

Current Market			Net Trade				SET Index vs MSCI Asia x JP	
Market data	Close	% Δ	Net Trade (Bt bn)	Prev.	-1M	YTD	(index)	(index)
SET Index	1,826.6	-0.6%	Foreign	-2.6	-3.7	-3.7	1,900	800
Turnover (Bt m)	62,048	14.3%	Retail	+3.5	-6.7	-6.7	1,800	700
Mkt Cap (Bt bn)	18,328	-0.6%	Institutes	-1.9	+5.7	+5.7	1,700	600
Stock Gainers	439	stocks	Proprietary	+1.0	+4.7	+4.7	1,600	500
Stock Losers	886	stocks					1,500	400

Note: Data for SET Market only

TOP STORY

ILINK (SELL) | Fading hopes

- We downgrade ILink to SELL from Buy with a lower TP of Bt10/share. We see a deteriorating outlook for engineering work profitability and lower visibility for new submarine projects after continuous delays and more competition. We cut our earnings by a substantial 30-50% in 2017-20F. We also expect a weak 4Q17F.

TTW (BUY) | Growth continues

- We expect TTW's sharp earnings turnaround to continue in 4Q17-1Q18, driven by its low earnings base and sustained strong tap water demand. A rise in equity income from robust earnings growth of TTW's 25%-owned CKP should further drive its growth in 2019-20F. Dividend yields looks attractive at 5-6% in 2017-19F. Reaffirm BUY.

Results Comment

- DTAC (BUY)** ■ Stronger-than-expected 4Q17 profits

- GLOW (HOLD)** ■ 4Q17 results in line

Market Valuation

Market data	2017F	2018F	2019F
PE (x)	18.6	16.2	14.7
Norm EPS growth (%)	7.2	13.8	10.3
EV/EBITDA (x)	11.4	9.9	9.0
P/BV (x)	2.3	2.1	1.9
Yield (%)	2.8	3.2	3.5
ROE (%)	12.8	13.7	14.0
Net D/E (x)	0.5	0.4	0.4

Major Indices

	Close	Δ	% Δ
Dow Jones	26,077	-362.6	-1.4%
NASDAQ	7,402	-64.0	-0.9%
FTSE	7,588	-83.6	-1.1%
SHCOMP (China)	3,488	-35.0	-1.0%
Hang Seng	32,607	-359.6	-1.1%
FTSSI (Singapore)	3,549	-28.3	-0.8%
KOSPI	2,568	-30.5	-1.2%
JCI (Indonesia)	6,575	-105.1	-1.6%
MSCI Asia	171	-2.2	-1.3%
MSCI Asia x JP	763	-12.0	-1.5%

Currency / Bond data

	Close	Δ	% Δ
Dollar index	89.2	-0.1	-0.2%
Bt/US\$	31.4	0.0	-0.1%
100JPY/US\$	108.8	-0.2	-0.2%
10Y bond yield (TH)	2.5	0.0	1.5%
10Y treasury yield (US)	2.7	0.0	1.0%

Commodities

	Close	Δ	% Δ
NYMEX (US\$/bbl)	64.5	-1.1	-1.6%
BRENT (ICE) (US\$/bbl)	69.0	-0.4	-0.6%
DUBAI (US\$/bbl)	66.2	-1.2	-1.7%
Baltic Dry Index	1,191.0	-23.0	-1.9%
GRM (US\$/bbl)	7.0	-0.7	-8.7%
Gold (US\$/oz)	1,340.0	-5.1	-0.4%
Coal (Newcastle)*	107.2	0.7	0.6%
	(US\$/tonne)* (US\$ cent/lb)**		
HDPE-Naphtha	643.0	32.0	5.2%
Ethylene-Naphtha	698.0	-43.0	-5.8%
PX-Naphtha	363.0	22.0	6.5%
BZ-Naphtha	358.0	17.0	5.0%
Steel-HRC	679.0	0.0	0.0%
Rubber SICOM TSR20	1,483	-35.0	-2.3%
Rubber TOCOM	1,811	0.0	0.0%
Raw Sugar**	13.7	0.1	0.4%
White Sugar**	16.4	0.0	0.2%

Source: Thanachart, Bloomberg, Datastream,

SELL (From: BUY)**TP: Bt 10.00** (From: Bt 17.00)**Change in Recommendation****Downside: 12.3%** **31 JANUARY 2018**

Interlink Com. Pcl (ILINK TB)

Fading hopes

We downgrade ILINK to SELL from Buy with a lower TP of Bt10/share. We see a deteriorating outlook for engineering work profitability and lower visibility for new submarine projects after continuous delays and more competition. We cut our earnings by a substantial 30-50% in 2017-20F. We also expect a weak 4Q17F.

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Downgrading to SELL

We downgrade ILINK to SELL from Buy with a new DCF-based 12-month TP (2018F base year) of Bt10/share, from Bt17. 1) We now see lower visibility of a new submarine project after bidding delays and more competition from a new player, and hence, remove the project from our model. 2) We expect lower margin and profit from both its engineering and cable distribution businesses given stronger competition. 3) Together with our expectation for disappointing 4Q17F results, we slash our 2017-20F earnings by 30-50%. 4) ILINK looks expensive to us trading at 18x PE in 2018F. Despite our forecasts calling for 21% YoY EPS growth in 2018F from an engineering project it won in 2017, the growth isn't sustainable in our view, with our forecasts falling to 4% in 2019F and -11% in 2020F.

Submarine work delays

We earlier expected the Bt1.6bn Tao and Bt2.1bn Samui islands submarine projects to be opened for bidding in 2019F. We expected ILINK to win the Samui project and its only rival, Italian-Thai Development Pcl (ITD TB, Not rated), to win the other. But we see a chance of further project delays and also a lower possibility of ILINK winning. This is because the projects may open for bidding at separate times, so ILINK may not win one and ITD the other. Also, we expect more bidding competition, including from Gunkul PCL (GUNKUL, Bt4.06, BUY).

Lower margin profile

We cut our gross margin assumptions for the engineering (by 5%) and cable trading businesses (by 4%) in 2018-20F on weak margins for existing projects and stronger competition. We estimate the Bt2bn AOT consortium project won in 2016 to yield only a 5% gross margin from >10% previously. Cable trading sales grew just 4% y-y in 9M17 due to aggressive price competition. We expect this to continue and estimate sales growth of 3% in 2017-20F (5% previously) with lower gross margin of 22% (25% before). That leaves only 60%-owned Interlink Telecom Pcl (ITEL TB, Not rated), accounting for 24% of ILINK's sales, as a growth driver.

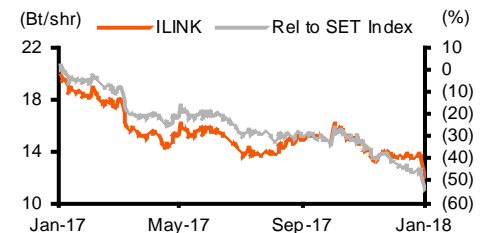
A likely disappointing 4Q17F

We expect ILINK's 4Q17F results to be disappointing from the less profitable cable distribution and engineering businesses (60% and 20% of total sales in 2017F). Although, we forecast earnings growth of 21% YoY in 2018F, that is just one year of strong growth from the booking of an engineering project. We project earnings growth of +4% YoY in 2019F and -11% in 2020F.

COMPANY VALUATION

Y/E Dec (Bt m)	2016A	2017F	2018F	2019F
Sales	2,942	3,608	4,099	4,392
Net profit	221	151	226	235
Consensus NP	—	234	349	389
Diff frm cons (%)	—	(35.2)	(35.3)	(39.6)
Norm profit	221	186	226	235
Prev. Norm profit	—	253	319	471
Chg frm prev (%)	—	(26.3)	(29.2)	(50.2)
Norm EPS (Bt)	0.6	0.5	0.6	0.6
Norm EPS grw (%)	(16.8)	(15.6)	21.0	4.1
Norm PE (x)	18.7	22.2	18.3	17.6
EV/EBITDA (x)	10.6	10.3	8.7	8.2
P/BV (x)	1.6	1.5	1.4	1.4
Div yield (%)	1.8	1.1	1.6	2.3
ROE (%)	10.0	7.0	8.1	7.9
Net D/E (%)	18.8	20.2	16.7	13.4

PRICE PERFORMANCE



COMPANY INFORMATION

Price: (Bt) as of 30-Jan-18	11.40
Market Cap (US\$ m)	131.4
Listed Shares (m shares)	362.4
Free Float (%)	43.2
Avg. Daily Turnover (US\$ m)	0.5
12M Price H/L (Bt)	19.80/11.40
Sector	Telecom
Major Shareholder	Interlink Holding Ltd 25.05%

Sources: Bloomberg, Company data, Thanachart estimates



BUY (Unchanged)

Change in Numbers

TP: Bt 14.50

Upside : 11.5%

(Unchanged)

31 JANUARY 2018

Small Cap Research

TTW Public Co Ltd (TTW TB)

Growth continues

We expect TTW's sharp earnings turnaround to continue in 4Q17-1Q18, driven by its low earnings base and sustained strong tap water demand. A rise in equity income from robust earnings growth of TTW's 25%-owned CKP should further drive its growth in 2019-20F. Dividend yields looks attractive at 5-6% in 2017-19F. Reaffirm BUY.

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Expecting 25% earnings growth in 4Q17F

We lift our earnings estimates for TTW by a marginal 0.3-1.2% in 2017-19F as we boost our sales volume growth assumptions to 4.8% (from 4% previously) in 2017 for TTW and 3.1% (from 2.0% previously) for its 98%-own Pathum Thani Water (PTW). We also lower our SG&A-to-sales ratio projections to 8.5-8.7% (from 8.6-8.8%) in 2017-18. We maintain our DCF-based 12-month TP (2018F base year) of Bt14.5/share and reiterate our BUY call on TTW. Driven by strong tap water demand from a recovery in Thailand's consumption and exports, TTW continued to report strong sales volume growth of 14% in 4Q17F for TTW's plant and 9% for PTW's plant, leading us to forecast earnings of Bt708m in 4Q17, up 25% y-y. We also expect the solid growth to continue into 1Q18F because of the low sales volume base in 1Q17.

Attractive dividend yields, too

TTW is a cash generator. Some 60% of its total cost of goods sold comes from depreciation and amortization while we project TTW to generate EBITDA of Bt4.7-5.1bn in 2017-19F with EBITDA and net margins reaching up to 84% and 47%, respectively. We also forecast the company to generate high ROEs of 23-25% in 2017-19F. Besides its current share price having a 12% upside potential to our TP, we expect TTW to maintain its high dividend pay-out ratio of 100%, which implies decent dividend yields of 5-6% in 2017-19F.

CKP's growth another earnings driver

TTW holds a 25% stake in CK Power (CKP TB, Bt4.24, BUY) and books its proportion of CKP's earnings through equity income. Our utilities analyst, Supanna Suwankird, expects CKP's earnings to grow 21-43% in 2018-19F due to a low earnings base and the COD of the 120MW Bangpa-in 2 co-generation project. She further projects its earnings to jump by 110% in 2020F on the COD of the 1,285MW Xayaburi hydropower plant. Thus, despite assuming organic sales volume growth of 3% a year for TTW in 2019-20F, we still expect its earnings to grow 6-11% in 2019-20F.

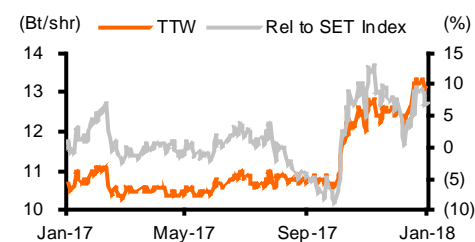
Water tax is still under consideration

A water tax law to collect a water usage fee from industries that consume water from rivers, lakes and aquifers is still being considered by committees of the National Legislative Assembly. Given concern by many related parties, it may take time and require cabinet approval. However, even if the law is implemented, TTW expects to pass on the rising costs to the PWA under its water purchase and sale agreements. In the worst case, if TTW cannot pass on the costs, we expect the tax to hit its earnings by 25-26% in 2018-19F, or knock Bt2 off our TP.

COMPANY VALUATION

Y/E Dec (Bt m)	2016A	2017F	2018F	2019F
Sales	5,379	5,605	5,867	6,086
Net profit	2,476	2,694	2,882	3,064
Consensus NP	—	2,638	2,830	3,034
Diff frm cons (%)	—	2.1	1.8	1.0
Norm profit	2,476	2,694	2,882	3,064
Prev. Norm profit	—	2,663	2,874	3,045
Chg frm prev (%)	—	1.2	0.3	0.6
Norm EPS (Bt)	0.6	0.7	0.7	0.8
Norm EPS grw (%)	(7.6)	8.8	7.0	6.3
Norm PE (x)	21.0	19.3	18.0	16.9
EV/EBITDA (x)	14.1	12.9	12.1	11.4
P/BV (x)	4.5	4.4	4.3	4.3
Div yield (%)	4.6	5.2	5.6	5.9
ROE (%)	21.6	23.1	24.2	25.4
Net D/E (%)	74.7	72.8	63.1	53.8

PRICE PERFORMANCE



COMPANY INFORMATION

Price as of 30-Jan-18 (Bt)	13.00
Market Cap (US\$ m)	1,650.2
Listed Shares (m shares)	3,990.0
Free Float (%)	35.1
Avg Daily Turnover (US\$ m)	2.4
12M Price H/L (Bt)	13.30/10.30
Sector	Utilities
Major Shareholder	CK & BEM 38.9%

Sources: Bloomberg, Company data, Thanachart estimates



Total Access Comm. (DTAC TB) - BUY, Price Bt50.25, TP Bt70.0

Results Comment

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Stronger-than-expected 4Q17 profits

- DTAC's 4Q17 net profits were Bt52m, up 1,702% y-y but down 10% q-q. Excluding FX and impairment impacts, norm profits were Bt672m, up 381% y-y and 35% q-q.
- Profits were better than expected due to lower network and tax expenses. We have incorporated 2.3GHz network rental fees while we have underestimated tax benefits.
- Regarding the 2.3GHz agreement with TOT, both NBTC and SEPO are already giving green lights. So, they are only waiting for attorney general opinion to conclude the contract signing.
- DTAC also announced to pay dividend of Bt0.24 per share.
- Service revenues grew 1.32% y-y and 1.7% q-q in 4Q17, bringing the growth for 2017 of 0.2% in line with DTAC's guidance.
- The growth was led mainly data and also postpaid subscribers.
- EBITDA grew 14% y-y but down 1% q-q in 4Q17. EBITDA growth was 11%, driven by lower handset loss and regulatory cost savings. EBITDA margin fattened from 33% in 2016 to 38% in 2017.
- For 2018, DTAC conservatively guides for flat revenues and EBITDA, leaving aside costs related 2.3GHz partnership.
- The company spent Bt16.5bn on capex last year and is looking to spend around Bt15-18bn in 2018.

Income Statement						Income Statement					
(consolidated)						12M as					
Yr-end Dec (Bt m)	4Q16	1Q17	2Q17	3Q17	4Q17	(Bt m)	q-q%	y-y%	% 2017F	2017	2018F
Revenue	21,465	19,748	19,443	18,809	20,274	Revenue	8	(6)	97	78,275	82,396
Gross profit	4,645	4,451	4,892	4,595	4,808	Gross profit	5	4	104	18,746	19,297
SG&A	4,251	3,889	3,581	3,666	4,172	SG&A	14	(2)	102	15,308	15,285
Operating profit	394	562	1,311	928	636	Operating profit	(32)	61	112	3,437	4,012
EBITDA	6,639	6,891	7,865	7,660	7,569	EBITDA	(1)	14	101	29,985	28,617
Other income	71	56	60	92	257	Other income	179	263	151	466	249
Other expense	0	0	0	0	0	Other expense				0	0
Interest expense	376	367	417	401	371	Interest expense	(7)	(1)	106	1,557	1,792
Profit before tax	89	251	954	619	522	Profit before tax	(16)	488	123	2,346	2,469
Income tax	(50)	38	215	119	(153)	Income tax	na	na	64	218	444
Equity & invest. income	1	(0)	0	(3)	(4)	Equity & invest. income	na	na		(7)	0
Minority interests	(0)	(0)	0	0	(0)	Minority interests	na	na		(0)	0
Extraordinary items	(109)	16	4	103	(129)	Extraordinary items	na	na	(5)	(6)	0
Net profit	30	229	743	601	542	Net profit	(10)	1,702	125	2,115	2,024
Normalized profit	140	213	739	498	672	Normalized profit	35	381	136	2,121	2,024
EPS (Bt)	0.01	0.10	0.31	0.25	0.23	EPS (Bt)	(10)	1,702	125	0.89	0.86
Normalized EPS (Bt)	0.06	0.09	0.31	0.21	0.28	Normalized EPS (Bt)	35	381	136	0.90	0.86
Balance Sheet						Financial Ratios					
(consolidated)						12M as					
Yr-end Dec (Bt m)	4Q16	1Q17	2Q17	3Q17	4Q17	(%)	4Q16	1Q17	2Q17	3Q17	4Q17
Cash & equivalent	18,293	18,063	22,430	25,026	26,048	Sales growth	(7.7)	(8.9)	(2.4)	(3.7)	(5.5)
A/C receivable	8,984	8,682	8,503	8,605	8,590	Operating profit growth	(74.0)	(69.8)	35.4	(20.9)	61.4
Inventory	2,063	1,864	1,471	975	1,954	EBITDA growth	(0.3)	(4.0)	19.3	6.6	14
Other current assets	2,571	2,510	2,409	2,125	2,624	Norm profit growth	(85.1)	(82.0)	25.1	(23.6)	381.2
Investment	305	307	283	305	303	Norm EPS growth	(85.1)	(82.0)	25.1	(23.6)	381.2
Fixed assets	76,610	74,807	72,255	69,018	66,978	Gross margin	21.6	22.5	25.2	24.4	23.7
Other assets	6,553	7,201	6,613	7,018	8,005	Operating margin	1.8	2.8	6.7	4.9	3.1
Total assets	115,379	113,433	113,963	113,072	114,501	EBITDA margin	30.9	34.9	40.5	40.7	37.3
S-T debt	165	165	165	15	15	Norm net margin	0.7	1.1	3.8	2.6	3.3
A/C payable	32,920	30,647	30,792	30,143	29,985	D/E (x)	1.8	1.8	1.7	1.6	1.6
Other current liabilities	5,148	5,254	4,892	6,219	6,438	Net D/E (x)	1.1	1.1	1.0	0.8	0.7
L-T debt	49,000	49,000	49,000	47,000	47,000	Interest coverage (x)	18	18.8	18.8	19.1	20.4
Other liabilities	1,002	996	1,000	980	1,827	Interest rate	3.1	3.0	3.4	3.3	3.2
Minority interest	1	1	1	1	1	Effective tax rate	(56.3)	15.1	22.5	19.2	(29.4)
Shareholders' equity	27,144	27,370	28,113	28,714	29,234	ROA	0.5	0.7	2.6	1.8	2.4
Working capital	(21,873)	(20,101)	(20,819)	(20,564)	(19,442)	ROE	2.1	3.1	10.7	7.0	9.3
Total debt	49,165	49,165	49,165	47,015	47,015						
Net debt	30,872	31,102	26,735	21,989	20,967						

Sources: Company data, Thanachart estimates

Quarterly results (Bt bn)	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17
Service Revenue excl. IC	16.77	16.43	16.40	16.63	16.44	16.04	16.20	16.02	16.22	16.41	15.96	16.23
- Voice	7.75	7.33	7.09	7.08	6.61	5.83	5.46	5.05	4.34	3.81	3.52	3.87
- Non-voice value added services	7.46	7.61	7.78	7.90	8.22	8.69	9.34	9.50	10.38	11.05	11.15	11.01
- Others	1.56	1.49	1.53	1.64	1.61	1.52	1.39	1.48	1.51	1.55	1.29	1.36
Net IC revenues (expenses)	0.09	0.08	0.05	0.04	0.06	0.07	0.07	0.05	0.04	0.02	0.02	(0.01)
	18.2%	18.7%	18.6%	17.4%	17.7%	15.3%	15.5%	16.0%	15.8%	13.3%	13.5%	10.8%
Cost of services excl. IC	9.35	9.78	9.87	10.31	10.19	10.16	10.62	10.88	11.09	10.96	10.98	11.09
- Regulatory costs	3.07	3.09	3.06	2.90	2.92	2.46	2.53	2.57	2.57	2.19	2.17	1.75
- Amortization costs	4.00	4.22	4.52	4.86	5.03	5.36	5.76	6.00	6.09	6.32	6.49	6.70
- Network OPEX	1.25	1.44	1.20	1.39	1.29	1.50	1.56	1.56	1.60	1.61	1.70	1.95
- Others	1.04	1.03	1.09	1.16	0.96	0.85	0.77	0.75	0.82	0.84	0.62	0.70
SG&A expenses	3.75	3.95	4.24	4.93	4.51	4.80	4.11	4.37	3.89	3.58	3.67	4.17
- Selling and marketing expenses	1.47	1.76	1.61	2.07	1.83	1.91	1.68	1.77	1.36	1.03	1.19	1.29
- Others	2.28	2.20	2.63	2.85	2.69	2.89	2.43	2.60	2.53	2.55	2.48	2.88
Service Revenue y-y	(3.63)	(5.31)	(1.50)	(1.61)	(1.99)	(2.39)	(1.23)	(3.63)	(1.30)	2.31	(1.47)	1.32
- Voice	(17.51)	(20.77)	(15.54)	(13.82)	(14.73)	(20.43)	(22.90)	(28.77)	(34.39)	(34.66)	(35.57)	(23.29)
- Non-voice value added services	13.40	10.76	10.49	7.88	10.19	14.17	19.99	20.29	26.30	27.25	19.35	15.82
- Others	9.40	21.17	26.09	21.29	3.14	1.81	(8.84)	(10.23)	(6.22)	1.58	(7.33)	(7.93)
Service Revenue q-q	(0.76)	(2.03)	(0.19)	1.40	(1.14)	(2.43)	0.99	(1.06)	1.25	1.13	(2.74)	1.74
- Voice	(5.67)	(5.49)	(3.30)	(0.03)	(6.66)	(11.81)	(6.31)	(7.63)	(14.03)	(12.17)	(7.61)	9.97
- Non-voice value added services	1.83	2.03	2.33	1.48	4.01	5.71	7.54	1.73	9.21	6.50	0.86	(1.27)
- Others	15.09	(4.17)	2.21	7.60	(2.13)	(5.41)	(8.48)	5.96	2.24	2.45	(16.50)	5.27
- Network costs to sales	31.11	34.28	34.81	37.52	38.30	42.57	44.98	47.01	47.31	48.26	51.23	53.27
- Marketing expenses to sales	8.71	10.63	9.78	12.44	11.06	11.89	10.33	11.03	8.34	6.26	7.44	7.97
- EBITDA margin	32.17	30.20	35.41	28.65	33.12	33.09	36.78	30.93	34.90	40.45	40.72	37.33
Total subscriber (m sub)	28.43	26.94	24.85	25.25	25.48	24.95	24.82	24.48	24.31	23.60	23.10	22.65
Net add ('000)	0.42	(1.48)	(2.09)	0.40	0.23	(0.52)	(0.13)	(0.34)	(0.17)	(0.71)	(0.51)	(0.44)
Prepaid subs (m sub)	24.42	22.85	20.74	20.93	21.05	20.33	20.00	19.45	19.09	18.22	17.58	17.02
Postpaid subs (m sub)	4.00	4.09	4.12	4.32	4.43	4.62	4.82	5.03	5.22	5.39	5.52	5.64
3G's migration (%)	14.09	15.17	16.56	17.12	17.39	18.53	19.41	20.53	21.47	22.83	23.91	24.88
Blended ARPU (Bt/month)	195	198	204	220	217	211	218	220	221	230	231	237
Pre-paid ARPU (Bt/month)	141	143	150	162	159	148	151	148	144	149	145	144
Postpaid ARPU (Bt/month)	553	537	515	519	512	517	524	524	533	541	538	551
MOU (Min/month)	174	165	165	169	153	138	130	124	118	115	114	112
Net IC gain (charge) (Bt bn)	0.09	0.08	0.05	0.04	0.06	0.07	0.07	0.05	0.04	0.02	0.02	(0.01)
- Revenues	1.63	1.60	1.20	1.21	1.19	1.16	1.12	1.09	0.85	0.82	0.81	0.79
- Expenses	1.55	1.52	1.16	1.17	1.12	1.09	1.06	1.04	0.81	0.80	0.79	0.80
VAS to underlying services	44.46	46.30	47.47	47.51	49.99	54.16	57.67	59.30	63.96	67.36	69.86	67.79

Source: Company data

Glow Energy Pcl (GLOW TB) - HOLD, Price Bt84.75, TP Bt85.00

Results Comment

Supanna Suwankird | Email: supanna.suw@thanachartsec.co.th

4Q17 results in line

- In 4Q17: GLOW made Bt1.9bn net earnings, in line with the consensus' estimates. Excluding extraordinary item mainly forex gain, its norm earnings would be Bt1.7bn, in line with our expectation. The performance in 4Q17 was good, up 8% y-y due to increased demand from industrial users and lower gas cost and maintenance expenses. Yet, they were down 24% q-q due to low seasonal demand and increased maintenance costs.
- For 2017, norm earnings were down 14% y-y due to
 - For IPP business: GLOW IPP has seen its tariff declined as stipulated in the PPA. GHECO-1's coal supply margin no longer exists as contract expired since mid-2016 and GHECO-1 also had planned maintenance during 1 Jan-5 Feb.
 - For SPP business: GLOW's Phase 2 contracted capacity with EGAT was expired (but was later renewed during the year). Yet, coal price rose strongly 30.4%, despite gas price slightly softened.
 - For Industrial user business: demand was increased by 5.5% while tariff slightly declined 0.8%.
- Administrative costs rose y-y though interest expense fell due to debt repayment.
- We maintain our HOLD rating on GLOW. Although GLOW has no sizable capacity expansion potential, we view GLOW as a sustained good dividend play at the prospective yield of 6.8%. With our expectation of GLOW's EBITDA to continue at Bt14-15bn p.a. over the next 5 years, we see GLOW to maintain its high dividend policy for shareholders.

Income Statement						Income Statement					
(consolidated)						12M as					
Yr-end Dec (Bt m)	4Q16	1Q17	2Q17	3Q17	4Q17	(Bt m)	q-q%	y-y%	% 2017F	2017A	2018F
Revenue	12,017	11,533	13,553	13,225	12,567	Revenue	(5)	5	88	50,878	57,312
Gross profit	2,580	2,549	4,054	3,556	2,999	Gross profit	(16)	16	104	13,158	13,072
SG&A	268	183	175	175	326	SG&A	86	22	99	858	860
Operating profit	2,312	2,366	3,879	3,381	2,673	Operating profit	(21)	16	104	12,300	12,213
EBITDA	3,310	3,370	4,956	4,411	3,710	EBITDA	(16)	12	102	16,447	16,444
Other income	156	69	113	77	131	Other income	71	(16)	113	390	344
Other expense	0	0	0	0	0	Other expense			na	0	0
Interest expense	671	625	608	578	569	Interest expense	(2)	(15)	110	2,380	(1,863)
Profit before tax	1,797	1,810	3,385	2,880	2,235	Profit before tax	(22)	24	103	10,310	10,694
Income tax	285	179	226	182	198	Income tax	9	(30)	87	975	1,069
Equity & invest. income	0	(0)	(0)	(0)	(1)	Equity & invest. income	na	na	na	(2)	0
Minority interests	76	(161)	(606)	(441)	(319)	Minority interests	na	na	163	(1,526)	(1,083)
Extraordinary items	(385)	428	277	154	220	Extraordinary items	43	na	na	1,269	0
Net profit	1,202	1,898	2,830	2,411	1,938	Net profit	(20)	61	111	9,076	8,542
Normalized profit	1,588	1,470	2,553	2,257	1,717	Normalized profit	(24)	8	98	7,807	8,542
EPS (Bt)	0.82	1.30	1.93	1.65	1.32	EPS (Bt)	(20)	61	111	6.20	5.84
Normalized EPS (Bt)	1.09	1.01	1.75	1.54	1.17	Normalized EPS (Bt)	(24)	8	98	5.34	5.84
Balance Sheet						Financial Ratios					
(consolidated)						12M as					
Yr-end Dec (Bt m)	4Q16	1Q17	2Q17	3Q17	4Q17	(%)	4Q16	1Q17	2Q17	3Q17	4Q17
Cash & equivalent	7,252	10,690	5,619	8,476	8,737	Sales grow th	(17.8)	(16.5)	(2.0)	2.5	4.6
A/C receivable	8,267	200	8,456	7,963	7,215	Operating profit grow th	(29.5)	(36.6)	(4.1)	5.0	15.6
Inventory	5,473	5,262	5,469	5,590	5,832	EBITDA grow th	(22.3)	(28.4)	(2.3)	4.1	12.1
Other current assets	569	6,246	369	293	278	Norm profit grow th	(29.1)	(41.0)	(6.4)	5.1	8.2
Investment	13	16	17	22	142	Norm EPS grow th	(29.1)	(41.0)	(6.4)	5.1	8.2
Fixed assets	80,742	80,011	79,119	78,192	77,128	Gross margin	21.5	22.1	29.9	26.9	23.9
Other assets	7,203	7,658	7,541	7,445	6,699	Operating margin	19.2	20.5	28.6	25.6	21.3
Total assets	109,518	110,083	106,590	107,982	106,031	EBITDA margin	27.5	29.2	36.6	33.4	29.5
S-T debt	7,771	7,685	8,124	8,099	6,254	Norm net margin	13.2	12.8	18.8	17.1	13.7
A/C payable	4,759	4,477	4,309	5,567	6,132	D/E (x)	0.9	0.9	0.9	0.9	0.8
Other current liabilities	2,512	1,339	1,261	996	2,036	Net D/E (x)	0.7	0.6	0.8	0.7	0.6
L-T debt	36,197	35,772	34,877	34,654	31,231	Interest coverage (x)	4.9	5.4	8.2	7.6	6.5
Other liabilities	1,507	2,077	2,192	2,290	2,369	Interest rate	5.8	5.7	5.6	5.4	5.7
Minority interest	7,800	7,913	8,473	8,871	8,589	Effective tax rate	15.9	9.9	6.7	6.3	8.9
Shareholders' equity	48,971	50,819	47,354	47,504	49,420	ROA	5.7	5.4	9.4	8.4	6.4
Working capital	8,981	985	9,617	7,987	6,915	ROE	13.1	11.8	20.8	19.0	14.2
Total debt	43,968	43,458	43,001	42,753	37,485						
Net debt	36,716	32,767	37,382	34,278	28,749						

Sources: Company data, Thanachart estimates

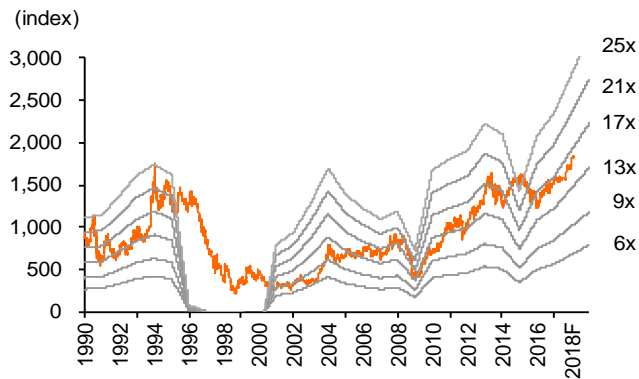
NEWS CLIPPING

- **Cabinet affirms wage hike, relief measures** : The cabinet yesterday endorsed the daily minimum wage hike nationwide from April 1, an increase of 5-22 baht as approved by the tripartite national wage committee on Jan 17. Bangkok Post
- **BoT chews over e-marketplace proposal** : The Bank of Thailand is mulling requests made by six financial institutions to offer their own e-marketplace platforms, viewed as an effort to gain a first-mover advantage in online financial services to guard market share ahead of the full-scale entry of technology and payment behemoths. Bangkok Post
- **Prayut wants more time at the helm** : PM calls on public not to lose faith in regime. Prime Minister Prayut Chan-o-cha has appealed to the public to let him stay on in power to "continue laying the foundations for the country", though he gave no indication of how long he intends to remain at the helm. Bangkok Post
- **Relief measures for SMEs as minimum wage hike approved** : The cabinet has approved a Bt8-Bt20 rise in daily minimum wage rates, increasing the average minimum wage to Bt308-Bt330 per day even as the government also launched three relief measures to help affected business operators. The Nation
- **Jay Mart says ICO will go on** : JFin coin navigates regulatory minefield. SET-listed mobile distributor Jay Mart insists that it will move ahead with selling its JFin digital currency through an initial coin offering (ICO) as scheduled, with company officials voicing confidence Bangkok Post
- **DTAC to go digital with workforce culling** : Total Access Communication (DTAC), the latest in a growing list of companies seeking to capitalise on digital transformation, will slash its workforce by 1,000 employees this year in an effort to increase earnings. Bangkok Post
- **RS looks to exciting year ahead** : Changes, turning points on the cards as 'health and beauty' thrives. This will be an exciting and challenging year with many turning points at RS, thanks to its health and beauty business's record-breaking growth, said CEO Surachai Chetchotisak. The Nation

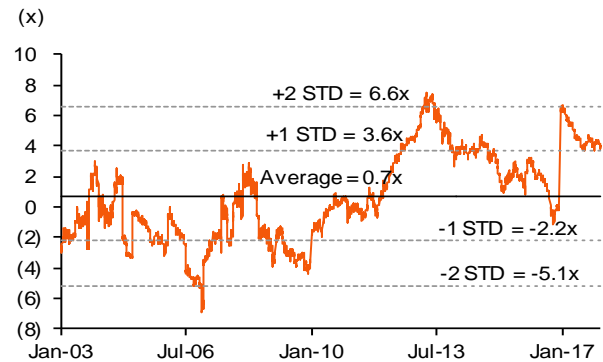
Market data	Close	Δ	% Δ
SET Index	1,826.6	-10.9	-0.6%
SET50 Index	1,186.2	-9.3	-0.8%
SET100 Index	2,651.2	-18.5	-0.7%
MAI Index	537.1	2.0	0.4%
Economic data	Current	-1M	-3M
Saving Rate (%)	0.50	0.50	0.50
Fixed Deposit - 3M (%)	1.00	1.00	1.00
Fixed Deposit - 1Y (%)	1.50	1.50	1.50
Govt Bond Yield 1Y (%)	1.42	1.42	1.40
Govt Bond Yield 10Y (%)	2.47	2.54	2.46
Treasury Yield – 10Y (%)	2.69	2.41	2.35
Policy Rate (%)	1.50	1.50	1.50
VIX Index	13.84	11.04	9.93
TED Spread (%)	0.37	0.32	0.23

Source: Bloomberg, Datastream, Thai BMA

SET Forward PE Band

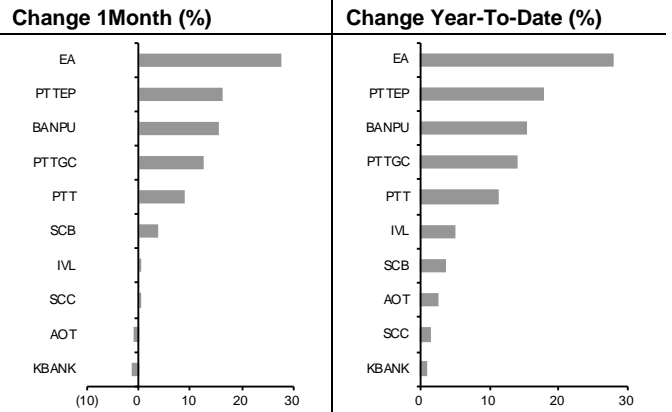
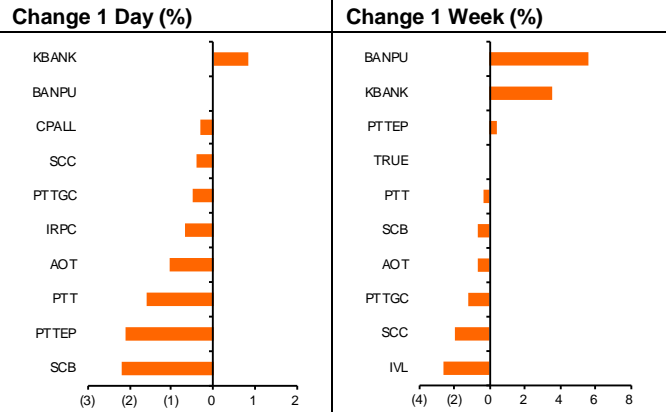


SET PE Discount to MSCI Asia x JP

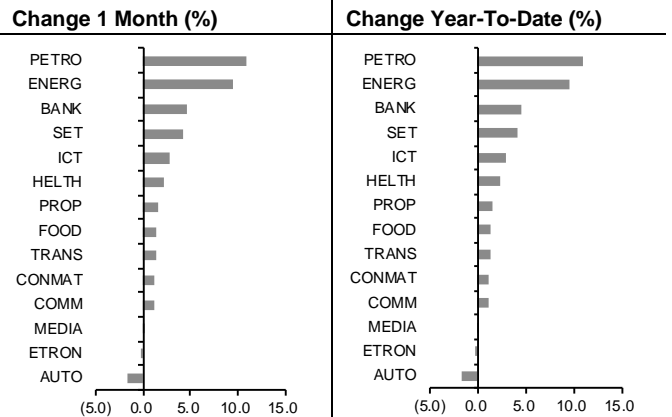
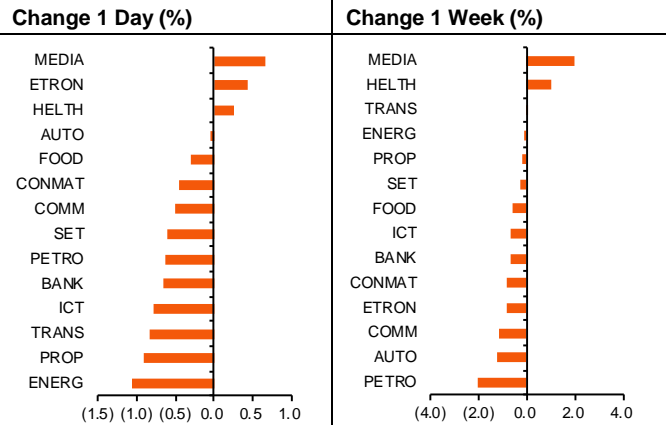


Source: Bloomberg

PRICE CHANGE - MOST ACTIVE



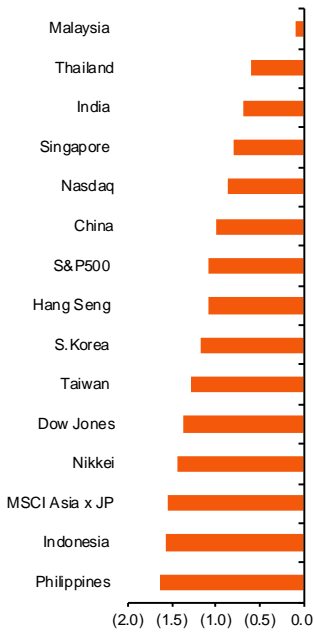
SECTOR CHANGE



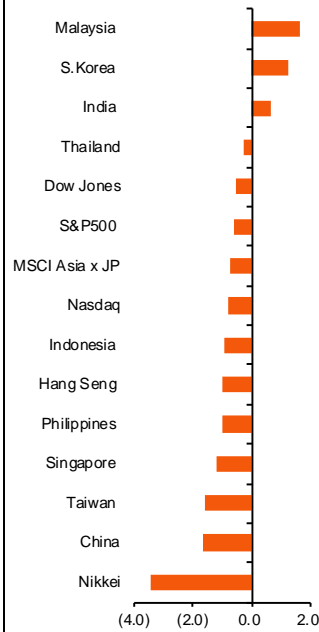
Source: Bloomberg

REGIONAL MARKET PERFORMANCE

Change 1 Day (%)

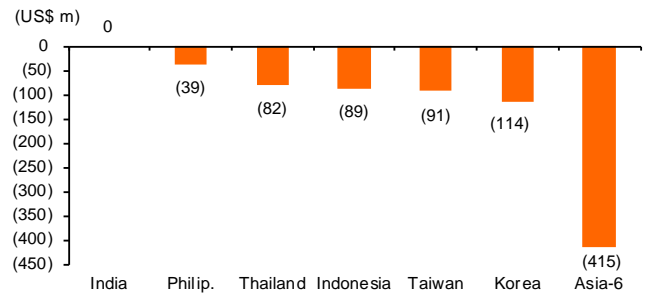


Change 1 Week (%)

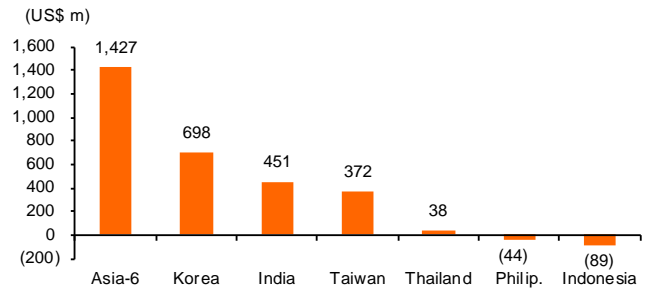


REGIONAL FUND FLOWS

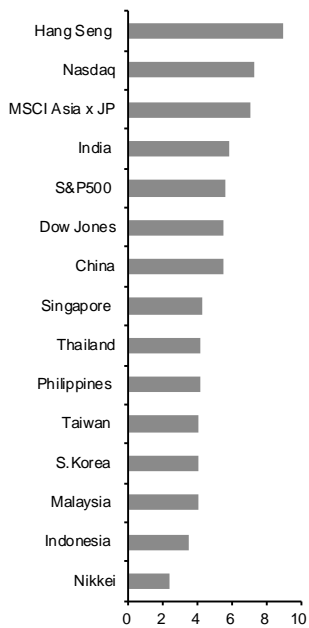
Change 1 Day (-1D)



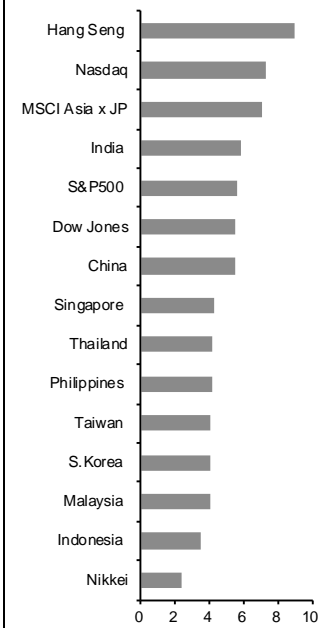
Change 1 Week (-1W)



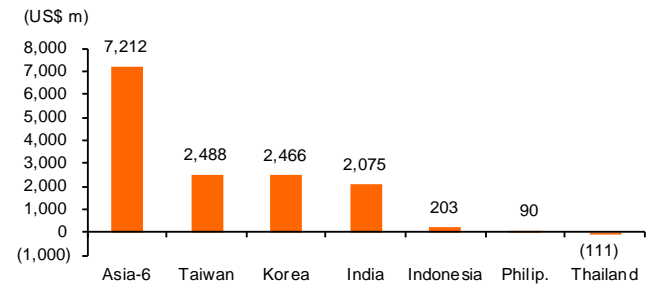
Change 1 Month (%)



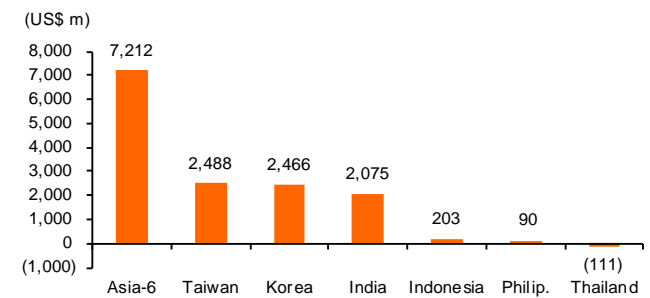
Change Year-To-Date (%)



Change 1 Month (-1M)



Change Year-To-Date (YTD)



Source: Bloomberg

Source: Bloomberg

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Recommendation Structure:

Recommendations are based on absolute upside or downside, which is the difference between the target price and the current market price. If the upside is 10% or more, the recommendation is BUY. If the downside is 10% or more, the recommendation is SELL. For stocks where the upside or downside is less than 10%, the recommendation is HOLD. Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a temporary mismatch between upside/downside for a stock based on the market price and the formal recommendation.

For sectors, we look at two areas, ie, the sector outlook and the sector weighting. For the sector outlook, an arrow pointing up, or the word "Positive", is used when we see the industry trend improving. An arrow pointing down, or the word "Negative", is used when we see the industry trend deteriorating. A double-tipped horizontal arrow, or the word "Unchanged", is used when the industry trend does not look as if it will alter. The industry trend view is our top-down perspective on the industry rather than a bottom-up interpretation from the stocks we cover. An "Overweight" sector weighting is used when we have BUYs on majority of the stocks under our coverage by market cap. "Underweight" is used when we have SELLs on majority of the stocks we cover by market cap. "Neutral" is used when there are relatively equal weightings of BUYs and SELLs.

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