

Gulf Energy Dev. Pcl (GULFI TB) - U.R.

Nuttapop Prasitsuksant | Email: nuttapop.pra@thanachartsec.co.th

News Update

Preliminary information for the merged-co

- **The new merged-co will be traded on 3 April 2025**
- **Last trading prices imply 29x 2025F PE**
- **We estimate the merged-co fair value at Bt64/share**
- **Outlook remains positive**

The new merged-co, an amalgamated entity from Gulf Energy Development Pcl (GULFI TB, U.R., Bt49.75) and Intouch Holdings Pcl (INTUCH TB, non-rated, Bt81.50), will begin trading under the ticker GULF on the SET from 3 April 2025. While comprehensive details about the merged company remain limited at this point, we provide some preliminary information to assist investors in their early-stage decision-making. Our full report with in-depth analysis and investment recommendation on the new merged-co (GULF) will be released once sufficient clarity emerges and we are confident in the robustness of available data.

- Based on the last trading prices of GULFI and INTUCH on 21 March 2025, the implied market capitalization for the new merged entity (GULF) is estimated at Bt721bn. This translates to an implied share value of Bt48.3/share given total number of GULF's shares stands at 14.9bn shares (see Exhibit 1).
- From our earnings forecasts for GULFI and Advanced Info Service Pcl (ADVANC TB, BUY, Bt273), we preliminarily estimate GULF's earnings at approximately Bt25.2bn in 2025F. This is derived from our Bt20.9bn earnings forecast on GULFI plus an estimated Bt8.4bn higher share of profit from ADVANC, reflecting GULF's increased stake by 21.3% post-merger. We then deduct Bt4.0bn of additional amortization cost resulted from accounting treatment on the merger as guided by the companies (see Exhibit 2).
- With the implied market cap of the new merged-co GULF at Bt721bn and our preliminary earnings forecast of Bt25.2bn, the new merged-co GULF is trading on a 29x 2025F PE.
- From a valuation perspective, our current TP for GULFI (based on a DCF-derived SOTP approach on a 2025F base year) is at Bt65/share which implies a Bt763bn market capitalization. If we incorporate the additional value from a 21.3% higher stake in ADVANC, equivalent to Bt196bn based on our DCF-based TP of Bt310/share for ADVANC, our preliminary fair value for the newly merged entity (GULF) would be Bt959bn in market capitalization, or approximately Bt64/share.
- Based on our earnings growth forecasts of 10-18% for GULFI and 10-13% for ADVANC over 2025-27F, while we foresee GULF's earnings profile to be an equal split between the power and telecom businesses, we estimate earnings growth for the merged entity to fall in the 10–15% range over the period. Key earnings drivers are 1) power generation capacity expansion, 2) recovering ARPU in telecom market, 3) emerging gas infrastructure business, and 4) benefits from falling interest rate trend and likely upgrading credit ratings.

Key Valuations

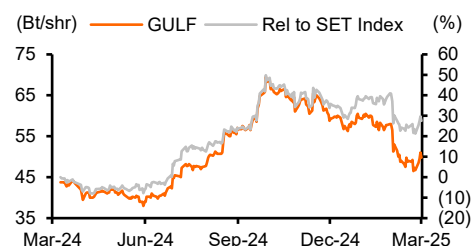
| Y/E Dec (Bt m) | 2024A | 2025F | 2026F | 2027F |
|-----------------|---------|---------|---------|---------|
| Revenue | 120,888 | 140,832 | 140,731 | 142,526 |
| Net profit | 18,170 | 19,615 | 23,066 | 25,367 |
| Norm net profit | 18,074 | 19,615 | 23,066 | 25,367 |
| Norm EPS (Bt) | 1.5 | 1.7 | 2.0 | 2.2 |
| Norm EPS gr (%) | 22.5 | 8.5 | 17.6 | 10.0 |
| Norm PE (x) | 32.3 | 29.8 | 25.3 | 23.0 |
| EV/EBITDA (x) | 34.8 | 31.3 | 26.8 | 24.6 |
| P/BV (x) | 4.7 | 4.6 | 4.3 | 4.1 |
| Div. yield (%) | 2.0 | 2.4 | 2.8 | 3.0 |
| ROE (%) | 15.0 | 15.6 | 17.6 | 18.3 |
| Net D/E (%) | 180.2 | 172.2 | 158.8 | 146.8 |

Source: Thanachart estimates

Stock Data

| | |
|-----------------------------|-------------|
| Closing price (Bt) | 49.75 |
| Target price (Bt) | 65.00 |
| Market cap (US\$ m) | 17,183 |
| Avg daily turnover (US\$ m) | 40.2 |
| 12M H/L price (Bt) | 69.50/38.00 |

Price Performance



Source: Bloomberg

Ex 1: GULF's Share Value Based On Last Trading Prices

| | Last trading price (Bt/share) | Implied market capitalization (Bt m) |
|--|----------------------------------|---|
| GULF | 49.75 | 583,724 |
| INTUCH* | 81.50 | 137,542 |
| Implied merged-co market capitalization | 721,266 | Bt m |
| # merged-co share | 14,940 | m shares |
| Implied opening price | 48.28 | Bt/share |

Sources: Company data, Thanachart estimates

Note: * The implied market capitalization from INTUCH is calculated using only 1,688 million shares, excluding the portion already held by GULFI prior to the merger. This adjustment is made to avoid double-counting in the merged entity's valuation.

Ex 2: Preliminary 2025F Earnings Estimate For GULF

| | | |
|--|------------------------|--------------------|
| Our 2025F earnings forecast for GULFI - (1) | 20,873 | Bt m |
| Our 2025F earnings forecast for ADVANC | 39,324 | Bt m |
| Additional share of profit based on 21.3% higher stake in GULF - (2) | 8,376 | Bt m |
| Additional amortization cost from the merger - (3) | 4,000 | Bt m |
| New co earnings --- | (1) + (2) - (3) | 25,249 Bt m |

Sources: Thanachart estimates

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