

Gulf Energy Dev. Pcl (GULF TB) - BUY

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News Update

Partnership formed for AI-related businesses

- **Announcing two agreements with Siam AI Corporation**
- **Siam AI is the first NVIDIA's Cloud Partner in Thailand**
- **The first phase is to rent GULF's data center services**
- **Further steps aim for business opportunities in AI solutions**

GULF announced on Wednesday (4 December 2024) two agreements with Siam AI Co., Ltd. (Siam AI, non-listed), the first Thai company to join the NVIDIA Cloud Partner (NCP) program.

- The first agreement involves GSA Data Center Co., Ltd. (GSA, 40%-owned by GULF), where Siam AI will become a customer of GSA's datacenter service, set to commence operations in 1H25.
- The second agreement, a Memorandum of Understanding (MOU) between Gulf Edge Co., Ltd. (100% owned by GULF) and Siam AI, focuses on developing infrastructure and AI solutions for the energy, digital services, and telecommunications sectors in which GULF has business footprints. This collaboration aligns with Thailand's 'Sovereign AI' initiative and leverages on 1) NVIDIA's advanced equipment and cloud solutions, 2) Siam AI's cloud and AI computing expertise, and 3) GULF's industry knowledge in those sectors.
- Those potential AI solutions include predictive maintenance, operational optimization, hyper-personalization customer services.
- While we already account for GULF's first 25MW datacenter, through GSA, in our valuation, we see the partnership with Siam AI and NVIDIA on cloud solutions development presents a significant upside potential.
- However, due limited details on potential business model for this partnership, its value creation for GULF remains unclear. We will provide updates when more information becomes available from the parties.

Key Valuations

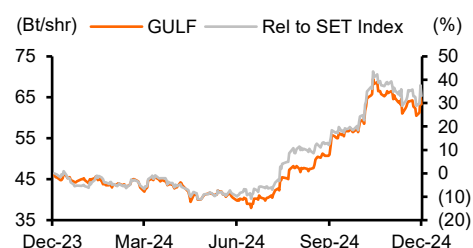
Y/E Dec (Bt m)	2023A	2024F	2025F	2026F
Revenue	114,054	145,316	161,336	163,940
Net profit	14,858	16,981	19,949	21,891
Norm net profit	14,759	16,981	19,949	21,891
Norm EPS (Bt)	1.3	1.4	1.7	1.9
Norm EPS gr (%)	28.0	15.1	17.5	9.7
Norm PE (x)	50.3	43.7	37.2	33.9
EV/EBITDA (x)	44.2	38.5	34.1	31.7
P/BV (x)	6.4	6.1	5.8	5.5
Div. yield (%)	1.4	1.6	1.9	2.1
ROE (%)	13.0	14.3	16.0	16.7
Net D/E (%)	168.3	168.2	160.3	156.4

Source: Thanachart estimates

Stock Data

Closing price (Bt)	63.25
Target price (Bt)	54.00
Market cap (US\$ m)	21,610
Avg daily turnover (US\$ m)	38.2
12M H/L price (Bt)	69.50/38.00

Price Performance



Source: Bloomberg

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