



# Global Power Synergy

(GPSC.BK/GPSC TB)\*

## Outperform · Maintained

Price as of 22 May 2023	59.25
12M target price (Bt/shr)	69.00
Unchanged/Revised up(down)(%)	(14.0)
Upside/downside (%)	16.5

### Key messages

This would be the year GPSC's earnings roar back, led by downward trends in energy prices and capacity expansion. Given rising demand for electric vehicles (EVs), GPSC is finding a shortcut by collaborating with battery producers. Meanwhile, Avaada is set to be an investment vehicle to capture renewable growth in India. Our Outperform call stays with a lower target price of Bt69.00, from Bt80.00, reflecting our earnings cut. Risk to reward looks compelling at the current share price. That said, investors with low-risk appetite may accumulate the stock once there is clarity on the new government's power policies.

### Trading data

Mkt cap (Btbn/US\$bn)	167.1/5.3
Outstanding shares (mn)	2,820
Foreign ownership (mn)	71.6
3M avg. daily trading (mn)	5
52-week trading range (Bt)	58.25-75.25
Performance (%)	3M 6M 12M
Absolute	-16.0 -13.8 -6.0
Relative	-8.3 -8.4 0.5

### Quarterly EPS

Bt	Q1	Q2	Q3	Q4
2021	0.70	0.82	0.66	0.41
2022	0.11	0.24	0.12	(0.15)
2023	0.40			

### Share price chart



Source: SET

Wetid Tangjindakun  
66.2658.8888 Ext. 8855  
wetidt@kgi.co.th

## Growth story from Avaada and EV trend

### Event

Earnings cut and key snaps from 1Q23 analyst meeting.

### Impact

#### A year of recovery and riding the EV stream

We return from GPSC's analyst meeting with neutral feeling. We think this will be the year the company's earnings roar back, led by downward trends in energy prices coupled with capacity expansion. Given the rising demand for electric vehicles (EVs), GPSC is finding a shortcut to seize the demand by collaborating with several battery producers such as CATL, 24M, and NV Gotion (SCOD: 2024 1GWh before expansion to 2GWh in 2025). As the technological developments are dynamic, it is too soon to tell which battery technologies will be the winners. Still, there are some delays from project under development such as CFXD offshore wind farm and Axxiva 1GWh battery plant.

#### India's Avaada – Numerous capacity growth with acceptable return

Avaada's management emphasizes the growth opportunities in India. Despite having the largest population in the world, India's power consumption per capita remains low versus developed markets due to inequality and poverty in the nation. By 2030, renewable is set to make up 50% of the nation's capacity or 500GWh (vs. 125GWh in 2023 or 31% of the current capacity) of which 300GWh would be from solar alone. Avaada has maintained its target to hit 11,000MWh (from 6,520MWh now) by 2026. Despite facing low tariffs and high operating costs, it could boost return by high debt leveraging, engaging in EPC value chain, and back ended equity, resulting in low-teen EIRR.

#### Earnings cut to largely reflect lower Ft rate assumption

We cut our 2023F-2025F net profit forecasts by 13%-23% to reflect lower assumptions on Ft rate, higher interest costs and weaker contributions from Avaada and XPCL, moderated by lower SPP gas prices (Figure 3). After the changes, we forecast 2023F-2025F net profits to grow 350% YoY / 32% YoY / 22% YoY, backed by lower gas prices, higher Ft rate, and projects in the pipeline. A step rise in GPSC's quarterly earnings is expected before hitting a peak in 3Q23F, fueled by a continued drop in SPP gas price.

### Valuation & Action

Our Outperform call stays with a lower target price of Bt69.00, from Bt80.00. Risk to reward looks compelling at the current share price. That said, investors with low-risk appetite may accumulate the stock once there is clarity on the new government's power policies. GPSC could be a beneficiary of the rising demand for EVs over the long term.

### Risks

Unplanned maintenance, cost overruns, and fluctuations in FX and interest rates.

### Key financials and valuations

	Dec - 21A	Dec - 22A	Dec - 23F	Dec - 24F	Dec - 25F
Revenue (Btmn)	74,874	123,685	91,892	84,802	80,481
Net Profit (Btmn)	7,319	891	4,006	5,269	6,401
Normalized Profit (Btmn)	7,737	1,840	5,856	7,019	7,901
Net Profit Growth (%)	(2.5)	(87.8)	349.4	31.5	21.5
Normalized Profit Growth (%)	(13.7)	(76.2)	218.2	19.9	12.6
EPS (Bt)	2.60	0.32	1.42	1.87	2.27
DPS (Bt)	1.50	0.50	0.80	0.85	0.90
EPS Growth (%)	(2.5)	(87.8)	349.4	31.5	21.5
P/E (X)	22.8	187.4	41.7	31.7	26.1
P/B (X)	1.4	1.5	1.4	1.4	1.3
EV/EBITDA (X)	8.9	15.1	12.1	10.8	10.7
Net Debt to Equity (%)	74.7	85.7	102.6	89.2	80.5
Dividend Yield (%)	2.5	0.8	1.4	1.4	1.5
Return on Average Equity (%)	6.2	0.8	3.4	4.4	5.1

Source: Company data, KGI Securities Research

Figure 1: GPSC's Avaada and battery business



Source: Company data, KGI Securities Research

Figure 2: Key assumptions and valuation of GPSC

	Unit	2021	2022	2023F	2024F	2025F
Effective capacity	MW	5,703	6,272	7,072	7,122	7,122
Average Ft rate	Bt/kWh	(0.15)	0.40	0.96	0.41	0.41
SPP gas prices	Bt/kWh	290	450	390	250	250
IPP gas prices	Bt/kWh	280	430	370	230	230
<b>Ratio:</b>						
GPM	Percent	14.9	2.7	9.8	11.7	12.8
EBITDA	Percent	27.6	10.4	19.4	22.2	22.9
NPM	Percent	9.8	0.7	4.4	6.2	8.0
<b>Valuation</b>						
	Bt/share	Avg. WACC				
Operating	82.08	5.8				
Developing	6.50	5.8				
Cash	4.74					
Debts	(23.84)					
Our DCF-based TP	<b>69.00</b>					
No. shares (mn)	2,820					

Source: KGI Securities Research

Figure 3: GPSC – Earnings revisions

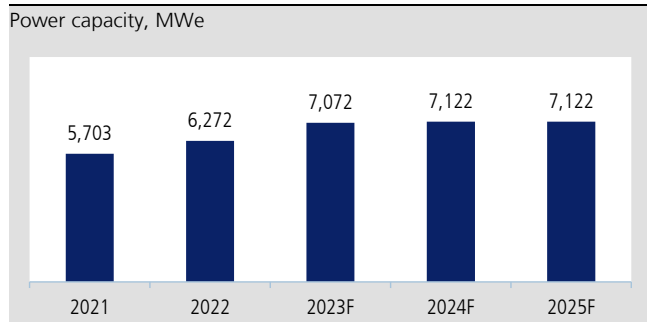
	Previous	2023F Revised	Change	Previous	2024F Revised	Change	Previous	2025F Revised	Change
<b>Financials (Btmn)</b>			Percent			Percent			Percent
Sales	96,673	91,892	(5)	90,377	84,802	(6)	83,775	80,481	(4)
Gross profit	9,463	8,999	(5)	11,506	9,913	(14)	11,881	10,286	(13)
SG&A	2,223	2,114	(5)	2,259	2,120	(6)	2,346	2,253	(4)
Dividend income	35	207	488	35	204	489	25	149	489
Equity Income/(Loss)	2,610	1,646	(37)	3,908	2,954	(24)	4,991	3,898	(22)
Interest expense	4,141	4,784	16	4,659	5,285	13	4,501	5,101	13
<b>Net profit</b>	<b>5,210</b>	<b>4,006</b>	<b>(23)</b>	<b>6,090</b>	<b>5,269</b>	<b>(13)</b>	<b>7,597</b>	<b>6,401</b>	<b>(16)</b>
<b>Normalized profit</b>	<b>6,270</b>	<b>5,856</b>	<b>(7)</b>	<b>7,840</b>	<b>7,019</b>	<b>(10)</b>	<b>9,097</b>	<b>7,901</b>	<b>(13)</b>
<b>Key financial ratio (%)</b>			ppts			ppts			ppts
GPM	9.8	9.8	0.0	12.7	11.7	(1.0)	14.2	12.8	(1.4)
SG&A/sale	2.3	2.3	0.0	2.5	2.5	0.0	2.8	2.8	0.0
ROE	4.4	3.4	(1.0)	4.9	4.4	(0.6)	5.9	5.1	(0.8)
Net profit growth	484.4	349.4	(135.1)	16.9	31.5	14.6	24.8	21.5	(3.3)
Normalized profit growth	240.7	218.2	(22.5)	25.0	19.9	(5.2)	16.0	12.6	(3.5)
<b>Key performance driver</b>			Amount			Amount			Amount
Ft (Bt/kWh)	2.34	0.96	(1.4)	2.70	0.41	(2.3)	2.00	0.41	(1.6)
SPP Gas price (Bt/mmBTU)	470	390	(80.0)	320	250	(70.0)	300	250	(50.0)
Average of US\$/THB	33.8	33.8	0.0	32.5	32.5	0.0	32.5	32.5	0.0

Source: Company data, KGI Securities Research

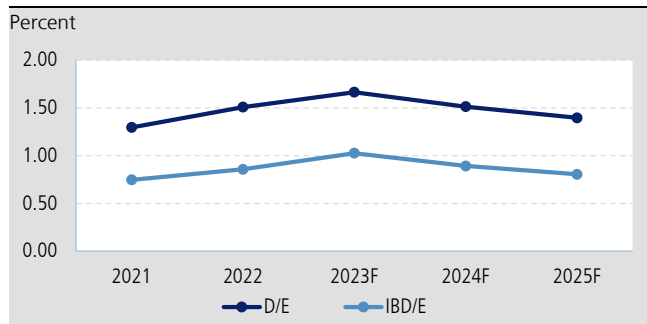
**Figure 4: Company profile**

Global Power Synergy Company (GPSC) is PTT Group's power flagship. It was founded on January 10, 2013, through the amalgamation of PTTUT and IPT. The company's core business is generating and supplying electricity, steam, and processed water to customers. GPSC has set the three growth engines for its business expansion including i) growing with PTT Group & domestic expansion, ii) expanding business to overseas and iii) being involved in future energy such as battery storage and renewable energy.

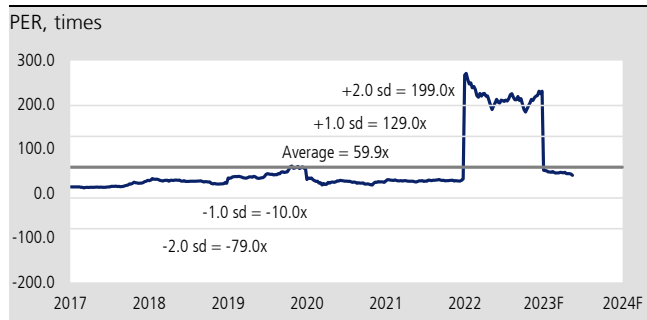
Source: Company data

**Figure 6: Equity capacity to hit 7.1GWe in 2025F**


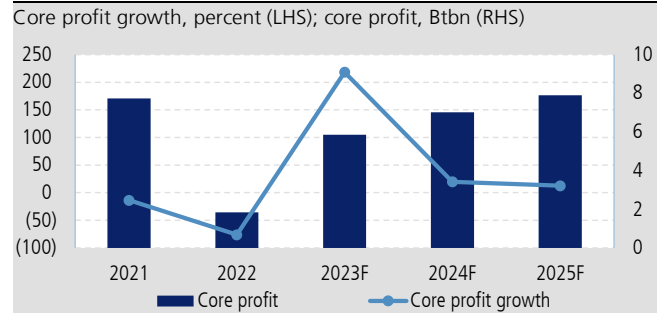
Source: Company data, KGI Securities Research

**Figure 8: Debt to equity ratio to peak in 2023F**


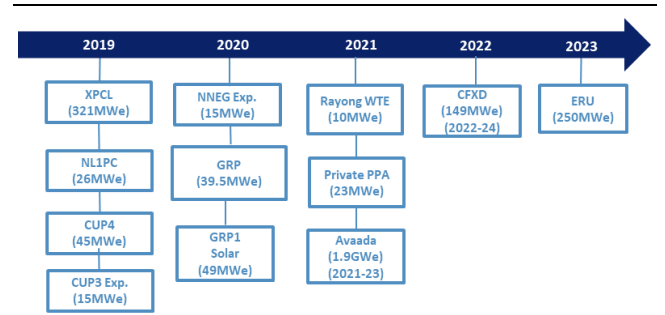
Source: Company data, KGI Securities Research

**Figure 10: GPSC's forward PER**


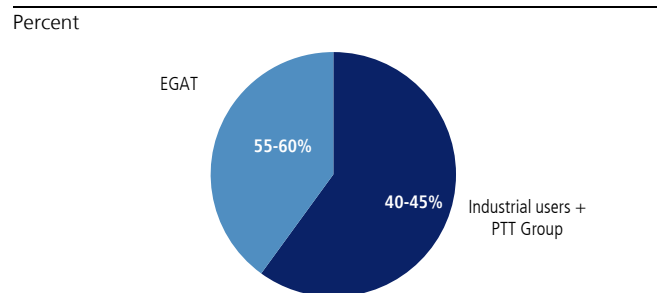
Source: KGI Securities Research

**Figure 5: Earnings to roar back in 2023-25F**


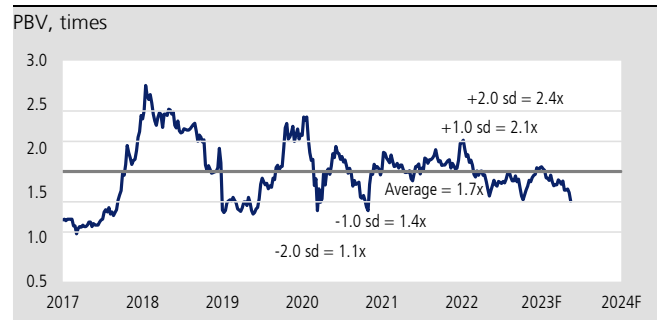
Source: Company data, KGI Securities Research

**Figure 7: Expansion program**


Source: Company data, KGI Securities Research

**Figure 9: Contract with EGAT majority of portfolio**


Source: Company data, KGI Securities Research

**Figure 11: GPSC's forward PBV**


Source: KGI Securities Research

## Quarterly Income Statement

	Mar-20A	Jun-20A	Sep-20A	Dec-20A	Mar-21A	Jun-21A	Sep-21A	Dec-21A	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23A
Income Statement (Bt mn)													
<b>Revenue</b>	<b>18,308</b>	<b>18,138</b>	<b>16,601</b>	<b>16,531</b>	<b>16,624</b>	<b>18,234</b>	<b>17,996</b>	<b>22,019</b>	<b>27,261</b>	<b>27,719</b>	<b>33,866</b>	<b>34,839</b>	<b>27,905</b>
Cost of Goods Sold	(14,995)	(14,566)	(13,263)	(13,625)	(13,314)	(14,895)	(15,254)	(20,272)	(26,559)	(26,231)	(33,046)	(34,488)	(25,246)
<b>Gross Profit</b>	<b>3,313</b>	<b>3,572</b>	<b>3,338</b>	<b>2,906</b>	<b>3,310</b>	<b>3,339</b>	<b>2,742</b>	<b>1,746</b>	<b>702</b>	<b>1,489</b>	<b>820</b>	<b>351</b>	<b>2,659</b>
Operating Expenses	(443)	(486)	(421)	(601)	(460)	(545)	(474)	(1,484)	(421)	(457)	(422)	(1,010)	(496)
Other incomes	181	372	539	314	360	523	367	2,024	962	628	292	849	317
<b>Operating Profit</b>	<b>3,050</b>	<b>3,458</b>	<b>3,456</b>	<b>2,619</b>	<b>3,210</b>	<b>3,317</b>	<b>2,636</b>	<b>2,287</b>	<b>1,243</b>	<b>1,659</b>	<b>690</b>	<b>189</b>	<b>2,480</b>
Depreciation of fixed assets	(2,170)	(2,196)	(2,169)	(2,172)	(2,161)	(2,430)	(2,330)	(2,311)	(2,236)	(2,293)	(2,290)	(2,293)	(2,206)
<b>Operating EBITDA</b>	<b>5,220</b>	<b>5,654</b>	<b>5,625</b>	<b>4,791</b>	<b>5,371</b>	<b>5,747</b>	<b>4,966</b>	<b>4,598</b>	<b>3,480</b>	<b>3,952</b>	<b>2,980</b>	<b>2,482</b>	<b>4,686</b>
<b>Non-Operating Income</b>	<b>(30)</b>	<b>(5)</b>	<b>21</b>	<b>12</b>	<b>2</b>	<b>(68)</b>	<b>(94)</b>	<b>70</b>	<b>(65)</b>	<b>(180)</b>	<b>(56)</b>	<b>378</b>	<b>80</b>
Interest Income	0	0	0	0	0	0	1	2	3	4	5	6	7
Other Non-op Income	(30)	(5)	21	12	2	(68)	(95)	68	(68)	(184)	(61)	372	73
<b>Non-Operating Expenses</b>	<b>(1,041)</b>	<b>(991)</b>	<b>(1,026)</b>	<b>(965)</b>	<b>(974)</b>	<b>(987)</b>	<b>(998)</b>	<b>(901)</b>	<b>(974)</b>	<b>(1,046)</b>	<b>(1,069)</b>	<b>(1,210)</b>	<b>(1,242)</b>
Interest Expenses	(1,041)	(991)	(1,026)	(965)	(974)	(987)	(998)	(901)	(974)	(1,046)	(1,069)	(1,210)	(1,242)
Other Non-op Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Equity Income/(Loss)</b>	<b>(68)</b>	<b>110</b>	<b>638</b>	<b>244</b>	<b>207</b>	<b>519</b>	<b>690</b>	<b>120</b>	<b>143</b>	<b>432</b>	<b>683</b>	<b>281</b>	<b>113</b>
<b>Pre-tax Profit</b>	<b>1,912</b>	<b>2,571</b>	<b>3,090</b>	<b>1,910</b>	<b>2,445</b>	<b>2,781</b>	<b>2,233</b>	<b>1,576</b>	<b>347</b>	<b>865</b>	<b>248</b>	<b>(360)</b>	<b>1,431</b>
Current Taxation	(254)	(284)	(314)	(141)	(453)	(348)	(295)	(97)	34	(53)	158	238	(105)
Minorities	(78)	(392)	(201)	(311)	(19)	(132)	(63)	(309)	(64)	(124)	(70)	(308)	(201)
Extraordinary items	(368)	(368)	(363)	(354)	(386)	(418)	(382)	(402)	(458)	(520)	(453)	(457)	(453)
<b>Net Profit</b>	<b>1,580</b>	<b>1,896</b>	<b>2,574</b>	<b>1,458</b>	<b>1,973</b>	<b>2,302</b>	<b>1,875</b>	<b>1,168</b>	<b>313</b>	<b>684</b>	<b>331</b>	<b>(436)</b>	<b>1,118</b>
<b>Normalized Profit</b>	<b>1,977</b>	<b>2,269</b>	<b>2,916</b>	<b>1,800</b>	<b>2,243</b>	<b>2,478</b>	<b>2,265</b>	<b>751</b>	<b>248</b>	<b>1,100</b>	<b>845</b>	<b>(267)</b>	<b>1,498</b>
EPS (Bt)	0.56	0.67	0.91	0.52	0.70	0.82	0.66	0.41	0.11	0.24	0.12	(0.15)	0.40
Normalized EPS (Bt)	0.70	0.80	1.03	0.64	0.80	0.88	0.80	0.27	0.09	0.39	0.30	(0.09)	0.53
<b>Margins</b>													
Gross profit margin	18.1	19.7	20.1	17.6	19.9	18.3	15.2	7.9	2.6	5.4	2.4	1.0	9.5
Operating EBIT margin	16.7	19.1	20.8	15.8	19.3	18.2	14.6	10.4	4.6	6.0	2.0	0.5	8.9
Operating EBITDA margin	28.5	31.2	33.9	29.0	32.3	31.5	27.6	20.9	12.8	14.3	8.8	7.1	16.8
Net profit margin	8.6	10.5	15.5	8.8	11.9	12.6	10.4	5.3	1.1	2.5	1.0	(1.3)	4.0
<b>Growth (QoQ)</b>													
Revenue growth	0.2	(0.9)	(8.5)	(0.4)	0.6	9.7	(1.3)	22.3	23.8	1.7	22.2	2.9	(19.9)
Operating EBIT growth	46.2	13.4	(0.1)	(24.2)	22.6	3.3	(20.5)	(13.3)	(45.6)	33.4	(58.4)	(72.6)	1,209.1
Operating EBITDA growth	24.0	8.3	(0.5)	(14.8)	12.1	7.0	(13.6)	(7.4)	(24.3)	13.6	(24.6)	(16.7)	88.8
Net profit growth	38.0	20.0	35.8	(43.4)	35.4	16.7	(18.6)	(37.7)	(73.2)	118.3	(51.6)	(231.9)	356.1
Normalized profit growth	39.5	14.8	28.5	(38.3)	24.6	10.5	(8.6)	(66.8)	(67.1)	344.3	(23.2)	(131.6)	661.2

Source: KGI Securities Research

## Balance Sheet

As of 31 Dec (Bt mn)	2021	2022	2023F	2024F	2025F
<b>Total Assets</b>	<b>270,379</b>	<b>288,810</b>	<b>313,140</b>	<b>304,270</b>	<b>300,859</b>
<b>Current Assets</b>	<b>45,490</b>	<b>52,822</b>	<b>44,551</b>	<b>41,237</b>	<b>41,230</b>
Cash & ST Investments	13,793	14,236	13,357	12,030	13,509
Inventories	6,938	11,915	8,270	7,632	7,243
Accounts Receivable	16,590	24,426	19,914	18,378	17,441
Others	8,170	2,245	3,009	3,197	3,036
<b>Non-current Assets</b>	<b>221,812</b>	<b>233,062</b>	<b>265,518</b>	<b>259,807</b>	<b>256,242</b>
LT Investments	28,723	45,906	47,357	48,215	49,090
Net fixed Assets	95,581	92,647	119,596	118,668	115,093
Others	97,508	94,509	98,565	92,924	92,059
<b>Total Liabilities</b>	<b>152,632</b>	<b>173,710</b>	<b>195,691</b>	<b>183,240</b>	<b>175,325</b>
<b>Current Liabilities</b>	<b>23,036</b>	<b>32,193</b>	<b>23,793</b>	<b>31,355</b>	<b>25,422</b>
Accounts Payable	6,407	10,887	8,270	10,176	9,658
ST Borrowings	0	3,371	0	0	0
Others	16,629	17,936	15,523	21,178	15,764
<b>Long-term Liabilities</b>	<b>129,595</b>	<b>141,516</b>	<b>171,898</b>	<b>151,885</b>	<b>149,903</b>
Long-term Debts	92,511	97,957	127,378	109,807	109,314
Others	37,084	43,560	44,520	42,078	40,590
<b>Shareholders' Equity</b>	<b>117,748</b>	<b>115,100</b>	<b>117,449</b>	<b>121,029</b>	<b>125,534</b>
Common Stock	2,820	2,820	2,820	2,820	2,820
Capital Surplus	83,485	70,176	70,176	70,176	70,176
Retained Earnings	23,994	20,199	21,949	24,821	28,684
Preferred Stock	0	0	0	0	0

Source: KGI Securities Research

## Key Ratios

Year to 31 Dec	2021	2022	2023F	2024F	2025F
<b>Growth (% YoY)</b>					
Sales	7.6	65.2	(25.7)	(7.7)	(5.1)
OP	(9.0)	(67.0)	116.9	10.2	2.1
EBITDA	(2.9)	(37.7)	38.3	5.5	(2.2)
NP	(2.5)	(87.8)	349.4	31.5	21.5
Normalized Profit	(13.7)	(76.2)	218.2	19.9	12.6
EPS	(2.5)	(87.8)	349.4	31.5	21.5
Normalized EPS	(13.7)	(76.2)	218.2	19.9	12.6
<b>Profitability (%)</b>					
Gross Margin	14.9	2.7	9.8	11.7	12.8
Operating Margin	15.3	3.1	8.9	10.7	11.5
EBITDA Margin	27.6	10.4	19.4	22.2	22.9
Net Profit Margin	9.8	0.7	4.4	6.2	8.0
ROAA	2.7	0.3	1.3	1.7	2.1
ROAE	6.2	0.8	3.4	4.4	5.1
<b>Stability</b>					
Gross Debt/Equity (%)	1.3	1.5	1.7	1.5	1.4
Net Debt/Equity (%)	0.7	0.9	1.0	0.9	0.8
Interest Coverage (x)	3.3	1.3	2.1	2.3	2.6
Interest & ST Debt Coverage (x)	3.3	0.7	2.1	2.3	2.6
Cash Flow Interest Coverage (x)	4.2	0.8	4.8	4.5	2.7
Cash Flow/Interest & ST Debt (x)	4.2	0.4	4.8	4.5	2.7
Current Ratio (x)	2.0	1.6	1.9	1.3	1.6
Quick Ratio (x)	1.7	1.3	1.5	1.1	1.3
Net Debt (Bt mn)	87,994	98,697	120,486	107,973	101,110
<b>Per Share Data (Bt)</b>					
EPS	2.6	0.3	1.4	1.9	2.3
Normalized EPS	2.7	0.7	2.1	2.5	2.8
CFPS	5.7	1.2	8.1	8.4	4.8
BVPS	41.8	40.8	41.7	42.9	44.5
SPS	26.6	43.9	32.6	30.1	28.5
EBITDA/Share	7.3	4.6	6.3	6.7	6.5
DPS	1.5	0.5	0.8	0.9	0.9
<b>Activity</b>					
Asset Turnover (x)	0.3	0.4	0.3	0.3	0.3
Days Receivables	80.9	72.1	79.1	79.1	79.1
Days Inventory	39.7	36.1	36.4	37.2	37.7
Days Payable	36.7	33.0	36.4	49.6	50.2
Cash Cycle	83.9	75.2	79.1	66.7	66.5
<b>Keys driver</b>					
Effective capacity (MW)	5,703	6,272	7,072	7,122	7,122
Average US\$/THB	33.00	34.90	33.80	32.50	32.50
Ft rate (Bt/kWh)	(0.15)	0.40	0.96	0.41	0.41
SPP gas prices (Bt/kWh)	290	450	390	250	250

Source: KGI Securities Research

## Profit & Loss

Year to 31 Dec (Bt mn)	2021	2022	2023F	2024F	2025F
<b>Revenue</b>	<b>74,874</b>	<b>123,685</b>	<b>91,892</b>	<b>84,802</b>	<b>80,481</b>
Cost of Goods Sold	(63,736)	(120,324)	(82,892)	(74,889)	(70,195)
<b>Gross Profit</b>	<b>11,138</b>	<b>3,361</b>	<b>8,999</b>	<b>9,913</b>	<b>10,286</b>
Operating Expenses	(2,963)	(2,310)	(2,114)	(2,120)	(2,253)
Other Incomes	3,275	2,731	1,318	1,247	1,199
<b>Operating Profit</b>	<b>11,449</b>	<b>3,782</b>	<b>8,204</b>	<b>9,040</b>	<b>9,232</b>
Depreciation of fixed assets	(9,232)	(9,113)	(9,627)	(9,770)	(9,162)
<b>Operating EBITDA</b>	<b>20,681</b>	<b>12,895</b>	<b>17,831</b>	<b>18,810</b>	<b>18,394</b>
<b>Non-Operating Income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Interest Income	0	0	0	0	0
Other Non-op Income	0	0	0	0	0
<b>Non-Operating Expenses</b>	<b>(3,953)</b>	<b>(4,240)</b>	<b>(4,784)</b>	<b>(5,285)</b>	<b>(5,101)</b>
Interest Expenses	(3,860)	(4,299)	(4,784)	(5,285)	(5,101)
Other Non-op Expenses	(93)	59	0	0	0
<b>Equity Income/(Loss)</b>	<b>1,536</b>	<b>1,539</b>	<b>1,646</b>	<b>2,954</b>	<b>3,898</b>
<b>Pre-tax Profit</b>	<b>9,032</b>	<b>1,081</b>	<b>5,066</b>	<b>6,709</b>	<b>8,029</b>
Current Taxation	(1,192)	376	(461)	(732)	(987)
Minorities	(522)	(566)	(599)	(708)	(641)
Extraordinary items	0	0	0	0	0
<b>Net Profit</b>	<b>7,319</b>	<b>891</b>	<b>4,006</b>	<b>5,269</b>	<b>6,401</b>
<b>Normalized Profit</b>	<b>7,737</b>	<b>1,840</b>	<b>5,856</b>	<b>7,019</b>	<b>7,901</b>
EPS (Bt)	2.60	0.32	1.42	1.87	2.27
Normalized EPS (Bt)	2.74	0.65	2.08	2.49	2.80

Source: KGI Securities Research

## Cash Flow

Year to 31 Dec (Bt mn)	2021	2022	2023F	2024F	2025F
<b>Operating Cash Flow</b>	<b>16,109</b>	<b>3,438</b>	<b>22,944</b>	<b>23,559</b>	<b>13,626</b>
Net Profit	9,032	891	4,006	5,269	6,401
Depreciation & Amortization	9,232	9,113	9,627	9,770	9,162
Change in Working Capital	(2,636)	(7,540)	8,509	9,016	(180)
Others	481	974	803	(496)	(1,757)
<b>Investment Cash Flow</b>	<b>(19,610)</b>	<b>(14,092)</b>	<b>(38,975)</b>	<b>(9,357)</b>	<b>(4,867)</b>
Net CAPEX	(25,845)	(12,393)	(36,575)	(8,842)	(5,587)
Change in LT Investment	(16,535)	(16,671)	(1,597)	(1,012)	(1,036)
Change in Other Assets	22,771	14,972	(803)	496	1,757
<b>Free Cash Flow</b>	<b>(3,501)</b>	<b>(10,654)</b>	<b>(16,031)</b>	<b>14,202</b>	<b>8,759</b>
<b>Financing Cash Flow</b>	<b>(2,724)</b>	<b>11,601</b>	<b>15,152</b>	<b>(15,528)</b>	<b>(7,281)</b>
Change in Share Capital	0	0	0	0	0
Net Change in Debt	18,664	12,167	1,032	(8,839)	(1,885)
Change in Other LT Liab.	(21,388)	(566)	14,120	(6,689)	(5,396)
<b>Net Cash Flow</b>	<b>(6,225)</b>	<b>947</b>	<b>(879)</b>	<b>(1,326)</b>	<b>1,478</b>

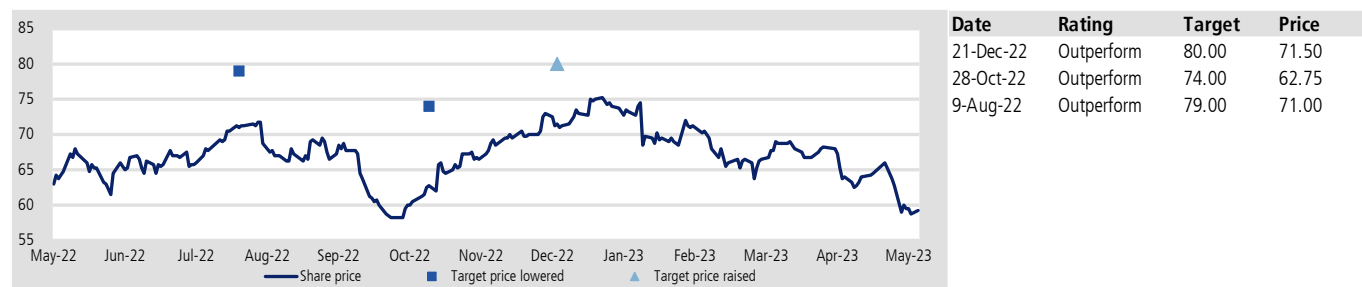
Source: KGI Securities Research

## Rates of Return on Invested Capital

Year	1- Revenue	COGS Revenue	+	Depreciation Revenue	+	Operating Exp. Revenue	=	Operating Margin
2021		72.8%		12.3%		8.3%		6.5%
2022		89.9%		7.4%		4.1%		-1.4%
2023F		79.7%		10.5%		3.7%		6.1%
2024F		76.8%		11.5%		4.0%		7.7%
2025F		75.8%		11.4%		4.3%		8.5%
Year	1/ Revenue	Working Capital Revenue	+	Net PPE Revenue	+	Other Assets Revenue	=	Capital Turnover
2021		0.0		1.3		2.3		0.3
2022		-0.1		0.7		1.6		0.4
2023F		0.1		1.3		2.1		0.3
2024F		0.1		1.4		2.2		0.3
2025F		0.0		1.4		2.3		0.3
Year	Operating Margin	x	Capital Turnover	x	Cash Tax Rate	=	After-tax Return on Inv. Capital	
2021	6.5%		0.3		13.2%		0.2%	
2022	-1.4%		0.4		-34.8%		0.2%	
2023F	6.1%		0.3		9.1%		0.2%	
2024F	7.7%		0.3		10.9%		0.2%	
2025F	8.5%		0.3		12.3%		0.3%	

Source: KGI Securities Research

## Global Power Synergy – Recommendation &amp; target price history



Source: KGI Securities Research



# Corporate Governance Report of Thai Listed Companies



## Companies with Excellent CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	EGCO	ELECTRICITY GENERATING	PTTEP	PTT EXPLORATION AND PRODUCTION
ADVANC	ADVANCED INFO SERVICE	GFPT	GFPT	PTTGC	PTT GLOBAL CHEMICAL
AMA	AMA MARINE	GGC	GLOBAL GREEN CHEMICALS	PYLON	PYLON
AMATA	AMATA CORPORATION	GPSC	GLOBAL POWER SYNERGY	QH	QUALITY HOUSES
ANAN	ANANDA DEVELOPMENT	HANA	HANA MICROELECTRONICS	RATCH	RATCHABURI ELECTRICITY GENERATING HOLDING
AOT	AIRPORTS OF THAILAND	HMPRO	HOME PRODUCT CENTER	RS	RS
AP	ASIAN PROPERTY DEVELOPMENT	INTUCH	SHIN CORPORATION	SCB	THE SIAM COMMERCIAL BANK
BANPU	BANPU	IRPC	IRPC	SCC	THE SIAM CEMENT
BGP	THE BANGCHAK PETROLEUM	IVL	INDORAMA VENTURES	SCCC	SIAM CITY CEMENT
BPCG	BPCG	KBANK	KASIKORNBANK	SEAFECO	SEAFECO
BDMS	BANGKOK DUSIT MEDICAL SERVICES	KCE	KCE ELECTRONICS	SMPC	SAHAMITR PRESSURE CONTAINER
BEC	BEC WORLD	KKP	KIATNAKIN BANK	SPALI	SUPALAI
BEM	BANGKOK EXPRESSWAY AND METRO	KTB	KRUNG THAI BANK	SPRC	STAR PETROLEUM REFINING
BGRIM	B.GRIMM POWER	KTC	KRUNGTHAI CARD	SVI	SVI
BPP	BANPU POWER	LH	LAND AND HOUSES	TACC	T.A.C. CONSUMER
BTS	BTS GROUP HOLDINGS	LPN	L.P.N. DEVELOPMENT	TCAP	THANACHART CAPITAL
CENTEL	CENTRAL PLAZA HOTEL	MAKRO	SIAM MAKRO	THCOM	THAIKOM
CK	CH. KARNCHANG	MBK	MBK	TISCO	TISCO FINANCIAL GROUP
CKP	CK POWER	MINT	MINOR INTERNATIONAL	TOP	THAI OIL
CPALL	CP ALL	MTC	MUANGTHAI CAPITAL	TRUE	TRUE CORPORATION
CPF	CHAROEN POKPHAND FOODS	PLANB	PLAN B MEDIA	TTB	TMBTHANACHART BANK
CPN	CENTRAL PATTANA	PSH	PRUKSA HOLDING	VGI	VGI GLOBAL MEDIA
DELTA	DELTA ELECTRONICS (THAILAND)	PTG	PTG ENERGY	WHA	WHA CORPORATION
DTAC	TOTAL ACCESS COMMUNICATION	PTT	PTT	WHAUP	



## Companies with Very Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
BAM	BANGKOK COMMERCIAL ASSET MANAGEMENT	GULF	GULF ENERGY DEVELOPMENT	SAPPE	SAPPE
BBL	BANGKOK BANK	JMT	JMT NETWORK SERVICES	SAWAD	SRI SAWAD POWER 1979
CBG	CARABAO GROUP	LPH	LADPRAO GENERAL HOSPITAL	SINGER	SINGER THAILAND
CHG	CHULARAT HOSPITAL	M	MK RESTAURANT GROUP	SPA	SIAM WELLNESS GROUP
COM7	COM7	MAJOR	MAJOR CINEPLEX GROUP	TFG	THAIFOODS GROUP
DOHOME	DOHOME	MEGA	MEGA LIFESCIENCES	TKN	TAOKAENOI FOOD & MARKETING
ERW	THE ERAWAN GROUP	NETBAY	NETBAY	ZEN	ZEN CORPORATION GROUP
GLOBAL	SIAM GLOBAL HOUSE	OSP	OSOTSPA		



## Companies with Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
BCH	BANGKOK CHAIN HOSPITAL	ESSO	ESSO (THAILAND)	SF	SIAM FUTURE DEVELOPMENT
BH	BUMRUNGRAD HOSPITAL	HUMAN	HUMANICA	SISB	SISB
EKH	EKACHAI MEDICAL CARE	RBF	R&B FOOD SUPPLY	TPCH	TPC POWER HOLDING

## Companies classified Not in the three highest score groups

Stock	Company name	Stock	Company name	Stock	Company name
IIG	I&I GROUP	OR	PTT OIL AND RETAIL BUSINESS	STGT	SRI TRANG GLOVES (THAILAND)
KEX	KERRY EXPRESS (THAILAND)	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION		

Source: www.thai-iod.com

**Disclaimer:** The disclosure of the survey result of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the Market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an assessment of operation and is not based on inside information. The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey result may be changed after that date or when there is any change to the relevant information. Nevertheless, KGI Securities (Thailand) Public Company Limited (KGI) does not confirm, verify, or certify the accuracy and completeness of such survey result.

## Anti-corruption Progress Indicator

### Level 5: Extended

Stock	Company name	Stock	Company name	Stock	Company name
ADVANC	ADVANCED INFO SERVICE	GLOBAL	SIAM GLOBAL HOUSE	QH	QUALITY HOUSES
ANAN	ANANDA DEVELOPMENT	GPSC	GLOBAL POWER SYNERGY	RATCH	RATCHABURI ELECTRICITY GENERATING HOLDING
BBL	BANGKOK BANK	HMPRO	HOME PRODUCT CENTER	ROBINS	ROBINSON DEPARTMENT STORE
BCH	BANGKOK CHAIN HOSPITAL	IRPC	IRPC	SCC	THE SIAM CEMENT
BDMS	BANGKOK DUSIT MEDICAL SERVICES	KBANK	KASIKORNBANK	SIRI	SANSIRI
BIGC	BIG C SUPERCENTER	KCE	KCE ELECTRONICS	SPALI	SUPALAI
CK	CH. KARNCHANG	KKP	KIATNAKIN BANK	STEC	SINO-THAI ENGINEERING AND CONSTRUCTION
DCC	DYNASTY CERAMIC	KTB	KRUNG THAI BANK	TCAP	THANACHART CAPITAL
DELTA	DELTA ELECTRONICS (THAILAND)	LPH	LADPRAO GENERAL HOSPITAL	TISCO	TISCO FINANCIAL GROUP
DRT	DIAMOND ROOFING TILES	PACE	PACE DEVELOPMENT CORPORATION	TMT	THAI METAL TRADE
EGCO	ELECTRICITY GENERATING	PTT	PTT	TOP	THAI OIL
GFPT	GFPT	PTTGC	PTT GLOBAL CHEMICAL		

### Level 4: Certified

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	ERW	THE ERWAN GROUP	SAPPE	SAPPE
AP	ASIAN PROPERTY DEVELOPMENT	GLOW	GLOW ENERGY	SAWAD	SRISAWAD POWER 1979
BA	BANGKOK AIRWAYS	GUNKUL	GUNKUL ENGINEERING	SCB	THE SIAM COMMERCIAL BANK
BANPU	BANPU	ILINK	INTERLINK COMMUNICATION	SCN	SCAN INTER
BCP	THE BANGCHAK PETROLEUM	KTC	KRUNGTHAI CARD	SEAFICO	SEAFICO
BH	BUMRUNGRAD HOSPITAL	LH	LAND AND HOUSES	SVI	SVI
BJCHI	BJC HEAVY INDUSTRIES	LPN	L.P.N. DEVELOPMENT	TASCO	TIPCO ASPHALT
CBG	CARABAO GROUP	MAKRO	SIAM MAKRO	TKN	TAOKAENOI FOOD & MARKETING
CENDEL	CENTRAL PLAZA HOTEL	MALEE	MALEE SAMPRAN	TMB	TMB BANK
CHG	CHULARAT HOSPITAL	MINT	MINOR INTERNATIONAL	TRT	TIRATHAI
CKP	CK POWER	MODERN	MODERNFORM GROUP	TRUE	TRUE CORPORATION
CPF	CHAROEN POKPHAND FOODS	NOK	NOK AIRLINES	TVO	THAI VEGETABLE OIL
CPN	CENTRAL PATTANA	PTTEP	PTT EXPLORATION AND PRODUCTION		
DTAC	TOTAL ACCESS COMMUNICATION	PYLON	PYLON		

### Level 3: Established

Stock	Company name	Stock	Company name	Stock	Company name
BEM	BANGKOK EXPRESSWAY AND METRO	MTLS	MUANGTHAI LEASING	SPRC	STAR PETROLEUM REFINING
CPALL	CP ALL	SCI	SCI ELECTRIC		

### No progress

Stock	Company name	Stock	Company name	Stock	Company name
AOT	AIRPORTS OF THAILAND	BPP	BANPU POWER	FN	FN FACTORY OUTLET
BCPG	BCPG	BTS	BTS GROUP HOLDINGS	TPCH	TPC POWER HOLDING

Source: [www.cgthailand.org](http://www.cgthailand.org)

**Disclaimer:** The disclosure of the Anti-Corruption Progress Indicators of a listed company on the Stock Exchange of Thailand, which is assessed by the relevant institution as disclosed by the Office of the Securities and Exchange Commission, is made in order to comply with the policy and sustainable development plan for the listed companies. The relevant institution made this assessment based on the information received from the listed company, as stipulated in the form for the assessment of Anti-corruption which refers to the Annual Registration Statement (Form 56-1), Annual Report (Form 56-2), or other relevant documents or reports of such listed company. The assessment result is therefore made from the perspective of a third party. It is not an assessment of operation and is not based on any inside information. Since this assessment is only the assessment result as of the date appearing in the assessment result, it may be changed after that date or when there is any change to the relevant information. Nevertheless, KGI Securities (Thailand) Public Company Limited (KGI) does not confirm, verify, or certify the accuracy and completeness of the assessment result.



## KGI Locations

<b>China</b>	Shanghai	Room 2703B-2704, Tower A , Shanghai Dawning Centre,500 Hongbaoshi Road Shanghai, PRC 201103
	Shenzhen	Room 24D1, 24/F, A Unit, Zhen Ye Building, 2014 Bao'annan Road, Shenzhen, PRC 518008
<b>Taiwan</b>	Taipei	700 Mingshui Road, Taipei, Taiwan Telephone 886.2.2181.8888 · Facsimile 886.2.8501.1691
<b>Hong Kong</b>		41/F Central Plaza, 18 Harbour Road, Wanchai, Hong Kong Telephone 852.2878.6888 Facsimile 852.2878.6800
<b>Thailand</b>	Bangkok	8th - 11th floors, Asia Centre Building 173 South Sathorn Road, Bangkok 10120, Thailand Telephone 66.2658.8888 Facsimile 66.2658.8014
<b>Singapore</b>		4 Shenton Way #13-01 SGX Centre 2 Singapore 068807 Telephone 65.6202.1188 Facsimile 65.6534.4826

## KGI's Ratings

Rating	Definition
Outperform (OP)	The stock's excess return over the next twelve months is ranked in the top 40% of KGI's coverage universe in the related market (e.g. Taiwan)..
Neutral (N)	The stock's excess return over the next twelve months is ranked in the range between the top 40% and the bottom 40% of KGI's coverage universe in the related market (e.g. Taiwan)
Under perform (U)	The stock's excess return over the next twelve months is ranked in the bottom 40% of KGI's coverage universe in the related market (e.g. Taiwan).
Not Rated (NR)	The stock is not rated by KGI.
Restricted (R)	KGI policy and/or applicable law regulations preclude certain types of communications, including an investment recommendation, during the course of KGI's engagement in an investment banking transaction and in certain other circumstances.  Excess return = 12M target price/current price-
Note	When an analyst publishes a new report on a covered stock, we rank the stock's excess return with those of other stocks in KGI's coverage universe in the related market. We will assign a rating based on its ranking. If an analyst does not publish a new report on a covered stock, its rating will not be changed automatically.

## Disclaimer

KGI Securities (Thailand) Plc. ( "The Company" ) disclaims all warranties with regards to all information contained herein. In no event shall the Company be liable for any direct, indirect or any damages whatsoever resulting from loss of income or profits, arising by utilization and reliance on the information herein. All information hereunder does not constitute a solicitation to buy or sell any securities but constitutes our sole judgment as of this date and are subject to change without notice.