

## Gulf Energy Dev. Pcl (GULF TB) - U.R., Price Bt37.75, TP U.R.

## Results Comment

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## Lower-than-expected 2Q21's profit

- GULF reported norm profit, excluding gain/loss from unrealized FX gain, at Bt1.4bn in 2Q21, grew 42% y-y but dropped 41% q-q in a like-for-like basis. This came in below our and the market's expectations. The y-y growth was from capacity expansion and improving power demand from industrial users, while the weakness q-q was due to seasonal impacts.
- Total revenue increased 45% y-y to Bt11.2bn in 2Q21 backed by full-quarter contributions from GSRC IPP project (COD on 31 March 2021) and Borkum wind project (4Q20) and higher power demand from industrial clients. A lower growth q-q was since it was a weak season of power output from Borkum.
- EBITDA grew 59% y-y to Bt3.4bn in 2Q21, in-line with higher revenue base. However, it fell 8% q-q on weaker performance from renewable plants. EBITDA margin was at 30.5% in 2Q21, from 33.3% in 1Q21 and 23.3% in 2Q20.
- Equity income improved 12% y-y to Bt733m, supported mainly by higher electricity sale volume of SPP plants under GJP. It was flat q-q as slightly higher sale volume was offset by a small rise in gas price.
- A sharp fall of other income was since there was no dividend received from Intouch Group this quarter (Bt683m in 1Q21).
- Despite its lower-than-expected performance in 1H21, we see an upside to our 2021F's forecast. This is since we have yet factored in contribution from Intouch Group into our numbers. We put our recommendation and TP under reviewed.

Income Statement (consolidated)						Income Statement					
Yr-end Dec (Bt m)	2Q20	3Q20	4Q20	1Q21	2Q21	(Bt m)	q-q%	y-y%	% 2021F	2021F	2022F
Revenue	7,773	7,876	9,309	9,035	11,242	Revenue	24	45	55	36,795	44,245
<b>Gross profit</b>	<b>1,814</b>	<b>2,037</b>	<b>3,367</b>	<b>3,006</b>	<b>2,716</b>	<b>Gross profit</b>	<b>(10)</b>	<b>50</b>	<b>62</b>	<b>9,231</b>	<b>11,962</b>
SG&A	380	428	878	484	532	SG&A	10	40	43	2,349	2,586
Operating profit	1,435	1,609	2,488	2,523	2,184	Operating profit	(13)	52	68	6,883	9,377
<b>EBITDA</b>	<b>2,153</b>	<b>2,380</b>	<b>3,709</b>	<b>3,724</b>	<b>3,429</b>	<b>EBITDA</b>	<b>(8)</b>	<b>59</b>	<b>67</b>	<b>10,642</b>	<b>13,989</b>
Other income	111	374	21	696	88	Other income	(87)	(21)	83	946	878
Other expense						Other expense			-	253	452
Interest expense	836	966	1,040	932	1,174	Interest expense	26	40	56	3,770	4,677
<b>Profit before tax</b>	<b>710</b>	<b>1,017</b>	<b>1,469</b>	<b>2,287</b>	<b>1,098</b>	<b>Profit before tax</b>	<b>(52)</b>	<b>55</b>	<b>89</b>	<b>3,806</b>	<b>5,125</b>
Income tax	(27)	(21)	167	141	(193)	Income tax	na	na	(48)	107	154
Equity & invest. income	656	753	433	742	733	Equity & invest. income	(1)	12	39	3,816	4,545
Minority interests	(403)	(467)	(558)	(498)	(624)	Minority interests	na	na	133	(845)	(1,438)
Extraordinary items	891	(355)	668	(757)	5	Extraordinary items	na	(99)	na		
<b>Net profit</b>	<b>1,881</b>	<b>970</b>	<b>1,844</b>	<b>1,632</b>	<b>1,407</b>	<b>Net profit</b>	<b>(14)</b>	<b>(25)</b>	<b>46</b>	<b>6,669</b>	<b>8,078</b>
<b>Normalized profit</b>	<b>989</b>	<b>1,325</b>	<b>1,176</b>	<b>2,389</b>	<b>1,401</b>	<b>Normalized profit</b>	<b>(41)</b>	<b>42</b>	<b>57</b>	<b>6,669</b>	<b>8,078</b>
EPS (Bt)	0.16	0.08	0.16	0.14	0.12	EPS (Bt)	(14)	(25)	46	0.57	0.69
Normalized EPS (Bt)	0.08	0.11	0.10	0.20	0.12	Normalized EPS (Bt)	(41)	42	57	0.57	0.69

  

Balance Sheet (consolidated)						Financial Ratios					
Yr-end Dec (Bt m)	2Q20	3Q20	4Q20	1Q21	2Q21	(%)	2Q20	3Q20	4Q20	1Q21	2Q21
Cash & ST investment	15,001	19,345	21,772	18,136	18,931	Sales grow th	8.8	(5.5)	16.3	14.8	44.6
A/C receivable	5,302	6,046	5,660	5,838	7,778	Operating profit grow th	6.5	(0.8)	81.7	66.8	52.2
Inventory	213	247	331	116	100	EBITDA grow th	11.3	3.9	80.5	66.6	59.3
Other current assets	1,191	4,964	2,591	3,835	3,175	Norm profit grow th	0.4	32.7	76.2	158.3	41.6
Investment	18,003	19,081	22,079	24,268	24,169	Norm EPS grow th	0.4	32.7	76.2	158.3	41.6
Fixed assets	86,221	123,731	129,718	120,088	124,961	Gross margin	23.3	25.9	36.2	33.3	24.2
Other assets	26,672	48,568	63,429	84,165	89,815	Operating margin	18.5	20.4	26.7	27.9	19.4
<b>Total assets</b>	<b>152,604</b>	<b>221,982</b>	<b>245,581</b>	<b>256,446</b>	<b>268,929</b>	EBITDA margin	27.7	30.2	39.8	41.2	30.5
S-T debt	15,634	10,763	18,287	24,728	32,975	Norm net margin	12.7	16.8	12.6	26.4	12.5
A/C payable	1,652	1,508	1,353	1,540	2,341	D/E (x)	2.9	2.0	2.0	1.9	2.0
Other current liabilities	3,200	4,297	10,002	5,389	6,779	Net D/E (x)	2.4	1.7	1.7	1.7	1.8
L-T debt	73,791	118,395	122,577	128,107	128,341	Interest coverage (x)	2.6	2.5	3.6	4.0	2.9
Other liabilities	27,059	21,314	21,281	16,730	19,722	Interest rate	3.9	3.5	3.1	2.5	3.0
Minority interest	6,506	7,261	8,053	9,646	9,618	Effective tax rate	(3.7)	(2.0)	11.4	6.2	(17.6)
<b>Shareholders' equity</b>	<b>24,763</b>	<b>58,444</b>	<b>64,027</b>	<b>70,306</b>	<b>69,153</b>	ROA	2.7	2.8	2.0	3.8	2.1
Working capital	3,864	4,785	4,638	4,414	5,538	ROE	15.9	12.7	7.7	14.2	8.0
Total debt	89,425	129,158	140,864	152,835	161,316						
<b>Net debt</b>	<b>74,424</b>	<b>109,813</b>	<b>119,092</b>	<b>134,699</b>	<b>142,386</b>						

Sources: Company data, Thanachart estimates

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