

RATCH GROUP
THAILAND / UTILITIES

RATCH TB

BUY

UNCHANGED

TARGET PRICE	THB34.80
CLOSE	THB27.00
UP/DOWNSIDE	+28.9%
PRIOR TP	THB36.00
CHANGE IN TP	-3.3%
TP vs CONSENSUS	-1.7%

กำลังผลิตใหม่หนุนกำไรเติบโตต่อเนื่อง

- กำไรสุทธิ 4Q24 ต่ำกว่าคาด จาก กฟผ. ระบายไฟฟ้า IPP น้อยกว่าคาด แต่ y-y เติบโต จากกำลังผลิตใหม่ของโรงไฟฟ้า IPP หินกองและ Paiton
- แม้เราปรับลดประมาณการกำไรปี 2025 ลง 12.5% แต่ยังคงเติบโต 13% y-y แรงหนุนหลัก มาจากกำลังผลิตใหม่เพิ่ม 643MW และโรงไฟฟ้า Paiton รับรู้เต็มปี
- ยังแนะนำ ซื้อ ราคาเป้าหมายใหม่ 34.80 บาท

กำไรสุทธิ 4Q24 ต่ำกว่าเราและตลาดคาด 10-13%

RATCH รายงานกำไรสุทธิ 4Q24 อยู่ที่ 642 ล้านบาท ลดลง 62% q-q แต่เพิ่มขึ้น 56% y-y ต่ำกว่าเราและตลาดคาด 10-13% หลักๆ มาจากรายได้ค่าไฟฟ้าที่ปรับลงมากกว่าคาด โดยกำไรที่ลดลง q-q หลักๆ มาจากโรงไฟฟ้า IPP มีรายได้ค่าขายไฟฟ้าที่ลดลงจากการเดินเครื่องลดลง ซึ่งเป็นไปตามแผนการระบายไฟฟ้าของ กฟผ. ตามฤดูกาลปกติ รวมถึงการปิดซ่อมบำรุงบางส่วน ของโรงไฟฟ้าหงสาและโรงไฟฟ้าถ่านหิน Paiton ที่ฟิลิปปินส์ ในช่วง 4Q24 ส่วนกำไรที่เพิ่มขึ้น y-y มาจากฐานที่ต่ำปีก่อน และรับรู้ได้ส่วนแบ่งกำไรเพิ่มขึ้นจากโรงไฟฟ้าพลังความร้อนที่ใช้ ถ่านหิน Paiton (2,045MW) (ถือหุ้น 36%) ตั้งแต่เดือนเมษายน 2024 และโรงไฟฟ้าพลังความร้อนร่วมหินกอง ชุดที่ 1 สระบุรี (393MW) ตั้งแต่เดือนมกราคม 2024 ค่าใช้จ่ายบริหารและดำเนินงานปรับขึ้น 29% q-q, 23% y-y จบปี 2024 กำไรสุทธิ 6,127 ล้านบาท +18.6% y-y หลักๆ มาจากกำลังผลิตใหม่ที่เพิ่มขึ้นของโรงไฟฟ้าหินกองและ Paiton

ส่วนแบ่งกำไรจากโรงไฟฟ้า IPP และพลังงานทดแทนจะหนุนกำไรปี 2025

แม้ว่ารายได้ของ RG จะมีแนวโน้มลดลงในช่วงสองปีข้างหน้าก่อนหมดอายุสัญญาในปี 2027 แต่รายได้จาก โครงการ IPP และ SPP คาดว่าจะสามารถเข้ามาทดแทนได้อย่างเหมาะสม ซึ่งจะส่งผลให้ ส่วนแบ่งกำไรจากบริษัทรวมเพิ่มขึ้นอย่างมีนัยสำคัญ คาดจะระดับ 8.2 พันลบ. ในปี 2025 (+21% YoY) โครงการสำคัญที่หนุนกำไรในปี 2025 ได้แก่ โครงการ HKP ชุดที่ 2 COD ตั้งแต่เดือนม.ค. 2025 และโรงไฟฟ้าถ่านหิน Paiton ขนาด 742MW ซึ่งจะสร้างรายได้เต็มปี ขณะที่กลุ่มพลังงานหมุนเวียนของ RATCH คาดว่าจะมีรายได้เพิ่มขึ้นจากโครงการที่จะ COD ภายในปี 2025 ได้แก่ โซลาร์ฟาร์ม (152MW) ในออสเตรเลีย โครงการโซลาร์ NPSI (71MW) ในฟิลิปปินส์ โครงการขยาย NNEG เฟสที่ 3 (13MW) โครงการ LG3 Battery 2-3 (110MW, Solar)

ปรับลดประมาณการปี 2025 ลง 12.5% เพื่อสะท้อนงบปี 2024 ที่ต่ำคาด

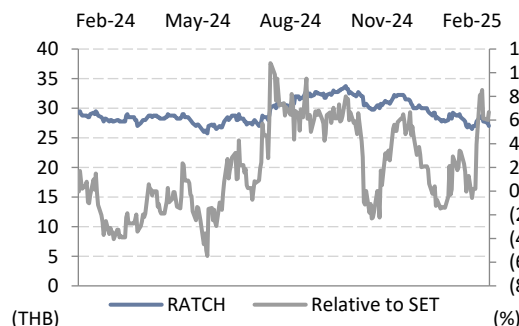
เราปรับลดประมาณการกำไรสุทธิปี 2025 ลง 12.5% เป็น 6.9 พันล้านบาท คิดเป็นการเติบโต 13% y-y จากการปรับลดคาดการณ์รายได้จากการขายไฟฟ้าลดลงจากทั้งค่า Ft ที่ปรับลงและปรับลดอัตรา dispatch ของโรงไฟฟ้า IPP ลง ตามการปิดซ่อมบำรุงรักษาเครื่องจักรที่นานกว่าที่คาด อย่างไรก็ตามกำลังผลิตใหม่ที่จะ COD กว่า 640MW และส่วนแบ่งกำไรจากบริษัทรวมจะเพิ่มขึ้นจากโรงไฟฟ้า Paiton รับรู้เต็มปี รวมถึงต้นทุนดอกเบี้ยจ่ายที่ลดลงหลังออกหุ้นกู้ได้ ดอกเบี้ยที่ลดลงจะหนุนให้กำไรเพิ่มขึ้น

ยังแนะนำ ซื้อ ราคาเป้าหมายใหม่ 34.8 บาท

ผลจากการปรับลดประมาณการข้างต้น เราจึงได้ราคาเป้าหมายใหม่ที่ 34.80 บาท Upside ยังเปิดกว้าง และยังให้ผลตอบแทนจากเงินปันผลราว 6% ต่อปี จึงยังแนะนำ ซื้อ

KEY STOCK DATA

YE Dec (THB m)	2024	2025E	2026E	2027E
Revenue	33,458	32,809	30,184	33,203
Net profit	6,127	6,927	6,781	7,224
EPS (THB)	2.82	3.18	3.12	3.32
vs Consensus (%)	-	1.0	(14.2)	(12.5)
EBITDA	6,934	7,181	6,413	7,137
Recurring net profit	6,127	6,927	6,781	7,224
Core EPS (THB)	2.82	3.18	3.12	3.32
Chg. In EPS est. (%)	nm	(12.5)	(21.5)	nm
EPS growth (%)	18.6	13.1	(2.1)	6.5
Core P/E (x)	9.6	8.5	8.7	8.1
Dividend yield (%)	5.9	6.3	6.3	6.3
EV/EBITDA (x)	17.8	17.4	19.4	17.3
Price/book (x)	0.6	0.6	0.6	0.5
Net debt/Equity (%)	52.6	52.0	49.2	47.0
ROE (%)	6.3	7.0	6.6	6.8



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(7.7)	(13.6)	(9.2)
Relative to country (%)	3.6	3.4	5.2
Mkt cap (USD m)	1,741		
3m avg. daily turnover (USD m)	2.0		
Free float (%)	43		
Major shareholder	EGAT (45%)		
12m high/low (THB)	34.25/25.25		
Issued shares (m)	2,175.00		

Sources: Bloomberg consensus; FSSIA estimates



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Investment thesis

We see RATCH as a mid- to long-term play, thanks to its continued organic and inorganic capacity growth. In the near term, RATCH’s net profit growth should be driven by new growth projects (HKP, 362MW, gas) commencing their CODs in 1H25. In addition, Paiton is a long-term cash cow that can fill up the cash flow dents from the expiration of RG in 2025-27 and build its own operation in Indonesia.

We believe RATCH’s earnings momentum will improve in 2025, driven by: 1) stronger earnings contributions from HKP; 2) 2025E increase in equity capacity by more than 643MW; and 3) higher profitability and ROE driven by high-margin new capacity. RATCH aims to grow its renewable capacity in Australia, Laos, Indonesia, the Philippines and Vietnam, especially the Australian market, where it has long owned and operated RATCH-Australia (RAC) to operate a number of conventional and renewable power projects. RAC currently has a total capacity of 2GW with four new projects as future growth engines for RATCH as a passive investor.

Company profile

RATCH is a holding company investing in electricity generating businesses. RATCH is Thailand’s largest power producer by equity capacity and most of its generating power capacity is via Independent Power Producers (IPP).

www.ratch.co.th

Principal activities (revenue, 2024)

■ Domestic electricity generating - 82.1 %

■ International power projects - 10.5 %

■ Revenue from finance lease contracts - 4.4 %

■ Others - 3.0 %

Source: Ratch Group

Major shareholders

■ EGAT - 45.0 %

■ Others - 55.0 %

Source: Ratch Group

Catalysts

Higher power plant utilization rates and rising demand for electricity in Thailand and Australia are key potential upside catalysts.

Risks to our call

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.

Event calendar

Date	Event
May 2025	1Q25 results announcement

Key assumptions

	2024A	2025E	2026E
IPP production (GWh)	43,446	45,446	39,060
Average dispatch (%)	84%	95%	85%
Gas price (THB/mmBTU)	369	350	360

Source: FSSIA estimates

- ### Earnings sensitivity

 - For every 1% increase in gas price, we estimate 2025 earnings would decline 1.1%, and vice versa, all else being equal.
 - For every 1% increase in interest rate, we estimate 2025 earnings would decline 1.0%, and vice versa, all else being equal.

Source: FSSIA estimates

Exhibit 1: RATCH - Summary of 4Q24 earnings

	4Q23	1Q24	2Q24	3Q24	4Q24		
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)
Revenue	8,203	9,530	8,244	9,001	6,683	(25.7)	(18.5)
Operating costs	(6,031)	(6,939)	(5,547)	(6,163)	(4,621)	(25.0)	(23.4)
EBITDA	1,155	1,869	1,947	2,145	973	(54.7)	(15.8)
EBIT	(97)	830	903	1,140	35	(97.0)	(135.8)
Interest expense	(1,277)	(1,025)	(1,175)	(1,124)	(1,123)	(0.1)	(12.0)
Interest & invt inc	518.3	434.0	325.1	198.1	236.3	19.3	(54.4)
Share of profit	583.8	946.2	2,331.1	2,034.5	1,486.2	(26.9)	154.6
Exceptional	(259)	(386)	181	79	13	(83.2)	(105.1)
Pretax profit	451	1,618	2,399	1,750	555	(68.3)	23.2
Tax	(213)	(211)	(469)	(78)	(149)	89.9	(30.4)
Net profit	413	1,537	2,290	1,658	642	(61.3)	55.5
Non-recurring	6	(107)	(207)	353	75	(78.7)	1,080.2
Core net profit	160	1,043	2,264	2,090	730	(65.1)	357.3
EPS (THB)	0.19	0.71	1.05	0.76	0.29	(61.3)	55.5
Core EPS (THB)	0.07	0.48	1.04	0.96	0.34	(65.1)	357.3

Sources: RATCH; FSSIA estimates

Exhibit 2: Earnings revision and key change in assumption

	Current			Previous			Change (%)		
	2024A	2025E	2026E	2024A	2025E	2026E	2024A	2025E	2026E
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(%)	(%)	(%)
Revenue	33,458	32,809	30,184	33,458	34,455	29,287	0.0	(4.8)	3.1
Net profit	6,127	6,927	6,781	6,127	7,919	8,100	0.0	(12.5)	(16.3)
Key assumptions									
IPP production (gWh)	18,598	22,598	22,598	20,202	24,202	24,202	(7.9)	(6.6)	(6.6)
Average dispatch (%)	84%	86%	85%	88%	90%	90%	(4.5)	(4.4)	(5.6)
Gas price (THB/mmBTU)	367	320	330	367	350	360	0.0	(8.6)	(8.3)

Source: FSSIA estimate

Exhibit 3: RATCH's capacity growth projects

Projects	Type	Type	Equity capacity (MW)	COD	Locations
Solar Farm	SPP	solar	152	2025E	Thailand
NPSI	SPP	solar	74	2025E	Philippine
LG2	Renewable	Solar+battery	10	2025E	Australia
Song Gieng 1	Renewable	solar	6	2025E	Vietnam
NNEG Extension	SPP	Gas	12	2025E	Thailand
Hin Kong	IPPs	Gas	714	Jan-2025E	Thailand
Nexif Energy Ben Tre	Renewable	Wind	40	2026E	Vietnam
LG3	Renewable	Solar+battery	100	2026E	Australia
Lincoln Gap 3	Renewable	Wind	252	2026E	Australia
Nearshore WF	Renewable	Wind	220	2029E	Philippine
Sibundong	SPP	Hydro	37	2029E	Indonesia
Offshore WF	Renewable	Wind	220	2030E	Philippine
Thugnai	Renewable	Solar	14	2030E	Thailand
Sekong 4A&4B	SPP	Hydro	213	2033E	Lao PDR

Source: RATCH

Exhibit 4: SoTP-based valuation

Cost of equity assumptions		(%)	Cost of debt assumptions		(%)
Risk-free rate		3.0	Pretax cost of debt		5.0
Market risk premium		11.0	Marginal tax rate		20.0
Stock beta		1.1			
Cost of equity, Ke		15.1	Net cost of debt, Kd		4.0
Weight applied		30.0	Weight applied		70.0
WACC (%)		7.3			

DCF valuation estimate	(THB m)	(THB/share)	Comments
Core operating assets	36,468	16.8	WACC 7.3%, Risk-free rate 3%, Risk premium 11%
Investments	86,945	40.0	Estimated value for affiliates post 2024E at 1x P/BV
Cash	4,737	2.2	At end-2025E
Debt	(61,900)	(28.5)	At end-2025E
Minorities	(319)	(0.1)	At end-2025E
Residual ordinary equity	65,932	30.3	
Hin Kong (700MW)	2,724	1.3	Assume EIRR at 11%, COD 2024-25E
New 214 wind farms in Australia (214MW)	1,577	0.7	Assume EIRR at 11%, COD 2025-26E
Paiton	6,167	2.5	Assume EIRR at 11%, COD 2024-25E
Target price	81,402	34.8	

Sources: RATCH; FSSIA estimates

Exhibit 5: Thailand power sector valuations as of 25 Feb 2025

Company	BBG	Rec	Share Price	Target price	Up side	PE		ROE		PBV		EV/ EBITDA		DivYld	
			(LCY)	(LCY)	(%)	24E	25E	24E	25E	24E	25E	24E	25E	24E	25E
						(x)	(x)	(%)	(%)	(x)	(x)	(x)	(x)	(x)	(x)
Thailand															
Global Power Synergy*	GPSC TB	HOLD	28.75	30.00	4	20.0	21.8	3.8	3.4	0.8	0.7	9.5	12.8	3.1	3.1
Ratch Group*	RATCH TB	BUY	27.00	34.80	33	9.6	8.5	6.3	7.0	0.6	0.6	17.8	17.4	5.9	6.3
CK Power*	CKP TB	BUY	2.62	3.40	30	15.8	14.2	4.9	5.3	0.8	0.7	9.0	11.9	3.2	3.8
WHA Utilities and Power*	WHAUP TB	BUY	3.44	4.50	31	13.2	10.9	7.4	8.8	1.0	0.9	25.2	17.3	7.3	7.3
Gulf Energy Development	GULF TB	n/a	50.00	n/a	n/a	31.3	27.4	14.9	15.0	4.4	3.8	27.6	24.2	2.0	2.1
B Grimm Power	BGRIM TB	n/a	12.10	n/a	n/a	17.3	15.4	4.5	5.2	0.8	0.8	11.0	10.9	2.9	3.0
BCPG	BCPG TB	n/a	5.95	n/a	n/a	7.6	11.6	5.2	4.5	0.5	0.5	10.1	10.8	4.1	4.6
Energy Absolute	EA TB	n/a	2.52	n/a	n/a	3.8	8.5	8.6	4.4	0.2	0.4	8.9	10.3	n/a	n/a
Electricity Generating	EGCO TB	n/a	97.00	n/a	n/a	5.8	6.0	7.3	7.7	0.5	0.4	9.3	10.3	6.6	6.7
Banpu Power	BPP TB	n/a	7.90	n/a	n/a	6.8	6.1	6.8	7.3	0.5	0.4	13.8	11.9	8.8	8.8
Gunkul Engineering	GUNKUL TB	n/a	1.69	n/a	n/a	9.2	8.9	10.8	11.2	1.0	1.0	7.4	7.0	6.9	7.0
Absolute Clean Energy	ACE TB	n/a	1.26	n/a	n/a	14.0	9.7	6.0	7.7	0.8	0.7	9.4	7.2	n/a	n/a
Thailand avg						12.9	12.4	7.2	7.3	1.0	0.9	13.2	12.7	5.1	5.3

Sources: Bloomberg; *FSSIA estimates

Exhibit 6: Share of profit from JV

	4Q24	4Q23	Diff	Change	2024	2023	Diff	Change
	(THB m)	(THB m)	(THB m)	(y-y %)	(THB m)	(THB m)	(THB m)	(y-y %)
Paiton	553.37		n/a	-	1,891.74		1,891.74	-
HPC	366.29	349.54	16.75	4.79	2,779.33	2,808.06	(28.73)	(1.02)
HKP	211.27	87.28	123.99	n/a	928.38	38.17	890.21	n/a
SEAN	153.75	146.96	6.79	4.63	454.72	259.57	195.15	75.18
RW COGEN	43.65	28.91	14.74	50.94	191.39	176.69	14.70	8.32
RPCL	43.42	6.51	36.91	n/a	194.20	194.62	(0.42)	(0.21)
RIAU	32.99	2.69	30.30	n/a	108.09	151.45	(43.36)	(28.63)
Yandin	31.05	56.75	(25.70)	(45.28)	148.93	87.42	61.51	70.36
NNEG	29.56	33.07	(3.51)	(10.61)	154.33	171.05	(16.72)	(9.77)
Berkprai	21.68	27.88	(6.20)	(22.24)	91.22	116.93	(25.71)	(21.98)
PNPC	(13.98)	(67.11)	53.13	79.17	106.53	(9.27)	115.80	n/a
Others	13.19	(88.65)	101.84	n/a	(250.87)	(179.50)	(71.37)	(39.76)
Total Share of profit from jointly-controlled entities	1,486.23	583.82	902.41	n/a	6,797.99	3,815.20	2,982.79	78.18

Source: RATCH

Financial Statements

Ratch Group

Profit and Loss (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Revenue	43,976	33,458	32,809	30,184	33,203
Cost of goods sold	(37,755)	(27,298)	(26,752)	(25,135)	(27,218)
Gross profit	6,221	6,160	6,057	5,050	5,985
Other operating income	-	-	-	-	-
Operating costs	(3,037)	(3,253)	(2,953)	(2,717)	(2,988)
Operating EBITDA	7,249	6,934	7,181	6,413	7,137
Depreciation	(4,065)	(4,028)	(4,077)	(4,080)	(4,141)
Goodwill amortisation	0	0	0	0	0
Operating EBIT	3,184	2,906	3,104	2,333	2,997
Net financing costs	(2,478)	(3,348)	(4,012)	(4,081)	(3,988)
Associates	3,815	6,798	8,214	8,698	8,884
Recurring non-operating income	5,634	7,670	9,014	9,698	9,384
Non-recurring items	0	0	0	0	0
Profit before tax	6,339	7,228	8,106	7,950	8,392
Tax	(860)	(907)	(860)	(820)	(819)
Profit after tax	5,479	6,321	7,246	7,130	7,573
Minority interests	(312)	(195)	(319)	(349)	(349)
Preferred dividends	0	0	0	0	0
Other items	-	-	-	-	-
Reported net profit	5,167	6,127	6,927	6,781	7,224
Non-recurring items & goodwill (net)	0	0	0	0	0
Recurring net profit	5,167	6,127	6,927	6,781	7,224
Per share (THB)					
Recurring EPS *	2.38	2.82	3.18	3.12	3.32
Reported EPS	2.38	2.82	3.18	3.12	3.32
DPS	1.60	1.60	1.70	1.70	1.70
Diluted shares (used to calculate per share data)	2,175	2,175	2,175	2,175	2,175
Growth					
Revenue (%)	(41.4)	(23.9)	(1.9)	(8.0)	10.0
Operating EBITDA (%)	20.8	(4.3)	3.6	(10.7)	11.3
Operating EBIT (%)	7.4	(8.7)	6.8	(24.8)	28.4
Recurring EPS (%)	(11.1)	18.6	13.1	(2.1)	6.5
Reported EPS (%)	(10.6)	18.6	13.1	(2.1)	6.5
Operating performance					
Gross margin inc. depreciation (%)	14.1	18.4	18.5	16.7	18.0
Gross margin exc. depreciation (%)	23.4	30.4	30.9	30.2	30.5
Operating EBITDA margin (%)	16.5	20.7	21.9	21.2	21.5
Operating EBIT margin (%)	7.2	8.7	9.5	7.7	9.0
Net margin (%)	11.8	18.3	21.1	22.5	21.8
Effective tax rate (%)	34.1	210.7	16.1	16.1	16.1
Dividend payout on recurring profit (%)	67.3	56.8	53.4	54.5	51.2
Interest cover (X)	3.6	3.2	3.0	2.9	3.1
Inventory days	24.2	38.9	38.9	39.8	36.7
Debtor days	69.9	52.2	47.1	49.4	41.4
Creditor days	97.3	81.2	62.9	64.4	59.3
Operating ROIC (%)	4.2	3.7	4.1	3.3	(1.1)
ROIC (%)	3.9	4.4	4.7	4.7	(1.2)
ROE (%)	5.3	6.3	7.0	6.6	6.8
ROA (%)	3.4	4.1	4.8	4.8	3.1

* Pre-exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2023	2024	2025E	2026E	2027E
Domestic electricity generating	32,401	27,482	24,599	20,997	22,870
International power projects	3,048	3,505	5,698	6,553	7,536
Revenue from finance lease contracts	2,927	1,464	1,610	1,771	1,948
Others	5,600	1,007	903	864	849

Sources: Ratch Group; FSSIA estimates

Financial Statements

Ratch Group

Cash Flow (THB m) Year Ending Dec	2023	2024	2025E	2026E	2027E
Recurring net profit	5,167	6,127	6,927	6,781	7,224
Depreciation	4,065	4,028	4,077	4,080	4,141
Associates & minorities	3,815	6,798	8,214	8,698	8,884
Other non-cash items	-	-	-	-	-
Change in working capital	(3,769)	(660)	135	898	(343)
Cash flow from operations	9,279	16,293	19,353	20,456	19,905
Capex - maintenance	(4,065)	(4,028)	(4,077)	(4,080)	(4,141)
Capex - new investment	(846)	(4,907)	(124)	(2,080)	(2,142)
Net acquisitions & disposals	(2,396)	(23,184)	(5,000)	(5,000)	(4,999)
Other investments (net)	7,169	8,303	8,214	8,698	8,884
Cash flow from investing	(138)	(23,817)	(987)	(2,462)	(2,398)
Dividends paid	(3,251)	(3,250)	(3,697)	(3,697)	(3,697)
Equity finance	0	0	0	0	0
Debt finance	(8,773)	3,328	(3,000)	(1,000)	(1,000)
Other financing cash flows	(12,554)	(14,716)	(10,792)	(10,789)	(10,806)
Cash flow from financing	(24,578)	(14,638)	(17,490)	(15,486)	(15,504)
Non-recurring cash flows	-	-	-	-	-
Other adjustments	4,659	7,528	0	0	0
Net other adjustments	4,659	7,528	(5,069)	(2,097)	(2,329)
Movement in cash	(10,778)	(14,634)	(4,193)	410	(326)
Free cash flow to firm (FCFF)	13,583.32	(3,077.10)	22,824.43	22,311.34	21,752.69
Free cash flow to equity (FCFE)	(7,527.90)	(11,384.18)	(495.28)	4,107.58	3,371.53
Per share (THB)					
FCFF per share	6.25	(1.41)	10.49	10.26	10.00
FCFE per share	(3.46)	(5.23)	(0.23)	1.89	1.55
Recurring cash flow per share	6.00	7.79	8.84	8.99	9.31
Balance Sheet (THB m) Year Ending Dec					
Tangible fixed assets (gross)	73,608	73,608	75,608	77,608	79,608
Less: Accumulated depreciation	(21,270)	(21,270)	(29,147)	(33,227)	(37,368)
Tangible fixed assets (net)	52,338	52,338	46,461	44,381	42,240
Intangible fixed assets (net)	19,267	18,662	18,662	18,662	18,662
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	63,761	86,945	91,945	96,945	101,944
Cash & equivalents	23,563	8,930	4,737	5,147	4,821
A/C receivable	5,324	4,237	4,237	3,935	3,603
Inventories	2,513	2,446	2,383	2,213	2,426
Other current assets	10,217	10,432	10,230	9,411	10,352
Current assets	41,618	26,044	21,587	20,706	21,202
Other assets	37,341	36,101	36,101	36,101	36,101
Total assets	214,325	220,090	214,756	216,795	220,150
Common equity	97,997	97,382	100,612	103,695	107,221
Minorities etc.	9,136	8,992	9,311	9,661	10,010
Total shareholders' equity	107,133	106,374	109,923	113,356	117,231
Long term debt	35,497	47,311	44,311	43,311	42,311
Other long-term liabilities	37,722	37,611	37,611	37,611	37,611
Long-term liabilities	73,218	84,922	81,922	80,922	79,922
A/C payable	6,393	3,956	3,855	3,580	3,923
Short term debt	26,075	17,589	17,589	17,589	17,589
Other current liabilities	1,505	1,495	1,466	1,349	1,484
Current liabilities	33,973	23,040	22,910	22,518	22,996
Total liabilities and shareholders' equity	214,325	214,337	214,756	216,795	220,150
Net working capital	10,157	11,663	11,528	10,631	10,974
Invested capital	182,864	205,709	204,697	206,719	209,921
* Includes convertibles and preferred stock which is being treated as debt					
Per share (THB)					
Book value per share	45.06	44.77	46.26	47.68	49.30
Tangible book value per share	36.20	36.19	37.68	39.10	40.72
Financial strength					
Net debt/equity (%)	35.5	52.6	52.0	49.2	47.0
Net debt/total assets (%)	17.7	25.4	26.6	25.7	25.0
Current ratio (x)	1.2	1.1	0.9	0.9	0.9
CF interest cover (x)	(1.7)	(0.9)	0.9	2.5	2.4
Valuation					
Recurring P/E (x) *	11.4	9.6	8.5	8.7	8.1
Recurring P/E @ target price (x) *	14.6	12.4	10.9	11.2	10.5
Reported P/E (x)	11.4	9.6	8.5	8.7	8.1
Dividend yield (%)	5.9	5.9	6.3	6.3	6.3
Price/book (x)	0.6	0.6	0.6	0.6	0.5
Price/tangible book (x)	0.7	0.7	0.7	0.7	0.7
EV/EBITDA (x) **	14.6	17.8	17.4	19.4	17.3
EV/EBITDA @ target price (x) **	16.9	20.3	19.8	22.0	19.7
EV/invested capital (x)	0.6	0.6	0.6	0.6	0.6
* Pre-exceptional, pre-goodwill and fully diluted ** EBITDA includes associate income and recurring non-operating income					

Sources: Ratch Group; FSSIA estimates

RATCH Group PCL (RATCH TB)

FSSIA ESG rating


64.27 / 100

Exhibit 7: 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 8: 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	--	--
RATCH	64.27	--	Y	AA	5.00	5.00	Certified	High	56.12	BB	--	55.73	62.00	4.79	72.90

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

Exhibit 9: 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	3.93	4.45	4.35	4.84	4.60	4.45	4.79	4.79
BESG environmental pillar score	2.96	3.78	3.03	4.13	3.61	3.21	3.67	3.90
BESG social pillar score	4.21	4.64	5.90	5.75	5.75	5.75	5.75	5.38
BESG governance pillar score	5.45	5.48	5.30	5.18	5.25	5.47	5.90	5.81
ESG disclosure score	63.62	63.62	67.00	67.42	68.23	70.21	68.59	72.90
Environmental disclosure score	58.53	58.53	61.91	62.58	64.00	69.95	65.09	78.62
Social disclosure score	42.35	42.35	49.12	49.73	50.76	50.76	50.76	50.15
Governance disclosure score	89.86	89.86	89.86	89.86	89.86	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	Yes	Yes	No	No	No
Risks of climate change discussed	No	No	No	Yes	Yes	Yes	Yes	Yes
GHG scope 1	14,109	8,093	6,936	5,875	6,259	6,412	8,516	4,984
GHG scope 2 location-based	39	37	34	44	27	39	31	28
GHG Scope 3	—	—	—	—	3	2,662	3,113	1,549
Carbon per unit of production	0	0	0	0	0	0	0	0
Biodiversity policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Energy efficiency policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Total energy consumption	47,943	48,000	41,767	35,690	37,689	20,667	26,666	14,532
Renewable energy use	—	—	—	—	—	0	—	—
Electricity used	65	62	55	69	48	73	71	77
Fuel used - natural gas	7,462,580	4,578,520	4,008,940	3,423,600	3,616,110	3,439,980	4,224,940	2,482,650

Sources: Bloomberg; FSSIA's compilation

Exhibit 10: 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	1	1	0	0	0	0	0	1
Total waste	8	7	3	19	4	5	31	32
Waste recycled	6	5	3	18	4	5	6	5
Waste sent to landfills	0	0	0	0	0	0	0	1
Environmental supply chain management	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Water policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Water consumption	—	—	15,720	13,020	13,730	13,640	18,590	11,930
Social								
Human rights policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Policy against child labor	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Quality assurance and recall policy	No	No	No	No	Yes	Yes	Yes	Yes
Consumer data protection policy	No	No	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	No	No	No	No
Pct women in workforce	33	33	33	33	34	34	32	32
Pct disabled in workforce	—	—	—	—	—	—	—	—
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	0	0	0	0	0	0	0
Total recordable incident rate - employees	1	0	0	0	0	0	0	0
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	439	445	453	462	468	474	520	565
Employee turnover pct	8	14	6	7	13	5	5	5
Total hours spent by firm - employee training	10,820	19,129	21,291	17,001	12,170	11,139	15,600	22,385
Social supply chain management	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Governance								
Board size	13	13	13	12	12	12	12	10
No. of independent directors (ID)	7	6	7	6	6	6	6	6
No. of women on board	2	2	2	1	2	3	3	2
No. of non-executive directors on board	12	12	12	11	11	11	11	9
Company conducts board evaluations	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
No. of board meetings for the year	13	12	14	12	12	13	14	13
Board meeting attendance pct	96	94	97	97	99	100	100	100
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	46	57	55	54	53	54	45	46
Age of the oldest director	66	67	69	70	71	70	71	70
No. of executives / company managers	11	11	11	11	12	10	10	16
No. of female executives	5	5	5	6	7	6	6	6
Executive share ownership guidelines	No	No	No	No	No	No	No	No
Size of audit committee	3	3	3	3	3	3	3	3
No. of ID on audit committee	3	3	3	3	3	3	3	3
Audit committee meetings	7	9	7	7	6	8	6	6
Audit meeting attendance %	95	94	100	100	100	100	100	100
Size of compensation committee	3	3	3	3	3	3	3	3
No. of ID on compensation committee	0	0	0	1	2	2	2	2
No. of compensation committee meetings	8	9	8	9	11	9	9	11
Compensation meeting attendance %	100	96	100	100	100	100	100	100
Size of nomination committee	3	3	3	3	3	3	3	3
No. of nomination committee meetings	8	9	8	9	11	9	9	11
Nomination meeting attendance %	100	96	100	100	100	100	100	100
Sustainability governance								
Verification type	Yes	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

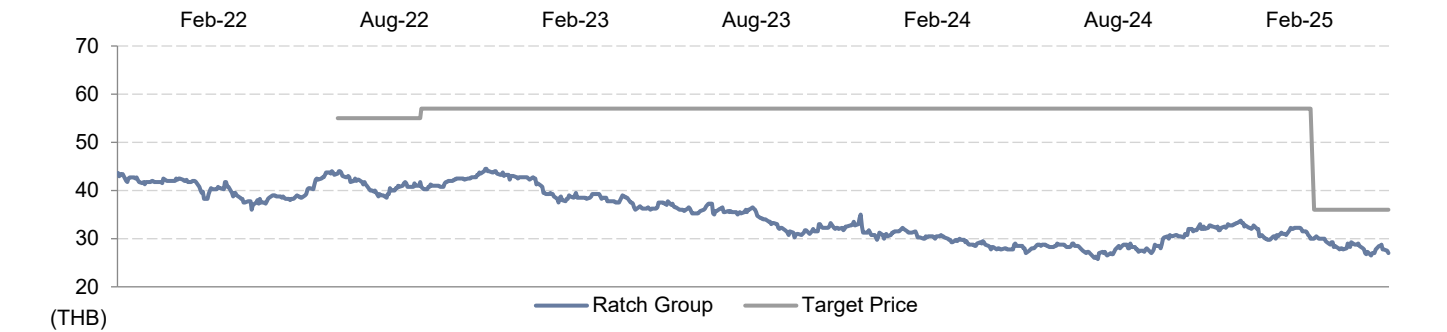
The individual(s) identified above certify(ies) that (i) all views expressed in this report accurately reflect the personal view of the analyst(s) with regard to any and all of the subject securities, companies or issuers mentioned in this report; and (ii) no part of the compensation of the analyst(s)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

Ratch Group (RATCH TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
02-Sep-2022	BUY	55.00	15-Nov-2022	BUY	57.00	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
Ratch Group	RATCH TB	THB 27.00	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 25-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.