27 AUGUST 2026

BUY (Unchanged) | **TP: Bt 6.00** (From: Bt 5.40)

Change in Numbers | **Upside : 17.6%**

Gunkul Engineering Pcl (GUNKUL TB)

Not just the best policy play

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We reaffirm our BUY call on GUNKUL as the sector's best policy play, now with a non-policy growth driver, together supporting a 21% EPS CAGR over 2027-29F. We lift our TP to Bt6.0/share due to an earlier COD for its Philippine solar project and a larger EPC work opportunity.

All-round beneficiary; reaffirming BUY

We reaffirm our BUY rating on GUNKUL with a higher DCF-derived SOTP-based 12-month TP (2027F base year) of Bt6.0/share (from Bt5.4). ***First***, through its renewable power and EPC businesses, GUNKUL retains the highest exposure among our coverage to government policies promoting green electricity and data center investments. ***Second***, even before any boost from the new Power Development Plan (PDP), GUNKUL has secured contracts to grow operating capacity to 2.3GW in 2030F, from 0.6GW in 2025. ***Third***, we lift our earnings by 3/7/19% in 2026-28F on a faster COD for its new floating solar project in the Philippines in 4Q27F (from 2Q28F), more potential EPC work from accelerating power infrastructure expansion, and rising solar rooftop installation demand from the recently approved executive decree on green energy transition. ***Lastly***, we see GUNKUL's 21x 2027F PE with 4% dividend yield as undemanding vs. our estimate of a 21% EPS CAGR over 2027-29F.

New flagship solar project

GUNKUL announced in July a Bt7.5bn investment for a 40% stake in Blue Solar, a 1.96GW floating solar project in the Philippines currently under construction, with a secured 20-year PPA at a fixed tariff of PHP6.53/kWh (cBt3.53/kWh). This 784MW equity-owned capacity project lifts GUNKUL's total secured capacity by 50% to 2.3GW. We had already factored the project into our previous TP, but our earnings upgrade now reflects a faster full COD, projected at 4Q27F vs. 2Q28F previously. We estimate Bt0.1/1.2/1.3bn in equity income from the project in 2027-29F.

Policy and data center benefits

Our core BUY thesis on GUNKUL, set out in *GUNKUL – Another direct policy play*, dated 24 March 2026, remains intact. We still see GUNKUL as a major beneficiary of the new PDP, which should unlock a sizable renewable quota for future bids. Its EPC business also benefits from 1) construction work for those renewable projects and 2) more government grid expansion spending to support those new capacities and serve booming FDI into data centers and advanced manufacturing. Solar rooftop installations are also growing after the green energy transition executive decree in March. We project Bt6.0/6.0/8.8bn in EPC revenue in 2027-29F.

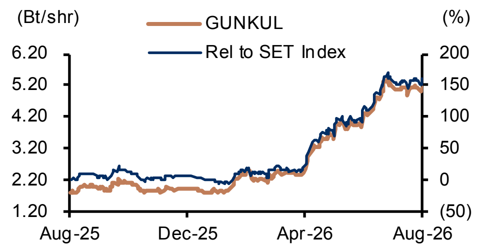
Valuations not yet demanding, in our view

Note that we include only power projects with secured contracts in our earnings forecasts, while potential capacity from future bids is factored into our TP via a separate DCF valuation. Our TP assumes GUNKUL wins 1.0GW of solar and 0.5GW of wind PPAs over the next decade, worth Bt0.8/share. Our 8/38/20% EPS growth estimates for 2027-29F, therefore, do not rely on the timing of bidding rounds after the PDP release. On that basis, we see GUNKUL's 21x 2027F PE as undemanding.

COMPANY VALUATION

Y/E Dec (Bt m)	2025A	2026F	2027F	2028F
Sales	8,203	11,286	10,999	11,097
Net profit	1,769	2,042	2,200	3,026
Consensus NP	—	1,982	2,201	2,881
Diff frm cons (%)	—	*3.0*	*(0.1)*	*5.1*
Norm profit	1,761	2,042	2,200	3,026
Prev. Norm profit	—	1,989	2,066	2,550
Chg frm prev (%)	—	*2.7*	*6.5*	*18.7*
Norm EPS (Bt)	0.20	0.23	0.25	0.34
Norm EPS grw (%)	10.1	16.0	7.7	37.6
Norm PE (x)	25.7	22.2	20.6	15.0
EV/EBITDA (x)	20.8	17.7	19.5	20.7
P/BV (x)	3.2	3.1	3.0	2.8
Div yield (%)	2.4	3.9	3.9	3.9
ROE (%)	12.6	14.2	14.7	19.2
Net D/E (%)	77.7	88.8	111.4	116.7

PRICE PERFORMANCE



COMPANY INFORMATION

Price *as of* 27-Aug-26 (Bt)	5.10
Market Cap (US$ m)	1,377.9
Listed Shares (m shares)	8,882.5
Free Float (%)	40.5
Avg. Daily Turnover (US$ m)	13.5
12M Price H/L (Bt)	5.40/1.76
Sector	Utilities
Major Shareholder	Gunkul Group Co.,Ltd. 50.68%

Sources: Bloomberg, Company data, ttb wealth estimates

All-round beneficiary

Reaffirming BUY with a higher TP of Bt6.0/share

We reaffirm our BUY rating on shares of Gunkul Engineering Pcl (GUNKUL TB), based on four key reasons:

1) We still see GUNKUL as a major beneficiary of the new PDP

- First, our core bullish case is that GUNKUL is a beneficiary of government policies promoting green energy transition, data center development and FDI inflows, including the forthcoming release of Thailand's new Power Development Plan (PDP), in which GUNKUL captures these opportunities via two of its core business units: renewable power development and engineering, procurement and construction services (EPC).

2) Even before the PDP, capacity is set to expand 4x in five years

- Second, ahead of the new PDP release, GUNKUL has already secured power purchase agreement (PPA) contracts to grow its operating renewable capacity to 2.3GW in 2030F, a near 4x expansion from 0.6GW of capacity in 2025.

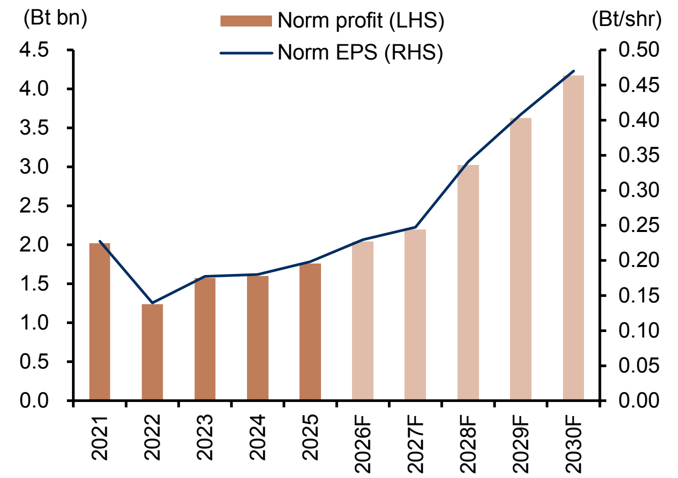
3) Earnings upgrades on a faster solar project COD and strong EPC upcycle

- Third, we raise our earnings estimates for GUNKUL by 3/7/19% in 2026-28F due to 1) an earlier-than-expected COD for its 784MW of equity capacity in the "Blue Solar" floating solar project in the Philippines, and 2) faster-than-expected benefits for its EPC business from accelerating public investment in Thailand's power grid infrastructure. These earnings upgrades also lift our DCF-derived SOTP-based 12-month TP (2027F base year) to Bt6.0/share (from Bt5.4).

4) 21x 2027F PE still looks undemanding to us

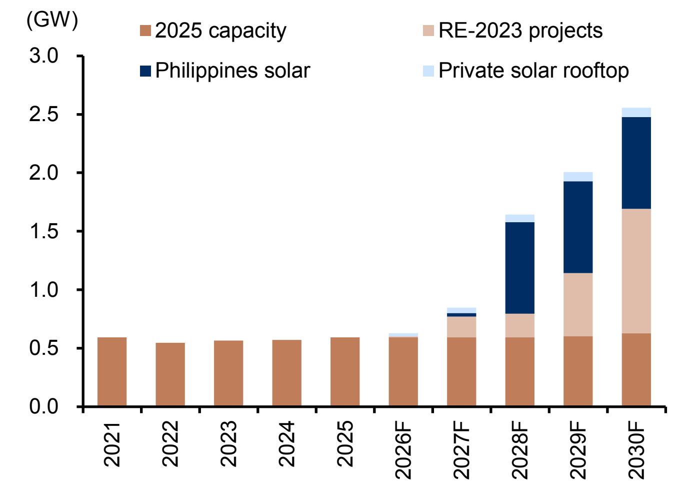
- Lastly, following our earnings hikes, we view GUNKUL's 21x PE and 4% dividend yield in 2027F as undemanding relative to our estimate of a 21% EPS CAGR over 2027-29F, with further growth potential from the new PDP, which we expect to be released later this year.

Ex 1: Now A Smooth Earnings Growth Trajectory



Sources: Company data, ttb wealth estimates

Ex 2: Secured PPAs For 4x Capacity Growth



Sources: Company data, ttb wealth estimates

New flagship solar project

Faster COD for Philippine floating solar project drives our earnings upgrades

The majority of our earnings upgrades are from a faster-than-expected development pace of GUNKUL's new flagship 784MW solar project. GUNKUL announced in July a total equity investment of Bt7.5bn for a 40% stake in Blue Solar, a 1.96GW installed-capacity floating solar project in the Philippines. The project has secured a 20-year PPA under the Green Energy Auction Program (GEAP) scheme at a fixed tariff of PHP6.53/kWh (c.Bt3.53/kWh), and is now under construction. We previously conservatively assumed in our valuation that the project would come online in 2Q28F, but as development progress has been solid, we now align with the company's targeted schedule for full COD in 4Q27F. Based on our assumption of a 17% annual capacity factor, we estimate the project to contribute Bt0.1/1.2/1.3bn in equity income to GUNKUL over 2027-29F, which more than offsets the expiry of the last remaining lot of adder subsidies on its 55MW of equity-owned wind projects in Thailand in 2028F. This should now eliminate a major market concern about a potential earnings dip for GUNKUL in that year.

Ex 3: Blue Solar Flagship Floating Solar Project In The Philippines

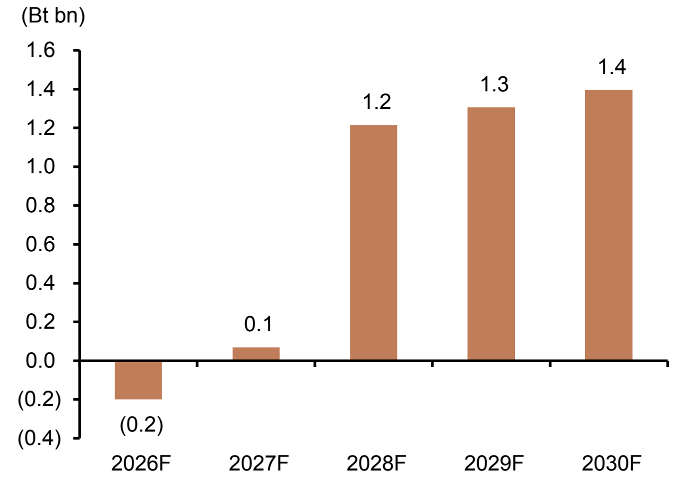
Project Name	Laguna Lake Floating Solar Project
Installed capacity	1,960 MW
GUNKUL's stake	40%
Equity-owned capacity	784 MW
Location	Luzon Island, Philippines
PPA contract	20-year under GEAP-4 scheme
Tariff rate	Fixed PHP6.53/kWh (cBt3.53/kWh)

Sources: Company data, ttb wealth estimates

We expect GUNKUL to expand capacity in the Philippines

We see GUNKUL's entry into the Philippine market as a platform for participation in future GEAP auctions with local partners, rather than a one-off project. The Philippine Department of Energy (DOE) announced in February 2026 a further 25GW of renewable capacity to be auctioned under the GEAP through 2035, while recent auction rounds have been undersubscribed, likely exerting low downward pressure on the currently attractive tariff rates. We leave GUNKUL's further expansion in the Philippines as a potential upside to our numbers.

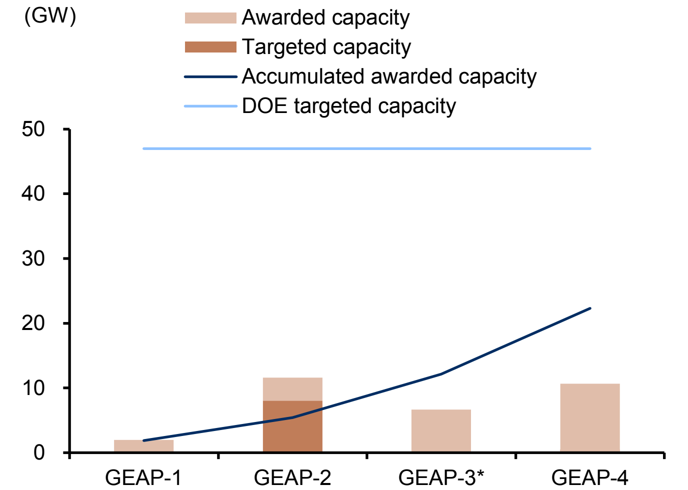
Ex 4: Forecasted Equity Income From Blue Solar Project



Sources: Company data, ttb wealth estimates

Note: We assume the project has its full COD in 4Q27F

Ex 5: Sizable Extra Capacity Under The GEAP Scheme



Sources: The Philippine Energy Regulatory Commission (ERC)

Note: *GEAP-3 auction round in June 2025 was oversubscribed at 6.7GW vs. the 4.7GW of targeted capacity

Policy and data center benefits

Both GUNKUL's renewable and EPC businesses are in an upcycle

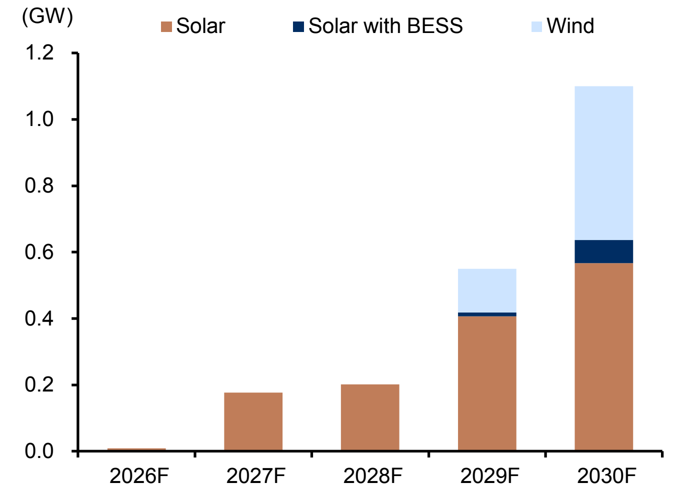
We continue to see GUNKUL as a major beneficiary of Thailand's new Power Development Plan (PDP), which we expect to be officially released late this year. Ahead of that, the publication of the draft for a public hearing in early September should serve as a strong catalyst for the Thai utilities sector. GUNKUL is uniquely positioned to benefit through both of its core business units. First, its renewable power business, which accounts for around

50% of its 2026F earnings base, looks well placed to win sizable renewable PPAs unlocked for future bidding rounds under the new PDP, spanning solar, solar with battery energy storage, and wind projects. Second, its EPC business (45% of 2026F earnings) should be able to capture rising demand for 1) construction of those new renewable capacities and 2) accelerating public investment in power grid infrastructure.

We assume 3% share from the new PPAs in our TP

For the renewable power business, GUNKUL won a total of 886MW of equity-owned capacity from the PPAs bid out in 2023, comprising 656MW of wholly owned (159MW solar projects, 33MW solar farms with battery energy storage, and 464MW of wind projects) and 230MW (205MW solar projects and 25MW solar farms with battery energy storage) under a 50:50 joint venture with Gulf Development Pcl (GULF TB, BUY, Bt63.75). This marks a strong track record of winning a 13% share of the 7.0GW of PPAs bid out that year. We therefore factor a potential value from GUNKUL winning 1.0GW of solar and 0.5GW of wind contracts to be bid out over the next decade into our TP, worth Bt0.8/share in our valuation. This assumes only around 3% of the solar and wind capacity we expect to be bid out over the period, well below its 2023 performance. That said, given the uncertain timing of both the bidding rounds and the subsequent project schedules, we have yet to include them in our earnings forecasts, particularly as we expect actual CODs to occur beyond 2030F. See our Utilities sector report – *PDP-2026 opportunities*, dated 15 July 2026, for more detail on our view around renewable contracts to be included in the new PDP.

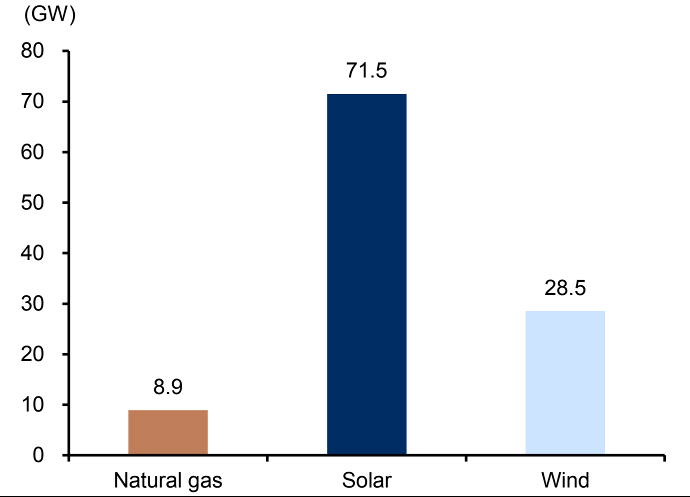
Ex 6: GUNKUL's Secured PPAs From 2023 RE Big-lot Bid



Sources: Company data, ttb wealth estimates

Note: Shown as pro-rata equity-owned capacity based on our assumed COD schedules

Ex 7: Our Estimates Of New Power PPAs From PDP-2026



Sources: ttb wealth estimates

Note: Capacity bidding rounds and COD schedules likely span 2031-50F

We now expect a longer EPC upcycle through 2033F

For the EPC business, we now estimate construction revenue of Bt6.0/6.0/8.8bn in 2027-29F and expect the business upcycle to extend through 2033F, from 2030F previously. This reflects a larger-than-expected government investment plan for the national grid, together with the construction of the renewable projects awarded in the 2023 bidding rounds and a new wave from future bids following the new PDP release, including the side schemes of community solar, direct PPA, and independent power supply (IPS) for data centers.

Ex 8: Key Power Grid Investment Plans By State Entities

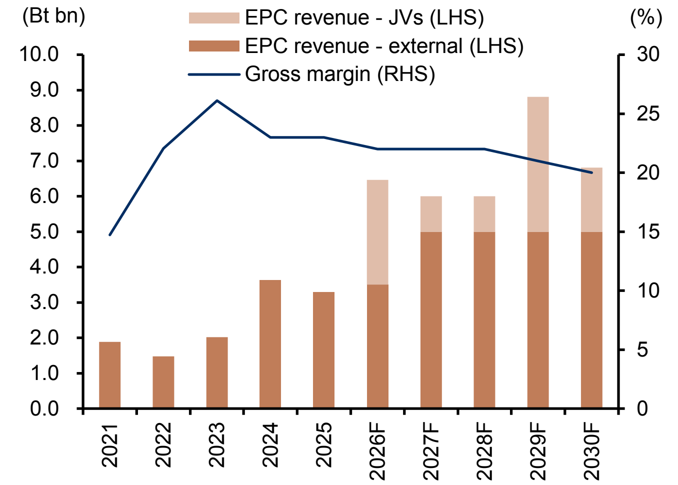
Project owners	Investment plans	Investment budget
EGAT	Nationwide 500/230/115kV transmission lines and high-voltage substations	Bt106.2bn
	High-voltage substations and transmission system expansion to support 3.8GW of data center projects in the EEC area	Bt31.0bn
	Recurring nationwide transmission system investment	Bt22.0bn
	Energy transition and smart grid development	Bt30.0bn
MEA	Distribution system expansion in metropolitan areas Smart grid and substation investments for metro areas Underground cable conversion work	Bt36.0bn
PEA	Grid reinforcement in EEC provinces Smart grid and smart meter installation for third party access (TPA) platform	Bt30.0bn

Sources: EGAT, MEA, PEA, Company data, ttb wealth estimates

Already over Bt255bn in public grid investment prior to the new PDP

Opportunities for EPC services and power equipment trading, the two segments GUNKUL is exposed to, from public grid modernization investment alone looks sizable at Bt255bn over 2027-30F. Some key highlighted projects from the announced investment plans of Thailand's three state power entities, shown in Exhibit 8, are EGAT's Bt106bn Phase 2 of its 10-year transmission plan covering 500/230/115kV lines and high-voltage substations, the Bt31bn EEC transmission system upgrade to serve 36 data center projects with 1,878MW in IT load capacity, and the Bt30bn emergency decree on energy transition and smart grid development. GUNKUL can participate by offering EPC services for 115/230/500kV transmission lines and high-voltage substations through EGAT, MEA and PEA tenders, and by supplying electrical equipment into all four demand segments through recurring tenders running to 2030F. In addition, GUNKUL is targeting a further Bt125bn opportunity from the private sector, mainly construction of the renewable projects bid out under the RE Big-lot scheme in 2023, including those under its JV with GULF. These public and private power infrastructure investments, combined, imply nearly Bt100bn p.a. in EPC opportunities, against which our revenue forecasts represent only 5-6%, vs. GUNKUL's normal 10-15% share of this type of power infrastructure work.

Ex 9: Strong Upcycle For GUNKUL's EPC Business



Sources: Company data, ttb wealth estimates

Ex 10: 'GROOF' Household Solar Rooftop Business

Sources: Company data

Booming household solar rooftop installation despite the relatively small scale

Solar rooftop systems are also part of the executive decree on energy transition, offering a Bt50,000 subsidy per household, along with a Bt2.20/kWh buyback tariff over 10 years. We also see increasing industrial demand for on-site rooftop installations, supported by corporate net-zero and RE100 commitments. GUNKUL can capture both EPC work and equipment sales in this booming segment, though we do not view the total as sizable against the utility-scale projects discussed above, in terms of either recurring power sales or construction work, given the small unit size and dispersed nature of rooftop installations. We therefore see this as upside to our numbers rather than a driver of our forecasts.

Ex 11: Our DCF-derived Sum-Of-The-Parts (SOTP)-Based 12-month TP Calculation

	Valuation method	WACC (%)	Value per GUNKUL share (Bt)
Existing projects			
Solar farms TH	DCF	5.8%	0.74
Wind farms - TH	DCF	5.9%	0.73
Solar rooftop - TH	DCF	6.9%	0.68
RE Big-lot PPAs	DCF	6.0-9.6%	1.49
Subtotal - Domestic			**3.64**
Solar farms - JP	DCF	5.8%	0.34
Solar farms - VN	DCF	7.4%	0.27
Solar farms - MY	DCF	5.8%	0.06
Solar floating - PH	DCF	7.4%	1.47
Subtotal - Overseas			**2.14**
Construction and equipment trading	DCF	6.7%	**1.26**
(+) PDP-2026 opportunities			**0.78**
- Solar 1.0GW			0.19
- Wind 0.5GW			0.59
Headquarter expenses	DCF	6.7%	**(0.76)**
Net debt			**(1.05)**
Grand total			**6.00**

Source: ttb wealth estimates

Valuation Comparison

Ex 12: Comparison With Regional Peers

Name	BBG code	Market	EPS growth 26F (%)	EPS growth 27F (%)	PE 26F (x)	PE 27F (x)	P/BV 26F (x)	P/BV 27F (x)	EV/EBITDA 26F (x)	EV/EBITDA 27F (x)	Div yield 26F (%)	Div yield 27F (%)
Cheung Kong Infrastructure	1038 HK	Hong Kong	114.1	(54.2)	8.9	19.4	1.1	1.1	na	57.0	4.1	4.1
China Power Int'l	2380 HK	Hong Kong	(28.5)	9.2	13.4	12.2	0.7	0.7	12.0	11.3	4.7	4.8
China Resources Power	836 HK	Hong Kong	(10.9)	2.0	8.1	7.9	0.8	0.8	8.7	8.3	5.0	5.2
CLP Holdings	2 HK	Hong Kong	1.2	5.4	17.4	16.5	1.8	1.7	10.3	9.9	4.1	4.2
Hongkong Electric Holdings	6 HK	Hong Kong	53.0	(32.1)	13.2	19.5	1.3	1.3	na	40.8	4.7	4.7
Huaneng Power	902 HK	Hong Kong	(20.7)	7.5	8.4	7.8	0.8	0.8	10.3	9.7	5.5	5.9
Tata Power	TPWR IN	India	1.3	14.2	26.8	23.5	2.9	2.6	12.7	11.1	0.7	0.8
Tenaga Nasional	TNB MK	Malaysia	13.4	5.6	17.1	16.2	1.5	1.5	7.4	7.1	3.8	4.0
YTL Corp	YTL MK	Malaysia	(21.2)	na	19.8	na	1.9	1.8	9.3	8.3	1.9	1.9
YTL Power	YTLP MK	Malaysia	(27.9)	19.1	27.1	22.8	2.2	2.1	14.3	12.3	1.3	1.5
Manila Electric	MER PM	Philippines	8.2	7.2	9.9	9.2	2.8	2.4	9.1	8.2	6.0	6.2
BCPG Pcl *	BCPG TB	Thailand	14.8	(20.8)	10.2	12.8	0.7	0.7	20.7	17.2	4.9	5.6
B.Grimm Power Pcl *	BGRIM TB	Thailand	(16.6)	120.3	53.2	24.2	1.7	1.7	12.6	11.3	2.1	2.9
Banpu Power Pcl *	BPP TB	Thailand	34.3	4.0	8.3	8.0	0.7	0.6	12.3	10.1	5.0	5.0
CK Power Pcl *	CKP TB	Thailand	0.7	1.5	9.0	8.9	0.7	0.6	9.2	9.9	3.5	3.5
Energy Absolute Pcl*	EA TB	Thailand	30.7	(42.2)	5.9	10.3	0.3	0.3	6.4	6.7	0.0	0.0
Electricity Generating *	EGCO TB	Thailand	41.7	5.5	7.7	7.3	0.7	0.6	23.9	23.7	4.9	4.9
Global Power Synergy *	GPSC TB	Thailand	5.0	29.0	28.7	22.2	1.4	1.4	14.0	12.1	2.8	2.9
Gulf Energy Dev. Pcl *	GULF TB	Thailand	21.7	13.4	27.2	24.0	2.6	2.5	44.3	39.8	2.2	2.5
Gunkul Engineering *	GUNKUL TB	Thailand	16.0	7.7	22.2	20.6	3.1	3.0	17.7	19.5	3.9	3.9
RATCH Group *	RATCH TB	Thailand	8.8	14.2	12.0	10.5	0.8	0.8	16.0	14.6	4.3	4.3
WHA Utilities & Power *	WHAUP TB	Thailand	(5.5)	35.9	25.7	18.9	2.2	2.1	27.0	24.0	3.3	3.3
Average			**10.6**	**7.3**	**17.3**	**15.4**	**1.5**	**1.4**	**14.9**	**17.0**	**3.6**	**3.7**

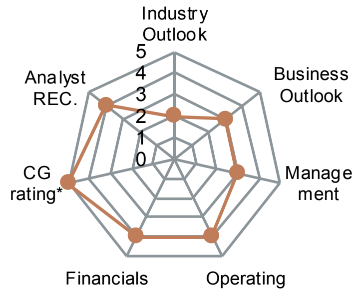
Sources: Bloomberg, * ttb wealth estimates
Based on 27 August 2026 closing prices

COMPANY DESCRIPTION

Gunkul Engineering Pcl (GUNKUL) operates three major business units: 1) electrical equipment trading and manufacturing, 2) electricity infrastructure construction service, and 3) renewable power plants. Power generation from renewable sources is now its core business, with 596MW of operating capacity (equity-owned) as of 2025, comprising solar and wind farms in Thailand, solar projects abroad, and private rooftop solar projects in Thailand.

Source: ttb wealth

COMPANY RATING



Rating Scale	
Excellent	**5**
Good	**4**
Fair	**3**
Weak	**2**
Very Weak	**1**
None	**0**

Source: ttb wealth; *CG Rating

TTB WEALTH'S SWOT ANALYSIS

S — Strength

- Established reputation and track record in the market, especially for public infrastructure construction projects.
- Strong relationships with local state power agencies.
- Strong cash flow streams from subsidized renewable power plants in Thailand.

W — Weakness

- Limited capacity growth potential in Thailand given the country's oversupply situation.
- Power generation performance is heavily reliant on natural conditions, which is a normal characteristic for renewable plants.

O — Opportunity

- Bigger slice of the pie in state-enterprise budgets, rising in tandem with a pick-up in the country's GDP.
- Growing development of renewable capacity in Thailand, both from government bids and private demand.

T — Threat

- Lack of expertise in new energy technology, i.e., peer-to-peer trading system, and battery and energy storage.
- Rising number of corporates, both within and outside the utilities sector, investing in renewables to gain benefits from carbon emission neutrality.

CONSENSUS COMPARISON

	Consensus	ttb wealth	Diff
Target price (Bt)	6.25	6.00	-4%
Net profit 26F (Bt m)	1,982	2,042	3%
Net profit 27F (Bt m)	2,201	2,200	0%
Consensus REC	**BUY: 10**	**HOLD: 1**	**SELL: 0**

HOW ARE WE DIFFERENT FROM THE STREET?

- Our 2026F earnings are 3% above the Bloomberg consensus estimate, which we believe is due to us having a more bullish view on GUNKUL's EPC business upcycle over the next few years.
- We see our TP is being relatively in-line with the Street's.

Sources: Bloomberg consensus, ttb wealth estimates

RISKS TO OUR INVESTMENT CASE

- Less favorable natural conditions, i.e., weaker wind speeds or lower solar radiation, than our assumptions would represent the key downside risk to our earnings forecasts.
- Lower-than-expected or slower-than-expected development of new capacity would be another downside risk to our valuation.
- A delay or cancellation of bidding for renewable plants and related infrastructure projects by the government would represent downside risk to GUNKUL's business growth.

Source: ttb wealth

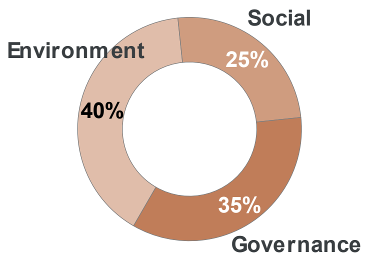
GUNKUL

Gunkul Engineering Pcl

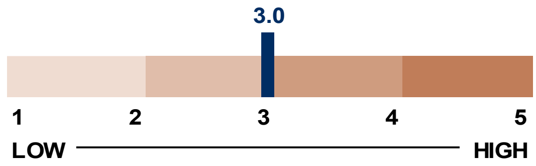
Sector: Resources | Energy & Utilities

ESG & Sustainability Report

ESG Weighting



ESG Rating



	SET ESG Index	SET ESG (BBB-AAA)	DJSI Index	ttb wealth ESG Rating (1.0-5.0)	MSCI (CCC-AAA)	ESG Book (0-100)	CG Rating (0-5)
GUNKUL	YES	AAA	-	2.99	0	64.32	5.0

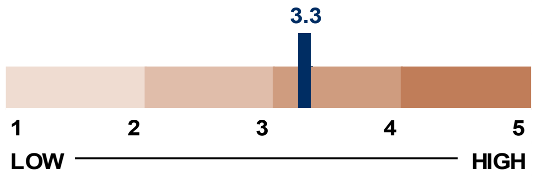
Sources: SETTRADE, SET ESG Index, SET ESG Rating, The Dow Jones Industrial Average (DJSI)
MSCI ESG Research LLC, ESG Book, Thai IOD (CG rating)
Note: Please see third party on “terms of use” toward the back of this report.

ESG Summary

- Gunkul Engineering Pcl (GUNKUL) is one of Thailand’s leading renewable power developers and operators, with a differentiated positioning through integrated upstream capabilities in power equipment manufacturing and engineering, procurement, and construction (EPC) services, providing cost competitiveness in securing both public and private renewable projects.
- We assign GUNKUL an ESG score of 3.0, in line with the industry average, reflecting a strong environmental (E) profile via its core renewable power business that helps reduce its own emissions and supports national decarbonization targets. This is partially offset by a relatively weaker governance (G) aspect, primarily a not-yet-ideal board structure.
- We assign GUNKUL a decent E score of 3.3 as its core business is aligned with global decarbonization trends. Its renewable portfolio, mainly solar and wind power projects, has scaled meaningfully across both domestic and overseas markets and continues to expand.
- We assign a decent social (S) score of 3.1, underpinned by its solid track record in delivering renewable electricity and EPC services, both of which are critical to its clients. This is complemented by acceptable standards in workforce safety and stakeholder engagement.
- We assign a moderate G score of 2.6. While we view its compliance and risk management frameworks as adequate, its board structure does not yet meet global standards, reflecting a typical pattern seen in founder-led Thai corporates. Its board chair is a non-independent director, and the mix of independent members is below the 2/3 ideal ratio.

GUNKUL's Environmental profile, with a decent 3.3 score, is its key ESG strength. Its power business is purely exposed to renewables. However, the company also has an EPC construction business that still needs to make further progress in reducing its operational emissions.

Environment (E) Rating

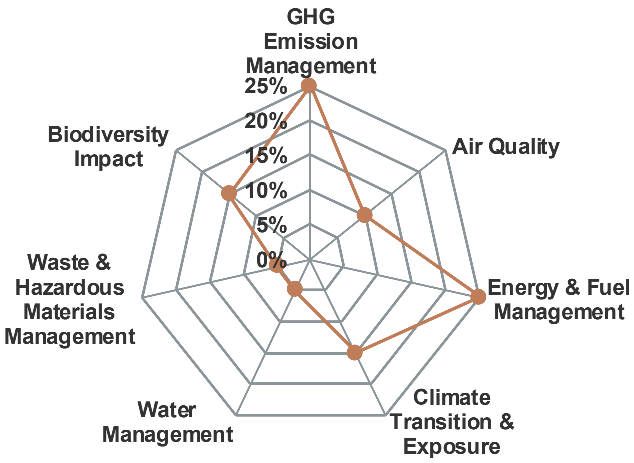


ENVIRONMENT	Our Comments

- **Air Quality**
- **Biodiversity Impact**
- **Climate Transition & Exposure**
- **Energy & Fuel Management**
- **GHG Emission Management**
- **Water Management**
- **Waste & Hazardous Materials Management**

- We assign GUNKUL a decent E score of 3.3, primarily supported by its pure exposure to renewable electricity generation, comprising solar and wind assets with no fossil fuel-based operations. As of 2025, its operational power capacity includes 350MW from domestic solar farms, rooftop solar, and wind projects, and 246MW from overseas solar projects.
- The absence of fossil fuel generation significantly limits both carbon emissions and air pollutants.
- However, its manufacturing and construction service segments still carry operational emission footprints. We have yet to see strong initiatives or policies aimed at reducing these emissions, aside from the company's ongoing shift toward renewable electricity consumption, leveraging its own solar rooftop development capabilities.
- While solar operations require regular panel cleaning and manufacturing processes involve water usage, we view its current water management practices as largely basic.
- We also see potential biodiversity risks from renewable project development, particularly land use for solar and wind farms. Nonetheless, GUNKUL's track record remains acceptable, despite a minor legal case related to land use in one of its wind power assets.

SCALE WEIGHTING

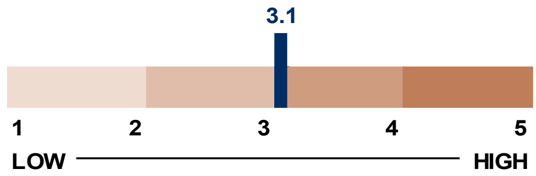


Sources: ttb wealth, Company data

Sector: Resources | Energy & Utilities

GUNKUL's decent S score of 3.1 is supported by its role in delivering critical electricity and construction services, as well as acceptable community engagement and workforce safety standards. Its power engineering activities carry a higher operational risk than typical construction services.

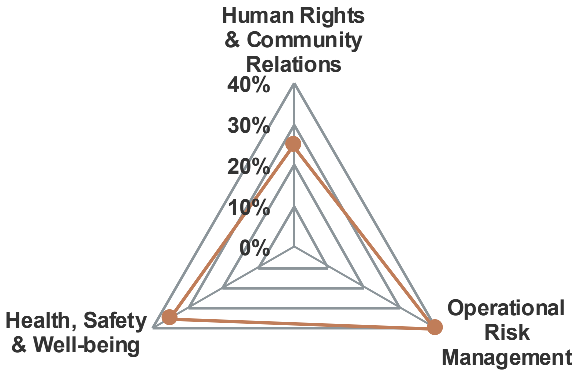
Social (S) Rating



SOCIAL	Our Comments

- **Health, Safety & Well-being**
- **Human Rights & Community Relations**
- **Operational Risk Management**

SCALE WEIGHTING



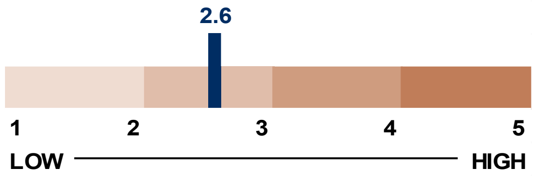
- We assign a decent S score of 3.1 to GUNKUL, backed by its solid operational track record in delivering renewable electricity and standard construction services, which are critical in maintaining grid stability and ensuring sufficient electricity supply for the country.
- We believe GUNKUL's integrated business model, spanning from upstream equipment manufacturing and procurement, development and construction, and renewable power operations, plays an important role in maintaining quality and execution standards across its engineering and construction services for customers in both public and private sectors.
- Despite GUNKUL's high exposure to construction-intensive and engineering environments, where safety is highly critical, we see its structured safety systems and workforce training as adequate in managing these operational risks.
- GUNKUL has established employee development programs to support technical and operational capabilities of its staff, which we see as important in enabling the company's continuous expansion into new projects (i.e. renewable plants with battery energy storage) and new geographies (i.e. more countries in Asia).
- GUNKUL also performs good engagement activities with local communities around its project sites, particularly for renewable developments that involve land use and may affect local livelihoods. While no major disputes or protests have been observed, we note that disclosure of community impacts remains relatively limited.

Sources: ttb wealth, Company data

Sector: Resources | Energy & Utilities

We assign a moderate G score of 2.6 to GUNKUL. We see its compliance and risk management frameworks as adequate, but its board structure remains relatively weak, which is typical of founder-led Thai-listed companies.

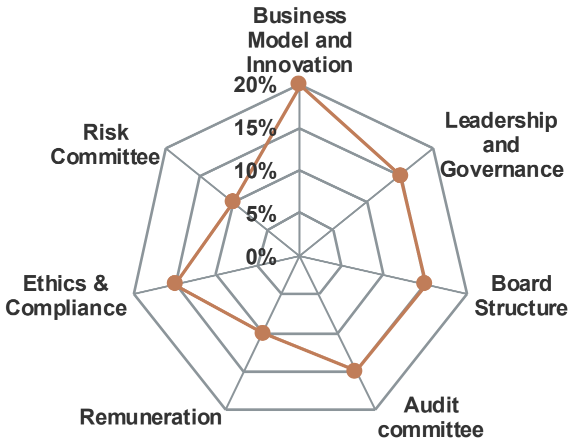
Governance (G) Rating



GOVERNANCE & SUSTAINABILITY	Our Comments

- **Audit committee**
- **Board Structure**
- **Business Model and Innovation**
- **Ethics & Compliance**
- **Leadership and Governance**
- **Remuneration**
- **Risk Committee**

SCALE WEIGHTING



- We assign a moderate G score of 2.6 to GUNKUL, slightly below the industry average, mainly reflecting its weaker board independence relative to the global best practices. In addition, we view its earlier expansion into cannabis-related businesses during the regulatory liberalization period, which was later reversed, as a factor that slightly weakens its business model, innovation, and risk management.
- GUNKUL has established a clear strategic positioning as a renewable-focused power company, with ambitions to expand its presence across ASEAN. However, we see a limited emphasis on business innovation and technology-driven initiatives, which may constrain its ability to sustain strong profitability amid intensifying competition in renewable power development.
- Board composition is the weakest aspect of GUNKUL's governance profile, in our view. The presence of a non-independent director, who is also the company's ultimate founder, serving as board chairman is not aligned with global best practices. Overall board independence, with six independent directors out of a total of 11 members, also falls short of the ideal 2/3 ratio. That said, we view the relatively high representation of four female directors as a positive for board diversity.
- That said, the company maintains established governance structures and internal control mechanisms in line with regulatory requirements, which we consider sufficient for its current scale of operations.
- We believe GUNKUL's risk management framework adequately covers key areas such as project execution, regulatory exposure, and expansion risks, as reflected in its cautious approach to entering new markets and preference for government-backed contracts in new geographies.
- Disclosure on remuneration and incentive alignment is clearly presented in its annual report, although we believe further enhancement is warranted, particularly in linking management incentives with long-term ESG outcomes.

Sources: ttb wealth, Company data

Booming EPC work drives near-term earnings growth

Leaning toward an asset-light investment model going forward

INCOME STATEMENT

FY ending Dec (Bt m)	2024A	2025A	2026F	2027F	2028F
Sales	9,451	8,203	11,286	10,999	11,097
Cost of sales	6,504	5,362	7,868	7,677	7,841
Gross profit	**2,946**	**2,841**	**3,418**	**3,322**	**3,256**
% gross margin	31.2%	34.6%	30.3%	30.2%	29.3%
Selling & administration expenses	1,244	1,220	1,210	1,239	1,265
Operating profit	**1,703**	**1,621**	**2,208**	**2,083**	**1,991**
% operating margin	18.0%	19.8%	19.6%	18.9%	17.9%
Depreciation & amortization	996	1,085	1,085	1,106	1,122
EBITDA	**2,699**	**2,707**	**3,293**	**3,189**	**3,113**
% EBITDA margin	28.6%	33.0%	29.2%	29.0%	28.1%
Non-operating income	137	215	138	135	137
Non-operating expenses	0	0	0	0	0
Interest expense	(717)	(632)	(554)	(683)	(822)
Pre-tax profit	**1,123**	**1,203**	**1,792**	**1,535**	**1,306**
Income tax	330	327	448	338	261
After-tax profit	**793**	**876**	**1,344**	**1,197**	**1,045**
% net margin	8.4%	10.7%	11.9%	10.9%	9.4%
Shares in affiliates' Earnings	807	885	707	1,010	1,990
Minority interests	(0)	(0)	(9)	(8)	(9)
Extraordinary items	61	8	0	0	0
NET PROFIT	**1,661**	**1,769**	**2,042**	**2,200**	**3,026**
Normalized profit	**1,600**	**1,761**	**2,042**	**2,200**	**3,026**
EPS (Bt)	0.19	0.20	0.23	0.25	0.34
Normalized EPS (Bt)	0.18	0.20	0.23	0.25	0.34

BALANCE SHEET

FY ending Dec (Bt m)	2024A	2025A	2026F	2027F	2028F
ASSETS:					
Current assets:	6,800	7,437	8,612	8,446	8,519
Cash & cash equivalent	2,235	2,003	2,000	2,000	2,000
Account receivables	2,034	1,774	2,319	2,260	2,280
Inventories	988	835	1,293	1,262	1,289
Others	1,543	2,825	3,000	2,924	2,950
Investments & loans	5,004	5,913	9,435	14,289	14,615
Net fixed assets	14,564	11,841	11,556	11,059	14,097
Other assets	6,335	6,352	4,514	4,594	4,676
Total assets	**32,704**	**31,544**	**34,117**	**38,389**	**41,907**
LIABILITIES:					
Current liabilities:	6,562	6,666	6,840	7,877	8,449
Account payables	1,387	2,416	1,940	1,893	1,933
Bank overdraft & ST loans	1,898	271	151	189	212
Current LT debt	2,648	3,048	3,738	4,682	5,242
Others current liabilities	629	932	1,011	1,113	1,062
Total LT debt	**11,249**	**9,647**	**11,214**	**14,045**	**15,725**
Others LT liabilities	1,013	1,111	1,314	1,287	1,295
Total liabilities	**18,824**	**17,425**	**19,368**	**23,209**	**25,468**
Minority interest	50	1	10	18	27
Preferreds shares	0	0	0	0	0
Paid-up capital	2,221	2,221	2,221	2,221	2,221
Share premium	5,179	5,179	5,179	5,179	5,179
Warrants	0	0	0	0	0
Surplus	(2,764)	(3,222)	(3,222)	(3,222)	(3,222)
Retained earnings	**9,194**	**9,940**	**10,560**	**10,983**	**12,233**
Shareholders' equity	13,830	14,118	14,738	15,162	16,411
Liabilities & equity	**32,704**	**31,544**	**34,117**	**38,389**	**41,907**

Sources: Company data, ttb wealth estimates

No sizable near-term capex, leaving room for M&A opportunities

Attractive valuation in our view, at 21x 2027F PE with 4% dividend yield

CASH FLOW STATEMENT

FY ending Dec (Bt m)	2024A	2025A	2026F	2027F	2028F
Earnings before tax	1,123	1,203	1,792	1,535	1,306
Tax paid	(271)	(281)	(431)	(322)	(270)
Depreciation & amortization	996	1,085	1,085	1,106	1,122
Chg In working capital	(1,148)	1,441	(1,479)	43	(7)
Chg In other CA & CL / minorities	799	(222)	595	1,172	1,921
Cash flow from operations	**1,501**	**3,227**	**1,563**	**3,535**	**4,073**
Capex	(594)	1,637	(800)	(610)	(4,160)
Right of use	33	(177)	0	0	0
ST loans & investments	0	0	0	0	0
LT loans & investments	518	(909)	(3,522)	(4,854)	(326)
Adj for asset revaluation	0	0	0	0	0
Chg In other assets & liabilities	(677)	334	2,040	(107)	(74)
Cash flow from investments	**(720)**	**885**	**(2,281)**	**(5,571)**	**(4,559)**
Debt financing	468	(2,863)	2,136	3,812	2,263
Capital increase	0	0	0	0	0
Dividends paid	(688)	(1,032)	(1,421)	(1,777)	(1,777)
Warrants & other surplus	(1,076)	(449)	0	0	0
Cash flow from financing	**(1,296)**	**(4,344)**	**715**	**2,036**	**487**
Free cash flow	**781**	**4,112**	**(719)**	**(2,036)**	**(487)**

VALUATION

FY ending Dec	2024A	2025A	2026F	2027F	2028F
Normalized PE (x)	28.3	25.7	22.2	20.6	15.0
Normalized PE - at target price (x)	33.3	30.3	26.1	24.2	17.6
PE (x)	27.3	25.6	22.2	20.6	15.0
PE - at target price (x)	32.1	30.1	26.1	24.2	17.6
EV/EBITDA (x)	21.8	20.8	17.7	19.5	20.7
EV/EBITDA - at target price (x)	24.8	23.7	20.2	22.0	23.3
P/BV (x)	3.3	3.2	3.1	3.0	2.8
P/BV - at target price (x)	3.9	3.8	3.6	3.5	3.2
P/CFO (x)	30.2	14.0	29.0	12.8	11.1
Price/sales (x)	4.8	5.5	4.0	4.1	4.1
Dividend yield (%)	3.1	2.4	3.9	3.9	3.9
FCF Yield (%)	1.7	9.1	(1.6)	(4.5)	(1.1)
(Bt)					
Normalized EPS	0.18	0.20	0.23	0.25	0.34
EPS	0.19	0.20	0.23	0.25	0.34
DPS	0.16	0.12	0.20	0.20	0.20
BV/share	1.56	1.59	1.66	1.71	1.85
CFO/share	0.17	0.36	0.18	0.40	0.46
FCF/share	0.09	0.46	(0.08)	(0.23)	(0.05)

Sources: Company data, ttb wealth estimates

ROE remains above the industry average

FINANCIAL RATIOS

FY ending Dec	2024A	2025A	2026F	2027F	2028F
Growth Rate					
Sales (%)	24.4	(13.2)	37.6	(2.5)	0.9
Net profit (%)	12.6	6.5	15.4	7.7	37.6
EPS (%)	12.6	6.5	15.4	7.7	37.6
Normalized profit (%)	1.5	10.1	16.0	7.7	37.6
Normalized EPS (%)	1.5	10.1	16.0	7.7	37.6
Dividend payout ratio (%)	85.6	60.3	87.0	80.8	58.7
Operating performance					
Gross margin (%)	31.2	34.6	30.3	30.2	29.3
Operating margin (%)	18.0	19.8	19.6	18.9	17.9
EBITDA margin (%)	28.6	33.0	29.2	29.0	28.1
Net margin (%)	8.4	10.7	11.9	10.9	9.4
D/E (incl. minor) (x)	1.1	0.9	1.0	1.2	1.3
Net D/E (incl. minor) (x)	1.0	0.8	0.9	1.1	1.2
Interest coverage - EBIT (x)	2.4	2.6	4.0	3.0	2.4
Interest coverage - EBITDA (x)	3.8	4.3	5.9	4.7	3.8
ROA - using norm profit (%)	4.9	5.5	6.2	6.1	7.5
ROE - using norm profit (%)	11.5	12.6	14.2	14.7	19.2
DuPont					
ROE - using after tax profit (%)	5.7	6.3	9.3	8.0	6.6
- asset turnover (x)	0.3	0.3	0.3	0.3	0.3
- operating margin (%)	19.5	22.4	20.8	20.2	19.2
- leverage (x)	2.4	2.3	2.3	2.4	2.5
- interest burden (%)	61.0	65.5	76.4	69.2	61.4
- tax burden (%)	70.6	72.8	75.0	78.0	80.0
WACC (%)	6.7	6.7	6.7	6.7	6.7
ROIC (%)	4.6	4.3	6.6	5.8	5.0
NOPAT (Bt m)	1,203	1,180	1,656	1,625	1,593
invested capital (Bt m)	27,390	25,081	27,842	32,077	35,590

Sources: Company data, ttb wealth estimates

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Stock Exchange Has prepared the results of evaluating sustainable stocks which are stocks of listed companies (SETESG Rating) as an alternative for investors who want to invest in stocks of listed companies that are outstanding in ESG, including to support listed companies with operations. sustainable business Taking into account all stakeholders in both social and environmental aspects. There is a management process to create sustainability for the organization, such as risk management. Supply chain management and innovation development. Therefore, the SETESG index was created to be an index that reflects the price movement of a group of securities. of companies with sustainable business operations that meet the required size and liquidity criteria

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Score range	Description
CCC - B	**LAGGARD:** A company lagging its industry based on its high exposure and failure to manage significant ESG risks
BB - BBB - A	**AVERAGE :** A company with a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers
AA - AAA	**LEADER:** A company leading its industry in managing the most significant ESG risks and opportunities

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For sectors, an “Overweight” sector weighting is used when we have BUYs on majority of the stocks under our coverage by market cap. “Underweight” is used when we have SELLs on majority of the stocks we cover by market cap. “Neutral” is used when there are relatively equal weightings of BUYs and SELLs.

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