

Utilities Sector – Underweight

News Update

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

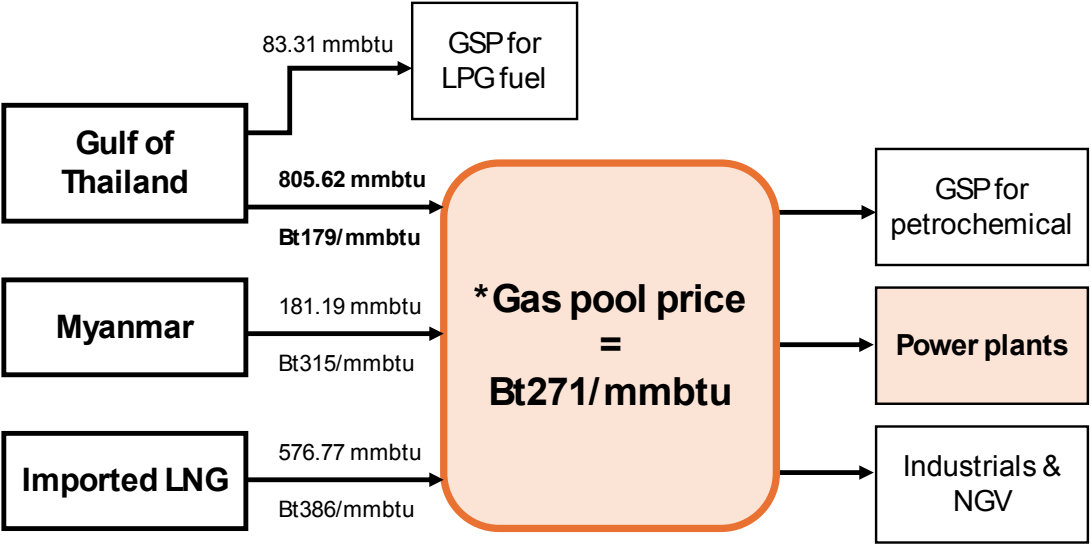
Minimal impacts from new gas price model

- **New gas price model approved, effective Jan 2026**
- **We estimate a 3% uplift to the gas pool price**
- **No change to our positive view on SPPs**
- **GPSC remains our top sector pick**

Last Friday, the National Energy Policy Committee (NEPC), led by the Minister of Energy, Mr. Atthapol Rerkpiboon, approved a new natural gas pricing structure which will take effect on 1 January 2026.

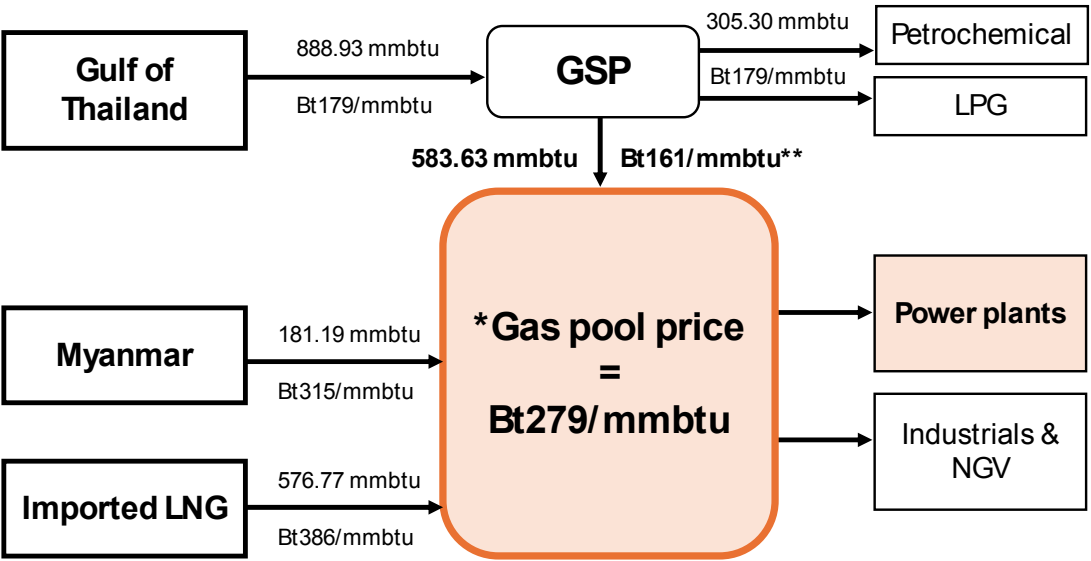
- Under the new structure, cost of natural gas from the Gulf of Thailand will be directed entirely to the gas separation plant (GSP), after which separated gas products will be allocated to petrochemical industry, LPG for households, and power plants according to their specific gas types. The key change from the current pricing model is that a portion of natural gas supplied to the petrochemical industry will be excluded from the gas pool price calculation.
- However, to better capture the value added by petrochemical and LPG products, the GSP will be charged a 10% premium on a portion of gas used for those applications, relative to the portion priced into the national gas pool which primarily feeds the power sector.
- Based on the latest gas supply mix (from the March 2025 public hearing) and gas price data as of October 2025, we estimate that the gas pool price will be increased by 2.7% to Bt279/mmbtu, from Bt271/mmbtu under the current structure.
- We take view that this change in natural gas price model has a small impact on the Small Power Producer (SPP) power plants due to 1) this is a one-off adjustment with only a small change to the gas pool price, 2) fuel price trends and government tariff policy remain far more influential drivers of SPP margins.
- We thus maintain our investment thesis of a stable margin outlook for the SPPs with low risks of heavy subsidization to re-emerge amid the currently low energy prices environment.
- Given our forecasts now assume Bt295/mmbtu gas pool price and Bt3.90/kWh national electricity tariff (vs. Bt3.94/kWh announced for Jan-Apr 2026) in 2026F, we are comfortable with our earnings projections and valuations on the SPPs.
- GPSC remains our top pick in the Thai Utilities sector, due to its strongest earnings growth outlook but traded at lowest valuations among big cap peers.

Ex 1: Current Natural Gas Price Structure Based on Single Pool Model



Sources: Energy and Policy Planning Office (EPPO), Thanachart estimates
Note: *Calculated based on gas volume mix specified in public hearing documents (March 2025) and latest gas prices from October 2025.

Ex 2: New Natural Gas Price Model To Be Implemented From Jan 2026



Sources: Energy and Policy Planning Office (EPPO), Thanachart estimates
Note: *Calculated based on gas volume mix specified in public hearing documents (March 2025) and latest gas prices from October 2025.
** NECP specifies that gas cost paid by GSP will be 10% higher than price of natural gas from Gulf of Thailand blended into the gas pool.

General Disclaimers And Disclosures:

This report is prepared and issued by Thanachart Securities Public Company Limited (TNS) which is owned 99.97% by TMBThanachart Bank Public Company Limited (TTB) as a resource only for clients of TNS, TMBThanachart Bank Public Company Limited (TTB) and its group companies. Copyright © Thanachart Securities Public Company Limited. All rights reserved. The report may not be reproduced in whole or in part or delivered to other persons without our written consent.

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 Advanced Info Service Public Co. Ltd.(ADVANC) No. 1/2025 (B.E. 2568) tranche 1”, 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 PTT Global Chemical Public Co. Ltd.(PTTGC) No. 1/2025 (B.E. 2568) tranche 1”, therefore investors need to be aware that there could be conflicts of interest in this research.