Global Power Synergy Pcl (GPSC TB) - BUY, Price Bt40, TP Bt47

Results Comment

Nuttapop Prasitsuksant | Email: nuttapop.pra@thanachartsec.co.th

Strong 3Q25, despite a slight miss

- GPSC reported Bt1.50bn normalized profit in 3Q25 (excluding accounting gain/loss on FX and gain from partial divestment of 3% stake in Avaada), grew 46% y-y and 37% q-q in a like-for-like basis. The profit came in slightly below our expectation, due to a higher-than-expected loss from CFXD project.
- Consolidated gross profit (ex. depreciation) improved 2% y-y and 10% q-q to Bt7.74bn in 3Q25.
- **IPP projects:** Gross profit rose by 22% y-y and 18% q-q to Bt1.24bn, mainly due to a lower loss on high-price coal inventory in Gheco-1. This is despite an expiration in one of its major IPP contracts (Sriracha IPP plant) during the quarter.
- **SPP projects:** Gross profit increased 6% y-y and 10% q-q to Bt4.21bn supported by stronger spark margin as the fall in gas and coal costs could more than offset negative impact from the tariff cuts. Total electricity sale volume fell 3% y-y but rose 3% q-q, while steam volume sale dropped 1% y-y but up 13% q-q.
- With total SG&A expense remained under control at Bt541m, down 2% y-y and 7% q-q, EBITDA grew 10% y-y and 14% q-q to Bt5.28bn, in-line with the gross profit trend.
- Equity income (after stripping off accounting FX impacts) was the key disappointment this quarter as it weakened in both y-y and q-q comparisons to Bt107m loss this quarter. Higher than expected loss contribution from CFXD offshore wind project in Taiwan in its low season was the key miss. This is despite a much stronger performance from Xayaburi hydropower plant.
- Despite a slight downside risk to our 2025F full-year earnings forecast, as its 9M25 made up only 74% of our projection, we maintain BUY on GPSC as our top pick in the Thai utilities sector. Our conviction is supported by its robust earnings growth outlook, from recovering profitability at existing domestic projects and continuing capacity expansion, while GSPC still trades at lower PE multiple than its big-cap peers.

Income Statement					(consolidated)
Yr-end Dec (Bt m)	**3Q24**	**4Q24**	**1Q25**	**2Q25**	**3Q25**
Revenue	21,112	21,968	21,414	22,476	21,561
Gross profit	**2,841**	**2,645**	**2,971**	**2,823**	**3,409**
SG&A	552	1,001	605	580	541
Operating profit	2,289	1,644	2,366	2,243	2,869
EBITDA	**4,806**	**4,347**	**4,744**	**4,636**	**5,283**
Other income	385	648	383	373	350
Other expense					
Interest expense	1,475	1,451	1,380	1,292	1,240
Profit before tax	**1,199**	**840**	**1,368**	**1,324**	**1,978**
Income tax	22	188	67	(11)	122
Equity & invest. income	6	322	80	(46)	(107)
Minority interests	(157)	(169)	(185)	(201)	(254)
Extraordinary items	(256)	195	(57)	931	246
Net profit	**770**	**1,000**	**1,140**	**2,019**	**1,742**
Normalized profit	**1,026**	**805**	**1,197**	**1,088**	**1,495**
EPS (Bt)	0.27	0.35	0.40	0.72	0.62
Normalized EPS (Bt)	0.36	0.29	0.42	0.39	0.53

Income Statement			**9M as**		
(Bt m)	**q-q%**	**y-y%**	**% 2025F**	**2025F**	**2026F**
Revenue	(4)	2	71	91,956	85,869
Gross profit	**21**	**20**	**79**	**11,713**	**12,868**
SG&A	(7)	(2)	68	2,527	2,578
Operating profit	28	25	81	9,186	10,290
EBITDA	**14**	**10**	**78**	**18,744**	**18,851**
Other income	(6)	(9)	70	1,584	1,239
Other expense			na		
Interest expense	(4)	(16)	72	5,408	4,817
Profit before tax	**49**	**65**	**87**	**5,362**	**6,712**
Income tax	na	448	66	268	537
Equity & invest. income	na	na	(9)	828	1,423
Minority interests	na	na	80	(797)	(966)
Extraordinary items	(74)	na	140	800	
Net profit	**(14)**	**126**	**83**	**5,926**	**6,633**
Normalized profit	**37**	**46**	**74**	**5,126**	**6,633**
EPS (Bt)	(14)	126	83	2.10	2.35
Normalized EPS (Bt)	37	46	74	1.82	2.35

Balance Sheet					(consolidated)
Yr-end Dec (Bt m)	**3Q24**	**4Q24**	**1Q25**	**2Q25**	**3Q25**
Cash & ST investment	22,717	25,492	17,977	12,310	16,608
A/C receivable	11,016	11,754	12,120	12,436	12,305
Inventory	7,886	7,733	7,612	7,247	6,439
Other current assets	4,111	4,800	6,398	8,905	6,888
Investment	48,443	48,181	47,830	47,487	44,290
Fixed assets	90,528	92,473	91,012	89,684	87,977
Other assets	95,640	97,703	97,144	96,463	95,641
Total assets	**280,342**	**288,136**	**280,094**	**274,531**	**270,147**
S-T debt	16,466	12,104	10,790	9,767	8,801
A/C payable	4,929	5,740	5,071	6,084	5,745
Other current liabilities	4,696	5,282	5,642	4,358	4,357
L-T debt	110,242	117,888	110,947	106,735	104,269
Other liabilities	27,062	27,981	27,568	27,040	26,695
Minority interest	11,373	11,584	11,711	11,569	11,739
Shareholders' equity	**105,573**	**107,558**	**108,365**	**108,978**	**108,542**
Working capital	13,972	13,748	14,661	13,599	12,999
Total debt	126,709	129,991	121,737	116,502	113,069
Net debt	**103,991**	**104,500**	**103,760**	**104,192**	**96,461**

Financial Ratios					
(%)	**3Q24**	**4Q24**	**1Q25**	**2Q25**	**3Q25**
Sales growth	0.3	19.9	(9.9)	(5.9)	2.1
Operating profit growth	(26.2)	36.9	4.4	(15.5)	25.3
EBITDA growth	(12.4)	22.1	3.3	(8.5)	9.9
Norm profit growth	(40.5)	136.1	39.2	(23.5)	45.7
Norm EPS growth	(40.5)	136.1	39.2	(23.5)	45.7
Gross margin	13.5	12.0	13.9	12.6	15.8
Operating margin	10.8	7.5	11.0	10.0	13.3
EBITDA margin	22.8	19.8	22.2	20.6	24.5
Norm net margin	4.9	3.7	5.6	4.8	6.9
D/E (x)	1.1	1.1	1.0	1.0	0.9
Net D/E (x)	0.9	0.9	0.9	0.9	0.8
Interest coverage (x)	3.3	3.0	3.4	3.6	4.3
Interest rate	4.3	4.5	4.4	4.3	4.3
Effective tax rate	1.9	22.3	4.9	(0.8)	6.1
ROA	1.4	1.1	1.7	1.6	2.2
ROE	3.8	3.0	4.4	4.0	5.5

Sources: Company data, Thanachart estimates

General Disclaimers And Disclosures:

This report is prepared by analysts who are employed by the research department of TNS. While the information is from sources believed to be reliable, neither the information nor the forecasts shall be taken as a representation or warranty for which TNS or TTB or its group companies or any of their employees incur any responsibility. This report is provided to you for informational purposes only and it is not, and is not to be construed as, an offer or an invitation to make an offer to sell or buy any securities. Neither TNS, TTB nor its group companies accept any liability whatsoever for any direct or consequential loss arising from any use of this report or its contents.

The information and opinions contained herein have been compiled or arrived at from sources believed reliable. However, TNS, TTB and its group companies make no representation or warranty, express or implied, as to their accuracy or completeness. Expressions of opinion herein are subject to change without notice. The use of any information, forecasts and opinions contained in this report shall be at the sole discretion and risk of the user.

TNS, TTB and its group companies perform and seek to perform business with companies covered in this report. TNS, TTB, its group companies, their employees and directors may have positions and financial interest in securities mentioned in this report. TNS, TTB or its group companies may from time to time perform investment banking or other services for, or solicit investment banking or other business from, any entity mentioned in this report. Therefore, investors should be aware of conflict of interest that may affect the objectivity of this report.

Disclosure of Interest of Thanachart Securities

Investment Banking Relationship

Within the preceding 12 months, Thanachart Securities has lead-managed public offerings and/or secondary offerings (excluding straight bonds) of the securities of the following companies:

Note: Thanachart Securities Public Company Limited (TNS) acts as an underwriter of “Debentures of Banpu Public Co. Ltd. No. 2/2025 (B.E. 2568) tranche 1-3”, therefore investors need to be aware that there could be conflicts of interest in this research.

Note: Thanachart Securities Public Company Limited (TNS) acts as an underwriter of “Debentures of Gulf Development Public Co. Ltd. No. 1/2025 (B.E. 2568) tranche 1-4”, therefore investors need to be aware that there could be conflicts of interest in this research.