

GLOBAL POWER SYNERGY

GPSC TB

THAILAND / UTILITIES

HOLD

FROM BUY

Tariff reduction risk Disrupts Power

- Regulatory risks would continue to pressure tariff reductions in 2025-26, weighting on earnings despite easing gas costs, as tariff declines outpace gas cost reductions.
- We have cut our 2024-26E by 13-45% to reflect a lower tariff assumption.
- Slash our TP to THB30, leading to a downgrade to HOLD due to limited upside.

TARGET PRICE	THB30.00
CLOSE	THB26.75
UP/DOWNSIDE	+12.1%
PRIOR TP	THB51.00
CHANGE IN TP	-41.2%
TP vs CONSENSUS	-32.5%

KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	90,303	88,432	79,219	77,611
Net profit	3,694	4,097	3,714	3,594
EPS (THB)	1.31	1.45	1.32	1.27
vs Consensus (%)	-	(3.1)	(28.9)	(39.9)
EBITDA	18,639	21,391	18,023	18,846
Recurring net profit	3,694	4,097	3,714	3,594
Core EPS (THB)	1.31	1.45	1.32	1.27
Chg. In EPS est. (%)	-	(12.7)	(31.1)	(45.5)
EPS growth (%)	32.9	10.9	(9.4)	(3.2)
Core P/E (x)	20.4	18.4	20.3	21.0
Dividend yield (%)	2.8	2.8	3.0	3.4
EV/EBITDA (x)	10.7	8.2	9.3	9.3
Price/book (x)	0.7	0.7	0.7	0.7
Net debt/Equity (%)	95.7	73.8	63.5	68.6
ROE (%)	3.5	3.8	3.4	3.3

Regulatory risks spoil the outlook

We expect GPSC's 2025-26 earnings to face pressure from potential tariff cuts, driven by the government's policy to lower electricity tariffs to THB2-3/kWh, down from the current THB4.15/kWh, to reduce the cost of living and enhance market competitiveness. It would result in a weaker margin for SPPs, whose profit accounts for 76% of the gross profit. Moreover, the expected IPP earnings, particularly from Gheco-One's coal-fired power plant, despite coal costs returning to normal levels and GLOW IPP resuming regular operations, are unlikely to offset the negative impact fully. However, GPSC continues to expand its renewable capacity overseas. Additionally, the government is promoting policies and legislation to support direct PPAs, TPAs, and UGT initiatives, aiming to position Thailand as a regional AI data center hub. We believe these factors will serve as new growth drivers for the Thai power sector.

2024-26E earnings cut to reflect a lower tariff assumption

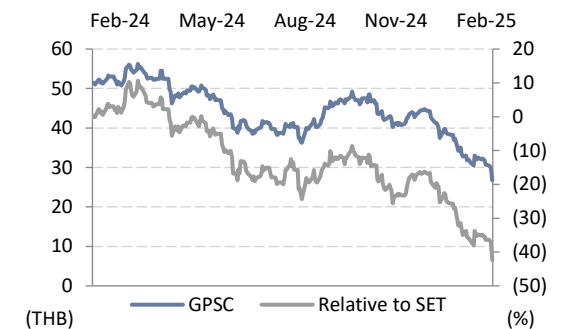
We have slashed our 2024-26E net profit by 13%/31%/45% to THB4b in 2024 (+11% y-y), THB3.7b in 2025 (-9.4% y-y), and THB3.6b in 2026 (-3.2% y-y). It reflects our lower 2025-26 tariff assumptions, now at THB3.76/kWh in 2025 and THB3.57/kWh in 2026, down from our previous THB4.15/kWh estimate. While these rates remain above the government's policy target of THB 2-3/kWh, we believe achieving this target will be challenging due to its lower-than-base tariff under existing PPAs. Any further reduction would likely require PPA renewals, which we believe would cause even more disruptions to power producers.

Expect 4Q24 earnings recovery q-q

We expect GPSC to report a net profit of THB1b in 4Q24, representing a +34.5% q-q increase, driven by lower fuel prices and a +116% y-y surge from the low base last year. While the Ft rate remained stable, SPP margins should improve. Hence, earnings should benefit from a higher share of profits from CFXD, which is now fully operating, and lower coal costs for GHECO-One. Additionally, the Baht's depreciation should result in only a minimal FX loss in 4Q24, compared to a significant FX loss in 3Q24.

The stock hasn't fully priced in tariff concerns

Given our lower 2024-26E earnings, leading to a lower TP of THB30, we downgrade GPSC to HOLD due to limited upside potential, a lack of positive catalysts, and tariff concerns, which the share price has not priced in fully.



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(21.9)	(36.7)	(47.8)
Relative to country (%)	(15.1)	(26.4)	(42.2)
Mkt cap (USD m)	2,233		
3m avg. daily turnover (USD m)	8.8		
Free float (%)	25		
Major shareholder	PTT Plc (47%)		
12m high/low (THB)	56.50/26.75		
Issued shares (m)	2,819.73		

Sources: Bloomberg consensus; FSSIA estimates



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Investment thesis

We see GPSC as a leader in renewable power, given its renewable proportion target of 65% by 2030. It had an electricity-generating equity capacity of 6.85GW as of 3Q24 and has solid expansion plans to increase its committed capacity to 11.8GW. The company's financial performance in 2025-26 should see support from energy price normalization, a profit turnaround of its flagship solar business in India, Avaada Energy Private Limited (AEPL), the COD of its wind farm in Taiwan, Changfang and Xidao (CFXD), and other expansion projects in the pipeline.

Established as a power investment arm of the PTT Group, 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, given GSPC's shareholding structure, with a 75% stake owned by the PTT Group.

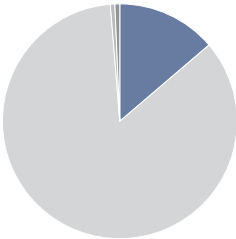
Company profile

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

www.gpscgroup.com

Principal activities (revenue, 2023)

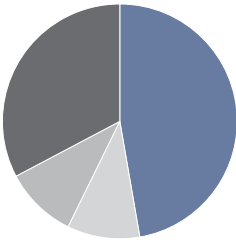
- Independent power producer - 13.7 %
- Small power producer - 85.0 %
- Very small power producer - 0.6 %
- Others - 0.7 %



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) a higher Ft; 3) new M&As; 4) the resumption of operations at the GHECO-One power plant; 5) AEPL's operations meeting the company's targets and potentially winning renewable bids in India; and 6) a high potential to win new capacity in the renewable bidding phase 2.1 of around 250MW.

Risks to our call

Upside risks to our SoTP-based TP include 1) higher-than-expected Ft; 2) faster MW expansion; and 3) lower interest rates. Downside risks to our SoTP-based TP 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
17 Feb 2025	4Q24 results announcement

Key assumptions

	2022	2023	2024E	2025E	2026E
IPP gas price (THB/mmbtu)	465	460	358	331	336
SPP gas price (THB/mmbtu)	478	430	345	320	320
Coal price (USD/tonne)	192	210	150	100	100
Ft (THB/kWh)	0.40	1.04	0.60	0.20	0.20
Regular Tariff (THB/kWh)	4.50	3.99	4.18	3.76	3.57

Source: FSSIA estimates

Earnings sensitivity

- For every THB1/mmbtu increase in gas price, we estimate 2024 earnings would decline by THB25m and vice versa, all else being equal.
- For every THB0.01/kWh increase in the fuel tariff, we estimate 2024 earnings would increase by THB50m and vice versa, all else being equal.

Source: FSSIA estimates

Exhibit 1: GPSC's quarterly results preview

	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24E		
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)
Revenue	21,044	18,319	23,773	23,877	20,912	19,870	(5.0)	8.5
Operating costs	(17,336)	(16,398)	(20,996)	(20,716)	(18,166)	(17,066)	(6.1)	4.1
EBIT	3,101	952	2,267	2,653	2,212	2,190	(1.0)	130.1
Interest expense	(1,359)	(1,353)	(1,401)	(1,558)	(1,454)	(1,451)	(0.2)	7.2
Other income	400	588	500	1,625	1,064	930	(12.6)	58.1
Associates' contribution	496	223	(12)	(24)	29	86	196.9	(61.4)
Pretax profit	2,607	1,001	1,195	1,518	914	1,185	29.7	18.3
Tax	(500)	(134)	(135)	96	(12)	(11)	(8.6)	(92.1)
Tax rate (%)	(65)	(64)	(66)	(65)	(64)	(63)	(1.6)	(1.6)
Minority interests	(318)	(389)	(196)	(186)	(133)	(140)	5.3	(64.1)
Net profit	1,790	478	864	1,429	770	1,035	34.5	116.6
Non recurring	171	133	45	11	(258)	(10)	(96.1)	(107.5)
Core net profit	1,619	344	819	1,418	1,028	1,045	1.7	203.3

Sources: GPSC, FSSIA estimates

Exhibit 2: Earnings revision

	Current			Previous			Change		
	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(%)	(%)	(%)
Revenue	88,432	80,938	79,625	135,977	152,411	165,008	(35.0)	(46.9)	(51.7)
Net profit	4,097	3,737	3,486	5,776	7,188	7,219	(29.1)	(48.0)	(51.7)
Key assumptions									
Gas cost (THB/mmbtu)	345	320	320	345	340	345	0.0	(5.9)	(7.2)
Coal cost (USD/tonne)	140	100	100	140	120	120	0.0	(16.7)	(16.7)
Tariff (THB/kWh)	4.13	3.76	3.57	4.13	4.15	4.15	0.0	(9.4)	(14.0)

Source: FSSIA estimate

Tariff reduction impact in 2025-26 from potentially lower Ft by regulator

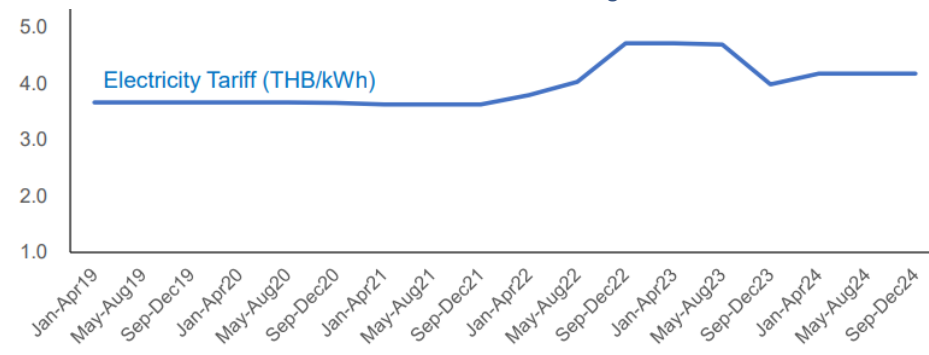
We believe the Energy Regulatory Committee aims to decrease the electricity price or Ft for the 2025-26 electricity tariff to THB3.76-3.57 per kWh as gas costs decline. They might exempt EGAT from loan repayment, which would help reduce the Ft by THB0.11/kWh and reduce excise and petroleum taxes. However, the cut in the FT would still hit GPSC's 2025 earnings as tariff declines outpace gas cost reductions.-In particular, its SPP business could suffer from lower tariffs in 2025-26.

We believe this issue has negatively affected both the short and long-term sentiment of the stock.

The Ft is influenced by government policies and does not accurately reflect actual fuel costs as the government has continually subsidized energy prices to alleviate high living costs and to enhance Thailand's competitive advantage in the region to attract investment. However, we believe the government is moving toward a gradual reduction in energy subsidies, allowing prices to reflect actual costs accurately.

Since 4Q21, GPSC has suffered from the sharp rise in the prices of gas and coal. The rising global supply risks from Russia's invasion of Ukraine since Feb-22 have exacerbated Thailand's energy dilemma as the country needs to import more spot LNG to compensate for the gas supply shortfall from G1 of up to 600mmscfd (12% of Thailand's gas supply).

The gas cost for GPSC's SPPs declined substantially to THB345/mmbtu in 2024, and we expect it to decrease again to THB315/mmbtu in 1Q25. Hence, we believe that energy costs for power generation should stay low due to rising supply from PTTEP and stable demand.

Exhibit 3: Ft and tariff movements in Thailand during 2019-2024

Sources: ERC, EPPO

Exhibit 4: Valuation: WACC calculations

Cost of equity assumptions	(%)	Cost of debt assumptions	(%)
Risk-free rate	3.0	Pretax cost of debt	4.0
Market risk premium	11.0	Marginal tax rate	20.0
Stock beta	1.20		
Cost of equity, Ke	16.2	Net cost of debt, Kd	3.6
Weight applied	37.2	Weight applied	62.8
WACC (%)	8.3		

Source: FSSIA estimate

Exhibit 5: Target price calculations

SoTP valuation estimate	(THB m)	(THB/share)	Comments
Core operating assets	173,422	61.5	Include all SPPs and two hydropower plants
Investments	7,322	2.6	Estimated value for affiliates post 2015, assume EIRR of 12%
Cash	36,853	13.1	At end-2024E
Debt	(143,196)	(50.8)	At end-2024E
Minorities	(11,984)	(4.2)	At end-2024E
Residual ordinary equity	62,418	23.8	
GLOW	53,456	19.0	Excluding SPP replacement projects
XPCL	786	0.3	Assume EIRR 12%, COD Oct 2019
ERU – TOP's CFP project	(4,697)	(1.7)	Assume EIRR 9.4%, COD 2026E
GLOW SPP replacement	(35,624)	(12.6)	Including GEN phase 2, GSPP2&3, and GSPP11#1
AEPL - solar farms (India)	2,701	1.0	Assume EIRR 15%
CFXD - wind farms (Taiwan)	991	0.4	Assume EIRR 8%
Target price	80,032	30.0	

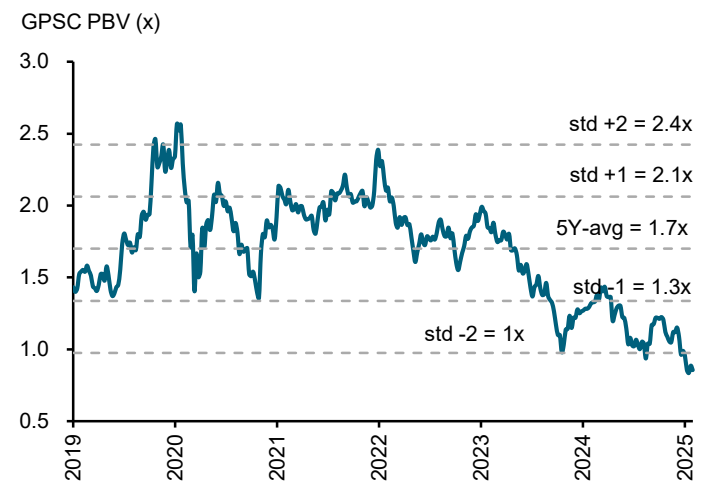
Sources: GPSC, FSSIA estimate

Exhibit 6: Key valuations as of 6 Feb 2025

Company	BBG	Rec	Share	Target	Up	Market	----- PE -----		----- ROE -----		----- PBV -----		-- EV/ EBITDA --	
			Price	price	side		24E	25E	24E	25E	24E	25E	24E	25E
			(LCY)	(LCY)	(%)	(USD m)	(x)	(x)	(%)	(%)	(x)	(x)	(x)	(x)
Thailand														
Global Power Synergy*	GPSC TB	HOLD	26.75	30	12	2,233	18.4	20.3	3.8	3.4	0.7	0.7	8.2	9.3
Ratch Group*	RATCH TB	BUY	26.75	36	35	1,722	8.3	7.3	7.0	7.6	0.6	0.6	17.1	19.1
CK Power*	CKP TB	BUY	2.66	3.50	32	640	17.8	12.6	4.4	6.1	0.8	0.8	12.2	13.6
WHA Utilities and Power*	WHAUP TB	HOLD	3.28	5.30	62	371	9.4	7.2	9.6	12.0	0.9	0.8	17.5	15.4
Gulf Energy Development	GULF TB	n/a	56.50	n/a	n/a	19,868	35.3	30.3	14.9	15.4	4.9	4.3	29.3	25.5
B Grimm Power	BGRIM TB	n/a	12.70	n/a	n/a	968	17.8	15.2	4.1	4.9	0.8	0.8	11.0	10.9
BCPG	BCPG TB	n/a	6.65	n/a	n/a	583	8.7	14.4	5.2	4.5	0.6	0.6	10.9	11.6
Energy Absolute	EA TB	n/a	2.64	n/a	n/a	565	3.8	8.5	8.6	4.4	0.2	0.4	8.9	10.3
Electricity Generating	EGCO TB	n/a	98.75	n/a	n/a	1,533	6.3	5.9	7.5	7.8	0.5	0.4	9.0	10.3
Banpu Power	BPP TB	n/a	8.40	n/a	n/a	756	7.4	6.7	6.8	7.3	0.5	0.5	14.2	12.3
Gunkul Engineering	GUNKUL TB	n/a	1.81	n/a	n/a	452	9.5	9.2	10.8	11.2	1.1	1.0	7.5	7.2
Absolute Clean Energy	ACE TB	n/a	1.24	n/a	n/a	371	13.8	9.5	6.0	7.7	0.8	0.7	9.3	7.1
Thailand avg						30,062	13.0	12.3	7.4	7.7	1.0	1.0	12.9	12.7

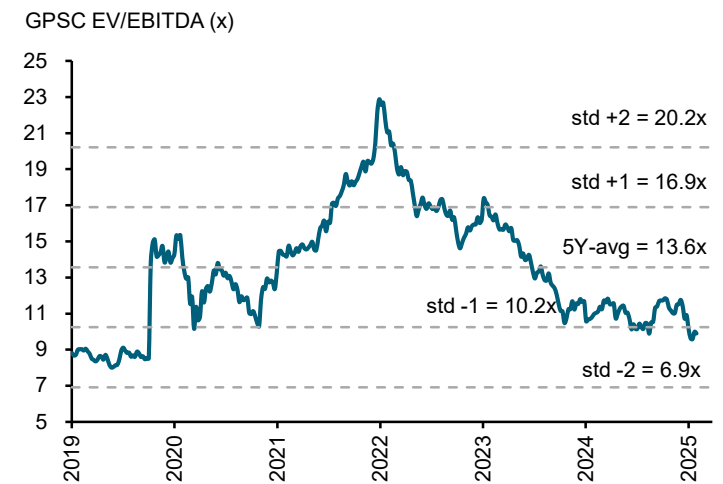
Sources: Bloomberg; *FSSIA estimates

Exhibit 7: One-year forward P/BV band



Sources: Bloomberg, FSSIA estimates

Exhibit 8: One-year forward EV/EBITDA band



Sources: Bloomberg, FSSIA estimates

Financial Statements

Global Power Synergy

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	123,685	90,303	88,432	79,219	77,611
Cost of goods sold	(120,324)	(80,258)	(76,944)	(69,452)	(67,714)
Gross profit	3,361	10,045	11,488	9,767	9,896
Other operating income	2,731	1,994	2,631	1,579	1,594
Operating costs	(422)	(2,709)	(2,166)	(2,409)	(2,100)
Operating EBITDA	14,783	18,639	21,391	18,023	18,846
Depreciation	(9,113)	(9,309)	(9,438)	(9,086)	(9,455)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	5,670	9,331	11,953	8,937	9,391
Net financing costs	(4,240)	(5,023)	(7,220)	(5,778)	(5,752)
Associates	1,539	1,008	79	1,535	1,019
Recurring non-operating income	1,539	1,008	79	1,535	1,019
Non-recurring items	(1,888)	0	0	0	0
Profit before tax	1,081	5,316	4,812	4,694	4,658
Tax	376	(507)	(61)	(388)	(490)
Profit after tax	1,457	4,809	4,751	4,306	4,167
Minority interests	(566)	(1,115)	(654)	(593)	(574)
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
Reported net profit	891	3,694	4,097	3,714	3,594
Non-recurring items & goodwill (net)	1,888	0	0	0	0
Recurring net profit	2,779	3,694	4,097	3,714	3,594
Per share (THB)					
Recurring EPS *	0.99	1.31	1.45	1.32	1.27
Reported EPS	0.32	1.31	1.45	1.32	1.27
DPS	0.50	0.74	0.75	0.80	0.90
Diluted shares (used to calculate per share data)	2,820	2,820	2,820	2,820	2,820
Growth					
Revenue (%)	65.2	(27.0)	(2.1)	(10.4)	(2.0)
Operating EBITDA (%)	(33.5)	26.1	14.8	(15.7)	4.6
Operating EBIT (%)	(56.4)	64.6	28.1	(25.2)	5.1
Recurring EPS (%)	(68.8)	32.9	10.9	(9.4)	(3.2)
Reported EPS (%)	(87.8)	314.4	10.9	(9.4)	(3.2)
Operating performance					
Gross margin inc. depreciation (%)	2.7	11.1	13.0	12.3	12.8
Gross margin exc. depreciation (%)	10.1	21.4	23.7	23.8	24.9
Operating EBITDA margin (%)	12.0	20.6	24.2	22.8	24.3
Operating EBIT margin (%)	4.6	10.3	13.5	11.3	12.1
Net margin (%)	2.2	4.1	4.6	4.7	4.6
Effective tax rate (%)	82.2	11.8	13.4	12.3	13.5
Dividend payout on recurring profit (%)	50.7	56.5	51.6	60.7	70.6
Interest cover (X)	1.7	2.1	1.7	1.8	1.8
Inventory days	30.9	60.5	54.6	51.6	50.4
Debtor days	49.6	66.6	44.0	30.7	13.7
Creditor days	28.4	46.2	48.5	65.8	68.2
Operating ROIC (%)	(1.0)	(10.2)	(14.4)	(23.2)	(35.0)
ROIC (%)	(0.6)	(4.9)	(5.9)	(9.9)	(14.3)
ROE (%)	2.6	3.5	3.8	3.4	3.3
ROA (%)	0.9	(0.4)	(1.4)	(2.9)	(4.8)
* Pre-exceptional, pre-goodwill and fully diluted					
Revenue by Division (THB m)					
Independent power producer	41,724	12,412	16,463	16,378	12,394
Small power producer	80,519	76,726	70,836	57,875	58,518
Very small power producer	843	563	561	4,423	6,199
Others	599	602	572	543	500

Sources: Global Power Synergy; FSSIA estimates

Financial Statements

Global Power Synergy

Cash Flow (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Recurring net profit	2,779	3,694	4,097	3,714	3,594
Depreciation	9,113	9,309	9,438	9,086	9,455
Associates & minorities	1,539	1,008	79	1,535	1,019
Other non-cash items	1,318	1,319	1,319	1,320	1,321
Change in working capital	(68)	931	15,368	4,188	5,176
Cash flow from operations	14,681	16,261	30,302	19,843	20,566
Capex - maintenance	(6,237)	(6,236)	(9,413)	(9,086)	(9,455)
Capex - new investment	(12,414)	(15,695)	(13,437)	(14,084)	(34,454)
Net acquisitions & disposals	(29,145)	(18,912)	(18,826)	(18,171)	(18,911)
Other investments (net)	0	0	0	0	0
Cash flow from investing	(47,797)	(40,843)	(41,676)	(41,341)	(62,820)
Dividends paid	0	0	(2,087)	(2,256)	(2,397)
Equity finance	0	0	0	0	0
Debt finance	7,782	16,281	0	0	0
Other financing cash flows	25,777	7,261	37,118	34,578	36,651
Cash flow from financing	33,559	23,542	35,031	32,322	34,255
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
Net other adjustments	0	0	0	0	0
Movement in cash	444	(1,040)	23,657	10,823	(7,999)
Free cash flow to firm (FCFF)	(28,816.56)	(19,284.32)	(5,510.64)	(16,220.81)	(37,101.60)
Free cash flow to equity (FCFE)	443.57	(1,039.63)	25,743.16	13,079.01	(5,602.23)
Per share (THB)					
FCFF per share	(10.22)	(6.84)	(1.95)	(5.75)	(13.16)
FCFE per share	0.16	(0.37)	9.13	4.64	(1.99)
Recurring cash flow per share	5.23	5.44	5.30	5.55	5.46
Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Tangible fixed assets (gross)	168,236	168,387	172,387	177,387	202,387
Less: Accumulated depreciation	(75,589)	(75,588)	(85,001)	(94,087)	(103,542)
Tangible fixed assets (net)	92,647	92,799	87,385	83,300	98,844
Intangible fixed assets (net)	3,817	2,140	2,141	2,143	2,144
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	44,372	50,812	50,812	50,812	50,812
Cash & equivalents	14,236	13,197	36,853	47,676	39,677
A/C receivable	20,178	12,765	8,545	4,765	1,061
Inventories	11,915	11,605	8,593	8,458	7,631
Other current assets	6,494	4,256	4,168	3,734	3,658
Current assets	52,822	41,823	58,160	64,633	52,027
Other assets	95,152	94,129	94,129	94,129	94,129
Total assets	288,810	281,703	292,628	295,016	297,956
Common equity	104,730	106,195	108,205	109,663	110,860
Minorities etc.	10,370	11,330	12,196	13,289	14,462
Total shareholders' equity	115,100	117,525	120,401	122,952	125,322
Long term debt	97,957	98,736	98,736	98,736	98,736
Other long-term liabilities	43,560	26,775	26,775	26,775	26,775
Long-term liabilities	141,516	125,511	125,511	125,511	125,511
A/C payable	10,887	7,060	10,887	10,887	10,887
Short term debt	11,457	26,960	26,960	26,960	26,960
Other current liabilities	9,849	4,647	8,868	8,706	9,275
Current liabilities	32,193	38,667	46,716	46,553	47,123
Total liabilities and shareholders' equity	288,810	281,703	292,628	295,016	297,956
Net working capital	17,850	16,919	1,551	(2,637)	(7,813)
Invested capital	253,838	256,799	236,019	227,747	238,116
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	37.14	37.66	38.37	38.89	39.32
Tangible book value per share	35.79	36.90	37.61	38.13	38.56
Financial strength					
Net debt/equity (%)	82.7	95.7	73.8	63.5	68.6
Net debt/total assets (%)	33.0	39.9	30.4	26.4	28.9
Current ratio (x)	1.6	1.1	1.2	1.4	1.1
CF interest cover (x)	4.0	3.9	6.4	5.7	6.0
Valuation	2022	2023	2024E	2025E	2026E
Recurring P/E (x) *	27.1	20.4	18.4	20.3	21.0
Recurring P/E @ target price (x) *	30.4	22.9	20.6	22.8	23.5
Reported P/E (x)	84.6	20.4	18.4	20.3	21.0
Dividend yield (%)	1.9	2.8	2.8	3.0	3.4
Price/book (x)	0.7	0.7	0.7	0.7	0.7
Price/tangible book (x)	0.7	0.7	0.7	0.7	0.7
EV/EBITDA (x) **	12.2	10.7	8.2	9.3	9.3
EV/EBITDA @ target price (x) **	12.9	11.2	8.7	9.8	9.8
EV/invested capital (x)	0.7	0.8	0.7	0.7	0.7
* 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



71.89 / 100

Exhibit 9: 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	A mixed track record of managing the most significant ESG risks and opportunities relative to industry peers.
★★★★	>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 10: ESG – peer comparison

	FSSIA ESG score	Domestic ratings						Global ratings						Bloomberg	
		DJSI	SET ESG	SET ESG Rating	CG score	AGM level	Thai CAC	Morningstar ESG risk	ESG Book	MSCI	Moody's	Refinitiv	S&P Global	ESG score	Disclosure score
SET100	67.71	5.69	4.38	4.05	4.77	4.43	4.02	Medium	57.34	BBB	22.70	60.82	67.31	1.19	35.34
Coverage	66.17	5.16	4.33	3.94	4.81	4.43	3.83	Medium	56.41	BBB	18.92	59.20	65.82	1.38	35.46
BCPG	62.74	--	Y	AA	5.00	5.00	Certified	Medium	61.24	A	--	55.65	31.00	--	59.11
BGRIM	65.91	--	Y	AAA	5.00	5.00	Certified	High	62.27	BBB	--	54.54	84.00	--	73.28
GULF	59.23	--	Y	AA	5.00	5.00	Certified	High	58.96	B	--	53.88	66.00	--	62.42
GPSC	71.89	Y	Y	AA	5.00	5.00	Certified	Medium	64.56	B	--	54.57	86.00	--	--
GUNKUL	68.07	--	Y	AA	5.00	5.00	Certified	Medium	63.88	AAA	--	66.66	38.00	--	59.97

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

Exhibit 11: ESG score by Bloomberg

FY ending Dec 31	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
ESG financial materiality scores - ESG score	4.44	4.46	4.65	4.86	4.68	4.69	4.64	—
BESG environmental pillar score	3.89	3.73	4.20	4.60	4.09	4.00	3.84	—
BESG social pillar score	5.13	5.13	5.07	4.17	4.66	5.06	5.17	—
BESG governance pillar score	4.71	5.10	5.01	6.07	5.77	5.53	5.52	—
ESG disclosure score	64.13	68.40	71.71	76.11	75.18	74.59	74.51	—
Environmental disclosure score	55.97	59.35	71.85	76.44	81.55	79.76	79.52	—
Social disclosure score	48.97	52.15	49.58	55.68	54.08	54.08	54.08	—
Governance disclosure score	87.36	93.62	93.62	96.12	89.86	89.86	89.86	—
Environmental								
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	No	No	No
GHG scope 1	2,795	2,524	2,805	2,283	11,178	11,845	12,681	8,544
GHG scope 2 location-based	9	4	2	2	21	23	28	29
GHG Scope 3	385	357	344	184	327	1,394	1,555	1,051
Carbon per unit of production	0.33	0.30	0.33	0.30	0.37	0.44	0.45	0.38
Biodiversity policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Energy efficiency policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Total energy consumption	13,748	10,912	10,582	9,815	36,425	50,019	52,895	8,263
Renewable energy use	—	—	—	0	0	3	4	1
Electricity used	23	11	3	4	39	25	56	17
Fuel used - natural gas	1,315,460	1,043,640	2,928,960	2,804,980	2,867,270	3,298,150	3,184,120	3,140,820

Sources: Bloomberg; FSSIA's compilation

Exhibit 12: ESG score by Bloomberg (cont.)

FY ending Dec 31	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
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	1	1	2	1
Total waste	1	1	1	1	23	214	237	147
Waste recycled	0	0	0	0	0	199	222	144
Waste sent to landfills	0.00	0.00	0.00	0.00	16.78	11.46	—	—
Environmental supply chain management	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
Water policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Water consumption	—	—	—	—	47,051.60	34,136.90	35,086.90	30,779.90
Social								
Human rights policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Policy against child labor	No	No	No	No	No	No	No	Yes
Quality assurance and recall policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Consumer data protection policy	Yes	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	Yes	Yes	Yes	Yes	Yes
Pct women in workforce	30.23	32.19	32.39	32.75	29.83	29.96	29.43	29.44
Pct disabled in workforce	—	—	—	—	0.09	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	2.00	0.09	0.00	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	258.00	292.00	318.00	345.00	1,076.00	1,108.00	1,128.00	1,104.00
Employee turnover pct	4.02	2.54	3.61	5.22	2.97	3.16	5.76	5.89
Total hours spent by firm - employee training	9,571.80	8,143.88	11,797.80	13,127.20	27,524.10	30,990.80	31,663.00	41,521.40
Social supply chain management	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
Governance								
Board size	12	12	13	13	15	15	13	13
No. of independent directors (ID)	5	4	5	5	7	7	6	6
No. of women on board	1	2	3	2	2	2	2	2
No. of non-executive directors on board	11	11	12	12	14	14	12	12
Company conducts board evaluations	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
No. of board meetings for the year	14	14	19	16	15	12	16	14
Board meeting attendance pct	95	92	90	94	99	100	96	99
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	54	50	48	49	50	48	54	53
Age of the oldest director	67	68	67	67	68	69	67	67
No. of executives / company managers	15	19	19	20	32	36	34	35
No. of female executives	2	4	5	9	11	11	12	9
Executive share ownership guidelines	No	No	No	No	No	No	No	No
Size of audit committee	4	3	3	3	3	3	3	4
No. of ID on audit committee	4	3	3	3	3	3	3	4
Audit committee meetings	18	11	12	7	6	7	6	7
Audit meeting attendance %	99	100	100	100	100	100	94	100
Size of compensation committee	3	3	3	3	3	3	3	3
No. of ID on compensation committee	2	2	2	3	1	1	1	1
No. of compensation committee meetings	5	7	5	10	5	5	3	3
Compensation meeting attendance %	87	100	100	97	100	100	100	100
Size of nomination committee	3	3	3	3	3	3	3	3
No. of nomination committee meetings	5	7	5	10	5	5	3	3
Nomination meeting attendance %	87	100	100	97	100	100	100	100
Sustainability governance								
Verification type	No	Yes	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.																				
SET ESG Ratings List (SETESG) by The Stock Exchange of Thailand (SET)	SET ESG 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 SETESG inclusion , 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. SETESG Index is extended from the SET ESG Ratings 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.																				
CG Score 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 (60-69), 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%).																				
AGM level 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&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.																				
Thai CAC 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.																				
Morningstar Sustainalytics	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 & 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+																		
ESG Book	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.																				
MSCI	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. <table><tr><td>AAA</td><td>8.571-10.000</td><td rowspan="3">Leader:</td><td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td></tr><tr><td>AA</td><td>7.143-8.570</td></tr><tr><td>A</td><td>5.714-7.142</td></tr><tr><td>BBB</td><td>4.286-5.713</td><td rowspan="3">Average:</td><td rowspan="3">a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td></tr><tr><td>BB</td><td>2.857-4.285</td></tr><tr><td>B</td><td>1.429-2.856</td></tr><tr><td>CCC</td><td>0.000-1.428</td><td>Laggard:</td><td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td></tr></table>	AAA	8.571-10.000	Leader:	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	Average:	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	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks	
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Moody's ESG solutions	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.																					
Refinitiv ESG rating	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; >25 to 50 = satisfactory; >50 to 75 = good; and >75 to 100 = excellent.)</i>																					
S&P Global	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.																					
Bloomberg	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.																				

[Rating](#) regarding the sustainable development of Thai listed companies, both on the SET and MAI, are publicly available on the website of the Securities and Exchange Commission of Thailand (SEC). Currently, ratings available are 1) "**CG Score**"; 2) "**AGM Level**"; 3) "**Thai CAC**"; and 4) **THSI**. The ratings are updated on an annual basis. FSSIA does not confirm nor certify the accuracy of such ratings.

Source: FSSIA's compilation

GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Songklod Wongchai FSS International Investment Advisory Securities Co., Ltd

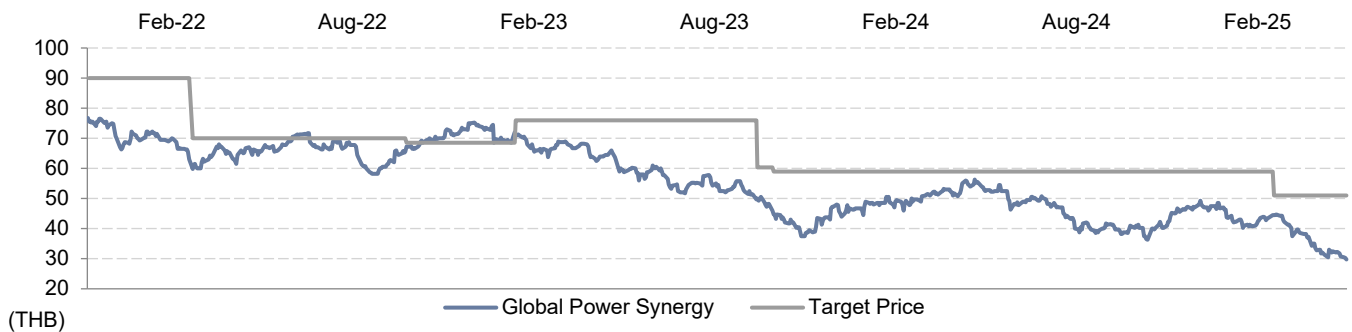
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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



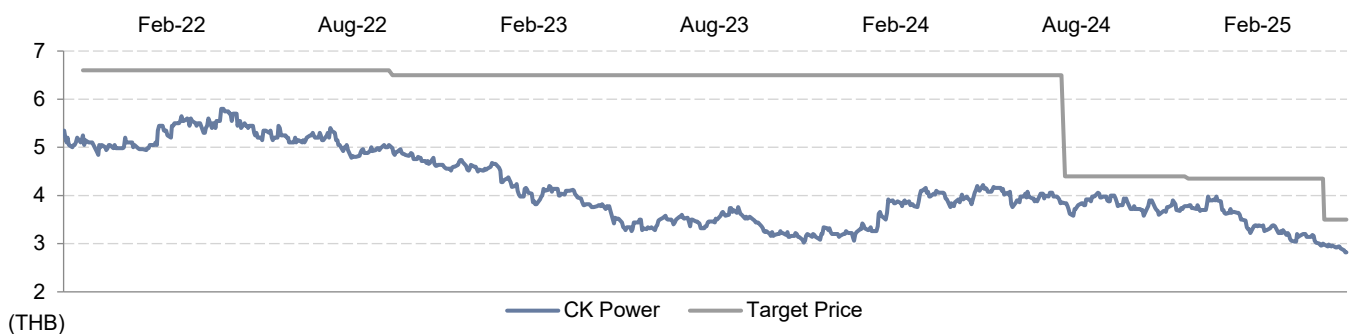
Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
07-Feb-2022	BUY	90.00	13-Feb-2023	BUY	76.00	03-Dec-2024	BUY	51.00
06-May-2022	HOLD	70.00	11-Sep-2023	BUY	60.30			
10-Nov-2022	HOLD	68.50	25-Sep-2023	BUY	59.00			

Songklod Wongchai started covering this stock from 03-Dec-2024

Price and TP are in local currency

Source: FSSIA estimates

CK Power (CKP TB)

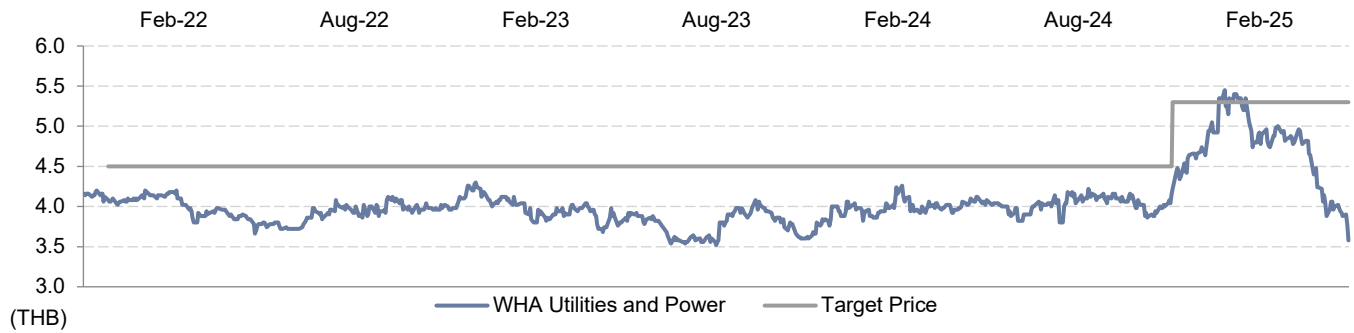


Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
22-Feb-2022	BUY	6.60	07-Jun-2024	BUY	4.40	16-Jan-2025	BUY	3.50
11-Nov-2022	BUY	6.50	20-Sep-2024	BUY	4.35			

Songklod Wongchai started covering this stock from 07-Jun-2024

Price and TP are in local currency

Source: FSSIA estimates

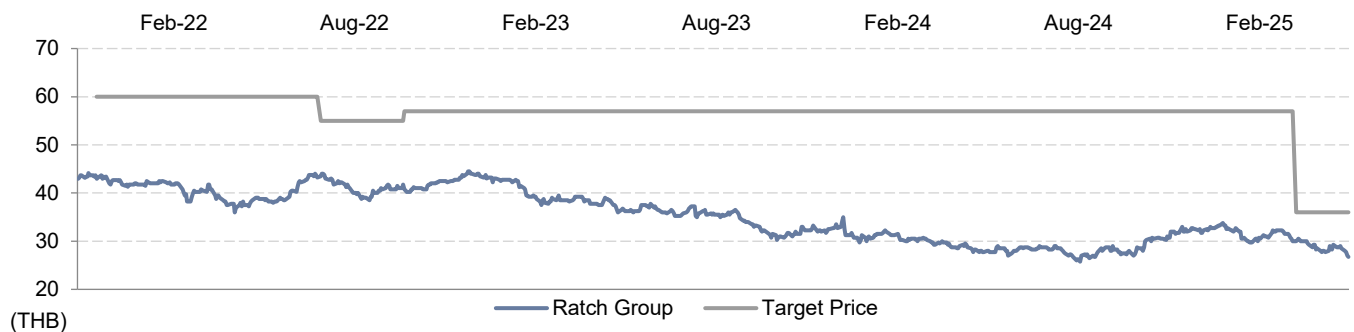
WHA Utilities and Power (WHAUP TB)

Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
25-Feb-2022	HOLD	4.50	05-Sep-2024	BUY	5.30	-	-	-
19-May-2022	BUY	4.50	31-Oct-2024	HOLD	5.30	-	-	-

Songklod Wongchai started covering this stock from 05-Sep-2024

Price and TP are in local currency

Source: FSSIA estimates

Ratch Group (RATCH TB)

Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
23-Feb-2022	BUY	60.00	15-Nov-2022	BUY	57.00	-	-	-
02-Sep-2022	BUY	55.00	20-Dec-2024	BUY	36.00	-	-	-

Songklod Wongchai started covering this stock from 20-Dec-2024

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
Global Power Synergy	GPSC TB	THB 26.75	HOLD	Upside risks to our SoTP-based TP include 1) higher-than-expected Ft; 2) faster MW expansion; and 3) lower interest rates. Downside risks to our SoTP-based TP 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.
CK Power	CKP TB	THB 2.66	BUY	The downside risks to our SoTP-based TP include lower-than-expected demand for electricity in Thailand and a lower-than-expected water supply for hydro projects.
WHA Utilities & Power	WHAUP TB	THB 3.28	HOLD	The downside risks to our SoTP-based TP include higher gas prices with lower electricity tariffs, pressured by government policies, resulting in significantly lower power margins. And upside risk to expanding new customer base from WHA industrial estates' expansion outlook, rising in water supply and electricity demand from factories in industrial estates, signing contracts to sell water to new customers, and higher water charges
Ratch Group	RATCH TB	THB 26.75	BUY	The downside risks to our SoTP-based TP include 1) lower-than-expected demand for electricity in Thailand; 2) lower crude price; and 3) delays in starting new projects.

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 06-Feb-2025 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.