Strategy

Key Takeaways From Thailand Focus 2026: Turning A Record Pipeline Into Power And Infrastructure Demand

Highlights

- Thailand is entering a new investment cycle driven by data centres, semiconductors, advanced electronics and AI infrastructure.
- Record applications signal Thailand's transition from traditional manufacturing towards higher-value technology industries.
- The new PDP (due Sep 26), direct-PPA expansion beyond the 2GW pilot, third-party access and grid modernisation are the gating catalysts.
- Data centre expansion will drive recurring demand for power, industrial land, water, fibre networks and connectivity.
- Key beneficiaries are utilities, telecommunications and industrial estates; top picks are BGRIM, GPSC, GUNKUL, TRUE and WHA.

What's New

- **Thailand Focus 2026: Reignite Thailand.** The Stock Exchange of Thailand hosted the 20th edition of its flagship investor conference on 26-28 Aug 26 with 77 listed companies participating. Day one comprised five policy panels, an ASEAN exchange luncheon session and a keynote by Deputy Prime Minister and Finance Minister Ekniti Nitithanprapas. Other speakers included the Energy Minister and senior representatives of the BOI, DEPA, Moody's, Google Cloud, Infineon, Lumentum and Digital Edge, alongside management of BGRIM, AOT, BBL, IVL and SCC.
- **Thailand is seeking to shift its growth engine towards a new investment cycle.** The central message was not a near-term cyclical recovery, but a structural effort to raise investment from 23-24% to 30% of GDP within four years. This is intended to offset the economic impact of an ageing population and a shrinking workforce. The government plans to use public investment to crowd in private capital and deploy technology to improve productivity. If successfully implemented, the strategy could lift Thailand's potential growth back above 3% and create a more durable investment cycle than conventional consumption stimulus.
- **FDI is moving from low-cost manufacturing to higher-value industries.** Applications reached Bt1.9t in 2025 and are tracking towards Bt2.5t-2.8t this year, with Bt1.47t submitted in 1H26. Composition has shifted towards advanced PCBs, semiconductors, AI servers, optical transceivers, cooling systems and data centres. Infineon is building a next-generation backend hub roughly twice the size of its current one, and Lumentum now runs its largest global manufacturing base in Thailand (9,000 staff, moving towards 10,000). Beyond cost, investors cite reliability, supply-chain resilience, access to clean energy and geopolitical neutrality. The gap between Bt1.47t in applications and roughly Bt500b of actual investment is the single number we would track from here.
- **Clean energy is critical to converting investment applications into actual projects.** Data centre operators prioritise power reliability, access to 100% renewable energy and regulatory certainty over electricity prices alone. Meanwhile, declining domestic gas reserves and greater dependence on imported LNG are increasing Thailand's structural energy risks. The government is preparing a new Power Development Plan, targeting at least 60% renewable energy, alongside direct PPAs, third-party access and grid modernisation. We view these measures as essential both to energy security and Thailand's competitiveness in attracting new industries.

Analyst(s)

Kitpon Praipaisarnkit
kitpon@uobkh.co.th
662 0903352

Krit Tanarattananon
krit@uobkh.co.th
662 0903365

Assistant Analyst(s)

Natthida Chuaysong

Key Recommendations

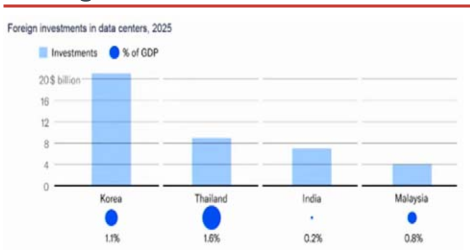
Company	Ticker	Rec	Share Price (Bt)	Target Price (Bt)
B.Grimm Power	BGRIM TB	BUY	18.80	22.00
Global Power Synergy	GPSC TB	BUY	52.00	60.00
Gunkul Engineering	GUNKUL TB	BUY	5.00	6.80
True Corporation	TRUE TB	BUY	13.30	15.70
Wha Corporation	WHA TB	BUY	4.82	6.10

Source: Bloomberg

BOI: Strong Momentum In Investment Applications

Source: BOI

Thailand's Data Centre Investment Are Among The Highest Compared To Regional Peers



Source: UNCTAD, Moody's Ratings

- **Direct PPAs could be a game changer for utilities and data centre investment.** Allowing large users to purchase renewable electricity directly from producers would ease constraints under the existing power-market structure and create a new addressable market for private generators, particularly those with renewable portfolios, industrial customers and the ability to secure long-term data centre contracts. The earnings impact will depend on wheeling charges, capacity allocation rules and the implementation timeline. Progress on direct PPAs and the new PDP should therefore be key catalysts for the utility sector over the next 6-12 months.
- **Thailand's key constraint is shifting from digital infrastructure to talent and technology adoption.** The country has relatively strong digital infrastructure but faces a significant shortage of AI and data professionals, with demand estimated at around 100,000 people versus an existing workforce of approximately 20,000. Workplace adoption of AI also trails some ASEAN peers. This may not constrain initial data centre construction, but it will determine whether Thailand can progress from hosting physical infrastructure to creating higher-value digital services and domestic intellectual capital.
- **Fiscal space exists, but the quality of spending now matters more than the quantity.** Moody's maintains Thailand at Baa1 with a stable outlook, helped by a deep and liquid domestic bond market and interest costs of only 5.5% of revenue, even with public debt at about 60% of GDP against a 70% ceiling and 35% pre-pandemic. We think fiscal policy can keep supporting growth where it crowds in private capital and earns a return – grids, clean energy and digital infrastructure – but successive off-budget decrees are narrowing the buffer.
- **Thailand should benefit from global realignment, although ASEAN competition is intensifying.** Geopolitical fragmentation and supply-chain diversification are redirecting FDI towards ASEAN. Thailand benefits from its established industrial base, industrial estates, utilities and supplier ecosystem. However, it must compete with Malaysia, Indonesia and Vietnam on incentives, approval speed and access to clean energy, while traditional manufacturers face rising competition from Chinese overcapacity. We therefore prefer infrastructure providers supporting the new investment cycle over broad exposure to conventional manufacturing.

Investment Strategy

- **Data centres generate recurring, not one-off, demand.** According to BMI (Fitch's subsidiary), Thailand has about 216MW of live capacity against 944MW under construction or planned, supported by commitments from AWS (US$15b), ByteDance (US$4b) and Google (US$1b). At a PUE of about 1.35 and 80% utilisation, that pipeline equates to roughly 9TWh pa of incremental electricity consumption, or some 4-5% of national demand, on top of requirements for industrial land, water, cooling, fibre and connectivity. The revenue is contracted and recurring across each project's operating life, which is why we prefer infrastructure owners to construction-linked beneficiaries.
- **Positive on utilities, telecommunications and industrial estates.** Thailand Focus 2026 reinforced our new investment-cycle theme centred on AI, data centres and technology industries. Utilities should benefit from rising demand for reliable and renewable power, telecommunications operators from greater data usage and connectivity demand, and industrial estates from both land sales and recurring utility revenue. **Top picks are BGRIM, GPSC, GUNKUL, TRUE and WHA.**
- **BGRIM: A key proxy for direct PPAs and data centres.** BGRIM has an established industrial customer base, smart-grid expertise within industrial estates and an existing partnership with a data centre operator. It is therefore well positioned to monetise power-market liberalisation. Greater clarity on

direct PPAs and a higher renewable-energy share under the new PDP would be key catalysts.

- **GPSC: Beneficiary of grid stability and energy storage investment.** Rising renewable penetration will require parallel investment in energy storage and grid management. GPSC should benefit from increasing power demand in the EEC, expansion among industrial customers and investment in technologies supporting power system stability.
- **GUNKUL: A direct renewable energy and grid modernisation play.** GUNKUL should benefit from new renewable projects, solar rooftops, direct PPAs and electrical-system work associated with grid modernisation. This provides opportunities across both power-generation capacity and its EPC and electrical equipment businesses.
- **TRUE: Digital infrastructure proxy for AI and data growth.** Expansion in data centres, cloud services and AI should support demand for fibre networks, data connectivity and overall data consumption. Merger synergies and cost reductions should also strengthen operating leverage, allowing revenue growth to translate more effectively into earnings.
- **WHA: An integrated beneficiary of FDI and data-centre investment.** WHA captures benefits across industrial land sales, ready-built facilities, warehouses, water, electricity and utilities. Data centres are particularly attractive given their intensive requirements for land, power and water. WHA therefore offers one of the clearest exposures to the conversion of investment applications into actual projects.

Peer Comparison

			Price	Target	Upside	Last	-------------------- PE --------------------			Yield	ROE	Market	Price/
Company	Ticker	Rec	25 Aug 26	Price	To TP	Year	2025	2026F	2027F	2026F	2026F	Cap.	NAV ps
			(Bt)	(Bt)	(%)	End	(x)	(x)	(x)	(%)	(%)	(S$m)	(x)
B.Grimm Power	BGRIM TB	BUY	18.80	22.00	17.02	12/25	29.3	22.5	19.5	2.3	4.5	1,467	1.4
Global Power Synergy	GPSC TB	BUY	52.00	60.00	15.38	12/25	22.9	23.5	20.6	2.9	5.2	4,390	1.3
Gunkul Engineering	GUNKUL TB	BUY	5.00	6.80	36.00	12/25	25.1	20.8	18.7	2.3	14.5	1,330	2.9
True Corporation	TRUE TB	BUY	13.30	15.70	18.05	12/25	38.5	35.1	28.1	1.7	14.1	13,759	4.6
Wha Corporation	WHA TB	BUY	4.82	6.10	26.54	12/25	14.0	14.8	13.2	4.1	11.7	2,157	1.9

Source: Bloomberg, UOB Kay Hian