

Gulf Development Pcl (GULF TB) - BUY

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News Update**Continue to acquire KBANK shares**

- **Accumulated KBANK shares up to 10.03% stake**
 - **This yet triggers BOT's ownership regulation ...**
 - **... but we believe GULF is studying on it**
 - **The announcement implies 2-3% upside to our earnings**
- GULF disclosed on Friday (13 February 2026) that it has accumulated its ownership in KBANK up to 235.8m shares, which is equivalent to a 10.03% stake in a net-of-treasury basis.
 - Having said that, this yet triggers the Bank of Thailand's (BOT) rule that an entity needs to request for BOT's approval to hold a stake in any Thai banks above 10%. This is since in gross issued-share basis, GULF's holding stake in KBANK is now at only 9.95% (235.8m accumulated shares on KBANK's 2,369m outstanding shares).
 - However, given the company also indicates that it is studying the process to potentially seek regulatory approval, we see a meaningful chance of further stake accumulation.
 - We estimate Bt170m earnings uplift for every 1% additional stake in KBANK, based on our dividend assumptions on KBANK and 2.5% average funding cost for GULF.
 - This increased holding to 10.03%, vs. 4.50% stake in our current projections, implies already 2.9/2.4% upsides to our 2026-27F earnings. Looking forward, every 1% acquisition would add 0.5/0.4% upsides to our numbers.
 - Looking at its balance sheet, assuming all the share acquisitions are funded by debts alone, every 1% acquisition implies Bt4.6bn additional liabilities (based on KBANK's current market price at Bt195.5/share), lifting GULF's net D/E up by only 0.01x, from 0.60x as of 2025F. We thus see that GULF's balance sheet is not a binding constraint to invest in KBANK further.

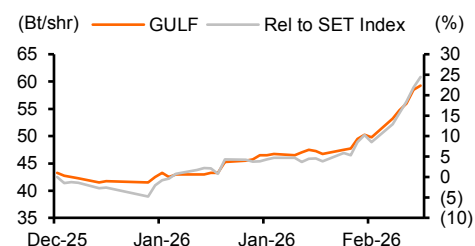
Key Valuations

Y/E Dec (Bt m)	2024A	2025F	2026F	2027F
Revenue	120,888	123,067	124,881	130,825
Net profit	21,383	28,083	33,489	37,728
Norm net profit	22,058	28,083	33,489	37,728
Norm EPS (Bt)	1.5	1.9	2.2	2.5
Norm EPS gr (%)	39.3	27.3	19.3	12.7
Norm PE (x)	40.1	31.5	26.4	23.5
EV/EBITDA (x)	59.7	42.2	37.3	33.5
P/BV (x)	2.7	2.3	2.2	2.1
Div. yield (%)	0.0	1.9	2.3	2.6
ROE (%)	6.7	7.8	8.4	9.0
Net D/E (%)	77.7	59.9	59.8	60.3

Source: Thanachart estimates

Stock Data

Closing price (Bt)	59.25
Target price (Bt)	65.00
Market cap (US\$ m)	28,481
Avg daily turnover (US\$ m)	38.0
12M H/L price (Bt)	58.50/38.75

Price Performance

Source: Bloomberg

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