

Reshuffle for spectacular growth

- We view RATCH's Paiton-for-growth strategy is a sound move
- Hidden infrastructure assets from RATCH's gas-fired power plants
- Maintain BUY and a SoTP TP of THB42

Share price plunge justifiably underscores buying opportunity

RATCH's share price has dropped from its recent peak at THB32.5 to THB28 within only three weeks as investors turned panic on the spikes in global energy prices, particularly the LNG and oil, after U.S. and Israel attack Iran on 28 Feb. We believe the share price is unjustified and see the share price drop as a highly attractive buying opportunity.

Paiton-for-growth strategy?

RATCH's 5% (-102.25MW) divestment in its lucrative coal-fired power asset Paiton on 24 Feb-26 at the selling price close to its acquisition cost, is a sound strategic move, considering that 1) the move will gradually reduce RATCH's exposure to the coal-fired power plant and enable RATCH to move closer to its net zero target; 2) RATCH still holds 36.26% in PT Paiton Energy, which owns 1.23GW coal-fired power plant to generate THB2-3b annual net profit contribution to RATCH; and 3) RATCH is likely to gain penetration in new growth projects in exchange for its partial divestment in Paiton, potentially the gas-fired or renewable power, based on our estimate.

Hidden infrastructure assets of now-PPA expired power plants

We believe RATCH has competitive advantages on developing growth projects, owning multiple now-PPA expired, gas-fired power asset portfolio of 1) RG, owning two thermal 735MW and three CCG 725MW units; 2) RPCL, owning two units of 700MW, CCG power plants; 3) Tri Energy with the now-PPA expired 700MW, CCG gas-fired power plant. With the combined 5.7GW capacity (3.6GW RG + 1.4GW RPCL + 0.7GW Tri Energy) of gas-fired power plants, whose infrastructures of land, transmission lines, water supplies, and substations, are all of high value for building dedicated power sources for data centers and other industrial demand development, or even industrial estate.

Renewable growth remains rosy

RATCH aims at growing its renewable asset portfolio from 3GW (31.4% of total capacity 9.5GW as Feb-26) to 5GW by 2030, strategically gearing towards overseas renewable projects in the Philippines, Indonesia, and Australia. Domestically, renewable growth will center on serving data center demands, leveraging on RATCH's hidden infrastructure assets to build the quick, green, and competitive power sources via Direct PPA and Third-Party Access schemes.

Maintain BUY and a SoTP TP of THB42

We view RATCH as one of the most attractive investments in SET, premised on RATCH's strategic growth plans of overseas capacity, renewable power, and infrastructure and power projects, supported by RATCH's low funding cost and strong balance sheet.

Analyst

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ESG Rating : AAA

CG Rating : ▲▲▲▲▲

BUY

Target Price 12M (THB)	42.00
VS. BB Consensus TP (%)	+32.4%
Share Price (THB)	28.75
Upside/Downside	+46.1%

Share Data

Market Cap (THB m)	62,531.25
Par (THB)	10.00
Free Float (%)	45.79
Issued shares (m shares)	2,175

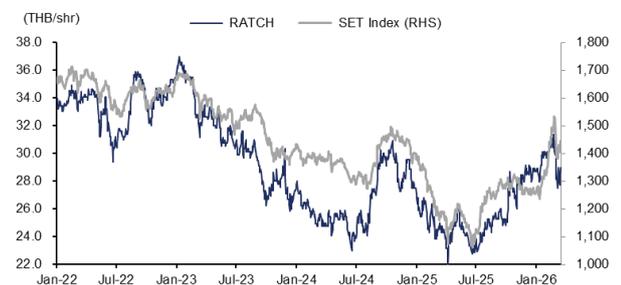
Financial forecast

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 (%)		0.00	0.00	0.00
DPS (THB)	1.60	1.50	1.56	1.46
P/E (x)	10.31	7.66	7.35	7.87
P/BV (x)	0.69	0.64	0.60	0.58
ROE (%)	5.42	5.22	5.44	5.08
Dividend yield (%)	6.63	8.52	8.44	7.51

Source: Financial Statement and Globlex securities

Share Price Performance (%)

	1M	3M	6M	YTD
Stock	(9.45)	(0.86)	9.52	(2.54)
Market	(7.83)	(13.99)	(1.41)	(10.46)
12M High/Low (THB)				32.50 / 22.50



Major Shareholders (%) as of 3 Sep 2025

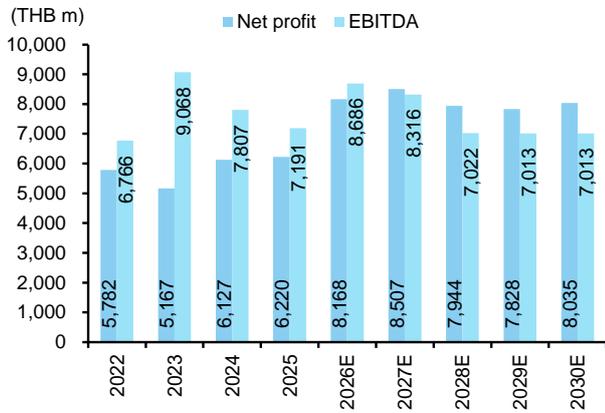
Electricity Generating Authority of Thailand	45.00
EGAT Saving and Credit Cooperative Limited	6.34
Social Security Office	4.68

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.

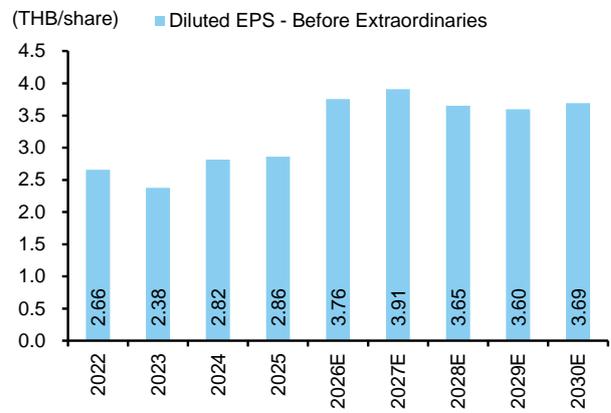
Source: SETSMART, SET

Exhibit 1: Net profit vs EBITDA



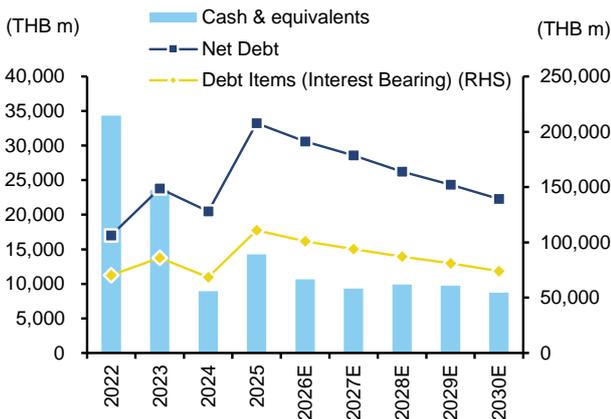
Sources: RATCH; Globlex Research

Exhibit 2: Diluted EPS



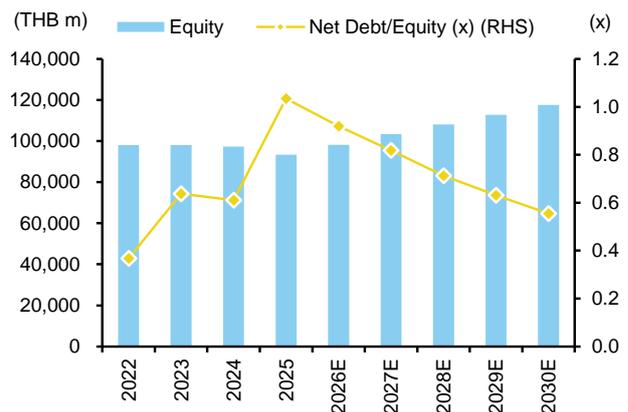
Sources: RATCH; Globlex Research

Exhibit 3: Cash, net debt, and debts



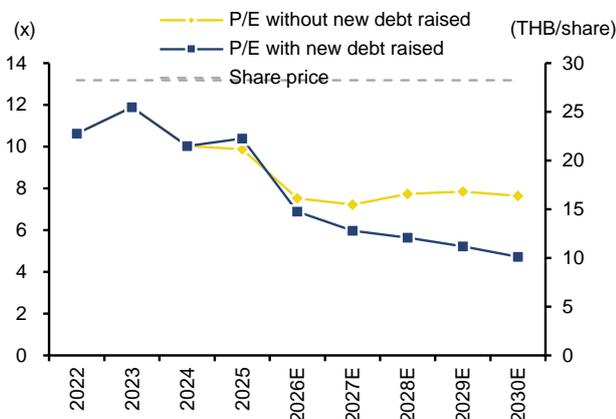
Sources: RATCH; Globlex Research

Exhibit 4: Equity, net debt/equity



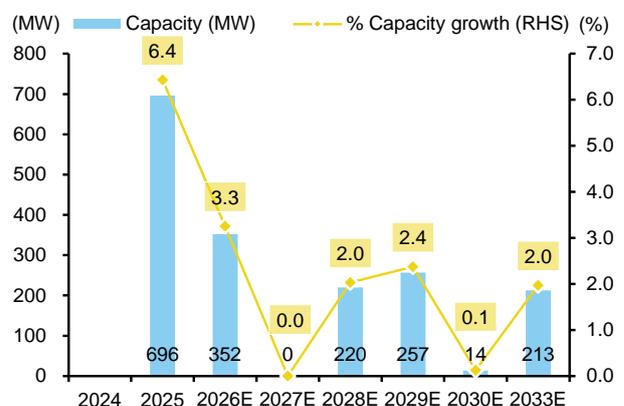
Sources: RATCH; Globlex Research

Exhibit 5: Forward P/E with and without additional debt raised



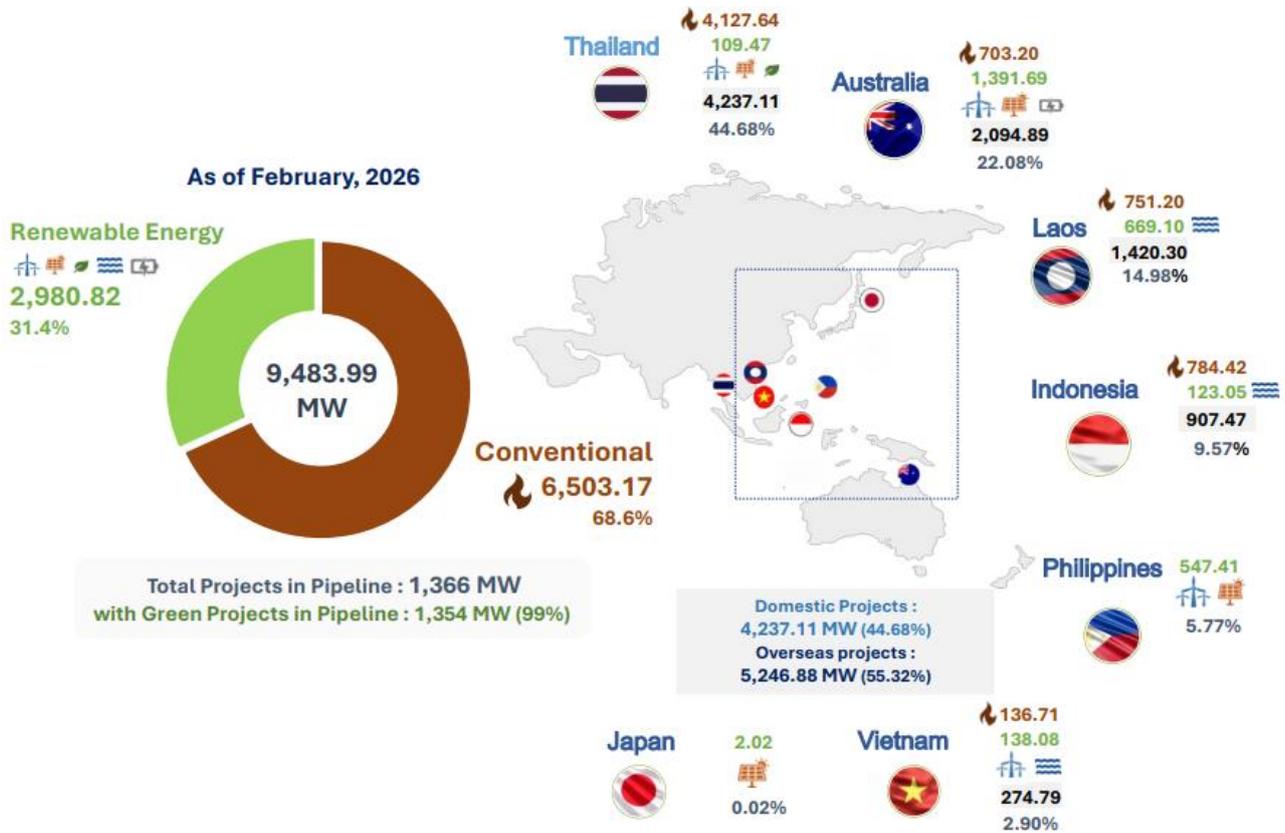
Sources: RATCH; Globlex Research

Exhibit 6: Capacity vs capacity growth



Sources: RATCH; Globlex Research

Exhibit 7: RATCH's asset presence



Sources: RATCH; Globlex Research

Exhibit 8: SoTP valuation

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 (36% from 45%)	15,770	7.3		
Nexif	9,855	4.5		Assume EIRR at 12.9%, COD 2022-28E
Target price	91,399	42.0		

Sources: RATCH; Globlex Research

Balance sheet (THB m)					
Year ending Dec	2024	2025	2026E	2027E	2028E
Current assets					
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
Non-current assets					
Net fixed assets	46,585	46,472	45,773	45,410	45,047
Others	141,708	155,194	155,194	155,194	155,194
Total Assets	214,337	238,004	231,642	229,886	225,897

Current liabilities					
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
Long-term liabilities					
Long-term debts	50,734	87,650	77,650	70,650	63,650
Others	34,188	12,978	12,978	12,978	12,978
Total liabilities	107,963	130,357	119,082	112,035	103,272
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
Shareholders' equity	106,374	107,646	112,560	117,851	122,624

Key ratios					
Year ending Dec	2024	2025	2026E	2027E	2028E
Growth (%YoY)					
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)
Profitability (%)					
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
Stability					
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
Activity					
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
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)
Gross profit	10,188	9,377	9,249	8,697	7,557
Operating expenses	(3,253)	(3,282)	(1,884)	(1,833)	(1,335)
Operating profit	6,934	6,095	7,365	6,864	6,222
EBIT	2,715	2,491	4,553	5,501	5,358
Depreciation	(4,028)	(3,708)	(2,812)	(1,363)	(863)
EBITDA	6,743	6,198	7,365	6,864	6,222
Non-operating income	2,066	1,985	2,746	2,090	1,359
Other incomes	872	1,096	1,321	1,452	800
Other non-op income	1,193	889	1,425	638	559
Non-operating expense	(4,542)	(3,826)	(5,116)	(4,706)	(4,368)
Interest expense	(4,447)	(4,332)	(5,116)	(4,706)	(4,368)
Other non-op expense	(95)	506	0	0	0
Equity income/(loss)	6,798	6,897	6,455	6,204	6,090
Pre-tax Profit	7,037	7,547	8,638	9,090	8,439
Extraordinary items	191	(104)	0	0	0
Current taxation	(907)	(575)	(351)	(464)	(376)
Minorities	(195)	(647)	(119)	(119)	(119)
Net Profit	6,127	6,220	8,168	8,507	7,944
Core net profit	5,936	6,324	8,168	8,507	7,944
EPS (THB)	2.82	2.86	3.76	3.91	3.65
Core EPS (THB)	2.73	2.91	3.76	3.91	3.65

Cash flow (THB m)					
Year ending Dec	2024	2025	2026E	2027E	2028E
Operating cash flow	16,147	12,958	18,205	16,101	17,339
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
Investment cash flow	7,101	(31,624)	4,342	5,204	5,590
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
Free cash flow	23,248	(18,666)	22,547	21,306	22,929
Financing cash flow	(37,882)	23,990	(26,164)	(22,625)	(22,351)
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)
Net cash flow	(14,634)	5,324	(3,617)	(1,319)	578

Per share (THB)					
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
Valuation					
P/E (x)	10.65	10.31	7.66	7.35	7.87
P/BV (x)	0.67	0.69	0.64	0.60	0.58
Dividend yield (%)	5.33	5.42	5.22	5.44	5.08
Dividend payout ratio (%)	56.80	55.94	40.00	40.00	40.00

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Analyst Certification

Suwat Sinsadok, Register No. 020799, Globlex Securities Public Company Limited

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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.