

Gunkul Engineering (GUNKUL TB) - BUY, Price Bt3.26, TP Bt2.70**Results Comment**

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

Decent 1Q26 profit, in-line

- GUNKUL reported normalized profit (ex. gains from FX and hedging) at Bt428m in 1Q26, up 9% y-y but down 1%. The y-y growth was from stronger construction service revenue, while the marginal q-q decline was due to seasonality. The earnings came in line with our estimates.
- Renewable business:** Gross profit grew 6% y-y and 67% q-q to Bt321m in 1Q26, driven mainly by lower operating costs while solar power generation remained stable across both domestic and overseas projects.
- Construction service business:** Gross profit surged by 181% y-y to Bt321m in 1Q26, driven by an upcycle in solar project development for private customers, though it fell 32% q-q on lower margins this quarter.
- Equity income fell 39% y-y and 41% q-q to Bt150m in 1Q26, weighed down by a high base of wind power generation in the prior year and seasonally lower wind power output.
- GUNKUL announces an interim dividend of Bt0.10/share from its 1Q26 performance, with an indicated XD date on 22 May and a payment date on 8 June 2026. We believe this special payment is a deliberate measure to cushion potential share price pressure from the company's concurrent announcement of a sale of treasury shares in May.
- Despite 1Q26 profit making only 23% of our full-year projection, we maintain our 2026F earnings forecasts and our BUY rating on GUNKUL as we expect its earnings to strengthen in 2H26F with the onset of the wind power high season.

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	2,070	1,802	1,811	2,519	2,538	Revenue	1	23	24	10,556	10,657
Gross profit	631	748	695	768	790	Gross profit	3	25	25	3,202	3,142
SG&A	277	290	290	363	308	SG&A	(15)	11	25	1,216	1,238
Operating profit	354	458	404	405	482	Operating profit	19	36	24	1,986	1,904
EBITDA	625	736	679	667	739	EBITDA	11	18	24	3,072	3,010
Other income	25	142	23	25	21	Other income	(19)	(16)	9	236	185
Other expense	0	0	0	0	0	Other expense			na		
Interest expense	172	162	156	143	136	Interest expense	(5)	(21)	21	644	676
Profit before tax	207	439	271	287	366	Profit before tax	28	77	23	1,579	1,413
Income tax	59	85	72	111	88	Income tax	(20)	50	22	395	311
Equity & invest. income	247	126	257	255	150	Equity & invest. income	(41)	(39)	21	728	965
Minority interests	(1)	(1)	1	1	0	Minority interests			-	(9)	(8)
Extraordinary items	(27)	6	0	28	28	Extraordinary items	(3)	na	na	0	0
Net profit	367	485	457	460	456	Net profit	(1)	24	24	1,903	2,059
Normalized profit	394	478	457	432	428	Normalized profit	(1)	9	23	1,903	2,059
EPS (Bt)	0.04	0.05	0.05	0.05	0.05	EPS (Bt)	(1)	24	24	0.21	0.23
Normalized EPS (Bt)	0.04	0.05	0.05	0.05	0.05	Normalized EPS (Bt)	(1)	9	23	0.21	0.23

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	1,198	855	751	894	1,594	Sales grow th	(20.1)	(20.2)	(29.1)	23.1	22.6
A/C receivable	1,903	1,678	1,438	1,774	1,665	Operating profit grow th	(23.3)	(3.3)	(20.8)	57.6	36.0
Inventory	937	841	790	835	1,021	EBITDA grow th	(12.0)	1.9	(10.1)	30.4	18.4
Other current assets	2,939	3,386	3,353	3,934	3,609	Norm profit grow th	24.2	3.6	(3.7)	24.6	8.7
Investment	4,845	5,622	5,821	5,913	6,063	Norm EPS grow th	24.2	3.6	(3.7)	24.6	8.7
Fixed assets	14,374	12,543	12,293	11,841	11,810	Gross margin	30.5	41.5	38.4	30.5	31.1
Other assets	6,596	6,497	6,450	6,352	7,406	Operating margin	17.1	25.4	22.3	16.1	19.0
Total assets	32,792	31,422	30,896	31,544	33,168	EBITDA margin	30.2	40.8	37.5	26.5	29.1
S-T debt	3,937	2,768	4,000	3,320	4,099	Norm net margin	19.0	26.5	25.2	17.1	16.9
A/C payable	1,677	1,327	1,636	2,416	2,553	D/E (x)	1.1	1.0	0.9	0.9	0.9
Other current liabilities	666	639	590	931	977	Net D/E (x)	1.0	1.0	0.9	0.9	0.8
L-T debt	11,151	11,639	9,308	9,647	9,545	Interest coverage (x)	3.6	4.6	4.4	4.7	5.4
Other liabilities	1,020	1,063	1,150	1,111	1,245	Interest rate	4.5	4.4	4.5	4.4	4.1
Minority interest	51	48	2	1	1	Effective tax rate	28.4	19.5	26.7	38.6	24.1
Shareholders' equity	14,292	13,938	14,209	14,118	14,748	ROA	4.8	6.0	5.9	5.5	5.3
Working capital	1,163	1,192	593	193	133	ROE	11.2	13.6	13.0	12.2	11.9
Total debt	15,087	14,407	13,308	12,967	13,643						
Net debt	13,889	13,552	12,557	12,073	12,049						

Sources: Company data, ttb wealth estimates

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: -