

Gulf Development Pcl (GULF TB) - BUY, Price Bt61.25, TP Bt65.00**Results Comment**

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Better-than-expected 4Q25 profit

- GULF reported Bt8.6bn net profit in 4Q25. Excluding one-off and non-cash FX items, we estimate normalized profit was Bt7.9bn, up 8% q-q and beat our expectations, mainly due to stronger-than-expected overseas renewable projects.
- As GULF originated in April 2025, this brings its normalized profit to Bt22.3bn in 4M-12M25.
- Gross profit was broadly flat q-q at Bt6.5bn, supported by stable operations of its domestic IPP and SPP projects.
- SG&A expense increased 61% q-q to Bt1.5bn, mainly due to seasonally higher staff costs and CSR-related expenses.
- EBITDA therefore declined 7% q-q to Bt6.4bn in 4Q25.
- Equity income grew by 17% q-q to Bt6.6bn, becoming the key earnings driver this quarter. The improvement was from 1) stronger profit contribution from ADVANC, 2) seasonally higher generation from Borkum wind project in Germany, and 3) fewer maintenance days at the Hin Kong IPP project. Those more than offset weaker performance from domestic gas projects.
- GULF announces a Bt1.05/share dividend for 2025F, implying a 70% payout from nine-month (4M-12M25) normalized profit. It also declares a Bt2.2/share special dividend to pass through extra dividend from ADVANC. Both the regular dividend payout and amount of special dividend exceed our expectation.
- We see an upside risk to our forecasts and maintain our BUY on GULF, backed by 1) continued earnings growth momentum into 2026F and 2) its strong position to benefit from upcoming policy tailwinds in both the power and digital sectors.

Income Statement		(consolidated)			
Yr-end Dec (Bt m)	4Q24	1Q25	2Q25	3Q25	4Q25
Revenue		30,782	38,518	29,037	31,331
Gross profit		6,407	6,529	6,496	6,527
SG&A		1,143	1,168	926	1,490
Operating profit		5,264	5,362	5,570	5,037
EBITDA		6,555	6,651	6,879	6,378
Other income		1,562	2,100	1,140	1,126
Other expense					
Interest expense		3,273	3,333	3,323	3,284
Profit before tax		3,553	4,128	3,387	2,879
Income tax		340	460	441	393
Equity & invest. income		4,582	4,679	5,623	6,590
Minority interests		(1,288)	(1,248)	(1,288)	(1,187)
Extraordinary items		58	56,772	(7)	962
Net profit		6,564	63,871	7,274	8,852
Normalized profit		6,507	7,099	7,281	7,890
EPS (Bt)		0.44	4.28	0.49	0.59
Normalized EPS (Bt)		0.44	0.48	0.49	0.53

Balance Sheet				(consolidated)	
Yr-end Dec (Bt m)	4Q24	1Q25	2Q25	3Q25	4Q25
Cash & ST investment	35,422	46,524	49,461	60,962	48,335
A/C receivable	18,778	29,901	31,160	2,500	29,376
Inventory	3,180	4,046	3,594	4,272	3,768
Other current assets	15,393	24,802	15,902	35,358	17,285
Investment	377,922	375,888	389,286	386,332	392,596
Fixed assets	90,658	95,601	97,420	101,651	104,245
Other assets	150,066	151,813	155,383	161,724	178,205
Total assets	691,419	728,575	742,205	752,800	773,810
S-T debt	55,873	72,985	65,152	93,877	65,421
A/C payable	6,072	14,555	14,386	12,237	14,644
Other current liabilities	9,836	11,494	12,830	9,379	15,809
L-T debt	259,230	286,623	289,964	268,677	296,739
Other liabilities	11,577	12,122	13,773	14,419	15,298
Minority interest	29,689	29,891	30,284	30,451	30,226
Shareholders' equity	319,143	300,906	315,816	323,760	335,673
Working capital	15,886	19,392	20,367	(5,465)	18,500
Total debt	315,104	359,608	355,116	362,554	362,160
Net debt	279,681	313,084	305,655	301,592	313,825

Income Statement		12M as			
(Bt m)	q-q%	y-y%	% 2025F	2025A	2026F
Revenue	8		105	129,667	124,881
Gross profit	0		100	25,959	28,958
SG&A	61		107	4,727	4,506
Operating profit	(10)		98	21,233	24,452
EBITDA	(7)		98	26,463	30,947
Other income	(1)		104	5,928	5,852
Other expense			na		
Interest expense	(1)		100	13,213	13,012
Profit before tax	(15)		99	13,948	17,293
Income tax	(11)		97	1,634	2,248
Equity & invest. income	17		105	21,474	23,802
Minority interests	na		103	(5,010)	(5,357)
Extraordinary items	na		na	57,786	
Net profit	22		308	86,562	33,489
Normalized profit	8		102	28,777	33,489
EPS (Bt)	22		308	5.79	2.24
Normalized EPS (Bt)	8		102	1.93	2.24

Financial Ratios					
(%)	4Q24	1Q25	2Q25	3Q25	4Q25
Sales grow th	na	16.5	18.3	5.9	13.2
Operating profit grow th	na	15.2	18.7	18.0	16.8
EBITDA grow th	na	18.7	20.6	18.1	17.4
Norm profit grow th	na	77.0	114.2	73.2	120.7
Norm EPS grow th	na	39.0	68.2	36.0	73.3
Gross margin	na	20.8	17.0	22.4	20.8
Operating margin	na	17.1	13.9	19.2	16.1
EBITDA margin	na	21.3	17.3	23.7	20.4
Norm net margin	na	21.1	18.4	25.1	25.2
D/E (x)	0.9	1.1	1.0	1.0	1.0
Net D/E (x)	0.8	0.9	0.9	0.9	0.9
Interest coverage (x)	na	2.0	2.0	2.1	1.9
Interest rate	-	8.2	3.7	3.7	3.6
Effective tax rate	na	9.6	11.1	13.0	13.7
ROA	-	4.2	3.9	3.9	4.1
ROE	-	10.6	9.2	9.1	9.6

Sources: Company data, Thanachart estimates

*Note: GULF was founded in April 2025. 1Q25 numbers shown are pro-forma information provided by the company

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