



Gulf Energy Development (GULF.BK/GULF TB)*



SET ESG Rating of AA

Outperform · Maintained

Price as of 28 Nov 2024	62.25
12M target price (Bt/shr)	70.00
Unchanged/Revised up(down)(%)	Unchanged
Upside/downside (%)	12.4

Key messages

เราเชื่อว่าตลาดกำลังประเมินค่าบริษัทใหม่ (NewCo) ต่ำเกินไปต่อศักยภาพการเติบโตในระยะกลาง เนื่องจากราคาหุ้นในปัจจุบันสะท้อนเพียงการเพิ่มขึ้นระยะสั้น อย่างเช่น โครงสร้างบริษัทที่คล่องตัวขึ้นและลดการก่อหนี้ แม้ว่าจะมีความกังวลเกี่ยวกับ ROE ที่ต่ำลงและการมุ่งเน้นที่เปลี่ยนไปจากเพียงธุรกิจไฟฟ้า แต่ NewCo มีความพร้อมยิ่งขึ้นอีกมากในการเติบโตจากการเป็นผู้นำในธุรกิจไฟฟ้า การขยายธุรกิจ ICT และการลดต้นทุน ทั้งนี้ เรายังคงคำแนะนำซื้อ ประเมินราคาเป้าหมายที่ 70.00 บาท โดยคาดยังมี upside ในการเติบโตต่อเนื่อง โดยเฉพาะอย่างยิ่งหากบริษัทใหม่ได้ชนะประมูลโครงการพลังงานหมุนเวียนต่างๆ และได้ประโยชน์จากการปรับเพิ่มอันดับเครดิต

Trading data

Mkt cap (Btbn/US\$bn)	748/24.3		
Outstanding shares (mn)	11,733		
Foreign ownership (mn)	3,152		
3M avg. daily trading (mn)	10		
52-week trading range (Bt)	38.0-69.50		
Performance (%)	3M	6M	12M
Absolute	26.9	56.4	36.4
Relative	16.9	46.4	33.3

Quarterly EPS

Bt	Q1	Q2	Q3	Q4
2022	0.29	0.13	0.09	0.46
2023	0.33	0.25	0.29	0.41
2024	0.30	0.40	0.51	-

Share price chart



Source: SET

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อะไรที่ตลาดกำลังมองข้ามไป...?

Event
Idea call

Impact

ศักยภาพการเติบโตของ NewCo ที่ถูกมองข้ามไป

เราเชื่อว่าตลาดกำลังประเมินค่า NewCo ต่ำเกินไปต่อศักยภาพการเติบโต เนื่องจากราคาหุ้นคาดว่าจะสะท้อนเพียงปัจจัยบวกระยะสั้น เช่น การจัดโครงสร้างองค์กรที่คล่องตัวขึ้น งบดุลที่แข็งแกร่งขึ้นโดยมีอัตราส่วนหนี้สินที่มีภาระดอกเบี้ยจ่าย (IBD/E) จะเหลือ 0.8x (จาก 1.7x ใน 3Q67) ตามฐานทุนที่ใหญ่ขึ้นมหาศาลทำให้กู้ยืมได้เกินกว่า 2 แสนล้านบาท แม้จะมีความกังวลเกี่ยวกับ ROE อาจต่ำลงเหลือ 7-8% และการมุ่งเน้นที่เปลี่ยนไปจากเพียงธุรกิจไฟฟ้า แต่เรามองว่ายังมีความแข็งแกร่งดีในระยะกลางซึ่งผลักดันให้มีความเป็นผู้นำในพลังงานหมุนเวียน การขยายธุรกิจ ICT (data centers และ satellites) การแปรสภาพ LNG และการลดต้นทุนด้านอัตราดอกเบี้ย หนี้ และรายจ่ายลงทุนลง

ความเป็นไปได้ทั้ง 5 แบบทั้ง target price และแนวโน้มกำไรเป็นอย่างไรบ้าง...?

ธุรกิจไฟฟ้าส่วนใหญ่ทั่วโลกด้วยความเป็น capital intensive จึงทำให้เจอปัญหาเรื่อง debt leverage ที่ดึงดูด แต่จะไม่ใช้กับ NewCo ซึ่งจะมีจุดเด่นให้ธุรกิจไฟฟ้ามีโอกาสชนะในการลงทุน ด้วยผลตอบแทนที่มากขึ้น นอกเหนือไปจาก track record ในอดีตและพันธมิตรที่แข็งแกร่ง โดยเราประเมินความเป็นไปได้ใน 5 scenarios อิงจากกำไรปี 2569 และ sensitivity เกี่ยวกับการชนะประมูล โครงการ renewable (โดยเฉพาะ โครงการ โซลาร์ ±1GW) และการปรับอัตราดอกเบี้ย ±0.25-0.50% รวมถึงการแปลงหนี้ (Figure 1): (1) Bull#2, (2) Bull#1, (3) Base, (4) Bear#1 และ (5) Bear#2 (รายละเอียดอยู่หน้า 2)

มุมมองของเรายืนอยู่ตรง case ไหนของ Newco...?

เรายังคงให้สอดคล้องกับกรณี Base case สำหรับ NewCo โดยคาดหวัง upside เพิ่มขึ้น 12-14% จากประมาณการกำไรของเราในปัจจุบัน กรณีนี้จะผลักดันให้การเพิ่มสัดส่วนการถือหุ้นใน ADVANC ขึ้นเป็น 40% (จาก 19%) ส่งผลให้มีกำไรเพิ่มขึ้นราว 3 พันล้านบาทและกระแสเงินสดอิสระอีก 6 พันล้านบาทต่อปี โดยที่เราคาดว่าฐานทุนจะเติบโตอย่างน้อย 110% และ 3.10 แสนล้านบาท ซึ่งได้รับอิทธิพลอย่างมากจากการปรับมูลค่ายัติกรรมของหุ้น Intouch Holdings (INTUCH.BK/INTUCH TB)* และ Advanced Info Service (ADVANC.BK/ADVANC TB)* ในขณะที่ 80% ของกำไรจะมาจากธุรกิจไฟฟ้าและอีก 20% จะมาจากธุรกิจ ICT แม้ในขณะนี้ เราเชื่อว่า Bull#1 มีแนวโน้มที่จะเกิดขึ้นใน 1H68 หาก NewCo ชนะประมูลโครงการพลังงานหมุนเวียนอย่างน้อย 1,000MW และเห็นอัตราดอกเบี้ยลดลง 0.3% หลังจากรับการปรับเพิ่มอันดับเครดิต

Valuation & Action

เราคงคำแนะนำซื้อ พร้อมราคาเป้าหมายที่ 70.00 บาท โดยที่ เราเลือก GULF เป็นหุ้นเด่นในกลุ่มไฟฟ้าช่วง 1Q68 ขณะที่ เราเชื่อว่าราคาหุ้นที่ปรับตัวลงมาล่าสุดเป็นโอกาสในการทยอยซื้อสะสม ทั้งนี้ เราคาดว่า จะมีการปรับเพิ่มประมาณการจากนักวิเคราะห์อย่างต่อเนื่องและความเชื่อมั่นของตลาดที่เพิ่มขึ้น ทำให้ GULF มีโอกาสทำผลตอบแทนดีกว่าดัชนี SET ในภาวะที่การเลือกหุ้นมีความท้าทาย

Risks

การปิดซ่อมบำรุงที่ไม่ได้วางแผน ต้นทุนที่เกินงบ และความผันผวนของ Fx และอัตราดอกเบี้ย

Key financials and valuations

	Dec - 22A	Dec - 23A	Dec - 24F	Dec - 25F	Dec - 26F
Revenue (Btmn)	94,151	114,054	118,034	142,204	144,378
Net Profit (Btmn)	11,418	14,858	18,591	22,633	24,870
Normalized Profit (Btmn)	11,528	15,644	18,591	22,633	24,870
Net Profit Growth (%)	48.9	30.1	25.1	21.7	9.9
Normalized Profit Growth (%)	30.8	35.7	18.8	21.7	9.9
EPS (Bt)	0.97	1.27	1.58	1.93	2.12
DPS (Bt)	0.60	0.88	0.95	1.16	1.27
EPS Growth (%)	48.9	30.1	25.1	21.7	9.9
P/E (X)	64.0	49.2	39.3	32.3	29.4
P/B (X)	5.4	5.1	4.7	4.3	4.0
EV/EBITDA (X)	33.1	28.3	24.1	20.0	18.8
Net Debt to Equity (%)	156.6	171.4	187.2	176.9	154.8
Dividend Yield (%)	1.0	1.4	1.5	1.9	2.0
Return on Average Equity (%)	8.4	10.3	12.0	13.4	13.5

Source: Company data, KGI Securities Research

Figure 1: Our Bull-Bear analysis points to a favorable risk/reward profile for NewCo

Based on 2026F	Bear#2	Bear#1	Base	Bull#1	Bull#2
Revenue (Btmn)	121,015	136,034	144,378	152,721	161,065
<i>YoY growth</i>	-15%	-4%	2%	7%	13%
Gross profit	17,611	27,086	32,350	39,893	42,877
GPM %	14.6%	19.9%	22.4%	24.6%	26.6%
EBITDA (Btmn)	44,554	52,589	57,053	63,796	65,980
EBITDA %	36.8%	38.7%	39.5%	41.8%	41.0%
Interest costs (Btmn)	14,021	13,092	12,164	13,949	13,266
<i>YoY growth</i>	15%	8%	2%	15%	9%
Core profit (Btmn)	13,515	22,479	27,870	30,549	35,696
NewCo EPS (Bt)	0.90	1.50	1.87	2.04	2.39
<i>YoY growth</i>	-44%	-7%	23%	27%	48%
NewCo's Target price (Bt)	62.00	67.00	70.00	73.00	75.00
Current price (28 Nov 2024)	62.25	62.25	62.25	62.25	62.25
Upside/Downside (%)	0%	8%	12%	17%	20%
Assumptions					
26F equity capacity (MWe)	8,602	9,102	10,102	11,102	12,102
<i>YoY growth</i>	0.1%	5.9%	17.5%	29.2%	40.8%
Average interest rate	3.9%	3.6%	3.4%	3.1%	2.9%
Interest-bearing debts	381,537	371,537	361,537	351,537	341,537
<i>YoY growth</i>	11%	8%	5%	2%	-1%
SPP gas price (Bt/mmbtu)	345	345	345	345	345
IPP gas price (Bt/mmbtu)	325	325	325	325	325
Ft rate (Bt/kWh)	0.30	0.30	0.30	0.30	0.30
Average FX (US\$/THB)	32.5	32.5	32.5	32.5	32.5

***Note*:** We believe 2026F will be the first full year post amalgamation of NewCo. By the end of 2024, numerous renewable projects in Thailand will have reached COD, and 2026 will also mark the point when the declining interest rates will start to have a full positive impact.

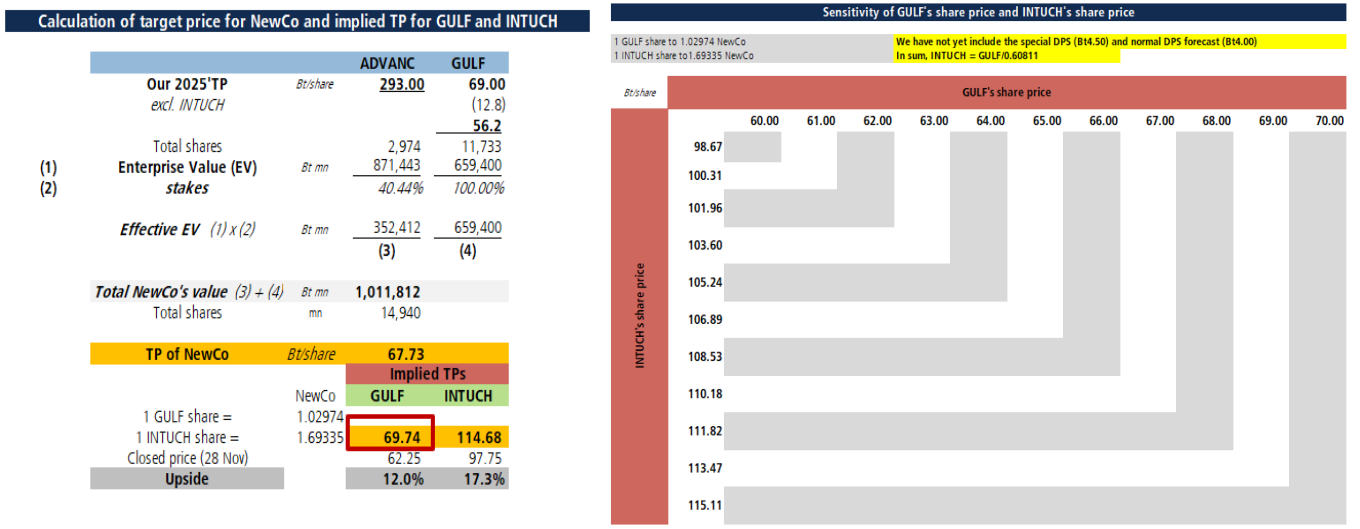
Source: Company data, KGI Securities Research

NewCo's valuation scenarios and strategic outlook

For our 2025 valuation of GULF, we are currently using a swap ratio of 1.03 from NewCo value. This assessment includes all confirmed power projects with PPAs, such as SPPs, IPPs, renewables, infrastructure, and ICT businesses (ADVANC and Thaicom (THCOM.BK/THCOM TB)*). That said, data centers have yet to contribute to our profit calculations based on available guidance with insignificant upside. Our analysis provides a comprehensive view of potential outcomes, helping assess NewCo's performance and valuation under various market conditions. The valuation also includes five scenarios based on 2026F profits (Figure 1).

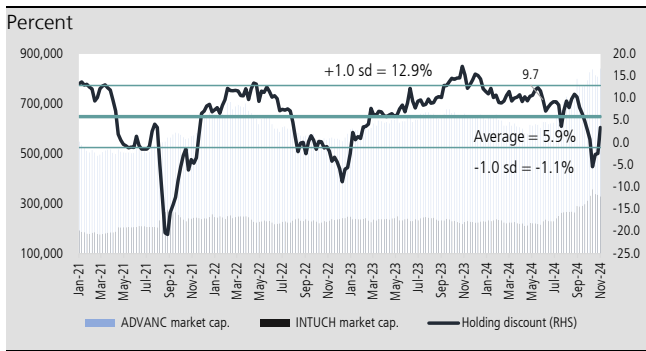
- 1) **Bull#2:** A 2,000MWe increase in renewable capacity, a 0.5% decrease in average interest rates, and a Bt20bn reduction in debt due to stronger capital and cash flow from a 40% stake in ADVANC.
- 2) **Bull#1:** A 1,000MWe increase in renewable capacity, a 0.3% decrease in average interest rates, and a Bt10bn debt reduction.
- 3) **Base Case:** The current scenario as outlined.
- 4) **Bear#1:** A 1,000MWe drop in renewable capacity, a 0.2% rise in interest rates, and a Bt10bn debt rise due to project setbacks or external challenges (e.g., government policies or unforeseen issues), impacting the financial position and ratings.
- 5) **Bear#2:** A 2,000MWe drop in renewable capacity, a 0.2% rise in interest rates, and a Bt10bn increase in debt.

Figure 2: Our calculation for the target price of NewCo and implied target prices of GULF and INTUCH



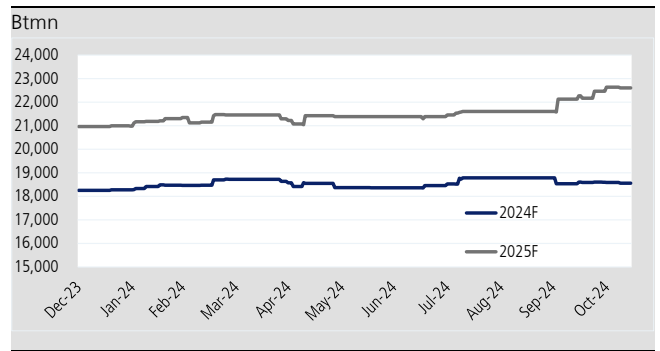
Source: Company data, KGI Securities Research

Figure 3: A 3-year holding discount narrows to near zero



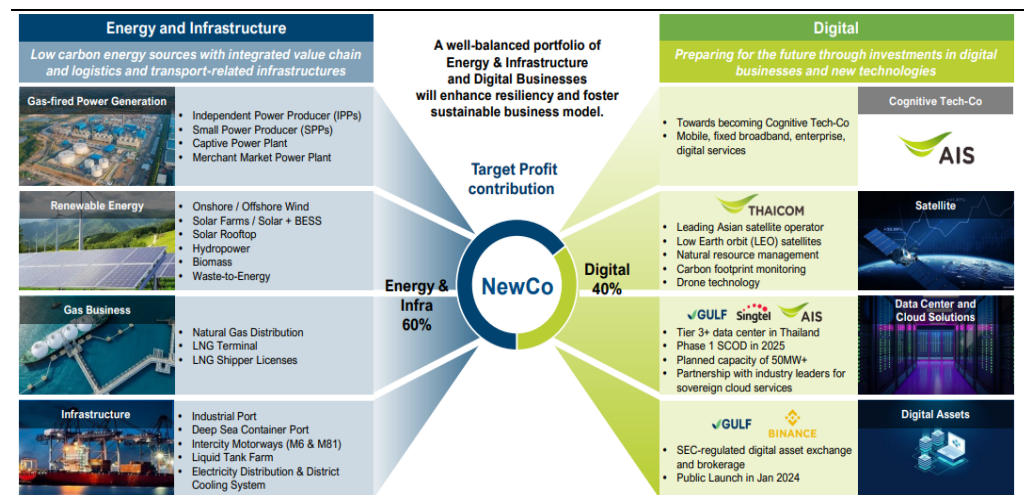
Source: Bloomberg, Company data, KGI Securities Research

Figure 4: 2024-25F's consensus earnings (+2%/+8%)



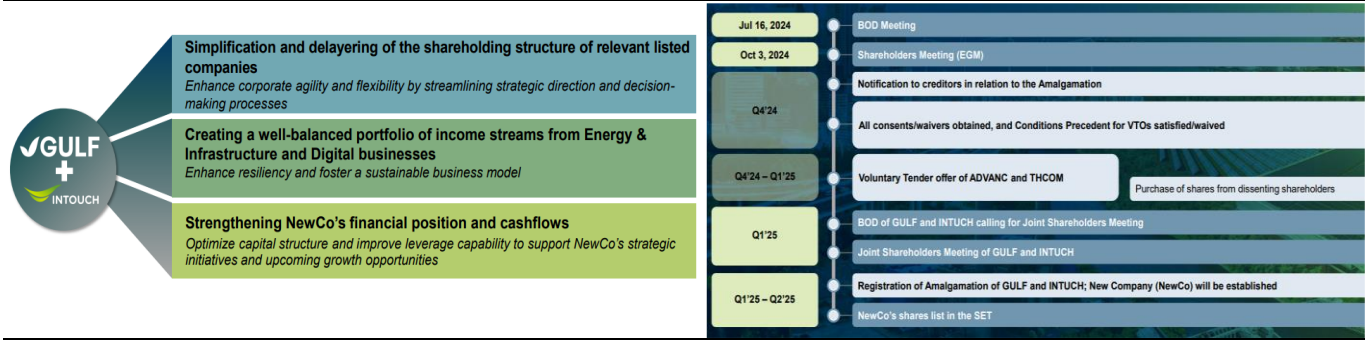
Source: Bloomberg, Company data, KGI Securities Research

Figure 5: NewCo's portfolio post amalgamation



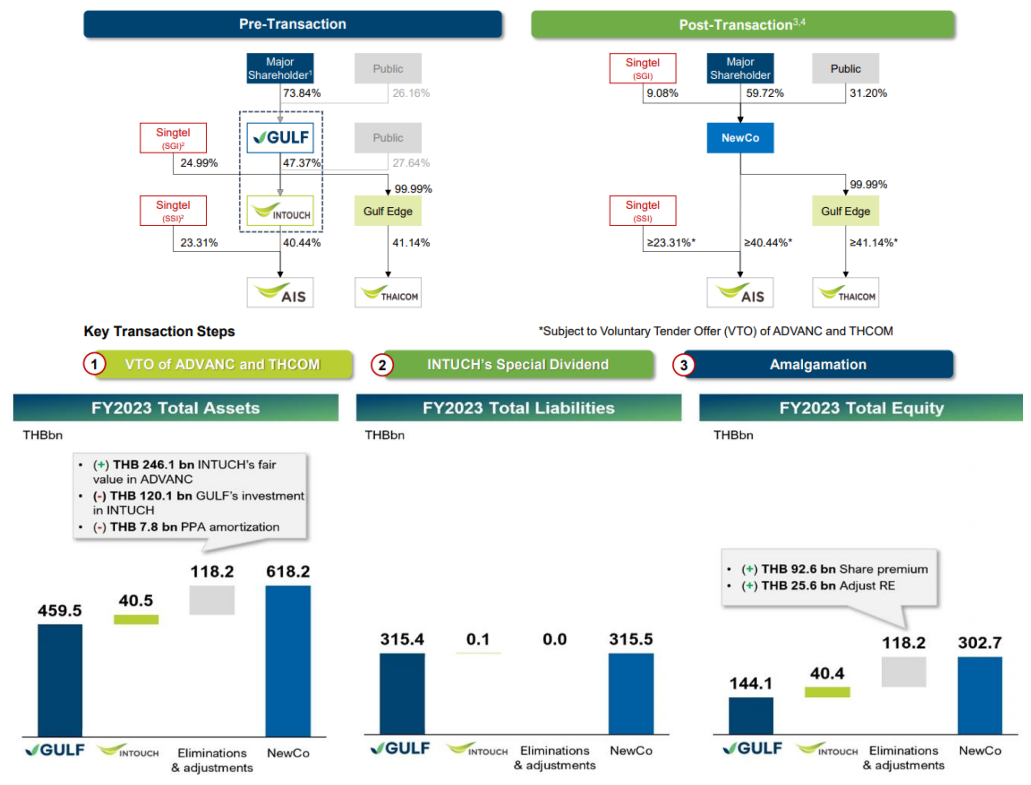
Source: Company data, KGI Securities Research

Figure 6: Amalgamation rationale and timeline



Source: Company data, KGI Securities Research

Figure 7: Pre and post shareholding structure and proforma financial position of NewCo



Source: Company data, KGI Securities Research

Figure 8: Committed growth in the pipeline



Source: Company data, KGI Securities Research

Figure 9: Comparisons of major power players

KEY OPERATING AND FINANCIAL METRICS									
	GULF	BGRIM	GPSC	CKP	RATCH	EGCO	BCPG	BPP	
TP	70.00	25.00	45.00	3.10	33.50	101.00	6.00	10.80	
Rec.	OP	N	N	U	OP	U	N	U	
Installed MW	23,356	5,673	25,736	3,633	N.A.	15,595	N.A.	N.A.	
Equity MW	12,750	3,377	12,582	1,733	10,817	7,048	1,959	3,656	
Operating MW	7,562	2,638	6,849	1,003	9,007	6,719	1,183	3,656	
<i>Remaining capacity growth</i>	69%	28%	84%	73%	20%	5%	66%	0%	
Fuel type	Renewable	37%	47%	65%	91%	28%	21%	56%	11%
	Gas	63%	53%	26%	9%	57%	60%	44%	21%
	Coal			6%		15%	19%		68%
	Pitch			2%					
Project base	Domestic	80%	63%	45%	9%	51%	42%	11%	21%
	Overseas	20%	37%	55%	91%	49%	58%	89%	79%
Financial metrics 2025F	Net IBD/E (x)	1.64	1.42	0.80	0.5	0.49	0.68	1.16	0.51
	EBITDA (%)	36.0%	24.0%	23.0%	49.3%	31.8%	43.2%	108.7%	43.0%
	EPS growth	22%	-4%	25%	66%	27%	-13%	-65%	3%
	P/E (x)	33	29	25	20	8	8	18	11
	Div. yield	1.8%	1.3%	2.0%	2.7%	5.9%	5.8%	5.3%	7.0%
ROE (%)	13.4%	3.2%	3.8%	3.5%	7.2%	6.9%	3.2%	6.0%	
Long-term goal	RE: 40% of capacity within 2035	RE: >50% of capacity within 2030	RE: 50% of capacity within 2030	Focus on RE (led by hydropower)	RE: 30% of capacity within 2030	RE: 30% of capacity within 2030	RE: 70% of capacity within 2030 with 2.8GWh	To hit 5.3GWh in 2024 and synergy with BANPU	
Strategy	(i) energy (ii) logistic (iii) digital infrastructure	(i) power (ii) LNG business (iii) industrial solutions	(i) power (focus RE) (ii) energy storage	To be one of the region's largest power producers in RE	(i) power (focus RE) (ii) non-power biz	(i) power (focus RE) (ii) infrastructure projects (such as energy storage)	(i) power (focus RE) (ii) energy storage	(i) power (focus RE) (ii) power infrastructure	
Catalysts	4Q24	(+) Hinkong Unit1 and GPD Unit4 help boost earnings	(-) A narrower SPP margin and seasonal expenses	(+) Rising QoQ in 3Q24F, before dropping in 4Q24F	(+) Stronger HoH (led by 3Q24) due to peak season	(+) Rising HoH and YoY due to Paiton and Hinkong projects	(0) Progress on Yunlin construction and QPL's PPA renewal	(+) To peak in 3Q24 on high season of hydro projects and summer in the US	(-) To peak in 3Q24 on high season of project in the US
	2025	NewCo's strategy from power growth and steady cash cows from ict biz	Weaker SPP margin, moderated by new capacities	CFXD, XPCL, and Avaada contribution, mitigated by weaker SPPs	Waterflows continuing boost operations	Full-year contribution of Hinkong and Paiton, and new capacities	Paju ES's performance, Yunlin, QPL's new PPA, as well as new M&As	Eyes on Taiwan solar projects, Laos wind farm, and new M&As	Eyes on synergy with BANPU and new investment

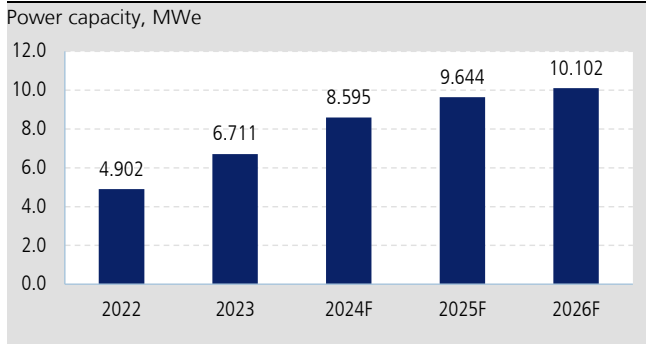
Source: Company data, KGI Securities Research

Figure 10: Company profile

Gulf Energy Development Public Company Limited (GULF) is one of the leading power producers in Thailand. During 2022-27, another 4.0GW is expected to commercialize, increasing its total effective capacity to 8.0GW. The company sells electricity to the Electricity Generating Authority of Thailand (EGAT) and industrial users in industrial estates through Independent Power Producer (IPP) and Small Power Producers (SPP) programs and sell electricity to the Provincial Electricity Authority (PEA) through Very Small Power Producers (VSPP) program.

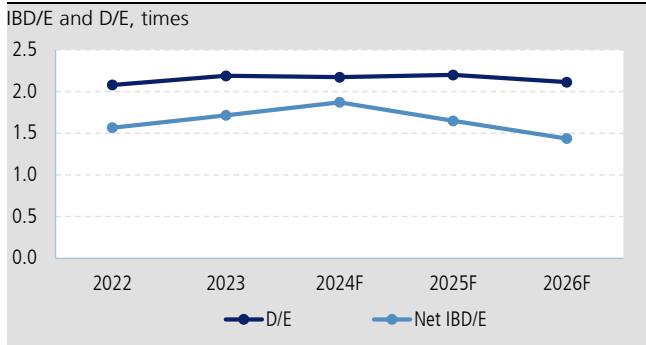
Source: Company data

Figure 12: Upward equity capacity growth



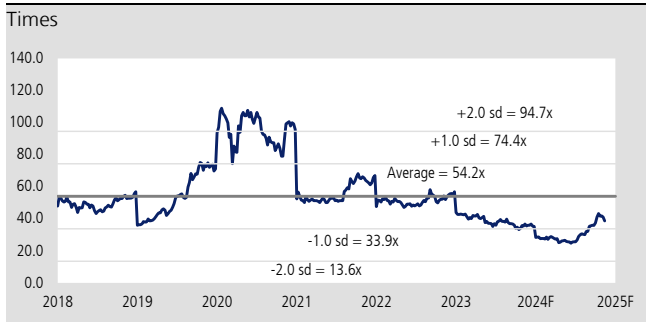
Source: Company data, KGI Securities Research

Figure 14: Heavy debt during development phase



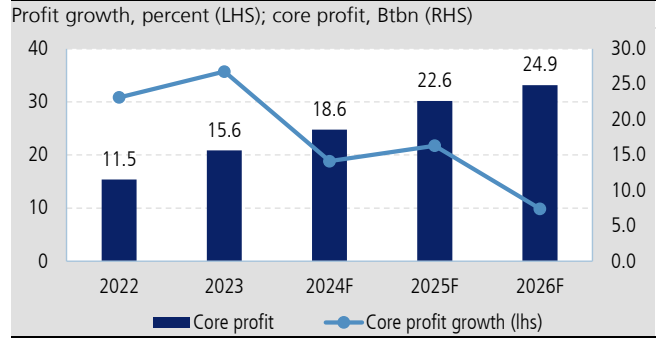
Source: Company data, KGI Securities Research

Figure 16: GULF's forward PER



Source: Company data, KGI Securities Research

Figure 11: Core profit to continue growing in 2024F-26F



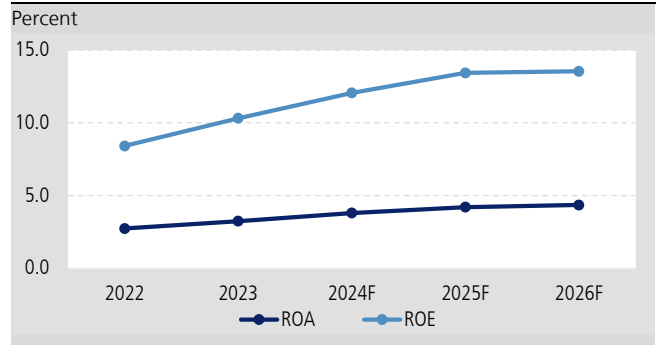
Source: Company data, KGI Securities Research

Figure 13: Expansion program



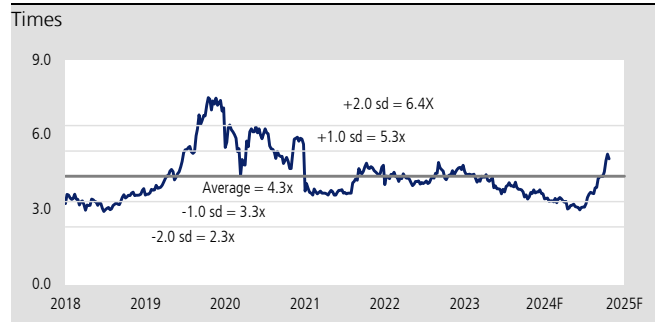
Source: Company data, KGI Securities Research

Figure 15: ROE and ROA – Outpacing peers



Source: Company data, KGI Securities Research

Figure 17: GULF's forward PBV



Source: Company data, KGI Securities Research

Quarterly Income Statement

	Sep-21A	Dec-21A	Mar-22A	Jun-22A	Sep-22A	Dec-22A	Mar-23A	Jun-23A	Sep-23A	Dec-23A	Mar-24A	Jun-24A	Sep-24A
Income Statement (Bt mn)													
Revenue	11,903	15,287	20,628	23,004	23,631	26,888	26,413	32,557	27,419	27,665	31,599	31,592	30,451
Cost of Goods Sold	(8,944)	(10,890)	(16,065)	(18,567)	(18,931)	(21,148)	(21,101)	(27,115)	(21,866)	(21,940)	(25,857)	(25,575)	(24,595)
Gross Profit	2,959	4,397	4,562	4,437	4,700	5,740	5,311	5,442	5,553	5,726	5,742	6,017	5,856
Operating Expenses	(589)	(692)	(551)	(639)	(643)	(1,121)	(742)	(926)	(832)	(1,415)	(772)	(906)	(944)
Other incomes	1,702	31	35	98	75	718	581	951	748	616	681	1,024	808
Operating Profit	4,072	3,735	4,046	3,896	4,132	5,337	5,151	5,467	5,470	4,926	5,651	6,136	5,720
Depreciation of fixed assets	(1,271)	(1,272)	(1,246)	(1,242)	(1,277)	(1,298)	(954)	(1,001)	(1,103)	(1,123)	(1,136)	(1,137)	(1,140)
Operating EBITDA	5,343	5,007	5,291	5,138	5,409	6,635	6,104	6,468	6,573	6,050	6,787	7,273	6,860
Non-Operating Income	(2,386)	315	138	(1,602)	(1,105)	1,813	169	(811)	(963)	548	(652)	(139)	1,259
Interest Income	(1,681)	0	0	(52)	(24)	(0)	(14)	(140)	(120)	4	0	(101)	(60)
Other Non-op Income	(705)	315	138	(1,550)	(1,081)	1,813	183	(671)	(843)	544	(652)	(38)	1,319
Non-Operating Expenses	(1,753)	(1,737)	(1,473)	(1,864)	(2,036)	(2,279)	(2,124)	(2,416)	(2,582)	(2,695)	(2,606)	(2,792)	(2,716)
Interest Expenses	(1,753)	(1,737)	(1,473)	(1,864)	(2,036)	(2,279)	(2,124)	(2,416)	(2,582)	(2,695)	(2,606)	(2,792)	(2,716)
Other Non-op Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0
Equity Income/(Loss)	690	1,747	1,784	2,035	1,252	1,594	2,038	2,152	2,791	3,193	2,640	2,971	2,983
Pre-tax Profit	624	4,061	4,495	2,465	2,243	6,465	5,234	4,392	4,715	5,973	5,032	6,176	7,246
Current Taxation	(91)	(308)	(448)	(146)	(572)	(179)	(186)	(203)	(229)	(39)	(315)	(191)	9
Minorities	(626)	(710)	(653)	(840)	(609)	(880)	(1,212)	(1,445)	(1,246)	(1,168)	(1,217)	(1,344)	(1,285)
Extraordinary items	0	0	0	0	0	570	(1)	0	0	1	0	0	1
Net Profit	1,588	3,043	3,395	1,531	1,086	5,406	3,850	2,885	3,360	4,763	3,499	4,741	6,030
Normalized Profit	2,293	2,728	3,257	3,081	2,167	3,023	3,668	3,556	4,203	4,217	4,151	4,779	4,710
EPS (Bt)	0.14	0.26	0.29	0.13	0.09	0.46	0.33	0.25	0.29	0.41	0.30	0.40	0.51
Normalized EPS (Bt)	0.20	0.23	0.28	0.26	0.18	0.26	0.31	0.30	0.36	0.36	0.35	0.41	0.40
Margins													
Gross profit margin	24.9	28.8	22.1	19.3	19.9	21.3	20.1	16.7	20.3	20.7	18.2	19.0	19.2
Operating EBIT margin	34.2	24.4	19.6	16.9	17.5	19.8	19.5	16.8	19.9	17.8	17.9	19.4	18.8
Operating EBITDA margin	44.9	32.8	25.7	22.3	22.9	24.7	23.1	19.9	24.0	21.9	21.5	23.0	22.5
Net profit margin	13.3	19.9	16.5	6.7	4.6	20.1	14.6	8.9	12.3	17.2	11.1	15.0	19.8
Growth (QoQ)													
Revenue growth	5.9	28.4	34.9	11.5	2.7	13.8	(1.8)	23.3	(15.8)	0.9	14.2	(0.0)	(3.6)
Operating EBIT growth	79.2	(8.3)	8.3	(3.7)	6.0	29.2	(3.5)	6.1	0.0	(9.9)	14.7	8.6	(6.8)
Operating EBITDA growth	51.9	(6.3)	5.7	(2.9)	5.3	22.7	(8.0)	6.0	1.6	(8.0)	12.2	7.2	(5.7)
Net profit growth	12.9	91.6	11.5	(54.9)	(29.1)	397.9	(28.8)	(25.1)	16.5	41.7	(26.5)	35.5	27.2
Normalized profit growth	63.7	19.0	19.4	(5.4)	(29.7)	39.5	21.4	(3.1)	18.2	0.3	(1.6)	15.1	(1.5)

Source: KGI Securities Research

Balance Sheet

As of 31 Dec (Bt mn)	2022	2023	2024F	2025F	2026F
Total Assets	418,172	459,514	489,531	539,302	572,235
Current Assets	70,249	72,686	53,437	83,368	115,088
Cash & ST Investments	39,194	38,713	21,591	45,756	76,991
Inventories	1,561	2,958	1,932	2,246	2,241
Accounts Receivable	18,999	21,165	21,903	26,388	26,792
Others	10,496	9,851	8,011	8,978	9,065
Non-current Assets	347,923	386,828	436,094	455,934	457,147
LT Investments	142,006	145,927	157,598	157,598	157,598
Net fixed Assets	99,555	90,222	114,674	113,036	113,525
Others	106,362	150,679	163,822	185,300	186,024
Total Liabilities	282,370	315,410	335,238	370,743	388,455
Current Liabilities	51,868	65,623	46,740	43,184	42,899
Accounts Payable	7,484	9,391	9,443	11,376	11,550
ST Borrowings	6,669	4,789	8,268	7,772	7,306
Others	37,715	51,443	29,029	24,036	24,043
Long-term Liabilities	230,502	249,787	288,498	327,559	345,556
Long-term Debts	219,108	240,590	279,301	318,362	336,359
Others	11,394	9,197	9,197	9,197	9,197
Shareholders' Equity	135,802	144,104	154,293	168,559	183,780
Common Stock	11,733	11,733	11,733	11,733	11,733
Capital Surplus	51,822	51,822	51,822	51,822	51,822
Retained Earnings	41,887	49,717	57,154	66,207	76,155
Preferred Stock	0	0	0	0	0

Source: KGI Securities Research

Key Ratios

Year to 31 Dec	2022	2023	2024F	2025F	2026F
Growth (% YoY)					
Sales	98.3	21.1	3.5	20.5	1.5
OP	30.9	20.7	(5.3)	36.1	8.1
EBITDA	35.4	21.5	22.4	21.4	5.1
NP	48.9	30.1	25.1	21.7	9.9
Normalized Profit	30.8	35.7	18.8	21.7	9.9
EPS	48.9	30.1	25.1	21.7	9.9
Normalized EPS	30.8	35.7	18.8	21.7	9.9
Profitability (%)					
Gross Margin	20.6	19.3	18.1	21.0	22.4
Operating Margin	18.5	18.4	16.9	19.0	20.3
EBITDA Margin	30.2	30.3	35.9	36.1	37.4
Net Profit Margin	12.1	13.0	15.8	15.9	17.2
ROAA	2.7	3.2	3.8	4.2	4.3
ROAE	8.4	10.3	12.0	13.4	13.5
Stability					
Gross Debt/Equity (%)	2.1	2.2	2.2	2.2	2.1
Net Debt/Equity (%)	1.6	1.7	1.9	1.8	1.5
Interest Coverage (x)	3.1	3.1	3.2	3.5	3.6
Interest & ST Debt Coverage (x)	1.6	2.1	1.8	2.1	2.3
Cash Flow Interest Coverage (x)	1.5	1.9	0.1	0.5	2.0
Cash Flow/Interest & ST Debt (x)	0.8	1.3	0.1	0.3	1.3
Current Ratio (x)	1.4	1.1	1.1	1.9	2.7
Quick Ratio (x)	1.3	1.1	1.1	1.9	2.6
Net Debt (Bt mn)	212,671	247,042	288,850	298,251	284,546
Per Share Data (Bt)					
EPS	1.0	1.3	1.6	1.9	2.1
Normalized EPS	1.0	1.3	1.6	1.9	2.1
CFPS	1.0	1.6	0.1	0.5	2.1
BVPS	11.6	12.3	13.2	14.4	15.7
SPS	8.0	9.7	10.1	12.1	12.3
EBITDA/Share	2.4	2.9	3.6	4.4	4.6
DPS	0.6	0.9	1.0	1.2	1.3
Activity					
Asset Turnover (x)	0.2	0.2	0.2	0.3	0.3
Days Receivables	73.7	67.7	67.7	67.7	67.7
Days Inventory	7.6	11.7	7.3	7.3	7.3
Days Payable	36.6	37.2	35.7	37.0	37.6
Cash Cycle	44.7	42.2	39.4	38.1	37.4

Source: KGI Securities Research

Profit & Loss

Year to 31 Dec (Bt mn)	2022	2023	2024F	2025F	2026F
Revenue	94,151	114,054	118,034	142,204	144,378
Cost of Goods Sold	(74,711)	(92,022)	(96,615)	(112,285)	(112,028)
Gross Profit	19,440	22,033	21,419	29,920	32,350
Operating Expenses	(2,955)	(3,915)	(2,820)	(3,978)	(4,001)
Other Incomes	925	2,896	1,298	1,148	948
Operating Profit	17,411	21,014	19,897	27,089	29,296
Depreciation of fixed assets	(5,063)	(4,181)	(9,738)	(10,138)	(10,136)
Operating EBITDA	28,458	34,583	42,331	51,406	54,053
Non-Operating Income	(680)	(786)	0	0	0
Interest Income	0	0	0	0	0
Other Non-op Income	(680)	(786)	0	0	0
Non-Operating Expenses	(7,652)	(9,817)	(10,151)	(11,884)	(12,164)
Interest Expenses	(7,652)	(9,817)	(10,151)	(11,884)	(12,164)
Other Non-op Expenses	0	0	0	0	0
Equity Income/(Loss)	6,665	10,175	12,696	14,179	14,621
Pre-tax Profit	15,744	20,585	22,442	29,384	31,752
Current Taxation	(1,344)	(658)	(1,099)	(1,539)	(1,609)
Minorities	(2,982)	(5,070)	(2,753)	(5,212)	(5,274)
Extraordinary items	0	0	0	0	0
Net Profit	11,418	14,858	18,591	22,633	24,870
Normalized Profit	11,528	15,644	18,591	22,633	24,870
EPS (Bt)	0.97	1.27	1.58	1.93	2.12
Normalized EPS (Bt)	0.98	1.33	1.58	1.93	2.12

Source: KGI Securities Research

Cash Flow

Year to 31 Dec (Bt mn)	2022	2023	2024F	2025F	2026F
Operating Cash Flow	11,278	18,295	1,292	5,816	24,707
Net Profit	11,418	14,858	18,591	22,633	24,870
Depreciation & Amortization	5,063	4,181	9,738	10,138	10,136
Change in Working Capital	(839)	5,147	(17,093)	(17,988)	(952)
Others	(4,363)	(5,891)	(9,944)	(8,967)	(9,347)
Investment Cash Flow	(25,205)	(34,400)	(34,309)	(6,848)	(1,354)
Net CAPEX	22,356	5,137	(34,190)	(8,500)	(10,625)
Change in LT Investment	(12,014)	(4,196)	(11,671)	0	0
Change in Other Assets	(35,548)	(35,340)	11,551	1,652	9,271
Free Cash Flow	(13,927)	(16,105)	(33,018)	(1,032)	23,353
Financing Cash Flow	33,277	15,628	15,895	25,197	7,883
Change in Share Capital	0	0	0	0	0
Net Change in Debt	19,462	34,154	24,297	33,565	17,531
Change in Other LT Liab.	13,815	(18,526)	(8,402)	(8,368)	(9,649)
Net Cash Flow	19,350	(477)	(17,122)	24,165	31,236

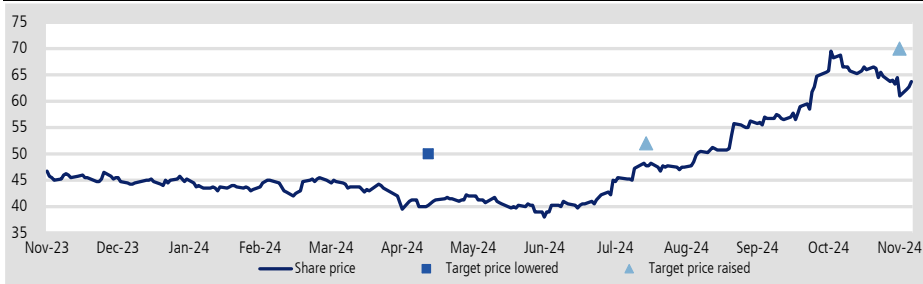
Source: KGI Securities Research

Rates of Return on Invested Capital

Year	1- Revenue	COGS Revenue	+ Depreciation Revenue	+ Operating Exp. Revenue	= Operating Margin
2022	74.0%	5.4%	4.1%	16.5%	
2023	77.0%	3.7%	6.0%	13.3%	
2024F	73.6%	8.2%	3.5%	14.7%	
2025F	71.8%	7.1%	3.6%	17.4%	
2026F	70.6%	7.0%	3.4%	19.0%	
Year	1/ Working Capital Revenue	+ Net PPE Revenue	+ Other Assets Revenue	= Capital Turnover	
2022	0.0	1.1	9.3	0.1	
2023	0.0	0.8	4.9	0.2	
2024F	-0.1	1.0	3.9	0.2	
2025F	0.0	0.8	3.8	0.2	
2026F	0.0	0.8	4.1	0.2	
Year	Operating Margin	x Capital Turnover	x Cash Tax Rate	= After-tax Return on Inv. Capital	
2022	16.5%	0.1	8.5%	0.1%	
2023	13.3%	0.2	3.2%	0.1%	
2024F	14.7%	0.2	4.9%	0.2%	
2025F	17.4%	0.2	5.2%	0.2%	
2026F	19.0%	0.2	5.1%	0.2%	

Source: KGI Securities Research

Gulf Energy Development. – Recommendation & target price history



Date	Rating	Target	Price
15-Nov-24	Outperform	70.00	61.00
31-Jul-24	Outperform	52.00	47.75
30-Apr-24	Outperform	50.00	40.25

Source: KGI Securities Research

Company's ESG details

Environment

- Waste management: Minimizing waste and emissions, including greenhouse gas emissions.
- Operational eco-efficiency: Improving operational efficiency to reduce consumption of energy and resources.
- Targets to increase the proportion of installed power generation capacity from renewable energy to more than 30% of the company's total gross installed power capacity by 2030 by focusing on solar, wind, hydro, and waste.
- The company has shaped its business strategies to include increasing investments in renewable energy and related businesses, supported by a commitment to using highly efficient state-of-the-art technology.
- Resource management: Ensuring efficient use of resources for the long term.
- Target to increase the proportion of installed power generation capacity from renewable energy to more than 30% of the company's total gross installed power capacity by 2030.
- Adhere to No Coal Policy.
- Target net zero carbon by 2050 and reduce gas emission 20% by 2030.

Social

- Human rights: Respecting human rights in every aspect of operations, providing equal treatment for all without discrimination, and creating opportunities for the future.
- Employees: Creating good relationships and promoting the well-being of employees, respecting labor rights, and providing opportunities for learning and career development.
- Provide a safe and healthy work environment that promotes non-discrimination, and gender equality.
- Local community: Investing in community development in all areas where the company operates to support the creation of resilient and sustainable communities.
- Philanthropy: Engaging in projects and activities that improve the quality of life for people in society.
- Local impact: Monitoring impacts to local communities and developing plans for shared usage of resources.
- GULF will strive for excellence in both business operations and sustainability management across all areas. The company aims to remain agile and adaptable in the face of evolving global trends and business volatility, ensuring it maintains a competitive edge.

Governance

- GULF maintains an annual "Excellent" CG scoring From Thai Institute of Directors Association (IOD).

Climate Management (Subset of Environment)

- GULF is firmly committed to achieving its decarbonization targets, aiming to reduce carbon intensity by 25% by 2030 (relative to 2019 levels) and to increase the proportion of renewable energy in its portfolio to at least 40% by 2035

Source: Company data, KGI Securities Research

SET ESG Ratings

Stock	Company name	SET ESG Ratings	Stock	Company name	SET ESG Ratings
ADVANC	ADVANCED INFO SERVICE	AAA	IVL	INDORAMA VENTURES	AA
AMATA	AMATA CORPORATION	AAA	KBANK	KASIKORN BANK	AAA
AOT	AIRPORTS OF THAILAND	A	KKP	KIATNAKIN PHATRA BANK	BBB
AP	AP (THAILAND)	AA	KTB	KRUNG THAI BANK	AAA
BAFS	BANGKOK AVIATION FUEL SERVICES PCL.	AA	KTC	KRUNGTHAI CARD	AAA
BAM	BANGKOK COMMERCIAL ASSET MANAGEMENT	AA	LH	LAND AND HOUSES	A
BANPU	BANPU	AAA	MAJOR	MAJOR CINEPLEX GROUP	AA
BBGI	BBGI	AA	MINT	MINOR INTERNATIONAL	AA
BBL	BANGKOK BANK	AA	MTC	MUANGTHAI CAPITAL	A
BCH	BANGKOK CHAIN HOSPITAL	AA	OR	PTT OIL AND RETAIL BUSINESS	AAA
BCPG	BCPG	AA	ORI	ORIGIN PROPERTY	AA
BDMS	BANGKOK DUSIT MEDICAL SERVICES	AA	OSP	OSOTSPA	AA
BEM	BANGKOK EXPRESSWAY AND METRO	AA	PLANB	PLAN B MEDIA	AA
BGRIM	B.GRIMM POWER	AAA	PSH	PRUKSA HOLDING	BBB
BPP	BANPU POWER	AAA	PTT	PTT	AAA
BTS	BTS GROUP HOLDINGS	AA	PTTEP	PTT EXPLORATION AND PRODUCTION	AAA
CBG	CARABAO GROUP	A	PTTGC	PTT GLOBAL CHEMICAL	AAA
CENTEL	CENTRAL PLAZA HOTEL	A	RATCH	RATCH GROUP	AA
CK	CH. KARNCHANG	A	RBF	R&B FOOD SUPPLY	BBB
CKP	CK POWER	AAA	SAK	SAKSIA M LEASING	A
COM7	COM7	A	SAPPE	SAPPE	BBB
CPALL	CP ALL	AAA	SAWAD	SRI SAWAD CORPORATION	BBB
CPAXT	CP AXTRA	AAA	SCB	SCB X	AA
CPF	CHAROEN POKPHAND FOODS	AAA	SCGP	SCG PACKAGING	AAA
CPN	CENTRAL PATTANA	AA	SHR	S HOTELS AND RESORTS	A
CRC	CENTRAL RETAIL CORPORATION	AAA	SMPC	SAHAMITR PRESSURE CONTAINER	AA
EGCO	ELECTRICITY GENERATING	AA	SPALI	SUPALAI	AA
ERW	THE ERAWAN GROUP	A	STECON	STECON GROUP	A
GFPT	GFPT	BBB	SYNEX	SYNNEX (THAILAND)	A
GLOBAL	SIAM GLOBAL HOUSE	AA	TCAP	THANACHART CAPITAL	A
GPSC	GLOBAL POWER SYNERGY	AA	TFG	THAIFOODS GROUP	A
GULF	GULF ENERGY DEVELOPMENT	AA	TISCO	TISCO FINANCIAL GROUP	AAA
HANA	HANA MICROELECTRONICS	AA	TOP	THAI OIL	AAA
HMPRO	HOME PRODUCT CENTER	AA	TTB	TMBTHANACHART BANK	AA
IRPC	IRPC	AA	WHA	WHA CORPORATION	AAA

Source: www.setsustainability.com

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.

Corporate Governance Report of Thai Listed Companies



Companies with Excellent CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	CPF	CHAROEN POKPHAND FOODS	PLANB	PLAN B MEDIA
ADVANC	ADVANCED INFO SERVICE	CPN	CENTRAL PATTANA	PSH	PRUKSA HOLDING
AEONTS	AEON THANA SINSAP (THAILAND)	CRC	CENTRAL RETAIL CORPORATION	PTT	PTT
AMA	AMA MARINE	DELTA	DELTA ELECTRONICS (THAILAND)	PTTEP	PTT EXPLORATION AND PRODUCTION
AMATA	AMATA CORPORATION	DOHOM	DOHOME	PTTGC	PTT GLOBAL CHEMICAL
AOT	AIRPORTS OF THAILAND	EGCO	ELECTRICITY GENERATING	QH	QUALITY HOUSES
AP	AP (THAILAND)	ERW	THE ERAWAN GROUP	RATCH	RATCH GROUP
BAFS	BANGKOK AVIATION FUEL SERVICES PCL.	GFPT	GFPT	RBF	R&B FOOD SUPPLY
BAM	BANGKOK COMMERCIAL ASSET MANAGEMENT	GLOBAL	SIAM GLOBAL HOUSE	SAK	SAKSAM LEASING
BANPU	BANPU	GPSC	GLOBAL POWER SYNERGY	SAPPE	SAPPE
BBGI	BBGI	GULF	GULF ENERGY DEVELOPMENT	SCB	SCB X
BBL	BANGKOK BANK	HANA	HANA MICROELECTRONICS	SCGP	SCG PACKAGING
BCH	BANGKOK CHAIN HOSPITAL	HMPRO	HOME PRODUCT CENTER	SHR	S HOTELS AND RESORTS
BCP	BANGCHAK CORPORATION	IRPC	IRPC	SMPC	SAHAMITR PRESSURE CONTAINER
BCPG	BCPG	ITC	I-TAIL CORPORATION	SPALI	SUPALAI
BDMS	BANGKOK DUSIT MEDICAL SERVICES	IVL	INDORAMA VENTURES	SPRC	STAR PETROLEUM REFINING
BEC	BEC WORLD	KBANK	KASIKORN BANK	SUN	SUNSWEEP
BEM	BANGKOK EXPRESSWAY AND METRO	KCE	KCE ELECTRONICS	SVI	SVI
BGRIM	B. GRIMM POWER	KKP	KIATNAKIN PHATRA BANK	SYNEX	SYNNEX (THAILAND)
BH	BUMRUNGRAD HOSPITAL	KTB	KRUNG THAI BANK	TCAP	THANACHART CAPITAL
BPP	BANPU POWER	KTC	KRUNGTHAI CARD	TFG	THAIFOODS GROUP
BTS	BTS GROUP HOLDINGS	LH	LAND AND HOUSES	TIDLOR	NGERN TID LOR
CBG	CARABAO GROUP	LPN	L. P. N. DEVELOPMENT	TISCO	TISCO FINANCIAL GROUP
CENTEL	CENTRAL PLAZA HOTEL	MAJOR	MAJOR CINEPLEX GROUP	TKN	TAOKAENOI FOOD & MARKETING
CK	CH. KARNCHANG	MINT	MINOR INTERNATIONAL	TOP	THAI OIL
CKP	CK POWER	MTC	MUANGTHAI CAPITAL	TRUE	TRUE CORPORATION
COM7	COM7	OR	PTT OIL AND RETAIL BUSINESS	TTB	TMBTHANACHART BANK
CPALL	CP ALL	ORI	ORIGIN PROPERTY	WHA	WHA CORPORATION
CPAXT	CP AXTRA	OSP	OSOTSPA		



Companies with Very Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
BSRC	BANGCHAK SRIRACHA	EKH	EKACHAI MEDICAL CARE	JMART	JAYMART GROUP HOLDINGS
BTG	BETAGRO	HUMAN	HUMANICA	TNP	THANAPIRIYA



Companies with Good CG Scoring

Stock	Company name	Stock	Company name	Stock	Company name
JMT	JMT NETWORK SERVICES	SAWAD	SRISAWAD CORPORATION	SPA	SIAM WELLNESS GROUP

Companies classified Not in the three highest score groups

Stock	Company name	Stock	Company name	Stock	Company name
AU	AFTER YOU	PTG	PTG ENERGY	TU	THAI UNION GROUP
CHG	CHULARAT HOSPITAL	SAV	SAMART AVIATION SOLUTIONS		
PLT	PILATUS MARINE	SISB	SISB		

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

Certified

Stock	Company name	Stock	Company name	Stock	Company name
ADVANC	ADVANCED INFO SERVICE	DOHOME	DOHOME	PTG	PTG ENERGY
AMA	AMA MARINE	EGCO	ELECTRICITY GENERATING	PTT	PTT
AMATA	AMATA CORPORATION	ERW	THE ERWAN GROUP	PTTEP	PTT EXPLORATION AND PRODUCTION
AP	AP (THAILAND)	GFPT	GFPT	PTTGC	PTT GLOBAL CHEMICAL
BAFS	BANGKOK AVIATION FUEL SERVICES PCL.	GLOBAL	SIAM GLOBAL HOUSE	QH	QUALITY HOUSES
BAM	BANGKOK COMMERCIAL ASSET MANAGEMENT	GPSC	GLOBAL POWER SYNERGY	RATCH	RATCH GROUP
BANPU	BANPU	GULF	GULF ENERGY DEVELOPMENT	RBF	R&B FOOD SUPPLY
BBGI	BBGI	HANA	HANA MICROELECTRONICS	SAK	SAKSIAI LEASING
BBL	BANGKOK BANK	HMPRO	HOME PRODUCT CENTER	SAPPE	SAPPE
BCH	BANGKOK CHAIN HOSPITAL	IRPC	IRPC	SCB	SCB X
BCP	BANGCHAK CORPORATION	IVL	INDORAMA VENTURES	SCGP	SCG PACKAGING
BCPG	BCPG	KBANK	KASIKORNBANK	SMPC	SAHAMITR PRESSURE CONTAINER
BEC	BEC WORLD	KCE	KCE ELECTRONICS	SPALI	SUPALAI
BGRIM	B.GRIMM POWER	KKP	KIATNAKIN PHATRA BANK	SPRC	STAR PETROLEUM REFINING
BPP	BANPU POWER	KTB	KRUNG THAI BANK	SVI	SVI
BTG	BETAGRO	KTC	KRUNGTHAI CARD	TCAP	THANACHART CAPITAL
BTS	BTS GROUP HOLDINGS	LH	LAND AND HOUSES	TFG	THAIFOODS GROUP
CBG	CARABAO GROUP	LPN	L.P.N. DEVELOPMENT	TIDLOR	NGERN TID LOR
CENDEL	CENTRAL PLAZA HOTEL	MAJOR	MAJOR CINEPLEX GROUP	TISCO	TISCO FINANCIAL GROUP
COM7	COM7	MINT	MINOR INTERNATIONAL	TKN	TAOKAENOI FOOD & MARKETING
CPALL	CP ALL	MTC	MUANGTHAI CAPITAL	TNP	THANAPIRIYA
CPAXT	CP AXTRA	OR	PTT OIL AND RETAIL BUSINESS	TOP	THAI OIL
CPF	CHAROEN POKPHAND FOODS	ORI	ORIGIN PROPERTY	TRUE	TRUE CORPORATION
CPN	CENTRAL PATTANA	OSP	OSOTSPA	TTB	TMBTHANACHART BANK
CRC	CENTRAL RETAIL CORPORATION	PLANB	PLAN B MEDIA	TU	THAI UNION GROUP
DELTA	DELTA ELECTRONICS (THAILAND)	PSH	PRUKSA HOLDING	WHA	WHA CORPORATION

Declared

Stock	Company name	Stock	Company name	Stock	Company name
CHG	CHULARAT HOSPITAL	ITC	I-TAIL CORPORATION	SAWAD	SRIAWAD CORPORATION
HUMAN	HUMANICA	JMART	JAYMART GROUP HOLDINGS	SHR	S HOTELS AND RESORTS

Non-participation

Stock	Company name	Stock	Company name	Stock	Company name
AAV	ASIA AVIATION	BSRC	BANGCHAK SRIRACHA	SISB	SISB
AEONTS	AEON THANA SINSAP (THAILAND)	CK	CH. KARNCHANG	SPA	SIAM WELLNESS GROUP
AOT	AIRPORTS OF THAILAND	CKP	CK POWER	STECON	STECON GROUP
AU	AFTER YOU	EKH	EKAACHAI MEDICAL CARE	SUN	SUNSWEET
BDMS	BANGKOK DUSIT MEDICAL SERVICES	JMT	JMT NETWORK SERVICES	SYNEX	SYNNEX (THAILAND)
BEM	BANGKOK EXPRESSWAY AND METRO	PLT	PILATUS MARINE		
BH	BUMRUNGRAD HOSPITAL	SAV	SAMART AVIATION SOLUTIONS		

Source: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.

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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.

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