

Gulf Development Pcl (GULF TB) - BUY, Price Bt61.75, TP Bt65.00**Results Comment**

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

Better-than-expected 1Q26 profit

- GULF reported Bt8.7bn normalized profit in 1Q26, excluding a Bt363m one-time retroactive revenue recognition from a wind power project in Vietnam, up 34% y-y and 10% q-q on a like-for-like basis. The result came in better than our expectation driven by stronger-than-expected profit contributions from its telecom subsidiaries; ADVANC and THCOM.
- Gross profit grew 16% y-y and 13% q-q to Bt7.4bn in 1Q26, backed by higher electricity sales volume from both IPP and SPP projects with better margins, alongside a renewable capacity expansion over the past year.
- SG&A expense declined 17% y-y and 37% q-q to Bt945m in 1Q26, against a high base in 1Q25 from amalgamation-related costs and seasonally lower advertising and CSR expenditure.
- EBITDA therefore expanded nicely by 20% y-y and 24% q-q to Bt7.9bn in 1Q26, consistent with GULF's continued power generation capacity growth.
- Equity income increased by 35% y-y to Bt4.6bn in 1Q26, driven primarily by higher profit contributions from ADVANC, stronger electricity sales at GJP's IPP and SPP plants, and improved performance of overseas renewable projects. It dropped slightly by 6% q-q on seasonally lower renewable output.
- We maintain BUY on GULF with an upside risk to our earnings forecast from 1) better-than-expected 1Q26 profit base and 2) more business opportunities to be unlocked by coming release of the new Power Development Plan (PDP) later this year.

Income Statement						Income Statement					
(consolidated)						3M as					
Yr-end Dec (Bt m)	1Q25	2Q25	3Q25	4Q25	1Q26	(Bt m)	q-q%	y-y%	% 2026F	2026F	2027F
Revenue	30,782	38,518	29,037	31,331	37,002	Revenue	18	20	30	124,881	130,825
Gross profit	6,407	6,529	6,496	6,527	7,403	Gross profit	13	16	26	28,958	32,121
SG&A	1,143	1,168	926	1,490	945	SG&A	(37)	(17)	21	4,506	4,573
Operating profit	5,264	5,362	5,570	5,037	6,458	Operating profit	28	23	26	24,452	27,548
EBITDA	6,555	6,651	6,879	6,378	7,887	EBITDA	24	20	25	30,947	34,950
Other income	1,562	2,100	1,140	1,126	1,402	Other income	25	(10)	24	5,852	6,057
Other expense						Other expense			na		
Interest expense	3,273	3,333	3,323	3,284	3,290	Interest expense	0	1	25	13,012	12,994
Profit before tax	3,553	4,128	3,387	2,879	4,570	Profit before tax	59	29	26	17,293	20,610
Income tax	340	460	441	393	518	Income tax	32	52	23	2,248	2,885
Equity & invest. income	4,582	4,679	5,623	6,590	6,208	Equity & invest. income	(6)	35	26	23,802	25,635
Minority interests	(1,288)	(1,248)	(1,288)	(1,187)	(1,568)	Minority interests	na	na	29	(5,357)	(5,632)
Extraordinary items	58	56,772	(7)	962	426	Extraordinary items	(56)	640	na		
Net profit	6,564	63,871	7,274	8,852	9,117	Net profit	3	39	27	33,489	37,728
Normalized profit	6,507	7,099	7,281	7,890	8,691	Normalized profit	10	34	26	33,489	37,728
EPS (Bt)	0.44	4.28	0.49	0.59	0.61	EPS (Bt)	3	39	27	2.24	2.53
Normalized EPS (Bt)	0.44	0.48	0.49	0.53	0.58	Normalized EPS (Bt)	10	34	26	2.24	2.53

Balance Sheet						Financial Ratios					
(consolidated)						3M as					
Yr-end Dec (Bt m)	1Q25	2Q25	3Q25	4Q25	1Q26	(%)	1Q25	2Q25	3Q25	4Q25	1Q26
Cash & ST investment	46,524	49,461	60,962	48,335	60,003	Sales growth	16.5	18.3	5.9	13.2	17.1
A/C receivable	29,901	31,160	2,500	29,376	30,937	Operating profit growth	15.2	18.7	18.0	16.8	34.4
Inventory	4,046	3,594	4,272	3,768	4,936	EBITDA growth	18.7	20.6	18.1	17.4	na
Other current assets	24,802	15,902	35,358	17,285	14,222	Norm profit growth	77.0	114.2	73.2	120.7	76.2
Investment	375,888	389,286	386,332	392,596	400,765	Norm EPS growth	39.0	68.2	36.0	73.3	76.2
Fixed assets	95,601	97,420	101,651	104,245	111,464	Gross margin	20.8	17.0	22.4	20.8	20.0
Other assets	151,813	155,383	161,724	178,205	198,325	Operating margin	17.1	13.9	19.2	16.1	17.5
Total assets	728,575	742,205	752,800	773,810	820,652	EBITDA margin	21.3	17.3	23.7	20.4	21.3
S-T debt	72,985	65,152	93,877	65,421	69,329	Norm net margin	21.1	18.4	25.1	25.2	23.5
A/C payable	14,555	14,386	12,237	14,644	16,018	D/E (x)	1.1	1.0	1.0	1.0	1.1
Other current liabilities	11,494	12,830	9,379	15,809	12,877	Net D/E (x)	0.9	0.9	0.9	0.9	0.9
L-T debt	286,623	289,964	268,677	296,739	332,020	Interest coverage (x)	2.0	2.0	2.1	1.9	2.4
Other liabilities	12,122	13,773	14,419	15,298	12,287	Interest rate	8.2	3.7	3.7	3.6	3.4
Minority interest	29,891	30,284	30,451	30,226	31,719	Effective tax rate	9.6	11.1	13.0	13.7	11.3
Shareholders' equity	300,906	315,816	323,760	335,673	346,401	ROA	4.2	3.9	3.9	4.1	4.4
Working capital	19,392	20,367	(5,465)	18,500	19,855	ROE	10.6	9.2	9.1	9.6	10.2
Total debt	359,608	355,116	362,554	362,160	401,349						
Net debt	313,084	305,655	301,592	313,825	341,347						

Sources: Company data, ttb wealth estimates

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

General Disclaimers And Disclosures:

This report is prepared and issued by ttb wealth securities public company limited (ttbwealth) which is owned 99.97% by TMBThanachart Bank Public Company Limited (TTB) as a resource only for clients of ttbwealth, TMBThanachart Bank Public Company Limited (TTB) and its group companies. Copyright © ttb wealth securities public company limited. All rights reserved. The report may not be reproduced in whole or in part or delivered to other persons without our written consent.

This report is prepared by analysts who are employed by the research department of ttbwealth. While the information is from sources believed to be reliable, neither the information nor the forecasts shall be taken as a representation or warranty for which ttbwealth or TTB or its group companies or any of their employees incur any responsibility. This report is provided to you for informational purposes only and it is not, and is not to be construed as, an offer or an invitation to make an offer to sell or buy any securities. Neither ttbwealth, TTB nor its group companies accept any liability whatsoever for any direct or consequential loss arising from any use of this report or its contents.

The information and opinions contained herein have been compiled or arrived at from sources believed reliable. However, ttbwealth, TTB and its group companies make no representation or warranty, express or implied, as to their accuracy or completeness. Expressions of opinion herein are subject to change without notice. The use of any information, forecasts and opinions contained in this report shall be at the sole discretion and risk of the user.

ttbwealth, TTB and its group companies perform and seek to perform business with companies covered in this report. ttbwealth, TTB, its group companies, their employees and directors may have positions and financial interest in securities mentioned in this report. ttbwealth, TTB or its group companies may from time to time perform investment banking or other services for, or solicit investment banking or other business from, any entity mentioned in this report. Therefore, investors should be aware of conflict of interest that may affect the objectivity of this report.

Disclosure of Interest of ttb wealth securities public company limited

Investment Banking Relationship

Within the preceding 12 months, ttbwealth has lead-managed public offerings and/or secondary offerings (excluding straight bonds) of the securities of the following companies: -