บริษัท โกลบอล เพาเวอร์ ซินเนอร์ยี่ จำกัด (มหาชน)
Global Power Synergy Public Company Limited

THE INNOVATIVE POWER FLAGSHIP OF PTT GROUP

# Q2/2018 Analyst Meeting

## 20 August 2018

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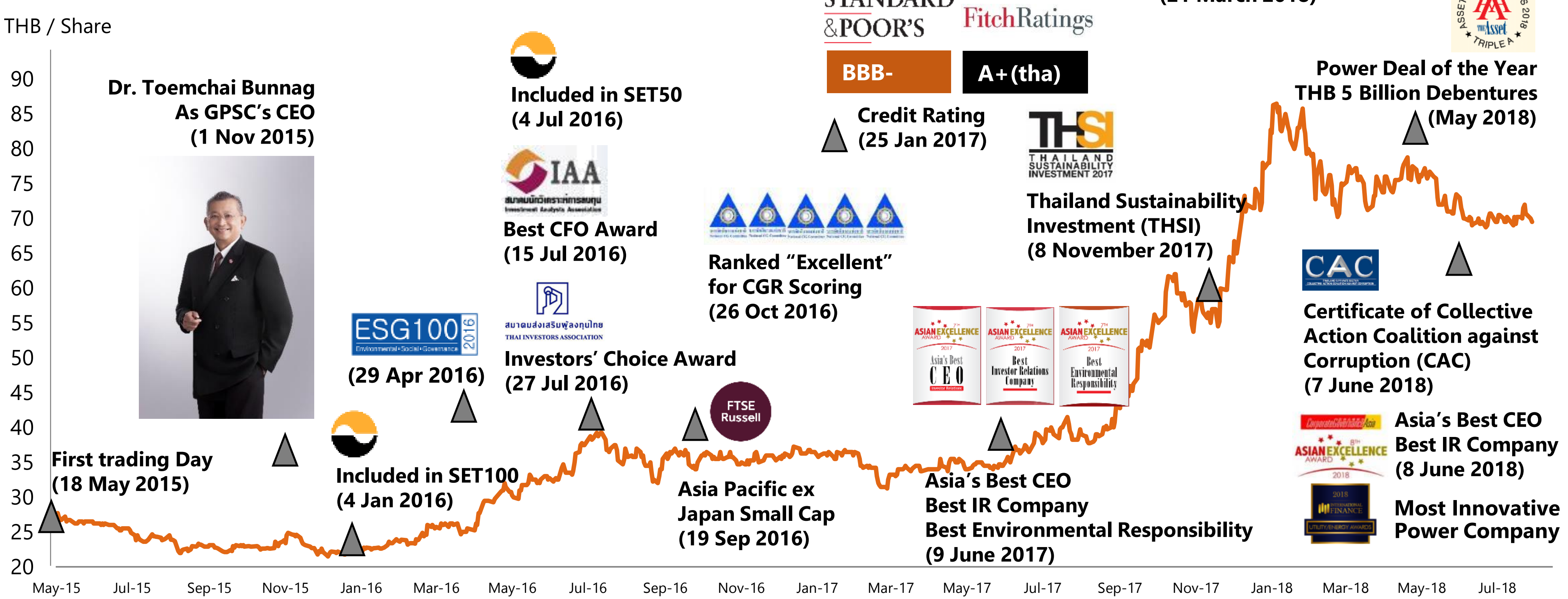
## ❖ Q2/2018 Highlights

- ❖ Acquisition Transaction
- ❖ Investment in Affiliates
- ❖ Financial Performance

# GPSC Stock Performance

(May 15 – Aug 18)




- **IPO in May 2015,** GPSC has been growing business with continuously increased market capitalization, starting from January 2016, where GPSC has been included in **SET100** and progressed to **SET50** in July 2016, and included in global standard **FTSE Index** in September 2016. Moreover, GPSC has been shortlisted in **ESG100** with sustainable business awarded by Thaipat Institute in April 2016.
- In 2H/2016, GPSC's CFO received **Best CFO Award** from Investment Analysts Association also, received **Investors' Choice Award** from Thai Investors Association; **ranked "Excellent" for CGR Scoring** by Thai Institute of Directors and received **Most Progress in IR Award** from IR Magazine.
- In December 2016, GPSC has been initially ranked **BBB- rating by S&P's** and **A+(tha) by Fitch Ratings** with Investment Grade and Stable Outlook.
- In June 2017, GPSC was granted **Best CEO (Investor Relations), Best IR Company (Thailand) and Best Environmental Responsibility** from Corporate Governance Asia. In November 2017, GPSC has been included in **Thailand Sustainable Investment (THSI)** from the Stock Exchange of Thailand.
- In 2018, GPSC received **TPM Excellence Awards from JIPM**, **Power Deal of the Year – Highly Commended for THB 5 Billion Debentures** by The Asset, **Asia's Best CEO and Best IR Company** from Corporate Governance Asia, **Most Innovative Power Company** from International Finance also, was certificated of **Collective Action Coalition against Corruption by CAC.**
- These are the results of confidence on GPSC performance from all stakeholders.

# Q2/2018 Highlights

## GROWTH
**Significant step by acquiring GLOW and signing agreement with PTTPL**

- GPSC had **signed the share purchase agreement with Engie Global Developments B.V.** to purchase 69.11% shares of GLOW and will acquire the remaining share of 30.89% for synergy value.
- GPSC also has **signed the agreement with PTTPL** to develop **solar rooftop and Battery Energy Storage Systems (BESS).**

## SUSTAINABILITY
**Dividend payment for 1H/2018 of 0.45 THB/share**

- GPSC has announced the payment of **interim dividend for 1H/2018 of 0.45 THB/share**, accounting for 34% payout of the net profit of consolidated financial statements, which will be paid on September 10, 2018.
- GPSC has received 2 awards in the 8th Asian Excellence Award 2018 including **Asia's Best CEO** to Dr. Toemchai Bunnag and **Best Investor Relations Company** from Corporate Governance Asia; also, selected to be the **Most Innovative Power Company** in 2018 by International Finance since the company has been adopted software technology to optimize productivity as well as developed energy storage system in Thailand.

***GROWING PROFIT WITH SUSTAINABILITY AND CONTROL***

## PROFIT
**14% Increase in Net profit QoQ**

- **GPSC's Q2/18 net profit of THB 1,052 million increased by THB 130 million or 14% QoQ** due to the rise in Availability Payment (AP) of Sriracha Power Plant, the higher electricity sales of Rayong Central Utility Plants and IRPC Clean Power (IRPC-CP)
- **Q2/18 net profit increased by THB 237 million or 29% YoY** due to the COD of both phases of IRPC-CP and the increase in sales to customers of Rayong Central Utility Plants in Q2/17.

## CONTROL
**3 Projects in progress and 1 project in expansion meet milestone as planned**

- **Nam Lik1**, **Xayaburi and CUP4** which are under construction expected to **COD within 2019.**
- **NNEG expansion phase** expected to **COD in 2020.**
- All projects are meeting the milestones.

# GPSC Strategic Direction and Growth Strategy

## Innovative Renewables

"To become a ESS System Integrator"

1. **Renewable Private PPA:**
2. **Battery Merchant:** become a pioneer battery producer
3. **ESS system integrator:**
4. **Energy Management Solution provider:** provide energy management solutions to customers

## Inorganic Growth

"Explore Potential M&A Projects"

1. **Diversify fuel plants:** into more source of fuel and decrease portion of natural gas power plants
2. **Operating power plant:** acquire existing operating power plant
3. **Significant Size:** acquiring existing power plants with immediate cash flow generation

## Organic Growth

"support growth in EEC Areas and seek opportunity in growth market"

1. **Thailand First** by co-generation expansion or becoming utility provider for EEC
2. **Second Home** by investing in growth market or re-invest in existing activities
3. **Go along with PTT Group** by following investments of PTT Group

# Inorganic Growth: Acquisition Transaction and Tender Offering

## Share Purchase Transaction from Engie Group

Engie Global Developments B.V. → 14.95% → GPSC

Engie Holding (Thailand) Co.,Ltd. → 54.16% → GPSC

GPSC → 69.11% → ENGIE Glow

## Tender Offering

GPSC → Tender offer → Other shareholders

GPSC → 69.11% → ENGIE Glow

Other shareholders → ≤30.89% → ENGIE Glow

**20 Jun 18**
SPA Signing

**Aug18**
EGM/ Shareholder Approval

**Sep 18**
Expected Deal Closing

T/O period
1-2 months

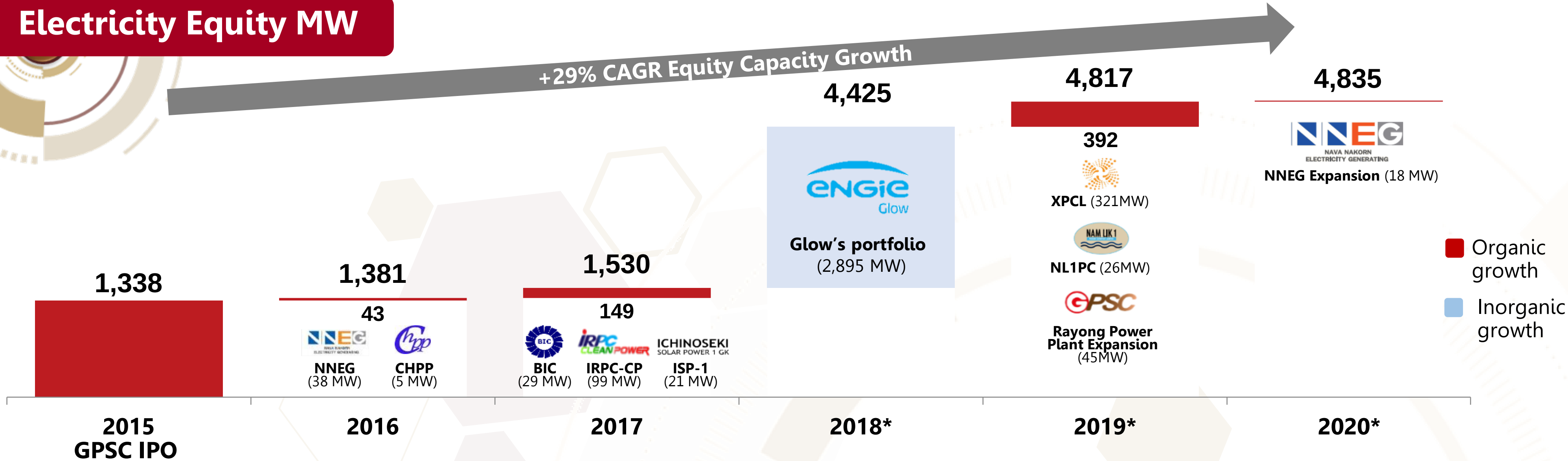
**Nov 18**
Expected Tender Offer Completion

**Q1-Q2 2019**
Equity Offering

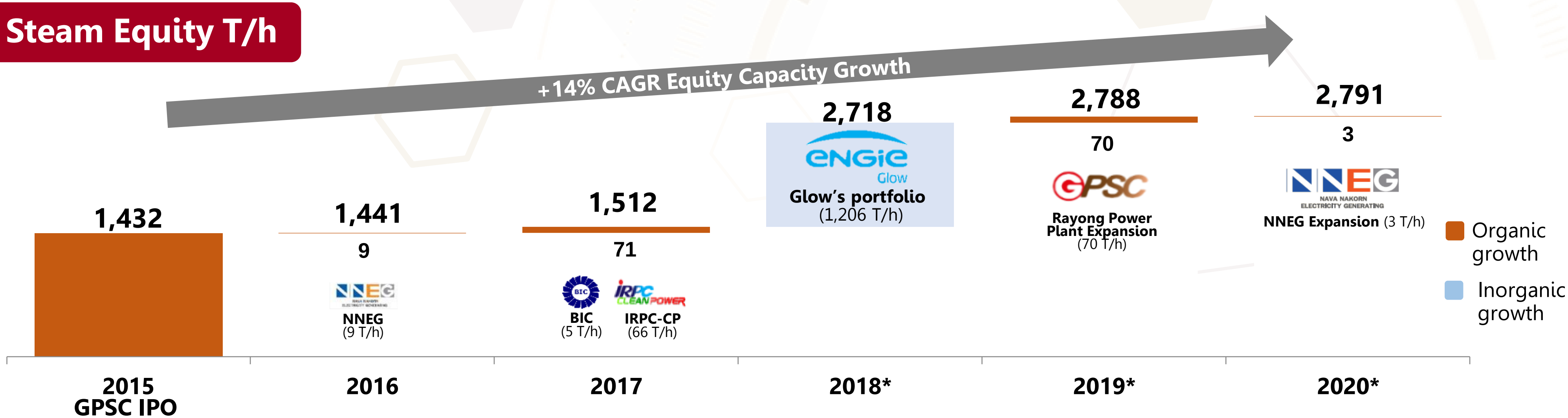
*Bridge Financing*
*12 months*

# GPSC Electricity and Steam Growth Pipeline

## Electricity Equity MW




## Steam Equity T/h




Note: * represents the year after GPSC acquired GLOW

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- **Acquisition Transaction**
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# GPSC Strategic Thinking

| DECIDE NOW | STRATEGY |
| --- | --- |
| ❶ **To achieve Significant Size of Power Company**<br>Sizable operating power plant with <u>competitive</u> rate of return and <u>strong cash flow</u> to drive organic growth and new innovative/S-Curve Investment | **"Inorganic Growth"** |
| ❷ **To invest in Conventional Projects** | **"Organic Growth"** |
| ❸ **To be a Global ESS System Integrator** | **"Innovative Renewables"** |

# Why Acquisition? Why Glow?

## 1 Rare & Sizable Growth Opportunity

- **GPSC (post-merger) will rank #3 Power Producer** with total committed equity capacity of 4,835 MW
- Larger portfolio with higher stability and credibility

## 2 Highly Focused on SPP

- **GPSC will become #1 SPP** in contracted equity capacity of 2,301 MW
- Favorable conditions to have renewal of SPP contracts

## 3 High Performance Organization with Strong Cash Flow

- **Strong historical and forecasted operating performance** with immediate cashflow generation

## 4 Potential Synergies and Diversification

- Enhanced **Reliability**, **Availability**, **Efficiency, and cost savings** from Integrated Power & Steam Distribution Network, Load Management, and Spare Part Management
- Diversified customers, power plant profile, and source of fuel

## 5 Strategic Move as PTT Flagship to become major power generation player in Thailand

- GPSC Growth Strategy to expand customers in Map Ta Phut area and add other industrial customers

Why?

# Potential Synergies and Diversification

## The Combination of 2 High Performance Companies

| ENGIE Glow | GPSC |
|---|---|
| High performance organization | Growth Organization |
| High margin SPP firm contract | Power Flagship of PTT |
| Lower cost of fuel (coal) | Opportunities for new investments |
| High Experienced Operator- SPP Pioneer | Strong Business Development team |

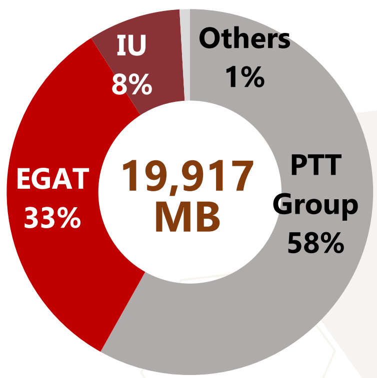
- Better Electricity and Steam Demand Management
- Spare Part Management
- SG&A / Operating & Maintenance Saving

# Potential Synergies and Diversification

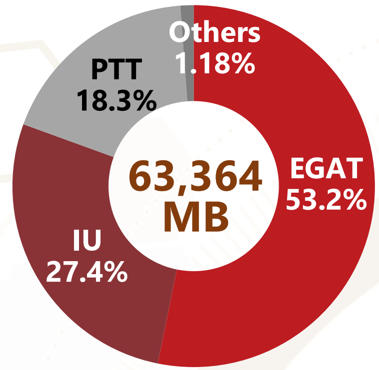
## Volume sales by customer FY 2017

(MB)

**GPSC**



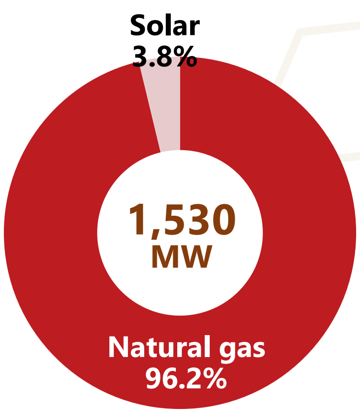

**GPSC (Post-merger)**

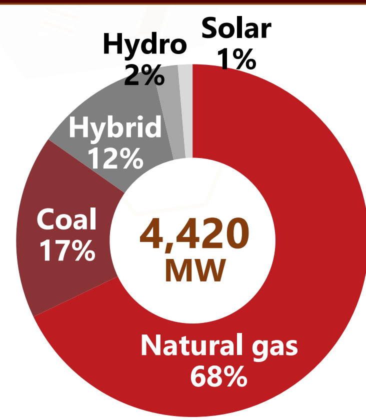



GPSC will **diversify customer profile from rely mainly on PTT Group customers to have more proportion of EGAT and IU customers.** This is in line with GPSC's growth strategy to acquire more IU customers in Thailand.

## Portfolio by source of fuel

(MW)



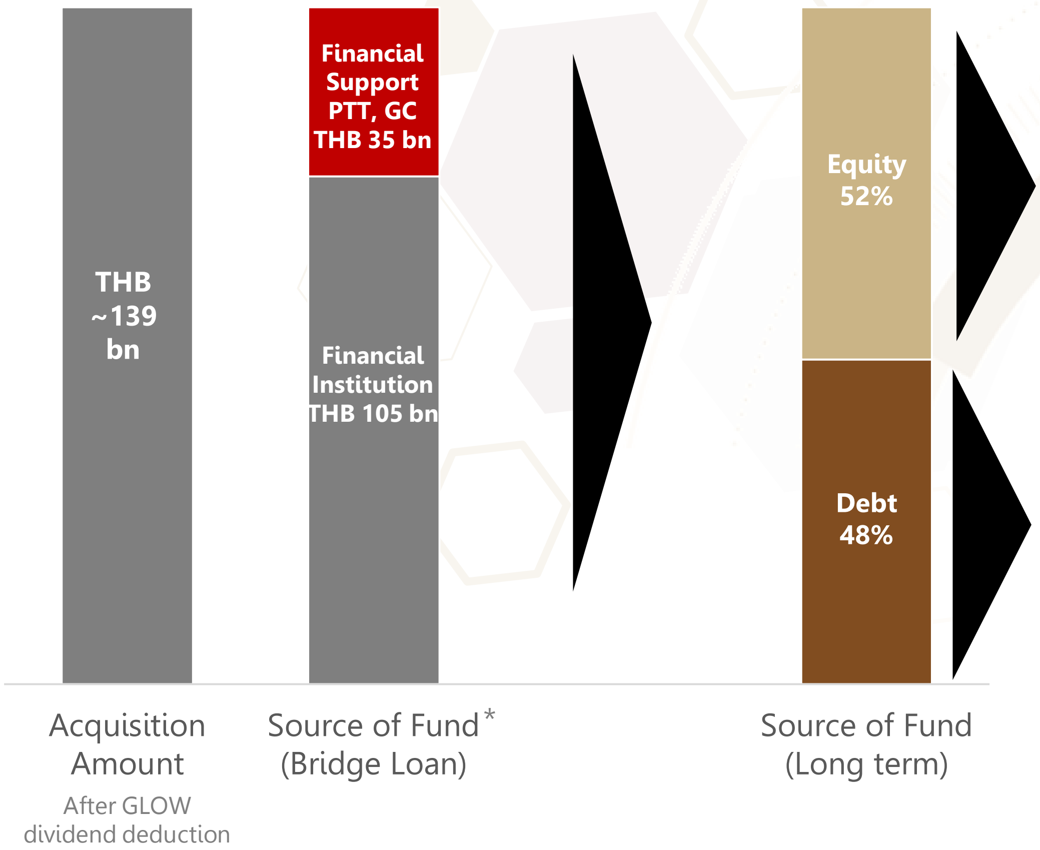




GPSC's **source of fuel will be more diversified and less focus on Natural gas.** As a result, cost of fuel will be less volatile from change in natural gas price.

*Note: total MW and volume sales based on current operation as of Q1/18*

# Source of Funds for GLOW Share Purchase Transaction

## Source of Fund




**The Capital Restructuring Plan**

- Shareholders' meeting within April 2019 to consider:
- Capital increase approximately THB 74,000 million[2]

- Issuing the debentures / long term loan or other financial instruments in money market THB 68,500 million[2]

Remark:
The source of fund may decrease if the acquisition amount decreases depending on result of tender-offer

# Post-merger Integration Plan

**GPSC's Three Strategic Pillars**
- Inorganic Growth
- Organic Growth
- Innovative Renewable

**Leadership & People**
- Management capability
- HR processes
- Key stakeholders

**Culture**
- Corporate and personal values
- Interpersonal relationships
- Decision making process
- Conflict resolution
- Resistance to change

**Organizational Structure & Processes**
- Organizational structure and process
- Customer relationship
- Communication strategy

**Integration Plan/ Communication and Engagement**

## Working team of GPSC and GLOW

- Integration steering committee
- Corporate Plan & Corporate BD

- Supply, Commercial & Market
- Production
- Safety, Security, Health and Environment
- Finance, Accounting & Tax
- Human Resources
- Information Technology

- Communication Management Office

- Q2/2018 Highlights
- Acquisition Transaction
- **Investment in Affiliates**
- Financial Performance

# Nam Lik 1 Power Company Limited (Lao PDR)

**Type:**
Run-of-River Hydropower

**Electricity:**
65 MW

**SCOD:**
Q1 2019

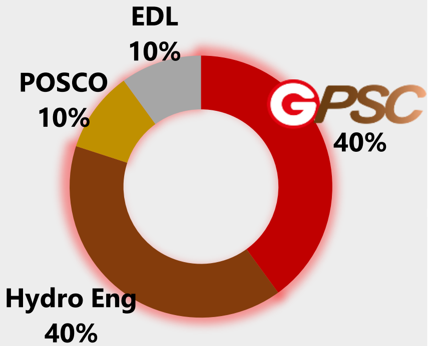
**Progress Q1/2018:**
86%

**Progress Q2/2018:**
93%

**Equity Investment :**
$137 M USD

**D/E:**
7:3

**Shareholding:**




**Progress Update:**

- As of 30 June 2018, the construction progress of the project as appraised by technical advisor was 93%, when comparing with Q1/18 at 86%, about 7% increased as the main activities such as the demolition of cofferdams, the permanent closure of the tunnel diversion and the opening of 3 floodgates

**Customer:**

- Electricity: EDL 63.8 MW (30 years PPA)

# Xayaburi Power Company Limited (Lao PDR)

XAYABURI POWER

**Type:**
Run-of-River Hydropower

**Electricity:**
1,285 MW

**SCOD:**
October 2019

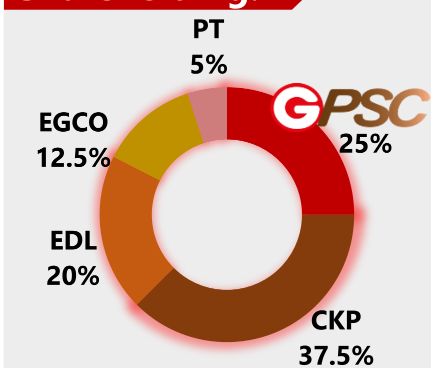
**Progress Q1/2018:**
92%

**Progress Q2/2018:**
94%

**Total Investment :**
136,751 MB

**D/E:**
3:1

**Shareholding:**




**Progress Update:**

- As of 30 June 2018, the construction progress of the project continued as planned at 94% as appraised by the government of Lao PDR's technical advisor. Main construction tasks such as power house, intermediate block, fish ladder and 500 kV transmission line are progressed as planned

**Customer:**

- Electricity: EGAT 1,220 MW
- EDL 60 MW

# Map Ta Phut Expansion Project (Thailand)

## Grow with PTT : Be PTT Group's Power in Petrochemical Complex

CUP-1

CUP-2

CUP-3

**Type:**

Cogeneration

**COD:**

2006-2009

**Shareholding:**


**Capacity:**

CUP-1
- Electricity: 226 MW
- Steam: 890 T/h
- Industrial water: 720 Cu.m/h

CUP-2
- Electricity: 113 MW
- Steam 170 T/h
- Industrial water: 510 Cu.m/h

CUP-3
- Steam: 280 T/h
- Industrial water: 770 Cu.m/h

**Contract:**
- CUP-1: 10-15 years ++
- CUP-2: 15 years ++
- CUP-3: 15 years ++

**Customer:**
- PTT Group
- Non-PTT Group industrial customers
- EGAT

# Central Utility Plant 4 : CUP4 (Thailand)


**Type:**
Cogeneration

**Electricity:**
45 MW

**Steam:**
70 T/h

**SCOD:**
Q3 2019

**Progress Q1/2018:**
34%*

**Progress Q2/2018:**
31%*

*% progress has been adjusted from last quarter due to newly adopt EPC's approach in determining progress; however, COD still remains the same

**Total Investment :**
3,980 MB

**Shareholding:**


**Progress Update:**

- Central Utility Plants 4 (CUP4), is the project that aim to provide electricity and steam to support new demand from customers in Asia Industrial Estate and neighboring industrial estate to increase system reliability and stability, the project is now in the design process of connecting CUP4 with CUP3 existing system. Currently, the company has started to implement the steam pipeline network.
- At the end of Q2/2018, the company have received the permission to start constructing CUP4. The main contractor have constructed the site office and the foundation of the power plant. On 30 June 2018, the stone laying ceremony have been completed with relevant agencies and customers to congratulate

**Customer:**

- PTT Group
- Non-PTT Group industrial customers
- EGAT

# Nava Nakorn Electricity Generation (NNEG) Expansion Project

**Type:**
Cogeneration

**Electricity:**
60 MW

**Steam:**
10 T/h

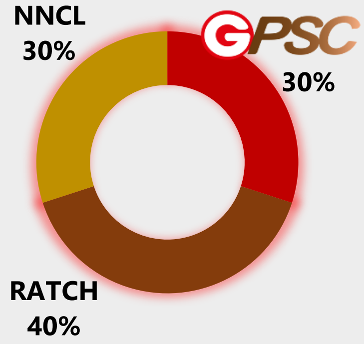
**SCOD:**
Q3 2020

**Contract:**
25 years

**Total Investment :**
3,105 MB

**D/E:**
3:1

**Shareholding:**




**Progress Update:**

- MOU with Industrial Users (IUs) has been signed
- The project is in the process of final selection for EPC and selection for the Owner's Engineer (OE) services
- Notice to proceed (NTP) is expected to be in Q3/2018

**Customer:**

Non-PTT Group Industrial Customers

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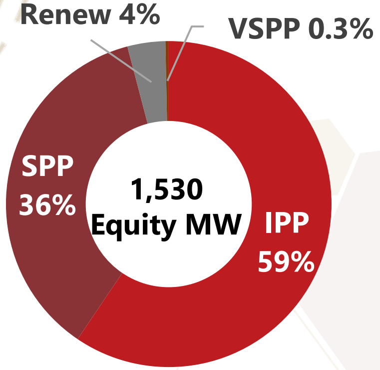
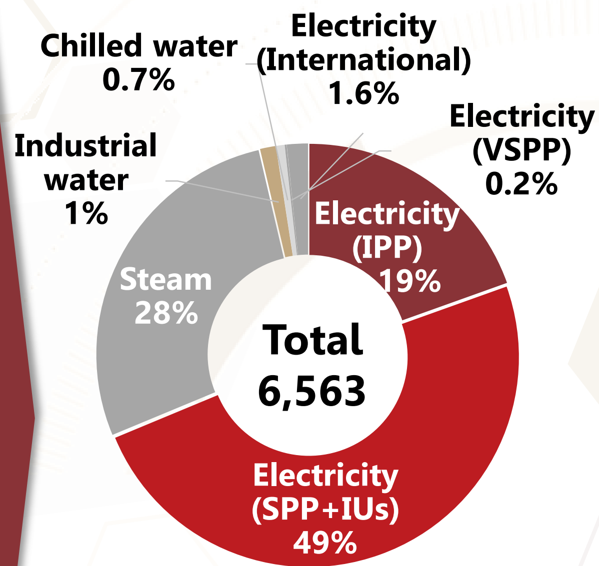
# PTT Group is GPSC's Major Customer

## ELECTRICITY CAPACITY BREAKDOWN
(Unit: Equity Megawatt)



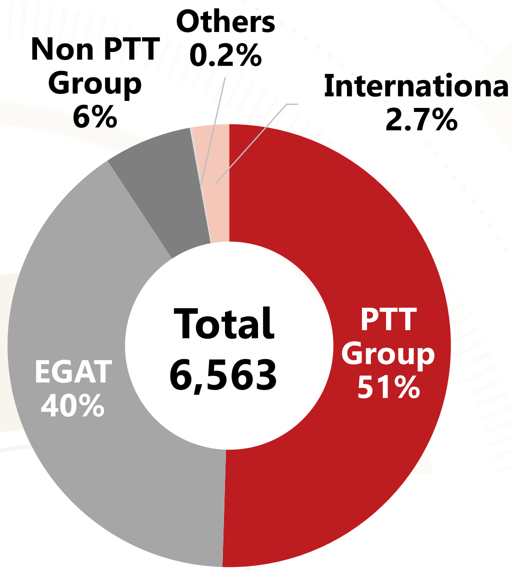

| Name | Type | GPSC's share % | Total capacity (MW) | Equity capacity (MW) | Steam (T/H) |
|---|---|---|---|---|---|
| **IN OPERATION** | | | | | |
| Sriracha | IPP | 100% | 700 | 700 | - |
| CUP-1 | SPP | 100% | 226 | 226 | 890 |
| CUP-2 | SPP | 100% | 113 | 113 | 170 |
| CUP-3 | SPP | 100% | - | - | 280 |
| CHPP | VSPP | 100% | 5 | 5 | - |
| IRPC-CP Phase 1 | SPP | 51% | 45 | 23 | 86.7 |
| IRPC-CP Phase 2 | SPP | 51% | 195 | 99.4 | 66.3 |
| CHPP (Solar) | VSPP | 100% | 5 | 5 | - |
| ISP1 | Solar | 99% | 20.8 | 20.6 | - |
| **Consolidate to Financial Statement** | | | | **1,192** | **1,493.3** |
| TSR | Renew | 40% | 80 | 32 | |
| NNEG | SPP | 30% | 125 | 38 | 9 |
| BIC-1 | SPP | 25% | 117 | 29.25 | 5 |
| BIC-2 | SPP | 25% | 117 | 29.25 | 5 |
| RPCL | IPP | 15% | 1,400 | 210 | |
| **Share of Profit / Dividend Income** | | | | **338.5** | **19** |
| **Total operating** | | | | **1,530** | **1,512** |

## Q2/18 Revenue by product
(THB Million)




- **Electricity and steam are major sources of GPSC's revenue,** accounted for 98% in Q2/18

## Q2/18 Revenue by customer
(THB Million)




- **PTT Group is the largest customer of GPSC,** accounted for 51% of total revenue in Q2/18

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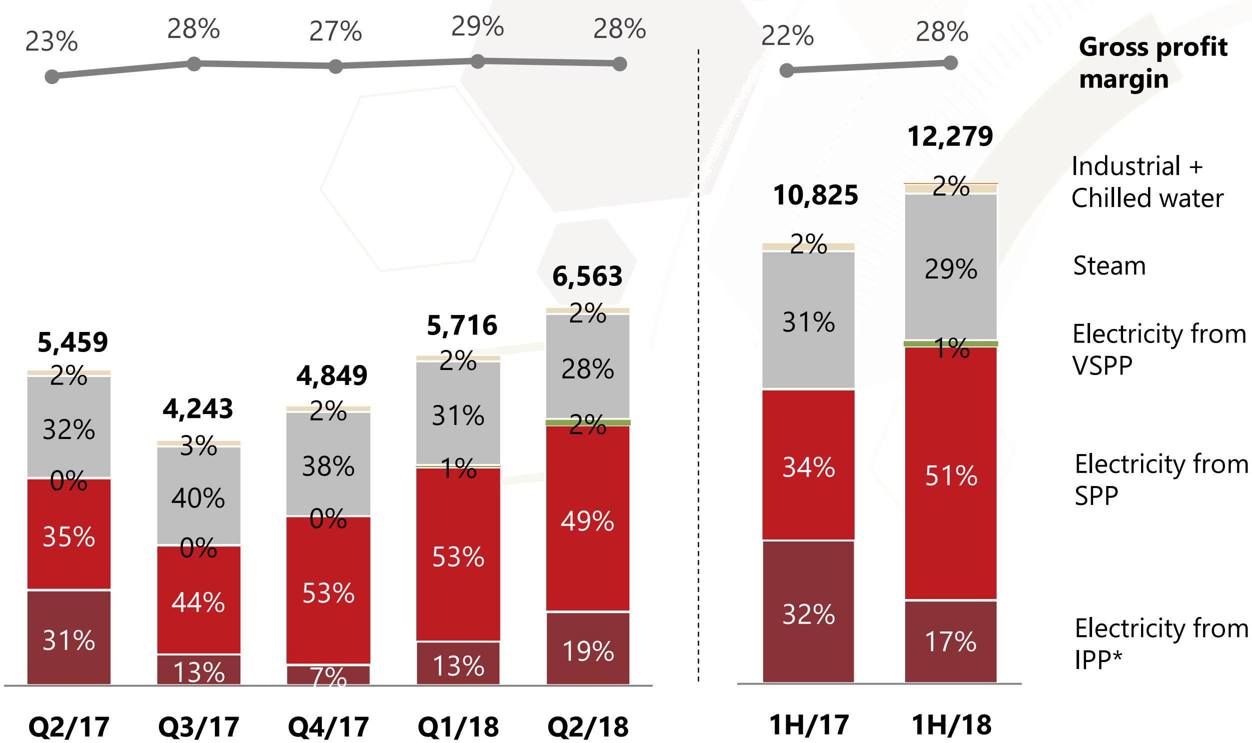
# Q2/18 Revenue of THB 6,563 million, Increased 15% QoQ

## Quarterly Revenue & Gross Profit Margin

(THB Million, %)

| YoY | QoQ | 12 Months |
|---|---|---|
| ▲ Rev. +1,104 / 20% | ▲ Rev. +847 / 15% | ▲ Rev. +1,454 / 13% |
| ▲ GPM +5% | ▼ GPM -1% | ▲ GPM +6% |




### Q2/18 VS Q1/18 (QoQ)

- **Operating revenue** in Q2/18 was THB 6,563 million increased by THB 847 million or 15% from Q1/18 mainly due to the increase in Energy Payment (EP) of Sriracha Power Plant followed higher dispatched volume to EGAT also, due to the shutdown of main customers of Rayong Central Utility Plants in Q1/18

### Q2/18 VS Q2/17 (YoY)

- **Operating revenue** in Q2/18 increased by THB 1,104 million or 20% from Q2/17 due to the full operation of both phases of IRPC-CP since Nov'17 together with higher Ft rate, the increase in electricity and steam sales after maintenance shutdown of main customers of Rayong Central Utility Plants in Q2/17

### 1H/18 VS 1H/17 (12M)

- **Operating revenue** in 1H/18 increased by THB 1,454 million or 13% from 1H/17 due to the full operation of IRPC-CP, higher Ft rate and the increase in electricity and steam sales from Rayong Central Utility Plants

Remark: *Revenue from Electricity (IPP) includes income from electricity sales and finance lease.
Electricity (VSPP) is too small to be recognized in the graph.

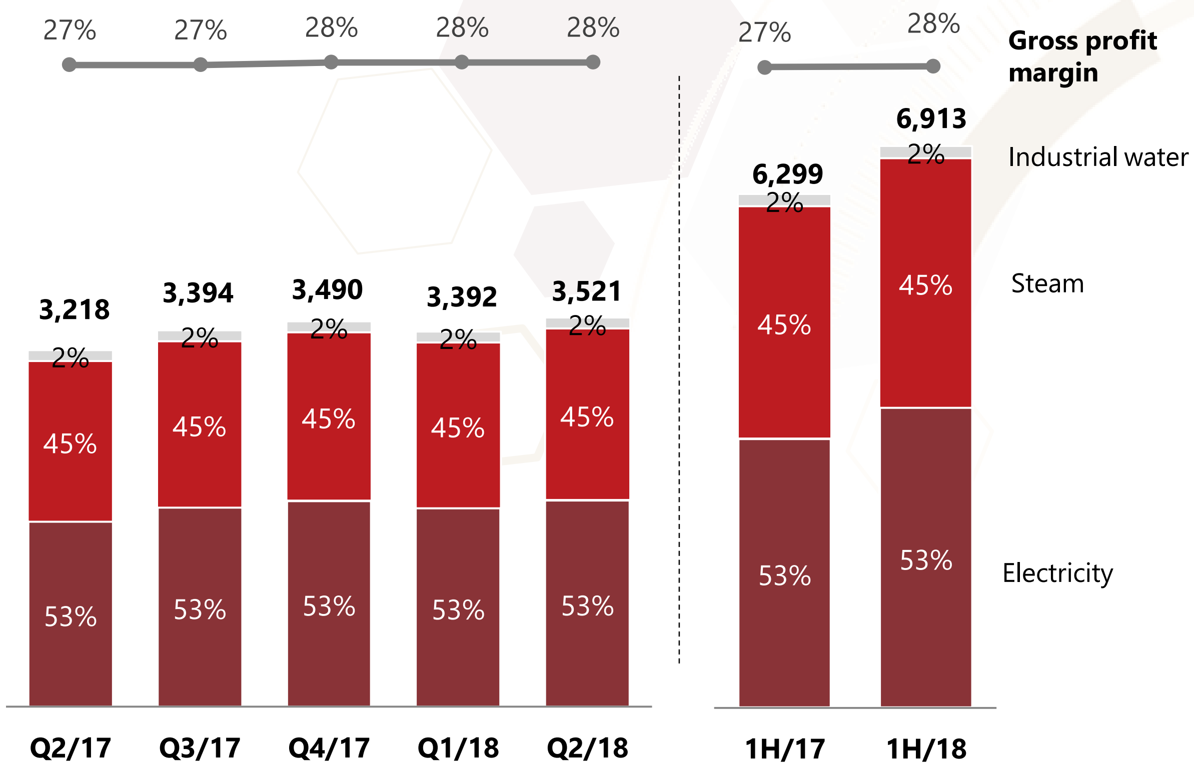
# Rayong Power Plant (SPP) : Revenue & GPM

## Quarterly Revenue & Gross Profit Margin (THB Million, %)

**YoY**
▲ Rev. +303 / 9%
▲ GPM +1%

**QoQ**
▲ Rev. +129 / 4%
GPM unchanged

**12 Months**
▲ Rev. +614 / 10%
▲ GPM +1%




### Q2/18 VS Q1/18 (QoQ)

- **Total revenue** in Q2/18 was THB 3,521 million increased by THB 129 million or 4% from Q1/18 mainly from higher demand from industrial customers due to their maintenance shutdown in Q1/18

### Q2/18 VS Q2/17 (YoY)

- **Total revenue** in Q2/18 increased by THB 303 million or 9% from Q2/17 mainly due to higher Ft rate and higher demand from industrial customers since major customers shutdown in Q2/17

### 1H/18 VS 1H/17 (12M)

- **Total revenue** in 1H/18 increased by THB 614 million or 10% from 1H/17 due to main customers shutdown in 1H/17 together with the increase in industrial demand and higher Ft rate

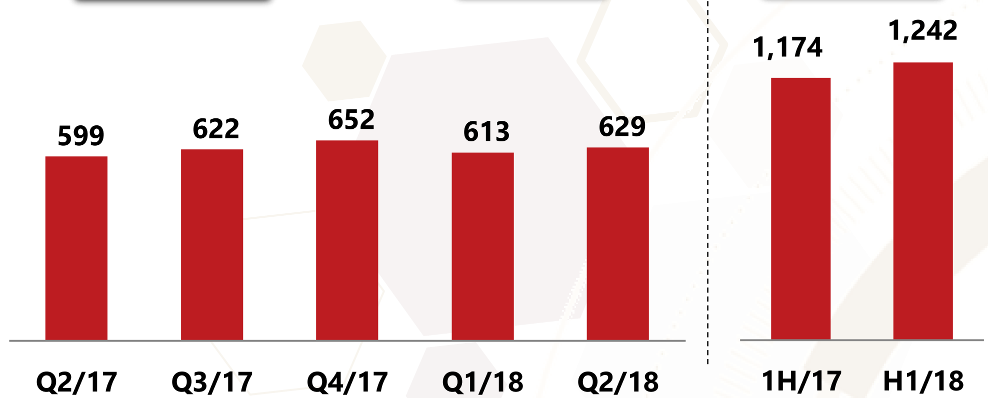
# Rayong Power Plant (SPP) : Power

## Quarterly power sales volume (GWh)

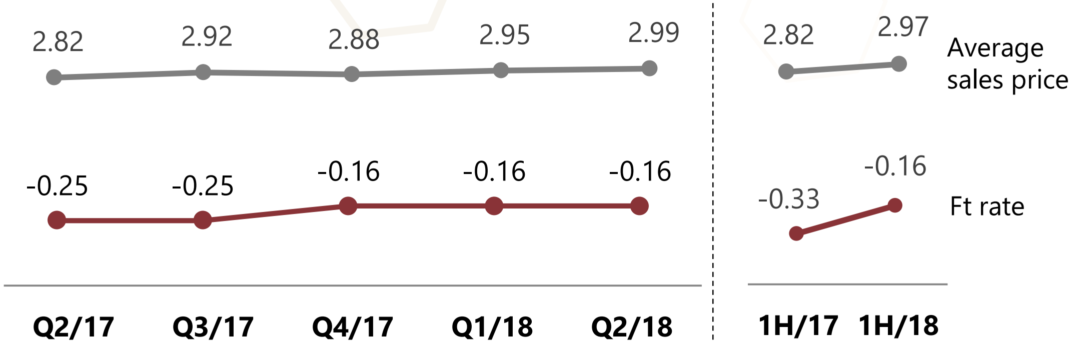
YoY +30 / 5%

QoQ +16 / 3%

12 Months +68 / 6%




## Quarterly average sales price & Ft rate (THB/kWh, THB)




### Q2/18 VS Q1/18(QoQ)

- **Volume** increased by 16 GWh or 3 % due to higher demand from industrial customers as a result of their maintenance shutdown in Q1/18
- **Price** slightly increased by 0.04 THB/kWh or 1.4% from Q1/18, no significant impact and in line with upward trend of natural gas price

### Q2/18 VS Q2/17 (YoY)

- **Volume** increased by 30 GWh or 5% due to major customers shutdown in Q2/17
- **Price** increased by 0.17 THB/kWh or 6% in line with higher Ft

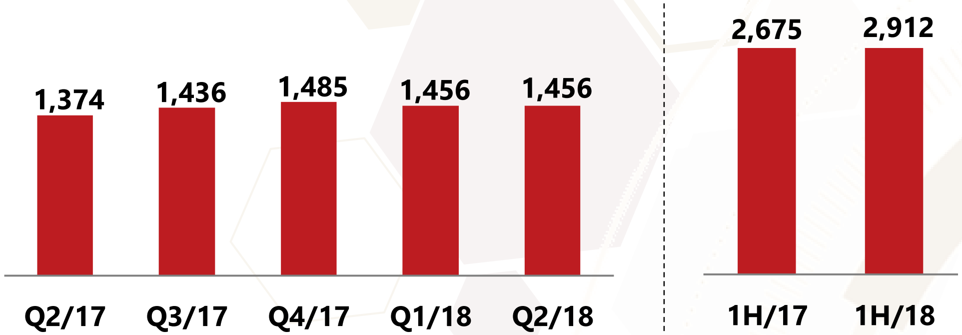
### 1H/18 VS 1H/17 (12M)

- **Volume** increased by 68 GWh or 6% due to major customers shutdown in 1H/17
- **Price** increased by 0.15 THB/kWh or 6% in line with higher Ft

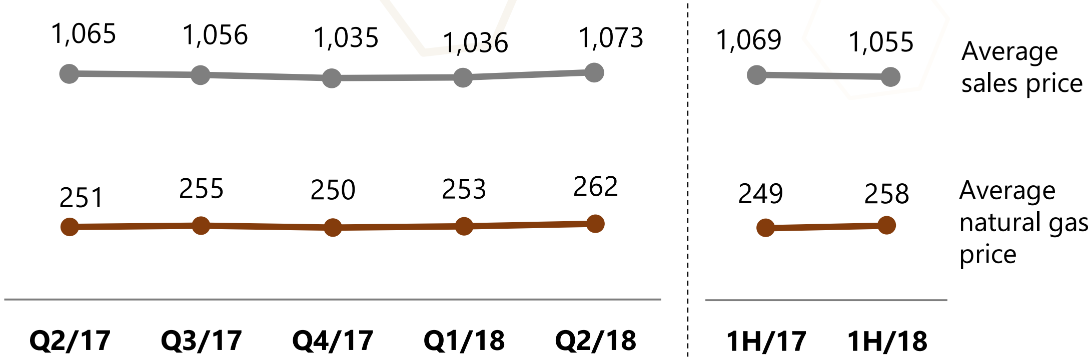
# Rayong Power Plant (SPP) : Steam

## Quarterly steam sales volume ('000 tons)

| YoY | QoQ | 12 months |
|---|---|---|
| +82 / 6% | unchanged | +237 / 9% |




## Quarterly average sales price & average natural gas price (THB/ton, THB/MMBTU)




### Q2/18 VS Q1/18 (QoQ)

- **Volume** unchanged due to insignificant demand change from industrial customers
- **Price** increased by 37 THB/ton or 3.6% from Q1/18 in line with upward trend of natural gas price

### Q2/18 VS Q2/17 (YoY)

- **Volume** increased by 82 thousand tons or 6% due to customers shutdown in Q2/17
- **Price** increased by 8 THB/ton or 0.8% in line with upward trend of natural gas price during the year

### 1H/18 VS 1H/17 (12M)

- **Volume** increased by 237 thousand tons or 9% due to major customers shutdown in 1H/17
- **Price** decreased by 14 THB/ton or 1.3% but there is no significant impact and still moving in line with upward trend of natural gas price during the year

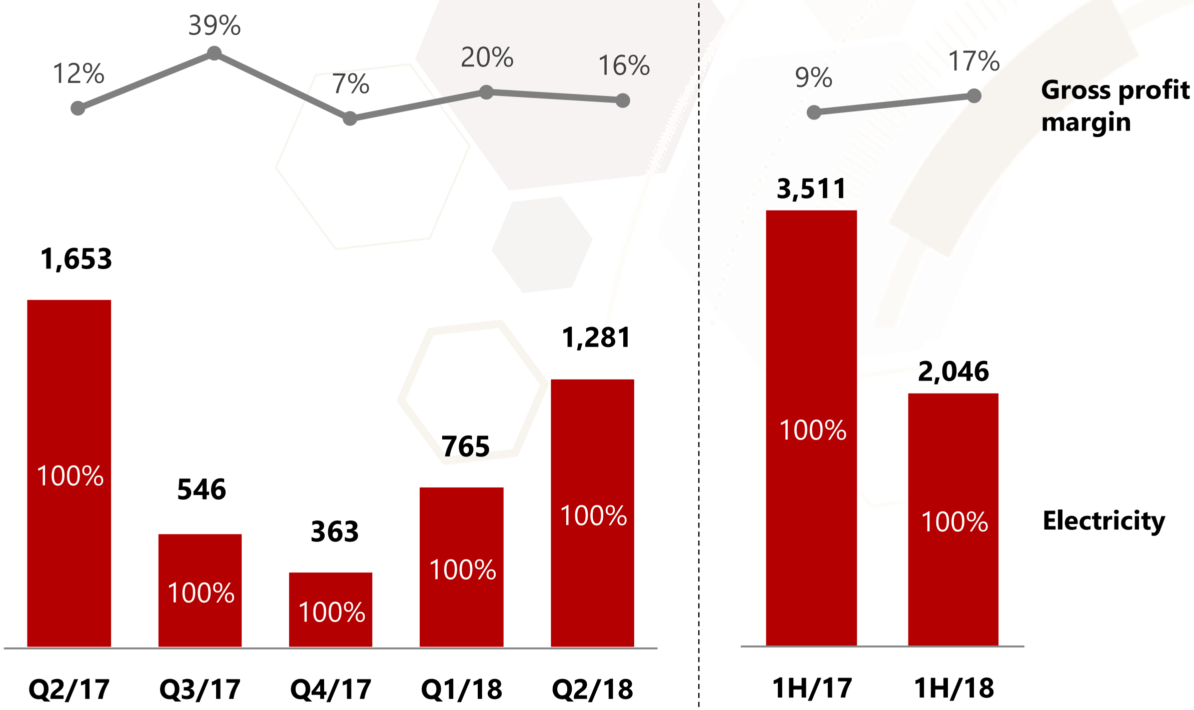
# Sriracha Power Plant : Revenue & GPM

## Quarterly Revenue & Gross Profit Margin (THB Million, %)

**YoY**
Rev. -372 / -23%
GPM +4%

**QoQ**
Rev. +516 / 67%
GPM -4%

**12 Months**
Rev. -1,465 / 42%
GPM +9%




**Q2/18 VS Q1/18 (QoQ)**

- **Total revenue** increased by THB 516 million or 67% from Q1/18 due to the rise in Energy Payment (EP) followed dispatched volume to EGAT, as well as the rise in Availability Payment (AP) from higher Weight factor, the depreciation of Thai Baht, and the rise in Availability Rate from 99% to 100%

**Q2/18 VS Q2/17 (YoY)**

- **Total revenue** in Q2/18 decreased by THB 372 million or 23% from Q2/17 due to the decrease in revenue from Energy Payment (EP) from the drop in dispatch volume by 255 GWh or 37% according to EGAT's dispatch instruction

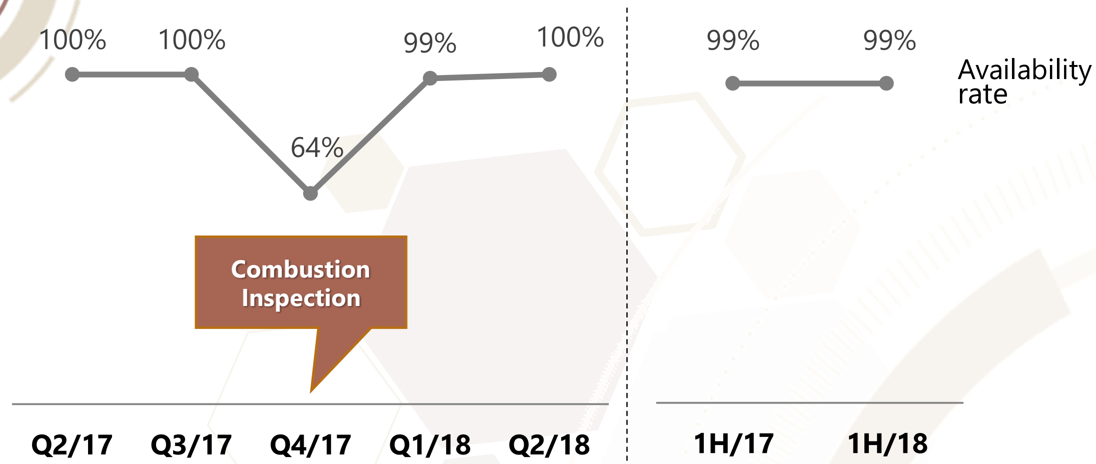
**1H/18 VS 1H/17 (12M)**

- **Total revenue** decreased by THB 1,465 million or 42% from Q1/17 due to the drop in dispatch volume by 903 GWh or 60% according to EGAT's dispatch instruction

Remark: *Revenue from Electricity (IPP) includes income from electricity sales and finance lease

# Sriracha Power Plant (IPP) : Power

## Quarterly Availability Rate (%)

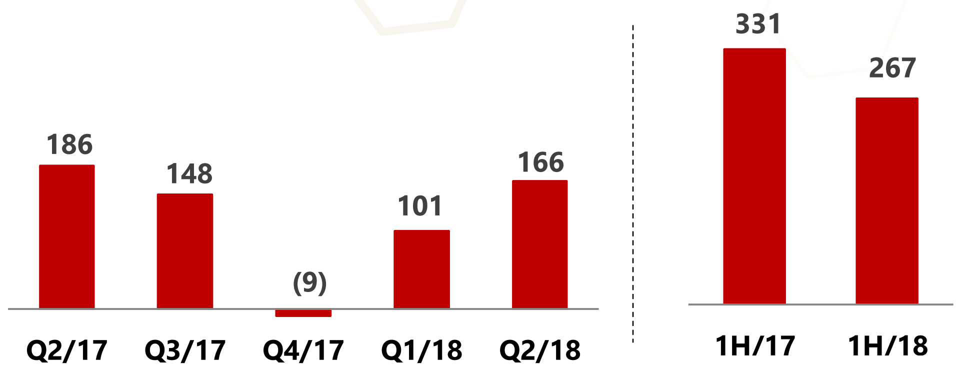



## Quarterly revenue from Availability Payment (AP) (THB million)

YoY: -20 / -11%

QoQ: +65 / 64%

12 months: -64 / -19%




### Q2/18 VS Q1/18 (QoQ)

- **Availability rate** in Q2/18 was 100% increased by 1% from Q1/18 due to full operation
- **Revenue** from Availability Payment (AP) in Q2/18 increased by THB 65 million due to the increase in Weight Factor, the depreciation of Thai Baht and the higher Availability Rate

### Q2/18 VS Q2/17 (YoY)

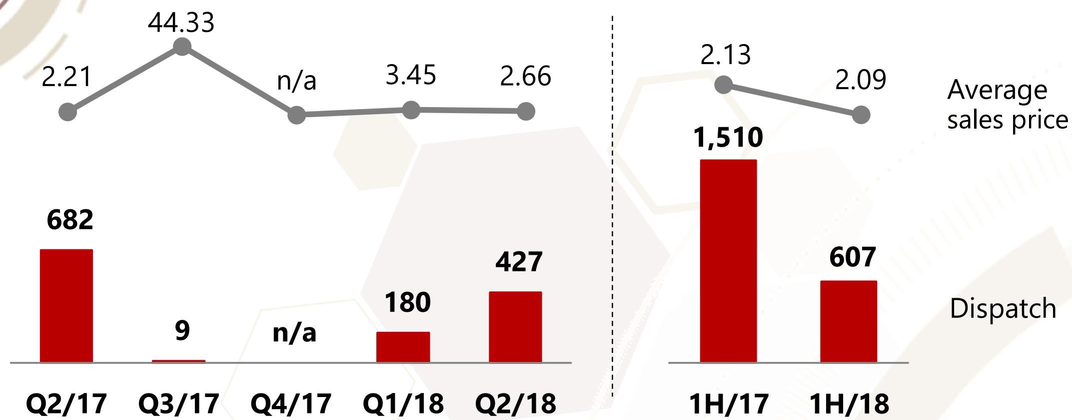
- **Availability rate** did not change between Q2/18 and Q2/17
- **Revenue** from Availability Payment (AP) in Q2/18 decreased by THB 20 million or 11% mainly due to the appreciation of Thai Baht

### 1H/18 VS 1H/17 (12M)

- **Availability rate** in 1H/18 did not change from 1H/17
- **Revenue** from Availability Payment (AP) in 1H/18 decreased by THB 64 million or 19% mainly due to the appreciation of Thai Baht

# Sriracha Power Plant (IPP) : Power

## Quarterly average sales price & dispatch (Baht/kWh, GWh)

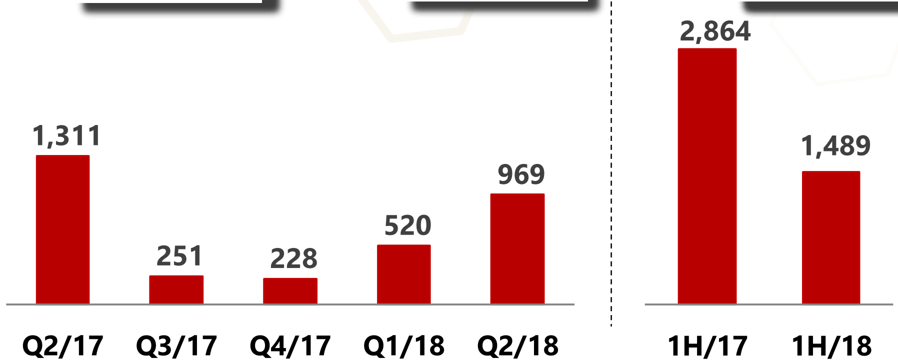



## Quarterly revenue from Energy payment (EP) (THB million)

**YoY**
-342 / -26%

**QoQ**
+449 / 86%

**12 Months**
-1,375 / -48%




### Q2/18 VS Q1/18 (QoQ)

- **Dispatch volume** increased by 247 GWh or 137% from Q1/18 according to EGAT's dispatch instruction.
- **Revenue** from Energy Payment (EP) in Q2/18 increased by THB 449 million or 86% from Q1/18 due to the increase in dispatch volume to EGAT

### Q2/18 VS Q2/17 (YoY)

- **Dispatch volume** decreased by 255 GWh or 37% according to EGAT's dispatch instruction
- As a result, **revenue** from Energy Payment (EP) decreased by THB 342 million or 26%.

### 1H/18 VS 1H/17 (12M)

- **Dispatch volume** decreased by 903 GWh or 60% according to EGAT's dispatch instruction
- As a result, **revenue** from Energy Payment (EP) decreased by THB 1,375 million or 48%.

# IRPC-CP Power Plant (SPP): Revenue & GPM

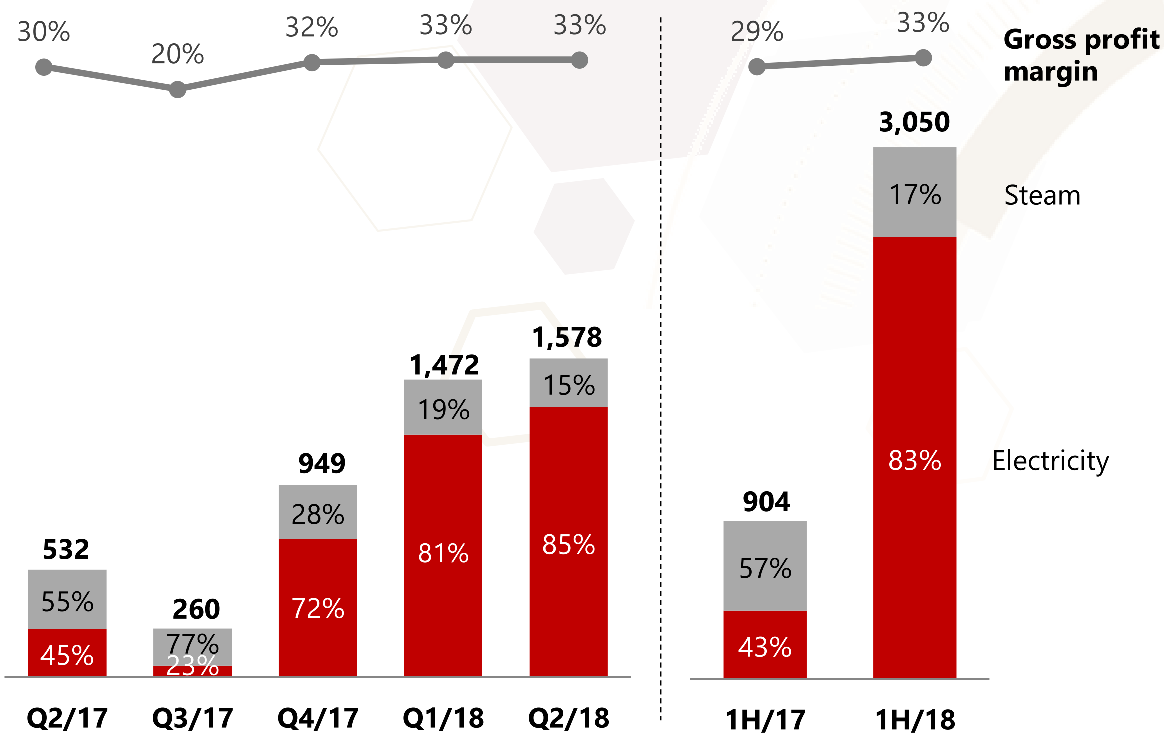
## Quarterly Revenue & Gross Profit Margin

(THB Million, %)

**YoY**
▲ Rev. +1,046 / 197%
▲ GPM +3%

**QoQ**
▲ Rev. +106 / 7%
GPM unchanged

**12 Months**
▲ Rev. +2,146 / 237%
▲ GPM +4%




### Q2/18 VS Q1/18 (QoQ)

- **Total revenue** increased by THB 106 million or 7% from Q1/18 since there was maintenance shutdown in Q1/18 and the average sales prices of power and steam are higher related to higher natural gas price

### Q2/18 VS Q2/17 (YoY)

- **Total revenue** increased by THB 1,046 million or 197% from Q2/17 mainly due to higher electricity volume exported to EGAT according to the COD of Phase 2 since 15 Nov'17, and also higher Ft

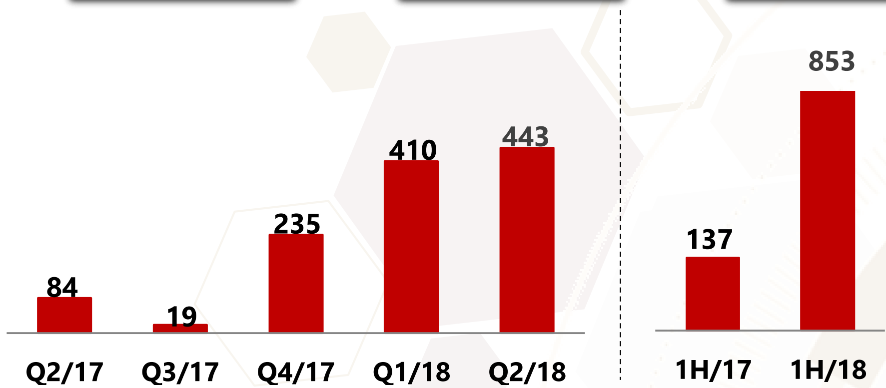
### 1H/18 VS 1H/17 (12M)

- **Total revenue** in 1H/18 increased by THB 2,146 million from 1H/17 due to higher electricity sales, improvement of production management together with the increase in electricity and steam sales prices

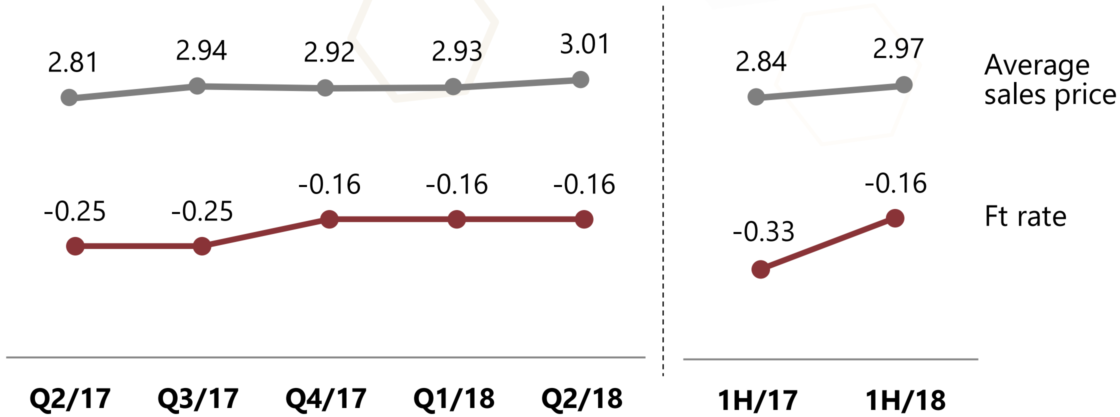
# IRPC-CP Power Plant (SPP) : Power

## Quarterly power sales volume (GWh)

| YoY | QoQ | 12 Month |
|---|---|---|
| +359 / 427% | +33 / 8% | +716 / 523% |




## Quarterly average sales price & Ft rate (THB/kWh, THB)




### Q2/18 VS Q1/18 (QoQ)

- **Volume** increased by 33 GWh or 8% due to the annual maintenance shutdown of gas turbine generator in Q1/18
- **Price** slightly increased by 0.08 THB/kWh or 2.7% related to higher natural gas price

### Q2/18 VS Q2/17 (YoY)

- **Volume** largely increased by 359 GWh or 427% mainly from exporting to EGAT following the COD of Phase 2 since Nov'17
- **Price** increased by 0.2 Baht per kWh or 7.1% in line with higher Ft rate

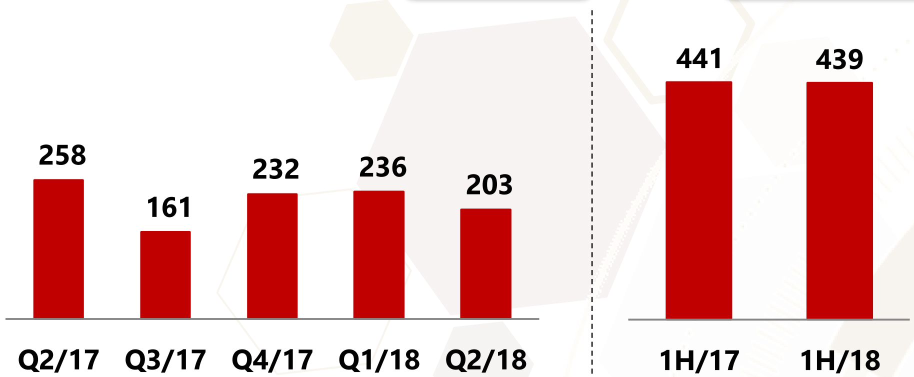
### 1H/18 VS 1H/17 (12M)

- **Volume** largely increased by 716 GWh or 523% due to full operation of Phase 1 and 2 since Nov'17
- **Price** increased by 0.13 Baht per kWh or 4.6% in line with higher Ft

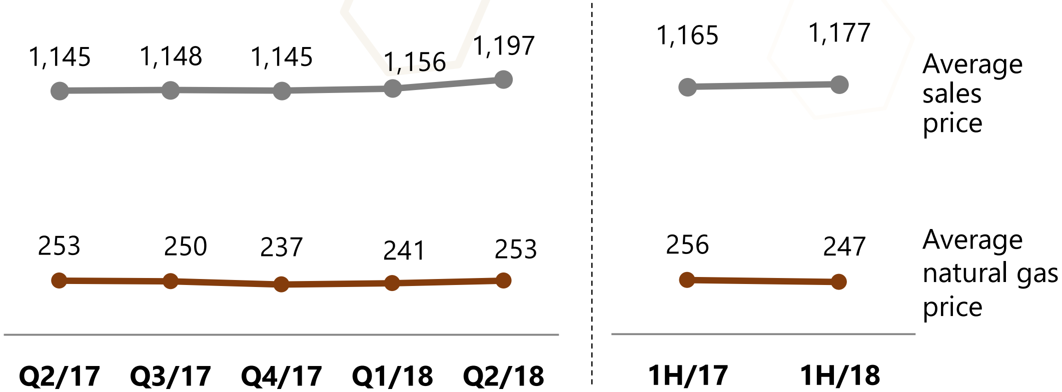
# IRPC-CP Power Plant (SPP) : Steam

## Quarterly steam sales volume ('000 tons)

| YoY | QoQ | 12 months |
|---|---|---|
| -55 / 21% | -33 / 14% | -2 / 0.5% |




## Quarterly average sales price & average natural gas price (THB/ton, THB/MMBTU)




### Q2/18 VS Q1/18 (QoQ)

- **Volume** slightly decreased by 33 thousand tons or 14% due to customers maintenance shutdown together with the shutdown of auxiliary boiler for inspection
- **Price** increased by 41 THB/ton or 3.5% in line with upward trend of natural gas price

### Q2/18 VS Q2/17 (YoY)

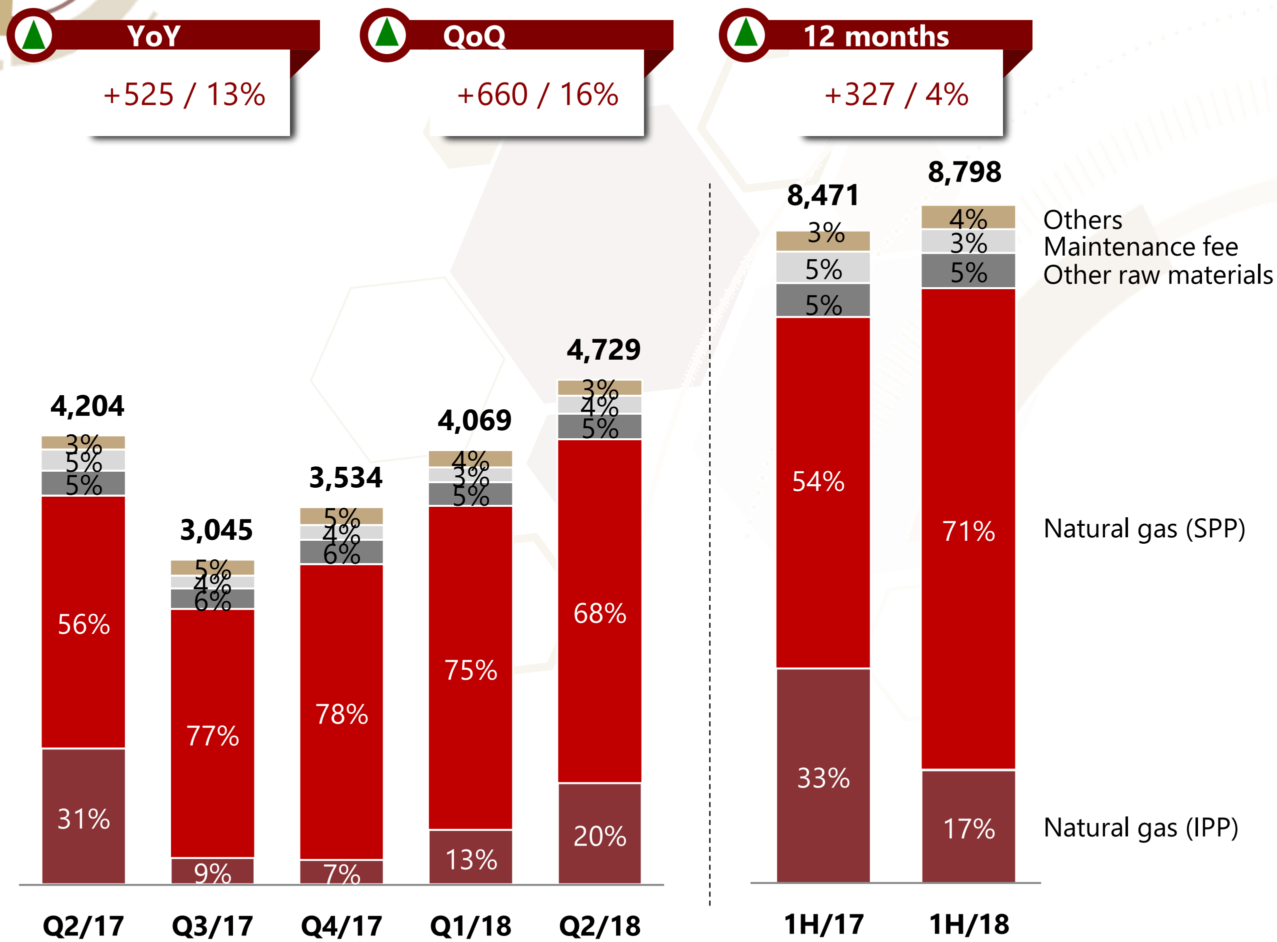
- **Volume** decreased by 55 thousand tons or 21% from Q1/18 due to customers maintenance shutdown together with the shutdown of auxiliary boiler for inspection
- **Price** increased by 52 THB/ton or 5% in line with upward trend of natural gas price

### 1H/18 VS 1H/17 (12M)

- **Volume** were nearly equal following insignificant demand change from industrial customers
- **Price** slightly increased by 12 THB/ton or 1.0% because of the mixed steam prices from both SPP process and auxiliary boiler

# Cost of Sales and Services

## Quarterly cost of sales and services* (THB Million)




### Q2/18 VS Q1/17 (QoQ)

- Cost of sales and services in Q2/18 was THB 4,729 million increased by THB 660 million or 16% mainly from higher natural gas consumption relating to higher electricity dispatched volume of Sriracha Power Plant

### Q2/18 VS Q2/17 (YoY)

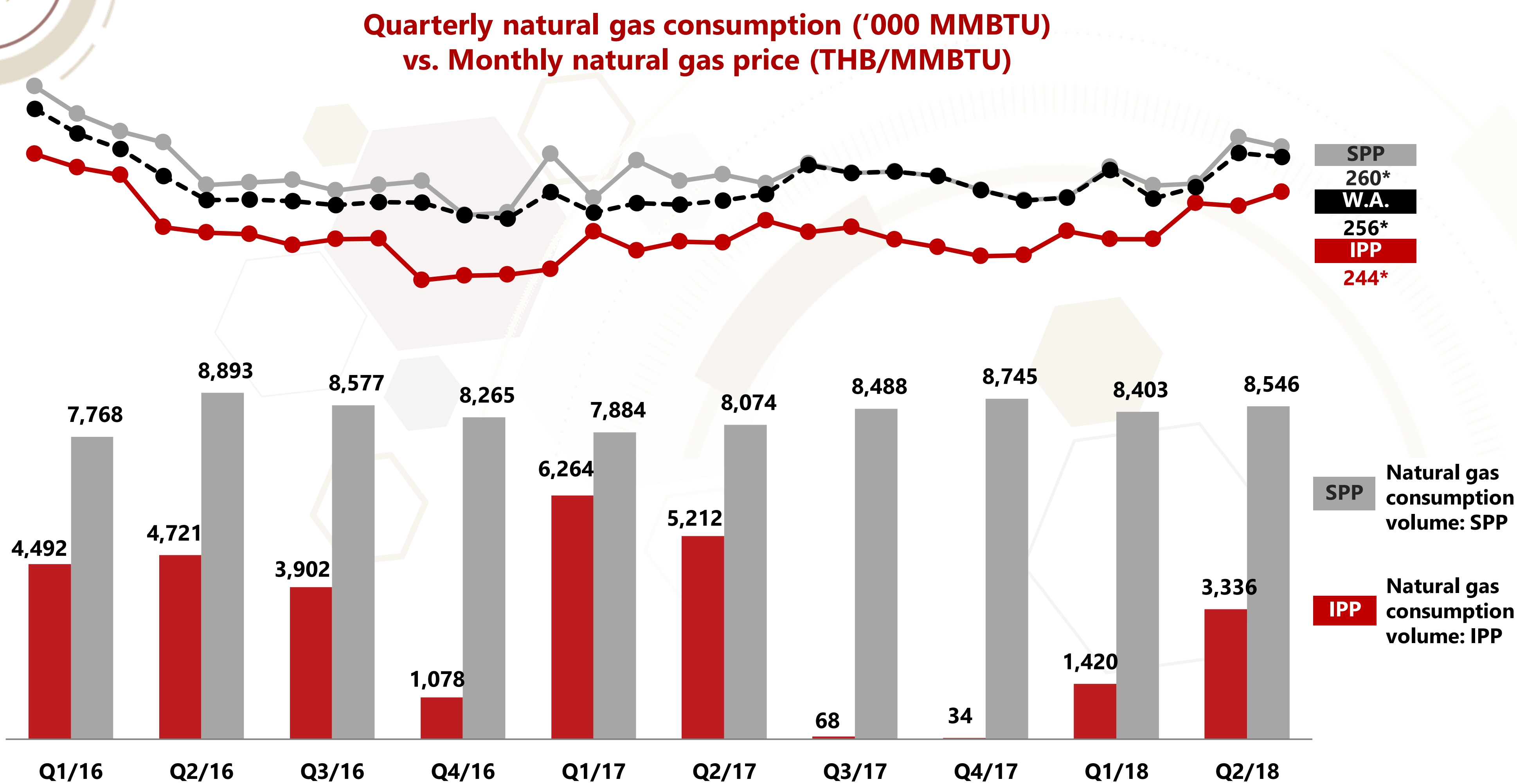
- Cost of sales and services increased by THB 525 million or 13% mainly due to higher natural gas price as well as the increase in consumption volume caused by the full operation of IRPC-CP Phase 1 and 2

### 1H/18 VS 1H/17 (12M)

- Cost of sales and services increased by THB 327 million or 4% mainly due to higher natural gas usage of SPP plants followed higher demand from industrial users, the full operation of IRPC-CP and also, higher natural gas price

Remark: *Cost of sales and services excludes depreciation and amortization expenses

# Natural Gas Consumption vs Price Trend

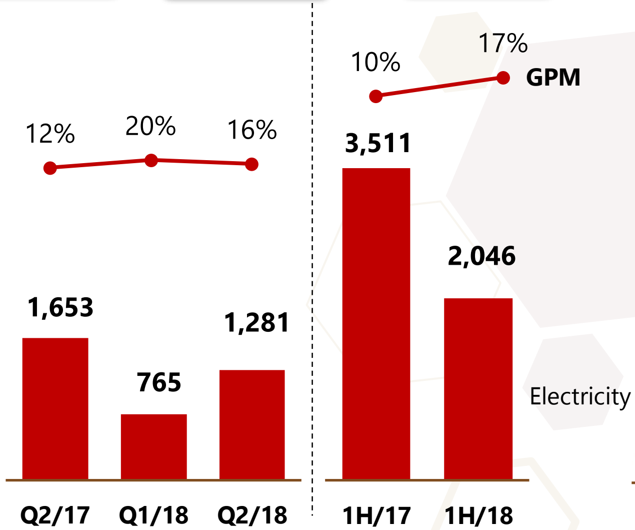



Remark: *Latest price as of 30 June 2018

# Revenue and GPM by Major Plants

## Sriracha Plant (IPP)
**(THB Million, %)**

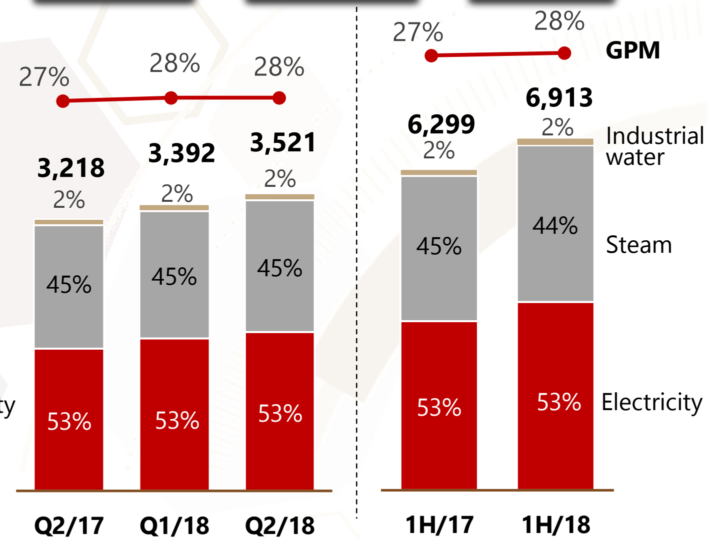
| YoY | QoQ | 12M |
|---|---|---|
| ▼ Rev. -23% ▲ GPM +4% | ▲ Rev. +67% ▼ GPM -4 % | ▼ Rev. -42% ▲ GPM +7% |




- **QoQ**: GPM dropped by 4% due to lower electricity sales price with higher maintenance cost in Q2/18 as a result of the higher electricity dispatched volume
- **YoY**: GPM increased by 4% due to higher electricity sales price and lower maintenance cost followed lower electricity dispatched volume to EGAT
- **12M**: GPM increased by 7% due to the same reason as YoY

## Rayong Central Utility Plant (SPP)
**(THB Million, %)**

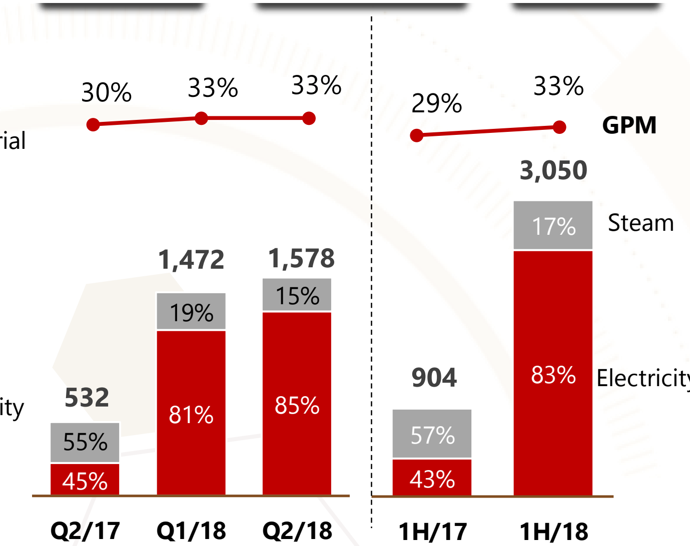
| YoY | QoQ | 12M |
|---|---|---|
| ▲ Rev. + 9% ▲ GPM +1% | ▲ Rev. + 4% GPM unchanged | ▲ Rev. + 10% ▲ GPM +1% |




- **QoQ**: GPM remained unchanged while total revenue increased due to the increase in electricity sales
- **YoY**: GPM rose 1% due to higher electricity sales price with higher sales volumes of both electricity and steam
- **12M**: GPM increased by 1% due to the increase in sales volume of electricity and steam with higher electricity sales price

## IRPC-CP Plant (SPP)
**(THB Million, %)**

| YoY | QoQ | 12M |
|---|---|---|
| ▲ Rev. +197% ▲ GPM +3% | ▲ Rev. +7% GPM unchanged | ▲ Rev. +237% ▲ GPM +4% |

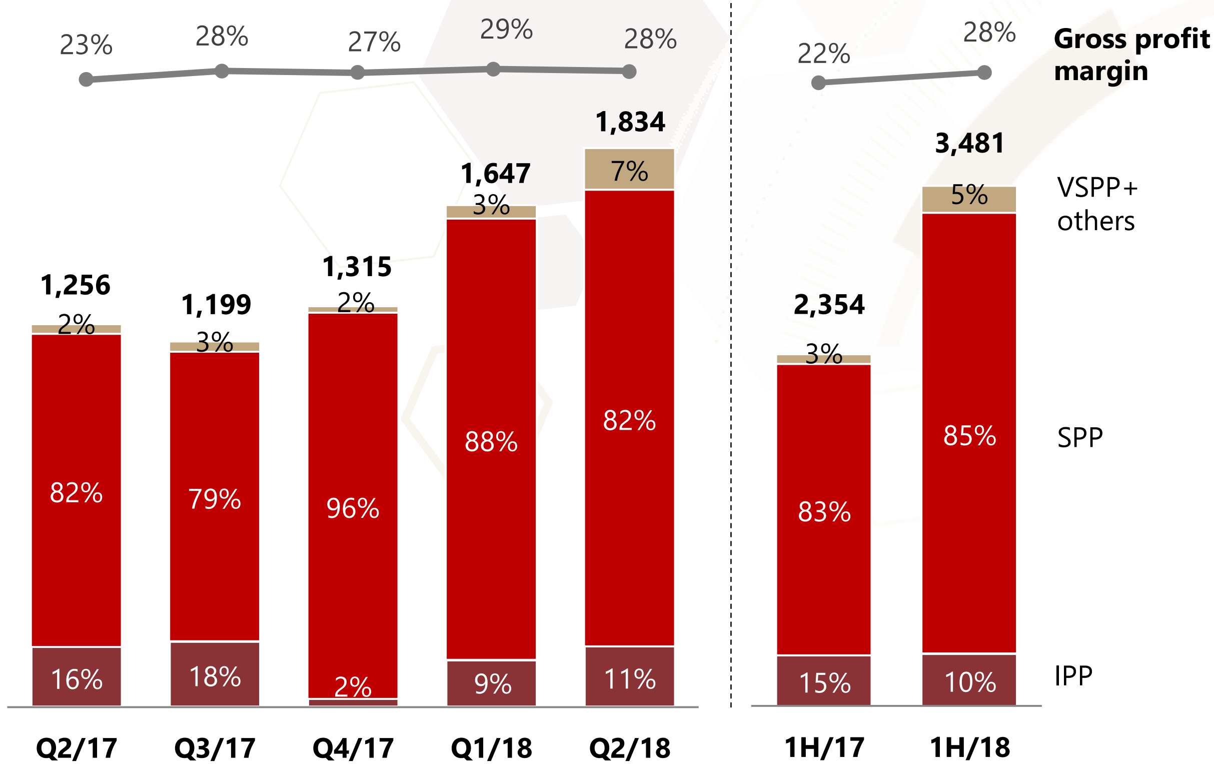



- **QoQ**: GPM remained unchanged while total revenue increased by 7% due to the increase in electricity sales resulted from annual maintenance of gas turbine in Q1/18
- **YoY**: GPM rose 3% due to better plant utilization and pricing following the COD of Phase 2 since Nov'17
- **12M**: GPM increased 4% due to the same reason as YoY

# SPP is GPSC's Main Profit Generator

## Quarterly Gross Profit and Gross Profit Margin* (THB Million, %)

| YoY | QoQ | 12 Months |
|---|---|---|
| GP+578 / 46% | GP+187 / 11% | GP + 1,127 / 48% |
| GPM +5% | GPM -1% | GPM +6% |




### Q2/18 VS Q1/18 (QoQ)

- **Gross profit** in Q2/18 was THB 1,834 million increased by THB 187 million or 11% from Q1/18 mainly due to higher dispatch of Sriracha Power Plant and the increase in demand of Rayong Central Utility Plants
- **Gross profit margin** decreased by 1% mainly due to higher maintenance fee according to higher operating hours

### Q2/18 VS Q2/17 (YoY)

- **Gross profit** increased by THB 578 million or 46% mainly due to the full operation of IRPC-CP both phases that COD since Nov'17, the increase in demand from Rayong Central Utility Plants, and the higher Ft
- **Gross profit margin** increased by 5% due to better utilization rate of 4 main power plants (Sriracha, Rayong, IRPC-CP, ISP1)

### 1H/18 VS 1H/17 (12M)

- **Gross profit** in 1H/18 was THB 2,354 million increased by THB 1,127 million or 48% due to the full operation of IRPC-CP, higher sales of Rayong Central Utility Plants and the higher Ft
- **Gross profit margin** also increased by 6% due to better utilization rate of major power plants

GPSC

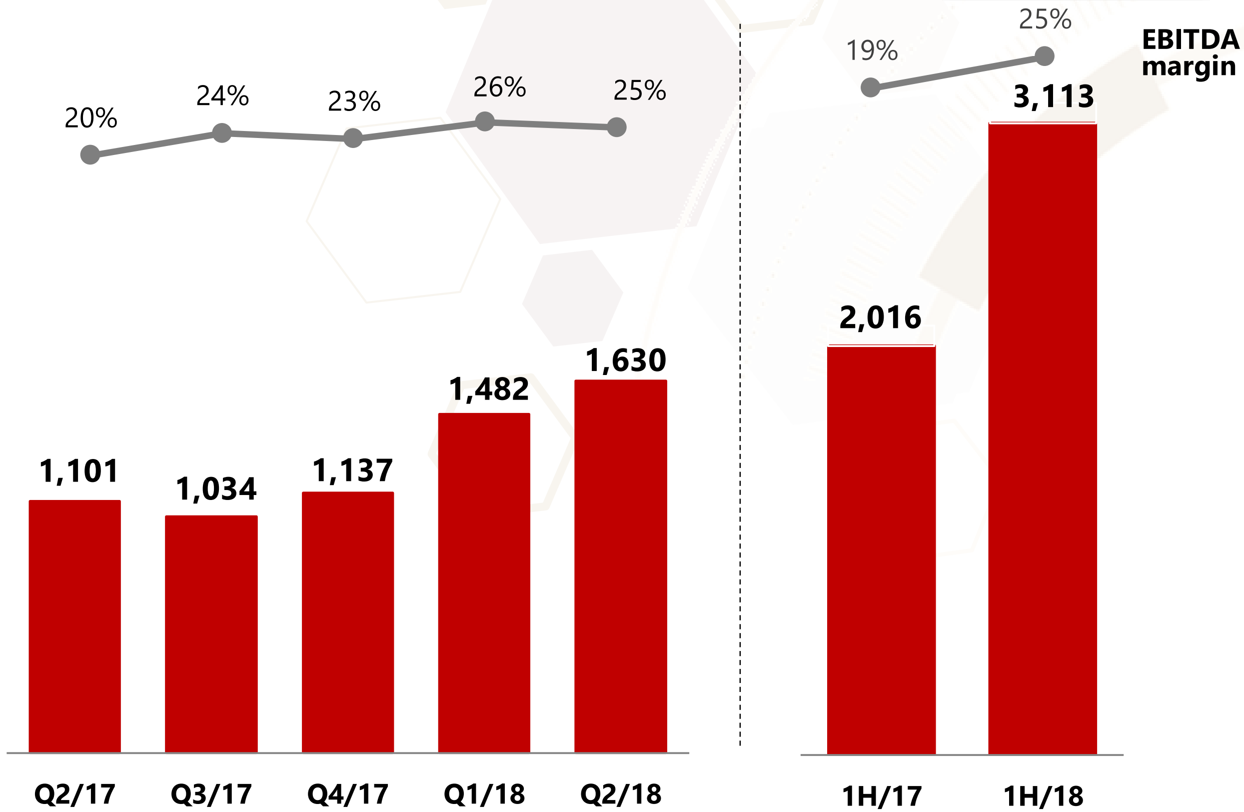
Remark: *Gross profit margin does not include depreciation and amortization expenses.

# EBITDA increased by 10% QoQ and 48% YoY

## Quarterly and yearly EBITDA and EBITDA margin

(THB Million, %)

| YoY | QoQ | 12 Months |
|---|---|---|
| +529 / 48% | +148 / 10% | + 1,097 / 54% |




### Q2/18 VS Q1/18 (QoQ)

- **EBITDA** increased by THB 148 million or 10% from Q1/18 mainly due to the improve in gross profit from 4 major power plants (Sriracha, Rayong, IRPC-CP, and ISP1)

### Q2/18 VS Q2/17 (YoY)

- **EBITDA** increased by THB 529 million or 48% from Q2/17 due to IRPC-CP and ISP1 started their full operation since Q4/17 together with gross profit improvement from 4 major power plants

### 1H/18 VS 1H/17 (12M)

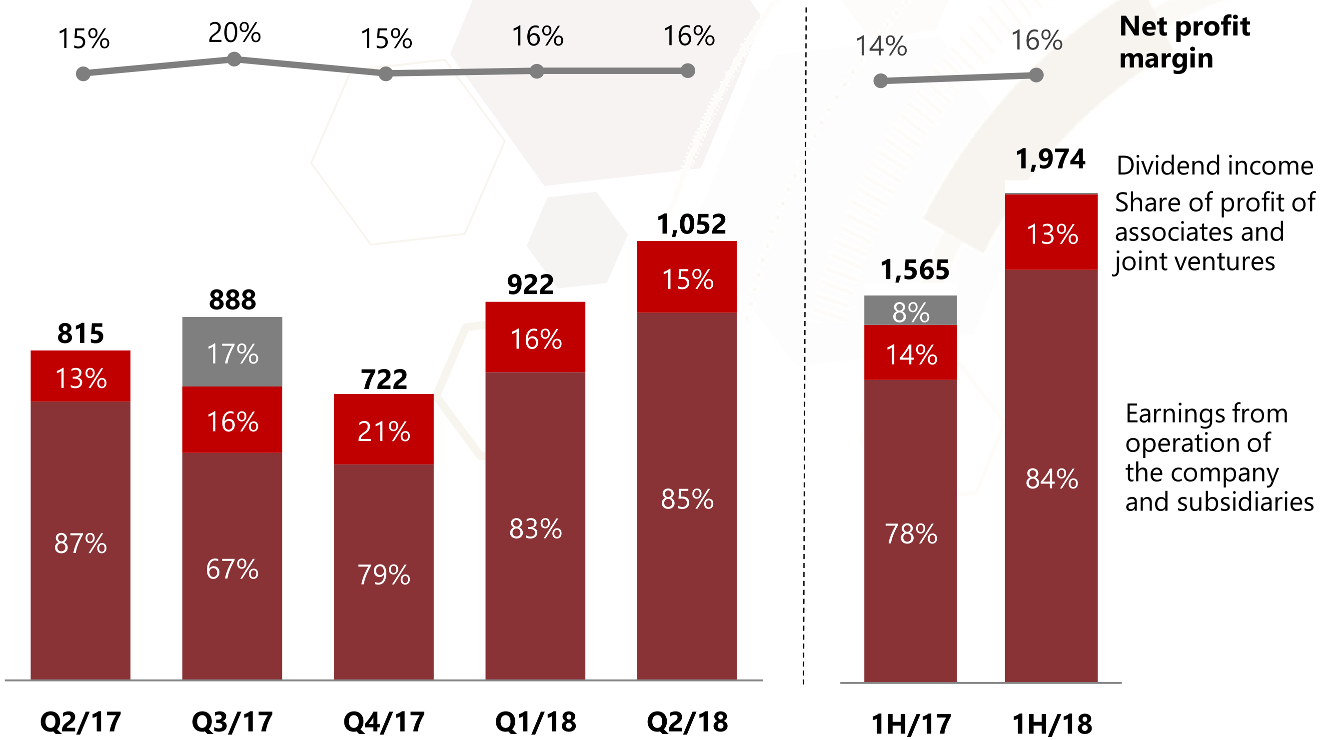
- **EBITDA** increased by THB 1,097 million or 54% due to higher utilization rate and the full operation of IRPC-CP and ISP1 since Q4/17

# Net profit grew 14% QoQ from higher sales volume and increase in AP from Sriracha

## Quarterly and yearly net profit and net profit margin

(THB Million, %)

| YoY | QoQ | 12 Months |
|---|---|---|
| +237 / 29% | +130 / 14% | +409 / 26% |




### Q2/18 VS Q1/18 (QoQ)

- **Net profit** in Q2/18 was THB 1,052 million increased by THB 130 million or 14% resulted mainly from the rise in Availability Payment (AP) of Sriracha Power Plant, higher electricity sales of Rayong Central Utility Plants and IRPC-CP, and profit realization of ISP1

### Q2/18 VS Q2/17 (YoY)

- **Net profit** increased by THB 237 million or 29% mainly due to the full operation of IRPC-CP, the rise in sales of Rayong Central Utility Plants together with the higher Ft rate also, profit realization of ISP1

### 1H/18 VS 1H/17 (12M)

- **Net profit** increased by THB 408 million or 26% due to the full operation of IRPC-CP, the rise in sales of Rayong Central Utility Plants with higher Ft rate, profit realization of ISP1. Also, the higher share of profit from BIC2 that COD since Jun'17

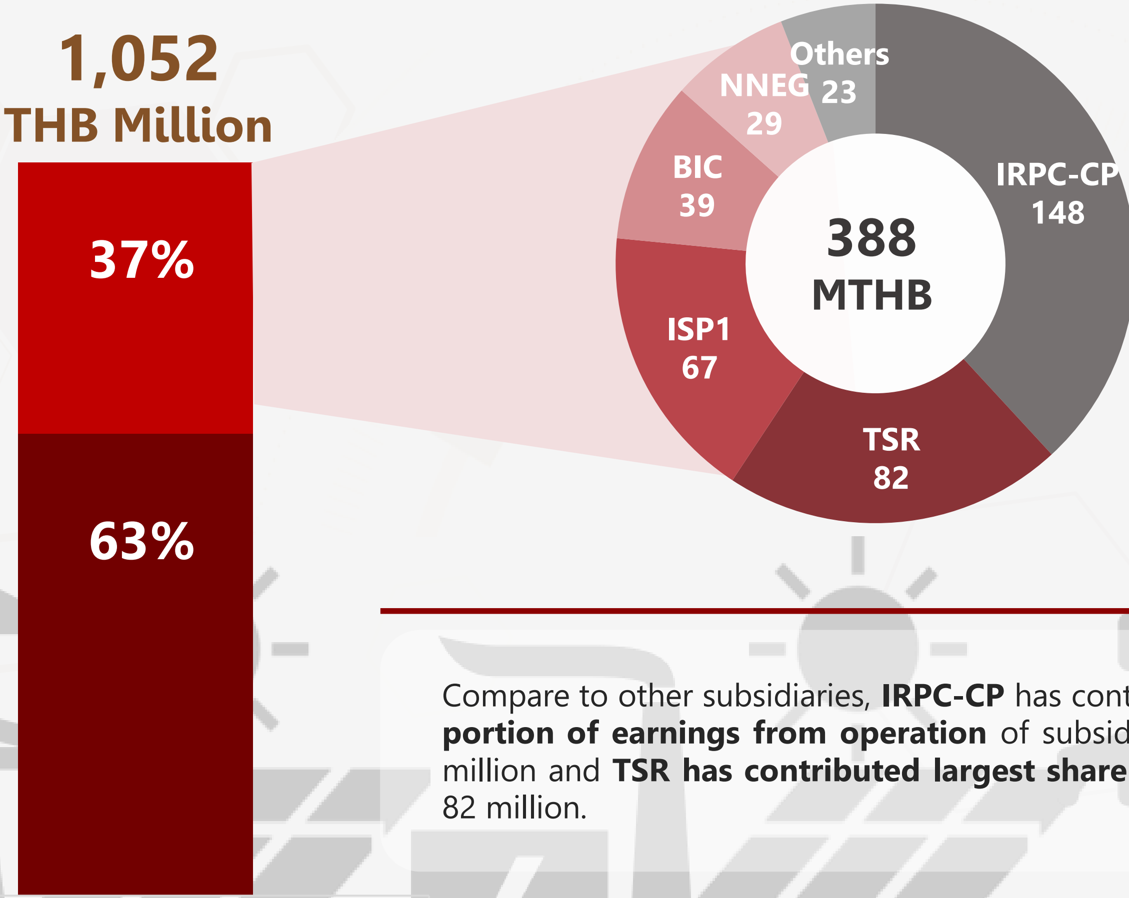
# In Q2/18, IRPC-CP still be the largest contributed portion of Earning from operation of company and subsidiaries

**Net profit breakdown by subsidiaries** (THB Million)

**Net Profit** **1,052 THB Million**

**Share of profit of affiliates was THB 388 million**

**Earnings from operation of the company was THB 664 million**



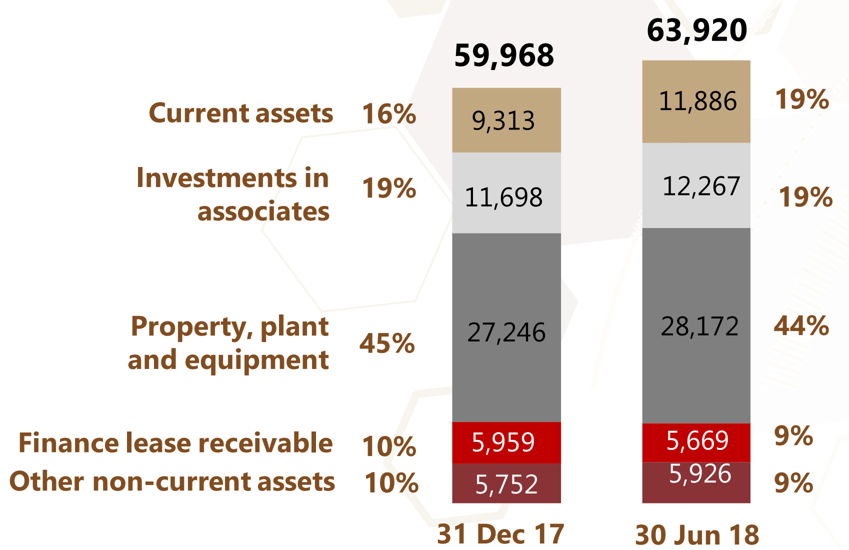

**Q2/18 Net Profit**

Compare to other subsidiaries, **IRPC-CP** has contributed **largest portion of earnings from operation** of subsidiaries, THB 138 million and **TSR has contributed largest share of profit**, THB 82 million.

# Financial position of GPSC and subsidiaries

## Total Assets (THB Million)

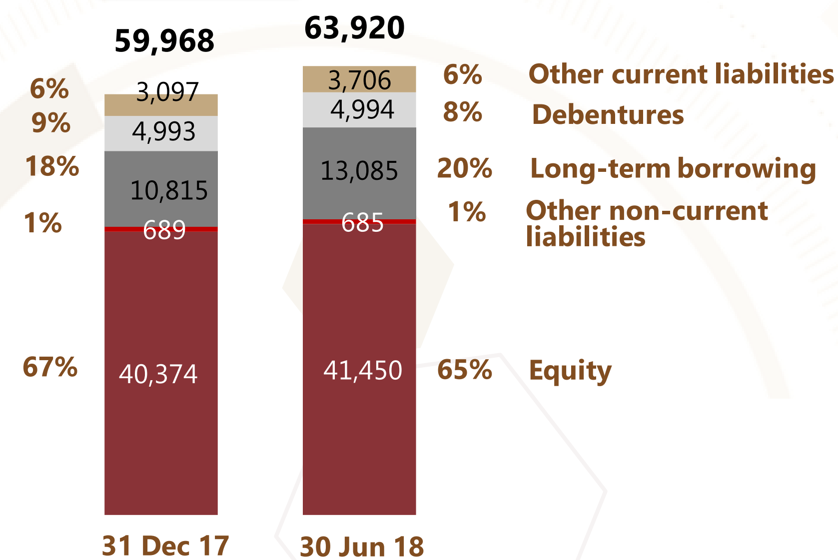
YoY
+3,952 / 7%




- Total assets were THB 63,920 million, increased by THB 3,952 million or 7% from 31 Dec 17.
- The increase was mainly from increases in cash & cash equivalent from operation and PPE from land & asset under construction of CUP-4 project.

## Total Liabilities & Shareholders Equity (THB Million)

YoY
+3,952 / 7%



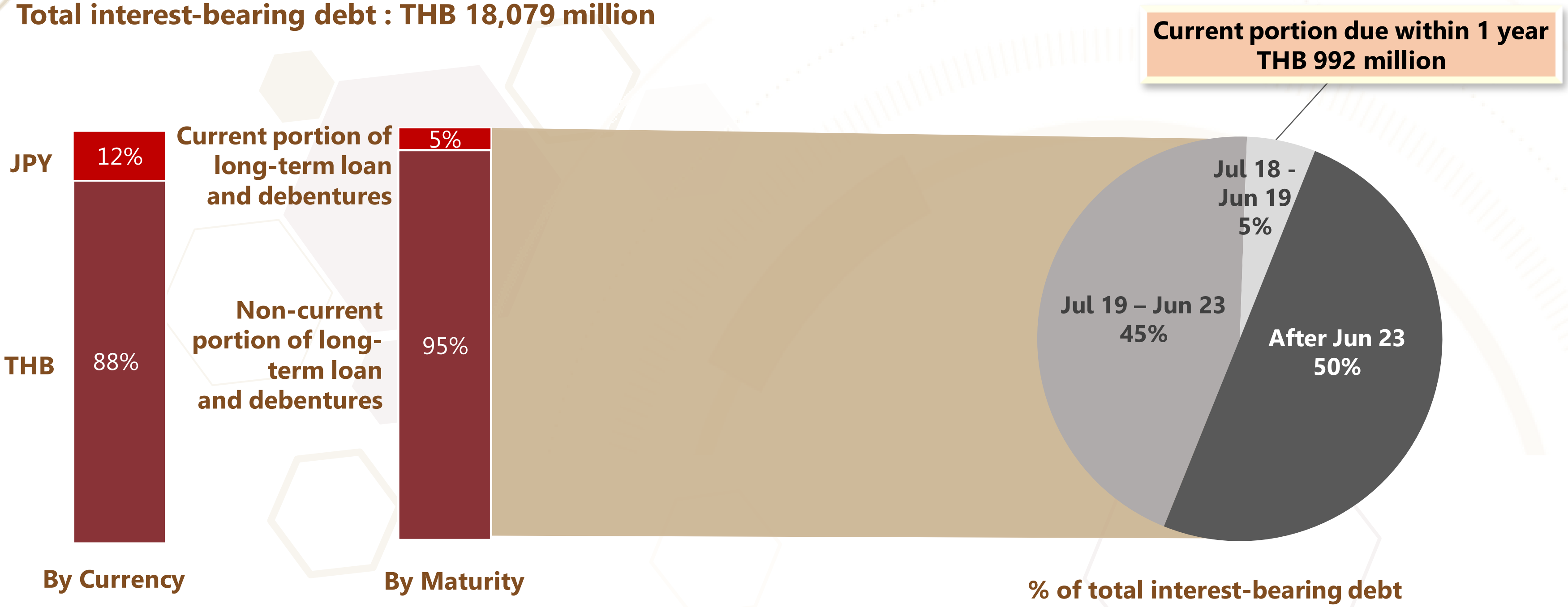

- Total liabilities were THB 22,470 million increased by THB 2,876 million or 15% mainly from long-term loan of IRPC-CP and ISP1.
- Equity were THB 41,450 million increased by THB 1,076 million or 3% from 31 Dec 17 mainly from an increase in the unappropriated retained earnings.

# Well-managed debt profile and continuous deleveraging

## Debt profile

**Total interest-bearing debt : THB 18,079 million**

## Debt repayment plan

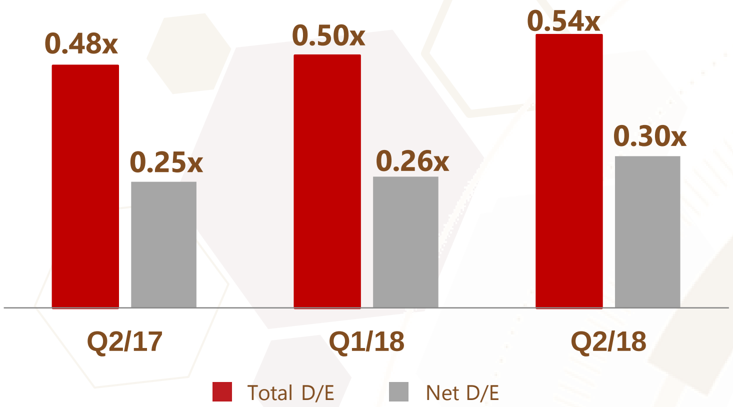



- All debt balance as at 30 June 2018 is in THB and JPY currency.
- The interest-bearing debt is comprised of long-term loan and debentures which includes 5% of current portion.

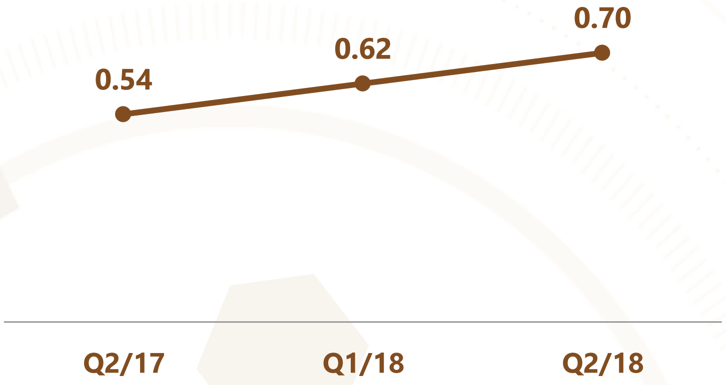
- Non-current portion of interest-bearing debt equals to THB 17,086 million while current portion equals to THB 992 million.
- 45% of total interest-bearing debt will be repaid between July 2019 – June 2023.

# Key Financial Ratios

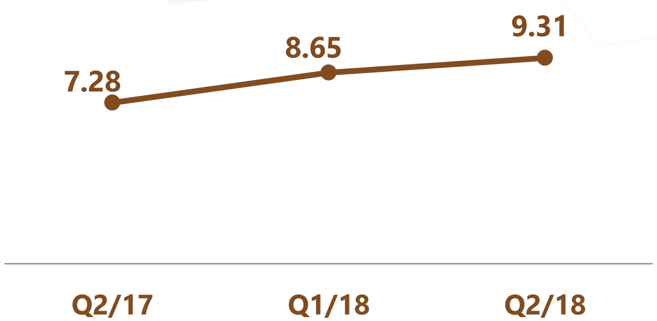
## Total D/E and Net Debt/ Equity ratio
(Times)



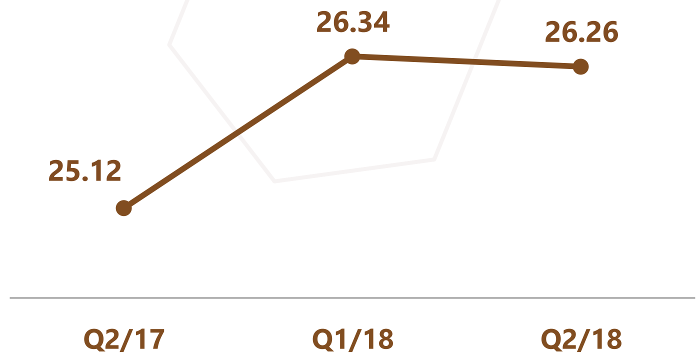

## Earning per share (EPS)
(Baht/share)




## ROE
(%)




## Book value per share (BVPS)
(Baht/share)



# Outlook for second half of 2018

## Operating Asset

- Maintenance shutdown of **Sriracha Power** Plant for almost the whole of Q4/2018.
- Scheduled maintenance shutdown of **IRPC-CP Power Plant** in Q4/2018 and **Rayong Central Utility Plants** during Q3 to Q4/2018.

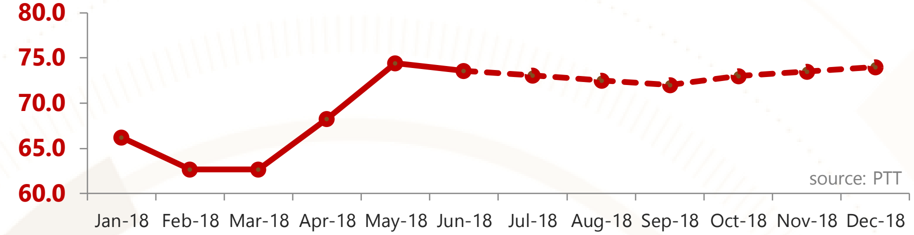
## GLOW Acquisition

- Result of approval of GLOW shares acquisition from EGM meeting and ERC approval, deal closing for the acquisition of 69.11% of GLOW shares shall be completed in Q3/2018 and tender-offer for the remaining 30.89% within Q4/2018.
- Upon the completion of this acquisition, tangible and intangible assets in the consolidated financial statement will be valued using fair value method and the difference in fair value will be reflected in Goodwill.

## Key Business Drivers

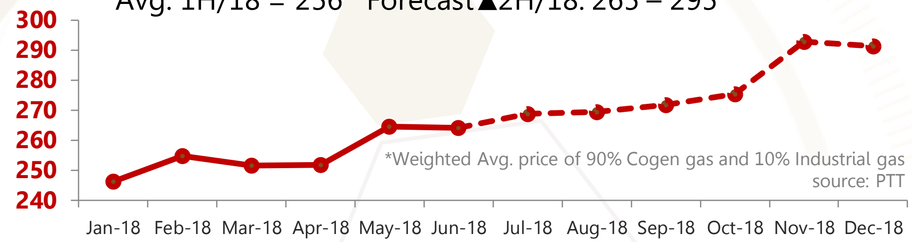
**Dubai Price (USD/BBL)**

Avg. 1H/18 = 68.0 Forecast▲2H/18: 72.0 – 74.0

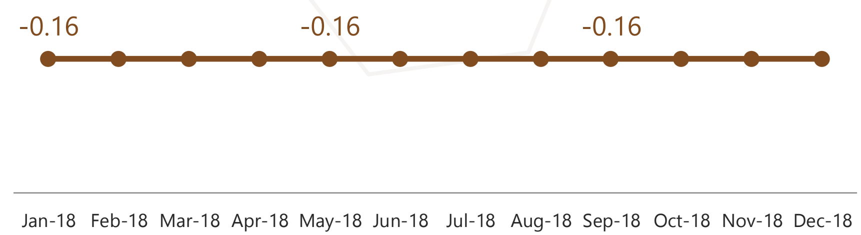



**Natural Gas Price* (THB/MMBTU)**

Avg. 1H/18 = 256 Forecast▲2H/18: 265 – 295

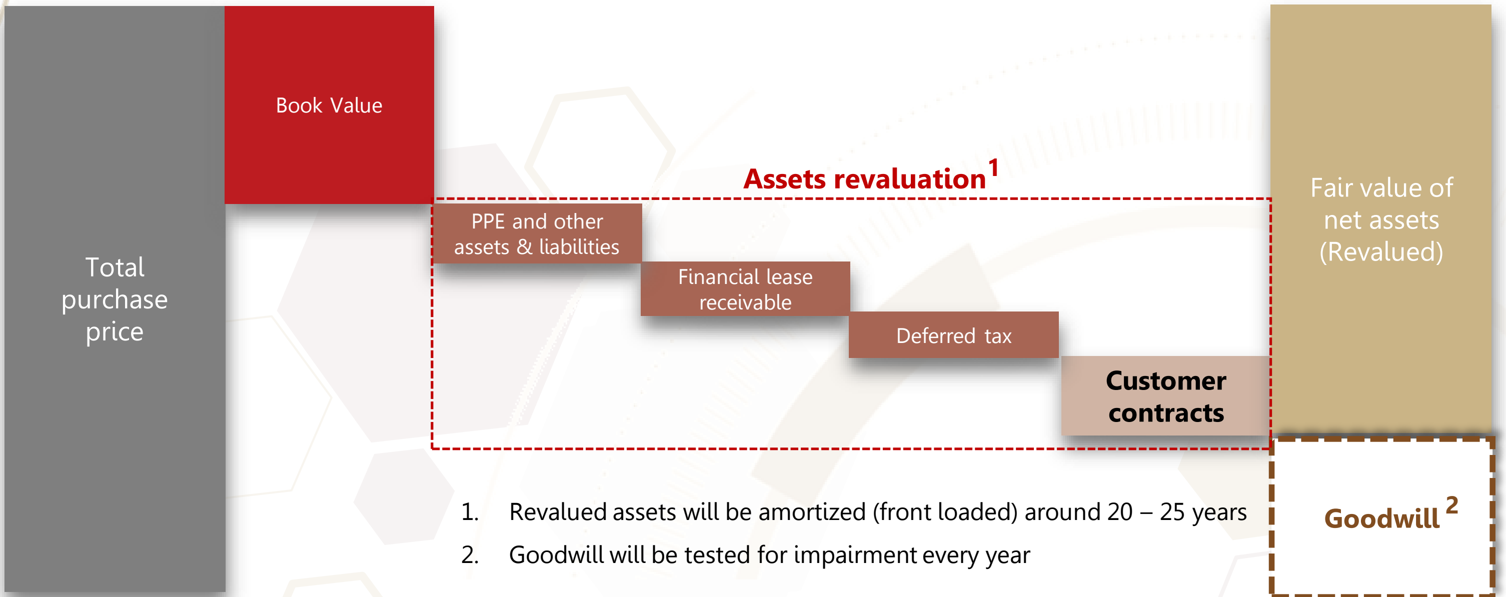



**Ft Rate (Satang/kWh)**



# Purchase Price Allocation (PPA) Process

## Overview of purchase price allocation process




1. Revalued assets will be amortized (front loaded) around 20 – 25 years
2. Goodwill will be tested for impairment every year

- New Project in pipeline
- Customer contract renewal
- Synergy
- Etc.

## Potential identified intangible asset & other key potential fair value adjustment items

- Power purchase agreement with EGAT and IU
- Steam sales agreement with IU
- Chilled and proceed water sales agreement with IU
- Financial lease receivable
- Property, plant and equipment

Customer contracts

# THANK YOU

## Please scan to complete the survey

## IR Contact

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www.gpscgroup.com

# 2018 Maintenance schedule: Sriracha and Rayong plants

| Plant | Tag no. | Description | 2018 | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Q1 | | | Q2 | | | Q3 | | | Q4 | | |
| | | | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
| CUP-1 | H-13701 | Aux. Boiler.11 | | 16 1Y 26 | | | | | | | | | | |
| | N-13901<br>H-13702 | GTG11<br>HRSG11 | | | 5 1Y 16 | | | | | | | | | |
| | N-13902<br>H-13703 | GTG12<br>HRSG12 | | | | 7 1Y 17 | | | | | | | | |
| | N-13903<br>H-13704 | GTG13<br>HRSG13 | | | | | | | 7 HG 20<br>7 3Y 20 | | | | | |
| | N-13904<br>H-13705 | GTG14<br>HRSG14 | | 3 1Y 13 | | | | | | | | | | |
| | N-13961<br>H-13761 | GTG15<br>HRSG15 | | | | | | | | | | 16 1Y 26 | | |
| | N-13962<br>H-13762 | GTG16<br>HRSG16 | 21 1Y 31 | | | | | | | | | | | |
| CUP-2 | H-23701 | Aux. Boiler.21 | | | | | | | 1 1Y 11 | | | | | |
| | N-23901<br>H-23701 | GTG21<br>HRSG21 | | | 1 HG 14<br>1 3Y 14 | | | | | | | | | |
| | N-23902<br>H-23702 | GTG22<br>HRSG22 | | | | | | 10 1Y 20 | | | | | | |
| | N-23911 | Steam Turbine21 | | | | | | | | | | | | |
| CUP-3 | H-33701 | Aux. Boiler 31 | | | | | | | | 4 1Y 14 | | | | |
| | H-33711 | Aux. Boiler 32 | | | | | | | | | 26/9 1Y 6/10 | | | |
| | H-33712 | Aux. Boiler 33 | | | | | | | | | | 14 1Y 24 | 14/10 – 1/12 | |
| SRC | 11MB<br>1-211-SG-101 | GT11<br>HRSG#1 | | | | | | | | | | MO<br>3Y | | |
| | 12MB<br>1-211-SG-201 | GT12<br>HRSG#2 | | | | | | | | | | MO<br>3Y | | |
| | STG | Steam Turbine 10 | | | | | | | | | | MO | | |

**Notes Rayong Site**

**GTG**
- HGPI Hot Gas Path Inspection for Gas Turbine 14 days
- MI Major Inspection for Gas Turbine 22 days

**STG**
- Minor Minor Inspection for Steam Turbine 15 days
- 1MO 2nd Major Overhaul for Steam Turbine 23 days
- 2MO 2nd Major Overhaul for Steam Turbine 27 days

**AB**
- 1Y One Year Inspection Aux. Boiler 11 days
- 3Y Three Year Inspection Aux. Boiler 13 days

**HRSG**
- 1Y One Year Inspection HRSG 11 days
- 3Y Three Year Inspection HRSG 14 days

**Other**
- 1Y One Year Inspection NG Station Test Online
- 5Y Five Year Inspection NG Station (NDT) Online
- FO Forced Outage Depending on physical damage

**Notes Sriracha Site**

**GTG**
- CI Combustion Inspection for Gas Turbine 8 days
- HGPI Hot Gas Path Inspection for Gas Turbine 26 days
- MO Major Overhaul for Gas Turbine 33 days
- RCIE Rotor and Casting Inspection Evaluation 49 days

**HRSG**
- 1Y One Year Inspection HRSG 8 days
- 3Y Three Year Inspection HRSG 33 days

**Other**
- 1Y One Year Inspection NG Station Test Online
- 5Y Five Year Inspection NG Station (NDT) Online
- FO Forced Outage Depending on physical damage

# 2018 Maintenance schedule: IRPC-CP

| Plant | Unit | 2018 | | | |
|---|---|---|---|---|---|
| | | Q1 (A) | Q2 (A) | Q3 (F) | Q4 (F) |
| IRPC-CP | **Block 1** | | | | |
| | CTG 21 | E | | | A |
| | HRSG 21 | E | | | A |
| | CTG 22 | E | | | A |
| | HRSG 22 | E | | | A |
| | STG 23 | | | | |
| | **Block 2** | | | | |
| | CTG 31 | E | | | A |
| | HRSG 31 | E | | | A |
| | CTG 32 | B | | | |
| | HRSG 32 | B | | | |
| | STG 33 | | | | |
| | Aux. Boiler | | YI | | |

**Notes**

| | | |
|---|---|---|
| YI | Yearly Inspection | 5 days |
| YI | Yearly Inspection Aux Boiler | 15 days |
| A | CTG Inspection Level A | 5 days |
| B | CTG Inspection Level B | 20 days |
| C | CTG Inspection Level C | 24 days |
| E | EPC Inspection End of Warranty | 3 days |

GPSC