

## From Gas Pain to Data Center Gain

- Lower LNG prices and the Direct PPA framework improve the sector's NP outlook.
- AI-driven data center demand could become the next major growth engine.
- Top picks are GULF, BGRIM, GPSC

### AI Fuels the Utility Re-Rating

We turn more positive on Thailand's power sector despite near-term pressure from elevated gas costs. While SPP margins remain challenged by higher LNG prices, easing geopolitical tensions and a potential normalization in JKM prices could support margin recovery in 2H26. We believe the sector is entering a new growth cycle driven by AI and data centers, with Thailand's data center power demand projected to reach 2.9–5.0GW by 2030. The newly approved Direct PPA framework should accelerate renewable power procurement and strengthen long-term demand visibility

### The Return of SPP Margins when the war ends

Following the easing of tensions between the US and Iran, we expect LNG prices to gradually normalize from recent elevated levels. JKM prices had risen to around USD17–18/mmbtu from USD12–13/mmbtu earlier in the year, driven by geopolitical risk premiums and supply concerns. A decline in LNG prices should eventually lower Thailand's pool gas cost, benefiting gas-fired SPP operators. Given their high fuel cost exposure, even a modest reduction in gas prices could support margin recovery, particularly with the Ft rate remaining supportive. We therefore see scope for stronger SPP earnings in 2H26 after several quarters of margin pressure.

### Direct PPA: A Structural Growth Opportunity

We view Thailand's Direct PPA scheme as a significant step forward for the power sector, allowing large consumers, particularly data centers and multinational corporations, to procure renewable power directly from generators. The initial pilot program covers up to 2GW of renewable capacity, creating a new avenue for private power producers to secure long-term customers. More importantly, Direct PPA supports growing demand from hyperscalers and RE100-focused companies for traceable green power, positioning renewable developers and utilities as key beneficiaries as Thailand strengthens its role as a regional digital hub.

### The New Demand Supercycle

We view AI and data centers as the next major growth driver for Thailand's power sector, supported by the newly approved Direct PPA framework and rising investments from global hyperscalers. GPSC has received power demand inquiries of around 500MW and is exploring an additional 300-400MW of data center developments. BGRIM expects contracted demand with NTT to reach 115MW, with another 200MW under discussion, while also developing a 100MW data center project. Meanwhile, GULF has a 25MW data center in operation, 138MW secured for COD in 2027, and another 100MW under negotiation. With Thailand's data center demand projected to reach 2.9–5.0GW by 2030, these utilities are well positioned to capture a meaningful share of this fast-growing market.

### Top picks are GULF, BGRIM, GPSC

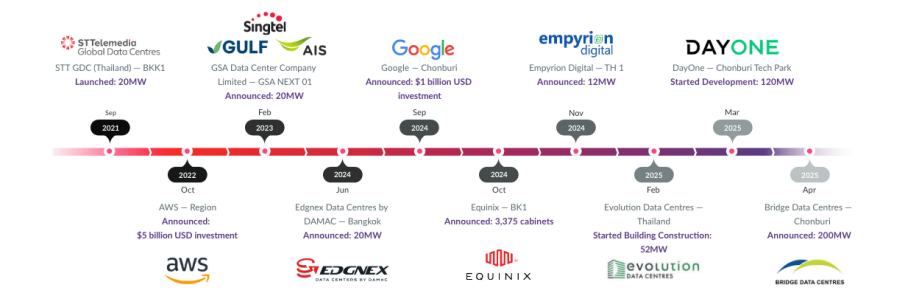
Our top picks are 1) GULF, for its diversified earnings base and strong data center pipeline; 2) BGRIM, for its Direct PPA opportunities, data center exposure, and potential SPP margin recovery; and 3) GPSC, for improving operations and growing data center demand. We believe all three are well positioned to benefit from Thailand's expanding digital infrastructure investment.

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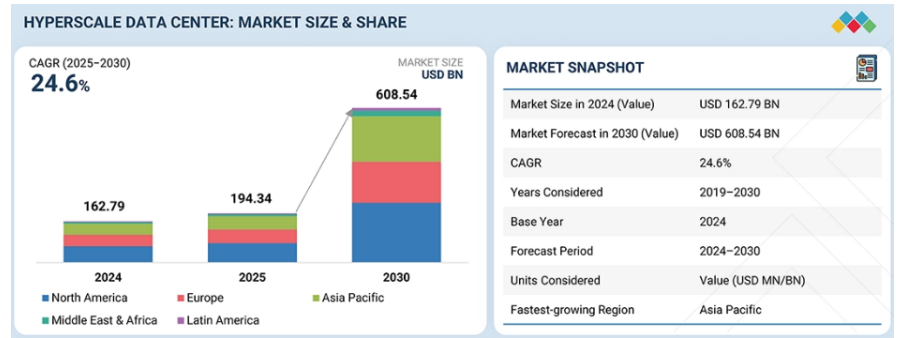
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### Exhibit 1: Bangkok's data center development Developments in Bangkok's Data Centre Market



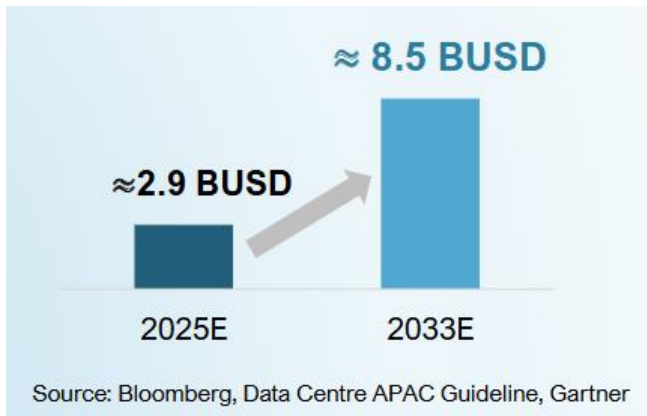
Sources: [DCByte](#)

### Exhibit 2: Hyperscale data center market



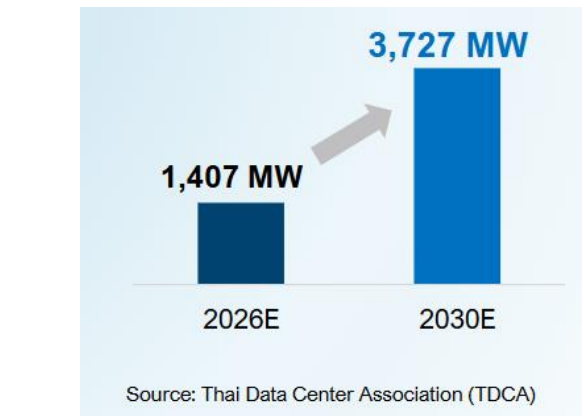
Sources: [marketsandmarkets](#)

### Exhibit 3: World oil spare capacity



Sources: PTT; S&P Global Energy

### Exhibit 4: Brent oil spot and future price



Sources: EIA

### Exhibit 5: GULF's data center business

GSA01	GSA02	GEDC01
<p>  x  x  </p> <p>40%   35%   25%</p> <p><b>25 MW</b></p> <ul style="list-style-type: none"> <li>In operation (COD 2025)</li> <li>Location: Samut Prakan</li> <li>Customer: Chinese Hyperscalers and Thai enterprises</li> </ul>	<p>  x  x  </p> <p>40%   35%   25%</p> <p><b>38 MW</b></p> <ul style="list-style-type: none"> <li>SCOD Q1'27</li> <li>Location: Chonburi (EEC)</li> <li>Customer Target: US and Chinese Hyperscalers and Thai enterprises</li> </ul>	<p>  x  </p> <p>70%   30%</p> <p><b>Up to 100 MW</b></p> <ul style="list-style-type: none"> <li>SCOD Q4'27</li> <li>Location: Rayong (EEC)</li> <li>Customer Target: Chinese Hyperscalers</li> </ul>

Sources: GULF

### Exhibit 7: BGRIM data center business

**DATA CENTER**

**Market Position**

- Strategic location in EEC area
- Digital Edge – Leading APAC data center platform, delivering tailored end-to-end solutions for hyperscale customers
- B. Grimm Power – Strong local partnerships and deep local expertise, with proven knowledge in renewable energy.

Building 1	Building 2
<p>Type: Hyperscaler</p> <p>Model: Build-to-Suit (BTS)</p> <p>Capacity (MW IT): 48 MW IT</p> <p>Economic Ownership: 40.0%</p> <p>SCOD: Q4 2026</p> <p>Operating Term: 25 years</p> <p>% Progress: 25%</p>	<p>Type: Hyperscaler</p> <p>Model: Build-to-Suit (BTS)</p> <p>Capacity (MW IT): 48 MW IT</p> <p>Economic Ownership: 40.0%</p> <p>SCOD: Q2 2027</p> <p>Operating Term: 25 years</p> <p>% Progress: 20%</p>

Sources: BGRIM

### Exhibit 6: GULF's cloud and AI business

Cloud Business	AI Solution Business
<p>  50% x  50%                 </p> <p><b>Public and private cloud</b></p> <ul style="list-style-type: none"> <li>Oracle Alloy – in operation</li> <li>Google Distributed Cloud air-gapped – under development</li> <li>Microsoft Azure – under development</li> </ul> <p>Target customers: Thai enterprises and governments</p>	<p> </p> <p><b>AI solution</b></p> <ul style="list-style-type: none"> <li>Kore.AI (Enterprise AI) – in operation</li> <li>AGIBOT (Embodied AI and robotics) – under development</li> </ul> <p>Target customers: Thai enterprises</p>

Sources: GULF

### Exhibit 8: GPSC - data center as a new demand opportunity

3 - 4 DC projects are under development in EEC Area with **Target at least 300 MW**

Reliable Utilities Source

Fit for Data Center Demand Cluster

Green Power Opportunity

Synergy from existing capacity >1,000 MW supply available

Sources: GPSC

## 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  $(\text{target price}^* - \text{current price}) / \text{current price}$ .

- 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.