GLOBAL POWER SYNERGY (GPSC TB)

Globlex Securities Co., Ltd.

THAILAND / SET / ENERGY & UTILITIES

8 June 2026

Weathering the Gas Cost Storm

- We expect softer 2Q26 earnings due to higher gas costs, partly offset by GHECO-One's recovery and a higher Ft rate.
- While higher gas costs may pressure SPP margins, XPCL, CFXD, and the Taiwan solar asset sale should support 2H26 growth.
- Maintain BUY and our SoTP of THB56

Managing Through Higher Gas Costs

We expect GPSC to deliver soften earnings in 2Q26, with the impact from higher gas costs remaining manageable. The pressure should be partly offset by 1) the return of AP income from GHECO-One following its planned maintenance shutdown in 1Q26, 2) stronger contributions from Avaada during its seasonal peak period, and 3) a higher Ft rate, which increased to THB0.1623/kWh in 2Q26 from THB0.0972/kWh in 1Q26. We also expect improving IPP performance to support earnings, while additional catalysts from XPCL, CFXD, and the potential Taiwan solar asset divestment could strengthen momentum in 2H26.

Building Resilience Against Gas Volatility

Despite the higher Ft rate of THB0.1623/kWh in 2Q26 (vs. THB0.0972/kWh in 1Q26), we expect GPSC's SPP margin to remain under pressure given its 58% gas-linked versus 42% Ft-linked sales mix. The pressure is mainly driven by higher pool gas prices, supported by rising spot LNG imports, a rebound in JKM prices to USD17–18/mmbtu from USD12–13/mmbtu, and the Apr-26 Gulf gas price revision. However, the government's AF gas price cap at THB347.47/mmbtu should help limit the increase in fuel costs. Over the longer term, management's target to shift toward a 70:30 by 2030 should improve margin stability and reduce earnings volatility.

GHECO-One Back in Action

We expect SPP electricity sales volume to remain broadly flat q-q. Higher demand from industrial users (IU) should largely offset lower sales to EGAT. In contrast, IPP earnings should improve meaningfully following the resumption of normal operations at GHECO-One, allowing the plant to recover the THB90m AP income lost during the maintenance outage in 1Q26.

Offsetting the Fuel Burden

Looking ahead, we expect gas prices to remain elevated and potentially peak in 2Q26–3Q26, depending on the evolution of geopolitical tensions. However, we believe the fuel cost headwind should be increasingly offset by a seasonal high of XPCL in 3Q26, stronger contribution from CFXD during its peak season in 4Q26, and a potential THB0.2–0.3bn gain from the divestment of GPSC's 56MW solar farm in Taiwan, which could be recognised in 3Q26–4Q26.

Maintain BUY at our SoTP of THB56

We maintain BUY with an SoTP-based TP of THB56, supported by improving contributions from GHECO-One, XPCL, Avaada, and CFXD, which should help offset gas cost pressure.

ESG Rating : AAA

CG Rating :

BUY

Target Price 12M (THB)	**56.00**
VS. BB Consensus TP (%)	+26.2%
Share Price (THB)	41.50
Upside/Downside	+34.9%

Share Data

Market Cap (THB m)	117,018.77
Par (THB)	10.00
Free Float (%)	24.76
Issued shares (m shares)	2,820

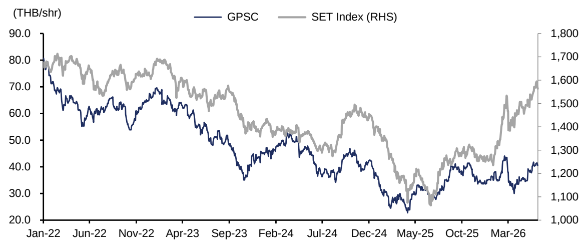
Financial forecast

YE Dec (THB m)	2025	2026E	2027E	2028E
Revenue	84,916	89,519	81,932	81,625
Net profit	6,399	7,696	7,881	8,911
Core net profit	8,048	7,696	7,881	8,911
vs Consensus (%)		35.4	24.0	31.5
Net profit growth (%)	57.5	20.3	2.4	13.1
Core net profit growth (%)	31.5	(4.4)	2.4	13.1
EPS (THB)	2.27	2.73	2.80	3.16
Core EPS (THB)	2.85	2.73	2.80	3.16
Chg from previous (%)		0.00	0.00	0.00
DPS (THB)	1.45	0.82	0.84	0.95
P/E (x)	15.86	15.21	14.85	13.13
P/BV (x)	0.97	1.08	1.03	0.97
ROE (%)	7.59	7.24	7.10	7.62
Dividend yield (%)	4.03	1.97	2.02	2.28

Source: Financial Statement and Globlex securities

Share Price Performance (%)

	1M	3M	6M	YTD
Stock	18.57	21.17	19.42	15.28
Market	11.64	8.51	(3.88)	(8.24)
12M High/Low (THB)				45.00 / 26.50



Major Shareholders (%) as of 26 Feb 2026

PTT Public Company Limited	47.27
PTT Global Chemical Public Company Limited	10.00
Thai Oil Public Company Limited	10.00

Company Profile

Company operates as a power, steam, and utilities producer anddistributor. In addition, the company invests in other companies thatgenerate and distribute power, steam, utilities, and New S-Curve business:batteries and smart energy, including related businesses, both domesticand overseas.

Source: SETSMART, SET

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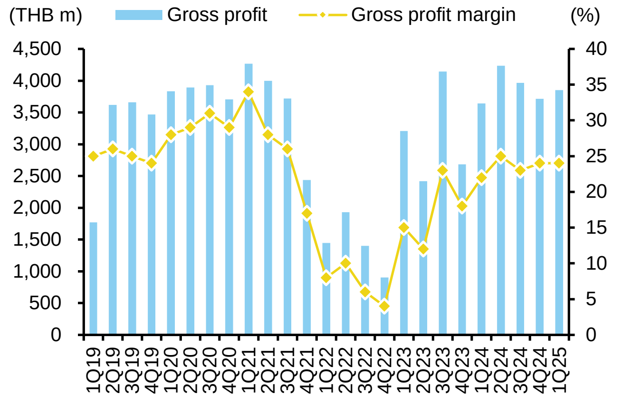
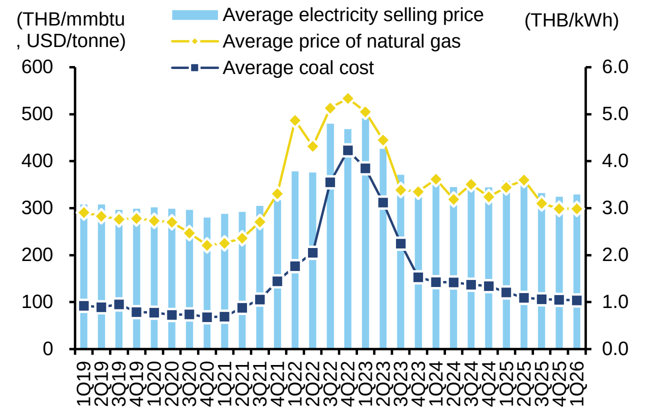
Exhibit 1: SPP's gross profit vs SPP's gross profit margin



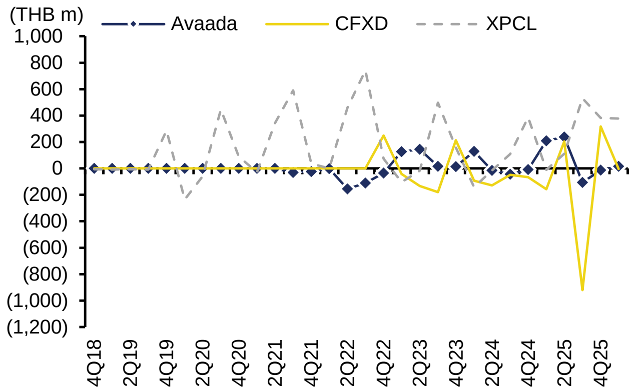
Sources: GPSC; Globlex Research

Exhibit 2: SPP's average electricity selling price vs average price of natural gas and average coal cost



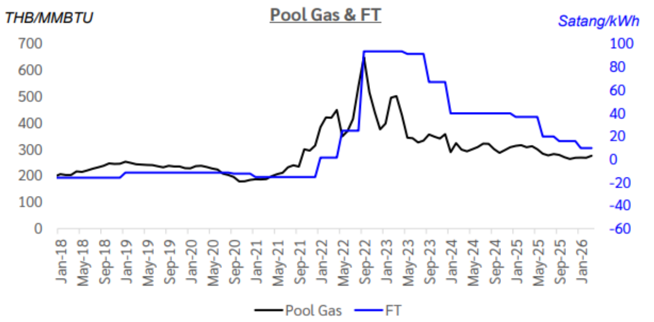
Sources: GPSC; Globlex Research

Exhibit 3: Share of profit/(loss) from Avaada, CFXD and XPCL



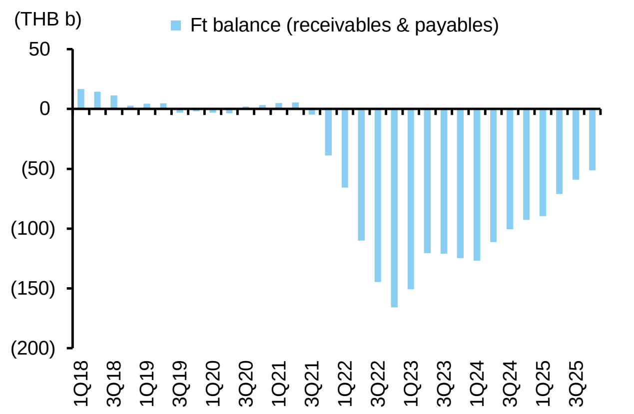
Sources: GPSC; Globlex Research

Exhibit 4: Pool gas vs Ft price



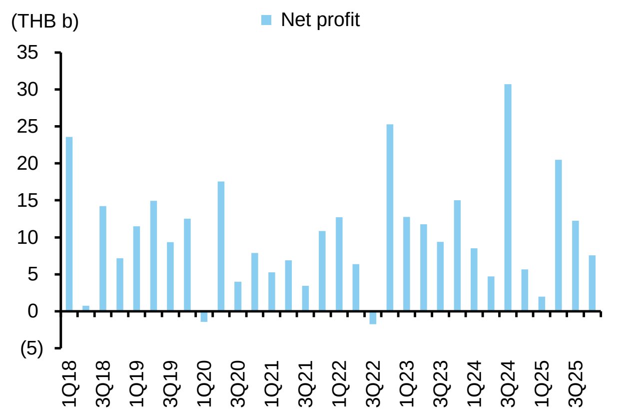
Sources: GPSC; Globlex Research

Exhibit 5: EGAT's Ft balance



Sources: EGAT; Globlex Research

Exhibit 6: EGAT's quarterly net profit



Sources: EGAT; Globlex Research

Balance sheet (THB m)					
Year ending Dec	**2024**	**2025**	**2026E**	**2027E**	**2028E**
Current assets					
Cash & ST investment	25,492	21,305	20,820	31,869	43,770
Account receivable	11,754	10,468	9,112	7,871	6,635
Inventories	7,733	6,348	6,674	5,960	5,954
Others	4,800	4,705	4,960	4,539	4,522
Non-current assets					
Net fixed assets	92,473	86,936	84,343	81,751	79,158
Others	145,884	134,498	134,498	134,498	134,498
Total Assets	**288,136**	**264,259**	**260,407**	**266,488**	**274,538**
Current liabilities					
Account payable	5,740	5,256	5,526	4,935	4,930
ST borrowing	12,104	14,827	5,000	5,000	5,000
Others	5,282	4,729	4,985	4,562	4,545
Long-term liabilities					
Long-term debts	117,888	97,031	97,031	97,031	97,031
Others	27,981	25,979	25,979	25,979	25,979
Total liabilities	**168,994**	**147,823**	**138,522**	**137,508**	**137,486**
Paid-up capital	28,197	28,197	28,197	28,197	28,197
Retained earnings	26,560	29,438	33,300	38,845	45,237
Others	52,801	46,771	46,771	46,771	46,771
Minority interest	11,584	12,029	13,616	15,166	16,845
Shareholders' equity	**119,142**	**116,436**	**121,885**	**128,980**	**137,051**

Profit & loss (THB m)					
Year ending Dec	**2024**	**2025**	**2026E**	**2027E**	**2028E**
Revenue	**90,730**	**84,916**	**89,519**	**81,932**	**81,625**
Cost of goods sold	(69,550)	(63,768)	(67,045)	(59,865)	(59,809)
Gross profit	**21,179**	**21,148**	**22,474**	**22,067**	**21,816**
Operating expenses	(2,571)	(2,691)	(2,338)	(2,091)	(2,080)
Operating profit	**18,609**	**18,457**	**20,136**	**19,976**	**19,736**
EBIT	**10,911**	**10,719**	**11,243**	**11,083**	**12,543**
Depreciation	(9,756)	(9,387)	(8,892)	(8,892)	(7,192)
EBITDA	**20,667**	**20,106**	**20,136**	**19,976**	**19,736**
Non-operating income	**4,308**	**3,283**	**2,200**	**2,200**	**2,200**
Other incomes	4,308	3,283	2,200	2,200	2,200
Other non-op income	0	0	0	0	0
Non-operating expense	**(8,382)**	**(5,881)**	**(5,346)**	**(5,100)**	**(5,100)**
Interest expense	(5,885)	(5,120)	(5,346)	(5,100)	(5,100)
Other non-op expense	(2,497)	(761)	0	0	0
Equity income/(loss)	293	1,389	2,108	2,182	2,071
Pre-tax Profit	**7,129**	**9,510**	**10,206**	**10,365**	**11,714**
Extraordinary items	(2,059)	(1,649)	0	0	0
Current taxation	(300)	(603)	(923)	(933)	(1,124)
Minorities	(708)	(859)	(1,587)	(1,550)	(1,679)
Net Profit	**4,062**	**6,399**	**7,696**	**7,881**	**8,911**
Core net profit	**6,121**	**8,048**	**7,696**	**7,881**	**8,911**
EPS (THB)	**1.44**	**2.27**	**2.73**	**2.80**	**3.16**
Core EPS (THB)	**2.17**	**2.85**	**2.73**	**2.80**	**3.16**

Key ratios					
Year ending Dec	**2024**	**2025**	**2026E**	**2027E**	**2028E**
Growth (%YoY)					
Sales	0.5	(6.4)	5.4	(8.5)	(0.4)
Operating profit	11.8	(0.8)	9.1	(0.8)	(1.2)
EBITDA	12.4	(2.7)	0.1	(0.8)	(1.2)
Net profit	10.0	57.5	20.3	2.4	13.1
Core net profit	12.6	31.5	(4.4)	2.4	13.1
EPS	10.0	57.5	20.3	2.4	13.1
Core EPS	12.6	31.5	(4.4)	2.4	13.1
Profitability (%)					
Gross margin	23.3	24.9	25.1	26.9	26.7
Operation margin	20.5	21.7	22.5	24.4	24.2
EBITDA margin	22.8	23.7	22.5	24.4	24.2
Net margin	4.5	7.5	8.6	9.6	10.9
ROE	5.7	7.6	7.2	7.1	7.6
ROA	(1.1)	(1.5)	(3.0)	(2.6)	(2.1)
Stability					
Interest bearing debt/equity (x)	1.1	1.0	0.8	0.8	0.7
Net debt/equity (x)	0.9	0.8	0.7	0.5	0.4
Interest coverage (x)	1.9	2.1	2.1	2.2	2.5
Interest & ST debt coverage (x)	0.6	0.5	1.1	1.1	1.2
Cash flow interest coverage (x)	0.1	0.1	0.1	0.1	0.1
Current ratio (x)	2.2	1.7	2.7	3.5	4.2
Quick ratio (x)	1.6	1.3	1.9	2.7	3.5
Net debt (THB m)	104,500	90,554	81,212	70,162	58,262
Activity					
Asset turnover (X)	0.3	0.3	0.3	0.3	0.3
Days receivables	45.5	47.8	39.9	37.8	32.4
Days inventory	50.3	40.3	35.4	38.5	36.4
Days payable	33.6	31.5	29.4	31.9	30.1
Cash cycle days	62.2	56.6	46.0	44.5	38.7

Cash flow (THB m)					
Year ending Dec	**2024**	**2025**	**2026E**	**2027E**	**2028E**
Operating cash flow	**11,267**	**18,904**	**19,997**	**20,318**	**19,411**
Net profit	4,062	6,399	7,696	7,881	8,911
Depre.& amortization	9,756	9,387	8,892	8,892	7,192
Change in working capital	(2,845)	1,729	1,301	1,362	1,237
Others	293	1,389	2,108	2,182	2,071
Investment cash flow	**(35,850)**	**(29,510)**	**(6,299)**	**(6,299)**	**(4,599)**
Net CAPEX	(23,955)	(18,374)	(6,299)	(6,299)	(4,599)
Change in LT investment	0	0	0	0	0
Change in other assets	(11,895)	(11,136)	0	0	0
Free cash flow	**(24,583)**	**(10,606)**	**13,698**	**14,019**	**14,813**
Financing cash flow	**36,878**	**6,419**	**(14,183)**	**(2,970)**	**(2,912)**
Change in share capital	0	0	0	0	0
Net change in debt	10,794	(18,133)	(9,827)	0	0
Dividend paid	0	0	(3,833)	(2,337)	(2,519)
Others	26,084	24,552	(523)	(633)	(393)
Net cash flow	**12,295**	**(4,187)**	**(485)**	**11,049**	**11,901**

Per share (THB)					
EPS	1.44	2.27	2.73	2.80	3.16
Core EPS	2.17	2.85	2.73	2.80	3.16
CFPS	5.88	6.49	6.45	6.50	6.31
BVPS	38.14	37.03	38.40	40.36	42.63
Sales/share	32.18	30.11	31.75	29.06	28.95
EBITDA/share	7.33	7.13	7.14	7.08	7.00
DPS	0.90	1.45	0.82	0.84	0.95
Valuation					
P/E (x)	26.55	15.86	15.21	14.85	13.13
P/BV (x)	1.00	0.97	1.08	1.03	0.97
Dividend yield (%)	2.35	4.03	1.97	2.02	2.28
Divdend payout ratio (%)	62.47	63.89	30.00	30.00	30.00

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 (target price* - current price) / 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.