Global Power Synergy Pcl (GPSC TB) - BUY

Earnings Preview

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Stable 2Q26F profit amid fuel cost headwind

- **We estimate Bt1.74bn 2Q26F profit, up 1% y-y and 16% q-q**
- **SPP margin is hit by rising fuel costs …**
- **… but offset down by improved IPP performance**
- **Non-core business items are roughly unchanged**

We expect GPSC to report Bt1.74bn normalized profit in 2Q26F, up 1% y-y and 16% q-q. Weaker SPP margins, from escalated fuel costs but stable electricity tariffs, are offset by resumption full-quarter operation from the Gheco-1 IPP project. Overseas renewable projects deliver a mixed bag performance, but net contribution is broadly stable in both y-y and q-q basis.

- **IPP business:** We expect higher gross profit (ex. depreciation) to Bt1.57bn in 2Q26F, up 50% y-y and 275% q-q. The strong improvement is driven by a return to full-quarter operation of the Gheco-1 coal-fired IPP project, combined with its lower drag from high-cost coal inventory compared to the same period last year.
- **SPP business:** Gross profit declines 6% y-y and 14% q-q to Bt3.62bn in 2Q26F, pressured by increasing gas pool prices whilst electricity tariff was lifted just minimally during the quarter, resulting in a spark margin squeeze. This is despite higher sales volumes of both electricity and steam.
- **Total gross profit** likely grows 18% y-y and 27% q-q to Bt3.33bn in 2Q26F.
- We estimate total SG&A expense rising 41% y-y and 11% q-q to Bt815m, based on management guidance of a one-time educational donation this quarter.
- Interest cost should remain stable q-q, but down 13% y-y, at Bt1.13bn in 2Q26F as gradual debt repayments offset a slightly higher policy rate.

We see this quarterly performance as positive, given GPSC's delivery of stable earnings despite elevating fuel cost impacts from the Middle East tensions. Although we expect the fuel cost impact to be fully felt in 3Q26F, we believe this is already widely recognized by the market, and likely be partially offset by the high season of its hydropower and wind projects output.

Key Valuations

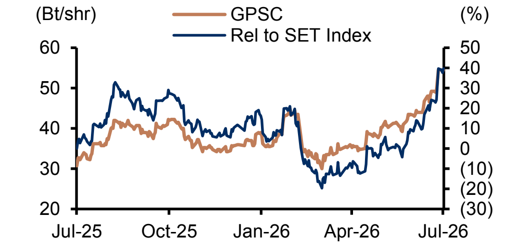
Y/E Dec (Bt m)	2025A	2026F	2027F	2028F
Revenue	84,916	84,316	79,413	79,066
Net profit	6,399	5,258	6,780	8,675
Norm net profit	5,005	5,258	6,780	8,675
Norm EPS (Bt)	1.8	1.9	2.4	3.1
Norm EPS gr (%)	21.7	5.0	29.0	27.9
Norm PE (x)	30.7	29.2	22.7	17.7
EV/EBITDA (x)	13.6	14.2	12.2	11.6
P/BV (x)	1.5	1.5	1.4	1.4
Div. yield (%)	2.7	2.8	2.9	3.7
ROE (%)	4.7	5.0	6.4	7.9
Net D/E (%)	83.9	74.9	62.6	55.9

Source: ttb wealth estimates

Stock Data

Closing price (Bt)	54.50
Target price (Bt)	65.00
Market cap (US$ m)	4,546
Avg daily turnover (US$ m)	13.1
12M H/L price (Bt)	54.50/30.00

Price Performance



Source: Bloomberg

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