

GLOBAL POWER SYNERGY  
THAILAND / UTILITIES

## GPSC TB

BUY

UNCHANGED

## คาดการณ์ 3Q23 จะฟื้นตัวดี

- ราคาหุ้น GPSC อยู่ที่ 1.5 พัน ลบ. (+387% q-q, +355% y-y) ฟื้นตัวจากฐานที่ต่ำเพียง 0.3 พัน ลบ. ใน 2Q23
- เราเห็นว่าราคาหุ้นมี Downside เพิ่มจำกัด
- คงคำแนะนำซื้อ GPSC ที่ราคาเป้าหมาย 59.0 บาท

TARGET PRICE	THB59.00
CLOSE	THB39.00
UP/DOWNSIDE	+51.3%
PRIOR TP	THB59.00
CHANGE IN TP	UNCHANGED
TP vs CONSENSUS	-7.5%

## KEY STOCK DATA

YE Dec (THB m)	2022	2023E	2024E	2025E
Revenue	123,685	89,040	85,553	79,262
Net profit	891	3,861	4,938	6,866
EPS (THB)	0.32	1.37	1.75	2.43
vs Consensus (%)	-	(9.6)	(15.0)	(4.4)
EBITDA	14,783	15,777	17,416	20,771
Recurring net profit	2,779	3,861	4,938	6,866
Core EPS (THB)	0.99	1.37	1.75	2.43
Chg. In EPS est. (%)	-	-	-	-
EPS growth (%)	(68.8)	38.9	27.9	39.0
Core P/E (x)	39.6	28.5	22.3	16.0
Dividend yield (%)	1.3	3.3	3.8	3.8
EV/EBITDA (x)	14.6	13.9	12.2	10.0
Price/book (x)	1.1	1.0	1.0	1.0
Net debt/Equity (%)	82.7	84.1	76.5	69.2
ROE (%)	2.6	3.6	4.6	6.3

## คาดการณ์กำไรสุทธิ 3Q23 จะกระโดดเพิ่ม 387% q-q เป็น 1.5 พัน ลบ.

เราคาดว่ากำไรสุทธิ 3Q23 จะฟื้นตัวจากฐานที่ต่ำใน 2Q23 ที่ 0.3 พัน ลบ. เป็น 1.5 พัน ลบ. (+387% q-q, +355% y-y) โดยได้ปัจจัยหนุนจาก 1) การดำเนินงานเต็มกำลังของ Glow SPP phase 5 หลังหยุดดำเนินงานเป็นเวลา 25 วันใน 2Q23; 2) ส่วนแบ่งกำไรที่สูงขึ้นจากโรงไฟฟ้าพลังน้ำไชยะบุรีตามปัจจัยด้านฤดูกาล; 3) การดำเนินงานที่ดีของทุกโรงไฟฟ้าโดยไม่มีกรปิดซ่อมบำรุงครั้งใหญ่; 4) ราคาพลังงาน (ก๊าซและถ่านหิน) ที่ลดลง; และ 5) ต้นทุนในการดำเนินงานที่ลดลง ใน 3Q23 ราคาก๊าซและถ่านหินเฉลี่ยลดลง 25% q-q และ 30% q-q เป็น 334 บาท/mmbtu และ USD218/ton JPU ตามลำดับ ในขณะที่ราคาขายเฉลี่ยลดลง 9% q-q มาอยู่ที่ 0.45 บาท/kWh นอกจากนี้เรายังคาดว่าจะไม่มีรายการพิเศษ อาทิเช่น การปรับรายการคงคลังถ่านหินเช่นเดียวกับในไตรมาสก่อน ประเมินการกำไรสุทธิ 9M23 คิดเป็น 76% ของประมาณการกำไรปี 2023 ของเรา

## แนวโน้ม 4Q23 – กำไรน่าจะโตลดลง

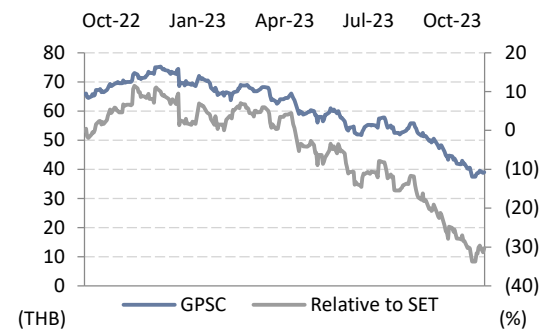
เราคิดว่ากำไรสุทธิ 4Q23 น่าจะลดลง q-q แต่เพิ่มขึ้น y-y มาอยู่ที่ ~0.9 พัน ลบ. ตัวเลขน่าจะลดลง q-q จากผลกระทบของราคาไฟฟ้าที่ลดลง (-66% q-q มาอยู่ที่ 3.99 บาท/kWh เทียบกับ 4.43 บาท/kWh ใน 2Q23) ในขณะที่ราคาพลังงาน (ก๊าซและถ่านหิน) น่าจะลดลงในอัตราที่ต่ำกว่า นอกจากนั้นบริษัท น่าจะบันทึกส่วนแบ่งกำไรลดลงโดยเฉพาะอย่างยิ่งจากโรงไฟฟ้าพลังน้ำไชยะบุรีตามปัจจัยด้านฤดูกาล ในขณะที่เดียวกันเราคาดว่ากำไร 4Q23 จะเพิ่มขึ้น y-y จากที่เคยขาดทุน 4Q22 ส่วนมากจากผลการดำเนินงานที่ดีขึ้นของโรงไฟฟ้าขนาดเล็ก (SPP)

## เราเห็นว่าราคาหุ้นมี Downside เพิ่มจำกัด

ราคาหุ้นปรับตัวลดลง 32.5% ในช่วง 3 เดือนที่ผ่านมาและปรับตัวต่ำกว่า SET อยู่ 24.0% เมื่อเร็ว ๆ นี้ราคาหุ้นปรับตัวลดลงจากความเสี่ยงในด้านกฎระเบียบที่เพิ่มขึ้นและอัตราผลตอบแทนพันธบัตรรัฐบาลที่ปรับขึ้น หลังราคาปรับตัวลดลงไปเมื่อไม่นานมานี้ เราเชื่อว่าหุ้นมี Downside จำกัดโดย FSSIA มองว่า Upside ของอัตราผลตอบแทนพันธบัตรของไทยในอนาคตมีจำกัดซึ่งเราคิดว่าอาจเป็นหนึ่งในปัจจัยบวกสำหรับหุ้น นอกจากนี้เรายังคิดว่ารัฐบาลจะคงค่าธรรมเนียมเชื้อเพลิง (Ft) ไว้ที่ระดับในปัจจุบันอีกระยะหนึ่งโดยจะไม่เปลี่ยนค่าธรรมเนียมดังกล่าวในรอบถัดไป

## คงคำแนะนำซื้อ GPSC ที่ราคาเป้าหมาย 59.0 บาท

เราคงคำแนะนำซื้อ GPSC ที่ราคาเป้าหมาย 59.0 บาท (DCF)



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(12.8)	(32.5)	(37.1)
Relative to country (%)	(7.2)	(24.0)	(26.8)
Mkt cap (USD m)	3,060		
3m avg. daily turnover (USD m)	13.3		
Free float (%)	25		
Major shareholder	PTT Plc (47%)		
12m high/low (THB)	75.50/37.00		
Issued shares (m)	2,819.73		

Sources: Bloomberg consensus; FSSIA estimates



Kwanwaree Apichartsatporn

Fundamental Investment Analyst on Securities; License no. 117055  
kwanwaree.a@fssia.com, +66 2646 9968

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บทวิเคราะห์ฉบับนี้แปลมาจากต้นฉบับภาษาอังกฤษ ที่ออกรายงานเมื่อวันที่ 1 พฤศจิกายน 2023

## Investment thesis

We have a BUY rating on GPSC and think that it is a good time to accumulate the stock because of its lagging share price despite having a relatively high EPS growth outlook compared to peers. The company's financial performance in 2023-2025E should be supported by energy price normalisation, the profit turnaround of its flagship solar business in India (AEPL), the full COD of wind in Taiwan (CFXD) and other expansion projects in the pipeline.

GPSC was established as a power investment arm of PTT Group – Thailand's leading energy company. GPSC has long leveraged its solid ties with the group to expand its electricity generation capacity growth and capture domestic and international opportunities. Currently, GPSC generates electricity mainly from natural gas (52%), and most of its capacity is aimed at supporting PTT Group companies, including PTT (PTT TB, NR), PTT Global Chemical (PTTGC TB, NR), Thai Oil (TOP TB, BUY, TP THB56.80) and IRPC (IRPC TB, NR).

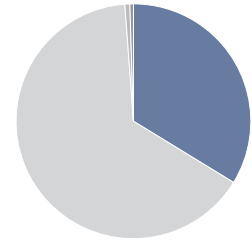
## Company profile

GPSC is a power flagship company of PTT Group and is one of the largest power producers in Thailand. Its business portfolio includes gas-fired power plants, coal-fired power plants, renewables, and a battery business. The company has footprints in Thailand, Laos, India, Taiwan and China.

[www.gpscgroup.com](http://www.gpscgroup.com)

## Principal activities (revenue, 2022)

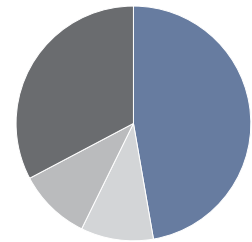
- Independent power producer - 33.7 %
- Small power producer - 65.1 %
- Very small power producer - 0.7 %
- Others - 0.5 %



Source: Global Power Synergy

## Major shareholders

- PTT Plc - 47.3 %
- PTTGC Plc - 10.0 %
- TOP Plc - 10.0 %
- Others - 32.7 %



Source: Global Power Synergy

## Catalysts

Key potential catalysts are 1) falling energy prices (i.e. gas and coal); 2) higher Ft; 3) new M&As; and 4) the start-up of the GHECO-One power plant.

## Risks to our call

The downside risks to our DCF-based TP on GPSC include 1) lower-than-expected demand for electricity in Thailand; 2) higher-than-expected energy prices (i.e. coal and gas); and 3) lower-than-expected demand from industrial users.

## Event calendar

Date	Event
6 Nov 2023	3Q23 financial results announcement
23 Nov 2023	3Q23 analyst meeting

## Key assumptions

Key assumptions	2021	2022	2023E	2024E	2025E
IPP gas price (THB/mmbtu)	257	465	396	361	321
SPP gas price (THB/mmbtu)	266	478	405	370	330
Coal price (USD/tonne)	80	192	80	150	100
Ft (THB/kWh)	(0.15)	0.40	0.89	0.21	0.10

Source: FSSIA estimates

## Earnings sensitivity

- We estimate that a THB1/mmbtu decrease in the gas price would increase net profit by THB30m per annum and vice versa, all else being equal.
- We estimate that a THB0.01/kWh decrease in the Ft would decrease net profit by THB60m per annum and vice versa, all else being equal.

Source: FSSIA estimates

## Focus charts

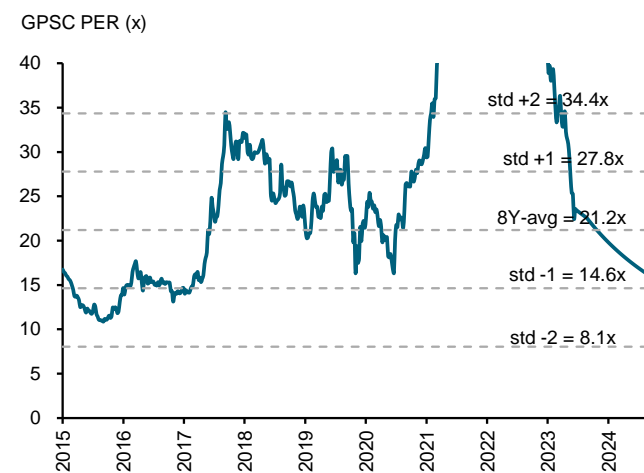
Exhibit 1: GPSC's 3Q23 results preview

	3Q22	2Q23	3Q23E			2023E	% of 1H23
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(%)
Revenue	33,866	23,035	20,604	(10.6)	(39.2)	89,040	80%
Operating costs	(31,312)	(19,539)	(16,188)	(17.1)	(48.3)	(72,427)	
EBITDA	2,554	3,496	4,416	26.3	72.9	15,777	79%
EBITDA margin (%)	8	15	21	nm	nm	18	
Depn & amort.	(2,150)	(2,357)	(2,239)	(5.0)	4.2	(8,932)	
EBIT	404	1,139	2,176	91.1	438.7	6,845	
Interest expense	(1,069)	(1,342)	(1,271)	(5.3)	18.9	(4,475)	
Interest & invt inc	0	0	0	nm	nm	0	
Other income	211	294	265	(10.0)	25.5	0	
Associates' contrib	683	175	603	245.0	(11.6)	2,311	
Exceptionals	14	18	98	447.4	610.7	0	
Pretax profit	243	284	1,872	559.8	671.7	4,681	76%
Tax	158	233	(152)	(165.3)	(196.3)	(316)	
Tax rate (%)	(65)	(82)	8	nm	nm	7	
Minority interests	(70)	(207)	(214)	3.0	206.6	(505)	
Net profit	331	309	1,506	386.9	355.1	3,861	76%

Sources: GPSC, FSSIA's estimates

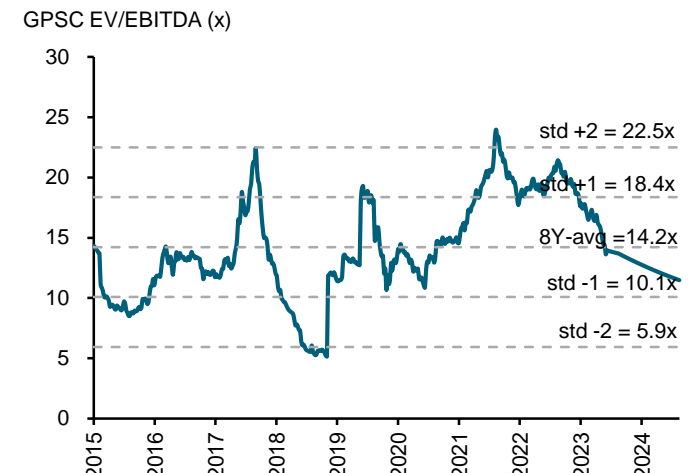
## Valuation

Exhibit 2: GPSC's P/E band



Sources: Bloomberg, FSSIA's estimates

Exhibit 3: GPSC's EV/EBITDA band



Sources: Bloomberg, FSSIA's estimates

## Financial Statements

### Global Power Synergy

Profit and Loss (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Revenue	74,874	123,685	89,040	85,553	79,262
Cost of goods sold	(63,736)	(120,324)	(81,359)	(77,287)	(68,032)
<b>Gross profit</b>	<b>11,138</b>	<b>3,361</b>	<b>7,681</b>	<b>8,267</b>	<b>11,231</b>
Other operating income	3,236	2,731	1,301	1,497	1,796
Operating costs	(1,374)	(422)	(2,137)	(2,180)	(2,223)
<b>Operating EBITDA</b>	<b>22,231</b>	<b>14,783</b>	<b>15,777</b>	<b>17,416</b>	<b>20,771</b>
Depreciation	(9,232)	(9,113)	(8,932)	(9,832)	(9,968)
Goodwill amortisation	0	0	0	0	0
<b>Operating EBIT</b>	<b>13,000</b>	<b>5,670</b>	<b>6,845</b>	<b>7,584</b>	<b>10,803</b>
Net financing costs	(3,915)	(4,240)	(4,475)	(4,575)	(5,719)
Associates	1,536	1,539	2,311	2,978	3,335
Recurring non-operating income	1,536	1,539	2,311	2,978	3,335
Non-recurring items	(1,588)	(1,888)	0	0	0
<b>Profit before tax</b>	<b>9,032</b>	<b>1,081</b>	<b>4,681</b>	<b>5,986</b>	<b>8,419</b>
Tax	(1,192)	376	(316)	(402)	(655)
<b>Profit after tax</b>	<b>7,840</b>	<b>1,457</b>	<b>4,366</b>	<b>5,584</b>	<b>7,764</b>
Minority interests	(522)	(566)	(505)	(646)	(898)
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>7,319</b>	<b>891</b>	<b>3,861</b>	<b>4,938</b>	<b>6,866</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>1,588</b>	<b>1,888</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>8,907</b>	<b>2,779</b>	<b>3,861</b>	<b>4,938</b>	<b>6,866</b>
<b>Per share (THB)</b>					
Recurring EPS *	3.16	0.99	1.37	1.75	2.43
Reported EPS	2.60	0.32	1.37	1.75	2.43
DPS	1.50	0.50	1.30	1.50	1.50
Diluted shares (used to calculate per share data)	2,820	2,820	2,820	2,820	2,820
<b>Growth</b>					
Revenue (%)	7.6	65.2	(28.0)	(3.9)	(7.4)
Operating EBITDA (%)	(2.2)	(33.5)	6.7	10.4	19.3
Operating EBIT (%)	(7.4)	(56.4)	20.7	10.8	42.5
Recurring EPS (%)	(0.6)	(68.8)	38.9	27.9	39.0
Reported EPS (%)	(2.5)	(87.8)	333.1	27.9	39.0
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	14.9	2.7	8.6	9.7	14.2
Gross margin exc. depreciation (%)	27.2	10.1	18.7	21.2	26.7
Operating EBITDA margin (%)	29.7	12.0	17.7	20.4	26.2
Operating EBIT margin (%)	17.4	4.6	7.7	8.9	13.6
Net margin (%)	11.9	2.2	4.3	5.8	8.7
Effective tax rate (%)	15.9	82.2	13.3	13.4	12.9
Dividend payout on recurring profit (%)	47.5	50.7	94.9	85.7	61.6
Interest cover (X)	3.7	1.7	2.0	2.3	2.5
Inventory days	44.2	30.9	49.6	44.2	52.6
Debtor days	54.9	49.6	92.7	98.1	87.7
Creditor days	34.7	28.4	45.3	48.6	68.4
Operating ROIC (%)	(2.3)	(1.0)	(7.1)	(7.7)	(20.8)
ROIC (%)	(1.2)	(0.6)	(4.3)	(4.9)	(12.3)
ROE (%)	8.4	2.6	3.6	4.6	6.3
ROA (%)	3.3	0.9	(0.3)	0.0	(1.6)
* Pre-exceptional, pre-goodwill and fully diluted					
<b>Revenue by Division (THB m)</b>					
Independent power producer	17,558	41,724	13,863	20,507	17,713
Small power producer	55,889	80,519	74,012	63,913	56,678
Very small power producer	689	843	563	561	4,328
Others	738	599	602	572	543

Sources: Global Power Synergy; FSSIA estimates

## Financial Statements

### Global Power Synergy

Cash Flow (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Recurring net profit	8,907	2,779	3,861	4,938	6,866
Depreciation	9,232	9,113	8,932	9,832	9,968
Associates & minorities	1,536	1,539	2,311	2,978	3,335
Other non-cash items	1,318	1,318	1,319	1,319	1,320
Change in working capital	(4,686)	(68)	(5,431)	8,725	4,695
<b>Cash flow from operations</b>	<b>16,307</b>	<b>14,681</b>	<b>10,993</b>	<b>27,792</b>	<b>26,184</b>
Capex - maintenance	(6,208)	(6,237)	(8,932)	(9,832)	(9,968)
Capex - new investment	(11,042)	(12,414)	(23,931)	(21,831)	(21,966)
Net acquisitions & disposals	(28,951)	(29,145)	(17,864)	(19,664)	(19,935)
Other investments (net)	0	0	0	0	0
<b>Cash flow from investing</b>	<b>(46,201)</b>	<b>(47,797)</b>	<b>(50,727)</b>	<b>(51,327)</b>	<b>(51,869)</b>
Dividends paid	0	0	(1,692)	(4,230)	(4,230)
Equity finance	0	0	0	0	0
Debt finance	(2,683)	7,782	5,000	0	0
Other financing cash flows	26,081	25,777	37,601	35,675	36,111
<b>Cash flow from financing</b>	<b>23,398</b>	<b>33,559</b>	<b>40,909</b>	<b>31,445</b>	<b>31,881</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>(6,496)</b>	<b>444</b>	<b>1,175</b>	<b>7,911</b>	<b>6,196</b>
Free cash flow to firm (FCFF)	(26,034.15)	(28,816.56)	(35,259.03)	(18,959.66)	(19,965.55)
Free cash flow to equity (FCFE)	(6,496.03)	443.57	2,866.90	12,140.27	10,426.06
<b>Per share (THB)</b>					
FCFF per share	(9.23)	(10.22)	(12.50)	(6.72)	(7.08)
FCFE per share	(2.30)	0.16	1.02	4.31	3.70
Recurring cash flow per share	7.45	5.23	5.82	6.76	7.62
Balance Sheet (THB m) Year Ending Dec	2021	2022	2023E	2024E	2025E
Tangible fixed assets (gross)	165,325	168,236	183,236	195,236	207,236
Less: Accumulated depreciation	(69,744)	(75,589)	(84,521)	(94,353)	(104,321)
<b>Tangible fixed assets (net)</b>	<b>95,581</b>	<b>92,647</b>	<b>98,715</b>	<b>100,883</b>	<b>102,915</b>
<b>Intangible fixed assets (net)</b>	<b>5,116</b>	<b>3,817</b>	<b>3,817</b>	<b>3,818</b>	<b>3,819</b>
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	27,700	44,372	44,372	44,372	44,372
Cash & equivalents	13,793	14,236	15,411	23,322	29,518
A/C receivable	13,441	20,178	25,027	20,944	17,161
Inventories	6,938	11,915	7,760	8,587	8,136
Other current assets	11,318	6,494	4,675	4,492	4,161
<b>Current assets</b>	<b>45,490</b>	<b>52,822</b>	<b>52,873</b>	<b>57,345</b>	<b>58,977</b>
Other assets	96,492	95,152	90,152	90,152	90,152
<b>Total assets</b>	<b>270,379</b>	<b>288,810</b>	<b>289,929</b>	<b>296,569</b>	<b>300,235</b>
Common equity	108,334	104,730	106,899	107,608	110,244
Minorities etc.	9,413	10,370	10,875	11,521	12,420
<b>Total shareholders' equity</b>	<b>117,748</b>	<b>115,100</b>	<b>117,774</b>	<b>119,129</b>	<b>122,663</b>
Long term debt	92,511	97,957	102,957	102,957	102,957
Other long-term liabilities	37,084	43,560	43,560	43,560	43,560
<b>Long-term liabilities</b>	<b>129,595</b>	<b>141,516</b>	<b>146,516</b>	<b>146,516</b>	<b>146,516</b>
A/C payable	6,407	10,887	7,090	10,887	10,887
Short term debt	9,121	11,457	11,457	11,457	11,457
Other current liabilities	7,508	9,849	7,090	8,579	8,711
<b>Current liabilities</b>	<b>23,036</b>	<b>32,193</b>	<b>25,638</b>	<b>30,924</b>	<b>31,055</b>
<b>Total liabilities and shareholders' equity</b>	<b>270,379</b>	<b>288,810</b>	<b>289,929</b>	<b>296,569</b>	<b>300,235</b>
Net working capital	17,782	17,850	23,281	14,556	9,861
Invested capital	242,671	253,838	260,337	253,781	251,119
* Includes convertibles and preferred stock which is being treated as debt					
<b>Per share (THB)</b>					
Book value per share	38.42	37.14	37.91	38.16	39.10
Tangible book value per share	36.61	35.79	36.56	36.81	37.74
<b>Financial strength</b>					
Net debt/equity (%)	74.6	82.7	84.1	76.5	69.2
Net debt/total assets (%)	32.5	33.0	34.1	30.7	28.3
Current ratio (x)	2.0	1.6	2.1	1.9	1.9
CF interest cover (x)	2.2	4.0	7.0	8.4	6.7
Valuation	2021	2022	2023E	2024E	2025E
<b>Recurring P/E (x) *</b>	<b>12.3</b>	<b>39.6</b>	<b>28.5</b>	<b>22.3</b>	<b>16.0</b>
<b>Recurring P/E @ target price (x) *</b>	<b>18.7</b>	<b>59.9</b>	<b>43.1</b>	<b>33.7</b>	<b>24.2</b>
Reported P/E (x)	15.0	123.4	28.5	22.3	16.0
Dividend yield (%)	3.8	1.3	3.3	3.8	3.8
Price/book (x)	1.0	1.1	1.0	1.0	1.0
Price/tangible book (x)	1.1	1.1	1.1	1.1	1.0
EV/EBITDA (x) **	9.3	14.6	13.9	12.2	10.0
EV/EBITDA @ target price (x) **	11.9	18.4	17.5	15.4	12.7
EV/invested capital (x)	0.9	0.8	0.8	0.8	0.8
* Pre-exceptional, pre-goodwill and fully diluted    ** EBITDA includes associate income and recurring non-operating income					

Sources: Global Power Synergy; FSSIA estimates

# Global Power Synergy (GPSC TB)

## FSSIA ESG rating



**69.86 / 100**

### Exhibit 4: FSSIA ESG score implication

Rating	Score	Implication
★★★★★	>79-100	Leading its industry peers in managing the most significant ESG risks which not only better cost efficiency but also lead to higher profitability.
★★★★	>59-79	<b>A mixed track record of managing the most significant ESG risks and opportunities relative to industry peers.</b>
★★★	>39-59	Relevant ESG materiality matrix has been constructively addressed, well-managed and incorporated into day-to-day operations, in which targets and achievements are evaluated annually.
★★	>19-39	Relevant ESG materiality matrix has been identified with key management in charge for progress to be followed up on and to provide intensive disclosure. Most targets are conventional and achievable.
★	1-19	The company has adopted the United Nations Sustainable Development Goals (UN SDGs), established sustainability management guidelines and fully complies with regulations or ESG suggested guidance from related organizations such as the SET and SEC.

Sources: FSSIA estimates

### Exhibit 5: ESG – peer comparison

	FSSIA	Domestic ratings						Global ratings					Bloomberg		
	ESG score	DJSI	SET THSI	THSI	CG score	AGM level	Thai CAC	Morningstar ESG risk	ESG Book	MSCI	Moody's	Refinitiv	S&P Global	ESG score	Disclosure score
SET100	69.20	5.34	4.40	4.40	4.76	4.65	3.84	Medium	51.76	BBB	20.87	58.72	63.91	3.72	28.17
Coverage	67.12	5.11	4.15	4.17	4.83	4.71	3.53	Medium	52.04	BB	16.97	56.85	62.09	3.40	31.94
BCPG	60.77	--	Y	Y	5.00	4.00	Certified	Medium	53.04	A	--	57.81	38.00	--	54.74
BGRIM	66.87	--	Y	Y	5.00	5.00	Certified	High	47.55	BBB	--	63.32	84.00	3.58	68.21
GULF	61.25	--	Y	Y	5.00	5.00	Certified	High	57.10	B	--	53.85	74.00	2.92	53.27
GPSC	69.86	--	Y	Y	5.00	5.00	Certified	Medium	63.22	B	--	60.43	88.00	4.77	--
GUNKUL	61.52	--	Y	Y	5.00	5.00	Certified	Medium	68.79	--	--	73.33	27.00	2.75	58.25

Sources: [SETTRADE.com](https://www.settrade.com); FSSIA's compilation

### Exhibit 6: ESG score by Bloomberg

FY ending Dec 31	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
<b>ESG financial materiality scores - ESG score</b>	<b>4.37</b>	<b>4.44</b>	<b>4.46</b>	<b>4.65</b>	<b>4.86</b>	<b>4.68</b>	<b>4.93</b>	<b>4.77</b>
BESG environmental pillar score	3.85	3.89	3.73	4.20	4.60	4.09	4.61	—
BESG social pillar score	4.86	5.13	5.13	5.07	4.17	4.66	4.74	—
BESG governance pillar score	4.77	4.71	5.10	5.01	6.07	5.77	5.68	—
<b>ESG disclosure score</b>	<b>54.87</b>	<b>64.13</b>	<b>68.40</b>	<b>71.71</b>	<b>76.11</b>	<b>75.18</b>	<b>74.70</b>	<b>—</b>
Environmental disclosure score	33.59	55.97	59.35	71.85	76.44	81.55	80.10	—
Social disclosure score	43.56	48.97	52.15	49.58	55.68	54.08	54.08	—
Governance disclosure score	87.36	87.36	93.62	93.62	96.12	89.86	89.86	—
<b>Environmental</b>								
Emissions reduction initiatives	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Climate change policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Climate change opportunities discussed	No	No	No	No	No	No	No	No
Risks of climate change discussed	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
GHG scope 1	3,077	2,795	2,524	2,805	2,283	11,178	11,845	12,681
GHG scope 2 location-based	2	9	4	2	2	21	23	28
GHG Scope 3	—	385	357	344	184	327	1,394	1,555
Carbon per unit of production	0.29	0.33	0.30	0.33	0.30	0.37	0.44	0.45
Biodiversity policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Energy efficiency policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Total energy consumption	15,584	13,748	10,912	10,582	9,815	36,425	50,019	—
Renewable energy use	—	—	—	—	0	0	3	—
Electricity used	—	23	11	3	4	39	45	—
Fuel used - natural gas	—	1,315,460	1,043,640	2,928,960	2,804,980	2,867,270	3,298,150	—

Sources: Bloomberg; FSSIA's compilation

## Exhibit 7: ESG score by Bloomberg (cont.)

FY ending Dec 31	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Fuel used - crude oil/diesel	No	No	No	No	No	No	No	No
Waste reduction policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Hazardous waste	0	0	0	0	0	1	1	2
Total waste	1	1	1	1	1	23	214	237
Waste recycled	0	0	0	0	0	0	199	222
Waste sent to landfills	—	0.00	0.00	0.00	0.00	16.78	11.46	9.93
Environmental supply chain management	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Water policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Water consumption	—	—	—	—	—	47,051.60	34,876.90	31,692.40
<b>Social</b>								
Human rights policy	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Policy against child labor	No	No	No	No	No	No	No	No
Quality assurance and recall policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Consumer data protection policy	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Equal opportunity policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Gender pay gap breakout	No	No	No	No	Yes	Yes	Yes	Yes
Pct women in workforce	26.25	30.23	32.19	32.39	32.75	29.83	29.96	29.43
Pct disabled in workforce	—	—	—	—	—	0.09	0.09	0.09
Business ethics policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Anti-bribery ethics policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Health and safety policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Lost time incident rate - employees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total recordable incident rate - employees	0.00	0.00	0.00	0.00	0.00	2.00	0.09	0.00
Training policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Fair remuneration policy	No	No	No	No	No	No	No	No
Number of employees – CSR	240.00	258.00	292.00	318.00	345.00	1,076.00	1,108.00	1,128.00
Employee turnover pct	3.12	4.02	2.54	3.61	5.22	2.97	3.16	5.76
Total hours spent by firm - employee training	12,504.00	9,571.80	8,143.88	11,797.80	13,127.20	27,524.10	30,957.50	23,692.10
Social supply chain management	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<b>Governance</b>								
<b>Board size</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>13</b>	<b>13</b>	<b>15</b>	<b>15</b>	<b>13</b>
<b>No. of independent directors (ID)</b>	<b>5</b>	<b>5</b>	<b>4</b>	<b>5</b>	<b>5</b>	<b>7</b>	<b>7</b>	<b>6</b>
No. of women on board	1	1	2	3	2	2	2	2
No. of non-executive directors on board	11	11	11	12	12	14	14	12
Company conducts board evaluations	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
No. of board meetings for the year	15	14	14	19	16	15	12	16
Board meeting attendance pct	93	95	92	90	94	99	100	96
Board duration (years)	3	3	3	3	3	3	3	3
Director share ownership guidelines	No	No	No	No	No	No	No	No
Age of the youngest director	53	54	50	48	49	50	48	54
Age of the oldest director	66	67	68	67	67	68	69	67
<b>No. of executives / company managers</b>	<b>10</b>	<b>15</b>	<b>19</b>	<b>19</b>	<b>20</b>	<b>32</b>	<b>36</b>	<b>34</b>
No. of female executives	1	2	4	5	9	11	11	12
Executive share ownership guidelines	No	No	No	No	No	No	No	No
<b>Size of audit committee</b>	<b>4</b>	<b>4</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
No. of ID on audit committee	4	4	3	3	3	3	3	3
Audit committee meetings	14	18	11	12	7	6	7	6
Audit meeting attendance %	93	99	100	100	100	100	100	94
<b>Size of compensation committee</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
No. of ID on compensation committee	2	2	2	2	3	1	1	1
No. of compensation committee meetings	5	5	7	5	10	5	5	3
Compensation meeting attendance %	92	87	100	100	97	100	100	100
<b>Size of nomination committee</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
No. of nomination committee meetings	5	5	7	5	10	5	5	3
Nomination meeting attendance %	92	87	100	100	97	100	100	100
<b>Sustainability governance</b>								
Verification type	No	No	Yes	Yes	Yes	Yes	Yes	Yes

Sources: Bloomberg; FSSIA's compilation



## Disclaimer for ESG scoring

ESG score	Methodology			Rating										
The Dow Jones Sustainability Indices (DJSI) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.			Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.										
Sustainability Investment List (THSI) by The Stock Exchange of Thailand (SET)	THSI quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria include: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years.			To be eligible for <b>THSI inclusion</b> , verified data must be scored at a minimum of 50% for each indicator, unless the company is a part of DJSI during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality. <b>SETTHSI Index</b> is extended from the THSI companies whose 1) market capitalization > THB5b (~USD150b); 2) free float >20%; and 3) liquidity >0.5% of paid-up capital for at least 9 out of 12 months. The SETTHSI Index is a market capitalisation-weighted index, cap 5% quarterly weight at maximum, and no cap for number of stocks.										
<b>CG Score</b> by Thai Institute of Directors Association (Thai IOD)	An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.			Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (50-59), and not rated for scores below 50. Weightings include: 1) the rights; 2) and equitable treatment of shareholders (weight 25% combined); 3) the role of stakeholders (25%); 4) disclosure & transparency (15%); and 5) board responsibilities (35%).										
<b>AGM level</b> By Thai Investors Association (TIA) with support from the SEC	It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). <i>(The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&amp;A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.)</i>			The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.										
<b>Thai CAC</b> By Thai Private Sector Collective Action Against Corruption (CAC)	The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. <i>(Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.)</i>			The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.										
<b>Morningstar Sustainalytics</b>	The Sustainalytics' ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. <i>Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality &amp; peer reviews.</i>			A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. <table><tr><th>NEGL</th><th>Low</th><th>Medium</th><th>High</th><th>Severe</th></tr><tr><td>0-10</td><td>10-20</td><td>20-30</td><td>30-40</td><td>40+</td></tr></table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+
NEGL	Low	Medium	High	Severe										
0-10	10-20	20-30	30-40	40+										
<b>ESG Book</b>	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.			The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.										
<b>MSCI</b>	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers.													
	AAA	8.571-10.000	<b>Leader:</b>	leading its industry in managing the most significant ESG risks and opportunities										
	AA	7.143-8.570												
	A	5.714-7.142												
	BBB	4.286-5.713	<b>Average:</b>	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers										
	BB	2.857-4.285												
	B	1.429-2.856												
	CCC	0.000-1.428	<b>Laggard:</b>	lagging its industry based on its high exposure and failure to manage significant ESG risks										
<b>Moody's ESG solutions</b>	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.													
<b>Refinitiv ESG rating</b>	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. <i>(Score ratings are 0 to 25 = poor; &gt;25 to 50 = satisfactory; &gt;50 to 75 = good; and &gt;75 to 100 = excellent.)</i>													
<b>S&amp;P Global</b>	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.													
<b>Bloomberg</b>	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.												
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.												

Source: FSSIA's compilation



## GENERAL DISCLAIMER

### ANALYST(S) CERTIFICATION

Kwanwaree Apichartsataporn FSS International Investment Advisory Securities Co., Ltd

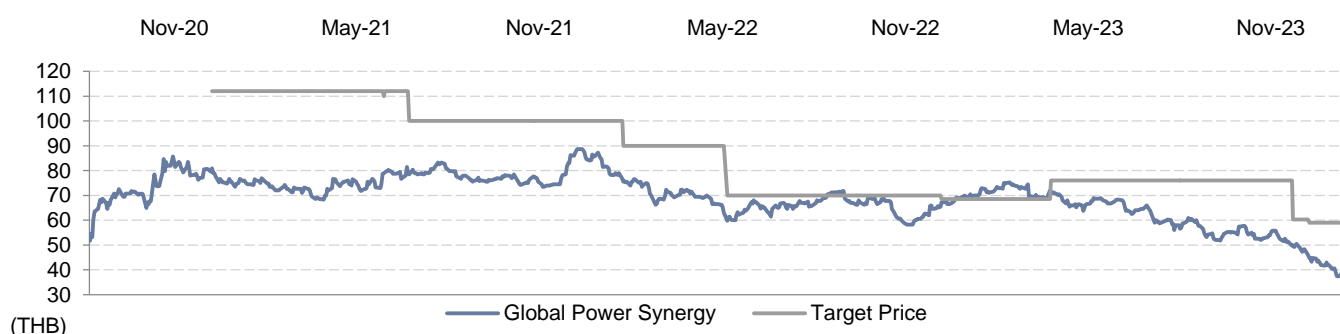
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

#### Global Power Synergy (GPSC TB)



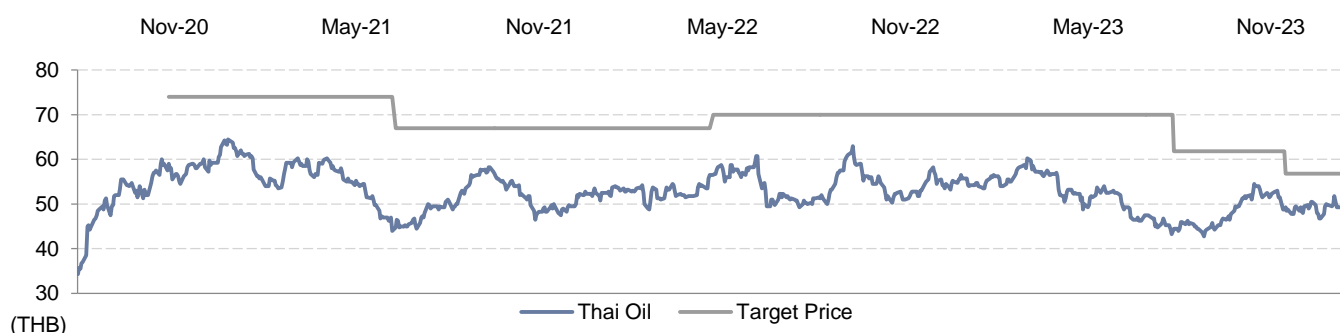
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
15-Feb-2021	BUY	112.00	07-Feb-2022	BUY	90.00	11-Sep-2023	BUY	60.30
14-Jul-2021	BUY	110.00	06-May-2022	HOLD	70.00	25-Sep-2023	BUY	59.00
15-Jul-2021	BUY	112.00	10-Nov-2022	HOLD	68.50			
05-Aug-2021	BUY	100.00	13-Feb-2023	BUY	76.00			

Kwanwaree Apichartsataporn started covering this stock from 11-Sep-2023

Price and TP are in local currency

Source: FSSIA estimates

#### Thai Oil (TOP TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
18-Jan-2021	BUY	74.00	29-Apr-2022	BUY	70.00	05-Sep-2023	BUY	56.80
30-Jul-2021	BUY	67.00	01-Jun-2023	BUY	61.80			

Kwanwaree Apichartsataporn started covering this stock from 01-Jun-2023

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Global Power Synergy	GPSC TB	THB 39.00	BUY	The downside risks to our DCF-based TP on GPSC include 1) lower-than-expected demand for electricity in Thailand; 2) higher-than-expected energy price (i.e. coal and gas); and 3) lower-than-expected demand from industrial users.
Thai Oil	TOP TB	THB 47.00	BUY	Downside risks to our P/BV-based TP are 1) a sharp fall in oil prices; 2) weaker demand for refined oil products; 3) GRM volatility; 4) unplanned refinery shutdowns; and 5) longer-than-expected maintenance of SBM-2.

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.

All share prices are as at market close on 31-Oct-2023 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.