

## Rebased Earnings, Renewed Direction

- 4Q25 NP eased on RG expiry and FX drag, while 2025 profit stayed resilient, supported by HKP consolidation.
- Portfolio rebalancing and strong leverage position.
- Maintain BUY and lifted our SoTP TP to THB42

### 4Q25 Soft Patch on PPA Expiry and FX Drag

RATCH reported a softer 4Q25 performance, with net profit of THB775m (-64% q-q, +21% y-y). Excluding FX loss and a THB609m impairment on remaining fuel oil inventory following the expiration of the RG PPA on 30 October 2025, 4Q25 core net profit was THB974m (-52% q-q, +32% y-y). Key points are: 1) lower AP from the RG power plants after PPA expiry; 2) HKP's status change from joint venture to subsidiary effective 1 Oct-25; 3) weaker NP from RAC due lower ASP and FX loss from THB appreciation against AUD; 4) lower contribution from HPC following a 70-day planned maintenance shutdown of Unit 2; and 5) softer hydro performance due to seasonality.

### RG Expiry Drives Dip, HKP Lifts Base

In 2025, RATCH delivered net profit of THB6.2b (+2% y-y) despite weaker revenue, which declined 14.9% y-y to THB35.9b. The top-line contraction was mainly driven by lower output and pricing at key assets: RG (-62.4%), RAC (-21.9%), RPE (-13.5%) and PER (-5.6%), together with the full expiry of the RG PPA in Oct-25, reflecting structural portfolio changes rather than operational issues. In addition, the COD of the 700MW HKP Unit 2 on 1 Jan-25 strengthened the generation base and partially offset the earnings impact from the RG contract expiry.

### Coal Down, Transition On Track

On 24 Feb 2026, RATCH announced a partial reduction of its shareholding in PT Paiton Energy, for USD85.13m. We view the transaction as value-neutral, with no material earnings impact. Post-transaction, its indirect holdings declined to 31.26% in PT Paiton Energy and Minejasa Capital, and 40.497% in IPM Asia. The move aligns with RATCH's strategy to reduce coal exposure and rebalance toward cleaner energy while retaining stable cash-flow assets.

### Financial Flexibility Meets Energy Transition

We see RATCH gradually shifting its generation mix toward renewables from the current 30:70 renewable-to-conventional split. With net D/E at 0.83x (vs 1.3x covenant), the balance sheet offers strong headroom for growth. We estimate 1–2GW of new capacity by 2027, supporting a cleaner and more diversified earnings base.

### Maintain BUY and lifted our SoTP TP to THB42

We maintain BUY and lifted our SoTP TP from THB37 to THB42 to reflect our EPS revisions on lower gas costs and the lower net profit contribution from RATCH's 5% stakes divestment in Paiton power plant. We think RATCH is one of the winners to benefit from the interest rate downtrend, solid secured growth projects, and the asset monetization to fund the more attractive growth opportunities.

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ESG Rating : AAA

CG Rating : ▲▲▲▲▲

## BUY

<b>Target Price 12M (THB)</b>	<b>42.00</b>
VS. BB Consensus TP (%)	+32.4%
Share Price (THB)	30.75
Upside/Downside	+36.6%

#### Share Data

Market Cap (THB m)	66,881.25
Par (THB)	10.00
Free Float (%)	45.79
Issued shares (m shares)	2,175

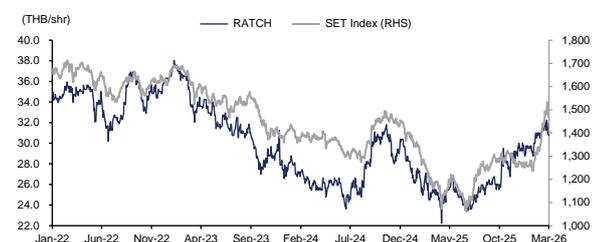
#### Financial forecast

YE Dec (THB m)	2025	2026E	2027E	2028E
Revenue	27,416	23,552	22,908	16,687
Net profit	6,220	8,168	8,507	7,944
Core net profit	6,324	8,168	8,507	7,944
vs Consensus (%)		18.4	17.6	14.8
Net profit growth (%)	1.5	31.3	4.2	(6.6)
Core net profit growth (%)	6.5	29.2	4.2	(6.6)
EPS (THB)	2.86	3.76	3.91	3.65
Core EPS (THB)	2.91	3.76	3.91	3.65
Chg from previous (%)		0.67	(4.75)	na
DPS (THB)	1.60	1.50	1.56	1.46
P/E (x)	10.31	8.19	7.86	8.42
P/BV (x)	0.69	0.68	0.65	0.62
ROE (%)	5.42	4.89	5.09	4.75
Dividend yield (%)	6.63	8.52	8.44	7.51

Source: Financial Statement and Globlex securities

#### Share Price Performance (%)

	1M	3M	6M	YTD
Stock	-	4.24	18.27	4.24
Market	(9.89)	(9.19)	0.71	(10.46)
12M High/Low (THB)				32.50 / 22.50



#### Major Shareholders (%) as of 3 Sep 2025

Electricity Generating Authority of Thailand	45.00
Electricity Generating Authority Of Thailand Saving And	6.34
Credit Cooperative Ltd.	
Social Security Office	4.68

#### Company Profile

The Company is operated as a holding company, RATCH seeks to equity invest in core companies, subsidiaries, and/ or joint ventures, subject to its shareholding proportion. Its investment is mainly focused on fossil fuel power generation projects, renewable projects as well as businesses adjacent to electricity generation and energy both in Thailand and internationally. Its main incomes are in forms of dividend and profit sharing from invested companies.

Source: SETSMART, SET

## Exhibit 1: Summary of 4Q25/2025 operations

	4Q24	3Q25	----- 4Q25 -----		2024	2025	chg.	
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)		(THB m)
<b>Revenue</b>	<b>6,683</b>	<b>5,418</b>	<b>10,233</b>	<b>88.9</b>	<b>53.1</b>	<b>33,458</b>	<b>27,416</b>	<b>(18.1)</b>
Operating costs	(5,711)	(3,663)	(9,112)	(148.8)	(59.6)	(26,715)	(21,217)	20.6
<b>EBITDA</b>	<b>973</b>	<b>1,755</b>	<b>1,121</b>	<b>(36.2)</b>	<b>15.2</b>	<b>6,743</b>	<b>6,198</b>	<b>(8.1)</b>
EBITDA margin (%)	14.6	32.4	11.0	na	na	20.2	22.6	na
Depn & amort.	(938)	(955)	(900)	5.7	4.0	(4,028)	(3,708)	8.0
EBIT	35	800	220	(72.5)	536.7	2,715	2,491	(8.3)
Interest expense	(1,123)	(1,092)	(1,202)	(10.1)	(7.1)	(4,447)	(4,332)	2.6
Interest & invt inc	236.3	214.4	232.4	8.4	(1.6)	1,193.5	888.9	(25.5)
Other income	165.9	155.4	414.9	167.1	150.1	872.4	1,096.3	25.7
Associates' contrib	1,486.2	2,220.5	1,014.5	(54.3)	(31.7)	6,798.0	6,896.8	1.5
Exceptionals	(95)	140	410	192.1	531.0	191	(104)	(154.2)
<b>Pretax profit</b>	<b>705</b>	<b>2,439</b>	<b>1,090</b>	<b>(55.3)</b>	<b>54.7</b>	<b>7,037</b>	<b>7,547</b>	<b>7.2</b>
Tax	(149)	(170)	129	175.8	186.6	(907)	(575)	36.6
Tax rate (%)	21.1	7.0	(11.8)	na	na	12.9	7.6	na
Minority interests	86.6	(101.1)	(443.9)	(339.0)	(612.5)	(194.6)	(647.4)	(232.6)
<b>Net profit</b>	<b>643</b>	<b>2,168</b>	<b>775</b>	<b>(64.3)</b>	<b>20.5</b>	<b>6,127</b>	<b>6,220</b>	<b>1.5</b>
Non-recurring	(94)	140	(199)	(241.8)	(111.7)	191	(104)	(154.2)
<b>Core net profit</b>	<b>737</b>	<b>2,028</b>	<b>974</b>	<b>(52.0)</b>	<b>32.2</b>	<b>5,936</b>	<b>6,324</b>	<b>6.5</b>
EPS (THB)	0.30	1.00	0.36	(64.3)	20.5	2.82	2.86	1.5
Core EPS (THB)	0.34	0.93	0.45	(52.0)	32.2	2.73	2.91	6.5

Sources: RATCH, Globlex Research

## Exhibit 2: 4Q25/2025 key performance

	4Q24	3Q25	4Q25	----- Change -----		2024	2025	Chg.
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	
<b>Revenue</b>	<b>9,868</b>	<b>7,894</b>	<b>11,990</b>	<b>51.9</b>	<b>21.5</b>	<b>42,211</b>	<b>35,916</b>	<b>(14.9)</b>
<b>Revenue from operation</b>	<b>7,493</b>	<b>4,910</b>	<b>8,986</b>	<b>83.0</b>	<b>19.9</b>	<b>30,972</b>	<b>24,528</b>	<b>(20.8)</b>
RG	3,747.0	1,365.0	934.0	(31.6)	(75.1)	15,274.0	5,744.0	(62.4)
HKP	na	na	na	na	na	na	5,149.0	na
RAC	1,466.0	1,402.0	1,096.0	(21.8)	(25.2)	6,751.0	5,270.0	(21.9)
RCO	666.0	687.0	649.0	(5.5)	(2.6)	2,841.0	2,733.0	(3.8)
SCG	1,100.0	750.0	715.0	(4.7)	(35.0)	3,588.0	3,103.0	(13.5)
RER	483.0	525.0	409.0	(22.1)	(15.3)	2,168.0	2,040.0	(5.9)
Others	31.0	181.0	34.0	(81.2)	9.7	350.0	489.0	39.7
<b>Revenue from leases contracts</b>	<b>592.0</b>	<b>431.0</b>	<b>1,180.0</b>	<b>173.8</b>	<b>99.3</b>	<b>2,168.0</b>	<b>2,552.0</b>	<b>17.7</b>
<b>Share of profit of associates and joint ventures</b>	<b>583</b>	<b>2,220</b>	<b>1,014</b>	<b>(54.3)</b>	<b>73.9</b>	<b>6,798</b>	<b>6,896</b>	<b>1.4</b>
IPPs	428.0	1,653.0	497.0	(69.9)	16.1	5,666.0	5,494.0	(3.0)
SPPs	83.0	68.0	60.0	(11.8)	(27.7)	394.0	275.0	(30.2)
Hydro power plant and renewables	65.0	287.0	182.0	(36.6)	180.0	544.0	608.0	11.8
Infrastructure and Others	7.0	212.0	275.0	29.7	3,828.6	194.0	519.0	167.5
<b>Other revenue</b>	<b>1,200.0</b>	<b>333.0</b>	<b>810.0</b>	<b>143.2</b>	<b>(32.5)</b>	<b>2,273.0</b>	<b>1,940.0</b>	<b>(14.7)</b>

Sources: RATCH, Globlex Research

### Exhibit 3: Key changes in EPS forecasts and assumptions

THB m	----- Current -----			----- previous -----			----- Change -----		
	2026E	2027E	2028E	2026E	2027E	2028E	2026E	2027E	2028E
Revenue	23,552	22,908	16,687	28,361	27,592	27,592	(17.0)	(17.0)	(39.5)
Gross profit	9,249	8,697	7,557	11,025	10,280	10,280	(16.1)	(15.4)	(26.5)
Operating profit	7,365	6,864	6,222	8,756	8,073	8,073	(15.9)	(15.0)	(22.9)
Net profit	8,168	8,507	7,944	8,113	8,931	8,931	0.7	(4.7)	(11.1)
EPS	3.76	3.91	3.65	3.73	4.11	5.11	0.7	(4.7)	(28.5)
<b>Key assumptions</b>									
Dispatched power (gwh)	20,202	20,202	20,202	20,202	20,202	20,202	0.0	0.0	0.0
Gas price (THB/mmBTU)	308	299	290	361	376	376	(14.8)	(20.5)	(22.9)

Sources: RATCH; Globlex Research

### Exhibit 4: SoTP TP

Cost of equity assumptions (%)		Cost of debt assumptions (%)		
Risk free rate	2.3	Pretax cost of debt	5.8	
Market risk premium	8.5	Marginal tax rate	20.0	
Stock beta	1.0			
Cost of equity, Ke	10.8	Net cost of debt, Kd	4.6	
Weight applied	25.6	Weight applied	74.4	
WACC (%)	6.2			
DCF valuation estimate		THB m	THB/share	Comments
Core operating assets	86,917	40.0		Include RG, RAC, KKW, WACC 6.2%, Risk free rate 2.3%
Investments	27,056	12.4		Estimated value for affiliates post 2018E at 1.1x P/BV
Hongsa	11,947	5.5		WACC 6.2%, Risk free rate 2.3%, Risk premium 8.5%
Cash	10,637	4.9		At end-2026E
Debt	-100,972	(46.4)		At end-2026E
Minorities	-119	(0.1)		At end-2026E
Residual ordinary equity	35,465	16.3		
Hin Kong (1.4GW)	6,405	2.9		Assume EIRR at 11%
New 214 wind farms in Australia (214MW)	5,575	2.6		
NNEG& NNE	15,360	7.1		
BAFS (15.5%)	2,969	1.4		Assume fair price at THB10 for 98.98m shares
Paiton (45%)	15,770	7.3		
Nexif	9,855	4.5		Assume EIRR at 12.9%, COD 2022-28E
<b>Target price</b>	<b>91,399</b>	<b>42.0</b>		

Sources: RATCH; Globlex Research

Balance sheet (THB m)					
Year ending Dec	2024	2025	2026E	2027E	2028E
<b>Current assets</b>					
Cash & ST investment	8,930	14,253	10,637	9,318	9,896
Account receivable	4,237	7,138	7,373	7,602	6,935
Inventories	2,446	2,653	2,103	2,090	1,343
Others	10,432	12,293	10,561	10,272	7,483
<b>Non-current assets</b>					
Net fixed assets	46,585	46,472	45,773	45,410	45,047
Others	141,708	155,194	155,194	155,194	155,194
<b>Total Assets</b>	<b>214,337</b>	<b>238,004</b>	<b>231,642</b>	<b>229,886</b>	<b>225,897</b>
<b>Current liabilities</b>					
Account payable	3,956	5,632	4,465	4,437	2,851
ST borrowing	17,735	23,321	23,321	23,321	23,321
Others	1,350	776	667	649	473
<b>Long-term liabilities</b>					
Long-term debts	50,734	87,650	77,650	70,650	63,650
Others	34,188	12,978	12,978	12,978	12,978
<b>Total liabilities</b>	<b>107,963</b>	<b>130,357</b>	<b>119,082</b>	<b>112,035</b>	<b>103,272</b>
Paid-up capital	21,750	21,750	21,750	21,750	21,750
Retained earnings	65,794	68,534	73,329	78,501	83,155
Others	9,838	3,167	3,167	3,167	3,167
Minority interest	8,992	14,195	14,314	14,434	14,553
<b>Shareholders' equity</b>	<b>106,374</b>	<b>107,646</b>	<b>112,560</b>	<b>117,851</b>	<b>122,624</b>

Key ratios					
Year ending Dec	2024	2025	2026E	2027E	2028E
<b>Growth (%YoY)</b>					
Sales	(23.9)	(18.1)	(14.1)	(2.7)	(27.2)
Operating profit	(4.3)	(12.1)	20.8	(6.8)	(9.4)
EBITDA	(5.2)	(8.1)	18.8	(6.8)	(9.4)
Net profit	18.6	1.5	31.3	4.2	(6.6)
Core net profit	17.9	6.5	29.2	4.2	(6.6)
EPS	18.6	1.5	31.3	4.2	(6.6)
Core EPS	17.9	6.5	29.2	4.2	(6.6)
<b>Profitability (%)</b>					
Gross margin	30.4	34.2	39.3	38.0	45.3
Operation margin	20.7	22.2	31.3	30.0	37.3
EBITDA margin	20.2	22.6	31.3	30.0	37.3
Net margin	18.3	22.7	34.7	37.1	47.6
ROE	6.1	6.6	8.5	8.4	7.5
ROA	4.1	4.1	4.8	5.1	4.9
<b>Stability</b>					
Interest bearing debt/equity (x)	0.6	1.0	0.9	0.8	0.7
Net debt/equity (x)	0.6	0.9	0.8	0.7	0.6
Interest coverage (x)	0.6	0.6	0.9	1.2	1.2
Interest & ST debt coverage (x)	0.1	0.1	0.2	0.2	0.2
Cash flow interest coverage (x)	0.1	0.1	0.2	0.1	0.2
Current ratio (x)	1.1	1.2	1.1	1.0	1.0
Quick ratio (x)	0.6	0.7	0.6	0.6	0.6
Net debt (THB m)	59,540	96,718	90,335	84,654	77,076
<b>Activity</b>					
Asset turnover (X)	0.2	0.1	0.1	0.1	0.1
Days receivables	52.2	75.7	112.4	119.3	159.0
Days inventory	38.9	51.6	60.7	53.8	68.6
Days payable	81.2	97.0	128.8	114.3	145.7
Cash cycle days	9.9	30.3	44.3	58.8	81.9

Profit & loss (THB m)					
Year ending Dec	2024	2025	2026E	2027E	2028E
<b>Revenue</b>					
Revenue	33,458	27,416	23,552	22,908	16,687
Cost of goods sold	(23,270)	(18,039)	(14,303)	(14,211)	(9,131)
<b>Gross profit</b>	<b>10,188</b>	<b>9,377</b>	<b>9,249</b>	<b>8,697</b>	<b>7,557</b>
Operating expenses	(3,253)	(3,282)	(1,884)	(1,833)	(1,335)
<b>Operating profit</b>	<b>6,934</b>	<b>6,095</b>	<b>7,365</b>	<b>6,864</b>	<b>6,222</b>
<b>EBIT</b>	<b>2,715</b>	<b>2,491</b>	<b>4,553</b>	<b>5,501</b>	<b>5,358</b>
Depreciation	(4,028)	(3,708)	(2,812)	(1,363)	(863)
<b>EBITDA</b>	<b>6,743</b>	<b>6,198</b>	<b>7,365</b>	<b>6,864</b>	<b>6,222</b>
<b>Non-operating income</b>					
Other incomes	872	1,096	1,321	1,452	800
Other non-op income	1,193	889	1,425	638	559
<b>Non-operating expense</b>	<b>(4,542)</b>	<b>(3,826)</b>	<b>(5,116)</b>	<b>(4,706)</b>	<b>(4,368)</b>
Interest expense	(4,447)	(4,332)	(5,116)	(4,706)	(4,368)
Other non-op expense	(95)	506	0	0	0
<b>Equity income/(loss)</b>	<b>6,798</b>	<b>6,897</b>	<b>6,455</b>	<b>6,204</b>	<b>6,090</b>
<b>Pre-tax Profit</b>	<b>7,037</b>	<b>7,547</b>	<b>8,638</b>	<b>9,090</b>	<b>8,439</b>
Extraordinary items	191	(104)	0	0	0
Current taxation	(907)	(575)	(351)	(464)	(376)
Minorities	(195)	(647)	(119)	(119)	(119)
<b>Net Profit</b>	<b>6,127</b>	<b>6,220</b>	<b>8,168</b>	<b>8,507</b>	<b>7,944</b>
<b>Core net profit</b>	<b>5,936</b>	<b>6,324</b>	<b>8,168</b>	<b>8,507</b>	<b>7,944</b>
<b>EPS (THB)</b>	<b>2.82</b>	<b>2.86</b>	<b>3.76</b>	<b>3.91</b>	<b>3.65</b>
<b>Core EPS (THB)</b>	<b>2.73</b>	<b>2.91</b>	<b>3.76</b>	<b>3.91</b>	<b>3.65</b>

Cash flow (THB m)					
Year ending Dec	2024	2025	2026E	2027E	2028E
<b>Operating cash flow</b>					
Net profit	6,127	6,220	8,168	8,507	7,944
Depre. & amortization	4,028	3,708	2,812	1,363	863
Change in working capital	(806)	(3,867)	771	26	2,442
Others	6,798	6,897	6,455	6,204	6,090
<b>Investment cash flow</b>	<b>7,101</b>	<b>(31,624)</b>	<b>4,342</b>	<b>5,204</b>	<b>5,590</b>
Net CAPEX	879	(3,595)	(2,112)	(1,000)	(500)
Change in LT investment	29,407	(38,285)	6,455	6,204	6,090
Change in other assets	(23,184)	10,256	0	0	0
<b>Free cash flow</b>	<b>23,248</b>	<b>(18,666)</b>	<b>22,547</b>	<b>21,306</b>	<b>22,929</b>
<b>Financing cash flow</b>					
Change in share capital	0	0	0	0	0
Net change in debt	(17,629)	42,502	(10,000)	(7,000)	(7,000)
Dividend paid	(3,251)	(3,251)	(3,374)	(3,335)	(3,290)
Others	(17,002)	(15,262)	(12,790)	(12,290)	(12,060)
<b>Net cash flow</b>	<b>(14,634)</b>	<b>5,324</b>	<b>(3,617)</b>	<b>(1,319)</b>	<b>578</b>
<b>Per share (THB)</b>					
EPS	2.82	2.86	3.76	3.91	3.65
Core EPS	2.73	2.91	3.76	3.91	3.65
CFPS	4.67	4.91	5.10	4.59	4.10
BVPS	44.77	42.97	45.17	47.55	49.69
Sales/share	15.38	12.60	10.83	10.53	7.67
EBITDA/share	3.10	2.85	3.39	3.16	2.86
DPS	1.60	1.60	1.50	1.56	1.46
<b>Valuation</b>					
P/E (x)	10.65	10.31	8.19	7.86	8.42
P/BV (x)	0.67	0.69	0.68	0.65	0.62
Dividend yield (%)	5.33	5.42	4.89	5.09	4.75
Dividend payout ratio (%)	56.80	55.94	40.00	40.00	40.00

## GENERAL DISCLAIMER

### Analyst Certification

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## RECOMMENDATION STRUCTURE

### Stock Recommendations

Stock ratings are based on absolute upside or downside, which we define as  $(\text{target price}^* - \text{current price}) / \text{current price}$ .

- BUY:** Expected return of 10% or more over the next 12 months.  
**HOLD:** Expected return between -10% and 10% over the next 12 months.  
**REDUCE:** Expected return of -10% or worse over the next 12 months.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

\* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

### Sector Recommendations

- Overweight:** The industry is expected to outperform the relevant primary market index over the next 12 months.  
**Neutral:** The industry is expected to perform in line with the relevant primary market index over the next 12 months.  
**Underweight:** The industry is expected to underperform the relevant primary market index over the next 12 months.

### Country (Strategy) Recommendations

**Overweight:** Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

**Neutral:** Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

**Underweight:** Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.