULF

Exhibit 4: Key changes in assumptions

	Current			Previous			Change		
	2022E	2023E	2024E	2022E	2023E	2024E	2022E	2023E	2024E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(%)	(%)	(%)
Revenue	87,227	88,114	90,413	76,192	76,374	77,844	14.5	15.4	16.1
Gross profit	24,038	25,865	26,371	28,229	29,424	28,922	(14.8)	(12.1)	(8.8)
Operating profit	15,620	16,893	17,324	17,487	18,575	18,749	(10.7)	(9.1)	(7.6)
Net profit	10,879	12,825	14,416	13,752	14,799	17,433	(20.9)	(13.3)	(17.3)
EPS (THB/shr)	0.93	1.09	1.23	1.17	1.26	1.49	(20.9)	(13.3)	(17.3)
Key assumptions									
Dispatched power (GWh)	32,837	34,405	46,378	32,848	34,646	47,103	(0.0)	(0.7)	(1.5)
Gas cost (THB/mmbtu)	244	232	220	223	212	201	9.5	9.5	9.5

Source: FSSIA estimates

Exhibit 5: SoTP-based target price

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		0.0	Weight applied		100.0		
WACC		3.0					
DCF valuation estimate		(MW)	(%)	(THB m)	Equity Capacity	(THB/share)	Comments
IPP							
	GNS	1,668	40	32,247	667	2.7	WACC 3.0%, Risk free rate 2.3%, Risk premium 8.5%, zero terminal growth
	GUT	1,752	40	41,344	701	3.5	WACC 3.0%, Risk free rate 2.3%, Risk premium 8.5%, zero terminal growth
	GSRC	2,650	70	63,594	1,855	5.4	WACC 3.0%, Risk free rate 2.3%, Risk premium 8.5%, zero terminal growth
	GPD	2,650	70	79,089	1,855	6.7	WACC 3.0%, Risk free rate 2.3%, Risk premium 8.5%, zero terminal growth
	Duqm (Oman)	326	49	5,035	160	0.4	WACC 3.0%, Risk free rate 2.3%, Risk premium 8.5%, zero terminal growth
	Hin Kong	1,540	49	40,700	755	3.5	WACC 3.0%, Risk free rate 2.3%, Risk premium 8.5%, zero terminal growth
	Burapa power	600	35	13,773	210	1.2	WACC 3.0%, Risk free rate 2.3%, Risk premium 8.5%, zero terminal growth
SPP							
	GJP's 7 SPPs	888	39	31,335	346	2.7	WACC 3.0%, Risk free rate 2.3%, Risk premium 8.5%, zero terminal growth
	GMP's 9 SPPs	1,205	52	55,916	632	4.8	WACC 3.0%, Risk free rate 2.3%, Risk premium 8.5%, zero terminal growth
	GMP's 3 SPPs	382	70	16,630	267	1.4	WACC 3.0%, Risk free rate 2.3%, Risk premium 8.5%, zero terminal growth
	CGC (biomass)	25	100	229	25	0.0	WACC 3.0%, Risk free rate 2.3%, Risk premium 8.5%, zero terminal growth
Renewable							
	Solar - Thailand	101	50	14,002	50	1.2	WACC 3.0%, Risk free rate 2.3%, Risk premium 8.5%, zero terminal growth
	Solar - Vietnam	119	90	1,498	107	0.1	WACC 5%, Risk free rate 6%, Risk premium 6.5%, zero terminal growth
	Wind - Thailand	170	50	1,979	85	0.2	WACC 3.0%, Risk free rate 2.3%, Risk premium 8.5%, zero terminal growth
	Wind - Vietnam	128	95	16,713	122	1.4	WACC 5%, Risk free rate 6%, Risk premium 6.5%, zero terminal growth
	Wind - Germany	465	50	21,739	232	1.9	WACC 4%, Risk free rate 2%, Risk premium 8.5%, zero terminal growth
	Pak Beng	897	35	26,326	314	2.2	WACC 3.0%, Risk free rate 2.3%, Risk premium 8.5%, zero terminal growth
	Pak Lay	770	35	20,748	270	1.8	WACC 3.0%, Risk free rate 2.3%, Risk premium 8.5%, zero terminal growth
Infrastructure							
	Laemchabang phase 3		40	12,530		1.1	EIRR 10.5%
	Maptaphut phase 3		70	165,749		14.1	EIRR 13.6%
	Motorway O&M		40	10,853		0.9	EIRR 10%
	One Bangkok	240	16	1,376		0.1	EIRR 12%
Investment							
	SPCG		5	1,346	15	0.3	At 1.5x FY22E P/BV
	INTUCH		46	123,372		10.5	At THB83.5 target price
	Net debt			(115,790)		(9.9)	At end-2023E
Residual ordinary equity				673,892	8,667	58.0	

Source: FSSIA estimates

Financial Statements

Gulf Energy Development

Profit and Loss (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Revenue	32,827	47,467	87,227	88,114	90,413
Cost of goods sold	(20,271)	(29,399)	(63,189)	(62,248)	(64,042)
Gross profit	12,556	18,068	24,038	25,865	26,371
Other operating income	-	-	-	-	-
Operating costs	(1,884)	(1,155)	(3,489)	(3,701)	(3,617)
Operating EBITDA	10,672	16,913	20,549	22,164	22,755
Depreciation	(3,431)	(4,989)	(4,928)	(5,271)	(5,431)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	7,241	11,924	15,620	16,893	17,324
Net financing costs	(3,715)	(6,587)	(6,949)	(6,282)	(5,965)
Associates	2,462	2,886	3,638	4,122	5,139
Recurring non-operating income	2,922	5,319	3,658	4,142	5,159
Non-recurring items	(196)	(1,142)	0	0	0
Profit before tax	6,252	9,514	12,328	14,754	16,518
Tax	(107)	(347)	(255)	(685)	(703)
Profit after tax	6,144	9,167	12,073	14,069	15,815
Minority interests	(1,862)	(1,497)	(1,194)	(1,244)	(1,399)
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
Reported net profit	4,282	7,670	10,879	12,825	14,416
Non-recurring items & goodwill (net)	196	1,142	0	0	0
Recurring net profit	4,478	8,812	10,879	12,825	14,416
Per share (THB)					
Recurring EPS *	0.38	0.75	0.93	1.09	1.23
Reported EPS	0.36	0.65	0.93	1.09	1.23
DPS	0.25	0.44	0.70	0.70	0.70
Diluted shares (used to calculate per share data)	11,733	11,733	11,733	11,733	11,733
Growth					
Revenue (%)	9.3	44.6	83.8	1.0	2.6
Operating EBITDA (%)	61.9	58.5	21.5	7.9	2.7
Operating EBIT (%)	74.1	64.7	31.0	8.2	2.5
Recurring EPS (%)	16.0	96.8	23.5	17.9	12.4
Reported EPS (%)	(20.3)	79.1	41.8	17.9	12.4
Operating performance					
Gross margin inc. depreciation (%)	27.8	27.6	21.9	23.4	23.2
Gross margin of key business (%)	27.8	27.6	21.9	23.4	23.2
Operating EBITDA margin (%)	32.5	35.6	23.6	25.2	25.2
Operating EBIT margin (%)	22.1	25.1	17.9	19.2	19.2
Net margin (%)	13.6	18.6	12.5	14.6	15.9
Effective tax rate (%)	2.8	5.2	2.9	6.4	6.2
Dividend payout on recurring profit (%)	65.5	58.6	75.5	64.0	57.0
Interest cover (X)	2.7	2.6	2.8	3.3	3.8
Inventory days	-	-	-	-	-
Debtor days	60.4	58.6	43.7	50.5	56.4
Creditor days	27.4	27.5	28.0	38.5	37.7
Operating ROIC (%)	5.5	(1.9)	(2.5)	(2.7)	(2.8)
ROIC (%)	5.0	(1.3)	(1.2)	(1.3)	(1.4)
ROE (%)	8.7	11.0	10.9	12.3	13.1
ROA (%)	4.9	3.0	2.9	3.4	3.8

* Pre-exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2020	2021	2022E	2023E	2024E
Power business	31,772	42,324	81,975	82,862	85,162
Consulting business	1,154	5,772	5,772	5,772	5,772
Others	(99)	(629)	(521)	(521)	(521)

Sources: Gulf Energy Development; FSSIA estimates

Financial Statements

Gulf Energy Development

Cash Flow (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Recurring net profit	4,478	8,812	10,879	12,825	14,416
Depreciation	3,431	4,989	4,928	5,271	5,431
Associates & minorities	2,462	2,886	3,638	4,122	5,139
Other non-cash items	-	-	-	-	-
Change in working capital	2,798	1,823	9,845	(1,681)	(1,155)
Cash flow from operations	13,169	18,510	29,290	20,537	23,832
Capex - maintenance	(3,152)	(4,285)	(3,365)	(3,805)	(3,842)
Capex - new investment	(49,037)	(1,114)	(10,273)	(767)	(2,252)
Net acquisitions & disposals	(832)	(113,494)	0	0	0
Other investments (net)	436	55,878	3,638	4,122	5,139
Cash flow from investing	(52,585)	(63,015)	(10,001)	(450)	(955)
Dividends paid	(2,773)	(2,933)	(5,163)	(8,213)	(8,213)
Equity finance	0	0	0	0	0
Debt finance	27,702	54,256	(10,931)	0	0
Other financing cash flows	16,000	(2,874)	(6,081)	(7,001)	(4,375)
Cash flow from financing	40,929	48,449	(22,175)	(15,214)	(12,589)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	1,513	3,944	(2,886)	4,874	10,288
Free cash flow to firm (FCFF)	(35,750.90)	(38,909.14)	27,032.81	27,047.66	29,715.44
Free cash flow to equity (FCFE)	4,285.96	6,877.73	2,277.04	13,086.73	18,501.70

Per share (THB)

FCFF per share	(3.05)	(3.32)	2.30	2.31	2.53
FCFE per share	0.37	0.59	0.19	1.12	1.58
Recurring cash flow per share	0.88	1.42	1.66	1.89	2.13

Balance Sheet (THB m) Year Ending Dec	2020	2021	2022E	2023E	2024E
Tangible fixed assets (gross)	139,958	144,790	156,865	159,790	159,790
Less: Accumulated depreciation	(10,240)	(14,662)	(18,027)	(21,651)	(25,492)
Tangible fixed assets (net)	129,718	130,128	138,838	138,139	134,298
Intangible fixed assets (net)	17,354	18,964	18,964	18,964	18,964
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	22,079	135,573	135,573	135,573	135,573
Cash & equivalents	15,902	19,847	16,962	21,835	32,124
A/C receivable	5,660	9,569	11,313	13,076	14,884
Inventories	0	0	0	0	0
Other current assets	8,792	9,395	17,265	17,441	17,896
Current assets	30,354	38,811	45,540	52,351	64,903
Other assets	46,075	39,197	39,197	39,197	39,197
Total assets	245,580	362,674	378,113	384,225	392,936
Common equity	64,027	96,596	102,313	106,925	113,128
Minorities etc.	8,053	10,913	12,107	13,351	14,750
Total shareholders' equity	72,080	107,509	114,420	120,276	127,878
Long term debt	83,544	138,761	138,761	138,761	138,761
Other long-term liabilities	60,314	81,387	81,387	81,387	81,387
Long-term liabilities	143,858	220,148	220,148	220,148	220,148
A/C payable	1,353	3,080	6,621	6,522	6,710
Short term debt	13,892	12,931	2,000	2,000	2,000
Other current liabilities	14,397	19,005	34,924	35,279	36,199
Current liabilities	29,643	35,016	43,544	43,801	44,910
Total liabilities and shareholders' equity	245,581	362,674	378,113	384,225	392,936
Net working capital	(1,298)	(3,121)	(12,966)	(11,285)	(10,130)
Invested capital	213,928	320,742	319,607	320,589	317,902

* Includes convertibles and preferred stock which is being treated as debt

Per share (THB)

Book value per share	5.46	8.23	8.72	9.11	9.64
Tangible book value per share	3.98	6.62	7.10	7.50	8.03

Financial strength

Net debt/equity (%)	113.1	122.6	108.2	98.9	85.0
Net debt/total assets (%)	33.2	36.4	32.7	31.0	27.6
Current ratio (x)	1.0	1.1	1.0	1.2	1.4
CF interest cover (x)	15.4	2.2	2.8	3.2	4.5

Valuation	2020	2021	2022E	2023E	2024E
Recurring P/E (x) *	138.2	70.2	56.9	48.3	42.9
Recurring P/E @ target price (x) *	152.0	77.2	62.6	53.1	47.2
Reported P/E (x)	144.5	80.7	56.9	48.3	42.9
Dividend yield (%)	0.5	0.8	1.3	1.3	1.3
Price/book (x)	9.7	6.4	6.0	5.8	5.5
Price/tangible book (x)	13.3	8.0	7.4	7.0	6.6
EV/EBITDA (x) **	66.4	45.0	36.7	33.9	32.6
EV/EBITDA @ target price (x) **	72.2	48.7	39.7	36.7	35.3
EV/invested capital (x)	3.3	2.4	2.4	2.3	2.3

* 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 2021

EXCELLENT LEVEL – Score range 90-100										
AAV	BCPG	CPALL	GCAP	K	MSC	PLANET	SAMART	SPI	THRE	TVD
ADVANC	BDM5	CPF	GFPT	KBANK	MST	PLAT	SAMTEL	SPRC	THREL	TVI
AF	BEM	CPI	GGC	KCE	MTC	PORT	SAT	SPVI	TIPCO	TVO
AH	BGC	CPN	GLAND	KKP	MVP	PPS	SC	SSSC	TISCO	TWPC
AIRA	BGRIM	CRC	GLOBAL	KSL	NCL	PR9	SCB	SST	TK	U
AKP	BIZ	CSS	GPI	KTB	NEP	PREB	SCC	STA	TKT	UAC
AKR	BKI	DDD	GPSC	KTC	NER	PRG	SCCC	STEC	TMT	UBIS
ALT	BOL	DELTA	GRAMMY	LALIN	NKI	PRM	SCG	STI	TNDT	UV
AMA	BPP	DEMCO	GULF	LANNA	NOBLE	PROUD	SCGP	SUN	TNITY	VGI
AMATA	BRR	DRT	GUNKUL	LH	NSI	PSH	SCM	SUSCO	TOA	VIH
AMATAV	BTS	DTAC	HANA	LHFG	NVD	PSL	SDC	SUTHA	TOP	WACOAL
ANAN	BTW	DUSIT	HARN	LIT	NWR	PTG	SEAFECO	SVI	TPBI	WAVE
AOT	BWG	EA	HMPRO	LPN	NYT	PTT	SEAOL	SYMC	TQM	WHA
AP	CENEL	EASTW	ICC	MACO	OISHI	PTTEP	SE-ED	SYNTEC	TRC	WHAUP
ARIP	CFRESH	ECF	ICHI	MAJOR	OR	PTTGC	SELIC	TACC	TRU	WICE
ARROW	CHEWA	ECL	III	MAKRO	ORI	PYLON	SENA	TASCO	TRUE	WINNER
ASP	CHO	EE	ILINK	MALEE	OSP	Q-CON	SHR	TCAP	TSC	ZEN
AUCT	CIMBT	EGCO	ILM	MBK	OTO	QH	SIRI	TEAMG	TSR	
AWC	CK	EPG	INTUCH	MC	PAP	QTC	SIS	TFMAMA	TSTE	
AYUD	CKP	ETC	IP	MCOT	PCSGH	RATCH	SITHAI	TGH	TSTH	
BAFS	CM	FPI	IRPC	METCO	PDG	RS	SMK	THANA	TTA	
BANPU	CNT	FPT	ITEL	MFEC	PDJ	S	SMPC	THANI	TTB	
BAY	COM7	FSMART	IVL	MINT	PG	S & J	SNC	THCOM	TTCL	
BBL	COMAN	GBX	JSP	MONO	PHOL	SAAM	SONIC	THG	TTW	
BCEP	COTTO	GC	JWD	MOONG	PLANB	SABINA	SPALI	THIP	TU	
VERY GOOD LEVEL – Score range 80-89										
2S	ASIMAR	CHOW	FLOYD	IT	LOXLEY	OCC	RPC	SKY	TCC	TVT
7UP	ASK	CI	FN	ITD	LRH	OGC	RT	SLP	TCMC	TWP
ABICO	ASN	CIG	FNS	J	LST	PATO	RWI	SMIT	TEAM	UEC
ABM	ATP30	CMC	FORTH	JAS	M	PB	S11	SMT	TFG	UMI
ACE	B	COLOR	FSS	JCK	MATCH	PICO	SA	SNP	TFI	UOBKH
ACG	BA	CPL	FTE	JCKH	MBAX	PIMO	SAK	SO	TIGER	UP
ADB	BAM	CPW	FVC	JMART	MEGA	PJW	SALEE	SORKON	TITLE	UPF
AEONTS	BC	CRD	GEL	JMT	META	PL	SAMCO	SPA	TKN	UPOIC
AGE	BCH	CSC	GENCO	KBS	MFC	PM	SANKO	SPC	TKS	UTP
AHC	BEC	CSP	GJS	KCAR	MGT	PMTA	SAPPE	SPCG	TM	VCOM
AIT	BEYOND	CWT	GYT	KEX	MICRO	PPP	SAWAD	SR	TMC	VL
ALL	BFIT	DCC	HEMP	KGI	MILL	PPPM	SCI	SRICHA	TMD	VPO
ALLA	BJC	DCON	HPT	KIAT	MITSIB	PRIME	SCN	SSC	TMI	VRANDA
ALUCON	BJCHI	DHOUSE	HTC	KISS	MK	PRIN	SCP	SSF	TMILL	WGE
AMANAH	BLA	DOD	HYDRO	KOOL	MODERN	PRINC	SE	STANLY	TNL	WIJK
AMARIN	BR	DOHOME	ICN	KTIS	MTI	PSG	SFLEX	STGT	TNP	WP
APCO	BROOK	DV8	IFS	KUMWEL	NBC	PSTC	SFP	STOWER	TOG	XO
APCS	CBG	EASON	IMH	KUN	NCAP	PT	SFT	STPI	TPA	XPG
APURE	CEN	EFORL	IND	KWC	NCH	QLT	SGF	SUC	TPAC	YUASA
AQUA	CGH	ERW	INET	KWM	NETBAY	RBF	SIAM	SWC	TPCS	
ASAP	CHARAN	ESSO	INSET	L&E	NEX	RCL	SINGER	SYNEX	TPS	
ASEFA	CHAYO	ESTAR	INSURE	LDC	NINE	RICHY	SKE	TAE	TRITN	
ASIA	CHG	ETE	IRC	LEO	NRF	RML	SKN	TAKUNI	TRT	
ASIAN	CHOTI	FE	IRCP	LHK	NTV	ROJNA	SKR	TBSP	TSE	
GOOD LEVEL – Score range 70-79										
A	BGT	CITY	GIFT	JTS	MDX	PK	SGP	SUPER	TQR	YGG
AI	BH	CMAN	GLOCON	JUBILE	MJD	PLE	SICT	SVOA	TTI	ZIGA
AIE	BIG	CMO	GREEN	KASET	MORE	PPM	SIMAT	TC	TYCN	
AJ	BLAND	CMR	GSC	KCM	MUD	PRAKIT	SISB	TCCC	UKEM	
ALPHAX	BM	CPT	GTB	KK	NC	PRAPAT	SK	THMUI	UMS	
AMC	BROCK	CRANE	HTECH	KKC	NDR	PRECHA	SMART	TNH	UNIQ	
APP	BSBM	CSR	HUMAN	KWI	NFC	PTL	SOLAR	TNR	UPA	
AQ	BSM	D	IHL	KYE	NNCL	RJH	SPACK	TOPP	UREKA	
ARIN	BTNC	EKH	IIG	LEE	NOVA	RP	SPG	TPCH	VIBHA	
AS	BYD	EMC	INGRS	LPH	NPK	RPH	SQ	TPIPL	W	
AU	CAZ	EP	INOX	MATI	NUSA	RSP	SSP	TPIPP	WIN	
B52	CCP	F&D	JAK	M-CHAI	PAF	SABUY	STARK	TPLAS	WORK	
BEAUTY	CGD	FMT	JR	MCS	PF	SF	STC	TPOLY	WPH	

Disclaimer:

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* 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

Sources: Thai Institute of Directors Association (IOD); FSSIA's compilation; data as of 26 October 2021

Anti-corruption Progress Indicator

CERTIFIED										
2S	BCH	CPALL	GC	K	MFC	PE	QLT	SNP	THCOM	TU
7UP	BCP	CPF	GCAP	KASET	MFEC	PG	QTC	SORKON	THIP	TVD
ADVANC	BCPG	CPI	GEL	KBANK	MILL	PHOL	RATCH	SPACK	THRE	TVI
AF	BE8	CPN	GFPT	KBS	MINT	PK	RML	SPALI	THREL	TVO
AI	BEYOND	CSC	GGC	KCAR	MONO	PL	RWI	SPC	TIDLOR	TWPC
AIE	BGC	DCC	GJS	KCE	MOONG	PLANB	S & J	SPI	TIPCO	U
AIRA	BGRIM	DELTA	GPI	KGI	MSC	PLANET	SAAM	SPRC	TISCO	UBE
AKP	BJCHI	DEMCO	GPSC	KKP	MST	PLAT	SABINA	SRICHA	TKS	UBIS
ALPHAX	BKI	DIMET	GSTEEL	KSL	MTC	PM	SAPPE	SSF	TKT	UEC
AMA	BLA	DRT	GUNKUL	KTB	MTI	PPP	SAT	SSP	TMD	UKEM
AMANAHA	BPP	DTAC	HANA	KTC	NBC	PPPM	SC	SSSC	TMILL	UOBKH
AMATA	BROOK	DUSIT	HARN	KWC	NEP	PPS	SCB	SST	TMT	UPF
AMATAV	BRR	EA	HEMP	KWI	NINE	PR9	SCC	STA	TNITY	UV
AP	BSBM	EASTW	HENG	L&E	NKI	PREB	SCCC	STOWER	TNL	VGI
APCS	BTS	ECL	HMPRO	LANNA	NMG	PRG	SCG	SUSCO	TNP	VIH
AQUA	BWG	EGCO	HTC	LH	NNCL	PRINC	SCN	SVI	TNR	WACOAL
ARROW	CEN	EP	ICC	LHFG	NOBLE	PRM	SEAOL	SYMC	TOG	WHA
AS	CENTEL	EPG	ICHI	LHK	NOK	PROS	SE-ED	SYNTEC	TOP	WHAUP
ASIAN	CFRESH	ERW	IFEC	LPN	NSI	PSH	SELIC	TAE	TOPP	WICE
ASK	CGH	ESTAR	IFS	LRH	NWR	PSL	SENA	TAKUNI	TPA	WIJK
ASP	CHEWA	ETE	ILINK	M	OCC	PSTC	SGP	TASCO	TPP	XO
AWC	CHOTI	FE	INET	MAKRO	OGC	PT	SINGER	TBSP	TRU	ZEN
AYUD	CHOW	FNS	INSURE	MALEE	ORI	PTG	SIRI	TCAP	TRUE	
B	CIG	FPI	INTUCH	MATCH	PAP	PTT	SITHAI	TCMC	TSC	
BAFS	CIMBT	FPT	IRC	MBAX	PATO	PTTEP	SKR	TFG	TSTE	
BAM	CM	FSMART	IRPC	MBK	PB	PTTGC	SMIT	TFI	TSTH	
BANPU	CMC	FSS	ITEL	MC	PCSGH	PYLON	SMK	TFMAMA	TTA	
BAY	COM7	FTE	IVL	MCOT	PDG	Q-CON	SMPC	TGH	TTB	
BBL	COTTO	GBX	JKN	META	PDJ	QH	SNC	THANI	TTCL	
DECLARED										
AJ	CHG	DDD	ETC	JR	MAJOR	NUSA	RS	SSS	TQM	YUASA
ALT	CPL	DHOUSE	FLOYD	JTS	NCAP	NYT	SAK	STECH	TSI	ZIGA
APCO	CPR	DOHOME	GULF	KEX	NCL	OR	SCGP	STGT	VARO	
B52	CPW	ECF	III	KUMWEL	NOVA	PIMO	SCM	TKN	VCOM	
BEC	CRC	EKH	INOX	LDC	NRF	PLE	SIS	TMI	VIBHA	

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)

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Note: Companies participating in Thailand's Private Sector Collective Action Coalition Against Corruption programme (Thai CAC) under Thai Institute of Directors (as of 26 October 2021) are categorised into: 1) companies that have declared their intention to join CAC, and; 2) companies certified by CAC.

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

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ANALYST(S) CERTIFICATION

Siriluck Pinthusoonthorn FSS International Investment Advisory Securities Co., Ltd

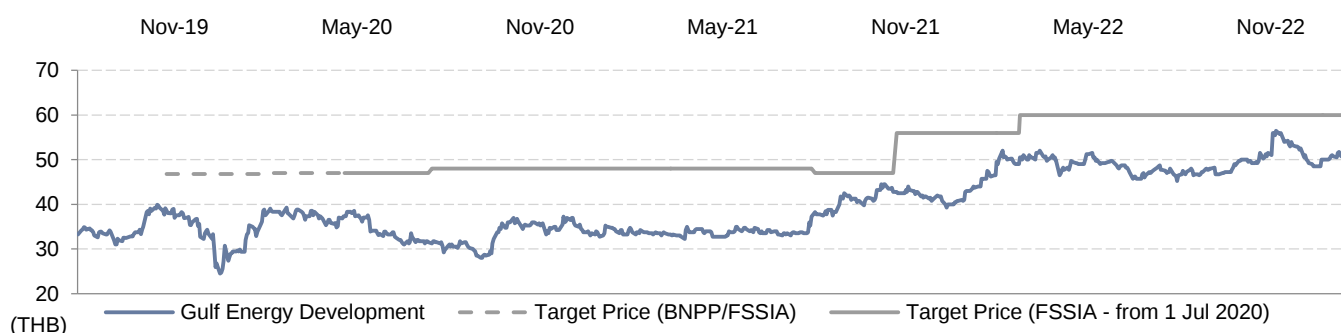
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s) 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)



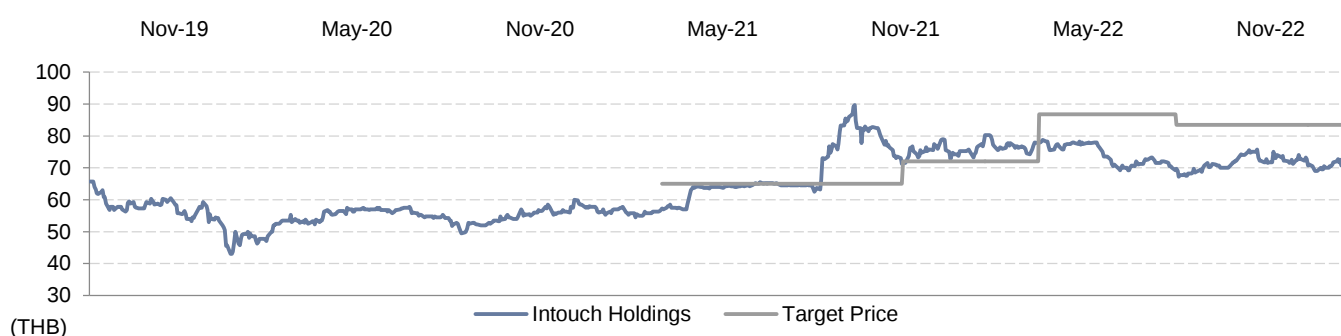
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
30-Jan-2020	BUY	46.80	11-Sep-2020	BUY	48.00	15-Oct-2021	BUY	56.00
22-Apr-2020	BUY	47.00	06-Aug-2021	BUY	47.00	31-Jan-2022	BUY	60.00

Siriluck Pinthusoonthorn started covering this stock from 14-Nov-2022

Price and TP are in local currency

Source: FSSIA estimates

Intouch Holdings (INTUCH TB)



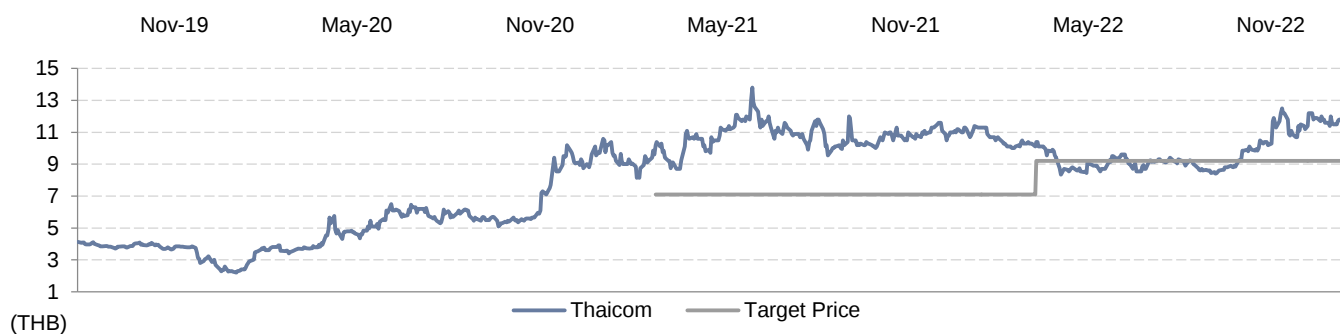
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
24-Mar-2021	BUY	65.00	19-Oct-2021	HOLD	72.00	13-Jun-2022	BUY	83.50
05-May-2021	HOLD	65.00	14-Feb-2022	BUY	86.80			

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	14-Feb-2022	REDUCE	9.20	13-Jun-2022	HOLD	9.20

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 52.75	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 72.25	BUY	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.
Thaicom	THCOM TB	THB 11.40	HOLD	The key upside and downside 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 the auction for the new satellite is delayed; and 3) if it can form a partnership with NT or LEO satellite operators.

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 11-Nov-2022 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

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.